



Industrial Market Report

Inland Empire - CA

PREPARED BY



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INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

20.2M

12 Mo Net Absorption in SF

(320K)

Vacancy Rate

4.1%

12 Mo Rent Growth

9.3%

With proximity to more than 20 million residents across Southern California and just over an hour-long truck drive from Los Angeles and Long Beach ports, California's Inland Empire has solidified its status as a critical market for west coast distributors. To satisfy growing tenant demand, the Inland Empire has developed rapidly over the past two decades into one of the nation's largest industrial markets. Construction activity rose even higher during the pandemic into record territory as developers initiated more projects to meet an unprecedented surge in demand.

But heading into late 2023, as a wave of new supply is reaching completion, demand has dissipated, and many projects are delivering vacant. In excess of 30 million square feet of industrial space completed since the beginning of last year remains roughly 20% vacant today. Primarily due to supply growth, vacancy has ticked up over the past four quarters to reach 4.1% as of the third quarter. Furthermore, the 39.8 million SF of inventory under construction is only 50% preleased.

Demand is softening due to weaker consumer spending and slower international trade at the ports. Some shippers are opting to unload at East Coast ports due to disruptions stemming from labor contract disputes at West Coast ports, which led to container bottlenecks and longer wait times in June. Dockworkers reached a new tentative 6-year labor agreement with all West Coast ports, which should alleviate the recent cargo offloading

complications.

The combination of weaker demand, rising vacancy, and a spree of deliveries portent to softer market conditions in the near term. Developers remain extremely active, with under construction stock representing 5.4% of existing inventory, ranking in the top five for relative construction velocity among all major U.S. industrial markets. A total of 18.6 million SF delivered in 2022, but delayed construction timelines due to supply chain backlogs for materials pushed some project deliveries into 2023, when completions are forecasted to reach a cyclical peak of 29.6 million SF.

Rent growth is still robust and well ahead of the national average, but moderating from a record-setting pace, up 9.3% over the trailing year. Tenants face extreme rent hikes upon lease renewal and still generally few alternative space options, although availability is increasing.

High-credit tenants, such as Amazon, Walmart, Target, and General Pacific, attract institutional investors from around the world. Deal flow has slowed this year as investors adjust to a higher interest rate environment, but several large transactions have boosted volume. Recent rent gains have helped stabilize sale pricing over the past year, even as cap rates have risen over 100 basis points.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	616,218,335	4.4%	\$1.14	9.7%	(3,470,521)	314,838	38,964,773
Specialized Industrial	100,864,416	2.6%	\$1.21	4.9%	(178,084)	0	849,246
Flex	15,725,648	4.6%	\$1.51	5.5%	7,763	0	22,500
Market	732,808,399	4.1%	\$1.16	9.0%	(3,640,842)	314,838	39,836,519

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.8%	6.0%	4.6%	12.3%	2009 Q3	1.3%	2022 Q2
Net Absorption SF	(320K)	17,962,096	16,015,169	33,248,113	2021 Q4	(499,295)	2009 Q1
Deliveries SF	20.2M	18,875,885	18,894,419	33,715,134	2006 Q4	1,345,120	2011 Q3
Rent Growth	9.3%	5.1%	6.0%	17.0%	2022 Q2	-8.5%	2009 Q4
Sales Volume	\$8.2B	\$2.5B	N/A	\$10.1B	2023 Q1	\$486.4M	2001 Q2

The Inland Empire's industrial market has long benefited from rising U.S. consumer spending and growth of international trade to the ports of Los Angeles and Long Beach, but headwinds to demand have recently emerged and a large wave of under construction supply is on the verge of completion.

The accelerated adoption of online shopping boosted by stay-at-home regulations at the onset of the pandemic was short-lived and has leveled out, with e-commerce sales hovering near 20% of national core retail sales since mid-2020. Furthermore, consumer spending has slowed this year, and reflective of a dip in international trade, cargo traffic at nearby Southern California ports has declined sharply. Imports to Long Beach and Los Angeles spiked at the onset of the pandemic and remained elevated until the summer of last year, but slowed significantly in the second half of 2022. On a monthly basis, imports are coming in lower than in the prior two years. On a trailing-year basis accounting for seasonality, imports to the two ports peaked at over 866,000 TEUs in August 2021, falling 22% since then to 679,000 TEUs over the trailing year ending in May 2023.

There's a correlation between imports at the ports and net absorption in the Inland Empire as major retailers and 3PL providers store goods manufactured in Asia en route to US consumers. In turn, occupancy in Inland Empire's industrial market declined for the first quarter since 2017 in 23Q2. Highlighting major recent move-outs, candy maker Mars Inc. vacated 505,000 SF of warehouse space in Victorville, supply chain solutions provider NFI Industries vacated a 433,487 SF warehouse in Chino and another 3PL provider, DCG Fulfillment vacated a 423,388 SF Fontana warehouse it occupied since 2016.

Vacancy ticked higher in Q2 as a result of occupancy loss, but has primarily risen over the past year due to supply growth. Marketwide vacancy has risen to 4.1%, from 1.5% a year ago and 1.3% lowpoint reached midway through 2022. Supply growth will generate further upward pressure on vacancy at least through the end of the year, as the stock under construction has only reached a pre-lease rate of less than 50% currently.

Vacancies have increased most significantly among

buildings smaller than 200,000 SF. Large warehouse and distribution centers remain in higher demand, and there are very few existing buildings that offer 600,000 SF available for immediate move-in.

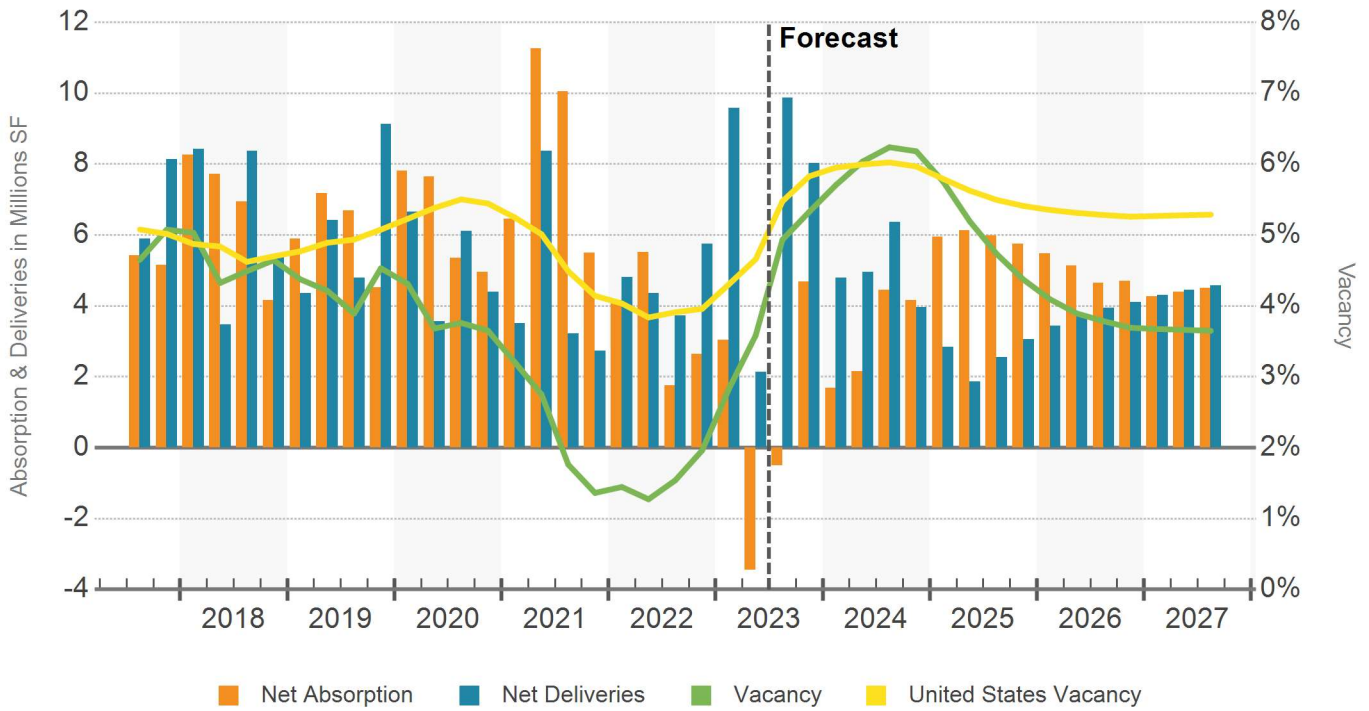
Deal activity this year has been highlighted by grocery retailer Chedraui, which pre-leased a 1.4 million SF Bridge Point Cucamonga distribution building in the Airport Area scheduled for completion this year. Similarly, Constellation Brands pre-leased the Link – Space Center in Jurupa Valley, another 1.4 million SF facility slated for completion this year. Some 3PL Logistics providers have vacated space recently, while others renewed, relocated, or expanded into the market. NFI Industries renewed its lease of 864,000 SF in Perris in February. In December 2022, Shein Distribution, (1.8 million SF) and FellowShip Warehousing & Logistics (1 million SF) each signed new lease deals.

Amazon has steadily grown since first entering the market a decade ago and now occupies nearly 30 industrial buildings encompassing 20 million SF. Amazon's recent announcement of facility closures throughout the country has not impacted the Inland Empire as the e-commerce giant remains committed to the region. Amazon launched a small fleet of aircraft and plans to increase its air capacity at Ontario International Airport to 200 planes over the next decade. In addition, FedEx completed a \$100 million investment at the airport in late 2020, improving the viability of moving goods through the densely populated Airport Area.

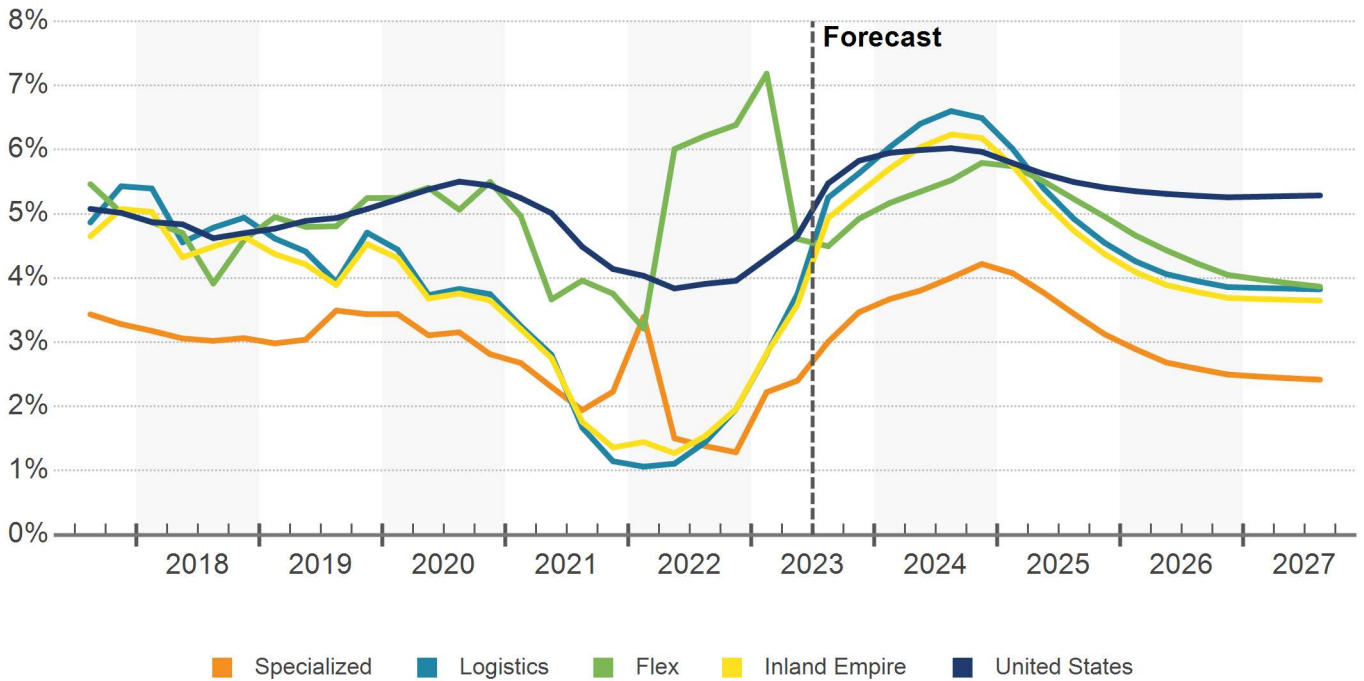
Vacancy still registers below historical and national averages, but market conditions are softening quickly. Including under-construction stock and often trending ahead of vacancy in timing, space availability has already risen ahead of the national average to 9.0%, a rate last seen locally in 2014.

The near-term forecast calls for vacancy to increase further through 2023 as empty construction projects reach completion, followed by a period of declining market vacancy from the beginning of 2024 through 2026 as the new supply is absorbed and the pace of development slows toward historical levels. Construction starts have pulled back recently as developers take note of rising availability and rampant development.

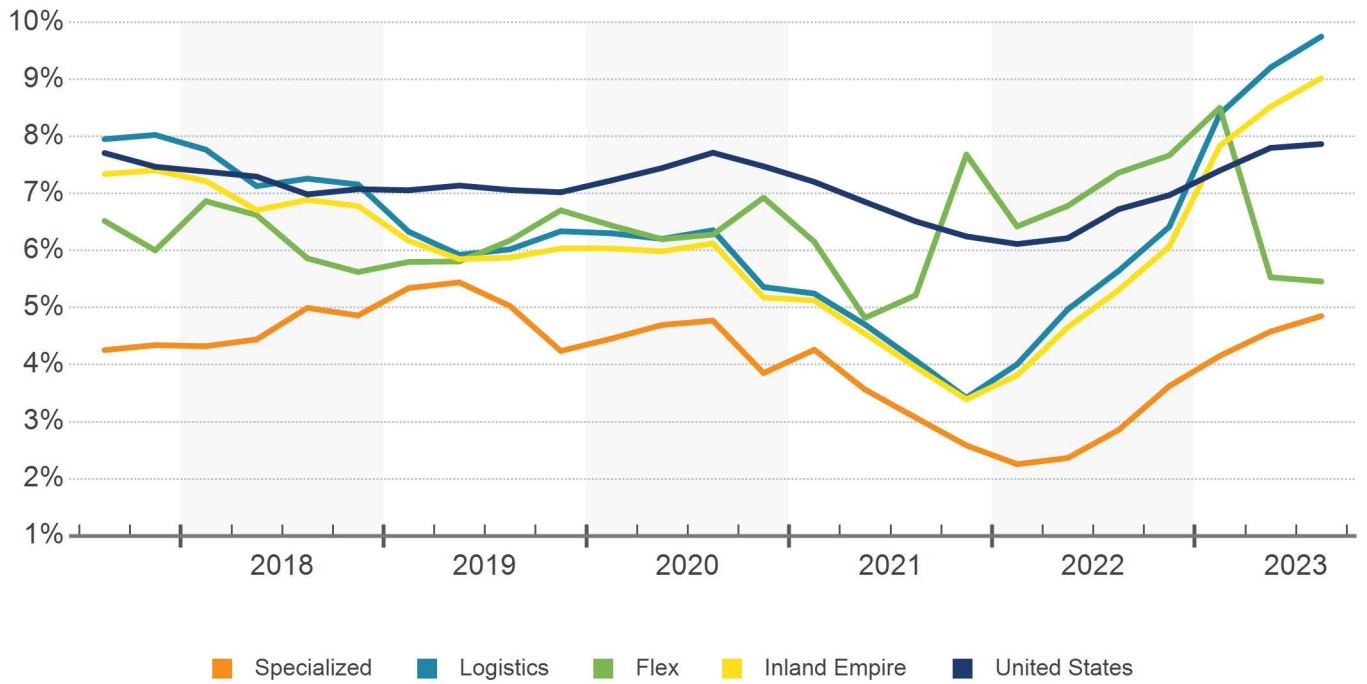
NET ABSORPTION, NET DELIVERIES & VACANCY



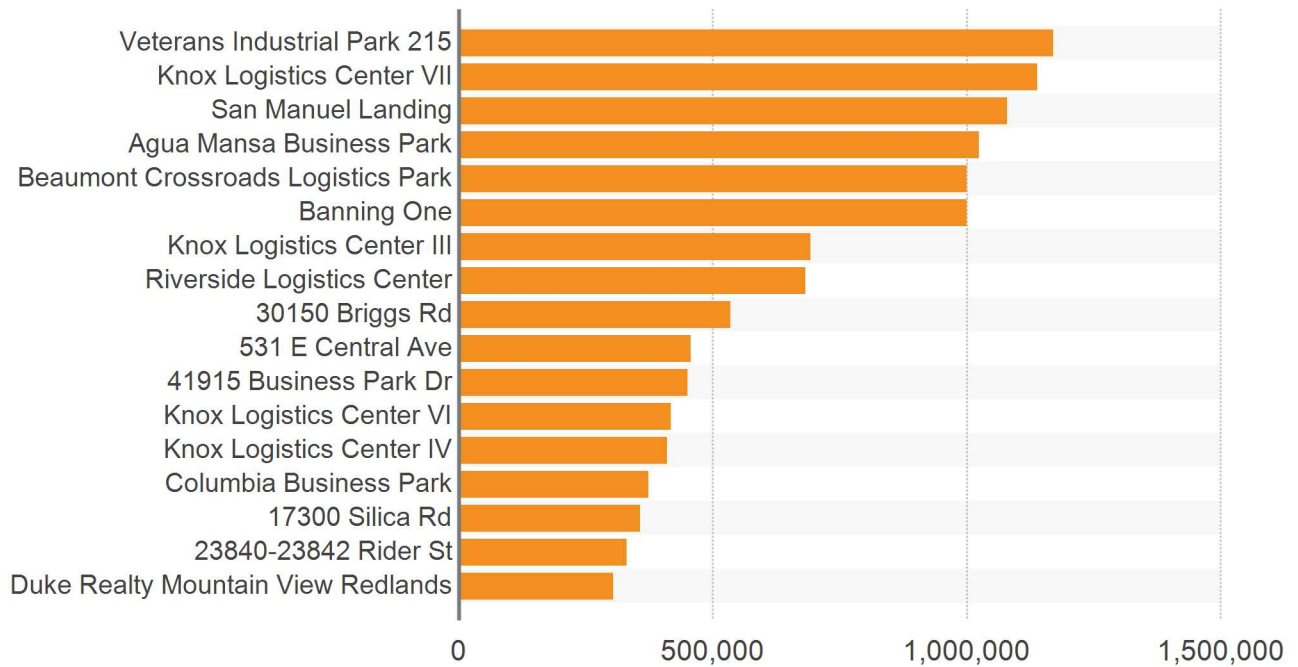
VACANCY RATE



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
Veterans Industrial Park 215	Moreno Valley/Perris	1,170,796	0	0	0	0	0	1,170,796
Knox Logistics Center VII	Moreno Valley/Perris	1,138,800	0	1,138,800	0	0	0	1,138,800
San Manuel Landing	San Bernardino	1,080,144	0	1,080,144	0	0	0	1,080,144
Agua Mansa Business Park	Riverside	1,025,132	0	1,025,132	0	0	0	1,025,132
Beaumont Crossroads Logistics...	Beaumont/Hemet	1,000,170	0	0	0	0	0	1,000,170
Banning One	Beaumont/Hemet	1,000,000	0	0	0	0	0	1,000,000
Knox Logistics Center III	Moreno Valley/Perris	692,645	0	692,645	0	0	0	692,645
Riverside Logistics Center	Moreno Valley/Perris	682,700	0	682,700	0	0	0	682,700
30150 Briggs Rd	South Riverside	715,000	180,000	0	0	535,000	0	535,000
531 E Central Ave	San Bernardino	457,125	0	0	0	0	0	457,125
41915 Business Park Dr	South Riverside	450,568	0	0	450,568	0	0	450,568
Knox Logistics Center VI	Moreno Valley/Perris	418,000	0	0	418,000	0	0	418,000
Knox Logistics Center IV	Moreno Valley/Perris	410,350	0	410,350	0	0	0	410,350
Columbia Business Park	Riverside	374,000	0	374,000	0	0	0	374,000
17300 Silica Rd	Mojave River Valley	357,000	0	0	0	0	0	357,000
23840-23842 Rider St	Moreno Valley/Perris	330,735	0	0	330,735	0	0	330,735
Duke Realty Mountain View Red...	Redlands/Loma Linda	304,262	0	0	0	0	0	304,262
Subtotal Primary Competitors		11,607,427	180,000	5,403,771	1,199,303	535,000	0	11,427,427
Remaining Inland Empire Market		721,234,056	30,036,368	(2,359,899)	(4,658,907)	(4,188,942)	0	(11,723,486)
Total Inland Empire Market		732,841,483	30,216,368	3,043,872	(3,459,604)	(3,653,942)	0	(296,059)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
12430 Fourth St	Airport Area	1,422,524	Q2 23	Chedraui	Savills	JLL
3413 Manitou Ct	Riverside	1,379,287	Q1 23	Constellation Brands	Cushman & Wakefield	JLL
5400 El Rivino Rd	Riverside	1,186,950	Q3 22	Target	-	CBRE
19115 Harvill Ave	Moreno Valley/Perris	1,138,800	Q3 22	The Home Depot	-	Cushman & Wakefield
36324 Cherry Valley Blvd	Beaumont/Hemet	1,017,845	Q4 22	Shein Distribution Corpor...	-	CBRE
8130 Caliente Rd	Mojave River Valley	1,004,400	Q4 22	FellowShip Warehousing...	Southland Commerc...	EQT Exeter
2600 E John St	Beaumont/Hemet	1,000,000	Q4 22	-	CBRE	Cushman & Wakefield
657 Nance St *	Moreno Valley/Perris	864,000	Q1 23	NFI	-	Newmark
36312 Cherry Valley Blvd	Beaumont/Hemet	814,822	Q4 22	Shein Distribution Corpor...	-	CBRE
2950 E Jurupa Ave *	Airport Area	750,000	Q3 22	Uline	JLL	Majestic Realty Co.
24103 San Michele Rd *	Moreno Valley/Perris	739,903	Q2 23	DMSI	-	Colliers
11905 Landon Dr	Riverside	645,311	Q2 23	-	-	JLL
17335 Glen Helen Pky *	San Bernardino	604,029	Q1 23	Nordstrom	-	-
15835 San Antonio Ave	Chino/Chino Hills	534,404	Q4 22	Motivational Fulfillment &...	Colliers	JLL
14725-14875 Monte Vista Ave *	Chino/Chino Hills	420,000	Q2 23	Schneider Electric	Colliers	Majestic Realty Co.
23120 Oleander Ave	Moreno Valley/Perris	418,000	Q1 23	-	-	Lee & Associates Com...
3950 Airport Dr	Airport Area	414,962	Q3 22	Frontier Logistics Services	Colliers	CBRE
22405 Old Oleander Ave	Moreno Valley/Perris	410,350	Q3 22	Burlington Stores	-	Lee & Associates Com...
300 Palmyrita Ave	Riverside	374,000	Q4 22	Logistics Plus	Foremost Commerci...	CBRE;Colliers
17825 Indian St	Moreno Valley/Perris	366,117	Q1 23	Sam's Club 3PL	Colliers	Lee & Associates Com...
1580 Eastridge Ave *	Moreno Valley/Perris	355,182	Q1 23	Geodis	-	Colliers
Harley Knox Blvd & Decker Rd	Moreno Valley/Perris	348,375	Q2 23	-	-	CBRE
21500 Harvill Ave	Moreno Valley/Perris	333,572	Q2 23	Cypress Medical	-	Cushman & Wakefield
23840-23842 Rider St	Moreno Valley/Perris	330,735	Q4 22	FellowShip Warehousing...	Southland Commerc...	DAUM Commercial Re...
16774 Jurupa Ave	Airport Area	325,161	Q1 23	Fusion Logistics.	Colliers	JLL;Lee & Associates...
1865 Mountain View	Redlands/Loma Linda	304,262	Q3 22	-	-	Lee & Associates Com...
11900 Cabernet Dr	Airport Area	303,120	Q2 23	-	-	CBRE;Colliers
1777 S Vintage Ave	Airport Area	284,559	Q3 22	National Tree	-	Colliers
13366 Philadelphia Ave	Airport Area	266,950	Q4 22	WTI Distribution	Colliers	CBRE;Colliers
14935 Limonite Ave	Corona/Eastvale	263,665	Q4 22	TOPOWER	-	CBRE
548 W Merrill Ave	San Bernardino	258,808	Q4 22	-	-	Colliers
1560 Sierra Ridge Dr	Moreno Valley/Perris	211,237	Q2 23	-	Colliers	Colliers
100 W Walnut Ave	Moreno Valley/Perris	205,589	Q3 22	GPA Logistics	Westgate Industrial...	Westgate Industrial Pro...
7776 Tippecanoe Ave	San Bernardino	200,000	Q2 23	Western Post	JLL	Lee & Associates
19972 Patterson Ave	Moreno Valley/Perris	199,932	Q4 22	KPower Global Logistics	JLL	Colliers
102 S Wanamaker Ave	Airport Area	195,093	Q1 23	-	-	CBRE
5150 Eucalyptus Ave	Chino/Chino Hills	186,773	Q2 23	-	-	Inco Commercial Broke...
11455 Cantu Galleano Ranch Rd	Riverside	177,448	Q2 23	Bright Way Global Inc.	-	Colliers
9375 Alabama St	Redlands/Loma Linda	158,800	Q1 23	Pacific Mountain Logistics	-	Colliers
750 S Valley View Ave	San Bernardino	154,560	Q1 23	Crown Electric	Pinnacle Real Estat...	Lee & Associates;Lee...

*Renewal

Rental rates for industrial space are still rising, up 9.3% on a trailing-year basis. However, rent growth is decelerating from a record-setting pace exceeding 15% in both 2021 and 2022 as rising vacancy and availability provide some relief to tenants.

The pandemic era yielded vigorous rent growth in the Inland Empire's industrial market. The gap between rents in the Inland Empire and neighboring L.A., Orange County, and San Diego has narrowed and is projected to contract further, as more functional, modern logistics facilities enter the market. Rents have grown the most in submarkets with the most supply growth, such as the Airport Area and Moreno/Valley Perris.

The difference between rents in the Inland Empire and the national index is approximately 20%, but that spread rises to 60% in buildings with at least 200,000 SF. For example, WTI Distribution leased a 267,000-SF warehouse in Fontana at 13366 Philadelphia Ave in November 2022 for an annualized rate of \$18.60/SF NNN for a 5-year term. To illustrate the change in rents in the market, the same building was leased in November 2012 at an annualized rate of \$3.36/SF IG.

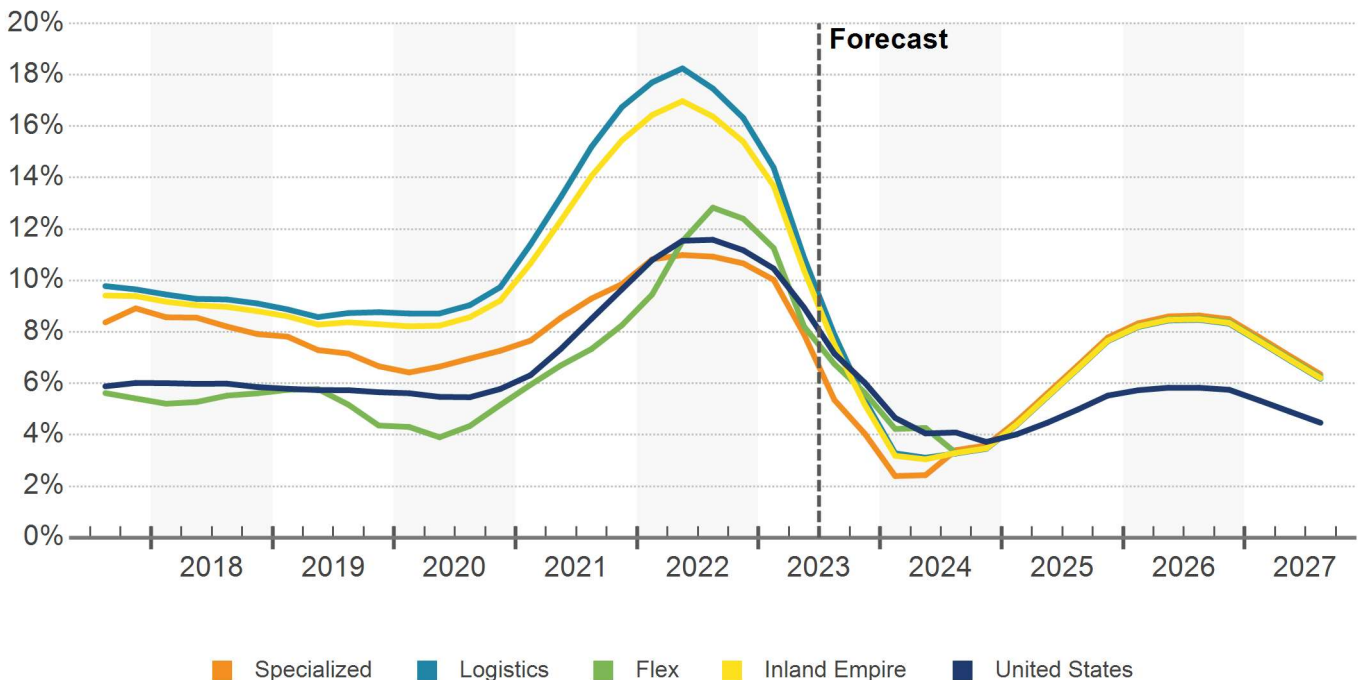
Another example of rent growth is at Ontario's Vintage

Industrial Center, where an undisclosed tenant leased 92,900 SF at an annual rate of \$21.00/SF IG through a sublease deal in April 2023. States Logistics Services leased the same space at an annual rate of \$4.80/SF MG in June 2014.

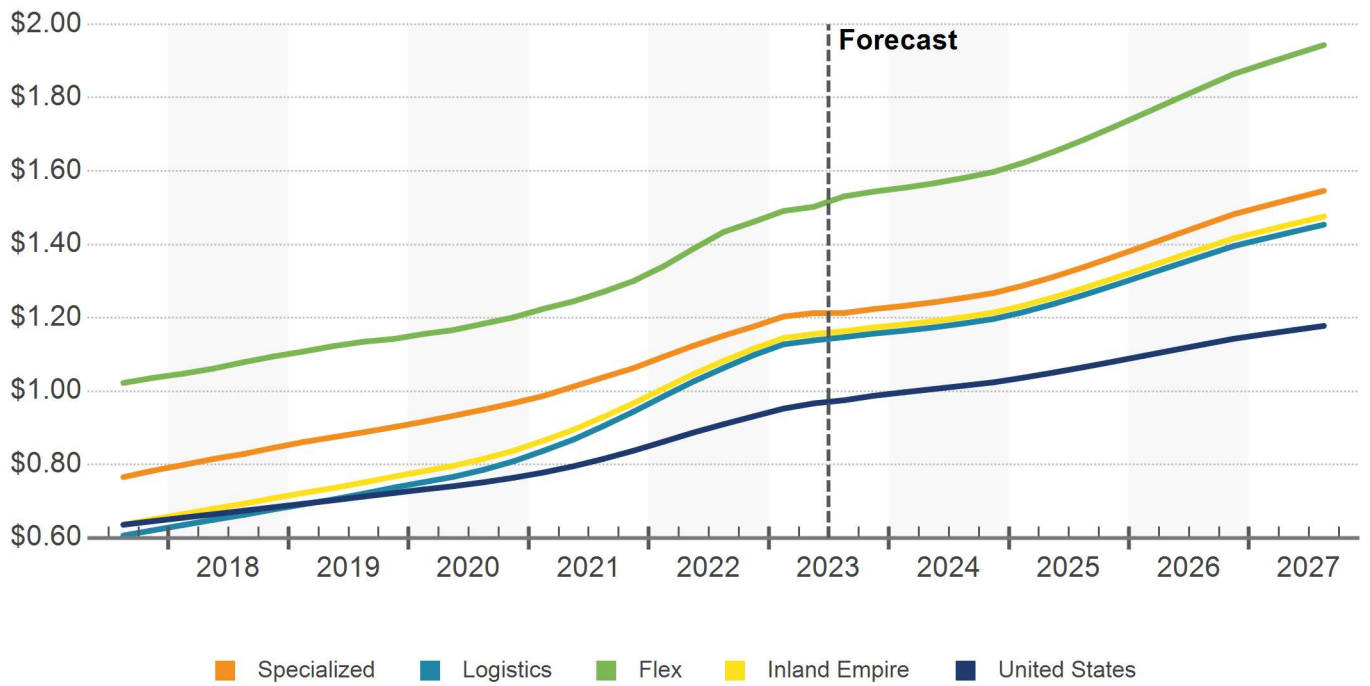
Rents for larger distribution buildings range from roughly \$12/SF to \$20/SF NNN. Representing the high end, Xchange Logistics leased a 5 Star, 2001-built, 129,549 SF warehouse in Chino, California, close to Los Angeles County with convenient access to CA-71 in May 2023 for five years at an effective rate of \$20.40/NNN. Cheaper rates can be found further east. In Redlands, California Worldcraft Logistics leased a recently delivered 114,057 SF building developed by Prologis in January 2023 for 6 years at an effective rent of \$16.80/SF NNN including \$2/SF in TI allowance.

Rent growth is projected to decelerate in CoStar's base case scenario, but still outpaces the national average. A wealth of supply is expected for completion later this year, which could weigh on fundamentals if not leased rapidly. However, following a forecasted near-term slowdown, rent growth could reaccelerate in 2025-26 as a result of the pullback in construction starts today, assuming demand endures.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



SUBMARKET CONSTRUCTION

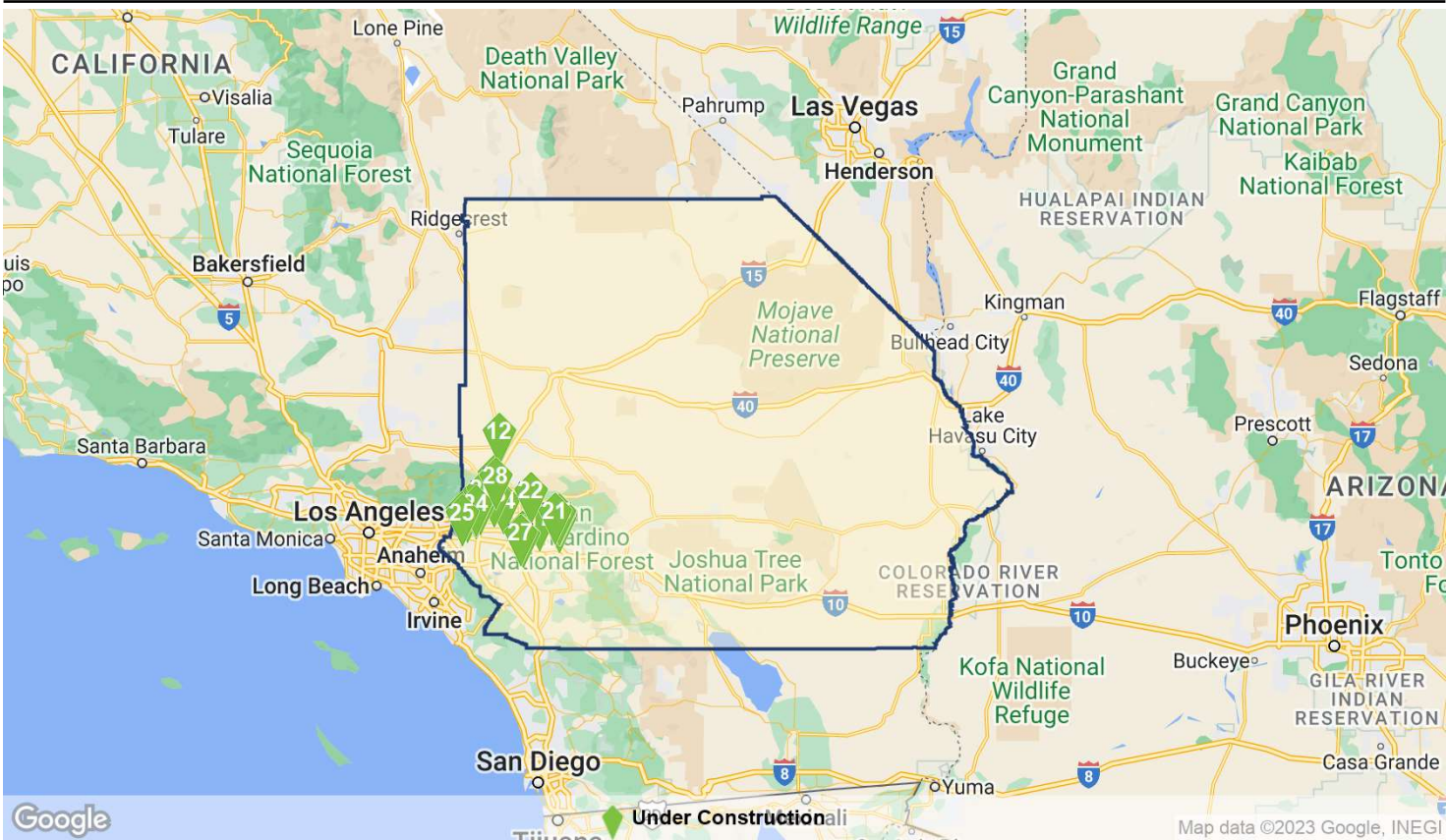
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Airport Area	49	17,246	7,704	44.7%	4	68,275	351,964	2
2	Riverside	19	5,665	2,874	50.7%	3	46,445	298,145	3
3	Moreno Valley/Perris	30	5,135	2,922	56.9%	2	166,607	171,180	6
4	Beaumont/Hemet	4	4,103	4,103	100%	1	28,937	1,025,844	1
5	Mojave River Valley	11	2,907	1,053	36.2%	5	28,526	264,308	4
6	San Bernardino	13	1,815	68	3.7%	8	68,423	139,583	7
7	Chino/Chino Hills	10	1,271	451	35.5%	6	54,774	127,065	8
8	South Riverside	11	728	20	2.7%	9	20,741	66,224	10
9	Redlands/Loma Linda	2	480	0	0%	10	85,902	240,088	5
10	Corona/Eastvale	4	324	60	18.5%	7	33,614	80,968	9
	All Other	7	162	93	57.5%		14,604	23,089	
Totals		160	39,837	19,348	48.6%		51,503	248,978	

Under Construction Properties

Inland Empire Industrial

Properties	Square Feet	Percent of Inventory	Released
160	39,836,519	5.6%	48.6%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 4707 S Baker Ave	★★★★☆	4,055,890	1	Nov 2021	Sep 2023	- Prologis, Inc.
2 Bldg 1 36855 W Fourth St	★★★★★	1,777,708	1	Jan 2022	Sep 2023	- USAA Real Estate
3 12430 Fourth St	★★★★★	1,422,524	1	May 2022	Sep 2023	-
4 3413 Manitou Ct	★★★★★	1,379,287	1	Jul 2022	Dec 2023	- Blackstone Inc.
5 Building 7 8900 Merrill Ave	★★★☆☆	1,239,232	1	Jul 2023	Jul 2024	-
6 Bldg 2 8140 Caliente Rd	★★★★★	1,227,600	1	Oct 2022	Oct 2023	- Westcore
7 Agua Mansa Commerce... 5400 El Rivino Rd	★★★★★	1,186,950	1	Jan 2021	Sep 2023	- CT Realty Investors



Under Construction Properties

Inland Empire Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 I-15 Logistics Center	★★★★☆	1,171,788	1	Jun 2022	Sep 2023	CapRock Partners -
9 Bldg 1 SEC Eucalyptus & Euclid	★★★★★	1,099,629	1	Apr 2022	Sep 2023	Real Estate Development Associ... Clarion Partners
10 Building 2 36324 Cherry Valley Blvd	★★★★★	1,017,845	1	Sep 2022	Dec 2023	Artemis Real Estate Partners Brookfield Asset Management, Inc.
11 Building 1 Van Buren Blvd	★★★★★	1,014,822	1	Jan 2022	Jul 2024	Hillwood Development Corporation National Pension Service of Kore...
12 Bldg 3 8130 Caliente Rd	★★★★★	1,004,400	1	Jan 2023	Sep 2023	- EQT Exeter
13 4000 S Hamner Ave	★★★★★	1,003,918	1	Jan 2023	Nov 2024	- Dermody Properties, Inc.
14 Agua Mansa Commerce... 6250 Clinker Dr	★★★★★	1,000,177	1	Jan 2021	Sep 2023	- CT Realty Investors
15 Building 1 36312 Cherry Valley Blvd	★★★★★	814,822	1	Feb 2022	Oct 2023	Artemis Real Estate Partners Brookfield Asset Management, Inc.
16 2 12415 Sixth St	★★★★★	752,497	1	May 2022	Sep 2023	- -
17 Skechers Bldg B 29800 Eucalyptus Ave	★★★★☆	750,000	-	Apr 2021	Sep 2023	Highland Fairview Properties -
18 Sierra Business Center 16604 Slover Ave	★★★★☆	690,967	1	Apr 2023	Feb 2024	Panattoni Development Company... -
19 3412 Manitou Ct	★★★★★	560,025	1	Jul 2022	Oct 2023	- -
20 BLDG A 13160 Napa St	★★★★★	500,403	1	Sep 2022	Sep 2023	Hillwood Development Company -
21 Singleton Rd	★★★★☆	493,000	1	Feb 2023	Feb 2024	Birtcher Development -
22 First Pioneer Logistics 27358 Pioneer Ave	★★★★★	460,805	1	Sep 2022	Sep 2023	- First Industrial Realty Trust, Inc.
23 Majestic Freeway Busine... 22773 Oleander Ave	★★★★★	406,496	1	Apr 2022	Oct 2023	- Majestic Realty Co.
24 3310 S Hamner Ave	★★★★☆	386,187	1	Nov 2022	Sep 2023	- -
25 In-N-Out Food Processing Kimball & Sultana Ave	★★★★☆	376,204	1	Jun 2021	Oct 2023	- In-N-Out Burger
26 Majestic Freeway Busine... 18740 Harvill Ave	★★★★★	373,368	1	Jun 2022	Sep 2023	- Majestic Realty Co.
27 Bldg A Harley Knox Blvd & Decke...	★★★★★	348,375	1	May 2022	Sep 2023	- -
28 5267 Sierra Ave	★★★★★	332,996	1	Mar 2022	Sep 2023	- Brookfield Properties



A preference for placing capital into the industrial sector during the pandemic, along with Inland Empire's base of nationally recognized tenants and new institutional investment quality buildings drove an abundance of capital into the market in 2021 and 2022, but liquidity has dried this year due to rising interest rates and lower risk tolerance. Sales volume totaled a record \$9.9 billion in 2022, more than double 2019 levels, but has slowed to \$3.0 billion traded in 2023 so far.

Increased appetite from investors and robust rent growth drove strong appreciation until a rapid rise in interest rates over the past year upended pricing in addition to sales velocity. Price discovery is still underway, but higher interest rates have driven cap rates higher. Average cap rates for completed transactions reached a low of 4.7% in 2021, rose to 5.3% last year, and average 5.0% so far in 2023 to date.

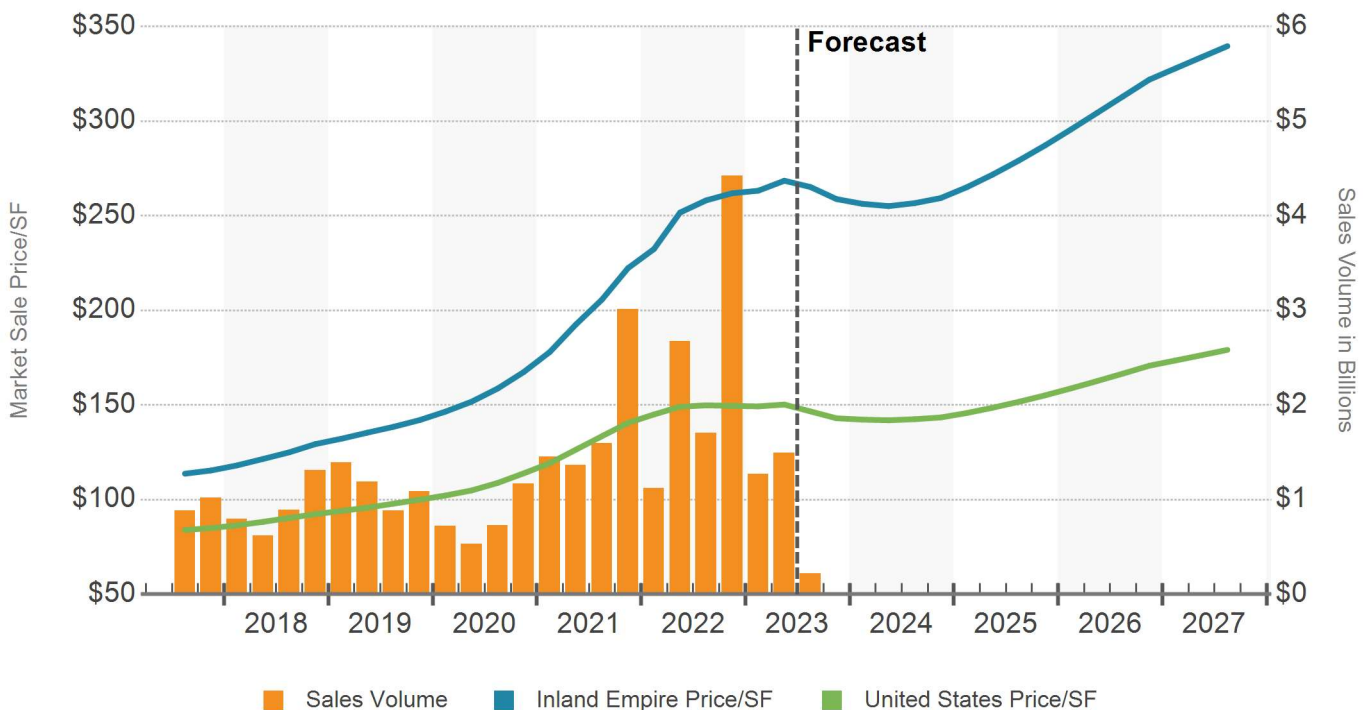
Exemplifying the upward shift in cap rates, Ares Management acquired a fully-leased 206,000-SF distribution building in Perris for \$59.3 million (\$288/SF) at a 5.5% cap rate in December 2022, whereas cap rates for fully leased new buildings had barely reached 4.5% in the prior five years. In February 2023, Newport Beach-based MIG Capital acquired Gifford Business Park, 8 buildings totaling 156,717 SF in San Bernardino

constructed in 1987-1989 at a 5.3% cap rate. Occupancy at the park was 93% at the time of sale.

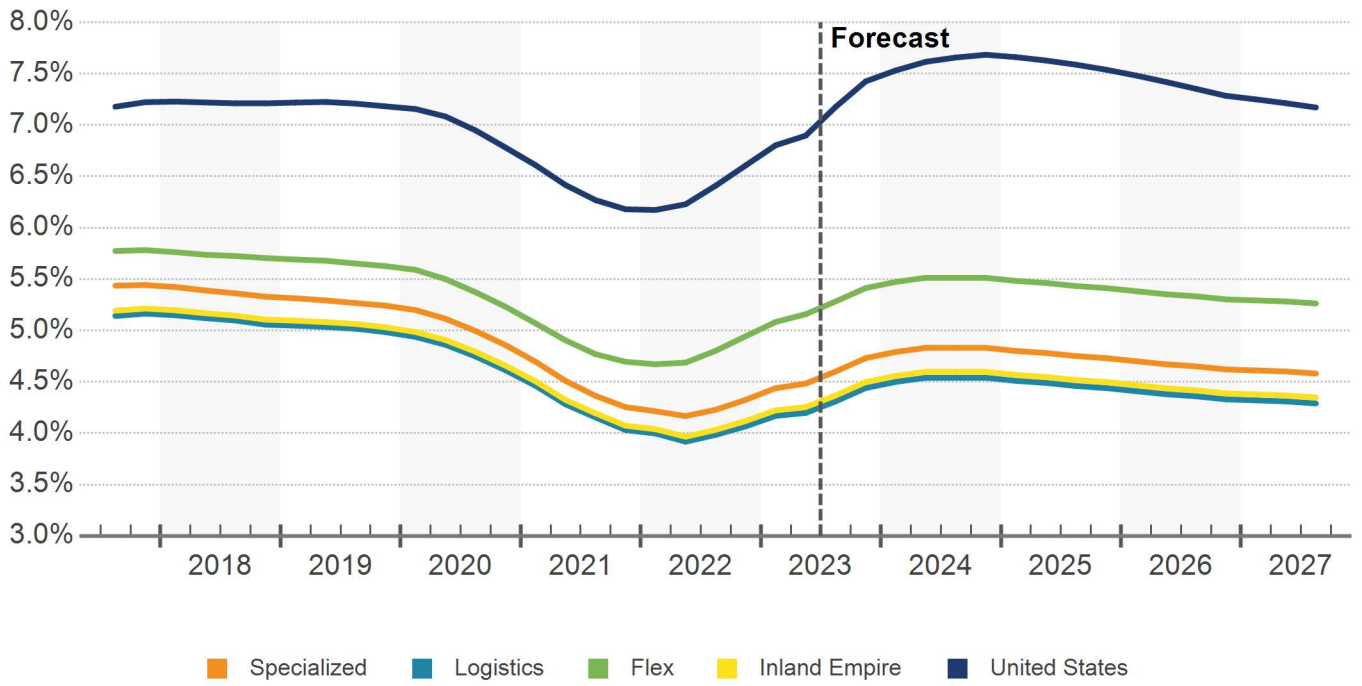
Owner/users have been active, either divesting real estate to raise capital or to lock in real estate costs by acquiring the properties they utilize. For example, Tireco Inc. sold its 1.1 million-SF distribution center in Fontana to Rexford Industrial in January 2023 for \$365 million (\$330/SF) in a sale-leaseback deal. In the counter scenario, NFI Industries, which occupies 7.6 million SF in 15 buildings in the Inland Empire, acquired a 760,800 SF distribution building in Mira Loma for \$220 million (\$289/SF) in November 2022.

Investors often accept minimal initial returns, patiently awaiting a massive increase in value on lease turnover. Average pricing in the market has reached \$270/SF, up from \$112/SF just five years ago. However, higher borrowing rates have placed upward pressure on cap rates, while rent growth is decelerating. Cap rates are forecasted to rise modestly through late 2024, but the peak-to-trough fall in pricing will total less than 10%. This represents the most limited pricing decline of the major property types, reflecting the industrial sector's relative outperformance in net operating income growth expected during 2023-24.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Inland Empire Industrial

Sale Comparables

572

Avg. Cap Rate

5.1%

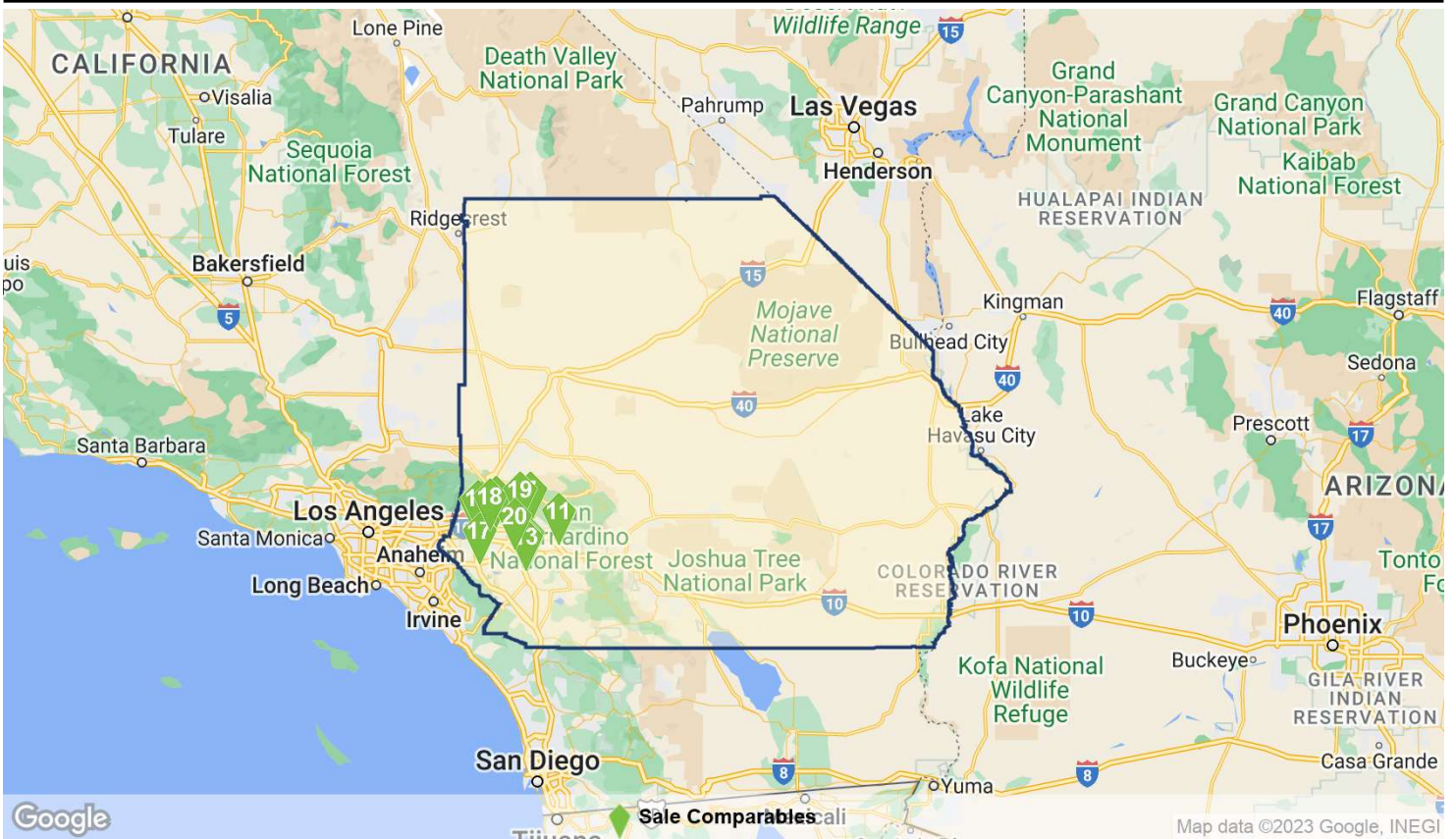
Avg. Price/SF

\$234

Avg. Vacancy At Sale

5.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$157,608	\$19,180,715	\$3,464,000	\$365,000,000
Price/SF	\$5.84	\$234	\$247	\$2,800
Cap Rate	3.3%	5.1%	5.0%	7.9%
Time Since Sale in Months	0.2	6.2	6.4	12.0
Property Attributes	Low	Average	Median	High
Building SF	786	76,901	14,530	1,530,944
Ceiling Height	8'	21'3"	19'	45'
Docks	0	11	0	241
Vacancy Rate At Sale	0%	5.4%	0%	100%
Year Built	1900	1992	1990	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.5	★ ★ ★ ★ ★	★ ★ ★ ★ ★



Sales Past 12 Months

Inland Empire Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Bldg 5 10545 Production Ave	★★★★★	2006	1,101,840	0%	1/30/2023	\$365,000,000	\$331	5.0%
2 Deckers Distribution Ce... 17791 Perris Blvd	★★★★★	2014	1,530,944	0%	10/3/2022	\$279,021,693	\$182	-
3 3300 Indian Ave	★★★★★	2017	1,224,874	0%	10/3/2022	\$223,239,006	\$182	-
4 13000 Mission Blvd	★★★★☆	2000	760,829	0%	11/22/2022	\$220,000,000	\$289	-
5 728 W Rider St	★★★★☆	2021	1,203,449	0%	10/3/2022	\$219,334,200	\$182	-
6 2151 S Vintage Ave	★★★★☆	1991	766,235	0%	10/3/2022	\$210,481,927	\$275	-
7 9180 Alabama St	★★★★★	2021	1,079,236	0%	10/3/2022	\$204,205,314	\$189	-
8 4375 N Perris St	★★★★★	2020	1,008,646	0%	10/3/2022	\$183,830,444	\$182	-
9 Building 2 36324 Cherry Valley Blvd	★★★★★	2023	1,017,845	0%	1/27/2023	\$182,715,000	\$180	-
10 Bldg 2 3900 Indian Ave	★★★★★	2014	579,708	0%	8/17/2022	\$158,000,000	\$273	-
11 Building 1 36312 Cherry Valley Blvd	★★★★★	2023	814,822	0%	1/27/2023	\$146,285,500	\$180	-
12 4501 Patterson Ave	★★★★★	2020	800,218	0%	10/3/2022	\$145,843,467	\$182	-
13 3500 Indian Ave	★★★★★	2015	783,407	0%	10/3/2022	\$142,779,584	\$182	-
14 MetLife 13204-13250 Philadelphia...	★★★★☆	2000	380,650	0%	12/23/2022	\$127,000,000	\$334	-
15 Horizon Distribution Cen... 4345 Parkhurst St	★★★★☆	1998	329,831	0%	4/6/2023	\$125,500,000	\$380	-
16 1800 S Wineville Ave	★★★★☆	1988	446,624	0%	3/17/2023	\$125,000,000	\$280	-
17 Building 2 1501 Sherborn St	★★★★☆	2023	205,074	100%	5/3/2023	\$123,587,253	\$603	-
18 Bldg C 11250 Poplar Ave	★★★★★	2016	444,669	0%	10/3/2022	\$122,148,933	\$275	-
19 531 E Central Ave	★★★★☆	2022	457,125	0%	4/27/2023	\$121,079,500	\$265	-
20 6075 Lance Dr	★★★★☆	2020	361,346	0%	1/18/2023	\$120,000,000	\$332	4.3%



The Inland Empire is one of the largest and fastest-growing logistics hubs in the United States due to its proximity to the southern California ports and its relatively affordable land. Nearly a third of all U.S. imports come through the two Los Angeles ports, and much of that cargo's eventual destination is farther inland, making the metro's rail and highway connections extremely valuable.

Housing is also affordable by southern California standards. Many residents commute west and south to job nodes in Los Angeles, Orange County, and San Diego because there are limited opportunities for high-wage workers. Median household income in Inland Empire is \$79,000, well below coastal metros, but higher than the national median of \$74,000.

Jobs in transportation and warehousing have persistently grown for over 10 years and account for 75% of job

growth since February 2020. Amazon is a major employer in the Inland Empire, with over three dozen facilities in the metro, and third-party logistics companies have been growing over the past decade. Many retailers have manufacturing and distribution facilities in the Inland Empire, as well.

The metropolitan area comprises two counties, Riverside and San Bernardino, as well as 52 incorporated cities. Riverside County has one of the fastest-growing populations in the state, and retirement communities are scattered throughout the metro. As a result, there is outsized demand for health care and education services and employment in the industry expands every year.

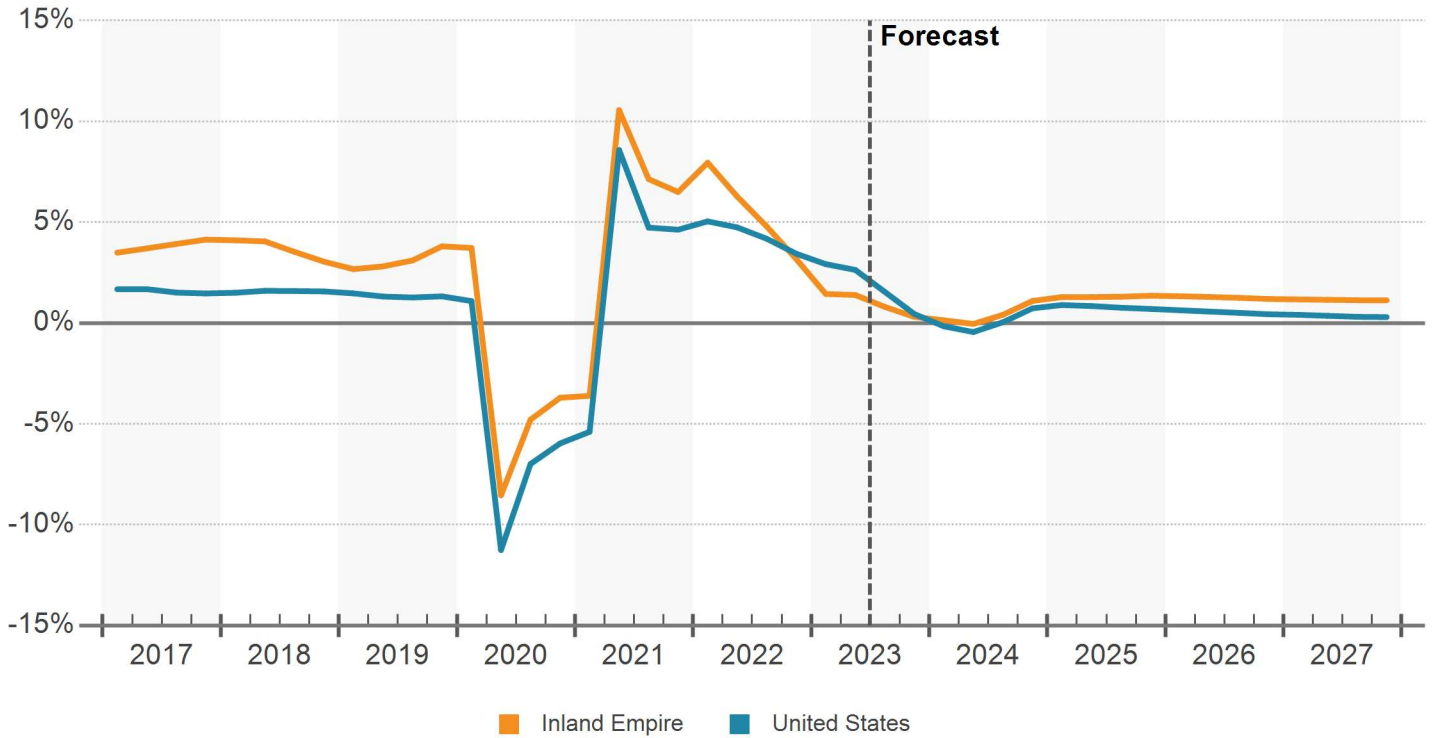
Tourism is vibrant in Palm Springs, Big Bear, and Temecula, primarily attracting in-state travelers. Payrolls in the leisure and hospitality sector have returned to pre-pandemic levels.

INLAND EMPIRE 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	99	0.7	-1.46%	1.09%	1.29%	0.77%	0.05%	0.02%
Trade, Transportation and Utilities	464	1.5	-0.60%	0.72%	4.51%	1.18%	1.24%	0.08%
Retail Trade	182	1.1	0.68%	0.38%	1.05%	0.35%	0.28%	0.08%
Financial Activities	47	0.5	-0.55%	0.82%	1.12%	1.46%	0.10%	0.09%
Government	255	1.0	3.60%	2.06%	1.41%	0.34%	0.91%	0.34%
Natural Resources, Mining and Construction	116	1.3	-0.81%	2.46%	5.06%	2.47%	0.77%	0.19%
Education and Health Services	277	1.0	4.66%	3.80%	3.99%	1.81%	1.48%	0.63%
Professional and Business Services	182	0.7	2.63%	1.99%	3.25%	2.14%	0.27%	0.33%
Information	11	0.3	2.44%	-0.11%	-1.21%	1.30%	0.35%	0.20%
Leisure and Hospitality	179	1.0	-1.47%	5.18%	2.80%	1.55%	1.19%	0.92%
Other Services	50	0.8	3.22%	2.58%	1.78%	0.65%	0.29%	0.26%
Total Employment	1,681	1.0	1.18%	2.24%	3.17%	1.36%	0.95%	0.34%

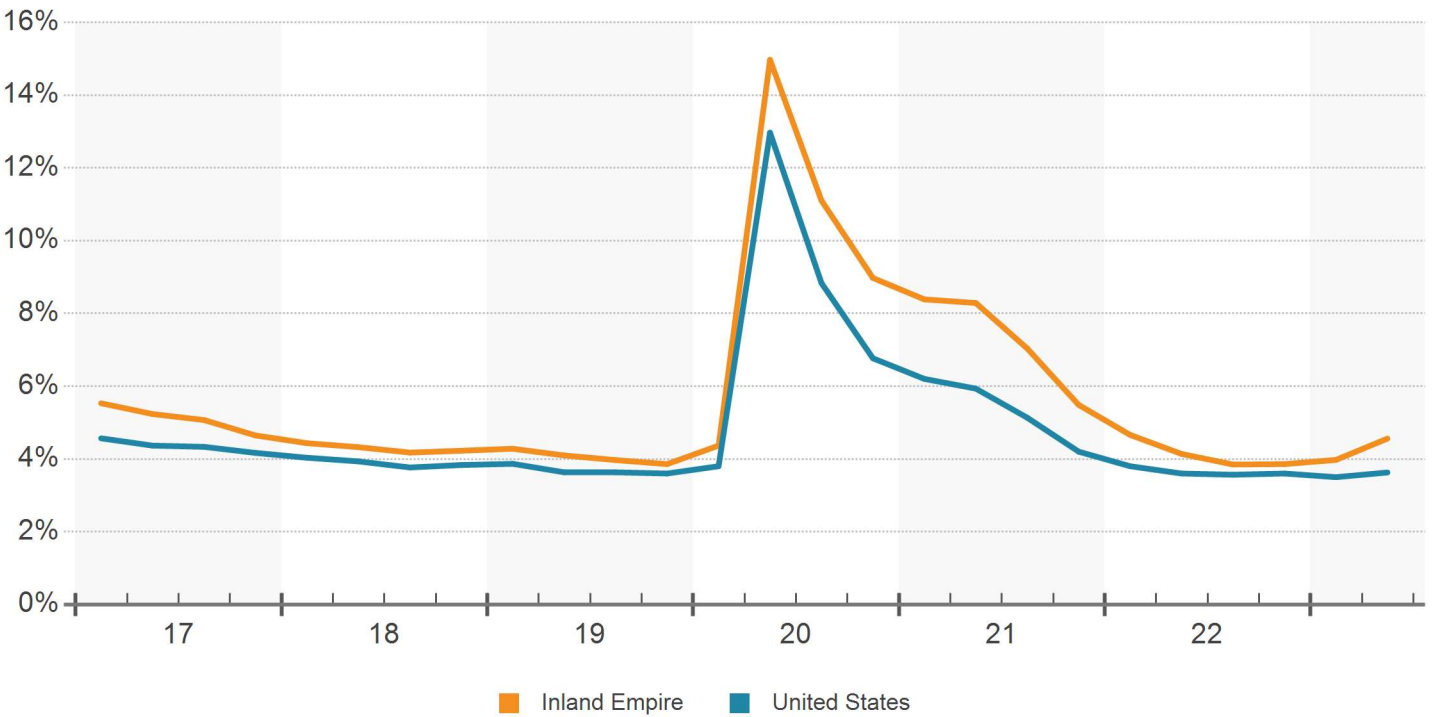
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

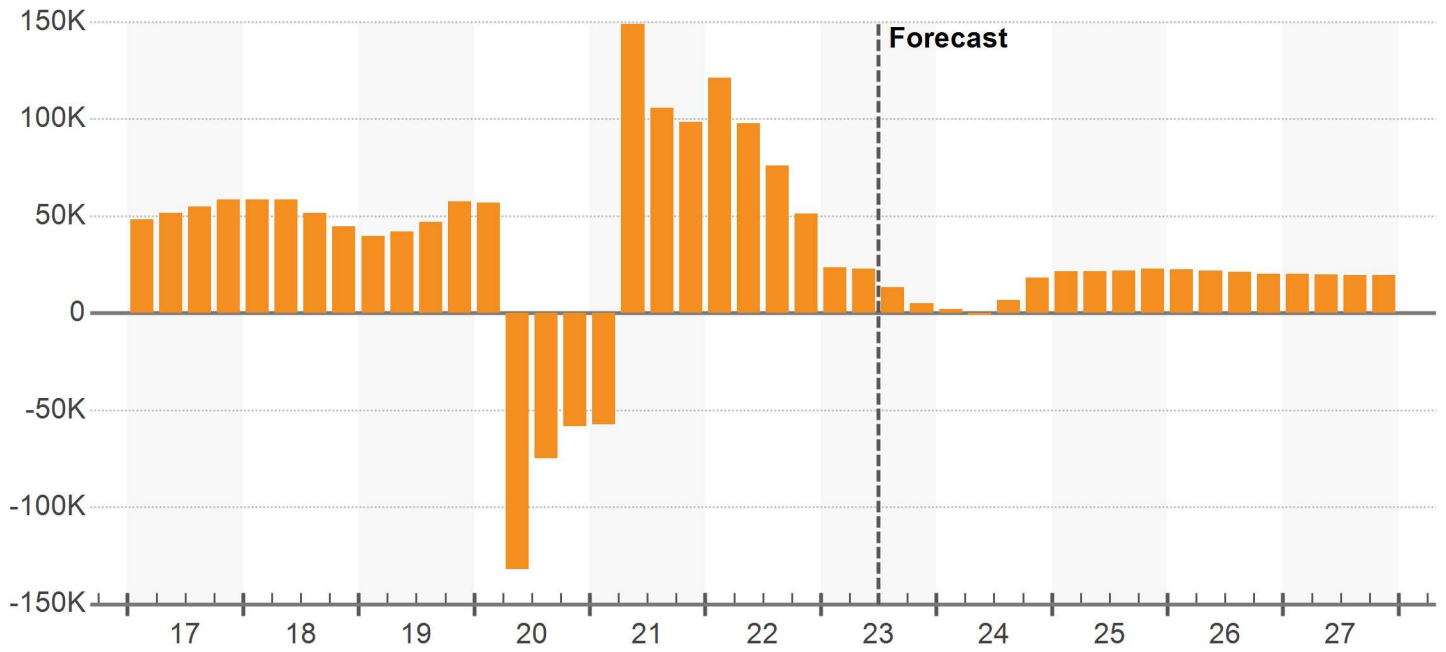


Source: Oxford Economics

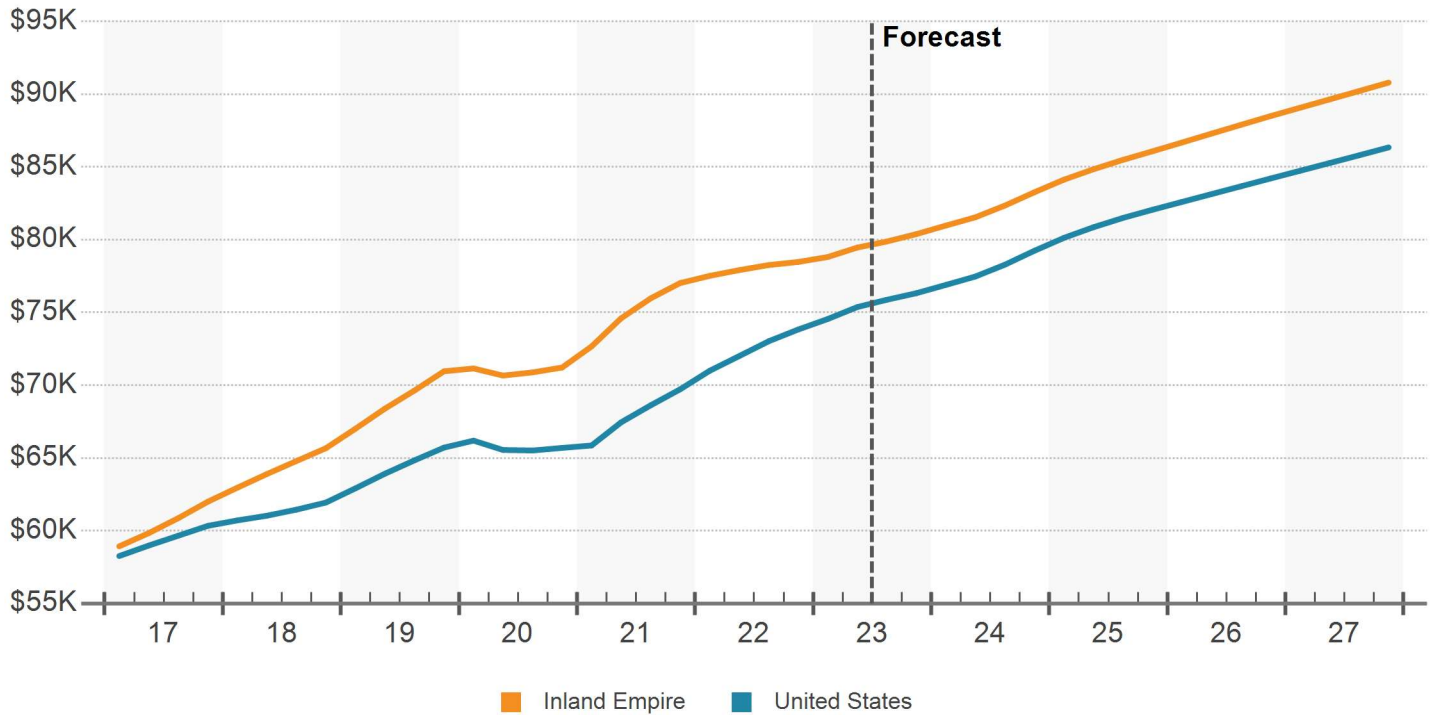
UNEMPLOYMENT RATE (%)



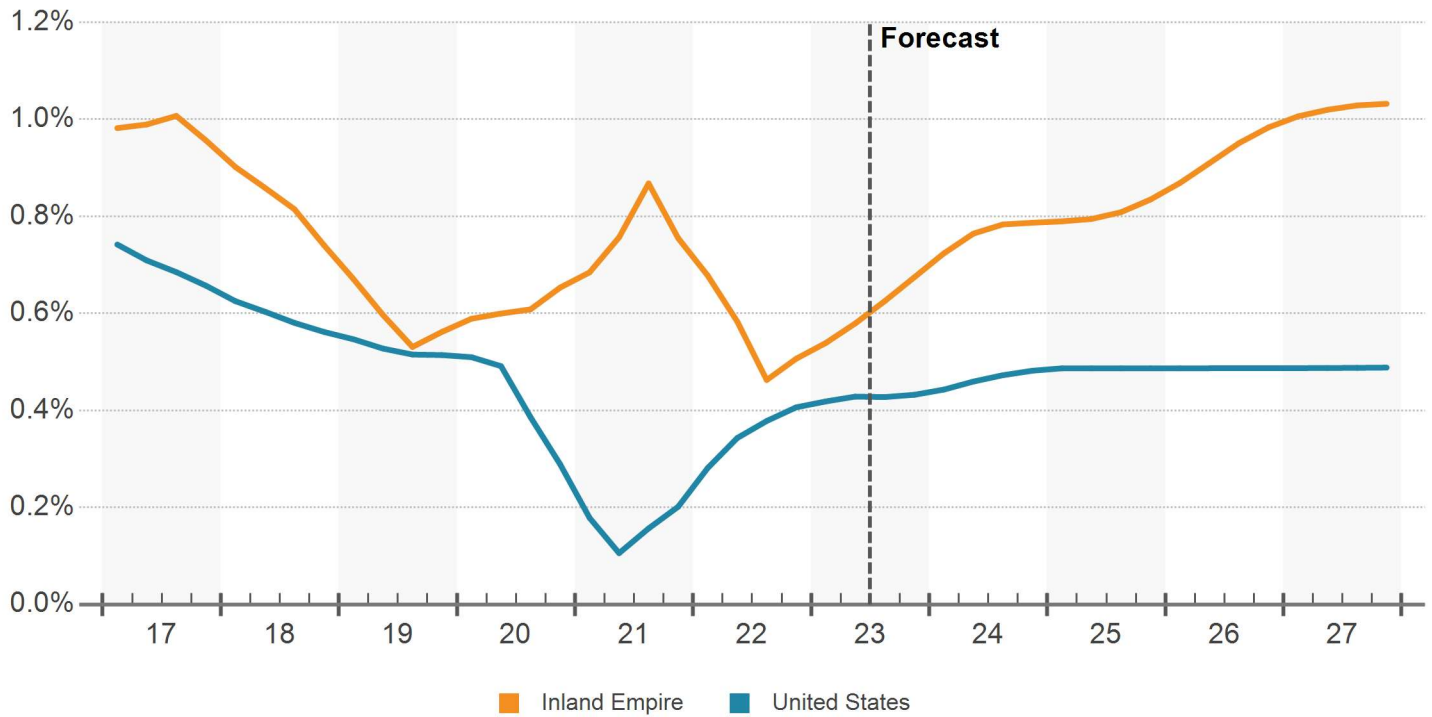
NET EMPLOYMENT CHANGE (YOY)



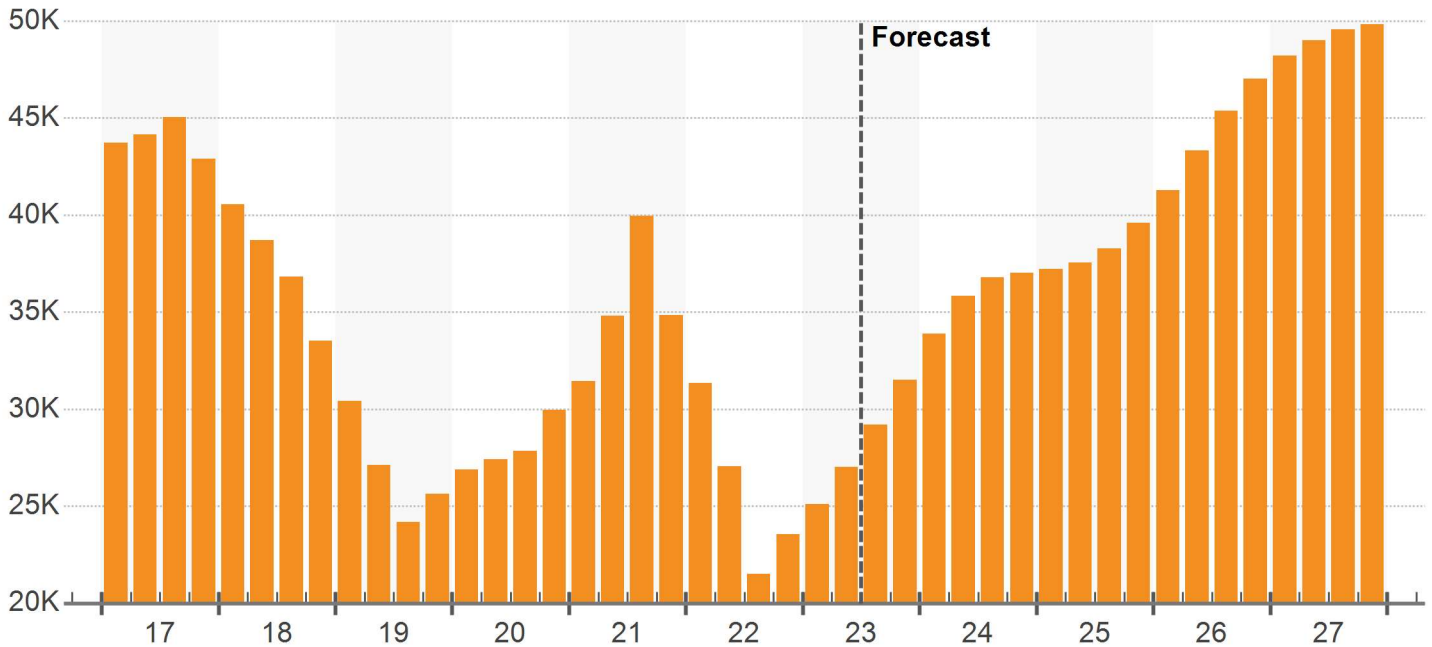
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

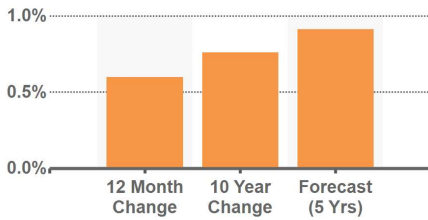


DEMOGRAPHIC TRENDS

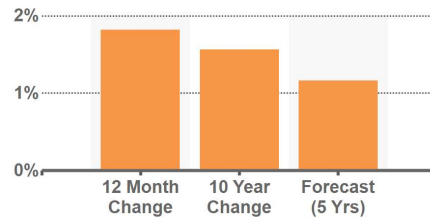
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,691,641	334,494,313	0.6%	0.4%	0.8%	0.6%	0.9%	0.5%
Households	1,468,732	129,868,852	0.9%	0.7%	0.9%	0.9%	1.0%	0.6%
Median Household Income	\$79,602	\$75,544	2.0%	4.4%	4.2%	3.8%	3.0%	3.0%
Labor Force	2,190,350	165,940,016	1.8%	1.1%	1.6%	0.6%	1.2%	0.3%
Unemployment	4.6%	3.6%	0.5%	0%	-0.5%	-0.4%	-	-

Source: Oxford Economics

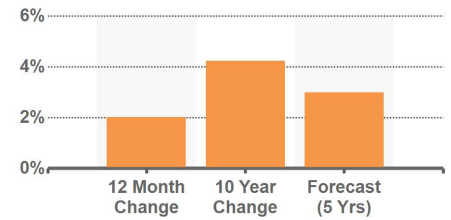
POPULATION GROWTH



LABOR FORCE GROWTH



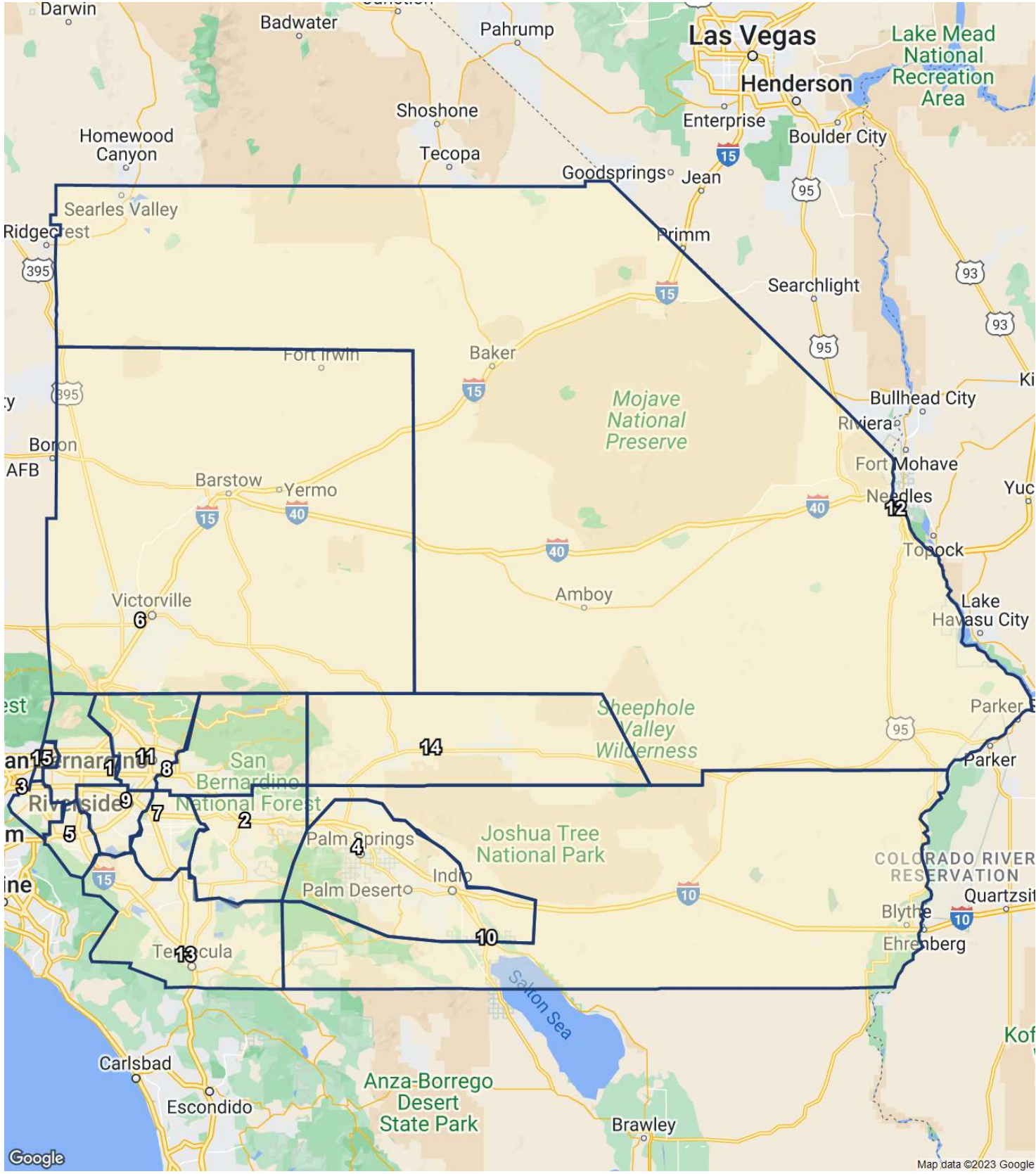
INCOME GROWTH



Source: Oxford Economics

Submarkets

INLAND EMPIRE SUBMARKETS



Submarkets

Inland Empire Industrial

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	Airport Area	3,434	234,457	32.0%	1	26	2,943	1.3%	2	49	17,246	7.4%	1
2	Beaumont/Hemet	440	12,732	1.7%	11	2	1,652	13.0%	6	4	4,103	32.2%	4
3	Chino/Chino Hills	1,031	56,472	7.7%	5	14	753	1.3%	7	10	1,271	2.3%	7
4	Coachella Valley	1,043	16,748	2.3%	10	10	206	1.2%	11	2	85	0.5%	11
5	Corona/Eastvale	1,176	39,530	5.4%	6	24	2,433	6.2%	3	4	324	0.8%	10
6	Mojave River Valley	975	27,813	3.8%	8	10	341	1.2%	10	11	2,907	10.5%	5
7	Moreno Valley/Perris	604	100,630	13.7%	3	17	6,528	6.5%	1	30	5,135	5.1%	3
8	Redlands/Loma Linda	376	32,299	4.4%	7	5	645	2.0%	8	2	480	1.5%	9
9	Riverside	1,613	74,916	10.2%	4	10	1,928	2.6%	5	19	5,665	7.6%	2
10	Riverside Outlying	39	568	0.1%	13	0	0	0%	-	0	-	-	-
11	San Bernardino	1,486	101,677	13.9%	2	15	2,246	2.2%	4	13	1,815	1.8%	6
12	San Bernardino Outlying	19	369	0.1%	15	0	0	0%	-	0	-	-	-
13	South Riverside	1,162	24,102	3.3%	9	33	474	2.0%	9	11	728	3.0%	8
14	Twentynine Palms	77	456	0.1%	14	0	0	0%	-	0	-	-	-
15	Upland/Montclair	754	10,073	1.4%	12	3	50	0.5%	12	5	77	0.8%	12

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Airport Area	\$1.22	8	9.5%	5	1.7%	10
2	Beaumont/Hemet	\$1.11	12	9.1%	7	0.7%	13
3	Chino/Chino Hills	\$1.24	7	9.3%	6	1.8%	7
4	Coachella Valley	\$1.56	1	7.5%	15	1.5%	11
5	Corona/Eastvale	\$1.27	5	8.5%	10	0.4%	14
6	Mojave River Valley	\$1.17	9	8.8%	9	2.0%	6
7	Moreno Valley/Perris	\$1	14	9.9%	2	2.1%	5
8	Redlands/Loma Linda	\$0.97	15	9.7%	3	2.2%	4
9	Riverside	\$1.13	10	8.9%	8	1.0%	12
10	Riverside Outlying	\$1.13	11	7.5%	14	-0.1%	15
11	San Bernardino	\$1.01	13	9.6%	4	1.8%	8
12	San Bernardino Outlying	\$1.26	6	8.3%	12	1.8%	9
13	South Riverside	\$1.35	4	8.4%	11	3.6%	2
14	Twentynine Palms	\$1.40	2	10.0%	1	23.7%	1
15	Upland/Montclair	\$1.38	3	8.2%	13	2.3%	3



SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Airport Area	9,673,505	4.1%	5	(4,202,648)	-1.8%	15	-
2	Beaumont/Hemet	135,356	1.1%	1	1,995,534	15.7%	2	0.5
3	Chino/Chino Hills	2,147,666	3.8%	4	(1,036,911)	-1.8%	13	-
4	Coachella Valley	711,877	4.3%	9	(13,316)	-0.1%	8	-
5	Corona/Eastvale	2,778,625	7.0%	12	295,253	0.7%	5	8.1
6	Mojave River Valley	1,522,648	5.5%	11	(292,789)	-1.1%	11	-
7	Moreno Valley/Perris	4,180,814	4.2%	6	3,541,304	3.5%	1	1.7
8	Redlands/Loma Linda	3,199,180	9.9%	13	(1,934,945)	-6.0%	14	-
9	Riverside	1,205,965	1.6%	2	1,088,934	1.5%	3	1.6
10	Riverside Outlying	64,950	11.4%	14	(11,465)	-2.0%	7	-
11	San Bernardino	3,129,502	3.1%	3	(530,605)	-0.5%	12	-
12	San Bernardino Outlying	-	-	-	34,348	9.3%	6	-
13	South Riverside	1,013,789	4.2%	7	987,422	4.1%	4	0.4
14	Twentynine Palms	19,244	4.2%	8	(15,670)	-3.4%	9	-
15	Upland/Montclair	433,247	4.3%	10	(200,505)	-2.0%	10	-

Supply & Demand Trends

Inland Empire Industrial

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	813,875,054	17,969,823	2.3%	17,765,007	2.2%	1.0
2026	795,905,231	15,191,126	1.9%	19,953,891	2.5%	0.8
2025	780,714,105	10,300,142	1.3%	23,802,363	3.0%	0.4
2024	770,413,963	20,059,342	2.7%	12,433,086	1.6%	1.6
2023	750,354,621	29,582,007	4.1%	3,767,625	0.5%	7.9
YTD	732,808,399	12,035,785	1.7%	(4,056,574)	-0.6%	-
2022	720,772,614	18,628,948	2.7%	14,057,354	2.0%	1.3
2021	702,143,666	17,821,501	2.6%	33,248,113	4.7%	0.5
2020	684,322,165	20,700,123	3.1%	25,765,655	3.8%	0.8
2019	663,622,042	24,666,044	3.9%	24,272,718	3.7%	1.0
2018	638,955,998	25,633,695	4.2%	27,087,043	4.2%	0.9
2017	613,322,303	24,206,843	4.1%	17,001,575	2.8%	1.4
2016	589,115,460	19,033,872	3.3%	24,381,096	4.1%	0.8
2015	570,081,588	21,227,016	3.9%	19,639,606	3.4%	1.1
2014	548,854,572	21,301,828	4.0%	20,792,305	3.8%	1.0
2013	527,552,744	9,988,510	1.9%	18,089,896	3.4%	0.6
2012	517,564,234	5,803,079	1.1%	6,547,147	1.3%	0.9
2011	511,761,155	2,330,924	0.5%	16,529,567	3.2%	0.1

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	102,321,288	318,522	0.3%	414,995	0.4%	0.8
2026	102,002,766	259,785	0.3%	892,872	0.9%	0.3
2025	101,742,981	126,896	0.1%	1,241,264	1.2%	0.1
2024	101,616,085	252,447	0.2%	(513,573)	-0.5%	-
2023	101,363,638	916,275	0.9%	(1,306,400)	-1.3%	-
YTD	100,864,416	417,053	0.4%	(891,612)	-0.9%	-
2022	100,447,363	(1,322,018)	-1.3%	(344,965)	-0.3%	-
2021	101,769,381	671,081	0.7%	1,247,708	1.2%	0.5
2020	101,098,300	1,849,391	1.9%	2,414,091	2.4%	0.8
2019	99,248,909	889,774	0.9%	493,507	0.5%	1.8
2018	98,359,135	47,437	0%	260,382	0.3%	0.2
2017	98,311,698	397,528	0.4%	(193,503)	-0.2%	-
2016	97,914,170	(14,422)	0%	458,901	0.5%	-
2015	97,928,592	(482,632)	-0.5%	(56,868)	-0.1%	-
2014	98,411,224	922,828	0.9%	1,076,154	1.1%	0.9
2013	97,488,396	(55,404)	-0.1%	2,372,520	2.4%	-
2012	97,543,800	(465,093)	-0.5%	72,809	0.1%	-
2011	98,008,893	379,286	0.4%	1,266,154	1.3%	0.3

Supply & Demand Trends

Inland Empire Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	695,737,128	17,613,277	2.6%	17,276,857	2.5%	1.0
2026	678,123,851	14,900,675	2.2%	18,888,244	2.8%	0.8
2025	663,223,176	10,161,155	1.6%	22,416,162	3.4%	0.5
2024	653,062,021	19,796,652	3.1%	13,071,867	2.0%	1.5
2023	633,265,369	28,645,232	4.7%	4,824,857	0.8%	5.9
YTD	616,218,335	11,598,198	1.9%	(3,471,409)	-0.6%	-
2022	604,620,137	19,805,245	3.4%	14,674,980	2.4%	1.3
2021	584,814,892	17,150,420	3.0%	31,729,583	5.4%	0.5
2020	567,664,472	18,850,732	3.4%	23,390,723	4.1%	0.8
2019	548,813,740	23,779,670	4.5%	23,885,710	4.4%	1.0
2018	525,034,070	25,568,758	5.1%	26,743,682	5.1%	1.0
2017	499,465,312	23,781,491	5.0%	17,012,559	3.4%	1.4
2016	475,683,821	19,038,294	4.2%	23,783,782	5.0%	0.8
2015	456,645,527	21,709,648	5.0%	19,523,366	4.3%	1.1
2014	434,935,879	20,422,495	4.9%	19,392,620	4.5%	1.1
2013	414,513,384	9,994,628	2.5%	15,250,368	3.7%	0.7
2012	404,518,756	6,268,172	1.6%	6,083,248	1.5%	1.0
2011	398,250,584	1,951,638	0.5%	15,063,992	3.8%	0.1

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	15,816,638	38,024	0.2%	73,155	0.5%	0.5
2026	15,778,614	30,666	0.2%	172,775	1.1%	0.2
2025	15,747,948	12,091	0.1%	144,937	0.9%	0.1
2024	15,735,857	10,243	0.1%	(125,208)	-0.8%	-
2023	15,725,614	20,500	0.1%	249,168	1.6%	0.1
YTD	15,725,648	20,534	0.1%	306,447	1.9%	0.1
2022	15,705,114	145,721	0.9%	(272,661)	-1.7%	-
2021	15,559,393	0	0%	270,822	1.7%	0
2020	15,559,393	0	0%	(39,159)	-0.3%	-
2019	15,559,393	(3,400)	0%	(106,499)	-0.7%	-
2018	15,562,793	17,500	0.1%	82,979	0.5%	0.2
2017	15,545,293	27,824	0.2%	182,519	1.2%	0.2
2016	15,517,469	10,000	0.1%	138,413	0.9%	0.1
2015	15,507,469	0	0%	173,108	1.1%	0
2014	15,507,469	(43,495)	-0.3%	323,531	2.1%	-
2013	15,550,964	49,286	0.3%	467,008	3.0%	0.1
2012	15,501,678	0	0%	391,090	2.5%	0
2011	15,501,678	0	0%	199,421	1.3%	0

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$1.49	307	5.5%	34.0%	29,573,149	3.6%	-0.1%
2026	\$1.42	291	8.3%	26.9%	29,364,322	3.7%	-0.7%
2025	\$1.31	269	7.7%	17.2%	34,117,236	4.4%	-1.8%
2024	\$1.21	250	3.5%	8.8%	47,604,256	6.2%	0.9%
2023	\$1.17	241	5.2%	5.2%	39,950,537	5.3%	3.4%
YTD	\$1.16	238	9.3%	3.7%	30,203,268	4.1%	2.2%
2022	\$1.12	229	15.4%	0%	14,135,909	2.0%	0.6%
2021	\$0.97	199	15.4%	-13.3%	9,564,315	1.4%	-2.3%
2020	\$0.84	172	9.2%	-24.9%	24,990,777	3.7%	-0.9%
2019	\$0.77	158	8.3%	-31.3%	30,067,509	4.5%	-0.1%
2018	\$0.71	146	8.8%	-36.5%	29,676,103	4.6%	-0.4%
2017	\$0.65	134	9.4%	-41.7%	31,129,451	5.1%	1.0%
2016	\$0.59	122	9.8%	-46.7%	24,271,174	4.1%	-1.1%
2015	\$0.54	111	9.1%	-51.5%	29,824,932	5.2%	0.1%
2014	\$0.50	102	7.7%	-55.5%	28,237,522	5.1%	-0.1%
2013	\$0.46	95	5.6%	-58.7%	27,727,999	5.3%	-1.7%
2012	\$0.44	90	2.8%	-60.9%	35,829,385	6.9%	-0.2%
2011	\$0.42	87	0%	-61.9%	36,573,453	7.1%	-2.8%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$1.57	254	5.7%	33.2%	2,454,823	2.4%	-0.1%
2026	\$1.48	241	8.5%	26.0%	2,547,929	2.5%	-0.6%
2025	\$1.37	222	7.8%	16.2%	3,177,913	3.1%	-1.1%
2024	\$1.27	206	3.6%	7.8%	4,288,069	4.2%	0.8%
2023	\$1.22	199	4.0%	4.0%	3,515,489	3.5%	2.2%
YTD	\$1.21	196	6.7%	2.9%	2,601,446	2.6%	1.3%
2022	\$1.18	191	10.7%	0%	1,292,781	1.3%	-0.9%
2021	\$1.06	172	9.9%	-9.6%	2,269,834	2.2%	-0.6%
2020	\$0.97	157	7.3%	-17.7%	2,846,311	2.8%	-0.6%
2019	\$0.90	146	6.7%	-23.3%	3,411,011	3.4%	0.4%
2018	\$0.85	137	7.9%	-28.1%	3,014,744	3.1%	-0.2%
2017	\$0.78	127	8.9%	-33.4%	3,227,689	3.3%	0.6%
2016	\$0.72	117	9.2%	-38.8%	2,636,658	2.7%	-0.5%
2015	\$0.66	107	7.9%	-44.0%	3,109,981	3.2%	-0.4%
2014	\$0.61	99	7.3%	-48.1%	3,535,745	3.6%	-0.2%
2013	\$0.57	92	5.1%	-51.6%	3,689,071	3.8%	-2.5%
2012	\$0.54	88	2.5%	-54.0%	6,116,995	6.3%	-0.5%
2011	\$0.53	86	-0.5%	-55.1%	6,654,897	6.8%	-0.9%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$1.47	323	5.5%	34.1%	26,513,881	3.8%	0%
2026	\$1.40	306	8.3%	27.1%	26,177,504	3.9%	-0.7%
2025	\$1.29	283	7.6%	17.3%	30,158,927	4.5%	-1.9%
2024	\$1.20	263	3.5%	9.0%	42,404,417	6.5%	0.9%
2023	\$1.16	254	5.3%	5.3%	35,660,820	5.6%	3.7%
YTD	\$1.14	250	9.7%	3.9%	26,884,845	4.4%	2.4%
2022	\$1.10	241	16.3%	0%	11,840,238	2.0%	0.8%
2021	\$0.94	207	16.7%	-14.0%	6,709,973	1.1%	-2.6%
2020	\$0.81	178	9.7%	-26.4%	21,289,136	3.8%	-1.0%
2019	\$0.74	162	8.8%	-32.9%	25,840,327	4.7%	-0.2%
2018	\$0.68	149	9.1%	-38.3%	25,946,367	4.9%	-0.5%
2017	\$0.62	136	9.7%	-43.5%	27,121,291	5.4%	1.1%
2016	\$0.57	124	10.1%	-48.4%	20,699,350	4.4%	-1.3%
2015	\$0.51	113	9.5%	-53.2%	25,651,372	5.6%	0.2%
2014	\$0.47	103	7.9%	-57.2%	23,465,090	5.4%	0%
2013	\$0.44	96	5.8%	-60.4%	22,435,215	5.4%	-1.4%
2012	\$0.41	90	2.9%	-62.5%	27,690,955	6.8%	-0.1%
2011	\$0.40	88	0.2%	-63.6%	27,506,031	6.9%	-3.3%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$1.97	207	5.6%	34.7%	604,445	3.8%	-0.2%
2026	\$1.86	196	8.4%	27.6%	638,889	4.0%	-0.9%
2025	\$1.72	181	7.7%	17.7%	780,396	5.0%	-0.8%
2024	\$1.60	168	3.5%	9.3%	911,770	5.8%	0.9%
2023	\$1.54	162	5.6%	5.6%	774,228	4.9%	-1.5%
YTD	\$1.51	159	7.9%	3.7%	716,977	4.6%	-1.8%
2022	\$1.46	154	12.4%	0%	1,002,890	6.4%	2.6%
2021	\$1.30	137	8.3%	-11.0%	584,508	3.8%	-1.7%
2020	\$1.20	126	5.2%	-17.8%	855,330	5.5%	0.3%
2019	\$1.14	120	4.4%	-21.8%	816,171	5.2%	0.7%
2018	\$1.09	115	5.6%	-25.1%	714,992	4.6%	-0.4%
2017	\$1.04	109	5.4%	-29.1%	780,471	5.0%	-1.0%
2016	\$0.98	103	6.6%	-32.7%	935,166	6.0%	-0.8%
2015	\$0.92	97	5.9%	-36.9%	1,063,579	6.9%	-1.1%
2014	\$0.87	92	5.0%	-40.4%	1,236,687	8.0%	-2.3%
2013	\$0.83	87	4.2%	-43.2%	1,603,713	10.3%	-2.7%
2012	\$0.80	84	0.6%	-45.5%	2,021,435	13.0%	-2.5%
2011	\$0.79	83	-2.8%	-45.8%	2,412,525	15.6%	-1.3%

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
2027	-	-	-	-	-	-	\$345.39	479	4.3%
2026	-	-	-	-	-	-	\$321.81	446	4.4%
2025	-	-	-	-	-	-	\$287.07	398	4.5%
2024	-	-	-	-	-	-	\$259.30	359	4.6%
2023	-	-	-	-	-	-	\$258.77	359	4.5%
YTD	315	\$3B	2.0%	\$12,645,729	\$249.34	5.0%	\$269.99	374	4.3%
2022	648	\$9.9B	5.5%	\$16,339,855	\$255.21	5.3%	\$261.86	363	4.1%
2021	936	\$7.4B	5.9%	\$8,632,372	\$199.48	4.8%	\$222.27	308	4.1%
2020	575	\$3.1B	4.3%	\$5,971,040	\$144.48	5.7%	\$167.42	232	4.7%
2019	919	\$4.6B	7.4%	\$7,366,669	\$126.35	5.7%	\$142.01	197	5.0%
2018	854	\$3.6B	6.6%	\$6,892,899	\$117.61	5.5%	\$129.34	179	5.1%
2017	1,001	\$3.1B	5.2%	\$4,891,382	\$108.96	6.1%	\$115.41	160	5.2%
2016	825	\$2.3B	4.8%	\$3,888,846	\$94.75	6.1%	\$110.78	154	5.0%
2015	918	\$2.4B	7.6%	\$3,772,841	\$89.06	5.9%	\$100.82	140	5.1%
2014	710	\$1.7B	5.0%	\$3,278,971	\$73.39	7.3%	\$87.13	121	5.5%
2013	786	\$1.8B	6.1%	\$3,498,700	\$71.81	7.0%	\$77.31	107	5.8%
2012	763	\$1B	4.6%	\$2,402,247	\$64.89	7.2%	\$71.84	100	6.0%

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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.

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
2027	-	-	-	-	-	-	\$345.98	475	4.6%
2026	-	-	-	-	-	-	\$322	442	4.6%
2025	-	-	-	-	-	-	\$287	394	4.7%
2024	-	-	-	-	-	-	\$259.09	356	4.8%
2023	-	-	-	-	-	-	\$258.19	355	4.7%
YTD	85	\$154.2M	0.8%	\$2,804,362	\$231.09	5.3%	\$269.87	371	4.5%
2022	152	\$1.2B	4.4%	\$8,194,728	\$269.70	5.4%	\$263.84	363	4.3%
2021	217	\$1.3B	5.4%	\$6,719,002	\$252.85	5.2%	\$226.51	311	4.3%
2020	143	\$503.9M	3.5%	\$3,548,730	\$140.87	5.7%	\$170.69	235	4.9%
2019	191	\$582.6M	5.8%	\$4,814,970	\$118.79	7.1%	\$144.31	198	5.2%
2018	193	\$398.1M	4.6%	\$3,720,322	\$115.77	6.0%	\$130.25	179	5.3%
2017	220	\$402.8M	4.1%	\$2,983,686	\$123.69	5.9%	\$116.08	160	5.4%
2016	162	\$370M	5.0%	\$3,217,521	\$102.60	6.6%	\$109.84	151	5.3%
2015	201	\$383.2M	4.8%	\$2,817,851	\$101.87	6.0%	\$98.95	136	5.4%
2014	152	\$230.2M	4.5%	\$2,037,237	\$65.66	8.4%	\$84.94	117	5.9%
2013	158	\$159.2M	3.5%	\$1,917,487	\$69.48	7.6%	\$75.40	104	6.2%
2012	165	\$199.4M	4.9%	\$2,167,741	\$64.31	8.5%	\$69.64	96	6.4%

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Sale Trends

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
2027	-	-	-	-	-	-	\$344.01	483	4.3%
2026	-	-	-	-	-	-	\$320.56	450	4.3%
2025	-	-	-	-	-	-	\$285.96	402	4.4%
2024	-	-	-	-	-	-	\$258.30	363	4.5%
2023	-	-	-	-	-	-	\$257.86	362	4.4%
YTD	206	\$2.7B	2.1%	\$17,108,095	\$255.63	5.1%	\$269.07	378	4.2%
2022	451	\$8.6B	5.7%	\$20,271,475	\$254.24	5.1%	\$260.47	366	4.1%
2021	651	\$6B	6.0%	\$9,933,324	\$191.26	4.5%	\$220.18	309	4.0%
2020	390	\$2.6B	4.4%	\$7,472,572	\$145.42	5.6%	\$165.54	233	4.6%
2019	639	\$3.9B	7.8%	\$8,933,342	\$128.05	5.5%	\$140.45	197	5.0%
2018	590	\$3.1B	7.0%	\$8,370,106	\$117.44	5.5%	\$128.10	180	5.1%
2017	689	\$2.6B	5.4%	\$5,912,414	\$106.77	6.2%	\$114.25	160	5.2%
2016	570	\$1.9B	4.6%	\$4,466,100	\$93.06	5.8%	\$109.94	154	5.0%
2015	611	\$1.8B	8.1%	\$4,562,771	\$86.30	5.8%	\$100.19	141	5.1%
2014	496	\$1.5B	5.1%	\$3,888,806	\$74.12	6.7%	\$86.66	122	5.5%
2013	544	\$1.6B	6.8%	\$4,309,804	\$71.77	6.8%	\$76.87	108	5.8%
2012	521	\$806.8M	4.6%	\$2,698,213	\$64.17	7.0%	\$71.50	100	5.9%

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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
2027	-	-	-	-	-	-	\$399.17	371	5.3%
2026	-	-	-	-	-	-	\$372.42	346	5.3%
2025	-	-	-	-	-	-	\$333.49	310	5.4%
2024	-	-	-	-	-	-	\$302.29	281	5.5%
2023	-	-	-	-	-	-	\$300.51	280	5.4%
YTD	24	\$92.9M	3.9%	\$4,421,760	\$156.30	4.3%	\$309.20	288	5.2%
2022	45	\$114.7M	3.8%	\$3,099,451	\$200.94	6.2%	\$306.66	285	4.9%
2021	68	\$130M	5.2%	\$2,130,790	\$164.08	5.9%	\$282	262	4.7%
2020	42	\$54.7M	2.7%	\$1,439,698	\$134.90	7.4%	\$224.57	209	5.2%
2019	89	\$92.9M	6.9%	\$1,474,911	\$109.30	5.9%	\$192.18	179	5.6%
2018	71	\$91.8M	5.5%	\$2,085,334	\$133.30	4.8%	\$175.23	163	5.7%
2017	92	\$60M	6.0%	\$1,153,690	\$121.04	5.4%	\$159.21	148	5.8%
2016	93	\$69.1M	7.3%	\$1,132,609	\$103.76	7.0%	\$151.91	141	5.6%
2015	106	\$130.6M	9.8%	\$1,537,040	\$97.12	6.8%	\$138.89	129	5.7%
2014	62	\$52.6M	5.5%	\$1,223,811	\$97.03	7.2%	\$120.58	112	6.2%
2013	84	\$44.3M	4.8%	\$738,313	\$83.21	7.1%	\$108.04	101	6.4%
2012	77	\$34M	4.6%	\$808,930	\$95.31	6.6%	\$100.48	93	6.6%

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