



SIOR Snapshot Sentiment Survey shows rebound in market confidence

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Washington, DC The Society of Industrial and Office Realtors (SIOR), has completed its August Snapshot Sentiment Survey, the fifth in a monthly series that began in April 2020. Designed to assess the impact of the COVID-19 pandemic on the commercial real estate market, SIOR will continue to survey its members through the end of the year.

The August survey reveals a more stable market, with two positive changes in the North American commercial real estate, across six regional markets: SIOR member transactions are at their highest levels since the pandemic began, and broker confidence is back near the same levels seen in June. The entire report can be found on SIOR's Thought Leadership page.

After a slight decline in July, August confidence rose to 6.58, up from 6.30 in July on a 10-point scale. Office specialists share a lower level of confidence in their local markets compared with their industrial counterparts, 5.9 for office versus 7.0 for industrial, though both sectors show increases.

On-time transactions also continue to rise, with brokers reporting that 45.2% of deals are now going through as planned, a sharp increase from April's rate of 26.1%. This is juxtaposed by on-hold transactions, third-party delays, and cancellations all continuing to drop.

August's responses reveal several key takeaways:

The office sector showed another month of gains in transactions, rising to 36% from July's 32.5%. This continues the steady rise since April's 22%.

On-schedule transactions for the industrial sector saw the biggest gains, with 49.7% of transactions proceeding on time, as opposed to 42.3% in July and 28.9% in April.

Cancelled transactions also decreased in August, with the industrial sector reporting 13.2%, the lowest levels since the start of the pandemic. Cancelled office transactions also dropped, down to 18.8% from July's peak of 19.7%.

The highest levels of market confidence were among industrial brokers in the Global, Canadian, and Mid-Atlantic regions. Office brokers in the Northeast, Canadian, Northwest, and West regions reported the lowest levels of confidence.

"Despite all the concerns about the challenges of the office market, we do see positive signs,"

said SIOR global president Mark Duclos, SIOR. “Tech giants like Facebook, Amazon, Google and Microsoft continue to secure large blocks of space. When you consider the results of the August survey, it’s clear that our members believe the office sector is showing promise. Combine that with the confident results we’re seeing in industrial, it’s apparent that the commercial real estate industry is in better shape than many would have thought when the pandemic began.”

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