

BRIEF | Intelligent Investment

# Growth-mode retailers eye new vacancies from Bed Bath & Beyond closures

GREATER LOS ANGELES, ORANGE COUNTY & INLAND EMPIRE

By David Barnett and Deepa Shah

Retail real estate is tough to find despite current economic conditions. There is little availability due to constrained supply, especially in Southern California. The availability rate in the United States was 6.8% in Q1 2023, a drop of 80 basis points (bps) year-over-year. In Orange County, availability dropped 70 bps to 5.3% over the past year. The rate dropped 40 bps to 6.8% in Los Angeles. The rise of e-commerce and the Great Financial Crisis cooled retail development, leaving retailers to compete for desirable locations and floorplates. Bed Bath & Beyond’s latest bankruptcy filing may provide some relief for retailers looking to expand.

Bed Bath & Beyond filed for bankruptcy in April 2023, which led to store closures across the country, with more to come. As of May 2023, there were 19 Bed Bath & Beyond and 6 buybuy Baby locations open in the Greater Los Angeles-Orange County-Inland Empire (GLA-OC-IE) region, representing 822,099 sq. ft. of retail space. Retailers looking to fill these new vacancies include TJ Maxx, HomeGoods, and Ross. With an average footprint of 32,826 sq. ft. per store, this space is well-suited for other general merchandise and apparel retailers and gyms in growth mode.

Average Bed Bath & Beyond store footprint in GLA-OC-IE (sq. ft.)

**32,826**

Total inventory, including open and closed locations, of Bed Bath & Beyond space in GLA-OC-IE (sq. ft.)

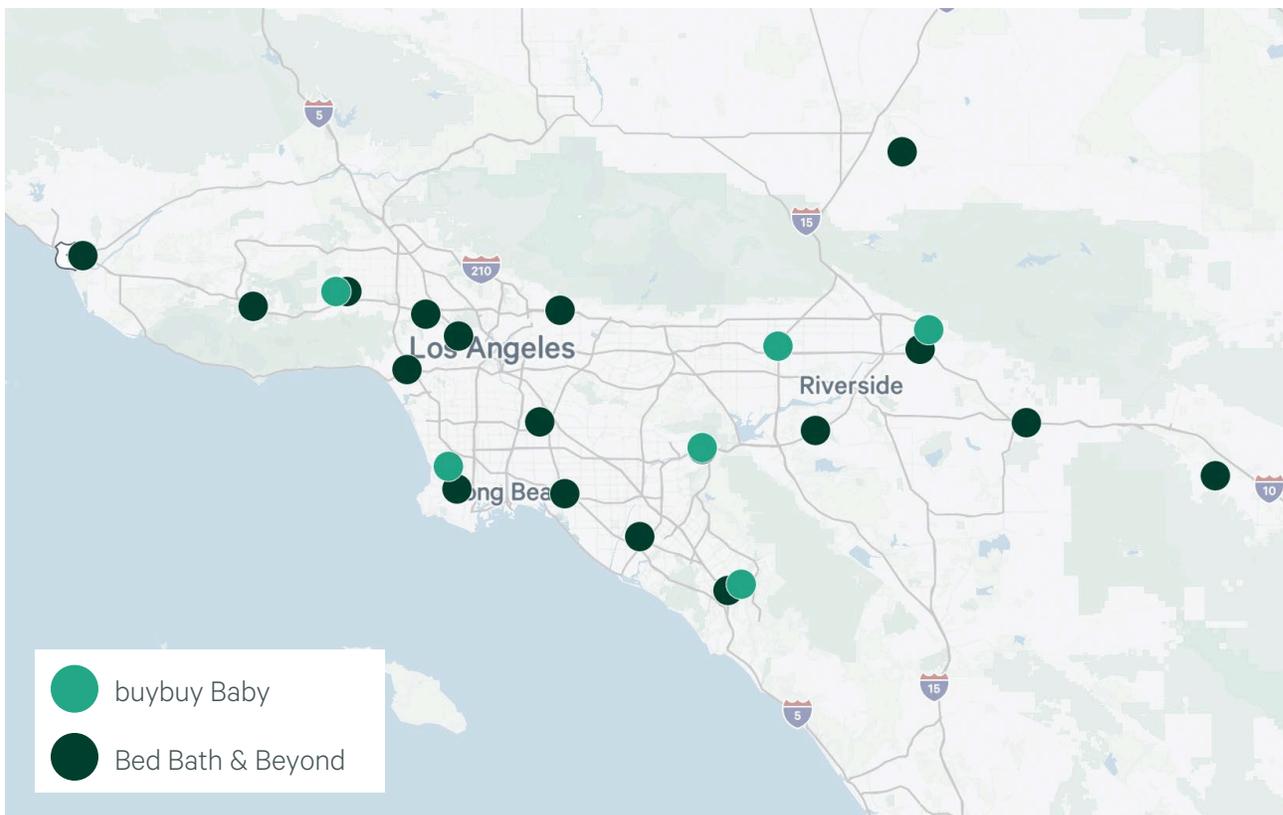
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FIGURE 1: Bed Bath & Beyond, buybuy Baby Inventory (sq. ft.)

Market	Bed Bath & Beyond	buybuy Baby	Total
Greater Los Angeles	461,148	55,428	<b>516,576</b>
Orange County	181,233	96,422	<b>277,655</b>
Inland Empire	161,928	46,547	<b>208,475</b>
<b>Grand Total (sq. ft.)</b>	<b>804,309</b>	<b>198,397</b>	<b>1,002,706</b>

Source: CBRE Research, June 2023.

## Bed Bath & Beyond and buybuy Baby locations



Source: CBRE Research, June 2023.

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