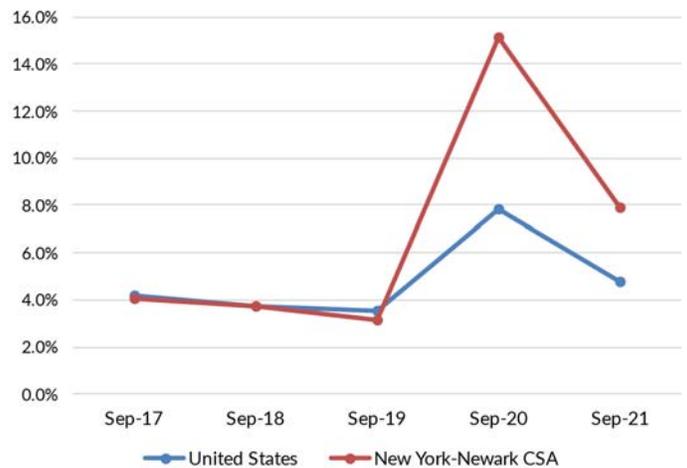


# New York Regional Industrial & Flex Sales Volume & Buying Trends – September 2021

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.

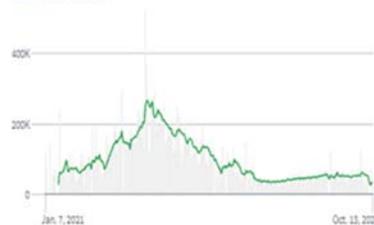
Unemployment Rate - Five Year Trend



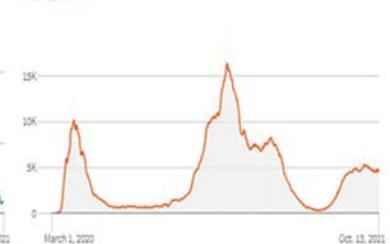
Regional Map



Vaccine doses given  
7-day avg: 31,326  
72.3% at least one dose

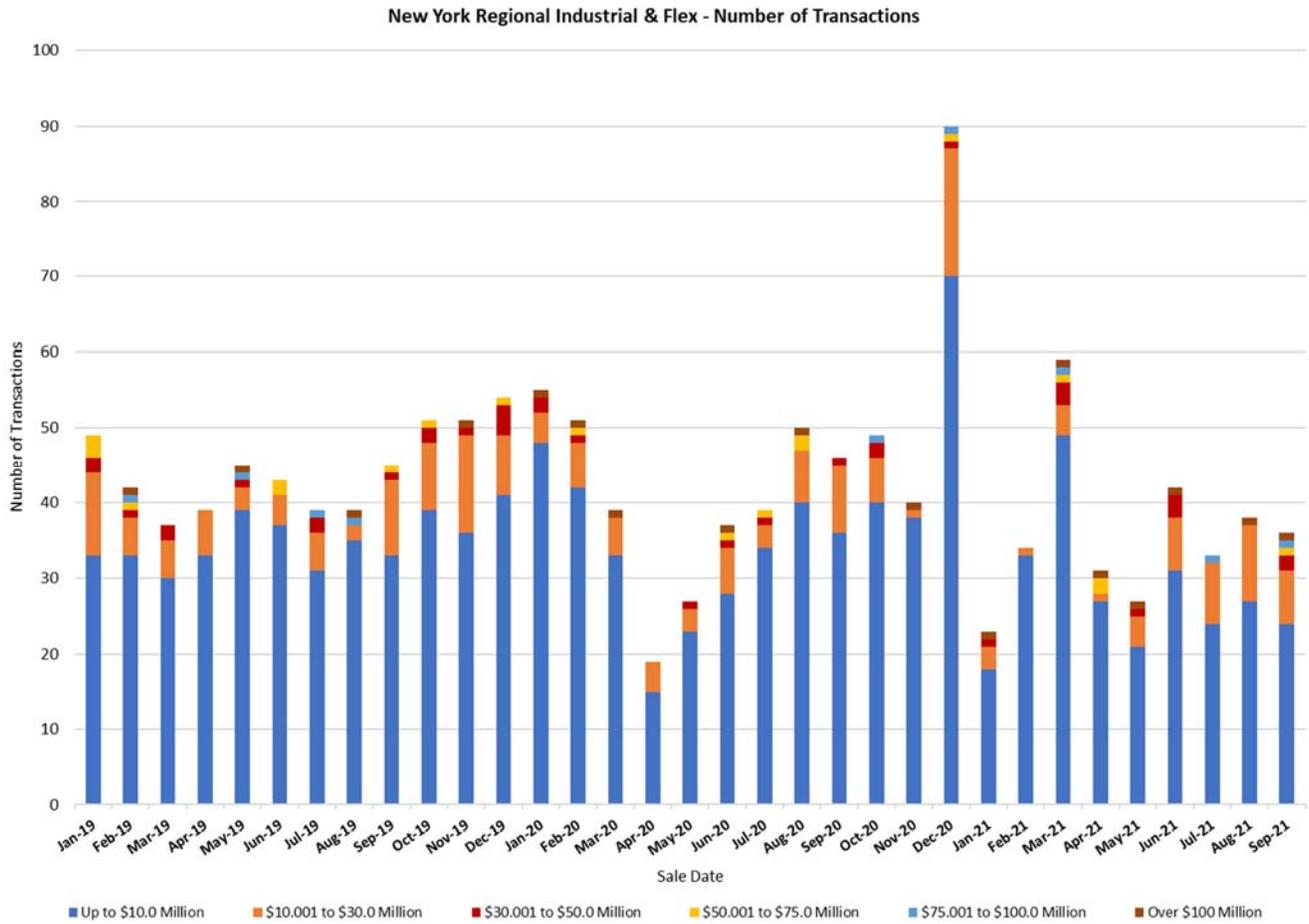


New cases  
7-day avg: 4,522



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 –September 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 & September 2021 saw 38 and 36 transactions respectively, just below the post-COVID average.
- 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.

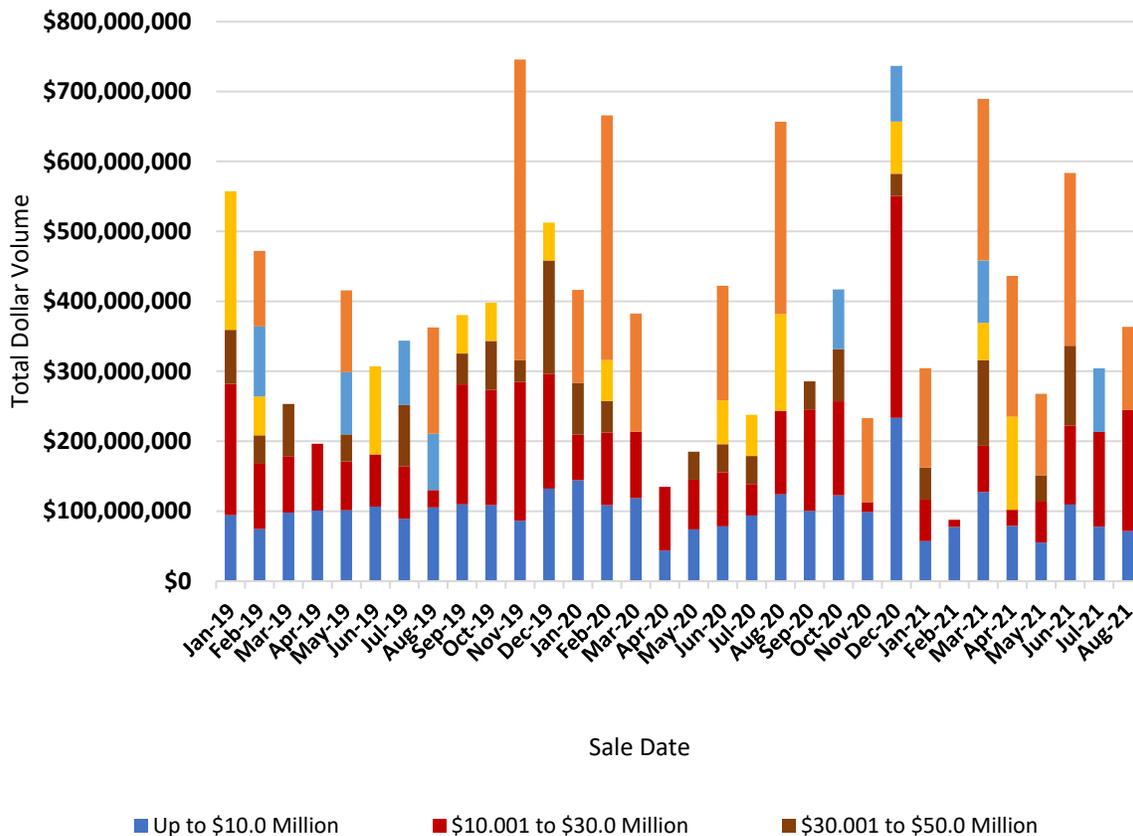
Dollar Volume of Sales Transactions

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 \$398 million, a year-over-year increase of 0.1%. 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-Sep)
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	\$398,017,170
% Difference	-	-3.5%	0.1%

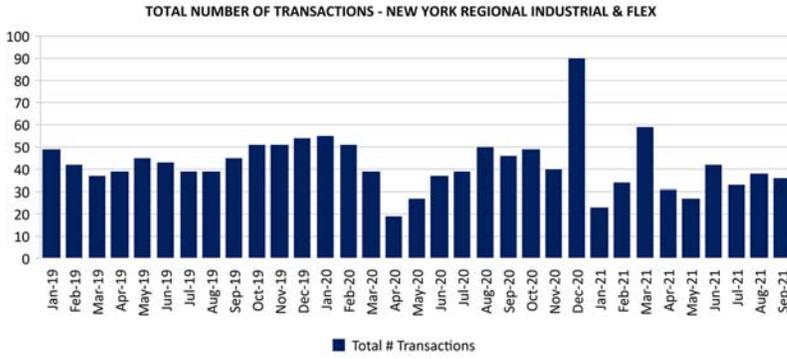
- Average sales volume from January 2019 to March 2020 was \$427,294,198.
- Average sales volume from April 2020 to September 2021 was \$382,810,409.
- The largest increase in dollar volume was 686.4% from February 2021 to March 2021.
- The largest decrease in dollar volume was 71.2% from January 2021 to February 2021.
- April, May, July, September, October, December 2020 & February and July 2021- no sales over \$100 million.
- September 2021- \$545 million in sales volume, 5<sup>th</sup> highest of 18-month post-COVID period.
- September 2021 recorded a sale in each pricing tranche- 36% of monthly sales in all tranches under \$30 million, 38% of monthly sales in all tranches between \$30 million and \$100 million, 26% of monthly sales in the “Over \$100 million” tranche.

New York Regional Industrial & Flex - Total Sales Volume



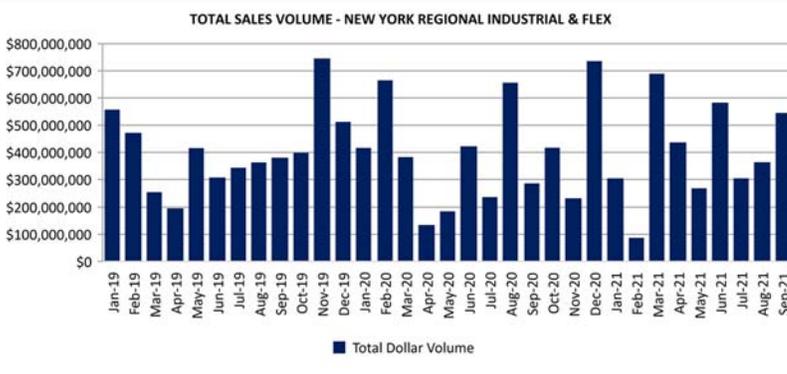
**SALES (2019-2021): Volume**

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. Q3 2021 totaled 107 sales, whereas Q3 2020 totaled 135 sales, buoyed by 50 sales in August 2020. Number of transactions has fluctuated over the past eight months, with most months below the post-COVID average. Total sales volume has been more consistent from June to September 2021 relative to January to August 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, but the chart suggests that momentum in total sales volume is typically short-lived.



**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 \$150 per square foot. Price per square foot as of September 2021 is \$177, 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.



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