

### MARKET ACTIVITY

Direct Vacancy  
▲ 3.1%

Net Absorption  
▼ -447,410 SF

Overall Vacancy  
▲ 3.4%

Gross Absorption  
▼ 2,101,404 SF

Under Construction  
➤ 800,837 SF

Rental Rates (NNN)  
▲ \$1.02

Sale Price Change  
▲ 13.0%

Deal Volume  
▼ 83.8%

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Increased only 10 BPS from Q3.
- **Net Absorption:** Total Net Absorption is down roughly 93K SF from Q3 levels.
- **Asking Rents:** Minimal gain of \$0.01 PSF from Q3.
- **Sale Prices:** Prices have increased so far in Q4 to a median of \$219.31 PSF. Volume just over \$108M through Q4.
- **Industrial Supply:** Remains the same from Q3.

#### 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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