

### MARKET ACTIVITY

Direct Vacancy  
5.6%

Net Absorption  
2,267,190 SF

Overall Vacancy  
5.7%

Gross Absorption  
4,458,202 SF

Under Construction  
25,628,121 SF

Rental Rates (NNN)  
\$0.68

Median Sale \$/SF  
\$147.51

Deal Volume  
\$349.7M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Fell by 10 BPS to 5.7% since Q2.
- **Net Absorption:** Has totaled over 2.2M SF so far into Q3. Currently under-performing Q2.
- **Sales:** The median price PSF in Q3 is \$147.51. Halfway into Q3 volume has totaled just under \$350M.
- **Industrial Supply:** In Q3, over 1M SF has already been delivered. Under construction continues to expand now sitting at 25.6M SF in Q3.

#### 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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