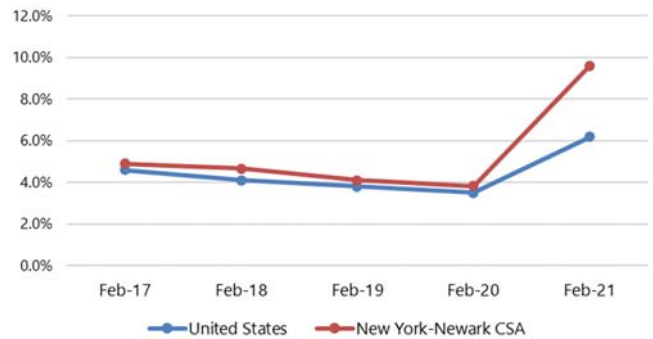


New York Regional Industrial & Flex Sales Volume & Buying Trends – March 2021

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.

Unemployment Rate - Five Year Trend



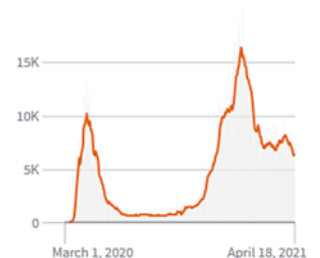
Regional Map



New York State

Vaccine doses given
7-day avg: 209,841
42.8% at least one dose

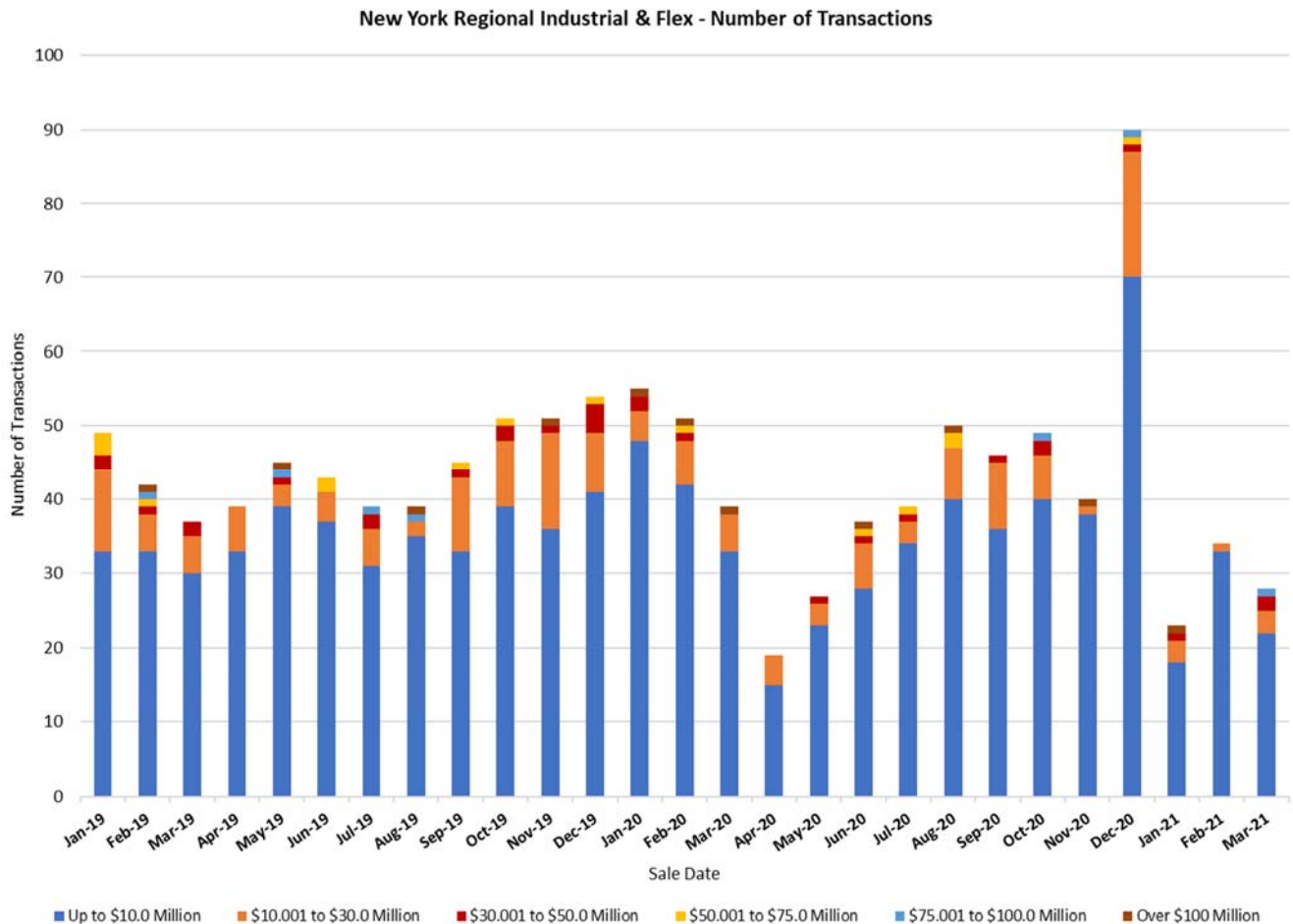
New cases
7-day avg: 6,217



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- lowest number of transactions of the period.
- April 2020 – March 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 25-month period.
- March 2021 - 28 transactions, fourth lowest of post-COVID period.
- Slow start to the new year following a more active Q4 2020.



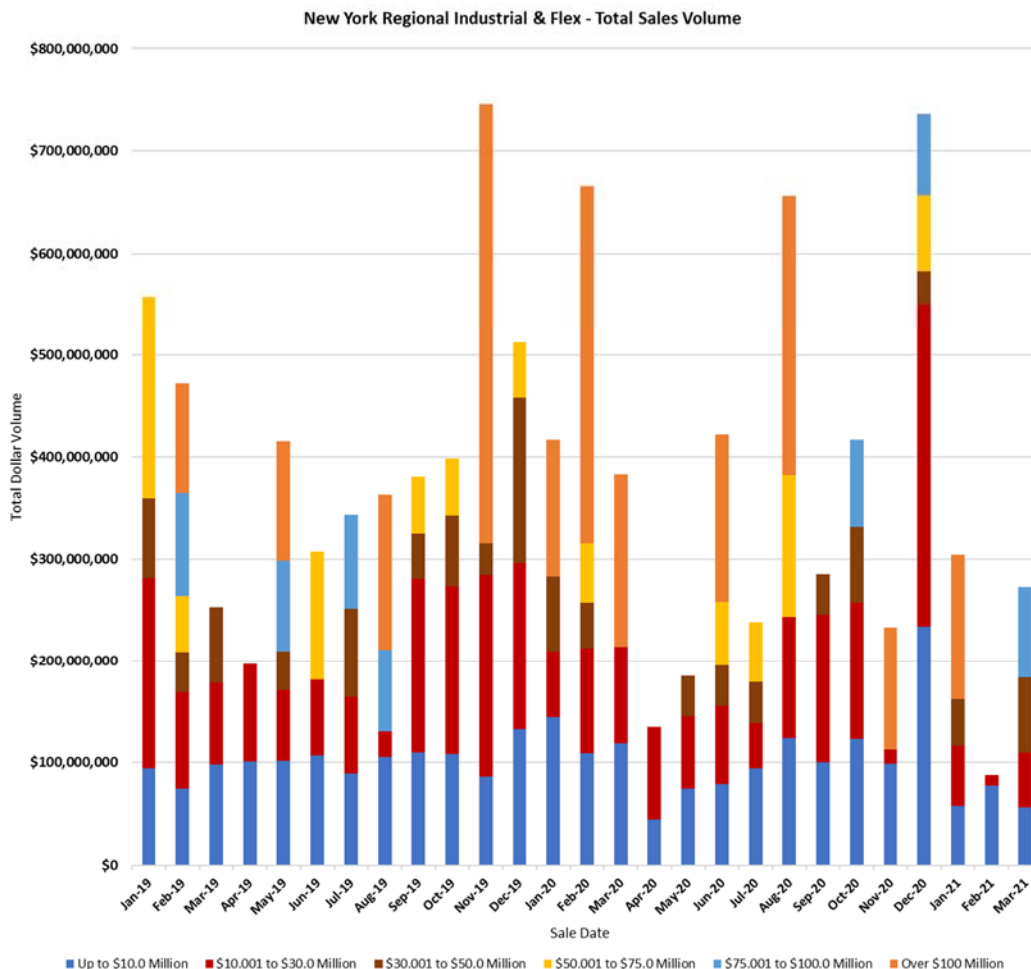
The industrial and flex markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the same level of consistency as was seen prior to March 2020.

Dollar Volume of Sales Transactions

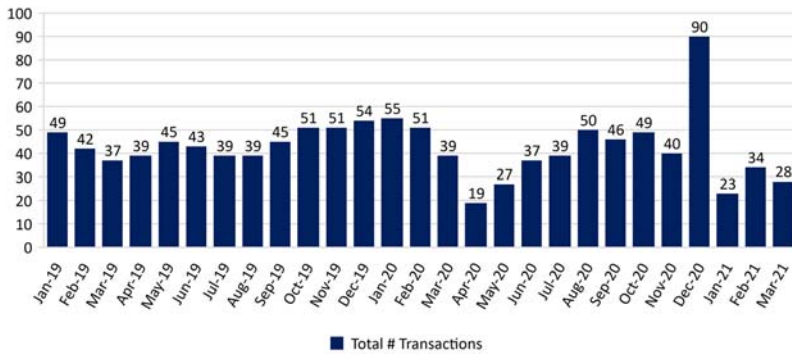
In 2019, the average monthly sales volume was approximately \$412 million. Comparatively, the average monthly sales volume in 2020 was roughly \$394 million, reflecting a decrease of approximately 3.5%. Thus far in 2021, average sales volume is roughly \$222 million, a year-over-year decrease of 44%. 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-Mar)
Min	\$196,447,464	\$134,695,000	\$87,666,500
Max	\$745,706,875	\$736,493,482	\$304,430,751
Average	\$412,051,664	\$397,768,819	\$221,722,205
% Difference	-	-3.5%	-44.3%

- Average sales volume from January 2019 to March 2020 was \$427,294,198.
- Average sales volume from April 2020 to March 2021 was \$331,133,287.
- The largest increase in dollar volume was 216.1% from November 2020 to December 2020.
- The largest decrease in dollar volume was 71.2% from January 2021 to February 2021.
- April, May, July, September, October, December 2020 & February & March 2021- no sales over \$100 million.
- Sales between \$10 and \$30 million have generally comprised the largest share of all total sales.
- February 2021- lowest monthly sales total of prior 27-month period.
- 20% of March 2021 sales fell in the “under \$10 million” tranche, while 67% of all sales were in tranches up to \$50 million.



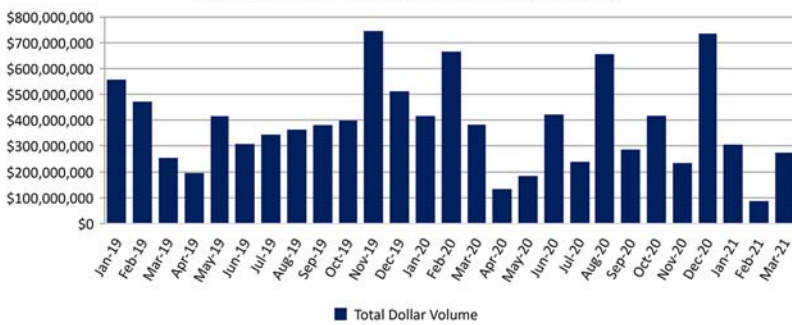
TOTAL NUMBER OF TRANSACTIONS - NEW YORK REGIONAL INDUSTRIAL & FLEX



SALES (2019-2021): Volume

Pre-COVID-19, sales volume fluctuated at a relatively high level, ranging from 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. The market rebounded slightly in February and March but remains well shy of pre-COVID levels.

TOTAL SALES VOLUME - NEW YORK REGIONAL INDUSTRIAL & FLEX



Dollar Volume of Sales

Although posting the most sales over the past three months, February 2021 tallied the lowest dollar volume of sales over the prior 27-month period. February 2021 saw 88% of its transactions in the Under \$10 million tranche, which explains the record-low dollar volume. March 2021 saw \$273 million in sales, which remains shy of January 2021 figures. Dollar volume has fluctuated much more sharply in the post-COVID era.

SALE PRICE PER SF - NEW YORK REGIONAL INDUSTRIAL & FLEX



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 March 2021, these properties sold at an average of \$144 per square foot. January 2021 saw the highest price per square foot of the period, whereas March 2021 saw the lowest of the period. Market participants are hoping that the March 2021 decline in \$/SF is not the beginning of a trend.



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