

### MARKET ACTIVITY

Direct Vacancy  
▲ 2.1%

Net Absorption  
▼ -552,162 SF

Overall Vacancy  
▲ 2.4%

Gross Absorption  
▼ 864,818 SF

Under Construction  
▲ 2,248,975 SF

Rental Rates (NNN)  
▲ \$2.00

Median Sale \$/SF  
\$516.49

Deal Volume  
\$365.9M

### KEY TAKE AWAYS

#### MARKET

- **Vacancy Rate:** Increased by 23 BPS from Q3.
- **Net Absorption:** Has totaled -552K SF in Q4.
- **Gross Absorption:** Has totaled 865K SF thus far in Q4.
- **Asking Rates:** The average asking rental rate increased by \$0.02 PSF from Q3 to \$2.00 PSF in Q4.
- **Sales:** The median price PSF in Q4 so far is up to \$516.49.

#### 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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