

PREDICTIVE ANALYSIS First Comes Residential, Then Comes Retail

It is no secret that retail follows residential development, and in today's growing housing market, there are a number of metro areas experiencing strong levels of growth. In the coming years, net lease investors can expect to see a nationwide uptick in new retail offerings as the sector grows to support the U.S.'s expanding population, but today, the following key markets should be on the radar of retail developers looking for their next opportunity.



Southeast | Nashville, TN

For years, Nashville has boasted that "100 people a day" are moving to the Music City. With explosive population growth, the retail market is poised for expansion as well. Nashville has reported more than \$50 million in single-tenant retail sales so far this year, and the metro currently has another \$84 million in available or under contract single-tenant retail listings.



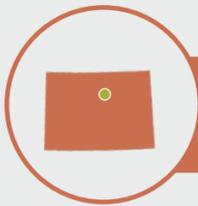
Midwest | Detroit, MI

Detroit has been experiencing a revitalization in recent years. Downtown is beginning to attract new businesses, and old, abandoned homes and neighborhoods are getting a much-needed facelift. As the local community joins forces to revamp a once-thriving metropolitan area, new residents are discovering the city too. Residential building permits increased more than 30 percent year-over-year, indicating a renewed interest in the Motor City.



West | Portland, OR

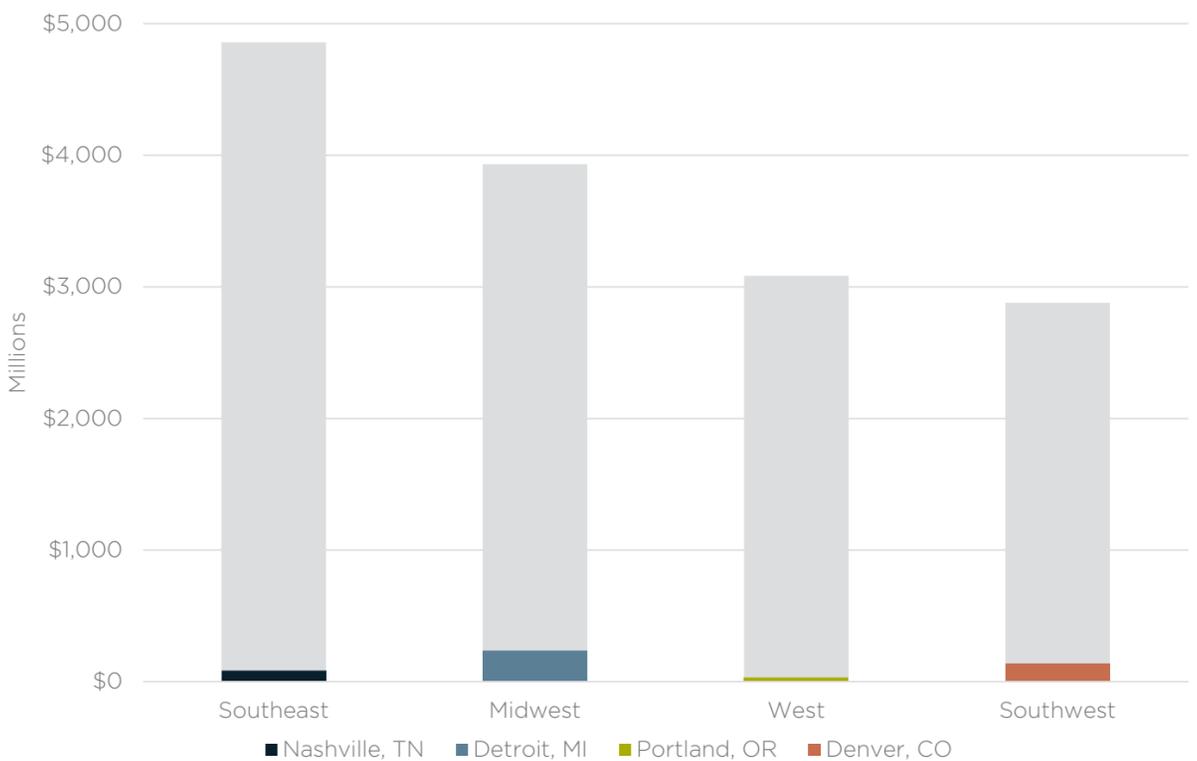
There's a lot to love about the Pacific Northwest markets, and Portland is no exception. Boasting a 4.1 percent statewide unemployment rate - which is the lowest in the state's history - Portland is emerging from the shadows of other biotech-driven cities like Seattle and has been drawing big interest from new companies and residents. Home values have been rising for years, and the median home value is now north of \$400,000.



Southwest | Denver, CO

Denver has been an attractive and growing market for years, with home prices increasing 65 percent this decade and the population growing by 100,000 people in the last seven years. The suburbs especially are seeing an influx of new residents, with many from out-of-state. As neighborhoods are developed and residents push the city's boundaries farther away from the city-center, retail will follow.

Total Volume of On-Market Single-Tenant Retail Listings
(Percentage of Region by Key Market)



Source: Stan Johnson Company Research; analysis includes priced available and on-market listings with portfolios excluded

Of the \$17.7 billion of available single-tenant retail listings across the U.S., the following key markets represent only small percentages of their respective regions, but are expected to grow in the future as new retail development occurs:

- Nashville, TN: 2%** of the Southeast
- Detroit, MI: 6%** of the Midwest
- Portland, OR: 1%** of the West
- Denver, CO: 5%** of the Southwest