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Data Sources

- ❖ Apartment Association of Greater Memphis
- ❖ Bankrate.com
- ❖ Bloomberg.com
- ❖ Bureau of Labor Statistics
- ❖ CB Richard Ellis
- ❖ Chandler Reports, LLC
- ❖ CoStar Group, Inc.
- ❖ Insight Economics
- ❖ Memphis Area Association of Realtors
- ❖ PWC/Korpacz
- ❖ MarketGraphics
- ❖ Real Estate Research Corp.
- ❖ RealtyRates.com
- ❖ TN Dept. of Labor
- ❖ Xceligent, Inc.
- ❖ Valbridge Property Advisors

Some figures are interpolated and estimated due to variances between the reports.

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Commercial Markets: Year End 2014

RETAIL – SNAPSHOT

- Memphis Retail market ended the year with over 160K SF of positive absorption
- Ikea announced their plans to come to the Memphis market with a 269,000 SF facility

Shopping Center Data - CoStar & Xceligent

Market	MSA	Cville	Cordova	East	Gtown	Olv Brnch	Sthvn
Occupancy	88%	91%	93%	94%	87%	93%	96%
Asking Rent	\$10.41	\$16.67	\$13.39	\$12.99	\$17.69	\$14.25	\$12.51

OFFICE – SNAPSHOT

- The East Submarket ended the year with over 189K of positive absorption
- The MSA ended the year with nearly 140K in positive absorption

Class A & B Office Data - CoStar & CBRE

Category	Sector/Mkt	Data	Sector/Mkt	Data
Memphis MSA Occupancy	Class A	89%	Class B	84%
YTD Net Absorption (sf)	Class A	41,121	Class B	88,372
Class A Occupancy	East	94%	385 Corridor	90%
Class A Quoted Rate	East	\$22.44	385 Corridor	\$19.65
Class B Occupancy	East	87%	385 Corridor	92%
Class B Quoted Rate	East	\$18.51	385 Corridor	\$17.28

INDUSTRIAL – SNAPSHOT

- Memphis Industrial market captured nearly 4.9 Million SF of positive absorption
- Volvo completed the construction of their 1 Million SF distribution center in Marshall County

Warehouse & Flex Data - CoStar & Xceligent

Category	Sector/Mkt	Data	Sector/Mkt	Data
Memphis MSA Occupancy	Warehouse	88%	Flex	82%
Memphis MSA Rents	Warehouse	\$2.55	Flex	\$6.93
Warehouse Occupancy	Southeast	86%	Desoto	92%
Warehouse Quoted Rate	Southeast	\$2.64	Desoto	\$2.81
Flex Occupancy	Southeast	81%	Desoto	90%
Flex Quoted Rate	Southeast	\$4.91	Desoto	\$4.78

MULTIFAMILY – SNAPSHOT

- Occupancy for the Memphis MSA is stable
- Rental rates show a nominal change for the MSA

Apartment Data - CBRE MarketView

Market	MSA	New Const	00's Const	90's Const	80's Const	Old Const
Occupancy	92.5%	92.7%	95.1%	93.3%	92.8%	90.3%
Avg Rent/Mo.	\$772	\$1,166	\$991	\$896	\$683	\$609
Avg Rent/SF	\$0.804	\$1.127	\$0.963	\$0.898	\$0.746	\$0.661
Rent Chng from YE '13	0.5%	-2.1%	2.5%	0.5%	-1.1%	0.8%

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Valbridge Property Advisors is based in Naples, FL and is one of the largest commercial property valuation and advisory services firms in the U.S.

Valbridge has 177 MAIs, 66 office locations and 650+ staff across the nation. Each Valbridge office is led by an appraiser who holds the MAI designation of the Appraisal Institute.

Valbridge Property Advisors | C&I Appraisal Services, Inc. provides appraisals, consulting, market studies & feasibility analyses within the Memphis MSA.

The firm has 140 years of combined appraisal experience in multi-family, land, land development, commercial, retail, medical, mini-stg, religious buildings, single & multi-tenant buildings, office, hotel/motel, special use, & industrial property.

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Cap Rates – National

According to the **Real Estate Research Corporation (RERC)** "Real Estate Report" and **PwC** "Real Estate Investor Survey," cap rates have decreased slightly in all categories except Suburban Office, when compared to prior quarter on a national scale. The rates shown below apply to modern Class A properties with occupancy by creditworthy tenants, good to excellent locations and/or contractual rent growth.

National Rates - RERC & PWC				
Property	Cap Rates			Change From Prior Qtr
	Low	High	Average	
Retail Strip Center	5.00%	10.00%	7.05%	Decrease
Suburban Office	5.00%	9.00%	6.70%	None
Flex Industrial	6.00%	10.00%	7.50%	Decrease
Warehouse	4.50%	7.00%	5.80%	Decrease
Apartment	3.50%	8.00%	5.40%	Decrease
Average for All Properties	4.80%	8.80%	6.49%	

Commercial Sale Volume & Pricing

This data applies to "non-bank" transactions and was published by **Chandler Reports, LLC**. There were 47 bank sales reported for YE 2014 vs. 52 in the prior year. The average bank sale price in YE 2014 was \$1,038,313 vs. \$551,813 in the year prior.

Commercial Sales - Shelby County		
Transactions		
YE 2014	YE 2013	% Chng
838	777	7.9%
Average Sale Price/Sale		
YE 2014	YE 2013	% Chng
\$1,355,045	\$1,196,023	13.3%

Commercial Sales - Shelby County			
YTD through	YE 2014	YE 2013	% Chng
Retail	231	211	9.5%
Office	110	97	13.4%
Industrial	120	123	-2.4%
Multi-Family	109	70	55.7%
Land	205	199	3.0%

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Single Family Home Sales & Prices

According to the Memphis Area Association of Realtors, total sales volume is down, but prices in Shelby, Fayette & Tipton Counties are on the rise. New home sales show the same trend with a decline in volume but a higher average price.

Home Sale Statistics - MAAR.org			
Shelby, Fayette & Tipton Counties			
YTD through	YE 2014	YE 2013	% Chng
No. of Sales	14,795	15,307	-3.3%
Avg. Price	\$146,112	\$137,041	6.6%
\$ Volume	\$2,161,727,040	\$2,097,686,587	3.1%
New Home Sale Statistics			
Shelby, Fayette & Tipton Counties			
YTD through	YE 2014	YE 2013	% Chng
No. of Sales	807	920	-12.3%
Avg. Price	\$276,172	\$260,713	5.9%
\$ Volume	\$222,870,804	\$239,855,960	-7.1%

Lot Supply & New Home Data

New home inventory has increased after a few years of stabilization. Lot supply continues to shrink and new home permits have decreased 1.17% compared to YE 2013 according to MarketGraphics Research Group, Inc.

Lot Supply & Housing Permits - MSA				
MarketGraphics Research Group, Inc.				
12 Months through	Dec-14	Dec-13	Chng	% Chng
Developed Lots	10,491	12,436	(1,945)	-18.54%
New Home Permits	2,310	2,337	(27)	-1.17%
Yrs. Supply	4.54	5.32	(0.78)	-17.17%

NEW HOME INVENTORY - MSA				
Period Ended Nov-14	2011	2012	2013	2014
Inventory	1,461	1,478	1,922	2,033

Trailing 12 Mos. Starts	
County	Nov-14
Crittenden	50
DeSoto	895
Fayette	207
Shelby	751
Tipton	123
Totals	2,026