Industrial Submarket Report

South Riverside

Inland Empire Market

PREPARED BY

MURRIETA/WILDOMAR CHAMBER OF COMMERCE

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CoStar™

INDUSTRIAL SUBMARKET REPORT

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Overview

South Riverside Industrial

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
3.4 M	1.7 M	5.5%	6.8%

Sturdy fundamentals and solid rent growth have encouraged a healthy dose of deliveries. However, leasing has started to fall behind. Vacancies recently expanded to 5.5%, a result of a few speculative developments that delivered vacant and a moveout of National Stores in Perris, who previously occupied 580,000 SF. A wave of development has started deliverying and will likely intensify later in 2019— much of the construction is speculative and remains available for lease.

South Riverside is the southernmost submarket in the Inland Empire, stretching from Perris down to Temecula and out to Hemet. Institutional investors tend to prefer more centrally-located submarkets in the Inland Empire and tend to avoid South Riverside. However, a few properties recently traded as part of a large national porfolio divested by Brookfield Asset Management, which was purchased by Ivanhoe Cambridge and later part of a partnershup between Ivanhoe Cambridge and Oxford Properties Group. More common in the submarket is purchases by owner-occupants, such Fergusan Enterprises acquisition of a new one million SF warehouse for $99.5 million in September 2018 that it will occupy as it expands from its former Ontario location.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	35,315,102	7.1%	$9.86	15.7%	413,981	0	3,586,827
Specialized Industrial	12,121,528	0.8%	$11.03	2.8%	1,437	0	0
Flex	1,941,472	7.6%	$13.95	9.8%	(3,517)	0	0
Submarket	**49,378,102**	**5.5%**	**$10.28**	**12.6%**	**411,901**	**0**	**3,586,827**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	3.3%	6.1%	6.6%	12.9%	2009 Q3	1.8%	2018 Q1
Net Absorption SF	1.7 M	1,340,456	2,712,830	4,264,796	2016 Q3	(361,372)	2008 Q4
Deliveries SF	3.4 M	1,484,103	3,017,152	3,606,867	2019 Q2	0	2012 Q1
Rent Growth	6.8%	3.5%	3.0%	10.3%	2017 Q1	-9.4%	2009 Q4
Sales Volume	$1 B	$162.2M	N/A	$1.0B	2019 Q2	$20.9M	2009 Q3

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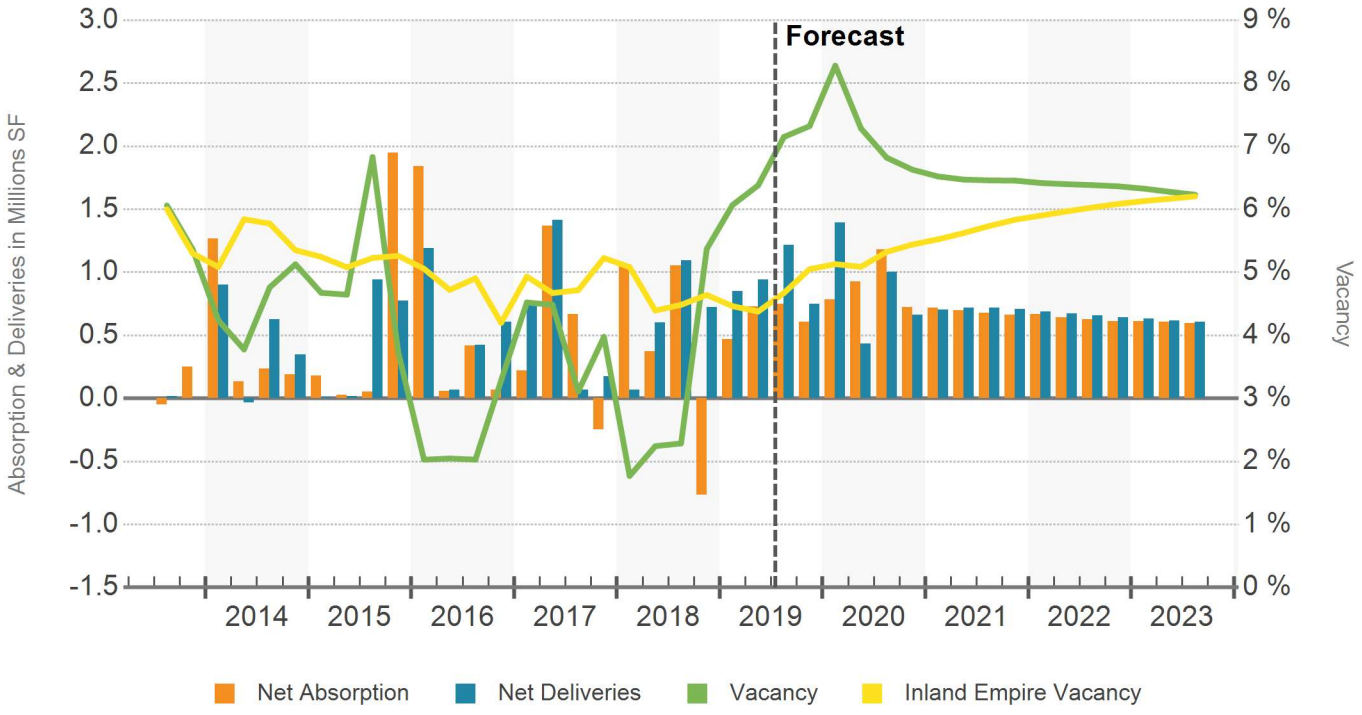
Vacancies have been expanding recently and have now reached 5.5%. National Stores, owner of Fallas Paredes, vacated its 580,000 SF distribution center in Perris recently after they filed for bankruptcy and announced massive store closures. Other smaller spaces have also become available, but speculative development has been a contributor to recent vacancy expansion as well.

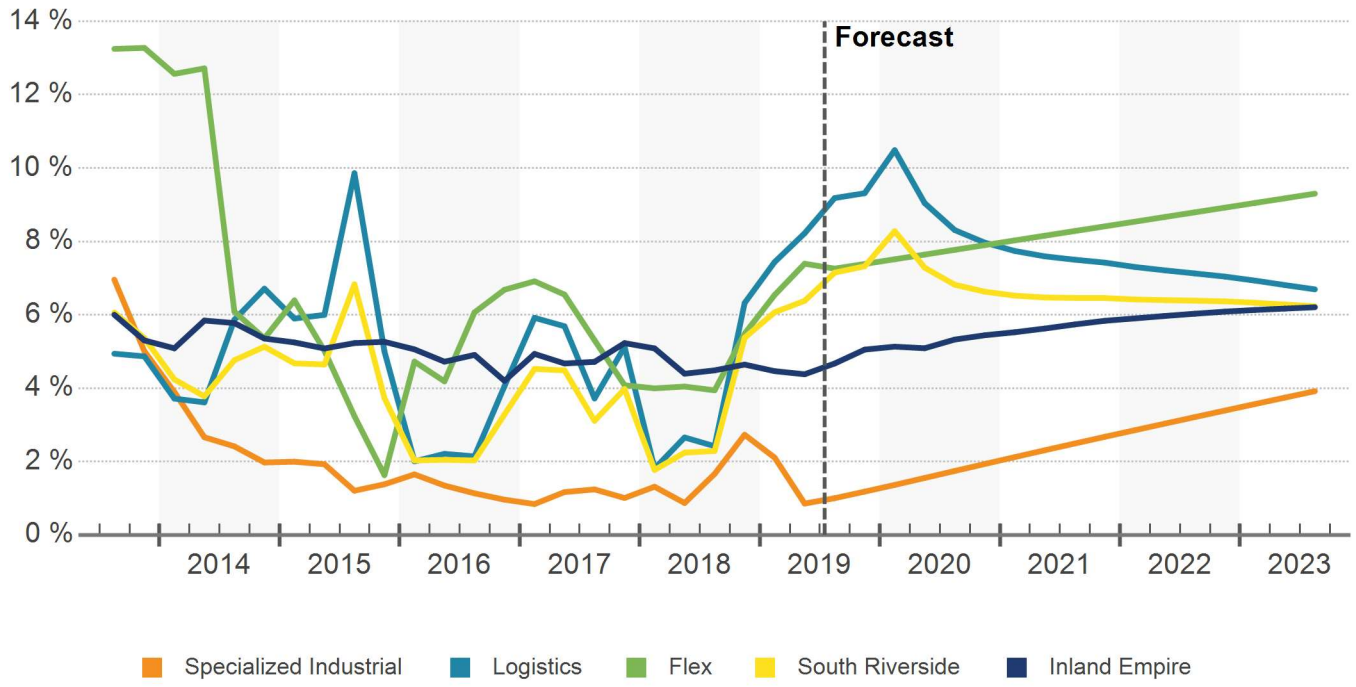
Several leases executed last year demonstrate more upbeat demand for industrial product in the submarket. For example, AccentDecor moved in to IBG Perris Harley Knox, a 172,000 SF warehouse and Walmart moved in to a 100,000 SF distribution building in Temecula. Although there are several tenants occupying more than 1 million SF, overall, tenants service local economies more so than in other submarkets. The exceptions are primarily located in Perris, including Whirlpool (1.6 million SF), Hanes (1.3 million SF), Ross (1.3 million SF), and Lowe's (1.3 million SF); most recently, Wayfair (1.2 million SF) and General Mills (1.1 million SF) have been added to the list.

The submarket is served by numerous highways, including I-15, I-215, SR-74, and SR-79. Industrial buildings in South Riverside are scattered throughout the submarket, with some clustered near highway intersections. Logistics companies here have access to the Los Angeles, Orange County, and San Diego markets.

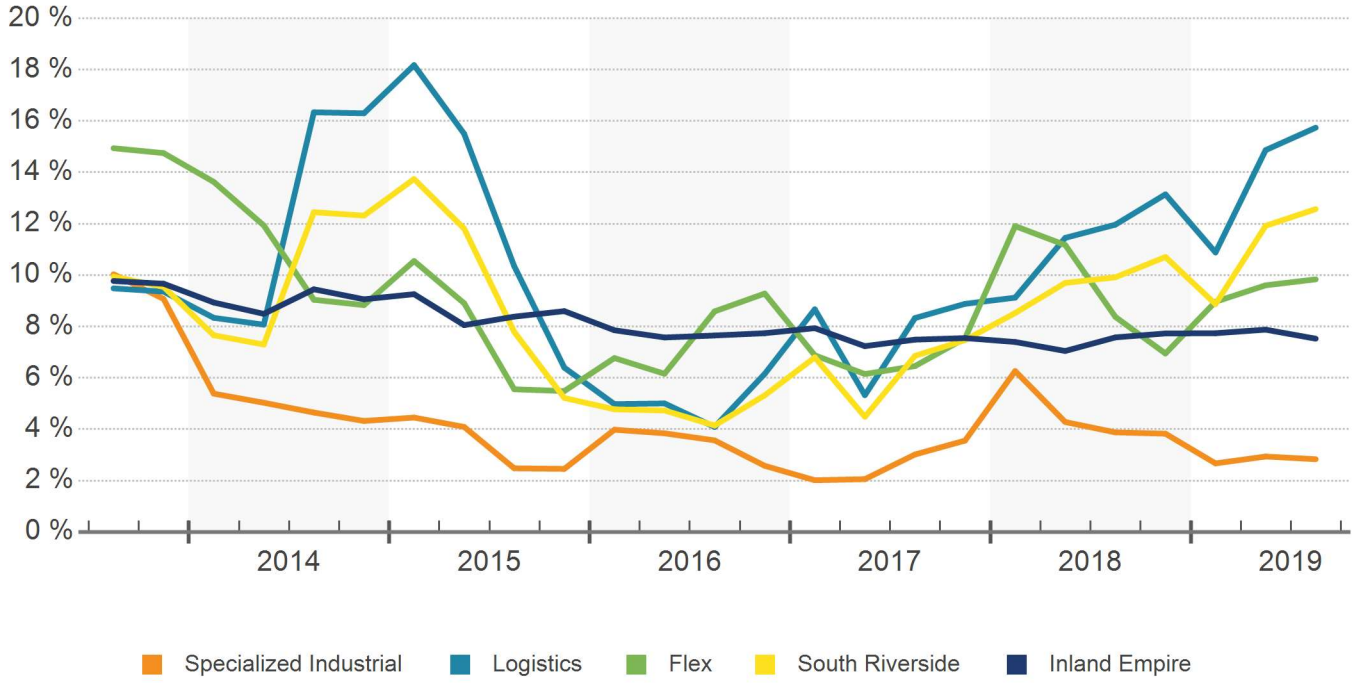
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



AVAILABILITY RATE



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4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
Stratford Ranch Building 3 375 Markham St	★★★★★	456,652	1	456,652	0%	456,652
IBG Perris Harley Knox 501-531 Harley Knox Blvd	★★★★☆	172,700	1	38,500	0%	0
25819 Jefferson Ave	★★★★☆	17,168	1	7,890	0%	0
28381 Vincent Moraga Dr	★★★★☆	108,927	1	45,000	0%	0
40761 County Center Dr	★★★★☆	102,320	1	102,320	0%	0
Bldg 2 22420 Temescal Canyon Rd	★★★★☆	198,030	1	38,500	0%	0
Hanesbrands Distribution Ce... 3700 Indian Ave	★★★★★	1,309,754	1	1,309,754	0%	0
Bldg 2 3900 Indian Ave	★★★★★	579,708	1	579,708	0%	0
42225 Remington Ave	★★★★★	68,000	5	13,284	16.0%	(2,508)

3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	SF	Vacancy (QTD)	Net Absorption SF (QTD)
41606-41610 Date St	★★★☆☆	53,286	3	12,690	0%	3,168
Building B 26111 Ynez Rd	★★★☆☆	33,122	7	10,831	34.6%	1,522
43397 Business Park Dr	★★★☆☆	19,832	5	11,166	0%	0
Bldg B 26323 Jefferson Ave	★★★☆☆	14,564	3	501	0%	0
Bldg B 29980 Technology Dr	★★★☆☆	19,283	3	4,101	19.2%	0
Bldg B 42245 Remington Ave	★★★☆☆	55,800	3	10,090	0%	0
Industrial Garage 18565 Minthorn St	★★★☆☆	13,023	3	2,848	0%	0
41735 Elm St	★★★☆☆	32,090	3	5,906	5.9%	0
26019 Jefferson Ave	★★★☆☆	17,000	2	4,465	0%	0
1680 Illinois Ave	★★★☆☆	36,822	2	3,772	5.7%	0
Bldg 2 27570 Commerce Center Dr	★★★☆☆	50,101	2	1,969	3.6%	0
Bldg B 24305 Prielipp Rd	★★★☆☆	46,385	2	33,519	0%	0
36595 Kevin Rd	★★★☆☆	69,231	2	26,946	0%	0
Bldg D 36625 Kevin Rd	★★★☆☆	62,508	2	7,779	0%	0
Bldg A 30033 Technology Dr	★★★☆☆	9,772	2	5,554	0%	0
18650 Collier Ave	★★★☆☆	43,697	2	6,440	0%	0
Date Street Business Park 41665 Date St	★★★☆☆	5,955	2	5,955	0%	0
Bldg 3 27574 Commerce Center Dr	★★★☆☆	20,746	2	1,500	16.6%	0
43350-43352 Business Park Dr	★★★☆☆	91,326	1	43,171	0%	0
40880 County Center Dr	★★★☆☆	41,120	7	15,265	0%	0

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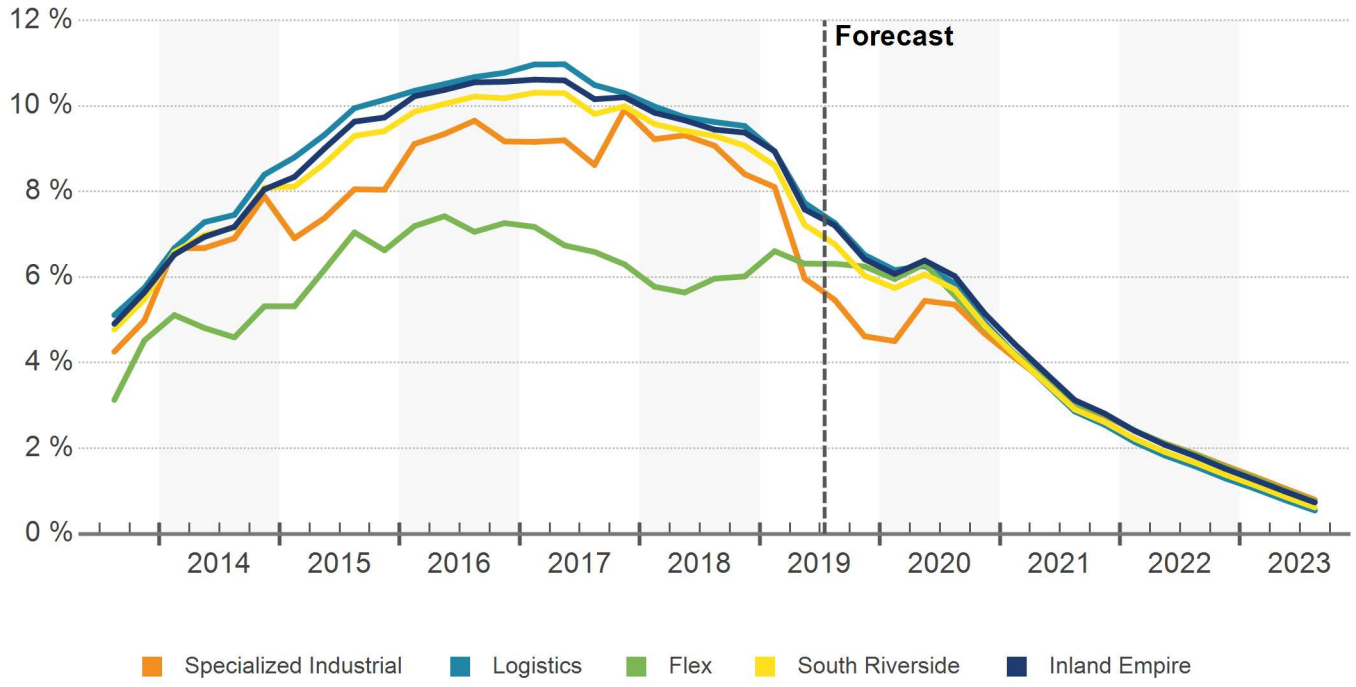
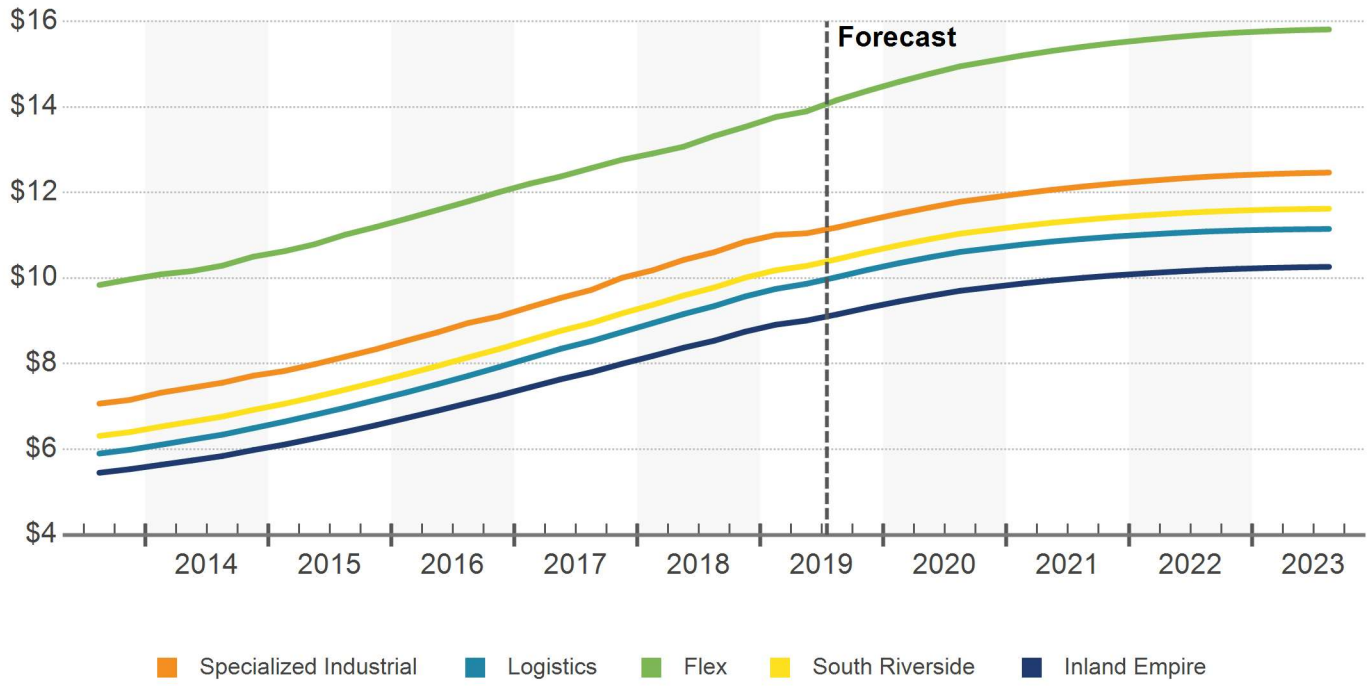
Rents continue to post strong gains, with four quarter rent growth registering 6.8%. Rents have grown by an average rate of 9.3% over the past five years, with the strongest gains coming to newer, 4 & 5 Star buildings.

Rents are about 20% above the metro average due to the high proportion of new inventory, which tend to include office-like amenities, greenspace/landscaping, and energy capabilities to house modern logistics companies. However, availability of existing industrial stock recently started to expand and could favor prospective tenants. At the same time, the construction pipeline is ripe with speculative construction which could also help tenants if they are not leased prior to completion.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT

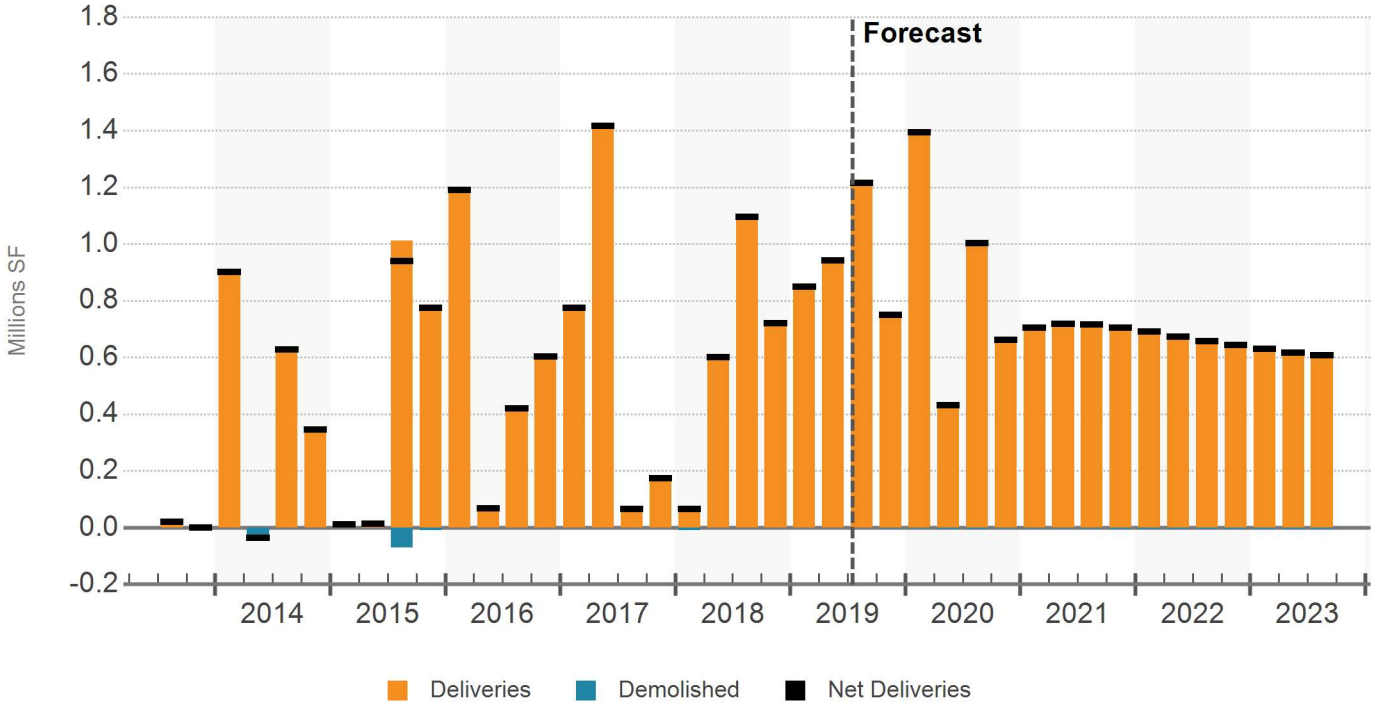


The submarket has about 7.5% of the metro's total inventory. About half of that inventory was developed after 2000. Between 2001 and 2010, the submarket welcomed a major wave of warehouses and distribution centers, including four buildings with more than 1.2 million SF of space. The economic downturn halted industrial development briefly, but the growth in e-commerce has persisted and industrial deliveries began to appear here again in 2014. From 2014 to now, industrial stock has grown by nearly 13.3 million SF, about 60% of inventory and 3,600,000 SF of industrial space is under construction.

One of the most recent large buildings to deliver is the Patterson Logistics Center in April 2019.The building contains 912,000 SF and remains available. Similarly, Duke Realty delivered 4323 Indian Avenue in Perris in March 2019 with 657,000 SF, which also remains available for lease.

Development opportunities continue to arise in the submarket and there is 3,600,000 SF of industrial space under construction. The largest project is a spec 1 million SF warehouse also being developed by Duke Realty. This building is expected to deliver early in 2020.

DELIVERIES & DEMOLITIONS

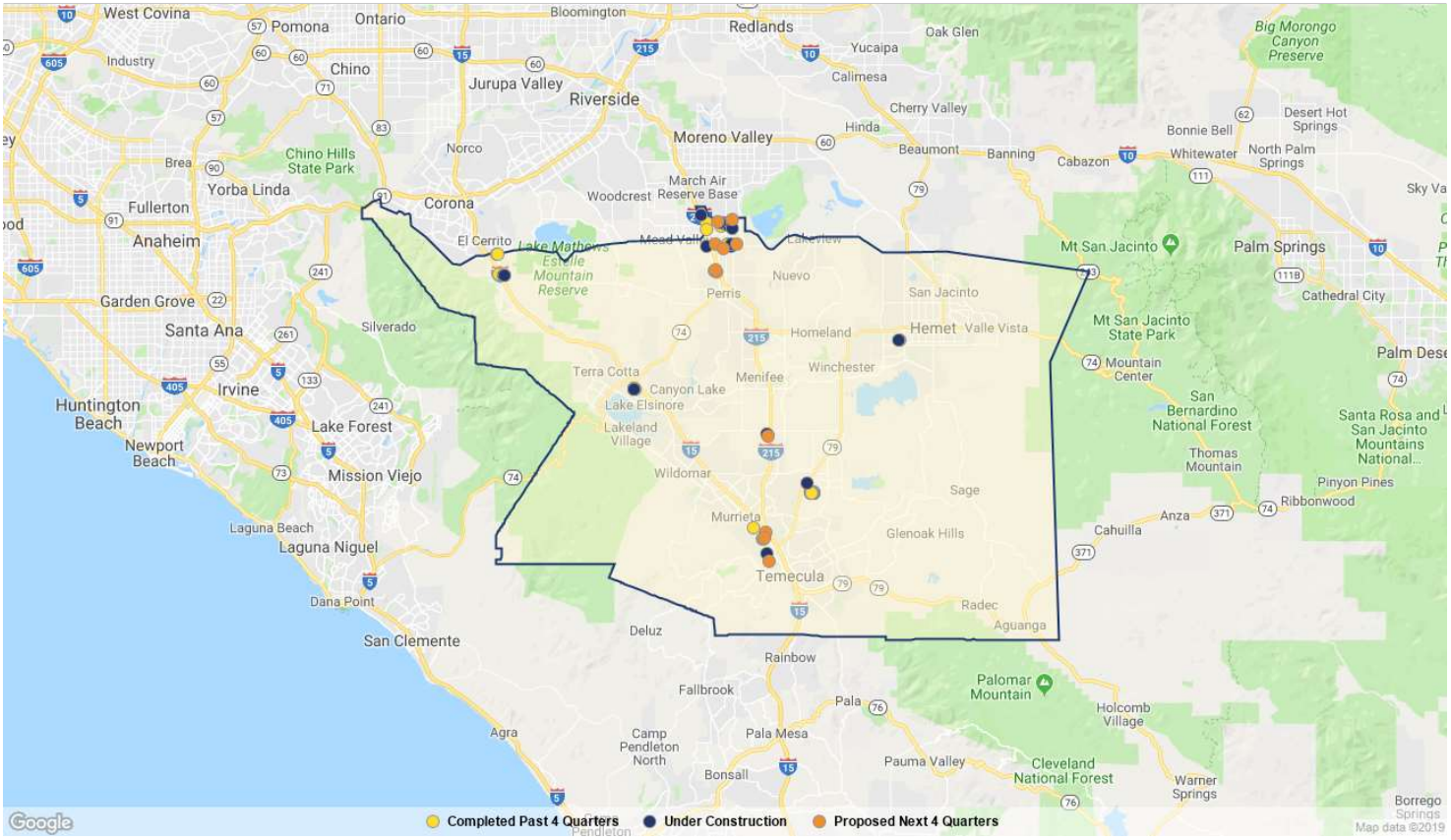


Construction

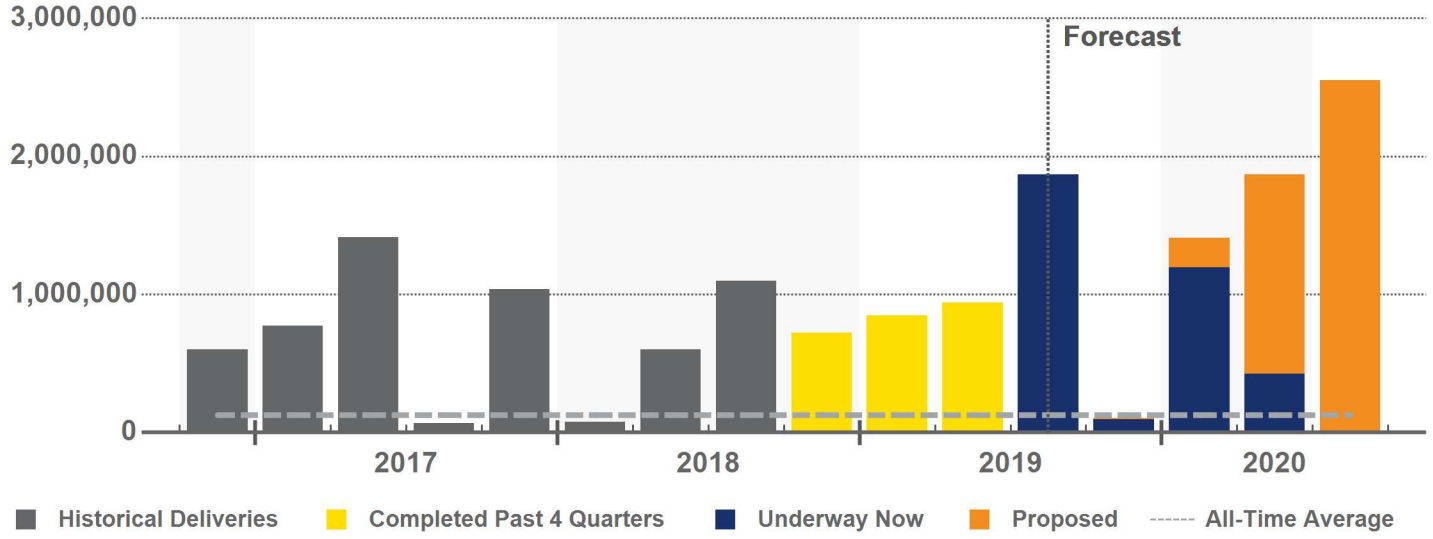
South Riverside Industrial

All-Time Annual Avg. SF	Delivered SF Past 4 Qtrs	Delivered SF Next 4 Qtrs	Proposed SF Next 4 Qtrs
505,436	2,510,976	3,586,827	4,219,303

PAST 4 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN SQUARE FEET



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RECENT DELIVERIES

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**Building B** 9130 Pulsar Ct	★★★☆☆	21,007	1	Jul-2018	Apr-2019	- M P Strut N Fastners
2	**Patterson Logistics Center** 4413 Patterson Ave	★★★★☆	912,338	1	Mar-2018	Apr-2019	Western Realco AEW Capital Management
3	**61 Commerce Dr**	★★★☆☆	7,755	1	Nov-2018	Apr-2019	Pulliam Family Trust Pulliam Family Trust
4	**Building I-5** 30882 Wealth St	★★★☆☆	5,247	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
5	**Building I-1** 30914 Wealth St	★★★☆☆	5,247	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
6	**Building I-2** 30906 Wealth St	★★★☆☆	5,548	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
7	**Building I-3** 30898 Wealth St	★★★☆☆	5,548	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
8	**Building I-4** 30890 Wealth St	★★★☆☆	6,448	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
9	**Building I-6** 30874 Wealth St	★★★☆☆	5,548	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
10	**Building I-7** 30866 Wealth St	★★★☆☆	5,548	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
11	**Building I-8** 30858 Wealth St	★★★☆☆	6,490	1	Oct-2017	Mar-2019	- Joseph D & Lucile Dennis
12	**Building I-9** 30850 Wealth St	★★★☆☆	4,336	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
13	**Building I-10** 30842 Wealth St	★★★☆☆	4,423	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
14	**Building I-11** 30834 Wealth St	★★★☆☆	4,423	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
15	**Building I-12** 30826 Wealth St	★★★☆☆	4,969	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
16	**Building I-13** 30818 Wealth St	★★★☆☆	4,336	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
17	**Building I-16** 30794 Wealth St	★★★☆☆	5,175	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
18	**Building G-2** 30754 Wealth St	★★★☆☆	6,042	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
19	**Building H-1** 30778 Wealth St	★★★☆☆	6,350	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC
20	**Building H-2** 30746 Wealth St	★★★☆☆	6,350	1	Oct-2017	Mar-2019	- French Valley Airport Center LLC

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UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**4375 N Perris St**	★★★★★	1,008,646	1	Apr-2019	Jan-2020	Duke Realty Corporation Duke Realty Corporation
2	**Rider Business Center,...** Rider & Redlands	★★★☆☆	643,263	1	Jul-2018	Aug-2019	- -
3	**Harvill Business Center** 20123 Harvill Ave	★★★★★	423,665	1	Jul-2019	Jun-2020	Core5 Industrial Partners Core5 Industrial Partners
4	**1301 Harley Knox Blvd**	★★★★☆	397,351	1	Feb-2018	Sep-2019	REDA AEW Capital Management
5	**Rider Distribution Center** 251 E Rider St	★★★☆☆	354,810	1	Jul-2018	Aug-2019	First Industrial Realty Trust, Inc. IDI Logistics
6	**353 Perry St**	★★★★☆	240,247	1	Sep-2018	Sep-2019	First Industrial Realty Trust, Inc. First Industrial Realty Trust, Inc.
7	**380 W Markham St**	★★★★☆	187,200	1	Apr-2019	Feb-2020	- -
8	**212 Markham Street** 212 Markham St	★★★☆☆	81,209	2	Feb-2019	Oct-2019	IDI Logistics -
9	**Remington Distribution...** 42006 Remington Ave	★★★☆☆	51,532	1	Apr-2018	Aug-2019	Hamann Companies Hamann Companies
10	**30555 Cochise Cir**	★★★☆☆	47,500	-	Jan-2017	Aug-2019	- Reisung Enterprises, Inc.
11	**Building C** 9142 Pulsar Ct	★★★☆☆	23,857	1	May-2018	Aug-2019	- M P Strut N Fastners
12	**Building A** 9118 Pulsar Ct	★★★☆☆	21,442	1	Jul-2018	Aug-2019	- M P Strut N Fastners
13	**Zeider's Industrial Big Y...** 33325 Zeiders Rd	★★★☆☆	20,000	1	Dec-2018	Aug-2019	- -
14	**Building P** 475 Birch St	★★★★☆	18,411	1	Sep-2018	Aug-2019	- Fairway Commercial Partners
15	**Building Q** 465 Birch St	★★★★☆	16,010	1	Sep-2018	Aug-2019	- Fairway Commercial Partners
16	**Nwc Wentworth & Airwa...**	★★★☆☆	15,400	1	Oct-2018	Oct-2019	- Guardian Real Estate Services
17	**Building N** 485 Birch St	★★★★☆	9,978	1	Sep-2018	Aug-2019	- Fairway Commercial Partners
18	**Building S** 455 Birch St	★★★★☆	9,076	1	Sep-2018	Sep-2019	- Fairway Commercial Partners
19	**Building R** 445 Birch St	★★★★☆	9,076	1	Sep-2018	Sep-2019	- Fairway Commercial Partners
20	**Building M** 495 Birch St	★★★★☆	8,154	1	Sep-2018	Aug-2019	- Fairway Commercial Partners

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PROPOSED

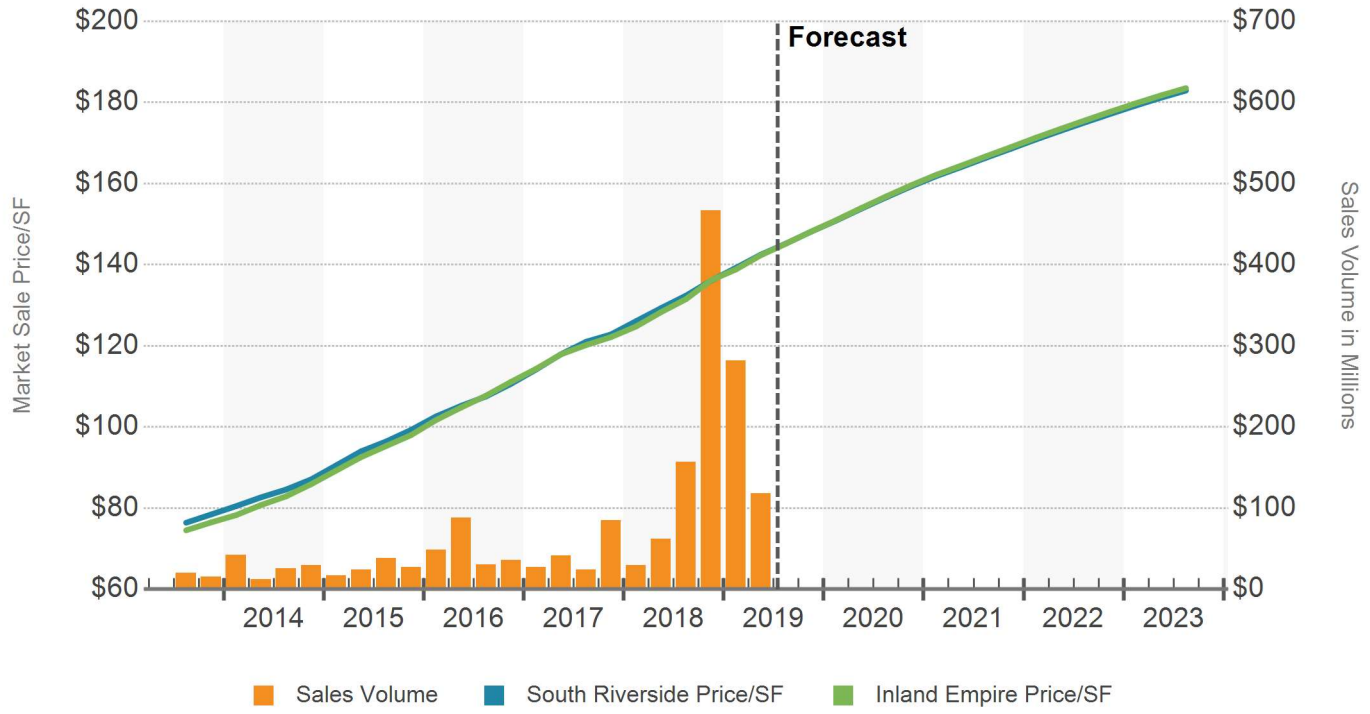
	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**3315 Webster Ave**	★★★★☆	1,191,080	1	Sep-2019	Jun-2020	- Rados Properties
2	**Bldg 1** 21535 Harvill Ave	★★★★☆	1,086,732	1	Jul-2019	Jul-2020	IDS Real Estate Group IDS Real Estate Group
3	**Rider Logistics Center |...** 0 Redlands Ave	★★★★★	806,351	1	Nov-2019	Aug-2020	- -
4	**Bldg 6** 25525 Harvill Ave	★★★★☆	499,913	1	Jul-2019	Jul-2020	- IDS Real Estate Group
5	**4561 Redlands Ave**	★★★☆☆	210,900	1	Aug-2019	Jun-2020	- -
6	**24455 Nance St**	★★★★☆	187,000	1	Jul-2019	Jan-2020	- -
7	**33360 Zeiders Rd**	★★★☆☆	109,306	1	Jul-2019	Jul-2020	- -
8	**21481 Harvill Ave**	★★★★☆	28,604	1	Jul-2019	Jul-2020	- IDS Real Estate Group
9	**41701 Eastman Dr**	★★★☆☆	27,988	1	Jul-2019	Feb-2020	- -
10	**41537 Eastman Dr**	★★★☆☆	27,798	1	Aug-2019	May-2020	- SCI, Inc.
11	**42495 Avenida Alvarado**	★★★☆☆	20,000	1	Jul-2019	Jul-2020	- -
12	**Madison Ave. @ Elm St.**	★★★☆☆	13,631	-	Jul-2019	Apr-2020	- -

Sales activity started to pick up in 2018 and remains elevated in 2019. Generally, the vast amount of available land in South Riverside strongly tilts the build versus buy decision for investors towards build. Older stock makes up a small portion of the submarket and value-add opportunities are rare. Most sales consist of owner-occupants, although a large proportion of recent volume is attributable to national porfolio deals that involve a few buildings in the submarket.

One of the largest trades in the submarket's history was executed in September 2018 when Fergusan Enterprises purchased a one million-SF warehouse from the Rockefeller Group. The warehouse was developed earlier in the year and was sold on a shell basis. Fergusan paid $99.5 million ($96/SF) and planned to expand from its former location in Ontario.

Another notable sale includes a 161,000-SF industrial manufacturing building located at 26040 Ynez Road in Temecula that was purchased by Stos Partners in June 2018 for $13.8 million ($86/SF). The building was occupied by the Channell Commercial Corporation, which is slated to move out. Soon after, the building was resold for $16.8 million ($105/SF) to locally based QC Manufacturing.

SALES VOLUME & MARKET SALE PRICE PER SF

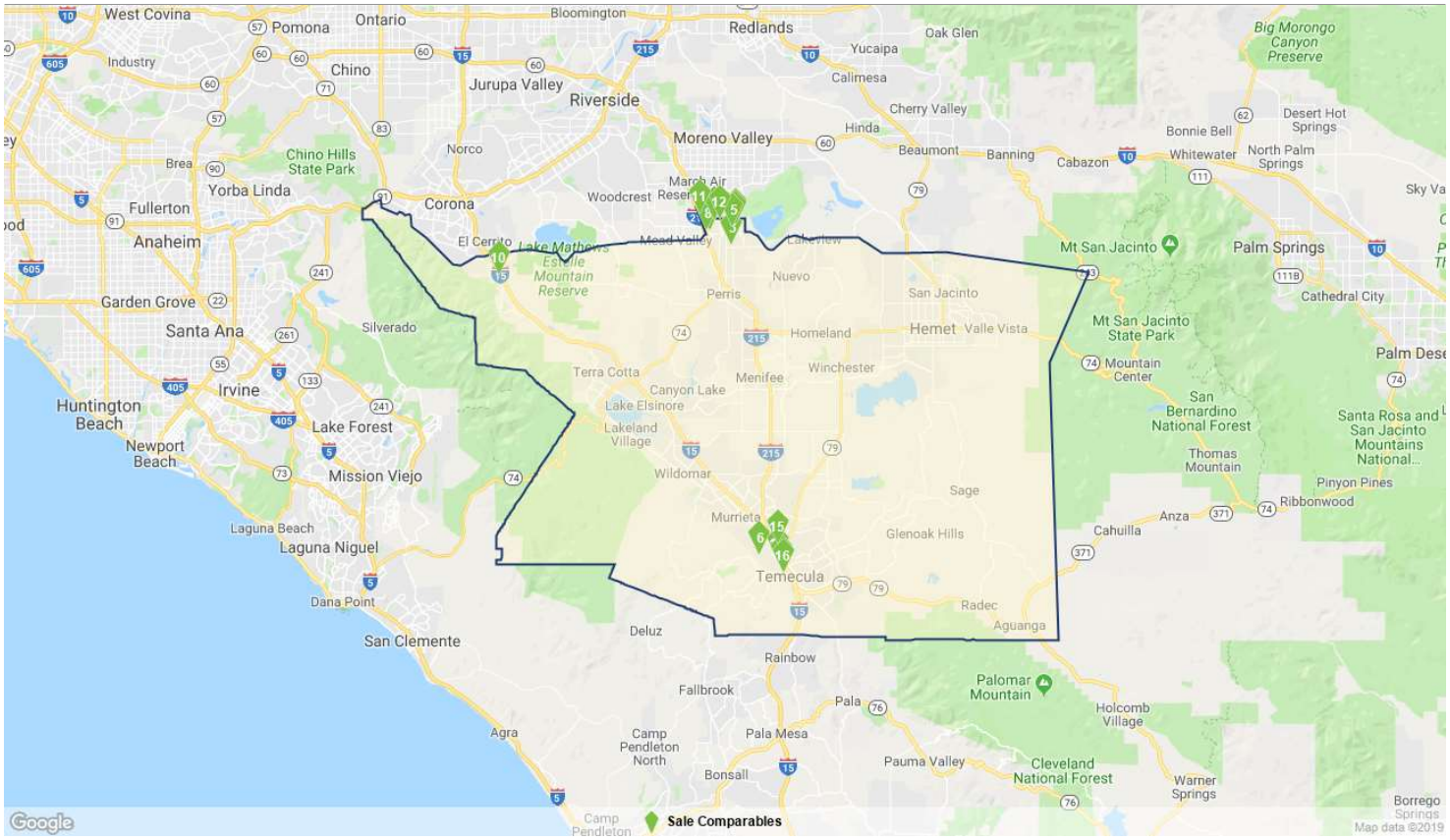


Sales Past 12 Months

South Riverside Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
131	5.8%	$128	15.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$270,000	$16,250,583	$2,837,500	$147,237,183
Price Per SF	$60	$128	$146	$270
Cap Rate	4.5%	5.8%	5.5%	7.8%
Time Since Sale in Months	0.7	5.8	5.5	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	2,327	98,667	9,500	1,039,898
Ceiling Height	7'	21'7"	19'	57'
Docks	0	17	0	214
Vacancy Rate At Sale	0%	15.9%	0%	100%
Year Built	1950	1999	2003	2019
Star Rating	★☆☆☆☆	★★☆☆☆ 2.3	★★☆☆☆	★★★★★

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Sales Past 12 Months

RECENT SIGNIFICANT SALES

		Property				Sale			
	Property Name - Address	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1	**Stratford Ranch Building 1** 4565 Redlands Ave	★★★★★	2015	1,008,000	0%	11/30/2018	$147,237,183	$146	-
2	**Building 1** 4100 N Webster Ave	★★★☆☆	2018	1,039,898	0%	9/27/2018	$99,547,000	$96	-
3	**Rider Business Center,...** Rider & Redlands	★★★☆☆	2019	643,263	100%	11/30/2018	$93,960,548	$146	-
4	**Stratford Ranch Building 2** 4555 Redlands Ave	★★★★★	2017	599,113	0%	11/30/2018	$87,511,618	$146	-
1	**Stratford Ranch Building 1** 4565 Redlands Ave	★★★★★	2015	1,008,000	0%	1/30/2019	$70,355,180	$140	-
5	**Stratford Ranch Building 3** 375 Markham St	★★★★★	2018	456,652	100%	11/30/2018	$66,702,534	$146	-
6	**42500 Winchester Rd**	★★★★☆	2009	615,050	0%	5/24/2019	$54,650,000	$89	-
3	**Rider Business Center,...** Rider & Redlands	★★★☆☆	2019	643,263	100%	1/30/2019	$44,897,703	$140	-
7	**1301 Harley Knox Blvd**	★★★★☆	2019	397,351	100%	12/21/2018	$44,705,961	$113	-
8	**Building 2** 4150 Patterson Ave	★★★☆☆	2018	406,650	100%	1/8/2019	$43,512,000	$107	-
4	**Stratford Ranch Building 2** 4555 Redlands Ave	★★★★★	2017	599,113	0%	1/30/2019	$41,816,174	$140	-
5	**Stratford Ranch Building 3** 375 Markham St	★★★★★	2018	456,652	100%	1/30/2019	$31,872,851	$140	-
9	**IBG Perris Harley Knox** 501-531 Harley Knox Blvd	★★★★☆	2017	172,700	0%	4/18/2019	$21,775,000	$126	4.5%
10	**Temescal Valley Comme...** 21937 Knabe Rd	★★★★☆	2018	139,800	0%	2/19/2019	$18,733,500	$134	-
11	**5100-5110 Western Way**	★★☆☆☆	2017	95,000	0%	4/18/2019	$12,100,000	$127	4.5%
12	**Bldg C** 416 Harley Knox Blvd	★★★★☆	2007	90,096	25.5%	9/25/2018	$11,262,000	$125	-
13	**27711 Diaz Rd**	★★★☆☆	1972	131,577	0%	9/5/2018	$10,000,000	$76	7.7%
14	**43455 Business Park Dr**	★★★☆☆	1999	44,317	0%	11/1/2018	$8,762,500	$198	5.7%
15	**26201 Ynez Rd**	★★★☆☆	1989	100,938	0%	9/27/2018	$7,963,767	$79	-
16	**28410 Vincent Moraga Dr**	★★★☆☆	1985	64,678	0%	4/26/2019	$7,100,000	$110	-

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Supply & Demand Trends

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	62,787,638	2,448,934	4.1%	2,416,840	3.8%	1.0
2022	60,338,704	2,663,461	4.6%	2,545,843	4.2%	1.0
2021	57,675,243	2,841,944	5.2%	2,754,205	4.8%	1.0
2020	54,833,299	3,489,805	6.8%	3,615,436	6.6%	1.0
2019	51,343,494	3,755,362	7.9%	2,553,795	5.0%	1.5
YTD	49,378,102	1,789,970	3.8%	1,608,080	3.3%	1.1
2018	47,588,132	2,482,038	5.5%	1,718,752	3.6%	1.4
2017	45,106,094	3,291,354	7.9%	2,007,178	4.4%	1.6
2016	41,814,740	2,282,650	5.8%	2,383,914	5.7%	1.0
2015	39,532,090	1,739,757	4.6%	2,203,732	5.6%	0.8
2014	37,792,333	1,835,348	5.1%	1,826,405	4.8%	1.0
2013	35,956,985	(55,881)	-0.2%	1,478,403	4.1%	-
2012	36,012,866	705,621	2.0%	288,429	0.8%	2.4
2011	35,307,245	(34,284)	-0.1%	734,254	2.1%	-
2010	35,341,529	91,662	0.3%	111,238	0.3%	0.8
2009	35,249,867	2,229,270	6.8%	1,838,069	5.2%	1.2
2008	33,020,597	994,716	3.1%	(361,372)	-1.1%	-
2007	32,025,881	3,118,878	10.8%	2,627,245	8.2%	1.2

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	12,165,301	10,987	0.1%	(76,073)	-0.6%	-
2022	12,154,314	11,933	0.1%	(76,502)	-0.6%	-
2021	12,142,381	12,781	0.1%	(78,292)	-0.6%	-
2020	12,129,600	8,072	0.1%	(82,771)	-0.7%	-
2019	12,121,528	11,952	0.1%	199,482	1.6%	0.1
YTD	12,121,528	11,952	0.1%	240,303	2.0%	0
2018	12,109,576	29,427	0.2%	(179,560)	-1.5%	-
2017	12,080,149	0	0%	(5,556)	0%	-
2016	12,080,149	0	0%	50,672	0.4%	0
2015	12,080,149	5,703	0%	77,442	0.6%	0.1
2014	12,074,446	0	0%	366,382	3.0%	0
2013	12,074,446	(74,747)	-0.6%	473,464	3.9%	-
2012	12,149,193	7,347	0.1%	2,432	0%	3.0
2011	12,141,846	0	0%	165,075	1.4%	0
2010	12,141,846	91,662	0.8%	271,127	2.2%	0.3
2009	12,050,184	82,410	0.7%	87,983	0.7%	0.9
2008	11,967,774	425,927	3.7%	(261,275)	-2.2%	-
2007	11,541,847	501,722	4.5%	223,353	1.9%	2.2

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Supply & Demand Trends

South Riverside Industrial

LOGISTICS SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	48,679,862	2,437,682	5.3%	2,502,652	5.1%	1.0
2022	46,242,180	2,651,235	6.1%	2,632,078	5.7%	1.0
2021	43,590,945	2,828,864	6.9%	2,842,240	6.5%	1.0
2020	40,762,081	3,481,587	9.3%	3,708,023	9.1%	0.9
2019	37,280,494	3,743,410	11.2%	2,391,223	6.4%	1.6
YTD	35,315,102	1,778,018	5.3%	1,408,328	4.0%	1.3
2018	33,537,084	2,452,611	7.9%	1,925,567	5.7%	1.3
2017	31,084,473	3,278,331	11.8%	1,950,061	6.3%	1.7
2016	27,806,142	2,282,650	8.9%	2,430,708	8.7%	0.9
2015	25,523,492	1,734,054	7.3%	2,054,390	8.0%	0.8
2014	23,789,438	1,835,348	8.4%	1,307,329	5.5%	1.4
2013	21,954,090	11,366	0.1%	968,577	4.4%	0
2012	21,942,724	698,274	3.3%	236,272	1.1%	3.0
2011	21,244,450	(34,284)	-0.2%	508,425	2.4%	-
2010	21,278,734	0	0%	(169,009)	-0.8%	-
2009	21,278,734	2,146,860	11.2%	1,759,728	8.3%	1.2
2008	19,131,874	421,599	2.3%	(59,783)	-0.3%	-
2007	18,710,275	2,468,511	15.2%	2,292,625	12.3%	1.1

FLEX SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	1,942,475	265	0%	(9,739)	-0.5%	-
2022	1,942,210	293	0%	(9,733)	-0.5%	-
2021	1,941,917	299	0%	(9,743)	-0.5%	-
2020	1,941,618	146	0%	(9,816)	-0.5%	-
2019	1,941,472	0	0%	(36,910)	-1.9%	-
YTD	1,941,472	0	0%	(40,551)	-2.1%	-
2018	1,941,472	0	0%	(27,255)	-1.4%	-
2017	1,941,472	13,023	0.7%	62,673	3.2%	0.2
2016	1,928,449	0	0%	(97,466)	-5.1%	-
2015	1,928,449	0	0%	71,900	3.7%	0
2014	1,928,449	0	0%	152,694	7.9%	0
2013	1,928,449	7,500	0.4%	36,362	1.9%	0.2
2012	1,920,949	0	0%	49,725	2.6%	0
2011	1,920,949	0	0%	60,754	3.2%	0
2010	1,920,949	0	0%	9,120	0.5%	0
2009	1,920,949	0	0%	(9,642)	-0.5%	-
2008	1,920,949	147,190	8.3%	(40,314)	-2.1%	-
2007	1,773,759	148,645	9.1%	111,267	6.3%	1.3

OVERALL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$11.63	166	0.4%	16.2%	3,870,233	6.2%	-0.2%
2022	$11.58	166	1.4%	15.7%	3,841,208	6.4%	-0.1%
2021	$11.42	163	2.6%	14.1%	3,723,482	6.5%	-0.2%
2020	$11.13	159	4.9%	11.2%	3,635,363	6.6%	-0.7%
2019	$10.61	152	6.0%	6.0%	3,758,682	7.3%	1.9%
YTD	$10.28	147	2.7%	2.7%	2,738,980	5.5%	0.2%
2018	$10.01	143	9.1%	0%	2,557,090	5.4%	1.4%
2017	$9.18	131	10.0%	-8.3%	1,793,804	4.0%	0.7%
2016	$8.34	119	10.2%	-16.6%	1,373,084	3.3%	-0.4%
2015	$7.57	108	9.4%	-24.3%	1,474,348	3.7%	-1.4%
2014	$6.92	99	8.1%	-30.9%	1,938,323	5.1%	-0.2%
2013	$6.40	92	5.5%	-36.0%	1,929,380	5.4%	-4.3%
2012	$6.07	87	2.4%	-39.3%	3,463,664	9.6%	1.0%
2011	$5.93	85	-0.7%	-40.8%	3,046,472	8.6%	-2.2%
2010	$5.97	85	-5.7%	-40.3%	3,815,010	10.8%	-0.1%
2009	$6.33	91	-9.4%	-36.7%	3,834,586	10.9%	0.5%
2008	$6.99	100	-4.5%	-30.2%	3,443,385	10.4%	3.9%
2007	$7.32	105	1.7%	-26.9%	2,087,297	6.5%	1.0%

SPECIALIZED INDUSTRIAL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$12.48	154	0.6%	15.0%	497,823	4.1%	0.7%
2022	$12.40	153	1.6%	14.3%	411,958	3.4%	0.7%
2021	$12.21	151	2.8%	12.5%	324,648	2.7%	0.7%
2020	$11.88	147	4.7%	9.5%	234,462	1.9%	0.8%
2019	$11.35	140	4.6%	4.6%	143,049	1.2%	-1.5%
YTD	$11.03	136	1.6%	1.6%	102,228	0.8%	-1.9%
2018	$10.85	134	8.4%	0%	330,579	2.7%	1.7%
2017	$10.01	123	9.9%	-7.8%	121,592	1.0%	0%
2016	$9.10	112	9.2%	-16.1%	116,036	1.0%	-0.4%
2015	$8.34	103	8.0%	-23.1%	166,708	1.4%	-0.6%
2014	$7.72	95	7.9%	-28.8%	238,447	2.0%	-3.0%
2013	$7.15	88	5.0%	-34.0%	604,829	5.0%	-4.5%
2012	$6.81	84	2.4%	-37.2%	1,153,040	9.5%	0%
2011	$6.65	82	-1.1%	-38.7%	1,148,125	9.5%	-1.4%
2010	$6.73	83	-6.3%	-38.0%	1,313,200	10.8%	-1.6%
2009	$7.18	89	-11.4%	-33.8%	1,492,665	12.4%	-0.1%
2008	$8.11	100	-5.3%	-25.3%	1,498,238	12.5%	5.5%
2007	$8.56	106	0.8%	-21.1%	811,036	7.0%	2.2%

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LOGISTICS RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$11.15	174	0.4%	16.5%	3,189,268	6.6%	-0.5%
2022	$11.11	173	1.3%	16.1%	3,255,998	7.0%	-0.4%
2021	$10.97	171	2.5%	14.6%	3,235,504	7.4%	-0.5%
2020	$10.70	167	4.9%	11.8%	3,247,538	8.0%	-1.3%
2019	$10.19	159	6.5%	6.5%	3,472,242	9.3%	3.0%
YTD	$9.86	154	3.1%	3.1%	2,489,720	7.1%	0.7%
2018	$9.57	149	9.5%	0%	2,120,030	6.3%	1.2%
2017	$8.74	136	10.3%	-8.7%	1,592,986	5.1%	1.1%
2016	$7.92	124	10.8%	-17.2%	1,128,172	4.1%	-0.9%
2015	$7.15	112	10.1%	-25.3%	1,276,230	5.0%	-1.7%
2014	$6.49	101	8.4%	-32.2%	1,596,566	6.7%	1.8%
2013	$5.99	93	5.7%	-37.4%	1,068,547	4.9%	-4.4%
2012	$5.66	88	2.5%	-40.8%	2,025,758	9.2%	1.9%
2011	$5.52	86	-0.4%	-42.3%	1,563,756	7.4%	-2.5%
2010	$5.55	87	-5.4%	-42.0%	2,106,465	9.9%	0.8%
2009	$5.86	91	-8.6%	-38.7%	1,937,456	9.1%	1.0%
2008	$6.41	100	-4.1%	-33.0%	1,550,324	8.1%	2.4%
2007	$6.69	104	2.0%	-30.1%	1,068,942	5.7%	0.2%

FLEX RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	$15.82	137	0.5%	16.9%	183,142	9.4%	0.5%
2022	$15.73	136	1.6%	16.3%	173,252	8.9%	0.5%
2021	$15.49	134	2.8%	14.5%	163,330	8.4%	0.5%
2020	$15.07	131	4.8%	11.4%	153,363	7.9%	0.5%
2019	$14.38	125	6.2%	6.2%	143,391	7.4%	1.9%
YTD	$13.95	121	3.1%	3.1%	147,032	7.6%	2.1%
2018	$13.53	117	6.0%	0%	106,481	5.5%	1.4%
2017	$12.76	111	6.3%	-5.7%	79,226	4.1%	-2.6%
2016	$12.01	104	7.3%	-11.3%	128,876	6.7%	5.1%
2015	$11.20	97	6.6%	-17.3%	31,410	1.6%	-3.7%
2014	$10.50	91	5.3%	-22.4%	103,310	5.4%	-7.9%
2013	$9.97	86	4.5%	-26.3%	256,004	13.3%	-1.6%
2012	$9.54	83	0.9%	-29.5%	284,866	14.8%	-2.6%
2011	$9.46	82	-2.8%	-30.1%	334,591	17.4%	-3.2%
2010	$9.73	84	-7.3%	-28.1%	395,345	20.6%	-0.5%
2009	$10.49	91	-9.0%	-22.5%	404,465	21.1%	0.5%
2008	$11.54	100	-4.6%	-14.7%	394,823	20.6%	8.9%
2007	$12.10	105	1.4%	-10.6%	207,319	11.7%	1.2%

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Sale Trends

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$184.65	228	5.2%
2022	-	-	-	-	-	-	$177.25	219	5.2%
2021	-	-	-	-	-	-	$168.61	208	5.2%
2020	-	-	-	-	-	-	$159.31	196	5.1%
2019	-	-	-	-	-	-	$148.15	183	5.0%
YTD	76	$400.0 M	6.8%	$10,625,726	$123.89	5.5%	$140.82	174	5.0%
2018	121	$715.2 M	12.6%	$13,092,204	$125.55	6.0%	$136.09	168	5.0%
2017	144	$176.6 M	4.6%	$2,946,793	$109.25	5.8%	$122.82	151	5.1%
2016	102	$201.6 M	6.3%	$3,421,337	$86.41	5.8%	$110.65	136	5.3%
2015	109	$106.1 M	8.0%	$2,233,941	$70.24	6.6%	$99.29	122	5.5%
2014	102	$108.7 M	5.9%	$2,014,725	$70.76	7.2%	$87.08	107	5.8%
2013	111	$216.6 M	15.8%	$4,331,591	$67.73	7.0%	$78.44	97	6.1%
2012	123	$70.4 M	5.5%	$1,347,858	$49.51	6.8%	$73.79	91	6.3%
2011	94	$59.6 M	4.7%	$1,187,759	$47.22	7.9%	$72.19	89	6.4%
2010	79	$121.7 M	6.9%	$3,060,010	$58.19	7.6%	$70.65	87	6.5%
2009	52	$37.1 M	1.5%	$1,277,462	$77.20	-	$70.24	87	6.7%
2008	64	$168.3 M	6.8%	$4,792,109	$81.62	7.0%	$81.11	100	6.2%

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

SPECIALIZED INDUSTRIAL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$204.49	245	5.3%
2022	-	-	-	-	-	-	$195.99	234	5.3%
2021	-	-	-	-	-	-	$186.01	222	5.2%
2020	-	-	-	-	-	-	$175.26	210	5.2%
2019	-	-	-	-	-	-	$162.63	194	5.1%
YTD	18	$21.0 M	1.4%	$2,135,620	$141.35	-	$154.72	185	5.1%
2018	44	$77.0 M	6.7%	$3,558,058	$111.87	5.3%	$149.53	179	5.1%
2017	37	$34.2 M	3.8%	$2,090,287	$96.02	6.4%	$134.09	160	5.2%
2016	28	$40.2 M	5.9%	$2,458,279	$72.33	5.8%	$117.05	140	5.4%
2015	51	$50.3 M	7.6%	$1,984,394	$66.27	6.5%	$102.02	122	5.7%
2014	30	$28.9 M	4.1%	$1,782,513	$80.91	6.9%	$89.00	106	6.1%
2013	34	$15.6 M	3.4%	$1,311,802	$61.98	7.8%	$79.48	95	6.4%
2012	41	$22.3 M	5.2%	$1,259,386	$47.64	7.1%	$74.18	89	6.6%
2011	30	$30.5 M	6.9%	$1,557,002	$40.48	9.0%	$72.97	87	6.7%
2010	28	$23.1 M	4.6%	$1,469,019	$46.36	7.9%	$71.62	86	6.9%
2009	13	$10.4 M	1.0%	$994,408	$87.21	-	$71.81	86	7.0%
2008	26	$23.9 M	1.6%	$1,171,267	$139.08	6.5%	$83.63	100	6.5%

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Sale Trends

LOGISTICS SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$174.04	221	5.2%
2022	-	-	-	-	-	-	$167.16	213	5.2%
2021	-	-	-	-	-	-	$159.16	202	5.1%
2020	-	-	-	-	-	-	$150.53	191	5.1%
2019	-	-	-	-	-	-	$140.07	178	5.0%
YTD	50	$369.6 M	8.8%	$14,661,316	$123.08	5.0%	$133.07	169	5.0%
2018	71	$624.5 M	15.3%	$21,361,114	$126.56	6.4%	$128.59	164	5.0%
2017	92	$138.3 M	4.9%	$3,481,437	$112.31	5.6%	$116.37	148	5.1%
2016	58	$137.7 M	6.0%	$4,452,690	$88.98	5.7%	$106.14	135	5.2%
2015	50	$53.4 M	8.6%	$2,642,722	$72.72	6.4%	$96.35	123	5.4%
2014	65	$65.6 M	6.8%	$1,957,764	$63.24	7.2%	$84.66	108	5.7%
2013	63	$192.5 M	23.3%	$5,951,852	$67.35	6.3%	$76.50	97	6.0%
2012	72	$42.9 M	5.3%	$1,455,147	$48.40	6.4%	$72.17	92	6.1%
2011	53	$25.4 M	3.4%	$969,081	$57.42	7.6%	$70.56	90	6.3%
2010	38	$90.7 M	8.3%	$6,295,728	$61.22	6.6%	$68.96	88	6.4%
2009	35	$22.5 M	1.8%	$1,340,956	$70.16	-	$68.33	87	6.6%
2008	28	$139.5 M	10.4%	$9,928,921	$75.01	7.1%	$78.63	100	6.1%

(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

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	$270.67	237	5.4%
2022	-	-	-	-	-	-	$259.82	227	5.4%
2021	-	-	-	-	-	-	$247.07	216	5.4%
2020	-	-	-	-	-	-	$233.35	204	5.3%
2019	-	-	-	-	-	-	$217.48	190	5.3%
YTD	8	$9.5 M	4.9%	$2,383,500	$122.13	6.1%	$207.53	181	5.2%
2018	6	$13.7 M	3.9%	$3,196,875	$186.23	5.7%	$200.49	175	5.3%
2017	15	$4.0 M	5.7%	$742,667	$142.81	-	$180.16	158	5.4%
2016	16	$23.6 M	13.8%	$2,009,368	$103.25	6.3%	$159.84	140	5.6%
2015	8	$2.5 M	2.4%	$865,000	$135.15	7.0%	$140.29	123	5.9%
2014	7	$14.2 M	7.5%	$3,341,207	$100.41	9.5%	$122.96	107	6.3%
2013	14	$8.5 M	8.0%	$1,226,484	$96.74	7.1%	$110.29	96	6.6%
2012	10	$5.2 M	8.8%	$1,047,843	$76.66	7.4%	$103.25	90	6.8%
2011	11	$3.6 M	6.4%	$691,250	$55.93	8.0%	$99.59	87	7.0%
2010	13	$7.9 M	6.2%	$757,395	$70.59	-	$98.12	86	7.1%
2009	4	$4.2 M	2.3%	$2,075,000	$103.81	-	$98.25	86	7.2%
2008	10	$4.9 M	3.8%	$1,422,000	$160.54	-	$114.38	100	6.7%

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