



Industrial Market Report San Francisco - CA

PREPARED BY



INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

1.4M

12 Mo Net Absorption in SF

(277K)

Vacancy Rate

7.3%

12 Mo Rent Growth

3.9%

San Francisco's industrial market is one of the smallest of all the major U.S. metros. The city's original role as a major port declined many years ago and the once-bustling wharves and warehousing districts have been repurposed, or are in the process of being redeveloped, for other uses.

The city's geographic location on a peninsula, with limited availability of land and congested highways, makes moving and storing goods in the market cumbersome. What's more, the city is one of the most expensive metros in the country for industrial space and worker compensation. For these reasons, distribution facilities are more prevalent in the East Bay, which contains far more manufacturing and warehouse space, land for development, and infrastructure conducive to distribution.

For a long period of time, land constraints, zoning, and prohibitive construction costs, have constrained new development. Construction activity did not offset inventory losses as industrial sites were repurposed for other uses and, as a result, the San Francisco industrial market's inventory shrunk over the past several decades.

More recently however, a large increase in demand from the thriving life sciences industry has reversed this trend. San Francisco's industrial market is now undergoing something of a development boom, with approximately 5

million SF of space currently under construction. All this space—some 20 projects in total—is flex space that is primarily aimed at the robust life science/biotech R&D tenants and is a response to high levels of growth and occupier demand in this sector.

A good proportion of the space under construction is preleased, and strong reported demand is expected to ensure that much of the speculative space is absorbed. Nevertheless, some upward movement in market vacancy is expected in 2023 as new projects deliver. Market rent growth has declined somewhat in 2022 but is expected to increase in 2023, reflecting the delivery of higher-rent properties in the market.

The key risk going forward is that demand will pull back just as new product is being delivered. A reduction in venture capital funding tied to rising interest rates is causing some biotech companies to slow their expansion plans. This may cause extended lease-up times for projects delivering in the next year.

In addition to the projects under construction, there is more than 10 million SF of industrial and flex space that is in the planning pipeline, with new additions being added at a fast clip. The extent to which these projects move forward will depend upon the direction the market takes in 2023.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	49,095,496	4.5%	\$21.72	6.0%	75,101	0	0
Specialized Industrial	17,877,547	5.4%	\$23.28	5.9%	(19,188)	0	0
Flex	30,998,415	12.7%	\$36.42	20.7%	(70,265)	0	5,227,284
Market	97,971,458	7.3%	\$27.15	11.2%	(14,352)	0	5,227,284

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.3%	5.6%	7.4%	10.1%	2003 Q4	1.1%	2000 Q2
Net Absorption SF	(277K)	(331,199)	1,067,523	2,143,175	2000 Q2	(4,787,154)	2001 Q4
Deliveries SF	1.4M	467,974	2,088,869	1,524,424	2021 Q1	7,592	2016 Q2
Rent Growth	3.9%	3.3%	4.3%	12.0%	1998 Q1	-4.8%	2002 Q3
Sales Volume	\$1.3B	\$635M	N/A	\$2.2B	2021 Q3	\$99.1M	2010 Q1

Net absorption in the market registered in positive territory in four straight quarters in 2022 but may turn negative in the coming quarters as rising interest rates and economic uncertainty slow leasing activity.

Vacancy reached a pandemic-era peak of 7.3% in 21Q2 before reducing to around 6% in 2022. In recent months, the market vacancy rate has increased again and currently stands at 7.3%. That compares to the average vacancy across the country at 4.4%.

The flex space category is the cause of the recent rise in market vacancy, with new space coming online at the same time as a dip in demand. Biotech tenants are adjusting their leasing plans in the face of weaker economic conditions and a pullback in funding by investors.

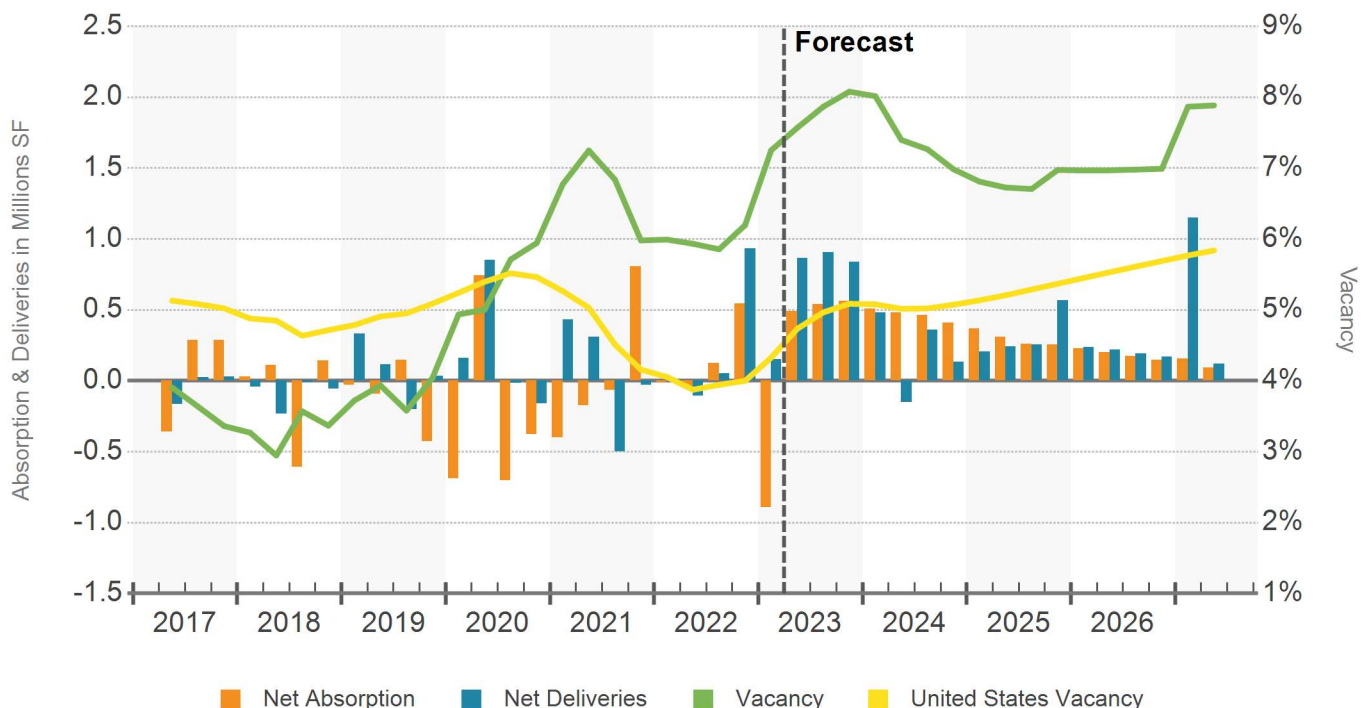
The market vacancy rate for flex properties has risen sharply in the last few months, and currently measures 12.7%. Availability in the flex sector has been increasing steadily since 2020 and stands at 20.7% today, reflecting both the availability of space in speculative projects under construction and an increase in sublet space. Among recent deliveries, SmartLabs, which preleased 150,000 SF at 750 Gateway Blvd. in South San Francisco in 2021, has made all that space available for

sublease. Nearby, 700 Gateway Blvd., which completed in 2022, has over 200,000 SF available. Also in South San Francisco, Arsenal Biosciences and Standard BioTools have added a total of 120,000 SF of sublease space at Genesis Tower 2.

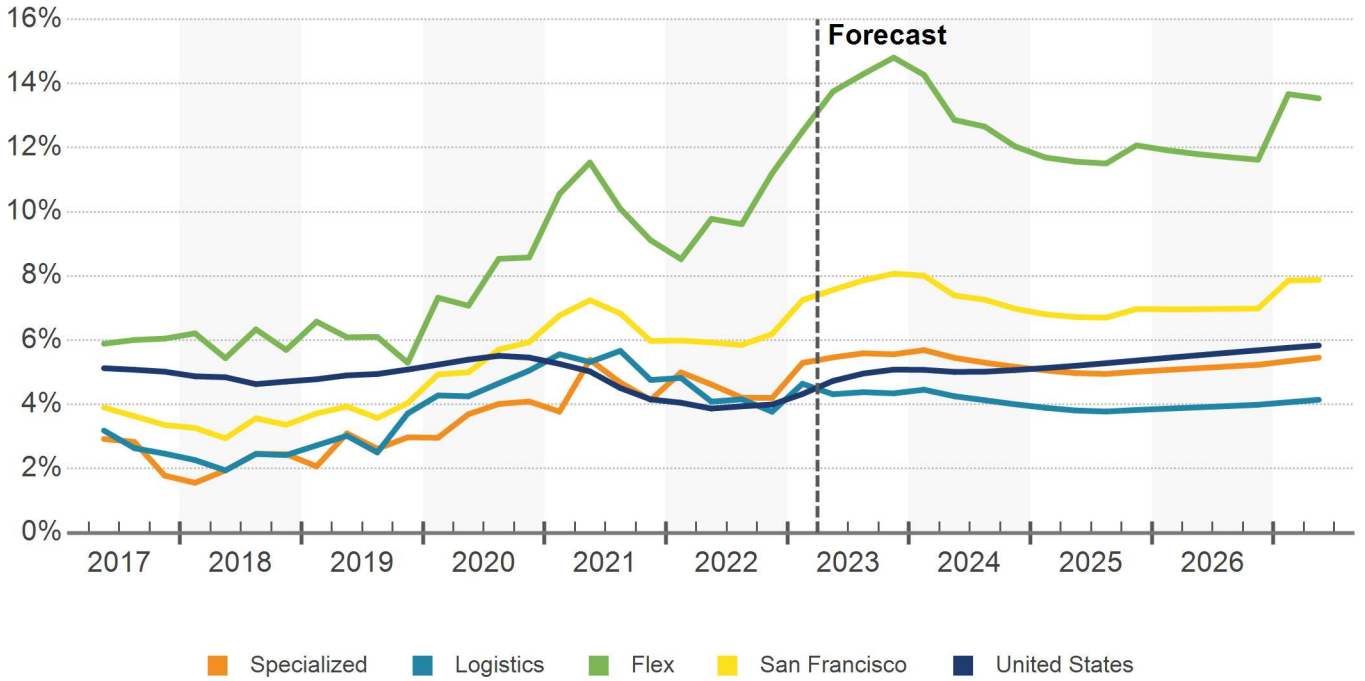
Other than the flex/R&D sector, San Francisco's industrial market is more localized, and many tenants are in the area by necessity, to be very close to either their delivery points or a highly skilled employee base. These tenants include food distributors, select retailers, delivery services such as the USPS and FedEx. Expensive real estate and business costs present headwinds to the market. Higher operating costs and an ever-rising tax burden have challenged lower-revenue-generating business operations in the Bay Area. Nevertheless, logistics and distribution companies are continually looking for the right opportunities to improve their networks. For example, in September 2022, Amazon added to its logistics network by leasing a total of 350,000 SF across two buildings on Bayshore Boulevard in Brisbane.

Vacancy rates for logistics (distribution and warehouse) and specialized industrial (including heavy manufacturing buildings) remain low by comparison, at 4.5% and 5.4%, respectively.

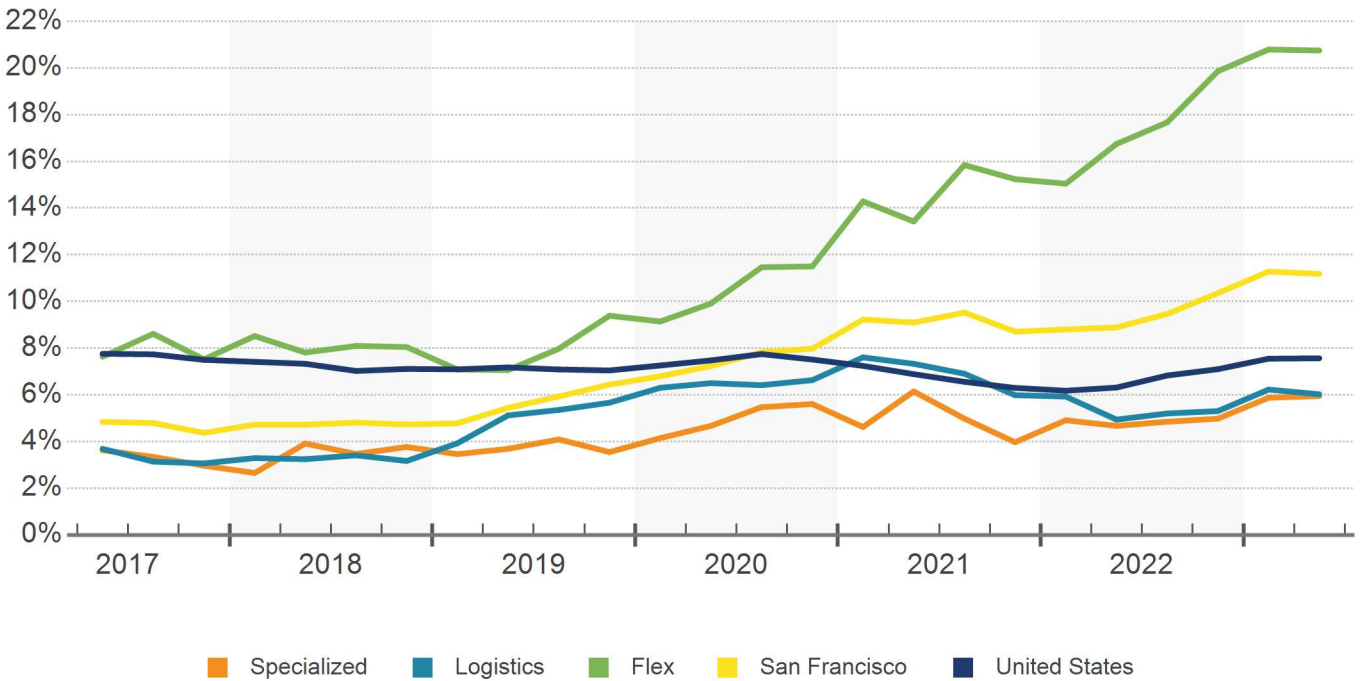
NET ABSORPTION, NET DELIVERIES & VACANCY



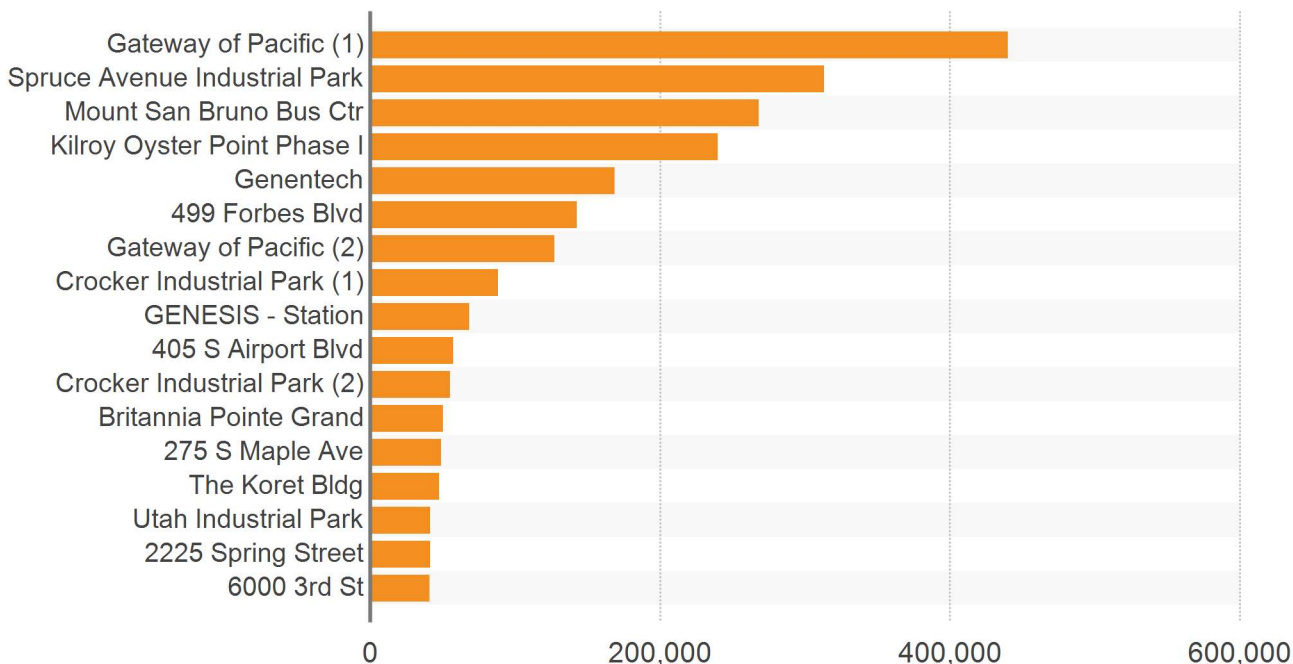
VACANCY RATE



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
Gateway of Pacific (1)	South San Francisco	440,000	0	0	0	0	0	440,000
Spruce Avenue Industrial Park	South San Francisco...	559,605	15,050	90,000	0	0	0	313,389
Mount San Bruno Bus Ctr	Brisbane/Daly City Ind	268,270	0	0	0	0	0	268,270
Kilroy Oyster Point Phase I	South San Francisco...	240,000	0	0	0	0	0	240,000
Genentech	South San Francisco...	168,500	0	168,500	0	0	0	168,500
499 Forbes Blvd	South San Francisco...	142,500	0	0	0	0	0	142,500
Gateway of Pacific (2)	South San Francisco...	349,998	222,726	67,350	0	0	0	127,272
Crocker Industrial Park (1)	Brisbane/Daly City Ind	88,200	0	0	0	0	0	88,200
GENESIS - Station	Brisbane/Daly City Ind	441,000	179,758	(97,248)	0	0	0	68,404
405 S Airport Blvd	South San Francisco...	84,000	0	0	0	0	0	57,516
Crocker Industrial Park (2)	Brisbane/Daly City Ind	55,000	0	0	0	0	0	55,000
Britannia Pointe Grand	South San Francisco...	50,195	0	50,195	0	0	0	50,195
275 S Maple Ave	South San Francisco...	70,000	0	0	0	0	0	48,999
The Koret Bldg	Mission/Potrero Ind	128,000	26,690	(15,295)	0	0	0	47,688
Utah Industrial Park	South San Francisco...	264,873	0	0	0	0	0	41,538
2225 Spring Street	Redwood City Ind	41,290	0	41,290	0	0	0	41,290
6000 3rd St	Bayview/Hunters Poi...	44,644	0	0	0	0	0	41,209
Subtotal Primary Competitors		3,436,075	444,224	304,792	0	0	0	2,239,970
Remaining San Francisco Market		94,535,383	6,674,178	(1,197,202)	(14,352)	0	0	(2,516,796)
Total San Francisco Market		97,971,458	7,118,402	(892,410)	(14,352)	0	0	(276,826)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
3745 Bayshore Blvd	Brisbane/Daly City	268,270	Q3 22	Amazon	-	Cushman & Wakefield;...
245 S Spruce Ave	South San Francisco	90,000	Q1 23	Ample, Inc.	-	Avison Young;Cushma...
1755 Rollins Rd	Burlingame	83,674	Q4 22	Aeronet Worldwide	-	CBRE
3775-3785 Bayshore Blvd	Brisbane/Daly City	77,000	Q3 22	Amazon	-	Cushman & Wakefield;...
99 S Hill Dr *	Brisbane/Daly City	76,375	Q4 22	DHL Express (USA)	Colliers	Reliance Real Estate A...
380 Valley Dr *	Brisbane/Daly City	70,335	Q4 22	Pacific Gourmet	-	-
251 Lawrence Ave *	South San Francisco	68,400	Q3 22	Kintetsu World Express	-	-
405 S Airport Blvd	South San Francisco	57,516	Q4 22	-	-	Kidder Mathews
1625-1635 Rollins Rd	Burlingame	56,899	Q2 22	ARE Holdings LLC	-	Colliers
570-586 Eccles Ave *	South San Francisco	54,299	Q4 22	Pacific Produce	-	-
3150 3rd St	Mission Bay/China Basin	51,597	Q4 22	-	-	CBRE
401 E Grand Ave	South San Francisco	51,091	Q4 22	HPL Apollo	-	Cushman & Wakefield
6000 3rd St	Bayview/Hunters Point	44,898	Q2 22	Balfour Beatty	Kidder Mathews	Lift Partners;Touchston...
228-230 E Harris Ave	South San Francisco	43,000	Q3 22	Alaska Air Group, Inc.	JLL	Cushman & Wakefield
301 Toland St	Mission/Potrero	39,827	Q3 22	Shastha Foods	-	Calco Commercial, Inc.
825 Sansome St	Jackson Square	38,000	Q4 22	-	-	CBRE
430 Valley Dr	Brisbane/Daly City	38,000	Q2 22	3P	Kidder Mathews	The Trafton Group
1815 Rollins Rd *	Burlingame	34,400	Q2 22	Proterra	JLL	-
1900 Oakdale Ave	Bayview/Hunters Point	33,000	Q3 22	-	-	HC&M Commercial Pro...
955-1055 Cesar Chavez St *	Mission Bay/China Basin	29,075	Q3 22	GSA	-	The Sherman Little Co...
222 Harris Ct	South San Francisco	28,598	Q4 22	-	-	CBRE
290-300 Toland St	Mission/Potrero	27,631	Q1 23	Store Transportation	-	Newmark
240 Ryan Way	South San Francisco	26,507	Q3 22	Sunbelt Rentals	-	Cushman & Wakefield;...
1300-1398 Marin St	Mission Bay/China Basin	26,390	Q3 22	-	-	Colliers
239 Utah Ave	South San Francisco	25,262	Q2 23	-	-	Colliers
340 Shaw Rd *	South San Francisco	25,000	Q1 23	Unilode Aviation Solutions	-	Cushman & Wakefield
275 S Maple Ave	South San Francisco	25,000	Q2 22	-	-	CBRE
1576 Rollins Rd	Burlingame	25,000	Q3 22	Coy & Company, Inc.	-	Newmark
1201-1225 Minnesota St	Mission Bay/China Basin	22,820	Q4 22	-	-	HC&M Commercial Pro...
185 Valley Dr	Brisbane/Daly City	22,708	Q2 22	-	-	Newmark
3240 3rd St	Mission Bay/China Basin	21,803	Q4 22	-	-	CBRE
900-950 23rd St	Mission Bay/China Basin	21,364	Q4 22	Ample	-	JLL
1320 San Mateo Ave	South San Francisco	20,060	Q3 22	The Hertz Corporation	-	Kidder Mathews
237-239 Harbor Way	South San Francisco	16,500	Q1 23	-	-	Sperry Commercial Glo...
19 Pier 19-23	Waterfront/North Beach	16,100	Q1 23	-	-	City & County Of San F...
371 Foster City Blvd *	Foster City/Redwood Shrs	15,254	Q2 22	Bay Area Graphics	CBRE	CBRE
245-253 Utah Ave	South San Francisco	14,681	Q1 23	-	-	Calco Commercial, Inc.
1407-1409 Indiana St	Mission Bay/China Basin	14,000	Q2 22	-	Kidder Mathews	Calco Commercial, Inc.
The Embarcadero	Waterfront/North Beach	13,300	Q1 23	-	-	City & County Of San F...
2270 Jerrold Ave	Mission/Potrero	13,200	Q4 22	-	-	CBRE;Goodman North...

*Renewal

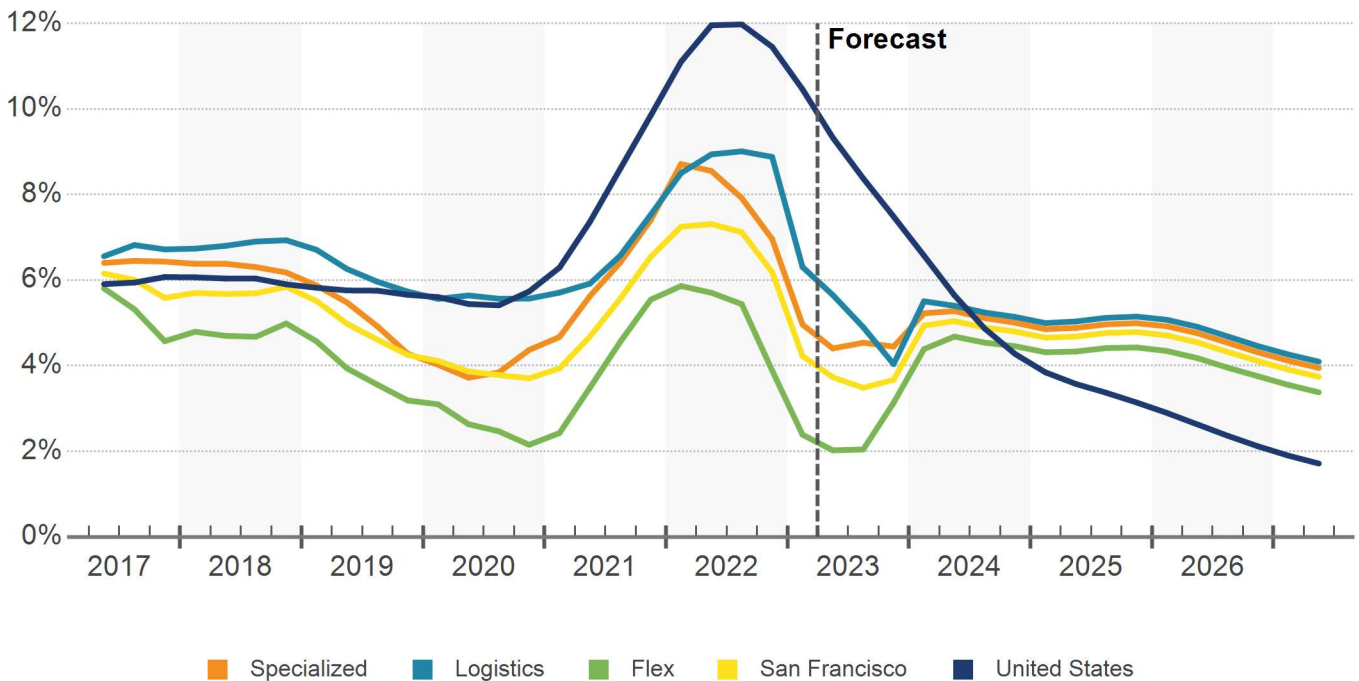
High costs of doing business, such as land costs and worker compensation, make San Francisco one of the most expensive commercial real estate markets in the nation. The market-wide industrial/flex average asking rate is the highest in any U.S. market, at \$27.00/SF. Flex rent averages \$36.00/SF, and logistics space goes for \$22.00/SF, approximately twice the national average rate.

Asking rents increased by 3.9% on a trailing-year basis. This is below the national average of 10.2%. Flex properties saw the sharpest slowdown in rent growth

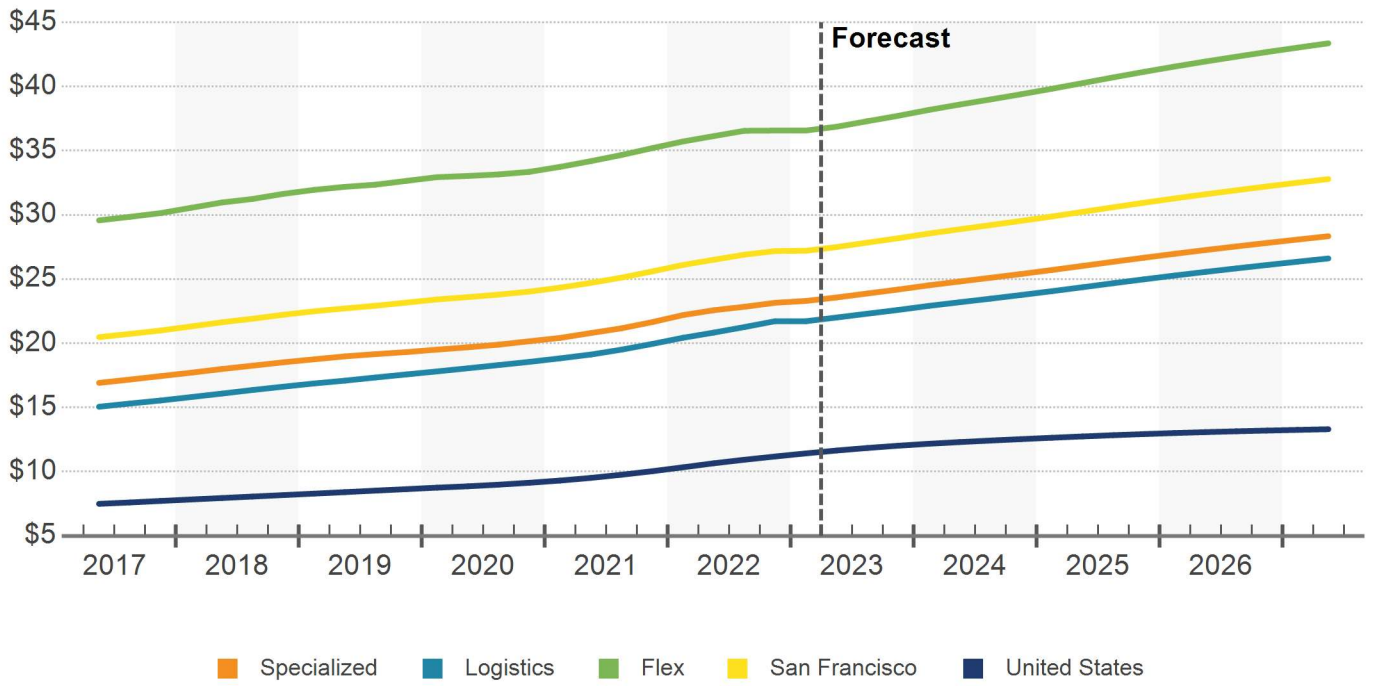
over the past two years and are trailing the metro average rent growth currently. Asking rents in the sector have gained 1.9% over the past year, with growth constrained by the elevated availability levels in this sector.

Delivery of new R&D buildings should improve average rents for flex space, as higher-quality space is added to the market. However, the high volume of such space delivering in 2023 may put competitive downward pressure on rents if demand weakens.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



San Francisco's industrial market is seeing a historically high level of industrial development, with over 4 million SF of space currently under construction. These projects are all R&D flex space that is aimed at the life science and biotech industries that have seen high levels of growth and occupier demand. The construction pipeline is even larger when projects classified as office lab space are considered.

The geographic focus for new flex space is the South San Francisco Submarket. However, new construction is disbursed throughout the metro area, with sizable projects taking shape in the southern part of Downtown San Francisco and several Peninsula employment centers, including Millbrae, San Carlos, Belmont, and Redwood City.

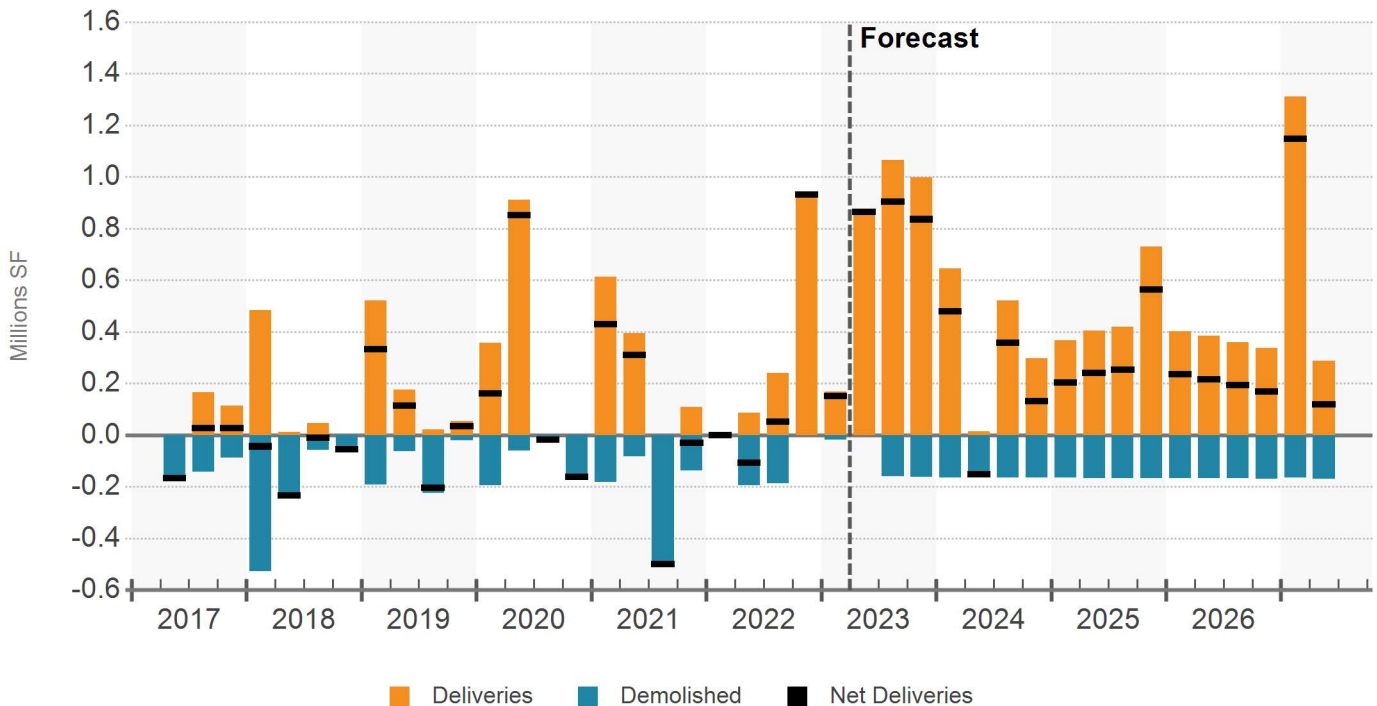
In South San Francisco, BioMed Realty's Gateway of Pacific campus has leased well, but as development continues, some space has been made available for sublease. The 512,000-SF Phase I building was released by AbbVie in November 2018. In the 440,000-SF Phase II, Amgen released 240,000 SF, and SmartLabs, a provider of laboratory co-working space,

leased 150,000 SF but then put the space up for sublease. Phase III comprises 350,000 SF, of which 64,000 SF was leased to Nobell Foods. Both Phase II and Phase III were completed in 2022. On completion of Phases IV and V, the campus will encompass 2.2 million SF.

Kilroy Realty's Oyster Point development also continues to deliver new life science and R&D space. Three Phase II buildings totaling 860,000 SF are under construction and set to deliver in 2023. Phases III and IV are planned to deliver another 1 million SF over the next five years.

In addition to these new construction projects, there are a handful of conversion projects, typically involving older office or industrial buildings being redeveloped as flex space. One example is the sale of the Shops at Tanforan in San Bruno. This 50-year-old mall was previously anchored by JCPenney and Sears and had struggled with high vacancy for many years. The property was sold in 22Q1 for \$82.7 million, or \$142/SF. The buyer was Alexandria Real Estate, which plans to develop a biotechnology campus on the site, adding life science flex space and a mix of other uses.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

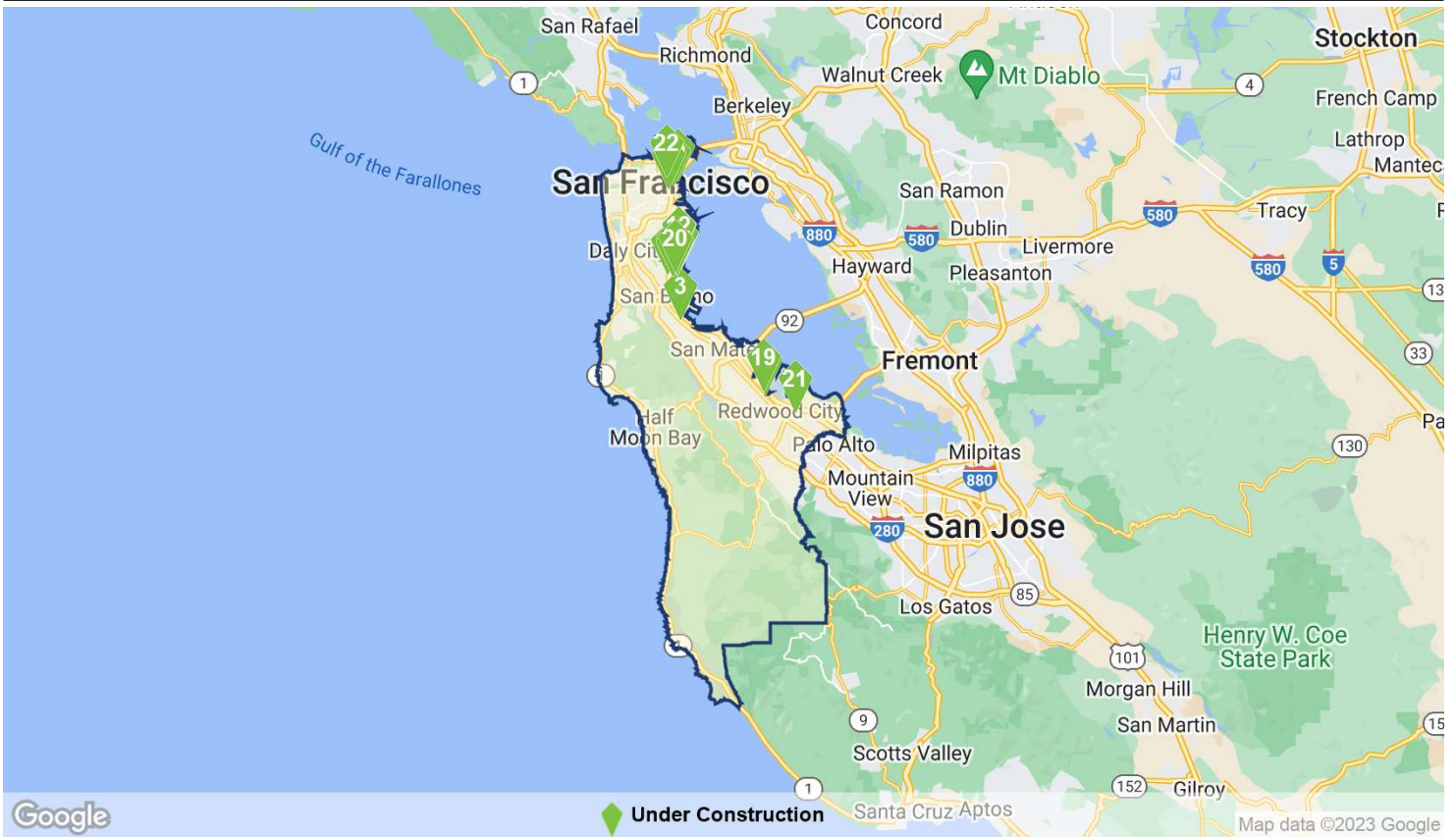
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South San Francisco	11	3,231	1,576	48.8%	3	42,631	293,750	2
2	Brisbane/Daly City	3	621	328	52.8%	2	39,899	207,039	4
3	Mission Bay/China Basin	2	527	0	0%	5	34,783	263,374	3
4	Belmont/San Carlos	2	321	0	0%	5	15,433	160,366	5
5	San Bruno/Millbrae	1	315	315	100%	1	14,225	315,000	1
6	South of Market	2	181	29	16.2%	4	12,702	90,534	6
7	Redwood City	1	31	0	0%	5	14,520	31,370	7
8	Bayview/Hunters Point	0	-	-	-	-	21,705	-	-
9	Burlingame	0	-	-	-	-	22,911	-	-
10	Foster City/Redwood Shrs	0	-	-	-	-	35,165	-	-
	All Other	0	-	-	-		21,005	-	
Totals		22	5,227	2,248	43.0%		22,864	237,604	

Under Construction Properties

San Francisco Industrial

Properties	Square Feet	Percent of Inventory	Released
22	5,227,284	7.8%	43.0%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Phase III Phase IV 379 Oyster Point Blvd	★★★★★	1,000,000	7	Mar 2022	Mar 2027	Kilroy Realty Corporation Kilroy Realty Corporation
2 580 Dubuque Ave	★★★★☆	339,993	9	Oct 2022	Sep 2024	- IQHQ
3 210 Adrian Rd	★★★★☆	315,000	5	Oct 2022	Oct 2025	- Longfellow Real Estate Partners
4 Bldg B 1051 3rd St	★★★★☆	313,952	8	Jul 2021	Jun 2023	Tishman Speyer Port of San Francisco
5 Phase II - Building F 384 Oyster Point Blvd	★★★★☆	288,384	7	Aug 2021	Aug 2023	Kilroy Realty Corporation Kilroy Realty Corporation
6 Phase II - Building D 384 Oyster Point Blvd	★★★★☆	288,384	7	Mar 2021	Dec 2023	Kilroy Realty Corporation Kilroy Realty Corporation
7 Phase II - Building E 384 Oyster Point Blvd	★★★★☆	288,379	7	Aug 2021	May 2023	Kilroy Realty Corporation Kilroy Realty Corporation

Under Construction Properties

San Francisco Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 751 Gateway Blvd	★★★★☆	229,000	7	May 2021	May 2023	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
9 3500 Marina Blvd	★★★★☆	225,117	5	Feb 2021	Jun 2023	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
10 1450 Owens St	★★★★☆	212,796	7	Jul 2022	Oct 2023	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
11 3300 Marina Blvd	★★★★☆	198,000	5	Feb 2021	Jun 2023	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
12 3000 Marina Blvd	★★★★☆	198,000	6	Oct 2020	Mar 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
13 Vantage Bldg B 494 Forbes Blvd	★★★★☆	187,998	6	Mar 2022	Oct 2023	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
14 Brittan West 1091 Industrial Rd	★★★★☆	173,731	3	Jul 2021	Jun 2023	Premia Capital Prince Street Partners
15 Bldg-B 475 Eccles Ave	★★★★☆	162,000	5	May 2022	Oct 2023	BioMed Realty BioMed Realty
16 Vantage Bldg A 494 Forbes Blvd	★★★★☆	154,000	5	Mar 2022	Oct 2023	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
17 300 Kansas St	★★★★★	151,777	6	Oct 2021	May 2023	Spear Street Capital Spear Street Capital
18 Nexus on Grand 233 E Grand Ave	★★★★☆	148,413	5	Sep 2021	May 2023	- Healthpeak Properties, Inc.
19 777 Industrial Rd	★★★★☆	147,000	4	Apr 2022	Dec 2023	- Presidio Bay Ventures
20 Bldg-A 475 Eccles Ave	★★★★☆	144,700	4	Jun 2022	Sep 2023	BioMed Realty BioMed Realty
21 3150 Bay Rd	★★★☆☆	31,370	1	Jun 2022	Sep 2023	- -
22 952-960 Howard St	★★★☆☆	29,290	3	Sep 2022	Aug 2023	- oWOW

Investment demand for San Francisco's limited supply of industrial and flex properties has stayed robust over the past two years, with a small number of large transactions accounting for most of the sales volume.

Well-leased assets and biotech buildings are garnering investment interest, as well as new development opportunities. For example, BentalGreenOak purchased 120-150 Industrial Road in San Carlos in February 2022 for \$190 million, or \$827/SF. The 229,000-SF property was fully leased to Mylan Pharmaceuticals at the time of sale. Also in February 2022, King Street Properties purchased a two-property portfolio at 810 Mahler Road and 1499 Bayshore Highway on 2.19 acres of land for \$45.2 million. The property will be redeveloped as a 300,000-SF life science campus, including an accompanying parking structure and public outdoor space.

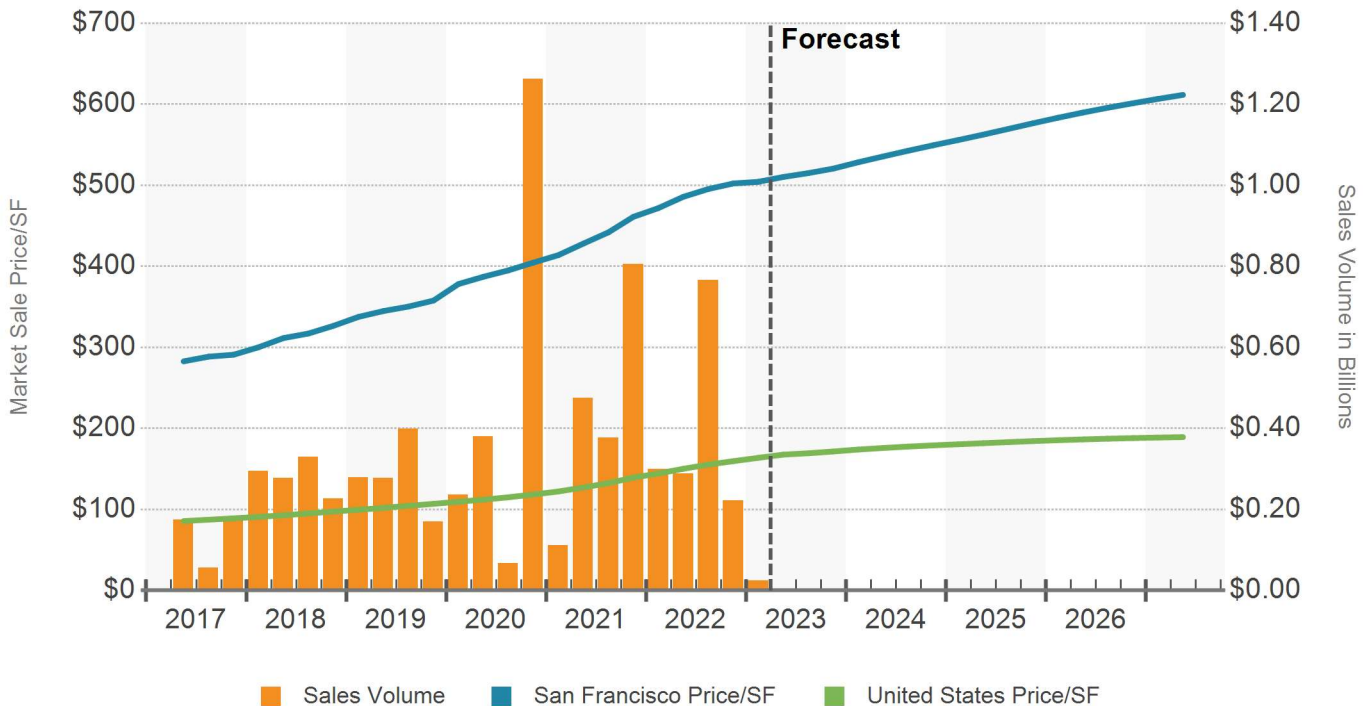
In July 2022, CBRE Investment Management purchased a 75% interest in Alexandria Real Estate Equity's life science development project at 1450 Owens St. in

Mission Bay. The sale price was \$210 million, or \$1,315/SF. Further, in October 2022, BioMed Realty purchased an 84,000-SF building at 513 Eccles Ave. in South San Francisco for \$80 million, or \$952/SF. The building is currently leased to Avis but is a likely candidate for future redevelopment for life sciences tenants.

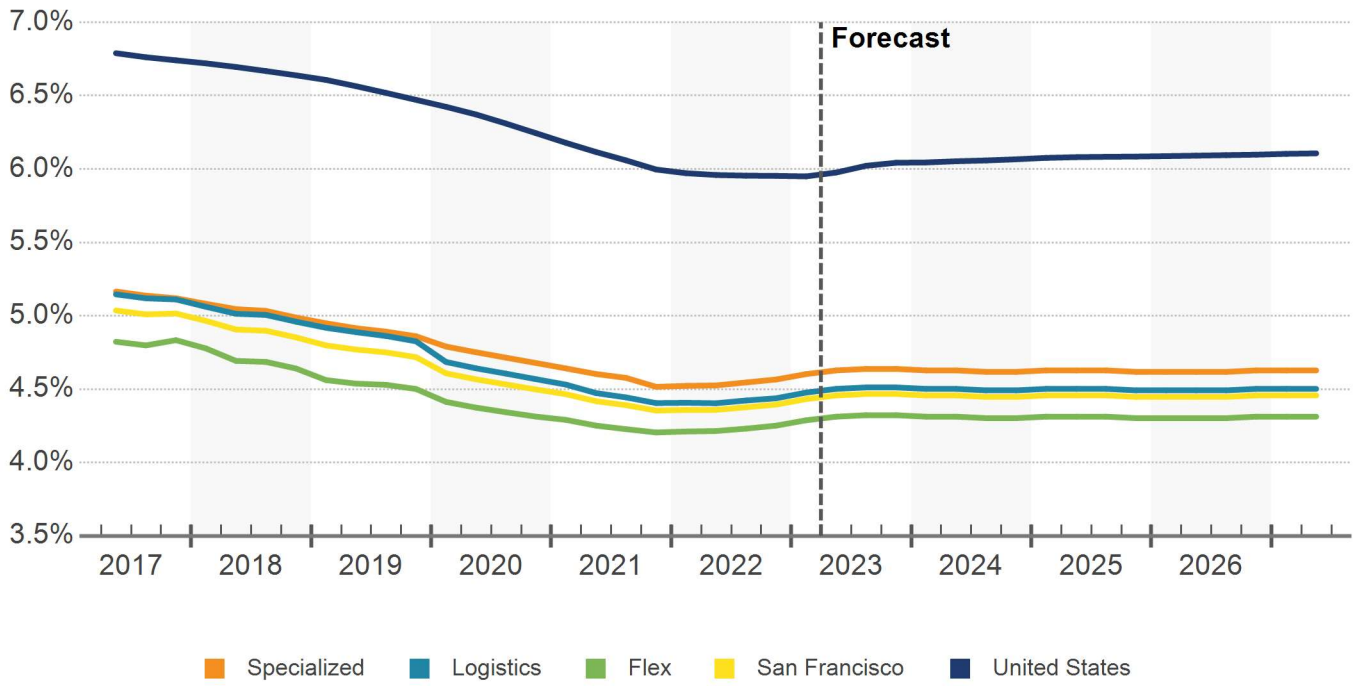
Absent the tenant risk prevalent in many other commercial real estate investment vehicles, 100% leased biotech life science-enabled buildings have remained in strong demand from investors. For logistics properties, the nation's rapid adoption of e-commerce has attracted institutional capital to the sector, with investment interest in distribution centers soaring.

Above-average rent growth has driven rapid price growth in the market. Average pricing has risen to \$510/SF, outpacing gains in most other metros. Logistics properties trade at a market average of \$440/SF, while flex properties trade at \$630/SF, on average.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Francisco Industrial

Sale Comparables

129

Avg. Cap Rate

4.2%

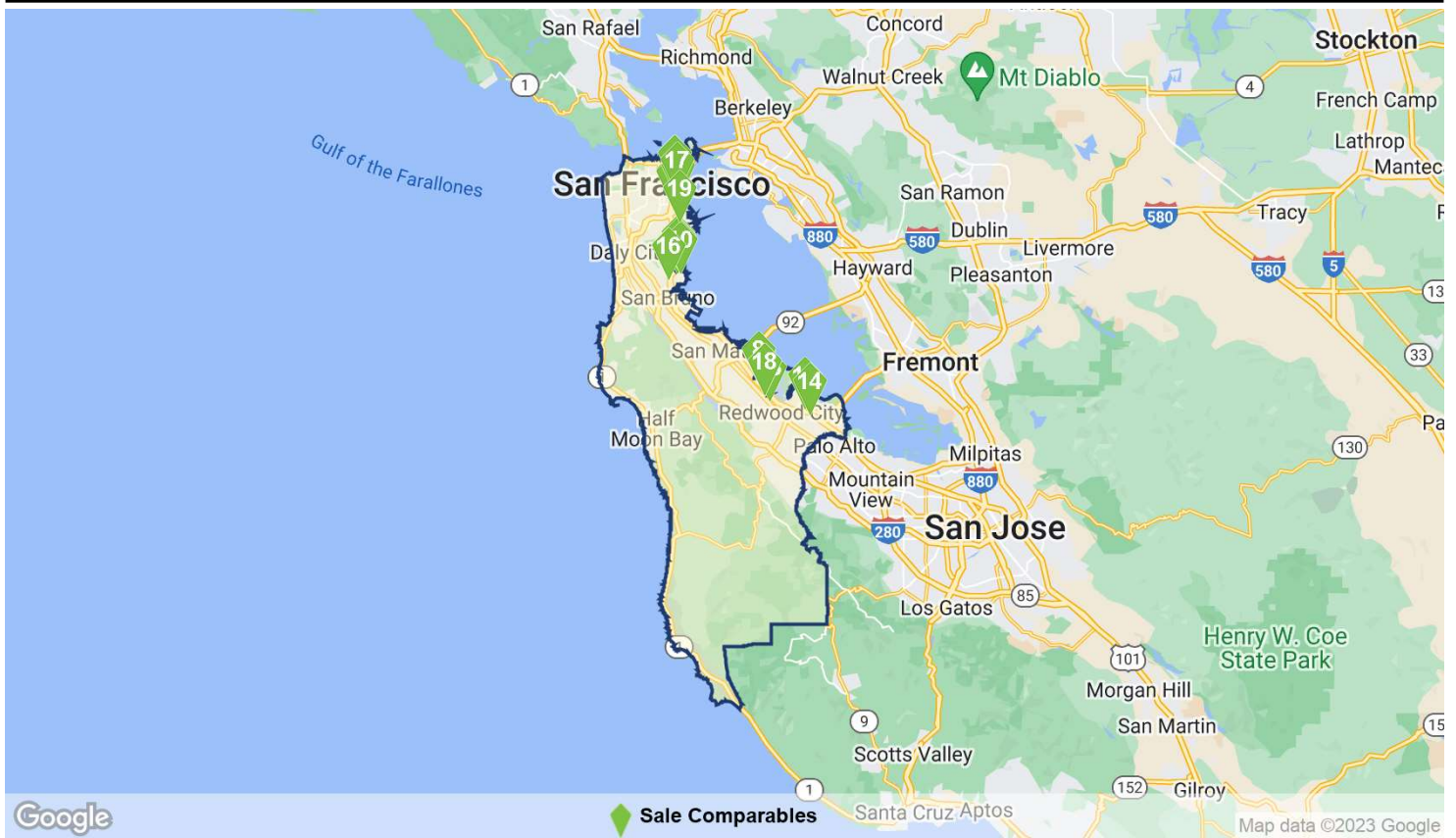
Avg. Price/SF

\$681

Avg. Vacancy At Sale

7.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$320,000	\$13,937,645	\$3,800,000	\$209,911,050
Price/SF	\$4.54	\$681	\$451	\$1,323
Cap Rate	3.0%	4.2%	4.7%	4.8%
Time Since Sale in Months	0.3	8.1	8.8	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,453	23,008	8,600	212,796
Ceiling Height	10'	18'7"	18'	40'
Docks	0	1	0	17
Vacancy Rate At Sale	0%	7.5%	0%	100%
Year Built	1900	1962	1964	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.0	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

San Francisco Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 1450 Owens St	★★★★★	2023	212,796	100%	7/1/2022	\$209,911,050	\$1,315	-
2 7000 Shoreline Ct	★★★★★	2003	136,395	0%	9/16/2022	\$170,000,000	\$1,246	-
3 180-200 Napoleon St	★★★★★	1960	199,924	0%	11/29/2022	\$83,155,500	\$416	-
4 513 Eccles Ave	★★★★★	1966	84,000	0%	10/26/2022	\$80,000,000	\$952	-
5 343 Oyster Point Blvd	★★★★★	2009	54,000	0%	9/16/2022	\$71,421,450	\$1,323	-
6 341 Oyster Point Blvd	★★★★★	2013	54,000	0%	9/16/2022	\$63,104,793	\$1,169	-
7 125 Shoreway Rd	★★★★★	1978	45,291	0%	9/16/2022	\$43,354,675	\$957	-
8 75 Shoreway Rd	★★★★★	1978	36,291	0%	9/16/2022	\$35,754,082	\$985	-
9 290-300 Toland St	★★★★★	1964	29,224	0%	4/29/2022	\$33,962,500	\$1,162	-
10 573 Forbes Blvd	★★★★★	1986	33,590	0%	5/18/2022	\$30,000,000	\$893	-
1 1450 Owens St	★★★★★	2023	212,796	100%	7/1/2022	\$25,000,000	\$587	-
11 1150 25th St	★★★★★	1967	46,701	0%	6/8/2022	\$24,999,500	\$535	-
12 3575 Haven Ave	★★★★★	1981	39,560	0%	9/14/2022	\$24,787,500	\$627	-
13 1691 Bayport Ave	★★★★★	1965	23,220	0%	7/28/2022	\$19,445,500	\$837	-
14 4055 Bohannon Dr	★★★★★	1975	30,600	0%	7/8/2022	\$16,000,000	\$523	-
15 940 Commercial St	★★★★★	1978	14,400	0%	4/15/2022	\$15,089,369	\$1,048	-
16 170 Associated Rd	★★★★★	1965	21,000	0%	6/15/2022	\$15,000,000	\$714	-
17 700 Indiana St	★★★★★	1982	15,000	0%	5/12/2022	\$15,000,000	\$1,000	-
18 930 Commercial St	★★★★★	1978	18,986	0%	4/15/2022	\$14,910,631	\$785	-
19 1430 Yosemite Ave	★★★★★	1960	40,000	68.8%	8/5/2022	\$13,402,436	\$335	-

San Francisco is one of three major markets—the others being the East Bay and San Jose—that together, comprise most of the San Francisco Bay Area. The Bay Area is one of the largest metropolitan areas in the U.S., with a total population of 9.5 million, and is a major gateway city and generator of economic growth.

The San Francisco market comprises San Francisco and San Mateo counties and is home to 1.6 million people. The major center for business activity is the Financial District in Downtown San Francisco. Major industries include information and communications technology, professional and business services, and tourism.

The COVID-19 pandemic triggered an economic downturn that disrupted San Francisco's core economic base and impacted the performance of key commercial real estate sectors. Most notably, the slow pace of a return to in-office working in Downtown San Francisco is impairing the viability and value of downtown office properties and having negative impacts on local businesses.

At the onset of the pandemic, faced with lockdowns, most employers had no choice but to close their offices and ask their staff to work remotely. The tech workforce, which by 2019 had become the largest segment of workers in the San Francisco CBD, was highly mobile and adapted with ease to remote working. Many employees took the opportunity to relocate away from San Francisco to more affordable and less densely populated locations.

The high cost of living was already causing a decline in

San Francisco's population prior to 2020, but the pandemic accelerated this trend, with the population falling by -4.9% at the height of the pandemic. Recently, some of these losses have been recovered. Nevertheless, the metro still has -71,000 fewer people than it did five years ago.

Total employment has recovered and is now slightly ahead of where it was pre-pandemic. However, employment growth has been constrained by outward migration and a fall in the labor market participation rate. The unemployment rate has fallen to a 10-year low of 2.1%, making recruiting difficult. Layoffs in the technology sector should provide some easing of the tight employment market.

Data from office key card usage and transit activity on BART show that San Francisco has one of the lowest return-to-office levels of any major market in the nation. Reflecting this fall in activity, office vacancy levels have escalated, particularly in the Financial District and South Financial District, which are the core submarkets that contain the bulk of San Francisco's 4 & 5 Star office space.

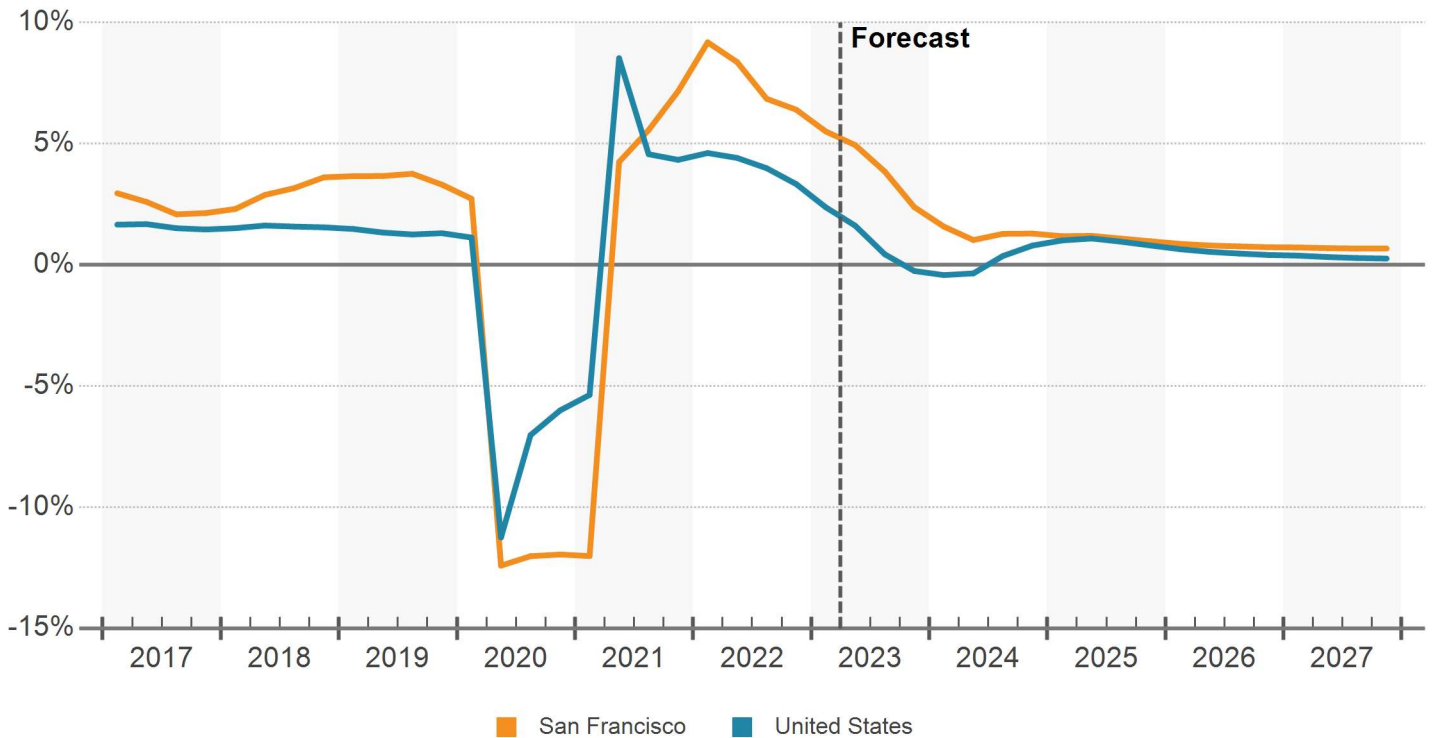
Despite recent layoffs, the Bay Area continues to attract talent and investment in the technology sector, receiving over 30% of the nation's venture capital spending in 2022. Innovation in life sciences and biotechnology is driving growth across the metro, particularly in areas such as South San Francisco, and prompting developers to move forward with a range of lab space, R&D space, and residential construction projects.

SAN FRANCISCO 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	41	0.4	4.80%	2.46%	1.23%	0.77%	0.67%	-0.03%
Trade, Transportation and Utilities	148	0.7	4.98%	0.86%	1.05%	1.16%	0.08%	0.07%
Retail Trade	73	0.6	1.63%	-0.03%	-0.63%	0.54%	-0.10%	0.08%
Financial Activities	88	1.2	1.93%	1.36%	2.08%	1.39%	-0.09%	0.08%
Government	133	0.7	0.59%	1.17%	1.21%	0.25%	0.89%	0.55%
Natural Resources, Mining and Construction	48	0.7	6.26%	2.62%	4.74%	2.40%	0.73%	0.21%
Education and Health Services	149	0.8	1.18%	3.35%	2.31%	1.72%	0.52%	0.53%
Professional and Business Services	321	1.8	6.89%	2.37%	3.92%	2.07%	0.97%	0.33%
Information	122	5.0	5.19%	4.56%	9.69%	1.31%	1.88%	0.22%
Leisure and Hospitality	127	1.0	16.24%	4.71%	0.08%	1.35%	2.87%	1.03%
Other Services	41	0.9	6.97%	2.54%	0.81%	0.59%	0.43%	0.30%
Total Employment	1,217	1.0	5.46%	2.31%	2.64%	1.28%	0.99%	0.37%

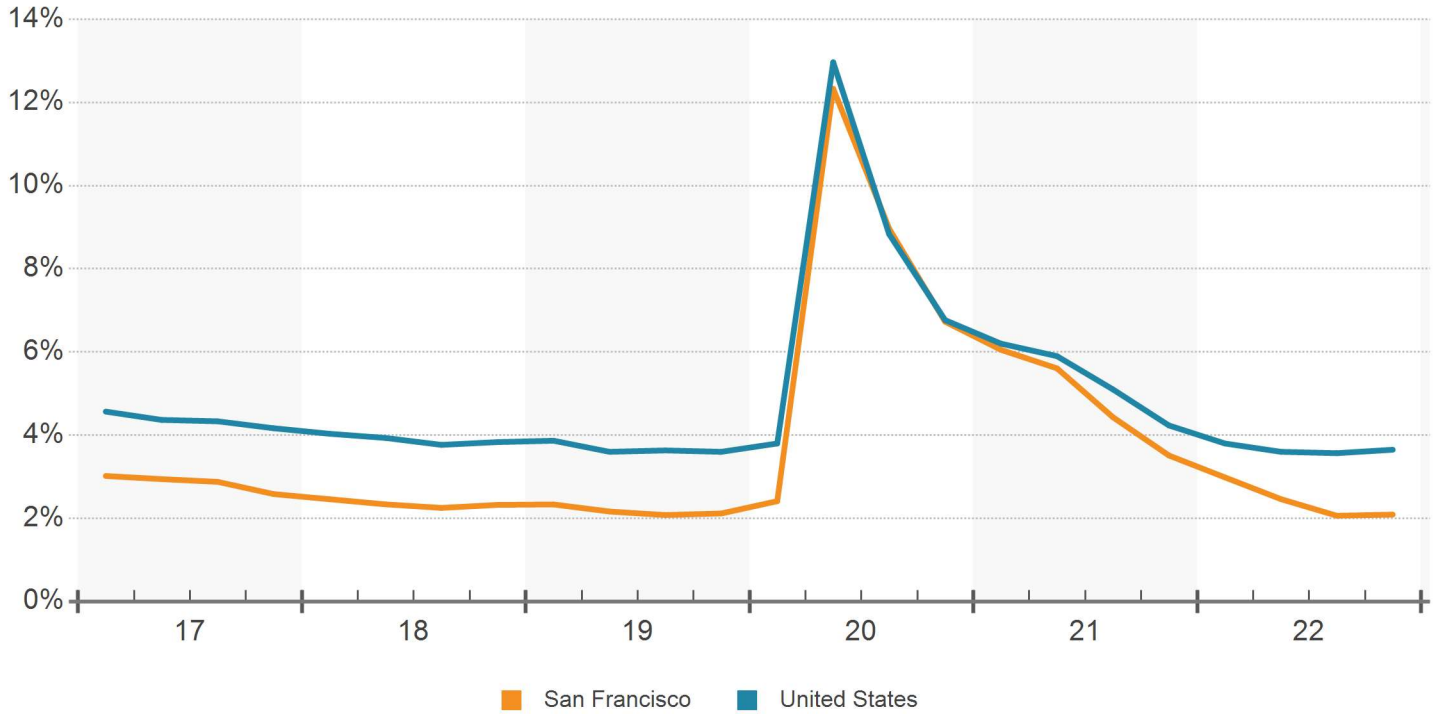
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

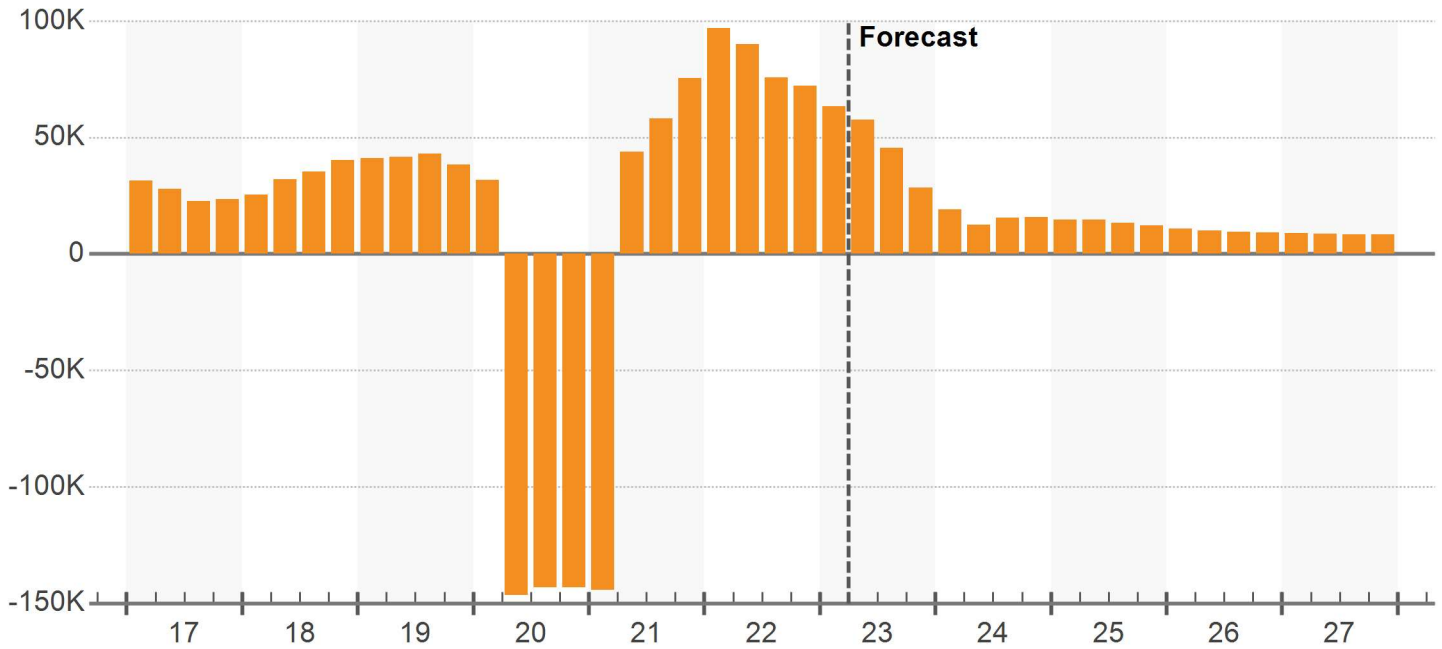


Source: Oxford Economics

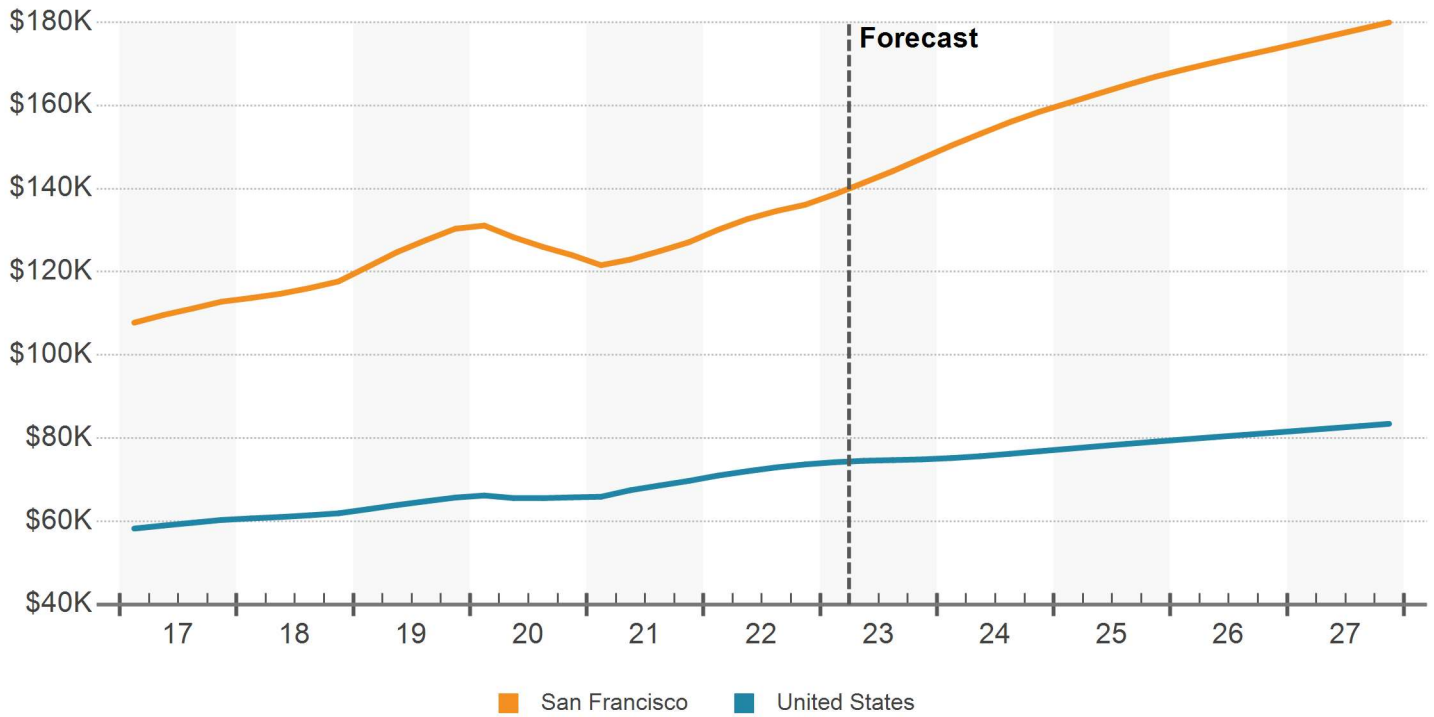
UNEMPLOYMENT RATE (%)



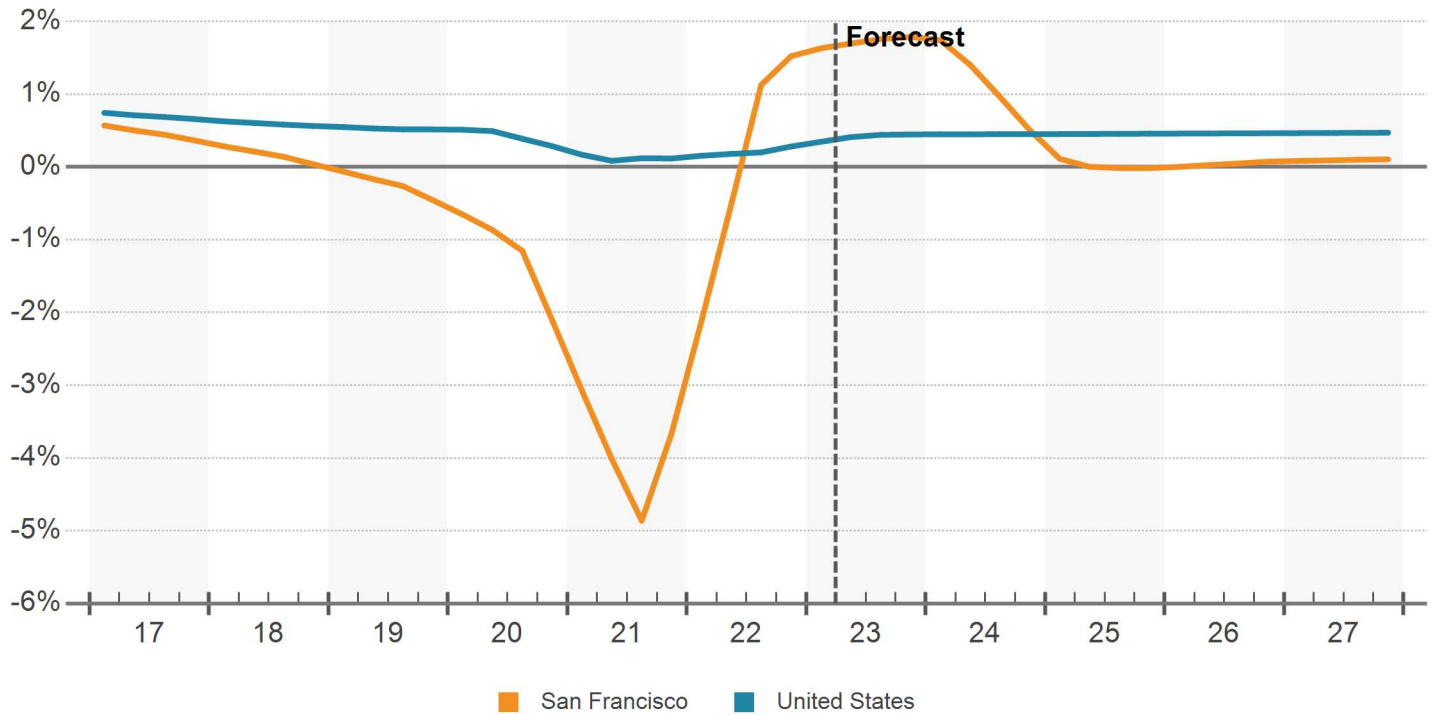
NET EMPLOYMENT CHANGE (YOY)



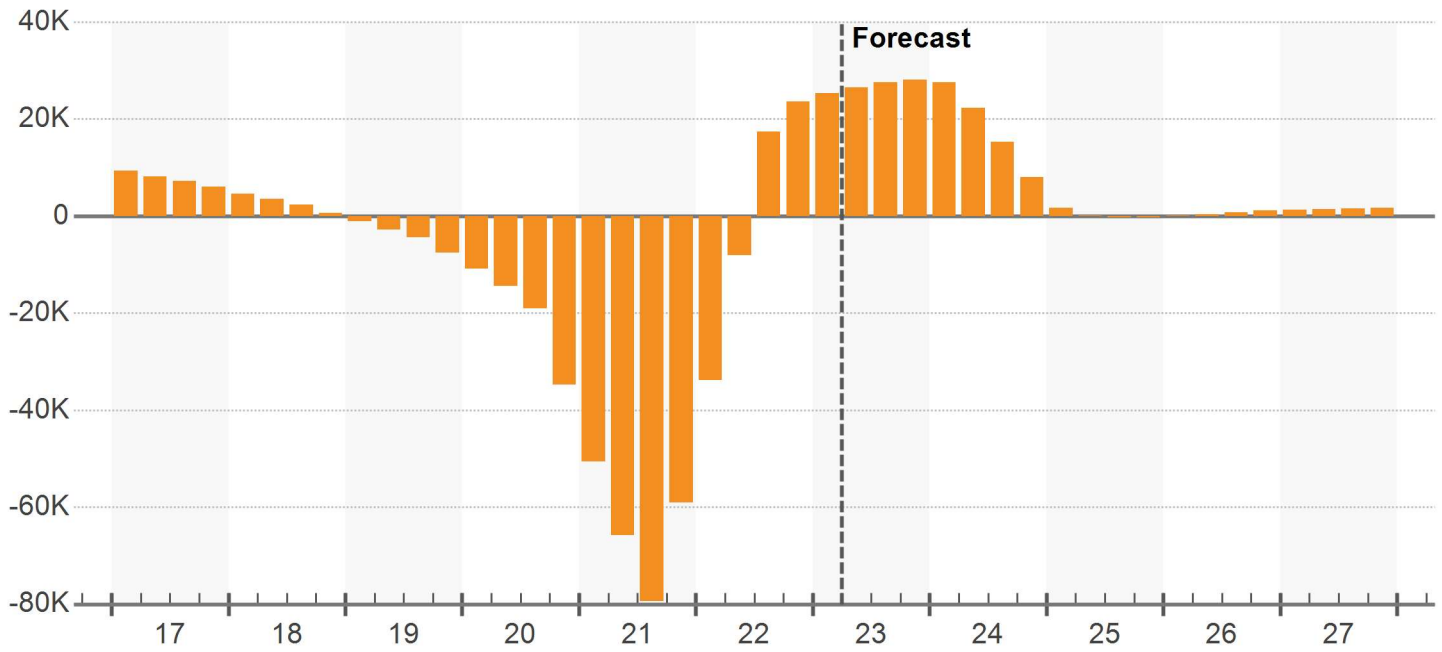
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

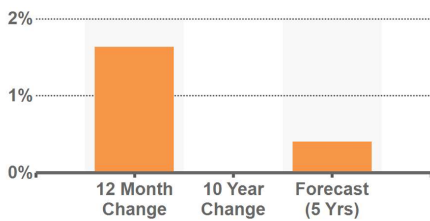


DEMOGRAPHIC TRENDS

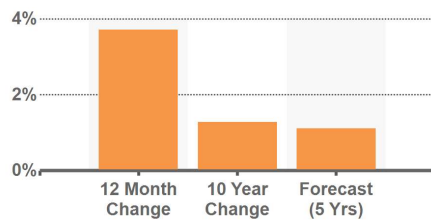
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,584,690	333,325,500	1.6%	0.3%	0%	0.5%	0.4%	0.5%
Households	627,248	129,349,414	2.2%	0.9%	0.1%	0.8%	0.5%	0.6%
Median Household Income	\$138,849	\$74,245	6.6%	4.4%	5.3%	3.7%	5.5%	2.5%
Labor Force	1,051,100	165,160,672	3.7%	0.7%	1.3%	0.6%	1.1%	0.4%
Unemployment	2.1%	3.7%	-0.9%	-0.1%	-0.4%	-0.4%	-	-

Source: Oxford Economics

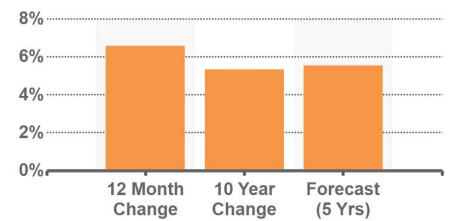
POPULATION GROWTH



LABOR FORCE GROWTH



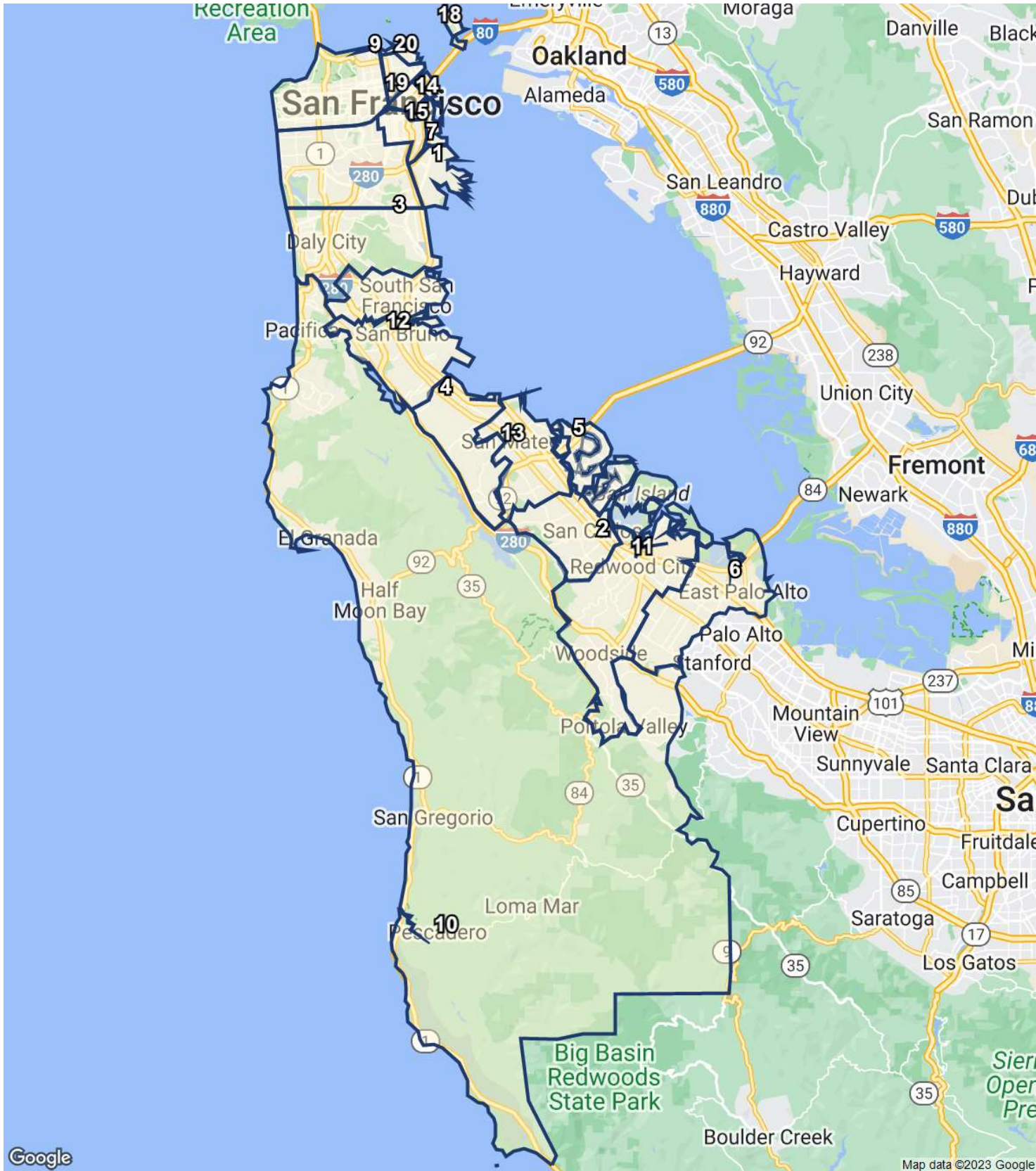
INCOME GROWTH



Source: Oxford Economics

Submarkets

SAN FRANCISCO 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	Bayview/Hunters Point	345	7,488	8.2%	3	0	0	0%	-	0	-	-	-
2	Belmont/San Carlos	479	7,393	8.1%	4	0	0	0%	-	2	321	4.3%	4
3	Brisbane/Daly City	174	6,942	7.6%	6	0	0	0%	-	3	621	8.9%	2
4	Burlingame	223	5,109	5.6%	9	0	0	0%	-	0	-	-	-
5	Foster City/Redwood Shrs	53	1,864	2.0%	11	0	0	0%	-	0	-	-	-
6	Menlo Park	153	4,589	5.0%	10	0	0	0%	-	0	-	-	-
7	Mission Bay/China Basin	148	5,148	5.7%	8	0	0	0%	-	2	527	10.2%	3
8	Mission/Potrero	467	10,179	11.2%	2	0	0	0%	-	0	-	-	-
9	Northwest San Francisco	38	551	0.6%	16	0	0	0%	-	0	-	-	-
10	Peninsula Coastline	28	450	0.5%	18	0	0	0%	-	0	-	-	-
11	Redwood City	406	5,895	6.5%	7	0	0	0%	-	1	31	0.5%	7
12	San Bruno/Millbrae	63	896	1.0%	15	0	0	0%	-	1	315	35.1%	5
13	San Mateo	171	1,570	1.7%	12	1	63	4.0%	2	0	-	-	-
14	South Financial District/S...	47	1,332	1.5%	13	0	0	0%	-	0	-	-	-
15	South of Market	577	7,329	8.0%	5	0	0	0%	-	2	181	2.5%	6
16	South San Francisco	517	22,040	24.2%	1	5	918	4.2%	1	11	3,231	14.7%	1
17	Southwest San Francisco	42	355	0.4%	19	0	0	0%	-	0	-	-	-
18	Treasure/Yerba Buena Isl...	5	319	0.3%	20	0	0	0%	-	0	-	-	-
19	Van Ness/Downtown	35	520	0.6%	17	0	0	0%	-	0	-	-	-
20	Waterfront/North Beach	13	1,119	1.2%	14	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Bayview/Hunters Point	\$21.33	17	5.4%	4	0.6%	13
2	Belmont/San Carlos	\$25.41	12	4.1%	14	0.3%	15
3	Brisbane/Daly City	\$23.74	15	5.1%	6	0.4%	14
4	Burlingame	\$22.45	16	5.5%	2	0.7%	10
5	Foster City/Redwood Shrs	\$35.62	2	2.8%	19	2.4%	3
6	Menlo Park	\$25.18	13	3.5%	15	1.3%	7
7	Mission Bay/China Basin	\$29.56	4	4.5%	11	1.0%	8
8	Mission/Potrero	\$25.57	11	4.6%	9	-7.2%	19
9	Northwest San Francisco	\$26.46	10	4.5%	10	1.6%	5
10	Peninsula Coastline	\$16.55	19	4.5%	12	-1.2%	18
11	Redwood City	\$28.36	5	5.3%	5	1.8%	4
12	San Bruno/Millbrae	\$27.62	9	5.5%	3	-0.8%	17
13	San Mateo	\$27.81	8	4.2%	13	1.5%	6
14	South Financial District/S...	\$43.82	1	2.9%	18	20.4%	1
15	South of Market	\$35.60	3	3.1%	17	3.2%	2
16	South San Francisco	\$27.86	7	2.5%	20	-44.4%	20
17	Southwest San Francisco	\$25.05	14	4.8%	7	0.6%	12
18	Treasure/Yerba Buena Isl...	\$10.53	20	5.8%	1	-0.4%	16
19	Van Ness/Downtown	\$20.66	18	3.4%	16	0.7%	11
20	Waterfront/North Beach	\$28.31	6	4.8%	8	0.8%	9

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Bayview/Hunters Point	533,561	7.1%	9	(37,448)	-0.5%	10	-
2	Belmont/San Carlos	284,198	3.8%	2	(116,347)	-1.6%	14	-
3	Brisbane/Daly City	367,012	5.3%	6	481,138	6.9%	1	-
4	Burlingame	240,877	4.7%	4	(60,016)	-1.2%	12	-
5	Foster City/Redwood Shrs	190,530	10.2%	12	(154,252)	-8.3%	16	-
6	Menlo Park	224,294	4.9%	5	(177,502)	-3.9%	18	-
7	Mission Bay/China Basin	286,468	5.6%	7	(116,820)	-2.3%	15	-
8	Mission/Potrero	985,342	9.7%	11	(159,958)	-1.6%	17	-
9	Northwest San Francisco	60,000	10.9%	14	0	0%	-	-
10	Peninsula Coastline	282,032	62.6%	18	(201,931)	-44.9%	20	-
11	Redwood City	248,508	4.2%	3	47,513	0.8%	3	-
12	San Bruno/Millbrae	245,090	27.3%	17	(21,639)	-2.4%	9	-
13	San Mateo	133,056	8.5%	10	(2,598)	-0.2%	7	-
14	South Financial District/S...	137,494	10.3%	13	(51,409)	-3.9%	11	-
15	South of Market	1,051,914	14.4%	15	(185,620)	-2.5%	19	-
16	South San Francisco	1,446,987	6.6%	8	349,786	1.6%	2	2.2
17	Southwest San Francisco	-	-	-	199	0.1%	4	-
18	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
19	Van Ness/Downtown	124,723	24.0%	16	(68,765)	-13.2%	13	-
20	Waterfront/North Beach	10,078	0.9%	1	(5,389)	-0.5%	8	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	104,903,862	1,435,027	1.4%	348,984	0.3%	4.1
2026	103,468,835	814,028	0.8%	745,179	0.7%	1.1
2025	102,654,807	1,260,683	1.2%	1,187,657	1.2%	1.1
2024	101,394,124	818,036	0.8%	1,861,673	1.8%	0.4
2023	100,576,088	2,755,888	2.8%	696,849	0.7%	4.0
YTD	97,971,458	151,258	0.2%	(906,762)	-0.9%	-
2022	97,820,200	878,619	0.9%	614,907	0.6%	1.4
2021	96,941,581	210,760	0.2%	162,772	0.2%	1.3
2020	96,730,821	834,084	0.9%	(1,024,851)	-1.1%	-
2019	95,896,737	277,883	0.3%	(404,664)	-0.4%	-
2018	95,618,854	(341,571)	-0.4%	(328,898)	-0.3%	-
2017	95,960,425	(860,023)	-0.9%	(266,816)	-0.3%	-
2016	96,820,448	(331,412)	-0.3%	(857,968)	-0.9%	-
2015	97,151,860	(1,040,060)	-1.1%	(293,699)	-0.3%	-
2014	98,191,920	(539,658)	-0.5%	1,134,561	1.2%	-
2013	98,731,578	(1,128,760)	-1.1%	895,296	0.9%	-
2012	99,860,338	(723,856)	-0.7%	(928,032)	-0.9%	-
2011	100,584,194	(892,962)	-0.9%	(201,447)	-0.2%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	17,561,092	(70,068)	-0.4%	(139,428)	-0.8%	-
2026	17,631,160	(58,154)	-0.3%	(91,323)	-0.5%	-
2025	17,689,314	(53,404)	-0.3%	(21,760)	-0.1%	-
2024	17,742,718	(85,970)	-0.5%	(10,256)	-0.1%	-
2023	17,828,688	(48,859)	-0.3%	(288,075)	-1.6%	-
YTD	17,877,547	0	0%	(214,071)	-1.2%	-
2022	17,877,547	(43,731)	-0.2%	(53,404)	-0.3%	-
2021	17,921,278	95,481	0.5%	83,155	0.5%	1.1
2020	17,825,797	(60,123)	-0.3%	(257,328)	-1.4%	-
2019	17,885,920	(131,789)	-0.7%	(222,127)	-1.2%	-
2018	18,017,709	(155,998)	-0.9%	(274,081)	-1.5%	-
2017	18,173,707	(188,736)	-1.0%	(175,450)	-1.0%	-
2016	18,362,443	(249,856)	-1.3%	197,835	1.1%	-
2015	18,612,299	(295,443)	-1.6%	(366,364)	-2.0%	-
2014	18,907,742	(286,943)	-1.5%	(168,555)	-0.9%	-
2013	19,194,685	(164,005)	-0.8%	(147,878)	-0.8%	-
2012	19,358,690	(49,152)	-0.3%	(52,179)	-0.3%	-
2011	19,407,842	(44,062)	-0.2%	(96,312)	-0.5%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	47,763,612	(300,806)	-0.6%	(433,980)	-0.9%	-
2026	48,064,418	(297,833)	-0.6%	(361,508)	-0.8%	-
2025	48,362,251	(294,492)	-0.6%	(193,611)	-0.4%	-
2024	48,656,743	(294,484)	-0.6%	(115,301)	-0.2%	-
2023	48,951,227	(161,511)	-0.3%	(432,556)	-0.9%	-
YTD	49,095,496	(17,242)	0%	(368,037)	-0.7%	-
2022	49,112,738	(249,396)	-0.5%	247,500	0.5%	-
2021	49,362,134	(317,283)	-0.6%	(157,183)	-0.3%	-
2020	49,679,417	(308,118)	-0.6%	(962,862)	-1.9%	-
2019	49,987,535	(261,483)	-0.5%	(902,220)	-1.8%	-
2018	50,249,018	(163,844)	-0.3%	(137,511)	-0.3%	-
2017	50,412,862	(315,505)	-0.6%	(21,612)	0%	-
2016	50,728,367	(196,723)	-0.4%	(167,588)	-0.3%	-
2015	50,925,090	(605,623)	-1.2%	(329,494)	-0.6%	-
2014	51,530,713	(169,950)	-0.3%	615,587	1.2%	-
2013	51,700,663	(941,691)	-1.8%	524,379	1.0%	-
2012	52,642,354	(630,707)	-1.2%	(972,052)	-1.8%	-
2011	53,273,061	(682,079)	-1.3%	(339,446)	-0.6%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	39,579,158	1,805,901	4.8%	922,392	2.3%	2.0
2026	37,773,257	1,170,015	3.2%	1,198,010	3.2%	1.0
2025	36,603,242	1,608,579	4.6%	1,403,028	3.8%	1.1
2024	34,994,663	1,198,490	3.5%	1,987,230	5.7%	0.6
2023	33,796,173	2,966,258	9.6%	1,417,480	4.2%	2.1
YTD	30,998,415	168,500	0.5%	(324,654)	-1.0%	-
2022	30,829,915	1,171,746	4.0%	420,811	1.4%	2.8
2021	29,658,169	432,562	1.5%	236,800	0.8%	1.8
2020	29,225,607	1,202,325	4.3%	195,339	0.7%	6.2
2019	28,023,282	671,155	2.5%	719,683	2.6%	0.9
2018	27,352,127	(21,729)	-0.1%	82,694	0.3%	-
2017	27,373,856	(355,782)	-1.3%	(69,754)	-0.3%	-
2016	27,729,638	115,167	0.4%	(888,215)	-3.2%	-
2015	27,614,471	(138,994)	-0.5%	402,159	1.5%	-
2014	27,753,465	(82,765)	-0.3%	687,529	2.5%	-
2013	27,836,230	(23,064)	-0.1%	518,795	1.9%	-
2012	27,859,294	(43,997)	-0.2%	96,199	0.3%	-
2011	27,903,291	(166,821)	-0.6%	234,311	0.8%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$33.34	202	3.5%	22.6%	8,323,664	7.9%	0.9%
2026	\$32.22	195	4.1%	18.5%	7,232,809	7.0%	0%
2025	\$30.95	188	4.8%	13.8%	7,158,977	7.0%	0%
2024	\$29.53	179	4.8%	8.6%	7,080,713	7.0%	-1.1%
2023	\$28.18	171	3.7%	3.7%	8,124,135	8.1%	1.9%
YTD	\$27.15	165	3.9%	-0.1%	7,118,402	7.3%	1.1%
2022	\$27.18	165	6.2%	0%	6,060,382	6.2%	0.2%
2021	\$25.60	155	6.5%	-5.8%	5,796,670	6.0%	0%
2020	\$24.03	146	3.7%	-11.6%	5,748,682	5.9%	1.9%
2019	\$23.17	141	4.3%	-14.8%	3,877,074	4.0%	0.7%
2018	\$22.22	135	5.8%	-18.2%	3,219,700	3.4%	0%
2017	\$21	127	5.6%	-22.8%	3,225,898	3.4%	-0.6%
2016	\$19.89	121	6.5%	-26.8%	3,819,105	3.9%	0.6%
2015	\$18.68	113	6.6%	-31.3%	3,292,549	3.4%	-0.7%
2014	\$17.53	106	6.1%	-35.5%	4,035,902	4.1%	-1.7%
2013	\$16.52	100	4.3%	-39.2%	5,710,121	5.8%	-2.0%
2012	\$15.84	96	1.8%	-41.7%	7,734,177	7.7%	0.3%
2011	\$15.56	94	0.3%	-42.8%	7,530,002	7.5%	-0.6%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$28.84	212	3.7%	24.5%	994,575	5.7%	0.4%
2026	\$27.82	205	4.3%	20.1%	923,198	5.2%	0.2%
2025	\$26.67	196	5.0%	15.1%	888,007	5.0%	-0.2%
2024	\$25.40	187	5.0%	9.7%	917,642	5.2%	-0.4%
2023	\$24.19	178	4.4%	4.4%	992,093	5.6%	1.4%
YTD	\$23.28	171	4.7%	0.5%	965,781	5.4%	1.2%
2022	\$23.16	170	7.0%	0%	751,710	4.2%	0.1%
2021	\$21.65	159	7.4%	-6.5%	742,037	4.1%	0%
2020	\$20.16	148	4.4%	-12.9%	729,711	4.1%	1.1%
2019	\$19.32	142	4.3%	-16.6%	532,506	3.0%	0.5%
2018	\$18.52	136	6.2%	-20.0%	442,168	2.5%	0.7%
2017	\$17.44	128	6.4%	-24.7%	324,085	1.8%	-0.1%
2016	\$16.39	121	6.6%	-29.2%	337,371	1.8%	-2.4%
2015	\$15.38	113	6.6%	-33.6%	785,062	4.2%	0.5%
2014	\$14.43	106	6.2%	-37.7%	711,133	3.8%	-0.6%
2013	\$13.59	100	4.0%	-41.3%	829,521	4.3%	0%
2012	\$13.06	96	1.6%	-43.6%	845,648	4.4%	0%
2011	\$12.86	95	0.9%	-44.5%	842,621	4.3%	0.3%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$27.10	219	3.8%	24.8%	2,054,967	4.3%	0.3%
2026	\$26.10	211	4.5%	20.1%	1,918,798	4.0%	0.2%
2025	\$24.98	202	5.1%	15.0%	1,852,135	3.8%	-0.2%
2024	\$23.76	192	5.1%	9.4%	1,949,891	4.0%	-0.3%
2023	\$22.60	183	4.0%	4.0%	2,128,261	4.3%	0.6%
YTD	\$21.72	176	6.1%	0%	2,205,402	4.5%	0.7%
2022	\$21.72	176	8.9%	0%	1,854,607	3.8%	-1.0%
2021	\$19.95	161	7.5%	-8.2%	2,351,503	4.8%	-0.3%
2020	\$18.55	150	5.6%	-14.6%	2,511,603	5.1%	1.3%
2019	\$17.58	142	5.7%	-19.1%	1,859,359	3.7%	1.3%
2018	\$16.62	135	6.9%	-23.5%	1,218,622	2.4%	0%
2017	\$15.55	126	6.7%	-28.4%	1,244,955	2.5%	-0.6%
2016	\$14.57	118	6.7%	-32.9%	1,538,848	3.0%	0%
2015	\$13.66	111	6.9%	-37.1%	1,567,983	3.1%	-0.5%
2014	\$12.77	103	6.2%	-41.2%	1,844,112	3.6%	-1.5%
2013	\$12.03	97	4.4%	-44.6%	2,629,649	5.1%	-2.7%
2012	\$11.52	93	0.9%	-47.0%	4,095,719	7.8%	0.7%
2011	\$11.41	92	0.1%	-47.5%	3,754,375	7.0%	-0.5%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$44	187	3.1%	20.3%	5,274,122	13.3%	1.7%
2026	\$42.68	182	3.8%	16.7%	4,390,813	11.6%	-0.4%
2025	\$41.14	175	4.4%	12.5%	4,418,835	12.1%	0%
2024	\$39.40	168	4.5%	7.7%	4,213,180	12.0%	-2.8%
2023	\$37.72	160	3.1%	3.1%	5,003,781	14.8%	3.6%
YTD	\$36.42	155	1.9%	-0.4%	3,947,219	12.7%	1.5%
2022	\$36.57	156	3.9%	0%	3,454,065	11.2%	2.1%
2021	\$35.20	150	5.5%	-3.7%	2,703,130	9.1%	0.5%
2020	\$33.35	142	2.2%	-8.8%	2,507,368	8.6%	3.3%
2019	\$32.65	139	3.2%	-10.7%	1,485,209	5.3%	-0.4%
2018	\$31.64	135	5.0%	-13.5%	1,558,910	5.7%	-0.4%
2017	\$30.14	128	4.6%	-17.6%	1,656,858	6.1%	-1.0%
2016	\$28.82	123	6.3%	-21.2%	1,942,886	7.0%	3.6%
2015	\$27.11	115	6.3%	-25.9%	939,504	3.4%	-1.9%
2014	\$25.49	108	6.0%	-30.3%	1,480,657	5.3%	-2.8%
2013	\$24.04	102	4.3%	-34.3%	2,250,951	8.1%	-1.9%
2012	\$23.05	98	2.4%	-37.0%	2,792,810	10.0%	-0.5%
2011	\$22.51	96	0.2%	-38.4%	2,933,006	10.5%	-1.4%

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	-	-	-	-	-	-	\$621.25	366	4.5%
2026	-	-	-	-	-	-	\$601.36	354	4.5%
2025	-	-	-	-	-	-	\$576.64	340	4.4%
2024	-	-	-	-	-	-	\$549.45	324	4.4%
2023	-	-	-	-	-	-	\$520.66	307	4.5%
YTD	8	\$23.9M	0.1%	\$3,409,149	\$360.58	-	\$507.09	299	4.4%
2022	157	\$1.6B	2.4%	\$11,086,386	\$668.33	4.3%	\$502.33	296	4.4%
2021	153	\$1.8B	3.5%	\$11,854,541	\$542.04	4.3%	\$461.16	272	4.4%
2020	98	\$1.9B	2.6%	\$20,693,053	\$798.39	5.3%	\$404.68	238	4.5%
2019	268	\$1.1B	3.8%	\$7,980,394	\$473.76	4.0%	\$357.79	211	4.7%
2018	273	\$1.1B	4.8%	\$9,478,966	\$407.85	4.7%	\$326.71	193	4.9%
2017	267	\$535.9M	3.9%	\$4,871,467	\$333.97	5.4%	\$291	171	5.0%
2016	284	\$753.9M	4.6%	\$4,927,168	\$295.23	3.6%	\$271.02	160	5.1%
2015	331	\$1.4B	7.4%	\$6,743,870	\$294.89	4.6%	\$242.47	143	5.3%
2014	327	\$817.6M	7.1%	\$4,419,211	\$177.73	6.3%	\$210.49	124	5.7%
2013	280	\$486.6M	4.2%	\$3,180,271	\$175.77	6.7%	\$188.42	111	5.9%
2012	396	\$424.5M	5.5%	\$2,496,802	\$154.79	5.9%	\$174.19	103	6.2%

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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	-	-	-	-	-	-	\$545.02	358	4.6%
2026	-	-	-	-	-	-	\$527.15	346	4.6%
2025	-	-	-	-	-	-	\$505.07	332	4.6%
2024	-	-	-	-	-	-	\$480.91	316	4.6%
2023	-	-	-	-	-	-	\$455.41	299	4.6%
YTD	2	\$8.3M	0.1%	\$4,139,500	\$449.73	-	\$443.46	291	4.6%
2022	28	\$124.5M	1.7%	\$4,447,581	\$402.83	3.9%	\$438.56	288	4.6%
2021	33	\$249.2M	2.0%	\$7,551,871	\$684.57	3.2%	\$401.76	264	4.5%
2020	24	\$117.5M	1.5%	\$4,896,340	\$429.14	5.5%	\$349.57	230	4.7%
2019	68	\$82.1M	3.1%	\$3,039,147	\$416.55	3.8%	\$313.17	206	4.9%
2018	95	\$193.6M	4.8%	\$5,376,776	\$344.28	3.4%	\$286.48	188	5.0%
2017	83	\$133.4M	4.3%	\$4,043,711	\$418.44	7.0%	\$258.93	170	5.1%
2016	86	\$123.4M	5.0%	\$3,525,917	\$260.42	2.4%	\$237.99	156	5.2%
2015	87	\$170.2M	5.1%	\$3,337,586	\$256.73	4.4%	\$214.93	141	5.4%
2014	87	\$86.7M	4.3%	\$2,407,333	\$247.14	6.0%	\$187.97	124	5.8%
2013	87	\$74.8M	4.4%	\$2,076,776	\$136.67	5.1%	\$167.86	110	6.1%
2012	122	\$61.5M	5.2%	\$1,538,484	\$136.64	6.2%	\$155.50	102	6.3%

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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	-	-	-	-	-	-	\$546.46	376	4.5%
2026	-	-	-	-	-	-	\$527.66	363	4.5%
2025	-	-	-	-	-	-	\$504.78	347	4.5%
2024	-	-	-	-	-	-	\$479.81	330	4.5%
2023	-	-	-	-	-	-	\$453.61	312	4.5%
YTD	5	\$10.7M	0.1%	\$2,671,260	\$335.81	-	\$440.98	304	4.5%
2022	93	\$423.7M	1.9%	\$5,432,017	\$469.72	4.8%	\$436.94	301	4.4%
2021	87	\$825.3M	4.0%	\$9,596,310	\$416.89	4.6%	\$399.01	275	4.4%
2020	47	\$466.7M	2.0%	\$10,145,984	\$501.86	4.7%	\$346.60	239	4.6%
2019	140	\$453.4M	3.4%	\$5,667,564	\$375.33	3.8%	\$300.83	207	4.8%
2018	121	\$228.7M	4.1%	\$4,865,559	\$374.92	4.8%	\$274.65	189	5.0%
2017	134	\$189.9M	3.7%	\$3,875,776	\$231.56	-	\$246.57	170	5.1%
2016	143	\$234.2M	4.3%	\$3,208,647	\$214.22	3.8%	\$227.59	157	5.2%
2015	151	\$419.9M	7.3%	\$4,882,223	\$213.56	3.9%	\$205.67	142	5.4%
2014	160	\$258.1M	5.9%	\$3,001,415	\$170.29	7.0%	\$178.38	123	5.8%
2013	128	\$260.3M	3.8%	\$3,827,972	\$196.37	7.0%	\$159.73	110	6.1%
2012	219	\$237.7M	6.7%	\$2,502,008	\$155.09	6.0%	\$148.64	102	6.3%

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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	-	-	-	-	-	-	\$760.24	360	4.3%
2026	-	-	-	-	-	-	\$737.85	349	4.3%
2025	-	-	-	-	-	-	\$709.35	335	4.3%
2024	-	-	-	-	-	-	\$677.64	320	4.3%
2023	-	-	-	-	-	-	\$643.72	304	4.3%
YTD	1	\$4.9M	0.1%	\$4,900,000	\$307.11	-	\$628.09	297	4.3%
2022	36	\$1B	3.7%	\$28,501,035	\$896.62	4.8%	\$622.42	294	4.3%
2021	33	\$691.8M	3.5%	\$23,061,076	\$756.12	5.4%	\$574.71	272	4.2%
2020	27	\$1.4B	4.2%	\$56,704,982	\$1,104.15	5.3%	\$510.59	241	4.3%
2019	60	\$589.8M	4.8%	\$17,346,279	\$607.93	5.0%	\$457	216	4.5%
2018	57	\$705.8M	6.3%	\$19,604,215	\$442.89	5.4%	\$417.11	197	4.6%
2017	50	\$212.5M	3.9%	\$7,589,494	\$456.51	4.9%	\$367.05	174	4.8%
2016	55	\$396.2M	4.7%	\$8,804,854	\$401.77	-	\$346.18	164	4.9%
2015	93	\$812.6M	9.1%	\$11,445,590	\$381.93	5.0%	\$305.93	145	5.1%
2014	80	\$472.8M	11.2%	\$7,504,259	\$172.95	5.7%	\$265.13	125	5.5%
2013	65	\$151.5M	4.9%	\$3,092,153	\$169.15	6.7%	\$237.44	112	5.7%
2012	55	\$125.2M	3.2%	\$3,577,891	\$164.95	5.7%	\$218.04	103	6.0%

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