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#NARLEGISLATIVE

NADIA EVANGELOU

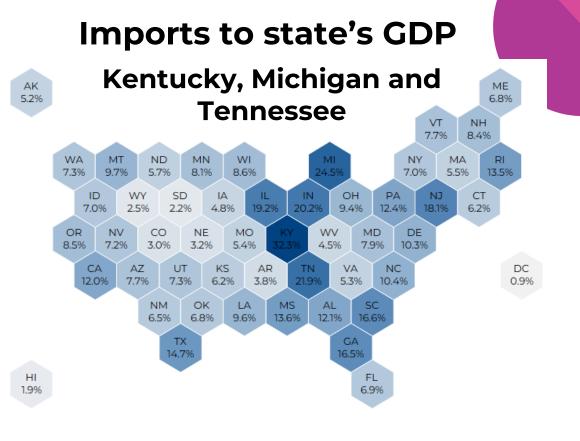
SENIOR ECONOMIST, DIRECTOR OF REAL ESTATE RESEARCH

WASHINGTON, DC



States relying most on exports and imports







Source: NAR Calculations of BEA and U.S. Department of Commerce



Government Buildings Status

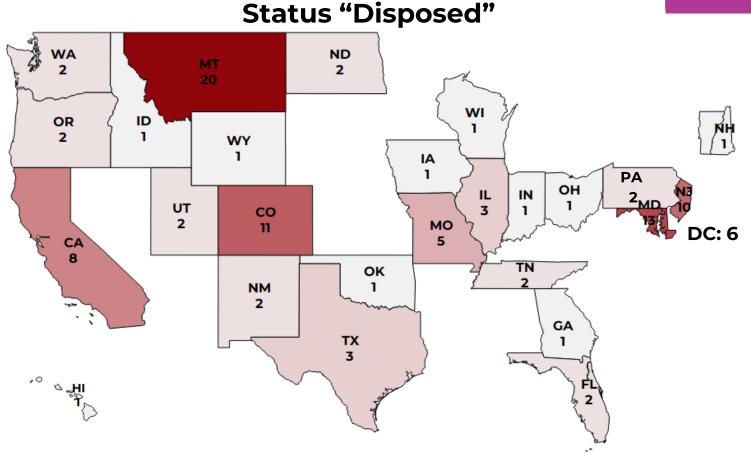
1.2% of the government buildings have been sold or decommissioned

Government-Owned Buildings with

Among Government Owned Buildings

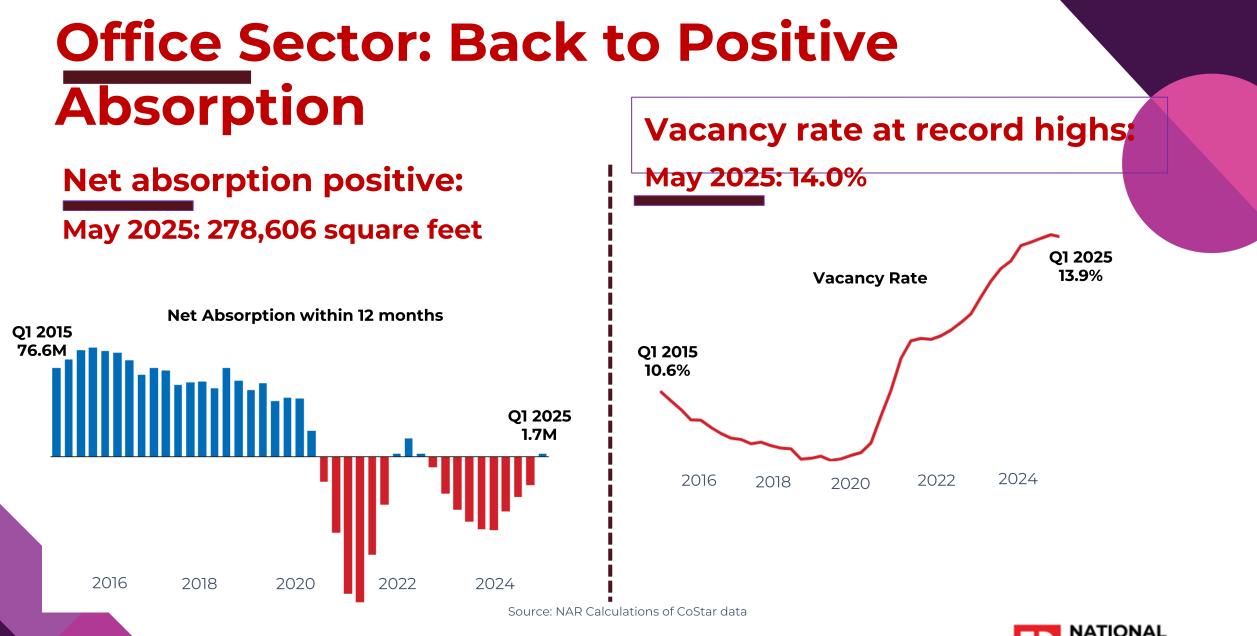
8,638 Status: Active

107 Status: Disposed



Source: NAR Calculations of GSA data (as of May 28)







Office Sector: A Market of Three Different Speeds

BETTER

BETTER THAN PRE-PANDEMIC

> 24% of metro areas larger net absorption

THAN A YEAR AGO 50% of metro areas larger net absorption **25%** of metro areas

turned

absorption

to **positive**

3 STILL NEGATIVE ABSORPTION

45% of metro areas **negative net absorption**



1. Better Than Pre-Pandemic

- New York, NY

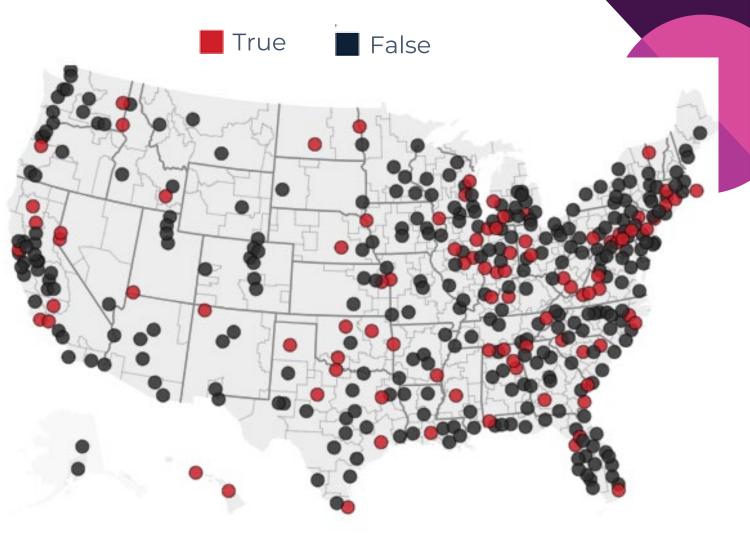
Pre-pandemic: **3.1M sq.ft.** Now: **6.5M sq.ft.**

- Houston, TX

Pre-pandemic: **1.1M sq.ft.** Now: **1.8M sq.ft.**

-Kansas City, MO

Pre-pandemic: **1.6M sq.ft.** Now: **1.8M sq.ft.**





2. Better Than A Year Ago

- Dallas-Fort Worth, TX

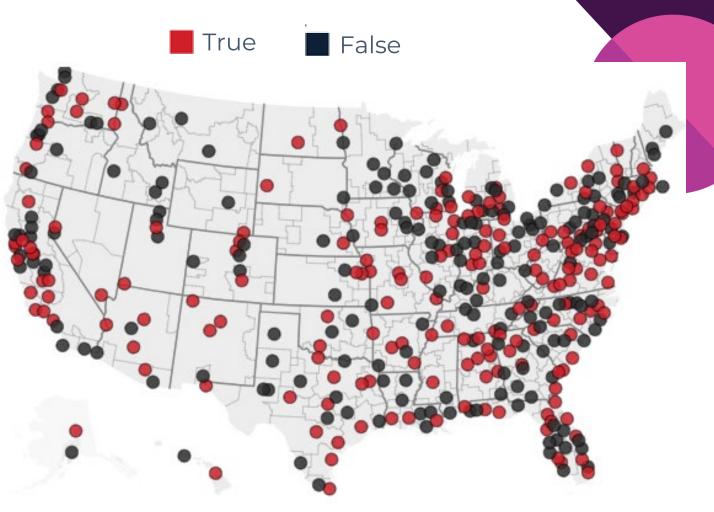
A year ago: **136,930 sq.ft.** Now: **+2.9M sq.ft.**

- Jacksonville, FL

A year ago: **-1.6M sq.ft.** Now: **+793,820 sq.ft.**

- Richmond, VA

A year ago: **-431,340 sq.ft.** Now: **+413,160 sq.ft.**





3. Still Negative Absorption

Net Absorption within 12 months

Q2 2025

- Boston, MA

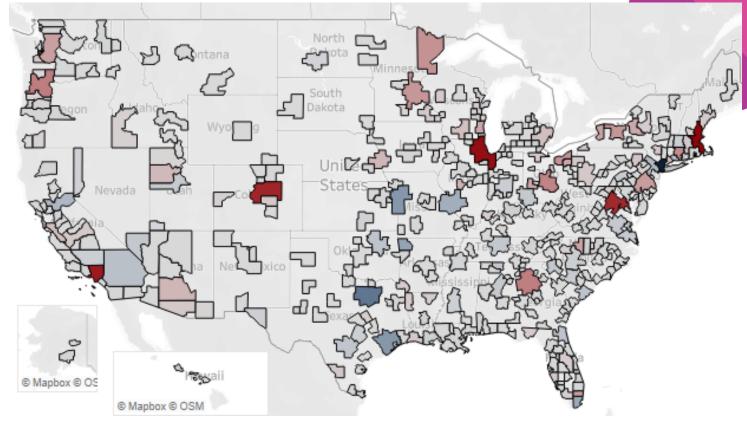
Pre-pandemic: **+3.5M sq.ft.** Now: **-2.7M sq.ft.**

- Chicago, IL

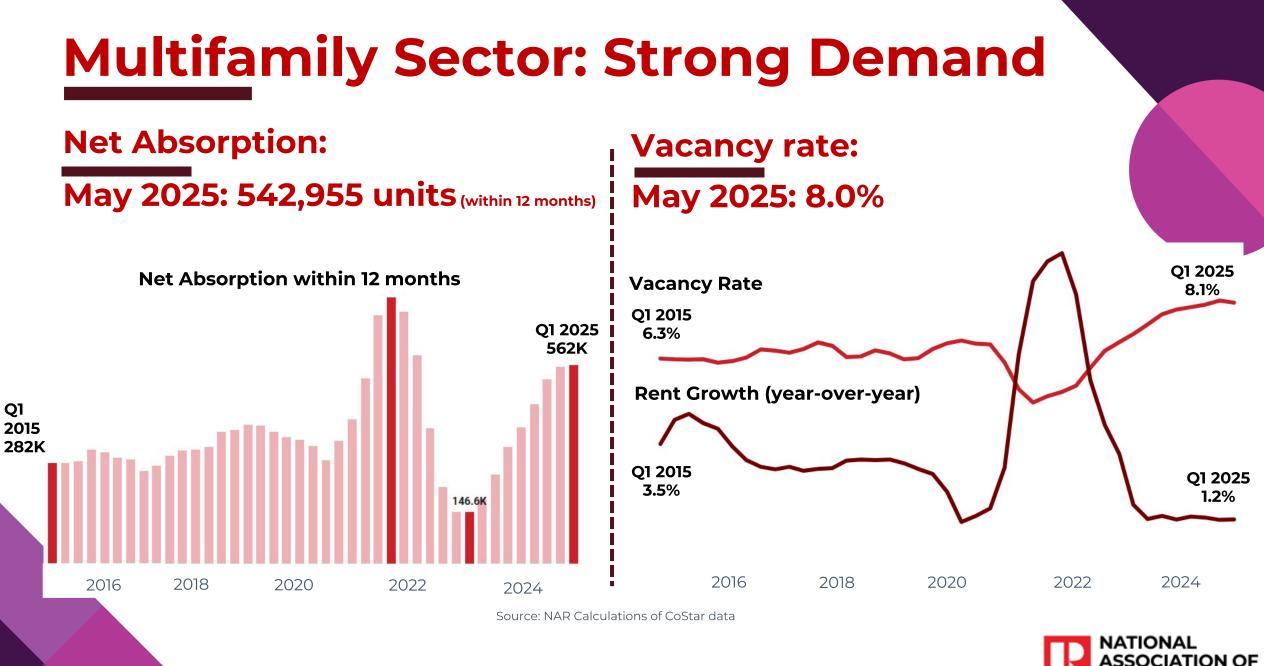
Pre-pandemic: **+1.9M sq.ft.** Now: **-2.6M sq.ft.**

- Los Angeles, CA

Pre-pandemic: **+1.8M sq.ft.** Now: **-2.3M sq.ft.** (as of May 31, 2025)







Multifamily Sector: A market of Two Different Speeds

BETTER THAN PRE-PANDEMIC

31% of metro areas had **higher rent growth** and **lower vacancy rate**

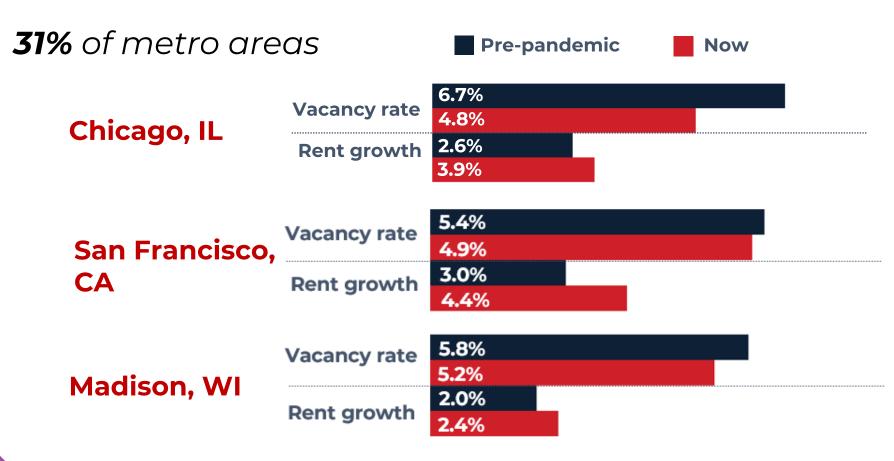
2 DECLINING RENT PRICES

16% of metro areas



<u>1. Better Than Pre-Pandemic</u>

Higher rent growth and lower vacancy rate than pre-pandemic



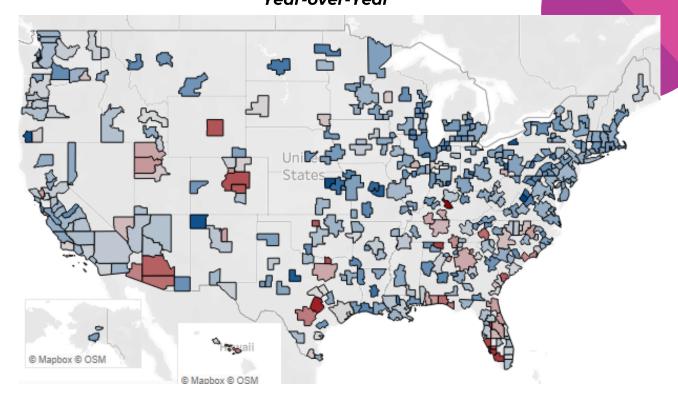


2. Declining Rent Prices

16% of metro areas

Rent Growth Year-over-Year

	Rent Growth		Vacancy Rate	
Area	Now	Pre- pandemic average	Now	Pre- pandemic average
Austin, TX	-4.4%	3.2%	15.0%	8.2%
Denver, CO	- 3.0 %	3.7%	11.3%	7.0%
Naples, FL	-3.6 %	3.7%	14.4%	6.6%
Phoenix, AZ	-2.6 %	5.1%	11.8%	7.1%





THANK YOU

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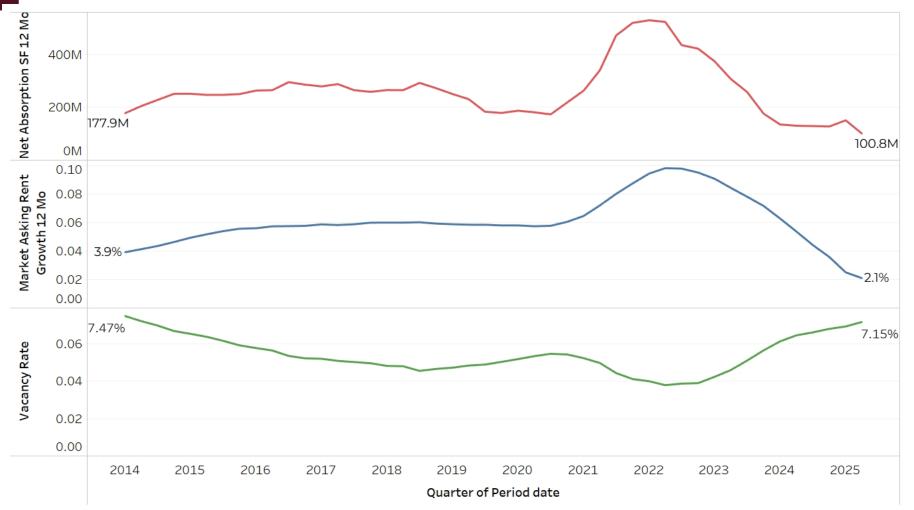
OLEH SOROKIN

DATA ANALYST, COMMERCIAL REAL ESTATE

WASHINGTON, DC



Industrial real estate statistic

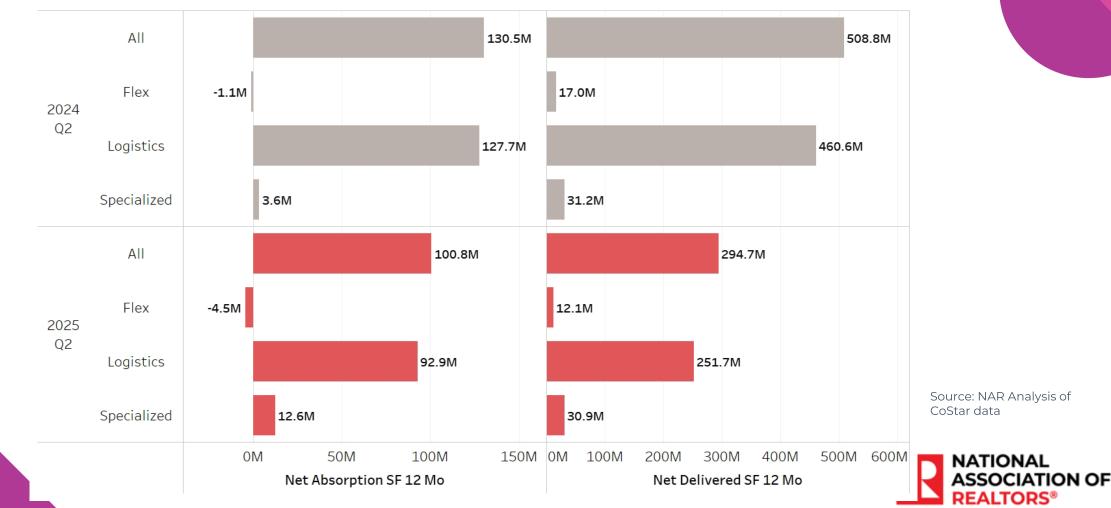




Source: NAR Analysis of CoStar data

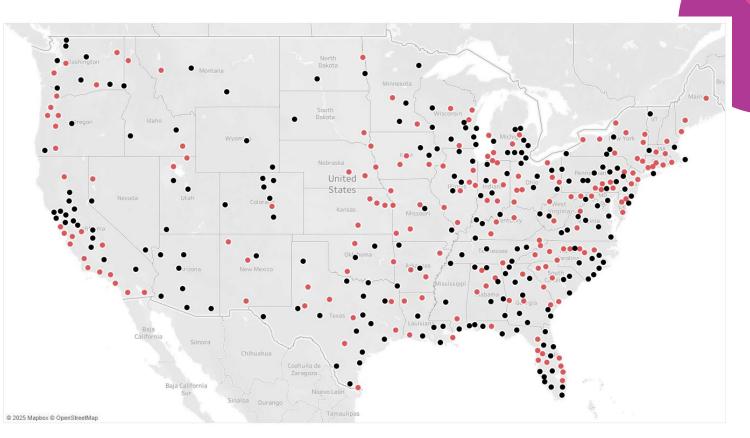
Absorption vs. Deliveries

In the year ending in May nearly 3 times more industrial space was delivered to the market than absorbed



46% of metro areas have better Industrial absorption than a year ago

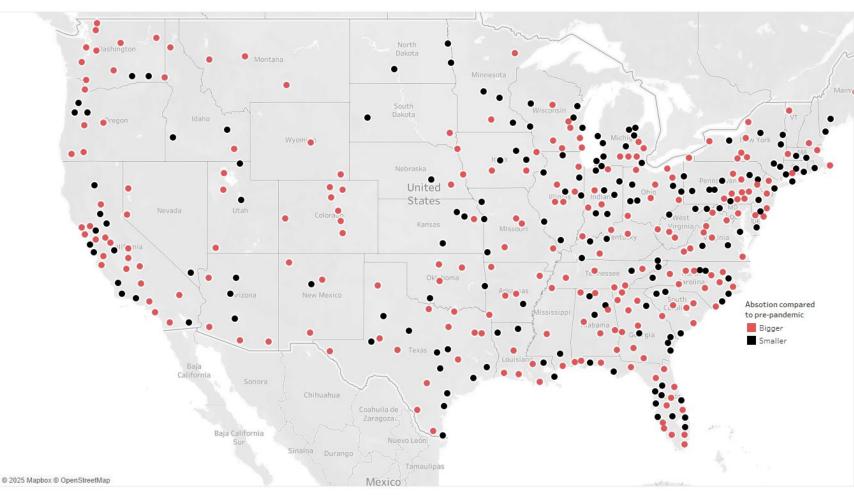
	2025 Q2	2024 Q2
Savannah, GA	27.01M	8.25M
Dallas-Fort Worth, TX	24.27M	26.80M
Phoenix, AZ	14.41M	15.32M
Houston, TX	14.08M	21.54M
Kansas City, MO	8.26M	2.99M
Inland Empire, CA	6.39M	9.97M
Spartanburg, SC	5.81M	2.89M
Austin, TX	4.88M	7.78M
Washington, DC	4.65M	4.99M
Las Vegas, NV	4.52M	4.90M



Source: NAR Analysis of CoStar data



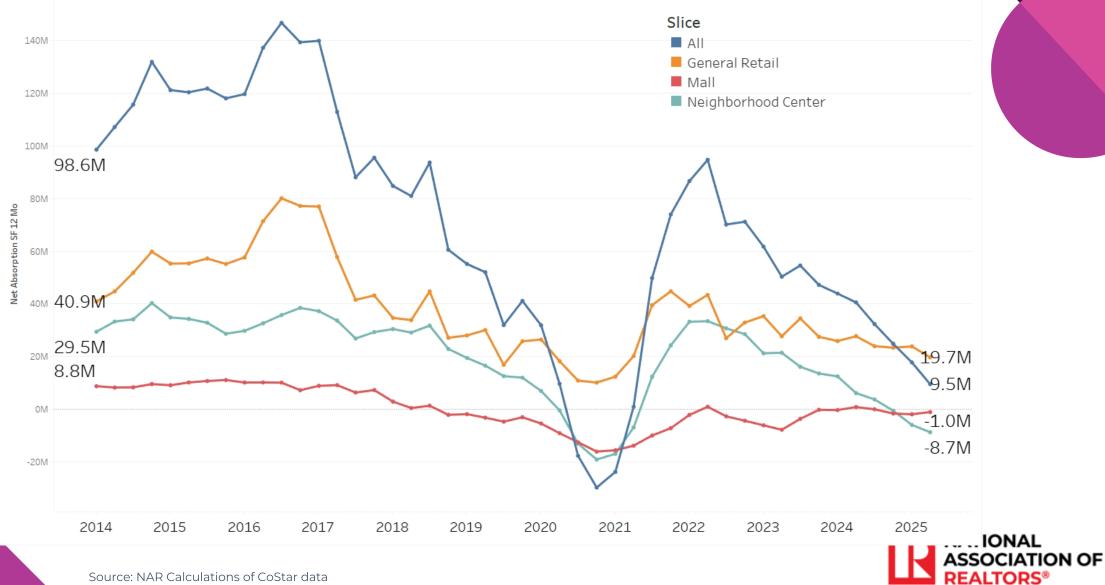
42% of metro areas have bigger Industrial absorption than before Covid -19



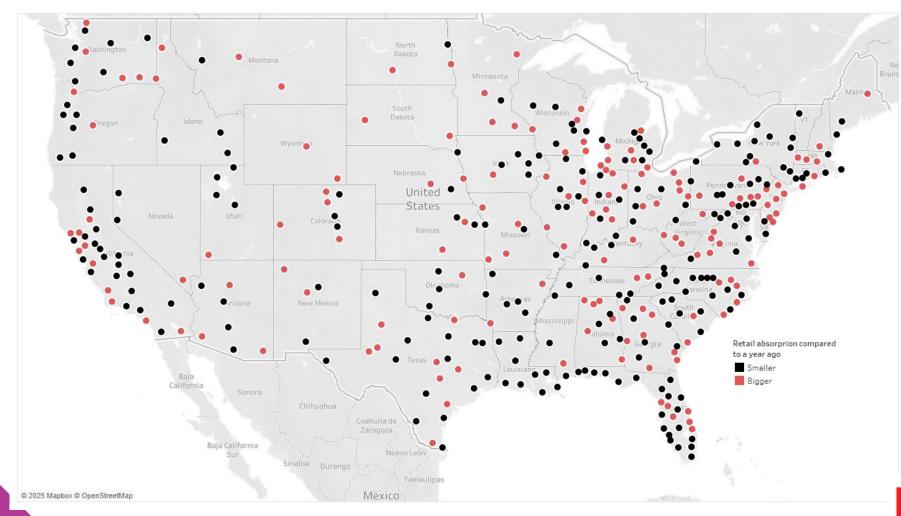
Source: NAR Analysis of CoStar data







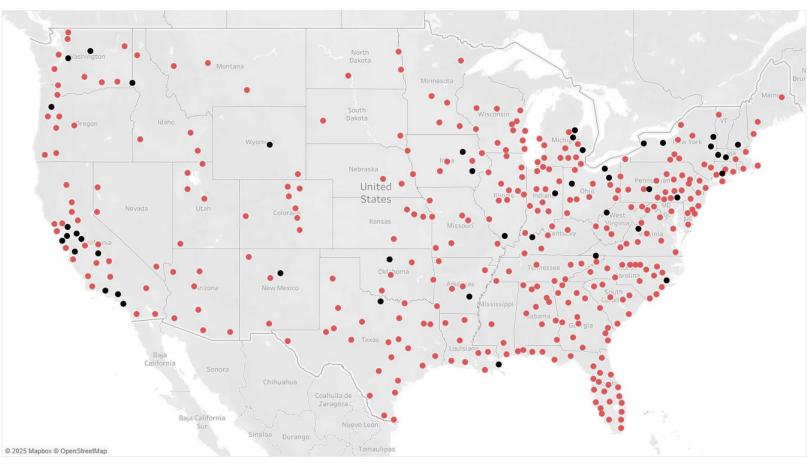
41% of metros have better absorption than a year ago



Source: NAR Analysis of CoStar data



88% of metros have better retail absorption than pre-pandemic.







Source: NAR Analysis of CoStar data

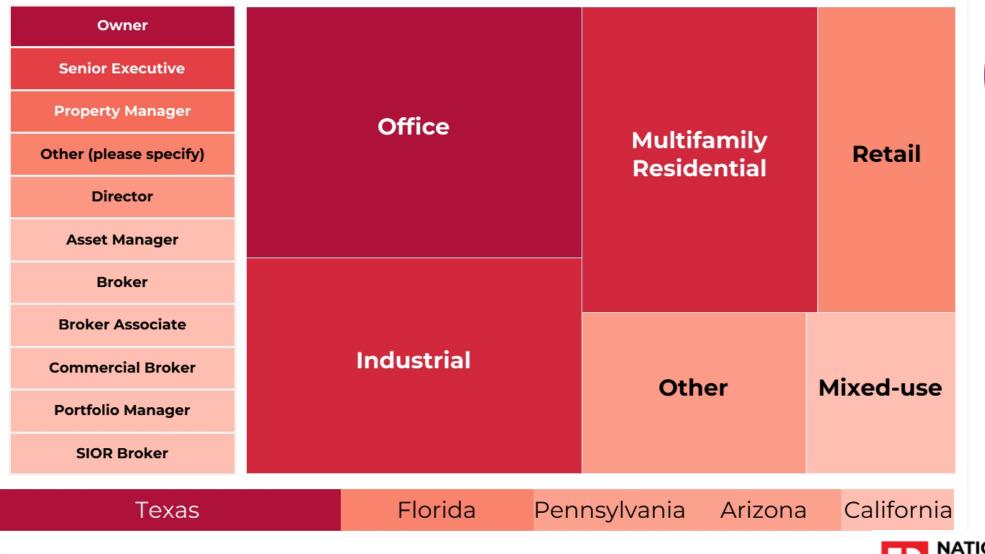
NAR/IREM Insurance Cost Survey Preliminary results



Take the survey

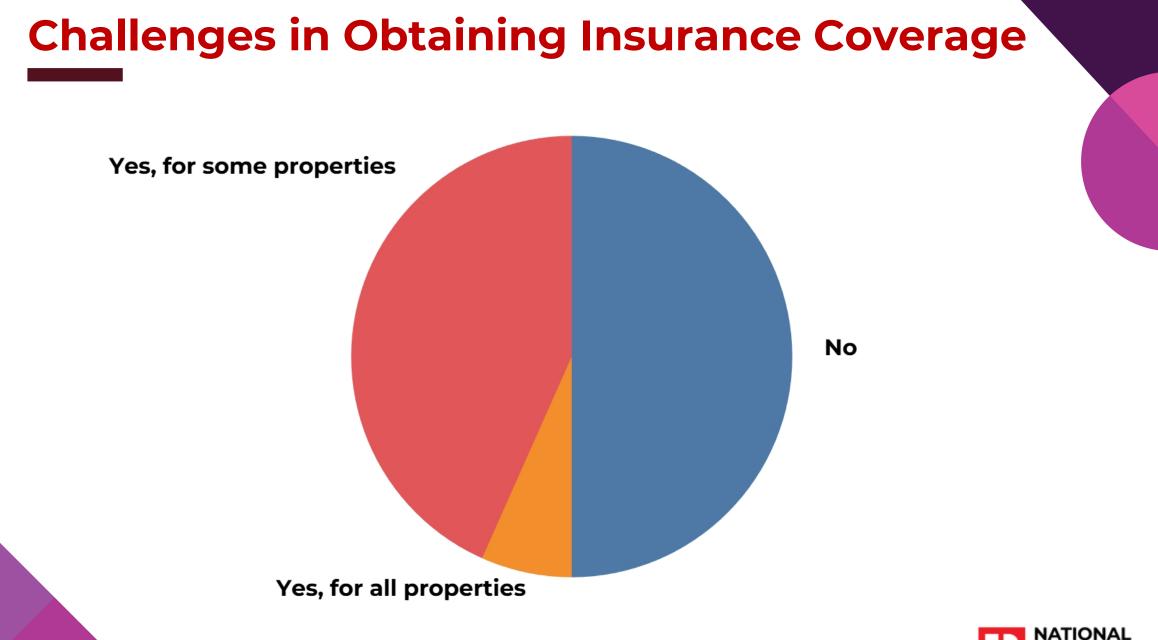


Respondents by Role, Property Type, and Location



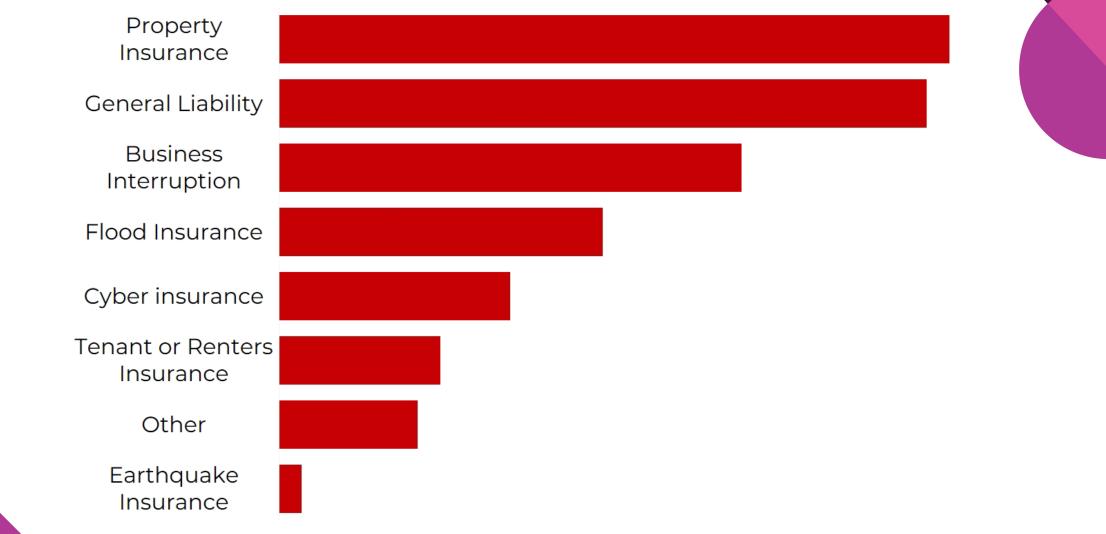










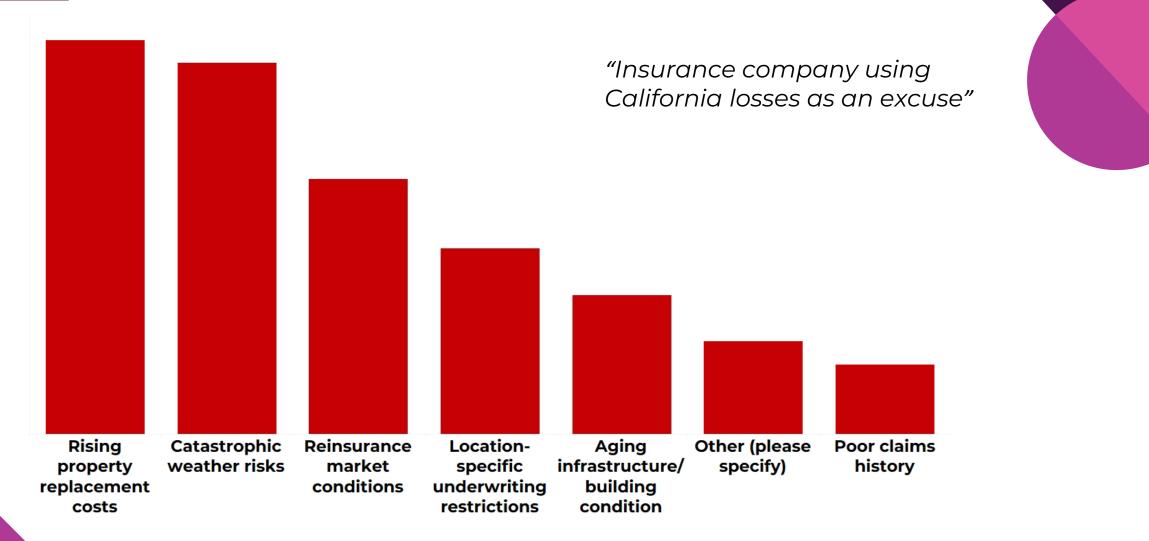




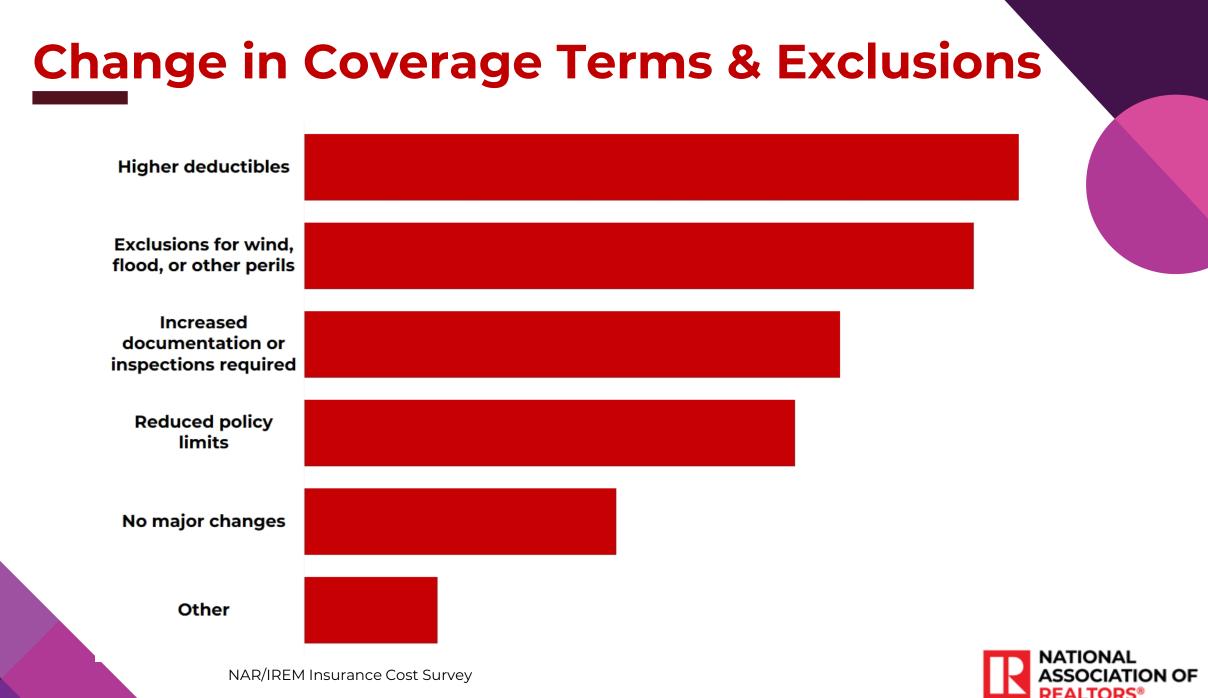
Cost increases

Description		Increased significantly (more than 25%)	
Property	Property	Increased moderately (10-25%)	
Insurance	Insurance	Increased slightly (1-10%)	
		Decreased	
Flood Insurance		Increased significantly (more than 25%)	
	General Liability	Increased moderately (10-25%)	
General Liability		Increased slightly (1-10%)	
		Increased significantly (more than 25%)	
	Business	Increased moderately (10-25%)	
Earthquake	Interruption	Increased slightly (1-10%)	
		Decreased	
Cyber insurance	Flood Insurance	Increased significantly (more than 25%)	
		Increased moderately (10-25%)	
		Increased slightly (1-10%)	
Tenant or Renters Insurance	Cyber insurance	Increased significantly (more than 25%)	
		Increased moderately (10-25%)	
		Increased slightly (1-10%)	
Other		Increased significantly (more than 25%)	
	Other	Increased moderately (10-25%)	
		Increased slightly (1-10%)	
Business Interruption	Tenant or Renters	Increased moderately (10-25%)	
	Insurance	Increased slightly (1-10%)	
interruption	Earthquake	Increased moderately (10-25%)	

Reasons for Cost Increase







Cost-Containment Tactics and Key Decision-Makers

Increased deductibles

Switched brokers or carriers

Bundled properties or portfolios for negotiation

Conducted regular risk assessments

Invested in property upgrades

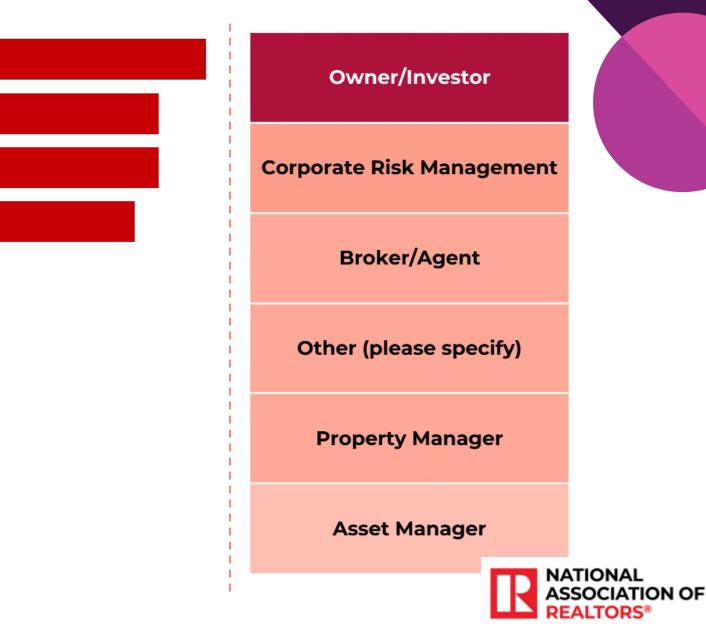
Reduced coverage levels

Self-insured or considered a captive

No strategies implemented yet

Engaged risk management consultants

Other



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