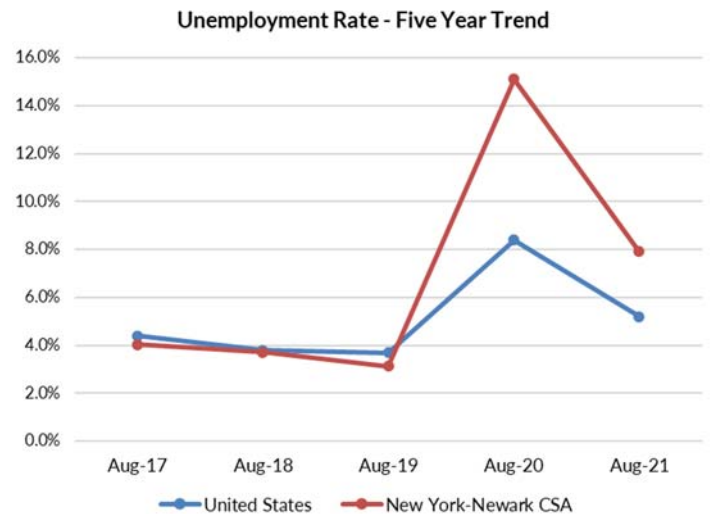


# New York Regional Industrial & Flex Sales Volume & Buying Trends – August 2021

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. Consumer sentiment undoubtedly improved during the first half of 2021 as vaccines were introduced. Hospitalizations and new case counts decreased, and occupancy restrictions were lifted. Some markets returned to and surpassed pre-COVID levels of productivity, while others struggled to bounce back. Whereas sentiment was generally positive in the first two quarters of 2021, the outlook for the remainder of the year remains hazy. Uncertainty around the delta variant and its effects on the performance of major markets loom large. Mask mandates have been re-introduced in some regions, which could be the start of a ripple effect. Meanwhile, investors will continue to look for sustainable trends in transaction volume and pricing, which has yet to occur in most markets.

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.

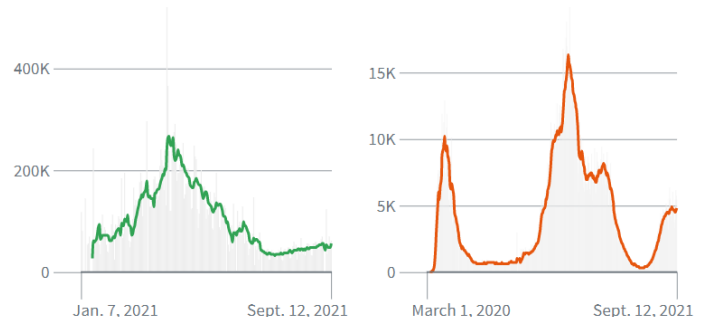


**Vaccine doses given**

7-day avg: **56,660**  
 69.1% at least one dose

**New cases**

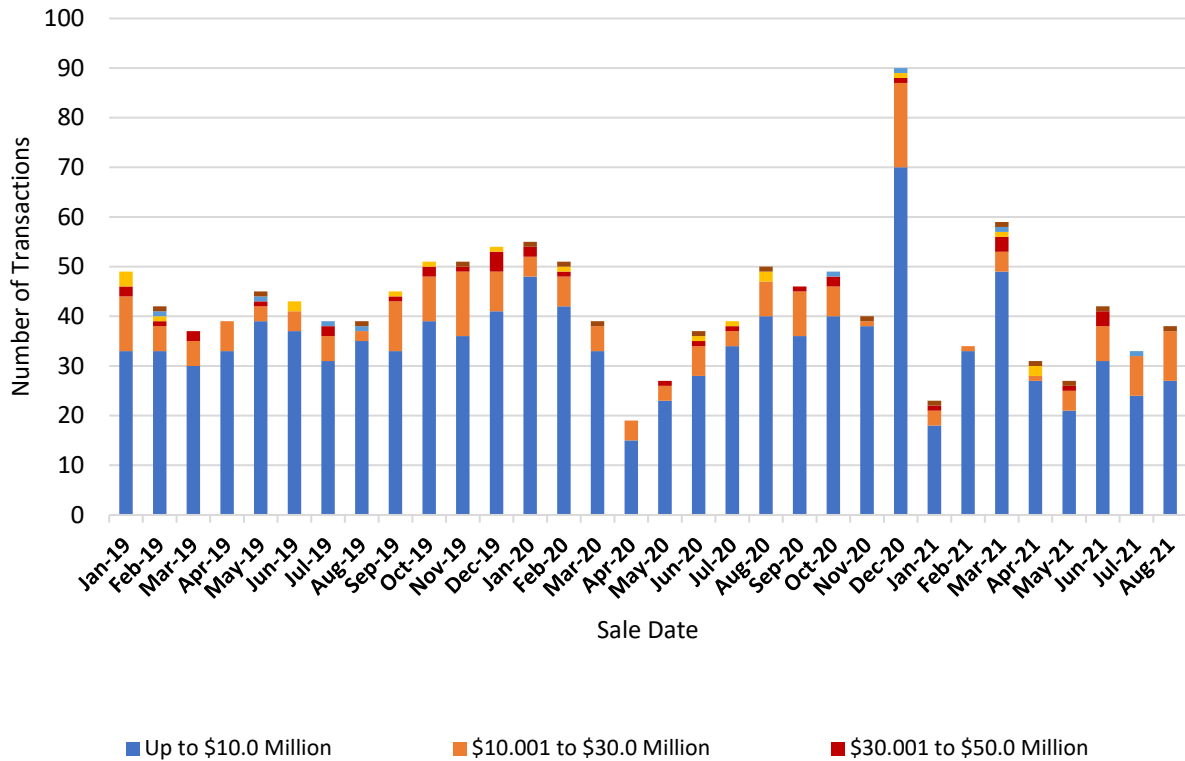
7-day avg: **4,802**



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.
- January 2019 - March 2020- number of transactions ranged from 37 to 55, averaging 45/month.
- April 2020- lowest number of transactions of the period.
- April 2020 –August 2021- number of transactions ranged from 19 to 90, averaging 40/month.
- December 2020 - 90 total transactions- 35 more than the previous high of 55.
- January 2021 - 23 total transactions, second lowest of prior 30-month period.
- August 2021- 38 total transactions, 9<sup>th</sup> most of 18-month post-COVID era.
- Average number of transactions pre-COVID and post-COVID are similar, but post-COVID exhibits a much wider range.

New York Regional Industrial & Flex - Number of Transactions



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.

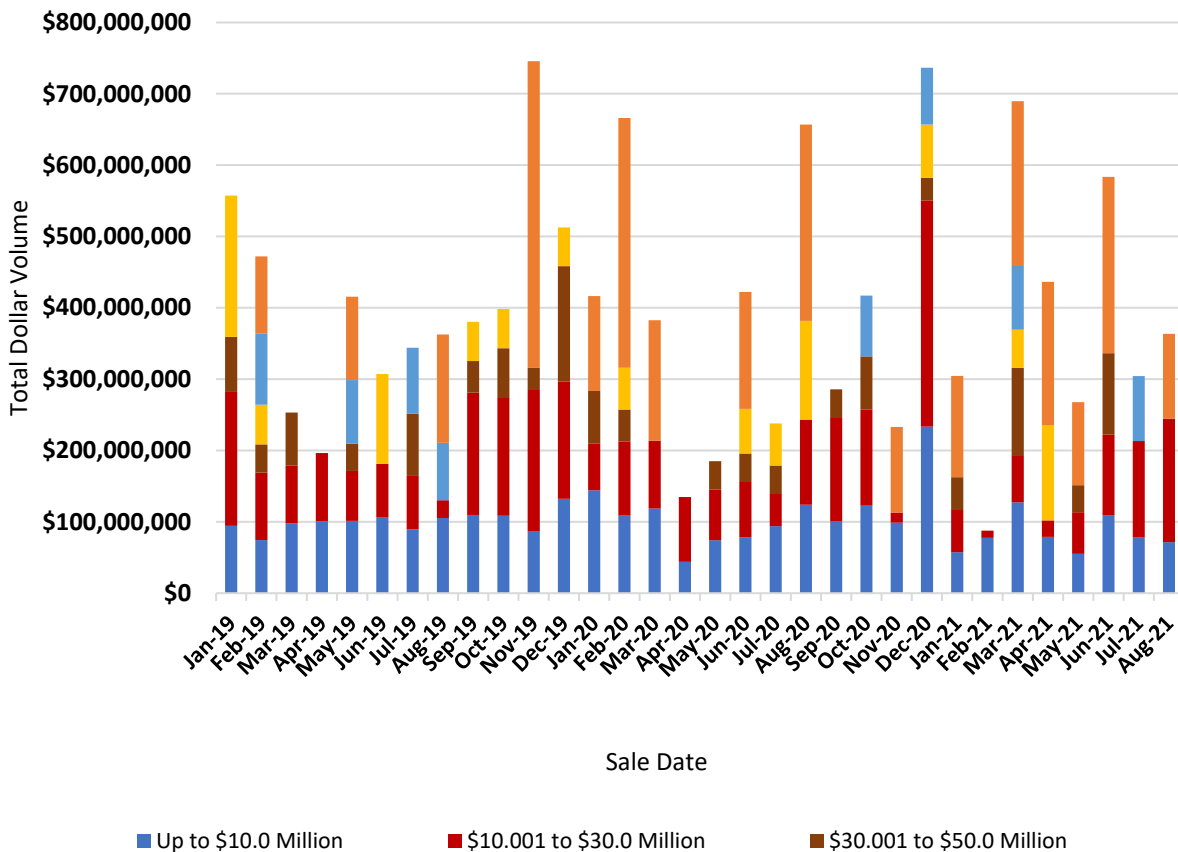
Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$412 million. Comparatively, the average monthly sales volume in 2020 was roughly \$398 million, reflecting a decrease of approximately 3.5%. Thus far in 2021, average sales volume is roughly \$380 million, a year-over-year decrease of 4.6%. 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-Aug)
Min	\$196,447,464	\$134,695,000	\$87,666,500
Max	\$745,706,875	\$736,493,482	\$689,451,151
Average	\$412,051,664	\$397,768,819	\$379,593,154
% Difference	-	-3.5%	-4.6%

- Average sales volume from January 2019 to March 2020 was \$427,294,198.
- Average sales volume from April 2020 to August 2021 was \$373,245,768.
- The largest increase in dollar volume was 686.4% from February 2021 to March 2021.
- The largest decrease in dollar volume was 71.2% from January 2021 to February 2021.
- April, May, July, September, October, December 2020 & February and July 2021- no sales over \$100 million.
- August 2021- \$363.5 million in sales volume, 9<sup>th</sup> highest of 17-month post-COVID period.
- 37 of 38 sales in August 2021, were priced under \$30 million. The one other sale was for \$119 million.

New York Regional Industrial & Flex - Total Sales Volume

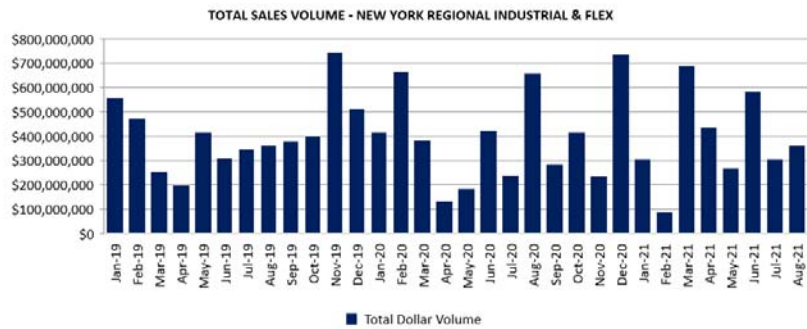


**SALES (2019-2021): Volume**



Pre-COVID-19, sales volume fluctuated at a relatively high level, ranging from 37 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 second lowest number of transactions of the period in January 2021. Number of transactions has fluctuated from February to August 2021, showing no apparent trend.

**Dollar Volume of Sales**



February 2021 tallied the lowest dollar volume of sales over the prior 30-month period. February 2021 saw 88% of its transactions in the Under \$10 million tranche, which explains the record-low dollar volume. March was the most active month of 2021, but this momentum did not last, as the market posted declining sales in April and May 2021. Dollar volume rebounded in June 2021 but decreased again in July 2021, followed by an insignificant increase in dollar volume in August 2021.

**Sale Price Per Square Foot**



From January 2019 to March 2020, industrial and flex properties sold at an average price of \$146 per square foot. From April 2020 to August 2021, these properties sold at an average of \$148 per square foot. Price per square foot as of August is \$166, which ranks above the post-COVID average. Overall, it is encouraging that pricing has largely been on par with pre-COVID levels throughout much of the pandemic despite sharper fluctuations in number of sales and dollar volume.



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



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



**Nicholas Weyant**  
 Analyst  
 Real Estate Valuation Practice  
 nweyant@marshall-stevens.com

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