Retail outlook changing

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The first quarter of 2009 had no new major announcements of store closings by national retailers, better than expected sales and a rise in consumer confidence.

But Erin Hershkowitz, spokeswoman for the International Council of Shopping Centers, said it's too soon to make a prediction that the economic fallout is over for national retailers, "although in the last few weeks we have seen some improvement."

Grubb & Ellis/The Furman Co., in Greenville, expected more retailers across the country to close their doors after the holiday sales period in the first quarter of 2009 because of dismal sales figures.

"But as of now, that hasn't happened," said Brian Reed, research manager for Grubb & Ellis.

He said in terms of a complete rebound of the economy, most people he's spoken with believe that won't occur until 2010. Retail, he said, is going to be back before the other sectors.

Grubb & Ellis' first-quarter Retail Markets Trends for Greenville-Spartanburg said net absorption was negative for the third consecutive quarter indicating that the local retail market is contracting. Vacancy rates climbed during the last four quarters to 12 percent, the report said.

Reed said the two key things to watch going forward are consumer confidence and retail sales.

The Consumer Confidence Index was up 12.3 percent as of April 28.

Personal consumption expenditures were up 9,955.7 in the first quarter of 2009, compared to 9,927.9 in the fourth quarter of 2008, according to the Bureau of Economic Analysis.

Both the consumer confidence index and retail sales have recently started to reverse their trends, Reed said. "The question is whether it is a minor blip in a longer downturn, or if things are truly starting to turn around," he said.

The National Retail Federation said retail sales for January and February beat analysts' expectations.

The federation said retail industry sales for February rose 0.6 percent seasonally adjusted from January.