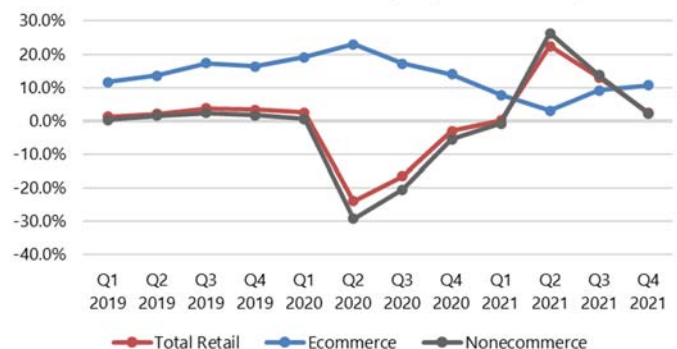


# New York Regional Retail Sales Volume and Buying Trends - October 2020

The New York regional retail market is facing hardships as the effects of the COVID-19 pandemic crisis continue to unfold. One survey found that 87% of restaurant and nightlife establishments in New York could not pay full rent in August, with this figure increasing month over month. Essential retail businesses, such as convenience stores and gas stations, are faring better than other retail types, but even pre-crisis, there was uncertainty surrounding the traditional retail market. Given the rise in e-commerce, shopping patterns and preferences have changed, questioning the demand for brick and mortar retail. Transaction volume was relatively healthy before the crisis; but it dropped off significantly in April 2020 and declines have also been seen in the last two months. This report analyzes trends in investment sales in the retail market from January 2019 through October 2020 in the New York-Newark, NY-NJ-CT-PA combined statistical area.

The pandemic has caused consumer spending habits to change dramatically, with ecommerce sparking growth in the industrial market while hitting the retail industry hard. Spending habits are not expected to normalize until the end of 2021.

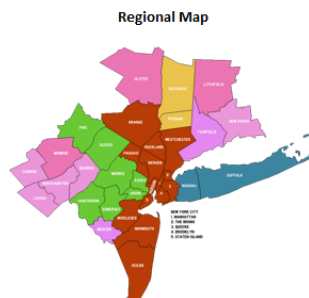
**Retail Sales Growth in the US, by Segment (% change)**



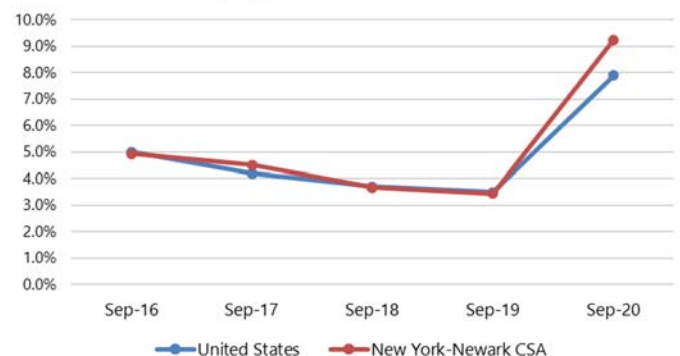
| POPULATION            |             |            |
|-----------------------|-------------|------------|
| YEAR                  | US          | CSA        |
| 2000 Total Population | 281,421,906 | 21,500,484 |
| 2010 Total Population | 308,745,538 | 22,255,491 |
| 2020 Total Population | 333,793,107 | 22,997,937 |
| 2025 Total Population | 346,021,282 | 23,263,141 |
| 10-20 CAGR            | 0.8%        | 0.3%       |
| 20-25 CAGR            | 0.7%        | 0.2%       |

| HOME OWNERSHIP |       |       |
|----------------|-------|-------|
| YEAR           | US    | CSA   |
| 2010           | 57.7% | 49.2% |
| 2020           | 56.4% | 47.5% |
| 2025           | 56.2% | 47.0% |

| MEDIAN HH INCOME |          |          |
|------------------|----------|----------|
| YEAR             | US       | CSA      |
| 2020             | \$62,203 | \$79,992 |
| 2025             | \$67,325 | \$86,047 |
| CAGR             | 1.60%    | 1.47%    |



**Unemployment Rate - Five Year Trend**



NOTE: October 2020 unemployment statistics for the New York Region were not available as of the date this report was written.

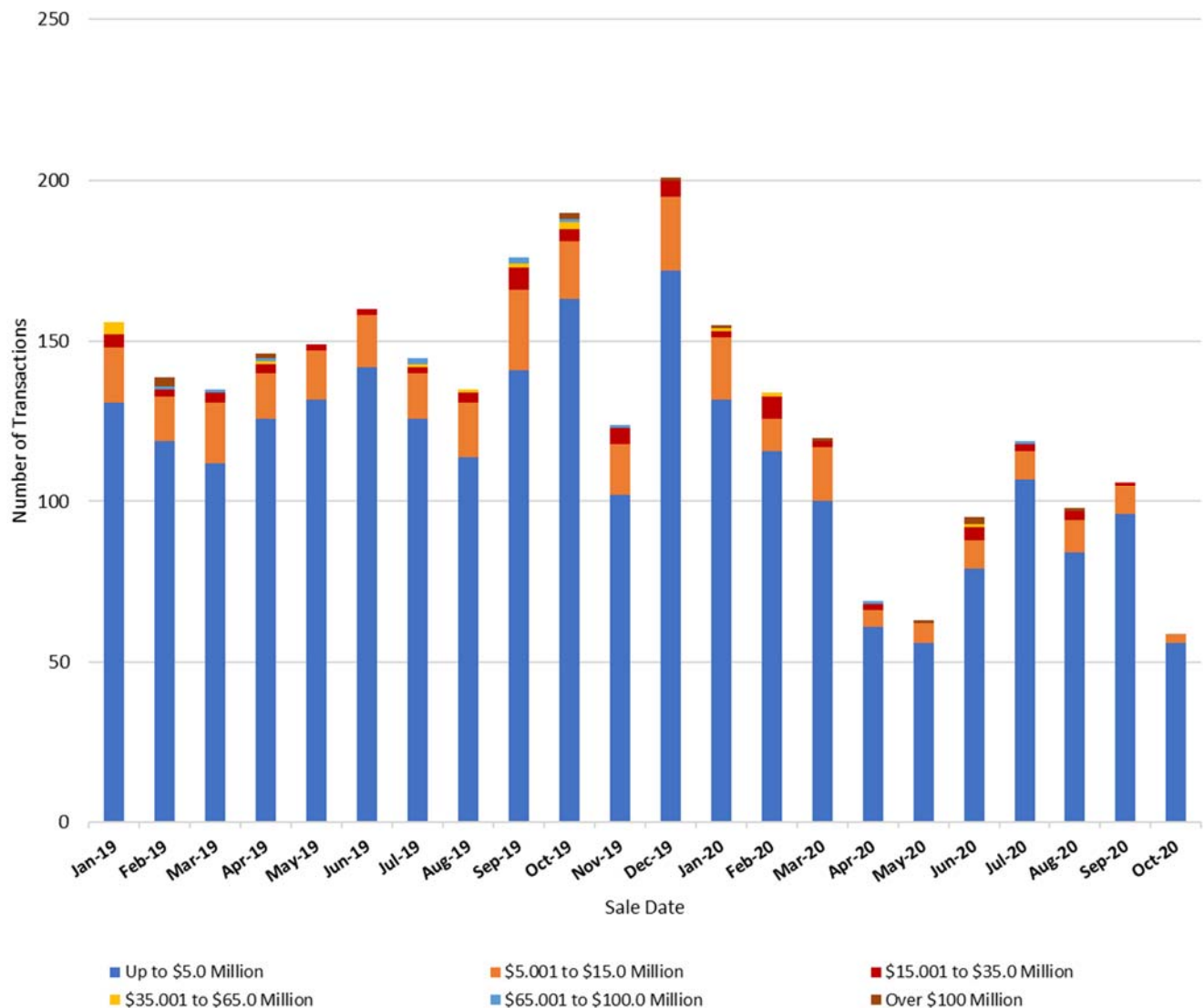
## Number of Sales Transactions

We tracked the number of monthly retail sales recorded in the New York regional market, segmented into tranches as seen below. Over the prior 22-month period, as of October 2020, there were 2,874 transactions. Approximately 86% of these transactions were below \$5 million, roughly 14% were between \$5 and \$100 million, and less than 1% were above \$100 million.

| Historical Transaction Volume - New York Regional Retail |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |       |            |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|------------|
| Number of Transactions                                   | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Total | % of Total |
| Up to \$5.0 Million                                      | 131    | 119    | 112    | 126    | 132    | 142    | 126    | 114    | 141    | 163    | 102    | 172    | 132    | 116    | 100    | 61     | 56     | 79     | 107    | 84     | 96     | 56     | 2,467 | 85.8%      |
| \$5.001 to \$15.0 Million                                | 17     | 14     | 19     | 14     | 15     | 16     | 14     | 17     | 25     | 18     | 16     | 23     | 19     | 10     | 17     | 5      | 6      | 9      | 9      | 10     | 9      | 3      | 305   | 10.6%      |
| \$15.001 to \$35.0 Million                               | 4      | 2      | 3      | 3      | 2      | 2      | 2      | 3      | 7      | 4      | 5      | 5      | 2      | 7      | 2      | 2      | 0      | 4      | 2      | 3      | 1      | 0      | 65    | 2.3%       |
| \$35.001 to \$65.0 Million                               | 4      | 0      | 0      | 1      | 0      | 0      | 1      | 1      | 1      | 2      | 0      | 0      | 1      | 1      | 0      | 0      | 0      | 1      | 0      | 0      | 0      | 0      | 13    | 0.5%       |
| \$65.001 to \$100.0 Million                              | 0      | 1      | 1      | 1      | 0      | 0      | 2      | 0      | 2      | 1      | 1      | 0      | 0      | 0      | 0      | 1      | 0      | 0      | 1      | 0      | 0      | 0      | 11    | 0.4%       |
| Over \$100 Million                                       | 0      | 3      | 0      | 1      | 0      | 0      | 0      | 0      | 0      | 2      | 0      | 1      | 1      | 0      | 1      | 0      | 1      | 2      | 0      | 1      | 0      | 0      | 13    | 0.5%       |
| Total # Transactions                                     | 156    | 139    | 135    | 146    | 149    | 160    | 145    | 135    | 176    | 190    | 124    | 201    | 155    | 134    | 120    | 69     | 63     | 95     | 119    | 98     | 106    | 59     | 2,874 | 100.0%     |
| % Change from Prior Month                                | -      | -10.9% | -2.9%  | 8.1%   | 2.1%   | 7.4%   | -9.4%  | -6.9%  | 30.4%  | 8.0%   | -34.7% | 62.1%  | -22.9% | -13.5% | -10.4% | -42.5% | -8.7%  | 50.8%  | 25.3%  | -17.6% | -10.9% | -39.8% | -     | -          |

The largest number of monthly transactions occurred in December 2019, and October 2020 saw the fewest transactions. The number of transactions increased from May through July but dropped off again as of October. The figures are portrayed graphically below.

**New York Regional Retail - Number of Transactions**



## Dollar Volume of Sales Transactions

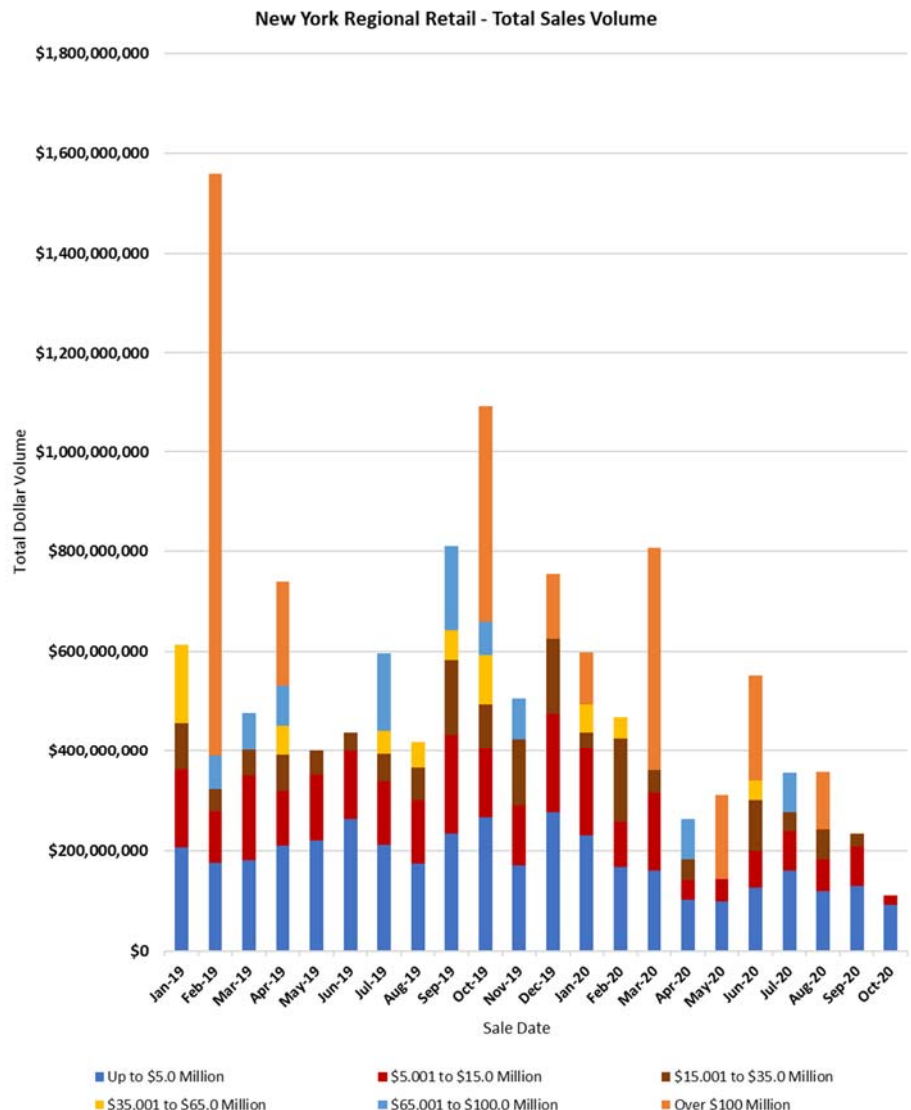
From January through October 2019, the average monthly sales volume was approximately \$714 million. Comparatively, the average monthly sales volume in 2020 as of October is roughly \$406 million thus far, reflecting a decrease of approximately 43%. We tracked the dollar volume of monthly sales by tranche as seen below.

| \$ Volume of Transactions   | Jan-19  | Feb-19    | Mar-19  | Apr-19  | May-19  | Jun-19  | Jul-19  | Aug-19  | Sep-19  | Oct-19    | Nov-19  | Dec-19  | Jan-20  | Feb-20  | Mar-20  | Apr-20  | May-20  | Jun-20  | Jul-20  | Aug-20  | Sep-20  | Oct-20  | Total      | % of Total |
|-----------------------------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|------------|
| Up to \$5.0 Million         | \$206.5 | \$175.3   | \$182.0 | \$210.9 | \$220.0 | \$262.6 | \$212.2 | \$174.7 | \$234.2 | \$267.2   | \$170.5 | \$277.0 | \$230.4 | \$167.4 | \$160.1 | \$103.2 | \$99.5  | \$126.6 | \$160.9 | \$119.2 | \$129.2 | \$92.7  | \$3,982.3  | 31.9%      |
| \$5.001 to \$15.0 Million   | \$155.2 | \$103.7   | \$169.2 | \$108.6 | \$131.4 | \$137.5 | \$126.7 | \$126.2 | \$198.1 | \$137.0   | \$120.7 | \$197.8 | \$175.0 | \$91.2  | \$156.4 | \$38.6  | \$43.9  | \$73.6  | \$78.0  | \$63.7  | \$80.1  | \$19.1  | \$2,531.8  | 20.3%      |
| \$15.001 to \$35.0 Million  | \$95.3  | \$43.8    | \$50.1  | \$72.0  | \$48.5  | \$37.5  | \$54.8  | \$65.2  | \$150.8 | \$89.8    | \$132.0 | \$151.4 | \$33.0  | \$167.4 | \$44.9  | \$40.4  | \$0.0   | \$100.1 | \$38.5  | \$59.3  | \$24.3  | \$0.0   | \$1,499.0  | 12.0%      |
| \$35.001 to \$65.0 Million  | \$156.9 | \$0.0     | \$0.0   | \$59.6  | \$0.0   | \$0.0   | \$47.0  | \$53.0  | \$59.3  | \$99.3    | \$0.0   | \$0.0   | \$55.9  | \$42.0  | \$0.0   | \$0.0   | \$0.0   | \$40.0  | \$0.0   | \$0.0   | \$0.0   | \$0.0   | \$613.0    | 4.9%       |
| \$65.001 to \$100.0 Million | \$0.0   | \$66.5    | \$75.0  | \$80.2  | \$0.0   | \$0.0   | \$155.8 | \$0.0   | \$168.0 | \$66.6    | \$83.7  | \$0.0   | \$0.0   | \$0.0   | \$0.0   | \$81.0  | \$0.0   | \$0.0   | \$79.0  | \$0.0   | \$0.0   | \$0.0   | \$855.7    | 6.9%       |
| Over \$100 Million          | \$0.0   | \$1,169.4 | \$0.0   | \$210.0 | \$0.0   | \$0.0   | \$0.0   | \$0.0   | \$0.0   | \$431.0   | \$0.0   | \$130.0 | \$104.0 | \$0.0   | \$446.5 | \$0.0   | \$168.0 | \$212.0 | \$0.0   | \$115.1 | \$0.0   | \$0.0   | \$2,986.0  | 23.9%      |
| Total Dollar Volume         | \$614.0 | \$1,558.6 | \$476.3 | \$741.2 | \$399.9 | \$437.6 | \$596.5 | \$419.0 | \$810.5 | \$1,090.8 | \$507.0 | \$756.2 | \$598.4 | \$468.0 | \$807.9 | \$263.2 | \$311.4 | \$552.3 | \$356.4 | \$357.3 | \$233.7 | \$111.8 | \$12,467.8 | 100.0%     |
| % Change from Prior Month   | -       | 153.9%    | -69.4%  | 55.6%   | -46.0%  | 9.4%    | 36.3%   | -29.8%  | 93.4%   | 34.6%     | -53.5%  | 49.2%   | -20.9%  | -21.8%  | 72.6%   | -67.4%  | 18.3%   | 77.3%   | -35.5%  | 0.3%    | -34.4%  | -68.7%  | -          | -          |

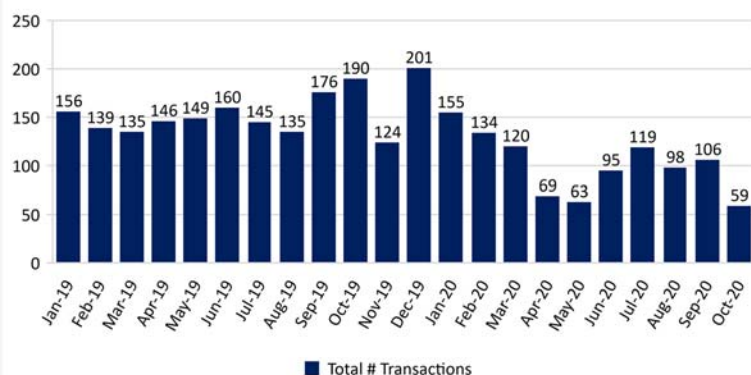
Over the analysis period, the category with the highest transaction volume is in the "Up to \$5.0 Million" category, which comprises approximately 32% of total dollar volume. The category that recorded the second highest amount of transaction volume was in the "Over \$100 Million" category, which comprises approximately 24% of total dollar volume.

|          |                 |
|----------|-----------------|
| Jan-19   | \$613,957,945   |
| Feb-19   | \$1,558,637,283 |
| Mar-19   | \$476,320,682   |
| Apr-19   | \$741,212,370   |
| May-19   | \$399,894,423   |
| Jun-19   | \$437,644,331   |
| Jul-19   | \$596,457,215   |
| Aug-19   | \$418,996,359   |
| Sep-19   | \$810,507,230   |
| Oct-19   | \$1,090,792,954 |
| Nov-19   | \$506,959,451   |
| Dec-19   | \$756,223,770   |
| Jan-20   | \$598,354,550   |
| Feb-20   | \$467,962,227   |
| Mar-20   | \$807,882,455   |
| Apr-20   | \$263,219,298   |
| May-20   | \$311,411,278   |
| Jun-20   | \$552,266,735   |
| Jul-20   | \$356,361,185   |
| Aug-20   | \$357,298,566   |
| Sep-20   | \$233,654,668   |
| Oct-20   | \$111,806,891   |
| Min      | \$111,806,891   |
| Max      | \$1,558,637,283 |
| 2019 Ave | \$700,633,668   |
| 2020 Ave | \$406,021,785   |

Dollar volume fluctuated in 2019 but was relatively high throughout the year. There was a significant drop in April 2020, and there were signs of bouncing back in May and June, but levels dropped again since then. Investors were optimistic that volume was picking up but since June volume has declined significantly, reversing the brief upward trend.



TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL RETAIL



TOTAL SALES VOLUME - NEW YORK REGIONAL RETAIL



TRANSACTIONS UNDER \$15 MILLION - NEW YORK REGIONAL RETAIL



## SALES (2019-2020): Number of Sales

Pre-COVID-19, the number of sale fluctuated, ranging from 120 to 201 sales per month from January 2019 through March 2020. There was a significant drop off in April, and further declines in May. The number of transactions has been fluctuating since then, with further declines seen in the most recent month. Comparing October 2019 to October 2020, the decline in number of transactions was significant, with only 59 sales in 2020 compared to 190 one year prior.

## Dollar Volume of Sales

The number of transactions and dollar volume decreased in the last month. Volume in October 2020 was \$112 million, compared to \$1,090 billion seen in October 2019, one year prior. The first ten months of 2020 tallied \$4.1 billion in sales volume, which is lower than the \$7.1 billion recorded in the same period in 2019.

## Transactions under \$15M

The graph on the left illustrates the recent drop in October 2020 and fluctuations in transactions under \$15 million. There were 59 sales under \$15 million in October 2020, which is a significant decline from the 181 sales seen in October 2019 and a decline from the 105 sales seen just one month prior. This is a clear indicator of investor skepticism in this climate.

SOURCE: eMarketer, CoStar, STDB, US Bureau of Labor Statistics, and Marshall & Stevens



**Patrick T. Craig, MAI, MRICS**  
Executive Managing Director  
Real Estate Valuation Practice  
212.897.9481  
ptcraig@marshall-stevens.com



**Emily Ferreira**  
Senior Associate  
Real Estate Valuation Practice  
646.438.7605  
eferreira@marshall-stevens.com



**Jacob Scott**  
Analyst  
Real Estate Valuation Practice  
646.438.7606  
jscott@marshall-stevens.com