

MARKET ACTIVITY

Direct Vacancy
▲ 3.0%

Net Absorption
▼ -350,047 SF

Overall Vacancy
▲ 3.6%

Gross Absorption
▼ 2,006,871 SF

Under Construction
▲ 428,971 SF

Rental Rates (NNN)
➤ \$1.15

Sale Price Change
▼ 5.5%

Deal Volume
▼ 61.5%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Increased by 10 BPS to 3.6% in Q4.
- **Net Absorption:** Stands at -350K SF in mid Q4.
- **Asking Rents:** Have remained unchanged from Q3 at \$1.15 PSF.
- **Sales:** Amazon purchased a property for \$63M, accounting for 47% of the total QTD volume.
- **Industrial Supply:** Under construction in Q4 is 429K 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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