COMMERCIAL Real Estate
NATIONAL ASSOCIATION of REALTORS®

www.REALTOR.org/commercial

COMMERCIAL CONNECTIONS

THE NATIONAL ASSOCIATION OF REALTORS® COMMERCIAL REAL ESTATE NEWSLETTER VOLUME 15 ISSUE 1 **SPRING 2014**

WILL RETAIL BREAK FREE FROM THE WEB?

Beyond the E-tail Era

What factors are shaping retail's next phase?

IN THIS ISSUE

FEATURE EXTRA
Ten Retail Trends To Watch
PAGE 6

INTERNET SALES TAX FAIRNESS
Progress Made, Yet Hurdles Remain
Capitol Report
PAGE 7

MAKING A POINT WITH RPR COMMERCIAL
Pin Down Your Client's Next Location.
Tech Savvy
PAGE 9

RETAIL PRICES RISE
Improving Conditions Mean Higher Yields, plus the Top 40 Markets for Retail Sales.
By The Numbers
PAGE 10

COMMERCIALCONNECTIONS

NAR PRESIDENT
Steve Brown, ABR, CIPS, CRS, GREEN
Dayton, OH

NAR COMMERCIAL LIAISON
Linda St.Peter, CCIM, CIPS, GREEN
Wallingford, CT

COMMERCIAL COMMITTEE CHAIR
Leil Koch, CCIM, CIPS, CPM, CRB
Maui, HI

SENIOR VICE PRESIDENT
COMMERCIAL & GLOBAL SERVICES
Janet Branton, CAE, CIPS

VICE PRESIDENT
COMMERCIAL & GLOBAL SERVICES
Jan Hope, RCE

COMMERCIAL DEVELOPMENT
& SERVICES DIRECTOR
Jean Maday

MARKETING &
COMMUNICATIONS MANAGER
Jorge Rivera

COMMERCIAL RESEARCH DIRECTOR
George Ratiu

MEMBERSHIP COORDINATOR
Melanie Prince

POLICY REPRESENTATIVE
Erin Stackley

REACH ANY OF US AT:
NARCommercial@realtors.org
430 N. Michigan Avenue Chicago, Illinois 60611-4087
800.874.6500

DESIGN BY
Spoon Creative, Inc.

PRINTED BY
Omega Printing, Inc.
An Inc. 500 and NAPL Hall of Fame Company
www.omegaprinting.com

www.facebook.com/NAR.CommercialRE

www.Twitter.com/commsource

tinyurl.com/REALTORCommercial

COMMERCIAL Real Estate
NATIONAL ASSOCIATION *of* REALTORS®
REALTOR®

– THE LATEST –

NETWORK

One of the largest commercial industry events is ICSC's RECon – a retail conference and leasing event that attracts approximately 35,000 developers, investors and brokers to Las Vegas each year – and NAR will be there. Located in the Leasing Mall, NAR's booth is available to members with table space you can book for client meetings, to rest your feet, or to connect with NAR's Commercial staff team. Access the booking schedule online at bit.ly/2014icsc or email Jorge Rivera, Marketing & Communications Manager at jrivera@realtors.org.

SHARE

NAR conducts various surveys throughout the year, specific to commercial members – to gather your feedback and perspective. Make your voice heard by participating when these emails arrive in your inbox. Congratulations to Matt Bradley, from Front Royal, VA, for being the lucky respondent who won a $250 gift card for completing the recent survey on this publication. Overall, we heard from over 1,300 of you – look for new features in future issues as we implement your great suggestions. We're always listening at NARCommercial@realtors.org.

ATTEND

NAR's Commercial Affiliate organizations have the best education in the industry when it comes to commercial real estate. When making 2014 plans, consider the events below. Or, plan local or on-line learning; visit the affiliate's websites to access educational offerings.

RLI
NATIONAL LAND CONFERENCE
March 12-14, 2014, Charleston, SC –
RLILAND.com

IREM
LEADERSHIP AND LEGISLATIVE SUMMIT
April 5-9, 2014, Washington, DC
IREM.org

SIOR
SPRING WORLD CONFERENCE
April 22-25, 2014, Las Vegas, NV
SIOR.com

CCIM INSTITUTE
SPRING MEETINGS
April 27 – May 1, 2014, Nashville, TN
CCIM.com

CRE
MIDYEAR MEETINGS
May 4-7, 2014, Austin, TX
CRE.org

ENGAGE

What makes our organization strong is the involvement of members throughout all levels of the organization. NAR's REALTOR® Party Convention & Trade Expo (formerly known as the Midyear Meetings) is May 12-17th. Take this opportunity to experience the power of the REALTOR® family and make a difference in strengthening the organization as a whole. Attend the Commercial Committee meeting for updates and initiatives, network and share best practices at the Commercial Leadership Forum, listen to the economic forecast at the Commercial Economic & Business Trends Forum. The Commercial Research Advisory Board and Property Management Forum are also great for networking. Mark the dates and visit REALTOR.org/RPCTE for more information.

BEYOND THE E-TAIL ERA

What factors are shaping retail's next phase?

by Jennifer Norbut, CCIM Institute

The sharp rise in e-tailing and its game-changing impact has created a new normal in the retail real estate sector. Major national retailers are evolving their strategies in an effort to "survive and thrive" in this new market dynamic.

"The good news is that even though Apple, Netflix, Amazon, eBay, and other online giants killed record stores and video rental shops and are in the process of doing the same to electronics and bookstore big boxes, e-commerce will never replace the brick-and-mortar shopping experience," says Sean Glickman, CCIM, managing director of Glickman Retail Group in Maitland, Fla.

Research shows and many retail industry experts agree that consumers are settling into a preference for a "blended" shopping experience. In a recent Forrester Research survey, shoppers said visiting a store served as the most important source of product research before purchasing in every major consumer category except travel.

"This research speaks to the need for retailers to focus their technology efforts inside the store," said Dan Seliger, digital strategist for 3GTV Networks, in a recent Brick Meets Click blog post. "We have to stop thinking of the Internet as something tethered to a home computer or a shopper's smartphone. The goal should be a borderless communication continuum where every channel is connected. … Smart retailers can use this approach to help overcome the inherent limitations of brick and mortar while offering shoppers a blended in-store experience built around their needs."

The impact of retailers' exploration of the online environment is creating new and oftentimes challenging realities for their real estate footprints. From big boxes to inline neighborhood centers, retail real estate – and those who advise retailers and tenants on their space decisions – must evolve to ensure spaces meet both retailers' and consumers' rapidly changing needs.

STORY CONTINUES ON PAGE 4

BEYOND THE E-TAIL ERA

What factors are shaping retail's next phase?

CONTINUED FROM PAGE 3

A variety of retail experts weighed in on key questions facing the industry in the current market. These CCIM designees include Glickman; Shawn Massey, CCIM, partner, The Shopping Center Group in Memphis, Tenn.; Francis Rentz, CCIM, managing director/senior adviser, Southland Commercial Advisors in Tallahassee, Fla.; and Jeff Yetter, CCIM, LEED AP, director of real estate, Express Oil Change & Service Center in Greensboro, N.C., and a member of the North Carolina CCIM Chapter board of directors.

Aside from e-tailing's ripple effects, what are some of the biggest challenges facing the retail real estate sector right now?

Glickman: The unpredictable economy, consumer confidence, and increased taxes that are cutting into consumers' disposable income are some of the biggest issues.

Yetter: The continually changing, idealistic development regulations imposed by the local municipalities are our biggest issues. Express Oil's business is typically driven by an initial impulse buy, and the local municipalities' trend of limiting access and visibility directly affects our ability to conduct business.

Rentz: Investors with B and C class shopping centers or a weak anchor on the decline must find reuse tenants to fill vacant spaces. This typically means nonretail, nontraditional retail, or service tenants, which often translates into lower rent or greater capital investment to reshape the property.

Massey: The lack of good quality retail space availability is the biggest challenge. With the lack of new development since 2008, we find our clients in search of space that is simply not built today.


What factors are influencing retailers' site selection and acquisitions decisions in this environment?

Yetter: We have seen a major increase in competition from a pad-site buyer standpoint. This has produced a scarcity of viable sites and driven up pricing in our larger markets. This is due in large part to the resurgence of quick-service restaurants, bank branches, and similar out-parcel retailers. This is also a result of the lack of new developments being delivered as compared to the pre-economic downturn conditions.

Massey: Most retailers are very risk adverse right now — entering areas where they can avoid unfavorable zoning or adverse site conditions is critical. Retailers are becoming ever-more data driven as well. They are performing extensive research to get a clear picture of the factors shaping an area's retail environment, including demographic, socioeconomic, and psychographic profiles, the workplace population, and consumer spending patterns.

Rentz: My clients are looking for quality real estate with no weaknesses. It is more important than ever that the site has all the fundamentals that make for a successful retail site: visibility, accessibility, parking, and favorable demographics. A solid anchor tenant may get a project built, but a great location and greater design will be even more important going forward to sustain a project. As Yaromir Steiner said in a recent Shopping Centers Today article, "The place is the anchor."

What's next on the horizon for the retail real estate sector?

Rentz: Retailers will continue to reduce their square footage into smaller, more efficient footprints. Traditional retailers will continue to perfect and grow their online presence, while the e-tailers will attempt to fine-tune their brick-and-mortar locations to perfect a one-day delivery strategy. The survivors and thrivers will have a great geographic footprint of stores as well as offer a great online experience.

Yetter: Customer-first service is the key. The auto-services industry has traditionally focused on upselling customers, thus creating a lack of trust among consumers. We are focused on combating that perception by delivering the highest level of service and focusing on the individual customer's car needs. As in most industries, the level of service and the customer experience continue to become more important as customers evaluate their growing purchase options.

Massey: It is all about the customer experience. Many retailers and restaurants fail to recognize that the customer's needs and wants come first. The retail customer today wants it all from omni-channel retailing to being wowed with their in-store experience. This might be classified as the "Apple effect" that many retailers are trying to replicate. Those who do not adopt these two pillars in the future will disappear from the retail landscape.

Glickman: Most retailers are shifting focus and heavily investing in their omni-channel platforms, information technology, logistics, and same- or next-day delivery. By doing so, retailers like Target, Macy's, Nordstrom, Walgreens, The Gap, Office Max/Office Depot, Walmart, and many others are positioning themselves to compete in the digital world.

Jennifer Norbut *is senior editor of Commercial Investment Real Estate, the flagship publication of the CCIM Institute. A version of this article was originally published in Commercial Investment Real Estate.*

*>> Read more at **www.ccim.com***

10 RETAIL TRENDS TO WATCH

By Gary Ralston, CCIM, CPM, SIOR

The Internet's True Impact on Retail Sales. Without question, ecommerce retail sales are growing. However, they still remain a small portion of total retail sales. In 3Q13, ecommerce sales totaled $67 billion, which represents less than 6 percent of all retail sales, according to the U.S. Census retail trade report.

Online Media Sales. Books, music, video, and other items that can be digitized and downloaded comprise about 35 percent of Amazon's sales. Applying this metric to the entirety of ecommerce means that Internet sale of items that cannot be digitized and downloaded is about 3.7 percent. If 3D printing of merchandise becomes possible, the world as we know it will change.

Retail's Efficient Logistics Model. Efficiency in logistics has revolutionized retail. For example, Walmart's cross-docking model provides the best execution of what is called the "last mile in the chain of distribution." A customer comes into the store, selects merchandise, carries the merchandise to the car, and then transports the merchandise the "last mile" from the store to home. The cost of the final mile is not included in the retail price of the merchandise. On the contrary, delivering merchandise to the customer's home is a costly and inefficient endeavor. One major Internet retailer spends more than double to deliver than the amount it collects for shipping. Hence, the practical application of the "last mile" principle means that ecommerce is likely to have 100 percent market share of items that can be digitized and may never even reach 10 percent market share of items that cannot be digitized.

The Internet's Other Impact. Online sales are not only impacting the retail sector, but the Internet is creating more informed consumers. Well-educated shoppers are causing pressure on retail margins, which translates into pressure by tenants to lower rent.

More Sales, Less Space. The wide range of available technology offers retailers more efficient inventory control and space needs. They are applying the 80/20 rule – 20 percent of their SKUs generate most of their sales and gross margin. The result: Retailers can generate more sales per square foot in less space causing store formats to shrink.

Bigger Players Dominate. The supermarket sector is being consumed by dominant players with larger stores.

National Anchors. In large shopping centers, national credit-tenant anchors are winning out over same-category regional and local tenants.

Big-Box Woes. Large vacant boxes are becoming increasingly more difficult to re-tenant.

Exclusive Use. Second-generation retail space is being increasingly impacted by exclusive-use lease provisions.

Service Tenants Triumph. Landlords are making greater use of service tenants to maintain occupancy. A recent study revealed that service tenants comprised less than 15 percent of total occupancy 10 years ago versus more than 25 percent today.

__Gary M. Ralston__, CCIM, CPM, SIOR, is managing partner of Coldwell Banker Commercial Saunders Ralston Dantzler Realty LLC in Lakeland, Fla.

INTERNET SALES TAX FAIRNESS

Legislation Faces Hurdle in House

By Vijay Yadlapati
NAR Senior Legislative Representative - Financial Services

The Issue

As a result of a Supreme Court ruling in the early 1990s, Internet retailers have largely been exempted from collecting state and local sales taxes on their sales transactions because these tax laws were seen as overly complex and placing too heavy a burden on interstate commerce, unless the retailer had a physical presence in the state.

Since that time, the number of people and businesses using the Internet for e-commerce transactions has grown exponentially, and a large component of these transactions remain tax-free. At issue is the fact that brick-and-mortar retailers must collect and remit state "sales-and-use" taxes, yet many remote sellers – such as catalog and online – only vendors – are exempt from such requirements. As a result, Internet retailers have an unfair advantage over their community-based counterparts, and states are losing out on billions of dollars in much-needed (but uncollected) revenue.

Impact on Americans

Because of the current treatment of Internet retailers, the amount of sales tax that a state or locality is able to collect will be less than otherwise provided. However, passage of federal legislation allowing states to require Internet retailers to collect sales tax for online purchases – and to level the playing field between brick-and-mortar and Internet-based retailers – is gaining ground on Capitol Hill. This includes the "Marketplace Fairness Act" (H.R. 684), introduced by Representatives Womack (R-AR) and Speier (D-CA); and a Senate measure (S. 743) authored by Senators Enzi (R-WY) and Durbin (D-IL).

NAR Policy

Passage of H.R. 648 and S. 743 are necessary due to the deteriorating fiscal condition of many state and local governments. These budget shortfalls could lead them to opt for higher real estate and other property taxes/fees on consumers and business to make up for this lost revenue.

Legislative Outlook

Going back to 1994, the issue of marketplace fairness has had more than 30 hearings in both the U.S. House of Representatives and Senate, including hearings before the U.S. House Judiciary Committee in both 2011 and 2012.

In May 2013 the Senate passed S. 743. This legislation would create authority for state governments to collect sales taxes on Internet sales for goods that are delivered to their states, which would level the playing field between brick-and-mortar and e-commerce retail businesses while assisting the states in collecting billions of uncollected state sales taxes.

STORY CONTINUES ON PAGE 8

INTERNET SALES TAX FAIRNESS

Legislation Faces Hurdle in House

CONTINUED FROM PAGE 7

With the passage of S. 743, the fate of Internet sales tax fairness rests with the House. The House bill, which closely resembles the Senate version, has been stalled in the House Judiciary Committee, where Chairman Robert Goodlatte (R-VA) has voiced concerns over the complexity of the bill. While the Chairman recognizes the need to resolve disputes over collection of sales tax on Web-based purchases, he opposes the bill as currently written because it would force businesses "to wage through potentially hundreds of tax rates and a host of different tax codes and definitions." The bill, he says, "still has a long way to go." Also, convincing conservative Republicans that the proposal would not amount to a tax increase on online consumers remains another major hurdle for the Marketplace Fairness Act.

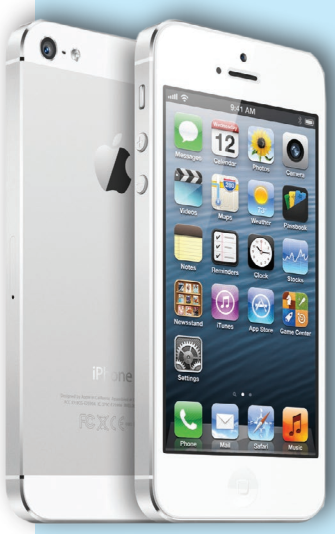
Chairman Goodlatte held off on scheduling a markup last year, but he said he would hold a hearing on the issue in early 2014. The Chairman has released a list of principles for developing his own legislation.

Current NAR Action

In a January 2014 joint letter sent to Chairman Goodlatte, NAR along with hundreds of organizations that collectively represent more than 3 million American businesses – large and small – called for immediate action on the long overdue issue of marketplace fairness.

Citing more than 20 years of inaction and the Supreme Court's recent decision affirming that this is a matter for Congress to address, the letter urges Congress "to make the 2013 holiday shopping season the last where Main Street businesses must compete at a government-created price disadvantage."

>> Stay informed about legislative and regulatory issues and actions that affect the commercial real estate industry by visiting ***REALTOR.org/Commercial***



Five MUST HAVE *Apps for Commercial Practitioners*

By Alex Ruggieri, CCIM, GRI

Technology has become a way for us to be more affordably productive than ever before. To stay on top of your game you must stay ahead of the curve.

Here are five apps that can speed your productivity, help you be more efficient and enhance your profile with clients.

10bii Financial Calculator

(In A Day Development; Platform iOS, Android; Cost $5.99)

This one is a no brainer! Carry one less item with you on the go- all of the processing power of your physical 10BII calculator but now you can leave the old one back at the office.

TheAnalyst™ Real Estate

(Blyncc, LLC; Platform iOS; Cost $9.99)

Written by a CCIM designee for commercial real estate practitioners, this is one app that understands what you need. Simply, enter a few data points and you can produce a lease vs buy analysis, do projections, print reports, and even add your logo for a very polished and professional look.

Walk Score

(Walk Score; Platform iOS, Android; Cost FREE)

The company's flagship product is the Walk Score, a walkability index which rates any address you input as to how close it is to important amenities. As trends continue towards clients wanting locations in walk friendly areas you can use this app to augment your brochures by supplying the index in your marketing materials.

iAnnotate

(branchfire™; Platform iOS 6.0 or later; Cost 9.99 ; Android, Lite Version Available)

Use this app to read and share PDF, DOC, PPT and image files. With I-Annotate you can open a PDF, write notes, make edits and changes directly on your iPad. Then email the annotated PDF with notes to your collaborators. Editing on the go can help you make those quick changes even faster.

Scanner Pro

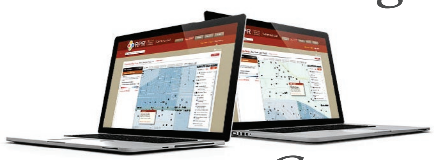
(Readdle; Platform iOS 6.0 or later; Cost $2.99)

This app is a "must have", Scanner Pro turns your hand held device into a powerful document scanner. You can instantly scan a document and convert it into a PDF anywhere – which helps when you need to send something to a client right away and are away from the office. This is one app that can make your productivity soar.

Alex Ruggieri**, CCIM, GRI, is a Senior Investment Advisor with Sperry Van Ness-Ramshaw Real Estate in Champaign, IL. He is currently serving on the NAR Commercial Committee and is the host of Commercial Connections Podcast, listen or download at **REALTOR.org/CCP

*>> Get more tips and keep up with industry news at NAR's blog, The Source, **bit.ly/TheSourceBlog***

Making a Point with RPR Commercial's Maps



To give REALTORS® even more data in their arsenal of information, Realtors Property Resource®, (RPR), recently added Points of Interest (POI) to the maps if RPR Commercial. These POI's aren't simply just pins on a map. Separated into ten broad categories such as retail, manufacturing, transportation, retail and finance, with nearly 100 subcategories, each point of interest displays basic information about the business at that location including address, number of employees, annual sales volume and industry.

So just how can you use this information with clients? Here are 3 examples from RPR users of how POI's can not only educate and impress clients, but showcase your market expertise.

One REALTOR® took advantage of the POI's to support the terms of a lease renewal. The property is a convenient store. By pulling financials on franchisees in nearby geographies, the REALTOR® was able to validate that the current location is more successful than other franchisees in neighboring geographies based on the sales volume being significantly higher. The current location attracts consumers and produces sales; which equated to a win!

Another REALTOR® was recently representing an insurance company looking to open a new office. Using the POI's in RPR Commercial, the REALTOR® was able to not only scout out the competition from a sales volume perspective using the "Insurance" category, but was also able to determine a desirable area for the location based on proximity from the competition, as well as select an area that would attract agents, an area with restaurants, grocery stores, and even bar options. The client wanted staff to have amenities close to the office.

STORY CONTINUES ON PAGE 10

Making a Point with RPR *Commercial's Maps*

CONTINUED FROM PAGE 9

An article in "Choose Chicago" recently caught the eye of a REALTOR®. Reporting that approximately 35,000 hotel rooms exist in Chicago with more than an additional 2,500 rooms under construction, along with an incline in Chicago's occupancy rates, this REALTOR® realized she could use the POI's in RPR Commercial to demonstrate to investor clients which areas/geographies need hotels. Starting by looking at nearby tourist attractions, and then highlighting the annual sales volume of competitors and how many employees are needed to successfully run a hotel, all from the POI's, the REALTOR® left the clients impressed and ready to sign.

These are just three of many ways to use the POI's in RPR Commercial. With 10 categories and 100 subcategories for the points of interest, the possibilities are endless!

Ready to validate your point?

>> RPR is a free member benefit only available to REALTORS®.
For more information: ***blog.narrpr.com/commercial***

RPR® REALTORS PROPERTY RESOURCE

RETAIL PRICES RISE

as Investors Seek Higher Yields

By George Ratiu, NAR Director, Quantitative & Commercial Research

The retail sector provided stable performance in 2013. Consumer spending remained steady through the year and notched a noticeable gain in the last quarter, as households' wealth received a much-needed boost from both financial and residential housing markets. Retail sales were up 4.2 percent in 2013 compared with the prior year, driven by a 9.8 percent gain in auto sales and a 5.9 percent rise in sales of building materials.

With consumer dollars flowing into stores, demand for retail space was robust. The fourth quarter 2013 saw net absorption total 4.5 million square feet—the highest level since the fourth quarter 2007, according to Reis. Meanwhile construction of new retail properties also reached a new high since the fourth quarter 2007, totaling 2.1 million square feet. However, with demand outstripping supply by a wide margin, vacancy rates declined 10 basis points in the fourth quarter. Retail vacancies were down 30 basis points in 2013 compared with 2012. Asking rents for retail spaces rose 0.4 percent in the fourth quarter, and advanced 1.4 percent for all of 2013.

With strengthening fundamentals underpinning the continued recovery in retail markets, investors maintained a measured pace of acquisitions. Sales of major properties rose 8 percent in 2013, totaling $60.8 billion, based on data from Real Capital Analytics (RCA).

A welcoming development was the broadening of investors' appetite for risk, as capital flows moved into secondary and tertiary markets and into strip centers. Sales of strip centers and single-tenant retail buildings rose 26 percent on a yearly basis, outpacing sales of regional malls.

In another sign of improving conditions, portfolio transactions comprised a larger share of deals in 2013. Portfolio sales jumped 23 percent in 2013 from the previous year, while individual property sales declined 1 percent. Portfolio transactions were topped by Blackstone Retail's $1.5 billion acquisitions in multiple locations, followed by Westfield Retail's $1.4 billion in deals. On the individual side, significant transactions occurred in markets across the country, signifying broad-based interest in all tiers. The top deal was Macerich's acquisition of the Green Acres Mall in Valley Stream, NY for $500 million. The other top deals were for Water Tower Place in Chicago, the Lloyd Center in Portland, the Hollywood & Highland Center in Los Angeles and the Piaget Building Retail Condo Leasehold in New York.

Investors' shifting preference for riskier deals became more pronounced in 2013, as cap rate compression in major cities continued and smaller markets offered comparatively much better returns. The national average capitalization rate for retail spaces was 7.0 percent in 2013, 20 basis points lower than 2012, according to Real Capital Analytics. In the six major markets tracked by RCA, cap rates averaged 6.3 percent, while in the rest of the markets, cap rates averaged 7.3 percent.

While Los Angeles and Chicago topped the list of markets by dollar volume, with $3.6 billion in transactions each, secondary markets witnessed the largest boost in investments. Ranked by growth, Cincinnati posted growth in sales of 251 percent in 2013, leading a list of cities which recorded triple-digit gains—Long Island (223%), Austin (179%), Portland (155%), Las Vegas (147%), and St. Louis (106%). In a positive development, retail investments during 2013 advanced across all markets and regions, both in terms of volume and prices.

Adding to the positive trends, outstanding retail distress declined 14 percent in 2013, to a total of $22.8 billion. Compared to the $72.1 billion in retail defaults which occurred in the wake of the 2008-09 recession and financial crisis, the current levels are manageable, especially considering the 63 percent rates of return on distressed loans. Sales of distressed retail properties made up less than 7 percent of total volume in 2013. The CMBS sector retains the largest volume of retail distress, at $14.6 billion, followed by domestic banks, which hold $4.0 billion.

With capital availability rising and diversifying, coupled with improving fundamentals the 2014 outlook for retail markets is positive. Global consumer retail spending is expected to be stronger this year, particularly in U.S. and European markets. In addition, investors have clearly signaled that the much-expected recovery in smaller markets is well underway.

2013 SALES RANKINGS BY MARKET

2013 Rankings	Market	2013 Sales Volume ($M)	YOY Change
1	Los Angeles	$3,576	-2%
2	Chicago	$3,546	8%
3	Manhattan	$3,453	-36%
4	Dallas	$1,845	-5%
5	Houston	$1,616	54%
6	Atlanta	$1,473	50%
7	Las Vegas	$1,377	147%
8	Seattle	$1,313	-3%
9	NYC Boroughs	$1,252	-26%
10	Boston	$1,177	-10%
11	Denver	$1,125	12%
12	Tampa	$1,093	29%
13	Inland Empire	$1,083	19%
14	Orlando	$941	82%
15	DC VA burbs	$907	33%
16	Miami	$905	-22%
17	Long Island	$892	223%
18	Phoenix	$891	-42%
19	San Diego	$831	-33%
20	East Bay	$774	-7%
21	Portland	$766	155%
22	Minneapolis	$742	13%
23	Broward	$729	-20%
24	San Francisco	$673	-24%
25	Central CA	$591	15%
26	Kansas City	$590	68%
27	Cincinnati	$589	251%
28	St Louis	$584	106%
29	Orange Co	$564	-45%
30	Philadelphia	$553	71%
31	Austin	$537	179%
32	No NJ	$537	-36%
33	Charlotte	$534	-31%
34	Cleveland	$525	-10%
35	Detroit	$520	44%
36	Nashville	$514	-26%
37	SW Florida	$504	-4%
38	Hawaii	$493	-33%
39	DC MD burbs	$471	-22%
40	Palm Beach	$466	25%

>> Stay up to date with Commercial and other real estate research by visiting REALTOR.org/research-and-statistics

COMMERCIAL Real Estate
NATIONAL ASSOCIATION of REALTORS®
REALTOR®

COMMERCIAL & GLOBAL SERVICES
430 N. MICHIGAN AVENUE
CHICAGO, ILLINOIS 60611-4087

YOUR COMMERCIAL CONNECTIONS *Inside!*

Commercial Connections is printed on Forest Stewardship Council (FSC) certified paper with vegetable-based ink products that significantly reduce volatile organic compounds and minimize ink loss from oxidation.