

MARKET ACTIVITY

Direct Vacancy
▲ 3.8%

Net Absorption
▼ -160,280 SF

Overall Vacancy
▲ 4.0%

Gross Absorption
▼ 270,553 SF

Under Construction
▼ 511,223 SF

Rental Rates (NNN)
▲ \$0.78

Sale Price Change
▲ 6.7%

Deal Volume
▲ 27.3%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Overall vacancy increased by 20 BPS from Q4 to 4.0%.
- **Net Absorption:** Has totaled -160K SF in Q1 after record Q4.
- **Gross Absorption:** Has totaled only 270K SF in Q1.
- **Sales:** Volume is on pace to surpass Q4 levels; up 27% from same period in Q4. The median price PSF is \$173.75 in Q1.

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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