



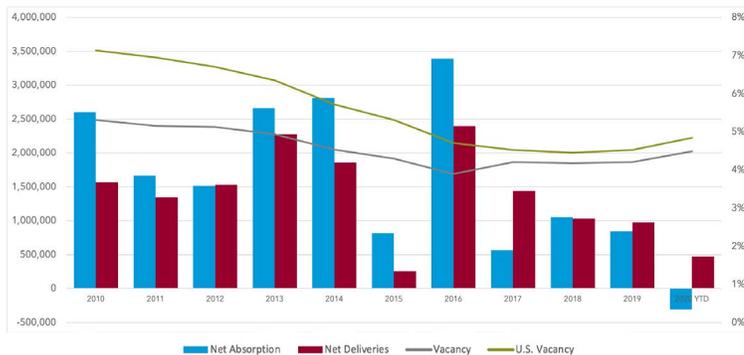
### RETAIL MARKET OVERVIEW

ROY HILL, *Senior Director*

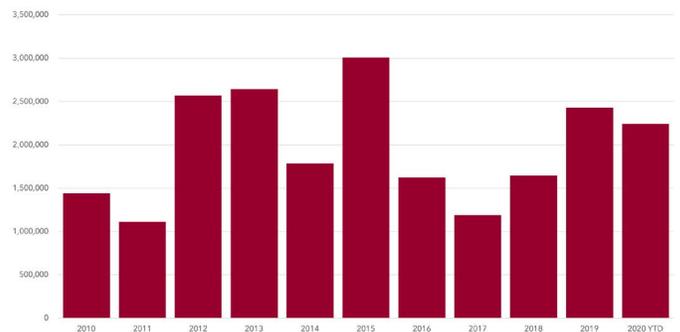
DC Retail's 2Q2020 was grim at best...Stay at home orders forced rent reductions; non-payments and defaults; Bankruptcies (bk's) and lawsuits invoking 'Force Majeure' in some cases. Both tenants and landlords were in a warfare prompted by Covid-19...evidenced by many retailers operating at 30% pre-Covid-with no signs of abating given recent surges nationwide. The hope for a V-shaped recovery is still a pipe dream. Some talks revealed upwards of 40% rightsizing in rents and a vacancy uptick of 200 bps in corridors like Cap Hill and Shaw. But cooler heads prevailed with savvy owners opting to sell and/or negotiate rent abatements with credit worthy tenants. The jury is still out on how many retailers will survive this storm.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	749,676 SF	1,047,440 SF	840,155 SF	219,101 SF	336,256 SF
▲ Vacancy Rate	4.4%	4.2%	4.2%	4.3%	4.3%
▼ Avg NNN Asking Rate	\$29.48 PSF	\$29.90 PSF	\$29.87 PSF	\$29.56 PSF	\$29.16 PSF
▼ Under Construction	2,249,015 SF	2,342,247 SF	2,429,983 SF	2,331,861 SF	2,028,847 SF
▲ Inventory	267,089,257 SF	266,939,224 SF	266,649,777 SF	266,371,505 SF	266,088,200 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	Undisclosed Undisclosed	-
3100 Branch Ave Temple Hills, MD	142,021 SF	Undisclosed	Undisclosed Undisclosed	-
176-200 Flowing Springs Rd Charles Town, WV	108,600 SF	\$12,872,213 \$118.53 PSF	Bridge33 Capital LNR Partners, LLC	-

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8928-8970 Burke Lake Road Springfield, VA	51,100 SF	First Washington Realty, Inc.	Giant Food	Retailers/Wholesalers
12100-12140 Fairfax Town Ctr Fairfax, VA	39,669 SF	SITE Centers Corp.	Bed Bath & Beyond	Retailers/Wholesalers
6001-6003 Kingstowne Village Pky Alexandria, VA	30,660 SF	The Halle Companies	Ashley Furniture	Retailers/Wholesalers