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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
- ❖ MarketGraphics
- ❖ Situs 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 2015

### RETAIL – SNAPSHOT

- Over 350K square feet absorbed in 2015
- Tanger Outlet delivered 310K square feet in 4Q15

### Shopping Center Data - CoStar & Xceligent

Market	MSA	Cville	Cordova	East	Gtown	OlV Brnch	Sthvn
Occupancy	89%	92%	92%	94%	91%	92%	96%
Asking Rent	\$10.41	\$17.74	\$13.53	\$12.80	\$17.88	\$18.01	\$12.94

### OFFICE – SNAPSHOT

- The year ended with over 154K square feet of positive absorption
- In 4Q15, FedEx leased nearly 25K square feet in the 385 Corridor submarket

### Class A & B Office Data - CoStar & Xceligent

Category	Sector/Mkt	Data	Sector/Mkt	Data
Memphis MSA Occupancy	Class A	91%	Class B	88%
YTD Net Absorption (sf)	Class A	1,033,174	Class B	259,998
Class A Occupancy	East	96%	385 Corridor	90%
Class A Quoted Rate	East	\$22.77	385 Corridor	\$19.64
Class B Occupancy	East	88%	385 Corridor	94%
Class B Quoted Rate	East	\$18.89	385 Corridor	\$15.95

### INDUSTRIAL – SNAPSHOT

- Memphis MSA had nearly 8.3 million square feet of positive absorption in 2015
- Nike occupied 439K square feet in the Memphis Depot Industrial Park in 4Q15

### Warehouse & Flex Data - CoStar & Xceligent

Category	Sector/Mkt	Data	Sector/Mkt	Data
Memphis MSA Occupancy	Warehouse	90%	Flex	85%
Memphis MSA Rents	Warehouse	\$2.63	Flex	\$6.76
Warehouse Occupancy	Southeast	90%	Desoto	91%
Warehouse Quoted Rate	Southeast	\$2.69	Desoto	\$2.91
Flex Occupancy	Southeast	85%	Desoto	89%
Flex Quoted Rate	Southeast	\$4.83	Desoto	\$3.73

### MULTIFAMILY - SNAPSHOT

- The Memphis MSA as a whole remained stable since Year-End 2014
- Collierville/Germantown market occupancy increased 3.5% since Year-End 2014

### Apartment Data - CoStar & CBRE

Market	MSA	Cville/Gtown	Cordova	Downtown	Midtown	U of M	DeSoto
Occupancy	93.0%	96.0%	96.0%	94.0%	95.0%	89.0%	97.0%
Market Rent	\$749	\$1,107	\$856	\$1,028	\$755	\$590	\$817
Avg Rent/SF	\$0.78	\$1.05	\$0.85	\$1.17	\$1.07	\$0.77	\$0.81
Avg SF	960	1,054	1,007	879	706	766	1,009

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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 200 MAIs, 68 office locations and 675+ 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 over 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 **Situs Real Estate Research Corporation (RERC)** "*Real Estate Report*" and **PricewaterhouseCoopers (PwC)** "*Real Estate Investor Survey*," cap rates have shown slight improvement in retail strip centers and have remained stable in flex industrial properties 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	4.50%	9.50%	6.75%	Decrease
Suburban Office	4.25%	9.50%	7.00%	Increase
Flex Industrial	5.75%	9.00%	7.25%	None
Warehouse	3.00%	8.30%	6.50%	Increase
Apartment	3.50%	8.00%	5.50%	Increase
<b>Average for All Properties</b>	<b>4.20%</b>	<b>8.86%</b>	<b>6.60%</b>	

## Commercial Sale Volume & Pricing

This data applies to "non-bank" transactions and was published by **Chandler Reports, LLC**. There were 57 bank sales reported for 2015 vs. 47 in 2014. The average bank sale price in 2015 was \$537,833 vs. \$1,042,462 in 2014.

Commercial Sales - Shelby County		
Transactions		
YE 2015	YE 2014	% Chng
<b>851</b>	<b>842</b>	<b>1.1%</b>
Average Sale Price/Sale		
YE 2015	YE 2014	% Chng
<b>\$1,720,174</b>	<b>\$1,348,877</b>	<b>27.5%</b>

Commercial Sales - Shelby County			
YTD through	YE 2015	YE 2014	% Chng
Retail	264	231	14.3%
Office	105	110	-4.5%
Industrial	120	120	0.0%
Multi-Family	99	109	-9.2%
Land	183	205	-10.7%

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## Single Family Home Sales & Prices

According to the Memphis Area Association of Realtors, total sales volume and prices are higher in Shelby, Fayette & Tipton Counties. New home sales show a decline in volume but a higher average price.

Home Sale Statistics - MAAR.org			
Shelby, Fayette & Tipton Counties			
YTD through	YE 2015	YE 2014	% Chng
No. of Sales	15,666	14,838	5.6%
Avg. Price	\$152,828	\$146,119	4.6%
\$ Volume	\$2,394,203,448	\$2,168,113,722	10.4%
New Home Sale Statistics			
Shelby, Fayette & Tipton Counties			
YTD through	YE 2015	YE 2014	% Chng
No. of Sales	681	885	-23.1%
Avg. Price	\$299,677	\$273,592	9.5%
\$ Volume	\$204,080,037	\$242,128,920	-15.7%

## Lot Supply & New Home Data

New home inventory continues to hover around 1,100 units. Starts are up 7% from November 2014 numbers according to MarketGraphics Research Group, Inc.

Lot Supply & Housing Permits - MSA				
MarketGraphics Research Group, Inc.				
12 Months through	Nov-15	Nov-14	Chng	% Chng
Developed Lots	9,010	10,491	(1,481)	-16.44%
New Home Permits	2,280	2,320	(40)	-1.75%
<b>Yrs. Supply</b>	<b>3.95</b>	<b>4.52</b>	<b>(0.57)</b>	<b>-14.43%</b>

NEW HOME INVENTORY - MSA				
Period Ended Nov-15	2012	2013	2014	2015
<b>Inventory</b>	<b>1,194</b>	<b>1,055</b>	<b>1,100</b>	<b>1,088</b>

Trailing 12 Mos. Starts	
County	Nov-15
Crittenden	41
DeSoto	1,129
Fayette	187
Shelby	765
Tipton	58
<b>Totals</b>	<b>2,180</b>