

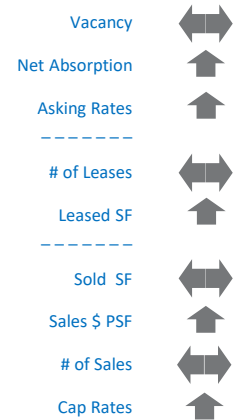
Fairfield County, CT & Lower Hudson Valley, NY Region

Industrial Report

Market Summary

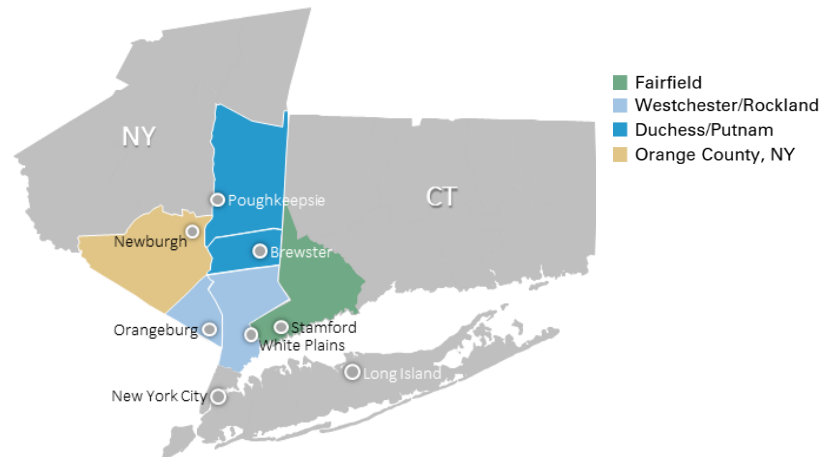
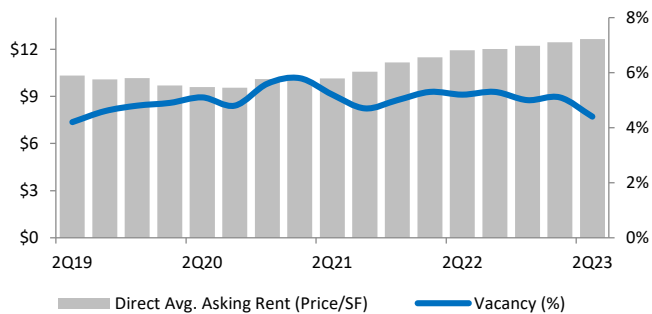
	REGION / ALL COUNTIES	FAIRFIELD, CT	WESTCHESTER / ROCKLAND, NY	DUCHESS / PUTNAM, NY	ORANGE, NY
Total Inventory:	145.0 MSF (1,915 bldgs.)	49.2 MSF (699 bldgs.)	48.7 MSF (691 bldgs.)	14.9 MSF (195 bldgs.)	32.4 MSF (330 bldgs.)
% of Total Inventory:		34% of Total Inv.	34% of Total Inv.	10% of Total Inv.	22% of Total Inv.
Vacancy Rate*:	4.4%	4.1%	6.1%	4.2%	2.6%
Direct Asking Rent:	\$12.64/SF	\$11.04/SF	\$15.73/SF	\$12.64/SF	\$10.88/SF
Net Absorption:					
Q2 2023	1,737,981 SF	81,601 SF	70,073 SF	(17,200) SF	1,603,507 SF
H1 2023	1,898,337 SF	180,821 SF	55,472 SF	31,600 SF	1,630,444 SF

12-Month Forecast



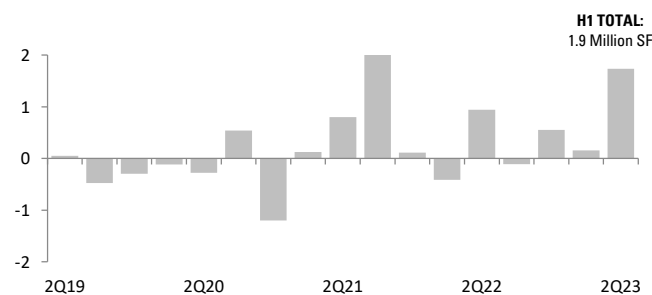
* Inventory and vacancy numbers are inflated in Fairfield, Westchester and Rockland Counties; with the inclusion of older and functionally obsolete buildings from urban areas in these markets

Average Asking Rent vs. Vacancy Rates



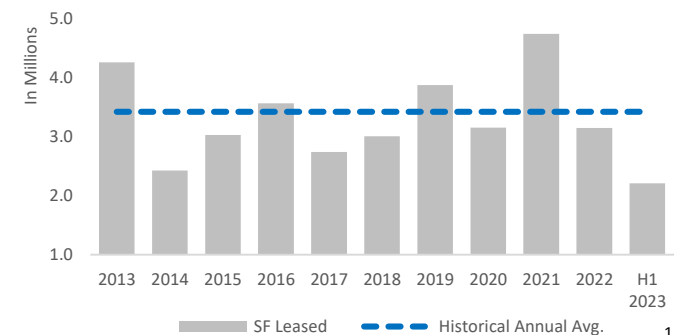
Net Absorption

SQUARE FEET, MILLIONS



Yearly Leasing Activity

TOTAL LEASING



MID-YEAR 2023

Market Highlights

The Fairfield County and Lower Hudson Valley, NY industrial market, which includes mostly modern facilities greater than 20,000 square feet (SF), comprises an inventory of 145.0 million SF spread among 1,915 buildings. Most of the inventory in the region is concentrated in the southern portion of the market, with a total of 97.9 million SF in 1,390 buildings, or 68.0% of the region's total inventory. Generally, this portion of the market consists of smaller and older buildings, compared to a growing big-box inventory with more new developments in the northern submarket.

Industrial vacancies at the end of Q2 2023 totaled 6.3 million SF, which translated into an overall vacancy rate of 4.4%, down 0.8 percentage points from the prior year. Vacancy rates in Orange County, NY decreased to the lowest in the region at 2.6%. This was mainly due to a 927,000-SF deal signed by Tesla this quarter in Newburgh. The electric vehicle manufacturer plans to open a regional distribution facility by the end of this year, promising to create more than 100 new jobs at the facility off Route 300.

Current highlights and regional market trends, similar to those being observed nationally and likely to continue throughout the remainder of 2023, are listed below:

- Demand for industrial space remains strong
- Inflationary pressures accelerating price growth appear to be stabilizing
- Commodity shortages and supply chains remain challenged for some materials and products
- Consumer demand remains high
- Dwindling property zoned land for new development opportunities
- Community and regulatory barriers
- Tight labor availability and pandemic disruption rebounding effects

Big box distribution development and activity continues to be a market headline. In addition to Tesla's newly-signed lease at the Matrix Crossroads Logistics site in Newburgh, NY, Amazon announced a 925,000 SF development at the Slate Hill Commerce Center in Wawayanda, NY. Elsewhere in Orange County, Brookfield is proceeding with their 312,567 SF spec building in Montgomery, and RDM has broken ground on their 245,000 SF spec building in Hamptonburg. RDM is also under construction on a 112,000 SF facility in Goshen. In Dutchess County, Lincoln Equities is well underway, with walls up, on their 921,000 SF spec project in Brewster. In East Fishkill, a confidential retailer is permitting an 800,000 SF distribution center, while Blue Water is constructing a 530,000 SF building, 432,000 SF of which is pre-leased to an automotive end-user.

In response to growing infill logistic demand pushing toward the southern portion of the market, Rockland County is now experiencing notable big-box market activity. Lincoln Equities is under construction on a 220,000 SF spec development in Valley Cottage, and Brookfield is proceeding on a three-building, 1.2-million-SF development in Suffern.

The direct gross average asking rent for the region ended at \$12.64/SF, up nearly 6% from the \$11.93/SF rate recorded in the same period last year. Westchester and Rockland, NY continue to boast the highest rental rates in the region, with an average of \$15.73/SF in the first half of 2023.

Top Mid-Year 2023 Lease Transactions

Tenant	Building	SF	Type
Tesla	1396 Route 300, Newburgh, NY	927,000	New
Amazon	22 McBride Rd, Slate Hill, NY (Town of Wawayanda)	925,000	New
Home Depot	3301 Route 6, Middletown, NY	500,000	New
Confidential Automotive Tenant	500 South Dr, East Fishkill, NY	432,198	New
Merida Capital Holdings	141 North Ave, Bridgeport, CT	109,832	New
JB Moving Services	50 Chestnut St, Greenwich, CT	35,500	New
FedEx	199 Ridgewood Ave, Elmsford, NY	30,000	New

Top Mid-Year 2023 Sale Transactions (By Price/SF)

Building	Market	SF Sold	Price	\$/SF
100 Business Park Dr	Armonk, NY	60,000	\$30.0 M	\$500
129 Woodward Ave	Norwalk, CT	35,244	\$6.5 M	\$184
1 Olympic Dr	Orangeburg, NY	48,860	\$8.5 M	\$174
19 Babcock Pl	Yonkers, NY	38,000	\$6.3 M	\$165
144 E Kingsbridge Rd	Mount Vernon, NY	47,694	\$7.5 M	\$156
7 Lake Station Rd	Warwick, NY	56,700	\$8.0 M	\$141
2618 Route 302	Middletown, NY	125,000	\$16.0 M	\$128

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