LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q1 2020
WASHINGTON, DC

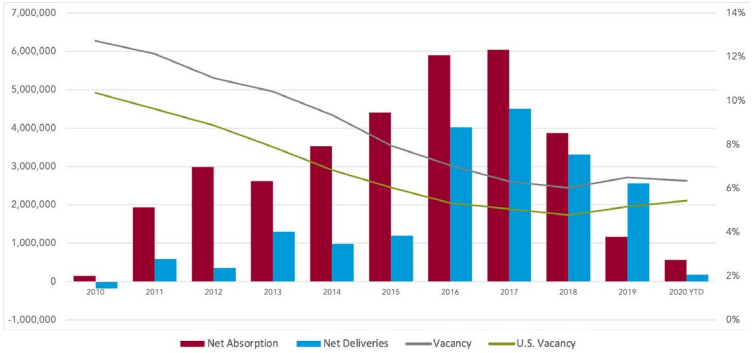
INDUSTRIAL MARKET OVERVIEW

JOSH SIMON, *President*

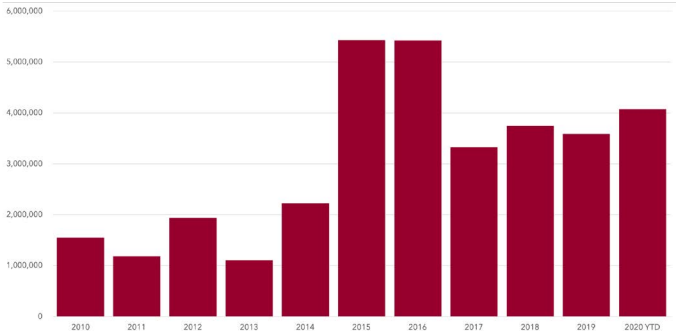
Prior to the Covid-19 pandemic, industrial vacancy rates in the Washington, D.C. Region continued to constrict, with most of the velocity focused in Northern Virginia. As the impact of the Covid-19 virus unfolds, we expect the economy to decline sharply through the third quarter of 2020 with energy, tourism, hospitality, entertainment, and small businesses feeling the greatest impacts. Although the Region is considered a knowledge-based economy, with a lower share of jobs in higher risk industries, the local economy will not be left completely unscathed with lower transaction and leasing volumes. However, within the commercial real estate industry, we anticipate the Industrial sector will be the least harmed.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▲ Net Absorption	2,271,890 SF	1,174,032 SF	291,838 SF	2,388,406 SF	3,577,538 SF
▼ Vacancy Rate	6.10%	6.50%	6.30%	6.20%	6.10%
▲ Avg NNN Asking Rate	$12.05/SF	$11.95/SF	$11.82/SF	$11.63/SF	$11.52/SF
▲ Under Construction	3,624,875 SF	3,588,343 SF	3,874,407 SF	3,692,869 SF	3,315,593 SF
▲ Inventory	260,316,977 SF	260,274,355 SF	259,594,480 SF	259,161,272 SF	257,909,048 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1900 W. Pine Washington, DC	83,250 SF	Undisclosed	Undisclosed	Class B
626-632 W. St NE Washington, DC	15,246 SF	Undisclosed	Undisclosed	Class C
3701 Benning Rd NE Washington, DC	14,157 SF	$3,000,000 $211.90/SF	Rock Creek Property Group Adams Investment Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
327 S St NE Washington, DC	5,670 SF	Foulger-Pratt Co.	Cooley's Towing	Transportation
626-632 W St NE Washington, DC	3,936 SF	Patrick J Keogh	Undisclosed	-
1901 4th St NE Washington, DC	3,260 SF	RSE Capital Partners	Undisclosed	-