

STATS ON THE GO

	YoY Chg.	12 Mo. Forecast
Overall Inventory:		
49,462,762 sf	▲	▲
Overall Vacancy Rate:		
4.3%	▼	▼
Average Asking Rent		
\$10.68 psf	▲	▲
YTD Net Absorption:		
729,325 sf	▼	▲

CLASS A OVERVIEW

Class A Inventory:	11,387,493 SF
Class A Inventory as % of Overall Market:	23.2%
Class A Vacancy Rate:	3.7%
Class A Vacancy as % of Overall Market:	0.9%

OVERVIEW

The Lower Hudson Valley industrial market in New York, defined as properties 50,000 square feet (sf) and greater in Orange, Rockland, Putnam and Dutchess Counties, is comprised of 330 buildings totaling 49.5 million square feet (msf). Much of the inventory is concentrated in Orange County, which accounts for 54.1% of the existing industrial product. After pricing fell the previous quarter below the \$10.00 per square foot (psf) mark, the average asking rent increased 12.7%, while the vacancy rate decreased 50 basis points (bps) to 4.3% to close out the second quarter of 2023.

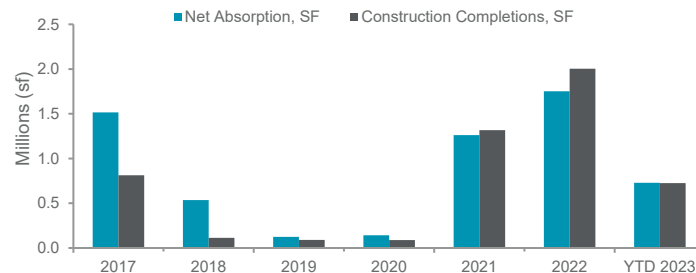
MARKET CONDITIONS

Year-over-year the overall industrial vacancy rate for all classes decreased 100 bps in the second quarter in the Lower Hudson Valley market. Industrial Class A vacancies totaled 421,885 square feet (sf), translating into a 3.7% vacancy rate within the Class A market. With limited Class A inventory, a total of 16 projects totaling 5.0 msf are currently underway. Major projects under construction included Matrix Development Group's project at 4 Matrix Drive in Newburgh totaling 927,000 sf, Lincoln Equities Group's two building project at Route 312 and Pugsley Road in Brewster totaling 921,000 sf, and a joint venture project between Affinius Capital and Bluewater Property Group, who broke ground on their 540,688-sf warehouse at 500 South Drive in East Fishkill, of which 432,198 sf was pre-leased.

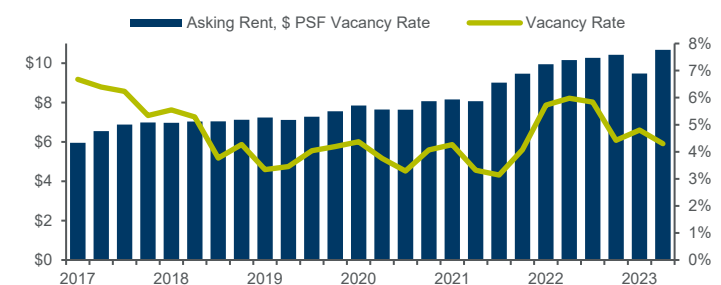
Year-to-date occupancy gains reached 729,325 sf and was driven by Orange County which exhibited 671,221 sf of positive net absorption in the second quarter, thus helping decrease its vacancy rate 250 bps year-over-year to 4.6%. Rockland County posted 224,064 sf of positive net absorption which improved its vacancy rate 100 bps year-over-year to 6.0%. This was facilitated by the completion of three projects this quarter combining for 725,219 sf, as 59.3% was delivered occupied. Dynarex had the largest completion this quarter with 430,000 sf delivering at 2349 Goshen Turnpike in the town of Wallkill.

The overall average asking rent increased this quarter to \$10.68 psf, as Rockland County's asking rent increased 20.5% quarter-over-quarter to \$15.35 psf. However, the overall average asking rent was weighed down once again this quarter by the sublease at 1500 Corporate Boulevard in Newburgh, priced below market average. Direct asking rents continued to improve in the second quarter, up 21.1% from last year to \$12.49 psf.

NET ABSORPTION / DELIVERIES



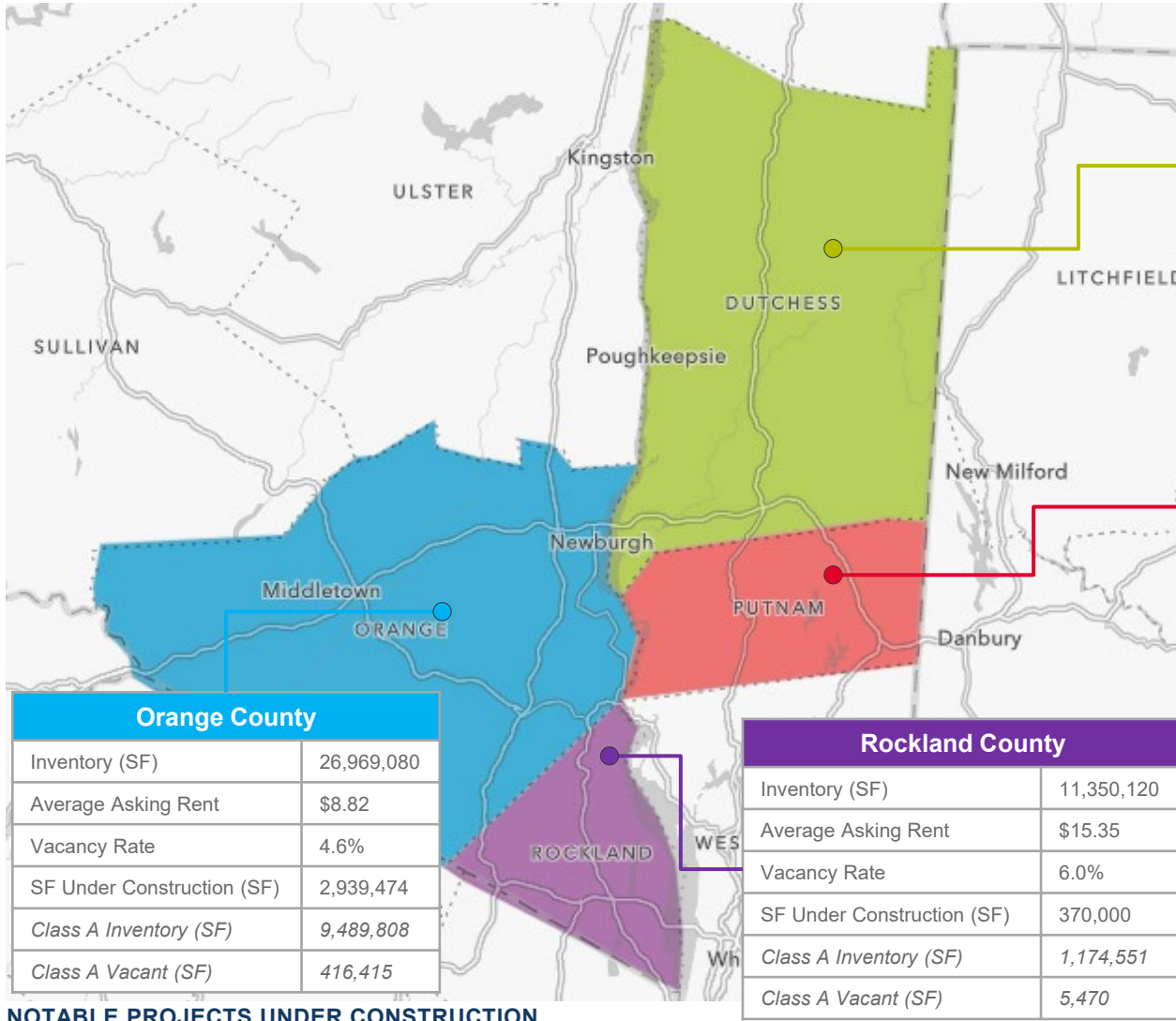
OVERALL VACANCY & ASKING RENT



LOWER HUDSON VALLEY, NY

Industrial Q2 2023

KEY INDUSTRIAL SUBMARKET STATISTICS



Dutchess County	
Inventory (SF)	9,609,675
Average Asking Rent	\$9.44
Vacancy Rate	2.5%
SF Under Construction (SF)	540,688
Class A Inventory (SF)	629,186
Class A Vacant (SF)	0

Putnam County	
Inventory (SF)	1,533,887
Average Asking Rent	N/A
Vacancy Rate	0.1%
SF Under Construction (SF)	1,121,000
Class A Inventory (SF)	93,948
Class A Vacant (SF)	0

Orange County	
Inventory (SF)	26,969,080
Average Asking Rent	\$8.82
Vacancy Rate	4.6%
SF Under Construction (SF)	2,939,474
Class A Inventory (SF)	9,489,808
Class A Vacant (SF)	416,415

Rockland County	
Inventory (SF)	11,350,120
Average Asking Rent	\$15.35
Vacancy Rate	6.0%
SF Under Construction (SF)	370,000
Class A Inventory (SF)	1,174,551
Class A Vacant (SF)	5,470

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NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SQUARE FEET	CONSTRUCTION TYPE	EST. COMPLETION DATE	COUNTY
4 Matrix Drive	927,000	Speculative	Q3 2023	Orange
Route 312 & Pugsley Road	921,000 (2 Bldgs.)	Speculative	Q4 2023	Putnam
500 South Drive	540,688	Speculative	Q1 2024	Dutchess
621-625 Corporate Way	220,000	Speculative	Q2 2024	Rockland

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