

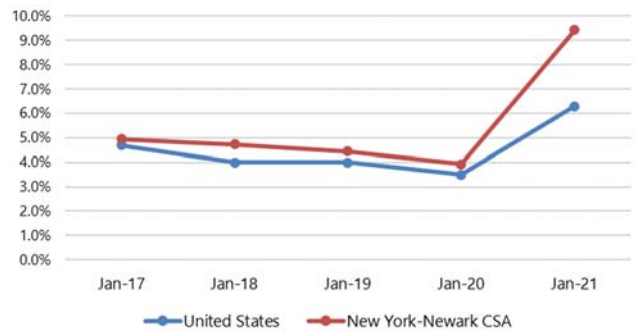


# New York Regional Retail Sales Volume & Buying Trends – February 2021

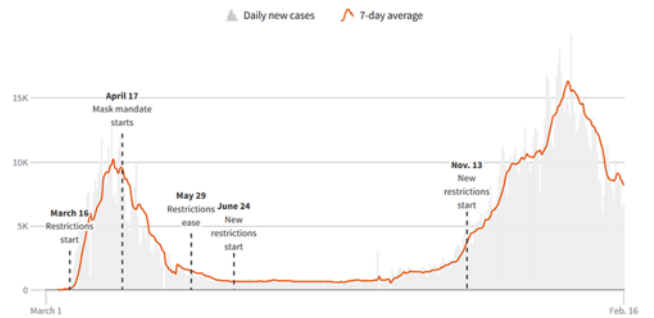
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The New York Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. A new high in case counts led to the implementation of the mask mandate in April 2020. Effective social distancing and mask mandates helped curb case counts over spring and summer 2020, and restrictions loosened. Colder weather and an increase in indoor gatherings around the holidays sent case counts surging again in the late fall and winter, shattering the previous high set in April 2020. Unemployment spiked over the period, reaching a high of 15.9 percent in New York State in July. The unemployment rate decreased over the following five months before a slight increase in January 2021. Attention now turns to the rollout of the COVID-19 vaccine and its effects on consumer sentiment and underlying market performance.

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



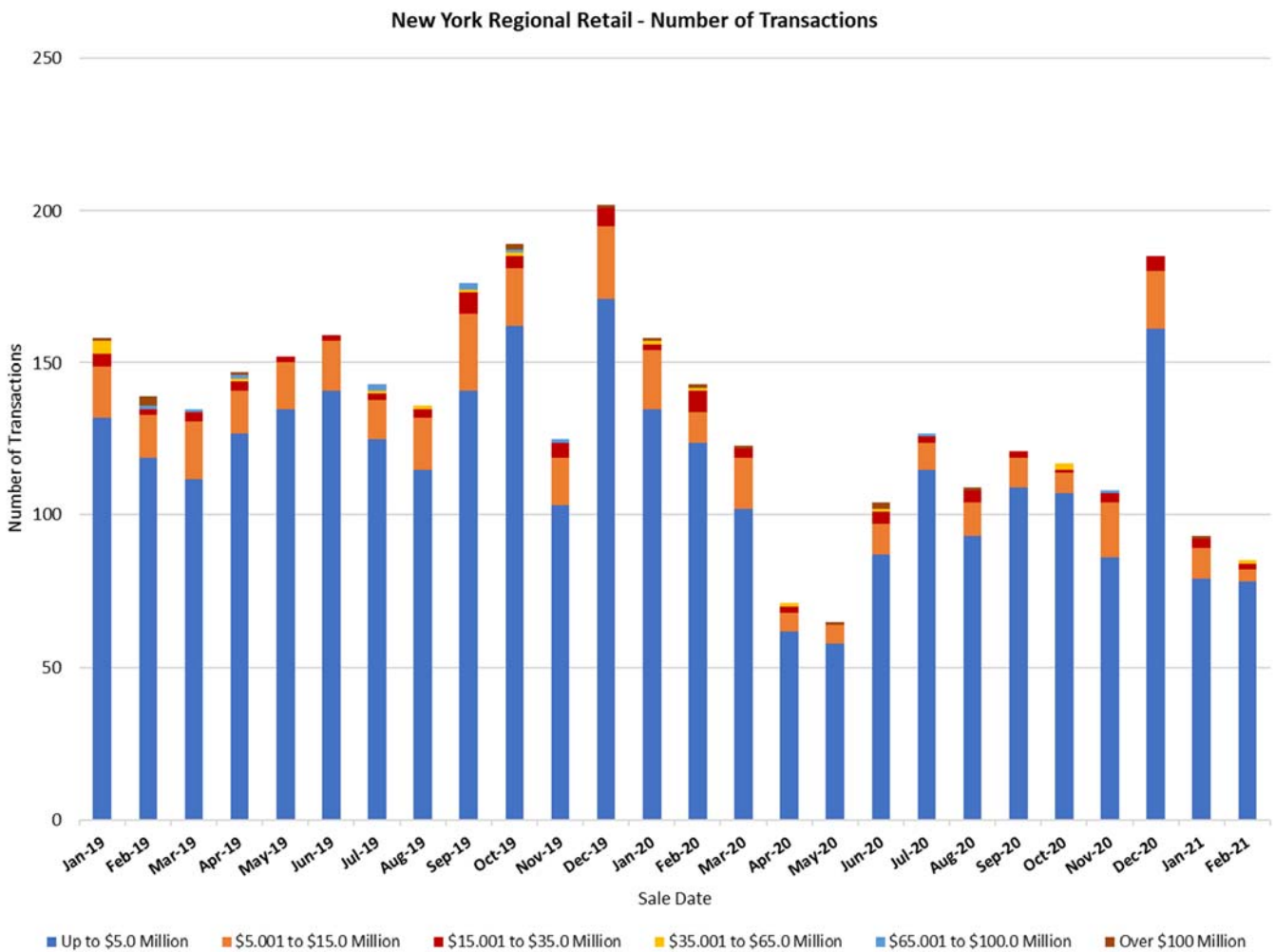
New York - Daily New Cases



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 –February 2021- number of monthly transactions ranged from 65 to 185, averaging 107 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 4 months with less than 100 transactions.
- December 2020- 185 total transactions- most of post-COVID era.
- January & February 2021- 93 and 85 transactions respectively, ranking fourth and third lowest since onset of COVID.
- No apparent trend in number of transactions since April 2020.

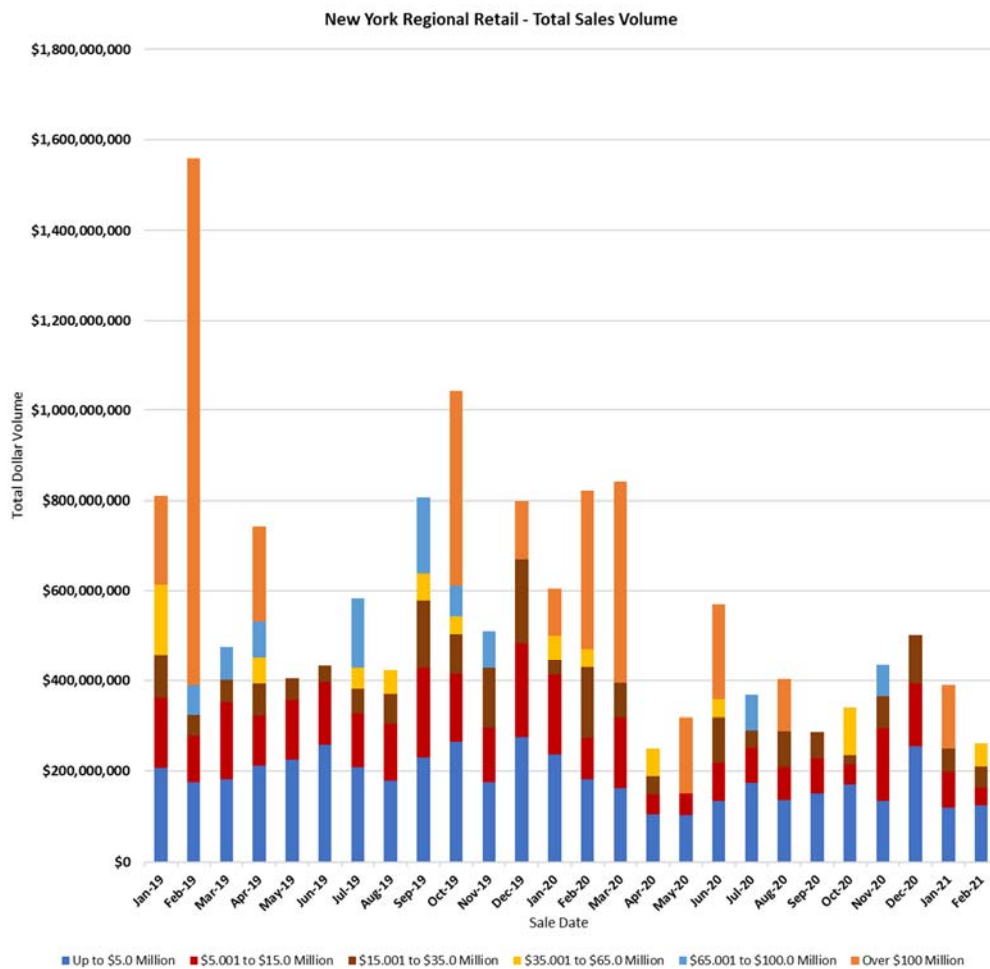


**Dollar Volume of Sales Transactions**

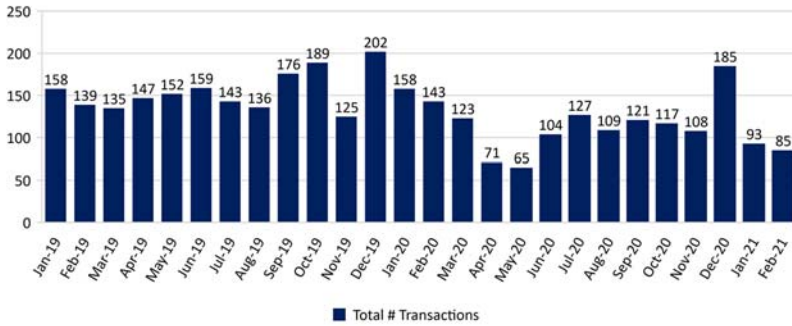
In 2019, the average monthly sales volume was approximately \$716 million. Comparatively, the average monthly sales volume in 2020 was roughly \$478 million, reflecting a decrease of approximately 35%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - New York Regional Retail			
YEAR	2019	2020	2021 (Feb)
<b>Min</b>	\$405,369,423	\$250,825,298	\$261,902,700
<b>Max</b>	\$1,558,637,283	\$841,290,862	\$389,567,137
<b>Average</b>	\$716,054,177	\$478,382,695	\$325,734,919
<b>% Difference</b>	-	-33.2%	-31.9%

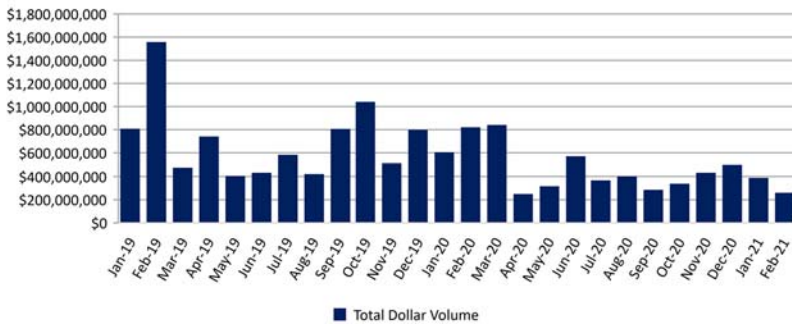
- Average sales volume from January 2019 to March 2020 was \$724,042,971.
- Average sales volume from April 2020 to February 2021 was \$374,915,249.
- The largest increase in dollar volume was 93% from January 2019 to February 2019.
- The largest decrease in dollar volume was -70% from March 2020 to April 2020.
- Zero transactions over \$100 million from September 2020 through December 2020 and February 2021.
- Of January 2020 transactions, 64% are under \$35 million, with the remainder in the Over \$100 million tranche.
- Of February 2020 transactions, 47% are in the Up to \$10 million tranche, with no sales over \$65 million.
- Larger price point deals are being heavily scrutinized by investors.



TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL RETAIL



TOTAL SALES VOLUME - NEW YORK REGIONAL RETAIL



SALE PRICE PER SF - NEW YORK REGIONAL RETAIL



**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. June 2020 through November 2020 saw a consistent number of transactions, and December 2020 saw the third-highest number of monthly transactions. The number of transactions has decreased in two consecutive months since. January and February 2021 posted 178 total transactions compared to 301 transactions in January and February 2020.

**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. Only three months since April 2020 have registered over \$400 million in sales volume, 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 fourth highest of the eleven-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 January 2021, these properties sold at an average of \$283 per square foot. Price per square foot decreased sharply in June 2020 and has yet to fully rebound. Furthermore, leasing activity in the retail market has been far below average since the onset of COVID. Landlords have offered rental concessions and free rent to maintain occupancy, which has resulted in lower valuations.



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