



MELANIPHY'S CHICAGOLAND RETAIL SALES REPORT

2008 RETAIL SALES

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**METRO RETAIL SALES DECLINED IN 2008 BY -\$5.1 BILLION,
THE LARGEST DECREASE SINCE THE DATA WAS PUBLISHED**

**THE CITY OF CHICAGO DECLINED IN 2008 BY -\$750 MILLION
SUBURBS DECLINED BY -\$4.35 BILLION**

2008 METRO CHICAGO CHANGES INCLUDED:

- n **FOOD SALES UP BY \$159.8 MILLION**
- n **EATING & DRINKING SALES UP BY \$54.2 MILLION**
- n **GENERAL MERCHANDISE SALES DECLINED -\$426.6 MILLION**
- n **APPAREL & ACCESSORIES DOWN -\$235.3 MILLION**
- n **FURNITURE & APPLIANCES/ELECTRONICS DOWN -\$675 MILLION**
- n **HOME IMPROVEMENT (LUMBER, BUILDING) DOWN -\$871 MILLION**
- n **AUTOMOBILE DEALERS & GAS STATIONS DOWN -\$2.5 BILLION**
- n **DRUGS & MISCELLANEOUS RETAIL STORES DOWN -\$62 MILLION**

Figure A below shows Chicago Metropolitan Area retail sales for 20 years including 1988 through 2008. The data shows that total retail sales in 1988 were recorded at \$55.8 billion and in 2008 amounted to \$101.8 billion, or nearly double the 1988 figure. The graph also shows the roller-coaster ride of retail sales that annual retail sales have experienced.

Figure A

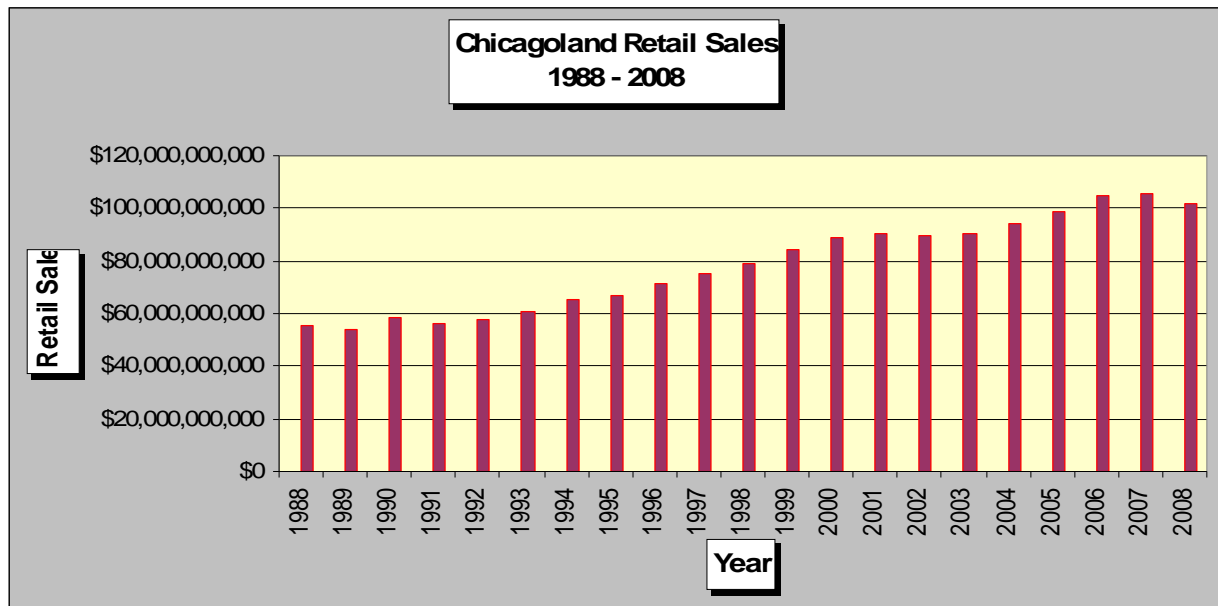


Figure B depicts the annual changes by percentage and, in my opinion, is more reflective of what actually happened. While retail sales generally grew, they did so in spurts and declines. Overall, however, they grew.

Figure B

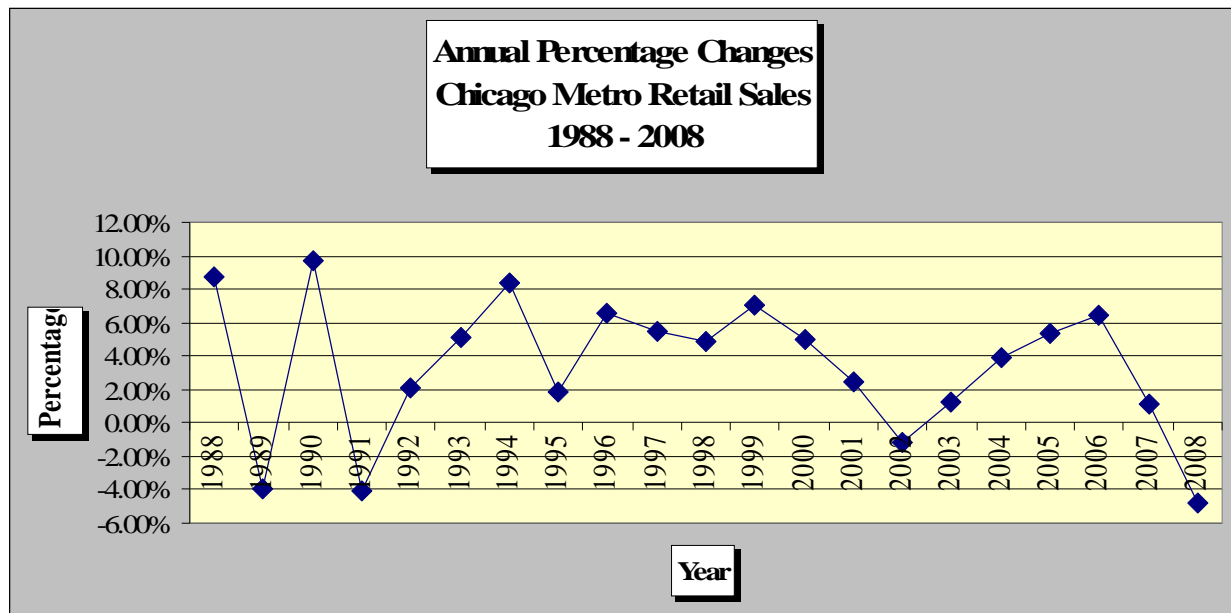


Table 1

CHICAGO METRO AREA ANNUAL RETAIL SALES AND PERCENT CHANGES - 1988 THROUGH 2008			
Year	Metro Area Total Sales	Increase or Decrease	Percent Change
1988	\$55,790,652,808	\$4,472,101,528	8.71%
1989	\$53,579,836,516	\$2,210,816,292	-3.96%
1990	\$58,810,837,578	\$5,231,001,062	9.76%
1991	\$56,393,030,149	\$2,417,807,429	-4.11%
1992	\$57,607,200,150	\$1,214,170,001	2.15%
1993	\$60,523,670,277	\$2,916,470,127	5.06%
1994	\$65,594,139,971	\$5,070,469,694	8.38%
1995	\$66,788,403,017	\$1,194,263,046	1.82%
1996	\$71,190,554,161	\$4,402,151,144	6.59%
1997	\$75,066,935,869	\$3,876,381,708	5.45%
1998	\$78,731,498,357	\$3,664,562,488	4.88%
1999	\$84,274,918,577	\$5,543,420,220	7.04%
2000	\$88,520,176,501	\$4,245,257,924	5.04%
2001	\$90,670,483,000	\$2,150,306,499	2.43%
2002	\$89,596,728,900	\$1,073,754,100	-1.18%
2003	\$90,684,871,000	\$1,088,142,100	1.21%
2004	\$94,214,162,004	\$3,529,291,004	3.89%
2005	\$99,280,073,868	\$5,065,911,864	5.38%
2006	\$105,714,166,832	\$6,434,092,964	6.48%
2007	\$106,868,471,989	\$1,154,305,157	1.09%
2008	\$101,785,750,195	\$5,082,721,794	-4.76%

Source: Ill. Dept. of Revenue and Melaniphy & Associates, Inc. 2009

Figure B above depicts total annual retail sales changes for the Chicago Metro area for the past 21 years. The data indicate that we have had four major negative lows and five shrinking years. The declines in retail sales – are indicated in red in Table 1 to the left. Those years included 1989, 1991, 2002, and the latest and worst in 2008. In dollar amounts, 2008 clearly saw the biggest decline, falling over **-\$5.0 billion**. It was also the biggest percent decline at **-4.67%**.

Table 2 on the next page presents the component counties of the Chicago Metro Area and their individual changes in 2008. The **City of Chicago** generated total retail sales of over \$22.2 billion, but declined from 2007 by **-\$749.6 million**. **Cook County**, without the City of Chicago, generated retail sales of over \$36.3 billion, but nevertheless declined in 2008 by **-\$1.6 billion**. **DuPage County** to the west of Cook County recorded total retail sales of \$16.8 billion, but declined from 2007 by **-\$775 million**. **Kane County**, west of DuPage County and Cook County, had sales amounting to \$5.7 billion, but declined in 2008 by over **-\$282 million**. **Lake County**, north of Cook County, recorded 2008 total retail sales of approximately \$10.4 billion, down by over **-\$500 million** from 2007. **McHenry County**, northwest, had 2008 total retail sales amounting to approximately \$3.4 billion, but declined by **-\$101.4 million** from 2007. Finally, **Will County** in the southwest portion of the Metropolitan Area, recorded 2008 total sales of \$7.1 billion, a decline of **-\$55.7 million** from 2007. Will County fared the best.

Table 2

**Retail Sales Changes for the City of Chicago, the Balance of Cook County
And the other Counties in the Extended Chicago Metropolitan Area for 2007 and 2008**

Civil Subdivision	2007	2008	Sales Difference	% Change
Chicago	\$22,954,101,315	\$22,204,546,670	-\$749,554,645	-3.27%
Cook Co. (less Chicago)	\$37,844,015,866	\$36,258,208,887	-\$1,585,806,979	-4.19%
DuPage County	\$17,622,667,513	\$16,847,585,918	-\$775,081,595	-4.40%
Kane County	\$5,983,161,786	\$5,700,933,750	-\$282,228,036	-4.72%
Lake County	\$10,855,849,976	\$10,355,381,486	-\$500,468,490	-4.61%
McHenry County	\$3,467,252,766	\$3,365,857,737	-\$101,395,029	-2.92%
Will County	\$7,108,958,603	\$7,053,235,747	-\$55,722,856	-0.78%
Totals	\$106,868,471,989	\$101,785,750,195	-\$5,082,721,794	-4.76%

Source: Illinois Department of Revenue, Sales Tax Receipts 2007 and 2008 and Melaniphy & Associates, Inc., 2009

METROPOLITAN AREA MAJOR RETAIL CATEGORY CHANGES 2007-2008

Major Retail Category definitions are provided by the State of Illinois, Department of Revenue. All of the sales date is rounded to the nearest tenth of a billion or million. The individual retail categories by NAICS codes include the following:

- n **General Merchandise** includes sales primarily in department and discount department stores.
- n **Food** includes food purchased in supermarkets and grocery stores and consumed at home.
- n **Drinking & Eating** includes retail sales in restaurants, quick service food facilities, bars, and banquet facilities.
- n **Apparel & Accessories** includes apparel and accessories retail stores for the family, women, men, and children.
- n **Furniture , Household Furnishings, Electronics & Appliances** includes retail sales of the items indicated.
- n **Lumber, Building Materials & Hardware** includes home improvement and hardware store retail sales.
- n **Automobile Dealers & Gasoline Service Stations** include new and used auto dealers and gasoline stations sales.
- n **Drugs & Other Miscellaneous Retail Stores** includes drug stores, liquor, sporting goods, bookstores, jewelry, toys and hobby, gifts, luggage, leather goods, florists and other miscellaneous l store sales.
- n There are two other categories. **Agriculture and All Others and Manufacturers** which are not germane.

Table 3

**Retail Sales Summary – Chicago Metropolitan Area – 2007 & 2008
Cook, DuPage, Lake, Kane, McHenry, and Will Counties**

Categories	2007	2008	Changes
General Merchandise	\$11,946,744,992	\$11,520,193,112	-\$426,551,880
Food Stores	\$13,068,829,128	\$13,228,638,477	\$159,809,349
Drinking & Eating Places	\$12,652,276,606	\$12,706,463,143	\$54,186,537
Apparel & Accessories	\$4,955,874,417	\$4,720,554,596	-\$235,319,821
Furniture & Appliances	\$6,625,714,398	\$5,950,667,911	-\$675,046,487
Lumber, Bldg, Hardware	\$6,002,576,181	\$5,131,446,759	-\$871,129,422
Auto Dealers & Gas Stations	\$21,993,291,128	\$19,479,646,132	-\$2,513,644,996
Drugs & Misc. Retail	\$15,427,331,691	\$15,365,345,744	-\$61,985,947
Agriculture & All Others	\$11,518,688,829	\$11,162,559,038	-\$356,129,791
Manufacturers	\$2,677,144,619	\$2,520,235,283	-\$156,909,336
Total	\$106,868,471,989	\$101,785,750,195	-\$5,082,721,794

Source: Illinois Department of Revenue, Sales Tax Receipts, 2007 and 2008, and Melaniphy & Associates, Inc., 2009

Table 3 on the previous page indicates that the Chicago Metro Area saw total retail sales decrease by **-\$5.1 billion**, a far cry from the \$1.2 billion increase in 2007 and \$6.4 billion increase recorded in 2006. *General Merchandise* sales decreased by **-\$426.6 million**, followed by increases in *Food Store* by \$159.8 million and *Drinking & Eating Places* sales increases of \$54.2 million. All of the other categories declined. *Apparel & Accessory Stores* declined by **-\$235.3 million**, *Furniture & Appliance stores* sales were down **-\$675.0 million**, Home Improvement (Lumber, Building Supplies et al) were down by **-\$871 million**, *Automotive Dealers and Gasoline Stations* were down a whopping **-\$2.51 billion**, and *Drugs & Miscellaneous Retail Stores* declined by **-\$62 million**.

**RETAIL SALES IN THE CITY OF CHICAGO DECLINED BY -\$749.6 MILLION
ALL BUT FOOD STORES AND DRINKING & EATING PLACES DECLINED**

Table 4

**City of Chicago
Major Retail Categories
2007 and 2008**

Categories	2007 Sales	2008 Sales	Change
			2007-2008
Total Retail Sales	\$22,954,101,315	\$22,204,546,670	-\$749,554,645.00
General Merchandise	\$1,737,342,930	\$1,637,158,723	-\$100,184,207.00
Food Stores	\$3,491,838,983	\$3,669,552,593	\$177,713,610.00
Drinking & Eating	\$4,936,371,275	\$5,014,751,787	\$78,380,512.00
Apparel & Accessories	\$1,597,723,740	\$1,539,229,994	-\$58,493,746.00
Furniture & Appliances	\$1,025,390,920	\$961,617,632	-\$63,773,288.00
Home Improvement	\$927,554,254	\$817,406,629	-\$110,147,625.00
Automotive Category	\$2,698,260,913	\$2,291,746,662	-\$406,514,251.00
Drugs & Miscellaneous	\$3,845,137,284	\$3,698,540,212	-\$146,597,072.00

Source: Illinois Depart of Revenue, Sales Tax Receipts, 2007 and 2008, and Melaniphy & Associates, Inc., 2009

The City of Chicago had a similar year to the Chicago Metro Area. **Table 4** above indicates that the **City declined by approximately -\$749.6 million** in total retail sales in 2008. Only two categories increased: the *Food Store* category increased by \$177.7 million and the *Drinking & Eating* category increased by \$78.4 million. All other categories declined. The biggest loss occurred in the *Automotive* category where sales declined in 2008 by **-\$406.5 million**. The *Drugs and Miscellaneous Retail Stores* category declined in 2008 by **-\$146.6 million**, followed by the *Home Improvement* category also declined falling **-\$110.2 million**. This was followed by the *General Merchandise* category which declined by **-\$100.2 million**. Smaller declines were recorded in the *Furniture & Appliances* category down by **-\$63.8 million** and the *Apparel & Accessories* category which fell by **-\$58.5 million**.

IN 2008 ALL BUT 10 OF THE TOP 20 SUBURBS DECLINED IN RETAIL SALES

Table 5 on the following page presents the total 2008 retail sales and changes from 2007, along with changes for the **City of Chicago**. The only winner was Bolingbrook (Number 13 up from Number 20) with an increase of approximately \$2.3 million to sales of \$1.1 billion. Also, **Tinley Park** joined the Top 20 and moved to 18 knocking **St. Charles** off the list. Even with a decrease, other suburbs declined more significantly resulting in changes in rank. However, big declines were recorded by Schaumburg, Naperville, Orland Park and Downers Grove. All others declined but at a lesser degree.

- n
The top 7 suburbs remained in their previous rank. **Schaumburg**, continues to lead all suburbs in retail sales with sales of \$2.8 billion declined by **-\$212.3 million**. **Naperville** was 2nd with sales of \$2.6 billion, down by **-\$120 million** from 2007.

Table 5

**Top 20 Chicagoland Suburb's Retail Sales and the City of Chicago
2006, 2007, and 2008**

2007 Position	2008 Position	Community	Total 2006 Sales	Total 2007 Sales	Total 2008 Sales	Total 2007-2008 Change	Percent Decline
		Chicago	\$22,425,497,719	\$22,954,101,315	\$22,204,546,670	\$749,554,645	-3.27%
1	1	Schaumburg	\$3,139,333,504	\$3,039,835,343	\$2,827,566,312	\$212,269,031	-6.98%
2	2	Naperville	\$2,694,352,731	\$2,729,371,010	\$2,608,999,254	\$120,371,756	-4.41%
3	3	Aurora	\$2,058,582,962	\$1,982,339,754	\$1,926,557,186	\$55,782,568	-2.81%
4	4	Joliet	\$2,003,757,443	\$1,952,761,842	\$1,877,463,614	\$75,298,228	-3.86%
5	5	Orland Park	\$1,880,105,686	\$1,894,092,048	\$1,758,759,617	\$135,332,431	-7.14%
6	6	Niles	\$1,352,578,085	\$1,368,885,380	\$1,326,920,365	\$41,965,015	-3.07%
7	7	Glenview	\$1,329,147,152	\$1,360,073,032	\$1,311,809,000	\$48,264,032	-3.55%
9	8	Skokie	\$1,327,119,817	\$1,287,566,312	\$1,198,047,317	\$89,518,995	-6.95%
8	9	Downers Grove	\$1,327,533,581	\$1,310,701,492	\$1,192,958,144	\$117,743,348	-8.98%
10	10	Gurnee	\$1,227,099,233	\$1,237,600,186	\$1,172,530,518	\$65,069,668	-5.26%
13	11	Vernon Hills	\$1,147,023,737	\$1,169,758,843	\$1,162,387,515	\$7,371,328	-0.63%
11	12	Elgin	\$1,169,836,192	\$1,186,227,085	\$1,108,414,844	\$77,812,241	-6.56%
20	13	Bolingbrook	\$998,395,725	\$1,106,106,184	\$1,108,368,224	\$2,262,040	0.20%
16	14	Lombard	\$1,088,865,350	\$1,101,696,947	\$1,101,548,219	\$148,728	-0.01%
12	15	Oak Brook	\$1,164,957,187	\$1,129,908,539	\$1,079,220,162	\$50,688,377	-4.49%
14	16	Arlington Heights	\$1,133,462,183	\$1,114,184,660	\$1,071,434,525	\$42,750,135	-3.84%
15	17	Crystal Lake	\$1,126,918,927	\$1,095,162,701	\$1,061,252,145	\$33,910,556	-3.10%
New	18	Tinley Park	\$867,259,847	\$1,067,318,630	\$1,037,081,844	\$30,236,786	-2.83%
18	19	Oak Lawn	\$1,030,161,509	\$1,067,768,832	\$991,593,151	\$76,175,681	-7.13%
17	20	Elmhurst	\$1,071,696,951	\$1,043,238,301	\$989,227,129	\$54,011,172	-5.18%

Source: Illinois Department of Revenue, 2006, 2007, and 2008 and Melaniphy & Associates, Inc., 2009

- Aurora** remained in 3rd but saw its sales decline by **-\$55.8 million** to over \$1.9 billion. **Joliet** held 4th place with sales of approximately \$1.88 billion, but declined by approximately **-\$75.3 million**. **Orland Park**, also retained its rank at 5th, place with sales of approximately \$1.76 billion, but decreased by **-\$135.3 million** from 2007. **Niles** retained 6th place, with sales of over \$1.33 billion, but decreased by **-\$42 million** from 2007. **Glenview** remained in 7th position in 2008 but retail sales declined by approximately **-\$48.3 million** to 2008 sales of \$1.3 billion.
- Skokie** moved into 8th place with sales of approximately \$1.2 billion, but declined by **-\$89.5 million**. **Downers Grove** dropped to 9th place with sales of \$1.19 billion, declining by **-117.7 million**. **Gurnee** in 10th place had sales of \$1.17 billion, yet decreased by **-\$65.1 million**.
- Vernon Hills** moved up to 11th position with sales in 2008 of \$1.16 billion with a comparatively small decline of **-\$7.4 million**. **Elgin** dropped to 12th place with sales of approximately \$1.1 billion, a decrease of **-\$77.8 million**, followed by **Bolingbrook** which moved from 20th to 13th with 2008 sales of \$1.1 billion with an increase over 2007 of over \$2.26 million. This represents the only 2008 increase Top 20 suburbs.
- Lombard** moved up to 14th place with sales of \$1.1 billion a very small decline of only **-\$149,728**. **Oak Brook** dropped from 12th to 15th place, with 2008 retail sales of \$1.1 billion, but declined **-\$50.7 million**. **Arlington Heights** dropped from 14th to 16th with sales of over \$1.07 billion and a decline of **-\$42.8 million**.
- Crystal Lake** dropped to 17th from 15th place had sales of \$1.06 billion, but declined by **-\$33.9 million**, followed by the new suburb in the Top 20 – **Tinley Park** with sales of \$1.04 billion, even with a decline of **-\$30.2 million**. **Oak Lawn** dropped to 19th from 18th with recorded sales of \$991.6 million, a decrease in sales of **-\$76.2 million**. **Elmhurst**

completes the Top 20 as Number 20 pushing **St. Charles** from the list. Elmhurst completed the Top 20 list with 2008 sales of \$989.2 million, a decrease of **-\$54 million**.

CORE MALL MARKETS

A Core Market is one with a major mall. The Core Market represents the immediate surrounding suburbs which support the mall and its adjacent development. There are currently 23 Core Markets with the addition of The Promenade in Bolingbrook. The sales are reflected in **Table 6** on the following page. For example, Fox Valley Mall is located on Illinois Highway 59 on the dividing line between the suburbs of Aurora and Naperville. The Mall is located in Aurora, whereas most of the big boxes are located in Naperville. Both communities support the combined retail facilities. Thus, both have been included in the Core definition. It should also be pointed out that many suburbs are included in multiple counties. Thus, the data must be compiled and compared. **Overall, the 23 Core Markets account for over approximately 35% of the Chicago Metro Area's retail sales.** Specifically, they account for over \$35.5 billion in total retail sales. A discussion of each of the 23 core markets is as follows.

- Only four of the 23 Core Markets had an increase in retail sales in 2008. These included Randhurst Center in Mount Prospect, The Promenade in Bolingbrook, Northbrook Court in Northbrook, and Harlem-Irving in Norridge. The other 14 Core Market witnessed declines. A large part of the sales decrease occurred in Automobile and Furniture & Appliance sales.
- The first position again in 2008 went to the **Fox Valley Mall** retail concentration in Aurora/Naperville. The combined Aurora/Naperville had sales of \$4.54 billion, for a decline of **-\$176.2 million**. The **Woodfield Mall** concentration including Schaumburg, Roselle, Rolling Meadows and Hoffman Estates retained 2nd place with sales of \$3.87 billion, but experienced a **significant decrease of nearly -\$204.9 million** following a decline of **-\$238.6 million in 2007**. **Thus in the past two years, the Woodfield Mall core market has declined by nearly half a billion dollars.**
- Louis Joliet Mall** in the Joliet/Plainfield concentration moved up to 3rd place with sales of \$2.3 billion, with a decrease in sales of **-\$109.2 million**. **Hawthorn Center** in the Vernon Hills/Libertyville/Mundelein was in 4th place with sales of nearly \$2.39 billion, a decrease of **-\$86.9 million**.
- Yorktown Center** which includes Lombard and Downers Grove dropped to 5th place with combined sales of \$2.29 billion, a decrease in 2008 of **-\$117.9 million**. **Old Orchard Center** which serves Skokie and Evanston remained in 6th position with sales of \$2.1 billion, with a 2008 decrease of **-\$104.4 million**.
- Stratford Square** in the Bloomingdale/Glendale Heights/Carol Stream retail concentration remained in 7th place with 2008 sales of \$1.9 billion, down in 2008 by **-\$93.4 million**. **Orland Square Mall** in Orland Park remained in 8th place with total sales of \$1.74 billion, down by **-\$150.9 million** from 2007.
- The Promenade** in Bolingbrook moved up to 9th place with 2008 sales of \$1.53 billion representing an increase of \$26 million. **Northbrook Court's** core area which includes Northbrook and Deerfield moved up to 10th place from 11th with sales amounting to \$1.36 billion, up in 2008 by \$12.7 million.
- The Plaza (formerly known as Evergreen Plaza)** retail concentration which includes the Evergreen Park/Oak Lawn area dropped to 11th position with sales of \$1.34 billion, a decrease of **-\$85.5 million**. **Golf Mill's** core in Niles dropped to 12th place with sales of \$1.33 billion, down in 2008 by **-\$42 million**.
- Oak Brook Center** fell back to 13th place with a decline of **-\$66.3 million** with 2008 sales of \$1.26 billion. **Gurnee Mills Mall** in Gurnee dropped to 14th position with sales of \$1.17 billion, dropping **-\$65 million**.
- The **Randhurst Center** area in Mount Prospect and Prospect Heights moved up to 15th place with 2008 sales amounting to \$1.09 billion, following **an increase of \$119.4 million**. The increases are primarily in the *Drugs & Miscellaneous Retail Stores* category. The **River Oaks Center** area which includes Calumet City and Lansing dropped to 16th place with recorded 2008 sales of \$985.8 million, a decline of **-\$77.3 million**.

Table 6

**Core Retail Markets
Top 23 Chicagoland Major Mall Concentrations
2008**

Rank	CORE MARKET MALL AREA Total Core Markets	Sales 2007	Sales 2008	2008 Changes
1	Fox Valley Mall - Aurora/Naperville	\$4,711,710,764	\$4,535,556,440	\$176,154,324
2	Woodfield Mall - Schaumburg/Roselle/Rolling Meadows/Hoffman Estates	\$4,074,397,281	\$3,869,520,846	\$204,876,435
3	Louis Joliet Mall - Joliet/Plainfield	\$2,412,379,725	\$2,303,204,574	\$109,175,151
4	Hawthorn Center - Vernon Hills/Libertyville/Mundelein	\$2,386,738,024	\$2,299,863,836	\$86,874,188
5	Yorktown Center- Lombard/Downers Grove	\$2,412,398,439	\$2,294,506,363	\$117,892,076
6	Old Orchard Center - Skokie/Evanston	\$2,208,738,444	\$2,104,383,174	\$104,355,270
7	Stratford Square - Bloomingdale/Glendale Heights/Carol Stream	\$1,995,732,197	\$1,902,298,658	\$93,433,539
8	Orland Square - Orland Park	\$1,894,092,048	\$1,743,188,068	\$150,903,980
9	The Promenade - Bolingbrook/Romeoville	\$1,505,986,924	\$1,532,011,503	\$26,024,579
10	Northbrook Court - Northbrook/Deerfield	\$1,344,231,804	\$1,356,979,400	\$12,747,596
11	The Plaza - Evergreen Park/Oak Lawn	\$1,422,199,536	\$1,336,683,973	\$85,515,563
12	Golf Mill Mall - Niles	\$1,368,885,380	\$1,326,920,365	\$41,965,015
13	Oak Brook Center - Oak Brook/Oakbrook Terrace-	\$1,331,937,372	\$1,265,664,550	\$66,272,822
14	Gurnee Mills Mall - Gurnee	\$1,237,600,186	\$1,172,530,518	\$65,069,668
15	Randhurst Center - Mount Prospect, Prospect Heights	\$967,895,314	\$1,087,247,029	\$119,351,715
16	River Oaks Center - Calumet City/Lansing	\$1,063,169,176	\$985,829,010	\$77,340,166
17	Charlestown Mall - Saint Charles	\$986,163,820	\$923,733,172	\$62,430,648
18	Lincoln Mall - Matteson, Olympia Fields	\$838,799,457	\$765,051,832	\$73,747,625
19	North Riverside Park - North Riverside/Riverside/Berwyn	\$782,552,477	\$757,669,909	\$24,882,568
20	Spring Hill Mall - West Dundee/East Dundee/Carpentersville	\$734,138,948	\$687,369,147	\$46,769,801
21	Lincolnwood Town Center - Lincolnwood	\$543,740,345	\$497,086,679	\$46,653,666
22	Harlem Irving Plaza - Norridge	\$415,340,066	\$426,121,774	\$10,781,708
23	Chicago Ridge Mall - Chicago Ridge	\$353,489,408	\$335,418,943	\$18,070,465

Source: Illinois Department of Revenue, Sales Tax Receipts, 2007 and 2008, and Melaniphy & Associates, Inc., 2009

- The **Charlestowne Mall** area in St. Charles dropped to 17th place with 2008 sales of \$923.7 million, decreasing by **-\$62.4 million**. The **Lincoln Mall** area in Matteson and Olympia Fields dropped to 18th place with sales of \$765.1 million representing a decrease of **-\$73.7 million**.
- In the 19th place in 2008 was the **North Riverside Park** area with sales of \$757.7 million, following a decrease of **-\$24.9 million**. The **Spring Hill Mall** area dropped to 20th place with sales of \$687.4 million, dropping **-\$46.8 million**.
- The **Lincolnwood Town Center** area, in the 21st position had sales in 2008 of \$497.1 million, a decrease of **-\$46.7 million**. **Harlem-Irving Plaza**, in 22nd place in Norridge increased by \$10.8 million to 2008 sales of \$426.1 million. **Chicago Ridge Mall**, in Chicago Ridge ranked 23rd and decreased in sales by **-\$18.1 million** to 2008 sales of \$335.4 million.

LIFESTYLE CENTER'S COMMUNITY SALES ACTIVITY

There were five lifestyle centers operating a full year in 2008 in the Chicagoland area, one operating a partial year. The existing five lifestyle centers include Wheaton Town Square, Deer Park Town Center, Geneva Commons, Algonquin Commons, and The Glen. The new center was the Arboretum of South Barrington. A discussion of each is as follows:

Wheaton Town Square, one of the oldest lifestyle centers in the country is located in Wheaton. In 2008, Wheaton's retail sales were \$596.3 down from \$636.9 million in 2007. *Drinking & Eating* sales were \$69.7 million up from \$67.2 million in 2007. *Apparel & Accessories* sales were \$30.7, down from \$35.1 million in 2007. They also declined in 2007.

Deer Park Town Center in Deer Park represents almost all of the community's retail sales. In 2008 retail sales were \$167.7 up from \$154.2 million, in 2007. The Deer Park development has over 500,000 square feet of stores and restaurants. *Apparel & Accessory Store* sales in the suburb of Deer Park in 2008 were recorded at \$49.7, declining from \$52.6 million in 2007. *Drinking & Eating* sales were about the same as 2007. Kildeer, adjacent to Deer Park, captured 2008 sales of approximately \$122.3 up from \$121.1 million in 2007. Best Buy was the big generator at this location. The Furniture & Appliance category recorded sales of \$38.9 million.

Geneva Commons is located in Geneva a western suburb. Geneva also has a generative downtown area. In 2008, *total* sales of this suburb amounted to \$474.3 million, down from \$517.3 million in 2007 and down from \$529.3 million in 2006. *Drinking & Eating Places* sales in 2008 amounted to \$75.3 million down from \$78.3 million in 2007. *Apparel & Accessories Stores* sales amounted to \$67.6 million down from \$71.4 million in 2007. *Furniture & Appliances* sales in 2008 were \$76.4 million down from \$95.5 million in 2007.

Algonquin Commons in northwest suburban Algonquin had 2008 retail sales of \$650.5 million, down slightly from \$659.9 million in 2007. *Eating & Drinking Places* sales in 2008 were \$62.2 million, down from \$63.3 million in 2007. *Apparel & Accessory Stores* sales in 2008 were recorded at \$51 million down from \$57.5 million in 2007. *General Merchandise* sales in Algonquin in 2008 were recorded at \$112.8 million, down from \$118.1 million in 2007. These sales are meager given Wal-Mart, Target, Meijer, and Kohl's are all competing for the same dollars in this category.

The Arboretum of South Barrington is located on the northeast quadrant of Illinois Highway 59 and Higgins Road (Illinois Highway 72). The lifestyle center was partially opened in the later part of 2008 and therefore does not have a tracking sales record. L.L. Bean is the primary generator in the center. Sales have been soft and growth slow.

GENERAL MERCHANDISE SALES DECLINED SIGNIFICANTLY IN 2007

General Merchandise retail sales include primarily sales recorded in department stores and big box discount department stores. In evaluating the changes in sales by suburb, the performances of Nordstrom, Macy's, Carson's, Penney's, Sears, Von Maur, Saks, Bloomingdale's, and Neiman Marcus has been reviewed, along with big box general merchandise operators including Target, Super Target, Wal-Mart, Wal-Mart Supercenter, Costco, Sam's Club, Kohl's, Meijer Superstores, Kmart, and Value City. General Merchandise sales for 2007 and 2008 are shown in **Table7** on the following page.

General Merchandise sales declined in 15 of the Top 20 suburbs in 2008, including both department stores and big boxes. However, **overall in 2008, General Merchandise sales in the Top 20 declined by -\$226.7 million. The Top 20 suburbs account for over half of the \$11.5 billion in General Merchandise sales in the Chicago Metro Area.**

□ **Joliet** moved up to the 1st position from 2nd place by unseating Schaumburg from its previous position. Joliet had *General Merchandise* sales in 2008 of \$379.4 million, up from of \$347.3 million in 2007. **Schaumburg's** 2008 *General Merchandise* sales declined by **-\$35.7 million** to \$347.9 million. **Niles** remained 3rd with sales of \$308.6 million, up from sales of \$303.5 million in 2007, for an increase of \$3.1 million. **Vernon Hills** held 4th place with sales in 2008 of \$289.2 million, down from \$295.5 million in 2007, decreasing by **-\$6.4 million**.

□ **Crystal Lake** moved up from 12th to 5th position with 2008 sales of \$251.6 million, representing an **increase of \$32.8 million**. Crystal Lake's retail represents only big boxes. **Lombard** rose from 10th to 6th place with 2008 sales of \$240.6 million over 2007 sales of \$242.5 million, for a decrease of **-\$1.9 million**. Lombard has both department stores and big boxes. **Orland Park** dropped from 5th place to 7th position with *General Merchandise* sales in 2008 of \$240.3 million, down from \$260.1 million, or a decrease of **-\$19.8 million**. **Gurnee** dropped to 8th position from 6th place with sales in 2008 in this category of \$231.6 million, even though it declined by **-\$21.2 million**.

Naperville maintained 9th place with sales in 2008 of \$217.9 million, down from 2007 sales of \$224.6 million, or **-\$6.7 million**. Naperville does not have any department stores, only big boxes. **Aurora**, the home of Fox Valley Mall with Macy's, Carson's, Sears, and JC Penney, rose to 10th place from 11th with a decline of **-\$2.7 million** from 2007 sales of \$219.5 million to 2008 sales of \$216.7 million. **Hodgkins** dropped to 11th place from 10th position in 2008 in this category with sales of \$208.8 million, down from 2007 sales of \$219.6 million, for a decrease of **-10.8 million**. **Hodgkins** retail consists only of big boxes. **Oak Brook** dropped to 12th from 8th place in 2008 with a decline in General Merchandise sales of **-\$32.1 million** to sales of \$206.4 million, down from 2007 sales of \$238.5 million and 2006 sales of \$300.8 million. The decline was in Oak Brook Center's department stores.

Table 7

**General Merchandise Sales for the Top 20 Communities
2007 and 2008, along with the Annual Dollar Change**

Rank	Community	2007 General Merchandise Sales	2008 General Merchandise Sales	Dollar Changes 2007 vs. 2008
	Chicago	\$1,737,342,930	\$1,637,158,723	-\$100,184,207
1	Joliet	\$347,257,119	\$379,414,546	\$32,157,427
2	Schaumburg	\$383,630,007	\$347,909,647	-\$35,720,360
3	Niles	\$305,512,721	\$308,612,175	\$3,099,454
4	Vernon Hills	\$295,547,089	\$289,181,644	-\$6,365,445
5	Crystal Lake	\$218,831,793	\$251,583,702	\$32,751,909
6	Lombard	\$242,528,914	\$240,596,303	-\$1,932,611
7	Orland Park	\$260,127,871	\$240,325,514	-\$19,802,357
8	Gurnee	\$252,776,785	\$231,552,831	-\$21,223,954
9	Naperville	\$224,599,271	\$217,914,856	-\$6,684,415
10	Aurora	\$219,471,492	\$216,747,835	-\$2,723,657
11	Hodgkins	\$219,593,300	\$208,778,637	-\$10,814,663
12	Oak Brook	\$238,495,270	\$206,424,105	-\$32,071,165
13	Matteson	\$170,845,613	\$168,539,520	-\$2,306,093
14	Streamwood	\$159,312,497	\$159,579,085	\$266,588
15	Bloomington	\$170,151,758	\$158,224,170	-\$11,927,588
16	Lake Zurich	\$160,982,903	\$157,533,676	-\$3,449,227
17	Batavia	\$167,949,693	\$155,595,374	-\$12,354,319
18	Evergreen Park	\$148,063,614	\$149,770,528	\$1,706,914
19	Northbrook	\$159,375,780	\$145,003,254	-\$14,372,526
20	Skokie	\$157,522,389	\$142,771,444	-\$14,750,945

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 & 2008 and Melaniphy & Associates, Inc., 2009

Matteson with Lincoln Mall and most big box stores decreased slightly in sales in this category with 2008 sales of \$168.5 million from 2007 General Merchandise sales of \$170.8. The decrease in sales amounted to **-\$2.3 million**. **Streamwood** moved up from 18th place to 14th position with sales of \$159.6 million and an increase of \$266,588 in sales. The Streamwood market is comprised of all big boxes. **Bloomington** dropped to 15th position from 14th place with sales of \$158.2 million, down **-\$11.9 million** from 2007. Stratford Square in Bloomington has Macy's, Sears Carson's, Penney's, Kohl's, and a large Burlington Coat Factory, along with major big boxes. **Lake Zurich** held 16th place with sales in 2008 of \$157.5 million down from 2007 sales of \$160.9 million, a decrease of **-\$3.5 million**. **Lake Zurich's** retail consists only of big boxes.

Batavia dropped to 17th from 15th with sales of \$155.6 million in 2008, a decrease of **-\$12.4 million**. Batavia has only big boxes. **Evergreen Park** had General Merchandise sales in 2008 of \$149.8 million, up from \$148.1 million in 2007, for an increase of \$1.7 million. The Evergreen Park area has reversed continuing sales declines with the new Wal-Mart. **Northbrook** with Northbrook Court had 2008 sales in General Merchandise of \$145.0 million, down from \$159.5 million, for a decrease of **-\$14.4 million**. Northbrook has Macy's, Lord & Taylor, and Neiman Marcus and a few

smaller big boxes. Northbrook declined from 17th place to the 19th position. **Skokie** dropped to 20th place in *General Merchandise* from 19th position in 2007. Skokie saw its sales decrease by **-\$14.8 million**, from 2007 sales of \$157.5 million to 2008 of \$142.8 million. Sales in this category were \$195.7 million in 2006. **Skokie** has Old Orchard Center with Macy's, Nordstrom, Lord & Taylor, and Bloomingdale's, and no major big boxes.

HALF OF THE TOP 20 SUBURB'S FOOD STORE SALES' INCREASED

Food Store sales include food consumed at home. Food sold in super stores or supercenters is often included in the General Merchandise category. The Chicago area supermarket industry continues in transition as Jewel moves aggressively to expand, Dominick's remodels stores, and superstores such as Wal-Mart Supercenters, Super Target, Meijer, and Woodman's add new stores. Also, small regional food chains such as Caputo's, Super H Mart, and Sunset Foods have been picking up some new locations.. National food stores like Aldi , Food 4 Less, Trader Joes, Sunset Foods and Whole Foods have added new stores.

Table 8

Food Store Sales
Top 20 Chicagoland Suburbs
2007-2008

Position	Community	2007 Food Sales	2008 Food Sales	Sales Changes 2007 2008
	Chicago	\$3,491,838,983	\$3,669,552,593	\$177,713,610
1	Naperville	\$292,418,463	\$302,689,396	\$10,270,933
2	Evanston	\$209,123,723	\$212,676,316	\$3,552,593
3	Joliet	\$220,122,101	\$203,936,786	\$16,185,315
4	Niles	\$165,185,310	\$179,836,551	\$14,651,241
5	Aurora	\$178,161,263	\$171,617,045	\$6,544,218
6	Palatine	\$163,672,338	\$163,889,426	\$217,088
7	Wheaton	\$167,410,359	\$163,155,555	\$4,254,804
8	Arlington Heights	\$159,521,786	\$159,391,933	\$129,853
9	Elgin	\$148,029,239	\$142,807,020	\$5,222,219
10	Schaumburg	\$144,019,484	\$140,393,674	\$3,625,810
11	Orland Park	\$151,070,256	\$139,890,696	\$11,179,560
12	Oak Lawn	\$144,050,614	\$139,628,501	\$4,422,113
13	Waukegan	\$136,183,659	\$128,869,409	\$7,314,250
14	Carpentersville	\$107,358,247	\$124,233,002	\$16,874,755
15	Glenview	\$112,517,781	\$118,991,957	\$6,474,176
16	DesPlaines	\$111,530,323	\$115,184,430	\$3,654,107
17	Skokie	\$110,258,087	\$112,370,283	\$2,112,196
18	Buffalo Grove	\$106,336,565	\$110,778,391	\$4,441,826
19	Downers Grove	\$108,625,273	\$108,174,594	\$450,679
20	Highland Park	\$97,524,348	\$99,842,545	\$2,318,197

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and Melaniphy & Associates, Inc., 2009

Total *Food Store* sales for the Chicago Metro area in 2008 amounted to approximately \$13.2 billion, up from \$13.1 billion in 2007, for an increase of \$159.8 million. The **City of Chicago** saw its *Food Store* sales increase by \$177.7 million in 2008 to \$3.67 billion over 2007 sales of \$3.5 billion. **Carpentersville** and **Niles** had the largest increases with \$16.9 million and \$14.7 million respectively. Woodman's is located in Carpentersville.

□ **Naperville** remained in 1st place with total food sales in 2008 of \$302.7 million, or \$10.3 million over 2007 sales of \$292.4 million. **Evanston** moved into 2nd place from 3rd position with sales in 2008 of \$212.7 million, up from \$209.1 million in 2007, for an increase of \$3.6 million. **Joliet** dropped to 3rd position with sales of \$203.9 million down from \$220.1 million in 2008. Sales decreased by **-\$16.2 million** in 2008. **Niles** rose to 4th from 6th place with sales of \$179.8 million, an increase of \$14.7 million over 2007 sales of \$165.2 million.

- Aurora** dropped to 5th place from 4th position with 2008 sales in this category of \$171.6 million, down from sales of \$178.2 million in 2007, for a decline of **-\$6.5 million**. **Palatine** moved up to 6th position from 7th place with recorded sales of \$163.9 million, up \$217,088 from 2007 sales of \$163.7 million. **Wheaton** dropped from 5th place to 7th position with sales of \$163.2 million, and a decline of **-\$5.3 million**, from 2007 sales
- Arlington Heights** maintained 8th place with 2008 sales in this category of \$159.4 million down slightly from 2007 sales of \$159.5 million, for a decrease of **-\$129,853**. **Elgin** moved up to 9th place from 10th place with 2008 with sales of \$142.8 million, but declined by **-\$5.2 million** from 2007 sales of \$148.0 million. **Schaumburg** moved up to 10th place from 12th place with 2007 sales of \$140.4 million, down from 2007 sales of \$144 million, or a decline of **-\$3.6 million**.
- Orland Park** ranked 11th with 2008 sales of \$139.9 million from 2007 sales of \$151.1 million. Sales declined in 2008 by **-\$11.2 million**. **Oak Lawn** had 2008 sales of \$139.6 million, which declined **-\$4.4 million** down from 2007 sales of \$144.1 million. **Waukegan** remained in 13th place with sales in 2008 of \$128.9 million, down from \$136.2 million in 2007, a decline of **-\$7.3 million**.
- Carpentersville** rose from 19th in 2007 to 14th in 2008 with sales of \$124.2 million which increased by \$16.9 million from 2007 sales of \$107.4 million. Obviously, Woodman's is having an affect on Food sales in Carpentersville. **Glenview's** sales also increased in 2008 to \$119 million from \$112.5 million in 2007 for an increase of \$6.5 million. **DesPlaines** also increased in sales from \$111.5 in 2007 to \$115.2 million in 2008, for an increase of \$3.7 million.
- Skokie** dropped one place to 17th with sales of \$112.4 million, up from \$110.3 million in 2007. Sales increased by \$2.1 million. **Buffalo Grove** in 18th place recorded 2008 sales of \$110.8 million, up from \$106.3 million in 2006, resulting in an increase of \$4.4 million. **Downers Grove** dropped from 17th to 19th place with 2008 sales of \$108.2 million, down slightly from 2007 sales of \$108.6 million. The decline in sales was a meager **-\$450,679**. **Highland Park** moved up to 20th on the Top 20 Food Store sales. The community recorded 2008 sales of \$99.8 million, up by \$2.3 million over 2007 sales of \$97.5 million.

13 OF 20 SUBURBS GREW IN DRINKING & EATING PLACE SALES

The current recession is clearly adversely affecting retailing, but the restaurant industry fared better in 2008. Admittedly, much "trading down" has occurred, but consumers continue to eat meals away from home. Also, the business community continues to spend money, albeit on a declining basis. Combined with rising food costs and the negative pressure on consumer discretionary buying power, the business has become even tougher. Restaurateurs are fighting back with lower cost "specials" smaller portions, and promotions. Consumers continue to trade down, benefiting much of the quick service food segment. This battle for customers will result in a major "shake-out" in this food service category. Obtaining restaurants for commercial developments will be difficult in 2009 and 2010. Unfortunately, there are no optimistic signs of major improvement. While "price/value" is a driving factor today, operators must remember that "good food and service" drive customer's frequency of returning to the facility. Parking cost has also become an issue because of price sensitivity.

The **City of Chicago** saw its *Drinking & Eating* sales increase by \$78.4 million to \$5.0 billion, up from \$4.0 billion in 2007. **Table 9** below presents the results for the Top 20 Suburbs in this category.

- Schaumburg** continues as the leader in this category with 2008 sales of \$347.5 million above the 2007 sales of \$352.4 million. Nevertheless, sales declined in 2008 by **-\$4.8 million**. **Naperville** continued as 2nd with sales of \$268 million, for an increase of \$12.5 million over 2007 sales of \$255.5 million. **Joliet** remained in 3rd place in 2008 with sales of \$188.3 million up by \$630,078 from 2007 sales of \$187.7 million. **Aurora** remained 4th with sales of \$179.8 million, up \$1.6 million over 2007 sales of \$178.2 million.
- Rosemont**, the entry to O'Hare Airport, Allstate Arena, and the Donald E. Stephens Convention Center, moved up to 5th from 6th place with 2008 sales of \$167.6 million, increasing by \$15.7 million over 2007 sales of \$151.9 million. Again the business community continued to dine out in 2008. **Orland Park** took over 6th place with 2008 sales of \$165.3

million with an increase of \$13.4 million over 2007 sales of \$151.9 million. **Arlington Heights** dropped to 7th place with 2008 sales of \$157.6 million, with a slight increase of \$877,061 over 2007 sales of \$156.7. **Skokie** maintained 8th place, but saw its sales decline by **-\$2.6 million** from 2007 sales of \$141.2 million to 2008 sales of \$138.7 million.

Table 9

**Drinking & Eating Sales
Top 20 Chicagoland Suburbs
2007 and 2008**

Position	Community	2007 Drinking & Eating Sales	2008 Drinking & Eating Sales	Sales Changes 2007-2008
	Chicago	\$4,936,371,275	\$5,014,751,787	\$78,380,512
1	Schaumburg	\$352,373,594	\$347,525,298	\$4,848,296
2	Naperville	\$255,506,443	\$267,970,460	\$12,464,017
3	Joliet	\$187,694,943	\$188,325,021	\$630,078
4	Aurora	\$178,225,983	\$179,817,162	\$1,591,179
5	Rosemont	\$151,932,729	\$167,586,363	\$15,653,634
6	Orland Park	\$151,899,126	\$165,311,527	\$13,412,401
7	Arlington Heights	\$156,740,665	\$157,617,726	\$877,061
8	Skokie	\$141,238,169	\$138,684,596	\$2,553,573
9	Lombard	\$124,783,759	\$128,689,048	\$3,905,289
10	Oak Brook	\$126,689,341	\$124,827,222	\$1,862,119
11	Downers Grove	\$124,256,851	\$120,557,329	\$3,699,522
12	Gurnee	\$114,252,189	\$117,928,482	\$3,676,293
13	Evanston	\$114,023,558	\$114,269,380	\$245,822
14	Bolingbrook	\$102,465,148	\$112,931,356	\$10,466,208
15	Glenview	\$111,415,121	\$108,786,675	\$2,628,446
16	Oak Lawn	\$96,209,306	\$97,341,577	\$1,132,271
17	Elgin	\$92,236,877	\$96,493,965	\$4,257,088
18	Tinley Park	\$88,733,334	\$95,087,074	\$6,353,740
19	Saint Charles	\$90,934,002	\$85,097,652	\$5,836,350
20	Crystal Lake	\$85,145,614	\$81,876,045	\$3,269,569

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and Melaniphy & Associates, Inc., 2009

- Lombard** recorded 2008 sales of \$128.7 million up from \$124.8 million in 2007, for an increase of \$3.9 million. **Oak Brook** dropped to 10th place with 2008 sales of \$124.8 million, for a decrease of **-\$1.9 million** over 2007 sales of \$126.7 million. **Downers Grove** maintained 11th place even while sales declined in 2008 by **-\$3.7 million** to \$120.6 million, down from \$124.3 million in 2007. **Gurnee** remained 12th with 2008 sales of \$117.9 million, up from \$114.3 million in 2007 for an increase of \$3.7 million.
- Evanston** remained in 13th place with only a slight increase in sales (\$245,822) over 2007. Sales in 2008 amounted to \$114.3 million. **Bolingbrook** moved up to 14th from 15th place with 2008 sales of \$112.9 million, for an increase of \$10.5 million over 2007 sales of \$102.5 million. **Glenview** dropped to 15th place from 14th place with 2008 sales of \$108.8 million declining **-\$2.6 million** from 2007 sales of \$111.4 million. **Oak Lawn** dropped to 16th place with sales of \$97.3 million with an increase of \$1.1 million over 2007 sales of \$96.2 million.
- Elgin** remained in 17th place with 2008 sales of \$96.4 million, for an increase of \$4.3 million over 2007 sales of \$92.2 million. **Tinley Park** moved up to 18th from 19th with 2008 with sales of \$95.1 million, up \$6.4 million over 2007 sales of \$88.7 million, followed by **St Charles** in 19th place with 2008 sales of \$85.1 million, down **-\$5.8 million** from 2007 sales of \$90.9 million. **Crystal Lake** rounded out the Top 20 and remained in 20th place with 2008 sales of \$81.9 million, down **-\$3.3 million** from 2007 sales of \$85.1 million.

THE TOP 20 SUBURBS IN THE APPAREL & ACCESSORY STORES CATEGORY DECLINED BY ALMOST -\$160 MILLION IN 2008

Apparel & Accessory Stores tend to be concentrated in malls or lifestyle centers. Thus, with the current recession, stores in this category mainly saw declines in 2008, especially in the later half of the year. **Table 10** on the following page provides the details for the Top 20 suburbs in this category. This category usually recovers slowly following a recession. The **City of Chicago** had 2008 sales in this category of approximately \$1.54 billion, down **-\$58.5 million** from 2007 sales of \$1.598 billion.

- Schaumburg** continues to lead all suburbs in this category with 2008 total *Apparel and Accessory Store* sales of \$333 million, but declined by **-\$20.3 million** from 2007 sales of \$353.3 million. **Oak Brook** remained in 2nd place with 2008 sales of \$287.7 million, down **-\$19.9 million** from \$307.5 million in 2007. **Aurora** moved to 4th from 3rd place with sales of \$233.9 million with an increase of \$13.8 million over 2007 sales of \$220.1 million. Fox Valley Mall is located in Aurora. **Skokie** with Old Orchard Center dropped to 4th from 3rd place with 2008 sales of \$205.9 million, while declining by **-\$14.3 million** from 2007 sales of \$220.3 million.
- Orland Park** with Orland Square Mall maintained 5th place with 2008 sales in this category of \$161.2 million, down **-\$13.1 million** from 2007 sales of \$174.3 million. **Gurnee** which includes Gurnee Mills with 2008 sales of \$110.2 million, down **-\$6.4 million** from 2007 sales of \$116.6 million. **Northbrook** ranked in 7th place with sales of \$102.2 million up from 2007 sales of \$101.5 million, or an increase of \$748,552. **Vernon Hills** with Hawthorn Center maintained 8th place and recorded 2008 sales of \$79.7 million, down by **-\$6.7 million** from 2007 sales of \$86.4 million.
- Naperville** moved up to 9th position from 12th place with 2008 sales of \$69.0 million, up \$2.5 million from 2007 sales of \$66.5 million. **Geneva** maintained 10th place with 2008 sales of \$67.7 million while declining **-\$3.8 million**, from 2007 sales of \$71.4 million. **Bloomington** dropped to 11th place from 9th position with Stratford Square Mall and recorded 2008 sales of \$67 million, down **-\$5.2 million** from 2007 sales of \$72.2 million. **North Riverside** with North Riverside Park Mall dropped one position to 12th place with 2008 sales of \$63.9 million, with a decline of **-\$5.0 million** from 2007 sales of \$68.9 million.
- Norridge** sales in 2008 amounted to \$61.3 million, down by **-\$5.0 million** from 2007 sales of \$66.3 million. **Chicago Ridge** with Chicago Ridge Mall moved up one position to 14th place. Nonetheless, the community decreased in 2008 by **-\$2.3 million**, from 2007 sales of \$58 million to 2008 sales of \$55.8 million. **Joliet** with Louis Joliet Mall dropped to 15th place from 14th and declined in sales in 2008 by **-\$5.6 million**. 2008 sales amounted to \$54.7 million down from 2007 sales of \$60.3 million. **Lombard**, with Yorktown Center, moved up to 16th place from 19th position with 2008 sales in this category of \$52.1 million and increased in sales by \$5.6 million from sales of \$46.5 million in 2007.
- Algonquin** dropped down one position to 17th place. The community has the Algonquin Commons lifestyle center and had 2008 sales in the *Apparel & Accessories* category of \$51 million, down **-\$6.5 million**. Sales in 2007 amounted to \$57.5 million. **Deer Park** with Deer Park Town Center dropped one position to 18th with 2008 sales of \$49.7 million, down by **-\$2.9 million** from 2007 sales of \$52.6 million. **Calumet City** with River Oaks had 2008 sales of \$43.6 million, down **-\$3.6 million** from 2007 sales of \$47.1 million. **Matteson** with Lincoln Mall maintained 20th place with 2008 sales of \$40.1 million, a decline of **-\$3.5 million** from 2007 sales of \$43.7 million.

Table 10

Apparel & Accessory Store Sales
Top 20 Chicagoland Suburbs
2007-2008

Position	Community	2007 Apparel & Accessory Store Sales	2008 Apparel & Accessory Store Sales	Sales Changes 2007 2008
	Chicago	\$1,597,723,740	\$1,539,229,994	\$58,493,746
1	Schaumburg	\$353,252,120	\$332,982,459	\$20,269,661
2	Oak Brook	\$307,529,387	\$287,651,053	\$19,878,334
3	Aurora	\$220,100,693	\$233,912,239	\$13,811,546
4	Skokie	\$220,279,216	\$205,946,334	\$14,332,882
5	Orland Park	\$174,342,164	\$161,239,994	\$13,102,170
6	Gurnee	\$116,626,340	\$110,222,056	\$6,404,284
7	Northbrook	\$101,450,581	\$102,199,133	\$748,552
8	Vernon Hills	\$86,398,027	\$79,713,293	\$6,684,734
9	Naperville	\$66,516,072	\$69,016,456	\$2,500,384
10	Geneva	\$71,440,504	\$67,655,853	\$3,784,651
11	Bloomington	\$72,204,456	\$66,963,981	\$5,240,475
12	North Riverside	\$68,936,255	\$63,921,802	\$5,014,453
13	Norridge	\$66,255,946	\$61,271,442	\$4,984,504
14	Chicago Ridge	\$58,046,130	\$55,788,249	\$2,257,881
15	Joliet	\$60,347,669	\$54,722,289	\$5,625,380
16	Lombard	\$46,491,930	\$52,097,838	\$5,605,908
17	Algonquin	\$57,527,016	\$50,992,475	\$6,534,541
18	Deer Park	\$52,610,060	\$49,697,106	\$2,912,954
19	Calumet City	\$47,138,525	\$43,569,385	\$3,569,140
20	Matteson	\$43,705,529	\$40,160,360	\$3,545,169

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and Melaniphy & Associates, Inc., 2009

19 OF THE TOP 20 SUBURBS DECLINED IN FURNITURE AND APPLIANCE STORE SALES
BY ALMOST -\$420 MILLION -- ONLY VERNON HILLS INCREASED IN SALES

This category consists of retail sales in both Furniture and Home Furnishings and Electronics & Appliances. The larger increases are usually reflective of Appliance and Electronics sales. The sales distribution between the two usually is 50% to 52% in Electronics & Appliances and 48% to 50% in Furniture and Home Furnishings. In the later part of 2008, Circuit City started closing stores and ultimately liquidated the company. Thus, the total annual sales are somewhat overstated in instances where a Circuit City store was located. **Table 11** on the following page depicts the results in this category.

▮ **Vernon Hills** moved into 1st place with 2008 sales of \$395.2 million over 2007 sales of \$385.7 million, an increase of \$9.5 million. A Circuit City store did close in Vernon Hills. **Glenview** dropped to 2nd position with 2008 sales of \$360.1 million, down by **-\$34.1 million** from 2007 sales of \$394.2 million. Abt Electronics is located in Glenview. **Schaumburg** maintained 3rd place with 2008 sales in this category of \$300.2 million down **-\$28.6 million** from 2007 sales of \$328.8 million. **Orland Park** remained 4th in spite of a sales decline in 2007 of \$9.2 million to sales of \$233.4 million, down from 2006 sales of \$242.6 million.

▮ **Naperville**, maintaining 5th place, recorded a sales decrease in 2007 of **-\$32.7 million** to sales of \$189.6 million from 2007 sales of \$222.3 million. **Downers Grove**, which remained in 6th place, had 2008 sales of \$149.1 million, declined by **-\$26.6 million** from 2007 sales of \$175.6 million. **Skokie** maintained 7th place with 2008 sales of \$124.8 million, a

decrease of **-\$22.6 million** from 2007 sales of \$147.4 million. **Aurora** also declined significantly by **-\$22.2 million** to 2008 to sales of \$110.4 million from 2007 sales of \$132.6 million.

Table 11

**Furniture & Household Furnishings & Electronics and Appliance Sales
Top 20 Chicagoland Suburbs
2007-2008**

Position	Community	2007 Appliance Furniture & Sales	2008 Appliance Furniture & Sales	Change 2007 2008
	Chicago	\$1,025,390,920	\$961,617,632	\$63,773,288
1	Vernon Hills	\$385,703,151	\$395,207,266	\$9,504,115
2	Glenview	\$394,204,088	\$360,139,188	\$34,064,900
3	Schaumburg	\$328,841,291	\$300,217,499	\$28,623,792
4	Orland Park	\$233,355,255	\$212,833,255	\$20,522,000
5	Naperville	\$222,333,653	\$189,585,745	\$32,747,908
6	Downers Grove	\$175,639,758	\$149,088,581	\$26,551,177
7	Skokie	\$147,446,685	\$124,847,659	\$22,599,026
8	Aurora	\$132,633,606	\$110,447,774	\$22,185,832
9	Oak Brook	\$108,077,412	\$107,683,621	\$393,791
10	Joliet	\$113,631,958	\$105,786,786	\$7,845,172
11	Northbrook	\$99,058,522	\$96,946,913	\$2,111,609
12	Arlington Heights	\$104,795,516	\$95,969,180	\$8,826,336
13	Gurnee	\$97,166,493	\$83,310,438	\$13,856,055
14	Lombard	\$87,019,898	\$78,721,949	\$8,297,949
15	Niles	\$94,177,106	\$77,227,467	\$16,949,639
16	Bloomingtondale	\$83,241,554	\$76,414,565	\$6,826,989
17	Geneva	\$95,539,311	\$76,385,428	\$19,153,883
18	Crystal Lake	\$84,761,626	\$71,390,680	\$13,370,946
19	Itasca	\$145,883,935	\$70,175,904	\$75,708,031
20	Burbank	\$73,790,264	\$68,817,339	\$4,972,925

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and Melaniphy & Associates, Inc., 2009

- Oak Brook** rose from 11th to 9th place with 2008 sales of \$107.7 million, decreasing by less than one million dollars from 2007 sales of \$108.1 million. **Joliet** maintained 10th place and recorded 2008 sales in this category of \$105.8 million but declining by **-\$7.8 million** from 2007 sales of \$113.6 million. **Northbrook** rose from 13th to 11th place with 2008 sales of \$96.9 million, but declined **-\$2.1 million** from 2007 sales of \$99.1 million. **Arlington Heights** maintained 12th place and had 2008 sales of \$96.0 million, while sales decreased by **-\$8.8 million** from 2007 sales of \$104.8 million.
- Gurnee**, moved up to 13th from 14th place, and had sales in 2008 of \$83.3 million, but declined in sales by **-\$13.9 million** from 2007 sales of \$97.2 million. **Lombard** moved up to 14th from 17th place with sales in this category in 2008 of \$78.7 million, down **-\$8.3 million** from 2007 sales of \$87.0 million. **Niles** moved up on place to 15th place with sales of \$77.2million, but declined **-\$16.9 million** from 2007 sales of \$94.2 million. **Bloomingtondale** which had 2008 sales of \$76.4 million declined from 2007 sales of \$83.2 million, or **-\$6.8 million**.
- Geneva**, dropped from 15th to 17th place when 2008 sales declined by **-\$19.2 million** to sales of \$76.4 million from 2007 sales of \$95.5 million. **Crystal Lake** maintained 18th position but declined in 2008 sales by **-\$13.4 million** to sales of \$71.4 million from 2007 sales of \$84.8 million. **Itasca** saw its sales decline in this category by **-\$37.6 million** in 2007 and an additional **-\$75.7 million** in 2008. Total Furniture and Appliance sales in 2008 amounted to \$70.2 million, down

from 2007 sales of \$145.9 million. **Burbank** maintained 20th place with 2008 sales of \$68.8 million, down **-\$5.0 million** from 2007 sales of \$73.8 million.

**IN 2008, ONLY 1 OF THE TOP 20 HOME IMPROVEMENT SUBURBS INCREASED IN SALES
SALES OF THE TOP 20 SUBURBS AND CHICAGO WERE DOWN BY **-\$397.6 MILLION****

The decline in housing and consumer demand has resulted in significant sales declines amounting to almost **-\$398 million** for the Top 20 Suburbs and the City of Chicago. The actual name of this category is called Lumber, Hardware, and Building Supplies, but commonly referred to as the *Home Improvement* category. The largest declines occurred in Buffalo Grove and Joliet with decreases of over **-\$50 million**. **Table 12** depicts the Top 20 suburb performance in this category.

The City of Chicago saw its 2008 sales in this category decline by **-\$110.1 million** to sales of \$817.4 million, down from \$927.6 million in 2007.

- Naperville** ranks 1st in this category with 2008 sales of \$129.8 million, but declined **-\$13.8 million** from 2007 sales of \$143.6 million. **Niles** moved up to 2nd position from 4th place in 2008 with Home Improvement sales of \$94.6 million, down **-\$12.7 million** from 2007 sales of \$107.3 million. **Joliet** dropped to 3rd place with 2008 sales of \$93.1 million, down **-\$40.6 million**. (Joliet was also down **-\$52.8 million** in 2007). 2007 sales were \$133.8 million. **Elgin** moved up to 4th from 5th with 2008 sales of \$88.9 million, but down in sales from 2007 by **-\$17.6 million**. Sales in 2007 amounted to \$106.5 million.
- Crystal Lake** moved up to 5th position from 7th place and had 2008 sales of \$82.1 million, down by approximately **-\$11.8 million** from 2007 sales of \$93.9 million. **Bolingbrook** moved into 6th position from 8th place with Home Improvement sales in 2008 of \$81.1 million, down **-\$11.2 million** from 2007 sales of \$92.2 million. **Cicero** dropped to 7th place with 2008 sales of \$81.0 million, down **-\$15.6 million** from 2007 sales of \$96.7 million. **Gurnee** rose to 8th position from 18th with 2008 sales of \$76.2 million, up \$1.9 million from 2007 sales of \$74.3 million. Gurnee was the only suburb in the Top 20 to experience a sales increase. A new Lowe's store opened in Gurnee in late 2008.
- Glendale Heights** rose to 9th place from 16th position with 2008 sales of \$74.3 million, down by **-\$4.5 million** from 2007 sales of \$78.8 million. **Elk Grove Village** maintained 10th place with 2008 sales of \$74.0 million, down by **-\$12.2 million** from 2007 sales of \$86.2 million. **Downers Grove** had 2008 sales in this category of \$73.0 million declining by **-\$13.3 million** from 2007 sales of \$86.3 million. **Yorkville** dropped one position to 12th place with 2008 sales of \$71.5 million, down **-\$13.9 million** from 2007 sales of \$85.4 million.
- Mount Prospect** moved up one position to 13th place with 2008 sales of \$70.5 million, down by **-\$9.6 million** from 2007 sales of \$80.1 million. **Schaumburg** dropped from 14th place from 12th position with 2008 sales of \$70.0 million, down by **-\$12.0 million** from 2007 sales of \$82.0 million. **Buffalo Grove** dropped from 3rd place to 15th position with a 2008 sales in the Home Improvement category of \$69.0 million, down by **-\$40.1 million** from 2007 sales of \$109.1 million. **Palatine** dropped to 16th place with 2008 sales of approximately \$67.7 million, declining by **-\$11.3 million** from 2007 sales of \$79.0 million.
- Orland Park** fell from 13th to 17th place with sales of \$65.3 million, down **-\$16.7 million** from 2007 sales of \$82.0 million. **Evanston** moved up to 18th place with 2008 sales in this category of \$64.1 million, declining in sales by **-\$5.5 million** from sales in 2007 of \$69.6 million. **Addison** dropped from 17th to 19th place with 2008 sales of \$58.2 million, declining by approximately **-\$16.4 million** from 2007 sales of \$74.6 million. Finally, **Aurora** was in 20th place with 2008 sales of \$57.4 million, down by **-\$10.7 million** from 2007 sales of \$68.1 million.

Table 12

Home Improvement Sales
Top 20 Chicagoland Suburbs
2007 – 2008

		2007	2008	Sales
		Home	Home	Changes
Position	Community	Improvement	Improvement	2007
		Sales	Sales	2008
	Chicago	\$927,554,254	\$817,406,629	\$110,147,625
1	Naperville	\$143,594,791	\$129,833,551	\$13,761,240
2	Niles	\$107,280,222	\$94,600,625	\$12,679,597
3	Joliet	\$133,758,857	\$93,131,071	\$40,627,786
4	Elgin	\$106,494,286	\$88,915,500	\$17,578,786
5	Crystal Lake	\$93,866,822	\$82,113,646	\$11,753,176
6	Bolingbrook	\$92,246,747	\$81,064,678	\$11,182,069
7	Cicero	\$96,670,570	\$81,028,128	\$15,642,442
8	Gurnee	\$74,294,915	\$76,241,989	\$1,947,074
9	Glendale Heights	\$78,846,726	\$74,328,318	\$4,518,408
10	Elk Grove Village	\$86,232,821	\$74,013,062	\$12,219,759
11	Downers Grove	\$86,288,947	\$72,963,994	\$13,324,953
12	Yorkville	\$85,437,546	\$71,549,140	\$13,888,406
13	Mount Prospect	\$80,131,505	\$70,497,176	\$9,634,329
14	Schaumburg	\$81,979,604	\$69,988,998	\$11,990,606
15	Buffalo Grove	\$109,102,357	\$69,015,301	\$40,087,056
16	Palatine	\$78,968,506	\$67,700,389	\$11,268,117
17	Orland Park	\$81,966,083	\$65,312,745	\$16,653,338
18	Evanston	\$69,618,264	\$64,147,926	\$5,470,338
19	Addison	\$74,603,065	\$58,211,103	\$16,391,962
20	Aurora	\$68,130,731	\$57,387,735	\$10,742,996

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and Melaniphy & Associates, Inc., 2009

AUTOMOBILE DEALERS & GASOLINE SERVICE STATIONS
SALES DECLINED BY -\$2.5 BILLION

This category had the largest single decline in retail sales, resulting in the most significant impact upon suburban village and city revenues because of the large average taxable sale. If the average Automobile sale is \$30,000, then the minimum local tax receipt amounts to \$300 (1%) as its municipal tax share of the sale. (Excluding Home Rule and other taxes). There has also been an increase in every community that has gasoline service stations because of the significant rise in gasoline prices. However, the decline in Automobile sales has overwhelmed any gasoline price increases. **Table 13** on the following page presents the 2007 and 2008 sales in this category. There were no winners, only losers. The biggest declines were experienced by Schaumburg, Naperville, Oak Lawn, Aurora, Libertyville, Joliet, and Westmont, all of which had sales declines over **-\$50 million** and higher.

The **City of Chicago** experienced a decrease in 2008 sales in this category of **-\$406.5 million** to 2008 sales of \$2.292 billion, down from 2007 sales of \$2.698 billion. The Top 20 Suburbs saw declines in this category of **-\$1.26 billion**.

□ **Naperville** replaced **Schaumburg** in the 1st position. **Naperville** had 2008 sales of \$865.7 million, down by over **-\$63.5 million** from 2007 sales of \$929.1 million. **Schaumburg** had 2008 sales of \$764.6 million, resulting in a decrease of **-\$90.2 million** following a decline of **-\$72.9 million** in 2007, so over two years, Schaumburg's declined over **-\$163 million**. Schaumburg's 2007 sales in this category were \$854.8 million. **Westmont** maintained 3rd place with sales of \$422.6 million, even though sales declined **-\$51 million** from 2007 sales of \$473.5 million. **Orland Park** moved up one

position to 4th place with sales of \$410.9 million, following a decrease in sales of **-\$41.8 million** from 2007 sales of \$452.7 million.

Table 13

**Automobile Dealers and Gasoline Service Stations
Top 20 Chicagoland Suburbs
2007 and 2008**

		2007 Automobile & Gasoline Sales	2008 Automobile & Gasoline Sales	Change 2007 2008
Position	Community			
	Chicago	\$2,698,260,913	\$2,291,746,662	\$406,514,251
1	Naperville	\$929,122,019	\$865,662,715	\$63,459,304
2	Schaumburg	\$854,794,185	\$764,633,852	\$90,160,333
3	Westmont	\$473,549,222	\$422,573,244	\$50,975,978
4	Orland Park	\$452,702,864	\$410,862,121	\$41,840,743
5	Oak Lawn	\$461,678,735	\$397,982,717	\$63,696,018
6	Tinley Park	\$401,959,176	\$371,589,163	\$30,370,013
7	Glenview	\$370,240,755	\$368,357,948	\$1,882,807
8	Joliet	\$422,208,345	\$366,390,242	\$55,818,103
9	Libertyville	\$427,309,528	\$366,312,758	\$60,996,770
10	Elgin	\$404,724,222	\$361,199,508	\$43,524,714
11	Elmhurst	\$360,450,119	\$310,534,905	\$49,915,214
12	Aurora	\$371,588,161	\$308,330,808	\$63,257,353
13	Downers Grove	\$330,411,478	\$302,593,194	\$27,818,284
14	Countryside	\$298,092,376	\$279,921,853	\$18,170,523
15	Matteson	\$316,036,269	\$274,593,459	\$41,442,810
16	Crystal Lake	\$266,696,532	\$253,538,410	\$13,158,122
17	Lisle	\$269,596,116	\$232,927,898	\$36,668,218
18	Lincolnwood	\$253,023,083	\$220,150,928	\$32,872,155
19	McHenry	\$209,332,406	\$196,343,274	\$12,989,132
20	Bolingbrook	\$194,367,619	\$190,176,526	\$4,191,093

*Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and
Melaniphy & Associates, Inc., 2009*

- Oak Lawn**, maintained 5th position with 2008 sales of \$398 million, even while sales declined by **-\$63.7 million** from 2007 sales of \$461.7 million. **Tinley Park** moved up to 6th position with sales of \$371.6 million, despite a decline of **-\$30.4 million** from 2007 sales of \$402 million. **Glenview** moved up from 11th to 7th place with 2008 sales of \$368.4 million, down **-\$1.9 million** from 2007 sales of \$370.2 million. **Joliet** moved down one place to 7th position with sales of \$366.4 million, down from 2007 sales of \$422.2 million, for a decrease of **-\$55.8 million**.
- Libertyville** dropped from 6th to 9th place with 2008 sales of \$366.3 million, down by **-\$61 million** from 2007 sales of \$427.3 million, followed by **Elgin's** drop to 10th position from 8th place with 2008 sales of \$361.2 million down from 2007 sales of \$404.7 million. The sales decline in 2008 amounted to **-\$43.5 million**. **Elmhurst** moved up one position to 11th place with 2008 sales of \$310.5 million, down by approximately **-\$49.9 million** from 2007 sales of \$360.5 million. **Aurora** went from 10th to 12th place with sales of \$308.3 million, following a decrease of **-\$63.3 million** from 2007 sales of \$371.6 million.
- Downers Grove** stayed in 13th place with sales declining by **-\$27.8 million** resulting in 2008 sales of \$302.6 million down from 2007 sales of \$330.4 million. **Countryside** moved up three places to 14th position with 2008 sales of \$279.9 million, down **-\$18.1 million** from 2007 sales of \$298.1 million. **Matteson** had 2008 sales of \$274.6 million, which declined by **-\$41.4 million** from 2007 sales of \$316 million. **Crystal Lake** moved up one place to 16th place with 2008 sales of \$253.5 million although 2008 sales decreased by **-\$13.2 million** from 2007 sales of \$266.7 million.

- n **Lisle** dropped one place to 17th position with recorded 2008 sales of \$232.9 million, down **-\$36.7 million** from 2007 sales of \$269.6 million. **Lincolnwood** maintained 18th place with 2008 sales of \$220.2 million, but declined by **-\$32.9 million** from the 2007 sales of \$253.0 million. **McHenry** moved into the Top 20 at 19th place with 2008 sales in this category of \$196.3 million, or a decline of **-\$13.0 million** from 2007 sales of \$209.3 million. **Bolingbrook** rounded out the Top 20 with 2008 sales of \$190.2 million, a decline of **-\$4.2 million** from 2007 sales of \$194.4 million.

DRUGS & OTHER MISCELLANEOUS RETAIL STORES
ONLY 5 OF THE 20 TOP SUBURBS INCREASED IN 2008 SALES

This category includes drug stores, as well as, other miscellaneous retail stores. Many mall-based specialty stores are found in this group. Most suburbs with malls will have larger sales in this category. The **City of Chicago's** sales in this category in 2008 declined by **-\$146.6 million** to sales of \$3.70 billion, down from 2007 sales of \$3.85 billion in 2007. **Table 14** on the following page depicts the results for Drugs & Other Miscellaneous Retail Stores.

- n Surprisingly, **Mount Prospect** moved up to 1st place from 7th position with 2008 sales of \$360.9 million based upon the Department of Revenue sales tax receipt data. Sales in 2008 increased by \$115.4 million, from 2007 sales of \$245.5 million. **Schaumburg** dropped to 2nd with 2008 sales of \$324.3 million, down **-\$40.6 million** from 2007 sales of \$364.9 million. **Aurora** maintained 3rd place with 2008 sales of \$308.3 million, increasing by \$4.9 million over 2007 sales of \$303.5 million. **Naperville** fell from 2nd place to 4th position with 2008 sales of \$308.1 million, but declined in sales by **-\$3.9 million** from 2007 sales of \$312.0 million.
- n **Orland Park** dropped to 5th place from 4th position with sales of \$274.8 million, declining **-\$28.1 million** from 2007 sales of \$302.8 million. **Joliet** fell to 6th place with 2008 sales of \$266.2 million, down **-\$3.8 million** from 2007 sales of \$270.0 million. **Downers Grove** fell to 7th place in this category with 2008 sales of \$225.5 million, down **-\$36.9 million** from the 2007 sales of \$262.4 million. **Niles** maintained 8th position with 2008 sales of \$216.9 million, down **-\$21.6 million** from 2007 sales of \$238.5 million.
- n **Skokie** stayed in 9th position with 2008 sales of \$201.3 million, down from 2007 sales of \$201.4 million dropping by less than **-\$100,000**. **Bolingbrook** moved up one position to 10th place in 2008 with sales of \$192.4 million, and a decline of **-\$340,302** from 2007 sales of \$192.7 million. **Gurnee**, ranked 11, had 2007 sales of \$186 million, down by **-\$10.5 million** from 2007 sales in this category of \$196.6 million. **North Chicago** had 2008 sales of \$167 million, up from 2007 sales of \$152.2 million for an increase of \$14.8 million.
- n **Oak Lawn** dropped one position to 13th place. Sales in 2008 in this category were \$159 million, down **-\$3.7 million** from 2007 sales of \$162.7 million. **Arlington Heights** increased by \$5.5 million to 2008 sales of approximately \$155.5 million over 2007 sales of \$150 million. **Evanston** dropped two places to 15th position with 2008 sales of \$151.6, down by **-\$9.3 million**. Sales in 2007 amounted to \$160.8 million. **Lombard** went from 17th to 16th place with 2008 sales of \$149.8 million, a decline of **-\$347,393** from 2007 sales of \$150.2 million.
- n **Waukegan** dropped from 15th to 17th place with 2008 sales of \$144.3 million, declining by **-\$7.3 million** from 2007 sales of \$151.6 million. **Hoffman Estates** moved into the Top 20 with 2008 sales of \$135.5 million for an increase in sales of \$23.6 million over 2007 sales of \$112 million. Cabela's contributed to this increase. **Carol Stream** dropped to 19th from 16th position with 2008 sales of \$132 million, down **-\$18.8 million** from 2007 sales of \$150.8 million. **Crystal Lake** rounded out the Top 20 with 2008 sales of \$123.2 million, down by **-\$7.9 million** from 2007 sales of \$131.1 million.

Table 14

**Drugs & Miscellaneous Retail Stores
Top 20 Chicagoland Suburbs
2007-2008**

Position	Community	2007 Drugs & Miscellaneous Retail Sales	2008 Drugs & Miscellaneous Retail Sales	Sales Changes 2007 2008
	Chicago	\$3,845,137,284	\$3,698,540,212	\$146,597,072
1	Mount Prospect	\$245,460,037	\$360,885,456	\$115,425,419
2	Schaumburg	\$364,941,284	\$324,318,161	\$40,623,123
3	Aurora	\$303,473,852	\$308,330,808	\$4,856,956
4	Naperville	\$311,987,540	\$308,090,177	\$3,897,363
5	Orland Park	\$302,822,656	\$274,786,490	\$28,036,166
6	Joliet	\$270,024,260	\$266,202,618	\$3,821,642
7	Downers Grove	\$262,424,491	\$225,512,492	\$36,911,999
8	Niles	\$238,449,275	\$216,864,062	\$21,585,213
9	Skokie	\$201,411,530	\$201,330,163	\$81,367
10	Bolingbrook	\$192,744,485	\$192,404,183	\$340,302
11	Gurnee	\$196,584,141	\$186,049,844	\$10,534,297
12	North Chicago	\$152,220,692	\$166,991,735	\$14,771,043
13	Oak Lawn	\$162,685,006	\$158,976,843	\$3,708,163
14	Arlington Heights	\$149,997,433	\$155,492,609	\$5,495,176
15	Evanston	\$160,839,632	\$151,585,065	\$9,254,567
16	Lombard	\$150,190,337	\$149,842,944	\$347,393
17	Waukegan	\$151,568,513	\$144,273,132	\$7,295,381
18	Hoffman Estates	\$111,951,935	\$135,527,368	\$23,575,433
19	Carol Stream	\$150,818,392	\$131,983,252	\$18,835,140
20	Crystal Lake	\$131,138,693	\$123,231,306	\$7,907,387

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2007 and 2008 and Melaniphy & Associates, Inc., 2009

A FEW OBSERVATIONS REGARDING 2009 AND 2010

There is almost no optimism in the 2008 data or the spending trends for 2009. Whereas, the *Food Stores* and *Drinking & Eating Place* categories increased, there numerous adverse patterns that are troubling. Thus far, in 2009, retailers with few exceptions have continued to report lower same stores sales. Restaurants are struggling to find ways to meet the consumers price/value demands. Overall, retail sales, as tracked by the U.S. Commerce Department, continue to decline. Furthermore, more retailers and restaurants have cut development programs, or in extreme cases, are filing for bankruptcy. Housing continues to have a huge overhang of unsold or foreclosed properties and the lending institutions have been slow to grant new mortgages to all but the best risks. We expect to see the retail sales decline continue into 2010, but to lesser degrees. Retailers will continue to be very cautious and slow to react.

Chicagoland's retail sales were already showing considerable durable goods declines in 2007. However, the velocity of the decline accelerated in 2008, especially in the fourth quarter, resulting in huge declines. Given the reduction of consumer spending, the focus on paying off bills, and increasing savings does not bode well for retail sales in the last half of 2009. Furthermore, retailers are continuing to postpone development, close stores, and in some cases, fail. Some of the stores that filed for bankruptcy in 2008 included Circuit City, Steve & Barry's, Mervyn's, Boscov's, Linens 'N Things, Comp USA, Fortunoff, Sharper Image, Lillian Vernon, KB Toys, Charming Shoppes, KDA, Tweeter, Bombay Co., Value City, Good Guys, and Whitehall Jewelers, among others.

Cook County retail sales tax increase appears to be hurting Cook County retail sales. It will take some time to fully evaluate the shifting patterns of Cook County consumers since they are distorted by the recession. However it appears that those near adjacent counties, are shifting their spending patterns to other Illinois counties.

Local governments are hurting financially because of the loss of sales tax receipts, especially those who had a significant concentration of automobile dealers. Nonetheless, for many communities, sales tax receipts are the “life blood” of their budgets. Unfortunately, it appears that declining sales will continue through the end of the year and into next year.

The declines in *General Merchandise* and *Apparel & Accessories* sales may be a death knell for some malls. These two categories are the backbone of malls. Department stores continue to experience declining sales and market penetration. They have been adversely affected at all levels and price points. To date, only big box Wal-Mart seems to have capitalized profitably on consumer desires with **PRICE/VALUE**.

The aging of the US population is also having a profound impact on consumer’s appetite for new apparel. For many older consumers “their closets are already full” and their desire for the latest fashions and designs has waned. The casual nature of business attire has also reduced the need for formal apparel and accessories. More consumers are shopping at discounters for apparel reducing their frequency of visit to malls. This deep recession is forcing consumers to redefine their priorities and many retailers worry that consumers will permanently change their spending habits and shopping patterns. The stock market losses have seriously impaired “baby boomers” retirement savings and this will redirect their spending and savings patterns.

Restaurants have fared better than expected, but face a difficult 2009 and 2010. Today’s consumers, especially in the 20’s to 30 year olds have been weaned on eating most of their meals out. Thus, they have “traded down” to cheaper venues and reduced their dining frequency. With more employment losses, the decline will become more pronounced in the later half of 2009 and the first half of 2010. Restaurateurs must become, and many have, more inventive with price promotions, smaller portion sizes, smaller plates, mixed offerings, and others that will permit value and remain within an acceptable food and labor costs. Hopefully, this will result in “perceived” lower prices and values. This also includes drink and wine prices which many consumers find too high. Many more of them are drinking at home before dining out. Senior citizens have been doing that for eons. Furthermore, who would have thought that consumers would forego their morning Starbucks? Well, Starbucks has closed over 1,000 units so far and reported declining earnings.

Quick service food operators have a need and an opportunity to capitalize upon the “dining-down” consumers. They must also feature items that provide perceived value and nutrition. Equally, important is to maintain or hopefully increase customer counts. Competition is fierce and will get more troublesome as more chains create new menus and pricing programs.

The elimination of the Bush tax cuts will have an adverse impact upon consumer spending, since less money will be available for consumption. This will occur in 2010, at a time when the economy should be starting to recover.

In summary, household wealth, credit availability, and job growth are key components of retail sales and all are declining. The US. economy will rebound, but slowly and over time. We expect to see a major recovery in 2011.

Our analysis of sales changes is based upon 2007 and 2008 retail sales tax data provided in “*Report of Sales Tax Receipts by Standard Industrial Classification*” compiled and published annually by the Illinois Department of Revenue. If any errors exist in the data, we take no responsibility for them since we have accepted the State’s data as complete. This Newsletter is provided on our Website as a free service of Melaniphy & Associates, Inc.

Note: If you are an investor, a landlord, or a restaurant or quick service food unit owner, you need a copy of my book, *The Restaurant Location Guidebook*, a comprehensive guide to picking restaurant and quick service food locations. The book contains my experience of over 40 years in assisting restaurateurs and others selecting locations. The book is considered the “bible” of restaurant site selection and articulates picking locations, buying and selling restaurants, cannibalization of sales, site economics, parking, seating, shopping center locations, and much, much more. The book and the Table of Contents are available on our Website at www.melaniphy.com. It is also available at www.barnesandnoble.com and www.amazon.com.

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