



# Industrial Market Report

## San Jose - CA

PREPARED BY



**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**315K**

12 Mo Net Absorption in SF

**(34.4K)**

Vacancy Rate

**6.2%**

12 Mo Rent Growth

**3.8%**

In the second quarter of 2023, leasing activity in San Jose continues to be negatively impacted by subdued tenant demand, on the back of high interest rates and recessionary concerns.

San Jose's industrial market is driven by the growth of Silicon Valley's technology-based economy. The impressive growth of this sector over the past 30 years has supported increased demand for specific types of industrial real estate, such as data centers and flex properties catering to high-tech firms conducting research and development and to some extent manufacturing.

Thus, flex properties constitute over half of industrial real estate in San Jose, compared to only 10% of industrial space nationally. Many local flex R&D properties even compete directly with San Jose's 140 million SF stock of office properties for the same tenants. Thus, leasing momentum tends to follow the same boom and bust trends that drive growth in the tech sector.

Leasing activity in 2023 remains muted, as inflation, rising interest rates, and economic uncertainty impact tenant demand. Net absorption has been negative in 2023 to date; however, vacancy, at 6.2%, remains low in comparison to historical levels. This is primarily due to low levels of new construction and the continuation of the long-term trend to re-purpose older industrial sites for housing and other uses, which results in a net reduction

in industrial stock.

San Jose's flex inventory operates at a significantly higher vacancy rate (9.2% as of 2023q2) than properties in its logistics market, which is severely supply constrained and currently has an aggregate vacancy rate of 3.2%. Leasing deals in the under-20,000-SF size group are still getting done. However, the current market is seeing almost no demand from tenants for spaces over 50,000 SF.

As with other real estate sectors, strong demand and tight supply has made industrial rents in San Jose among the highest in the nation, second only to San Francisco. However, the rate of growth in rents is currently one of the nation's lowest. Year-over-year rent growth in the local flex and logistics sectors is running at 3.8% and 4.9%, respectively, somewhat below the national average for these subtypes.

With a relatively small tally of 3.7 million SF of industrial product under construction across the entire market, competition from new supply will not be of major concern for landlords in the coming quarters, or likely for the next several years.

Looking forward, vacancy is projected to increase over the next year, with demand continuing to remain depressed as the economy moves towards a mild recession later in 2023.

### KEY INDICATORS

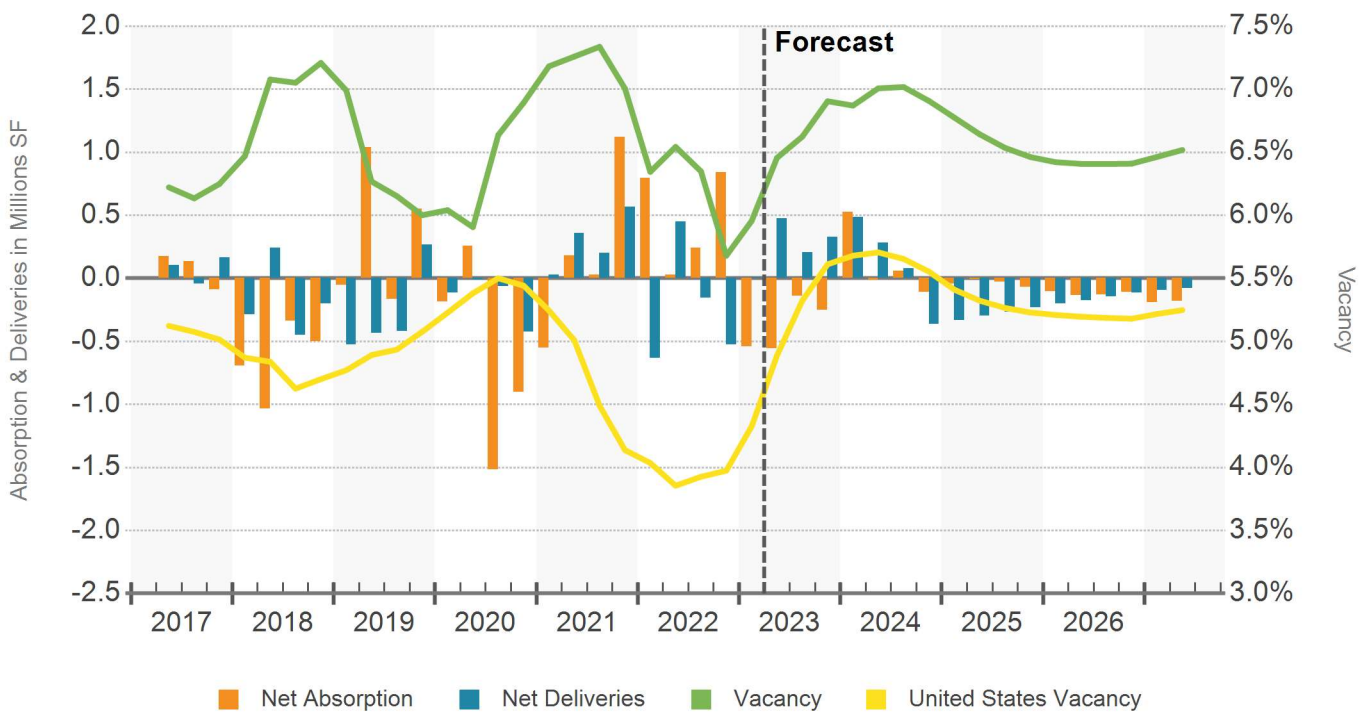
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	54,050,244	3.2%	\$18.46	5.1%	(146,033)	0	887,870
Specialized Industrial	42,700,416	3.0%	\$20.17	3.9%	(9,306)	0	765,603
Flex	102,458,875	9.2%	\$32.87	10.9%	(423,686)	0	2,005,679
<b>Market</b>	<b>199,209,535</b>	<b>6.2%</b>	<b>\$26.25</b>	<b>7.9%</b>	<b>(579,025)</b>	<b>0</b>	<b>3,659,152</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	8.8%	6.6%	15.7%	2003 Q3	2.0%	2000 Q2
Net Absorption SF	(34.4K)	(370,210)	(329,302)	13,428,386	2000 Q2	(12,509,735)	2002 Q1
Deliveries SF	315K	1,424,115	1,165,627	6,790,418	2001 Q3	0	2016 Q1
Rent Growth	3.8%	3.1%	5.3%	11.0%	2015 Q2	-12.4%	2003 Q2
Sales Volume	\$1.5B	\$1.6B	N/A	\$4.3B	2022 Q1	\$168.4M	2009 Q4

Muted tenant demand in 2023 has resulted in negative absorption in the year to date. For flex properties, new leases have been signed across a diverse range of industries including healthcare, robotics, cleantech, and information technology; however, lease sizes are in the smaller range, generally under 20,000 SF. The larger lease deals in the over 50,000 SF range that were being signed for much of the previous year have been notably absent in the past few months.

Large lease signings in traditional logistics properties

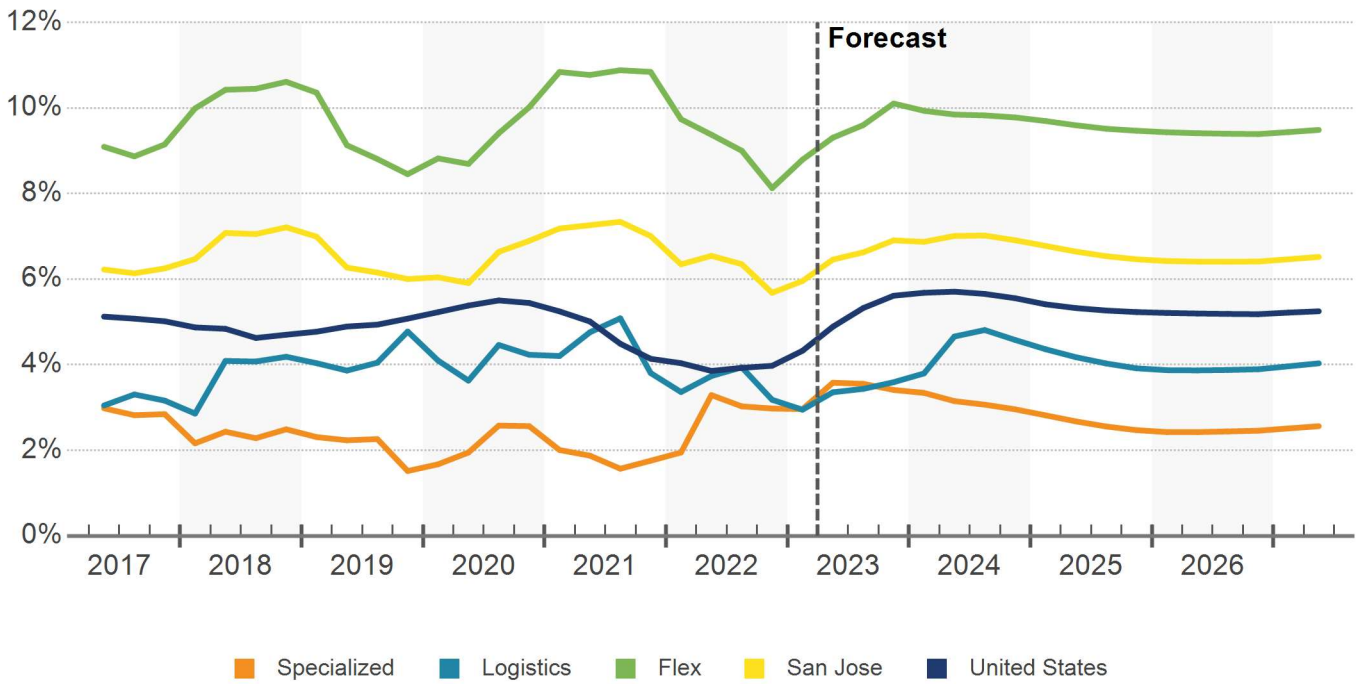
have been rare in recent quarters, but that is mainly a reflection of an extremely low level of available space. In fact, there are only three existing logistics properties in the entire market currently listing more than 100,000 SF of available space, one of which is a property built in Gilroy in 1957. The largest availability is at Almaden Vineyards Wharf, a 458,000-SF distribution property built in East San Jose in 1972, where San Jose Distribution Services leases 166,000 SF. Another 259,000 SF is listed as available within the property at advertised triple-net rents of \$13.80/SF.

### NET ABSORPTION, NET DELIVERIES & VACANCY

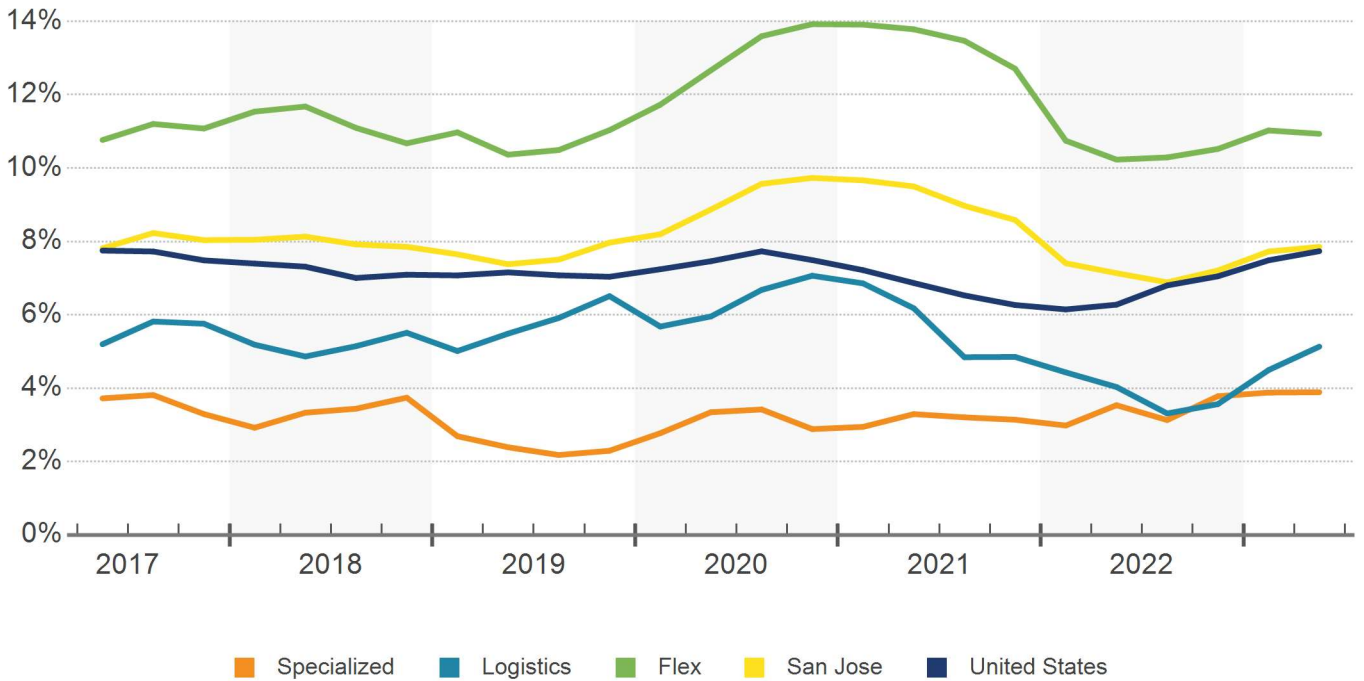




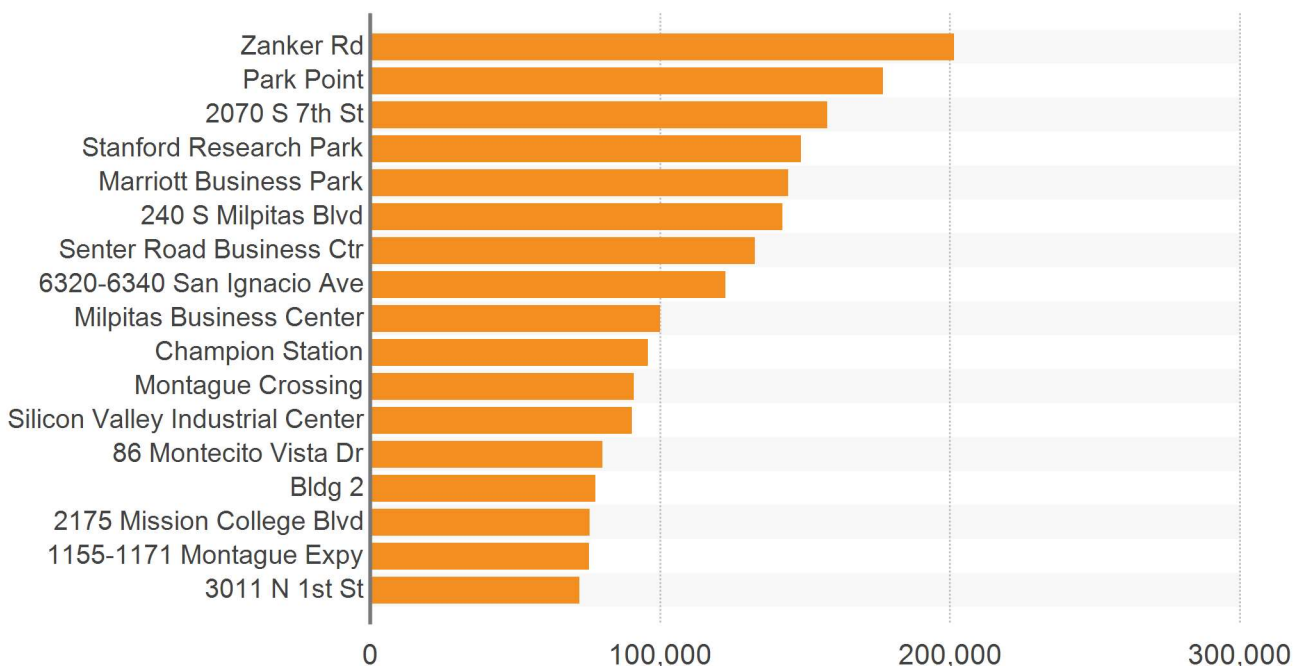
## VACANCY RATE



## 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
Zanker Rd	North San Jose	201,500	0	0	0	0	0	201,500
Park Point	Milpitas	176,875	0	0	0	0	0	176,875
2070 S 7th St	East San Jose-Willo...	315,789	0	0	0	0	0	157,799
Stanford Research Park	Palo Alto	224,229	0	0	0	0	0	148,649
Marriott Business Park	North Santa Clara	144,277	0	144,277	0	0	0	144,277
240 S Milpitas Blvd	Milpitas	142,272	0	0	0	0	0	142,272
Senter Road Business Ctr	East San Jose-Willo...	132,721	0	0	0	0	0	132,721
6320-6340 San Ignacio Ave	South San Jose	305,587	0	0	0	0	0	122,539
Milpitas Business Center	Milpitas	174,268	0	100,103	0	0	0	100,103
Champion Station	North San Jose	95,948	0	0	0	0	0	95,948
Montague Crossing	North San Jose	90,974	0	0	0	0	0	90,974
Silicon Valley Industrial Center	South San Jose	156,007	0	0	0	0	0	90,229
86 Montecito Vista Dr	East San Jose-Willo...	80,260	0	0	0	0	0	80,260
Bldg 2	North San Jose	77,822	0	0	0	0	0	77,822
2175 Mission College Blvd	North Santa Clara	75,810	0	0	75,810	0	0	75,810
1155-1171 Montague Expy	Milpitas	75,547	0	0	0	0	0	75,547
3011 N 1st St	North San Jose	146,882	0	0	0	0	0	72,303
<b>Subtotal Primary Competitors</b>		<b>2,616,768</b>	<b>0</b>	<b>244,380</b>	<b>75,810</b>	<b>0</b>	<b>0</b>	<b>1,985,628</b>
Remaining San Jose Market		196,605,967	12,443,887	(787,835)	(654,835)	0	0	(2,020,006)
<b>Total San Jose Market</b>		<b>199,222,735</b>	<b>12,443,887</b>	<b>(543,455)</b>	<b>(579,025)</b>	<b>0</b>	<b>0</b>	<b>(34,378)</b>

### TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
1980 Senter Rd	East San Jose-Willow Glen	132,721	Q3 22	All Fab Precision Sheetm...	Colliers	CBRE
590 Brennan Ave *	North San Jose	109,400	Q3 22	Sanmina	Cushman & Wakefield	CBRE
901-927 Wrigley Way	Milpitas	100,103	Q3 22	County of Santa Clara	-	Newmark
3001 Orchard Pky *	North San Jose	97,890	Q4 22	ProteinSimple	Cushman & Wakefield	-
3930 N 1st St	North San Jose	86,243	Q3 22	Logitech	-	-
86 Montecito Vista Dr	East San Jose-Willow Glen	80,260	Q3 22	Becton, Dickinson and Co...	JLL	JLL
455 E Trimble Rd	North San Jose	80,125	Q4 22	XP Power	CBRE	Cushman & Wakefield
715-735 Sycamore Dr *	Milpitas	45,127	Q4 22	Johnson & Johnson Visio...	-	CBRE
660 Vista Way	Milpitas	41,855	Q4 22	TCT Circuit Supply Inc	Cushman & Wakefield	Kidder Mathews
400-430 E Trimble Rd	North San Jose	38,433	Q4 22	-	Colliers	CBRE;Newmark
110-128 Component Dr	North San Jose	38,250	Q3 22	-	-	CBRE
581 Race St	Midtown San Jose	35,072	Q1 23	-	-	Swenson
3501-3521 Leonard Ct	North Santa Clara	33,360	Q1 23	Vibrant America	CBRE	Cushman & Wakefield
1020 Timothy Dr	San Jose-Berryessa	29,952	Q4 22	Action Gypsum Drywall	CBRE	Cushman & Wakefield;...
975 Mabury Rd	San Jose-Berryessa	27,770	Q3 22	-	Colliers	Colliers;Cushman & W...
1709 Junction Ct	North San Jose	27,605	Q4 22	Quality Circuit Assembly Inc	Cushman & Wakefield	CBRE
480 Vandell Way	Campbell	26,920	Q4 22	Orbital Composites	-	CBRE
215 E Alma Ave	East San Jose-Willow Glen	26,889	Q3 22	Future Packaging Group,...	-	Swenson
1802 Shelton Dr	San Benito County	26,200	Q3 22	-	-	Mahoney & Associates
890 Service St *	San Jose-Berryessa	25,265	Q3 22	Fix Air- HVAC Parts & Su...	-	Cushman & Wakefield
3200 Coronado Dr	Central Santa Clara	24,740	Q4 22	-	-	Irvine Company Office...
2215-2221 Ringwood Ave	San Jose-Berryessa	24,281	Q4 22	-	-	CBRE
222 Commercial St	Sunnyvale	24,000	Q2 23	-	-	Cushman & Wakefield
1500-1504 Dell Ave *	Campbell	23,278	Q3 22	WorldPac, Inc.	Kidder Mathews	Cushman & Wakefield
1030 Commercial St	San Jose-Berryessa	23,236	Q2 22	-	-	Colliers;Orchard Comm...
1711 Senter Rd	East San Jose-Willow Glen	21,434	Q4 22	Rivian Automotive	JLL	Cushman & Wakefield
615 Dado St	North San Jose	21,254	Q2 23	East Bay Tire Co	-	CBRE
850 San Antonio Rd	Palo Alto	20,880	Q1 23	-	-	Sequoia Realty Services
980 Walsh Ave	Central Santa Clara	20,000	Q4 22	-	-	Central Computers
3175 De La Cruz Blvd	North Santa Clara	20,000	Q1 23	-	-	CBRE
700 Comstock St	Central Santa Clara	19,920	Q1 23	-	-	CBRE
1919 Monterey Rd	East San Jose-Willow Glen	19,610	Q2 23	SJ Cash & Carry Inc	-	JLL
950-960 George St	North Santa Clara	19,481	Q3 22	-	-	Daniel Olesen and Ass...
3601 Thomas Rd	North Santa Clara	18,035	Q4 22	Nanez Manufacturing, Inc.	-	Cushman & Wakefield
2510-2514 Channing Ave	North San Jose	17,648	Q4 22	-	-	Central Computers
2202-2228 Junction Ave	North San Jose	17,500	Q1 23	Kellers Supply	Newmark	Colliers
650 Quinn Ave	East San Jose-Willow Glen	17,000	Q4 22	-	-	NAI Northern California
480 Gianni St	North Santa Clara	16,800	Q4 22	-	-	Cushman & Wakefield
480 Gianni St	North Santa Clara	16,800	Q4 22	YS & YK Pak, LLC	Cushman & Wakefield	Cushman & Wakefield
2544 Leghorn St	Mountain View	16,800	Q1 23	Powerflex Solar, LLC	Colliers	Renault & Handley

\*Renewal

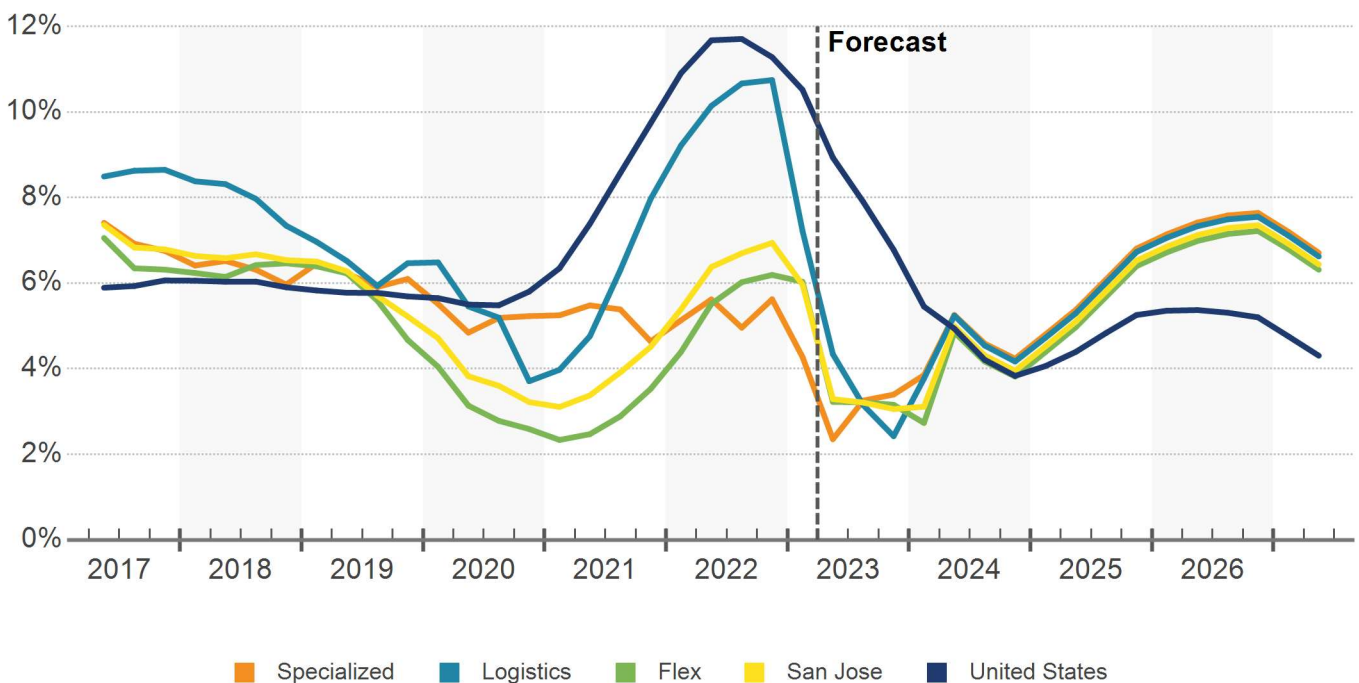
At the national level, industrial rent growth in 2023 is slowing from the record annual growth of 11.7% that was recorded in early 2022. As of the second quarter, average asking rents are 3.8% above where they were a year ago, and currently stand at \$26.00/SF.

For both flex and logistics properties, rental rates in the San Jose market are approximately twice the national average. Average market rent for flex properties currently stands at \$33.00/SF, having increased by 3.8% over the past 12 months. Logistics properties currently rent for

\$18.50/SF, an increase of 4.9% over the previous year.

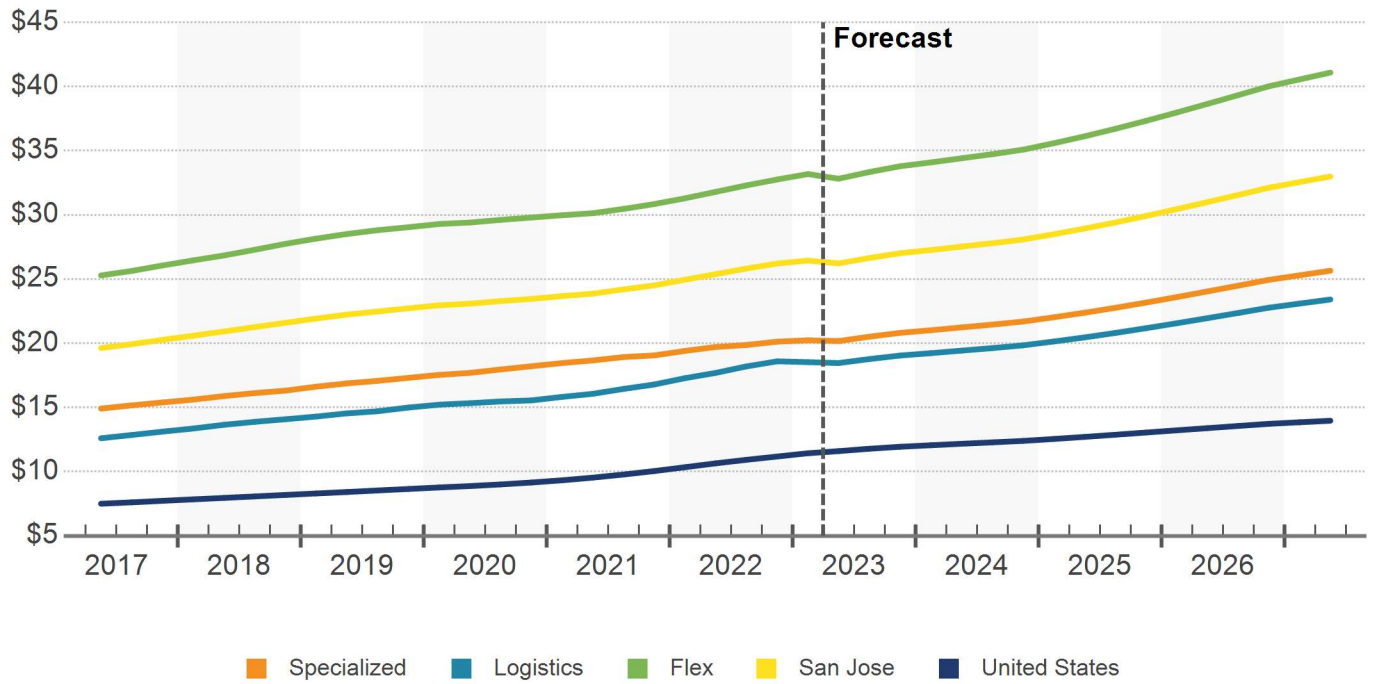
There is wide variation in rents across property subtypes and locations. For example, in March 2023, Kellers Supply leased a 15,500-SF warehouse in North San Jose at an asking rent of \$16.20/SF. By contrast, higher rents can be achieved for R&D spaces in the most sought-after locations, such as 170 S Whisman Road in Mountain View, a 5,900-SF space that leased for \$42/SF in May 2023.

### MARKET RENT GROWTH (YOY)





### MARKET RENT PER SQUARE FEET



Over the past 10 years, the net amount of industrial space in San Jose has declined as older industrial buildings have been replaced by other uses, such as residential and office.

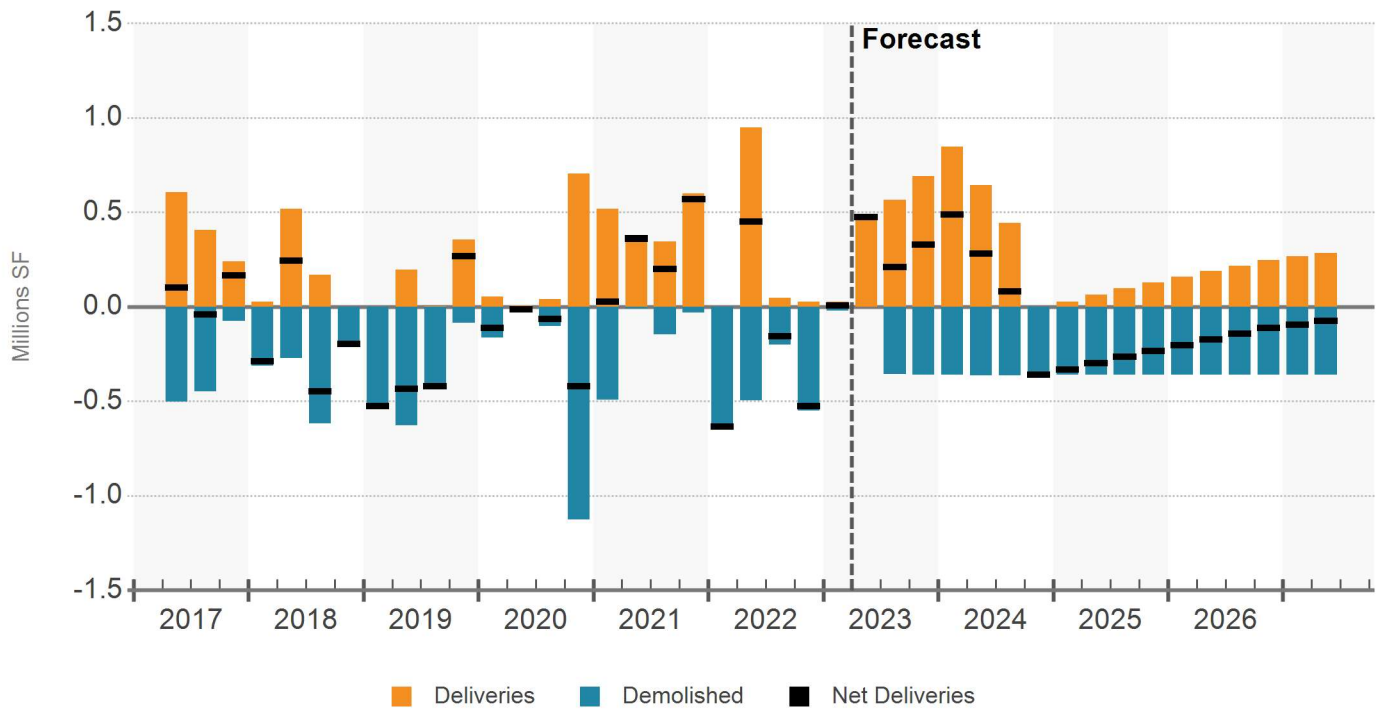
Robust demand for logistics and flex properties has increased the attractiveness of these property types and led to an uptick in construction activity. As of 2023q2, around 3.7 million SF of new construction is underway, which is the highest level of the past 10 years, and compares to the 10-year average of 1.5 million SF.

However, most of the space currently under construction is preleased data center space, clustered in the Santa

Clara Submarket. Logistics space under construction amounts to just 890,000 SF, which suggests that the very low vacancy rate for distribution properties will continue. Amazon's recent purchase of a 41-acre manufacturing site in Santa Clara is evidence that logistics companies are prepared to acquire sites and conduct redevelopment projects in order to expand their networks.

In the R&D segment, the 847,000-SF manufacturing/research facility being built for Intuitive Surgical at 932 Kifer Road in Sunnyvale is the largest project currently underway.

## 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	Central Santa Clara	5	1,359	1,359	100%	1	33,357	271,784	3
2	Sunnyvale	1	847	847	100%	1	32,881	847,000	1
3	Morgan Hill	5	500	0	0%	5	33,945	100,061	6
4	Gilroy	2	383	0	0%	5	28,418	191,283	5
5	North Santa Clara	1	353	353	100%	1	29,672	352,679	2
6	San Jose-Berryessa	1	213	0	0%	5	32,390	212,683	4
7	Mountain View	1	5	5	100%	1	22,231	5,000	7
8	Campbell	0	-	-	-	-	12,505	-	-
9	Central Sunnyvale	0	-	-	-	-	-	-	-
10	Cupertino	0	-	-	-	-	42,562	-	-
	All Other	0	-	-	-		36,316	-	
<b>Totals</b>		<b>16</b>	<b>3,659</b>	<b>2,564</b>	<b>70.1%</b>		<b>32,553</b>	<b>228,697</b>	

# Under Construction Properties

San Jose Industrial

Properties

Square Feet

Percent of Inventory

Released

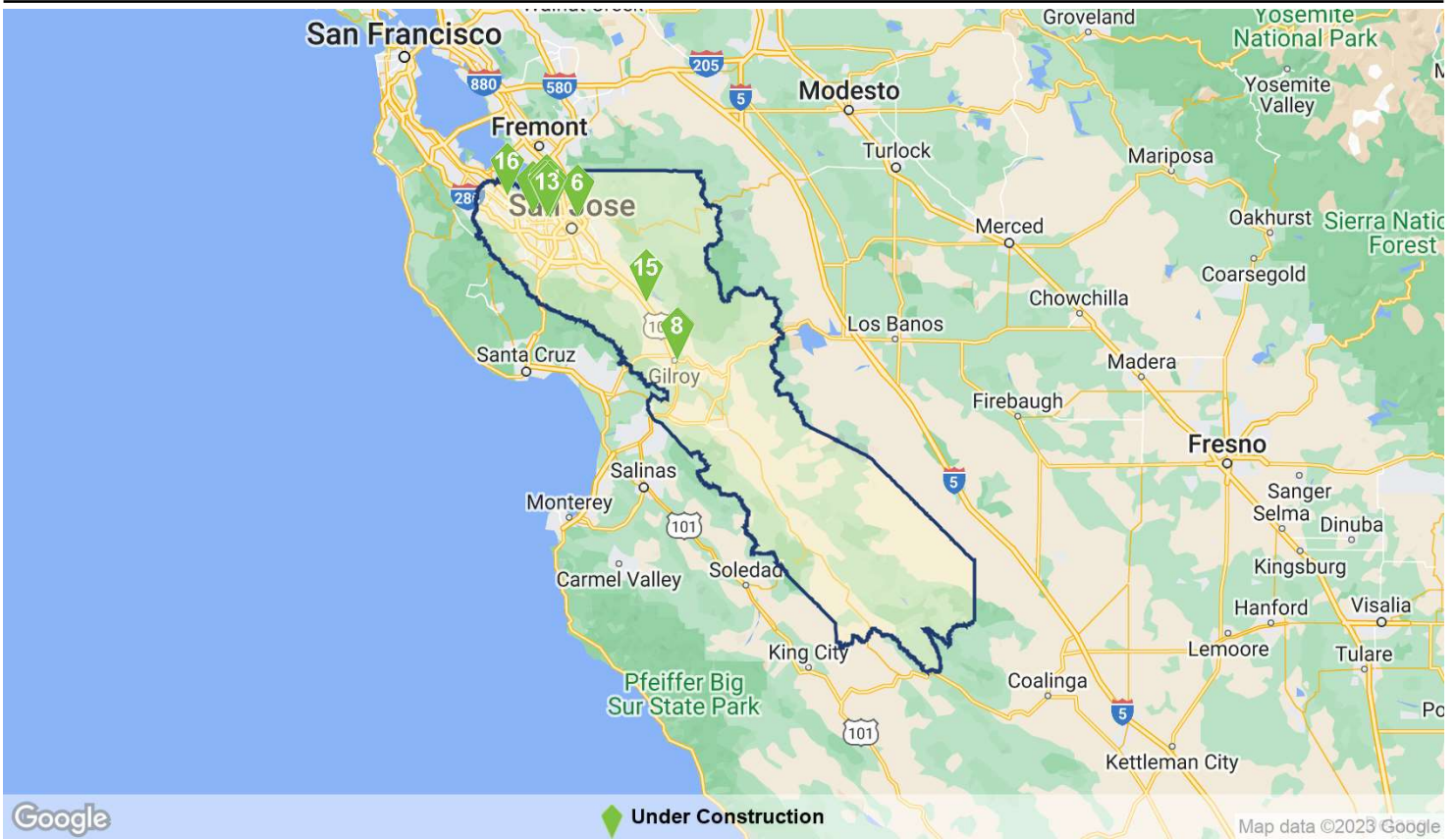
16

3,659,152

3.8%

70.1%

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <a href="#">South Site</a> 932 Kifer Rd	★★★★★	847,000	-	Dec 2021	Feb 2024	- Intuitive
2 <a href="#">1200 Memorex Dr</a>	★★★★☆	472,920	4	Jun 2022	Jul 2023	Skybox Datacenters -
3 <a href="#">651 Walsh Ave</a>	★★★★☆	435,000	4	Sep 2021	Jul 2023	- Digital Realty Trust, Inc.
4 <a href="#">2305 Mission College Blvd</a>	★★★★☆	352,679	2	Apr 2021	Aug 2023	SSV Properties Amazon
5 <a href="#">2905 Stender Way</a>	★★★★☆	250,000	4	Oct 2022	Oct 2023	- American Tower
6 <a href="#">650 N King Rd</a>	★★★★☆	212,683	1	Dec 2022	Jul 2023	- -
7 <a href="#">Building B</a> 1001 Venture Way	★★★★☆	198,965	1	Feb 2023	Feb 2024	McCarthy Ranch Rockpoint

# Under Construction Properties

San Jose Industrial

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 <b>Building A</b> 901 Venture Way	★★★★☆	183,600	1	Feb 2023	Feb 2024	- Rockpoint
9 <b>Building A</b> DuPeal Dr	★★★★☆	138,689	1	Feb 2023	Feb 2024	- -
10 <b>Building C</b> Half Rd	★★★★☆	121,101	1	Feb 2023	Feb 2024	- -
11 <b>Prime Data Center</b> 1111 Comstock St	★★★☆☆	121,000	4	Dec 2021	Jul 2023	Prime Data Centers -
12 <b>Building B</b> Half Rd	★★★★☆	92,841	1	Feb 2023	Feb 2024	- -
13 <b>2175 Martin Ave</b>	★★★★☆	80,000	3	Nov 2022	Dec 2023	Prime Data Centers Prime Data Centers
14 <b>Building E</b> Depaul Dr	★★★★☆	74,006	1	Feb 2023	Feb 2024	- -
15 <b>Building D</b> Half Rd	★★★★☆	73,668	1	Feb 2023	Feb 2024	- -
16 <b>2019 Leghorn St</b>	★★★☆☆	5,000	1	Oct 2022	Aug 2023	- MDE Electric



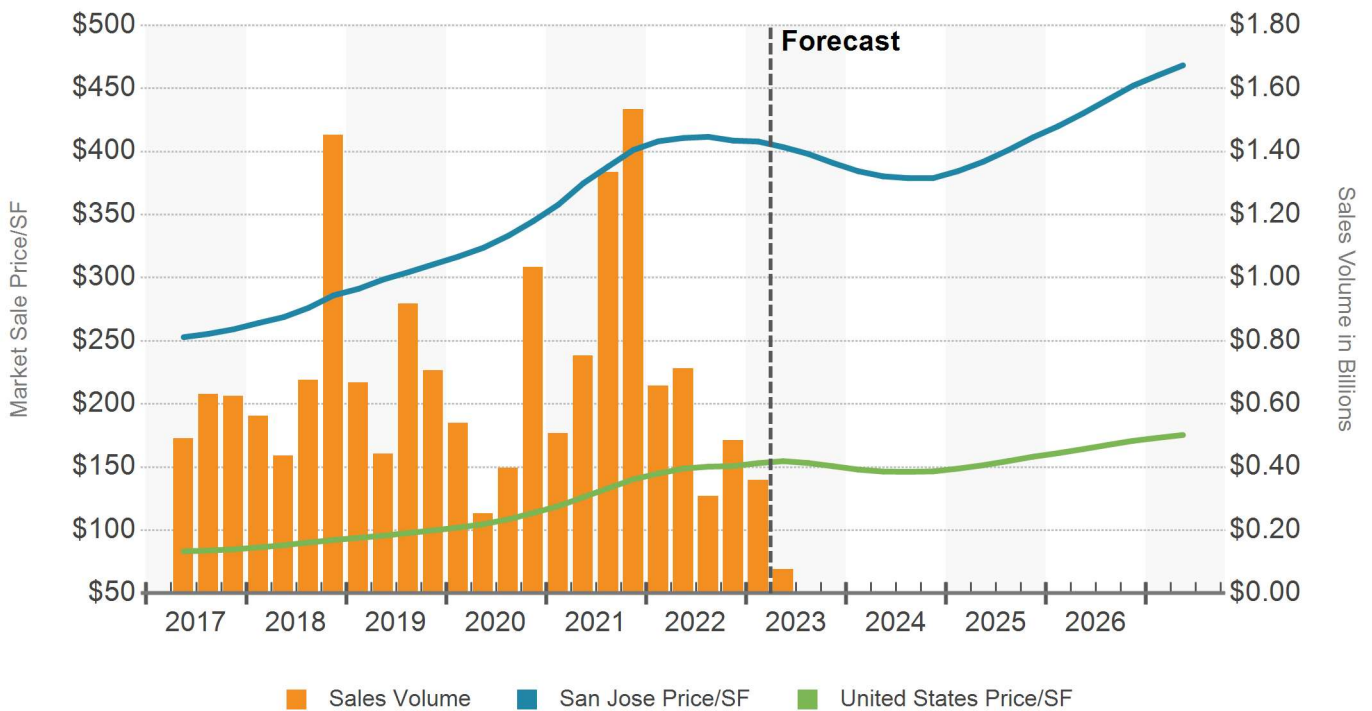
Transaction volume has slowed, as investors remain on the sidelines in the face of rising interest rates and recessionary caution. As of 2023q2, some \$1.4 billion of sales of industrial properties have closed in the past 12 months. This is about half of the average annual sales volume over the past five years, which stands at \$2.8 billion.

San Jose is one of the most expensive markets in the nation for industrial properties, with an average market

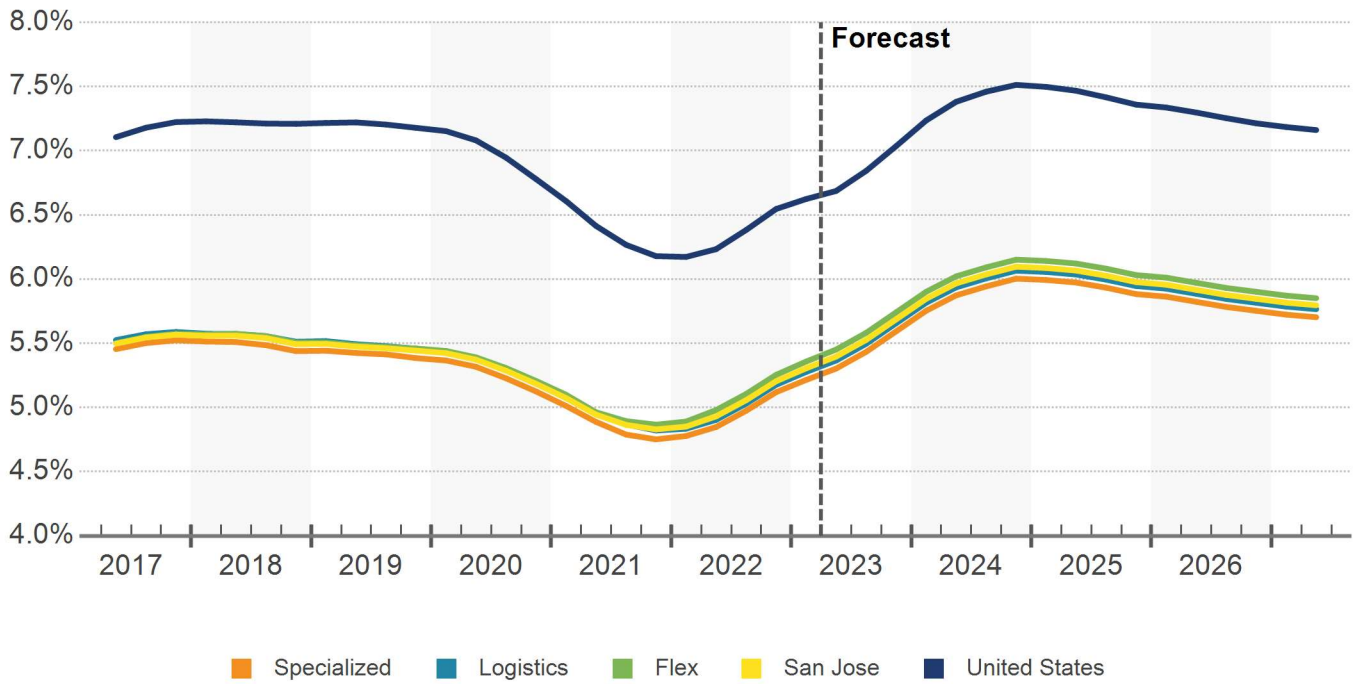
price of \$410/SF, which is way in excess of the national average at \$154/SF.

Among recent sales, in March 2023, Amazon paid \$238 million for a manufacturing site at 960-980 Central Expressway in Santa Clara. Even though Amazon has slowed its distribution space expansion program nationally, it is still making select investments of attractive sites in good locations, such as this 41-acre site in Santa Clara.

### SALES VOLUME & MARKET SALE PRICE PER SF



## MARKET CAP RATE



# Sales Past 12 Months

San Jose Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

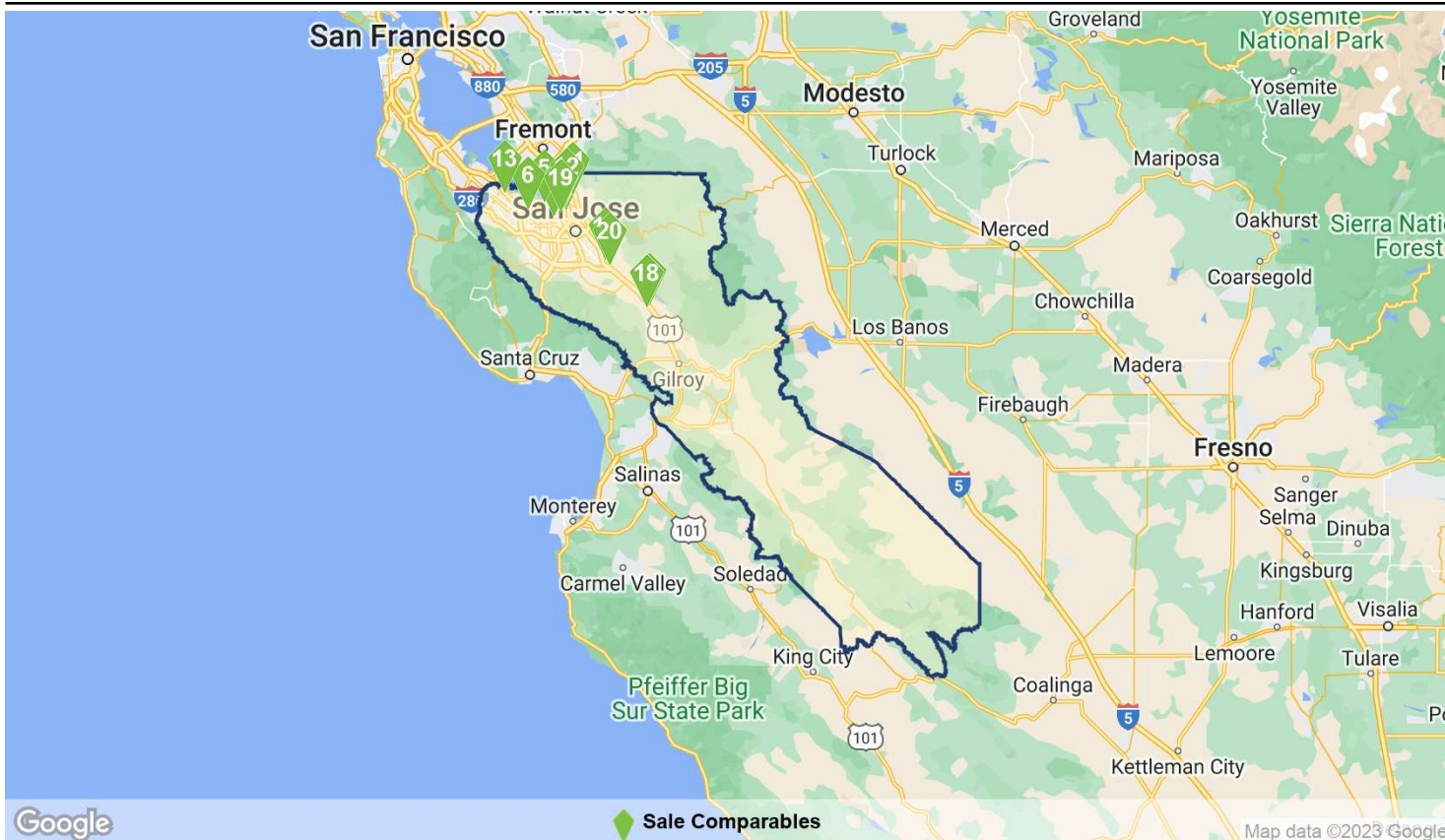
**215**

**5.8%**

**\$347**

**9.4%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$615,000	\$14,463,961	\$5,890,000	\$237,761,000
Price/SF	\$33	\$347	\$376	\$2,301
Cap Rate	4.0%	5.8%	4.6%	12.7%
Time Since Sale in Months	0.3	8.3	10.2	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,456	49,068	26,245	747,424
Ceiling Height	9'	18'5"	17'	42'
Docks	0	2	0	47
Vacancy Rate At Sale	0%	9.4%	0%	100%
Year Built	1900	1979	1979	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.6	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

San Jose Industrial

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 960 Central Expy	★★★★★	1947	747,424	0%	3/6/2023	\$237,761,000	\$318	-
2 5853 Rue Ferrari	★★★★★	2023	302,775	100%	10/3/2022	\$69,906,715	\$231	-
3 525 Sycamore Dr	★★★★★	1983	93,324	0%	10/3/2022	\$60,611,811	\$649	-
4 Amazon 2256 Junction Ave	★★★★★	1968	141,270	0%	10/3/2022	\$56,283,626	\$398	-
5 Wedge 5201 Patrick Henry Dr	★★★★★	1986	144,277	100%	9/14/2022	\$49,400,000	\$342	-
6 474 Potrero Ave	★★★★★	1979	58,190	0%	9/14/2022	\$46,500,000	\$799	-
7 755 Jarvis Dr	★★★★★	1997	258,122	0%	6/28/2022	\$45,000,000	\$174	-
8 541-555 E Trimble Rd	★★★★★	1984	90,974	0%	11/10/2022	\$42,463,031	\$467	-
9 2540-2560 Junction Ave	★★★★★	1983	84,169	0%	11/10/2022	\$40,038,723	\$476	-
10 350 E Plumeria Dr	★★★★★	1984	142,700	0%	12/27/2022	\$37,932,000	\$521	-
11 275 S Hillview Dr	★★★★★	1988	127,574	100%	6/17/2022	\$32,800,000	\$257	-
12 475 Sycamore Dr	★★★★★	1983	50,374	0%	10/3/2022	\$32,716,765	\$649	-
13 1066 E Meadow Cir	★★★★★	1969	36,321	0%	6/9/2022	\$28,300,000	\$779	-
14 5729 Fontanos Way	★★★★★	2000	78,160	0%	7/6/2022	\$27,400,000	\$351	-
15 Building 4 18125 Butterfield Blvd	★★★★★	2022	91,738	100%	6/17/2022	\$26,750,000	\$292	-
16 Building 1 18225 Butterfield Blvd	★★★★★	2022	85,456	100%	6/17/2022	\$24,750,000	\$290	-
17 Building 2 18215 Butterfield Blvd	★★★★★	2022	82,446	100%	6/17/2022	\$24,000,000	\$291	-
18 Building 3 18120 Butterfield Blvd	★★★★★	2022	80,156	100%	6/17/2022	\$23,250,000	\$290	-
19 2590 Orchard Pky	★★★★★	1999	64,512	0%	12/13/2022	\$22,077,378	\$342	-
20 5891-5895 Rue Ferrari	★★★★★	1997	76,800	0%	4/19/2023	\$21,000,000	\$273	-

As of the second quarter of 2023, the San Jose economy is facing headwinds, as rising interest rates force tech companies to cut costs and investors to reduce the amount of capital available for start-ups. Moreover, the collapse of Silicon Valley Bank has made investors nervous and disrupted the flow of financing to businesses.

This is a change from the past few years, during which time tech companies recorded strong earnings growth, and employment recovered from losses incurred during the pandemic. Growth in demand for tech products and services led tech companies to hire rapidly during 2020 and 2021. By the middle of 2022, however, with demand softening, and under pressure to manage costs, employers started to initiate hiring freezes, staff layoffs, and office space reductions. Similarly, softening demand is leading retail and industrial tenants to reconsider expansion plans.

Many people left the Bay Area during the pandemic, as their lives and work were impacted by lockdowns and health concerns. In 2023, the metro's population is once again growing but remains -37,000 short of the total population of three years ago.

The rate of unemployment declined to a historical low of just 2.2% in the past year, reflecting high demand for workers. More recently, tech layoffs across Silicon Valley have caused unemployment to rise again, and this should provide some much-needed liquidity to the metro's job market.

San Jose and, more broadly, the Bay Area, has firmly established itself as the nation's largest and most prestigious market for tech companies. Highly educated,

STEM-field graduates (science, technology, engineering, and mathematics) flock to San Jose and the greater San Francisco Bay Area in pursuit of employment at one of the many leading tech companies or startups headquartered in Silicon Valley. As a result, the market boasts one of the highest rates of educational attainment in the country, with over 50% of its working-age population possessing a college degree, more than 1.5 times the national rate.

Despite the current economic headwinds facing the market, San Jose is expected to retain its position as a leading center for innovation and economic growth. Over the past ten years, San Jose saw an average annual increase in GDP of 8.3%, the highest rate among the largest 20 metro areas in the nation, and twice the US average.

Several factors led to San Jose's prominence in technology. The market is home to one of the nation's premier educational institutions, Stanford University, as well as San Jose State and several other large universities. In conjunction with the culture of innovation that Stanford and Silicon Valley foster, venture capital investment is a key component of the market's success. Technological advancements incubated locally are funded by the nation's largest collection of venture capital firms, many of which are located along Sand Hill Road in Menlo Park. The relationship between tech and venture capitalists in San Jose is symbiotic, with between 30% and 40% of total U.S. venture capital funding typically going to Bay Area-based companies. Venture capital funding to San Jose-based businesses reached a record level in 2021, but deal count and investment value have pulled back in the past year in response to higher interest rates and global economic uncertainty.

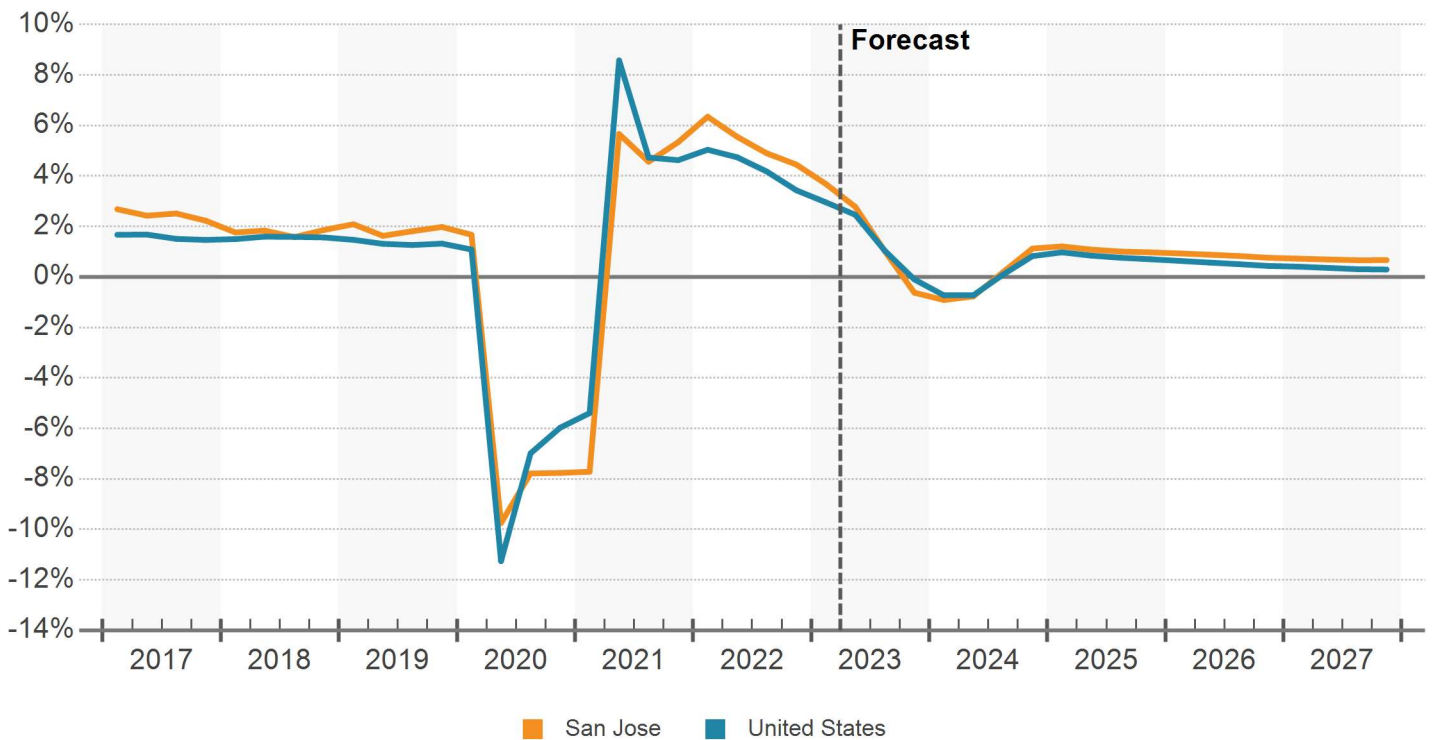


### SAN JOSE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	183	1.9	3.05%	1.82%	1.50%	0.80%	-0.14%	-0.10%
Trade, Transportation and Utilities	123	0.6	1.31%	1.04%	-0.74%	1.22%	-0.29%	-0.02%
Retail Trade	74	0.6	0.99%	0.63%	-1.12%	0.41%	-0.15%	-0.02%
Financial Activities	39	0.6	0.24%	1.17%	1.41%	1.49%	-0.13%	-0.03%
Government	96	0.6	1.34%	1.82%	0.56%	0.29%	0.30%	0.44%
Natural Resources, Mining and Construction	56	0.9	4.64%	3.17%	4.16%	2.53%	0.77%	0.09%
Education and Health Services	195	1.0	4.50%	3.88%	3.06%	1.77%	1.12%	0.54%
Professional and Business Services	258	1.5	3.91%	2.33%	2.85%	2.17%	0.34%	0.22%
Information	102	4.4	-4.85%	-0.38%	6.22%	1.19%	1.17%	0.10%
Leisure and Hospitality	104	0.8	9.77%	6.14%	1.72%	1.60%	1.47%	0.87%
Other Services	26	0.6	4.09%	3.18%	0.22%	0.69%	0.50%	0.18%
<b>Total Employment</b>	<b>1,182</b>	<b>1.0</b>	<b>2.97%</b>	<b>2.56%</b>	<b>2.10%</b>	<b>1.36%</b>	<b>0.51%</b>	<b>0.28%</b>

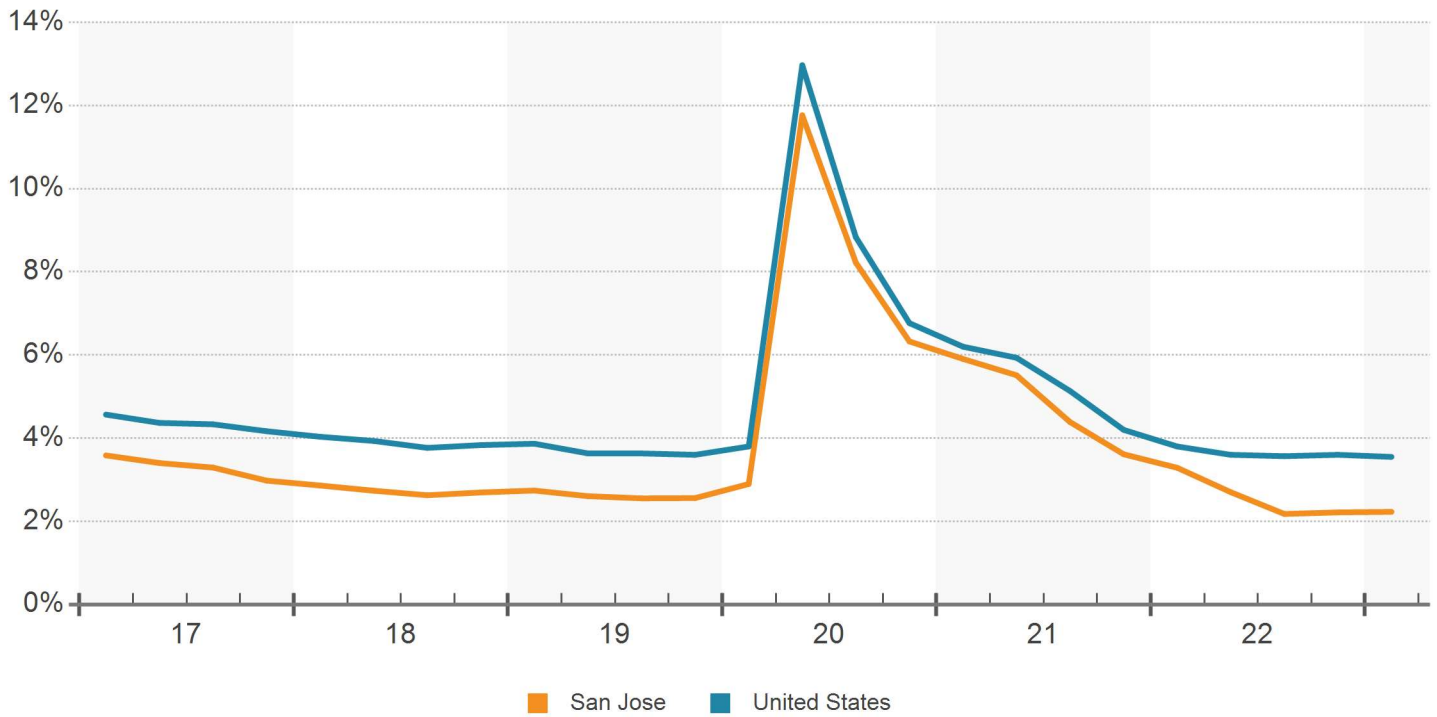
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

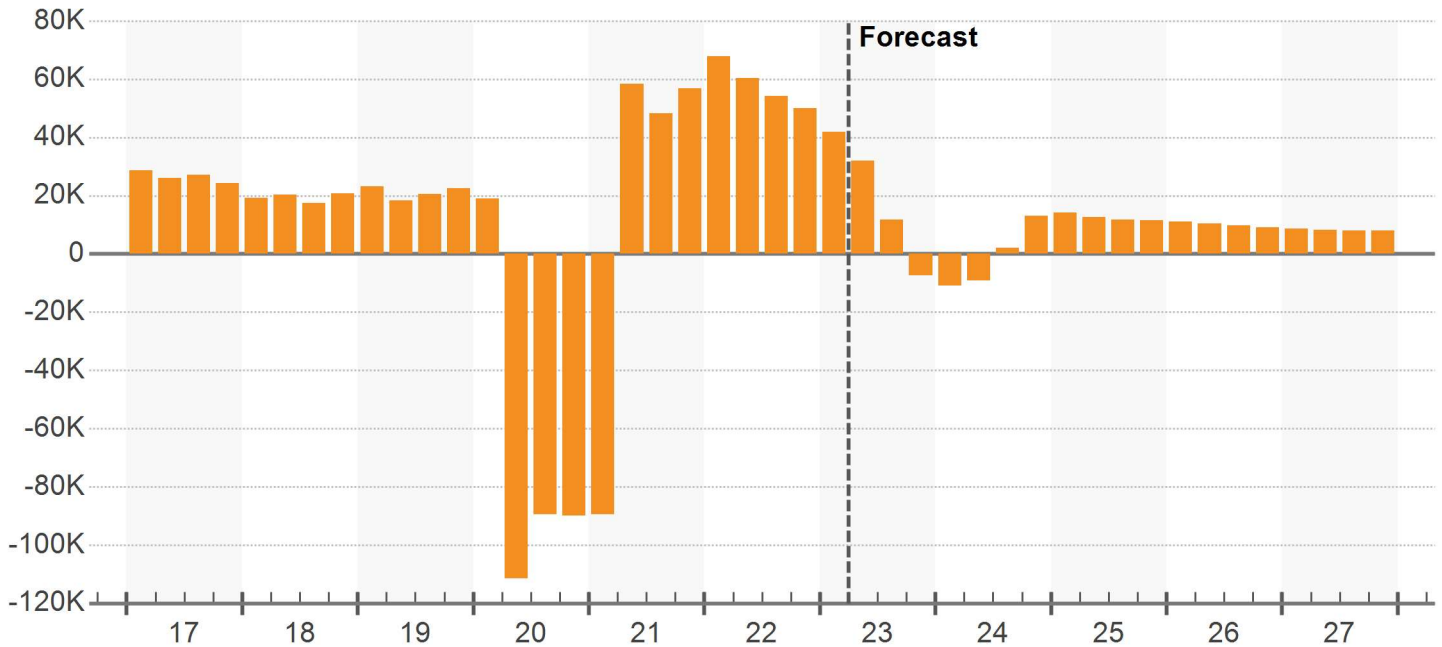


Source: Oxford Economics

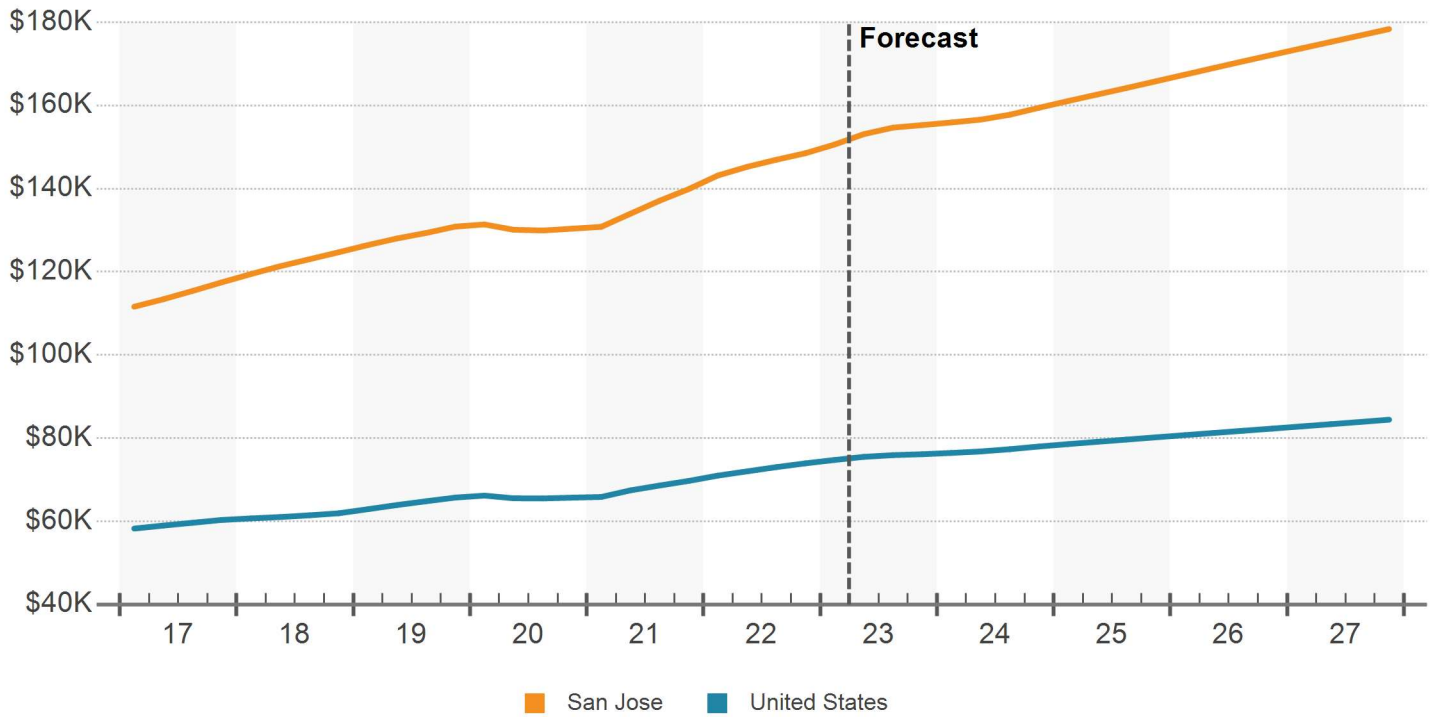
## UNEMPLOYMENT RATE (%)



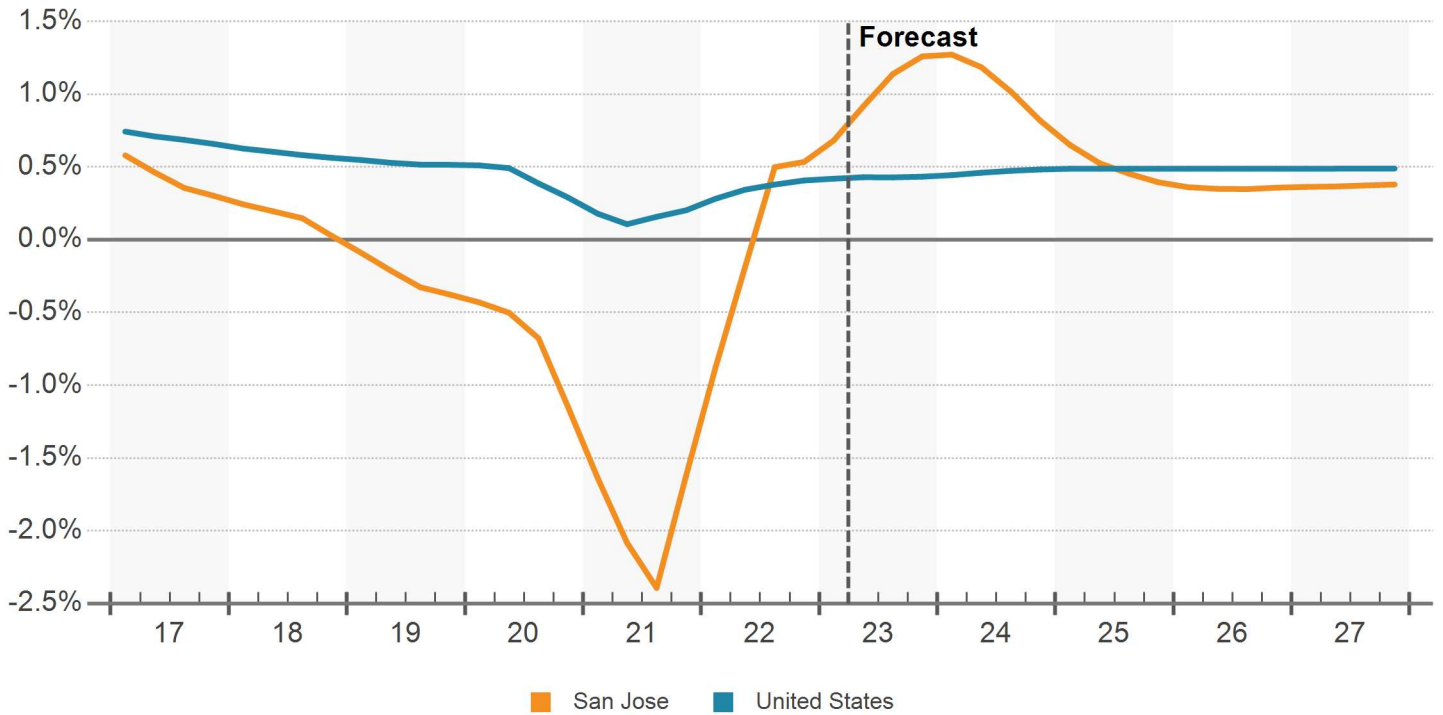
## NET EMPLOYMENT CHANGE (YOY)



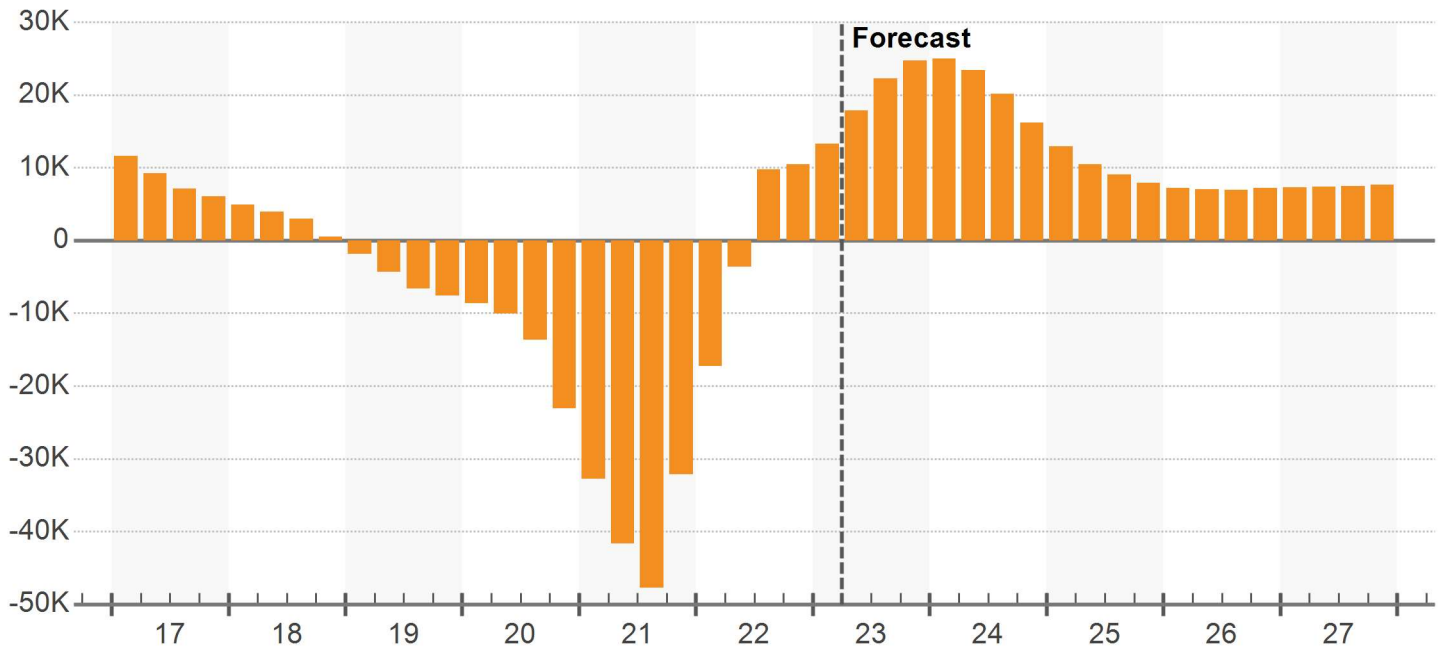
### MEDIAN HOUSEHOLD INCOME



### POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)

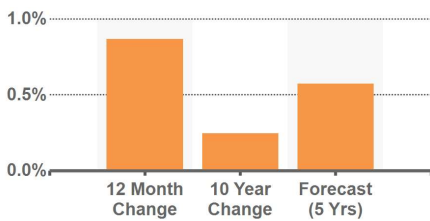


## DEMOGRAPHIC TRENDS

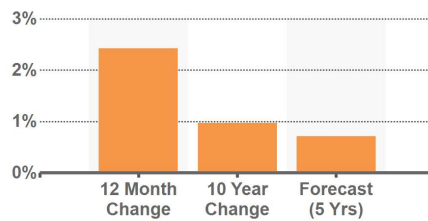
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,971,736	334,291,281	0.9%	0.4%	0.2%	0.6%	0.6%	0.5%
Households	684,540	129,760,711	1.3%	0.8%	0.6%	0.9%	0.7%	0.6%
Median Household Income	\$152,578	\$75,348	5.4%	4.9%	5.3%	3.8%	3.5%	2.5%
Labor Force	1,093,233	165,337,219	2.4%	0.8%	1.0%	0.6%	0.7%	0.4%
Unemployment	2.2%	3.5%	-0.6%	-0.1%	-0.5%	-0.4%	-	-

Source: Oxford Economics

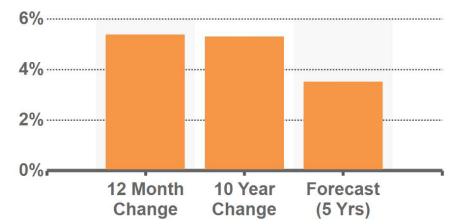
### POPULATION GROWTH



### LABOR FORCE GROWTH



### INCOME GROWTH



Source: Oxford Economics







# Submarkets

San Jose 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	Campbell	280	3,502	1.8%	16	1	7	0.2%	7	0	-	-	-
2	Central Santa Clara	584	19,481	9.8%	2	0	0	0%	-	5	1,359	7.0%	1
3	Central Sunnyvale	0	-	0%	-	0	0	-	-	0	-	-	-
4	Cupertino	68	2,894	1.5%	17	0	0	0%	-	0	-	-	-
5	De La Cruz	0	-	0%	-	0	0	-	-	0	-	-	-
6	Downtown Mountain View	0	-	0%	-	0	0	-	-	0	-	-	-
7	Downtown Palo Alto	5	48	0%	23	0	0	0%	-	0	-	-	-
8	Downtown San Jose	345	3,531	1.8%	15	0	0	0%	-	0	-	-	-
9	East Arques Ave Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
10	East San Jose-Willow Glen	632	15,368	7.7%	6	0	0	0%	-	0	-	-	-
11	Embarcadero/101	0	-	0%	-	0	0	-	-	0	-	-	-
12	Gilroy	238	6,764	3.4%	12	2	24	0.4%	5	2	383	5.7%	4
13	Los Altos	4	12	0%	24	0	0	0%	-	0	-	-	-
14	Los Gatos	0	-	0%	-	0	0	-	-	0	-	-	-
15	Los Gatos/Saratoga	33	463	0.2%	21	0	0	0%	-	0	-	-	-
16	Midtown San Jose	133	1,887	0.9%	18	0	0	0%	-	0	-	-	-
17	Milpitas	314	18,363	9.2%	3	0	0	0%	-	0	-	-	-
18	Moffett Park	79	5,911	3.0%	13	0	0	0%	-	0	-	-	-
19	Morgan Hill	226	7,672	3.9%	10	2	95	1.2%	1	5	500	6.5%	3
20	Mountain View	446	9,915	5.0%	9	0	0	0%	-	1	5	0.1%	7
21	N. San Jose - Brokaw	0	-	0%	-	0	0	-	-	0	-	-	-
22	N.E. Santa Clara	0	-	0%	-	0	0	-	-	0	-	-	-
23	North San Jose	663	33,226	16.7%	1	0	0	0%	-	0	-	-	-
24	North Santa Clara	378	11,216	5.6%	8	0	0	0%	-	1	353	3.1%	5
25	Oak Creek	0	-	0%	-	0	0	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	13	526	0.3%	20	0	0	0%	-	0	-	-	-
27	Palo Alto	225	7,008	3.5%	11	1	22	0.3%	6	0	-	-	-
28	Peery Park	0	-	0%	-	0	0	-	-	0	-	-	-
29	Plumeria Drive	0	-	0%	-	0	0	-	-	0	-	-	-
30	San Benito County	198	4,864	2.4%	14	2	43	0.9%	4	0	-	-	-
31	San Jose East	1	7	0%	25	0	0	0%	-	0	-	-	-
32	San Jose, IBP East	0	-	0%	-	0	0	-	-	0	-	-	-
33	San Jose-Berryessa	561	18,171	9.1%	4	1	54	0.3%	3	1	213	1.2%	6
34	Scott Blvd Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
35	Shoreline Corridor North	0	-	0%	-	0	0	-	-	0	-	-	-
36	Shoreline Corridor South	0	-	0%	-	0	0	-	-	0	-	-	-
37	South San Jose	179	11,421	5.7%	7	1	71	0.6%	2	0	-	-	-
38	South Santa Clara	31	1,139	0.6%	19	0	0	0%	-	0	-	-	-
39	Sunnyvale	480	15,783	7.9%	5	0	0	0%	-	1	847	5.4%	2
40	Sunnyvale Triangle	0	-	0%	-	0	0	-	-	0	-	-	-
41	West Mountain View	0	-	0%	-	0	0	-	-	0	-	-	-
42	West San Jose	4	53	0%	22	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	Campbell	\$28.90	11	3.4%	20	-2.5%	7
2	Central Santa Clara	\$27.65	13	3.7%	14	-3.9%	17
3	Central Sunnyvale	-	-	-	-	-	-
4	Cupertino	\$46.30	3	4.0%	8	-4.6%	23
5	De La Cruz	-	-	-	-	-	-
6	Downtown Mountain View	-	-	-	-	-	-
7	Downtown Palo Alto	\$45.04	4	-4.1%	25	-25.0%	25
8	Downtown San Jose	\$20.42	19	3.8%	12	-0.4%	2
9	East Arques Ave Corridor	-	-	-	-	-	-
10	East San Jose-Willow Glen	\$18.66	22	4.1%	7	-2.6%	9
11	Embarcadero/101	-	-	-	-	-	-
12	Gilroy	\$14.60	24	3.5%	17	-1.6%	4
13	Los Altos	\$36.62	6	3.9%	10	-2.9%	11
14	Los Gatos	-	-	-	-	-	-
15	Los Gatos/Saratoga	\$32.02	9	3.4%	21	-2.7%	10
16	Midtown San Jose	\$19.82	20	-2.3%	24	-2.2%	5
17	Milpitas	\$21.18	18	4.3%	4	-4.1%	19
18	Moffett Park	\$30.85	10	3.7%	15	-3.8%	15
19	Morgan Hill	\$18.17	23	3.8%	11	-3.2%	13
20	Mountain View	\$42.02	5	3.4%	22	-4.1%	18
21	N. San Jose - Brokaw	-	-	-	-	-	-
22	N.E. Santa Clara	-	-	-	-	-	-
23	North San Jose	\$26.19	15	4.4%	2	-3.8%	16
24	North Santa Clara	\$27.19	14	3.5%	19	-2.6%	8
25	Oak Creek	-	-	-	-	-	-
26	Outlying Santa Clara Cnty	\$19.12	21	4.3%	3	-2.3%	6
27	Palo Alto	\$50.68	1	3.5%	18	-4.3%	21
28	Peery Park	-	-	-	-	-	-
29	Plumeria Drive	-	-	-	-	-	-
30	San Benito County	\$12.29	25	4.2%	5	-1.6%	3
31	San Jose East	\$49.96	2	3.6%	16	2.0%	1
32	San Jose, IBP East	-	-	-	-	-	-
33	San Jose-Berryessa	\$21.18	17	3.9%	9	-3.5%	14
34	Scott Blvd Corridor	-	-	-	-	-	-
35	Shoreline Corridor North	-	-	-	-	-	-
36	Shoreline Corridor South	-	-	-	-	-	-
37	South San Jose	\$24.19	16	4.1%	6	-4.3%	20
38	South Santa Clara	\$28.01	12	4.8%	1	-4.5%	22
39	Sunnyvale	\$33.06	7	3.4%	23	-5.4%	24
40	Sunnyvale Triangle	-	-	-	-	-	-
41	West Mountain View	-	-	-	-	-	-
42	West San Jose	\$32.66	8	3.8%	13	-3.2%	12

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Campbell	211,022	6.0%	9	(19,286)	-0.6%	34	-
2	Central Santa Clara	847,689	4.4%	5	(144,466)	-0.7%	38	-
3	Central Sunnyvale	-	-	-	0	-	-	-
4	Cupertino	-	-	-	6,622	0.2%	9	-
5	De La Cruz	-	-	-	0	-	-	-
6	Downtown Mountain View	-	-	-	0	-	-	-
7	Downtown Palo Alto	5,982	12.4%	20	(3,611)	-7.5%	31	-
8	Downtown San Jose	35,152	1.0%	2	(3,719)	-0.1%	32	-
9	East Arques Ave Corridor	-	-	-	0	-	-	-
10	East San Jose-Willow Glen	830,336	5.4%	8	(162,787)	-1.1%	40	-
11	Embarcadero/101	-	-	-	0	-	-	-
12	Gilroy	201,102	3.0%	4	19,180	0.3%	8	1.3
13	Los Altos	-	-	-	0	0%	-	-
14	Los Gatos	-	-	-	0	-	-	-
15	Los Gatos/Saratoga	53,684	11.6%	19	(27,244)	-5.9%	35	-
16	Midtown San Jose	156,910	8.3%	16	48,566	2.6%	6	-
17	Milpitas	1,300,403	7.1%	13	265,612	1.4%	3	-
18	Moffett Park	391,883	6.6%	10	(149,432)	-2.5%	39	-
19	Morgan Hill	853,534	11.1%	18	(407,914)	-5.3%	41	-
20	Mountain View	754,231	7.6%	14	(27,457)	-0.3%	36	-
21	N. San Jose - Brokaw	-	-	-	0	-	-	-
22	N.E. Santa Clara	-	-	-	0	-	-	-
23	North San Jose	2,241,433	6.7%	12	662,909	2.0%	1	-
24	North Santa Clara	1,145,955	10.2%	17	225,211	2.0%	4	-
25	Oak Creek	-	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	-	-	-	0	0%	-	-
27	Palo Alto	352,408	5.0%	6	43,550	0.6%	7	0.5
28	Peery Park	-	-	-	0	-	-	-
29	Plumeria Drive	-	-	-	0	-	-	-
30	San Benito County	77,371	1.6%	3	63,957	1.3%	5	0.7
31	San Jose East	-	-	-	0	0%	-	-
32	San Jose, IBP East	-	-	-	0	-	-	-
33	San Jose-Berryessa	951,466	5.2%	7	(599,512)	-3.3%	42	-
34	Scott Blvd Corridor	-	-	-	0	-	-	-
35	Shoreline Corridor North	-	-	-	0	-	-	-
36	Shoreline Corridor South	-	-	-	0	-	-	-
37	South San Jose	757,563	6.6%	11	332,197	2.9%	2	-
38	South Santa Clara	5,260	0.5%	1	(18,270)	-1.6%	33	-
39	Sunnyvale	1,270,503	8.0%	15	(138,484)	-0.9%	37	-
40	Sunnyvale Triangle	-	-	-	0	-	-	-
41	West Mountain View	-	-	-	0	-	-	-
42	West San Jose	-	-	-	0	0%	-	-

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	198,656,376	(280,895)	-0.1%	(679,492)	-0.3%	-
2026	198,937,271	(633,894)	-0.3%	(477,169)	-0.2%	-
2025	199,571,165	(1,131,154)	-0.6%	(153,037)	-0.1%	-
2024	200,702,319	483,422	0.2%	456,525	0.2%	1.1
2023	200,218,897	1,016,364	0.5%	(1,490,705)	-0.7%	-
YTD	199,209,535	7,002	0%	(1,122,480)	-0.6%	-
2022	199,202,533	(866,085)	-0.4%	1,904,259	1.0%	-
2021	200,068,618	1,153,136	0.6%	780,491	0.4%	1.5
2020	198,915,482	(614,368)	-0.3%	(2,351,204)	-1.2%	-
2019	199,529,850	(1,114,698)	-0.6%	1,363,046	0.7%	-
2018	200,644,548	(695,629)	-0.3%	(2,550,936)	-1.3%	-
2017	201,340,177	428,116	0.2%	524,766	0.3%	0.8
2016	200,912,061	(2,505,147)	-1.2%	(831,215)	-0.4%	-
2015	203,417,208	(2,086,163)	-1.0%	(12,562)	0%	-
2014	205,503,371	(3,892,400)	-1.9%	1,686,052	0.8%	-
2013	209,395,771	(2,829,791)	-1.3%	(3,763,392)	-1.8%	-
2012	212,225,562	(4,775,302)	-2.2%	(3,198,499)	-1.5%	-
2011	217,000,864	(3,016,100)	-1.4%	896,943	0.4%	-

## SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	42,730,608	(7,820)	0%	(91,172)	-0.2%	-
2026	42,738,428	(91,681)	-0.2%	(80,327)	-0.2%	-
2025	42,830,109	(209,845)	-0.5%	8,380	0%	-
2024	43,039,954	(204,959)	-0.5%	515	0%	-
2023	43,244,913	551,499	1.3%	348,809	0.8%	1.6
YTD	42,700,416	7,002	0%	3,523	0%	2.0
2022	42,693,414	172,122	0.4%	(351,361)	-0.8%	-
2021	42,521,292	214,120	0.5%	552,042	1.3%	0.4
2020	42,307,172	136,311	0.3%	(309,015)	-0.7%	-
2019	42,170,861	(98,464)	-0.2%	314,618	0.7%	-
2018	42,269,325	(270,385)	-0.6%	(112,938)	-0.3%	-
2017	42,539,710	(644,128)	-1.5%	(330,568)	-0.8%	-
2016	43,183,838	(450,270)	-1.0%	(675,311)	-1.6%	-
2015	43,634,108	(110,760)	-0.3%	(237,999)	-0.5%	-
2014	43,744,868	(677,018)	-1.5%	(112,949)	-0.3%	-
2013	44,421,886	(387,164)	-0.9%	(243,336)	-0.5%	-
2012	44,809,050	(302,298)	-0.7%	(376,511)	-0.8%	-
2011	45,111,348	(249,609)	-0.6%	(191,987)	-0.4%	-

## LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	53,893,029	8,199	0%	(136,591)	-0.3%	-
2026	53,884,830	(121,368)	-0.2%	(101,542)	-0.2%	-
2025	54,006,198	(303,787)	-0.6%	70,846	0.1%	-
2024	54,309,985	463,176	0.9%	(86,448)	-0.2%	-
2023	53,846,809	(203,435)	-0.4%	(416,403)	-0.8%	-
YTD	54,050,244	0	0%	(20,621)	0%	-
2022	54,050,244	(64,572)	-0.1%	275,374	0.5%	-
2021	54,114,816	1,270,419	2.4%	1,447,448	2.7%	0.9
2020	52,844,397	(572,923)	-1.1%	(258,240)	-0.5%	-
2019	53,417,320	449,981	0.8%	116,430	0.2%	3.9
2018	52,967,339	331,312	0.6%	(222,261)	-0.4%	-
2017	52,636,027	465,325	0.9%	(477,157)	-0.9%	-
2016	52,170,702	(493,508)	-0.9%	1,455,077	2.8%	-
2015	52,664,210	(483,384)	-0.9%	(101,654)	-0.2%	-
2014	53,147,594	(301,677)	-0.6%	857,654	1.6%	-
2013	53,449,271	(610,953)	-1.1%	(926,467)	-1.7%	-
2012	54,060,224	(1,891,964)	-3.4%	(1,910,245)	-3.5%	-
2011	55,952,188	(1,438,983)	-2.5%	564,316	1.0%	-

## FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	102,032,739	(281,274)	-0.3%	(451,729)	-0.4%	-
2026	102,314,013	(420,845)	-0.4%	(295,300)	-0.3%	-
2025	102,734,858	(617,522)	-0.6%	(232,263)	-0.2%	-
2024	103,352,380	225,205	0.2%	542,458	0.5%	0.4
2023	103,127,175	668,300	0.7%	(1,423,111)	-1.4%	-
YTD	102,458,875	0	0%	(1,105,382)	-1.1%	-
2022	102,458,875	(973,635)	-0.9%	1,980,246	1.9%	-
2021	103,432,510	(331,403)	-0.3%	(1,218,999)	-1.2%	-
2020	103,763,913	(177,756)	-0.2%	(1,783,949)	-1.7%	-
2019	103,941,669	(1,466,215)	-1.4%	931,998	0.9%	-
2018	105,407,884	(756,556)	-0.7%	(2,215,737)	-2.1%	-
2017	106,164,440	606,919	0.6%	1,332,491	1.3%	0.5
2016	105,557,521	(1,561,369)	-1.5%	(1,610,981)	-1.5%	-
2015	107,118,890	(1,492,019)	-1.4%	327,091	0.3%	-
2014	108,610,909	(2,913,705)	-2.6%	941,347	0.9%	-
2013	111,524,614	(1,831,674)	-1.6%	(2,593,589)	-2.3%	-
2012	113,356,288	(2,581,040)	-2.2%	(911,743)	-0.8%	-
2011	115,937,328	(1,327,508)	-1.1%	524,614	0.5%	-



### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$33.86	276	5.4%	29.2%	13,162,378	6.6%	0.2%
2026	\$32.12	261	7.4%	22.5%	12,753,022	6.4%	-0.1%
2025	\$29.92	244	6.5%	14.1%	12,898,355	6.5%	-0.4%
2024	\$28.08	229	4.0%	7.1%	13,864,039	6.9%	0%
2023	\$27.02	220	3.1%	3.1%	13,826,356	6.9%	1.2%
YTD	\$26.25	214	3.8%	0.1%	12,443,887	6.2%	0.6%
2022	\$26.22	213	6.9%	0%	11,314,405	5.7%	-1.3%
2021	\$24.51	200	4.5%	-6.5%	14,018,227	7.0%	0.1%
2020	\$23.46	191	3.2%	-10.5%	13,712,104	6.9%	0.9%
2019	\$22.72	185	5.2%	-13.3%	11,975,040	6.0%	-1.2%
2018	\$21.60	176	6.5%	-17.6%	14,452,784	7.2%	1.0%
2017	\$20.27	165	6.8%	-22.7%	12,584,098	6.3%	0%
2016	\$18.98	155	8.8%	-27.6%	12,544,307	6.2%	-0.7%
2015	\$17.45	142	10.7%	-33.4%	14,218,239	7.0%	-0.9%
2014	\$15.76	128	10.4%	-39.9%	16,137,753	7.9%	-2.5%
2013	\$14.27	116	9.2%	-45.5%	21,692,176	10.4%	0.6%
2012	\$13.07	106	8.5%	-50.1%	20,758,575	9.8%	-0.5%
2011	\$12.05	98	6.0%	-54.0%	22,335,378	10.3%	-1.6%

### SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$26.36	258	5.7%	31.0%	1,137,510	2.7%	0.2%
2026	\$24.94	244	7.6%	23.9%	1,050,490	2.5%	0%
2025	\$23.17	227	6.8%	15.1%	1,058,321	2.5%	-0.5%
2024	\$21.69	212	4.2%	7.8%	1,273,130	3.0%	-0.5%
2023	\$20.81	203	3.4%	3.4%	1,474,718	3.4%	0.4%
YTD	\$20.17	197	2.7%	0.2%	1,273,963	3.0%	0%
2022	\$20.13	197	5.6%	0%	1,270,484	3.0%	1.2%
2021	\$19.06	186	4.6%	-5.3%	747,001	1.8%	-0.8%
2020	\$18.21	178	5.2%	-9.5%	1,084,923	2.6%	1.0%
2019	\$17.31	169	6.1%	-14.0%	639,597	1.5%	-1.0%
2018	\$16.31	159	6.0%	-19.0%	1,052,679	2.5%	-0.4%
2017	\$15.40	151	6.8%	-23.5%	1,210,126	2.8%	-0.3%
2016	\$14.42	141	8.5%	-28.4%	1,373,866	3.2%	0.5%
2015	\$13.29	130	9.4%	-34.0%	1,148,825	2.6%	0.3%
2014	\$12.15	119	8.3%	-39.7%	1,021,586	2.3%	-1.2%
2013	\$11.22	110	6.7%	-44.3%	1,561,626	3.5%	-0.3%
2012	\$10.52	103	5.5%	-47.8%	1,705,454	3.8%	0.2%
2011	\$9.97	97	2.7%	-50.5%	1,631,241	3.6%	-0.1%

### LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$24.05	303	5.6%	29.3%	2,245,741	4.2%	0.3%
2026	\$22.77	287	7.5%	22.5%	2,097,940	3.9%	0%
2025	\$21.18	267	6.7%	13.9%	2,114,673	3.9%	-0.7%
2024	\$19.84	250	4.2%	6.7%	2,486,565	4.6%	1.0%
2023	\$19.05	240	2.4%	2.4%	1,933,653	3.6%	0.4%
YTD	\$18.46	233	4.9%	-0.7%	1,739,699	3.2%	0%
2022	\$18.60	234	10.7%	0%	1,719,078	3.2%	-0.6%
2021	\$16.79	212	8.0%	-9.7%	2,059,024	3.8%	-0.4%
2020	\$15.55	196	3.7%	-16.4%	2,236,053	4.2%	-0.5%
2019	\$15	189	6.5%	-19.4%	2,550,736	4.8%	0.6%
2018	\$14.09	177	7.3%	-24.3%	2,217,185	4.2%	1.0%
2017	\$13.12	165	8.6%	-29.4%	1,663,612	3.2%	1.8%
2016	\$12.08	152	10.1%	-35.0%	721,130	1.4%	-3.7%
2015	\$10.97	138	11.4%	-41.0%	2,669,715	5.1%	-0.7%
2014	\$9.84	124	9.9%	-47.1%	3,051,445	5.7%	-2.1%
2013	\$8.96	113	7.8%	-51.8%	4,210,776	7.9%	0.7%
2012	\$8.31	105	5.8%	-55.3%	3,895,262	7.2%	0.3%
2011	\$7.86	99	3.8%	-57.7%	3,876,981	6.9%	-3.3%

### FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$42.15	273	5.3%	28.7%	9,779,127	9.6%	0.2%
2026	\$40.02	259	7.2%	22.2%	9,604,592	9.4%	-0.1%
2025	\$37.32	242	6.4%	13.9%	9,725,361	9.5%	-0.3%
2024	\$35.08	227	3.8%	7.1%	10,104,344	9.8%	-0.3%
2023	\$33.79	219	3.2%	3.2%	10,417,985	10.1%	2.0%
YTD	\$32.87	213	3.8%	0.4%	9,430,225	9.2%	1.1%
2022	\$32.75	212	6.2%	0%	8,324,843	8.1%	-2.7%
2021	\$30.85	200	3.5%	-5.8%	11,212,202	10.8%	0.8%
2020	\$29.79	193	2.6%	-9.0%	10,391,128	10.0%	1.6%
2019	\$29.04	188	4.7%	-11.3%	8,784,707	8.5%	-2.2%
2018	\$27.75	180	6.5%	-15.3%	11,182,920	10.6%	1.5%
2017	\$26.06	169	6.3%	-20.4%	9,710,360	9.1%	-0.8%
2016	\$24.51	159	8.5%	-25.2%	10,449,311	9.9%	0.2%
2015	\$22.60	147	10.9%	-31.0%	10,399,699	9.7%	-1.4%
2014	\$20.38	132	11.1%	-37.8%	12,064,722	11.1%	-3.2%
2013	\$18.34	119	10.2%	-44.0%	15,919,774	14.3%	0.9%
2012	\$16.64	108	10.0%	-49.2%	15,157,859	13.4%	-1.1%
2011	\$15.12	98	7.5%	-53.8%	16,827,156	14.5%	-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	-	-	-	-	-	-	\$483.31	377	5.8%
2026	-	-	-	-	-	-	\$452.17	352	5.8%
2025	-	-	-	-	-	-	\$411.26	321	6.0%
2024	-	-	-	-	-	-	\$378.97	295	6.1%
2023	-	-	-	-	-	-	\$390.90	305	5.7%
YTD	39	\$435.8M	1.0%	\$13,618,161	\$326.34	7.1%	\$405.28	316	5.4%
2022	292	\$2.2B	5.2%	\$11,205,331	\$345.31	5.0%	\$408.66	318	5.2%
2021	279	\$4.1B	5.9%	\$15,522,038	\$384.20	5.0%	\$401.28	313	4.8%
2020	220	\$2.2B	3.7%	\$11,170,908	\$332.01	5.4%	\$344.94	269	5.2%
2019	312	\$2.7B	5.4%	\$14,233,446	\$303.53	6.0%	\$310.66	242	5.4%
2018	343	\$3.1B	5.8%	\$14,665,469	\$329.80	5.9%	\$286.07	223	5.5%
2017	427	\$2.7B	6.5%	\$10,241,573	\$250.39	6.0%	\$259.20	202	5.6%
2016	409	\$2.6B	5.9%	\$9,056,394	\$267.37	6.0%	\$247.32	193	5.4%
2015	499	\$3.1B	8.0%	\$8,080,698	\$223.58	6.0%	\$223.08	174	5.5%
2014	455	\$2.8B	6.8%	\$7,134,478	\$215.29	6.7%	\$188.33	147	6.0%
2013	431	\$2.4B	6.8%	\$7,810,161	\$198.31	7.0%	\$160.36	125	6.5%
2012	528	\$1.5B	8.9%	\$5,842,598	\$157.56	7.1%	\$143.13	112	6.8%

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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	-	-	-	-	-	-	\$445.72	399	5.7%
2026	-	-	-	-	-	-	\$415.90	372	5.8%
2025	-	-	-	-	-	-	\$377.13	338	5.9%
2024	-	-	-	-	-	-	\$346.51	310	6.0%
2023	-	-	-	-	-	-	\$357.07	320	5.6%
YTD	13	\$292.3M	3.5%	\$24,359,292	\$314.60	8.7%	\$369.87	331	5.3%
2022	80	\$507.7M	5.1%	\$7,577,728	\$305.80	5.4%	\$372.27	333	5.1%
2021	70	\$1.1B	5.2%	\$15,935,491	\$508.54	4.3%	\$366.14	328	4.8%
2020	54	\$316M	3.3%	\$6,449,561	\$225.70	6.1%	\$311.75	279	5.1%
2019	106	\$393M	6.2%	\$7,415,153	\$173.98	5.0%	\$279.63	250	5.4%
2018	113	\$282.5M	5.2%	\$6,568,656	\$256.47	5.2%	\$255.84	229	5.4%
2017	145	\$410.1M	7.1%	\$7,594,668	\$209.55	6.1%	\$229.47	206	5.5%
2016	127	\$178.9M	3.4%	\$3,374,911	\$175.13	6.3%	\$217.16	194	5.4%
2015	134	\$359.5M	6.4%	\$4,180,128	\$153.59	5.5%	\$193.59	173	5.5%
2014	103	\$201.7M	4.5%	\$2,653,862	\$113.19	6.0%	\$163.24	146	6.0%
2013	94	\$173.9M	3.8%	\$2,946,702	\$126.97	7.3%	\$138.63	124	6.5%
2012	135	\$129.6M	6.0%	\$2,355,466	\$104.81	6.5%	\$123.76	111	6.8%

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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	-	-	-	-	-	-	\$387.79	387	5.7%
2026	-	-	-	-	-	-	\$362.24	362	5.8%
2025	-	-	-	-	-	-	\$328.90	328	5.9%
2024	-	-	-	-	-	-	\$302.53	302	6.1%
2023	-	-	-	-	-	-	\$311.49	311	5.7%
YTD	12	\$65.1M	0.4%	\$5,421,386	\$337.46	-	\$322.32	322	5.3%
2022	70	\$374.5M	4.9%	\$7,342,186	\$304.86	4.8%	\$324.37	324	5.2%
2021	60	\$707M	3.8%	\$11,983,484	\$349.59	4.8%	\$316.85	316	4.8%
2020	63	\$277M	2.3%	\$4,946,056	\$303.66	5.3%	\$270.38	270	5.2%
2019	83	\$317.3M	3.9%	\$7,933,285	\$228.06	5.9%	\$242.43	242	5.5%
2018	89	\$267.5M	2.9%	\$5,943,987	\$263.26	4.6%	\$222.81	222	5.5%
2017	106	\$332.2M	4.3%	\$5,931,428	\$208.33	6.0%	\$201.98	202	5.6%
2016	92	\$262.9M	4.9%	\$3,651,121	\$171.08	5.5%	\$191.44	191	5.4%
2015	115	\$425.3M	5.5%	\$4,778,128	\$178.20	5.7%	\$172.71	172	5.6%
2014	74	\$157.2M	2.9%	\$2,576,382	\$111.61	5.8%	\$145.99	146	6.1%
2013	98	\$172.3M	4.5%	\$3,250,644	\$105.37	7.4%	\$124.34	124	6.5%
2012	124	\$202.8M	5.6%	\$3,436,570	\$109.11	7.6%	\$111.34	111	6.8%

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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.

### 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	-	-	-	-	-	-	\$549.18	366	5.8%
2026	-	-	-	-	-	-	\$514.55	343	5.9%
2025	-	-	-	-	-	-	\$468.78	312	6.0%
2024	-	-	-	-	-	-	\$432.68	288	6.2%
2023	-	-	-	-	-	-	\$446.73	298	5.7%
YTD	14	\$78.4M	0.3%	\$9,801,625	\$367.39	4.0%	\$463.66	309	5.4%
2022	142	\$1.3B	5.5%	\$17,072,930	\$379.47	5.6%	\$468.14	312	5.3%
2021	149	\$2.3B	7.4%	\$16,828,172	\$353.90	6.0%	\$460.30	307	4.9%
2020	103	\$1.6B	4.6%	\$17,340,457	\$371.87	5.0%	\$397.96	265	5.2%
2019	123	\$2B	5.9%	\$20,429,162	\$377.82	6.1%	\$359.47	240	5.5%
2018	141	\$2.6B	7.5%	\$20,590,506	\$349.98	6.5%	\$331.93	221	5.5%
2017	176	\$2B	7.4%	\$12,753,345	\$270.80	6.1%	\$301.66	201	5.6%
2016	190	\$2.2B	7.3%	\$13,291,352	\$301.01	6.0%	\$289.25	193	5.4%
2015	250	\$2.3B	9.9%	\$11,181,080	\$254.03	6.5%	\$261.85	175	5.5%
2014	278	\$2.4B	9.6%	\$9,560,246	\$248.75	7.0%	\$221.05	147	6.0%
2013	239	\$2.1B	9.2%	\$10,479,850	\$225.43	6.8%	\$188.36	126	6.4%
2012	269	\$1.2B	11.7%	\$8,176,500	\$181.69	7.0%	\$167.90	112	6.8%

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