Industrial Market Report

Colorado Springs - CO

PREPARED BY

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CoStar™

INDUSTRIAL MARKET REPORT

Overview

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
4.8M	**4.2M**	**5.0%**	**6.9%**

A boom in consumer spending is boosting Colorado Springs industrial fundamentals. The pandemic accelerated the rise of e-commerce, but retail sales at brick-and-mortar locations are also rising, leading to increased demand for distribution centers across the city where goods can be stored before reaching the consumer. Retailers and logistics providers are increasing their industrial footprints to improve their distribution networks and bulk up on inventories. Consistent demand, in conjunction with minimal supply pressure, has kept vacancies low near 5.0%.

Amazon positioned itself to take full advantage of the shift to e-commerce, both locally and on a national scale. The online retailer has aggressively expanded in Colorado Springs, leasing a 4-million SF build-to-suit distribution and sorting center in 2018. The complex, located in the airport's Peak Innovation Park in the Southeast submarket, delivered in October 2021 and is adjacent to a delivery station that Amazon opened in 2020. Amazon plans to hire 1,000 workers at the new location. In total, Amazon plans to hire 2,200 people across the Colorado Springs metro.

With the retail sector facing challenges related to the rise of online buying, retail-to-industrial conversions are gaining traction, though these can be complicated to execute. Amazon has taken over a former Sam's Club in the East submarket, leasing 135,000 SF in March 2021. Construction on the conversion wrapped up in late 2021.

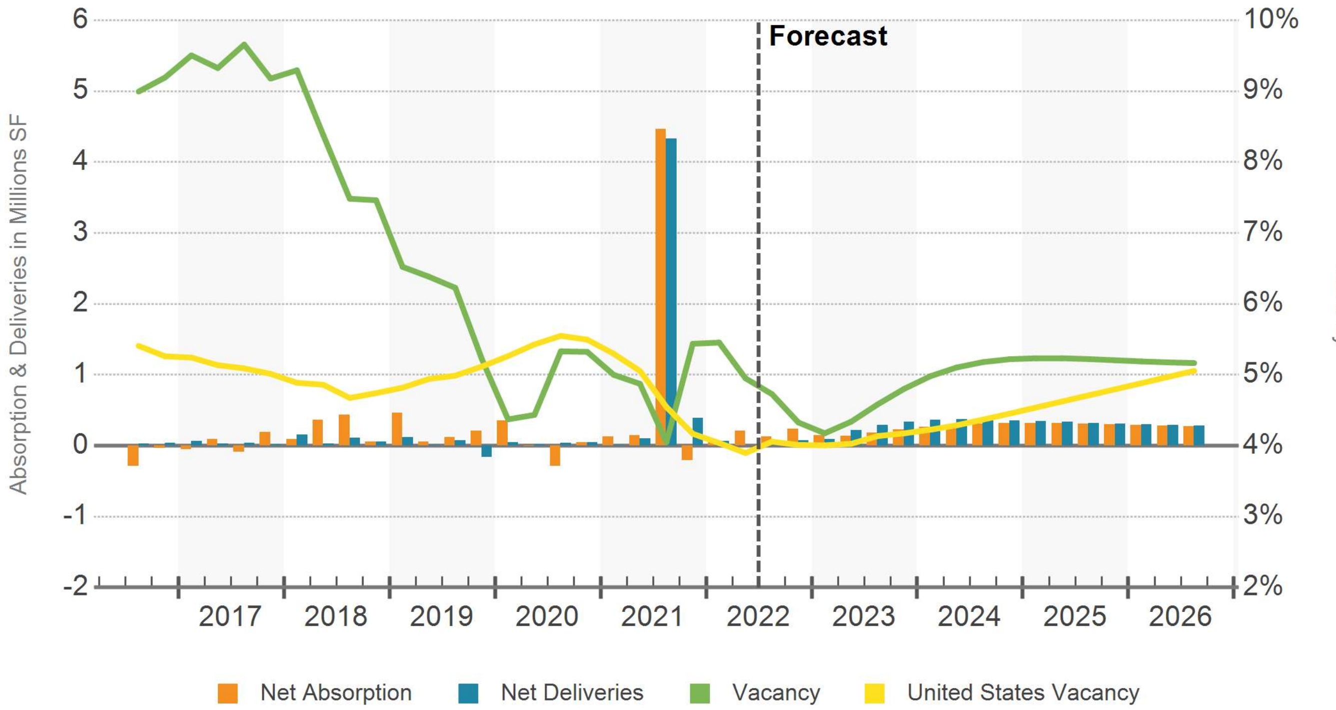
High demand for industrial product is driving rent growth. Annually, rents have increased by 6.9%. However, the pace of rent growth remains below the national annual average of 12.2%.

KEY INDICATORS

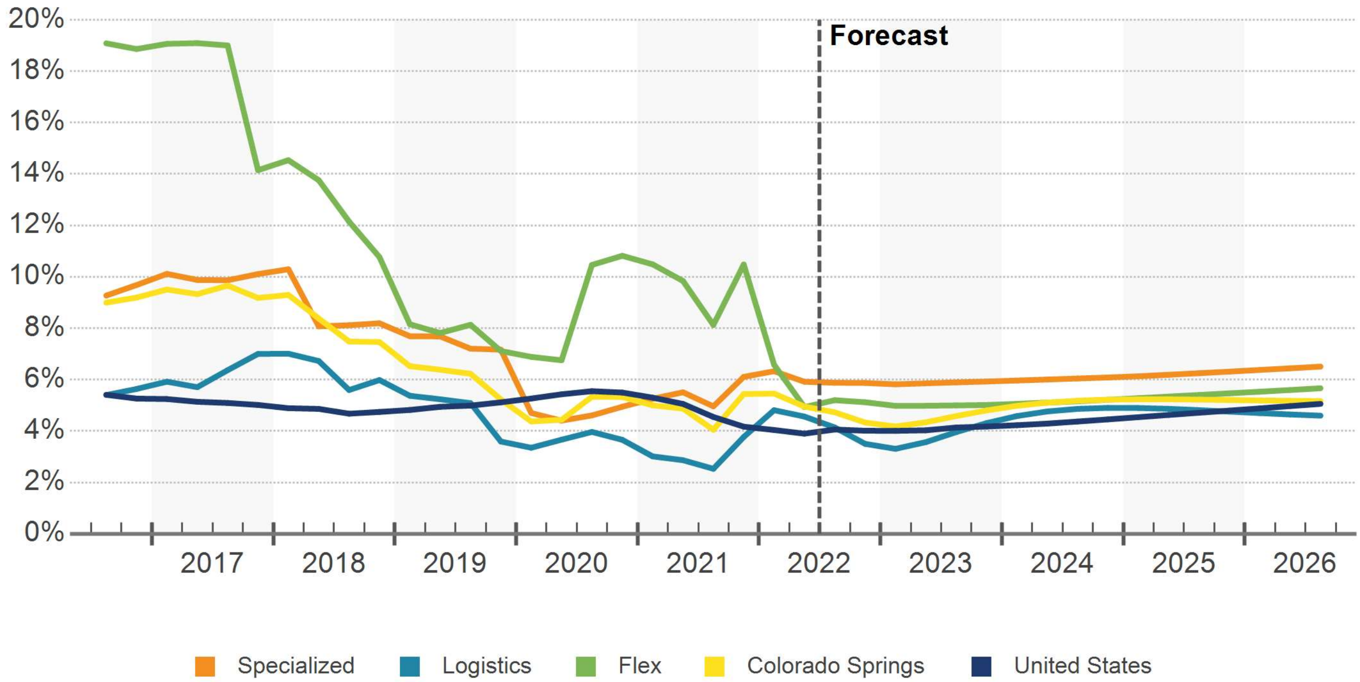
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	25,054,458	4.6%	$9.91	6.0%	(2,473)	0	98,500
Specialized Industrial	10,211,505	6.0%	$10.32	6.2%	(4,716)	0	0
Flex	6,450,100	5.0%	$11.20	7.4%	(5,550)	0	12,500
Market	**41,716,063**	**5.0%**	**$10.21**	**6.3%**	**(12,739)**	**0**	**111,000**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	8.9%	5.0%	13.8%	2009 Q3	4.0%	2021 Q3
Net Absorption SF	4.2M	456,609	969,236	4,781,382	2021 Q3	(1,149,504)	2009 Q3
Deliveries SF	4.8M	495,184	1,105,321	5,252,451	2022 Q1	0	2015 Q2
Rent Growth	6.9%	3.0%	3.3%	6.9%	2022 Q2	-3.3%	2010 Q1
Sales Volume	$297M	$96.6M	N/A	$298.9M	2022 Q2	$32.5M	2009 Q4

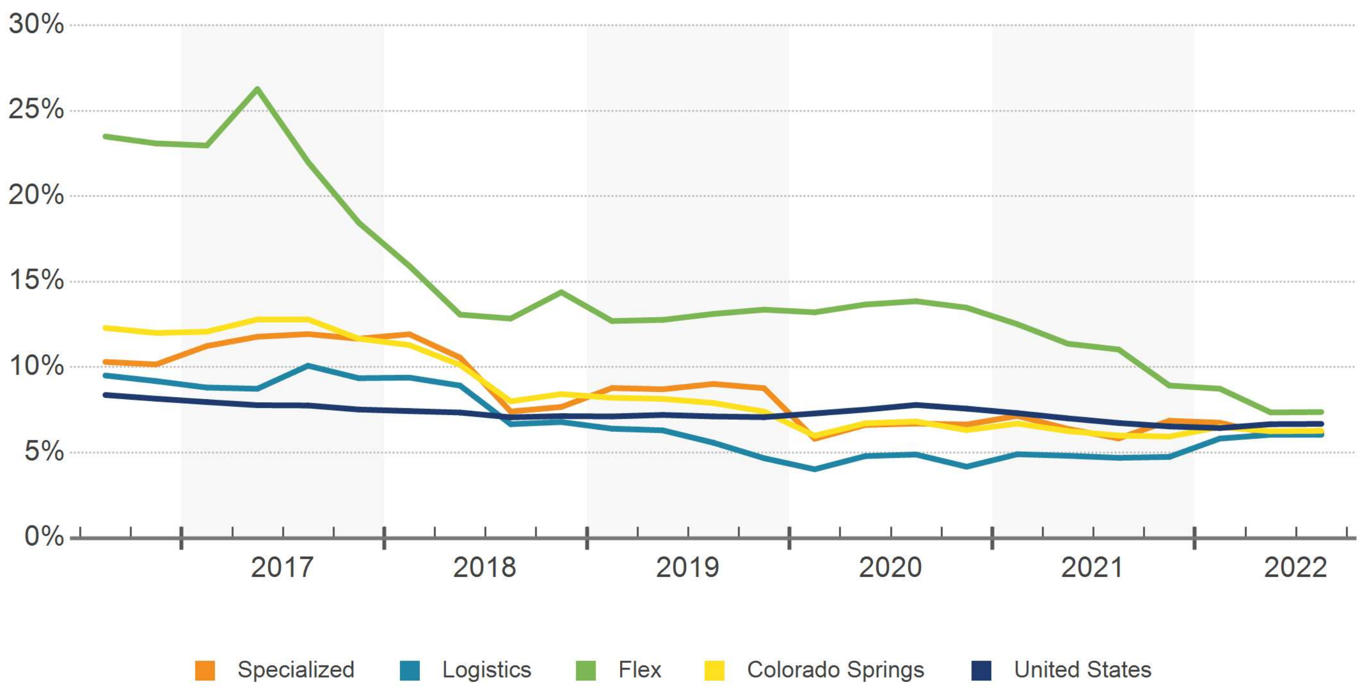
NET ABSORPTION, NET DELIVERIES & VACANCY



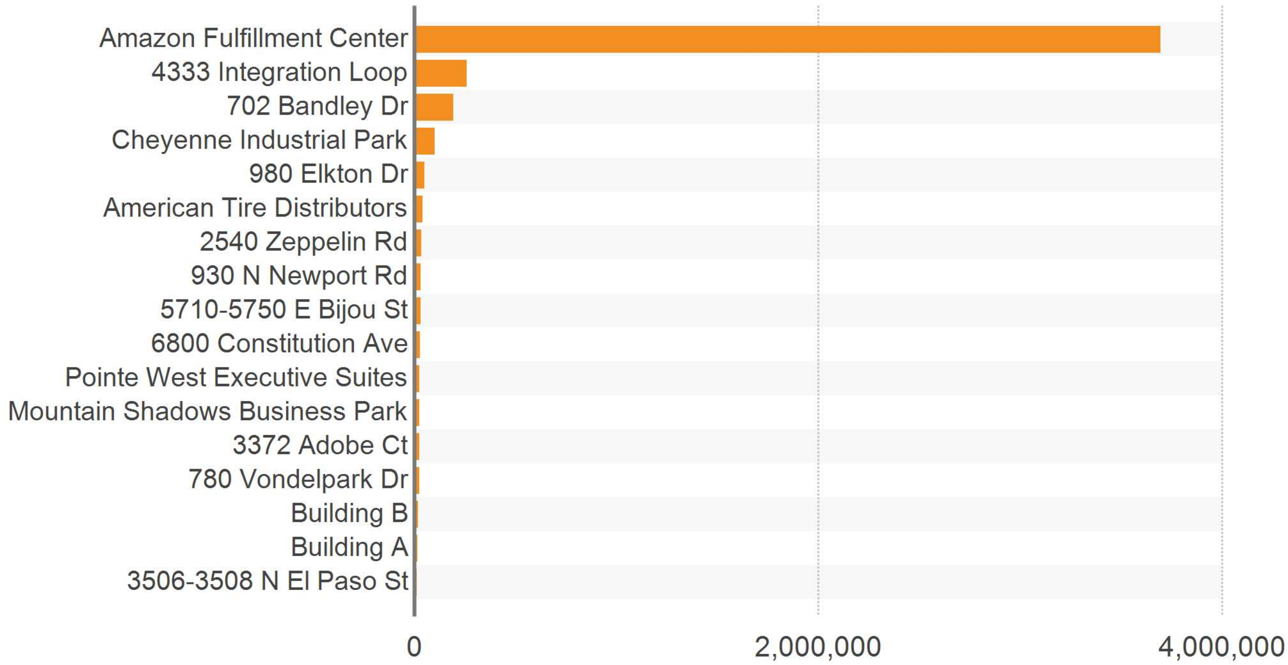
VACANCY RATE



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
Amazon Fulfillment Center	Southeast Ind	4,000,000	0	0	0	0	0	3,695,652
4333 Integration Loop	Southeast Ind	279,000	0	0	0	0	0	257,771
702 Bandley Dr	Southeast Ind	362,291	169,132	193,159	0	0	0	193,159
Cheyenne Industrial Park	Southwest Ind	164,582	0	0	0	0	0	100,469
980 Elkton Dr	Northwest Ind	50,000	0	50,000	0	0	0	50,000
American Tire Distributors	Southeast Ind	125,060	0	0	0	0	0	40,000
2540 Zeppelin Rd	Southeast Ind	131,040	98,280	0	0	0	0	32,760
930 N Newport Rd	Southeast Ind	50,190	19,220	0	0	0	0	30,970
5710-5750 E Bijou St	Southeast Ind	30,000	0	30,000	0	0	0	30,000
6800 Constitution Ave	Northeast Ind	31,200	2,400	0	0	0	0	28,800
Pointe West Executive Suites	Northeast Ind	25,600	0	0	25,600	0	0	25,600
Mountain Shadows Business Park	Northwest Ind	35,750	0	0	25,145	0	0	25,145
3372 Adobe Ct	North Ind	24,000	0	4,800	19,200	0	0	24,000
780 Vondelpark Dr	Northwest Ind	25,000	0	(25,000)	25,000	0	0	23,097
Building B	Northeast Ind	17,963	0	0	0	0	0	17,343
Building A	Northeast Ind	14,112	0	1,768	0	0	0	13,240
3506-3508 N El Paso St	North Ind	29,775	0	12,000	0	0	0	12,000
Subtotal Primary Competitors		**5,395,563**	**289,032**	**266,727**	**94,945**	**0**	**0**	**4,600,006**
Remaining Colorado Springs Market		36,320,500	1,788,622	(213,258)	115,599	(12,739)	0	(437,043)
Total Colorado Springs Market		**41,716,063**	**2,077,654**	**53,469**	**210,544**	**(12,739)**	**0**	**4,162,963**

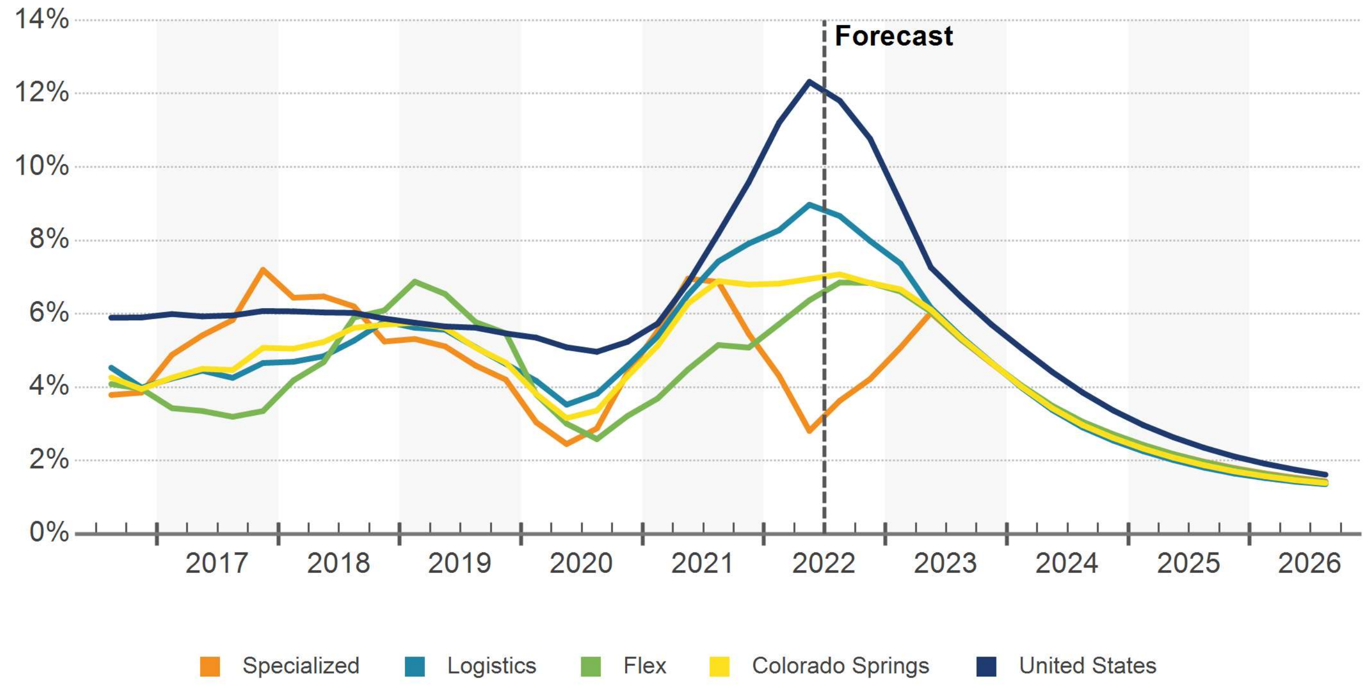
TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
4330 Mark Dabling Blvd	North	61,098	Q1 22	Eagle Rock Distributing Co	-	-
615 Wooten Rd	Southeast	45,520	Q1 22	Tri-Labs Venture	-	CORE Commercial Bro…
11675 Ridgeline Dr	Northeast	39,194	Q4 21	-	-	Hoff & Leigh Colorado…
2150 Garden of the Gods Rd	Northwest	25,000	Q4 21	-	-	RE/MAX, LLC
2150 Garden of the Gods Rd	Northwest	24,738	Q2 22	-	-	RE/MAX, LLC
3505-3525 N Stone Ave	North	18,996	Q3 21	Innov Wire Technology	CORE Commercial…	-
901 Synthes Ave	Northwest	16,100	Q4 21	Aspen View Homes	-	Peak Commercial Prop…
3505-3525 N Stone Ave	North	16,004	Q4 21	Sharper Printing	Peak Commercial Pr…	Strata Group
1615 Tuskegee Pl	Southeast	15,602	Q1 22	Haman Enterprises LLC	-	-
3113 N Stone Ave	North	15,000	Q1 22	-	-	Trend Commercial Rea…
2504 Zeppelin Rd	Southeast	15,000	Q3 21	U-Haul	-	NAI Highland Commerc…
3506-3508 N El Paso St	North	12,000	Q4 21	-	-	Thrive Commercial Part…
3372 Adobe Ct	North	12,000	Q2 22	Aspen Glass, Inc	NAI Highland Comm…	Cushman & Wakefield
7775 Gary Watson Pt	Southeast	10,000	Q4 21	-	-	Hammers Construction,…
7755 Gary Watson Pt	Southeast	10,000	Q1 22	CES Property Endeavors…	-	-
625 N Murray Blvd	Southeast	10,000	Q2 22	Blazer Electric Supply	-	Peak Commercial Prop…
3404 N Cascade Ave	North	9,651	Q1 22	Fleetwash	-	Peak Commercial Prop…
620 Aviation Way	Southeast	9,600	Q3 21	Seascape Inc	-	RE/MAX, LLC
4240-4242 N Nevada Ave	North	9,185	Q3 21	PteroDynamics Inc	Olive Real Estate Gr…	Olive Real Estate Group
1670 Paonia St	Southeast	9,000	Q1 22	-	-	RE/MAX Properties
8812 Cliff Allen Pt	Northeast	8,000	Q3 21	Dirt Road Diesel	-	Thrive Commercial Part…
2415 Rand Ave	Southwest	7,710	Q4 21	Eco Salvage Corp	-	Goodman Commercial…
7756 Gary Watson Pt	Southeast	7,250	Q1 22	Eternian Real Estate LLC	-	-
3395 Fillmore Ridge Hts	Northwest	6,970	Q4 21	Stainless Software Inc.	Olive Real Estate Gr…	Olive Real Estate Group
2670-2698 Delta Dr	Southeast	6,800	Q3 21	-	-	America 2000, Inc.
1485 Garden Of The Gods Rd	Northwest	6,641	Q4 21	-	-	Quantum Commercial…
3370 S Chelton Loop	Southeast	6,607	Q3 21	Hail Genie	-	NAI Highland Commerc…
1908 Aerotech Dr *	Southeast	6,359	Q3 21	U.S. General Services Ad…	-	Cushman & Wakefield
2801-2817 Janitell Rd	Southeast	6,290	Q4 21	Front Range Elite Cheer	-	Hoff & Leigh Colorado…
1930-2070 S Academy Blvd	East	6,051	Q2 22	-	-	David Commercial Real…
3685 Us-85 Hwy	Southeast	5,765	Q3 21	Microvora	-	Olive Real Estate Group
1414-1418 W Vermijo Ave	Northwest	5,728	Q2 22	Real Performance	-	Anthony P Ellis
1525-1565 Vapor Trl	Southeast	5,668	Q2 22	-	-	Olive Real Estate Group
3302-3368 Adobe Ct	North	5,250	Q2 22	-	-	Cushman & Wakefield
5015-5017 N 30th St *	Northwest	5,220	Q1 22	SafetyGear	Olive Real Estate Gr…	Olive Real Estate Group
890 Elkton Dr	Northwest	5,000	Q3 21	-	-	Olive Real Estate Group
870 Elkton Dr	Northwest	5,000	Q3 21	Redstone Tech LLC	RE/MAX, LLC	Olive Real Estate Group
1930-2070 S Academy Blvd	East	5,000	Q1 22	Fun Spot LLC	Rocky Mountain Re…	David Commercial Real…
1484 Woolsey Hts	Southeast	5,000	Q2 22	-	-	Thomas R. Brown Asso…
3930 S US Highway 85 87	Southeast	4,992	Q1 22	-	-	David Commercial Real…

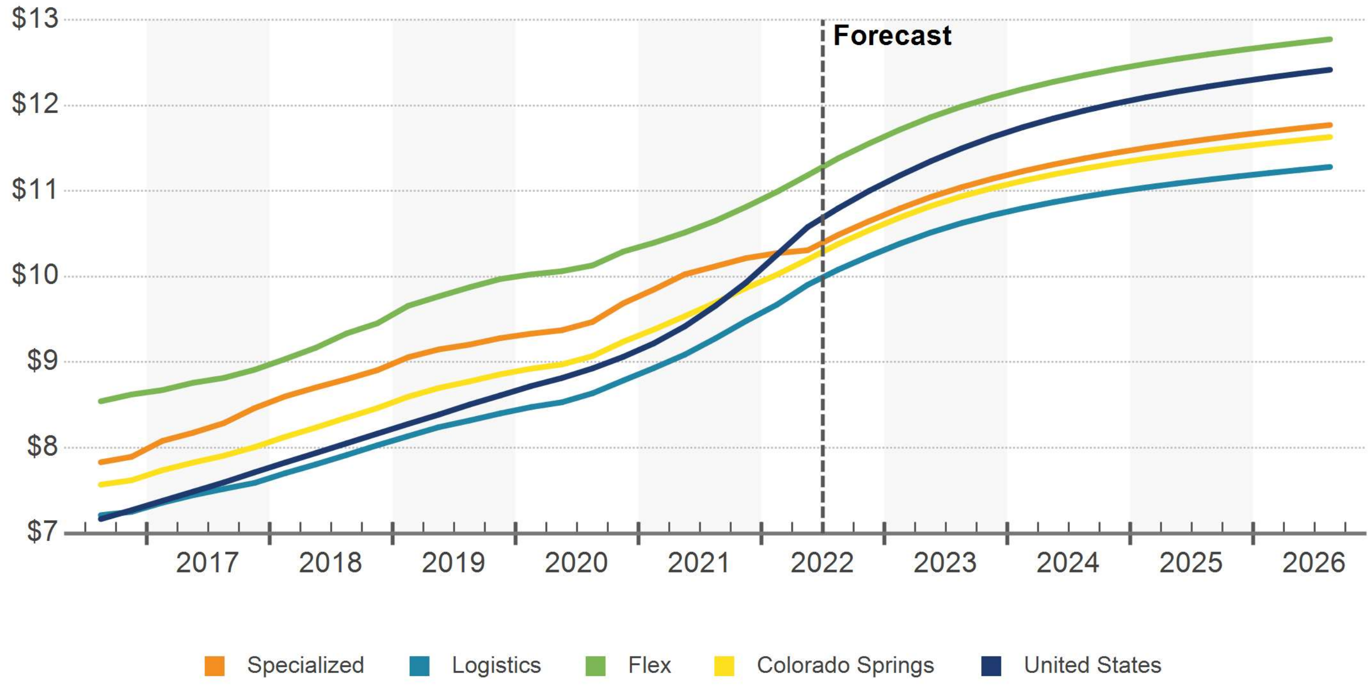
*Renewal

Rent

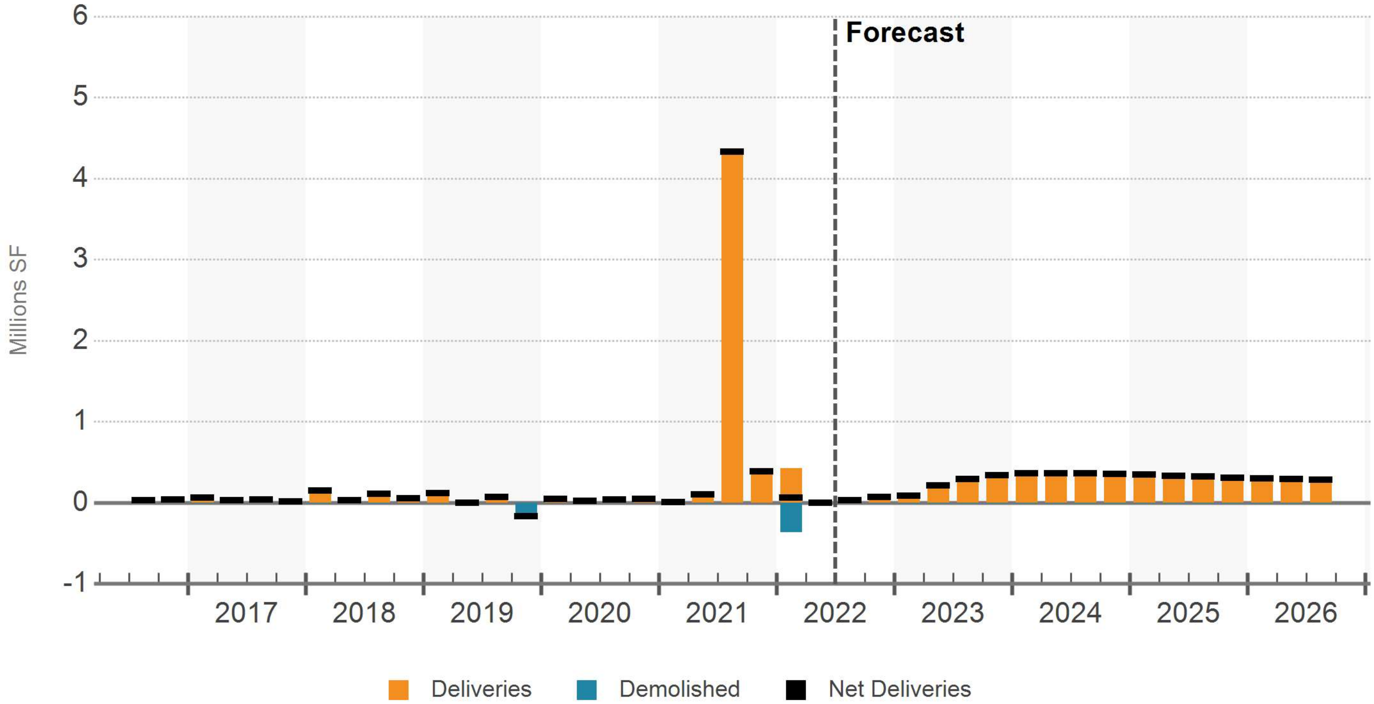
MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

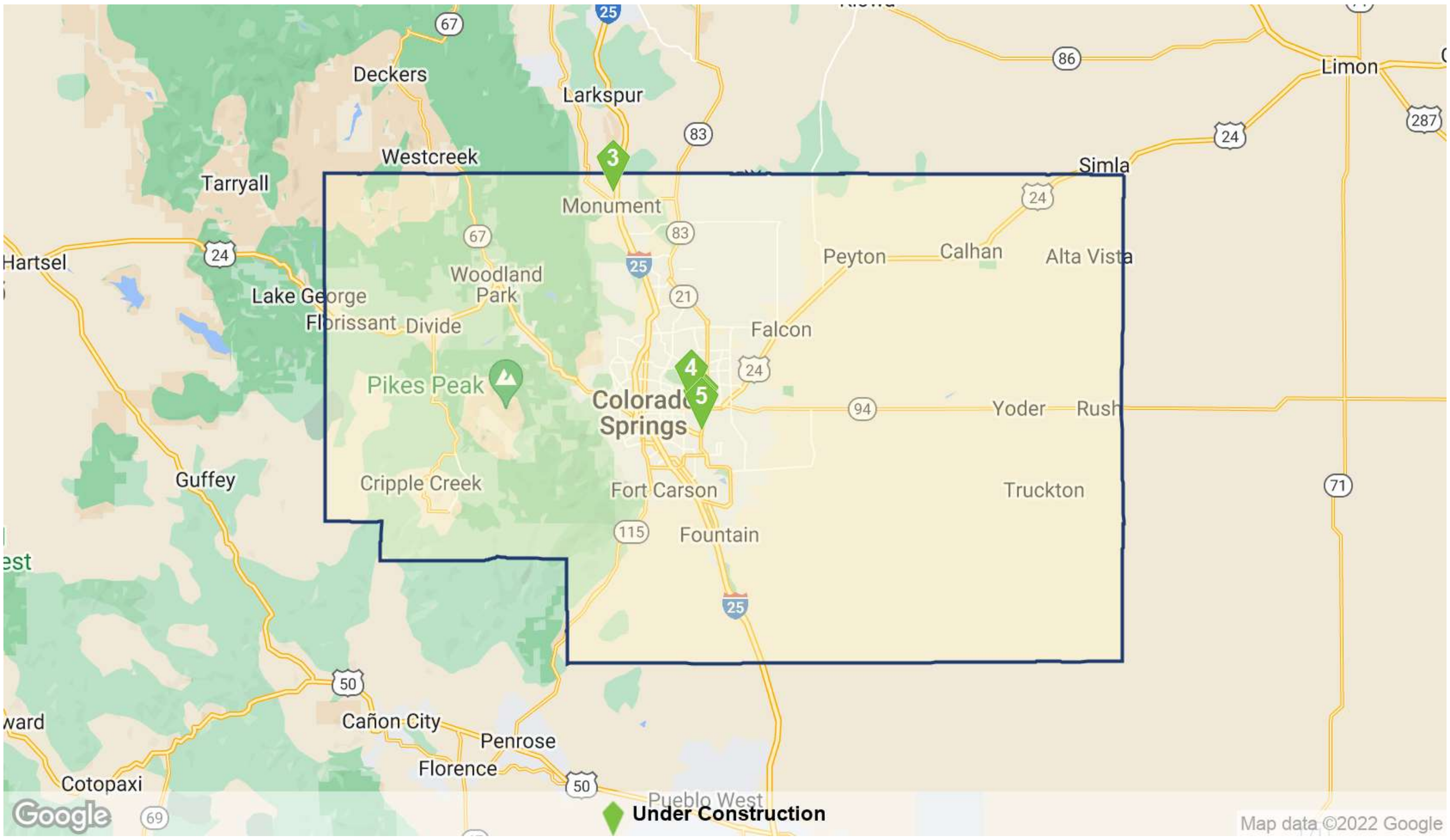
		Under Construction Inventory					Average Building Size		
No.	Submarket	Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Southeast	4	99	0	0%	1	20,774	24,625	1
2	Northwest	1	13	0	0%	1	33,351	12,500	2
3	CBD	0	-	-	-	-	12,536	-	-
4	Greater CBD	0	-	-	-	-	11,767	-	-
5	North	0	-	-	-	-	17,787	-	-
6	Northeast	0	-	-	-	-	26,712	-	-
7	Southwest	0	-	-	-	-	14,243	-	-
8	Teller County	0	-	-	-	-	13,227	-	-
	Totals	**5**	**111**	**0**	**0%**		**20,615**	**22,200**	

Under Construction Properties

Colorado Springs Industrial

Properties	Square Feet	Percent of Inventory	Preleased
5	111,000	0.3%	0%

UNDER CONSTRUCTION PROPERTIES



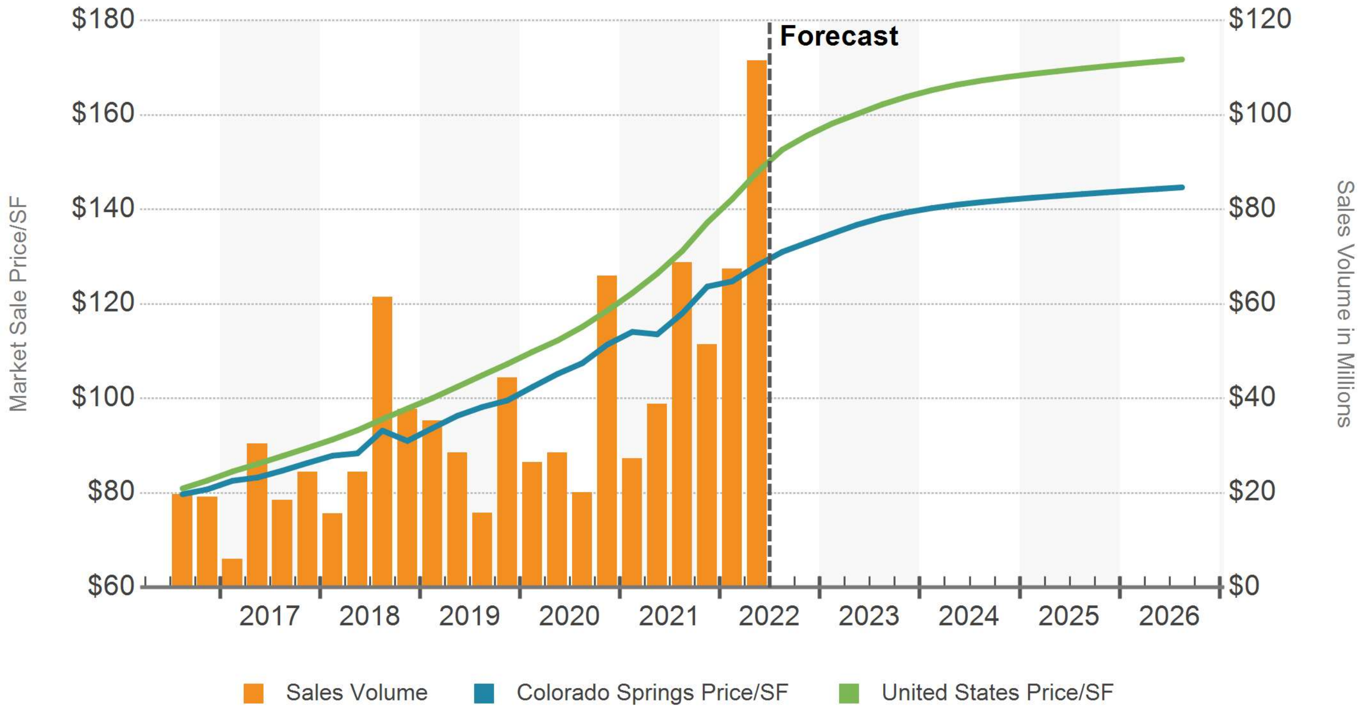
UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	950 Vapor Trail Trl	★★★☆☆	58,500	1	Mar 2022	Sep 2022	- -
2	1125 N Newport	★★★☆☆	20,000	1	Nov 2021	Oct 2022	- -
3	2168 Wolf Ct	★★★☆☆	12,500	1	Jun 2021	Aug 2022	- -
4	762 Clark Pl	★★★☆☆	10,000	1	Jan 2022	Aug 2022	- -
5	1570 Vapor	★★★☆☆	10,000	1	Mar 2021	Aug 2022	- -

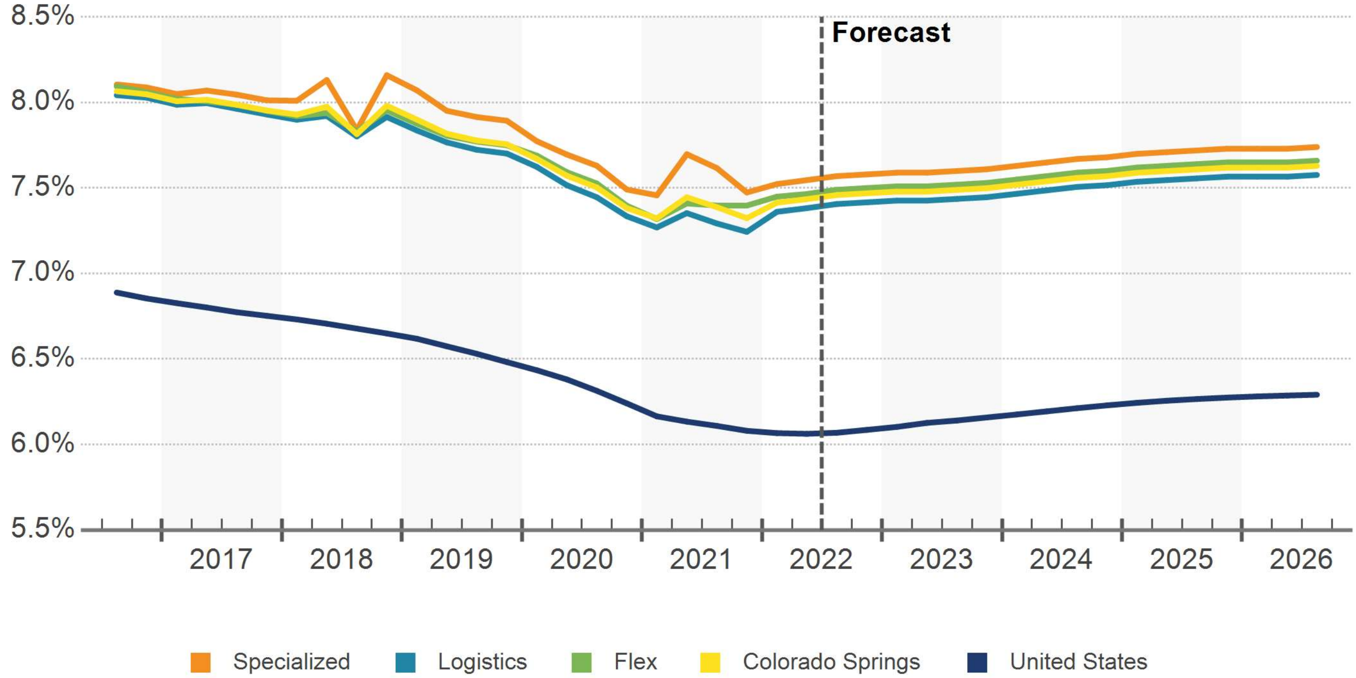
Colorado Springs can be characterized as a midsized industrial market, and the region saw 151 industrial sales in the past 12 months, which is one of the strongest figures among its cohort. That happened to be a material rise in transaction count compared to what market players have become accustomed to over the past five years. Annual sales volume has averaged $150 million over the past five years, and the 12-month high in investment volume hit $299 million over that stretch. In the past 12 months specifically, $294 million worth of industrial assets sold. Logistics facilities drove recent sales volume, accounting for $173 million in confirmed transactions.

Market pricing, derived from the estimated price movement of every single industrial property in the metro, sat at $129/SF during the third quarter of 2022. That figure is up over this time last year, and the price is still below the overall industrial average for the United States. The market cap rate has ticked up in the past 12 months, and the cap rate is structurally higher here than those across the country. While the cap rate has increased from this time last year, it remains below the five-year average for Colorado Springs.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

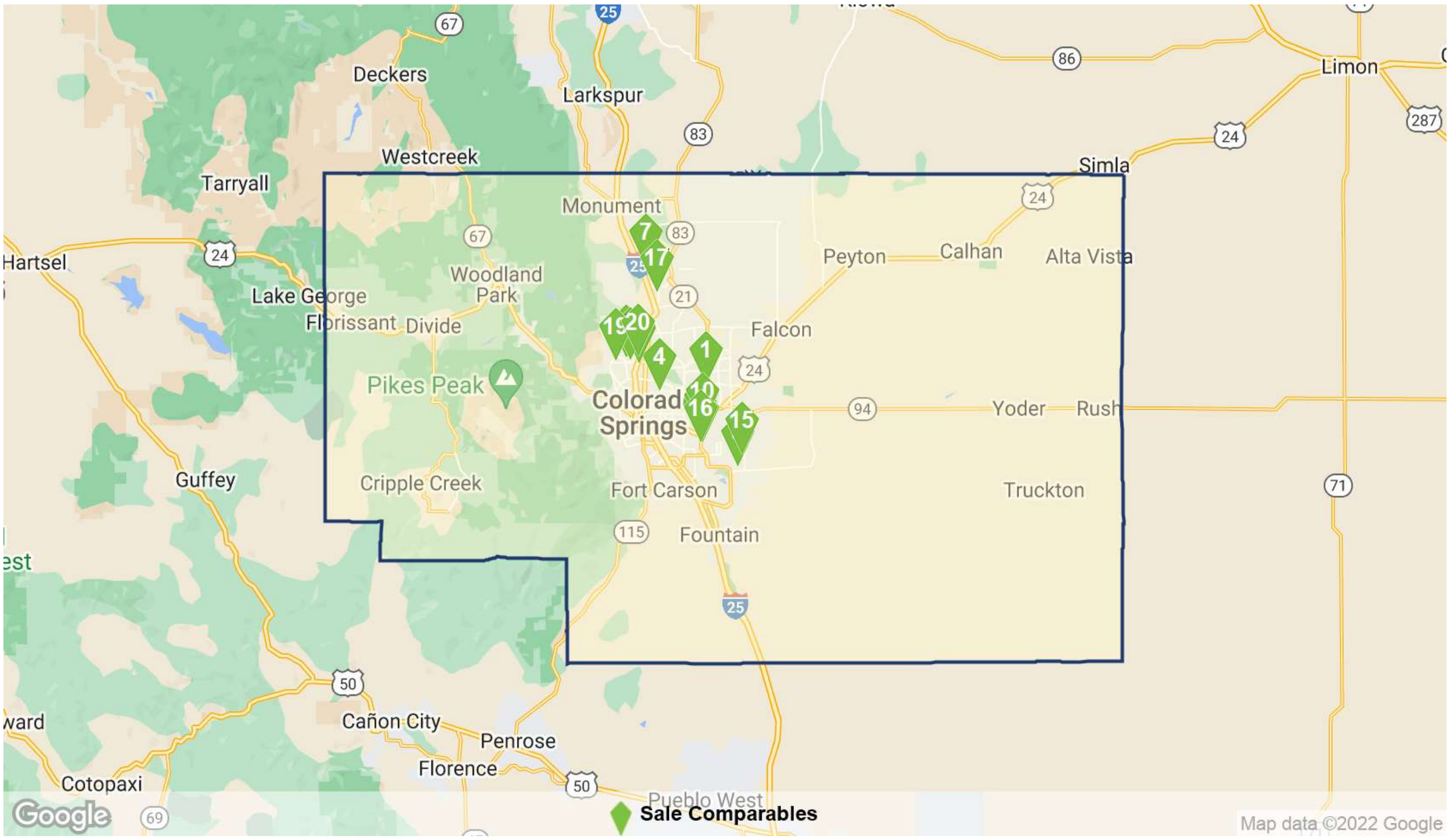


Sales Past 12 Months

Colorado Springs Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
152	6.4%	$130	9.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$220,000	$3,078,160	$2,125,000	$13,795,000
Price/SF	$12	$130	$144	$880
Cap Rate	5.3%	6.4%	5.9%	8.4%
Time Since Sale in Months	0.3	6.5	6.7	11.7
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	1,630	25,599	12,633	279,000
Ceiling Height	10'	17'2"	16'	32'
Docks	0	3	0	100
Vacancy Rate At Sale	0%	9.8%	0%	100%
Year Built	1922	1989	1984	2022
Star Rating	★☆☆☆☆	★★☆☆☆ 2.3	★★☆☆☆	★★★★☆

RECENT SIGNIFICANT SALES

	Property Name - Address	Property				Sale			
		Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1	2460 Waynoka Pl	★★★☆☆	1979	91,955	0%	6/3/2022	$13,795,000	$150	-
2	U.S. General Services A… 1555 N Newport Rd	★★★☆☆	1983	64,455	0%	12/20/2021	$13,750,000	$213	-
3	4615 Foreign Trade Zone…	★★★☆☆	1986	85,176	0%	4/1/2022	$12,500,000	$147	-
4	Rampart Plumbing Supply 1801 N Union Blvd	★★★☆☆	1967	125,859	0%	1/3/2022	$12,000,000	$95	-
5	Newport Tech Center 2050 Cygnet Heights	★★★☆☆	2005	68,370	0%	7/19/2021	$11,830,000	$173	5.3%
6	Bldg B 2510 Aviation Way	★★★☆☆	2000	65,120	0%	5/13/2022	$10,019,264	$154	-
7	Printing Bldg. 660 Sybilla Ln	★★★☆☆	2005	55,469	0%	8/18/2021	$9,900,012	$178	-
8	Bldg A 2520 Aviation Way	★★★☆☆	1982	76,800	0%	5/13/2022	$9,395,882	$122	-
9	1535 N Newport Rd	★★★☆☆	2021	64,800	100%	8/19/2021	$8,460,000	$131	-
10	850 Aeroplaza Dr	★★★☆☆	1996	46,498	0%	5/24/2022	$7,027,655	$151	-
11	980 Elkton Dr	★★★☆☆	1994	50,000	0%	5/3/2022	$6,875,000	$138	-
12	4420 Mark Dabling Blvd	★★☆☆☆	1989	14,724	0%	3/7/2022	$6,766,700	$460	-
13	4330 Mark Dabling Blvd	★★★☆☆	1978	61,098	0%	3/7/2022	$6,766,700	$111	-
14	Garden of the Gods Indu… 1036-1048 Elkton Dr	★★★☆☆	1984	42,400	0%	1/10/2022	$6,581,729	$155	-
15	Office & Industrial Flex B… 8955 Drennan Rd	★★☆☆☆	1984	45,251	0%	8/6/2021	$6,225,000	$138	7.8%
16	Bldg D 2506 Zeppelin Rd	★★★☆☆	1986	44,800	0%	5/13/2022	$5,668,358	$127	-
17	10035 Federal Dr	★★★☆☆	2005	44,967	0%	12/15/2021	$5,668,000	$126	-
18	720 W Garden of the Go…	★★☆☆☆	1973	25,876	0%	9/2/2021	$5,654,519	$219	5.7%
19	ArrowsWest Building I 4435-4445 Arrowswest Dr	★★★☆☆	1984	41,474	0%	9/28/2021	$4,825,000	$116	-
20	4920 Northpark Loop	★★☆☆☆	1972	31,090	0%	3/4/2022	$4,500,000	$145	-

With its proximity to the mountains and views of Pikes Peak, residents in Colorado Springs can enjoy outdoor recreational opportunities without sacrificing city amenities, shaping this area into a vibrant community. The region is home to many booming industries, including aerospace, military technology, and innovation in life sciences and medical devices. Colorado Springs consistently ranks as one of the best places to live thanks to its diverse career opportunities, affordable housing, and short commute times.

The economy in Colorado Springs is deeply rooted in military and defense. The metro is home to three Army and Air Force bases, as well as the U.S. Air Force Academy, which has 4,000 students. In addition, there is an extensive presence of defense contractors, including Northrop Grumman and Lockheed Martin.

Employment growth in Colorado Springs outperformed the national benchmark for nearly a decade heading into the pandemic. Professional and Business Services, Education and Health Services, and Natural Resources, Mining and Construction were the fastest growing industries for jobs. Even though Colorado Springs is fairing better than most metros, the city was not immune to the effects of the pandemic. Unemployment rose sharply at the onset of the pandemic, peaking at 12.6% in April of 2020 but has fallen to 3.7% as of March 2022.

Unlike Boulder and Denver, affordability has not been a limiting factor for apartment demand in Colorado Springs for much of the last cycle. Average asking apartment rents are a sizable discount—more than 30%—from those in Denver and Boulder, and 20% below the national average.

Buoyed by its proximity to Denver and supported by several universities and nearby military bases that provide an inelastic source of demand for goods and services, the Colorado Springs market is on stable footing.

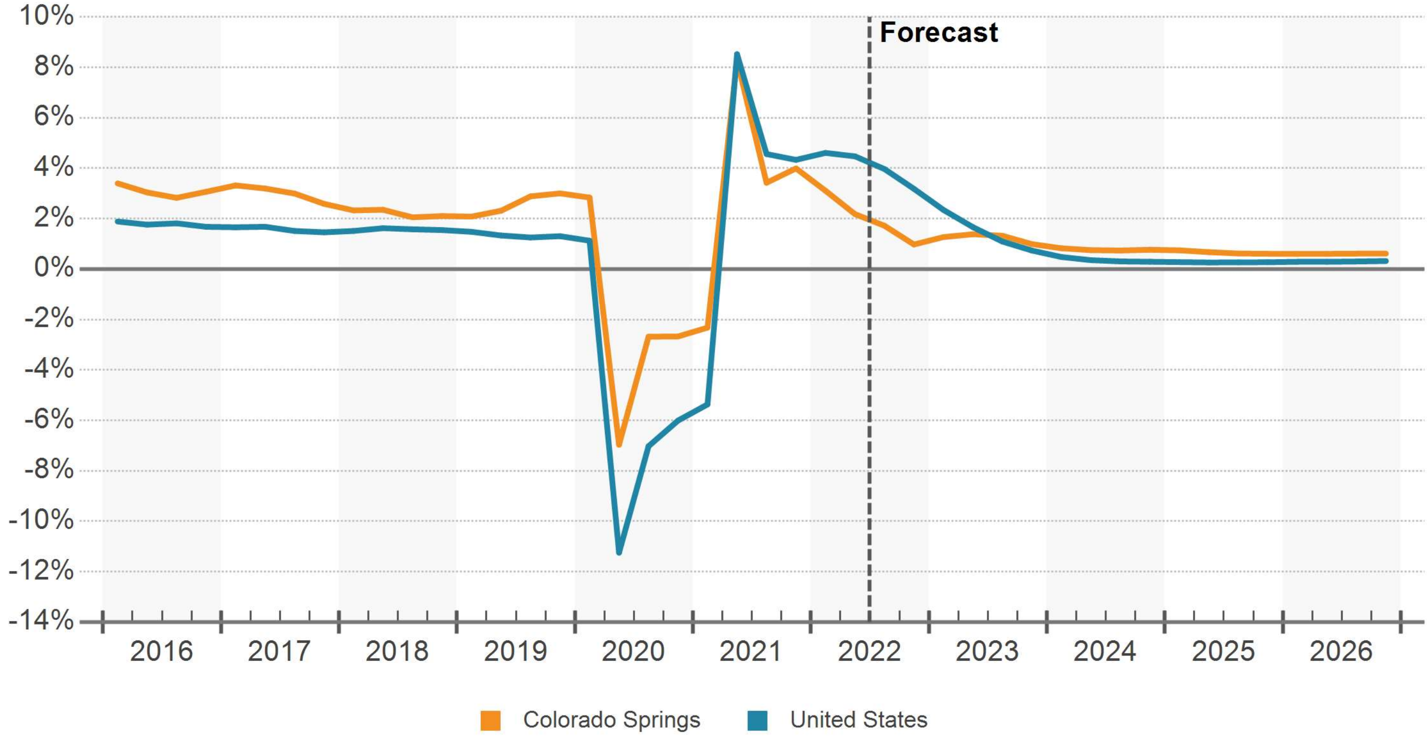
COLORADO SPRINGS EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	**Jobs**	**LQ**	**Market**	**US**	**Market**	**US**	**Market**	**US**
Manufacturing	12	0.5	0.56%	3.60%	0.04%	0.64%	-0.69%	0.23%
Trade, Transportation and Utilities	48	0.8	5.04%	3.52%	2.20%	1.19%	0.26%	0.21%
Retail Trade	33	1.0	0.94%	2.67%	1.36%	0.61%	0.43%	0.16%
Financial Activities	19	1.1	-1.93%	2.08%	2.06%	1.39%	0.18%	0.29%
Government	54	1.2	1.28%	1.35%	1.35%	0.16%	1.05%	0.54%
Natural Resources, Mining and Construction	19	1.1	0.03%	4.24%	4.51%	2.50%	1.54%	0.43%
Education and Health Services	43	0.9	0.12%	2.59%	3.37%	1.57%	1.61%	0.76%
Professional and Business Services	51	1.1	2.70%	5.08%	2.50%	2.11%	0.12%	0.49%
Information	5	0.9	1.09%	4.99%	-2.55%	0.96%	0.57%	0.42%
Leisure and Hospitality	39	1.2	5.68%	15.00%	2.06%	1.53%	1.69%	1.57%
Other Services	19	1.6	1.50%	5.69%	2.17%	0.54%	0.42%	0.72%
Total Employment	**308**	**1.0**	**2.14%**	**4.43%**	**2.14%**	**1.25%**	**0.80%**	**0.57%**

Source: Oxford Economics
LQ = Location Quotient

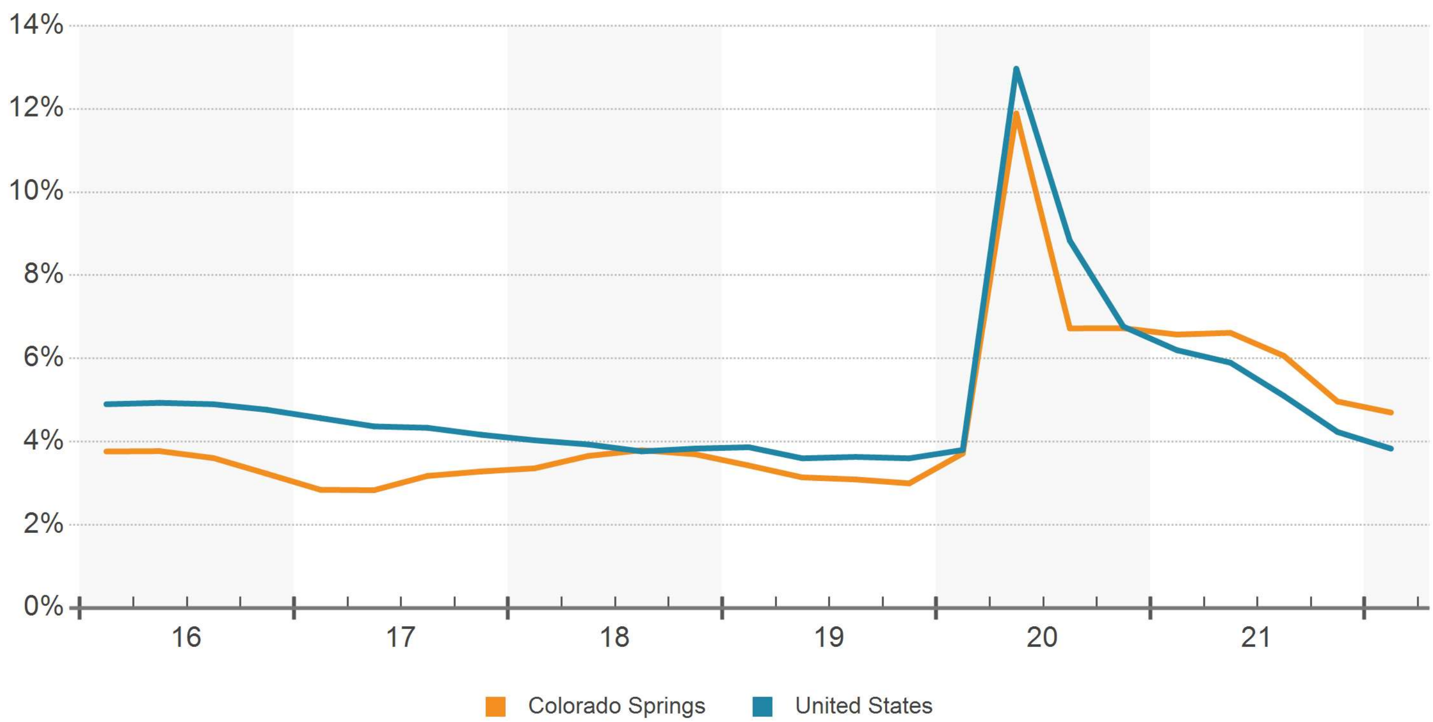
Economy

JOB GROWTH (YOY)

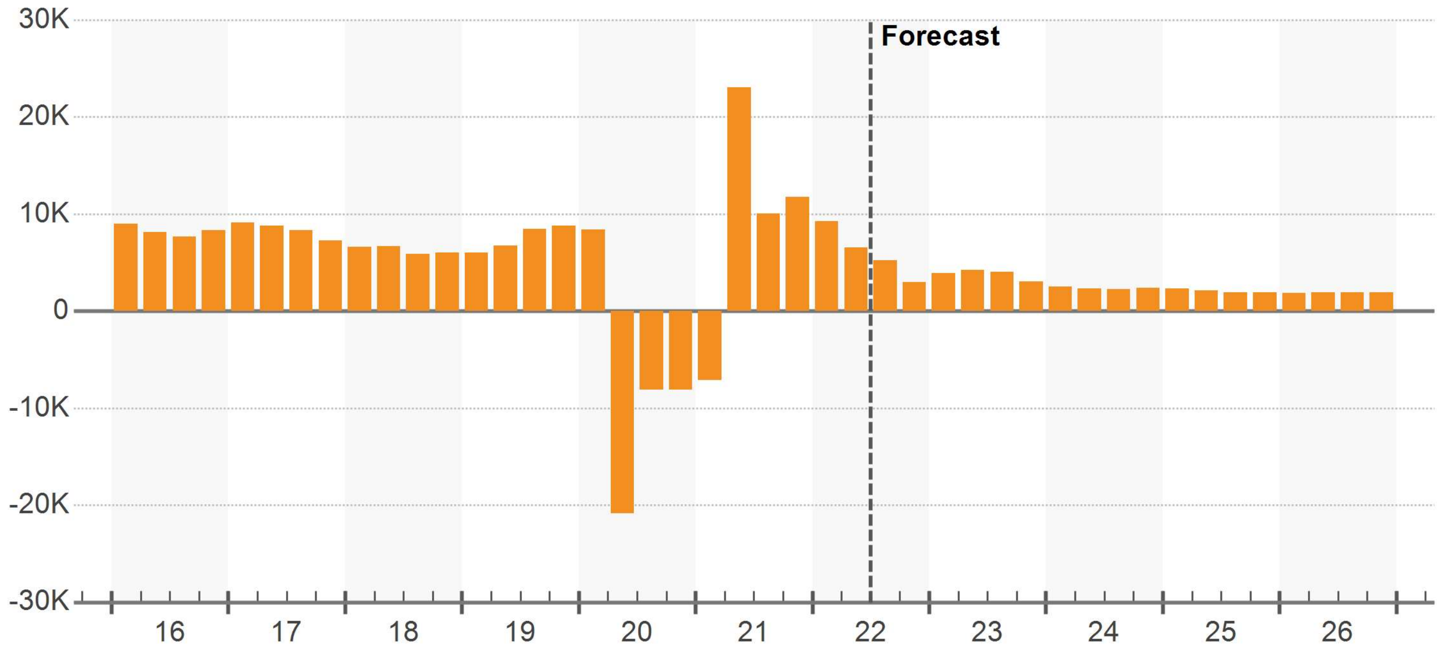


Source: Oxford Economics

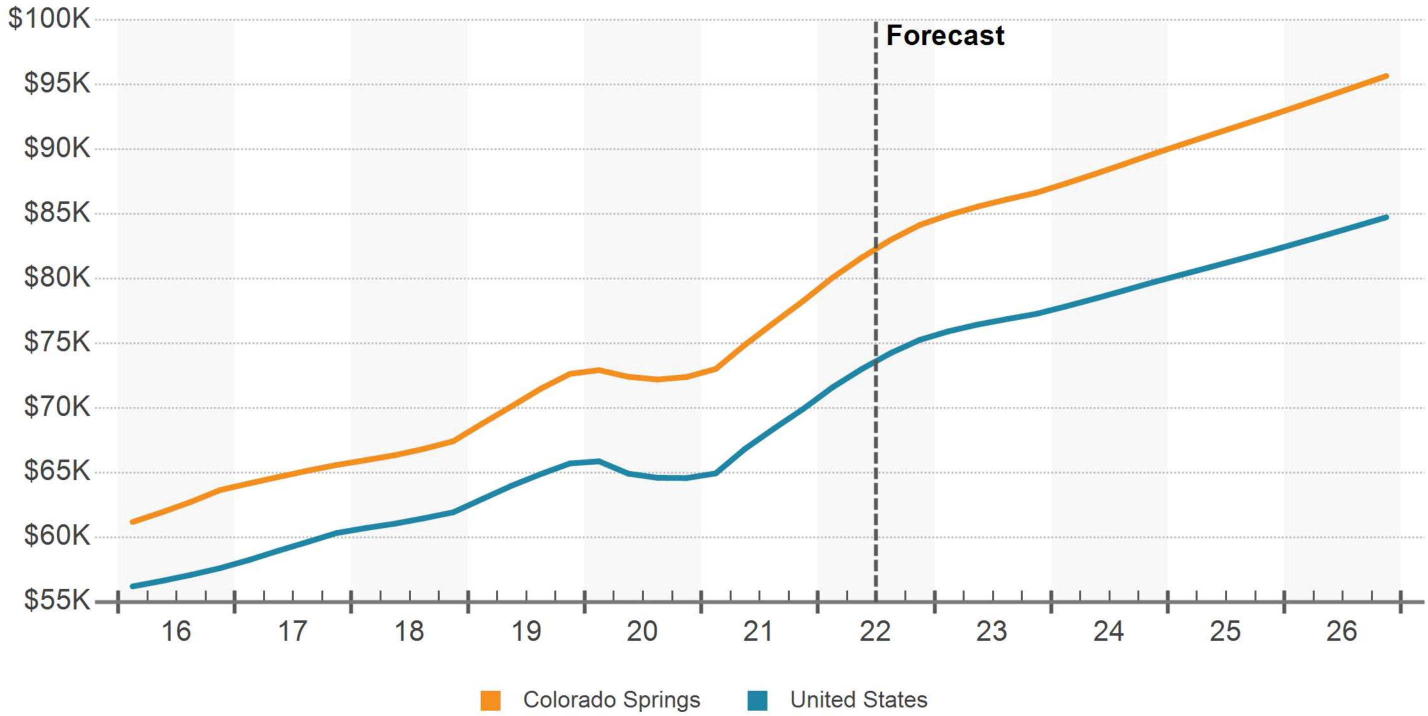
UNEMPLOYMENT RATE (%)



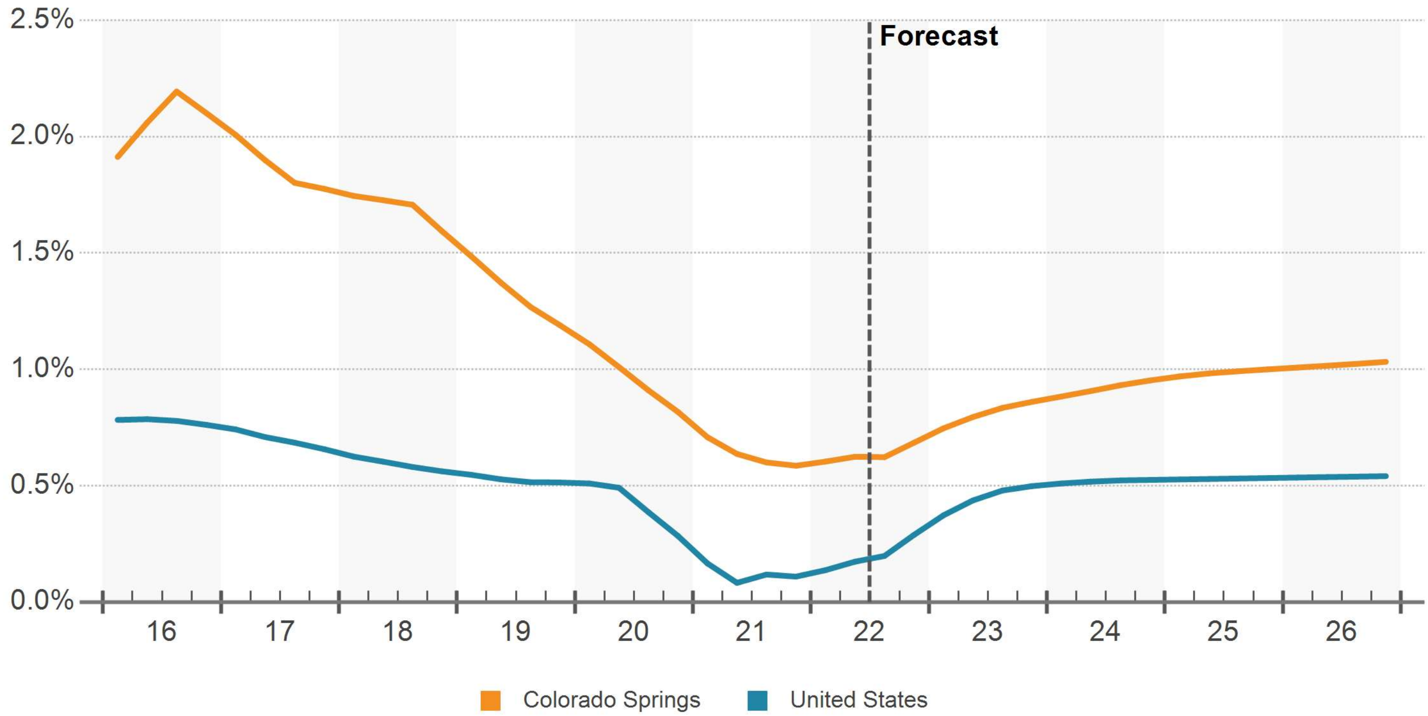
NET EMPLOYMENT CHANGE (YOY)



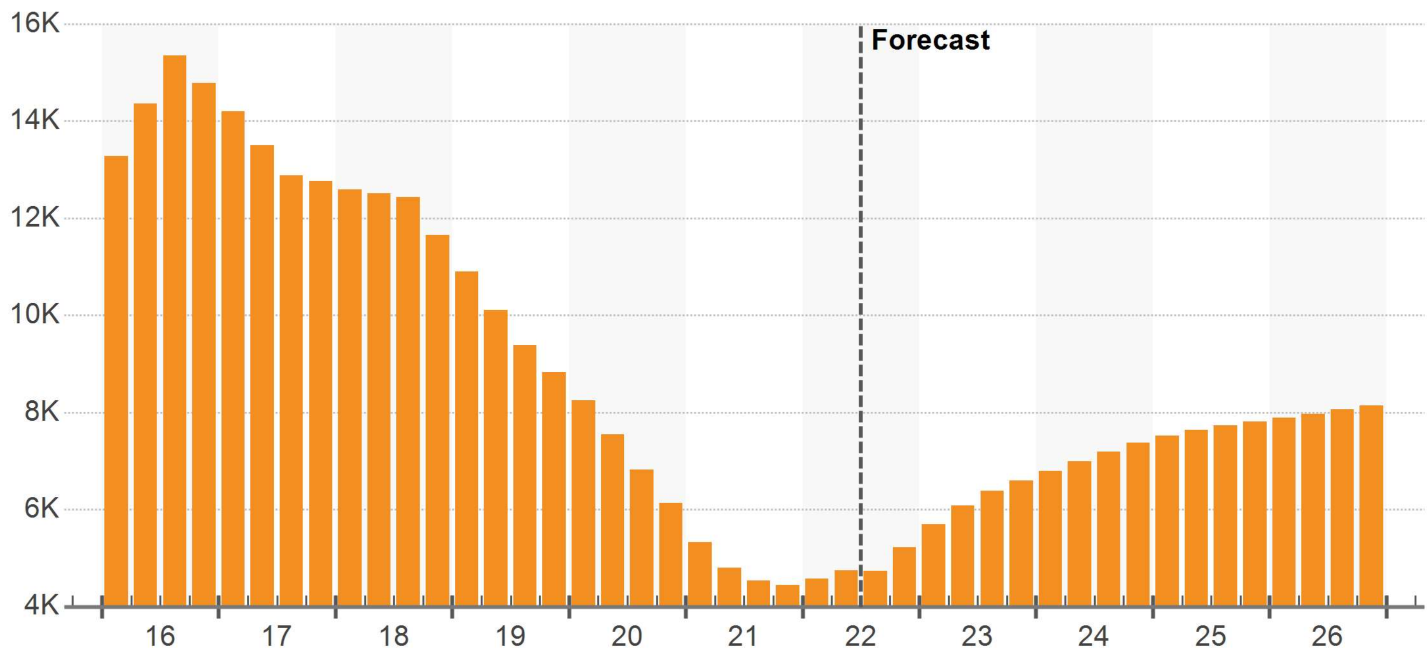
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

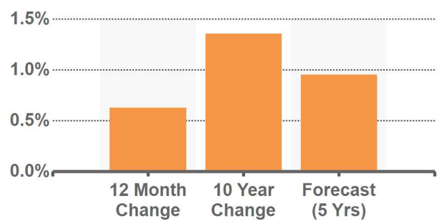


DEMOGRAPHIC TRENDS

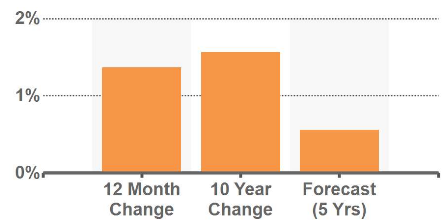
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	**Metro**	**US**	**Metro**	**US**	**Metro**	**US**	**Metro**	**US**
Population	764,764	332,321,406	0.6%	0.2%	1.4%	0.6%	1.0%	0.5%
Households	281,741	124,068,367	0.6%	0.1%	1.3%	0.7%	0.9%	0.5%
Median Household Income	$81,714	$73,093	8.9%	9.2%	4.1%	3.7%	3.5%	3.3%
Labor Force	369,770	164,656,609	1.4%	2.3%	1.6%	0.6%	0.6%	0.5%
Unemployment	4.7%	3.8%	-1.9%	-2.0%	-0.5%	-0.4%	-	-

Source: Oxford Economics

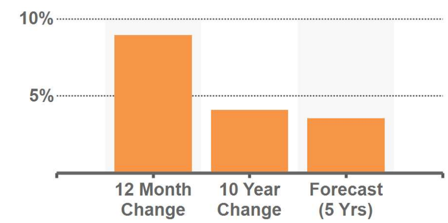
POPULATION GROWTH



LABOR FORCE GROWTH

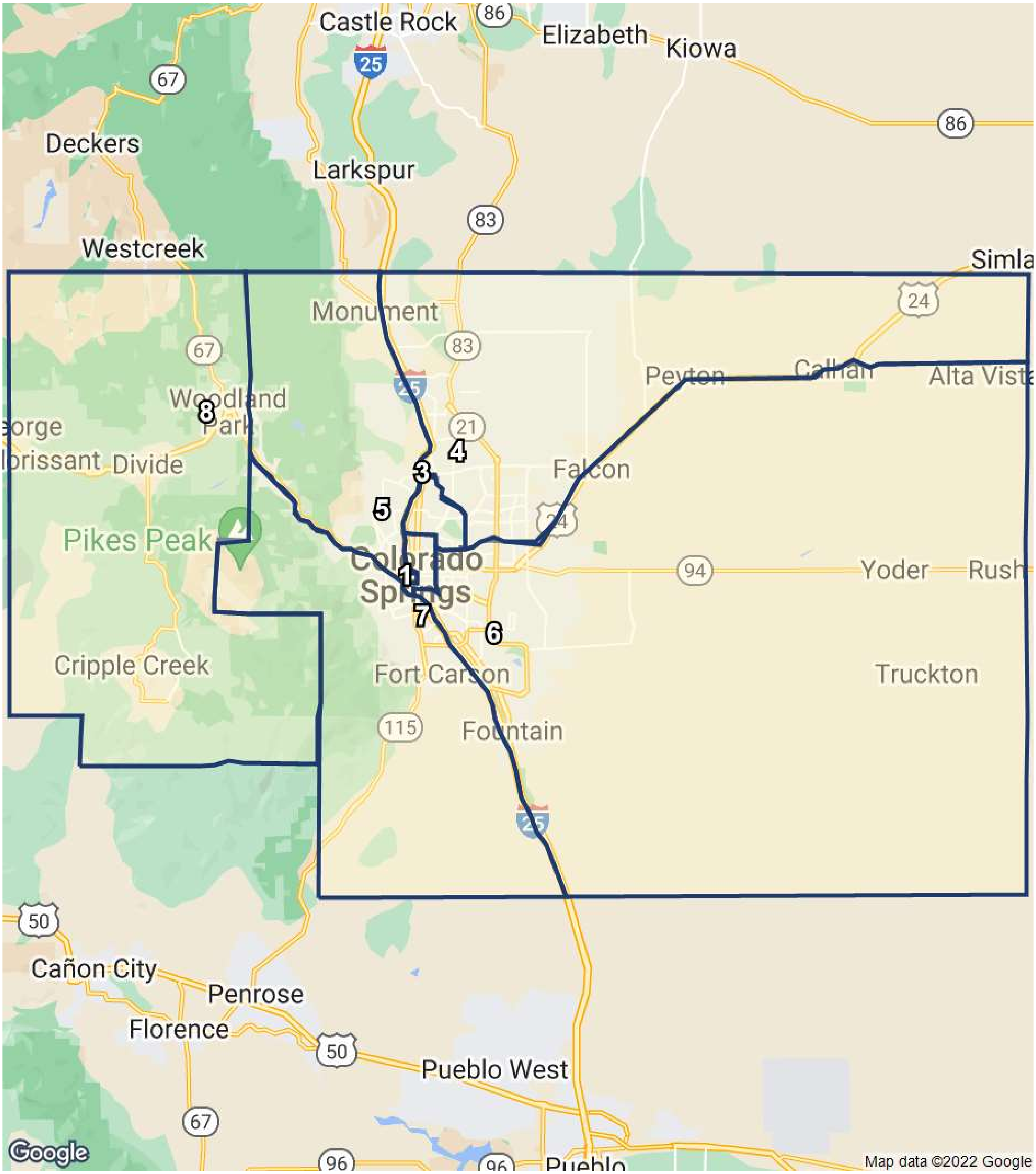


INCOME GROWTH



Source: Oxford Economics

COLORADO SPRINGS SUBMARKETS



Submarkets

SUBMARKET INVENTORY

		Inventory				12 Month Deliveries				Under Construction			
No.	Submarket	Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	CBD	22	276	0.7%	8	0	0	0%	-	0	-	-	-
2	Greater CBD	146	1,718	4.1%	6	0	0	0%	-	0	-	-	-
3	North	318	5,656	13.6%	3	1	24	0.4%	3	0	-	-	-
4	Northeast	127	3,392	8.1%	4	4	48	1.4%	2	0	-	-	-
5	Northwest	225	7,504	18.0%	2	1	23	0.3%	4	1	13	0.2%	2
6	Southeast	964	20,026	48.0%	1	15	4,718	23.6%	1	4	99	0.5%	1
7	Southwest	198	2,820	6.8%	5	0	0	0%	-	0	-	-	-
8	Teller County	22	291	0.7%	7	0	0	0%	-	0	-	-	-

SUBMARKET RENT

		Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
No.	Submarket	Per SF	Rank	Growth	Rank	Growth	Rank
1	CBD	$9.33	8	6.1%	5	5.8%	4
2	Greater CBD	$10.21	4	6.0%	6	5.4%	7
3	North	$9.68	7	7.4%	2	6.0%	2
4	Northeast	$12.97	1	5.5%	7	4.5%	8
5	Northwest	$9.96	5	4.9%	8	6.1%	1
6	Southeast	$9.91	6	8.1%	1	5.9%	3
7	Southwest	$10.68	3	6.6%	3	5.6%	5
8	Teller County	$11.14	2	6.4%	4	5.6%	6

SUBMARKET VACANCY & NET ABSORPTION

		Vacancy			12 Month Absorption			
No.	Submarket	SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	CBD	-	-	-	0	0%	-	-
2	Greater CBD	62,639	3.6%	3	(42,895)	-2.5%	8	-
3	North	183,869	3.3%	2	(14,795)	-0.3%	7	-
4	Northeast	286,935	8.5%	5	43,316	1.3%	3	1.0
5	Northwest	756,831	10.1%	6	6,398	0.1%	4	-
6	Southeast	765,578	3.8%	4	4,069,352	20.3%	1	0.1
7	Southwest	20,625	0.7%	1	102,677	3.6%	2	-
8	Teller County	-	-	-	0	0%	-	-

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	46,646,222	1,148,762	2.5%	1,109,763	2.4%	1.0
2025	45,497,460	1,304,657	3.0%	1,242,754	2.7%	1.0
2024	44,192,803	1,443,475	3.4%	1,188,329	2.7%	1.2
2023	42,749,328	930,020	2.2%	690,039	1.6%	1.3
2022	41,819,308	167,145	0.4%	622,355	1.5%	0.3
YTD	41,716,063	63,900	0.2%	251,274	0.6%	0.3
2021	41,652,163	4,827,954	13.1%	4,523,284	10.9%	1.1
2020	36,824,209	150,846	0.4%	107,948	0.3%	1.4
2019	36,673,363	23,621	0.1%	840,956	2.3%	0
2018	36,649,742	346,873	1.0%	939,771	2.6%	0.4
2017	36,302,869	143,422	0.4%	135,729	0.4%	1.1
2016	36,159,447	65,160	0.2%	(226,740)	-0.6%	-
2015	36,094,287	193,648	0.5%	(29,950)	-0.1%	-
2014	35,900,639	179,691	0.5%	522,515	1.5%	0.3
2013	35,720,948	(750,703)	-2.1%	(230,621)	-0.6%	-
2012	36,471,651	348,733	1.0%	606,060	1.7%	0.6
2011	36,122,918	24,035	0.1%	430,812	1.2%	0.1
2010	36,098,883	28,524	0.1%	658,363	1.8%	0

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	10,206,017	(1,442)	0%	(26,992)	-0.3%	-
2025	10,207,459	(394)	0%	(22,922)	-0.2%	-
2024	10,207,853	580	0%	(14,952)	-0.1%	-
2023	10,207,273	(2,408)	0%	(7,371)	-0.1%	-
2022	10,209,681	(1,824)	0%	22,782	0.2%	-
YTD	10,211,505	0	0%	14,820	0.1%	0
2021	10,211,505	0	0%	(118,739)	-1.2%	-
2020	10,211,505	37,075	0.4%	261,061	2.6%	0.1
2019	10,174,430	0	0%	104,528	1.0%	0
2018	10,174,430	0	0%	194,863	1.9%	0
2017	10,174,430	59,503	0.6%	10,382	0.1%	5.7
2016	10,114,927	0	0%	148,609	1.5%	0
2015	10,114,927	(26,350)	-0.3%	(225,663)	-2.2%	-
2014	10,141,277	149,023	1.5%	178,664	1.8%	0.8
2013	9,992,254	0	0%	60,986	0.6%	0
2012	9,992,254	0	0%	(5,117)	-0.1%	-
2011	9,992,254	0	0%	123,680	1.2%	0
2010	9,992,254	0	0%	139,278	1.4%	0

LOGISTICS SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	29,939,981	1,141,324	4.0%	1,145,666	3.8%	1.0
2025	28,798,657	1,294,049	4.7%	1,271,148	4.4%	1.0
2024	27,504,608	1,430,012	5.5%	1,203,989	4.4%	1.2
2023	26,074,596	926,182	3.7%	684,137	2.6%	1.4
2022	25,148,414	517,747	2.1%	565,446	2.2%	0.9
YTD	25,054,458	423,791	1.7%	206,345	0.8%	2.1
2021	24,630,667	4,754,679	23.9%	4,553,664	18.5%	1.0
2020	19,875,988	113,771	0.6%	96,519	0.5%	1.2
2019	19,762,217	(78,879)	-0.4%	398,661	2.0%	-
2018	19,841,096	346,873	1.8%	520,559	2.6%	0.7
2017	19,494,223	78,978	0.4%	(191,349)	-1.0%	-
2016	19,415,245	65,160	0.3%	(260,306)	-1.3%	-
2015	19,350,085	219,998	1.2%	296,515	1.5%	0.7
2014	19,130,087	30,668	0.2%	252,372	1.3%	0.1
2013	19,099,419	27,698	0.1%	260,197	1.4%	0.1
2012	19,071,721	145,969	0.8%	421,983	2.2%	0.3
2011	18,925,752	24,035	0.1%	256,553	1.4%	0.1
2010	18,901,717	26,124	0.1%	328,218	1.7%	0.1

FLEX SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	6,500,224	8,880	0.1%	(8,911)	-0.1%	-
2025	6,491,344	11,002	0.2%	(5,472)	-0.1%	-
2024	6,480,342	12,883	0.2%	(708)	0%	-
2023	6,467,459	6,246	0.1%	13,273	0.2%	0.5
2022	6,461,213	(348,778)	-5.1%	34,127	0.5%	-
YTD	6,450,100	(359,891)	-5.3%	30,109	0.5%	-
2021	6,809,991	73,275	1.1%	88,359	1.3%	0.8
2020	6,736,716	0	0%	(249,632)	-3.7%	-
2019	6,736,716	102,500	1.5%	337,767	5.0%	0.3
2018	6,634,216	0	0%	224,349	3.4%	0
2017	6,634,216	4,941	0.1%	316,696	4.8%	0
2016	6,629,275	0	0%	(115,043)	-1.7%	-
2015	6,629,275	0	0%	(100,802)	-1.5%	-
2014	6,629,275	0	0%	91,479	1.4%	0
2013	6,629,275	(778,401)	-10.5%	(551,804)	-8.3%	-
2012	7,407,676	202,764	2.8%	189,194	2.6%	1.1
2011	7,204,912	0	0%	50,579	0.7%	0
2010	7,204,912	2,400	0%	190,867	2.6%	0

OVERALL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$11.67	175	1.3%	18.2%	2,407,121	5.2%	0%
2025	$11.52	173	1.7%	16.7%	2,368,265	5.2%	0%
2024	$11.32	170	2.6%	14.7%	2,306,824	5.2%	0.4%
2023	$11.03	166	4.7%	11.8%	2,051,919	4.8%	0.5%
2022	$10.54	159	6.8%	6.8%	1,810,018	4.3%	-1.1%
YTD	$10.21	154	6.9%	3.5%	2,077,654	5.0%	-0.5%
2021	$9.87	148	6.8%	0%	2,265,028	5.4%	0.1%
2020	$9.24	139	4.3%	-6.4%	1,960,358	5.3%	0.1%
2019	$8.86	133	4.7%	-10.2%	1,917,460	5.2%	-2.2%
2018	$8.46	127	5.7%	-14.2%	2,734,795	7.5%	-1.7%
2017	$8.01	120	5.1%	-18.8%	3,331,581	9.2%	0%
2016	$7.62	115	3.9%	-22.8%	3,323,888	9.2%	0.8%
2015	$7.33	110	3.9%	-25.7%	3,031,988	8.4%	0.6%
2014	$7.06	106	5.1%	-28.5%	2,808,390	7.8%	-1.0%
2013	$6.71	101	3.8%	-32.0%	3,151,214	8.8%	-1.2%
2012	$6.47	97	1.7%	-34.4%	3,671,296	10.1%	-0.8%
2011	$6.36	96	0.6%	-35.5%	3,928,623	10.9%	-1.1%
2010	$6.33	95	-2.4%	-35.9%	4,335,400	12.0%	-1.8%

SPECIALIZED INDUSTRIAL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$11.81	176	1.3%	15.6%	670,467	6.6%	0.3%
2025	$11.65	173	1.8%	14.0%	644,194	6.3%	0.2%
2024	$11.44	170	2.7%	12.0%	620,972	6.1%	0.2%
2023	$11.14	166	4.6%	9.1%	604,764	5.9%	0.1%
2022	$10.65	158	4.2%	4.2%	599,103	5.9%	-0.2%
YTD	$10.32	154	2.8%	1.0%	608,848	6.0%	-0.1%
2021	$10.22	152	5.5%	0%	623,668	6.1%	1.2%
2020	$9.69	144	4.4%	-5.2%	504,929	4.9%	-2.2%
2019	$9.28	138	4.2%	-9.1%	728,915	7.2%	-1.0%
2018	$8.91	133	5.2%	-12.8%	833,443	8.2%	-1.9%
2017	$8.46	126	7.2%	-17.2%	1,028,306	10.1%	0.4%
2016	$7.89	118	3.9%	-22.7%	979,185	9.7%	-1.5%
2015	$7.60	113	3.8%	-25.6%	1,127,794	11.1%	2.0%
2014	$7.32	109	5.2%	-28.3%	928,481	9.2%	-0.4%
2013	$6.96	104	3.4%	-31.9%	958,122	9.6%	-0.6%
2012	$6.73	100	1.9%	-34.1%	1,019,108	10.2%	0.1%
2011	$6.60	98	1.1%	-35.3%	1,013,991	10.1%	-1.2%
2010	$6.54	97	-2.2%	-36.0%	1,137,671	11.4%	-1.4%

LOGISTICS RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$11.31	181	1.3%	19.3%	1,363,692	4.6%	-0.2%
2025	$11.17	179	1.6%	17.8%	1,369,230	4.8%	-0.1%
2024	$10.99	176	2.5%	15.9%	1,347,814	4.9%	0.6%
2023	$10.72	172	4.7%	13.0%	1,123,038	4.3%	0.8%
2022	$10.24	164	8.0%	8.0%	880,161	3.5%	-0.3%
YTD	$9.91	159	8.9%	4.6%	1,145,185	4.6%	0.8%
2021	$9.48	152	7.9%	0%	927,739	3.8%	0.1%
2020	$8.79	141	4.6%	-7.3%	726,724	3.7%	0.1%
2019	$8.40	134	4.6%	-11.4%	709,472	3.6%	-2.4%
2018	$8.03	129	5.8%	-15.3%	1,187,012	6.0%	-1.0%
2017	$7.59	121	4.7%	-20.0%	1,364,586	7.0%	1.4%
2016	$7.25	116	4.0%	-23.5%	1,094,259	5.6%	1.7%
2015	$6.97	112	4.0%	-26.4%	768,793	4.0%	-0.4%
2014	$6.71	107	5.7%	-29.3%	845,310	4.4%	-1.2%
2013	$6.34	102	4.6%	-33.1%	1,067,014	5.6%	-1.2%
2012	$6.07	97	2.0%	-36.0%	1,299,513	6.8%	-1.5%
2011	$5.95	95	0.4%	-37.2%	1,575,527	8.3%	-1.2%
2010	$5.92	95	-2.4%	-37.5%	1,808,045	9.6%	-1.6%

FLEX RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	$12.81	158	1.3%	18.5%	372,962	5.7%	0.3%
2025	$12.64	156	1.8%	16.9%	354,841	5.5%	0.3%
2024	$12.42	153	2.7%	14.9%	338,038	5.2%	0.2%
2023	$12.09	149	4.7%	11.8%	324,117	5.0%	-0.1%
2022	$11.55	142	6.8%	6.8%	330,754	5.1%	-5.4%
YTD	$11.20	138	6.4%	3.5%	323,621	5.0%	-5.5%
2021	$10.81	133	5.1%	0%	713,621	10.5%	-0.3%
2020	$10.29	127	3.2%	-4.8%	728,705	10.8%	3.7%
2019	$9.97	123	5.5%	-7.8%	479,073	7.1%	-3.7%
2018	$9.45	117	6.1%	-12.6%	714,340	10.8%	-3.4%
2017	$8.91	110	3.3%	-17.6%	938,689	14.1%	-4.7%
2016	$8.62	106	4.0%	-20.3%	1,250,444	18.9%	1.7%
2015	$8.29	102	3.7%	-23.3%	1,135,401	17.1%	1.5%
2014	$8	99	3.1%	-26.0%	1,034,599	15.6%	-1.4%
2013	$7.76	96	1.8%	-28.2%	1,126,078	17.0%	-1.3%
2012	$7.63	94	0.4%	-29.5%	1,352,675	18.3%	-0.3%
2011	$7.59	94	0.3%	-29.8%	1,339,105	18.6%	-0.7%
2010	$7.57	93	-2.9%	-30.0%	1,389,684	19.3%	-2.6%

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$144.98	244	7.6%
2025	-	-	-	-	-	-	$143.61	242	7.6%
2024	-	-	-	-	-	-	$142.02	239	7.6%
2023	-	-	-	-	-	-	$139.37	235	7.5%
2022	-	-	-	-	-	-	$132.96	224	7.5%
YTD	67	$178.9M	4.5%	$3,650,418	$118.94	6.6%	$129.03	217	7.4%
2021	164	$186M	5.6%	$1,841,836	$122.93	6.5%	$123.67	208	7.3%
2020	101	$141M	4.4%	$1,854,837	$110.33	7.6%	$111.40	188	7.4%
2019	117	$123.8M	4.6%	$1,743,193	$101.63	6.8%	$99.57	168	7.8%
2018	109	$139.2M	6.2%	$2,017,022	$76.64	7.4%	$91.01	153	8.0%
2017	89	$79.2M	5.0%	$1,440,126	$75.78	8.3%	$86.35	145	8.0%
2016	98	$111.3M	5.0%	$1,567,133	$69.32	8.4%	$80.77	136	8.0%
2015	110	$79.1M	5.9%	$1,001,011	$64.04	8.9%	$78.01	131	8.1%
2014	82	$81M	5.5%	$1,108,976	$42.43	8.4%	$72.25	122	8.4%
2013	99	$51.7M	3.9%	$783,022	$47.99	8.2%	$65.71	111	8.7%
2012	84	$63.9M	3.2%	$1,277,241	$81.90	7.4%	$65.34	110	8.7%
2011	56	$43.6M	2.4%	$1,038,538	$55.46	9.4%	$59.36	100	9.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$132.35	229	7.7%
2025	-	-	-	-	-	-	$131.04	227	7.7%
2024	-	-	-	-	-	-	$129.45	224	7.7%
2023	-	-	-	-	-	-	$126.88	220	7.6%
2022	-	-	-	-	-	-	$121.06	209	7.6%
YTD	13	$30.7M	2.3%	$3,839,567	$139.71	-	$117.56	203	7.5%
2021	57	$41.4M	4.7%	$2,589,078	$101.74	6.4%	$112.25	194	7.5%
2020	15	$27.5M	4.0%	$2,501,506	$109.47	8.0%	$101.98	176	7.5%
2019	20	$33.3M	4.6%	$3,029,648	$96.89	7.3%	$90.63	157	7.9%
2018	14	$12.2M	2.4%	$1,527,188	$66.58	8.3%	$82.44	143	8.2%
2017	19	$22.6M	4.0%	$1,736,753	$64.19	6.9%	$80.27	139	8.0%
2016	24	$23.1M	5.4%	$1,650,059	$47.59	8.5%	$75.48	131	8.1%
2015	16	$15M	2.6%	$1,249,667	$58.91	8.1%	$73.22	127	8.1%
2014	15	$14.1M	3.3%	$1,083,849	$45.52	-	$68.14	118	8.4%
2013	19	$11.8M	4.0%	$1,176,000	$48.24	-	$63	109	8.7%
2012	14	$19.1M	1.7%	$2,116,753	$133.56	7.5%	$63.86	110	8.6%
2011	13	$14.3M	2.4%	$1,433,220	$61.42	-	$58.24	101	9.1%

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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
2026	-	-	-	-	-	-	$149.27	251	7.6%
2025	-	-	-	-	-	-	$147.90	248	7.6%
2024	-	-	-	-	-	-	$146.37	246	7.5%
2023	-	-	-	-	-	-	$143.76	241	7.4%
2022	-	-	-	-	-	-	$137.16	230	7.4%
YTD	40	$100M	5.0%	$3,572,859	$108.32	7.1%	$133.06	224	7.4%
2021	78	$119.3M	5.5%	$1,729,174	$134.87	6.2%	$128.04	215	7.2%
2020	65	$98.5M	5.2%	$1,970,921	$113.12	7.6%	$114.28	192	7.3%
2019	79	$50.5M	3.7%	$1,029,722	$91.86	6.8%	$102.17	172	7.7%
2018	76	$70.6M	5.9%	$1,502,925	$87.63	7.2%	$93.51	157	7.9%
2017	51	$35.1M	4.3%	$1,096,145	$83.23	9.2%	$88.05	148	7.9%
2016	62	$76M	5.6%	$1,617,971	$77.23	8.0%	$82.26	138	8.0%
2015	77	$47.8M	8.2%	$901,410	$67.51	9.3%	$79.65	134	8.0%
2014	48	$28.5M	3.6%	$695,805	$44.52	9.0%	$73.57	124	8.3%
2013	60	$27.2M	2.8%	$603,543	$61.26	8.2%	$66.55	112	8.7%
2012	57	$39.7M	4.5%	$1,167,818	$74.17	7.4%	$65.89	111	8.7%
2011	30	$21M	2.6%	$954,031	$50.13	9.0%	$59.50	100	9.3%

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FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	$148.25	241	7.7%
2025	-	-	-	-	-	-	$146.75	239	7.6%
2024	-	-	-	-	-	-	$144.95	236	7.6%
2023	-	-	-	-	-	-	$142.03	231	7.5%
2022	-	-	-	-	-	-	$135.44	220	7.5%
YTD	14	$48.1M	5.6%	$3,701,069	$133.48	5.6%	$131.42	214	7.5%
2021	29	$25.3M	7.2%	$1,580,447	$114.21	7.2%	$124.69	203	7.4%
2020	21	$14.9M	2.8%	$993,667	$96.06	7.3%	$115.07	187	7.4%
2019	18	$40M	7.3%	$3,634,927	$123.16	6.6%	$103.59	168	7.7%
2018	19	$56.3M	13.3%	$4,022,822	$68.15	-	$94.84	154	8.0%
2017	19	$21.6M	8.7%	$2,155,252	$79.21	7.3%	$89.31	145	7.9%
2016	12	$12.1M	2.7%	$1,212,100	$89.86	8.9%	$83.32	135	8.1%
2015	17	$16.3M	4.3%	$1,164,936	$59.82	8.8%	$79.17	129	8.1%
2014	19	$38.3M	14.4%	$2,017,748	$40.03	7.7%	$73.59	120	8.4%
2013	20	$12.8M	7.2%	$1,160,000	$32.73	-	$66.72	108	8.8%
2012	13	$5.1M	2.0%	$729,355	$50.15	-	$65.50	107	8.8%
2011	13	$8.3M	2.1%	$829,771	$61.69	10.0%	$60.60	99	9.2%

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