

### MARKET ACTIVITY

Direct Vacancy  
↓ 1.8%

Net Absorption  
↑ 2,336,830 SF

Overall Vacancy  
↓ 1.9%

Gross Absorption  
↑ 3,937,383 SF

Under Construction  
↓ 10,406,114 SF

Rental Rates (NNN)  
↑ \$0.96

Median Sale \$/SF  
\$239.21

Deal Volume  
\$152.4M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Lower by 60 BPS since Q2 to 1.9%.
- **Net Absorption:** Off to a strong start in Q3 totaling over 2.3M SF.
- **Gross Absorption:** Has totaled over 3.9M SF in Q3.
- **Industrial Supply:** In Q3, there has already been 311K SF delivered. Construction activity is down slightly currently sitting at 10.4M SF.
- **Sales:** Volume thus far into Q3 has only totaled \$152.4M. With a median price PSF of \$239.21.

#### ECONOMIC OUTLOOK

- **GDP:** The U.S. economy grew at a rate of 6.5% in Q2. Concerns over the "delta" variant have slightly weakened the growth trajectory, with forecasted increase of 6.0% in Q3.
- **Inflation:** Concerns over inflation grow louder as the latest CPI showed an increase of 5.28%. Due to this, the FOMC indicated rate hikes are likely to occur sooner than previously anticipated.
- **Infrastructure:** The Senate has passed a \$1T infrastructure package. The timeline of this legislation passing in the House is uncertain.

### ECONOMIC OUTLOOK

U.S. Employment  
↓ 5.4%

U6 Rate  
↓ 9.2%

Interest Rate  
↓ 2.9%  
(30 year fixed)

Changing GDP  
↑ 6.5%

Port Traffic Y/Y Δ  
↑ 40.4%

NYSE Performance  
↑ 3.0%

Inflation Change  
↑ 5.28%

10 Yr. - 2 Yr. Spread  
↓ 106 BPS

EXPERIENCE IN A CHANGING MARKET

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### MARKET ACTIVITY

Direct Vacancy  
▼ 2.5%

Net Absorption  
▼ 1,792,884 SF

Overall Vacancy  
▼ 2.6%

Gross Absorption  
▼ 2,225,524 SF

Under Construction  
▲ 11,236,605 SF

Rental Rates (NNN)  
▲ \$0.78

Median Sale \$/SF  
\$200.88

Deal Volume  
\$108.3M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Declined by 50 BPS since Q2 to 2.6%.
- **Net Absorption:** Half way through Q3, Net Absorption is just under 1.8M SF.
- **Sales:** Volume QTD Q3 has only totaled \$108.3M. The median sale price PSF was \$200.88.
- **Industrial Supply:** Over 500K SF has been delivered already in Q3. Construction activity expanded to over 11.2M SF, equating to 4.7% of the total inventory.

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