

MARKET ACTIVITY

Direct Vacancy
▲ 3.1%

Net Absorption
▼ -497,200 SF

Overall Vacancy
▲ 3.5%

Gross Absorption
▲ 1,274,089 SF

Under Construction
▼ 1,429,705 SF

Rental Rates (NNN)
▲ \$1.17

Sale Price Change
▼ 15.1%

Deal Volume
▼ 58.4%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Increased 30 BPS from the end of Q3.
- **Net Absorption:** Sharply down by over 400K SF from Q3.
- **Industrial Supply:** Approximately 106K SF has been delivered in Q4. Under Construction at 1.4M SF.
- **Asking Rents:** Ticked up by \$0.01 PSF.
- **Sales:** Prices fell to a median PSF of \$180.85. Volume down by 58.4% 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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