



INDUSTRIAL MARKET REPORT

SAN DIEGO, CA | Q2 OF 2024

INDUSTRIAL MARKET REPORT

Market Key Statistics	1
Leasing	2
Rent	7
Construction	9
Under Construction Properties	11
Sales	13
Sales Past 12 Months	15
Economy	17
Market Submarkets	22
Supply & Demand Trends	26
Rent & Vacancy	28
Sale Trends	30

12 Mo Deliveries in SF

2.8M

12 Mo Net Absorption in SF

(2.5M)

Vacancy Rate

6.9%

Market Asking Rent Growth

3.6%

Absorption was negative for the fifth straight quarter in 24Q1, which has been the longest stretch since the height of the Great Recession between 2008 and 2010. Recent vacancies by Amazon in National City and biotech firms in the UC San Diego area have led to vacancy rising to 6.9% during the second quarter, which is the highest level in nearly 10 years. It is expected to climb higher and exceed the long-term average by the end of 2024.

Market participants have noted that San Diego's industrial market is not normalizing but instead navigating a period of weaker demand. Leasing at the top of the market for spaces above 50,000 SF has still not returned to pre-pandemic norms. Only four new leases were signed above that size during the first quarter. Although that represented 25% of new leasing volume during 24Q1, overall volume was 25% below the pre-pandemic norm.

Roughly 3.2 million SF of flex and industrial space is scheduled to complete construction in 2024, and 3 million SF is available in the pipeline. That will add to the 2 million SF that is available in buildings that have been delivered since 2023. Although development activity has increased in Central and North counties, most of the new available space is near the port of entry in South County.

The demand drivers in Otay Mesa, including access to Mexico's labor force and transportation arteries through

the region along the I-15 corridor, are unmatched in San Diego and should ensure that the space there is absorbed. But market participants have noted that broader macroeconomic concerns continue to weigh on large occupiers, and demand may not resurface until 2025.

Landlords of small-bay properties face fewer hurdles. Few small properties are under construction, and local brokers from Vista to the South Bay have noted that they have never been busier securing space for tenants with requirements between 2,000 SF to 10,000 SF. The vacancy rate in these buildings is still historically low, and demand should remain robust for these spaces. That has given leverage to landlords, who can often secure new tenants with minimal concessions.

In this environment, rents have shifted by 3.6% year over year and by 0.2% during 24Q1. That was the lowest quarterly rent growth in nearly 10 years as annual rent growth moderated to the long-term average during the second quarter. Further moderation will likely carry through the year until demand begins recovering and new space is absorbed.

San Diego has always been a small-bay market, and the demand environment is clearly bifurcated between small-bay properties and large logistics facilities. Tenant demand for small industrial spaces will likely continue driving the leasing market for the next several quarters.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	90,790,694	6.9%	\$18.79	9.6%	229,192	233,376	2,630,782
Specialized Industrial	64,865,833	3.8%	\$19.48	5.4%	(468,225)	44,278	147,054
Flex	55,364,992	10.6%	\$32.60	17.6%	(17,493)	253,741	1,911,349
Market	211,021,519	6.9%	\$22.67	10.5%	(256,526)	531,395	4,689,185

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.4%	7.0%	6.8%	11.2%	2010 Q1	2.8%	2022 Q2
Net Absorption SF	(2.5M)	1,600,998	1,321,313	8,536,014	2022 Q1	(4,561,352)	2009 Q3
Deliveries SF	2.8M	2,115,568	2,223,132	6,669,482	2000 Q2	75,015	2011 Q2
Market Asking Rent Growth	3.6%	4.1%	4.0%	10.9%	2022 Q3	-5.4%	2009 Q4
Sales Volume	\$1.6B	\$1.5B	N/A	\$5.2B	2022 Q3	\$349.3M	2009 Q3

San Diego's vacancy rate has increased by more than 200 basis points in the past 12 months after net absorption tallied roughly -2.5 million SF. Vacancy will rise further, likely exceeding the long-term average, as new buildings are delivered in 2024 before it stabilizes as that space is absorbed. Like the demand environment, vacancy is bifurcated. Vacancy in industrial buildings is around 5%, and it is roughly 10.6% in flex properties.

With new spec supply in the pipeline and space returning to landlords, availability has increased in every size cohort since last year. The availability rate is trending at 10.5%, totaling approximately 22.6 million SF, and both are at the highest level in 10 years. The sharpest rise has been in buildings between 100,000 and 250,000 SF, many of which are in development. It has risen from under 4% to over 12%. Market participants have suggested that large occupiers have been more concerned with controlling costs and seeking efficiency, which has stifled leasing activity above 50,000 SF. Over the past seven quarters of rising availability, the average quarterly increase has been nearly 2 million SF. Yet the increase during 24Q1 was 1.2 million SF, and the ascent may be easing with fewer speculative properties starting construction.

Conversely, the rise has been more marginal in multi-tenant, small-bay properties. Availability and vacancy are still trending at historically low levels. North County brokers have noted that requirements below 10,000 SF have been difficult to fill due to the high demand for space in incubator parks. Available spaces in that tranche are typically leased in less than two months, and most deals are on shorter terms. Investors have shown a willingness to target these properties and cut up the largest spaces into small-bay units to attract these

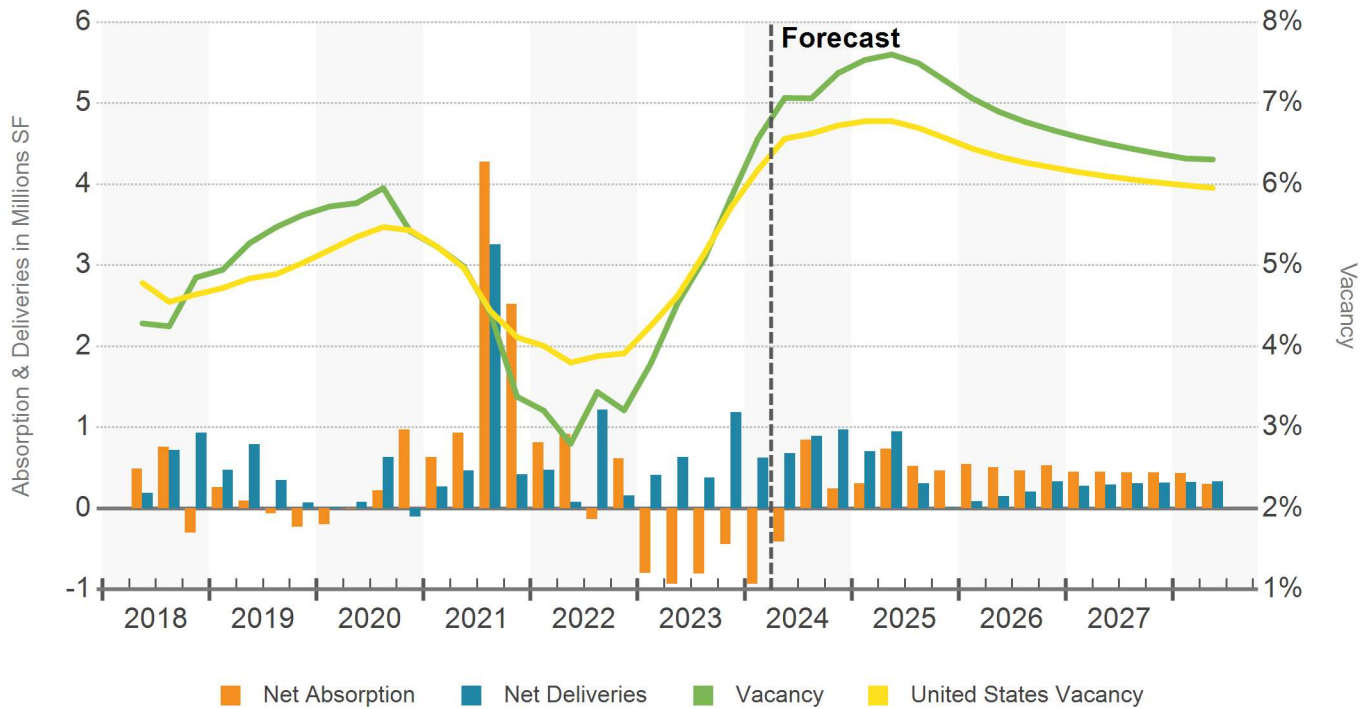
tenants. Central County and South Bay brokers have noted similar demand below 10,000 SF, and market participants expect these spaces and properties will drive demand and leasing volume through the year.

Amazon added its National City facility to the sublease market during 24Q1, making that its fifth property and 650,000 SF available to sublessees. Several have been backfilled, although the amount of overall sublet space has reached a 20-year high of 4.3 million SF during the second quarter. Carlsbad, Otay Mesa and Mira Mesa have the most exposure to sublet space, although it represents less than 2% of existing inventory in each submarket.

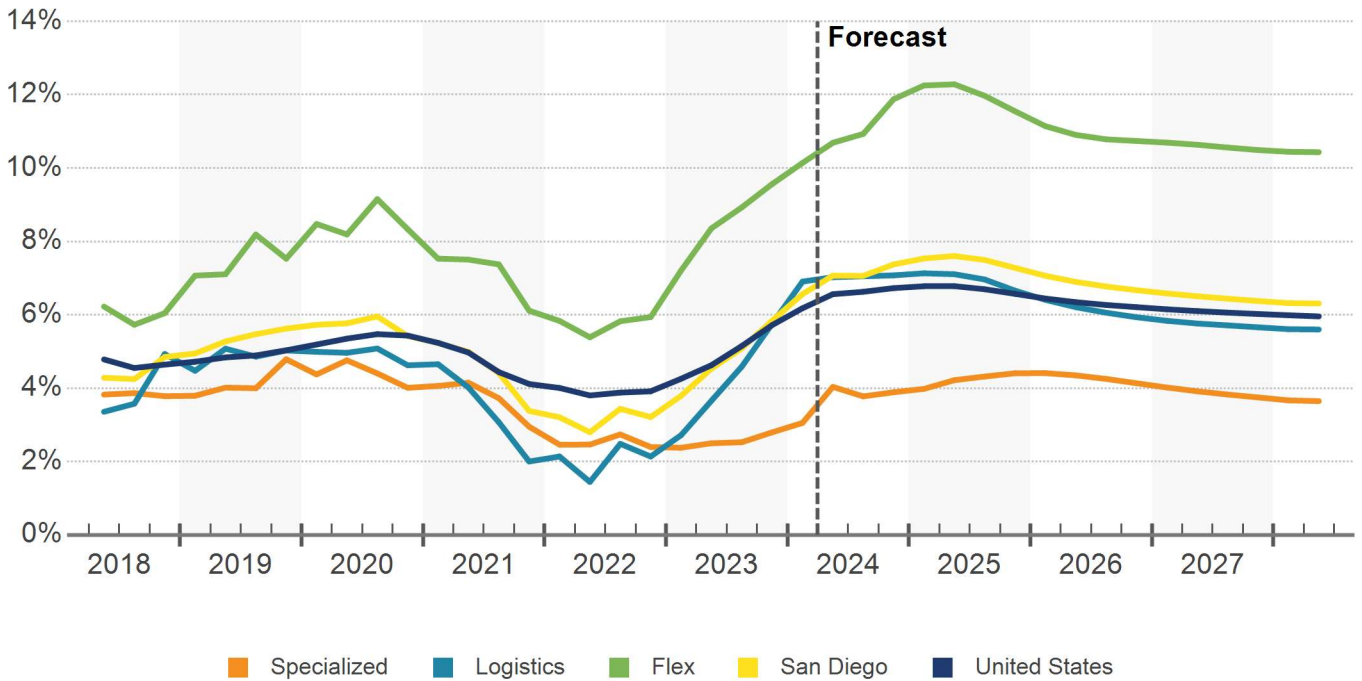
More than 2 million SF of sublet space is in flex/lab buildings, most of which are in Torrey Pines and Sorrento Mesa. Several full-building leases in brand new properties in the UC San Diego area have been added to the sublease market. Demand has fallen as the pandemic-fueled capital that spurred growth across the biotech industry has retrenched. Local brokers are concerned that demand will be relatively light through 2024, even as requirements have increased.

Few areas of the region have seen the slowdown in demand among large industrial occupiers as Vista has. North County has attracted tenants due to its arterial transportation corridors and dense population nodes, and leasing activity above 50,000 SF had been second only to Otay Mesa before 2023. While small-bay demand has remained resilient, it has stalled above 50,000 SF. Between 2020 and 2022, 13 new leases over that size were signed, totaling 1.4 million SF. Conversely, none were signed from 2023 through 24Q1.

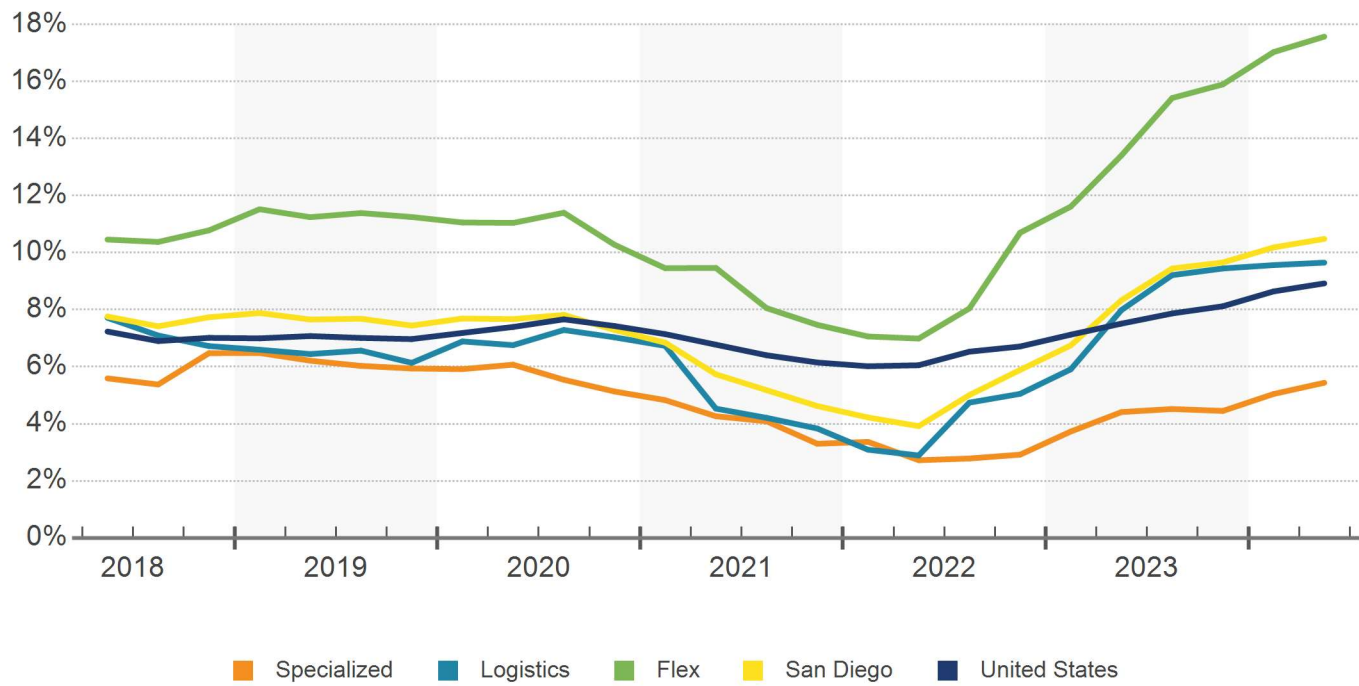
NET ABSORPTION, NET DELIVERIES & VACANCY



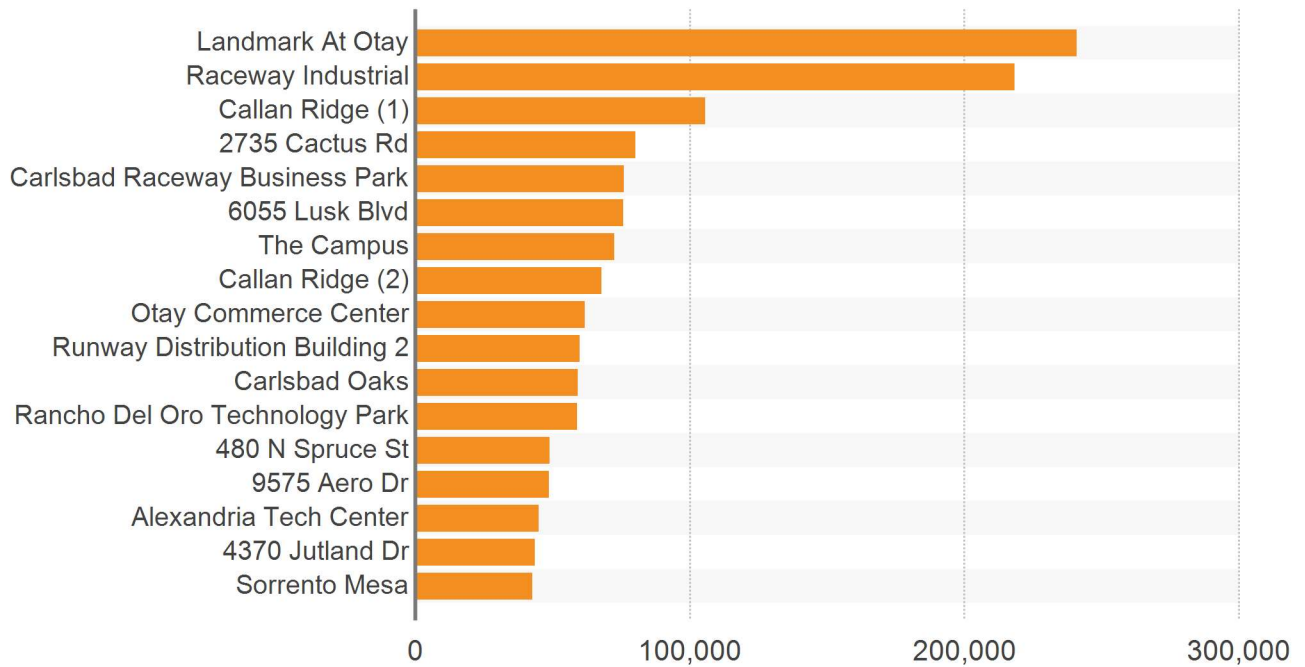
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Landmark At Otay	Otay Mesa Ind	240,975	0	0	0	0	0	240,975
Raceway Industrial	Carlsbad Ind	218,429	0	0	218,429	0	0	218,429
Callan Ridge (1)	Torrey Pines Ind	105,511	0	0	105,511	0	0	105,511
2735 Cactus Rd	Otay Mesa Ind	81,951	0	0	0	0	0	80,150
Carlsbad Raceway Business Park	Carlsbad Ind	175,295	85,240	0	0	0	0	76,000
6055 Lusk Blvd	Sorrento Mesa Ind	94,230	18,375	0	0	0	0	75,855
The Campus	Otay Mesa Ind	208,692	0	18,500	0	0	0	72,593
Callan Ridge (2)	Torrey Pines Ind	67,800	0	67,800	0	0	0	67,800
Otay Commerce Center	Otay Mesa Ind	61,740	0	42,000	0	0	0	61,740
Runway Distribution Building 2	Otay Mesa Ind	59,905	0	0	0	0	0	59,905
Carlsbad Oaks	Carlsbad Ind	123,454	31,095	26,853	0	0	0	59,215
Rancho Del Oro Technology Park	Oceanside Ind	143,274	30,082	45,263	43,725	0	0	59,024
480 N Spruce St	Escondido Ind	48,976	0	0	0	0	0	48,976
9575 Aero Dr	Kearny Mesa Ind	55,093	0	0	0	0	0	48,635
Alexandria Tech Center	Sorrento Mesa Ind	253,741	208,856	0	44,885	0	0	44,885
4370 Jutland Dr	PB/Rose Canyon/Mo...	72,716	0	0	0	0	0	43,653
Sorrento Mesa	Sorrento Mesa Ind	42,547	0	42,547	0	0	0	42,547
Subtotal Primary Competitors		2,054,329	373,648	242,963	412,550	0	0	1,405,894
Remaining San Diego Market		209,005,780	14,233,500	(1,179,122)	(669,076)	0	0	(3,872,392)
Total San Diego Market		211,060,109	14,607,148	(936,159)	(256,526)	0	0	(2,466,499)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
1756 Weld Blvd	El Cajon	160,000	Q3 23	GKN Aerospace	JLL	JLL
8830 Siempre Viva Rd	Otay Mesa	153,166	Q1 24	Marketing.com	JLL	IDS Real Estate Group;...
755 Harvest Rd	Otay Mesa	127,141	Q1 24	Agorus	-	CBRE
2600 Melksee St *	Otay Mesa	121,970	Q3 23	CareFusion	JLL	JLL
7995 Armour St	Kearny Mesa	116,000	Q2 24	-	-	KBC Advisors
1900 Weld Blvd *	El Cajon	112,168	Q1 24	Sigler	-	Toller Cornell Commer...
8917 Kerns St *	Otay Mesa	104,180	Q4 23	Mad Engine Global	-	-
1215 Park Center Dr *	Vista	100,000	Q3 23	Natural Alternatives Intern...	-	-
2020 Piper Ranch Rd *	Otay Mesa	98,500	Q3 23	Balboa Water Group	JLL	CBRE;Cushman & Wa...
1601 San Elijo Rd	San Marcos	95,000	Q4 23	Play by Play Productions	-	-
1601 San Elijo Rd	San Marcos	95,000	Q4 23	Samba Futsal Club	-	-
1462 Corporate Center Dr	Otay Mesa	91,753	Q1 24	JMC Global	JLL	CBRE
9043 Siempre Viva Rd	Otay Mesa	85,936	Q3 23	Hologic	-	-
13500 Danielson St *	Poway	72,600	Q1 24	Somacis	Hughes Marino;Savills	JLL
6212 Corte Del Abeto *	Carlsbad	70,224	Q4 23	K1 Speed	-	Lee & Associates
3817 Ocean Ranch Blvd	Oceanside	66,780	Q4 23	Westlake Royal Roofing	-	-
7484 Raytheon Rd *	Kearny Mesa	62,031	Q1 24	Daltile	-	Voit Real Estate Services
1211 Park Center Dr *	Vista	62,000	Q3 23	Natural Alternatives Intern...	-	-
6800 Gateway Park Dr *	Otay Mesa	61,443	Q4 23	DHL Global Forwarding	-	-
9050 Airway Rd	Otay Mesa	59,905	Q4 23	DC Logistics	JLL	JLL
2080 Sanyo Ave	Otay Mesa	58,852	Q2 24	-	Lee & Associates	Colliers
7411 Goen Pl *	Mission Gorge	57,351	Q3 23	HD Supply	Cushman & Wakefield	CBRE
2210 Oak Ridge Way *	Vista	53,269	Q2 24	Solatube International, Inc	-	-
7545 Carroll Rd *	Mira Mesa/Miramar	51,409	Q1 24	Rivulis Irrigation Inc	-	Lee & Associates Com...
3939 Market St	Southeast San Diego	51,262	Q3 23	Cruise	JLL	Kidder Mathews
9577 Chesapeake Dr *	Kearny Mesa	51,000	Q4 23	City of San Diego	-	Voit Real Estate Services
1466 F St	Central San Diego	50,310	Q4 23	Goodwill	-	Cushman & Wakefield
2810 Caribou Ct	Carlsbad	50,150	Q3 23	Bollé Brands	-	-
480 N Spruce St	Escondido	48,976	Q4 23	Big and Bold Wholesale	Venture Pacific Com...	Kidder Mathews
8515 Miramar Pl *	Mira Mesa/Miramar	48,800	Q1 24	Foundation Building Mater...	-	Cushman & Wakefield
5807 Van Allen Way *	Carlsbad	47,946	Q4 23	SMAC Inc.	-	-
4075 Ruffin Rd	Kearny Mesa	47,544	Q4 23	Greenstar Labs	Cushman & Wakefield	CBRE
5995 Pacific Center Blvd *	Sorrento Mesa	47,498	Q3 23	Abbott	CBRE	-
2800 Whiptail Loop	Carlsbad	46,838	Q1 24	ATX	CBRE	CBRE;Cushman & Wa...
4039 Calle Platino	Oceanside	43,725	Q2 24	Daikin	Stream Realty Partn...	CBRE
9655 Via Excelencia	Mira Mesa/Miramar	43,560	Q4 23	Care Ambulance	-	Kidder Mathews
2220 Niels Bohr Ct	Otay Mesa	43,316	Q1 24	HJM International	Colliers	Colliers
800 Benedict Ave *	El Cajon	40,000	Q1 24	ABC Supply Co., Inc.	Matthews Real Estat...	Matthews Real Estate I...
2025 Gillespie Way	El Cajon	37,600	Q4 23	Brady West	Toller Cornell Comm...	CBRE
13955 Stowe Dr	Poway	37,530	Q2 24	-	-	Hughes Marino;Savills

*Renewal

At 3.6%, year-over-year rent growth has moderated to the long-term average as of the second quarter, compared to 4.1% nationally, and most of the recent annual gains were front-loaded in 2023. Rent growth will likely decelerate through 2024 until new space is absorbed.

Tenants are beginning to receive some concessions, particularly for larger occupiers, and build-out allowances are typically between \$1 and \$7/SF. According to local brokers, institutional owners are holding firm on rent levels, particularly those with new construction interested in selling, while providing more free rent on new leases. It has become more common for new leases on large logistics spaces to offer up to five months of free rent. Similar deals in 2021 and 2022 might have included one month of free rent. Brokers have also noted that landlords have been more willing to be flexible on terms, and short-term leases have become more common. However, market participants are concerned that prices may have to come down to attract demand.

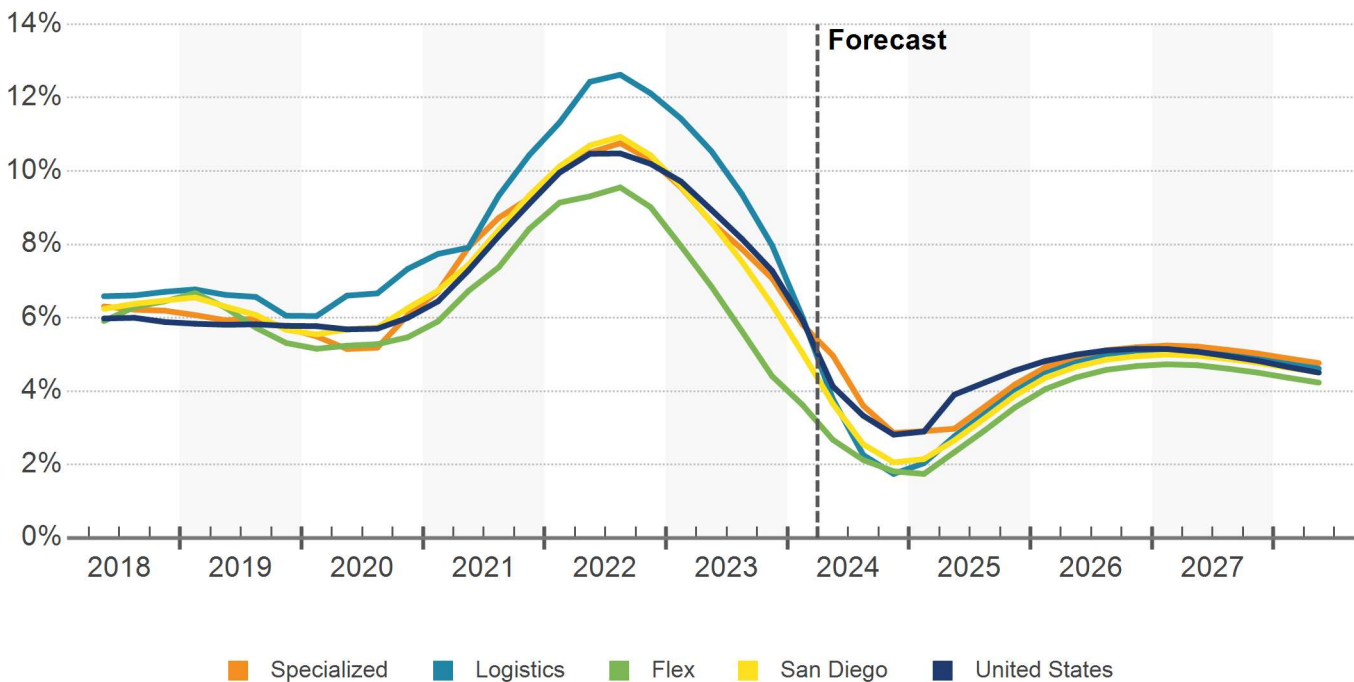
Conversely, small-bay owners are still locking in 4% escalations with minimal free rent. Tenants often receive one month of free rent on a three- to five-year deal, and tenants have shown they will pay for quality. In some North County campuses, small-bay spaces are leasing

for more than \$30/SF NNN with one month free and 4% escalations. These spaces tend to lease quickly, often less than two months, and landlords have become more selective.

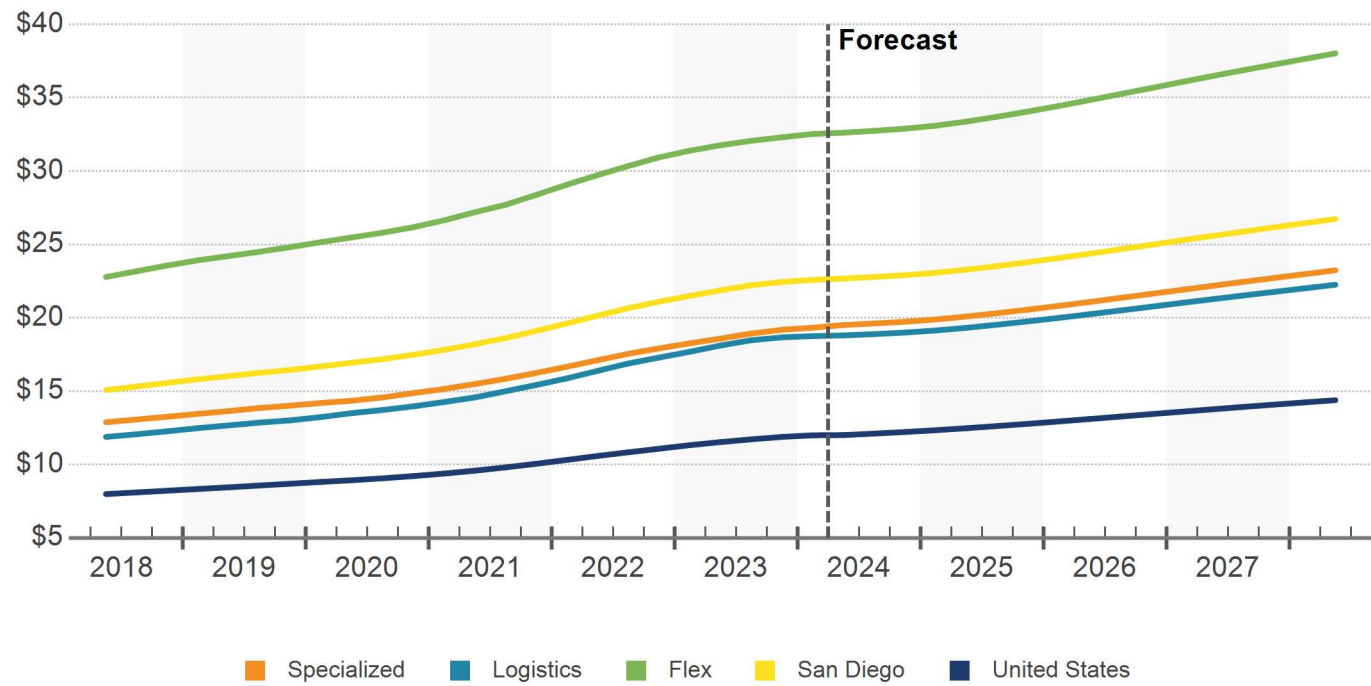
Natural Alternatives signed a 10-year renewal for its 162,000 SF of distribution space at Vista Business Park. The deal raised the rent to \$18/SF with 3.8% escalations and five months of free rent. The deal started in 24Q2 and represented a 138% increase over its lease signed 10 years earlier. The tenant intended to complete substantial improvements, including \$2.3 million in solar equipment, which the landlord would reimburse up to \$7/SF.

RL Customhouse's 240,000- lease at Landmark at Otay in 2023 had a starting rent of \$14.40/SF NNN for an 87-month term and three months of free rent. The 2023-vintage property had 36-foot clear heights. MAT Express signed a 63-month lease for 20,000 SF at Pacific Ridge Industrial Park, a 2001-vintage campus with 28-foot clear heights, in Otay Mesa. The starting rent was 15/SF NNN with 4% escalations and three months free. In Chula Vista, advertised rents at the Heritage Industrial Center, a three-building, 200,000-SF campus that delivered in 2023, are \$19.20/SF. Clear heights at the new campus are between 28 and 32 feet.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



With 4.7 million SF of flex and industrial space under construction, San Diego's overall pipeline will add supply-side pressure to vacancy and rent growth. Nearly 60%, or roughly 3 million SF, is available for lease.

Otay Mesa accounts for over half of the industrial inventory under construction in San Diego, two-thirds of which is available. Between 2010 and 2019, inventory expanded by only about 5% in Otay Mesa. Since 2020, inventory has increased by 50% as firms have increasingly onshored operations to be closer to maquiladoras in Tijuana. However, some developers are moving back their projects until the properties in the pipeline are absorbed. Roughly 3.6 million SF has opened there since 2022, and approximately 45% of that space is available for lease as of the second quarter.

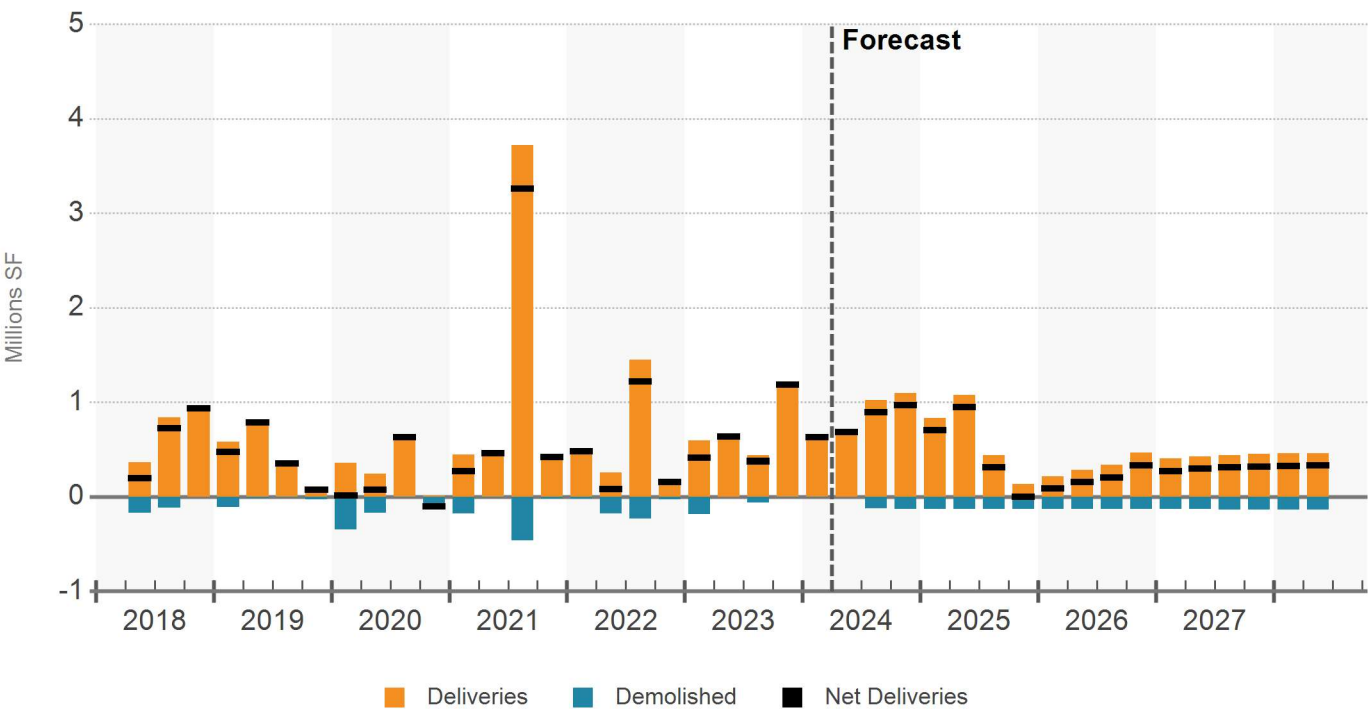
Land costs have jumped there since 2022. Raw land and improved lots had been selling for around \$10 to \$15/SF, but industrial parcels have traded for more than \$30/SF over the past several quarters. Amazon paid \$11/SF for 68 acres in 2021 and is underway on a 1.1 million-SF facility next to its others. Hines paid more than \$40/SF during 23Q3 for 9.5 acres. Those costs are closer to land costs in North and Central counties, although available land has largely dried up in those areas.

One of the largest development projects is in El Cajon,

where little new inventory has come to market in the past decade. A 380,000-SF distribution facility, divisible to 95,000 SF, is scheduled to deliver in mid-2024 with 32-foot clear heights. Chestnut Properties, the developer, received a \$91 million construction loan for the project. GKN Aerospace preleased roughly 160,000 SF during 23Q3 to add to its 200,000-SF footprint within the submarket. That is one of several industrial projects in the pipeline outside of South County. A few infill sites are under development in Kearny Mesa totaling more than 200,000 SF, and they are available and scheduled to be completed in 2024.

The weight of new lab space will likely place upward pressure to vacancy as demand has waned in recent quarters among biotech users. Roughly 75% of the flex pipeline, which consists of 1.7 million SF of lab space, is available for lease, and several formerly pre-leased developments in Sorrento Mesa and Torrey Pines have become available in recent quarters. It will take time for the new space to be absorbed, even if there are reasons to be optimistic. The long-term drivers in San Diego remain in place, including government support and funding, collaborative work with the University of California-San Diego, an aging population, technological advances that can improve the quality of life and a strong entrepreneurial spirit.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Otay Mesa	6	1,763	1,169	66.3%	4	63,014	293,760	1
2	Sorrento Mesa	7	1,206	64	5.3%	8	48,090	172,240	3
3	El Cajon	2	411	189	45.9%	7	18,975	205,620	2
4	UTC	2	335	172	51.3%	6	95,967	167,500	4
5	Kearny Mesa	2	219	0	0%	9	24,800	109,646	6
6	Chula Vista	2	206	0	0%	9	25,246	102,866	7
7	Torrey Pines	2	206	169	82.2%	3	79,176	102,833	8
8	Carlsbad	1	165	165	100%	1	32,822	165,000	5
9	Escondido	2	147	89	60.2%	5	11,759	73,527	9
10	San Marcos	1	24	24	100%	1	17,293	24,461	10
	All Other	1	8	0	0%		20,188	7,500	
Totals		28	4,689	2,041	43.5%		23,855	167,471	

San Diego Industrial

UNDER CONSTRUCTION PROPERTIES



6/28/2024
Page 12

Under Construction Properties

San Diego Industrial

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	2830 Whiptail Loop	★ ★ ★ ★ ★	165,000	2	Dec 2023	Sep 2025	Oxford Properties Group Oxford Properties Group
9	6220 Greenwich Dr	★ ★ ★ ★ ★	163,000	2	Oct 2022	Oct 2024	- Breakthrough Properties LLC
10	Enrico Fermi Industrial 7129 Enrico Fermi Pl	★ ★ ★ ★ ★	150,530	1	May 2023	Jul 2024	Phelan Development Company The Carlyle Group
11	7401 Bristow Ct	★ ★ ★ ★ ★	124,000	1	Jan 2024	Dec 2024	- Johnson Properties, LLC
12	8888 Balboa Ave	★ ★ ★ ★ ★	123,492	2	Dec 2023	Oct 2024	- Rexford Industrial Realty, Inc.
13	Headquarters Point - Bld... 4910 Headquarters Pt	★ ★ ★ ★ ★	122,535	4	Jul 2023	Aug 2024	- Bioscience Property Investments
14	Headquarters Point - Bld... 4902 Headquarters Pt	★ ★ ★ ★ ★	122,126	3	Jul 2023	Aug 2024	- Bioscience Property Investments
15	Vista Sorrento Labs 10251 Vista Sorrento Pky	★ ★ ★ ★ ★	115,761	4	Jun 2023	Aug 2024	- Trammell Crow Company
16	Building 3 10931 N Torrey Pines Rd	★ ★ ★ ★ ★	113,094	3	Jul 2023	Dec 2024	- Alexandria Real Estate Equities, I...
17	Lot 16 7310 Otay Crossing Ct	★ ★ ★ ★ ★	110,825	1	Jan 2023	Jul 2024	TFW Construction, Inc. The Carlyle Group
18	Lot 10 & 11 2855 Faivre St	★ ★ ★ ★ ★	108,666	1	May 2023	Jul 2024	TFW Construction, Inc. Sudberry Properties, Inc.
19	Lot 12 2995 Faivre St	★ ★ ★ ★ ★	97,066	1	Feb 2023	Jul 2024	TFW Construction, Inc. Sudberry Properties, Inc.
20	4400 Ruffin Rd	★ ★ ★ ★ ★	95,800	1	Jan 2024	Dec 2024	- LBA Logistics
21	Building 4 10933 N Torrey Pines Rd	★ ★ ★ ★ ★	92,572	2	Apr 2023	Dec 2024	- Alexandria Real Estate Equities, I...
22	SDCWA Escondido Logi... 1960 Citracado Pky	★ ★ ★ ★ ★	88,552	1	Jan 2024	Jan 2025	- The Carlyle Group
23	Lots 16-18 Citracado Pky	★ ★ ★ ★ ★	58,502	1	Jan 2024	Dec 2024	RAF Pacifica Group, Inc. -
24	Otay Center Dr	★ ★ ★ ★ ★	43,000	1	Feb 2024	Sep 2025	- Cedar Realty Group
25	9805 Scranton Rd	★ ★ ★ ★ ★	38,507	2	Apr 2023	Jul 2024	DPR Construction, Inc. Alexandria Real Estate Equities, I...
26	851 S Johnson Ave	★ ★ ★ ★ ★	30,000	2	Jun 2024	Aug 2024	- -
27	109 S Pacific St	★ ★ ★ ★ ★	24,461	1	Jun 2023	Jul 2024	- -
28	9404 San Diego St	★ ★ ★ ★ ★	7,500	1	Mar 2019	Oct 2024	- Ahmed Awad

Lenders have noted that banks have become more cautious with industrial loans. However, unlike the office sector, deal flow has outpaced the lows of the Great Recession. Total sales volume during the past two quarters was more than 50% below the \$2 billion quarterly cycle peak of 21Q4. Following suit, cap rates have increased to a band between 5% and 6%. Institutional-sized deals often include lengthy lease terms, which limits the ability to periodically roll rents to market. Therefore, these types of deals are trading in the mid-5% and 6% range. Mid- and small-bay properties, on the other hand, are seeing cap rates in the low 5% range as buyers can still drive NOI growth in the early stages of the cash flow. To contextualize these levels, in early 2022, buildings were trading at cap rates between the low 3% range up into the low fours.

Most sales volume has originated from national participants in the past 12 months. Institutional and REIT entities accounted for about 15% of buyer activity in the past year, a bit lower than the longer-term average. Fund-level equity was on almost 10% of volume on the buying side during that time. Those same groups represented about 30% of the volume on the seller's side, while private groups dominated activity.

BKM Capital Partners purchased the Canyon Industrial Center in Kearny Mesa at the start of 2024 for \$70.2 million, or about \$353/SF, at a 5% cap rate. The mix of industrial and flex buildings span roughly 200,000 SF and were 99% occupied at the time of the sale across 49 units ranging from 550 SF to 20,000 SF. BKM plans to upgrade the 70s-vintage campus that has 14- to 20-foot clear heights and redevelop some of the larger units into 8,000-SF spaces. The buyer is motivated to upgrade because existing leases are roughly 30% under the

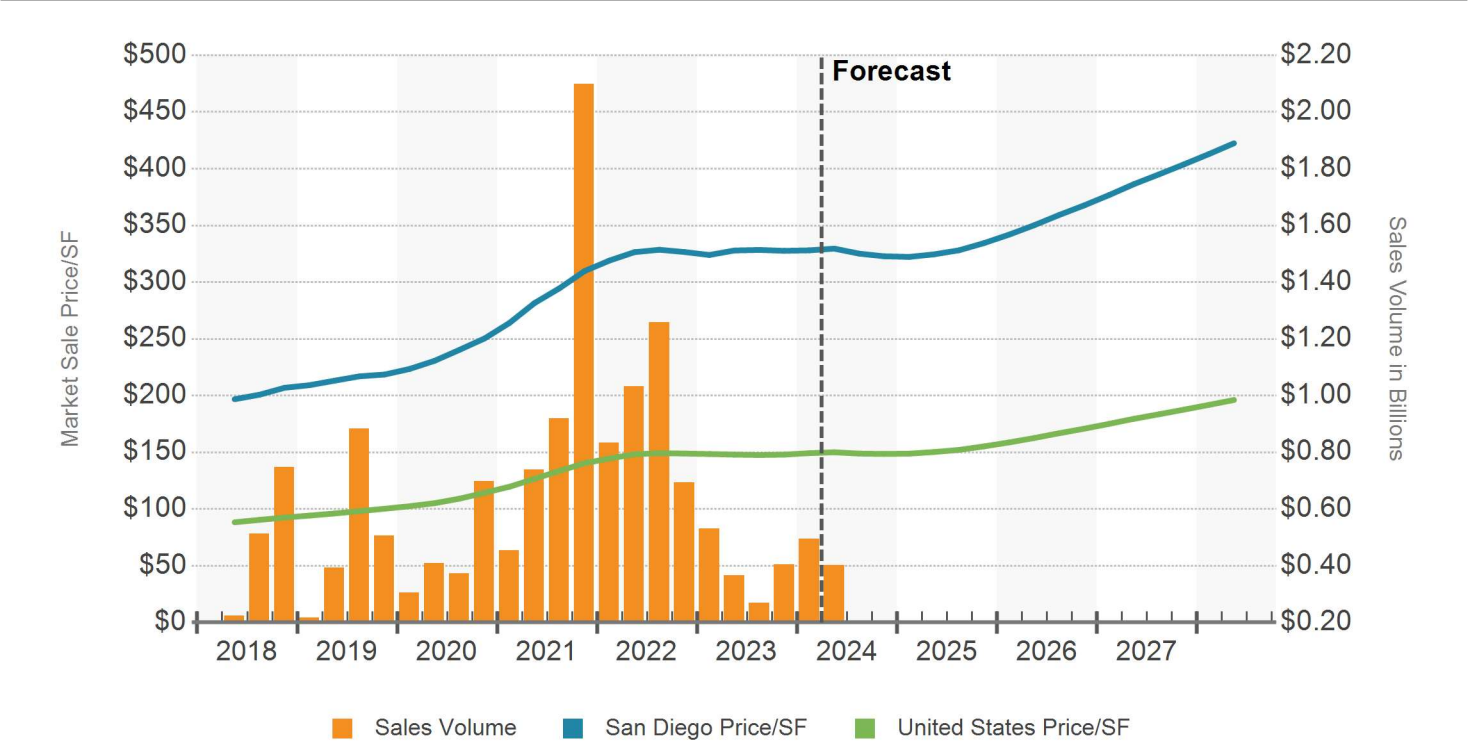
market, and more than 90% of existing leases are scheduled to roll during the intended hold period. The buyer secured \$51 million in debt to finance the purchase from the seller, Gateway Pacific Properties.

During 23Q4, Hines paid \$61 million, or about \$300/SF for the second phase of the Brown Field Technology Park in Otay Mesa, renamed Britannia Tech Park. The 200,000-SF, two-building industrial campus delivered in 2023 with 34-foot clear heights. The buildings were 100% vacant at the time of the sale. Hines also purchased two new facilities that opened in 2021 totaling 230,000 SF at the same campus in mid-2022 for \$336/SF. One building was fully vacant at the time of the sale and leased at the end of 2022, while Home Depot had a 10-year lease for 125,000 SF at the second building, and clear heights were 32 to 34 feet. The more recent sale was under contract during the 2022 purchase.

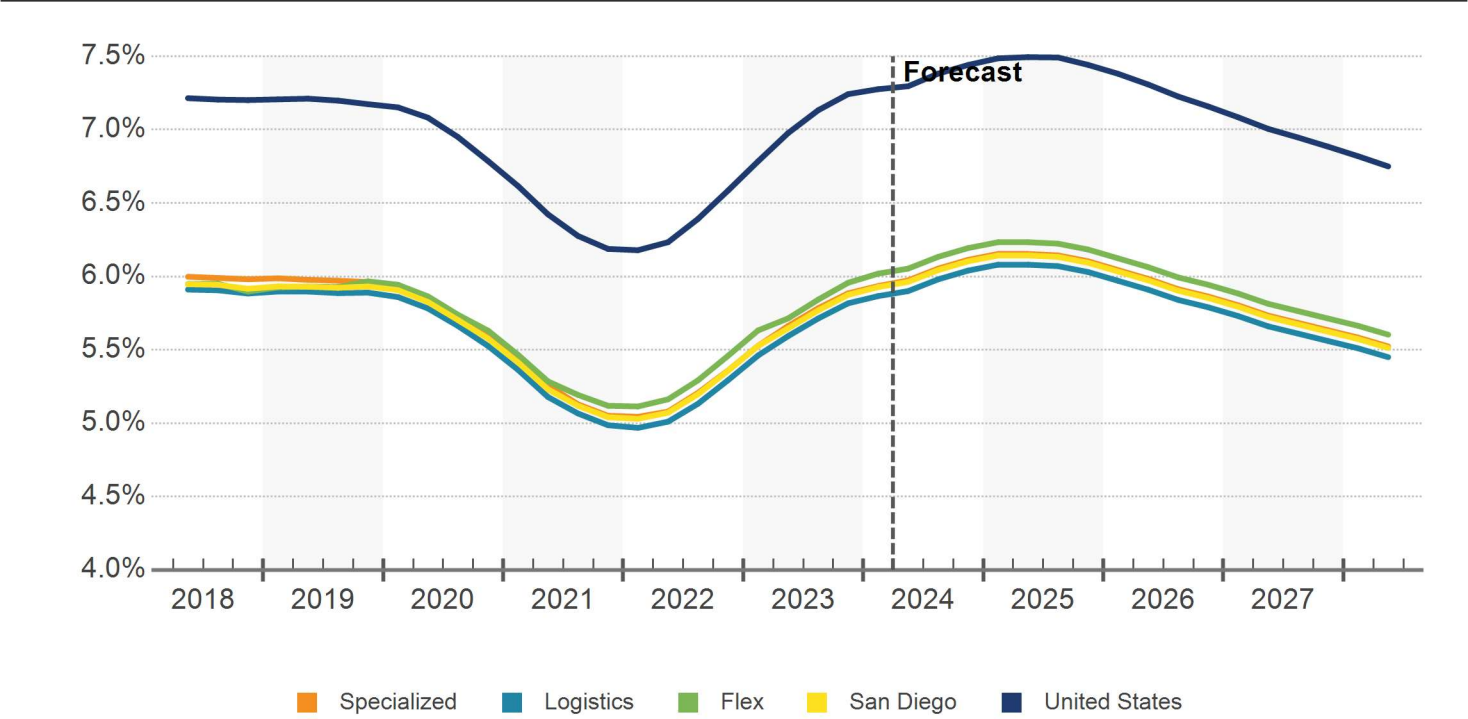
A private investor from Los Angeles purchased a 79,000-SF industrial warehouse and storage facility in National City for \$20.3 million, or about \$260/SF, at a 5.4% cap rate during 23Q3. Roughly 10% of the building was available for lease at the time of the sale, and in-place leases were reportedly 8% below the market level, with roughly half of the tenants occupying space there for more than seven years. The seller, Beverly Hills-based Unilev Capital, purchased the facility in 2020 for \$13.5 million.

Market participants have suggested that 2024 could be a repeat of 2023. With rent growth moderating, elevated interest rates and more modest demand that is not expected to recover until 2025, it may take time for the investment market to return to pre-2020 norms.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

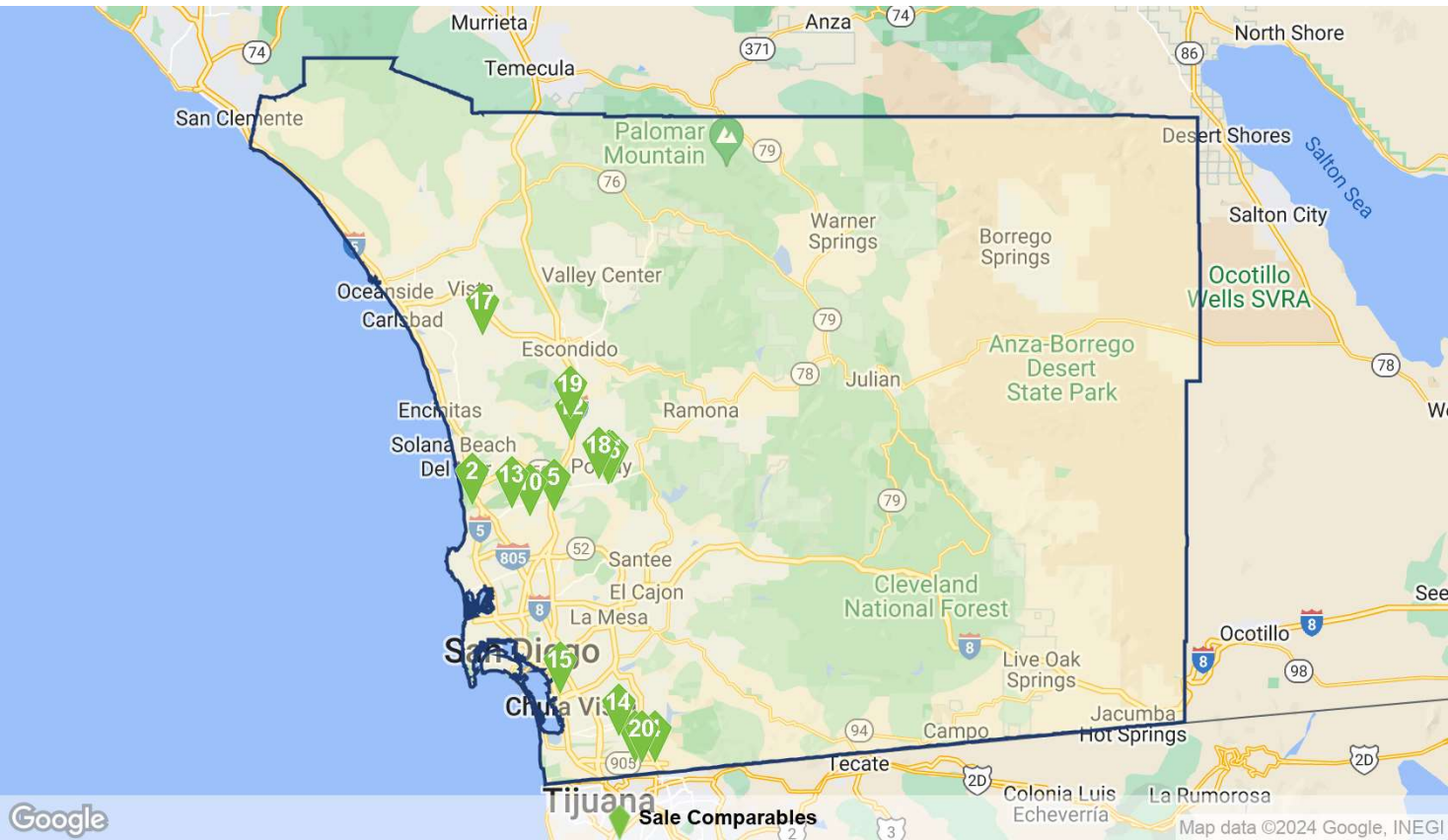


Sales Past 12 Months

San Diego Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
261	6.4%	\$329	21.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$235,000	\$7,707,318	\$4,367,784	\$93,091,829
Price/SF	\$21	\$329	\$312	\$1,403
Cap Rate	4.6%	6.4%	6.0%	11.0%
Time Since Sale in Months	0.0	5.9	5.6	12.0
Property Attributes	Low	Average	Median	High
Building SF	700	26,435	14,509	198,858
Ceiling Height	9'	20'2"	20'	36'
Docks	0	2	0	44
Vacancy Rate At Sale	0%	21.5%	0%	100%
Year Built	1918	1986	1982	2024
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Diego Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Bldg A 3020 Callan Rd	★★★★★	2023	105,511	100%	1/9/2024	\$93,091,829	\$1,357	-
2 Bldg B 3030 Callan Rd	★★★★★	2023	67,800	0%	1/9/2024	\$60,308,171	\$1,368	-
3 Building 3 14253 Kirkham Way	★★★★★	2019	154,000	0%	4/5/2024	\$43,900,000	\$285	-
4 Runway Distribution Bui... 9040 Airway Rd	★★★★★	2023	140,092	100%	7/12/2023	\$39,685,874	\$283	-
5 10054 Old Grove Rd	★★★★★	1971	85,824	0%	8/15/2023	\$33,999,000	\$396	-
6 Building 1 14105 Kirkham Way	★★★★★	2014	115,000	0%	4/5/2024	\$32,900,000	\$286	-
7 Building 1 7498 Colchester Ct	★★★★★	2023	102,099	100%	10/9/2023	\$30,585,707	\$300	-
8 Building 2 7222 Airway Rd	★★★★★	2023	101,145	100%	10/9/2023	\$30,331,793	\$300	-
9 14250 Kirkham 14250 Kirkham Way	★★★★★	2002	125,196	0%	4/5/2024	\$26,900,000	\$215	-
10 Stromesa Center 7949 Stromesa Ct	★★★★★	1980	107,564	13.0%	3/20/2024	\$26,500,000	\$246	-
11 Building 4 14311 Kirkham Way	★★★★★	2020	80,500	0%	4/5/2024	\$26,454,240	\$329	-
12 15330 Avenue of Science	★★★★★	1984	73,756	0%	12/13/2023	\$26,350,000	\$357	-
13 Bldg A 10140 Mesa Rim Rd	★★★★★	1987	42,547	0%	2/23/2024	\$23,000,000	\$541	-
14 Heritage Industrial Cente... 3390 Heritage Rd	★★★★★	2023	105,550	100%	12/28/2023	\$21,600,000	\$205	-
15 131 W 33rd St	★★★★★	1969	78,699	0.6%	7/28/2023	\$20,330,000	\$258	5.4%
16 Building 2 14177 Kirkham Way	★★★★★	2019	70,000	0%	4/5/2024	\$20,100,000	\$287	-
17 BioFilm Inc. 3225 Executive Ridge	★★★★★	2004	57,609	0%	12/5/2023	\$19,695,556	\$342	-
18 Aldila Bldg 13450 Stowe Dr	★★★★★	1991	73,000	0%	6/18/2024	\$19,600,000	\$268	-
19 11501 Rancho Bernardo... 11501 Rancho Bernardo...	★★★★★	1982	52,855	0%	12/26/2023	\$19,290,354	\$365	-
20 Bldg A 7920 Airway Rd	★★★★★	1999	74,916	0%	7/12/2023	\$19,078,836	\$255	-

According to the latest jobs report released by the Bureau of Labor Statistics, San Diego's unemployment rate dipped to 4.1% in April, down from March's 4.4%. That was up 90 basis points since last April, although it was far below California's statewide rate of 4.8% in April.

In April, 6,000 nonfarm jobs were added across the San Diego region. Nearly half of those jobs were added in the leisure and hospitality sector, in particular in accommodation and food services.

Three sectors shed jobs in April, led by manufacturing. Payrolls fell by 800 positions, while professional and business services dipped by 500 jobs and information by 200.

Those continued the moribund run of job growth in the office-using sectors, which are comprised of professional and business services, information, and financial activities. Job losses totaled 12,800 in the past 12 months and have coincided with an almost 20% reduction in office demand compared with the pre-pandemic norm between 2015 and 2019.

In the past 12 months, 14,000 nonfarm jobs were added in the San Diego region, a 0.9% year-over-year increase.

Private education and health services added the most positions during that period, increasing payrolls by 15,600. Leisure and hospitality and government added

the next most, 5,400 and 5,200, respectively.

Domestic migration in San Diego has typically trended in negative territory, and the latest census data for 2023 was no different. More than 30,000 people left the county between mid-2022 and mid-2023, according to the U.S. Census Bureau, and that was one of the highest levels in over three decades, aside from the initial stages of the pandemic. That figure was partially offset by international migration, which exceeded 10,000. High housing costs are one of the primary reasons that the local population shrunk by more than 7,000 in 2023.

More than 80 research institutes, from Scripps Research Institute to Salk Institute for Biological Studies, and five universities are located in San Diego. This cluster of research in the Golden Triangle has created one of the strongest life science cores in the United States. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on facility upgrades, further bolstering San Diego as a destination for "medical tourism."

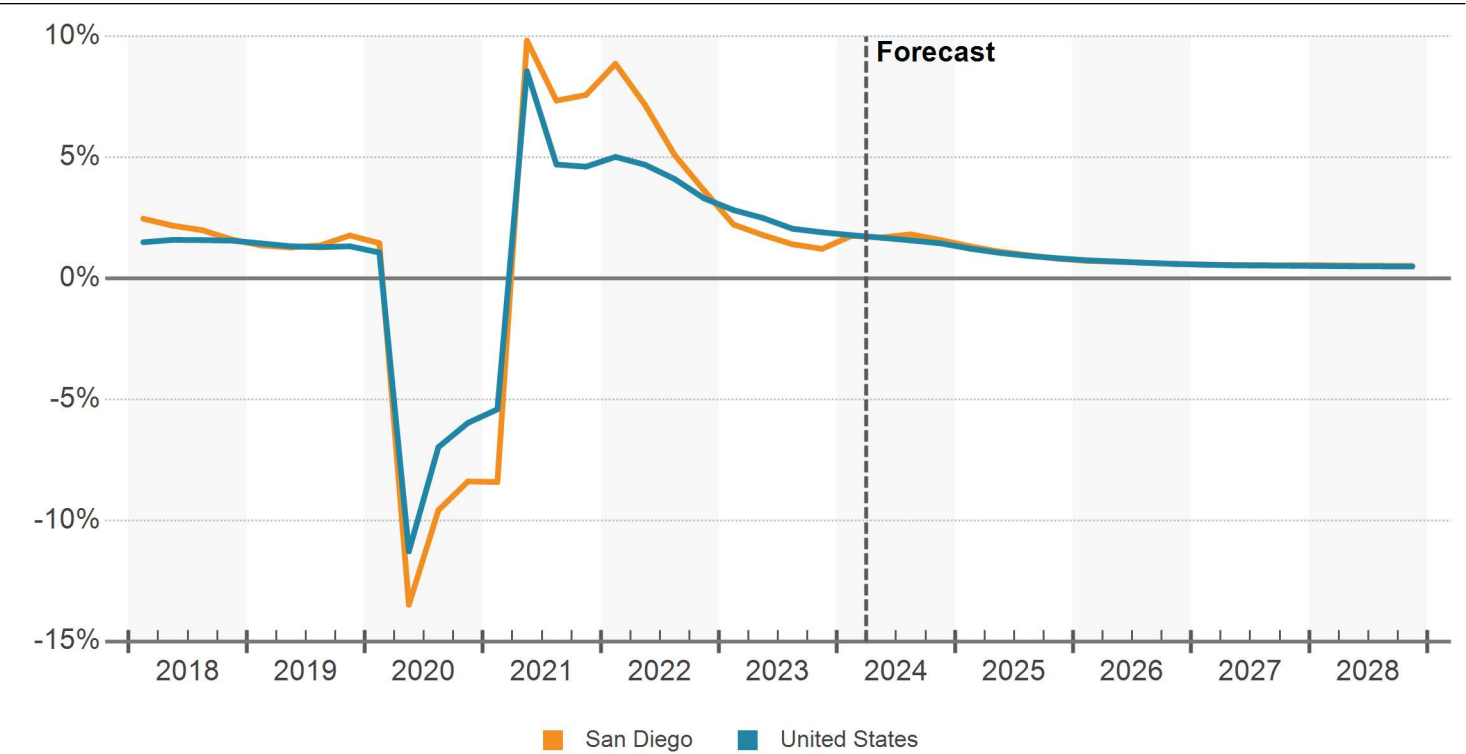
San Diego also has over 140,000 active duty and civilian military employees. According to the San Diego Military Advisory Council, the defense industry accounts for more than 350,000 jobs in the region. That is close to 25% of the economy. The Navy's renewed focus on the Pacific theater of operation will result in a 60/40 split between the Pacific and Atlantic fleets, further solidifying San Diego's status as a major Navy hub.

SAN DIEGO EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	115	0.9	-0.87%	0.47%	1.25%	0.68%	0.46%	0.45%
Trade, Transportation and Utilities	224	0.8	0.48%	0.34%	0.37%	1.01%	0.07%	0.37%
Retail Trade	140	0.9	0.79%	0.50%	-0.23%	0.26%	-0.03%	0.26%
Financial Activities	73	0.8	-1.08%	0.60%	0.53%	1.52%	0.04%	0.37%
Government	255	1.1	1.95%	2.46%	1.09%	0.62%	0.73%	0.69%
Natural Resources, Mining and Construction	94	1.1	3.37%	2.50%	3.89%	2.37%	0.79%	0.86%
Education and Health Services	252	1.0	4.48%	3.74%	3.14%	2.04%	1.03%	0.81%
Professional and Business Services	277	1.2	-1.05%	0.66%	2.29%	1.88%	0.63%	0.73%
Information	22	0.7	0.10%	-0.66%	-0.75%	1.08%	0.59%	0.65%
Leisure and Hospitality	210	1.2	4.59%	2.84%	1.84%	1.50%	1.22%	1.01%
Other Services	58	1.0	3.63%	1.59%	1.05%	0.59%	0.69%	0.55%
Total Employment	1,579	1.0	1.69%	1.69%	1.69%	1.35%	0.68%	0.66%

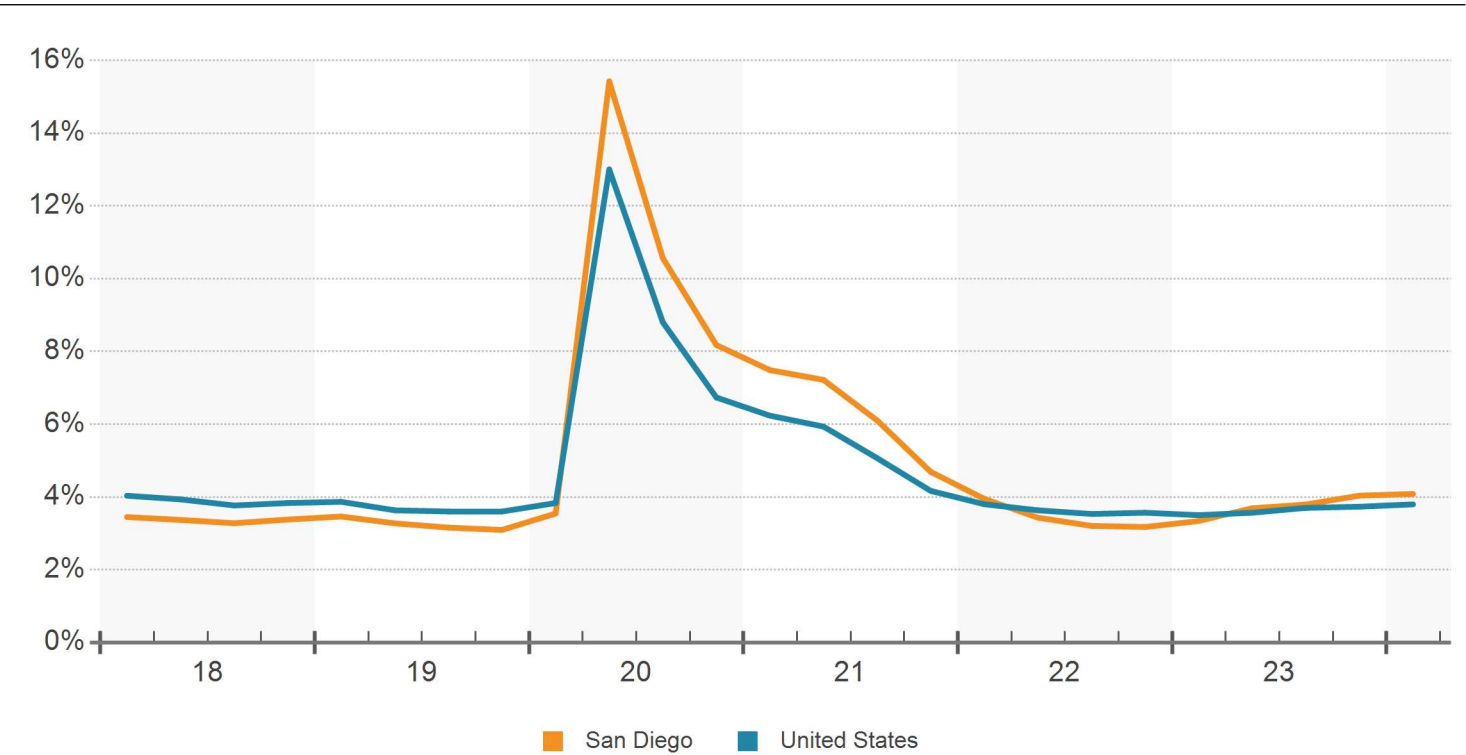
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

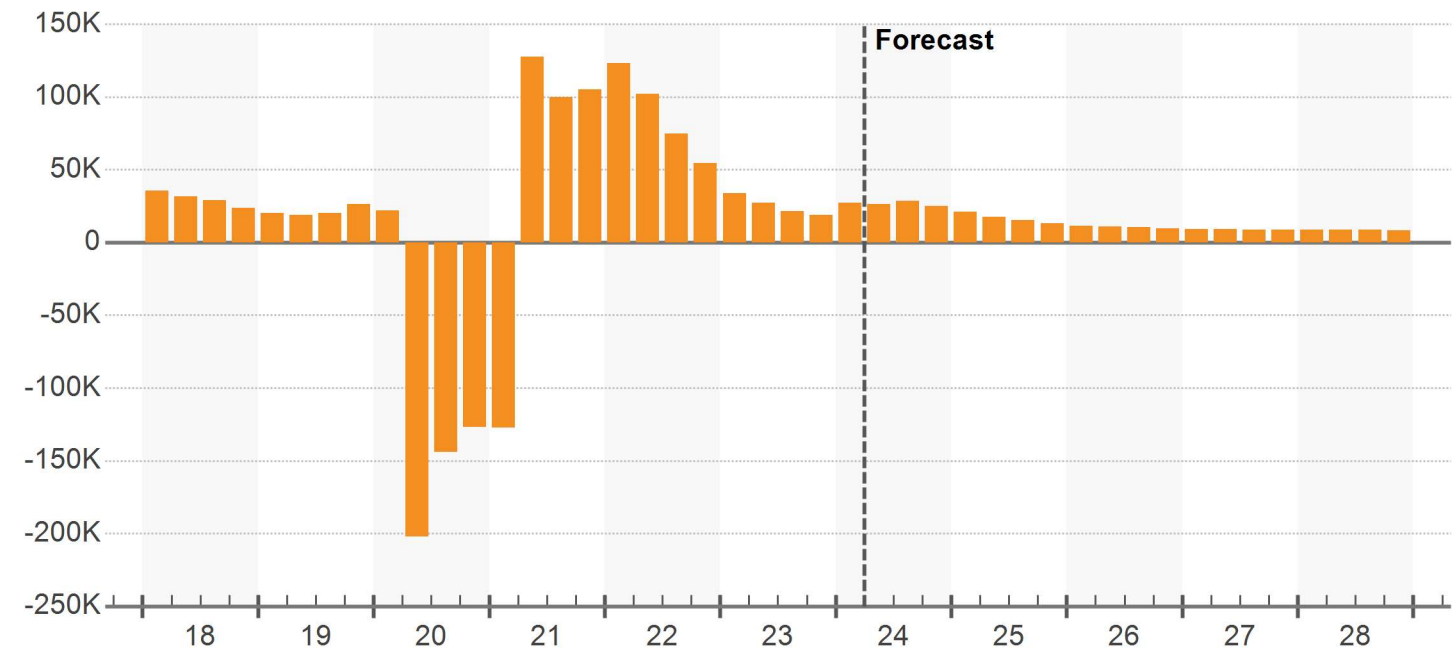


Source: Oxford Economics

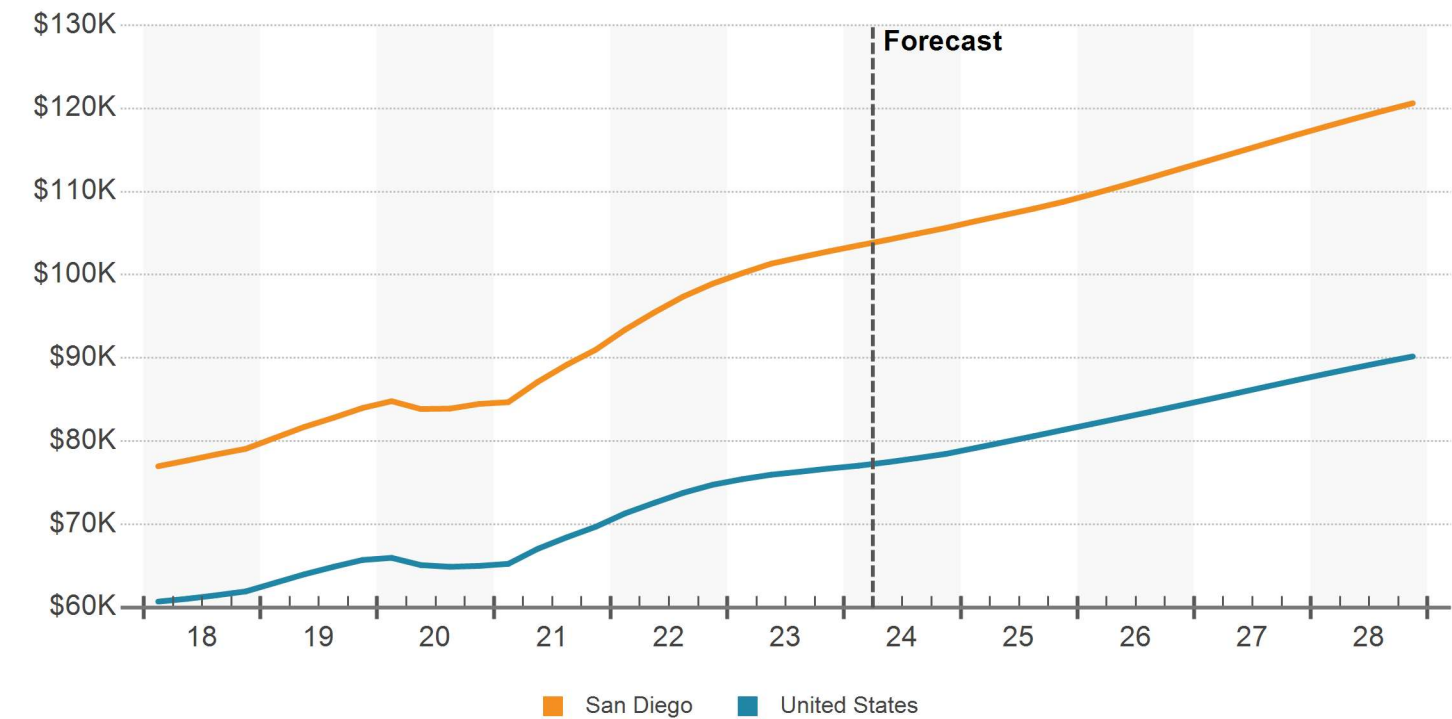
UNEMPLOYMENT RATE (%)



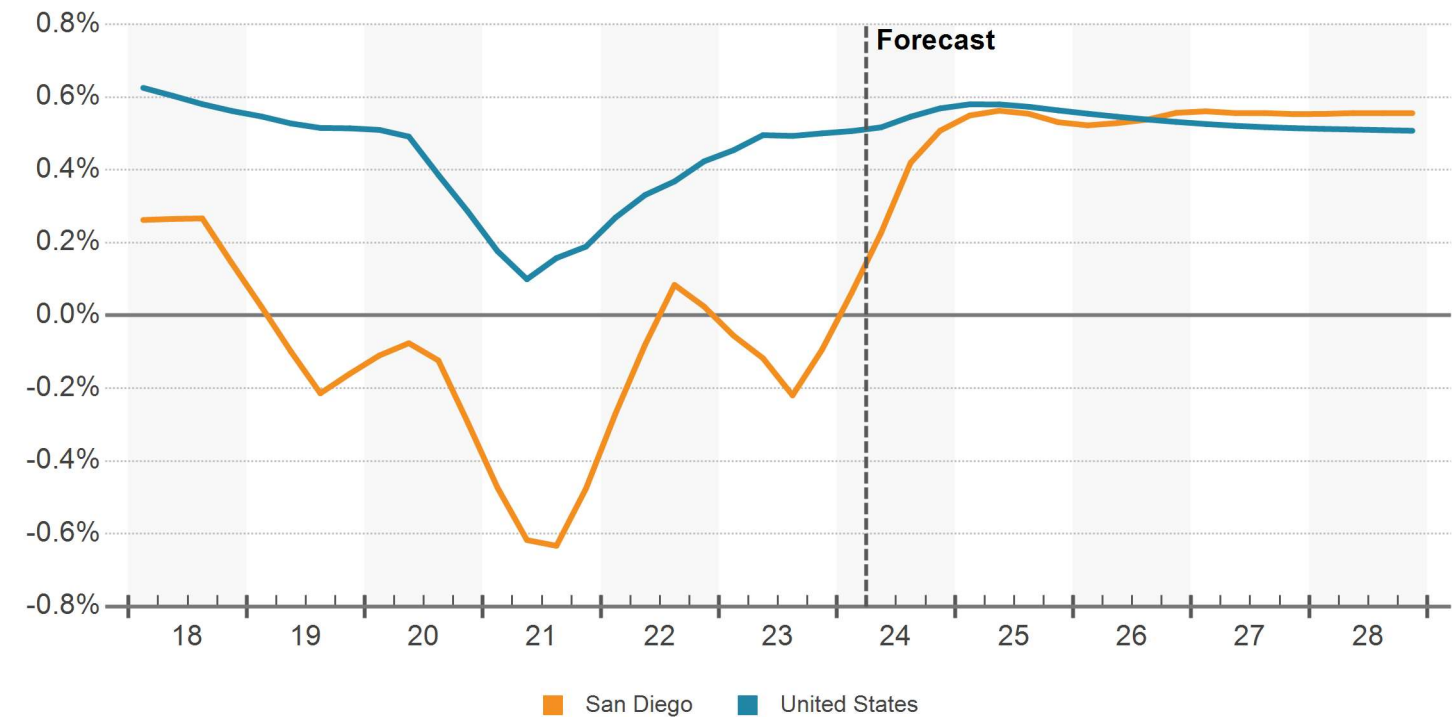
NET EMPLOYMENT CHANGE (YOY)



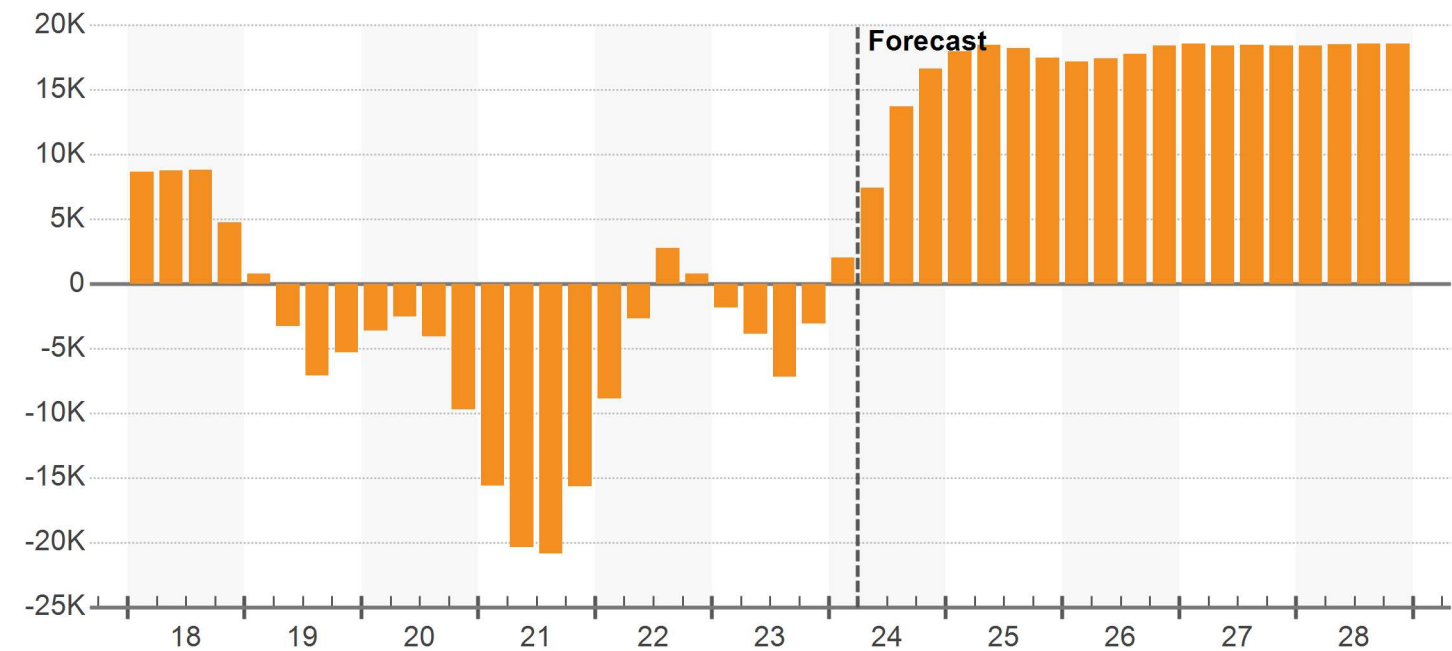
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

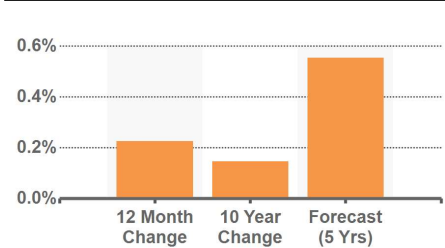


DEMOGRAPHIC TRENDS

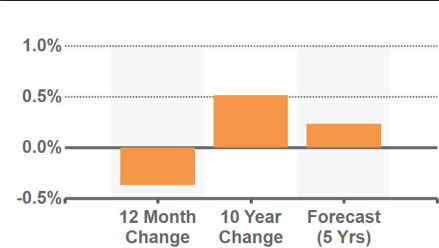
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,279,124	336,248,219	0.2%	0.5%	0.1%	0.5%	0.6%	0.5%
Households	1,176,531	131,371,500	0.4%	0.7%	0.4%	0.9%	0.6%	0.6%
Median Household Income	\$104,197	\$77,469	2.8%	2.0%	5.0%	3.9%	3.3%	3.4%
Labor Force	1,604,555	167,873,094	-0.4%	0.6%	0.5%	0.8%	0.2%	0.5%
Unemployment	4.1%	3.8%	0.4%	0.2%	-0.2%	-0.2%	-	-

Source: Oxford Economics

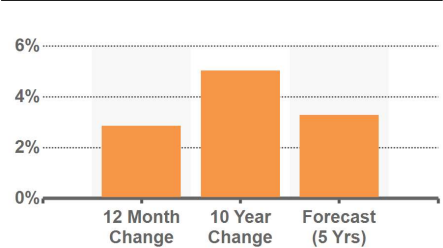
POPULATION GROWTH



LABOR FORCE GROWTH

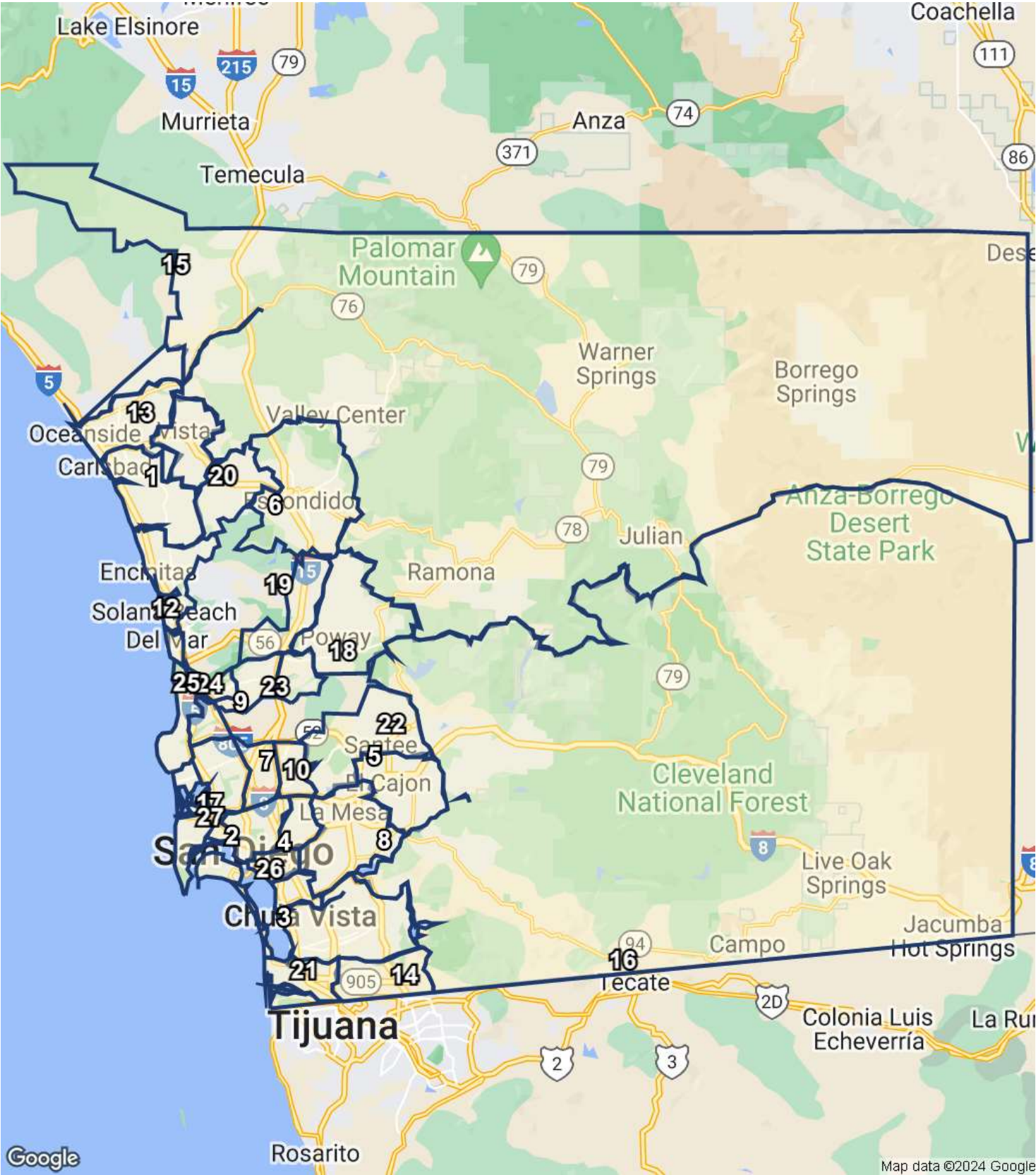


INCOME GROWTH



Source: Oxford Economics

SAN DIEGO SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Carlsbad	490	16,083	7.6%	3	1	218	1.4%	3	1	165	1.0%	8
2	Central San Diego	100	1,775	0.8%	24	0	0	0%	-	0	-	-	-
3	Chula Vista	406	10,250	4.9%	7	3	203	2.0%	4	2	206	2.0%	6
4	East City	61	975	0.5%	29	0	0	0%	-	0	-	-	-
5	El Cajon	533	10,114	4.8%	8	0	0	0%	-	2	411	4.1%	3
6	Escondido	721	8,478	4.0%	12	0	0	0%	-	2	147	1.7%	9
7	Kearny Mesa	624	15,475	7.3%	4	0	0	0%	-	2	219	1.4%	5
8	La Mesa/Spring Valley	350	2,995	1.4%	20	1	3	0.1%	8	1	8	0.3%	11
9	Mira Mesa/Miramar	801	18,328	8.7%	2	0	0	0%	-	0	-	-	-
10	Mission Gorge	134	2,086	1.0%	23	0	0	0%	-	0	-	-	-
11	National City	277	4,061	1.9%	17	0	0	0%	-	0	-	-	-
12	North Beach Cities	58	407	0.2%	30	0	0	0%	-	0	-	-	-
13	Oceanside	432	9,996	4.7%	9	0	0	0%	-	0	-	-	-
14	Otay Mesa	396	24,954	11.8%	1	19	1,750	7.0%	1	6	1,763	7.1%	1
15	Outlying SD County N	144	1,255	0.6%	27	0	0	0%	-	0	-	-	-
16	Outlying SD County S	109	1,080	0.5%	28	0	0	0%	-	0	-	-	-
17	PB/Rose Canyon/Morena	171	2,655	1.3%	22	0	0	0%	-	0	-	-	-
18	Poway	251	9,891	4.7%	10	0	0	0%	-	0	-	-	-
19	Rancho Bernardo	140	7,713	3.7%	13	0	0	0%	-	0	-	-	-
20	San Marcos	532	9,200	4.4%	11	0	0	0%	-	1	24	0.3%	10
21	San Ysidro/Imp Beach	69	1,432	0.7%	26	0	0	0%	-	0	-	-	-
22	Santee	342	4,579	2.2%	15	0	0	0%	-	0	-	-	-
23	Scripps Ranch	58	1,758	0.8%	25	1	3	0.2%	7	0	-	-	-
24	Sorrento Mesa	248	11,926	5.7%	6	2	419	3.5%	2	7	1,206	10.1%	2
25	Sorrento Valley	153	3,651	1.7%	18	0	0	0%	-	0	-	-	-
26	Southeast San Diego	393	4,503	2.1%	16	0	0	0%	-	0	-	-	-
27	Sports Arena/Airport	173	3,103	1.5%	19	1	34	1.1%	6	0	-	-	-
28	Torrey Pines	58	4,592	2.2%	14	2	173	3.8%	5	2	206	4.5%	7
29	UTC	30	2,879	1.4%	21	0	0	0%	-	2	335	11.6%	4
30	Vista	590	14,777	7.0%	5	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Carlsbad	\$22.38	15	3.4%	25	1.3%	26
2	Central San Diego	\$24.39	8	4.3%	8	1.7%	13
3	Chula Vista	\$19.53	21	4.0%	14	1.8%	9
4	East City	\$22.46	14	4.0%	15	1.5%	15
5	El Cajon	\$18.95	22	4.4%	5	2.0%	5
6	Escondido	\$19.58	18	4.5%	4	1.8%	10
7	Kearny Mesa	\$25.53	6	3.7%	19	1.5%	16
8	La Mesa/Spring Valley	\$20.04	17	4.7%	2	1.8%	8
9	Mira Mesa/Miramar	\$23.26	12	3.6%	21	1.4%	23
10	Mission Gorge	\$23.23	13	3.6%	22	1.5%	17
11	National City	\$19.57	19	3.9%	17	1.7%	12
12	North Beach Cities	\$31.16	5	4.0%	16	1.8%	7
13	Oceanside	\$17.19	28	3.9%	18	1.9%	6
14	Otay Mesa	\$14.74	30	3.6%	20	1.8%	11
15	Outlying SD County N	\$18.46	24	4.2%	12	1.0%	29
16	Outlying SD County S	\$17.90	26	4.3%	9	1.4%	20
17	PB/Rose Canyon/Morena	\$23.38	11	4.0%	13	1.4%	22
18	Poway	\$21.09	16	3.6%	23	1.2%	27
19	Rancho Bernardo	\$24.41	7	3.2%	26	1.4%	19
20	San Marcos	\$18.45	25	4.4%	6	2.0%	4
21	San Ysidro/Imp Beach	\$17.16	29	4.7%	1	2.6%	1
22	Santee	\$19.53	20	4.4%	7	1.6%	14
23	Scripps Ranch	\$23.43	10	3.5%	24	1.3%	25
24	Sorrento Mesa	\$33.28	4	2.7%	29	1.4%	18
25	Sorrento Valley	\$37.04	3	3.0%	27	1.3%	24
26	Southeast San Diego	\$18.67	23	4.2%	10	1.4%	21
27	Sports Arena/Airport	\$23.69	9	4.5%	3	2.1%	2
28	Torrey Pines	\$67.23	1	2.7%	30	0.8%	30
29	UTC	\$47.87	2	2.9%	28	1.1%	28
30	Vista	\$17.60	27	4.2%	11	2.1%	3

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Carlsbad	1,352,010	8.4%	21	(119,510)	-0.7%	21	-
2	Central San Diego	75,664	4.3%	15	(19,121)	-1.1%	12	-
3	Chula Vista	963,241	9.4%	23	(275,009)	-2.7%	29	-
4	East City	-	-	-	9,096	0.9%	6	-
5	El Cajon	103,800	1.0%	3	(28,373)	-0.3%	13	-
6	Escondido	191,393	2.3%	7	(4,469)	-0.1%	9	-
7	Kearny Mesa	630,063	4.1%	13	(142,901)	-0.9%	22	-
8	La Mesa/Spring Valley	34,228	1.1%	5	(3,725)	-0.1%	8	-
9	Mira Mesa/Miramar	1,058,725	5.8%	18	(339,668)	-1.9%	30	-
10	Mission Gorge	74,440	3.6%	12	(45,468)	-2.2%	15	-
11	National City	96,311	2.4%	8	(50,532)	-1.2%	16	-
12	North Beach Cities	3,845	0.9%	2	8,875	2.2%	7	-
13	Oceanside	420,297	4.2%	14	(143,887)	-1.4%	23	-
14	Otay Mesa	3,001,475	12.0%	25	(113,650)	-0.5%	20	-
15	Outlying SD County N	40,233	3.2%	9	(10,422)	-0.8%	10	-
16	Outlying SD County S	148,400	13.7%	26	(103,310)	-9.6%	18	-
17	PB/Rose Canyon/Morena	146,488	5.5%	17	23,510	0.9%	3	-
18	Poway	330,173	3.3%	11	(226,225)	-2.3%	28	-
19	Rancho Bernardo	502,549	6.5%	19	38,409	0.5%	2	-
20	San Marcos	756,559	8.2%	20	(222,929)	-2.4%	27	-
21	San Ysidro/Imp Beach	8,434	0.6%	1	9,241	0.6%	5	-
22	Santee	47,050	1.0%	4	15,710	0.3%	4	-
23	Scripps Ranch	160,824	9.1%	22	(58,347)	-3.3%	17	-
24	Sorrento Mesa	2,089,035	17.5%	29	(218,874)	-1.8%	26	-
25	Sorrento Valley	553,115	15.2%	28	(218,531)	-6.0%	25	-
26	Southeast San Diego	85,040	1.9%	6	(13,151)	-0.3%	11	-
27	Sports Arena/Airport	103,465	3.3%	10	69,323	2.2%	1	0.5
28	Torrey Pines	460,905	10.0%	24	(154,175)	-3.4%	24	-
29	UTC	435,167	15.1%	27	(30,688)	-1.1%	14	-
30	Vista	665,367	4.5%	16	(108,979)	-0.7%	19	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	218,270,849	1,311,491	0.6%	1,366,433	0.6%	1.0
2027	216,959,358	1,194,515	0.6%	1,774,232	0.8%	0.7
2026	215,764,843	774,692	0.4%	2,045,863	0.9%	0.4
2025	214,990,151	1,955,562	0.9%	2,033,155	0.9%	1.0
2024	213,034,589	3,170,522	1.5%	(262,290)	-0.1%	-
YTD	211,021,519	1,157,452	0.6%	(1,192,685)	-0.6%	-
2023	209,864,067	2,606,593	1.3%	(2,991,572)	-1.4%	-
2022	207,257,474	1,929,087	0.9%	2,210,338	1.1%	0.9
2021	205,328,387	4,404,211	2.2%	8,352,937	4.1%	0.5
2020	200,924,176	614,704	0.3%	983,252	0.5%	0.6
2019	200,309,472	1,681,107	0.8%	58,681	0%	28.6
2018	198,628,365	2,149,757	1.1%	1,187,056	0.6%	1.8
2017	196,478,608	378,741	0.2%	1,352,649	0.7%	0.3
2016	196,099,867	779,361	0.4%	1,404,913	0.7%	0.6
2015	195,320,506	(83,968)	0%	3,020,046	1.5%	-
2014	195,404,474	(315,405)	-0.2%	2,767,652	1.4%	-
2013	195,719,879	(87,709)	0%	1,235,168	0.6%	-
2012	195,807,588	(930,967)	-0.5%	1,994,410	1.0%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	64,460,961	(99,843)	-0.2%	(30,930)	0%	-
2027	64,560,804	(102,964)	-0.2%	158,404	0.2%	-
2026	64,663,768	(30,660)	0%	153,513	0.2%	-
2025	64,694,428	(153,584)	-0.2%	(476,264)	-0.7%	-
2024	64,848,012	23,725	0%	(683,268)	-1.1%	-
YTD	64,865,833	41,546	0.1%	(637,717)	-1.0%	-
2023	64,824,287	(186,898)	-0.3%	(441,480)	-0.7%	-
2022	65,011,185	(4,894)	0%	355,031	0.5%	-
2021	65,016,079	(7,461)	0%	684,162	1.1%	-
2020	65,023,540	(199,336)	-0.3%	313,894	0.5%	-
2019	65,222,876	12,494	0%	(644,287)	-1.0%	-
2018	65,210,382	389,099	0.6%	506,734	0.8%	0.8
2017	64,821,283	(206,720)	-0.3%	(193,561)	-0.3%	-
2016	65,028,003	218,514	0.3%	306,542	0.5%	0.7
2015	64,809,489	24,198	0%	1,187,199	1.8%	0
2014	64,785,291	220,651	0.3%	791,534	1.2%	0.3
2013	64,564,640	(95,707)	-0.1%	233,634	0.4%	-
2012	64,660,347	(614,164)	-0.9%	(499,865)	-0.8%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	95,621,902	980,293	1.0%	965,969	1.0%	1.0
2027	94,641,609	902,521	1.0%	1,115,550	1.2%	0.8
2026	93,739,088	566,687	0.6%	1,213,399	1.3%	0.5
2025	93,172,401	1,316,685	1.4%	1,619,303	1.7%	0.8
2024	91,855,716	1,927,187	2.1%	615,179	0.7%	3.1
YTD	90,790,694	862,165	1.0%	(221,061)	-0.2%	-
2023	89,928,529	1,937,955	2.2%	(1,355,953)	-1.5%	-
2022	87,990,574	1,546,976	1.8%	1,396,878	1.6%	1.1
2021	86,443,598	4,362,432	5.3%	6,427,719	7.4%	0.7
2020	82,081,166	734,388	0.9%	1,028,691	1.3%	0.7
2019	81,346,778	1,008,906	1.3%	880,098	1.1%	1.1
2018	80,337,872	1,543,955	2.0%	135,354	0.2%	11.4
2017	78,793,917	131,531	0.2%	373,235	0.5%	0.4
2016	78,662,386	321,715	0.4%	329,233	0.4%	1.0
2015	78,340,671	6,338	0%	1,176,643	1.5%	0
2014	78,334,333	(177,208)	-0.2%	1,575,067	2.0%	-
2013	78,511,541	83,778	0.1%	567,363	0.7%	0.1
2012	78,427,763	(186,766)	-0.2%	1,145,870	1.5%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	58,187,986	431,041	0.7%	431,394	0.7%	1.0
2027	57,756,945	394,958	0.7%	500,278	0.9%	0.8
2026	57,361,987	238,665	0.4%	678,951	1.2%	0.4
2025	57,123,322	792,461	1.4%	890,116	1.6%	0.9
2024	56,330,861	1,219,610	2.2%	(194,201)	-0.3%	-
YTD	55,364,992	253,741	0.5%	(333,907)	-0.6%	-
2023	55,111,251	855,536	1.6%	(1,194,139)	-2.2%	-
2022	54,255,715	387,005	0.7%	458,429	0.8%	0.8
2021	53,868,710	49,240	0.1%	1,241,056	2.3%	0
2020	53,819,470	79,652	0.1%	(359,333)	-0.7%	-
2019	53,739,818	659,707	1.2%	(177,130)	-0.3%	-
2018	53,080,111	216,703	0.4%	544,968	1.0%	0.4
2017	52,863,408	453,930	0.9%	1,172,975	2.2%	0.4
2016	52,409,478	239,132	0.5%	769,138	1.5%	0.3
2015	52,170,346	(114,504)	-0.2%	656,204	1.3%	-
2014	52,284,850	(358,848)	-0.7%	401,051	0.8%	-
2013	52,643,698	(75,780)	-0.1%	434,171	0.8%	-
2012	52,719,478	(130,037)	-0.2%	1,348,405	2.6%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$27.29	229	4.3%	21.6%	13,756,659	6.3%	-0.1%
2027	\$26.16	220	4.8%	16.6%	13,834,449	6.4%	-0.3%
2026	\$24.97	210	5.0%	11.3%	14,394,277	6.7%	-0.6%
2025	\$23.79	200	3.9%	6.0%	15,649,542	7.3%	-0.1%
2024	\$22.91	192	2.1%	2.1%	15,709,831	7.4%	1.5%
YTD	\$22.67	190	3.6%	1.0%	14,607,148	6.9%	1.1%
2023	\$22.44	188	6.4%	0%	12,257,011	5.8%	2.6%
2022	\$21.10	177	10.4%	-6.0%	6,658,846	3.2%	-0.2%
2021	\$19.11	160	9.3%	-14.9%	6,940,097	3.4%	-2.0%
2020	\$17.48	147	6.3%	-22.1%	10,887,240	5.4%	-0.2%
2019	\$16.45	138	5.7%	-26.7%	11,257,594	5.6%	0.8%
2018	\$15.57	131	6.5%	-30.6%	9,635,168	4.9%	0.4%
2017	\$14.62	123	5.9%	-34.9%	8,667,467	4.4%	-0.5%
2016	\$13.81	116	6.5%	-38.5%	9,646,375	4.9%	-0.3%
2015	\$12.96	109	6.3%	-42.2%	10,261,436	5.3%	-1.6%
2014	\$12.19	102	5.4%	-45.7%	13,375,941	6.8%	-1.6%
2013	\$11.57	97	3.9%	-48.5%	16,458,998	8.4%	-0.7%
2012	\$11.13	94	2.1%	-50.4%	17,781,875	9.1%	-1.4%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$23.75	233	4.6%	23.8%	2,347,814	3.6%	-0.1%
2027	\$22.71	223	5.0%	18.4%	2,419,294	3.7%	-0.4%
2026	\$21.63	212	5.2%	12.7%	2,673,316	4.1%	-0.3%
2025	\$20.56	201	4.2%	7.2%	2,851,158	4.4%	0.5%
2024	\$19.73	193	2.9%	2.9%	2,521,750	3.9%	1.1%
YTD	\$19.48	191	4.9%	1.6%	2,491,536	3.8%	1.0%
2023	\$19.18	188	7.1%	0%	1,812,273	2.8%	0.4%
2022	\$17.92	176	10.3%	-6.6%	1,557,691	2.4%	-0.6%
2021	\$16.24	159	9.3%	-15.3%	1,917,616	2.9%	-1.1%
2020	\$14.87	146	6.1%	-22.5%	2,607,656	4.0%	-0.8%
2019	\$14.02	137	5.7%	-26.9%	3,122,692	4.8%	1.0%
2018	\$13.26	130	6.2%	-30.9%	2,465,911	3.8%	-0.2%
2017	\$12.48	122	6.0%	-34.9%	2,583,546	4.0%	0%
2016	\$11.78	115	6.6%	-38.6%	2,596,705	4.0%	-0.1%
2015	\$11.05	108	6.2%	-42.4%	2,684,733	4.1%	-1.8%
2014	\$10.40	102	4.9%	-45.8%	3,847,734	5.9%	-0.9%
2013	\$9.92	97	3.6%	-48.3%	4,418,617	6.8%	-0.5%
2012	\$9.58	94	1.7%	-50.1%	4,747,958	7.3%	-0.1%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$22.72	244	4.4%	21.7%	5,361,850	5.6%	-0.1%
2027	\$21.76	234	4.9%	16.6%	5,356,128	5.7%	-0.3%
2026	\$20.75	223	5.1%	11.2%	5,561,899	5.9%	-0.7%
2025	\$19.75	212	4.0%	5.8%	6,202,558	6.7%	-0.4%
2024	\$18.99	204	1.7%	1.7%	6,498,221	7.1%	1.3%
YTD	\$18.79	202	3.8%	0.7%	6,256,988	6.9%	1.1%
2023	\$18.67	201	8.0%	0%	5,173,762	5.8%	3.6%
2022	\$17.29	186	12.1%	-7.4%	1,879,854	2.1%	0.1%
2021	\$15.42	166	10.4%	-17.4%	1,729,756	2.0%	-2.6%
2020	\$13.97	150	7.3%	-25.2%	3,795,043	4.6%	-0.4%
2019	\$13.01	140	6.1%	-30.3%	4,089,346	5.0%	0.1%
2018	\$12.27	132	6.7%	-34.3%	3,960,538	4.9%	1.7%
2017	\$11.50	124	6.2%	-38.4%	2,551,937	3.2%	-0.3%
2016	\$10.82	116	7.4%	-42.0%	2,793,641	3.6%	0%
2015	\$10.08	108	6.5%	-46.0%	2,801,159	3.6%	-1.5%
2014	\$9.46	102	5.2%	-49.3%	3,971,464	5.1%	-2.2%
2013	\$9	97	4.0%	-51.8%	5,723,739	7.3%	-0.6%
2012	\$8.65	93	2.4%	-53.7%	6,207,324	7.9%	-1.7%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$38.76	214	4.0%	20.0%	6,046,995	10.4%	-0.1%
2027	\$37.26	206	4.5%	15.3%	6,059,027	10.5%	-0.2%
2026	\$35.65	197	4.7%	10.4%	6,159,062	10.7%	-0.8%
2025	\$34.06	188	3.6%	5.4%	6,595,826	11.5%	-0.3%
2024	\$32.89	182	1.8%	1.8%	6,689,860	11.9%	2.3%
YTD	\$32.60	180	2.7%	0.9%	5,858,624	10.6%	1.0%
2023	\$32.30	179	4.4%	0%	5,270,976	9.6%	3.6%
2022	\$30.94	171	9.0%	-4.2%	3,221,301	5.9%	-0.2%
2021	\$28.38	157	8.4%	-12.1%	3,292,725	6.1%	-2.2%
2020	\$26.17	145	5.5%	-19.0%	4,484,541	8.3%	0.8%
2019	\$24.82	137	5.3%	-23.2%	4,045,556	7.5%	1.5%
2018	\$23.56	130	6.4%	-27.0%	3,208,719	6.0%	-0.6%
2017	\$22.14	122	5.5%	-31.5%	3,531,984	6.7%	-1.4%
2016	\$20.99	116	5.7%	-35.0%	4,256,029	8.1%	-1.0%
2015	\$19.85	110	6.3%	-38.5%	4,775,544	9.2%	-1.5%
2014	\$18.67	103	5.9%	-42.2%	5,556,743	10.6%	-1.4%
2013	\$17.62	97	4.0%	-45.4%	6,316,642	12.0%	-1.0%
2012	\$16.95	94	2.0%	-47.5%	6,826,593	12.9%	-2.8%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$438.65	325	5.4%
2027	-	-	-	-	-	-	\$403.90	299	5.6%
2026	-	-	-	-	-	-	\$367.66	272	5.9%
2025	-	-	-	-	-	-	\$334.51	248	6.1%
2024	-	-	-	-	-	-	\$322.84	239	6.1%
YTD	145	\$897.6M	1.5%	\$7,067,938	\$331.01	6.5%	\$330.36	244	5.9%
2023	268	\$1.6B	2.9%	\$6,832,006	\$303.32	5.1%	\$327.66	242	5.9%
2022	414	\$3.8B	5.2%	\$10,480,284	\$382.92	4.9%	\$326.61	242	5.4%
2021	555	\$4.2B	7.6%	\$8,400,563	\$295.64	5.4%	\$309.73	229	5.0%
2020	355	\$1.8B	4.0%	\$5,292,227	\$222.35	5.8%	\$250.37	185	5.6%
2019	530	\$2B	5.1%	\$5,597,782	\$226.14	6.0%	\$218.59	162	5.9%
2018	527	\$2B	6.2%	\$5,057,738	\$177.87	6.0%	\$206.92	153	5.9%
2017	518	\$1.8B	5.6%	\$4,669,852	\$178.45	6.2%	\$190.07	141	6.0%
2016	549	\$1.7B	6.3%	\$3,923,927	\$179.31	6.4%	\$185.53	137	5.7%
2015	628	\$1.6B	7.5%	\$3,334,258	\$131.98	6.7%	\$173.23	128	5.7%
2014	429	\$1.3B	5.2%	\$3,690,628	\$139.39	7.0%	\$153.87	114	6.1%
2013	395	\$816.5M	3.8%	\$2,535,602	\$119.54	7.4%	\$141.67	105	6.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$407.91	340	5.4%
2027	-	-	-	-	-	-	\$374.75	313	5.6%
2026	-	-	-	-	-	-	\$340.39	284	5.9%
2025	-	-	-	-	-	-	\$309.05	258	6.1%
2024	-	-	-	-	-	-	\$297.58	248	6.1%
YTD	42	\$131.1M	1.2%	\$3,450,530	\$277.80	6.6%	\$304.01	254	6.0%
2023	68	\$278.1M	1.6%	\$4,558,275	\$295.30	4.6%	\$301.03	251	5.9%
2022	128	\$637M	4.1%	\$5,352,533	\$243.43	4.6%	\$300.89	251	5.4%
2021	167	\$784.4M	6.1%	\$5,485,132	\$221.73	5.6%	\$283.81	237	5.1%
2020	118	\$429.4M	3.5%	\$3,834,363	\$189.26	5.8%	\$227.71	190	5.6%
2019	198	\$410.4M	4.5%	\$3,309,345	\$180.74	5.5%	\$198.27	165	6.0%
2018	178	\$467.1M	5.6%	\$3,649,167	\$143.54	6.0%	\$184.90	154	6.0%
2017	176	\$295.7M	3.5%	\$2,593,478	\$159.47	6.3%	\$170.50	142	6.0%
2016	183	\$322.1M	3.9%	\$2,077,803	\$138.72	5.9%	\$166.31	139	5.8%
2015	213	\$344M	5.7%	\$2,308,477	\$113.86	6.5%	\$154.48	129	5.8%
2014	151	\$336.8M	5.0%	\$2,738,453	\$110.53	6.9%	\$137.31	115	6.2%
2013	140	\$160.6M	2.7%	\$1,574,095	\$103.76	7.9%	\$125.46	105	6.4%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$396.44	335	5.4%
2027	-	-	-	-	-	-	\$364.65	308	5.6%
2026	-	-	-	-	-	-	\$331.56	280	5.8%
2025	-	-	-	-	-	-	\$301.31	254	6.0%
2024	-	-	-	-	-	-	\$290.59	245	6.0%
YTD	59	\$308.9M	1.2%	\$5,827,479	\$282.77	5.9%	\$297.44	251	5.9%
2023	107	\$685.8M	3.3%	\$6,857,619	\$264.78	6.1%	\$294.47	249	5.8%
2022	143	\$1.2B	4.3%	\$9,294,005	\$326.14	5.1%	\$294.87	249	5.3%
2021	213	\$1.4B	7.9%	\$7,354,897	\$237.51	4.9%	\$278.46	235	5.0%
2020	124	\$582.8M	4.0%	\$4,777,177	\$176.61	5.3%	\$223.93	189	5.5%
2019	192	\$588.7M	4.7%	\$4,709,688	\$171.26	5.8%	\$194.47	164	5.9%
2018	207	\$635.7M	6.2%	\$4,476,631	\$144.15	5.7%	\$182.70	154	5.9%
2017	191	\$473.9M	5.3%	\$3,385,247	\$124.40	5.2%	\$168.13	142	5.9%
2016	184	\$399.8M	4.5%	\$2,683,067	\$132.33	6.1%	\$163.76	138	5.7%
2015	248	\$540.1M	8.1%	\$2,842,386	\$115.36	6.7%	\$152.25	129	5.7%
2014	146	\$311.8M	3.6%	\$2,620,506	\$118.22	6.5%	\$134.35	113	6.1%
2013	156	\$343M	4.5%	\$2,540,712	\$101.47	7.5%	\$123.64	104	6.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$542.41	302	5.5%
2027	-	-	-	-	-	-	\$501	279	5.7%
2026	-	-	-	-	-	-	\$457.51	255	5.9%
2025	-	-	-	-	-	-	\$417.56	232	6.2%
2024	-	-	-	-	-	-	\$404.13	225	6.2%
YTD	44	\$457.7M	2.1%	\$12,712,545	\$398.80	6.6%	\$413.96	230	6.0%
2023	93	\$607.5M	3.6%	\$8,804,995	\$368.44	4.5%	\$412.03	229	6.0%
2022	143	\$2B	7.8%	\$16,801,011	\$532.82	5.3%	\$407.60	227	5.5%
2021	175	\$2B	8.8%	\$12,150,382	\$424.61	5.7%	\$390.16	217	5.1%
2020	113	\$771.2M	4.6%	\$7,487,535	\$314.51	6.4%	\$319.22	178	5.6%
2019	140	\$999.3M	6.4%	\$9,253,135	\$319.35	6.5%	\$280.99	156	6.0%
2018	142	\$849.5M	7.0%	\$7,323,379	\$256.50	6.2%	\$271.41	151	5.9%
2017	151	\$1.1B	8.9%	\$7,666,624	\$230.64	6.7%	\$248.06	138	5.9%
2016	182	\$1B	11.9%	\$7,312,684	\$233.57	6.9%	\$242.88	135	5.7%
2015	167	\$695.6M	8.9%	\$5,190,833	\$163.06	6.9%	\$228.72	127	5.7%
2014	132	\$694.7M	7.9%	\$5,694,415	\$175.78	7.5%	\$204.52	114	6.1%
2013	99	\$312.9M	4.0%	\$3,681,293	\$164.50	6.7%	\$189.46	105	6.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.