



# THE MELANIPHY 2006 RETAIL SALES REPORT

Market and Locational Issues covering the Chicagoland Area

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## METRO AREA RETAIL SALES INCREASED \$4.3 BILLION IN 2005 TO \$99.3 BILLION

### DEPARTMENT STORE SALES DECLINED --\$404 MILLION IN 2005

Metropolitan Chicago includes the counties of Cook, DuPage, Lake, Kane, Kendall, Will, and McHenry. Retail sales in **Metropolitan Chicago** increased by approximately \$4.3 billion in 2005 to \$99.3 billion, an increase of 4.49% over 2004. The **City of Chicago** increased by over \$846.8 million to approximately \$20.8 billion, an increase of 4.25%, while the **Suburbs** grew by \$3.4 billion to \$79.5 billion, an increase of 4.56% over 2004. The increases in retail sales for 2005 were greater than those experienced in 2004.

Once again, no new malls were opened in 2005 in the Chicago Area. The real growth in Chicagoland retail sales continued to come from big box developments including Wal-Mart, Wal-Mart Supercenters, Target, Super Target, Sam's Club, Kohl's, Meijer's, Home Depot, Menard's, Lowe's, Costco, Best Buy, Circuit City, and numerous others.

Table 1

**Retail Sales Changes for the City of Chicago, the Balance of Cook County  
And the Other Counties in the Metropolitan Area for 2004 and 2005**

Civil Subdivision	2004	2005	Difference	Percent Change
Chicago	\$19,936,962,195	\$20,783,788,700	\$846,826,505	4.25%
Cook (less Chicago)	\$34,718,041,000	\$35,674,038,500	\$955,997,500	2.75%
Du Page County	\$16,173,799,000	\$16,831,408,300	\$657,609,300	4.07%
Kane County	\$5,216,607,000	\$5,715,391,955	\$498,784,955	9.56%
Lake County	\$9,756,173,000	\$10,207,660,000	\$451,487,000	4.63%
McHenry County	\$2,962,541,000	\$3,134,220,800	\$171,679,800	5.80%
Will County	\$5,450,038,000	\$6,056,018,000	\$605,980,000	11.12%
Kendall County	\$803,986,390	\$883,226,416	\$79,240,026	9.86%
<b>Totals</b>	<b>\$95,018,147,585</b>	<b>\$99,285,752,671</b>	<b>\$4,267,605,086</b>	<b>4.49%</b>

Source: Illinois Department of Revenue, Sales Tax Receipts, 2004 and 2005, and Melaniphy & Associates, Inc., 2005

**Table 1** above shows that all of the counties that comprise the Chicago Metropolitan Area accelerated their growth in 2005. In fact, a review of the above table indicates that every county, with the exception of Cook County, grew faster than the average. Will County exceeded its usual 10% rate of growth by increasing to 11.12%. Cook County, including Chicago, experienced the largest numerical growth, amounting to a combined \$1.8 billion, with the suburbs slightly outgrowing the City of Chicago by over \$100 million. DuPage County grew by 4.07% to \$16.8 billion, while Lake County grew by 4.63% to \$10.2 billion. Kane County had 2005 retail sales amounting to \$5.7 billion for an increase of 9.56%, up from an increase of 8.50% in 2004. Will County continued to grow at 11.12% in 2005 versus 9.94% in 2004 to \$6.1 billion. McHenry County was last in total sales at approximately \$3.1 billion, an increase of 5.80%. Kendall County had a 2000 population of 54,544 persons, rising in 2005 to an estimated 74,880 persons. Kendall County had retail sales amounting to \$883.2 million, or \$79.2 million over 2004 sales, up 9.86%. The County continues to be small comparatively; however, we expect to see unusual retail development with so much big box interest. Unfortunately, there are insufficient people currently to support all of the anticipated big box retail stores.

**Table 2** below shows that Cook County, including the City of Chicago, had the largest numeric increase of \$1.8 billion. However, Cook County had a decrease in *General Merchandise* sales of -\$301 million in 2005, declining to sales of \$6.1 billion. DuPage County also experienced a decrease of -\$90.6 million, while McHenry County had a decrease of -\$12.4 million. Thus, the total decline in *General Merchandise* category sales amounted to approximately -\$404 million. This figure is extraordinary given the growth of big box retailers like Target, Wal-Mart, and Kohl's. The primary reason for the decline is in Department Stores which are a part of this category. Department stores have been declining. A more detailed discussion will be presented in the General Merchandise section beginning on Page 7. The other four counties witnessed increases.

**RETAIL SALES IN THE CITY OF CHICAGO GREW IN ALL CATEGORIES EXCEPT GENERAL MERCHANDISE**

The City of Chicago had a good year, except for the *General Merchandise* category. **Table 2** below indicates that the City grew by over \$846.8 million in total retail sales in 2005. *General Merchandise* sales declined by -\$65.2 million after growing by \$94.5 million in 2004. The new Big Box Ordinance recently passed by the City Council flies in the face of potential General Merchandise growth. Department stores are retrenching, while big boxes are growing.

*Food Stores* increased by \$94.5 million. The big winner, as in 2004, occurred in the *Drinking & Eating* category which grew by \$327.2 million. Most significant, *Apparel & Accessories* grew by \$80.8 million following 2004's growth in this category of \$102.3 million. *Furniture & Appliances* increased by \$68.3 million. *Home Improvement* stores grew by \$55.0 million after 2004's growth of \$97.5 million. The *Automotive* category increased by \$140.5 million following 2004's decrease of -\$54.3 million. The increase in 2005 is the first following three years of declines. Finally, the *Drug & Miscellaneous* category increased between 2004 and 2005 by \$145 million. **Table 2** depicts the results.

**Table 2**

**City of Chicago  
Major Retail Categories  
2003, 2004 & 2005**

Categories	2003 Sales	2004 Sales	2005 Sales	2003-2004	2004-2005
Total Retail Sales	\$19,290,577,500	\$19,936,962,200	\$20,783,788,700	\$646,384,700	\$846,826,505
General Merchandise	\$1,431,536,000	\$1,526,040,700	\$1,460,828,568	\$94,504,700	(\$65,212,132)
Food Stores	\$3,085,248,000	\$3,114,109,700	\$3,208,598,458	\$28,861,700	\$94,488,758
Drinking & Eating	\$3,716,056,000	\$3,996,378,700	\$4,323,613,101	\$280,322,700	\$327,234,401
Apparel & Accessories	\$1,241,971,000	\$1,344,316,800	\$1,425,097,363	\$102,345,800	\$80,780,563
Furniture & Appliances	\$873,104,000	\$913,463,700	\$981,738,514	\$40,359,700	\$68,274,814
Home Improvement	\$772,536,000	\$870,025,000	\$925,015,580	\$97,489,000	\$54,990,580
Automotive Category	\$2,383,873,000	\$2,329,568,400	\$2,470,036,864	(\$54,304,600)	\$140,468,464
Drugs & Miscellaneous	\$3,066,043,000	\$3,195,197,900	\$3,340,154,326	\$129,154,900	\$144,956,426

*Source: Illinois Department of Revenue, Sales Tax Receipts, 2003, 2004 and 2005 and Melaniphy & Associates, Inc., 2006*

**METROPOLITAN AREA MAJOR RETAIL CATEGORY CHANGES 2004-2005**

Major Retail Category definitions are provided by the State of Illinois, Department of Revenue. The individual Retail Categories by NAICS codes include the following:

- **General Merchandise** includes sales primarily in department and discount department stores.
- **Food** includes food purchased in supermarkets and grocery stores and consumed at home.
- **Drinking & Eating** includes retail sales in restaurants, fast food facilities, bars, and banquet facilities.
- **Apparel** including apparel and accessories retail sales for the family, women, men, and children.
- **Furniture & Household Furnishings and Electronics & Appliances** includes retail sales of the items indicated.
- **Lumber, Building Materials & Hardware** includes Home Improvement and Hardware store retail sales.

- **Automobile Dealers & Gasoline Service Stations** include new and used Auto Dealers and Gasoline Stations sales.
- **Drugs & Other Miscellaneous Retail Stores** includes drug stores, liquor, sporting goods, bookstores, jewelry, toys and hobby, gifts, luggage, leather goods, florists and other miscellaneous store retail sales.
- There are two other categories. **Agriculture and All Others and Manufacturers**. They are not germane to this discussion because of their diverse definitions.

**Table 3** below indicates that retail sales for the Metropolitan Area grew by \$4.27 billion in 2005 to sales of \$99.3 billion. Only one category declined, *General Merchandise*, which declined a combined -\$208.5 million (The total decline of *General Merchandise* sales was over -\$404 million in the combined counties of Cook, DuPage and McHenry, and was partially offset by growth in the other counties). The *Automotive* category had the greatest increase, rising \$1.4 billion in 2005 to sales of \$20.3 billion.

**Table 3**

<b>Retail Sales</b>			
<b>Cook, DuPage, Lake, Kane, Kendall, McHenry, and Will Counties</b>			
<b>Categories</b>	<b>2004</b>	<b>2005</b>	<b>Changes</b>
General Merchandise	\$10,943,586,599	\$10,735,049,256	-\$208,537,343
Food	\$12,114,306,687	\$12,446,273,019	\$331,966,332
Drinking and Eating Places	\$10,649,634,922	\$11,266,681,166	\$617,046,244
Apparel	\$4,272,068,549	\$4,551,480,974	\$279,412,425
Furniture & Appliances	\$6,122,110,889	\$6,437,535,080	\$315,424,191
Lumber, Bldg, Hardware	\$6,071,602,845	\$6,434,528,031	\$362,925,186
Automotive & Filling Stations	\$18,924,319,123	\$20,341,131,211	\$1,416,812,088
Drugs & Misc. Retail	\$13,116,385,300	\$13,731,830,786	\$615,445,486
Agriculture & All Others	\$10,228,409,997	\$10,659,146,667	\$430,736,670
Manufacturers	\$2,575,720,518	\$2,682,096,035	\$106,375,517
<b>Total</b>	<b>\$95,018,144,529</b>	<b>\$99,285,752,225</b>	<b>\$4,267,607,696</b>

*Source: Illinois Department of Revenue, Sales Tax Receipts, County and Category, 2004 and 2005, and Melaniphy & Associates, Inc.*

**ALL BUT FOUR OF THE TOP 20 SUBURBS INCREASED IN TOTAL RETAIL SALES IN 2005**

**Table 4** on the following page presents the total retail sales and changes for the City of Chicago and the Top 20 Suburbs from 2004 to 2005. In the last column, we have also shown the changes that have occurred in *General Merchandise* sales in the Top 20 Suburbs. The data show that many of the Top 20 Suburbs grew, while their *General Merchandise* sales declined. The highlights are as follows:

- **Schaumburg**, continues to lead in Suburban retail sales; however, its total sales declined by -\$41.3 million to \$2.93 billion. Also, its *General Merchandise* sales declined by -\$72.9 million to total General Merchandise sales of \$357.2 million.
- **Naperville** and **Aurora**, ranking second and third, were the leaders in overall retail sales growth. **Naperville** increased by \$184.7 million to sales of \$2.64 billion, while *General Merchandise* sales increased by \$15.5 million. **Aurora** saw its retail sales rise by \$72.2 million to \$1.9 billion, while its *General Merchandise sales* decreased by -\$18.4 million.
- **Joliet** maintained its fourth position with sales of \$1.9 billion, representing an increase of \$134 million. Joliet also was number one in *General Merchandise* sales growth with an increase of \$40.2 million. **Orland Park** had sales of approximately \$1.8 billion, for an increase of \$71.0 million, while its *General Merchandise* sales decreased -\$32.2 million. **Downers Grove** had sales of \$1.29 billion, representing an increase of \$37.6 million. *General Merchandise* sales decreased by -\$1.3 million in Downers Grove. **Niles** followed in the seventh position with sales of \$1.27 billion, or an increase of nearly \$49 million. However, *General Merchandise* sales in **Niles** declined by -\$13.15 million.
- **Glenview**, which in 2004 rose to the 10<sup>th</sup> slot from 12<sup>th</sup> position, in 2005 rose to the 8<sup>th</sup> slot with sales of \$1.23 billion, or an increase of \$69.3 million, mainly the result of additional restaurants in The Glen and the relocation of Abt

Electronics to Glenview. *General Merchandise* sales increased by \$1.5 million. **Gurnee** maintained its position with sales of \$1.23 billion, or an increase of \$36.6 million; however, its *General Merchandise* sales declined by almost -\$17.9 million. **Skokie** dropped to 10<sup>th</sup> from 7<sup>th</sup> with sales of \$1.22 billion, or a decline of over -\$6.0 million. Moreover, *General Merchandise* sales in Skokie declined by -\$50.2 million.

Table 4

TOP 20 SUBURBS RETAIL SALES COMPARISON

2004 – 2005

Number	Community	2004 Sales	2005 Sales	2004-2005 Change	General Merchandise Change 2004-2005
	Chicago	\$19,936,962,195	\$20,778,110,362	\$841,148,167	-\$65,212,170
1	Schaumburg	\$2,970,753,344	\$2,929,428,016	-\$41,325,328	-\$72,942,944
2	Naperville	\$2,458,589,282	\$2,643,313,825	\$184,724,543	\$15,483,488
3	Aurora	\$1,845,174,733	\$1,917,355,952	\$72,181,219	-\$18,428,779
4	Joliet	\$1,745,099,899	\$1,879,075,794	\$133,975,895	\$40,185,273
5	Orland Park	\$1,709,003,128	\$1,776,751,370	\$67,748,242	-\$32,242,827
6	Downers Grove	\$1,251,369,328	\$1,289,014,883	\$37,645,555	-\$1,326,112
7	Niles	\$1,218,673,918	\$1,267,641,057	\$48,967,139	-\$13,149,787
8	Glenview	\$1,163,230,586	\$1,232,515,774	\$69,285,188	\$1,499,003
9	Gurnee	\$1,189,105,202	\$1,225,718,119	\$36,612,917	-\$17,870,631
10	Skokie	\$1,228,142,742	\$1,222,097,949	-\$6,044,793	-\$50,246,754
11	Arlington Heights	\$1,107,752,443	\$1,117,681,816	\$9,929,373	\$1,762,134
12	Elgin	\$1,071,250,574	\$1,096,747,535	\$25,496,961	-\$4,238,336
13	Vernon Hills	\$1,130,205,898	\$1,072,631,392	-\$57,574,506	-\$32,726,930
14	Crystal Lake	\$1,049,873,431	\$1,066,986,808	\$17,113,377	-\$3,975,553
15	Lombard	\$1,016,484,525	\$1,055,095,808	\$38,611,283	-\$4,830,572
16	Tinley Park	\$920,652,457	\$1,031,045,173	\$110,392,716	\$238,222
17	Oak Brook	\$1,055,797,522	\$1,024,245,149	-\$31,552,373	-\$70,711,556
18	Oak Lawn	\$945,413,703	\$999,126,364	\$53,712,661	-\$16,881,185
19	Elmhurst	\$966,945,667	\$978,600,763	\$11,655,096	\$36,055,035
20	Saint Charles	\$947,566,828	\$975,847,657	\$28,280,829	-\$2,204,916
	<b>Total</b>				-\$311,765,897

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006

- Arlington Heights** rose to 11<sup>th</sup> position with sales of \$1.12 billion, rising by \$9.9 million. Its *General Merchandise* sales increased by nearly \$1.8 million. Arlington Heights has no department stores. **Elgin** moved up to 12<sup>th</sup> position with sales of \$1.1 billion or an increase of \$25.5 million; however, *General Merchandise* sales decreased by -\$4.2 million. The decline may be attributed to the decline of Kmart. **Vernon Hills** dropped to 13<sup>th</sup> position with sales of \$1.1 billion or a decline of nearly -\$57.6 million. *General Merchandise* sales in Vernon Hills decreased by -\$32.7 million.
- Crystal Lake** rose to 14<sup>th</sup> place with sales of \$1.06 billion, rising by \$17.1 million. *General Merchandise* sales decreased by -\$4.0 million. Crystal Lake has only major big box general merchandise stores. **Lombard** returned to 15<sup>th</sup> place with sales of \$1.06 billion, rising by \$38.6 million in sales. *General Merchandise* sales in Lombard declined by over -\$4.8 million.
- Tinley Park** rose from 20<sup>th</sup> in 2004 to 16<sup>th</sup> in 2005 with sales of \$1.03 billion or an increase of nearly \$110.4 million. *General Merchandise* sales increased very slightly in Tinley Park. **Oak Brook** declined from 7<sup>th</sup> in 2003 to 14<sup>th</sup> place in 2004 and to 17<sup>th</sup> in 2005 with sales of \$1.02 billion, or a decline of nearly -\$31.6 million. However, *General Merchandise* sales in Oak Brook declined by over -\$70.7 million, so there was growth in other major retail categories to offset part of the loss.

- **Oak Lawn** rose back to 18<sup>th</sup> from 19<sup>th</sup> with sales of \$999.4 million, for an increase of \$53.7 million. However, *General Merchandise* sales in Oak Lawn declined by nearly -\$16.9 million. **Elmhurst** which dropped to 17<sup>th</sup> from 15<sup>th</sup> in 2004 has dropped further to 19<sup>th</sup> in 2005 with sales \$978.6 million, or an increase in sales of nearly \$11.7 million. *General Merchandise* sales in Elmhurst increased \$36.1 million, the result of big box stores in Elmhurst. **St. Charles** dropped from 18<sup>th</sup> to 20<sup>th</sup> with sales of \$975.8 million or an increase of nearly \$28.3 million. *General Merchandise* decreased by over -\$2.2 million in St. Charles.

## CORE 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 22 areas. The changes are reflected in **Table 5**. For example, Fox Valley Mall is located on Illinois Highway 59 on the dividing line between 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. **An observation: most of the increases in retail sales this year were higher than shown because of the decline of *General Merchandise* sales principally in mall locations.** A discussion of each of core areas is as follows.

- The first position again in 2005 went to the **Fox Valley Mall** retail concentration in Aurora/Naperville. Aurora/Naperville remains in first place with sales of \$4.56 billion or an increase of over \$2.7 million. The **Woodfield Mall** concentration with Schaumburg, Roselle, Rolling Meadows and Hoffman Estates retained second place with sales of \$3.97 billion or an increase of nearly \$5.9 million. **This is the smallest increase for these two core areas in years.**
- **Yorktown Center** including Lombard and Downers Grove was third with sales of \$2.34 billion or an increase of nearly \$42.9 million. **Hawthorn Center** with Vernon Hills/Libertyville/Mundelein was fourth with sales of nearly \$2.28 billion, increasing by \$24.5 million over 2004.
- **Old Orchard Center** serving Skokie and Evanston is in the fifth position with sales of \$2.09 billion or an increase of \$11.5 million. *General Merchandise* sales in this area declined by over -\$50 million. **Louis Joliet Mall** in the Joliet/Plainfield concentration was sixth with sales of \$2.23 billion or an increase of \$181.6 million, *the largest increase of any core area*. *General Merchandise* sales in **Joliet** increased by over \$40 million.
- **Orland Square** in Orland Park was seventh in total sales. Sales in the suburb in 2005 stood at \$1.78 billion, an increase of \$67.7 million over 2004. *General Merchandise* sales in this market declined by over -\$32 million. **Stratford Square** in the Bloomingdale/Glendale Heights/Carol Stream retail concentration held eighth place with 2005 sales of \$1.9 billion or an increase of \$106.3 million. This is especially interesting given that **Bloomington's** *General Merchandise* sales declined by -\$22.5 million.
- **The Golf Mill's** core in **Niles** had sales of \$1.27 billion or an increase of \$16.3 million. This was followed by **The Plaza (Evergreen Plaza)** area, ranked 10<sup>th</sup>, covering the Evergreen Park/Oaklawn area with sales of \$1.30 billion, or an increase of \$61.7 million, mainly the result of a new Wal-Mart store in Evergreen Park.
- **Gurnee Mills Mall** in Gurnee placed 11<sup>th</sup> with sales of \$1.23 billion, increasing \$62.5 million. **Oak Brook Center** ranked 12<sup>th</sup> with sales of \$1.2 billion, reflecting a decline of -\$10.7 million. Interestingly, *General Merchandise* sales in this market were down by over -\$70.7 million.
- **Northbrook Court's** core area including Northbrook and Deerfield ranked 13<sup>th</sup> and had sales amounting to \$1.21 billion or an increase in sales of \$79.0 million. This was followed by the **River Oaks Center** area with sales of \$1.11 billion, declining by -\$53 million. *General Merchandise* declined in **Northbrook** by over \$19.4 million.
- The **Charlestown Mall** area in St. Charles ranked 15<sup>th</sup> with 2005 sales of \$975.8 million, increasing by \$28.3 million. **The Lincoln Mall** area in Matteson ranked 16<sup>th</sup> with sales of \$893 million, representing an increase of \$792,294.



- The **Randhurst Center** area in Mount Prospect ranked 17<sup>th</sup> and had sales amounting to \$897.7 million, including an increase of \$18.1 million, which is likely attributable to a partial year of Costco. In the 18th position was the **North Riverside Park** area with sales of \$767.4 million, decreasing by -\$13.9 million.

**Table 5**

**Core Retail Markets  
Top 22 Chicagoland Major Mall Concentrations 2004-2005**

CORE MARKET MALL AREA	Sales 2004	Sales 2005	2004 - 2005 Change
<b>Fox Valley Mall</b> - Aurora/Naperville	\$4,557,926,178	\$4,560,669,777	\$2,743,599
<b>Woodfield Mall</b> - Schaumburg/Roselle/Rolling Meadows/Hoffman Estates	\$3,964,647,500	\$3,970,523,201	\$5,875,701
<b>Yorktown Center</b> - Lombard/Downers Grove	\$2,301,242,400	\$2,344,110,691	\$42,868,291
<b>Hawthorn Center</b> - Vernon Hills/Libertyville/Mundelein	\$2,254,799,900	\$2,279,306,455	\$24,506,555
<b>Old Orchard Center</b> - Skokie/Evanston	\$2,081,996,300	\$2,093,501,881	\$11,505,581
<b>Louis Joliet Mall</b> - Joliet/Plainfield	\$2,047,074,900	\$2,228,688,927	\$181,614,027
<b>Orland Square</b> - Orland Park	\$1,709,003,128	\$1,776,751,370	\$67,748,242
<b>Stratford Square</b> - Bloomingdale/Glendale Heights/Carol Stream	\$1,789,020,143	\$1,895,329,268	\$106,309,125
<b>Golf Mill Mall</b> - Niles	\$1,251,369,300	\$1,267,641,057	\$16,271,757
<b>The Plaza</b> - Evergreen Park/Oaklawn	\$1,239,952,500	\$1,301,631,164	\$61,678,664
<b>Gurnee Mills Mall</b> - Gurnee	\$1,163,230,600	\$1,225,718,119	\$62,487,519
<b>Oak Brook Center</b> - Oak Brook/Oakbrook Terrace-	\$1,234,083,405	\$1,223,428,206	(\$10,655,199)
<b>Northbrook Court</b> - Northbrook/Deerfield	\$1,127,375,500	\$1,206,377,996	\$79,002,496
<b>River Oaks Center</b> - Calumet City/Lansing	\$1,113,391,000	\$1,060,395,805	(\$52,995,195)
<b>Charlestown Mall</b> - Saint Charles	\$947,566,800	\$975,847,657	\$28,280,857
<b>Lincoln Mall</b> - Matteson/Olympia Fields	\$892,192,288	\$892,984,582	\$792,294
<b>Randhurst Center</b> - Mount Prospect/Prospect Heights	\$879,636,993	\$897,743,857	\$18,106,864
<b>North Riverside Park</b> - North Riverside/Riverside/Berwyn	\$781,218,300	\$767,366,945	(\$13,851,355)
<b>Spring Hill Mall</b> - West Dundee/East Dundee/Carpentersville	\$728,571,000	\$730,837,188	\$2,266,188
<b>Lincolnwood Town Center</b> - Lincolnwood	\$510,910,800	\$525,384,160	\$14,473,360
<b>Harlem Irving Plaza</b> - Norridge	\$384,619,000	\$403,857,664	\$19,238,664
<b>Chicago Ridge Mall</b> - Chicago Ridge	\$354,992,000	\$347,547,811	(\$7,444,189)
<b>Total of Core Markets</b>	<b>\$32,801,184,000</b>	<b>\$33,975,643,781</b>	<b>\$660,823,846</b>

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006

- The **Spring Hill Mall** area ranked 19th with sales in 2005 of \$730.8 million, or an increase of \$2.3 million. This was followed by the 12<sup>th</sup> core market, the **Lincolnwood Town Center** area, with sales of \$525.4 million or an increase of \$14.5 million.
- The **Harlem-Irving Plaza** area in Norridge ranked 21<sup>st</sup> with 2005 sales amounting to \$403.9 million, or an increase of \$19.2 million. Finally, the **Chicago Ridge Mall** area in Chicago Ridge had 2005 sales of \$347.6 million reflecting a decrease of -\$7.4 million.

Overall, the 22 Chicagoland core areas have total sales amounting to \$34 billion of the \$99.3 billion in sales captured in suburban Chicagoland, or 34.2%. The City of Chicago captured sales in 2005 amounting to \$20.8 billion. Therefore, sales generated outside of the core market areas amounted to \$44.5 billion. This increase in the amount of sales being captured outside of the mall core markets is directly attributable to the proliferation of big boxes such as Wal-Mart, Target, Kohl's, Home Depot, Menards, Lowe's, Best Buy, Circuit City, Costco, Ikea, and other major big box retailers. Finally, Oak Brook's problem reflects department store declines and the lack of land, and thus higher land cost to develop big boxes. For River

Oaks and North Riverside Park, the decreases appear to be mainly the result of income transition within trade areas. Chicago Ridge Mall's decline is most likely related to Sears' declining sales.

## LIFESTYLE CENTER'S COMMUNITY SALES ACTIVITY

As of last year, there were five lifestyle centers in the Chicagoland area. A sixth, the Arboretum of South Barrington is under construction at the northeast corner of Illinois Highway 59 and Higgins Road in South Barrington. In our opinion, it will be the Chicago's best example of what a lifestyle center should be. Another smaller lifestyle center is being leased in Orland Park. Known as The Crossing, the center is located on LaGrange Road at 143<sup>rd</sup> Street. The existing five lifestyle centers include Wheaton Town Square, Deer Park Town Center, Geneva Commons, Algonquin Commons, and The Glen. A discussion of each is as follows:

**Wheaton Town Square**, one of the oldest lifestyle centers in the country is located in Wheaton. In 2004, in the City of Wheaton retail sales amounted to \$626.8 million and sales rose by \$15.9 million to \$642.7 million in 2005. *Drinking & Eating* sales declined in 2005 to \$63.4 million, down from \$66.1 million in 2004, representing a decrease of -\$2.7 million in sales. *Apparel* sales in 2004 amounted to \$35.7 million which increased to \$36.6 million in 2005, for a slight increase.

**Deer Park Town Center** in Deer Park had sales in 2004 amounting to \$124.0 million. According to the Illinois Department of Revenue, in 2005, sales rose to \$126.6 million, for an increase of \$2.6 million. Deer Park has few retail facilities outside of the Deer Park Town Center, which has over 500,000 square feet of stores and restaurants. *Apparel* sales in the suburb of Deer Park in 2004 were recorded at \$45.5 million which by 2005 increased to \$46.6 million or an increase of about \$700,000. Kildeer has a development across the street capturing approximately \$89 million.

**Geneva Commons** is located in west suburban Geneva. Geneva also has a generative downtown area. In 2004, *total* sales of this suburb amounted to \$495.0 million which by 2005 increased to \$519.2 million, representing an increase of \$24.2 million. *Drinking & Eating Places* sales in 2004 amounted to \$72.8 million, while declining to \$69.3 million in 2005 for a decrease of approximately -\$3.5 million. *Apparel* sales rose from \$64.9 million in 2004 to \$69.0 million in 2005, for an increase of \$4.1 million. *General Merchandise* sales decreased from \$15.1 million in 2004 to \$14.8 million in 2005, or a decrease of -\$300,000.

**Algonquin Commons** is the newest of the lifestyle centers in the Chicagoland area. In 2004, Algonquin has *total* retail sales amounting to \$405.8 million. In 2005, sales of the entire community rose to \$422.0 million, for an increase of \$16.2 million. *Drinking & Eating Places* sales in 2004 amounted to \$38.1 million, rising to \$40.8 million in 2005 for an increase of \$2.7 million. *Apparel* sales in 2004 were recorded at \$12.6 million, while declining to \$8.1 million in 2005, a decrease of -\$4.4 million. *General Merchandise* sales in Algonquin in 2004 were recorded at \$105.9 million. In 2005, sales declined to \$100.2 million. Not very high considering that the sales include Super Target, Wal-Mart Supercenter, Kohl's, and Meijer.

**The Glen** in Glenview is not located on a major traffic artery and has not developed as a full lifestyle center. It has several lifestyle tenants and a number of very successful restaurants. However, because of its proximity to Old Orchard, the developers were unable to obtain many of Old Orchard's specialty retailers. Thus, **The Glen** does not have the attraction normally expected in a lifestyle center.

## General Merchandise Sales Decrease in 12 of the 20 Top Communities

**General Merchandise** retail sales primarily include sales recorded in department stores and big box discount department stores. In evaluating the many significant declines in sales by suburb, we have reviewed the performances of big box general merchandise operators including Target, Wal-Mart, Kohl's, Meijer, Kmart, and Value City. We have also evaluated the performance of department stores and their continuing loss of market share. By process of elimination, it appears that the big department store losers in 2005 were Sears and Marshall Field. Sears did not advertise during the 2005 Christmas season and its sales declined as a result. Marshall Field's was acquired by Federated Department stores who announced that the name would be changed to Macy's. Both of these actions impacted upon consumer buying decisions and are reflected in *General Merchandise* sales declines in Cook County, DuPage County, and McHenry County. The total loss for the three counties in 2005 amounted to a minimum of -\$404 million. The Top 20 suburbs in the *General Merchandise* category show a cumulative

sales decline of -\$397,638,403. Carson's was sold to Bon-Ton stores in 2005, but it does not appear to have had a major negative impact. The actual loss was greater, but overshadowed by increases in big box *General Merchandise* stores. General Merchandise sales for 2004 and 2005 are shown in **Table 6** below.

While **Schaumburg** continues to lead all Chicagoland suburbs in *General Merchandise* sales with \$357.2 million, sales declined in 2005 by -\$72.9 million, the largest decline of any suburb in this category. Schaumburg has both Sears and Field's which, in our opinion, experienced the majority of the decline. **Joliet** was second with sales in *General Merchandise* of \$339.4 million, an increase of \$40.2 million, the largest increase of any suburb and one of only five suburbs that witnessed General Merchandise increases. Joliet also has Sears and Field's. The big box general merchandise stores apparently overcame the decline and posted a major gain.

**Table 6**

**General Merchandise Sales  
2004 and 2005**

<b>2005 Rank</b>	<b>Community</b>	<b>2004 General Merchandise Sales</b>	<b>2005 General Merchandise Sales</b>	<b>2004-2005 Change</b>
	City of Chicago	\$1,526,040,738	\$1,460,828,568	<b>-\$65,212,170</b>
1	Schaumburg	\$430,101,419	\$357,158,475	<b>-\$72,942,944</b>
2	Joliet	\$299,165,980	\$339,351,253	<b>\$40,185,273</b>
3	Gurnee	\$281,989,942	\$264,119,311	<b>-\$17,870,631</b>
4	Vernon Hills	\$293,776,027	\$261,049,097	<b>-\$32,726,930</b>
5	Orland Park	\$290,431,069	\$258,188,242	<b>-\$32,242,827</b>
6	Niles	\$248,633,484	\$235,483,697	<b>-\$13,149,787</b>
7	Lombard	\$233,756,318	\$228,925,746	<b>-\$4,830,572</b>
8	Oak Brook	\$295,129,156	\$224,417,600	<b>-\$70,711,556</b>
9	Aurora	\$241,653,767	\$223,224,988	<b>-\$18,428,779</b>
10	Naperville	\$207,388,533	\$222,872,021	<b>\$15,483,488</b>
11	Hodgkins	\$214,750,172	\$215,073,045	<b>\$322,873</b>
12	Crystal Lake	\$214,053,985	\$210,078,432	<b>-\$3,975,553</b>
13	Matteson	\$212,595,934	\$197,379,058	<b>-\$15,216,876</b>
14	Bloomington	\$189,315,343	\$166,797,583	<b>-\$22,517,760</b>
15	Streamwood	\$125,178,392	\$149,228,879	<b>\$24,050,487</b>
16	Skokie	\$199,423,618	\$149,176,864	<b>-\$50,246,754</b>
17	Batavia	\$135,419,741	\$147,386,687	<b>\$11,966,946</b>
18	Northbrook	\$155,279,320	\$135,835,445	<b>-\$19,443,875</b>
19	Calumet City	\$168,346,977	\$127,589,715	<b>-\$40,757,262</b>
20	Lansing	\$131,398,482	\$122,025,288	<b>-\$9,373,194</b>
	<b>Total</b>	<b>\$6,093,828,397</b>	<b>\$5,696,189,994</b>	<b>\$397,638,403</b>

*Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006*

**Gurnee** now ranks third with sales of \$264.1 million following a decrease in sales of -\$17.9 million. **Vernon Hills** remained fourth with sales of \$261.0 million, representing a decrease of \$32.7 million. Vernon Hills has both Sears and Field's. **Orland Park** was fifth with sales of \$258.2 million, decreasing by -\$32.2 million from 2004 sales. It also has Sears and Field's.

**Niles** ranked sixth with sales of \$235.5 million or a decrease of -\$13.1 million. Sears has a store in Golf Mill Mall in Niles. **Lombard** had 2005 sales in this category of \$228.9 million, but declined by -\$4.8 million. Lombard does not have Sears or Field's, but they do have Carson's, JC Penney and Von Maur. **Oak Brook** ranked eighth with sales in 2005 of \$224.4 million, for a decrease of \$70.7 million. Oak Brook has both Sears and Field's. This is the second largest decline in the General Merchandise category. **Aurora** ranked ninth with sales of \$224.2 million, declining by -\$18.4 million. Aurora has both Sears and Field's. Aurora in total retail sales grew by over \$72 million.



**Naperville** ranked 10<sup>th</sup> with sales of \$222.9 million, reflecting an increase of \$15.5 million. Naperville does not have any department stores, only big boxes. **Hodgkins**, which ranked 11<sup>th</sup>, is reflective of the new big box retail concentration with sales of \$215.1 million or a slight increase of \$322,873. **Crystal Lake** ranked 12<sup>th</sup> with sales of \$210.1 million, but decreased by nearly -\$4.0 million. **Crystal Lake** has only big boxes, but is experiencing competition around its edges. **Matteson** was 13<sup>th</sup> with sales of \$197.4 million, reflecting a decrease of \$15.2 million. Matteson has Sears and Carson's stores.

**Bloomingtondale** ranked 14<sup>th</sup> with sales of \$166.8 million, down by -\$22.5 million in 2005. Stratford Square in **Bloomingtondale** has both Sears and Field's. **Streamwood** moved into the Top 20 at 15<sup>th</sup> place with sales of \$149.2 million or an increase of \$24.0 million. The Streamwood market is comprised of all big boxes.

**Skokie** was 16<sup>th</sup> in 2005 with sales of \$149.2 million, down by -\$50.2 million in 2005. Saks in Old Orchard closed its store at the end of the year. Old Orchard in Skokie has the largest Marshall Field's store outside of Downtown Chicago. **Batavia** moved up to 17<sup>th</sup> place with sales of \$147.4 million, or an increase of \$12.0 million. **Northbrook** dropped down one place to 18<sup>th</sup> place with sales of \$135.8 million, decreasing by over -\$19.4 million. Field's operates a store in Northbrook Court. **Calumet City** had 2005 sales of \$127.6 million, but declined by -\$40.8 million. Both Sears and Field's operate stores in River Oaks in Calumet City. **Lansing** dropped to 20<sup>th</sup> with sales of \$122.0 million, decreasing by -\$9.4 million.

Overall, *General Merchandise* declined for the Top 20 suburbs by a total of -\$397.6 million. Almost all of it in department stores. Overall, the total decline in *General Merchandise* category sales amounted to approximately -\$404 million.

**The Supermarket Wars Continued in 2005  
with Food Store Sales Declining in More than Half of the Communities**

*Food Store* sales include food consumed at home. Food sold in super stores or supercenters is included in the General Merchandise category. They have also hurt the supermarket industry. **Table 7** presents Food Store Sales in 2004 and 2005.

**Table 7**

**Food Store Sales  
2004-2005**

Rank	Community	2004 Food Sales	2005 Food Sales	2004-2005 Change
	Chicago	\$3,114,109,729	3,208,598,458	\$94,488,729
1	Naperville	\$278,095,640	\$275,756,085	-\$2,339,555
2	Joliet	\$227,600,710	\$224,195,873	-\$3,404,837
3	Aurora	\$205,584,765	\$209,379,428	\$3,794,663
4	Evanston	\$163,206,571	\$188,705,156	\$25,498,585
5	Niles	\$182,537,913	\$182,056,785	-\$481,128
6	Wheaton	\$164,730,075	\$166,591,065	\$1,860,990
7	Arlington Heights	\$166,662,748	\$160,742,942	-\$5,919,806
8	Waukegan	\$148,016,668	\$146,443,542	-\$1,573,126
9	Orland Park	\$130,145,800	\$143,131,097	\$12,985,297
10	Schaumburg	\$145,452,741	\$142,297,039	-\$3,155,702
11	Palatine	\$124,203,868	\$142,195,496	\$17,991,628
12	Oak Lawn	\$138,231,235	\$141,036,913	\$2,805,678
13	Elgin	\$139,273,511	\$137,355,362	-\$1,918,149
14	Glenview	\$107,150,988	\$112,019,031	\$4,868,043
15	Crystal Lake	\$100,075,246	\$106,026,681	\$5,951,435
16	St Charles	\$106,434,633	\$105,191,211	-\$1,243,422
17	Skokie	\$106,262,751	\$104,942,126	-\$1,320,625
18	Buffalo Grove	\$104,168,010	\$101,379,936	-\$2,788,074
19	Downers Grove	\$101,977,794	\$101,076,706	-\$901,088
20	Highland Park.	\$90,873,112	\$90,057,570	-\$815,542

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006



**Schaumburg**, the leader in this category, had sales of \$309.4 million, reflecting an increase of \$12.1 million. **Naperville** was second with sales of \$234 million, for an increase of \$10.1 million, while third place **Aurora** increased by \$8.3 million to \$170.4 million in sales. **Joliet**, in fourth place, had sales of \$161 million, or an increase of \$6.9 million. **Rosemont** moved to fifth place with sales of \$149.8 million, up by \$9.8 million. **Arlington Heights**, in sixth place, added \$874,580 in sales, rising to \$144.2 million. **Orland Park** remained in seventh place with sales of \$135.1 million, reflecting an increase of \$3.6 million, followed by **Downers Grove** which also increased by \$4.2 million to 2005 sales of \$117.2 million. **Skokie** with sales of \$116.6 million declined by nearly -\$1.3 million.

In the Top 20 in this category, the largest sales increase was recorded in **Glenview** where sales increased in 2005 by \$16.2 million after a \$17.5 million increase in 2004. Sales in 2005 amounted to \$103.9 million. The balance of the Top 20 can be seen in **Table 8** above. Overall, the Top 20 suburbs and the City of Chicago had 2005 sales of \$6.9 billion and increased their *Drinking & Eating* sales by \$427.8 million.

**The Apparel Store Category Sales have Continued to Reverse their Negative Trend and Consumers Appear to be Returning to Apparel Stores from Big Box Retailers**

**The City of Chicago** had 2005 sales in this category of approximately \$1.4 billion, up by \$80.8 million over 2004 sales of \$1.3 billion. **Schaumburg** continues to lead suburbs in this category with total *Apparel and Accessory Store* sales of \$328.7 million, or an increase of \$21.2 million. **Oak Brook** remained in second place with sales of \$281.3 million, for an increase of \$13.2 million. **Aurora** followed with sales of \$209.6 million and the largest increase of any suburb at \$46.1 million. Fox Valley Mall is located in Aurora. Apparel Store Category sales for 2004 and 2005 are presented in **Table 9** below.

**Table 9**

**Apparel Store Sales  
2004-2005**

Rank	Community	2004 Apparel & Accessories Sales	2005 Apparel & Accessories Sales	2004-2005 Change
	Chicago	\$1,344,316,827	\$1,425,097,363	\$80,780,536
1	Schaumburg	\$307,495,000	\$328,674,611	\$21,179,611
2	Oak Brook	\$268,137,480	\$281,317,550	\$13,180,070
3	Aurora	\$164,975,974	\$211,074,326	\$46,098,352
4	Skokie	\$197,338,936	\$209,585,540	\$12,246,604
5	Orland Park	\$144,865,690	\$155,918,787	\$11,053,097
6	Gurnee	\$112,708,744	\$118,980,440	\$6,271,696
7	Vernon Hills	\$77,733,540	\$85,175,517	\$7,441,977
8	Northbrook	\$79,840,234	\$83,968,085	\$4,127,851
9	North Riverside	\$73,048,238	\$73,565,875	\$517,637
10	Geneva	\$64,854,733	\$69,007,894	\$4,153,161
11	Naperville	\$66,897,149	\$65,960,218	<b>-\$936,931</b>
12	Bloomington	\$61,177,159	\$62,823,559	\$1,646,400
13	Norridge	\$56,286,313	\$61,920,294	\$5,633,981
14	Chicago Ridge	\$54,317,387	\$54,314,989	<b>-\$2,398</b>
15	Joliet	\$49,722,964	\$52,934,010	\$3,211,046
16	Calumet City	\$46,229,544	\$48,032,587	\$1,803,043
17	Matteson	\$49,434,703	\$47,376,963	<b>-\$2,057,740</b>
18	Deer Park	\$46,566,763	\$47,339,355	\$772,592
19	Highland Park	\$42,854,443	\$45,930,372	\$3,075,929
20	Lombard	\$43,126,133	\$44,135,586	\$1,009,453

*Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006*

**Skokie** increased by \$12.2 million to sales of \$209.6 million. **Orland Park**, in sixth place, had 2005 sales in this category of \$155.9 million, an increase of \$11.1 million over 2004. **Gurnee** followed with sales in 2005 of nearly \$119.0 million, up almost \$6.3 million, followed by **Vernon Hills** which recorded 2005 sales of \$85.2 million or an increase of over \$7.4 million. **Northbrook** increased by over \$4.1 million to sales in 2005 of nearly \$84.0 million, while **North Riverside** had sales of \$73.6 million, up nearly \$518,000. **Geneva** increased by \$4.2 million to sales of just over \$69.0 million.

**Naperville** with sales of \$66.0 million experienced a sales decline of nearly \$937,000. **Bloomingtondale** recorded sales of \$62.8 million, reflecting an increase of over \$1.6 million, while **Norridge** rose in sales by \$5.6 million to sales of over \$61.9 million. **Chicago Ridge** stayed about even with sales of \$54.3 million, followed by **Joliet** with sales of \$52.9 million, up over \$3.2 million. **Calumet City** increased by \$1.8 million to sales of over \$48.0 million. **Matteson** had sales of \$47.4 million, down by nearly \$2.1 million. **Deer Park** ranked 18<sup>th</sup> with sales of \$47.3 million or an increase of \$772,592. **Highland Park** had a sales increase of \$3.1 million to sales of \$45.9 million and **Lombard** increased to \$44.1 million or an increase of over \$1.0 million.

**Furniture and Appliance Sales in the Top 20 Suburbs  
had 14 Increases and 6 Decreases**

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. **Table 10** below reflects the 2004 and 2005 sales in this category.

**Table 10  
Furniture & Household Furnishings and Electronics & Appliance Sales  
2004-2005**

Rank	Community	2004 Furniture & Appliances	2005 Furniture & Appliances	2004-2005 Change
	Chicago	\$913,463,716	\$981,738,514	\$68,274,798
1	Schaumburg	\$387,518,138	\$387,507,933	<b>-\$10,205</b>
2	Vernon Hills	\$359,099,495	\$342,957,269	<b>-\$16,142,226</b>
3	Glenview	\$305,017,080	\$328,407,327	\$23,390,247
4	Orland Park	\$260,775,706	\$248,100,930	<b>-\$12,674,776</b>
5	Naperville	\$195,591,599	\$222,416,771	\$26,825,172
6	Downers Grove	\$207,179,077	\$185,882,738	<b>-\$21,296,339</b>
7	Itasca	\$113,690,909	\$159,376,672	\$45,685,763
8	Aurora	\$160,192,666	\$153,170,075	<b>-\$7,022,591</b>
9	Skokie	\$145,805,702	\$149,624,711	\$3,819,009
10	Arlington Heights	\$109,053,061	\$112,308,192	\$3,255,131
11	Geneva	\$89,476,328	\$105,781,447	\$16,305,119
12	Gurnee	\$96,214,578	\$100,231,897	\$4,017,319
13	Lombard	\$93,770,224	\$99,911,926	\$6,141,702
14	Joliet	\$100,302,342	\$99,602,238	<b>-\$700,104</b>
15	Crystal Lake	\$105,842,491	\$97,898,942	<b>-\$7,943,549</b>
16	Oak Brook	\$91,778,166	\$94,501,690	\$2,723,524
17	Niles	\$84,895,671	\$94,377,644	\$9,481,973
18	Bloomingtondale	\$86,630,780	\$88,045,854	\$1,415,074
19	Burbank	\$77,537,785	\$84,290,848	\$6,753,063
20	Northbrook	\$69,263,453	\$72,732,825	\$3,469,372
	<b>Total</b>	<b>\$913,465,720</b>	<b>\$981,740,519</b>	<b>\$68,274,798</b>

*Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006*

**Schaumburg** continues to lead in this category, with sales of \$387.5 million and a very slight decrease from 2004. **Vernon Hills** had sales of \$343 million, but decreased by -\$16.1 million. **Glenview** followed with sales of \$328.4 million, or an

increase of \$23.4 million. This is primarily due to the growth of Abt Electronics. **Orland Park** had sales in this category of \$248.1 million, but declined by -\$12.7 million.

**Naperville** increased by \$26.8 million to sales of \$222.4 million in 2005. **Downers Grove** had sales of \$185.9 million, dropping a significant -\$21.3 million probably because of Home Depot Expo Design Center. **Itasca** grew by \$45.7 million to sales of \$159.4 million. **Aurora** followed with sales of \$153.2 million, down by -\$7.0 million. **Skokie** had sales of \$149.6 million, for an increase of \$3.8 million, followed by **Arlington Heights** with sales of \$112.3 million, or an increase of \$3.2 million. **Geneva** followed which witnessed an increase of \$16.3 million to sales of \$105.8 million, followed by **Gurnee** with sales of \$100.2 million, or an increase of \$4.0 million.

**Lombard** was 14<sup>th</sup> with 2005 sales in this category of \$99.9 million, reflecting an increase of \$6.1 million. **Joliet's** followed with sales of \$99.6 million, reflecting a decline of -\$700,104. **Crystal Lake** declined by -\$7.9 million to sales of \$97.9 million.

**Oak Brook**, increased by \$2.7 million to sales of \$94.5 million, followed by **Niles** with sales of \$94.4 million, up \$9.5 million. **Bloomington** had 2005 sales of \$88.0 million, up \$1.4 million, followed by **Burbank** which moved into the Top 20 in this category with sales of \$84.3 million, reflecting an increase of \$6.8 million. This was followed by Number 20 **Northbrook** with sales of \$72.73 million, up \$3.5 million.

**In 2005, 12 of the Top 20 Home Improvement Suburbs Declined in Sales**

During 2005, Menards and Lowe's added more stores and The Home Depot made some personnel policy decisions that have had a negative impact upon the sales of most of their stores in the Chicago area. **Table 11** reflects Home Improvement sales.

**Table 11**  
**Home Improvement Sales**  
**2004 - 2005**

<b>Community</b>	<b>2004 Home Improvement Sales</b>	<b>2005 Home Improvement Sales</b>	<b>2004-2005 Change</b>
Chicago	\$870,024,984	\$925,015,580	\$54,990,596
Hampshire	\$182,793,434	\$235,912,113	\$53,118,679
Buffalo Grove	\$184,636,367	\$183,375,868	<b>-\$1,260,499</b>
Joliet	\$157,531,074	\$174,984,558	\$17,453,484
Naperville	\$157,264,677	\$166,528,714	\$9,264,037
Yorkville	\$113,135,375	\$128,882,741	\$15,747,366
Niles	\$111,343,297	\$110,931,084	<b>-\$412,213</b>
Crystal Lake	\$115,319,171	\$105,324,055	<b>-\$9,995,116</b>
Elgin	\$99,918,400	\$101,738,008	\$1,819,608
Elk Grove Village	\$85,323,771	\$100,383,571	\$15,059,800
Glendale Heights.	\$98,896,455	\$93,715,458	<b>-\$5,180,997</b>
Cicero	\$77,857,888	\$90,905,867	\$13,047,979
Mount Prospect	\$91,638,832	\$90,795,376	<b>-\$843,456</b>
Gurnee	\$88,990,936	\$87,284,718	<b>-\$1,706,218</b>
Burbank	\$4,648,073	\$84,290,848	\$79,642,775
Downers Grove	\$82,043,022	\$81,345,971	<b>-\$697,051</b>
Palatine	\$81,796,546	\$81,017,528	<b>-\$779,018</b>
Evanston	\$98,445,873	\$78,587,156	<b>-\$19,858,717</b>
Aurora	\$90,951,178	\$75,370,688	<b>-\$15,580,490</b>
Bolingbrook	\$76,332,329	\$74,542,445	<b>-\$1,789,884</b>
Schaumburg	\$80,608,221	\$71,219,371	<b>-\$9,388,850</b>

*Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006*



**Hampshire** is an enigma. All of Siegel's home improvement sales are recorded in Hampshire regardless of where the stores are located. Thus, the sales are grossly overstated. Sales were reported at \$235.9, up \$55 million over 2004. The significant factor is that the company is surviving in light of the onslaught of the three major home improvement companies.

**Buffalo Grove** ranked first with Home Improvement sales in 2005 of \$183.4 million, down -\$1.3 million in sales. **Joliet** was next with sales of \$175 million, increasing by \$17.5 million in 2005, followed by **Naperville** with sales of \$166.5 million, up \$9.3 million. **Yorkville** ranked fifth with sales of \$128.9 million, or an increase of \$15.7 million in sales in 2005.

**Niles** had Home Improvement sales of \$110.9 million but decreased by \$412,213. **Niles** has two Home Depot stores. **Crystal Lake** dropped to seventh with sales of \$105.3 million, declining by -\$10 million. **Elgin**, remained in eighth place, with a sales increase of \$1.8 million to sales of \$101.7 million, followed by **Elk Grove Village** which moved up to ninth with sales of \$100.4 million for an increase of \$15.1 million. **Glendale Heights** followed with sales of \$93.7 million, dropping by -\$5.2 million in 2005. **Cicero** moved up with the addition of a Menard's for part of the year to the existing Home Depot increasing sales in 2005 to \$90.9 million with an increase of \$13.0 million.

**Mount Prospect** followed with Home Improvement sales of \$90.8 million, down by over -\$800,000. **Gurnee** followed with sales of \$87.3 million or a decrease in sales of -\$1.7 million from 2004. **Burbank** moved up to 14<sup>th</sup> with sales of \$84.3 million, with a significant increase of \$79.6 million. **Downers Grove** continued to decline to sales of \$81.3 million down in sales by nearly -\$700,000. **Palatine**, ranked 16<sup>th</sup>, witnessed sales increases of \$4.4 million to \$81.8 million.

**Evanston** declined in 2005 by -\$19.9 million to Home Improvement sales of \$78.6 million, followed by **Aurora** which decreased by -\$15.6 million to \$75.4 million. **Bolingbrook** had 2005 Home Improvement sales of \$74.5 million, but decreased by nearly -\$1.8 million, followed by 20<sup>th</sup> **Schaumburg** with sales of \$71.2 million, down almost -\$9.4 million. This is one of the few times that we find Schaumburg at the bottom of the Top 20. However, as home improvement stores continue to go to the "neighborhood," major suburbs like Schaumburg will experience some sales declines.

### *Automobile Dealers & Gasoline Service Stations* Sales Declined in 12 of the Top 20 Suburbs

This category continues to have the most significant impact upon suburban revenues because of the large average taxable sale. When a dealer sells a \$40,000 car, the suburb where the dealer is located receives \$400 (1%) as its municipal tax share of the sale. It may receive more if it has a Home Rule Tax.

**Naperville** was Number one in Automobile sales with an increase of \$106.4 million, raising sales to \$870.8 million. **Schaumburg** dropped to second with sales of \$818.0 million, down -\$3.5 million from 2004, followed by **Libertyville** in third with sales of \$464.0 million, up nearly \$600,000. **Oak Lawn**, in fourth position, increased by \$43.4 million to sales of \$448.4 million in 2005, after a decrease in 2004. **Tinley Park** moved up again to fifth place from the sixth spot with sales of \$430.6 million, and a strong increase of \$68.3 million.

**Westmont** dropped into sixth place or slightly below Tinley Park with sales of \$430.2 million, or an increase of \$45.6 million. **Joliet** moved up to seventh place with sales of \$380.4 million, an increase of \$35.5 million, followed by **Orland Park** with sales of \$374.9 million, reflecting a strong increase of \$61.4 million.

**Glenview** dropped to ninth with sales of \$364.8 million, up \$8.9 million. **Downers Grove** followed with sales of \$360.0 million, up by \$31.5 million. **Elgin** moved into 11<sup>th</sup> place with sales of \$356.8 million, an increase of \$45 million, followed by **Elmhurst** with sales of \$348.6 million, reflecting a decrease of -\$6.7 million. **Countryside**, maintained its 13<sup>th</sup> place with sales of \$319.7 million, up \$14.1 million, followed by **Aurora** which grew by \$8.3 million to \$305.9 million.

**Lisle** recorded sales of \$289.6 million, for an increase of \$23.4 million, followed by **Matteson** with sales of \$285.7 million up \$9.5 million in 2005. **Barrington** had sales of \$259.1 million, up \$2.9 million in 2005. **Lincolnwood** recorded sales of \$234.5 million, for an increase of \$11.9 million, followed by **Crystal Lake** which increased by \$23.7 million to sales of \$228.3 million. Finally, **Palatine** witnessed sales declines of -\$10.9 million to sales of \$213.0 million. **Table 12** on the following page presents the retail sales in this category.

Table 12

**Automobile Dealers and Gasoline Service Stations  
2004-2005**

Community	2004 Automobile & Gas Sales	2005 Automobile & Gas Sales	2004-2005 Change
Chicago	\$2,329,568,359	\$2,470,036,864	\$140,468,505
Naperville	\$764,401,748	\$870,804,817	\$106,403,069
Schaumburg	\$821,544,465	\$818,009,558	<b>-\$3,534,907</b>
Libertyville	\$463,439,400	\$464,036,389	\$596,989
Oak Lawn	\$405,062,917	\$448,430,279	\$43,367,362
Tinley Park	\$362,223,269	\$430,571,766	\$68,348,497
Westmont	\$384,598,759	\$430,220,392	\$45,621,633
Joliet	\$344,869,828	\$380,415,245	\$35,545,417
Orland Park	\$313,526,584	\$374,888,741	\$61,362,157
Glenview	\$355,847,247	\$364,758,018	\$8,910,771
Downers Grove	\$328,467,890	\$360,000,586	\$31,532,696
Elgin	\$352,303,569	\$356,755,613	\$4,452,044
Elmhurst	\$355,282,678	\$348,622,777	<b>-\$6,659,901</b>
Countryside	\$305,603,394	\$319,720,984	\$14,117,590
Aurora	\$297,620,492	\$305,890,039	\$8,269,547
Lisle	\$266,255,382	\$289,627,027	\$23,371,645
Matteson	\$276,242,008	\$285,740,924	\$9,498,916
Barrington	\$256,128,706	\$259,064,473	\$2,935,767
Lincolnwood	\$222,622,571	\$234,527,792	\$11,905,221
Crystal Lake	\$204,605,296	\$228,317,010	\$23,711,714
Palatine	\$223,875,780	\$212,981,704	<b>-\$10,894,076</b>

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006

**Schaumburg again witnessed its Sales Decrease in the *Drugs & Other Retail Store* Category in 2005  
after Reversing in 2004 a Previous Three Year Decline**

This category includes Drug Stores, as well as other miscellaneous retail stores. Many mall-based specialty stores are found in this group. **Table 13** on the following page presents the retail sales in the *Drug & Other Miscellaneous Retail Stores* category.

**Schaumburg** continues to rank first with sales of \$367.4 million, down -\$13.7 million from 2004. **Aurora** moved into second place with sales of \$292.8 million, up \$19.6 million. **Naperville** dropped into third place with sales of \$291.4 million, an increase of \$5.9 million. **Orland Park** stayed in fourth place with sales of \$283.3 million, or an increase in sales of \$17.7 million. **Skokie** moved up to fifth place with sales of \$249.4 million, or an increase of \$72.7 million, followed by **Joliet** with a sales increase of \$245.3 million, for an increase of \$19.0 million.

**Downers Grove** held the seventh spot in 2005 in this category with sales of \$223.5 million, or an increase of \$4.9 million. **Mount Prospect** maintained its position with sales of \$221.1 million, but with a considerable decline of -\$35.5 million. **North Chicago** had sales of \$186.0, down -\$8.8 million, followed by **Gurnee** with sales of \$182.4 million, or an increase \$9.7 million.

**Arlington Heights** declined by -\$8.7 million to \$157.2 million, followed by **Crystal Lake** with sales of \$157.2 million, up \$22.6 million. **Niles** had a decline of -\$54.5 million to sales of \$152.7 million.

Table 13

Drugs & Miscellaneous Retail Stores  
2004-2005

Community	2004 Drugs & Miscellaneous Sales	2005 Drugs & Miscellaneous Sales	Changes 2004-2005
Chicago	\$3,195,197,924	\$3,340,154,326	\$144,956,402
Schaumburg	\$381,106,441	\$367,370,913	-\$13,735,528
Aurora	\$273,109,644	\$292,744,858	\$19,635,214
Naperville	\$285,552,137	\$291,448,983	\$5,896,846
Orland Park	\$265,612,036	\$283,346,310	\$17,734,274
Skokie	\$176,709,834	\$249,402,941	\$72,693,107
Joliet	\$226,329,076	\$245,347,776	\$19,018,700
Downers Grove	\$218,586,137	\$223,534,858	\$4,948,721
Mount Prospect	\$256,579,266	\$221,059,790	-\$35,519,476
North Chicago	\$194,821,953	\$186,024,464	-\$8,797,489
Gurnee	\$172,682,348	\$182,423,471	\$9,741,123
Arlington Heights	\$165,858,995	\$157,167,816	-\$8,691,179
Crystal Lake	\$134,609,761	\$157,166,212	\$22,556,451
Niles	\$207,182,990	\$152,689,749	-\$54,493,241
Lombard	\$137,475,187	\$152,587,357	\$15,112,170
Waukegan	\$137,303,370	\$141,607,758	\$4,304,388
Evanston	\$146,804,060	\$133,835,396	-\$12,968,664
Oak Lawn	\$139,040,227	\$132,860,510	-\$6,179,717
Carol Stream	\$151,561,218	\$131,579,795	-\$19,981,423
Vernon Hills	\$125,876,341	\$128,059,120	\$2,182,779
Bolingbrook	\$135,110,565	\$127,362,298	-\$7,748,267

Source: Illinois Department of Revenue, Sales Tax Receipts Report, 2004 and 2005 and Melaniphy & Associates, Inc., 2006

**Lombard** held 14<sup>th</sup> place with sales of \$152.6 million, due to an increase of \$15.1 million, followed by **Waukegan** with sales of \$141.6 million, up \$4.3 million. **Evanston** declined by -\$13.0 to sales of \$133.8 million, followed by **Oak Lawn** which had 2005 sales of \$132.9 million, falling -\$6.2 million. **Carol Stream** declined in sales by -\$20 million in 2005 to sales of \$131.6 million, followed by **Vernon Hills** with sales of \$128.1 million, for an increase of \$2.2 million. Lastly, Bolingbrook declined in sales to \$127.4 million for a decrease of over -\$7.7 million.

**WHAT DOES IT ALL MEAN?**

- Department stores are becoming less and less important in retail expansion. Outside of Nordstrom, the department stores are not delivering the traffic generation once relied upon. Most mall department store sales will continue to decline unless they take more drastic action to attract the consumer. Moreover, they need to become more individualistic, implementing unique elements rather than the current sameness that exists.
- Target, Wal-Mart and Kohl's will continue to expand and capture an increasingly larger share of the General Merchandise dollar. Convenience is the primary motivator driving consumers.
- Supermarkets will remain under siege with the super stores such as Costco, Sam's Club, Wal-Mart Supercenters, Super Target, Meijer and Woodman's increase their market share.
- Restaurants and quick service food facilities will continue to proliferate as "rushed" consumers continue to eat more and more meals away from home or bring "take out" home.
- Consumers are returning to the mall for specialty apparel and accessories which thus far, the big box stores have not provided. However, Wal-Mart and Sam's Club are upgrading to capture more of the business that Costco had been taking. Some lifestyle centers will capture some of the specialty apparel; however, in the past 10 years, we have only seen four truly *successful* lifestyle centers developed.
- Furniture continues to change as the consumer wants the merchandise "now." Wickes appears to be on the right track, but others will fall by the wayside unless they also change.
- The jury is out on whether the Chicagoland market can support three major home improvement stores. In 2005, a total of 12 of the Top 20 declined in home improvement sales. Home Depot's policies apparently have caused at least part of the decrease. However, we have yet to see the total impact of the Home Depot, Menard's, and Lowe's expansion.
- The Automobile and Gasoline Service Station business is going through major changes. SUVs will likely lose popularity. The public is now clamoring for "Hybrid cars" and better gas mileage. Gasoline sales have gone up significantly principally through price increases. While we are a society in love with our cars; at the end of the month, gasoline cannot be one of the largest bills that we pay. We will make changes.
- Drug stores continue to expand and out position each other. This will continue as we, the consumer, want convenience.

Our analysis of sales changes is based upon 2004 and 2005 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 compiled and provided. This Newsletter is provided on our Website as a free service of Melaniphy & Associates, Inc.

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