

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased at an annual rate of 2.1% in the fourth quarter of 2019, according to the advance estimate released by the Bureau of Economic Analysis in late January. The increase reflected positive contributions from personal consumption expenditures (PCE), federal government spending, state and local government spending, residential fixed investment, and exports, which were partly offset by negative contributions from private inventory investment and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased. (Source: US BEA) As of February 7, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2020 is 2.7% . (Source: Federal Reserve Bank of Atlanta) (The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)
U.S. Trade Deficit	The U.S. goods and services trade deficit increased 11.9% in December 2019 to \$48.9 billion. In December, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, OPEC, Singapore, United Kingdom, and Saudi Arabia. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, Canada, South Korea, India, Taiwan, and France. (Source: US DOC & Census Bureau)
Import Volumes	In December 2019, the U.S. imported \$207.5 billion of cargo, increasing 3.2% from November. The December imports of services (\$51.1 billion) were the highest on record . (Source: US Census)
Export Volumes	In December 2019, the U.S. exported \$137.7 billion of cargo, increasing 3.0% from November. The December exports of petroleum (\$17.1 billion) were the highest on record . (Source: US Census)
Import & Export Price Index	U.S. import prices were unchanged in January 2020, after advancing 0.2% in December. U.S. export prices increased 0.7% in January 2020. Over the past year, import prices rose 0.3% and export prices increased 0.5%. (Source: Bureau of Labor Statistics)
Unemployment Rate	The unemployment rate in America was 3.6% in January 2020, up from 3.5% in December. The increase was due to the labor force participation rate increasing, which is a good thing. A preliminary 225,000 net new jobs were created in January 2020, far more than most economists were expecting. The last time net new jobs declined in a month was September 2010, 112 months ago. The unemployment rate in Georgia was 3.2% in December 2019, down from 3.3% the previous month and a record low . For all of 2019, Georgia added an all-time high of 4.65 million jobs . (Source: US DOL, GDOL, AAR)
Labor Force Participation Rate	The labor force participation rate was 63.4% in January 2020, up from 63.2% the previous month. The labor force participation rate for those of prime working age (25-54) was 83.1% in January, up 0.2% from the previous month. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i>
Leading Economic Index	The Leading Economic Index for the U.S. declined 0.3% in December 2019, to a reading of 111.2. According to The Conference Board, "The LEI has now declined in four out of the last five months. Its six-month growth rate turned slightly more negative in the final quarter of 2019, with the manufacturing indicators pointing to continued weakness in the sector. However, financial conditions and consumers' outlook for the economy remain positive, which should support growth of about 2 percent through early 2020." (Source: Conference Board Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) <i>(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)</i>
Housing Starts	Existing home sales were an annualized and seasonally adjusted 1.61 million in December 2019, up 16.9% from November, and a 13-year high since December 2006 . The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 103.2 in December 2019, down 4.9% from the previous month and 4.6% higher year-over-year. According to the National Association of Realtors, "Due to the shortage of affordable homes, home sales growth will only rise by around 3%. Still, national median home price growth is in no danger of falling due to inventory shortages and will rise by 4%. The new home construction market also looks brighter, with housing starts and new home sales set to rise 6% and 10%, respectively." (Source: U.S. DOC, National Association of Realtors)
Light Vehicle Sales	New light vehicle sales were an annualized and seasonally adjusted 16.8 million in January 2020, up 1.2% from the previous month and 0.6% higher year-over-year. Sales of light trucks continued to dominate, accounting for 75.1% of total light vehicle sales in January. (Source: AAR) <i>(Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy.)</i>
Personal Income	Personal Income increased 0.2% to \$18.9 trillion in December 2019. The increase in personal income in December primarily reflected increases in compensation of employees and personal interest income that were partially offset by a decrease in farm proprietors' income. During Q3 2019, Personal Income in Georgia was estimated at \$515.1 billion, an increase of 3.8% from Q2 2019. (Source: U.S. Bureau of Economic Analysis) <i>(Personal income is the income received by a person from all sources. It includes income from domestic sources as well as the rest of the world. It does not include realized or unrealized capital gains or losses).</i>
Retail Sales	Advanced estimates of retail and food service sales in January 2020 were \$529.8 billion, an increase of 0.3% from the previous month, and up 4.4% from January 2019. Non-store retail sales were 7.0% higher from the same month last year. (Source: US Census) <i>(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)</i>

E-Commerce	The estimate of U.S. retail e-commerce sales for the third quarter of 2019, adjusted for seasonal variation, was \$154.5 billion, an increase of 5.0% from the second quarter of 2019 and 16.9% higher than the third quarter of 2018 . E-commerce sales in the third quarter of 2019 accounted for 11.2% of total sales. (Source: US Census) <i>(E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.)</i>
Consumer Confidence	The Consumer Confidence Index increased to 131.6 in January 2020, up 3.4% from the previous month. According to The Conference Board, "Optimism about the labor market should continue to support confidence in the short-term and, as a result, consumers will continue driving growth and prevent the economy from slowing in early 2020." (Source: The Conference Board) <i>(The consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)</i>
Consumer & Producer Price Index	The Consumer Price Index for all urban consumers was 258.8 in January 2020, up 0.1% from the previous month. The index for shelter accounted for the largest part of the increase in the seasonally adjusted all items index, with the indexes for food and for medical care services also rising. The Producer Price Index for final demand was 119.4 in January 2020, up 0.5% from the previous month. In January, 90 percent of the increase in the final demand index is attributable to prices for final demand services, which climbed 0.7 percent. (Source: US Bureau of Labor Statistics)
Small Business Optimism Index	The Small Business Optimism Index was 104.3 in January 2020, up 1.6% from the previous month . According to the National Federation of Independent Business (NFIB), "2020 is off to an explosive start for the small business economy, with owners expecting increased sales, earnings, and higher wages for employees." Out of 10 index components, six posted gains, two were unchanged, and two declined. (Source: National Federation of Independent Business) <i>(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)</i>
Industrial Production and Capacity Utilization	The Industrial Production Index was 109.2 in January 2020, a decrease of 0.3% from the previous month and 0.8% lower than January 2019 . Capacity Utilization for the industrial sector was 76.8% in January 2020, down 2.0% year-over-year. (Source: Federal Reserve) <i>(The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)</i>
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.46 trillion in December 2019, down 0.1% from the previous month and up 1.7% from December of the previous year . (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on-hand is estimated at \$2.04 trillion in December 2019, up 0.1% from the previous month and up 2.2% from December of the previous year . (Source: US Census)
Purchasing Managers Index	The National PMI was 50.9% in January 2020, an increase of 3.1% from the previous month. New Orders increased 4.4% to 52.0%, and Production increased 9.5% to 54.3%. In January, 8 out of the 18 manufacturing industries tracked by the ISM reported growth. According to the Institute for Supply Management, "Global trade remains a cross-industry issue, but many respondents were positive for the first time in several months." (Source: Institute for Supply Management) <i>(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i>
Purchasing Managers Index in the Southeast	In January 2020, the Southeast PMI increased 1.8% month-over-month to 48.8% . New Orders in the Southeast decreased 2.0% to 45.8% and Production increased 4.5% to 45.8% as well. In the month of January, the Southeast's PMI was 4.1% lower the national PMI. (Source: Kennesaw State University) <i>(The Southeast region includes the states of Georgia, Alabama, Florida, Tennessee, Louisiana, and Mississippi. The PMI combines data on new orders, inventory, production, supplier deliveries, and employment.)</i>
U.S. Market News	Eighty-seven percent of U.S. companies operating in China expect coronavirus to impact 2020 revenues, according to an announcement earlier this month from The American Chamber of Commerce in Shanghai. Of those forecasting a drop, 24% expect it to fall by 16% or more. In contrast with The American Chamber of Commerce in Shanghai survey, which was conducted the first week of February, a survey conducted the last week in January by the Massachusetts Institute of Technology Center for Transportation and Logistics reported few respondents anticipated a major disruption in the next quarter — indicating disruption and concern are spreading quickly. Companies ranging from Apple suppliers to Nissan have announced plans to temporarily pause production as a result of the disease. "Uncertainty remains high, and our conviction in any particular forecast is lower than usual," Shaun Roache, the Asia-Pacific chief economist for S&P Global Ratings, said in a release. (Source: supplychaindive.com)

MULTIMODAL:	
Dow Jones Transportation Index	Dow Jones Transportation Index decreased 3.9% in January 2020, ending at a reading of 10,566. <i>(A price-weighted average of 20 U.S. companies in the transportation industry. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 3.7% in January 2020, ending at a reading of 5,138. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies)</i>
DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 135.5 in December 2019, a decrease of 0.9% from the previous month and 0.8% lower than December 2018. The December decrease reflected significant declines in rail intermodal, rail carloads, trucking, and pipeline, while water and air freight increased. (Source: US BTS)

Cass Freight Index

The Cass Freight Shipments Index was 1.052 in December 2019, a **decrease of 6.4%** from the previous month, and a **decrease of 7.9%** year-over-year. The Cass Freight Expenditures Index was 2.723 in December, a **decrease of 3.1%** from the previous month and a **decrease of 6.2%** year-over-year. According to Cass Information Systems, “Our view is that the second quarter of 2020 has the best chance of seeing actual y/y growth in shipments and freight costs, if traditional seasonal freight patterns hold, as the second quarter of 2019 did not see the typical seasonal surge in activity.” (Source: Cass Information Systems | Cassinfo.com) *(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)*

Shippers Conditions Index

The Shippers Conditions Index for November 2019 **increased to 7.0**, reflecting a still-positive rate outlook. All index inputs were positive except for freight volume, which remained muted but positive. According to FTR, “Capacity is forecast to slowly tighten over the course of 2020, which will lead to slightly worsening conditions for shippers. Truck capacity is expected to slowly increase to its historical range this year, causing shippers to examine rail and intermodal alternatives as the increased truck utilization pushes truck rates higher and makes alternatives more attractive.” (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for shippers)*

North American Transborder Freight

Surface transport-related trade between the U.S., Canada, and Mexico totaled \$99.0 billion in November 2019, **down 3.9%** compared to November 2018. Trucks carried \$62.7 billion of U.S.-NAFTA freight and continued to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. (Source: US BTS)

Multimodal News Clips:

The U.S. Department of Transportation (USDOT) announced \$1 billion in fiscal-year 2020 discretionary grant funding is available under the Better Utilizing Investments to Leverage Development (BUILD) program. The grants are used for planning and capital investments in surface transportation infrastructure and are to be awarded on a competitive basis for projects that will have a significant local or regional impact. BUILD grants can be used to fund projects in rail, transit, ports, intermodal and other modes of transportation. The application deadline is May 18. Applicants' projects will be evaluated for funding based on merit criteria that include safety, economic competitiveness, quality of life, environmental sustainability, state of good repair, innovation and partnership, USDOT officials said. The USDOT intends to award half of the BUILD funding to projects in rural areas, department officials said. (Source: USDOT)

RAIL:

U.S. Freight Rail Traffic

Total originated U.S. carloads **totaled 1.16 million** in January 2020, **down 5.9%** from January 2019 and the 12th consecutive monthly decline. Weekly average total carloads in January 2020 were 233,147, the second-lowest weekly average for any month since January 1988, when AAR's data begin. (Only December 2019 was lower, at 232,026.) (Source: AAR.org) *(Report includes rail car-loadings by 20 different major commodity categories)*

U.S. Intermodal Rail Traffic

U.S. railroads originated **1.25 million** intermodal units in January 2020, **down 5.4% from January 2019**, also their 12th consecutive monthly decline. (Source: AAR.org) *(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)*

Railroad Fuel Price Index

The index of average railroad fuel prices in January 2020 was 384.8, **down 2.8%** from the previous month and **7.4% higher** year-over-year. (Source: AAR.org) *(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)*

Class 1 Railroad Employment

Railroad employment in December 2019 **decreased 1.3%** to 131,486 employees total. (Source: U.S. STB, AAR)

Railroad News Clips:

The Federal Railroad Administration (FRA) has issued a final rule that launches the Risk Reduction Program to support an increasing standard of safety for Class 1s, agency officials announced this month. The final rule requires the nation's largest freight railroads to develop and implement an FRA-approved risk-reduction plan that identifies and analyzes hazards and associated risks to safety. The railroads also must develop and implement plans to eliminate or mitigate those risks, FRA officials said in a press release. A risk-reduction plan is designed to improve operational safety and complement a railroad's adherence to all other applicable FRA regulations. Each railroad must tailor the plan for its individual operations and reflect "substantive facts" on hazards associated with those operations. (Source: progressiverailroading.com)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 117.4 in January 2020, an **increase of 0.1% from the previous month and an increase of 0.8% from January 2019**. According to ATA Chief Economist Bob Costello, “Over the last two months, the tonnage index has increased 0.6%, which is obviously good news. However, after our annual revision, it is clear that tonnage peaked in July 2019 and, even with the recent gains, is down 1.8% since then. Softness in manufacturing and elevated inventories continue to weigh on the truck freight tonnage.” (Source: American Trucking Associations | Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight

The spot market for truckload-freight available for pick-up in January 2020 **was unchanged** compared to the previous month, and was **16.9% higher** year-over-year. Truck capacity **increased 16.3%** for the month, and **increased 3.6%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Refrigerated Trucking	In January 2020, the load-to-truck ratio for refrigerated loads decreased to 5.26 loads per truck . In January, the national spot market reefer rate was \$2.24 per mile, down from \$2.30 the previous month. (Source: DAT Trendlines www.dat.com)
Trucking Conditions Index	The Trucking Conditions Index in November 2019 decreased to a reading of -1.58 , with weaker spot rates primarily responsible. Overall, trucking conditions are holding in a narrow window generating slightly negative readings for the TCI. The FTR forecast is for it to remain in near neutral range until conditions improve modestly in late 2020. (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i>
Diesel Prices	As of February 17, 2020 the U.S. average diesel price was \$2.89 per gallon . The U.S. average diesel price was \$0.11 lower than the same week last year. The average price of diesel in the Lower Atlantic states was \$2.79 per gallon, 3.5% less than the national average price . (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry workforce increased 0.2% to 1,529,000 employees total in January 2020. (Source: U.S. Bureau of Labor Statistics)
Trucking Earnings and Hours	The average earnings of truck transportation employees were \$25.76/hour in December 2019, up 0.3% from the previous month. The average weekly hours totaled 41.3 in December, up 0.5% from the previous month. (Source: U.S. Bureau of Labor Statistics)
U.S. Truck & Trailer Orders (Class 8)	Preliminary January 2020 Class 8 truck orders totaled 17,700 units, down 10% from the previous month but 12% higher than January 2019. According to FTR, "Fleets remain profitable and are continuing to replace older units according to planned cycles. The smaller fleets are being more cautious because revenue is declining from the previous years." Preliminary December 2019 net trailer orders totaled 16,500 units, down 17% from November, 41% lower than December 2018, and the lowest amount since August 2019 . According to FTR, "Freight is forecast to grow only about 1% this year, putting little pressure on fleets to boost trailer capacity as they did the last few years. However, total freight levels remain elevated and trailer production for 2020, although down significantly from 2019's record year, is forecast to be good from a historical perspective. Fleets are expected to continue to replace old trailers based on their standard trade-in cycles." (Source: FTR Transportation Intelligence ftrintel.com)
Trucking News Clip	Imperfect directions, incomplete maps, parking problems and missed delivery windows are costing delivery companies an estimated \$6 billion a year, according to a new report by Swedish startup Mapillary. The estimate includes \$2.5 billion in wasted salary and \$611 million in extra miles driven annually because of inaccurate maps. Some of the problems identified in the survey — parking around a corner, having to reroute to avoid construction or finding a building door — may seem small, but those tiny problems mean major losses for logistics companies, especially with a boom in e-commerce putting more delivery trucks on the road, according to Mapillary co-founder and CEO Jan Erik Solem. Logistics companies have increasingly started to find small efficiencies to maximize their services. UPS drivers, for example, are routed to avoid left turns because those can cause small delays. Solem said the survey findings reiterate that maps are a key tool to improve efficiency as well. (Source: Mapillary, supplychaindive.com)

AIR FREIGHT:

Air Cargo Traffic	Global air freight traffic in December 2019 was down 2.7% compared to December 2018 and declined 3.3% during all of 2019. This is the first year of declining freight volumes since 2012 . According to the IATA, "International trade tensions resulted in only weak growth in global goods trade (+0.9%) in 2019 and were a key factor behind the decline in air freight volumes. A number of manufacturing sectors, where air freight is relied upon for the timely distribution of spare parts and high-value inputs – experienced weak demand conditions. More generally, softer business and consumer confidence – reflecting the less supportive global macroeconomic and policy backdrop – also contributed to the subdued annual air freight outcome." (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i>
Air Freight Price Index	In December 2019, average airfreight rates for East-West routes decreased 9.3% from the previous month to \$2.74 per kilogram. This reflects a decline in demand as peak season came to a close. (Source: Drewry, aircargonews.net) <i>(The Drewry East-West Air Freight Price Index is based on the average of rates (\$US per kg) for air freight services on 21 major East-West routes.)</i>
Jet Fuel Prices	As of February 14, 2019 the global average jet fuel price was \$67.49 per barrel; down 11.9% from the previous month, and 17.7% lower year-over-year. (Source: IATA.org, platts.com) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>
Air Freight News Clips:	The International Air Transport Association (IATA) announced that its initial assessment of the impact of the Novel Coronavirus 2019 outbreak shows a potential 13% full-year loss of passenger demand for carriers in the Asia-Pacific region. Considering that growth for the region's airlines was forecast to be 4.8%, the net impact will be an 8.2% full-year contraction compared to 2019 demand levels. In the same scenario, carriers outside Asia-Pacific are forecast to bear a revenue loss of \$1.5 billion, assuming the loss of demand is limited to markets linked to China. This would bring total global lost revenue to \$29.3 billion (5% lower passenger revenues compared to what IATA forecast in December) and represent a 4.7% hit to global demand. In December, IATA forecast global RPK growth of 4.1%, so this loss would more than eliminate expected growth this year, resulting in a 0.6% global contraction in passenger demand for 2020. (Source:iata.org)

OCEAN FREIGHT:

Import Volumes by Ocean

In December 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.72 million TEUs, a **1.8% increase** from the previous month and **12.4% lower** year-over-year (the end of 2018 had unusually high numbers due to a scheduled tariff increase that was ultimately postponed.) December's numbers brought 2019 to a total of 21.6 million TEUs, a 0.8% decrease from 2018 amid the ongoing trade war but still the **second-highest year on record**. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The February 14, 2020 SCFI comprehensive reading was \$910 per FEU, **down 7.2%** from last month. The spot rate for shipments to the U.S. East Coast was \$2,768 per FEU, **down 6.2%** from the previous month. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en) *(The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)*

Port of Savannah

The Port of Savannah moved 377,672 TEUs in January 2020, an **increase of 4.7%** from the previous month and **12.2% lower year-over-year**. The year-over-year decline can be attributed to January 2019 being artificially high due to vessels slipping from December and cargo advancements to beat tariffs. While the winter months are generally considered slack season, January 2020 was still the GPA's **ninth best month ever**. (Source: GPA)

Port of Brunswick

In Roll-on/Roll-off trade, GPA handled 657,685 units of cars, trucks and tractors in 2019, an increase of 12,167 units, or 2 percent. "Both Savannah and Brunswick are outperforming the market, with Garden City container trade growing at a rate three times faster than the U.S. total, and Brunswick Ro/Ro units increasing despite a drop in U.S. vehicle sales in 2019," said GPA Board Chairman Will McKnight. (Source: Savannahnow.com, GPA)

Ocean Freight Business News:

New warnings of severe capacity constraints have been sounded, along with volume and financial estimates of the damage caused by the coronavirus (COVID-19), as manufacturing production in China limps back to life following an extended — and uneven — February factory shutdown after Chinese New Year. Carriers, forwarders, and analysts are warning that container equipment is stuck outside China, and the unprecedented amounts of shipping capacity withdrawn from the market will give carriers limited ability to respond to a period of hyper-restocking following the forced drawdown of inventory by shippers. This will lead to cargo delays, missed sailings, and higher ocean freight rates on both headhaul and backhaul trades. Sea-Intelligence is predicting the container shipping industry will have lost 1.7 million TEU and \$1.7 billion in revenue for the year as a result of measures taken to combat COVID-19. (Source: joc.com)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy rate was 5.2%** at the end of the fourth quarter of 2019, up from 5.1% the previous quarter and up from 4.9% in Q4 2018. None of the 49 markets tracked by NGKF had a double-digit vacancy rate during Q4 2019. The vacancy rate in **Atlanta, GA was 7.6%** in Q4 of 2019. (Source: NGKF)

Warehouse Rent Rates

In Q4 2019, the average asking rent across the U.S. was **\$7.41/SF, 4.5% higher** from one year ago and the highest quarterly average recorded this cycle. Industrial rents have increased by 32.3% over the past five years and have ticked up every quarter since the third quarter of 2011, showing both the consistency and upside of the market. **The average asking rent in Atlanta was \$5.01/SF in Q4 2019**. (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. **increased 2.2%** during the fourth quarter of 2019, posting 50.6 million square feet of net absorption. Net absorption decreased 17.6% compared with 61.4 million square feet in Q4 of 2018. Of the 49 industrial markets tracked by NGKF, 17 absorbed 1 million square feet or more in Q4 2019. (Source: NGKF) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

Warehouse Employment

The nationwide warehousing industry workforce **increased 0.5%** to 1,198,400 employees total in January 2020. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$20.73/hour in December 2019, **up 1.1%** from the previous month. The average weekly hours totaled 43.1 in December, **up 1.9%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- Industrial and logistics real estate growth will remain strong throughout this year, although it probably will not progress at quite the same torrid pace it has enjoyed in recent years, according to recent predictions by industry professionals. “Over the next couple of years, we expect the North American industrial market to remain one of the leading product types to watch,” declares the global commercial real estate services firm of Cushman & Wakefield. “Economic indicators, with strong links to industrial fundamentals, point to continued growth in both 2020 and 2021.” It cited robust consumer spending supported by stable inflation, wage growth and low unemployment, which should bode well for industrial demand. “Barring any unforeseen risks, we assess that a recession will be avoided, thanks in large part to the stimulatory effects of the Fed’s rate cuts in 2019,” the firm states. “Resilient economic activity, strong property fundamentals, low interest rates and the relative attractiveness of real estate as an asset class are the primary factors supporting our outlook.” (Source: Cushman & Wakefield, mhlnews.com)
 - Governor Brian P. Kemp announced a \$22 million expansion by flooring manufacturer Mannington Mills, Inc. in Gordon County due to increased customer demand for domestically produced luxury vinyl flooring. Mannington Mills purchased a 10.5-acre site in Calhoun that will expand upon the company’s manufacturing presence in the state and create 268 jobs. Mannington Mills is one of the world’s leading manufacturers of residential and commercial flooring with operations across the United States as well as in the United Kingdom. Georgia has been home to three Mannington Mills facilities for 53 years, and this is the third expansion in two years at the Calhoun facility. (Source: Georgia.org)
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