

MARKET ACTIVITY

Direct Vacancy
↓ 2.3%

Net Absorption
↑ 728,526 SF

Overall Vacancy
↓ 2.6%

Gross Absorption
↑ 2,462,565 SF

Under Construction
↓ 391,203 SF

Rental Rates (NNN)
↑ \$1.24

Median Sale \$/SF
\$283.40

Deal Volume
\$143.9M

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Direct rate fell by 10 BPS & overall is down 20 BPS to a rate of 2.6%.
- **Net Absorption:** Has totaled over 428K SF in Q3. On pace to outperform Q2.
- **Asking Rents:** Increased by \$0.01 PSF from Q2 to \$1.24 PSF thus far in Q3.
- **Sales:** QTD Q3, the median price PSF is \$283.40. Sales volume has totaled \$144M in Q3.
- **Industrial Supply:** Construction activity is slightly lower than in Q2 with 391K SF under construction.

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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