

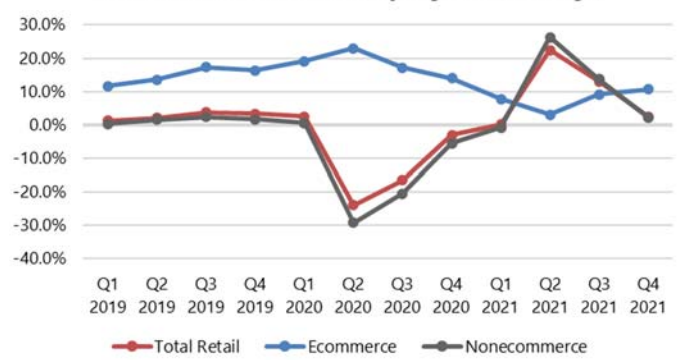


# New York Regional Retail Sales Volume & Buying Trends - December 2020

The New York regional retail market is facing hardships as the effects of the COVID-19 pandemic 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 grocers, 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 December 2020 was even worse. This report analyzes trends in investment sales in the retail market from January 2019 through December 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.

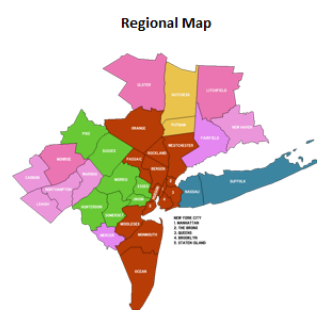
**Retail Sales Growth in the US, by Segment (% change)**



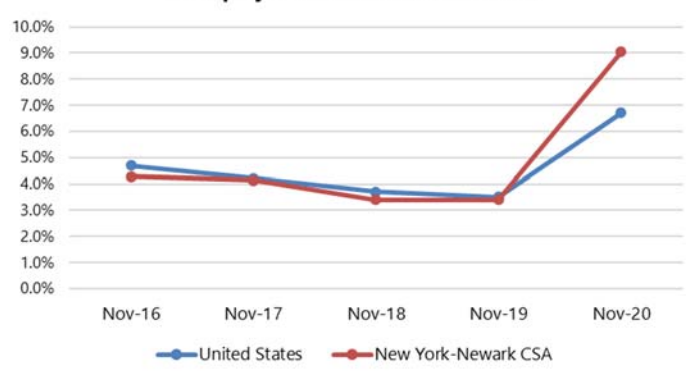
| POPULATION            |             |            |
|-----------------------|-------------|------------|
| YEAR                  | US          | CSA        |
| 2000 Total Population | 281,421,906 | 21,500,484 |
| 2010 Total Population | 308,745,538 | 22,255,491 |
| 2020 Total Population | 333,793,107 | 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: December 2020 unemployment statistics for the New York Region were not available as of the date this report was written.

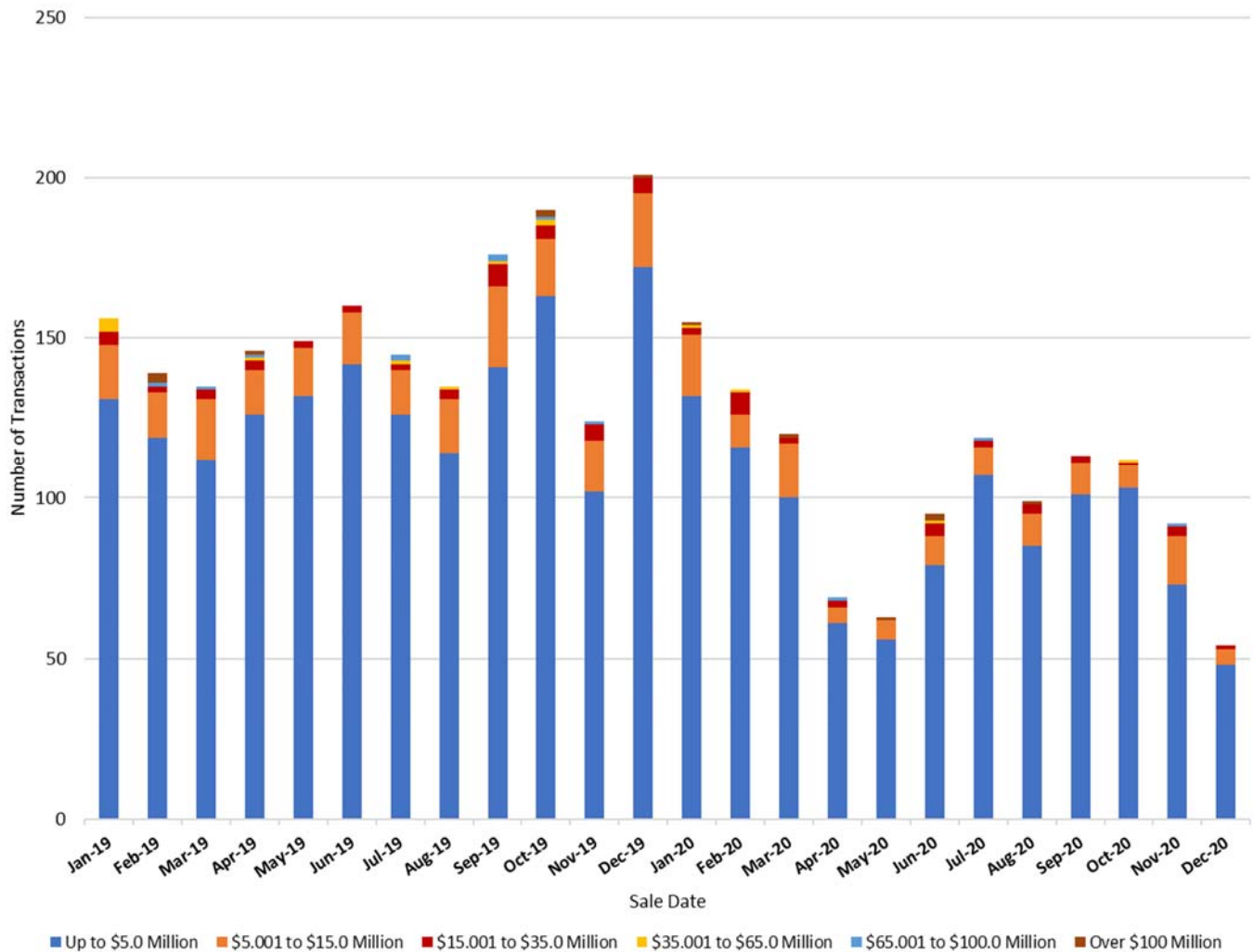
**Number of Sales Transactions**

We tracked the number of monthly retail sales recorded in the New York regional market, segmented into tranches as seen below. Over the prior 24-month period, as of December 2020, there were 3,081 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     | Nov-20    | Dec-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        | 85        | 101        | 103        | 73        | 48        | 2,641        | 85.7%         |
| \$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        | 10         | 7          | 15        | 5         | 330          | 10.7%         |
| \$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         | 2          | 1          | 3         | 1         | 71           | 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          | 1          | 0         | 0         | 14           | 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          | 1         | 0         | 13           | 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          | 0         | 0         | 13           | 0.4%          |
| <b>Total # Transactions</b>                              | <b>156</b> | <b>139</b> | <b>135</b> | <b>146</b> | <b>149</b> | <b>160</b> | <b>145</b> | <b>135</b> | <b>176</b> | <b>190</b> | <b>124</b> | <b>201</b> | <b>155</b> | <b>134</b> | <b>120</b> | <b>69</b> | <b>63</b> | <b>95</b> | <b>119</b> | <b>99</b> | <b>113</b> | <b>112</b> | <b>92</b> | <b>54</b> | <b>3,081</b> | <b>100.0%</b> |
| % 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%      | -16.8%    | -5.0%      | 13.1%      | -18.6%    | -51.8%    | -            | -             |

The largest number of monthly transactions occurred in December 2019, and December 2020 saw the fewest number transactions. The number of transactions increased from May through July, but there have been significant decreases since September through the end of the year. The figures are portrayed graphically below.

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



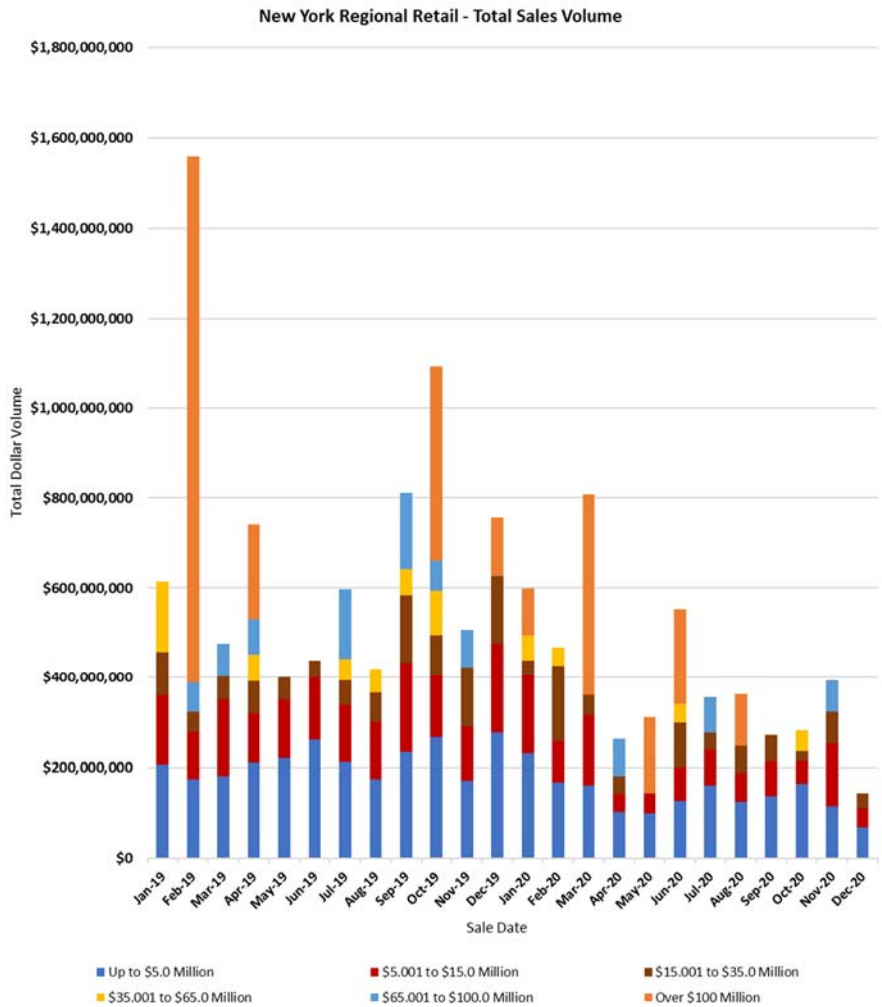
Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$701 million. Comparatively, the average monthly sales volume in 2020 was \$401 million, reflecting a decrease of approximately 43%. We tracked the dollar volume of monthly sales by tranche as seen below.

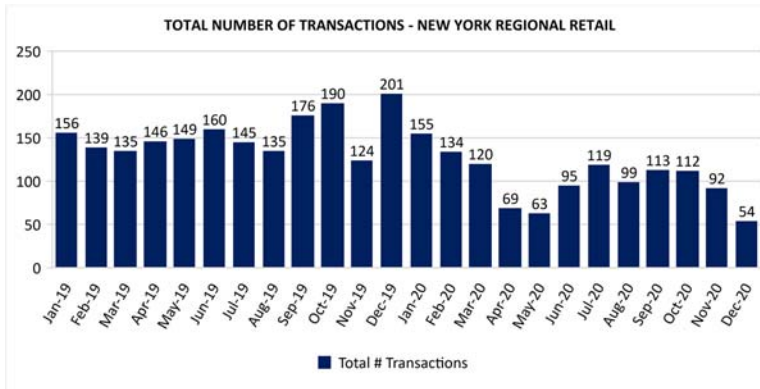
| Historical Transaction Volume - New York Regional Retail (in Millions) |         |           |         |         |         |         |         |         |         |           |         |         |         |         |         |         |         |         |         |         |         |         |         |         |            |            |
|--|---------|-----------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|------------|
| \$ 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  | Nov-20  | Dec-20  | Total      | % of Total |
| Up to \$5.0 Million  | \$206.6 | \$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 | \$124.5 | \$137.6 | \$164.9 | \$115.3 | \$68.1  | \$4,251.6  | 32.2%      |
| \$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  | \$76.7  | \$51.4  | \$138.4 | \$43.6  | \$2,742.8  | 20.7%      |
| \$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  | \$58.3  | \$20.2  | \$69.1  | \$32.0  | \$1,654.2  | 12.5%      |
| \$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   | \$45.6  | \$0.0   | \$0.0   | \$0.0   | \$658.6    | 5.0%       |
| \$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   | \$70.0  | \$0.0   | \$925.7    | 7.0%       |
| Over \$100 Million   | \$0.0   | \$1,169.4 | \$0.0   | \$210.0 | \$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   | \$0.0   | \$0.0   | \$0.0   | \$2,986.0  | 22.6%      |
| 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 | \$362.6 | \$272.7 | \$282.0 | \$392.8 | \$143.7 | \$13,218.9 | 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%  | 1.8%    | -23.5%  | -22.2%  | 44.0%   | -49.0%  | -          | -          |

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 23% of total dollar volume.

| Total Dollar Volume - New York Regional Retail |                 |
|--|-----------------|
| 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   | \$362,598,566   |
| Sep-20   | \$272,710,881   |
| Oct-20   | \$281,959,782   |
| Nov-20   | \$392,800,884   |
| Dec-20   | \$143,729,318   |
| Min  | \$143,729,318   |
| Max  | \$1,558,637,283 |
| 2019 Ave                                       | \$700,633,668   |
| 2020 Ave                                       | \$400,938,097   |

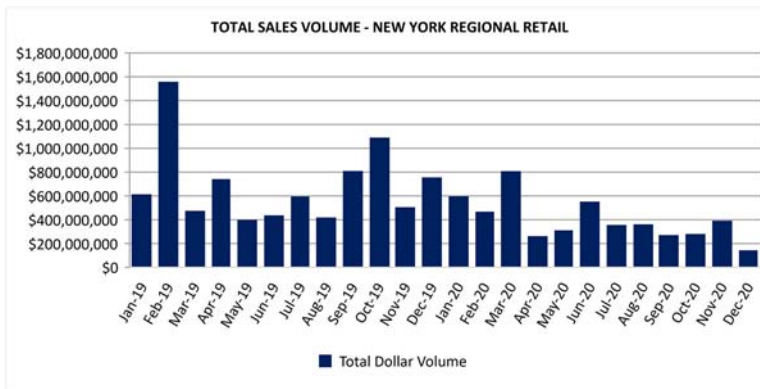


Dollar volume fluctuated in 2019 but was relatively high throughout the year. There was a significant drop in April 2020, and there were signs of bouncing back in May and June, but levels dropped again since then. Investors were optimistic that volume was picking up, but since June, volume has remained relatively low, with even further decreases seen through the end of the year.



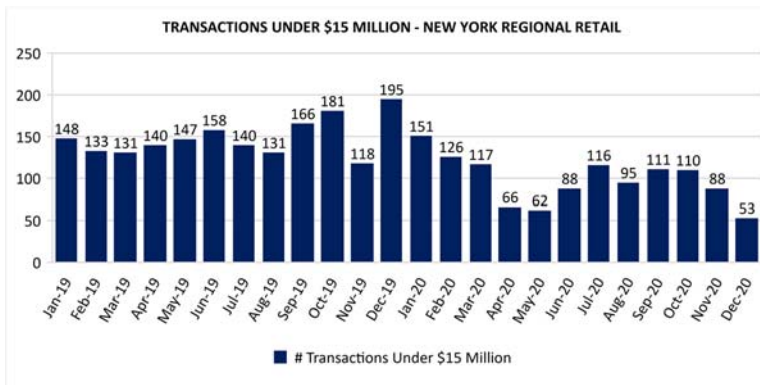
**SALES (2019-2020): Number of Sales**

Pre-COVID-19, the number of sales 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 even further declines seen in the most recent month. Comparing December 2019 to December 2020, the decline in number of transactions was significant, with only 54 sales in 2020 compared to 201 sales one year prior.



**Dollar Volume of Sales**

The number of transactions and dollar volume decreased in the last month. Volume in December 2020 was \$144 million, compared to \$756 million seen in December 2019, one year prior. The total volume in 2020 tallied \$4.8 billion in sales volume, which is over 42% lower than the \$8.4 billion recorded in 2019.



**Transactions under \$15M**

The number of transactions under \$15 million declined significantly from the end of 2019 through May 2020, and levels have fluctuated slightly since then, but are still well below pre-pandemic levels. There were only 53 sales under \$15 million in December 2020, which is a significant decline from the 195 sales seen in December 2019 and a decline from the 88 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



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