



Industrial Market Report

San Francisco - CA

PREPARED BY



INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

1.3M

12 Mo Net Absorption in SF

(742K)

Vacancy Rate

7.7%

12 Mo Rent Growth

3.1%

In the third quarter of 2023, the San Francisco industrial Market is characterized by rising vacancy and moderating rent growth, as an influx of new flex space encounters slowing demand.

In recent years the booming life sciences sector led to a surge in demand by biotech companies for R&D space. Developers have responded with the construction of new facilities, primarily in the South San Francisco Submarket, which already accounts for a quarter of the market's industrial space and 50% of the total construction pipeline. In 2023, many of these new projects are being delivered into a market where demand has since pulled back, and leasing is slow for spaces that were neither build-to-suit nor pre-leased.

In contrast, the inventory of logistics and distribution space in San Francisco has been on a steady downward trend for many years, as old industrial sites were demolished or repositioned for other uses. The San Francisco Peninsula is mostly built out and land is expensive.

With continued new development, flex properties now account for around 30% of the San Francisco industrial market, a much higher share than in most other markets.

Economic headwinds have slowed demand for industrial

space. Higher interest rates and banking turmoil have slashed venture capital funding in the biotech sector, while the slowing economy has also caused many logistics property users to decrease leasing activity. Total industrial leasing in 23Q1 was the second lowest volume since the great recession, and activity remains weak in the third quarter.

Vacancy has increased, and currently stands at 7.7%. The increase is driven by flex space, where vacancy has increased to 13.3%, whereas vacancy in the logistics sector remains close to its long-term average, at 4.9%.

Reflecting high land and operating costs, industrial rents, at \$27.00/SF, are the highest in the nation. However, the rate of growth in rent is one of the lowest. In the year to 2023q3, rents grew by 3.1%. The large pipeline of construction projects is projected to result in higher flex vacancy and limited scope for rent growth in the quarters ahead.

The investment market is showing signs of a sharp slowdown after two years of elevated activity. High interest rates and investor caution have dampened demand and resulted in total sales volume of just \$98 million so far in 2023. By comparison, annual sales volume peaked at \$2.2 billion in early 2022.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	49,152,302	4.9%	\$21.94	5.9%	(75,396)	0	0
Specialized Industrial	17,820,286	5.5%	\$23.19	6.0%	200	0	0
Flex	31,598,650	13.3%	\$36.53	24.9%	(63,055)	0	5,567,769
Market	98,571,238	7.7%	\$27.36	12.7%	(138,251)	0	5,567,769

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.8%	5.6%	8.3%	10.1%	2003 Q4	1.1%	2000 Q2
Net Absorption SF	(742K)	(322,526)	545,992	2,143,675	2000 Q2	(4,788,354)	2001 Q4
Deliveries SF	1.3M	490,991	1,355,173	1,524,424	2021 Q1	7,592	2016 Q2
Rent Growth	3.1%	3.3%	3.7%	12.1%	1998 Q1	-4.9%	2002 Q3
Sales Volume	\$895M	\$645.2M	N/A	\$2.5B	2021 Q3	\$99.1M	2010 Q1

The slowdown in leasing activity that began in the second half of 2022 has continued into 2023. Outside of the pandemic slowdown in 2020, total industrial leasing volume in both 22Q4 and 23Q1 was the lowest since the great recession, and leasing has remained slow in the third quarter.

The leasing slowdown has come about as higher interest rates and economic uncertainty reduced demand for industrial space. Moreover, the demand from biotech companies for R&D space has diminished as venture capital funding has dried up. Coming at a time that coincides with a spike in the delivery of newly constructed flex R&D space, the result has been an increase in vacancy.

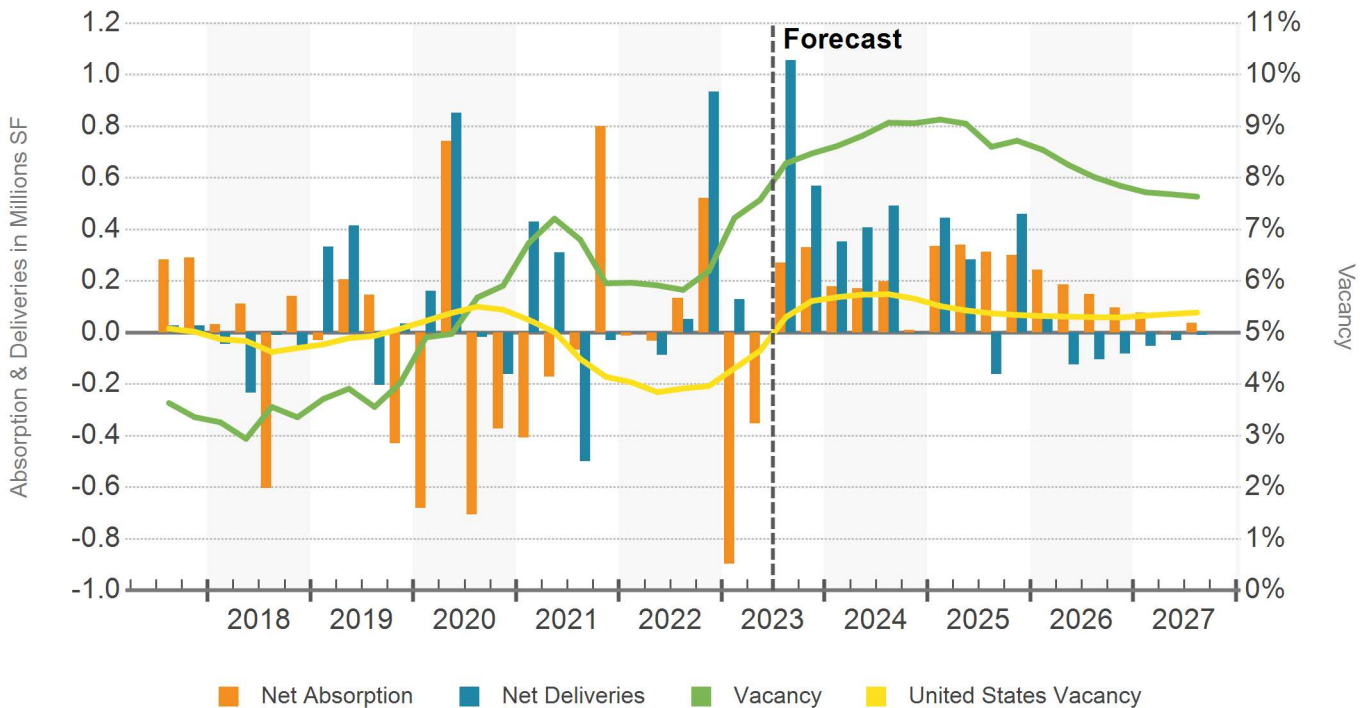
Flex vacancy has increased by 3.7% in the past year and stands at 13.3% in the third quarter of 2023. By comparison, logistics space vacancy remains close to its long-term average at 4.9%. Overall market vacancy ticked up to its current rate of 7.7%.

Availability in the flex sector has also increased and is currently 24.9%. This figure reflects both the availability of space in speculative projects under construction and an increase in sublet space. For example, the 350,000 SF 700 Gateway Blvd. in South San Francisco, 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.

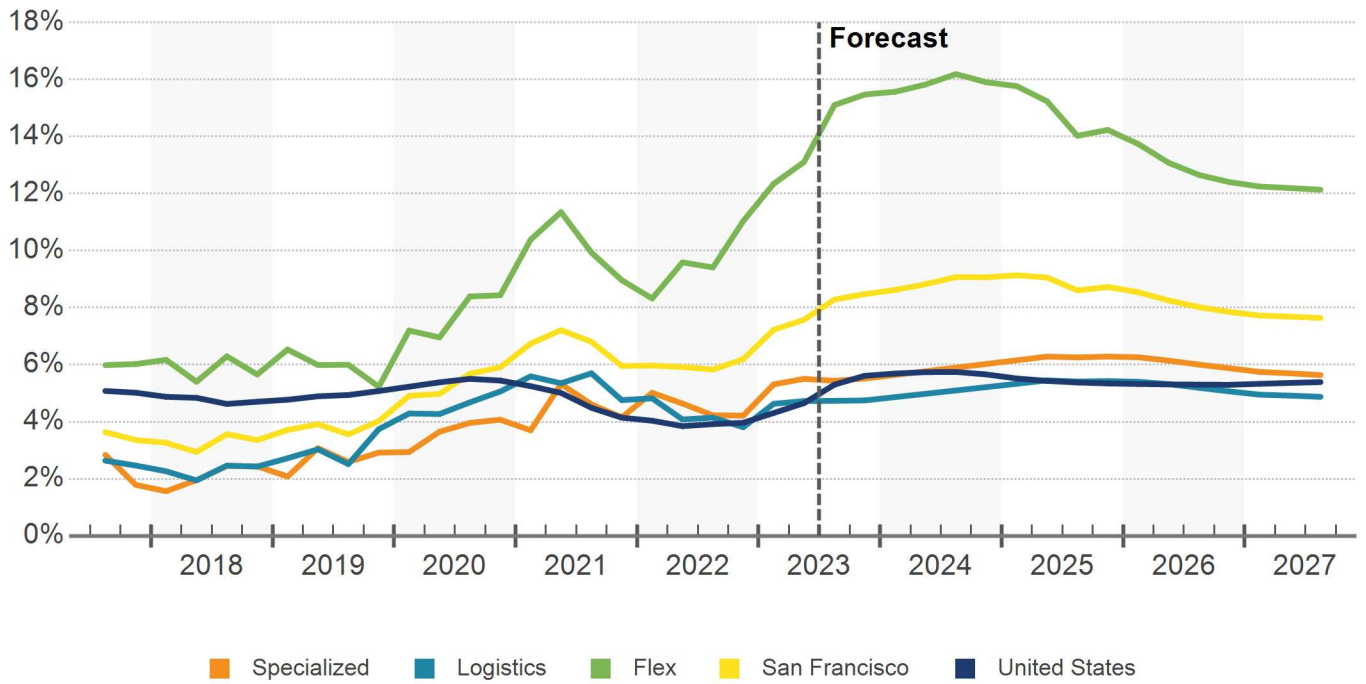
One of the largest new leases was signed by Ideaya, which leased 44,000 SF of biotech space at DivcoWest's Sierra Point in June 2023.

Continued economic uncertainty and deliveries of speculative flex space in the months ahead may cause vacancy to rise further in the coming quarters. Of the 4.4 million SF currently under construction, 3.5 million SF is available.

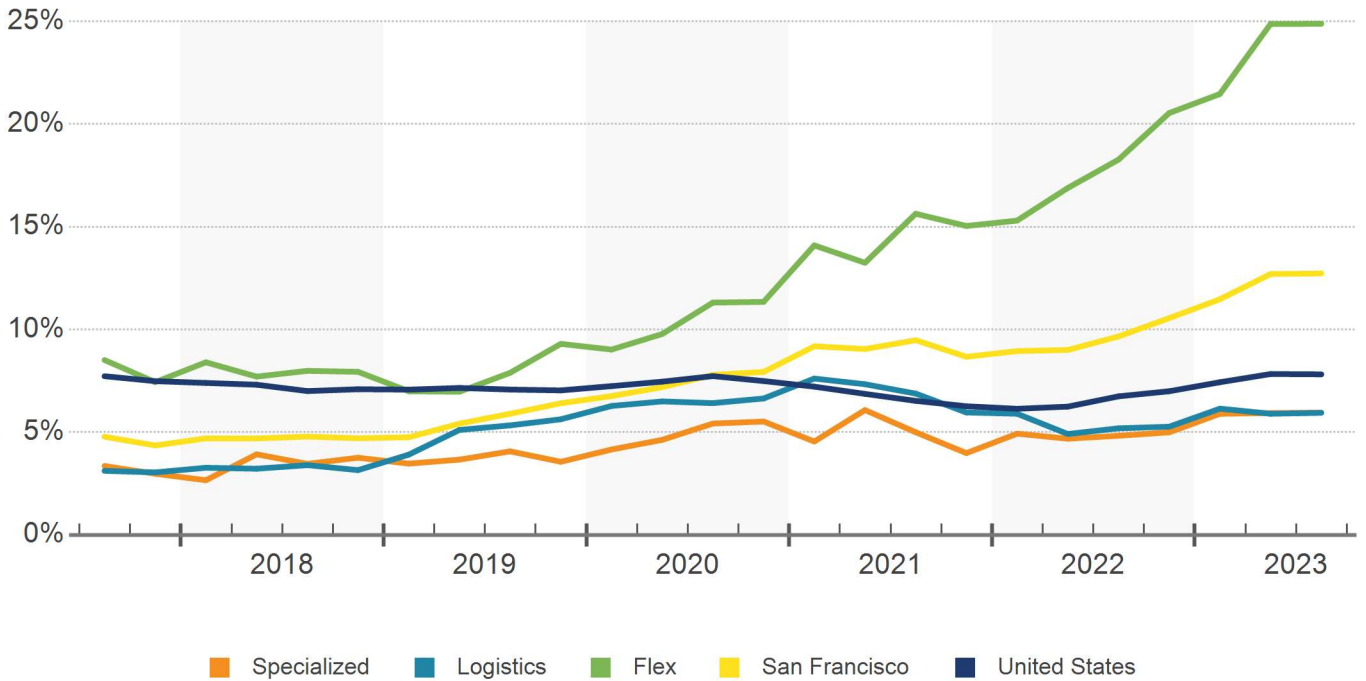
NET ABSORPTION, NET DELIVERIES & VACANCY



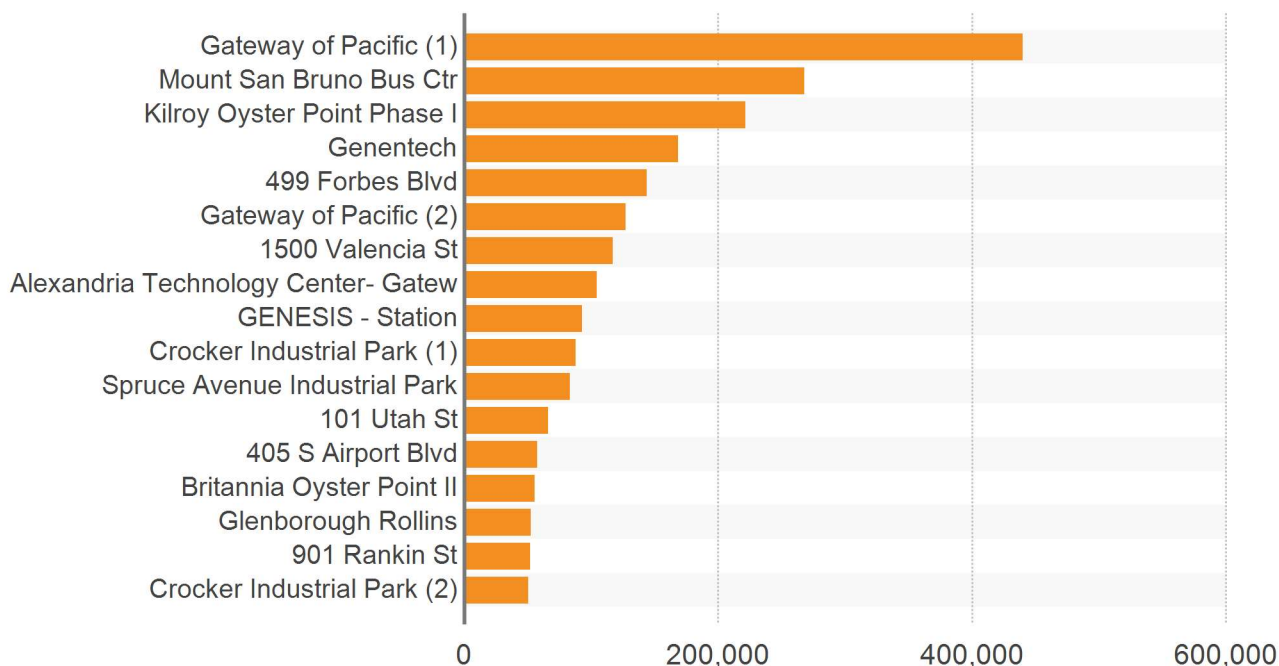
VACANCY RATE



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
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	221,739
Genentech	South San Francisco...	168,500	0	168,500	0	0	0	168,500
499 Forbes Blvd	South San Francisco...	144,209	0	0	0	0	0	144,209
Gateway of Pacific (2)	South San Francisco...	349,998	222,726	67,350	0	0	0	127,272
1500 Valencia St	Mission/Potrero Ind	117,463	0	0	117,463	0	0	117,463
Alexandria Technology Center-...	South San Francisco...	110,428	0	0	0	0	0	104,841
GENESIS - Station	Brisbane/Daly City Ind	441,000	153,398	(97,248)	26,360	0	0	92,982
Crocker Industrial Park (1)	Brisbane/Daly City Ind	88,200	0	0	0	0	0	88,200
Spruce Avenue Industrial Park	South San Francisco...	559,605	15,050	90,000	0	0	0	83,516
101 Utah St	South of Market Ind	66,500	0	0	66,500	0	0	66,500
405 S Airport Blvd	South San Francisco...	84,000	0	0	0	0	0	57,516
Britannia Oyster Point II	South San Francisco...	85,000	0	0	0	0	0	55,602
Glenborough Rollins	Burlingame Ind	255,185	0	0	0	0	0	52,569
901 Rankin St	Bayview/Hunters Poi...	82,480	0	0	0	0	0	52,307
Crocker Industrial Park (2)	Brisbane/Daly City Ind	55,000	0	0	0	0	0	50,815
Subtotal Primary Competitors		3,555,838	391,174	228,602	210,323	0	0	2,192,301
Remaining San Francisco Market		95,043,910	7,218,518	(1,126,503)	(562,607)	(138,251)	0	(2,933,904)
Total San Francisco Market		98,599,748	7,609,692	(897,901)	(352,284)	(138,251)	0	(741,603)

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;...
325 Valley Dr	Brisbane/Daly City	120,000	Q2 23	TriMark dba R.W. Smith Co	JLL	Reliance Real Estate A...
180-200 Napoleon St *	Mission/Potrero	101,331	Q2 23	USPS	-	Calco Commercial, Inc....
245 S Spruce Ave	South San Francisco	90,000	Q1 23	-	-	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	-	-
405 S Airport Blvd	South San Francisco	57,516	Q4 22	-	-	Kidder Mathews
868 Cowan Rd	Burlingame	55,700	Q2 23	-	-	CBRE
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
570-586 Eccles Ave	South San Francisco	51,048	Q2 23	-	-	Cushman & Wakefield
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
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	Gymtowne Gymnastics SSF	-	Colliers
180-200 Napoleon St	Mission/Potrero	25,071	Q4 22	Ports Seafood	-	-
340 Shaw Rd *	South San Francisco	25,000	Q1 23	Unilode Aviation Solutions	-	Cushman & Wakefield
1576 Rollins Rd	Burlingame	25,000	Q3 22	Coy & Company, Inc.	-	Newmark
350 Harbor Way	South San Francisco	24,600	Q2 23	-	-	JLL
570-586 Eccles Ave	South San Francisco	24,194	Q2 23	-	-	JLL
1201-1225 Minnesota St	Mission Bay/China Basin	22,820	Q4 22	-	-	HC&M Commercial Pro...
3240 3rd St	Mission Bay/China Basin	21,803	Q4 22	-	-	CBRE
900-950 23rd St	Mission Bay/China Basin	21,364	Q4 22	-	-	JLL
1320 San Mateo Ave	South San Francisco	20,060	Q3 22	The Hertz Corporation	-	Kidder Mathews
400-460 Talbert St *	Brisbane/Daly City	20,000	Q2 23	Smith Novelty Company	-	Calco Commercial, Inc.
237-239 Harbor Way	South San Francisco	16,500	Q1 23	A & A Kitchen Appliances	-	Sperry Commercial Glo...
245-253 Utah Ave	South San Francisco	14,681	Q1 23	SixWheel	Innovation Propertie...	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...
35 N Amphlett Blvd	San Mateo	13,000	Q2 23	-	-	Newmark
2409-2427 17th St	Mission/Potrero	12,500	Q1 23	REMOOV	-	Reliance Real Estate A...
1215 Chrysler Dr *	Menlo Park	12,500	Q2 23	Rios Machines Inc.	Cushman & Wakefield	Newmark

*Renewal

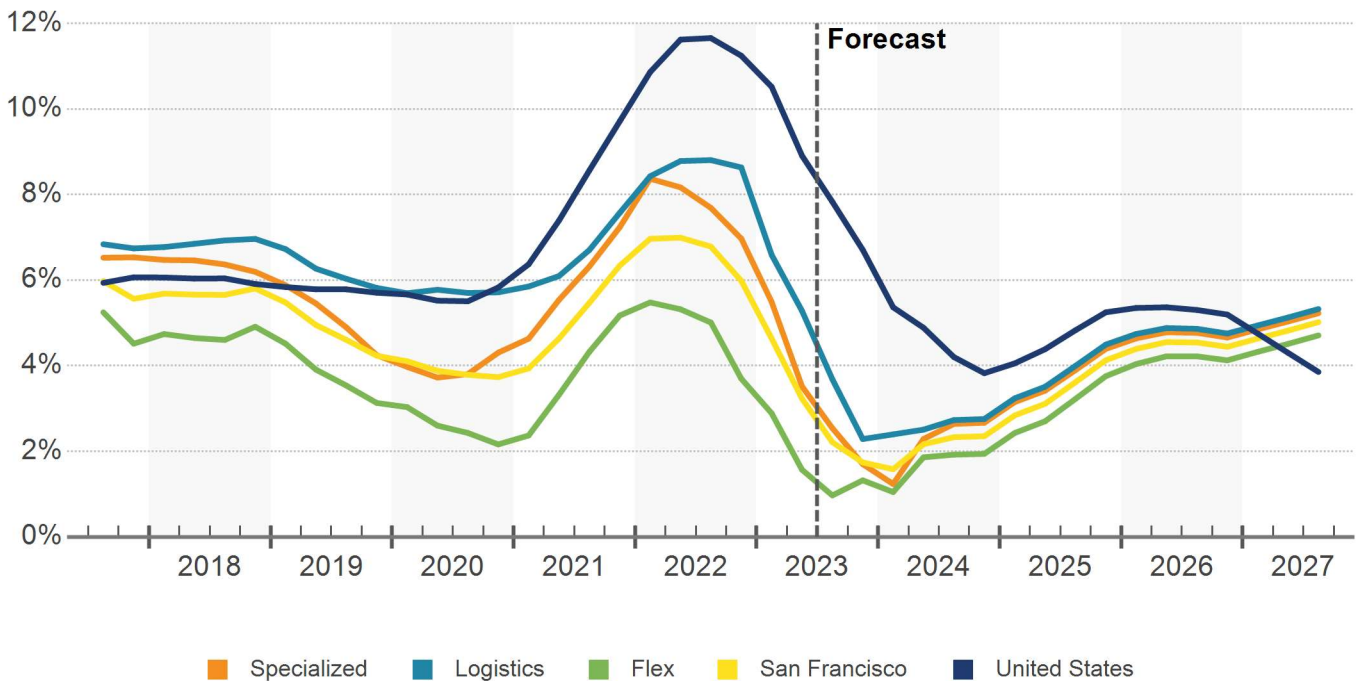
Rents levels for industrial properties in San Francisco are the highest in the nation. A tight market and competition with other land uses for scarce space have kept rents high and discouraged the use of sites for large scale industrial facilities. The average asking rate is \$27.00/SF. Flex rent averages \$37.00/SF, and logistics space goes for \$22.00/SF. These rates are approximately twice the national average.

In recent years, however, the rate of rent growth has been much lower in San Francisco than other markets. The spike in industrial rents in early 2022 that saw an

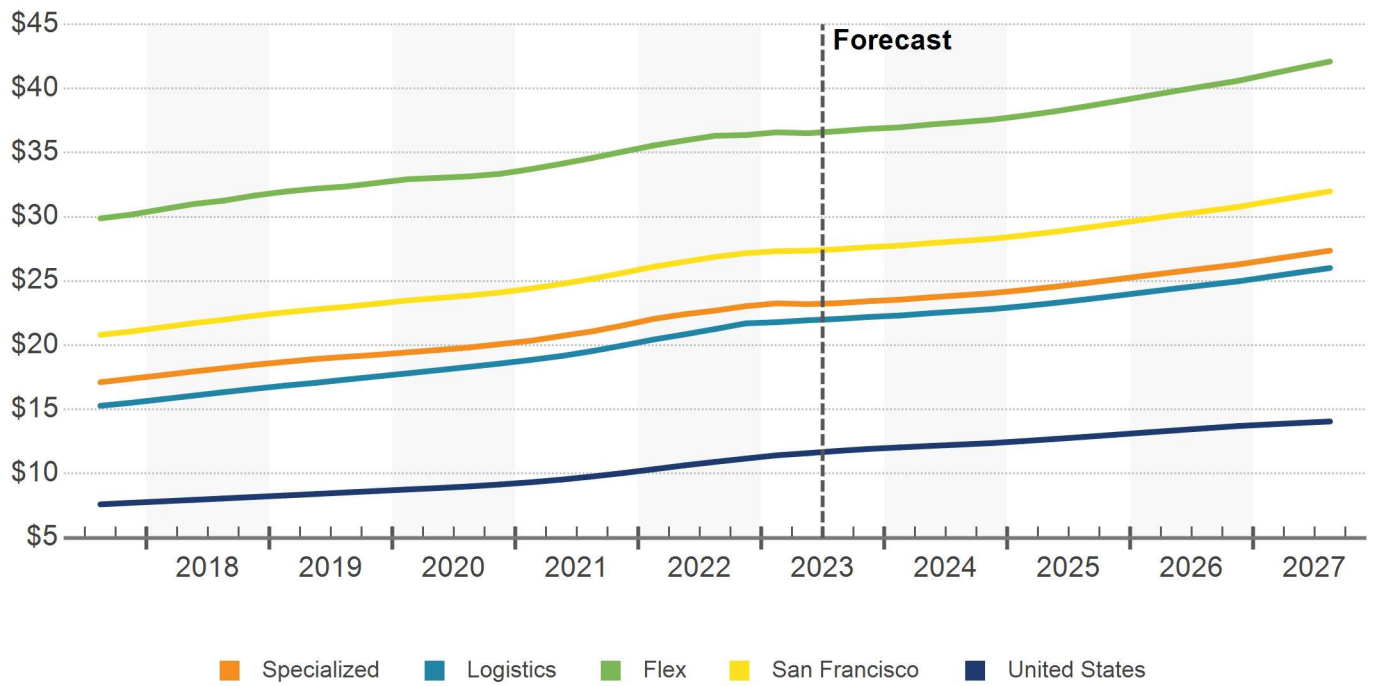
average annual increase across the nation of 11.7%, registered just 6.8% at its peak in San Francisco.

As of 2023q3, asking rents in San Francisco are 3.1% higher than they were a year ago. This is below the national average increase of 8.7%. Flex properties saw the sharpest slowdown in rent growth over the past two years and are trailing the metro average. Asking rents gained just 1.5% over the past year, with growth constrained by the elevated availability levels in this sector.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



San Francisco's industrial market is seeing a historically high level of development, with over 4 million SF of space currently under construction. These projects are all R&D flex space aimed at the life science/biotech industry. This sector has seen high levels of growth and occupier demand in recent years, but as of the third quarter of 2023, expansion activity has slowed sharply on the back of high interest rates and recessionary challenges.

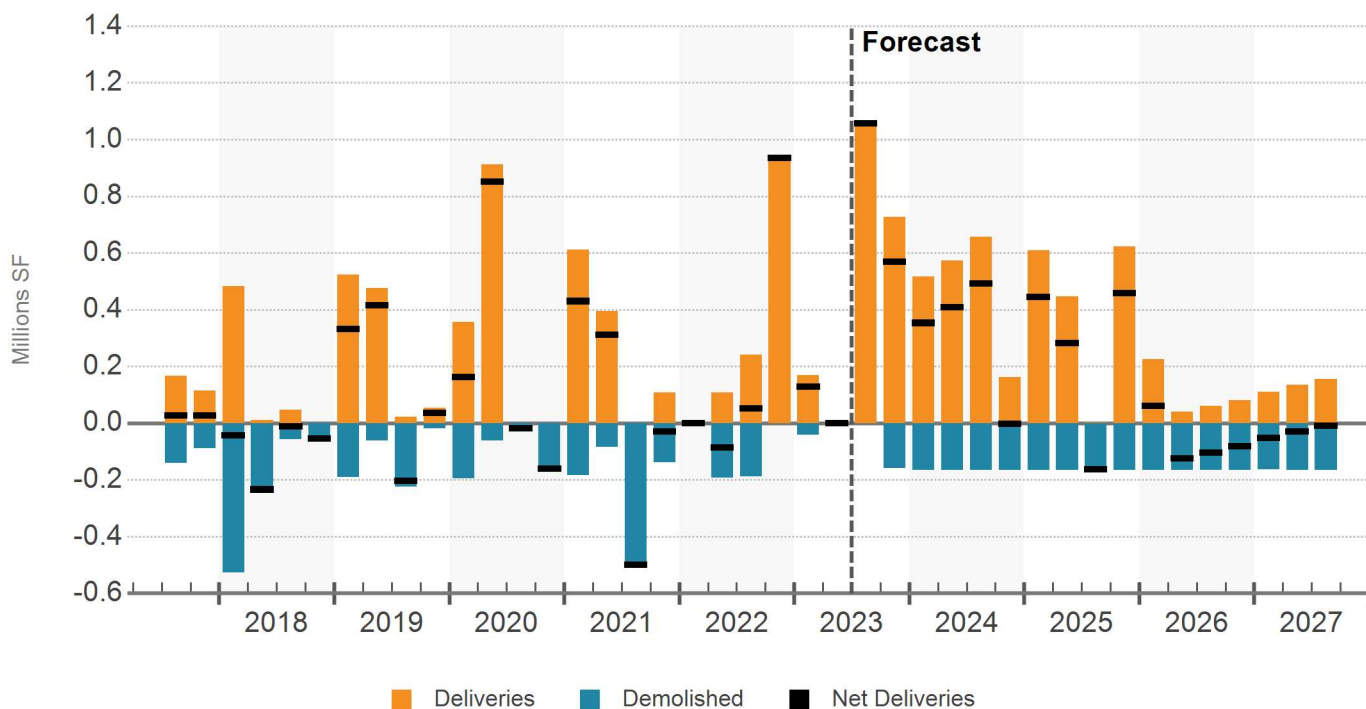
The geographic focus for new flex space is the South San Francisco Submarket. However, new construction is disbursed throughout the metro area, with sizable projects also taking shape in the southern part of Downtown San Francisco and several Peninsula employment centers, including Millbrae, San Carlos,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

In South San Francisco, new buildings have been

completed in the past year for Genentech, InterVenn, and Cytokinetics. 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, retail, or industrial buildings being redeveloped as flex space. One example is the Shops at Tanforan in San Bruno. This 50-year-old mall, previously anchored by JCPenney and Sears, 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

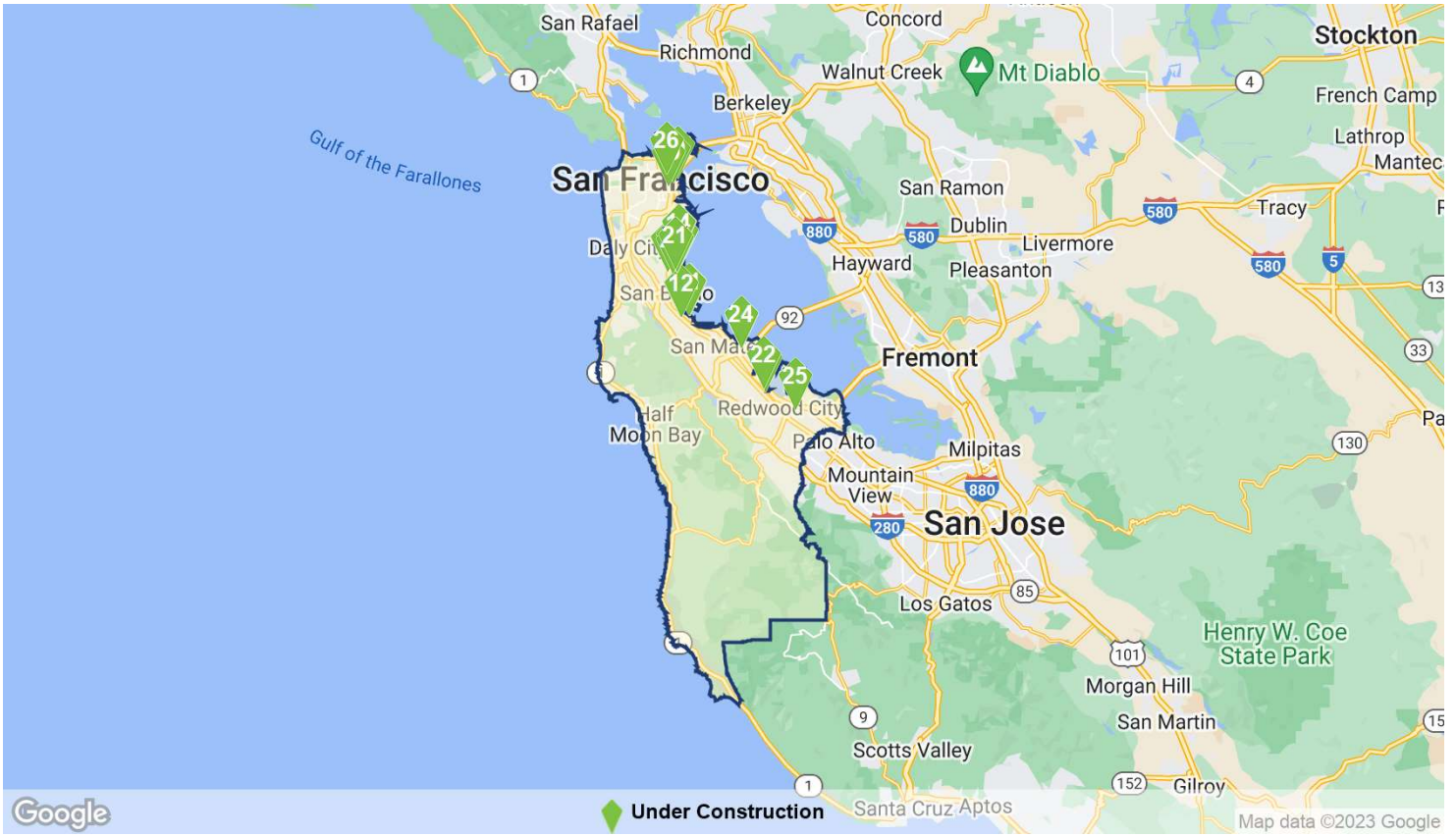
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South San Francisco	10	2,233	492	22.0%	4	42,737	223,325	5
2	Belmont/San Carlos	3	710	410	57.7%	2	15,513	236,777	4
3	Brisbane/Daly City	3	621	294	47.3%	3	39,899	207,039	6
4	Mission Bay/China Basin	2	524	0	0%	6	34,847	261,884	1
5	San Bruno/Millbrae	2	515	0	0%	6	14,039	257,500	2
6	Burlingame	2	504	0	0%	6	22,896	251,750	3
7	San Mateo	2	248	224	90.4%	1	9,177	124,182	7
8	South of Market	2	181	29	16.2%	5	12,826	90,534	8
9	Redwood City	1	31	0	0%	6	14,471	31,370	9
10	Bayview/Hunters Point	0	-	-	-	-	21,593	-	-
	All Other	0	-	-	-		24,031	-	
Totals		27	5,568	1,449	26.0%		22,865	206,214	

Under Construction Properties

San Francisco Industrial

Properties	Square Feet	Percent of Inventory	Released
26	5,157,769	7.7%	20.1%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 580 Dubuque Ave	★★★★☆	339,993	9	Oct 2022	Sep 2024	- IQHQ
2 210 Adrian Rd	★★★★☆	315,000	6	Oct 2022	Oct 2025	- Longfellow Real Estate Partners
3 Bldg B 1051 3rd St	★★★★☆	310,971	8	Jul 2021	Aug 2023	Tishman Speyer Port of San Francisco
4 1699 Bayshore Hwy	★★★★☆	300,000	7	Jun 2023	Oct 2025	- -
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	Aug 2023	Kilroy Realty Corporation Kilroy Realty Corporation

Under Construction Properties

San Francisco Industrial

UNDER CONSTRUCTION

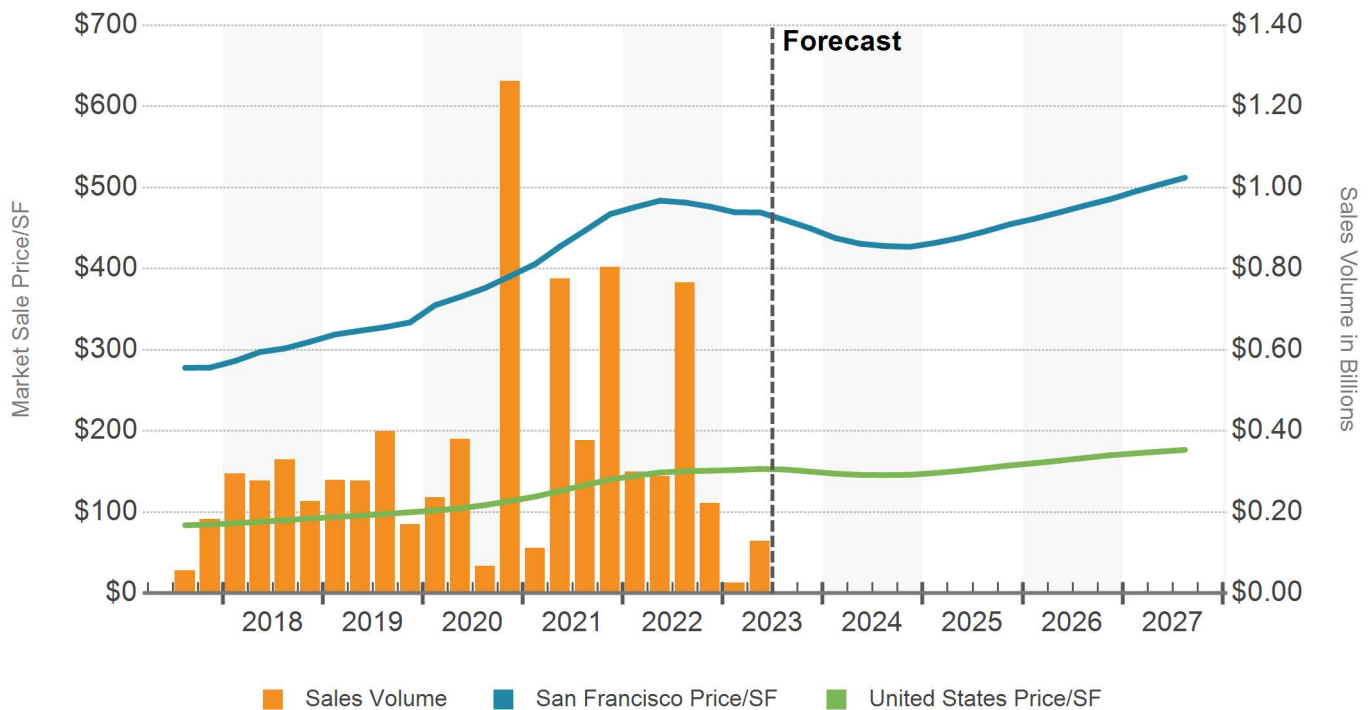
Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 751 Gateway Blvd	★★★★☆	231,000	7	May 2021	Aug 2023	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
9 3500 Marina Blvd	★★★★☆	225,117	5	Feb 2021	Aug 2023	Phase 3 Real Estate Partners, Inc. Phase 3 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 1701 Bayshore Hwy	★★★★☆	203,500	6	Jun 2023	Oct 2025	- -
12 30 Rollins Rd	★★★★☆	200,000	6	Jan 2022	Jan 2025	- -
13 3300 Marina Blvd	★★★★☆	198,000	5	Feb 2021	Jan 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
14 3000 Marina Blvd	★★★★☆	198,000	6	Oct 2020	Mar 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
15 Vantage Bldg B 494 Forbes Blvd	★★★★☆	188,000	6	Mar 2022	Oct 2023	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
16 Brittan West 1091 Industrial Rd	★★★★☆	173,731	3	Jul 2021	Sep 2023	Premia Capital Prince Street Partners
17 Bldg-B 475 Eccles Ave	★★★★☆	162,000	5	May 2022	Oct 2023	BioMed Realty BioMed Realty
18 Vantage Bldg A 494 Forbes Blvd	★★★★☆	154,000	5	Mar 2022	Oct 2023	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
19 300 Kansas St	★★★★★	151,777	6	Oct 2021	Aug 2023	Spear Street Capital Spear Street Capital
20 Nexus on Grand 233 E Grand Ave	★★★★☆	148,413	5	Sep 2021	Aug 2023	- Healthpeak Properties, Inc.
21 Bldg-A 475 Eccles Ave	★★★★☆	144,700	4	Jun 2022	Sep 2023	BioMed Realty BioMed Realty
22 777 Industrial Rd	★★★★☆	126,600	4	Apr 2022	Dec 2023	- Presidio Bay Ventures
23 San Mateo BayCenter 1 951 Mariners Island Blvd	★★★★☆	124,211	7	Jun 2023	Apr 2024	- -
24 San Mateo BayCenter 2 901 Mariners Island Blvd	★★★★☆	124,153	7	Jun 2023	Jun 2024	- -
25 3150 Bay Rd	★★★★☆	31,370	1	Jun 2022	Sep 2023	- -
26 952-960 Howard St	★★★★☆	29,290	3	Sep 2022	Aug 2023	- oWOW

Investment demand for San Francisco's industrial and flex properties has slowed in the past six months, reflecting the negative impact on investor sentiment from rising interest rates and economic uncertainty.

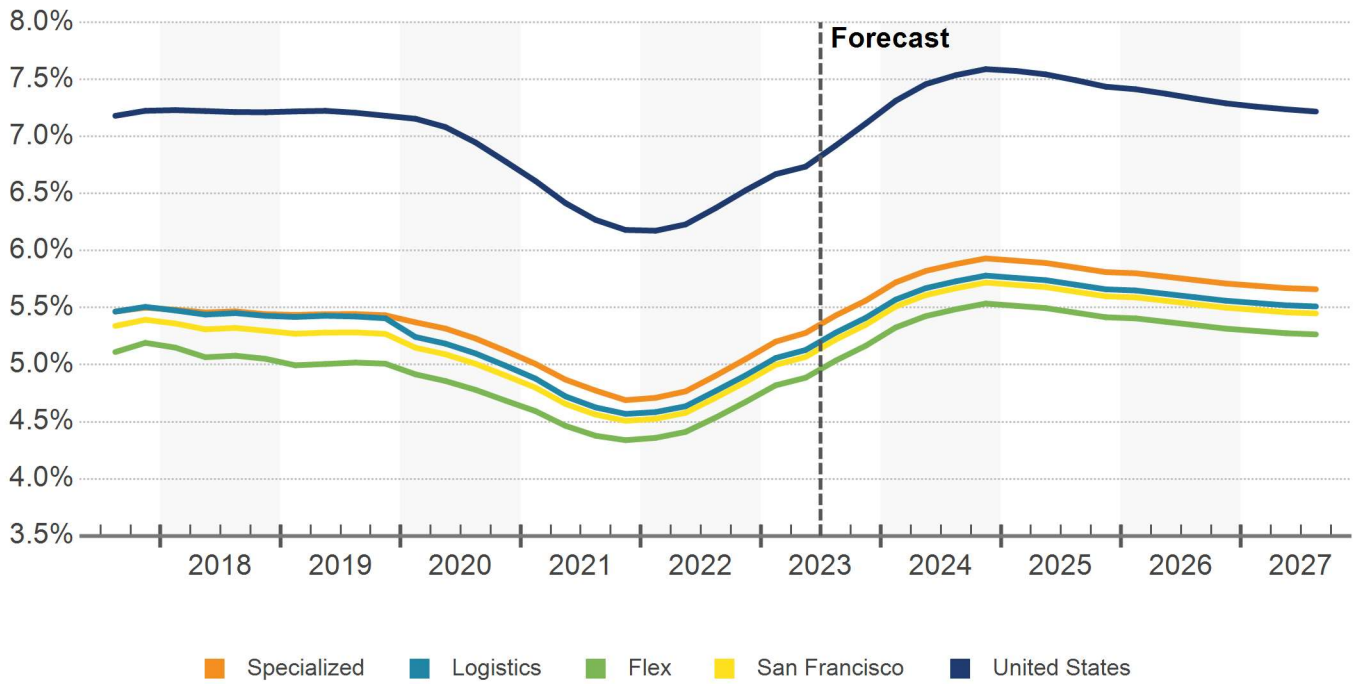
As of the third quarter of 2023 only 25 transactions have closed since the start of the year, compared to the long

term annual average of around 200 transactions. Most of the properties that sold in this time period were smaller 2 Star industrial properties, bought by owner-users, local private investors or developers. Individual sale prices were generally below \$15 million and the average transaction price was just over \$470/SF.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Francisco Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

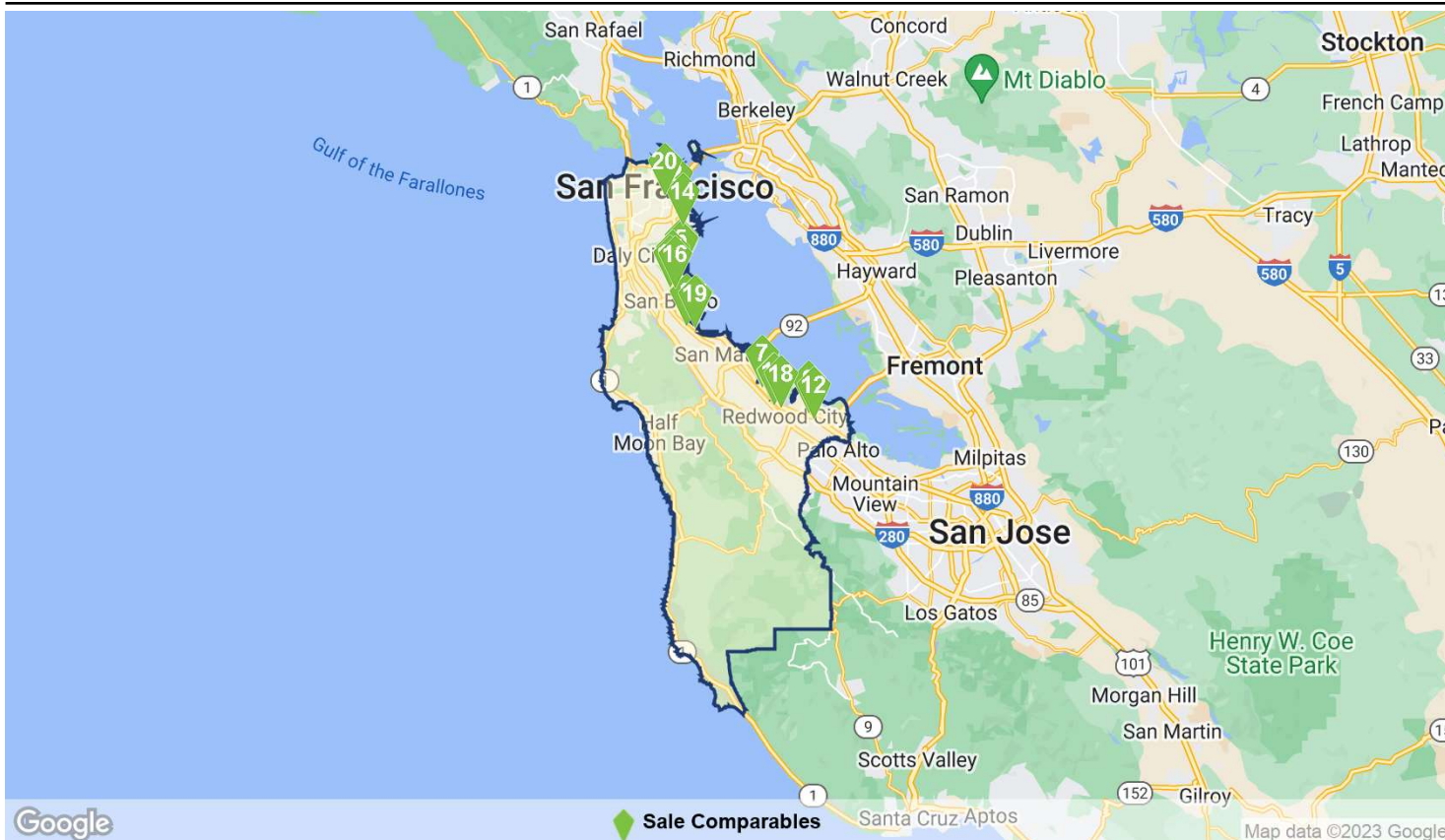
93

5.0%

\$555

3.7%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$320,000	\$11,786,439	\$3,301,803	\$170,000,000
Price/SF	\$4.54	\$555	\$448	\$1,892
Cap Rate	4.7%	5.0%	4.8%	5.4%
Time Since Sale in Months	0.3	7.1	8.4	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,697	20,993	10,098	205,674
Ceiling Height	10'	17'9"	18'	25'
Docks	0	1	0	17
Vacancy Rate At Sale	0%	3.7%	0%	100%
Year Built	1900	1962	1963	2014
Star Rating	★★★★★	★★★★★ 1.9	★★★★★	★★★★★

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 7000 Shoreline Ct	★★★★★	2003	136,395	0%	9/16/2022	\$170,000,000	\$1,246	-
2 Goodman Industrial Cen... 180-200 Napoleon St	★★★★★	1960	205,674	0%	11/29/2022	\$83,155,500	\$404	-
3 513 Eccles Ave	★★★★★	1966	84,000	0%	10/26/2022	\$80,000,000	\$952	-
4 343 Oyster Point Blvd	★★★★★	2009	54,000	0%	9/16/2022	\$71,421,450	\$1,323	-
5 341 Oyster Point Blvd	★★★★★	2013	54,000	0%	9/16/2022	\$63,104,793	\$1,169	-
6 125 Shoreway Rd	★★★★★	1978	45,291	0%	9/16/2022	\$43,354,675	\$957	-
7 75 Shoreway Rd	★★★★★	1978	36,291	0%	9/16/2022	\$35,754,082	\$985	-
8 1845-1855 Rollins Rd	★★★★★	1960	56,000	0%	5/31/2023	\$24,930,000	\$445	-
9 3575 Haven Ave	★★★★★	1981	39,560	0%	9/14/2022	\$24,787,500	\$627	-
10 1691 Bayport Ave	★★★★★	1965	23,220	0%	7/28/2022	\$19,445,500	\$837	-
11 129 Sylvester Rd	★★★★★	-	21,800	0%	5/1/2023	\$18,250,000	\$837	-
12 4055 Bohannon Dr	★★★★★	1975	30,600	0%	7/8/2022	\$16,000,000	\$523	-
13 1430 San Mateo Ave	★★★★★	1968	22,095	0%	4/28/2023	\$14,750,000	\$668	-
14 1430 Yosemite Ave	★★★★★	1960	40,000	68.8%	8/5/2022	\$13,402,436	\$335	-
15 825 Mahler Rd	★★★★★	1960	6,000	0%	4/28/2023	\$11,350,000	\$1,892	-
16 312-314 Harbor Way	★★★★★	1963	31,748	0%	5/19/2023	\$9,300,000	\$293	-
17 1710 Industrial Rd	★★★★★	1978	19,310	0%	10/17/2022	\$8,500,000	\$440	-
18 303 Convention Way	★★★★★	1967	11,925	0%	9/6/2022	\$8,100,000	\$679	-
19 1520-1540 Gilbreth Rd	★★★★★	1960	15,000	0%	4/28/2023	\$7,975,000	\$532	-
20 3175-3177 17th St	★★★★★	1926	14,400	0%	11/18/2022	\$6,700,000	\$465	-

From Gold Rush to Dot-Com, the San Francisco economy has a long history of boom followed by bust. And the current iteration of this cycle may prove to be the most dramatic. The tech boom of the 2010s, fed by the world's appetite for new mobile technologies, brought tremendous demand from expanding tech companies for office space, and a growing workforce that needed housing. Real estate prices increased rapidly to among the highest in the nation, prompting a construction boom across the city. In 2020, the COVID-19 pandemic abruptly halted that pattern. Tech companies quickly adapted to remote working, while their workforce left the city in large numbers. Three years on, in the disrupted real estate markets, demand remains low and prices are adjusting.

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 has impacted the viability and value of downtown office properties and had negative impacts on local businesses. 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.

The high cost of living led to a decline in San Francisco's population prior to 2020, but the pandemic accelerated this trend, with the population falling by -5.1% at the height of the pandemic. Recently, some of these losses have been recovered. Nevertheless, the metro still has -80,000 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. After falling to a 10-year low of 2.0% in 2022, the unemployment rate has increased to 2.9% in 2023q3. Layoffs in the technology sector have improved liquidity in the tight employment market but have also contributed to some weakening of demand in residential and retail markets.

Innovation in life sciences and biotechnology has driven growth in areas such as South San Francisco, and prompted developers to move forward with a range of lab space, R&D space, and residential construction projects. That said, delivery of life science projects is occurring at a time when businesses are cutting back on capital commitments, as high interest rates impact company valuations and dampen interest from venture capital and other investors.

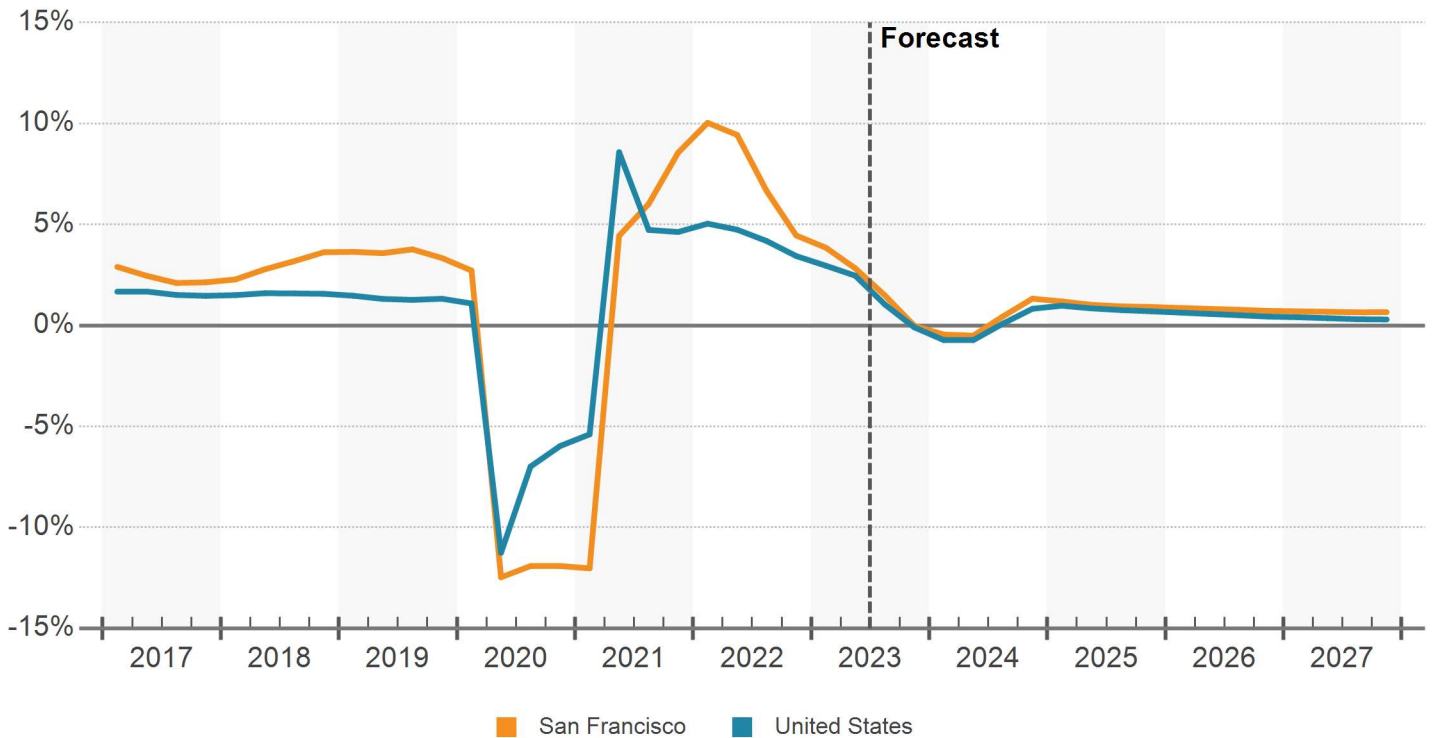
Future tech growth in new areas such as AI is expected to remain focused in the Bay Area, and is expected to drive the economy forward over the coming years.

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	39	0.4	-0.69%	1.50%	0.78%	0.80%	0.17%	-0.09%
Trade, Transportation and Utilities	141	0.6	2.96%	0.89%	0.54%	1.20%	-0.30%	-0.02%
Retail Trade	67	0.6	0.07%	0.66%	-1.37%	0.40%	-0.35%	-0.02%
Financial Activities	90	1.3	1.95%	1.01%	2.25%	1.48%	-0.53%	-0.03%
Government	134	0.8	-2.71%	1.77%	1.29%	0.30%	0.46%	0.44%
Natural Resources, Mining and Construction	42	0.6	0.08%	2.88%	3.10%	2.51%	0.66%	0.09%
Education and Health Services	154	0.8	4.13%	3.63%	2.55%	1.76%	0.30%	0.55%
Professional and Business Services	317	1.8	2.68%	2.10%	3.55%	2.15%	0.52%	0.22%
Information	124	5.3	-1.08%	-1.32%	9.62%	1.13%	1.44%	0.18%
Leisure and Hospitality	131	1.0	12.81%	5.87%	0.40%	1.59%	1.84%	0.85%
Other Services	40	0.9	6.34%	3.01%	0.52%	0.68%	0.23%	0.16%
Total Employment	1,211	1.0	2.72%	2.35%	2.49%	1.35%	0.54%	0.28%

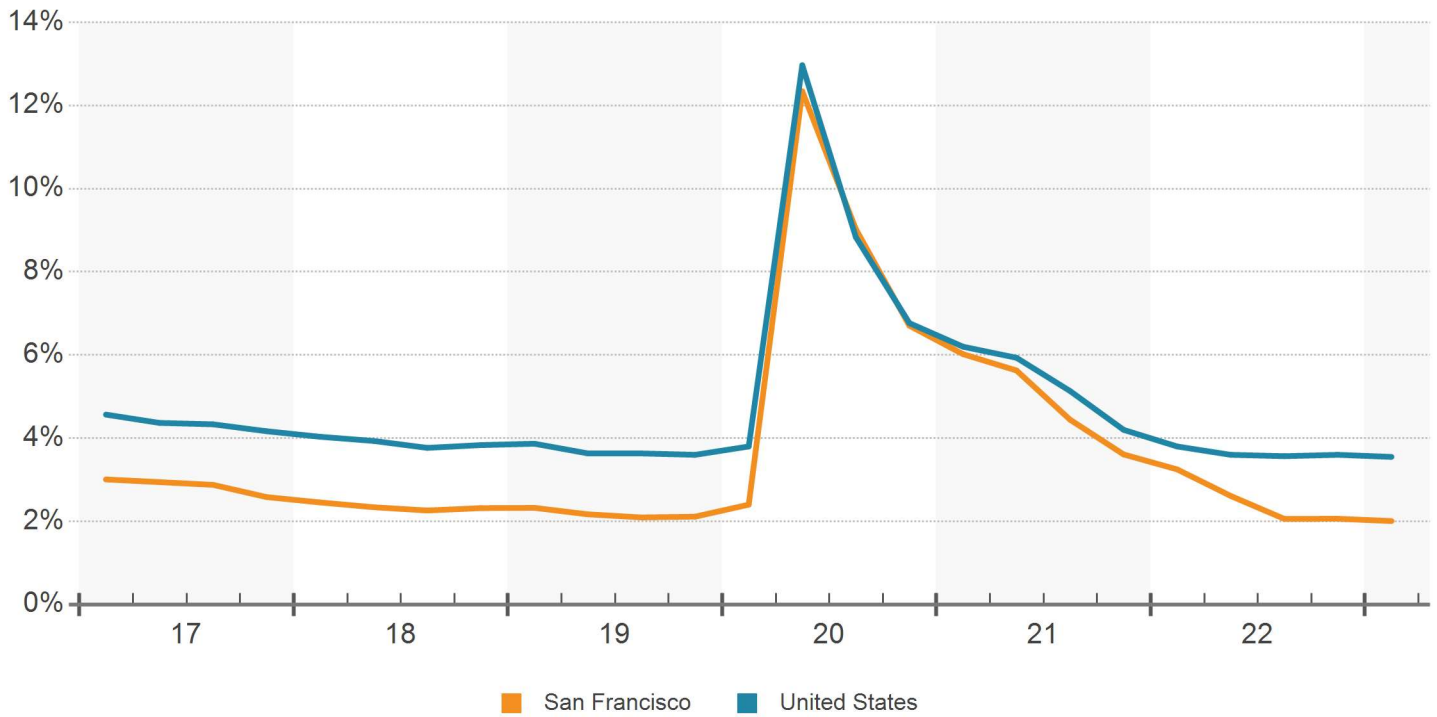
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

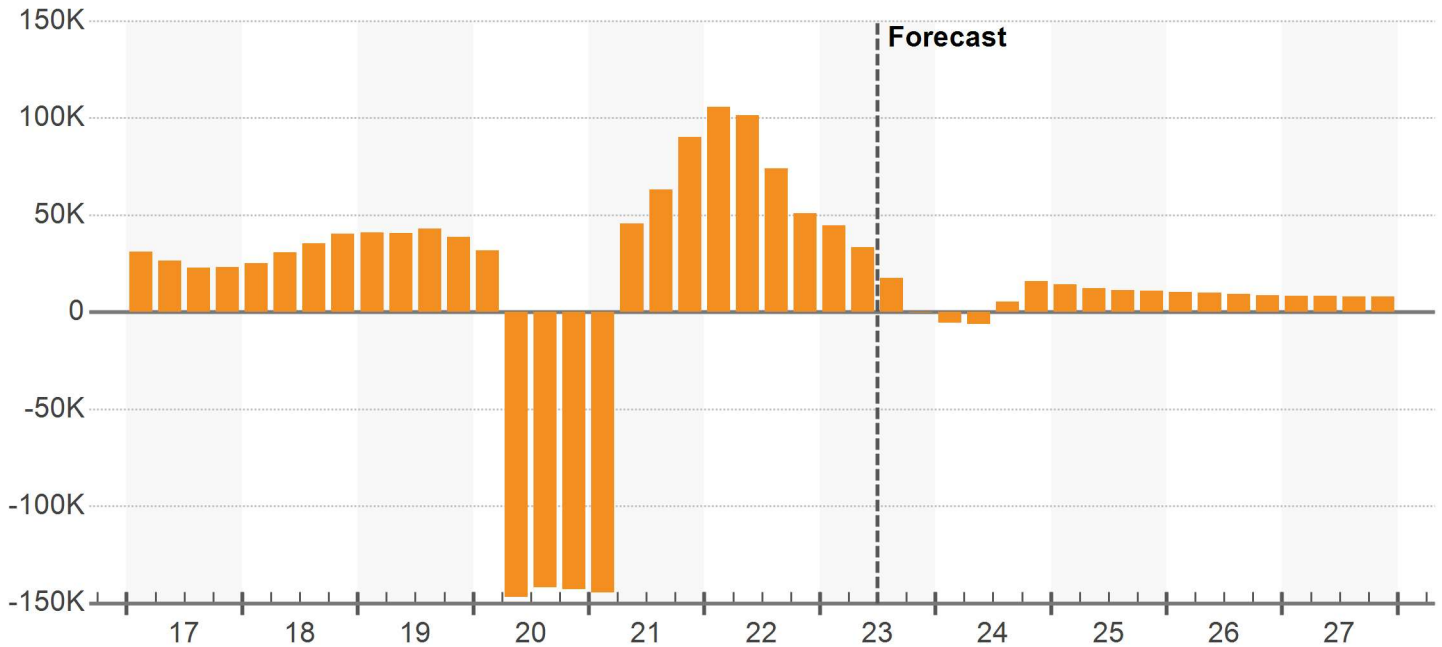


Source: Oxford Economics

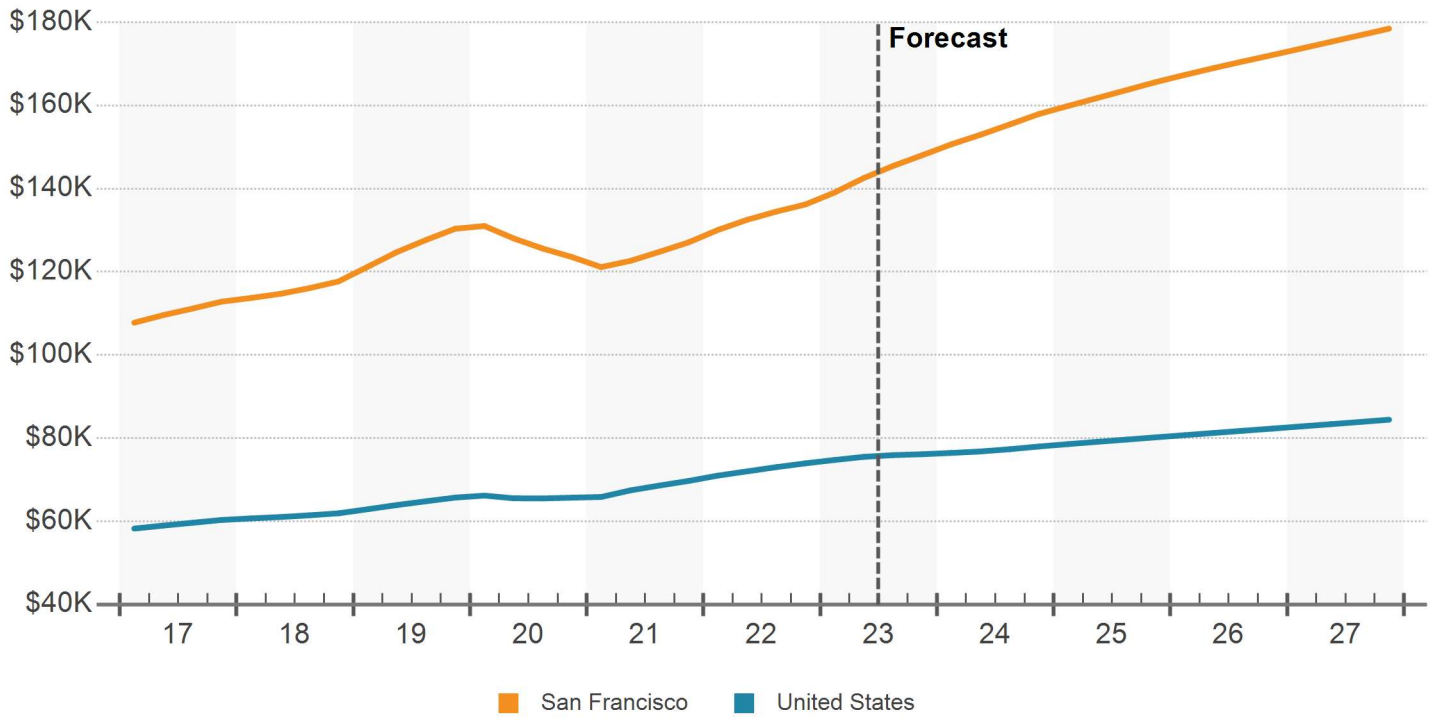
UNEMPLOYMENT RATE (%)



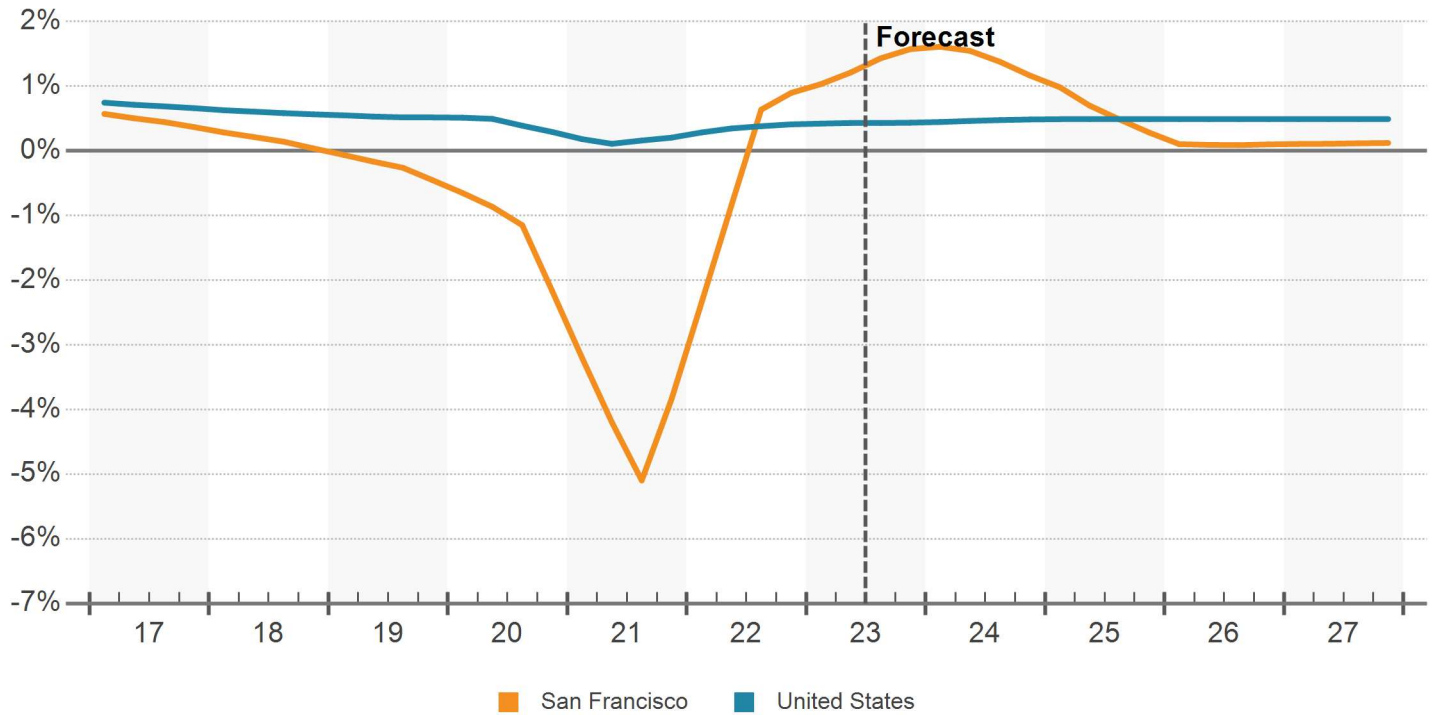
NET EMPLOYMENT CHANGE (YOY)



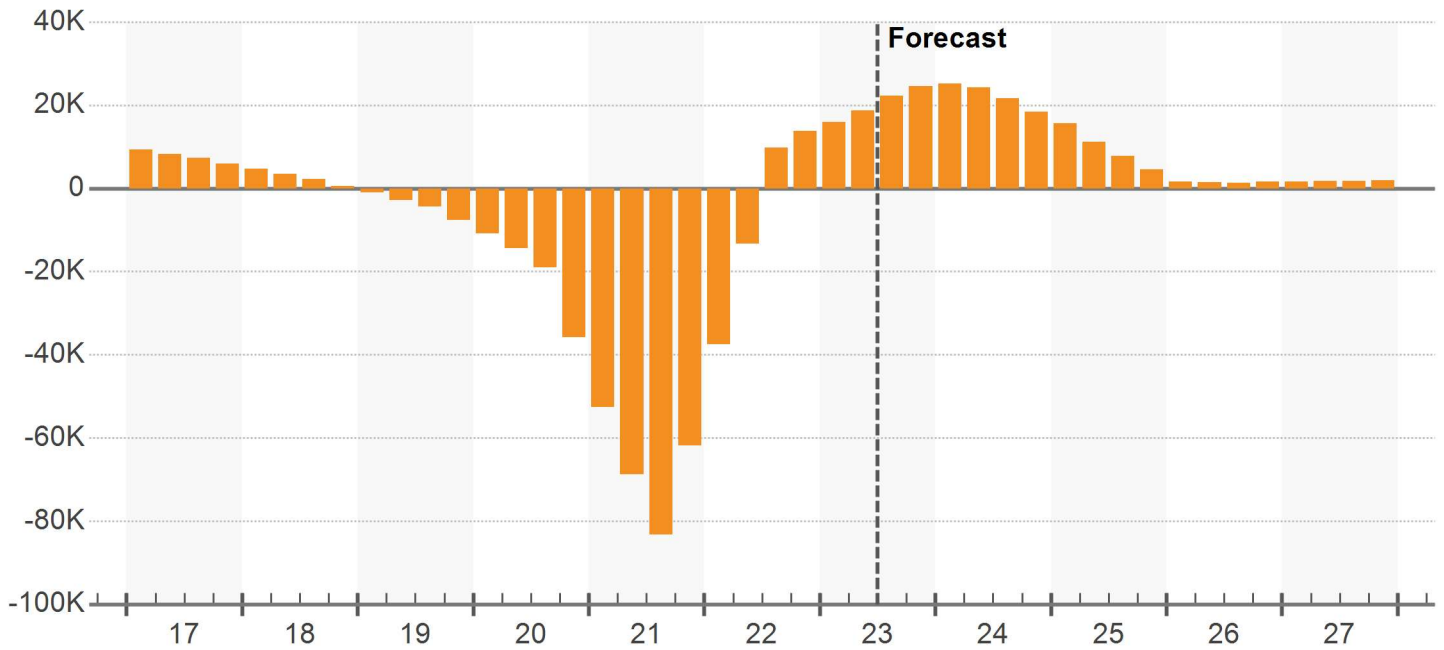
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

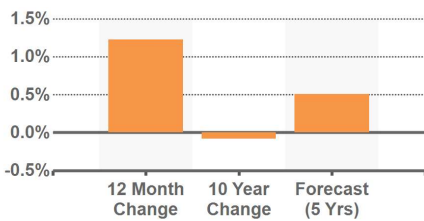


DEMOGRAPHIC TRENDS

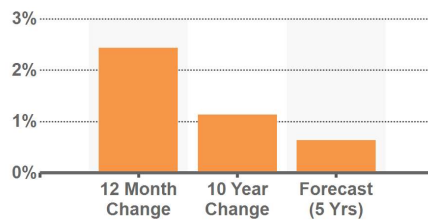
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,575,566	334,393,531	1.2%	0.4%	-0.1%	0.6%	0.5%	0.5%
Households	630,210	129,815,289	1.6%	0.8%	0.1%	0.9%	0.6%	0.6%
Median Household Income	\$142,772	\$75,539	7.6%	4.8%	5.6%	3.8%	5.0%	2.5%
Labor Force	1,038,374	165,414,516	2.4%	0.8%	1.1%	0.6%	0.6%	0.4%
Unemployment	2.0%	3.5%	-0.6%	0%	-0.3%	-0.4%	-	-

Source: Oxford Economics

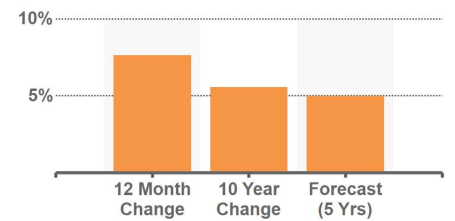
POPULATION GROWTH



LABOR FORCE GROWTH

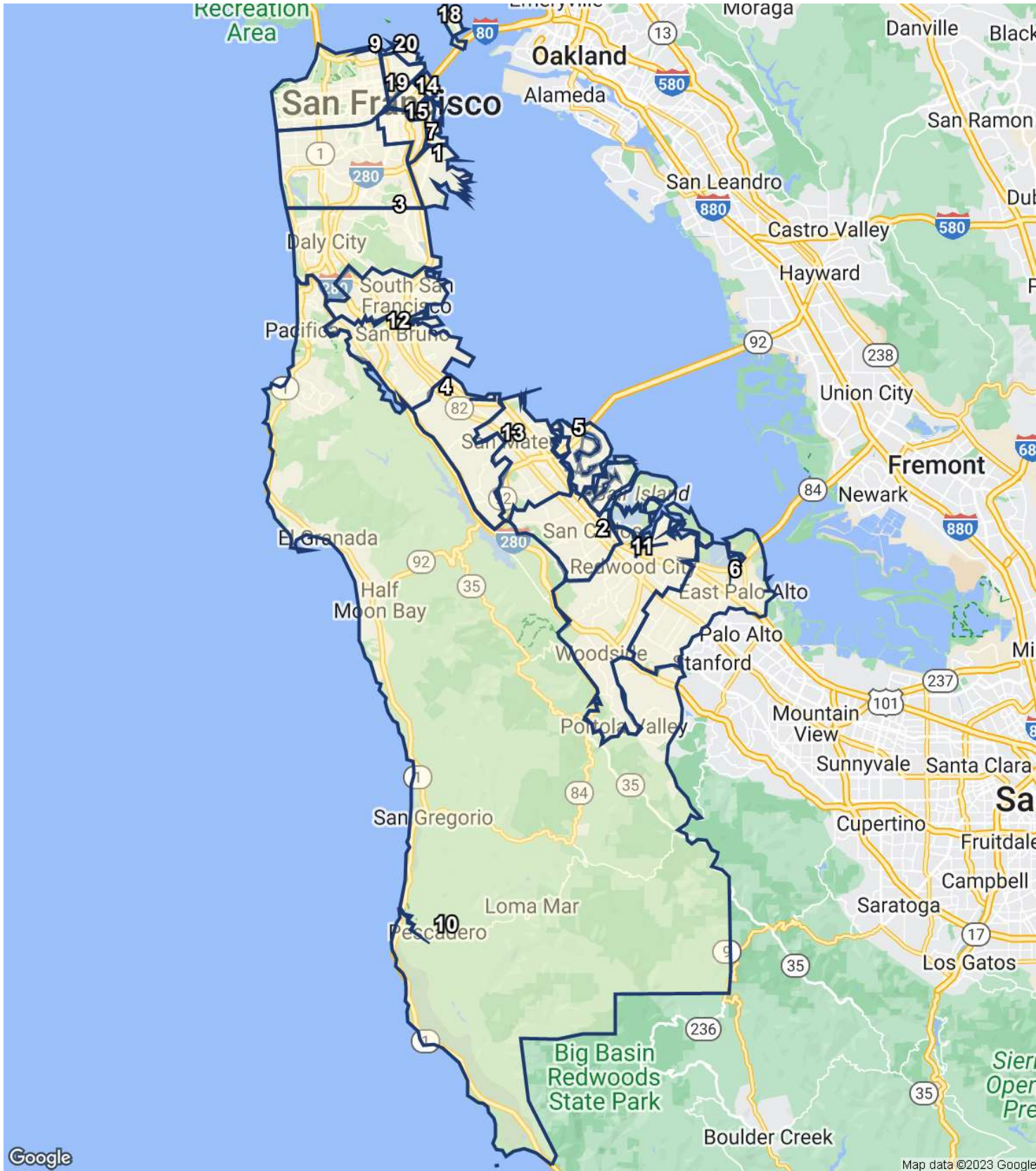


INCOME GROWTH



Source: Oxford Economics

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	347	7,493	8.2%	3	0	0	0%	-	0	-	-	-
2	Belmont/San Carlos	478	7,415	8.1%	5	0	0	0%	-	3	710	9.6%	2
3	Brisbane/Daly City	174	6,942	7.6%	6	0	0	0%	-	3	621	8.9%	3
4	Burlingame	223	5,106	5.6%	9	0	0	0%	-	2	504	9.9%	6
5	Foster City/Redwood Shrs	53	1,864	2.0%	11	0	0	0%	-	0	-	-	-
6	Menlo Park	154	4,598	5.0%	10	0	0	0%	-	0	-	-	-
7	Mission Bay/China Basin	148	5,157	5.6%	8	0	0	0%	-	2	524	10.2%	4
8	Mission/Potrero	471	10,240	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	410	5,933	6.5%	7	0	0	0%	-	1	31	0.5%	9
12	San Bruno/Millbrae	64	899	1.0%	15	0	0	0%	-	2	515	57.3%	5
13	San Mateo	171	1,569	1.7%	12	0	0	0%	-	2	248	15.8%	7
14	South Financial District/S...	48	1,338	1.5%	13	0	0	0%	-	0	-	-	-
15	South of Market	579	7,426	8.1%	4	0	0	0%	-	2	181	2.4%	8
16	South San Francisco	520	22,223	24.3%	1	4	884	4.0%	1	10	2,233	10.0%	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	37	529	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	\$21.48	17	4.4%	2	-3.1%	18
2	Belmont/San Carlos	\$25.90	11	2.5%	17	0.3%	9
3	Brisbane/Daly City	\$23.38	15	2.6%	13	-6.6%	20
4	Burlingame	\$22.89	16	4.2%	3	-1.1%	15
5	Foster City/Redwood Shrs	\$35.46	3	1.3%	20	2.0%	1
6	Menlo Park	\$25.01	14	2.6%	14	1.0%	6
7	Mission Bay/China Basin	\$29.63	4	3.2%	11	0.2%	10
8	Mission/Potrero	\$25.81	12	3.9%	5	1.6%	3
9	Northwest San Francisco	\$26.53	10	3.3%	10	1.7%	2
10	Peninsula Coastline	\$16.61	19	2.8%	12	-2.6%	17
11	Redwood City	\$28.39	7	3.5%	8	0.6%	7
12	San Bruno/Millbrae	\$28.43	6	3.9%	4	-1.8%	16
13	San Mateo	\$27.87	9	2.5%	16	1.3%	5
14	South Financial District/S...	\$43.76	1	1.8%	18	-0.2%	12
15	South of Market	\$35.46	2	1.5%	19	1.5%	4
16	South San Francisco	\$28.57	5	3.6%	7	0.3%	8
17	Southwest San Francisco	\$25.03	13	3.5%	9	0%	11
18	Treasure/Yerba Buena Isl...	\$10.48	20	4.8%	1	-4.8%	19
19	Van Ness/Downtown	\$20.71	18	2.6%	15	-0.9%	14
20	Waterfront/North Beach	\$28.30	8	3.8%	6	-0.8%	13

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Bayview/Hunters Point	518,156	6.9%	7	(31,801)	-0.4%	9	-
2	Belmont/San Carlos	301,903	4.1%	3	(125,972)	-1.7%	15	-
3	Brisbane/Daly City	433,148	6.2%	6	397,201	5.7%	1	-
4	Burlingame	185,165	3.6%	2	46,298	0.9%	3	-
5	Foster City/Redwood Shrs	203,910	10.9%	14	(169,487)	-9.1%	17	-
6	Menlo Park	236,047	5.1%	4	(173,461)	-3.8%	18	-
7	Mission Bay/China Basin	301,434	5.8%	5	(125,877)	-2.4%	14	-
8	Mission/Potrero	901,173	8.8%	9	(121,177)	-1.2%	13	-
9	Northwest San Francisco	60,000	10.9%	13	0	0%	-	-
10	Peninsula Coastline	170,807	37.9%	18	(126,003)	-28.0%	16	-
11	Redwood City	525,399	8.9%	10	(231,869)	-3.9%	20	-
12	San Bruno/Millbrae	269,121	30.0%	17	(11,411)	-1.3%	8	-
13	San Mateo	155,793	9.9%	12	(75,397)	-4.8%	11	-
14	South Financial District/S...	131,246	9.8%	11	(33,882)	-2.5%	10	-
15	South of Market	1,061,800	14.3%	15	(196,297)	-2.6%	19	-
16	South San Francisco	1,768,791	8.0%	8	127,454	0.6%	2	5.2
17	Southwest San Francisco	-	-	-	2,592	0.7%	4	-
18	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
19	Van Ness/Downtown	137,535	26.0%	16	(89,064)	-16.8%	12	-
20	Waterfront/North Beach	14,627	1.3%	1	(9,811)	-0.9%	7	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	102,129,252	(84,620)	-0.1%	156,225	0.2%	-
2026	102,213,872	(251,556)	-0.2%	673,777	0.7%	-
2025	102,465,428	1,022,277	1.0%	1,288,498	1.3%	0.8
2024	101,443,151	1,248,564	1.2%	556,072	0.5%	2.2
2023	100,194,587	1,844,477	1.9%	(630,637)	-0.6%	-
YTD	98,571,238	221,128	0.2%	(1,370,826)	-1.4%	-
2022	98,350,110	900,328	0.9%	613,831	0.6%	1.5
2021	97,449,782	210,760	0.2%	163,148	0.2%	1.3
2020	97,239,022	834,084	0.9%	(1,019,851)	-1.0%	-
2019	96,404,938	578,813	0.6%	(109,234)	-0.1%	-
2018	95,826,125	(341,571)	-0.4%	(324,898)	-0.3%	-
2017	96,167,696	(860,023)	-0.9%	(265,316)	-0.3%	-
2016	97,027,719	(316,362)	-0.3%	(726,158)	-0.7%	-
2015	97,344,081	(1,040,060)	-1.1%	(280,099)	-0.3%	-
2014	98,384,141	(539,658)	-0.5%	1,129,371	1.1%	-
2013	98,923,799	(1,128,760)	-1.1%	894,357	0.9%	-
2012	100,052,559	(723,856)	-0.7%	(933,560)	-0.9%	-
2011	100,776,415	(892,962)	-0.9%	(201,190)	-0.2%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	17,398,787	(99,397)	-0.6%	(40,433)	-0.2%	-
2026	17,498,184	(99,283)	-0.6%	(19,144)	-0.1%	-
2025	17,597,467	(99,549)	-0.6%	(136,086)	-0.8%	-
2024	17,697,016	(99,756)	-0.6%	(181,612)	-1.0%	-
2023	17,796,772	(23,514)	-0.1%	(253,265)	-1.4%	-
YTD	17,820,286	0	0%	(229,027)	-1.3%	-
2022	17,820,286	(43,731)	-0.2%	(53,216)	-0.3%	-
2021	17,864,017	95,481	0.5%	77,155	0.4%	1.2
2020	17,768,536	(60,123)	-0.3%	(263,328)	-1.5%	-
2019	17,828,659	(131,789)	-0.7%	(214,127)	-1.2%	-
2018	17,960,448	(155,998)	-0.9%	(270,081)	-1.5%	-
2017	18,116,446	(188,736)	-1.0%	(186,962)	-1.0%	-
2016	18,305,182	(249,856)	-1.3%	202,947	1.1%	-
2015	18,555,038	(295,443)	-1.6%	(359,964)	-1.9%	-
2014	18,850,481	(286,943)	-1.5%	(170,555)	-0.9%	-
2013	19,137,424	(164,005)	-0.8%	(145,878)	-0.8%	-
2012	19,301,429	(49,152)	-0.3%	(58,231)	-0.3%	-
2011	19,350,581	(44,062)	-0.2%	(96,260)	-0.5%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	47,909,965	(292,125)	-0.6%	(172,332)	-0.4%	-
2026	48,202,090	(292,467)	-0.6%	(96,494)	-0.2%	-
2025	48,494,557	(293,468)	-0.6%	(376,320)	-0.8%	-
2024	48,788,025	(294,024)	-0.6%	(502,047)	-1.0%	-
2023	49,082,049	(110,763)	-0.2%	(568,500)	-1.2%	-
YTD	49,152,302	(40,510)	-0.1%	(565,437)	-1.2%	-
2022	49,192,812	(229,396)	-0.5%	248,907	0.5%	-
2021	49,422,208	(317,283)	-0.6%	(150,807)	-0.3%	-
2020	49,739,491	(308,118)	-0.6%	(957,362)	-1.9%	-
2019	50,047,609	(261,483)	-0.5%	(910,220)	-1.8%	-
2018	50,309,092	(163,844)	-0.3%	(141,511)	-0.3%	-
2017	50,472,936	(315,505)	-0.6%	(10,100)	0%	-
2016	50,788,441	(181,673)	-0.4%	(157,150)	-0.3%	-
2015	50,970,114	(605,623)	-1.2%	(356,542)	-0.7%	-
2014	51,575,737	(169,950)	-0.3%	638,645	1.2%	-
2013	51,745,687	(941,691)	-1.8%	520,926	1.0%	-
2012	52,687,378	(630,707)	-1.2%	(971,009)	-1.8%	-
2011	53,318,085	(682,079)	-1.3%	(335,246)	-0.6%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	36,820,500	306,902	0.8%	368,990	1.0%	0.8
2026	36,513,598	140,194	0.4%	789,415	2.2%	0.2
2025	36,373,404	1,415,294	4.0%	1,800,904	5.0%	0.8
2024	34,958,110	1,642,344	4.9%	1,239,731	3.5%	1.3
2023	33,315,766	1,978,754	6.3%	191,128	0.6%	10.4
YTD	31,598,650	261,638	0.8%	(576,362)	-1.8%	-
2022	31,337,012	1,173,455	3.9%	418,140	1.3%	2.8
2021	30,163,557	432,562	1.5%	236,800	0.8%	1.8
2020	29,730,995	1,202,325	4.2%	200,839	0.7%	6.0
2019	28,528,670	972,085	3.5%	1,015,113	3.6%	1.0
2018	27,556,585	(21,729)	-0.1%	86,694	0.3%	-
2017	27,578,314	(355,782)	-1.3%	(68,254)	-0.2%	-
2016	27,934,096	115,167	0.4%	(771,955)	-2.8%	-
2015	27,818,929	(138,994)	-0.5%	436,407	1.6%	-
2014	27,957,923	(82,765)	-0.3%	661,281	2.4%	-
2013	28,040,688	(23,064)	-0.1%	519,309	1.9%	-
2012	28,063,752	(43,997)	-0.2%	95,680	0.3%	-
2011	28,107,749	(166,821)	-0.6%	230,316	0.8%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$32.38	196	5.2%	19.2%	7,743,998	7.6%	-0.2%
2026	\$30.77	186	4.4%	13.3%	7,997,925	7.8%	-0.9%
2025	\$29.47	178	4.1%	8.4%	8,912,695	8.7%	-0.3%
2024	\$28.30	171	2.4%	4.1%	9,168,131	9.0%	0.6%
2023	\$27.65	167	1.7%	1.7%	8,465,770	8.4%	2.3%
YTD	\$27.36	165	3.1%	0.7%	7,582,882	7.7%	1.5%
2022	\$27.17	164	6.0%	0%	6,083,291	6.2%	0.2%
2021	\$25.64	155	6.3%	-5.6%	5,796,794	5.9%	0%
2020	\$24.11	146	3.7%	-11.3%	5,749,182	5.9%	1.9%
2019	\$23.24	140	4.2%	-14.5%	3,882,574	4.0%	0.7%
2018	\$22.30	135	5.8%	-17.9%	3,219,700	3.4%	0%
2017	\$21.08	127	5.6%	-22.4%	3,229,898	3.4%	-0.6%
2016	\$19.97	121	6.4%	-26.5%	3,824,605	3.9%	0.4%
2015	\$18.76	113	6.5%	-31.0%	3,414,809	3.5%	-0.7%
2014	\$17.61	106	6.1%	-35.2%	4,171,762	4.2%	-1.7%
2013	\$16.60	100	4.3%	-38.9%	5,840,791	5.9%	-2.0%
2012	\$15.91	96	1.8%	-41.4%	7,863,908	7.9%	0.3%
2011	\$15.64	94	0.3%	-42.5%	7,654,205	7.6%	-0.6%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$27.72	205	5.4%	20.3%	971,573	5.6%	-0.3%
2026	\$26.29	194	4.7%	14.1%	1,028,589	5.9%	-0.4%
2025	\$25.12	186	4.4%	9.0%	1,105,783	6.3%	0.3%
2024	\$24.06	178	2.7%	4.4%	1,066,406	6.0%	0.5%
2023	\$23.44	173	1.7%	1.7%	981,654	5.5%	1.3%
YTD	\$23.19	171	3.3%	0.6%	980,549	5.5%	1.3%
2022	\$23.05	170	7.0%	0%	751,522	4.2%	0.1%
2021	\$21.55	159	7.2%	-6.5%	742,037	4.2%	0.1%
2020	\$20.09	148	4.3%	-12.8%	723,711	4.1%	1.2%
2019	\$19.26	142	4.2%	-16.4%	520,506	2.9%	0.5%
2018	\$18.48	136	6.2%	-19.8%	438,168	2.4%	0.7%
2017	\$17.40	129	6.5%	-24.5%	324,085	1.8%	0%
2016	\$16.33	121	6.7%	-29.1%	325,859	1.8%	-2.4%
2015	\$15.31	113	6.6%	-33.6%	778,662	4.2%	0.4%
2014	\$14.37	106	6.3%	-37.7%	711,133	3.8%	-0.6%
2013	\$13.51	100	4.1%	-41.4%	827,521	4.3%	-0.1%
2012	\$12.98	96	1.6%	-43.7%	845,648	4.4%	0.1%
2011	\$12.78	94	1.0%	-44.5%	836,569	4.3%	0.3%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$26.36	214	5.5%	21.4%	2,317,403	4.8%	-0.2%
2026	\$24.98	203	4.8%	15.0%	2,441,374	5.1%	-0.4%
2025	\$23.84	194	4.5%	9.8%	2,631,663	5.4%	0.2%
2024	\$22.82	185	2.8%	5.1%	2,543,818	5.2%	0.5%
2023	\$22.21	180	2.3%	2.3%	2,330,764	4.7%	0.9%
YTD	\$21.94	178	5.1%	1.1%	2,399,026	4.9%	1.1%
2022	\$21.71	176	8.6%	0%	1,873,324	3.8%	-1.0%
2021	\$19.99	162	7.6%	-7.9%	2,351,627	4.8%	-0.3%
2020	\$18.58	151	5.7%	-14.4%	2,518,103	5.1%	1.3%
2019	\$17.57	143	5.8%	-19.1%	1,871,359	3.7%	1.3%
2018	\$16.61	135	7.0%	-23.5%	1,222,622	2.4%	0%
2017	\$15.53	126	6.7%	-28.5%	1,244,955	2.5%	-0.6%
2016	\$14.55	118	6.7%	-33.0%	1,550,360	3.1%	0%
2015	\$13.64	111	7.0%	-37.2%	1,574,883	3.1%	-0.4%
2014	\$12.75	104	6.2%	-41.3%	1,823,964	3.5%	-1.6%
2013	\$12	98	4.5%	-44.7%	2,632,559	5.1%	-2.7%
2012	\$11.49	93	1.0%	-47.1%	4,095,176	7.8%	0.7%
2011	\$11.37	92	0.1%	-47.6%	3,754,875	7.0%	-0.6%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$42.58	180	4.9%	17.1%	4,455,022	12.1%	-0.3%
2026	\$40.59	172	4.1%	11.6%	4,527,962	12.4%	-1.8%
2025	\$38.98	165	3.8%	7.2%	5,175,249	14.2%	-1.7%
2024	\$37.57	159	1.9%	3.3%	5,557,907	15.9%	0.4%
2023	\$36.86	156	1.3%	1.3%	5,153,352	15.5%	4.4%
YTD	\$36.53	155	1.5%	0.4%	4,203,307	13.3%	2.3%
2022	\$36.38	154	3.7%	0%	3,458,445	11.0%	2.1%
2021	\$35.08	148	5.2%	-3.6%	2,703,130	9.0%	0.5%
2020	\$33.35	141	2.2%	-8.3%	2,507,368	8.4%	3.2%
2019	\$32.65	138	3.1%	-10.2%	1,490,709	5.2%	-0.4%
2018	\$31.66	134	4.9%	-13.0%	1,558,910	5.7%	-0.4%
2017	\$30.18	128	4.5%	-17.0%	1,660,858	6.0%	-1.0%
2016	\$28.87	122	6.2%	-20.6%	1,948,386	7.0%	3.2%
2015	\$27.18	115	6.3%	-25.3%	1,061,264	3.8%	-2.0%
2014	\$25.58	108	5.9%	-29.7%	1,636,665	5.9%	-2.6%
2013	\$24.16	102	4.2%	-33.6%	2,380,711	8.5%	-1.9%
2012	\$23.18	98	2.3%	-36.3%	2,923,084	10.4%	-0.5%
2011	\$22.65	96	0.2%	-37.7%	3,062,761	10.9%	-1.3%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$520.11	302	5.4%
2026	-	-	-	-	-	-	\$485.53	282	5.5%
2025	-	-	-	-	-	-	\$454.80	264	5.6%
2024	-	-	-	-	-	-	\$426.96	248	5.7%
2023	-	-	-	-	-	-	\$449.83	261	5.3%
YTD	35	\$155M	0.5%	\$4,843,145	\$336.39	5.4%	\$469.45	273	5.1%
2022	156	\$1.6B	2.4%	\$11,086,386	\$667.78	4.3%	\$476.52	277	4.8%
2021	154	\$2.1B	3.7%	\$13,778,697	\$596.65	4.3%	\$467.23	271	4.5%
2020	98	\$1.9B	2.6%	\$20,693,053	\$799.03	5.3%	\$390.82	227	4.9%
2019	268	\$1.1B	3.8%	\$7,980,394	\$469.17	4.0%	\$333.86	194	5.3%
2018	274	\$1.1B	5.0%	\$9,481,395	\$406.95	4.7%	\$310.03	180	5.3%
2017	267	\$535.9M	3.9%	\$4,871,467	\$335.07	5.4%	\$278.13	162	5.4%
2016	284	\$753.9M	4.5%	\$4,927,168	\$295.81	3.6%	\$274.49	159	5.1%
2015	331	\$1.4B	7.4%	\$6,743,870	\$294.89	4.6%	\$250.94	146	5.2%
2014	327	\$817.6M	7.1%	\$4,419,211	\$177.31	6.3%	\$214.79	125	5.7%
2013	280	\$486.6M	4.2%	\$3,180,271	\$175.59	6.7%	\$191.86	111	5.9%
2012	396	\$425.4M	5.5%	\$2,502,209	\$153.88	5.9%	\$177.20	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	-	-	-	-	-	-	\$450.05	291	5.6%
2026	-	-	-	-	-	-	\$419.98	272	5.7%
2025	-	-	-	-	-	-	\$393.28	254	5.8%
2024	-	-	-	-	-	-	\$369.02	239	5.9%
2023	-	-	-	-	-	-	\$387.60	251	5.6%
YTD	9	\$45.3M	0.7%	\$5,659,826	\$410.69	-	\$404.19	261	5.3%
2022	28	\$124.5M	1.7%	\$4,447,581	\$402.26	3.9%	\$410.23	265	5.0%
2021	33	\$249.2M	2.0%	\$7,551,871	\$684.57	3.2%	\$400.81	259	4.7%
2020	23	\$105.9M	1.4%	\$4,602,963	\$439.23	4.3%	\$331.81	215	5.1%
2019	68	\$82.1M	3.2%	\$3,039,147	\$416.55	3.8%	\$288.96	187	5.4%
2018	94	\$183.1M	4.7%	\$5,232,659	\$345.12	3.4%	\$269.34	174	5.4%
2017	83	\$133.4M	4.3%	\$4,043,711	\$418.44	7.0%	\$245.96	159	5.5%
2016	86	\$123.4M	5.0%	\$3,525,917	\$260.42	2.4%	\$240.04	155	5.3%
2015	87	\$170.2M	5.1%	\$3,337,586	\$256.73	4.4%	\$222.03	144	5.3%
2014	87	\$86.7M	4.3%	\$2,407,333	\$247.14	6.0%	\$191.47	124	5.8%
2013	87	\$74.8M	4.4%	\$2,076,776	\$136.67	5.1%	\$170.82	110	6.0%
2012	121	\$61.5M	5.2%	\$1,538,484	\$136.27	6.2%	\$158.16	102	6.2%

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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	-	-	-	-	-	-	\$452.50	310	5.5%
2026	-	-	-	-	-	-	\$421.63	288	5.6%
2025	-	-	-	-	-	-	\$394.21	270	5.7%
2024	-	-	-	-	-	-	\$369.24	253	5.8%
2023	-	-	-	-	-	-	\$387.84	265	5.4%
YTD	22	\$95.5M	0.7%	\$4,776,352	\$301.73	5.4%	\$404.20	277	5.2%
2022	93	\$423.7M	1.9%	\$5,432,017	\$466.93	4.8%	\$410.10	281	4.9%
2021	87	\$824.8M	4.0%	\$9,590,239	\$417.74	4.6%	\$400.19	274	4.6%
2020	48	\$478.4M	2.0%	\$10,177,857	\$497.87	5.7%	\$331.03	226	5.0%
2019	140	\$453.4M	3.4%	\$5,667,564	\$374.65	3.8%	\$276.72	189	5.4%
2018	122	\$239.4M	4.1%	\$4,987,317	\$369.21	4.8%	\$257.09	176	5.4%
2017	134	\$189.9M	3.7%	\$3,875,776	\$233.07	-	\$233.06	159	5.5%
2016	143	\$234.2M	4.3%	\$3,208,647	\$215.20	3.8%	\$228.12	156	5.3%
2015	151	\$419.9M	7.3%	\$4,882,223	\$213.56	3.9%	\$211.15	144	5.3%
2014	160	\$258.1M	5.9%	\$3,001,415	\$169.67	7.0%	\$180.32	123	5.8%
2013	128	\$260.3M	3.8%	\$3,827,972	\$196.37	7.0%	\$161.17	110	6.1%
2012	219	\$237.8M	6.8%	\$2,529,360	\$153.59	6.0%	\$149.93	103	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	-	-	-	-	-	-	\$644.48	299	5.2%
2026	-	-	-	-	-	-	\$602.75	280	5.3%
2025	-	-	-	-	-	-	\$565.66	263	5.4%
2024	-	-	-	-	-	-	\$532.23	247	5.5%
2023	-	-	-	-	-	-	\$562.90	261	5.2%
YTD	4	\$14.2M	0.1%	\$3,543,750	\$418.47	-	\$588.34	273	4.9%
2022	35	\$1B	3.6%	\$29,072,493	\$902.26	4.8%	\$597.45	277	4.7%
2021	34	\$992.8M	4.1%	\$32,026,848	\$882.02	5.0%	\$589.06	274	4.3%
2020	27	\$1.4B	4.2%	\$56,704,982	\$1,104.15	5.3%	\$499.38	232	4.7%
2019	60	\$589.8M	4.8%	\$17,346,279	\$595.02	5.0%	\$432.03	201	5.0%
2018	58	\$705.8M	6.8%	\$19,604,215	\$442.89	5.4%	\$400.54	186	5.1%
2017	50	\$212.5M	3.9%	\$7,589,494	\$456.51	4.9%	\$354	164	5.2%
2016	55	\$396.2M	4.7%	\$8,804,854	\$401.77	-	\$353.19	164	4.9%
2015	93	\$812.6M	9.0%	\$11,445,590	\$381.93	5.0%	\$318.18	148	5.0%
2014	80	\$472.8M	11.2%	\$7,504,259	\$172.61	5.7%	\$272.19	126	5.5%
2013	65	\$151.5M	4.9%	\$3,092,153	\$168.64	6.7%	\$243.10	113	5.7%
2012	56	\$126.1M	3.2%	\$3,502,117	\$164.90	5.7%	\$222.89	103	6.0%

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