

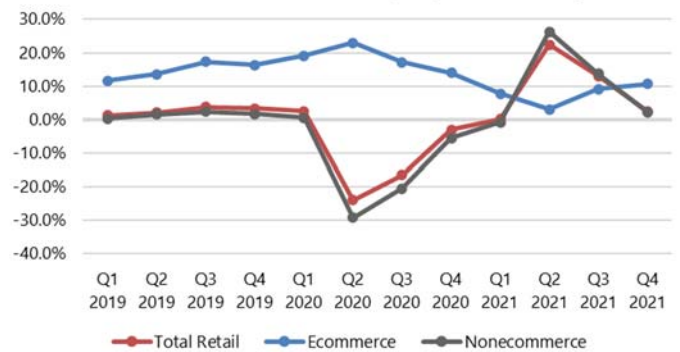
# New York Regional Retail Sales Volume and Buying Trends - May 2020

The global COVID-19 pandemic surfaced in the United States in Mid-March. Federal, State, and local governments responded by issuing strict social distancing orders to curb the spread of the virus. The New York regional retail market is facing hardships as the effects of the crisis continue to unfold. Pre-crisis, there was uncertainty surrounding the retail market as well. 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; however, it has dropped off since then. This report analyzes trends in investment sales in the retail market from January 2019 through May 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 and a drop off in non-ecommerce hitting the retail industry hard. Spending habits are not expected to normalize until the end of 2021.

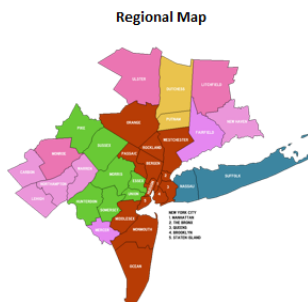
**Retail Sales Growth in the US, by Segment (% change)**



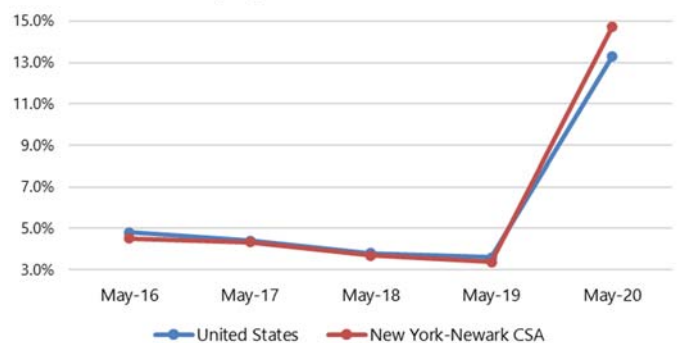
POPULATION		
YEAR	US	CSA
2000 Total Population	281,421,906	21,500,484
2010 Total Population	308,745,538	22,255,491
2020 Total Population	333,793,107	22,997,937
2025 Total Population	346,021,282	23,263,141
10-20 CAGR	0.8%	0.3%
20-25 CAGR	0.7%	0.2%

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**

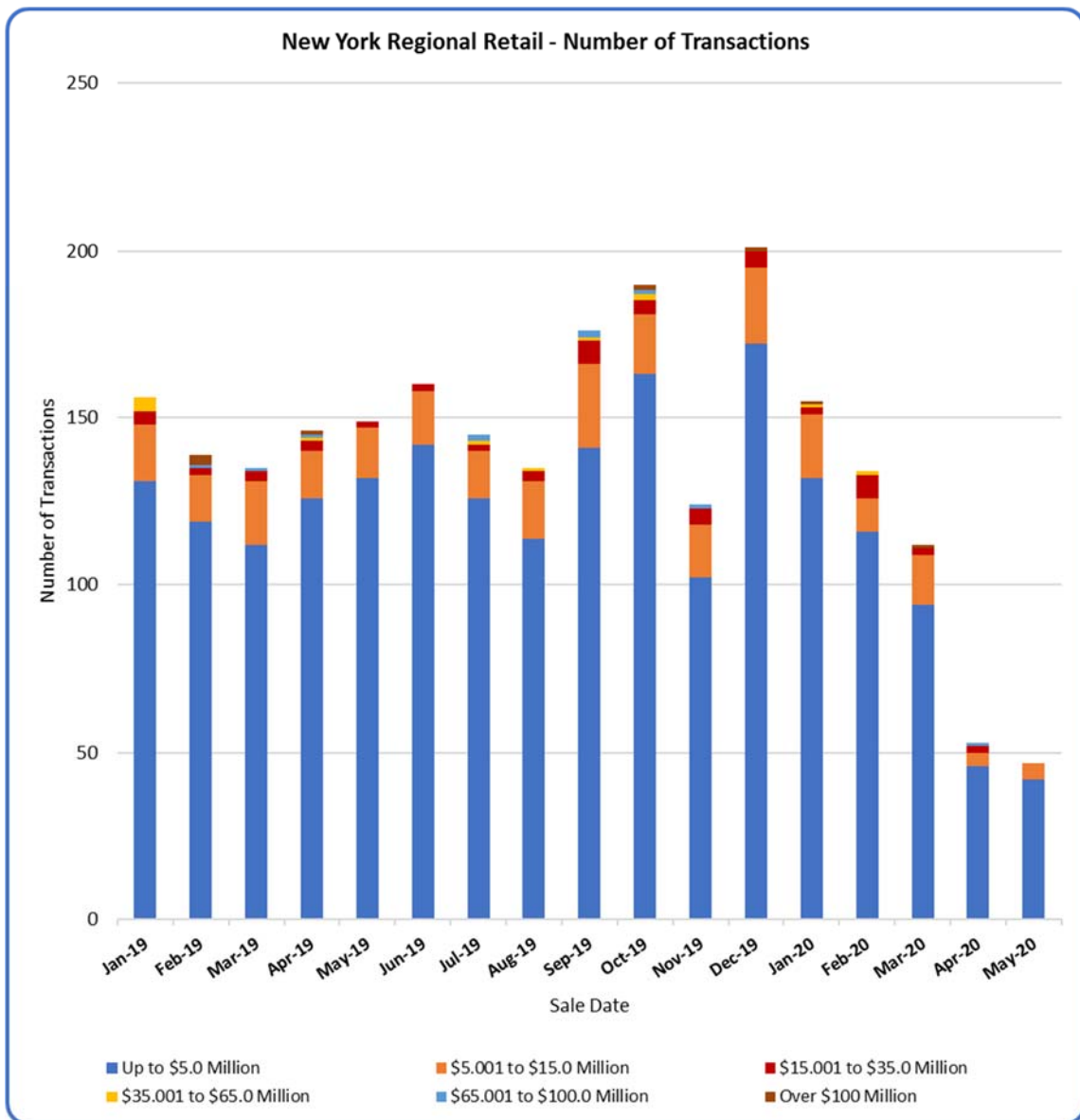


**Number of Sales Transactions**

We tracked the number of monthly retail sales recorded in the New York regional market, segmented into tranches as seen below. Over the prior 17-month period as of May 2020, there was a total of 2,358 transactions. Approximately 85% 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																			Total	% of Total
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			
Up to \$5.0 Million	131	119	112	126	132	142	126	114	141	163	102	172	132	116	94	46	42	2,010	85.2%	
\$5.001 to \$15.0 Million	17	14	19	14	15	16	14	17	25	18	16	23	19	10	15	4	5	261	11.1%	
\$15.001 to \$35.0 Million	4	2	3	3	2	2	2	3	7	4	5	5	2	7	2	2	0	55	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	12	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	10	0.4%	
Over \$100 Million	0	3	0	1	0	0	0	0	0	2	0	1	1	0	1	0	1	10	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>112</b>	<b>53</b>	<b>48</b>	<b>2,358</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%	-16.4%	-52.7%	-9.4%	-	-	

In terms of number of transactions, the largest number of monthly transactions occurred in December 2019, which represented a 62% increase from the prior month. Compared to the 146 and 149 sales seen in April and May 2019, the results for April and May 2020 were lower, at 53 sales and 48 sales, respectively. The figures are portrayed graphically below. In May 2020, most transactions were in the "Up to \$5.0 Million" category, in line with the high transaction volume trend seen over the analysis period.



**Dollar Volume of Sales Transactions**

In 2019, the average monthly sales volume was slightly above \$700 million, with the peak occurring in February 2019 at over \$1.5 billion. Comparatively, the average monthly sales volume in 2020 is roughly \$471 million thus far, reflecting a decrease of approximately 33%. We tracked the dollar volume of monthly sales by tranche as seen below.

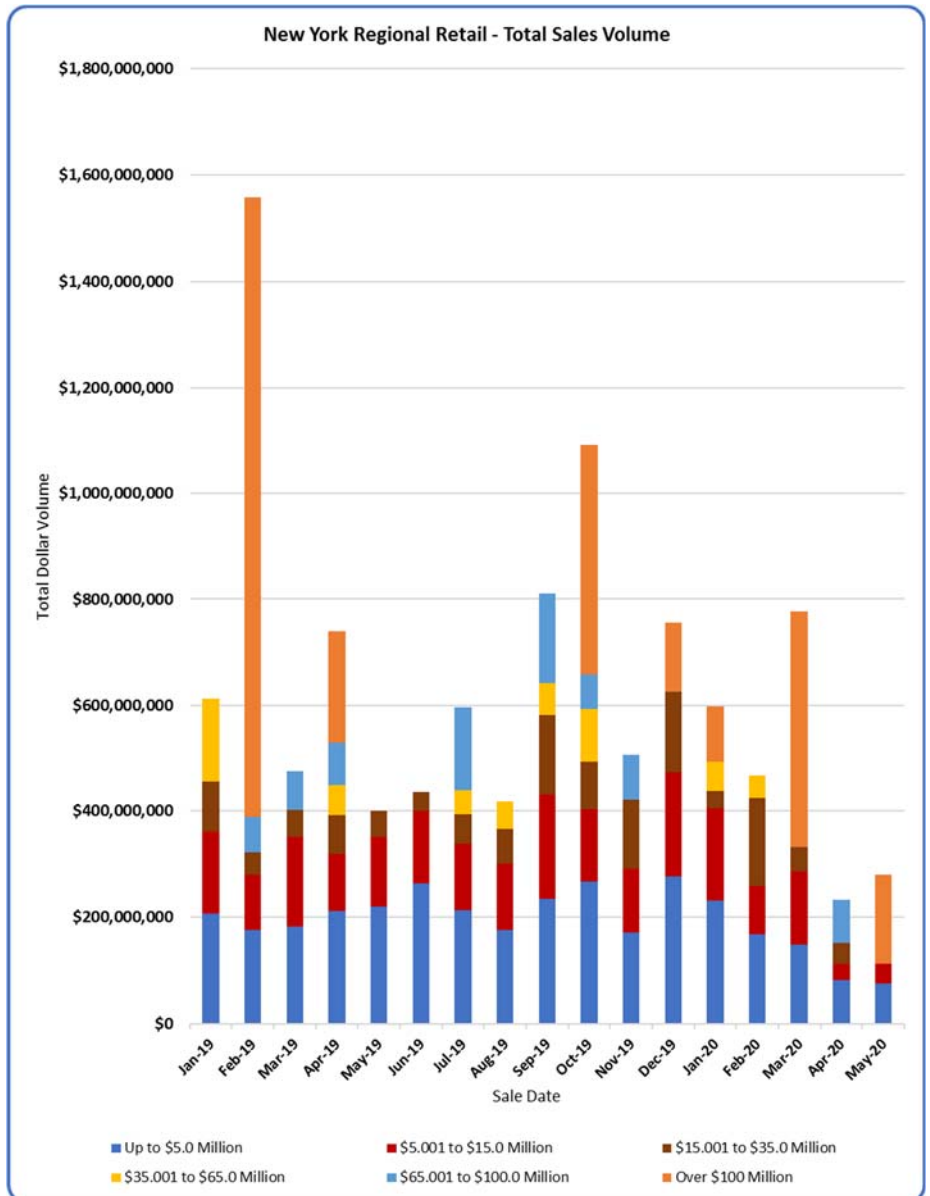
Historical Transaction Volume - New York Regional Retail (in Millions)																			
Dollar Volume of Transactions	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Total	% of Total
Up to \$5.0 Million	\$206.5	\$175.3	\$182.0	\$210.9	\$220.0	\$262.6	\$212.2	\$174.7	\$234.2	\$267.2	\$170.5	\$277.0	\$230.4	\$167.4	\$148.5	\$81.3	\$74.4	\$3,295.1	30.6%
\$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	\$137.6	\$29.9	\$37.3	\$2,183.3	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	\$1,276.7	11.9%
\$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	\$573.0	5.3%
\$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	\$0.0	\$0.0	\$776.7	7.2%
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	\$2,658.9	24.7%
<b>Total Dollar Volume</b>	<b>\$614.0</b>	<b>\$1,558.6</b>	<b>\$476.3</b>	<b>\$741.2</b>	<b>\$399.9</b>	<b>\$437.6</b>	<b>\$596.5</b>	<b>\$419.0</b>	<b>\$810.5</b>	<b>\$1,090.8</b>	<b>\$507.0</b>	<b>\$756.2</b>	<b>\$598.4</b>	<b>\$468.0</b>	<b>\$777.5</b>	<b>\$232.7</b>	<b>\$279.6</b>	<b>\$10,763.7</b>	<b>100.0%</b>
% 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%	66.2%	-70.1%	20.2%	-	-

Over the analysis period, the category with the highest transaction volume is in the "Up to \$5.0 Million" category, which comprises approximately 30% of all dollar volume. There were 46 and 42 sales in this category in April and May 2020, respectively. The category that recorded the second highest amount of transaction volume was in the "Over \$100 Million" category, which comprises approximately 25% of all dollar volume. There were only four sales above the \$15 million price tag in April and May 2020 combined.

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	\$777,528,848
Apr-20	\$232,667,298
May-20	\$279,630,502
Min	\$232,667,298
Max	\$1,558,637,283
2019 Ave	\$700,633,668
2020 Ave	\$471,228,685

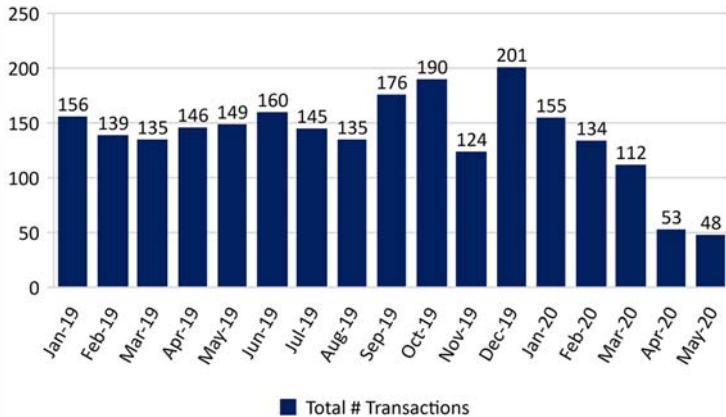
The table above shows total dollar volume over the analysis period. Dollar volume was fluctuating in 2019 but was relatively high throughout the year. April and May of 2020 reversed that trend and recorded the two lowest dollar volume figures over the analysis period.

The transaction volume for April and May 2020 was \$232 million and \$280 million, respectively. This is lower than historical figures, but still an optimistic indication of market activity.





TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL RETAIL



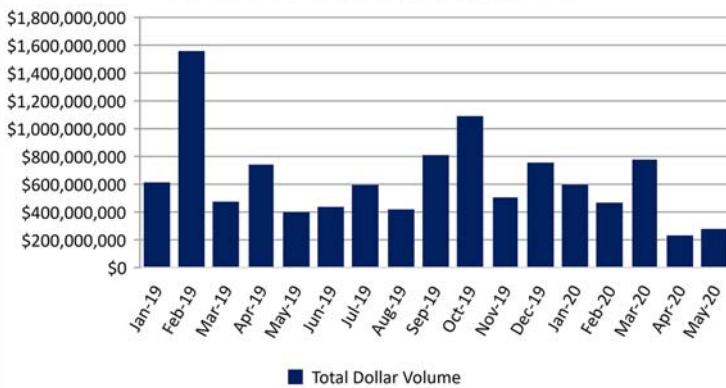
**SALES (2019-2020): Volume**

Pre-COVID-19, sales volume fluctuated, ranging from 112 to 201 sales per month from January 2019 through March 2020. April and May 2020 marked a significant drop in the number of transactions, down to 48 in May. Comparing May 2019 to May 2020, the decline in number of transactions was nearly 68%.

**Dollar Volume of Sales**

The number of transactions decreased approximately 9% from April 2020 to May 2020, but dollar volume actually increased from \$233 million to \$280 million. The first five months of 2020 tallied \$2.4 billion in sales volume, which is lower than the \$3.8 billion recorded in the same period in 2019 (down 38%). Further, from January 2019 through March 2020, the average deal size was nearly \$4.6 million. In April and May 2020, the average deal was \$5.1 million, an increase of approximately 11%.

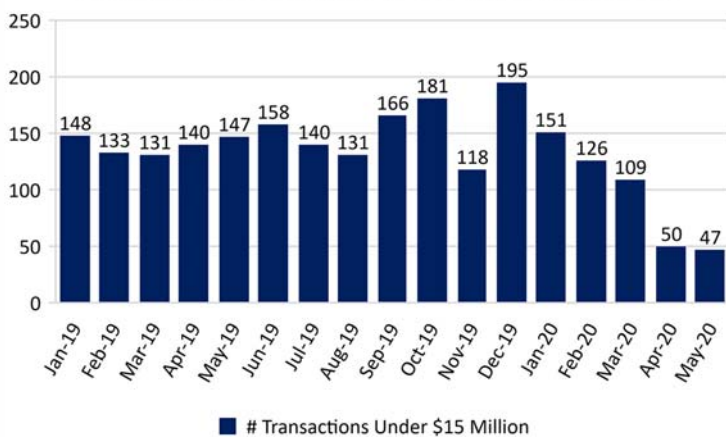
TOTAL SALES VOLUME - NEW YORK REGIONAL RETAIL



**Transactions under \$15M**

The graph on the left illustrates the recent decline in transactions under \$15 million. There were 50 and 47 sales under \$15 million in April and May, which is a clear indicator of investor skepticism in this climate. Prior to that, between January 2019 and March 2020, the average number of sales under \$15 million was approximately 145 per month. The number of sales under \$15 million will be tracked carefully by market participants, as some wait for the dust to settle before deploying capital.

TRANSACTIONS UNDER \$15 MILLION - NEW YORK REGIONAL RETAIL



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