

MARKET ACTIVITY

Direct Vacancy
⬆️ 3.3%

Net Absorption
⬆️ 467,322 SF

Overall Vacancy
⬆️ 3.7%

Gross Absorption
⬆️ 2,668,748 SF

Under Construction
⬆️ 10,853,586 SF

Rental Rates (NNN)
⬆️ \$0.78

Sale Price Change
⬆️ 3.5%

Deal Volume
⬆️ 14.4%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Increased by 10 BPS since Q3.
- **Net Absorption:** Currently sits at over 467K SF in Q4.
- **Gross Absorption:** Is at nearly 2.7M SF in Q4.
- **Industrial Supply:** In Q4, 801K SF has already been delivered. Construction activity is now at 10.8M SF.

ECONOMIC OUTLOOK

- **GDP:** Q3 finished at a historic growth rate of 33.1%.
- **Employment:** The unemployment rate continues to decline, but the employment situation is bleak for millions of Americans as thousands of business are permanently closing due to governmental mandated closures.
- **Economic Relief:** Is looking unlikely that another round of relief will pass in 2020. Congress will likely pass some sort of stimulus after the new administration & congress are sworn in January 2021.
- **Stability:** The completion of the Presidential election will likely add economic stability to the commercial real estate market.

ECONOMIC OUTLOOK

U.S. Employment
⬆️ 6.9%

U6 Rate
⬆️ 12.1%

Interest Rate
⬆️ 2.8%
(30 year fixed)

Changing GDP
⬆️ 33.1%

Port Traffic Y/Y Δ
⬆️ 9.5%

NYSE Performance
⬆️ 6.2%

Inflation Change
⬆️ 1.2%

10 Yr. - 2 Yr. Spread
⬆️ 72 BPS

EXPERIENCE IN A CHANGING MARKET

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MARKET ACTIVITY

Direct Vacancy
▼ 3.7%

Net Absorption
▼ 323,693 SF

Overall Vacancy
➤ 4.1%

Gross Absorption
▼ 2,070,551 SF

Under Construction
▲ 7,770,932 SF

Rental Rates (NNN)
▲ \$0.75

Sale Price Change
▲ 8.6%

Deal Volume
▼ 87.5%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Has remained the same since Q3 at 4.1%.
- **Net Absorption:** Half way through Q4, Net Absorption is over 323K SF.
- **Sales:** Volume has totaled less than \$40M in Q4. The median sale price PSF was \$162.89.
- **Industrial Supply:** Over 387K SF has been delivered in Q4. Construction activity increased to over 7.7M SF, equating to 3.4% of the total inventory.

ECONOMIC OUTLOOK

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ECONOMIC OUTLOOK

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▼ 6.9%

U6 Rate
▼ 12.1%

Interest Rate
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(30 year fixed)

Changing GDP
▲ 33.1%

Port Traffic Y/Y Δ
▲ 9.5%

NYSE Performance
▲ 6.2%

Inflation Change
▼ 1.2%

10 Yr. - 2 Yr. Spread
▲ 72 BPS

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