



LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES



FEATURED MARKET REPORTS

THE LEE ADVANTAGE

Every Lee & Associates office delivers world-class service to an array of regional, national, and international clients - from small businesses and local investors to major corporate users and institutional investors. Our professionals combine the latest technology, resources, and market intelligence with their experience, expertise, and commitment to superior service to optimize client results.

WHAT SETS US APART?

Since 1979, Lee & Associates has reimagined the way that commercial real estate companies should be structured. Each Lee & Associates office is owned and operated by its professionals. As shareholders of the company, this separates us from our competition and creates one common goal; to provide seamless, consistent execution and value-driven market-to-market services to our clients.

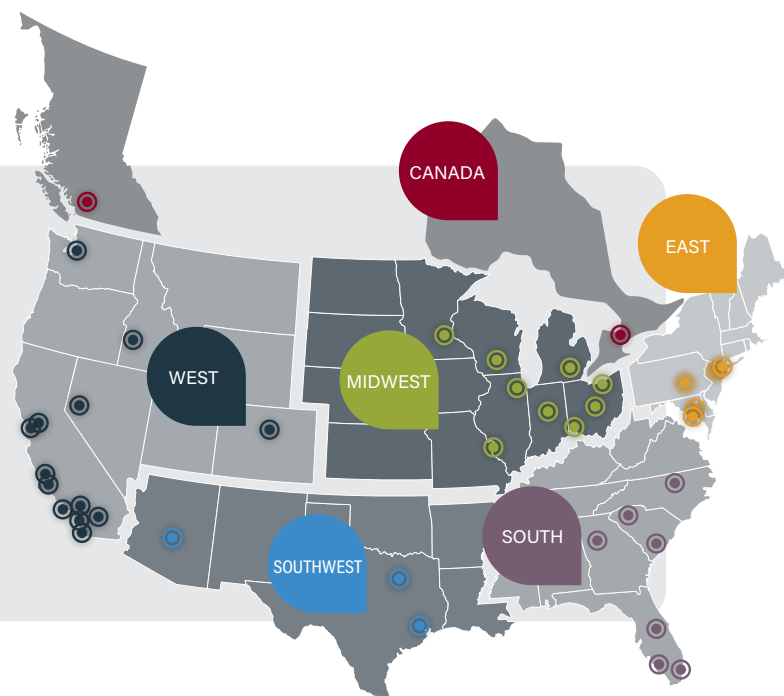
SERVICES TO MEET THE NEEDS OF OUR CLIENTS

Lee & Associates' offices offer a broad array of real estate services tailored to meet the needs of the company's clients in each of the markets it operates, including commercial real estate brokerage, integrated services, and construction services.

With specialty practice groups in each of these disciplines, our professionals regularly collaborate to make sure they are providing their clients with the most advanced, up-to-date market technology and information.

LOCAL EXPERTISE INTERNATIONAL REACH

With offices in 60+ markets across North America and a strategic international alliance with Gerald Eve, Lee & Associates has the ability to deliver first-class services to our clients both locally and internationally.



PANDEMIC DELIVERS A BLOW TO RETAIL

Demand for retail space closed the first quarter in negative territory just as the coronavirus lockdown was taking hold in mid-March. The retail market already was coming off its weakest year since 2009 with reduced demand and a record 9,500 store closings in 2019.

Investment volume in the first quarter was at its lowest level since 2013 and more softening of prices and transaction volume is expected. Cap rates will rise as investors seek risk premiums against the growing uncertainty for future occupancy, cash flows and rent growth. Prices will be under pressure as tenant distress, vacancy spikes and future property revenues constrict valuations.

At this early stage in the crisis, it's too soon to predict beyond the second quarter how long the health emergency will last or its toll on the economy. The uncertainty has caused most transactions to be delayed or canceled. Coronavirus-related closures and restrained retail sales are expected to accelerate closures and bankruptcies of struggling merchants.

Applications for jobless payments in the first four weeks of health emergency totaled 22 million workers, equaling the last recession and overwhelming state systems.

Leisure, hospitality and non-essential retail were the hardest hit industries. The shutdown is causing severe stress on the nation's restaurants. More than 1 million eateries had expected to post 2020 sales of \$899 billion for a 4% annual gain. One projection forecasts that up to 30% of restaurants will close, which would affect 4.7 million jobs. Fifty-six percent of full-service restaurants and 38% of limited-service restaurants occupy between 2,500 SF and 7,500 SF, according to the National Restaurant Association's most recent survey.

Consumer confidence in March fell to a 32-month low and all the Federal Reserve's districts reported "highly uncertain outlooks among business contacts, with most expecting conditions to worsen in the next several months." As public debates begin about when to "reopen the economy," stay-at-home orders will likely remain in effect longer in the coastal states,

Despite a belief that the economy cannot return to normal without widespread testing, development of effective treatments or a vaccine - which is said by scientists to be a year away - several leading banks and economists were forecasting a V-shaped recovery starting in the second half. There's also optimism reflected in the view that, because the last recession stemmed from a financial crisis wrought by mortgage recklessness, this recovery will be stronger once the threat ends.

FEATURED RETAIL MARKET REPORTS

- CA, LA - San Gabriel Valley
- CA, LA - Tri-Cities
- CA, North San Diego County
- DC, Washington
- FL, Miami
- GA, Atlanta
- IL, Chicago
- NC, Durham
- NC, Raleigh
- OH, Cincinnati
- SC, Charleston
- SC, Greenville / Spartanburg
- WI, Madison

LOWEST VACANCY RATE

WA, Seattle	2.53%
NC, Raleigh	2.63%
MN, Minneapolis	3.06%
MA, Boston	3.07%
WI, Madison	3.38%
U.S. Index	4.68%

HIGHEST MARKET RENT / SF

NY, New York	\$44.06
FL, Miami	\$38.61
CA, Los Angeles	\$33.54
CA, Orange County	\$32.71
CA, East Bay	\$31.69
U.S. Index	\$21.82

HIGHEST MARKET SALE PRICE / SF

NY, New York	\$405.00
CA, Los Angeles	\$395.00
FL, Miami	\$394.00
CA, Orange County	\$379.00
CA, Santa Barbara	\$367.00
U.S. Index	\$214.00

MOST SF UNDER CONSTRUCTION

NY, New York	5,331,559 SF
TX, Dallas-Fort Worth	4,749,514 SF
TX, Houston	3,174,712 SF
CA, Los Angeles	2,793,529 SF
DC, Washington	2,476,206 SF
U.S. Index	60,720,730 SF

LARGEST INVENTORY BY SF

NY, New York	597,237,910 SF
IL, Chicago	566,605,932 SF
CA, Los Angeles	443,022,208 SF
TX, Dallas-Fort Worth	435,599,613 SF
TX, Houston	398,819,502 SF
U.S. Index	11,534,638,671 SF

HIGHEST MARKET CAP RATE

PA, Lehigh Valley	9.0%
NC, Durham	8.7%
OH, Cincinnati	8.6%
OH, Cleveland	8.6%
MO, Saint Louis	8.5%
U.S. Index	7.2%

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	UNDER CONSTRUCTION	INVENTORY	MARKET CAP RATE
AZ, Phoenix	7.02%	\$19.62	\$194	801,603	233,342,211	7.1%
CA, East Bay	3.71%	\$31.69	\$323	241,302	124,165,538	5.5%
CA, Inland Empire	7.64%	\$21.86	\$238	1,346,684	196,003,697	6.4%
CA, Los Angeles	4.78%	\$33.54	\$395	2,793,529	443,022,208	5.4%
CA, Orange County	3.85%	\$32.71	\$379	148,882	143,142,999	5.3%
CA, San Diego	4.02%	\$31.58	\$338	356,923	141,047,058	5.7%
CA, San Luis Obispo	3.73%	\$23.93	\$255	251,990	15,085,900	6.3%
CA, Santa Barbara	3.57%	\$26.80	\$367	36,572	24,721,600	5.9%
CA, Stockton	3.67%	\$18.36	\$172	21,356	30,645,061	7.4%
CA, Ventura	5.05%	\$24.87	\$270	36,114	41,194,551	6.1%
CO, Denver	4.57%	\$23.06	\$225	1,070,136	155,224,879	6.7%
DC, Washington	4.34%	\$30.37	\$309	2,476,206	268,372,591	6.5%
FL, Fort Myers	5.67%	\$17.25	\$176	251,575	47,753,846	7.2%
FL, Miami	4.07%	\$38.61	\$394	2,017,500	133,922,916	5.6%
FL, Naples	4.97%	\$23.12	\$254	470,620	23,641,481	6.0%
FL, Orlando	4.40%	\$23.39	\$204	851,900	144,092,388	7.2%
GA, Atlanta	5.13%	\$17.68	\$166	1,282,725	356,559,708	7.6%
ID, Boise	4.18%	\$14.27	\$174	17,580	40,284,469	6.9%
IL, Chicago	6.09%	\$19.25	\$185	1,862,800	566,605,932	7.4%
IN, Indianapolis	4.94%	\$15.78	\$143	780,206	128,446,302	8.2%
MA, Boston	3.07%	\$25.67	\$239	1,696,666	237,722,077	6.3%
MD, Baltimore	4.81%	\$22.29	\$186	261,548	142,692,175	7.4%
MI, Detroit	5.77%	\$16.57	\$116	657,018	257,884,306	8.2%
MN, Minneapolis	3.06%	\$17.15	\$167	383,003	202,013,535	7.2%
MO, Saint Louis	4.26%	\$15.32	\$137	725,189	173,425,022	8.2%
NC, Durham	3.74%	\$19.65	\$206	478,137	26,540,645	8.7%
NC, Raleigh	2.63%	\$20.53	\$193	658,663	74,143,716	7.2%
NJ, Northern New Jersey	4.45%	\$22.57	\$200	463,106	129,731,075	7.1%
NV, Reno	5.59%	\$18.69	\$177	113,263	26,365,657	7.6%
NY, Long Island	4.84%	\$30.45	\$276	476,664	149,688,866	6.7%
NY, New York	3.98%	\$44.06	\$405	5,331,559	597,237,910	6.1%
OH, Cincinnati	4.24%	\$13.30	\$105	243,373	133,313,256	8.6%
U.S. Index	4.68%	\$21.82	\$214	60,720,730	11,534,638,671	7.2%

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	UNDER CONSTRUCTION	INVENTORY	MARKET CAP RATE
OH, Cleveland	4.48%	\$14.15	\$99	146,867	142,349,276	8.6%
OH, Columbus	3.45%	\$16.17	\$126	517,221	119,843,918	8.5%
PA, Harrisburg	6.45%	\$15.15	\$121	20,865	33,589,305	7.8%
PA, Lehigh Valley	5.06%	\$15.08	\$130	105,400	47,954,722	9.0%
PA, Philadelphia	4.92%	\$20.41	\$171	1,205,187	328,435,861	7.3%
SC, Charleston	3.82%	\$20.09	\$199	306,580	46,294,851	7.1%
SC, Greenville	4.48%	\$14.29	\$145	426,290	61,915,642	7.3%
TX, Dallas-Fort Worth	5.13%	\$19.77	\$216	4,749,514	435,599,613	6.9%
TX, Houston	5.59%	\$20.58	\$209	3,174,712	398,819,502	7.2%
WA, Seattle	2.53%	\$26.44	\$287	799,639	178,245,741	6.2%
WI, Madison	3.38%	\$15.98	\$134	73,549	38,654,261	7.7%
U.S. Index	4.68%	\$21.82	\$214	60,720,730	11,534,638,671	7.2%



RETAIL MARKET OVERVIEW

JAMES MCKAY, Associate Broker

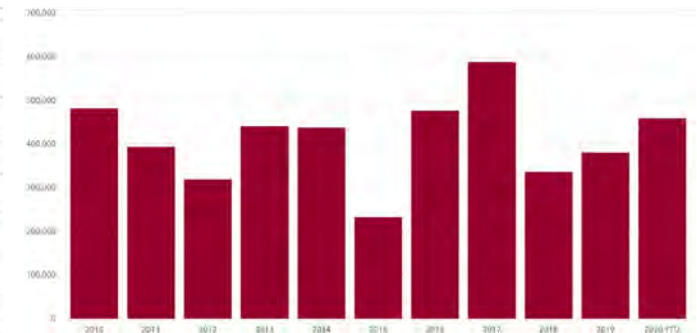
The retail market in Greenville has continued with a 4th consecutive quarter of negative net absorption but continues to grow its inventory with much of the growth geared towards restaurants and services. We have experienced a slight decrease in rental rates but they have remained steady over the last year. We are closely monitoring COVID-19 closings and the effects it will have on market, but these still remain unknown at this point.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	(255,283) SF	(228,579) SF	(27,629) SF	(280,400) SF	118,541
▲ Vacancy Rate	4.70%	4.40%	4.10%	4.00%	3.60%
▼ Avg NNN Asking Rate	\$11.71/SF	\$11.88/SF	\$11.66/SF	\$11.77/SF	\$11.59/SF
▲ Under Construction	459,830 SF	380,938 SF	354,446 SF	337,053 SF	357,025 SF
▲ Inventory	88,814,086 SF	88,780,886 SF	88,722,815 SF	88,639,815 SF	88,569,984 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
504 W. Main St. Pickens, SC	38,878 SF	\$2,600,000 \$45.11/SF	504 West Main St, LLC Westside Shopping Center, LLC	Retail Strip Center
5312 Calhoun Memorial Hwy. Easley, SC	14,550 SF	\$5,200,000 \$357.39/SF	East Coast Real Estate Investments VEREIT, Inc.	STNL (Walgreens)
1220 W. Wade Hampton Blvd Greer, SC	2,816 SF	\$4,062,500 \$1,442.65/SF	Bayrock Freedom, LLC 1220 Wade Hampton, LLC	STNL (Panera Bread)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1206-1214 Union St. Spartanburg, SC	26,000	Bad Co Properties, LLC	S & A Discount Grocery	Grocery Store
2830 Wade Hampton Blvd Taylors, SC	9,323	Wade Hampton Plaza	Safe Harbor	Retail
2528 Boiling Springs Rd Boiling Springs, SC	3,600	Sparta Land Holdings, LLC	Ark Animal Hospital	Veterinary Service

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