

MARKET ACTIVITY

Direct Vacancy
4.3%

Net Absorption
4,391,493 SF

Overall Vacancy
4.5%

Gross Absorption
6,725,313 SF

Under Construction
50,215,021 SF

Rental Rates (NNN)
\$0.94

Median Sale \$/SF
\$181.43

Deal Volume
\$370.8M

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Declined by 9 bps since Q3.
- **Net Absorption:** Has totaled 4.4M SF in Q4.
- **Sales:** The median price PSF in Q4 is \$181.43. Halfway into Q4 volume has totaled \$370.8M.
- **Industrial Supply:** In Q4, 4.2M SF has already been delivered. Under construction revised to 50.2M SF. Representing 12.7% of current inventory.

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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