



Industrial Market Report

Houston - TX USA

PREPARED BY



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Broker/Owner



INDUSTRIAL MARKET REPORT

Market Key Statistics	1
Leasing	3
Rent	8
Construction	10
Under Construction Properties	12
Sales	14
Sales Past 12 Months	16
Economy	18
Market Submarkets	23
Supply & Demand Trends	27
Rent & Vacancy	29
Sale Trends	31

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
14.3M	12.9M	6.9%	2.5%

Houston's industrial market continues to be one of the better-performing ones in the U.S. While down from the mid-pandemic highs, absorption rates have remained much stronger than most major U.S. markets. Quarterly absorption has averaged almost 15% above 2017-2019 levels over the past four quarters through 25Q2. The vacancy rate is now slightly below the U.S. average for the first time in almost a decade.

Still, it could take a few years before supply and demand are back in balance in the bulk distribution category. Similar to other fast-growing Sun Belt markets such as D-FW and Phoenix, Houston has received a record amount of speculative new supply in recent years. The stock of logistics properties 100,000 SF or larger has grown by 20% over the past five years. And encouraged by strong tenant demand, some developers have managed to continue getting speculative big bomber projects off the ground in recent quarters despite the challenging financing environment. There is now 20.7 million SF under construction, 80% of which is available for lease, and most of which is in this segment. New supply is not concentrated in one specific part of Houston but rather in areas near Beltway 8. Availability rates are especially high in the southeast part of Houston, near the port, due to a steady influx of new supply over the past several years.

Leasing volumes are still 20% above the 2017-2019 levels as occupiers related to logistics and manufacturing continue to expand. For example, in March, Tesla signed more than 1.6 million SF across two buildings at the Empire West Business Park in Brookshire at one newly built property and one that has not yet broken ground. Brookshire is roughly 40 miles west of the city of Houston. Its easy access to some of Houston's main highways, including State Highway 99, I-10, and U.S.

290, makes it ideal for tenants looking to distribute regionally. More locally focused e-commerce firms benefit from the area's proximity to fast-growing suburbs like Katy, Cinco Ranch, and Fulshear.

Competition from new supply has caused annual rent growth to slow for the past six consecutive quarters. Rents have adjusted by 2.5% year over year, the weakest mark since 2016. However, supply-side relief is on the horizon, which means there is potential for rent growth to rebound in the coming months. New deliveries are projected to be around 16 million SF in 2025, the lowest tally since 2019. Industrial groundbreakings in 2024 were roughly one-third of their peak in 2022 and remain at a similar pace this year as high construction and financing costs paired with tighter lending standards are making many deals unfeasible.

Small-bay properties should continue to outperform. Construction has been minimal in this segment. Market participants note there is a scarcity of higher-quality, turn-key small-bay space. Build-out allowances and free rent for these small-bay spaces is far lower than among spaces over 50,000 SF, where tenants often receive three months free for a five-year term.

Over the long term, Houston's unique demand drivers are intact and supportive of industrial demand, which includes the major port, one of the top metros for population growth, along with a massive manufacturing sector and petrochemical industry. Over the past three years, Houston has added around 520,000 new residents, one of the largest gains in the country. Meanwhile, container traffic at the Port of Houston last year was up 8% year over year, hitting a record 4.1 million TEUs.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	655,908,436	7.6%	\$8.91	10.0%	1,172,513	2,110,451	18,810,940
Specialized Industrial	128,342,658	2.5%	\$10.58	4.7%	363,907	103,182	1,356,194
Flex	62,525,818	9.2%	\$13.57	10.2%	102,549	0	567,003
Market	846,776,912	6.9%	\$9.50	9.2%	1,638,969	2,213,633	20,734,137

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0% (YOY)	6.1%	7.2%	8.7%	2004 Q1	4.1%	1999 Q1
Net Absorption SF	12.9M	13,199,840	16,918,705	44,367,547	2022 Q2	2,978,656	1999 Q4
Deliveries SF	14.3M	15,876,005	20,157,912	37,614,312	2023 Q4	4,950,394	2011 Q1
Market Asking Rent Growth	2.5%	2.6%	2.5%	9.1%	2000 Q2	-1.5%	2010 Q3
Sales Volume	\$1.4B	\$799M	N/A	\$4B	2022 Q1	\$131.3M	1999 Q4

Houston's vacancy rate has remained largely unchanged in the past year as quarterly net deliveries have dropped off sharply and demand has remained strong. Developers completed 13.9 million SF of new industrial product in the past 12 months, while roughly 12.9 million SF was absorbed. Industrial tenant demand here has held up better than most U.S. markets in recent quarters. Over the past year, Houston ranked in the top three for trailing 12-month absorption, behind only Dallas and Savannah, in the U.S. The local tenant base continues to grow amid softened demand nationally. Annual net absorption remains about 15% above the 2017-2019 annual average, a sharp contrast with the national figure, which stands at 2011-year lows.

Demand is strongest for newer space, especially within the larger size segments. Annual absorption for properties larger than 100K SF and built since 2000 totaled 12.7 million SF, while assets built before 2000 within the same size range saw negative net absorption of 1.8 million SF.

Much of this absorption was driven by a range of 500,000-plus-SF move-ins by third-party logistics tenants, like Lecangs, as well as tenants tied to manufacturing, such as Tesla and Solar Plus. Retail giants like Target have also been growing, expanding into newly built distribution properties along key corridors like Sam Houston Tollway.

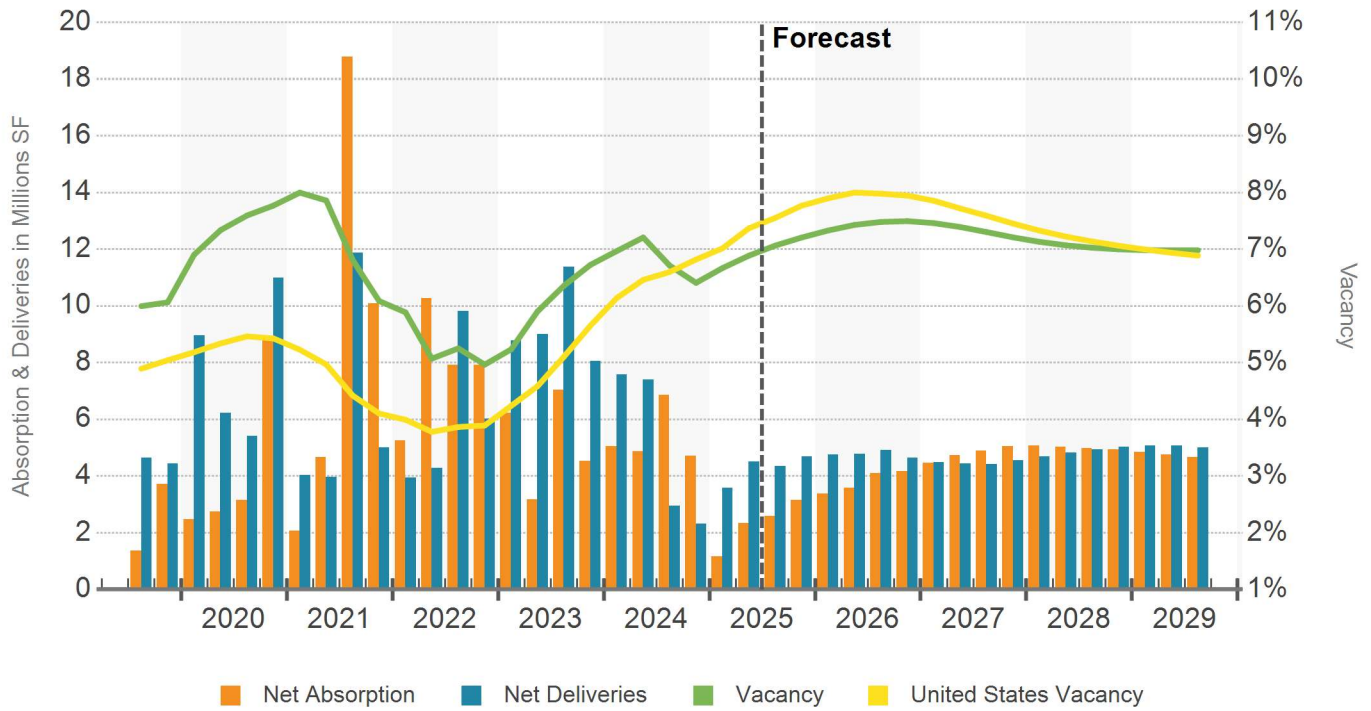
Geographically, vacancies are highest in submarkets like Southwest Far, above 10%. Vacancy rates among properties built since 2000 and 100,000 SF or larger are

around 50% compared to the market average of 35% due to the sheer volume of speculative development there in recent years.

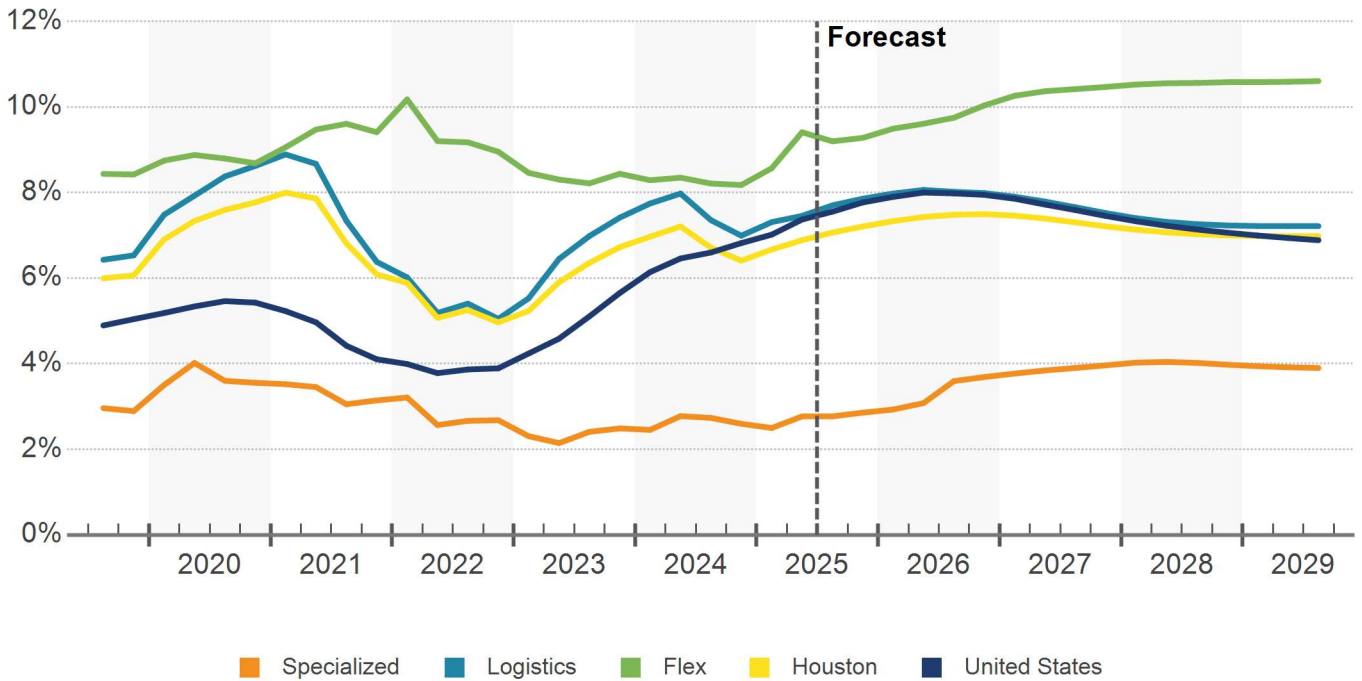
By building size, vacancies in buildings smaller than 25,000 SF, where construction remains minimal, are below 5%. At 4.7 and 5.7, respectively, the median months on market for industrial space 5,000 to 10,000 SF and 10,000 to 25,000 SF leased over the past six months were both below 2019 levels. By location, vacancies in this segment fall drastically in densely populated areas where land availability is rare, keeping the pace of additional development limited. For example, vacancies for small-bay properties in the Northwest Inner Loop Submarket are just 3%. In February, a tenant leased 18,000 SF of a 140,000-SF warehouse at a gross asking rate of \$8.60/SF NNN. The 1979-built property was last renovated in 2015 and on the market for just four months. It is a five-minute drive from Interstates 10 and 610, as well as U.S. Route 290.

The balance of risks to the forecast is tilted to the downside due to the prospects of escalating tariffs at home and abroad, which would keep retailers from expanding distribution networks, and the prospect of slowing economic growth. Total leasing activity, a leading indicator of future net absorption, was slightly above 19 million SF during the first two quarters of the year, which is 15% below the same period a year ago, though still about 15% above the same period averages between 2017 and 2019. Local tenant reps have noted that tenants seem more cautious, and potential deals are taking longer to close.

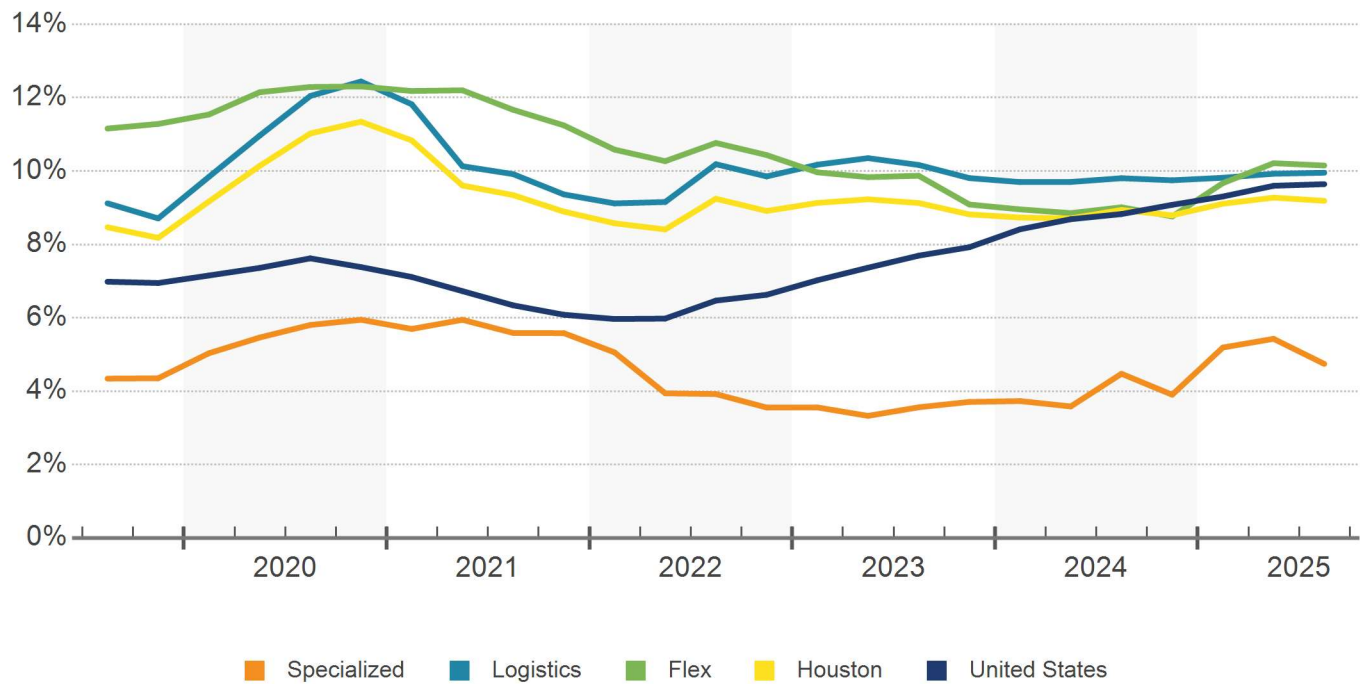
NET ABSORPTION, NET DELIVERIES & VACANCY



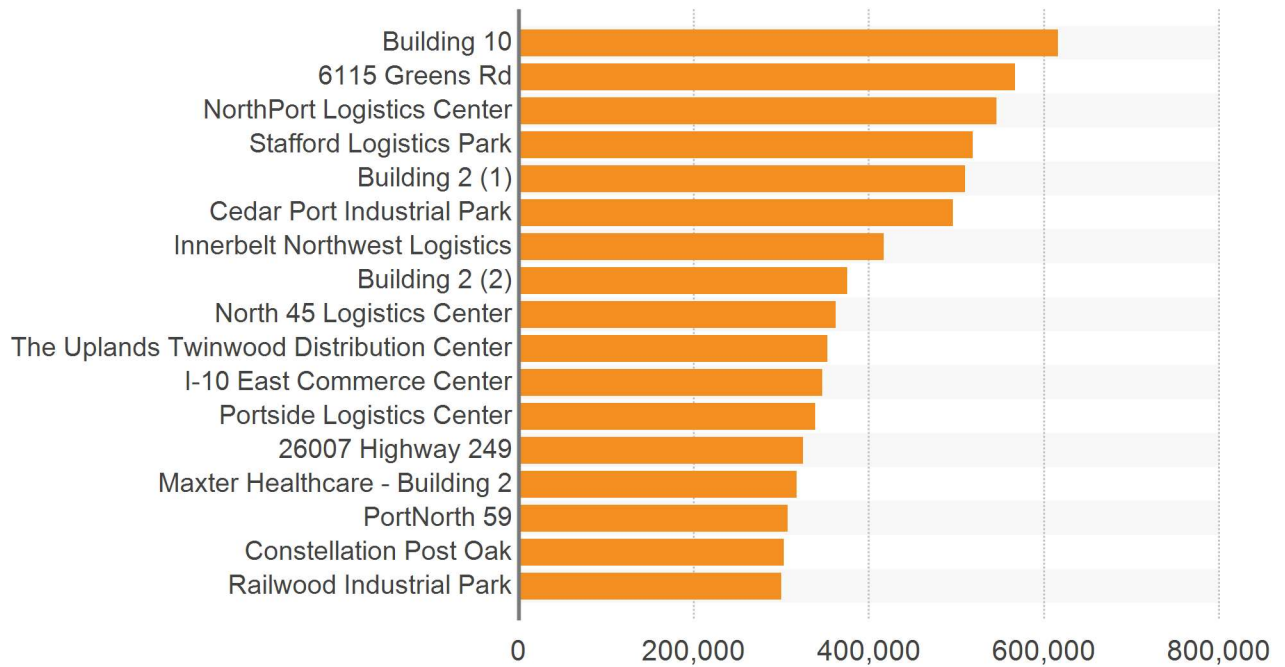
VACANCY RATE



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
Building 10	Northwest Outliers Ind	616,463	0	0	0	616,463	0	616,463
6115 Greens Rd	North Hardy Toll Roa...	567,140	0	0	0	0	0	567,140
NorthPort Logistics Center	The Woodlands/Conr...	1,224,498	0	0	0	0	0	545,700
Stafford Logistics Park	Hwy 59/Hwy 90 (Alt)...	519,082	0	0	519,082	0	0	519,082
Building 2 (1)	Sugar Land Ind	509,975	0	0	0	0	0	509,975
Cedar Port Industrial Park	East-Southeast Far Ind	496,421	0	0	0	496,421	0	496,421
Innerbelt Northwest Logistics	Hwy 290/Tomball Pk...	417,360	0	0	0	417,360	0	417,360
Building 2 (2)	Northwest Outliers Ind	843,360	0	0	0	0	0	375,845
North 45 Logistics Center	North Fwy/Tomball P...	362,030	0	0	0	0	0	362,030
The Uplands Twinwood Distribut...	Sugar Land Ind	737,632	384,608	0	353,024	0	0	353,024
I-10 East Commerce Center	East-Southeast Far Ind	609,000	262,363	0	0	346,637	0	346,637
Portside Logistics Center	East-Southeast Far Ind	760,364	0	0	0	0	0	338,858
26007 Highway 249	Northwest Hwy 6 Ind	325,219	0	0	325,219	0	0	325,219
Maxter Healthcare - Building 2	South Hwy 35 Ind	318,089	0	0	0	0	0	318,089
PortNorth 59	Northeast Hwy 90 Ind	462,160	154,850	0	0	0	0	307,310
Constellation Post Oak	Southwest Far Ind	302,825	0	0	0	0	0	302,825
Railwood Industrial Park	Northeast Hwy 90 Ind	300,000	0	0	0	0	0	300,000
Subtotal Primary Competitors		9,371,618	801,821	0	1,197,325	1,876,881	0	7,001,978
Remaining Houston Market		837,533,904	57,910,231	1,168,987	1,147,768	(237,912)	0	5,913,320
Total Houston Market		846,905,522	58,712,052	1,168,987	2,345,093	1,638,969	0	12,915,298

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
111 Empire Blvd *	Northwest Outliers	1,039,060	Q1 25	Tesla	CBRE	Stream Realty Partners...
410 West Rd	North Fwy/Tomball Pky	728,080	Q3 25	-	-	JLL
111 Empire Blvd	Northwest Outliers	616,463	Q1 25	Tesla	CBRE	Stream Realty Partners...
23623 Colonial Pky	Northwest Outliers	540,000	Q3 25	-	-	Cushman & Wakefield;...
13650 Pike Rd	Hwy 59/Hwy 90 (Alt)	519,082	Q2 25	JD Logistics	Colliers	JLL
28119 Katy Fwy	Sugar Land	509,975	Q3 24	Lecangs	-	Cushman & Wakefield
14650 Levey Ln	South Hwy 35	496,560	Q3 25	-	-	Cushman & Wakefield
4407 E Grand Pky S	East-Southeast Far	496,421	Q1 25	Constellation Beverage	-	Partners
9626 Fallbrook Pines Dr *	Hwy 290/Tomball Pky	494,800	Q1 25	Daikin	Stream Realty Partn...	Transwestern Real Est...
28501 Us-90 Hwy	Northwest Outliers	420,000	Q3 24	Elogistek	Cushman & Wakefie...	Newmark
8228 Houston Ave	Hwy 290/Tomball Pky	417,360	Q2 25	Foxconn	-	Transwestern Real Est...
2244 N Mason	Northwest Outliers	373,860	Q1 25	EDA International	Pacific ProPartners	Partners
20710 Hempstead Rd *	Northwest Hwy 6	357,887	Q4 24	McKesson	Cushman & Wakefie...	-
2062 Woods Rd	Sugar Land	353,024	Q2 25	JW Fulfillment Inc.	-	EQT Real Estate
11249 I-10 E	East-Southeast Far	346,637	Q2 25	SBM Offshore	-	CBRE
26007 Highway 249	Northwest Hwy 6	325,219	Q2 25	DPR Construction	Savills	Partners
7491 Rankin Rd	Northeast Hwy 90	307,399	Q4 24	Marsden Services	Transwestern Real...	Lee & Associates
14942 S Post Oak Rd	Southwest Far	302,825	Q4 24	US Elogistics	Lee & Associates	Colliers
9255 Railwood Dr	Northeast Hwy 90	300,000	Q3 24	nVntori	Colliers	Stream Realty Partners...
12900 W Airport Blvd	Sugar Land	299,731	Q2 25	Texas Logistics and Fulfill...	CBRE	NAI Robert Lynn
5000 Ameriport Pky	East-Southeast Far	298,200	Q1 25	-	-	Colliers
8718 Fairbanks N Houston	Hwy 290/Tomball Pky	287,470	Q3 24	FoxConn	Newmark	Stream Realty Partners...
2650 East Fwy	East-Southeast Far	279,450	Q4 24	Old World Industries, LLC	Cushman & Wakefield	-
4121 Malone Dr *	East-Southeast Far	274,417	Q2 25	Plastipak	-	JLL
16801 FM 2354 Rd	East-Southeast Far	255,960	Q4 24	Cosco Shipping	-	Lee & Associates
9120 I-10	East-Southeast Far	248,262	Q3 25	-	-	JLL
2920 Airport Blvd	South Hwy 35	245,230	Q2 25	TAS	-	JLL
8760 Clay Rd *	Northwest Inner Loop	217,869	Q1 25	Francesca's	Newmark	-
Lower Kirby Dr	South Hwy 35	216,004	Q4 24	United Imaging Healthcare	Cushman & Wakefield	Colliers
1616 Gears Rd *	North Fwy/Tomball Pky	215,474	Q1 25	W-Industries	-	-
28347 Katy Fwy	Sugar Land	205,895	Q3 25	-	-	Stream Realty Partners...
6740 Signat Dr	West Outer Loop	193,440	Q1 25	Richardson Sports	Partners	KBC Advisors;NAI Rob...
8020 Northcourt Rd	Northwest Near	189,175	Q3 25	-	-	Colliers
2222 N Wayside Dr	Northeast Inner Loop	189,018	Q3 24	World Trade Distribution, I...	-	-
8118 Houston Ave	Hwy 290/Tomball Pky	184,320	Q2 25	Foxconn	Newmark	Transwestern Real Est...
19200 Hamish Rd	Northwest Hwy 6	173,544	Q1 25	Midstream Valve Partners	Transwestern Real...	Cushman & Wakefield
9500-9540 Clay Rd	Northwest Inner Loop	171,720	Q4 24	Daxwell Distribution	-	Bridge Commercial Re...
Fondren Rd	Southwest Far	168,918	Q2 25	Distributor Wire and Cable	JLL	Colliers
13300 John F Kennedy Blvd	North Outer Loop	164,840	Q3 24	MEI Rigging & Crating	-	Cushman & Wakefield
13393 South Main St	Southwest Far	164,837	Q2 25	InfraPartners	Growe, LLC	Cushman & Wakefield

*Renewal

The recent wave of speculative supply has slowed overall industrial rent growth in Houston. Rents are up 2.5% year-over-year in Houston's industrial market, near 2017-year lows.

Though rent growth has eased, many owners have considerable leasing spreads at the time of renewal. Rents have grown 11.3% over the past three years and 38.1% over the past decade.

Local brokers note longer lead times from tours to lease signings as well as an uptick in tenant leverage on concessions like TI packages, free rent, and annual rent escalations. Standard free rent on new five-year, big box deals has increased to roughly three months, up from one month two years ago. TI packages have increased by around 15% to 20%, commensurate with rising construction costs. While annual escalations on new leases were around 4% in early 2024, more recent deals are averaging 3.75% for five-year leases and 3.5% for 10-year leases.

By size, rents for small bay properties are driving recent rent growth due to tighter availability rates and limited pressure from new supply. At \$11.30/SF, the average triple net asking rent for all industrial spaces smaller than 50,000 SF leased during the second quarter of 2025 was up 2% versus the same period in 2024. This represents a notable slowdown from 2022 when asking rents on

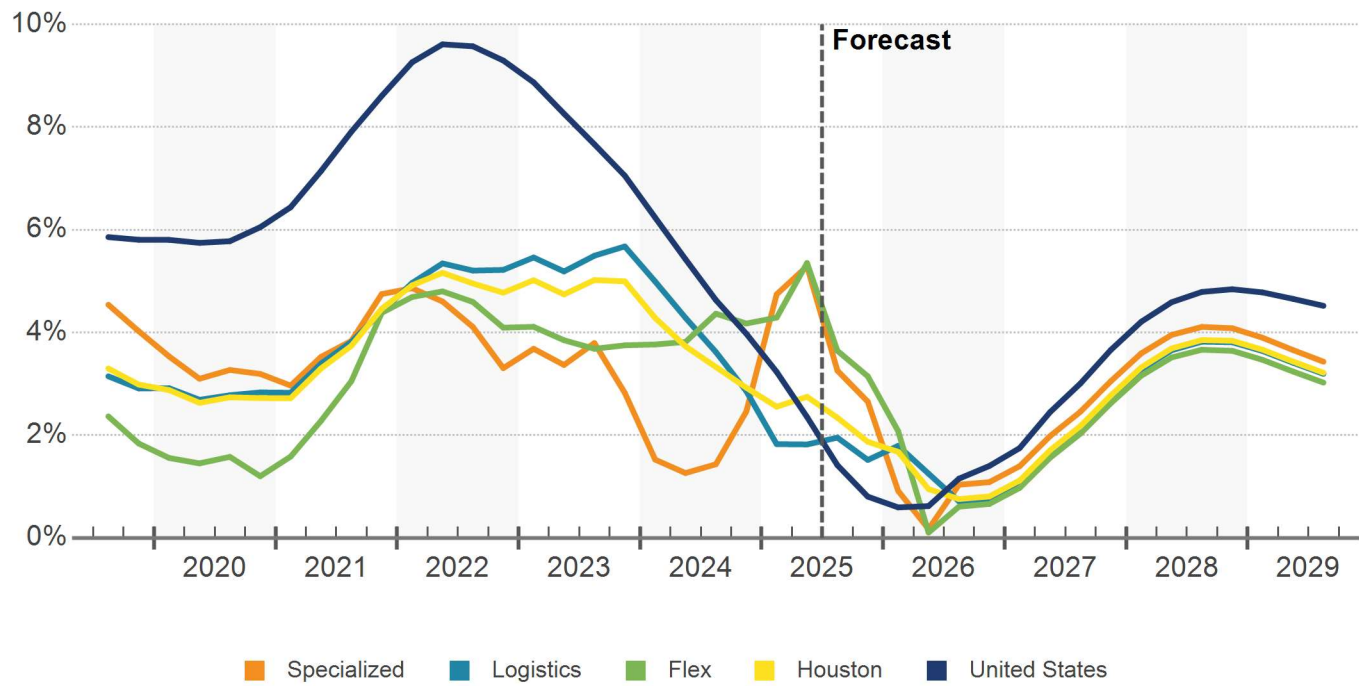
these smaller spaces grew 11% annually. However, it was a much stronger performance than the average triple net asking rents for logistics spaces 200,000 SF or larger leased during 25Q2, which was down 5% compared to the same period in 2024.

Concessions are less generous for smaller footprints due to strong demand and a dearth of new supply. For example, in March, a tenant leased a 20,000 SF warehouse in Katy for \$13.20/SF NNN. No free rent was given. The property was built in 2015 and four months on the market. For context, the Houston average is six months on the market.

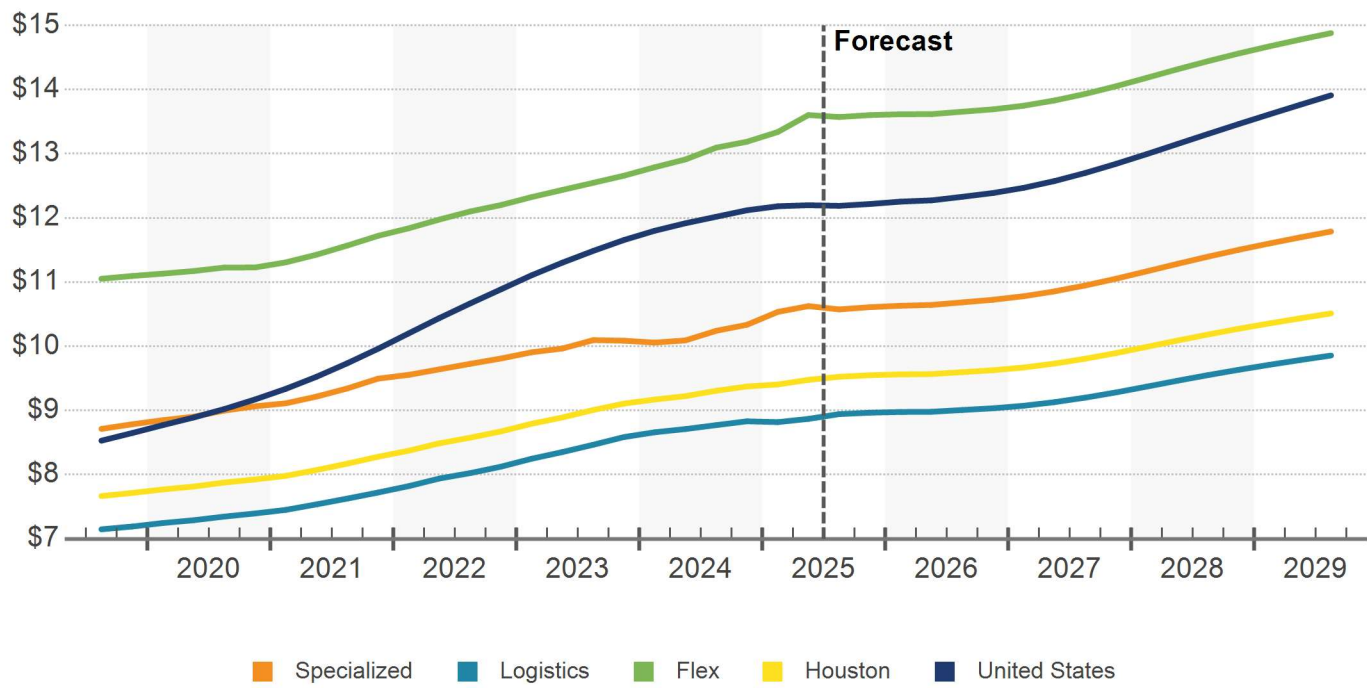
Big box spaces generally see rents in the \$6.50/SF to \$9/SF range, with older properties typically falling on the lower end of the spectrum. In January, a tenant subleased 110,000 SF of a 136,000-SF warehouse for an asking rate of \$7.20/SF NNN in the North Fwy/Tomball Submarket. The property was built in 1999 and renovated in 2014. In Rosenberg, there is a 163,000-SF warehouse built in 2023 for lease at an asking rate of \$8.50/SF NNN.

Moving forward, rent growth is anticipated to moderate further in the quarters ahead as risks to demand from trade disruption and a potential slowdown in U.S. retail spending weigh on the forecast.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



The Houston industrial market is approaching the end of a record development wave. New supply slowed in 2024, following four consecutive years of record new deliveries between 2020 and 2023, and is set to slow further in 2025. Over the past five years, 130 million SF was delivered, growing total inventory by almost 20%.

Supply-side pressure is most pronounced among big box space, which has made up the bulk of recent deliveries. The total amount of vacant space among buildings 100,000 SF or larger has nearly doubled since 19Q4 to 34 million SF today. Another 10 million SF of unleased industrial space in properties of that size is underway.

Big box space could linger on the market longest in the east, in cities like Baytown and Mont Belvieu. Properties 250,000 SF or larger built since 2023 or under construction have an availability rate of 55%. For context, the market availability rate for these is 45%. While these two cities are strategically located near the port, there has been a steady influx of new supply over the past several years. Combined, total industrial inventory in these two cities has more than doubled since 2019. Also, there are other parts of Houston, such as South Central, with a much deeper pool of blue-collar workers.

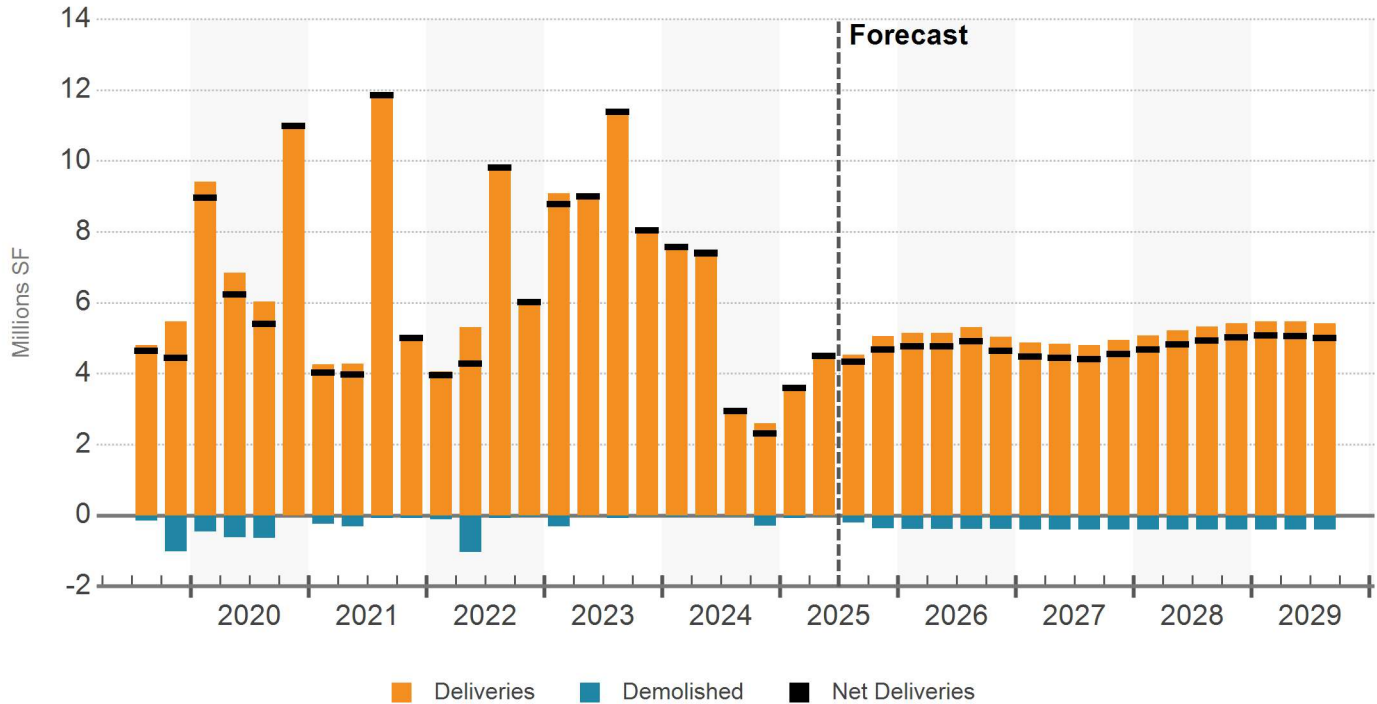
Construction activity is concentrated in suburban submarkets with affordable, available land near transportation nodes. Areas in the south-central part of

the metro have seen newly built big box space lease quickly, likely due to several reasons: its convenient location near Beltway 8, accessibility to a deep pool of blue-collar workers, as well as proximity to several fast-growing master-planned communities. The 217,000-SF Building D of the Carson 288 park in Houston is currently underway and already fully leased by TAS Energy and Texas Children's Hospital. The distribution center, which is in south-central Houston and was built on spec, is a 10-minute drive to Beltway 8.

Strong leasing activity has prompted some developers to break ground on large speculative projects, even amid the current elevated interest rate environment. For example, in May, the 407,000-SF Building 5 of the Prologis Legacy Point broke ground in Cypress, on the corner of U.S. Route 290 and State Highway 99. In April, Investment & Development Ventures broke ground on the 370,000-SF Building 11 in the South Belt Central Business Park, along Sam Houston Tollway. In February, Investment & Development Ventures also broke ground on the 340,000-SF Phase I - Cross Dock in the GrandPort 99 industrial park in Baytown, east. All three of these projects are fully available for lease.

Construction starts during the first half of 2025 totaled roughly 9 million SF, which means if this pace continues, total starts will be around 18 million for the year. That tally would be similar to last year's and near 2017-year lows.

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	East-Southeast Far	46	3,817	1,470	38.5%	3	40,471	82,985	6
2	Northwest Hwy 6	54	3,284	1,437	43.8%	2	26,677	60,815	8
3	South Hwy 35	27	2,079	596	28.7%	4	25,129	77,015	7
4	Northeast Hwy 90	16	1,795	80	4.4%	8	39,008	112,200	4
5	Hwy 290/Tomball Pky	9	1,407	0	0%	10	42,439	156,310	2
6	East I-10 Outer Loop	5	1,184	130	11.0%	6	58,460	236,741	1
7	North Fwy/Tomball Pky	30	1,174	120	10.2%	7	28,192	39,147	9
8	Sugar Land	9	1,155	305	26.4%	5	57,375	128,365	3
9	North Hardy Toll Road	11	1,141	46	4.1%	9	49,495	103,696	5
10	The Woodlands/Conroe	28	965	751	77.8%	1	20,425	34,479	10
	All Other	53	2,732	606	22.2%		31,532	51,546	
Totals		288	20,734	5,539	26.7%		33,226	71,994	

Houston Industrial

UNDER CONSTRUCTION PROPERTIES



Under Construction Properties

Houston Industrial

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	Prologis Legacy Point -... 18501 Mound Rd	★★★★★	407,302	1	May 2025	Jan 2026	-
9	Building 2 1823 Haden Rd	★★★★★	386,001	1	Oct 2024	Sep 2025	Jackson-Shaw Company Jackson-Shaw Company
10	Building 11 4897 South Belt Central Dr	★★★★★	373,709	1	Apr 2025	Nov 2025	Investment & Development Ventu... Investment & Development Ventu...
11	Packwell 00 Port Rd	★★★★★	362,500	1	Apr 2023	Sep 2026	Angler Construction Packwell
12	Packwell 00 Port Rd	★★★★★	362,500	1	Apr 2023	Sep 2025	Angler Construction Packwell
13	Bldg 6 14281 Fallbrook Dr	★★★★★	354,272	1	Jul 2025	Jan 2026	Trammell Crow Company Trammell Crow Company
14	Jacintoport Logistics Ce... Beltway 8	★★★★★	353,375	1	Nov 2024	Sep 2025	Johnson Development Associate... Johnson Development Associate...
15	Phase I - Cross Dock FM 565 & Kilgore Pky	★★★★★	338,387	1	Feb 2025	Sep 2025	Investment & Development Ventu... Investment & Development Ventu...
16	Bldg 1 8535 Fairbanks North Hou...	★★★★★	321,475	1	Aug 2025	Jun 2026	Junction Commercial Real Estate Junction Commercial Real Estate
17	Baytown 146 1 5814 N Highway 146	★★★★★	321,440	1	Sep 2024	Sep 2025	- Velocis
18	Phase II - Building 6 Fleetwood Creek Way	★★★★★	314,589	1	Jun 2025	Mar 2026	- Hillwood Development Corporation
19	19454 Needlepoint Rd	★★★★★	307,595	1	Feb 2025	Sep 2025	Rockefeller Group Rockefeller Group
20	Constellation Rosslyn 11891 N Houston Rosslyn...	★★★★★	284,960	1	Apr 2025	Nov 2025	Constellation Real Estate Partners Constellation Real Estate Partners
21	Building 3 12524 Conklin Ln	★★★★★	278,858	1	May 2025	Apr 2026	Trammell Crow Company Trammell Crow Company
22	Mosielee Commerce Par... 12020 State Highway 249	★★★★★	274,766	1	May 2025	Oct 2025	Pagewood Pagewood
23	Bldg 5 14311 Fallbrook Dr	★★★★★	273,740	1	Jan 2025	Nov 2025	Trammell Crow Company Trammell Crow Company
24	Kirby District - Building 2 11555 Spectrum Blvd	★★★★★	267,262	1	May 2025	Jan 2026	- Stream Realty Partners, LP
25	Building 2 12320 Lockwood Rd	★★★★★	267,040	1	Sep 2024	Sep 2025	Transwestern Development Com... Transwestern Real Estate Services
26	MD Anderson Main Cam... 3115 Pawnee St	★★★★★	251,444	2	Jan 2024	Jan 2026	- MD Anderson Cancer Center
27	19460 Needlepoint Rd	★★★★★	249,739	1	Feb 2025	Sep 2025	Rockefeller Group Rockefeller Group
28	3165 FM 359 S	★★★★★	247,674	1	May 2025	May 2026	- TMEIC Corporation

Momentum in Houston's industrial investment market continued to build in 2025 following a steady recovery throughout 2024. The total number of transactions during the first six months of the year was almost 40% above the same time last year, suggesting that investor activity is holding firm, despite uncertainty for the broader economy.

A few themes stand out. Cap rates remain high compared to a few years ago, but have stabilized. Private investors and owner-users are driving activity, though institutional capital is returning as the urgency for fund managers to deploy capital increases.

Logistics centers have seen the largest fall in pricing and are now about 15% below peak 2022 pricing. Cap rates are now in the range of 5.5% to 6.25% compared to the mid-4% range seen a few years ago. Meanwhile, general industrial properties have not seen values fall as steeply, aided by shorter lease terms and the ability to roll rents to market quicker. Values are about 10%—sometimes less—below their peak, and cap rates have increased by roughly 100 basis.

Owner-user sales have been on the rise over the past two years as some well-capitalized occupiers would rather own than lease their real estate. For example, in April, Lineage, Inc, purchased a cold storage facility for \$90 million, or \$286/SF. The buyer has been fully occupying the property since it was built in 2022. In March, Americold Realty Trust bought a cold storage facility for \$108 million, or \$363/SF as part of its planned expansion. The 2022-built property was occupied by Blackline Cold Storage, the seller, until it sold.

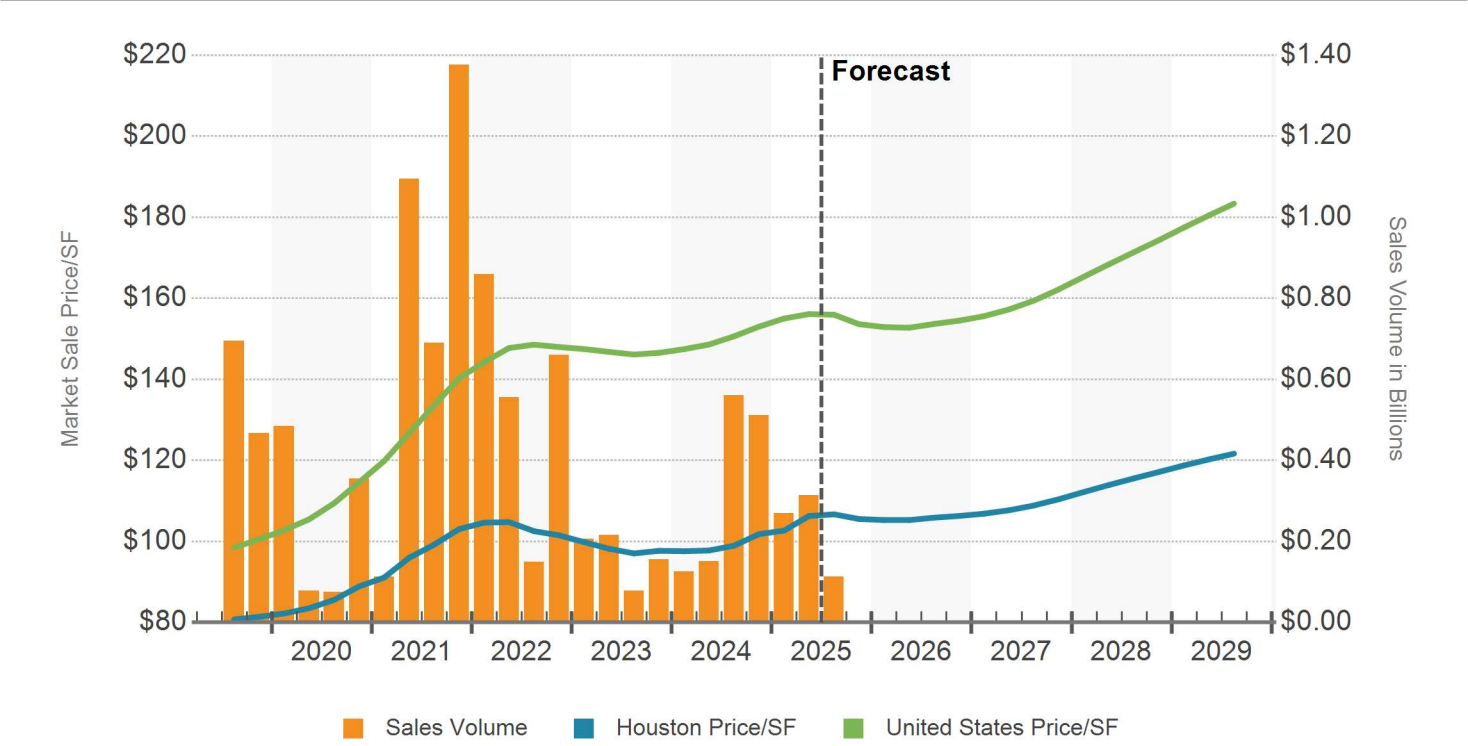
Despite the construction boom, there have been relatively few sales of new properties. Only 15% of deals in the past 12 months were built within the past five years. Many investors are looking for well-leased properties with below-market rents and leases expiring in the next few years. In-place rents on leases signed five years ago average 20% below asking rents.

For example, in January, BMK Capital Partners acquired the 1970s-built West Belt Business Park, consisting of five properties totaling 260,000 SF for \$34.1 million, or \$129/SF, from Longpoint Realty Partners. The park was 100% leased at the time of sale, with less than three years of term remaining and a nearly 20% mark-to-market opportunity. Both buyer and seller were out-of-state private equity firms. In December, Stonepeak acquired Independence Logistics Park from Starwood Real Estate for \$244 million, or \$106/SF. The park consists of six properties in La Porte totaling 2.3 million SF and was 96% occupied at the time of sale. That deal had less than four years of term remaining and a more than 20% mark-to-market opportunity.

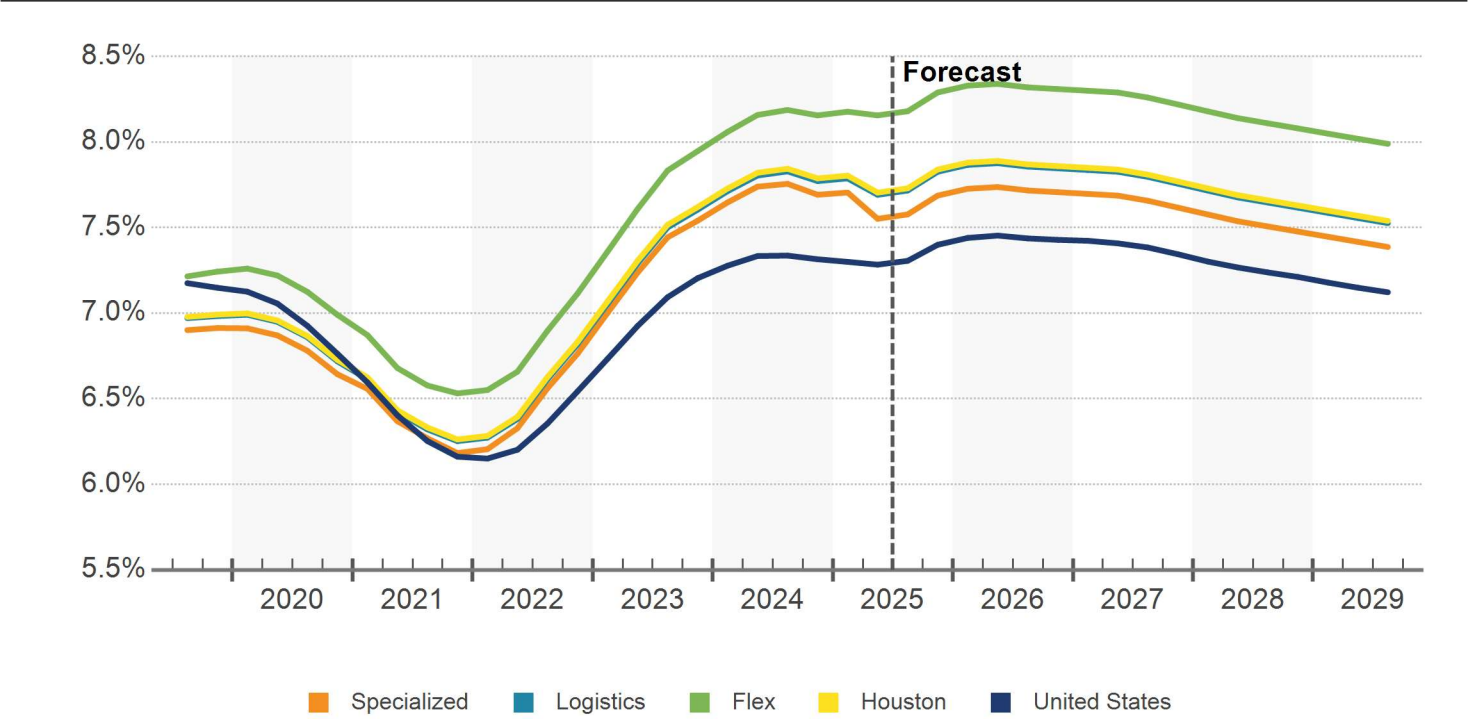
Transaction activity could continue to accelerate this year. Nearly \$300 million in industrial CMBS loans are maturing through 2026, and if rents are 20% below market, there are probably many lenders interested in making those loans.

Furthermore, with new supply set to decline sharply in 2025, vacancies compressing, and demand above historic norms, there is a potential for rent growth to reaccelerate, and as a result, an uptick in transaction activity.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

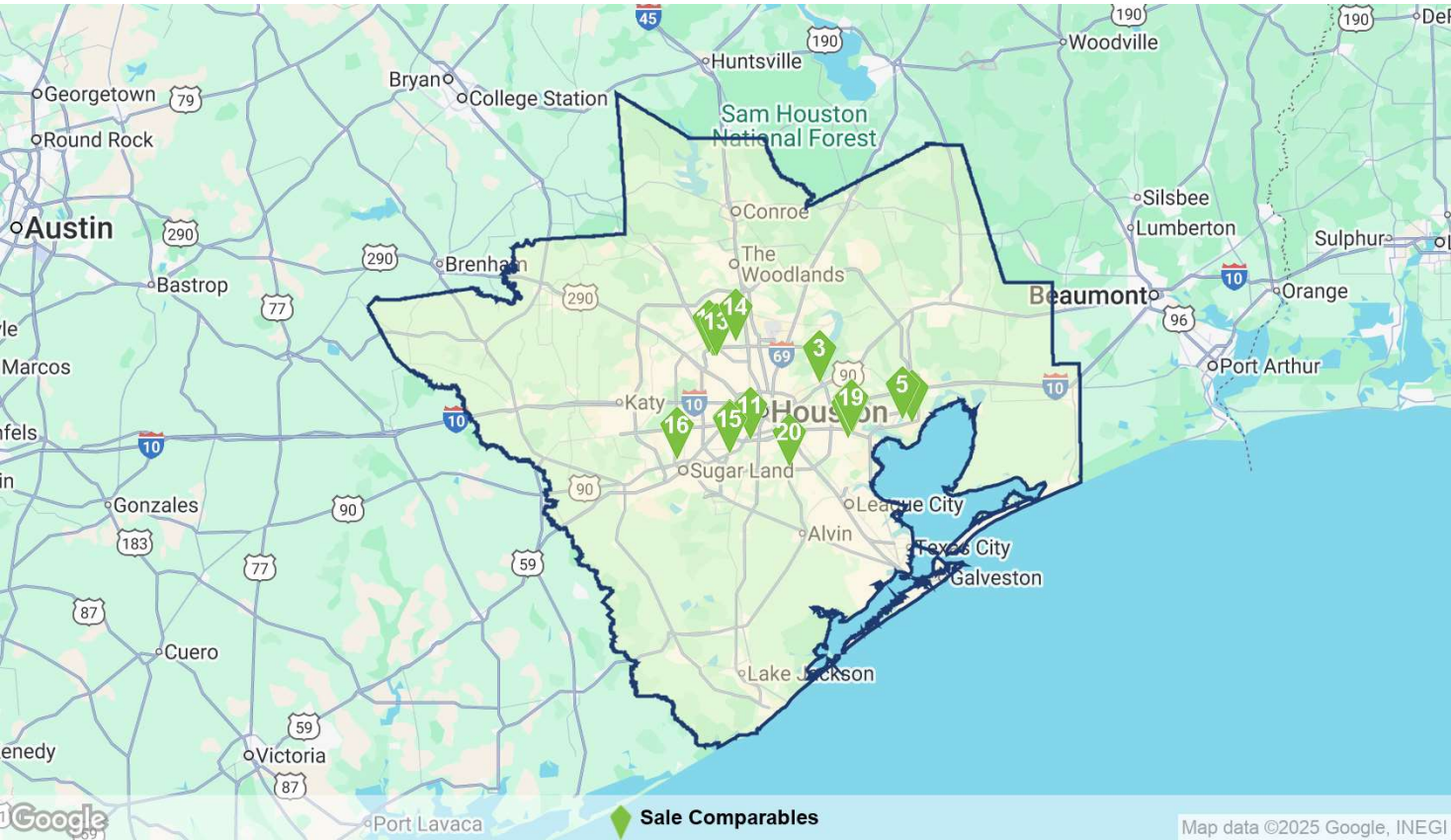


Sales Past 12 Months

Houston Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
1,461	7.0%	\$123	6.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$120,000	\$6,865,811	\$1,725,000	\$108,000,000
Price/SF	\$18	\$123	\$123	\$469
Cap Rate	1.9%	7.0%	7.0%	10.9%
Time Since Sale in Months	0.0	6.0	6.0	12.0
Property Attributes	Low	Average	Median	High
Building SF	924	33,990	10,539	900,000
Ceiling Height	8'	20'7"	19'3"	50'
Docks	0	6	0	200
Vacancy Rate At Sale	0%	6.9%	0%	100%
Year Built	1890	1993	1993	2026
Star Rating	★★★★★	★★★★★ 2.4	★★★★★	★★★★★

Sales Past 12 Months

Houston Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 6330 Nita Way	★★★★★	2022	297,640	0%	3/16/2025	\$108,000,000	\$363	-
2 Building 1 359 Old Underwood Rd	★★★★★	2007	900,000	0%	12/18/2024	\$93,187,748	\$104	-
3 7500 Uvalde Rd	★★★★★	2022	315,101	0%	4/3/2025	\$90,000,000	\$286	-
4 Building 2 359 Pike Ct	★★★★★	2009	710,090	0%	12/18/2024	\$69,249,884	\$98	-
5 Home Depot 6115 FM 1405 Rd	★★★★★	2001	755,000	0%	9/24/2024	\$58,000,000	\$77	-
6 Building B 12631 Main St	★★★★★	2024	368,099	0%	11/6/2024	\$39,809,701	\$108	-
7 Fairbanks Logistics Park 8702 Fairbanks N Houston	★★★★★	2023	258,720	0%	5/6/2025	\$39,478,783	\$153	-
8 Fairbanks Logistics Park 8718 Fairbanks N Houston	★★★★★	2023	287,470	0%	5/6/2025	\$38,512,739	\$134	-
9 Victory Commerce Center 2851 E Pasadena Blvd	★★★★★	2019	349,050	0%	7/1/2025	\$37,389,132	\$113	-
10 Fairbanks Logistics Park 8710 Fairbanks N Houston	★★★★★	2023	244,128	0%	5/6/2025	\$34,629,118	\$142	-
11 1615 South Loop W	★★★★★	1987	144,805	100%	2/13/2025	\$34,000,000	\$235	-
12 9625 Fallbrook Pines Dr	★★★★★	2020	200,200	0%	12/17/2024	\$33,033,000	\$165	-
13 Fairbanks Logistics Park 8726 Fairbanks N Houston	★★★★★	2023	221,719	0%	5/6/2025	\$29,503,821	\$133	-
14 1616 Gears Rd	★★★★★	2009	215,474	0%	2/19/2025	\$29,250,000	\$136	7.2%
15 Building A Post Oak Logistics Park	★★★★★	2024	168,893	47.4%	11/6/2024	\$26,390,299	\$156	-
16 Imperial Sugar 198 Kempner St	★★★★★	1950	400,000	0%	6/18/2025	\$25,827,984	\$65	-
17 Building 6 10025 Porter Rd	★★★★★	2018	167,867	0%	12/18/2024	\$23,933,228	\$143	-
18 Building 5 10051 Porter Rd	★★★★★	2007	225,000	40.0%	12/18/2024	\$20,660,944	\$92	-
19 Building 4 10052 Porter Rd	★★★★★	2008	198,750	0%	12/18/2024	\$20,022,884	\$101	-
20 Ocean Kingdom 7916 Hall Rd	★★★★★	2024	139,000	0%	12/12/2024	\$18,000,000	\$129	-

Houston continues to be one of the nation's better-performing markets for employment growth. The labor market now has more than 300,000 more jobs than before the pandemic, among the strongest gains in the country.

Nevertheless, like national trends, job growth is cooling. According to the Bureau of Labor Statistics, Houston added less than 50,000 jobs in 2024, ending the pace of six-figure annual job growth witnessed over the previous three years. Looking back at the past 20 years, when excluding boom and bust years, the market has added between 65,000 and 70,000 new jobs each year. Boom years refer to years like 2021 and 2022, while bust years refer to events like the 2009 Great Financial Crisis, the 2015-2016 oil bust, and most recently, the 2020 coronavirus pandemic.

The Houston metropolitan area has a population of roughly 7.9 million, making it the fifth-largest in the U.S. Its young population, affordability, warm climate, low taxes, generally pro-business environment, diversity, and culture continue to attract new residents. Median household income sits at around \$81,000/year. For comparison, the national median income is \$81,000/year. The region's population has grown 18.7% over the past decade, compared to the national benchmark of 6.4%.

Houston took the longest to recover from the pandemic-induced job losses, compared to its fellow Texas Triangle

peers (DFW, Austin, and San Antonio). Oil remains a significant part of Houston's economy, but the Bayou City continues to diversify its economy and foster other sectors such as healthcare, biomedical research, and aerospace. Houston is home to the world's largest medical center. The TMC3 project currently under construction is the linchpin in the Texas Medical Center's plan to establish Texas as the "Third Coast" for commercial life sciences and biotechnology research to compete directly with Cambridge, Massachusetts, and Mission Bay in San Francisco. TMC3 is expected to create 26,000 jobs and generate \$5.2 billion in economic benefits in Houston. In addition, there are several million SF of new life science-oriented mixed-use projects either under construction or planned along a 2-mile stretch of Holcombe Boulevard in the Texas Medical Center.

Houston boasts a relatively low cost of living and high disposable income compared with other large metros. While not widely considered a tourist destination per se, Houston is the fifth-largest metro in the U.S., and it benefits from its proximity to Mexico and other Latin American countries as a major gateway city. For instance, Houston offers more flights to Mexico than any other U.S. metro. Furthermore, due to the Texas Medical Center, it receives a significant volume of medical tourism, welcoming scores of patients and their families every year from every corner of the globe.

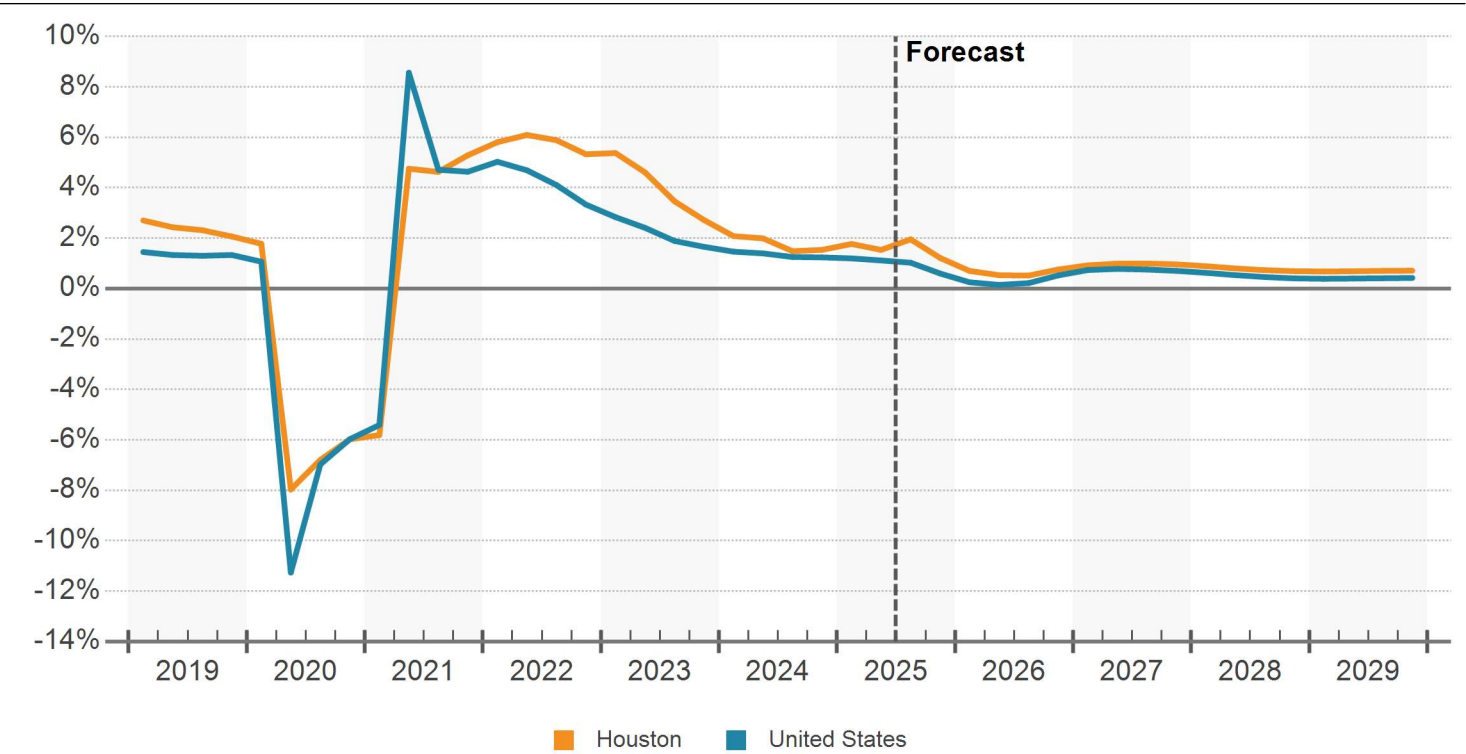
HOUSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	240	0.9	-0.03%	-0.78%	-0.13%	0.33%	0.12%	0.06%
Trade, Transportation and Utilities	708	1.1	1.77%	0.62%	1.56%	0.84%	0.55%	0.24%
Retail Trade	324	0.9	0.89%	0.41%	0.80%	0.02%	0.42%	0.18%
Financial Activities	189	0.9	3.33%	0.97%	2.22%	1.31%	0.65%	0.29%
Government	458	0.9	1.35%	0.88%	1.87%	0.68%	0.70%	0.21%
Natural Resources, Mining and Construction	317	1.6	1.97%	1.23%	-0.03%	2.10%	0.26%	0.60%
Education and Health Services	473	0.8	2.78%	3.39%	2.65%	2.21%	1.20%	0.75%
Professional and Business Services	574	1.2	0.86%	-0.06%	1.79%	1.34%	1.00%	0.66%
Information	30	0.5	-0.19%	0.04%	-0.46%	0.67%	0.18%	0.35%
Leisure and Hospitality	372	1.0	2.27%	1.43%	2.23%	1.18%	1.06%	0.80%
Other Services	135	1.0	3.33%	1.19%	2.30%	0.73%	0.69%	0.23%
Total Employment	3,496	1.0	1.77%	1.06%	1.60%	1.19%	0.74%	0.45%

Source: Oxford Economics

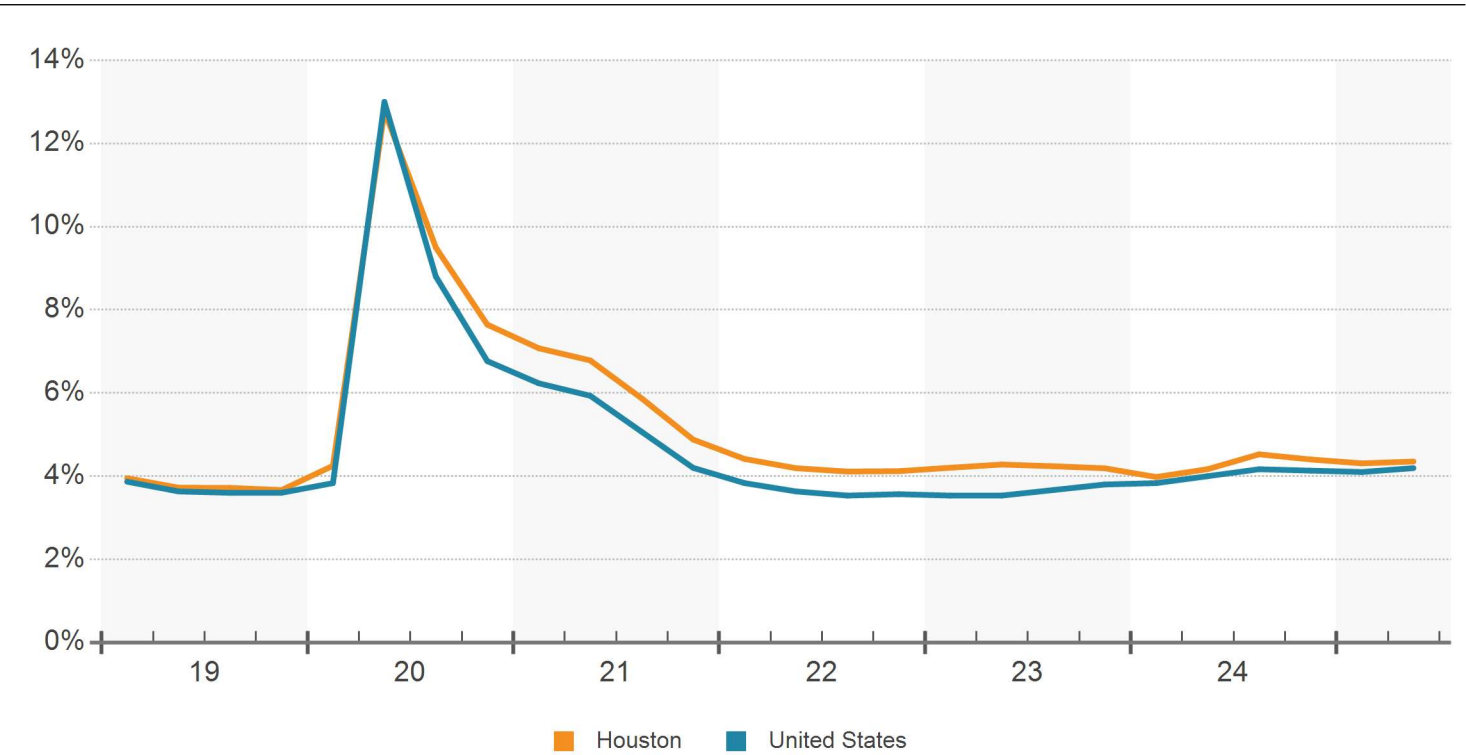
LQ = Location Quotient

JOB GROWTH (YOY)

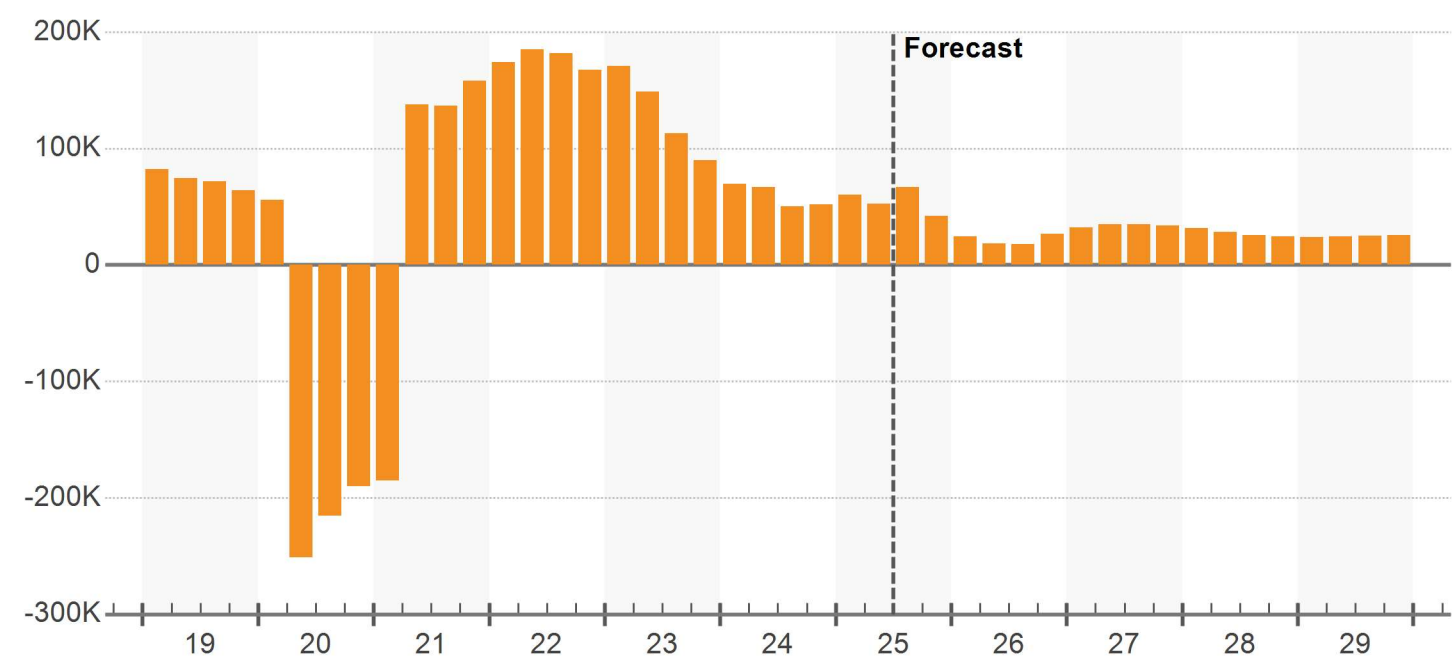


Source: Oxford Economics

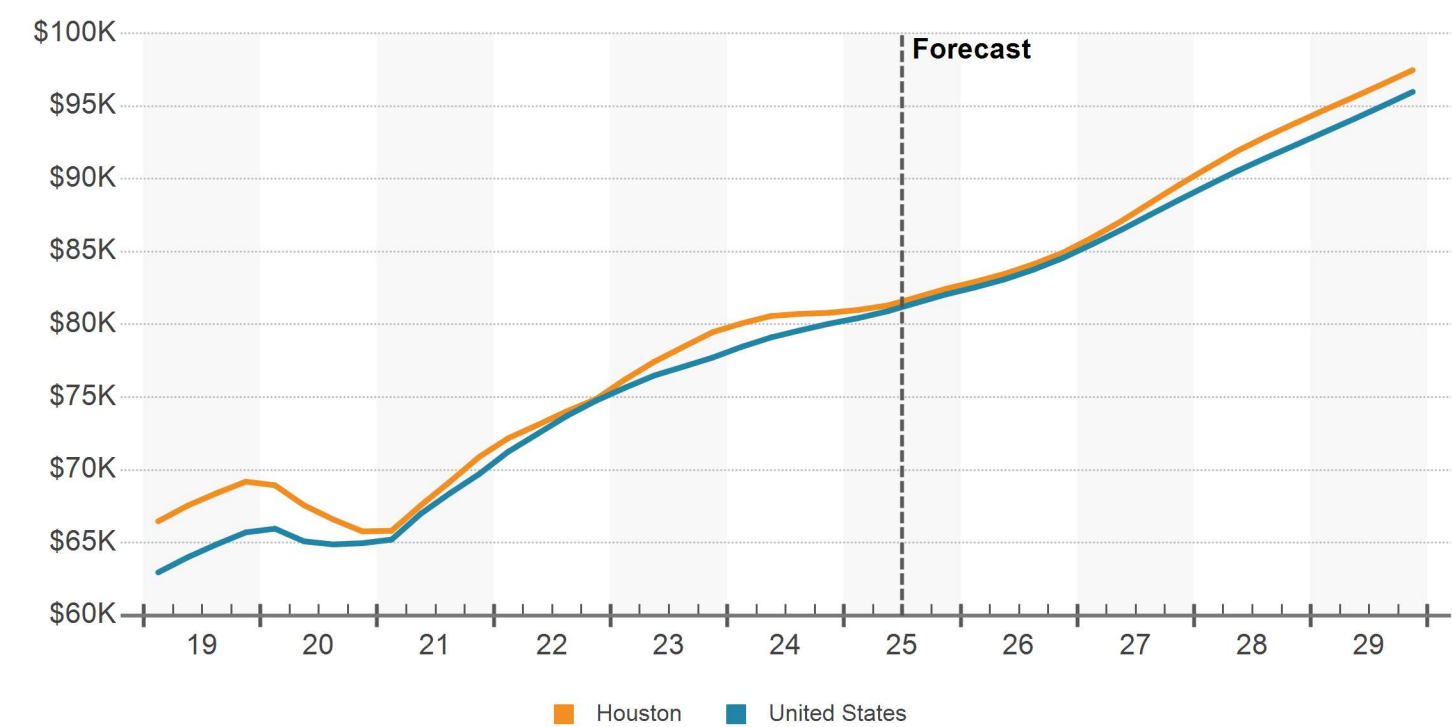
UNEMPLOYMENT RATE (%)



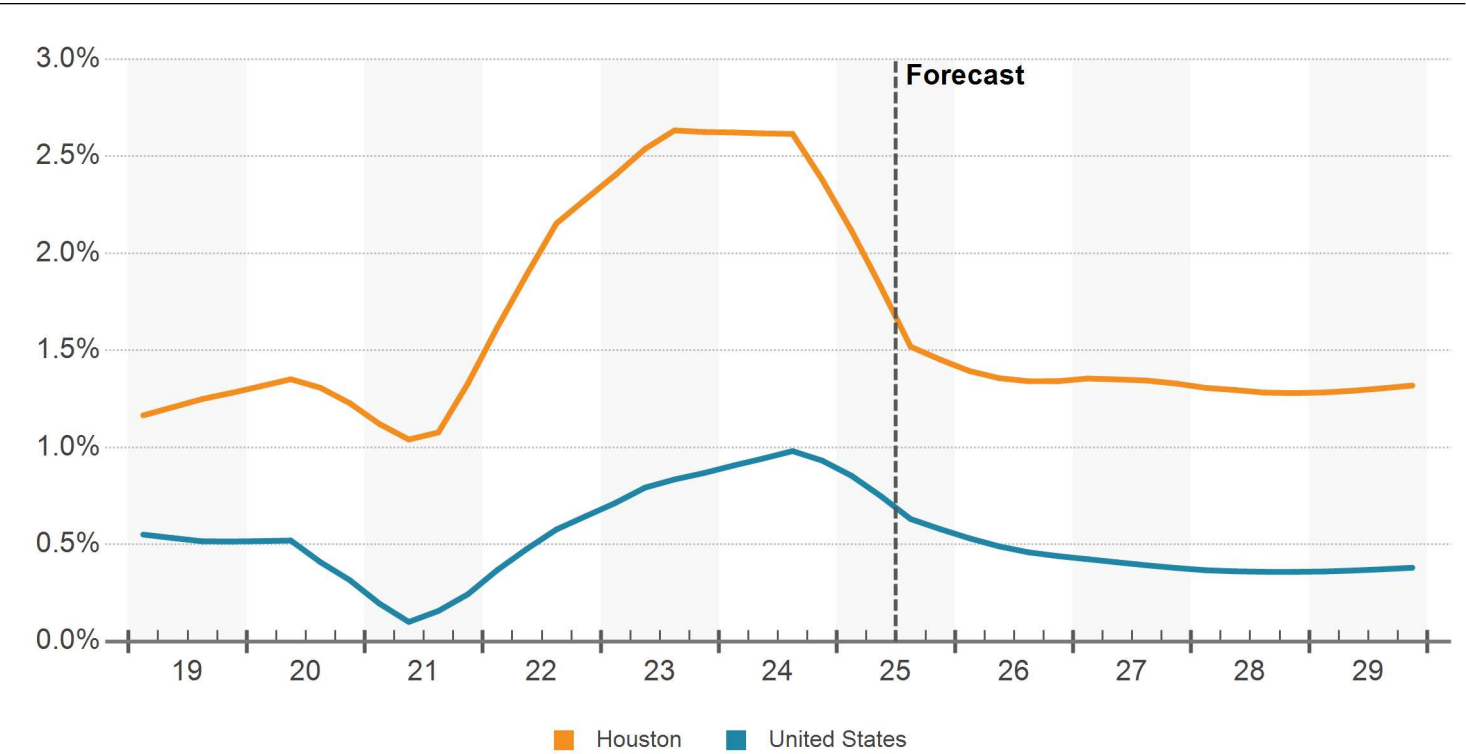
NET EMPLOYMENT CHANGE (YOY)



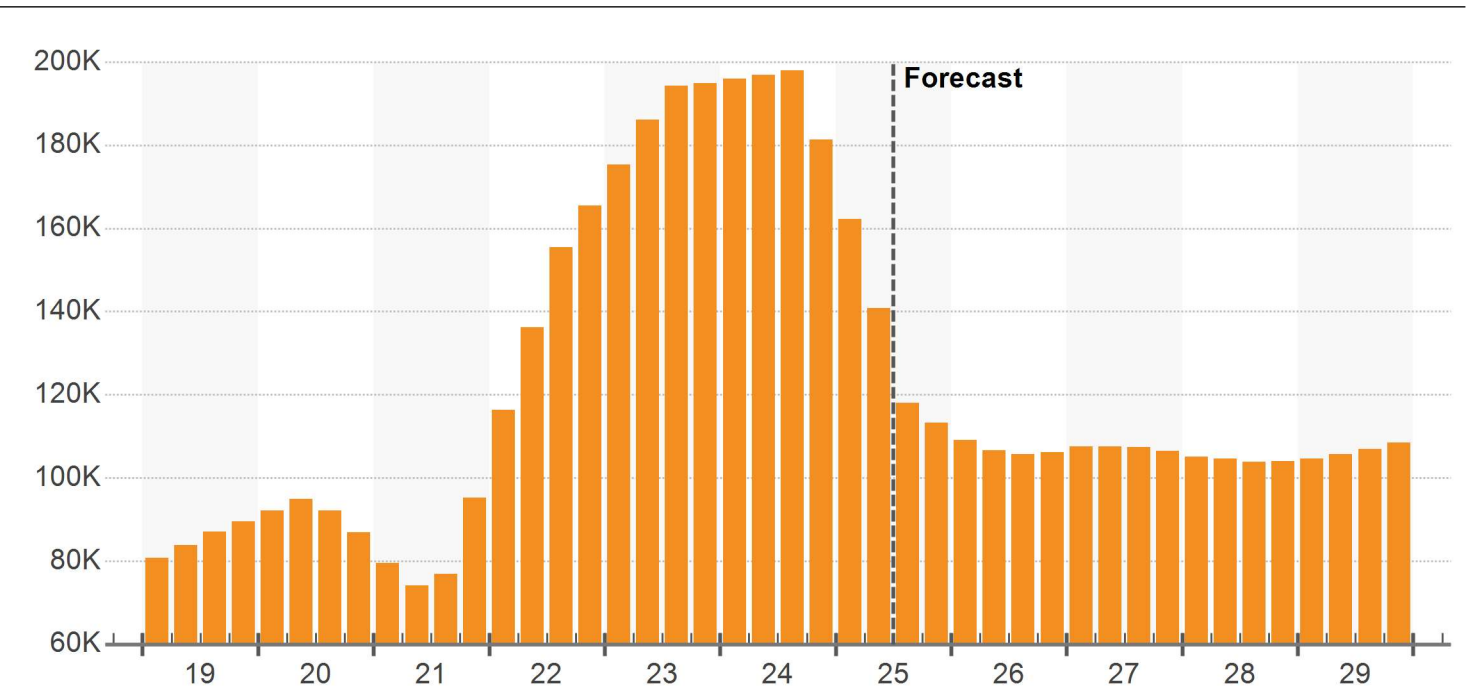
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

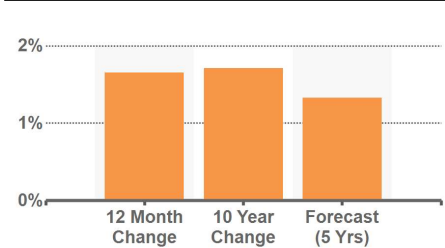


DEMOGRAPHIC TRENDS

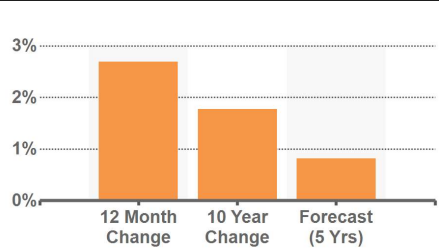
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	7,872,901	342,052,750	1.7%	0.7%	1.7%	0.6%	1.3%	0.4%
Households	2,882,633	134,480,875	1.8%	0.8%	2.2%	1.0%	1.4%	0.5%
Median Household Income	\$81,620	\$81,236	1.2%	2.3%	2.9%	4.0%	4.1%	3.9%
Labor Force	3,866,790	170,814,328	2.7%	1.5%	1.8%	0.8%	0.8%	0.3%
Unemployment	4.4%	4.2%	0%	0.1%	0%	-0.1%	-	-

Source: Oxford Economics

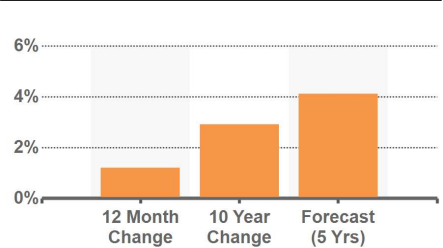
POPULATION GROWTH



LABOR FORCE GROWTH

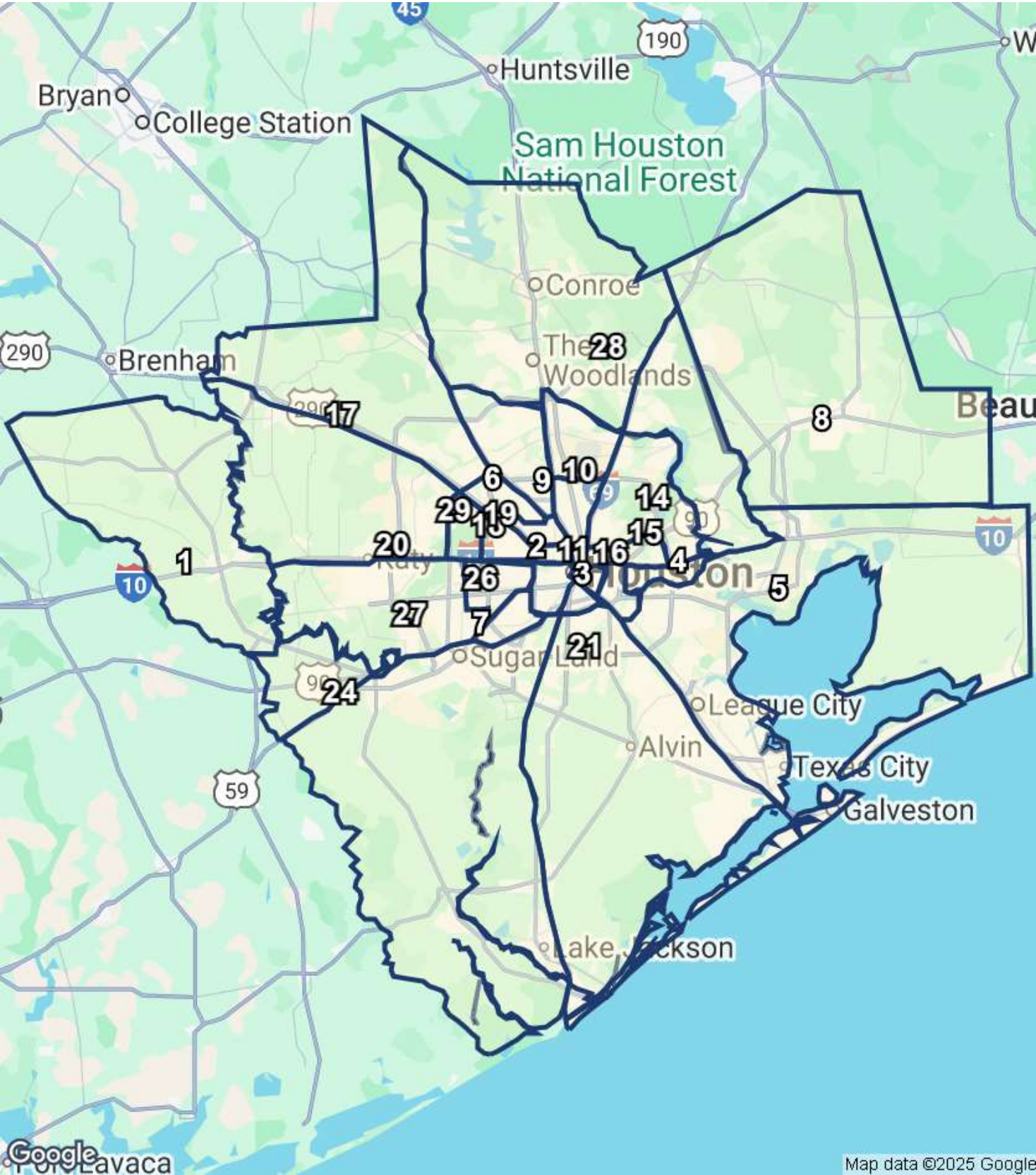


INCOME GROWTH



Source: Oxford Economics

HOUSTON SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Austin County	66	2,550	0.3%	29	2	53	2.1%	19	0	0	0%	-
2	CBD-NW Inner Loop	489	11,660	1.4%	23	0	0	0%	-	0	0	0%	-
3	Downtown Houston	875	29,987	3.5%	14	0	0	0%	-	0	0	0%	-
4	East I-10 Outer Loop	289	16,895	2.0%	19	1	752	4.5%	8	5	1,184	7.0%	6
5	East-Southeast Far	2,896	117,203	13.8%	1	20	2,132	1.8%	1	46	3,817	3.3%	1
6	Hwy 290/Tomball Pky	848	35,989	4.2%	8	4	666	1.9%	10	9	1,407	3.9%	5
7	Hwy 59/Hwy 90 (Alt)	1,138	31,852	3.8%	12	5	837	2.6%	7	7	417	1.3%	13
8	Liberty County	124	2,553	0.3%	28	0	0	0%	-	1	6	0.2%	20
9	North Fwy/Tomball Pky	1,637	46,150	5.4%	6	50	1,646	3.6%	3	30	1,174	2.5%	7
10	North Hardy Toll Road	1,027	50,831	6.0%	4	10	1,000	2.0%	6	11	1,141	2.2%	9
11	North Inner Loop	208	5,514	0.7%	26	0	0	0%	-	0	0	0%	-
12	North Outer Loop	1,243	30,801	3.6%	13	1	148	0.5%	16	8	369	1.2%	14
13	Northeast Hwy 321	186	3,208	0.4%	27	0	0	0%	-	0	0	0%	-
14	Northeast Hwy 90	854	33,313	3.9%	11	8	92	0.3%	18	16	1,795	5.4%	4
15	Northeast I-10	211	7,565	0.9%	24	0	0	0%	-	0	0	0%	-
16	Northeast Inner Loop	203	13,475	1.6%	21	0	0	0%	-	0	0	0%	-
17	Northwest Hwy 6	904	24,116	2.8%	16	34	420	1.7%	11	54	3,284	13.6%	2
18	Northwest Inner Loop	1,876	64,367	7.6%	2	3	106	0.2%	17	1	50	0.1%	18
19	Northwest Near	864	21,227	2.5%	17	1	245	1.2%	13	3	543	2.6%	12
20	Northwest Outliers	1,026	47,188	5.6%	5	25	1,439	3.0%	5	11	734	1.6%	11
21	South Hwy 35	2,182	54,831	6.5%	3	23	1,820	3.3%	2	27	2,079	3.8%	3
22	South Inner Loop	450	13,081	1.5%	22	3	206	1.6%	15	1	251	1.9%	15
23	Southeast Outer Loop	483	20,709	2.4%	18	1	9	0%	20	0	0	0%	-
24	Southwest Far	847	28,893	3.4%	15	14	1,503	5.2%	4	16	215	0.7%	16
25	Southwest Inner Loop	410	6,316	0.7%	25	0	0	0%	-	0	0	0%	-
26	Southwest Outer Loop	719	15,273	1.8%	20	0	0	0%	-	1	8	0.1%	19
27	Sugar Land	720	41,310	4.9%	7	15	222	0.5%	14	9	1,155	2.8%	8
28	The Woodlands/Conroe	1,741	35,560	4.2%	9	33	275	0.8%	12	28	965	2.7%	10
29	West Outer Loop	973	34,487	4.1%	10	8	743	2.2%	9	4	139	0.4%	17

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	Austin County	\$8.09	23	3.3%	2	-0.4%	29
2	CBD-NW Inner Loop	\$10.46	7	2.9%	6	1.3%	21
3	Downtown Houston	\$7.06	27	2.5%	21	1.8%	14
4	East I-10 Outer Loop	\$7.64	25	2.6%	19	1.0%	25
5	East-Southeast Far	\$9.26	15	2.1%	28	2.3%	5
6	Hwy 290/Tomball Pky	\$9.43	13	2.1%	27	2.5%	4
7	Hwy 59/Hwy 90 (Alt)	\$9.87	11	2.6%	14	2.5%	3
8	Liberty County	\$8.97	19	2.5%	22	1.5%	17
9	North Fwy/Tomball Pky	\$10.40	8	2.6%	13	1.4%	20
10	North Hardy Toll Road	\$9.29	14	1.9%	29	2.8%	2
11	North Inner Loop	\$6.93	28	2.7%	11	2.1%	8
12	North Outer Loop	\$8.91	20	2.7%	9	2.9%	1
13	Northeast Hwy 321	\$11.79	3	3.1%	3	0.4%	28
14	Northeast Hwy 90	\$9	18	2.5%	20	1.3%	22
15	Northeast I-10	\$8.56	22	2.5%	23	2.1%	10
16	Northeast Inner Loop	\$6.64	29	2.2%	25	1.5%	18
17	Northwest Hwy 6	\$11.71	4	2.8%	7	0.7%	27
18	Northwest Inner Loop	\$9.21	16	2.7%	10	1.9%	12
19	Northwest Near	\$8.91	21	2.6%	12	2.1%	9
20	Northwest Outliers	\$10.52	6	2.2%	26	2.1%	6
21	South Hwy 35	\$9.06	17	2.6%	18	1.5%	19
22	South Inner Loop	\$7.78	24	2.7%	8	1.5%	16
23	Southeast Outer Loop	\$7.16	26	2.6%	15	1.3%	23
24	Southwest Far	\$9.93	10	2.6%	17	2.1%	7
25	Southwest Inner Loop	\$11.65	5	3.1%	5	1.9%	13
26	Southwest Outer Loop	\$12.24	1	3.6%	1	1.2%	24
27	Sugar Land	\$10.26	9	2.4%	24	1.7%	15
28	The Woodlands/Conroe	\$11.88	2	3.1%	4	0.8%	26
29	West Outer Loop	\$9.75	12	2.6%	16	2.0%	11

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Austin County	198,300	7.8%	23	74,925	2.9%	17	0.7
2	CBD-NW Inner Loop	776,117	6.7%	19	(348,611)	-3.0%	26	-
3	Downtown Houston	2,032,503	6.8%	20	77,019	0.3%	15	-
4	East I-10 Outer Loop	1,039,080	6.2%	15	(179,209)	-1.1%	23	-
5	East-Southeast Far	10,362,361	8.8%	25	3,161,346	2.7%	1	0.5
6	Hwy 290/Tomball Pky	1,412,684	3.9%	4	2,119,766	5.9%	2	0.3
7	Hwy 59/Hwy 90 (Alt)	1,418,362	4.5%	7	727,965	2.3%	9	1.1
8	Liberty County	104,955	4.1%	5	(6,767)	-0.3%	19	-
9	North Fwy/Tomball Pky	4,202,851	9.1%	26	903,663	2.0%	8	1.7
10	North Hardy Toll Road	4,813,602	9.5%	27	(717,783)	-1.4%	29	-
11	North Inner Loop	137,863	2.5%	1	62,135	1.1%	18	-
12	North Outer Loop	1,453,319	4.7%	8	421,600	1.4%	11	0.3
13	Northeast Hwy 321	100,491	3.1%	2	(43,413)	-1.4%	20	-
14	Northeast Hwy 90	2,764,646	8.3%	24	1,431,054	4.3%	5	0
15	Northeast I-10	498,112	6.6%	18	75,476	1.0%	16	-
16	Northeast Inner Loop	806,849	6.0%	13	(561,603)	-4.2%	28	-
17	Northwest Hwy 6	1,862,549	7.7%	22	1,098,620	4.6%	6	0.3
18	Northwest Inner Loop	3,612,820	5.6%	11	99,409	0.2%	14	1.0
19	Northwest Near	1,284,664	6.1%	14	(172,191)	-0.8%	22	-
20	Northwest Outliers	2,068,945	4.4%	6	1,957,193	4.1%	3	0.5
21	South Hwy 35	2,905,077	5.3%	10	1,681,094	3.1%	4	1.1
22	South Inner Loop	848,641	6.5%	17	(341,079)	-2.6%	25	-
23	Southeast Outer Loop	1,057,171	5.1%	9	(410,436)	-2.0%	27	-
24	Southwest Far	3,256,076	11.3%	28	416,858	1.4%	12	3.6
25	Southwest Inner Loop	362,357	5.7%	12	(76,810)	-1.2%	21	-
26	Southwest Outer Loop	981,771	6.4%	16	(259,252)	-1.7%	24	-
27	Sugar Land	4,713,367	11.4%	29	628,326	1.5%	10	0.3
28	The Woodlands/Conroe	1,291,018	3.6%	3	927,695	2.6%	7	0.3
29	West Outer Loop	2,345,501	6.8%	21	168,310	0.5%	13	4.4

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	930,023,152	20,017,520	2.2%	18,806,645	2.0%	1.1
2028	910,005,632	19,438,786	2.2%	19,990,109	2.2%	1.0
2027	890,566,846	17,879,639	2.0%	19,119,889	2.1%	0.9
2026	872,687,207	19,070,941	2.2%	15,206,138	1.7%	1.3
2025	853,616,266	17,102,012	2.0%	9,235,087	1.1%	1.9
YTD	846,776,912	10,262,658	1.2%	5,145,136	0.6%	2.0
2024	836,514,254	20,224,507	2.5%	21,488,006	2.6%	0.9
2023	816,289,747	37,177,356	4.8%	20,956,206	2.6%	1.8
2022	779,112,391	24,043,485	3.2%	31,339,791	4.0%	0.8
2021	755,068,906	24,853,955	3.4%	35,584,801	4.7%	0.7
2020	730,214,951	31,705,879	4.5%	17,174,471	2.4%	1.8
2019	698,509,072	19,395,492	2.9%	11,462,067	1.6%	1.7
2018	679,113,580	15,538,964	2.3%	13,376,706	2.0%	1.2
2017	663,574,616	10,897,174	1.7%	12,110,415	1.8%	0.9
2016	652,677,442	15,161,399	2.4%	11,356,998	1.7%	1.3
2015	637,516,043	15,167,657	2.4%	13,570,969	2.1%	1.1
2014	622,348,386	12,534,614	2.1%	15,005,202	2.4%	0.8
2013	609,813,772	11,913,976	2.0%	9,063,715	1.5%	1.3

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	131,587,396	663,477	0.5%	753,210	0.6%	0.9
2028	130,923,919	643,007	0.5%	602,269	0.5%	1.1
2027	130,280,912	596,346	0.5%	223,269	0.2%	2.7
2026	129,684,566	1,127,969	0.9%	20,674	0%	54.6
2025	128,556,597	574,862	0.4%	227,679	0.2%	2.5
YTD	128,342,658	360,923	0.3%	412,742	0.3%	0.9
2024	127,981,735	991,482	0.8%	829,016	0.6%	1.2
2023	126,990,253	461,904	0.4%	692,532	0.5%	0.7
2022	126,528,349	2,048,524	1.6%	2,569,615	2.0%	0.8
2021	124,479,825	1,054,202	0.9%	1,529,413	1.2%	0.7
2020	123,425,623	2,727,844	2.3%	1,832,372	1.5%	1.5
2019	120,697,779	1,549,070	1.3%	1,432,685	1.2%	1.1
2018	119,148,709	1,238,661	1.1%	1,264,382	1.1%	1.0
2017	117,910,048	788,750	0.7%	1,184,369	1.0%	0.7
2016	117,121,298	4,489,298	4.0%	4,242,267	3.6%	1.1
2015	112,632,000	855,541	0.8%	1,155,560	1.0%	0.7
2014	111,776,459	705,916	0.6%	1,220,957	1.1%	0.6
2013	111,070,543	2,045,233	1.9%	587,252	0.5%	3.5

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	733,559,643	18,762,055	2.6%	17,547,514	2.4%	1.1
2028	714,797,588	18,221,320	2.6%	18,940,960	2.6%	1.0
2027	696,576,268	16,628,230	2.4%	18,578,322	2.7%	0.9
2026	679,948,038	17,506,107	2.6%	15,262,954	2.2%	1.1
2025	662,441,931	16,134,694	2.5%	9,332,520	1.4%	1.7
YTD	655,908,436	9,601,199	1.5%	5,124,409	0.8%	1.9
2024	646,307,237	18,814,918	3.0%	20,112,801	3.1%	0.9
2023	627,492,319	35,307,004	6.0%	18,662,174	3.0%	1.9
2022	592,185,315	21,932,906	3.8%	28,438,781	4.8%	0.8
2021	570,252,409	23,146,180	4.2%	33,870,922	5.9%	0.7
2020	547,106,229	28,348,746	5.5%	15,038,757	2.7%	1.9
2019	518,757,483	17,532,915	3.5%	10,245,563	2.0%	1.7
2018	501,224,568	14,047,778	2.9%	11,871,431	2.4%	1.2
2017	487,176,790	9,449,835	2.0%	10,843,730	2.2%	0.9
2016	477,726,955	10,010,186	2.1%	6,769,807	1.4%	1.5
2015	467,716,769	13,752,035	3.0%	11,835,720	2.5%	1.2
2014	453,964,734	10,836,802	2.4%	12,265,826	2.7%	0.9
2013	443,127,932	8,710,123	2.0%	6,745,005	1.5%	1.3

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	64,876,113	591,988	0.9%	505,921	0.8%	1.2
2028	64,284,125	574,459	0.9%	446,880	0.7%	1.3
2027	63,709,666	655,063	1.0%	318,298	0.5%	2.1
2026	63,054,603	436,865	0.7%	(77,490)	-0.1%	-
2025	62,617,738	392,456	0.6%	(325,112)	-0.5%	-
YTD	62,525,818	300,536	0.5%	(392,015)	-0.6%	-
2024	62,225,282	418,107	0.7%	546,189	0.9%	0.8
2023	61,807,175	1,408,448	2.3%	1,601,500	2.6%	0.9
2022	60,398,727	62,055	0.1%	331,395	0.5%	0.2
2021	60,336,672	653,573	1.1%	184,466	0.3%	3.5
2020	59,683,099	629,289	1.1%	303,342	0.5%	2.1
2019	59,053,810	313,507	0.5%	(216,181)	-0.4%	-
2018	58,740,303	252,525	0.4%	240,893	0.4%	1.0
2017	58,487,778	658,589	1.1%	82,316	0.1%	8.0
2016	57,829,189	661,915	1.2%	344,924	0.6%	1.9
2015	57,167,274	560,081	1.0%	579,689	1.0%	1.0
2014	56,607,193	991,896	1.8%	1,518,419	2.7%	0.7
2013	55,615,297	1,158,620	2.1%	1,731,458	3.1%	0.7

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$10.58	173	3.0%	12.9%	64,924,043	7.0%	0%
2028	\$10.27	168	3.8%	9.6%	63,681,689	7.0%	-0.2%
2027	\$9.89	162	2.8%	5.5%	64,201,880	7.2%	-0.3%
2026	\$9.63	158	0.8%	2.7%	65,409,625	7.5%	0.3%
2025	\$9.55	156	1.9%	1.9%	61,517,820	7.2%	0.8%
YTD	\$9.50	156	2.5%	1.4%	58,709,103	6.9%	0.5%
2024	\$9.37	153	2.9%	0%	53,591,081	6.4%	-0.3%
2023	\$9.11	149	5.0%	-2.8%	54,888,535	6.7%	1.8%
2022	\$8.67	142	4.8%	-7.5%	38,688,477	5.0%	-1.1%
2021	\$8.28	136	4.5%	-11.7%	45,960,046	6.1%	-1.7%
2020	\$7.92	130	2.7%	-15.5%	56,727,206	7.8%	1.7%
2019	\$7.71	126	3.0%	-17.7%	42,344,334	6.1%	1.0%
2018	\$7.49	123	3.0%	-20.1%	34,544,840	5.1%	0.1%
2017	\$7.28	119	3.4%	-22.4%	32,991,897	5.0%	-0.3%
2016	\$7.04	115	1.0%	-24.9%	34,372,856	5.3%	0.4%
2015	\$6.97	114	3.9%	-25.7%	31,069,350	4.9%	0.1%
2014	\$6.70	110	3.3%	-28.5%	29,501,684	4.7%	-0.5%
2013	\$6.49	106	2.6%	-30.8%	31,979,447	5.2%	0.4%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$11.88	184	3.3%	14.9%	5,120,530	3.9%	-0.1%
2028	\$11.50	178	4.1%	11.3%	5,205,994	4.0%	0%
2027	\$11.05	171	3.1%	6.9%	5,160,963	4.0%	0.3%
2026	\$10.72	166	1.1%	3.8%	4,783,545	3.7%	0.8%
2025	\$10.61	164	2.7%	2.7%	3,671,986	2.9%	0.3%
YTD	\$10.58	164	4.0%	2.4%	3,270,780	2.5%	0%
2024	\$10.34	160	2.5%	0%	3,322,599	2.6%	0.1%
2023	\$10.09	156	2.8%	-2.4%	3,160,133	2.5%	-0.2%
2022	\$9.81	152	3.3%	-5.1%	3,390,761	2.7%	-0.5%
2021	\$9.50	147	4.7%	-8.1%	3,911,852	3.1%	-0.4%
2020	\$9.07	140	3.2%	-12.3%	4,387,063	3.6%	0.7%
2019	\$8.79	136	4.0%	-15.0%	3,491,591	2.9%	0%
2018	\$8.45	131	4.9%	-18.3%	3,393,146	2.8%	-0.1%
2017	\$8.05	125	5.9%	-22.1%	3,418,867	2.9%	-0.4%
2016	\$7.61	118	0.9%	-26.4%	3,814,486	3.3%	0.1%
2015	\$7.54	117	6.4%	-27.1%	3,567,455	3.2%	-0.3%
2014	\$7.09	110	4.4%	-31.4%	3,867,474	3.5%	-0.5%
2013	\$6.79	105	2.7%	-34.3%	4,382,515	3.9%	1.3%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$9.93	172	3.0%	12.4%	52,913,376	7.2%	0%
2028	\$9.63	167	3.8%	9.1%	51,676,004	7.2%	-0.3%
2027	\$9.28	161	2.7%	5.1%	52,373,040	7.5%	-0.5%
2026	\$9.03	157	0.8%	2.3%	54,299,198	8.0%	0.1%
2025	\$8.97	156	1.5%	1.5%	52,037,245	7.9%	0.9%
YTD	\$8.91	155	1.9%	0.9%	49,659,444	7.6%	0.6%
2024	\$8.83	153	2.9%	0%	45,182,154	7.0%	-0.4%
2023	\$8.59	149	5.7%	-2.8%	46,513,992	7.4%	2.4%
2022	\$8.13	141	5.2%	-8.0%	29,890,254	5.0%	-1.3%
2021	\$7.72	134	4.4%	-12.6%	36,371,392	6.4%	-2.2%
2020	\$7.40	128	2.8%	-16.3%	47,157,948	8.6%	2.1%
2019	\$7.19	125	2.9%	-18.6%	33,880,009	6.5%	1.2%
2018	\$6.99	121	2.6%	-20.9%	26,708,649	5.3%	0.2%
2017	\$6.81	118	3.1%	-22.9%	25,122,117	5.2%	-0.4%
2016	\$6.61	115	1.1%	-25.2%	26,683,776	5.6%	0.5%
2015	\$6.54	114	3.7%	-26.0%	23,944,746	5.1%	0.3%
2014	\$6.30	109	3.1%	-28.6%	22,057,453	4.9%	-0.4%
2013	\$6.11	106	2.4%	-30.8%	23,502,107	5.3%	0.3%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$14.98	164	2.8%	13.6%	6,890,137	10.6%	0%
2028	\$14.56	160	3.6%	10.4%	6,799,691	10.6%	0.1%
2027	\$14.05	154	2.6%	6.5%	6,667,877	10.5%	0.4%
2026	\$13.69	150	0.7%	3.8%	6,326,882	10.0%	0.8%
2025	\$13.60	149	3.1%	3.1%	5,808,589	9.3%	1.1%
YTD	\$13.57	149	4.3%	2.9%	5,778,879	9.2%	1.1%
2024	\$13.19	145	4.2%	0%	5,086,328	8.2%	-0.3%
2023	\$12.66	139	3.7%	-4.0%	5,214,410	8.4%	-0.5%
2022	\$12.20	134	4.1%	-7.5%	5,407,462	9.0%	-0.5%
2021	\$11.72	129	4.4%	-11.1%	5,676,802	9.4%	0.7%
2020	\$11.23	123	1.2%	-14.8%	5,182,195	8.7%	0.3%
2019	\$11.10	122	1.8%	-15.9%	4,972,734	8.4%	0.9%
2018	\$10.89	120	2.3%	-17.4%	4,443,045	7.6%	0%
2017	\$10.65	117	1.5%	-19.2%	4,450,913	7.6%	0.9%
2016	\$10.49	115	0.9%	-20.4%	3,874,594	6.7%	0.5%
2015	\$10.40	114	2.0%	-21.1%	3,557,149	6.2%	-0.1%
2014	\$10.19	112	3.6%	-22.7%	3,576,757	6.3%	-1.0%
2013	\$9.84	108	3.8%	-25.3%	4,094,825	7.4%	-1.2%

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
2029	0	-	-	-	-	-	\$123	236	7.5%
2028	0	-	-	-	-	-	\$117.16	225	7.6%
2027	0	-	-	-	-	-	\$110.44	212	7.8%
2026	0	-	-	-	-	-	\$106.30	204	7.9%
2025	-	-	-	-	-	-	\$105.55	203	7.8%
YTD	860	\$696.5M	3.2%	\$7,180,864	\$151.80	6.7%	\$107.06	206	7.7%
2024	1,233	\$1.3B	5.0%	\$4,951,999	\$111.86	7.5%	\$101.81	196	7.8%
2023	1,048	\$656.5M	3.9%	\$3,567,666	\$102.14	8.3%	\$97.70	188	7.6%
2022	1,417	\$2.2B	6.6%	\$7,919,125	\$134.59	7.3%	\$101.52	195	6.8%
2021	1,740	\$3.3B	9.3%	\$8,244,895	\$104.41	7.0%	\$103.07	198	6.3%
2020	1,131	\$991.4M	6.1%	\$5,032,741	\$87.67	7.7%	\$88.90	171	6.7%
2019	1,217	\$1.7B	5.8%	\$4,648,180	\$82.06	7.7%	\$81.41	157	7.0%
2018	1,300	\$1.7B	6.6%	\$5,355,532	\$82.79	8.0%	\$77.36	149	7.0%
2017	1,211	\$1.2B	5.4%	\$3,910,640	\$75.37	7.5%	\$75.05	144	6.8%
2016	915	\$467.6M	3.5%	\$2,941,062	\$67.85	8.2%	\$75.63	145	6.5%
2015	1,032	\$1B	5.8%	\$5,090,018	\$83.46	8.5%	\$74.46	143	6.3%
2014	980	\$647.4M	4.5%	\$2,864,666	\$64.43	8.2%	\$66.94	129	6.7%

(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. 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
2029	-	-	-	-	-	-	\$118.44	247	7.4%
2028	-	-	-	-	-	-	\$112.54	234	7.5%
2027	-	-	-	-	-	-	\$105.80	220	7.6%
2026	-	-	-	-	-	-	\$101.54	211	7.7%
2025	-	-	-	-	-	-	\$100.55	209	7.7%
YTD	108	\$242.9M	3.7%	\$22,086,003	\$261.28	5.5%	\$102.29	213	7.5%
2024	134	\$88.7M	3.8%	\$2,957,920	\$123.25	7.4%	\$96.05	200	7.7%
2023	102	\$68M	2.3%	\$4,248,286	\$106.62	6.0%	\$91.84	191	7.5%
2022	154	\$154.1M	4.7%	\$4,670,478	\$119.08	5.3%	\$95.28	198	6.8%
2021	208	\$224.3M	7.1%	\$4,153,850	\$97.10	7.5%	\$97.11	202	6.2%
2020	103	\$46.5M	3.9%	\$3,322,856	\$68.58	5.0%	\$83.80	175	6.6%
2019	120	\$165.7M	4.9%	\$5,345,755	\$85.84	6.5%	\$76.58	159	6.9%
2018	133	\$171.2M	5.4%	\$5,523,001	\$62.77	8.6%	\$72.28	151	6.9%
2017	129	\$131.5M	4.4%	\$4,383,983	\$92.86	5.4%	\$69.82	145	6.8%
2016	95	\$39.1M	3.4%	\$3,913,837	\$58.25	8.7%	\$70.25	146	6.4%
2015	94	\$202.7M	4.4%	\$11,924,927	\$124.45	8.5%	\$69.17	144	6.3%
2014	106	\$55.2M	2.8%	\$3,450,129	\$68.49	7.4%	\$61.98	129	6.7%

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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
2029	-	-	-	-	-	-	\$121.84	237	7.5%
2028	-	-	-	-	-	-	\$116.06	226	7.6%
2027	-	-	-	-	-	-	\$109.42	213	7.8%
2026	-	-	-	-	-	-	\$105.35	205	7.8%
2025	-	-	-	-	-	-	\$104.64	203	7.8%
YTD	626	\$432M	3.1%	\$5,837,686	\$122.58	7.0%	\$106.06	206	7.7%
2024	932	\$1.1B	5.2%	\$6,067,804	\$110.43	7.5%	\$100.84	196	7.8%
2023	796	\$541.9M	4.2%	\$3,898,220	\$100.21	9.5%	\$96.70	188	7.6%
2022	1,039	\$1.5B	6.7%	\$7,090,587	\$105.46	8.0%	\$100.47	195	6.8%
2021	1,252	\$2.8B	9.5%	\$9,454,230	\$103.61	6.8%	\$101.97	198	6.3%
2020	839	\$816.6M	6.5%	\$5,710,260	\$85.61	8.2%	\$87.88	171	6.7%
2019	918	\$1.2B	5.8%	\$4,828,619	\$77.42	8.1%	\$80.45	156	7.0%
2018	991	\$1.4B	6.9%	\$5,910,497	\$84.81	7.4%	\$76.39	149	7.0%
2017	906	\$922.3M	5.4%	\$4,434,193	\$73.81	7.7%	\$74.19	144	6.8%
2016	696	\$383M	3.5%	\$3,218,211	\$70.65	8.2%	\$74.69	145	6.4%
2015	813	\$693M	6.0%	\$4,414,123	\$72.34	8.3%	\$73.58	143	6.3%
2014	743	\$496.7M	4.7%	\$2,904,518	\$61.16	8.4%	\$66.16	129	6.7%

(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. The price index is not smoothed.

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
2029	0	-	-	-	-	-	\$144.90	218	8.0%
2028	0	-	-	-	-	-	\$138.41	208	8.1%
2027	0	-	-	-	-	-	\$130.87	197	8.2%
2026	0	-	-	-	-	-	\$126.24	190	8.3%
2025	-	-	-	-	-	-	\$125.51	189	8.3%
YTD	126	\$21.6M	3.5%	\$1,800,756	\$160.37	6.6%	\$127.52	192	8.1%
2024	167	\$123.5M	4.5%	\$2,245,941	\$118.11	7.3%	\$124.10	186	8.2%
2023	150	\$46.6M	4.3%	\$1,607,771	\$122.07	6.8%	\$120.34	181	7.9%
2022	224	\$617.6M	9.4%	\$14,362,275	\$423.99	6.0%	\$125.58	189	7.1%
2021	280	\$222.1M	11.9%	\$5,047,744	\$126.57	8.7%	\$127.09	191	6.5%
2020	189	\$128.4M	6.9%	\$3,209,070	\$117.40	6.9%	\$110.35	166	7.0%
2019	179	\$266.7M	7.6%	\$3,703,771	\$109.69	7.9%	\$101.62	153	7.2%
2018	176	\$117.6M	6.8%	\$2,449,425	\$100.35	10.7%	\$98.14	147	7.2%
2017	176	\$162.4M	7.3%	\$2,224,346	\$72.98	8.3%	\$94.98	143	7.0%
2016	124	\$45.5M	3.6%	\$1,517,444	\$56.93	7.8%	\$96.71	145	6.6%
2015	125	\$127.4M	6.4%	\$4,716,761	\$121.29	9.5%	\$94.72	142	6.5%
2014	131	\$95.5M	6.2%	\$2,449,741	\$85.20	-	\$85.41	128	6.9%

(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. The price index is not smoothed.