



# Industrial Market Report

## San Jose - CA USA

PREPARED BY



**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**1.8M**

12 Mo Net Absorption in SF

**(258K)**

Vacancy Rate

**7.8%**

Market Asking Rent Growth

**0.1%**

In the fourth 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.

The current weakness runs counter to the longer-term trend. Over the past 30 years, the impressive growth of San Jose's technology sector has increased the demand for industrial buildings. High-tech firms conducting research and development and specialized manufacturing needed flex properties and data centers. Indeed, flex buildings 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. Few leases above 50,000 SF have been signed in the logistics sector, with one or two notable exceptions. For instance, in March 2024, SwiftPOD leased 100,000 SF at 2070 7th St. in East San Jose.

AI tenants have been among the most active in taking new space in the flex segment. For example, in April 2024, Figure AI signed a new lease for around 100,000 SF in North San Jose. While these more significant leases are a positive sign, a broader recovery of leasing activity is not expected to materialize until 2025.

The vacancy rate, at 7.8%, is up by around 100 basis points over the past year and it now sits above the historical average for this market. San Jose's flex inventory operates at a significantly higher vacancy rate, 10.9% as of the fourth quarter, than properties in its logistics market, which is somewhat supply constrained and currently has an aggregate vacancy rate of 5.3%.

Development activity has increased to 5.1 million SF of industrial space under construction, a 20-year high. Almost all the space 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 rent growth rate is currently among the nation's lowest. Year-over-year rent growth in the local flex and logistics sectors is running at -1.3% and 2.1%, respectively.

Demand will likely remain subdued in the year ahead until the economy improves and tenants move into a more expansionary mode. With several new construction projects being completed in the coming quarters, 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	55,112,800	5.3%	\$19.44	7.2%	(130,336)	0	1,848,243
Specialized Industrial	43,095,540	3.7%	\$20.69	5.8%	(2,051)	0	1,816,961
Flex	102,524,996	10.9%	\$31.41	12.1%	(297,958)	0	1,457,660
<b>Market</b>	<b>200,733,336</b>	<b>7.8%</b>	<b>\$25.76</b>	<b>9.4%</b>	<b>(430,345)</b>	<b>0</b>	<b>5,122,864</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.9% (YOY)	8.7%	7.5%	15.7%	2003 Q3	2.0%	2000 Q2
Net Absorption SF	(258K)	(386,358)	356,784	13,541,453	2000 Q2	(12,445,000)	2002 Q1
Deliveries SF	1.8M	1,456,460	1,529,901	6,686,008	2001 Q3	14,745	2013 Q2
Market Asking Rent Growth	0.1%	2.9%	3.9%	10.6%	2015 Q3	-12.0%	2003 Q2
Sales Volume	\$1.3B	\$1.6B	N/A	\$4.2B	2022 Q1	\$159.7M	2009 Q4

After two years of demand growth, the San Jose Market saw net absorption turn negative in 2023 and that trend has continued in 2024. 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 is 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 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.

Annual net absorption of -260,000 SF, combined with 1.7 million SF of new deliveries in the past year, have caused the vacancy rate to increase to 7.8%, equal to the highest rate seen in the past 10 years.

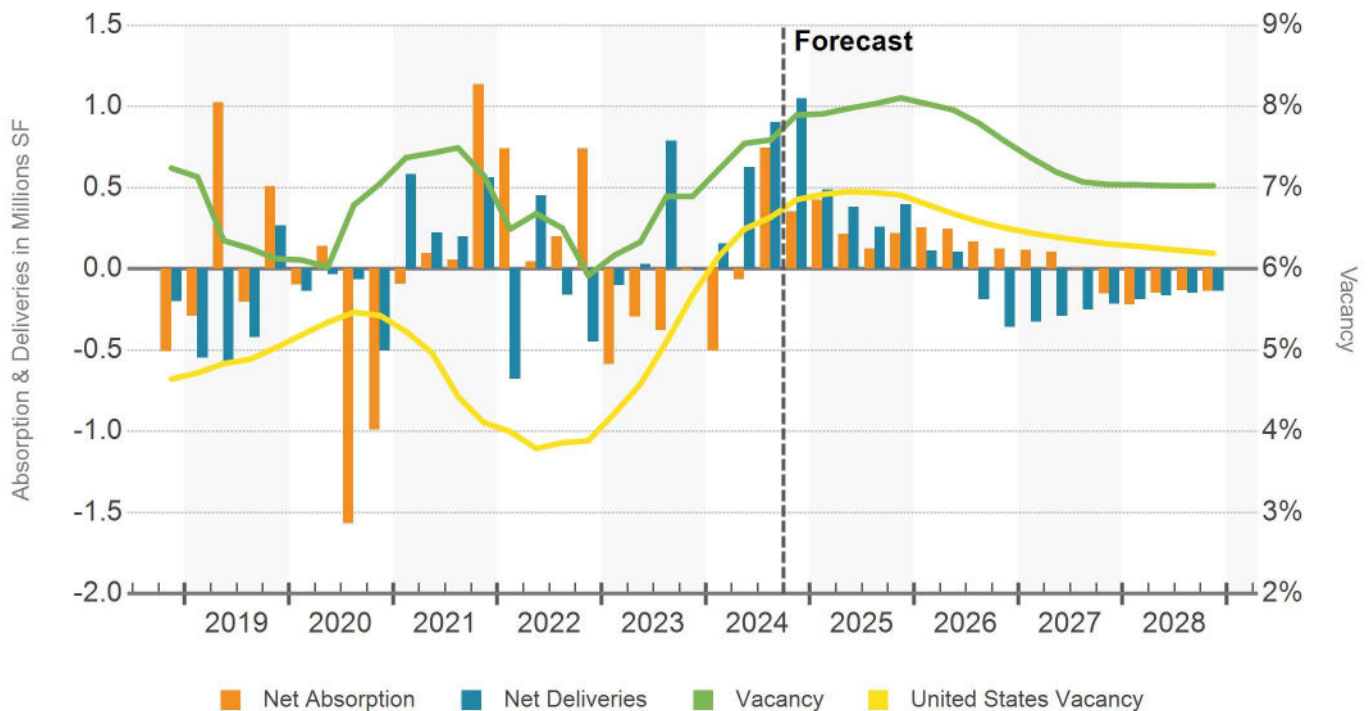
The smaller number of flex leases that have been signed are distributed across a diverse range of industries including healthcare, robotics, cleantech, and information technology; however, lease sizes are in the smaller range, generally under 20,000 SF. The lease deals larger

than 50,000 SF that were being signed in the previous two years have been largely absent in the past 12 months. One exception is a new 100,000-SF lease signed by Figure AI in North San Jose in April 2024. The largest flex renewal was also in North San Jose, where Intermolecular renewed 146,000 SF in March 2024.

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. One of the largest new logistics leases to date in 2024 was signed by SJC Transportation, which took 54,000 SF in the San Jose-Berryessa submarket in May 2024.

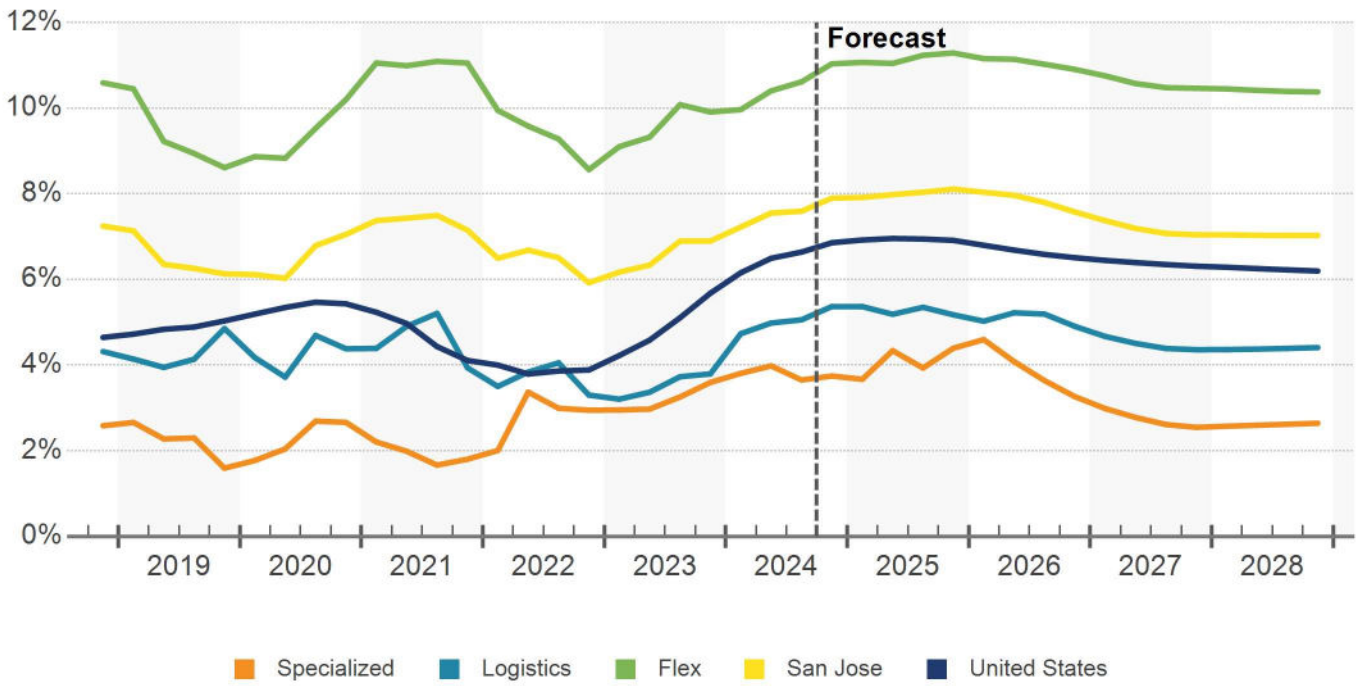
New construction of large space industrial properties is currently underway in areas such as Gilroy, to the south of San Jose. One of these properties, a 1 million-SF distribution center in Hollister, was preleased by Amazon in August 2023. This deal is a reminder that, although Amazon is in a period of consolidation rather than expansion, it will still move to lock in well-positioned properties in supply-constrained markets.

### NET ABSORPTION, NET DELIVERIES & VACANCY

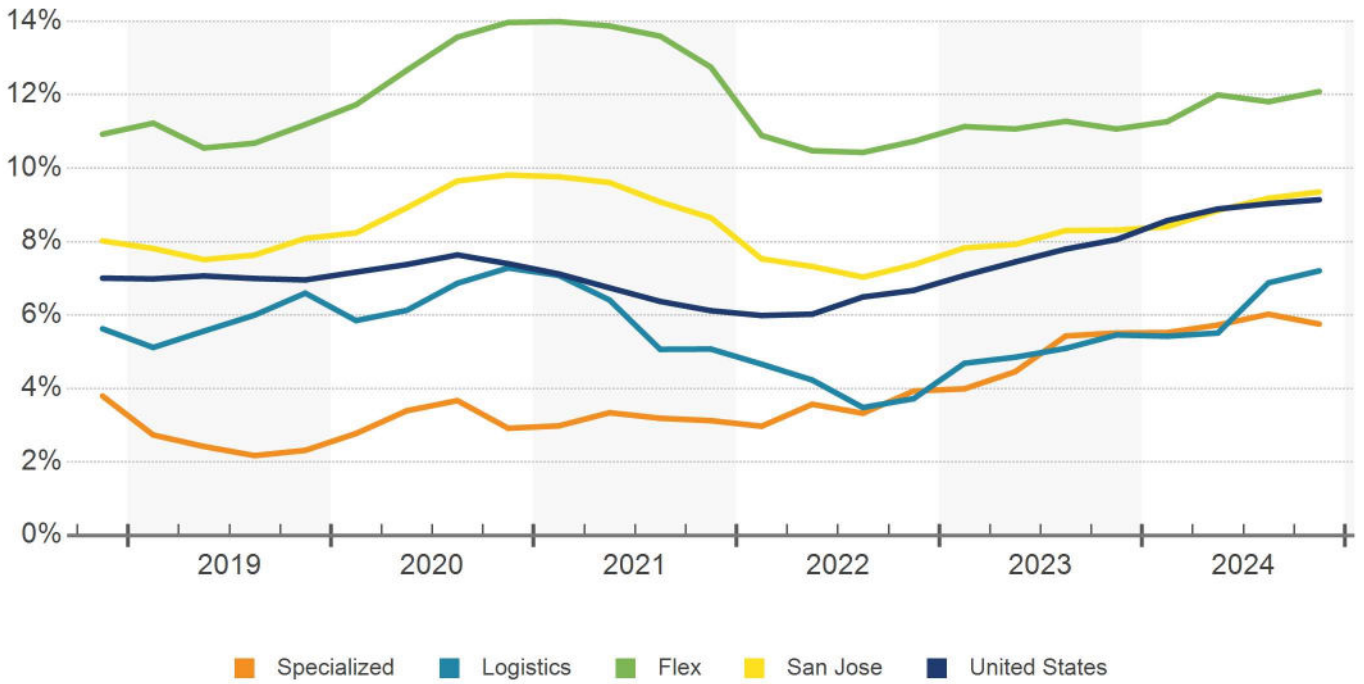




## VACANCY RATE



## 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
2590 Walsh Ave	Central Santa Clara	469,467	0	0	0	469,467	0	469,467
Almaden Vineyards Wharf	East San Jose-Willo...	457,750	0	0	0	259,479	0	259,479
The Campus at First, Prominent...	North San Jose	145,184	0	0	0	145,184	0	145,184
Concourse Logistics Center	San Jose-Berryessa	126,700	0	0	126,700	0	0	126,700
600 E Hamilton Ave	Campbell	156,572	0	0	0	0	0	109,469
Junction/Dado Indust Park	North San Jose	107,710	0	0	0	0	107,710	107,710
Stanford Research Park	Palo Alto	95,737	0	0	0	0	95,737	95,737
Butterfield 5 Tech Park (1)	Morgan Hill	91,738	0	0	0	91,738	0	91,738
Butterfield 5 Tech Park (2)	Morgan Hill	85,456	0	85,456	0	0	0	85,456
Butterfield 5 Tech Park (3)	Morgan Hill	82,446	0	0	0	82,446	0	82,446
Trimble Tech	North San Jose	80,125	0	80,125	0	0	0	80,125
Tech Crossing   91 East Tasman	North San Jose	84,049	0	0	0	0	0	70,345
Butterfield 5 Tech Park (4)	Morgan Hill	70,305	0	0	0	70,305	0	70,305
Lundy Avenue Research Park	San Jose-Berryessa	64,890	0	64,890	0	0	0	64,890
440-480 Cochrane Cir	Morgan Hill	60,000	0	0	0	60,000	0	60,000
Bldg 2	Sunnyvale	52,500	0	0	52,500	0	0	52,500
1330 Terra Bella Ave	Mountain View	49,400	0	49,400	0	0	0	49,400
<b>Subtotal Primary Competitors</b>		<b>2,280,029</b>	<b>0</b>	<b>279,871</b>	<b>179,200</b>	<b>1,178,619</b>	<b>203,447</b>	<b>2,020,951</b>
Remaining San Jose Market		198,484,375	15,667,530	(785,236)	(246,713)	(431,945)	(633,792)	(2,284,894)
<b>Total San Jose Market</b>		<b>200,764,404</b>	<b>15,667,530</b>	<b>(505,365)</b>	<b>(67,513)</b>	<b>746,674</b>	<b>(430,345)</b>	<b>(263,943)</b>

### TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name
1001-1029 Montague Expy *	Milpitas	386,383	Q4 23	DGA Services, Inc.
2055 S 7th St	East San Jose-Willow Glen	259,468	Q1 24	Supermicro
2201 Laurelwood Rd	North Santa Clara	255,198	Q1 24	Edgeware, Inc., Sales and...
2070 S 7th St	East San Jose-Willow Glen	99,000	Q1 24	SwiftPOD
250 Stockton Ave	Midtown San Jose	92,500	Q4 24	Lucid Motors
18225 Butterfield Blvd	Morgan Hill	85,456	Q4 23	Pinnacle Manufacturing
1021-1101 Cadillac Ct *	Milpitas	70,042	Q1 24	Riverview Systems Group...
2114-2124 Bering Dr *	North San Jose	62,504	Q4 23	Mt Eden Floral Co
555 Mayock Rd	Gilroy	55,000	Q1 24	-
1935-1955 Lundy Ave	San Jose-Berryessa	54,225	Q2 24	SJC Transportation
18400-18420 Sutter Blvd	Morgan Hill	51,328	Q2 24	Sempera Organics
1161-1167 N Fair Oaks Ave	Sunnyvale	48,000	Q1 24	Groundworks, LLC
746-876 S Milpitas Blvd *	Milpitas	36,288	Q2 24	Bintang Badminton
746-876 S Milpitas Blvd	Milpitas	36,288	Q1 24	Valley Relocation Services
541 Division St	Campbell	35,400	Q3 24	iXsystems, Inc
3660 Thomas Rd	North Santa Clara	35,065	Q1 24	-
18120 Butterfield Blvd	Morgan Hill	32,497	Q2 24	-
901-943 Hanson Ct *	Milpitas	31,167	Q1 24	BaiLian Bodhi Meditation...
825-831 S 5th St	East San Jose-Willow Glen	30,000	Q4 23	-
1802 Shelton Dr	San Benito County	27,000	Q4 23	-
810 Walsh Ave	Central Santa Clara	25,747	Q1 24	-
2261 San Juan Hwy	San Benito County	24,855	Q2 24	Willis Construction Comp...
2201 Lafayette St	Central Santa Clara	24,000	Q4 23	-
490 Gianni St	North Santa Clara	23,902	Q1 24	Apria
1911-1931 Lundy Ave *	San Jose-Berryessa	23,500	Q1 24	Halo Branded Solutions
384-386 Laurelwood Rd	North Santa Clara	23,000	Q2 24	-
984 S Milpitas Blvd	Milpitas	20,995	Q3 24	Paclord
2038 Concourse Dr	San Jose-Berryessa	20,598	Q1 24	Lusso
3520 Thomas Rd	North Santa Clara	20,018	Q2 24	-
6215 Engel Way	Gilroy	20,000	Q2 24	Pacific Logistics
1911-1931 Lundy Ave	San Jose-Berryessa	18,900	Q1 24	Andrian
2201 Ringwood Ave *	San Jose-Berryessa	18,560	Q3 24	Graybar
971-981 Stockton Ave	Downtown San Jose	18,300	Q2 24	-
2000-2016 Martin Ave	Central Santa Clara	16,800	Q1 24	-
1290 S 1st St	East San Jose-Willow Glen	15,400	Q2 24	-
170-198 Barnard Ave	East San Jose-Willow Glen	15,383	Q2 24	-
170-198 Barnard Ave	East San Jose-Willow Glen	15,383	Q1 24	-
6455 Automall Pky	Gilroy	14,992	Q4 23	United Rentals
1520 Dell Ave	Campbell	14,839	Q2 24	-
2574-2578 Seaboard Ave	North San Jose	14,577	Q2 24	Kassa Kitchen and Bath Inc.

\*Renewal

Following a broader trend that has impacted industrial markets across the nation, rent growth has slowed in the past two years. Previously, rents for logistics space had increased at record levels due to strong demand for space from companies looking to build out their distribution networks during the post-pandemic boom.

Rents have risen and fallen similarly in San Jose's logistics segment. By contrast, the flex space market, which is subject to different demand drivers, saw more modest rent growth during this period.

As of the fourth 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 growth rate is forecast to continue in the year ahead.

For flex and logistics properties, rental rates in the San Jose market are approximately twice the national average. 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 -1.3%

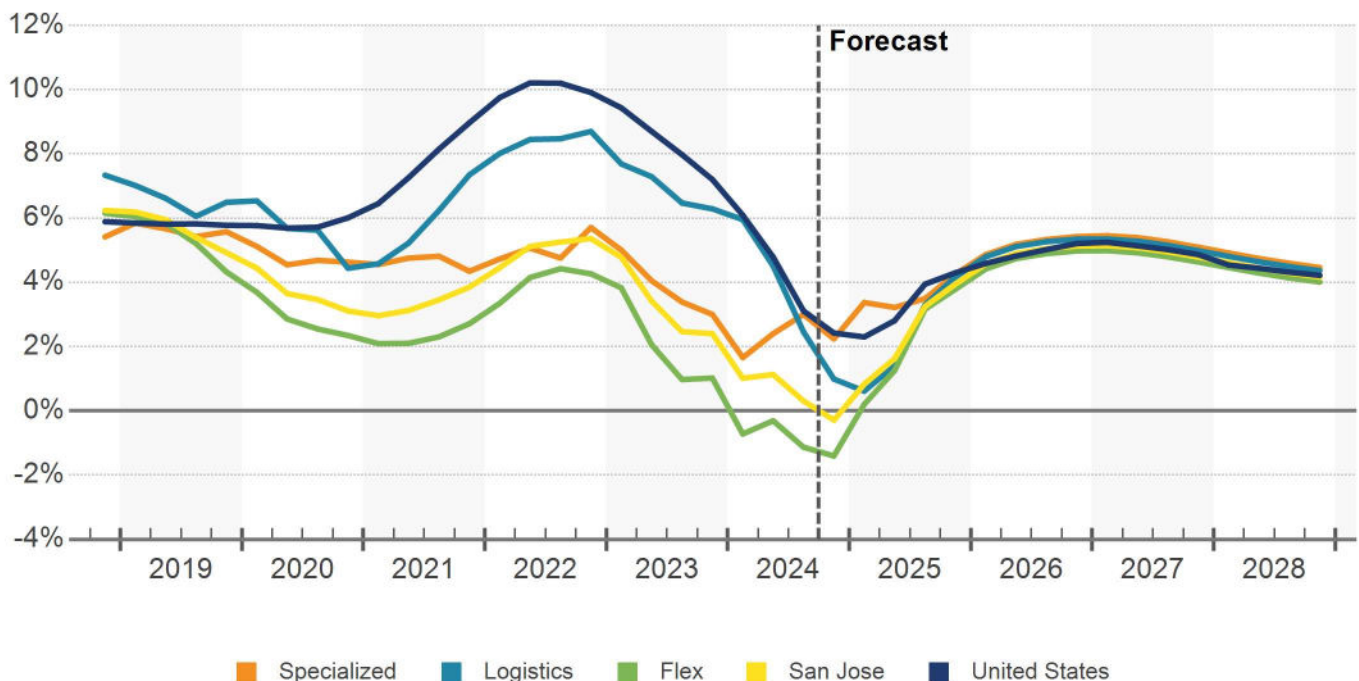
over the past 12 months. Logistics properties currently rent for \$19.40/SF, an increase of 2.1% over the previous year.

Rents vary widely across property subtypes and locations. The average rent is highest in the supply-constrained submarkets in the center of Silicon Valley, such as Cupertino, Mountain View, and Palo Alto, which have high concentrations of flex properties.

In comparison, outlying areas of San Jose have the lowest average rents and the most distribution and light industrial space in the market. In June 2024, Flatpath Technologies leased a 1,200 SF industrial space at 2337 Technology Pky. in Hollister, paying a \$16.40/SF starting rent on a modified gross lease.

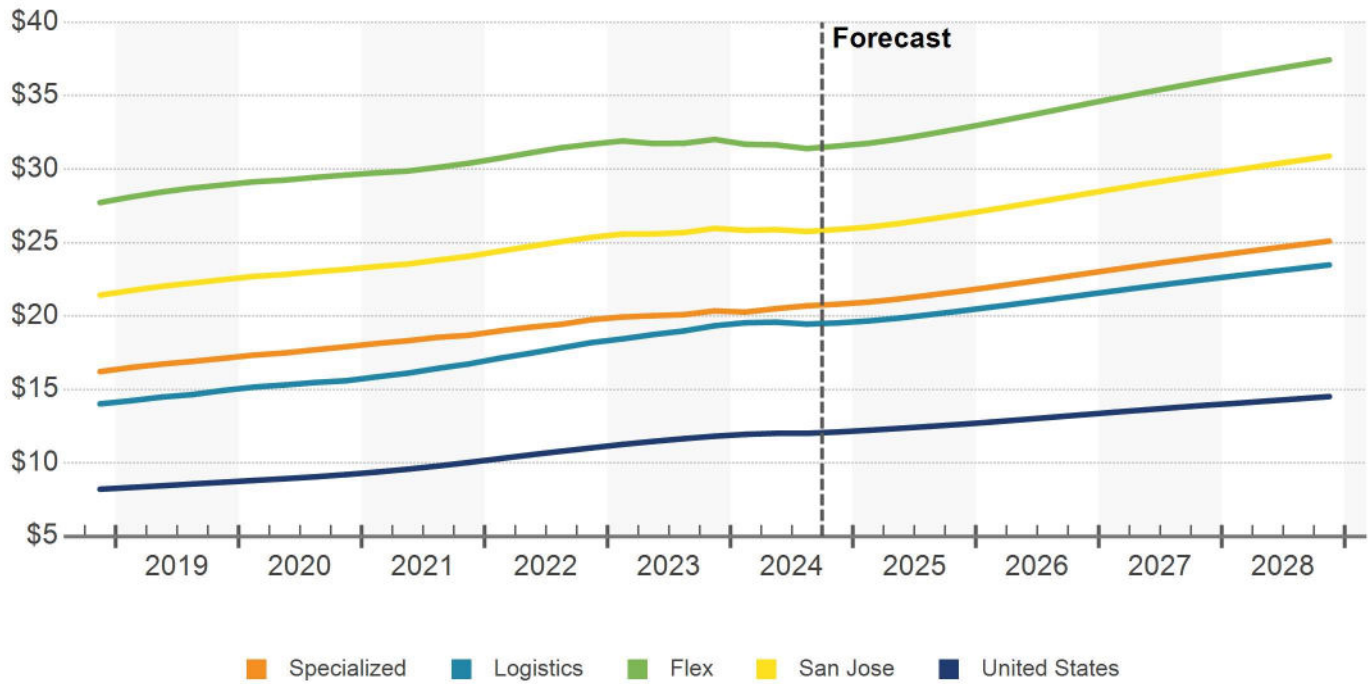
By contrast, higher rents can be achieved for R&D spaces in the most sought-after locations. For instance, an 11,600-SF space at 623-625 N Pastoria Ave. in Sunnyvale was leased by Ceribell for \$36.60/SF NNN in June 2024.

### MARKET ASKING RENT GROWTH (YOY)





### MARKET ASKING RENT PER SQUARE FEET



Construction of new industrial buildings remains elevated but has recently started to decline from a 20-year high. As of the fourth quarter of 2024, around 5.1 million SF of new construction is underway, which compares to the 10-year average of 1.5 million SF. Before the current economic slowdown, strong demand and rent growth prompted developers to break ground on new projects. As a result, around 3 million SF of new space is expected to deliver over the next 12 months.

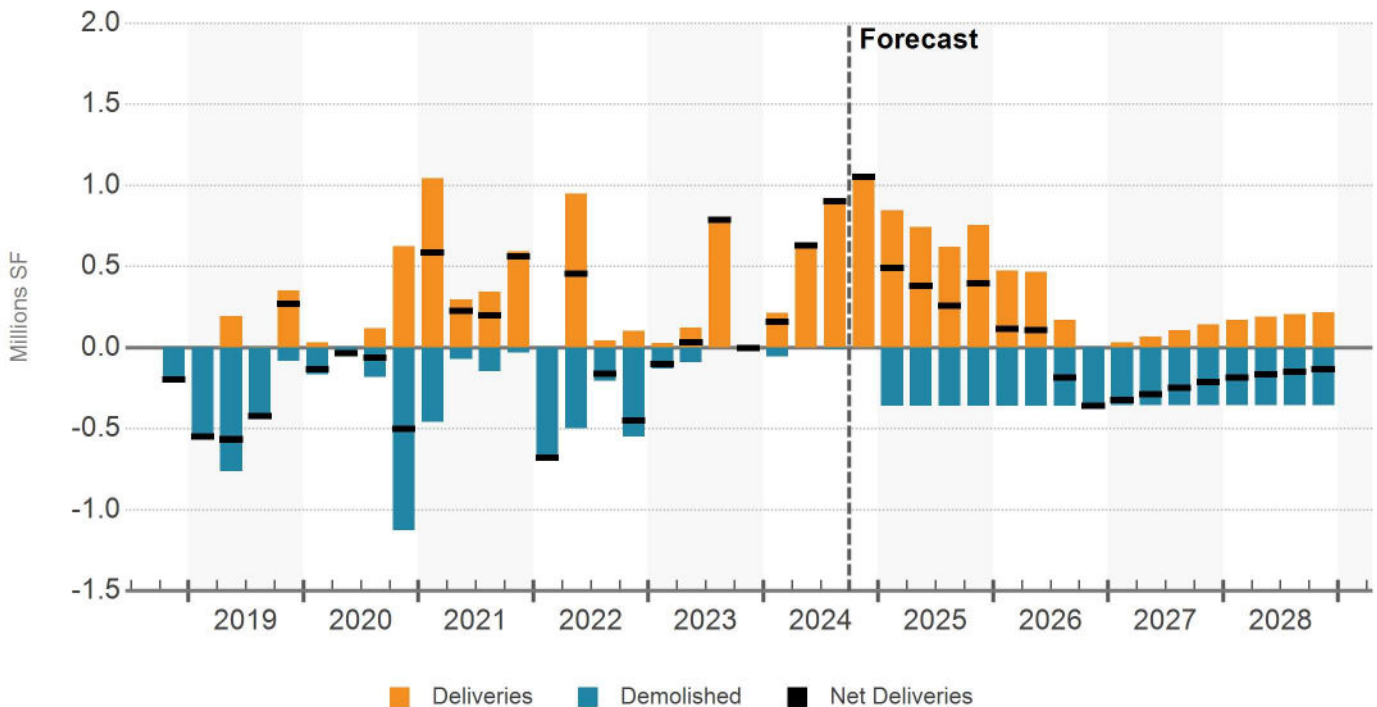
Flex space comprises around 1.5 million SF currently under construction, with R&D accounting for most of this activity. Data center developers have also been active. Several of the leading owner-operators in this sector have recently completed projects. These projects are all located in Santa Clara, 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. This equates to 3.4% of existing inventory in San Jose, compared to 1.9% nationally. The logistics properties under construction are predominantly located at the southern extent of the San Jose market in Gilroy and Martinez. In August 2023, 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 to develop 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	South San Jose	5	1,518	579	38.2%	5	63,437	303,535	4
2	Sunnyvale	2	1,211	1,211	100%	1	32,802	605,500	2
3	San Benito County	1	1,050	1,050	100%	1	25,026	1,049,760	1
4	Central Santa Clara	3	927	927	100%	1	34,470	308,860	3
5	North Santa Clara	1	255	255	100%	1	30,413	255,198	5
6	Gilroy	1	163	0	0%	6	30,221	162,650	6
7	Campbell	0	-	-	-	-	12,501	-	-
8	Central Sunnyvale	0	-	-	-	-	-	-	-
9	Cupertino	0	-	-	-	-	41,954	-	-
10	De La Cruz	0	-	-	-	-	-	-	-
	All Other	0	-	-	-		33,322	-	
<b>Totals</b>		<b>13</b>	<b>5,123</b>	<b>4,022</b>	<b>78.5%</b>		<b>32,831</b>	<b>394,066</b>	

# Under Construction Properties

San Jose Industrial

Properties

Square Feet

Percent of Inventory

Released

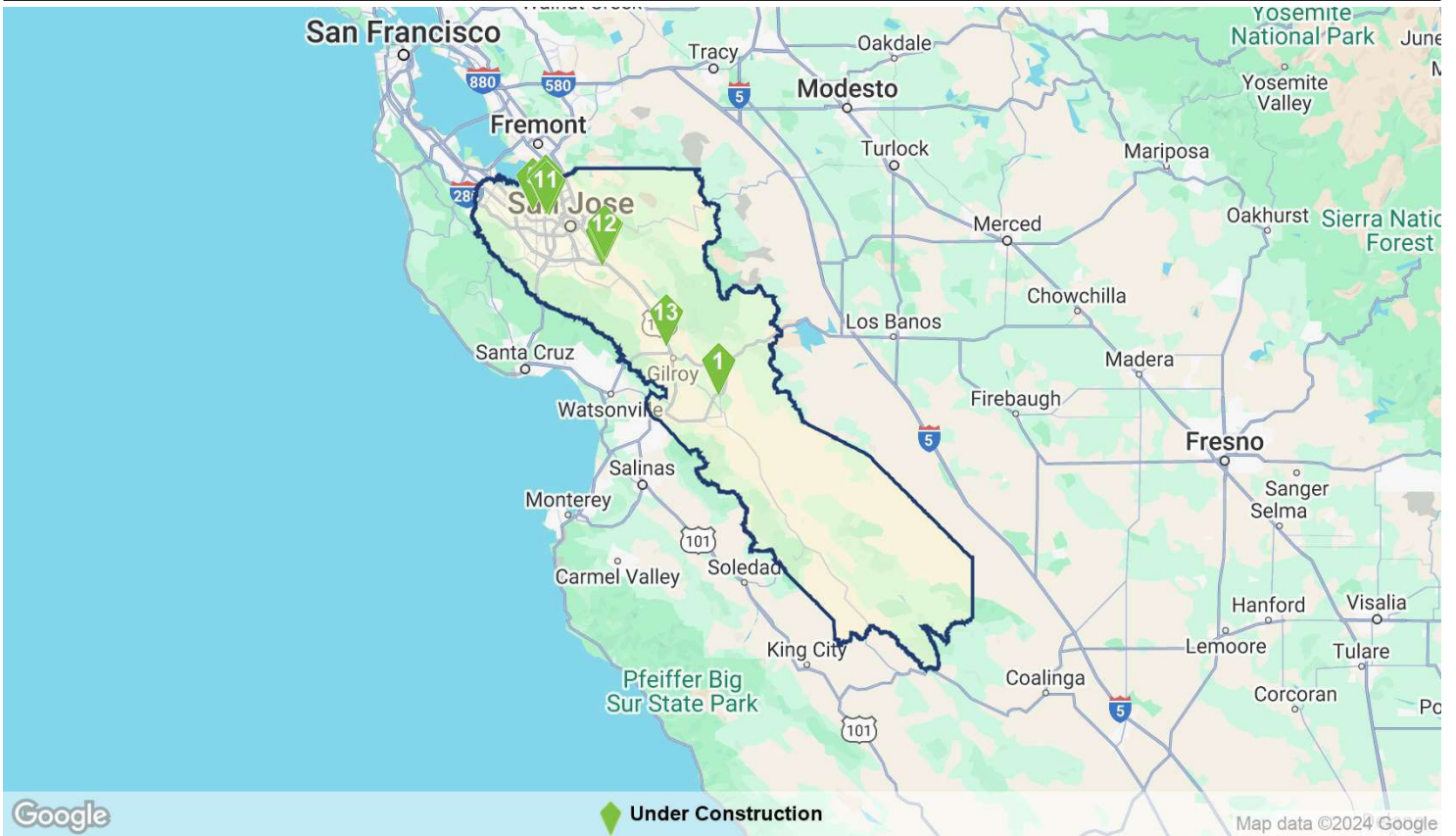
13

5,122,864

5.2%

78.5%

## 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	Nov 2024	- Prologis, Inc.
2 South Site 950 Kifer Rd	★★★★★	847,000	-	Dec 2021	Nov 2024	Build Group Inc Intuitive
3 123 Great Oaks Blvd	★★★★☆	579,000	2	Oct 2022	Nov 2024	HMH Equinix
4 Skybox Data Center 1200 Memorex Dr	★★★★☆	472,920	4	Jun 2022	Jan 2026	Skybox Datacenters -
5 North Bldg 945-955 Kifer Rd	★★★★★	364,000	3	May 2024	May 2025	Build Group Inc Intuitive
6 5853 Rue Ferrari	★★★★☆	302,843	1	Aug 2023	Dec 2024	- Prologis, Inc.
7 Building 1 550 Piercy Rd	★★★★☆	255,254	1	Aug 2024	Jun 2025	Hines Hines

# Under Construction Properties

San Jose Industrial

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 <b>Edgecore Laurelwood C...</b> 2201 Laurelwood Rd	★ ★ ★ ★ ★	255,198	3	Jan 2024	Jun 2026	EdgeCore Digital Infrastructure EdgeCore Digital Infrastructure
9 <b>SV9</b> 2905 Stender Way	★ ★ ★ ★ ★	246,660	4	Oct 2022	Nov 2024	- American Tower Corporation
10 <b>Building 3</b> 650 Piercy Rd	★ ★ ★ ★ ★	209,172	1	Aug 2024	Jun 2025	Hines Hines
11 <b>2215 Martin Ave</b>	★ ★ ★ ★ ★	207,000	3	Sep 2024	Dec 2025	Prime Data Centers Prime Data Centers
12 <b>Building 2</b> 6480 Hellyer Ave	★ ★ ★ ★ ★	171,407	1	Aug 2024	Jun 2025	- -
13 <b>E&amp;P Logistics Center</b> 201-221 Yamane Dr	★ ★ ★ ★ ★	162,650	1	Oct 2024	Apr 2025	- -



After several quarters of below-average sales activity, transaction volume in San Jose spiked in the second quarter of 2024. The increase was driven by several portfolio transactions, with institutional investors and owner-users taking the opportunity to increase their ownership stakes while many other players remain on the sidelines.

However, annual transaction volume remains low. As of the fourth quarter, some \$1.3 billion of sales of industrial properties closed in the past 12 months. This compares to the average annual sales volume over the past five years, which stands at \$2.4 billion.

Users and institutional buyers accounted for most sales volume over the past year. Owner/users such as Amazon were 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. Similarly, in May 2024, NVIDIA paid \$374 million, or \$597/SF, to acquire a portfolio of seven flex and office buildings that it occupies in Santa Clara.

On the institutional side, in June 2024, Tidewater Capital

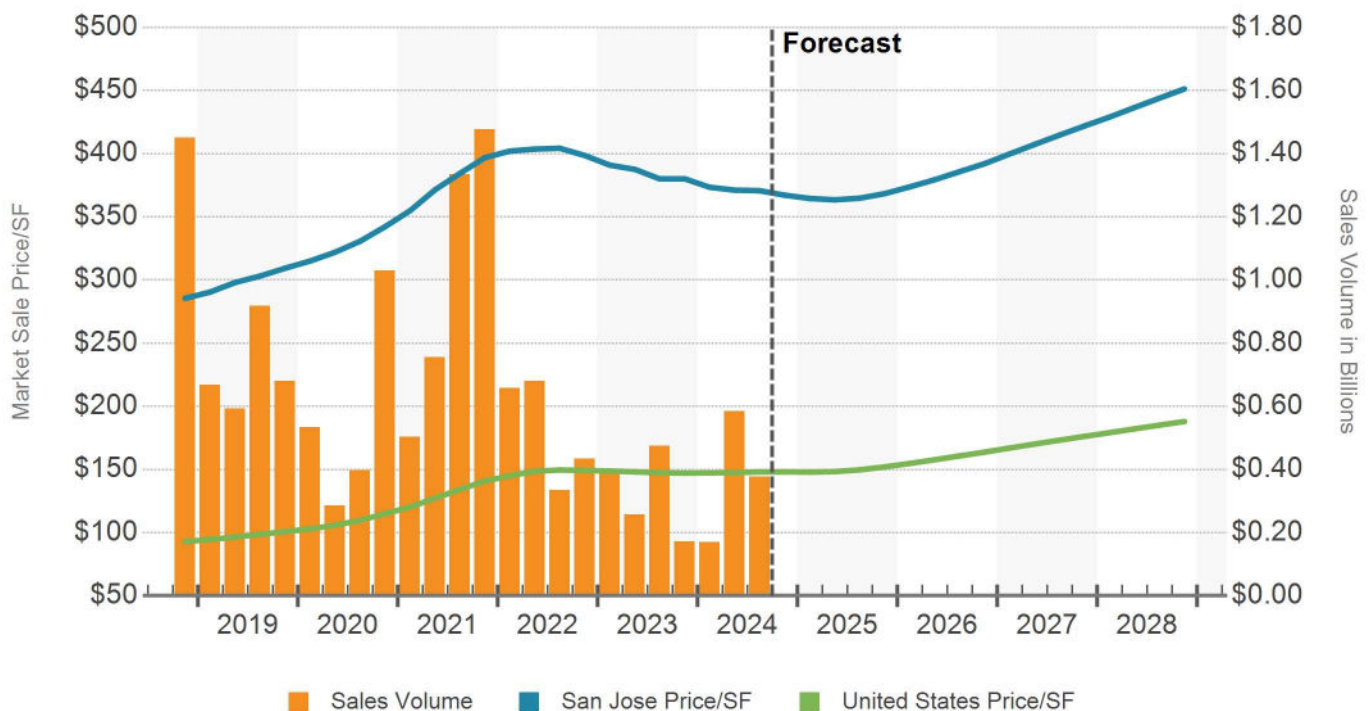
acquired a portfolio of seven flex buildings in Sunnyvale. The high-vacancy portfolio sold for \$100 million, or \$234/SF. DRA Advisors also acquired a sizeable portfolio of 20 flex and logistics buildings, paying a total of \$355 million, or \$262/SF.

San Jose is one of the most expensive markets in the nation for industrial properties. The average transaction price over the past year was \$350/SF, which is well above the national average at \$144/SF.

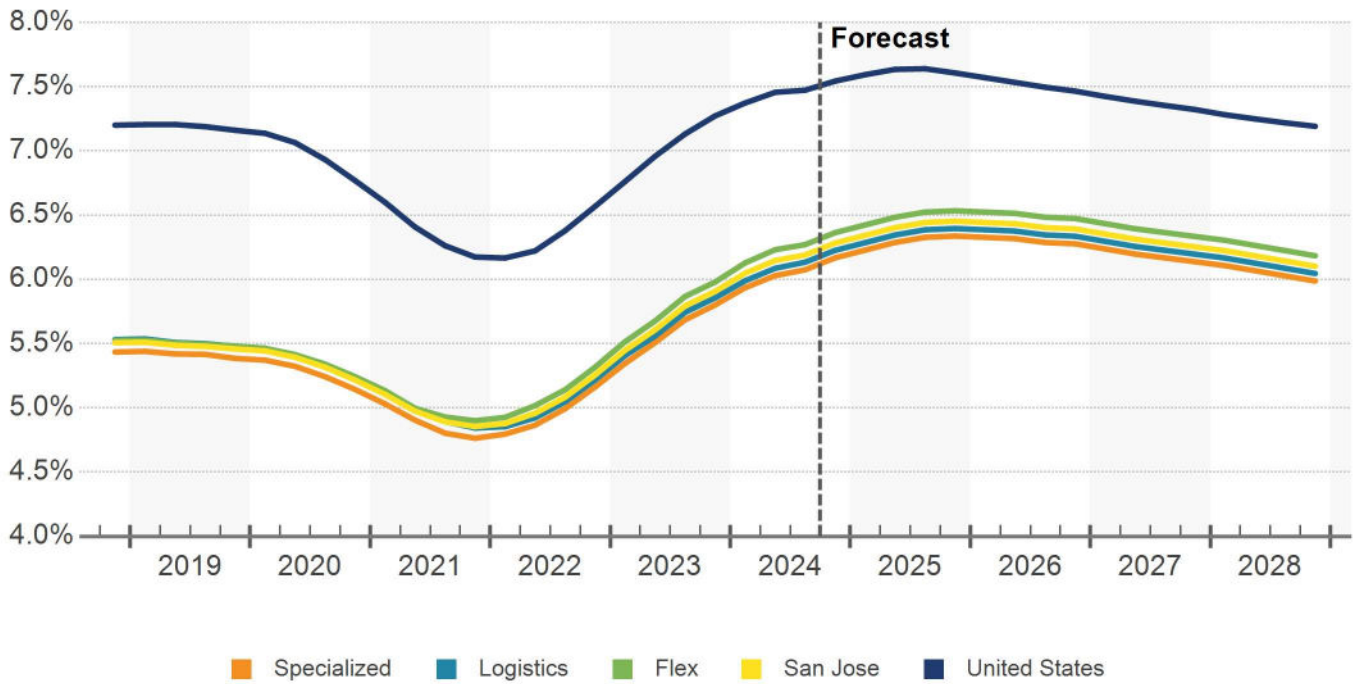
Sale-leasebacks have also been prominent. In September 2023, Blue Owl acquired the Western Digital campus in Milpitas, paying \$192 million, or \$327/SF, for the five-building portfolio, with Western Digital entering into a 16-year lease.

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

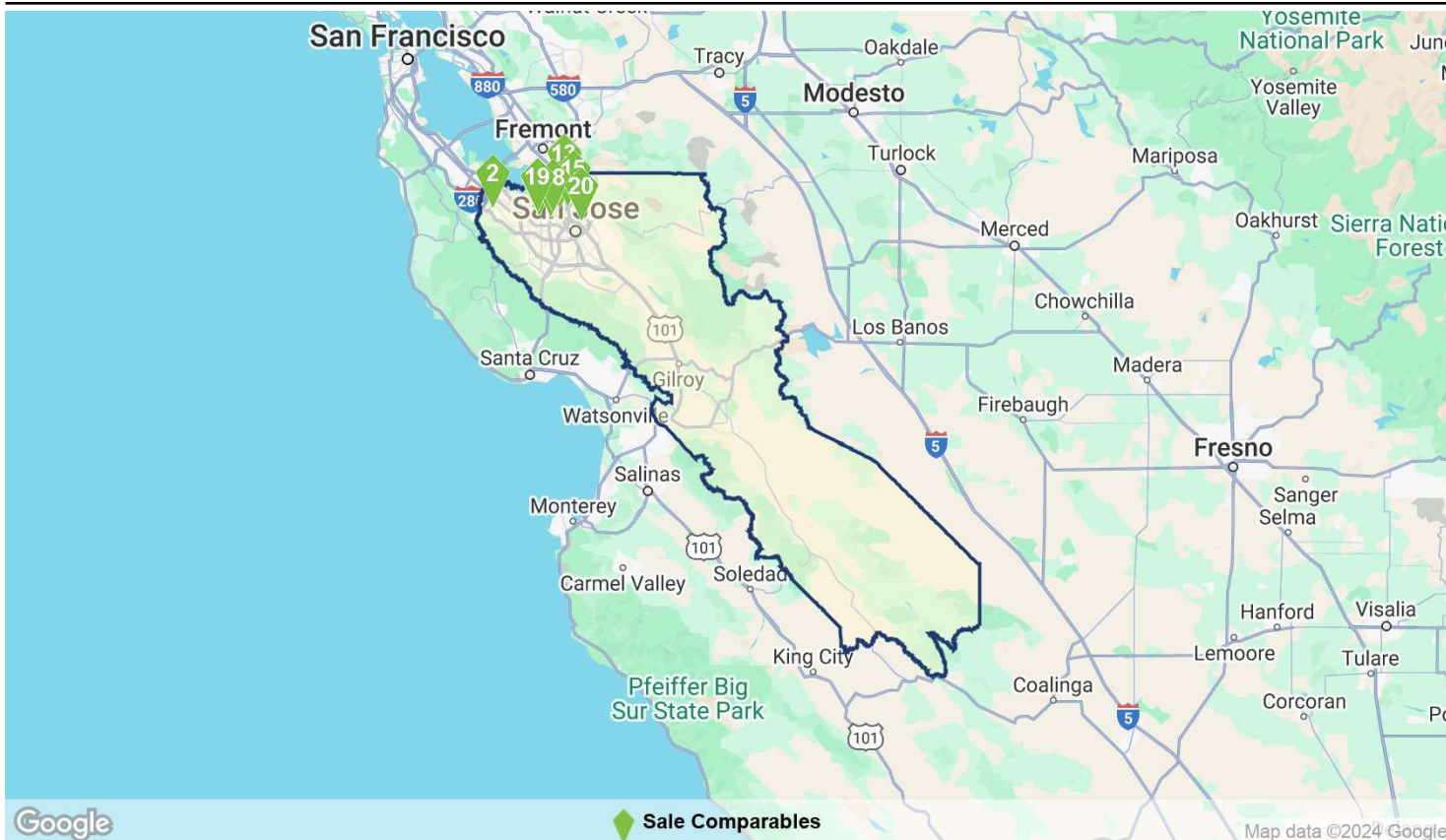
145

4.1%

\$346

11.9%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$171,000	\$11,199,604	\$5,390,023	\$63,600,000
Price/SF	\$15	\$346	\$320	\$816
Cap Rate	3.1%	4.1%	3.5%	6.5%
Time Since Sale in Months	0.4	5.5	5.5	11.9
Property Attributes	Low	Average	Median	High
Building SF	972	31,943	17,836	191,276
Ceiling Height	11'	17'7"	16'6"	36'
Docks	0	2	0	30
Vacancy Rate At Sale	0%	11.9%	0%	100%
Year Built	1900	1977	1980	2002
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 3011 N 1st St	★★★★★	1986	146,882	0%	8/6/2024	\$63,600,000	\$433	-
2 3495 Deer Creek Rd	★★★★★	1979	81,031	0%	7/1/2024	\$55,964,000	\$691	-
3 Building G 2001 Walsh Ave	★★★★★	1996	80,414	0%	5/2/2024	\$54,714,432	\$680	-
4 3833 Kifer Rd	★★★★★	1972	141,261	0%	1/26/2024	\$54,265,096	\$384	-
5 901-931 Cadillac Ct	★★★★★	1992	120,234	0%	5/1/2024	\$37,172,281	\$309	-
6 3000 Semiconductor Dr	★★★★★	1971	106,000	0%	1/26/2024	\$35,895,809	\$339	-
7 2330 Central Expressway 2330 Central Expy	★★★★★	1998	62,522	0%	5/2/2024	\$35,716,847	\$571	-
8 Central Expressway 2220 2220 Central Expy	★★★★★	1998	62,522	0%	5/2/2024	\$35,698,387	\$571	-
9 1010 Rincon Cir	★★★★★	1984	90,871	0%	6/11/2024	\$35,500,000	\$391	-
10 Central Expressway 2300 2300 Central Expy	★★★★★	1998	46,338	0%	5/2/2024	\$34,591,255	\$746	-
11 Bldg B 3401 Leonard Ct	★★★★★	1985	45,110	0%	5/1/2024	\$32,060,633	\$711	-
12 1351-1355 California Cir	★★★★★	1986	90,523	0%	1/5/2024	\$32,000,000	\$354	-
13 1021-1101 Cadillac Ct	★★★★★	1993	100,497	0%	5/1/2024	\$29,830,366	\$297	-
14 Bldg C 1670 Las Plumas Ave	★★★★★	1983	107,357	0%	5/1/2024	\$28,422,536	\$265	-
15 1951-1991 Tarob Ct	★★★★★	1984	37,336	0%	11/2/2023	\$26,000,000	\$696	-
16 Bldg 3 950 DeGuigne Dr	★★★★★	1990	71,390	100%	9/23/2024	\$24,615,163	\$345	-
17 Bldg 1 920 DeGuigne Dr	★★★★★	1990	58,169	0%	9/23/2024	\$21,085,657	\$362	-
18 Bldg C 3501-3521 Leonard Ct	★★★★★	1989	68,572	0%	5/1/2024	\$20,279,822	\$296	-
19 Bldg 2 930 DeGuigne Dr	★★★★★	1990	45,724	100%	9/23/2024	\$19,299,180	\$422	-
20 Bldg B 1650 Las Plumas Ave	★★★★★	1983	67,962	0%	5/1/2024	\$18,435,597	\$271	-

As of the fourth 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 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. Information sector layoffs have continued into the fourth quarter of 2024, and 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 around -50,000 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 4%. After two decades of strong growth, employment in the metro's information sector has seen negative growth for most of the past 18 months.

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 market's current economic headwinds, San Jose is expected to remain a leading innovation and economic growth center. 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. The current surge of growth in AI has led to massive capital injections for Silicon Valley-based companies such as Nvidia.

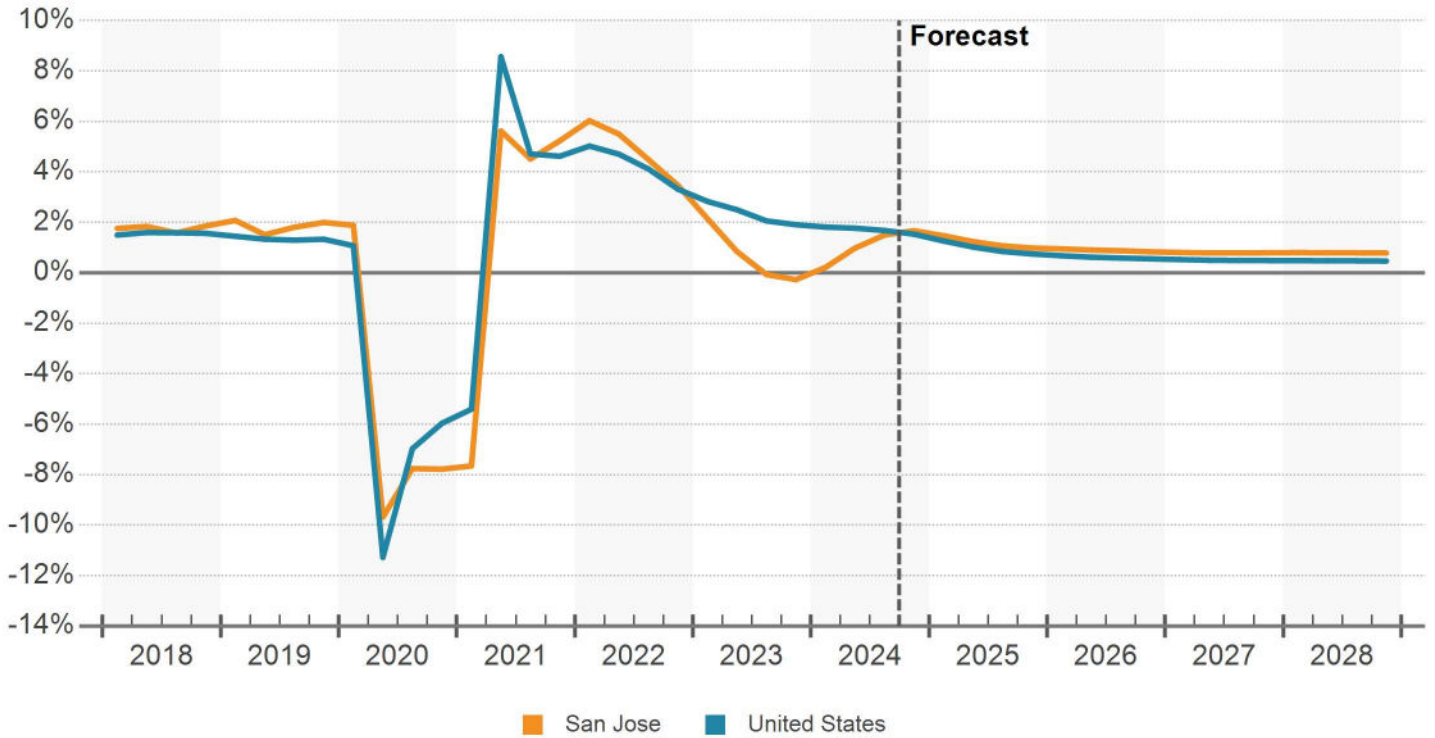
### SAN JOSE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	177	1.8	-0.99%	0.40%	0.93%	0.62%	0.30%	0.33%
Trade, Transportation and Utilities	120	0.6	-0.48%	0.83%	-1.18%	1.00%	0.02%	0.28%
Retail Trade	74	0.6	0.30%	0.86%	-1.38%	0.24%	0.13%	0.21%
Financial Activities	38	0.6	0.02%	0.38%	1.23%	1.47%	0.41%	0.35%
Government	100	0.6	1.29%	2.20%	0.87%	0.66%	0.54%	0.51%
Natural Resources, Mining and Construction	54	0.8	-0.81%	2.34%	2.88%	2.26%	0.94%	0.72%
Education and Health Services	205	1.1	4.02%	3.49%	2.99%	2.07%	1.36%	0.77%
Professional and Business Services	250	1.5	3.04%	0.82%	1.75%	1.81%	0.81%	0.59%
Information	98	4.4	0.27%	0.57%	4.28%	1.02%	1.82%	0.54%
Leisure and Hospitality	106	0.8	3.75%	2.23%	1.22%	1.47%	1.39%	0.98%
Other Services	26	0.6	-0.88%	1.40%	-0.27%	0.61%	0.70%	0.49%
<b>Total Employment</b>	<b>1,175</b>	<b>1.0</b>	<b>1.53%</b>	<b>1.65%</b>	<b>1.51%</b>	<b>1.33%</b>	<b>0.86%</b>	<b>0.56%</b>

Source: Oxford Economics  
LQ = Location Quotient

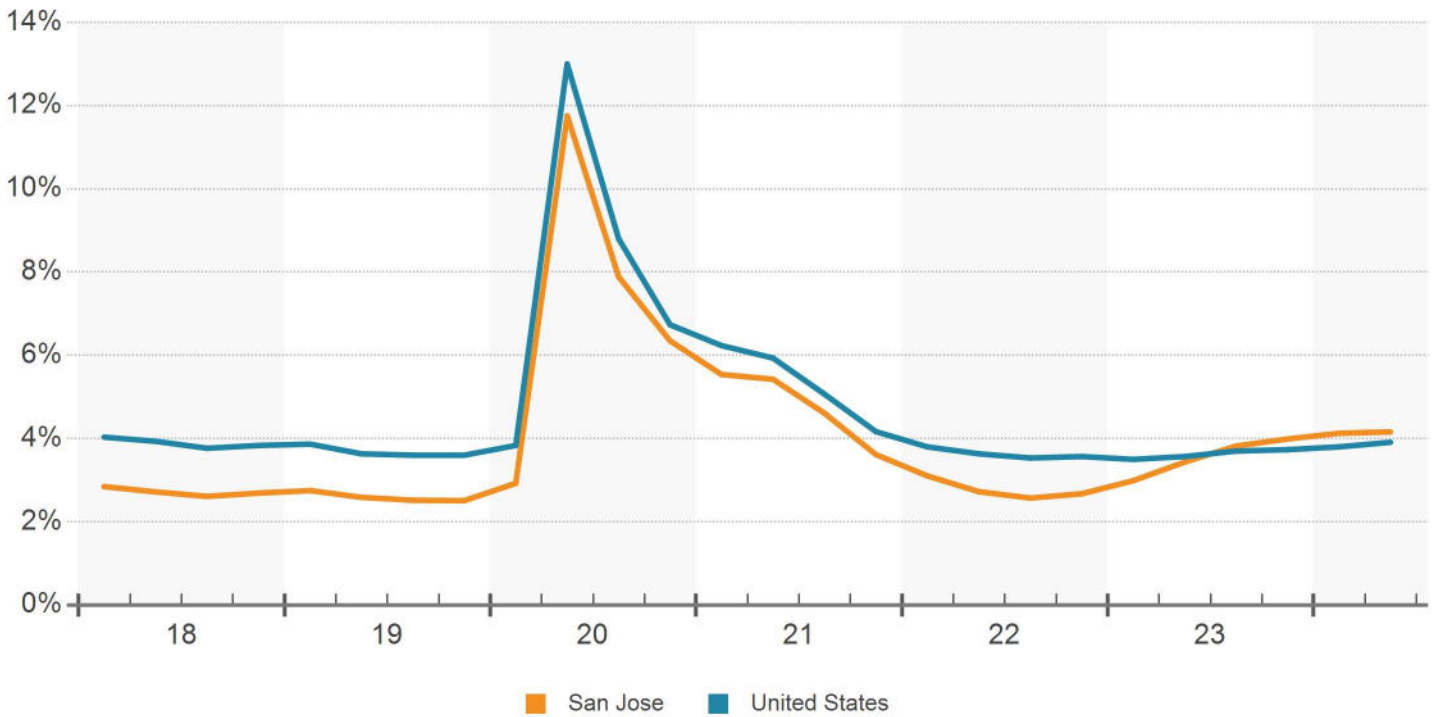


## JOB GROWTH (YOY)

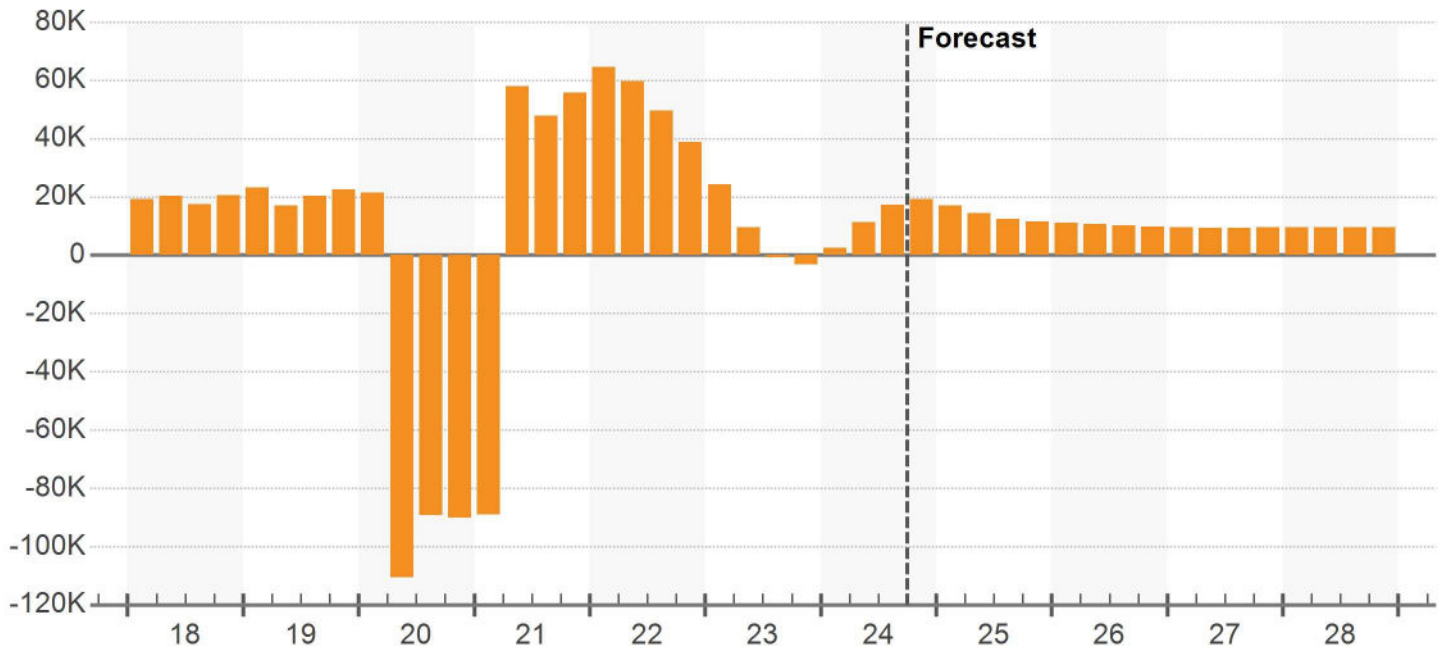


Source: Oxford Economics

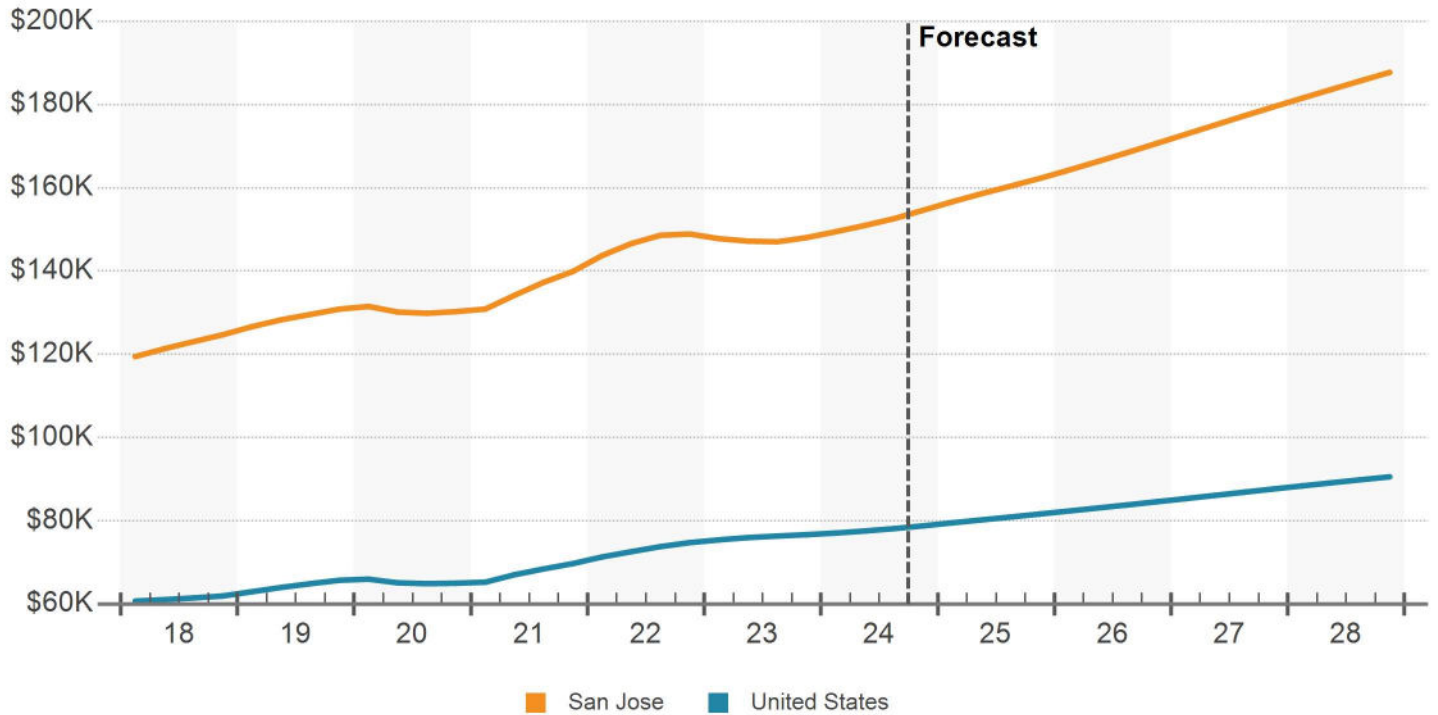
## UNEMPLOYMENT RATE (%)



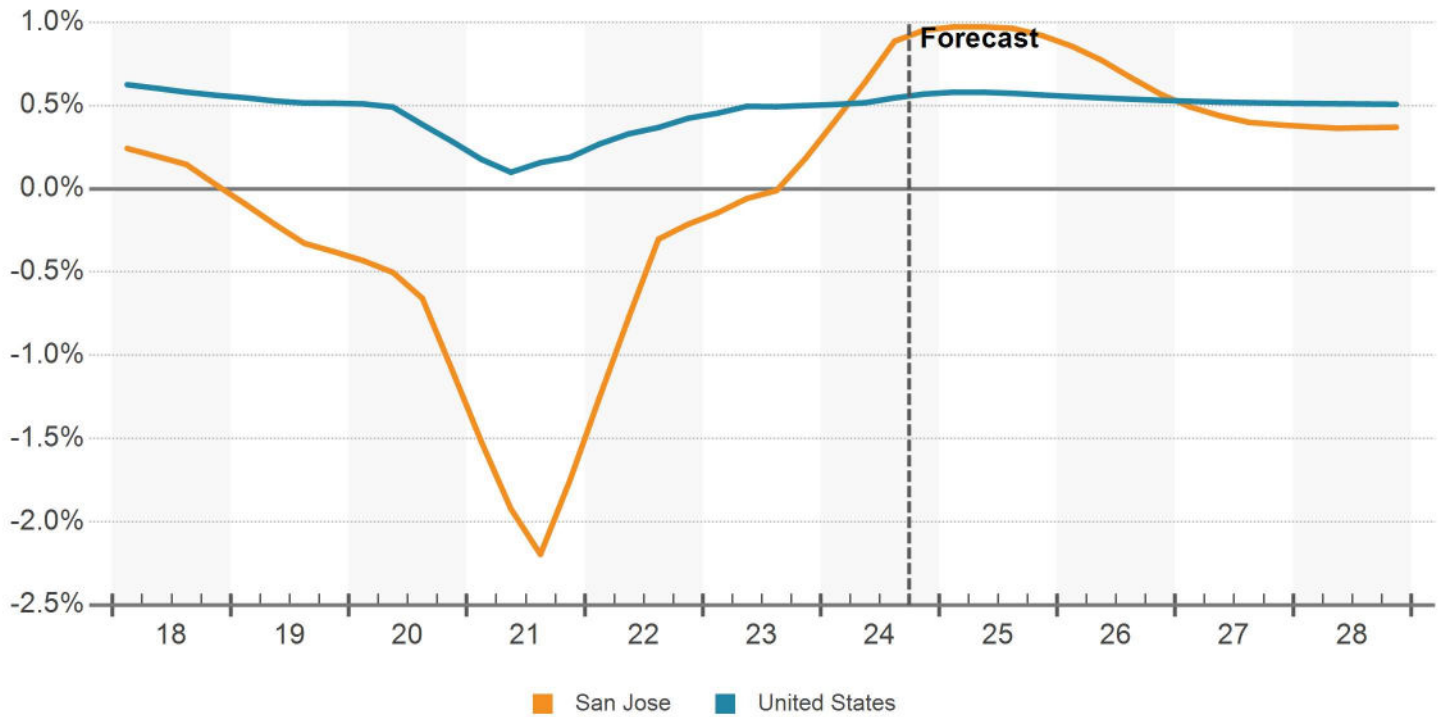
## NET EMPLOYMENT CHANGE (YOY)



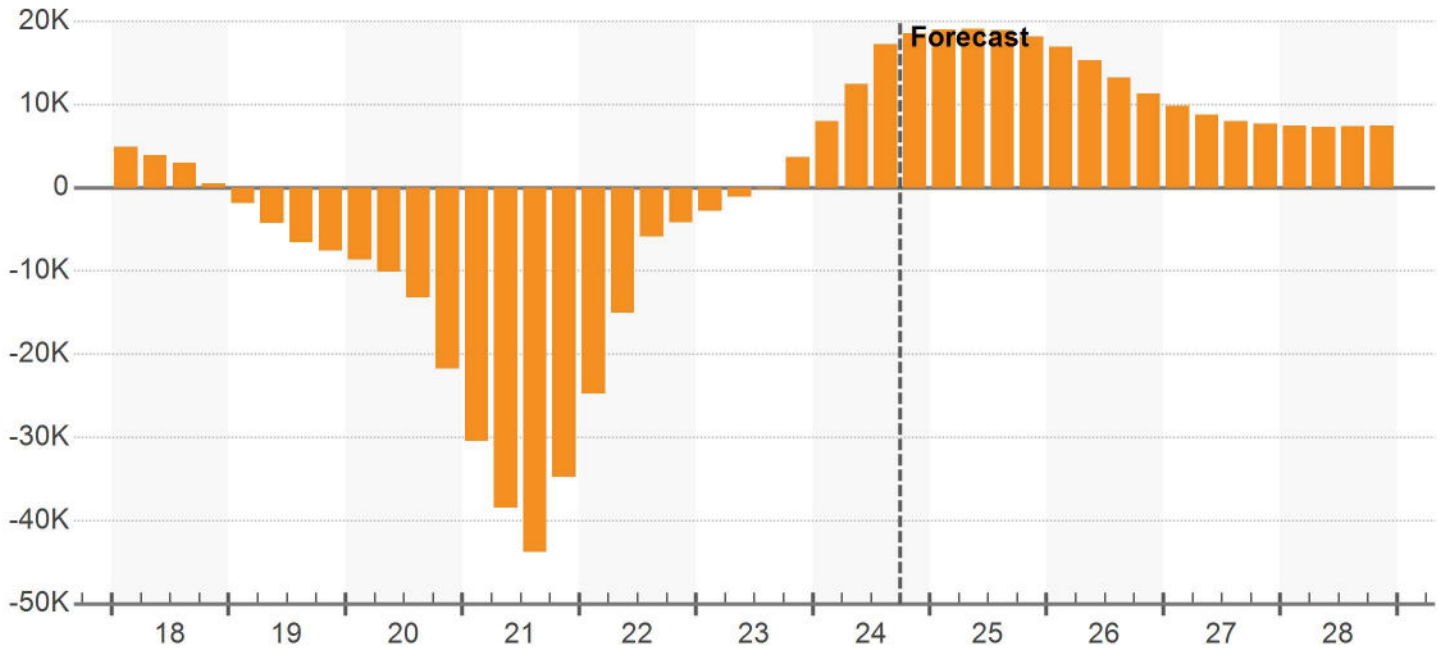
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)



## DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,963,823	336,826,156	0.9%	0.5%	0%	0.5%	0.5%	0.5%
Households	688,064	131,653,781	1.0%	0.7%	0.5%	0.9%	0.6%	0.6%
Median Household Income	\$152,910	\$78,223	3.9%	2.4%	4.8%	3.9%	4.9%	3.5%
Labor Force	1,072,917	168,432,406	-0.1%	0.5%	0.5%	0.8%	0.6%	0.5%
Unemployment	4.2%	3.9%	0.3%	0.2%	-0.1%	-0.2%	-	-

Source: Oxford Economics

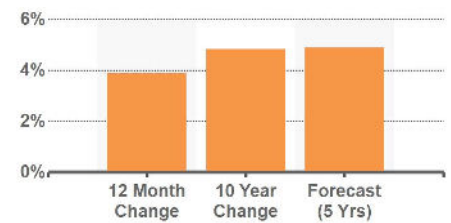
### POPULATION GROWTH



### LABOR FORCE GROWTH



### INCOME GROWTH



Source: Oxford Economics







# Submarkets

San Jose Industrial

## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Campbell	282	3,525	1.8%	16	0	0	0%	-	0	-	-	-
2	Central Santa Clara	579	19,958	9.9%	2	1	469	2.4%	2	3	927	4.6%	4
3	Central Sunnyvale	0	-	0%	-	0	0	-	-	0	-	-	-
4	Cupertino	68	2,853	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	46	0%	23	0	0	0%	-	0	-	-	-
8	Downtown San Jose	350	3,672	1.8%	15	0	0	0%	-	0	-	-	-
9	East Arques Ave Corridor	0	-	0%	-	0	0	-	-	0	-	-	-
10	East San Jose-Willow Glen	641	15,331	7.6%	6	0	0	0%	-	0	-	-	-
11	Embarcadero/101	0	-	0%	-	0	0	-	-	0	-	-	-
12	Gilroy	243	7,344	3.7%	11	2	383	5.2%	3	1	163	2.2%	6
13	Los Altos	3	10	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	131	1,813	0.9%	18	0	0	0%	-	0	-	-	-
17	Milpitas	313	18,448	9.2%	4	0	0	0%	-	0	-	-	-
18	Moffett Park	78	5,843	2.9%	13	0	0	0%	-	0	-	-	-
19	Morgan Hill	234	8,299	4.1%	10	6	560	6.8%	1	0	-	-	-
20	Mountain View	429	9,710	4.8%	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	664	33,006	16.4%	1	0	0	0%	-	0	-	-	-
24	North Santa Clara	372	11,314	5.6%	7	0	0	0%	-	1	255	2.3%	5
25	Oak Creek	0	-	0%	-	0	0	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	16	541	0.3%	20	0	0	0%	-	0	-	-	-
27	Palo Alto	229	7,245	3.6%	12	0	0	0%	-	0	-	-	-
28	Peery Park	0	-	0%	-	0	0	-	-	0	-	-	-
29	Plumeria Drive	0	-	0%	-	0	0	-	-	0	-	-	-
30	San Benito County	196	4,905	2.4%	14	0	0	0%	-	1	1,050	21.4%	3
31	San Jose East	1	7	0%	25	0	0	0%	-	0	-	-	-
32	San Jose, IBP East	0	-	0%	-	0	0	-	-	0	-	-	-
33	San Jose-Berryessa	561	18,488	9.2%	3	2	339	1.8%	4	0	-	-	-
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	177	11,228	5.6%	8	0	0	0%	-	5	1,518	13.5%	1
38	South Santa Clara	29	990	0.5%	19	0	0	0%	-	0	-	-	-
39	Sunnyvale	478	15,679	7.8%	5	0	0	0%	-	2	1,211	7.7%	2
40	Sunnyvale Triangle	0	-	0%	-	0	0	-	-	0	-	-	-
41	West Mountain View	0	-	0%	-	0	0	-	-	0	-	-	-
42	West San Jose	4	53	0%	22	0	0	0%	-	0	-	-	-

### SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Campbell	\$28.83	11	0.6%	11	0.5%	5
2	Central Santa Clara	\$27.30	12	0.6%	10	0.3%	9
3	Central Sunnyvale	-	-	-	-	-	-
4	Cupertino	\$43.78	4	-0.3%	21	1.2%	1
5	De La Cruz	-	-	-	-	-	-
6	Downtown Mountain View	-	-	-	-	-	-
7	Downtown Palo Alto	\$47.11	3	1.0%	7	0.3%	8
8	Downtown San Jose	\$21.08	19	2.1%	3	-1.0%	20
9	East Arques Ave Corridor	-	-	-	-	-	-
10	East San Jose-Willow Glen	\$19.37	22	2.0%	5	-0.7%	18
11	Embarcadero/101	-	-	-	-	-	-
12	Gilroy	\$15.10	24	2.1%	4	-0.9%	19
13	Los Altos	\$37.33	6	-0.1%	18	0.7%	3
14	Los Gatos	-	-	-	-	-	-
15	Los Gatos/Saratoga	\$31.61	9	0.3%	15	0.6%	4
16	Midtown San Jose	\$19.89	21	-2.8%	25	-9.7%	25
17	Milpitas	\$21.19	17	0.6%	12	-0.3%	15
18	Moffett Park	\$29.94	10	0.3%	17	0.7%	2
19	Morgan Hill	\$17.89	23	1.0%	8	-0.4%	16
20	Mountain View	\$39.96	5	-1.5%	23	0.4%	7
21	N. San Jose - Brokaw	-	-	-	-	-	-
22	N.E. Santa Clara	-	-	-	-	-	-
23	North San Jose	\$25.79	15	-0.1%	19	-0.1%	14
24	North Santa Clara	\$26.05	14	0.4%	13	0.4%	6
25	Oak Creek	-	-	-	-	-	-
26	Outlying Santa Clara Cnty	\$20.21	20	2.5%	1	-1.6%	22
27	Palo Alto	\$50.54	2	-0.4%	22	-6.4%	24
28	Peery Park	-	-	-	-	-	-
29	Plumeria Drive	-	-	-	-	-	-
30	San Benito County	\$12.92	25	1.9%	6	-1.5%	21
31	San Jose East	\$52.36	1	2.3%	2	-1.9%	23
32	San Jose, IBP East	-	-	-	-	-	-
33	San Jose-Berryessa	\$21.16	18	0.6%	9	0%	12
34	Scott Blvd Corridor	-	-	-	-	-	-
35	Shoreline Corridor North	-	-	-	-	-	-
36	Shoreline Corridor South	-	-	-	-	-	-
37	South San Jose	\$22.92	16	-2.2%	24	-0.6%	17
38	South Santa Clara	\$26.66	13	0.4%	14	0%	11
39	Sunnyvale	\$32.25	7	-0.2%	20	0%	13
40	Sunnyvale Triangle	-	-	-	-	-	-
41	West Mountain View	-	-	-	-	-	-
42	West San Jose	\$32.01	8	0.3%	16	0.2%	10

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Campbell	61,824	1.8%	5	119,066	3.4%	4	-
2	Central Santa Clara	980,317	4.9%	8	432,598	2.2%	1	1.1
3	Central Sunnyvale	-	-	-	0	-	-	-
4	Cupertino	40,775	1.4%	3	(22,925)	-0.8%	33	-
5	De La Cruz	-	-	-	0	-	-	-
6	Downtown Mountain View	-	-	-	0	-	-	-
7	Downtown Palo Alto	9,025	19.5%	22	(7,554)	-16.3%	31	-
8	Downtown San Jose	16,914	0.5%	1	45,638	1.2%	6	-
9	East Arques Ave Corridor	-	-	-	0	-	-	-
10	East San Jose-Willow Glen	645,094	4.2%	7	238,868	1.6%	3	-
11	Embarcadero/101	-	-	-	0	-	-	-
12	Gilroy	506,403	6.9%	10	(17,142)	-0.2%	32	-
13	Los Altos	-	-	-	0	0%	-	-
14	Los Gatos	-	-	-	0	-	-	-
15	Los Gatos/Saratoga	18,011	3.9%	6	5,415	1.2%	9	-
16	Midtown San Jose	145,192	8.0%	13	(65,923)	-3.6%	35	-
17	Milpitas	1,757,444	9.5%	18	(455,994)	-2.5%	42	-
18	Moffett Park	352,654	6.0%	9	(116,841)	-2.0%	36	-
19	Morgan Hill	1,060,127	12.8%	21	378,029	4.6%	2	1.5
20	Mountain View	1,072,246	11.0%	19	6,044	0.1%	8	-
21	N. San Jose - Brokaw	-	-	-	0	-	-	-
22	N.E. Santa Clara	-	-	-	0	-	-	-
23	North San Jose	2,879,964	8.7%	15	(126,181)	-0.4%	38	-
24	North Santa Clara	1,251,223	11.1%	20	(126,284)	-1.1%	39	-
25	Oak Creek	-	-	-	0	-	-	-
26	Outlying Santa Clara Cnty	5,000	0.9%	2	0	0%	-	-
27	Palo Alto	607,043	8.4%	14	62,991	0.9%	5	-
28	Peery Park	-	-	-	0	-	-	-
29	Plumeria Drive	-	-	-	0	-	-	-
30	San Benito County	358,946	7.3%	11	(214,214)	-4.4%	40	-
31	San Jose East	-	-	-	0	0%	-	-
32	San Jose, IBP East	-	-	-	0	-	-	-
33	San Jose-Berryessa	1,360,980	7.4%	12	(39,762)	-0.2%	34	-
34	Scott Blvd Corridor	-	-	-	0	-	-	-
35	Shoreline Corridor North	-	-	-	0	-	-	-
36	Shoreline Corridor South	-	-	-	0	-	-	-
37	South San Jose	1,034,645	9.2%	16	(256,988)	-2.3%	41	-
38	South Santa Clara	14,813	1.5%	4	14,649	1.5%	7	-
39	Sunnyvale	1,488,890	9.5%	17	(117,434)	-0.7%	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
2028	201,257,351	(639,112)	-0.3%	(639,893)	-0.3%	-
2027	201,896,463	(1,080,166)	-0.5%	75,016	0%	-
2026	202,976,629	(328,616)	-0.2%	795,494	0.4%	-
2025	203,305,245	1,522,152	0.8%	985,510	0.5%	1.5
2024	201,783,093	2,735,728	1.4%	526,937	0.3%	5.2
YTD	200,733,336	1,685,971	0.8%	(256,549)	-0.1%	-
2023	199,047,365	709,205	0.4%	(1,272,535)	-0.6%	-
2022	198,338,160	(836,519)	-0.4%	1,726,197	0.9%	-
2021	199,174,679	1,567,690	0.8%	1,193,356	0.6%	1.3
2020	197,606,989	(737,979)	-0.4%	(2,516,321)	-1.3%	-
2019	198,344,968	(1,269,154)	-0.6%	1,036,555	0.5%	-
2018	199,614,122	(842,139)	-0.4%	(2,654,968)	-1.3%	-
2017	200,456,261	348,716	0.2%	212,339	0.1%	1.6
2016	200,107,545	(2,339,914)	-1.2%	(654,941)	-0.3%	-
2015	202,447,459	(2,157,941)	-1.1%	(6,862)	0%	-
2014	204,605,400	(3,874,972)	-1.9%	1,441,312	0.7%	-
2013	208,480,372	(2,995,784)	-1.4%	(3,832,663)	-1.8%	-
2012	211,476,156	(4,775,302)	-2.2%	(2,999,472)	-1.4%	-

## SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	44,146,296	(17,653)	0%	(59,268)	-0.1%	-
2027	44,163,949	(168,337)	-0.4%	156,047	0.4%	-
2026	44,332,286	438,297	1.0%	924,424	2.1%	0.5
2025	43,893,989	798,449	1.9%	487,499	1.1%	1.6
2024	43,095,540	858,491	2.0%	762,886	1.8%	1.1
YTD	43,095,540	858,491	2.0%	801,154	1.9%	1.1
2023	42,237,049	7,002	0%	(267,160)	-0.6%	-
2022	42,230,047	167,458	0.4%	(318,832)	-0.8%	-
2021	42,062,589	655,989	1.6%	1,000,419	2.4%	0.7
2020	41,406,600	98,311	0.2%	(345,766)	-0.8%	-
2019	41,308,289	(252,920)	-0.6%	162,051	0.4%	-
2018	41,561,209	(270,385)	-0.6%	(190,213)	-0.5%	-
2017	41,831,594	(696,486)	-1.6%	(326,378)	-0.8%	-
2016	42,528,080	(529,302)	-1.2%	(661,086)	-1.6%	-
2015	43,057,382	(118,600)	-0.3%	(255,377)	-0.6%	-
2014	43,175,982	(690,778)	-1.6%	(214,007)	-0.5%	-
2013	43,866,760	(387,164)	-0.9%	(269,604)	-0.6%	-
2012	44,253,924	(302,298)	-0.7%	(363,923)	-0.8%	-

## LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	55,701,071	(139,827)	-0.3%	(174,970)	-0.3%	-
2027	55,840,898	(291,277)	-0.5%	28,418	0.1%	-
2026	56,132,175	(33,136)	-0.1%	124,881	0.2%	-
2025	56,165,311	2,754	0%	114,382	0.2%	0
2024	56,162,557	1,750,537	3.2%	803,801	1.4%	2.2
YTD	55,112,800	700,780	1.3%	(151,964)	-0.3%	-
2023	54,412,020	(19,000)	0%	(288,046)	-0.5%	-
2022	54,431,020	(64,572)	-0.1%	285,687	0.5%	-
2021	54,495,592	1,250,079	2.3%	1,437,011	2.6%	0.9
2020	53,245,513	(572,923)	-1.1%	(293,671)	-0.6%	-
2019	53,818,436	449,981	0.8%	141,448	0.3%	3.2
2018	53,368,455	249,802	0.5%	(331,479)	-0.6%	-
2017	53,118,653	362,635	0.7%	(597,726)	-1.1%	-
2016	52,756,018	(558,809)	-1.0%	1,444,453	2.7%	-
2015	53,314,827	(496,384)	-0.9%	(112,698)	-0.2%	-
2014	53,811,211	(338,892)	-0.6%	773,714	1.4%	-
2013	54,150,103	(606,953)	-1.1%	(948,638)	-1.8%	-
2012	54,757,056	(1,891,964)	-3.3%	(1,881,747)	-3.4%	-

## FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	101,409,984	(481,632)	-0.5%	(405,655)	-0.4%	-
2027	101,891,616	(620,552)	-0.6%	(109,449)	-0.1%	-
2026	102,512,168	(733,777)	-0.7%	(253,811)	-0.2%	-
2025	103,245,945	720,949	0.7%	383,629	0.4%	1.9
2024	102,524,996	126,700	0.1%	(1,039,750)	-1.0%	-
YTD	102,524,996	126,700	0.1%	(905,739)	-0.9%	-
2023	102,398,296	721,203	0.7%	(717,329)	-0.7%	-
2022	101,677,093	(939,405)	-0.9%	1,759,342	1.7%	-
2021	102,616,498	(338,378)	-0.3%	(1,244,074)	-1.2%	-
2020	102,954,876	(263,367)	-0.3%	(1,876,884)	-1.8%	-
2019	103,218,243	(1,466,215)	-1.4%	733,056	0.7%	-
2018	104,684,458	(821,556)	-0.8%	(2,133,276)	-2.0%	-
2017	105,506,014	682,567	0.7%	1,136,443	1.1%	0.6
2016	104,823,447	(1,251,803)	-1.2%	(1,438,308)	-1.4%	-
2015	106,075,250	(1,542,957)	-1.4%	361,213	0.3%	-
2014	107,618,207	(2,845,302)	-2.6%	881,605	0.8%	-
2013	110,463,509	(2,001,667)	-1.8%	(2,614,421)	-2.4%	-
2012	112,465,176	(2,581,040)	-2.2%	(753,802)	-0.7%	-



### OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$30.89	249	4.2%	18.9%	14,142,129	7.0%	0%
2027	\$29.65	239	4.8%	14.2%	14,214,936	7.0%	-0.5%
2026	\$28.30	228	5.1%	9.0%	15,373,083	7.6%	-0.5%
2025	\$26.92	217	3.9%	3.6%	16,483,255	8.1%	0.2%
2024	\$25.89	208	-0.3%	-0.3%	15,936,598	7.9%	1.0%
YTD	\$25.76	207	0.1%	-0.8%	15,667,530	7.8%	0.9%
2023	\$25.97	209	2.4%	0%	13,725,010	6.9%	1.0%
2022	\$25.36	204	5.4%	-2.3%	11,743,270	5.9%	-1.2%
2021	\$24.07	194	3.9%	-7.3%	14,239,464	7.1%	0.1%
2020	\$23.18	187	3.1%	-10.8%	13,931,652	7.1%	0.9%
2019	\$22.48	181	4.9%	-13.4%	12,153,310	6.1%	-1.1%
2018	\$21.42	172	6.2%	-17.5%	14,459,019	7.2%	0.9%
2017	\$20.16	162	6.5%	-22.4%	12,632,811	6.3%	0.1%
2016	\$18.93	152	8.4%	-27.1%	12,359,993	6.2%	-0.8%
2015	\$17.47	141	10.3%	-32.7%	14,044,966	6.9%	-0.9%
2014	\$15.84	127	10.0%	-39.0%	16,041,958	7.8%	-2.4%
2013	\$14.39	116	8.9%	-44.6%	21,334,213	10.2%	0.5%
2012	\$13.21	106	8.2%	-49.1%	20,497,334	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	\$25.10	239	4.5%	23.4%	1,166,022	2.6%	0.1%
2027	\$24.03	229	5.1%	18.1%	1,124,317	2.5%	-0.7%
2026	\$22.87	218	5.4%	12.4%	1,446,131	3.3%	-1.1%
2025	\$21.69	207	4.3%	6.6%	1,928,226	4.4%	0.6%
2024	\$20.81	198	2.2%	2.2%	1,613,518	3.7%	0.2%
YTD	\$20.69	197	2.7%	1.7%	1,575,250	3.7%	0.1%
2023	\$20.35	194	3.0%	0%	1,517,913	3.6%	0.6%
2022	\$19.76	188	5.7%	-2.9%	1,243,751	2.9%	1.1%
2021	\$18.69	178	4.3%	-8.2%	757,461	1.8%	-0.9%
2020	\$17.91	171	4.6%	-12.0%	1,101,891	2.7%	1.1%
2019	\$17.12	163	5.6%	-15.9%	657,814	1.6%	-1.0%
2018	\$16.22	155	5.4%	-20.3%	1,072,785	2.6%	-0.2%
2017	\$15.38	147	6.1%	-24.4%	1,152,957	2.8%	-0.5%
2016	\$14.50	138	7.7%	-28.7%	1,373,245	3.2%	0.3%
2015	\$13.46	128	8.8%	-33.9%	1,241,461	2.9%	0.3%
2014	\$12.37	118	7.8%	-39.2%	1,104,684	2.6%	-1.0%
2013	\$11.48	109	6.3%	-43.6%	1,557,426	3.6%	-0.2%
2012	\$10.79	103	5.2%	-47.0%	1,674,986	3.8%	0.2%

### LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$23.48	293	4.4%	21.4%	2,454,952	4.4%	0%
2027	\$22.50	281	5.0%	16.3%	2,433,421	4.4%	-0.5%
2026	\$21.43	268	5.3%	10.8%	2,751,811	4.9%	-0.3%
2025	\$20.34	254	4.2%	5.2%	2,905,022	5.2%	-0.2%
2024	\$19.53	244	1.0%	1.0%	3,013,186	5.4%	1.6%
YTD	\$19.44	243	2.1%	0.5%	2,916,397	5.3%	1.5%
2023	\$19.34	241	6.3%	0%	2,063,653	3.8%	0.5%
2022	\$18.20	227	8.7%	-5.9%	1,794,607	3.3%	-0.6%
2021	\$16.74	209	7.3%	-13.4%	2,144,866	3.9%	-0.4%
2020	\$15.59	195	4.4%	-19.4%	2,331,798	4.4%	-0.5%
2019	\$14.93	186	6.5%	-22.8%	2,611,050	4.9%	0.5%
2018	\$14.02	175	7.3%	-27.5%	2,302,517	4.3%	1.1%
2017	\$13.06	163	8.5%	-32.5%	1,721,236	3.2%	1.8%
2016	\$12.04	150	9.7%	-37.7%	760,875	1.4%	-3.7%
2015	\$10.98	137	11.0%	-43.3%	2,764,137	5.2%	-0.7%
2014	\$9.89	123	9.5%	-48.9%	3,147,823	5.8%	-2.0%
2013	\$9.03	113	7.6%	-53.3%	4,260,429	7.9%	0.7%
2012	\$8.40	105	5.7%	-56.6%	3,918,744	7.2%	0.2%

### FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$37.44	239	4.0%	16.9%	10,521,155	10.4%	-0.1%
2027	\$36	230	4.6%	12.4%	10,657,198	10.5%	-0.4%
2026	\$34.40	220	5.0%	7.4%	11,175,141	10.9%	-0.4%
2025	\$32.77	209	3.8%	2.3%	11,650,007	11.3%	0.3%
2024	\$31.58	201	-1.4%	-1.4%	11,309,894	11.0%	1.1%
YTD	\$31.41	200	-1.3%	-1.9%	11,175,883	10.9%	1.0%
2023	\$32.03	204	1.0%	0%	10,143,444	9.9%	1.3%
2022	\$31.70	202	4.3%	-1.0%	8,704,912	8.6%	-2.5%
2021	\$30.41	194	2.7%	-5.1%	11,337,137	11.0%	0.9%
2020	\$29.60	189	2.3%	-7.6%	10,497,963	10.2%	1.6%
2019	\$28.92	185	4.3%	-9.7%	8,884,446	8.6%	-2.0%
2018	\$27.73	177	6.1%	-13.4%	11,083,717	10.6%	1.3%
2017	\$26.12	167	6.1%	-18.4%	9,758,618	9.2%	-0.5%
2016	\$24.61	157	8.1%	-23.1%	10,225,873	9.8%	0.3%
2015	\$22.76	145	10.5%	-28.9%	10,039,368	9.5%	-1.5%
2014	\$20.59	131	10.8%	-35.7%	11,789,451	11.0%	-3.1%
2013	\$18.59	119	10.0%	-42.0%	15,516,358	14.0%	0.8%
2012	\$16.90	108	9.8%	-47.2%	14,903,604	13.3%	-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	-	-	-	-	-	-	\$451.30	349	6.1%
2027	-	-	-	-	-	-	\$421.97	327	6.3%
2026	-	-	-	-	-	-	\$392.09	304	6.4%
2025	-	-	-	-	-	-	\$368.36	285	6.5%
2024	-	-	-	-	-	-	\$367.16	284	6.3%
YTD	122	\$1.1B	1.7%	\$10,880,199	\$349.28	4.8%	\$371.21	287	6.2%
2023	126	\$1.3B	2.2%	\$11,746,526	\$355.79	5.5%	\$380.12	294	5.9%
2022	293	\$2.1B	5.2%	\$10,631,359	\$336.32	5.0%	\$398.57	309	5.3%
2021	278	\$4.1B	6.0%	\$15,464,812	\$380.47	4.8%	\$396.88	307	4.9%
2020	221	\$2.2B	3.8%	\$11,224,355	\$330.94	5.4%	\$342.16	265	5.2%
2019	311	\$2.8B	5.5%	\$14,660,744	\$309.76	6.0%	\$309.34	240	5.5%
2018	342	\$3.1B	5.8%	\$14,648,734	\$329.90	5.9%	\$285.50	221	5.5%
2017	426	\$2.7B	6.4%	\$10,534,509	\$261.41	6.0%	\$259.10	201	5.6%
2016	410	\$2.6B	5.9%	\$8,961,096	\$264.43	6.0%	\$246.52	191	5.4%
2015	501	\$3B	8.1%	\$8,060,564	\$222.12	6.0%	\$223.42	173	5.5%
2014	451	\$2.8B	6.8%	\$7,134,484	\$214.57	6.7%	\$189.08	146	6.0%
2013	428	\$2.4B	6.8%	\$7,802,099	\$198.95	7.0%	\$161.46	125	6.4%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

### 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	-	-	-	-	-	-	\$425.89	369	6.0%
2027	-	-	-	-	-	-	\$396.95	344	6.1%
2026	-	-	-	-	-	-	\$367.59	319	6.3%
2025	-	-	-	-	-	-	\$344.41	299	6.3%
2024	-	-	-	-	-	-	\$342.67	297	6.2%
YTD	30	\$143.3M	1.2%	\$6,515,176	\$289.49	6.5%	\$346.48	300	6.1%
2023	36	\$405M	4.1%	\$13,966,716	\$345.79	7.5%	\$353.41	306	5.8%
2022	78	\$508.9M	5.1%	\$7,483,247	\$311.71	5.4%	\$368.38	319	5.2%
2021	70	\$1.1B	5.2%	\$16,078,543	\$506.46	4.3%	\$369.04	320	4.8%
2020	55	\$352.8M	3.6%	\$7,055,212	\$237.04	6.1%	\$314.89	273	5.1%
2019	106	\$393M	6.3%	\$7,415,153	\$173.98	5.0%	\$284.05	246	5.4%
2018	112	\$281.8M	5.2%	\$6,552,817	\$255.85	5.2%	\$260.73	226	5.4%
2017	146	\$412.3M	6.4%	\$7,496,875	\$251.09	6.1%	\$233.85	203	5.5%
2016	128	\$220M	3.7%	\$4,074,165	\$197.05	6.3%	\$220.29	191	5.4%
2015	133	\$356.5M	6.4%	\$4,194,635	\$154.02	5.5%	\$197.98	172	5.5%
2014	103	\$202.3M	4.6%	\$2,661,265	\$113.65	6.0%	\$167.57	145	6.0%
2013	95	\$189.8M	4.0%	\$3,162,794	\$128.82	7.3%	\$142.86	124	6.4%

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### LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$368.14	362	6.0%
2027	-	-	-	-	-	-	\$343.51	338	6.2%
2026	-	-	-	-	-	-	\$318.59	314	6.3%
2025	-	-	-	-	-	-	\$298.71	294	6.4%
2024	-	-	-	-	-	-	\$297.25	293	6.2%
YTD	25	\$198.2M	1.3%	\$9,007,476	\$296.98	-	\$300.69	296	6.2%
2023	43	\$213M	1.5%	\$5,755,631	\$329.80	4.1%	\$306.84	302	5.9%
2022	73	\$372.4M	4.8%	\$7,026,911	\$317.15	4.8%	\$319.76	315	5.2%
2021	61	\$653.3M	3.7%	\$11,072,831	\$336	4.1%	\$315.60	311	4.8%
2020	64	\$240.2M	2.3%	\$4,368,128	\$283.72	5.3%	\$269.37	265	5.2%
2019	84	\$293.8M	3.9%	\$7,345,537	\$234.34	5.9%	\$242.50	239	5.5%
2018	89	\$267.5M	2.9%	\$5,944,502	\$264.51	4.6%	\$223.69	220	5.5%
2017	109	\$336.1M	4.3%	\$5,896,050	\$211.26	6.0%	\$203.65	201	5.6%
2016	95	\$308.5M	5.1%	\$4,113,552	\$184.92	5.5%	\$191.07	188	5.5%
2015	121	\$438.5M	5.5%	\$4,766,820	\$178.95	5.7%	\$173.98	171	5.6%
2014	74	\$157.9M	2.9%	\$2,587,976	\$111.99	5.8%	\$147.42	145	6.1%
2013	97	\$187M	4.6%	\$3,400,113	\$107.19	7.4%	\$125.94	124	6.5%

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### FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$507.84	338	6.2%
2027	-	-	-	-	-	-	\$475.77	317	6.3%
2026	-	-	-	-	-	-	\$442.95	295	6.5%
2025	-	-	-	-	-	-	\$416.86	278	6.5%
2024	-	-	-	-	-	-	\$416.04	277	6.4%
YTD	67	\$790M	2.2%	\$13,167,373	\$380.34	3.2%	\$420.53	280	6.3%
2023	47	\$674.1M	1.9%	\$15,321,017	\$371.49	4.4%	\$431.80	287	6.0%
2022	142	\$1.2B	5.5%	\$15,892,495	\$354.48	5.6%	\$454.78	303	5.3%
2021	147	\$2.3B	7.5%	\$17,063,291	\$352.30	6.0%	\$453.43	302	4.9%
2020	102	\$1.7B	4.6%	\$17,388,036	\$371.34	5.0%	\$393.81	262	5.2%
2019	121	\$2.2B	6.0%	\$21,399,797	\$380.37	6.1%	\$356.87	238	5.5%
2018	141	\$2.6B	7.5%	\$20,567,253	\$350.01	6.5%	\$330.07	220	5.5%
2017	171	\$2B	7.5%	\$13,449,793	\$274.77	6.0%	\$300.38	200	5.6%
2016	187	\$2.1B	7.2%	\$12,882,722	\$294.09	6.0%	\$288.22	192	5.4%
2015	247	\$2.2B	10.0%	\$11,218,706	\$251.66	6.5%	\$261.49	174	5.5%
2014	274	\$2.4B	9.6%	\$9,593,852	\$247.95	7.0%	\$221.19	147	6.0%
2013	236	\$2B	9.1%	\$10,457,545	\$228.29	6.8%	\$188.96	126	6.4%

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