

MARKET ACTIVITY

Direct Vacancy
▲ 1.9%

Net Absorption
▼ -561,033 SF

Overall Vacancy
▲ 2.1%

Gross Absorption
▼ 1,146,805 SF

Under Construction
▲ 3,094,052 SF

Rental Rates (NNN)
▲ \$1.54

Median Sale \$/SF
\$350.53

Deal Volume
\$449.3M

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Increased by 22 bps since Q3.
- **Net Absorption:** Has been negative thus far in Q4, totaling -651K SF.
- **Asking Rents:** Increased by \$0.02 PSF or 1.3% from Q3.
- **Sales:** QTD Q4, the median price PSF is \$350.53. Sales volume is down totaling \$449.3M in volume halfway through Q4.
- **Industrial Supply:** No new deliveries thus far in Q4. Construction activity increased to over 3M SF.

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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