

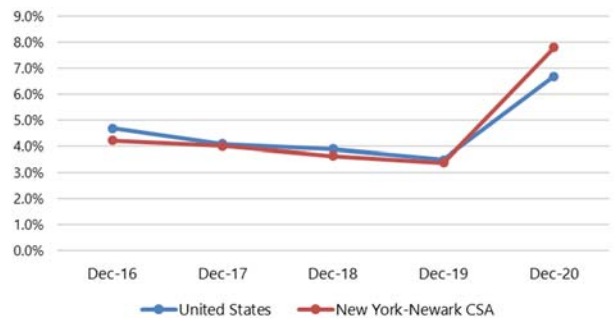


New York Regional Retail Sales Volume & Buying Trends – January 2021

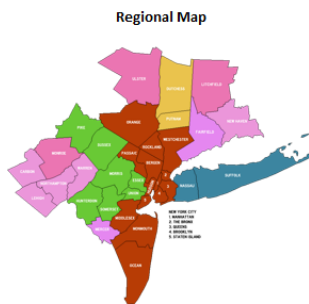
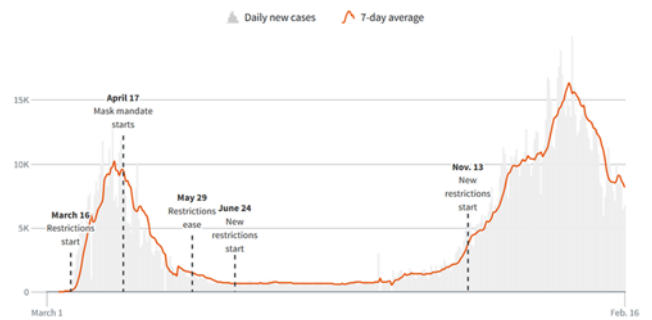
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 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 coupled with the holidays in late fall and winter sent case counts surging again, 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 has decreased in five consecutive months since, which is an encouraging sign. Attention now turns to the rollout of the COVID 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



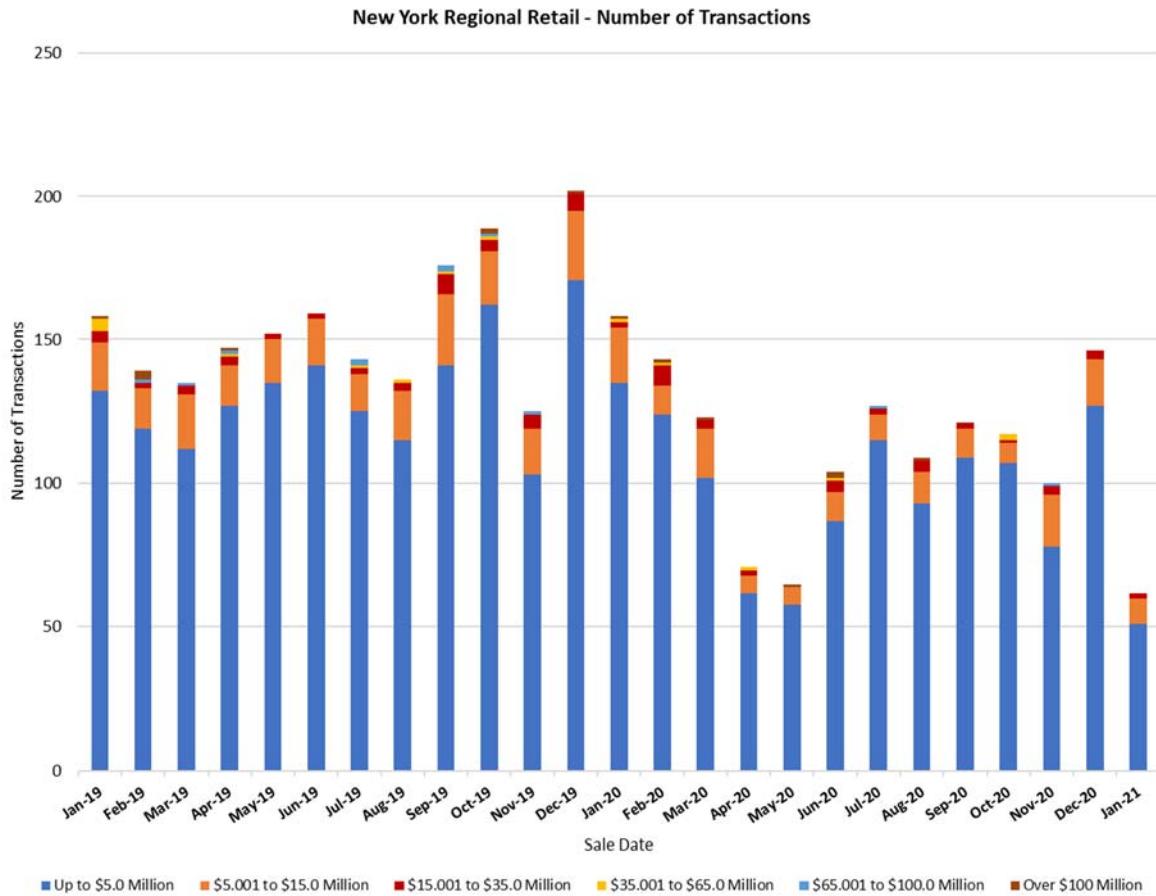
New York - Daily New Cases



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 – January 2021- number of monthly transactions ranged from 62 to 146, averaging 104 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- 146 total transactions- most of post-COVID era.
- January 2021- 62 transactions- lowest of post-COVID era.
- The market posted its most and lease active months in terms of number of sales transactions consecutively (post-COVID), indicating the market is still in flux.

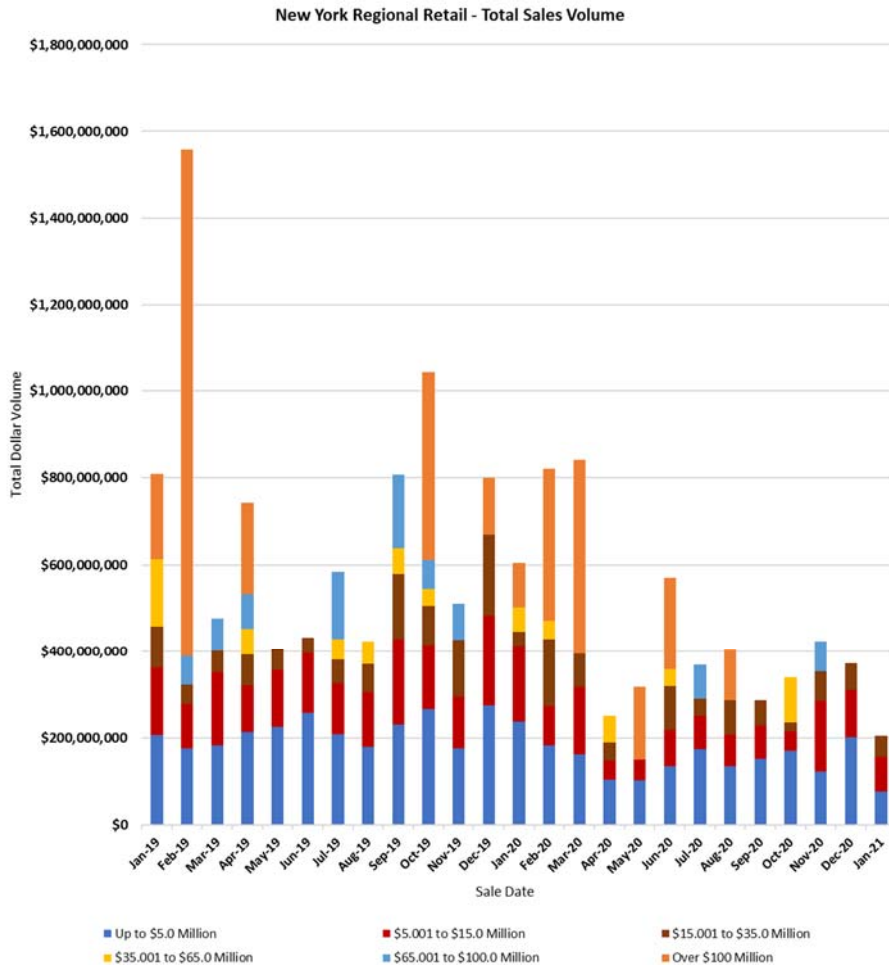


Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$716 million. Comparatively, the average monthly sales volume in 2020 was roughly \$467 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 (Jan)
Min	\$405,369,423	\$250,825,298	\$204,199,993
Max	\$1,558,637,283	\$841,290,862	\$204,199,993
Average	\$716,054,177	\$466,837,439	\$204,199,993
% Difference	-	-34.8%	-56.3%

- Average sales volume from January 2019 to March 2020 was \$724,042,971.
- Average sales volume from April 2020 to January 2021 was \$353,825,483.
- The largest increase in dollar volume was 491% from April 2020 to May 2020
- The largest decrease in dollar volume was 94% from March 2020 to April 2020.
- Zero transactions over \$100 million from September 2020 through January 2021.
- Of December transactions, 127 (87%) are under \$5 million.
- Of January 2021 transactions, 51 (82%) are under \$5 million.
- Larger price point deals are being heavily scrutinized by investors.



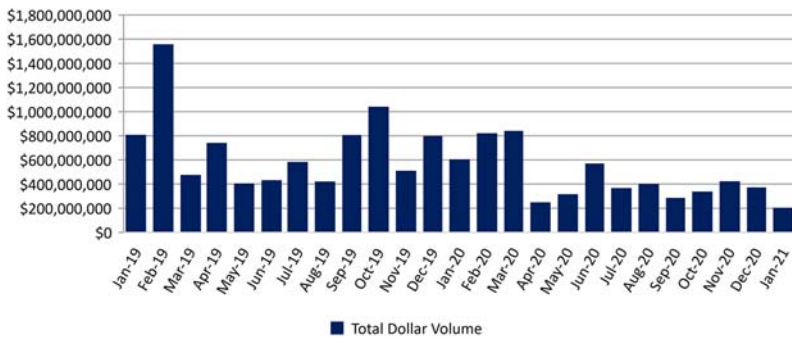
TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL RETAIL



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 through November saw greater consistency before a sharp increase in December 2020, followed by a substantial decrease in January 2021. Comparing January 2021 to January 2020, the decline in number of transactions was significant, with 62 sales in 2021 and 158 sales in 2020.

TOTAL SALES VOLUME - NEW YORK REGIONAL RETAIL



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. Most noticeably, volume within the \$65 to \$100 million tier has decreased substantially. Investors have been shying away from large deals in the retail market given the uncertainty surrounding this sector.

SALE PRICE PER SF - NEW YORK REGIONAL RETAIL



Sale Price Per Square Foot

Over the period, sale price per square foot has ranged from \$111 per square foot to \$651 per square foot, averaging \$320 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 \$249 per square foot. January 2021 ranks second lowest in price per square foot over the 25-month period. Leasing in the retail market has been far below average levels 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