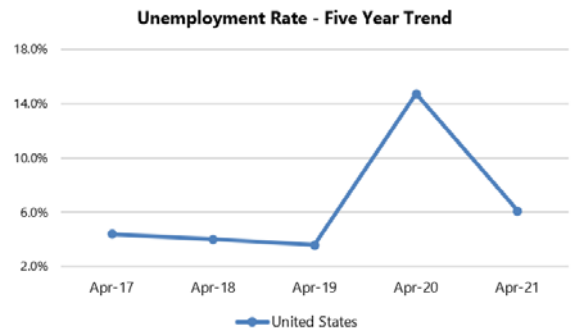


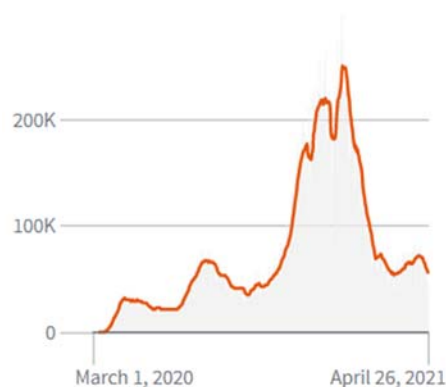
U.S. Class A Industrial-Distribution Sales Volume & Buying Trends – April 2021

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 United States Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. 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 across the United States and hospitalizations and number of new cases continue to decrease. In addition, many states have ended all their preventative mandates and rules for businesses and individuals, while other states have opted to only loosen their regulations. 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 Class A Industrial properties across the United States national market.



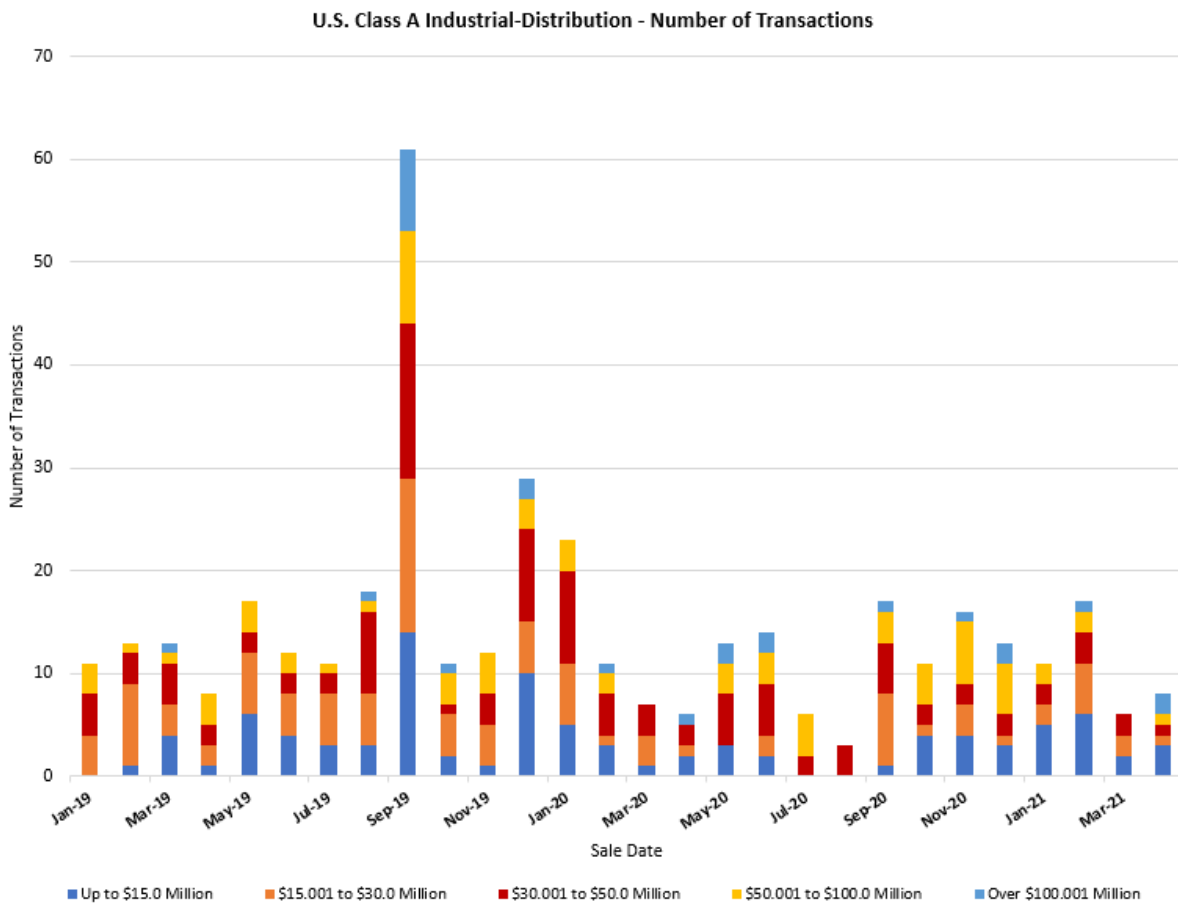
New cases
7-day avg: **55,460**



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.
- March 2021- 6 total transactions- 1 less than March 2020.
- April 2021- 8 total transactions, well below the average of the prior 28-month period.
- April 2021 has the second lowest number of transactions in 2021, which follows the trend of the previous month.



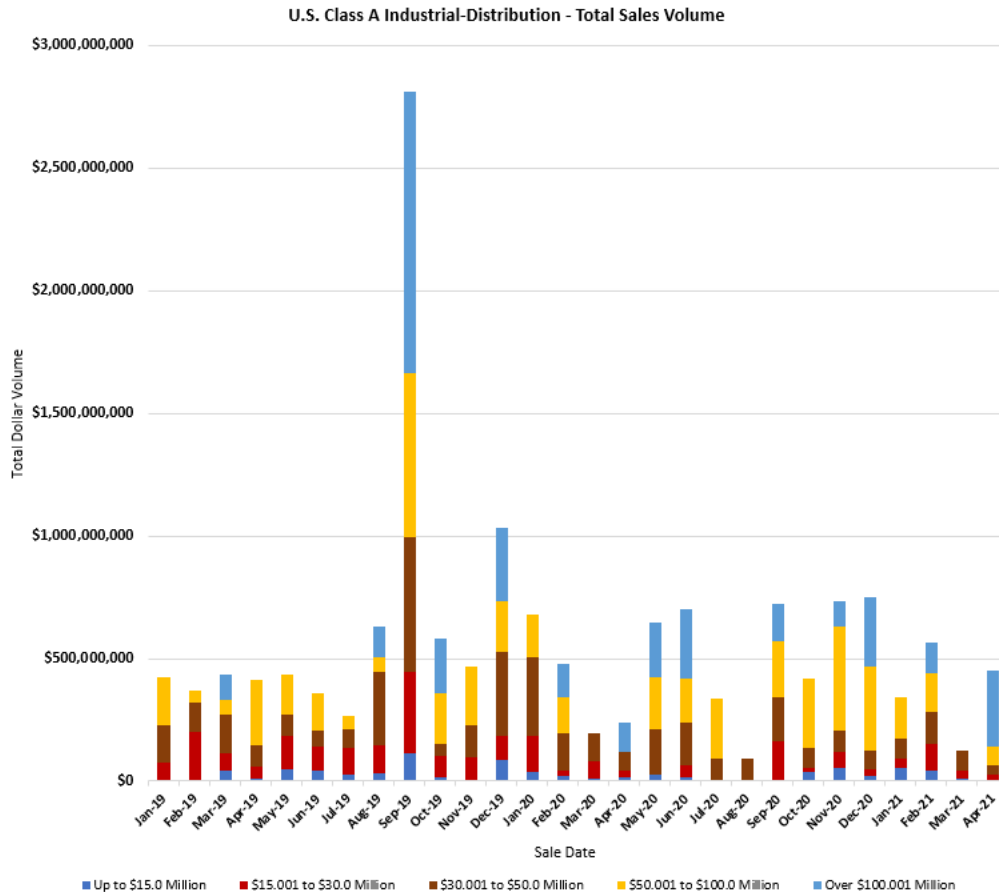
The Class A Industrial-Distribution markets have fared better than other markets during the post-COVID era. Transaction volume was quick to rebound after the onset of COVID-19. Average sales per month are not too far off from pre-COVID levels, as evidenced by the chart. However, the market has not experienced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

Dollar Volume of Sales Transactions

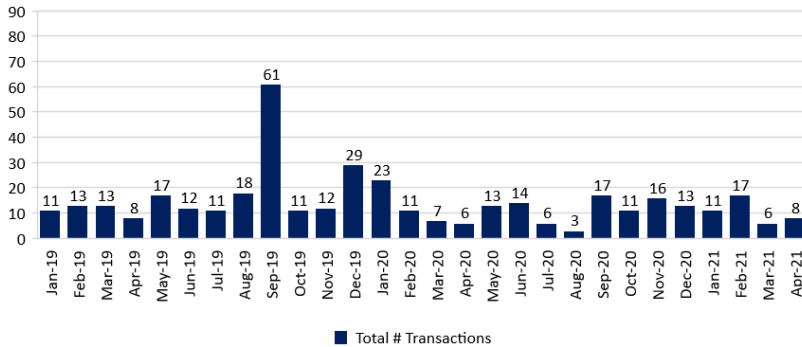
In 2019, the average monthly sales volume was approximately \$685 million. Comparatively, the average monthly sales volume in 2020 was roughly \$500 million, reflecting a decrease of approximately 27%. In 2021 through April, the monthly average declined 26% from the 2020 average. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - U.S. Class A Industrial-Distribution			
YEAR	2019	2020	2021 (Jan-Apr)
Min	\$266,701,000	\$94,230,500	\$123,071,330
Max	\$2,811,664,531	\$750,444,834	\$564,988,395
Average	\$685,239,363	\$499,828,029	\$369,649,016
% Difference	-	-27.1%	-26.0%

- Average sales volume from January 2019 to February 2020 was \$669,954,592.
- Average sales volume from March 2020 to April 2021 was \$451,431,463.
- The largest increase in dollar volume was 667.5% from August 2020 to September 2020.
- The largest decrease in dollar volume was 79.4% from September 2019 to October 2019.
- March, July, August, October 2020, and January and March 2021 did not log any sales over \$100 million.
- Sales from \$50.001 to \$100 million have generally comprised the largest share of all total sales.
- April 2021 recorded the highest sales volume in the Over \$100.001 million tranche since September 2019.



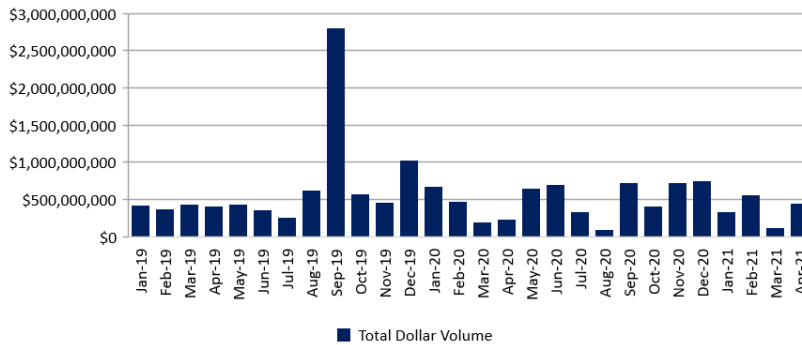
TOTAL NUMBER OF TRANSACTIONS - U.S. CLASS A INDUSTRIAL-DISTRIBUTION



SALES (2019-2021): Volume

Pre-COVID-19, sales volume fluctuated at a relatively high level, ranging from 8 to 61 sales per month from January 2019 through February 2020. 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 saw a slight decrease from the previous month. The number of transactions in April increased slightly and ranks at one of the lower monthly totals of the 28-month period.

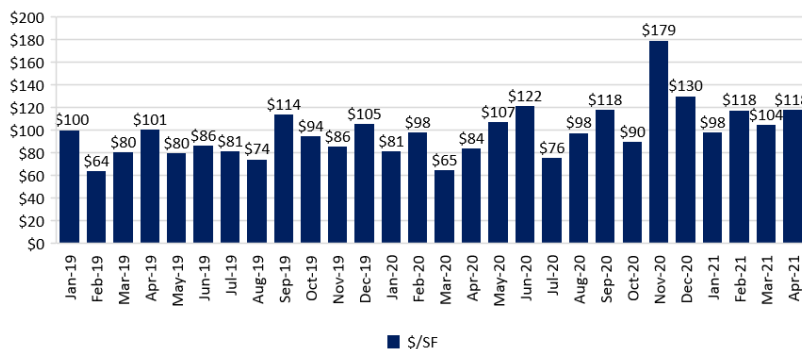
TOTAL SALES VOLUME - U.S. CLASS A INDUSTRIAL-DISTRIBUTION



Dollar Volume of Sales

The number of transactions increased in April, leading to an increase in dollar volume. Totalling 8 transactions, 2 more than March 2021, dollar volume increased by almost 266%. The increase in total sales volume is due to the increase of high dollar transactions. Of the 8 total sales, 4 (50%) were up to \$30 million and there were 3 (38%) transactions were over \$50 million.

SALE PRICE PER SF - U.S. CLASS A INDUSTRIAL-DISTRIBUTION



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 \$98 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 April 2021, these properties sold at an average of \$108 per square foot. April 2021 ranks above both averages with an average price per square foot of \$118. Demand remains high in the Class A industrial-distribution sector. The sector has been fueled by rising ecommerce spending since the onset of the ongoing COVID-19 pandemic.



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