

OFFICE NATIONAL REPORT

UNITED STATES

2022 YEAR-END

acclaimgroup



OFFICE NATIONAL REPORT

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12 Mo Deliveries in SF

60.7M

12 Mo Net Absorption in SF

(19.2M)

Vacancy Rate

12.7%

12 Mo Rent Growth

1.0%

After more than two years of massive uncertainty, the “hybrid” work arrangement — in which employees spend two to three days per week working remotely — has emerged as the preferred model for a plurality of office-using tenants, especially in the technology, finance, and professional services sectors. This has resulted in a downshift in demand for office space, which in turn has produced a flood of availability on the sublease market. At a high level, absorption has decoupled from employment growth, with the limited remaining demand concentrated on recently constructed buildings, which are better able to accommodate contemporary workplace requirements.

Now, just as the industry has begun to adjust to these normal-for-now conditions, new headwinds are emerging in the form of recession fears. Many economists are now forecasting a mild recession in early 2023, which will add a cyclical dynamic to the structural changes wrought by hybrid work. While employment growth has remained strong throughout 2022 so far, the persistence of inflation and its permeation into most product and service categories has led the Federal Reserve toward a sustained policy of raising interest rates. This has many companies planning for layoffs, with some in the once space-hungry technology sector near the top of the list.

The outlook is further complicated by nearly 60 million SF of new supply projected to come online by the end of 23Q1. Together, these factors are weighing on rent growth, which has trailed far behind inflation since the beginning of 2021 — even without accounting for the more aggressive concession packages landlords are offering tenants to preserve occupancy.

Transaction activity has fallen precipitously from the elevated levels seen in 2021 but has held up relatively well through Q3 compared to the five-year period that preceded the pandemic. Even so, the slowdown in sales volume could be abrupt. Higher financing costs and weak fundamentals are likely to create a bid/ask spread in the short term that puts the brakes on transactions until other factors — such as distress — generate sales that reset the market.

In short, the commercial office market faces pressure from multiple directions as the end of 2022 approaches. There are bright spots in certain secondary and Sun Belt markets, as well as in niche sectors like major life sciences clusters. But overall, the sector faces strong challenges in realizing the highest and best uses for its assets.

KEY INDICATORS

Current Quarter	RBA (000)	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	3,190,601	17.5%	\$45.44	22.2%	(9,976,402)	91,594	118,764,320
3 Star	3,313,580	11.5%	\$30.46	14.2%	(5,240,138)	38,597	15,574,502
1 & 2 Star	1,832,699	6.5%	\$25.16	7.8%	(1,437,566)	18,600	385,503
National	8,336,880	12.7%	\$35.17	16.0%	(16,654,106)	148,791	134,724,325

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.7%	10.9%	13.4%	12.9%	2010 Q3	6.1%	2000 Q2
Net Absorption SF	(19.2M)	42,062,509	16,629,404	159,619,177	2006 Q1	(126,536,625)	2021 Q2
Deliveries SF	60.7M	85,775,507	56,485,779	188,028,281	2001 Q4	29,751,766	2012 Q1
Rent Growth	1.0%	1.5%	1.2%	10.6%	2007 Q3	-9.9%	2009 Q3
Sales Volume	\$77.8B	\$77.5B	N/A	\$148.2B	2007 Q3	\$16.4B	2010 Q1

After rebounding in the second half of 2021 and early 2022, the leasing market has softened again in recent months. The structural shift in demand resulting from hybrid work arrangements contributed to a contraction in occupied space during 22Q3, making it two consecutive quarters — and seven of the past 10 — of negative net absorption. This pushed vacancy up to a near-record 12.5 percent, the highest level recorded since the Great Recession more than a decade ago. With the prospect of a new recession on the horizon, the market has not yet bottomed out. Our current baseline forecast calls for vacancy to reach an unprecedented 13.6% by the beginning of 2024.

Nowhere is weakness in the sector more evident than in the sublease market. There were more than 230 million SF available for sublease at the end of 22Q3, an increase of 90% from the end of 2019. The impact is particularly acute in some markets. San Francisco alone has nearly 10.5 million SF available for sublease, which represents 5.5% of inventory. Similarly, New York has nearly 30 million SF of sublease availability, representing 3% of inventory.

Given the flood of sublease inventory onto the market, the availability rate is a better indicator than the vacancy rate of the true state of play. Overall availability reached 16% in 22Q3, nearly matching the record high that coincided with vacancy's peak in 2010. Sublease space

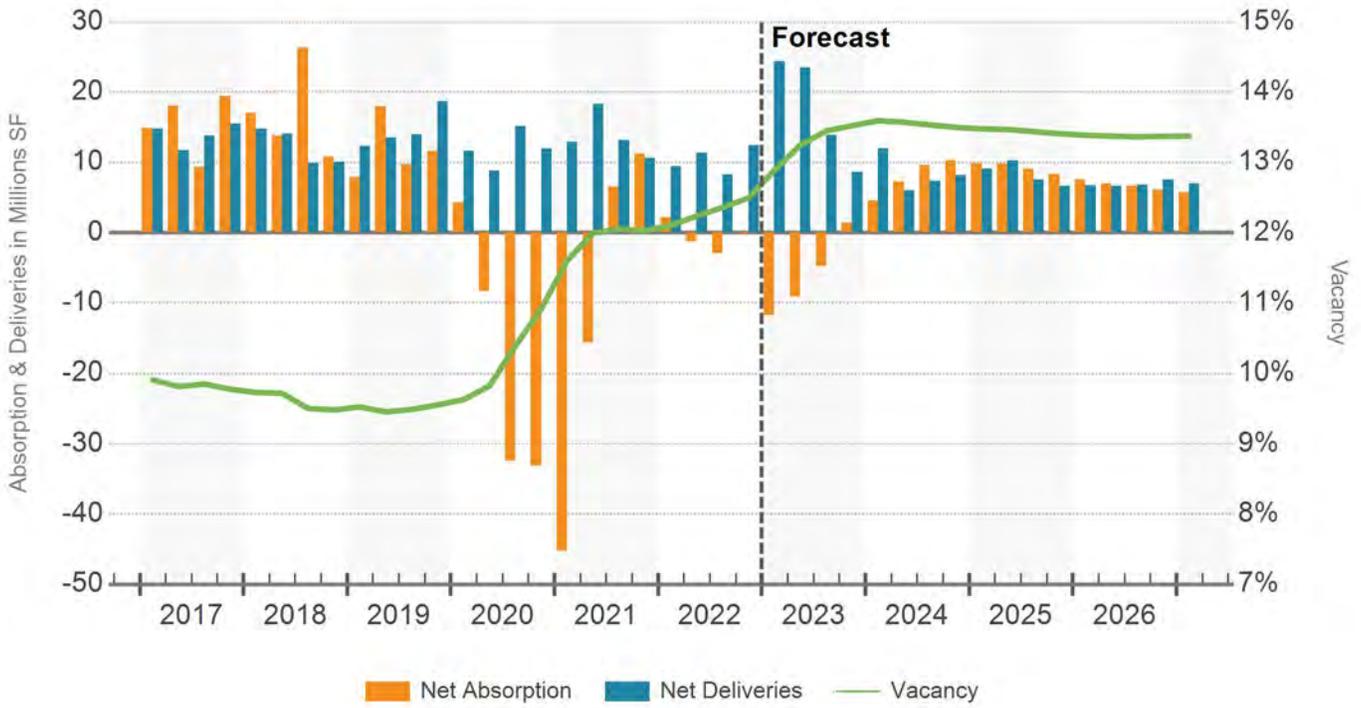
has combined with recent deliveries, which tend to enter at the top end of the market, to availability even higher at 4 & 5 Star properties, where it now exceeds 22%.

Despite this gloomy backdrop, demand has held up relatively well in some segments of the market. At recent-vintage properties — those completed since 2010 — net absorption has been positive each quarter, even during the height of the pandemic. Since the beginning of 2020, these properties have seen an average of 20 million SF of positive net absorption per quarter. While this is down about 25% from the quarterly average in 2017–19, newer properties have nevertheless performed dramatically better than older ones.

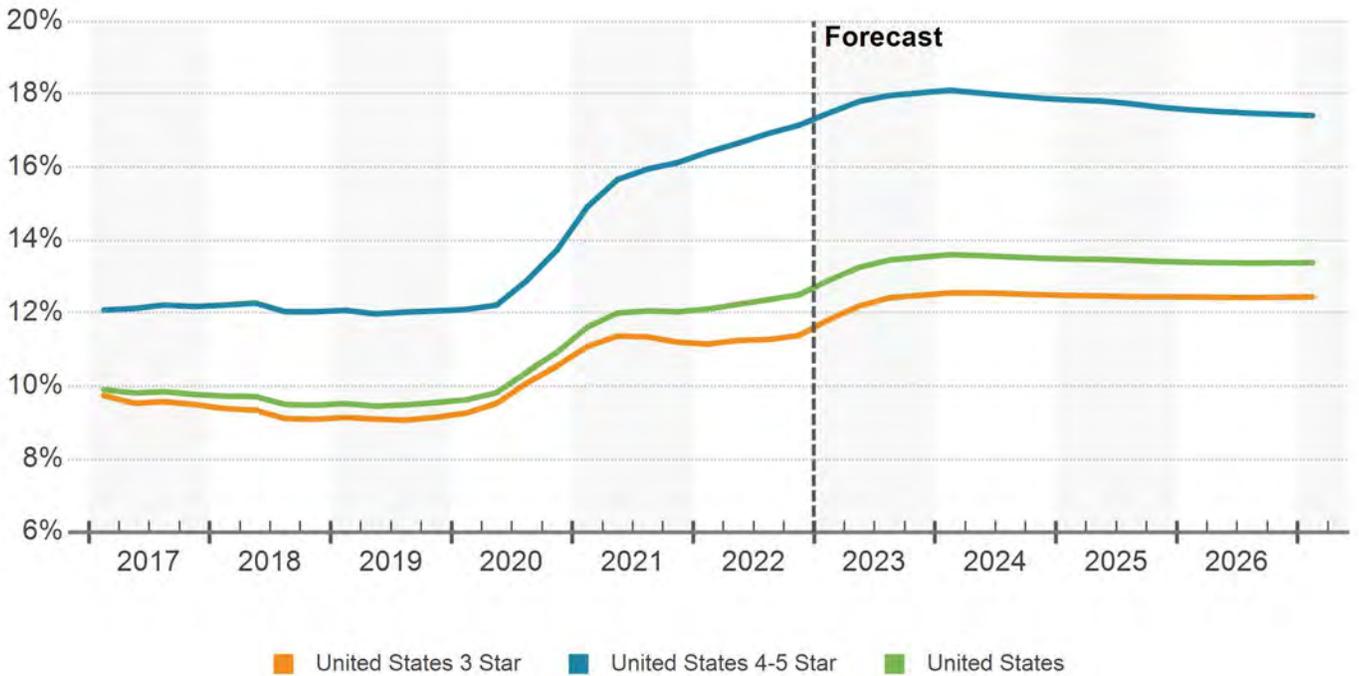
In other cases, local market dynamics have propped up demand for office space. Vacancy is lower now than it was entering 2020 in Las Vegas and the Inland Empire. And while it has increased in Boston, demand for lab space in the red-hot life sciences sector has helped the market weather conditions well compared to other gateway cities.

The overall outlook for office leasing, however, remains challenging. The prospect of a wave of layoffs, which has already begun in the technology sector, will do nothing to stimulate demand for office space. Generally weak conditions are thus likely to persist for some time.

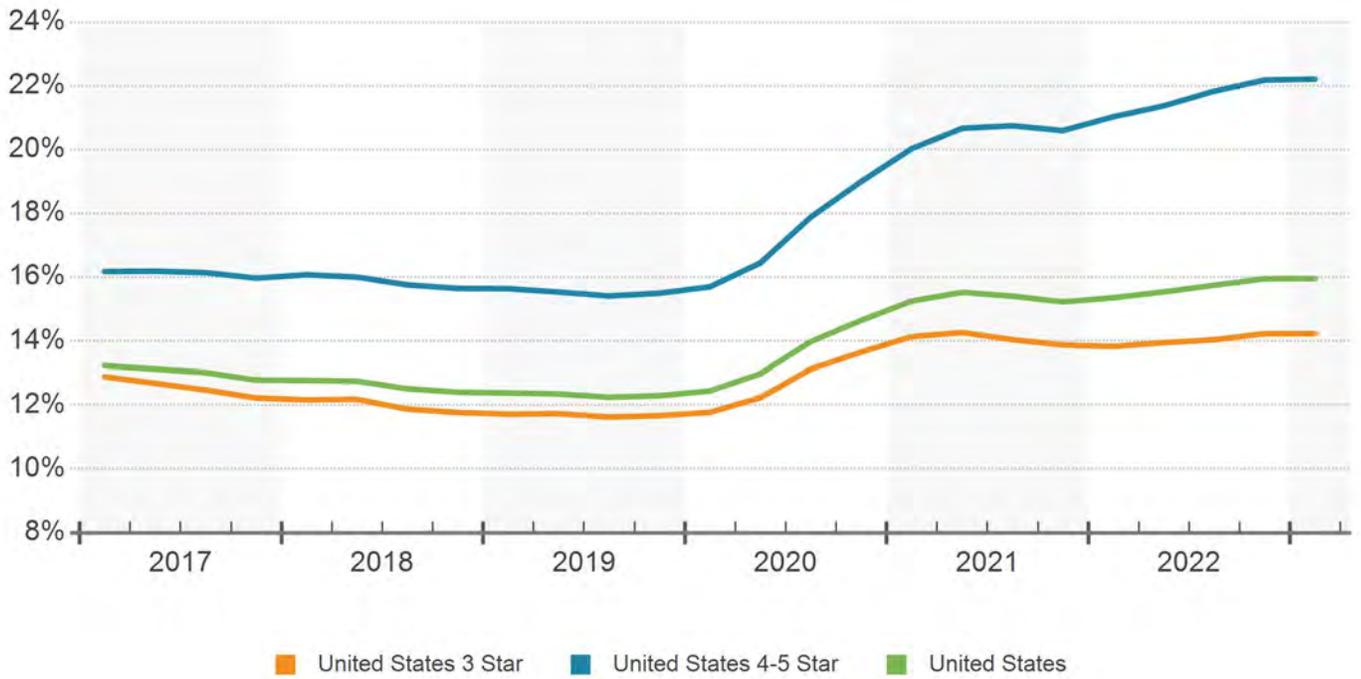
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



AVAILABILITY RATE



Office rent performance has been poor since the initial shock of COVID-19. Market rents dipped as tenants shed space throughout 2020 and into 2021, then began to recover somewhat, though oversized sublease availability has put downward pressure on growth. At just over \$35 per SF, the national average rent is on par with what it was entering the pandemic. At 4 & 5 Star properties, however, the average rent is down nearly \$1 per SF, to \$45.43, narrowing the quality premium by over 200 basis points.

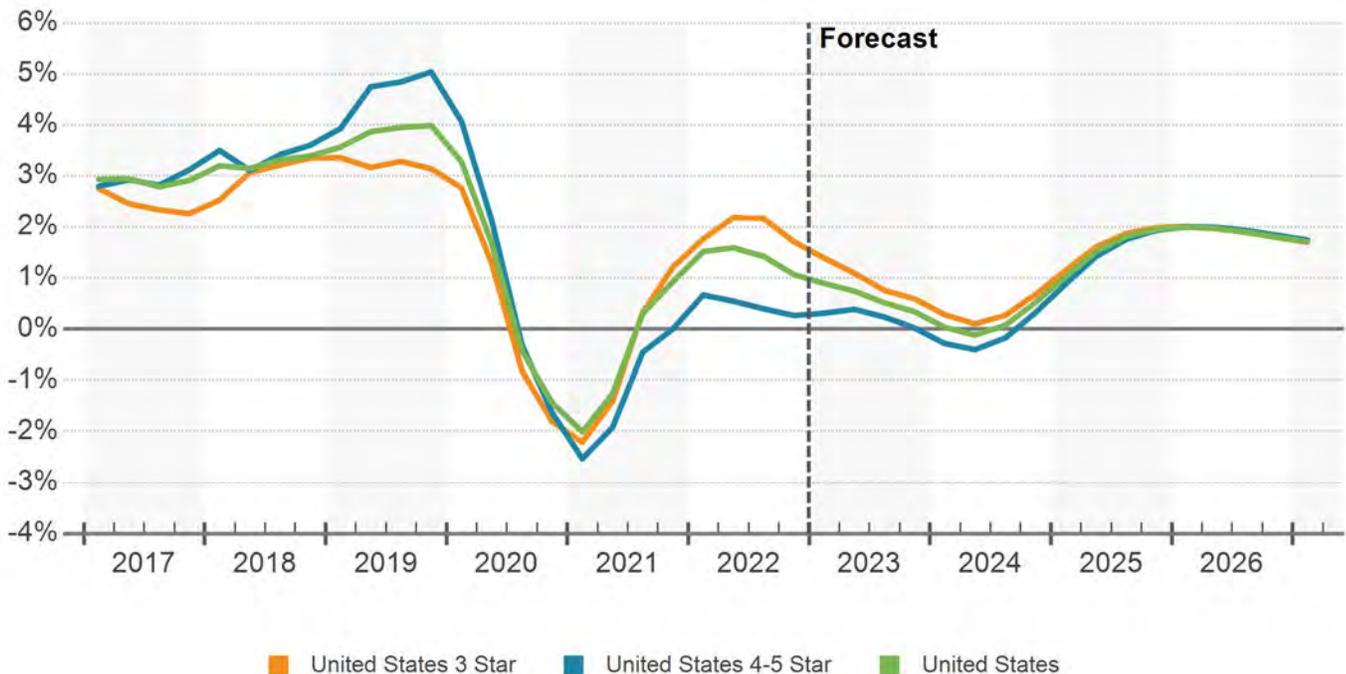
The current economic context of elevated inflation is an important factor in evaluating office rent growth, particularly relative to other commercial property types. In the five years prior to the pandemic, rents in the office, retail, and multifamily sectors generally grew at a year-over-year rate of 2%-3%, slightly above inflation as measured by the Consumer Price Index (CPI). Industrial rents grew at over 5% during the same period. Since 2020, industrial rent growth has maintained roughly the same spread above inflation. Multifamily rents initially

advanced at rates far exceeding inflation, though they have recently cooled substantially. Retail rents have not kept consistent pace with inflation, but growth has approached 5% in recent quarters and appears to be converging with a moderating CPI.

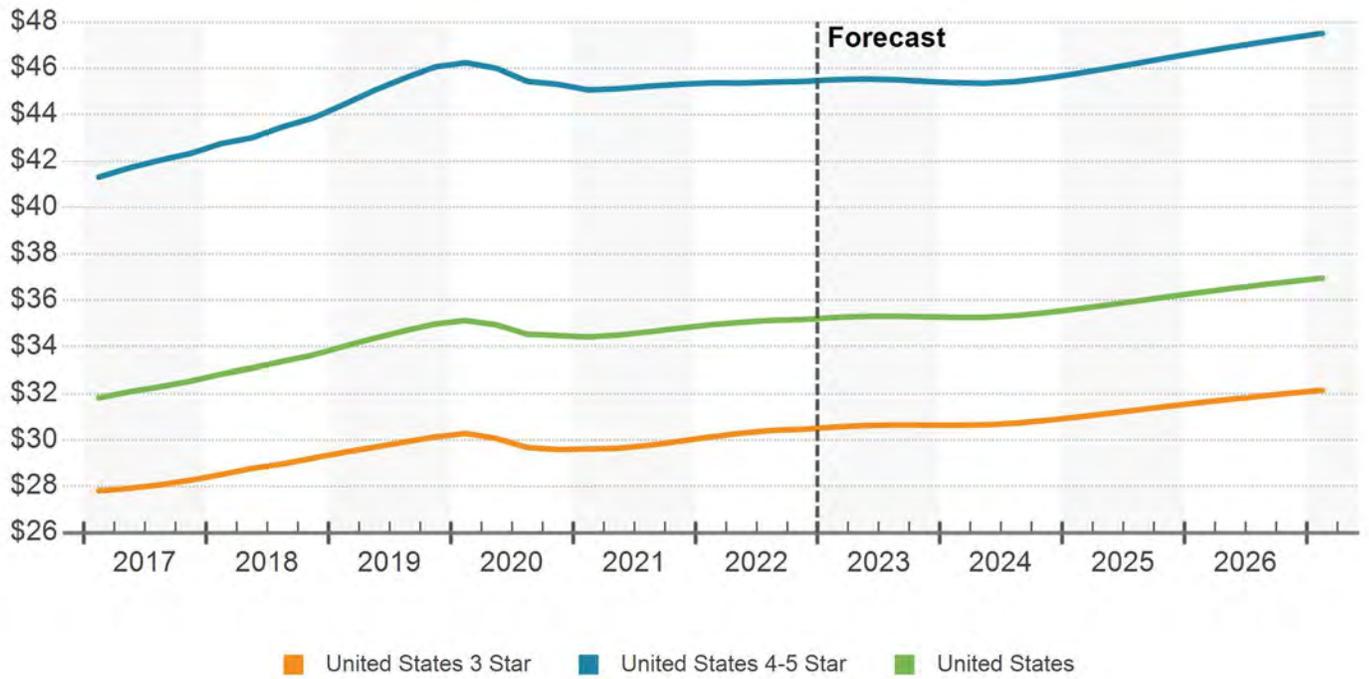
The office sector is the clear outlier. Nominal rents are essentially flat since the end of 2019; meanwhile, inflation has stayed well above 7% throughout 2022, reaching as high as 9% in the middle of the year. Thus, real market rents have been in steady decline.

Even in nominal terms, marginal growth in asking rents masks the reality currently facing landlords. Players in the market are reporting generous concession packages, including longer periods of free rent and higher tenant improvement allowances intended to attract tenants and help them adapt to rising build-out costs. In this environment, effective rents are almost certainly falling for most properties in most markets.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



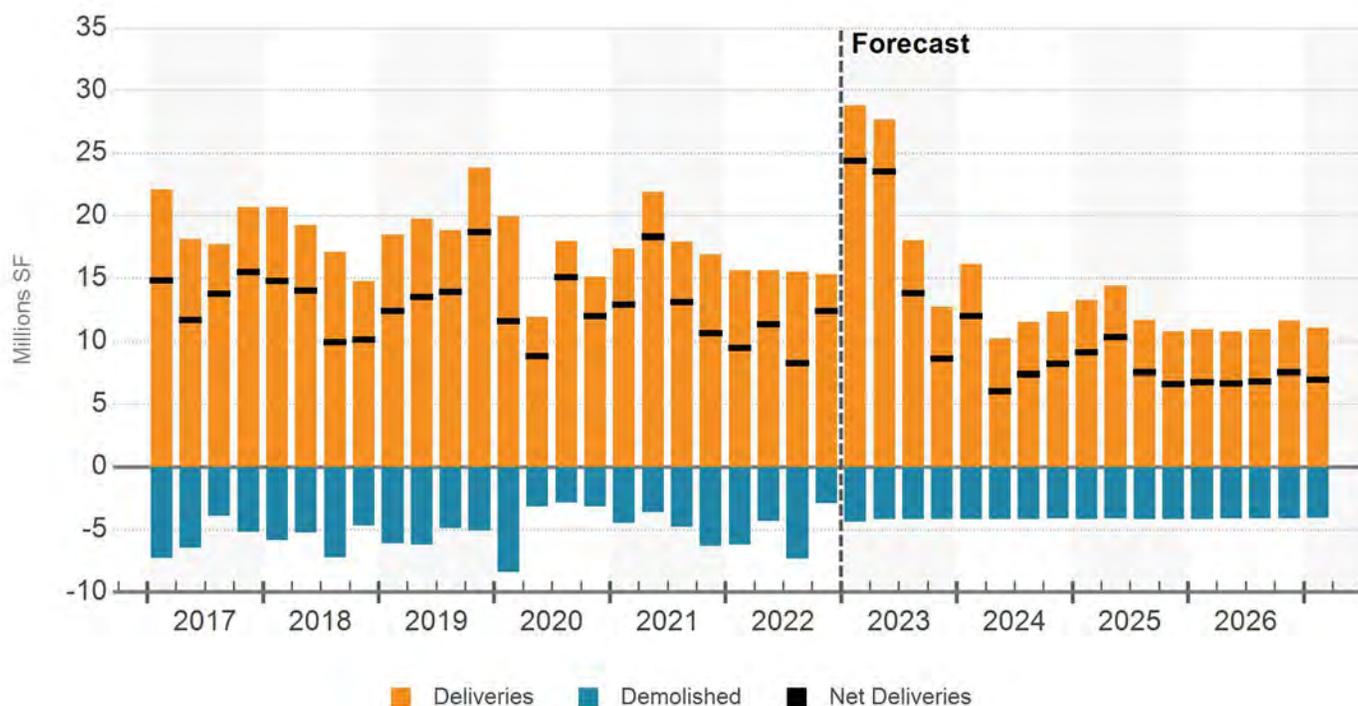
On the supply side, over 31 million SF of net new inventory was delivered in the first three quarters of 2022, with another 12.4 million projected by the end of the year. This is down 30% from the same period in 2021 but still in line with the long-term average.

Construction starts have slowed more quickly. From the beginning of 2014 through 20Q1, starts averaged 20.8 million SF per quarter. Since then, the quarterly average has fallen to 14.9 million, a 28% decline that will help to constrain future supply. With tighter financing conditions and general economic headwinds now facing developers, construction activity should slow further. Still, there are nearly 145 million SF currently under development, including 55.5 million SF projected to be delivered by the end of 23Q1. Over 35% of this pipeline remains unleased, which will add to the glut of high-quality space from which a smaller number of tenants in the market will be able to choose.

As would be expected, much of this pipeline is concentrated in markets where demand has so far been comparatively resilient. Together, San Jose and Seattle have over 20 million SF in the pipeline, putting them at particular risk given the employment outlook in the key technology sector. Life sciences hubs Boston and San Diego also have relatively large development pipelines, as do Sun Belt metros such as Austin, Nashville, Miami, and Charlotte. Gateway cities New York, Washington, D.C., and Los Angeles remain perennial leaders in construction activity, though the volume is well within the typical range in each.

The overall picture is one of steady supply growth in line with historical trends, a pattern that would have been unremarkable before 2020. On the one hand, this offers another indication that softness in the leasing market is primarily a demand-side phenomenon. On the other hand, it also suggests that development activity has not yet moderated sufficiently to adapt to the change.

DELIVERIES & DEMOLITIONS



The second half of 2021 saw exceptionally high sales volumes across commercial real estate sectors, including office. Quarterly volumes have fallen in 2022, but only back to a level near what was typical in the five years leading up to 2020. Estimated sales for the first three quarters of 2022 totaled nearly \$110 billion, about the same as the same period in 2019. Pricing, too, has held up relatively well, climbing to an average of \$337 per SF at the end of 22Q3, at a market capitalization rate of just under 7%, about 10 basis points below the average at the beginning of 2020.

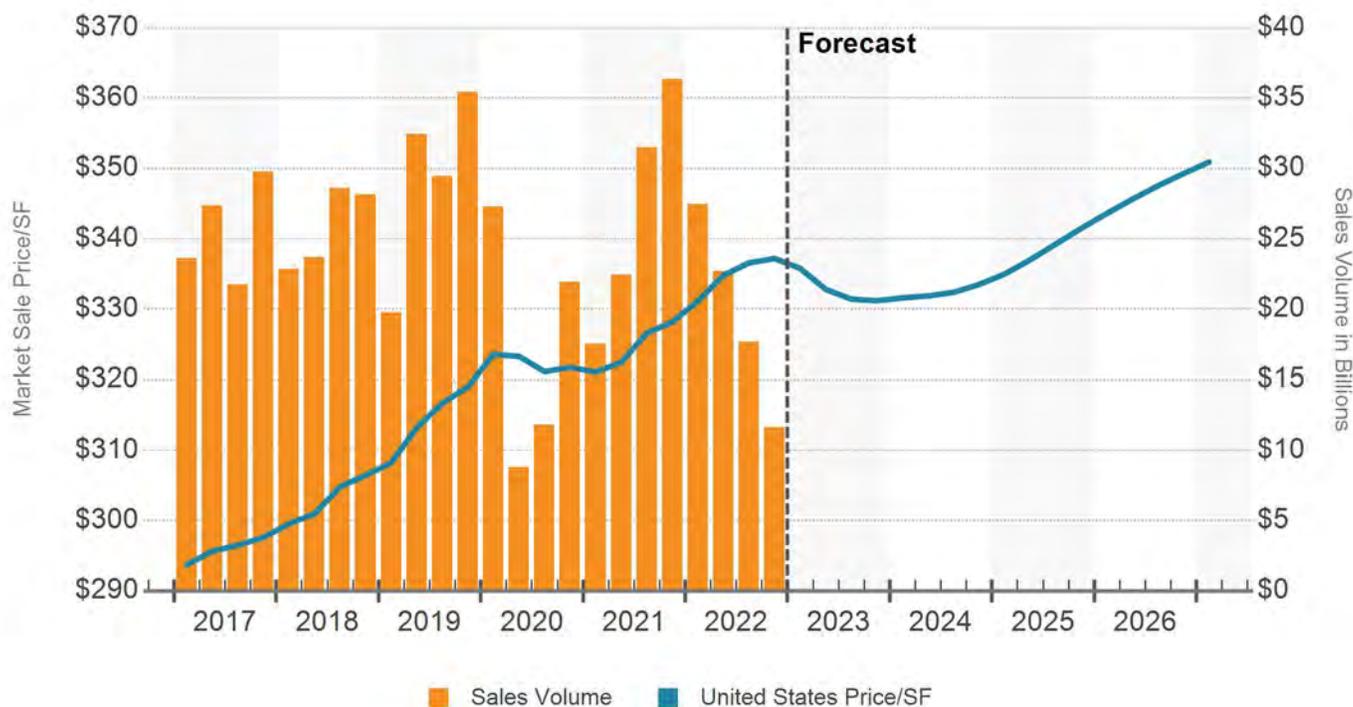
These figures, though, do not necessarily reflect the on-the-ground reality for many prospective buyers and sellers as the end of the year approaches. Most sales that have closed to this point in the year would have been in the works months before the full impact of rising interest rates and economic headwinds became apparent. These factors, combined with softening fundamentals resulting from broad adoption of hybrid work arrangements, are weighing on valuations and widening bid/ask spreads. Thus, a significant slowdown in transaction activity is likely in the coming months, with buyers looking for discounts and sellers unwilling to budge unless and until they must.

Capital to invest in real estate is still abundant, but with

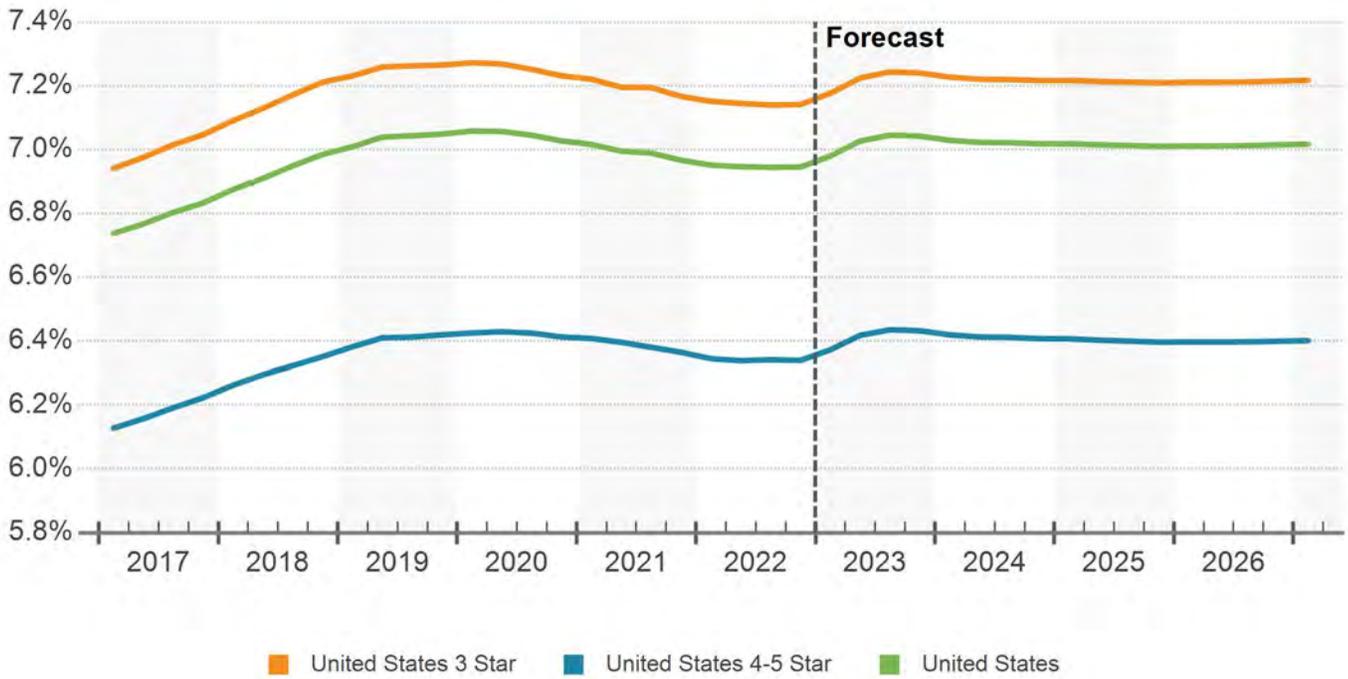
lenders cooling on the office sector, much of it will move to the sidelines or be deployed at other types of commercial property until a repricing occurs. There are already signals that such a repricing could be imminent. The market capitalization of public office REITs would indicate that values have fallen approximately 35%, with a corresponding rise in cap rates of 200 basis points — though it should be noted that the portfolios owned by these firms are not generally representative of the larger market. Speaking privately, industry insiders suggest a downward adjustment of 20% or more is inevitable.

Several factors could combine to realize a correction during 2023. Many properties will face elevated lease rollover risk in the coming year, with organic long-term leases expiring alongside short-term extensions executed during the pandemic. Given the conditions prevailing in the leasing market, renewal rates are likely to be lower than historical norms would suggest, especially at older properties. Furthermore, even those borrowers able to find lenders will be facing higher interest rates and tighter underwriting standards. A wave of loans maturing amidst weak fundamentals and a difficult borrowing environment could trigger distressed transactions and reset the market, presenting opportunities to all-cash buyers and other well-capitalized investors.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



The U.S. economy is still expanding, but signs of slowing are proliferating as the Federal Reserve boosts interest rates sharply to tackle inflation that is still stubbornly high. Many analysts are now expecting the economy to tip into recession this year on a pullback of consumer spending and business investment, both of which are reacting to higher borrowing costs and weakening demand.

Pandemic-related supply chain disruptions and stimulus-fueled consumer demand led to decades-high inflation last year, which was exacerbated by the war in Europe. In response, the Federal Reserve has tightened monetary policy, raising its overnight lending rate by 425 basis points last year, including four unusually large increases of 75 basis points. An additional 75 basis points are expected to be added in coming months, pushing its target rate over 5%. The central bank is also shrinking its bloated balance sheet. More than \$300 billion of assets were allowed to mature without reinvestment last year, removing liquidity from the market and shrinking the monetary base. The Fed intends to draw down one trillion dollars in 2023.

Federal Reserve Chairman Jerome Powell has repeatedly stressed that the committee is focused on its price stability mandate and will push rates higher until inflation abates, even at the risk of triggering job losses and an economic slowdown. So far, inflation as measured by the consumer price index (CPI) has eased from its peak of 9.1% reached in June 2022 to 7.1% in November. However, core CPI, which excludes food and energy prices, has been slower to retreat, with broad-based gains continuing across many products and services.

Rising prices and recession fears have weighed heavily on consumer sentiment, yet households continue to open their wallets. Consumer spending has been supported by stimulus payments that were sent to households during the pandemic, much of which was saved. But robust spending on physical goods such as automobiles, computers, and furniture during the pandemic (and now on services such as travel and entertainment) has seen households drawing down their excess savings and turning to borrowing.

With relief payments in the rear-view mirror, personal incomes are set to cool, which suggest that spending will also moderate, becoming a drag on economic growth. Real personal income has stagnated on a per capita basis, returning to pre-pandemic levels. The personal savings rate fell to 2.4% in November, as spending outpaced incomes and households dipped into savings accounts.

Economic momentum had already flagged in the first half of 2022, which saw two quarters of negative economic growth, often seen as the definition of a recession. However, gross domestic product popped higher by 3.2% in the third quarter, far more than expected, as net exports boosted economic growth. However, with demand continuing to cool and net exports expected to decline, most analysts have downgraded their forecasts, expecting the economy to have slowed to a standstill by the end of 2022 or turn negative.

Other recent data confirm a slowdown in activity. Announcements of hiring freezes and impending layoffs are widespread, suggesting that the labor market will slow in coming days. Business investment is at risk as factories report new orders for their products are slowing, leading to a contraction in both manufacturing and services sectors. And with mortgage rates still at levels not seen in years and housing prices still uncomfortably high, affordability has eroded, leading to a sharp turnaround in what had been a red-hot housing market. Sales of both new and existing homes have fallen in recent months as potential homebuyers are being priced out of the market.

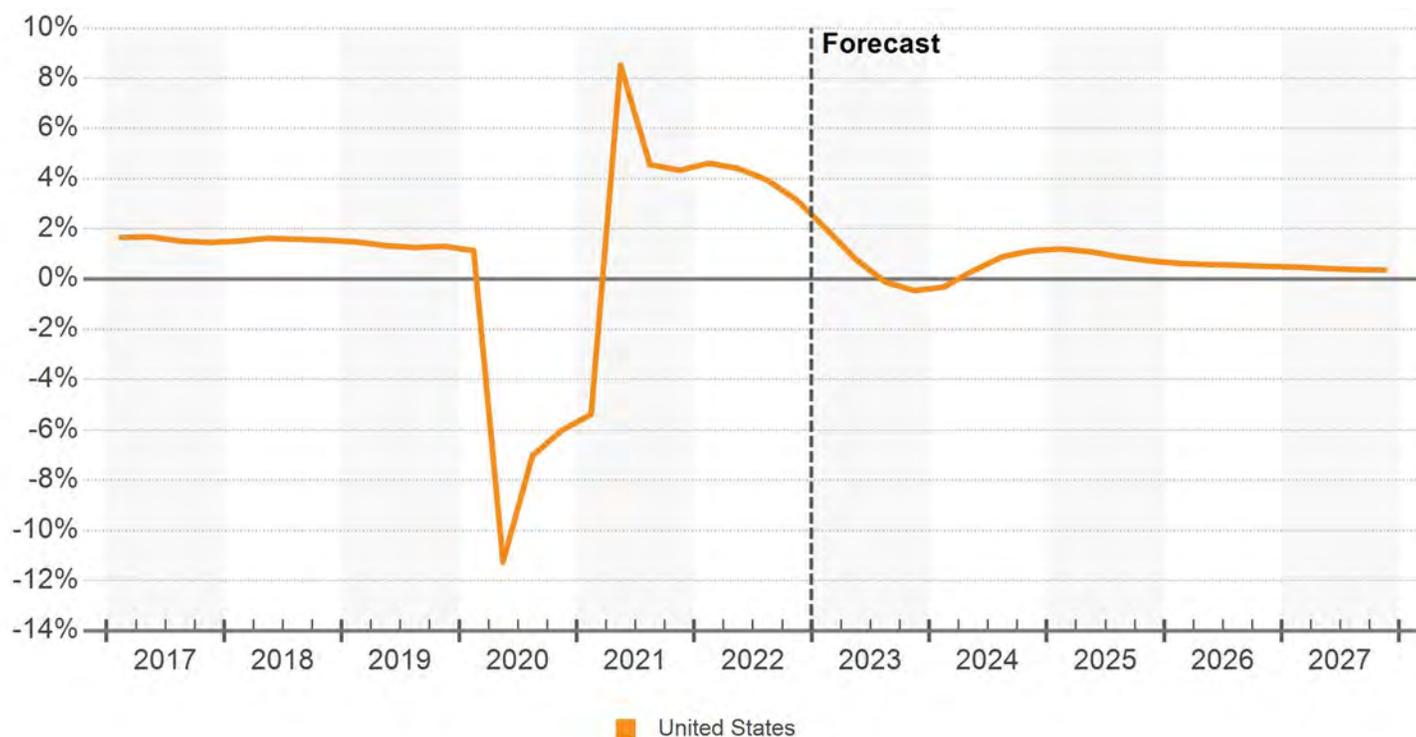
Moreover, while the labor market remains sturdy, job gains are slowing. The monthly average of gains in the fourth quarter fell to 247,000 from 539,000 in the first quarter of 2022. The unemployment rate in December fell to 3.5%, its pre-pandemic level. Labor participation remains somewhat weak and is still below its pre-pandemic rate as older workers chose to retire early during the pandemic and others continue to cite COVID fears and a lack of family care options as reasons to remain on the sidelines. Wage growth also cooled in December, a sign that although competition for workers appears quite strong, employers no longer need to offer significant increases to attract labor.

UNITED STATES EMPLOYMENT BY INDUSTRY IN THOUSANDS

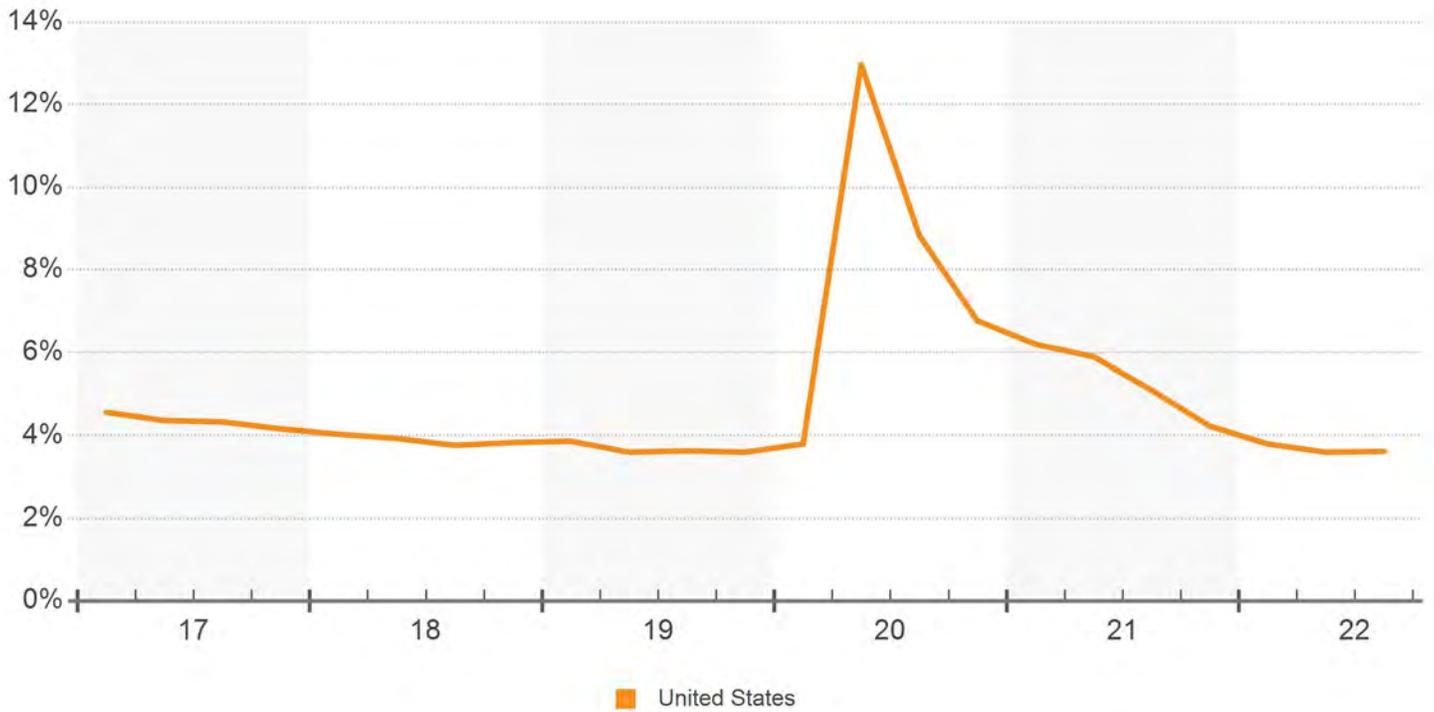
Industry	CURRENT JOBS		CURRENT GROWTH	10 YR HISTORICAL	5 YR FORECAST
	Jobs	LQ	US	US	US
Manufacturing	12,888	1.0	2.91%	0.75%	0.11%
Trade, Transportation and Utilities	28,910	1.0	2.78%	1.25%	0.07%
Retail Trade	15,892	1.0	1.97%	0.64%	0.03%
Financial Activities	9,010	1.0	1.84%	1.43%	0.20%
Government	22,264	1.0	0.65%	0.17%	0.55%
Natural Resources, Mining and Construction	8,380	1.0	3.52%	2.50%	0.34%
Education and Health Services	24,642	1.0	3.14%	1.66%	0.64%
Professional and Business Services	22,529	1.0	3.58%	2.15%	0.44%
Information	3,045	1.0	4.89%	1.31%	0.35%
Leisure and Hospitality	15,907	1.0	6.32%	1.33%	1.19%
Other Services	5,736	1.0	2.75%	0.51%	0.42%
Total Employment	153,312	1.0	3.03%	1.29%	0.45%

LQ = Location Quotient

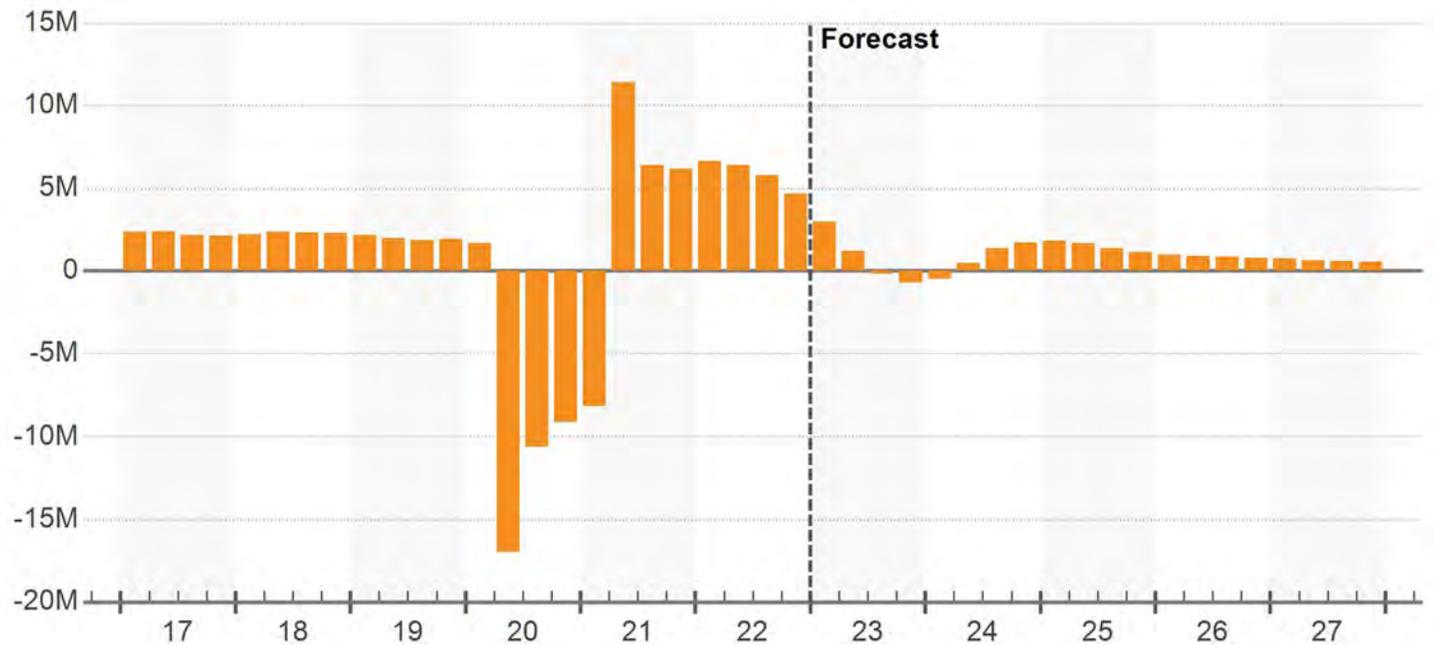
JOB GROWTH (YOY)



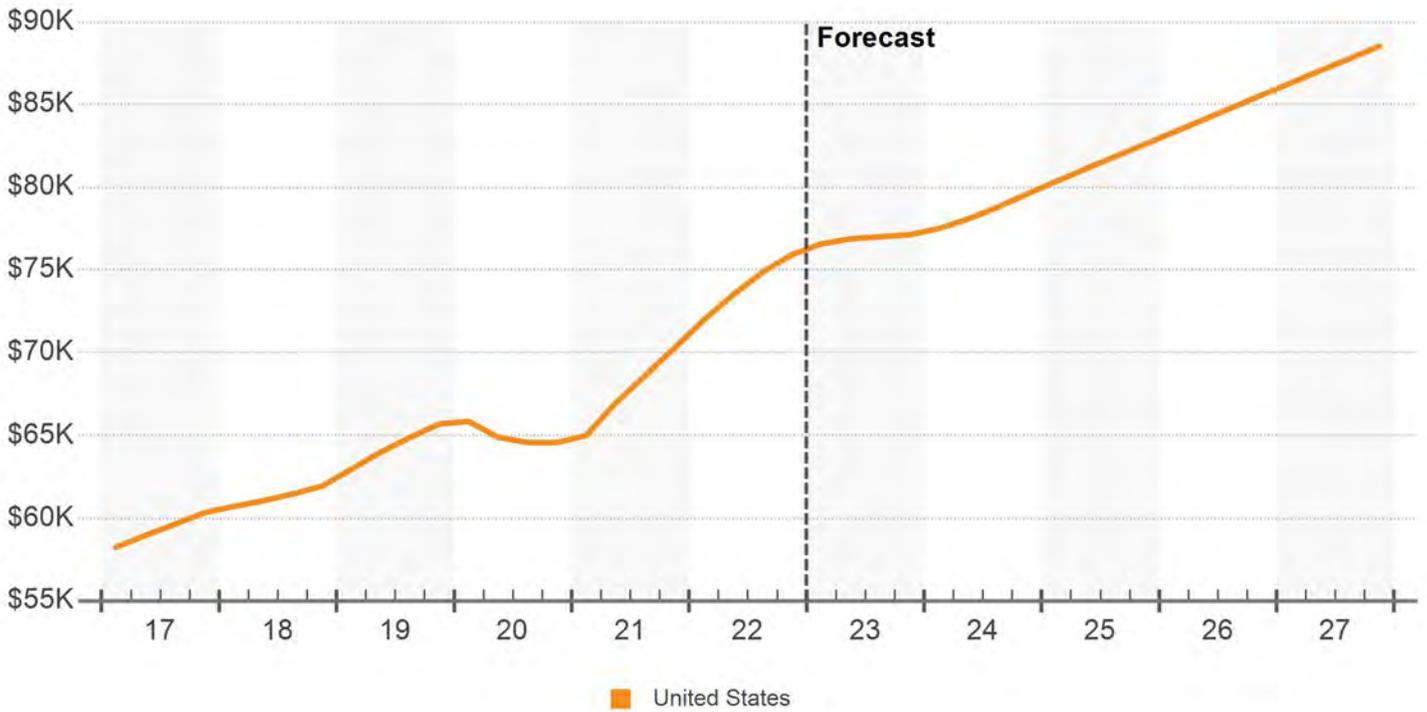
UNEMPLOYMENT RATE (%)



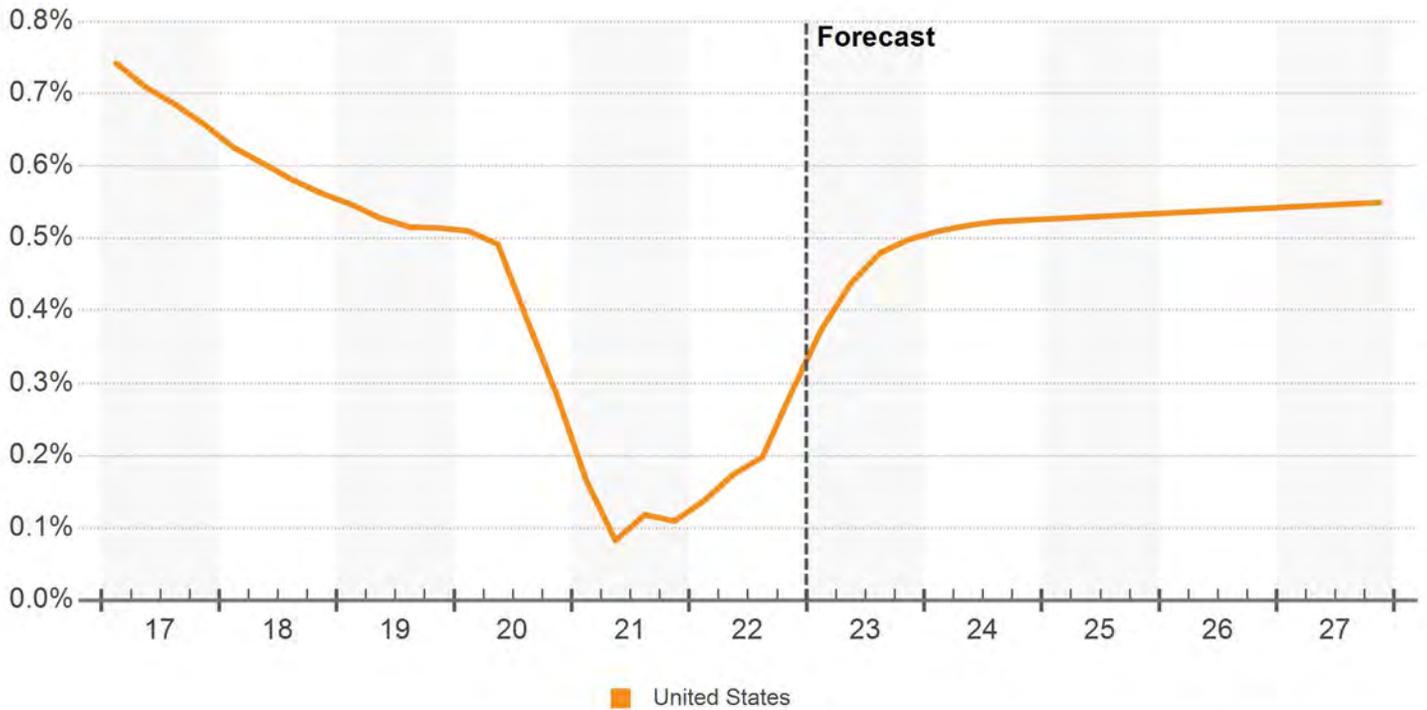
NET EMPLOYMENT CHANGE (YOY)



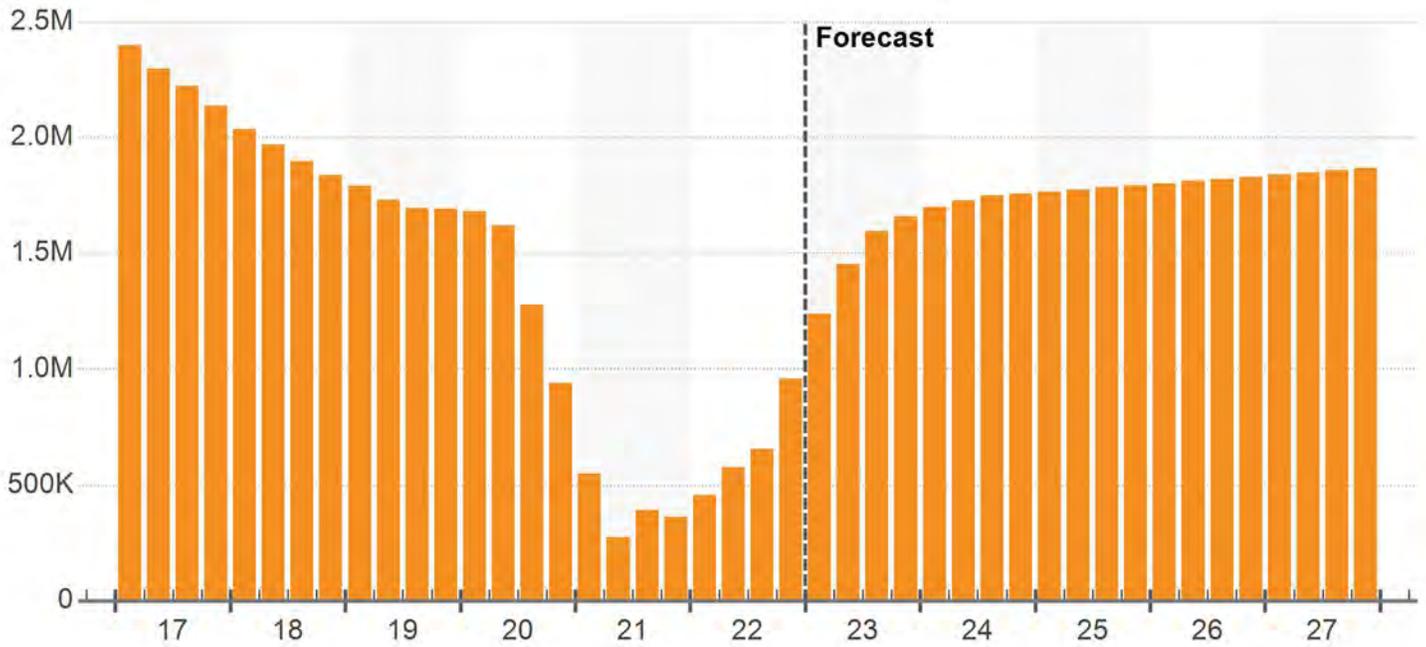
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



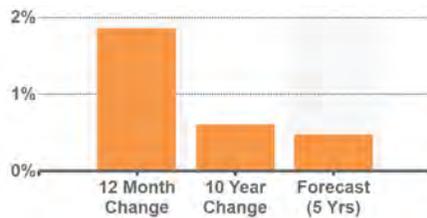
DEMOGRAPHIC TRENDS

	Current Level	12 Month Change	10 Year Change	5 Year Forecast
Demographic Category	US	US	US	US
Population	332,986,063	0.3%	0.6%	0.5%
Households	124,280,648	0.2%	0.7%	0.5%
Median Household Income	\$75,975	7.9%	4.0%	3.1%
Labor Force	165,217,656	1.9%	0.6%	0.5%
Unemployment	3.6%	-0.6%	-0.4%	-

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



MARKET INVENTORY

No.	Market	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% U.S.	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Akron - OH	2,090	34,373	0.4%	41	5	187	0.5%	38	2	37	0.1%	49
2	Ann Arbor - MI	903	15,111	0.2%	52	0	0	0%	-	0	-	-	-
3	Atlanta - GA	16,642	334,219	4.0%	8	46	3,396	1.0%	6	48	4,701	1.4%	9
4	Atlantic City - NJ	697	7,513	0.1%	64	1	6	0.1%	56	1	5	0.1%	57
5	Austin - TX	5,791	130,849	1.6%	21	87	4,371	3.3%	4	96	8,405	6.4%	4
6	Baltimore - MD	6,601	151,062	1.8%	17	7	662	0.4%	27	19	1,442	1.0%	23
7	Bloomsburg-Berwick - PA	200	1,415	0%	79	0	0	0%	-	0	-	-	-
8	Boston - MA	10,861	368,680	4.4%	6	25	4,717	1.3%	3	66	17,629	4.8%	1
9	Boulder - CO	1,091	19,515	0.2%	48	1	6	0%	57	6	1,467	7.5%	22
10	California-Lexington Park...	251	3,275	0%	72	1	28	0.9%	47	0	-	-	-
11	Canton - OH	1,230	13,578	0.2%	54	0	0	0%	-	0	-	-	-
12	Chambersburg-Waynesb...	204	1,629	0%	77	2	36	2.2%	46	0	-	-	-
13	Charlotte - NC	7,127	131,596	1.6%	20	28	1,233	0.9%	13	36	4,482	3.4%	10
14	Chicago - IL	15,439	509,507	6.1%	3	16	2,433	0.5%	8	21	3,131	0.6%	14
15	Cincinnati - OH	5,514	104,356	1.3%	29	11	674	0.6%	25	6	196	0.2%	38
16	Cleveland - OH	4,439	109,161	1.3%	28	5	25	0%	48	14	1,386	1.3%	26
17	Columbus - OH	5,290	116,214	1.4%	24	13	842	0.7%	19	25	1,540	1.3%	20
18	Dallas-Fort Worth - TX	14,719	416,244	5.0%	5	185	3,826	0.9%	5	160	7,898	1.9%	6
19	Dayton - OH	2,751	42,416	0.5%	38	1	4	0%	59	0	-	-	-
20	Denver - CO	5,621	184,096	2.2%	14	15	724	0.4%	23	19	2,648	1.4%	15
21	Detroit - MI	9,894	198,733	2.4%	11	16	955	0.5%	15	19	1,401	0.7%	24
22	Dover - DE	509	5,343	0.1%	66	0	0	0%	-	1	17	0.3%	52
23	East Bay - CA	5,318	114,988	1.4%	25	3	251	0.2%	34	2	110	0.1%	44
24	East Stroudsburg - PA	410	2,573	0%	74	0	0	0%	-	0	-	-	-
25	Flint - MI	946	9,836	0.1%	58	2	61	0.6%	44	0	-	-	-
26	Fort Collins - CO	1,037	12,168	0.1%	56	12	141	1.2%	40	0	-	-	-
27	Fort Lauderdale - FL	4,052	74,753	0.9%	33	6	673	0.9%	26	13	471	0.6%	34
28	Gainesville - GA	622	5,153	0.1%	67	0	0	0%	-	1	9	0.2%	56
29	Gettysburg - PA	144	1,072	0%	80	0	0	0%	-	0	-	-	-
30	Greeley - CO	607	5,902	0.1%	65	2	15	0.3%	51	2	14	0.2%	53
31	Hagerstown - MD	741	9,369	0.1%	60	0	0	0%	-	0	-	-	-
32	Harrisburg - PA	1,981	36,916	0.4%	39	2	289	0.8%	32	7	129	0.4%	41
33	Hickory - NC	788	8,171	0.1%	61	5	116	1.4%	43	1	3	0%	58
34	Houston - TX	10,930	349,434	4.2%	7	132	2,175	0.6%	10	101	5,027	1.4%	8
35	Inland Empire - CA	6,523	77,342	0.9%	32	7	201	0.3%	37	10	178	0.2%	39
36	Jacksonville - FL	4,942	68,945	0.8%	35	19	899	1.3%	16	25	1,473	2.1%	21
37	Lakeland - FL	1,702	14,705	0.2%	53	3	218	1.5%	36	3	53	0.4%	47
38	Lancaster - PA	1,164	15,278	0.2%	51	0	0	0%	-	0	-	-	-
39	Lebanon - PA	186	1,500	0%	78	0	0	0%	-	3	52	3.5%	48
40	Lehigh Valley - PA	2,068	31,216	0.4%	44	1	625	2.0%	28	2	156	0.5%	40
41	Long Island - NY	6,718	99,313	1.2%	31	10	140	0.1%	41	5	129	0.1%	42
42	Los Angeles - CA	17,562	434,343	5.2%	4	40	2,375	0.5%	9	48	3,942	0.9%	12

MARKET INVENTORY

No.	Market	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% U.S.	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	Macon - GA	736	7,514	0.1%	63	2	12	0.2%	52	1	11	0.1%	54
44	Manchester - NH	1,118	19,869	0.2%	47	2	9	0%	53	1	120	0.6%	43
45	Mansfield - OH	430	3,416	0%	69	0	0	0%	-	1	22	0.6%	51
46	Melbourne - FL	1,813	16,645	0.2%	50	0	0	0%	-	4	80	0.5%	45
47	Memphis - TN	3,229	58,567	0.7%	37	13	317	0.5%	31	12	608	1.0%	31
48	Miami - FL	4,481	113,651	1.4%	26	13	784	0.7%	21	26	4,194	3.7%	11
49	Monroe - MI	256	1,900	0%	76	0	0	0%	-	1	25	1.3%	50
50	Napa - CA	428	3,380	0%	70	1	7	0.2%	55	0	-	-	-
51	New Haven - CT	2,148	36,153	0.4%	40	0	0	0%	-	3	666	1.8%	30
52	New York - NY	23,104	975,283	11.7%	1	41	9,373	1.0%	1	88	13,776	1.4%	2
53	Northern New Jersey - NJ	6,656	155,529	1.9%	16	4	172	0.1%	39	12	518	0.3%	32
54	Orange County - CA	6,082	158,305	1.9%	15	10	883	0.6%	17	12	485	0.3%	33
55	Orlando - FL	7,686	103,060	1.2%	30	28	691	0.7%	24	22	1,372	1.3%	27
56	Palm Beach - FL	2,941	58,874	0.7%	36	6	229	0.4%	35	15	1,257	2.1%	28
57	Philadelphia - PA	16,480	324,212	3.9%	9	17	873	0.3%	18	19	2,278	0.7%	17
58	Phoenix - AZ	9,032	193,526	2.3%	12	22	1,190	0.6%	14	18	1,387	0.7%	25
59	Poughkeepsie - NY	879	10,633	0.1%	57	1	5	0%	58	2	55	0.5%	46
60	Reading - PA	806	13,438	0.2%	55	0	0	0%	-	0	-	-	-
61	Rockford - IL	564	7,982	0.1%	62	0	0	0%	-	0	-	-	-
62	Sacramento - CA	5,255	109,331	1.3%	27	6	758	0.7%	22	12	2,107	1.9%	18
63	Saint Louis - MO	6,829	145,688	1.7%	18	11	583	0.4%	29	9	1,767	1.2%	19
64	San Diego - CA	5,503	119,379	1.4%	23	12	805	0.7%	20	19	3,869	3.2%	13
65	San Francisco - CA	4,072	189,386	2.3%	13	9	1,276	0.7%	11	20	2,563	1.4%	16
66	San Jose - CA	4,640	139,963	1.7%	19	11	3,286	2.3%	7	26	8,215	5.9%	5
67	Sarasota - FL	2,777	28,414	0.3%	45	6	134	0.5%	42	6	354	1.2%	35
68	Scranton - PA	1,426	17,906	0.2%	49	1	18	0.1%	49	0	-	-	-
69	Seattle - WA	8,229	226,612	2.7%	10	13	1,237	0.5%	12	31	12,289	5.4%	3
70	Springfield - OH	421	4,251	0.1%	68	1	7	0.2%	54	0	-	-	-
71	Stamford - CT	2,876	69,528	0.8%	34	2	282	0.4%	33	2	223	0.3%	37
72	Tampa - FL	10,752	128,068	1.5%	22	31	506	0.4%	30	34	721	0.6%	29
73	Trenton - NJ	1,223	32,041	0.4%	43	0	0	0%	-	0	-	-	-
74	Ventura - CA	1,610	21,946	0.3%	46	0	0	0%	-	0	-	-	-
75	Vineland - NJ	333	2,765	0%	73	0	0	0%	-	0	-	-	-
76	Washington - DC	11,848	519,785	6.2%	2	22	4,915	0.9%	2	36	7,374	1.4%	7
77	Winchester - VA	283	3,336	0%	71	0	0	0%	-	0	-	-	-
78	Worcester - MA	1,778	32,574	0.4%	42	3	15	0%	50	5	246	0.8%	36
79	York - PA	878	9,673	0.1%	59	3	50	0.5%	45	1	10	0.1%	55
80	Yuba City - CA	302	2,436	0%	75	0	0	0%	-	0	-	-	-

MARKET CONSTRUCTION

No.	Market	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Akron - OH	2	37	37	100%	1	16,446	18,689	47
2	Ann Arbor - MI	0	-	-	-	-	16,735	-	-
3	Atlanta - GA	48	4,701	2,059	43.8%	41	20,083	97,935	20
4	Atlantic City - NJ	1	5	5	100%	1	10,779	5,000	57
5	Austin - TX	96	8,405	4,415	52.5%	36	22,595	87,550	21
6	Baltimore - MD	19	1,442	1,049	72.7%	26	22,885	75,911	26
7	Bloomsburg-Berwick - PA	0	-	-	-	-	7,074	-	-
8	Boston - MA	66	17,629	11,012	62.5%	31	33,945	267,103	3
9	Boulder - CO	6	1,467	1,304	88.9%	11	17,888	244,537	4
10	California-Lexington Park...	0	-	-	-	-	13,049	-	-
11	Canton - OH	0	-	-	-	-	11,039	-	-
12	Chambersburg-Waynesb...	0	-	-	-	-	7,985	-	-
13	Charlotte - NC	36	4,482	2,315	51.6%	37	18,464	124,512	15
14	Chicago - IL	21	3,131	2,300	73.4%	25	33,001	149,094	12
15	Cincinnati - OH	6	196	72	36.9%	44	18,926	32,604	40
16	Cleveland - OH	14	1,386	1,284	92.6%	8	24,591	98,986	19
17	Columbus - OH	25	1,540	828	53.7%	35	21,969	61,608	29
18	Dallas-Fort Worth - TX	160	7,898	3,229	40.9%	42	28,279	49,359	35
19	Dayton - OH	0	-	-	-	-	15,418	-	-
20	Denver - CO	19	2,648	774	29.2%	50	32,751	139,387	13
21	Detroit - MI	19	1,401	1,056	75.4%	22	20,086	73,736	27
22	Dover - DE	1	17	0	0%	-	10,497	17,352	52
23	East Bay - CA	2	110	35	31.7%	49	21,622	55,073	32
24	East Stroudsburg - PA	0	-	-	-	-	6,276	-	-
25	Flint - MI	0	-	-	-	-	10,397	-	-
26	Fort Collins - CO	0	-	-	-	-	11,733	-	-
27	Fort Lauderdale - FL	13	471	321	68.2%	29	18,449	36,205	39
28	Gainesville - GA	1	9	0	0%	-	8,284	9,000	55
29	Gettysburg - PA	0	-	-	-	-	7,443	-	-
30	Greeley - CO	2	14	5	35.7%	45	9,723	7,150	56
31	Hagerstown - MD	0	-	-	-	-	12,644	-	-
32	Harrisburg - PA	7	129	46	35.2%	46	18,635	18,463	48
33	Hickory - NC	1	3	3	100%	1	10,369	2,500	58
34	Houston - TX	101	5,027	2,473	49.2%	38	31,970	49,768	34
35	Inland Empire - CA	10	178	133	74.4%	24	11,857	17,839	49
36	Jacksonville - FL	25	1,473	1,394	94.6%	7	13,951	58,936	31
37	Lakeland - FL	3	53	48	92.1%	9	8,640	17,549	50
38	Lancaster - PA	0	-	-	-	-	13,126	-	-
39	Lebanon - PA	3	52	44	84.7%	13	8,066	17,433	51
40	Lehigh Valley - PA	2	156	18	11.3%	52	15,095	77,953	24
41	Long Island - NY	5	129	104	80.7%	19	14,783	25,807	42
42	Los Angeles - CA	48	3,942	2,148	54.5%	34	24,732	82,124	23

MARKET CONSTRUCTION

No.	Market	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
43	Macon - GA	1	11	11	100%	1	10,209	10,976	53
44	Manchester - NH	1	120	0	0%	-	17,772	120,000	16
45	Mansfield - OH	1	22	10	45.0%	40	7,944	21,800	44
46	Melbourne - FL	4	80	26	32.5%	48	9,181	20,000	46
47	Memphis - TN	12	608	501	82.4%	16	18,138	50,674	33
48	Miami - FL	26	4,194	3,518	83.9%	14	25,363	161,312	10
49	Monroe - MI	1	25	0	0%	-	7,423	25,000	43
50	Napa - CA	0	-	-	-	-	7,896	-	-
51	New Haven - CT	3	666	546	82.0%	17	16,831	222,000	5
52	New York - NY	88	13,776	11,019	80.0%	20	42,213	156,540	11
53	Northern New Jersey - NJ	12	518	445	85.8%	12	23,367	43,178	37
54	Orange County - CA	12	485	238	48.9%	39	26,028	40,446	38
55	Orlando - FL	22	1,372	770	56.2%	33	13,409	62,345	28
56	Palm Beach - FL	15	1,257	862	68.6%	28	20,018	83,815	22
57	Philadelphia - PA	19	2,278	769	33.7%	47	19,673	119,902	17
58	Phoenix - AZ	18	1,387	524	37.8%	43	21,427	77,043	25
59	Poughkeepsie - NY	2	55	49	89.1%	10	12,097	27,500	41
60	Reading - PA	0	-	-	-	-	16,672	-	-
61	Rockford - IL	0	-	-	-	-	14,152	-	-
62	Sacramento - CA	12	2,107	2,076	98.5%	6	20,805	175,607	9
63	Saint Louis - MO	9	1,767	1,459	82.6%	15	21,334	196,305	8
64	San Diego - CA	19	3,869	683	17.6%	51	21,693	203,647	7
65	San Francisco - CA	20	2,563	1,910	74.5%	23	46,509	128,152	14
66	San Jose - CA	26	8,215	4,885	59.5%	32	30,164	315,969	2
67	Sarasota - FL	6	354	228	64.4%	30	10,232	59,048	30
68	Scranton - PA	0	-	-	-	-	12,557	-	-
69	Seattle - WA	31	12,289	9,473	77.1%	21	27,538	396,413	1
70	Springfield - OH	0	-	-	-	-	10,098	-	-
71	Stamford - CT	2	223	4	1.6%	53	24,175	111,512	18
72	Tampa - FL	34	721	590	81.8%	18	11,911	21,202	45
73	Trenton - NJ	0	-	-	-	-	26,199	-	-
74	Ventura - CA	0	-	-	-	-	13,631	-	-
75	Vineland - NJ	0	-	-	-	-	8,303	-	-
76	Washington - DC	36	7,374	5,283	71.6%	27	43,871	204,843	6
77	Winchester - VA	0	-	-	-	-	11,788	-	-
78	Worcester - MA	5	246	246	100%	1	18,321	49,202	36
79	York - PA	1	10	0	0%	-	11,017	10,000	54
80	Yuba City - CA	0	-	-	-	-	8,065	-	-

MARKET RENT

No.	Market	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Akron - OH	\$16.01	77	1.3%	60	-0.4%	32
2	Ann Arbor - MI	\$26.40	33	1.4%	57	-0.5%	36
3	Atlanta - GA	\$27.68	27	1.8%	32	0.1%	17
4	Atlantic City - NJ	\$22.57	40	1.7%	46	-0.7%	45
5	Austin - TX	\$43.63	5	1.8%	37	0.7%	7
6	Baltimore - MD	\$24.23	38	0.6%	71	0.5%	11
7	Bloomsburg-Berwick - PA	\$17.44	70	0.7%	70	-0.7%	47
8	Boston - MA	\$42.48	6	0.2%	77	-0.1%	23
9	Boulder - CO	\$34.77	14	5.4%	4	-0.8%	53
10	California-Lexington Park...	\$21.18	51	1.6%	51	-0.5%	33
11	Canton - OH	\$14.56	80	1.7%	48	-0.5%	34
12	Chambersburg-Waynesb...	\$21.51	44	1.7%	41	-0.9%	57
13	Charlotte - NC	\$30.63	19	2.7%	14	-1.4%	75
14	Chicago - IL	\$29.66	20	0.8%	67	2.5%	1
15	Cincinnati - OH	\$20.28	56	1.2%	61	-0.1%	27
16	Cleveland - OH	\$19.17	63	0.4%	76	0%	21
17	Columbus - OH	\$21.49	45	1.2%	62	-0.5%	35
18	Dallas-Fort Worth - TX	\$29.42	21	2.2%	20	-0.6%	38
19	Dayton - OH	\$17.56	69	3.9%	7	-0.6%	43
20	Denver - CO	\$28.93	23	0.7%	68	1.2%	3
21	Detroit - MI	\$21.26	48	0.7%	69	0.2%	14
22	Dover - DE	\$22.11	41	1.6%	54	-1.2%	67
23	East Bay - CA	\$39.52	9	1.1%	64	0.7%	8
24	East Stroudsburg - PA	\$19.73	58	1.7%	40	0.7%	9
25	Flint - MI	\$17.57	68	1.9%	27	-0.7%	44
26	Fort Collins - CO	\$24.47	36	3.2%	12	-0.6%	41
27	Fort Lauderdale - FL	\$33.54	15	3.2%	11	-0.7%	52
28	Gainesville - GA	\$19.19	62	2.7%	13	-1.1%	66
29	Gettysburg - PA	\$16.08	76	1.7%	44	-1.2%	68
30	Greeley - CO	\$21.58	43	3.5%	9	-1.7%	77
31	Hagerstown - MD	\$19.72	59	1.6%	52	-0.8%	55
32	Harrisburg - PA	\$18.39	64	1.4%	58	-0.8%	54
33	Hickory - NC	\$16.34	74	2.7%	15	-1.3%	71
34	Houston - TX	\$28.79	24	0.4%	75	2.2%	2
35	Inland Empire - CA	\$24.35	37	4.8%	5	-2.3%	80
36	Jacksonville - FL	\$23.75	39	4.7%	6	-2.2%	79
37	Lakeland - FL	\$21	52	3.3%	10	-1.3%	72
38	Lancaster - PA	\$18.32	65	2.0%	23	-1.1%	65
39	Lebanon - PA	\$17.82	67	1.5%	55	-1.1%	63
40	Lehigh Valley - PA	\$20.62	54	1.9%	26	-0.7%	48
41	Long Island - NY	\$30.65	18	1.9%	29	-0.1%	24
42	Los Angeles - CA	\$41.93	7	1.4%	59	0.2%	15

MARKET RENT

No.	Market	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	Macon - GA	\$15.73	78	2.5%	17	-1.3%	74
44	Manchester - NH	\$18.08	66	2.2%	19	-0.9%	58
45	Mansfield - OH	\$14.87	79	1.9%	28	-0.4%	31
46	Melbourne - FL	\$20.94	53	1.8%	34	-0.3%	28
47	Memphis - TN	\$20.40	55	1.8%	36	-0.4%	29
48	Miami - FL	\$45.69	4	7.5%	1	0.8%	5
49	Monroe - MI	\$16.33	75	2.1%	21	-1.1%	64
50	Napa - CA	\$38.01	12	2.0%	22	-1.0%	61
51	New Haven - CT	\$21.64	42	1.6%	50	-0.1%	25
52	New York - NY	\$57.34	3	0.4%	74	0.1%	19
53	Northern New Jersey - NJ	\$27.56	28	1.1%	63	-0.4%	30
54	Orange County - CA	\$31.49	17	0.9%	66	-0.5%	37
55	Orlando - FL	\$27.39	29	2.4%	18	-0.6%	39
56	Palm Beach - FL	\$41.40	8	6.1%	2	-2.1%	78
57	Philadelphia - PA	\$27.04	32	1.0%	65	0.5%	10
58	Phoenix - AZ	\$28.12	25	2.6%	16	-0.9%	59
59	Poughkeepsie - NY	\$25.03	35	1.7%	42	-0.6%	40
60	Reading - PA	\$19.98	57	1.9%	30	-1.0%	60
61	Rockford - IL	\$17.10	71	1.8%	39	-0.1%	22
62	Sacramento - CA	\$27.32	30	1.8%	38	-1.2%	70
63	Saint Louis - MO	\$21.19	50	0.6%	72	-0.1%	26
64	San Diego - CA	\$37.71	13	2.0%	24	-1.0%	62
65	San Francisco - CA	\$61.10	2	-0.7%	79	0.2%	13
66	San Jose - CA	\$62.21	1	-2.0%	80	0.1%	18
67	Sarasota - FL	\$26.14	34	5.4%	3	0%	20
68	Scranton - PA	\$16.89	72	1.7%	47	-0.7%	51
69	Seattle - WA	\$38.61	11	0.6%	73	0.8%	6
70	Springfield - OH	\$16.71	73	1.7%	43	-0.7%	49
71	Stamford - CT	\$33.07	16	1.8%	33	0.2%	16
72	Tampa - FL	\$27.30	31	3.5%	8	-1.3%	73
73	Trenton - NJ	\$29.14	22	1.9%	25	-0.7%	46
74	Ventura - CA	\$27.94	26	1.6%	49	-1.5%	76
75	Vineland - NJ	\$19.31	61	1.6%	53	0.4%	12
76	Washington - DC	\$38.70	10	-0.5%	78	0.8%	4
77	Winchester - VA	\$21.20	49	1.5%	56	-0.7%	50
78	Worcester - MA	\$21.28	47	1.8%	35	-0.6%	42
79	York - PA	\$19.58	60	1.7%	45	-0.9%	56
80	Yuba City - CA	\$21.31	46	1.9%	31	-1.2%	69

MARKET VACANCY & NET ABSORPTION

No.	Market	Vacancy			12 Month Absorption			Construc. Ratio
		SF	Percent	Rank	SF	% of Inv	Rank	
1	Akron - OH	2,444,243	7.1%	26	17,165	0%	32	-
2	Ann Arbor - MI	1,665,547	11.0%	59	(241,239)	-1.6%	58	-
3	Atlanta - GA	47,240,950	14.1%	71	1,361,454	0.4%	4	1.2
4	Atlantic City - NJ	505,541	6.7%	25	29,689	0.4%	27	0.2
5	Austin - TX	18,834,334	14.4%	72	1,427,782	1.1%	3	2.6
6	Baltimore - MD	17,416,559	11.5%	61	(496,358)	-0.3%	63	-
7	Bloomsburg-Berwick - PA	27,617	2.0%	1	(9,311)	-0.7%	39	-
8	Boston - MA	36,008,616	9.8%	48	2,449,186	0.7%	2	1.6
9	Boulder - CO	2,104,689	10.8%	56	(87,773)	-0.4%	52	-
10	California-Lexington Park...	310,410	9.5%	44	(127,644)	-3.9%	55	-
11	Canton - OH	1,037,103	7.6%	29	(242,589)	-1.8%	59	-
12	Chambersburg-Waynesb...	53,498	3.3%	8	34,681	2.1%	26	0.1
13	Charlotte - NC	16,127,616	12.3%	65	(533,896)	-0.4%	64	-
14	Chicago - IL	77,935,760	15.3%	76	(2,582,407)	-0.5%	78	-
15	Cincinnati - OH	10,463,400	10.0%	49	512,545	0.5%	12	-
16	Cleveland - OH	9,094,075	8.3%	33	(1,093,722)	-1.0%	66	-
17	Columbus - OH	12,047,268	10.4%	50	(623,908)	-0.5%	65	-
18	Dallas-Fort Worth - TX	73,292,071	17.6%	79	748,995	0.2%	8	1.2
19	Dayton - OH	3,274,013	7.7%	31	(63,173)	-0.1%	49	-
20	Denver - CO	27,140,154	14.7%	74	(436,887)	-0.2%	62	-
21	Detroit - MI	24,339,652	12.2%	64	(1,328,052)	-0.7%	69	-
22	Dover - DE	641,322	12.0%	62	43,604	0.8%	24	-
23	East Bay - CA	15,165,781	13.2%	68	(2,115,043)	-1.8%	76	-
24	East Stroudsburg - PA	124,743	4.8%	17	(456)	0%	36	-
25	Flint - MI	306,776	3.1%	7	299,585	3.0%	16	0.2
26	Fort Collins - CO	616,613	5.1%	19	160,413	1.3%	21	0.3
27	Fort Lauderdale - FL	7,918,832	10.6%	52	335,764	0.4%	15	1.7
28	Gainesville - GA	259,955	5.0%	18	10,086	0.2%	33	-
29	Gettysburg - PA	26,887	2.5%	3	(9,275)	-0.9%	38	-
30	Greeley - CO	420,843	7.1%	27	(29,298)	-0.5%	44	-
31	Hagerstown - MD	816,805	8.7%	37	36,633	0.4%	25	-
32	Harrisburg - PA	3,512,845	9.5%	45	(26,271)	-0.1%	42	-
33	Hickory - NC	303,422	3.7%	12	(29,974)	-0.4%	45	-
34	Houston - TX	66,584,148	19.1%	80	(134,145)	0%	56	-
35	Inland Empire - CA	4,632,884	6.0%	22	431,235	0.6%	14	0.3
36	Jacksonville - FL	6,248,768	9.1%	42	815,352	1.2%	7	1.0
37	Lakeland - FL	665,065	4.5%	15	191,708	1.3%	19	0.8
38	Lancaster - PA	509,517	3.3%	9	(28,925)	-0.2%	43	-
39	Lebanon - PA	67,832	4.5%	14	6,974	0.5%	34	-
40	Lehigh Valley - PA	2,643,209	8.5%	36	536,475	1.7%	11	0.7
41	Long Island - NY	8,319,717	8.4%	34	(1,102,727)	-1.1%	67	-
42	Los Angeles - CA	63,350,279	14.6%	73	(3,594,339)	-0.8%	79	-

MARKET VACANCY & NET ABSORPTION

No.	Market	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
43	Macon - GA	732,526	9.7%	47	(50,186)	-0.7%	48	-
44	Manchester - NH	1,455,889	7.3%	28	18,735	0.1%	31	-
45	Mansfield - OH	89,291	2.6%	6	19,564	0.6%	30	-
46	Melbourne - FL	1,072,994	6.4%	24	(24,715)	-0.1%	41	-
47	Memphis - TN	6,308,563	10.8%	55	538,130	0.9%	10	0.5
48	Miami - FL	10,817,467	9.5%	46	922,726	0.8%	5	0.8
49	Monroe - MI	69,551	3.7%	11	25,626	1.3%	28	-
50	Napa - CA	298,397	8.8%	39	(2,257)	-0.1%	37	-
51	New Haven - CT	2,782,949	7.7%	30	(100,902)	-0.3%	53	-
52	New York - NY	122,350,698	12.5%	66	(1,217,523)	-0.1%	68	-
53	Northern New Jersey - NJ	21,548,874	13.9%	70	(1,884,892)	-1.2%	74	-
54	Orange County - CA	20,021,637	12.6%	67	(1,646,671)	-1.0%	71	-
55	Orlando - FL	8,639,925	8.4%	35	203,751	0.2%	18	2.9
56	Palm Beach - FL	4,687,683	8.0%	32	722,375	1.2%	9	0.2
57	Philadelphia - PA	34,082,417	10.5%	51	(2,135,729)	-0.7%	77	-
58	Phoenix - AZ	29,434,468	15.2%	75	(1,725,289)	-0.9%	72	-
59	Poughkeepsie - NY	590,831	5.6%	20	61,710	0.6%	23	0.1
60	Reading - PA	854,317	6.4%	23	2,704	0%	35	-
61	Rockford - IL	703,417	8.8%	38	(75,881)	-1.0%	51	-
62	Sacramento - CA	11,628,348	10.6%	53	(111,746)	-0.1%	54	-
63	Saint Louis - MO	16,050,663	11.0%	58	(2,108,948)	-1.4%	75	-
64	San Diego - CA	13,041,095	10.9%	57	822,847	0.7%	6	0.6
65	San Francisco - CA	31,741,678	16.8%	78	(5,250,033)	-2.8%	80	-
66	San Jose - CA	16,938,036	12.1%	63	2,512,210	1.8%	1	0.9
67	Sarasota - FL	1,001,889	3.5%	10	447,615	1.6%	13	0.3
68	Scranton - PA	815,020	4.6%	16	226,581	1.3%	17	0.1
69	Seattle - WA	24,380,848	10.8%	54	(1,788,966)	-0.8%	73	-
70	Springfield - OH	109,632	2.6%	4	(42,103)	-1.0%	47	-
71	Stamford - CT	9,309,536	13.4%	69	77,591	0.1%	22	3.4
72	Tampa - FL	11,758,122	9.2%	43	(382,764)	-0.3%	61	-
73	Trenton - NJ	2,861,537	8.9%	40	(250,210)	-0.8%	60	-
74	Ventura - CA	2,465,257	11.2%	60	(66,529)	-0.3%	50	-
75	Vineland - NJ	161,963	5.9%	21	(32,089)	-1.2%	46	-
76	Washington - DC	81,383,940	15.7%	77	(1,444,850)	-0.3%	70	-
77	Winchester - VA	78,785	2.4%	2	19,786	0.6%	29	-
78	Worcester - MA	2,916,136	9.0%	41	(165,530)	-0.5%	57	-
79	York - PA	249,962	2.6%	5	164,692	1.7%	20	0.2
80	Yuba City - CA	90,504	3.7%	13	(22,054)	-0.9%	40	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	8,529,670,837	27,630,524	0.3%	21,500,275	0.3%	1.3
2026	8,502,040,313	27,677,385	0.3%	27,264,078	0.3%	1.0
2025	8,474,362,928	33,427,472	0.4%	37,024,127	0.4%	0.9
2024	8,440,935,456	33,527,952	0.4%	31,557,064	0.4%	1.1
2023	8,407,407,504	70,266,778	0.8%	(24,311,362)	-0.3%	-
YTD	8,336,879,878	(260,848)	0%	(16,654,106)	-0.2%	-
2022	8,337,140,726	41,374,587	0.5%	(2,360,414)	0%	-
2021	8,295,766,139	55,100,405	0.7%	(43,125,422)	-0.5%	-
2020	8,240,665,734	47,925,895	0.6%	(69,685,994)	-0.8%	-
2019	8,192,739,839	58,944,150	0.7%	47,184,863	0.6%	1.2
2018	8,133,795,689	49,235,164	0.6%	67,840,315	0.8%	0.7
2017	8,084,560,525	56,224,972	0.7%	61,540,648	0.8%	0.9
2016	8,028,335,553	45,165,348	0.6%	69,001,894	0.9%	0.7
2015	7,983,170,205	46,702,722	0.6%	89,897,227	1.1%	0.5
2014	7,936,467,483	29,002,486	0.4%	80,227,197	1.0%	0.4
2013	7,907,464,997	20,597,238	0.3%	53,279,820	0.7%	0.4
2012	7,886,867,759	14,692,103	0.2%	43,396,182	0.6%	0.3
2011	7,872,175,656	16,912,903	0.2%	40,256,109	0.5%	0.4

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	3,449,238,930	43,639,678	1.3%	39,370,138	1.1%	1.1
2026	3,405,599,252	43,688,875	1.3%	42,514,590	1.2%	1.0
2025	3,361,910,377	49,033,841	1.5%	48,714,473	1.4%	1.0
2024	3,312,876,536	47,844,340	1.5%	44,104,484	1.3%	1.1
2023	3,265,032,196	74,522,586	2.3%	32,704,183	1.0%	2.3
YTD	3,190,601,204	91,594	0%	(9,976,402)	-0.3%	-
2022	3,190,509,610	48,629,932	1.5%	8,177,941	0.3%	5.9
2021	3,141,879,678	59,595,364	1.9%	(24,169,520)	-0.8%	-
2020	3,082,284,314	45,746,889	1.5%	(11,886,005)	-0.4%	-
2019	3,036,537,425	61,895,683	2.1%	53,906,481	1.8%	1.1
2018	2,974,641,742	55,532,721	1.9%	52,740,515	1.8%	1.1
2017	2,919,109,021	61,368,981	2.1%	45,252,135	1.6%	1.4
2016	2,857,740,040	48,864,512	1.7%	34,066,841	1.2%	1.4
2015	2,808,875,528	52,104,820	1.9%	60,835,665	2.2%	0.9
2014	2,756,770,708	39,220,434	1.4%	53,217,213	1.9%	0.7
2013	2,717,550,274	30,649,373	1.1%	37,071,975	1.4%	0.8
2012	2,686,900,901	20,972,628	0.8%	33,869,233	1.3%	0.6
2011	2,665,928,273	17,678,614	0.7%	28,125,934	1.1%	0.6

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	3,329,803,741	230,819	0%	(1,389,190)	0%	-
2026	3,329,572,922	478,369	0%	811,891	0%	0.6
2025	3,329,094,553	1,003,316	0%	2,731,068	0.1%	0.4
2024	3,328,091,237	2,308,184	0.1%	1,495,610	0%	1.5
2023	3,325,783,053	12,241,815	0.4%	(25,792,672)	-0.8%	-
YTD	3,313,579,835	38,597	0%	(5,240,138)	-0.2%	-
2022	3,313,541,238	(2,553,779)	-0.1%	(8,320,364)	-0.3%	-
2021	3,316,095,017	2,266,538	0.1%	(19,452,043)	-0.6%	-
2020	3,313,828,479	6,334,713	0.2%	(40,584,104)	-1.2%	-
2019	3,307,493,766	1,898,975	0.1%	(423,352)	0%	-
2018	3,305,594,791	1,739,445	0.1%	14,727,464	0.4%	0.1
2017	3,303,855,346	2,339,792	0.1%	13,845,503	0.4%	0.2
2016	3,301,515,554	2,594,893	0.1%	21,694,934	0.7%	0.1
2015	3,298,920,661	2,523,031	0.1%	18,068,675	0.5%	0.1
2014	3,296,397,630	(1,099,218)	0%	16,212,851	0.5%	-
2013	3,297,496,848	(1,195,440)	0%	11,741,124	0.4%	-
2012	3,298,692,288	2,736,920	0.1%	15,823,812	0.5%	0.2
2011	3,295,955,368	5,264,452	0.2%	16,362,560	0.5%	0.3

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	1,750,628,166	(16,239,973)	-0.9%	(16,480,673)	-0.9%	-
2026	1,766,868,139	(16,489,859)	-0.9%	(16,062,403)	-0.9%	-
2025	1,783,357,998	(16,609,685)	-0.9%	(14,421,414)	-0.8%	-
2024	1,799,967,683	(16,624,572)	-0.9%	(14,043,030)	-0.8%	-
2023	1,816,592,255	(16,497,623)	-0.9%	(31,222,873)	-1.7%	-
YTD	1,832,698,839	(391,039)	0%	(1,437,566)	-0.1%	-
2022	1,833,089,878	(4,701,566)	-0.3%	(2,217,991)	-0.1%	-
2021	1,837,791,444	(6,761,497)	-0.4%	496,141	0%	-
2020	1,844,552,941	(4,155,707)	-0.2%	(17,215,885)	-0.9%	-
2019	1,848,708,648	(4,850,508)	-0.3%	(6,298,266)	-0.3%	-
2018	1,853,559,156	(8,037,002)	-0.4%	372,336	0%	-
2017	1,861,596,158	(7,483,801)	-0.4%	2,443,010	0.1%	-
2016	1,869,079,959	(6,294,057)	-0.3%	13,240,119	0.7%	-
2015	1,875,374,016	(7,925,129)	-0.4%	10,992,887	0.6%	-
2014	1,883,299,145	(9,118,730)	-0.5%	10,797,133	0.6%	-
2013	1,892,417,875	(8,856,695)	-0.5%	4,466,721	0.2%	-
2012	1,901,274,570	(9,017,445)	-0.5%	(6,296,863)	-0.3%	-
2011	1,910,292,015	(6,030,163)	-0.3%	(4,232,385)	-0.2%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$37.35	130	1.5%	6.2%	1,143,050,088	13.4%	0%
2026	\$36.81	128	1.8%	4.7%	1,136,725,664	13.4%	0%
2025	\$36.16	126	2.0%	2.8%	1,136,158,656	13.4%	-0.1%
2024	\$35.47	123	0.5%	0.9%	1,139,375,726	13.5%	0%
2023	\$35.28	123	0.3%	0.3%	1,136,928,744	13.5%	1.0%
YTD	\$35.17	122	1.0%	0%	1,058,024,204	12.7%	0.2%
2022	\$35.17	122	1.1%	0%	1,041,630,946	12.5%	0.5%
2021	\$34.80	121	0.9%	-1.1%	997,841,650	12.0%	1.1%
2020	\$34.48	120	-1.4%	-2.0%	899,883,640	10.9%	1.4%
2019	\$34.98	121	4.0%	-0.5%	782,910,574	9.6%	0.1%
2018	\$33.64	117	3.4%	-4.3%	771,502,221	9.5%	-0.3%
2017	\$32.54	113	2.9%	-7.5%	790,569,099	9.8%	-0.1%
2016	\$31.62	110	3.3%	-10.1%	797,051,631	9.9%	-0.4%
2015	\$30.61	106	5.8%	-13.0%	821,551,070	10.3%	-0.6%
2014	\$28.95	101	5.3%	-17.7%	864,773,974	10.9%	-0.7%
2013	\$27.48	95	3.7%	-21.8%	915,969,325	11.6%	-0.4%
2012	\$26.50	92	3.3%	-24.6%	948,794,961	12.0%	-0.4%
2011	\$25.65	89	1.7%	-27.1%	977,447,449	12.4%	-0.3%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$48.02	131	1.5%	4.3%	598,242,085	17.3%	-0.1%
2026	\$47.32	129	1.8%	2.7%	593,998,894	17.4%	-0.2%
2025	\$46.46	126	1.9%	0.9%	592,850,110	17.6%	-0.3%
2024	\$45.58	124	0.3%	-1.0%	592,555,154	17.9%	-0.1%
2023	\$45.44	124	0%	-1.4%	588,832,731	18.0%	0.9%
YTD	\$45.44	124	0.3%	-1.3%	557,083,031	17.5%	0.3%
2022	\$45.43	124	0.3%	-1.4%	547,015,035	17.1%	1.0%
2021	\$45.31	123	0%	-1.6%	506,556,126	16.1%	2.4%
2020	\$45.31	123	-1.6%	-1.6%	423,157,197	13.7%	1.7%
2019	\$46.06	125	5.0%	0%	365,924,800	12.1%	0%
2018	\$43.85	119	3.6%	-4.8%	357,868,637	12.0%	-0.1%
2017	\$42.33	115	3.1%	-8.1%	355,340,286	12.2%	0.3%
2016	\$41.05	112	3.0%	-10.9%	339,893,123	11.9%	0.3%
2015	\$39.86	108	6.1%	-13.5%	326,059,560	11.6%	-0.5%
2014	\$37.58	102	5.8%	-18.4%	334,807,265	12.1%	-0.7%
2013	\$35.51	97	3.6%	-22.9%	348,808,911	12.8%	-0.4%
2012	\$34.26	93	3.6%	-25.6%	355,403,212	13.2%	-0.6%
2011	\$33.06	90	3.1%	-28.2%	368,327,865	13.8%	-0.5%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$32.49	129	1.5%	6.7%	415,448,622	12.5%	0%
2026	\$32.02	127	1.8%	5.1%	413,831,576	12.4%	0%
2025	\$31.46	125	2.0%	3.3%	414,167,989	12.4%	-0.1%
2024	\$30.85	122	0.7%	1.3%	415,898,611	12.5%	0%
2023	\$30.64	122	0.6%	0.6%	415,087,489	12.5%	1.1%
YTD	\$30.46	121	1.6%	0%	382,286,684	11.5%	0.2%
2022	\$30.46	121	1.7%	0%	377,007,949	11.4%	0.2%
2021	\$29.95	119	1.2%	-1.7%	371,171,754	11.2%	0.6%
2020	\$29.59	117	-1.8%	-2.9%	349,515,045	10.5%	1.4%
2019	\$30.13	120	3.1%	-1.1%	302,688,110	9.2%	0.1%
2018	\$29.22	116	3.3%	-4.1%	300,718,981	9.1%	-0.4%
2017	\$28.27	112	2.3%	-7.2%	313,865,045	9.5%	-0.4%
2016	\$27.65	110	3.2%	-9.2%	325,837,935	9.9%	-0.6%
2015	\$26.78	106	5.6%	-12.1%	344,890,333	10.5%	-0.5%
2014	\$25.35	101	4.9%	-16.8%	360,490,301	10.9%	-0.5%
2013	\$24.16	96	4.2%	-20.7%	377,789,076	11.5%	-0.4%
2012	\$23.17	92	3.5%	-23.9%	390,689,670	11.8%	-0.4%
2011	\$22.39	89	0.9%	-26.5%	403,759,338	12.3%	-0.4%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$26.88	129	1.4%	6.8%	129,359,381	7.4%	0.1%
2026	\$26.52	127	1.7%	5.4%	128,895,194	7.3%	0.1%
2025	\$26.08	125	1.9%	3.6%	129,140,557	7.2%	0%
2024	\$25.58	122	0.8%	1.6%	130,921,961	7.3%	0%
2023	\$25.37	121	0.8%	0.8%	133,008,524	7.3%	0.9%
YTD	\$25.16	120	2.2%	0%	118,654,489	6.5%	0.1%
2022	\$25.16	120	2.3%	0%	117,607,962	6.4%	-0.1%
2021	\$24.60	118	3.5%	-2.3%	120,113,770	6.5%	-0.4%
2020	\$23.77	114	0.1%	-5.5%	127,211,398	6.9%	0.7%
2019	\$23.75	114	2.3%	-5.6%	114,297,664	6.2%	0.1%
2018	\$23.21	111	2.8%	-7.8%	112,914,603	6.1%	-0.4%
2017	\$22.59	108	3.7%	-10.2%	121,363,768	6.5%	-0.5%
2016	\$21.78	104	4.5%	-13.5%	131,320,573	7.0%	-1.0%
2015	\$20.85	100	4.9%	-17.2%	150,601,177	8.0%	-1.0%
2014	\$19.87	95	4.5%	-21.0%	169,476,408	9.0%	-1.0%
2013	\$19.02	91	2.6%	-24.4%	189,371,338	10.0%	-0.7%
2012	\$18.53	89	1.8%	-26.3%	202,702,079	10.7%	-0.1%
2011	\$18.20	87	-1.2%	-27.7%	205,360,246	10.8%	-0.1%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$355.29	182	7.0%
2026	-	-	-	-	-	-	\$349.27	179	7.0%
2025	-	-	-	-	-	-	\$341.48	175	7.0%
2024	-	-	-	-	-	-	\$333.50	170	7.0%
2023	-	-	-	-	-	-	\$331.19	169	7.0%
YTD	113	\$142.4M	0%	\$2,296,812	\$222.27	6.2%	\$338.10	173	6.9%
2022	20,632	\$79.4B	4.8%	\$5,424,865	\$270.17	6.7%	\$337.19	172	6.9%
2021	23,991	\$107.7B	5.7%	\$6,261,184	\$295.12	7.0%	\$328.16	168	7.0%
2020	17,678	\$69.8B	3.7%	\$5,756,423	\$281.22	7.2%	\$321.70	164	7.0%
2019	21,282	\$117B	5.9%	\$8,105,874	\$285.95	7.3%	\$319	163	7.0%
2018	21,448	\$103.2B	6.2%	\$7,181,228	\$254.29	7.1%	\$306.45	157	7.0%
2017	20,172	\$102.5B	6.2%	\$7,832,684	\$246.15	7.1%	\$297.60	152	6.8%
2016	20,554	\$111.9B	6.8%	\$7,776,786	\$255.57	7.0%	\$293.94	150	6.7%
2015	19,831	\$118.3B	7.1%	\$8,142,852	\$251.30	7.1%	\$284.58	145	6.7%
2014	18,624	\$104.2B	6.4%	\$7,602,896	\$234.18	7.3%	\$264.99	135	6.8%
2013	17,256	\$90B	6.1%	\$7,167,724	\$215.22	7.5%	\$243.44	124	7.0%
2012	15,945	\$67B	5.1%	\$6,295,793	\$204.46	7.5%	\$224.77	115	7.2%

(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.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$483.42	180	6.4%
2026	-	-	-	-	-	-	\$474.98	177	6.4%
2025	-	-	-	-	-	-	\$464.05	173	6.4%
2024	-	-	-	-	-	-	\$453.06	169	6.4%
2023	-	-	-	-	-	-	\$450.72	168	6.4%
YTD	1	\$0	0%	-	-	-	\$462.17	172	6.3%
2022	1,233	\$38.9B	4.5%	\$51,170,234	\$365.02	6.3%	\$460.66	172	6.3%
2021	1,466	\$59.8B	6.0%	\$58,409,852	\$405.08	6.5%	\$449.41	168	6.4%
2020	985	\$39.3B	3.9%	\$54,838,189	\$385.23	6.9%	\$443.71	165	6.4%
2019	1,355	\$70.3B	6.8%	\$63,509,196	\$371.15	6.5%	\$440.24	164	6.4%
2018	1,448	\$55.1B	7.5%	\$50,676,868	\$301.37	6.3%	\$425	158	6.4%
2017	1,381	\$63.4B	7.7%	\$55,513,917	\$314.57	6.4%	\$412.34	154	6.2%
2016	1,526	\$71.4B	8.9%	\$62,015,093	\$339.19	6.1%	\$409.34	153	6.1%
2015	1,533	\$72.4B	9.3%	\$63,149,197	\$318.64	6.3%	\$398.62	149	6.1%
2014	1,281	\$65.1B	8.4%	\$62,339,811	\$303.28	6.3%	\$370.55	138	6.1%
2013	1,215	\$58.3B	8.3%	\$56,589,096	\$279.51	6.6%	\$339.63	127	6.3%
2012	873	\$40.6B	6.3%	\$57,904,995	\$266.09	6.5%	\$311.83	116	6.6%

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

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$294.70	182	7.2%
2026	-	-	-	-	-	-	\$289.81	179	7.2%
2025	-	-	-	-	-	-	\$283.50	176	7.2%
2024	-	-	-	-	-	-	\$276.93	171	7.2%
2023	-	-	-	-	-	-	\$274.63	170	7.2%
YTD	51	\$92M	0%	\$3,833,157	\$227.62	6.4%	\$279.31	173	7.1%
2022	7,619	\$27.6B	5.0%	\$5,296,892	\$229.29	6.7%	\$278.75	173	7.1%
2021	8,904	\$34.6B	5.6%	\$5,557,080	\$238.87	7.0%	\$270.20	167	7.2%
2020	6,207	\$22.1B	3.7%	\$5,146,539	\$224.99	7.3%	\$263.06	163	7.2%
2019	7,678	\$35.9B	5.6%	\$6,643,825	\$231.40	7.3%	\$260.07	161	7.3%
2018	7,491	\$36.6B	5.8%	\$7,037,680	\$237.56	7.1%	\$248.05	154	7.2%
2017	6,988	\$29B	5.6%	\$5,975,287	\$188.20	7.1%	\$241.36	149	7.0%
2016	7,102	\$29.6B	5.9%	\$5,869,634	\$188.29	7.1%	\$238.06	147	6.9%
2015	6,860	\$35.5B	6.3%	\$6,877,675	\$206.24	7.1%	\$229.81	142	6.9%
2014	6,440	\$29.1B	5.6%	\$6,157,321	\$182.97	7.5%	\$215.09	133	7.0%
2013	5,809	\$24.5B	5.3%	\$5,804,213	\$165.18	7.7%	\$198.56	123	7.2%
2012	5,709	\$20.6B	4.8%	\$5,365,489	\$164.60	7.6%	\$184.39	114	7.4%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$233.60	185	7.8%
2026	-	-	-	-	-	-	\$229.88	182	7.8%
2025	-	-	-	-	-	-	\$225.10	178	7.8%
2024	-	-	-	-	-	-	\$219.98	174	7.8%
2023	-	-	-	-	-	-	\$217.71	172	7.8%
YTD	61	\$50.4M	0%	\$1,326,489	\$213.12	6.0%	\$220.40	174	7.7%
2022	11,780	\$12.9B	4.8%	\$1,487,878	\$192.59	6.9%	\$220	174	7.7%
2021	13,621	\$13.4B	5.2%	\$1,343,887	\$184.04	7.2%	\$214.10	169	7.7%
2020	10,486	\$8.4B	3.5%	\$1,178,240	\$175.15	7.3%	\$207.53	164	7.8%
2019	12,249	\$10.9B	4.8%	\$1,369,908	\$167.54	7.5%	\$206.74	164	7.8%
2018	12,509	\$11.5B	5.1%	\$1,418,286	\$166.62	7.4%	\$198.10	157	7.7%
2017	11,803	\$10.1B	4.8%	\$1,420,319	\$165.99	7.2%	\$192.22	152	7.5%
2016	11,926	\$10.9B	5.1%	\$1,328,903	\$155.52	7.3%	\$186.70	148	7.5%
2015	11,438	\$10.3B	5.0%	\$1,259,012	\$145.32	7.4%	\$177.81	141	7.5%
2014	10,903	\$10B	4.8%	\$1,255,532	\$140.11	7.6%	\$164.71	130	7.6%
2013	10,232	\$7.2B	4.2%	\$985,811	\$117.42	7.9%	\$151	119	7.8%
2012	9,363	\$5.8B	3.8%	\$948,388	\$115.91	7.9%	\$140.61	111	8.1%

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