

Korpacz Realty Advisors, Inc.

Appraisals, Litigation Support, & Counseling

KORPACZ REALTY ADVISORS, INC. ACCEPTABLE COST OF OCCUPANCY RATIO SURVEY CONCLUSIONS

Occupancy Cost to Sales Ratio

Mall Classification	<u>As of 1/1/2019</u>	<u>As of 1/1/2020</u>	<u>As of 1/1/2021</u>	<u>As of 1/1/2022</u>	<u>As of 1/1/2023</u>
Trophy	No higher than 18.0%	No higher than 18.0%	No higher than 18.0%	No higher than 18.0%	No higher than 18.0%
A+	15.75% - 17.25%	15.75% - 17.25%	15.75% - 17.25%	15.75% - 17.25%	15.75% - 17.25%
A	14.50% - 15.75%	14.50% - 15.75%	14.50% - 15.75%	14.35% - 15.75%	14.50% - 15.75%
B+	13.50% - 14.50%	13.50% - 14.50%	13.50% - 14.50%	13.30% - 14.35%	13.25% - 14.50%
B	11.00% - 13.50%	11.00% - 13.50%	11.00% - 13.50%	10.50% - 13.30%	10.50% - 13.25%
C+	10.25% - 11.00%	10.25% - 11.00%	10.25% - 11.00%	9.50% - 10.50%	9.00% - 10.50%
C	9.00% - 10.25%	9.00% - 10.25%	9.00% - 10.25%	8.50% - 9.50%	8.50% - 9.00%
D	Less than 9.00%	Less than 9.00%	Less than 9.00%	Less than 8.50%	Less than 8.50%

All survey participants include minimum rent, percentage rent, CAM, and real estate taxes in their cost of occupancy calculations. Other costs such as utilities, insurance, and merchants' association dues are included for some of the survey participants. Please note that Apple retail sales are not considered in the Cost of Occupancy Analysis.

Source: Korpacz Realty Advisors, Inc. survey; personally conducted by Peter F. Korpacz, MAI, CRE, FRICS