



NORTH AMERICAN

BUSINESS ACTIVITY STATISTICS

SECOND QUARTER 2016

Xteam Partner Welco Realty
The Mall at Bay Plaza
New York City, New York



We are over
400 professionals
in 34 offices
throughout
North America.

WE ARE over 400 professionals in 34 offices throughout North America. We are a powerful network of partner offices that exclusively focus on first class, best in class, world class retail real estate. X Team International's unique platform assembles the strongest and most experienced retail-only specialists in the most important metropolitan markets in North America. There are no substitutes for resume or reputation, and each X Team partner office is a recognized leader in its regional trade area. Our team has an enormous track record in the representation of Fortune 500 and emerging retailers alike. We represent North America's premier Power Center and Specialty Center developers as well as regional and local clientele who own the high street retail and neighborhood centers where North America shops. In 2015 X Team consummated retail lease and sale transactions in North America that totaled over \$2.87 Billion in value and over 26 Million square feet of Class A retail space across all markets.

Extensive Experience. Exclusively Retail. X-Team.

Q2 2016 SUMMARY

The second quarter of 2016 saw stabilization. Total transaction volume for the 34 North American based X-Team offices this quarter was \$948 million. Transaction volume quarter over decreased slightly. All indicators point to stabilized momentum headed into Q3 & Q4 of 2016.

Retail leasing activity was down in the second quarter of 2016 versus the first quarter results. Lease transaction value declined from \$820 million to \$724 million. X-Team leased over 5.0 million square feet in the second quarter of 2016.

Investment sales activity posted yet another strong quarter, finishing at \$224 million.

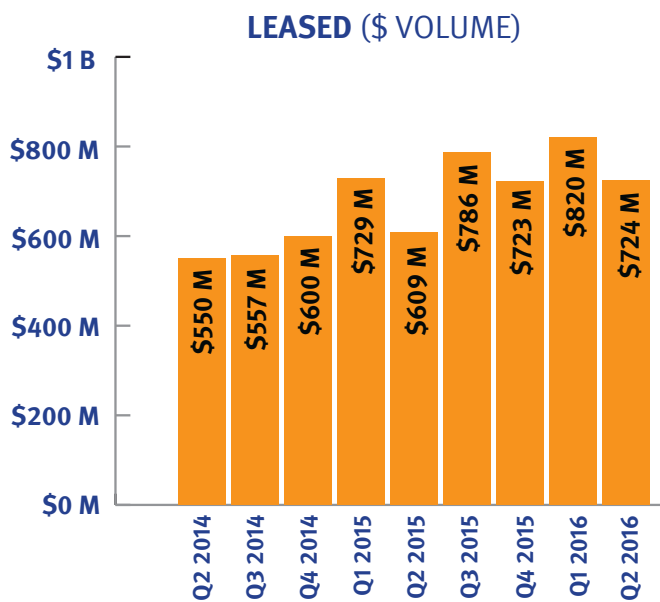
The market continues to be strong. However, many market indicators are beginning to suggest that the market strength will begin to encounter headwinds into 2016. Demand for quality real estate driving values to at or beyond historic barriers. Demand for top tier, "Class A" space, particularly shop and pad space is outstripping supply and new development is quickly coming on line in an attempt to satiate the thirst. Mid-box and big-box space remains stable.

Key Findings from the Retail Sector:

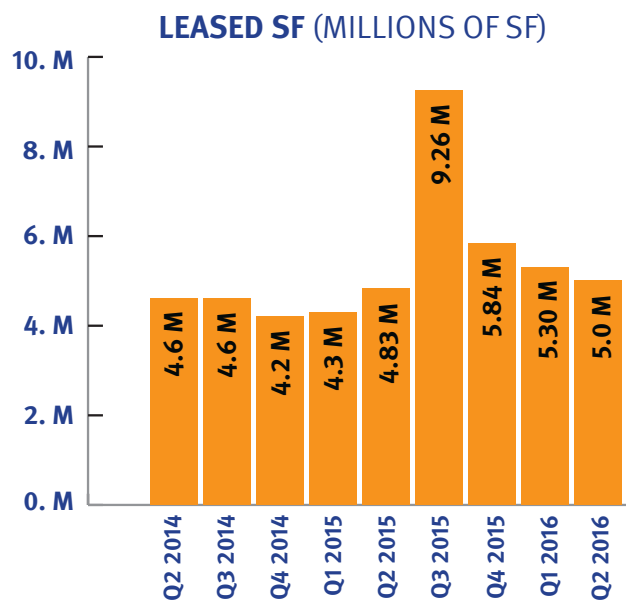
- X-Team consummated \$948 million in transaction volume in the 2nd quarter of 2016.
- Lease transactions stabilizing at \$724 million.
- Investment sales transactions remain strong at \$224 million.
- Demand continues to out-pace supply in most major markets for "A" centers, which is keeping rents upwardly mobile.

NORTH AMERICAN LEASING

The majority of new retail real estate transactions consummated each quarter are leases. Because more consideration changes hands and more space is moved via leases, trends in leasing activity are an extremely reliable barometer of the strength of the retail sector, and by extension, the overall commercial real estate market and economy at large.



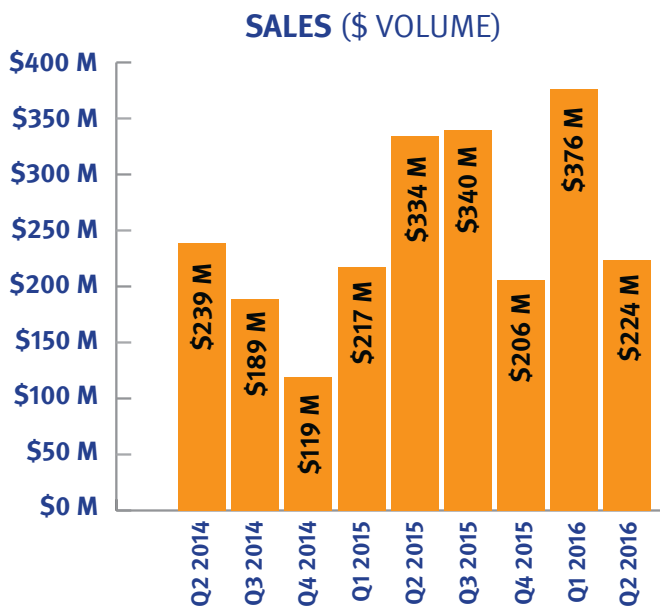
2016 Q2 LEASED VOLUME: \$724 MILLION



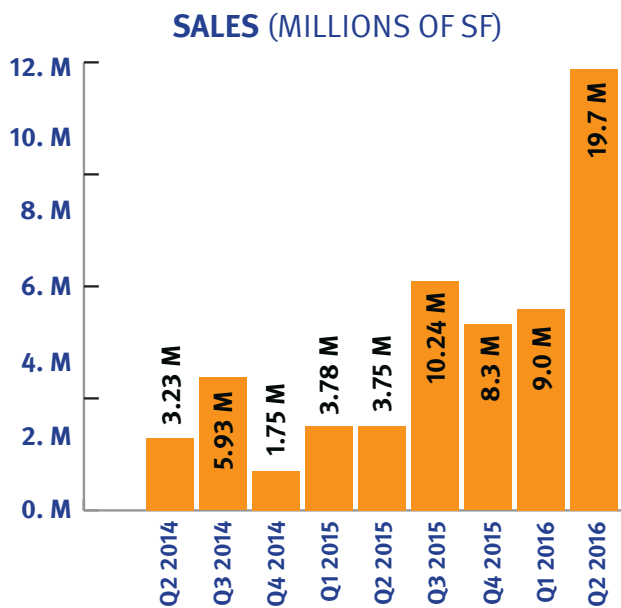
2016 Q2 LEASED SF: 5.0 MILLION

SALES ACTIVITY

The data described below captures all sales consummated by our Partners in a given quarter. This includes a broad mix of transactions including investment sales to investors, existing asset sales to users, redevelopment sales to developers and raw land sales to both users and developers. The breadth of transaction types captured by this data provides a more general commentary on retail real estate activity and trends from one quarter to the next.



2016 Q2 SALES VOLUME: \$224 MILLION



2016 Q2 SALES SF: 19.7 MILLION

*The data above includes transaction totals from XTeam's North American offices. Source: XTeam International

NORTH AMERICAN PARTNER OFFICES

XTEAM UNITED STATES REGIONS

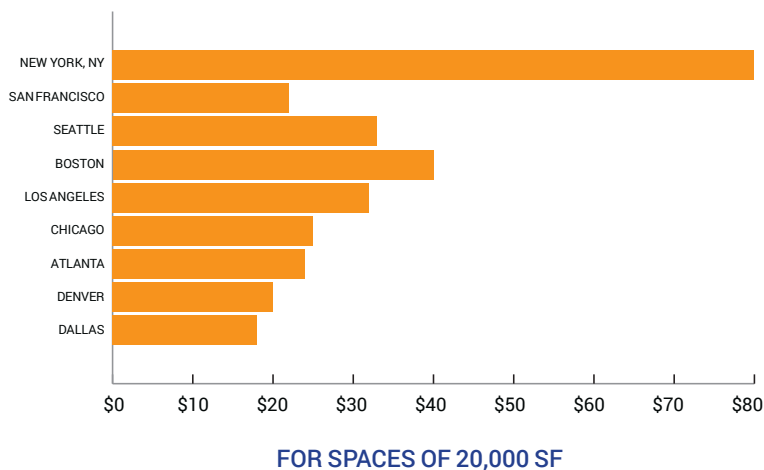
- Western Region
- Central North Region
- Northeast Region
- Central Southeast Region



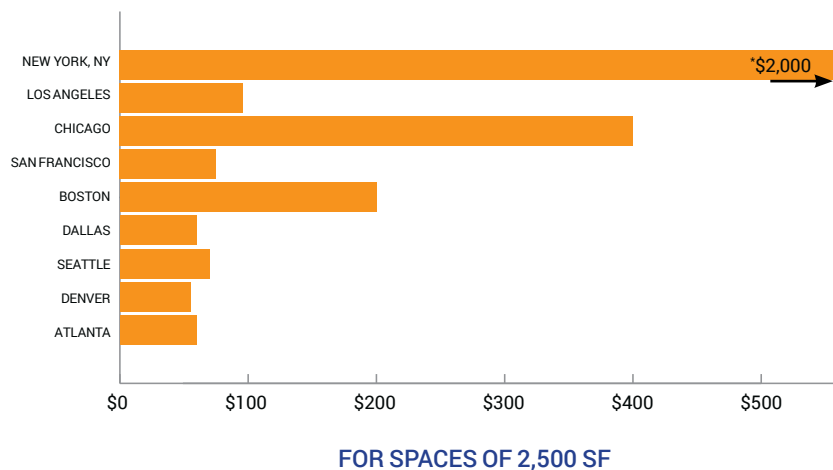
RENTAL RATES IN TOP MARKETS

The survey below tracks rental rates in key national markets, both in the Power Center and premium High Street retail segments. The Power Center survey captures rental rates for junior boxes in the 20,000 SF range for best in class Power Centers. The adjacent survey of High Street retail captures rates for the top premium retail locations in the 2,500 SF range (excluding enclosed malls). While the New York market is the pace setter in both surveys, the disparity with other national markets is far narrower in the Power Center segment than in premium retail.

POWER CENTER RETAIL RENTAL RATES IN TOP MARKETS (\$/SF/YR)



PREMIUM RETAIL RENTAL RATES IN TOP MARKETS (\$/SF/YR)





PARTNERPROFILE

JERRY WELKIS

“

Set specific goals and objectives, and have the tenacity to follow through. You must be willing to think outside the box and be willing to roll up your sleeves and put in long hours.

”



HOW'S BUSINESS:

“Making sure our company **remains relevant** in an ever-increasing competitive market.”

BUSINESS

Biggest challenge for your business at the moment: The biggest challenge is to find new and creative ways to lease difficult/challenging properties.

In the next year. Making sure our company remains relevant in an ever-increasing competitive market.

Biggest mistake/success: The biggest mistake was not investing in and/or purchasing commercial properties 30 years ago. The biggest success was leasing 2.2 million square feet of a retail complex from the ground up in the New York City borough of the Bronx.

Biggest Business Strength / Weakness: Biggest Strength: Performing well for clients and establishing solid long-term relationships. Biggest Weakness: Aggressively going after new business.

Advice to someone starting in the real estate industry today: My advice is to set specific goals and objectives, and have the tenacity to follow through. You must be willing to think outside the box and be willing to roll up your sleeves and put in long hours. Ask a lot of questions and align yourself with a strong mentor.

The best place to invest today: The best place to invest is a supermarket-anchored shopping center and freestanding prime corner location in a dense market at a signalized intersection.

PERSONAL

Some Personal Details: I'm old enough to remember FW Woolworth. I've been married to my lovely wife, Susan, for 35 years and have one daughter, Pamela, and one grandson, Michael. We also have a beloved dog, Jackson, and two cats, Anita and Lilly Bell.

Role model: My role model was my father. He was a truly special person.

Favorite pastimes: I enjoy the theater, movies, dining out, long walks, racquet ball, reading, meditation and music.

Favorite place: My favorite place is the Amalfi Coast of Italy.

Most Recent Book: Nightingale.

Something you probably wouldn't know: I am involved in animal rescue.



X TEAM
INTERNATIONAL

www.xteam.net