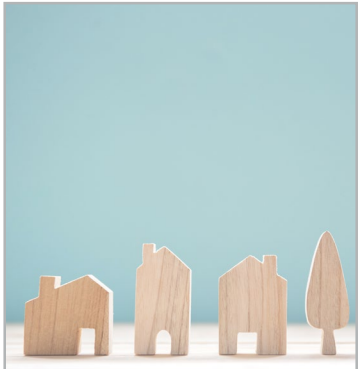


IN THE NEWS



HOUSING INFLATION IS GOING NOWHERE BUT UP

With vacancy rates at the lowest level in a generation and for sale prices skyrocketing, it's no surprise CoreLogic chief economist claims "rents will go up".

Source: Yahoo Finance

[READ FULL STORY](#)



FOR INDUSTRIAL PROPERTY, THE PROBLEM ISN'T DEMAND. IT'S SUPPLY.

If there were ever a quote that summed up a tight market, this is it from the head of the nation's largest industrial REIT. 'People Simply Can't Get the Space They Need,' Prologis Chief Says.

Source: Costar

[READ FULL STORY](#)



THIS IS NOW THE WORST DRAWDOWN ON RECORD FOR GLOBAL FIXED INCOME

Fixed income investing is not a pleasant allocation in a rising rate environment. Investment grade bond drawdowns have become significant and the near future is not looking bright. Advisors will likely seek alternatives.

Source: Bloomberg

[READ FULL STORY](#)



SURGING E-COMMERCE WILL SPUR INDUSTRIAL RENTS TO GROW 15%

It turns out that spending higher and higher rents on real estate saves companies' money because it can reduce the much larger transportation costs that account for 65% of logistics costs. That and more e-commerce should boost rents 15% over the next two years.

Source: Globe St.

[READ FULL STORY](#)

FEATURE CONTENT



FED CREATING RISING INTEREST RATE CLIMATE

WHAT THE FED RATE HIKE MEANS FOR REAL ESTATE INVESTORS

Will the Fed rate hikes splash cold water on the real estate bull market? Not likely. Investor surveys indicate the 10-year Treasury yield would have to spike 150 basis points or more pushing the 10-year Treasury yield to 3.4% or higher before a significant amount of investors would pull back their real estate investment activity. Since the long end of the yield curve is not as heavily influenced as the short end by Fed actions, it's hard to imagine this key rate this high in the near future.

Source: Marcus and Millichap

[VIEW VIDEO](#)

QUOTES OF THE QUARTER

EXCERPT QUOTES ON THE INDUSTRIAL SECTOR:

“

“As consumers become more accustomed to purchasing online, their expectations with regards to delivery service and speed mount.” Transportation costs account for nearly 65% of total logistics costs, making it the focus of any strategy aiming to reduce supply chain costs. Inefficiencies converge around transportation, especially in dense urban areas. For e-commerce occupiers, reducing the delivery distance to 30 minutes or less is critical.”

Carolyn Salzer and Jason Price,
Cushman & Wakefield

“

“I’ve never seen anything like this in 40 years of doing this in our development portfolio, people simply can’t get the space they need, and it will be several years until supply outpaces demand.”

Hamid Moghadam,

CEO of Prologis, the world’s largest owner and developer of industrial space

“

“We do not see any clouds on the horizon,” There’s a significant backlog of demand from tenants.”

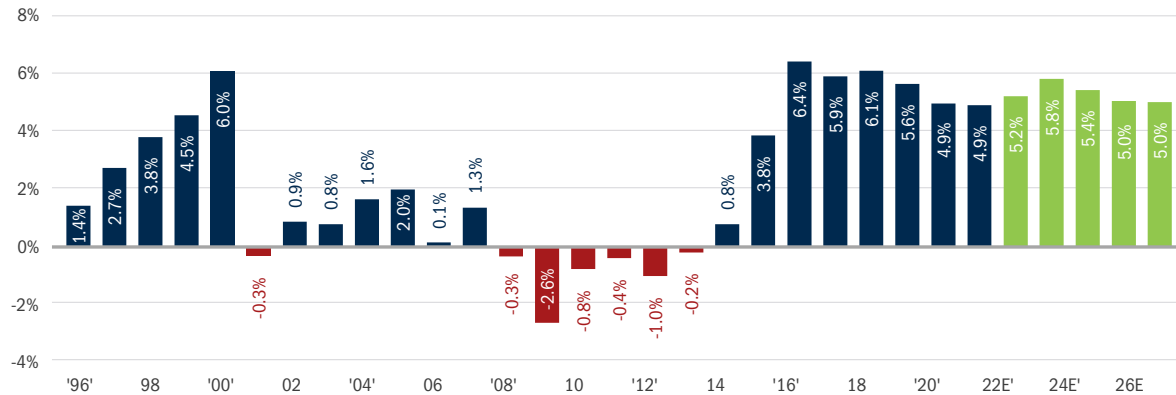
Blaine Heck,

A Wells Fargo analyst who tracks office and industrial real estate investment trusts

NEW DATA

FUNDAMENTALS: NET OPERATING INCOME

Industrial NOI Growth Estimates*



* Top 50 markets. Not representative of REIT reported results.

Source: Green Street U.S. Industrial Outlook, January 2022

RESEARCH REPORT

CUSHMAN & WAKEFIELD INDUSTRIAL MARKETBEAT | Q4 2021

MARKETBEAT
U.S. NATIONAL
Industrial Q4 2021

CUSHMAN & WAKEFIELD

The U.S. Industrial Sector Sets Records... Again, and Again, and Again

3.7% Vacancy Rate

145.2M sq. ft. Delivered

\$7.39 psf Rent

9.5% YoY Rent Increase

\$68.3M Total Capex

148.5M sq. ft. Under Construction

41.0M sq. ft. in Pipeline

4.2% Capex to Rent Ratio

READ FULL REPORT

“The U.S. industrial market ended the year with record-setting demand, outpacing supply for the fourth quarter in a row”

“The U.S. industrial vacancy rate fell to 3.7% in 2021—an all-time record low. The vacancy rate is now 220 bps below the 10-year historical average of 5.9%.”

“Aggressive competition for space further pressured rents in Q4 2021, increasing 9.5% YoY to \$7.39 per square foot (psf).”