1Q24

The U.S. Industrial Market: Conditions & Trends

NEWMARK

Market Observations

Economic Conditions and Demand Drivers

- Inflation remains above the target rate of 2.0%. With the job market largely sound, the first Fed rate cut will be prolonged. At the end of 2023, the market expected the first rate cut to come in the first half of 2024; at the end of the first quarter of 2024, that expectation has moved to September. That, too, may still be optimistic.
- Evolving trends and new players in e-commerce are driving a comeback in leasing; e-commerce accounted for 14.7% of first-quarter 2024 top leasing activity up from 3.5% one year ago.
- Manufacturing construction spending has surged. In the last 12 months, $108 billion in manufacturing construction flowed into Southern states, nearly as much as the rest of the country combined.

Capital Markets

- The first three months of the year ushered in $16.9 billion in sales volume and the seventh consecutive quarter of annualized declines. With the capital markets anticipating at least one interest rate cut to come this year – and growing sentiment that 2024 will be a good 'vintage' – volumes are likely to increase in coming quarters.
- Private- and public-market industrial cap rates continue an adjustment process in the face of financial market volatility. Average private-market cap rates expanded 10 bps from the end of last year to 5.5%.
- Overall, CRE debt origination remained relatively flat in 1Q24 – except for industrial, which roared back with 49% growth year over year, underlining a positive outlook for improving market fundamentals.

Leasing Market Fundamentals

- Nationally, absorption measured 27.9 msf in the first quarter of 2024, the softest quarter of net absorption since 2011, but a demonstration of the market's resilient demand. Secondary and tertiary markets absorbed 92% of that absorption.
- Vacancy continues to increase as new supply puts pressure on fundamentals. Vacancy rose to 6.0% in the first quarter of 2024, on the heels of 108 msf in new deliveries. Mirroring the national trend, all but one industrial market (Broward County, Florida) experienced increased vacancy year over year.
- Asking rent growth continues to decelerate, measuring 7.2% annually and essentially flat quarter over quarter. Rents, particularly in big-box space, will likely see a modest reset this year.

Outlook

- Vacancy will increase further as supply will likely outpace demand throughout the balance of the year. Supply – both in deliveries, and in development – will fall back to pre-pandemic levels by 2025.
- With normalizing demand, industrial staffing has been flat. However, evolving labor dynamics stand to impact the industrial market. Potential strikes threaten East Coast port and transcontinental rail activity, while labor organization may spread across the Southern manufacturing sector. Looking ahead, hundreds of thousands of jobs are needed in coming years to support booming manufacturing construction underway.
- Record industrial loan maturities are coming due in 2024. However, among all property types, the industrial sector has the lowest share of potentially troubled loans maturing.

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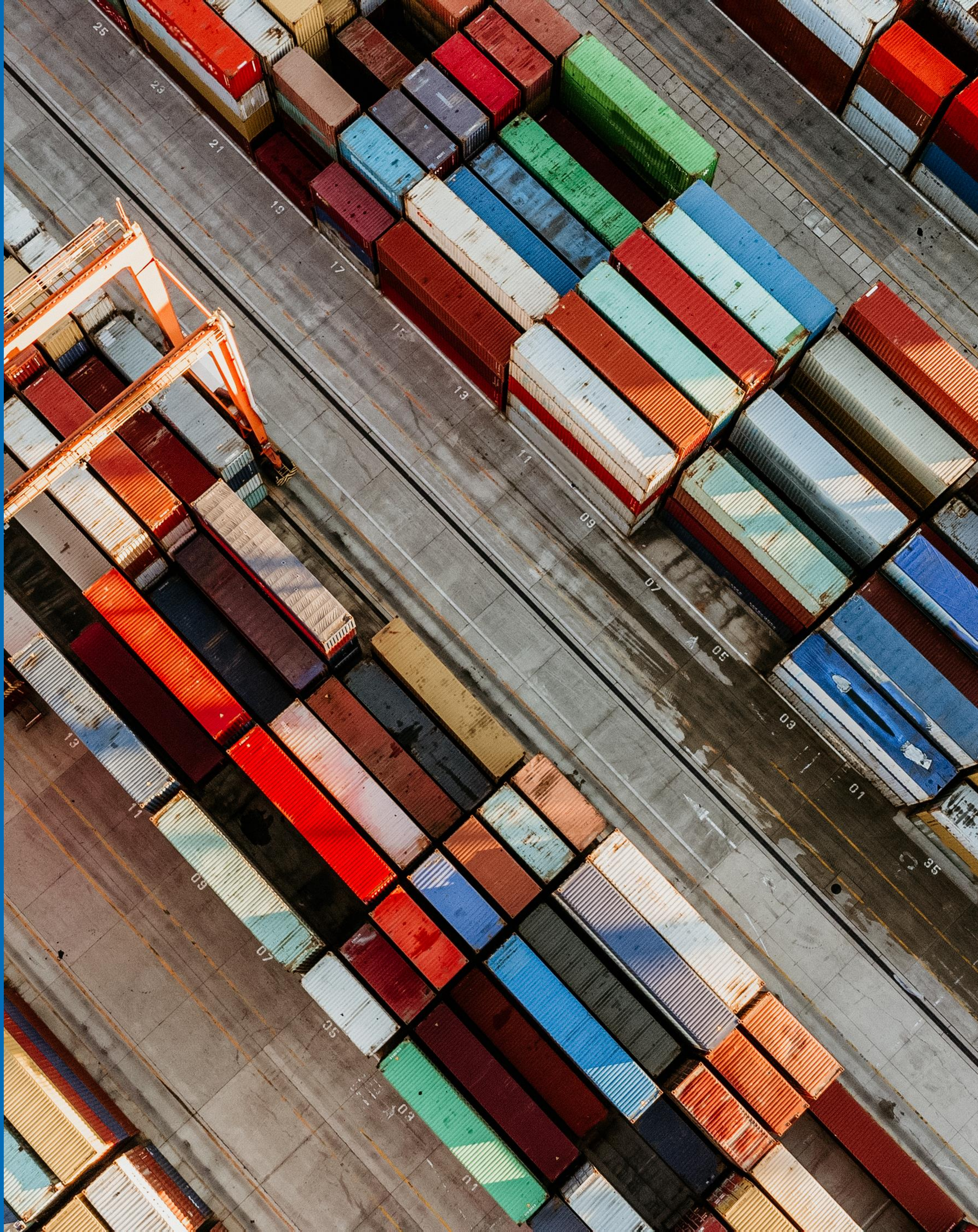
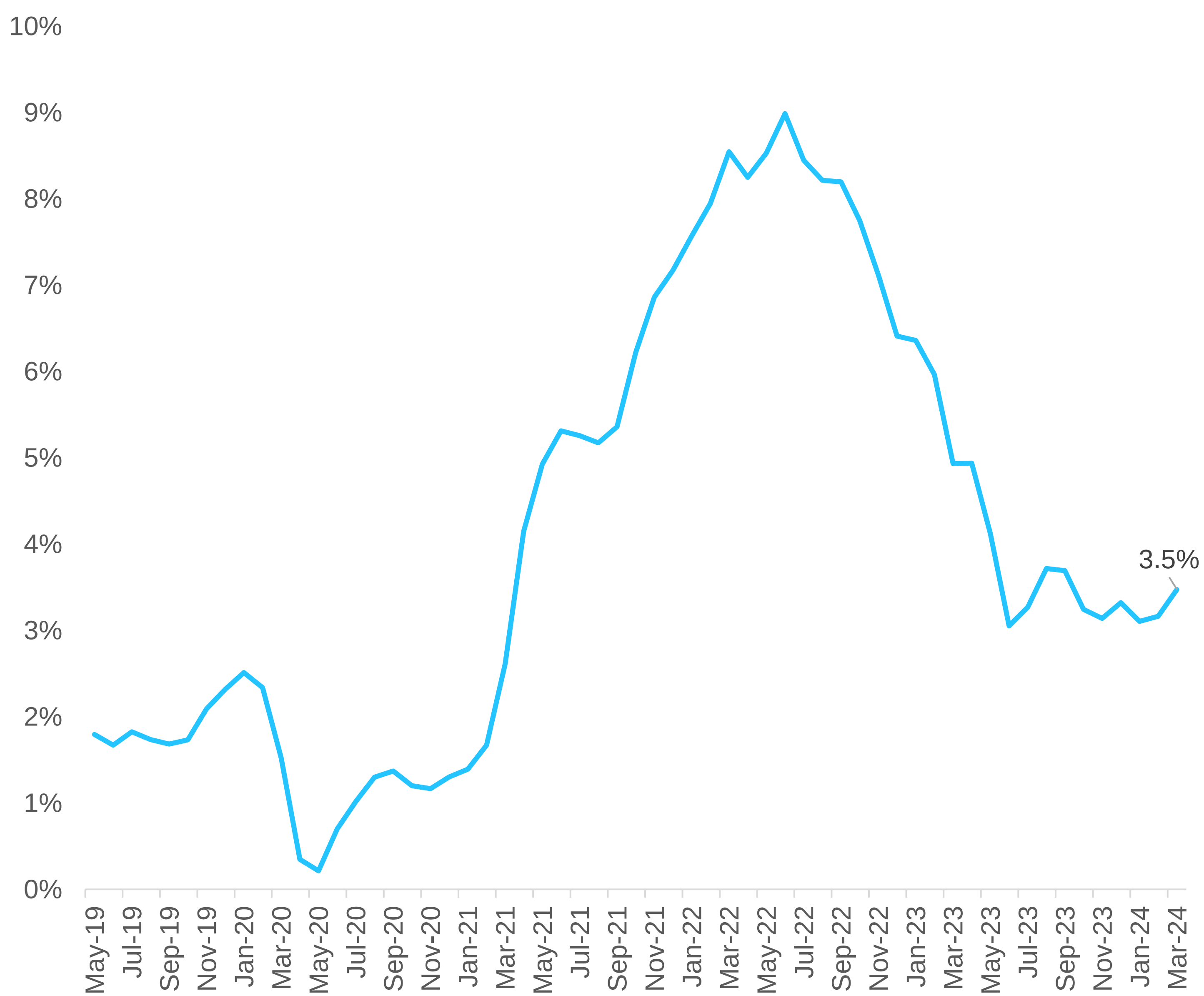
Economy and Demand Drivers



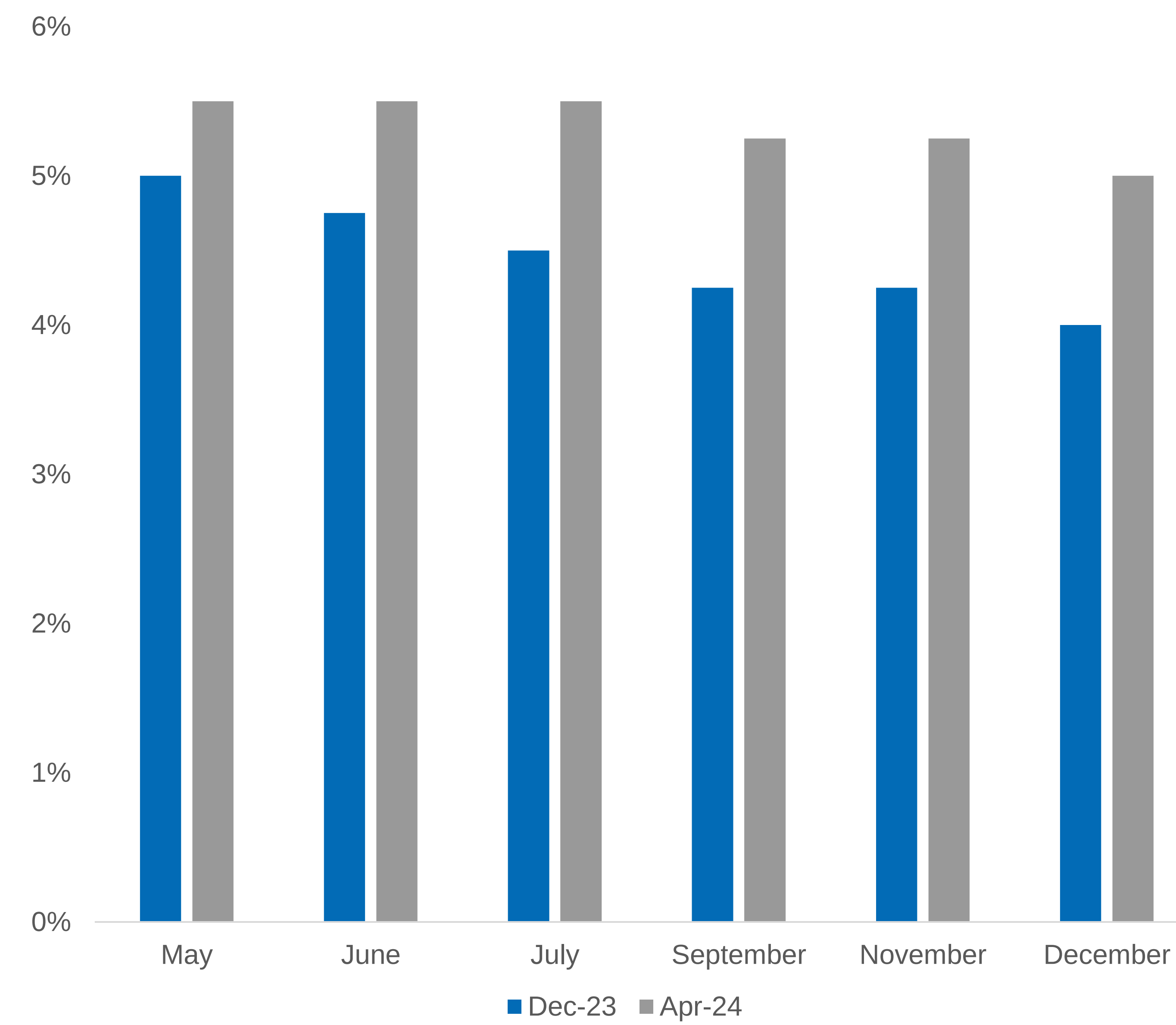
Sticky Inflation Dims Near-Term Rate Cut Prospects

Inflation remains above the target rate of 2.0% and is moving in the wrong direction, thus prolonging the first rate cut from the Federal Reserve. At the end of the fourth quarter of 2023, the market expected the first rate cut to come in the first half of 2024; at the end of the first quarter of 2024, that expectation has moved to September.

Consumer Price Index, YOY Change



Federal-Funds Rate Target Expectations: Then and Now

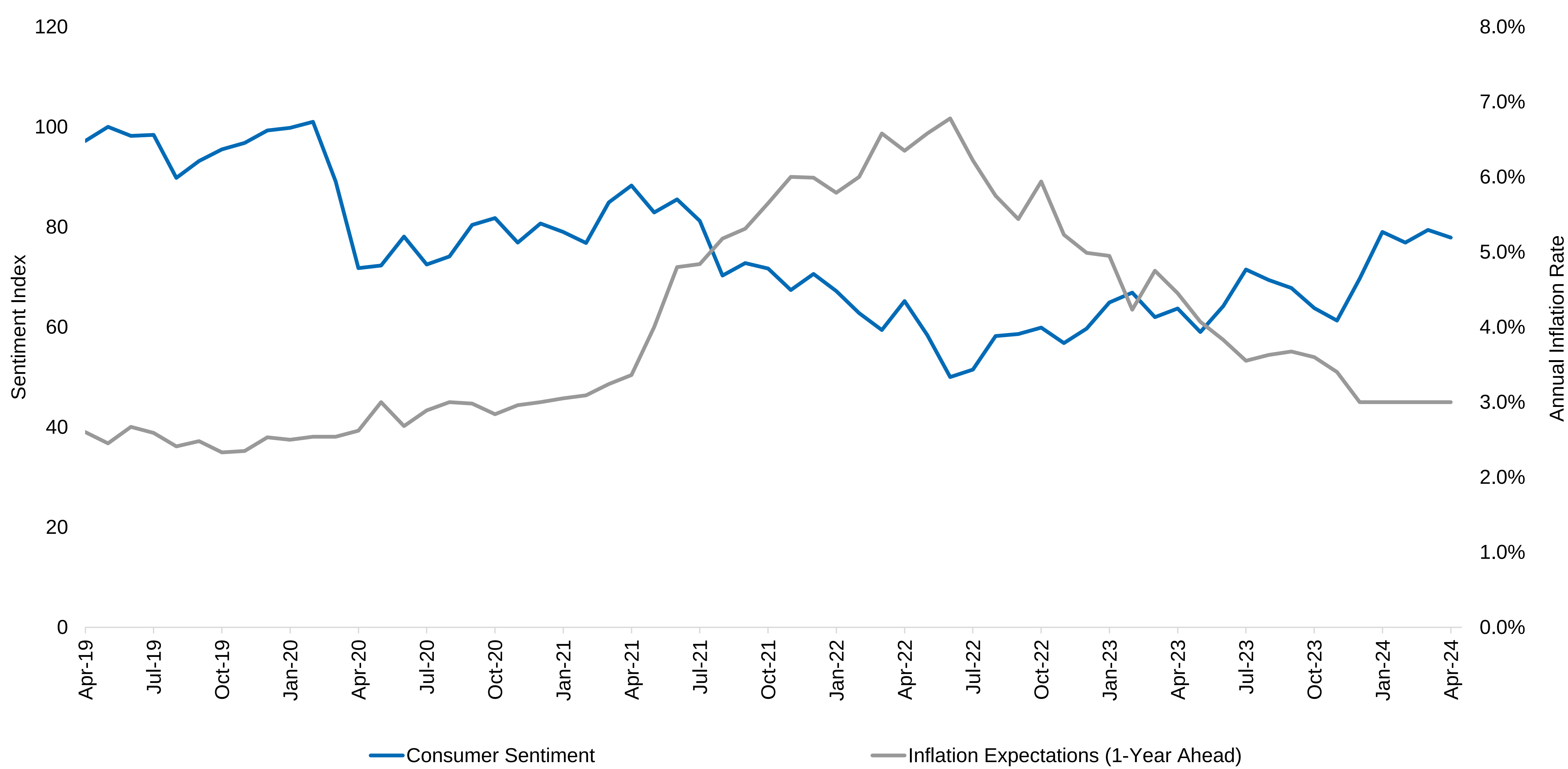


Source: Newmark Research, FRED, CME FedWatch Tool., April 2024.

Consumer Sentiment Volatility Likely to Continue This Year

Consumers believe inflation will ease, but expectations of 3.0% a year out still exceeds the Fed target. Sentiment continues to fluctuate and, as the election season unfolds, volatile readings are likely over the coming months. Volatility and persistently higher-than-normal inflation may breed caution in discretionary spending and, in turn, industrial space requirements.

Consumer Sentiment and Inflation Expectations

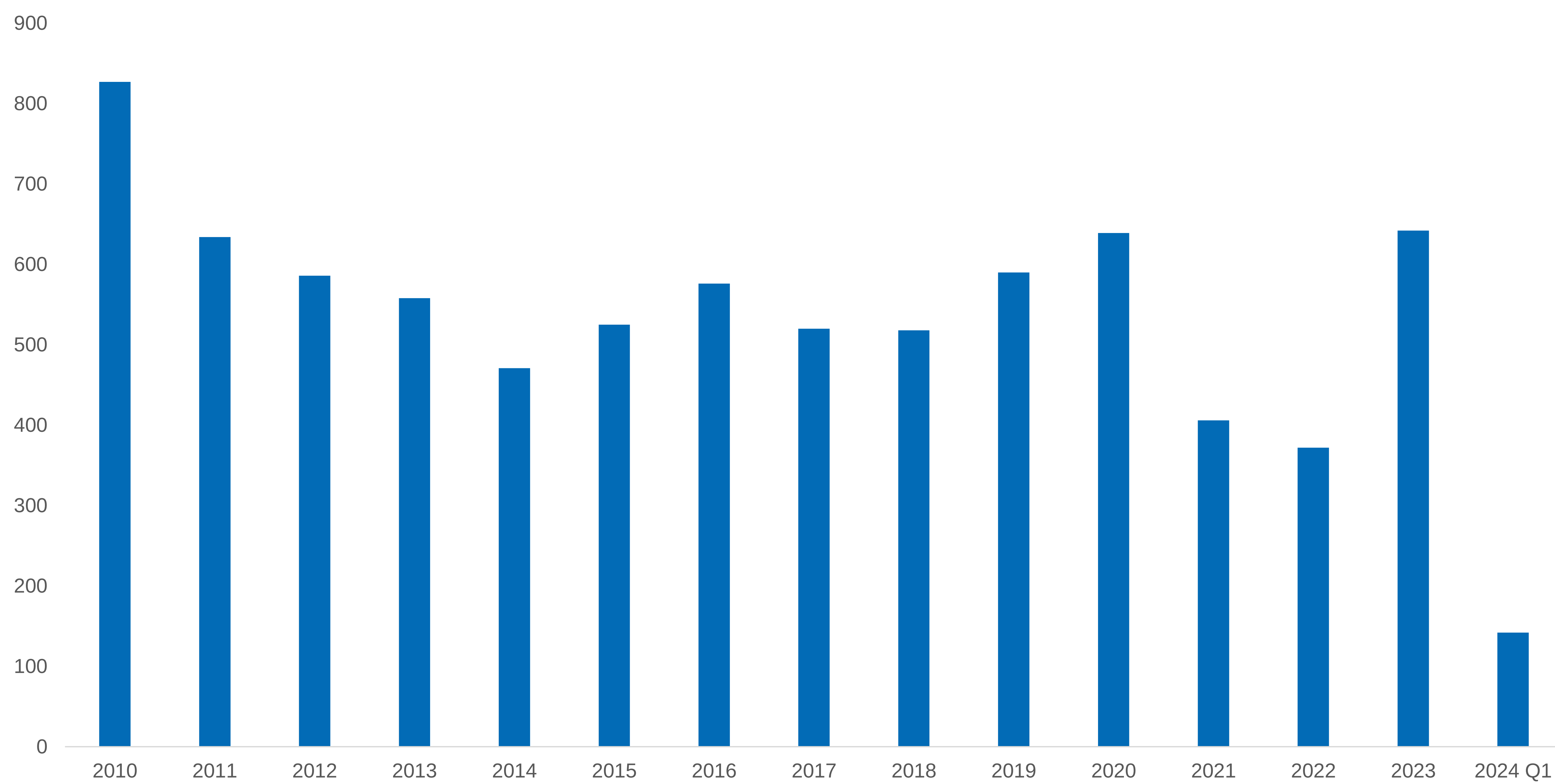


Source: Newmark Research, Federal Reserve of NY, University of Michigan, April 2024.

U.S. Bankruptcy Filings Increase During First Three Months of 2024

Amid higher rates and constricted borrowing ability, bankruptcies steadily increased since the start of the year and are likely to remain elevated as near-term rate cut expectations dim. Of the largest bankruptcies to date this year, few have large industrial footprints. JOANN Fabrics, for example, has a distribution network of less than 4 MSF nationwide.

U.S. Bankruptcy Filings by Year

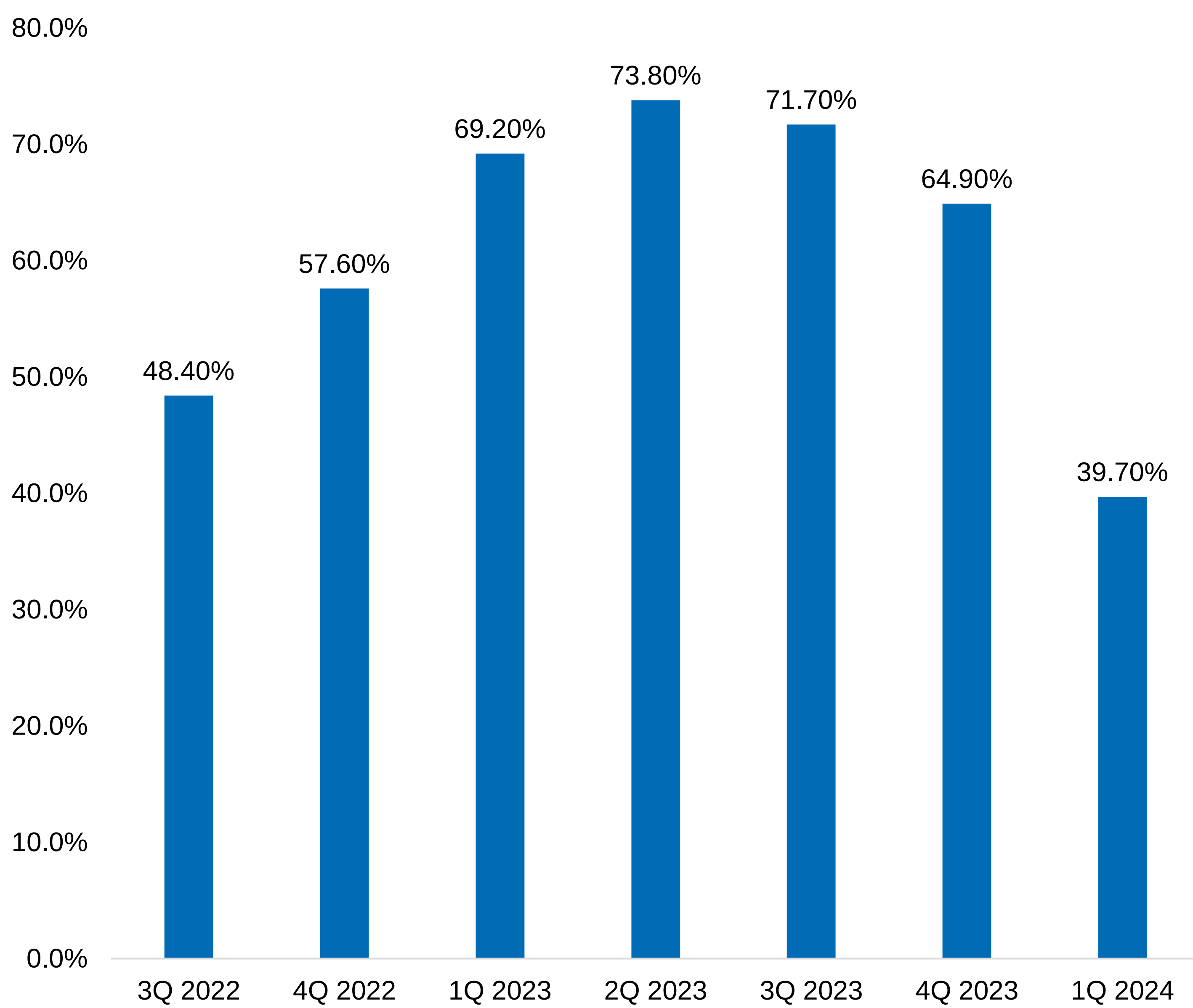


Source: Newmark Research, S&P Global. April 2024.

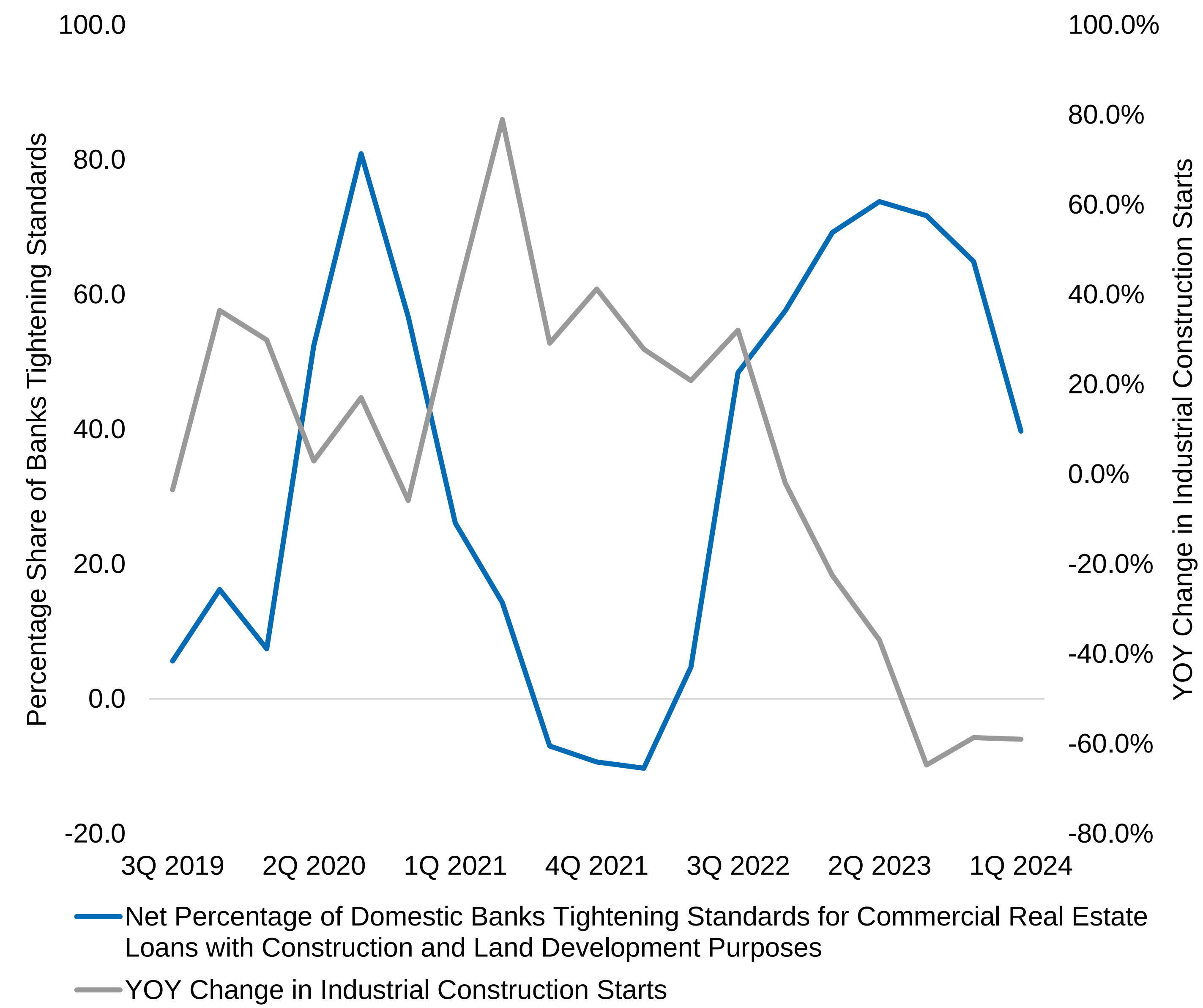
Fewer Banks Tighten Lending Standards; Most Already Have and Are Holding Steady

A constrictive credit environment persists with a net 40% of banks reporting further tightening for lending standards, while most banks held (tighter) standards steady over the past three months. Tighter lending standards and weaker demand for new product have contributed to the slowdown in the industrial pipeline.

Net Share of Banks Tightening Standards for CRE Construction Loans



Tightening Lending Standards Vs New Industrial Construction Starts

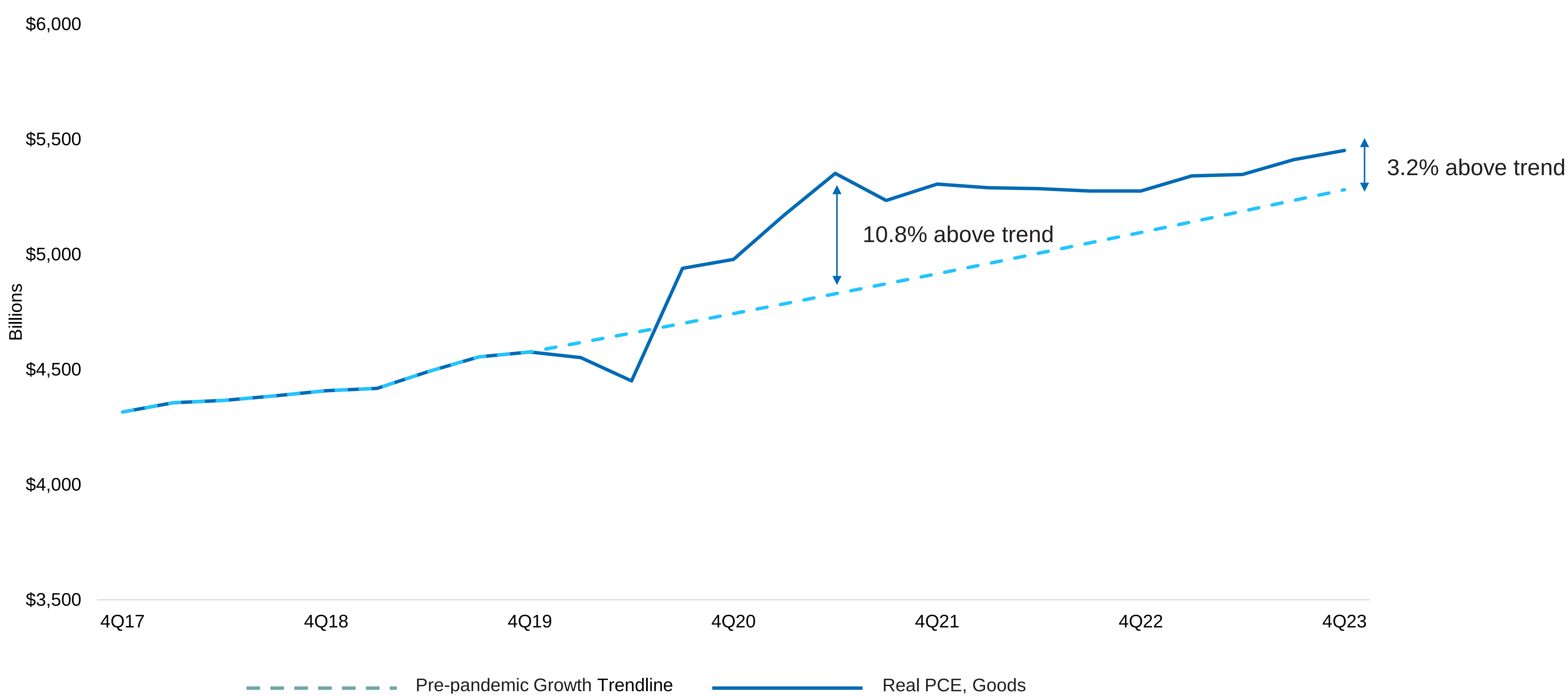


Source: Newmark Research, Board of Governors of the Federal Reserve

Consumers Still Opening Wallets to Spend on Goods

Inflation-adjusted spending on goods, while on a decelerating trend since midyear 2021, remains above the pre-pandemic trendline. Evolving work from home trends are likely still playing into this dynamic.

Real Personal Consumption Expenditures, Goods

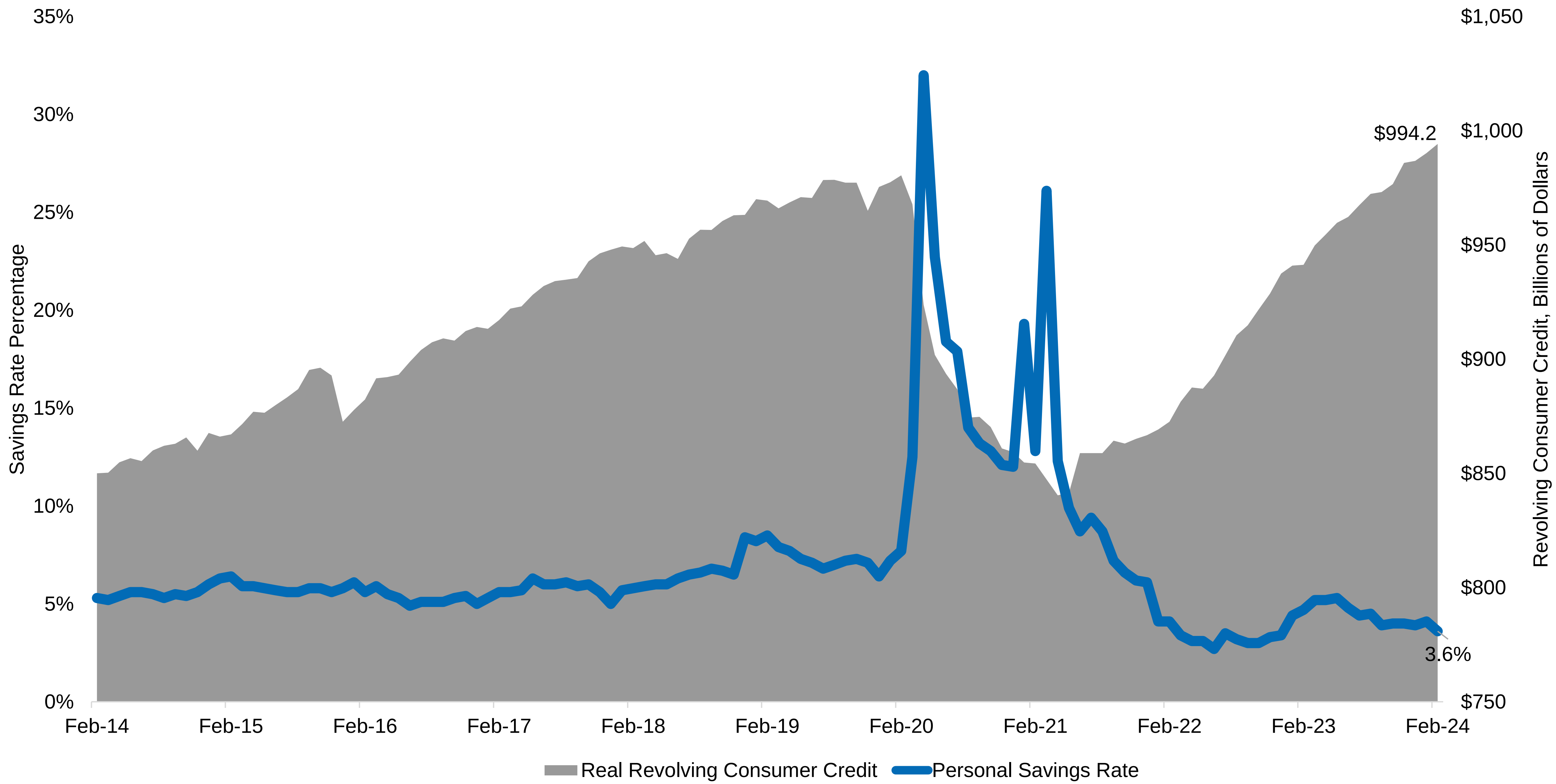


Source: St. Louis Federal Bank, Newmark Research, April 2024.

Saving Less; Borrowing More

Household incomes continue to grow, but are rising slower than consumer spending, resulting in dwindling savings. While consumers are saving more now than the 2.7% rate observed in June 2022, measures are well below the pre-pandemic 10-year average of 6.1%. Consumer debt continues to climb swiftly, nearing a trillion dollars in real volumes.

Personal Savings Rate and Real Consumer Revolving Credit

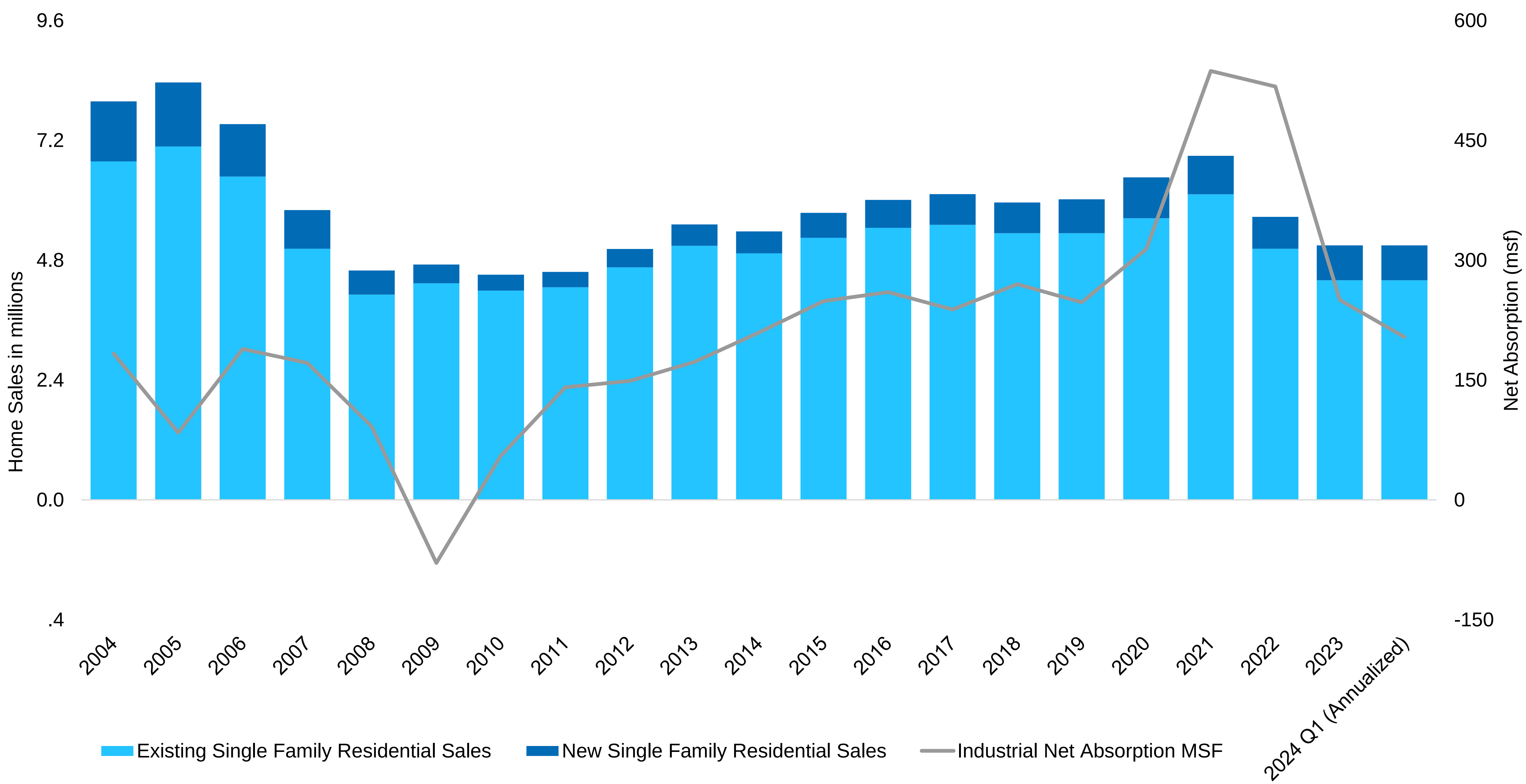


Source: St. Louis Federal Bank, Newmark Research, April 2024. Revolving consumer credit deflated by CPI=2012.

Home Sales Slowest in over a Decade, Impacting Demand for Industrial Space

Home sales drive a significant amount of goods consumption and thus, industrial demand. Sales have been slowing since a cyclical peak in 2021 because of high mortgage rates, elevated home prices and a limited inventory of homes for sale and are likely to remain depressed until these conditions improve.

Single Family Residential Sales and Industrial Net Absorption[1]

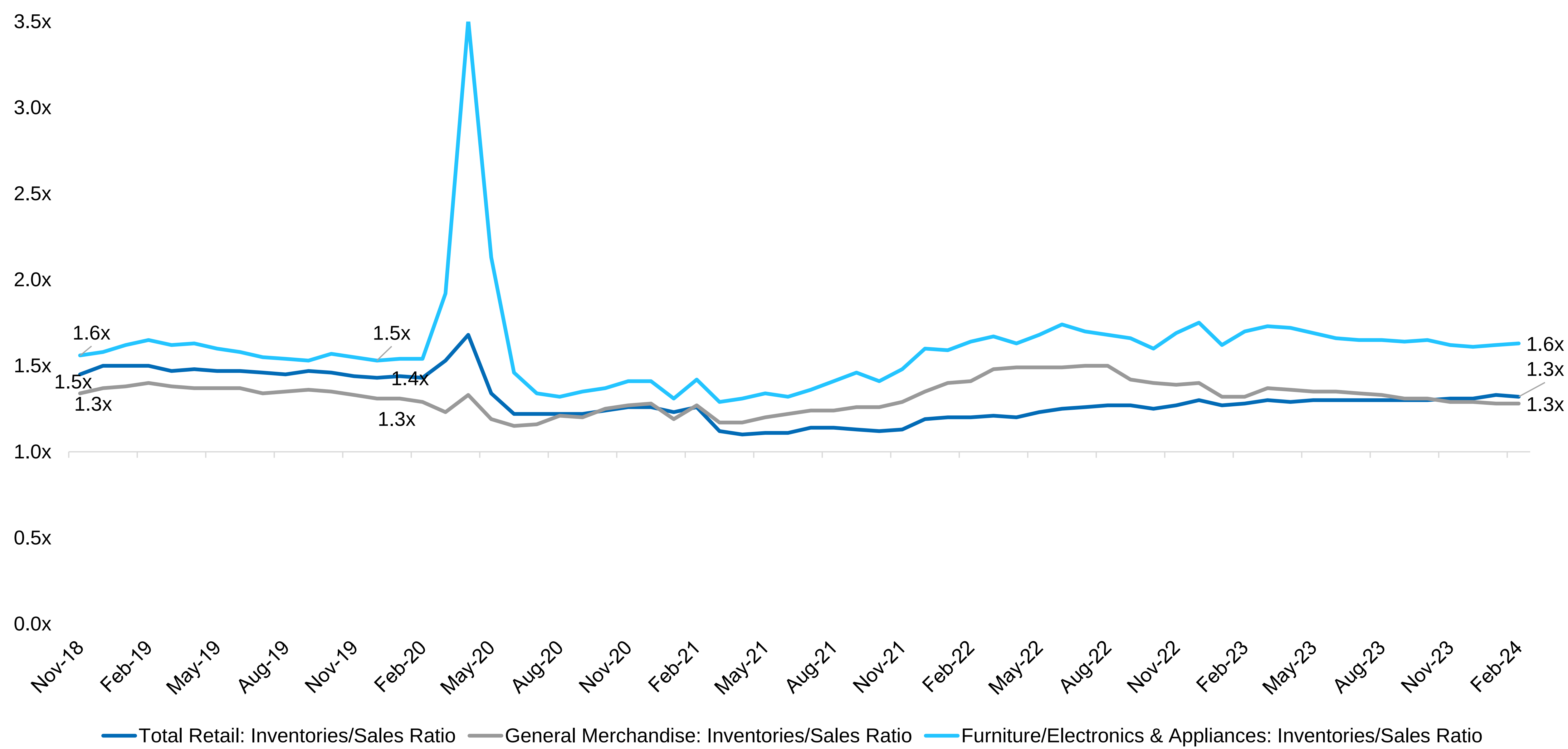


[1]Single Family Residential Sales not seasonally adjusted.
Source: Newmark Research, CoStar, St. Louis Federal Bank, National Association of Realtors, U.S. Census Bureau, April 2024.

Retailers’ Inventories/Sales Ratios Tracking around Pre-Pandemic Baseline

Retailers in many segments have spent nearly 18 months drawing down excess inventories, impacting normal ordering levels and dampening new industrial space requirements. Inventory to sales ratios appear to be stabilizing around a pre-pandemic baseline, signaling many firms will be back to ‘business as usual’ while others, especially upstream firms, may bolster lower inventories.

Inventories to Sales Ratio, Total Retail and Sector-Specific

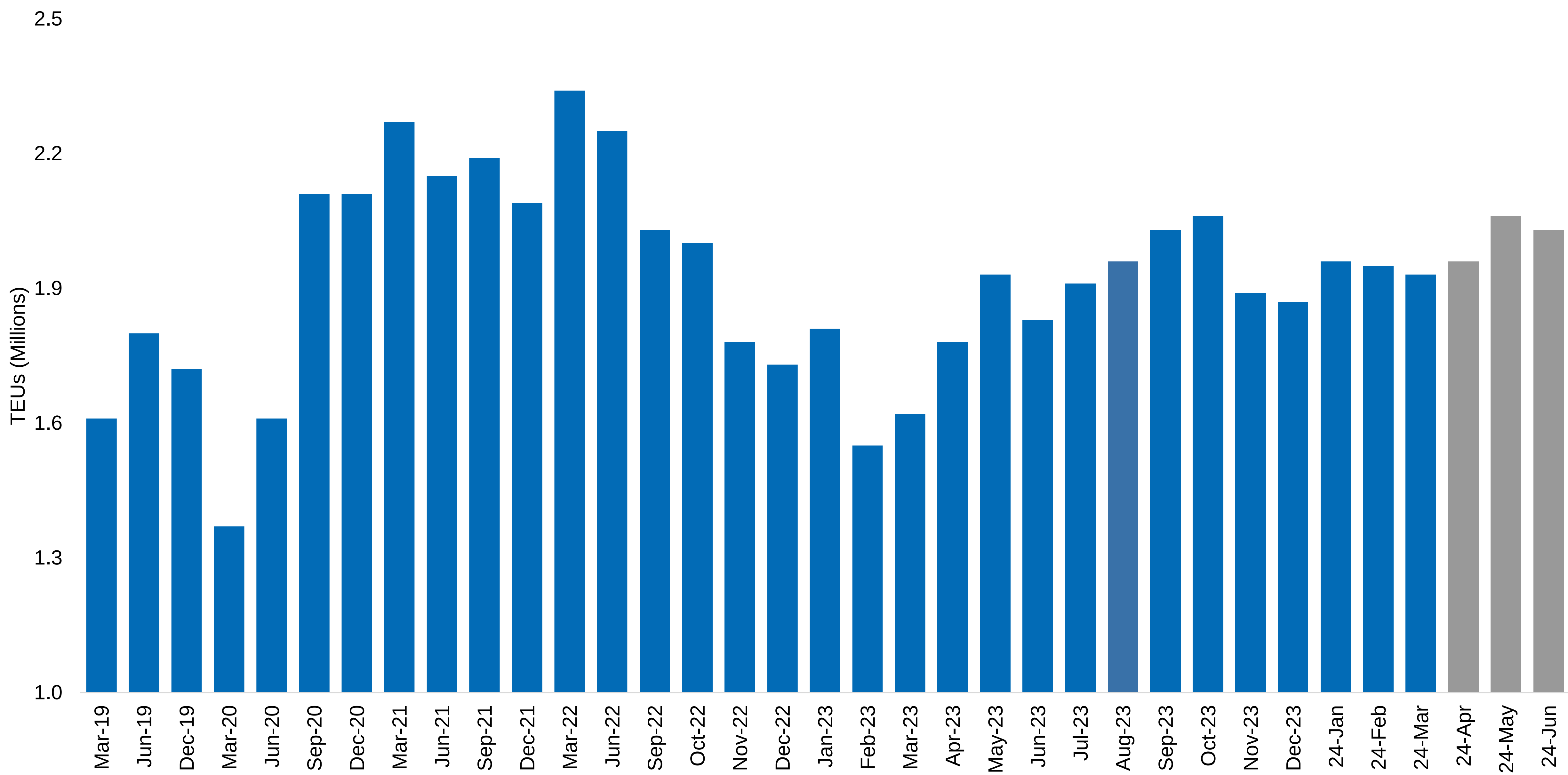


Source: St. Louis Federal Bank, Newmark Research, ISM, April 2024.

Retail Imports Forecasted to Grow in 2Q24

With the supply chain adjusting to ongoing global disruption, inbound cargo volume remains on track to show year-over-year increases through the first half of 2024.

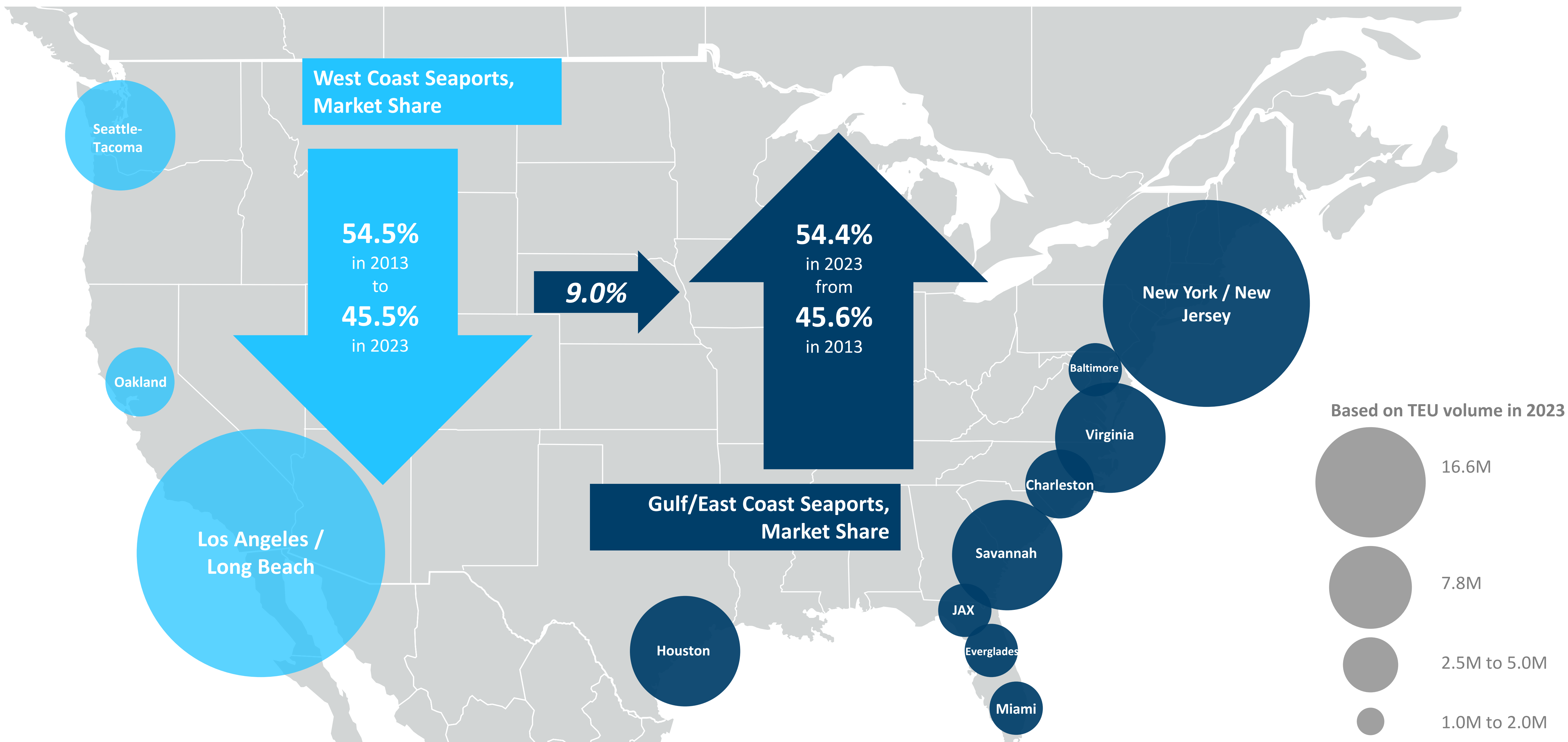
Global Port Tracker: U.S. Retail Imports



Source: National Retail Federation, Newmark Research. April 2024.

Import Market Share Has Been Shifting Eastward

Over the last decade, U.S. Gulf and Eastern seaports have steadily gained market share from the West Coast seaports thanks to the investment in accommodating larger container vessels and other supportive infrastructure. Additionally, some global supply chains are moving from China toward friendlier South Asian countries, which align with East Coast sea routes for cost and speed to delivery considerations.

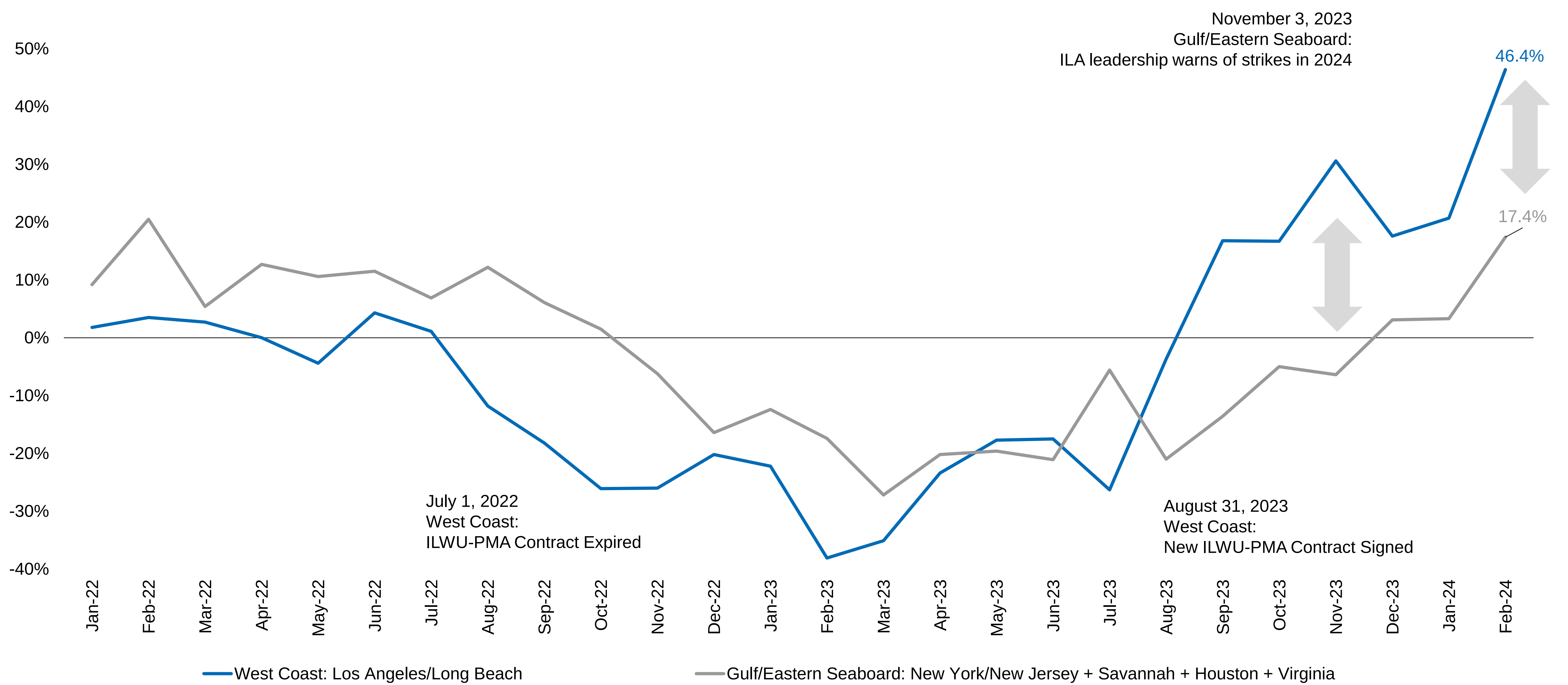


Source: Newmark SoCal Research, port websites. As of May 1, Miami has not released annual 2023 port volumes; assumed similar volumes to 2022.

Import Traffic Has Jumped in Recent Months at Los Angeles-Long Beach

Major Gulf and Eastern Seaboard ports are lagging by comparison as some importers re-route cargo to western points of entry due to East Coast port labor concerns or to bypass restrictions in the Panama and Suez Canals. The opposite happened throughout 2022 into early 2023, a period when contract negotiations with West Coast dockworkers were often contentious. This is not necessarily boosting industrial occupancy in SoCal, with diverted goods bound for other markets.

Major U.S. Seaports: Annual Change in Loaded Imported TEUs | By Month

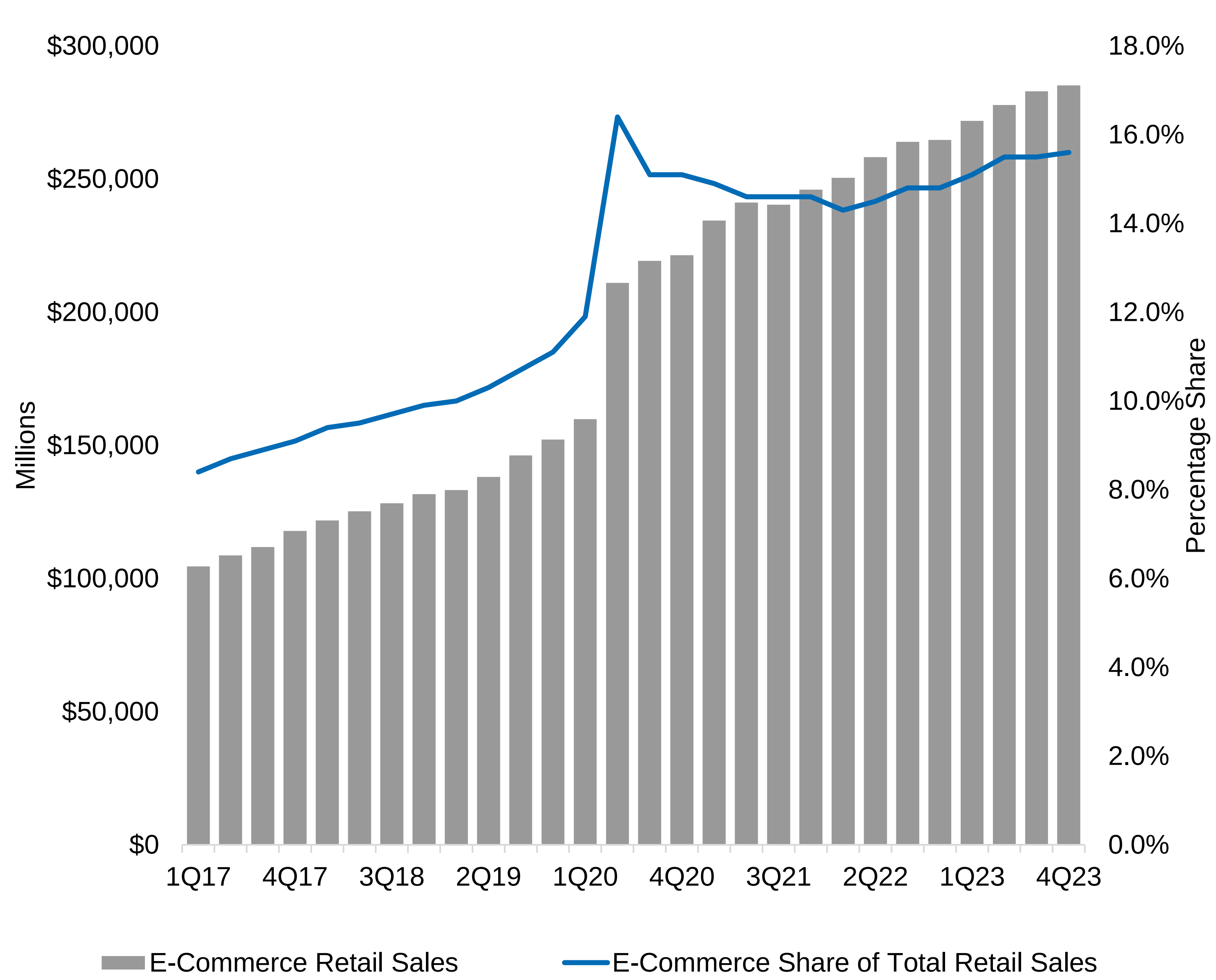


Source: Newmark SoCal Research, Individual Seaport

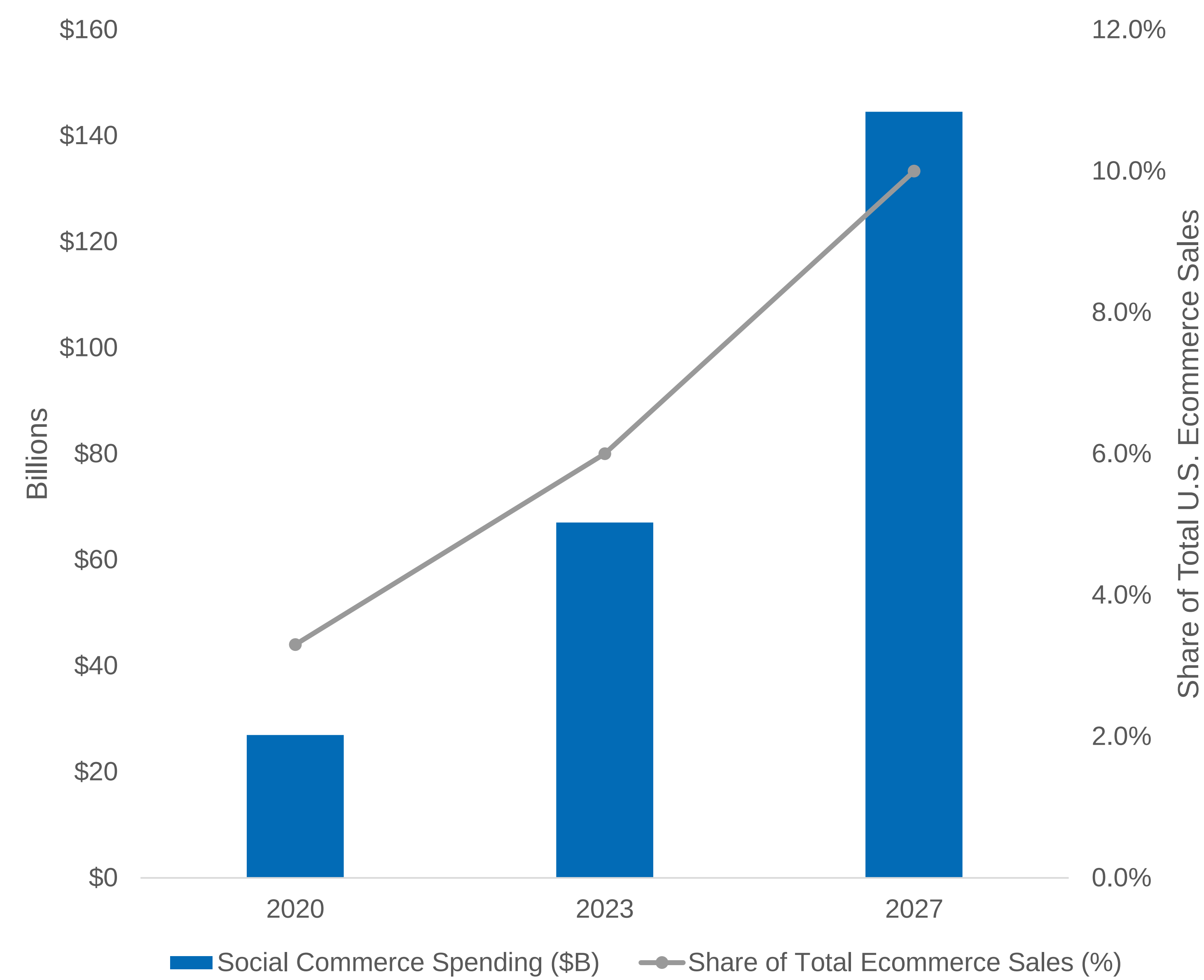
Evolving Trends, New Players within E-Commerce to Continue Driving Demand

Consumer spending increasingly mixes in-store, online and omnichannel behaviors as major retailers invest in all those options. Overall, nearly 42% of e-commerce orders last year involved stores, up from about 27% in 2015. New e-commerce entrants – in particular, social media platforms monetizing their global audiences - are joining the playing field. At a forecasted 6.7% CAGR over the next few years, e-commerce growth will continue to drive industrial demand. An estimated 1.2 msf of logistics space is needed to support every additional $1.0 billion in e-commerce sales gains.

E-commerce Sales and Share of Total Retail Sales



Social Commerce Sales and Forecasted Growth ($B)

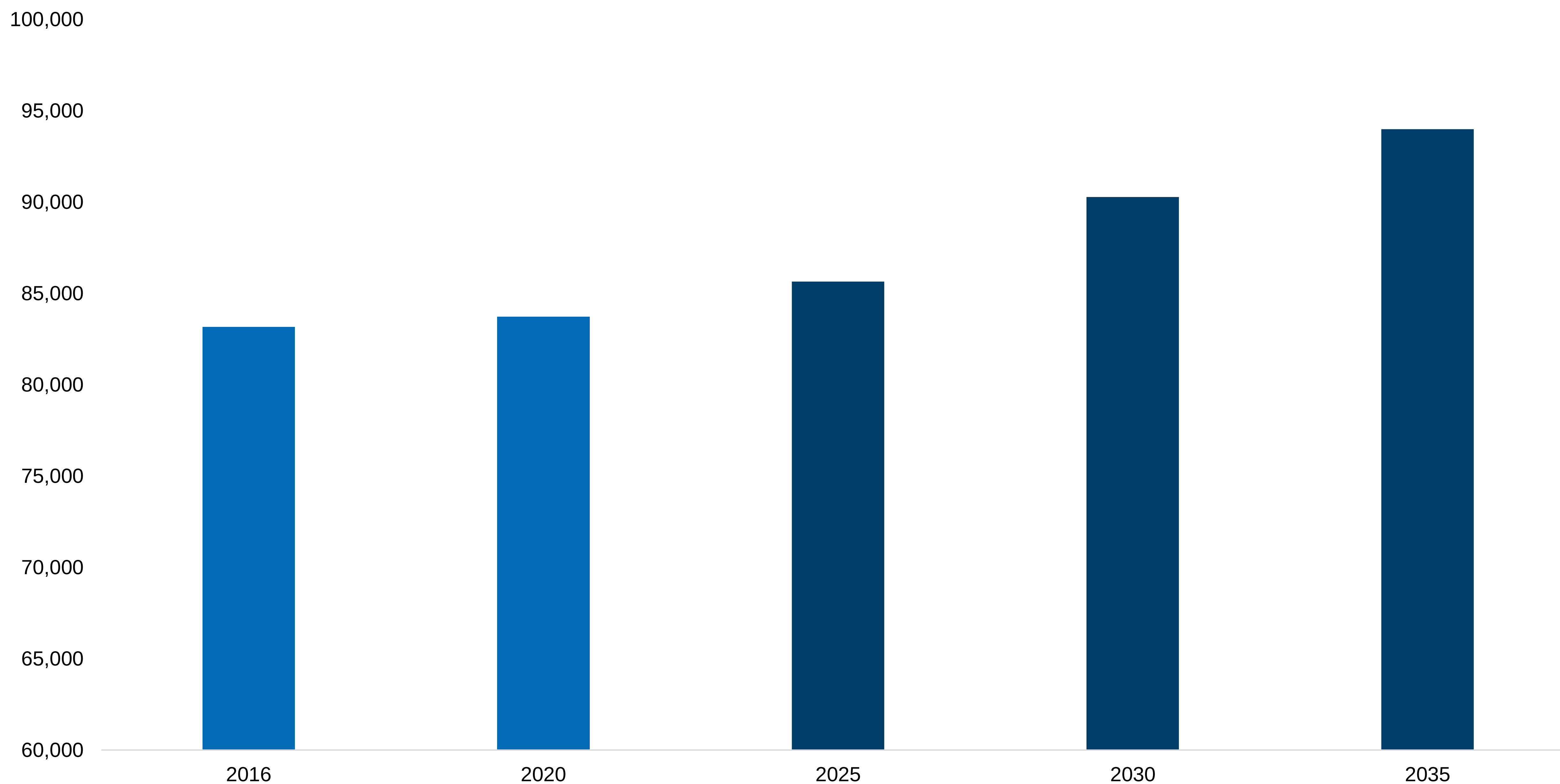


Source: U.S. Census Bureau, St. Louis Federal Bank, Green Street, GlobalDaTA, Emarketer, April 2024.

Millennials, the Leading E-commerce-Using Cohort, Are Entering Top Spending Years

For consumers, spending power is at its highest between ages 35 and 54. Millennials, the largest generation in the U.S. workforce, will be fully aging into this cohort between now and 2035. Millennials are the leading generation of online shoppers, thus e-commerce spending (and the industrial real estate needed to support) will continue to be fueled by this group reaching their prime spending years.

U.S. Population and Projections, Age Cohort 35-54 (Thousands)

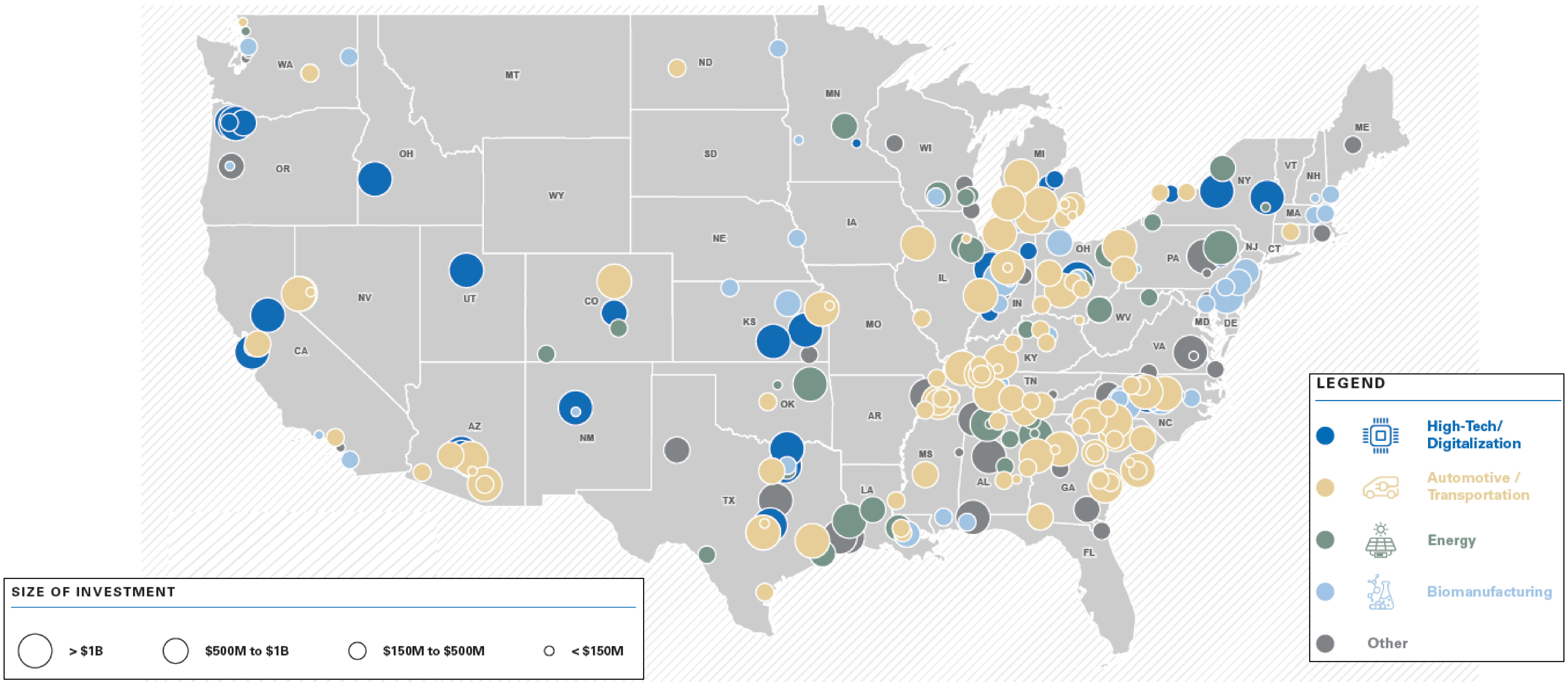


Source: Newmark Research, U.S. Census, Moody's Analytics, Statista

Monumental Growth in Domestic Manufacturing is Underway

A snapshot of initial manufacturing investments totaling a minimum of $100 million since 2020 reveals approximately $400 billion in investments pledged, 210,000+ new jobs and a minimum of 250 MSF of new industrial projects to come between now and 2030. Four key advanced manufacturing sectors are driving the greatest volumes of investment and development, capturing over 90% of the major investments pledged: High-tech/digitalization, Automotive/transportation; Energy; and Biomanufacturing.

U.S. Major Manufacturing Announcements, 2020-2023

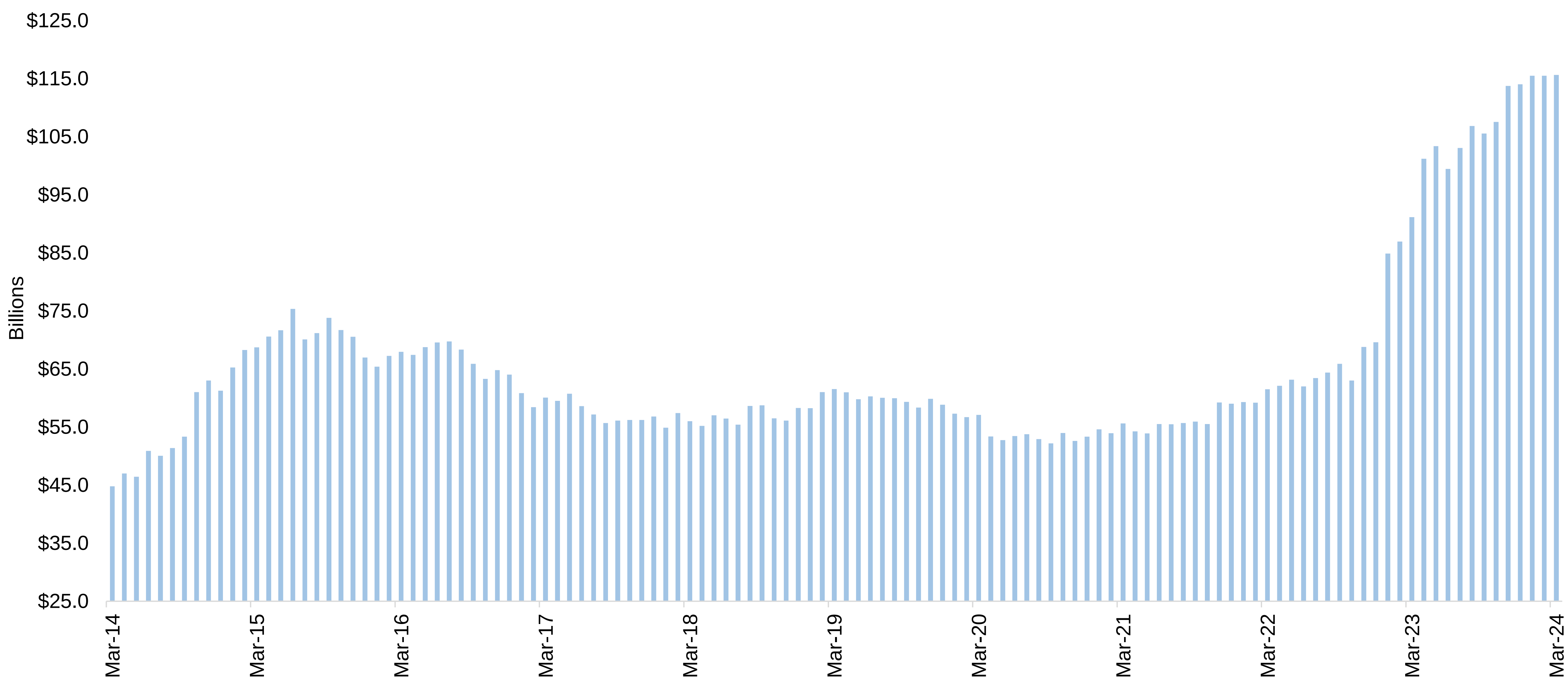


Note: Investments of at least $100 million. Investment dollars may include allocations to real estate and equipment, infrastructure, intellectual property, and other outlays.
Sources: Newmark Research, Newmark Global Strategy & Consulting, various press releases and articles

U.S. Manufacturing Construction Spending Has Surged

Advanced manufacturers are investing heavily in new construction. In real spending, manufacturing construction measured $115.6 billion in March 2024, nearly double the pre-pandemic 5-year average. Growth is driven by private and public investment supported by legislation (Infrastructure and Investment Jobs Act, Inflation Reduction Act and CHIPS and Science Act), prompted by geopolitical and supply chain risk to these critical sectors.

Total Real Private Manufacturing Construction Spending

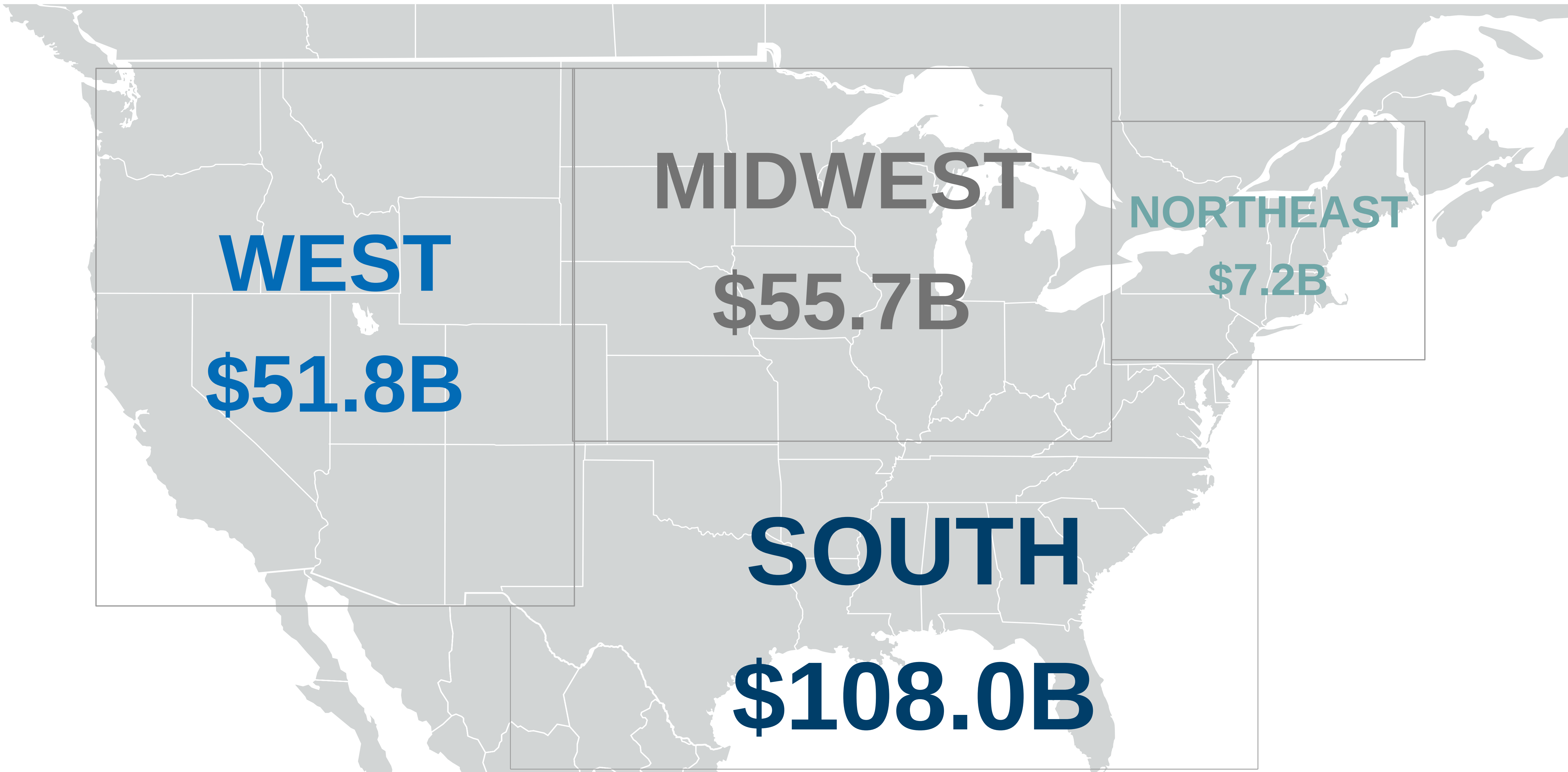


Source: Newmark Research, U.S. Census Bureau, FRED, April 2024.
Note: Seasonally adjusted annual rate deflated by New Industrial Construction PPI, chained to 06/2007.

The South Leads the Nation in Manufacturing Construction Spending

In the last 12 months, Southern states have seen $108 billion in manufacturing construction, nearly as much as the rest of the country combined. Within the South, $53 billion has been spent on manufacturing construction in the Greater Texas area alone.

Private Manufacturing Construction Spending by Megaregion, March 2023 to March 2024

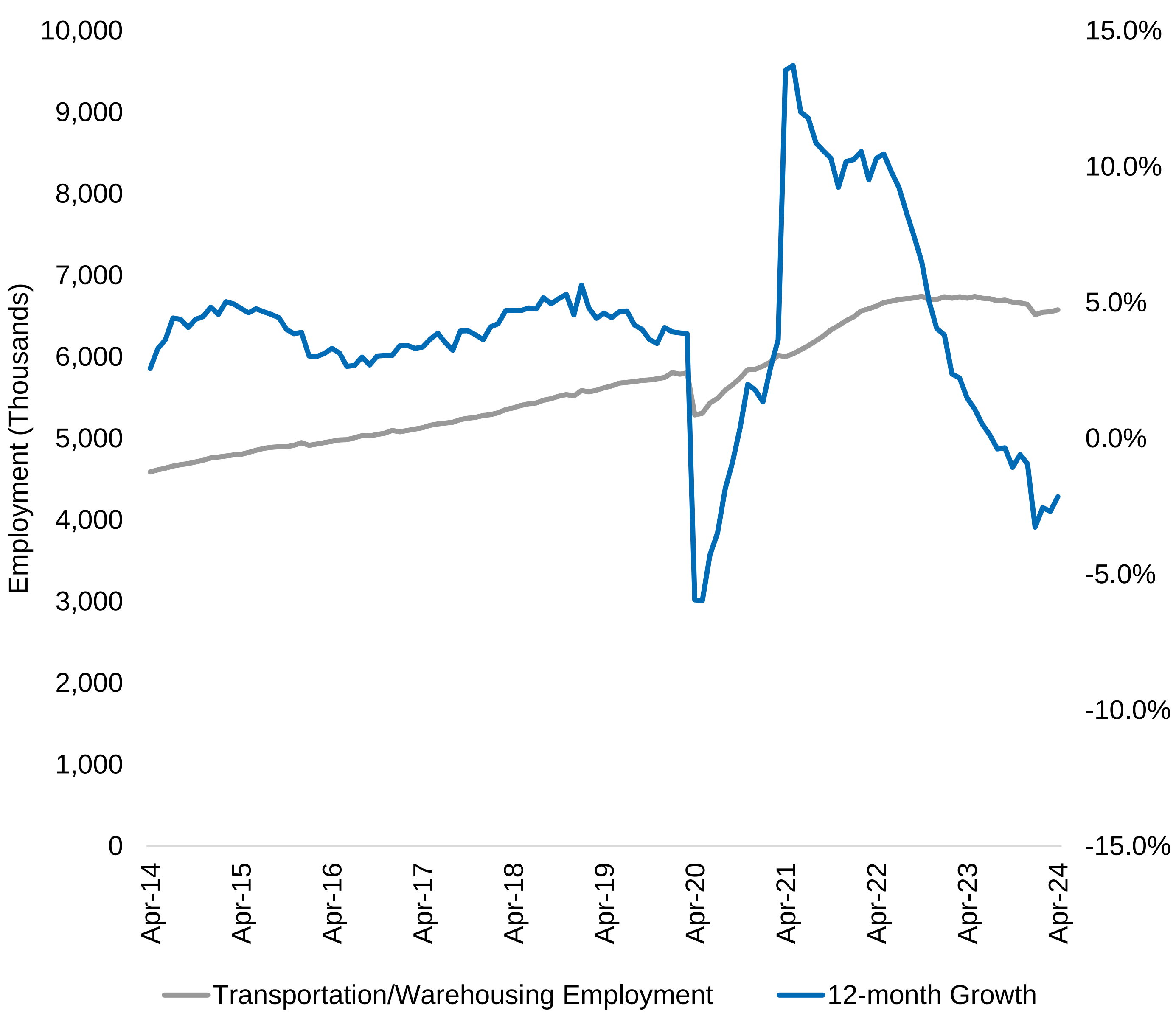


Source: Newmark Research, U.S. Census, May 2024.

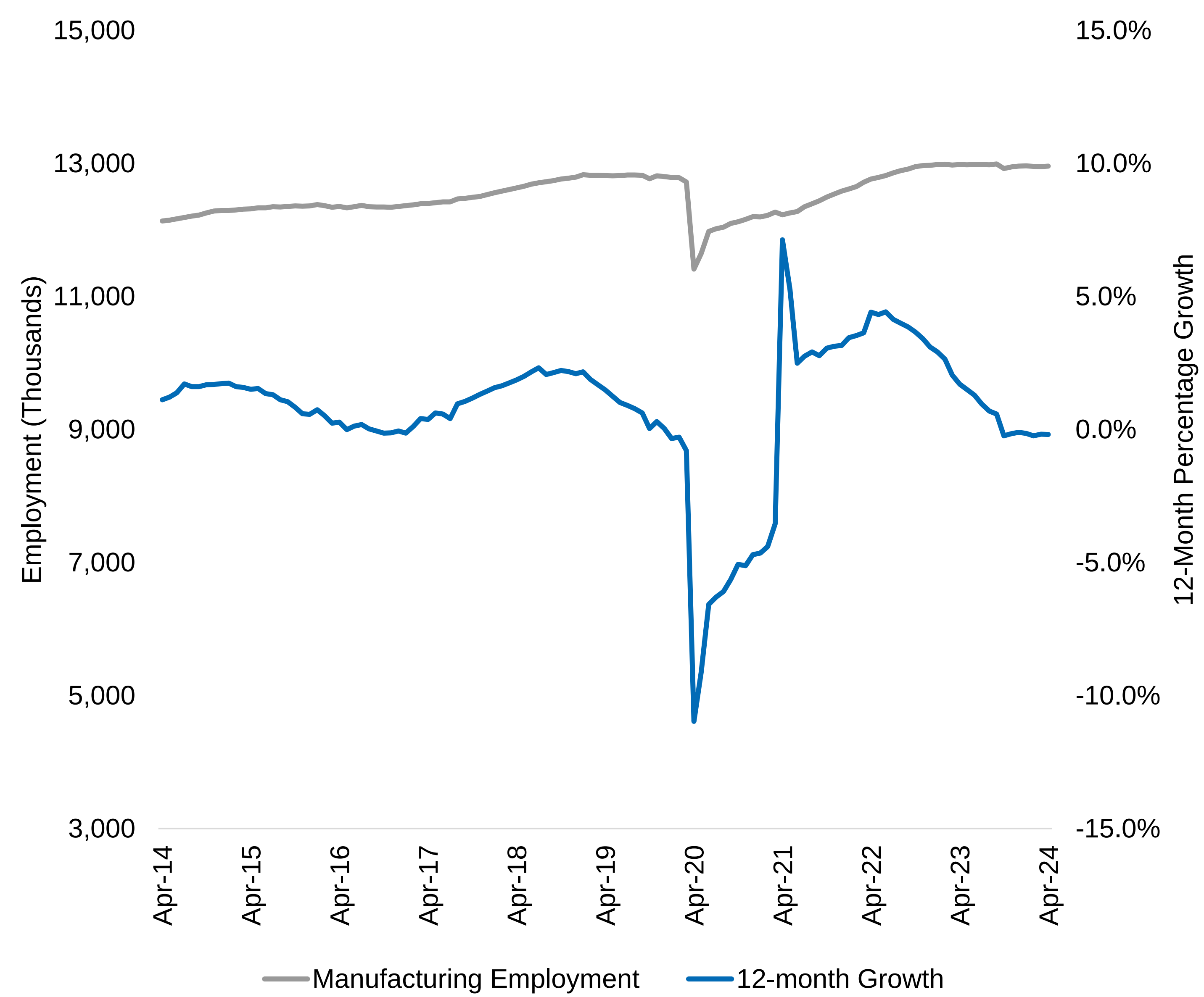
Industrial Employment Remains Relatively Flat

While manufacturing and transportation/warehousing employment saw gains month over month, industrial staffing continues recalibrating amid a return to more normal levels of demand for goods and their movement.

Total Employment and 12-Month Growth Rate, Transportation/Warehousing



Total Employment and 12-Month Growth Rate, Manufacturing



Source: Newmark Research, U.S. BLS, May 2024.

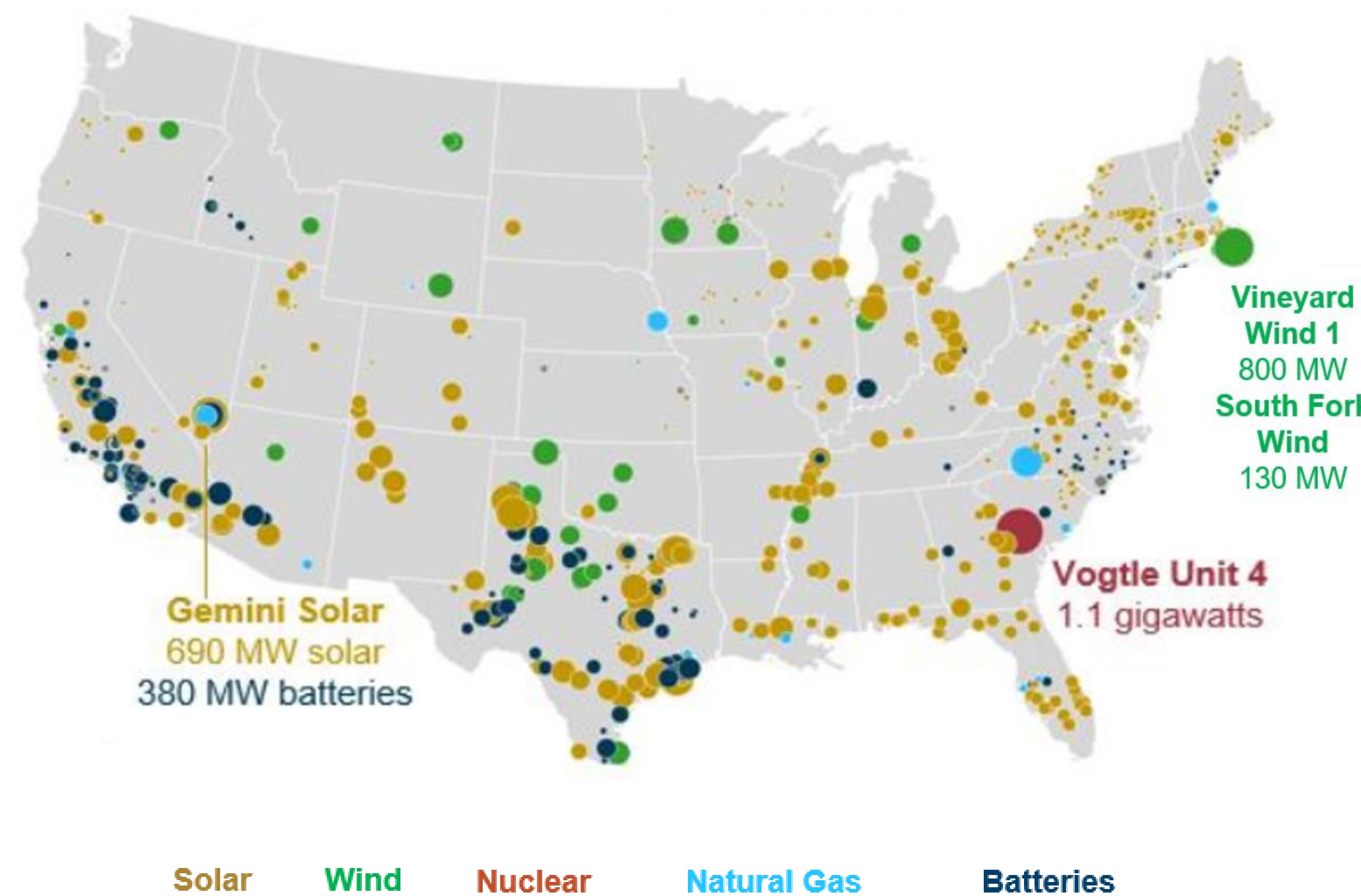
Energy Demand Soars from Proliferation of Users; Will Planned Capacity Be Enough?

New manufacturing and data center megaprojects are straining power grids and causing utilities to significantly and suddenly increase forecasted power needs. Developers, users, utilities and other stakeholders are mobilizing to add more power: 63 gigawatts (GW) of new capacity are planned to come online in 2024, 55% more than 2023's record volume.

U.S. Utility Demand Forecast Increase (YOY) by Planning Area

Planning Area	2022 Forecast (TWh)	2023 Forecast (TWh)	Increase (TWh)	Percent Increase
PJM	823	858	**35.2**	4.1%
ERCOT	485	516	**31.5**	6.1%
SPP	297	324	**27.0**	8.3%
Duke Energy (North & South Carolina)	174	185	**11.2**	6.0%
Georgia Power	89	98	**8.9**	9.1%
NYISO	147	154	**7.6**	4.9%
Arizona Public Service Company	39	47	**7.5**	16.1%
Portland General Electric	24	30	**6.3**	21.2%
MISO	690	694	**4.1**	0.6%
CAISO	228	231	**3.6**	1.6%
All other planning areas	1,356	1,371	**14.7**	1.1%
Total	**4,351**	**4,509**	**157.7**	**3.6%**

Planned 2024 U.S. Utility Scale Power Capacity Additions



Source: Newmark Research, U.S. EIA, April 2024.

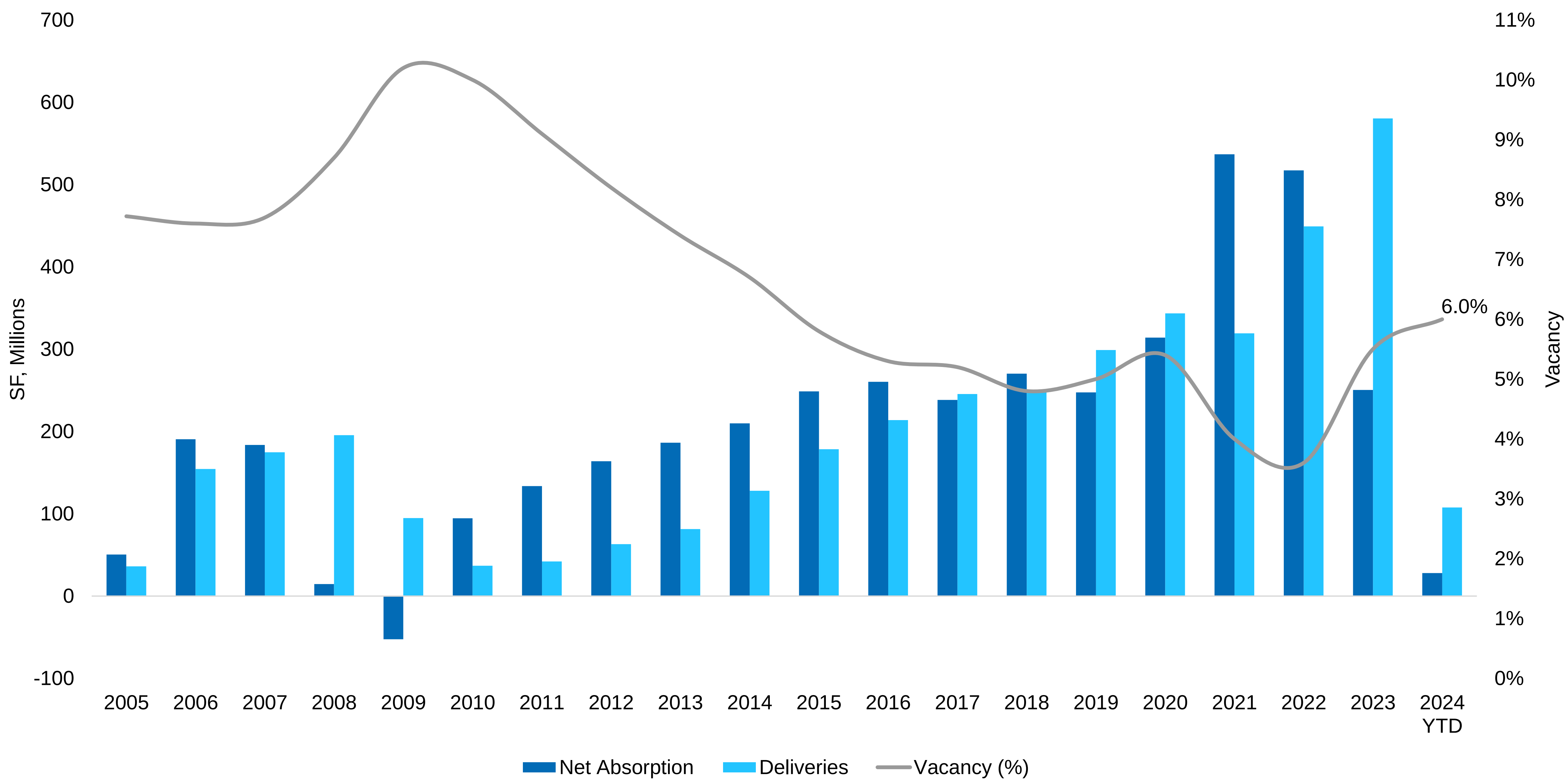
1Q24

Leasing Market Fundamentals

Vacancy Cracks 6.0% for the First Time in Nearly a Decade

As expected, absorption in the first quarter of 2024 was substantially outpaced by supply, which drove the national vacancy rate to 6.0%. Elevated completions in the first half of 2024 coupled with softer leasing demand will put further pressure on the national vacancy rate, but it is not expected to come anywhere close to double-digit levels charted during the GFC.

U.S. Industrial Deliveries, Net Absorption, and Vacancy

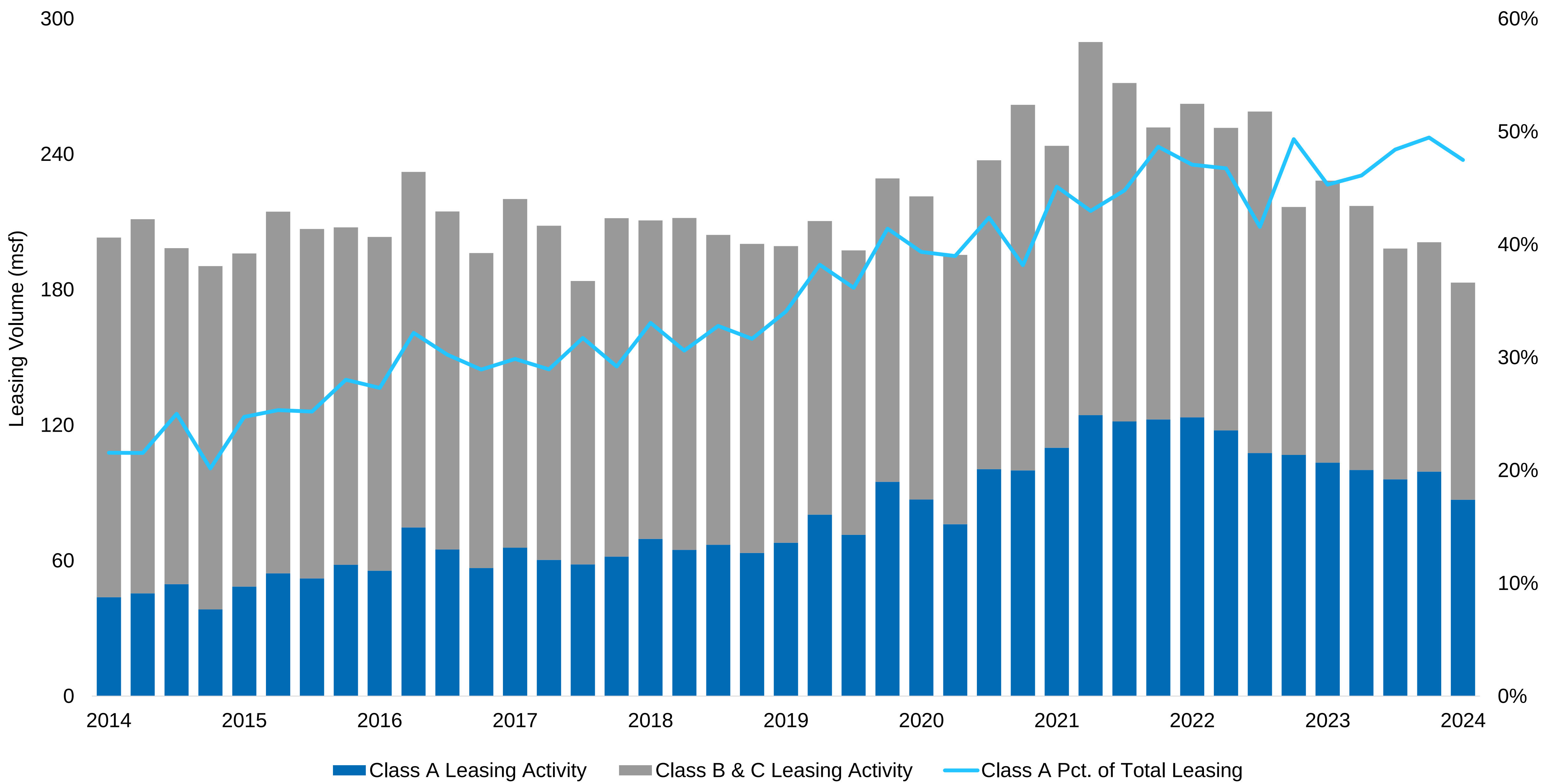


Source: Newmark Research, April 2024.

Class A Leasing Maintains Elevated Share of All Activity

New industrial leasing remains softer than usual, but with revisions, has and will likely continue to show leveling.

U.S. Industrial Leasing Activity by Class

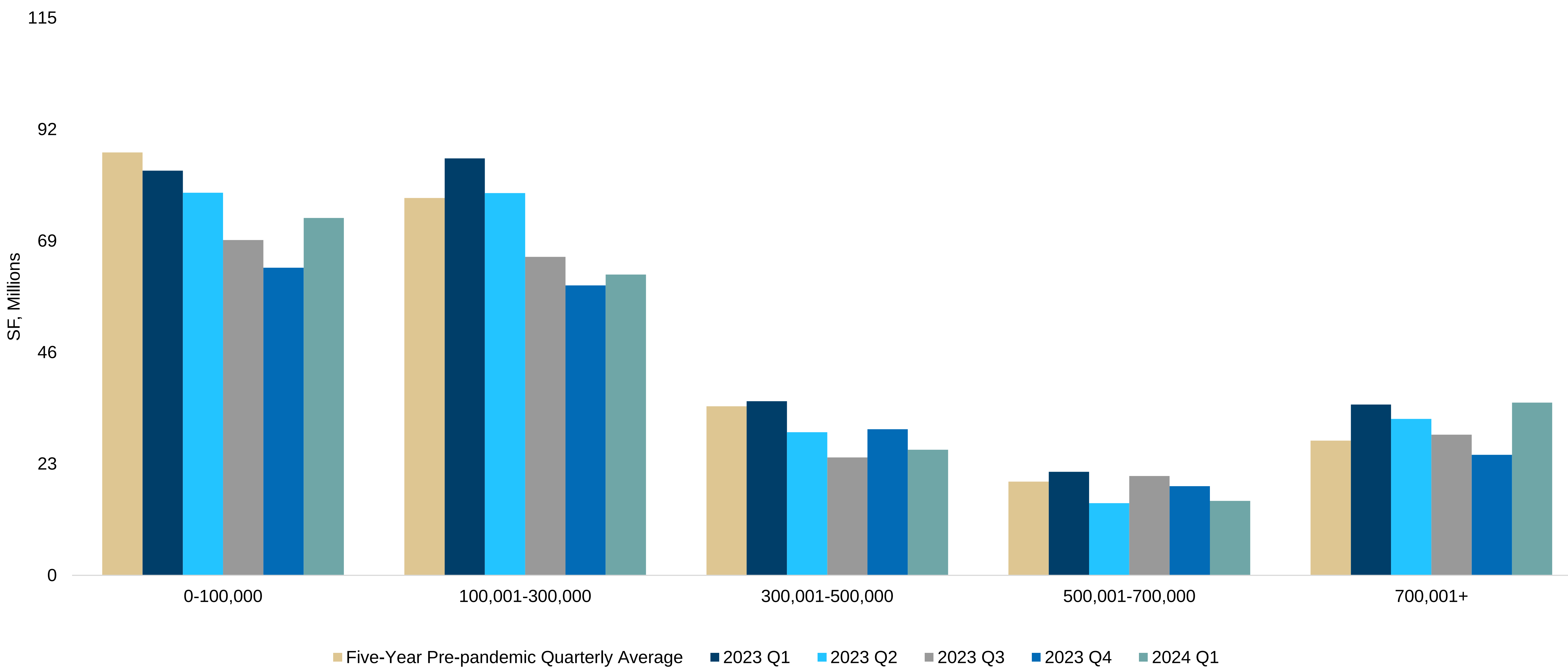


Source: CoStar, Newmark Research. Quarterly leasing volume data compiled April 2024. Class A is defined as 21st century build, 100,000+ square feet with clear heights that accommodate today's modern occupiers.

Leasing in the Smallest and Largest Size Segments Has Picked Up

Leasing activity in buildings sub-300,000 SF accounted for 64% of total activity for the quarter, an unsurprising conclusion since the average industrial tenant is well below 100,000 SF. Leasing in buildings under 100,000 SF showed a notable uptick over recent performance, as did leasing in facilities over 700,000 SF. In fact, that megabox segment is the only one to see leasing volumes exceed the prepandemic baseline.

Leasing Activity by Building Size

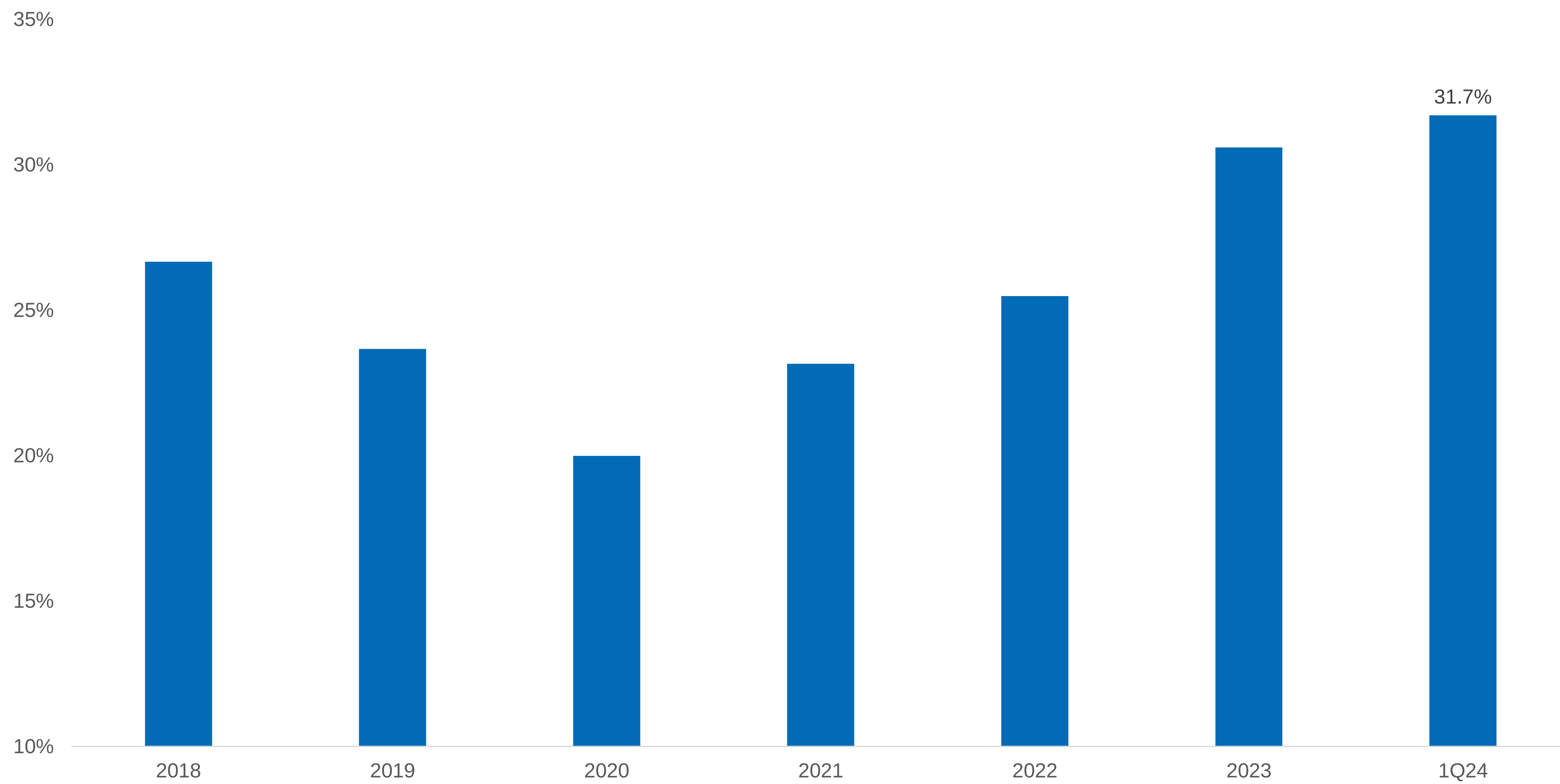


Source: CoStar, Newmark Research, April 2024.

Renewals Take a Larger Share of Overall Market Activity

Lease renewals accounted for 31.7% of total leasing volume in Q1 2024, as some tenants remained cautious amid mixed economic conditions, taking a "wait and see" approach. With nearly 1 billion sf of leases up for renewal from late 2024 to end of 2027, the renewal rate may rise further in 2024. However, greater market opportunities could also motivate tenants to upgrade facilities or expand.

Renewals as a Share of Overall U.S. Industrial Leasing Activity



Source: Newmark Research, May 2024.

Industrial Leasing Trends by Sector

Consumer Goods/Retailers drove top leasing activity in the first quarter of 2024, a return to the number-one spot after trading it with 3PLs and Manufacturing throughout the last four quarters. E-Commerce has staged quite a comeback, rising from 3.5% of total top leasing activity in the first quarter of 2023, to 14.7% in the first quarter of 2024. Amazon was primarily responsible for this surge, with numerous MSF+ leases signed throughout the country in the first three months of the year.

Top Industrial Leasing Activity by Sector, 1Q24

Notable 1Q24 Lease Transactions

Tenant	Address	Market	Type	Square Feet	Industry
Amazon	4780 N Cotton Ln.	Phoenix	Direct New	1,222,480	E-Commerce
The Container Store	500 Freeport Pky.	Dallas	Renewal	1,101,500	Consumer Goods/Retailers
Amazon	6120 Clinker Dr.	Inland Empire	Direct New	1,025,132	E-Commerce
Navistar International	2700 W Haven Rd.	Chicago	Renewal	860,100	Manufacturing
CEVA Logistics	80 Micro Dr.	Penn. I-81/78 Corridor	Direct New	856,880	Logistics & Distribution/3PLs

Source: Newmark Research, April 2024
*Note: Based on top leasing activity in markets tracked by Newmark. Manufacturing sector includes automotive, aviation, industrial machinery industries as well.

United States Industrial Demand Rankings

Quarterly net absorption measured 27.9 msf, the softest quarterly total since 2011. Inland intermodal hubs were the primary drivers of net positive absorption this quarter. Over the balance of the year, preleased construction deliveries will continue to contribute positively to quarterly net absorption, although pressures from tenants facing credit loss and right-sizing occupiers subletting or giving space to landlords will detract.

Net Absorption: Top 10 Markets

Market	1Q24 Net Absorption (msf)
Greenville, SC	4.2
Phoenix	4.2
Atlanta	3.7
Salt Lake City	3.3
Penn. I-81/78 Corridor	3.2
Chicago	3.1
Austin	3.0
Nashville	2.6
Richmond	2.5
Houston	2.1
United States	**27.9**

Demand Growth: Top 10 Markets

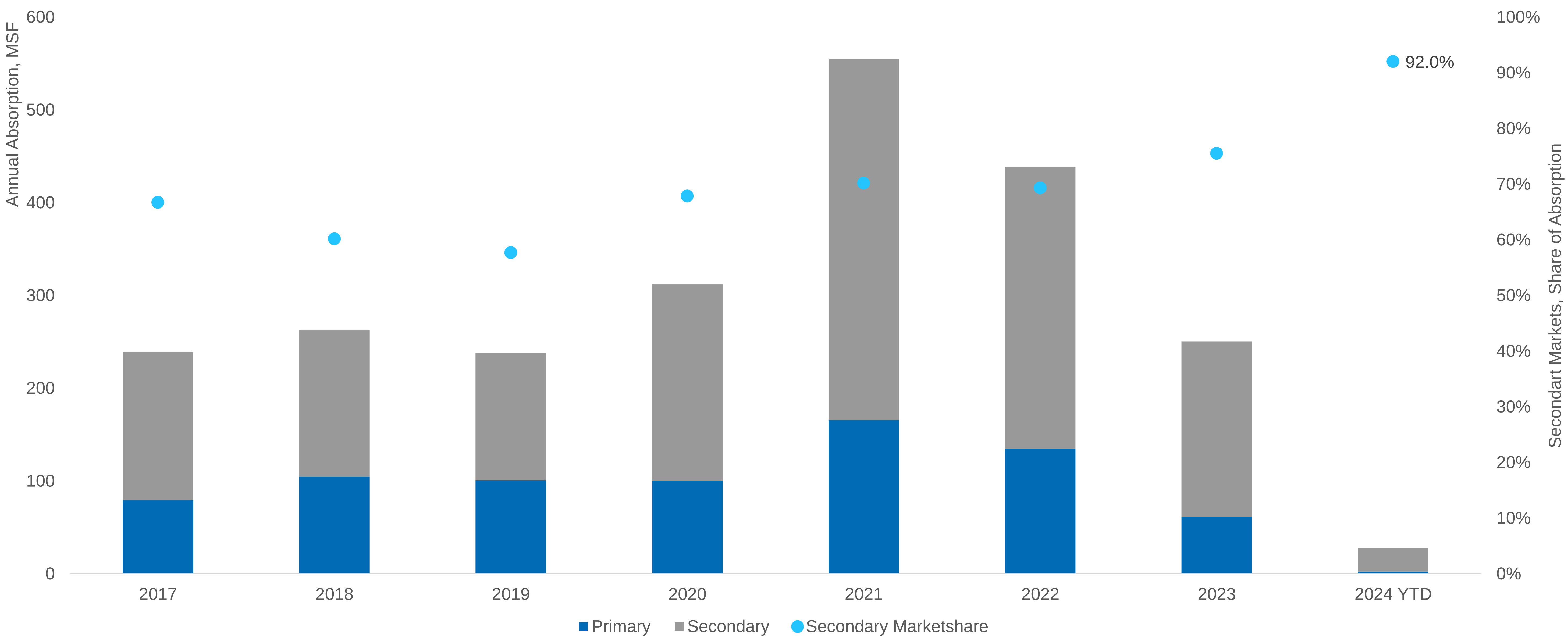
Market	1Q24 Net Absorption (% of Inventory)
Austin	2.3%
Richmond	1.7%
Greenville, SC	1.6%
Salt Lake City	1.1%
Phoenix	1.1%
Nashville	0.9%
Savannah, GA	0.8%
Hampton Roads	0.8%
Penn. I-81/78 Corridor	0.7%
Columbia, SC	0.6%
United States	**0.2%**

Source: Newmark Research, April 2024.

Secondary and Less Expensive Markets Absorb Larger Share of Demand

The Big Five – Atlanta, Chicago, DFW, SoCal and North Jersey – make up about a third of total U.S. industrial inventory and typically account for 35% to 40% of total U.S. annual net absorption. In the first quarter of 2024, the share fell into the single-digits as secondary markets absorbed 92% of net positive absorption.

Annual U.S. Net Absorption by Market Tier

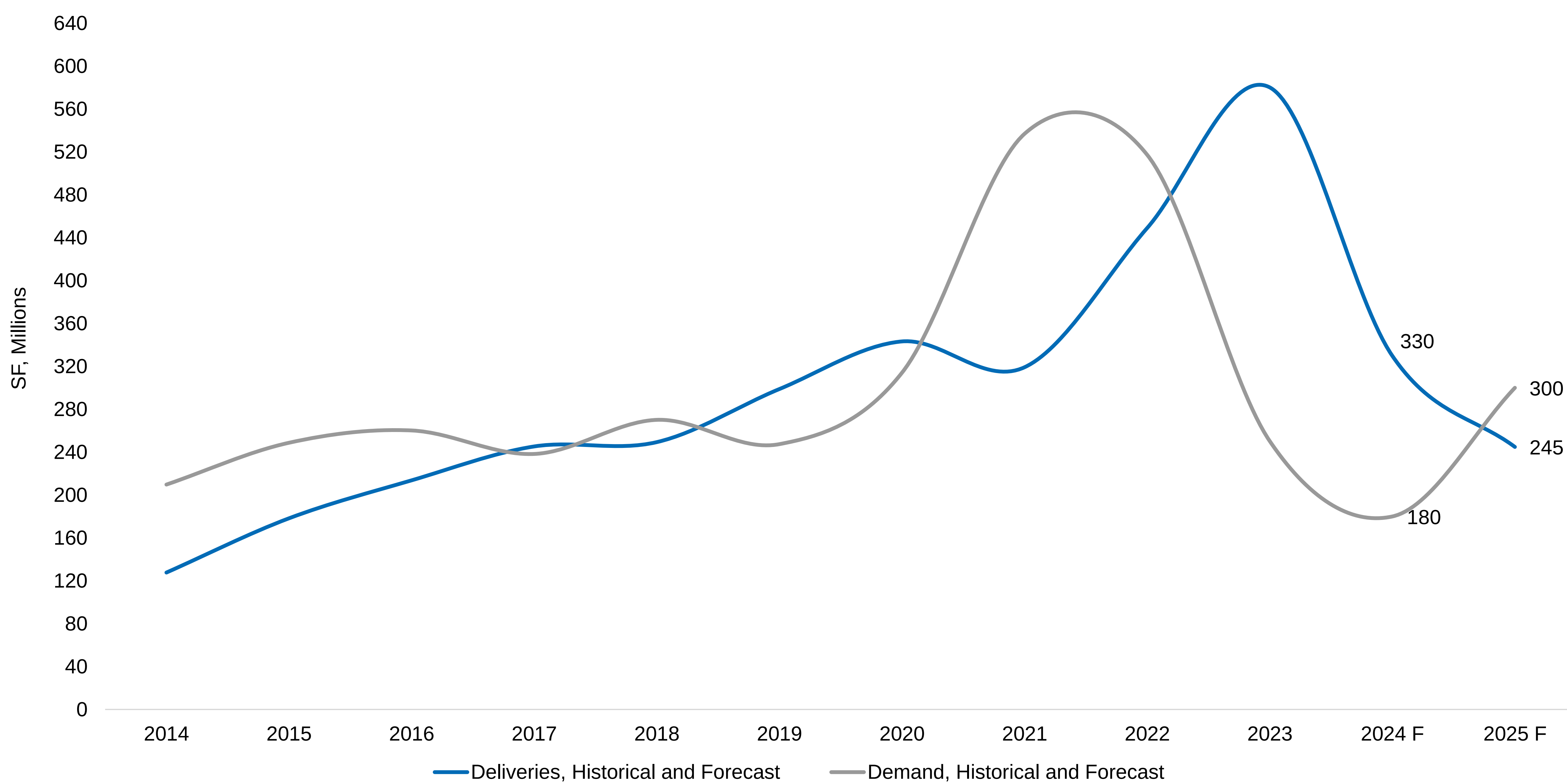


Source: Newmark Research, April 2024.

Supply and Demand Gap Will Narrow over the Next 12 Months

Deliveries will likely continue to outstrip net absorption through 2024. As fewer projects break ground, these two metrics will come back into balance by the end this year, with demand exceeding supply in 2025.

National Industrial Supply vs. Demand

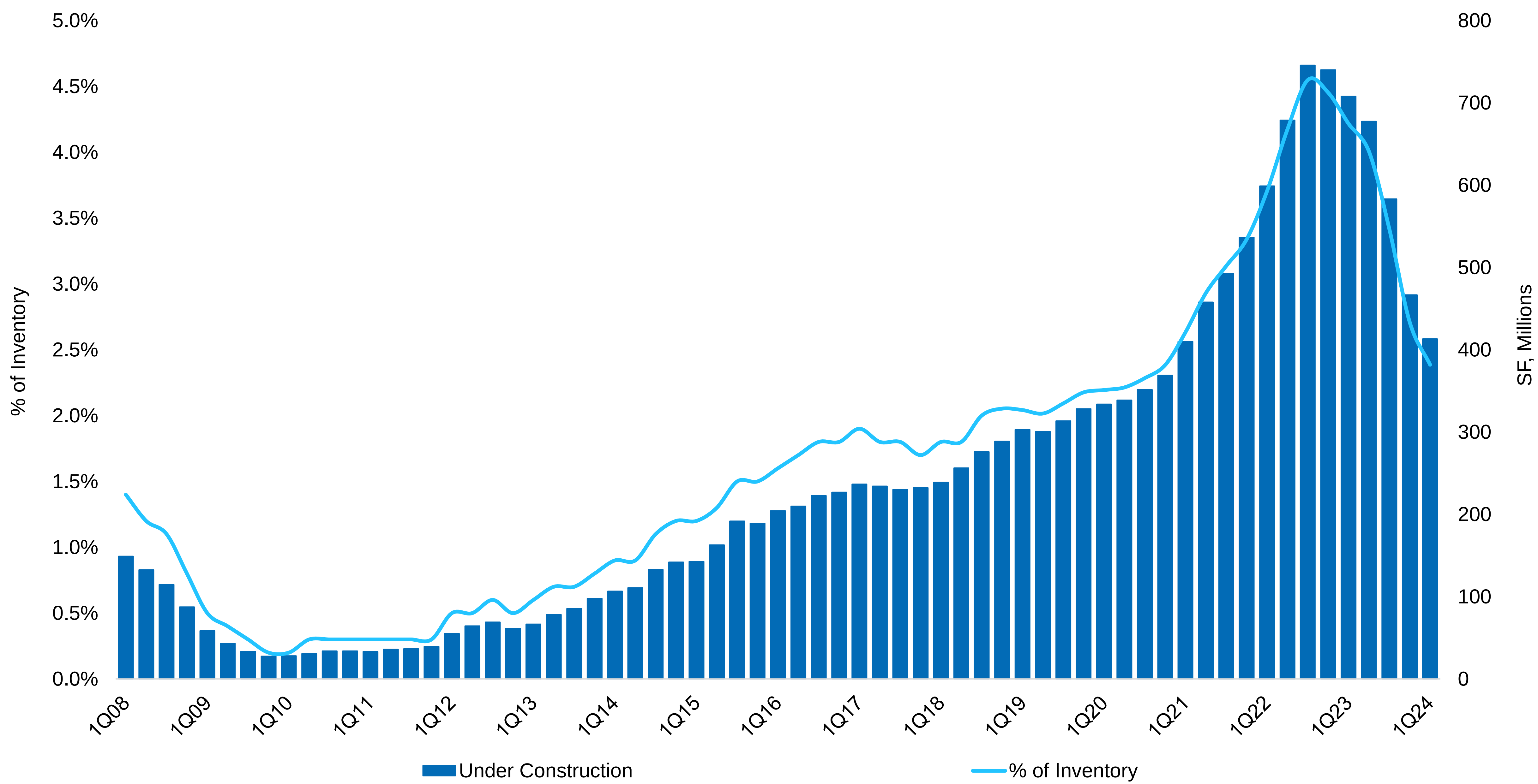


Source: Newmark Research, April 2024.

1.0 BSF Delivered in the Past Two Years, with More to Come (in the Short Term)

Totaling 413 msf in the first quarter of 2024, the pipeline is still approximately 26% higher than measures at year-end 2019 but will likely fall below that level by the end of the year as fewer projects enter the pipeline to backfill.

U.S. Industrial Under Construction and % of Inventory

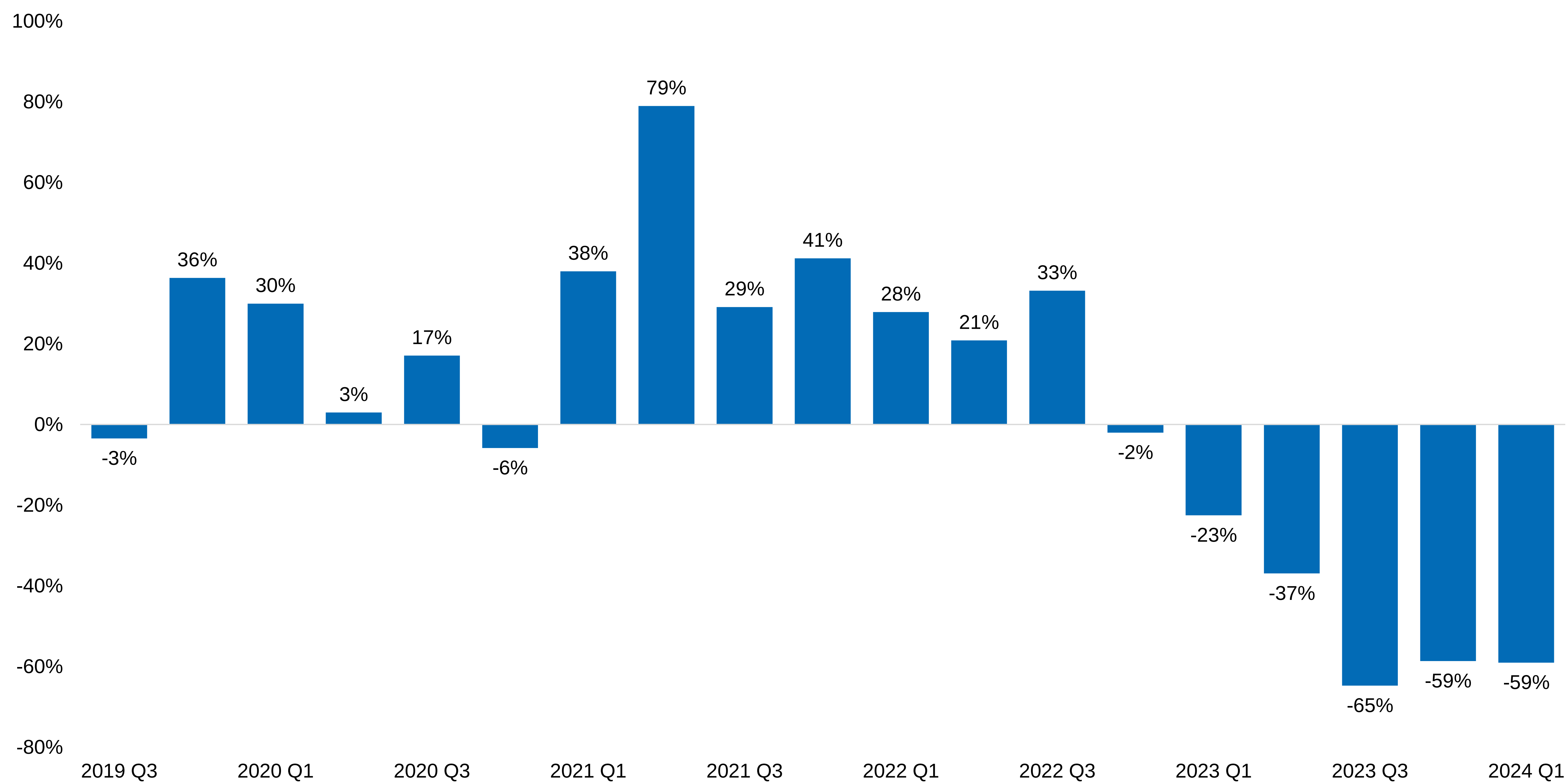


Source: Newmark Research, April 2024.

Starts Still Plummeting on an Annualized Basis; Stabilizing on a Quarterly Basis

The second quarter of 2023 was the last period in which quarterly starts measured over 100MSF; since then, quarterly starts have started to stabilize around +/- 50 MSF and will likely remain at that level or slightly softer for the balance of the year.

Construction Starts, Year Over Year Percentage Change

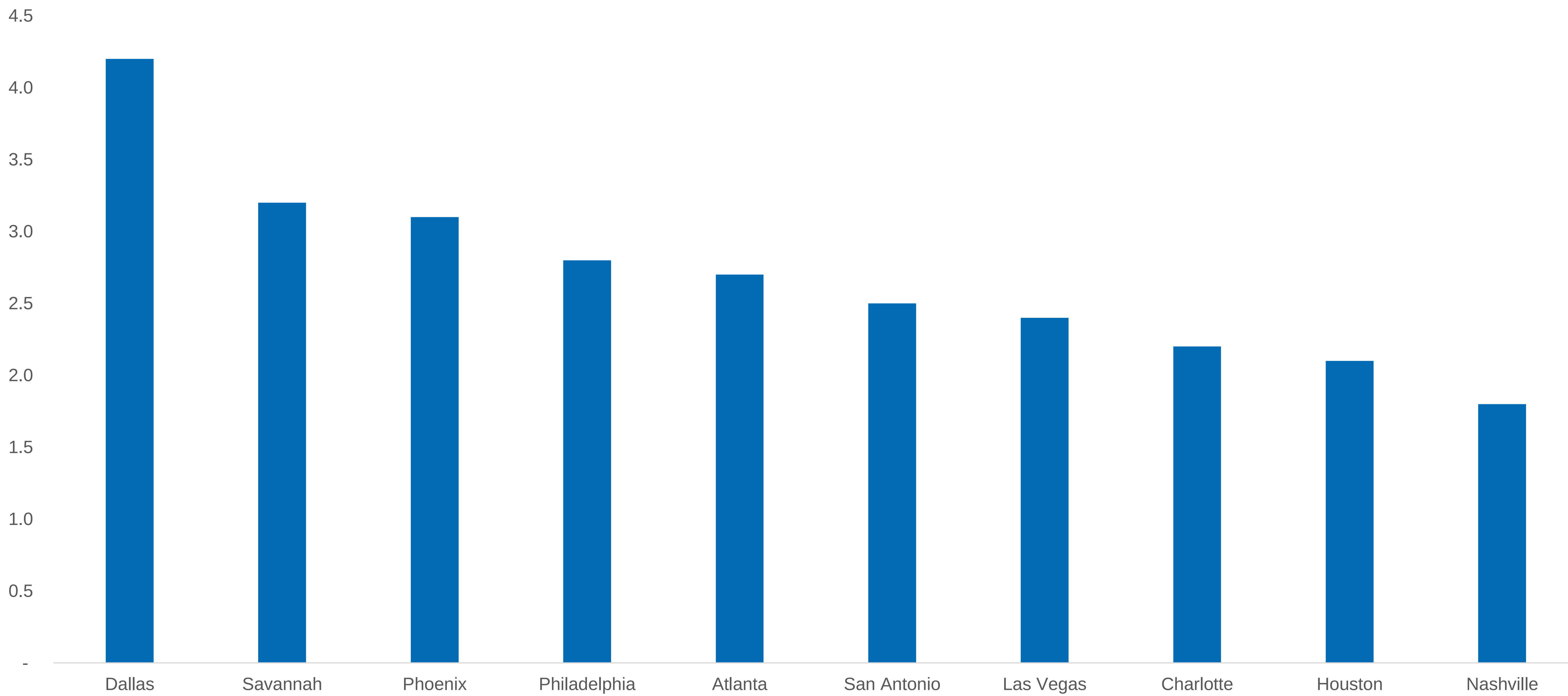


Source: Newmark Research, CoStar. April 2024.

New Starts Are More Measured this Quarter, Even in Dynamic Development Hubs

Only 16 of 52 markets broke ground on more than 1.0 msf of new product in the first three months of the year. Dallas led all markets in new starts, but the roughly 4 msf of new commencements paled in comparison to the 10 msf+ that broke ground in the first quarter of 2023.

Top Markets for New Industrial Starts, 1Q24 (MSF)

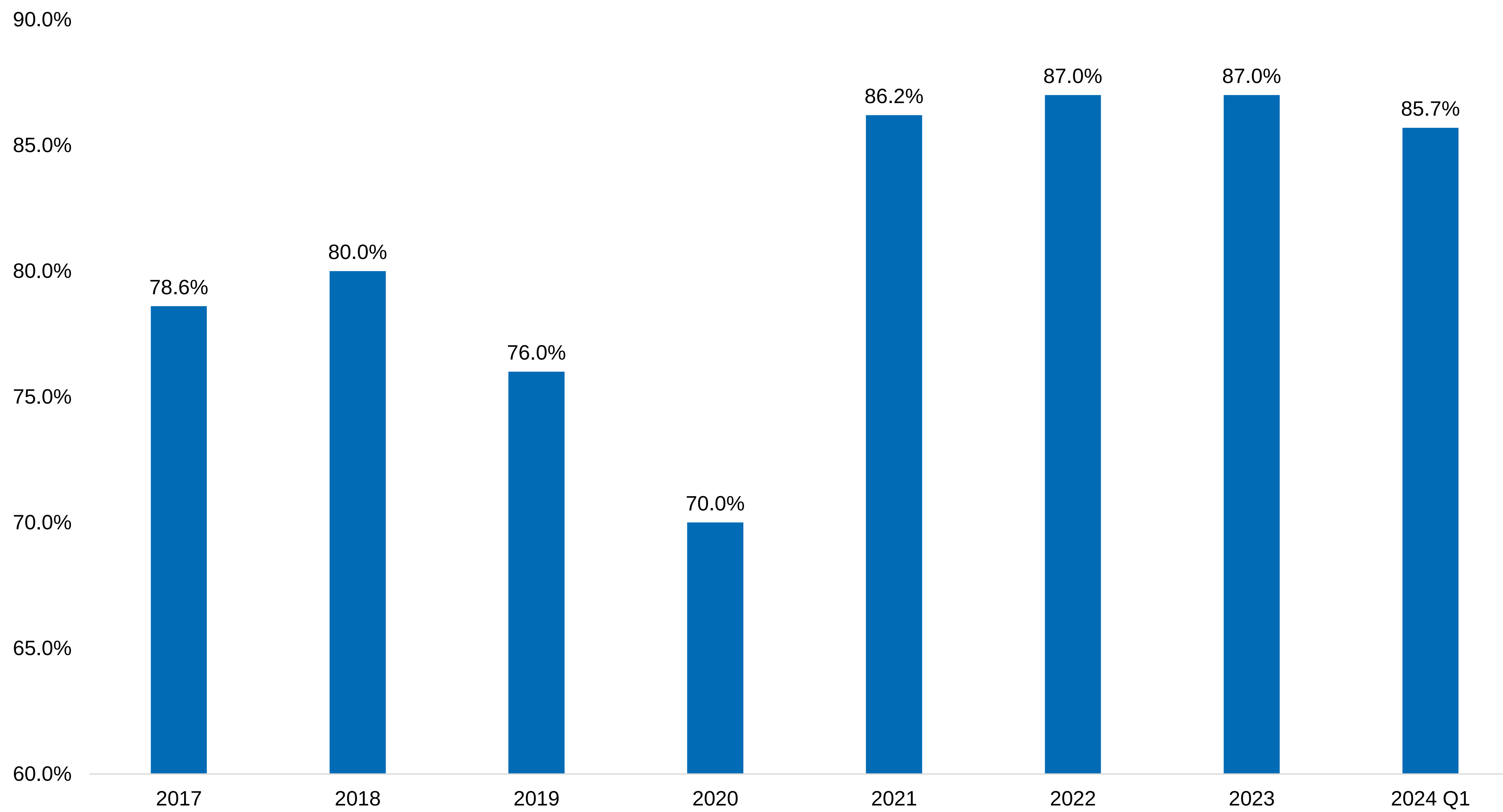


Source: Newmark Research, CoStar, May 2024.

Spec Development Still Comprises Majority of Pipeline, but the Balance is Shifting

New warehouse design is now quite uniform across the country, leading to a rise in speculative construction which offers tenants with immediate-occupancy requirements the agility to move in swiftly. At year-end 2023, the pipeline was 87% spec, a record high. Already in the first quarter of 2024, that share is downshifting. BTS is expected to reclaim further share; some major developers have recently announced an estimated mix of starts growing to 40% BTS during 2024.

Speculative Share of the Industrial Development Pipeline

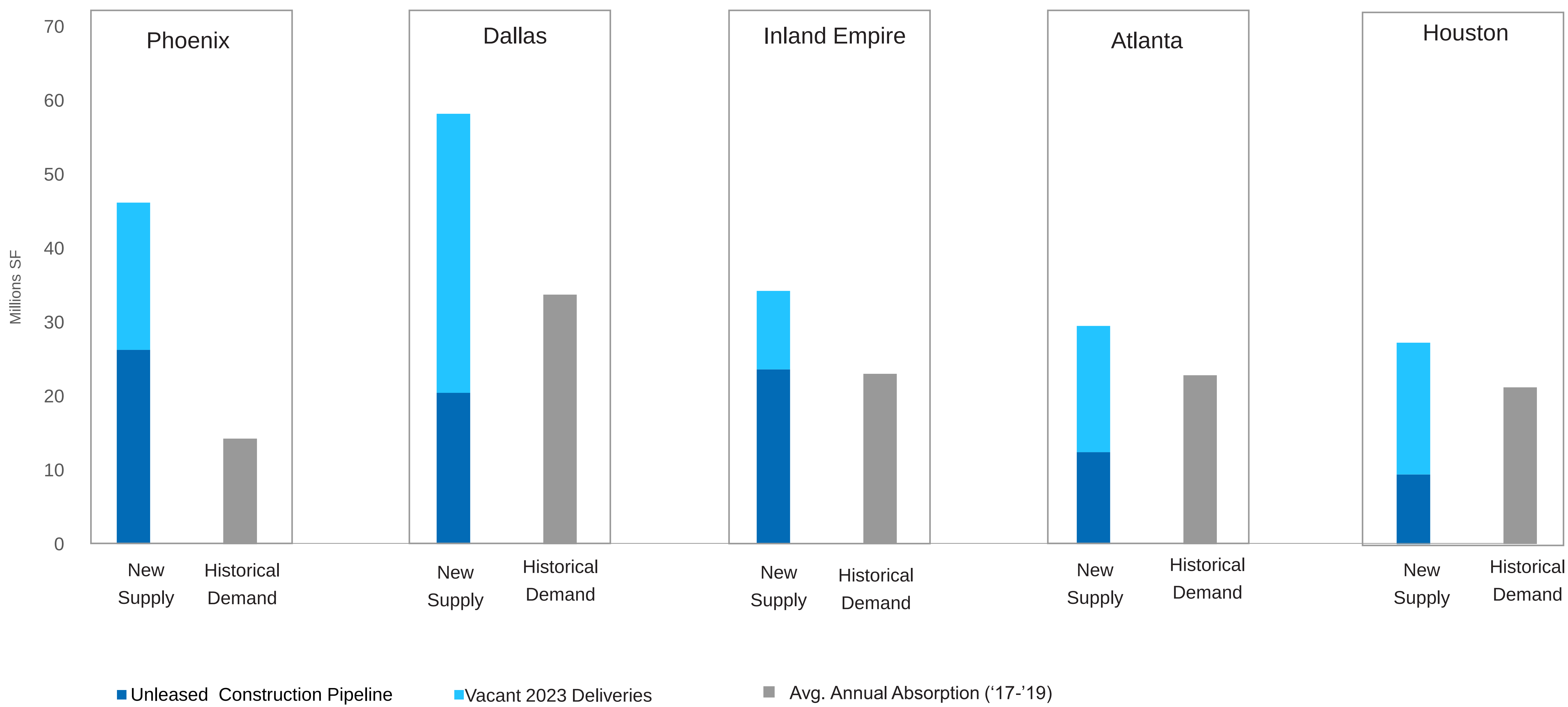


Source: Newmark Research, April 2024.

Some Markets Will Have More New Space to Work Through Than Others

Just looking at 2023-vintage deliveries that were vacant as of 1Q24 and the unleased portion of the construction pipeline in comparison to annual historical demand, some markets have years of brand-new supply to work through.

1Q24 Vacant 'New Supply' and Historical Demand Performance, Top Development Markets

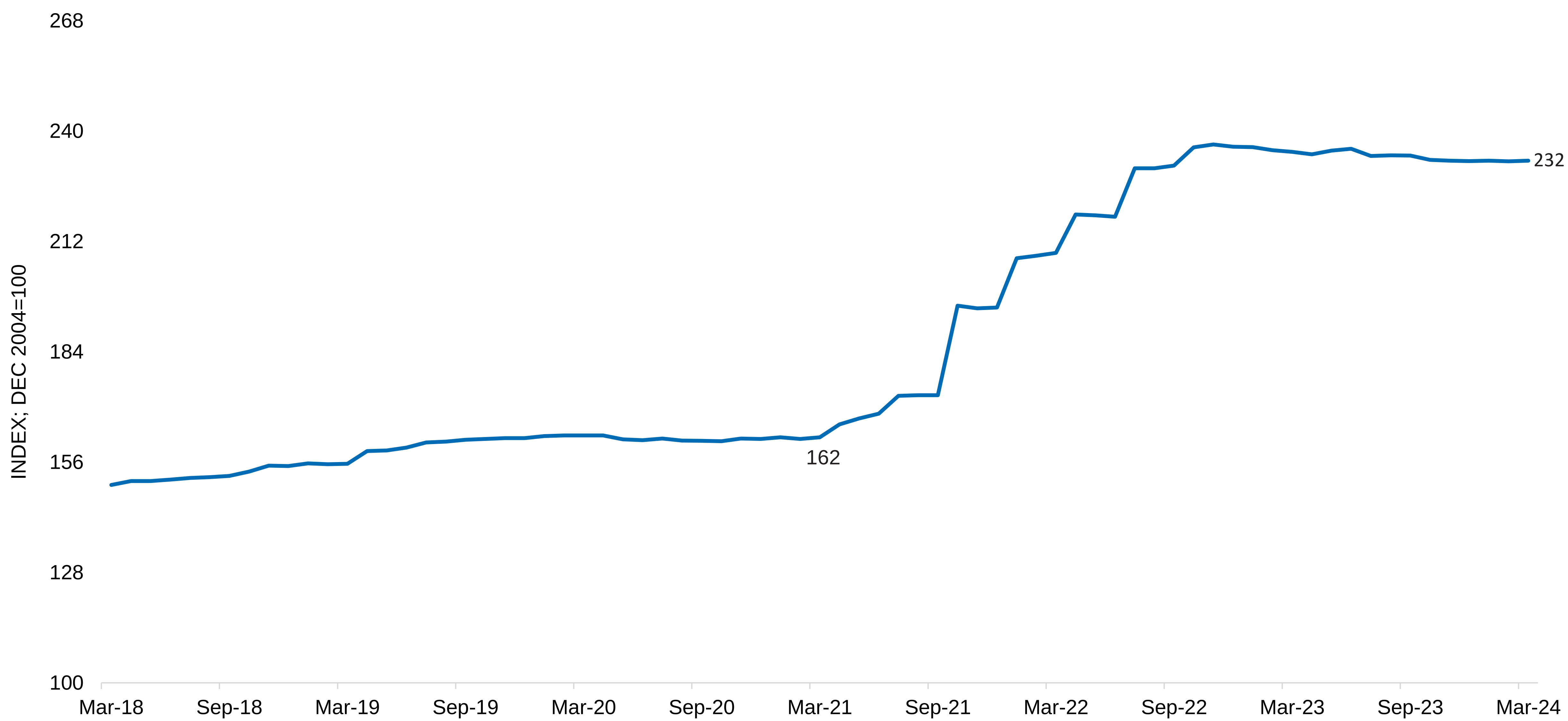


Source: Newmark Research, April 2024.

Warehouse Construction Costs Have Not Meaningfully Come Down

Industrial construction projects of all stripes are significantly more expensive to build now than in previous years. Warehouse construction-input costs have only declined around 1% in total year over year.

Producer Price Index: New Warehouse Building Construction

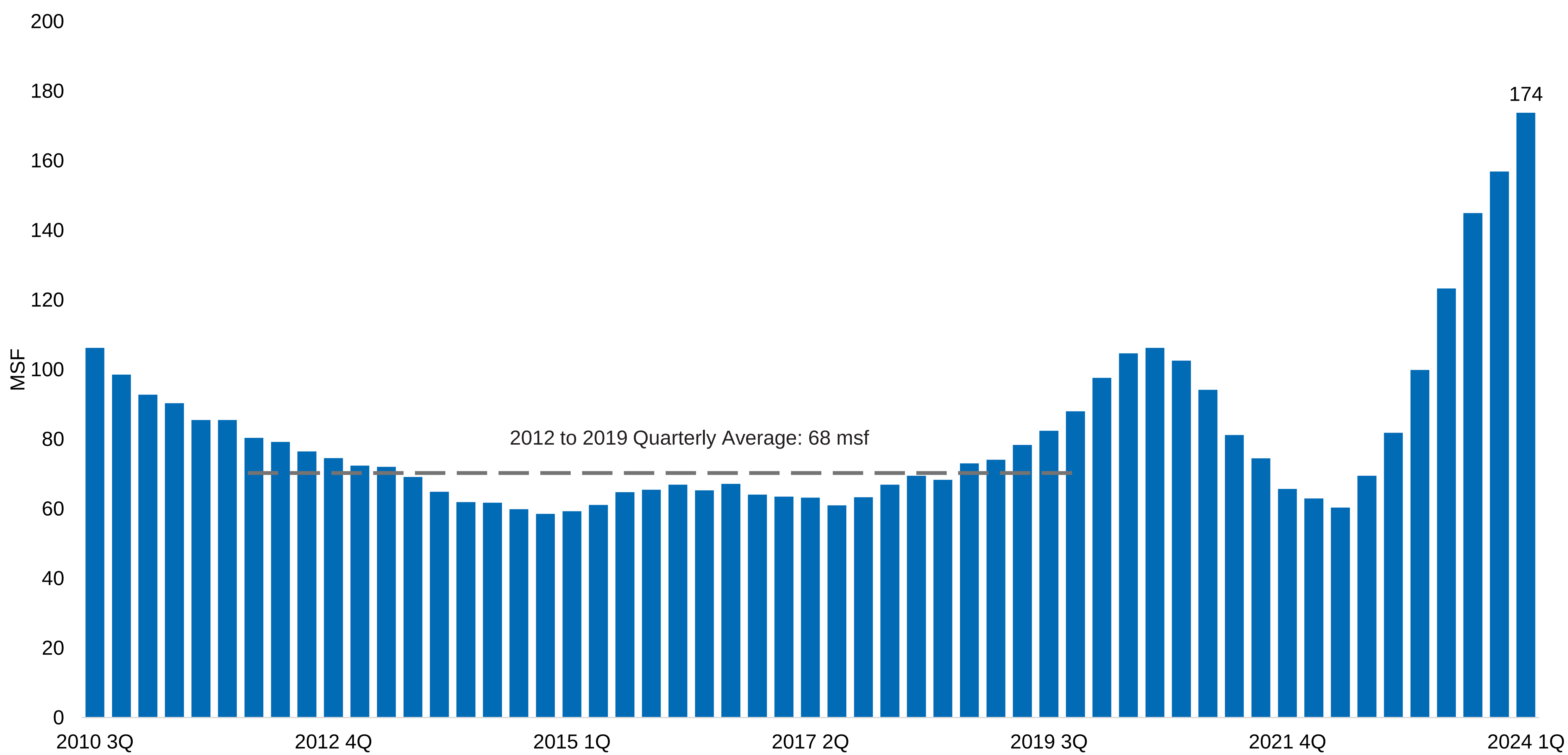


Source: Newmark Research, St. Louis Federal Bank, RSMeans, April 2024.

Industrial Sublease Availability Still Growing

Sublease volume grew to a new high of 174 MSF in the first quarter of 2024. Nationally, sublease volume accounts for 12% of total availability, but the impact is highly market-specific. Approximately 25% of the nation's sublease space is in Dallas and SoCal (Los Angeles and the Inland Empire); the Inland Empire is particularly affected, with sublease making up 30% of total availability.

Available Industrial Sublease Volume



Source: Newmark Research, April 2024.

United States Industrial Vacancy Rankings

The national vacancy rate increased to 6.0% in the first quarter of 2024, up from 4.0% charted one year ago. Mirroring the national trend, all but one industrial market (Broward County, FL) experienced increased vacancy year over year as new construction delivers and demand moderates.

Lowest Vacancy: Top 10 Markets

Market	1Q24 Vacancy
Miami	2.9%
Los Angeles	3.0%
Orange County, CA	3.3%
Richmond	3.6%
Jacksonville	3.9%
Detroit	3.9%
Milwaukee	4.0%
Hampton Roads	4.0%
Salt Lake City	4.0%
Cleveland	4.3%
United States	**6.0%**

Most Minimal Changes in Vacancy 1Q23 to 1Q24: Top 10 Markets

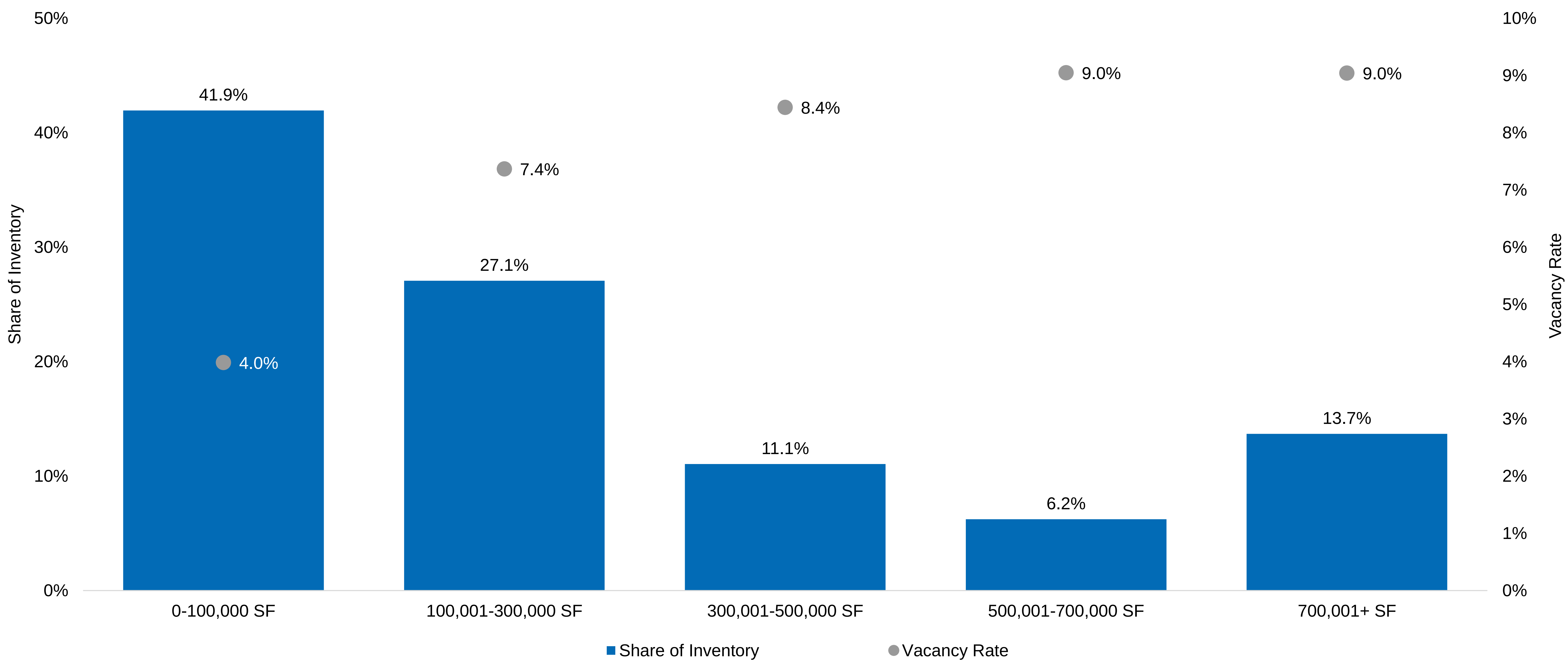
Market	1Q23-1Q24 Vacancy Change (BPS)
Broward County, FL	-21
Jacksonville	10
Baltimore	11
St. Louis	60
Miami	63
Long Island	64
Pittsburgh	67
Cleveland	70
Chicago	73
Silicon Valley	79
United States	**200**

Source: Newmark Research, April 2024.

The 100,000 SF and Under Segment is the Bedrock of the Market

The sub-100,000-square-foot building tranche, inclusive of small-bay and single-tenant, is the largest in terms of share of inventory and lowest in vacancy and contains a significant portion of the industrial buildings built before 2000. This segment is growing the slowest, as economies of scale and recent surging demand drove development in larger size categories

1Q24 Industrial Vacancy Rate by Building Size

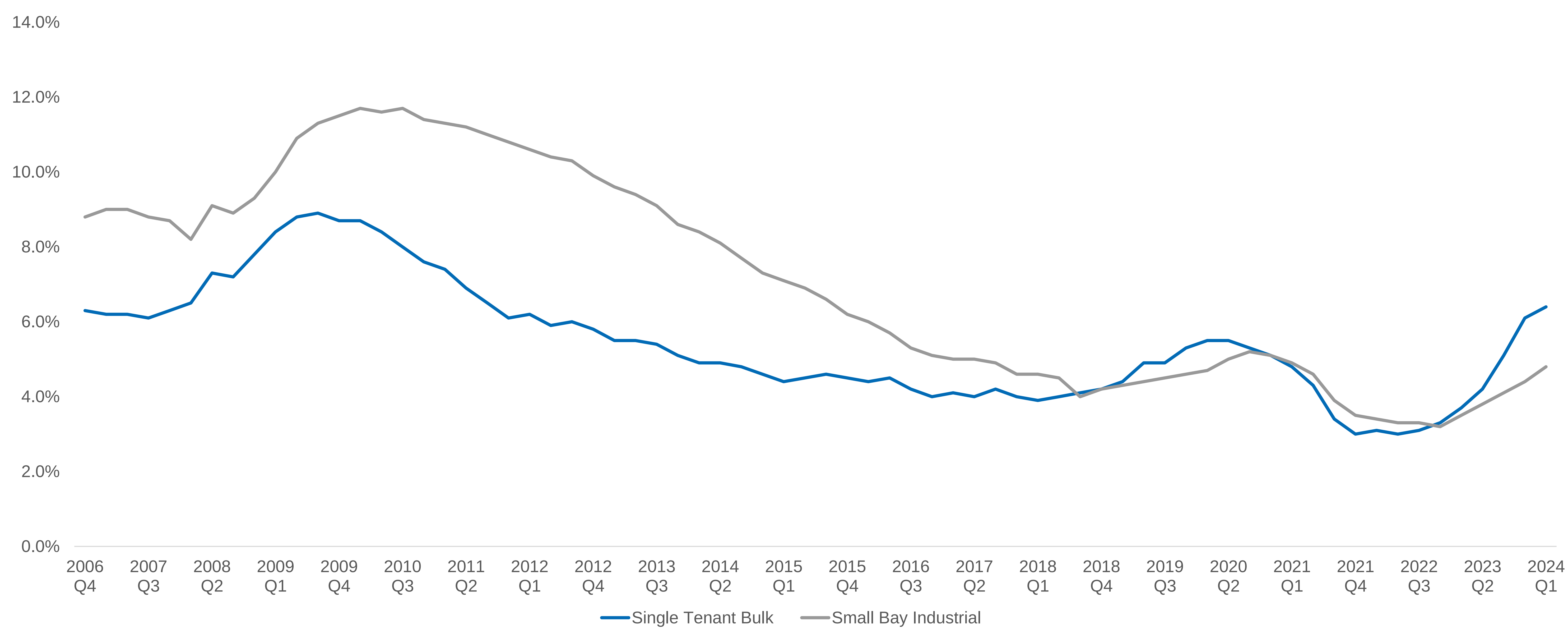


Source: CoStar, Newmark Research, April 2024.

Small Bay Industrial is a Significantly Tighter Market than Bulk Distribution

Small businesses are the foundation of the industrial market, fostering consistent demand for small-bay product, albeit with a higher risk profile – making the segment more susceptible to economic vicissitudes, as witnessed by the slower recovery from the GFC. Currently, the sector's resiliency is due to supply dynamics. While 100MSF+ of small-bay industrial product has been added to the market since 2020, that volume is dwarfed by 1.1 BSF of single tenant bulk warehouse added over the same time.

Small Bay Industrial vs Bulk Warehouse, Historical Vacancy Performance

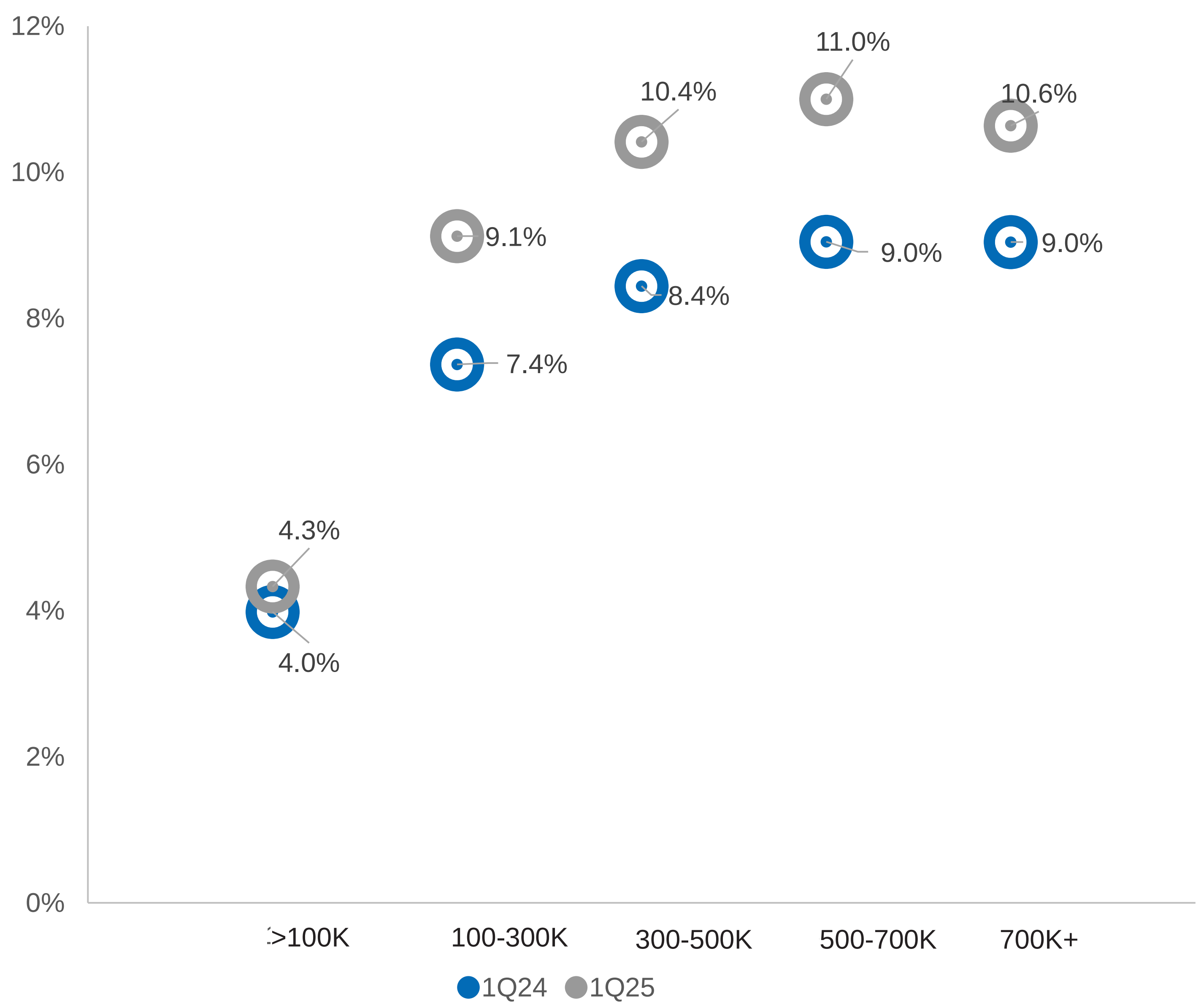


Source: Newmark Research, April 2024. Small bay industrial, 100K and under multitenant properties divisiblee to 10K. Bulk warehouse– single tenant warehouse buildings 200K+

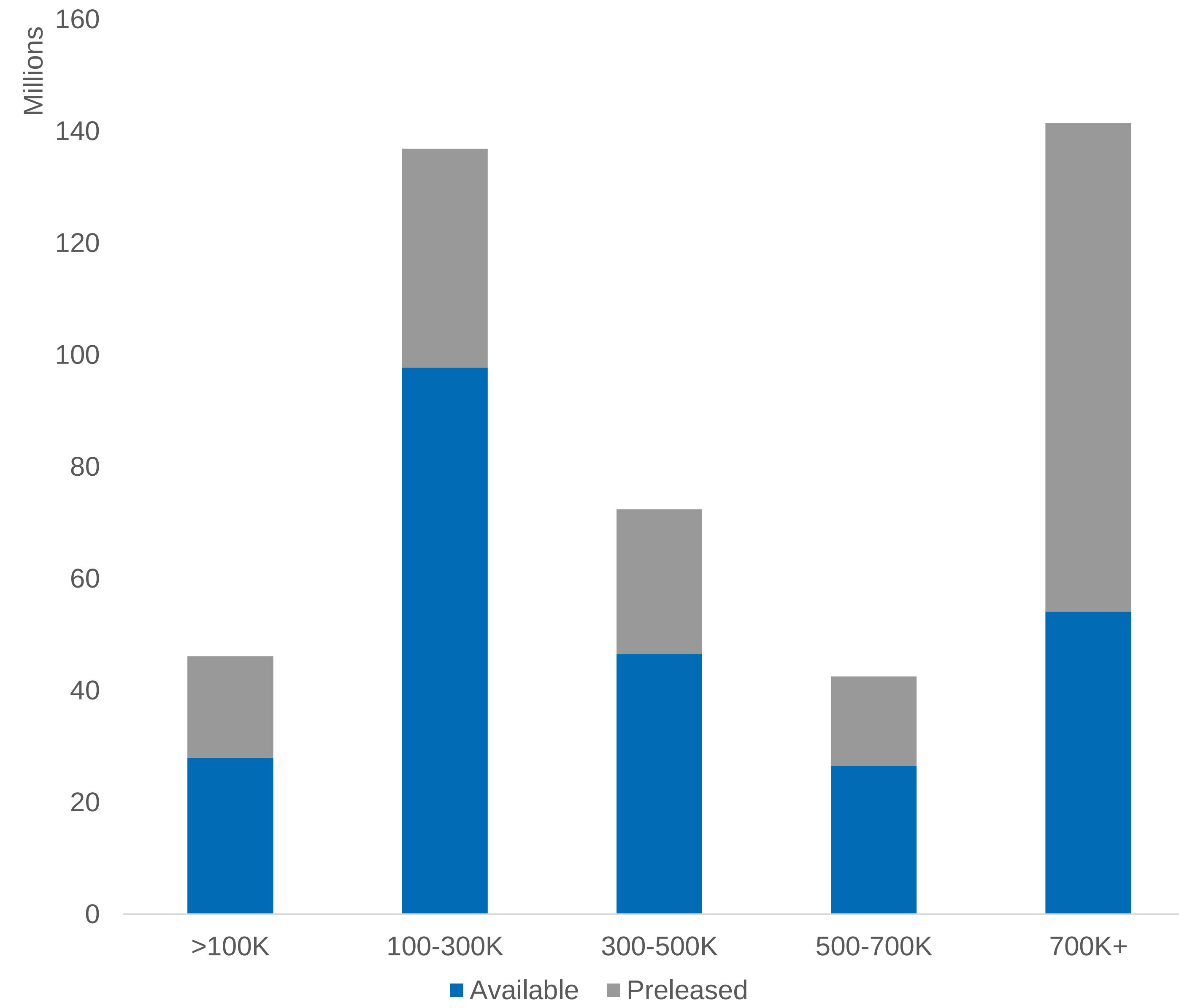
Vacancy for Bulk Industrial Product Likely to Rise to Double Digits

Examining development and preleasing velocity by size tranche, vacancy is expected to rise the most in 300-700K size segments as product delivers vacant. Taking a hypothetical downside scenario of no new preleasing over the next year, vacancy could exceed 10% in product over 300K. Although the 700K+ segment has the greatest volume of square footage in the pipeline (by a hair), it also has the strongest preleasing rate at 62%.

Vacancy Rate Projections by Size Range, Downside Scenario



Construction Pipeline and Preleasing Breakdown by Size Range, 1Q24

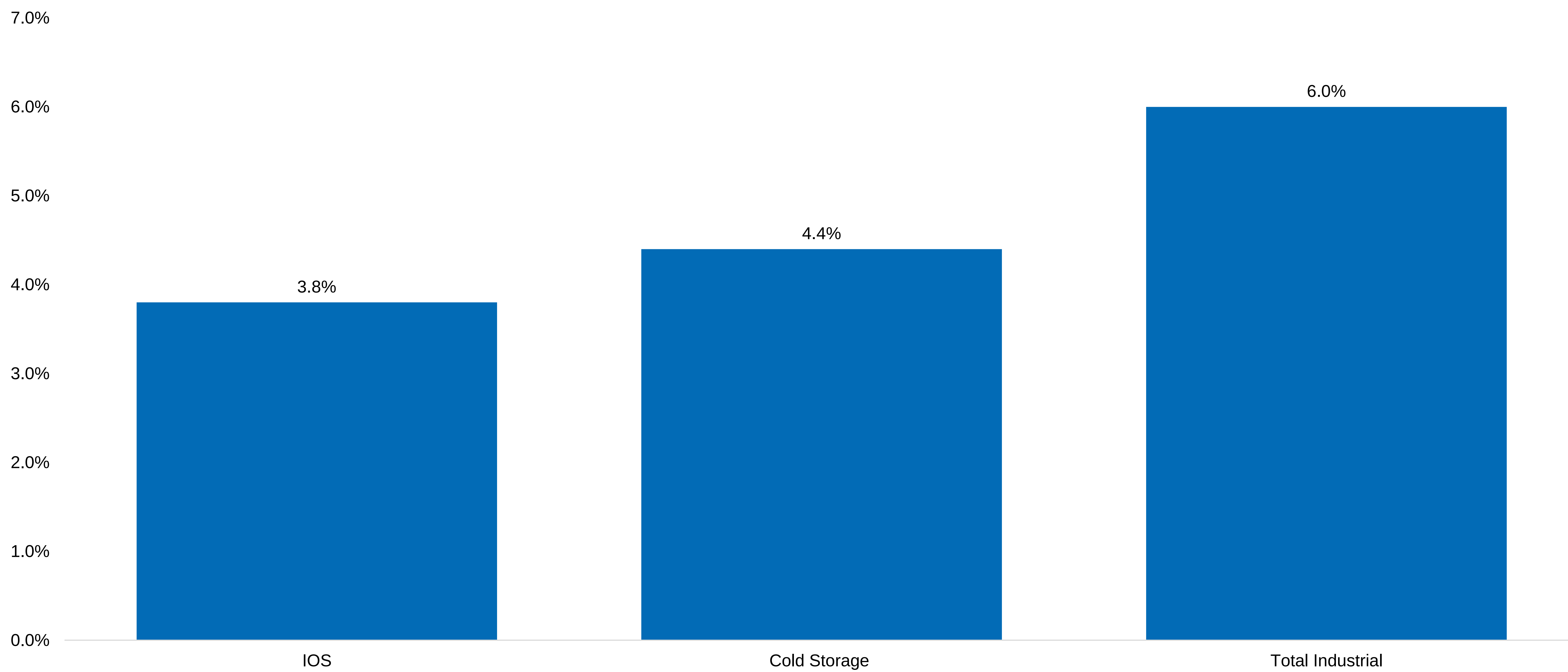


Source: Newmark Research, April 2024.

Vacancy is Lowest in Alternative Industrial Sectors

Fundamentals in niche industrial sectors such as industrial outdoor storage (IOS) and temperature-controlled warehousing/distribution are tighter than the overall industrial average, owing to limited supply with high barriers to new development, coupled with consistent demand.

1Q24 National Vacancy Rate (%), Select Alternatives and Total Industrial

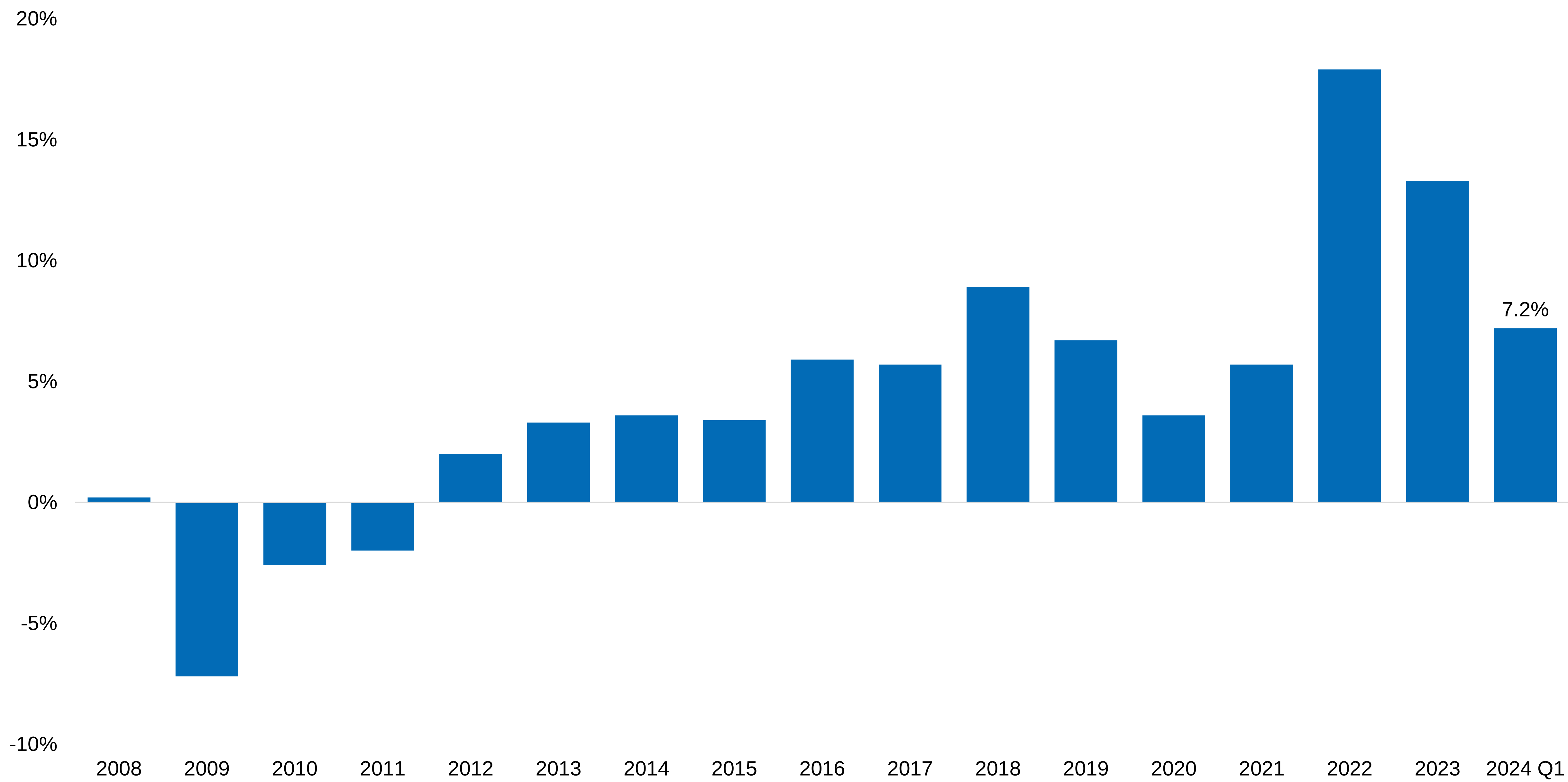


Source: Newmark Research, CoStar, April 2024.

Industrial Asking Rents: Growth Year over Year, Essentially Flat Quarter over Quarter

Average asking rents closed the first quarter of 2024 7.2% above levels in the first quarter of 2023. While rent levels remain sticky in many markets, higher-priced quality space coming online in larger quantities is contributing to higher asking rent growth averages. That said, quarterly movement in rents was flat, indicating flat-to-softening measures ahead.

Year-Over-Year Industrial Asking Rent Growth



Source: Newmark Research, April 2024.

United States Industrial Asking Rent Rankings

Industrial markets across the U.S. are still realizing annual asking rent growth with only 15 of 52 markets seeing flat or lower average asking rents in 1Q24 compared to 1Q23. Growing volumes of higher-priced space delivering in markets with traditionally lower, stable rates, such as Nashville and Indianapolis, is boosting rent growth numbers, while constrained coastal port markets like North Jersey are still seeing outsized rent growth on a market average basis.

Highest Asking Rent: Top 10 Markets

Market	1Q24
Silicon Valley*	$28.44
Oakland/East Bay	$20.97
Los Angeles	$19.73
Orange County, CA	$19.55
New Jersey Northern	$16.83
Long Island	$16.75
San Diego	$16.45
Boston	$16.01
Inland Empire, CA	$15.47
Miami	$15.22
United States	**$10.14**

Largest Asking Rent Growth: Top 10 Markets

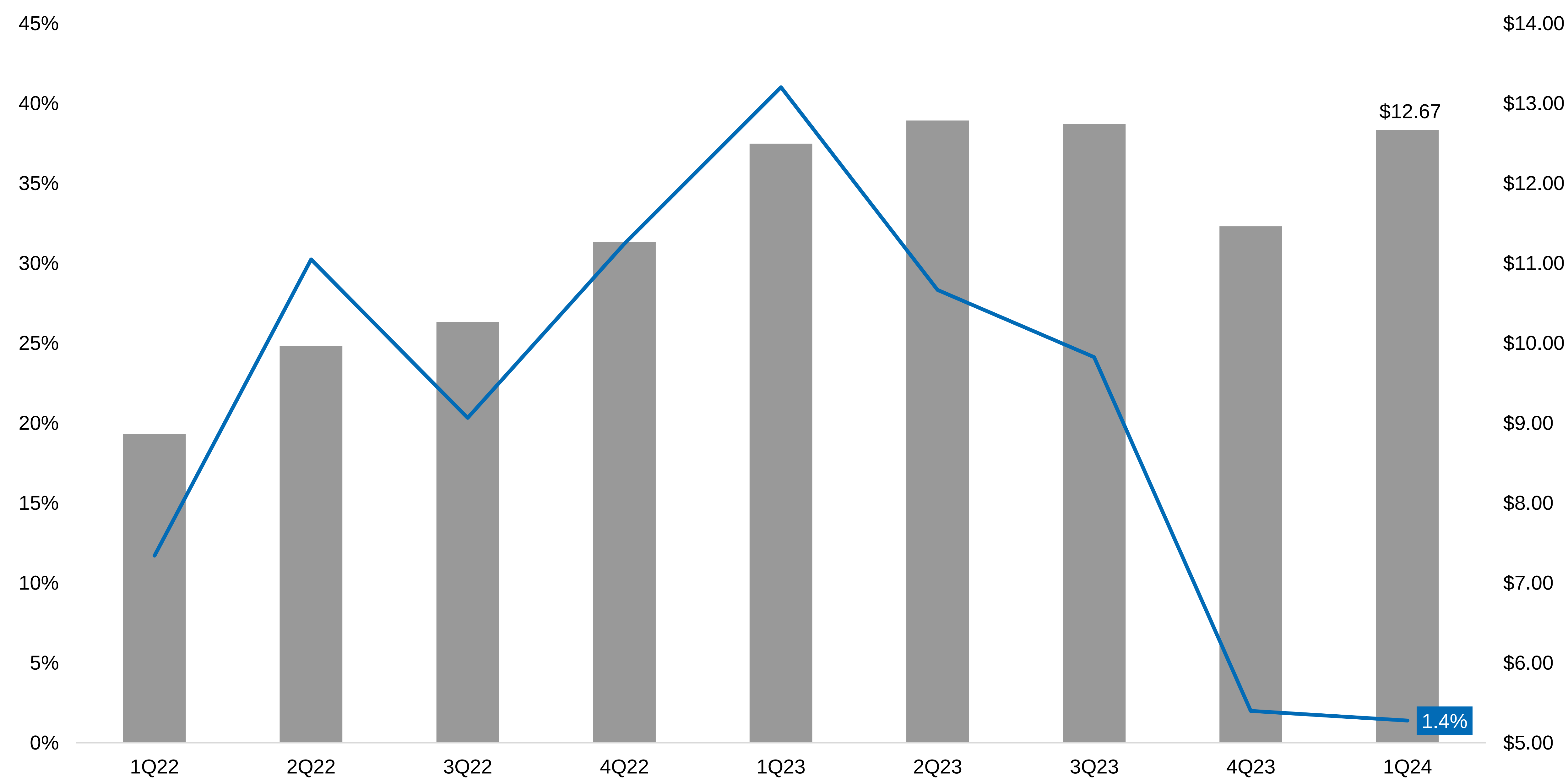
Market	1Q23-1Q24 Pct. Change
Jacksonville	23.7%
Nashville	17.1%
New Jersey Northern	17.0%
Indianapolis	16.4%
Columbia, SC	16.3%
Richmond	15.4%
Greenville, SC	15.4%
Minneapolis	15.2%
Charlotte	15.0%
Raleigh/Durham	14.1%
United States	**7.2%**

Source: Newmark Research, April 2024.
*Note: An outsized share of the Silicon Valley industrial market is R&D space which contributes to the relatively high overall asking rent.

Contract Rents Still Inching Higher on Annualized Basis – For Now

The average weighted U.S. industrial contract rent for new leases was $12.67/SF in the first quarter of 2024, a 1.4% increase year over year but a whopping 43% above measures two years ago. Expectations are for flat rents or minor moderation over the next two quarters, a healthy reset in reaction to large volumes of new space coming to market.

Year-Over-Year Industrial Taking Rent Growth

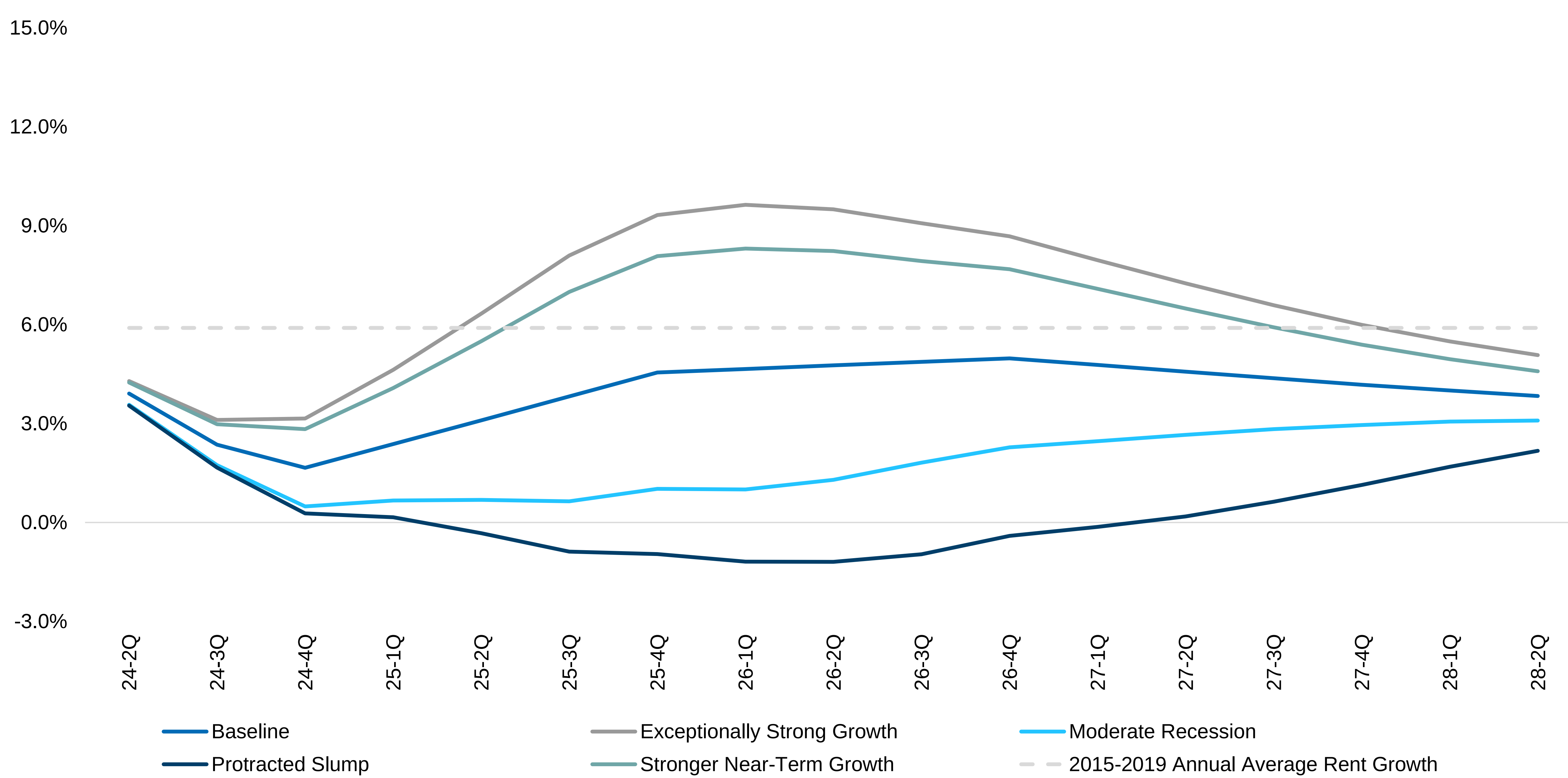


Source: Newmark Research, April 2024. Direct new leases of at least 24 months and 30,000 SF, exclusive of flex. Note that contract rent series are inherently more volatile than asking rent series.

Green Street Industrial Rent Forecast

Mixed economic signals and shifting supply/demand dynamics have clouded rent forecasting. Green Street's effective rent forecasts for 2024 have been successively revised downward for four quarters, and it is more likely that rent growth will turn modestly negative on an annualized basis over the next few quarters before reverting to the baseline forecast in 2025.

Green Street's Top 50 Industrial Markets: Annual Effective Rent Growth Forecasts



Source: Newmark Research, Green Street, April 2024.

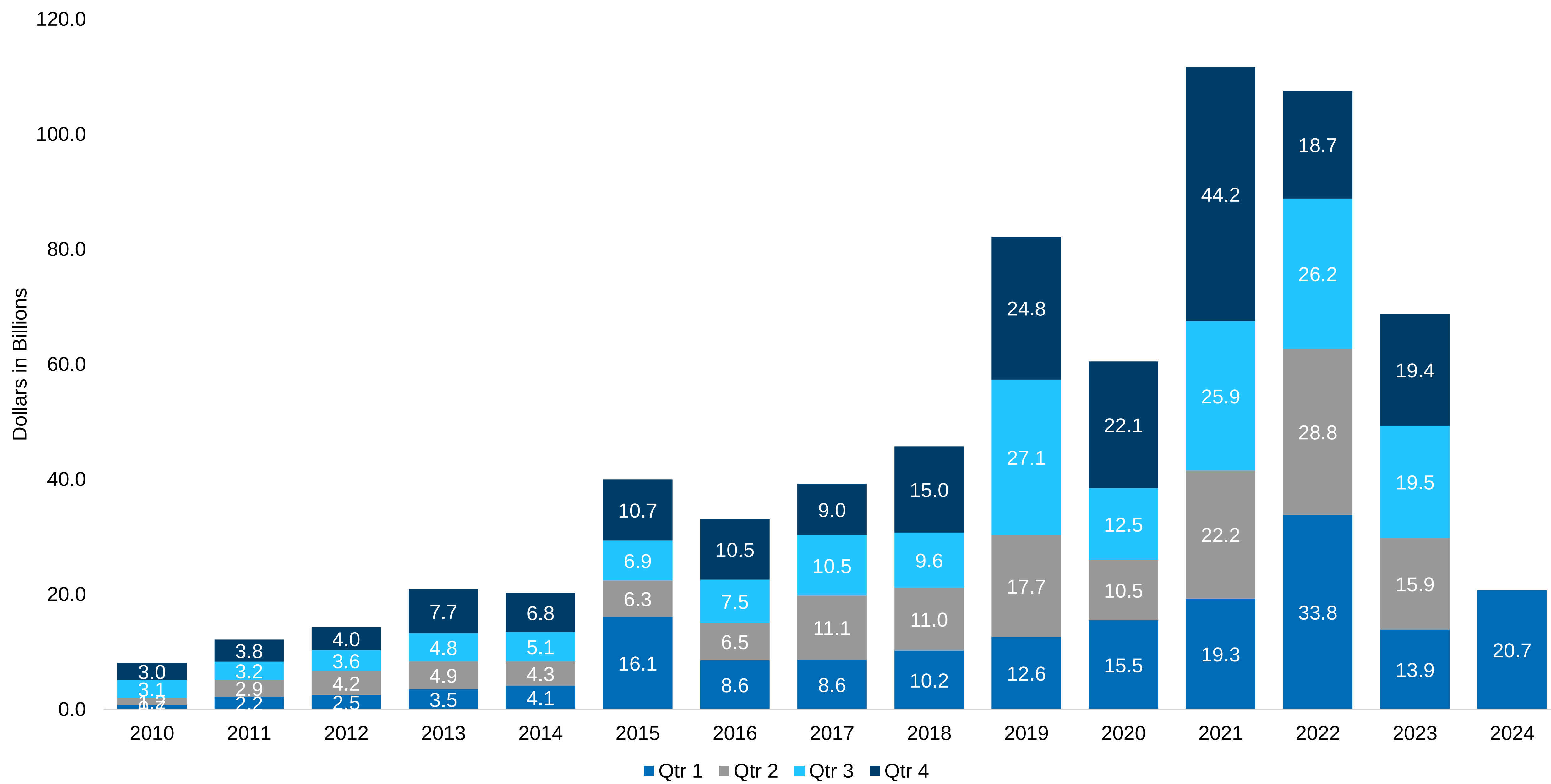
1Q24

Capital Markets

Industrial Debt Originations Rose Sharply 1Q24 – Up 49% YoY

Industrial debt origination volume declined 36% YoY in 2023 but came roaring back in the first quarter of 2024 at an estimated $20.7B, the second highest value recorded in a first quarter. The Mortgage Bankers Association origination survey had similar findings, up 63% YoY, suggesting that this is not just a matter of hopeful econometrics.

Industrial Debt Origination Volume

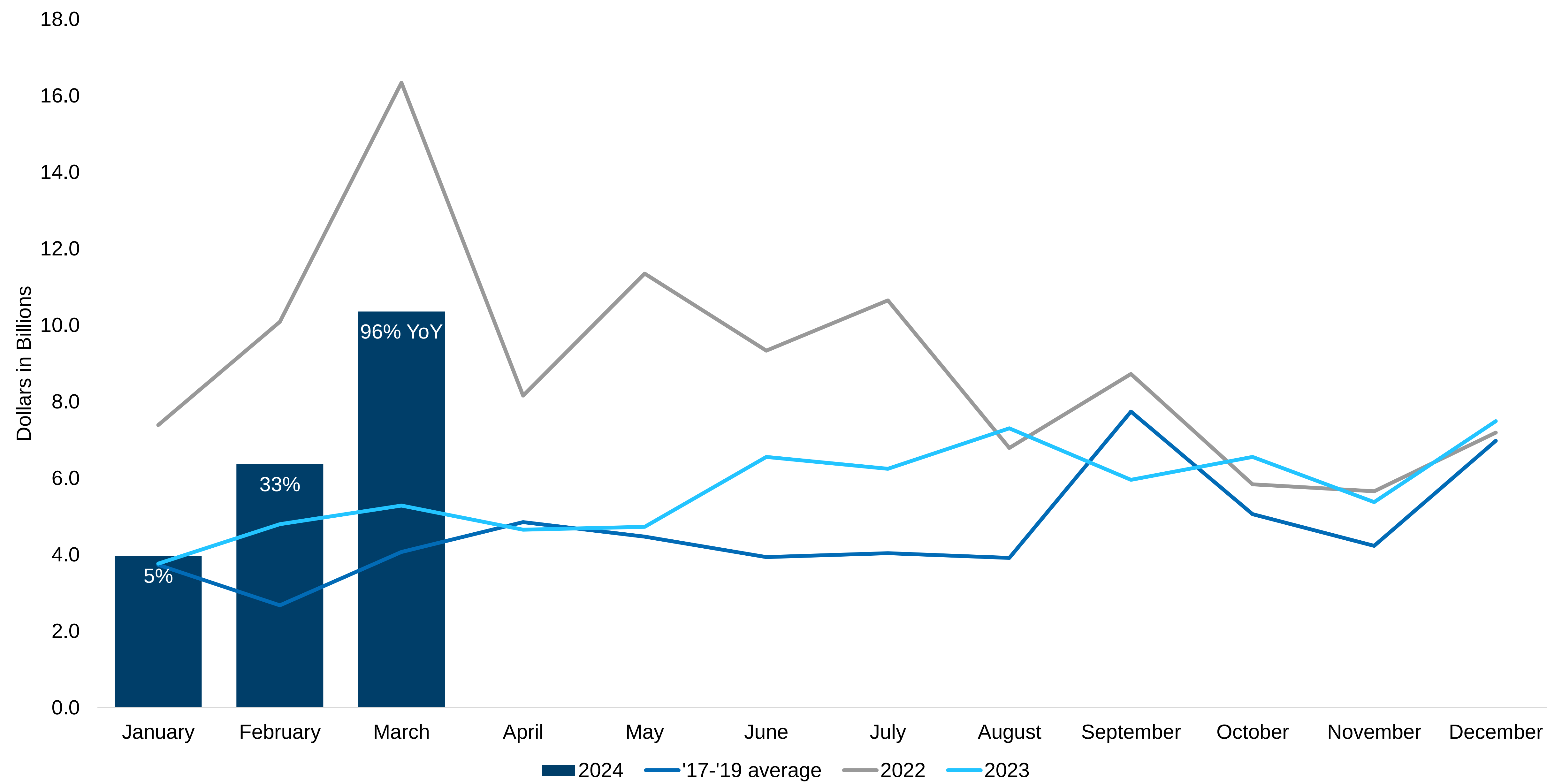


Source: RCA, Newmark Research as of 4/26/2024
Note: loan origination volumes are adjusted for future expected revisions using Newmark's proprietary models
**Excludes construction loans

Originations Accelerated Strongly through 1Q24

Origination volumes were well above both their year-ago levels and the 2017 to 2019 average in February and March. Indeed, March was the best single month for originations since July 2022. The question is whether this momentum can be maintained. That both February and March exhibited such strength is important as it suggests that the activity was not simply a fluke or related to a single situation. At the same time, industrial originations are an outlier in the market at large.

Monthly Industrial Debt Originations Volume*

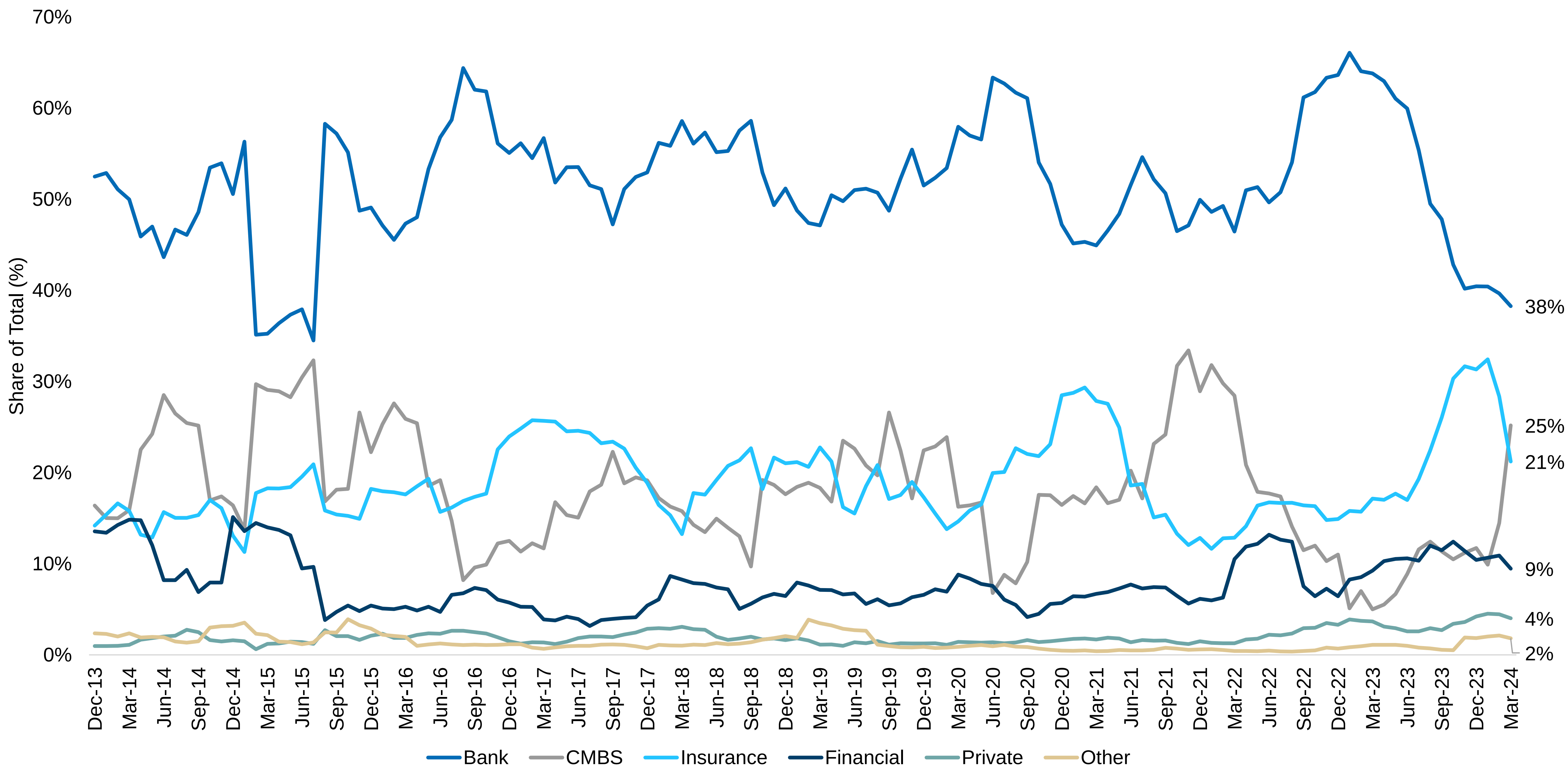


Source: RCA, Newmark Research as of 4/26/2024
Note: loan origination volumes are adjusted for future expected revisions using Newmark's proprietary models
**Excludes construction loans

Bank Share of Originations Has Fallen Sharply in Favor of Insurance, CMBS

While banks remain the largest source of debt capital to the industrial sector, the bank share has fallen from 66% in the six months to January 2023 to just 38% in the preceding six-month period. In 2023, the market saw insurance lenders step into the void left by the banks, albeit not near the same absolute numbers. Now, in 2024, as the bank share has stabilized, there appears to have been a sharp acceleration in origination for securitization.

Origination Share by Lender Group: Rolling 6-Month Average

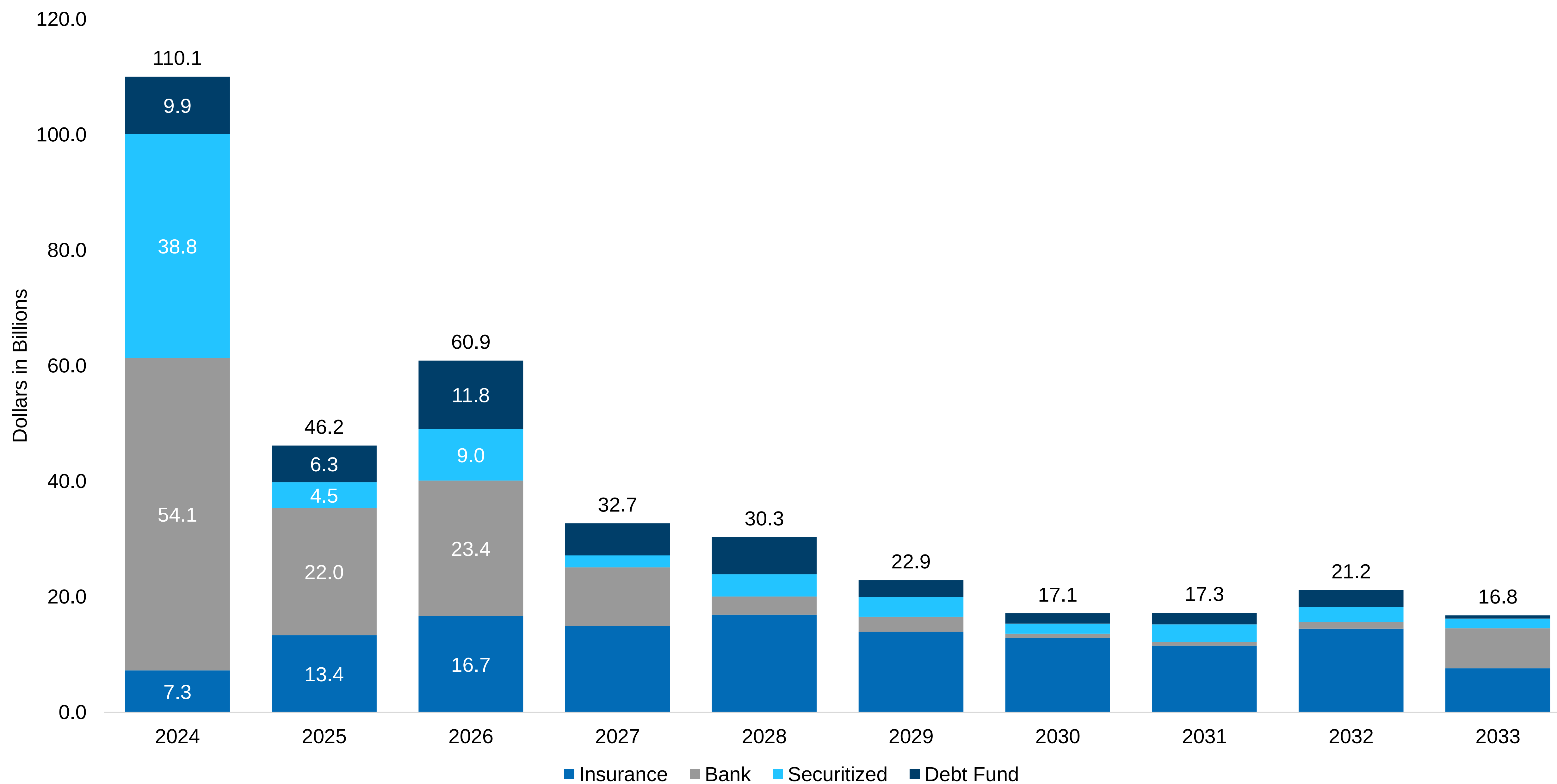


Source: RCA, Newmark Research as of 4/26/2024
Note: loan origination volumes are adjusted for future expected revisions using Newmark's proprietary models
**Excludes construction loans

Market Faces Sizeable Industrial Maturities in 2024 Before Tapering Off

A significant share of 2023 loan maturities has been extended into 2024. To illustrate, the MBA's previous estimate for 2024 maturities was $62B compared to $110B today. Banks represent the largest source of maturing loans over the next several years followed by securitized lending and insurance.

Industrial Loan Maturities by Lender Group*

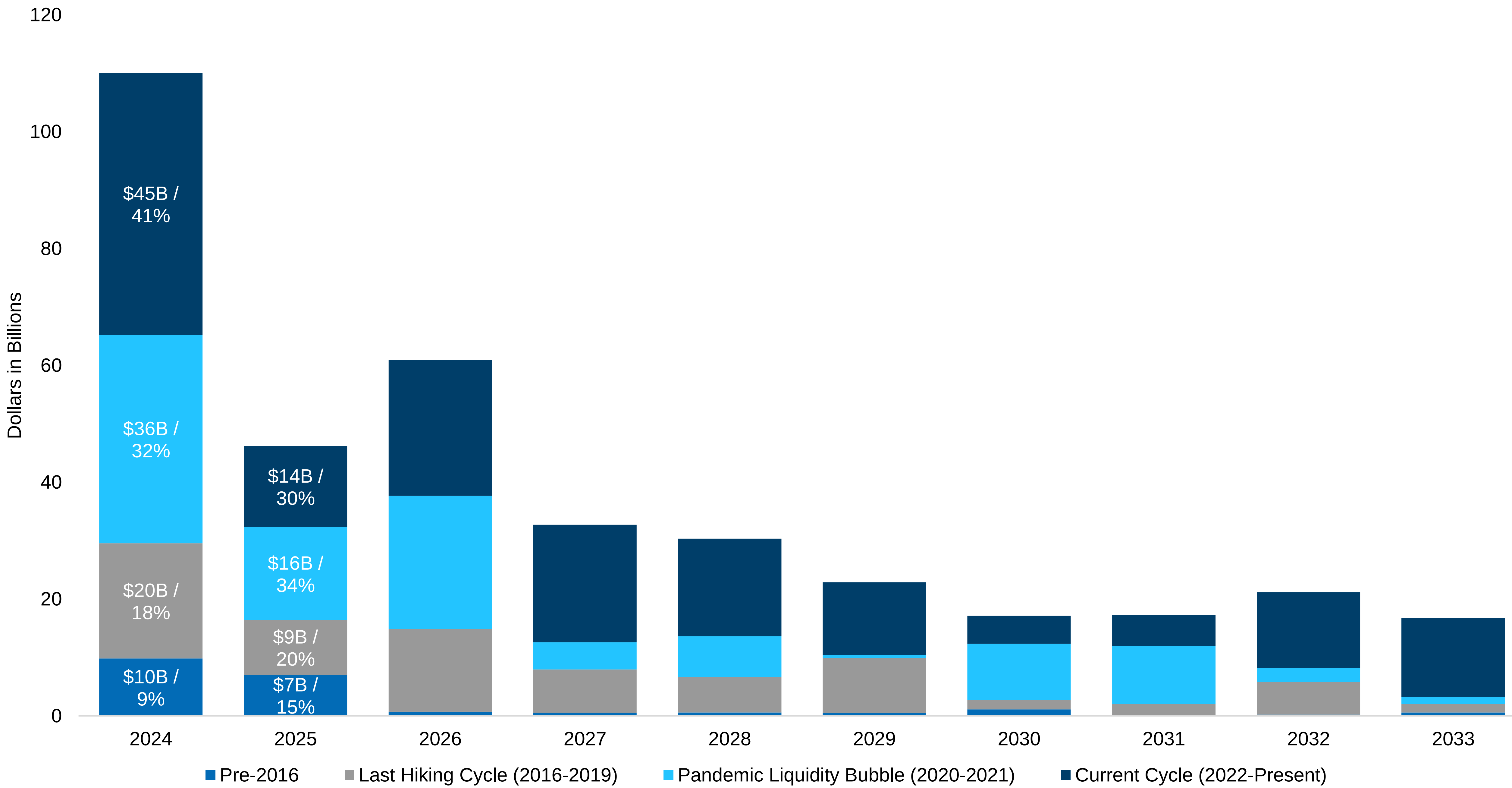


Source: MBA, Trepp, RCA, Newmark Research as of 4/30/2024
*Adjusted for year-to-date estimated loan originations

Post-2020 Loans Dominate Near-Term Maturities

72% of the debt maturing in the 2024-2026 period was originated in 2020 or later. This means much of this debt was originated at record low cap rates and interest rates. Industrial lending and valuations were slower than other property types to “give up the ghost” as rates rose, suggesting greater risk in the current cycle lending as compared to other sectors.

Industrial Loan Maturities by Origination Period*

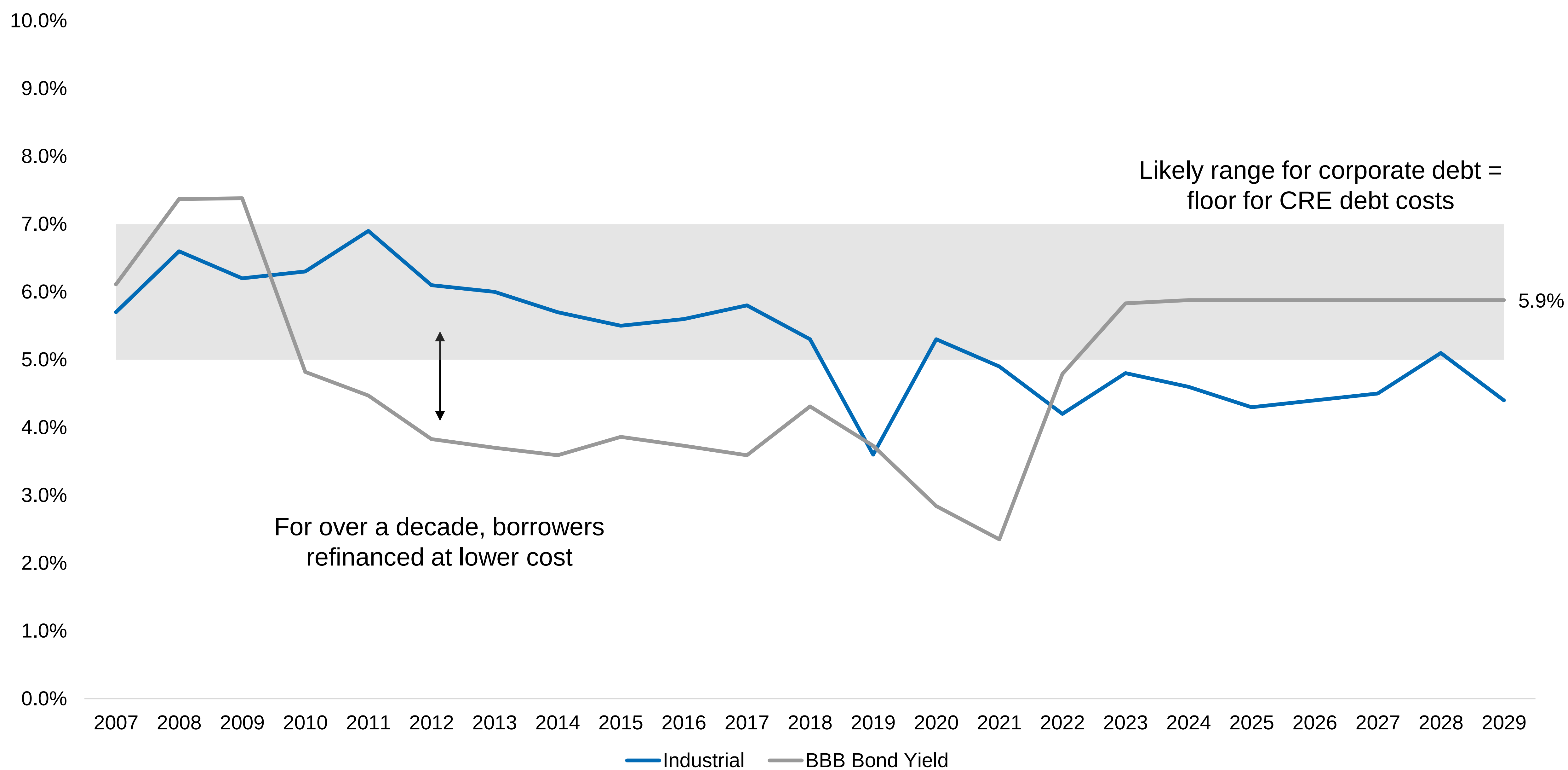


Source: MBA, Trepp, RCA, Newmark Research as of 4/30/2024
*Adjusted for year-to-date estimated loan originations

Maturing Loans Face Significantly Higher Costs, Driving Payment Stress

Corporate debt yields have come down sharply in recent months from the top of our projected range to near the bottom. This has carried through into some segments of CRE debt. Even so, maturing fixed-rate CRE debt continues to face negative roll yield on refinancing. In some cases, organic deleveraging will have made it possible for higher interest expenses to be absorbed; but where values have been stable or declining, sponsors will need to inject equity or else face the prospect of defaulting.

Weighted Average Interest Rate on Maturing Debt vs. Prevailing Bond Yields

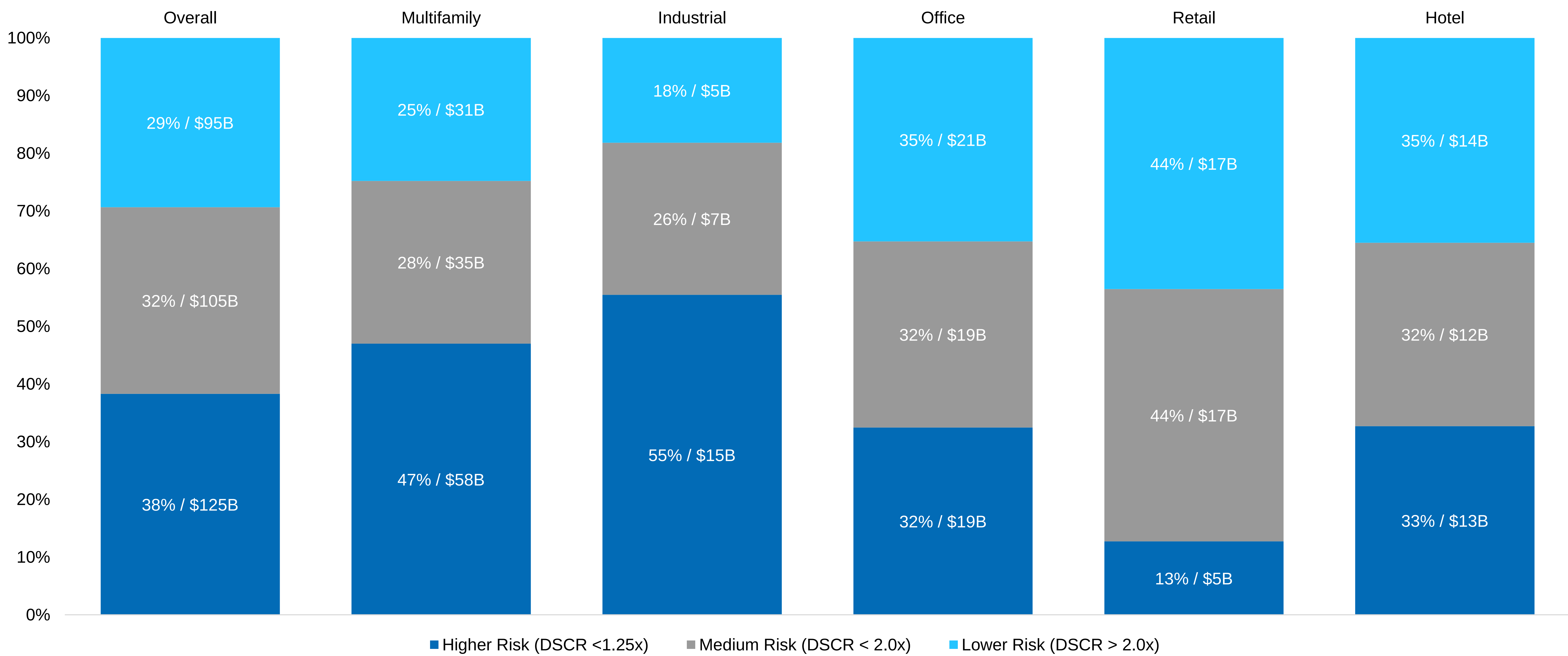


Source: RCA, ICE Data Indices, Newmark Research as of 5/8/2024

Some Loans Will Be Able to Absorb Higher Interest Costs – But Many Will Not

Even property types with strong operating fundamentals could face challenges covering new, higher interest costs. Floating rate loans on transitional product – a significant portion originated by debt funds and securitized in CRE CLO – are particularly fraught. This is largely responsible for the high portion of at-risk loans in the multifamily and industrial sectors. The securitized markets are not an isolated problem: banks engaged in a great deal of this newly risky lending. New bank regs give them a "pass" on underwater loans but not DSCRs.

DSCR Profile of Securitized CRE Debt Maturing between 2023 and 2025

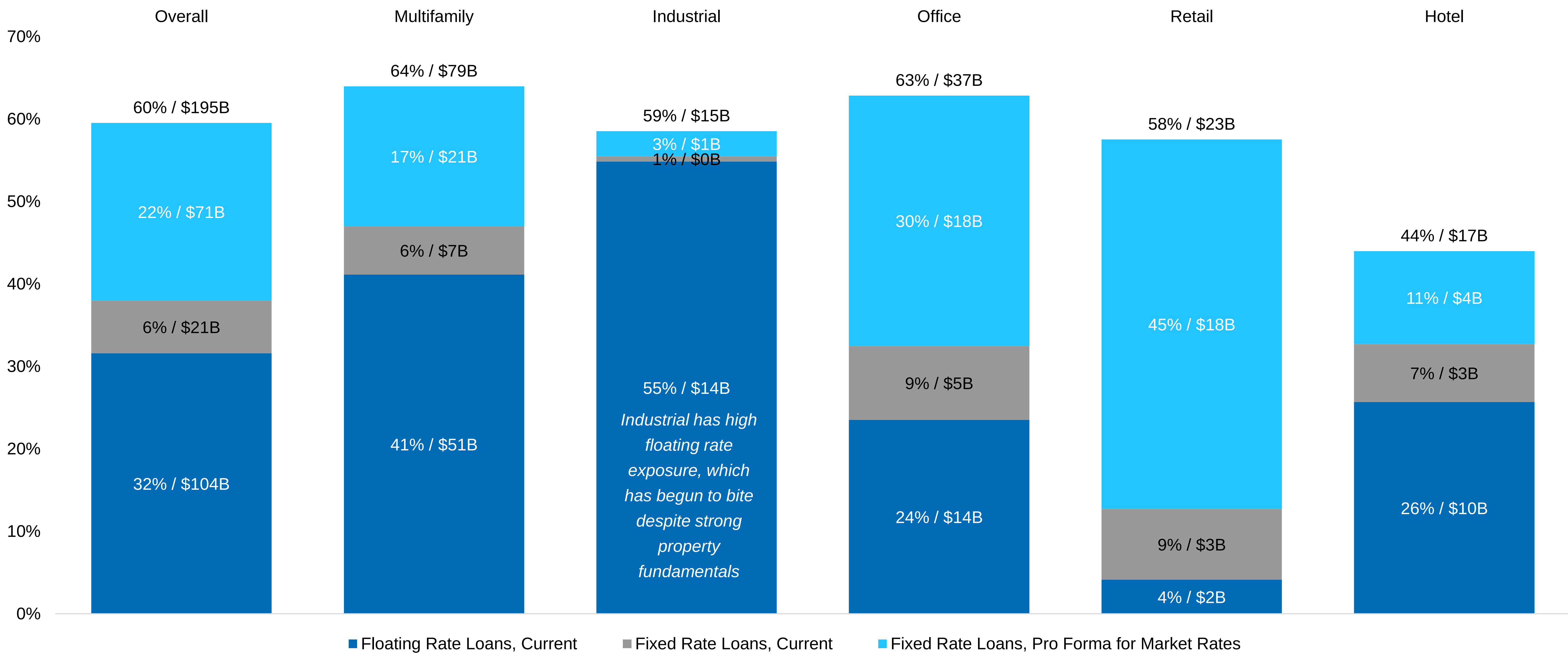


Source: Trepp, Newmark Research as of 5/3/2024

Debt Service Risk Will Rise Dramatically as Fixed-Rate Loans Face Market Rates

At in-place rates, fixed-rate loans are comparatively unexposed to immediate payment risk. As these loans mature, they will face market rates which have risen dramatically. This will be a major impediment to refinancing these loans, particularly as banks have been given much less flexibility in dealing with loans that are unable to pay market rates as opposed to loans that exceed LTV covenants. While this analysis focuses on securitized debt, it has serious implications for the broader landscape.

Share of Securitized Loans Maturing between 2023 and 2025 with a DSCR under 1.25x ("High Risk")

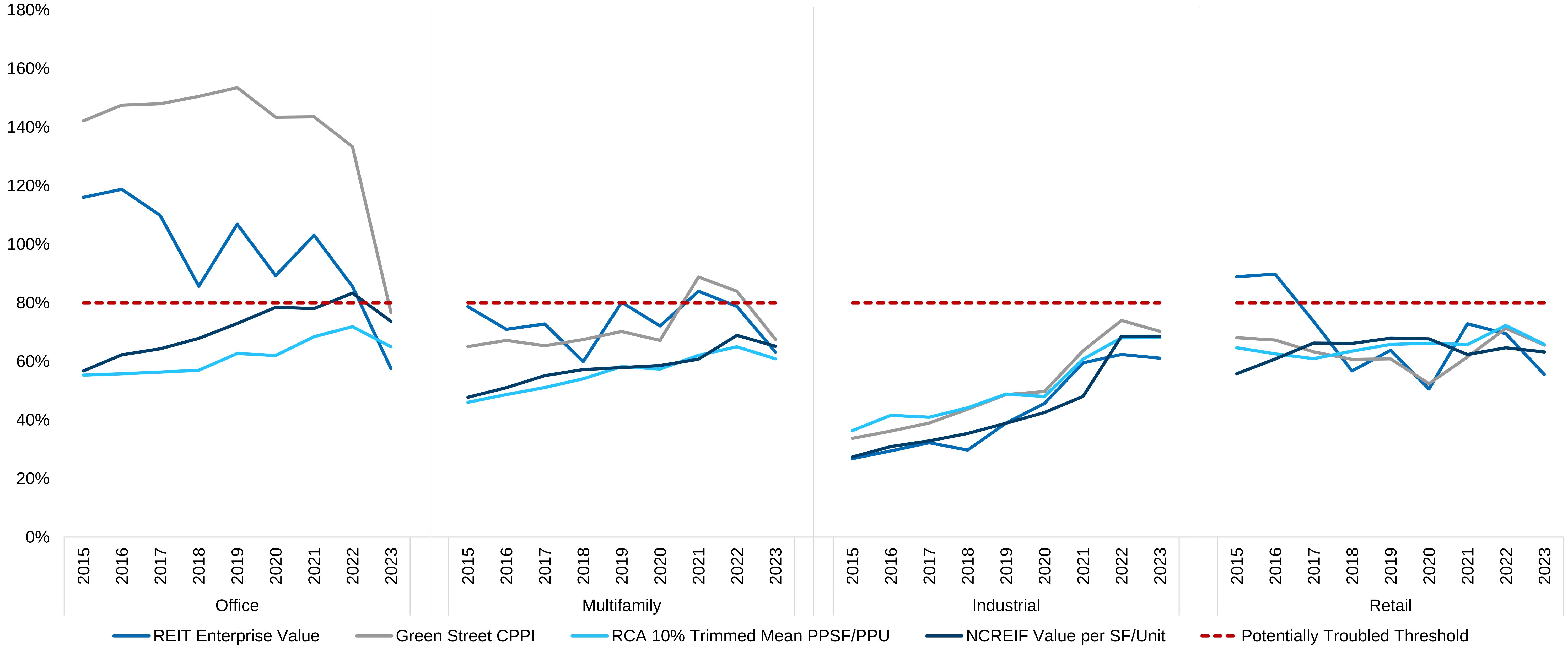


Source: Trepp, Green Street, Newmark Research as of 5/3/2024
Note: to estimate the impact of market rates. We analyzed representative samples of 2023 to 2025 maturity loans for each property type. We calculated a pro forma DSCR by comparing the current loan rate with the current market rate. For the current market rate, we used data from Trepp's weekly balance sheet lender survey for loans with LTV's between 66% and 70%. The assumed market debt rates were 6.6% (multifamily non-agency), 6.2% (multifamily agency), 6.7% (retail), 6.6% (industrial), 7.0% (office and hotel).

Strong Price Appreciation Helps Protect against Industrial Distress

Industrial values have risen tremendously since 2015. As a result, most recent loan vintages have organically deleveraged even when accounting for the recent reduction in market values. That said, industrial loans originated in 2021-2022 are at greater risk, having been struck at the top of the market though this is counterbalanced by further-off maturity dates. Transitional debt and construction loans will also bear watching.

Average Mark-to-Market* Loan-to-Value Ratio by Year Debt Originated

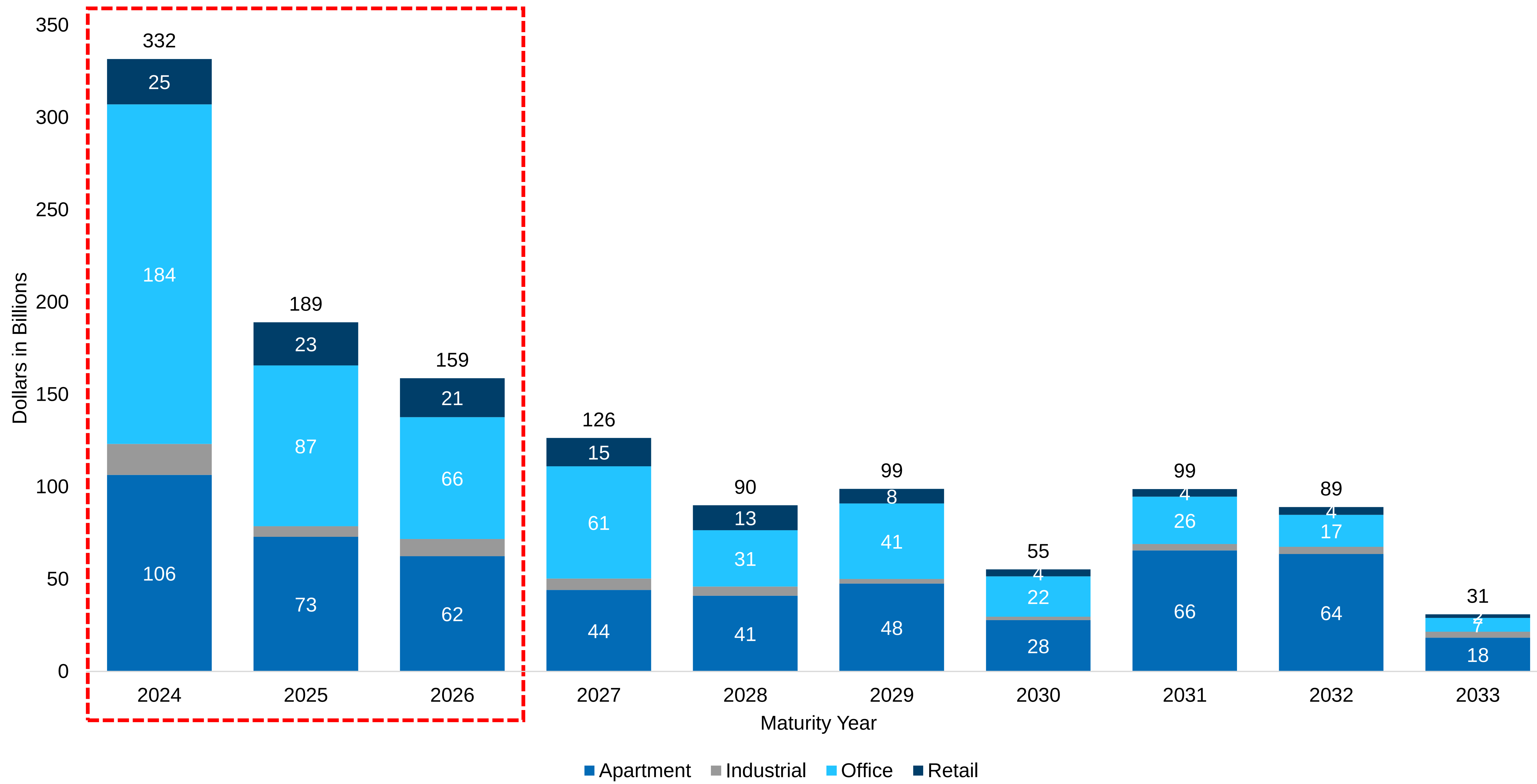


Source: RCA, Green Street, NCREIF Newmark Research as of 4/30/2024
*We take the average loan-to-value ratio of loans originated in each respective year based on an analysis of RCA data, then we mark the value of the assets to market using the various proposed benchmarks.

$1.3T of Outstanding CRE Debt is Potentially Troubled, But Only $58B is Industrial

Combining our analysis of mark-to-market LTVs with the structure of debt maturities, we estimate the volume of debt that currently is potentially troubled.* Office and multifamily loans constitute most potentially troubled loans, particularly in the 2024-to-2026 period. The high office volume results from most loans being underwater. The distribution of LTV ratios for multifamily are more favorable overall, but the greater size of the multifamily market and the concentration of lending during the recent liquidity bubble drive high nominal exposure.

Potentially Troubled Loans by Maturity Year*

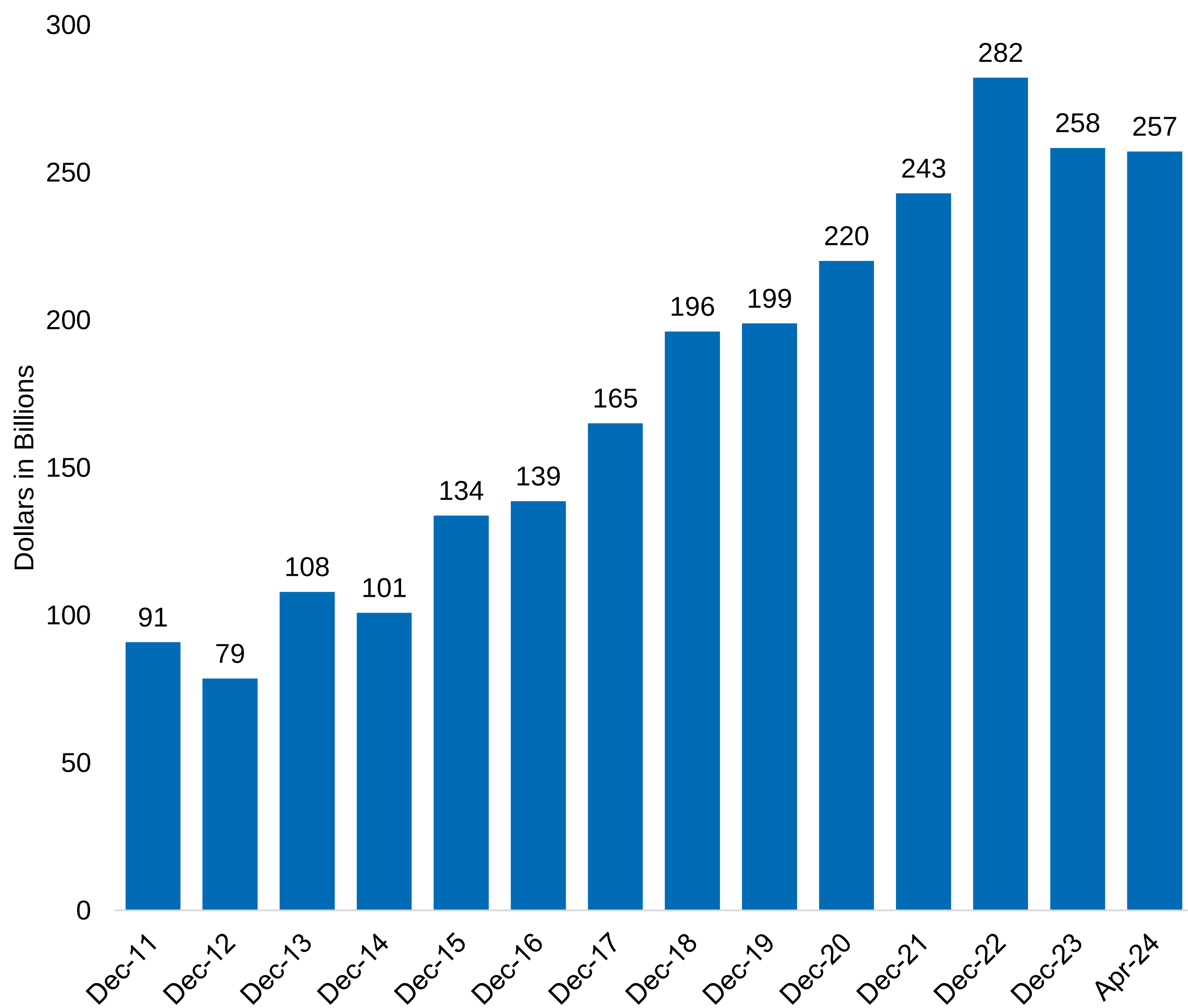


Source: Green Street, NCREIF, RCA, Trepp, MBA, Newmark Research as of 4/30/2024
*Loans with an estimated senior debt LTV of 80% or greater are potentially troubled. The loans are marked-to-market using an average of cumulative changes in the Dow Jones REIT sector price indices, REIT sector enterprise value indices and Green Street sector CPPI.

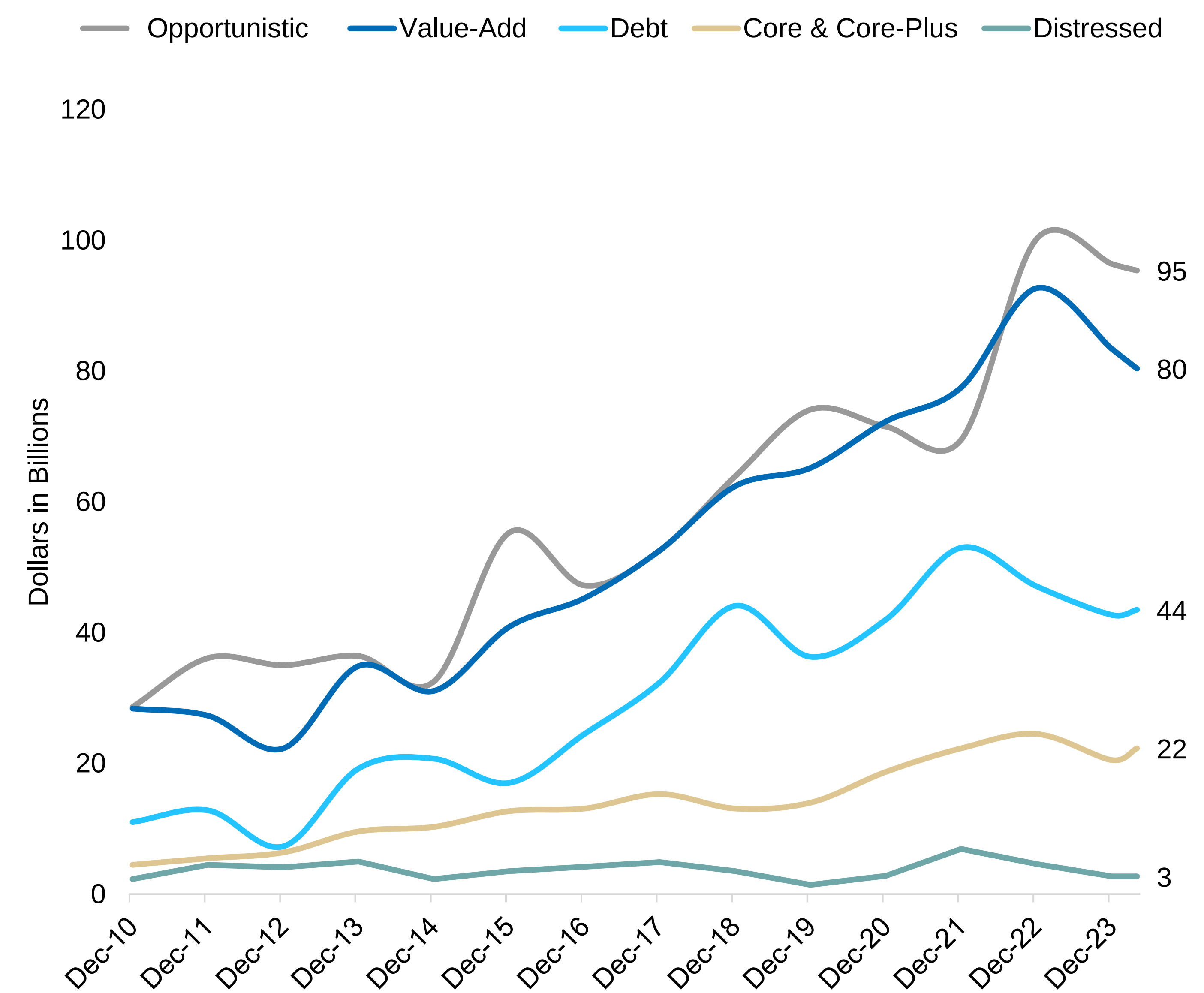
Private Equity Dry Powder Has Declined from 2022 Peak, But Still Elevated Overall

Dry powder at closed-end funds is 9% below its December 2022 peak, reflecting declines in dry powder at value-add and debt funds. Opportunistic fund vehicles are also off the peak but by a smaller margin. New fundraising declined sharply from $140B in 2022 to $105B in 2023. More positively, 1Q24 fundraising was flat QoQ at $22B and up significantly compared with 1Q23 ($11B). The number of funds raising capital has declined even more sharply and concomitantly average fund sizes have increased.

Dry Powder – Closed-End Funds



Dry Powder by Strategy*

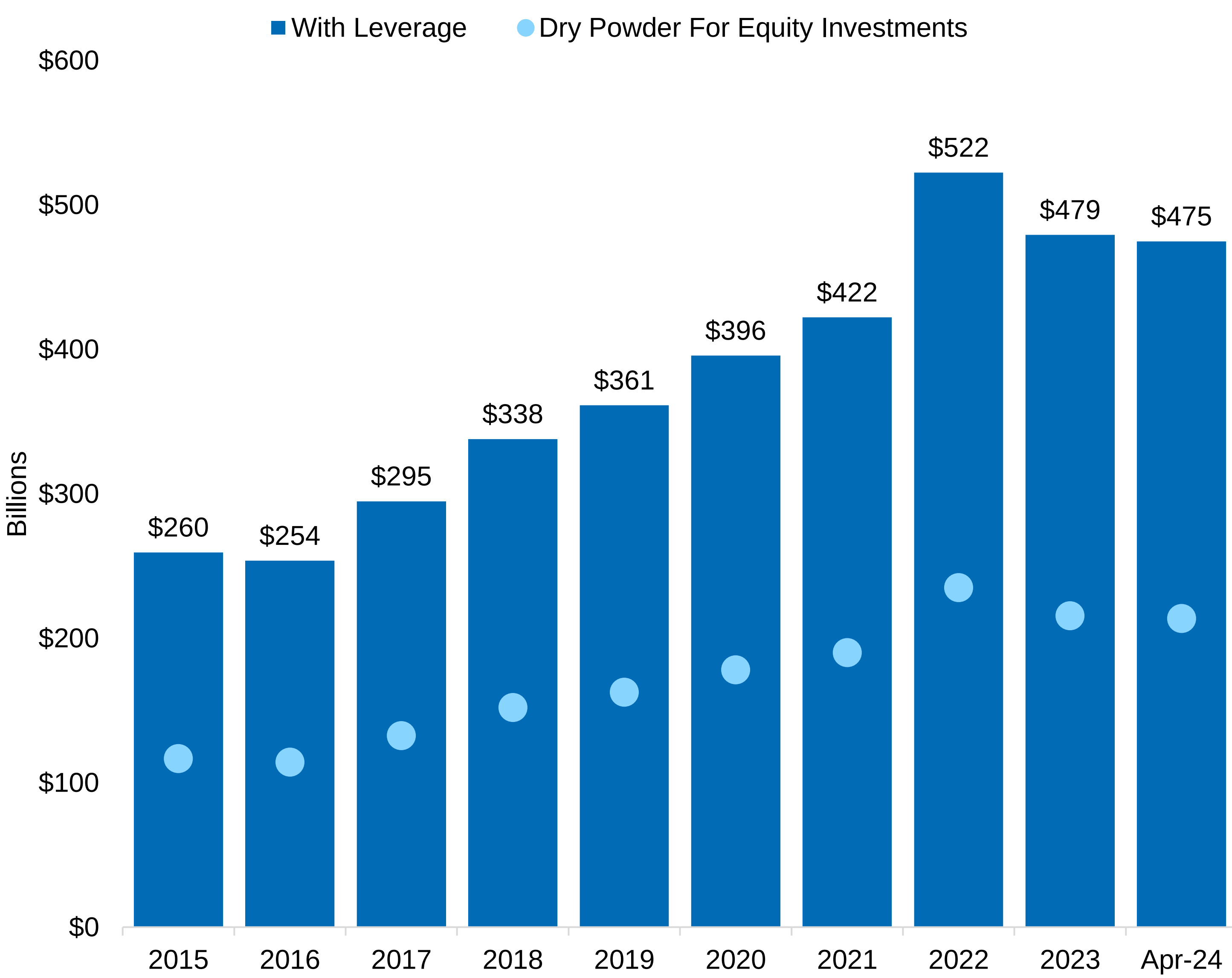


Source: Newmark Research, Preqin as of 4/30/2024
*Not shown: Fund of funds, co-investments, and secondaries strategies

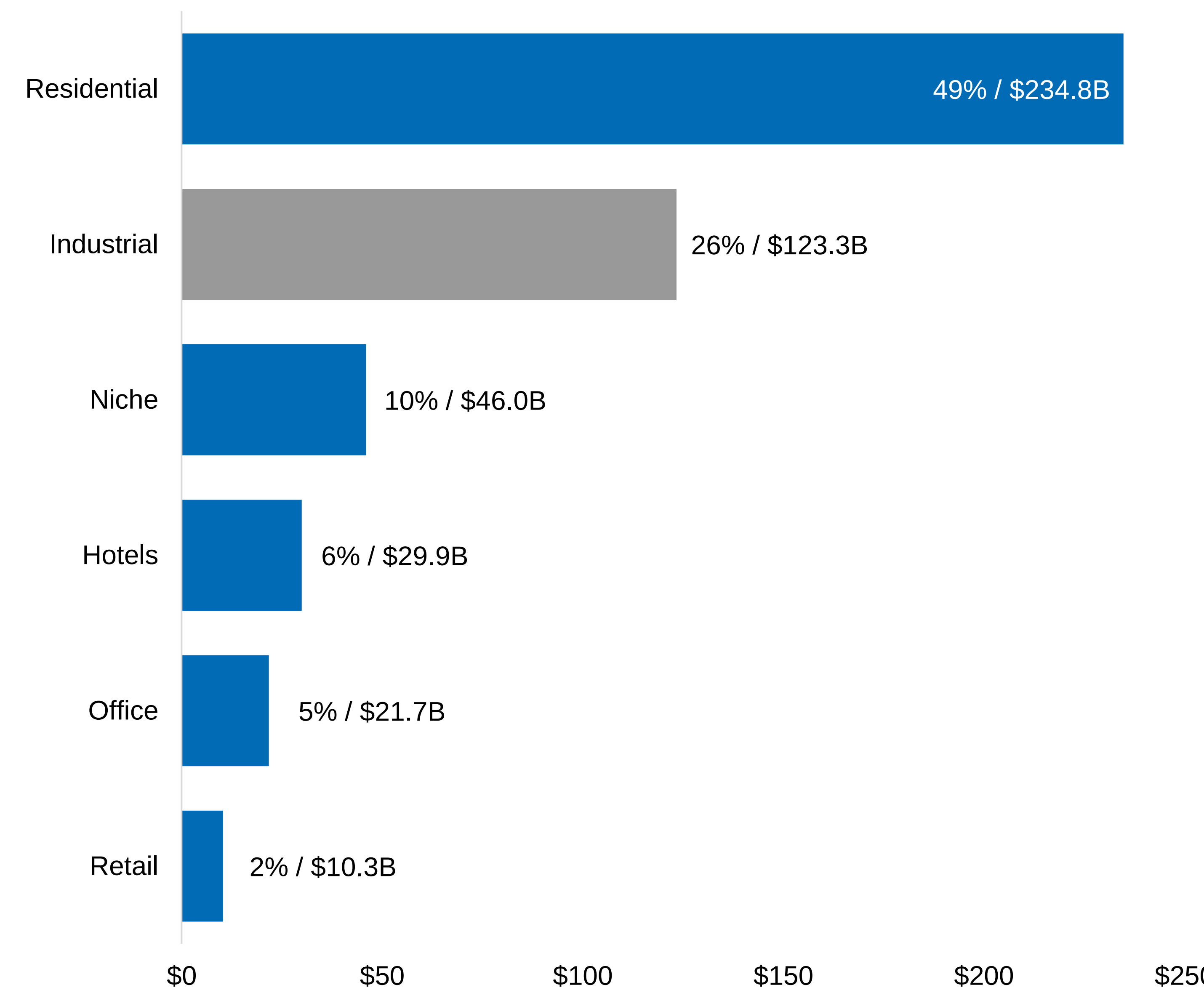
Ample Capital for Industrial Investment, Recapitalization

The $214 billion in dry powder raised for equity investments, not including dry powder raised for debt strategies, equates to a leveraged purchasing power of $475 billion, using a 55% loan-to-value ratio. We estimate that over half of this capital is targeted at multifamily assets, with most of the remainder focused on industrial assets. The capital targeting office and retail assets is quite small by comparison, which could ultimately represent a contrarian opportunity.

Dry Powder at 55% Leverage



Leveraged Dry Powder By Property Type*

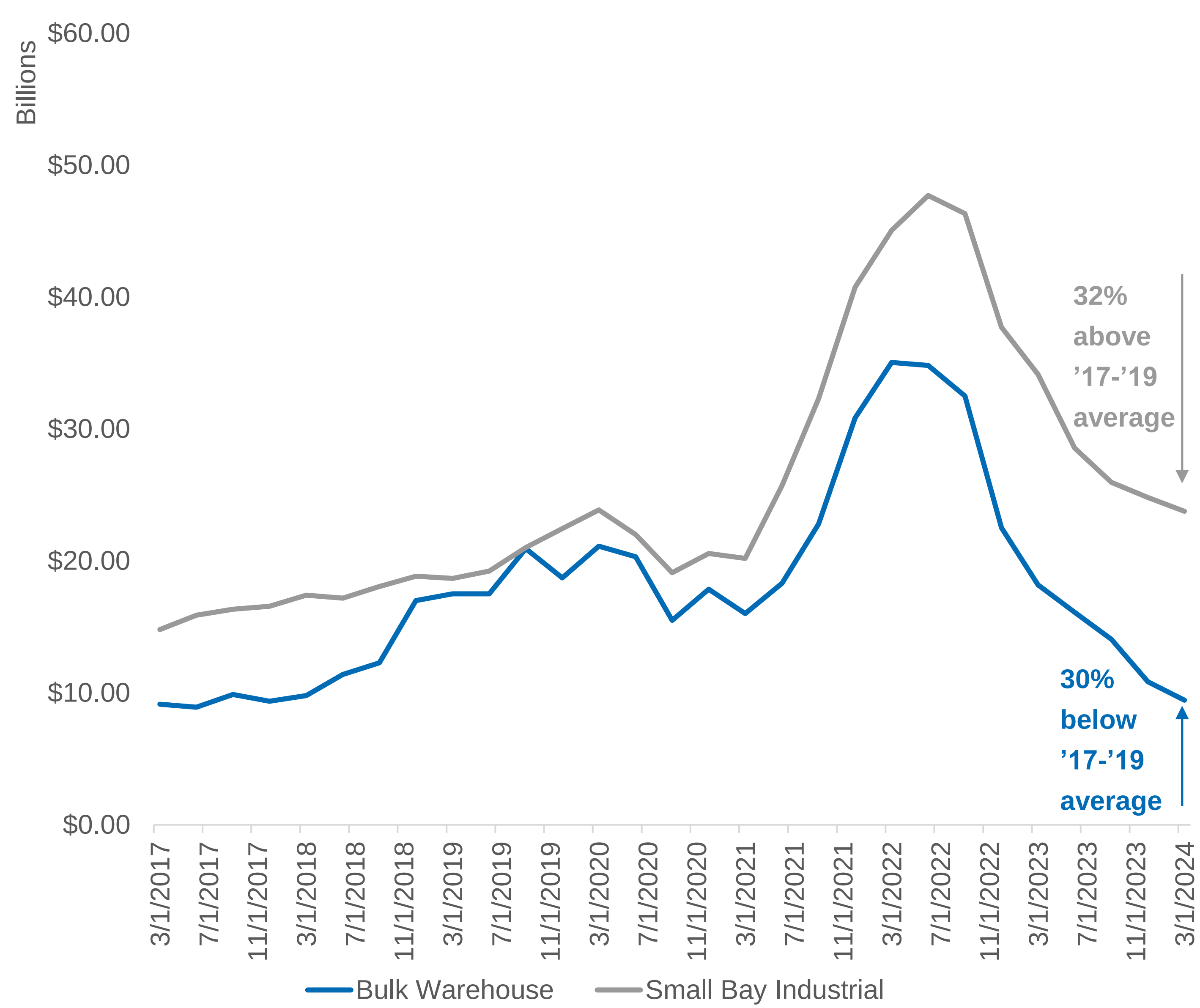


Source: Newmark Research, Preqin as of 4/30/2024
*We looked at the percent called by vintage year and applied this to the total amount fundraised in each year to calculate the amount of uncalled capital (i.e. dry powder), broken out by main property type. Roughly half the dry powder was at diversified funds. This was allocated to the various property types in proportion to their share of total dry powder, excluding diversified funds. Finally, we grossed up the dry powder assuming 55% leverage would be used.

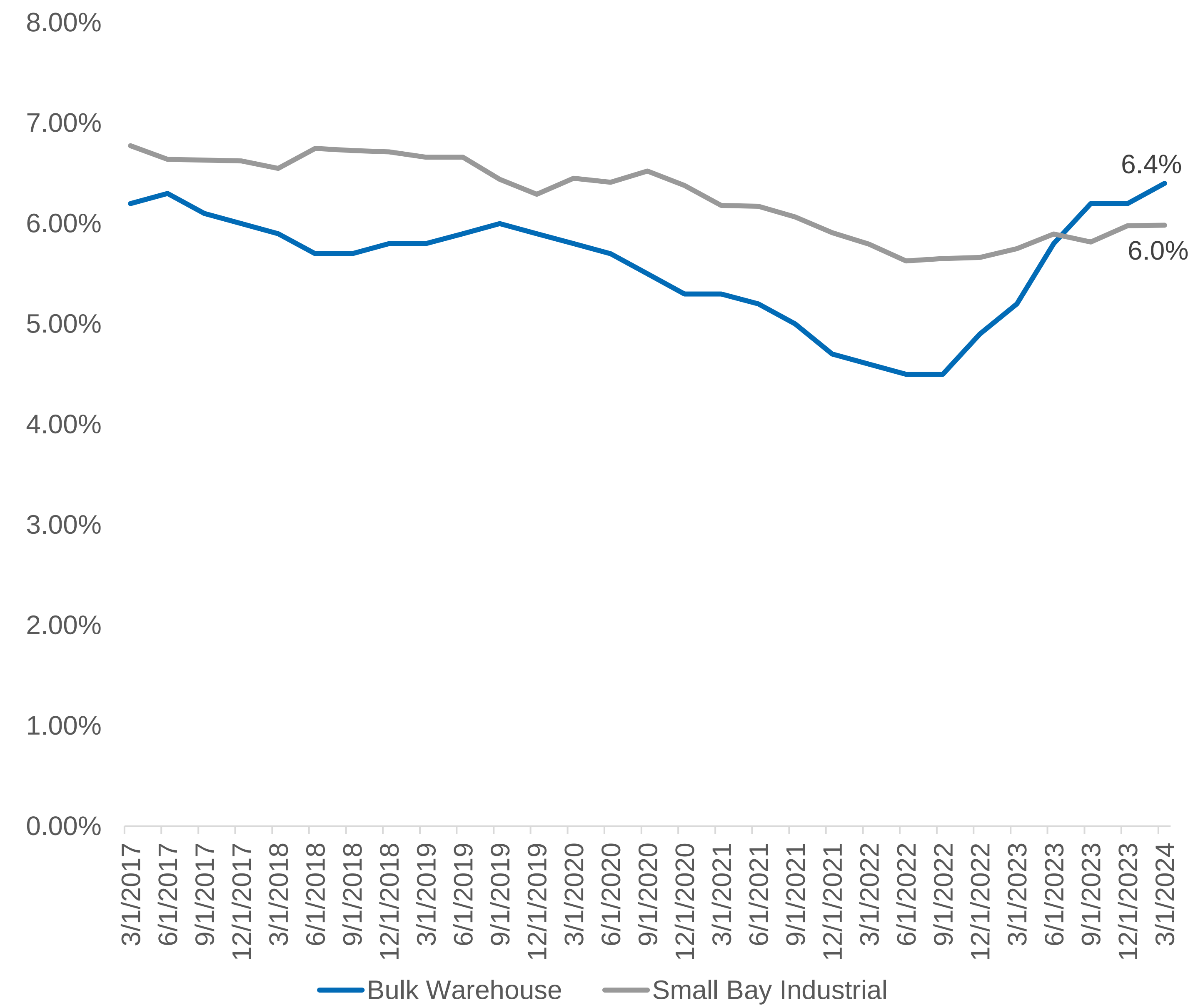
Big Investor Interest in Small Bay

Along with small bay industrial comes diversification in tenancy and therefore, cash flow; it also comes with greater tenant management and fewer credit tenants. Because of these dynamics (and others, including age of product), it has historically traded in a general range of 50 to 100 bps higher than bulk distribution. This relationship has reversed over the past few quarters due to divergent supply-side dynamics impacting sector fundamentals.

Small Bay Industrial vs Bulk Warehouse, 4-Q Rolling Sales Volume



Small Bay Industrial vs Bulk Warehouse, Average Cap Rate Performance

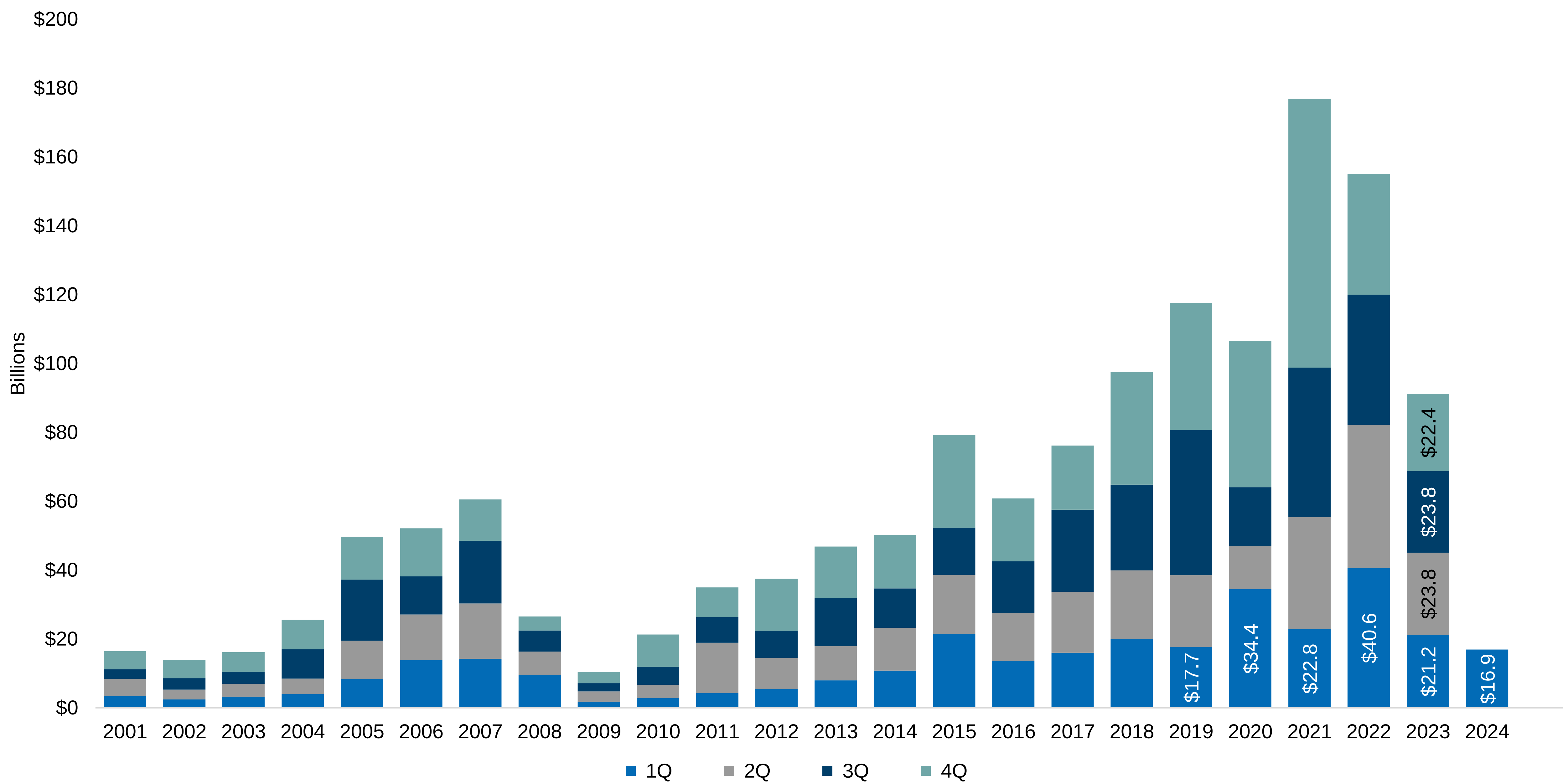


Source: Newmark Research, April 2024. Small bay industrial, 100K and under multitenant properties, generally divisible to 10K. Bulk warehouse – stabilized, single tenant warehouse / distribution buildings 200K+

1Q 2024 Sales Volume On Par with 1Q 2019

The first three months of the year ushered in $16.9 billion in sales volume and the seventh consecutive quarter of annualized declines. With the capital markets anticipating at least one interest rate cut to come this year – and growing sentiment that 2024 will be a good ‘vintage’ – volumes are likely to increase in coming quarters.

Investment Sales Volume

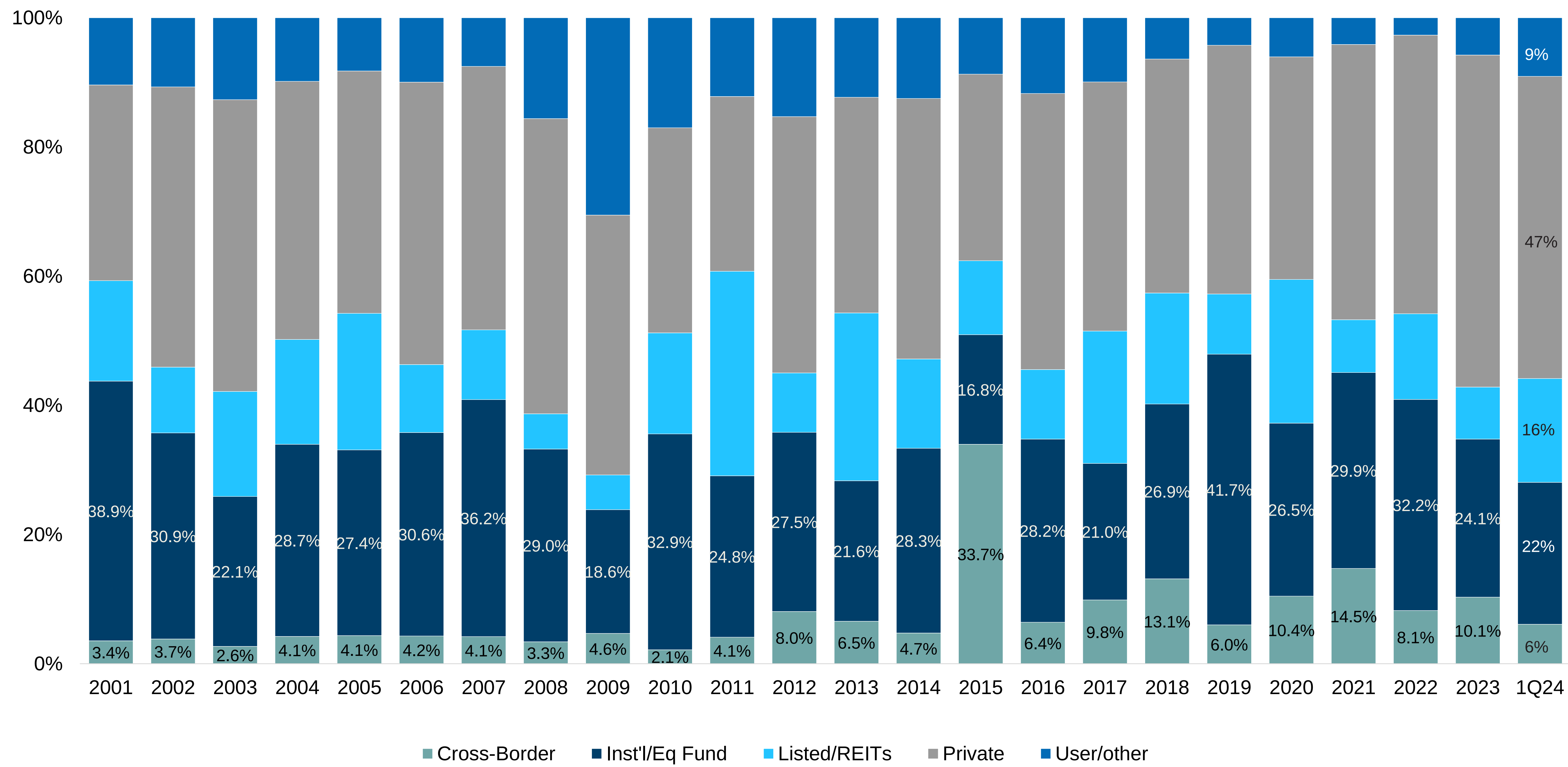


Source: Newmark Research, MSCI Real Capital Analytics. May 2024.

REITs and Users Increase Acquisition Share

Across the ecosystem of investor profiles, private capital continues to account for approximately half of total acquisitions, while REITs and users both acquired more in 1Q24 than 1Q23, expanding their market share.

Composition of Industrial Buyers

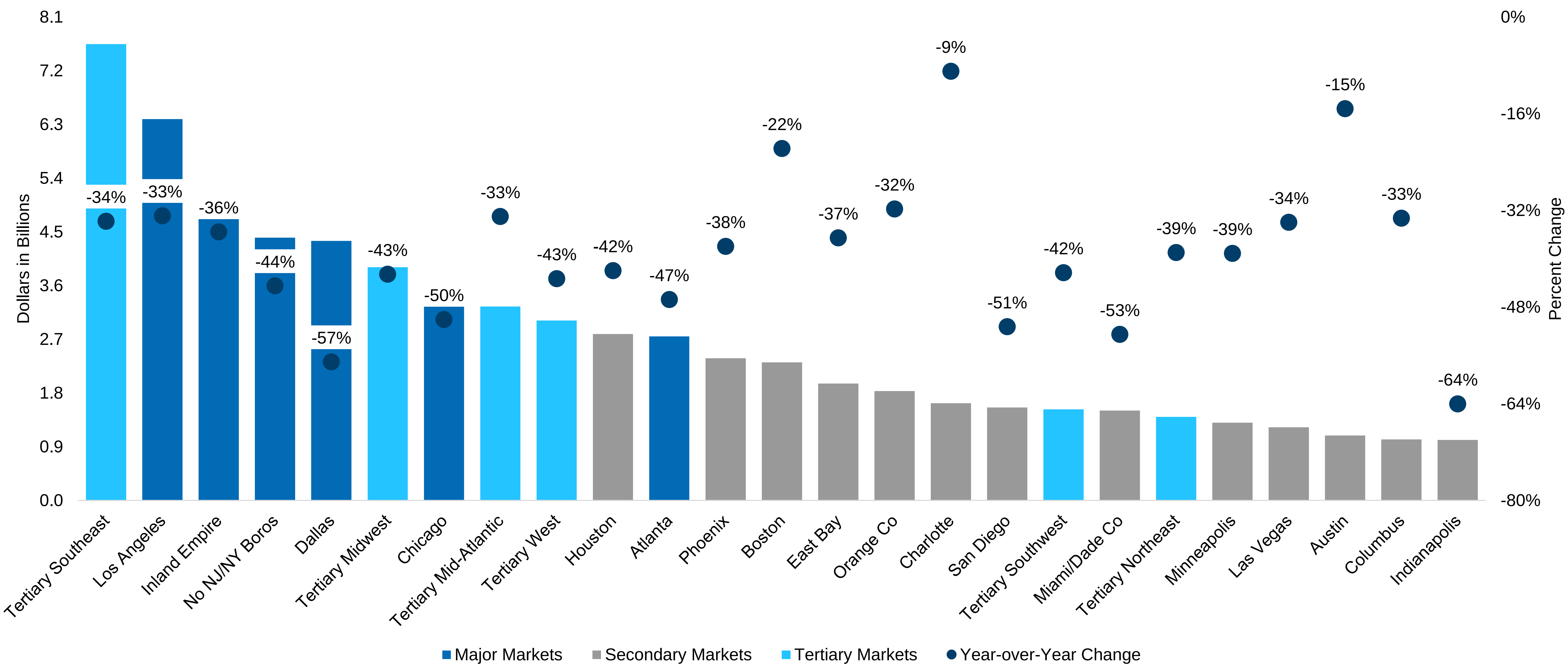


Source: Newmark Research, MSCI Real Capital Analytics

Volumes Down Universally in 2023; Major Markets Retain Primacy

None of the top 25 markets experienced positive sales volume growth year-over-year, with an average 39% decline in annual volume. Major markets represented four of the top five largest recipients of capital in 2023. With the significant amount of investment in mega manufacturing projects throughout the Midwest, Mid-Atlantic and Southeast most prominently, tertiary markets with less existing exposure to institutional ownership may draw increasing interest as projects kick off.

Top 25 Industrial Markets by Annual Sales Volume, 2023

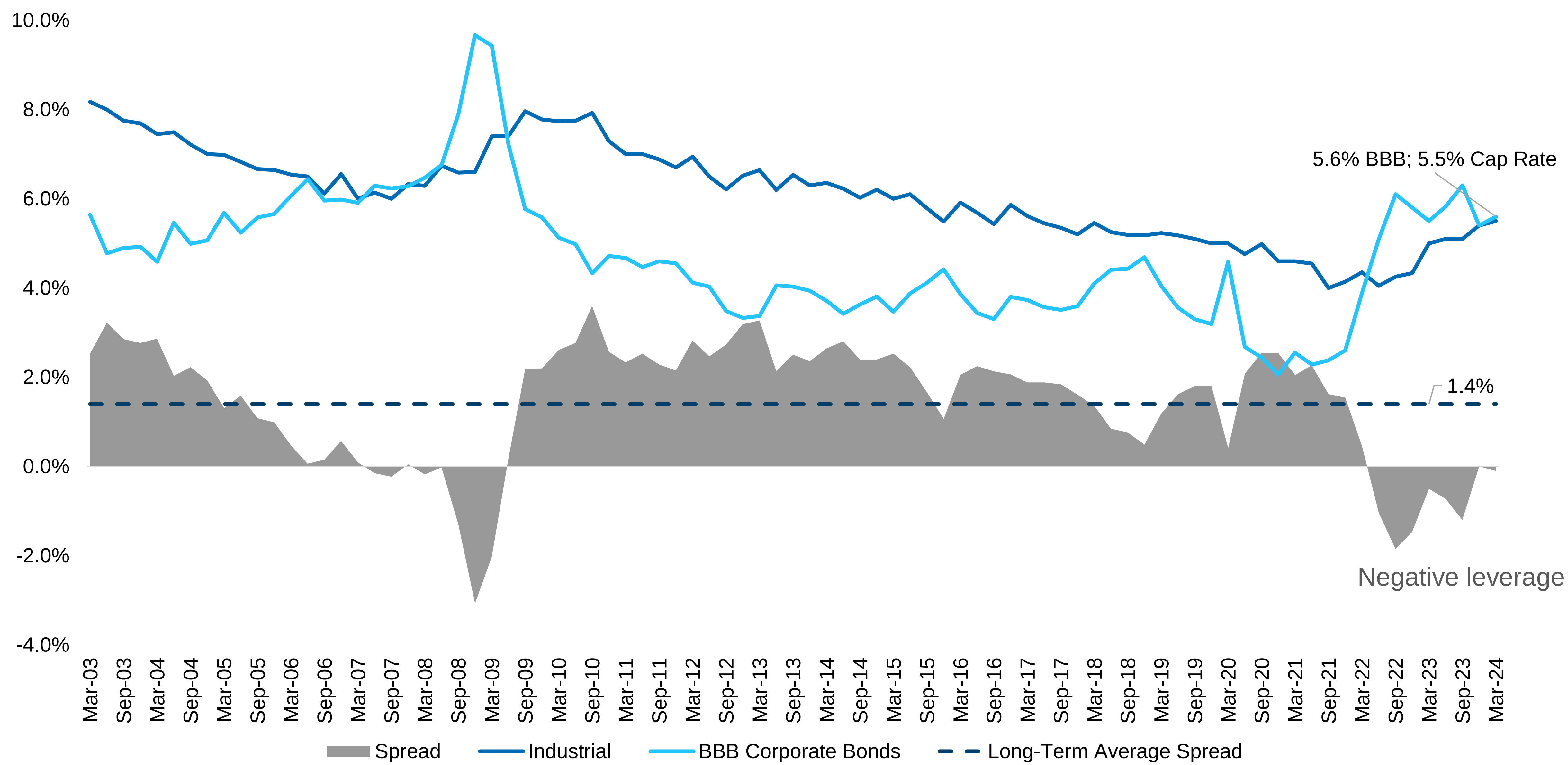


Source: Newmark Research, MSCI Real Capital Analytics

Industrial Cap Rates Still Incrementally Rising

Industrial transaction cap rates ticked up 10 bps since the end of 2023 to an average of 5.5%. While negative leverage has lessened, spreads to BBB corporate bonds remain well off long-term averages – if more attractive compared to recent history.

Top Quartile Transaction Cap Rate*

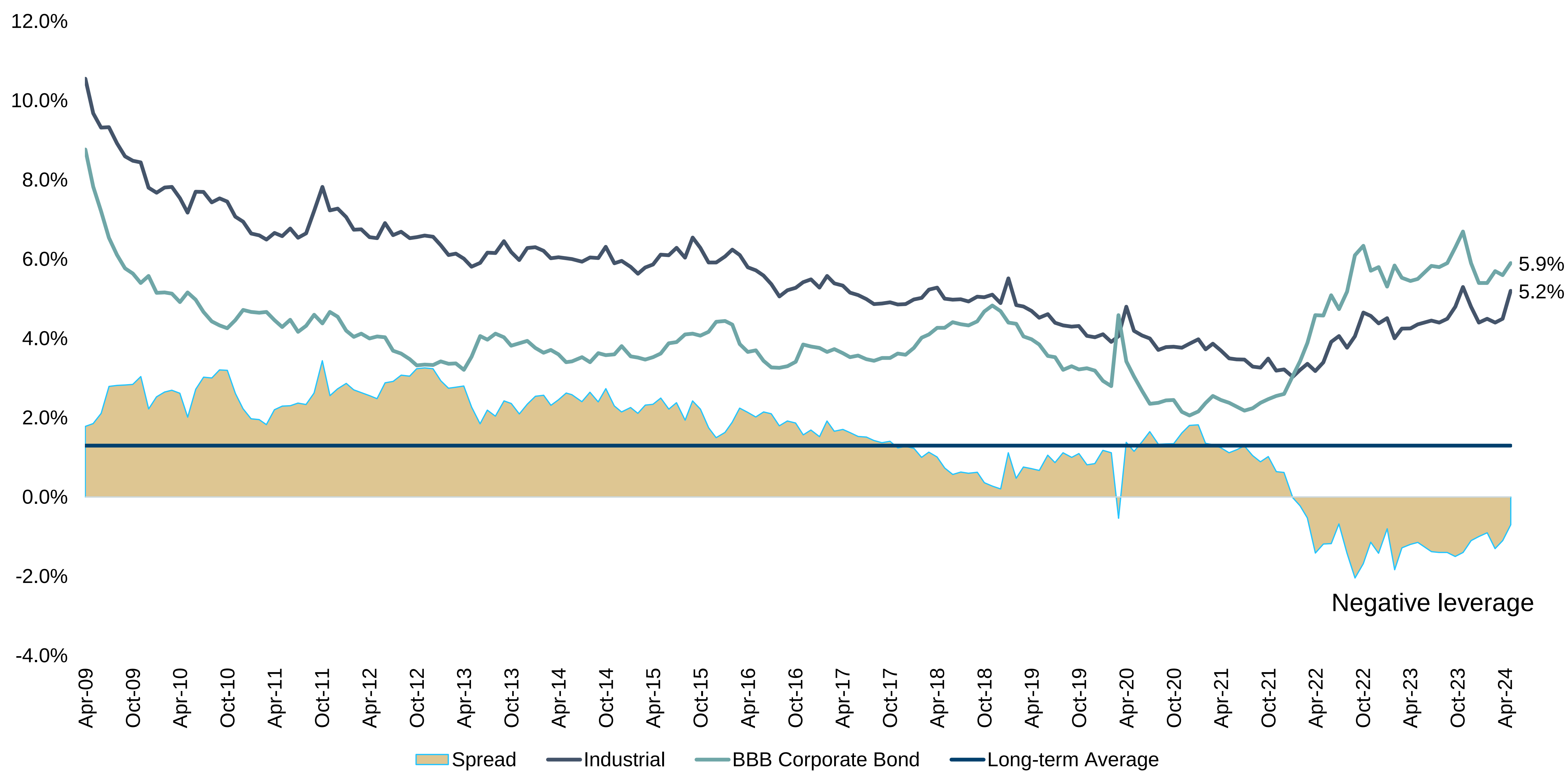


Source: Real Capital Analytics, Federal Reserve Bank of St. Louis, Moody's as of 5/7/24.
*Quarterly

Recalibration Continues in the Public Markets

Industrial implied cap rates have recently risen alongside BBB bond rates. The public markets have been in a state of negative leverage for two years. Historically abnormal NOI growth has been a factor in keeping cap rates compressed, but further adjustment is likely required, especially as some REITs have recently reduced expectations for NOI growth.

REIT-Implied Nominal Cap Rate

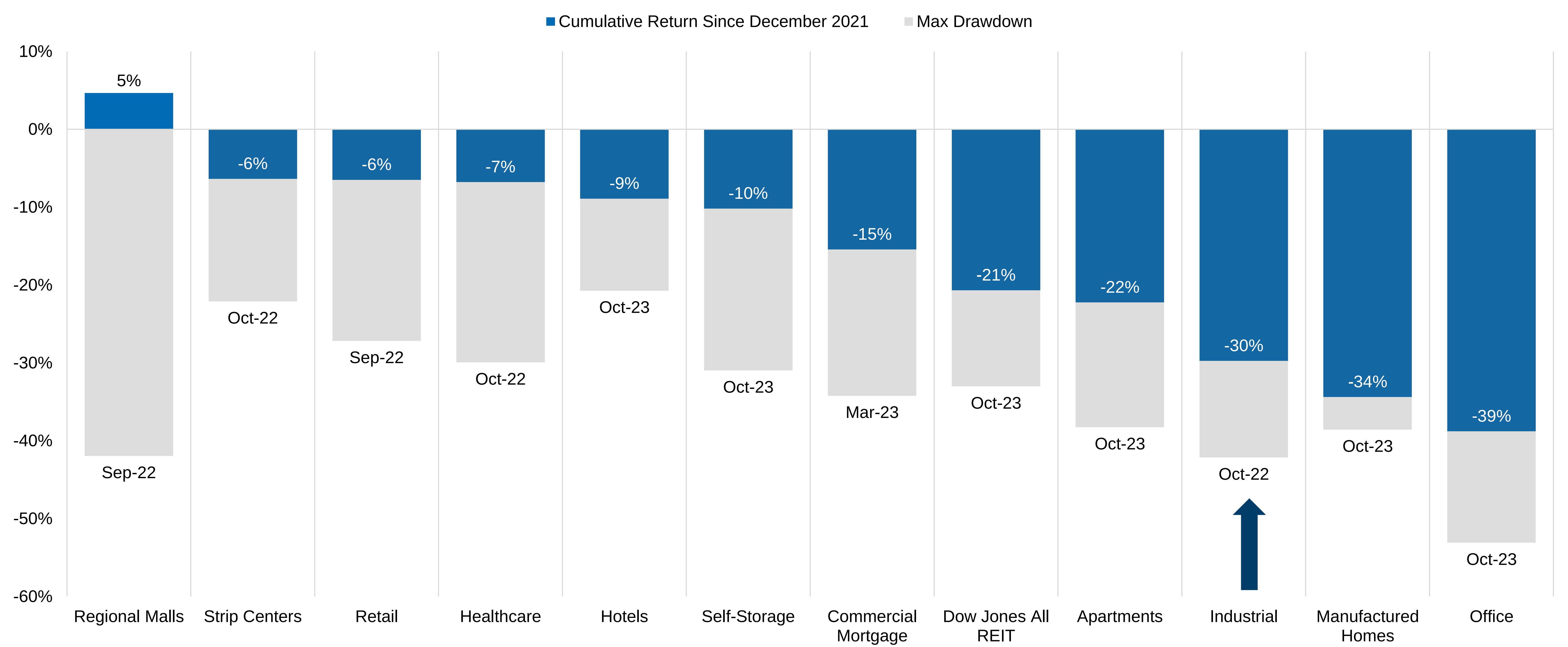


Source: Green Street, FRED, Nareit, Newmark Research as of 5/7/24.

REITs Have Generated Negative Total Returns Since The Hiking Cycle Began

All REIT sectors except for Regional Malls have recorded negative total returns since December 2021 or roughly when the current monetary policy cycle began. There has, however, been significant heterogeneity across REIT sectors and cyclicality within the overall downward trend. To illustrate, the Dow Jones All REIT index is up 18.4% since its October 2023 lows. Office, industrial and multifamily have experienced the greatest drawdowns while retail, healthcare and hotels have been comparatively resilient.

Dow Jones REIT Index Total Returns



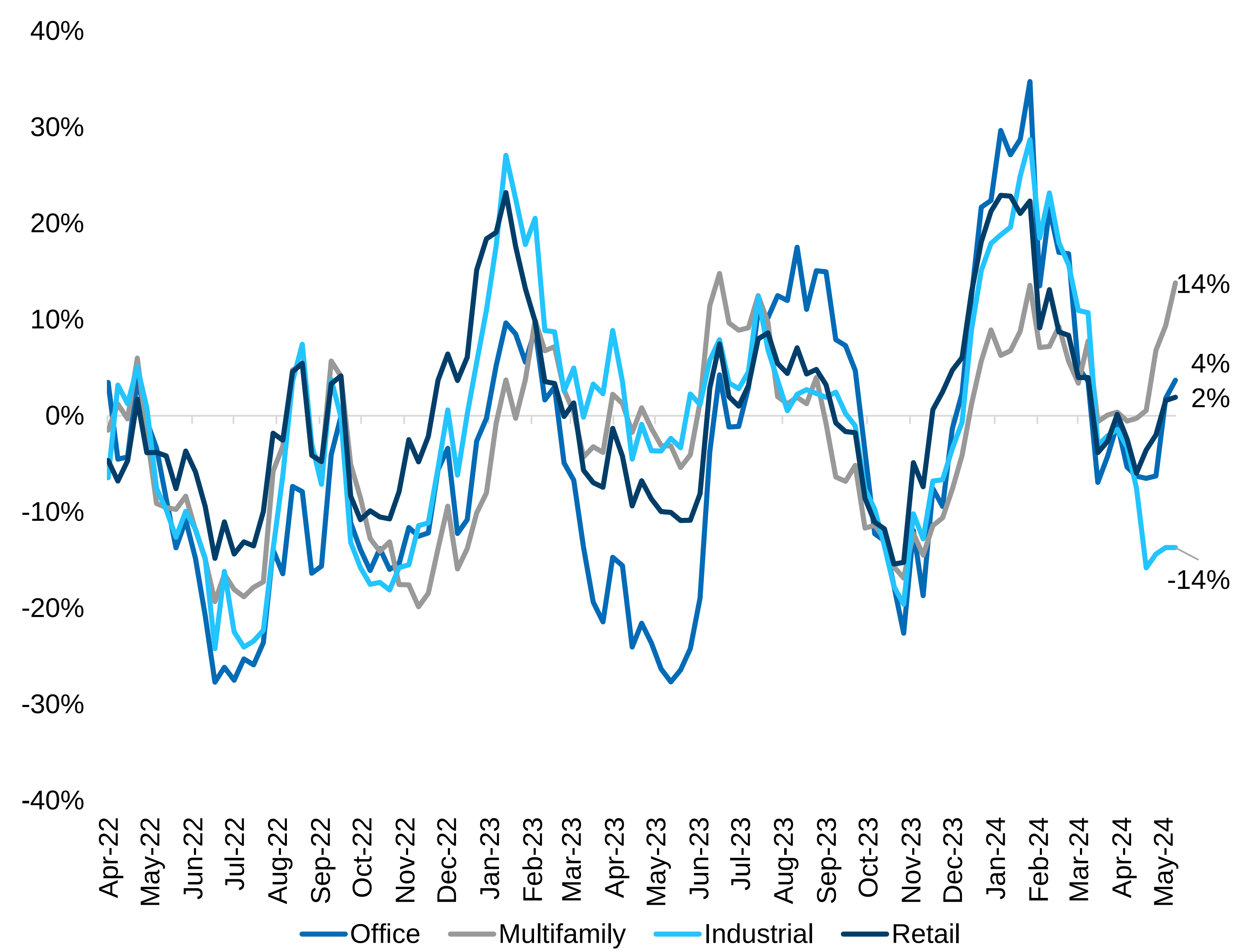
Source: Dow Jones, Moody's, Newmark Research as of 5/13/2024

REIT Returns Have Been Volatile With Periods of Significant Appreciation

As the prospects for declining interest rates have waxed and waned so have REIT returns. Taking a look at cumulative changes (left panel), while volatility is visible, the overall downward impulse from higher rates and to a lesser extent softening fundamentals leave the dominant impression. However, the rolling 13-week return reveals just how many mini-cycles the market has been subject too. This underlines the challenge of using public comparable to inform private property valuations on a tactical basis.

Dow Jones All Equity REIT Total Return Index

Dow Jones All Equity REIT Total Return Index: Rolling 13-Week Return

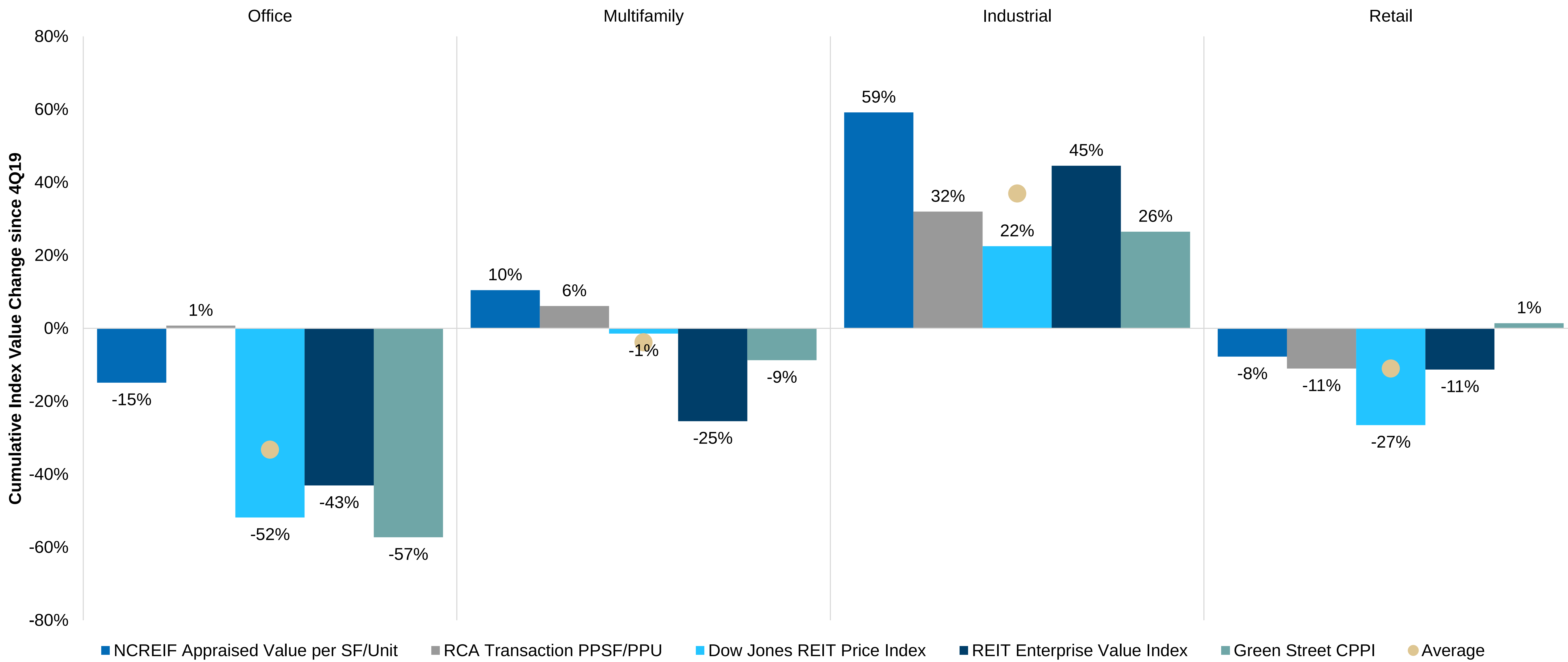


Source: Dow Jones, Moody's, Newmark Research as of 5/13/2024

What Has Happened to Values? Depends on the Benchmark

Industrial is the only sector for which a range of benchmarks show large and significant gains since 4Q19. Conversely, all benchmarks show office values down, but there is a large difference between appraisal / transaction-based measures, which show modest depreciation and measures informed by the public markets. The latter seem far more realistic. Multifamily markets show the same cleavage with the enterprise value and NCREIF measures clear outliers. Retail measures generally point to modest declines in value.

Comparison of Value Benchmarks: Cumulative Index Change since 4Q19

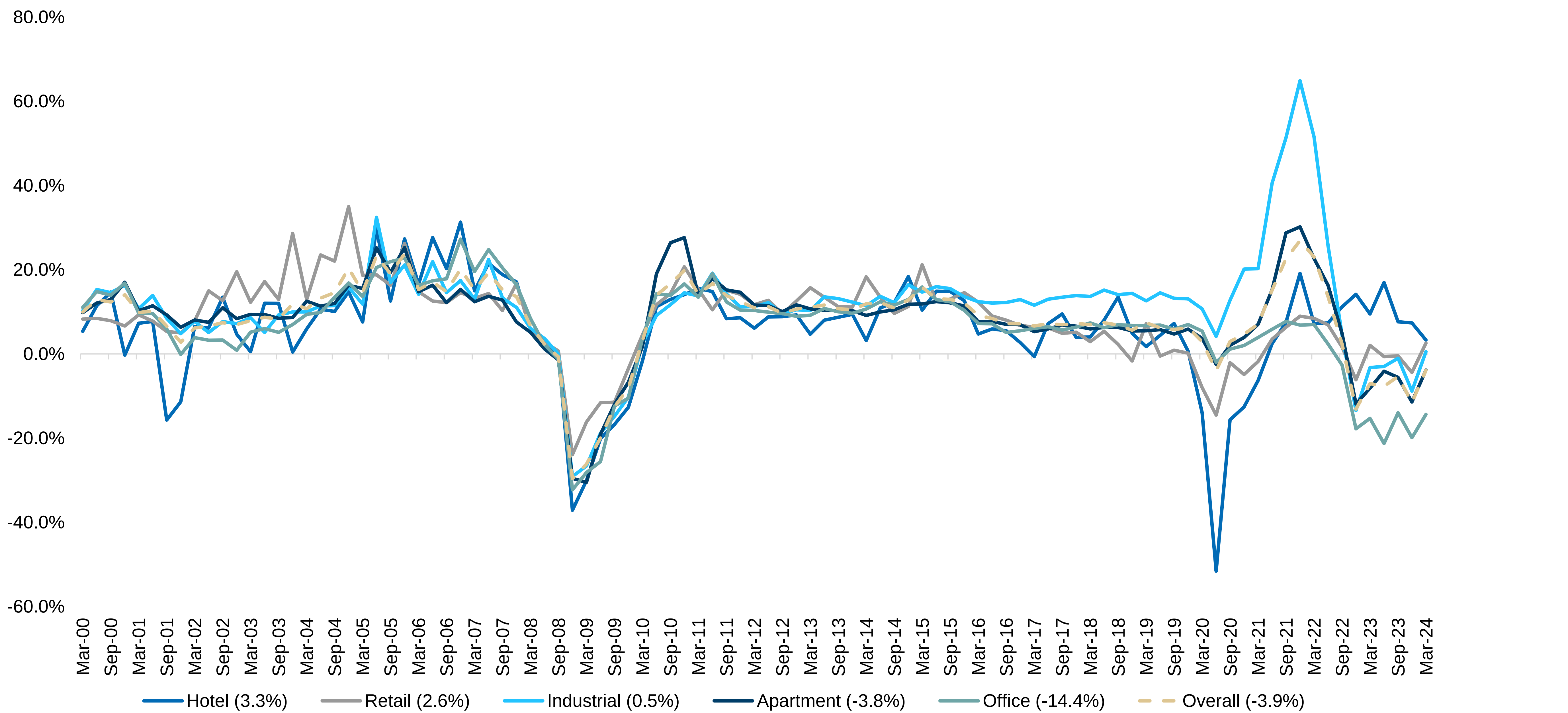


Source: NCREIF, RCA, Dow Jones, Green Street, Moody's Analytics, Newmark Research as of 4/26/2024

Private Market Core Property Returns Accelerated in 1Q24

Property returns improved broadly in 1Q24 according to NCREIF. For the overall index, total return accelerated from -11.5% annualized in 4Q23 to -3.9%. Industrial experienced the greatest acceleration from -8.8% annualized in 4Q23 to +0.5% in 1Q24, the first positive return for the sector since 3Q22. Retail returns also turned positive, increasing from -4.4% to +2.6% in the same period. Apartment returns, while still negative, improved on the margin. Office returns remain deeply negative but the pace of decline there too moderated.

NCREIF National Property Index Quarterly Annualized Total Return

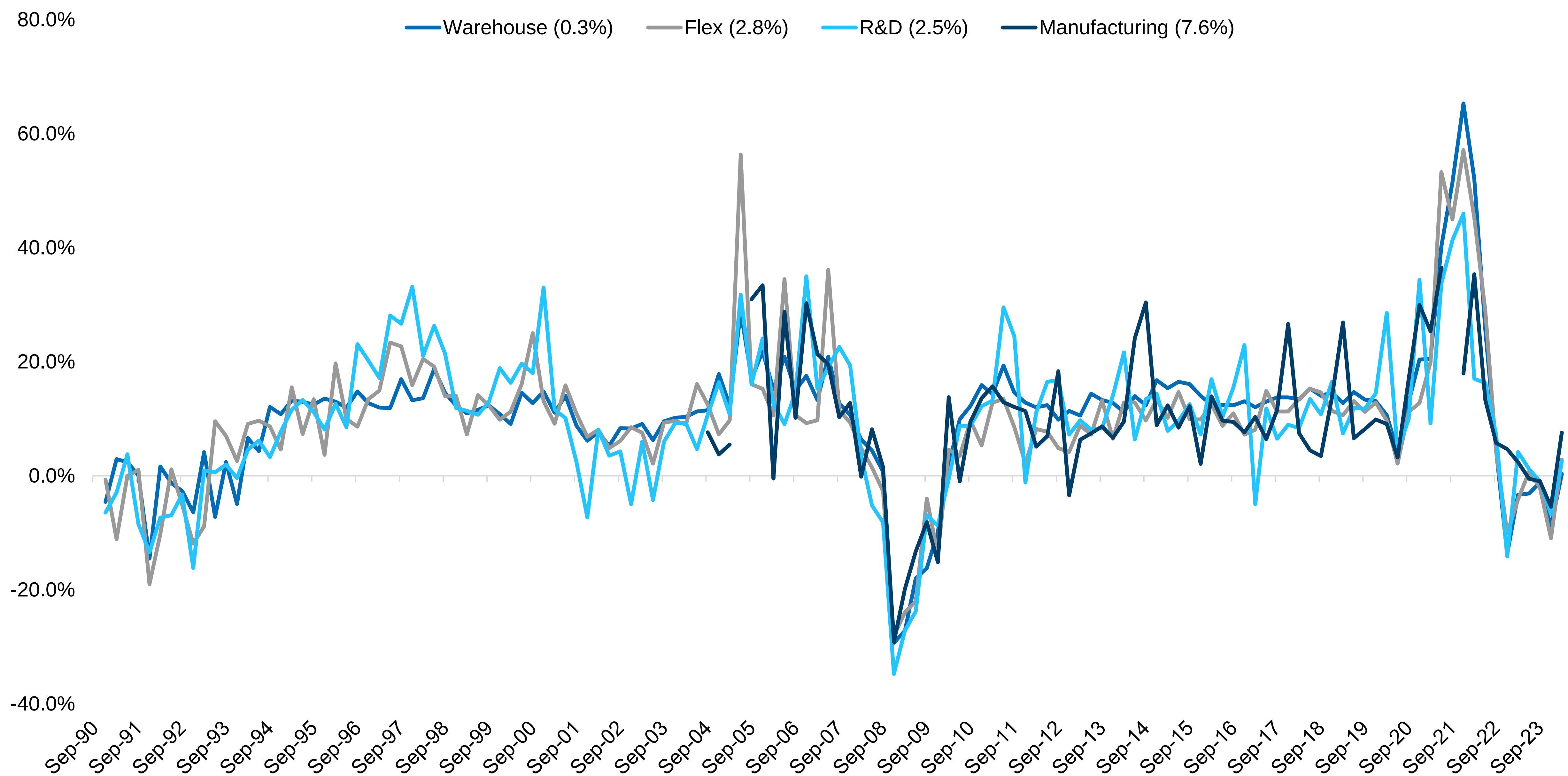


Source: NCREIF, Newmark Research as of 5/13/2024

NCREIF Industrial Returns Rebounded in 1Q23

Industrial returns returned to positive levels in 1Q24. Manufacturing facilities continued to outperform, followed by flex, R&D and finally warehouse. Looking at cumulative returns since 4Q19, manufacturing facilities have outperformed dramatically having generated a 153% total return, well-above the warehouse return of 76%. Manufacturing outperformance has continued while warehouse, the largest segment by far, has underperformed in the last twelve months.

NCREIF Quarterly Annualized Total Return

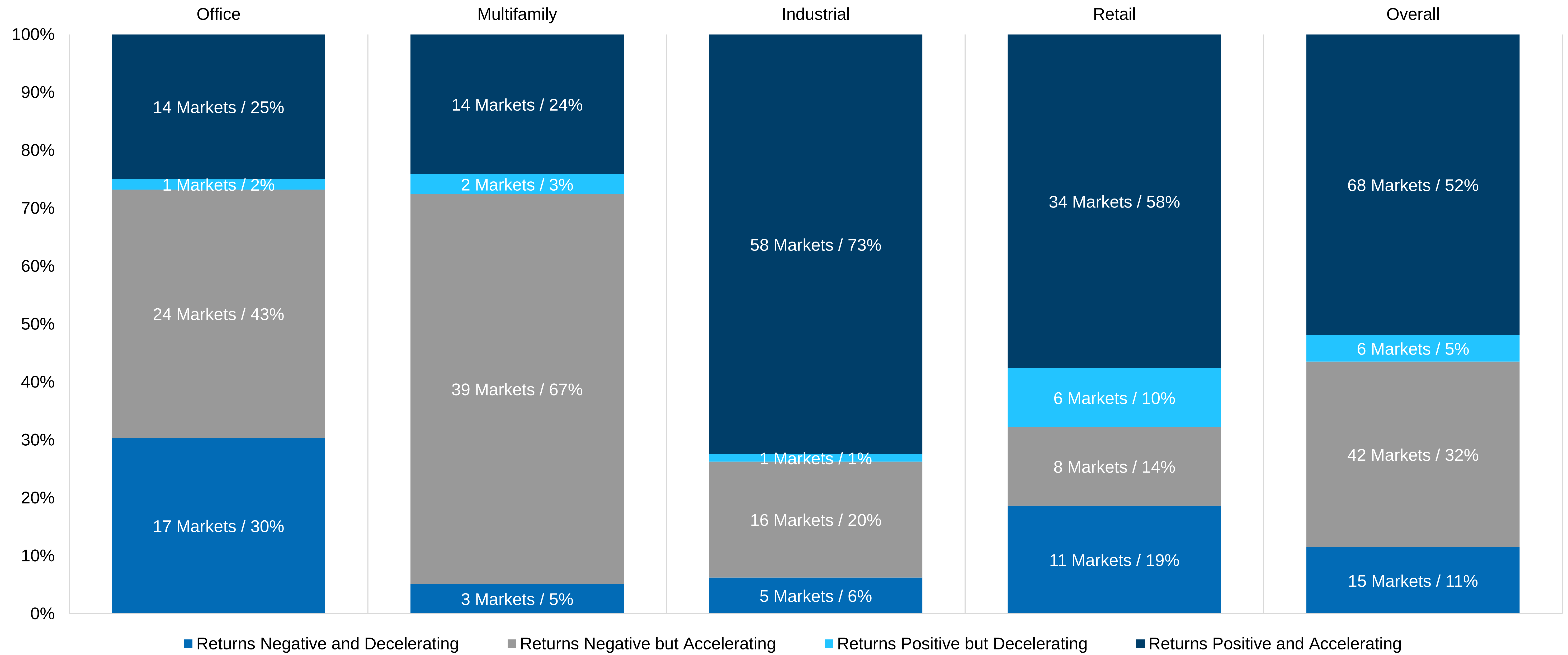


Source: NCREIF, Newmark Research as of 5/13/2024

NCREIF Returns Positive in 56% of Markets in 1Q24 up from 19% in 4Q23

Markets clearly registered the shift in return momentum in 1Q24. For office and multifamily, this shift manifested as a shift in markets from negative and decelerating to negative but accelerating. On the other hand, industrial and retail saw markets transition from negative and decelerating to positive and accelerating in a striking reversal. 73% of industrial markets and 58% of retail markets generated positive and rising total returns in 1Q24 according to NCREIF.

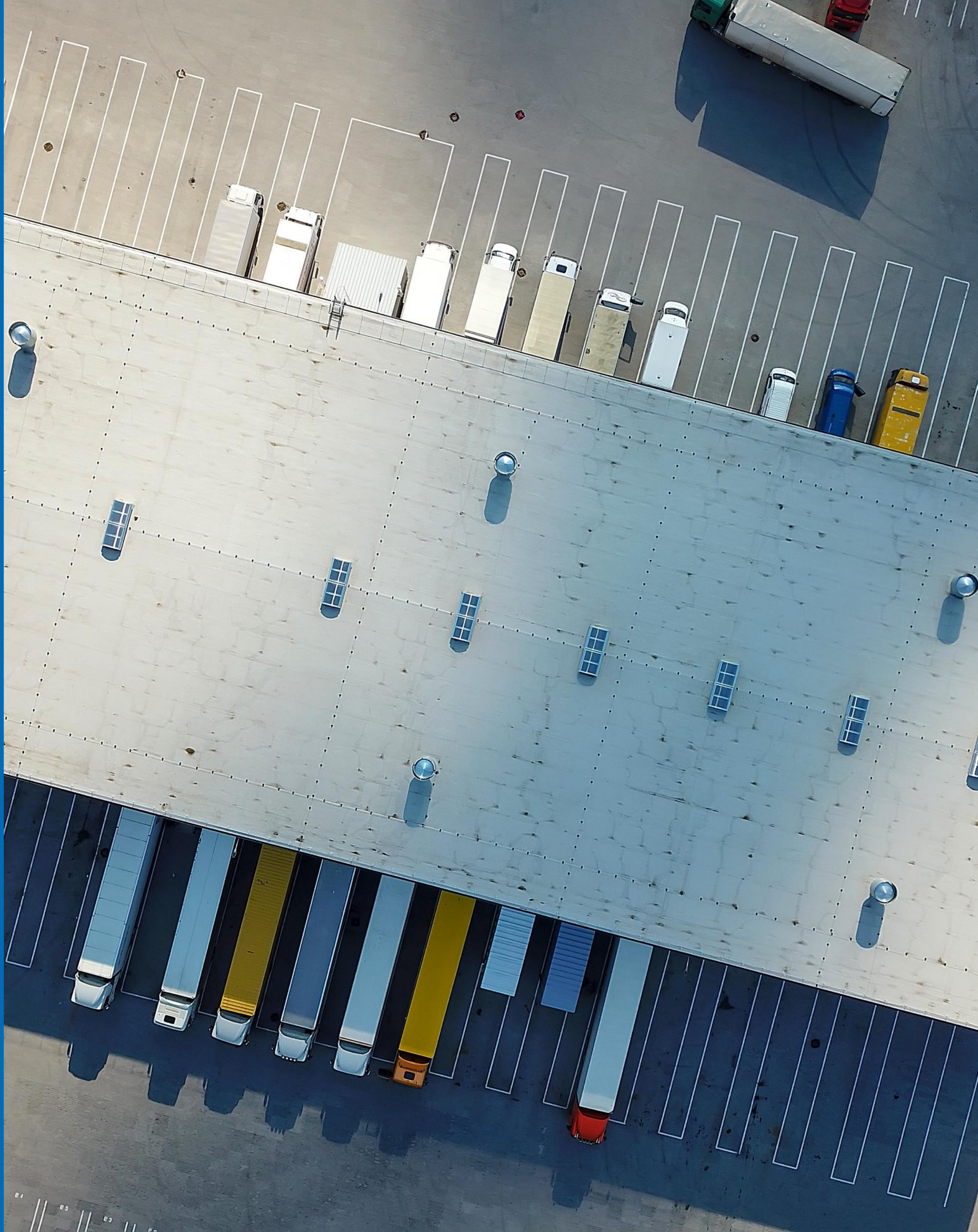
Breakdown of NCREIF CBSA Total Returns: 1Q 2024



Source: NCREIF, Newmark Research as of 5/13/2024

1Q24

Appendix: Market Statistics



National Industrial Market Statistics

First Quarter 2024

Market Statistics

	Total Inventory (SF)	SF Under Construction	SF Absorbed This Quarter	SF Absorbed Year-to-Date	Vacancy Rate	Average Asking Rent (Price/SF)
National	**17,316,700,968**	**413,186,329**	**27,867,086**	**27,867,086**	**6.0%**	**$10.14**
Atlanta	759,102,512	23,239,833	3,707,670	3,707,670	6.6%	$6.48
Austin	133,613,137	16,291,903	3,008,529	3,008,529	9.1%	$14.83
Baltimore	261,088,820	2,181,699	-574,808	-574,808	5.6%	$8.29
Boston	220,159,302	1,140,270	-499,874	-499,874	6.2%	$16.01
Broward County, FL	116,943,228	171,983	216,943	216,943	4.8%	$14.30
Charleston, SC	101,157,740	6,865,590	-615,000	-615,000	9.2%	$8.47
Charlotte	449,730,938	15,198,552	-578,399	-578,399	6.7%	$7.42
Chicago	1,221,839,591	10,660,805	3,131,419	3,131,419	4.6%	$6.44
Cincinnati	312,595,306	3,395,270	255,526	255,526	6.2%	$6.10
Cleveland	292,759,474	1,049,514	992,647	992,647	4.3%	$6.21
Columbia, SC	70,154,900	2,233,488	423,740	423,740	5.2%	$5.49
Columbus	288,320,338	8,015,913	-1,534,212	-1,534,212	7.7%	$5.89
Dallas	1,115,249,197	28,355,056	1,400,152	1,400,152	9.6%	$9.66
Denver	222,670,297	6,120,662	219,841	219,841	9.1%	$11.10
Detroit	433,649,562	2,522,169	-351,261	-351,261	3.9%	$7.84
Greenville, SC	263,518,892	10,393,809	4,261,075	4,261,075	8.4%	$5.61
Hampton Roads	109,500,836	3,514,096	825,268	825,268	4.0%	$9.33
Houston	759,080,401	15,644,246	2,095,672	2,095,672	7.5%	$9.36
Indianapolis	424,100,262	9,514,767	639,243	639,243	8.6%	$6.67

Note: Asking rents are quoted on a NNN basis. The average asking rent is the weighted average across warehouse, manufacturing, flex, and general industrial properties. Older, available buildings often cite asking rents, while newer facilities often withhold rent values. Based on this, today's asking rent averages may be materially understated.

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First Quarter 2024

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Inland Empire, CA	718,814,169	25,344,437	-2,640,630	-2,640,630	6.2%	$15.47
Jacksonville	150,793,332	5,039,924	819,882	819,882	3.9%	$10.13
Kansas City	332,706,454	9,686,730	-295,788	-295,788	5.5%	$6.05
Las Vegas	158,450,806	15,496,466	-554,584	-554,584	5.7%	$14.24
Long Island	168,766,829	2,098,089	-48,158	-48,158	4.6%	$16.75
Los Angeles	1,061,699,916	6,704,636	-2,831,120	-2,831,120	3.0%	$19.73
Memphis	319,543,289	417,326	-1,232,519	-1,232,519	7.8%	$4.56
Miami	223,532,141	5,372,637	510,089	510,089	2.9%	$15.22
Milwaukee	284,313,534	632,560	-341,956	-341,956	4.0%	$4.87
Minneapolis	430,105,480	3,527,537	1,872,534	1,872,534	4.3%	$7.86
Nashville	289,698,269	8,959,282	2,625,526	2,625,526	4.5%	$9.85
New Jersey Northern	685,054,231	12,861,187	-548,402	-548,402	4.4%	$16.83
Oakland/East Bay	177,119,291	1,243,344	-1,331,146	-1,331,146	5.8%	$20.97
Orange County, CA	264,948,158	1,289,049	-1,235,394	-1,235,394	3.3%	$19.55
Orlando	181,100,383	4,332,908	102,769	102,769	6.3%	$10.12
Palm Beach	46,870,968	2,050,899	213,870	213,870	6.3%	$12.91
Penn. I-81/78 Corridor	470,482,339	8,270,415	3,156,622	3,156,622	5.8%	$9.42
Philadelphia	528,348,552	11,986,175	1,764,332	1,764,332	5.5%	$11.39
Phoenix	398,926,155	32,232,660	4,222,502	4,222,502	9.9%	$11.20

Note: Asking rents are quoted on a NNN basis. The average asking rent is the weighted average across warehouse, manufacturing, flex, and general industrial properties. Older, available buildings often cite asking rents, while newer facilities often withhold rent values. Based on this, today's asking rent averages may be materially understated.

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National	**17,316,700,968**	**413,186,329**	**27,867,086**	**27,867,086**	**6.0%**	**$10.14**
Pittsburgh	156,727,864	448,815	-170,409	-170,409	6.8%	$5.72
Portland	211,490,589	1,763,337	1,268,418	1,268,418	4.5%	$10.93
Raleigh/Durham	145,659,505	7,116,463	492,473	492,473	6.6%	$12.74
Richmond	144,783,423	5,815,890	2,465,089	2,465,089	3.6%	$8.37
Sacramento	162,143,746	920,117	256,684	256,684	5.0%	$9.57
Salt Lake City	299,118,535	8,166,607	3,330,461	3,330,461	4.0%	$10.62
San Antonio	162,121,263	5,678,758	-103,438	-103,438	8.2%	$8.35
San Diego	168,532,870	1,482,878	-191,523	-191,523	5.5%	$16.45
Savannah, GA	128,500,056	27,733,883	1,019,415	1,019,415	11.7%	$7.24
Seattle	321,205,716	6,520,752	-1,214,923	-1,214,923	6.3%	$12.86
Silicon Valley	138,214,378	2,796,628	-133,169	-133,169	8.6%	$28.44
St. Louis	294,150,373	2,451,930	-1,114,625	-1,114,625	5.4%	$5.98
Tampa/St. Petersburg	253,211,180	8,263,366	538,101	538,101	7.0%	$7.71
Washington, DC	284,332,441	9,971,019	171,932	171,932	5.0%	$14.25

Note: Asking rents are quoted on a NNN basis. The average asking rent is the weighted average across warehouse, manufacturing, flex, and general industrial properties. Older, available buildings often cite asking rents, while newer facilities often withhold rent values. Based on this, today’s asking rent averages may be materially understated.

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