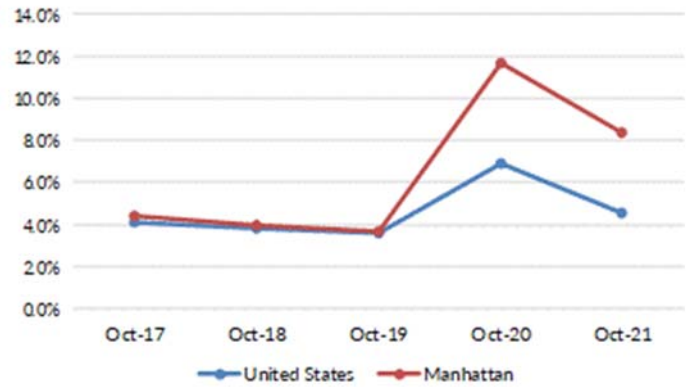


# New York Regional Industrial & Flex Sales Volume & Buying Trends – October 2021

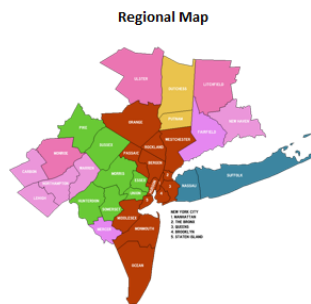
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 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.

Unemployment Rate - Five Year Trend



New York State



Vaccine doses given  
7-day avg: 100,343  
77.1% at least one dose

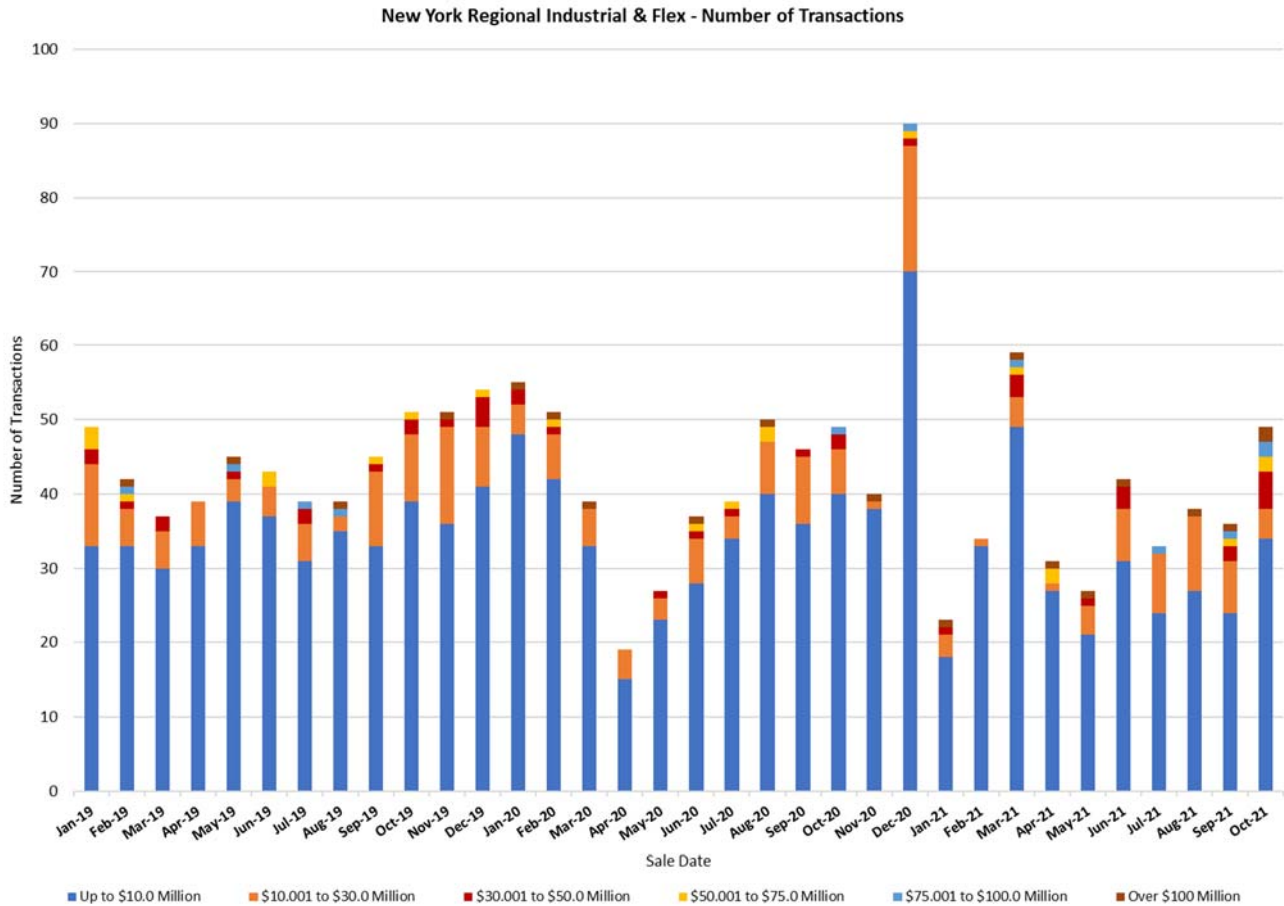


New cases  
7-day avg: 6,435



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 –October 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 30-month period.
- October 2021 saw 49 transactions, the highest mark since March 2021 and tied for fourth highest of the post-COVID era.
- Average number of transactions pre-COVID and post-COVID are similar, but post-COVID exhibits a much wider range.



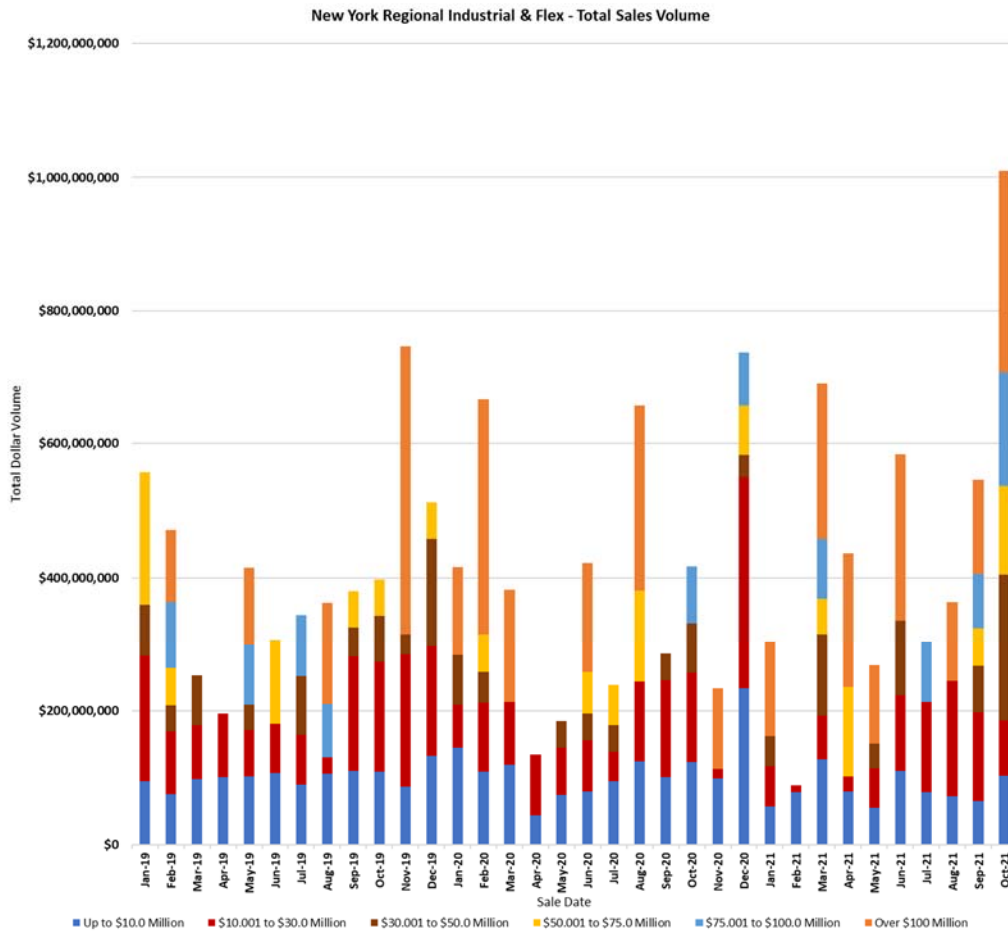
The industrial and flex markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the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

Dollar Volume of Sales Transactions

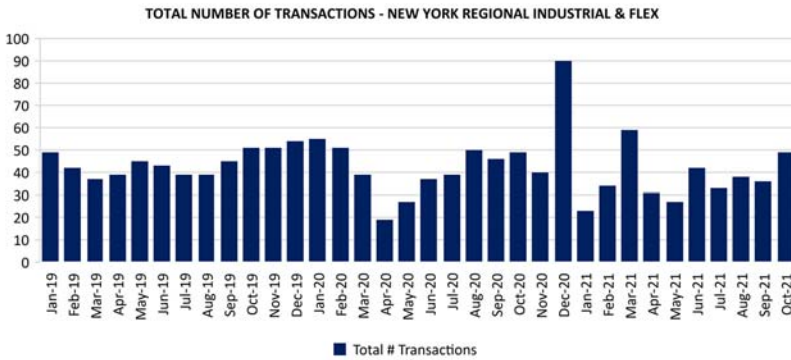
In 2019, the average monthly sales volume was approximately \$412 million. Comparatively, the average monthly sales volume in 2020 was roughly \$398 million, reflecting a decrease of approximately 3.5%. Thus far in 2021, average sales volume is roughly \$459 million, a year-over-year increase of 15.4%. 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-Oct)
Min	\$196,447,464	\$134,695,000	\$87,666,500
Max	\$745,706,875	\$736,493,482	\$1,009,259,858
Average	\$412,051,664	\$397,768,819	\$459,141,439
% Difference	-	-3.5%	15.4%

- Average sales volume from January 2019 to March 2020 was \$427,294,198.
- Average sales volume from April 2020 to September 2021 was \$415,781,432.
- Two consecutive months of increasing sales, with October 2021 recording over \$1 billion in sales- the highest total of the prior 34-month period
- September and October 2021 recorded sales in all pricing tranches
- 40% of October 2021 sales in all tranches up to \$50 million, with the remaining 60% in all tranches above \$50 million.
- The “Over \$100 Million” tranche accounts for 30% of total sales volume.

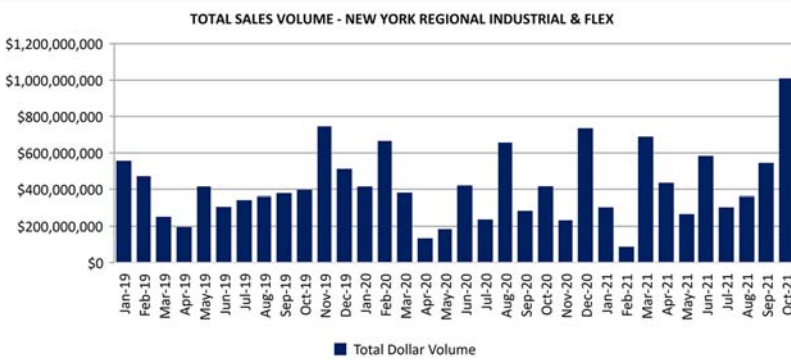


**SALES (2019-2021): Volume**



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. Number of sales fluctuated greatly in 2020 and 2021, although totals appear to be more consistent over the last few months. Total number of sales through the first five months of 2021 ranged from 23 to 59, averaging 35 per month. Over the next five months, number of sales ranged from 33 to 49, averaging 40 per month. The 49 sales logged in October is the second highest total of 2021.

**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. Dollar volume has fluctuated much more sharply during the post-COVID era. There has been increasing dollar volume each of the last two months, with a robust 85% gain in total volume over that period. Dollar volume has rebounded following a sluggish July and August.

**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 October 2021, these properties sold at an average of \$154 per square foot. Price per square foot as of October 2021 is \$222, which ranks well above the post-COVID average and is second highest of the post-COVID era. 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.



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