

# NABE INDUSTRIAL & DATA CENTER OVERVIEW

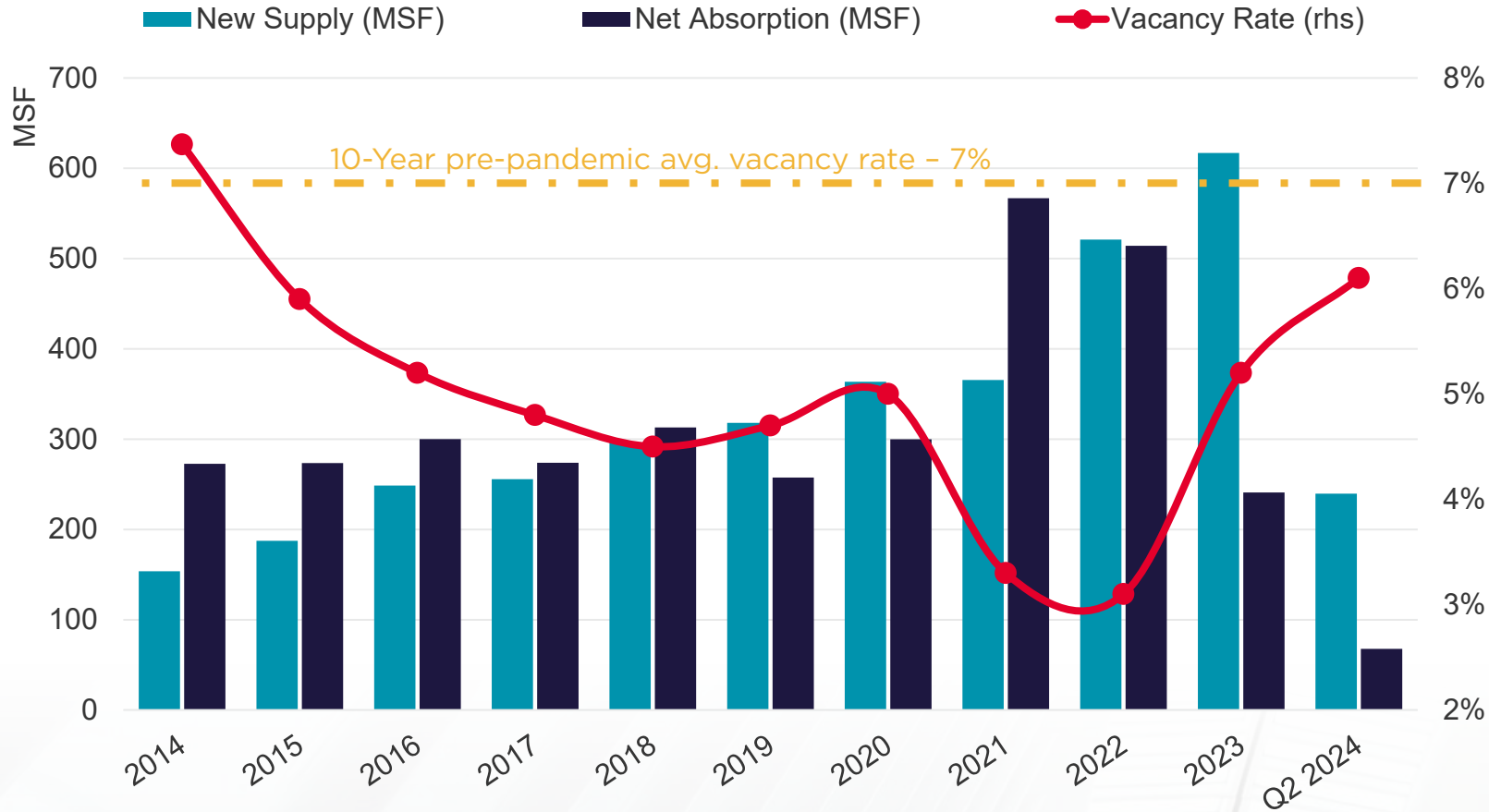
Jacob Albers

Data Center Market Overview, Current Inventory & Availability,  
Recent Transactions, Development Pipeline, Vacancy Trends, Leasing  
Volume & Pricing Trends, Current Colocation Landscape

Better never settles

# INDUSTRIAL ABSORPTION CONTINUES TO DECELERATE

Logistics & industrial new supply, net absorption and vacancy rate



## Key Takeaways

Q2 2023

57.1

ABSORPTION  
(MSF)

144.2

DELIVERIES  
(MSF)

Q2 2024

46.3

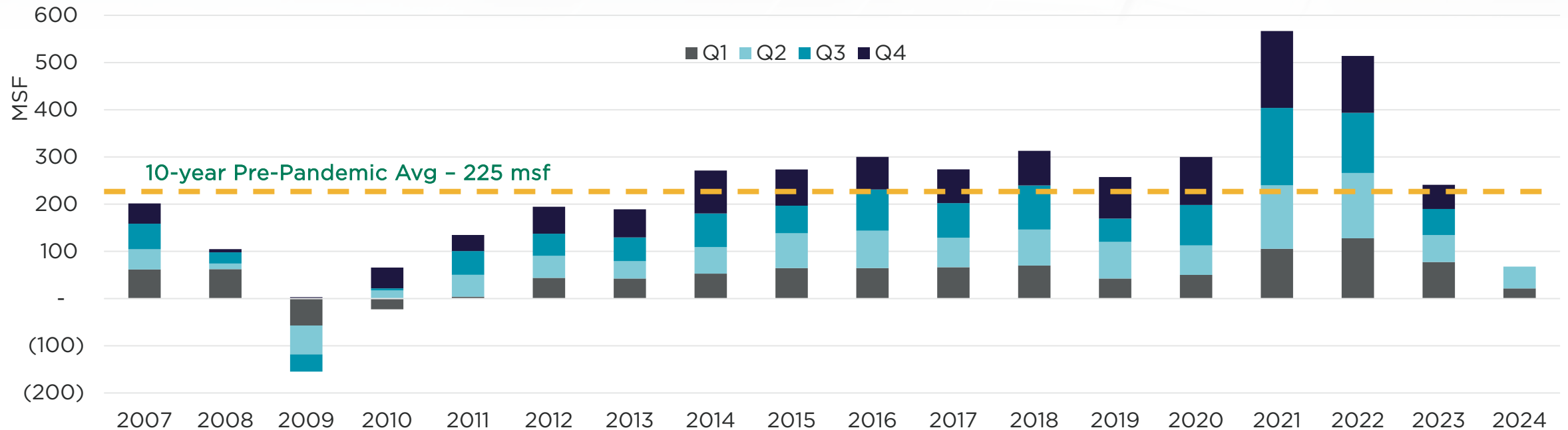
ABSORPTION  
(MSF)

121.1

DELIVERIES  
(MSF)

# NET DEMAND REMAINS POSITIVE BUT TEMPERED

Net absorption by quarter



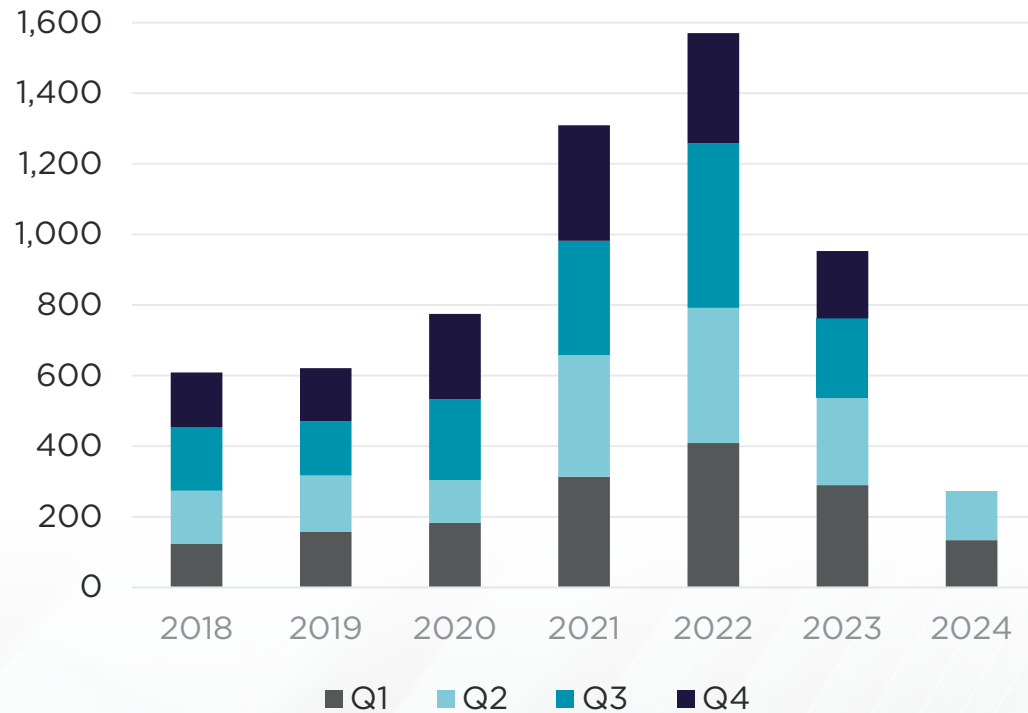
- After a muted first quarter for overall net absorption, the U.S. saw net absorption more than double in Q2 as the industrial market remains resilient
- The South region accounted for the bulk of quarterly net absorption with 33.5 msf. Unlike in Q1, all four regions posted positive net absorption in Q2.
- The first half total of 67.8 msf puts the national market on pace to eclipse the 100 msf mark as forecasted by C&W

# SUPPLY SUBSIDING: STARTS REMAIN SOFT IN Q2

Quarterly construction starts since 2018

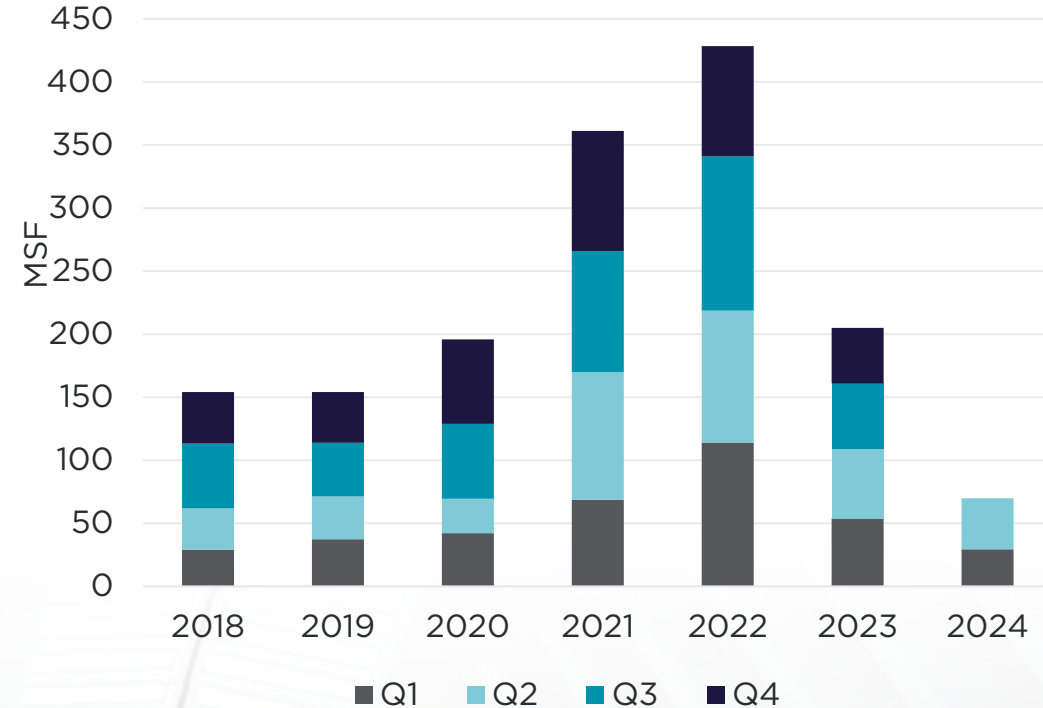
Quarterly Construction Starts\* (#)

YTD Construction Starts  
-49% YOY



Quarterly Construction Starts\* (msf)

YTD Construction Starts  
-36% YOY

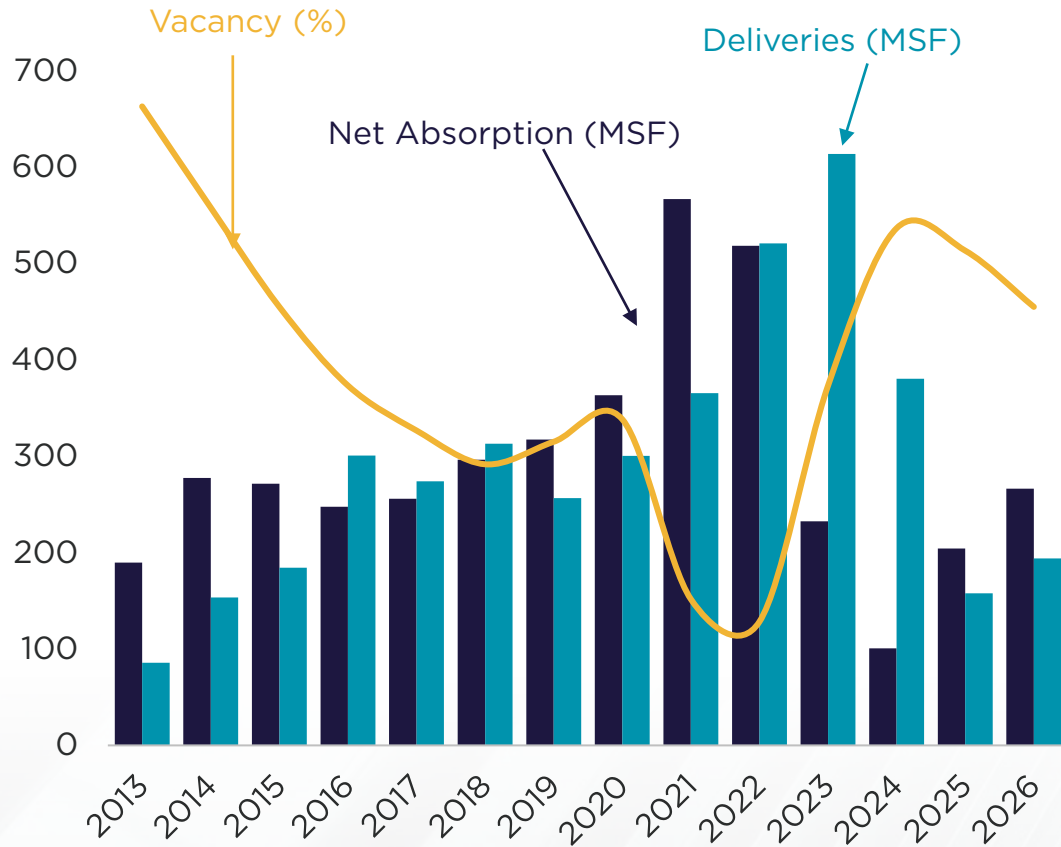


\*Construction starts from a select group of markets tracked by Cushman & Wakefield, representing approximately 85% of the total U.S. industrial stock  
Source: Cushman & Wakefield Research

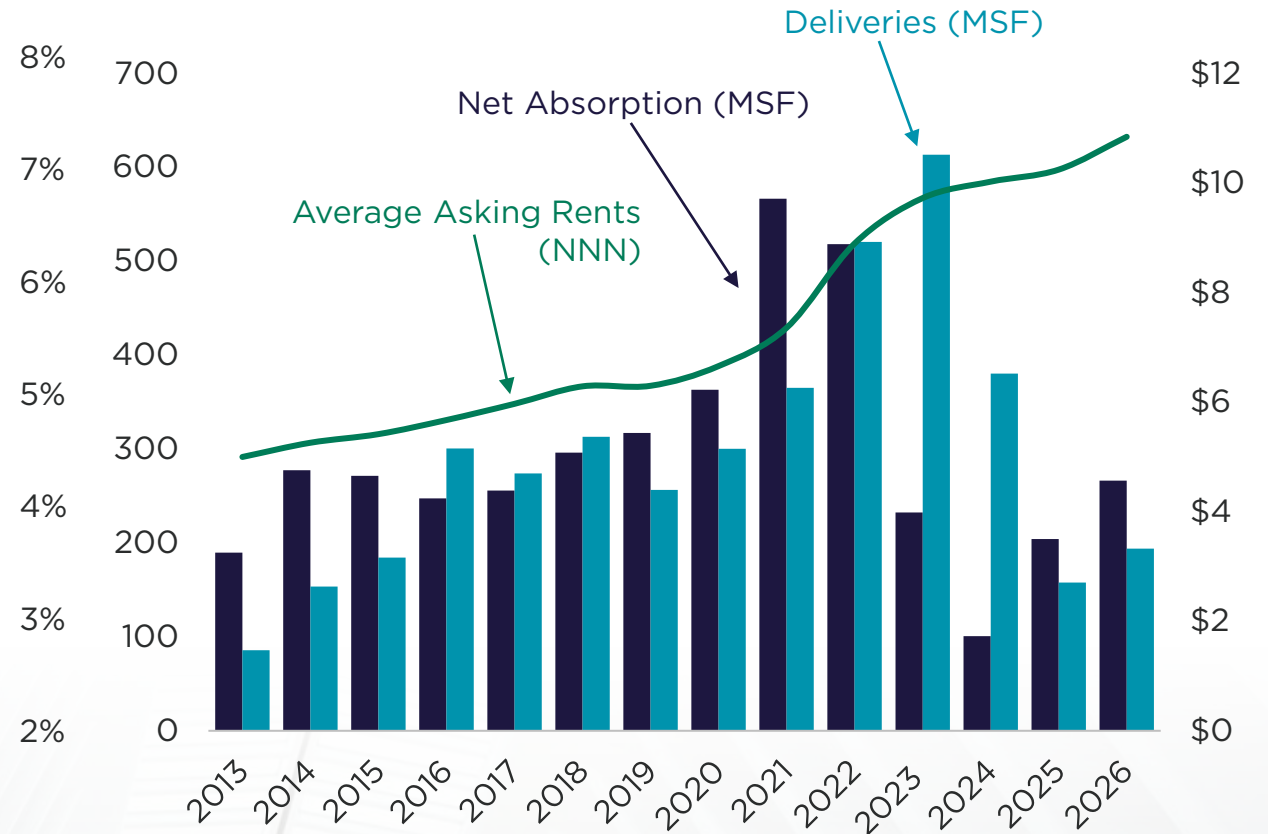
# MARKET WILL CONTINUE MODERATE NEAR-TERM

Vacancy will remain below historical averages, rent rate growth cools in near-term

## Market Rebalances Amid Cooling Demand

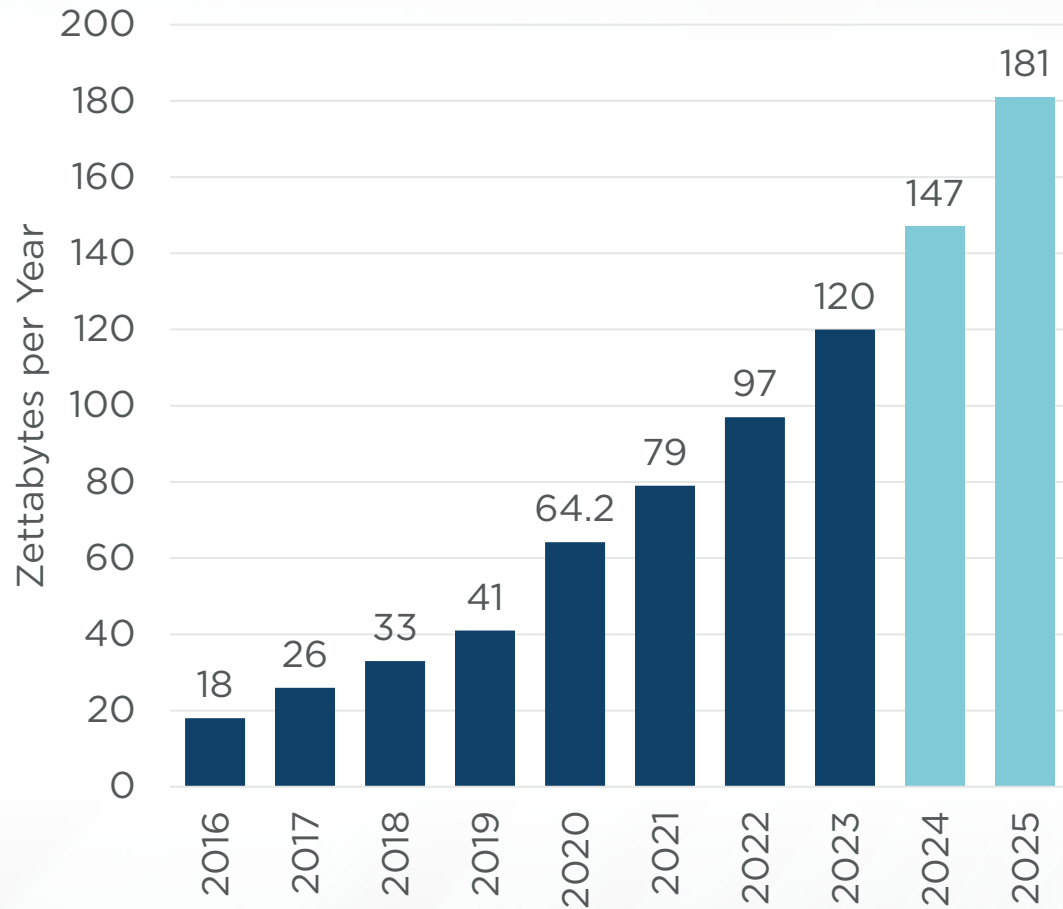


## Rent Growth To Reach Sustainable Levels

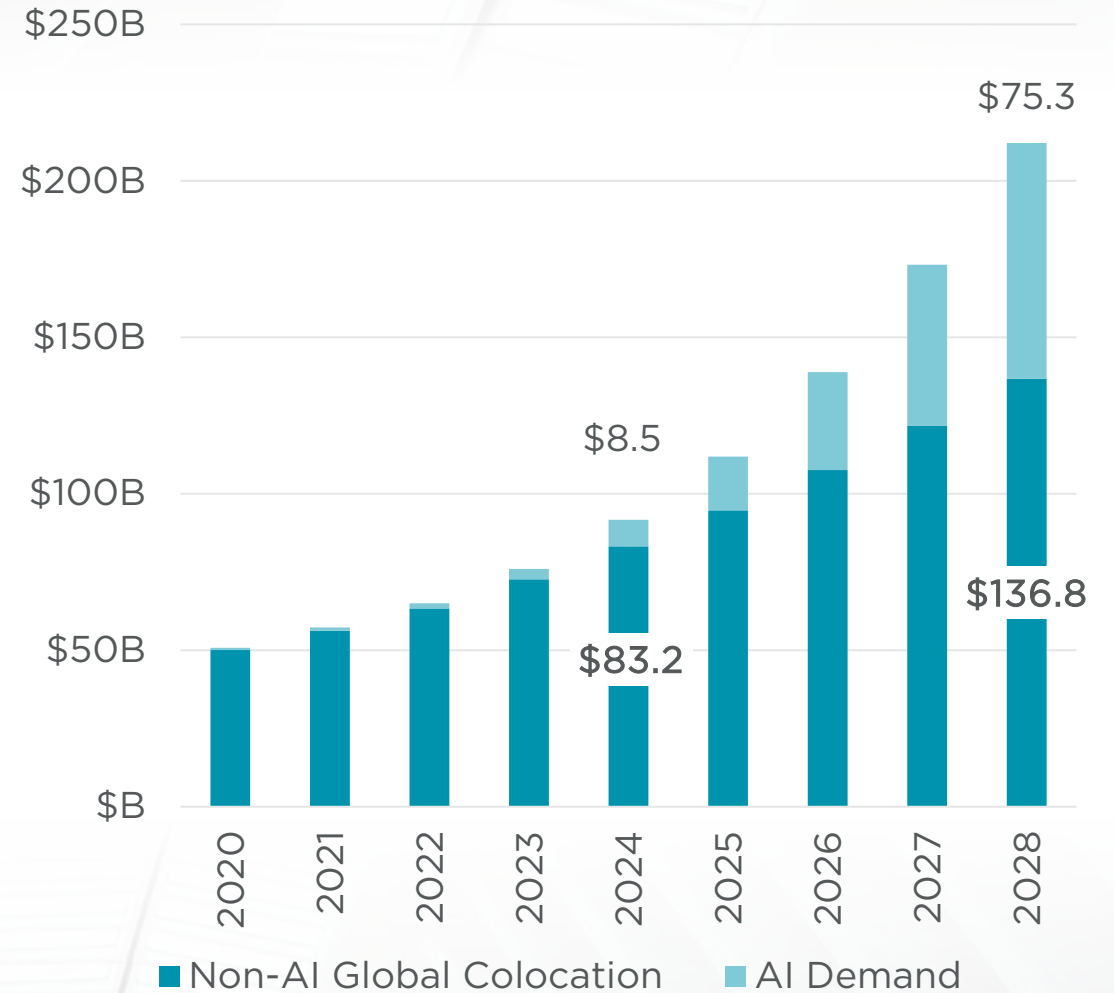


# Increasing data utilization leading to Cloud & AI Growth at-scale

Global Data Volume Created, Captured, Copied, Consumed  
By Year



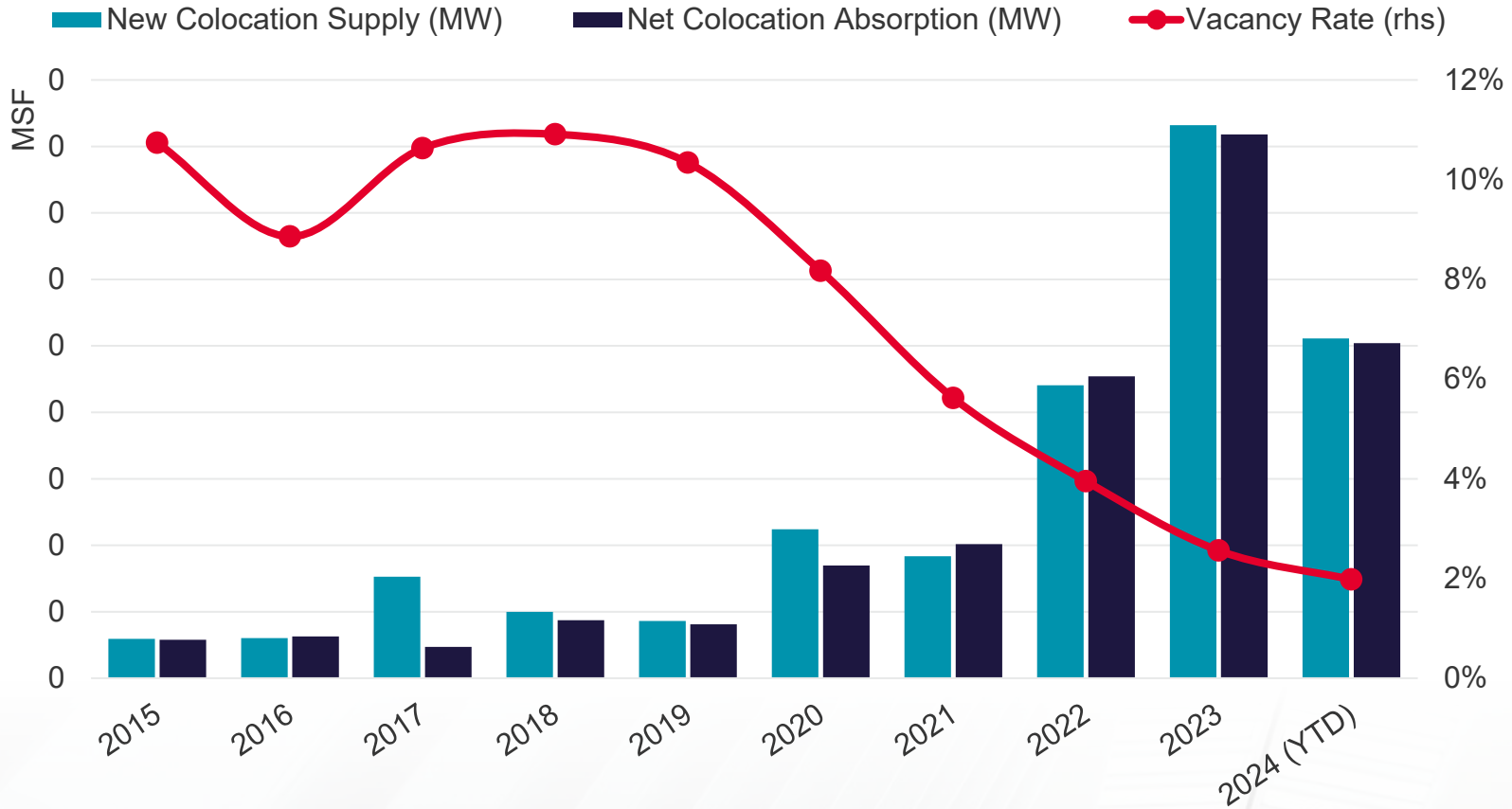
Forecasted Annual Cloud & AI Revenues 2020 - 2028



Source: Statista, Structure Research, datacenterHawk, Cushman & Wakefield Research

# KEY GROWTH AREA: DATA CENTERS MOVE TO THE FRONT

Cloud growth & AI interest have driven data center growth to record levels



## Key Takeaways

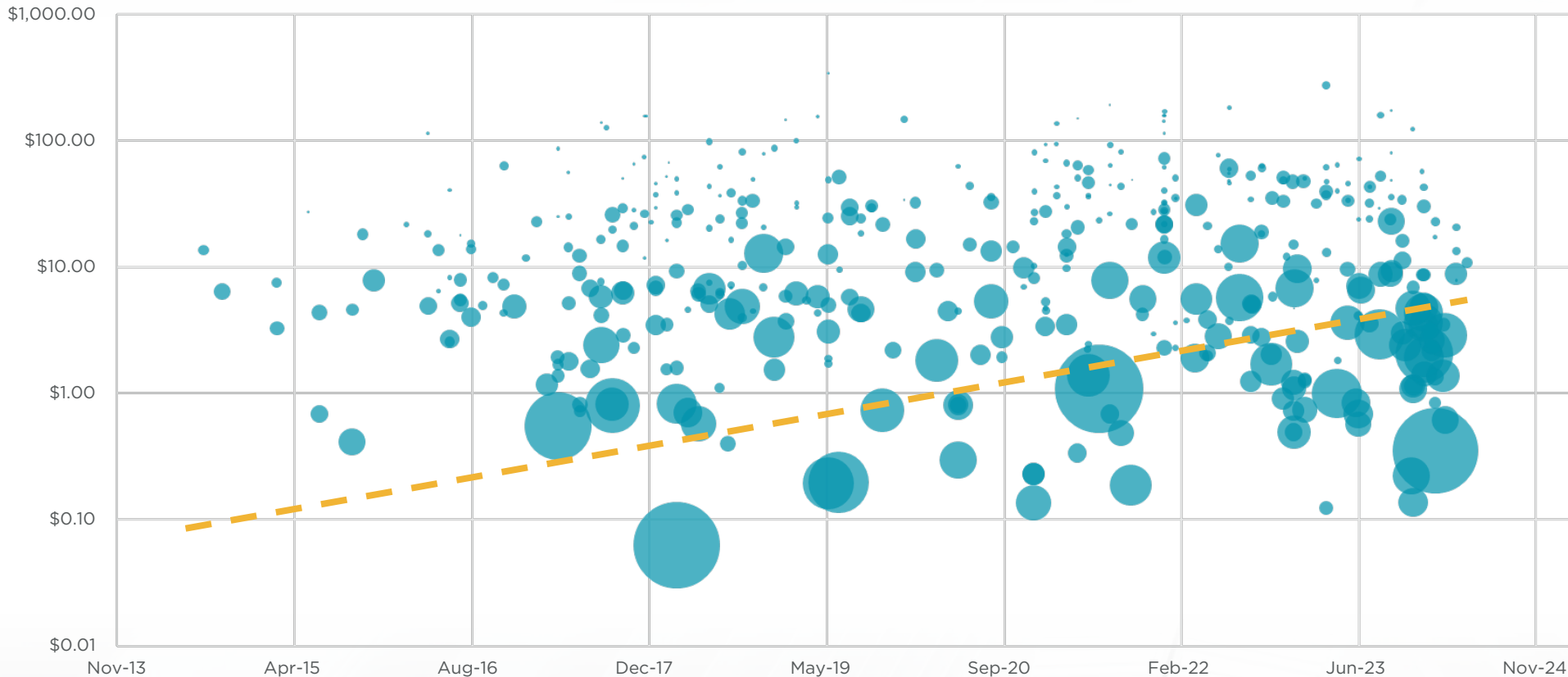
### RAPID ABSORPTION:

Hyperscalers and new entrants leasing large capacities across markets, with over 80% of product pre-leased.

**TIGHT VACANCY:** Nationally, vacancy has fell to a record low of 2%, with major markets like Virginia, Phoenix and Atlanta seeing vacancies <1%

# RACE FOR LAND & POWER – DATA CENTERS, EV BATTERY, CHIPS

## DATA CENTER LAND PRICING 2014 – 2024 (SIZED BY ACREAGE)



### **POWER AVAILABILITY:**

Limited power delivery within the next 2-3 years in most Americas markets has driven operators into developing markets.

### **LAND AVAILABILITY:**

Larger requirements have led to increased campus size requirements, driving campuses to range from 150 – 1,000+ acres where available.

*\*Source: Cushman & Wakefield Research*