

The Saig Company 2020

Without a doubt, the pandemic has created uncertainty and instability in commercial real estate. Yet, while there has been plenty of bad news, one area has been positive. The Memphis industrial market has held its own and managed to expand with increased warehouse needs to support Memphis' strong logistics/distribution arm. With the increased demand of e-commerce, the warehouse space near Memphis International Airport continues to be a strategic location for businesses to meet the increased demand in overnight shipping. Retail and office real estate continue to adapt to the new way of doing business.

Large Portfolio Sales

- During the first two quarters of 2020, we saw a number of deals close. Sealy & Co., represented by Hank Martin, was successful in closing over 1 million square feet in the market. While the properties were under contract prior to the pandemic, closings were not completed until the middle of April. Sealy has a significant presence in the Memphis market and felt the market fundamentals were strong enough to proceed with the acquisition.
- An Israel-based investment firm continues to invest in the Memphis industrial market. Faropoint Ventures purchased 1.3 million SF of warehouse space in 2020. NAI Saig broker, Brian Califf, represented the international firm and said the portfolio sat on the market due to Covid-19 which worked in his client's favor. The purchase was completed in about a month due to the motivated seller.
- Exeter Property Group purchased a warehouse in Southaven with over 201,000 SF. Elliot Embry represented the buyer on this transaction at the end of the year.

Leases

- Midway through the year, NAI Saig brokers Daniel McPhail and Henry Webb represented Neotek Corp. on their expansion into 100,000 square feet of industrial space on Hickory Hill Road. Neotek, a distributor of break systems for autos and trucks, also renewed the lease of their current facility on E. Shelby Drive for 90,000 SF.

- Daniel McPhail assisted W&H Systems with their 86,800 SF lease at 4098 Premier Avenue. The company manufactures and installs FedEx's package-handling equipment, a key component in its recent expansion.

The year wrapped up with an overall robust market as Memphis continues to maintain its solid logistics backbone and as e-commerce thrives.

Here's to 2021! May we take with us lessons learned, silver linings and hope for a smoother year! Let us know if we can help you with your commercial real estate needs in 2021!

**The Saig Company Total Deal Values for 2020:
Over \$485 Million in Sales & Lease Transactions**

2020 Notable Transactions



Brian Califf 1.3 million SF
Southeast Market Portfolio



Hank Martin 1,160,000 SF
Sealy/Net Magan Portfolio Sale



Daniel McPhail & Henry Webb
4500 Shelby Drive 190,000 SF



Elliot Embry 201,804 SF
4500 Old Airways Blvd



Brian Califf 707,940 SF
165 Wingo Road



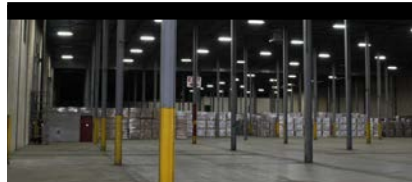
Hank Martin 320,000 SF Lease
6125 E Shelby Drive



Hank Martin 1.060 million SF
Polk Ln-Williams Sonoma Lease



Brian Califf 205,000 SF
24-Tenant Retail Portfolio



Daniel McPhail 87,000SF
4098 Premier Avenue



Elliot Embry & Brian Califf
Faropoint Portfolio 2.3 million SF

NAI Saig Company is a market leading, full-service commercial real estate brokerage firm. Our operation in Memphis and the Mid-South began in 1963. We provide a full range of services in industrial/office/retail/land representation, tenant presentation, and investment brokerage. Our wide array of services coupled with our depth of experience provide uniquely tailored results for our clients.

Market Development

- The PennMarc building sold to a Nashville firm for \$26.3M. Healthcare Realty Trust purchased the six-story, 135,000-square-foot medical office building at 6401 Poplar.
- A large, mixed-use 'Central Yards' is proposed for the Midtown gateway. The development would comprise 5.6 acres near the southwest corner of Cooper and Central and provide extra parking for an area that is often short on spaces. The builders plan to be intentional about fitting in with the old neighborhood.
- One Beale, a Carlisle Development Company project, has broken ground on the Landing apartments. Construction has also started on the Hyatt Centric at Beale and Front. Additional plans call for a boutique hotel, Caption by Hyatt, and a 'sky-altering' Grand Hyatt at the corner of Beale and Wagner.
- A planned Amazon delivery station along Interstate 40 in Cordova will employ 150 Amazon employees and another 300-350 independent drivers.
- The first Google Operations Center in the United States will be built in Southaven on a site of rolling, wooded acreage 3.5 miles from Memphis along Interstate 55. Google's goal is to hire 100 people by year's end, and to open the 60,000-square-foot building at 5665 Airways by summer 2021.
- Tom Lee Park will be transformed with large lawns for Memphis in May and other events. It will include park amenities such as walkways, playgrounds, picnic and grilling areas, and nature viewing areas. Plans call for extensive plantings of trees and shrubs and a bit of variation in some of the park's topography.

Source: Daily Memphian

INDUSTRIAL TRENDS FOR 2020

Inventory SF	291 M
Market Rent/SF	\$3.88
Annual Rent Growth	1.4%
12 Mo Net Absorp SF	9.1 M
Market Sale Price/SF	\$39
Vacancy Rate	6.4%
12 Mo Sales Vol	\$807 M

OFFICE TRENDS FOR 2020

Inventory SF	56 M
Market Rent/SF	\$19.03
Annual Rent Growth	-0.5%
12 Mo Net Absorp SF	(295 K)
Market Sale Price/SF	\$132
Vacancy Rate	10.6%
12 Mo Sales Vol	\$438 M

RETAIL TRENDS FOR 2020

Inventory SF	90.2 M
Market Rent/SF	\$13.49
Annual Rent Growth	-1.1%
12 Mo Net Absorp SF	(552 K)
Market Sale Price/SF	\$117
Vacancy Rate	4.6%
12 Mo Sales Vol	\$265 M

OWNER/INVESTOR SERVICES

CONSULTANCY
MARKETING
INVESTMENT
MANAGEMENT
VALUATION & ADVISORY
ACQUISITIONS & DISPOSITIONS
SUSTAINABILITY & ENVIRONMENTAL

OUR SERVICES

TENANTS/OCCUPIERS SERVICES

CONSULTANCY
VALUATION & ADVISORY
CORPORATE SERVICES
TENANT REPRESENTATION

DEVELOPERS SERVICES

CONSULTANCY
MARKETING
INVESTMENT
MARKETING
MANAGEMENT
VALUATION & ADVISORY
SUSTAINABILITY & ENVIRONMENTAL