

Nov. 12-15, 2021 San Diego

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NAR Commercial Research Update

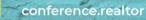
Gay Cororaton

Senior Economist, Director of Housing Research Brandon Hardin

Research Economist

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





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NAR Research Commercial Research Products

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2021 Commercial Real Estate Metro Market Reports Q3 2021

National Association of REALTORS® Research Group





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November 01-04

Weekly Real Estate Monitor Residential and Commercial Markets

2021

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

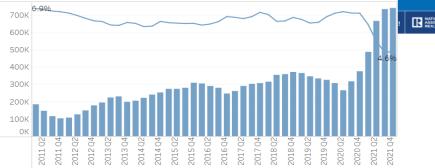
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October 21, 2021 🖉 Commercial & Investment Real Estate, Rental Properties By: Scholastica (Gay) Cororato

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

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 failen to 4.6% (6.6% in 2020 Q2) and the multifamily median asking rent is up 11.4% year-over-year (16% in 2020 Q2).

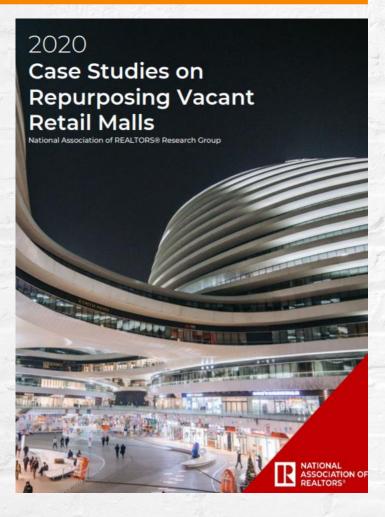
12-Month Net Absorption of Multifamily Units and Y/Y Percent Asking Rent Growth as of 2021 Q4 (October 19)



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



2021 Case Studies on Repurposing Hotels/Motels into Multifamily Housing

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National Association of REALTORS® Research Group 2021 Analysis and Case Studies on Office-to-Housing Conversions

National Association of REALTORS® Research Group November 2021





Commercial Real Estate Metro Market Reports

NAR Commercial Real Estate Metro Market Report | 2021.Q3 Dallas-Fort Worth-Arlington, TX

The Dallas-Port Worth-Anington, TX commercial real estate market is about the same compared to the overall U.S. market. NAR Commercial Real Estate Market Conditions Index" 50.0

Overall economic conditions are stronger than nationally. The office property market is about the same than nationally. The office property market is stronger than nationally. The industrial property market is stronger than nationally. The nate/industry process weather than nationally.

Nationally, the multifemity and industrial property markats are experiencing phenomenal growth. Apartment absorption and rents are at a decade high, with asking rents up 10.5% in 2010 Q5 form one year ago and the vecancy rate at 4.5%. Industrial rents are up 7.2% and the vecancy rate is at 6.5%. Recovery is allowest in the office sector, with a moderst pacifive net absorption over the past 12 ments, elevated vecancy rate of 12.2%, and helf a percent decline in rank growth on average. The retail property market experienced a net increase in occupancy and rank growth of 2% with low vecancy rate of 4.7%. Jobs continue to be gained in the hotel and hospitality sector although there are still fever jobs now compared to the pre-parotemic level.

Dowload the monthly Commercial Market insights Report at https://www.nar.realitor/commercial-market-insights

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	Industry	Vientrückgeen, T			**		
freeenit	MARK OR CRAFT	2001.02	1010.08	Juil 44 (Jug)	3485.44	1010.04	
Texa i sussefuent employments (1998)	1.018	8,788	8,610	1.14.404	110,000	111.414	
Yoy shalls nandarm asynall amalaymans (1998)	147	84.5	(144)	4.134	8,677		
V/V & stg. in maniator paceral ampleyments	8.04	6.0%	16.006	6.100	6.015	-6.016	last standard in stranger shart mediately
Unample prant taxe (%)	8.14	6.0%	7.14	6.14	5.0%	7.8%	dimension many new is invertelant replacely.
Anarage meetly mages	45,345	41.137	45,040	45,548	41,084	45,897	
Viete pressit, premieren year	0.816	7.04	8.04	6.846	1.04	6.0%	Negas are rising (sear stee renterely
(Many and as a) (assuments) a) the events)							
	2014	20124	344.7	1414	2004	back?	
ABP grawni (N)	1.74	8.0%	8.816	1.800	5.8%	5.0%	
Maalan Nevesheld Incense	475,348	440,110	447,545	647,070	444,458	445,346	
diamageaph's	3004	1014	2014	1480	3004	2014	
Nex demonds migration (\$888)	84.0	18.5	106.0				Area is aspectorality can demonstrate in migrander
Pagevierier (1998)	7,885	7,874	7,088	101,044	110,110	104,484	and the second sec
Pepulation grawitr (N)	1.88%	1.47%	1.48%	0.08%	0.004	0.004	Pepulatian is grawing Jawar stars reviewelly
II. Ma Mfawily							
Bamand Indianani	best da	3485.43	1010-08	1001-08	3486.44	3454 64	
Verantay rene	8.7%	7.04L	8.851	147.874	1.04	100.000	The area has a higher cesarroy case shee resclarally
linespelar, al' université querter	44,744			748,797	440,451	107,000	a construction of the second se
Advangedant of vehicular pass 12 manufus		54,479	10,000				The area has a factor pass of allowyorker of an evaluation
Markey exhing remover unit	65,145	41,550	45,354	41,014	12,183	0.04	
Martine and ing remover unit, says 16 and		6.36					
Effective reno per units	65,846	41,537	\$5,885	45,917	45,108	41,540	
Effective rem per with, p/p bi sing	18.5%	10.74	18.04	11.4%	7.74	-0.04	Name are ching Jacan dan nationally
Nerro as a partners of Digensen annual unge inserne	18.5%	18.0%	18-014	14.1%	18.04	18.34	The rest on insertio to incorrelate numbers by
Early Indexes							
disparie incloance		179,140	716,245	17,450,000	12/210.010	12,483,484	
Non-delivered only in pass 11 marshs	745,075	10,175	10,000	147,814	400,484	445,785	And the second second second second second second
Nex delivered while, as is af investory	10,010	6.4%	1.00	1.100	1.04	1.04	Anianitally many units are liably defined than neclarally
Units under sense units,	14,414	14,716	18,020	811,880	446,006	440,117	
	1.04	6.74	8.14	141	1.05	115,484	Construction and the human data and see the
Units sector concentration, as Must be entry. Demonstration which is well including paramite	10.775	14,800	18,081	101,140	488,418	100,000	Conservation and the is observation nucleonity
Downey was all building service	78,318	78,440	10,040	1.071.000	1.410,844	1,101,479	A little couple on an itig of a second second
	1.7			17	1.0		Building parents are new rising as (see as renterally
Aurille of John or second on party in:	17	1.0	(8.4)	8.7		(4.4)	
(we of feature even in the manufaction granter)							
diatas una nueverferra							
Tere (however, any children (in william d)	4011-0	41,146.0	4177.8	101,000.0	414,976.8	450,850.7	dates menancless are not thing as fee than restantly
Transassian sales price per unit	4818,785	4171,841	4187,000	6367,887	4171,444	41.012,0000	Police are rising (been necknally
Cap rece	8.416	6.24	4.014	6.18	6.04	6.24	Cap rates are higher than nationally
IL Offer							
diamand Indianany	10111-04	3441-63	1010.04	2002.08	3485.448	3454 64	
Versity rese	17.4%	10.04	14.04	13.14	17.74	18.04	The area has a higher casaroy case shan reclaratly
description in up to ever the querter	481,041	\$24,584	(\$1881,886)	4,000,000	(18,979,889)	(\$4,445,448)	
Admenysters in option event 12 metroles	0.007,000	(4,448,857)	(5,375,884)	04.044(014)	(118,245,004)	(37,784,875)	The area has a lawar pass of allowyorks that resilinally
Andring rooms part on the	44-0	417.4	407.4	(88.4)	494.8	484.8	
Jaking rans graunk, s/p bi akg.	0.114	-6.34	6.4%	-6.146	-6.69	-0.04	Annu are ching (asser than neclanally
beening earlying in again.	8,487,441	1,110,110	6,000,000	14,144,048	18,819,718	63,853,786	Leaving values is rising (sever size rankersity
V/V shg.te gendinasional/invalvene services. Jaine (1998)		64	(84)	1,528	1,346	(6,846)	The area has shown pass of affine jak crossiles than sectors
(we will be an a set of a bit of manufactory) that generate (
departy instruments							
incompany in ag. h.	400,418,478	100,100,000	101,015,081	4,500,001,004	8,208,208,005	4,283,085,284	
Recidely and ever 12 marsha, in up.6.	1,078,000	4,447,547	6,756,545	84,345,384	60,275,264	84,048,795	Anianizary prover only are being definered of an ranker will
Nex delivered unles, as N of Invensory	1.1.4	1.34	LIN	£.7%	0.74	0.74	
Under senses eden in og h	7,548,848	7,834,885	7,840,785	140,041,144	110,010,000	100,000,076	And the second se
Grain concernation, as blief inventory	1.816	1.4%	1.014	1.7%	1.416	1.05	Conservation and the is more reduce of an excloratily
datas managembers							
Tere i bransmans ang dablana (in million 4)	1216.0	4104.7	100.2	104,012,0	415,477.5	410,497,8	fains memorylane are new thing as feer them readerably
Thanappelan sale price per ca.h.	41.00	4141	4145	1010	4104	4000	Polan and har chiles as fair sizes randomily
Geo vero	7.8%	6.0 %	7.04	44%	7.04	7.24	Cap rates are higher than earlierally
	1.8%		1.04		1.04	1.04	and any second second second

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.



II Multifamily

ll. Multifamily							
Demand indicators	2021 Q3	2021 Q2	2020 Q3	2021 Q3	2021 Q2	2020 Q3	
Vacancy rate	3.8%	4.4%	8.1%	4.5%	5.1%	6.7%	The area has a lower vacancy rate than nationally
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	The area has a faster pace of absorption than nationally
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	
Effective rent per unit, y/y % chg	16.6%	10.5%	-2.1%	11.6%	7.7%	-0.5%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	22.0%	21.7%	20.2%	16.4%	16.0%	15.2%	The rent to income ratio is higher than nationally
							- /
Supply indicators							
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	Relatively more units are being delived than nationally
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%	441,856	Construction activity is more robust than nationally
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	Building permits are not rising as fast as nationally
Ratio of jobs created to permits	2.8	2.0	(5.3)	3.7	4.9	(6.9)	
(as of latest available month of the quarter)			()			()	
Sales transactions							
Total investment acquisitions (in million \$)	\$827.1	\$824.5	\$147.8	\$48,626.8	\$46,376.3	\$22,521.7	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$273,333	\$203,988	\$207,896	\$207,897	\$171,888	\$152,993	Prices are not rising as fast than nationally
Cap rate	5.1%	5.7%	6.7%	5.4%	5.6%	6.1%	Cap rates are lower than nationally
III. Office							
Demand indicators	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%	The area has a lower vacancy rate than nationally
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)	The area has a lower pace of absorption than nationally
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%	Rents are rising faster than nationally
Leasing activity in sq.ft.	1,353,178	1,403,686	1,135,758	78,449,602	79,370,748	62,922,798	Leasing volume is not rising as fast than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	18	19	(9)	1,115	1,235	(1,303)	The area has slower pace of office job creation than nationally
Supply indicators							
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	Relatively more units are being delived than nationally
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%	Construction activity is more robust than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$955.3	\$915.2	\$316.9	\$26,511.3	\$21,877.1	\$11,827.5	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$398	\$256	\$342	\$320	\$258	\$233	Prices are not rising as fast than nationally
Cap rate	6.1%	6.9%	6.3%	6.9%	7.2%	7.2%	Cap rates are lower than nationally

Miami-Miami Beach-Kendall, FL





Nov. 12-15, 2021 San Diego

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Multifamily and Office Market

Gay Cororaton

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@NARannual



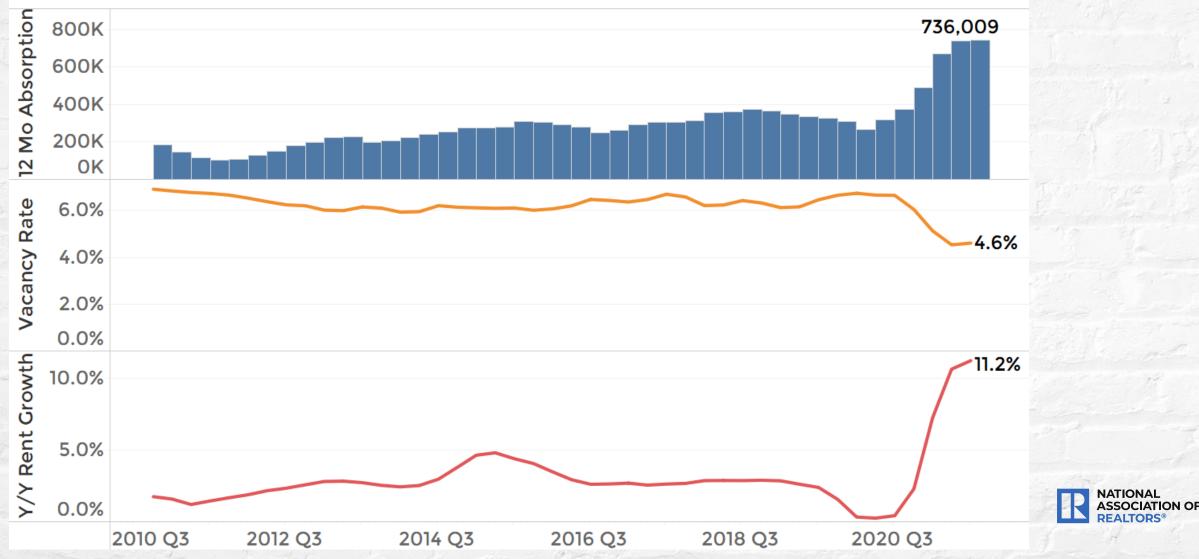
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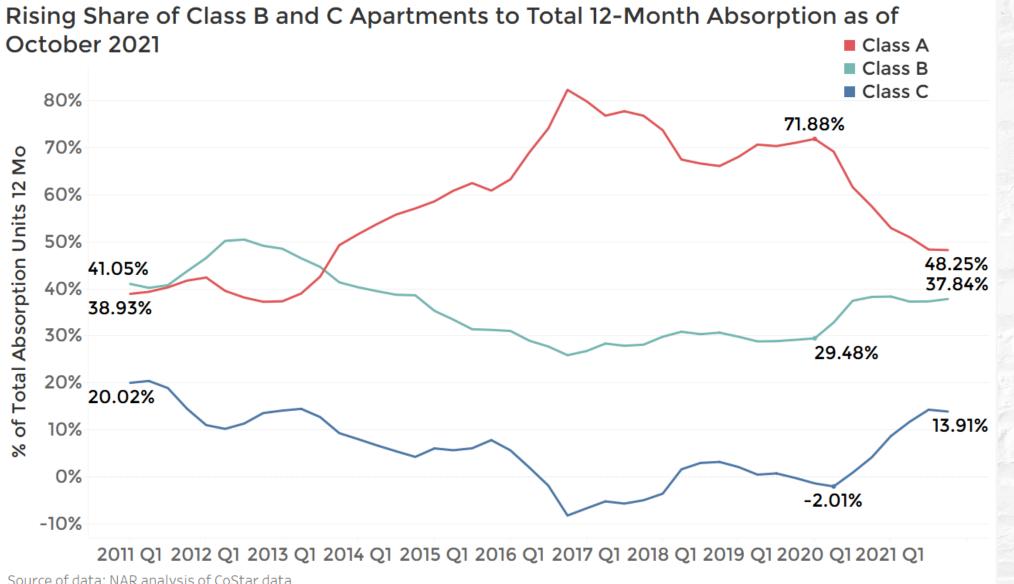
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Decade-high apartment demand and rent growth

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



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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)

Dallas-Fort Worth - TX		47,977	6.1%
Houston - TX		38,687	5.9%
New York - NY	3	7,205	-2.6%
Los Angeles - CA	32,22	21	
Washington - DC	24,017		— 4.5%
Austin - TX	20,821		8.4%
Chicago - IL	20,652		— 4.0%
Atlanta - GA	19,833		— 4.2%
Seattle - WA	19,179		— 5.3%
Boston - MA	16,431		6.6%
Orlando - FL	15,866		8.5%
Phoenix - AZ	15,698		— 4.5%
Denver - CO	13,896		—— 5.2%
Charlotte - NC	13,496		6.9%
Philadelphia - PA	13,111		— 4.0%
Miami - FL	12,930		7.5%
Minneapolis - MN	12,796		— 5.2%
San Antonio - TX	11,483		—— 5.8%
Portland - OR	10,980		— 5.2%
Nashville - TN	10,468		— 7.4%
Tampa - FL	10,403		—— 5.1%
San Francisco - CA	9,973		—— 5.7%
San Diego - CA	9,340		— 3.5%
Kansas City - MO	8,879		5.5%
San Jose - CA	8,333		5.5%
Columbus - OH	8,328		



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	

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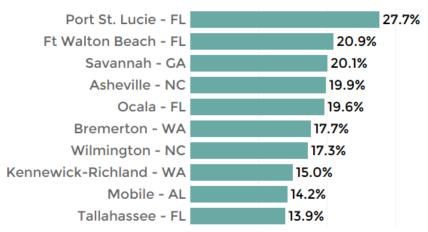
Strong apartment rent growth in Sunbelt markets

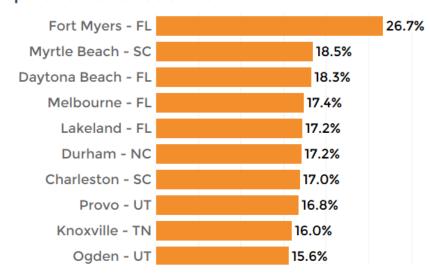
Y/Y Asking Rent Growth as of 2021 Q4 (October 30) Population Over 500K to 1M

Tampa - FL 25.3% Orlando - FL 24.4% Las Vegas - NV 22.8% Phoenix - AZ 21.7% Jacksonville - FL 21.5% Austin - TX 21.1% Fort Lauderdale - FL 20.8% 20.1% Raleigh - NC 19.5% Atlanta - GA Orange County - CA 18.2%

Population Over 250K to 500K

Population Over 1M





Population of 250K or Less





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Where are builders bullish? (Sunbelt and Mountain)

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

New York - NY		57,983	4.0% 5.9%	
Washington - DC				
Dallas-Fort Worth - TX			— 3.4%	
Los Angeles - CA			2.7%	
Phoenix - AZ	24,888		7.3%	
Austin - TX	21,698		8.9%	
Seattle - WA	21,025		5.9%	
Nashville - TN	19,525		14.3%	
Houston - TX	19,477		— 3.0%	
Denver - CO	19,147		7.3%	
Atlanta - GA	18,420		— 3.9%	
Miami - FL	14,335		8.4%	
Boston - MA	12,683		5.2%	
Orlando - FL	12,648		6.8%	
Minneapolis - MN	12,559		5.2%	
Charlotte - NC	11,283		5.9%	
Philadelphia - PA	11,101		— 3.4%	
Northern New Jersey - NJ	9,034		6.2%	
Tampa - FL	8,137		— 4.0%	
Chicago - IL	8,050		= 1.6%	
San Diego - CA	7,519		— 2.8%	
Orange County - CA	7,513		— 3.1%	
East Bay - CA	7,362		— 4.1%	
Fort Lauderdale - FL	7,277		5.8%	
San Antonio - TX	7,151		— 3.7%	
Kansas City - MO	6,877		4.3%	
Salt Lake City - UT	6,780		8.7%	
Las Vegas - NV	6,585		— 3.8%	
Palm Beach - FL			8.2%	
Jacksonville - FL	5,892		6.0%	
Raleigh - NC	5,774		5.3%	
San Jose - CA	5,496		— 3.6%	
Sacramento - CA	5,462		— 4.1%	
Diskussing 1/4				CO 0%
	OK 10K 20K 30K 40K	50K 60K 70K	0.0% 20.0% 40.0%	60.0%
Source: NAR analysis of CoSta	r data Under Construction	n 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)

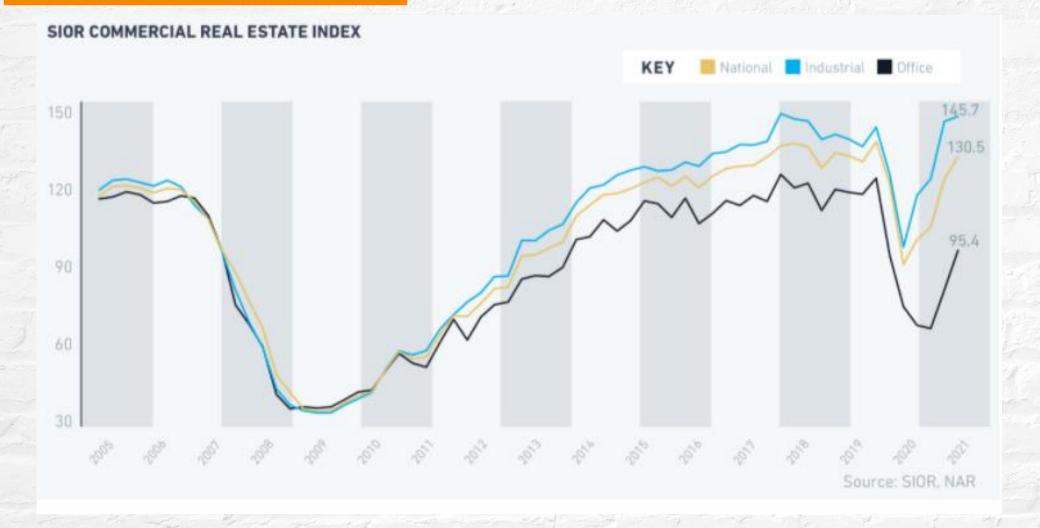




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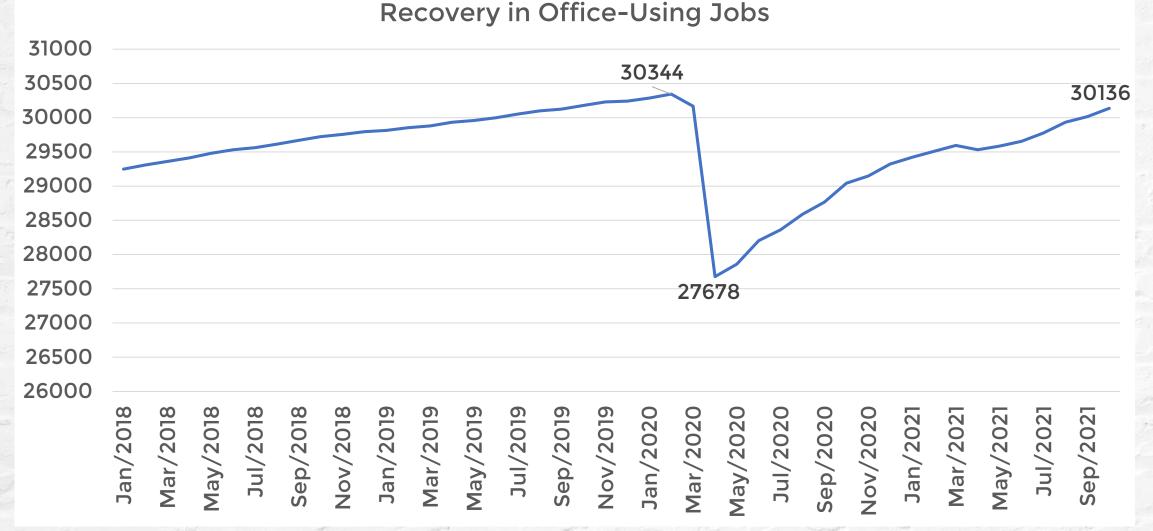
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SIOR[®] Commercial Real Estate Index: office is recovering but still below normal level



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Office-using jobs are nearly fully recovered

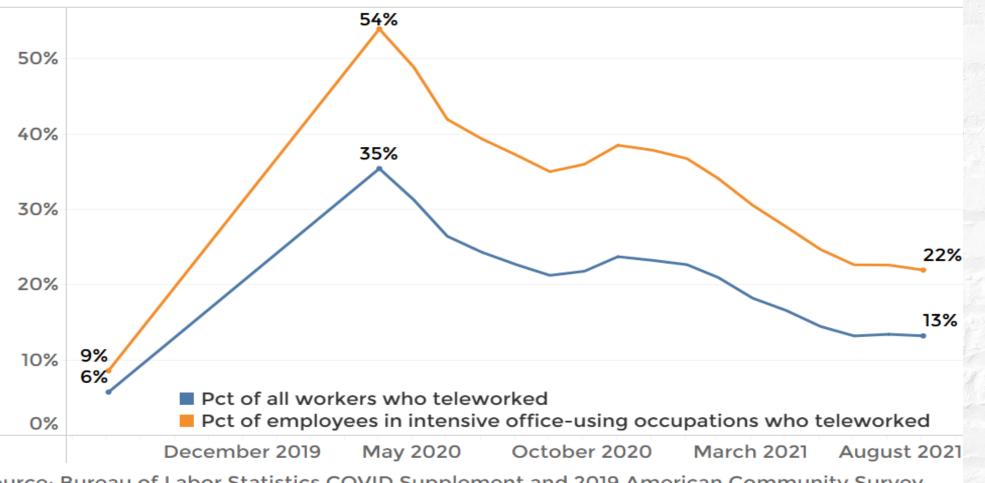


Office-using jobs are information services, finance, real estate/rental/leasing, professional & business services



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 Absorpt	Ion Since 2020 Q2
New York - NY	-29,096,994
San Francisco - CA	-11,595,565
Los Angeles - CA	-11,361,010
Washington - DC	-9,075,749
Chicago - IL	-8,843,868
Boston - MA	-6,061,848
Denver - CO	-5,758,087
Philadelphia - PA	-5,484,223
Seattle - WA	-4,467,271
East Bay - CA	-4,350,531
Northern New Jersey - NJ	-3,598,054
Atlanta - GA	-3,439,164
Orange County - CA	-3,396,746
Dallas-Fort Worth - TX	-2,946,209
Minneapolis - MN	-2,905,751
Detroit - MI	-2,784,659
Portland - OR	-2,737,181
Pittsburgh - PA	-2,481,982
Houston - TX	-2,254,034
Charlotte - NC	-2,219,922
Kansas City - MO	-1,999,331
Columbus - OH	-1,918,730

Positive Net Absorption	Since 2020 Q2
Durham - NC	1,450,712
Austin - TX	1,369,349
Boise - ID	1,250,127
San Antonio - TX	1,242,151
Palm Beach - FL	1,093,375
Provo - UT	892,001
Pensacola - FL	798,856
Inland Empire - CA	764,253
Springfield - IL	659,168
Northwest Arkansas - AR	634,626
Fargo - ND	561,961
Charleston - SC	500,858
Worcester - MA	494,895
Norfolk - VA	488,622
Fort Myers - FL	474,951
Fort Smith - AR	472,249
Orlando - FL	471,296
Miami - FL	400,113
Lubbock - TX	397,864
Oklahoma City - OK	393,274
Baton Rouge - LA	392,856
Naples - FL	365,563

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Negative Net Absorption Since 2020 Q2

NAR analysis of CoStar data



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

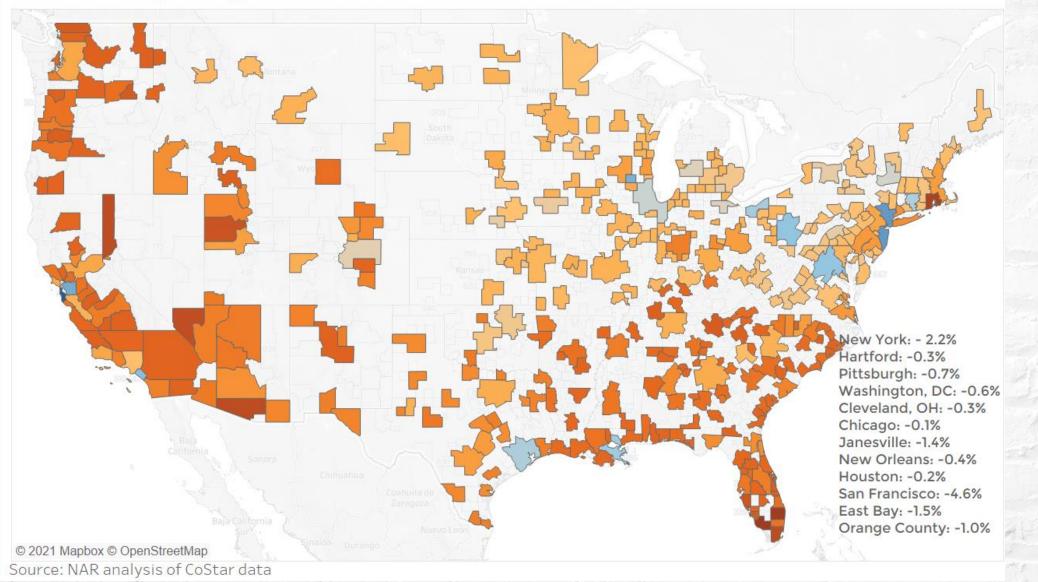
Quarterly Net Absorption of Office Space

	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4 \Xi	
Dallas-Fort Worth - T	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 Jerse	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	



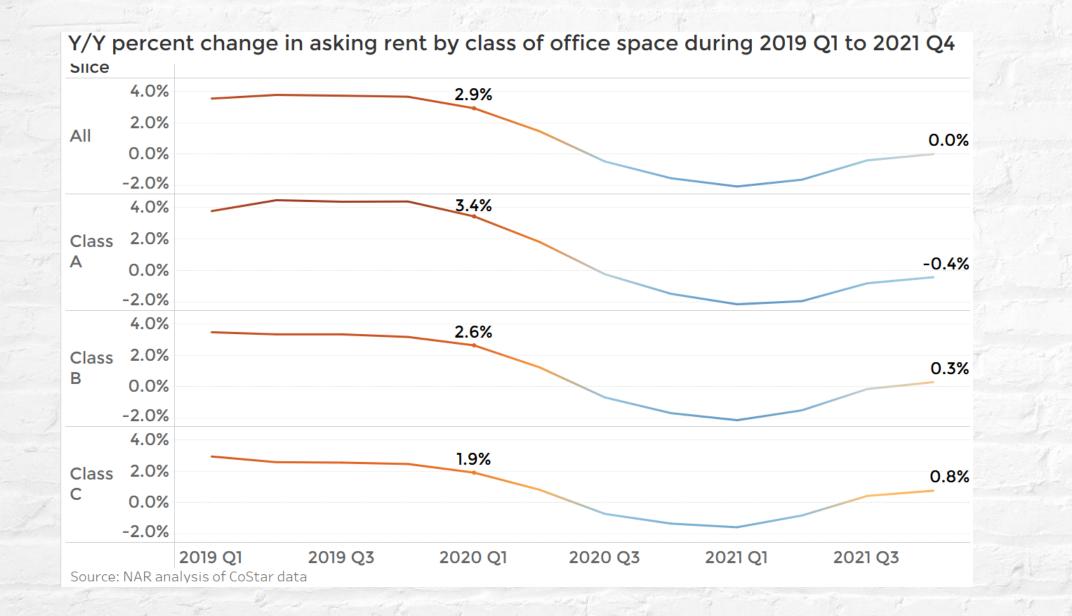
Rent declines concentrated in gateway markets

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



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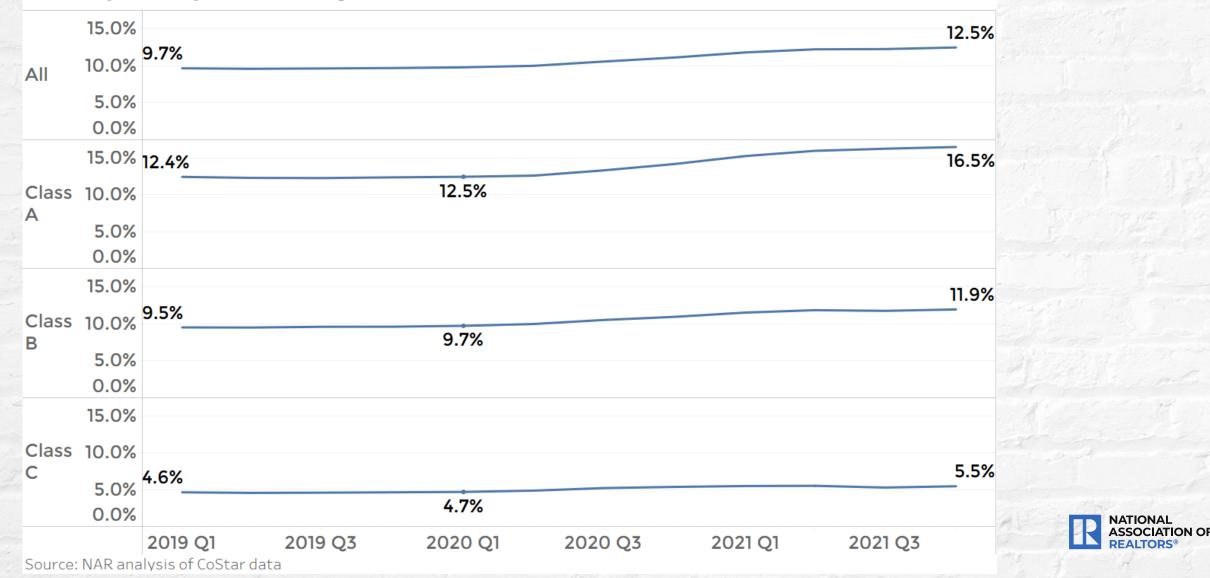
Rents recovering faster for Class B/C than Class A





Vacancy rates highest for Class A and lowest for Class C

Vacancy rate by class during 2019 Q1 to 2021 Q4



Top Office Markets as of 2021 Q3



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Source: NAR Commercial Real Estate Metro Market Reports

Retail and Industrial Market

Brandon Hardin

Research Economist bhardin@nar.realtor

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Nov. 12-15, 2021 San Diego

in to



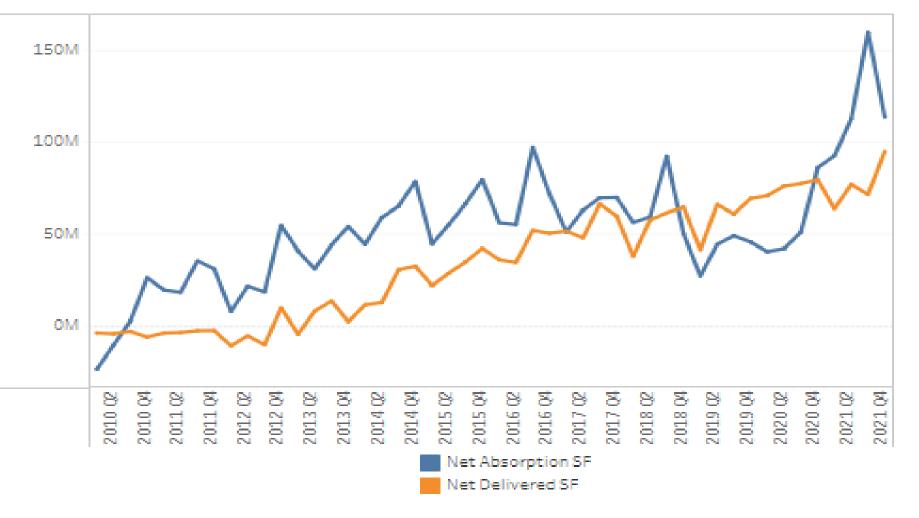
November 11, 2021 | 1:00- 3:00 pm PT

RATIONAL ASSOCIATION OF REALTORS®

Record-high absorption and net deliveries of industrial

space

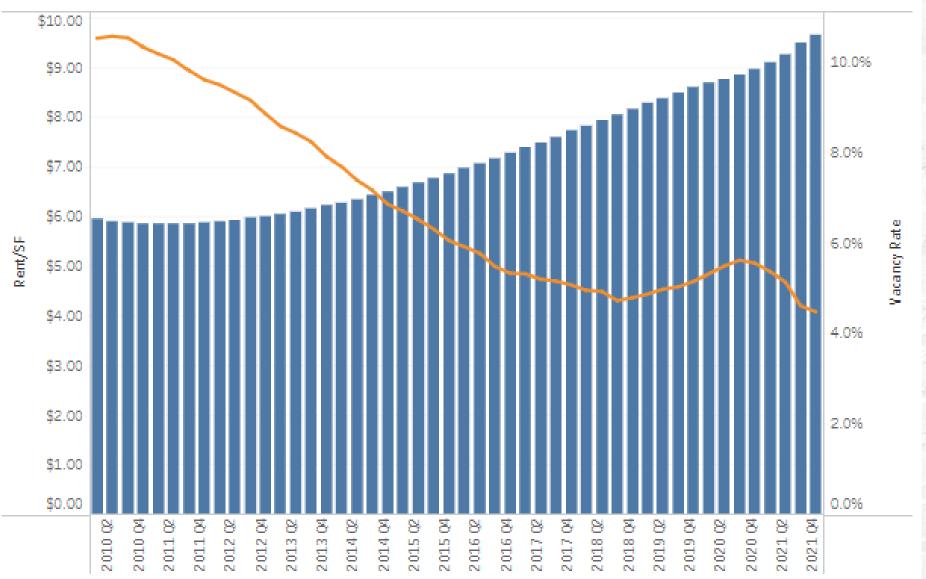
Industrial Net Absorption and Net Deliveries as of October 27, 2021





Record-high rent growth and record low vacancy rate

Industrial Asking Rents and Vacancy as of October 27, 2021



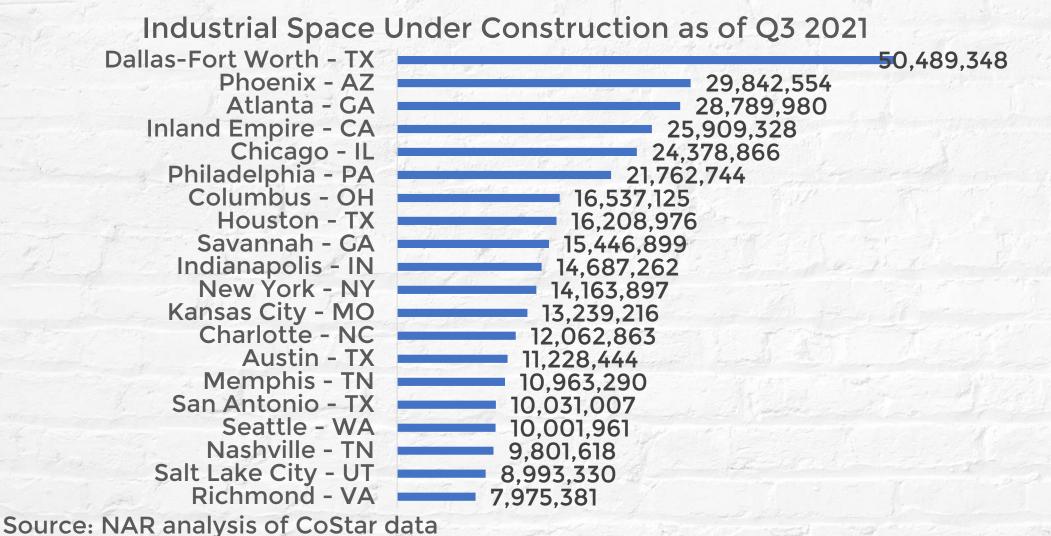
NATIONAL ASSOCIATION OF

Metros with highest rent growth as of October 2021



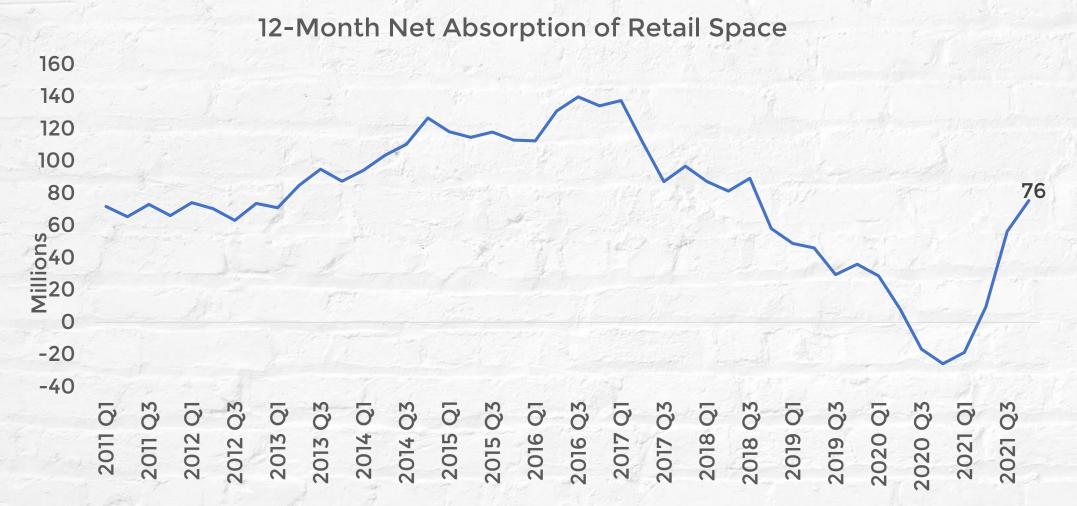


Industrial space under construction





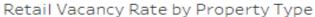
Rising demand for brick-and-mortars

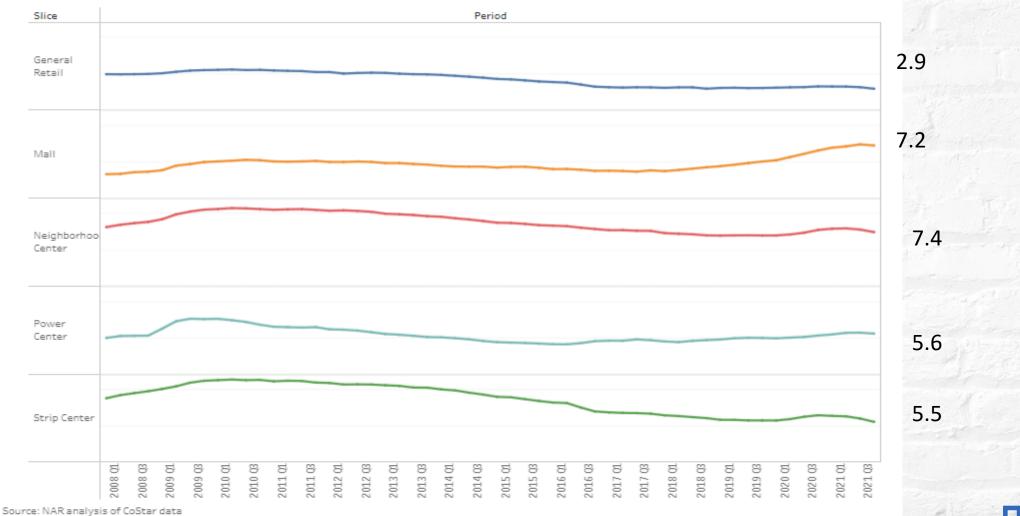




Lowest vacancy rates for general retail, highest vacancy

rates for malls

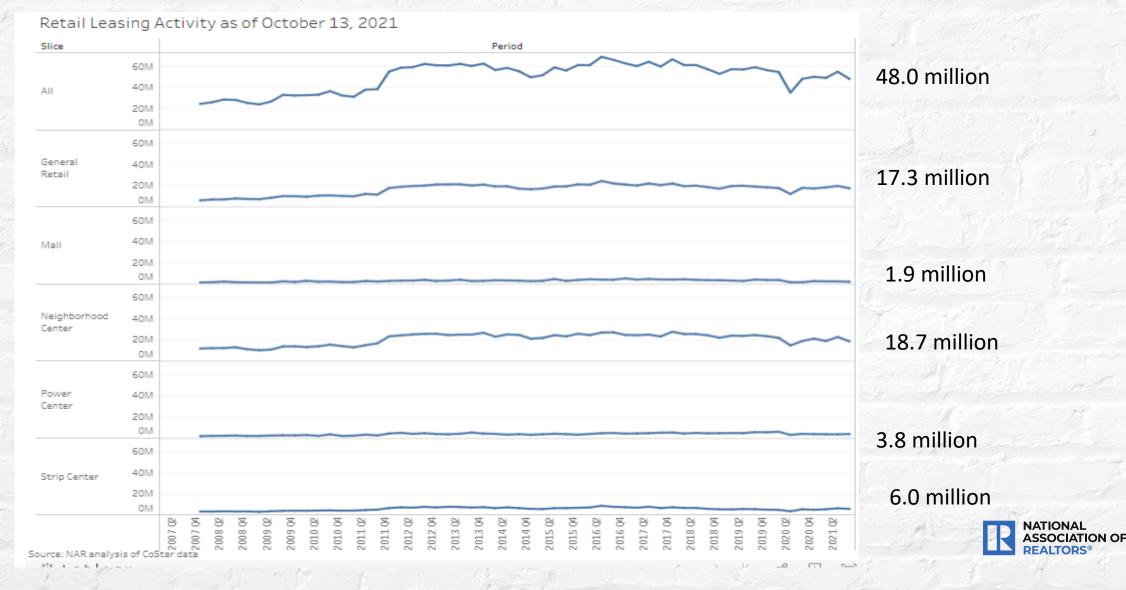




R ASSOCIATION OF REALTORS®

Highest leasing activity for neighborhood centers and

general retail



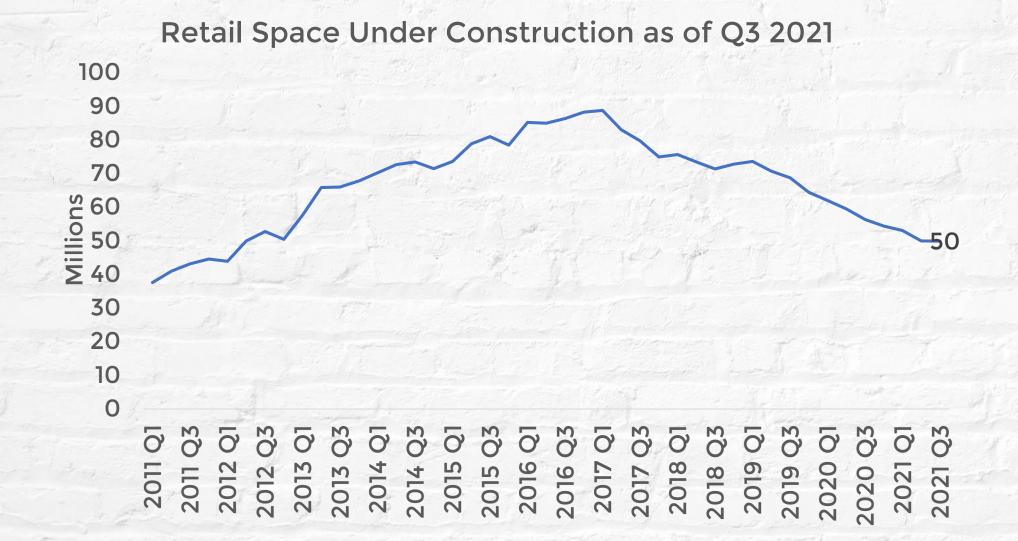
Metro areas with highest retail space absorption

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





But retail space construction is still on the decline





Metro areas with highest retail space under construction

2.014.871

.732.045

.661.581

.436.755

267.877

.067.389

018.266

930.575

905.611

840,377 829.852

816.808

805.183

757.619

714,630

705.424

654.524

Retail Space Under Construction as of Q3 2021

Miami - FL Houston - TX New York - NY Dallas-Fort Worth -TX Atlanta - GA Washington - DC Los Angeles - CA Inland Empire - CA Seattle - WA Orlando - FL San Antonio - TX Denver - CO Las Vegas - NV Jacksonville - FL Phoenix - AZ Chicago - IL Long Island - NY McAllen - TX Boston - MA Austin - TX Detroit - MI San Francisco - CA Kansas City - MO

Source: NAR analysis of CoStar data



3,814,062

3,398,196

3,159,492

3.067.664



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