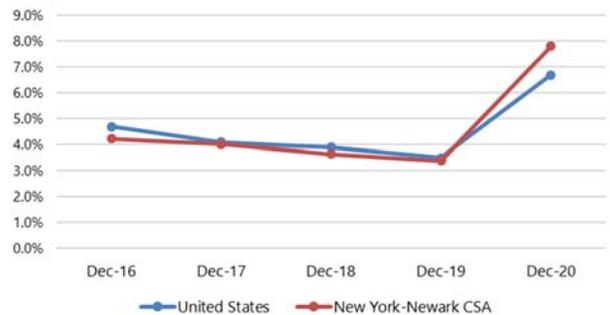


New York Regional Industrial & Flex Sales Volume & Buying Trends – January 2021

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 coupled with the holidays in late fall and winter sent case counts surging again, 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 has decreased in five consecutive months since, which is an encouraging sign. 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.

Unemployment Rate - Five Year Trend



New York - Daily New Cases



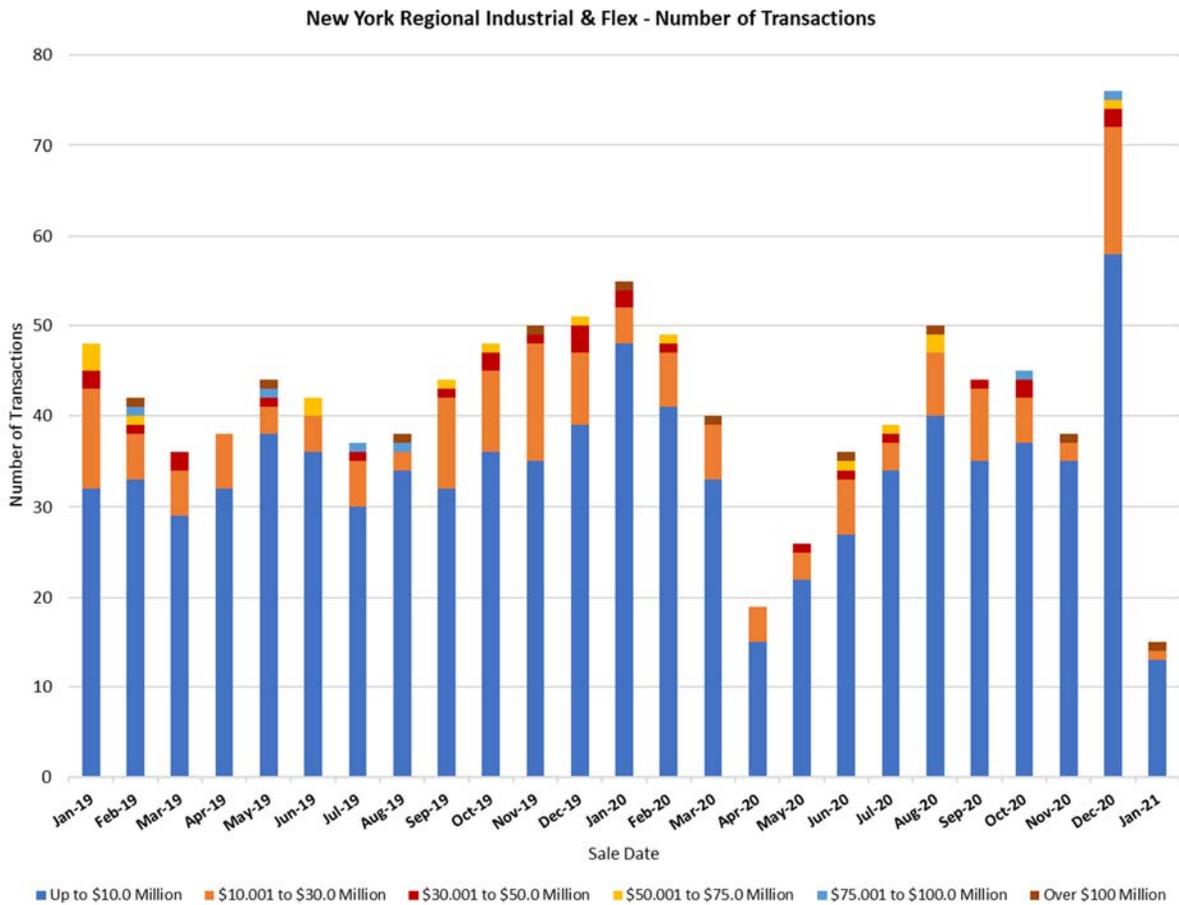
Regional Map



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 plummets.
- Uptick in transaction volume from May 2020 to August 2020 coincides with lower case counts.
- September 2020 – November 2020- general downward trend in number of transactions.
- December 2020- 76 total transactions- 21 more than the previous high of 55.
- January 2021- 15 total transactions, lowest of prior 25-month period.
- The market remains in flux, posting the best and worst months in terms of number of deals, consecutively.



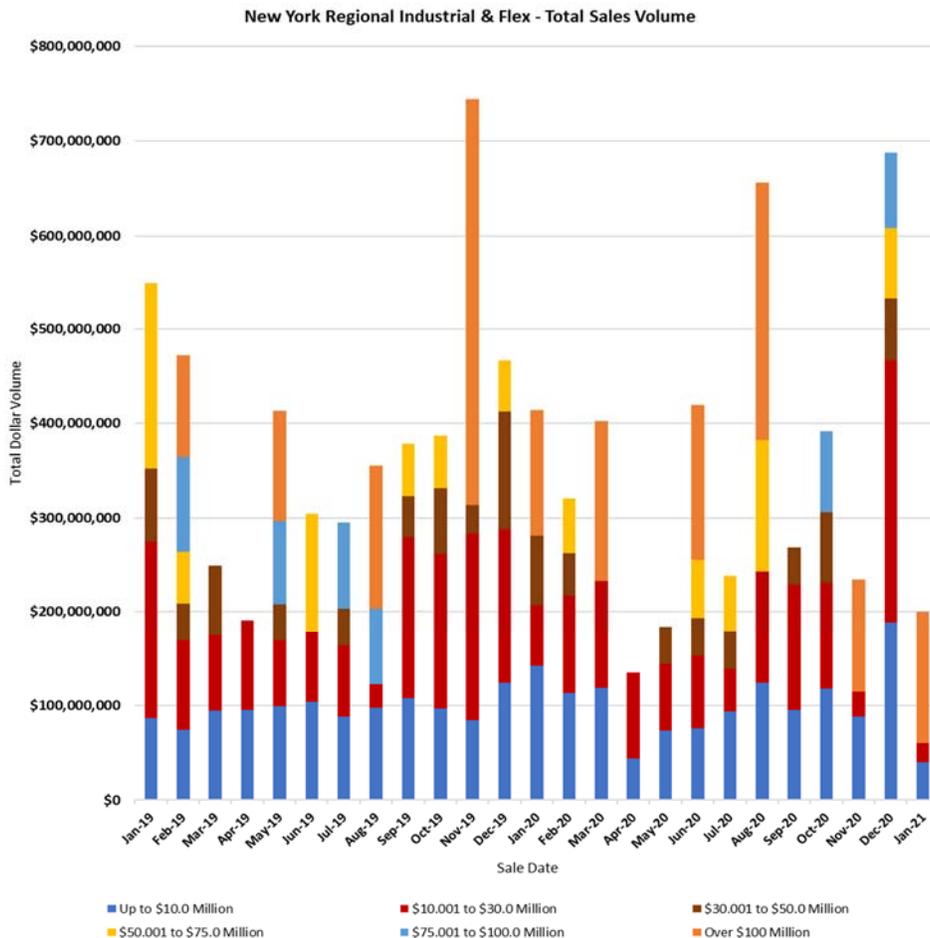
The industrial and flex markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the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

Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$400 million. Comparatively, the average monthly sales volume in 2020 was roughly \$363 million, reflecting a decrease of approximately 9.4%. 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 (Jan)
Min	\$190,747,464	\$134,695,000	\$199,875,751
Max	\$743,931,875	\$687,525,407	\$199,875,751
Average	\$400,431,226	\$362,602,749	\$199,875,751
% Difference	-	-9.4%	-44.9%

- Average sales volume from January 2019 to March 2020 was \$396,119,848.
- Average sales volume from April 2020 to January 2021 was \$341,448,574.
- The largest increase in dollar volume was 193.3% from November 2020 to December 2020.
- The largest decrease in dollar volume was 70.9% from December 2020 to January 2021.
- April, May, July, September, October and December did not log any sales over \$100 million.
- Sales between \$10 and \$30 million have generally comprised the largest share of all total sales.
- 40% of total December 2020 sales fell within the \$10 and \$30 million tranche.
- 70% of January 2021 sales fell in the over \$100 million tranche.



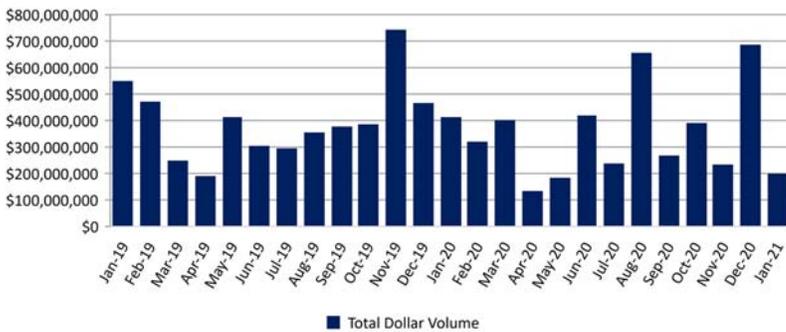
TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL INDUSTRIAL & FLEX



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 increased over the next few months, but these increases were short-lived as number of sales dipped again in the fall months. December 2020 saw the highest number of industrial and flex sales of the period, although this figure is an outlier. Number of transactions in January fell to their lowest level over the prior 25-month period.

TOTAL SALES VOLUME - NEW YORK REGIONAL INDUSTRIAL & FLEX



Dollar Volume of Sales

Whereas number of transactions increased sharply in December, the increase in dollar volume was more modest. Despite totaling 76 transactions, 21 more than the previous high, dollar volume ranked second to November 2019, buoyed by sales under the \$10 million threshold. Of the 76 total sales, 58 (76%) were under \$10 million, and 72 of 76 (95%) were under \$30 million.

SALE PRICE PER SF - NEW YORK REGIONAL INDUSTRIAL & FLEX



Sale Price Per Square Foot

Over the period, sale price per square foot has ranged from \$89 per square foot to \$256 per square foot, averaging \$149 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 January 2021, these properties sold at an average of \$151 per square foot. January 2021 ranks third highest with an average price per square foot of \$227. Demand remains high in the industrial and flex sectors and last mile distribution continues to be a key focus for investors. The sector has been fueled by rising ecommerce spending since the onset of COVID.



Patrick T. Craig, MAI, MRICS
Executive Managing Director
Real Estate Valuation Practice
212.897.9481
ptcraig@marshall-stevens.com



Emily Ferreira
Director
Real Estate Valuation Practice
646.438.7605
eferreira@marshall-stevens.com



Matt Schlatter
Director
Real Estate Valuation Practice
646.438.7603
mschlatter@marshall-stevens.com

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