



# Industrial Market Report

## San Diego - CA

PREPARED BY



Chris Bonar  
Sales Associate



**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**1.4 M**

12 Mo Net Absorption in SF

**1.4 M**

Vacancy Rate

**5.5%**

12 Mo Rent Growth

**4.5%**

San Diego's industrial footprint is supported by groundbreaking work in the biotech and life science industries in the UC San Diego area. Expanding defense contractors and tech firms add a further layer of demand for San Diego's existing product and new development along the I-805 and I-15 corridors. Those industries have helped support San Diego's industrial market as the region grapples with the coronavirus outbreak.

The industrial market has proven most resilient amid the pandemic relative to other commercial sectors in San Diego. Leasing volume increased in each successive quarter over the past year and averaged 3 million SF over the last two quarters of 2020 with 21Q1 on a similar pace. That was roughly level with the average quarterly leasing volume between 2018-19. It also led to 20Q4 posting one of the highest levels of positive net absorption in five years at roughly 1 million SF.

New spec projects have had success finding tenants and large available blocks of space are in short supply which should help stabilize the vacancy rate in the forecast. For instance, The Boardwalk in Torrey Pines, a three-building campus that broke ground at the beginning of 2020 with no commitments, was fully leased by the beginning of 20Q4. But Otay Mesa is also enduring a wave of speculative development that could apply upward pressure to the rate in the submarket and across the region. Nearly 2 million SF of spec space broke ground there in the second half of 2020. But Otay Mesa includes California's largest port of entry with Mexico, and firms can take advantage of cross-border

distribution routes between the two neighbors.

Construction starts skyrocketed after Amazon's 3.3 million-SF distribution center in Otay Mesa broke ground in 20Q2. Amazon has been actively expanding in San Diego. It leased the 530,000-SF speculative Vantage Point in Poway in mid-2020 and the speculative RB Vista in Rancho Bernardo in 20Q3. In all, Amazon has leased more than 4 million SF across San Diego since 2019.

While annual rent growth has moderated notably among San Diego's other property sectors amid the pandemic and has declined notably in the retail sector, San Diego's industrial market has shown more resiliency. Annual rent growth had already begun cooling ahead of the pandemic, but it remains firmly positive and above the long-term average, and at 4.5%, compares favorably to the national rate of 3.6%. It has been supported by the strength of San Diego's logistics sector in Otay Mesa and life science nodes from Sorrento Mesa to Carlsbad.

Institutional investors remain active here, attracted to the diverse tenant pool and strong rent growth. Market pricing has held up in the face of the pandemic, and cap rates remain steady. And although deal flow has cooled off similar to the other property sectors, national investors continue to target the region's formidable life science nodes for lab campuses and the potential to convert outdated industrial facilities and office buildings into lab space.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	81,608,189	5.2%	\$13.99	8.3%	7,976	379,560	5,136,067
Specialized Industrial	66,302,932	3.9%	\$14.81	5.2%	(132,537)	0	105,146
Flex	51,247,907	7.9%	\$25.09	9.3%	249,276	69,000	330,937
<b>Market</b>	<b>199,159,028</b>	<b>5.5%</b>	<b>\$17.05</b>	<b>7.6%</b>	<b>124,715</b>	<b>448,560</b>	<b>5,572,150</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.2%	7.4%	5.5%	11.1%	2010 Q3	4.4%	2018 Q3
Net Absorption SF	1.4 M	1,444,138	3,177,796	6,624,847	2000 Q2	(4,765,209)	2009 Q3
Deliveries SF	1.4 M	1,875,084	3,906,057	6,354,576	2000 Q2	75,015	2011 Q2
Rent Growth	4.5%	3.4%	3.4%	8.5%	2001 Q1	-5.8%	2009 Q4
Sales Volume	\$1.7 B	\$1.2B	N/A	\$2.3B	2019 Q3	\$346.7M	2009 Q3



San Diego is firmly established as one of the top life science markets in the country, with a heavy concentration of those firms in the UC San Diego area and Sorrento Mesa. These firms, along with defense contractors that are spread along the I-805 and I-15 freeways, have supported stability and continued demand amid the pandemic. The retrenchment in the office and retail sectors has not materialized in the industrial sector. Leasing activity has remained stable and quarterly leasing volume averaged 3 million SF in the second half of 2020, which is about level with the preceding few years. 20Q1 is on pace to reach that level again.

Amazon has been the most active lessee in the region for more than a year now. The e-commerce giant expanded its footprint in San Diego in the past year by leasing brand new distribution facilities in Rancho Bernardo (which sold in 21Q1 for \$50 million) and Poway, and last-mile facilities in Kearny Mesa and along the Morena corridor. They also expanded their footprint in UTC by adding 45,000 SF of flex space at Campus Pointe, where it already occupied 85,000 SF. The firm is also building a 3.3 million-SF distribution center in Otay Mesa which is set to complete this year.

But Amazon is not alone in extending its distribution footprint. Wal-Mart added 90,000 SF in Santee in 20Q4, Hillebrand took more than 100,000 SF at The Campus in Otay Mesa in 20Q3 for its first physical location in San Diego, OnTrac leased more than 100,000 SF at the Pacific Vista Commerce Center in Carlsbad in 21Q1, and Stone Brewing leased a 110,000-SF cold storage facility in San Marcos during 21Q1 to facilitate its distribution efforts across the region.

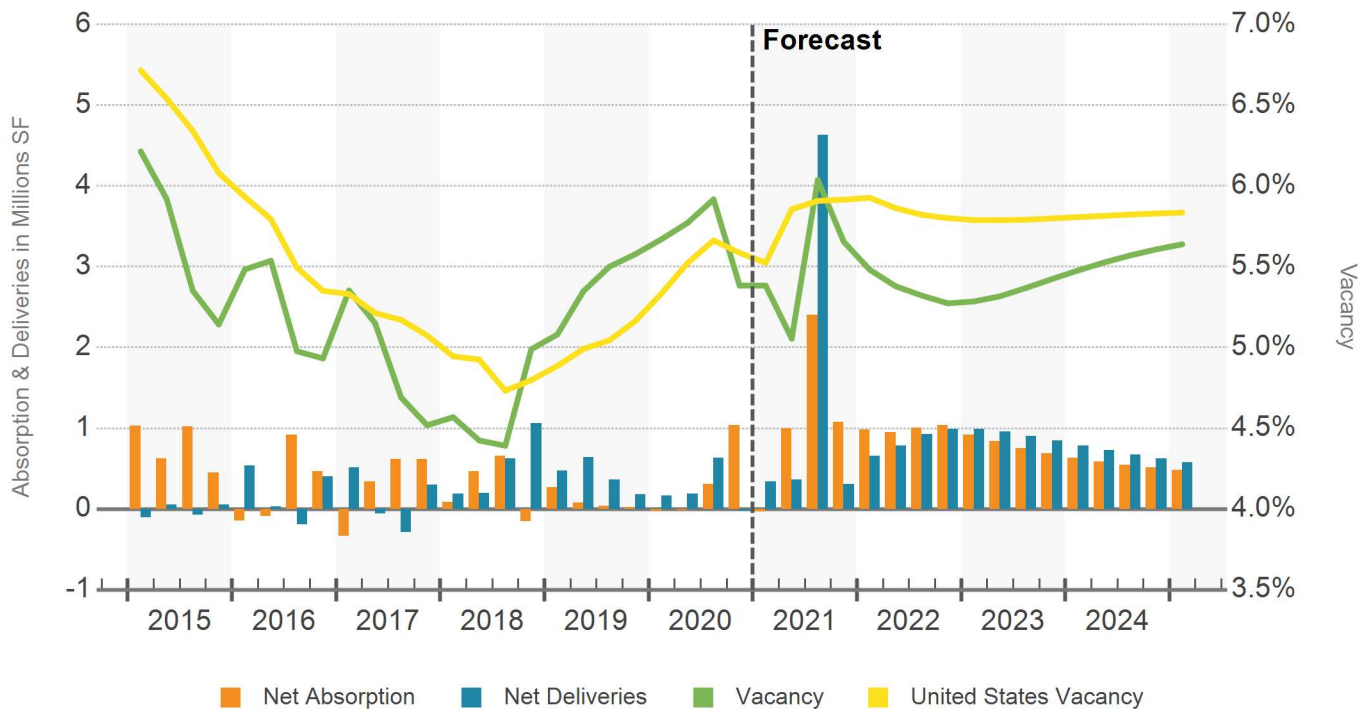
Vista has accounted for a significant amount of net absorption since 2019, both positive and negative, owing to the large sheds in the submarket that can accommodate big users - in particular at the Vista Business Park. Those sheds have access to a large population in north county and easy freeway access across the region via State Route 78. That is where Amazon moved into 220,000 SF at the end of 2019. It is

also where Directed Electronics, a producer of car security products, closed its 200,000 SF facility in 20Q3 which pushed the vacancy rate in Vista to its highest level in nearly a decade. But in 20Q4, CUE Health leased 200,000 SF at the Vista Business Park. CUE Health received a nearly \$500 million award from the Department of Defense to produce fast, portable Covid tests. They took possession right away. But that was not the firm's only expansion in San Diego in 2020. It tacked on more than 60,000 SF of flex space in Sorrento Mesa in 20Q2, an addition to its original 20,000-SF footprint in that submarket.

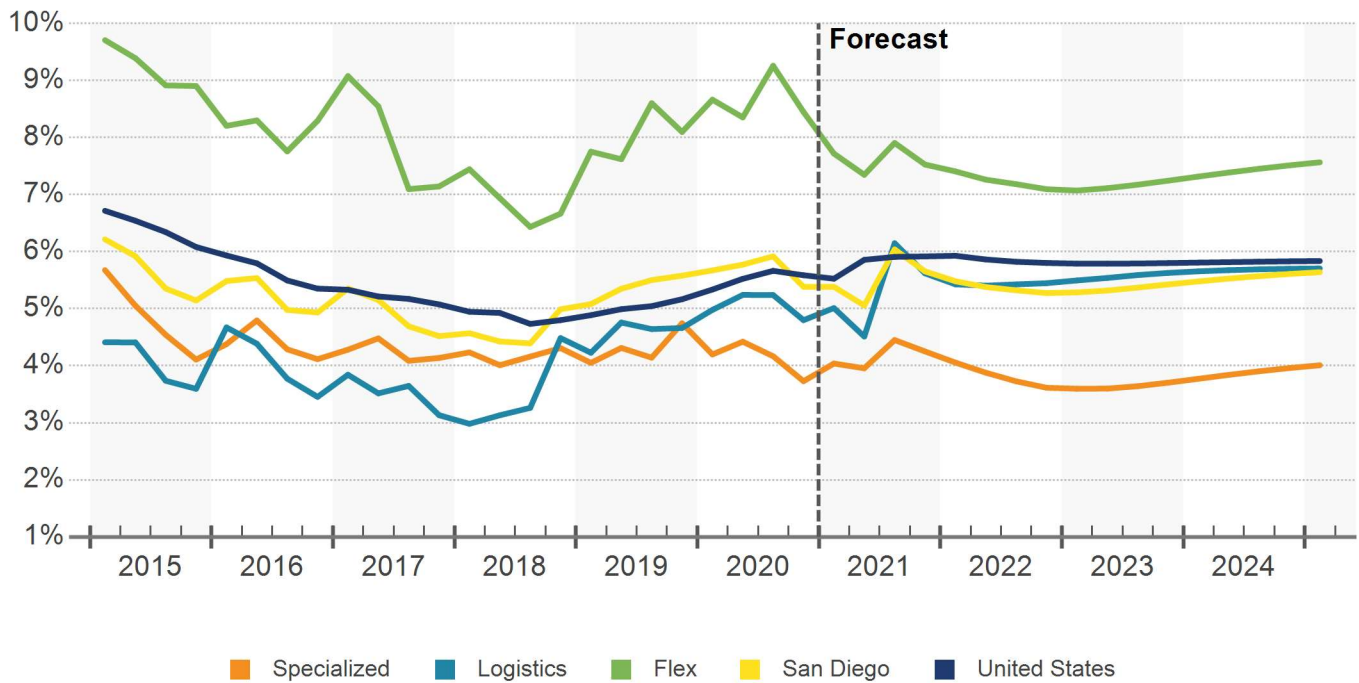
Carlsbad has become a hot landing spot, particularly among biotech firms. They are tapping into a well-educated north county population node that includes one of the heaviest concentrations of households with a STEM degree outside of central San Diego. MilliporeSigma signed a 150,000-SF lease at the create building in mid-2020. That will be its second facility in the submarket and a significant expansion. Copan Diagnostics leased nearly 40,000 SF at Carlsbad Crossroads in 20Q2, for an expansion from Murrieta. GenMark Diagnostics leased 73,000 SF at NorthPointe Tech Center to start 20Q3 for 10 years. GenMark also has a first right of refusal to lease two neighboring facilities from the landlord. Life science tenants can get a foothold here for half of what they might pay in the UC San Diego area.

But the life science core still sits in the UC San Diego area and Sorrento Mesa where many firms and foundations work in conjunction with UC San Diego. Quidel leased more than 100,000 SF of expansion space during 20Q3 in Sorrento Mesa and Zentalis Pharmaceuticals signed on for two buildings and nearly 120,000 SF at the Boardwalk development in Torrey Pines in 20Q4. That was the second big lease for Zentalis in Torrey Pines in 2020. It also leased nearly 40,000 SF at ARE Torrey Ridge in 20Q1, and those deals are an expansion from 10,000 SF within the submarket. These have buttressed demand and have helped stabilize the market amid wider economic instability.

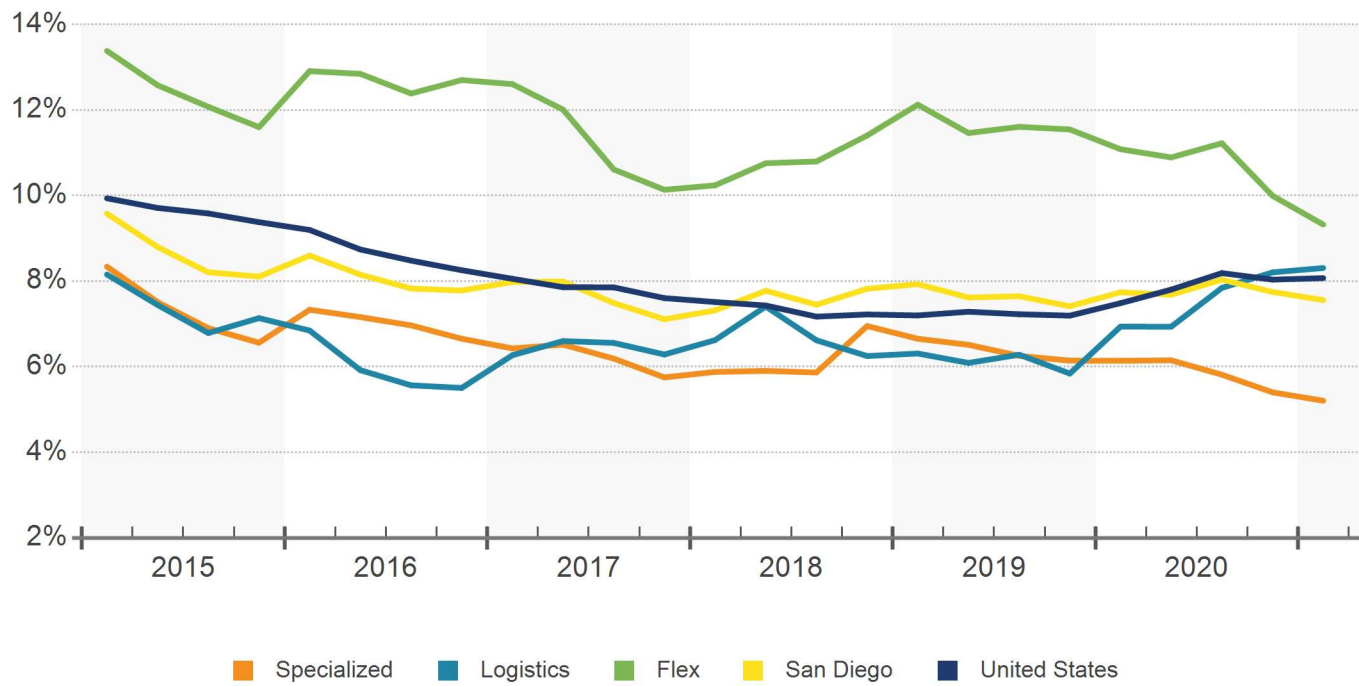
### NET ABSORPTION, NET DELIVERIES & VACANCY



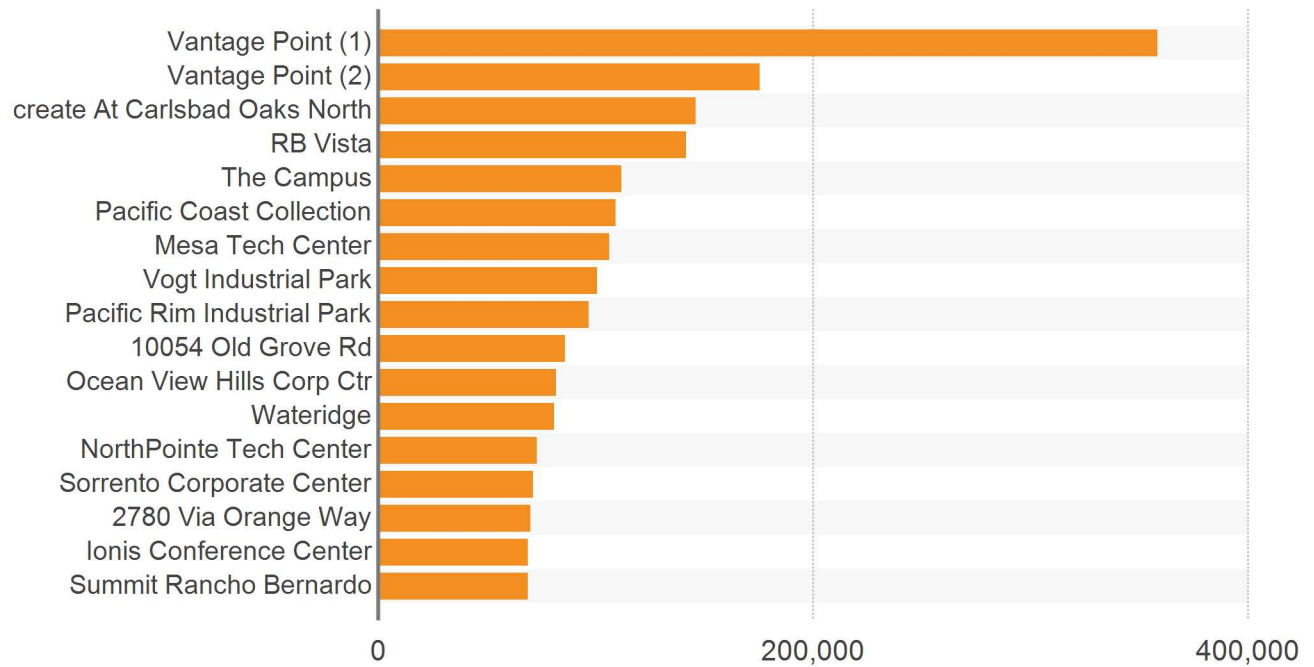
### VACANCY RATE



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
Vantage Point (1)	Poway Ind	358,313	0	0	0	0	0	358,313
Vantage Point (2)	Poway Ind	175,637	0	0	0	0	0	175,637
create At Carlsbad Oaks North	Carlsbad Ind	146,108	0	146,108	0	0	0	146,100
RB Vista	Rancho Bernardo Ind	141,518	0	0	0	0	0	141,518
The Campus	Otay Mesa Ind	137,000	25,163	0	0	0	0	111,837
Pacific Coast Collection	Oceanside Ind	109,163	0	0	0	0	0	109,163
Mesa Tech Center	Sorrento Mesa Ind	106,412	0	0	0	0	0	106,412
Vogt Industrial Park	Otay Mesa Ind	100,631	0	0	0	0	0	100,631
Pacific Rim Industrial Park	Otay Mesa Ind	96,998	0	0	0	0	0	96,998
10054 Old Grove Rd	Scripps Ranch Ind	85,824	0	0	0	0	0	85,824
Ocean View Hills Corp Ctr	Otay Mesa Ind	152,919	0	0	0	0	0	81,894
Wateridge	Sorrento Mesa Ind	183,565	0	15,401	0	0	0	80,973
NorthPointe Tech Center	Carlsbad Ind	73,057	0	73,057	0	0	0	73,057
Sorrento Corporate Center	Sorrento Mesa Ind	71,379	0	0	0	0	0	71,139
2780 Via Orange Way	La Mesa/Spring Vall...	70,000	0	0	0	0	0	70,000
Ionis Conference Center	Carlsbad Ind	69,000	0	69,000	0	0	0	69,000
Summit Rancho Bernardo	Rancho Bernardo Ind	229,598	0	0	0	0	0	68,879
<b>Subtotal Primary Competitors</b>		<b>2,307,122</b>	<b>25,163</b>	<b>303,566</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,947,375</b>
Remaining San Diego Market		196,851,906	10,888,856	(178,851)	0	0	0	(510,672)
<b>Total San Diego Market</b>		<b>199,159,028</b>	<b>10,914,019</b>	<b>124,715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,436,703</b>



## TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
14500 Kirkham Way	Poway	358,313	Q2 20	Amazon	Lee & Associates	Kidder Mathews
2001 Sanyo Ave *	Otay Mesa	266,072	Q2 20	Panasonic	Cushman & Wakefield	JLL
2620 Commerce Way	Vista	197,104	Q4 20	CUE Health	-	CBRE
8661 Kerns St *	Otay Mesa	185,796	Q4 20	Iron Mountain	-	-
14400 Kirkham Way	Poway	175,637	Q2 20	Amazon	Lee & Associates	Kidder Mathews
16915 Via Del Campo	Rancho Bernardo	141,518	Q3 20	Amazon	Lee & Associates	JLL
2285 Rutherford Rd	Carlsbad	128,745	Q1 21	-	-	CBRE
505 S Pacific St	San Marcos	113,500	Q1 21	Stone Distributing Co.	Kidder Mathews	Kidder Mathews
8863 Siempre Viva Rd *	Otay Mesa	112,000	Q3 20	Bose Corporation	Voit Real Estate Ser...	-
2065 Sanyo Ave	Otay Mesa	111,491	Q3 20	Hillebrand	-	JLL
1345 Sycamore Ave *	Vista	108,758	Q1 20	Ernest Packaging Solutions	Lee & Associates	-
10015 Waples Ct	Sorrento Mesa	106,412	Q3 20	Quidel Corporation	-	Colliers International
2800 Whiptail Loop	Carlsbad	103,984	Q1 21	onTrac	-	CBRE
2946 Norman Strasse Rd	San Marcos	94,172	Q4 20	-	-	Cushman & Wakefield
10926 Woodside Ave N	Santee	91,923	Q4 20	Wal-Mart Stores East LP	-	Cushman & Wakefield
655 Gateway Center Way	Southeast San Diego	86,254	Q1 21	-	-	JLL
10054 Old Grove Rd	Scripps Ranch	85,824	Q1 20	Manscaped	-	Cushman & Wakefield
8409 Kerns St	Otay Mesa	74,000	Q4 20	-	-	JLL
4370 Jutland Dr	PB/Rose Canyon/Morena	72,716	Q2 20	Amazon	Lee & Associates	Kidder Mathews
1322 Rocky Point Dr	Oceanside	67,913	Q3 20	Pirch, Inc.	Lee & Associates	JLL
528 E Mission Rd	San Marcos	64,287	Q2 20	TRI-M-CO	-	-
7411 Goen Pl	Mission Gorge	62,948	Q4 20	-	-	CBRE
9269 Lightwave Ave	Kearny Mesa	62,572	Q3 20	Amazon	-	Cushman & Wakefield;...
6060 Nancy Ridge Dr	Mira Mesa/Miramar	60,737	Q4 20	Hologic	-	CBRE
491 C St	Chula Vista	59,451	Q1 21	-	-	Lincoln Property Comp...
1002-1008 Industrial Blvd	Chula Vista	56,423	Q4 20	-	-	CBRE;Voit Real Estate...
2611 Commerce Way	Vista	55,296	Q3 20	DIG	Brookshire & Associ...	Kidder Mathews
7130 Miramar Rd	Mira Mesa/Miramar	50,922	Q2 20	-	-	Cushman & Wakefield
8409 Kerns St	Otay Mesa	50,000	Q1 21	NASSCO	-	JLL
8123 Miralani Dr	Mira Mesa/Miramar	48,000	Q2 20	Cutwater Spirits	CBRE	Colliers International
6855 Calle De Linea	Otay Mesa	47,838	Q3 20	-	-	CBRE
2780 Via Orange Way	La Mesa/Spring Valley	47,300	Q2 20	Vey's Powersports	Inland Pacific	Inland Pacific
995 Joshua Way	Vista	47,174	Q4 20	-	-	Cushman & Wakefield
2580 Progress St	Vista	45,465	Q2 20	PDQ Pickup	Colliers International	Palomar Commercial
1224 Exposition Way	Otay Mesa	45,000	Q4 20	Dematic	-	Colliers International
2810 Whiptail Loop	Carlsbad	44,075	Q4 20	Nixon	-	CBRE
2450 Business Park Dr *	Vista	43,186	Q2 20	Jeld-Wen	JLL	-
8115 Saint Andrews Ave	Otay Mesa	41,600	Q1 21	-	-	Colliers International
1322 Rocky Point Dr	Oceanside	41,250	Q3 20	-	-	JLL
1964 Kellogg Ave	Carlsbad	40,831	Q4 20	-	-	Cushman & Wakefield

\*Renewal

Strong demand for lab and logistics space has buoyed annual rent growth. Even so, rent growth had begun cooling ahead of the outbreak and stands at 4.5% compared to the five-year average of 5.8%, but that is still well ahead of the rate of inflation. Rent growth should easily push through the pandemic in positive territory. Rents have not been impacted as notably in the industrial sector as they have across other property sectors where they have either flat-lined or declined.

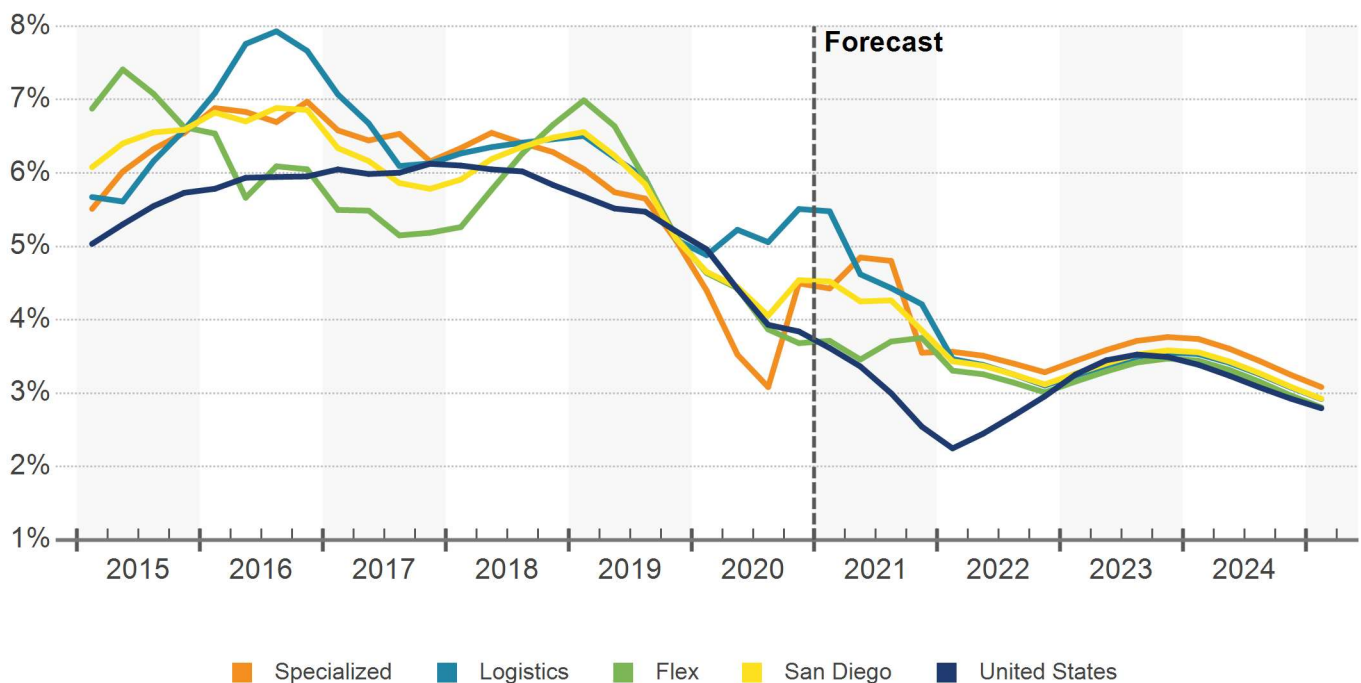
Logistics inventory has driven San Diego's rent growth with annual growth at 5.5%, and Otay Mesa posted the strongest rate of growth over the trailing 12 months. In fact, Otay Mesa still has the lowest average rents in the region and rent growth accelerated there over the past year to post the strongest rate of annual growth there in nearly four years. Tenants can still find new space for

close to \$1/SF, a rarity in San Diego where logistics space across the balance of San Diego averages roughly \$.20/SF more.

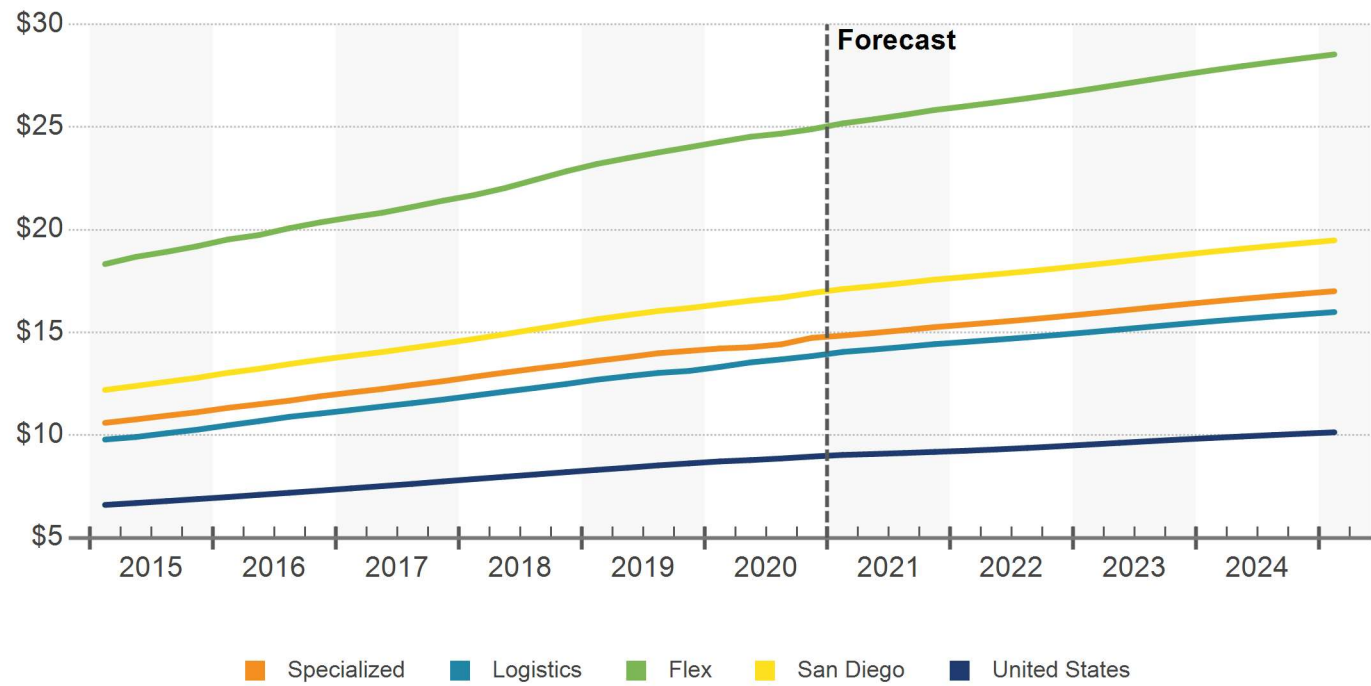
A familiar set of submarkets fortified by an expanding base of biotech tenants are also in the top half of San Diego submarkets in terms of performance. Sorrento Mesa, Rancho Bernardo, and Carlsbad all posted rates above their long-term averages.

In Carlsbad, tenants can often find a considerable discount relative to the UC San Diego area. For instance, GenMark signed its 73,000-SF lease in Carlsbad in 2020 with a starting rate below \$20/SF NNN. The 10-year lease included more than \$4 million in TI's and 3% annual bumps. Similar space around Torrey Pines would go for more than double that rate.

### MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



The pipeline gathered steam in the second half of 2020, and nearly all of it is speculative and expected to deliver this year, which is likely to add upward pressure to the vacancy rate in the process. That space is also competing with renovations as landlords from Sorrento Mesa to Kearny Mesa increasingly reposition their dated industrial facilities with lower clear heights into lab space. In Sorrento Mesa, investors are also targeting office buildings for lab conversion.

Otay Mesa has the most available land in the county at some of the lowest prices. Developers can often acquire land for under \$15/SF, and there are fewer obstacles to construction than in most other parts of the region. The entrenched blue-collar demographic provides a pipeline of employees for logistics users in the area. This is where Amazon will also open a four-story, 3.3 million-SF distribution center. The 65 acres that Atlanta-based Seefried Properties is building Amazon's distribution center on sold for about \$8/SF in 2019. Amazon then purchased the property in 2020 and broke ground in 20Q2. It is expected to deliver this year.

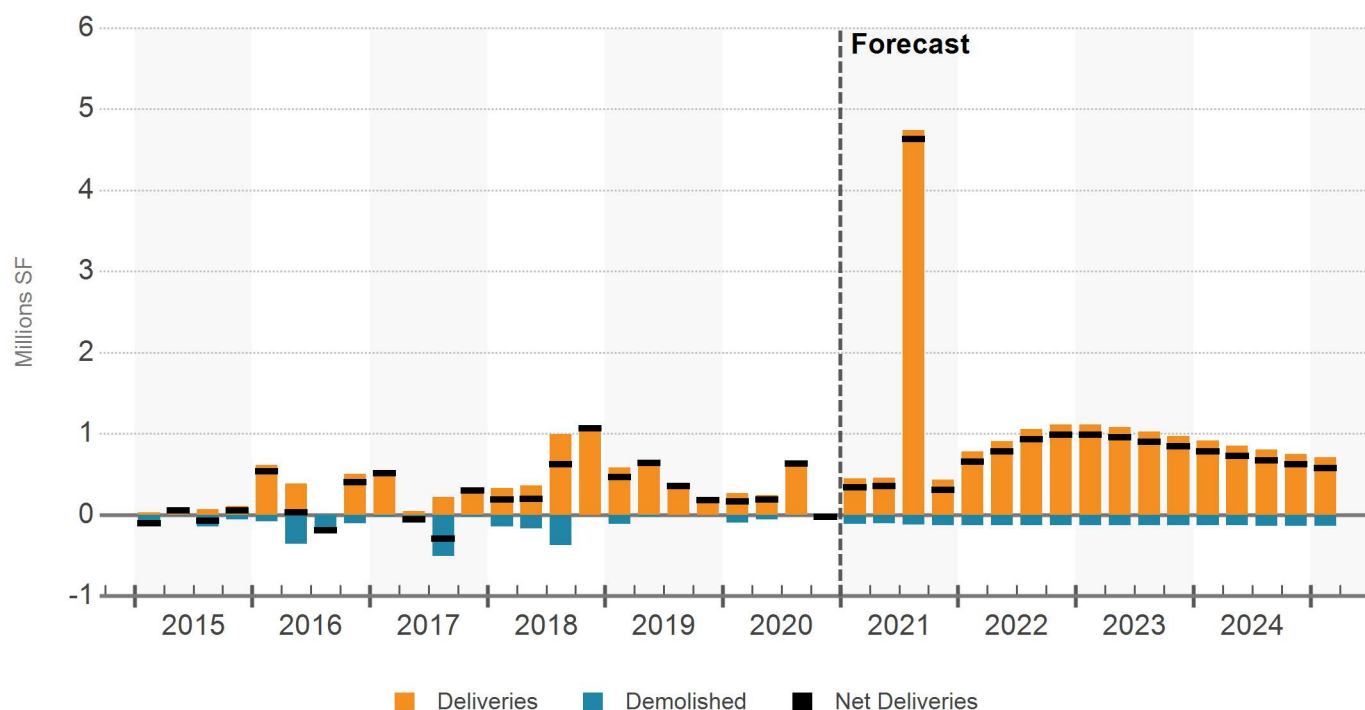
That was followed by almost 2 million more SF breaking ground across the submarket from Landmark at Otay to California Crossings. The state-of-the-art speculative buildings will have dozens of loading docks to

accommodate distribution and are anticipated to deliver before the end of 2021. Logistics firms in Otay Mesa can take advantage of the busiest land port-of-entry from Mexico in California. Data from 2019 showed 1.4 million northbound commercial trucks passed through east county land ports. While that space may exert upward pressure on Otay Mesa's vacancy rate, and the region's, recent history has shown that almost every spec project in Otay Mesa has secured a tenant within a short window of delivery.

In Poway, Amazon took possession of its biggest footprint to that point in the region at Vantage Point in 20Q3. The 530,000-SF project was one of San Diego's largest spec developments in years when it broke ground and has 36-foot minimum clear heights and more than 100 dock high positions. Amazon signed the lease about two months before its delivery at the end of 20Q3.

But builders are not only focusing on logistics space. Healthpeak Properties broke ground at the beginning of 2020 on three buildings in Torrey Pines. One building was leased by the international law firm Cooley LLP for its regional headquarters, while the other two were leased at the start of 20Q4 by Zentalis Pharmaceuticals. The project is being built at an estimated cost of nearly \$800/SF.

### 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	Otay Mesa	12	5,200	3,385	65.1%	3	47,674	433,355	1
2	Torrey Pines	3	264	246	93.0%	2	79,328	88,026	2
3	Chula Vista	1	67	0	0%	4	25,286	66,860	3
4	Santee	2	32	0	0%	5	12,813	15,974	4
5	San Marcos	1	9	9	100%	1	16,980	9,000	5
6	Carlsbad	0	-	-	-	-	32,112	-	-
7	Central San Diego	0	-	-	-	-	17,060	-	-
8	East City	0	-	-	-	-	15,543	-	-
9	El Cajon	0	-	-	-	-	18,933	-	-
10	Escondido	0	-	-	-	-	11,697	-	-
	All Other	0	-	-	-		22,711	-	
Totals		19	5,572	3,640	65.3%		22,701	293,271	



# Under Construction Properties

San Diego Industrial

Properties

Square Feet

Percent of Inventory

Released

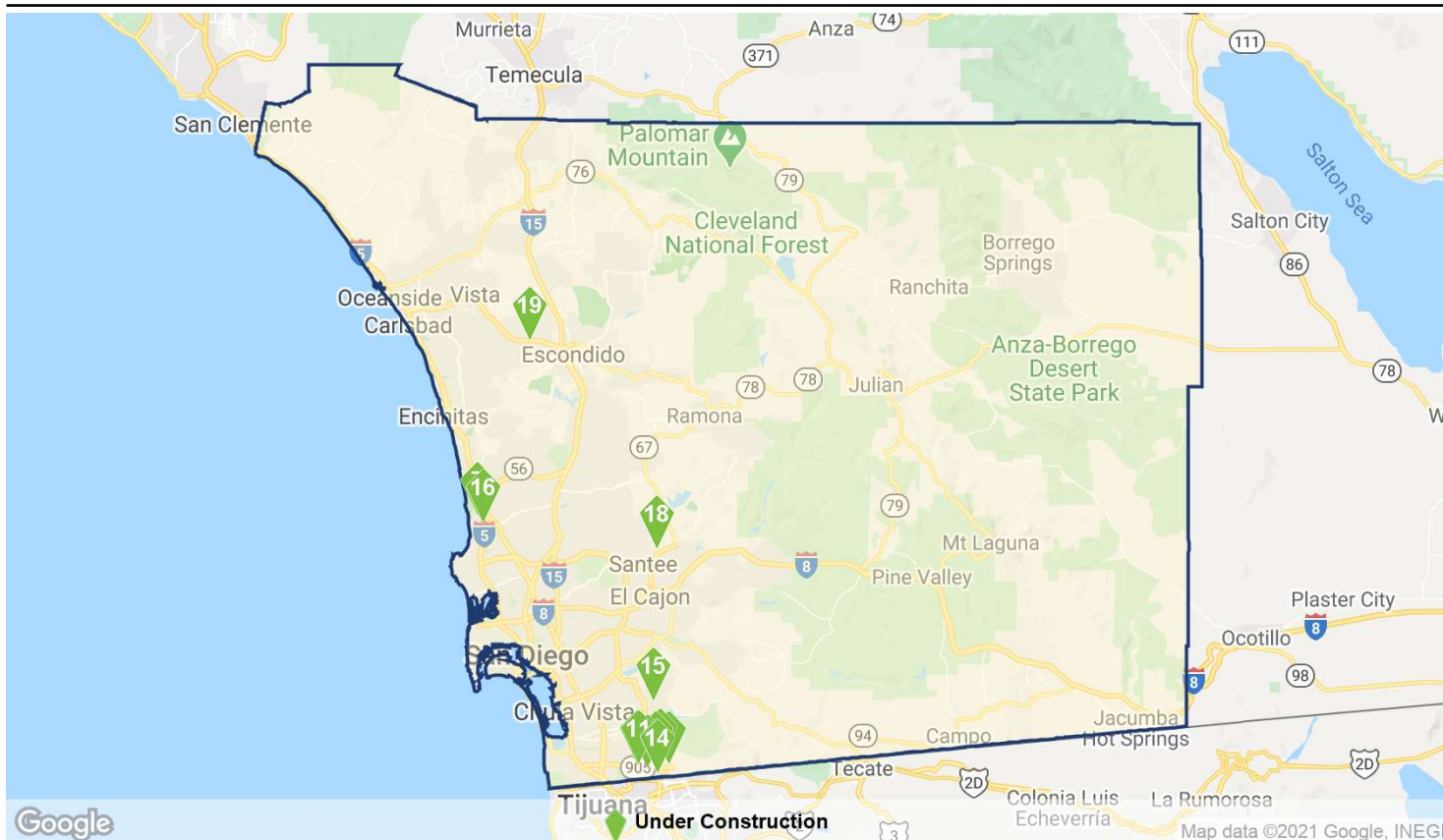
19

5,572,150

3.8%

65.3%

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>Amazon</b> 11 Olay Mesa Rd	★★★★★	3,300,000	4	Jun 2020	Jun 2021	Seefried Properties, Inc. Amazon
2 <b>California Crossings</b> Olay Mesa Road & Harves...	★★★★★	453,330	1	Nov 2020	Jul 2021	- Sudberry Properties, Inc.
3 <b>3</b> 300 Landmark Rd	★★★★★	240,975	1	Jul 2020	Aug 2021	Majestic Realty Co. Sunroad Holding Corporation
4 <b>4</b> 400 Landmark Rd	★★★★★	235,085	1	Jul 2020	Aug 2021	Majestic Realty Co. -
5 <b>1</b> 100 Landmark Rd	★★★★★	216,140	1	Jul 2020	Aug 2021	Majestic Realty Co. Sunroad Holding Corporation
6 <b>2</b> 200 Landmark Rd	★★★★★	153,630	1	Jul 2020	Aug 2021	Majestic Realty Co. Sunroad Holding Corporation
7 <b>Spectrum III</b> 3115 Merryfield Row	★★★★★	146,368	3	Dec 2020	Jan 2022	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...

# Under Construction Properties

San Diego Industrial

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 8150 Airway Rd	★ ★ ★ ★ ★	135,623	1	Oct 2020	Jul 2021	- Rockefeller Group
9 North Bldg C Otay Mesa Rd	★ ★ ★ ★ ★	123,913	1	Aug 2020	May 2021	- Murphy Development Company
10 Brown Field Technology... Otay Mesa Rd	★ ★ ★ ★ ★	105,146	1	Aug 2020	May 2021	- Murphy Development Company
11 Brown Field Technology... Otay Mesa Rd	★ ★ ★ ★ ★	85,000	-	Jun 2020	Apr 2021	Murphy Development Company The Salvation Army
12 Building B Paseo De La Fuente	★ ★ ★ ★ ★	79,395	1	Jan 2021	Sep 2021	- -
13 10275 Science Center Dr	★ ★ ★ ★ ★	76,407	2	Jan 2020	Apr 2021	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
14 Building A Paseo De La Fuente	★ ★ ★ ★ ★	72,028	-	Jan 2021	Sep 2021	- -
15 2430 Fenton St	★ ★ ★ ★ ★	66,860	2	Feb 2021	Nov 2021	- IRE Development
16 10285 Science Center Dr	★ ★ ★ ★ ★	41,302	2	Jan 2020	Apr 2021	- Healthpeak Properties, Inc.
17 Building C 10046 Marathon Pky	★ ★ ★ ★ ★	20,545	1	May 2020	May 2021	- Hamann Companies
18 Building E 10035 Marathon Pky	★ ★ ★ ★ ★	11,403	1	Dec 2020	Jun 2021	- Lakeside Land Co.
19 245 Trade St	★ ★ ★ ★ ★	9,000	1	Jan 2018	Apr 2021	- Enstrom Mold And Engineering Inc

Although deal flow fell to a decade low in 2020, investors continued showing interest in core life science assets in San Diego filled with seemingly recession-proof tenants, helping prop up sales volume in the process to fall largely in line with prior years. Buyers, on average, received more than a 5% discount relative to the asking price in the past 12 months.

While foreign investors have dipped their toes into San Diego, the majority of sales volume originated from national participants in the past year. Market pricing rose steadily through the past 12 months and should remain on a relatively stable footing in the near-term of the forecast. It also sits well above pricing in Los Angeles. At the same time, market cap rates compressed modestly over that stretch and could compress even further in the forecast. San Diego's cap rate sits above other California coastal markets. The plurality of investment sales sold in the 5% to 6% range.

The Sorrento Mesa area has been one of the primary targets for those regional and national investors attracted to life science properties and the potential to convert outdated industrial facilities or traditional office space into high-end lab space. They have also shown interest in San Diego's border region and large distribution facilities.

Longfellow Real Estate Partners out of the life science hub of Boston purchased Creekside in Sorrento Valley in 20Q3 for \$43 million. The vacant half of the 3-building, 120,000 SF campus will undergo an immediate overhaul into high-end lab space.

The campus was one of three acquisitions for Longfellow

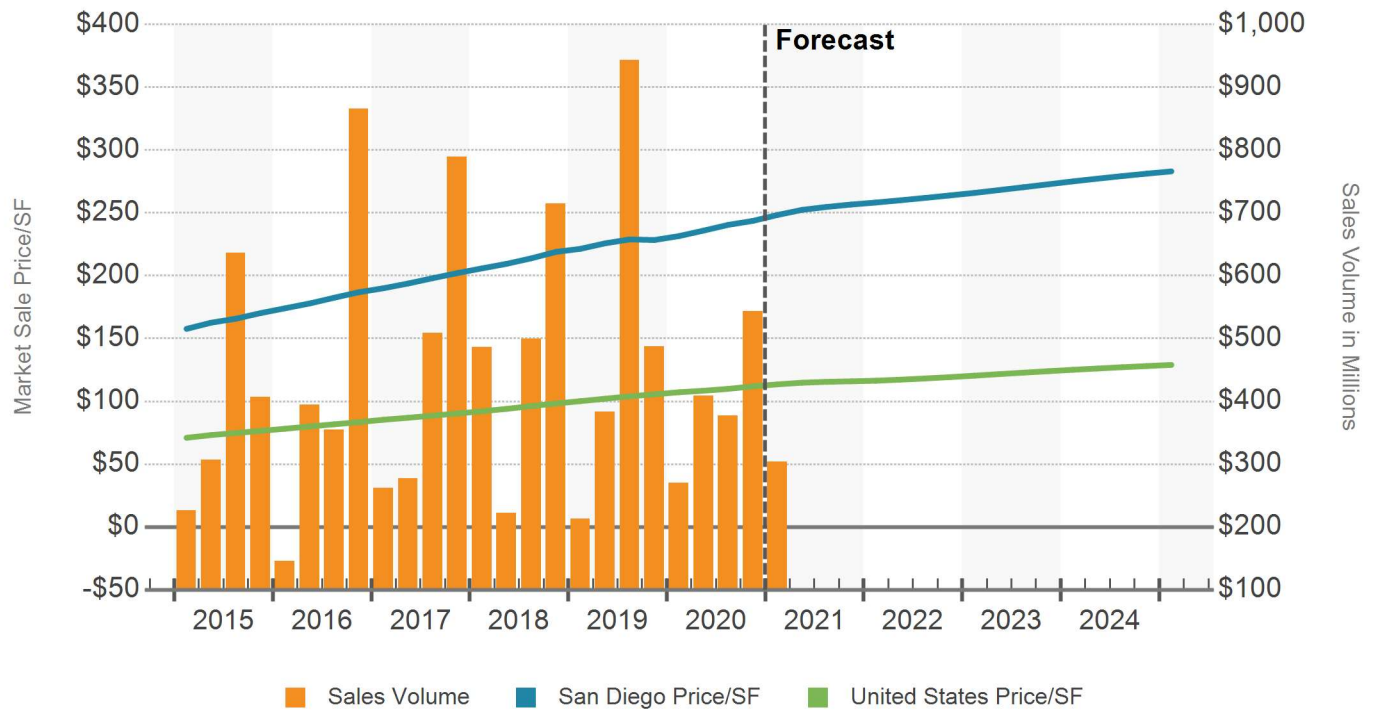
in 2020. It also acquired the Sorrento Tech Center in Sorrento Mesa in 20Q2 for \$39 million and The Foundry, an office campus in Sorrento Mesa that will be converted to lab space, in 20Q4 for \$140 million. Those purchases have brought Longfellow's portfolio in San Diego to roughly 1 million SF since 2018. Longfellow has plans to add more space to its local portfolio in the coming year.

In what was the largest industrial sale in the history of Otay Mesa according to CoStar research, Black Creek Group from Denver purchased the Sunroad Corporate Center in 20Q4 for \$109 million, or roughly \$180/SF. The 600,000-SF distribution center was fully occupied by firms including Biotix, R.L. Jones, and QS Customs Brokers. Morgan Stanley Services Group sold the 2003-vintage facility after purchasing it in 2005 for under \$40 million. The facility is located less than two miles from the Otay Mesa Port of Entry.

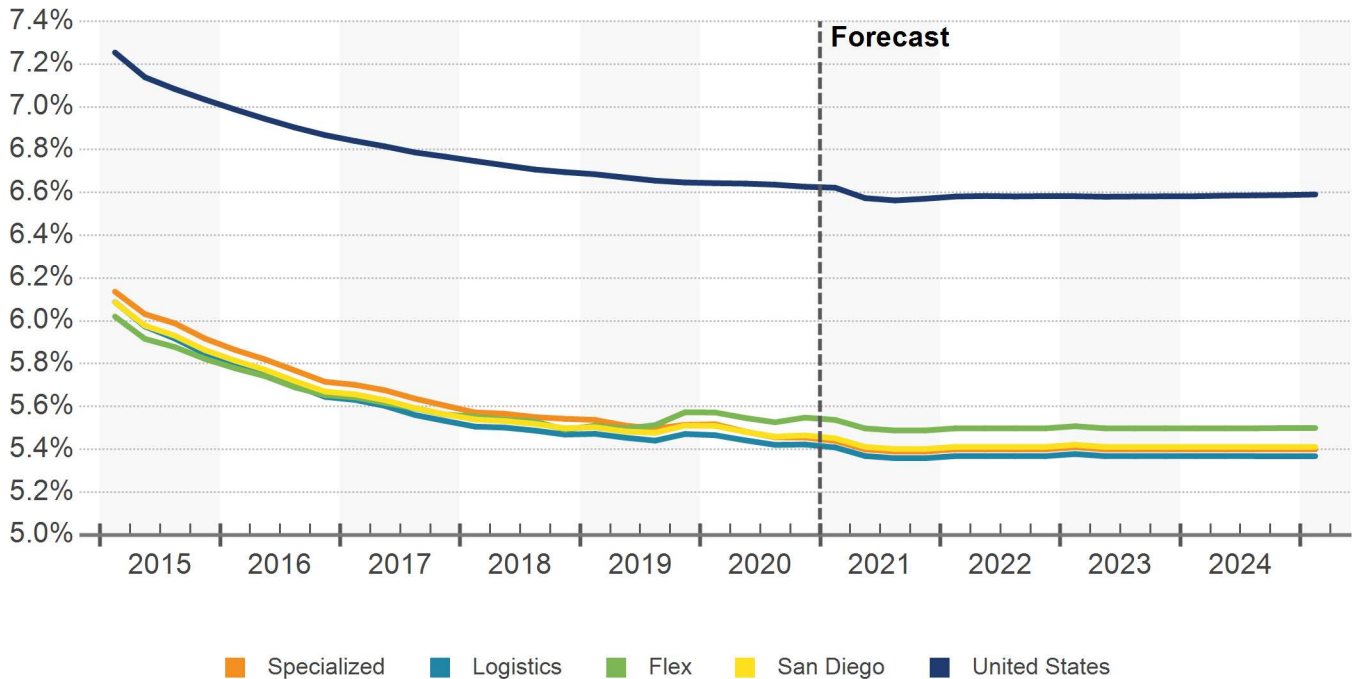
That was followed by the sale of two buildings at Three Piper Ranch in 21Q1. The equity fund Kohlberg Kravis Roberts & Co. purchased the properties for \$58 million at a 3.5% cap rate from Zurich Alternative Asset Management which had acquired the buildings in 2015 for \$31.5 million. More than one-third of the space was available for lease when they sold.

And while not along the border, local firm SENTRE purchased the RB Vista distribution facility in Rancho Bernardo during 21Q1 for \$50 million, or roughly \$353/SF. The property delivered in 2020 and secured Amazon as a tenant shortly after the delivery on a 10-year lease.

### SALES VOLUME & MARKET SALE PRICE PER SF



### MARKET CAP RATE



# Sales Past 12 Months

San Diego Industrial

Sale Comparables

347

Avg. Cap Rate

5.7%

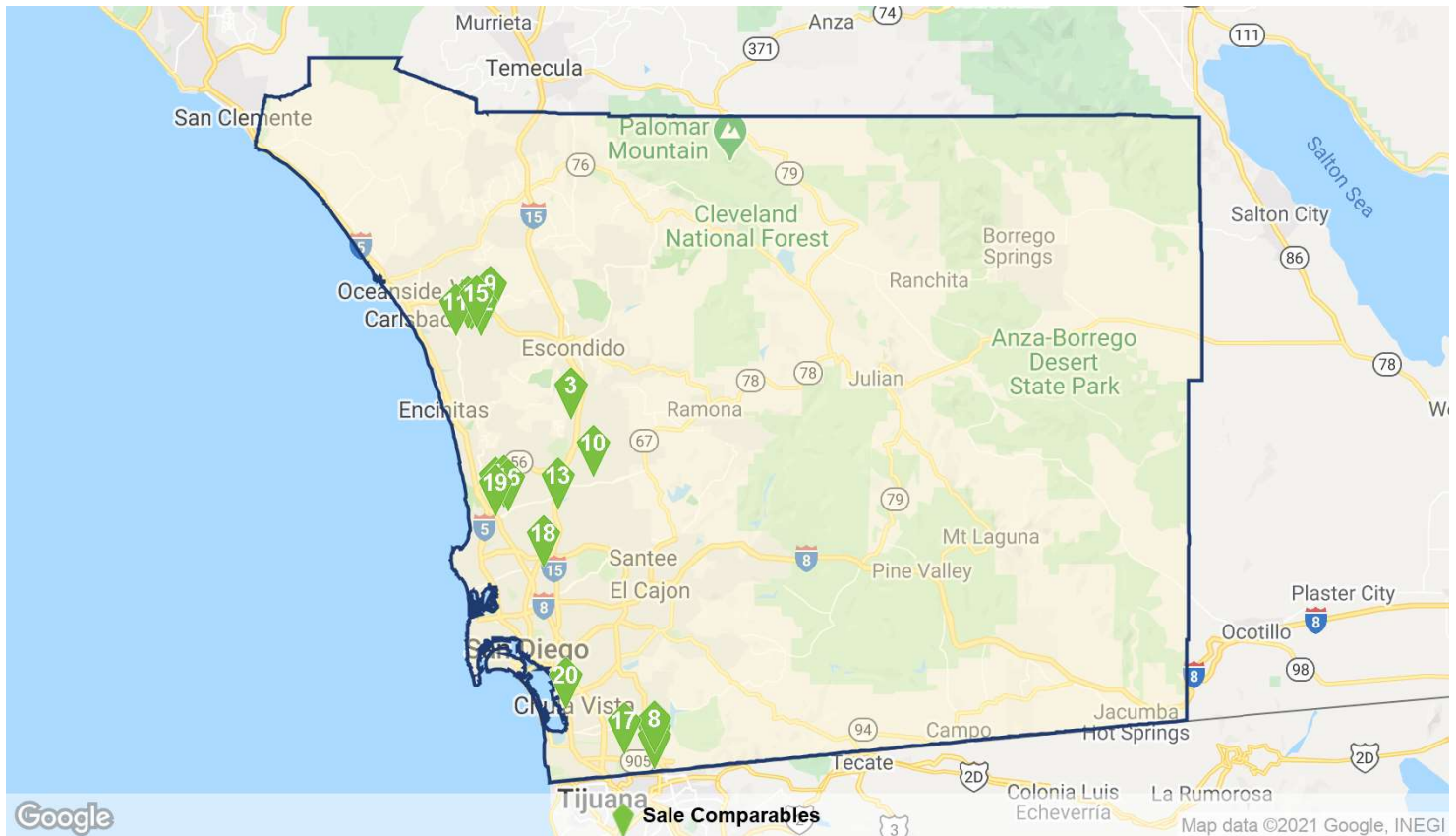
Avg. Price/SF

\$219

Avg. Vacancy At Sale

17.9%

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$100,000	\$5,905,406	\$2,340,500	\$135,900,000
Price/SF	\$36	\$219	\$200	\$4,097
Cap Rate	4.4%	5.7%	5.6%	7.7%
Time Since Sale in Months	0.1	5.4	5.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	868	26,852	12,000	601,417
Ceiling Height	8'	19'	18'	38'
Docks	0	2	0	52
Vacancy Rate At Sale	0%	17.9%	0%	100%
Year Built	1900	1983	1983	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★



# Sales Past 12 Months

San Diego Industrial

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
<b>1</b> <b>TEN770</b> 10770 Wateridge	★★★★★	1990	183,565	32.8%	4/1/2020	\$135,900,000	\$740	-
<b>2</b> <b>Sunroad Corporate Center</b> 2020 Piper Ranch Rd	★★★★★	2003	601,417	0%	11/23/2020	\$109,000,000	\$181	4.5%
<b>3</b> <b>RB Vista</b> 16915 Via Del Campo	★★★★★	2020	141,518	0%	2/11/2021	\$50,000,000	\$353	-
<b>4</b> <b>vec.tor</b> 2882 Whiptail Loop E	★★★★★	2019	169,825	0%	6/8/2020	\$44,000,000	\$259	-
<b>5</b> <b>Create</b> 2827 Whiptail Loop W	★★★★★	2019	146,108	100%	6/30/2020	\$40,450,000	\$277	-
<b>6</b> <b>8661 Kerns St</b>	★★★★★	2002	185,796	0%	11/3/2020	\$33,313,493	\$179	-
<b>7</b> <b>Building 1</b> 1210 Air Wing Rd	★★★★★	2007	178,436	0%	2/2/2021	\$31,507,494	\$177	-
<b>8</b> <b>Building 2</b> 1320 Air Wing Rd	★★★★★	2007	155,000	0%	2/2/2021	\$26,242,506	\$169	-
<b>9</b> <b>1 Viper Way</b>	★★★★★	1999	202,844	100%	2/9/2021	\$26,100,000	\$129	-
<b>10</b> <b>12400 Stowe Dr</b>	★★★★★	1988	133,125	0%	12/31/2020	\$26,016,792	\$195	-
<b>11</b> <b>2285 Rutherford Rd</b>	★★★★★	1990	128,745	100%	1/27/2021	\$25,750,000	\$200	6.9%
<b>12</b> <b>Carlsbad Raceway</b> 3209 Lionshead Ave	★★★★★	2009	74,774	0%	2/4/2021	\$25,250,000	\$338	5.0%
<b>13</b> <b>10054 Old Grove Rd</b>	★★★★★	1971	85,824	0%	9/24/2020	\$22,714,500	\$265	5.7%
<b>14</b> <b>6325 Lusk Blvd</b>	★★★★★	1988	50,005	0%	4/1/2020	\$22,600,000	\$452	-
<b>15</b> <b>2340 Cousteau Ct</b>	★★★★★	1999	134,299	0%	11/18/2020	\$22,000,000	\$164	7.7%
<b>16</b> <b>6059 Cornerstone Ct W</b>	★★★★★	1987	51,690	0%	8/25/2020	\$20,600,000	\$399	6.6%
<b>17</b> <b>6060 Business Center Ct</b>	★★★★★	2004	134,776	0%	9/25/2020	\$20,215,000	\$150	-
<b>18</b> <b>9045-9055 Balboa Ave</b>	★★★★★	1975	69,909	0%	10/15/2020	\$19,855,000	\$284	-
<b>19</b> <b>Creekside</b> 10240 Sorrento Valley Rd	★★★★★	1981	70,767	0%	9/2/2020	\$19,829,312	\$280	-
<b>20</b> <b>395 Bay Blvd</b>	★★★★★	-	266,360	100%	9/25/2020	\$19,162,576	\$72	-

San Diego's unemployment rate moved in the wrong direction in the latest jobs report from the Bureau of Labor Statistics. The market's unemployment rate ended 2020 at 8%, up from 6.6% in November. That still compares favorably to California's state-wide unadjusted rate of 8.8% at the end of 2020.

Nonfarm payrolls fell by 5,300 in San Diego between mid-November and mid-December. That's the first time since July's report that San Diego recorded losing jobs. But this came at a time when businesses typically ramp up hiring heading into the holidays. Retail sales fell by 0.7% in December after declining by 1.4% in November, which will likely lead to further dislocation in the retail market in 2021.

The leisure and hospitality sector is in an even deeper hole. It shed nearly 10,000 jobs in December, with accommodation and food services jobs accounting for the entirety of that decline. That sector has lost more than 25% of its employees in the past 12 months, or roughly 53,000 workers.

Five other sectors reported job losses during December, including government, manufacturing, education and health, financial activities and other services.

The construction sector was the clear winner in December. It added 3,200 workers to payrolls. Specialty contractors led the way. That may not be a surprise to many, especially with for-sale housing stock at excruciatingly low levels. Many area contractors have a backlog of assignments as many homeowners have taken to renovating and improving their homes due to the difficulty of finding a new one. There has also been an uptick in commercial development. Each of the retail, industrial, and office sectors had more square feet under construction at the end of 2020 compared with 12 months earlier.

Professional and business services and construction were the only employment sectors to add positions year over year. They added 9,100 and 3,200, respectively.

The San Diego region ended 2020 having shed 105,600 nonfarm jobs in the past 12 months. Although a wide distribution of a vaccine is expected in 2021, it will likely take longer than that for those jobs to return to the labor market.

Heading into the pandemic, San Diego's job market was on solid footing. More than 80 research institutes are located in San Diego, from Scripps Research Institute to Salk Institute for Biological Studies, in addition to five universities. This cluster of research in the Golden Triangle has created one of the strongest life science cores in the United States, and many of these companies and institutes are researching a vaccine for the coronavirus. Positions in the scientific and technical fields have driven recent job growth and the region and account for nearly 150,000 jobs. Furthermore, Scripps Health has five campuses across the metro and announced that it is spending \$2.6 billion on upgrades to its facilities, further bolstering San Diego as a destination for "medical tourism."

San Diego is also home to more than 143,000 active duty and civilian military employees. The defense industry accounts for more than 350,000 jobs in the region according to the San Diego Military Advisory Council. That is close to 25% of the economy. And the Navy's renewed focus on the Pacific theater of operation will result in a 60/40 split between the Pacific and Atlantic fleets, further solidifying San Diego's status as a major Navy hub.

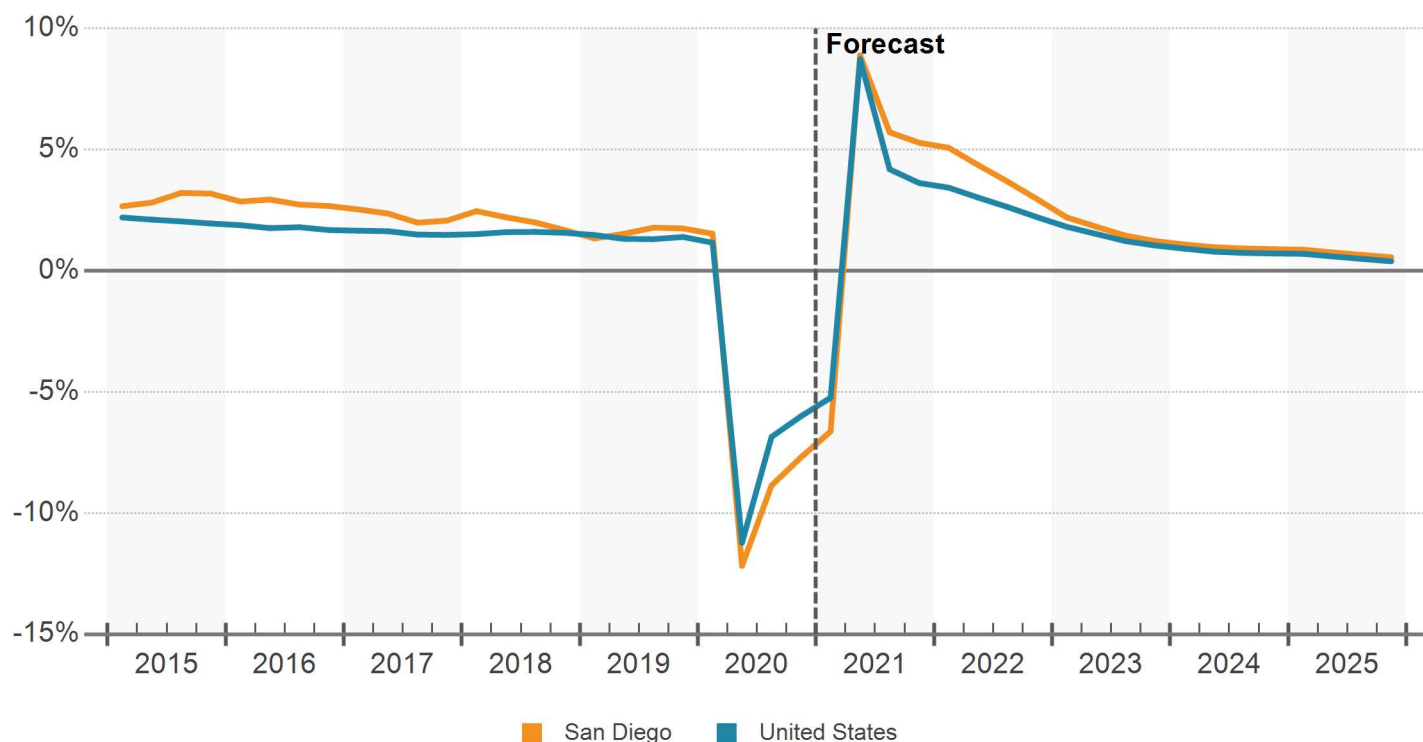
It is also why San Diego has one of the largest concentrations of millennials in the country, accounting for 25% of the population.

### SAN DIEGO EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	112	0.9	-4.60%	-3.94%	1.54%	0.59%	1.25%	0.50%
Trade, Transportation and Utilities	212	0.8	-4.70%	-2.97%	0.59%	0.86%	1.14%	0.60%
Retail Trade	137	0.9	-5.47%	-3.09%	0.43%	0.42%	1.56%	0.70%
Financial Activities	75	0.9	-3.46%	-1.01%	1.09%	1.29%	0.83%	0.74%
Government	228	1.1	-8.00%	-5.45%	-0.01%	-0.35%	1.58%	0.99%
Natural Resources, Mining and Construction	83	1.0	-1.81%	-3.35%	4.05%	2.60%	1.13%	1.12%
Education and Health Services	212	0.9	-4.22%	-3.79%	2.50%	1.57%	2.56%	1.84%
Professional and Business Services	258	1.3	-1.56%	-4.16%	2.31%	1.87%	1.01%	1.61%
Information	21	0.8	-10.89%	-6.50%	-1.52%	0.08%	3.49%	2.19%
Leisure and Hospitality	162	1.2	-20.39%	-17.83%	0.55%	0.37%	5.23%	4.33%
Other Services	48	0.9	-14.13%	-6.64%	0.01%	0.34%	3.02%	1.36%
<b>Total Employment</b>	<b>1,411</b>	<b>1.0</b>	<b>-6.95%</b>	<b>-5.47%</b>	<b>1.27%</b>	<b>0.92%</b>	<b>2.00%</b>	<b>1.47%</b>

Source: Oxford Economics  
LQ = Location Quotient

### YEAR OVER YEAR JOB GROWTH



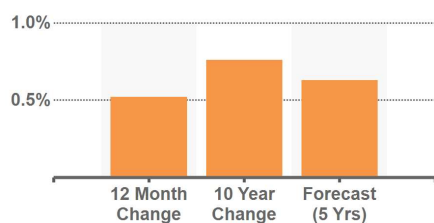
Source: Oxford Economics

### DEMOGRAPHIC TRENDS

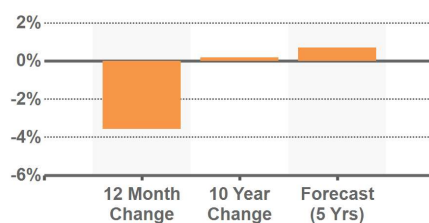
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	3,364,795	330,710,469	0.5%	0.5%	0.8%	0.6%	0.6%	0.5%
Households	1,146,527	123,606,789	0.5%	0.4%	0.8%	0.7%	0.6%	0.5%
Median Household Income	\$88,984	\$69,275	4.7%	4.2%	4.1%	3.3%	2.1%	2.1%
Labor Force	1,537,757	160,825,781	-3.6%	-2.0%	0.2%	0.5%	0.7%	0.8%
Unemployment	7.6%	6.7%	4.3%	3.0%	-0.3%	-0.3%	-	-

Source: Oxford Economics

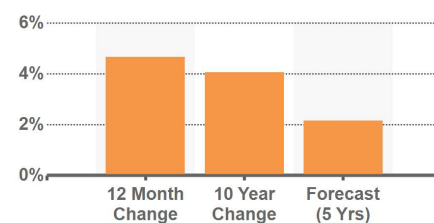
#### POPULATION GROWTH



#### LABOR FORCE GROWTH



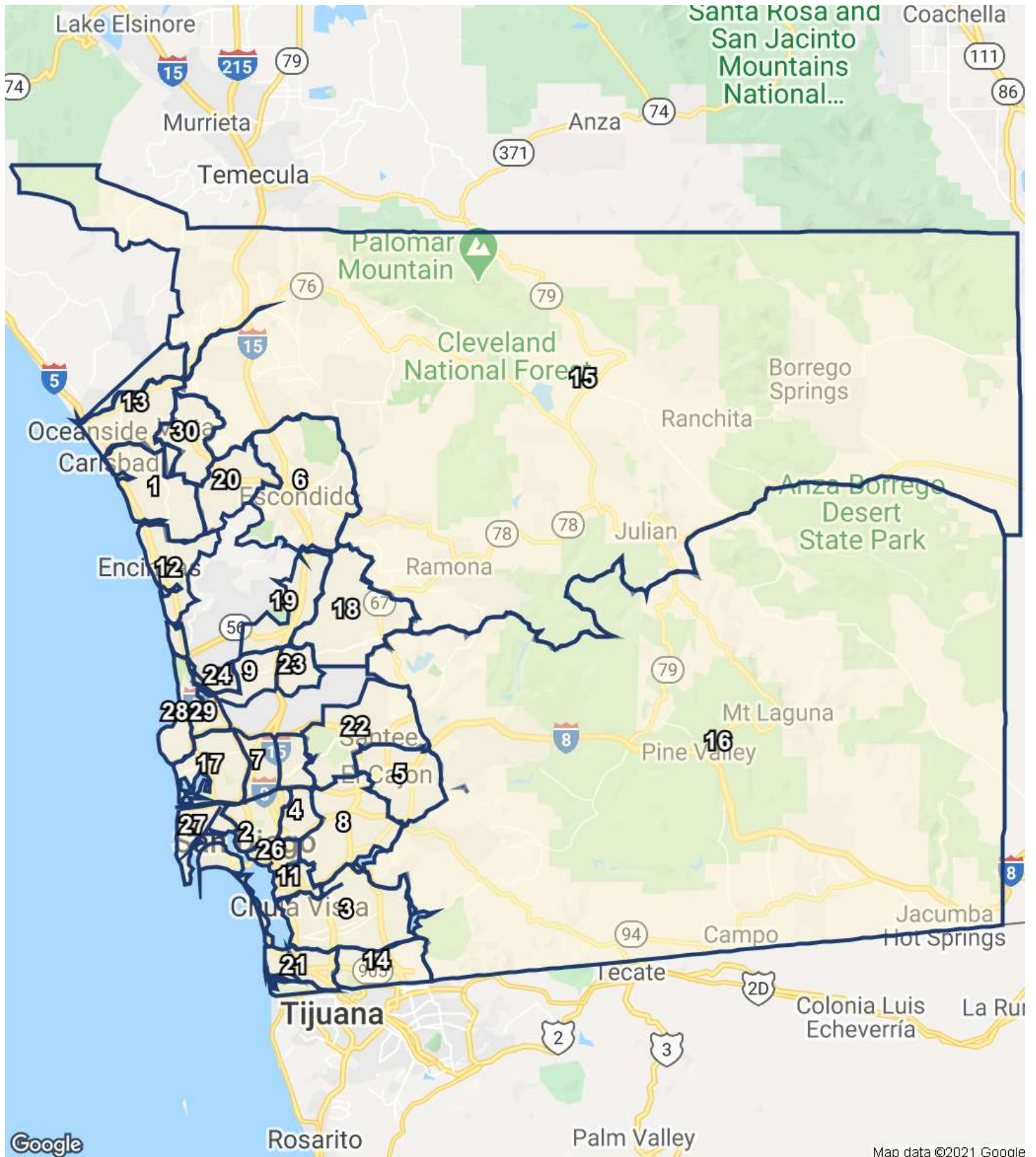
#### INCOME GROWTH



Source: Oxford Economics

## Submarkets

## SAN DIEGO 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	Carlsbad	494	15,863	8.0%	3	2	119	0.8%	4	0	-	-	-
2	Central San Diego	106	1,808	0.9%	24	0	0	0%	-	0	-	-	-
3	Chula Vista	403	10,190	5.1%	8	3	104	1.0%	5	1	67	0.7%	3
4	East City	64	995	0.5%	28	0	0	0%	-	0	-	-	-
5	El Cajon	530	10,034	5.0%	9	0	0	0%	-	0	-	-	-
6	Escondido	716	8,375	4.2%	12	0	0	0%	-	0	-	-	-
7	Kearny Mesa	633	15,616	7.8%	4	1	10	0.1%	10	0	-	-	-
8	La Mesa/Spring Valley	354	2,980	1.5%	20	0	0	0%	-	0	-	-	-
9	Mira Mesa/Miramar	806	18,227	9.2%	1	0	0	0%	-	0	-	-	-
10	Mission Gorge	137	2,036	1.0%	23	0	0	0%	-	0	-	-	-
11	National City	276	4,046	2.0%	16	0	0	0%	-	0	-	-	-
12	North Beach Cities	61	433	0.2%	30	0	0	0%	-	0	-	-	-
13	Oceanside	437	10,349	5.2%	7	0	0	0%	-	0	-	-	-
14	Otay Mesa	351	16,734	8.4%	2	5	378	2.3%	2	12	5,200	31.1%	1
15	Outlying SD County N	134	1,157	0.6%	27	0	0	0%	-	0	-	-	-
16	Outlying SD County S	100	902	0.5%	29	0	0	0%	-	0	-	-	-
17	PB/Rose Canyon/Morena	170	2,848	1.4%	21	0	0	0%	-	0	-	-	-
18	Poway	247	9,732	4.9%	10	2	534	5.5%	1	0	-	-	-
19	Rancho Bernardo	143	7,991	4.0%	13	1	142	1.8%	3	0	-	-	-
20	San Marcos	535	9,084	4.6%	11	1	19	0.2%	9	1	9	0.1%	5
21	San Ysidro/Imp Beach	68	1,405	0.7%	26	0	0	0%	-	0	-	-	-
22	Santee	338	4,331	2.2%	15	2	56	1.3%	6	2	32	0.7%	4
23	Scripps Ranch	56	1,469	0.7%	25	0	0	0%	-	0	-	-	-
24	Sorrento Mesa	236	10,493	5.3%	6	1	28	0.3%	8	0	-	-	-
25	Sorrento Valley	145	3,418	1.7%	18	0	0	0%	-	0	-	-	-
26	Southeast San Diego	389	4,523	2.3%	14	0	0	0%	-	0	-	-	-
27	Sports Arena/Airport	175	3,042	1.5%	19	0	0	0%	-	0	-	-	-
28	Torrey Pines	50	3,966	2.0%	17	0	0	0%	-	3	264	6.7%	2
29	UTC	26	2,618	1.3%	22	1	29	1.1%	7	0	-	-	-
30	Vista	593	14,494	7.3%	5	0	0	0%	-	0	-	-	-

### SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Carlsbad	\$17.49	13	4.7%	7	4.5%	11
2	Central San Diego	\$18.73	8	4.2%	17	4.2%	17
3	Chula Vista	\$14.57	21	4.4%	11	4.7%	9
4	East City	\$18.23	9	4.3%	15	3.5%	27
5	El Cajon	\$14.12	23	4.4%	13	3.7%	24
6	Escondido	\$14.67	19	3.9%	22	3.8%	22
7	Kearny Mesa	\$19.82	6	4.0%	21	4.3%	16
8	La Mesa/Spring Valley	\$15.17	17	3.6%	28	3.2%	30
9	Mira Mesa/Miramar	\$17.58	11	4.4%	10	4.2%	18
10	Mission Gorge	\$17.33	15	4.9%	4	5.0%	5
11	National City	\$14.55	22	5.7%	2	5.5%	2
12	North Beach Cities	\$23.20	5	4.2%	18	4.0%	19
13	Oceanside	\$13.05	28	4.9%	5	4.5%	12
14	Otay Mesa	\$10.64	30	7.3%	1	6.8%	1
15	Outlying SD County N	\$14.84	18	3.3%	29	3.4%	29
16	Outlying SD County S	\$13.56	26	3.1%	30	3.4%	28
17	PB/Rose Canyon/Morena	\$17.52	12	4.8%	6	4.9%	7
18	Poway	\$15.76	16	5.6%	3	5.4%	3
19	Rancho Bernardo	\$19.53	7	4.2%	19	4.3%	14
20	San Marcos	\$14.05	24	3.8%	25	3.7%	23
21	San Ysidro/Imp Beach	\$12.76	29	4.3%	16	4.0%	20
22	Santee	\$14.65	20	3.6%	27	3.7%	25
23	Scripps Ranch	\$17.41	14	3.9%	23	4.5%	13
24	Sorrento Mesa	\$23.42	4	4.3%	14	4.9%	6
25	Sorrento Valley	\$28.24	3	4.4%	12	5.1%	4
26	Southeast San Diego	\$13.83	25	4.6%	8	4.3%	15
27	Sports Arena/Airport	\$17.79	10	3.8%	24	3.5%	26
28	Torrey Pines	\$52.85	1	3.6%	26	4.5%	10
29	UTC	\$39.45	2	4.1%	20	4.8%	8
30	Vista	\$13.13	27	4.5%	9	3.9%	21

### SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Carlsbad	1,548,400	9.8%	29	326,316	2.1%	3	0.4
2	Central San Diego	23,737	1.3%	4	(43,656)	-2.4%	24	-
3	Chula Vista	747,264	7.3%	25	(30,447)	-0.3%	22	-
4	East City	2,675	0.3%	1	(2,675)	-0.3%	16	-
5	El Cajon	347,406	3.5%	15	(117,437)	-1.2%	30	-
6	Escondido	251,530	3.0%	13	(36,634)	-0.4%	23	-
7	Kearny Mesa	769,257	4.9%	20	(106,225)	-0.7%	29	-
8	La Mesa/Spring Valley	68,101	2.3%	9	156,938	5.3%	5	-
9	Mira Mesa/Miramar	753,275	4.1%	17	(15,912)	-0.1%	19	-
10	Mission Gorge	96,132	4.7%	19	(69,169)	-3.4%	25	-
11	National City	100,919	2.5%	11	(69,426)	-1.7%	26	-
12	North Beach Cities	2,480	0.6%	2	1,065	0.2%	15	-
13	Oceanside	328,221	3.2%	14	36,451	0.4%	11	-
14	Otay Mesa	1,230,361	7.4%	26	260,142	1.6%	4	1.3
15	Outlying SD County N	17,043	1.5%	5	2,742	0.2%	14	-
16	Outlying SD County S	20,020	2.2%	8	(20,020)	-2.2%	20	-
17	PB/Rose Canyon/Morena	78,089	2.7%	12	(25,398)	-0.9%	21	-
18	Poway	106,762	1.1%	3	541,313	5.6%	1	1.0
19	Rancho Bernardo	465,917	5.8%	22	54,427	0.7%	10	2.6
20	San Marcos	789,981	8.7%	28	23,541	0.3%	12	0.8
21	San Ysidro/Imp Beach	30,630	2.2%	7	(2,745)	-0.2%	17	-
22	Santee	183,336	4.2%	18	(12,734)	-0.3%	18	-
23	Scripps Ranch	33,828	2.3%	10	66,210	4.5%	8	-
24	Sorrento Mesa	748,777	7.1%	24	468,383	4.5%	2	-
25	Sorrento Valley	381,243	11.2%	30	(87,352)	-2.6%	27	-
26	Southeast San Diego	70,358	1.6%	6	56,361	1.2%	9	-
27	Sports Arena/Airport	105,999	3.5%	16	7,040	0.2%	13	-
28	Torrey Pines	238,828	6.0%	23	85,868	2.2%	7	-
29	UTC	144,271	5.5%	21	92,289	3.5%	6	-
30	Vista	1,229,179	8.5%	27	(102,553)	-0.7%	28	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	216,360,844	2,066,500	1.0%	1,700,592	0.8%	1.2
2024	214,294,344	2,798,617	1.3%	2,266,365	1.1%	1.2
2023	211,495,727	3,686,522	1.8%	3,185,736	1.5%	1.2
2022	207,809,205	3,352,309	1.6%	3,967,851	1.9%	0.8
2021	204,456,896	5,635,344	2.8%	4,438,913	2.2%	1.3
YTD	199,159,028	337,476	0.2%	124,715	0.1%	2.7
2020	198,821,552	957,979	0.5%	1,293,290	0.7%	0.7
2019	197,863,573	1,647,507	0.8%	400,296	0.2%	4.1
2018	196,216,066	2,070,423	1.1%	1,058,552	0.5%	2.0
2017	194,145,643	461,560	0.2%	1,236,981	0.6%	0.4
2016	193,684,083	780,409	0.4%	1,148,319	0.6%	0.7
2015	192,903,674	(72,294)	0%	3,125,737	1.6%	-
2014	192,975,968	(327,651)	-0.2%	2,759,467	1.4%	-
2013	193,303,619	(17,709)	0%	1,314,477	0.7%	-
2012	193,321,328	(933,067)	-0.5%	2,014,166	1.0%	-
2011	194,254,395	59,324	0%	308,602	0.2%	0.2
2010	194,195,071	120,260	0.1%	695,652	0.4%	0.2
2009	194,074,811	541,087	0.3%	(4,287,038)	-2.2%	-

### SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	65,917,366	(118,374)	-0.2%	(226,411)	-0.3%	-
2024	66,035,740	(100,669)	-0.2%	(260,225)	-0.4%	-
2023	66,136,409	(78,707)	-0.1%	(127,839)	-0.2%	-
2022	66,215,116	(86,254)	-0.1%	345,409	0.5%	-
2021	66,301,370	(1,562)	0%	(343,071)	-0.5%	-
YTD	66,302,932	0	0%	(132,537)	-0.2%	-
2020	66,302,932	24,283	0%	695,416	1.0%	0
2019	66,278,649	(6,510)	0%	(294,207)	-0.4%	-
2018	66,285,159	312,976	0.5%	185,620	0.3%	1.7
2017	65,972,183	(124,080)	-0.2%	(133,056)	-0.2%	-
2016	66,096,263	218,324	0.3%	204,569	0.3%	1.1
2015	65,877,939	28,678	0%	1,257,377	1.9%	0
2014	65,849,261	220,651	0.3%	837,615	1.3%	0.3
2013	65,628,610	(95,707)	-0.1%	261,517	0.4%	-
2012	65,724,317	(616,264)	-0.9%	(481,809)	-0.7%	-
2011	66,340,581	(23,775)	0%	325,486	0.5%	-
2010	66,364,356	86,080	0.1%	414,058	0.6%	0.2
2009	66,278,276	270,859	0.4%	(1,344,396)	-2.0%	-

# Supply & Demand Trends

San Diego Industrial

## LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	97,641,640	1,980,018	2.1%	1,839,868	1.9%	1.1
2024	95,661,622	2,597,815	2.8%	2,386,525	2.5%	1.1
2023	93,063,807	3,346,719	3.7%	3,000,676	3.2%	1.1
2022	89,717,088	2,935,160	3.4%	2,930,701	3.3%	1.0
2021	86,781,928	5,553,299	6.8%	4,230,195	4.9%	1.3
YTD	81,608,189	379,560	0.5%	7,976	0%	47.6
2020	81,228,629	892,559	1.1%	739,380	0.9%	1.2
2019	80,336,070	1,218,310	1.5%	1,021,242	1.3%	1.2
2018	79,117,760	1,559,630	2.0%	442,173	0.6%	3.5
2017	77,558,130	131,171	0.2%	375,632	0.5%	0.3
2016	77,426,959	322,032	0.4%	419,606	0.5%	0.8
2015	77,104,927	6,338	0%	1,168,422	1.5%	0
2014	77,098,589	(177,208)	-0.2%	1,535,892	2.0%	-
2013	77,275,797	153,778	0.2%	580,953	0.8%	0.3
2012	77,122,019	(186,766)	-0.2%	1,153,002	1.5%	-
2011	77,308,785	(237,501)	-0.3%	220,296	0.3%	-
2010	77,546,286	4,100	0%	317,617	0.4%	0
2009	77,542,186	52,231	0.1%	(1,838,375)	-2.4%	-

## FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	52,801,838	204,856	0.4%	87,135	0.2%	2.4
2024	52,596,982	301,471	0.6%	140,065	0.3%	2.2
2023	52,295,511	418,510	0.8%	312,899	0.6%	1.3
2022	51,877,001	503,403	1.0%	691,741	1.3%	0.7
2021	51,373,598	83,607	0.2%	551,789	1.1%	0.2
YTD	51,247,907	(42,084)	-0.1%	249,276	0.5%	-
2020	51,289,991	41,137	0.1%	(141,506)	-0.3%	-
2019	51,248,854	435,707	0.9%	(326,739)	-0.6%	-
2018	50,813,147	197,817	0.4%	430,759	0.8%	0.5
2017	50,615,330	454,469	0.9%	994,405	2.0%	0.5
2016	50,160,861	240,053	0.5%	524,144	1.0%	0.5
2015	49,920,808	(107,310)	-0.2%	699,938	1.4%	-
2014	50,028,118	(371,094)	-0.7%	385,960	0.8%	-
2013	50,399,212	(75,780)	-0.2%	472,007	0.9%	-
2012	50,474,992	(130,037)	-0.3%	1,342,973	2.7%	-
2011	50,605,029	320,600	0.6%	(237,180)	-0.5%	-
2010	50,284,429	30,080	0.1%	(36,023)	-0.1%	-
2009	50,254,349	217,997	0.4%	(1,104,267)	-2.2%	-



### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$19.86	168	2.6%	17.4%	12,397,078	5.7%	0.1%
2024	\$19.35	164	3.1%	14.4%	12,016,072	5.6%	0.2%
2023	\$18.77	159	3.6%	10.9%	11,471,056	5.4%	0.2%
2022	\$18.12	154	3.1%	7.1%	10,958,296	5.3%	-0.4%
2021	\$17.57	149	3.9%	3.9%	11,559,598	5.7%	0.3%
YTD	\$17.05	144	0.8%	0.8%	10,914,019	5.5%	0.1%
2020	\$16.92	143	4.5%	0%	10,701,258	5.4%	-0.2%
2019	\$16.19	137	5.1%	-4.3%	11,036,569	5.6%	0.6%
2018	\$15.40	130	6.5%	-9.0%	9,789,358	5.0%	0.5%
2017	\$14.46	123	5.8%	-14.5%	8,772,487	4.5%	-0.4%
2016	\$13.67	116	6.9%	-19.2%	9,552,908	4.9%	-0.2%
2015	\$12.79	108	6.6%	-24.4%	9,920,818	5.1%	-1.7%
2014	\$12.00	102	5.6%	-29.1%	13,118,849	6.8%	-1.6%
2013	\$11.37	96	3.9%	-32.8%	16,205,967	8.4%	-0.7%
2012	\$10.94	93	2.0%	-35.3%	17,538,153	9.1%	-1.5%
2011	\$10.72	91	-0.6%	-36.6%	20,485,386	10.5%	-0.1%
2010	\$10.79	91	-2.9%	-36.2%	20,734,664	10.7%	-0.3%
2009	\$11.12	94	-5.8%	-34.3%	21,310,056	11.0%	2.5%

### SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$17.36	167	2.8%	17.8%	2,728,768	4.1%	0.2%
2024	\$16.89	163	3.3%	14.6%	2,614,322	4.0%	0.3%
2023	\$16.36	158	3.8%	11.0%	2,448,444	3.7%	0.1%
2022	\$15.76	152	3.3%	7.0%	2,392,887	3.6%	-0.6%
2021	\$15.26	147	3.6%	3.6%	2,817,904	4.3%	0.5%
YTD	\$14.81	143	0.5%	0.5%	2,604,870	3.9%	0.2%
2020	\$14.74	142	4.5%	0%	2,472,333	3.7%	-1.0%
2019	\$14.10	136	5.1%	-4.3%	3,143,466	4.7%	0.4%
2018	\$13.42	129	6.3%	-8.9%	2,855,769	4.3%	0.2%
2017	\$12.63	122	6.2%	-14.3%	2,728,413	4.1%	0%
2016	\$11.90	115	7.0%	-19.3%	2,719,437	4.1%	0%
2015	\$11.12	107	6.5%	-24.5%	2,705,682	4.1%	-1.9%
2014	\$10.44	101	5.1%	-29.2%	3,934,381	6.0%	-1.0%
2013	\$9.93	96	3.7%	-32.6%	4,551,345	6.9%	-0.5%
2012	\$9.58	92	1.5%	-35.0%	4,908,569	7.5%	-0.1%
2011	\$9.43	91	-0.1%	-36.0%	5,043,024	7.6%	-0.5%
2010	\$9.45	91	-3.1%	-35.9%	5,392,285	8.1%	-0.5%
2009	\$9.75	94	-6.0%	-33.8%	5,720,263	8.6%	2.4%

### LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$16.30	172	2.6%	17.7%	5,597,149	5.7%	0%
2024	\$15.88	168	3.1%	14.7%	5,451,294	5.7%	0.1%
2023	\$15.41	163	3.6%	11.3%	5,235,522	5.6%	0.2%
2022	\$14.88	157	3.1%	7.4%	4,885,744	5.4%	-0.2%
2021	\$14.43	152	4.2%	4.2%	4,876,041	5.6%	0.8%
YTD	\$13.99	148	1.0%	1.0%	4,269,051	5.2%	0.4%
2020	\$13.85	146	5.5%	0%	3,897,467	4.8%	0.1%
2019	\$13.13	138	5.1%	-5.2%	3,744,288	4.7%	0.2%
2018	\$12.49	132	6.5%	-9.8%	3,547,220	4.5%	1.4%
2017	\$11.73	124	6.1%	-15.3%	2,429,763	3.1%	-0.3%
2016	\$11.05	117	7.7%	-20.2%	2,674,224	3.5%	-0.1%
2015	\$10.27	108	6.6%	-25.9%	2,771,798	3.6%	-1.5%
2014	\$9.63	102	5.2%	-30.4%	3,933,882	5.1%	-2.2%
2013	\$9.15	97	4.2%	-33.9%	5,646,982	7.3%	-0.6%
2012	\$8.78	93	2.5%	-36.6%	6,074,157	7.9%	-1.7%
2011	\$8.57	90	-0.7%	-38.1%	7,413,925	9.6%	-0.6%
2010	\$8.63	91	-3.5%	-37.7%	7,871,722	10.2%	-0.4%
2009	\$8.94	94	-5.7%	-35.4%	8,185,239	10.6%	2.4%

### FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$29.06	166	2.5%	16.7%	4,071,161	7.7%	0.2%
2024	\$28.35	162	3.0%	13.9%	3,950,456	7.5%	0.3%
2023	\$27.53	157	3.5%	10.6%	3,787,090	7.2%	0.1%
2022	\$26.61	152	3.0%	6.9%	3,679,665	7.1%	-0.4%
2021	\$25.83	147	3.8%	3.8%	3,865,653	7.5%	-0.9%
YTD	\$25.09	143	0.8%	0.8%	4,040,098	7.9%	-0.6%
2020	\$24.90	142	3.7%	0%	4,331,458	8.4%	0.3%
2019	\$24.01	137	5.1%	-3.6%	4,148,815	8.1%	1.4%
2018	\$22.84	130	6.7%	-8.3%	3,386,369	6.7%	-0.5%
2017	\$21.41	122	5.2%	-14.0%	3,614,311	7.1%	-1.2%
2016	\$20.36	116	6.1%	-18.2%	4,159,247	8.3%	-0.6%
2015	\$19.20	109	6.6%	-22.9%	4,443,338	8.9%	-1.6%
2014	\$18.00	103	6.3%	-27.7%	5,250,586	10.5%	-1.4%
2013	\$16.94	97	3.8%	-31.9%	6,007,640	11.9%	-1.1%
2012	\$16.32	93	1.9%	-34.4%	6,555,427	13.0%	-2.9%
2011	\$16.01	91	-1.0%	-35.7%	8,028,437	15.9%	1.0%
2010	\$16.16	92	-2.2%	-35.1%	7,470,657	14.9%	0.1%
2009	\$16.53	94	-5.8%	-33.6%	7,404,554	14.7%	2.6%

### 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
2025	-	-	-	-	-	-	\$288.01	215	5.4%
2024	-	-	-	-	-	-	\$281.17	210	5.4%
2023	-	-	-	-	-	-	\$272.70	203	5.4%
2022	-	-	-	-	-	-	\$263.82	197	5.4%
2021	-	-	-	-	-	-	\$256.59	191	5.4%
YTD	56	\$303.9M	0.8%	\$7,767,133	\$213.84	5.7%	\$247.14	184	5.5%
2020	352	\$1.6B	3.8%	\$5,336,123	\$211.51	5.7%	\$243.57	181	5.5%
2019	527	\$2B	5.1%	\$6,194,245	\$224.00	6.0%	\$228.34	170	5.5%
2018	509	\$1.9B	6.0%	\$5,546,374	\$176.25	5.9%	\$218.89	163	5.5%
2017	516	\$1.8B	5.7%	\$5,331,393	\$177.74	6.2%	\$202.04	151	5.6%
2016	548	\$1.8B	6.4%	\$4,502,650	\$175.79	6.4%	\$186.82	139	5.7%
2015	631	\$1.6B	7.7%	\$3,705,485	\$130.17	6.7%	\$170.18	127	5.9%
2014	423	\$1.2B	5.0%	\$3,845,103	\$134.92	7.0%	\$153.43	114	6.2%
2013	394	\$721.4M	3.7%	\$2,513,424	\$109.85	7.8%	\$140.92	105	6.4%
2012	441	\$816.9M	4.1%	\$2,875,766	\$114.76	8.0%	\$133.46	99	6.5%
2011	365	\$666.3M	3.5%	\$3,280,633	\$112.30	8.6%	\$127.55	95	6.7%
2010	285	\$892M	3.3%	\$4,258,625	\$145.65	8.5%	\$124.90	93	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.

### 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
2025	-	-	-	-	-	-	\$269.58	223	5.4%
2024	-	-	-	-	-	-	\$262.86	217	5.4%
2023	-	-	-	-	-	-	\$254.65	211	5.4%
2022	-	-	-	-	-	-	\$246.00	204	5.4%
2021	-	-	-	-	-	-	\$238.97	198	5.4%
YTD	23	\$75.9M	0.6%	\$5,334,229	\$197.65	6.0%	\$230.21	190	5.4%
2020	121	\$425.3M	3.4%	\$4,025,447	\$191.73	5.8%	\$226.60	187	5.5%
2019	202	\$452.3M	4.5%	\$3,757,833	\$183.84	5.6%	\$211.21	175	5.5%
2018	174	\$492.7M	5.3%	\$4,240,477	\$150.43	6.0%	\$198.73	164	5.5%
2017	175	\$342.7M	3.7%	\$3,341,752	\$168.37	6.2%	\$183.57	152	5.6%
2016	185	\$363.2M	4.2%	\$2,613,234	\$143.20	6.4%	\$169.33	140	5.7%
2015	220	\$364.7M	6.0%	\$2,655,863	\$110.56	6.5%	\$153.55	127	5.9%
2014	154	\$374.5M	5.4%	\$3,442,918	\$111.96	6.9%	\$138.61	115	6.2%
2013	142	\$168.4M	2.8%	\$1,831,933	\$103.90	8.1%	\$126.89	105	6.4%
2012	152	\$215.1M	3.5%	\$2,337,701	\$108.79	6.7%	\$119.88	99	6.6%
2011	126	\$133.5M	3.1%	\$2,053,155	\$80.43	10.6%	\$114.43	95	6.8%
2010	88	\$165.6M	2.0%	\$2,744,817	\$134.65	8.3%	\$111.19	92	7.0%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### 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
2025	-	-	-	-	-	-	\$258.16	219	5.4%
2024	-	-	-	-	-	-	\$252.01	213	5.4%
2023	-	-	-	-	-	-	\$244.49	207	5.4%
2022	-	-	-	-	-	-	\$236.55	200	5.4%
2021	-	-	-	-	-	-	\$230.04	195	5.4%
YTD	18	\$130.7M	0.8%	\$8,711,643	\$224.64	5.3%	\$221.28	187	5.4%
2020	126	\$601.7M	4.3%	\$5,323,065	\$172.48	5.3%	\$218.12	185	5.4%
2019	190	\$568.7M	4.7%	\$5,165,863	\$166.18	5.8%	\$204.19	173	5.5%
2018	203	\$642.6M	6.2%	\$5,020,335	\$142.82	5.8%	\$193.96	164	5.5%
2017	193	\$471.1M	5.3%	\$3,923,529	\$125.07	5.2%	\$179.16	152	5.5%
2016	188	\$404.1M	4.5%	\$3,015,636	\$132.07	6.1%	\$165.03	140	5.6%
2015	248	\$539.3M	8.2%	\$3,077,679	\$115.41	6.7%	\$149.71	127	5.8%
2014	145	\$294.1M	3.4%	\$2,726,501	\$119.15	6.6%	\$134.05	113	6.2%
2013	157	\$337.7M	4.5%	\$2,775,788	\$101.58	7.5%	\$123.21	104	6.4%
2012	158	\$249.4M	3.5%	\$2,504,390	\$102.49	9.5%	\$116.51	99	6.5%
2011	155	\$253.4M	3.6%	\$2,755,601	\$102.00	8.6%	\$111.15	94	6.7%
2010	103	\$208.2M	2.9%	\$2,922,090	\$99.63	8.0%	\$109.11	92	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.

### 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
2025	-	-	-	-	-	-	\$361.91	203	5.5%
2024	-	-	-	-	-	-	\$353.74	199	5.5%
2023	-	-	-	-	-	-	\$343.01	193	5.5%
2022	-	-	-	-	-	-	\$332.28	186	5.5%
2021	-	-	-	-	-	-	\$323.60	182	5.5%
YTD	15	\$97.4M	0.9%	\$9,977,467	\$213.70	5.5%	\$312.16	175	5.5%
2020	105	\$571.9M	3.7%	\$7,102,105	\$308.67	6.2%	\$307.89	173	5.5%
2019	135	\$1B	6.5%	\$10,267,411	\$317.91	6.5%	\$290.70	163	5.6%
2018	132	\$787.6M	6.4%	\$7,676,604	\$251.17	6.0%	\$286.41	161	5.5%
2017	148	\$1B	9.1%	\$8,312,410	\$225.70	6.7%	\$263.98	148	5.6%
2016	175	\$993.1M	12.3%	\$8,270,573	\$224.78	6.7%	\$245.69	138	5.7%
2015	163	\$671.4M	9.1%	\$5,925,413	\$162.52	6.8%	\$225.71	127	5.8%
2014	124	\$563.5M	7.0%	\$5,399,325	\$169.79	7.5%	\$204.83	115	6.1%
2013	95	\$215.3M	3.6%	\$2,931,657	\$132.73	7.4%	\$188.51	106	6.3%
2012	131	\$352.4M	5.9%	\$3,799,698	\$130.15	8.1%	\$179.19	101	6.5%
2011	84	\$279.3M	4.0%	\$6,021,889	\$156.17	7.4%	\$171.79	96	6.7%
2010	94	\$518.2M	5.6%	\$6,586,004	\$184.77	8.9%	\$168.89	95	6.8%

(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.