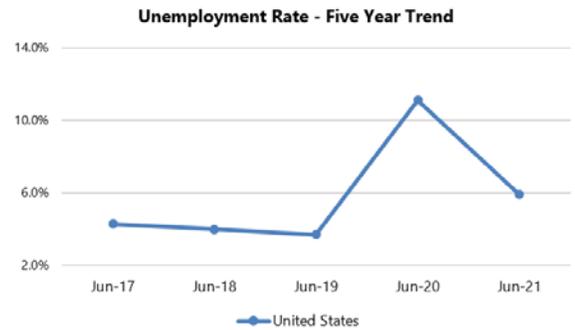


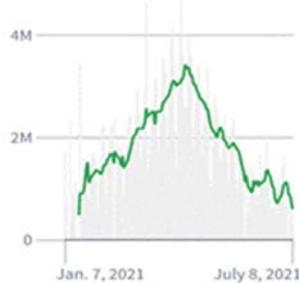
U.S. Class A Industrial-Distribution Sales Volume & Buying Trends – June 2021

COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in investment sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The United States Daily New Case table below highlights the progression of daily case counts. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 16 or older across the United States and hospitalizations and number of new cases continue to decrease. In addition, many states have ended their preventative mandates for businesses and individuals, while other states have opted to only loosen their regulations. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward Q3 2021 and restrictions continue to be lifted, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for Class A Industrial properties across the United States national market.

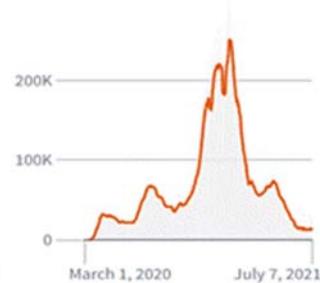


Vaccine doses given
7-day avg: **599,070**
55.2% at least one dose



United States

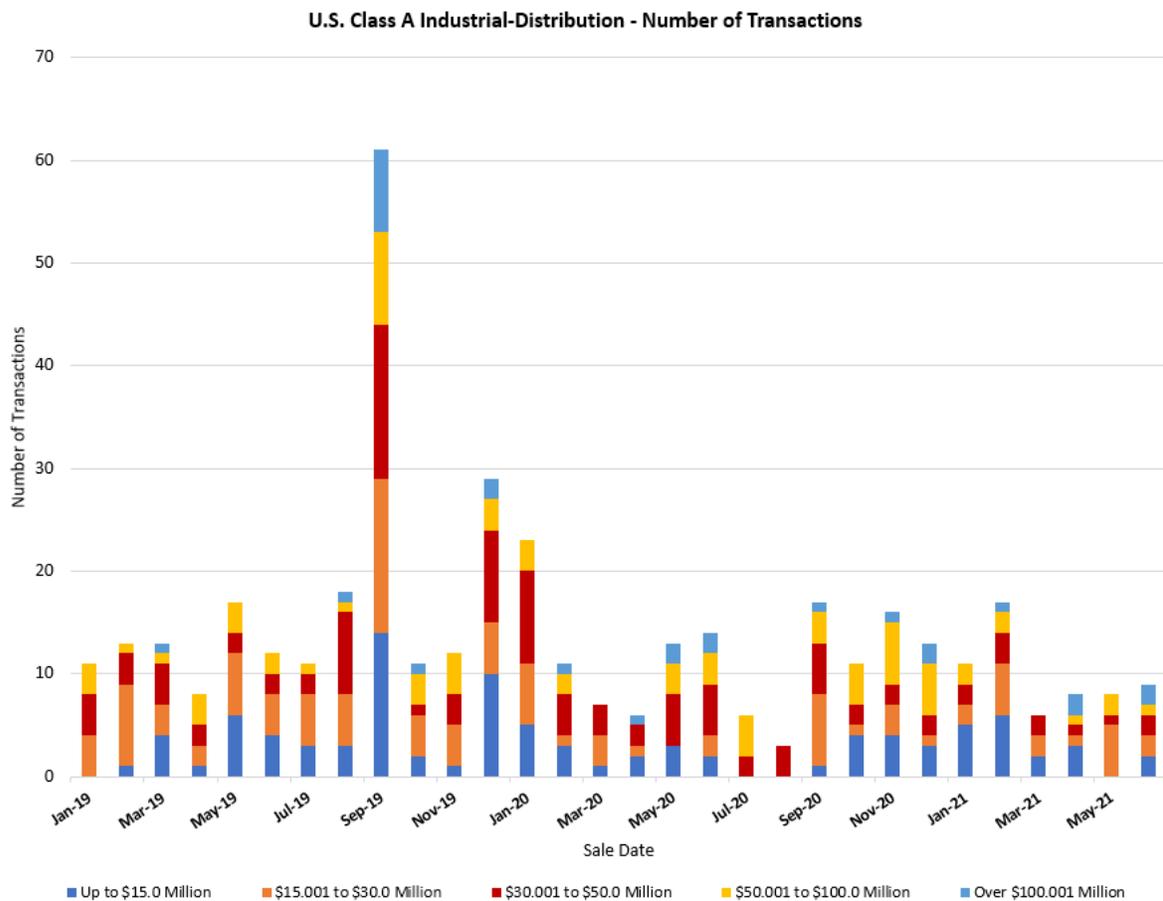
New cases
7-day avg: **15,591**



Source: Reuters

Number of Sales Transactions

- Parameters: All Class A industrial-distribution investment sales in the United States national market, segmented by price tranche.
- Consistent transaction volume from January 2019 to March 2020, except for a large spike in September 2019.
- March 2020- initial COVID shockwaves grip market, number of transactions falls but does not plummet.
- Uptick in transaction volume May and June 2020, but steep declines in July and August 2020.
- September 2020 – February 2021- general upward trend in number of transactions with a decline beginning in March 2021.
- April and May 2021 saw 8 transactions total in each month.
- June 2021- 9 total transactions, well below the average of the prior 30-month period.
- June 2021 has the third highest number of transactions in 2021, but transactions remain relatively low.



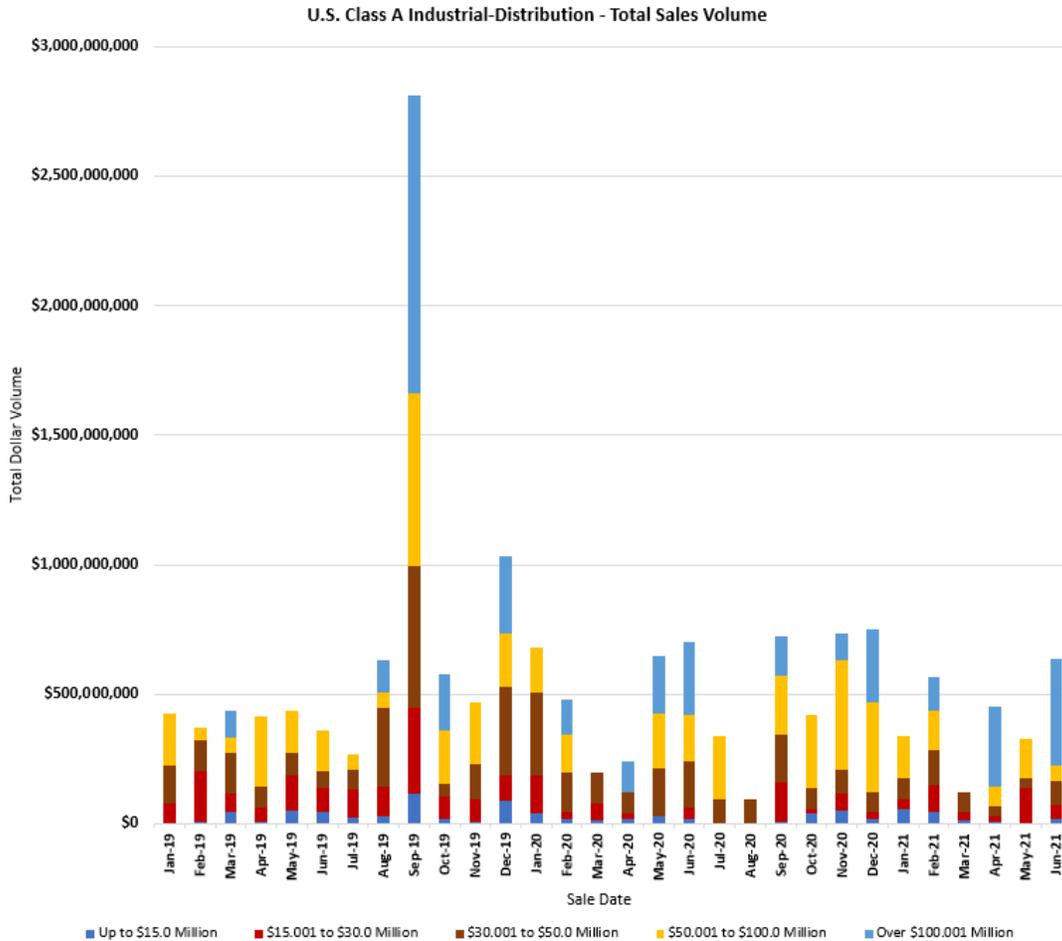
The Class A Industrial-Distribution markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the same level of consistency as was seen prior to March 2020. July statistics should shed light on whether the market can recover following a significant decline in April, May, and June.

Dollar Volume of Sales Transactions

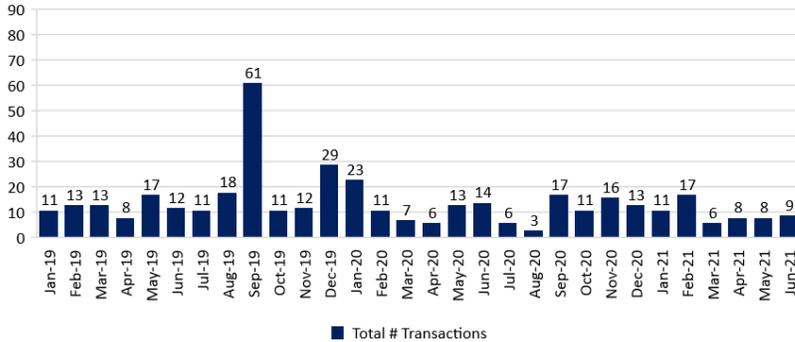
In 2019, the average monthly sales volume was approximately \$685 million. Comparatively, the average monthly sales volume in 2020 was roughly \$500 million, reflecting a decrease of approximately 27%. In 2021 through June, the monthly average declined 18.5% from the 2020 average. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - U.S. Class A Industrial-Distribution			
YEAR	2019	2020	2021 (Jan-June)
Min	\$266,701,000	\$94,230,500	\$123,071,330
Max	\$2,811,664,531	\$750,444,834	\$639,260,000
Average	\$685,239,363	\$499,828,029	\$407,251,011
% Difference	-	-27.1%	-18.5%

- Average sales volume from January 2019 to February 2020 was \$669,954,592.
- Average sales volume from March 2020 to June 2021 was \$455,309,405.
- The largest increase in dollar volume was 667.5% from August 2020 to September 2020.
- The largest decrease in dollar volume was 79.4% from September 2019 to October 2019.
- March, July, August, October 2020, and January, March, and May 2021 did not log any sales over \$100 million.
- Sales from \$50.001 to \$100 million have generally comprised the largest share of all total sales.
- June 2021 recorded the highest total sales volume in 2021.



TOTAL NUMBER OF TRANSACTIONS - U.S. CLASS A INDUSTRIAL-DISTRIBUTION



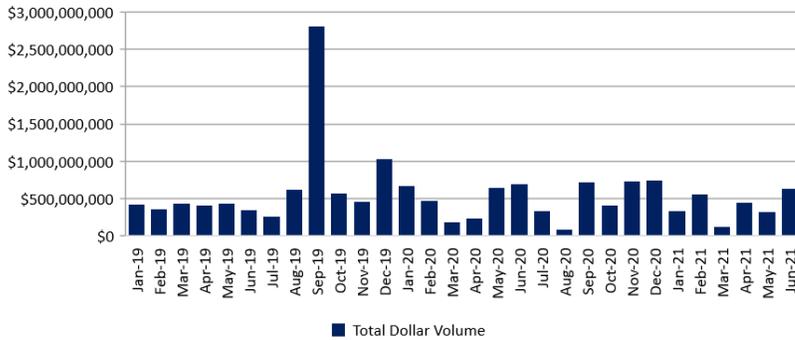
SALES (2019-2021): Number of Sales

Pre-COVID-19, the number of sales fluctuated at a relatively uniform level, ranging from 8 to 29 sales per month, with the exception of the 61 sales logged in September 2019. The market softened in March 2020, and since that time the number of monthly sales has ranged from 3 to 17 per month. The number of transactions in June 2021 remained static and ranks as one of the lower monthly totals of the 30-month period.

Dollar Volume of Sales

The number of transactions increased from 8 to 9 in June 2021, triggering an increase in monthly sales volume. Totalling 9 transactions, one more than May 2021, dollar volume increased by over 96%. The increase in total sales volume is primarily due to the two high dollar transactions over \$100 million. Of the 9 total sales, 4 (44%) were up to \$30 million and there were 3 (33%) transactions over \$50 million.

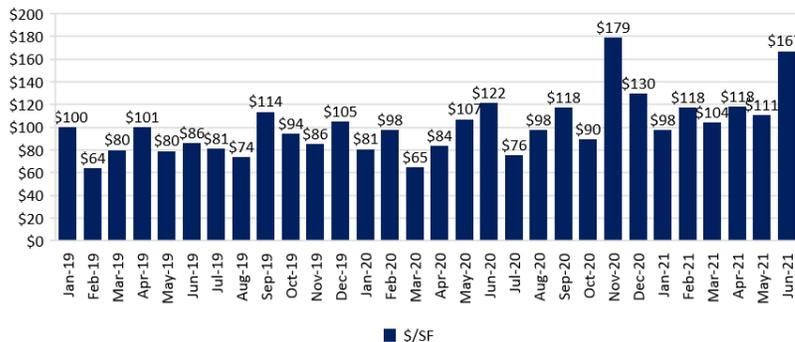
TOTAL SALES VOLUME - U.S. CLASS A INDUSTRIAL-DISTRIBUTION



Sale Price Per Square Foot

From January 2019, sales prices have ranged from \$64 per square foot to \$179 per square foot, averaging \$101 per square foot. From January 2019 to February 2020, industrial and flex properties sold at an average price of \$89 per square foot. From March 2020 to June 2021, these properties sold at an average of \$112 per square foot. June 2021 ranks above both averages with an average price per square foot of \$167 and the second highest in the given period. Demand remains high in the Class A industrial-distribution sector. The sector has been fueled by rising ecommerce spending since the onset of the ongoing COVID-19 pandemic.

SALE PRICE PER SF - U.S. CLASS A INDUSTRIAL-DISTRIBUTION



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SOURCE: CoStar, STDB, US Bureau of Labor Statistics, and Marshall & Stevens