

Creating Resilience

Rising Consumer Demand Boosts North American Cargo Volume

REPORT FIGURES

PORT WATCH
SERIES Q2 2024

CBRE RESEARCH

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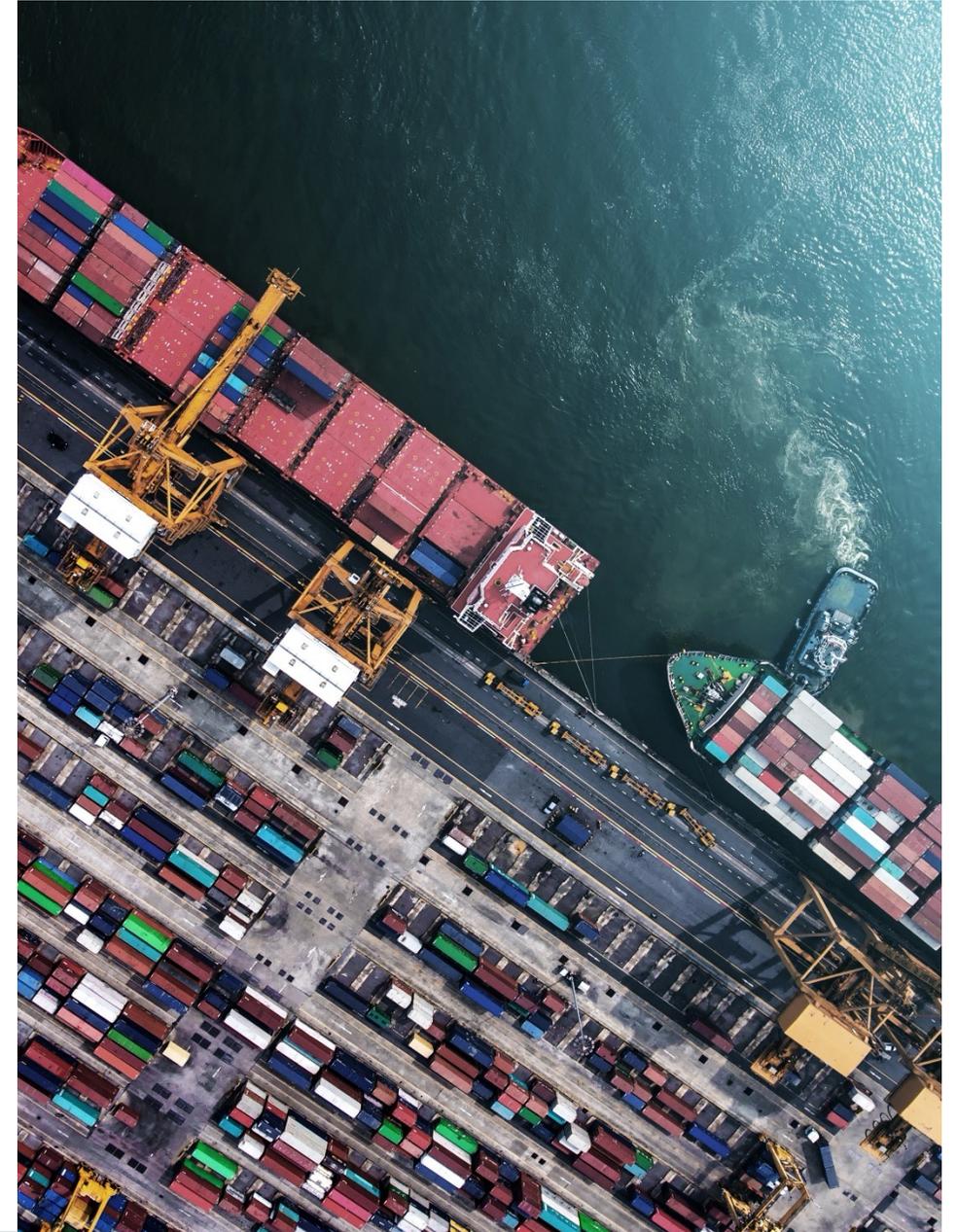
Q2 container volume up from year ago

Cargo container volume at the 14 major North American ports tracked by CBRE increased by 11% year-over-year in Q2. East Coast ports had the biggest increase of 12%, as retail sales increased by 2.5% year-over-year.

Potential labor dispute threatens East & Gulf Coast ports

Expiration of the current labor contract for approximately 45,000 East and Gulf Coast dockworkers at the end of September has the potential to dramatically disrupt U.S. supply chains unless a new labor agreement is reached. Contract talks between the International Longshoremen's Association and U.S. Maritime Alliance have been ongoing since February 2023.

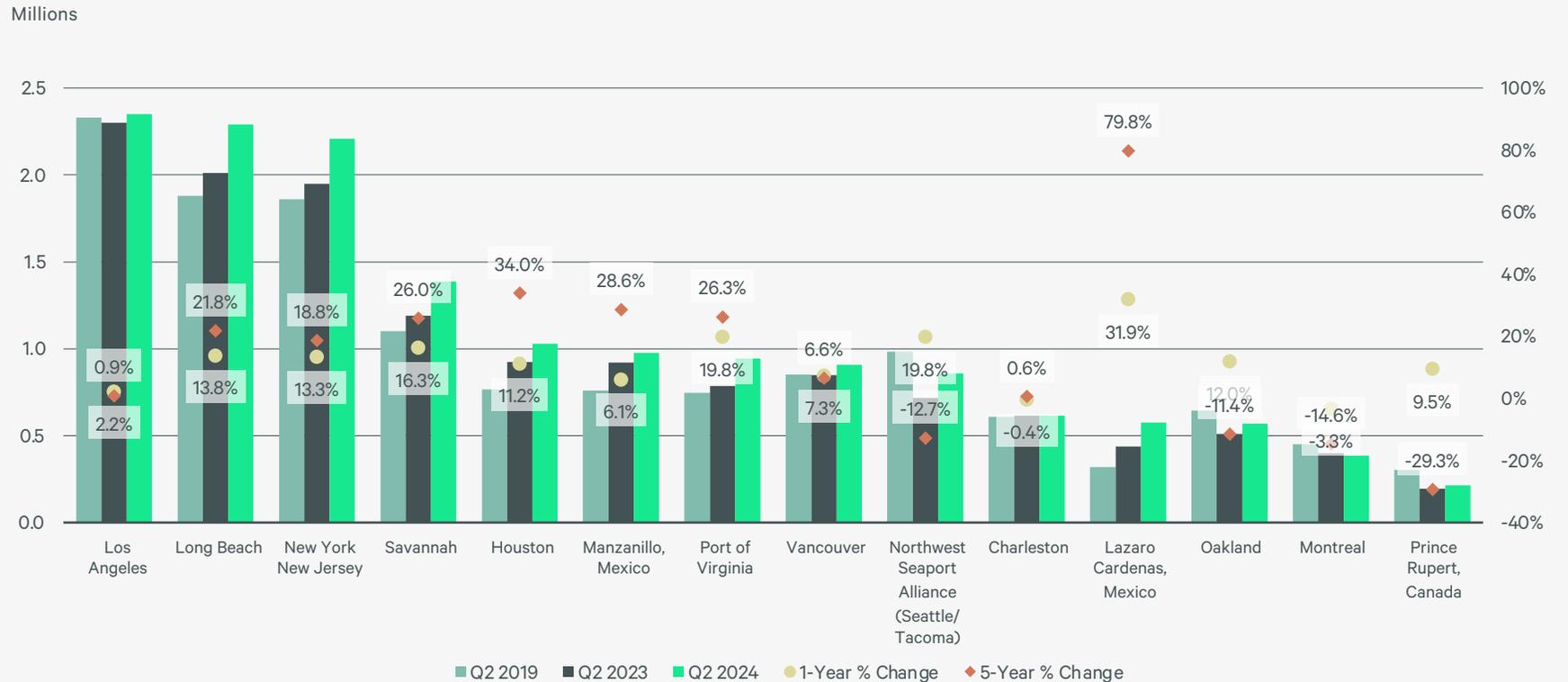
A strike or lockout would significantly disrupt supply chains for industries that rely on 36 affected ports, including strategic hubs like Savannah and Houston. The ripple effects would negatively impact manufacturing and retail markets nationwide.



Q2 Cargo Container Volume

- Los Angeles remained the top North American port for total container volume in Q2, followed by Long Beach and New York & New Jersey.
- North American cargo volumes continued to rise in Q2 as the e-commerce boom fueled growing demand for consumer goods, many of which were imported.
- For the second consecutive quarter, Lázaro Cárdenas, Mexico had the highest year-over-year container volume increase (33.2%). Supply chain diversification, nearshoring and its proximity to the U.S. have made this Mexican port a key gateway for global trade.
- Montreal was the only North American port with a year-over-year drop in container volume.

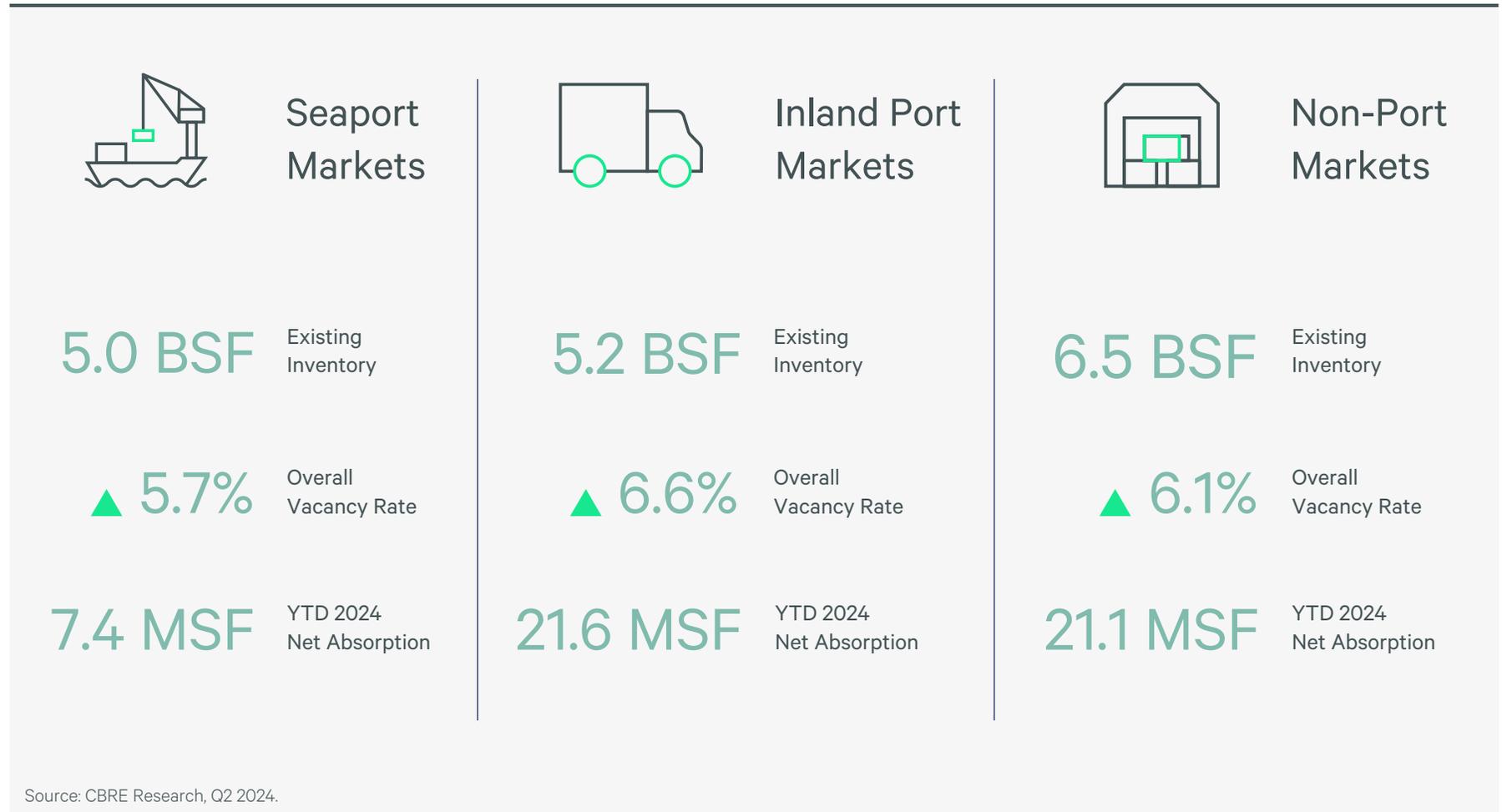
Figure 1: Q2 Cargo Container Volumes



Source: Various Port Authorities, CBRE Research, Q2 2024.

U.S. Seaport, Inland Port & Non-Port Market Fundamentals

- The overall industrial vacancy rate for U.S. seaport markets increased by 60 basis points (bps) quarter-over-quarter to 5.7%, while the overall rate for inland port markets rose by 10 bps to 6.6%. U.S. non-port markets recorded a 40-bp increase to 6.1%.
- Seaport markets with the lowest vacancy rates were Los Angeles (3.4%), Northern New Jersey (4.5%), Northern Virginia (4.4%) and Portland (5.1%).
- Port markets with the most year-to-date net absorption in Q2 were Dallas (11.0 million sq. ft.), Houston (10.1 million), Chicago (7.0 million), Atlanta (6.9 million) and Savannah (6.1 million).



SPOTLIGHT

Northwest Seaport Alliance (Seattle/Tacoma)

- The NWSA handled 1.6 million TEU cargo containers in H1 2024, an 11.5% year-over-year increase.
- The port spans 1,311 acres and is a major economic driver for the Pacific Northwest.
- Top imports include furniture, machinery, motor vehicle parts and apparel. Top exports include frozen potato products, paper, wood and soybeans. Top trading partners include China, Japan, Vietnam, South Korea, Taiwan and Thailand.

History

The Northwest Seaport Alliance (NWSA), a partnership between the ports of Seattle and Tacoma, was formed in 2018 to streamline operations, enhance efficiency and strengthen the region's position as a global trade hub. Its primary terminal in Seattle can accommodate vessels with up to 12,000 twenty-equivalent-unit (TEU) cargo containers. Recent improvements include the modernization of Terminal 5 in Seattle with six super post-panamax cranes to increase cargo-handling capacity.

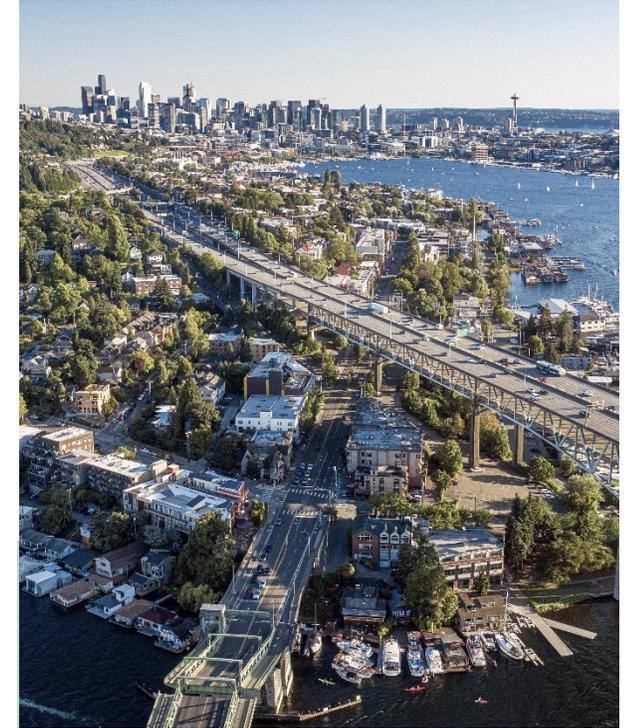
Sustainability

The Northwest Seaport Alliance has implemented various initiatives to reduce its carbon footprint. These include investing in cleaner technologies, improving energy efficiency and promoting sustainable practices. The alliance also participates in the Green Marine program, a voluntary environmental certification program for the maritime industry.

Additionally, the Northwest Ports Clean Air Strategy between the NWSA and the Vancouver Fraser Port Authority aims to eliminate greenhouse gas emissions from shipping and port operations by 2050.

Looking Ahead

The NWSA has ambitious plans for infrastructure improvements, technology advancements and expanding its trade capabilities. The alliance is investing heavily in modernizing its terminals, increasing capacity and improving the overall efficiency of its operations. Additionally, it is exploring opportunities to expand its trade routes and attract new cargo business.



Port Fact

The NWSA is one of the largest port systems in North America, handling a large amount of cargo each year. It serves as a vital gateway for U.S. global trade.

North America Seaport Cargo Statistics, Q2 2024

Figure 2: Container Activity | Q2 2024

Rank					Total TEUs		Loaded Inbound TEUs	
N.A.	U.S.	Port	Coast	TEU Containers	Y-o-Y Change	TEU Containers	Y-o-Y Change	
1	1	Los Angeles	W	2,350,987	2,2%	1,236,345	4,1%	
2	2	Long Beach	W	2,288,807	13,8%	1,129,634	19,0%	
3	3	New York & New Jersey	E	2,209,204	13,3%	1,129,724	13,1%	
4	4	Savannah	E	1,385,430	16,3%	672,543	19,1%	
5	5	Houston	G	1,028,200	11,2%	465,260	8,9%	
6		Manzanillo, Mexico	W	977,439	6,1%	425,928	9,2%	
7		Port of Virginia	E	942,247	19,8%	425,471	14,2%	
8	6	Vancouver	W	908,413	7,3%	471,399	12,6%	
9	7	Northwest Seaport Alliance	W	858,381	19,8%	330,197	29,7%	
10	8	Charleston	E	613,278	-0,4%	309,916	4,7%	
11	9	Lazaro Cardenas, Mexico	W	576,054	31,9%	189,267	23,5%	
12		Oakland	W	569,725	12,0%	239,410	15,5%	
13		Montreal	E	384,438	-3,3%	194,783	-1,5%	
14		Prince Rupert, Canada	W	213,305	9,5%	149,637	42,6%	
All Major Ports				15,305,908	10,9%	7,369,514	13,0%	
Major West Coast Ports			W	8,743,111	10,2%	4,171,817	13,8%	
Major East Coast Ports			E	5,534,597	12,0%	2,732,437	12,4%	
Major Gulf Coast Port			G	1,028,200	11,2%	465,260	8,9%	

Source: Various Port Authorities, CBRE Research, Q2 2024.

North America Seaport Cargo Statistics, YTD 2024

Figure 3: Container Activity | YTD 2024

Rank			Total TEUs				Loaded Inbound TEUs	
N.A.	U.S.	Port	Coast	TEU Containers	Y-o-Y Change	TEU Containers	Y-o-Y Change	
1	1	Los Angeles	W	4.731.490	14,4%	2.466.414	15,8%	
2	2	Long Beach	W	4.291.627	15,0%	2.087.344	19,5%	
3	3	New York & New Jersey	E	4.210.653	12,6%	2.158.055	13,7%	
4	4	Savannah	E	2.701.136	13,7%	1.321.652	17,0%	
5	5	Houston	G	2.098.117	12,9%	951.236	11,6%	
6		Manzanillo, Mexico	W	1.935.710	11,6%	825.632	13,9%	
7	6	Port of Virginia	E	1.792.541	13,4%	820.584	13,8%	
8		Vancouver	W	1.769.018	13,8%	930.345	19,3%	
9	7	Northwest Seaport Alliance	W	1.557.762	11,5%	585.217	18,0%	
10	8	Charleston	E	1.240.575	1,2%	627.028	6,2%	
11	9	Oakland	W	1.135.778	12,2%	471.708	20,2%	
12		Lazaro Cardenas, Mexico	W	1.111.075	33,2%	354.985	25,5%	
13		Montreal	E	737.464	-2,9%	368.402	-1,9%	
14		Prince Rupert, Canada	W	404.752	5,8%	437.215	121,1%	
All Major Ports				29.717.698	12,9%	14.405.817	17,0%	
Major West Coast Ports			W	16.937.212	14,6%	8.158.860	20,9%	
Major East Coast Ports			E	10.682.369	10,3%	5.295.721	12,3%	
Major Gulf Coast Port			G	2.098.117	12,9%	951.236	11,6%	

Source: Various Port Authorities, CBRE Research, Q2 2024.

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