



**FULL-SERVICE COMMERCIAL REAL ESTATE SOLUTIONS**  
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# MARKET REPORT

# DENVER



INDUSTRIAL



MULTIFAMILY



OFFICE



RETAIL

**Q2|2019**

400 south broadway | denver, colorado 80209 | [www.uniqueprop.com](http://www.uniqueprop.com)

**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**5 M**

12 Mo Net Absorption in SF

**3.6 M**

Vacancy Rate

**4.7%**

12 Mo Rent Growth

**4.4%**

A confluence of events has led Denver to become one of the hottest industrial markets in the country. Robust demand in this regional market with a strong local economy is stemming from the growth of retail sales, employment, and industrial production in the metro area and the greater Colorado region. Furthermore, the rise of the marijuana industry with the passing of Amendment 64 in November 2012 created an additional demand segment, with new and relatively unsophisticated tenants operating with entirely different profit margins.

Overall, the market is uniquely strong. Industrial rents were nearly 60% above the peak of last cycle at the onset of 2019, and rents continued to grow at an annual rate upwards of 6% on the year. This does however mark a deceleration from the peak years of this cycle, 2014 and 2015, when rents posted back-to-back increases of more than 9%.

Vacancies remain tight and significantly below the historical average, even if they have come off of the

historically tight conditions that prevailed several years ago. Over 5 million SF delivered in 2017, by far the most this cycle, and around 4.5 million square-feet on average is slated to deliver in 2018 and 2019.

And the volume of speculative construction has never been higher: The amount of available space at under-construction logistics properties (the warehouse and distribution industrial subtypes) edged over 3 million square feet in late 2018, twice the year-end 2017 amount, and well above an earlier cyclical peak of 2.3 million square feet in early 2016. That figure is down slightly this year, as some larger spec projects have delivered.

Sales volume topped the \$1.5 billion mark early in the fourth quarter of 2018, and closed the year at around \$1.8 billion. This eclipsed the previous all-time high recorded in 2016 by nearly 50%. Same-store industrial pricing increased at an annual rate north of 10% for a sixth consecutive year in 2018.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	160,823,476	5.2%	\$8.92	9.1%	191,966	353,500	3,277,724
Specialized Industrial	48,657,652	3.1%	\$10.29	6.1%	(26,474)	0	380,000
Flex	33,357,825	4.3%	\$13.28	7.9%	(31,365)	0	443,966
<b>Market</b>	<b>242,838,953</b>	<b>4.7%</b>	<b>\$9.79</b>	<b>8.4%</b>	<b>134,127</b>	<b>353,500</b>	<b>4,101,690</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	6.6%	5.8%	10.1%	2004 Q2	3.2%	2015 Q3
Net Absorption SF	3.6 M	2,355,630	2,586,522	5,848,944	2018 Q1	(1,909,287)	2003 Q3
Deliveries SF	5 M	2,811,122	4,171,413	5,526,660	2001 Q4	217,430	2011 Q1
Rent Growth	4.4%	2.8%	2.2%	9.7%	2015 Q1	-4.7%	2003 Q3
Sales Volume	\$1.6 B	\$694.5M	N/A	\$1.8B	2018 Q4	\$203.5M	2010 Q1

After plummeting to an all-time low of about 5% in mid-2015, the logistics availability rate has steadily trended upwards, edging over 8% moving into the start of 2019. The uptick in the availability rate largely comes down to increased levels of speculative development, which by several metrics is at cyclical peaks.

Over 80% of the pipeline is logistics space, comprised of the warehouse and distribution industrial subtypes. There was 3.1 million square-feet of available under construction logistics space early in first quarter of 2019, more than twice the year-end 2017 level, and nearly one million SF above an earlier 2016 peak. Tenants, particularly those in search of larger spaces have more options (and in more parts of the metro) than they have had in years.

The flex availability rate was right around 7% at the start of 2019, a new cyclical low. Speculative flex development remains minimal, and this segment of the market looks poised for a continuation of tight conditions in the near-term.

Demand has been concentrated in new big box inventory, with Amazon leading the way. The ecommerce giant's entry into Denver was likely delayed by disagreement over collection of state sales taxes. The firm began collecting sales taxes in the state in February 2016, and opened a new 452,000 SF sortation center in the Majestic Commercenter prior to the end of 16Q2.

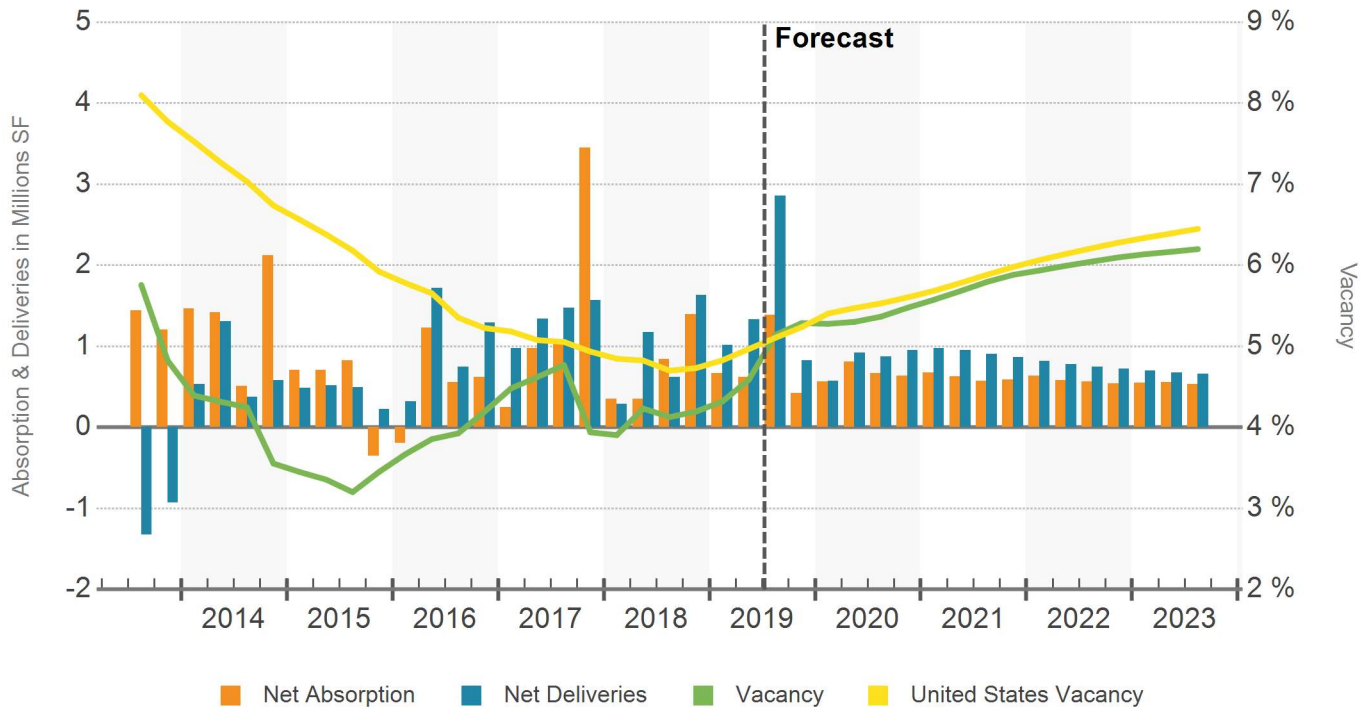
In January 2017, Amazon announced plans to open a 1 million SF fulfillment center in Aurora expected to employ 1,000 people. That development delivered in September 2017, and while it was under construction, Amazon announced plans to build a highly automated fulfillment center in Thornton on an 850,000 SF footprint. The building has three stories of usable space via large mezzanines, creating an effective square footage closer to 2.4 million. That fulfillment center opened in October 2018.

In another bode of confidence in the Denver Metro, Amazon announced plans in 18Q3 to open up its first physical bookstore in the state of Colorado, taking the sole 5,000 SF retail unit in the upcoming Financial House office development in Cherry Creek.

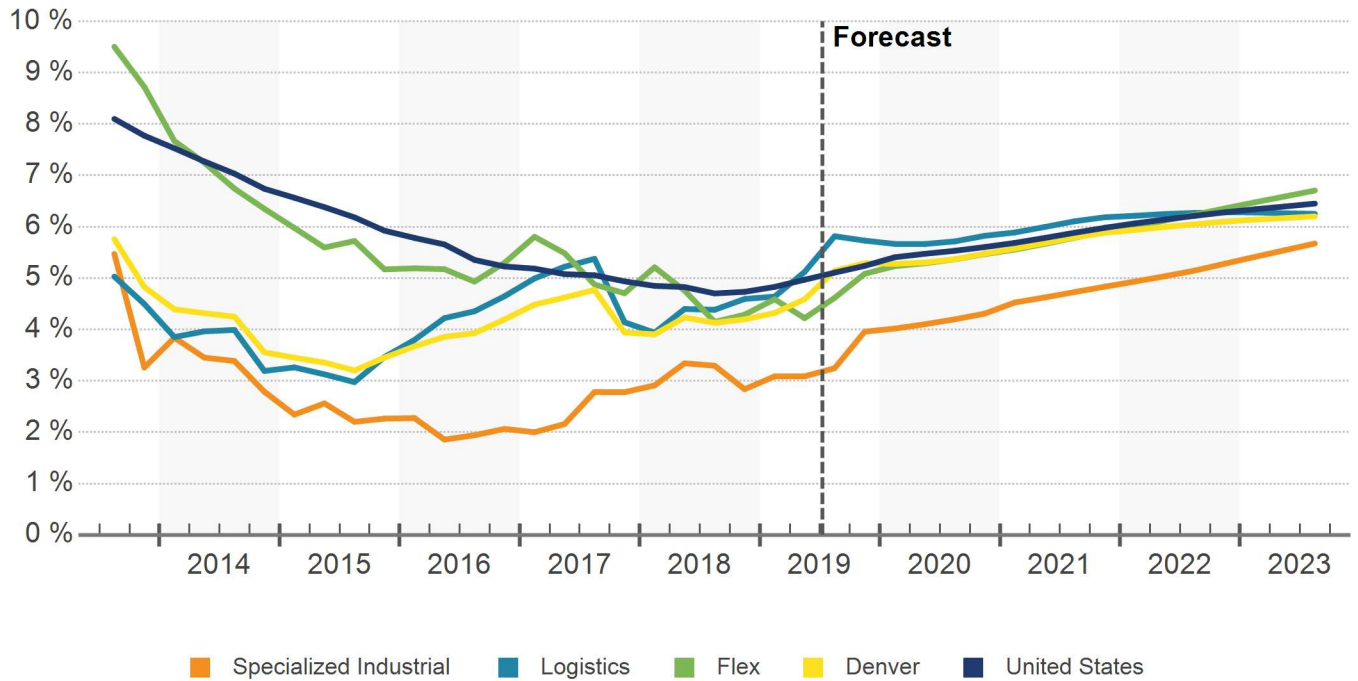
The marijuana industry has been an important contributor to the industrial market, but the demand impact has been concentrated in the light industrial segment. With the passing of Amendment 64 in November 2012, marijuana became legal in Colorado, (recreational sales began at the start of 2014) and with the prior passing of House Bill 1284 medical marijuana dispensaries were required to grow 70% of the product they sell, a threshold many weren't meeting before this legislation passed. As a result, from 2013–15 grow facilities became an important source of demand in the market, with estimates of their footprint now between three million and four million SF. With caps on the number of producers and sellers, they are no longer acting as a continued outsized demand catalyst. These new business operations created demand for more locally oriented and potentially older product, as evidenced by the extraordinarily tight market for smaller warehouses. Grow spaces do not typically need more than 5,000 to 20,000 SF, and low clear heights are not a problem.

The introduction of a new breed of tenants via marijuana legalization created a demand shock on the order of about a 1.5% to 2% increase in occupied space. While not a staggering number, the vast majority of that demand occurred in a narrow timeframe, around and before the start of commercial sales at the start of 2014. In a market that was already getting tight prior to the start of 2014 (and where speculative development would not take off in earnest until later in the cycle), this was enough to squeeze the market to historically tight conditions, an environment where industrial owners had unprecedented pricing power when leases came to term.

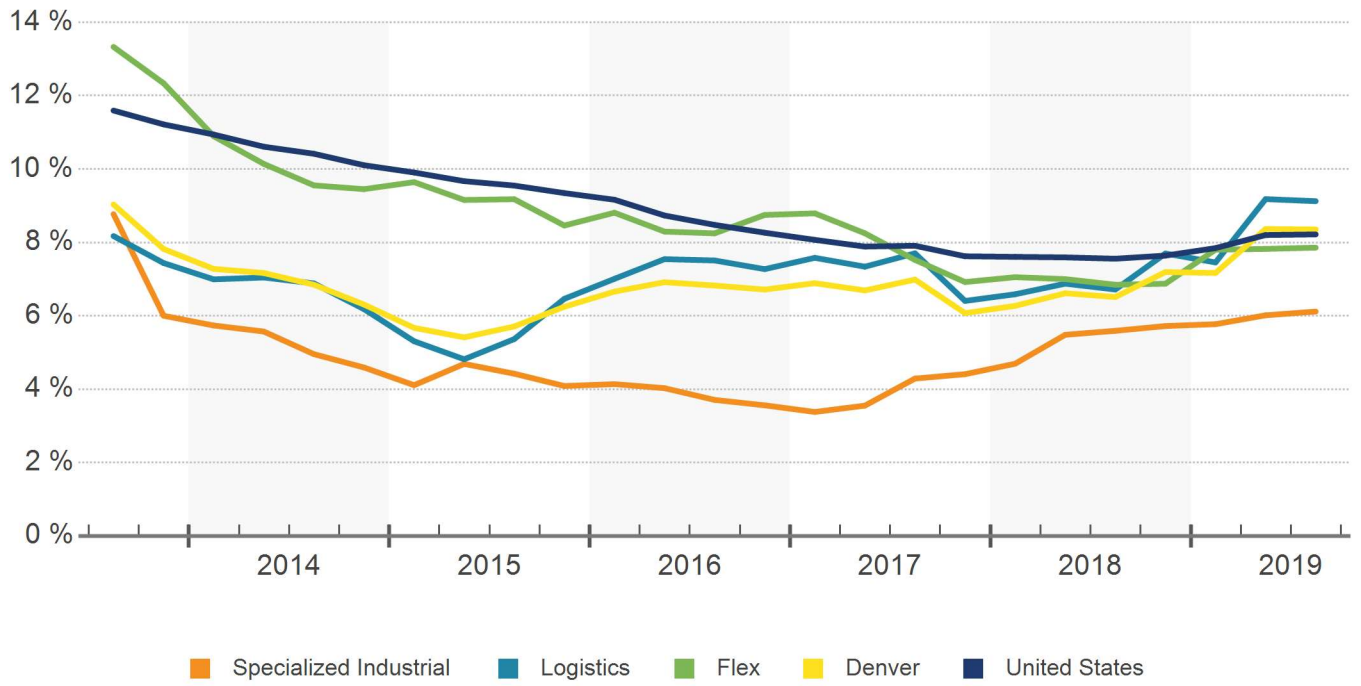
### NET ABSORPTION, NET DELIVERIES & VACANCY



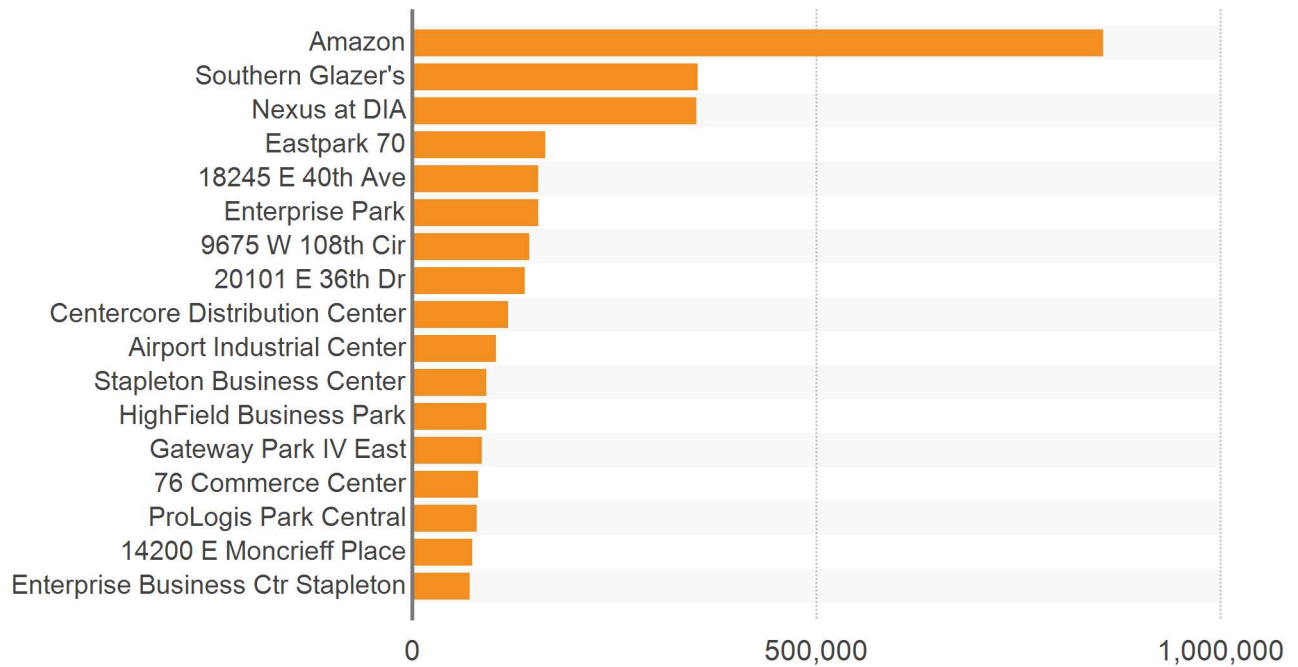
### VACANCY RATE



## AVAILABILITY RATE



### 12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Amazon	North Denver Ind	855,000	0	0	0	0	0	855,000
Southern Glazer's	SW DIA/Pena Blvd Ind	353,500	0	0	0	353,500	0	353,500
Nexus at DIA	DIA Ind	540,931	189,097	351,834	0	0	0	351,834
Eastpark 70	SW DIA/Pena Blvd Ind	245,847	81,355	0	164,492	0	0	164,492
18245 E 40th Ave	SW DIA/Pena Blvd Ind	155,775	0	0	155,775	0	0	155,775
Enterprise Park	Quebec St Ind	172,627	0	0	0	0	0	155,739
9675 W 108th Cir	Northwest Denver Ind	145,000	0	0	145,000	0	0	145,000
20101 E 36th Dr	SW DIA/Pena Blvd Ind	278,812	0	139,121	0	0	0	139,121
Centercore Distribution Center	Northwest Denver Ind	177,298	49,749	0	38,900	0	0	118,876
Airport Industrial Center	Quebec St Ind	245,340	142,000	0	0	0	0	103,291
Stapleton Business Center	East I-70/270 Ind	145,908	0	0	0	0	0	92,053
HighField Business Park	Centennial Ind	92,000	0	51,000	0	0	0	92,000
Gateway Park IV East	SW DIA/Pena Blvd Ind	168,029	82,131	85,898	0	0	0	85,898
76 Commerce Center	DIA Ind	266,240	184,611	81,629	0	0	0	81,629
ProLogis Park Central	Commerce City Ind	79,840	0	0	79,840	0	0	79,840
14200 E Moncrieff Place	SW DIA/Pena Blvd Ind	199,410	117,283	0	0	0	0	73,849
Enterprise Business Ctr Stapleton	Quebec St Ind	156,823	45,049	0	0	0	0	70,669
<b>Subtotal Primary Competitors</b>		<b>4,278,380</b>	<b>891,275</b>	<b>709,482</b>	<b>584,007</b>	<b>353,500</b>	<b>0</b>	<b>3,118,566</b>
Remaining Denver Market		238,560,573	10,455,969	(38,412)	38,856	(219,373)	0	468,291
<b>Total Denver Market</b>		<b>242,838,953</b>	<b>11,347,244</b>	<b>671,070</b>	<b>622,863</b>	<b>134,127</b>	<b>0</b>	<b>3,586,857</b>

### TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
22905 E 19th Ave	SW DIA/Pena Blvd	309,962	Q3 18	Safilo's	-	CBRE
20900 E 36th Dr *	SW DIA/Pena Blvd	287,148	Q4 18	Whirlpool	JLL	-
19700 E 23rd Ave	SW DIA/Pena Blvd	164,492	Q4 18	Bunzl	Cushman & Wakefield	CBRE
18245 E 40th Ave	SW DIA/Pena Blvd	155,775	Q1 19	New Age Beverages	Newmark Knight Frank	Unique Properties, Inc.
13100-13300 E 38th Ave	SW DIA/Pena Blvd	140,040	Q1 19	Rocky Mountain Foods	-	Michael Bloom Realty...
20101 E 36th Dr	SW DIA/Pena Blvd	139,121	Q1 19	RK Mechanical	-	Cushman & Wakefield
3155-3199 S Platte River Dr *	Lower South Central	135,779	Q1 19	Goodwill	-	Colliers International
13331-13333 E 37th Ave	SW DIA/Pena Blvd	126,123	Q2 19	Howard Logistics	-	Michael Bloom Realty...
14200 E Moncrieff Pl	SW DIA/Pena Blvd	117,283	Q2 19	Beacon Sales	JLL	Newmark Knight Frank
14445 Grasslands Dr	Centennial	105,651	Q3 18	Paragon 28	NavPoint Real Estat...	Stream Realty Partners...
4250 Oneida St	Quebec St	102,848	Q3 18	Sturgeon Electric	NAI Shames Makovsky	Cushman & Wakefield
5151 N Bannock St	Northwest Denver	89,498	Q4 18	Sysco	JLL	-
17851 E 40th Ave	SW DIA/Pena Blvd	85,898	Q3 18	Maintenance Supply	-	CBRE
14200 E Moncrieff Pl	SW DIA/Pena Blvd	81,857	Q3 18	Fuelco Energy LLC	-	Newmark Knight Frank
22700 E I-76 Frontage Rd	DIA	81,773	Q4 18	Honey Badger Mortenson	-	Newmark Knight Frank
6150 Downing St	Commerce City	79,840	Q2 19	Amazon	-	Cushman & Wakefield
12900 E Smith Rd	SW DIA/Pena Blvd	78,405	Q2 19	-	-	CBRE
4555-4685 Geneva St	East I-70/270	74,978	Q4 18	-	JLL	-
14550 E 38th Ave *	SW DIA/Pena Blvd	70,080	Q4 18	Midwest Floor Coverings Inc	Colliers International	Cushman & Wakefield
14257 E Easter Ave *	Centennial	69,865	Q3 18	FedEx	-	-
19900 E 23rd Ave	SW DIA/Pena Blvd	68,510	Q4 18	-	-	CBRE
6770-6880 Brighton Blvd *	Commerce City	59,924	Q1 19	SRS Roofing	-	Newmark Knight Frank
3500 N Windsor Dr *	SW DIA/Pena Blvd	59,916	Q3 18	Andersen Corporation	Cushman & Wakefield	Majestic Realty Co.
14603 E Moncrieff Pl	SW DIA/Pena Blvd	57,142	Q2 19	-	-	CBRE
15755 E 32nd Ave	SW DIA/Pena Blvd	54,600	Q4 18	US Venture Inc	-	-
14501-14551 E Moncrieff Pl	SW DIA/Pena Blvd	53,200	Q2 19	-	-	Colliers International
80 E 62nd Ave	Northwest Denver	53,000	Q4 18	-	-	Ringsby Realty
14303 E Moncrieff Pl	SW DIA/Pena Blvd	52,483	Q1 19	Grand Worldwide Logistics	-	CBRE
8447 Highfield Pky	Centennial	51,000	Q4 18	-	-	CBRE
4780 Vasquez Blvd	Upper North Central	50,542	Q1 19	Elite Roofing Supply	-	NAI Shames Makovsky
14402-14492 E 33rd Pl	SW DIA/Pena Blvd	50,050	Q4 18	Motion & Flow Products	Unique Properties, Inc.	Colliers International
12900 E Smith Rd	SW DIA/Pena Blvd	50,000	Q2 19	-	-	CBRE
6490 E Smith Rd	Quebec St	49,500	Q1 19	-	-	CBRE
1055 S Jason St	Upper South Central	47,216	Q3 18	Green Sheen Paint	-	CBRE
12655 E 42nd Ave	SW DIA/Pena Blvd	46,270	Q4 18	Freebird	Unique Properties, Inc.	CBRE
21055 Westgate Rd	West Denver	46,071	Q1 19	Boulder Botanicals	-	Newmark Knight Frank
6030 Washington St	Commerce City	45,066	Q4 18	Gustave A. Larson Compa...	CBRE	Cushman & Wakefield
17801 E 40th Ave	SW DIA/Pena Blvd	44,400	Q4 18	Clark Equipment Company	Cushman & Wakefield	Cushman & Wakefield
4525 Ironton St	Cent E I-70/Montbello	41,770	Q2 19	Lucy Sky Dispensary	-	JLL
190 S Union Blvd	West Denver	41,657	Q3 18	Pioneer Energy	-	Gray Associates

\*Renewal



Rents have skyrocketed this cycle: Moving into the start of 2019, rents had eclipsed last cycle's peak by nearly 60%, behind only San Francisco and San Jose nationally.

Today, conditions are still relatively tight, but developers have stepped on the gas. Supply additions in 2017 and 2018 were more than the prior five years combined. The amount of available under construction space did not top 2.3 million SF this cycle through year-end 2017, but touched 3.2 million SF in 18Q4 alongside a rush of large groundbreaks. As supply has started to catch up with demand, rent gains remain substantial but have moderated, at least relative back-to-back escalations of nearly 10% seen in 2014 and 2015.

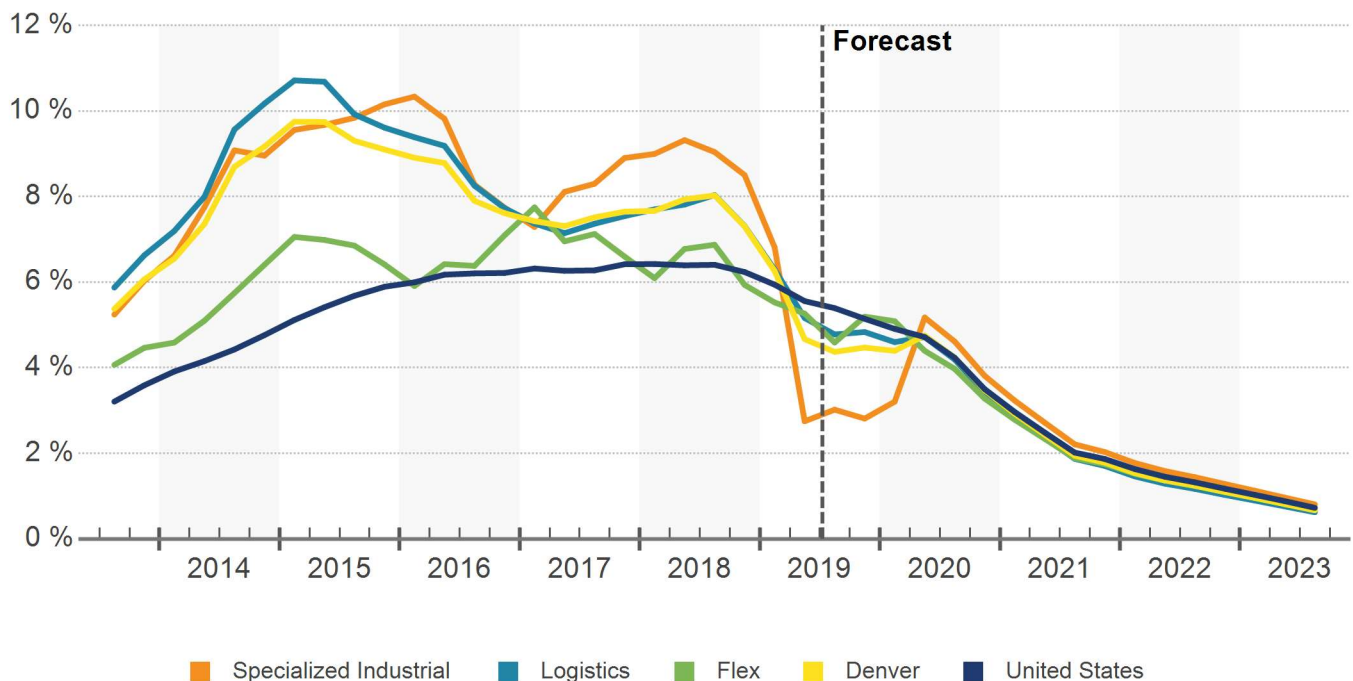
Denver's outperformance against the national average comes in some part due to marijuana tenants, which created a 1-2% demand shock in an extremely short timeframe, just as the market was already approaching capacity (and before speculative development had started in earnest). But Denver's strength also speaks to

a dynamic and growing local economy. Economic growth has been trending upward since late 2017 (reversing a three year deceleration), in part due to an improvement in oil prices.

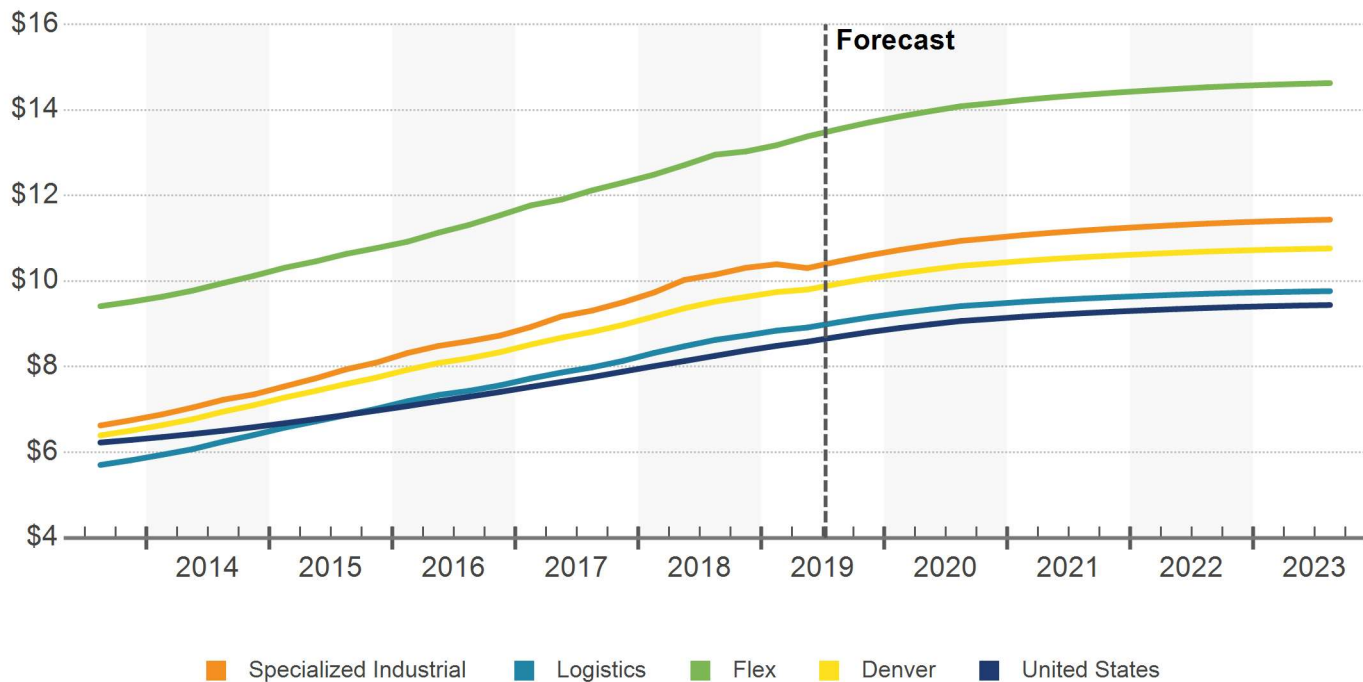
Moreover, Denver acts as the primary distribution hub for other front range metros that are seeing explosive growth in their own right, such as Fort Collins and Greeley, which have seen off-the-charts population and job growth.

On average, logistics demand has soared by just over 3% annually since 2012 (about two million SF per-year). Speculative development did not begin to hit the market in earnest until 2016, and a historically tight market granted industrial owners with extraordinary pricing power. While speculative development has provided some relief for large- and medium-sized warehouse and distribution tenants, tenants in search of smaller spaces continue to face an environment with few options, and owners who will often retain an atypically high amount of pricing power.

### MARKET RENT GROWTH (YOY)



## MARKET RENT PER SQUARE FOOT



Development is at cyclical highs across several metrics. At the start of 2019, over 5 million SF was underway, up from a little over 3 million at the end of 2017.

Moreover, the volume of speculative development (virtually all of which is logistics space) has soared to new heights. There was 3.1 million SF of available under construction logistics space early in 2019, following a string of major speculative groundbreaks in 2018. This is about one million SF more available under construction logistics space than any point in the cycle prior to 2018.

Within this development upswing, two notable trends have emerged.

First, developers are moving forward with fully speculative projects that are larger than what was typical earlier in the cycle.

Second, major speculative developments are going up outside of the East I-70/Denver International Airport corridor, where much of the initial development this cycle was concentrated.

The shift towards massive, fully speculative projects began in earnest in mid-2017, when Majestic Realty broke ground on building 15 at its 1,500-acre Majestic Commercecenter. Building 15, a 709,000-square-foot distribution center dubbed the 'Big Bomber,' is the largest speculative logistics development ever constructed in Denver. The building remained fully available shortly after its June 2018 completion.

In 18Q3, Prologis broke ground on its largest speculative development to-date, a 508,000-SF distribution building at ProLogis Park 70.

Prologis, whose development this cycle prior to 2018 had largely been built-to-suits, separately broke ground on three fully speculative buildings containing a combined 630,000 square feet at a new industrial park called ProLogis Park Central.

Prologis Park Central is in Commerce City, close to the I-25/I-76 intersection. This ties into the second notable

development trend: Developers are moving ahead with projects along I-25 and I-76—both immediately south of the I-25 intersection in Commerce City, and separately in far northeast metro Denver near the city of Brighton. With much of the land along the East I-70/Denver International Airport spoken for, the I-25 and I-76 corridors may offer more-feasible development opportunities for new entrants.

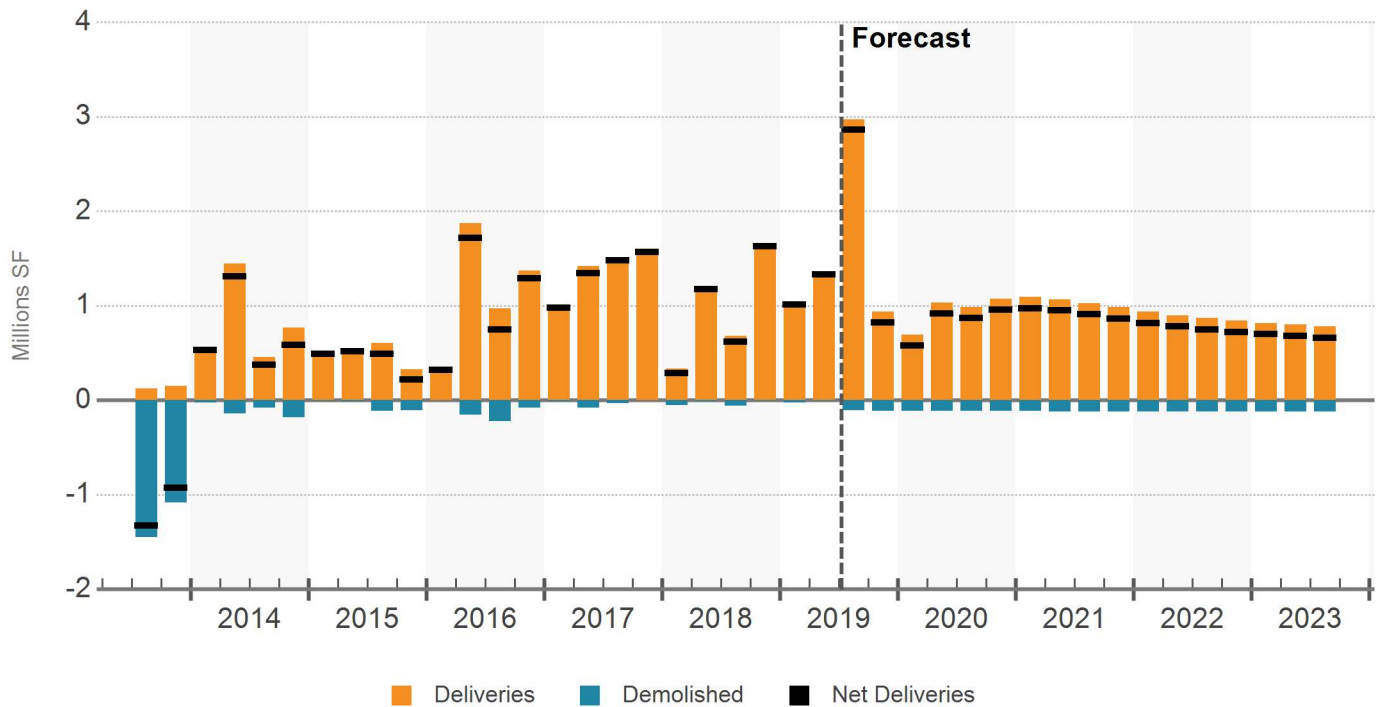
In April 2018, Minneapolis-based Hyde Development broke ground on the first 266,000 square-foot building at the I-76 Commerce Center development in Brighton, located in an enterprise zone. That fully speculative building is the first phase of a planned 1.8 million square-foot industrial park, by far the largest development of this nature in the Brighton area.

Geographically, development in northern Metro Denver and along the I-76 corridor makes sense. While somewhat further removed from population centers in Metro Denver, immediate proximity to I-25 grants access to the fastest growing corridor of the Colorado Front Range. Namely, Metro Denver's northern suburbs house some of the fastest growing cities in the metro.

And just north of Metro Denver, growth is robust throughout the Northern Colorado I-25 corridor. Cities like Firestone, Erie, and Frederick (just north of Metro Denver in far southwest Weld County) each saw population growth exceeding 22% over the past five years. Vast amounts of open land and significant ongoing residential construction prime this part of Colorado for a continuation of outsized growth.

Another nearly untouched part of the metro is about to see a speculative development: In September 2018, Santa Monica, CA-based Cale Enterprises announced plans to imminently break ground on two buildings (59,000-SF and 82,000-SF) in Arvada, near the intersection of Ridge Rd and Robb St. The development will be the first larger speculative project in this part of the metro in over 15 years, and is expected to complete in the third quarter of 2019. The buildings will be divisible down to about 10,000 SF, a lower threshold than much of what has been constructed this cycle.

### DELIVERIES & DEMOLITIONS



### SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	SW DIA/Pena Blvd	10	2,596	849	32.7%	6	90,859	259,577	1
2	North Denver	4	401	24	6.1%	9	35,070	100,151	3
3	Highlands Ranch	3	345	26	7.6%	8	30,457	115,042	2
4	Broomfield County	2	188	188	100%	1	31,703	93,881	4
5	Centennial	3	145	30	20.7%	7	38,520	48,459	6
6	Southwest C-470	2	100	50	50.0%	4	20,944	50,000	5
7	Aurora	2	50	21	42.5%	5	23,330	25,000	7
8	DIA	2	49	30	60.8%	3	40,739	24,680	8
9	West Denver	2	48	48	100%	1	41,824	24,000	9
10	Upper North Central	2	48	0	0%	10	22,945	23,959	10
	All Other	5	92	68	74.1%		26,068	18,355	
<b>Totals</b>		<b>37</b>	<b>4,062</b>	<b>1,335</b>	<b>32.9%</b>		<b>31,286</b>	<b>109,775</b>	

# Under Construction Properties

Denver Industrial

Properties

**38**

Square Feet

**4,101,690**

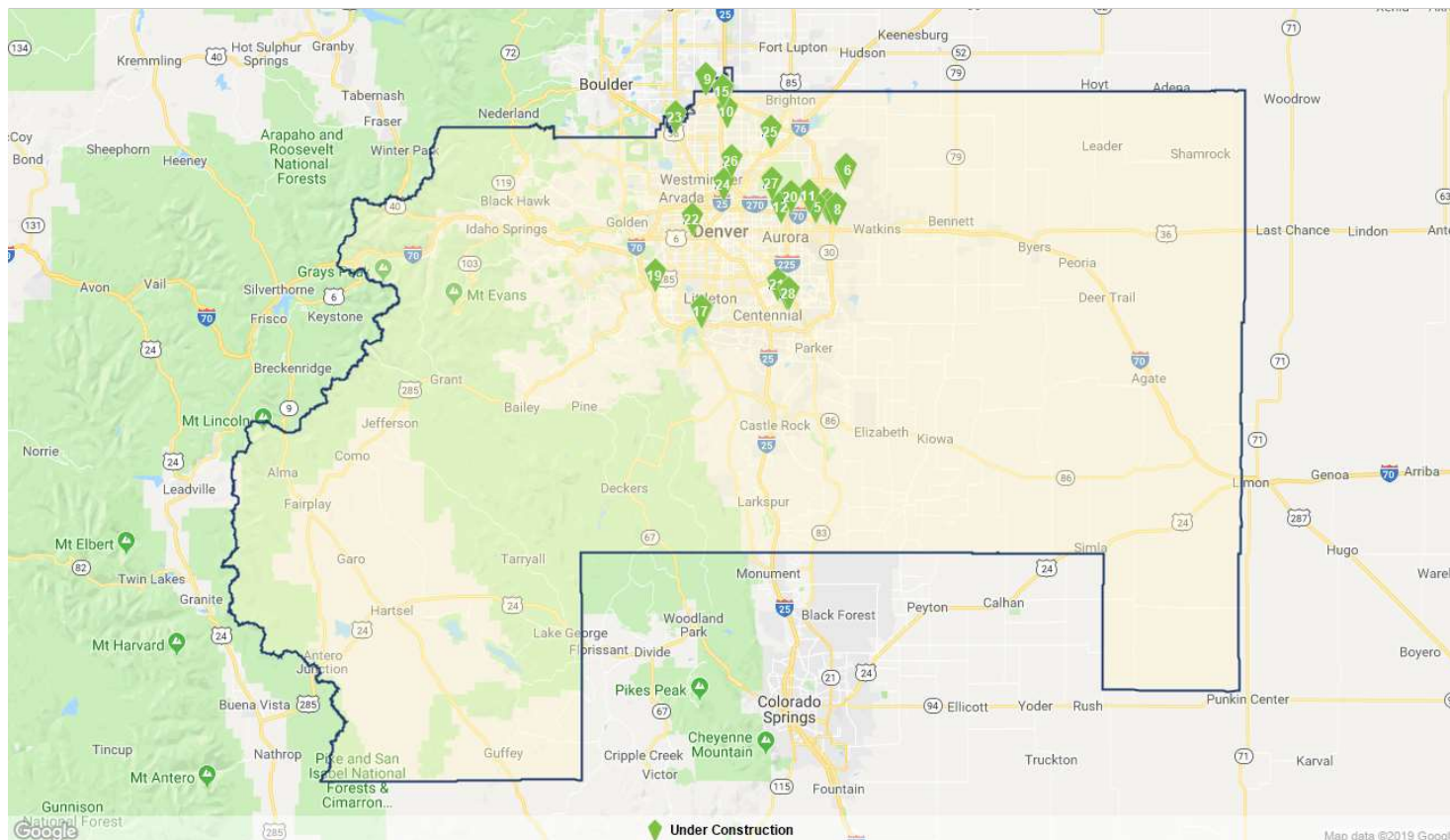
Percent of Inventory

**2.0%**

Released

**33.5%**

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>First Aurora Commerce...</b> 22300 E 26th Ave	★ ★ ★ ★ ★	555,840	1	Oct-2018	Aug-2019	First Industrial LP First Industrial Realty Trust, Inc.
2 <b>Building 15</b> 22905 E 19th Ave	★ ★ ★ ★ ★	508,428	1	Aug-2018	Aug-2019	Prologis Prologis, Inc.
3 <b>Karcher N America</b> E 64th St	★ ★ ★ ★ ★	380,000	-	Mar-2019	Dec-2019	SunCap Property Group Karcher North America, Inc.
4 <b>Tower Business Center...</b> 18701 E 38th Ave	★ ★ ★ ★ ★	289,113	1	Aug-2018	Aug-2019	United Properties United Properties
5 <b>Eastpark 70 - Bldg 3</b> 19900 E 23rd Ave	★ ★ ★ ★ ★	220,247	1	Oct-2018	Aug-2019	Consolidated Investment Group Consolidated Investment Group
6 <b>JAG Logistics Center at...</b> 26100-26120 E 68th Ave	★ ★ ★ ★ ★	180,000	1	Mar-2019	Feb-2020	J.A. Green Development J.A. Green Development
7 <b>Building B</b> 9010 N US Highway 85	★ ★ ★ ★ ★	169,590	1	Oct-2018	Aug-2019	Jackson-Shaw Company Jackson-Shaw Company

# Under Construction Properties

Denver Industrial

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 1910 N Gun Club Rd	★ ★ ★ ★ ☆	163,790	1	Mar-2019	Nov-2019	Karis Capital LLC Karis Capital LLC
9 16205 Sheridan Pky	★ ★ ★ ★ ☆	152,761	3	Jun-2018	Aug-2019	McWhinney Broomfield Economic Developme...
10 12430 Emerson St	★ ★ ★ ★ ☆	151,405	1	Apr-2019	Sep-2019	The Opus Group The Opus Group
11 Tower Business Center... 18901 E 38th Ave	★ ★ ★ ★ ☆	133,848	1	Aug-2018	Aug-2019	United Properties United Properties
12 Bioscience 3 2115 N Scranton Way	★ ★ ★ ★ ☆	117,000	3	Apr-2019	Nov-2019	Fitzsimons Life Science District Fitzsimons Life Science District
13 Building 1 W 144th & I-25	★ ★ ★ ☆ ☆	114,700	1	May-2019	Mar-2020	United Properties United Properties
14 Building 106 7151 S Blackhawk	★ ★ ★ ☆ ☆	106,000	1	Oct-2018	Aug-2019	Central Development Central Development
15 Building 2 W 144th & I-25	★ ★ ★ ☆ ☆	104,500	1	Apr-2019	Mar-2020	United Properties United Properties
16 Building C 9050 N US Highway 85	★ ★ ★ ★ ☆	89,633	1	Oct-2018	Sep-2019	Jackson-Shaw Company Jackson-Shaw Company
17 Building A 9008 US Highway 85	★ ★ ★ ★ ☆	85,903	1	Oct-2018	Aug-2019	Jackson-Shaw Company Jackson-Shaw Company
18 Building 5-7 5391-5399 S Alkire Cir	★ ★ ★ ☆ ☆	50,000	1	Dec-2018	Aug-2019	Ojala & Company Ojala & Company
19 Building 5-7 5355-5357 S Alkire Cir	★ ★ ★ ☆ ☆	50,000	1	Dec-2018	Dec-2019	Ojala & Company Ojala & Company
20 14896 E 38th Ave	★ ★ ★ ☆ ☆	47,500	-	Feb-2018	Aug-2019	- Indigo River Aurora Property, LLC
21 6281 S Racine Cir	★ ★ ★ ★ ☆	40,000	1	Dec-2018	Sep-2019	- Smith & Smith Property Ventures,...
22 Coated Metals 5495 W 6th Ave	★ ★ ★ ★ ☆	35,000	1	Feb-2019	Mar-2020	- -
23 2364 Industrial Ln	★ ★ ★ ☆ ☆	35,000	-	Feb-2019	Feb-2020	- -
24 Crossroads Commerce... 450 E 52nd Ave	★ ★ ★ ☆ ☆	30,202	1	Sep-2018	Aug-2019	Murray & Stafford, Inc. Murray & Stafford, Inc.
25 10600 Havana St	★ ★ ★ ★ ☆	30,000	1	Oct-2018	Aug-2019	Denver Intermodal Express Denver Intermodal Express
26 Phase 4 2200 E 76th Ave	★ ★ ★ ☆ ☆	30,000	1	Jan-2019	Sep-2019	Center Land Co. Adams County
27 Leopold Bros. Malt House 5285 Joliet St	★ ★ ★ ☆ ☆	30,000	3	Apr-2019	Dec-2019	- -
28 7123-7153 S Dillon Ct	★ ★ ★ ★ ☆	27,378	1	Dec-2017	Aug-2019	- Platte River Performance Center

Around \$1.8 billion in industrial sales were recorded in Metro Denver in 2018, eclipsing the previous all-time high by 50%. Same-store industrial pricing increased by more than 10% for a sixth straight year in 2018. Cap rate compression has slowed, but average yields are still trending fractionally downwards.

Investment in 2018 was headlined by large multi-property and portfolio deals. This includes New York, NY-based Clarion Partners' March 2018 acquisition of 26 industrial properties from Pauls Corporation for \$345 million. Those properties included 14 (almost two million SF) in the Denver metro, all located along I-70 near the Denver International Airport. The Denver properties traded for an allocated \$220 million as part of the larger deal, representing the largest industrial transaction in the metro's history.

In another 18Q1 trade, Blackstone Real Estate Income Trust acquired seven Denver properties for an allocated \$139 million as part of a \$1.8 billion portfolio sale.

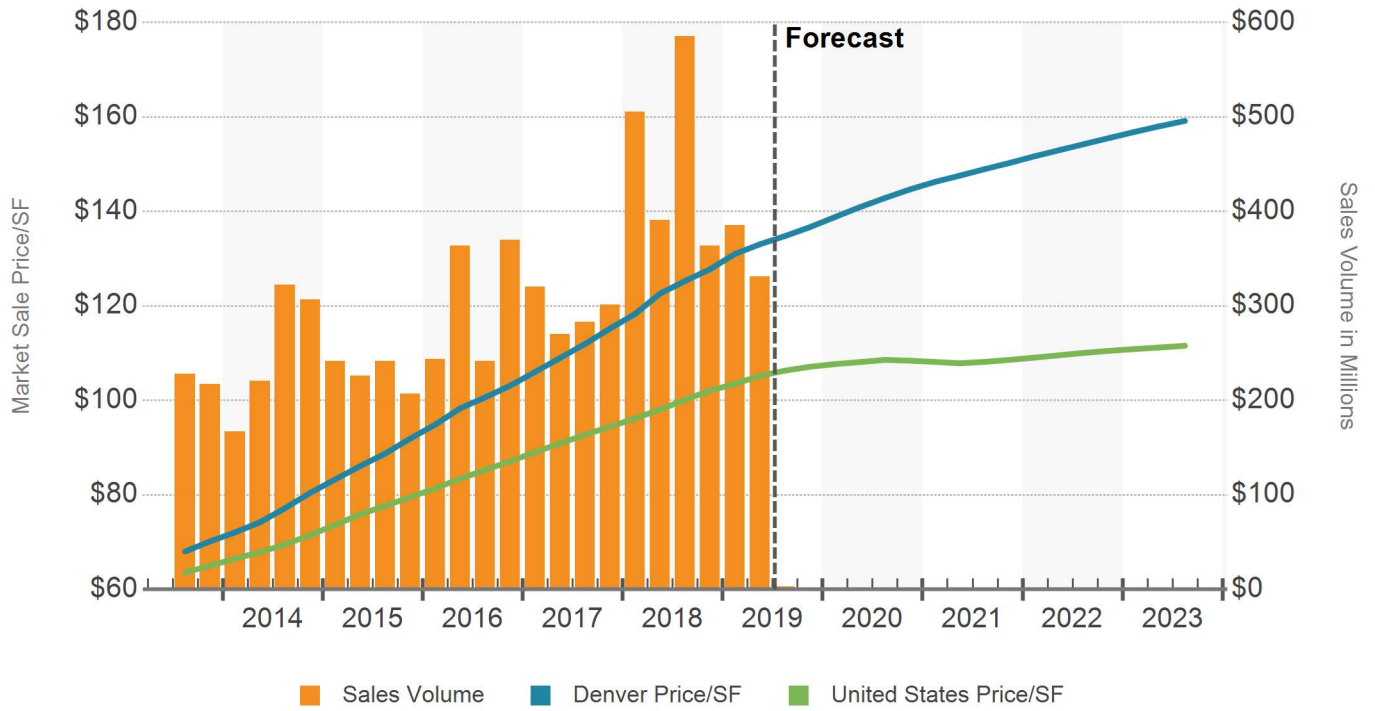
In a notable 18Q2 trade involving recently delivered logistics space, J.P. Morgan Investment Management acquired the four-building 421,000 SF Hub 25 industrial campus for \$74 million, or \$176/SF—some of the highest pricing ever recorded in Denver for larger logistics space. Construction on the development wrapped up in 2017, and the buildings were roughly 95% occupied at the time

of the sale. HUB 25 is located just south of the intersection of I-25 and I-76, an area beginning to see explosive growth. Nearby, ProLogis recently broke ground on a multi-building campus containing just over 600,000 SF, all of which is speculative.

The most notable single-asset trade of the year was likely the October 2018 sale of the largest industrial building in the metro, a 1.3 million SF distribution center in Brighton. Sears occupies about 150,000 SF at the building, which was formerly entirely occupied by Sears and Kmart prior to significant downsizing. Sears still retains its lease on the whole building, however, and as of yet hasn't worked to lease or sublease the more than 1 million SF of currently unused space.

The building was acquired by Newport Beach, CA-based Starboard Realty Partners for \$41 million (\$31/SF), which cited the expectation of demand growth along the I-76 corridor. Weeks after the deal closed, Sears would go on to file for Chapter 11 Bankruptcy protection. While Sears may continue to operate in some capacity for a time, it's outlook even one year out is highly uncertain. That and the fact that over one million SF at the building is currently unused, along with a new owner expecting a return on its investment, brings a high likelihood that most or all of this building will hit the market sometime over the next year.

SALES VOLUME & MARKET SALE PRICE PER SF





# Sales Past 12 Months

Denver Industrial

Sale Comparables

**548**

Avg. Cap Rate

**6.5%**

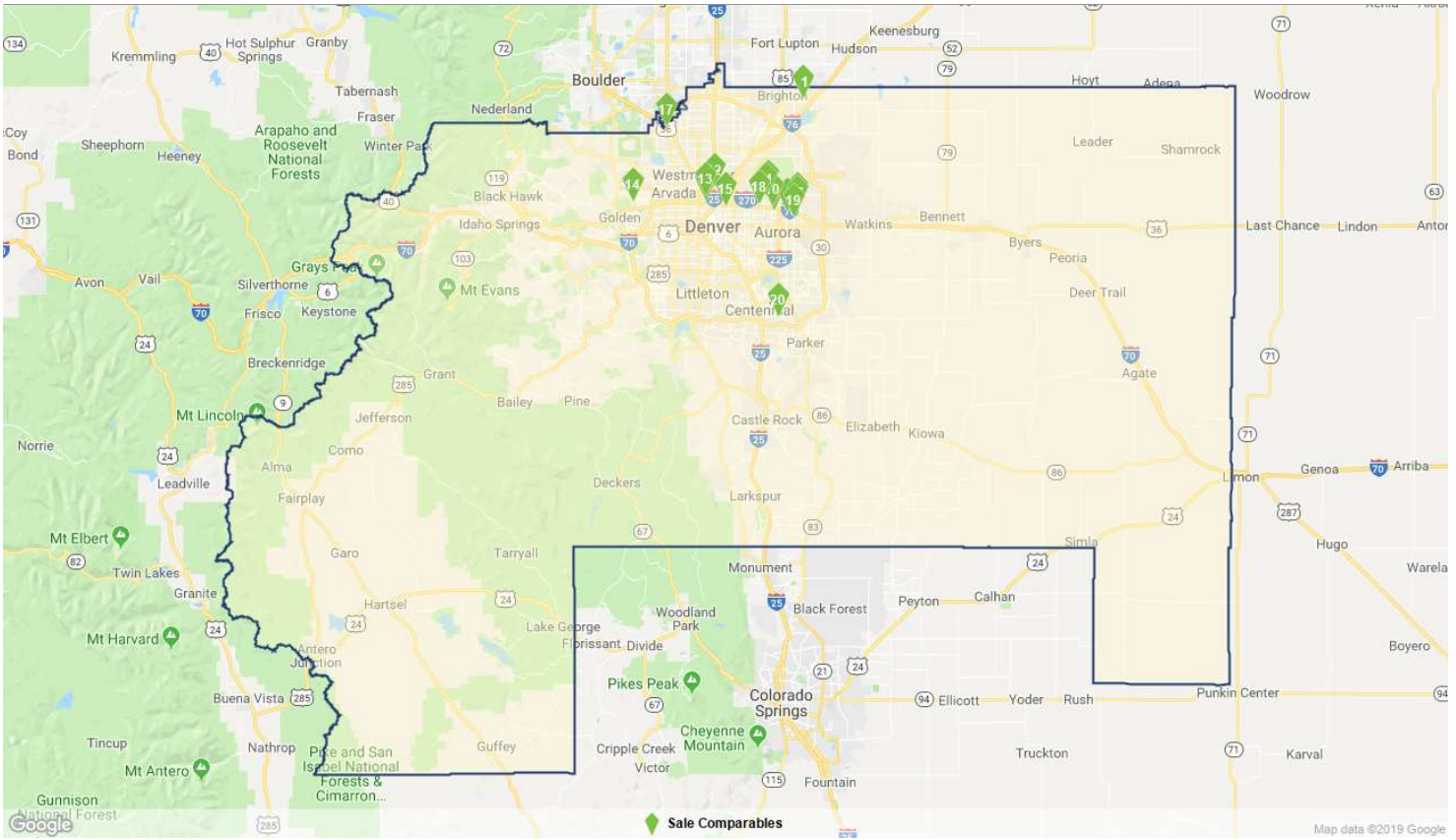
Avg. Price/SF

**\$113**

Avg. Vacancy At Sale

**10.8%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$146,134	\$4,728,982	\$2,350,000	\$40,750,000
Price Per SF	\$4.94	\$113	\$139	\$590
Cap Rate	4.4%	6.5%	6.3%	12.0%
Time Since Sale in Months	0.0	6.2	6.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	685	34,757	15,000	1,305,700
Ceiling Height	8'	17'2"	16'	36'
Docks	0	5	1	100
Vacancy Rate At Sale	0%	10.8%	0%	100%
Year Built	1878	1976	1976	2019
Star Rating	★☆☆☆☆	★★★☆☆ 2.1	★★★★☆	★★★★★

# Sales Past 12 Months

Denver Industrial

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
<b>1</b> 18875 E Bromley Ln	★★★★★	1994	1,305,700	0%	10/2/2018	\$40,750,000	\$31	10.0%
<b>2</b> Building 22 18100 E 40th Ave	★★★★★	2019	419,060	100%	6/7/2019	\$38,553,500	\$92	-
<b>3</b> Bldg 3 15965 E 32nd Ave	★★★☆☆	1998	213,902	18.7%	8/22/2018	\$30,950,594	\$145	4.6%
<b>4</b> Smith Road Commerce... 12900 E Smith Rd	★★★★★	2016	290,147	67.2%	12/20/2018	\$28,000,000	\$97	-
<b>5</b> Bldg C 5000 Osage St	★★★★★	2006	176,800	0%	8/22/2018	\$26,503,371	\$150	4.6%
<b>6</b> Bldg B 4900 Osage St	★★★★★	2004	176,800	0%	8/22/2018	\$26,503,371	\$150	4.6%
<b>7</b> DCT Summit Distribution... 17851 E 40th Ave	★★★★★	2018	168,029	100%	8/22/2018	\$24,312,991	\$145	4.6%
<b>8</b> GE Building 11777 E 55th Ave	★★★★★	1985	172,400	0%	8/22/2018	\$23,464,691	\$136	4.6%
<b>9</b> Bldg 1 15755 E 32nd Ave	★★★★★	1997	160,258	0%	8/22/2018	\$23,188,565	\$145	4.6%
<b>10</b> Bldg C 14135 E 42nd Ave	★★★☆☆	1998	160,233	11.5%	8/22/2018	\$23,184,947	\$145	4.6%
<b>11</b> Midway Distribution Cen... 11475 E 53rd Ave	★★★☆☆	1985	168,560	0%	8/22/2018	\$22,942,044	\$136	4.6%
<b>12</b> Central 62 Distribution C... 435-495 E 62nd Ave	★★★★★	2017	124,000	0%	10/1/2018	\$21,325,000	\$172	4.4%
<b>13</b> Pecos Business Center 5330-5390 Pecos St	★★★☆☆	2003	117,745	0%	8/22/2018	\$20,378,280	\$173	4.6%
<b>14</b> 16200 Table Mountain Pky	★★★★★	1998	227,500	0%	12/27/2018	\$20,050,000	\$88	6.2%
<b>15</b> 2535 E 40th Ave	★★★☆☆	1950	234,250	0%	8/16/2018	\$19,000,000	\$81	-
<b>16</b> Building 23 18300 E 40th Ave	★★★★★	2019	184,040	100%	6/7/2019	\$18,956,100	\$103	-
<b>17</b> 2555 W Midway Blvd	★★★★★	1981	363,582	0%	6/20/2019	\$18,800,000	\$52	-
<b>18</b> Bldg E-2 10000-10004 E 45th Ave	★★★★★	2003	145,908	0%	8/22/2018	\$18,370,925	\$126	4.6%
<b>19</b> Bldg 2 2460 Airport Blvd	★★★★★	2007	161,524	0%	5/20/2019	\$17,951,950	\$111	-
<b>20</b> 8375 Highfield Pky	★★★★★	2012	114,475	0%	7/23/2018	\$17,500,000	\$153	-

Denver has been frequently lauded as a destination for job seekers throughout this cycle, and current labor conditions (and a slew of companies actively expanding in the metro) reinforces this proposition today. Headwinds could come from housing costs, which are dramatically higher today for both renters and prospective owners. While home prices continue to climb into the stratosphere (albeit at a slower rate than the peak years of this cycle), apartment rent growth has moderated alongside massive levels of development, which may provide a relief valve for those considering the metro for its otherwise robust employment prospects.

Along with a highly educated and growing labor force, the FasTracks transit expansion will pay dividends as additional lines connect downtown to North Denver, Aurora and the Denver International Airport, all in addition to an expansion to the southeast rail line.

Healthcare, a major growth sector for years to come, is seeing major investment in the \$1.3 billion VA hospital in Aurora, the Denver Health Administration's new headquarters in South Midtown, and Catalyst's 300,000 SF digital health facility in RiNo (Platte River Submarket).

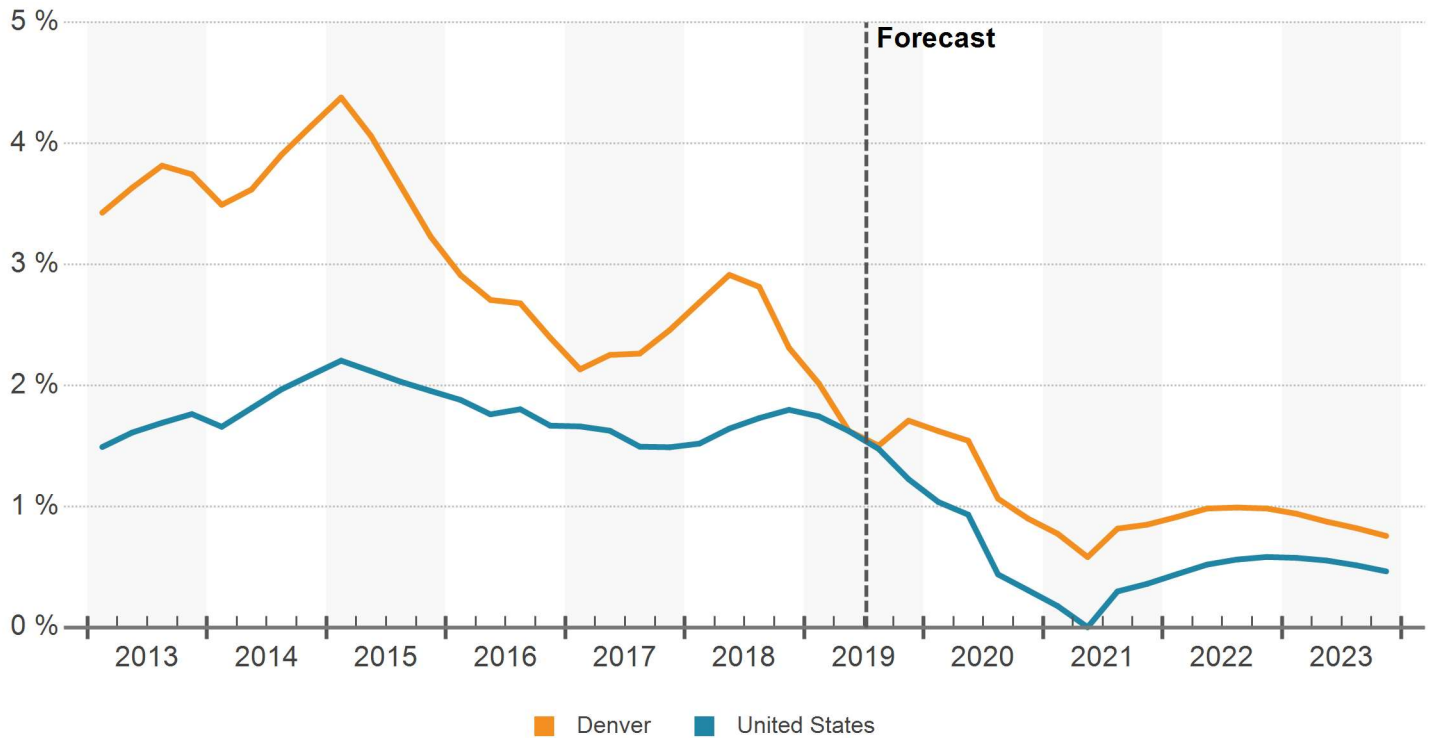
Geographic isolation remains an economic liability in some respects. The geographic separation from large business and financial centers makes locating a corporate headquarters here difficult for companies that benefit from proximity to suppliers, competitors, financiers, and customers, although firms that draw on Denver's natural resources and brainpower have thrived. As a result, the metro has had to rely on its own brand of specialization in high-value-add industries like engineering, energy, communications, and high tech to drive growth.

### DENVER EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	71	0.5	1.30%	1.39%	1.09%	0.81%	0.55%	0.13%
Trade, Transportation and Utilities	277	1.0	1.98%	1.20%	1.84%	1.17%	0.98%	0.42%
Retail Trade	139	0.9	0.02%	0.14%	1.51%	0.87%	0.74%	0.31%
Financial Activities	112	1.3	-0.44%	1.27%	1.75%	1.01%	0.50%	0.40%
Government	199	0.9	-0.24%	0.55%	1.32%	-0.02%	1.08%	0.76%
Natural Resources, Mining and Construction	111	1.3	1.62%	3.26%	3.61%	2.02%	1.16%	0.26%
Education and Health Services	193	0.8	2.54%	1.93%	3.46%	2.08%	0.75%	0.32%
Professional and Business Services	283	1.3	3.99%	2.47%	3.27%	2.62%	1.36%	0.85%
Information	50	1.7	-1.55%	-0.10%	1.00%	0.07%	0.09%	0.43%
Leisure and Hospitality	171	1.0	0.14%	2.24%	3.10%	2.46%	0.64%	0.39%
Other Services	61	1.0	3.46%	0.99%	2.34%	0.95%	0.79%	0.21%
<b>Total Employment</b>	<b>1,527</b>	<b>1.0</b>	<b>1.61%</b>	<b>1.61%</b>	<b>2.42%</b>	<b>1.42%</b>	<b>0.92%</b>	<b>0.47%</b>

Source: Oxford Economics  
LQ = Location Quotient

### YEAR OVER YEAR JOB GROWTH



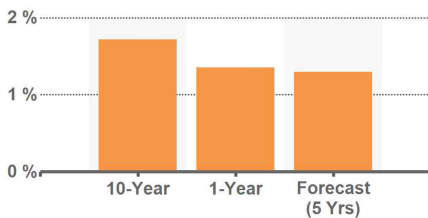
Source: Oxford Economics

### DEMOGRAPHIC TRENDS

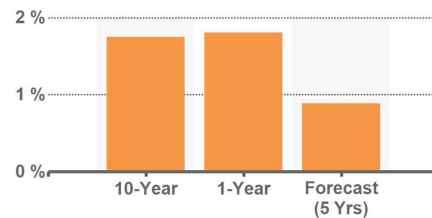
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	2,965,614	329,298,625	1.3%	0.7%	1.7%	0.7%	1.3%	0.7%
Households	1,132,657	121,280,875	1.2%	0.6%	1.6%	0.7%	1.2%	0.6%
Median Household Income	\$81,830	\$64,035	3.3%	3.6%	3.2%	2.3%	4.2%	4.3%
Labor Force	1,671,449	163,713,391	1.8%	1.2%	1.7%	0.6%	0.9%	0.5%
Unemployment	3.5%	3.8%	0.8%	-0.1%	-0.4%	-0.6%	-	-

Source: Oxford Economics

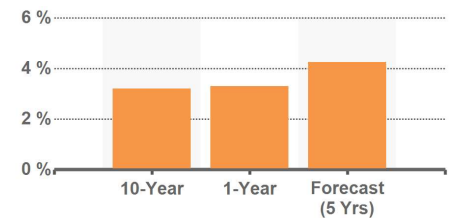
### POPULATION GROWTH



### LABOR FORCE GROWTH

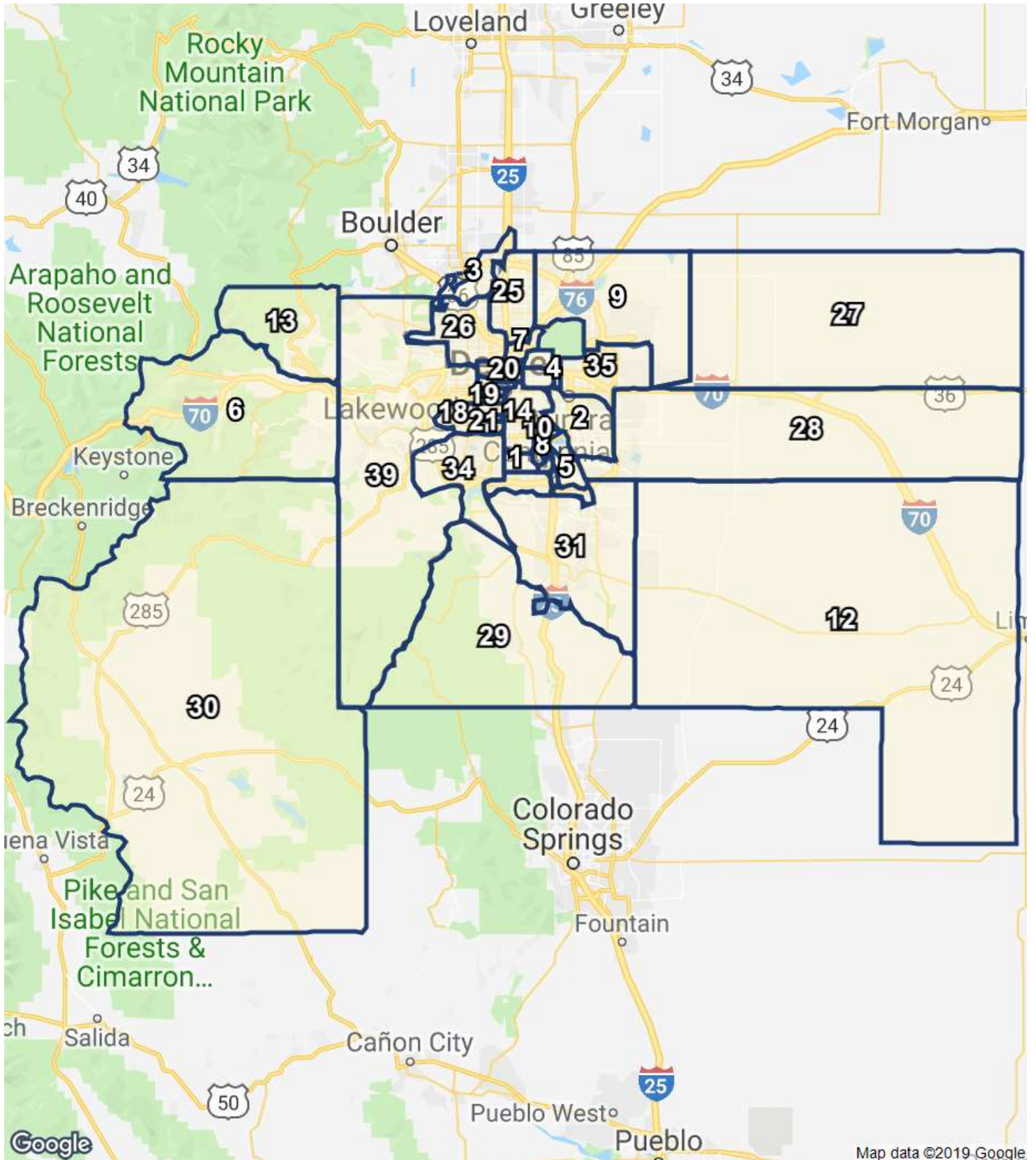


### INCOME GROWTH



Source: Oxford Economics

## DENVER SUBMARKETS



### SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Broomfield County	157	4,977	1.0%	31	2	237	4.8%	6	2	188	3.8%	3
2	Cent E I-70/Montbello	331	18,234	3.8%	7	0	0	0%	-	1	30	0.2%	9
3	Centennial	280	10,786	2.2%	17	6	371	3.4%	5	3	145	1.3%	4
4	Commerce City	518	13,233	2.7%	11	4	688	5.2%	4	1	12	0.1%	11
5	DIA	231	9,411	1.9%	25	4	832	8.8%	3	2	49	0.5%	6
6	East I-70/270	439	18,998	3.9%	5	1	25	0.1%	10	1	20	0.1%	10
7	Glendale	150	2,636	0.5%	37	0	0	0%	-	0	-	-	-
8	Inverness	54	2,408	0.5%	39	0	0	0%	-	0	-	-	-
9	Lower Central	355	8,326	1.7%	29	0	0	0%	-	0	-	-	-
10	Lower North Central	441	9,735	2.0%	23	0	0	0%	-	0	-	-	-
11	Lower South Central	546	8,511	1.8%	27	1	2	0%	11	0	-	-	-
12	Mid Central	273	4,287	0.9%	35	1	30	0.7%	9	0	-	-	-
13	North Denver	285	9,995	2.1%	19	7	1,183	11.8%	2	4	401	4.0%	2
14	Northwest Denver	535	14,510	3.0%	9	3	165	1.1%	7	0	-	-	-
15	Quebec St	274	11,239	2.3%	13	0	0	0%	-	0	-	-	-
16	Southwest C-470	529	11,079	2.3%	15	0	0	0%	-	2	100	0.9%	5
17	SW DIA/Pena Blvd	395	35,889	7.4%	1	7	1,279	3.6%	1	10	2,596	7.2%	1
18	Upper North Central	430	9,866	2.0%	21	0	0	0%	-	2	48	0.5%	8
19	Upper South Central	339	4,476	0.9%	33	0	0	0%	-	0	-	-	-
20	West Denver	552	23,087	4.8%	3	3	133	0.6%	8	2	48	0.2%	7

### SUBMARKET RENT

No.	Submarket	Asking Rent		12 Month Asking Rent		Annualized Quarterly Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Broomfield County	\$10.40	10	3.9%	13	-8.7%	9
2	Cent E I-70/Montbello	\$7.00	20	5.4%	2	13.2%	3
3	Centennial	\$12.37	3	5.0%	5	-2.7%	7
4	Commerce City	\$9.76	14	4.2%	10	-10.6%	10
5	DIA	\$10.29	11	4.7%	7	4.4%	6
6	East I-70/270	\$8.40	17	5.2%	4	22.2%	2
7	Glendale	\$11.68	5	4.1%	11	-22.0%	17
8	Inverness	\$13.46	1	4.9%	6	-21.2%	16
9	Lower Central	\$9.55	15	3.8%	14	-20.6%	15
10	Lower North Central	\$10.54	8	4.3%	9	9.3%	4
11	Lower South Central	\$10.12	12	3.1%	19	-30.8%	20
12	Mid Central	\$11.00	6	3.1%	18	-27.2%	19
13	North Denver	\$10.85	7	2.2%	20	-14.1%	12
14	Northwest Denver	\$10.00	13	4.4%	8	-11.7%	11
15	Quebec St	\$7.76	18	5.2%	3	8.3%	5
16	Southwest C-470	\$12.54	2	4.0%	12	-17.6%	14
17	SW DIA/Pena Blvd	\$7.39	19	6.0%	1	29.4%	1
18	Upper North Central	\$9.38	16	3.7%	16	-3.3%	8
19	Upper South Central	\$10.53	9	3.7%	17	-15.9%	13
20	West Denver	\$12.02	4	3.8%	15	-26.6%	18

### SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Broomfield County	505,278	10.2%	20	(18,688)	-0.4%	14	-
2	Cent E I-70/Montbello	777,604	4.3%	9	(302,977)	-1.7%	20	-
3	Centennial	495,625	4.6%	11	274,359	2.5%	6	0.9
4	Commerce City	760,690	5.7%	18	139,668	1.1%	8	4.9
5	DIA	491,956	5.2%	16	459,442	4.9%	3	1.8
6	East I-70/270	497,024	2.6%	4	(88,900)	-0.5%	19	-
7	Glendale	24,326	0.9%	1	66,894	2.5%	10	-
8	Inverness	137,409	5.7%	17	(30,883)	-1.3%	15	-
9	Lower Central	390,149	4.7%	12	(44,618)	-0.5%	16	-
10	Lower North Central	270,328	2.8%	5	116,154	1.2%	9	-
11	Lower South Central	153,638	1.8%	3	20,023	0.2%	12	-
12	Mid Central	140,917	3.3%	7	2,255	0.1%	13	13.3
13	North Denver	472,385	4.7%	13	1,043,619	10.4%	2	0.9
14	Northwest Denver	636,209	4.4%	10	210,640	1.5%	7	0.8
15	Quebec St	568,721	5.1%	14	387,459	3.4%	4	-
16	Southwest C-470	323,041	2.9%	6	(64,401)	-0.6%	17	-
17	SW DIA/Pena Blvd	3,274,541	9.1%	19	1,070,788	3.0%	1	1.2
18	Upper North Central	503,191	5.1%	15	(79,864)	-0.8%	18	-
19	Upper South Central	168,101	3.8%	8	24,652	0.6%	11	-
20	West Denver	326,147	1.4%	2	284,943	1.2%	5	0.4



## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	258,919,431	2,682,962	1.0%	2,239,581	0.9%	1.2
2022	256,236,469	3,060,183	1.2%	2,325,027	0.9%	1.3
2021	253,176,286	3,691,734	1.5%	2,466,032	1.0%	1.5
2020	249,484,552	3,317,658	1.3%	2,676,331	1.1%	1.2
2019	246,166,894	6,025,663	2.5%	3,103,057	1.3%	1.9
YTD	242,838,953	2,697,722	1.1%	1,428,060	0.6%	1.9
2018	240,141,231	3,705,633	1.6%	2,942,807	1.2%	1.3
2017	236,435,598	5,360,348	2.3%	5,742,579	2.4%	0.9
2016	231,075,250	4,075,747	1.8%	2,213,466	1.0%	1.8
2015	226,999,503	1,713,991	0.8%	1,888,858	0.8%	0.9
2014	225,285,512	2,797,906	1.3%	5,521,927	2.5%	0.5
2013	222,487,606	(1,500,319)	-0.7%	3,017,693	1.4%	-
2012	223,987,925	716,658	0.3%	3,439,605	1.5%	0.2
2011	223,271,267	111,139	0%	(565,048)	-0.3%	-
2010	223,160,128	305,522	0.1%	1,678,686	0.8%	0.2
2009	222,854,606	585,040	0.3%	(449,759)	-0.2%	-
2008	222,269,566	3,191,733	1.5%	913,639	0.4%	3.5
2007	219,077,833	2,960,831	1.4%	5,024,014	2.3%	0.6

## SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	49,466,202	95,974	0.2%	(165,952)	-0.3%	-
2022	49,370,228	109,673	0.2%	(117,139)	-0.2%	-
2021	49,260,555	132,534	0.3%	(131,319)	-0.3%	-
2020	49,128,021	99,055	0.2%	(77,112)	-0.2%	-
2019	49,028,966	523,214	1.1%	(40,499)	-0.1%	-
YTD	48,657,652	151,900	0.3%	(835)	0%	-
2018	48,505,752	29,539	0.1%	411	0%	71.9
2017	48,476,213	(17,629)	0%	(363,988)	-0.8%	-
2016	48,493,842	(78,586)	-0.2%	20,137	0%	-
2015	48,572,428	(75,410)	-0.2%	181,334	0.4%	-
2014	48,647,838	(70,748)	-0.1%	161,065	0.3%	-
2013	48,718,586	(2,423,469)	-4.7%	(648,104)	-1.3%	-
2012	51,142,055	89,446	0.2%	292,290	0.6%	0.3
2011	51,052,609	211,300	0.4%	(369,117)	-0.7%	-
2010	50,841,309	0	0%	128,507	0.3%	0
2009	50,841,309	5,280	0%	382,651	0.8%	0
2008	50,836,029	687	0%	(428,730)	-0.8%	-
2007	50,835,342	10,060	0%	800,911	1.6%	0

## LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	175,010,652	2,443,469	1.4%	2,428,605	1.4%	1.0
2022	172,567,183	2,786,864	1.6%	2,444,912	1.4%	1.1
2021	169,780,319	3,361,901	2.0%	2,557,859	1.5%	1.3
2020	166,418,418	3,020,730	1.8%	2,694,812	1.6%	1.1
2019	163,397,688	5,061,730	3.2%	2,989,508	1.8%	1.7
YTD	160,823,476	2,487,518	1.6%	1,381,992	0.9%	1.8
2018	158,335,958	3,430,002	2.2%	2,568,853	1.6%	1.3
2017	154,905,956	5,064,935	3.4%	5,614,223	3.6%	0.9
2016	149,841,021	3,967,156	2.7%	2,057,549	1.4%	1.9
2015	145,873,865	1,373,901	1.0%	935,016	0.6%	1.5
2014	144,499,964	2,282,603	1.6%	4,063,122	2.8%	0.6
2013	142,217,361	740,459	0.5%	2,809,364	2.0%	0.3
2012	141,476,902	477,278	0.3%	2,593,724	1.8%	0.2
2011	140,999,624	(81,993)	-0.1%	(671,555)	-0.5%	-
2010	141,081,617	174,532	0.1%	1,409,399	1.0%	0.1
2009	140,907,085	285,179	0.2%	(738,506)	-0.5%	-
2008	140,621,906	2,495,152	1.8%	1,019,423	0.7%	2.4
2007	138,126,754	2,545,471	1.9%	3,500,471	2.5%	0.7

## FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	34,442,577	143,519	0.4%	(23,072)	-0.1%	-
2022	34,299,058	163,646	0.5%	(2,746)	0%	-
2021	34,135,412	197,299	0.6%	39,492	0.1%	5.0
2020	33,938,113	197,873	0.6%	58,631	0.2%	3.4
2019	33,740,240	440,719	1.3%	154,048	0.5%	2.9
YTD	33,357,825	58,304	0.2%	46,903	0.1%	1.2
2018	33,299,521	246,092	0.7%	373,543	1.1%	0.7
2017	33,053,429	313,042	1.0%	492,344	1.5%	0.6
2016	32,740,387	187,177	0.6%	135,780	0.4%	1.4
2015	32,553,210	415,500	1.3%	772,508	2.4%	0.5
2014	32,137,710	586,051	1.9%	1,297,740	4.0%	0.5
2013	31,551,659	182,691	0.6%	856,433	2.7%	0.2
2012	31,368,968	149,934	0.5%	553,591	1.8%	0.3
2011	31,219,034	(18,168)	-0.1%	475,624	1.5%	-
2010	31,237,202	130,990	0.4%	140,780	0.5%	0.9
2009	31,106,212	294,581	1.0%	(93,904)	-0.3%	-
2008	30,811,631	695,894	2.3%	322,946	1.0%	2.2
2007	30,115,737	405,300	1.4%	722,632	2.4%	0.6

### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$10.77	177	0.6%	11.8%	16,063,075	6.2%	0.1%
2022	\$10.71	176	1.1%	11.2%	15,629,171	6.1%	0.2%
2021	\$10.60	174	1.8%	10.0%	14,895,044	5.9%	0.4%
2020	\$10.41	171	3.5%	8.1%	13,663,388	5.5%	0.2%
2019	\$10.06	165	4.5%	4.5%	13,017,149	5.3%	1.1%
YTD	\$9.79	161	1.6%	1.6%	11,347,244	4.7%	0.5%
2018	\$9.63	158	7.3%	0%	10,077,582	4.2%	0.3%
2017	\$8.98	148	7.6%	-6.8%	9,314,756	3.9%	-0.3%
2016	\$8.34	137	7.6%	-13.4%	9,696,987	4.2%	0.7%
2015	\$7.75	127	9.1%	-19.5%	7,834,378	3.5%	-0.1%
2014	\$7.10	117	9.2%	-26.3%	8,009,245	3.6%	-1.3%
2013	\$6.51	107	6.1%	-32.4%	10,732,917	4.8%	-2.0%
2012	\$6.13	101	3.3%	-36.3%	15,187,754	6.8%	-1.3%
2011	\$5.94	98	1.4%	-38.3%	17,977,201	8.1%	0.3%
2010	\$5.86	96	-0.9%	-39.2%	17,301,014	7.8%	-0.6%
2009	\$5.91	97	-2.9%	-38.6%	18,674,178	8.4%	0.4%
2008	\$6.08	100	0.5%	-36.8%	17,639,379	7.9%	0.9%
2007	\$6.05	99	3.0%	-37.2%	15,361,285	7.0%	-1.1%

### SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$11.45	191	0.7%	11.0%	2,868,612	5.8%	0.5%
2022	\$11.37	190	1.3%	10.3%	2,607,174	5.3%	0.4%
2021	\$11.23	187	2.0%	8.9%	2,380,647	4.8%	0.5%
2020	\$11.01	184	3.8%	6.7%	2,116,659	4.3%	0.4%
2019	\$10.60	177	2.8%	2.8%	1,940,200	4.0%	1.1%
YTD	\$10.29	172	-0.2%	-0.2%	1,528,756	3.1%	0.3%
2018	\$10.31	172	8.5%	0%	1,376,021	2.8%	0.1%
2017	\$9.50	159	8.9%	-7.8%	1,346,893	2.8%	0.7%
2016	\$8.73	146	7.7%	-15.4%	1,000,534	2.1%	-0.2%
2015	\$8.10	135	10.2%	-21.4%	1,099,257	2.3%	-0.5%
2014	\$7.35	123	9.0%	-28.7%	1,356,001	2.8%	-0.5%
2013	\$6.75	113	6.0%	-34.5%	1,587,814	3.3%	-3.3%
2012	\$6.37	106	4.3%	-38.3%	3,363,179	6.6%	-0.4%
2011	\$6.10	102	2.5%	-40.8%	3,566,023	7.0%	1.1%
2010	\$5.95	99	0.4%	-42.3%	2,985,606	5.9%	-0.3%
2009	\$5.93	99	-1.0%	-42.5%	3,114,113	6.1%	-0.7%
2008	\$5.99	100	-0.2%	-41.9%	3,491,484	6.9%	0.8%
2007	\$6.01	100	1.4%	-41.8%	3,062,067	6.0%	-1.6%

### LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$9.77	179	0.5%	12.0%	10,849,070	6.2%	-0.1%
2022	\$9.72	178	1.0%	11.4%	10,841,584	6.3%	0.1%
2021	\$9.63	176	1.7%	10.3%	10,499,876	6.2%	0.4%
2020	\$9.46	174	3.4%	8.4%	9,691,333	5.8%	0.1%
2019	\$9.15	168	4.8%	4.8%	9,361,803	5.7%	1.1%
YTD	\$8.92	164	2.2%	2.2%	8,379,312	5.2%	0.6%
2018	\$8.73	160	7.3%	0%	7,273,786	4.6%	0.5%
2017	\$8.13	149	7.5%	-6.8%	6,412,637	4.1%	-0.5%
2016	\$7.56	139	7.7%	-13.3%	6,961,925	4.6%	1.2%
2015	\$7.02	129	9.6%	-19.6%	5,051,990	3.5%	0.3%
2014	\$6.41	117	10.2%	-26.6%	4,613,105	3.2%	-1.3%
2013	\$5.81	107	6.6%	-33.4%	6,393,275	4.5%	-1.4%
2012	\$5.45	100	3.3%	-37.5%	8,399,005	5.9%	-1.6%
2011	\$5.28	97	1.7%	-39.5%	10,581,951	7.5%	0.4%
2010	\$5.19	95	-0.7%	-40.5%	9,992,389	7.1%	-0.9%
2009	\$5.23	96	-4.1%	-40.1%	11,227,256	8.0%	0.7%
2008	\$5.45	100	0.5%	-37.5%	10,203,571	7.3%	0.9%
2007	\$5.43	100	3.2%	-37.8%	8,727,842	6.3%	-0.8%

### FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$14.64	158	0.5%	12.4%	2,345,393	6.8%	0.5%
2022	\$14.56	157	1.1%	11.8%	2,180,413	6.4%	0.5%
2021	\$14.40	155	1.7%	10.5%	2,014,521	5.9%	0.4%
2020	\$14.15	153	3.3%	8.6%	1,855,396	5.5%	0.4%
2019	\$13.71	148	5.2%	5.2%	1,715,146	5.1%	0.8%
YTD	\$13.28	143	1.9%	1.9%	1,439,176	4.3%	0%
2018	\$13.03	140	5.9%	0%	1,427,775	4.3%	-0.4%
2017	\$12.30	133	6.6%	-5.6%	1,555,226	4.7%	-0.6%
2016	\$11.54	124	7.1%	-11.4%	1,734,528	5.3%	0.1%
2015	\$10.77	116	6.4%	-17.3%	1,683,131	5.2%	-1.2%
2014	\$10.12	109	6.4%	-22.3%	2,040,139	6.3%	-2.4%
2013	\$9.52	103	4.5%	-27.0%	2,751,828	8.7%	-2.2%
2012	\$9.11	98	2.4%	-30.1%	3,425,570	10.9%	-1.3%
2011	\$8.90	96	-0.5%	-31.7%	3,829,227	12.3%	-1.6%
2010	\$8.94	96	-2.7%	-31.4%	4,323,019	13.8%	-0.1%
2009	\$9.19	99	-1.0%	-29.5%	4,332,809	13.9%	1.1%
2008	\$9.28	100	1.4%	-28.8%	3,944,324	12.8%	0.9%
2007	\$9.15	99	4.1%	-29.8%	3,571,376	11.9%	-1.2%

### 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
2023	-	-	-	-	-	-	\$160.20	272	6.5%
2022	-	-	-	-	-	-	\$155.56	264	6.5%
2021	-	-	-	-	-	-	\$150.27	255	6.4%
2020	-	-	-	-	-	-	\$144.64	245	6.4%
2019	-	-	-	-	-	-	\$136.68	232	6.3%
YTD	259	\$718.7 M	2.8%	\$4,163,710	\$115.64	7.1%	\$132.12	224	6.2%
2018	577	\$1,844 M	8.2%	\$5,144,775	\$107.98	6.8%	\$127.76	217	6.3%
2017	595	\$1,174 M	5.7%	\$3,112,720	\$109.45	7.0%	\$115.21	195	6.4%
2016	514	\$1,218 M	5.8%	\$3,327,591	\$100.63	7.5%	\$103.11	175	6.6%
2015	514	\$915.3 M	6.1%	\$2,317,752	\$78.15	7.3%	\$91.91	156	6.9%
2014	673	\$1,016 M	7.7%	\$2,175,798	\$67.44	7.5%	\$80.43	136	7.4%
2013	468	\$615.5 M	5.4%	\$1,821,381	\$58.06	8.9%	\$70.20	119	7.8%
2012	402	\$428.4 M	4.3%	\$1,621,374	\$50.73	8.3%	\$64.33	109	8.2%
2011	288	\$283.9 M	2.6%	\$1,482,907	\$55.11	8.0%	\$60.03	102	8.5%
2010	328	\$343.8 M	3.1%	\$1,385,973	\$55.51	8.9%	\$56.59	96	8.9%
2009	237	\$216.9 M	1.9%	\$1,473,619	\$57.43	9.8%	\$53.57	91	9.3%
2008	428	\$594.3 M	3.9%	\$2,215,830	\$69.27	7.6%	\$58.98	100	8.8%

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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.

### SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$145.83	279	6.4%
2022	-	-	-	-	-	-	\$141.46	270	6.4%
2021	-	-	-	-	-	-	\$136.44	261	6.4%
2020	-	-	-	-	-	-	\$131.12	251	6.3%
2019	-	-	-	-	-	-	\$123.72	237	6.3%
YTD	38	\$138.0 M	2.8%	\$4,600,663	\$112.77	6.9%	\$119.65	229	6.2%
2018	85	\$247.4 M	5.2%	\$4,193,678	\$112.53	8.0%	\$115.58	221	6.3%
2017	72	\$135.0 M	3.3%	\$2,477,751	\$109.46	7.3%	\$102.81	197	6.4%
2016	74	\$163.0 M	4.4%	\$2,757,660	\$81.90	9.3%	\$90.85	174	6.7%
2015	78	\$148.6 M	4.8%	\$2,246,398	\$73.19	7.5%	\$80.99	155	7.0%
2014	108	\$210.4 M	7.0%	\$2,355,121	\$65.28	8.0%	\$71.31	136	7.4%
2013	84	\$96.9 M	6.2%	\$1,374,521	\$39.17	8.7%	\$61.94	118	7.9%
2012	49	\$86.4 M	5.2%	\$2,536,024	\$35.18	7.4%	\$56.88	109	8.2%
2011	34	\$40.9 M	1.8%	\$1,239,671	\$46.08	8.7%	\$52.96	101	8.6%
2010	58	\$44.1 M	2.6%	\$979,233	\$43.73	10.4%	\$50.23	96	8.9%
2009	39	\$48.4 M	2.3%	\$1,422,541	\$44.01	11.7%	\$47.51	91	9.4%
2008	52	\$99.8 M	3.4%	\$2,210,596	\$57.74	8.5%	\$52.30	100	8.9%

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### LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$154.79	276	6.5%
2022	-	-	-	-	-	-	\$150.33	268	6.5%
2021	-	-	-	-	-	-	\$145.28	259	6.4%
2020	-	-	-	-	-	-	\$139.91	249	6.4%
2019	-	-	-	-	-	-	\$132.22	235	6.3%
YTD	172	\$473.1 M	3.0%	\$3,992,322	\$107.97	7.2%	\$127.77	228	6.2%
2018	376	\$1,366 M	9.5%	\$5,776,210	\$102.92	6.3%	\$123.69	220	6.3%
2017	355	\$785.4 M	5.4%	\$3,267,144	\$108.24	6.8%	\$111.41	198	6.4%
2016	325	\$777.7 M	6.1%	\$3,307,024	\$92.15	6.7%	\$99.68	178	6.6%
2015	322	\$569.9 M	6.6%	\$2,364,462	\$72.51	7.2%	\$88.74	158	6.9%
2014	412	\$651.9 M	8.0%	\$2,241,474	\$67.27	7.3%	\$77.25	138	7.4%
2013	276	\$392.2 M	5.1%	\$1,964,783	\$60.59	8.9%	\$67.18	120	7.9%
2012	272	\$261.5 M	3.8%	\$1,461,374	\$54.78	7.9%	\$61.31	109	8.2%
2011	175	\$201.9 M	2.9%	\$1,686,959	\$56.58	8.0%	\$57.16	102	8.6%
2010	192	\$196.8 M	2.8%	\$1,347,614	\$54.18	8.5%	\$53.82	96	8.9%
2009	158	\$136.2 M	2.0%	\$1,521,209	\$57.79	8.4%	\$50.89	91	9.4%
2008	242	\$358.2 M	4.0%	\$2,021,768	\$64.91	7.4%	\$56.15	100	8.9%

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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.

### FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$207.13	252	6.5%
2022	-	-	-	-	-	-	\$201.19	244	6.5%
2021	-	-	-	-	-	-	\$194.34	236	6.5%
2020	-	-	-	-	-	-	\$187.09	227	6.4%
2019	-	-	-	-	-	-	\$176.94	215	6.3%
YTD	49	\$107.5 M	2.0%	\$4,487,128	\$176.73	7.1%	\$171.21	208	6.3%
2018	116	\$230.1 M	6.0%	\$3,627,951	\$143.59	7.2%	\$165.01	200	6.3%
2017	168	\$253.7 M	10.6%	\$3,074,961	\$113.34	7.2%	\$151.48	184	6.4%
2016	115	\$277.7 M	6.6%	\$3,883,181	\$165.47	8.0%	\$137.41	167	6.6%
2015	114	\$196.9 M	5.8%	\$2,241,473	\$107.98	7.6%	\$123.04	149	6.9%
2014	153	\$153.6 M	7.6%	\$1,752,102	\$71.41	7.4%	\$109.00	132	7.3%
2013	108	\$126.4 M	5.7%	\$1,861,741	\$76.37	9.1%	\$96.69	117	7.7%
2012	81	\$80.4 M	4.8%	\$1,563,497	\$66.25	9.5%	\$89.69	109	7.9%
2011	79	\$41.1 M	2.7%	\$1,002,688	\$59.11	8.0%	\$84.10	102	8.3%
2010	78	\$102.9 M	5.1%	\$1,831,198	\$66.23	9.1%	\$79.16	96	8.6%
2009	40	\$32.4 M	1.1%	\$1,349,610	\$100.78	9.5%	\$75.29	91	9.0%
2008	134	\$136.2 M	4.6%	\$3,060,907	\$102.25	7.6%	\$82.32	100	8.6%

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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.