

### MARKET ACTIVITY

Direct Vacancy  
 3.7%

Net Absorption  
 749,405 SF

Overall Vacancy  
 4.0%

Gross Absorption  
 1,100,118 SF

Under Construction  
 722,938 SF

Rental Rates (NNN)  
 \$0.77

Sale Price Change  
 11.5%

Deal Volume  
 48.7%

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Overall vacancy is down 110 BPS from Q3.
- **Net Absorption:** Q4 is off to a good start with Net Absorption totaling 749K SF so far.
- **Gross Absorption:** Increased to over 1.1M SF at this point in Q4.
- **Sales:** Volume is on pace to surpass Q3 levels. The median price PSF is \$160.14 in Q4.

#### 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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