

\$63,200
Median HH Income

YoY
Chg12-Mo.
Forecast

0.2%
Population Growth



2.5%
Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q3 2023

2.4%
GDP Growth

YoY
Chg12-Mo.
Forecast

7.4%
Consumer Spending
Growth



2.7%
Retail Sales Growth



Source: BEA, Census Bureau

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ECONOMIC OVERVIEW: Growth Rate Slowing

The impact of higher interest rates continues to reverberate through the region as it has through the U.S. economy, resulting in lower home prices, reduced retail sales, and an increase in unemployment. Economic growth is anticipated to slow in late 2023 with the potential for a moderate recession continuing into early 2024.

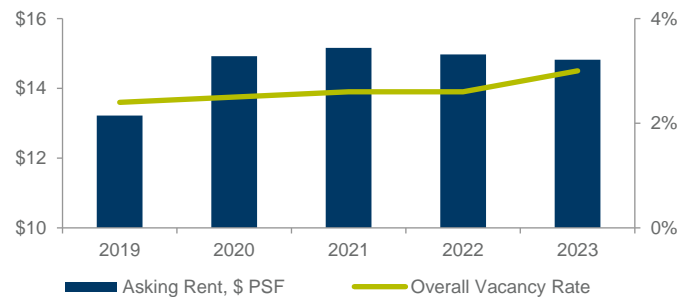
SUPPLY AND DEMAND: Inventory Shortage Prolonged

Despite the economic headwinds, overall retail vacancy remained near historic lows, increasing only 10 basis points (bps) since last quarter and up only 20 bps year-over-year (YOY). The expected raise in interest rates to combat high inflation may loosen up supply as there will be fewer retail buyers, and underwriting will be made more difficult. Leasing may become more competitive as sales become more difficult. Despite the economic challenges and the expectation of a recession, the U.S. consumer has low leverage and a relatively strong balance sheet, dynamics that could help mitigate the impact. Geopolitical factors could also strengthen the economic outlook from an unemployment perspective but may cause investor concerns.

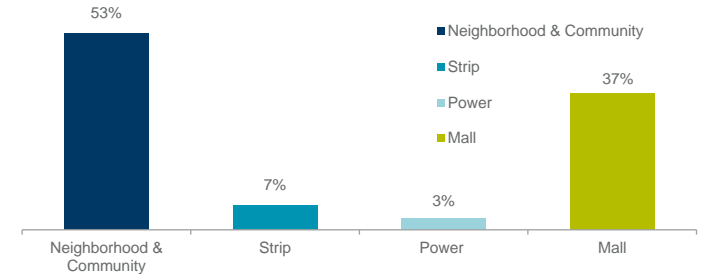
PRICING TRENDS: Deal-Heavy Quarter for Sales

Two positive factors that are potential growth drivers are the rise of the digital economy and the reshoring of manufacturing. As student loan payments once again come due, disposable income will decrease impacting consumer spending and retail sales as it does. Lease rates have continued their steady rise, increasing 1.9% YOY and up 9.5% since the start of 2020.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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