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**NO MATTER HOW YOU SLICE THE DATA**  
**2006 HOLIDAY RETAIL SALES WILL BE MERRY FOR RETAILERS**

New York (October 12, 2006) —As the holiday shopping season rapidly approaches, the annual ritual of forecasting retail sales growth for the season has begun in earnest. But with so many ways to slice retail sales data, what is the most accurate measurement of the holiday shopping season? According to ICSC's Chief Economist and Director of Research, Michael P. Niemira, it does not matter which methodology you use (GAFO Store Sales, Shopping Center-Inclined Sales, Chain Store Sales) all barometers indicate that 2006 holiday sales will be strong--better than most years--but perhaps not as strong as last year.

According to Mr. Niemira, when predicting the outcome of the 2006 holiday season there are four key factors to consider: (1) The 2006 holiday season faces a "difficult" growth rate comparison with the 2005 holiday sales since sales were exceedingly strong last year. (2) For the year thus far, the retailer environment has been somewhat uneven and very competitive, but the overall industry trends have been showing strong momentum in the last few months. (3) Recent improvements in overall economic conditions--lower energy and gasoline prices, receding long-term interest rates, improving disposable personal income growth and wage growth--bode well for consumers. (4) Due to the growth of holiday gift cards that are often spent during the post-Christmas period, to get a true picture of holiday sales one may consider measuring November, December and January sales combined as opposed to just November and December sales. With holiday gift-card usage expected to be between \$30 and \$40 billion this year, and with a hefty amount of that spending not hitting the books until January, extending the length of the season makes sense.

ICSC Research forecasts several benchmarks of industry holiday sales performance for the "traditional" holiday season of November and December as well as for November, December, and January. These forecasts include: **GAFO Store Sales**—general merchandise, apparel, furniture and electronics and other stores, including hobby, book and sporting goods; **Shopping Center-Inclined Sales**—ICSC's measure of industry sales based on U.S. Department of Commerce data; and **Comparable Chain Store Sales**—a compilation of about 60 retailers in the apparel, department store, discount, drug store, electronics, footwear, furniture, and wholesale club segments.

“Bottom line is no matter how you parse the holiday forecast data, the message seems clear -- is on track for one of the best seasons in the last few years,” Mr. Niemira asserted.

### "Traditional" Holiday Season Spending

Billions of Dollars, November-December Periods, Not Seasonally Adjusted, Unless Otherwise Noted

Category	2003	2004	2005	2006 Forecast
GAFO Store Sales	216.0	227.2	239.3	250.8
% Change	4.7	5.2	5.4	4.8
Shopping Center-Inclined Sales	376.0	398.4	423.0	445.2
% Change	5.1	5.9	6.2	5.2
Chain Store Sales (Same-Store, 2003=100)	100.0	102.4	106.1	109.3
% Change	4.0	2.3	3.6	3.0

### "New" Holiday Season Spending

Billions of Dollars, November-January Periods, Not Seasonally Adjusted, Unless Otherwise Noted

Category	2003	2004	2005	2006 Forecast
GAFO Store Sales	286.8	300.3	318.3	335.5
% Change	5.6	4.7	6.0	5.4
Shopping Center-Inclined Sales	521.6	549.6	586.6	620.1
% Change	5.5	5.4	6.7	5.7
Chain Store Sales (Same-Store, 2003=100)	100.0	102.7	106.7	110.4
% Change	4.7	2.7	4.1	3.5

Sources: U.S. Department of Commerce; ICSC Research.

*[Editor's note: An in-depth analysis of the upcoming holiday season is available on ICSC's website at <http://www.icsc.org/srch/cgi/memberprint?datafile=srch/rsrch/bc/current/bc20061006.pdf>. To download the file, please use the following member ID (1177584) and password (press2002pass)].*

Founded in 1957, ICSC is the premier global trade association of the shopping center industry. Its more than 63,000 members in 100 countries include shopping center owners, developers, managers, marketing specialists, investors, retailers and brokers, as well as academics and public officials. Headquartered in New York City, ICSC has over 150 staff members and offices in Washington, D.C., California, Toronto, London and Singapore.

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