

MARKET ACTIVITY

Direct Vacancy
↓ 2.8%

Net Absorption
↑ 3,046,647 SF

Overall Vacancy
↓ 3.1%

Gross Absorption
↑ 4,015,586 SF

Under Construction
↑ 11,413,551 SF

Rental Rates (NNN)
↑ \$0.83

Sale Price Change
↑ 3.9%

Deal Volume
↓ 5.0%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Fell by 60 BPS since Q4 to 3.1%.
- **Net Absorption:** Off to a strong start in Q1 totaling over 3M SF.
- **Gross Absorption:** Has totaled over 4M SF in Q1.
- **Industrial Supply:** In Q4, 1.9M SF was delivered in the West market. In Q1, there has already been 580K SF delivered. Construction activity continues to expand and currently sits at 11.4M SF.

ECONOMIC OUTLOOK

- **GDP:** Q4 estimates show a growth rate of 4.0%.
- **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:** Congress and the new administration have proposed a \$1.9T stimulus package. Analyst predict some stimulus will be passed in March.
- **Stability:** The completion of the Presidential election will likely add economic stability to the commercial real estate market.

ECONOMIC OUTLOOK

U.S. Employment
↓ 6.3%

U6 Rate
↓ 11.1%

Interest Rate
↓ 2.7%
(30 year fixed)

Changing GDP
↓ 4.0%

Port Traffic Y/Y Δ
↑ 22.4%

NYSE Performance
↑ 5.3%

Inflation Change
↑ 1.4%

10 Yr. - 2 Yr. Spread
↑ 117 BPS

EXPERIENCE IN A CHANGING MARKET

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MARKET ACTIVITY

Direct Vacancy
▼ 3.3%

Net Absorption
▼ 688,820 SF

Overall Vacancy
▼ 3.5%

Gross Absorption
▼ 2,278,494 SF

Under Construction
▲ 10,008,337 SF

Rental Rates (NNN)
▲ \$0.81

Sale Price Change
▲ 7.5%

Deal Volume
▲ 317.1%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Declined by 10 BPS from Q4 to 3.5%.
- **Net Absorption:** Half way through Q1, Net Absorption is nearly 689K SF.
- **Sales:** Volume in Q1 has totaled more than \$413M. The median sale price PSF was \$175.06.
- **Industrial Supply:** Over 1M SF has been delivered in Q4. In Q1, 300K SF has been delivered. Construction activity increased to over 10M SF, equating to 4.3% of the total inventory.

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ECONOMIC OUTLOOK

U.S. Employment
▼ 6.3%

U6 Rate
▼ 11.1%

Interest Rate
▼ 2.7%
(30 year fixed)

Changing GDP
▼ 4.0%

Port Traffic Y/Y Δ
▲ 22.4%

NYSE Performance
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Inflation Change
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10 Yr. - 2 Yr. Spread
▲ 117 BPS

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