

# Commercial Market Insights

August 2021

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

# Contents

On the whole, the commercial real estate market is undergoing a strong recovery although the recovery is starkly bifurcated across property and geographic markets.

On one hand, the multifamily market is experiencing the strongest demand since the 2000's marked by double-digit rent growth. Vacancy rates in multifamily and industrial properties are on average lower now than prior to the pandemic. The retail property market is experiencing positive net absorption. Hotel occupancy rates have also recovered to near pre-pandemic level. On the other hand, the office market continues to experience a decline in occupancy, rising vacancy rates, and lower asking rents on average compared to one year ago.

On the other hand, the demand for commercial real estate has actually increased as the 500 million square feet of industrial space and 22 million square feet of retail space that has been absorbed by the market since 2020 Q2 more than offsets the 150 million loss of office space occupancy. Apartment occupancy rose on a net basis by 845,000 since 2020 Q2.

By geographic markets, the large metro areas of New York, Chicago, Boston, Washington DC, Denver, San Francisco, Los Angeles, Seattle continue to see a decline in office occupancy. Miami beats other large markets with a positive net absorption. While large markets are suffering a decline in occupancy, secondary markets like Rochester, Durham, Austin, San Antonio, Salt Lake, Boise, Palm Beach, and Fargo saw an increase in office occupancy in the past 12 months as of August 2021.

The commercial real estate market, particularly the office market, faces increasing headwinds from the negative impact of the surge in Delta variant cases on the economy (92% of counties have substantial to high levels of transmission according to CDC). Manufacturing production and new orders, an early indicator of economic growth, is slowing. Businesses have pushed back office re-entry plans. Visits to places of recreation like parks is also waning. Expect elevated vacancy rates in the office market but low vacancy rates in the multifamily, industrial, and retail market in the next 12 months.

*Enjoy reading the latest issue!*

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# Economic Conditions

Sustained growth but pandemic resurgence is slowing the recovery

## 16.6 million payroll generated from May 2020- July 2021 with 5.7 million jobs to recover

The economy continues to create net new jobs. As of June 2021, the economy has created 16.6 million net new jobs, or 715 of the 22.4 million jobs lost during March and April 2020. There are 5.7 million nonfarm payroll jobs still to be recovered. In July, 943,000 net new jobs were added, and at this pace, the lost jobs will be fully recovered in about seven months.

About 30% of the job loss is in leisure and hospitality, followed by the government sector, health care and social assistance, and professional and businesses services, with over 500,000 jobs each to still be recovered. Only the finance and insurance industry had job gains.

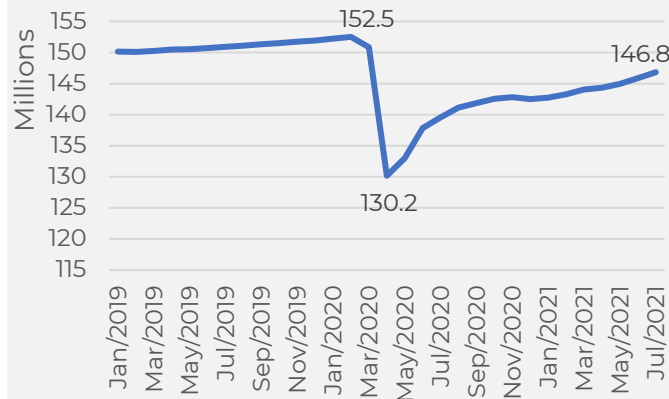
Fifty-one of 445 metro areas and their metropolitan divisions, or just 11%, have more jobs as of June 2021 compared to February 2020. These areas are mostly secondary/tertiary metro areas and includes the vacation destinations of Barnstable, Salisbury, Coeur d'Alene, Hilton Head, and Myrtle Beach.

## Highest net job gains as of July 2021 from February 2020 (pre-pandemic) (thousands)

|  |       |
|--|-------|
| Barnstable Town, MA Metropolitan NECTA         | 20.60 |
| Salisbury, MD-DE                               | 16.70 |
| Ogden-Clearfield, UT                           | 13.00 |
| Salt Lake City, UT                             | 12.80 |
| Boise City, ID                                 | 12.40 |
| Provo-Orem, UT                                 | 9.60  |
| Coeur d'Alene, ID                              | 7.30  |
| Myrtle Beach-Conway-North Myrtle Beach, SC-NC  | 6.50  |
| Idaho Falls, ID                                | 6.50  |
| Daphne-Fairhope-Foley, AL                      | 5.40  |
| Elkhart-Goshen, IN                             | 5.30  |
| Portland-South Portland, ME Metropolitan NECTA | 4.30  |
| St. George, UT                                 | 4.20  |
| Sioux Falls, SD                                | 3.90  |
| Savannah, GA                                   | 3.50  |
| Rapid City, SD                                 | 3.50  |
| Hilton Head Island-Bluffton-Beaufort, SC       | 3.50  |
| Spokane-Spokane Valley, WA                     | 3.30  |
| Kansas City, MO                                | 2.80  |
| Pocatello, ID                                  | 2.70  |
| Colorado Springs, CO                           | 2.60  |
| Portsmouth, NH-ME Metropolitan NECTA           | 2.10  |

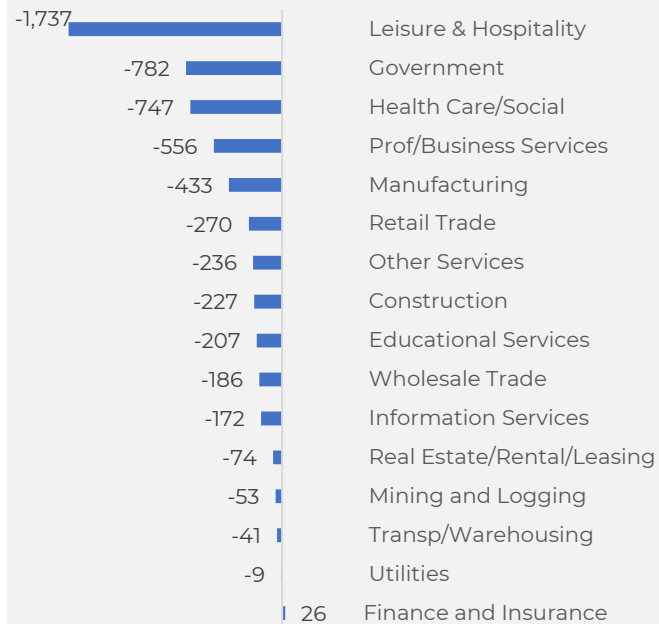
Source: BLS Establishment Survey

16.6 Million Payroll Jobs Created With 5.7 Million Lost Jobs to Recover as of July 2021



Source: BLS Establishment Survey

Nonfarm Payroll Jobs Lost since February 2020 as of July 2021



Source: BLS Establishment Survey

# Economic Conditions

Sustained growth but pandemic resurgence is slowing the recovery

## 13% of the workforce still working from home

Workers are returning to the office. As of July 2021, just 13% of workers teleworked, down from a peak of 35%, but still about thrice the 5.7% share in 2019. Among computer and mathematical workers, 49% are teleworking, about four-fold from the 12% share in 2019. With 92% of counties experiencing substantial to high levels of the Delta variant transmission, companies are pushing back return-to-work dates, like Apple®, Alphabet®, Uber®, and Lyft®.

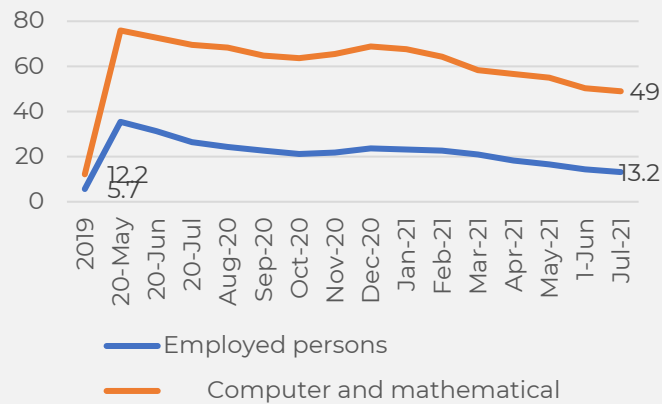
## E-commerce continues to accelerate

Electronic and mail order sales continues to trend upwards in terms of dollar volume, to \$911 billion dollars, or 15% of retail trade sales. Prior to the pandemic, electronic sales accounted for just 12.4% of retail trade sales.

## Inflation surged to 5.4% in June/July due to uptick in energy and transportation prices

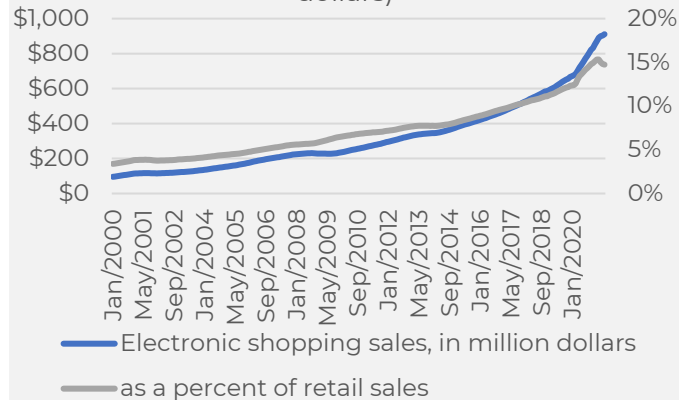
With more people vaccinated, consumer spending for travel and transportation rose in June and July, leading to a surge in inflation to 5.4%. However, the net inflation of the volatile food and energy prices rose 4.3% year-over-year. After an initial surge, the inflation rate has remained flat, indicating that the surge was temporary and that inflation is not accelerating which should hold down the inflation rate to the 2% long-run target of the Federal Reserve Board.

Number of employed 16 years old and over who worked from home



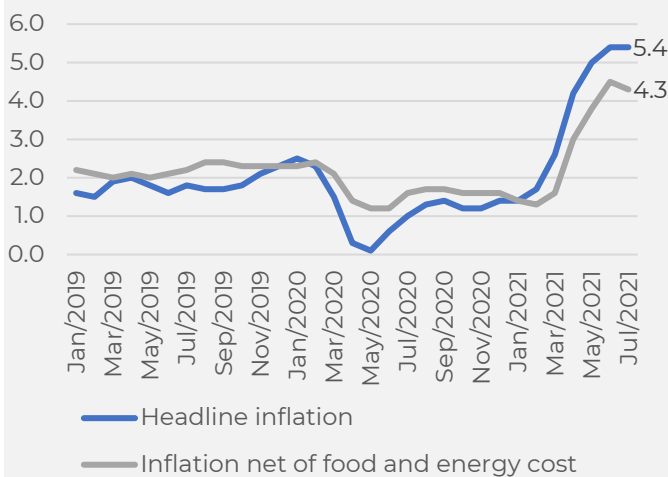
Source: BLS COVID-19 Supplemental Survey

12-Month Running Total of Electronic and Mail Order Retail Sales (in billion dollars)



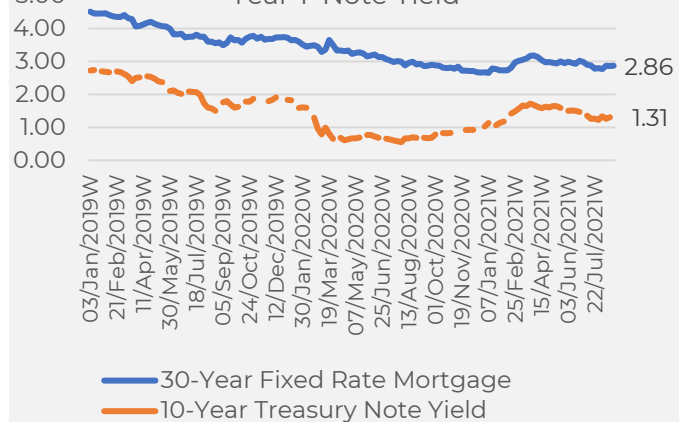
Source: US Census Bureau

Temporary Surge in Inflation



Source: US Bureau of Labor Statistics

30-Year Fixed Mortgage Rate and 10-Year T-Note Yield



Source: Freddie Mac, Federal Reserve Board

# Economic Conditions

Sustained growth but pandemic resurgence is slowing the recovery

## Manufacturing orders and production are slowing

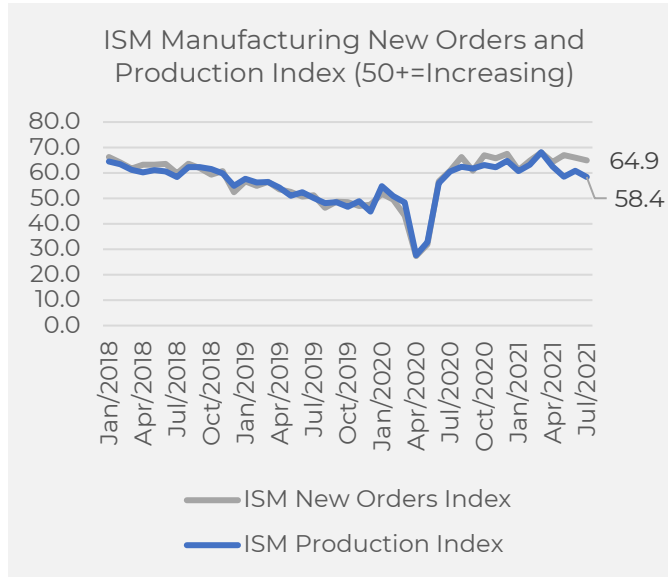
A leading indicator of economic growth is manufacturing production. The Institute for Supply Management production index has been trending downwards to 58.4 while the new index orders has remained flat at 64.9. While values of over 50 indicate rising activity, the decline in the indices indicate the momentum is slowing.

## Decline in single-location small businesses operating at higher capacity as of July 17, 2021

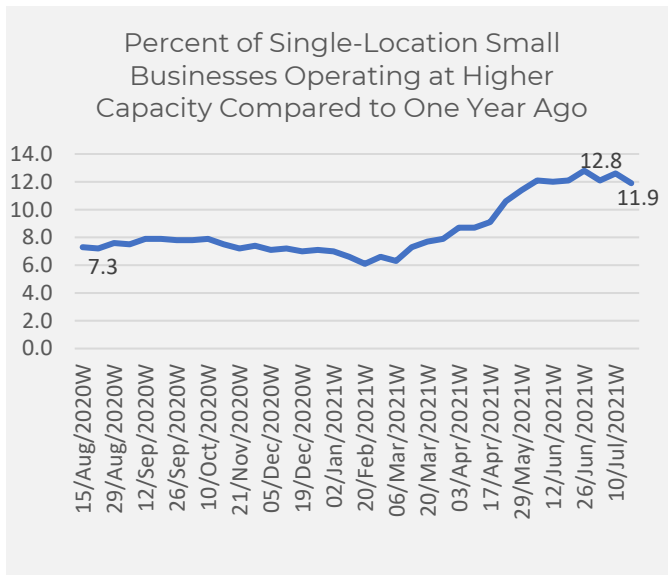
As of the week of July 17, 12% of single-location small businesses were operating at higher capacity, according to the US Census Business Pulse Survey. This is a decline from 12.8% in June.

## Decline in mobility to places

After mobility to place picked up in May and June, mobility to place trended downwards in July with 92% of counties having substantial to high transmission of Delta variant. As of August 22, visits to parks stood at 28% above the pandemic level, but below the 60% rate in June. Visits to transit stations is at 17% below the pre-pandemic level, down from about 10% below the pre-pandemic level in June. The data are not seasonally adjusted and the seasonality is also captured in the data.

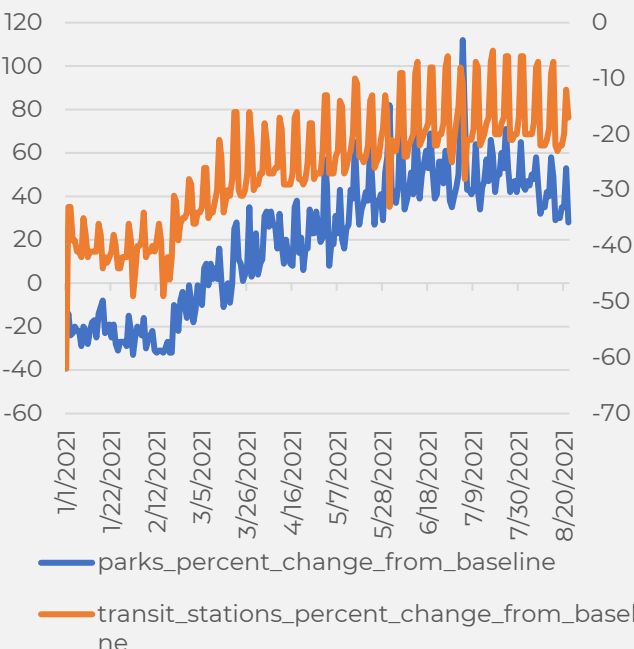


Source: Institute for Supply Management



Source: US Census Bureau's Business Pulse Survey

Google® Mobility Trends as of August 22, 2021 (Jan 2020=100)



# Commercial Market Overview

## Positive absorption and rising rent except for office

### Absorption and Vacancy Rate as of 2021 Q3 (as of August 22, 2021)

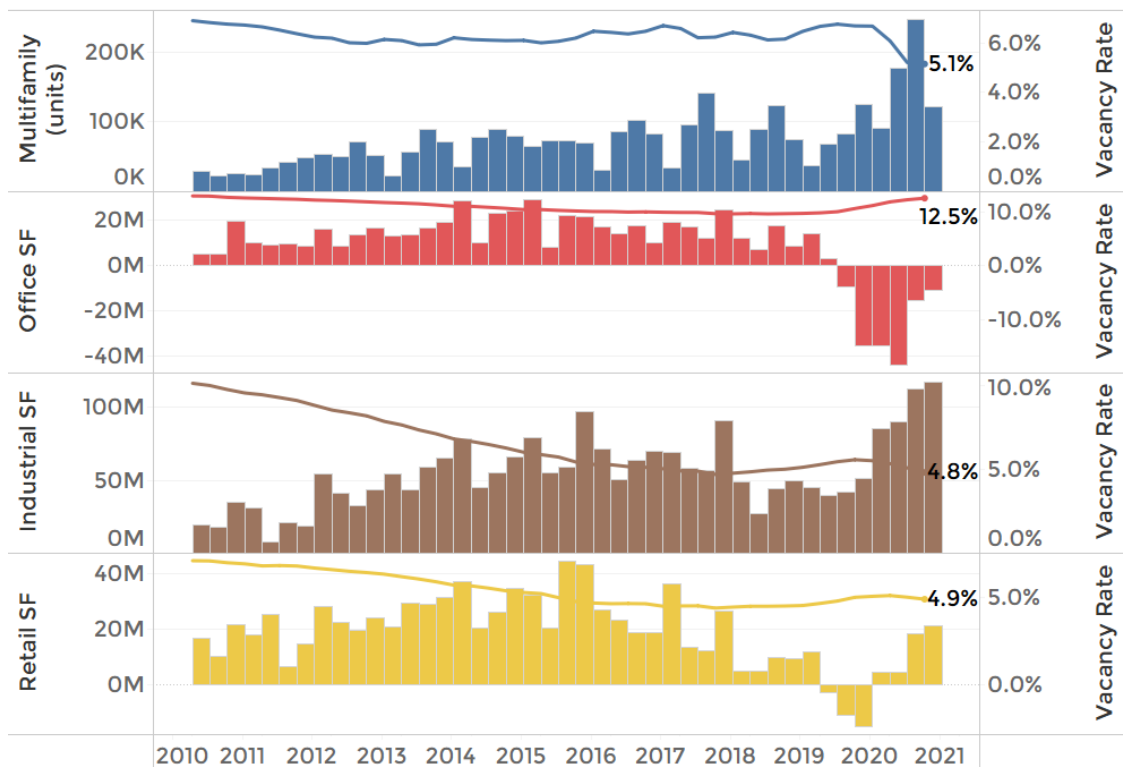
As of August 22, 2021, only the office property market had continued to see a decline in occupancy (negative net absorption) while the multifamily, industrial, and retail property markets saw an increase in occupancy, according to CoStar® market data. In the apartment market, there was a positive net absorption of 845,219 units since 2020 Q2 through 2021 Q3 (as of August 22, 2021). With higher occupancy the vacancy rate has declined to 5.1% from 6.7% in 2020 Q1 (pre-pandemic).

In the office market, 150 million square feet of office space has lost occupants since 2020 Q2. The office vacancy rate has increased from 9.8% in 2020 Q1 to 12.5% as of August 22.

In the industrial market, 500 million square feet of office space has been absorbed since 2020 Q2. This positive net absorption of industrial space more than offsets the negative net absorption of office space. The vacancy rate has also fallen from 5.3% in 2020 Q1 to 4.8% as of August 22..

In the retail property market, there has been an increase of 21.8 million since 2020 Q2. The vacancy rate has just slightly increased from 4.6% prior to the pandemic to 4.9% as of August 22, this is a decline from 5.1% in the first quarter of 2021.

### Only the Office Property Market Continues to Have Falling Occupancy and Higher Vacancy as of August 27, 2021



Source of data: NAR analysis of CoStar data

# Commercial Market Overview

## Rising rents except for office

### Asking Rent Growth as of 2021 Q3 (as of August 22, 2021)

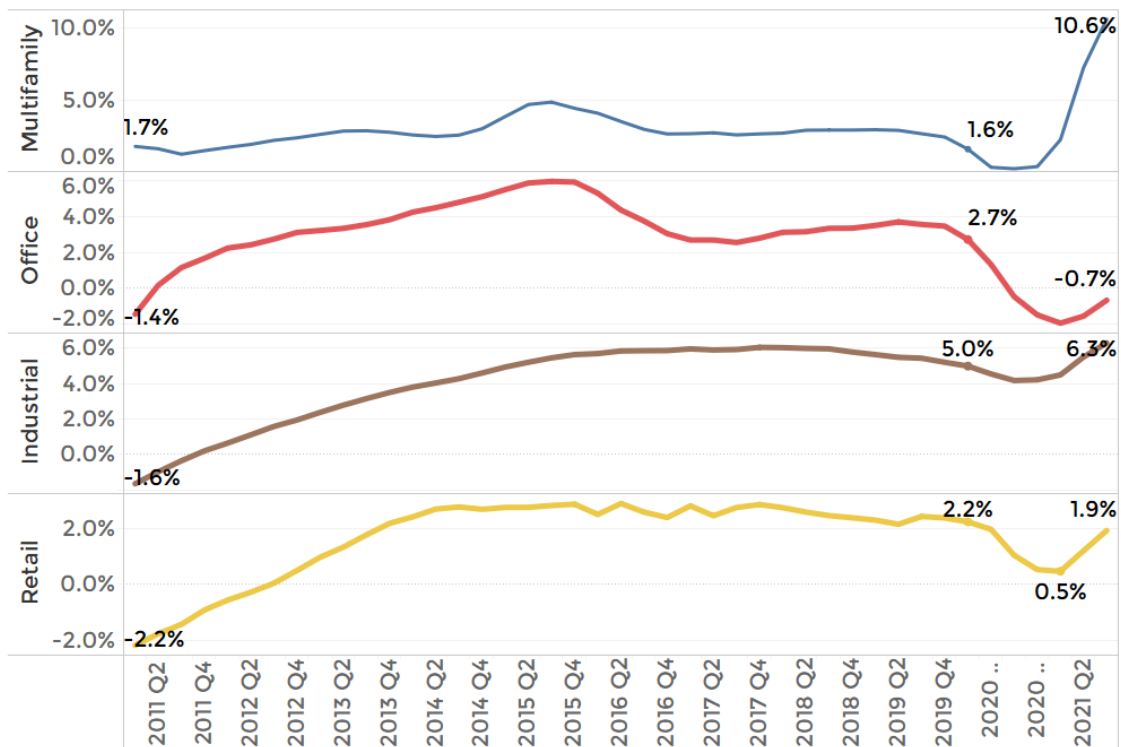
In the multifamily market, the average asking rent per unit as of the 2021 Q3 (through August 22) is up 12.8% from one year ago or 6-fold the rent growth prior to the pandemic of just 2.6%.

In the industrial property market, the average asking rent per square foot was up 6.3%, also higher than the 5% rent growth prior to the pandemic.

In the retail property market, rents are also rising, with the average asking rent up by 1.9% although this is a tad lower than the 2.2% pre-pandemic rent growth.

Only the multifamily market continues to face falling rents, with the average asking rent down by 0.7% compared to one year ago.

### Only the Office Property Market Continues to Have Lower Rent vs. Pre-Pandemic as of August 27, 2021



Source of data: NAR analysis of CoStar data

# Commercial Market Overview

## Slowdown in construction except for industrial

### Under Construction as of 2021 Q3 (as of August 22, 2021)

The pace of construction activity has been on the decline since the second quart of 2020 in the multifamily, office, and retail property markets. Only the industrial property sector has seen a higher pace of construction activity.

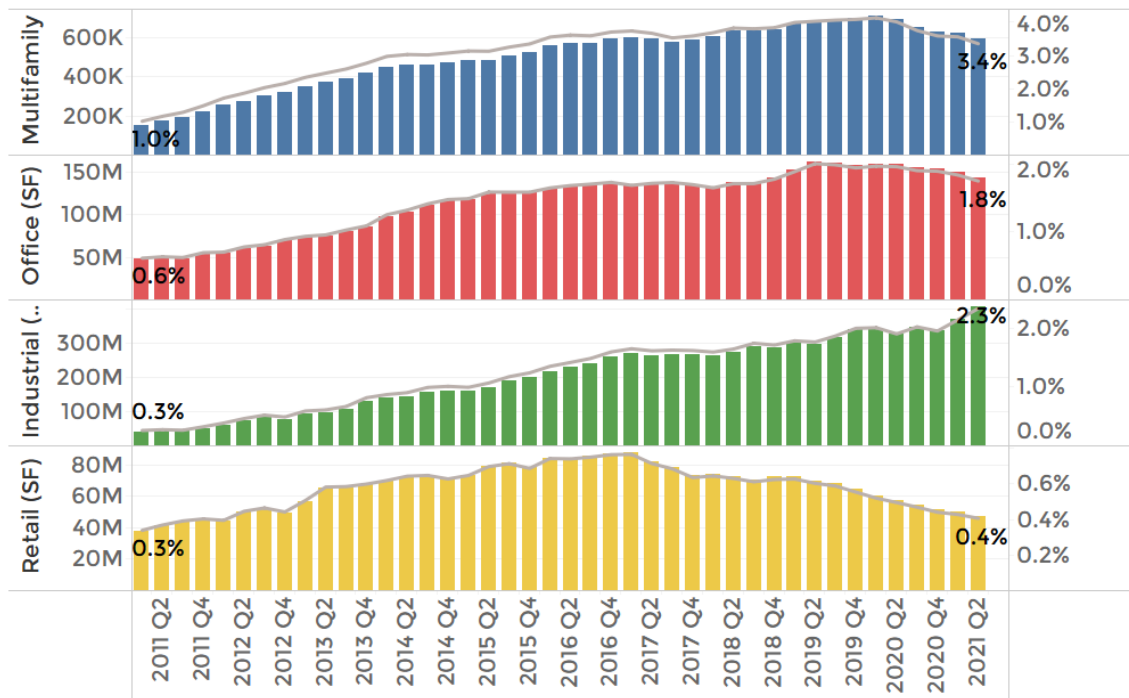
In the apartment market, there are 592,846 units under construction as of 2021 Q3 (as of August 22), which is equivalent to 3.4% of the current stock of apartment units. Prior to the pandemic in 2020 Q1, there were 710,000 units under construction.

In the office market, construction activity has slowed to 143 million square feet as of 2021 Q3 from 160 million square feet prior to the pandemic. The current pace of construction is equivalent to 1.8% of the current inventory, so with the office property market still undergoing negative net absorption, this will increase the vacancy rate and will continue to depress office rent.

The retail property market has been undergoing a decline in the level of construction activity even before the pandemic due to the inroads of e-commerce that the pandemic just accelerated. The current level of construction of 47.5 million square feet is just adding 0.4% of space to the current inventory, and absorption has already been rising, so expect rents to firm up in the retail property market.

### Only Industrial Real Estate Has Level of Construction Activity and as Percent of Inventory that Is Higher than Pre-Pandemic as of 2021 Q2

(Multifamily in units; Office, Industrial, Retail in Square Feet)



Source of data: NAR analysis of CoStar data



# Commercial Market Overview

## Industrial market has biggest decline in cap rates

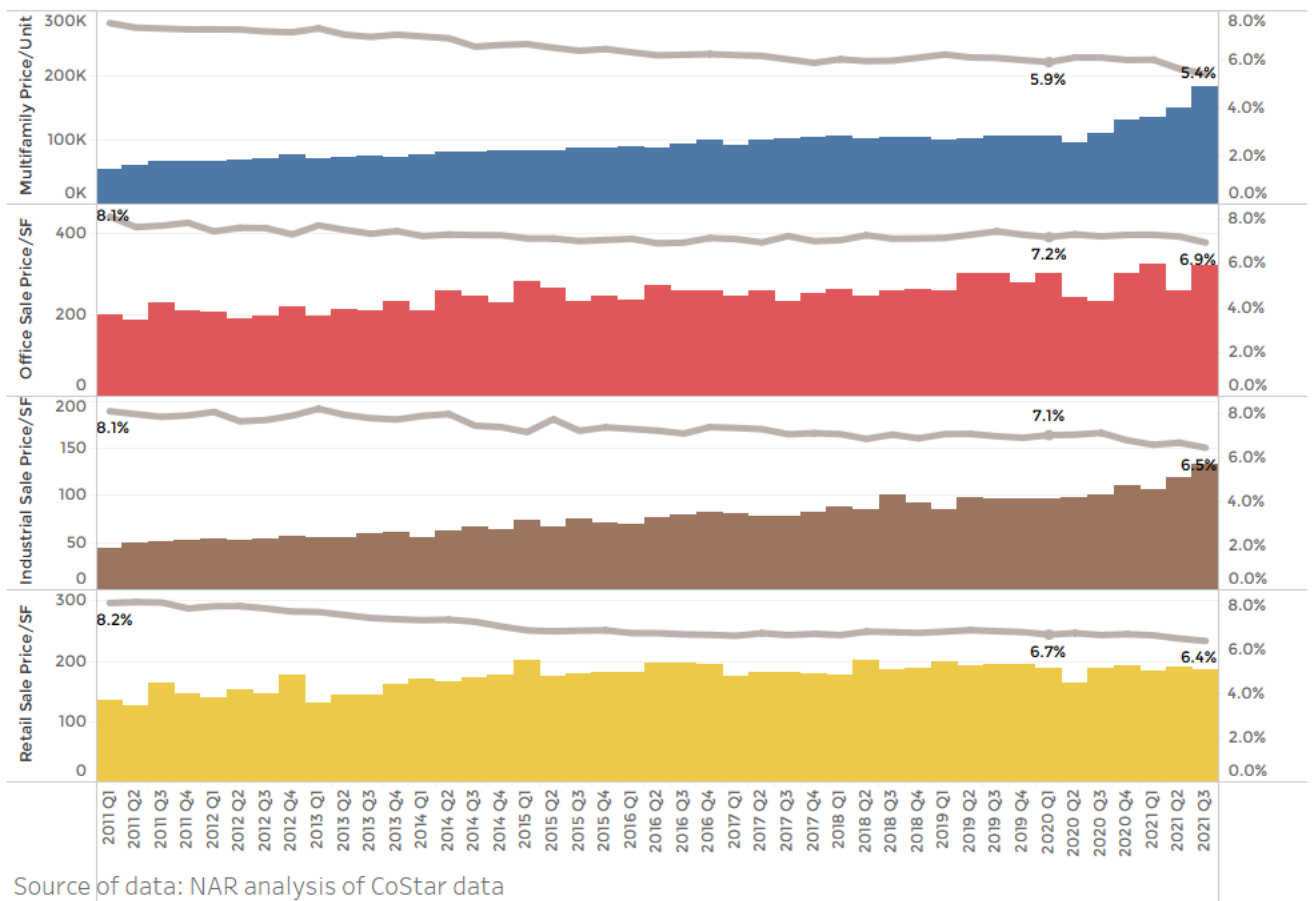
### Cap rates continue to compress

Cap rates or the return on an investment have been trending down in line with the downward trend of the 10-year T-note to an average of 1.34% in July. Cap rates also depend on the fundamental underlying value of the property.

Compared to the cap rates prior to the pandemic, the largest decline in cap rates was for industrial properties with the cap rate falling from 7.1% to 6.5%. The average sales transaction price rose from \$96/SF to \$133/SF from 2020 Q1 to 2021 Q3 (as of August 22) or a gain of 38%.

With the demand for apartment units, cap rates decreased to an average of 5.4% as of 2021 Q3 from 5.9% in 2020 Q1. The average sales price rose from \$95,500 to \$183,300 per unit.

### Cap Rates Have Been Trending Down With Biggest Decline for Industrial Real Estate, as of August 22, 2021



# Multifamily

## Absorption and rents rise to highest levels in a decade

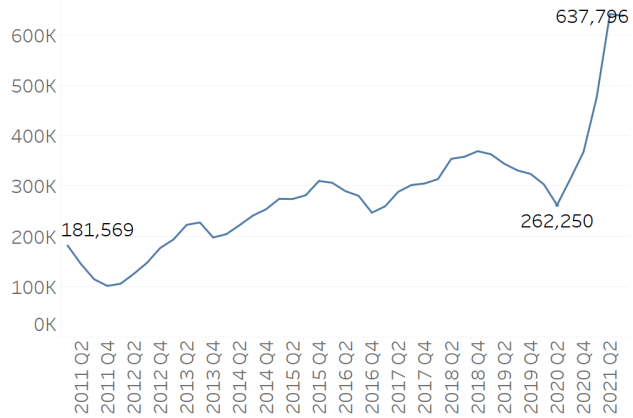
The apartment CRE market is experiencing a boom. Net absorption of apartment units reached its strongest level in a decade, with a net absorption of 630,300 units in the past 12 months as of August 22, 2021. Prior to the pandemic, the 12-month net absorption was just shy of 300,000 units.

In 2021 Q3, the top rental markets by net absorption were Dallas, New York, Washington DC, Houston, and Los Angeles. It is interesting to note that renters are coming back to major cities that lost tenants during the pandemic, namely New York, Chicago, Boston, District of Columbia, San Francisco, Los Angeles, Seattle, and San Jose.

On average, asking rents were up 10.6% year-over-year. Of these, about a third or 137 metros had at least 10% year-over-year rent growth.

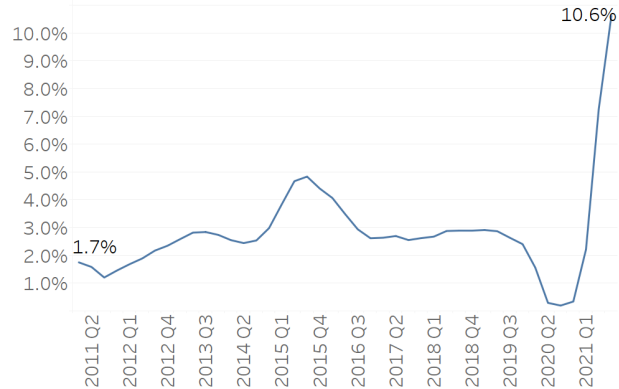
Of the top 10 metro areas with the highest rent growth, eight were in Florida. Most of the metro areas with the highest rent growth are in the South and West states.

12-Month Net Absorption of Multifamily Units



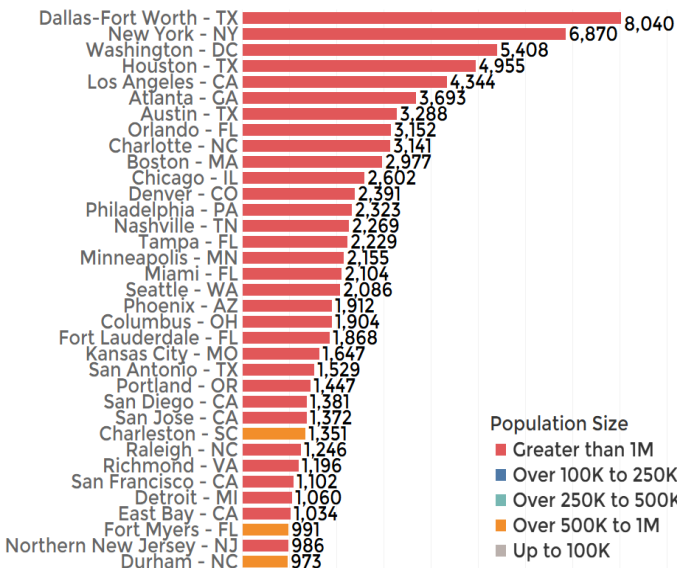
Source: NAR analysis of CoStar data

Year-over-Year Percent Change in Asking Rent Growth for Multifamily Units



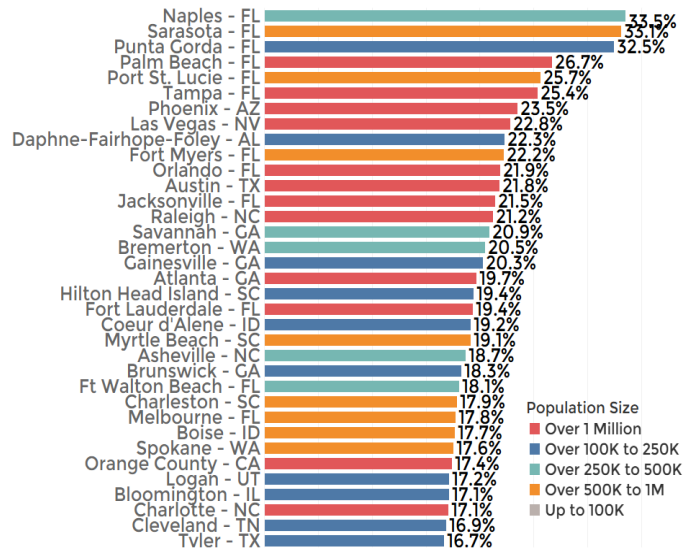
Source: NAR analysis of CoStar data

Top Rental Markets by Net Absorption of Multifamily Units in the Past 3 Months as of August 22, 2021



Source: NAR analysis of CoStar data

Metros with Highest Year-over-Year Asking Rent Growth as of August 22, 2021



Source: NAR analysis of CoStar data

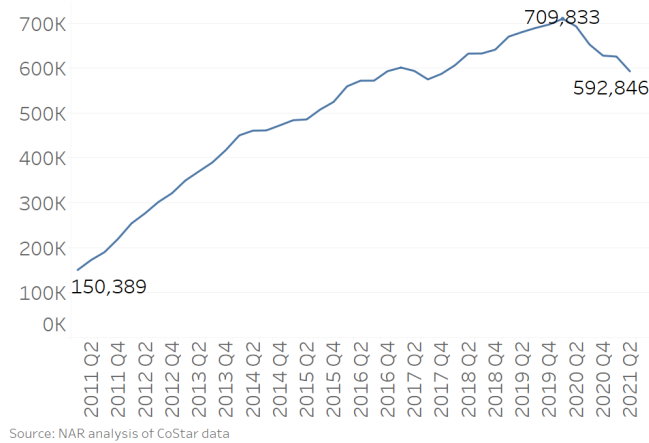
# Multifamily

## NY, DC, and LA are top areas attracting multifamily developers

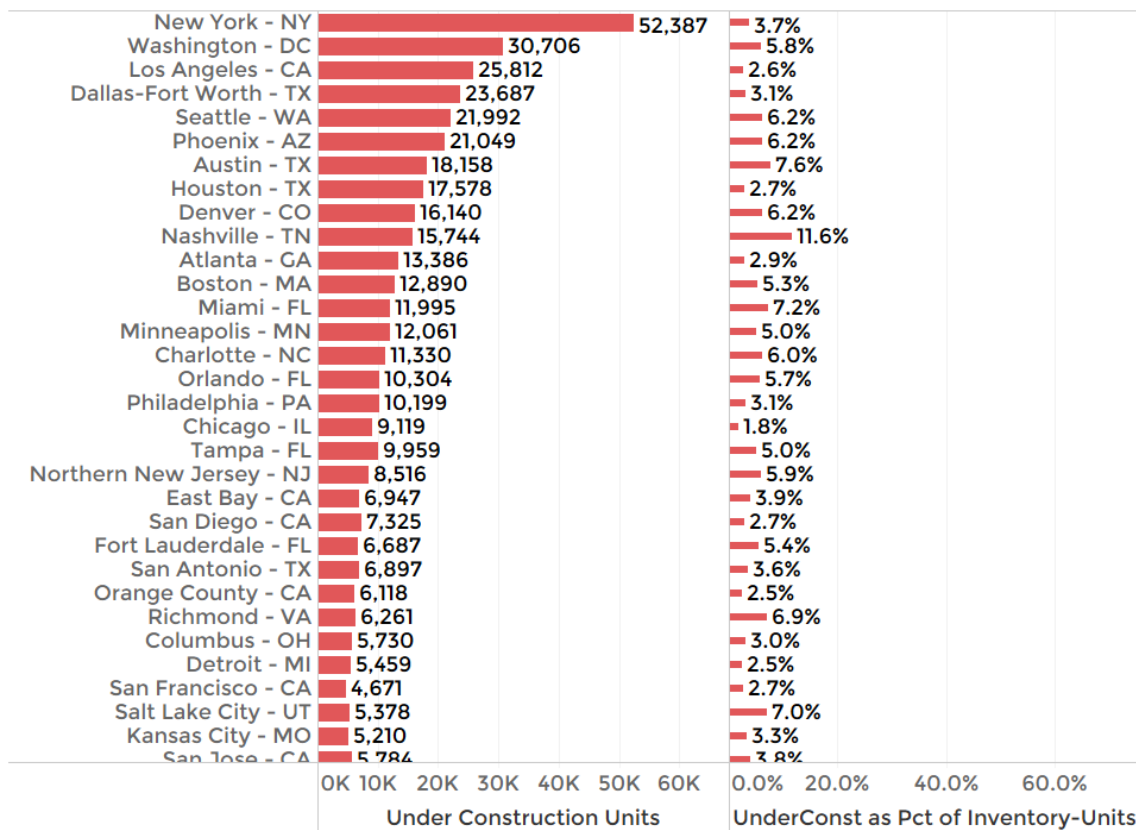
Rents have soared because of waning construction activity. As of the 2021 Q2, there were 592,846 multifamily units under construction, according to CoStar® data. Prior to the pandemic, there were 710,000 units under construction.

Developers appear to remain bullish on the long-term prospects of the gateway cities, with the most construction activity in the metro areas of New York, the District of Columbia, Los Angeles, Boston, Chicago, and San Francisco. Most construction activity is happening in the South states (Texas, Florida, Georgia, Virginia, Tennessee, North Carolina) and in the West states (Washington, California, Arizona, Colorado, Utah) as well as in the Midwest states (Illinois, Missouri, Ohio, and Michigan).

Multifamily Units Under Construction as of 2021 Q2



## Apartment Units Under Construction as of 2021 Q2



Source: NAR analysis of CoStar data

# Office

## Office real estate still suffering from declining occupancy

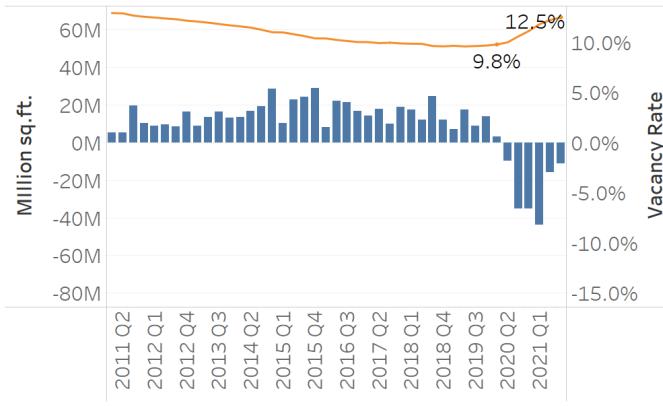
In the office market, 150 million square feet of office space has lost occupants since 2020 Q2. The office vacancy rate has increased from 9.8% in 2020 Q1 to 12.5% as of August 22.

In the past 12 months, the largest losses in office occupancy have occurred in New York, Washington DC, Chicago, Los Angeles, San Francisco, Boston, Philadelphia, Seattle, Atlanta, and Denver. Only Atlanta had positive net absorption in the second and third quarter (as of August 22).

On the other hand, office occupancy increased in secondary/tertiary metro areas. Of the 12 metro areas with an increase of over 500,000 square feet of office space, three were in Florida (Palm Beach, Pensacola, and Miami).

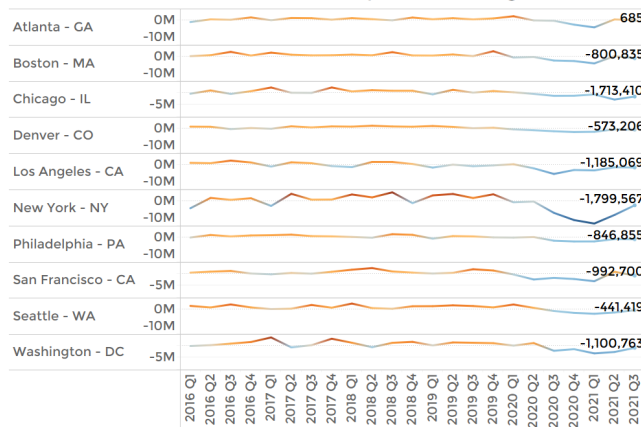
Rochester, Durham, Salt Lake City, Boise, Provo, Austin, New Haven, San Antonio, Austin, and Fargo are the other metro areas that are attracting office-using businesses. These areas are closer to key metro areas but offer lower office and apartment rents, less expensive homes, and a pool of talent and research facilities provided by the universities in these areas.

Quarterly (3-month) Net Absorption of Office Space in Million Square Feet as of 2021 Q3 (August 22, 2021)



Source: NAR analysis of CoStar data

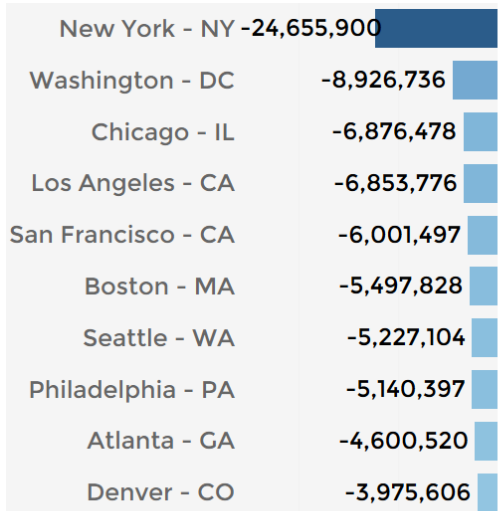
Only Atlanta Is Seeing Net Increase in Occupancy Among Metro Areas That Have Lost the Most Occupants as of August 22, 2021



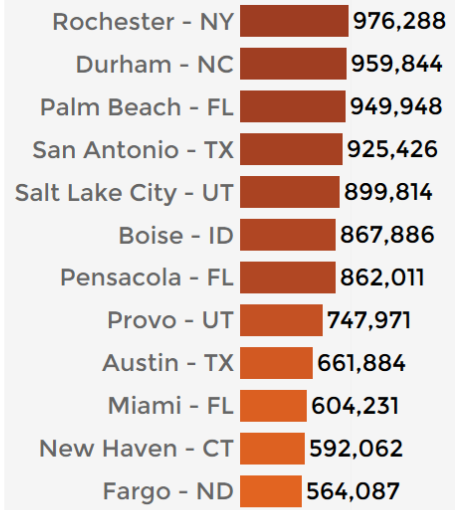
Source: NAR analysis of CoStar data

### Top Metro Areas that Gained and Lost Occupancy (Million Square Feet) in the Past 12 Months as of August 22, 2021

#### Negative Net Absorption



#### Positive Net Absorption



Source: NAR analysis of CoStar data

# Office

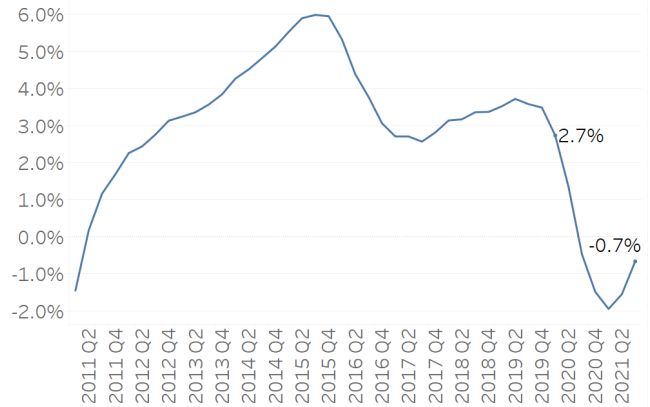
## Office rents are still declining with rising rent in secondary/tertiary metros

With falling occupancy and rising office vacancy rates, asking rents remained below the level one year ago, down by 0.7% as of August 22, 2021. The average rent is being pulled down by the large metro areas, However, only 27 out of 390 metro areas tracked by CoStar® had lower asking rent as of August 22, 2021 compared to one year ago.

Office asking rents are on average still below year-ago levels in the metro areas of San Francisco, New York, Washington DC, Los Angeles, Chicago, Seattle, Los Angeles.

However, office asking rents are up in many secondary/tertiary metro areas. Tucson posted the highest year-over-year increase in office asking rent, while Phoenix saw a modest decrease in asking rent. Several metro areas with the highest rent growth are in Florida (Fort Myers, Sarasota, Naples, Melbourne, Palm Beach).

Year-over-Year Percent Change in Office Asking Rent as of 2021 Q3 (August 22, 2021)



Source: NAR analysis of CoStar data

### Year-over-Year Percent Change in Office Asking Rent

#### Rising Office Rents

|                        |      |
|------------------------|------|
| Tucson - AZ            | 5.2% |
| Fort Myers - FL        | 4.5% |
| Sarasota - FL          | 4.4% |
| Naples - FL            | 4.2% |
| Reno - NV              | 3.5% |
| Melbourne - FL         | 3.4% |
| Providence - RI        | 3.4% |
| Palm Beach - FL        | 3.0% |
| Hammond - LA           | 2.9% |
| Burlington - NC        | 2.9% |
| Las Vegas - NV         | 2.8% |
| Miami - FL             | 2.8% |
| Valdosta - GA          | 2.7% |
| Goldsboro - NC         | 2.7% |
| Gadsden - AL           | 2.7% |
| Homosassa Springs - FL | 2.7% |
| Sumter - SC            | 2.6% |
| New Bern - NC          | 2.6% |
| Owensboro - KY         | 2.6% |
| Ocala - FL             | 2.6% |
| Lewiston - ID          | 2.6% |

#### Declining Office Rents

|                          |       |
|--------------------------|-------|
| San Francisco - CA       | -4.1% |
| New York - NY            | -2.9% |
| East Bay - CA            | -2.2% |
| Orange County - CA       | -1.8% |
| Denver - CO              | -1.5% |
| Janesville-Beloit - WI   | -1.2% |
| Hartford - CT            | -1.2% |
| Washington - DC          | -1.1% |
| Seattle - WA             | -0.9% |
| San Rafael - CA          | -0.8% |
| Louisville - KY          | -0.7% |
| Houston - TX             | -0.7% |
| Santa Barbara - CA       | -0.7% |
| Albany - NY              | -0.7% |
| Pittsburgh - PA          | -0.7% |
| Madison - WI             | -0.6% |
| Boulder - CO             | -0.6% |
| Chicago - IL             | -0.4% |
| New Orleans - LA         | -0.4% |
| Northern New Jersey - NJ | -0.4% |
| Los Angeles - CA         | -0.3% |

Source: NAR analysis of CoStar data

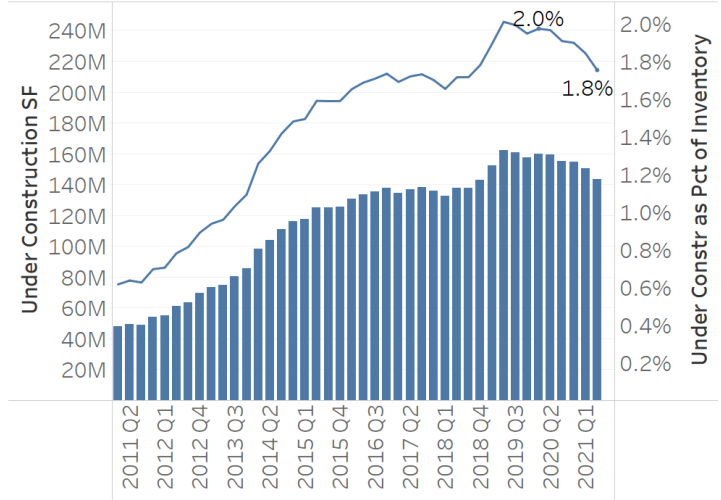
# Office

## Office space under construction to keep office rents low

As of August 22, 2021, 143.4 million of office space is under constructing, equivalent to about 2% of the existing office space. This space under completion add to the current vacant space and will tend to keep office rents low until the office space is absorbed.

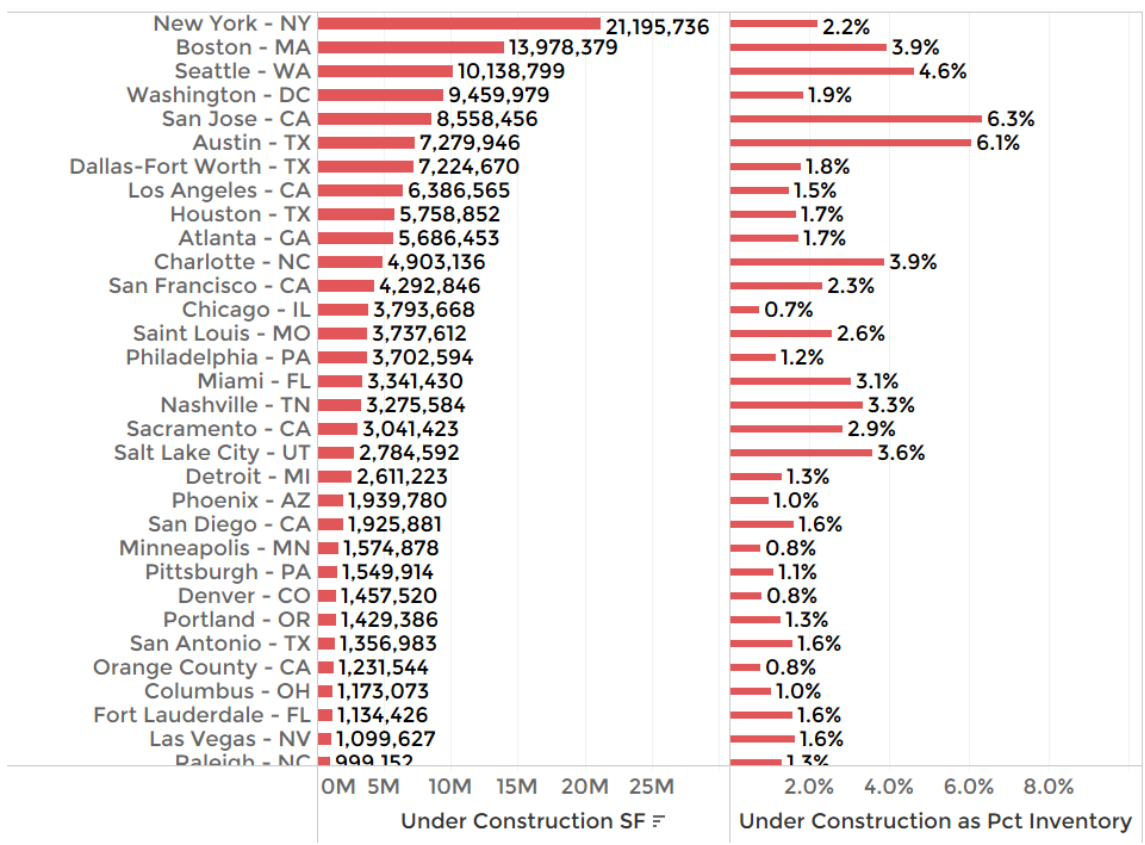
The largest construction projects are still happening in the metro areas that are currently still suffering from declining occupancy: New York, Boston, Seattle, Washington DC, San Jose, Los Angeles, Austin. In San Jose and Austin, the incoming supply amounts to about 6% of office space. The development in Austin includes the ongoing construction for Google's office, following the entry of Facebook in Austin in 2019.

Office Space Under Construction as of 2021 Q2



Source: NAR analysis of CoStar data

Office Space Under Construction (Sq. Ft.) as of 2021 Q2



Source: NAR analysis of CoStar data

# Industrial

## Investors remain excited about industrial space

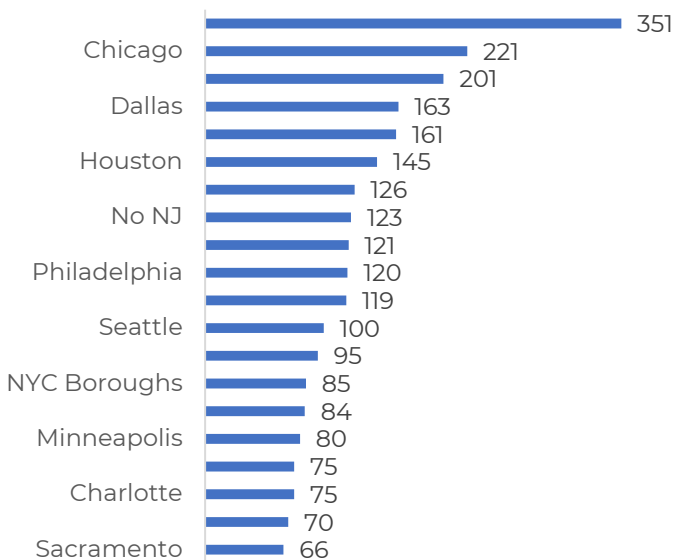
Acquisitions of industrial properties of \$2.5 million or over rose 40% in June 2021 and totaled \$7.5 billion, as acquisitions increased for both flex (38%) and warehouse (40%).

Industrial property sales continue to increase as these properties remain attractive amongst investors. Warehouse acquisition growth continues as 80% of all industrial deal volume in July was comprised of this asset. July's figures for warehouse property acquisitions hold true on a year-to-date basis as well. YTD through July 2021, of the \$61.9 billion all industrial volume, warehouse acquisitions totaled \$49.4 billion or 80%, as it remains the preferred asset type among investors given the current state of e-commerce.

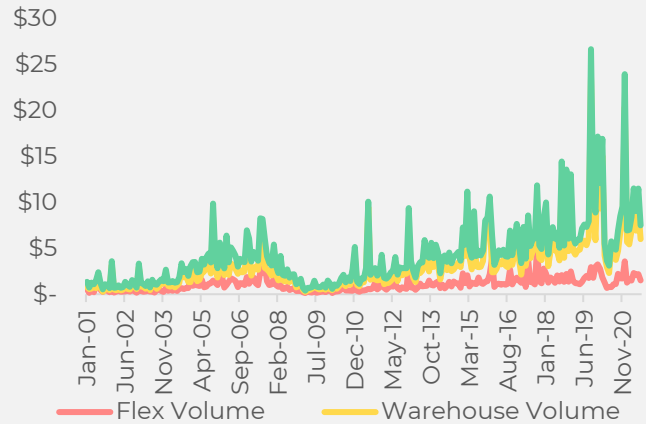
Cap rates trended downward throughout last year, but has been marginally creeping up over the past couple of months, with flex nominally increasing from the beginning of the year. The average cap rate among flex has increased to 6.1% as of July 2021, while the average cap rate among warehouse acquisitions remain unchanged at 5.8%

YTD through July 2021, the most active markets with respect to industrial property acquisitions were Los Angeles (351), Chicago (221), Atlanta (201), Dallas (163) and Inland Empire (161).

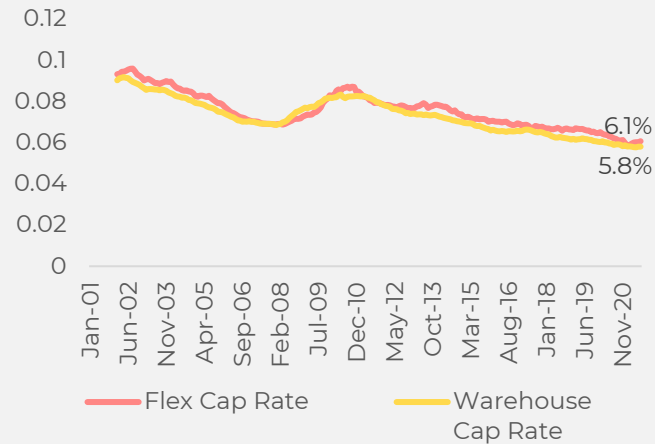
Most Active Industrial Markets by Number of Property Acquisitions YTD Through July 2021



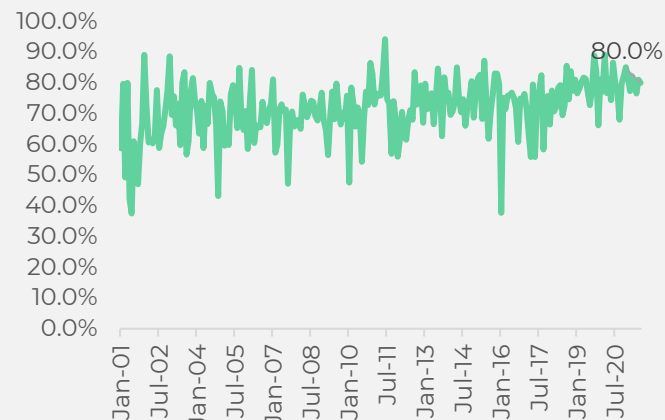
Industrial Sales Transactions of \$2.5M or Over as of July 2021 (in Billions \$)



Industrial Property Cap Rates



Share of Industrial Warehouse Acquisitions to Total Acquisitions



# Retail

## Retail acquisitions of centers outpace shops

Acquisitions of retail properties of \$2.5 million or over rose 34% in July 2021, as acquisitions increased for centers, 98%, while shops, -19%, declined.

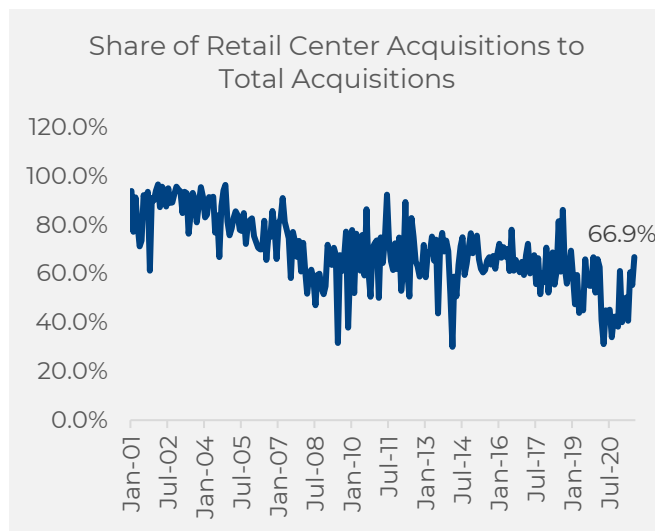
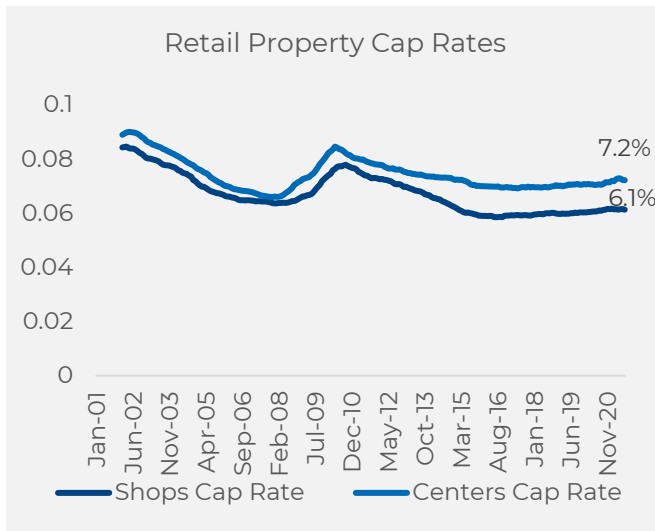
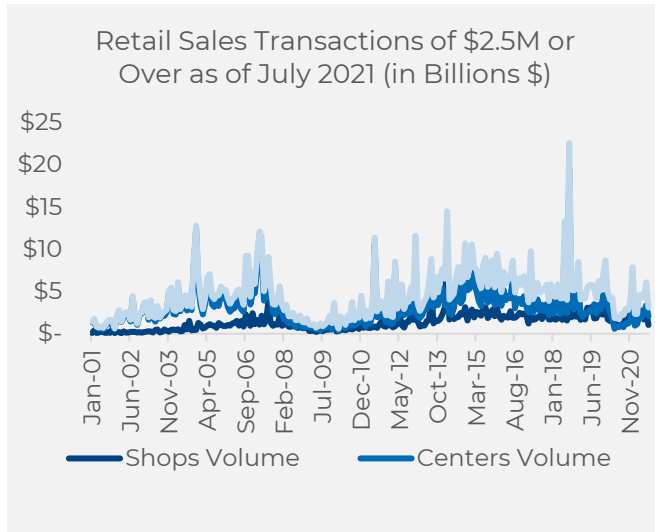
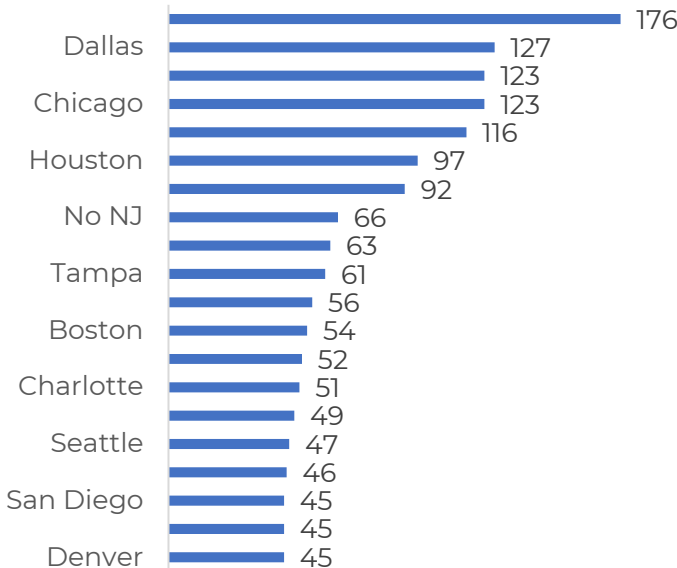
Although centers in July record a 98% y/y volume increase, it is down from the prior months where volume exceeded 200%. Shops declined -19% y/y and experienced a similar decline in volume with respect to the prior three months. The drop in the sale of all retail properties for July is just the result of differing economies. The results of the past few months, given the current economic environment is substantially different from those months last year where there was much uncertainty in regards to COVID.

The majority of retail acquisitions in July, 66.9%, was for center space. On-the-whole, the share of centers has been rising since its low-point of 2020 (April).

Overall retail cap rates were unchanged throughout last year and haven't deviated much. Cap rates averaged 6.5% for all of retail where center cap rates were 7.2% and 6.1% for shop acquisitions.

YTD through July 2021, the most active markets with respect to retail property acquisitions were Los Angeles (176), Dallas (127), Atlanta (123), Chicago (123) and Phoenix (116).

Most Active Retail Markets by Number of Property Acquisitions YTD Through July 2021





# Hotel

## Occupancy rising but still below pre-pandemic rate

With more people vaccinated and personal and business travel picking up, the hotel occupancy rate rose to 60.5% as of August 2021 after hitting 70% in July, according to CoStar/STR data. Conditions have vastly improved from one year ago when occupancy fell to just 24%. Occupancy is just running at 5% below the peak occupancy rate of 75% prior to the pandemic.

The hotel industry's revenue metrics— average daily rate (ADR) and revenue per available room (RevPAR) — have also improved significantly. As of August, ADR was at \$122/room, up 19% from one year ago, while RevPAR was at \$74/room, up 47% from one year ago. RevPAR is rising at a faster pace than ADR because of the pickup in occupancy rate.

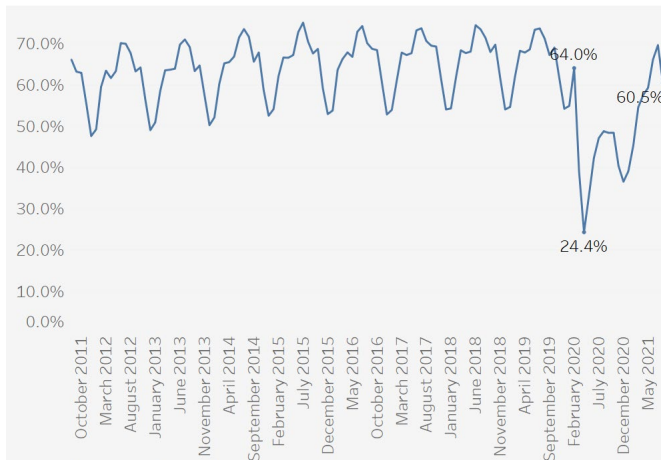
Hotel construction was slowed, with 186,892 rooms under construction nationally, which is equivalent to 3.4% of the total inventory of hotel rooms. In April one year ago, construction was running at around 220,000 rooms, or nearly 5% of total inventory of rooms. In New York, the ongoing construction accounts for nearly 20% of room inventory so hotel rates are likely to rise at a tempered pace in New York.

### Rooms Under Construction as of July 2021

|                               | Under Construction Rooms | Under construction/total room inventory |
|-------------------------------|--------------------------|---|
| New York - NY                 | 19,345                   | 18.5%                                   |
| Austin - TX                   | 4,664                    | 10.1%                                   |
| Colorado Springs - CO         | 1,257                    | 9.8%                                    |
| Delaware                      | 1,396                    | 9.6%                                    |
| Nashville - TN                | 4,928                    | 9.2%                                    |
| San Jose/Santa Cruz - CA      | 3,004                    | 8.3%                                    |
| Inland Empire - CA            | 4,051                    | 8.2%                                    |
| Oakland - CA                  | 1,641                    | 8.1%                                    |
| North Carolina West           | 2,543                    | 8.1%                                    |
| Fort Worth/Arlington - TX     | 2,924                    | 7.6%                                    |
| Detroit - MI                  | 3,505                    | 7.4%                                    |
| Palm Beach - FL               | 1,316                    | 7.3%                                    |
| Denver - CO                   | 3,900                    | 6.9%                                    |
| Miami - FL                    | 4,232                    | 6.8%                                    |
| Los Angeles - CA              | 6,963                    | 6.4%                                    |
| Greenville/Spartanburg - SC   | 1,101                    | 6.1%                                    |
| Atlanta - GA                  | 6,481                    | 6.0%                                    |
| Dallas - TX                   | 5,677                    | 5.9%                                    |
| Raleigh/Durham/Chapel Hill .. | 1,791                    | 5.8%                                    |
| Portland - OR                 | 1,694                    | 5.5%                                    |
| Charlotte - NC                | 2,190                    | 5.2%                                    |
| Melbourne - FL                | 550                      | 5.2%                                    |

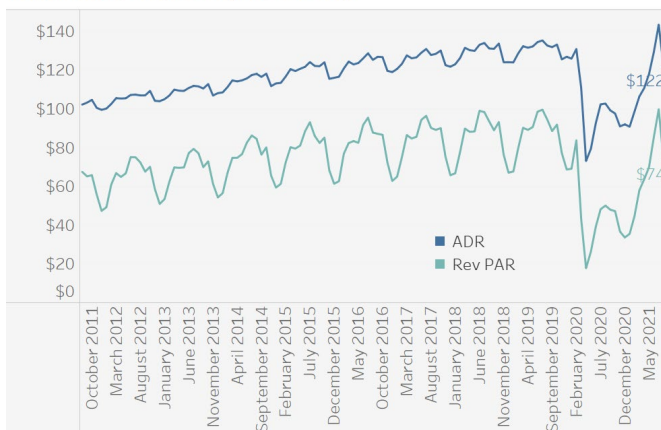
Source: NAR analysis of CoStar/STR data

### Hotel Occupancy Rate



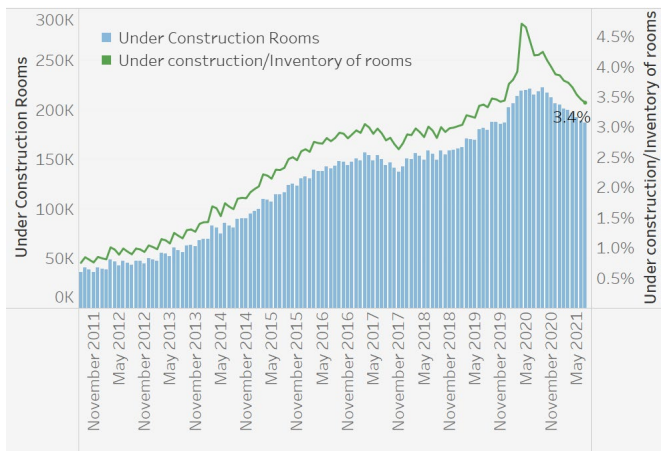
Source: NAR analysis of CoStar/STR data

### Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR)



Source: NAR analysis of CoStar/STR data

### Rooms Under Construction



Source: NAR analysis of CoStar/STR data

ADR is the total revenue/number of rooms.  
RevPAR is ADR x occupancy rate.

# COMMERCIAL MONTHLY INSIGHTS REPORT

## August 2021

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