

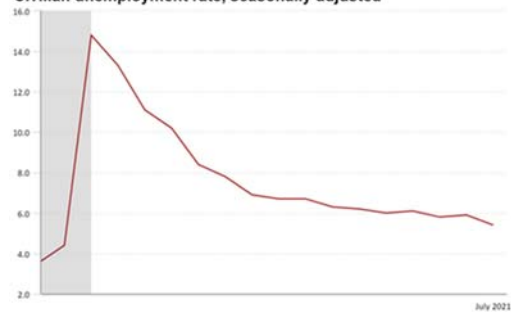
U.S. Class A Industrial-Distribution Sales Volume & Buying Trends – August 2021



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 US Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. As of Summer 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 12 or older in most states. Although hospitalizations and new cases were on the decline, the Delta Variant is causing new case counts to rise again. As a result, some states are tightening restrictions. Also, the FDA has approved the Pfizer vaccine for people aged 16 and older. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward Fall, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

With COVID-19 still 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 Class A Industrial properties across the United States national market.

Civilian unemployment rate, seasonally adjusted

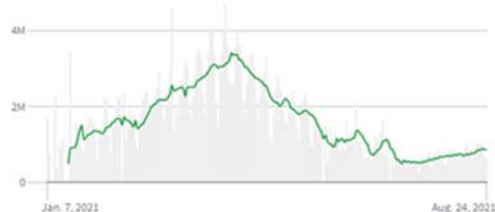


Source: US Bureau of Labor Statistics

United States

Vaccine doses given

7-day avg: 860,114
60.9% at least one dose



New cases

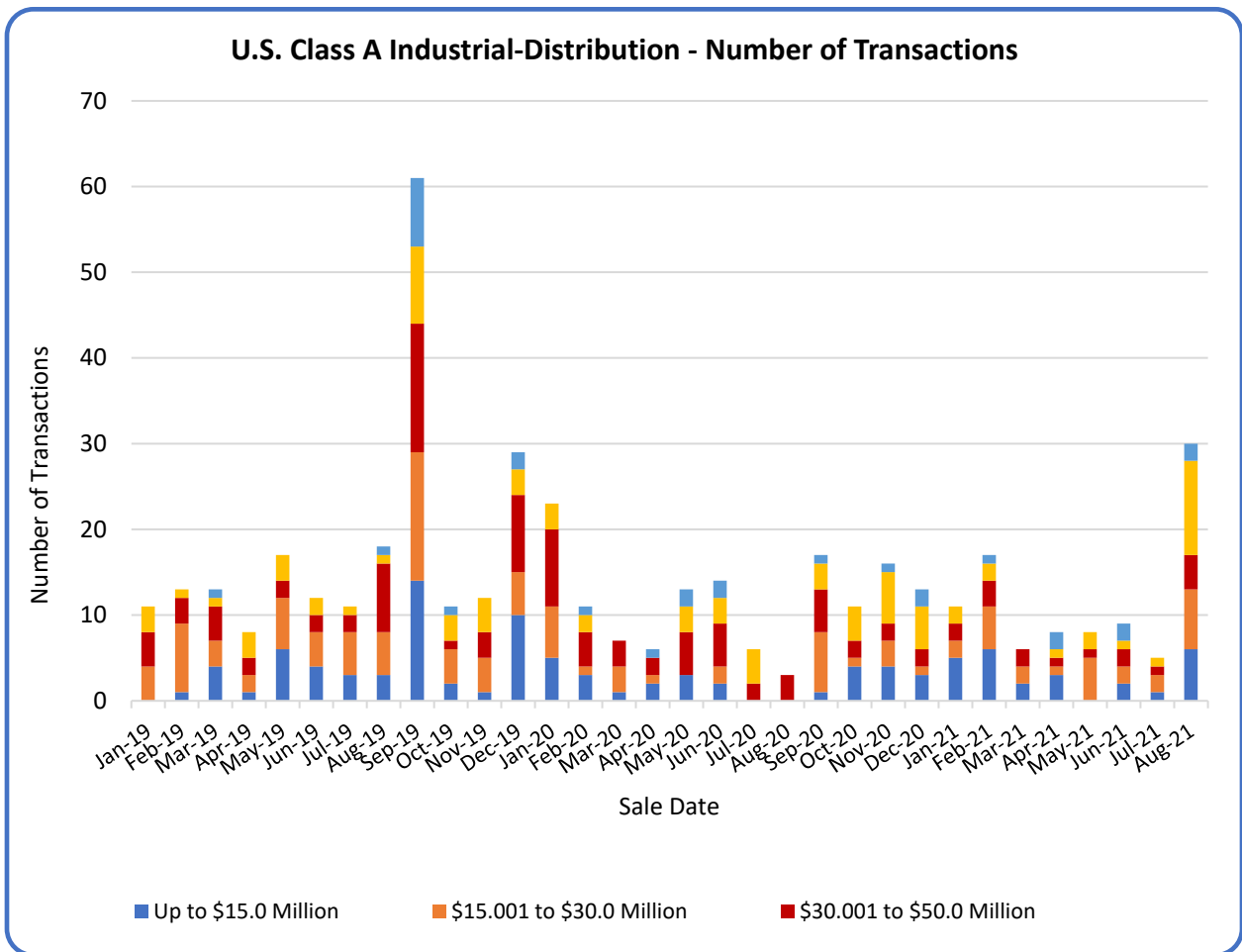
7-day avg: 150,883



Source: Reuters

Number of Sales Transactions

- Parameters: All Class A industrial-distribution investment sales in the United States national market, segmented by price tranche.
- Consistent transaction volume from January 2019 to March 2020, except for a large spike in September 2019.
- March 2020- initial COVID shockwaves grip market, number of transactions falls but does not plummet.
- Uptick in transaction volume May and June 2020, but steep declines in July and August 2020.
- September 2020 – February 2021- general upward trend in number of transactions with a decline beginning in March 2021.
- April-June 2021 saw 25 transactions total.
- July 2021- 5 total transactions, keeping with the declining monthly trend.
- August 2021- 30 total transactions, indicating a strong recovery.



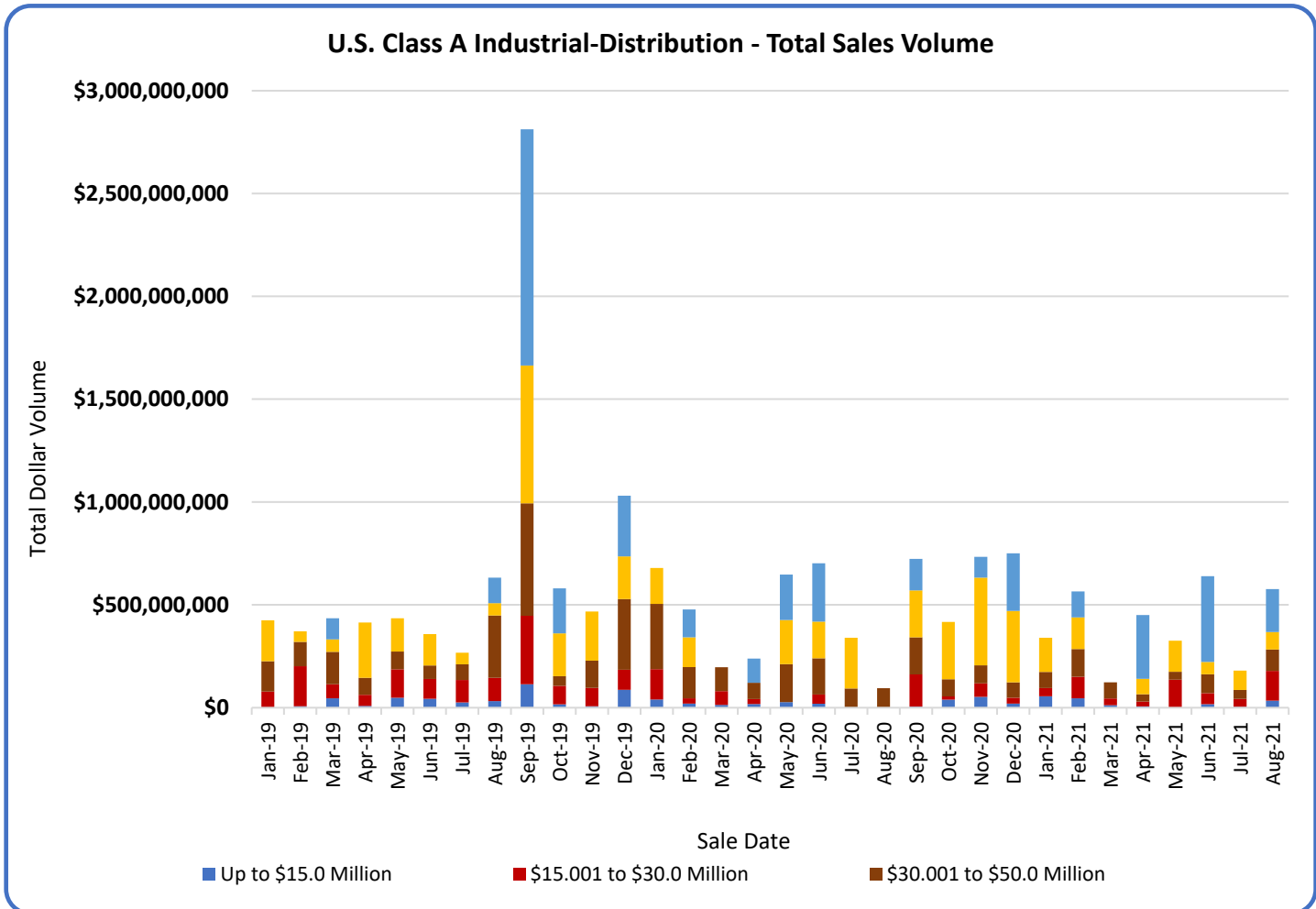
The Class A Industrial-Distribution markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced the same level of consistency as was seen prior to March 2020. September statistics should shed light on whether the market can continue to recover.

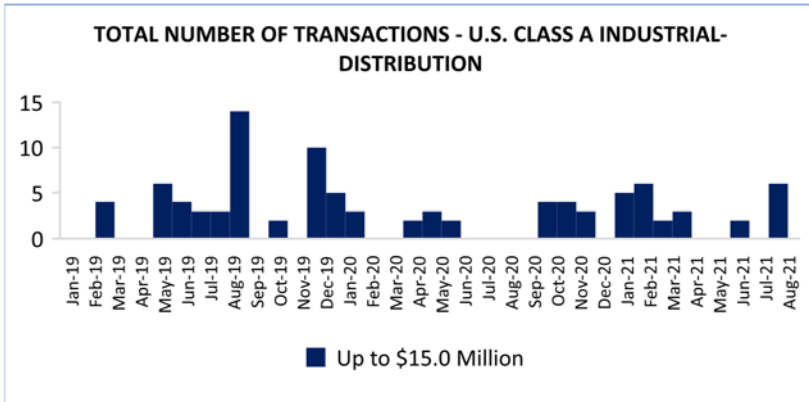
Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$685 million. Comparatively, the average monthly sales volume in 2020 was roughly \$500 million, reflecting a decrease of approximately 27%. In 2021 through August, the monthly average declined 23.7% from the 2020 average. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - U.S. Class A Industrial-Distribution			
YEAR	2019	2020	2021 (Jan-Aug)
Min	\$266,701,000	\$94,230,500	\$123,071,330
Max	\$2,811,664,531	\$750,444,834	\$639,260,000
Average	\$685,239,363	\$499,828,029	\$381,165,665
% Difference	-	-27.1%	-23.7%

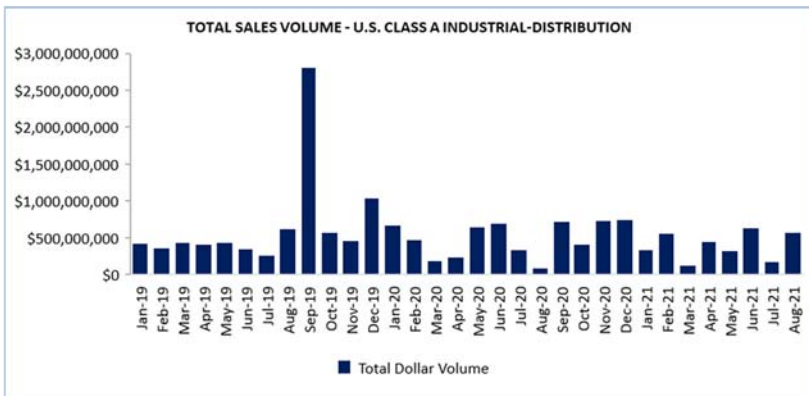
- The largest increase in dollar volume was 466% from August 2020 to September 2020.
- The largest decrease in dollar volume was 82% from September 2019 to October 2019.
- March, July, August, October 2020, and January, March, May, and July of 2021 did not log any sales over \$100 million.
- Sales from \$30.001 to \$50 million have generally comprised the largest share of all total sales.
- August 2021 recorded the highest total sales volume in 2021.





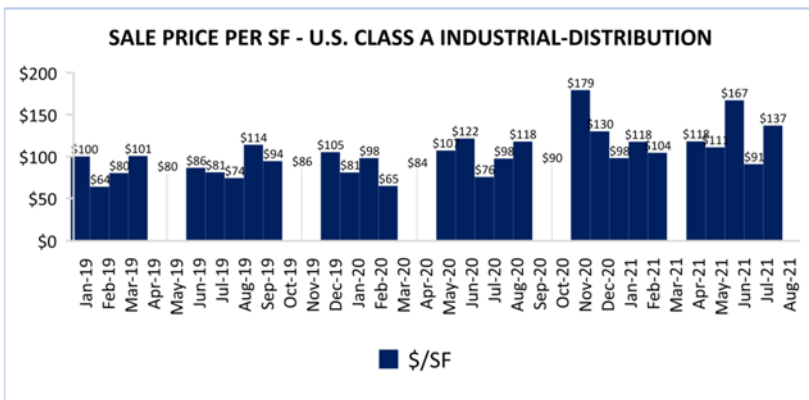
SALES (2019-2021): Volume

Pre-COVID-19, sales volume fluctuated, ranging from 8 to 61 sales per month from January 2019 through February 2020 while March 2020 marked a slight drop in the number of transactions. Transaction count increased over the next few months, except for July and August 2020. December 2020 also saw a slight decrease from the previous month. The number of transactions in July 2021 further declined, likely because of the ongoing pandemic. August seems to show a recovery for the real estate market.



Dollar Volume of Sales

The number of transactions increased in August while total sales volume increased proportionally. Dollar volume decreased commensurately. The increase in total sales volume is primarily due to the higher number of transactions.



Sale Price Per Square Foot

From January 2019, sales price per square foot has ranged from \$64 per square foot to \$179 per square foot, averaging \$101 per square foot. From January 2019 to February 2020, industrial and flex properties sold at an average price of \$89 per square foot. From March 2020 to August 2021, these properties sold at an average of \$112 per square foot. August's average sale price per square foot was \$137 a month, which is significantly higher than the average price per square foot in the given period. While demand remains high in the Class A industrial-distribution sector, market participants will be watching price trends very carefully. It is duly noted that this sector has been fueled by rising ecommerce spending since the onset of the COVID-19

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



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