

# COMMERCIAL REAL ESTATE



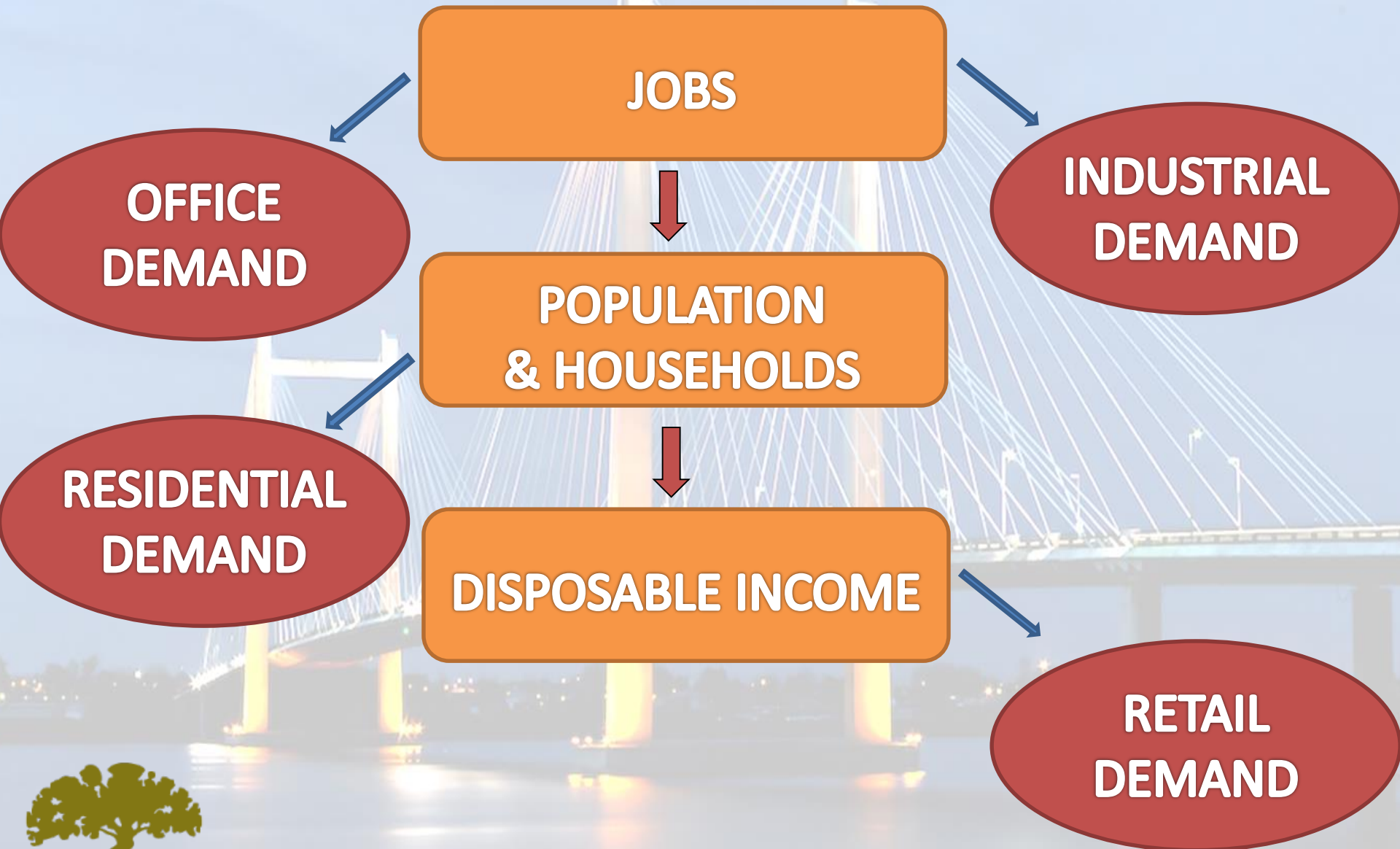
## 2019 OUTLOOK

# DISCUSSION TOPICS:

- REAL ESTATE DEMAND MODEL
- PROPERTY CLASSIFICATIONS
- COMMUNITY GROWTH PATTERNS
- LEASING TRENDS
- SALES TRENDS
- NEW CONSTRUCTION TRENDS
- COMMERCIAL OUTLOOK



# BASIC REAL ESTATE DEMAND MODEL





# PROPERTY CLASSIFICATIONS

**A**

Highest Quality

Premium Location

\$19 - \$25 PSF

Greater visibility

NNN Leases

New

Well Managed

**B**

Medium Quality

Decent Location

\$15 - \$19 PSF

Functional

Some wear and tear

Can be repositioned

**C**

Lowest Quality

Less desirable Location

\$8 - \$14 PSF

Older

Out dated

Differed maintenance

Needs renovation



# COCENTRIC GROWTH



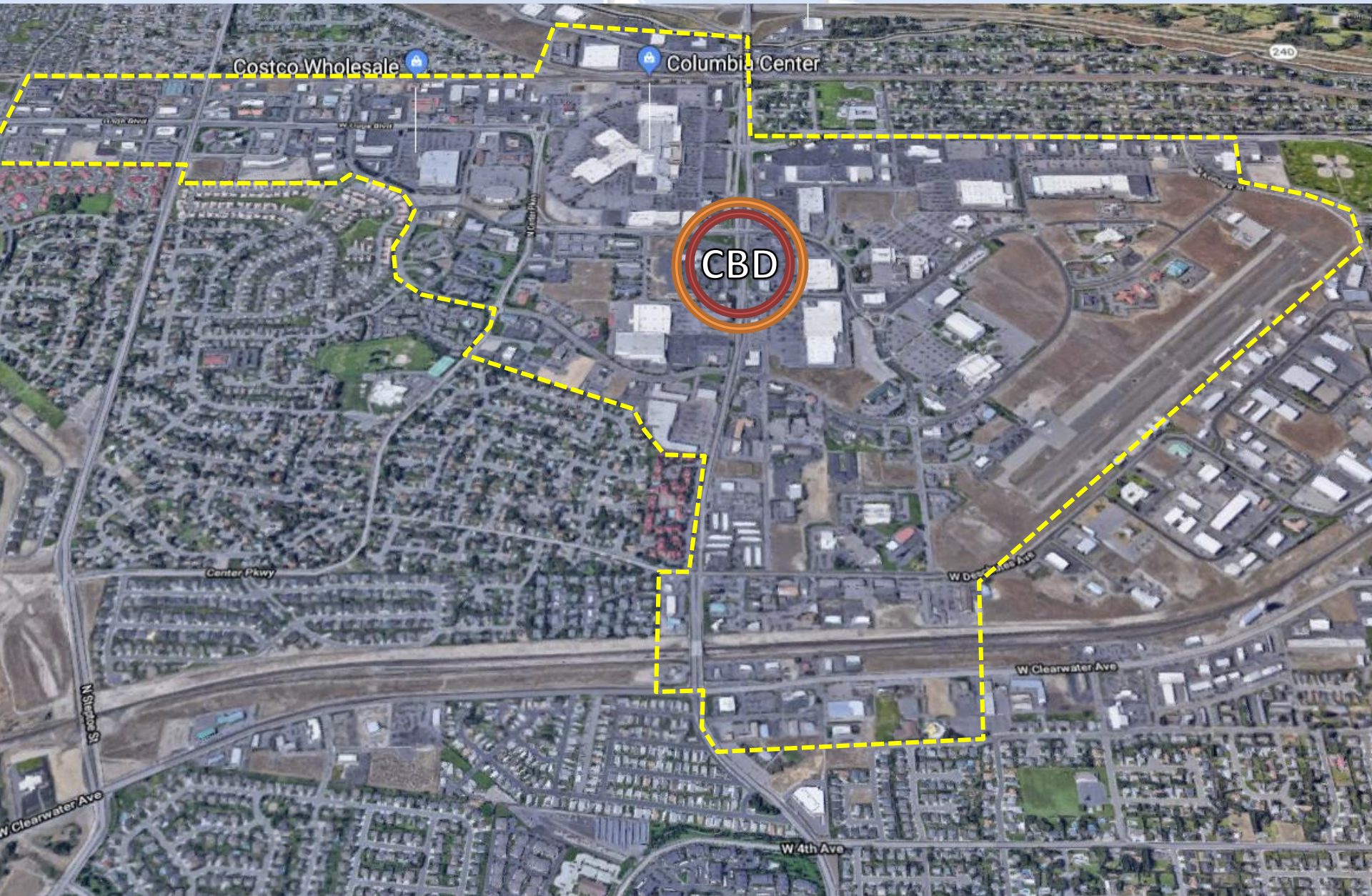


# CENTRAL BUSINESS DISTRICT





# CENTRAL BUSINESS DISTRICT





# MULTIPLE NUCLEI MODEL





# CENTRAL BUSINESS DISTRICT



# LEASING TRENDS

DECEMBER 31, 2016	AVAILABLE OFFICE SF	AVAILABLE RETAIL SF
Benton County	165,074	259,114
Franklin County	48,937	109,739
<b>Total</b>	<b>214,011</b>	<b>368,853</b>

DECEMBER 31, 2017	AVAILABLE OFFICE SF	AVAILABLE RETAIL SF
Benton County	285,772	278,817
Franklin County	76,664	127,772
<b>Total</b>	<b>362,416</b>	<b>406,589</b>

DECEMBER 31, 2018	AVAILABLE OFFICE SF	AVAILABLE RETAIL SF
Benton County	362,784	374,711
Franklin County	50,653	87,872
<b>Total</b>	<b>413,437</b>	<b>462,583</b>





# LEASING TRENDS

DECEMBER 31, 2016	AVAILABLE OFFICE SF	AVAILABLE RETAIL SF
Total	214,011	368,853
JAN 1 – DEC 31, 2016	ABSORBED OFFICE SF	ABSORBED RETAIL SF
Total	103,121	66,358

DECEMBER 31, 2017	AVAILABLE OFFICE SF	AVAILABLE RETAIL SF
Total	362,416	406,589
JAN 1 – DEC 31, 2017	ABSORBED OFFICE SF	ABSORBED RETAIL SF
Total	72,940	72,715

DECEMBER 31, 2018	AVAILABLE OFFICE SF	AVAILABLE RETAIL SF
Total	413,437	462,583
JAN 1 – DEC 31, 2019	ABSORBED OFFICE SF	ABSORBED RETAIL SF
Total	98,841	58,150



# SALES TRENDS

<b>MARCH 27, 2019</b>	<b>OFFICE INVENTORY</b>	<b>RETAIL INVENTORY</b>
<b>LISTINGS</b>	18	13
<b>TOTAL SF</b>	122,918	157,020
<b>TOTAL VALUE</b>	<b>\$20,097,200</b>	<b>\$26,618,590</b>

<b>JAN 1 – DEC 31, 2017</b>	<b>SOLD OFFICE</b>	<b>SOLD RETAIL</b>
<b>PROPERTIES</b>	12	12
<b>TOTAL SF</b>	86,640	70,907
<b>TOTAL VALUE</b>	<b>\$14,712,000</b>	<b>\$9,845,298</b>

<b>DECEMBER 31, 2018</b>	<b>AVAILABLE OFFICE</b>	<b>AVAILABLE RETAIL</b>
<b>PROPERTIES</b>	18	9
<b>TOTAL SF</b>	281,000	64,789
<b>TOTAL VALUE</b>	<b>\$16,765,026</b>	<b>\$8,756,646</b>





# NEW CONSTRUCTION TRENDS

2014 – 2019 across all real estate sectors:

- **6,470,339 sf** of NEW CONSTRUCTION

2014 – 2019	OFFICE	RETAIL
<b>TOTAL SF</b>	770,435	758,787
<b>% OF SECTORS</b>	<b>8.2</b>	<b>8.1</b>

Projected for **2018 - 2019** across all real estate sectors:

- **2,900,000 sf** of NEW CONSTRUCTION



# COMMERCIAL OUTLOOK

What local brokers and land developers are saying.....

*"Record inquiries"*

*"National interest"*

*"Bullish"*

**"OVERALL OPTIMISTIC ABOUT 2019"**

*"Expansion"*

*"I'd invest in the TC"*

*"Concerned about retail"*

*"Office demand is brisk"*

*"Tenants looking to buy"*

*"Amazon effect?"*





# www.tippettcompany.com

## BUYER / SELLER / LANDLORD TENANT REPRESENTATION

- Land
- Commercial
- Industrial
- Agricultural
- Water Rights

## CONSULTING

- Broker Price Opinion
- Bankruptcy
- Investment Analysis
- Risk Management
- Liquidation
- Business
- Joint Venture Creation
- Partnership Development
- Estates
- Mediation

## PROPERTY MANAGEMENT

- Commercial
- Agricultural
- Industrial
- Bookkeeping
- Vendor Procurement
- Property Oversight

## PROJECT MANAGEMENT

- Land Development
- Tenant Improvement
- Commercial Construction
- Request for Proposal
- Design Procurement
- Engineering Procurement
- General Contractor Negotiation
- Project Supervision

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