

### MARKET ACTIVITY

Direct Vacancy  
▲ 1.7%

Net Absorption  
▲ -210,942 SF

Overall Vacancy  
▲ 1.9%

Gross Absorption  
▲ 693,357 SF

Under Construction  
▼ 596,924 SF

Rental Rates (NNN)  
▲ \$1.56

Median Sale \$/SF  
\$314.30

Deal Volume  
\$63.4M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Increased 9 BPS from Q3.
- **Net Absorption:** Has totaled -211K SF thus far in Q4.
- **Industrial Supply:** Two buildings located totaling 40K SF has been delivered in Q4. UC down to 597K SF.
- **Asking Rents:** Increased by \$0.02 PSF or 1.3% since the end of Q3.
- **Sales:** The median price PSF half-way through Q4 is \$314.30. Volume has totaled just \$63.4M thus far.

#### ECONOMIC OUTLOOK

- **Interest Rates:** At their November meeting, the FOMC decided to increase interest rates by another 75 bps to a range of 3.75%-4.0%. Projections of an additional increase of 50 bps before the end of the year with the fed funds rate ending 2022 at a mid-point of 4.4%.
- **Inflation:** The latest CPI shows slight signs of moderation from peak inflation.
- **Supply Chain:** According to the Freightos Baltic Index, the cost to ship a container from China/East Asia to North America West Coast declined 13% since Q3, at \$2,563 per container. Since the start of 2022, these rate have declined over 81%.

### ECONOMIC OUTLOOK

U.S. Employment  
▲ 3.7%

U6 Rate  
▲ 6.8%

Interest Rate  
▲ 6.6%  
(30 year fixed)

Changing GDP  
▲ 2.6%

Port Traffic Y/Y Δ  
▼ 6.0%

NYSE Performance  
▲ 11.1%

Inflation Change  
▼ 7.76%

10 Yr. - 2 Yr. Spread  
▼ -57 BPS

EXPERIENCE IN A CHANGING MARKET

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