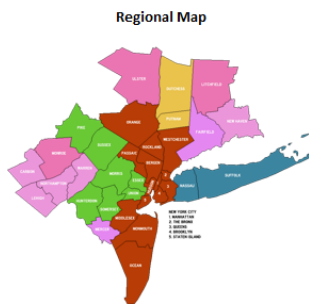
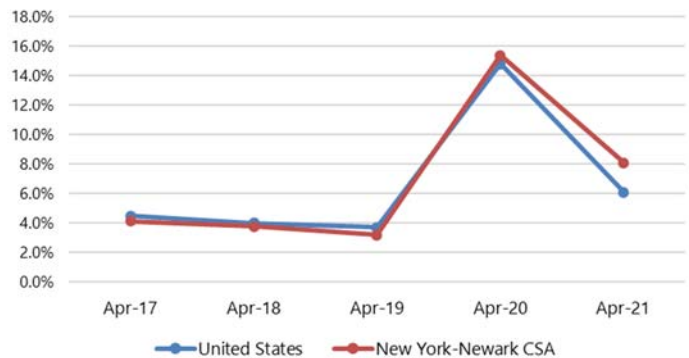


New York Regional Industrial & Flex Sales Volume & Buying Trends – May 2021

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. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 16 or older in New York State, and hospitalizations and number of new cases continue to decrease. Governor Cuomo is loosening occupancy restrictions as of May 2021 pertaining to indoor and outdoor gatherings and business capacity limits. Businesses can now operate at full capacity so long as the 6-foot social distancing rule is met. 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.

Unemployment Rate - Five Year Trend



New York State

Vaccine doses given

7-day avg: 86,801
57.8% at least one dose

New cases

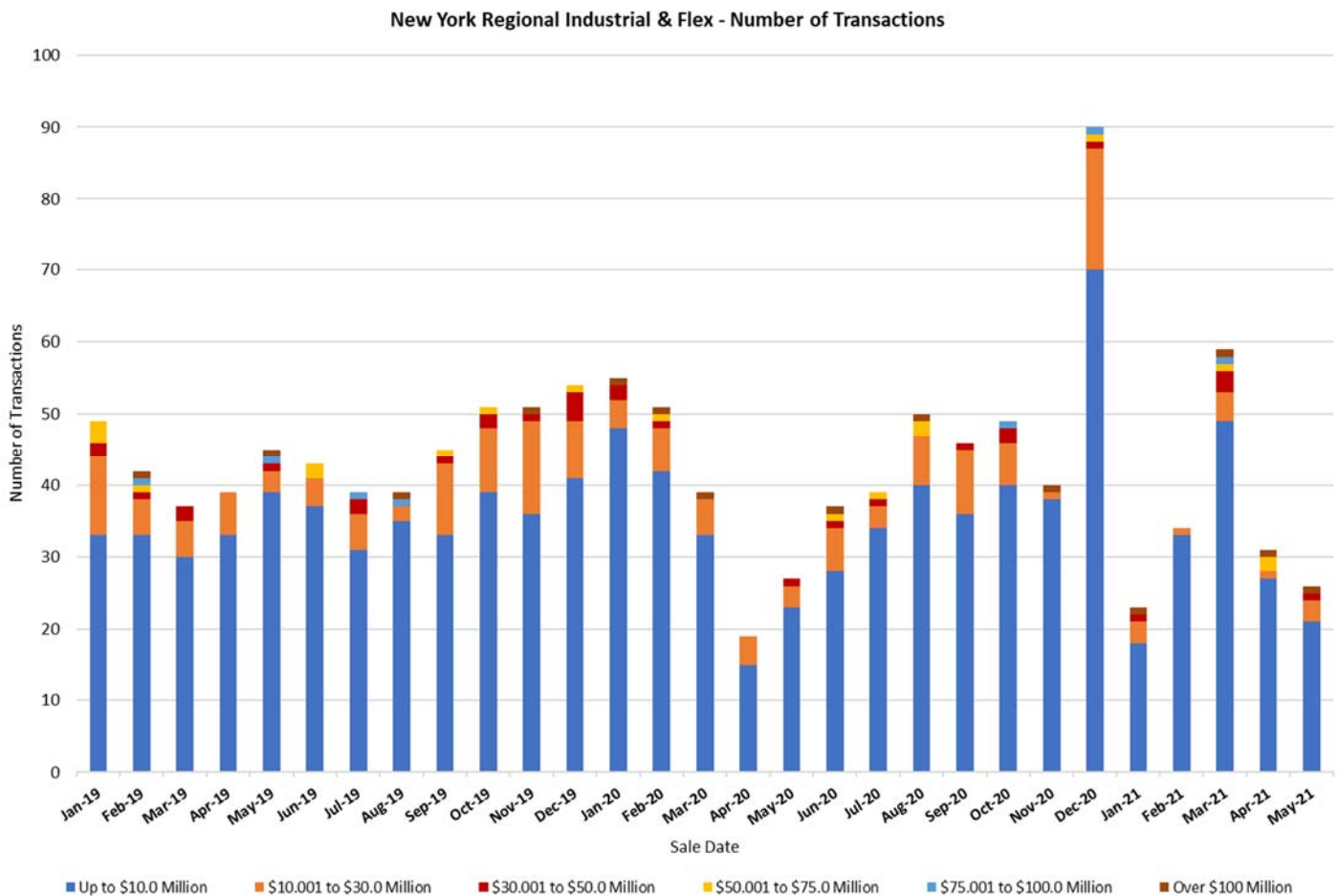
7-day avg: 468



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 – May 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 prior 29-month period.
- May 2021- 26 total transactions, third lowest of prior 29-month period
- Slower first five months of the year following a more active Q4 2020.



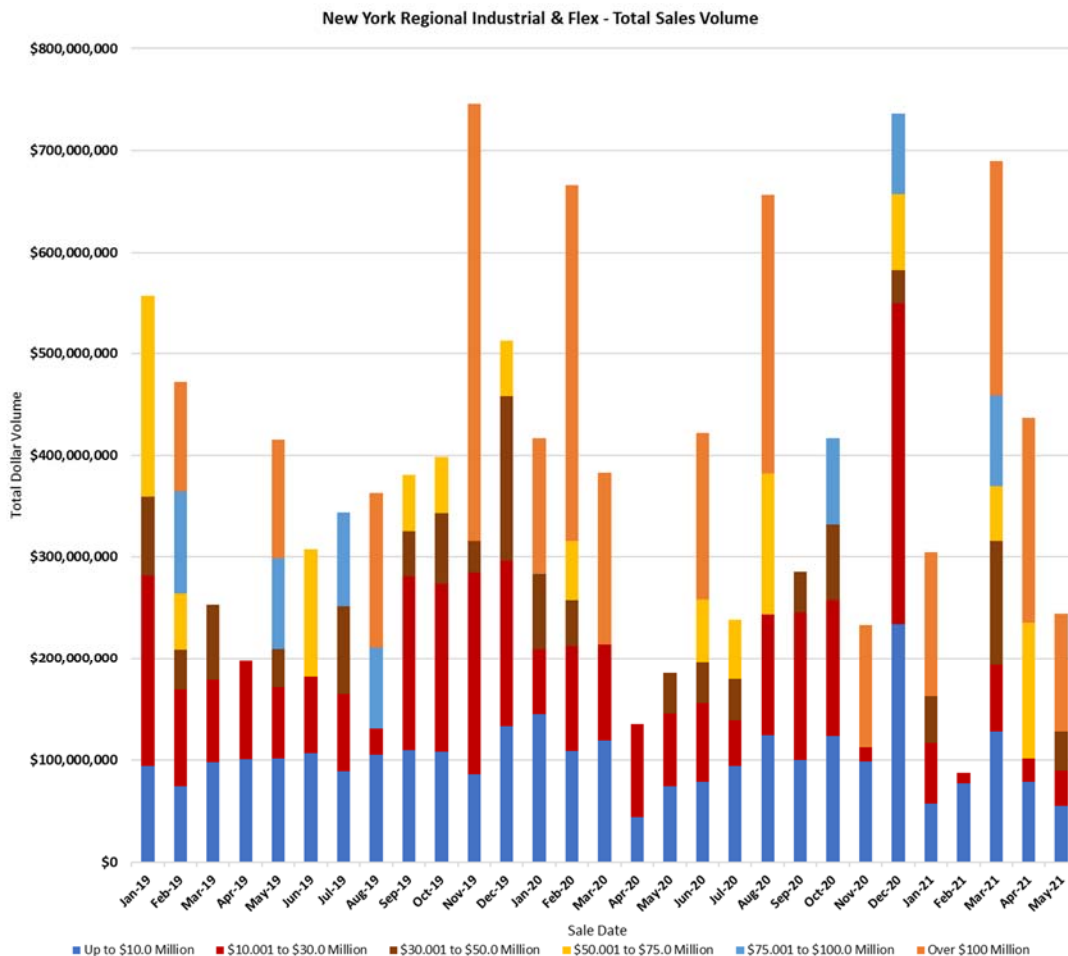
The industrial and flex markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the 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 \$398 million, reflecting a decrease of approximately 3.5%. Thus far in 2021, average sales volume is roughly \$352 million, a year-over-year decrease of 11.4%. We tracked the dollar volume of monthly sales by tranche as seen below.

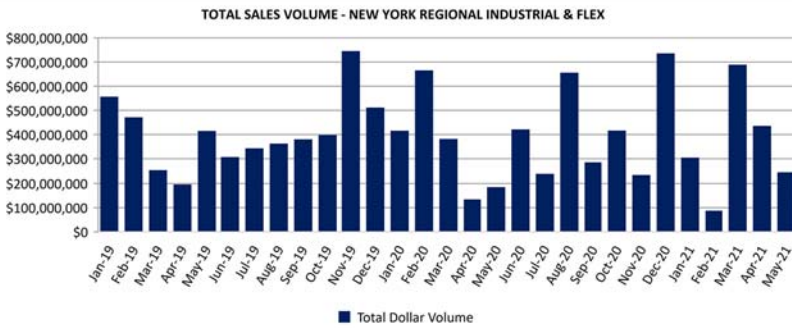
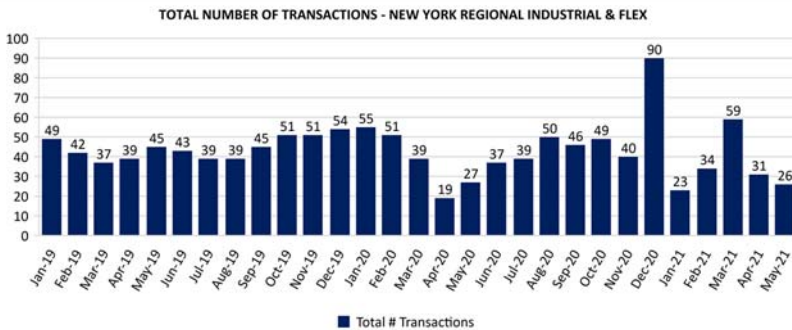
Total Dollar Volume - New York Regional Industrial & Flex			
YEAR	2019	2020	2021 (Jan-May)
Min	\$196,447,464	\$134,695,000	\$87,666,500
Max	\$745,706,875	\$736,493,482	\$689,451,151
Average	\$412,051,664	\$397,768,819	\$352,388,560
% Difference	-	-3.5%	-11.4%

- Average sales volume from January 2019 to March 2020 was \$427,294,198.
- Average sales volume from April 2020 to March 2021 was \$362,169,688.
- 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 29-month period.
- Two consecutive months with decreasing dollar volume in April and May 2021.
- 48% of May 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 trended upward the following two months before trending downward the two consecutive months.



Dollar Volume of Sales

February 2021 tallied the lowest dollar volume of sales over the 29-month study 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 of sales has fluctuated 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 \$146 per square foot. From April 2020 to May 2021, these properties sold at an average of \$148 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