



# NAR Commercial Research Update

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@NARannual



conference.realtor

November 11, 2021 | 1:00 - 3:00 pm PT



NATIONAL ASSOCIATION OF REALTORS®

# NAR Research Commercial Research Products

<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>

**Commercial Market Insights**  
October 2021  
National Association of REALTORS® Research Group



**2021 Weekly Real Estate Monitor**  
Residential and Commercial Markets  
November 01-04  
National Association of REALTORS® Research Group

**2021 Commercial Real Estate Metro Market Reports**  
Q3 2021  
National Association of REALTORS® Research Group




**Commercial Weekly: Apartment Demand and Rents Likely to Remain Robust in 2022**

October 21, 2021 | Commercial & Investment Real Estate, Rental Properties | By: Scholastica (Gay) Cororaton

Apartment demand will likely remain robust and rent growth remain elevated in 2022, given the current rates of absorption, rising mortgage rates in 2022, and the lower level of construction activity relative to current demand.

Demand for multifamily apartments remains strong as of the fourth quarter (as of October 19), with a net increase of 1.06 million apartment units occupied since 2020 Q2. The multifamily vacancy rate has fallen to 4.6% (6.6% in 2020 Q2) and the multifamily median asking rent is up 11.4% year-over-year (1.6% in 2020 Q2).

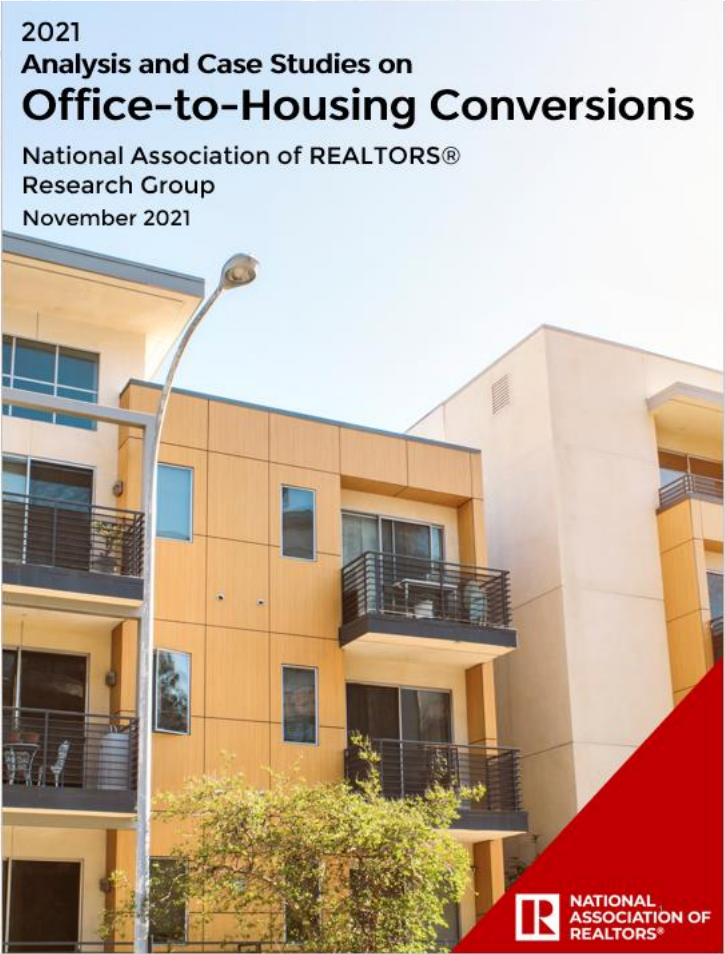
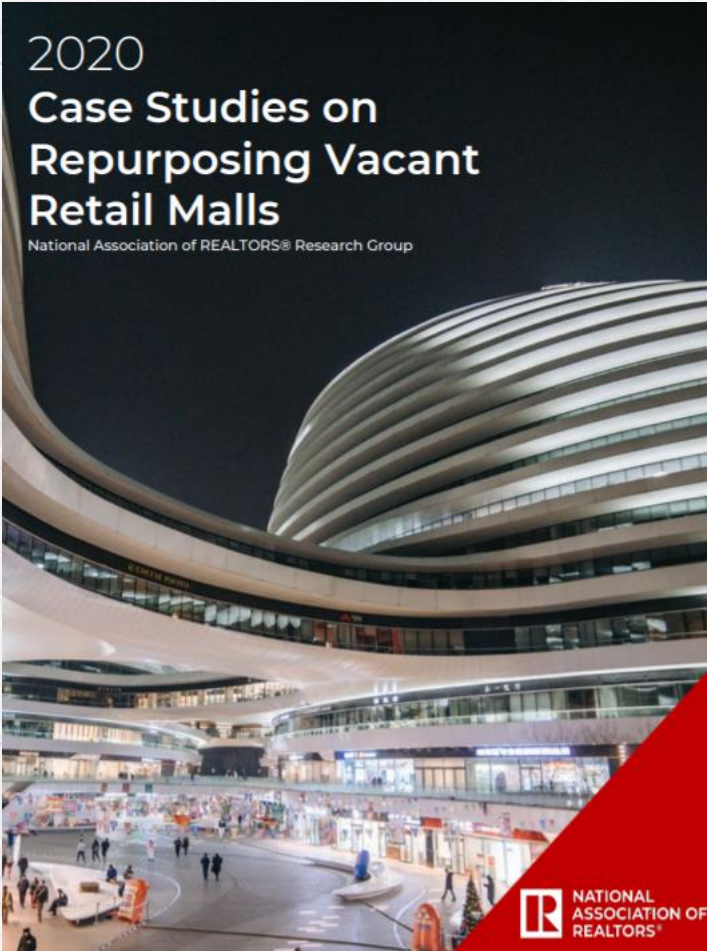
**12-Month Net Absorption of Multifamily Units and Y/Y Percent Asking Rent Growth as of 2021 Q4 (October 19)**

Quarter	Net Absorption (Units)	Y/Y Percent Change in Average Asking Rent Growth
2011 Q2	~180K	6.9%
2011 Q4	~150K	~6.5%
2012 Q2	~160K	~6.0%
2012 Q4	~180K	~6.0%
2013 Q2	~220K	~6.0%
2013 Q4	~200K	~6.0%
2014 Q2	~220K	~6.0%
2014 Q4	~240K	~6.0%
2015 Q2	~260K	~6.0%
2015 Q4	~300K	~6.0%
2016 Q2	~280K	~6.0%
2016 Q4	~260K	~6.0%
2017 Q2	~280K	~6.0%
2017 Q4	~300K	~6.0%
2018 Q2	~350K	~6.0%
2018 Q4	~380K	~6.0%
2019 Q2	~350K	~6.0%
2019 Q4	~320K	~6.0%
2020 Q2	~280K	~6.0%
2020 Q4	~350K	~6.0%
2021 Q2	~480K	~6.0%
2021 Q4	~720K	4.6%

Y/Y Percent Change in Average Asking Rent Growth for Multifamily Units as of 2021 Q4

# Repurposing Commercial Buildings into Housing

<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# Commercial Real Estate Metro Market Reports

## NAR Commercial Real Estate Metro Market Report | 2021.Q3

### Dallas-Fort Worth-Arlington, TX

Core-Based Statistical Area Code: 19100

The Dallas-Fort Worth-Arlington, TX commercial real estate market is about the same compared to the overall U.S. market.  
NAR Commercial Real Estate Market Conditions Index® 30.0

Overall economic conditions are stronger than nationally.  
The apartment property market is about the same than nationally.  
The office property market is weaker than nationally.  
The industrial property market is stronger than nationally.  
The retail property market is weaker than nationally.  
The hotel/lodging property market is stronger than nationally.

Nationally, the multifamily and industrial property markets are experiencing phenomenal growth. Apartment absorption and rents are at a decade high, with asking rents up 10.5% in 2021 Q3 from one year ago and the vacancy rate at 4.5%. Industrial rents are up 7.2% and the vacancy rate is at 4.6%. Recovery is slowest in the office sector, with a modest positive net absorption over the past 12 months, elevated vacancy rate of 12.2%, and half a percent decline in rent growth on average. The retail property market experienced a net increase in occupancy and rent growth of 2% with low vacancy rate of 4.7%. Jobs continue to be gained in the hotel and hospitality sector although there are still fewer jobs now compared to the pre-pandemic level.

Download the monthly Commercial Market Insights Report at <https://www.nar.realtor/commercial-market-insights>

#### I. Economic and Demographic

	Dallas-Fort Worth-Arlington, TX			U.S.			
	2021 Q3 (ytd)	2021 Q3	2020 Q3	2021 Q3 (ytd)	2021 Q3	2020 Q3	
<b>Research</b>							
Total resident employees (SEI)	1,913	1,750	1,610	118,680	116,390	115,950	
Y/Y change in total resident employees (SEI)	9.2%	9.1%	9.8%	4.1%	4.0%	4.1%	Job creation is stronger than nationally
Y/Y change in nonfarm payroll employees	8.0%	8.0%	8.0%	4.0%	4.0%	4.0%	Job creation is weaker than nationally
Unemployment rate (%)	8.1%	8.0%	7.1%	5.3%	5.0%	5.0%	Unemployment rate is lower than nationally
Average weekly wage	\$1,300	\$1,237	\$1,200	\$1,200	\$1,200	\$1,207	Wages are rising faster than nationally
Wage growth, year-over-year	8.0%	7.0%	8.0%	4.0%	4.0%	4.0%	
Year-over-year % change of (y/e estimate)							
GDP growth (%)	1.7%	1.5%	1.0%	3.0%	3.0%	1.0%	
Nonfarm household income	\$75,348	\$68,110	\$67,583	\$67,570	\$61,110	\$61,181	
<b>Demography</b>							
Net domestic migration (SEI)	88.0	88.0	88.0	0	0	0	Area is experiencing net domestic migration
Population (SEI)	7,480	7,470	7,400	328,340	328,430	328,430	
Population growth (%)	1.88%	1.87%	1.83%	0.00%	0.00%	0.00%	Population is growing faster than nationally
<b>II. Multifamily</b>							
<b>General Indicators</b>							
Vacancy rate	8.7%	7.8%	8.0%	8.0%	8.0%	8.7%	The area has a higher vacancy rate than nationally
Delivered units over the quarter	14,740	14,710	8,861	147,878	140,100	138,110	
Delivered units over the past 12 months	64,741	64,476	34,840	714,797	680,811	617,811	The area has a faster pace of absorption than nationally
Months asking rent per unit	41,880	41,588	41,211	41,318	41,180	41,360	
Months asking rent per unit, % change	13.7%	6.3%	6.0%	12.8%	7.0%	6.3%	
Rent rate per unit	\$1,840	\$1,817	\$1,810	\$1,817	\$1,800	\$1,800	Rents are rising faster than nationally
Rent rate per unit, % change	18.1%	12.1%	12.1%	11.8%	7.7%	12.0%	Rent rate is rising faster than nationally
Rent as percent of (y/e estimate) wage income	18.1%	18.0%	18.0%	18.1%	18.0%	18.0%	
<b>Supply Indicators</b>							
Inventory	743,375	776,140	784,381	17,410,840	17,710,840	17,810,840	Relatively more units are being delivered than nationally
Units delivered over the past 12 months	34,410	34,170	34,861	347,818	340,100	338,110	
Units under construction, as of 9/30/2021	8,400	8,400	8,400	8,400	8,400	8,400	
Units under construction, as of 9/30/2020	18,914	18,700	18,910	611,480	600,940	601,107	Construction activity is slower than nationally
Units under construction, as of 9/30/2019	8,400	8,400	8,400	8,400	8,400	8,400	
12-month rental unit building permits	10,773	10,820	10,880	102,480	102,110	102,110	Building permits are not rising as fast as nationally
12-month rental unit building permits, % change	1.7	0.0	(1.4)	1.7	1.6	(1.4)	
<b>Price Indicators</b>							
Total transactions (in million \$)	\$111.0	\$1,040.0	\$171.0	\$18,838.8	\$18,378.0	\$11,811.7	Area transactions are not rising as fast than nationally
Transactions value per unit	\$160,701	\$171,841	\$187,500	\$187,487	\$171,840	\$161,840	Prices are rising faster than nationally
Cap rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	Cap rates are higher than nationally
<b>III. Office</b>							
<b>General Indicators</b>							
Vacancy rate	17.4%	17.7%	18.0%	13.3%	12.7%	18.1%	The area has a higher vacancy rate than nationally
Delivered units over the quarter	\$11,241	\$10,800	(\$1,000,000)	\$1,000,000	(\$1,000,000)	(\$1,000,000)	
Delivered units over the past 12 months	(\$47,000)	(\$46,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	The area has a faster pace of absorption than nationally
Leasing rate per sq. ft.	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0	
Leasing rate growth, % change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Rents are rising faster than nationally
Average asking rent per sq. ft.	\$47,000	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	Leasing volume is rising faster than nationally
Y/Y change in professional business services jobs (SEI)	0%	0%	(1%)	1.1%	1.1%	(1.80%)	The area has a faster pace of job creation than nationally
Year-over-year % change of (y/e estimate)							
<b>Supply Indicators</b>							
Inventory (in sq. ft.)	111,111	111,111	111,111	111,111	111,111	111,111	Relatively fewer units are being delivered than nationally
Units delivered over the past 12 months, in sq. ft.	1,111	1,111	1,111	1,111	1,111	1,111	
Units under construction, as of 9/30/2021	1,111	1,111	1,111	1,111	1,111	1,111	
Units under construction, as of 9/30/2020	1,111	1,111	1,111	1,111	1,111	1,111	Construction activity is more robust than nationally
Units under construction, as of 9/30/2019	1,111	1,111	1,111	1,111	1,111	1,111	
<b>Price Indicators</b>							
Total transactions (in million \$)	\$111.0	\$107.7	\$107.7	\$18,811.0	\$11,877.1	\$11,877.1	Area transactions are not rising as fast than nationally
Transactions value per unit	\$111	\$107	\$107	\$111	\$107	\$107	Prices are not rising as fast than nationally
Cap rate	7.0%	6.9%	7.0%	6.9%	7.0%	7.0%	Cap rates are higher than nationally

390 markets / submarkets available as one downloadable PDF updated quarterly

Commercial Real Estate Market Conditions Index based on 46 indicators on Apartment, Office, Industrial, Retail, and Hotel Sectors for the metro area vs. US

Economic data (quarterly and annual) GDP, employment, wage growth, household income, building permits, population, net domestic migration

Commercial market data (from CoStar®) Vacancy rate, absorption, asking rent, total leasing, inventory, net delivered units, under construction, dollar sales volume, average sales price/sq. ft., cap rate



# Commercial Real Estate Metro Market Reports

## NAR Commercial Real Estate Metro Market Report | 2021.Q3 Miami-Miami Beach-Kendall, FL

Core-Based Statistical Area Code: 33124

The Miami-Miami Beach-Kendall, FL commercial real estate market is stronger compared to the overall U.S. market.  
NAR Commercial Real Estate Market Conditions Index\* 58.7

- Overall economic conditions are weaker than nationally.
- The apartment property market is stronger than nationally.
- The office property market is about the same than nationally.
- The industrial property market is stronger than nationally.
- The retail property market is stronger than nationally.
- The hotel/lodging property market is stronger than nationally.

Nationally, the multifamily and industrial property markets are experiencing phenomenal growth. Apartment absorption and rents are at a decade high, with asking rents up 10.5% in 2021 Q3 from one year ago and the vacancy rate at 4.5%. Industrial rents are up 7.2% and the vacancy rate is at 4.6%. Recovery is slowest in the office sector, with a modest positive net absorption over the past 12 months, elevated vacancy rate of 12.2%, and half a percent decline in rent growth on average. The retail property market experienced a net increase in occupancy and rent growth of 2% with low vacancy rate of 4.7%. Jobs continue to be gained in the hotel and hospitality sector although there are still fewer jobs now compared to the pre-pandemic level.

	Miami-Miami Beach-Kendall, FL			U.S.			
II. Multifamily	2021 Q3	2021 Q2	2020 Q3	2021 Q3	2021 Q2	2020 Q3	
<b>Demand indicators</b>							
Vacancy rate	3.8%	4.4%	8.1%	4.5%	5.1%	6.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	2,573	5,243	1,533	187,579	260,036	126,436	
Absorption of units in past 12 months	13,996	12,956	4,131	723,757	662,614	317,911	<i>The area has a faster pace of absorption than nationally</i>
Market asking rent per unit	\$1,923	\$1,840	\$1,679	\$1,526	\$1,482	\$1,380	
Market asking rent per unit, y/y % chg	14.5%	9.3%	-0.8%	10.5%	7.3%	0.2%	
Effective rent per unit	\$1,912	\$1,826	\$1,640	\$1,517	\$1,469	\$1,360	<i>Rents are rising faster than nationally</i>
Effective rent per unit, y/y % chg	16.6%	10.5%	-2.1%	11.6%	7.7%	-0.5%	<i>The rent to income ratio is higher than nationally</i>
Rent as a percent of 2-person annual wage income	22.0%	21.7%	20.2%	16.4%	16.0%	15.2%	
<b>Supply indicators</b>							
Inventory	171,064	169,506	163,968	17,820,554	17,733,333	17,452,656	
Net delivered units in past 12 months	7,096	7,256	8,018	367,928	402,436	431,752	<i>Relatively more units are being delivered than nationally</i>
Net delivered units, as % of inventory	4.1%	4.3%	4.9%	2.1%	2.3%	2.5%	
Units under construction	14,304	13,726	13,221	644,690	666,596	682,247	
Units under construction, as % of inventory	8.4%	8.1%	8.1%	3.6%	3.8%	4.1%	<i>Construction activity is more robust than nationally</i>
12-month total: 5+ unit building permits	14,751	12,846	13,252	492,460	463,443	435,380	
12-month total: all building permits	24,193	22,079	21,141	1,674,680	1,642,586	1,394,878	<i>Building permits are not rising as fast as nationally</i>
Ratio of jobs created to permits <i>(as of latest available month of the quarter)</i>	2.8	2.0	(5.3)	3.7	4.9	(6.9)	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$827.1	\$824.5	\$147.8	\$48,626.8	\$46,376.3	\$22,521.7	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$273,333	\$203,988	\$207,896	\$207,897	\$171,888	\$152,993	<i>Prices are not rising as fast than nationally</i>
Cap rate	5.1%	5.7%	6.7%	5.4%	5.6%	6.1%	<i>Cap rates are lower than nationally</i>
III. Office							
<b>Demand indicators</b>	2021 Q3	2021 Q2	2020 Q3	2021 Q3	2021 Q2	2020 Q3	
Vacancy rate	10.4%	11.2%	10.4%	12.2%	11.2%	10.4%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	907,598	138,121	(792,655)	9,330,934	(15,970,889)	(34,691,060)	
Absorption in sq.ft. over 12 months	969,388	(730,865)	(1,362,586)	(85,269,016)	(129,291,008)	(27,783,072)	<i>The area has a lower pace of absorption than nationally</i>
Asking rent per sq.ft.	\$0.0	\$39.9	\$39.6	(\$0.0)	\$34.3	\$34.3	
Asking rent growth, y/y % chg.	3.6%	2.8%	2.7%	-0.4%	-1.6%	-0.5%	<i>Rents are rising faster than nationally</i>
Leasing activity in sq.ft.	1,353,178	1,403,686	1,135,758	78,449,602	79,370,748	62,922,798	<i>Leasing volume is not rising as fast than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	18	19	(9)	1,115	1,235	(1,303)	<i>The area has slower pace of office job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	109,123,848	109,123,848	108,048,034	8,209,634,848	8,198,256,651	8,153,090,186	
Net delivered over 12 months, in sq.ft.	1,075,814	1,419,823	572,347	56,291,138	59,270,234	54,065,701	<i>Relatively more units are being delivered than nationally</i>
Net delivered units, as % of inventory	1.0%	1.3%	0.5%	0.7%	0.7%	0.7%	
Under construction in sq.ft.	3,456,441	3,336,441	4,096,849	140,291,168	143,825,968	155,355,376	
Under construction, as % of inventory	3.2%	3.1%	3.8%	1.7%	1.8%	1.9%	<i>Construction activity is more robust than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$955.3	\$915.2	\$316.9	\$26,511.3	\$21,877.1	\$11,827.5	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$398	\$256	\$342	\$320	\$258	\$233	<i>Prices are not rising as fast than nationally</i>
Cap rate	6.1%	6.9%	6.3%	6.9%	7.2%	7.2%	<i>Cap rates are lower than nationally</i>



# Multifamily and Office Market

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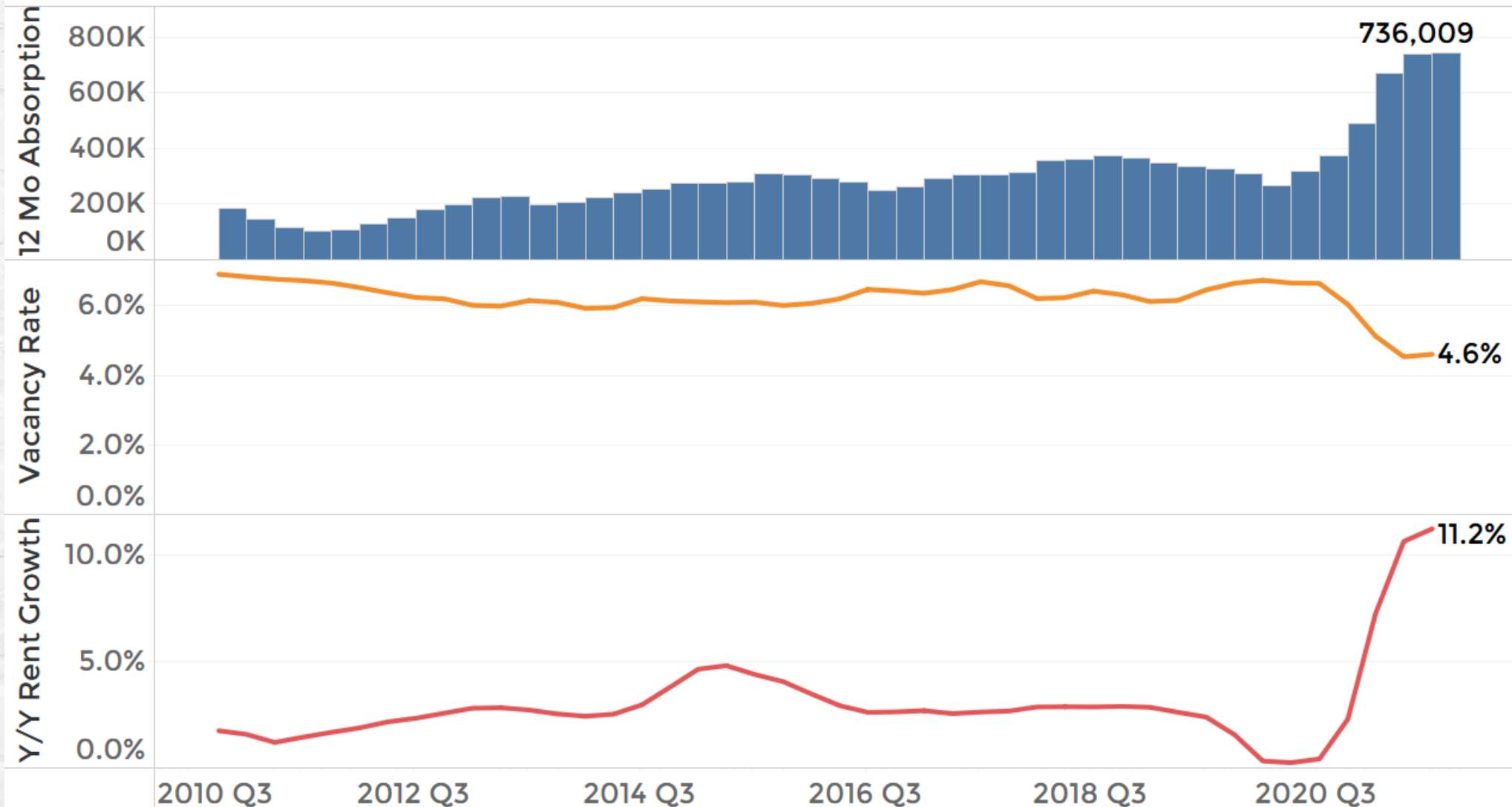
[conference.realtor](https://conference.realtor)

November 11, 2021 | 1:00 - 3:00 pm PT



# Decade-high apartment demand and rent growth

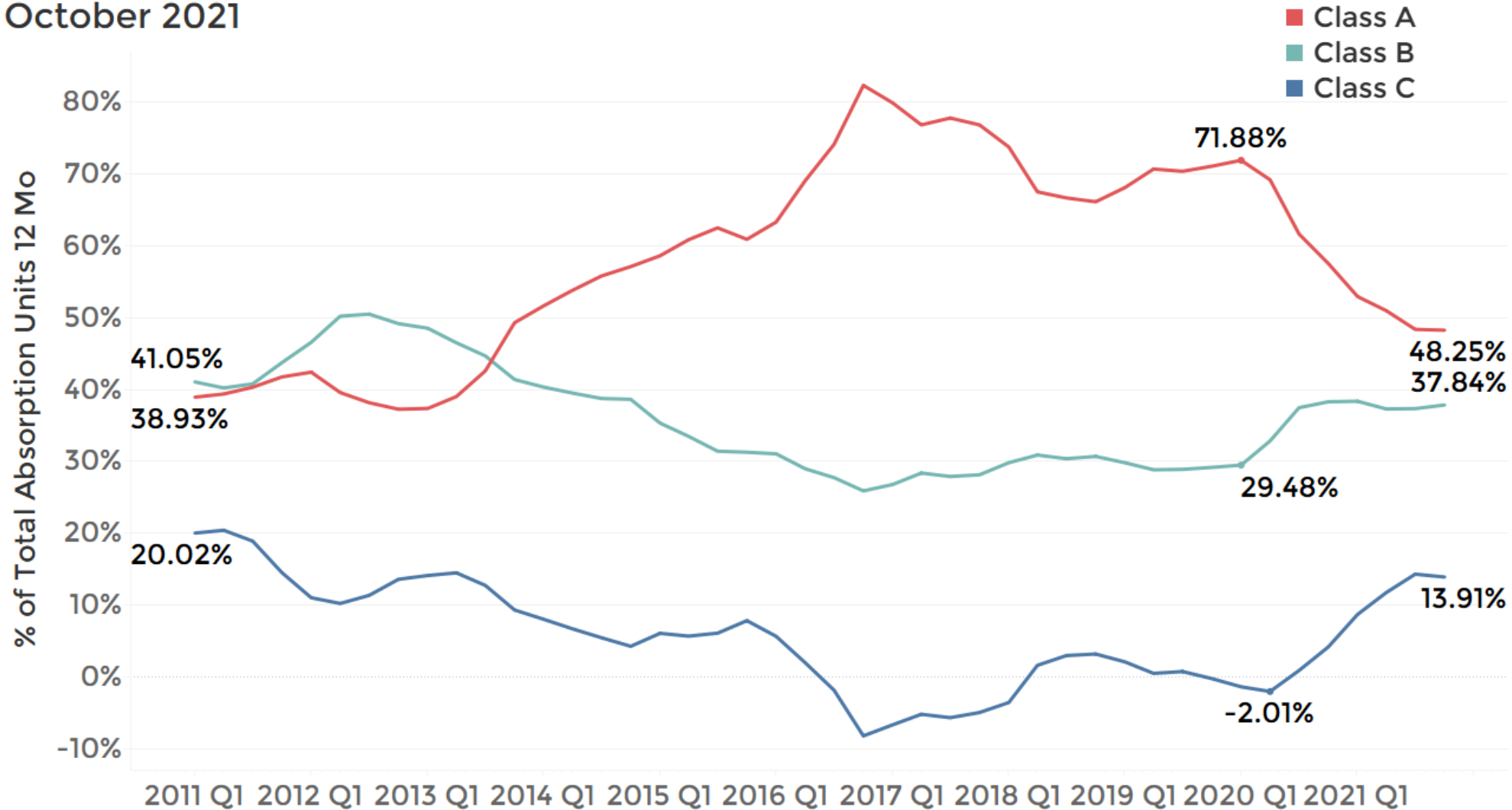
Multifamily Market Posts Highest 12-Month Net Absorption, Declining Vacancy Rate, and Rapid Rent Growth as of October 30, 2021





# Rising share of Class B/C apartments

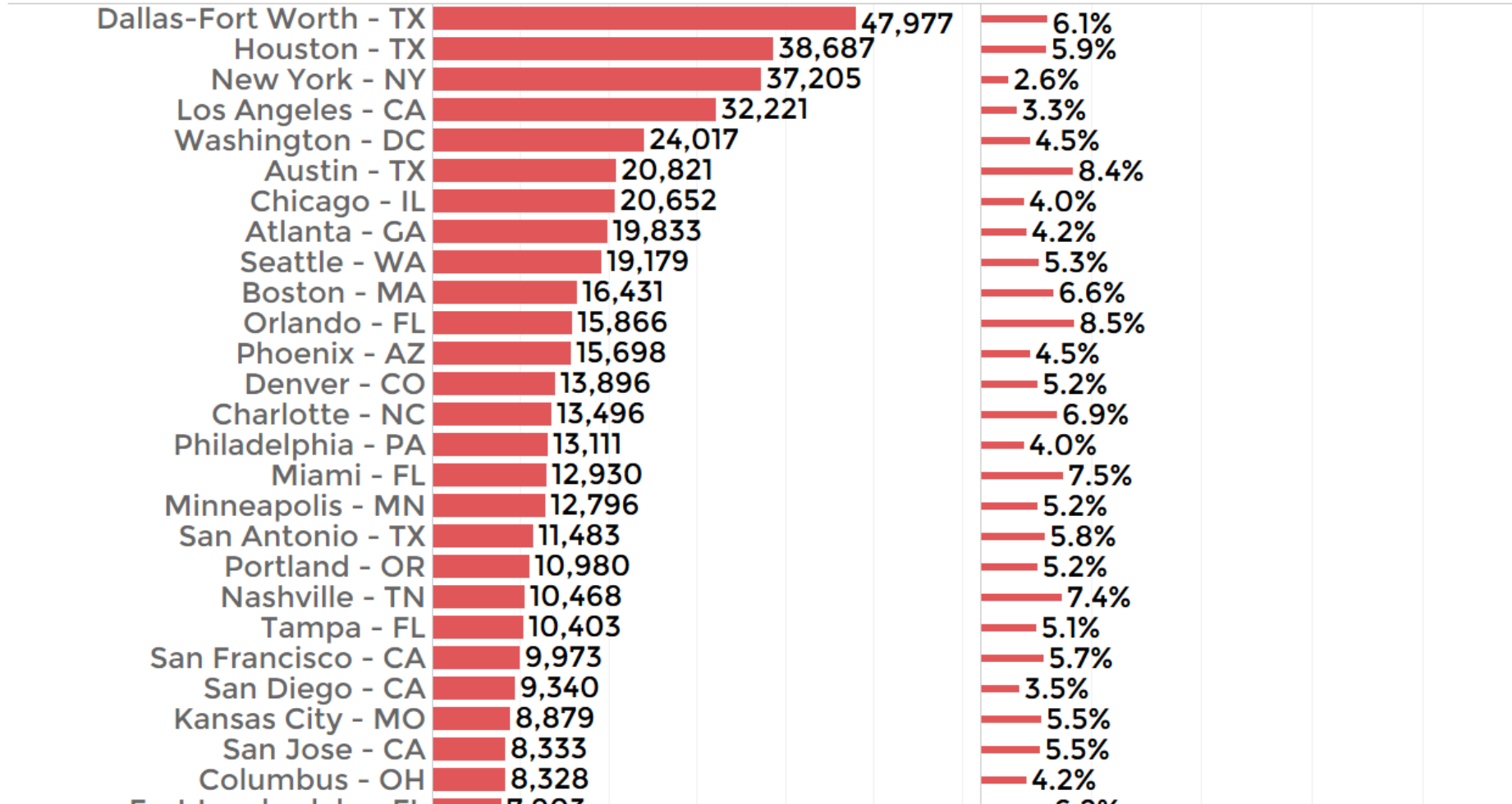
Rising Share of Class B and C Apartments to Total 12-Month Absorption as of October 2021



Source of data: NAR analysis of CoStar data

# Top rental markets

## 12-Month Absorption of Apartment Units and as a Percent of Inventory in 2021 Q4 (October 30)



Source: NAR analysis of CoStar data

# Renters are coming back to major metros that saw outmigration in 2020

Renters are coming back:  
Quarterly absorption of apartment units

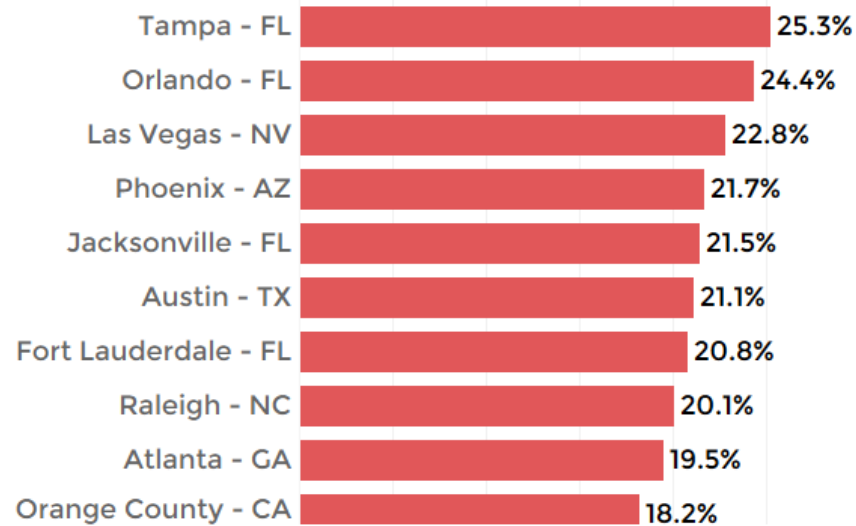
	2019 Q1	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
New York - NY	6,934	1,505	-3,033	-565	3,934	9,088	11,178	11,298	5,641
Los Angeles - CA	1,197	-1,383	-3,371	884	3,573	5,637	11,470	10,534	4,580
Washington - DC	2,916	2,085	366	-275	978	5,072	8,267	6,630	4,048
Boston - MA	1,583	1,394	-360	1,520	1,784	3,482	5,741	4,848	2,360
Seattle - WA	3,448	2,104	-327	2	1,434	4,632	7,020	4,715	2,812
Chicago - IL	2,738	2,349	-502	-174	696	5,011	8,703	4,692	2,246
Miami - FL	1,082	1,486	-9	1,622	2,592	3,620	5,175	2,681	1,454
San Jose - CA	834	25	-1,833	-861	-57	2,043	2,398	2,365	1,527
San Francisco - CA	560	-806	-3,378	-3,214	67	2,571	3,745	2,279	1,378

Source: NAR analysis of CoStar data

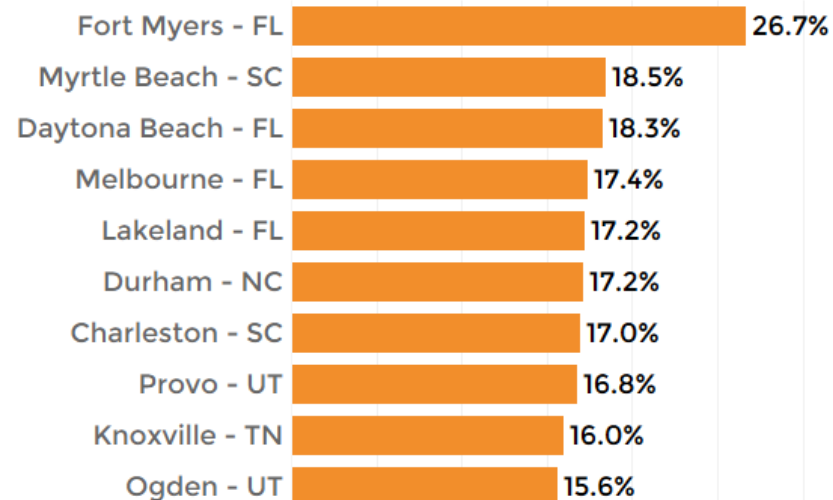
# Strong apartment rent growth in Sunbelt markets

## Y/Y Asking Rent Growth as of 2021 Q4 (October 30)

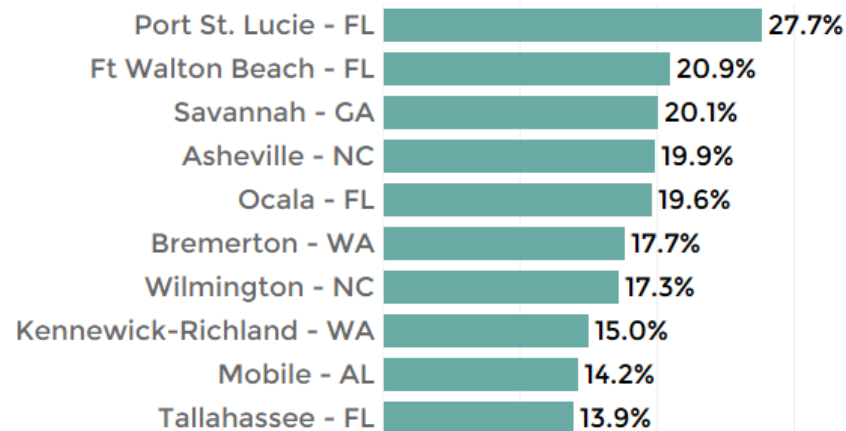
### Population Over 1M



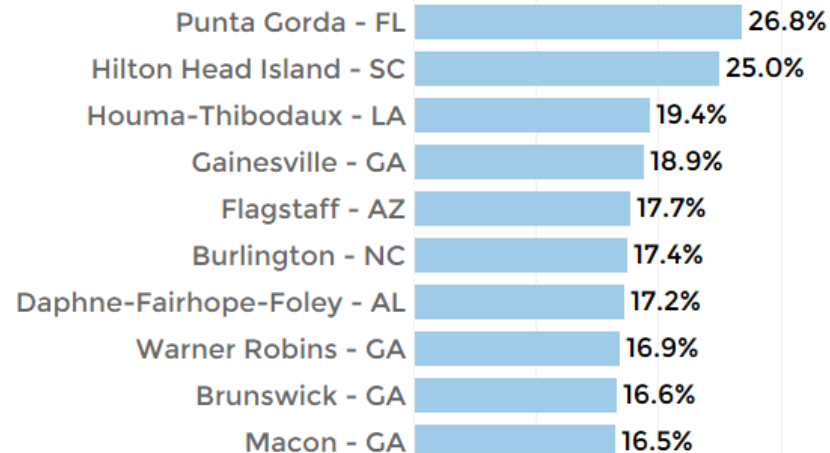
### Population Over 500K to 1M



### Population Over 250K to 500K



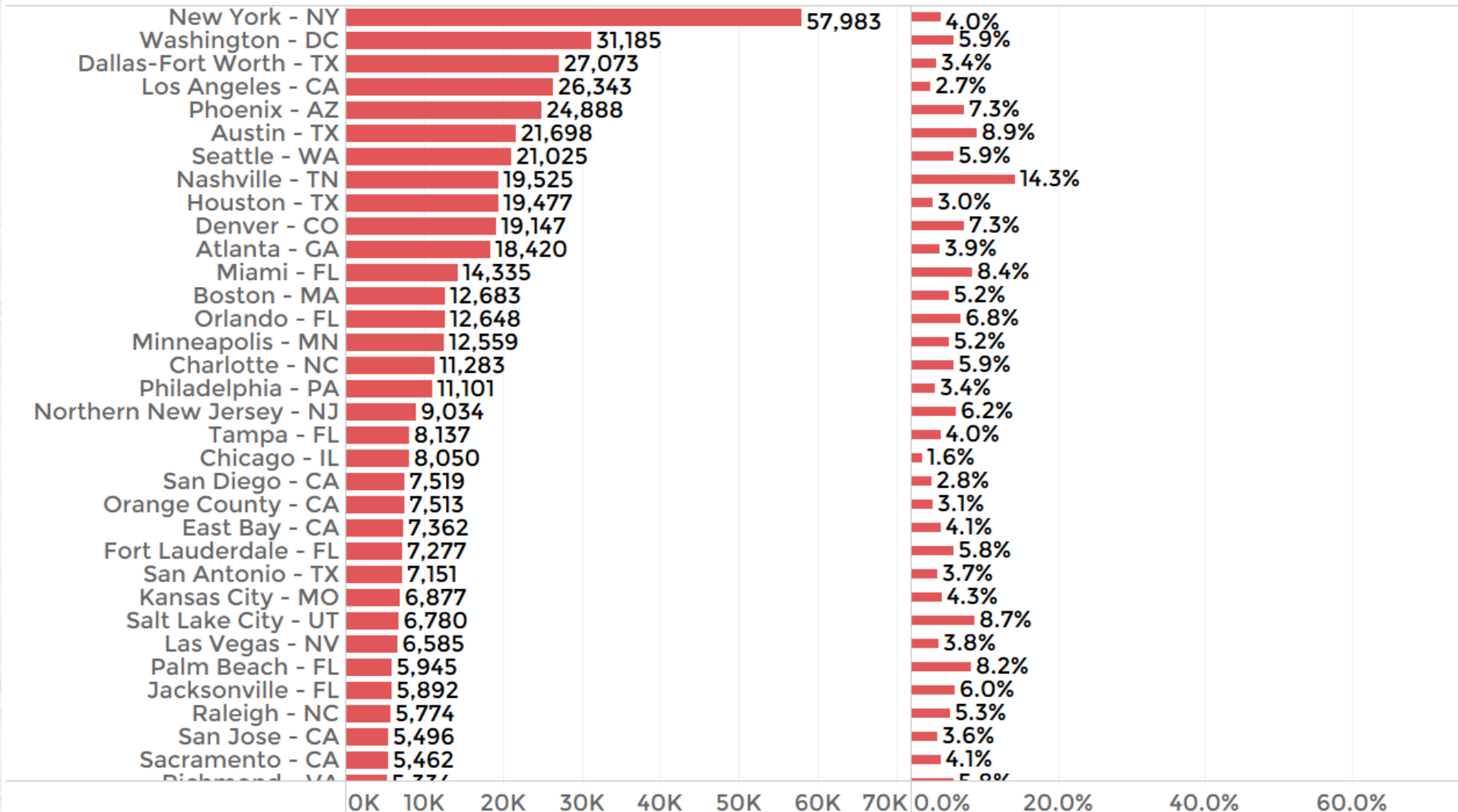
### Population of 250K or Less



Source: NAR analysis of CoStar data

# Where are builders bullish? (Sunbelt and Mountain)

Apartment Units Under Construction and as a Percent of Inventory as of 2021 Q3



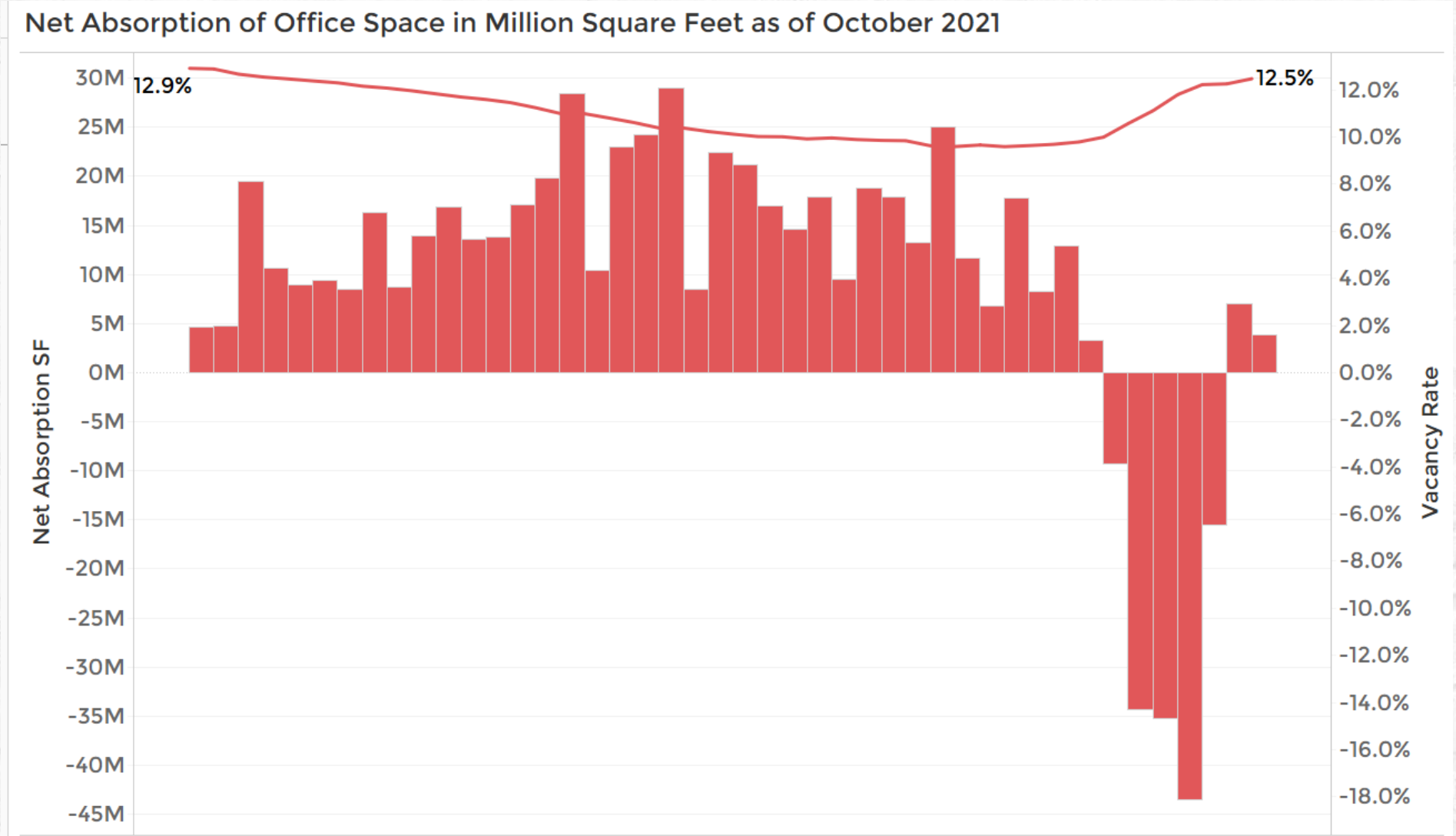
Source: NAR analysis of CoStar data

Under Construction Units

Construction as Pct of Inventory

# Office occupancy is rising but vacancy is still high

(+11 MSF 2021 Q3-Q4 but - 127 MSF since 2020 Q2)

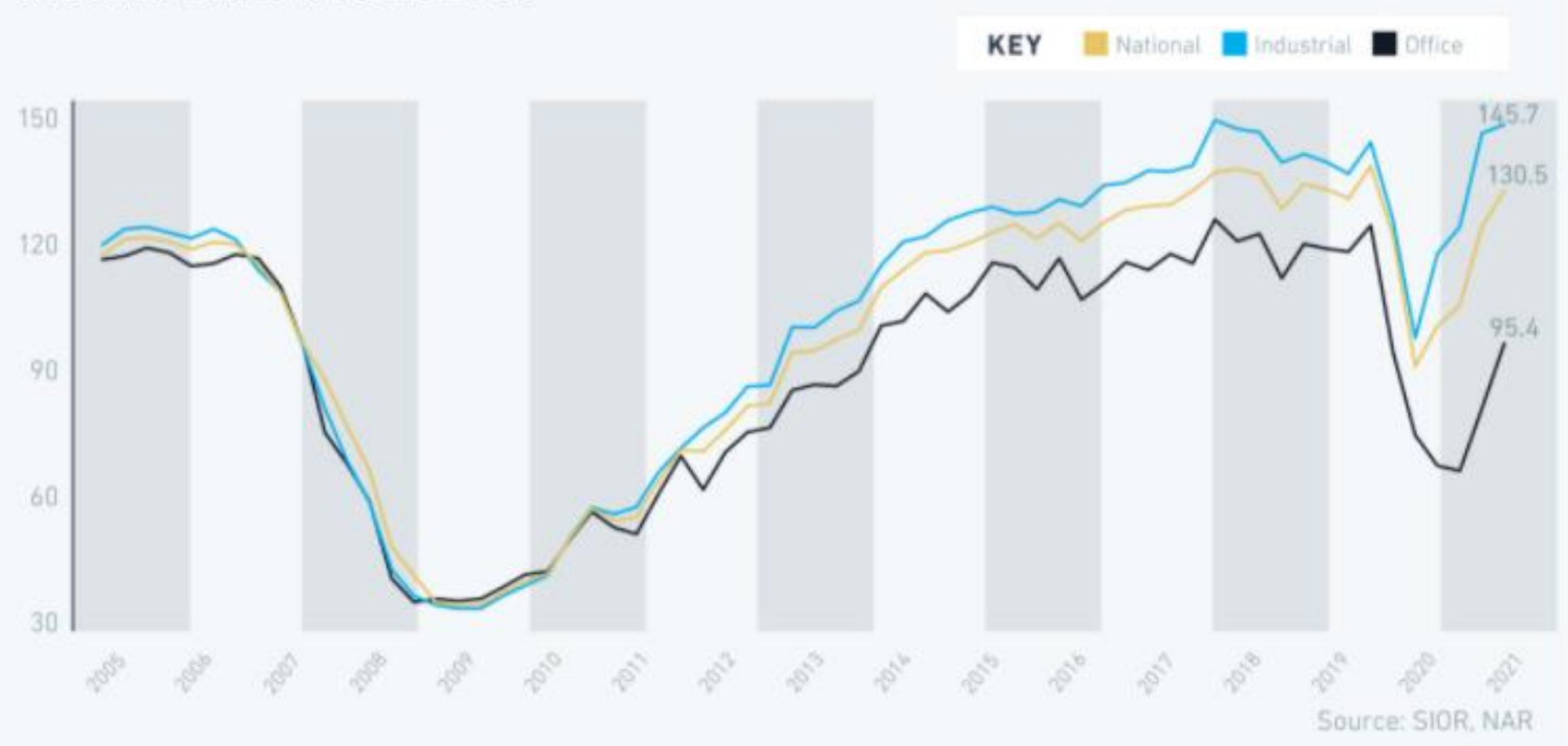


Source: NAR analysis of CoStar data

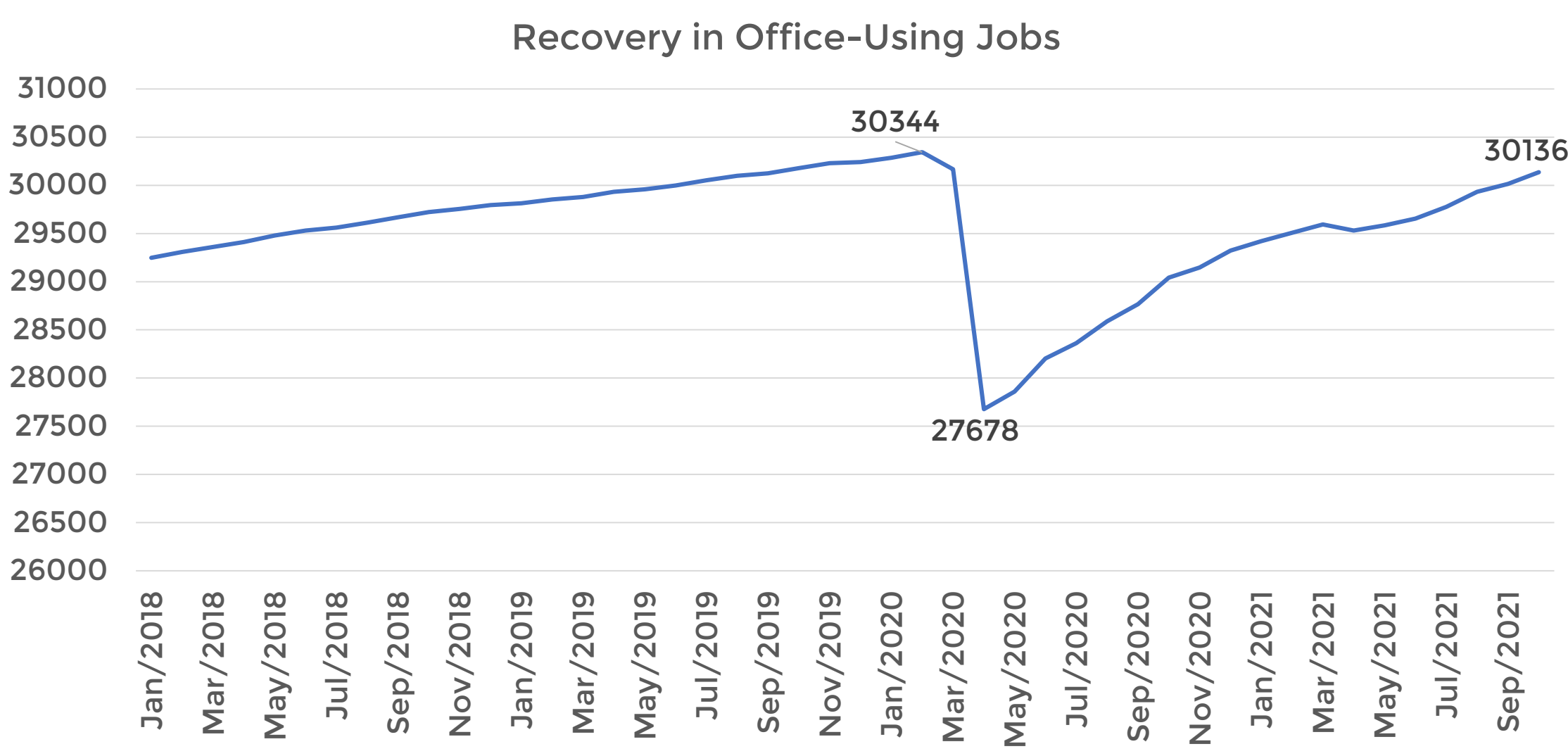


# SIOR® Commercial Real Estate Index: office is recovering but still below normal level

SIOR COMMERCIAL REAL ESTATE INDEX



# Office-using jobs are nearly fully recovered



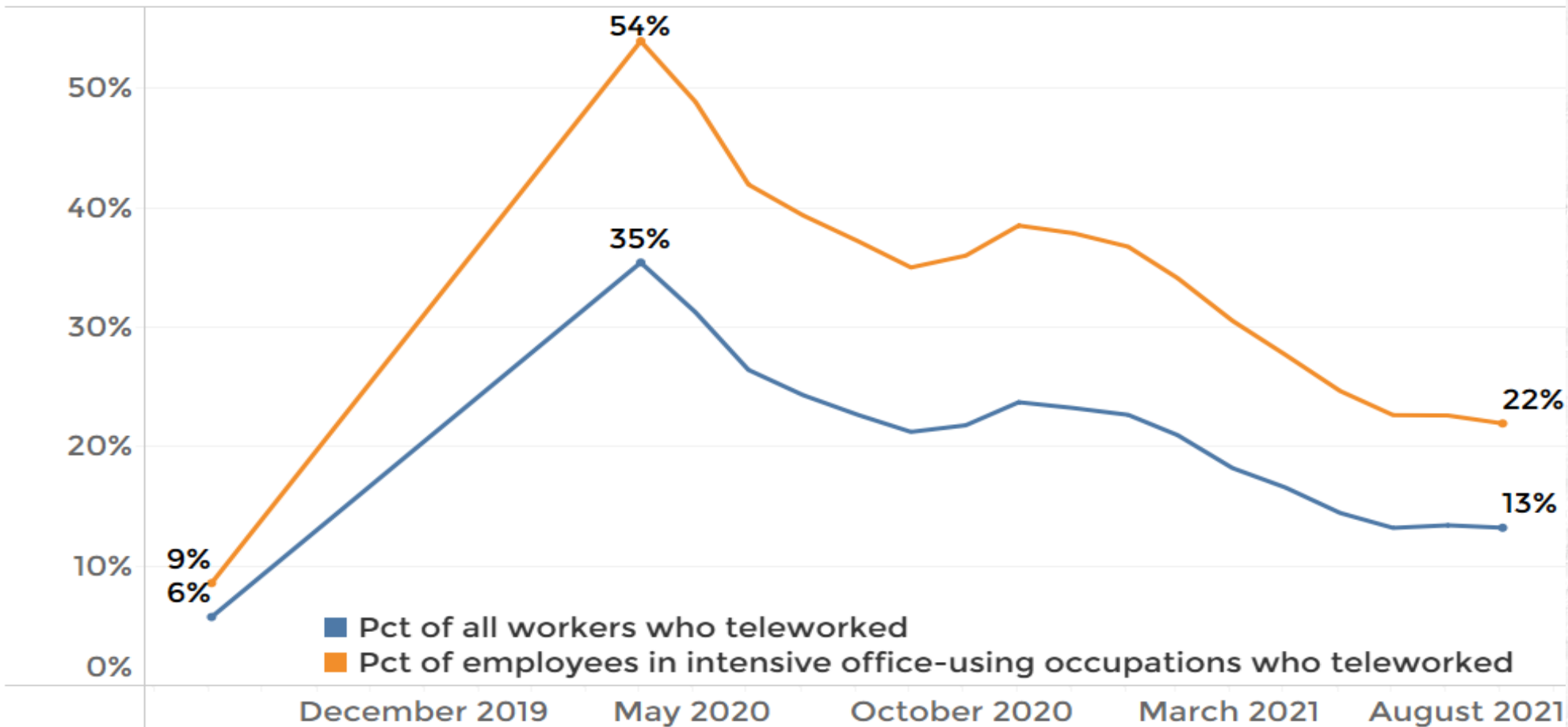
Office-using jobs are information services, finance, real estate/rental/leasing, professional & business services





# Working from home: trending down but still elevated

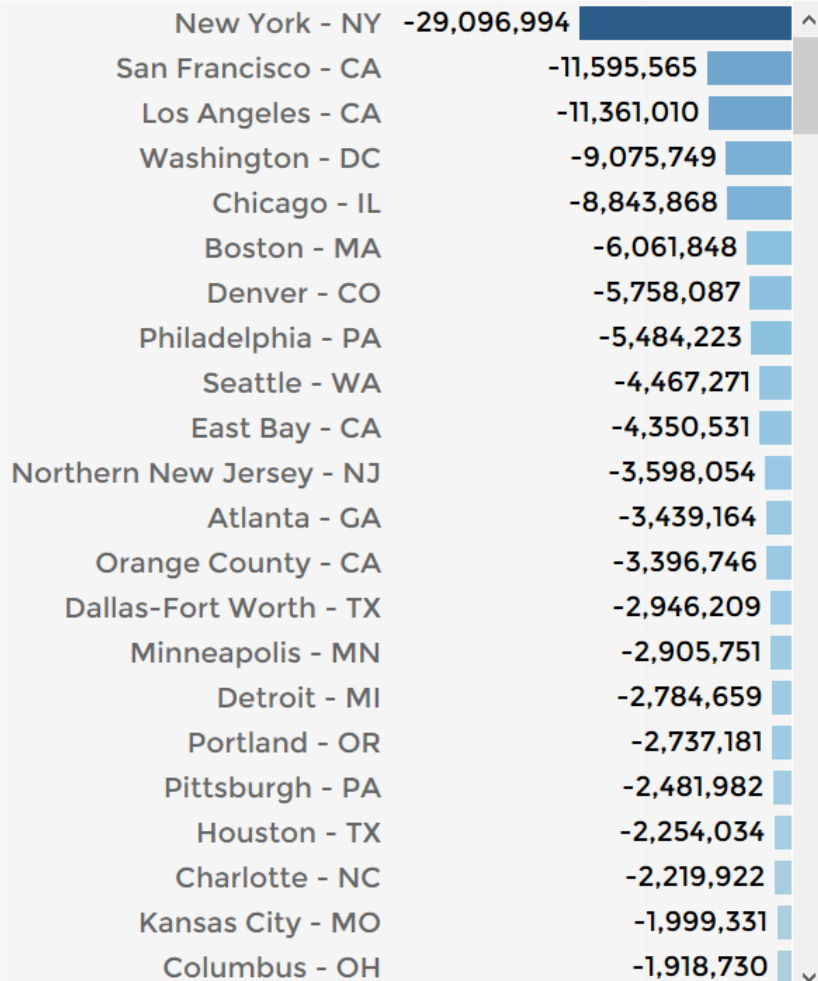
Percent of employed 16 years old and over who teleworked as of September 2021



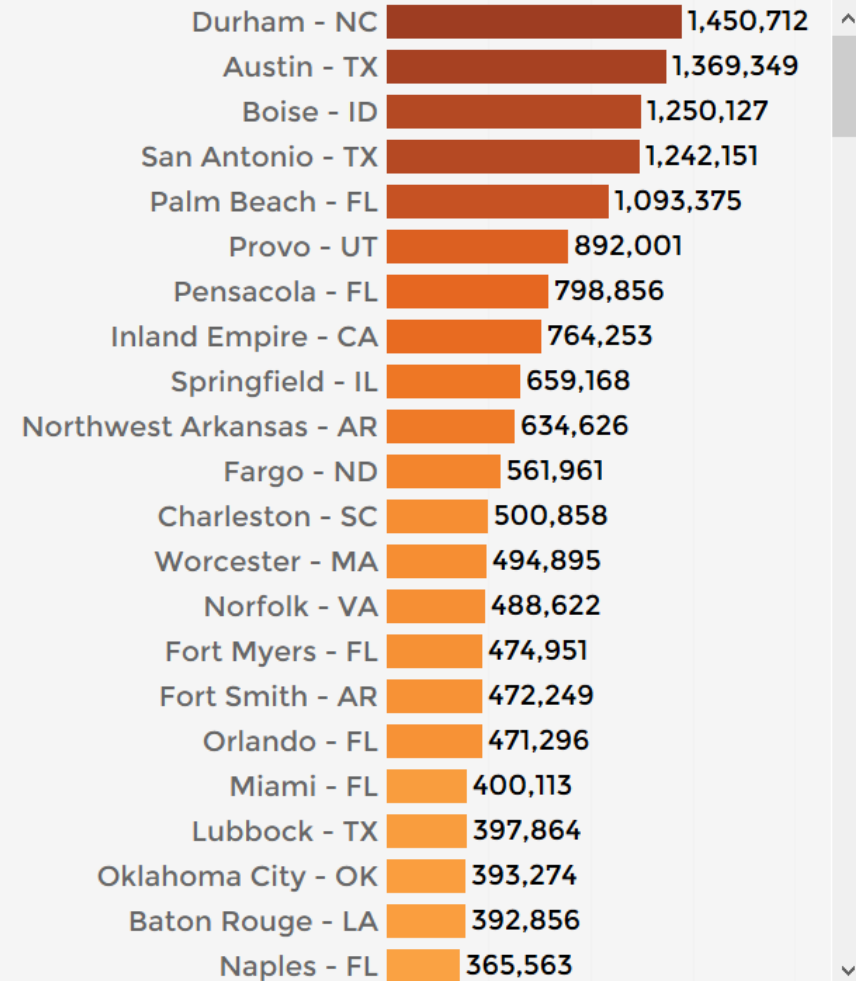
Source: Bureau of Labor Statistics COVID Supplement and 2019 American Community Survey. Office-using occupations are management, professional and related occupations and office administrative support workers.

# Gateway markets suffer largest loss in office occupancy

## Negative Net Absorption Since 2020 Q2



## Positive Net Absorption Since 2020 Q2



NAR analysis of CoStar data

# Stalled office recovery in SF, NY, Seattle, and Chicago

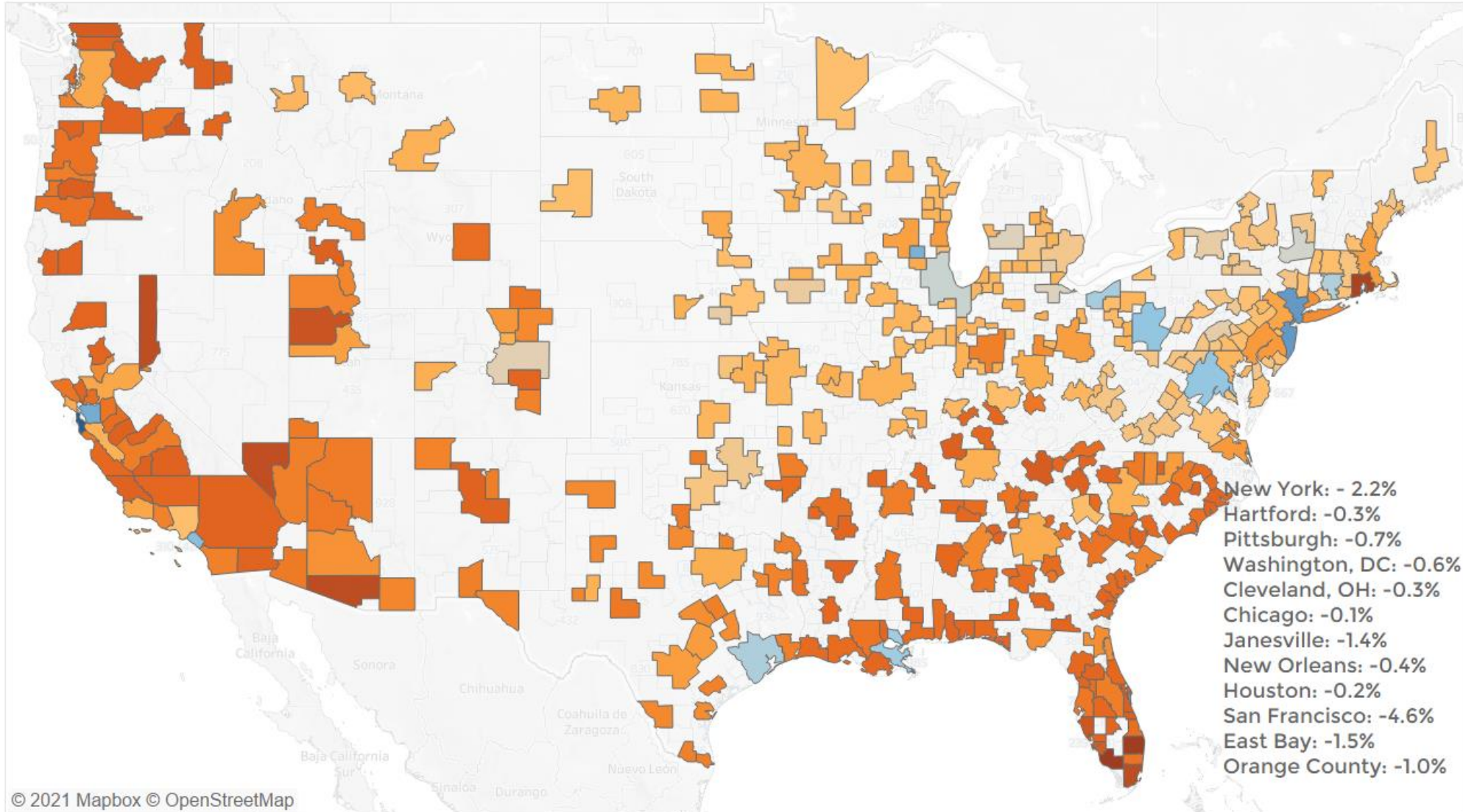
## Quarterly Net Absorption of Office Space

	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Dallas-Fort Worth - TX	3,104,694	1,382,600	2,620,580	2,993,352	-487,269	-734,292	-4,016,710	-704,974	-5,201,760	828,741	1,204,272	2,741,964
Houston - TX	577,468	-1,315,948	-864,360	1,248,570	-813,595	-2,371,356	-3,092,040	-1,738,325	-822,691	-651,220	680,268	2,584,227
San Jose - CA	-991,526	1,683,066	1,425,088	781,944	150,750	641,048	-1,958,358	-631,084	-997,522	-1,215,458	900,240	1,979,626
Washington - DC	-119,792	2,341,644	2,030,836	1,733,620	-215,952	1,873,664	-4,545,370	-3,127,420	-7,051,015	-5,821,621	-1,041,304	1,575,454
Boston - MA	657,146	1,557,724	214,100	4,323,674	-921,112	-555,362	-2,797,748	-3,904,280	-5,770,217	-200,320	-50,517	1,164,698
Northern New Jersey	868,818	-401,216	1,764,418	-1,174,164	1,800,857	-953,608	-36,580	-4,391,284	-2,580,131	218,132	-330,620	902,590
Orange County - CA	-162,070	1,068,744	139,666	-890,822	377,274	-853,893	-1,893,174	-1,712,418	-2,177,800	-656,716	-122,729	628,687
Los Angeles - CA	-2,228,338	-22,018	-1,457,762	-644,784	290,013	-2,961,006	-7,539,087	-4,314,196	-4,636,900	-1,735,744	-1,597,162	70,086
East Bay - CA	142,354	794,168	961,624	1,170,516	-184,440	-1,319,136	-2,582,299	-913,614	-2,525,071	-685,260	-496,014	-172,082
Detroit - MI	-360,242	538,786	21,514	449,452	87,528	-793,872	-2,499,956	-918,564	41,390	-529,690	-489,789	-365,728
Pittsburgh - PA	-105,040	207,704	-254,872	357,824	-708,650	-363,824	-592,520	-171,086	-1,789,056	-1,313,890	-309,698	-383,691
Charlotte - NC	965,529	2,416,298	2,137,436	-259,766	755,832	-392,536	-1,090,825	-1,318,773	-739,514	339,660	-601,098	-634,023
Philadelphia - PA	-1,190,898	868,992	664,352	-139,458	-312,856	-65,252	-2,761,202	-3,513,835	-3,466,451	-1,547,106	1,021,413	-665,809
Minneapolis - MN	59,806	379,938	-408,552	371,076	737,184	-889,555	-342,120	-1,251,471	-1,849,145	-417,501	-151,876	-806,865
Atlanta - GA	687,082	1,570,281	674,444	916,017	3,157,250	-268,719	-563,644	-3,923,026	-5,685,151	100,556	4,384,928	-860,511
Denver - CO	1,815,356	1,336,846	175,146	449,330	-851,841	-1,537,346	-2,323,191	-3,042,216	-2,842,724	-913,802	508,452	-1,347,925
Chicago - IL	-1,454,734	2,130,479	-82,494	1,092,646	124,368	-818,996	-2,329,792	-3,083,550	-1,509,906	-6,080,396	-2,130,692	-1,699,089
Seattle - WA	2,342,886	3,142,082	2,564,272	1,610,892	3,851,924	1,061,780	-1,428,680	-2,711,037	-3,875,080	-615,394	778,081	-2,134,032
New York - NY	4,357,574	5,731,902	1,096,962	4,168,172	-800,694	-185,938	-10,071,794	-15,712,556	-18,422,181	-11,961,702	2,410,408	-4,206,663
San Francisco - CA	-257,238	798,418	3,359,570	2,358,212	-964,110	-5,195,464	-3,824,850	-4,766,064	-6,509,402	838,537	529,350	-4,249,358

Source: NAR analysis of CoStar® data

# Rent declines concentrated in gateway markets

Office asking rent growth as of 2021 Q4 (October 23)

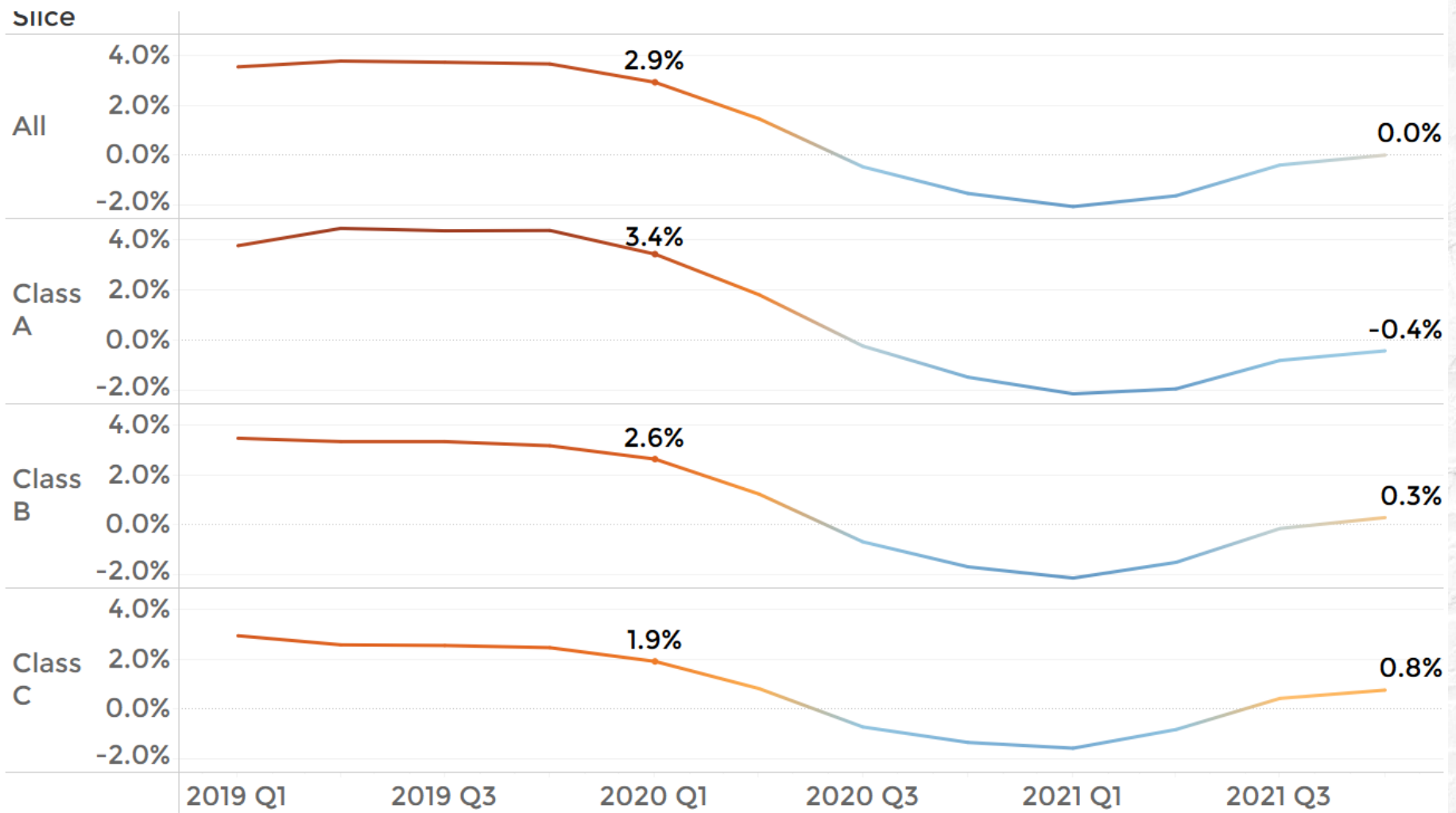


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Source: NAR analysis of CoStar data

# Rents recovering faster for Class B/C than Class A

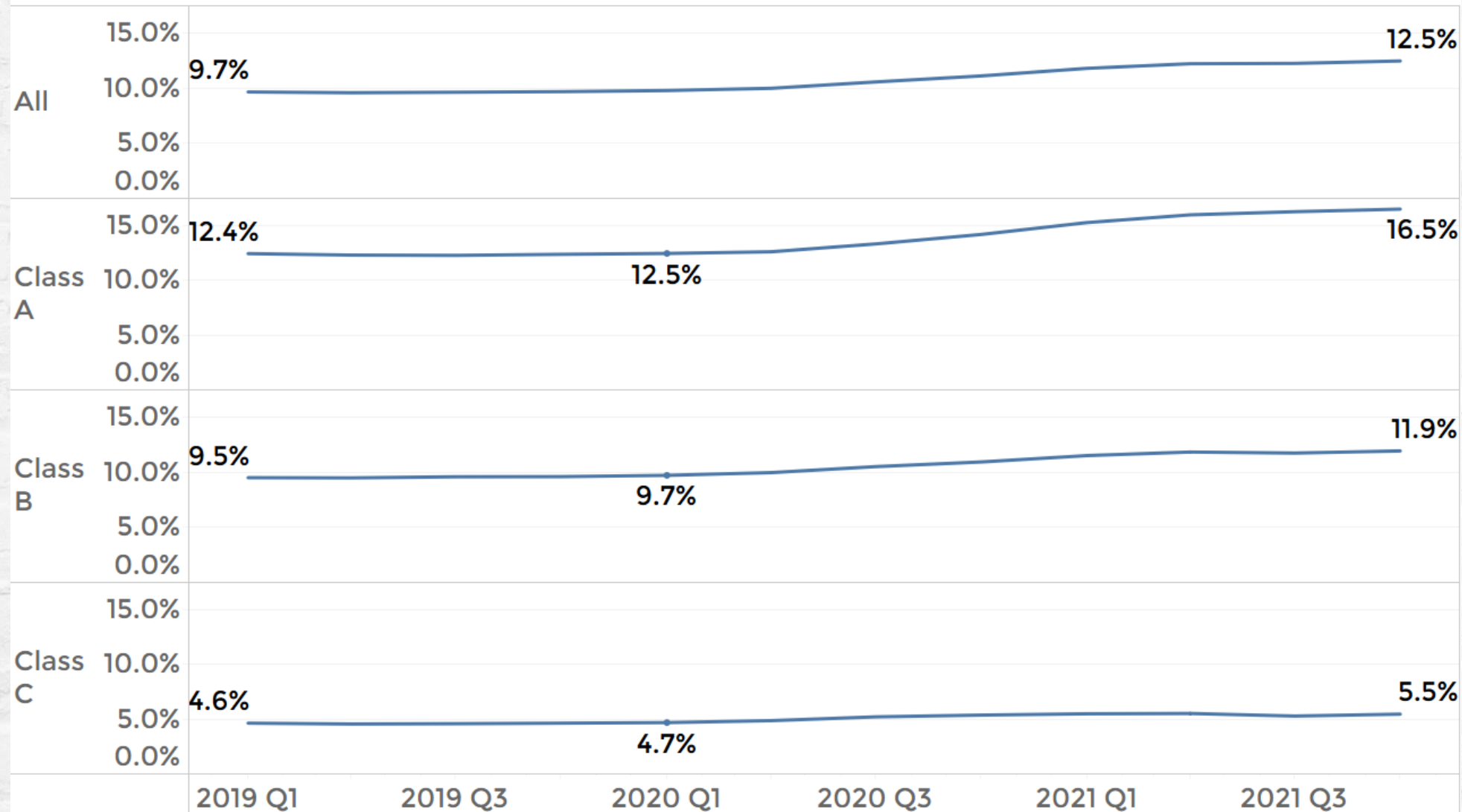
Y/Y percent change in asking rent by class of office space during 2019 Q1 to 2021 Q4



Source: NAR analysis of CoStar data

# Vacancy rates highest for Class A and lowest for Class C

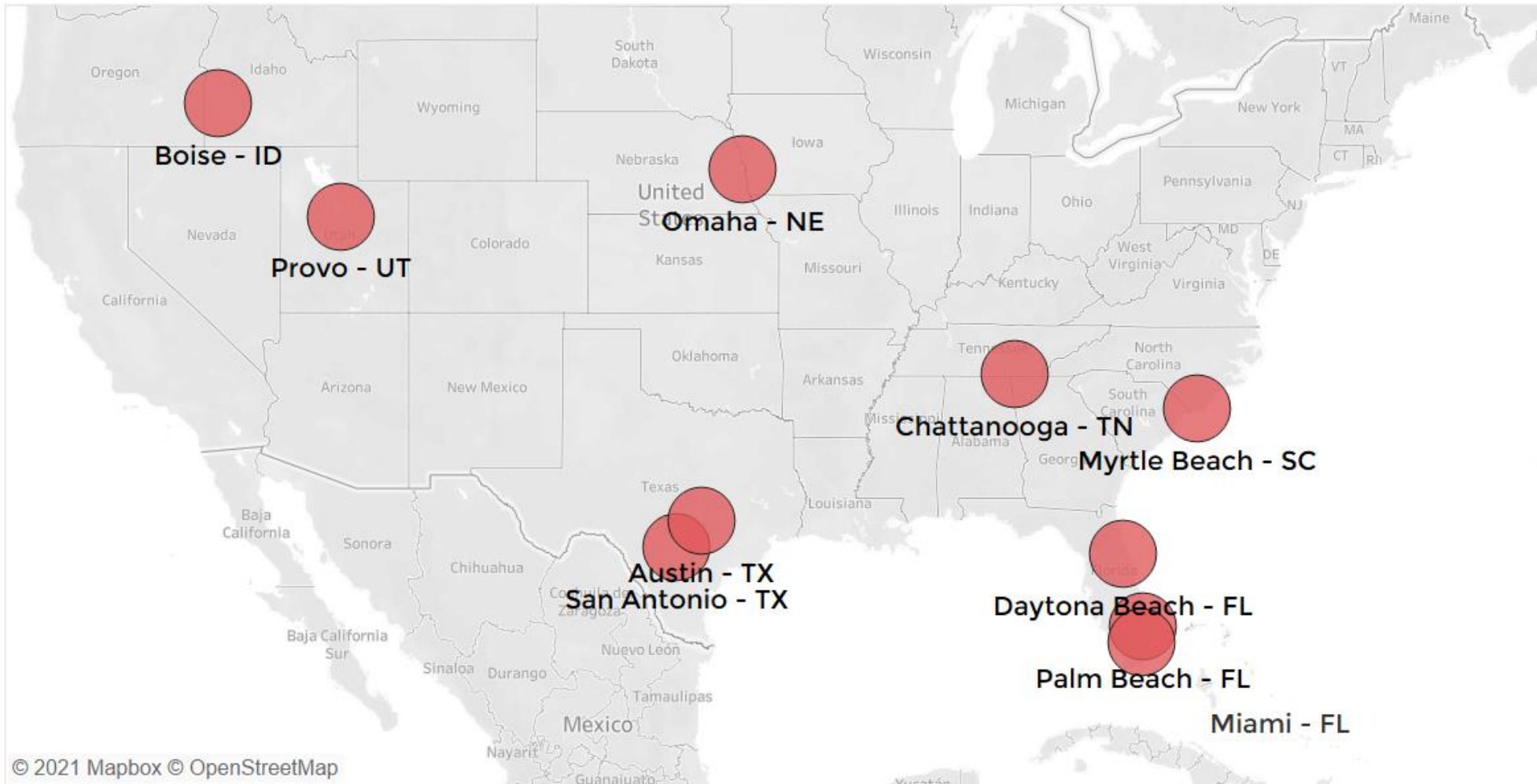
Vacancy rate by class during 2019 Q1 to 2021 Q4



Source: NAR analysis of CoStar data

# Top Office Markets as of 2021 Q3

## Top 10 Office Markets as of 2021 Q3



© 2021 Mapbox © OpenStreetMap

Source: NAR Commercial Real Estate Metro Market Reports



# Retail and Industrial Market

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conference.realtor

November 11, 2021 | 1:00 - 3:00 pm PT

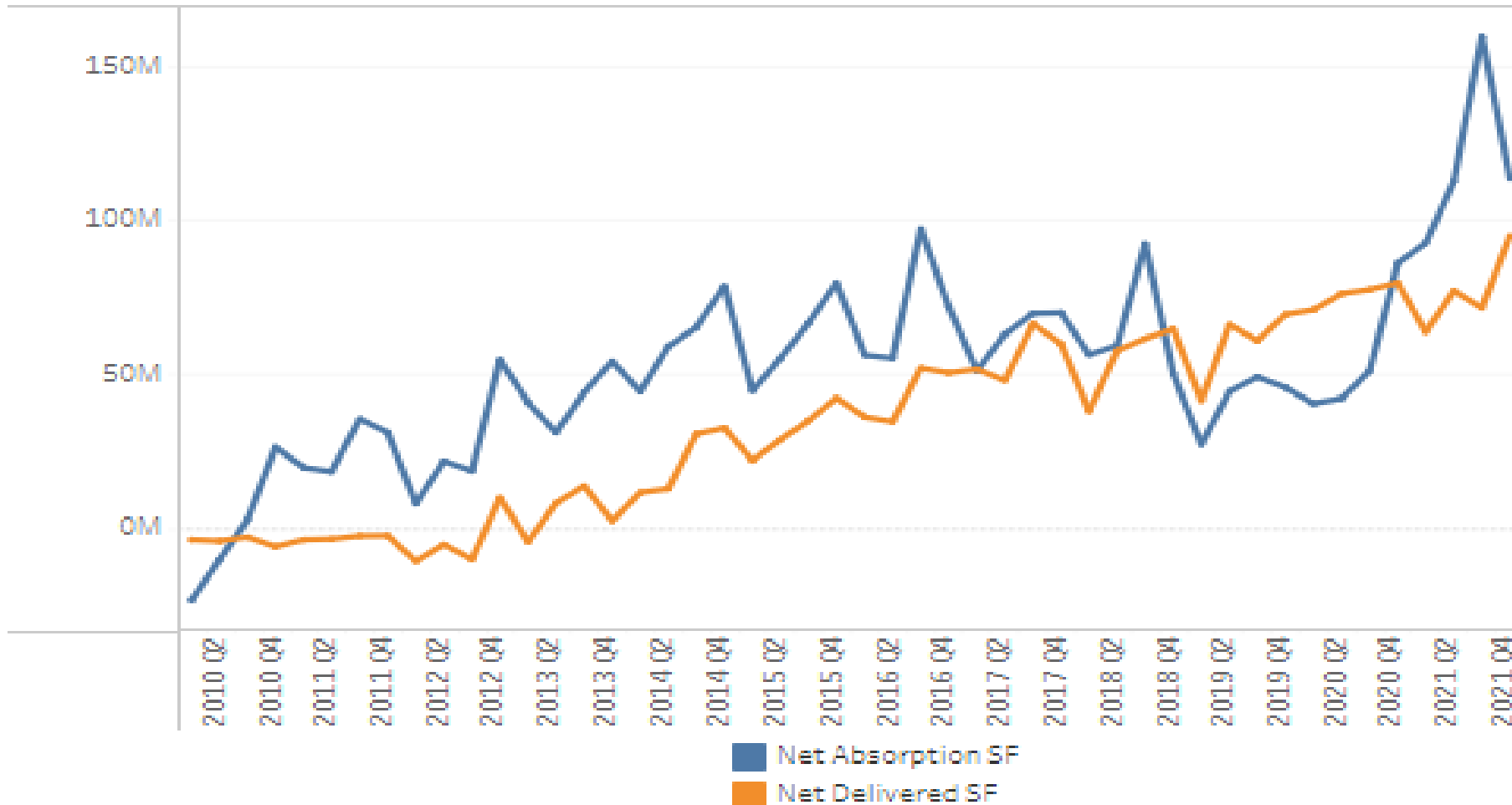


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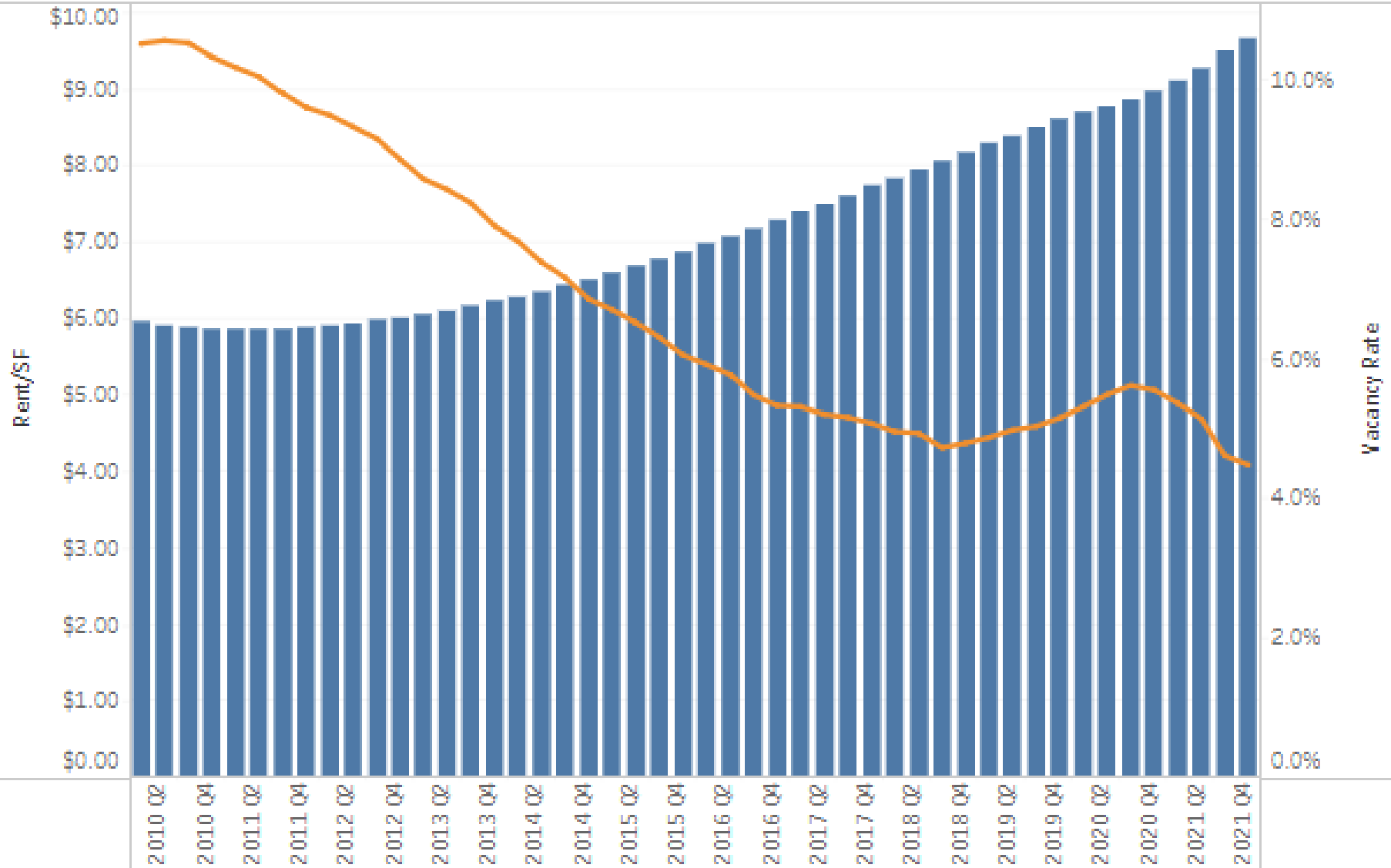
# Record-high absorption and net deliveries of industrial space

Industrial Net Absorption and Net Deliveries as of October 27, 2021



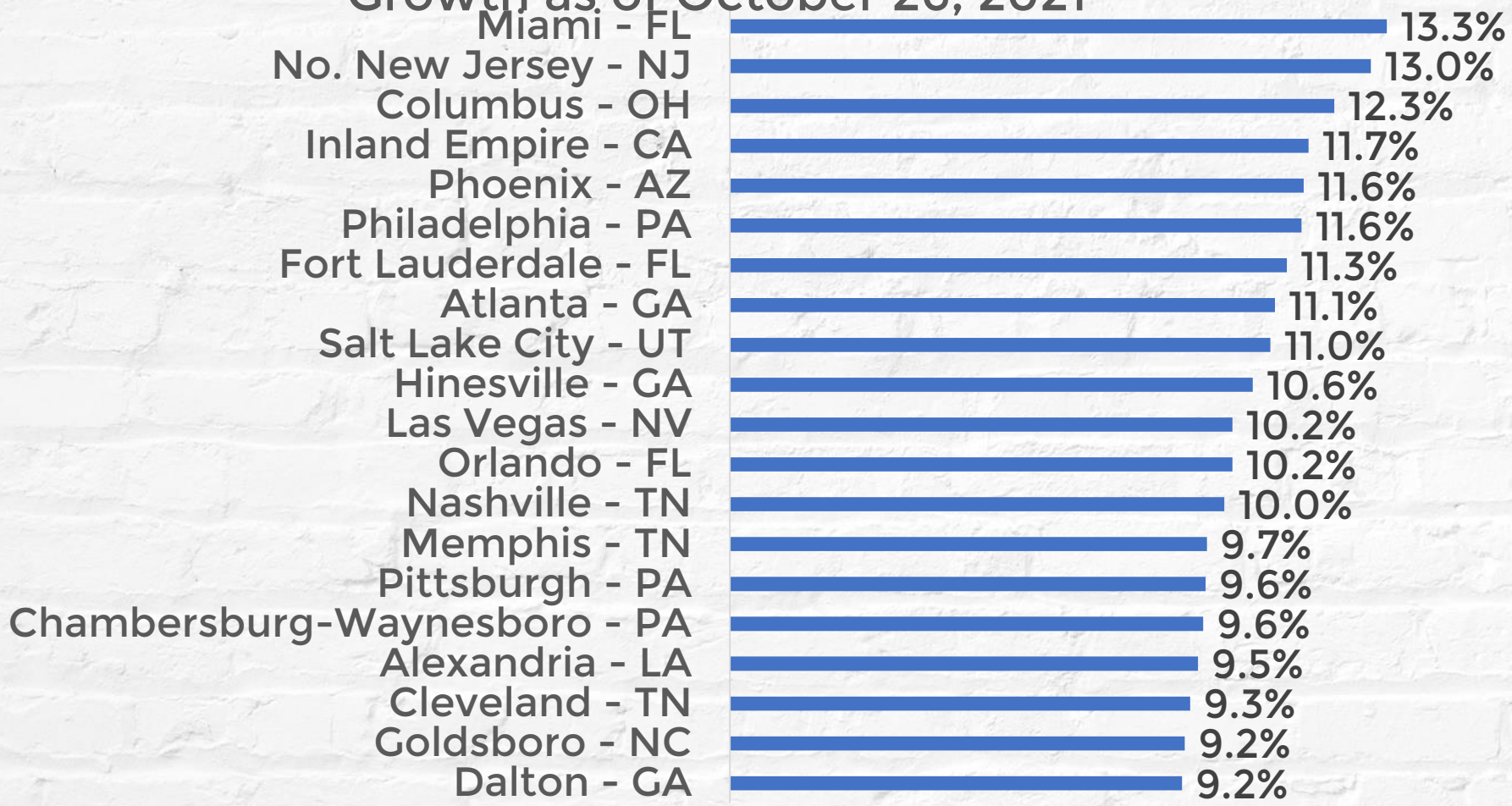
# Record-high rent growth and record low vacancy rate

Industrial Asking Rents and Vacancy as of October 27, 2021



# Metros with highest rent growth as of October 2021

## Metros with Highest Year-over-Year Asking Rent Growth as of October 26, 2021

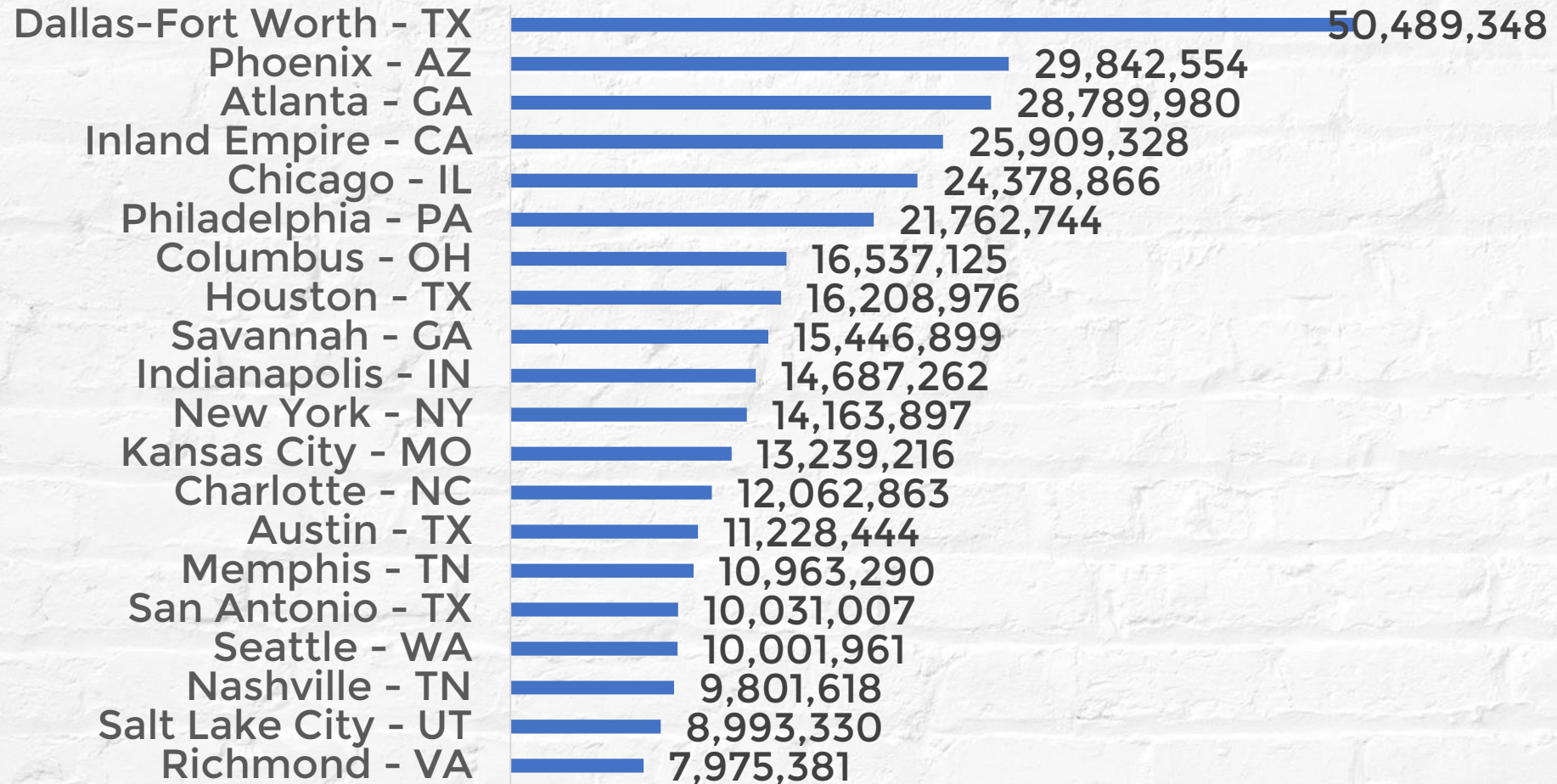


Source: NAR analysis of CoStar data



# Industrial space under construction

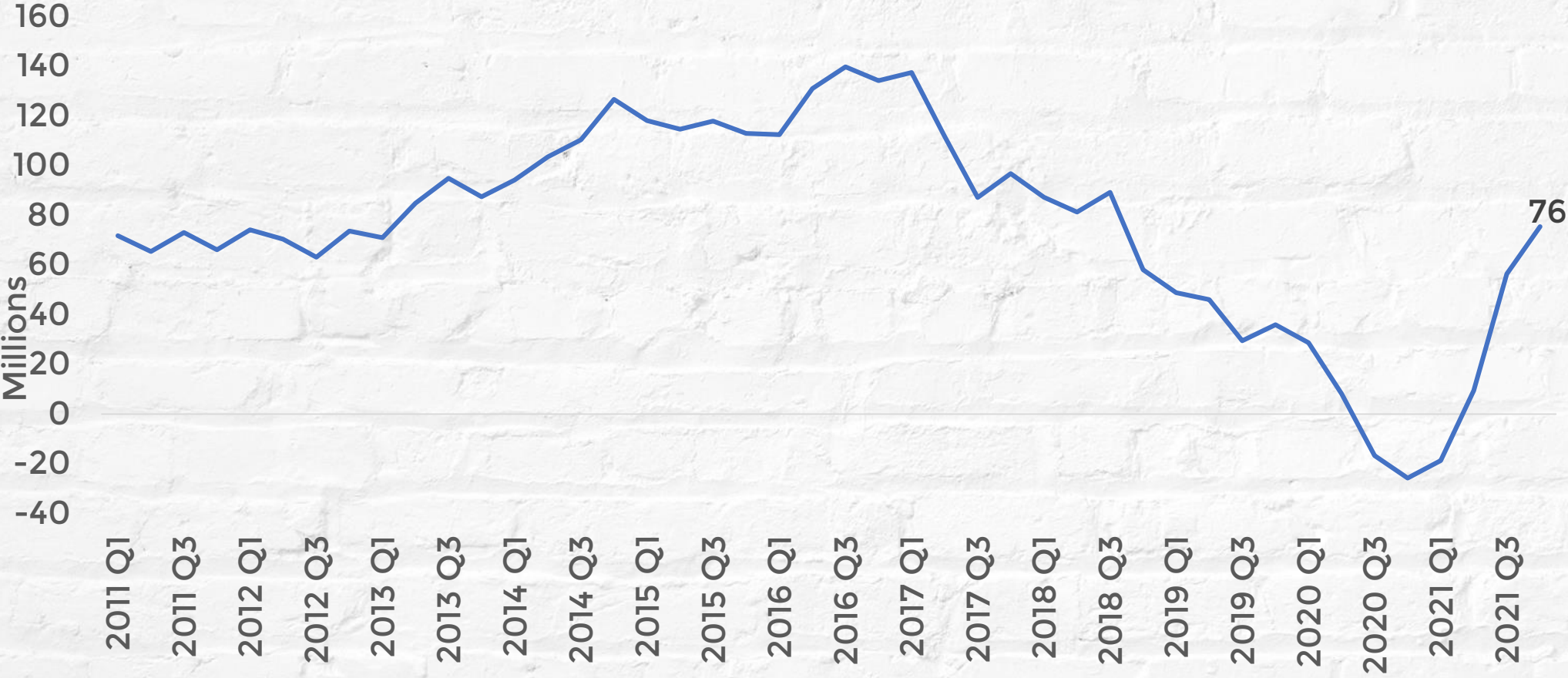
## Industrial Space Under Construction as of Q3 2021



Source: NAR analysis of CoStar data

# Rising demand for brick-and-mortars

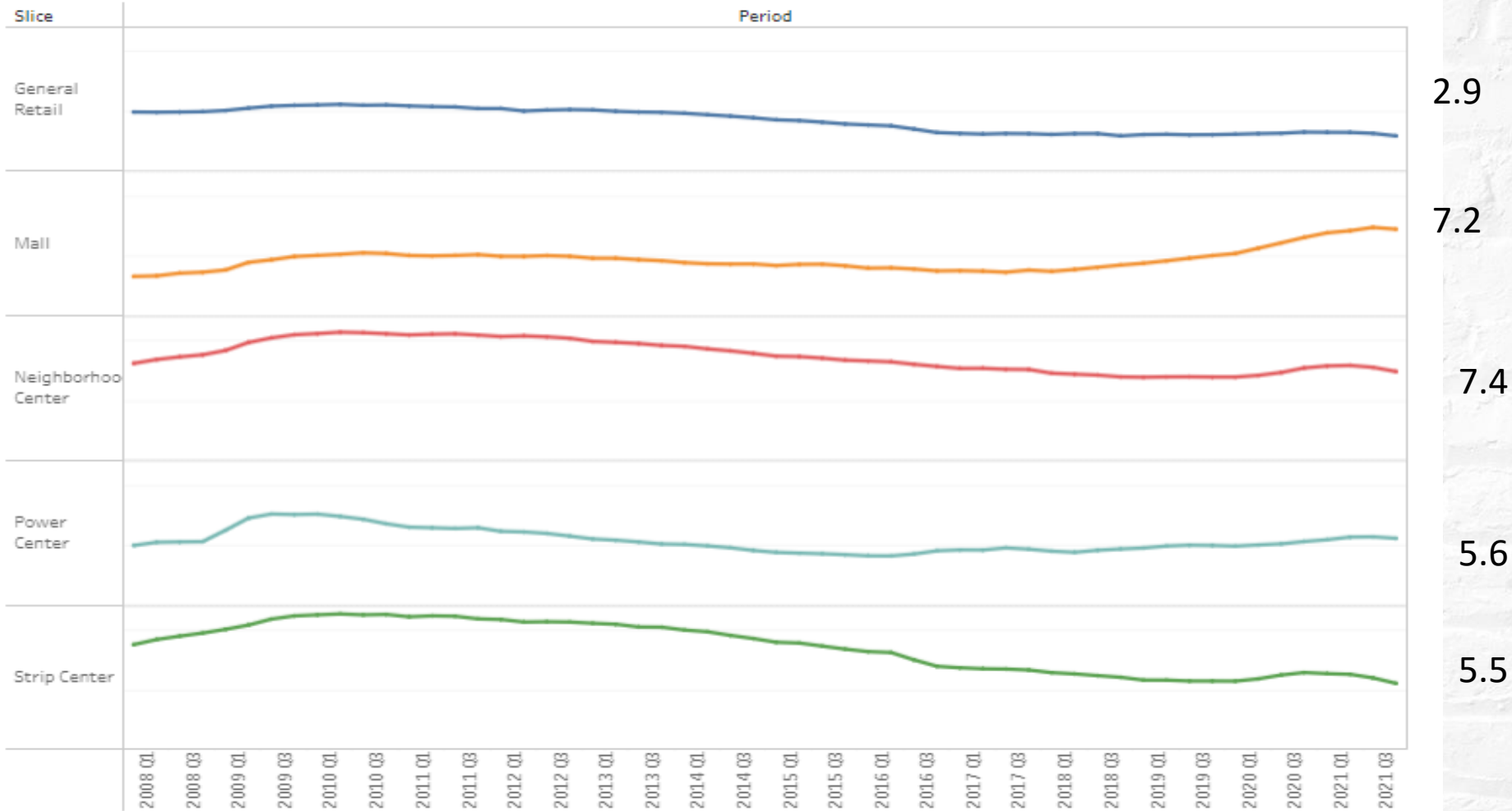
12-Month Net Absorption of Retail Space



Source: NAR analysis of CoStar data

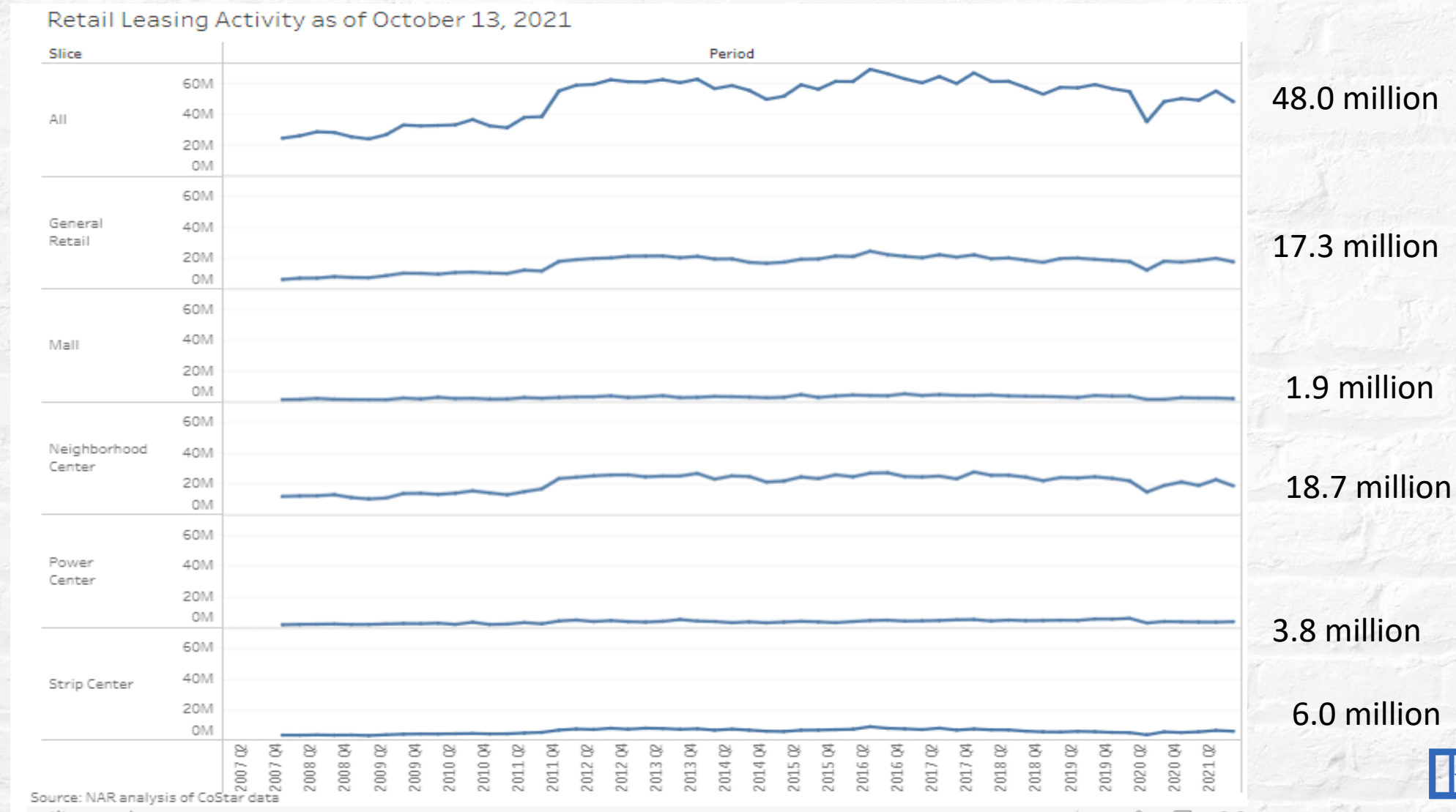
# Lowest vacancy rates for general retail, highest vacancy rates for malls

Retail Vacancy Rate by Property Type



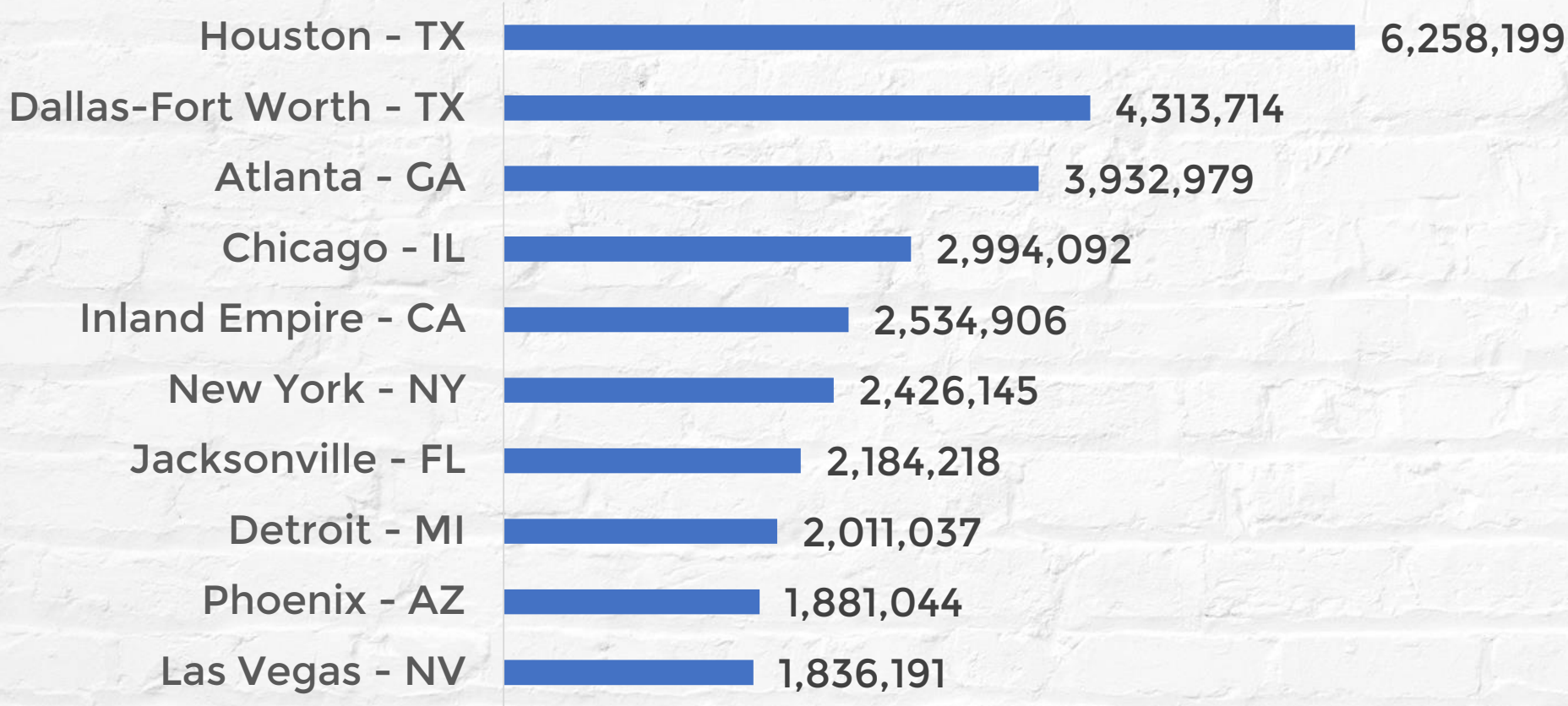
Source: NAR analysis of CoStar data

# Highest leasing activity for neighborhood centers and general retail



# Metro areas with highest retail space absorption

Retail Markets by 12-Month Net Absorption as of October 26, 2021



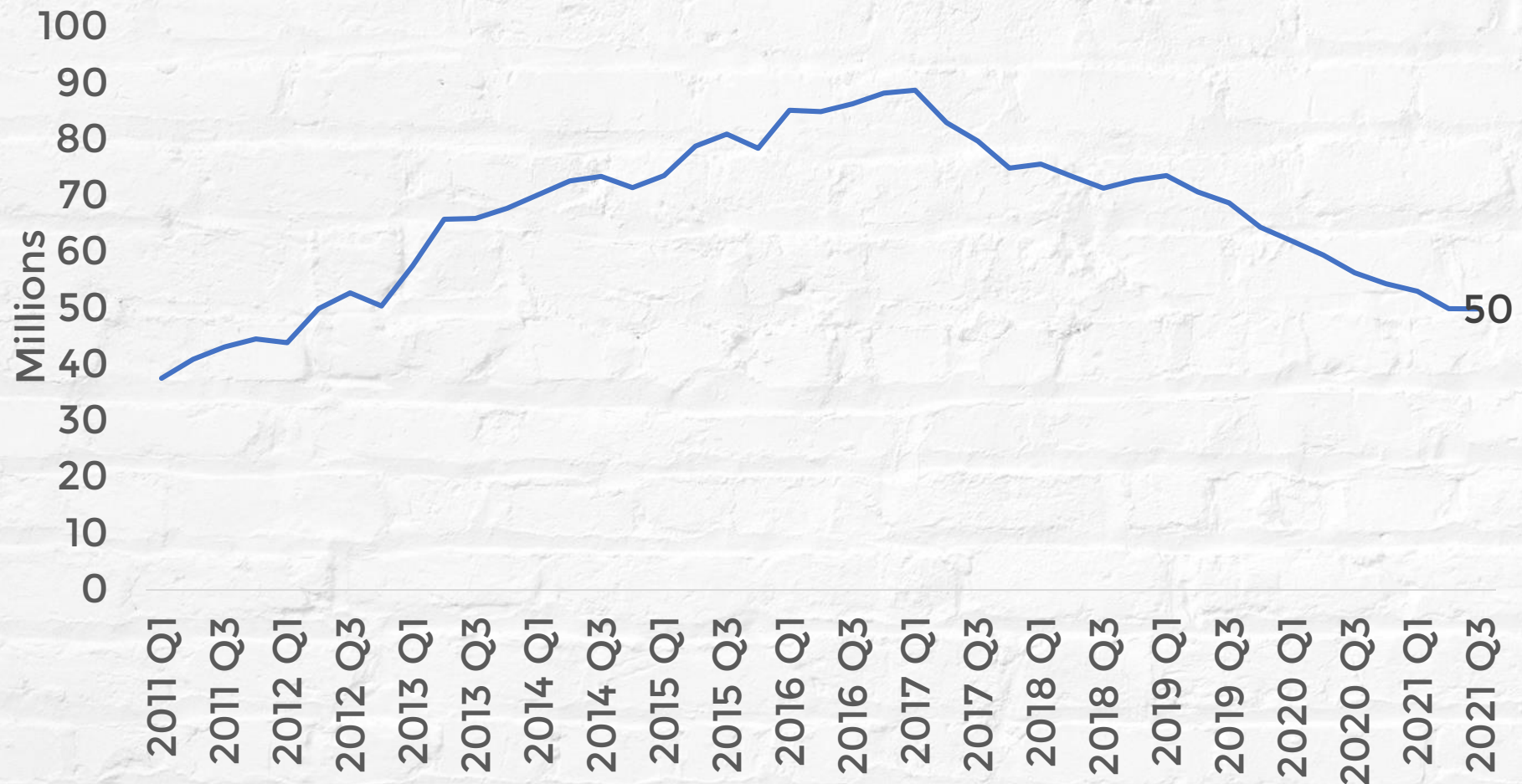
Source: NAR analysis of CoStar data





# But retail space construction is still on the decline

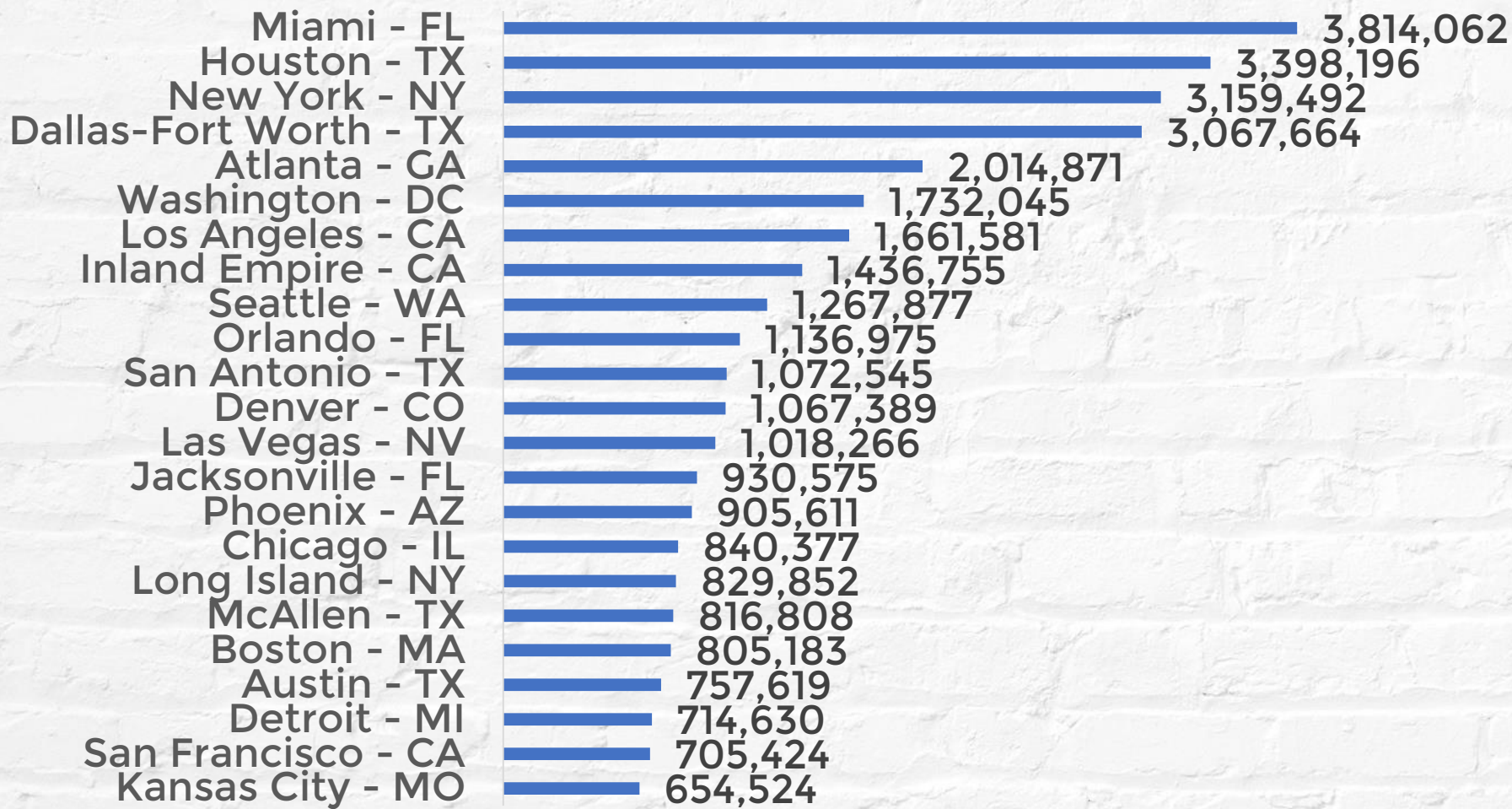
Retail Space Under Construction as of Q3 2021



Source: NAR analysis of CoStar data

# Metro areas with highest retail space under construction

Retail Space Under Construction as of Q3 2021



Source: NAR analysis of CoStar data



**Thank You**

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