

MARKET ACTIVITY

Direct Vacancy
↓ 2.7%

Net Absorption
↑ 61,528 SF

Overall Vacancy
↓ 3.0%

Gross Absorption
↓ 1,071,680 SF

Under Construction
↓ 1,421,482 SF

Rental Rates (NNN)
↑ \$1.19

Sale Price Change
↑ 7.2%

Deal Volume
↑ 25.8%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Down slightly from Q4.
- **Net Absorption:** Revised Q4 totaled nearly 300K SF of positive net absorption. Q1 thus far sits at 61K SF.
- **Industrial Supply:** Approximately 106K SF was delivered in Q4. An additional 20K SF has been delivered in Q1. Under Construction at 1.4M SF.
- **Asking Rents:** Ticked up by \$0.01 PSF.
- **Sales:** Prices increased to a median PSF of \$193.84. Volume up by 25.8% when compared to the mid-quarter Q4.

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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