

# LOGISTICS MARKET SNAPSHOT

JANUARY 2022

## U.S. MARKET:

### Gross Domestic Product

Real GDP **accelerated in the fourth quarter, rising 6.9% after increasing 2.3% in the third quarter**. The acceleration in real GDP in the fourth quarter primarily reflected an upturn in exports, accelerations in private inventory investment and PCE, and smaller decreases in residential fixed investment and federal government spending that were partly offset by a downturn in state and local government spending.  
*Source: Bureau of Economic Analysis*

### U.S. Trade Deficit

The goods and services deficit For November 2021 **was \$80.2 billion, a 19.4% increase** from \$67.2 billion in October. Year-to-date, the goods and services deficit **increased \$174.6 billion, or 28.6%**, from the same period in 2020.  
*Source: Bureau of Economic Analysis*

### Import Volumes

November 2021 imports of goods and services **were \$304.4 billion, a 4.6% increase from the previous month**. November imports of consumer goods (\$67.1 billion) were the highest on record. November imports of industrial supplies and materials (\$63.4 billion) were the highest since April 2012 (\$64.5 billion).  
*Source: U.S. Census Bureau*

### Export Volumes

Totals for November 2021 exports of goods and services **were \$224.2 billion, a 0.2% increase from October**. November exports of foods, feeds, and beverages (\$14.8 billion) were the highest on record.  
*Source: U.S. Census Bureau*

### Unemployment Rate

The U.S. unemployment rate for **December 2021 declined by 0.3 percentage points to 3.9%**. Total nonfarm payroll employment rose by 199,000. Employment continued to trend up in leisure and hospitality, in professional and business services, in manufacturing, in construction, and in transportation and warehousing.  
The unemployment rate in **Georgia was 2.6% for December 2021**. The state of Georgia is currently tied with New Hampshire and South Dakota, ranking 7<sup>th</sup> in the U.S. of states with lowest unemployment.  
*Source: Bureau of Labor Statistics*

### Labor Force Participation Rate

The labor force participation rate **increased to 61.9% for December 2021**. The labor force participation rate for those of **prime working age (25-54) held steady at 81.9%** for December 2021.  
*Source: U.S. Bureau of Labor Statistics (Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)*

### Leading Economic Index

The LEI for the United States **increased by 0.8% in December to 120.8**, following a 0.7% increase in November and a 0.7% increase in October. According to The Conference Board, "The U.S. LEI ended 2021 on a rising trajectory, suggesting the economy will continue to expand well into the spring. For the first quarter, headwinds from the Omicron variant, labor shortages, and inflationary pressures—as well as the Federal Reserve's expected interest rate hikes—may moderate economic growth."  
*Source: The Conference Board (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)*

### Pending Home Sales Index

**The PHSI fell 3.8% to 117.7 in December 2021. Year-over-year, transactions decreased 6.9%**. Existing-home sales are expected to decline by 2.8% in 2022, and home prices are expected to move higher by 5.1% due to the ongoing housing shortage, even as builders ramp up production.  
According to the National Association of Realtors, "Pending home sales faded toward the end of 2021, as a diminished housing supply offered consumers very few options. Mortgage rates have climbed steadily the last several weeks, which unfortunately will ultimately push aside marginal buyers."  
*Source: National Association of Realtors*

### Housing Starts

Privately-owned housing starts in December were at a seasonally adjusted **annual rate of 1,702,000. This is 1.4% above the revised November estimate of 1,678,000** and is 2.5% above the December 2020 rate of 1,661,000. Single-family housing starts in December were at a rate of 1,172,000; this is 2.3% below the revised November figure of 1,199,000. The December rate for units in buildings with five units or more was 524,000.  
*Source: U.S. Census Bureau*

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## Light Vehicle Sales

**December 2021's new light-vehicle sales totaled 12.44 million units, down 23.7% from December 2020.** Since the summer, light-vehicle sales have been held back by limited inventory caused primarily by the ongoing global semiconductor microchip shortage's impact on new-vehicle production. Dealers sold most of their inventory soon after it reached their lots in December. **The average number of days a new vehicle sat on the lot fell to a record-low 17 days, down from 49 days a year ago.** Light-vehicle inventory improved slightly during December 2021. At the end of December inventory on the ground totaled 1.12 million units, up 7.4% compared to the end of November 2021 but down by 59.1% compared to December 2020.

*Source: National Automobile Dealers Association (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)*

## Personal Income

Personal income **increased \$70.7 billion (0.3%) in December 2021.** Disposable personal income increased \$39.9 billion (0.2%) and personal consumption expenditures decreased \$95.2 billion (0.6%).

*Source: U.S. Bureau of Economic Analysis (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)*

## Retail Sales

Advance estimates of U.S. retail and food services sales **for December 2021 were \$626.8 billion, a decrease of 1.9% from the previous month, but 16.9% above December 2020.** Total sales for the October 2021 through December 2021 period were up 17.1% from the same period a year ago. Total sales for the 12 months of 2021 were up 19.3% from 2020.

*Source: U.S. Census Bureau (Non-store retail sales are measured monthly and include internet-only sales outlets as well as other direct-to-customer channels)*

## E-Commerce

U.S. retail e-commerce sales for the third quarter of 2021 was **\$214.6 billion, a decrease of 3.3% from the second quarter of 2021.** E-commerce sales in the third quarter of 2021 **accounted for 13.0% of total sales.**

**Note: Most recent data provided; 4Q 2021 will be published 2/18/2022.**

*Source: U.S. Census Bureau (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)*

## Consumer Confidence Index

**The index for January 2021 now stands at 113.8, down from 115.2.6 in December.** According to The Conference Board, "Consumer confidence moderated in January, following gains in the final three months of 2021, suggesting the economy entered the new year on solid footing. However, expectations about short-term growth prospects weakened, pointing to a likely moderation in growth during the first quarter of 2022. The proportion of consumers planning to purchase homes, automobiles, and major appliances over the next six months all increased." Concerns about inflation declined for the second straight month but remain elevated after hitting a 13-year high in November 2021. Looking ahead, both confidence and consumer spending may continue to be challenged by rising prices and the ongoing pandemic.

*Source: The Conference Board (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. Base year 1985=100)*

## Consumer & Producer Price Index

The **Consumer Price Index increased 0.5% in December 2021** after rising 0.8% in November. The **Producer Price Index increased 0.2% in December 2021**, following advances of 1.0% in November and 0.6% in October.

*Source: U.S. Bureau of Labor Statistics (the CPI measures the change in prices paid by consumer for goods and services. Base year 1999=100; the PPI measures the average price changes by producers for domestically produced goods, services, and construction. Base year 2009=100)*

## Small Business Optimism Index

The December 2021 index **increased slightly to 98.9**, up 0.5 points from November 2021. According to NFIB, "Small businesses unfortunately saw a disappointing December jobs report, with staffing issues continuing to impact their ability to be fully productive. Inflation is at the highest level since the 1980's and is having an overwhelming impact on owners' ability to manage their businesses."

*Source: National Federation of Independent Business (This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions. Base year 1986=100)*

## Industrial Production & Capacity Utilization

Industrial production **declined 0.1% in December.** Losses of 0.3% for manufacturing and 1.5% for utilities were mostly offset by a gain of 2.0% for mining. For the fourth quarter as a whole, **total industrial production rose at an annual rate of 4.0%.** Total industrial production in December was 3.7% higher than it was at the end of 2020 and 0.6% above its pre-pandemic (February 2020) reading. Capacity utilization for the industrial sector edged down 0.1% point in December to 76.5% , a rate that is 3.1 percentage points below its long-run (1972–2020) average.

*Source: The Federal Reserve (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)*

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## Manufacturing & Trade Sales

The combined value of distributive trade sales and manufacturers' shipments for **November 2021 was estimated at \$1,723.7 billion, up 0.7% from October 2021** and up 17.6% from November 2020. The total business inventories/sales ratio at the end of November was 1.25. The November 2020 ratio was 1.35.

Source: U.S. Census Bureau

## Manufacturing & Trade Inventory

Manufacturers' and trade inventories for November 2021 were estimated at an end-of-month level of **\$2,158.2 billion, up 1.3% from October** and up 8.7% from November 2020.

Source: U.S. Census Bureau

## Purchasing Managers Index, Manufacturing

The **December Manufacturing PMI registered 58.7%, a decrease of 2.4 percentage points** from the November reading of 61.%. This figure indicates expansion in the overall economy for the 19th month in a row after a contraction in April 2020. According to the Institute of Supply Management, "The U.S. manufacturing sector remains in a demand-driven, supply chain-constrained environment, with indications of improvements in labor resources and supplier delivery performance. Shortages of critical lowest-tier materials, high commodity prices and difficulties in transporting products continue to plague reliable consumption. Coronavirus pandemic-related global issues — worker absenteeism, short-term shutdowns due to parts shortages, employee turnover and overseas supply chain problems — continue to impact manufacturing."

Source: Institute for Supply Management (The PMI combines data on new orders, production, employment, supplier deliveries, and inventory. A reading above 50 percent indicates that the manufacturing economy is generally expanding.)

## Purchasing Managers Index, Services

For December 2021, the **Services PMI registered 62%, 7.1 percentage points below November's all-time high** reading of 69.1%. According to the Institute of Supply Management, "Although the industry continues to struggle with inflation, supply chain disruptions, capacity constraints, logistical challenges and shortages of labor and materials, the rate of growth remains strong for the services sector, which has expanded for all but two of the last 143 months."

Source: Institute for Supply Management (The PMI combines data on business activity, new orders, employment, supplier deliveries, and inventory. A reading above 50 percent indicates that the manufacturing economy is generally expanding.)

## Logistics Managers' Index

December's index of **70.1 is down 3.3 points from November's reading of 73.4**. However, overall growth has now been over 70.0 — a level classified as significant expansion — 11 months in a row. Abnormally high inventory metrics, combined with tight capacity and unseasonably high price growth, are the drivers behind December's continued expansion. They also suggest that some supply chains may now be carrying too much inventory — potentially a result of firms choosing to stock up to avoid potential missed holiday sales. This could foreshadow a coming bullwhip effect in which supply chains over-ordered to avoid shortages and are now dealing with the burden of having too much inventory — or too much of the wrong type of inventory — on hand. Essentially, downstream retailers struggled to find enough capacity to handle consumer demand during the holiday rush, while their upstream vendors labored to store and manage the deluge of inventory that flowed into supply chains throughout 2021.

Source: Logistics Managers' Index (The LMI score is a combination eight unique components that make up the logistics industry, including: inventory levels and costs, warehousing capacity, utilization, and prices, and transportation capacity, utilization, and prices. The LMI is calculated using a diffusion index, in which any reading above 50 percent indicates that logistics is expanding; a reading below 50 percent is indicative of a shrinking logistics industry.)

## U.S. Market News Clip

Ben Ayers, dean of the University of Georgia Terry College of Business, predicted a positive forecast for the state of Georgia in 2022. The Georgia Economic Outlook annual series tours the state, presenting insights and data analysis from the Selig Center for Economic Growth. Said Ayers, "This is going to be a good year for the state of Georgia. Georgia will outperform the nation."

Source: The Brunswick News; [link to article](#)

## MULTIMODAL:

### Dow Jones Transportation Index

As of January 28, 2022, the Dow Jones Transportation Average Index **closed at a reading of 15,048.62**.

Source: Marketwatch (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.)

### NASDAQ Transportation Index

As of January 28, 2022, the NASDAQ Transportation Index **closed at a reading of 5,979.95**.

Source: Marketwatch, Inc (Averaged share weights of NASDAQ-listed companies classified as transportation companies)



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## Freight Transportation Services Index

The TSI **rose 0.6% to 136.9 in November 2021** from October, the third consecutive month of increase. From November 2020 to November 2021, the index rose 3.0% compared to a decline of 3.9% from November 2019 to November 2020. The level of for-hire freight shipments in November was also 3.6% below the all-time high level of 142.0 in August 2019 (BTS' TSI records begin in 2000).

Source: U.S. Bureau of Transportation Statistics (TSI is based on the amount of freight carried by the for-hire transportation industry)

## Cass Freight Index for Shipments & Expenditures

The December 2021 **CFI for expenditures was at 4.419, 3.4% higher** than the December 2021 reading. The December 2021 **CFI for shipments was at 1.208, a 0.2% increase** over November. Though sharp declines in intermodal volumes in early 2022 still demonstrate capacity constraints on freight volumes, the strong finish to 2021 shows progress as the trucking industry has begun to build driver and equipment capacity in spite of extraordinary challenges.

Source: Cass Information Systems (Based upon transportation dollars and measures the total amount spent on freight and shipments of Cass clients comprised of over 400 shipping companies)

## Shippers Conditions Index

The SCI for November 2021 **improved to a -9.0 reading** from October's dismal -12.4 reading. Stable diesel prices in November led to better market conditions for shippers, but other factors still made for the toughest conditions since June aside from the October dip. Per FTR, "Shippers are unlikely to experience a material improvement in their conditions in 2022 as congestion and service issues will remain prevalent for most of the year. It is likely to be 2023 before shippers experience a material gain in the performance of the supply chain."

Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for shippers)

## North American Transborder Freight

Total transborder freight between the U.S. and North American countries (Canada and Mexico) in November 2021 **reached \$120.1 billion, an increase of 25.2% from \$95.9 billion in November 2020**. Railways moved \$16.4 billion of freight, up 18.1% compared to November 2020, while trucks moved \$73.5 billion of freight, up 17.1% compared to November 2020.

Source: U.S. Bureau of Transportation Statistics

## Multimodal News Clip

Faced with unprecedented demands and unforeseen challenges, transportation management systems have struggled to keep shipper supply chains fluid and functioning. In a world of unrelenting e-commerce growth and rapidly shifting shipper needs, change can't happen fast enough. Various logistics professionals weigh in on how the landscape of transportation management systems has changed and how it is evolving.

Source: DC Velocity; [link to article](#)

## RAIL:

## U.S. Freight Rail Traffic

U.S. railroads originated 1,135,835 carloads in December 2021, up 3.1%, or 33,918 carloads, from December 2020. U.S. railroads also originated 1,224,780 containers and trailers in December 2021, down 8.2%, or 109,729 units, from the same month last year. Combined U.S. carload and intermodal originations in December 2021 were 2,360,615, down 3.1%, or 75,811 carloads and intermodal units from December 2020.

According to the Association of American Railroads, "On the carload side, chemicals set a new annual record and grain had its best year since 2008. Coal carloads were up substantially because of sharply higher natural gas prices, while carloads of motor vehicles suffered as microchip shortages forced automakers to cut output. For intermodal, a record-setting first half gave way to a lower second half as supply chain challenges persisted. Still, 2021 was the second-best U.S. intermodal year ever, behind only 2018."

Source: Association of American Railroads (Report includes rail car-loadings by 20 different major commodity categories)

## Railroad Fuel Price Index

The index of average railroad fuel prices for December 2021 was 463.7, **a 5.7% decrease** from the previous month and **a 53.7% increase over December 2020**.

Source: Association of American Railroads (Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

## Class 1 Railroad Employment

Total railroad employment for December 2021 **increased 0.48% to 114,499 workers**.

Source: U.S. Surface Transportation Board

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## Railroad News Clip

The seven Class I railroads that operate in the United States collected \$1.18 billion in revenues from demurrage fees during the first three quarters of 2021. This is the highest annual figure recorded since at least 2011, according to data reported to the Surface Transportation Board. These revenues, created in part by a surge in imports and transportation demand, have raised a critical question which shippers and railroads fundamentally disagree on: Who's at fault for congestion?

Source: Supply Chain Dive; [link to article](#)

## TRUCKING:

### Truckload Linehaul Index

The TLI for **December 2021 fell 1.5 points to 148.0**, down 1.0% month-over-month and up 8.0% year-over-year. Strong freight demand and tight capacity continue to press this index higher. As chassis capacity gradually recovers and rail congestion eases over the course of 2022, a reversal to shorter length of haul will likely add upward pressure to this index above and beyond market rate increases.

Source: Cass Information Systems (this index is an indicator of market fluctuations in per-mile dry van truckload pricing in the U.S. and does not include other components like fuel and accessorial. Provides trends in baseline truckload prices)

### Truck Tonnage Index

American Trucking Associations' For-Hire Truck Tonnage Index **increased 1% in December after rising 0.5% in November**. In December, the index equaled 114.7 compared with 113.5 in November. According to ATA, "December's gain was the fifth straight totaling 4.4% [and] tonnage reached the highest level since March, but it was still 2.7% below the pre-pandemic high. Contractor truckload carriers operated fewer trucks in 2021 compared with 2020 and it is difficult to haul significantly more tonnage with fewer trucks."

Source: American Trucking Associations (Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

### Truckload Freight, Van

The national van load-to-truck ratio for **December 2021 was 6.54, up 25.9% from November**. **Georgia's load-to-truck ratio for vans was 5.5+**. The spot market for dry van freight **was at an even \$3.00** for the month of December.

Source: DAT Freight & Analytics

### Truckload Freight, Refrigerated

For December 2021, the national load-to-truck ratio for refrigerated loads was **14.02 loads per truck, a 17.6% jump** from the previous month. **Georgia's ratio soared to an average of 12+ reefer loads per truck**. The national spot market reefer rate for December was **\$3.47 per mile, up a few cents from November 2021**.

Source: DAT Freight & Analytics

### Trucking Conditions Index

The TCI measurement for November 2021 rebounded from October's weak showing **to a 10.0 reading for the month**. This is primarily due to steadier diesel prices. Slightly firmer freight volume and rates also contributed to the gain.

Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for trucking)

### Diesel Prices

As of January 24, 2022, the **U.S. average diesel price was \$3.78 per gallon**. This is \$1.06 higher than the same week last year. The average price of diesel in the **Lower Atlantic states was \$3.68 per gallon**, \$1.04 higher than the same week last year.

Source: U.S. Energy Information Administration (Reflects the costs and profits of the entire production and distribution chain)

### Trucking Employment

December 2021 numbers for the trucking industry **increased to 1,523,300 employees**, up from 1,523,000 employees for November 2021.

Source: U.S. Bureau of Labor Statistics

### Trucking Earnings & Hours

For November 2021, the average earnings for occupations commonly found in truck transportation **were \$27.64/hour**, more than a dime decrease from the previous month. November showed **average weekly hours totaling 42.8**.

Source: U.S. Bureau of Labor Statistics

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## U.S. Truck & Trailer Orders (Class 8)

North American Class 8 net orders **soared to 23,100 units in December, a 139% increase from November**, but down 55% year-over-year. Class 8 orders totaled 365,000 units for 2021. Per FTR, “The current order volume still understates the tremendous demand for new trucks. The OEMs have a large number of fleet commitments for 2022. They are delaying entering these orders until they know how many they will be able to build each month. In addition, “Fleets need a considerable number of new trucks right now. Industry capacity is extremely tight, resulting in elevated freight rates. The carriers have freight to haul and funds available for new trucks, but OEMs can’t build enough. Also, the large fleets have had to run vehicles beyond their trade-in cycles and need replacement trucks.”

Source: FTR Transportation Intelligence

## Trucking News Clip

A panel at the annual meeting of the Transportation Research Board faced the sobering fact that from the perspective of the public sector, the problem of truck parking isn’t easy to fix. Because private developers of parking, like truck stops, will be expected to add spaces as they usually do, this panel was to discuss what could be done about the inadequacy of truck parking from a public perspective.

Source: FreightWaves; [link to article](#)

## AIR FREIGHT:

### Air Cargo Traffic

Growth in industry-wide cargo tonne-kilometres (CTKs) **rebounded in December 2021 to 8.9% above December 2019, up from 3.9% from November 2021**. In 2021 overall, air cargo volumes rose by 18.7% year-over-year, the second-best yearly performance since the series started in 1990. Air cargo has been driven by a balance between robust demand for goods – including PPE at the end of the year – and supply chain issues partly linked to a lack of capacity. CTKs growth markedly overperformed growth in global goods trade (by 8.9 percentage points), partly due to the inventory restocking cycle.

Source: International Air Transport Association (Global air freight covers international and domestic scheduled air traffic.)

### Jet Fuel Prices

As of January 28, 2022, the global average jet fuel price **was \$105.70/bbl, up 15.6% from the previous month**, and 77.8% higher than the same time a year ago.

Source: International Air Transport Association (the weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

## Air Freight News Clip

High air freight rates have triggered a flurry of cargo applications from a wide range of airlines, big and small, to operate to the U.S. and grab part of that revenue. Additionally, the U.S. exemption for carrying cargo on seats in cabins expired on December 31, 2022. Several airlines are applying for an extension to the exemption. The FAA has asked individual airlines, rather than trade associations, to apply for further extensions, although most organizations still desire a return to “pre-pandemic passenger air travel”.

Source: The Loadstar; [link to article](#)

## OCEAN FREIGHT:

### Shanghai Containerized Freight Index

As of 1/28/2022, the SCFI comprehensive reading was **\$ 5,010.36 per FEU**.

Source: Shanghai Shipping Exchange (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.)

## Georgia Ports Authority

**The Port of Savannah handled 465,000 twenty-foot equivalent container units in December 2021 and an all-time high of 312,000 truck gate moves.** In March, GPA will add 500,000 TEUs of annual capacity, growing to a total of 1.6 million TEUs of new capacity by June – a 25% increase in Savannah’s previous capacity for container trade. At the Port of Brunswick, expansion efforts are under way that will increase Ro/Ro capacity to 1.3 million units by the end of the year, as well as adding new services to prepare vehicles for export.

Source: Georgia Ports Authority

## Ocean Freight News Clip

Ocean shipping rates are expected to stay elevated well into 2022, setting up another year of booming profits for global cargo carriers — and leaving smaller companies and their customers paying more. The spot rate for a 40-foot container to the U.S. from Asia topped \$20,000 last year, including surcharges and premiums, up from less than \$2,000 a few years ago, and was recently hovering near \$14,000. Additionally, tight container capacity and port congestion mean that longer-term rates set in contracts between carriers and shippers are running an estimated 200% higher than a year ago, signaling elevated prices for the foreseeable future.

Source: Bloomberg News; [link to article](#)

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## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The U.S. industrial vacancy rate **fell to 3.7% at the end of Q4 2021—an all-time record low**. The vacancy rate is now 220 bps below the 10-year historical average of 5.9%. **Savannah continues to be one of the tightest U.S. markets**, with a reported vacancy rate of 0.5%, compared to 3.7% in Q4 2020.

Source: Cushman & Wakefield

### Warehouse Rent Rates

Aggressive competition for space further pressured rents in Q4 2021, **increasing 9.5% year-over-year to \$7.39 per square foot (psf)**. Warehouse/distribution rents rose 6.6% during the same period to \$6.63 psf. Rent growth has been consistently accelerating each quarter in 2021, indicating strong momentum going into 2022. The average asking rent **in Savannah rose about a quarter to \$5.56 psf in Q4 2021. For Atlanta the average rate jumped over a half dollar to \$6.40 psf** during the same period.

Source: Cushman & Wakefield

### Industrial Absorption

The U.S. industrial market ended 2021 with record-setting demand, outpacing supply for the fourth quarter in a row. **The market absorbed 145.2 million square feet (msf) in Q4 2021—the second highest amount of space absorbed reported in a single quarter**. On a year-over-year basis, Q4 2021 registered a 47.9% increase above the 99.7 msf absorbed in Q4 2020. This brought 2021's absorption total to 532.6 msf, the most absorption recorded in a single year since record-keeping began in 1995 and the first-time net demand surpassed 400 msf—up 86% over the 286.4 msf reported in 2020.

The Atlanta market experienced a dramatic rebound in Q4, with a net absorption of 12,411,535 msf, up from 5,132,778 msf from the previous quarter. The net absorption in the fourth quarter for the Savannah market was 3,167,525 msf, decreasing from 4,699,196 msf, in Q3 2021.

Source: Cushman & Wakefield (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 to 1,508,500 employees** for December 2021.

Source: U.S. Bureau of Labor Statistics

### Warehouse Earnings & Hours

November 2021 average earnings of warehousing & storage employees across the U.S. increased to **\$22.71/hour**. The **average weekly hours increased to 41.3** for November 2021.

Source: U.S. Bureau of Labor Statistics

### Warehouse & Distribution News Clip

A recent report from Lucas Systems, which provides AI software for more than 400 warehouses globally, found that 99% of respondents say they face challenges in using AI more effectively even though 89% believe AI can provide a competitive advantage. Although 90% percent believe AI will be a key driver in the future of warehouse automation the effective use of the technology is still lagging across the industry.

Source: Modern Shipper; [link to article](#)

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