



Industrial Market Report San Jose - CA (USA)

PREPARED BY



INDUSTRIAL MARKET REPORT

Market Key Statistics	1
Leasing	2
Rent	6
Construction	8
Under Construction Properties	10
Sales	12
Sales Past 12 Months	14
Economy	16
Market Submarkets	21
Supply & Demand Trends	25
Rent & Vacancy	27
Sale Trends	29

12 Mo Deliveries in SF

910K

12 Mo Net Absorption in SF

(1.7M)

Vacancy Rate

7.2%

Market Asking Rent Growth

0%

In the first quarter of 2024, San Jose's industrial market continues to be negatively impacted by subdued demand, as tenants hold back on expansion plans in the face of high interest rates and uncertainty around economic growth.

Over the longer term, the impressive growth of San Jose's technology sector increased the demand for industrial buildings over the past 30 years. High-tech firms conducting research and development and specialized manufacturing sought out flex properties and data centers. Flex properties constitute over half of industrial real estate in San Jose, compared to only 10% nationally.

Leasing activity slowed in the past year, particularly for larger spaces. In the logistics sector, few leases above 50,000 SF have been signed, with one or two notable exceptions. For instance, in August, Amazon leased a 1 million-SF distribution center that is currently under construction in Hollister, at the 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 7.2%, is up by around 80 basis points

over the past year, it now sits in line with the historical average for this market. San Jose's flex inventory operates at a significantly higher vacancy rate (9.8% as of the first quarter) than properties in its logistics market, which is somewhat supply constrained and currently has an aggregate vacancy rate of 5.1%.

Development activity has increased to a total of 5.2 million SF of industrial space under construction, 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.

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.

In the year ahead, demand is likely to remain subdued until the economy improves and employers move into a more expansionary mode. With an elevated level of new construction projects completing, the overall vacancy rate is set to rise, although the impacts will be localized, with supply-constrained submarkets remaining much tighter.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	54,087,600	5.1%	\$19.83	5.7%	(655,372)	0	1,761,100
Specialized Industrial	42,070,977	3.4%	\$19.43	5.6%	26,849	0	2,074,827
Flex	102,803,540	9.8%	\$31.38	11.2%	(201,196)	0	1,220,360
Market	198,962,117	7.2%	\$25.64	8.5%	(829,719)	0	5,056,287

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.2%	8.7%	7.2%	15.7%	2003 Q3	2.0%	2000 Q2
Net Absorption SF	(1.7M)	(380,242)	109,108	13,571,527	2000 Q2	(12,389,663)	2002 Q1
Deliveries SF	910K	1,442,864	1,543,058	6,816,830	2001 Q3	14,745	2013 Q2
Market Asking Rent Growth	0%	2.9%	4.6%	10.8%	2015 Q2	-11.2%	2003 Q2
Sales Volume	\$970M	\$1.6B	N/A	\$4.3B	2022 Q1	\$166.9M	2009 Q4

After two years of demand growth, the San Jose Market saw net absorption turn negative in 2023. The downturn came as a direct result of the Fed's action to slow the economy by raising interest rates. Industrial tenants, projecting weaker sales growth, slowed or cancelled expansion plans.

Accordingly, leasing activity for the year 2023 was 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 has been particularly 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.

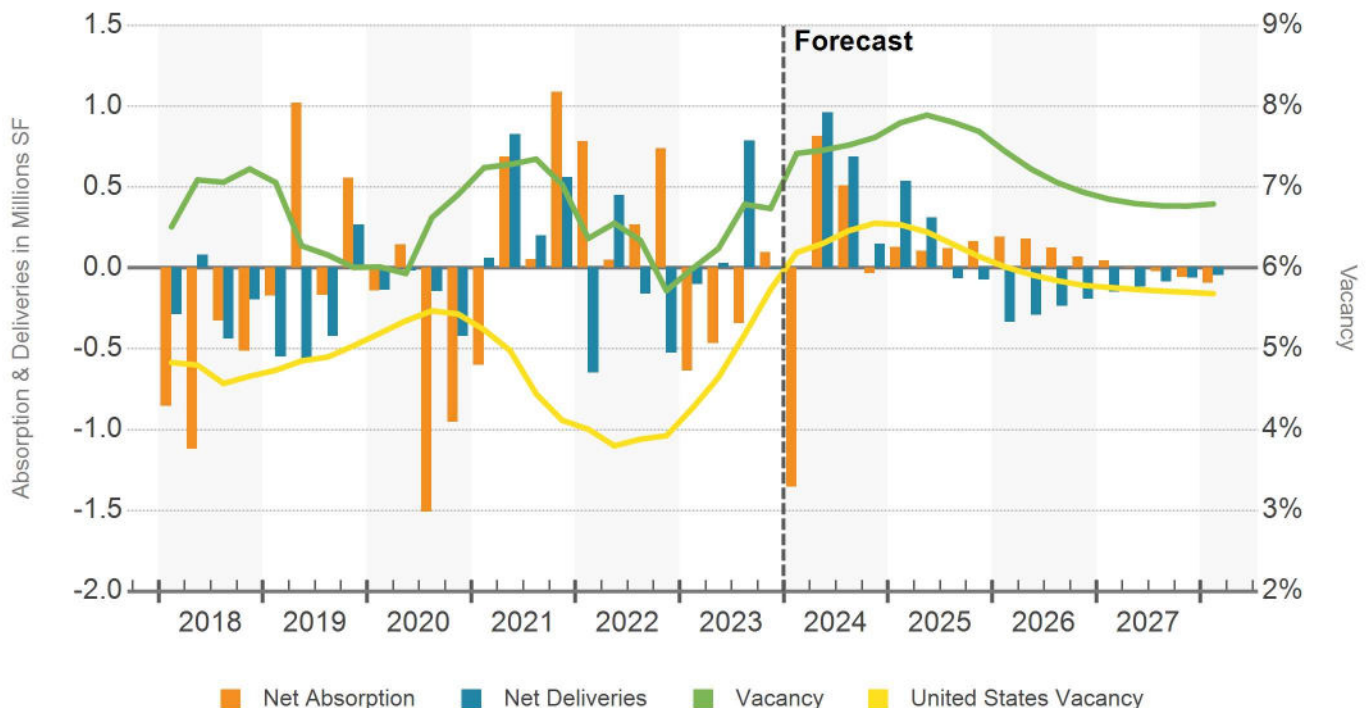
The smaller number of flex leases that have been signed are distributed across a diverse range of industries including healthcare, robotics, cleantech, and information technology; however, lease sizes are in the smaller range, generally under 20,000 SF. The lease deals larger than 50,000 SF that were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

two years were largely absent in 2023. That being said, one 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.

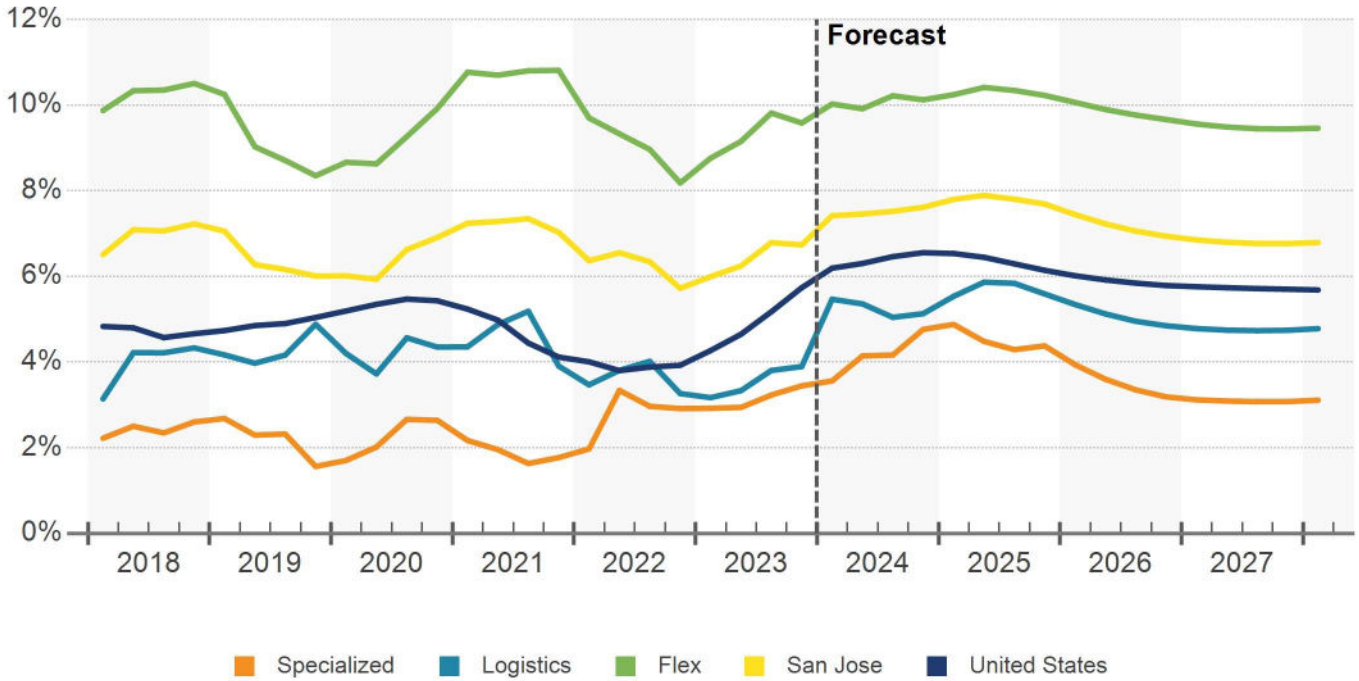
Large lease signings in traditional logistics properties have been rare in recent quarters, but that is also a reflection of an extremely low level of available space. In fact, there are only two existing logistics properties in the entire market currently listing more than 100,000 SF of available space. Both of these are in the southern Highway-101 corridor to the south of San Jose.

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. This deal is a reminder that, although Amazon is in a period of consolidation rather than expansion, it will still move to lock in well-positioned properties in supply-constrained markets.

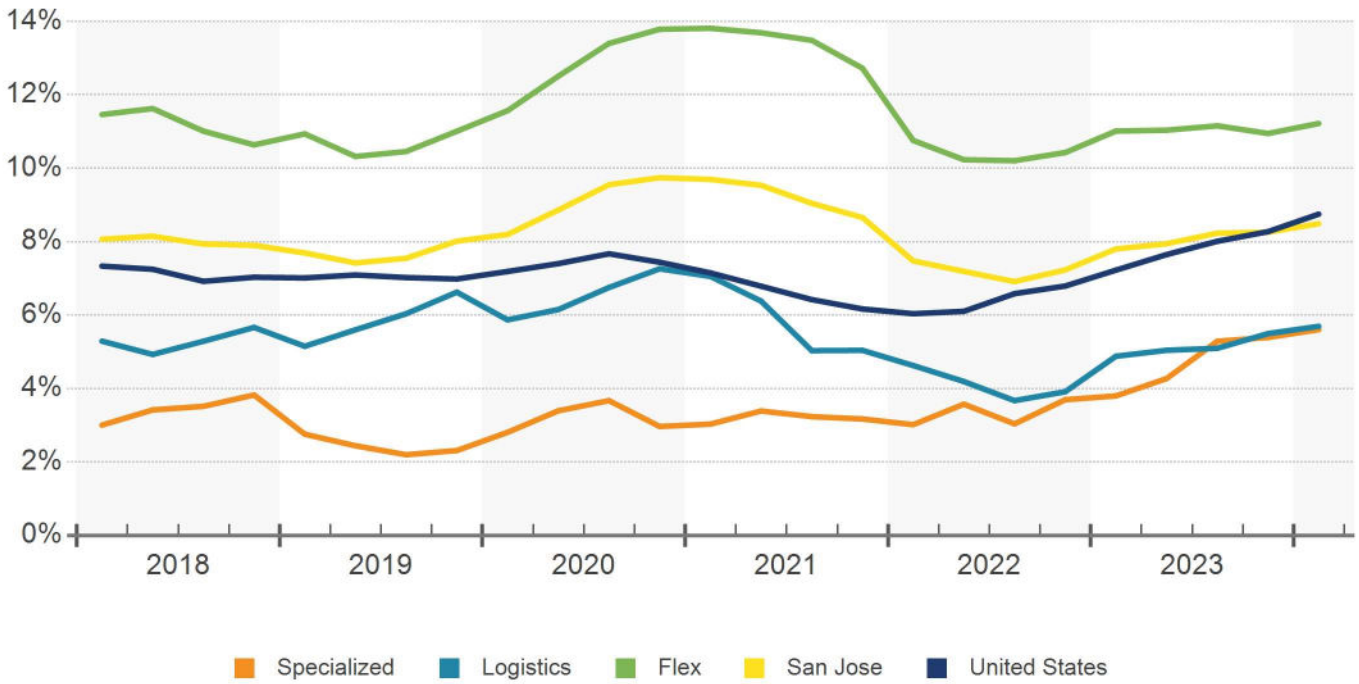
NET ABSORPTION, NET DELIVERIES & VACANCY



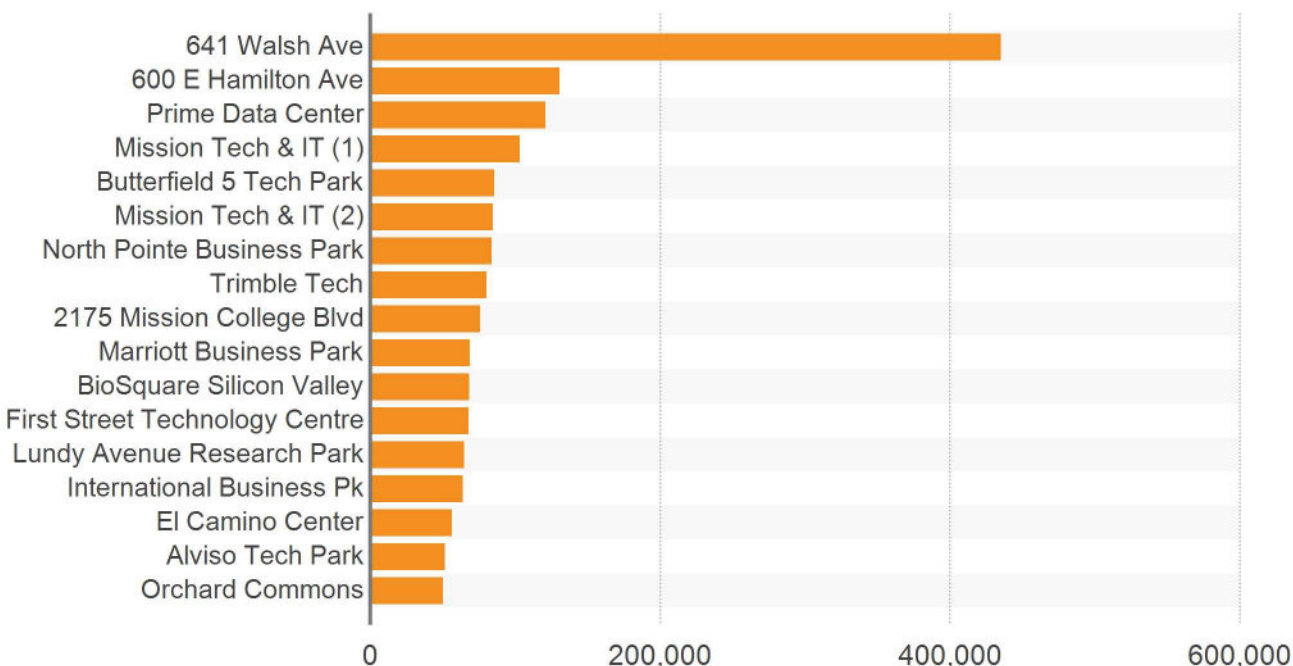
VACANCY RATE



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	0	0	435,000
600 E Hamilton Ave	Campbell	156,572	0	0	0	0	0	130,794
Prime Data Center	Central Santa Clara	121,000	0	0	0	0	0	121,000
Mission Tech & IT (1)	North Santa Clara	103,099	0	0	0	0	0	103,099
Butterfield 5 Tech Park	Morgan Hill	85,456	0	85,456	0	0	0	85,456
Mission Tech & IT (2)	North Santa Clara	100,353	0	0	0	0	0	84,652
North Pointe Business Park	North San Jose	84,049	0	0	0	0	0	84,049
Trimble Tech	North San Jose	80,125	0	80,125	0	0	0	80,125
2175 Mission College Blvd	North Santa Clara	75,810	0	0	0	0	0	75,810
Marriott Business Park	North Santa Clara	70,520	0	0	0	0	0	68,970
BioSquare Silicon Valley	North San Jose	68,252	0	0	0	0	0	68,252
First Street Technology Centre	North San Jose	68,024	0	0	0	0	0	68,024
Lundy Avenue Research Park	San Jose-Berryessa	64,890	0	64,890	0	0	0	64,890
International Business Pk	San Jose-Berryessa	63,958	0	0	0	0	0	63,958
El Camino Center	Palo Alto	91,254	0	34,876	0	0	0	56,354
Alviso Tech Park	North San Jose	51,711	0	0	0	0	0	51,711
Orchard Commons	North San Jose	82,111	0	50,485	0	0	0	50,485
Subtotal Primary Competitors		1,802,184	0	315,832	0	0	0	1,692,629
Remaining San Jose Market		197,196,201	14,232,266	(1,145,551)	0	0	0	(3,252,694)
Total San Jose Market		198,998,385	14,232,266	(829,719)	0	0	0	(1,560,065)

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	-	-
1001-1029 Montague Expy *	Milpitas	386,383	Q4 23	DGA Services, Inc.	-	Colliers
2055 S 7th St	East San Jose-Willow Glen	259,479	Q1 24	Super Micro	-	CBRE
550-600 E Brokaw Rd	North San Jose	124,000	Q4 23	Supermicro	Colliers	Newmark
6401 Automall Pky	Gilroy	100,479	Q3 23	California Modulars	-	Intero Real Estate Svc
2070 S 7th St	East San Jose-Willow Glen	99,000	Q1 24	-	-	Colliers
18225 Butterfield Blvd	Morgan Hill	85,456	Q4 23	Pinnacle Manufacturing	Lee & Associates	CBRE
1021-1101 Cadillac Ct *	Milpitas	70,042	Q1 24	Riverview Systems Group...	Colliers	Colliers
1130-1170 Olinder Ct	East San Jose-Willow Glen	64,594	Q3 23	-	-	CBRE
6401 Automall Pky	Gilroy	62,351	Q3 23	Trevis Berry Transportation	-	Intero Real Estate Svc
555 Mayock Rd	Gilroy	55,000	Q1 24	-	-	Modesto Retail Group...
1940 Milmont Dr	Milpitas	54,400	Q3 23	Asteeflash California Inc	-	CBRE
2900 Mead Ave	Central Santa Clara	49,920	Q2 23	White Cap	-	-
1161-1167 N Fair Oaks Ave	Sunnyvale	48,000	Q1 24	Groundworks, LLC	-	Cushman & Wakefield
1911-1931 Lundy Ave	San Jose-Berryessa	45,000	Q1 24	-	-	CBRE
600 E Hamilton Ave	Campbell	43,847	Q2 23	Campbell Bintang Badmin...	-	Newmark
3660 Thomas Rd	North Santa Clara	35,065	Q1 24	-	-	CBRE
901-943 Hanson Ct *	Milpitas	31,167	Q1 24	BaiLian Bodhi Meditation...	-	CBRE
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
810 Walsh Ave	Central Santa Clara	25,747	Q1 24	-	-	John M. Murray Jr., Bro...
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
490 Gianni St	North Santa Clara	23,902	Q1 24	-	-	Cushman & Wakefield
1911-1931 Lundy Ave *	San Jose-Berryessa	23,500	Q1 24	Halo Branded Solutions	Lee & Associates C...	-
111 Pullman Way	East San Jose-Willow Glen	21,551	Q2 23	Sunbelt Rentals	-	Cushman & Wakefield
615 Dado St	North San Jose	21,254	Q2 23	East Bay Tire Co	-	-
556-568 S Milpitas Blvd	Milpitas	20,750	Q3 23	-	-	Newmark
2038 Concourse Dr	San Jose-Berryessa	20,598	Q1 24	-	-	CBRE
404-446 S Abbott Ave	Milpitas	20,371	Q3 23	Holitna Construction, LLC	-	CBRE
700 Comstock St	Central Santa Clara	19,920	Q3 23	Gothic Landscaping	Bishop Clancy Com...	CBRE
1911-1931 Lundy Ave	San Jose-Berryessa	18,900	Q1 24	-	-	CBRE
430-462 Martin Ave	Central Santa Clara	18,500	Q3 23	Max Precision Machine	Colliers	Meacham/Oppenheimer
2000-2016 Martin Ave	Central Santa Clara	16,800	Q1 24	-	-	Colliers;Prologis, Inc.
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	Floor Seal Technology Inc	-	Colliers
1125 Mabury Rd	San Jose-Berryessa	15,790	Q3 23	Express Grass	CBRE	CBRE
140-148 E Dana St *	Mountain View	15,732	Q2 23	Kiwi Crate, Inc.	Cushman & Wakefield	Cushman & Wakefield

*Renewal

At the national level, industrial rent growth slowed rapidly in 2023. In the previous year, rents had increased at record levels on the back of strong demand for space from companies looking to build out their distribution networks during the post-pandemic boom.

In San Jose's logistics segment, a similar rise and fall in rents has played out, although growth in flex rents, which are subject to different demand drivers, was more modest during this period.

As of the first quarter of 2024, average asking rents in San Jose are -0.1% above where they were a year ago and currently stand at \$26.00/SF. This generally flat rate of growth is forecast to continue in the year ahead.

For both flex and logistics properties, rental rates in the San Jose market are approximately twice the national average. Having said that, rent growth is holding up much better in the logistics segment. Average market rent for flex properties currently stands at \$31.00/SF, having changed by -1.8% over the past 12 months.

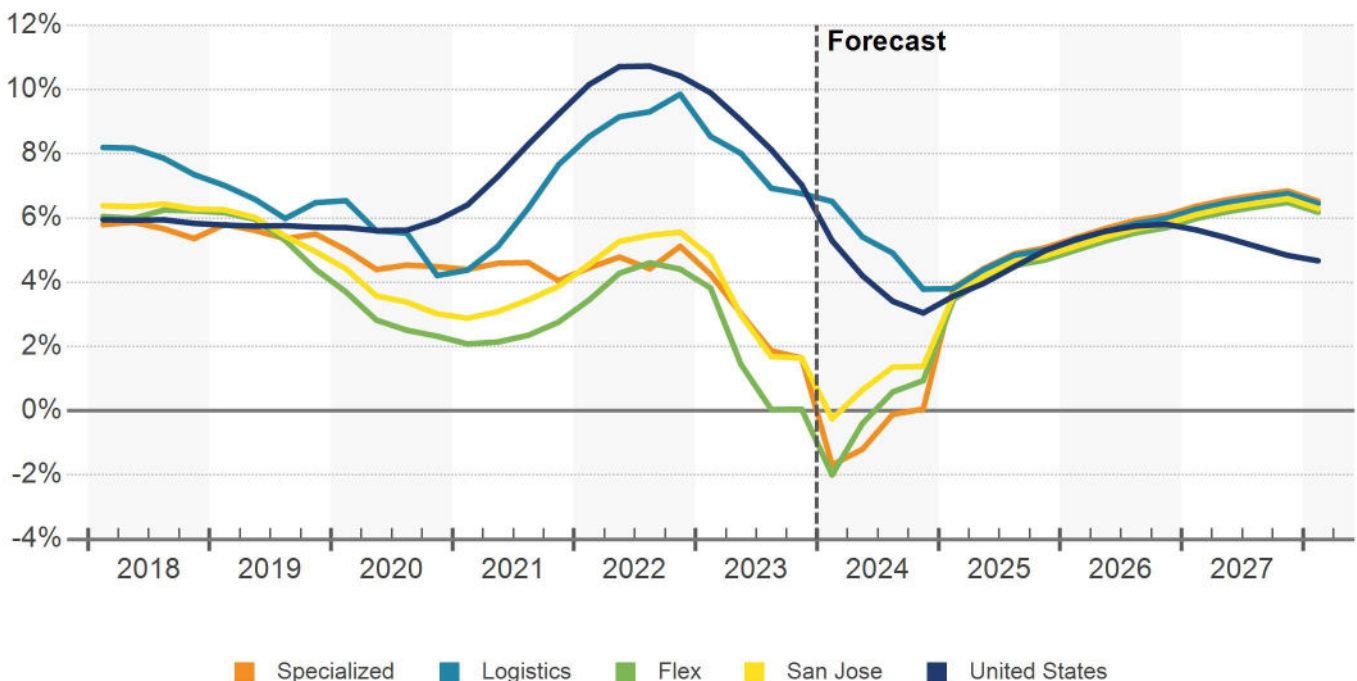
Logistics properties currently rent for \$19.80/SF, an increase of 6.4% over the previous year.

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 properties. This compares to the outlying areas of San Jose, which have the lowest average rents. These areas coincide with the largest inventory of distribution space in the market.

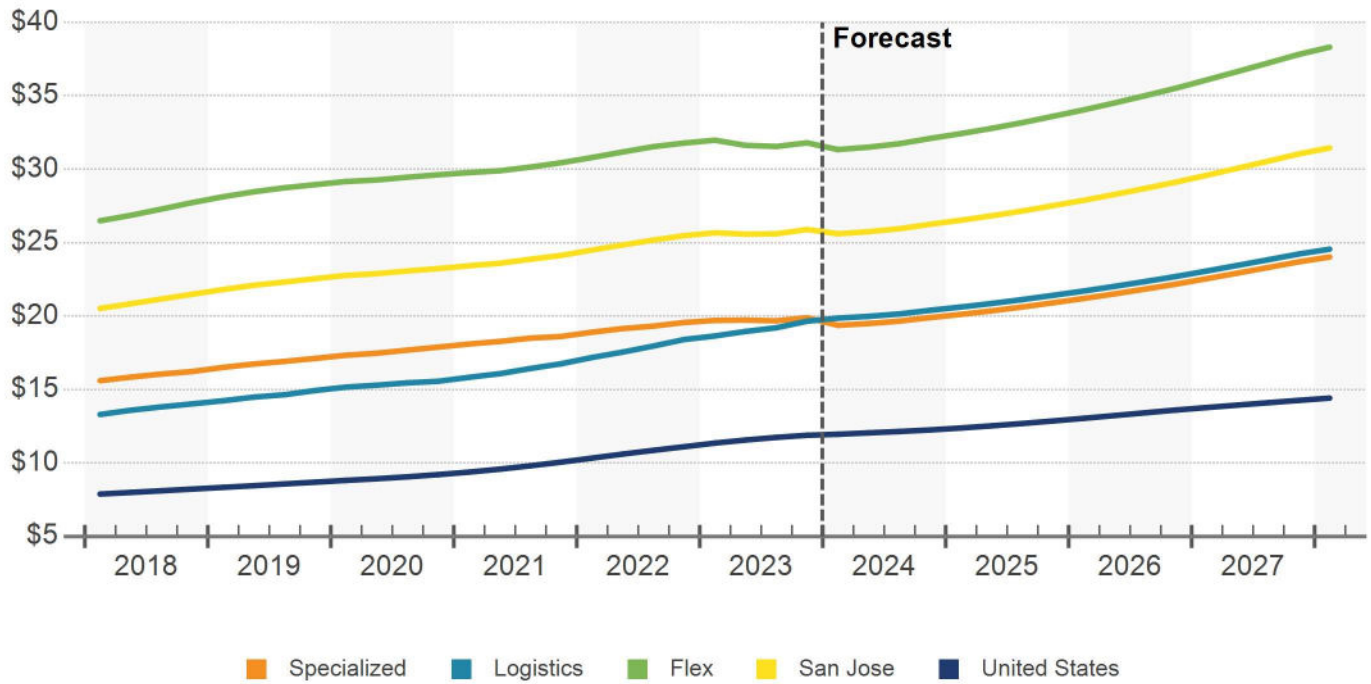
At the lower end of the rent range, in September 2023, Max Precision Machine leased an 18,500-SF manufacturing warehouse in Santa Clara at a starting rent of \$12.00/SF NNN.

By contrast, higher rents can be achieved for R&D spaces in the most sought-after locations. For instance, a 51,710-SF space at 140 Baytech Dr. in North San Jose was leased by Biomeriux for \$28.20/SF NNN in November 2023.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



In 2023, construction of new industrial buildings increased to a 20-year high. As of the first quarter, around 5.1 million SF of new construction is underway, which 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.

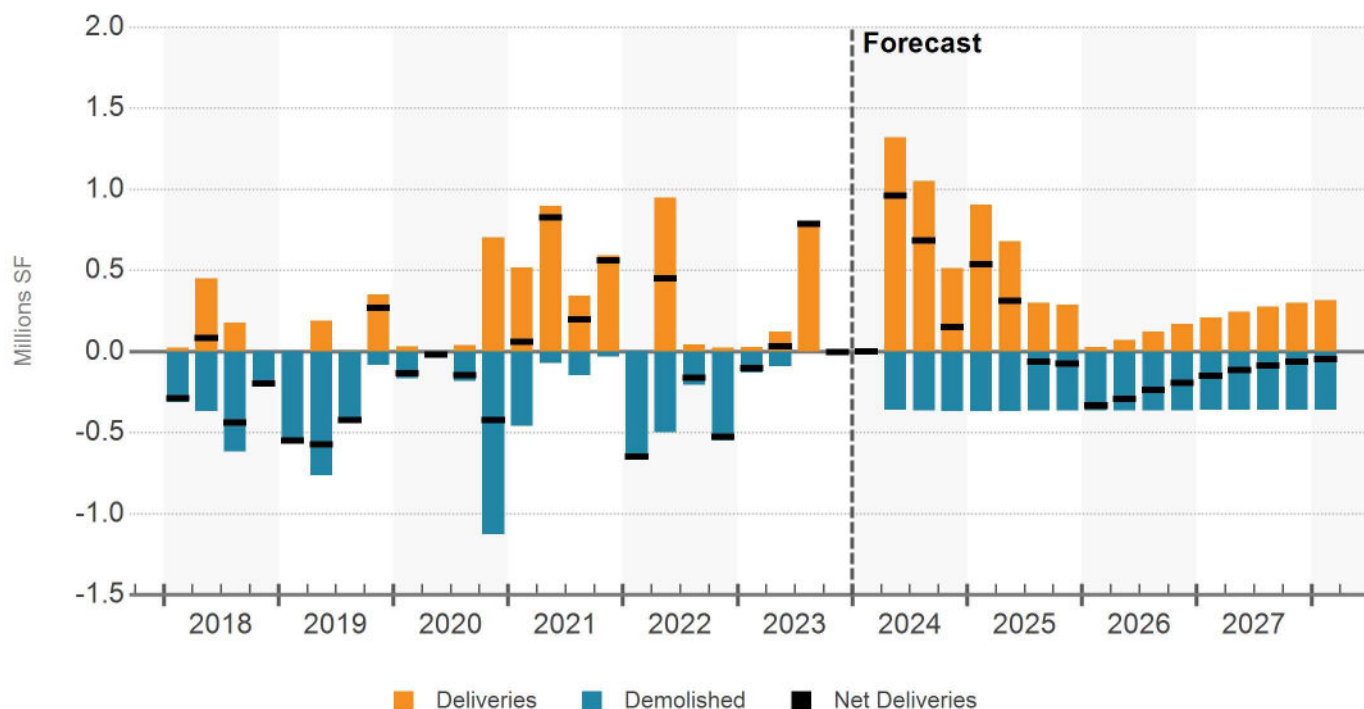
Flex space accounts for around 1.2 million SF currently under construction, with data centers accounting for most of this activity. Several of the leading owner-operators in this sector have recently completed projects, while Vantage Data Centers and American Tower have projects under construction. These 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. However, the availability of power for future projects is severely curtailed, making it unlikely that many more data centers will begin construction in the area.

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 1.8 million SF, which equates to 3.3% of existing inventory in San Jose, compared to 2.4% nationally. The logistics properties under construction are predominantly 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 distributors wanting to build out their delivery networks are prepared to acquire sites that require substantial redevelopment.

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	3	1,189	1,189	100%	1	33,598	396,349	3
2	San Benito County	1	1,050	1,050	100%	1	25,001	1,049,760	1
3	Sunnyvale	1	847	847	100%	1	32,754	847,000	2
4	Morgan Hill	6	560	60	10.7%	6	33,996	93,384	8
5	San Jose-Berryessa	3	436	127	29.1%	5	32,586	145,180	7
6	Gilroy	2	383	0	0%	7	29,025	191,283	6
7	South San Jose	1	303	0	0%	7	63,403	302,775	4
8	North Santa Clara	1	289	289	100%	1	30,550	289,296	5
9	Campbell	0	-	-	-	-	12,551	-	-
10	Central Sunnyvale	0	-	-	-	-	-	-	-
	All Other	0	-	-	-		33,376	-	
Totals		18	5,056	3,562	70.4%		32,607	280,905	

Under Construction Properties

San Jose Industrial

Properties

Square Feet

Percent of Inventory

Released

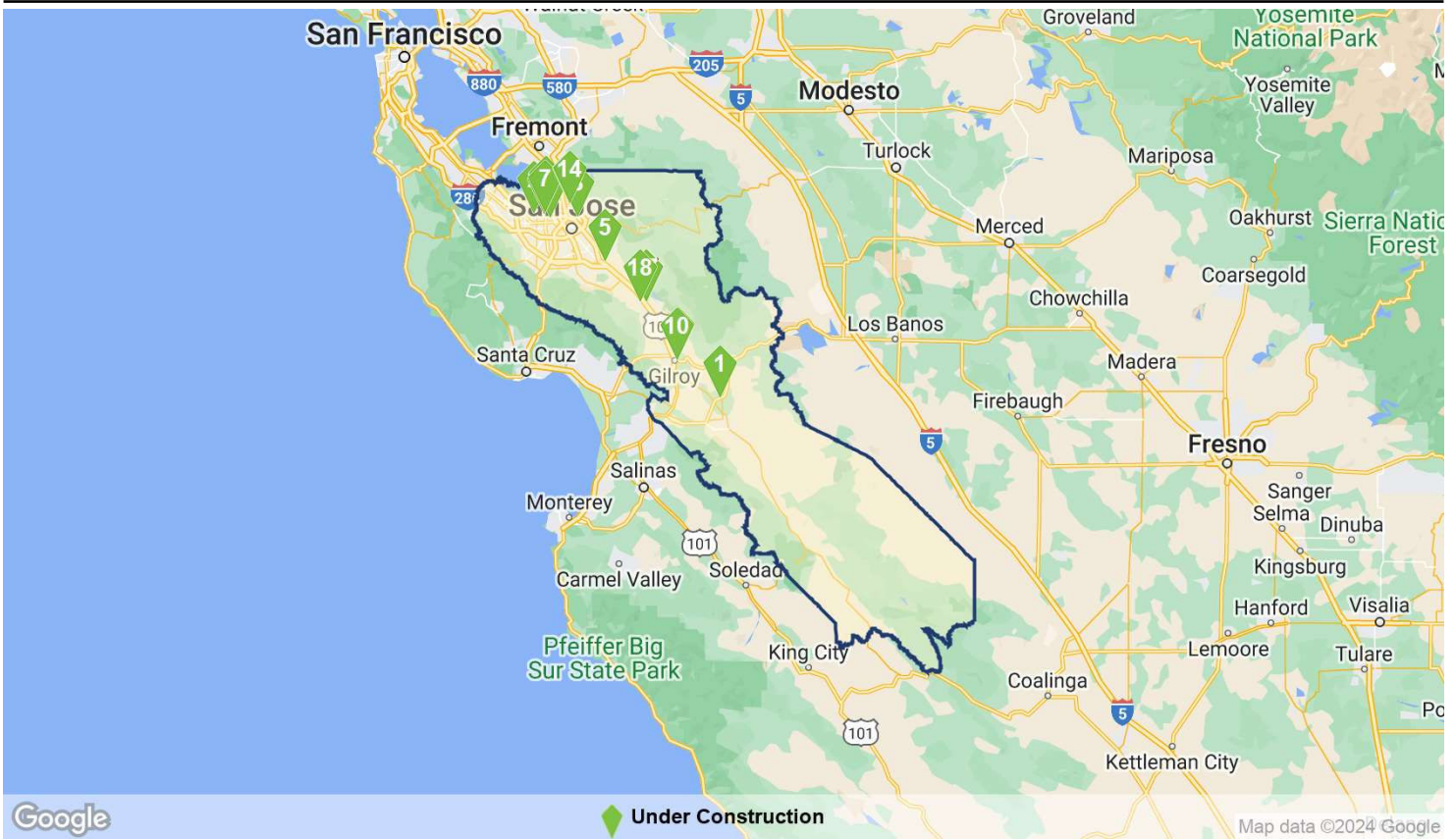
18

5,068,884

5.3%

70.5%

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	- Prologis, Inc.
2 South Site 950 Kifer Rd	★★★★★	847,000	-	Dec 2021	Apr 2024	Build Group Inc Intuitive
3 Skybox Data Center 1200 Memorex Dr	★★★★☆	472,920	4	Jun 2022	Apr 2024	Skybox Datacenters -
4 2590 Walsh Ave	★★★★☆	469,467	4	Aug 2022	Jun 2024	- Vantage Data Centers
5 5853 Rue Ferrari	★★★★☆	302,775	1	Aug 2023	Dec 2024	- Prologis, Inc.
6 Edgecore Laurelwood C... 2201 Laurelwood Rd	★★★★☆	289,296	4	Mar 2024	Dec 2025	- -
7 SV9 2905 Stender Way	★★★★☆	246,660	4	Oct 2022	May 2024	- American Tower Corporation

Under Construction Properties

San Jose Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 650 N King Rd	★ ★ ★ ★ ★	225,280	1	Dec 2022	Apr 2024	- ARES Management LLC
9 Building B 1001 Venture Way	★ ★ ★ ★ ★	198,965	1	Feb 2023	May 2024	McCarthy Ranch Rockpoint
10 Building A 901 Venture Way	★ ★ ★ ★ ★	183,600	1	Feb 2023	May 2024	- Rockpoint
11 Building A DuPeal Dr	★ ★ ★ ★ ★	138,689	1	Feb 2023	May 2024	- Trammell Crow Company
12 Concourse Logistics Ce... 1953 Concourse Dr	★ ★ ★ ★ ★	126,700	1	Jan 2023	May 2024	- -
13 Building C Half Rd	★ ★ ★ ★ ★	121,101	1	Feb 2023	May 2024	- Trammell Crow Company
14 2105 Lundy Ave	★ ★ ★ ★ ★	96,156	1	Jan 2024	Jan 2025	- -
15 Building B Half Rd	★ ★ ★ ★ ★	92,841	1	Feb 2023	May 2024	- Trammell Crow Company
16 Building E Depaul Dr	★ ★ ★ ★ ★	74,006	1	Feb 2023	May 2024	- Trammell Crow Company
17 Building D Half Rd	★ ★ ★ ★ ★	73,668	1	Feb 2023	May 2024	- Trammell Crow Company
18 440-480 Cochrane Cir	★ ★ ★ ★ ★	60,000	1	Aug 2023	Aug 2024	Techconcorp Landscape Constru... Techconcorp Landscape Constru...

Transaction volume in San Jose has slowed, as most investors remain on the sidelines in the face of high interest rates and weaker economic conditions. As of the first quarter, some \$1.0 billion of sales of industrial properties closed in the past 12 months. This is about half of the average annual sales volume over the past five years, which stands at \$2.6 billion.

National institutional buyers accounted for most sales volume over the past year. Owner/users such as Amazon were also active buyers, as were corporations looking to establish landholdings for future expansion. For example, in January, internet security company Fortinet acquired a four-property portfolio from Texas Instruments in Santa Clara, paying \$192 million, or \$255/SF.

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.

Private investors were also well-represented, particularly in the under-\$20 million sales category. Around \$257 million of transactions closed in the \$5 million-\$20 million range, with 60% of these selling to private buyers. The average sales price for this segment was \$308/SF.

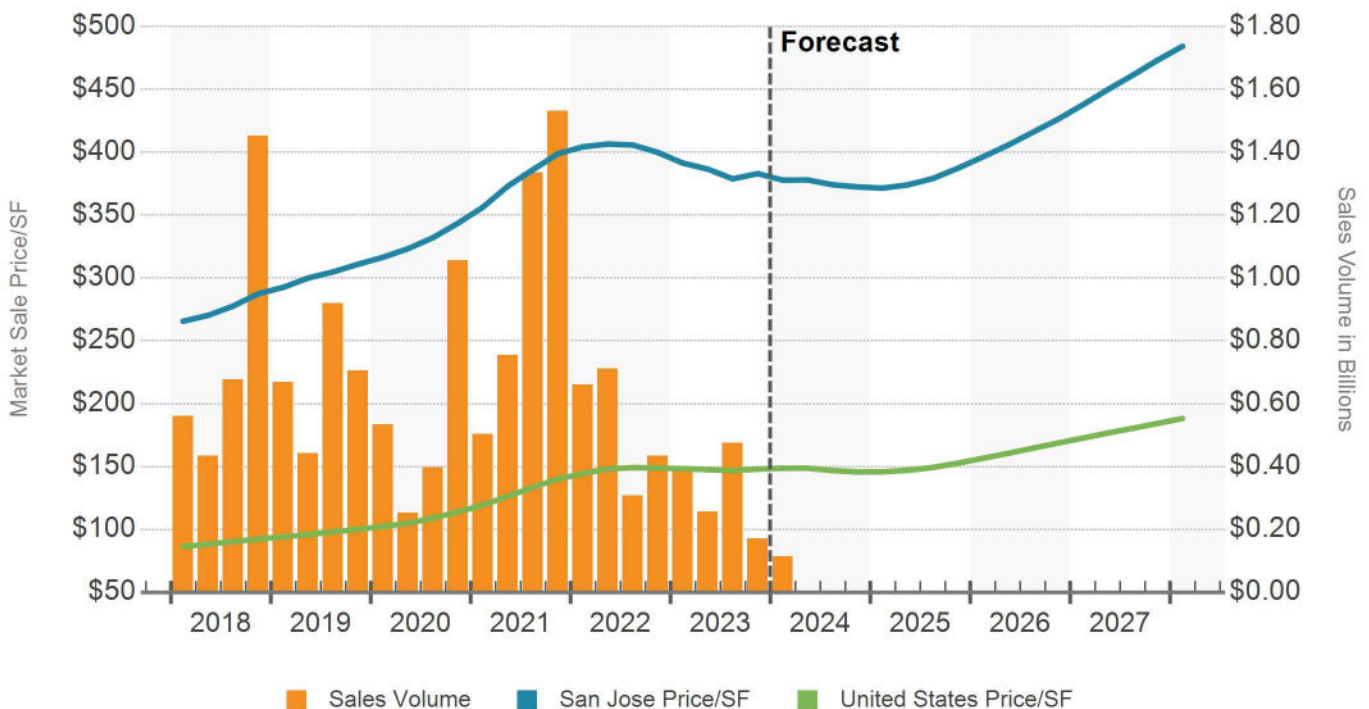
Developers have also been active, taking the opportunity to acquire sites with redevelopment or value add potential. For example, in June 2023, Fox Real Estate and Development bought the San Tomas Business Center in Los Gatos, picking up the nine-building center for \$15.2 million, or \$194/SF.

San Jose is one of the most expensive markets in the nation for industrial properties. The average transaction price over the past year was \$360/SF, which is well above the national average at \$143/SF.

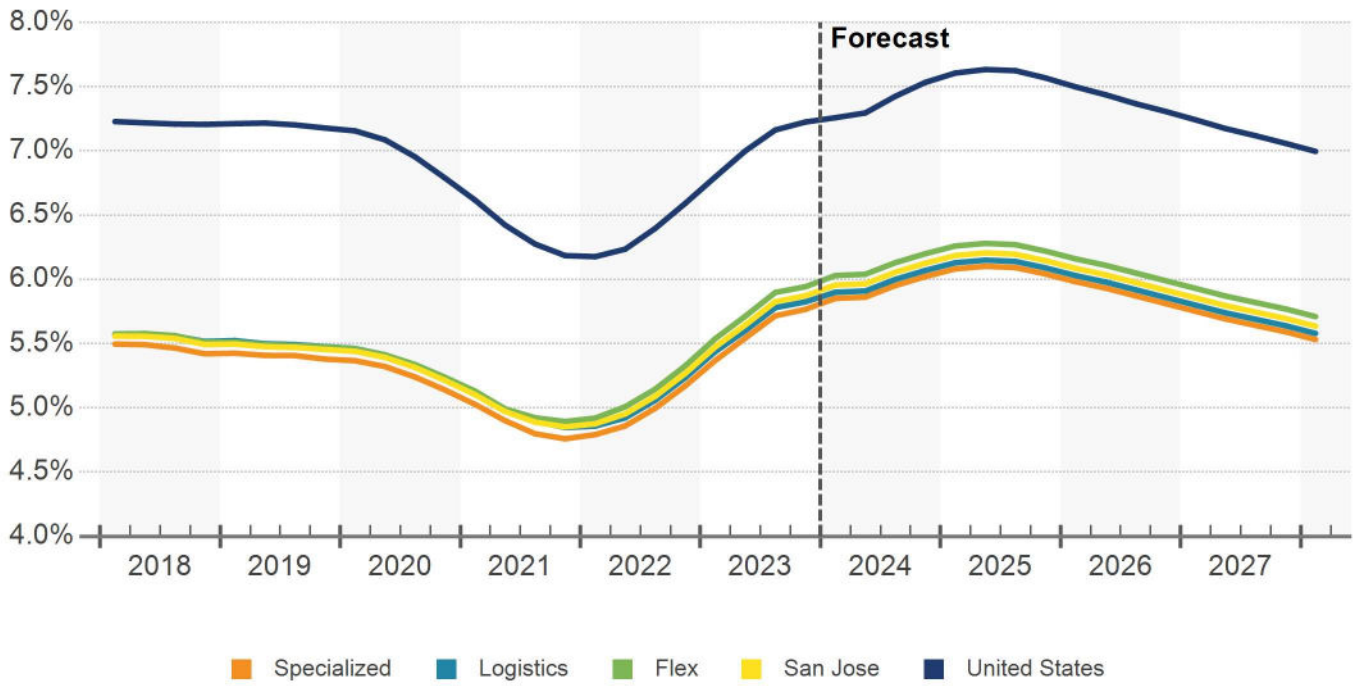
Sale-leasebacks have also been prominent. In September, Blue Owl acquired the Western Digital campus in Milpitas, paying \$192 million, or \$327/SF, for the five-building portfolio, with Western Digital entering into a 16-year lease.

Looking ahead, the trend that market participants most expect to see more of is the owner/user acquisition. Another example of this occurred in February 2024, with the acquisition by SuperMicro Computer of the 293,000-SF industrial showroom at 550-600 E Brokaw Road in North San Jose. SuperMicro took out a five-year lease at the property just four months earlier, and with the acquisition it now controls a site that has discretionary approvals for extensive future development.

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

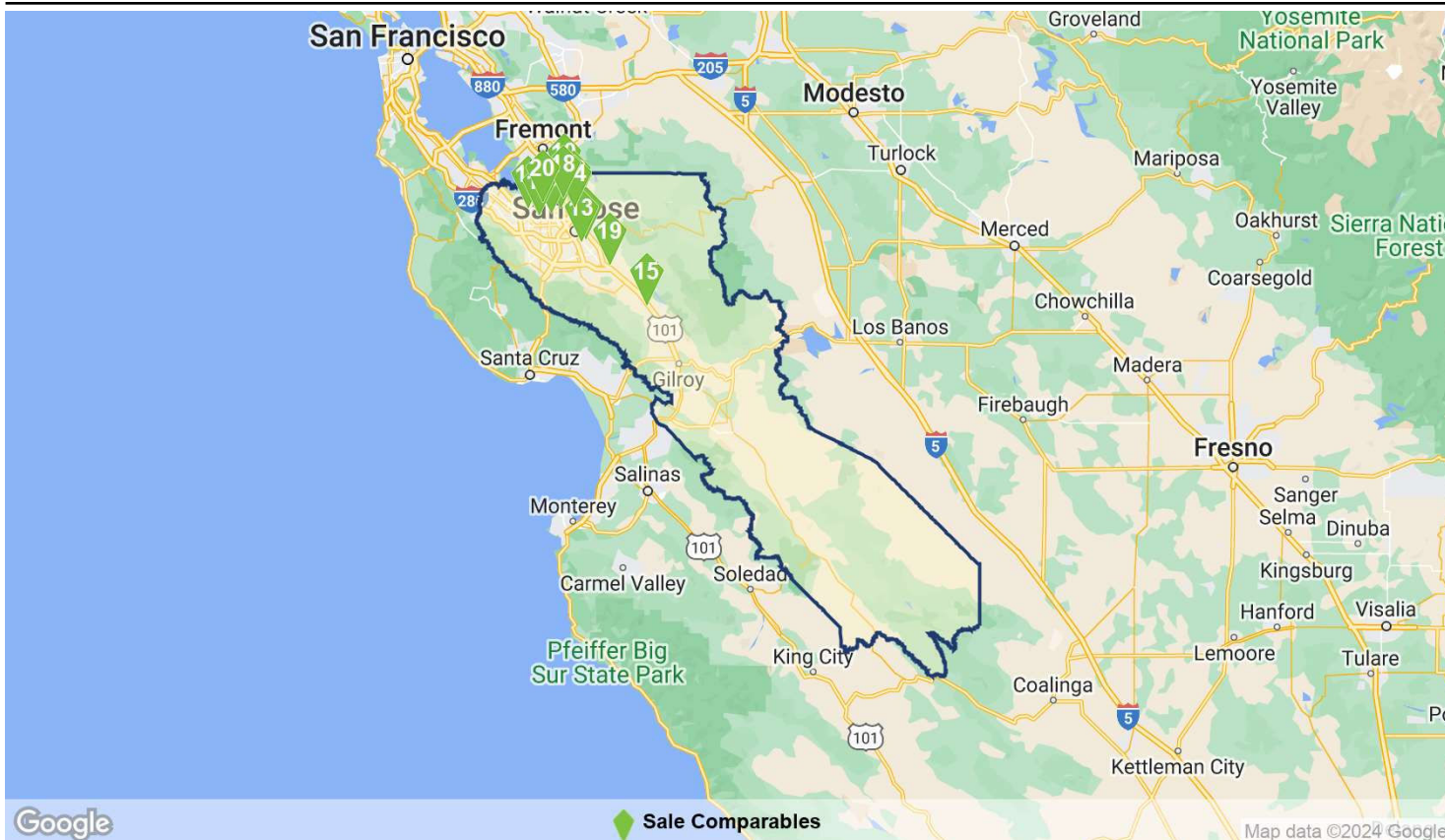
123

6.0%

\$361

2.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$640,000	\$11,487,732	\$5,300,000	\$86,250,000
Price/SF	\$143	\$361	\$359	\$3,403
Cap Rate	3.1%	6.0%	5.2%	12.7%
Time Since Sale in Months	0.3	6.3	6.7	11.9
Property Attributes	Low	Average	Median	High
Building SF	972	34,620	14,504	234,309
Ceiling Height	9'	17'10"	17'5"	36'
Docks	0	1	0	22
Vacancy Rate At Sale	0%	2.8%	0%	100%
Year Built	1938	1975	1975	2017
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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 Equinix - SV3 1735 Lundy Ave	★★★★★	1990	103,420	0%	6/20/2023	\$86,250,000	\$834	-
2 951 Sandisk Dr	★★★★★	1992	172,103	0%	9/6/2023	\$51,689,829	\$300	-
3 1051 Sandisk Dr	★★★★★	1992	155,734	0%	9/6/2023	\$45,470,129	\$292	-
4 1001 Sandisk Dr	★★★★★	1992	101,253	0%	9/6/2023	\$41,736,500	\$412	-
5 825 Stewart Dr	★★★★★	1968	75,350	0%	8/28/2023	\$41,000,000	\$544	-
6 1980 Senter Rd	★★★★★	1986	132,721	0%	6/2/2023	\$37,828,500	\$285	-
7 2825 N 1st St	★★★★★	1989	51,758	0%	10/3/2023	\$34,079,000	\$658	-
8 Bldg A 3101 Jay St	★★★★★	1998	47,015	0%	8/24/2023	\$32,500,000	\$691	-
9 1101 Sandisk Dr	★★★★★	1995	92,507	0%	9/6/2023	\$32,433,568	\$351	-
10 1351-1355 California Cir	★★★★★	1986	90,523	0%	1/5/2024	\$32,000,000	\$354	-
11 3833 Kifer Rd	★★★★★	1972	141,261	0%	1/26/2024	\$29,491,863	\$209	-
12 1951-1991 Tarob Ct	★★★★★	1984	37,336	0%	11/2/2023	\$26,000,000	\$696	-
13 Bldg 2 1919 Monterey Rd	★★★★★	2001	77,310	37.4%	7/13/2023	\$25,000,000	\$323	-
14 2201 Qume Dr	★★★★★	1986	63,958	0%	9/6/2023	\$24,000,000	\$375	-
15 18305 Sutter Blvd	★★★★★	1999	73,600	0%	7/20/2023	\$23,500,000	\$319	-
16 880 W Maude Ave	★★★★★	1974	40,925	0%	6/9/2023	\$23,000,000	\$562	-
17 3000 Semiconductor Dr	★★★★★	1971	120,663	0%	1/26/2024	\$21,619,634	\$179	-
18 901 Sandisk Dr	★★★★★	1993	59,194	0%	9/6/2023	\$21,119,974	\$357	-
19 5891-5895 Rue Ferrari	★★★★★	1997	76,800	0%	4/19/2023	\$21,000,000	\$273	-
20 1235 Elko Dr	★★★★★	1967	36,036	0%	8/24/2023	\$20,200,000	\$561	-

As of the first quarter of 2024, the San Jose economy faces the same economic headwinds slowing growth across much of the nation. In Silicon Valley, high interest rates have forced tech companies to cut costs and investors to reduce the amount of capital available for startups.

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, rising interest rates softened demand, and under pressure to manage costs, employers started to initiate hiring freezes, layoffs, and office space reductions. Weaker demand has also led retail and industrial tenants to reconsider their expansion plans.

The pandemic also caused many people to leave San Jose, as lockdowns and health concerns impacted their lives and work. In the past year, the metro area's population has started to grow again but remains -52,000 short of the total population of five years ago.

The unemployment rate declined to a historic low of just 2.5% in 2022, reflecting high worker demand. More

recently, a slowing economy and tech layoffs across Silicon Valley have caused unemployment to rise above 3%. After two decades of strong growth, employment in the metro's information sector was negative for much of the past 18 months, before returning positive in the most recent quarter.

San Jose remains the nation's largest and most prestigious market for tech companies. Highly educated graduates flock to the region, seeking employment at one of Silicon Valley's leading tech companies or startups. The market has one of the highest educational attainment rates in the country, with over 50% of its working-age population possessing a college degree.

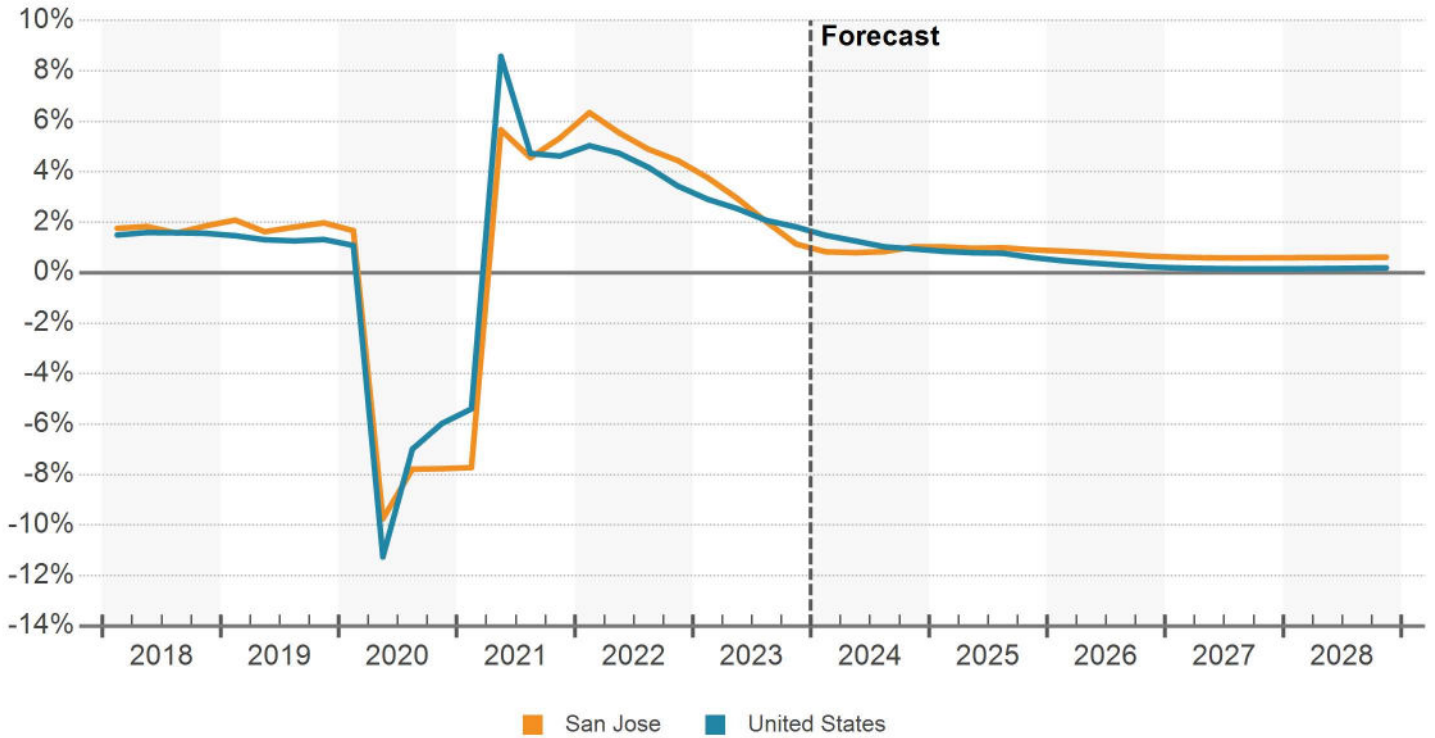
Despite the current economic headwinds facing the market, San Jose is expected to retain its position as a leading center for innovation and economic growth. Over the past 10 years, San Jose saw an average annual increase in GDP of 8.3%, the highest rate among the largest 20 metro areas in the nation and twice the U.S. average. The metro is expected to continue to lead the nation in key measures, such as venture capital investment and new information technology patents.

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	180	1.8	-1.64%	0.04%	1.16%	0.71%	0.21%	0.14%
Trade, Transportation and Utilities	122	0.6	-1.01%	0.08%	-0.98%	1.04%	-0.01%	0.14%
Retail Trade	72	0.6	-2.04%	-0.15%	-1.55%	0.19%	0.10%	0.13%
Financial Activities	37	0.5	-2.08%	0.62%	0.90%	1.45%	0.22%	0.18%
Government	99	0.6	3.23%	2.40%	0.75%	0.55%	0.34%	0.33%
Natural Resources, Mining and Construction	57	0.9	1.06%	2.22%	3.72%	2.38%	0.98%	0.25%
Education and Health Services	201	1.0	4.59%	3.48%	3.00%	1.98%	1.27%	0.64%
Professional and Business Services	255	1.5	-0.26%	0.76%	2.20%	1.99%	0.61%	0.48%
Information	105	4.6	-1.54%	-1.82%	5.65%	1.10%	1.72%	0.22%
Leisure and Hospitality	109	0.9	3.80%	2.56%	1.76%	1.52%	1.34%	0.71%
Other Services	25	0.6	2.65%	1.53%	-0.38%	0.66%	0.37%	0.27%
Total Employment	1,191	1.0	0.83%	1.49%	1.82%	1.35%	0.75%	0.38%

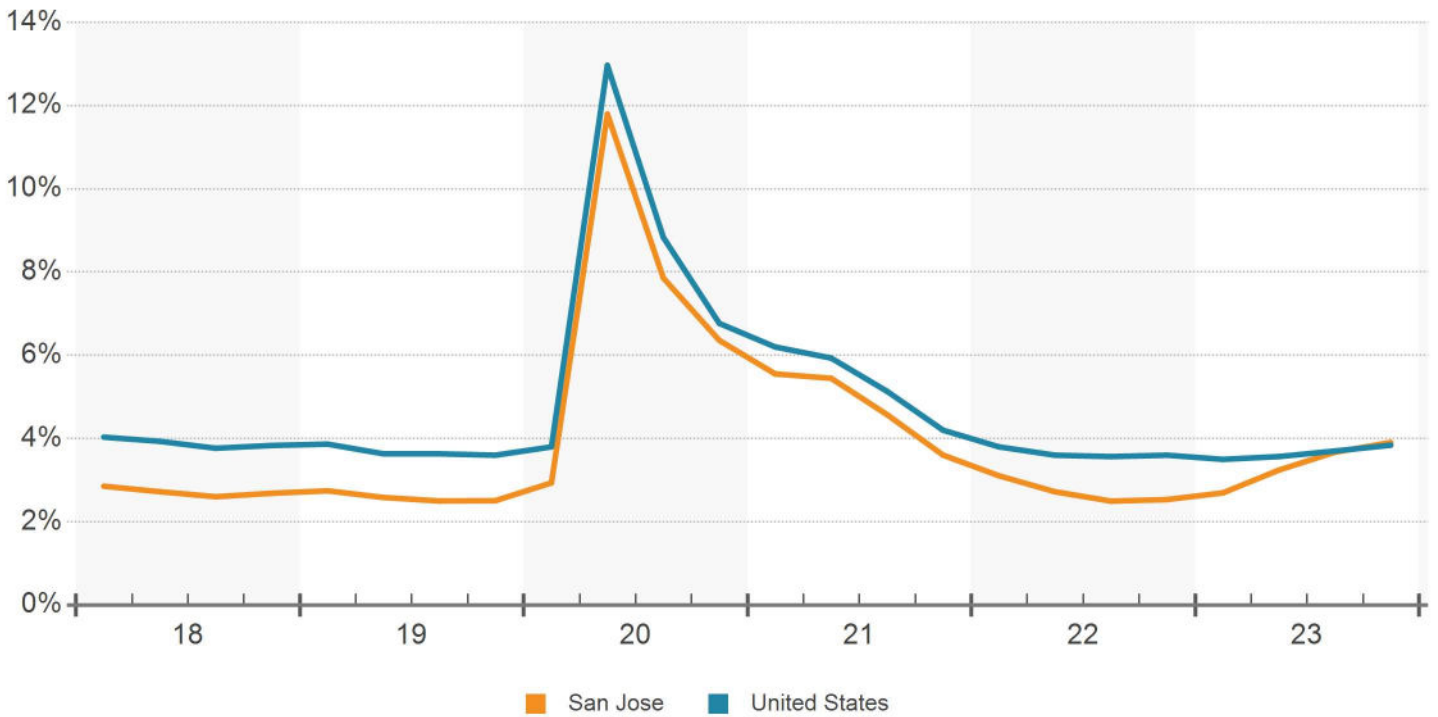
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

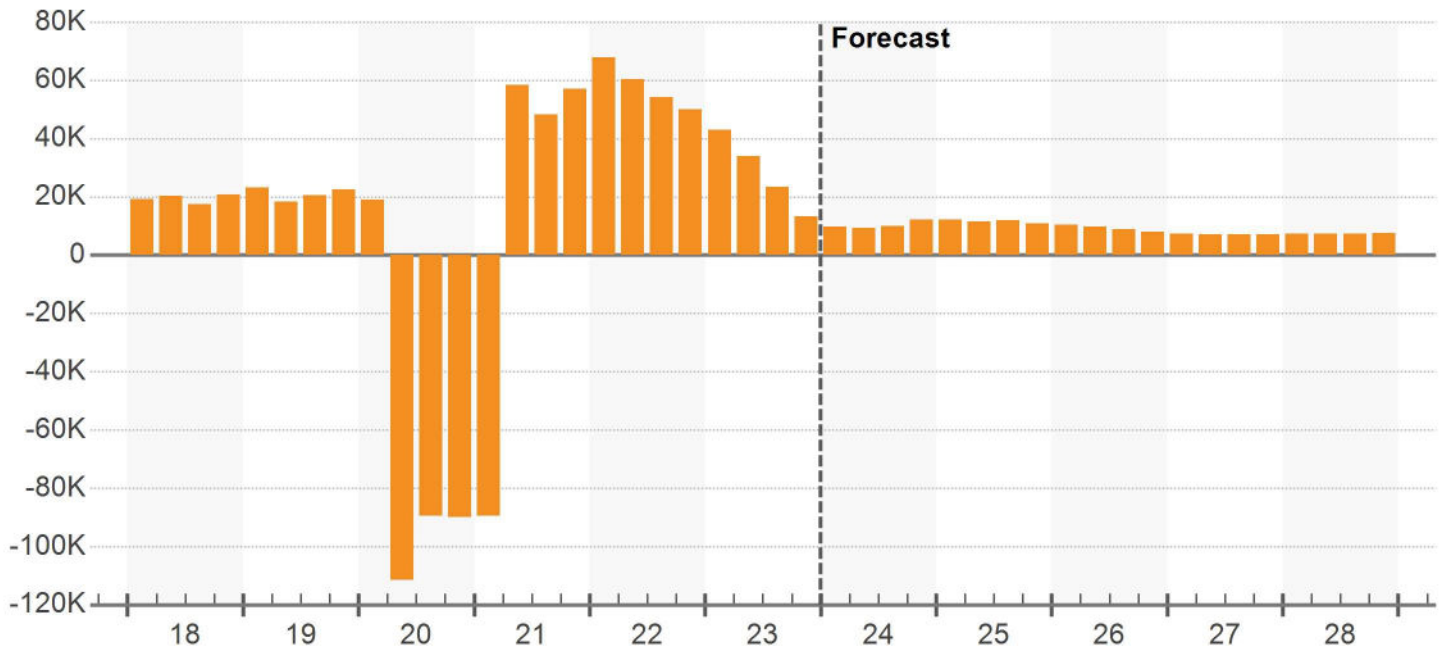


Source: Oxford Economics

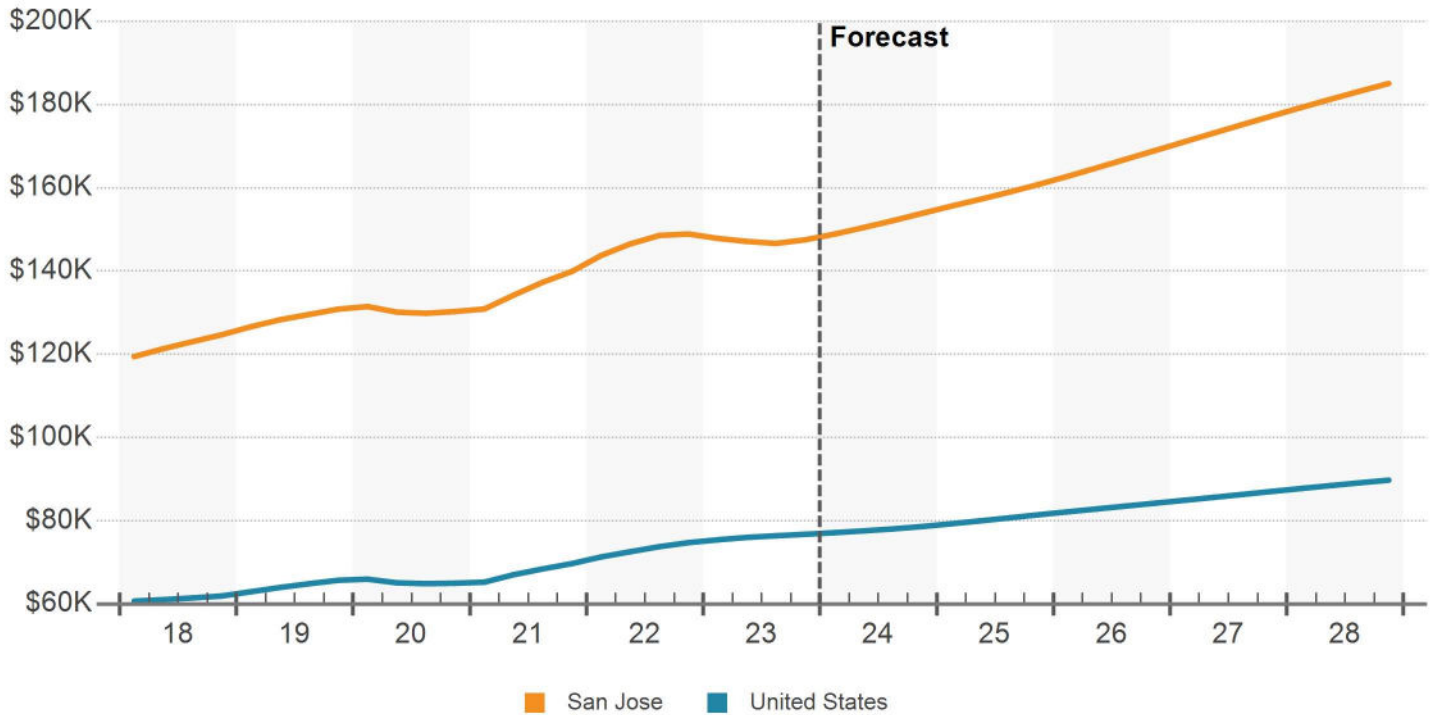
UNEMPLOYMENT RATE (%)



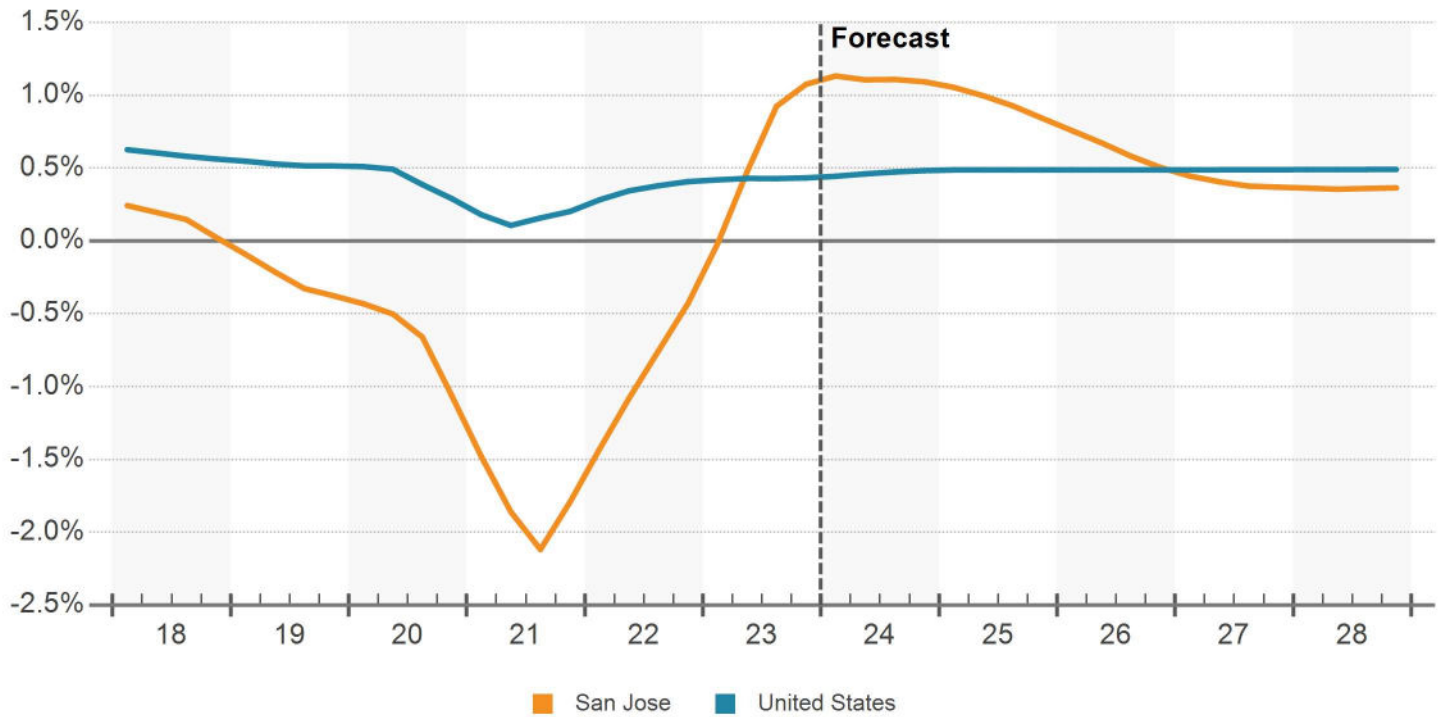
NET EMPLOYMENT CHANGE (YOY)



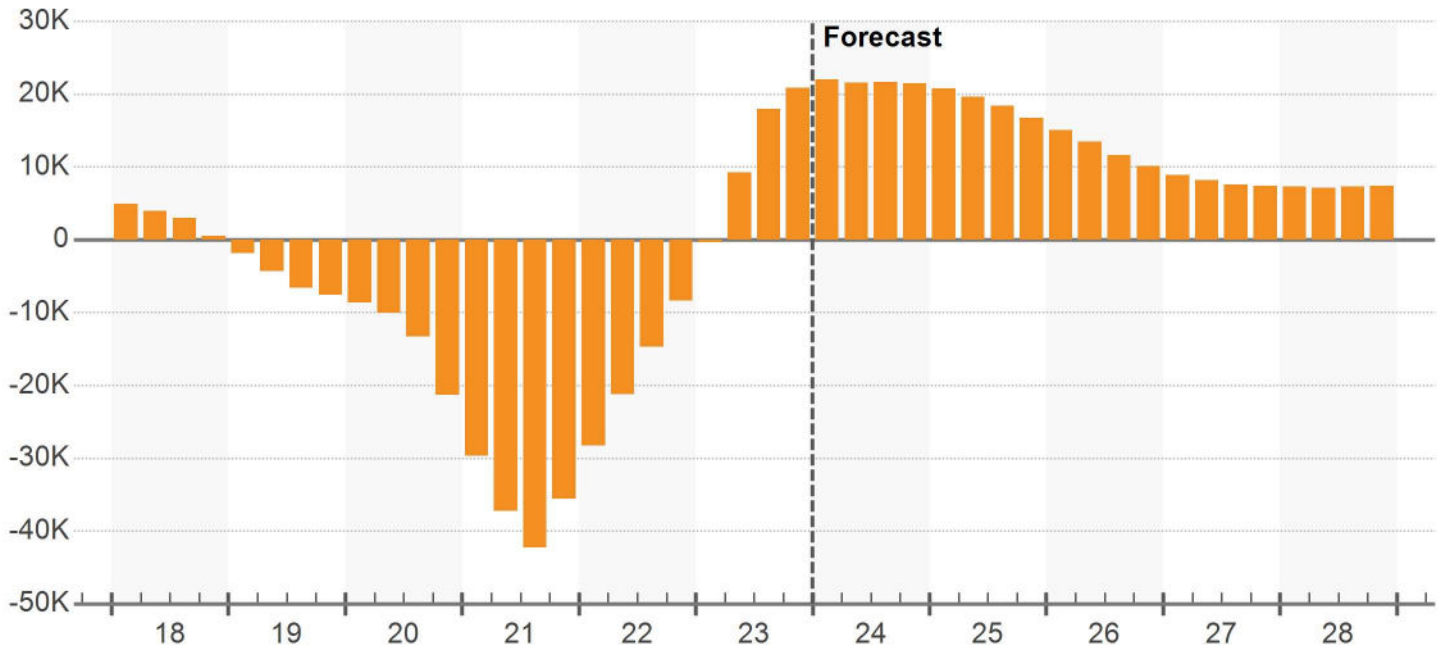
MEDIAN HOUSEHOLD INCOME



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	1,967,228	335,489,750	1.1%	0.4%	0.1%	0.5%	0.6%	0.5%
Households	688,757	131,027,992	1.3%	0.6%	0.6%	0.9%	0.7%	0.6%
Median Household Income	\$148,851	\$77,140	0.7%	2.3%	4.8%	3.9%	4.7%	3.2%
Labor Force	1,091,559	169,019,469	0.1%	1.7%	0.8%	0.8%	0.4%	0.1%
Unemployment	3.9%	3.8%	1.2%	0.3%	-0.2%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH

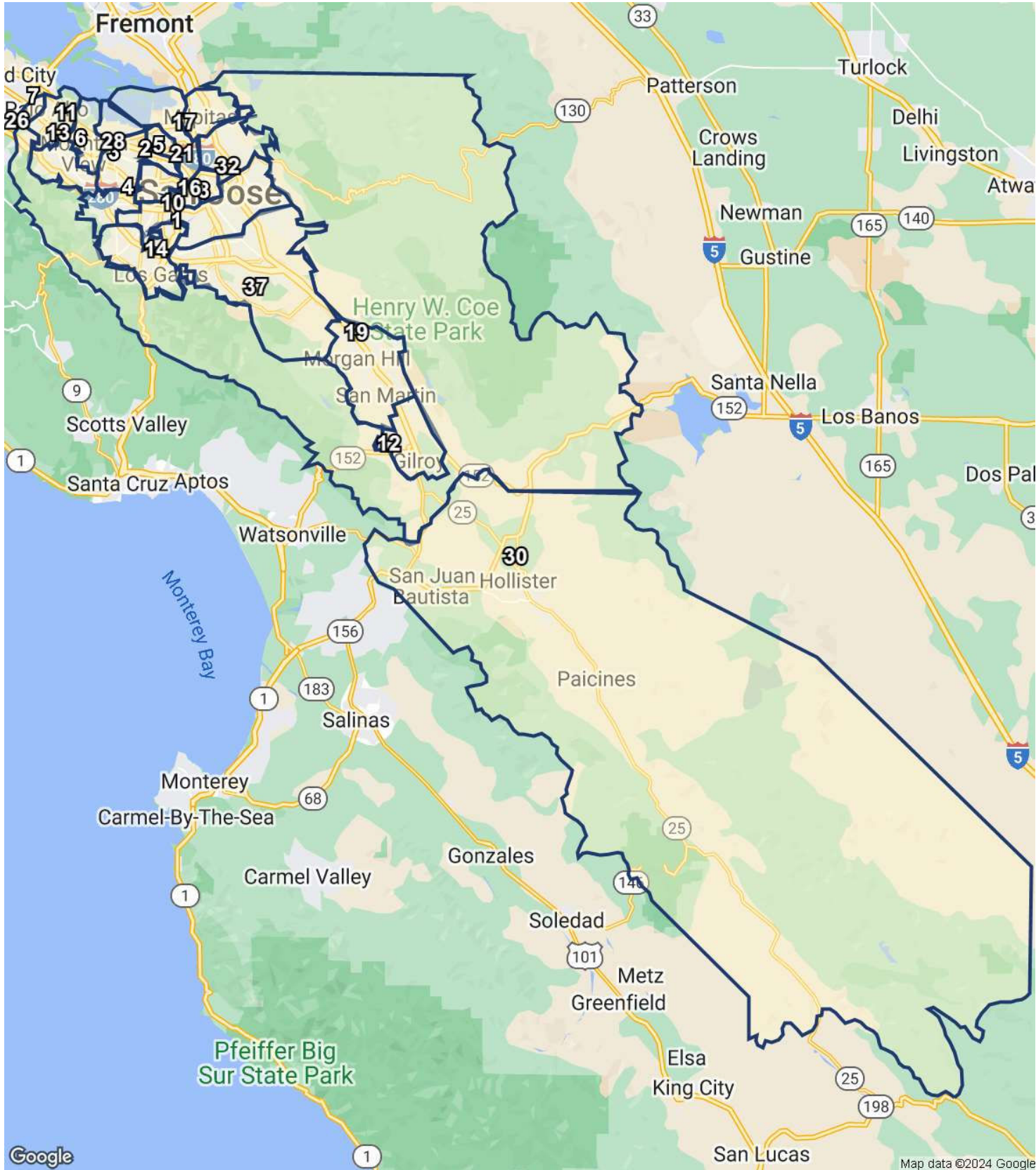


INCOME GROWTH



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	3,514	1.8%	16	1	0	0%	4	0	-	-	-
2	Central Santa Clara	579	19,453	9.8%	2	2	556	2.9%	1	3	1,189	6.1%	1
3	Central Sunnyvale	0	-	0%	-	0	0	-	-	0	-	-	-
4	Cupertino	68	2,855	1.4%	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	349	3,593	1.8%	15	0	0	0%	-	0	-	-	-
9	East Arques Ave Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
10	East San Jose-Willow Glen	637	15,228	7.7%	6	0	0	0%	-	0	-	-	-
11	Embarcadero/101	0	-	0%	-	0	0	-	-	0	-	-	-
12	Gilroy	240	6,966	3.5%	12	0	0	0%	-	2	383	5.5%	6
13	Los Altos	4	12	0%	24	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	1,851	0.9%	18	0	0	0%	-	0	-	-	-
17	Milpitas	313	18,423	9.3%	3	0	0	0%	-	0	-	-	-
18	Moffett Park	77	5,832	2.9%	13	0	0	0%	-	0	-	-	-
19	Morgan Hill	227	7,717	3.9%	10	0	0	0%	-	6	560	7.3%	4
20	Mountain View	434	9,761	4.9%	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	661	32,849	16.5%	1	0	0	0%	-	0	-	-	-
24	North Santa Clara	376	11,487	5.8%	7	1	353	3.1%	2	1	289	2.5%	8
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	227	7,156	3.6%	11	0	0	0%	-	0	-	-	-
28	Peery Park	0	-	0%	-	0	0	-	-	0	-	-	-
29	Plumeria Drive	0	-	0%	-	0	0	-	-	0	-	-	-
30	San Benito County	195	4,875	2.4%	14	1	0	0%	3	1	1,050	21.5%	2
31	San Jose East	1	7	0%	25	0	0	0%	-	0	-	-	-
32	San Jose, IBP East	0	-	0%	-	0	0	-	-	0	-	-	-
33	San Jose-Berryessa	559	18,215	9.2%	4	0	0	0%	-	3	436	2.4%	5
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	11,286	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	479	15,689	7.9%	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 Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Campbell	\$28.33	11	0.4%	11	-4.4%	20
2	Central Santa Clara	\$27.17	13	0.1%	13	-3.9%	13
3	Central Sunnyvale	-	-	-	-	-	-
4	Cupertino	\$43.70	4	-1.0%	19	-3.4%	9
5	De La Cruz	-	-	-	-	-	-
6	Downtown Mountain View	-	-	-	-	-	-
7	Downtown Palo Alto	\$48.68	3	-1.4%	22	-4.5%	21
8	Downtown San Jose	\$20.46	19	1.8%	5	-3.0%	8
9	East Arques Ave Corridor	-	-	-	-	-	-
10	East San Jose-Willow Glen	\$19.31	22	3.6%	3	-0.2%	3
11	Embarcadero/101	-	-	-	-	-	-
12	Gilroy	\$14.66	24	1.0%	9	-4.1%	18
13	Los Altos	\$35.60	6	-0.1%	16	-3.4%	10
14	Los Gatos	-	-	-	-	-	-
15	Los Gatos/Saratoga	\$31.04	9	-0.1%	15	-2.9%	7
16	Midtown San Jose	\$20.22	20	1.5%	6	-3.9%	14
17	Milpitas	\$21.15	17	1.4%	7	-1.9%	5
18	Moffett Park	\$29.38	10	-1.3%	21	-5.9%	23
19	Morgan Hill	\$17.97	23	0.8%	10	-3.4%	11
20	Mountain View	\$40.24	5	-1.5%	23	-6.0%	24
21	N. San Jose - Brokaw	-	-	-	-	-	-
22	N.E. Santa Clara	-	-	-	-	-	-
23	North San Jose	\$25.81	15	0%	14	-3.5%	12
24	North Santa Clara	\$25.99	14	-1.0%	18	-4.6%	22
25	Oak Creek	-	-	-	-	-	-
26	Outlying Santa Clara Cnty	\$19.71	21	3.2%	4	-1.8%	4
27	Palo Alto	\$49.60	2	-1.2%	20	-3.9%	16
28	Peery Park	-	-	-	-	-	-
29	Plumeria Drive	-	-	-	-	-	-
30	San Benito County	\$12.79	25	4.2%	2	0.3%	2
31	San Jose East	\$52.32	1	4.4%	1	3.2%	1
32	San Jose, IBP East	-	-	-	-	-	-
33	San Jose-Berryessa	\$20.90	18	0.3%	12	-3.9%	15
34	Scott Blvd Corridor	-	-	-	-	-	-
35	Shoreline Corridor North	-	-	-	-	-	-
36	Shoreline Corridor South	-	-	-	-	-	-
37	South San Jose	\$23.14	16	-2.3%	25	-11.4%	25
38	South Santa Clara	\$27.76	12	1.4%	8	-2.3%	6
39	Sunnyvale	\$31.88	7	-1.5%	24	-4.3%	19
40	Sunnyvale Triangle	-	-	-	-	-	-
41	West Mountain View	-	-	-	-	-	-
42	West San Jose	\$31.67	8	-0.5%	17	-3.9%	17

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Campbell	113,752	3.2%	3	127,022	3.6%	3	-
2	Central Santa Clara	897,905	4.6%	5	434,605	2.2%	1	1.3
3	Central Sunnyvale	-	-	-	0	-	-	-
4	Cupertino	37,950	1.3%	1	(37,950)	-1.3%	33	-
5	De La Cruz	-	-	-	0	-	-	-
6	Downtown Mountain View	-	-	-	0	-	-	-
7	Downtown Palo Alto	9,025	18.7%	21	(5,943)	-12.3%	29	-
8	Downtown San Jose	51,369	1.4%	2	(14,487)	-0.4%	30	-
9	East Arques Ave Corridor	-	-	-	0	-	-	-
10	East San Jose-Willow Glen	814,110	5.3%	7	(18,751)	-0.1%	31	-
11	Embarcadero/101	-	-	-	0	-	-	-
12	Gilroy	393,533	5.6%	8	(168,653)	-2.4%	36	-
13	Los Altos	-	-	-	0	0%	-	-
14	Los Gatos	-	-	-	0	-	-	-
15	Los Gatos/Saratoga	23,426	5.1%	6	27,999	6.1%	4	-
16	Midtown San Jose	109,695	5.9%	9	9,181	0.5%	5	-
17	Milpitas	1,371,725	7.4%	12	(199,208)	-1.1%	37	-
18	Moffett Park	266,286	4.6%	4	(5,318)	-0.1%	28	-
19	Morgan Hill	863,866	11.2%	20	(120,539)	-1.6%	35	-
20	Mountain View	991,677	10.2%	18	(369,008)	-3.8%	41	-
21	N. San Jose - Brokaw	-	-	-	0	-	-	-
22	N.E. Santa Clara	-	-	-	0	-	-	-
23	North San Jose	2,569,224	7.8%	13	(453,032)	-1.4%	42	-
24	North Santa Clara	1,267,279	11.0%	19	230,252	2.0%	2	1.5
25	Oak Creek	-	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	-	-	-	0	0%	-	-
27	Palo Alto	624,681	8.7%	17	(335,745)	-4.7%	40	-
28	Peery Park	-	-	-	0	-	-	-
29	Plumeria Drive	-	-	-	0	-	-	-
30	San Benito County	394,159	8.1%	15	(331,691)	-6.8%	39	-
31	San Jose East	-	-	-	0	0%	-	-
32	San Jose, IBP East	-	-	-	0	-	-	-
33	San Jose-Berryessa	1,170,758	6.4%	11	(241,810)	-1.3%	38	-
34	Scott Blvd Corridor	-	-	-	0	-	-	-
35	Shoreline Corridor North	-	-	-	0	-	-	-
36	Shoreline Corridor South	-	-	-	0	-	-	-
37	South San Jose	894,939	7.9%	14	(3,798)	0%	27	-
38	South Santa Clara	70,909	6.2%	10	(62,580)	-5.5%	34	-
39	Sunnyvale	1,295,998	8.3%	16	(20,610)	-0.1%	32	-
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
2028	199,867,935	(124,593)	-0.1%	(334,431)	-0.2%	-
2027	199,992,528	(416,635)	-0.2%	(27,084)	0%	-
2026	200,409,163	(1,057,180)	-0.5%	561,403	0.3%	-
2025	201,466,343	708,878	0.4%	514,922	0.3%	1.4
2024	200,757,465	1,795,348	0.9%	(68,050)	0%	-
YTD	198,962,117	0	0%	(829,719)	-0.4%	-
2023	198,962,117	709,205	0.4%	(1,351,773)	-0.7%	-
2022	198,252,912	(884,193)	-0.4%	1,838,665	0.9%	-
2021	199,137,105	1,644,140	0.8%	1,221,718	0.6%	1.3
2020	197,492,965	(722,979)	-0.4%	(2,457,701)	-1.2%	-
2019	198,215,944	(1,274,851)	-0.6%	1,231,744	0.6%	-
2018	199,490,795	(846,396)	-0.4%	(2,812,400)	-1.4%	-
2017	200,337,191	271,716	0.1%	265,531	0.1%	1.0
2016	200,065,475	(2,424,613)	-1.2%	(808,142)	-0.4%	-
2015	202,490,088	(2,149,991)	-1.1%	19,769	0%	-
2014	204,640,079	(3,959,928)	-1.9%	1,606,645	0.8%	-
2013	208,600,007	(2,892,784)	-1.4%	(3,829,809)	-1.8%	-
2012	211,492,791	(4,775,302)	-2.2%	(2,998,994)	-1.4%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	43,803,661	206,503	0.5%	145,829	0.3%	1.4
2027	43,597,158	97,995	0.2%	146,155	0.3%	0.7
2026	43,499,163	(140,464)	-0.3%	389,866	0.9%	-
2025	43,639,627	796,200	1.9%	930,229	2.1%	0.9
2024	42,843,427	772,450	1.8%	197,243	0.5%	3.9
YTD	42,070,977	0	0%	26,849	0.1%	0
2023	42,070,977	7,002	0%	(216,478)	-0.5%	-
2022	42,063,975	167,458	0.4%	(317,161)	-0.8%	-
2021	41,896,517	732,439	1.8%	1,078,410	2.6%	0.7
2020	41,164,078	113,311	0.3%	(332,307)	-0.8%	-
2019	41,050,767	(252,920)	-0.6%	180,318	0.4%	-
2018	41,303,687	(270,385)	-0.7%	(187,252)	-0.5%	-
2017	41,574,072	(696,486)	-1.6%	(331,010)	-0.8%	-
2016	42,270,558	(529,302)	-1.2%	(755,822)	-1.8%	-
2015	42,799,860	(110,760)	-0.3%	(255,481)	-0.6%	-
2014	42,910,620	(690,778)	-1.6%	(106,647)	-0.2%	-
2013	43,601,398	(387,164)	-0.9%	(267,492)	-0.6%	-
2012	43,988,562	(302,298)	-0.7%	(366,035)	-0.8%	-

Supply & Demand Trends

San Jose Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	54,792,989	33,315	0.1%	(59,291)	-0.1%	-
2027	54,759,674	(66,336)	-0.1%	(496)	0%	-
2026	54,826,010	(284,865)	-0.5%	142,518	0.3%	-
2025	55,110,875	288,589	0.5%	21,946	0%	13.1
2024	54,822,286	734,686	1.4%	29,678	0.1%	24.8
YTD	54,087,600	0	0%	(655,372)	-1.2%	-
2023	54,087,600	(19,000)	0%	(358,947)	-0.7%	-
2022	54,106,600	(64,572)	-0.1%	285,687	0.5%	-
2021	54,171,172	1,250,079	2.4%	1,435,611	2.7%	0.9
2020	52,921,093	(572,923)	-1.1%	(263,353)	-0.5%	-
2019	53,494,016	444,284	0.8%	130,133	0.2%	3.4
2018	53,049,732	245,545	0.5%	(339,668)	-0.6%	-
2017	52,804,187	362,635	0.7%	(588,594)	-1.1%	-
2016	52,441,552	(643,508)	-1.2%	1,454,090	2.8%	-
2015	53,085,060	(483,384)	-0.9%	(92,154)	-0.2%	-
2014	53,568,444	(340,892)	-0.6%	668,934	1.2%	-
2013	53,909,336	(610,953)	-1.1%	(954,250)	-1.8%	-
2012	54,520,289	(1,891,964)	-3.4%	(1,887,335)	-3.5%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	101,271,285	(364,411)	-0.4%	(420,969)	-0.4%	-
2027	101,635,696	(448,294)	-0.4%	(172,743)	-0.2%	-
2026	102,083,990	(631,851)	-0.6%	29,019	0%	-
2025	102,715,841	(375,911)	-0.4%	(437,253)	-0.4%	-
2024	103,091,752	288,212	0.3%	(294,971)	-0.3%	-
YTD	102,803,540	0	0%	(201,196)	-0.2%	-
2023	102,803,540	721,203	0.7%	(776,348)	-0.8%	-
2022	102,082,337	(987,079)	-1.0%	1,870,139	1.8%	-
2021	103,069,416	(338,378)	-0.3%	(1,292,303)	-1.3%	-
2020	103,407,794	(263,367)	-0.3%	(1,862,041)	-1.8%	-
2019	103,671,161	(1,466,215)	-1.4%	921,293	0.9%	-
2018	105,137,376	(821,556)	-0.8%	(2,285,480)	-2.2%	-
2017	105,958,932	605,567	0.6%	1,185,135	1.1%	0.5
2016	105,353,365	(1,251,803)	-1.2%	(1,506,410)	-1.4%	-
2015	106,605,168	(1,555,847)	-1.4%	367,404	0.3%	-
2014	108,161,015	(2,928,258)	-2.6%	1,044,358	1.0%	-
2013	111,089,273	(1,894,667)	-1.7%	(2,608,067)	-2.3%	-
2012	112,983,940	(2,581,040)	-2.2%	(745,624)	-0.7%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$32.68	262	5.3%	26.2%	13,747,347	6.9%	0.1%
2027	\$31.04	249	6.6%	19.9%	13,532,776	6.8%	-0.2%
2026	\$29.12	234	5.8%	12.5%	13,904,096	6.9%	-0.8%
2025	\$27.52	221	4.8%	6.3%	15,490,523	7.7%	0.1%
2024	\$26.25	211	1.4%	1.4%	15,285,780	7.6%	0.9%
YTD	\$25.64	206	-0.1%	-1.0%	14,232,266	7.2%	0.4%
2023	\$25.89	208	1.6%	0%	13,402,547	6.7%	1.0%
2022	\$25.47	205	5.6%	-1.6%	11,341,569	5.7%	-1.3%
2021	\$24.13	194	3.9%	-6.8%	13,997,905	7.0%	0.1%
2020	\$23.23	187	3.0%	-10.3%	13,642,005	6.9%	0.9%
2019	\$22.55	181	5.0%	-12.9%	11,907,283	6.0%	-1.2%
2018	\$21.49	173	6.3%	-17.0%	14,413,878	7.2%	1.0%
2017	\$20.22	162	6.5%	-21.9%	12,434,495	6.2%	0.1%
2016	\$18.97	152	8.5%	-26.7%	12,291,869	6.1%	-0.7%
2015	\$17.49	140	10.4%	-32.4%	13,908,340	6.9%	-0.9%
2014	\$15.84	127	10.2%	-38.8%	15,924,013	7.8%	-2.5%
2013	\$14.38	115	8.9%	-44.5%	21,466,557	10.3%	0.6%
2012	\$13.20	106	8.2%	-49.0%	20,529,532	9.7%	-0.6%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$25	238	5.5%	25.7%	1,405,688	3.2%	0.1%
2027	\$23.70	225	6.8%	19.2%	1,341,282	3.1%	-0.1%
2026	\$22.18	211	6.1%	11.5%	1,385,647	3.2%	-1.2%
2025	\$20.90	199	5.1%	5.1%	1,910,019	4.4%	-0.4%
2024	\$19.90	189	0.1%	0.1%	2,039,717	4.8%	1.3%
YTD	\$19.43	185	-1.4%	-2.3%	1,422,115	3.4%	-0.1%
2023	\$19.89	189	1.6%	0%	1,448,964	3.4%	0.5%
2022	\$19.56	186	5.1%	-1.6%	1,225,484	2.9%	1.1%
2021	\$18.61	177	4.1%	-6.4%	740,865	1.8%	-0.9%
2020	\$17.89	170	4.5%	-10.1%	1,086,836	2.6%	1.1%
2019	\$17.12	163	5.5%	-13.9%	641,218	1.6%	-1.0%
2018	\$16.23	154	5.4%	-18.4%	1,074,456	2.6%	-0.2%
2017	\$15.40	146	6.1%	-22.6%	1,157,589	2.8%	-0.5%
2016	\$14.52	138	7.9%	-27.0%	1,373,245	3.2%	0.6%
2015	\$13.45	128	8.9%	-32.4%	1,146,725	2.7%	0.3%
2014	\$12.36	117	7.7%	-37.9%	1,002,004	2.3%	-1.2%
2013	\$11.47	109	6.3%	-42.3%	1,562,106	3.6%	-0.2%
2012	\$10.80	103	5.1%	-45.7%	1,681,778	3.8%	0.2%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$25.54	316	5.4%	30.0%	2,689,738	4.9%	0.2%
2027	\$24.23	300	6.8%	23.3%	2,596,051	4.7%	-0.1%
2026	\$22.69	281	6.0%	15.5%	2,656,849	4.8%	-0.7%
2025	\$21.41	265	5.0%	9.0%	3,079,893	5.6%	0.5%
2024	\$20.39	253	3.8%	3.8%	2,811,721	5.1%	1.2%
YTD	\$19.83	246	6.4%	0.9%	2,760,926	5.1%	1.2%
2023	\$19.65	243	6.8%	0%	2,105,554	3.9%	0.6%
2022	\$18.40	228	9.9%	-6.3%	1,765,607	3.3%	-0.6%
2021	\$16.75	208	7.7%	-14.7%	2,115,866	3.9%	-0.4%
2020	\$15.56	193	4.2%	-20.8%	2,301,398	4.3%	-0.5%
2019	\$14.93	185	6.5%	-24.0%	2,610,968	4.9%	0.6%
2018	\$14.02	174	7.4%	-28.6%	2,296,817	4.3%	1.1%
2017	\$13.06	162	8.4%	-33.5%	1,711,604	3.2%	1.8%
2016	\$12.05	149	9.6%	-38.7%	760,375	1.4%	-3.9%
2015	\$10.99	136	11.1%	-44.1%	2,857,973	5.4%	-0.7%
2014	\$9.89	123	9.4%	-49.6%	3,249,203	6.1%	-1.8%
2013	\$9.04	112	7.4%	-54.0%	4,259,029	7.9%	0.7%
2012	\$8.42	104	5.5%	-57.2%	3,915,732	7.2%	0.2%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$39.78	255	5.2%	25.1%	9,651,921	9.5%	0.1%
2027	\$37.82	242	6.5%	18.9%	9,595,443	9.4%	-0.2%
2026	\$35.52	227	5.7%	11.7%	9,861,600	9.7%	-0.6%
2025	\$33.60	215	4.7%	5.7%	10,500,611	10.2%	0.1%
2024	\$32.10	205	0.9%	0.9%	10,434,342	10.1%	0.5%
YTD	\$31.38	201	-1.8%	-1.3%	10,049,225	9.8%	0.2%
2023	\$31.80	203	0%	0%	9,848,029	9.6%	1.4%
2022	\$31.78	203	4.4%	0%	8,350,478	8.2%	-2.6%
2021	\$30.44	195	2.8%	-4.3%	11,141,174	10.8%	0.9%
2020	\$29.62	190	2.3%	-6.8%	10,253,771	9.9%	1.6%
2019	\$28.95	185	4.4%	-9.0%	8,655,097	8.3%	-2.2%
2018	\$27.73	177	6.2%	-12.8%	11,042,605	10.5%	1.5%
2017	\$26.10	167	6.2%	-17.9%	9,565,302	9.0%	-0.6%
2016	\$24.58	157	8.3%	-22.7%	10,158,249	9.6%	0.4%
2015	\$22.70	145	10.7%	-28.6%	9,903,642	9.3%	-1.5%
2014	\$20.51	131	11.0%	-35.5%	11,672,806	10.8%	-3.3%
2013	\$18.48	118	10.1%	-41.9%	15,645,422	14.1%	0.9%
2012	\$16.79	107	9.8%	-47.2%	14,932,022	13.2%	-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
2028	-	-	-	-	-	-	\$515.66	397	5.5%
2027	-	-	-	-	-	-	\$473.03	364	5.7%
2026	-	-	-	-	-	-	\$425.90	328	5.9%
2025	-	-	-	-	-	-	\$387.06	298	6.1%
2024	-	-	-	-	-	-	\$372.29	286	6.1%
YTD	21	\$114.7M	0.3%	\$8,824,093	\$269.37	-	\$379.12	292	5.9%
2023	126	\$1.3B	2.2%	\$11,746,447	\$355.71	5.5%	\$382.86	295	5.9%
2022	294	\$2.1B	5.3%	\$10,843,802	\$337.77	5.0%	\$399.75	308	5.3%
2021	279	\$4.1B	6.0%	\$15,498,712	\$381.30	4.8%	\$398.66	307	4.9%
2020	221	\$2.2B	3.8%	\$11,196,530	\$329.92	5.4%	\$343.45	264	5.2%
2019	311	\$2.7B	5.4%	\$14,232,354	\$304.55	6.0%	\$310.85	239	5.5%
2018	342	\$3.1B	5.8%	\$14,660,583	\$329.99	5.9%	\$287.36	221	5.5%
2017	424	\$2.6B	6.3%	\$10,237,851	\$257.90	6.0%	\$260.65	201	5.6%
2016	410	\$2.6B	6.0%	\$9,126,137	\$267.85	5.9%	\$247.83	191	5.4%
2015	499	\$3.1B	8.0%	\$8,077,702	\$223.99	6.0%	\$224.58	173	5.5%
2014	453	\$2.8B	6.8%	\$7,109,584	\$214.48	6.7%	\$189.95	146	6.0%
2013	428	\$2.4B	6.8%	\$7,769,663	\$198.25	7.0%	\$162.03	125	6.4%

(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
2028	-	-	-	-	-	-	\$483.36	415	5.4%
2027	-	-	-	-	-	-	\$442.30	380	5.6%
2026	-	-	-	-	-	-	\$397.16	341	5.8%
2025	-	-	-	-	-	-	\$359.89	309	6.0%
2024	-	-	-	-	-	-	\$345.54	297	6.0%
YTD	4	\$26M	0.3%	\$12,992,317	\$205.15	-	\$352.34	303	5.8%
2023	36	\$405M	4.2%	\$13,966,716	\$345.73	7.5%	\$356.50	306	5.8%
2022	80	\$516.7M	5.2%	\$7,711,355	\$311.19	5.4%	\$370.72	318	5.2%
2021	70	\$1.1B	5.2%	\$15,885,947	\$507.92	4.3%	\$371.75	319	4.8%
2020	55	\$342.6M	3.6%	\$6,852,570	\$232.49	6.1%	\$317.10	272	5.1%
2019	106	\$393M	6.3%	\$7,415,153	\$173.98	5.0%	\$286.32	246	5.4%
2018	113	\$281.8M	5.3%	\$6,552,817	\$255.85	5.2%	\$263.18	226	5.4%
2017	146	\$412.5M	6.5%	\$7,499,643	\$251.18	6.1%	\$236.21	203	5.5%
2016	127	\$179.5M	3.5%	\$3,385,932	\$175.70	6.3%	\$222.55	191	5.4%
2015	134	\$359.5M	6.3%	\$4,180,128	\$158.97	5.5%	\$199.89	172	5.5%
2014	103	\$201.5M	4.6%	\$2,651,492	\$113.09	6.0%	\$169.02	145	6.0%
2013	94	\$173.9M	3.8%	\$2,946,702	\$126.20	7.3%	\$143.99	124	6.4%

(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
2028	-	-	-	-	-	-	\$424.12	413	5.4%
2027	-	-	-	-	-	-	\$388.32	379	5.6%
2026	-	-	-	-	-	-	\$348.95	340	5.9%
2025	-	-	-	-	-	-	\$316.48	309	6.1%
2024	-	-	-	-	-	-	\$303.91	296	6.1%
YTD	4	\$2.3M	0.1%	\$1,145,000	\$368.88	-	\$308.35	301	5.9%
2023	43	\$213M	1.5%	\$5,756,946	\$329.60	4.1%	\$310.17	302	5.8%
2022	72	\$364.2M	4.8%	\$7,004,351	\$307.32	4.8%	\$321.40	313	5.2%
2021	61	\$706M	3.8%	\$11,766,980	\$348.62	4.1%	\$317.38	309	4.8%
2020	65	\$277M	2.4%	\$4,946,056	\$303.57	5.3%	\$271.01	264	5.2%
2019	84	\$319.1M	3.9%	\$7,783,334	\$233.75	5.9%	\$244.37	238	5.5%
2018	89	\$267.5M	2.9%	\$5,944,502	\$263.21	4.6%	\$226	220	5.5%
2017	109	\$336.1M	4.3%	\$5,896,433	\$211.27	6.0%	\$205.60	200	5.6%
2016	95	\$346.4M	5.2%	\$4,618,253	\$199.82	5.5%	\$192.73	188	5.4%
2015	117	\$433.7M	5.5%	\$4,765,728	\$178.44	5.7%	\$175.55	171	5.5%
2014	74	\$157.2M	2.9%	\$2,576,517	\$111.49	5.8%	\$148.65	145	6.1%
2013	98	\$203.1M	4.8%	\$3,626,313	\$111.02	7.4%	\$126.82	124	6.5%

(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
2028	-	-	-	-	-	-	\$578.54	385	5.6%
2027	-	-	-	-	-	-	\$531.55	353	5.8%
2026	-	-	-	-	-	-	\$479.42	319	6.0%
2025	-	-	-	-	-	-	\$436.48	290	6.2%
2024	-	-	-	-	-	-	\$420.37	280	6.2%
YTD	13	\$86.4M	0.4%	\$9,604,286	\$295.02	-	\$428.48	285	6.0%
2023	47	\$674.1M	1.9%	\$15,319,713	\$371.46	4.4%	\$433.07	288	5.9%
2022	142	\$1.2B	5.5%	\$16,232,294	\$361.27	5.6%	\$454.15	302	5.3%
2021	148	\$2.3B	7.5%	\$16,938,017	\$350.06	6.0%	\$453.73	302	4.9%
2020	101	\$1.6B	4.6%	\$17,230,833	\$368.01	5.0%	\$393.54	262	5.2%
2019	121	\$2B	5.8%	\$20,720,114	\$378.25	6.1%	\$356.96	237	5.5%
2018	140	\$2.6B	7.5%	\$20,587,443	\$350.35	6.5%	\$330.57	220	5.5%
2017	169	\$1.9B	7.3%	\$12,964,305	\$270.06	6.1%	\$300.58	200	5.6%
2016	188	\$2.1B	7.3%	\$13,115,715	\$297.74	5.9%	\$288.14	192	5.4%
2015	248	\$2.3B	10.0%	\$11,244,772	\$252.83	6.5%	\$261.38	174	5.5%
2014	276	\$2.4B	9.6%	\$9,551,377	\$248.06	7.0%	\$221.01	147	6.0%
2013	236	\$2B	9.0%	\$10,405,288	\$227.06	6.8%	\$188.60	125	6.4%

(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.