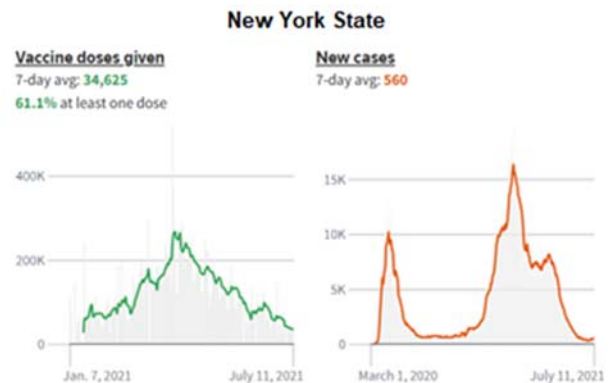
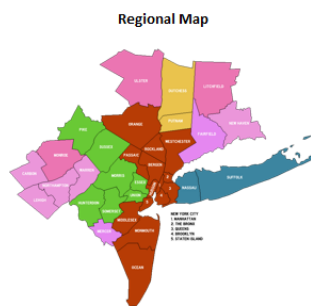
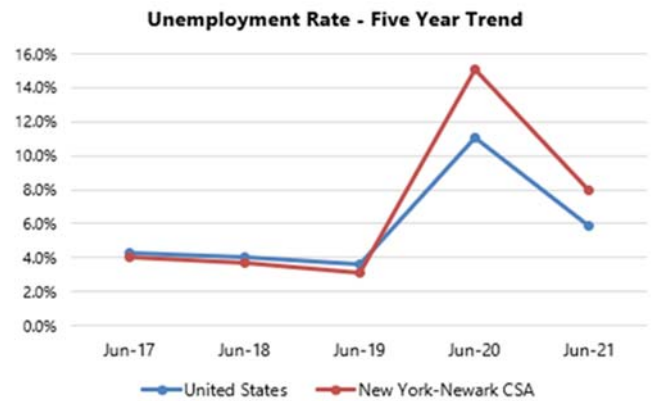


# New York Regional Industrial & Flex Sales Volume & Buying Trends – June 2021

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 New York Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 12 or older in New York State, and hospitalizations and number of new cases continue to decrease. Governor Cuomo has loosened occupancy restrictions pertaining to indoor and outdoor gatherings and business capacity limits. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward summer and restrictions continue to be lifted, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

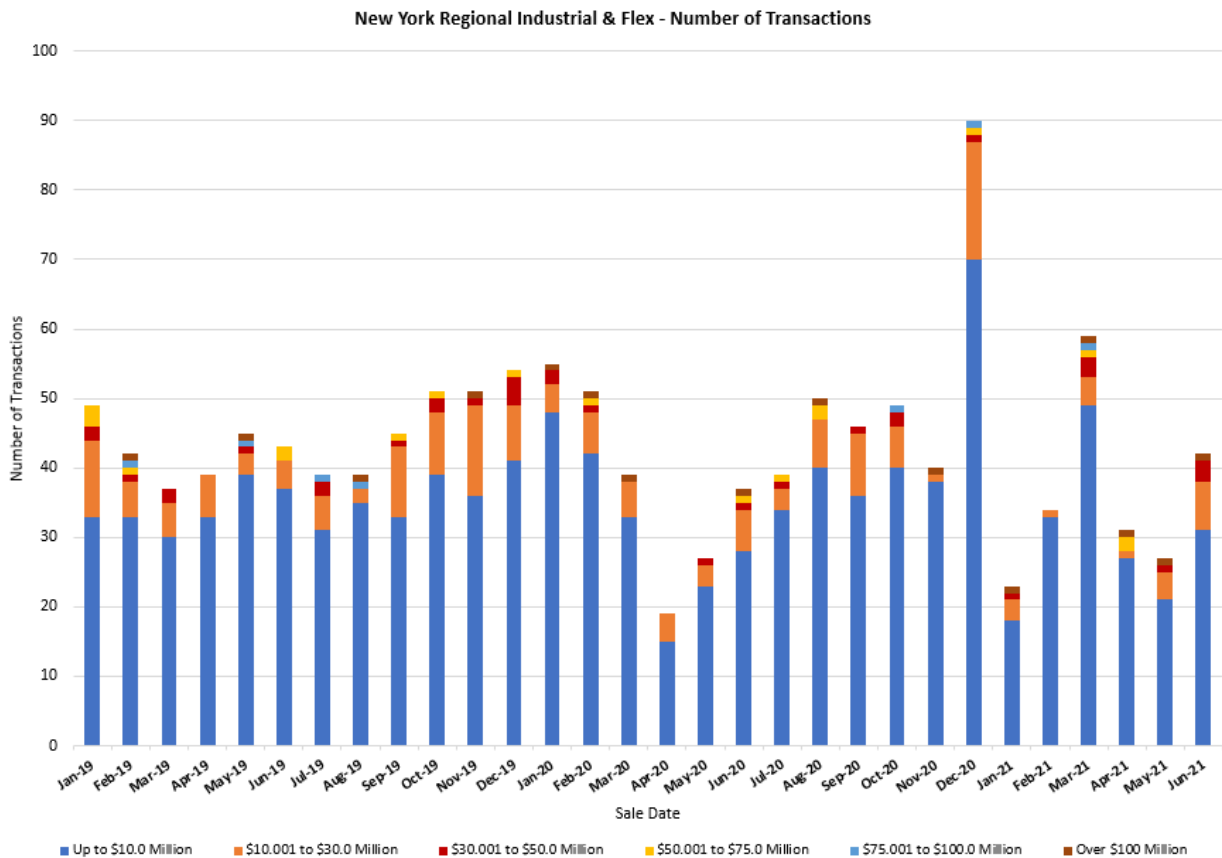
With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for industrial and flex properties across the New York regional market. The study area is shown below.



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 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 –June 2021- number of transactions ranged from 19 to 90, averaging 41/month.
- December 2020 - 90 total transactions- 35 more than the previous high of 55.
- January 2021 - 23 total transactions, second lowest of 30-month period.
- June 2021- 42 total transactions, near the post-COVID average
- Average number of transactions pre-COVID and post-COVID are similar, but post-COVID exhibits a much greater range.



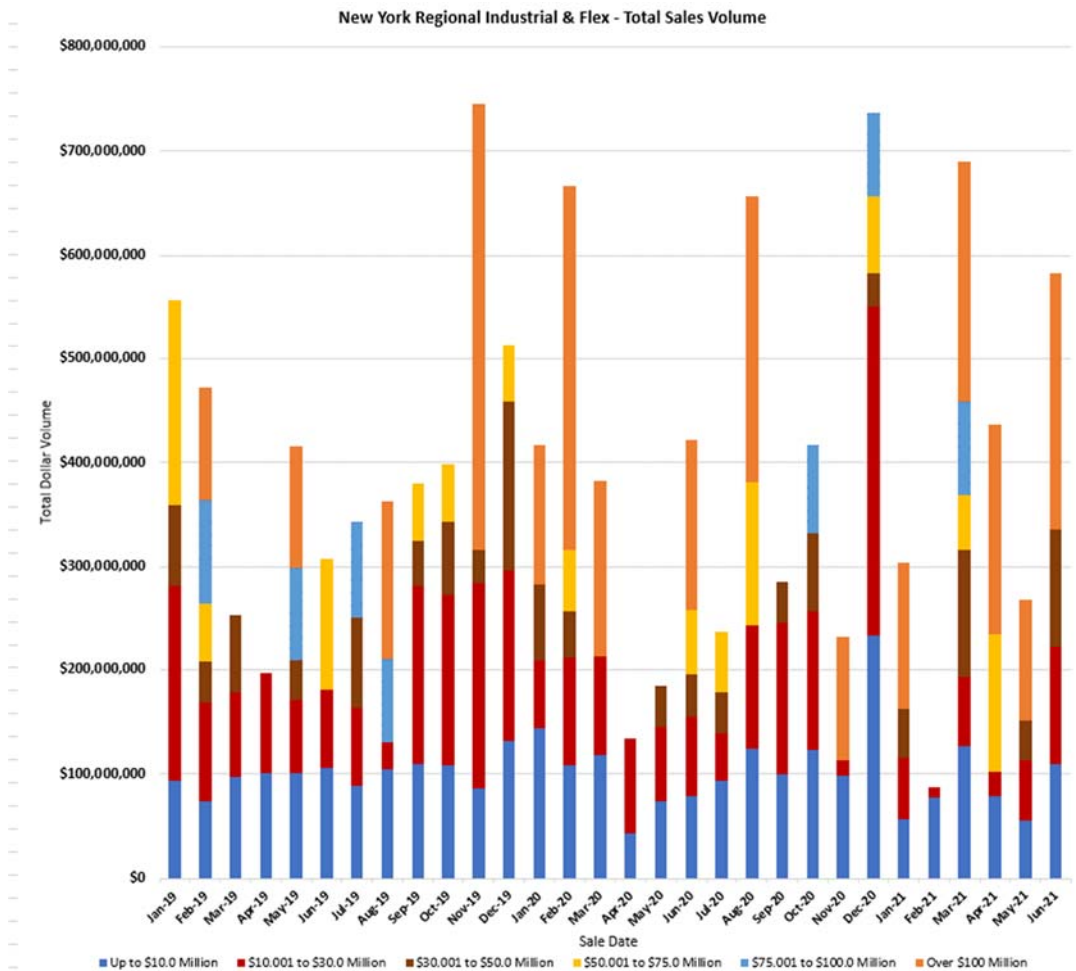
The industrial and flex markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the 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 \$395 million, a year-over-year decrease of 0.7%. We tracked the dollar volume of monthly sales by tranche as seen below.

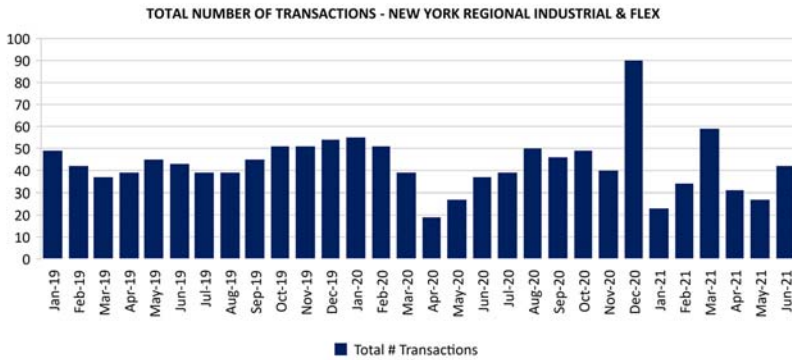
Total Dollar Volume - New York Regional Industrial & Flex			
YEAR	2019	2020	2021 (Jan-Jun)
Min	\$196,447,464	\$134,695,000	\$87,666,500
Max	\$745,706,875	\$736,493,482	\$689,451,151
Average	\$412,051,664	\$397,768,819	\$394,847,882
% Difference	-	-3.5%	-0.7%

- Average sales volume from January 2019 to March 2020 was \$427,294,198.
- Average sales volume from April 2020 to March 2021 was \$378,501,341.
- 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 2021- no sales over \$100 million.
- February 2021- lowest monthly sales total of prior 30-month period.
- June 2021- second highest monthly sales total of 2021 and fourth highest of post-COVID period.
- 42% of June 2021 sales fell in the “over \$100 million” tranche, and all remaining sales fell in tranches under \$50 million.



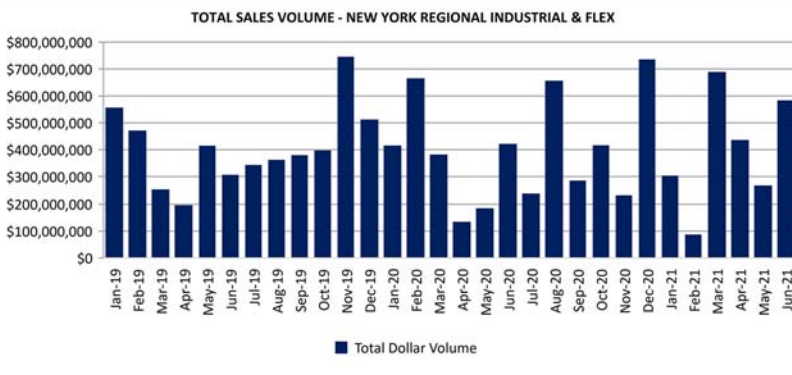
**SALES (2019-2021): Volume**

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 June 2021, showing no apparent trend.



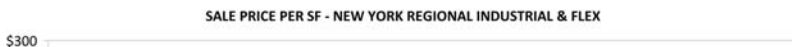
**Dollar Volume of Sales**

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.



**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 June 2021, these properties sold at an average of \$150 per square foot. It is encouraging that pricing has been largely on par with pre-COVID levels throughout much of the pandemic despite sharper fluctuations in number of sales and dollar volume.



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