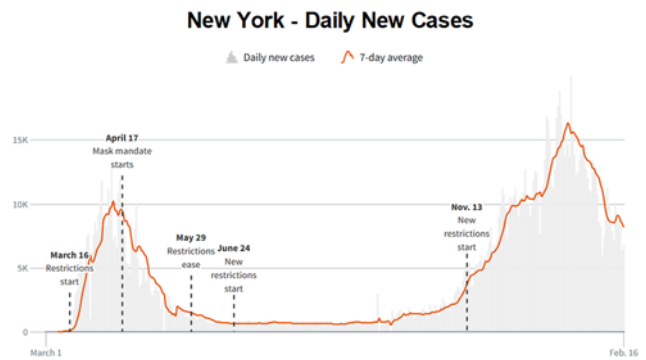
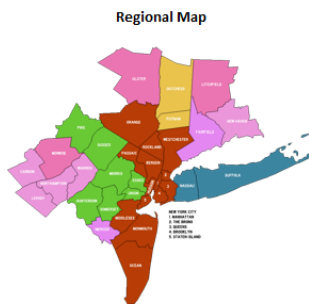
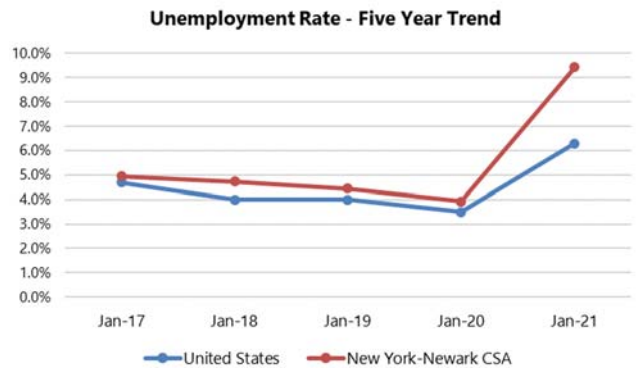


New York Regional Industrial & Flex Sales Volume & Buying Trends – February 2021

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 retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The New York Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. A new high in case counts led to the implementation of the mask mandate in April 2020. Effective social distancing and mask mandates helped curb case counts over spring and summer 2020, and restrictions loosened. Colder weather and an increase in indoor gatherings around the holidays sent case counts surging again in the late fall and winter, shattering the previous high set in April 2020. Unemployment spiked over the period, reaching a high of 15.9 percent in New York State in July. The unemployment rate decreased over the following five months before a slight increase in January 2021. Attention now turns to the rollout of the COVID vaccine and its effects on consumer sentiment and underlying market performance.

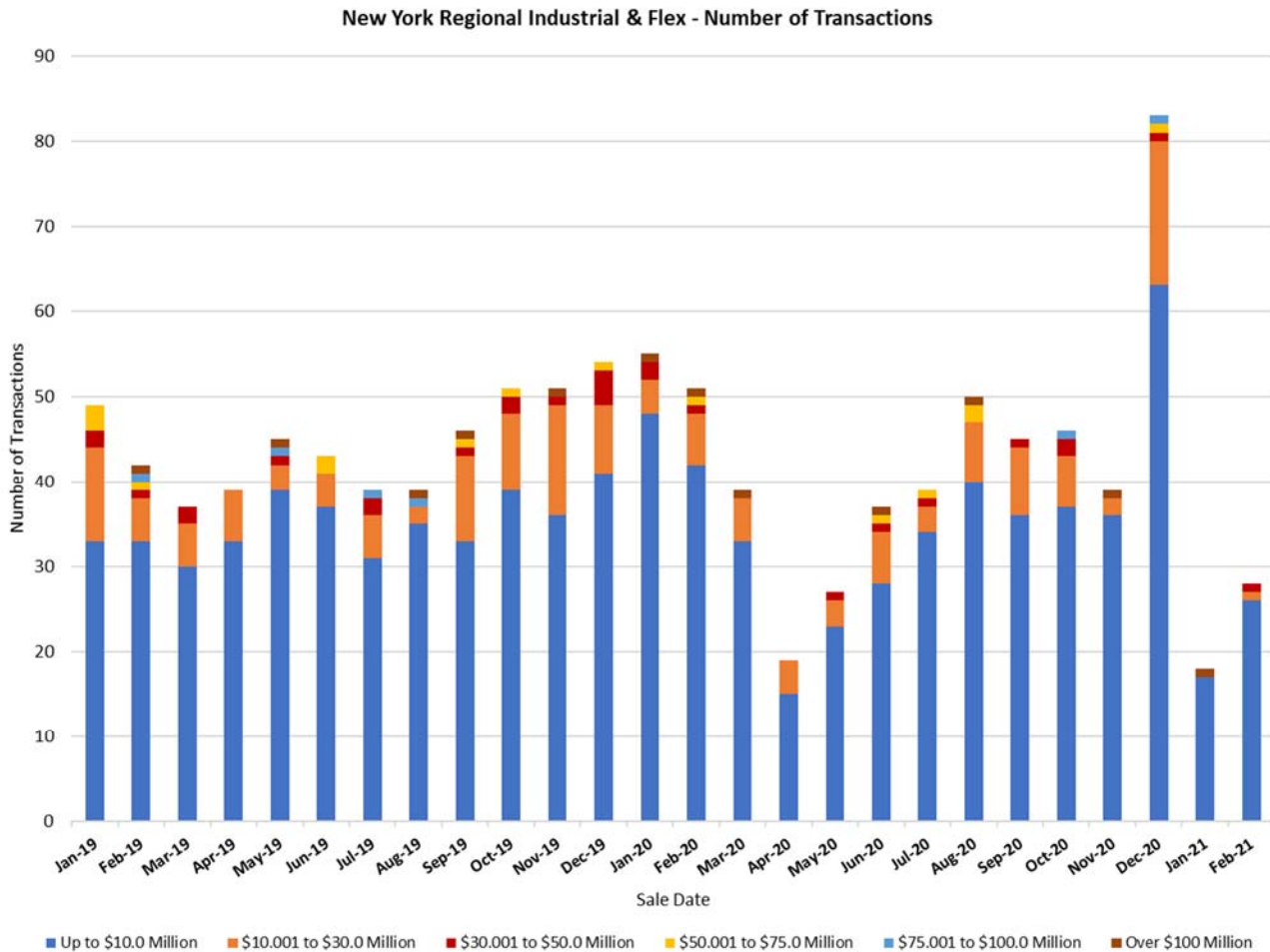
With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for industrial and flex properties across the New York regional market. The study area is shown below.



Source: Reuters

Number of Sales Transactions

- Parameters: All industrial and flex investment sales in the New York regional market, segmented by price tranche.
- Consistent transaction volume from January 2019 to March 2020.
- April 2020- initial COVID shockwaves grip market, number of transactions plummet.
- January 2019 - March 2020- number of transactions ranged from 37 to 55, averaging 45/month.
- April 2020 – February 2021- number of transactions ranged from 18 to 83, averaging 39/month.
- December 2020-83 total transactions- 28 more than the previous high of 55.
- January 2021- 18 total transactions, lowest of prior 25-month period.
- February 2021- 28 transactions, fourth lowest of post-COVID period.
- Slow start to the new year following a more active Q4 2020.



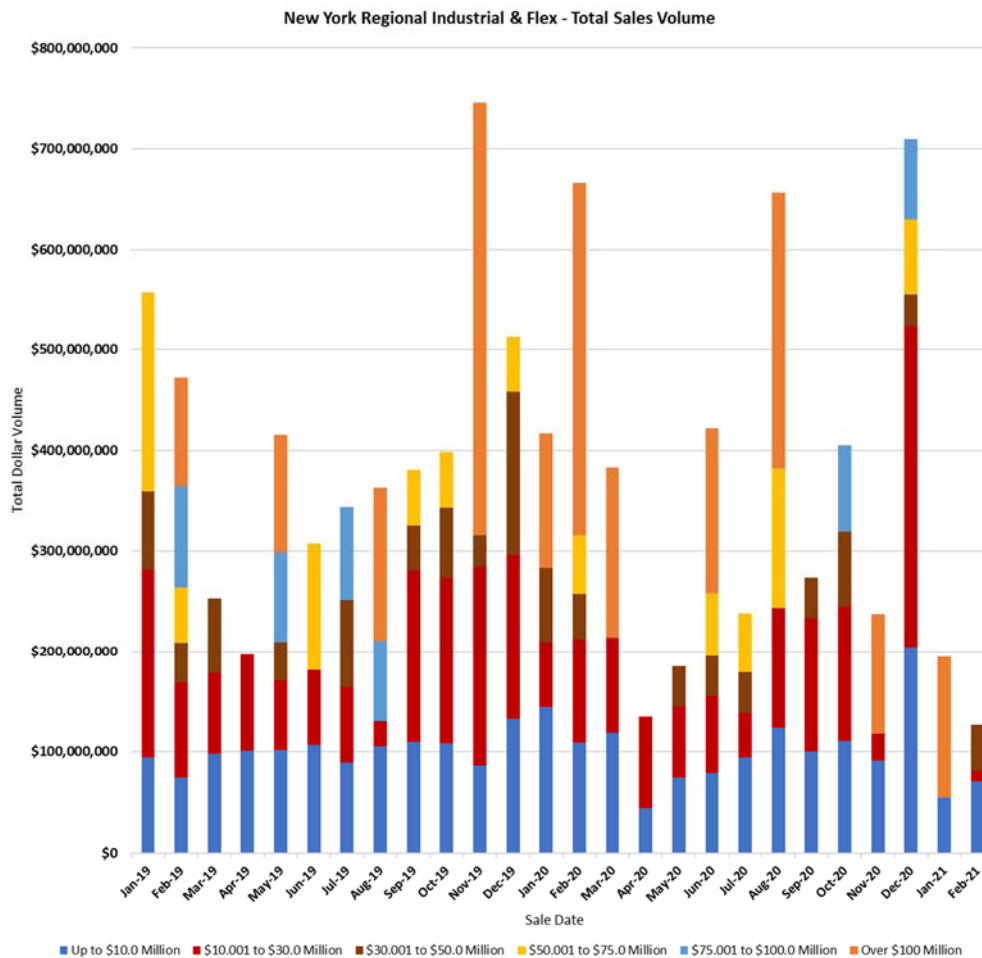
The industrial and flex markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the same level of consistency as was seen prior to March 2020. March statistics should shed light on whether the market can rally following a very sluggish first few months of 2021.

Dollar Volume of Sales Transactions

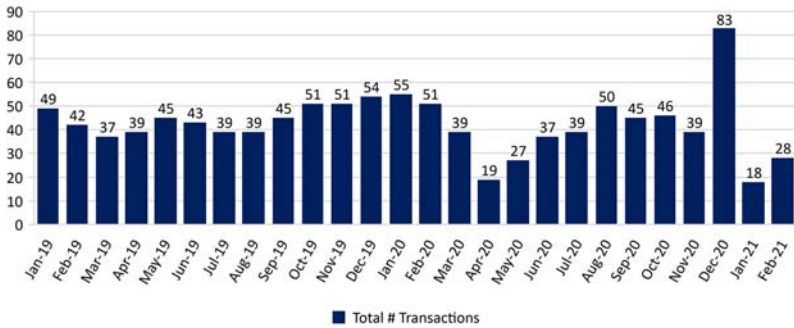
In 2019, the average monthly sales volume was approximately \$412 million. Comparatively, the average monthly sales volume in 2020 was roughly \$394 million, reflecting a decrease of approximately 4.4%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - New York Regional Industrial & Flex			
YEAR	2019	2020	2021 (Feb)
Min	\$196,447,464	\$134,695,000	\$126,794,000
Max	\$745,706,875	\$709,299,482	\$194,230,751
Average	\$412,051,664	\$393,852,755	\$160,512,376
% Difference	-	-4.4%	-59.2%

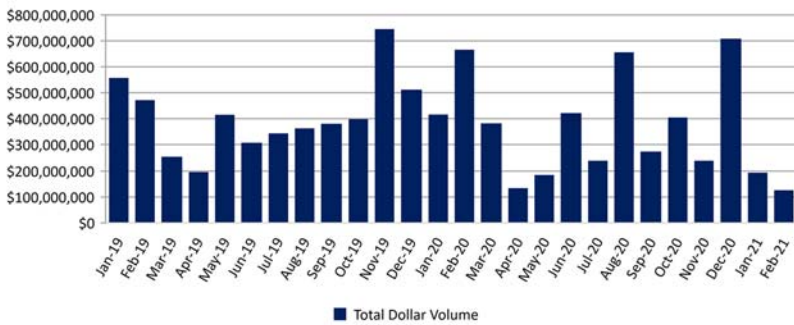
- Average sales volume from January 2019 to March 2020 was \$396,119,848.
- Average sales volume from April 2020 to February 2021 was \$344,776,981.
- The largest increase in dollar volume was 198.5% from November 2020 to December 2020.
- The largest decrease in dollar volume was 72.6% from December 2020 to January 2021.
- April, May, July, September, October, December 2020 & February 2021- no sales over \$100 million.
- Sales between \$10 and \$30 million have generally comprised the largest share of all total sales.
- 28% of January 2021 sales fell within the Up to \$10 million tranche, with remainder in the Over \$100 million tranche.
- 56% of February 2021 sales fell in the Under \$10 million tranche.



TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL INDUSTRIAL & FLEX



TOTAL SALES VOLUME - NEW YORK REGIONAL INDUSTRIAL & FLEX



SALE PRICE PER SF - NEW YORK REGIONAL INDUSTRIAL & FLEX



SALES (2019-2021): Volume

Pre-COVID-19, sales volume fluctuated at a relatively high level, ranging from 36 to 55 sales per month from January 2019 through March 2020. April 2020 marked a significant drop in the number of transactions. Transaction volume was quick to rebound and remained just shy of pre-COVID levels from May through November 2020. A historically active December 2020 was followed by the lowest number of transactions of the period in January 2021. The market rebounded slightly in February but is poised for its least active quarter since the onset of COVID-19.

Dollar Volume of Sales

January and February 2021 recorded the third lowest and lowest monthly dollar volume over the 26-month period, with April 2020 posting the second lowest. Although posting the fewest number of sales, January 2021 did not tally the lowest dollar volume, attributable to one transaction of over \$100 million. February 2021 saw 93% of its transactions in the Under \$10 million tranche, which explains the record-low dollar volume. Dollar volume has fluctuated much more sharply in the post-COVID era.

Sale Price Per Square Foot

From January 2019 to March 2020, industrial and flex properties sold at an average price of \$147 per square foot. From April 2020 to February 2021, these properties sold at an average of \$151 per square foot. January 2021 saw the highest price per square foot of the period, whereas February saw one of the lowest of the period. Price per square foot has remained on-par with pre-COVID levels as investors are increasingly focused on quality properties in strong markets to enhance last-mile distribution efforts.



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