

### MARKET ACTIVITY

Direct Vacancy  
▼ 2.0%

Net Absorption  
▼ 1,283,205 SF

Overall Vacancy  
▼ 2.2%

Gross Absorption  
▲ 6,997,049 SF

Under Construction  
▼ 3,798,735 SF

Rental Rates (NNN)  
▲ \$1.33

Median Sale \$/SF  
\$249.52

Deal Volume  
\$950.8M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Slight decrease of 10 BPS from Q2.
- **Net Absorption:** QTD Q3 has totaled under 1.3M SF of positive net absorption.
- **Asking Rents:** Increased by \$0.08 PSF to \$1.33.
- **Sale Activity:** Q3 is off to a hot start totaling over \$950M in volume. With a median price PSF of \$249.52.
- **Leasing Activity:** Is tracking just below Q2 levels, totaling 5.1M SF QTD Q3.
- **Industrial Supply:** 600K SF has been delivered so far in Q3. Under construction now stands at 3.8M SF.

#### 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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