

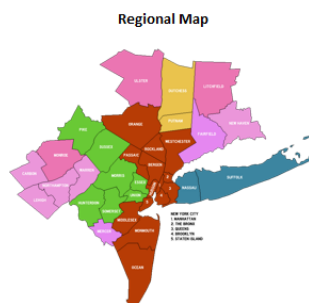
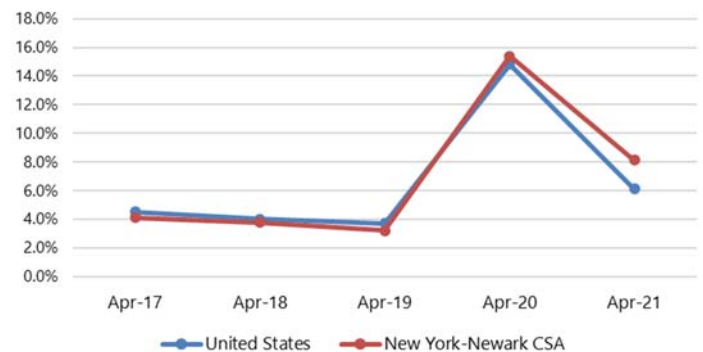


New York Regional Retail Sales Volume & Buying Trends – May 2021

COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The New York Daily New Case table below highlights the progression of daily case counts. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 16 or older in New York State, and hospitalizations and number of new cases continue to decrease. Governor Cuomo is loosening occupancy restrictions as of May 2021 pertaining to indoor and outdoor gatherings and business capacity limits. Businesses can now operate at full capacity so long as the 6-foot social distancing rule is met. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward summer and restrictions continue to be lifted, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for retail properties across the New York regional market. The study area is shown below.

Unemployment Rate - Five Year Trend



New York State

Vaccine doses given

7-day avg: 86,801

57.8% at least one dose

New cases

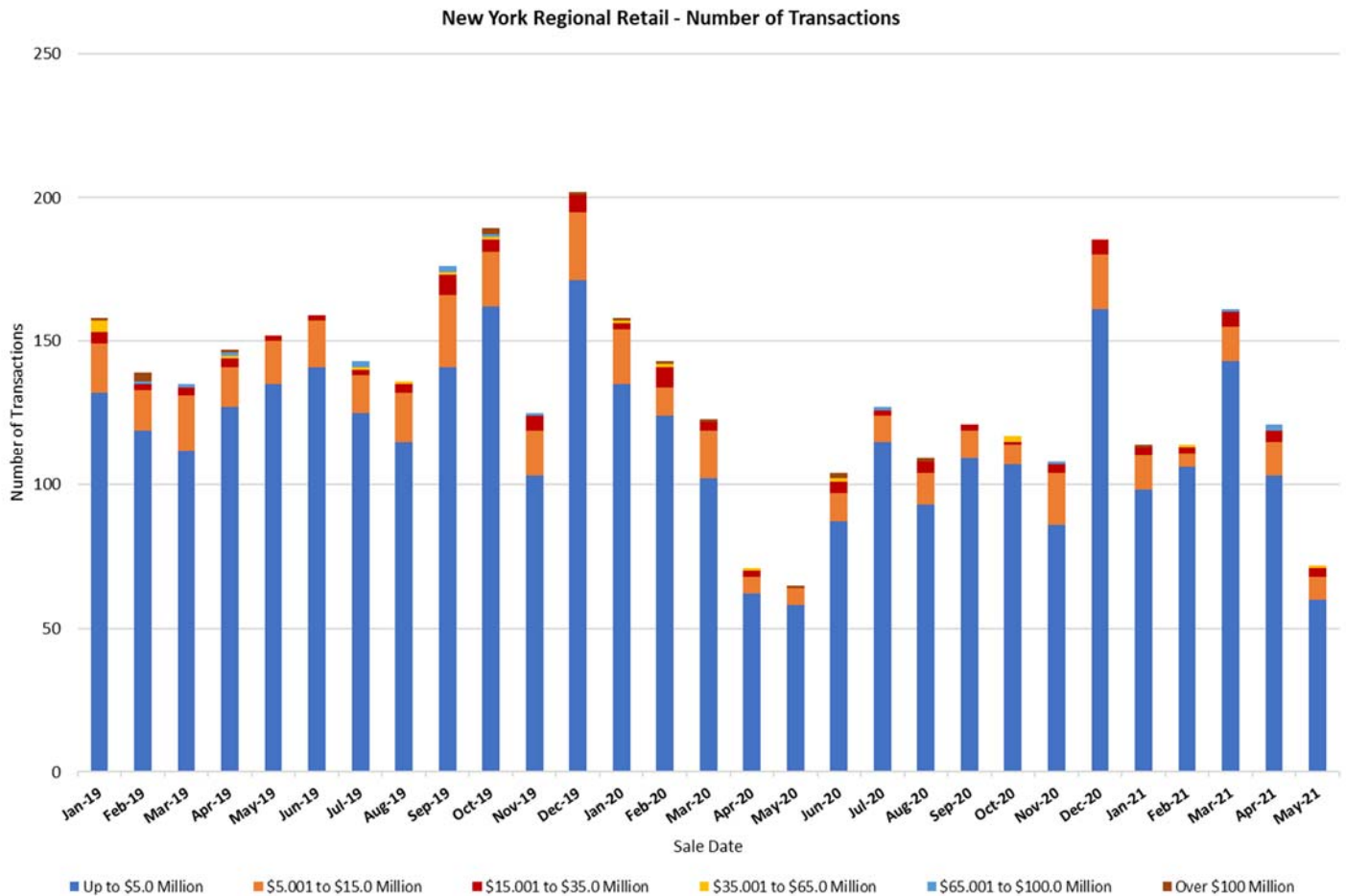
7-day avg: 468



Source: Reuters

Number of Sales Transactions

- Parameters: All retail investment sales in the New York regional market, segmented by price tranche.
- January 2019 - March 2020- number of monthly transactions ranged from 123 to 202, averaging 152 per month.
- April 2020- initial COVID shockwaves grip market, number of transactions plummets.
- April 2020 –May 2021- number of monthly transactions ranged from 65 to 185, averaging 114 per month.
- The average number of transactions post-COVID is significantly lower than the lowest number of transactions pre-COVID.
- Post-COVID era has seen 3 months with less than 100 transactions.
- December 2020- 185 total transactions- most of post-COVID era.
- Sharp decrease in number of transactions from March 2021 to April 2021 and April 2021 to May 2021
- May 2021- third-lowest number of transactions in post-COVID era

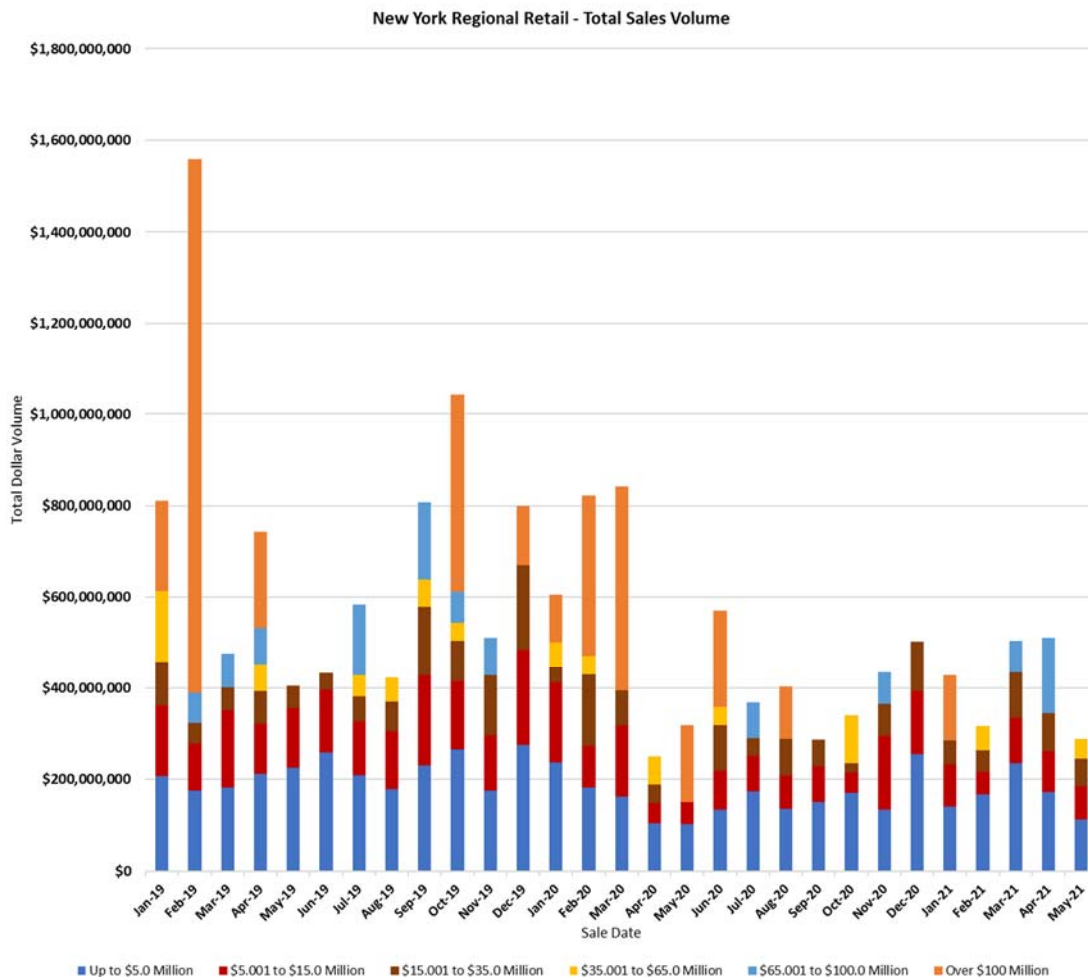


Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$716 million. Comparatively, the average monthly sales volume in 2020 was roughly \$478 million, reflecting a decrease of approximately 33%. Thus far in 2021, average monthly sales volume is roughly \$409 million, which represents a year-over-year decrease of 14%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - New York Regional Retail			
YEAR	2019	2020	2021 (Jan-May)
Min	\$405,369,423	\$250,825,298	\$287,904,789
Max	\$1,558,637,283	\$841,290,862	\$511,474,851
Average	\$716,054,177	\$478,382,695	\$409,269,867
% Difference	-	-33.2%	-14.4%

- Average sales volume from January 2019 to March 2020 was \$724,042,971.
- Average sales volume from April 2020 to May 2021 was \$394,210,517.
- The largest increase in dollar volume was 93% from January 2019 to February 2019.
- The largest decrease in dollar volume was -70% from March 2020 to April 2020.
- Zero transactions over \$100 million from September 2020 through December 2020 and February through May 2021.
- Of April 2021 transactions, 34% are in the "Up to \$10 Million" tranche, and 67% are in all tranches up to \$35 million.
- Of May 2021 transactions, 39% are in the "Up to \$10 million" tranche and 85% are in all tranches up to \$35 million.
- Larger price point deals are being heavily scrutinized by investors.



SALES (2019-2021): Volume

Pre-COVID-19, sales volume was consistent, and fluctuations were generally modest. April 2020 saw a significant drop in number of transactions, which fell further in May 2020. Number of transactions was generally consistent from June 2020 through April 2021. Altogether, Q1 2021 posted 389 total transactions compared to 424 transactions in Q1 2020, which suggests sales volume has rebounded. However, May 2021 recorded only 72 transactions, third lowest of the post-COVID era after April and May 2020. Additional data is required to confirm whether this is an outlier or start of a downward trend.



Dollar Volume of Sales

Whereas number of transactions since April 2020 are below pre-COVID levels, the decrease in dollar volume has been more pronounced. Since April 2020, there have been only seven months with sales volume over \$400 million, whereas every month from January 2019 to March 2020 topped this threshold. In fact, the lowest pre-COVID monthly sales total of \$405 million would rank seventh highest of the fourteen-month post-COVID period.

Sale Price Per Square Foot

From January 2019 to March 2020, retail properties sold at an average price of \$367 per square foot. From April 2020 to May 2021, these properties sold at an average of \$292 per square foot. Price per square foot decreased sharply in June 2020 and has largely remained below pre-COVID levels since. Price per square foot had generally trended upward from January 2021 to April 2021, but May 2021 saw a considerable decrease in pricing.



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