



Industrial Market Report

San Jose - CA

PREPARED BY



INDUSTRIAL MARKET REPORT

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|-------------------------------|-----------|
| Market Key Statistics | 1 |
| Leasing | 3 |
| Rent | 7 |
| Construction | 9 |
| Under Construction Properties | 11 |
| Sales | 13 |
| Sales Past 12 Months | 15 |
| Economy | 17 |
| Market Submarkets | 22 |
| Supply & Demand Trends | 26 |
| Rent & Vacancy | 28 |
| Sale Trends | 30 |

12 Mo Deliveries in SF

945K

12 Mo Net Absorption in SF

(1M)

Vacancy Rate

6.8%

12 Mo Rent Growth

1.2%

As 2024 approaches, San Jose industrial leasing continues to be negatively impacted by subdued demand, as tenants hold back on expansion plans in the face of high interest rates.

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 data centers and flex properties catering to high-tech firms conducting research and development and specialized manufacturing. Flex properties constitute over half of industrial real estate in San Jose, compared to only 10% nationally.

Leasing activity has slowed in the past year, particularly for larger spaces. In the logistics sector, no leases above 50,000 SF were signed in the first half of 2023. That said, in August, Amazon leased a 1 million-SF distribution center that is currently under construction in Hollister, at the extreme southern end of the market. August also saw the largest flex lease, with Cerebras Systems, a maker of AI processors, taking 68,600-SF in Sunnyvale. While these larger leases are a positive sign, a wider recovery of leasing activity is not expected to materialize until 2025.

While vacancy, at 6.6%, is up by around 50 basis points over the past year, it remains low in comparison to historical levels. San Jose's flex inventory operates at a significantly higher vacancy rate (9.6% as of the third quarter) than properties in its logistics market, which is severely supply constrained and currently has an aggregate vacancy rate of 3.6%.

New construction activity has increased to a total of 5.2 million SF of industrial space under construction across the entire market, a 20-year high. Almost all the product under construction is either distribution space at the southern part of the market around Gilroy and Morgan

Hill, or data center space in Santa Clara. The growth in AI technology has strengthened demand for data centers, and all the data centers under construction in Santa Clara are either fully preleased or owner occupied. By contrast, almost all the distribution space under construction along Highway 101 south of San Jose is available, with the exception being Amazon's distribution center in Hollister.

Strong demand and tight supply have made industrial rents in San Jose among the highest in the nation, second only to San Francisco. However, the rate of rent growth is currently one of the nation's lowest. Year-over-year rent growth in the local flex and logistics sectors is running at 0.4% and 3.2%, respectively. These figures have declined over the past six months, and further deceleration, or even outright rent declines, are possible in 2024 if higher interest rates continue to weigh on the broader economy.

Property sales slowed this year in response to the lingering impacts of rising interest rates. Nevertheless, deals are still closing, with private investors and owner/users taking the opportunity to pick up assets at lower prices. In September, ISE Labs, a provider of engineering services to the semiconductor industry, purchased a 64,000-SF R&D building in Berryessa for \$24 million, or \$375/SF. According to reports, the sale price was 18.6% below what the seller was seeking less than a year ago.

Elsewhere, in the tightly held areas of central Silicon Valley, investors continue to pick up assets leased to highly creditworthy tenants, with no notable reduction from price levels seen in recent years. For example, in August, BGO acquired a 75,000-SF flex building at 825 Stewart Dr. in Sunnyvale for \$41 million, or \$544/SF. The tenant, Apple, has made substantial investments in fitting out the property's specialized lab space.

KEY INDICATORS

| Current Quarter | RBA | Vacancy Rate | Market Rent | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|------------------------|--------------------|--------------|----------------|-------------------|-------------------|---------------|--------------------|
| Logistics | 53,791,995 | 3.7% | \$19.27 | 5.5% | (11,605) | 0 | 1,992,630 |
| Specialized Industrial | 42,354,220 | 3.3% | \$19.70 | 4.6% | (61,433) | 0 | 1,537,845 |
| Flex | 103,175,617 | 9.8% | \$31.70 | 11.1% | 20,762 | 0 | 1,223,700 |
| Market | 199,321,832 | 6.8% | \$25.72 | 8.2% | (52,276) | 0 | 4,754,175 |

| Annual Trends | 12 Month | Historical Average | Forecast Average | Peak | When | Trough | When |
|----------------------|----------|--------------------|------------------|------------|---------|--------------|---------|
| Vacancy Change (YOY) | 0.8% | 8.8% | 7.3% | 15.7% | 2003 Q3 | 2.0% | 2000 Q2 |
| Net Absorption SF | (1M) | (372,166) | (92,392) | 13,708,924 | 2000 Q2 | (12,526,962) | 2002 Q1 |
| Deliveries SF | 945K | 1,424,088 | 1,304,072 | 6,780,809 | 2001 Q3 | 14,745 | 2013 Q2 |
| Rent Growth | 1.2% | 3.0% | 5.1% | 11.0% | 2015 Q2 | -12.5% | 2003 Q2 |
| Sales Volume | \$1.3B | \$1.6B | N/A | \$4.3B | 2022 Q1 | \$168.6M | 2009 Q4 |

After two years of demand growth, the San Jose Market has seen negative net absorption in 2023. Historically, San Jose has seen a steady reduction in the amount of leased space due to the effects of deindustrialization, characterized by the redevelopment of industrial sites for other uses, such as office or residential. However, the negative absorption in the past year is more cyclical in nature, reflecting muted tenant demand.

Leasing activity in the first half of 2023 was at a historic low, comparable to the trough of the Great Recession in 2009 or the pandemic lockdown in 2020. With a high proportion of flex space, the market is sensitive to the slowdown in tenant demand in the tech sector, as high interest rates shrink tech company valuations and reduce the availability of capital to fund expansion strategies.

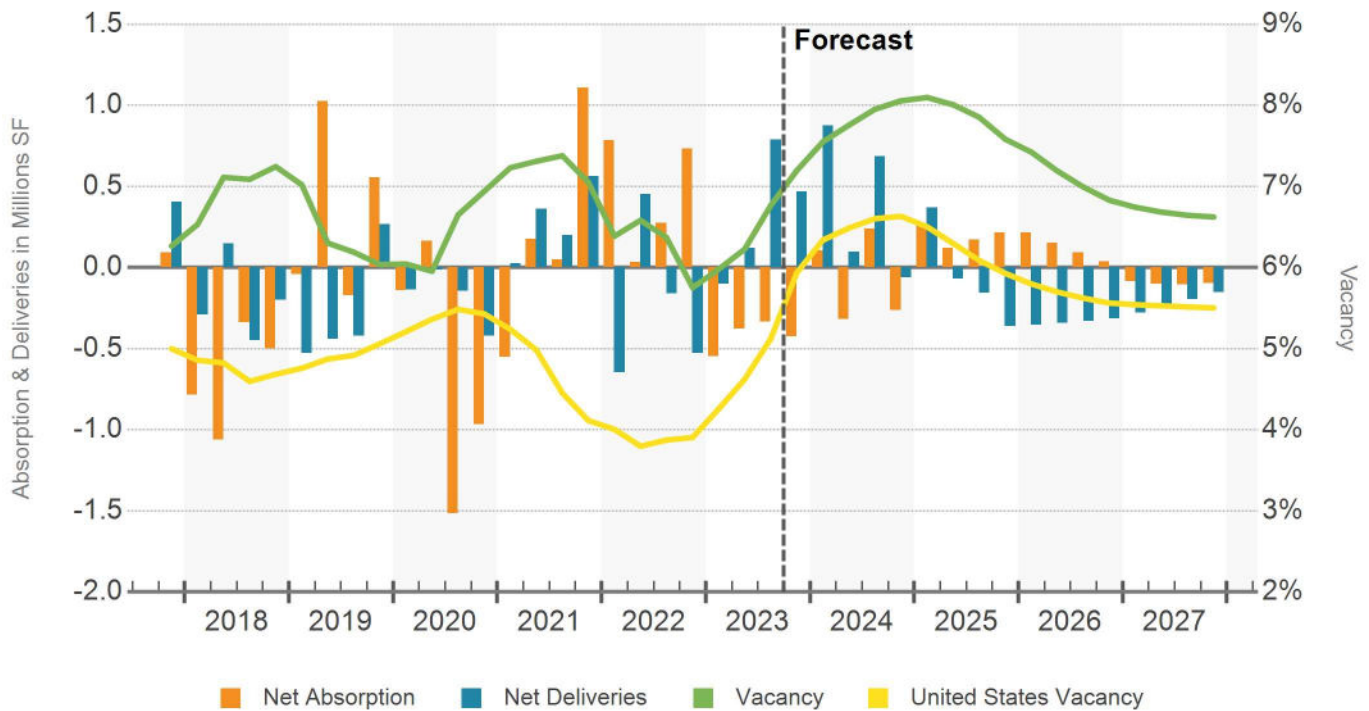
For flex properties, new leases have been signed across a diverse range of industries including healthcare, robotics, cleantech, and information technology; however, lease sizes are in the smaller range, generally under 20,000 SF. The larger lease deals in the over 50,000-SF range that were being signed for much of the previous

year have been notably absent in the past few months. The exception is a 68,600-SF lease signed by Cerebras Systems in Sunnyvale in June 2023. Cerebras is one of a number of AI-related businesses that are reported to have increased space requirements in Silicon Valley.

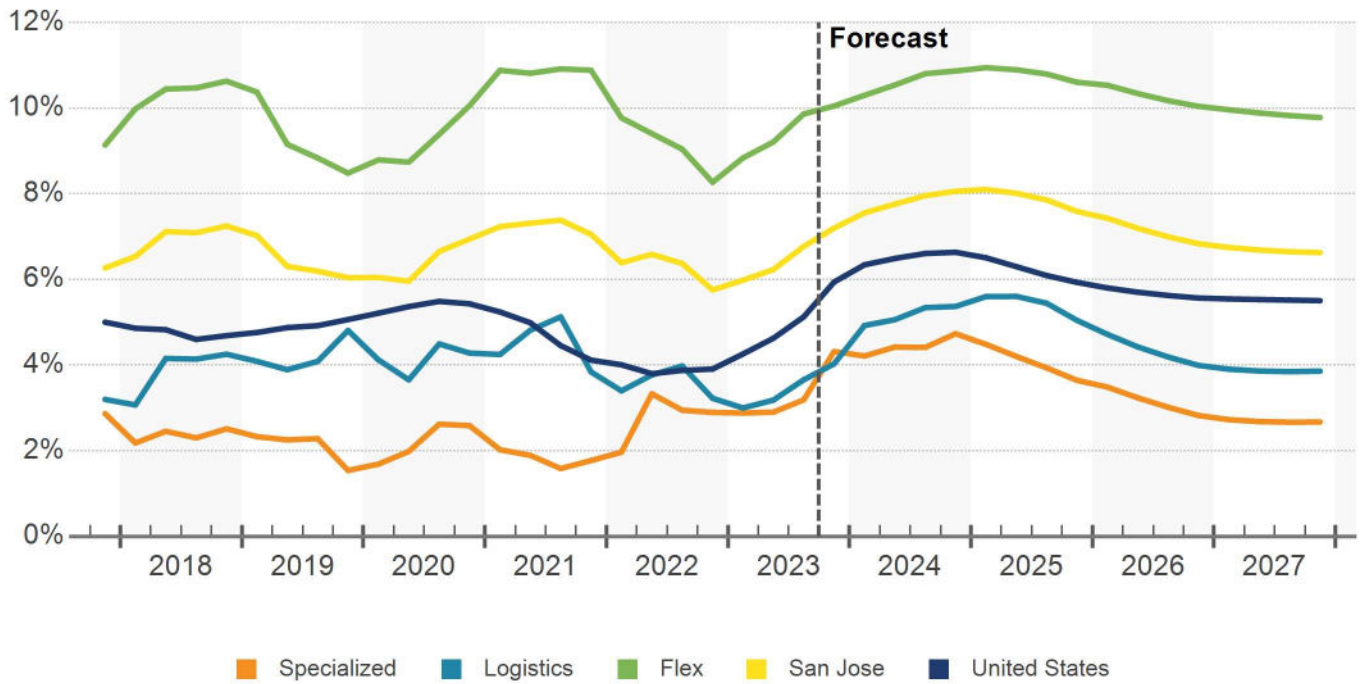
Large lease signings in traditional logistics properties have been rare in recent quarters, but that is also a reflection of an extremely low level of available space. In fact, there are only four existing logistics properties in the entire market currently listing more than 100,000 SF of available space. 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.

New construction of large space industrial properties is currently underway in areas such as Gilroy, to the south of San Jose. One of these properties, a 1 million-SF distribution center in Hollister, was preleased by Amazon in August.

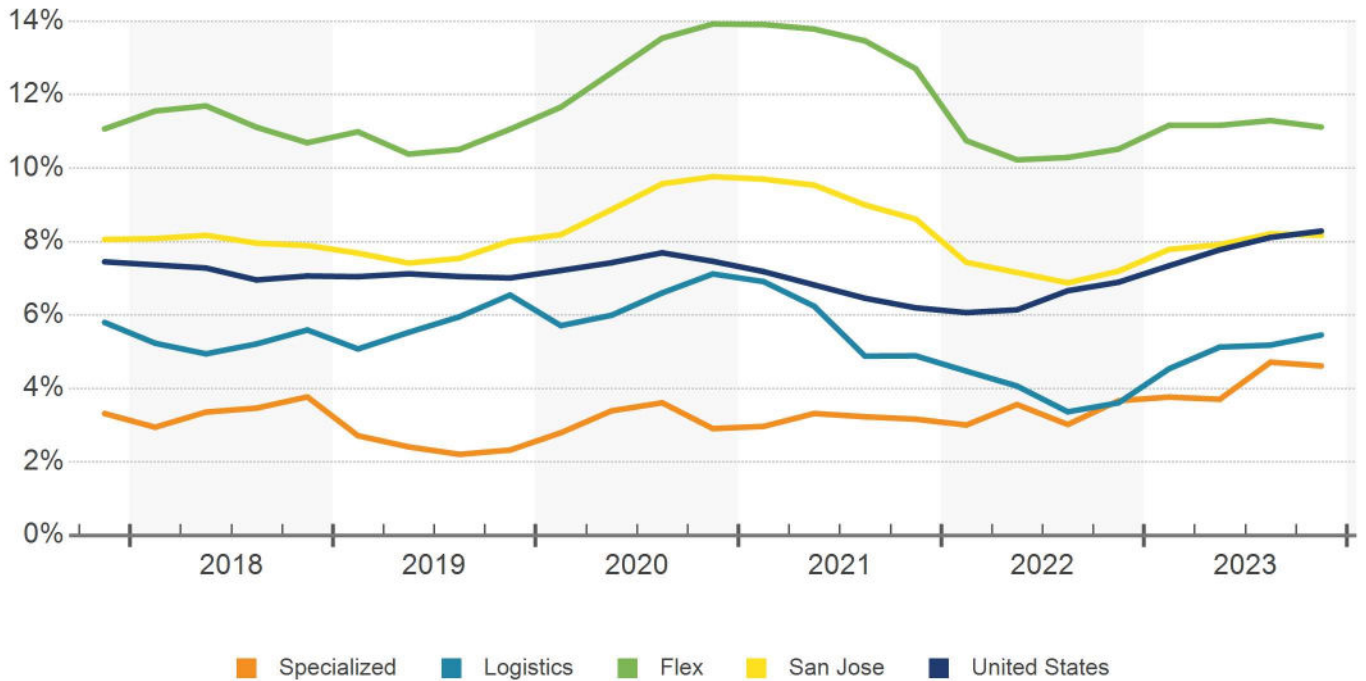
NET ABSORPTION, NET DELIVERIES & VACANCY



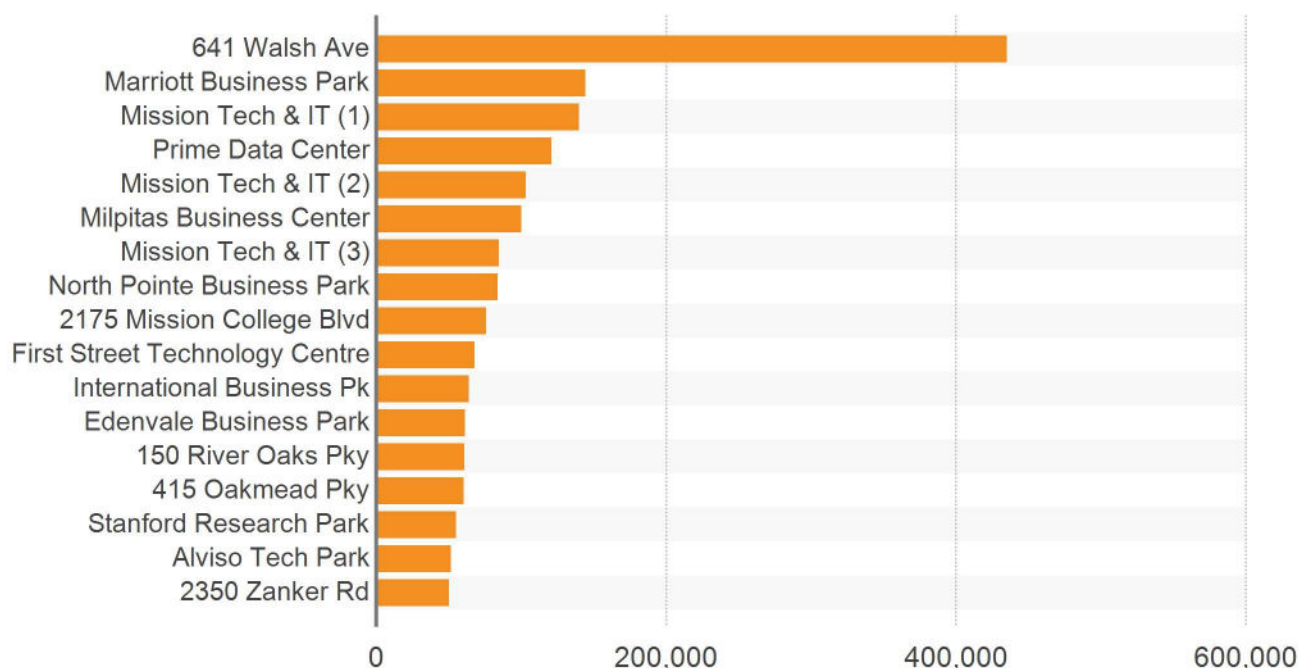
VACANCY RATE



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 |
| 641 Walsh Ave | Central Santa Clara | 435,000 | 0 | 0 | 0 | 435,000 | 0 | 435,000 |
| Marriott Business Park | North Santa Clara | 144,277 | 0 | 144,277 | 0 | 0 | 0 | 144,277 |
| Mission Tech & IT (1) | North Santa Clara | 140,178 | 0 | 0 | 0 | 140,178 | 0 | 140,178 |
| Prime Data Center | Central Santa Clara | 121,000 | 0 | 0 | 121,000 | 0 | 0 | 121,000 |
| Mission Tech & IT (2) | North Santa Clara | 103,099 | 0 | 0 | 0 | 103,099 | 0 | 103,099 |
| Milpitas Business Center | Milpitas | 174,268 | 0 | 100,103 | 0 | 0 | 0 | 100,103 |
| Mission Tech & IT (3) | North Santa Clara | 84,652 | 0 | 0 | 0 | 84,652 | 0 | 84,652 |
| North Pointe Business Park | North San Jose | 84,049 | 0 | 0 | 0 | 0 | 84,049 | 84,049 |
| 2175 Mission College Blvd | North Santa Clara | 75,810 | 0 | 0 | 75,810 | 0 | 0 | 75,810 |
| First Street Technology Centre | North San Jose | 68,024 | 0 | 0 | 68,024 | 0 | 0 | 68,024 |
| International Business Pk | San Jose-Berryessa | 63,958 | 0 | 0 | 0 | 63,958 | 0 | 63,958 |
| Edenvale Business Park | South San Jose | 76,800 | 0 | 0 | 61,305 | 0 | 0 | 61,305 |
| 150 River Oaks Pky | North San Jose | 100,024 | 0 | 0 | 0 | 38,137 | 0 | 61,008 |
| 415 Oakmead Pky | Sunnyvale | 60,517 | 0 | 60,517 | 0 | 0 | 0 | 60,517 |
| Stanford Research Park | Palo Alto | 224,229 | 0 | 0 | 0 | 0 | 0 | 54,935 |
| Alviso Tech Park | North San Jose | 51,711 | 0 | 0 | 0 | 0 | 51,711 | 51,711 |
| 2350 Zanker Rd | North San Jose | 50,330 | 0 | 0 | 0 | 0 | 50,330 | 50,330 |
| Subtotal Primary Competitors | | 2,057,926 | 0 | 304,897 | 326,139 | 865,024 | 186,090 | 1,759,956 |
| Remaining San Jose Market | | 197,274,606 | 13,535,045 | (853,078) | (703,364) | (1,200,960) | (238,366) | (2,802,885) |
| Total San Jose Market | | 199,332,532 | 13,535,045 | (548,181) | (377,225) | (335,936) | (52,276) | (1,042,929) |

TOP INDUSTRIAL LEASES PAST 12 MONTHS

| Building Name/Address | Submarket | Leased SF | Qtr | Tenant Name | Tenant Rep Company | Leasing Rep Company |
|-------------------------|---------------------------|-----------|-------|----------------------------|----------------------|---------------------------|
| San Felipe Rd | San Benito County | 1,049,760 | Q3 23 | Amazon | - | - |
| 550-600 E Brokaw Rd | North San Jose | 124,000 | Q4 23 | Supermicro | Colliers | - |
| 6401 Automall Pky | Gilroy | 100,479 | Q3 23 | Modules Inc. | - | Intero Real Estate Svc |
| 3001 Orchard Pky * | North San Jose | 97,890 | Q4 22 | ProteinSimple | Cushman & Wakefield | - |
| 18225 Butterfield Blvd | Morgan Hill | 85,456 | Q4 23 | - | - | CBRE |
| 1130-1170 Olinder Ct | East San Jose-Willow Glen | 64,594 | Q3 23 | - | - | CBRE |
| 6401 Automall Pky | Gilroy | 61,538 | Q3 23 | Trevis Berry | - | Intero Real Estate Svc |
| 1940 Milmont Dr | Milpitas | 54,400 | Q3 23 | - | - | CBRE |
| 715-735 Sycamore Dr * | Milpitas | 45,127 | Q4 22 | Johnson & Johnson Visio... | - | CBRE |
| 600 E Hamilton Ave | Campbell | 43,847 | Q2 23 | Campbell Bintang Badmin... | - | Newmark |
| 660 Vista Way | Milpitas | 41,855 | Q4 22 | TCT Circuit Supply Inc | Cushman & Wakefield | Kidder Mathews |
| 1235 Elko Dr | Sunnyvale | 36,036 | Q1 23 | Tesla, Inc. | - | - |
| 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 |
| 825-831 S 5th St | East San Jose-Willow Glen | 30,000 | Q4 23 | - | - | Colliers |
| 1709 Junction Ct | North San Jose | 27,981 | Q3 23 | Nakagawa | Colliers | CBRE |
| 1802 Shelton Dr | San Benito County | 27,000 | Q4 23 | - | - | Mahoney & Associates |
| 3660 Thomas Rd | North Santa Clara | 24,902 | Q3 23 | Anatamoge | Newmark | CBRE |
| 222 Commercial St | Sunnyvale | 24,000 | Q2 23 | - | - | Cushman & Wakefield |
| 2201 Lafayette St | Central Santa Clara | 24,000 | Q4 23 | - | - | Ritchie Commercial |
| 111 Pullman Way | East San Jose-Willow Glen | 21,551 | Q2 23 | - | - | 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 |
| 556-568 S Milpitas Blvd | Milpitas | 20,750 | Q3 23 | - | - | Newmark |
| 404-446 S Abbott Ave | Milpitas | 20,371 | Q3 23 | Holitna Construction, LLC | - | CBRE |
| 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 | Q3 23 | Gothic Landscaping | Bishop Clancy Com... | CBRE |
| 1919 Monterey Rd | East San Jose-Willow Glen | 19,610 | Q1 23 | SJ Cash & Carry Inc | - | JLL |
| 430-462 Martin Ave | Central Santa Clara | 18,500 | Q3 23 | Max Precision Machine | Colliers | Meacham/Oppenheimer |
| 3601 Thomas Rd | North Santa Clara | 18,035 | Q4 22 | Nanez Manufacturing, Inc. | - | Cushman & Wakefield |
| 385-395 E Taylor St | Downtown San Jose | 17,500 | Q4 23 | - | - | Modesto Retail Group... |
| 2202-2228 Junction Ave | North San Jose | 17,500 | Q1 23 | - | Newmark | Colliers |
| 480 Gianni St | North Santa Clara | 16,800 | Q4 22 | - | - | Cushman & Wakefield |
| 2544 Leghorn St | Mountain View | 16,800 | Q1 23 | Powerflex Solar, LLC | Colliers | Renault & Handley |
| 8525 Forest St | Gilroy | 16,000 | Q2 23 | Infinite Pet Life | Cushman & Wakefield | ANB Property Corporati... |
| 1566 S 7th St | East San Jose-Willow Glen | 16,000 | Q2 23 | - | - | Colliers |
| 1125 Mabury Rd | San Jose-Berryessa | 15,790 | Q3 23 | - | - | CBRE |
| 140-148 E Dana St * | Mountain View | 15,732 | Q2 23 | Kiwi Crate, Inc. | Cushman & Wakefield | Cushman & Wakefield |
| 1371 Oakland Rd | San Jose-Berryessa | 15,124 | Q4 22 | Network PCB Inc | South Bay Commercial | Colliers |

*Renewal

Industrial rent growth has slowed during the first half of 2023. The strong demand for space from companies looking to build out their distribution networks during the post-pandemic boom saw industrial rents shoot up by over 10% nationally in 2022. This same level of growth was seen in San Jose's logistics segment. However, flex rent growth, which is subject to different demand drivers, was more modest during this period.

As of the fourth quarter, average asking rents in San Jose are 1.2% above where they were a year ago, and currently stand at \$26.00/SF. This slower rate of growth is forecast to continue for the remainder of 2023, after which improved economic conditions are forecast to generate an uptick in demand.

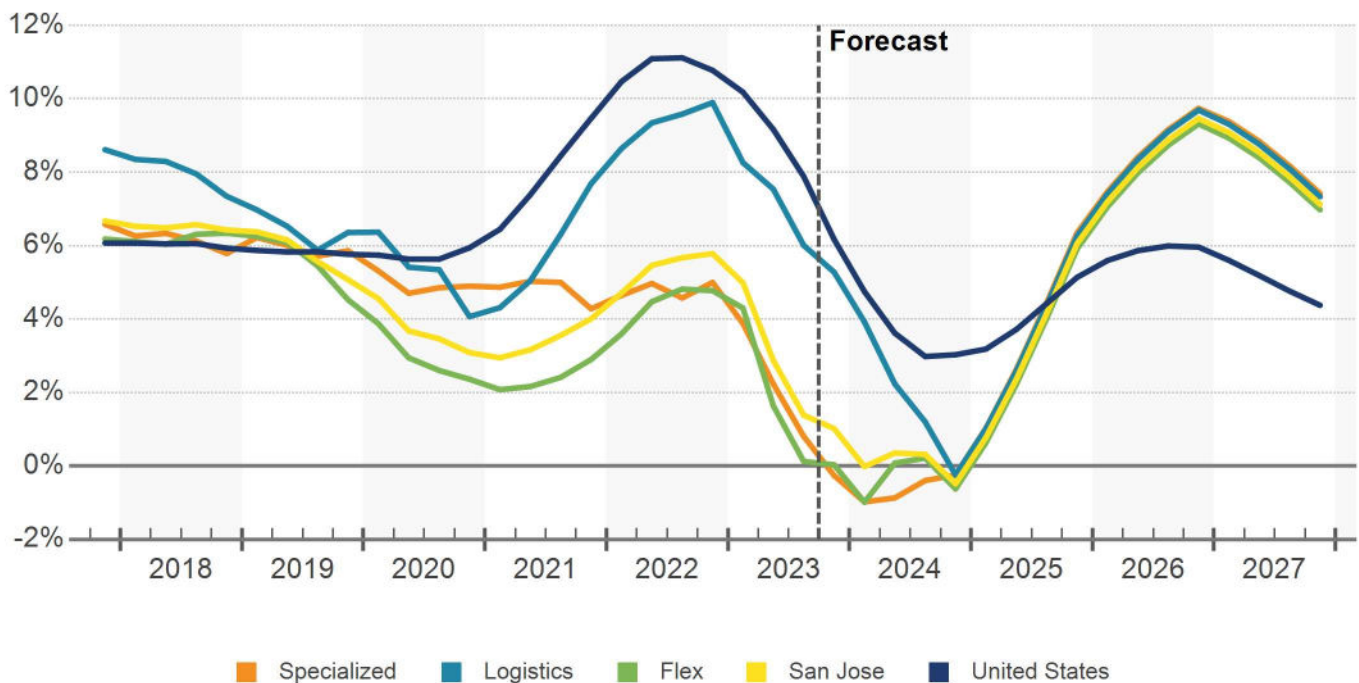
For both flex and logistics properties, rental rates in the San Jose market are approximately twice the national average. Average market rent for flex properties currently stands at \$32.00/SF, having increased by 0.1% over the

past 12 months. Logistics properties currently rent for \$19.30/SF, an increase of 5.7% over the previous year.

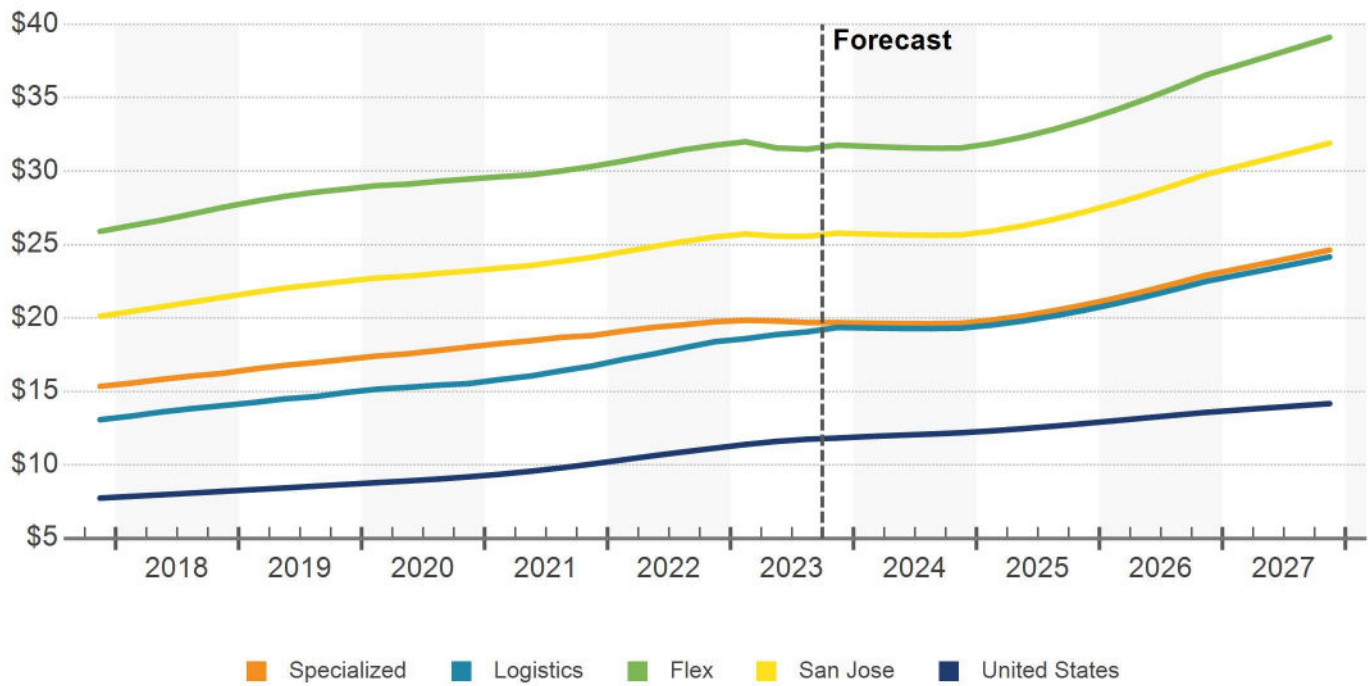
There is wide variation in rents across property subtypes and locations. Rents are highest in the supply-constrained submarkets in the center of Silicon Valley, such as Cupertino, Mountain View, and Palo Alto, where there are high concentrations of flex and data center properties. This compares to areas to the east and south of San Jose, which have the lowest average rents. These areas coincide with the largest inventory of distribution space in the market.

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. For instance, a 5,900-SF space at 170 S Whisman Road in Mountain View leased for \$42/SF in May 2023.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



Construction of new industrial buildings has increased to a 20-year high in San Jose. As of the fourth quarter, around 4.8 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. Strong demand and rent growth have prompted developers to break ground on new projects over the past three years. As a result, around 3 million SF of new space is expected to deliver over the next 12 months.

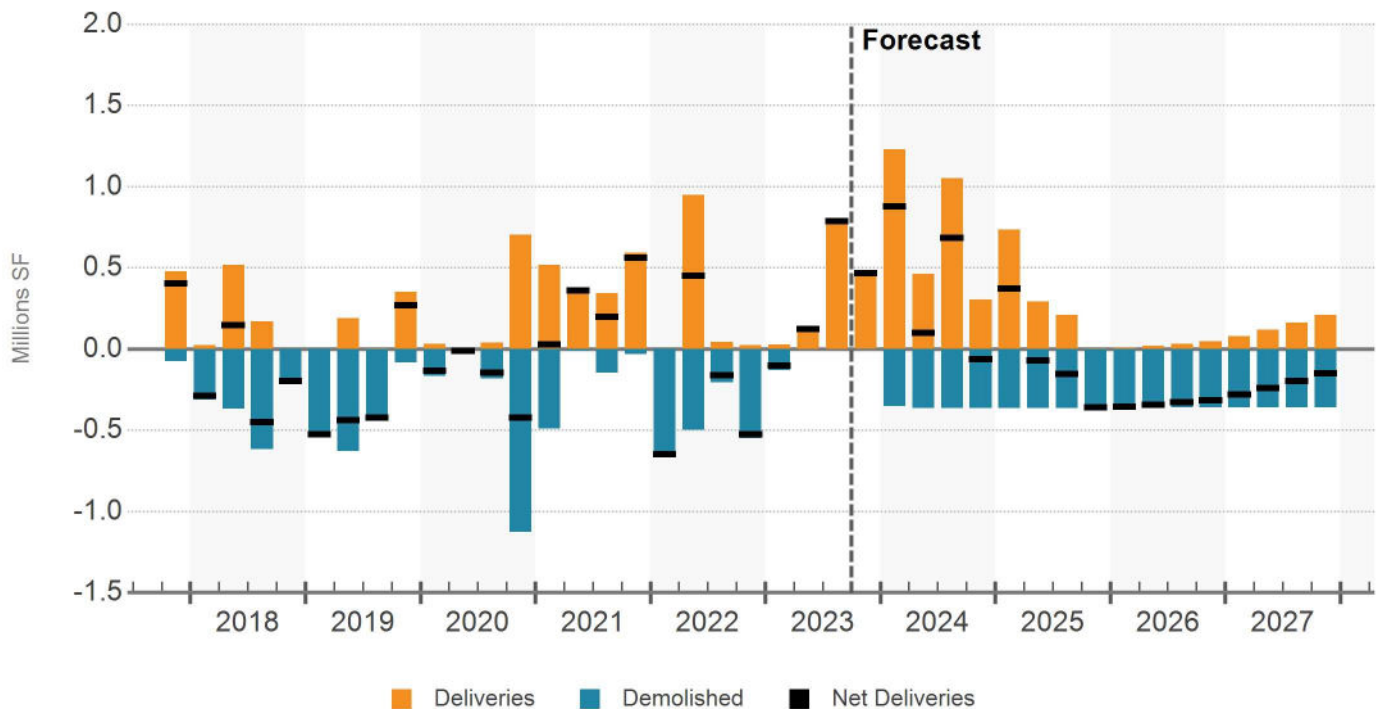
Flex space accounts for around 1.2 million SF currently under construction, with most of these projects being the construction of data centers. Several of the leading owner-operators in this sector have projects under construction. This list includes Prime Data Centers, Digital Realty, Amazon, and American Tower. These projects are all located in Santa Clara, where the new deliveries will join an existing cluster of data center properties, drawn to the area by the competitive electricity pricing afforded by the city-owned utility company.

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.

Logistics space under construction amounts to 2.0 million SF, which equates to 3.7% of existing inventory in San Jose, compared to 3.1% nationally. This ratio suggests that the very low vacancy rate for distribution properties in San Jose will continue. Furthermore, the logistics properties under construction are all located at the southern end of the San Jose market in Gilroy and Martinez. In August, Amazon leased the largest of these projects, a 1 million-SF distribution center in Hollister, due to open in 2024.

In the heart of Silicon Valley, there are few opportunities for development of logistics properties. 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 to expand their networks.

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 | 4 | 1,272 | 1,272 | 100% | 1 | 33,565 | 318,097 | 3 |
| 2 | San Benito County | 1 | 1,050 | 1,050 | 100% | 1 | 24,576 | 1,049,760 | 1 |
| 3 | Sunnyvale | 1 | 847 | 847 | 100% | 1 | 32,656 | 847,000 | 2 |
| 4 | Morgan Hill | 6 | 560 | 60 | 10.7% | 5 | 34,006 | 93,384 | 7 |
| 5 | Gilroy | 2 | 383 | 0 | 0% | 6 | 29,025 | 191,283 | 5 |
| 6 | San Jose-Berryessa | 2 | 339 | 127 | 37.3% | 4 | 32,536 | 169,692 | 6 |
| 7 | South San Jose | 1 | 303 | 0 | 0% | 6 | 63,381 | 302,775 | 4 |
| 8 | Campbell | 0 | - | - | - | - | 12,507 | - | - |
| 9 | Central Sunnyvale | 0 | - | - | - | - | - | - | - |
| 10 | Cupertino | 0 | - | - | - | - | 42,562 | - | - |
| | All Other | 0 | - | - | - | | 32,819 | - | |
| Totals | | 17 | 4,754 | 3,356 | 70.6% | | 32,549 | 279,657 | |

Under Construction Properties

San Jose Industrial

Properties

Square Feet

Percent of Inventory

Released

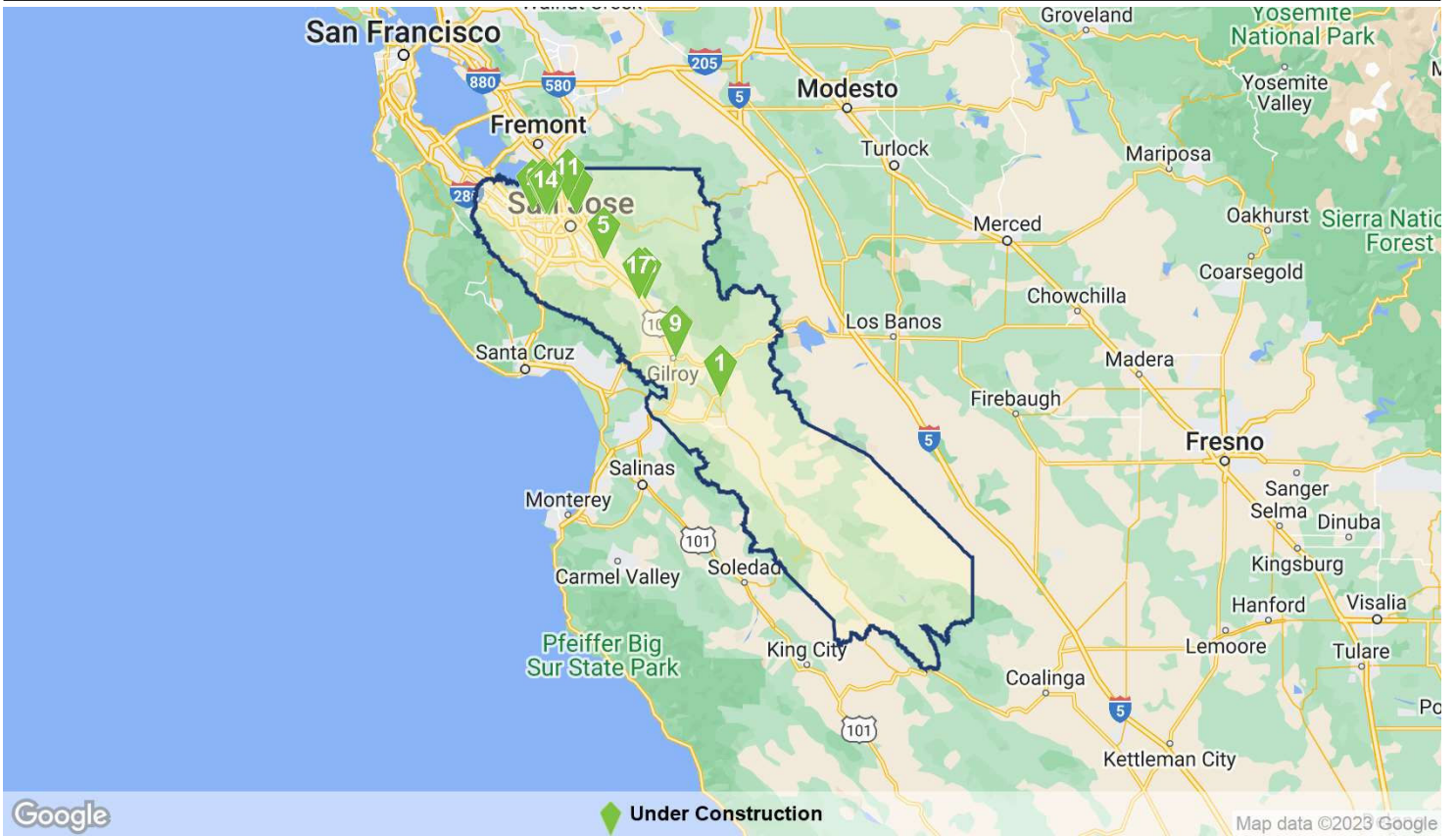
17

4,754,175

4.9%

70.6%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

| Property Name/Address | Rating | Bldg SF | Stories | Start | Complete | Developer/Owner |
|---|--------|-----------|---------|----------|----------|---------------------------------|
| 1 San Felipe Rd | ★★★★★ | 1,049,760 | 1 | Apr 2023 | Jul 2024 | - |
| 2 South Site 950 Kifer Rd | ★★★★★ | 847,000 | - | Dec 2021 | Feb 2024 | - Intuitive |
| 3 Skybox Data Center 1200 Memorex Dr | ★★★★☆ | 472,920 | 4 | Jun 2022 | Dec 2023 | Skybox Datacenters - |
| 4 2590 Walsh Ave | ★★★★☆ | 469,467 | 4 | Aug 2022 | Dec 2023 | - Vantage Data Centers |
| 5 5853 Rue Ferrari | ★★★★☆ | 302,775 | 1 | Aug 2023 | Dec 2024 | - Prologis, Inc. |
| 6 2905 Stender Way | ★★★★☆ | 250,000 | 4 | Oct 2022 | Mar 2024 | - American Tower Corporation |
| 7 650 N King Rd | ★★★☆☆ | 212,683 | 1 | Dec 2022 | Dec 2023 | - |

Under Construction Properties

San Jose Industrial

UNDER CONSTRUCTION

| Property Name/Address | Rating | Bldg SF | Stories | Start | Complete | Developer/Owner |
|--|-----------|---------|---------|----------|----------|--|
| 8 Building B 1001 Venture Way | ★ ★ ★ ★ ★ | 198,965 | 1 | Feb 2023 | Feb 2024 | McCarthy Ranch Rockpoint |
| 9 Building A 901 Venture Way | ★ ★ ★ ★ ★ | 183,600 | 1 | Feb 2023 | Feb 2024 | - Rockpoint |
| 10 Building A DuPeal Dr | ★ ★ ★ ★ ★ | 138,689 | 1 | Feb 2023 | Feb 2024 | - - |
| 11 Concourse Logistics Ce... 1953 Concourse Dr | ★ ★ ★ ★ ★ | 126,700 | 1 | Jan 2023 | Mar 2024 | - - |
| 12 Building C Half Rd | ★ ★ ★ ★ ★ | 121,101 | 1 | Feb 2023 | Feb 2024 | - - |
| 13 Building B Half Rd | ★ ★ ★ ★ ★ | 92,841 | 1 | Feb 2023 | Feb 2024 | - - |
| 14 2175 Martin Ave | ★ ★ ★ ★ ★ | 80,000 | 3 | Nov 2022 | Dec 2023 | Prime Data Centers Prime Data Centers |
| 15 Building E Depaul Dr | ★ ★ ★ ★ ★ | 74,006 | 1 | Feb 2023 | Feb 2024 | - - |
| 16 Building D Half Rd | ★ ★ ★ ★ ★ | 73,668 | 1 | Feb 2023 | Feb 2024 | - - |
| 17 440-480 Cochrane Cir | ★ ★ ★ ★ ★ | 60,000 | 1 | Aug 2023 | Aug 2024 | Techconcorp Landscape Constru... Techconcorp Landscape Constru... |

Transaction volume in San Jose has slowed, as investors remain on the sidelines in the face of rising interest rates and recessionary caution. As of the fourth quarter of 2023, 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.

National institutional buyers accounted for most sales volume over the past year. Owner/users such as Amazon and Apple took the highest share of acquisitions, but private buyers were also well-represented, particularly in the under-\$20 million sales category. Around \$316 million of transactions were closed in the \$5 million-\$20 million range, with 58% of these selling to private buyers. The average sales price was \$345/SF at an 8.4% average cap rate.

Developers have also been active, taking the opportunity to acquire sites with redevelopment or value add potential. For example, in June 2023, Fox Real Estate and Development bought the San Tomas Business

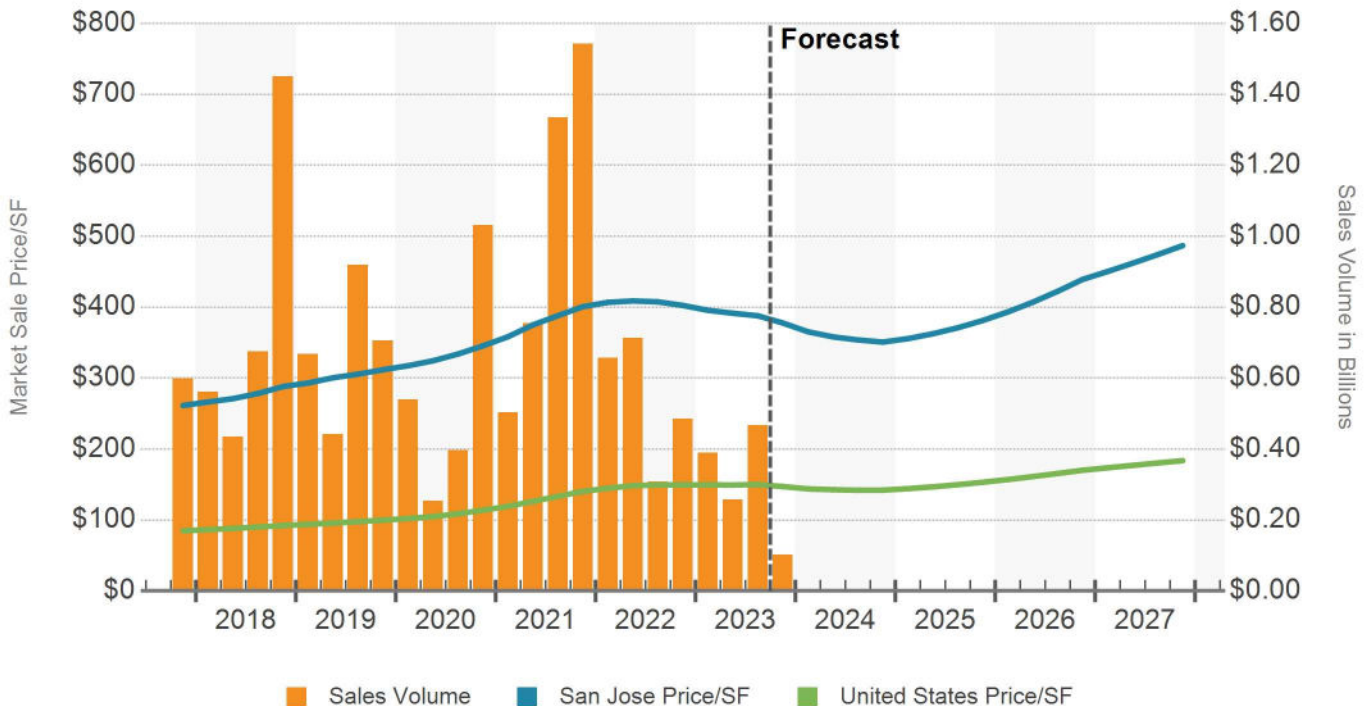
Center in Los Gatos, picking up the nine-building center for \$15.2 million, or \$194/SF.

San Jose is one of the most expensive markets in the nation for industrial properties. The average transaction price over the past year was \$370/SF, which is way above the national average at \$144/SF.

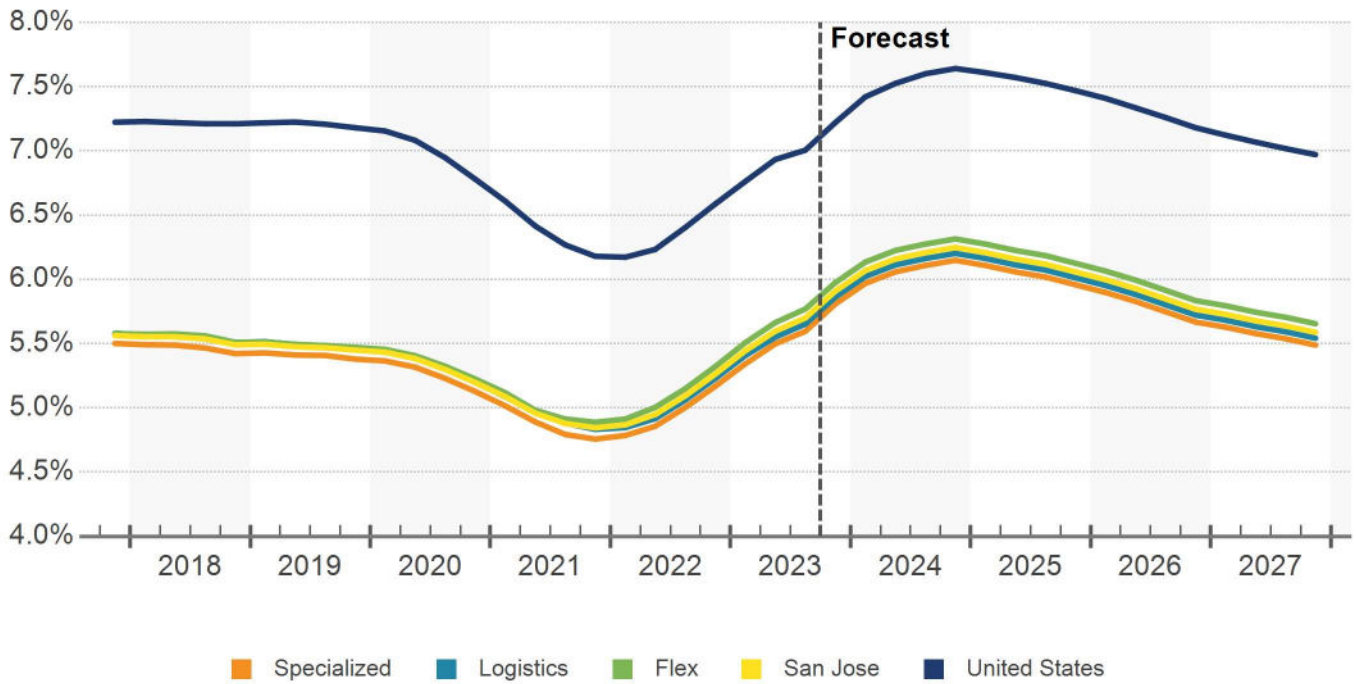
Among recent sales, in March 2023, Amazon paid \$238 million for a manufacturing site at 960-980 Central Expressway in Santa Clara. Even though Amazon has slowed its distribution space expansion program nationally, it is still making select investments of attractive sites in good locations, such as this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

The most recent large sale was the sale-leaseback of the Western Digital campus in Milpitas. Blue Owl acquired the five-building portfolio for \$192 million, or \$327/SF, in September, with Western Digital entering into a 16-year lease.

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

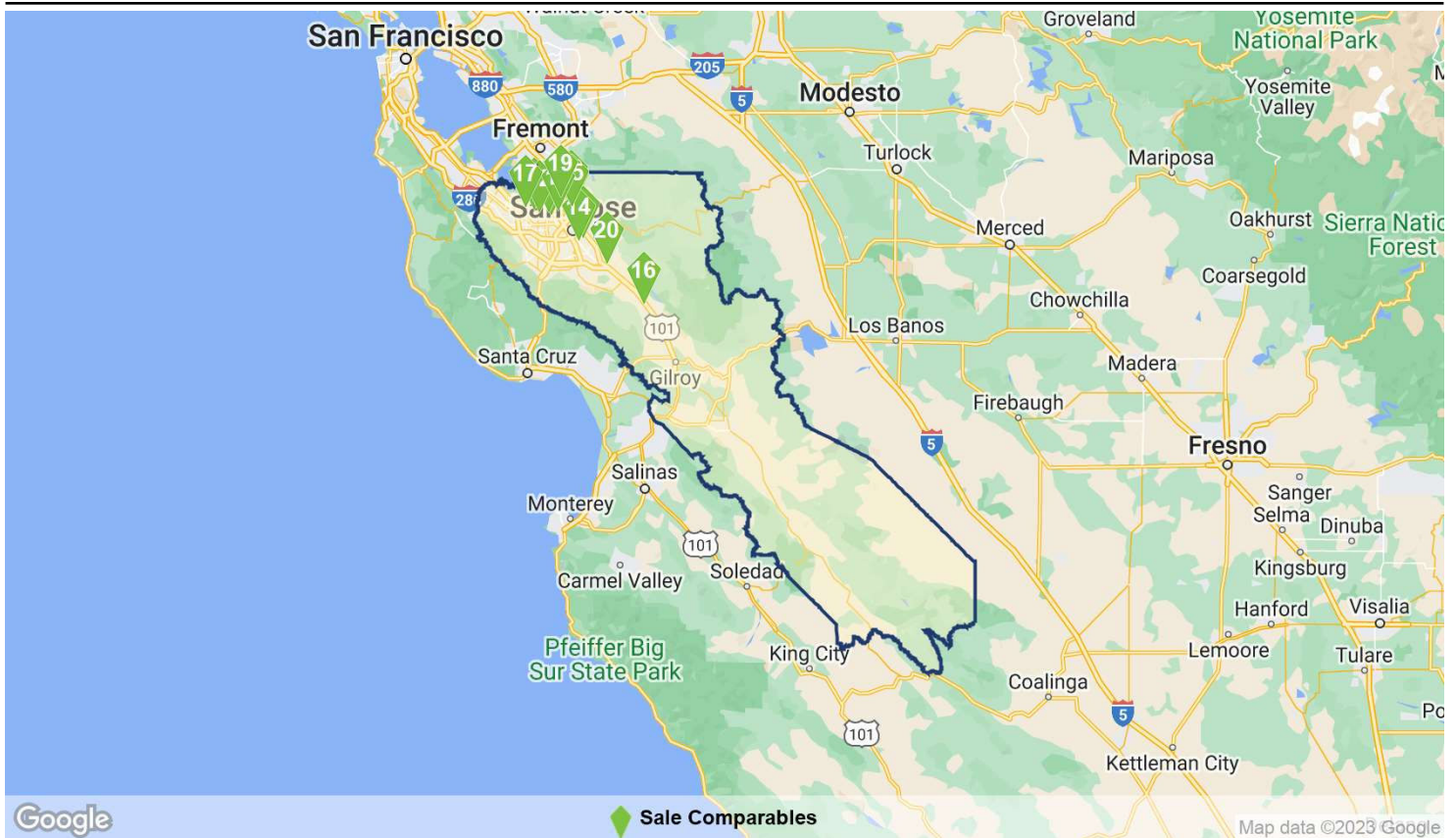
125

5.5%

\$367

4.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

| Sales Attributes | Low | Average | Median | High |
|---------------------------|-----------|---------------|-------------|---------------|
| Sale Price | \$640,000 | \$14,024,193 | \$5,470,747 | \$237,761,000 |
| Price/SF | \$61 | \$367 | \$362 | \$3,403 |
| Cap Rate | 3.1% | 5.5% | 4.6% | 12.7% |
| Time Since Sale in Months | 0.4 | 5.7 | 4.9 | 11.9 |
| Property Attributes | Low | Average | Median | High |
| Building SF | 1,258 | 43,423 | 18,024 | 747,424 |
| Ceiling Height | 9' | 17'10" | 17'9" | 36' |
| Docks | 0 | 1 | 0 | 22 |
| Vacancy Rate At Sale | 0% | 4.2% | 0% | 100% |
| Year Built | 1900 | 1977 | 1979 | 2022 |
| Star Rating | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ★ 2.4 | ★ ★ ★ ★ ★ | ★ ★ ★ ★ ★ |

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 Equinix - SV3 1735 Lundy Ave | ★★★★★ | 1990 | 103,420 | 0% | 6/20/2023 | \$86,250,000 | \$834 | - |
| 3 951 Sandisk Dr | ★★★★★ | 1992 | 176,516 | 0% | 9/6/2023 | \$52,804,917 | \$299 | - |
| 4 1051 Sandisk Dr | ★★★★★ | 1992 | 155,734 | 0% | 9/6/2023 | \$44,951,981 | \$289 | - |
| 5 1001 Sandisk Dr | ★★★★★ | 1992 | 101,253 | 0% | 9/6/2023 | \$41,111,243 | \$406 | - |
| 6 825 Stewart Dr | ★★★★★ | 1968 | 75,350 | 0% | 8/28/2023 | \$41,000,000 | \$544 | - |
| 7 350 E Plumeria Dr | ★★★★★ | 1984 | 142,700 | 0% | 12/27/2022 | \$37,932,000 | \$521 | - |
| 8 1980 Senter Rd | ★★★★★ | 1986 | 132,721 | 0% | 6/2/2023 | \$37,828,500 | \$285 | - |
| 9 2825 N 1st St | ★★★★★ | 1989 | 51,758 | 0% | 10/3/2023 | \$34,079,000 | \$658 | - |
| 10 1101 Sandisk Dr | ★★★★★ | 1995 | 94,480 | 0% | 9/6/2023 | \$32,505,605 | \$344 | - |
| 11 Bldg A 3101 Jay St | ★★★★★ | 1998 | 47,015 | 0% | 8/24/2023 | \$32,500,000 | \$691 | - |
| 12 350 Cobalt Way | ★★★★★ | 1978 | 134,218 | 21.7% | 1/20/2023 | \$31,005,000 | \$231 | - |
| 13 1951-1991 Tarob Ct | ★★★★★ | 1984 | 37,336 | 0% | 11/2/2023 | \$26,000,000 | \$696 | - |
| 14 Bldg 2 1919 Monterey Rd | ★★★★★ | 2001 | 77,310 | 37.4% | 7/13/2023 | \$25,000,000 | \$323 | - |
| 15 2201 Qume Dr | ★★★★★ | 1986 | 63,958 | 0% | 9/6/2023 | \$24,000,000 | \$375 | - |
| 16 18305 Sutter Blvd | ★★★★★ | 1999 | 73,600 | 0% | 7/20/2023 | \$23,500,000 | \$319 | - |
| 17 880 W Maude Ave | ★★★★★ | 1974 | 40,925 | 0% | 6/9/2023 | \$23,000,000 | \$562 | - |
| 18 2590 Orchard Pky | ★★★★★ | 1999 | 64,512 | 0% | 12/13/2022 | \$22,077,378 | \$342 | - |
| 19 901 Sandisk Dr | ★★★★★ | 1993 | 60,128 | 0% | 9/6/2023 | \$21,076,254 | \$351 | - |
| 20 5891-5895 Rue Ferrari | ★★★★★ | 1997 | 76,800 | 0% | 4/19/2023 | \$21,000,000 | \$273 | - |

As of the fourth 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 earlier in the year of Silicon Valley Bank 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 cloud computing 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 has led 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 -39,000 short of the total population of three years ago.

The rate of unemployment declined to a historical low of just 2.5% in the past year, reflecting high demand for workers. More recently, a slowing economy and 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.

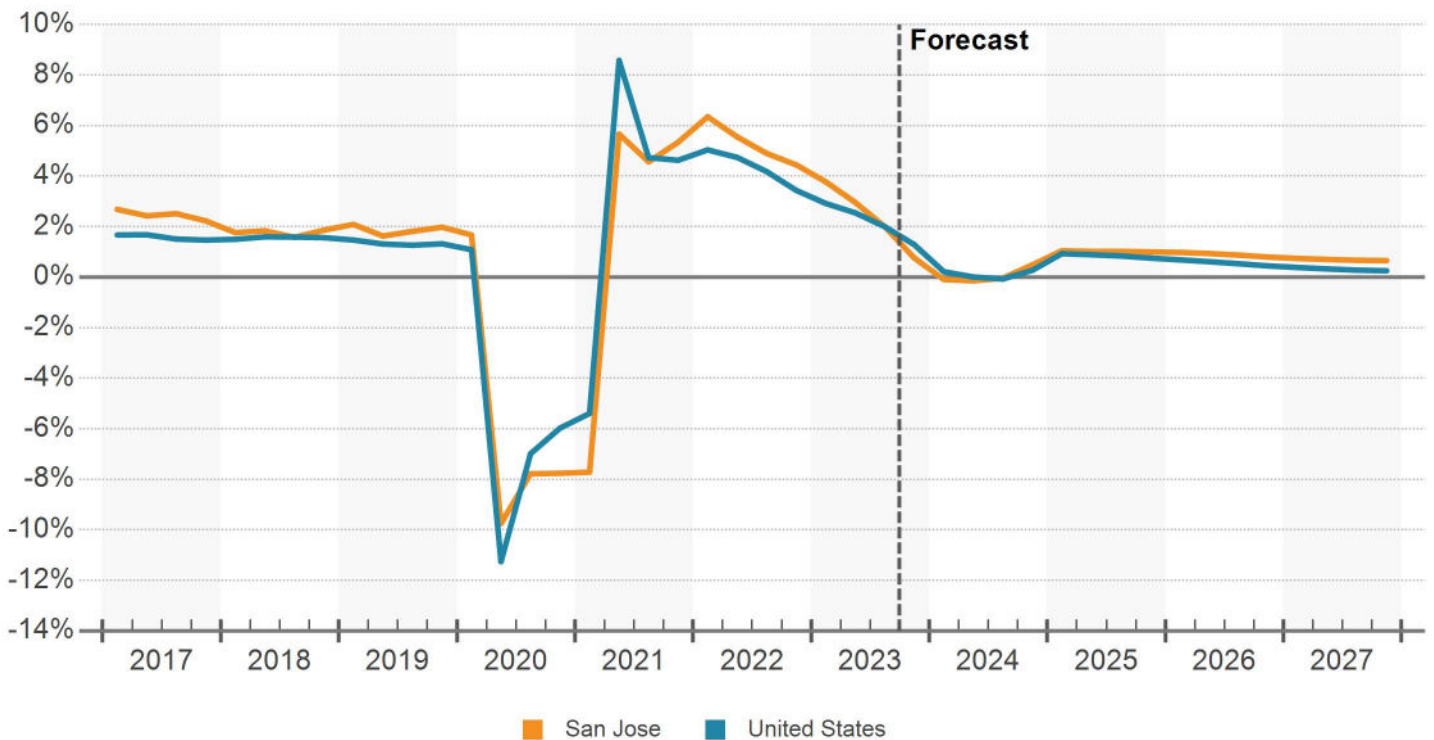
Venture capital funding to San Jose-based businesses reached a record level in 2021, but deal count and investment value have pulled back in the past year in response to higher interest rates and global economic uncertainty.

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 | 181 | 1.8 | -0.65% | 0.26% | 1.34% | 0.74% | 0.08% | 0.06% |
| Trade, Transportation and Utilities | 122 | 0.6 | 0.41% | 0.24% | -0.88% | 1.08% | -0.12% | 0.13% |
| Retail Trade | 73 | 0.6 | -0.24% | 0.42% | -1.35% | 0.26% | -0.02% | 0.10% |
| Financial Activities | 38 | 0.5 | -0.17% | 0.72% | 1.17% | 1.47% | 0.11% | 0.13% |
| Government | 96 | 0.6 | 0.69% | 1.73% | 0.63% | 0.37% | 0.35% | 0.39% |
| Natural Resources, Mining and Construction | 56 | 0.9 | 0.76% | 1.92% | 3.65% | 2.39% | 0.97% | 0.24% |
| Education and Health Services | 198 | 1.0 | 3.89% | 3.43% | 3.01% | 1.88% | 1.21% | 0.65% |
| Professional and Business Services | 257 | 1.5 | 0.50% | 0.94% | 2.49% | 2.04% | 0.60% | 0.49% |
| Information | 104 | 4.5 | -1.28% | -2.42% | 6.01% | 1.14% | 1.63% | 0.30% |
| Leisure and Hospitality | 106 | 0.8 | 5.45% | 3.43% | 1.80% | 1.50% | 1.43% | 0.84% |
| Other Services | 26 | 0.6 | 3.27% | 2.00% | 0.00% | 0.65% | 0.28% | 0.26% |
| Total Employment | 1,185 | 1.0 | 1.19% | 1.54% | 1.95% | 1.33% | 0.69% | 0.39% |

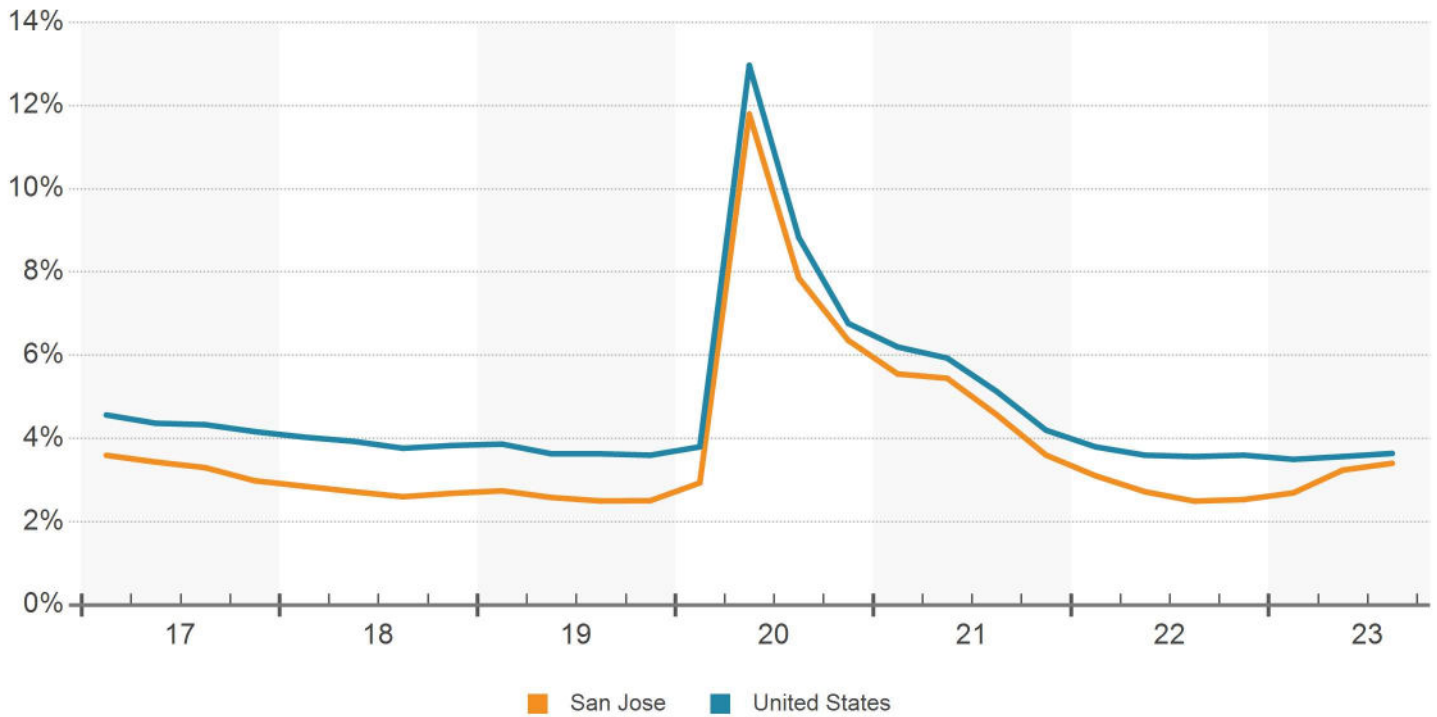
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

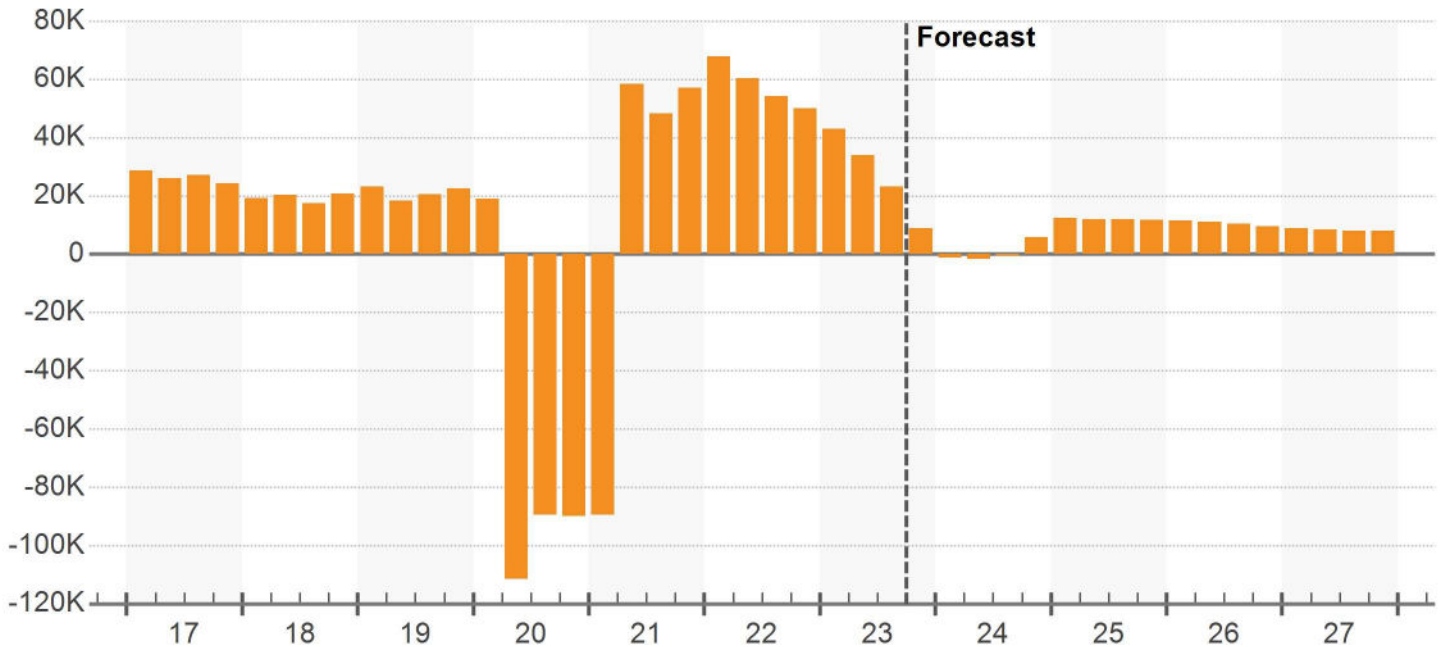


Source: Oxford Economics

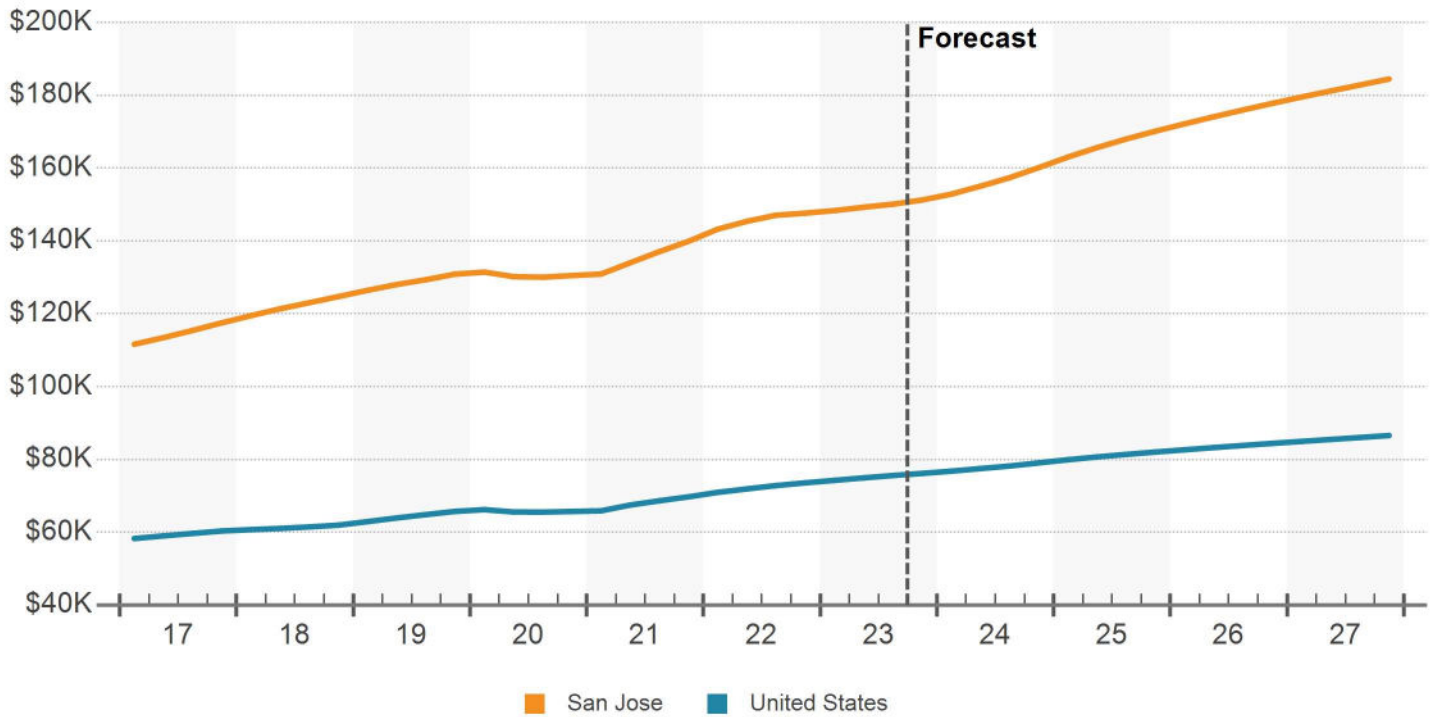
UNEMPLOYMENT RATE (%)



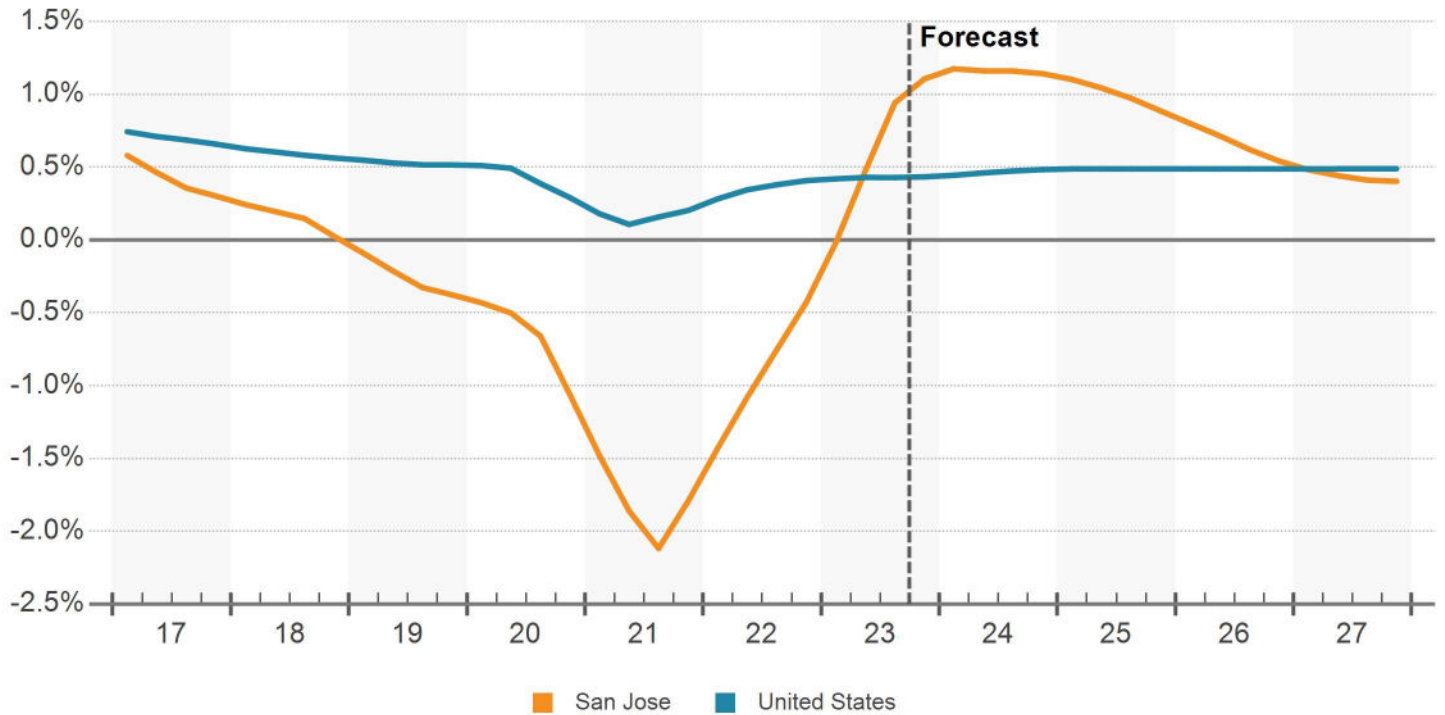
NET EMPLOYMENT CHANGE (YOY)



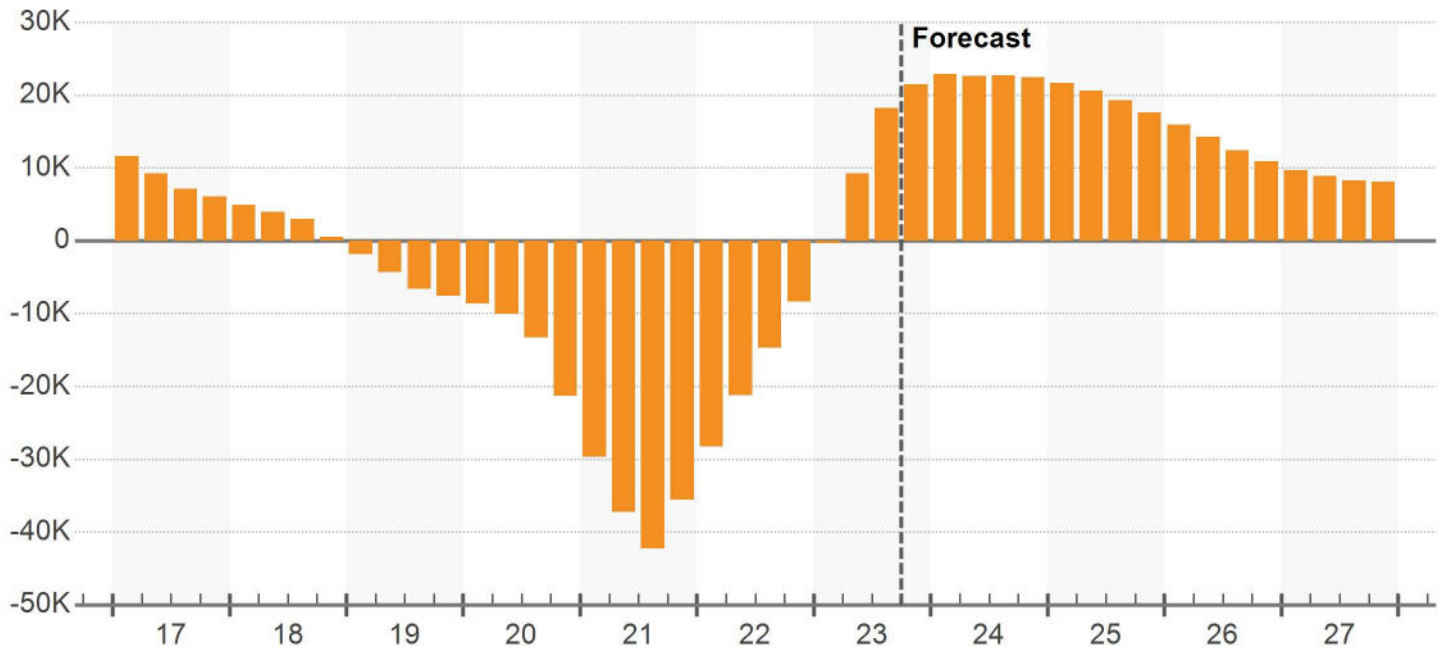
MEDIAN HOUSEHOLD INCOME



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 | 1,960,440 | 334,969,969 | 1.0% | 0.4% | 0.1% | 0.5% | 0.7% | 0.5% |
| Households | 684,839 | 130,762,383 | 1.2% | 0.6% | 0.6% | 0.9% | 0.8% | 0.6% |
| Median Household Income | \$150,807 | \$75,938 | 2.3% | 3.6% | 5.1% | 3.8% | 4.8% | 3.1% |
| Labor Force | 1,093,900 | 167,555,109 | 1.2% | 1.8% | 0.9% | 0.8% | 0.4% | 0.2% |
| Unemployment | 3.4% | 3.6% | 0.9% | 0.1% | -0.3% | -0.3% | - | - |

Source: Oxford Economics

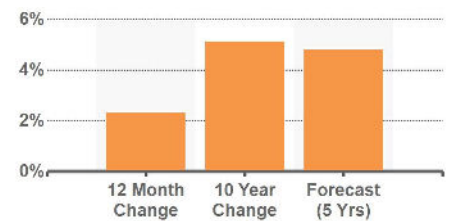
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

SAN JOSE SUBMARKETS



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% | 5 | 0 | - | - | - |
| 2 | Central Santa Clara | 585 | 19,636 | 9.9% | 2 | 2 | 556 | 2.8% | 1 | 4 | 1,272 | 6.5% | 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 | 350 | 3,589 | 1.8% | 15 | 0 | 0 | 0% | - | 0 | - | - | - |
| 9 | East Arques Ave Corridor | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 10 | East San Jose-Willow Glen | 634 | 15,343 | 7.7% | 6 | 0 | 0 | 0% | - | 0 | - | - | - |
| 11 | Embarcadero/101 | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 12 | Gilroy | 240 | 6,966 | 3.5% | 11 | 1 | 9 | 0.1% | 4 | 2 | 383 | 5.5% | 5 |
| 13 | Los Altos | 4 | 12 | 0% | 25 | 0 | 0 | 0% | - | 0 | - | - | - |
| 14 | Los Gatos | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 15 | Los Gatos/Saratoga | 32 | 457 | 0.2% | 21 | 0 | 0 | 0% | - | 0 | - | - | - |
| 16 | Midtown San Jose | 133 | 1,847 | 0.9% | 18 | 0 | 0 | 0% | - | 0 | - | - | - |
| 17 | Milpitas | 314 | 18,423 | 9.2% | 3 | 0 | 0 | 0% | - | 0 | - | - | - |
| 18 | Moffett Park | 78 | 5,882 | 3.0% | 13 | 0 | 0 | 0% | - | 0 | - | - | - |
| 19 | Morgan Hill | 226 | 7,685 | 3.9% | 10 | 0 | 0 | 0% | - | 6 | 560 | 7.3% | 4 |
| 20 | Mountain View | 443 | 9,888 | 5.0% | 9 | 0 | 0 | 0% | - | 0 | - | - | - |
| 21 | N. San Jose - Brokaw | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 22 | N.E. Santa Clara | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 23 | North San Jose | 666 | 33,008 | 16.6% | 1 | 0 | 0 | 0% | - | 0 | - | - | - |
| 24 | North Santa Clara | 377 | 11,502 | 5.8% | 7 | 1 | 353 | 3.1% | 2 | 0 | - | - | - |
| 25 | Oak Creek | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 26 | Outlying Santa Clara Cnty | 14 | 530 | 0.3% | 20 | 0 | 0 | 0% | - | 0 | - | - | - |
| 27 | Palo Alto | 225 | 6,927 | 3.5% | 12 | 0 | 0 | 0% | - | 0 | - | - | - |
| 28 | Peery Park | 1 | 41 | 0% | 24 | 0 | 0 | 0% | - | 0 | - | - | - |
| 29 | Plumeria Drive | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 30 | San Benito County | 197 | 4,841 | 2.4% | 14 | 1 | 20 | 0.4% | 3 | 1 | 1,050 | 21.7% | 2 |
| 31 | San Jose East | 1 | 7 | 0% | 26 | 0 | 0 | 0% | - | 0 | - | - | - |
| 32 | San Jose, IBP East | 0 | - | 0% | - | 0 | 0 | - | - | 0 | - | - | - |
| 33 | San Jose-Berryessa | 560 | 18,220 | 9.1% | 4 | 0 | 0 | 0% | - | 2 | 339 | 1.9% | 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 | 178 | 11,282 | 5.7% | 8 | 0 | 0 | 0% | - | 1 | 303 | 2.7% | 7 |
| 38 | South Santa Clara | 31 | 1,139 | 0.6% | 19 | 0 | 0 | 0% | - | 0 | - | - | - |
| 39 | Sunnyvale | 478 | 15,609 | 7.8% | 5 | 0 | 0 | 0% | - | 1 | 847 | 5.4% | 3 |
| 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 | \$28.56 | 11 | 1.6% | 11 | 2.5% | 26 |
| 2 | Central Santa Clara | \$27.12 | 13 | 1.2% | 14 | 4.7% | 5 |
| 3 | Central Sunnyvale | - | - | - | - | - | - |
| 4 | Cupertino | \$44.06 | 4 | 0.4% | 19 | 3.7% | 16 |
| 5 | De La Cruz | - | - | - | - | - | - |
| 6 | Downtown Mountain View | - | - | - | - | - | - |
| 7 | Downtown Palo Alto | \$48.97 | 3 | -3.6% | 26 | 3.7% | 15 |
| 8 | Downtown San Jose | \$20.34 | 20 | 2.5% | 6 | 4.4% | 6 |
| 9 | East Arques Ave Corridor | - | - | - | - | - | - |
| 10 | East San Jose-Willow Glen | \$19.04 | 23 | 3.6% | 2 | 4.8% | 4 |
| 11 | Embarcadero/101 | - | - | - | - | - | - |
| 12 | Gilroy | \$14.62 | 25 | 1.5% | 12 | 2.7% | 25 |
| 13 | Los Altos | \$35.65 | 6 | 1.0% | 15 | 4.3% | 8 |
| 14 | Los Gatos | - | - | - | - | - | - |
| 15 | Los Gatos/Saratoga | \$31.16 | 9 | 0.9% | 17 | 4.1% | 11 |
| 16 | Midtown San Jose | \$20.04 | 21 | 2.2% | 7 | 3.0% | 23 |
| 17 | Milpitas | \$21.02 | 18 | 2.1% | 8 | 4.2% | 10 |
| 18 | Moffett Park | \$29.91 | 10 | 0.4% | 20 | 2.7% | 24 |
| 19 | Morgan Hill | \$17.97 | 24 | 1.8% | 9 | 3.7% | 14 |
| 20 | Mountain View | \$40.61 | 5 | 0.3% | 21 | 5.0% | 3 |
| 21 | N. San Jose - Brokaw | - | - | - | - | - | - |
| 22 | N.E. Santa Clara | - | - | - | - | - | - |
| 23 | North San Jose | \$25.89 | 15 | 1.7% | 10 | 4.3% | 7 |
| 24 | North Santa Clara | \$26.36 | 14 | 0.1% | 24 | 3.2% | 20 |
| 25 | Oak Creek | - | - | - | - | - | - |
| 26 | Outlying Santa Clara Cnty | \$19.46 | 22 | 3.4% | 3 | 3.6% | 18 |
| 27 | Palo Alto | \$49.48 | 2 | 0% | 25 | 3.1% | 22 |
| 28 | Peery Park | \$24.07 | 16 | 0.2% | 22 | 3.9% | 12 |
| 29 | Plumeria Drive | - | - | - | - | - | - |
| 30 | San Benito County | \$13.17 | 26 | 4.3% | 1 | 5.0% | 2 |
| 31 | San Jose East | \$51 | 1 | 3.4% | 4 | 7.7% | 1 |
| 32 | San Jose, IBP East | - | - | - | - | - | - |
| 33 | San Jose-Berryessa | \$20.86 | 19 | 1.5% | 13 | 3.6% | 19 |
| 34 | Scott Blvd Corridor | - | - | - | - | - | - |
| 35 | Shoreline Corridor North | - | - | - | - | - | - |
| 36 | Shoreline Corridor South | - | - | - | - | - | - |
| 37 | South San Jose | \$23.67 | 17 | 0.9% | 16 | 3.2% | 21 |
| 38 | South Santa Clara | \$27.63 | 12 | 2.7% | 5 | 4.2% | 9 |
| 39 | Sunnyvale | \$32.26 | 7 | 0.1% | 23 | 3.7% | 17 |
| 40 | Sunnyvale Triangle | - | - | - | - | - | - |
| 41 | West Mountain View | - | - | - | - | - | - |
| 42 | West San Jose | \$31.73 | 8 | 0.8% | 18 | 3.9% | 13 |

SUBMARKET VACANCY & NET ABSORPTION

| No. | Submarket | Vacancy | | | 12 Month Absorption | | | |
|-----|---------------------------|-----------|---------|------|---------------------|----------|------|-----------------|
| | | SF | Percent | Rank | SF | % of Inv | Rank | Construc. Ratio |
| 1 | Campbell | 194,719 | 5.6% | 9 | 25,332 | 0.7% | 6 | 0.3 |
| 2 | Central Santa Clara | 979,042 | 5.0% | 7 | 363,384 | 1.9% | 2 | 1.5 |
| 3 | Central Sunnyvale | - | - | - | 0 | - | - | - |
| 4 | Cupertino | 17,850 | 0.6% | 1 | (14,811) | -0.5% | 31 | - |
| 5 | De La Cruz | - | - | - | 0 | - | - | - |
| 6 | Downtown Mountain View | - | - | - | 0 | - | - | - |
| 7 | Downtown Palo Alto | 9,025 | 18.7% | 21 | (5,943) | -12.3% | 30 | - |
| 8 | Downtown San Jose | 58,294 | 1.6% | 2 | (542) | 0% | 29 | - |
| 9 | East Arques Ave Corridor | - | - | - | 0 | - | - | - |
| 10 | East San Jose-Willow Glen | 853,750 | 5.6% | 10 | (113,481) | -0.7% | 36 | - |
| 11 | Embarcadero/101 | - | - | - | 0 | - | - | - |
| 12 | Gilroy | 305,925 | 4.4% | 5 | (100,506) | -1.4% | 35 | - |
| 13 | Los Altos | - | - | - | 0 | 0% | - | - |
| 14 | Los Gatos | - | - | - | 0 | - | - | - |
| 15 | Los Gatos/Saratoga | 23,426 | 5.1% | 8 | 11,206 | 2.5% | 7 | - |
| 16 | Midtown San Jose | 89,829 | 4.9% | 6 | 54,510 | 3.0% | 4 | - |
| 17 | Milpitas | 1,302,492 | 7.1% | 14 | (177,824) | -1.0% | 39 | - |
| 18 | Moffett Park | 341,491 | 5.8% | 12 | (74,827) | -1.3% | 33 | - |
| 19 | Morgan Hill | 847,157 | 11.0% | 19 | (98,349) | -1.3% | 34 | - |
| 20 | Mountain View | 1,097,025 | 11.1% | 20 | (485,411) | -4.9% | 42 | - |
| 21 | N. San Jose - Brokaw | - | - | - | 0 | - | - | - |
| 22 | N.E. Santa Clara | - | - | - | 0 | - | - | - |
| 23 | North San Jose | 2,459,251 | 7.5% | 16 | (484,925) | -1.5% | 41 | - |
| 24 | North Santa Clara | 1,121,248 | 9.7% | 18 | 522,216 | 4.5% | 1 | 0.7 |
| 25 | Oak Creek | - | - | - | 0 | - | - | - |
| 26 | Outlying Santa Clara Cnty | - | - | - | 0 | 0% | - | - |
| 27 | Palo Alto | 487,471 | 7.0% | 13 | (151,294) | -2.2% | 38 | - |
| 28 | Peery Park | - | - | - | 0 | 0% | - | - |
| 29 | Plumeria Drive | - | - | - | 0 | - | - | - |
| 30 | San Benito County | 83,757 | 1.7% | 3 | 36,238 | 0.7% | 5 | 0.6 |
| 31 | San Jose East | - | - | - | 0 | 0% | - | - |
| 32 | San Jose, IBP East | - | - | - | 0 | - | - | - |
| 33 | San Jose-Berryessa | 1,055,229 | 5.8% | 11 | (273,678) | -1.5% | 40 | - |
| 34 | Scott Blvd Corridor | - | - | - | 0 | - | - | - |
| 35 | Shoreline Corridor North | - | - | - | 0 | - | - | - |
| 36 | Shoreline Corridor South | - | - | - | 0 | - | - | - |
| 37 | South San Jose | 798,265 | 7.1% | 15 | 93,869 | 0.8% | 3 | - |
| 38 | South Santa Clara | 38,334 | 3.4% | 4 | (37,252) | -3.3% | 32 | - |
| 39 | Sunnyvale | 1,371,465 | 8.8% | 17 | (130,841) | -0.8% | 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 | 198,959,501 | (870,851) | -0.4% | (387,385) | -0.2% | - |
| 2026 | 199,830,352 | (1,343,981) | -0.7% | 496,520 | 0.2% | - |
| 2025 | 201,174,333 | (217,140) | -0.1% | 765,819 | 0.4% | - |
| 2024 | 201,391,473 | 1,596,721 | 0.8% | (238,656) | -0.1% | - |
| 2023 | 199,794,752 | 1,273,553 | 0.6% | (1,685,371) | -0.8% | - |
| YTD | 199,321,832 | 800,633 | 0.4% | (1,313,618) | -0.7% | - |
| 2022 | 198,521,199 | (884,193) | -0.4% | 1,823,259 | 0.9% | - |
| 2021 | 199,405,392 | 1,146,161 | 0.6% | 777,630 | 0.4% | 1.5 |
| 2020 | 198,259,231 | (717,533) | -0.4% | (2,462,403) | -1.2% | - |
| 2019 | 198,976,764 | (1,120,395) | -0.6% | 1,363,444 | 0.7% | - |
| 2018 | 200,097,159 | (791,029) | -0.4% | (2,688,686) | -1.3% | - |
| 2017 | 200,888,188 | 429,676 | 0.2% | 445,376 | 0.2% | 1.0 |
| 2016 | 200,458,512 | (2,409,409) | -1.2% | (736,077) | -0.4% | - |
| 2015 | 202,867,921 | (2,086,163) | -1.0% | (22,957) | 0% | - |
| 2014 | 204,954,084 | (3,888,714) | -1.9% | 1,694,024 | 0.8% | - |
| 2013 | 208,842,798 | (2,892,784) | -1.4% | (3,813,693) | -1.8% | - |
| 2012 | 211,735,582 | (4,775,302) | -2.2% | (3,167,831) | -1.5% | - |
| 2011 | 216,510,884 | (3,016,100) | -1.4% | 884,559 | 0.4% | - |

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|------------|-----------|----------|----------------|----------|--------------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Construction Ratio |
| 2027 | 42,938,512 | (124,777) | -0.3% | (52,542) | -0.1% | - |
| 2026 | 43,063,289 | (256,736) | -0.6% | 164,383 | 0.4% | - |
| 2025 | 43,320,025 | 262,801 | 0.6% | 726,656 | 1.7% | 0.4 |
| 2024 | 43,057,224 | 230,084 | 0.5% | 44,934 | 0.1% | 5.1 |
| 2023 | 42,827,140 | 479,922 | 1.1% | (142,410) | -0.3% | - |
| YTD | 42,354,220 | 7,002 | 0% | (178,815) | -0.4% | - |
| 2022 | 42,347,218 | 167,458 | 0.4% | (311,025) | -0.7% | - |
| 2021 | 42,179,760 | 214,120 | 0.5% | 552,042 | 1.3% | 0.4 |
| 2020 | 41,965,640 | 113,311 | 0.3% | (327,415) | -0.8% | - |
| 2019 | 41,852,329 | (98,464) | -0.2% | 310,518 | 0.7% | - |
| 2018 | 41,950,793 | (270,385) | -0.6% | (113,438) | -0.3% | - |
| 2017 | 42,221,178 | (644,128) | -1.5% | (330,568) | -0.8% | - |
| 2016 | 42,865,306 | (450,270) | -1.0% | (674,511) | -1.6% | - |
| 2015 | 43,315,576 | (110,760) | -0.3% | (237,599) | -0.5% | - |
| 2014 | 43,426,336 | (677,018) | -1.5% | (112,349) | -0.3% | - |
| 2013 | 44,103,354 | (387,164) | -0.9% | (244,136) | -0.6% | - |
| 2012 | 44,490,518 | (302,298) | -0.7% | (371,911) | -0.8% | - |
| 2011 | 44,792,816 | (249,609) | -0.6% | (131,014) | -0.3% | - |

LOGISTICS SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|------------|-------------|----------|----------------|----------|--------------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Construction Ratio |
| 2027 | 54,407,530 | (172,728) | -0.3% | (89,906) | -0.2% | - |
| 2026 | 54,580,258 | (371,836) | -0.7% | 242,178 | 0.4% | - |
| 2025 | 54,952,094 | 143,439 | 0.3% | 319,958 | 0.6% | 0.4 |
| 2024 | 54,808,655 | 1,016,660 | 1.9% | 243,106 | 0.4% | 4.2 |
| 2023 | 53,791,995 | (6,000) | 0% | (438,275) | -0.8% | - |
| YTD | 53,791,995 | (6,000) | 0% | (244,019) | -0.5% | - |
| 2022 | 53,797,995 | (64,572) | -0.1% | 269,074 | 0.5% | - |
| 2021 | 53,862,567 | 1,270,419 | 2.4% | 1,452,824 | 2.7% | 0.9 |
| 2020 | 52,592,148 | (572,923) | -1.1% | (267,516) | -0.5% | - |
| 2019 | 53,165,071 | 444,284 | 0.8% | 130,633 | 0.2% | 3.4 |
| 2018 | 52,720,787 | 235,912 | 0.4% | (327,661) | -0.6% | - |
| 2017 | 52,484,875 | 472,237 | 0.9% | (481,745) | -0.9% | - |
| 2016 | 52,012,638 | (643,508) | -1.2% | 1,316,177 | 2.5% | - |
| 2015 | 52,656,146 | (483,384) | -0.9% | (93,754) | -0.2% | - |
| 2014 | 53,139,530 | (297,991) | -0.6% | 873,640 | 1.6% | - |
| 2013 | 53,437,521 | (610,953) | -1.1% | (939,667) | -1.8% | - |
| 2012 | 54,048,474 | (1,891,964) | -3.4% | (1,891,645) | -3.5% | - |
| 2011 | 55,940,438 | (1,438,983) | -2.5% | 499,443 | 0.9% | - |

FLEX SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|-------------|-------------|----------|----------------|----------|--------------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Construction Ratio |
| 2027 | 101,613,459 | (573,346) | -0.6% | (244,937) | -0.2% | - |
| 2026 | 102,186,805 | (715,409) | -0.7% | 89,959 | 0.1% | - |
| 2025 | 102,902,214 | (623,380) | -0.6% | (280,795) | -0.3% | - |
| 2024 | 103,525,594 | 349,977 | 0.3% | (526,696) | -0.5% | - |
| 2023 | 103,175,617 | 799,631 | 0.8% | (1,104,686) | -1.1% | - |
| YTD | 103,175,617 | 799,631 | 0.8% | (890,784) | -0.9% | - |
| 2022 | 102,375,986 | (987,079) | -1.0% | 1,865,210 | 1.8% | - |
| 2021 | 103,363,065 | (338,378) | -0.3% | (1,227,236) | -1.2% | - |
| 2020 | 103,701,443 | (257,921) | -0.2% | (1,867,472) | -1.8% | - |
| 2019 | 103,959,364 | (1,466,215) | -1.4% | 922,293 | 0.9% | - |
| 2018 | 105,425,579 | (756,556) | -0.7% | (2,247,587) | -2.1% | - |
| 2017 | 106,182,135 | 601,567 | 0.6% | 1,257,689 | 1.2% | 0.5 |
| 2016 | 105,580,568 | (1,315,631) | -1.2% | (1,377,743) | -1.3% | - |
| 2015 | 106,896,199 | (1,492,019) | -1.4% | 308,396 | 0.3% | - |
| 2014 | 108,388,218 | (2,913,705) | -2.6% | 932,733 | 0.9% | - |
| 2013 | 111,301,923 | (1,894,667) | -1.7% | (2,629,890) | -2.4% | - |
| 2012 | 113,196,590 | (2,581,040) | -2.2% | (904,275) | -0.8% | - |
| 2011 | 115,777,630 | (1,327,508) | -1.1% | 516,130 | 0.4% | - |

OVERALL RENT & VACANCY

| Year | Market Rent | | | | Vacancy | | |
|------|-------------|-------|----------|--------------|------------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | \$31.91 | 261 | 7.1% | 25.0% | 13,179,651 | 6.6% | -0.2% |
| 2026 | \$29.79 | 243 | 9.5% | 16.7% | 13,649,770 | 6.8% | -0.8% |
| 2025 | \$27.21 | 222 | 6.1% | 6.6% | 15,256,783 | 7.6% | -0.5% |
| 2024 | \$25.66 | 210 | -0.5% | 0.5% | 16,225,733 | 8.1% | 0.9% |
| 2023 | \$25.78 | 211 | 1.0% | 1.0% | 14,379,718 | 7.2% | 1.4% |
| YTD | \$25.72 | 210 | 1.2% | 0.8% | 13,535,045 | 6.8% | 1.0% |
| 2022 | \$25.52 | 208 | 5.8% | 0% | 11,420,794 | 5.8% | -1.3% |
| 2021 | \$24.13 | 197 | 4.0% | -5.5% | 14,061,724 | 7.1% | 0.1% |
| 2020 | \$23.20 | 189 | 3.1% | -9.1% | 13,759,715 | 6.9% | 0.9% |
| 2019 | \$22.51 | 184 | 5.1% | -11.8% | 12,014,845 | 6.0% | -1.2% |
| 2018 | \$21.42 | 175 | 6.4% | -16.1% | 14,498,684 | 7.2% | 1.0% |
| 2017 | \$20.13 | 164 | 6.7% | -21.2% | 12,587,648 | 6.3% | 0% |
| 2016 | \$18.87 | 154 | 8.6% | -26.1% | 12,466,907 | 6.2% | -0.8% |
| 2015 | \$17.37 | 142 | 10.6% | -32.0% | 14,140,239 | 7.0% | -0.9% |
| 2014 | \$15.70 | 128 | 10.4% | -38.5% | 16,049,358 | 7.8% | -2.5% |
| 2013 | \$14.23 | 116 | 9.2% | -44.3% | 21,608,067 | 10.3% | 0.6% |
| 2012 | \$13.03 | 106 | 8.4% | -48.9% | 20,687,158 | 9.8% | -0.5% |
| 2011 | \$12.02 | 98 | 6.0% | -52.9% | 22,294,629 | 10.3% | -1.6% |

SPECIALIZED INDUSTRIAL RENT & VACANCY

| Year | Market Rent | | | | Vacancy | | |
|------|-------------|-------|----------|--------------|-----------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | \$24.63 | 239 | 7.4% | 24.7% | 1,146,068 | 2.7% | -0.2% |
| 2026 | \$22.93 | 223 | 9.7% | 16.1% | 1,214,344 | 2.8% | -0.8% |
| 2025 | \$20.89 | 203 | 6.3% | 5.8% | 1,577,765 | 3.6% | -1.1% |
| 2024 | \$19.65 | 191 | -0.2% | -0.5% | 2,037,137 | 4.7% | 0.4% |
| 2023 | \$19.69 | 191 | -0.3% | -0.3% | 1,847,816 | 4.3% | 1.4% |
| YTD | \$19.70 | 191 | 0.2% | -0.2% | 1,411,301 | 3.3% | 0.4% |
| 2022 | \$19.74 | 192 | 5.0% | 0% | 1,225,484 | 2.9% | 1.1% |
| 2021 | \$18.81 | 183 | 4.3% | -4.8% | 747,001 | 1.8% | -0.8% |
| 2020 | \$18.03 | 175 | 4.9% | -8.7% | 1,084,923 | 2.6% | 1.0% |
| 2019 | \$17.19 | 167 | 5.9% | -12.9% | 644,197 | 1.5% | -1.0% |
| 2018 | \$16.24 | 158 | 5.8% | -17.8% | 1,053,179 | 2.5% | -0.4% |
| 2017 | \$15.35 | 149 | 6.6% | -22.2% | 1,210,126 | 2.9% | -0.3% |
| 2016 | \$14.40 | 140 | 8.3% | -27.0% | 1,373,866 | 3.2% | 0.6% |
| 2015 | \$13.30 | 129 | 9.1% | -32.6% | 1,149,625 | 2.7% | 0.3% |
| 2014 | \$12.19 | 118 | 8.1% | -38.3% | 1,022,786 | 2.4% | -1.2% |
| 2013 | \$11.28 | 110 | 6.6% | -42.9% | 1,563,426 | 3.5% | -0.3% |
| 2012 | \$10.58 | 103 | 5.4% | -46.4% | 1,706,454 | 3.8% | 0.2% |
| 2011 | \$10.04 | 98 | 2.8% | -49.1% | 1,636,841 | 3.7% | -0.2% |

LOGISTICS RENT & VACANCY

| Year | Market Rent | | | | Vacancy | | |
|------|-------------|-------|----------|--------------|-----------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | \$24.16 | 305 | 7.3% | 31.4% | 2,098,572 | 3.9% | -0.1% |
| 2026 | \$22.51 | 284 | 9.7% | 22.4% | 2,177,750 | 4.0% | -1.1% |
| 2025 | \$20.52 | 259 | 6.3% | 11.6% | 2,770,449 | 5.0% | -0.3% |
| 2024 | \$19.31 | 244 | -0.2% | 5.0% | 2,941,795 | 5.4% | 1.3% |
| 2023 | \$19.36 | 244 | 5.3% | 5.3% | 2,166,153 | 4.0% | 0.8% |
| YTD | \$19.27 | 243 | 5.7% | 4.8% | 1,971,897 | 3.7% | 0.4% |
| 2022 | \$18.39 | 232 | 9.9% | 0% | 1,733,878 | 3.2% | -0.6% |
| 2021 | \$16.73 | 211 | 7.7% | -9.0% | 2,067,524 | 3.8% | -0.4% |
| 2020 | \$15.54 | 196 | 4.1% | -15.5% | 2,249,929 | 4.3% | -0.5% |
| 2019 | \$14.93 | 189 | 6.4% | -18.8% | 2,555,336 | 4.8% | 0.6% |
| 2018 | \$14.04 | 177 | 7.3% | -23.7% | 2,241,685 | 4.3% | 1.1% |
| 2017 | \$13.08 | 165 | 8.6% | -28.9% | 1,678,112 | 3.2% | 1.8% |
| 2016 | \$12.04 | 152 | 10.1% | -34.5% | 724,130 | 1.4% | -3.7% |
| 2015 | \$10.94 | 138 | 11.3% | -40.5% | 2,683,815 | 5.1% | -0.7% |
| 2014 | \$9.83 | 124 | 9.8% | -46.5% | 3,073,445 | 5.8% | -2.2% |
| 2013 | \$8.95 | 113 | 7.8% | -51.3% | 4,245,076 | 7.9% | 0.7% |
| 2012 | \$8.31 | 105 | 5.8% | -54.8% | 3,916,362 | 7.2% | 0.2% |
| 2011 | \$7.85 | 99 | 3.7% | -57.3% | 3,916,681 | 7.0% | -3.2% |

FLEX RENT & VACANCY

| Year | Market Rent | | | | Vacancy | | |
|------|-------------|-------|----------|--------------|------------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2027 | \$39.11 | 254 | 7.0% | 23.1% | 9,935,011 | 9.8% | -0.3% |
| 2026 | \$36.56 | 238 | 9.3% | 15.1% | 10,257,676 | 10.0% | -0.6% |
| 2025 | \$33.45 | 217 | 5.9% | 5.3% | 10,908,569 | 10.6% | -0.3% |
| 2024 | \$31.58 | 205 | -0.6% | -0.6% | 11,246,801 | 10.9% | 0.8% |
| 2023 | \$31.78 | 207 | 0% | 0% | 10,365,749 | 10.0% | 1.8% |
| YTD | \$31.70 | 206 | 0.1% | -0.2% | 10,151,847 | 9.8% | 1.6% |
| 2022 | \$31.77 | 207 | 4.8% | 0% | 8,461,432 | 8.3% | -2.6% |
| 2021 | \$30.32 | 197 | 2.9% | -4.6% | 11,247,199 | 10.9% | 0.8% |
| 2020 | \$29.47 | 192 | 2.4% | -7.2% | 10,424,863 | 10.1% | 1.6% |
| 2019 | \$28.79 | 187 | 4.5% | -9.4% | 8,815,312 | 8.5% | -2.1% |
| 2018 | \$27.54 | 179 | 6.3% | -13.3% | 11,203,820 | 10.6% | 1.5% |
| 2017 | \$25.90 | 168 | 6.2% | -18.5% | 9,699,410 | 9.1% | -0.7% |
| 2016 | \$24.39 | 159 | 8.3% | -23.2% | 10,368,911 | 9.8% | 0.2% |
| 2015 | \$22.51 | 146 | 10.8% | -29.1% | 10,306,799 | 9.6% | -1.4% |
| 2014 | \$20.32 | 132 | 11.1% | -36.0% | 11,953,127 | 11.0% | -3.2% |
| 2013 | \$18.29 | 119 | 10.2% | -42.4% | 15,799,565 | 14.2% | 0.9% |
| 2012 | \$16.59 | 108 | 10.0% | -47.8% | 15,064,342 | 13.3% | -1.2% |
| 2011 | \$15.08 | 98 | 7.5% | -52.5% | 16,741,107 | 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 | - | - | - | - | - | - | \$486.72 | 375 | 5.6% |
| 2026 | - | - | - | - | - | - | \$439.19 | 338 | 5.8% |
| 2025 | - | - | - | - | - | - | \$381.25 | 294 | 6.1% |
| 2024 | - | - | - | - | - | - | \$350.78 | 270 | 6.2% |
| 2023 | - | - | - | - | - | - | \$377.72 | 291 | 5.9% |
| YTD | 110 | \$1.2B | 2.1% | \$12,532,756 | \$364.49 | 5.5% | \$392.72 | 302 | 5.7% |
| 2022 | 293 | \$2.2B | 5.3% | \$11,147,572 | \$344.03 | 5.0% | \$402.42 | 310 | 5.3% |
| 2021 | 280 | \$4.1B | 6.0% | \$15,482,041 | \$384.13 | 4.8% | \$400.74 | 309 | 4.8% |
| 2020 | 220 | \$2.2B | 3.7% | \$11,152,390 | \$331.46 | 5.4% | \$345.51 | 266 | 5.2% |
| 2019 | 312 | \$2.7B | 5.4% | \$14,232,354 | \$303.28 | 6.0% | \$311.82 | 240 | 5.4% |
| 2018 | 343 | \$3.1B | 5.8% | \$14,657,001 | \$329.81 | 5.9% | \$288.18 | 222 | 5.5% |
| 2017 | 423 | \$2.7B | 6.3% | \$10,265,033 | \$257.96 | 6.0% | \$261.45 | 201 | 5.6% |
| 2016 | 409 | \$2.6B | 5.9% | \$9,060,873 | \$267.38 | 6.0% | \$248.24 | 191 | 5.4% |
| 2015 | 498 | \$3.1B | 8.0% | \$8,092,286 | \$224.65 | 6.0% | \$224.77 | 173 | 5.5% |
| 2014 | 455 | \$2.8B | 6.8% | \$7,127,711 | \$215.07 | 6.7% | \$189.87 | 146 | 6.0% |
| 2013 | 431 | \$2.4B | 6.9% | \$7,822,302 | \$198.55 | 7.0% | \$161.80 | 125 | 6.5% |
| 2012 | 528 | \$1.5B | 8.9% | \$5,828,534 | \$157 | 7.1% | \$144.37 | 111 | 6.8% |

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

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

SPECIALIZED INDUSTRIAL SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|----------|----------|--------------|--------------|--------------|---------------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/SF | Avg Cap Rate | Price/SF | Price Index | Cap Rate |
| 2027 | - | - | - | - | - | - | \$455.21 | 393 | 5.5% |
| 2026 | - | - | - | - | - | - | \$409.47 | 354 | 5.7% |
| 2025 | - | - | - | - | - | - | \$354.19 | 306 | 6.0% |
| 2024 | - | - | - | - | - | - | \$324.89 | 281 | 6.1% |
| 2023 | - | - | - | - | - | - | \$349.71 | 302 | 5.8% |
| YTD | 30 | \$397M | 4.1% | \$15,881,791 | \$344.64 | 7.5% | \$364.89 | 315 | 5.6% |
| 2022 | 80 | \$507.7M | 5.2% | \$7,577,728 | \$305.80 | 5.4% | \$373.08 | 322 | 5.2% |
| 2021 | 70 | \$1.1B | 5.2% | \$15,878,858 | \$506.73 | 4.3% | \$372.47 | 322 | 4.8% |
| 2020 | 54 | \$316M | 3.4% | \$6,449,561 | \$225.70 | 6.1% | \$318.03 | 275 | 5.1% |
| 2019 | 106 | \$393M | 6.2% | \$7,415,153 | \$173.98 | 5.0% | \$286.21 | 247 | 5.4% |
| 2018 | 113 | \$281.8M | 5.2% | \$6,552,817 | \$255.85 | 5.2% | \$263.29 | 227 | 5.4% |
| 2017 | 145 | \$410.1M | 6.4% | \$7,593,746 | \$251.35 | 6.1% | \$236.85 | 205 | 5.5% |
| 2016 | 127 | \$178.9M | 3.5% | \$3,374,911 | \$175.13 | 6.3% | \$222.35 | 192 | 5.4% |
| 2015 | 134 | \$359.5M | 6.2% | \$4,180,128 | \$159.02 | 5.5% | \$199.63 | 172 | 5.5% |
| 2014 | 103 | \$201.7M | 4.6% | \$2,653,862 | \$113.19 | 6.0% | \$168.46 | 145 | 6.0% |
| 2013 | 94 | \$173.9M | 3.8% | \$2,946,702 | \$126.27 | 7.3% | \$143.11 | 124 | 6.4% |
| 2012 | 128 | \$133.7M | 6.1% | \$2,386,618 | \$102.23 | 6.5% | \$127.71 | 110 | 6.8% |

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

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

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 | - | - | - | - | - | - | \$395.68 | 388 | 5.5% |
| 2026 | - | - | - | - | - | - | \$356.26 | 350 | 5.7% |
| 2025 | - | - | - | - | - | - | \$308.53 | 303 | 6.0% |
| 2024 | - | - | - | - | - | - | \$283.25 | 278 | 6.2% |
| 2023 | - | - | - | - | - | - | \$304.41 | 299 | 5.9% |
| YTD | 34 | \$187.9M | 1.2% | \$6,479,613 | \$367.02 | 4.1% | \$315.89 | 310 | 5.7% |
| 2022 | 70 | \$374.5M | 4.9% | \$7,342,186 | \$309.18 | 4.8% | \$321.59 | 316 | 5.2% |
| 2021 | 61 | \$704.6M | 3.8% | \$11,743,006 | \$347.91 | 4.1% | \$317.89 | 312 | 4.8% |
| 2020 | 63 | \$277M | 2.4% | \$4,946,056 | \$303.63 | 5.3% | \$271.89 | 267 | 5.2% |
| 2019 | 83 | \$317.3M | 4.0% | \$7,933,285 | \$226.93 | 5.9% | \$244.38 | 240 | 5.5% |
| 2018 | 89 | \$267.5M | 2.9% | \$5,943,987 | \$263.25 | 4.6% | \$225.77 | 222 | 5.5% |
| 2017 | 107 | \$336.1M | 4.3% | \$5,896,185 | \$209.06 | 6.0% | \$204.98 | 201 | 5.6% |
| 2016 | 93 | \$265.7M | 4.9% | \$3,639,462 | \$172.30 | 5.5% | \$192.30 | 189 | 5.4% |
| 2015 | 115 | \$425.3M | 5.5% | \$4,778,128 | \$178.20 | 5.7% | \$174.69 | 171 | 5.5% |
| 2014 | 74 | \$157.2M | 2.9% | \$2,576,517 | \$111.49 | 5.8% | \$147.74 | 145 | 6.1% |
| 2013 | 98 | \$173.1M | 4.5% | \$3,265,685 | \$105.86 | 7.4% | \$125.93 | 124 | 6.5% |
| 2012 | 132 | \$198.7M | 5.6% | \$3,425,131 | \$110.79 | 7.6% | \$112.79 | 111 | 6.8% |

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

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

FLEX SALES

| Year | Completed Transactions (1) | | | | | | Market Pricing Trends (2) | | |
|------|----------------------------|----------|----------|--------------|--------------|--------------|---------------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/SF | Avg Cap Rate | Price/SF | Price Index | Cap Rate |
| 2027 | - | - | - | - | - | - | \$548.62 | 364 | 5.7% |
| 2026 | - | - | - | - | - | - | \$496.02 | 329 | 5.8% |
| 2025 | - | - | - | - | - | - | \$431.49 | 286 | 6.1% |
| 2024 | - | - | - | - | - | - | \$397.76 | 264 | 6.3% |
| 2023 | - | - | - | - | - | - | \$428.67 | 284 | 6.0% |
| YTD | 46 | \$630.7M | 1.7% | \$14,667,995 | \$377.40 | 4.4% | \$445.49 | 295 | 5.8% |
| 2022 | 143 | \$1.3B | 5.5% | \$16,848,286 | \$374.98 | 5.6% | \$457.96 | 304 | 5.3% |
| 2021 | 149 | \$2.3B | 7.4% | \$16,909,300 | \$354.97 | 6.0% | \$456.91 | 303 | 4.9% |
| 2020 | 103 | \$1.6B | 4.6% | \$17,301,256 | \$371.03 | 5.0% | \$396.42 | 263 | 5.2% |
| 2019 | 123 | \$2B | 5.9% | \$20,427,044 | \$377.78 | 6.1% | \$358.63 | 238 | 5.5% |
| 2018 | 141 | \$2.6B | 7.5% | \$20,581,525 | \$350.10 | 6.5% | \$331.99 | 220 | 5.5% |
| 2017 | 171 | \$1.9B | 7.3% | \$12,975,281 | \$270.55 | 6.1% | \$301.98 | 200 | 5.6% |
| 2016 | 189 | \$2.2B | 7.3% | \$13,364,076 | \$300.85 | 6.0% | \$289.02 | 192 | 5.4% |
| 2015 | 249 | \$2.3B | 10.0% | \$11,218,057 | \$253.68 | 6.5% | \$262.10 | 174 | 5.5% |
| 2014 | 278 | \$2.4B | 9.6% | \$9,549,811 | \$248.49 | 7.0% | \$221.40 | 147 | 6.0% |
| 2013 | 239 | \$2.1B | 9.2% | \$10,494,833 | \$225.83 | 6.8% | \$188.84 | 125 | 6.4% |
| 2012 | 268 | \$1.2B | 11.6% | \$8,151,225 | \$180.99 | 7.0% | \$168.25 | 112 | 6.8% |

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

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