



YEAR-END 2021



Fairfield County, CT & Lower Hudson Valley, NY Region

Industrial Report

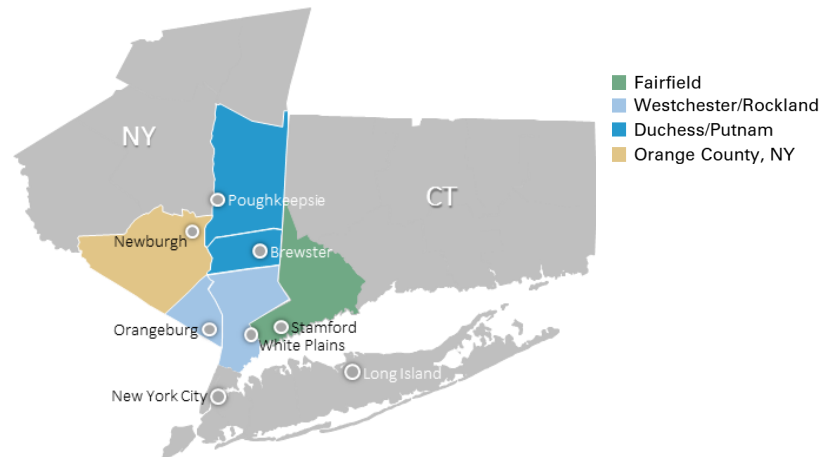
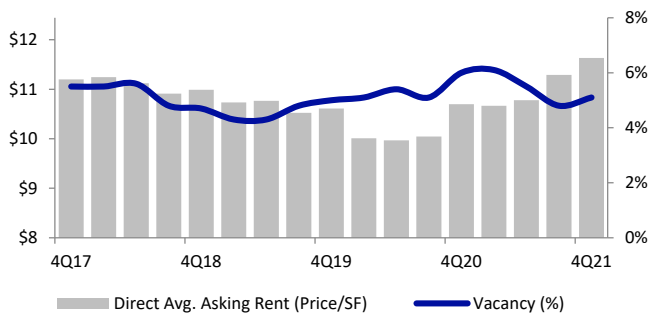
Market Summary					
	REGION / ALL COUNTIES	FAIRFIELD, CT	WESTCHESTER / ROCKLAND, NY	DUCHESS / PUTNAM, NY	ORANGE, NY
Total Inventory:	143.0 MSF (1,961 bldgs.)	49.8 MSF (710 bldgs.)	48.9 MSF (716 bldgs.)	14.9 MSF (202 bldgs.)	29.3 MSF (333 bldgs.)
% of Total Inventory:		35% of Total Inv.	34% of Total Inv.	11% of Total Inv.	20% of Total Inv.
Vacancy Rate*:	5.1%	6.2%	5.5%	3.5%	3.2%
Direct Asking Rent:	\$11.27/SF	\$9.24/SF	\$15.94/SF	\$11.94/SF	\$8.26/SF
Net Absorption: Q4 2021	59,523 SF	239,346 SF	228,682 SF	(19,207) SF	(389,298) SF
Total 2021	2,932,740 SF	1,142,056 SF	378,126 SF	173,232 SF	1,239,326 SF

12-Month Forecast

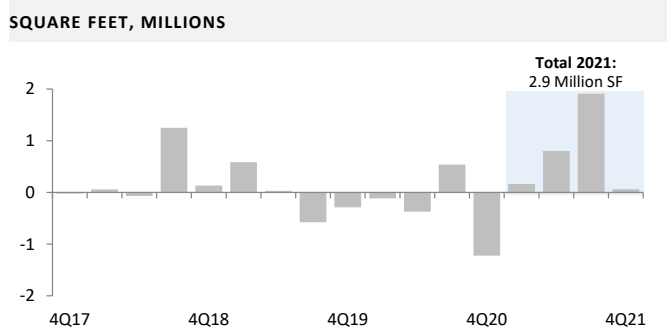
- Vacancy
- Net Absorption
- Asking Rates
- # of Leases
- Leased SF
- Sold SF
- Sales \$ PSF
- # of Sales
- Cap Rates

* 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

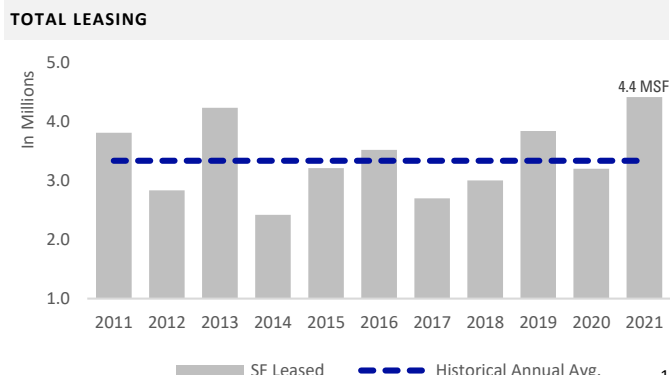
Average Asking Rent vs. Vacancy Rates



Net Absorption



Yearly Leasing Activity



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 143.0 million SF spread among 1,961 buildings. Most of the inventory in the region is concentrated in the southern portion of the market, with a total of 98.7 million SF in 1,426 buildings, or 69.0% of the region's total inventory.

Industrial vacancies at the end of 2021 totaled 7.3 million SF, which translated into an overall vacancy rate of 5.1%, compared with 7.0% recorded at the end of 2020. Vacancy rates in the Orange County area were the lowest in the region, ending at 3.2%. Below are highlights and market trends, likely to continue into the coming year:

Regional market conditions are tracking very similar trends being observed nationally.

- Space to produce, warehouse and distribute goods continues to benefit from unprecedented demand as firms race to keep up with consumer consumption
- Regionally, the new construction pipeline continues to grow despite ongoing pandemic-related challenges
- Limited available space continues to drive rent growth
- Occupiers are adapting their site selection process(es) to these tight market conditions by becoming increasingly more flexible and agile
- Evolving Trend: Logistics/industrial repurposing projects of non-industrial buildings/sites to capitalize on this unprecedented demand

Challenges in the region are also being felt in most other US markets.

- Commodity shortages causing increases in pricing and construction timelines
- Decreasing viable land availability for new development
- Community opposition and regulatory barriers
- Labor shortages/absenteeism and ongoing pandemic-related disruptions

With regional distribution and sortation facilities under construction or being delivered in Windsor, CT, Plainfield, CT, Liverpool, NY, Montgomery, NY, East Fishkill, NY, Johnston, RI, Uxbridge, MA, Charlton, MA, and Andover, MA; Amazon continues to be a major ecommerce big box factor in the northeast and elsewhere. However, many other companies are contributing to market numbers and activity too; including major distribution and logistics projects by FedEx Ground in Stratford, CT; Royal Wine in Goshen, NY; Dynarex in Walkill, NY; Walgreens in Newburgh, NY; and Rolling Frito-Lay in East Fishkill, NY. Several more consumer goods, ecommerce, and logistic operators are also in the regional market seeking available big box sites.

Multiple logistics projects, both developer permitted and others in various phases of obtaining permits are contributing toward several million SF of new inventory being introduced to the market. The largest (SF) of these projects are concentrated in Orange and Dutchess Counties, NY. Providing new avenues to capitalize on the supply constrained market, more non-industrial properties/sites are now being considered for conversion to industrial developments. Speculative development has emerged as a new trend in the market, an approach, that until now has been rarely implemented. These speculative developments include Lincoln Equities' 921,000 SF of logistics space in Brewster, NY; and Matrix developing over 1.0 million SF in two buildings at the Crossroads site in Newburgh, NY.

The direct gross average asking rent for the region ended at \$11.27/SF, up 8.1% from the \$10.43/SF rate recorded at the end of 2020. Westchester and Rockland, NY continue to boast the highest rental rates in the region, ending 2021 with an average of \$15.94/SF.

Top 2021 Lease Transactions

Tenant	Building	SF	Type
FedEx Ground	495 Lordship Blvd, Stratford, CT	360,000	New
Thule	710 Bridgeport Ave, Shelton, CT	127,883	New
Walgreens	Crossroads Site, Newburgh, NY	215,000	New
MannKind Corp.	1 Casper St, Danbury, CT	135,950	New
ROMTech	101 Silvermind Rd, Brookfield, CT	99,910	New
Clancy Relocation & Lgsts.	32 Henry St, Bethel, CT	90,000	New
Revere Smelting	260 Ballard Rd, Middletown, NY	85,943	New
Ranpak	57 Waterview Dr, Shelton, CT	80,000	New

Top 2021 Sale Transactions (By Sale Price)

Building	Market	SF Sold	Price	\$/SF
100-400 Oritani Dr*	Blauvelt, NY	312,853	\$102.5 M	\$328
191 Neelytown Rd	Montgomery, NY	118,335	\$33.8 M	\$285
711 Executive Blvd	Valley Cottage, NY	111,550	\$22.1 M	\$198
650/418 West Ave	Stamford, CT	115,097	\$20.5 M	\$178
320 Wilson Ave	Norwalk, CT	45,076	\$15.0 M	\$334
20 Constitution Blvd	Shelton, CT	158,000	\$13.2 M	\$84
34 State St	Ossining, NY	58,000	\$12.9 M	\$222
30 Moffitt St	Stratford, CT	130,437	\$11.1 M	\$85

* Portfolio sale of 100-400 Oritani Drive. The properties are 100% leased to Amazon and AERCO International.

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