



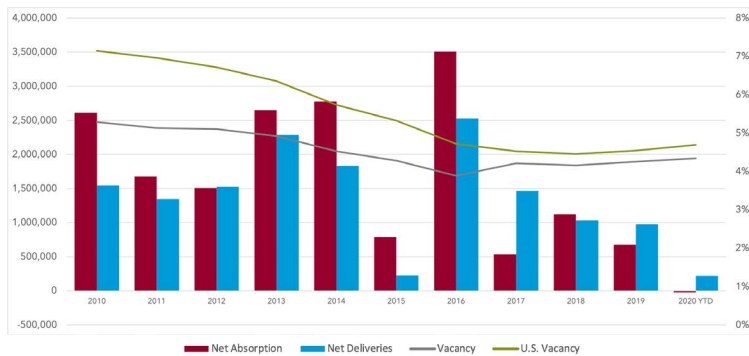
RETAIL MARKET OVERVIEW

JOSH SIMON, *President*

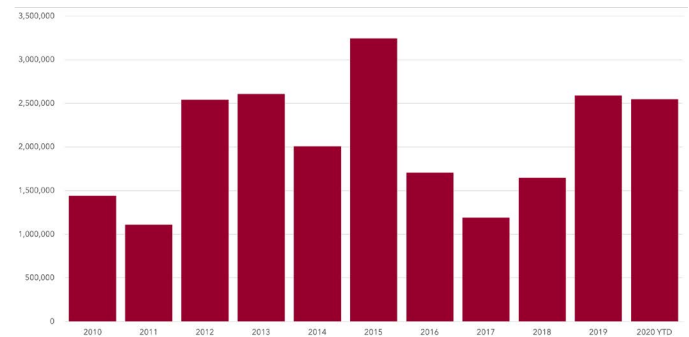
Within the commercial real estate industry, the retail sector has been most negatively impacted by the Covid-19 pandemic. With retailers being forced to shutter, property owners have seen steep declines in income from tenants that lack the revenue to pay. Larger retailers have used this opportunity to renegotiate leases, or walk away from their obligations altogether. Many owners are seeking relief from lenders, by way of deferment of their debt service, or interest-only payments. Unfortunately, we anticipate continued declines in the retail sector through at least the summer, but likely into Q1-Q2 2021. Even if social distancing orders are lifted, we expect a sustained weakening in consumer spending until the virus is knowingly contained.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	646,878 SF	676,156 SF	78,268 SF	208,035 SF	1,109,007 SF
◀▶ Vacancy Rate	4.30%	4.30%	4.40%	4.40%	4.20%
▲ Avg NNN Asking Rate	\$30.06/SF	\$30.00/SF	\$29.65/SF	\$29.22/SF	\$29.18/SF
▼ Under Construction	2,552,772 SF	2,590,266 SF	2,542,579 SF	2,343,672 SF	1,953,344 SF
▲ Inventory	268,274,193 SF	268,056,310 SF	267,778,038 SF	267,523,096 SF	267,103,148 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1500-1600 Benning Rd NE Washington, DC	189,617 SF	Undisclosed	Under Contract	-
1250 22nd St NW Washington, DC	176,204 SF	\$90,400,000 \$513.04/SF	EOS Investors, LLC Park Hotels & Resorts, Inc.	-
4330 48th St NW Washington, DC	24,144 SF	\$25,000,000 \$1,035.45/SF	Under Contract	-

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1700 K St NW Washington, DC	68,868 SF	Potomac Investment Properties	Wells Fargo Bank	Banking
1025 Thomas Jefferson St. NW Washington, DC	67,693 SF	Alduwaliya Asset Mgt Ltd	N/A	Computers/Data Processing
80 M St SE Washington, DC	60,000 SF	Undisclosed	American Trucking Association	Transportation