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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024 MARKET REPORTS

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# Q2 2024
# MARKET REPORTS

COMMERCIAL REAL ESTATE SERVICES

## FEATURED MARKET REPORTS

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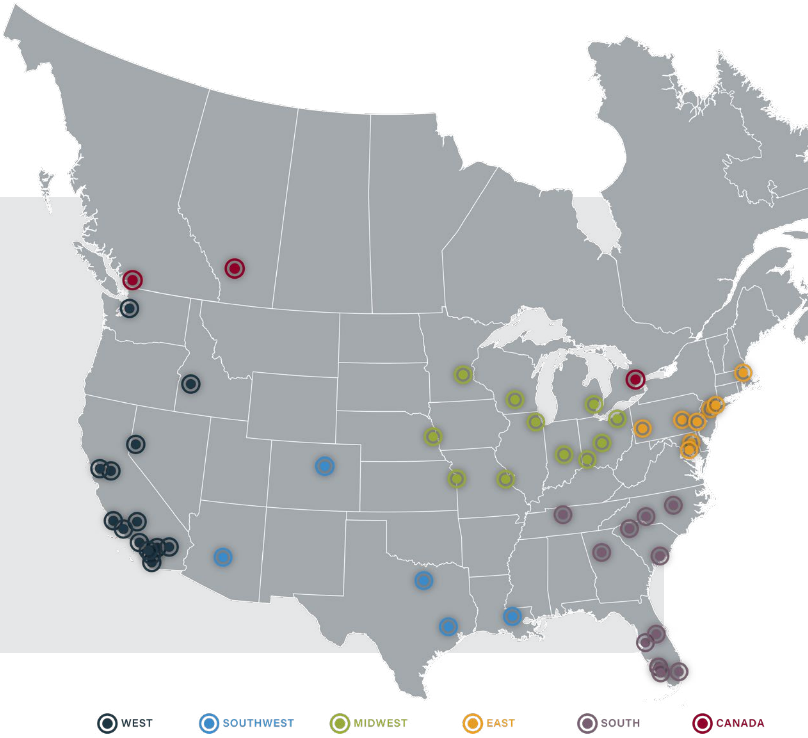

LEE & ASSOCIATES
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# Q2 2024
# INDUSTRIAL OVERVIEW

## INDUSTRIAL OVERVIEW: ACTIVITY, GROWTH CHECKED BY HIGH INTEREST RATES

Industrial market performance across North America continued to downshift in the first half. Although net absorption remains positive, demand for industrial space has fallen to the lowest levels in years as higher interest rates to reduce inflation also slows economic growth.

Net absorption in the United States totaled 23.9 million SF in the first two quarters. It was down from 80.3 million SF for the same period a year ago and is on pace for the slowest annual growth since the recession. Last year net absorption totaled 172.7 million SF, a sharp drop from the 940-million-SF of pandemic-fueled growth in 2021-2022. Otherwise, growth for the decade since the recession has averaged 240 million SF a year.

The recent contraction coincides with a series of 11 interest rate hikes by the Federal Reserve from March 2022 to July 2023, increasing the cost of federal funds from 0.25%-0.50% to 5.25%-5.50%. Inflation measured by the Consumer Price Index was down from a high of 9.1% in June 2022 to 3.3% in May. The U.S. GDP slowed to 1.4% in Q1 from a Covid-era peak of 5.8% in 2021.

The Fed's rate increases have been tied partly to the 12-year low in home sales, depressing sales of furniture, appliances and building materials. This has forced the closure of some large distribution centers. Ashley Furniture, Home Depot and manufacturer Daltile all have closed facilities larger than 500,000 in 2024. Motivational Fulfillment, NFDI Industries and 3G Distribution Services have put big boxes up for sublease in major port markets this year. UPS plans to close 200 distribution centers globally through 2028 as it consolidates operations in its most automated facilities.

Not all merchants are backpedaling. Burlington Coat Factory, TJX Companies, Chuck and Dwight and Nestle USA have signed leases larger than 700,000 SF this year.

Reduced demand has driven up the nationwide vacancy rate from a record low 3.9% at the end of 2022 to its current 6.6%, which still is below the 7.1% historical average. Construction starts have plummeted. Quarterly completions will likely hit 10-year-lows in mid-2025. The trend of slowing absorption has been broad-based across major U.S. markets. But there are exceptions. Markets throughout Florida, Virginia and the Upper Midwest are emerging from the pandemic with availability rates that are rising at a relatively slow pace and are among the tightest in the nation.

The lethargic transaction activity extends to property sales. The $23.3 billion in trades in the first half puts 2024 on pace for the lowest annual total since $40.3 billion in 2014. The pre-Covid annual sales average from 2012 through 2019 was $64 billion. The $149-per-SF average sales price year to date, however, is up 2.6% from last year and is 136% greater than 2014's average of $63 per SF.

Across Canada's perennially constrained commercial property markets, first-half net absorption declined by 62% from the first half a year ago. The falling demand combined with 37 million SF in deliveries in the last 12 months have helped push up the vacancy rate from 1.5% in 2022 to 2.7% at the end of the first half. Nevertheless, as of mid-year, rent growth continues to average 8% nationally.

| LOWEST VACANCY RATE | |
|---|---|
| BC, Vancouver | 2.3% |
| ON, Toronto | 2.5% |
| NE, Omaha | 3.0% |
| OH, Cleveland | 3.4% |
| MI, Detroit | 3.8% |
| **U.S. Index** | 6.6% |
| **Canada Index** | 2.7% |

| HIGHEST MARKET RENT / SF ANNUAL | |
|---|---|
| CA, San Francisco | $27.48 |
| CA, San Diego | $22.68 |
| FL, Miami | $20.40 |
| CA, Orange County | $19.80 |
| NY, New York* | $19.68 |
| **U.S. Index** | $12.00 |
| **Canada Index** | $12.84 CAD |

| HIGHEST MARKET SALE PRICE / SF | |
|---|---|
| CA, San Francisco | $438 |
| CA, Orange County | $350 |
| CA, San Diego | $330 |
| BC, Vancouver | $330 CAD |
| CA, Los Angeles | $317 |
| **U.S. Index** | $150 |
| **Canada Index** | $224 CAD |

| MOST SF UNDER CONSTRUCTION SF | |
|---|---|
| AZ, Phoenix | 31,039,192 |
| GA, Savannah | 28,158,693 |
| ON, Toronto | 23,856,992 |
| TX, Dallas-Fort Worth | 22,693,371 |
| CA, Inland Empire | 21,154,574 |
| **U.S. Index** | 353,958,882 |
| **Canada Index** | 49,633,795 |

| LARGEST INVENTORY BY SF | |
|---|---|
| IL, Chicago | 1,408,511,727 |
| TX, Dallas-Fort Worth | 1,180,001,972 |
| CA, Los Angeles | 961,804,542 |
| NY, New York* | 880,647,425 |
| ON, Toronto | 880,504,236 |
| **U.S. Index** | 19,057,278,262 |
| **Canada Index** | 1,891,872,818 |

| LOWEST MARKET CAP RATE | |
|---|---|
| BC, Vancouver | 4.4% |
| ON, Toronto | 4.4% |
| CA, Inland Empire | 4.5% |
| CA, Los Angeles | 5.0% |
| CA, Orange County | 5.1% |
| **U.S. Index** | 7.3% |
| **Canada Index** | 5.3% |

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

# Q2 2024
## INDUSTRIAL OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / SF | MARKET SALE PRICE / SF | SF UNDER CONSTRUCTION | INVENTORY SF | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **AB, Calgary **** | 4.4% | $0.78 | $130 | 5,253,443 | 189,607,543 | 6.9% |
| **AZ, Phoenix** | 10.7% | $1.14 | $174 | 31,039,192 | 473,946,926 | 6.6% |
| **BC, Vancouver **** | 2.3% | $1.28 | $330 | 6,590,043 | 274,827,052 | 4.4% |
| **CA, Bakersfield** | 8.0% | $0.83 | $109 | 1,864,490 | 64,316,349 | 7.3% |
| **CA, East Bay** | 7.0% | $1.43 | $270 | 3,056,542 | 278,949,434 | 5.7% |
| **CA, Fresno** | 3.7% | $0.74 | $87 | 463,504 | 87,554,606 | 7.5% |
| **CA, Inland Empire** | 7.5% | $1.15 | $267 | 21,154,574 | 770,999,984 | 4.5% |
| **CA, Los Angeles** | 5.4% | $1.56 | $317 | 5,613,959 | 961,804,542 | 5.0% |
| **CA, Orange County** | 4.3% | $1.65 | $350 | 1,941,566 | 303,476,452 | 5.1% |
| **CA, San Diego** | 7.0% | $1.89 | $330 | 4,689,185 | 211,066,609 | 5.9% |
| **CA, San Francisco** | 11.9% | $2.29 | $438 | 4,315,663 | 100,754,296 | 5.6% |
| **CA, San Luis Obispo** | 2.9% | $1.36 | $198 | 308,623 | 9,487,290 | 6.5% |
| **CA, Santa Barbara** | 5.1% | $1.49 | $214 | 0 | 20,296,263 | 6.8% |
| **CA, Stockton** | 7.2% | $0.80 | $131 | 2,252,299 | 152,501,784 | 6.2% |
| **CA, Ventura** | 4.2% | $1.20 | $191 | 738,749 | 75,573,942 | 6.4% |
| **CO, Denver** | 8.3% | $1.02 | $178 | 4,952,312 | 286,258,387 | 7.1% |
| **DC, Washington** | 5.1% | $1.39 | $223 | 10,458,749 | 298,153,317 | 7.0% |
| **FL, Fort Myers** | 5.6% | $1.07 | $128 | 1,343,987 | 41,342,949 | 8.4% |
| **FL, Miami** | 4.3% | $1.70 | $259 | 5,176,430 | 275,811,847 | 5.8% |
| **FL, Naples** | 1.6% | $1.43 | $175 | 2,000 | 14,437,315 | 7.7% |
| **FL, Orlando** | 6.4% | $1.16 | $152 | 4,877,605 | 206,970,680 | 6.7% |
| **FL, Tampa** | 5.8% | $1.05 | $141 | 5,729,150 | 219,973,589 | 7.5% |
| **GA, Atlanta** | 7.4% | $0.78 | $108 | 17,297,424 | 846,820,171 | 6.8% |
| **GA, Savannah** | 12.3% | $0.72 | $114 | 28,158,693 | 131,210,443 | 7.0% |
| **ID, Boise** | 8.1% | $0.87 | $123 | 4,487,450 | 61,626,950 | 7.8% |
| **IL, Chicago** | 5.3% | $0.80 | $93 | 16,057,202 | 1,408,511,727 | 7.9% |
| **IN, Indianapolis** | 9.2% | $0.64 | $72 | 7,306,525 | 421,123,823 | 8.5% |
| **KS, Lawrence** | 2.8% | $0.78 | $85 | 0 | 9,341,526 | 9.2% |
| **KS, Topeka** | 3.1% | $0.47 | $59 | 0 | 21,343,842 | 9.7% |
| **LA, Baton Rouge** | 1.0% | $0.81 | $74 | 732,500 | 43,936,357 | 9.5% |
| **MA, Boston** | 6.6% | $1.35 | $188 | 3,483,548 | 367,156,413 | 7.1% |
| **MD, Baltimore** | 7.0% | $0.98 | $133 | 3,992,402 | 264,804,873 | 7.6% |
| **MI, Detroit** | 3.8% | $0.72 | $68 | 2,465,261 | 630,938,933 | 10.6% |
| **MN, Minneapolis** | 4.4% | $0.74 | $92 | 1,124,108 | 429,104,356 | 8.8% |
| **United States Index** | 6.6% | $1.00 | $150 | 353,958,882 | 19,057,278,262 | 7.3% |
| **Canada Index** | 2.7% | $1.07 CAD | $224 CAD | 49,633,795 | 1,891,872,818 | 5.3% |

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# Q2 2024
## INDUSTRIAL OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / SF | MARKET SALE PRICE / SF | SF UNDER CONSTRUCTION | INVENTORY SF | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **MO, Kansas City** * | 5.6% | $0.60 | $64 | 10,561,441 | 364,447,405 | 9.2% |
| **MO, Saint Louis** | 4.6% | $0.59 | $67 | 3,321,733 | 341,749,025 | 8.4% |
| **NC, Charlotte** | 7.7% | $0.77 | $100 | 13,456,320 | 380,428,120 | 7.3% |
| **NC, Durham** | 6.5% | $0.96 | $124 | 2,863,675 | 53,142,085 | 7.4% |
| **NC, Raleigh** | 6.7% | $1.01 | $132 | 2,961,786 | 104,711,812 | 8.0% |
| **NE, Lincoln** | 2.7% | $0.62 | $81 | 179,910 | 32,649,552 | 9.2% |
| **NE, Omaha** | 3.0% | $0.68 | $80 | 4,426,363 | 107,344,656 | 8.9% |
| **NJ, Atlantic City** | 3.8% | $0.88 | $79 | 23,950 | 9,620,015 | 8.5% |
| **NJ, Northern New Jersey** * | 5.1% | $1.31 | $195 | 2,564,740 | 257,616,430 | 6.6% |
| **NJ, Trenton** | 7.7% | $0.84 | $156 | 284,400 | 44,494,071 | 6.8% |
| **NJ, Vineland** | 5.5% | $0.64 | $65 | 256,100 | 18,996,476 | 7.8% |
| **NV, Reno** | 9.9% | $0.77 | $130 | 4,617,112 | 118,268,818 | 6.2% |
| **NY, Long Island** | 5.1% | $1.56 | $197 | 1,030,527 | 186,297,119 | 8.3% |
| **NY, New York** * | 6.6% | $1.64 | $266 | 14,833,053 | 880,647,425 | 6.0% |
| **OH, Cincinnati** | 5.8% | $0.61 | $68 | 2,103,810 | 359,537,276 | 8.5% |
| **OH, Cleveland** | 3.4% | $0.55 | $49 | 2,197,894 | 356,123,040 | 10.3% |
| **OH, Columbus** | 7.5% | $0.69 | $79 | 8,667,310 | 370,678,444 | 7.5% |
| **ON, Toronto** ** | 2.5% | $1.23 | $270 | 23,856,992 | 880,504,236 | 4.4% |
| **PA, Harrisburg** | 6.0% | $0.67 | $92 | 746,608 | 113,102,588 | 7.2% |
| **PA, Lehigh Valley** * | 6.0% | $0.72 | $116 | 3,772,821 | 165,870,569 | 6.9% |
| **PA, Philadelphia** * | 7.1% | $0.94 | $116 | 17,105,597 | 627,140,074 | 7.4% |
| **PA, Pittsburgh** | 5.5% | $0.72 | $68 | 315,100 | 228,302,218 | 8.4% |
| **SC, Charleston** | 11.6% | $0.87 | $103 | 4,294,045 | 112,087,690 | 7.8% |
| **SC, Greenville** | 6.2% | $0.57 | $60 | 2,211,375 | 148,139,598 | 9.0% |
| **SC, Spartanburg** | 13.6% | $0.54 | $68 | 4,831,484 | 121,822,637 | 8.5% |
| **TN, Nashville** | 5.0% | $0.94 | $109 | 6,008,117 | 285,627,029 | 6.7% |
| **TX, Dallas-Fort Worth** | 9.8% | $0.81 | $114 | 22,693,371 | 1,180,001,972 | 6.6% |
| **TX, Houston** | 7.5% | $0.74 | $95 | 12,922,364 | 829,665,501 | 7.8% |
| **WA, Seattle** | 7.4% | $1.23 | $245 | 7,914,344 | 359,847,788 | 5.6% |
| **WI, Madison** | 3.4% | $0.65 | $73 | 210,956 | 78,438,775 | 8.6% |
| **United States Index** | 6.6% | $1.00 | $150 | 353,958,882 | 19,057,278,262 | 7.3% |
| **Canada Index** | 2.7% | $1.07 CAD | $224 CAD | 49,633,795 | 1,891,872,818 | 5.3% |

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*** Numbers shown are in Canadian dollars (CAD)*

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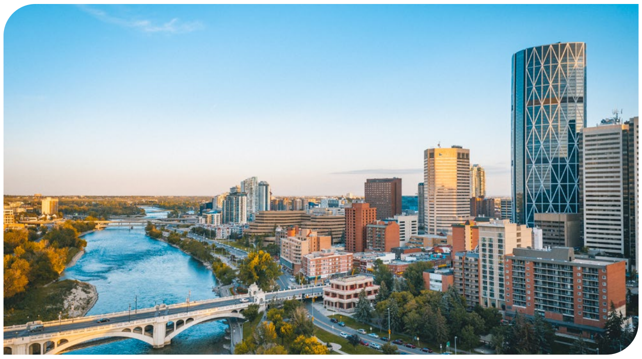
# Q2 2024
## CALGARY, AB



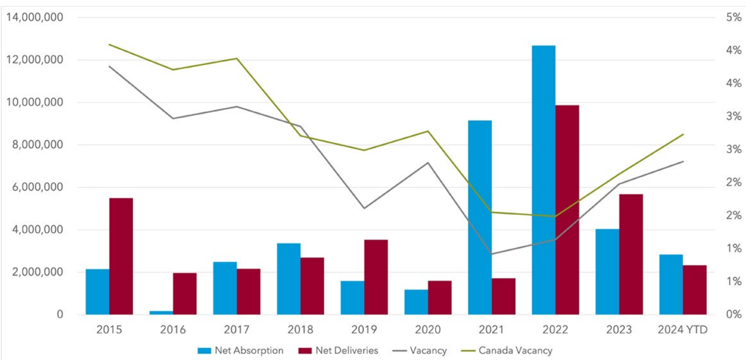
## INDUSTRIAL MARKET OVERVIEW

ELIAS TSOUGRIANIS, *Research Analyst*

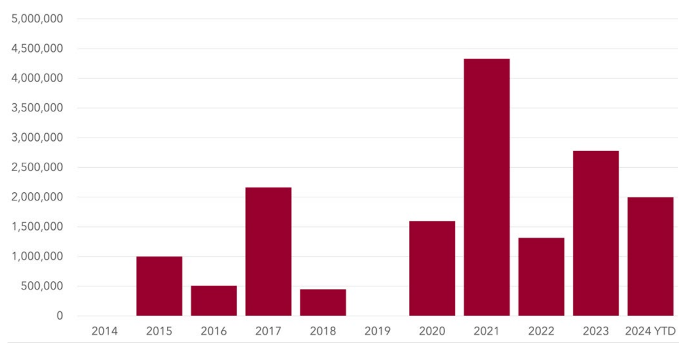
Calgary's industrial market maintained excellent performance in Q2 2024. Despite a slight increase in the vacancy rate from the previous quarter, which settled at around 3.6%, the market demonstrated resilience with quarterly absorption totaling approximately 2 million square feet. This is particularly impressive considering the introduction of 1.2 million square feet of new space during the second quarter. The construction pipeline in Calgary remains robust, currently totaling 2 million square feet. With these projects nearing completion and further planned developments on the horizon, vacancy rates are expected to face continued upward pressure, even with demand and growth in the market remaining persistent.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | Qtrly Net Absorption SF | 2,054,905 | 786,764 | 390,214 | 1,734,001 | (199,137) |
| ▲ | Vacancy Rate | 3.56% | 3.45% | 3.54% | 1.90% | 1.96% |
| ◄ ► | Avg NNN Asking Rate PSF | Not Tracked | Not Tracked | Not Tracked | Not Tracked | Not Tracked |
| ▼ | SF Under Construction | 1,997,345 | 3,630,367 | 2,776,713 | 6,588,020 | 5,076,977 |
| ▲ | Inventory SF | 171,114,571 | 169,328,908 | 168,782,190 | 163,910,084 | 163,311,067 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 261024 Dwight McLellan Trail<br>Balzac, AB | 436,291 SF | $62,250,000*<br>$142.68 PSF | Concert Real Estate Corp.<br>8074402 & 7838778 Canada, Inc. | Class A |
| 824 - 41st Avenue NE<br>Calgary, AB | 120,943 SF | $14,000,000*<br>$115.76 PSF | U-Haul Co, (Canada) Ltd.<br>FGL Sports Ltd. | Class B |
| 2220 - 32nd Avenue NE<br>Calgary, AB | 63,676 SF | $8,900,000*<br>$139.77 PSF | Aviva Holdings Ltd.<br>Aviva Holdings Ltd. | Class B |

**All numbers shown are in Canadian dollars (CAD)*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5360 - 61st Avenue SE, Bays 3-6<br>Calgary, AB | 110,250 SF | Triovest Realty<br>Advisors Inc. | CoolIT Systems | Computing Hardware |
| 5505 - 72nd Avenue SE, Bay 23<br>Calgary, AB | 95,894 SF | Richmond Holdings<br>(2015) Ltd. | Undisclosed | Undisclosed |
| 7910 - 51st Street SE<br>Calgary, AB | 51,886 SF | Dream Summit<br>Industrial (Alberta Inc.) | NCS International Co. o/a Normaco | Consulting/General<br>Services |

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# Q2 2024
## PHOENIX, AZ

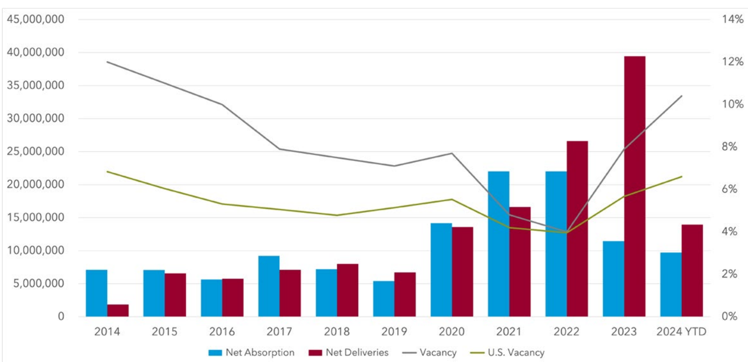
## INDUSTRIAL MARKET OVERVIEW

CHRIS MCCHESNEY, *Research Director*

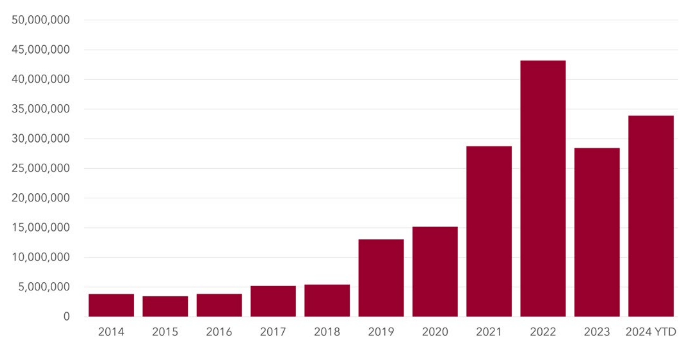
The Phoenix Industrial Market maintains its position as a top performing market nationally, showcasing a strong second quarter with 5.8 million square feet of positive net absorption. The rise in net absorption during this period is credited to Amazon occupying three newly built facilities, each exceeding one million square feet, situated along the Loop 303. This ongoing momentum is fueled by sustained economic expansion, an influx of residents from neighboring regions, and increased demand across diverse industrial sectors. Despite consistent positive net absorption, the vacancy rate has shown an upward trend, closing the quarter at 10.4%. This marks a significant increase from the 3.8% vacancy rate observed at this time last year.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | 5,871,811 | 3,914,802 | 1,976,847 | 2,480,199 | 2,173,140 |
| ▲ Vacancy Rate | 10.4% | 9.1% | 7.9% | 4.3% | 3.8% |
| ▲ Avg NNN Asking Rate PSF | $13.68 | $12.96 | $12.48 | $12.60 | $12.24 |
| ▲ SF Under Construction | 33,900,858 | 33,151,190 | 28,430,780 | 35,404,702 | 43,143,294 |
| ▲ Inventory SF | 421,901,382 | 409,344,656 | 404,091,099 | 383,911,018 | 375,658,060 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1685 & 2250 S. Litchfield Road<br>Goodyear, AZ | 727,319 SF | $108,100,000<br>$148.63 PSF | Stonelake Capital<br>CIM Group | Class A |
| 5 Bldg Phoenix Industrial Portfolio<br>Phoenix, AZ | 539,560 SF | $87,000,000<br>$161.24 PSF | Blackstone, Inc.<br>KKR & Co. | Class B |
| 10100 N. 151st Avenue<br>Surprise, AZ | 364,700 SF | $73,925,000<br>$202.70 PSF | Packaging Corp. America<br>Merit Partners | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 12250 W. Corporate Drive<br>Avondale, AZ | 450,260 SF | Westfield Co. | USPS | Logistics |
| SEC Power Road & Pecos Road<br>Mesa, AZ | 229,876 SF | Principal/Newport | Magna Steyr | Automotive |
| NEC Litchfield Rd. & Desert Cove Rd.<br>Waddell, AZ | 168,000 SF | Evergreen Devco | BP Castrol | Energy |

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# Q2 2024
# VANCOUVER, BC

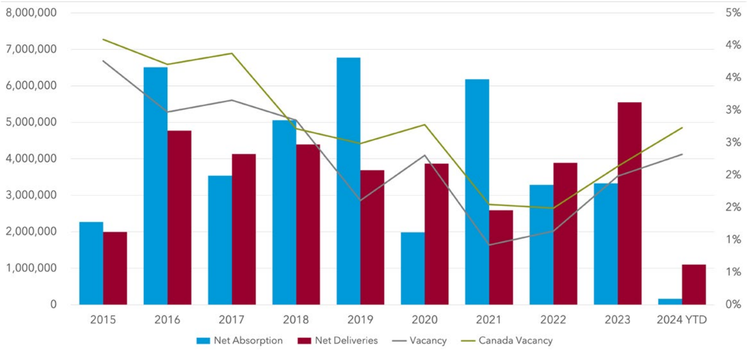
## INDUSTRIAL MARKET OVERVIEW

DERRICK GONZALES, *Director of Research*

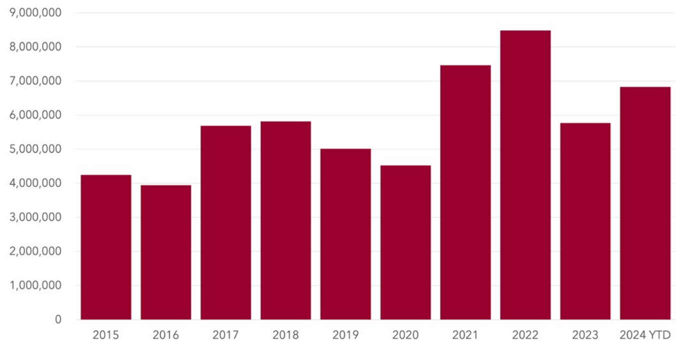
Vancouver's industrial market continues to stabilize with the regional vacancy rate increasing by 50 basis points to 2.2% while asking lease rates continue to plateau at $20 PSF. This quarter, the Bank of Canada cut interest rates by 25 bps from 5.00% to 4.75% with anticipated decreases throughout the year. Bosa Properties acquired Fama Business Park, a 316,000 SF multi-building industrial site in Surrey for $93M signaling ongoing resiliency in the Vancouver market. Development activity remains strong with 6.6M square feet of large bay warehouse and distribution projects coupled with small-to-mid bay speculative strata developments signaling continued confidence for future demand within the Vancouver industrial market.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | Qtrly Net Absorption SF | 2,604,545 | 3,750,241 | 3,326,783 | 4,028,310 | 3,050,257 |
| ▲ | Vacancy Rate | 2.24% | 1.87% | 1.98% | 1.66% | 1.16% |
| ▼ | Avg NNN Asking Rate PSF | $20.97 | $21.04 | $21.07 | $20.76 | $20.32 |
| ▲ | SF Under Construction | 6,590,043 | 6,222,693 | 5,726,055 | 7,373,528 | 9,532,884 |
| ▲ | Inventory SF | 274,837,419 | 274,192,804 | 273,736,152 | 272,091,316 | 269,218,192 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 15050 54A Avenue<br>Surrey BC | 315,128 SF | $93,000,000*<br>$295.00 PSF | Bosa Properties<br>CanFirst Capital Management | Class B |
| 6440 Beresford Street<br>Burnaby, BC | 60,673 SF | $18,850,000*<br>$311.00 PSF | 1343769 B.C. Ltd.<br>Broadway Properties Ltd. | Class B |
| 5760 Production Way<br>Langley, BC | 48,717 SF | $15,250,000*<br>$313.00 PSF | Fast Track Ventures, Inc.<br>Basic Developments Ltd. | Class B |

**All numbers shown are in Canadian dollars (CAD)*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5827 274th Street<br>Langley, BC | 259,590 SF | Beedie | Masonite International Corporation | Manufacturing |
| 8151 Churchill Street<br>Delta, BC | 109,932 SF | Dayhu Group of<br>Companies | AFOD Ltd. | Food Distribution |
| 20146 100A Avenue<br>Langley, BC | 77,029 SF | Austeville Properties | Kirmac Collision & Autoglass | Automotive |

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# Q2 2024
## BAKERSFIELD, CA

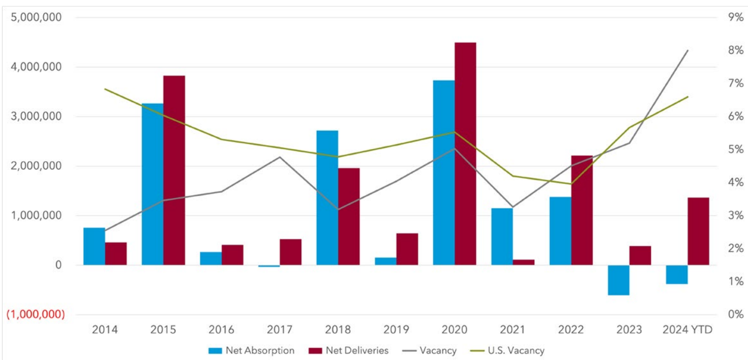
## INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

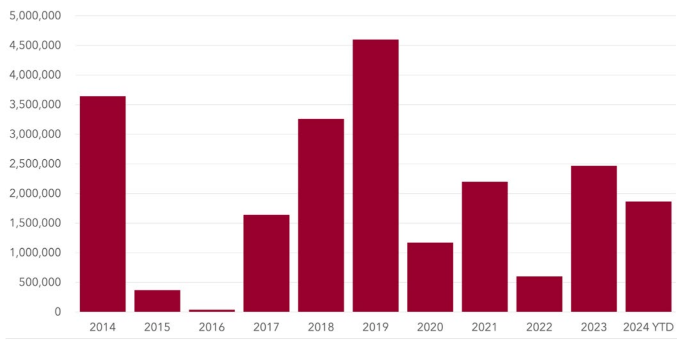
Demand for industrial space in Bakersfield has slowed, with vacancy increasing by 300 basis points over the past year to 8%, the highest in a decade. Rent growth slowed to1.1% YOY. This trend is expected to accelerate through 2024. New development is a major theme in the market with 1.9M SF underway and 1.4M in deliveries over last 12 months. Investment sales reached $137M in 2023, a 50% decrease from the record set in 2022. Cap rates rose up to 50 basis points in 2023 and have continued their rise in the first two quarters of 2024. We expect increased activity for the remainder of 2024 with anticipated cuts to interest rates and lower property values bringing more buyers back to the table.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | (384,000) | (570,775) | (605,000) | 418,000 | 356,875 |
| ▼ Vacancy Rate | 7.98% | 8.30% | 5.20% | 5.90% | 4.60% |
| ▼ Avg NNN Asking Rate PSF | $10.01 | $10.04 | $9.84 | $9.96 | $9.84 |
| ◄ ► SF Under Construction | 1,864,490 | 1,864,490 | 2,468,000 | 2,468,000 | 1,385,975 |
| ◄ ► Inventory SF | 64,307,365 | 64,307,365 | 62,109,708 | 61,920,728 | 61,639,996 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 15509 70th Street W<br>Mojave, CA | 50,400 SF | $6,000,000<br>$119.05 PSF | Oak Creek Industrial Properties LLC<br>Roberts Investments LLC | Class B |
| 11009 Central Valley Highway<br>Delano, CA | 48,048 SF | $3,700,000<br>$77.01 PSF | Richard B. Sandrini Living Trust<br>R. B. Sandrini Farms | Class C |
| 2700 Auto Mall Drive<br>Bakersfield, CA | 15,000 SF | $3,200,000<br>$213.33 PSF | KMS Mechanics, Inc.<br>Daniel B. & Helene L. Frainer | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4128 Chester Avenue<br>Bakersfield, CA | 18,000 SF | Mushmel Properties Corporation | Mila-Tile, Kitchen, Bath | Industrials |
| 5401 Gasoline Alley Drive<br>Bakersfield, CA | 12,000 SF | Frank H. Pell | Motor City Sales and Service | Automotive |
| 3700 Pegasus Drive<br>Bakersfield, CA | 10,000 SF | Pro Safety and Rescue, Inc. | Outlet Wholesale Distributors | Durable Goods Wholesale |

# Q2 2024
## EAST BAY, TRI-VALLEY, CA

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*The Tri-Valley area includes the cities of Livermore, Dublin, and Pleasanton*

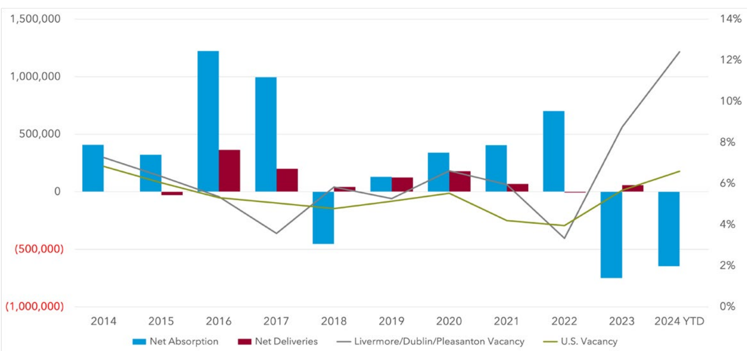
## INDUSTRIAL MARKET OVERVIEW

SEAN OFFERS, SIOR, *Principal*

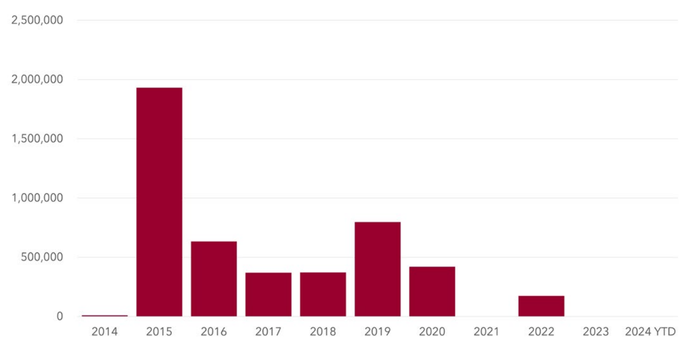
The Tri-Valley Industrial market remained stable in Q2 2024. In Livermore, a 475,000 SF project was pre-leased prior to construction, showing continued demand for large buildings with modern amenities in strategic infill locations. Owner/user sales began picking up, signaling a positive trend for both buyers and sellers. Overall, sale pricing and lease rates have decreased from their peak, but volume is returning. We expect pricing and rates to stabilize into Q3. However, motivated owners may need to adopt aggressive strategies to sell or lease properties.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (1,127,546) | (901,132) | (748,777) | (354,410) | 114,533 |
| ▲ Vacancy Rate | 12.4% | 9.7% | 8.8% | 8.2% | 6.9% |
| ▲ Avg NNN Asking Rate PSF | $22.44 | $22.24 | $22.12 | $21.92 | $21.68 |
| ◄ ► SF Under Construction | 0 | 0 | 0 | 0 | 163,500 |
| ◄ ► Inventory SF | 29,444,256 | 29,444,256 | 29,444,256 | 29,444,256 | 29,280,756 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 7083 Commerce Circle<br>Pleasanton, CA | 19,600 SF | $6,350,000<br>$323.98 PSF | Apparatus Testing & Engineering<br>Mallory Service Buildings, Inc. | Class B |
| 4542-4546 Contractors Pl, 1st Fl, Bldg A<br>Livermore, CA | 3,400 SF | $1,320,000<br>$388.24 PSF | IAFF Local 1974<br>Scott A. & Agnes Mount | Class B |
| 340-388 Preston Court, 1st floor<br>Livermore, CA | 2,365 SF | $890,000<br>$376.32 PSF | Robert & Kristine Lang<br>Kam & Kim Leung | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 6538 Patterson Pass Road<br>Livermore, CA | 53,943 SF | GIC Real Estate | Undisclosed | Undisclosed |
| 6909 Las Positas Road<br>Livermore, CA | 42,624 SF | Prologis | Lira Cosmetics | Cosmetic Manufacturing |
| 1375 Rutan Drive<br>Livermore, CA | 21,672 SF | LREH California LLC | Black & Veatch | Construction Engineering |

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# Q2 2024
## FRESNO, CA

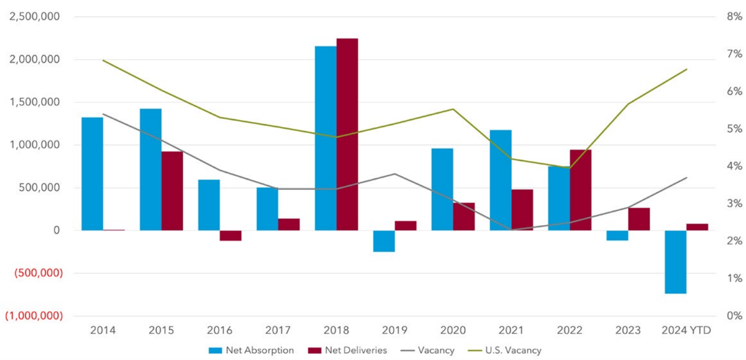
## INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

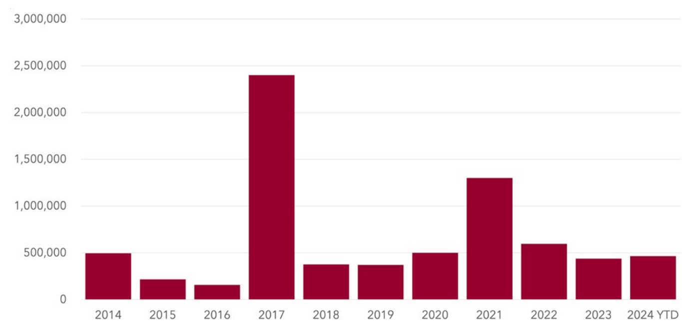
The Fresno industrial market's strategic location near major population centers has driven industrial vacancies near the all-time low of 3.7% in 2021. The low vacancy rate is largely due to minimal development with only 1.3 million SF added over the past three years. This lack of development is attributed to a shortage of entitled land. Rent growth has been modest at 2.1% over the past year, typical for many California markets. Despite low vacancy and limited new construction, tenant demand has slowed in line with national trends.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (738,000) | (36,790) | (115,998) | 136,744 | 262,941 |
| ▲ Vacancy Rate | 3.7% | 2.8% | 2.9% | 2.7% | 2.7% |
| ▲ Avg NNN Asking Rate PSF | $8.83 | $8.82 | $8.80 | $8.73 | $8.63 |
| ▲ SF Under Construction | 463,504 | 417,000 | 437,000 | 486,000 | 503,000 |
| ▲ Inventory SF | 87,544,515 | 87,500,000 | 87,500,000 | 87,400,000 | 87,400,000 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 14011 W. Central Avenue<br>Kerman, CA | 200,000 SF | $7,500,000<br>$37.50 PSF | Sun Pacific Facilities LP<br>W.P. Carey, Inc. | Class B |
| 3023 S. Reed Avenue<br>Sanger, CA | 197,910 SF | $9,000,000<br>$45.48 PSF | Sun Pacific Facilities LP<br>W.P. Carey, Inc. | Class C |
| 5700 S. Mandarin Avenue<br>Fresno, CA | 22,015 SF | $3,400,000<br>$154.44 PSF | RDO Equipment Co<br>R&B Development LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4395 S. Minnewawa Avenue<br>Fresno, CA | 249,600 SF | Diversified Development Group | Veritiv | Equipment Wholesaler |
| 4603 N. Brawley Avenue<br>Fresno, CA | 32,700 SF | EastGroup Properties, Inc. | Undisclosed | Undisclosed |
| 4740 N. Sonora Avenue<br>Fresno, CA | 18,192 SF | Michael W. King | MCT Bakersfield | Logistics |

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# Q2 2024
# INLAND EMPIRE EAST, CA

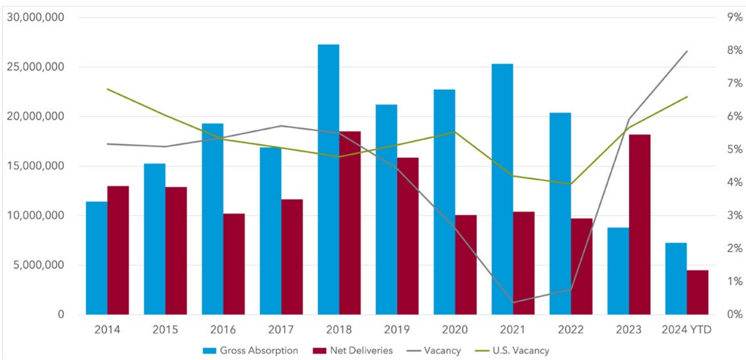
## INDUSTRIAL MARKET OVERVIEW

CAROLINE PAYAN, *Director of Marketing & Research*

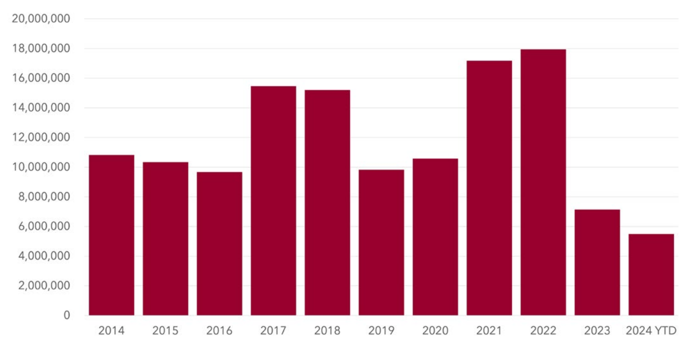
In the 2nd quarter of 2024, the industrial sector in the Inland Empire East showed more of the same slowdown as seen in the last seven straight quarters. Lease renewal activity has remained steady as owners protect their downside from vacancy by solidifying renewals with existing tenants. New leasing activity has continued to slow. Lease rates have fallen 10%+ and owners are now using a variety of concessions to entice tenants. The market is also seeing the erosion of sale prices. With an increased supply of inventory, there will likely be a large supply of industrial buildings on the market for the foreseeable future.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | Gross Absorption SF | 2,866,308 | 4,386,593 | 2,644,526 | 1,618,800 | 2,734,089 |
| ▲ | Vacancy Rate | 7.98% | 6.58% | 5.92% | 3.41% | 2.05% |
| ▼ | Avg GRS Asking Rate PSF | $14.32 | $14.59 | $15.58 | $15.13 | $15.80 |
| ▼ | SF Under Construction | 5,493,686 | 6,628,275 | 7,143,141 | 11,606,513 | 13,109,194 |
| ▲ | Inventory SF | 287,541,048 | 285,455,326 | 283,798,797 | 282,856,013 | 280,392,698 |

### GROSS ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 4982 Hallmark Parkway<br>San Bernardino, CA | 340,080 SF | $74,817,600<br>$220.00 PSF | Dalfen Industrial LLC<br>Bixby Land Company | Class B |
| 3120 Wilson Avenue<br>Perris, CA | 249,067 SF | $53,425,000<br>$214.50 PSF | TA Realty LLC<br>CORE5 Industrial Partners | Class A |
| 265-285 E. Mill St. & 568 S. Waterman Ave.<br>San Bernardino, CA | 74,880 SF | $11,000,000<br>$146.90 PSF | OLAM 275 E Mill Street LLC<br>SBBP Ventures LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 17700 Indian St. & 17791 Perris Blvd.<br>Moreno Valley, CA | 1,530,974 SF<br>(Renewal) | Duke Realty Corp. | Deckers Outdoor | Footwear |
| 2185 W. Lugonia Avenue<br>Redlands, CA | 500,602 SF<br>(Sublease) | Ashley Furniture Industries | Best Choice Products, Inc. | Retail |
| 1495 Tamarind Avenue<br>Rialto, CA | 390,521 SF<br>(Sublease) | United Legwear | STG Logistics | Logistics |

# Q2 2024
## INLAND EMPIRE WEST, CA

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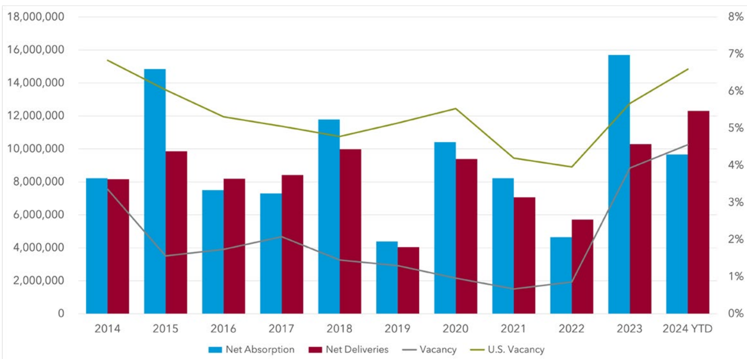
### INDUSTRIAL MARKET OVERVIEW

KIMBERLY ROMANIELLO, *Director of Marketing & Research*

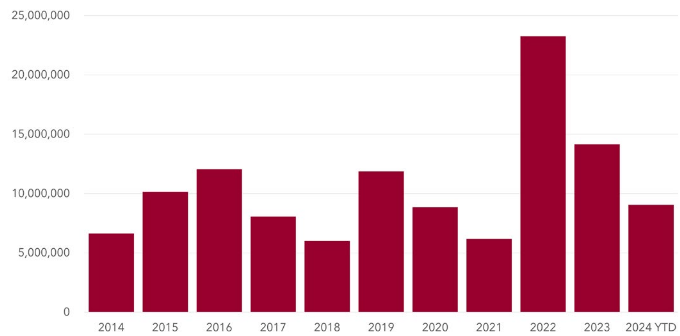
While the development pipeline is down 57% year-over-year, Vacancy is up 48%, and lease rates have adjusted 28%, overall tenant activity has resumed in the Inland Empire West industrial market, as this submarket hasn't seen this much positive net absorption in potentially the history of the sector. Multiple 1M square-foot lease transactions were executed this quarter, all absorbed by credit tenants. However, nearly 5M square feet of this quarter's move-ins came from significant, big-box deliveries in which their Leases were executed the year prior. The I.E. continues to attract institutional capital, as a Class A 835,000 square foot building traded for nearly $200M.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | 6,144,222 | 3,518,076 | 3,782,953 | 2,372,610 | (1,327,177) |
| ▲ Vacancy Rate | 4.56% | 4.26% | 3.93% | 3.50% | 3.09% |
| ▼ Avg NNN Asking Rate PSF | $14.58 | $16.20 | $17.27 | $18.84 | $20.28 |
| ▼ SF Under Construction | 9,052,807 | 11,497,705 | 14,152,366 | 18,587,253 | 20,988,000 |
| ▲ Inventory SF | 371,172,563 | 365,894,032 | 363,615,462 | 361,829,546 | 359,917,966 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 13423-13473 Santa Ana<br>Fontana, CA | 835,100 SF | $197,000,000<br>$235.90 PSF | EQT Exeter<br>Hancock Reit Commerce Way LLC | Class A |
| 4450 Lowell Street<br>Ontario, CA | 317,070 SF | $90,250,000<br>$284.64 PSF | Stockbridge Capital Group<br>Principal Real Estate Investors | Class B |
| 3351 Philadelphia Street<br>Ontario, CA | 203,408 SF | $52,000,000<br>$255.64 PSF | Stockbridge Capital Group<br>Principal Real Estate Investors | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4121 Coyote Canyon Road<br>Fontana, CA | 1,171,788 SF | CapRock Partners | Amazon | E- Commerce |
| 10545 Production Avenue<br>Fontana, CA | 1,101,840 SF | Rexford Industrial<br>Realty Inc. | Tireco, Inc. | Retailer |
| 853 Del Rio Place<br>Ontario, CA | 1,053,225 SF | Sares Regis | QVC, Inc. | E- Commerce |

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# Q2 2024
## LA - CENTRAL, CA

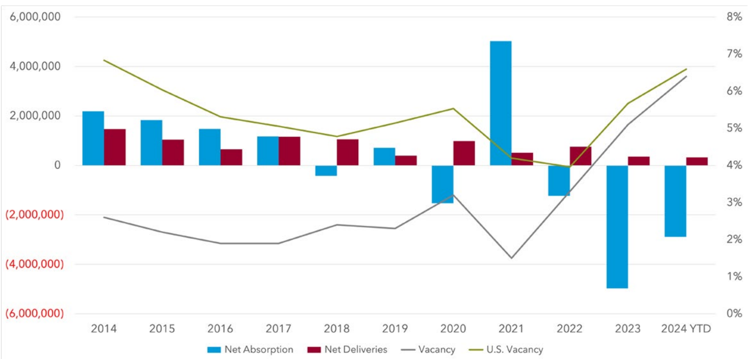
## INDUSTRIAL MARKET OVERVIEW

LEJO MAMMEN, *Director of Research*

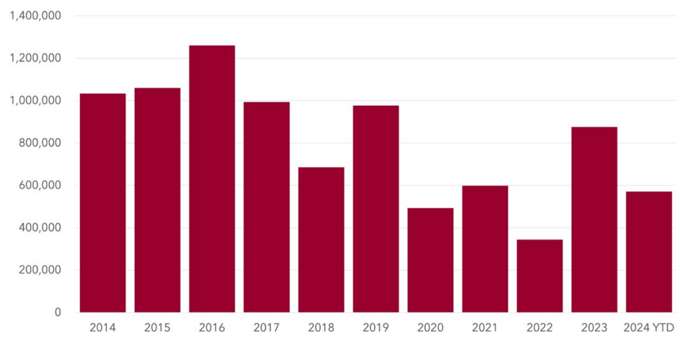
In the second quarter of 2024, Central Los Angeles continued to experience shifts in its market trends. The vacancy rate further increased to 6.3%, indicating a rise from the previous quarter. Currently, there are developments in progress for 595,929 square feet of industrial space. Moreover, there was a slight decrease in triple net (NNN) lease rates, which concluded the quarter at $18 per square foot. This decline may be indicative of the ongoing interplay between market supply and demand. Focusing on areas with high industrial activity, the Vernon and Commerce regions remain prominent. These areas are largely influenced by industries such as food production and apparel manufacturing, which significantly impact their commercial activities.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | (4,852,175) | (6,959,260) | (5,319,946) | (5,523,987) | (4,374,000) |
| ▲ Vacancy Rate | 6.3% | 5.9% | 5.2% | 5.0% | 4.7% |
| ▼ Avg NNN Asking Rate PSF | $18.00 | $18.60 | $19.32 | $19.56 | $19.64 |
| ▼ SF Under Construction | 595,929 | 899,430 | 869,605 | 778,050 | 563,673 |
| ▲ Inventory SF | 245,417,471 | 245,112,970 | 246,217,263 | 246,548,330 | 236,457,474 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



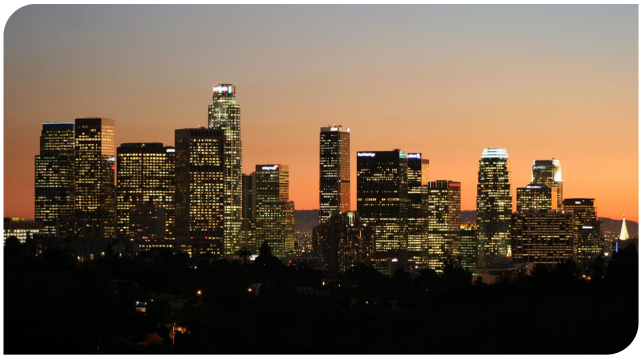

### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 3300 E. 50th Street<br>Vernon, CA | 66,381 SF | $16,000,000<br>$241.03 PSF | East 50 Properties<br>Angela Siukeng Chua | Class C |
| 3870 Seville Avenue<br>Vernon, CA | 52,929 SF | $15,750,000<br>$297.57 PSF | First Industrical Realty Trust<br>Goodyear Tire & Rubber | Class C |
| 4101 Whiteside Street<br>Los Angeles, CA | 43,681 SF | $9,600,000<br>$219.78 PSF | 4101 Mazal LLC<br>JOMEX LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4615 Alcoa Avenue, Units A &C<br>Vernon, CA | 165,180 SF | 45th St LLC | Capital Logistics | Warehousing |
| 6100 S. Malt<br>Commerce, CA | 115,581 SF | Borstein Enterprises | Porto's Bakery | Food |
| 5500 S. Boyle Avenue<br>Vernon, CA | 102,400 SF | Joseph & Jacob<br>Khobian | Style Melody | Apparel |

# Q2 2024
## LA - NORTH, CA



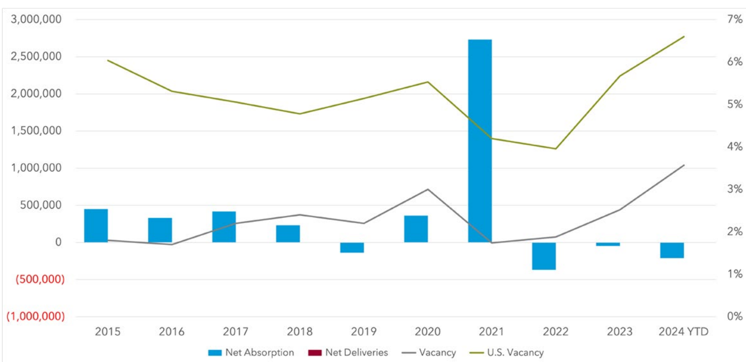
## INDUSTRIAL MARKET OVERVIEW

MIKE TINGUS, *President*

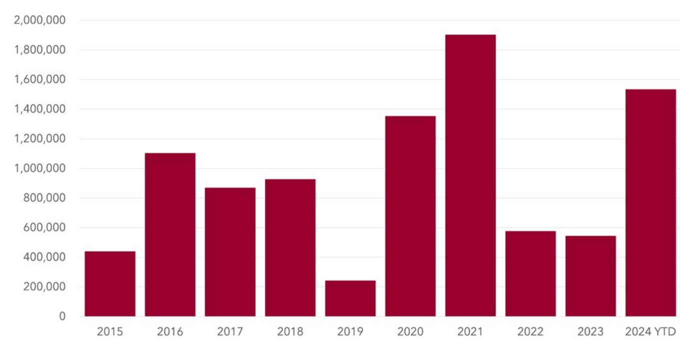
The LA North industrial market vacancy rate increased by 70 basis points, landing at 3.6 percent. This quarter saw 288,228 SF of new inventory brought online in the Santa Clarita Valley. Looking ahead, an additional 1,755,757 SF of construction is planned for delivery through 2026 across various submarkets, including North Hollywood/Universal City, San Fernando, Antelope Valley, and Santa Clarita Valley. The market continues to experience trends of negative net absorption, finishing Q2 with 776,321 SF of unoccupied space, bringing year-to-date totals to over one million square feet of negative net absorption. The second quarter closed with nine industrial sales, achieving a median price of $258 PSF. Of these assets, two were distressed.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (211,747) | (514,975) | (47,175) | (57,001) | (479,469) |
| ▲ | Vacancy Rate | 3.57% | 2.83% | 2.52% | 2.52% | 2.30% |
| ▼ | Avg NNN Asking Rate PSF | $1.70 | $1.76 | $1.75 | $1.74 | $1.78 |
| ▲ | SF Under Construction | 1,534,671 | 400,918 | 544,608 | 597,966 | 771,645 |
| ▲ | Inventory SF | 168,458,244 | 168,365,449 | 167,739,887 | 166,214,709 | 166,489,820 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 20680 Nordhoff Street<br>Chatsworth, CA | 60,043 SF | $21,000,000<br>$349.74 PSF | 20680 Nordhoff LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 20310 Plummer Street<br>Chatsworth, CA | 47,854 SF | 20310 Plummer St LLC | Integra Beauty, Inc. | Brand Incubator |
| 2268 E. Foothill Boulevard<br>Pasadena, CA | 23,000 SF | 2268 East Foothill LP | Goodman Distribution | Residential & Commercial HVAC |
| 900 W. Alameda Avenue<br>Burbank, CA | 13,507 SF | Rediger Investment | Geeky Teas & Games, Inc. | Grocery |

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# Q2 2024
## LA - SAN GABRIEL VALLEY, CA

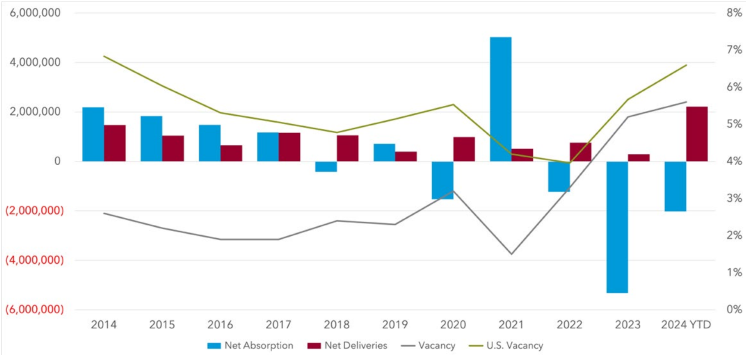
## INDUSTRIAL MARKET OVERVIEW

LEJO MAMMEN, *Director of Research*

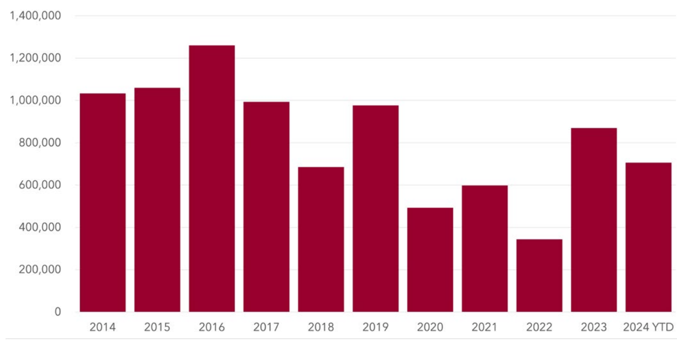
In Q2 2024, the industrial market of San Gabriel Valley displayed resilience, with a vacancy rate of 5.9%. Compared to the previous quarter, the rental rates now stand at $18.72 PSF, NNN annually. The construction sector is active, with approximately 706,000 SF of space currently under construction. The City of Industry continues to be a major contributor, representing roughly 72% of SVG's industrial base and serving as a hub for new Class A warehouse and distribution space developments. It's imperative for both tenants and developers to stay vigilant regarding market fluctuations and adapt their strategies accordingly to leverage the opportunities present in the evolving industrial landscape of the SGV.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (1,907,301) | (2,143,172) | (1,088,455) | (976,011) | (879,055) |
| ▲ | Vacancy Rate | 5.9% | 4.8% | 4.0% | 5.0% | 4.7% |
| ▼ | Avg NNN Asking Rate PSF | $18.72 | $19.32 | $18.72 | $19.56 | $19.64 |
| ▼ | SF Under Construction | 706,444 | 2,506,818 | 2,851,221 | 778,050 | 563,673 |
| ▲ | Inventory SF | 245,417,471 | 245,112,970 | 246,217,263 | 246,548,330 | 236,457,474 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 16203 Arrow Highway, Bldg D<br>Irwindale, CA | 41,121 SF | $15,107,302<br>$367.39 PSF | Rexford<br>Panattoni | Class B |
| 16213 Arrow Highway, Bldg C<br>Irwindale, CA | 37,447 SF | $13,480,920<br>$367.39 PSF | Rexford<br>Panattoni | Class B |
| 1355-1365 W. Foothill Boulevard<br>Azusa, CA | 28,880 SF | $7,844,281<br>$271.62 PSF | Terreno<br>Blackstone | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 14425-14455 Clark Avenue<br>Industry, CA | 232,643 SF | Link Logistics | ACL America | Medical |
| 20922 Currier Road<br>Walnut, CA | 147,008 SF | Currier XC LLC | Undisclosed | Undisclosed |
| 111 N. Baldwin Park<br>Industry, CA | 127,540 SF | Harvard Label | Howard Appliance | Retail |

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# Q2 2024
## LA - SOUTH BAY, CA

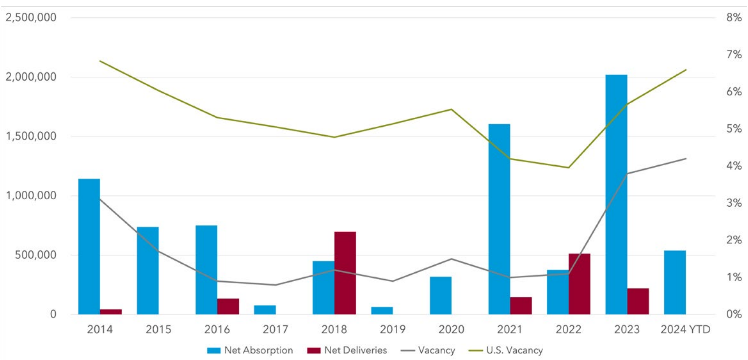
## INDUSTRIAL MARKET OVERVIEW

BRANDON CARRILLO, *Principal*

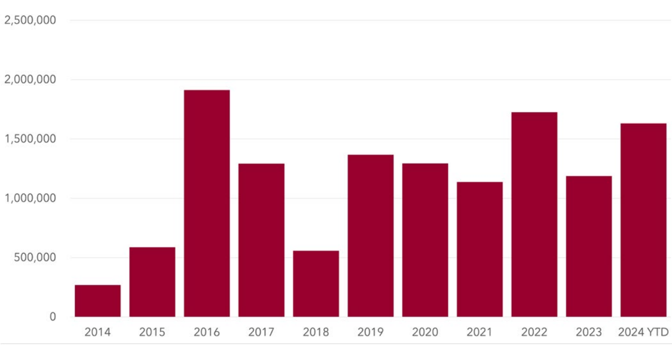
Average lease rates dropped dramatically from $1.52 PSF NNN (1Q24) to $1.42 PSF NNN (2Q24). Industrial lease rates have decreased since 2023 due to contracting demand and rising vacancy rates. Landlord concessions, such as 4-5 months of free rent, have helped reduce vacancy rates from 4.6% (1Q24) to 4.2% (2Q24). Valuations are under pressure due to declining rents and rising cap rates (high 5 cap range). Sale prices range from $300/SF to $400/SF. While tenants face rent hikes, market rates are up 40% in 5 years and doubled in a decade. Despite a shift in favor of tenants/buyers, high interest rates (6.5% for SBA loans) make leasing more attractive due to rising insurance and property tax costs.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 539,467 | 676,130 | 1,098,044 | 1,508,314 | 2,019,507 |
| ▼ Vacancy Rate | 4.2% | 4.6% | 3.9% | 3.6% | 3.8% |
| ▼ Avg NNN Asking Rate PSF | $16.94 | $18.20 | $15.71 | $19.50 | $16.76 |
| ▲ SF Under Construction | 1,631,540 | 1,126,497 | 1,272,673 | 1,073,346 | 1,187,764 |
| ◄ ► Inventory SF | 202,351,121 | 202,351,121 | 202,076,123 | 201,981,795 | 201,291,132 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 15801 E. First Street<br>Irwindale, CA | 993,142 SF | $120,000,000<br>$120.83 PSF | Rexford Industry Realty, Inc.<br>IBY Property Owner LLC (Pabst Brewing) | Class B |
| 4000 Union Pacific Avenue - 99¢ Only Stores HQ, Commerce, CA | 903,335 SF | $190,000,000<br>$210.33 PSF | Dart Warehouse Corp<br>99 Cents Only Store | Class B |
| 9400-9500 Santa Fe Springs Road<br>Santa Fe Springs, CA | 595,304 SF | $210,000,000<br>$352.76 PSF | Rexford Industry Realty, Inc.<br>SDCO SFS Logistics Center (DWS Group) | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 7400 E. Slauson Avenue<br>Commerce, CA | 479,560 SF | Duke Realty Limited Partnership | Gehr Industry, Inc. | Wholesaler (Steel Wire - 3315) |
| 1452 W. Knox Street<br>Torrance, CA | 442,550 SF | KBC Advisors (Prologis, Inc.) | National Road Logistics LLC | Transportation and Warehousing |
| 1650 S. Central Avenue<br>Compton, CA | 418,334 SF | JLL | St. George Warehouse, Inc. | Distribution |

# Q2 2024
## LA - WEST, CA

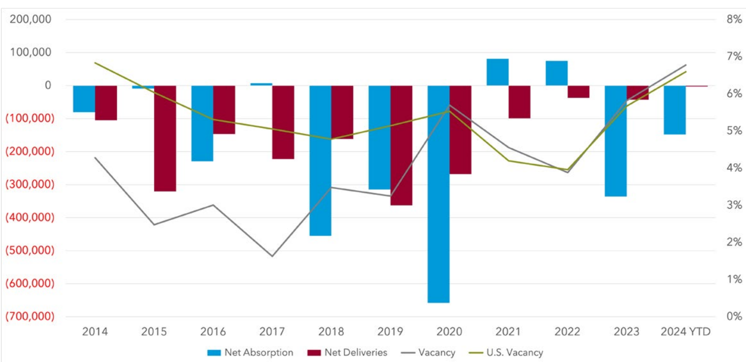
## INDUSTRIAL MARKET OVERVIEW

DOUGLAS R. MARSHALL, SIOR *Principal*

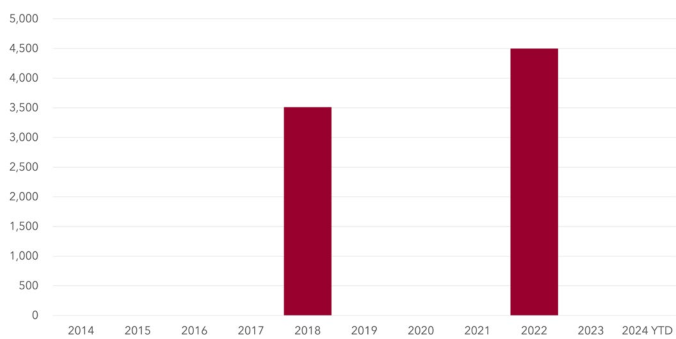
The West Los Angeles industrial marketplace is softer and lease deals are taking longer and are more difficult to make. Tenants want short-term leases, flexibility, and lower rents or free rent to decrease occupancy costs. It is a tenant's market. Demand, lease prices, and sale prices have softened. In the past several decades, the industrial base has substantially decreased. Properties have been converted to creative space with industrial tenants migrating southward. Remaining buildings often have clear height, parking, or loading deficiencies. Demand comes from companies needing last-mile distribution space to serve nearby high-end residential customers. Gross asking rents range from about $2.25 per SF to $2.75 per SF for industrial space/flex space.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 19,788 | (144,135) | (55,693) | (172,141) | (102,292) |
| ▼ | Vacancy Rate | 6.6% | 6.8% | 5.8% | 5.5% | 4.3% |
| ▼ | Avg NNN Asking Rate PSF | $2.51 | $2.53 | $2.69 | $2.60 | $2.65 |
| ◄ ► | SF Under Construction | 0 | 0 | 0 | 0 | 4,500 |
| ◄ ► | Inventory SF | 15,206,139 | 15,206,139 | 15,208,989 | 15,208,989 | 15,204,489 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1375 N. Broadway<br>Los Angeles, CA | 24,633 SF | $4,450,000<br>$180.65 PSF | 1373 N Broadway LLC<br>Norton Family Trust et al | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 8525 Steller Drive<br>Culver City, CA | 9,000 SF | Steller Melrose LP | Apple, Inc. | Electronics |
| 8915 S. La Cienega Boulevard, #E<br>Inglewood, CA | 3,800 SF | Rader Properties<br>Group IV LLC | National Transportation<br>Services, Inc. | Transportation |
| 8915 S. La Cienega Boulevard, #D<br>Inglewood, CA | 3,700 SF | Rader Properties<br>Group IV LLC | WiLine Networks, Inc. | Communications |

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# Q2 2024
## ORANGE COUNTY, CA

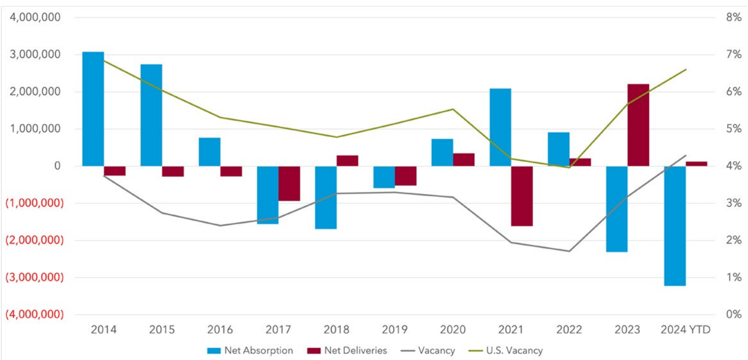
## INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

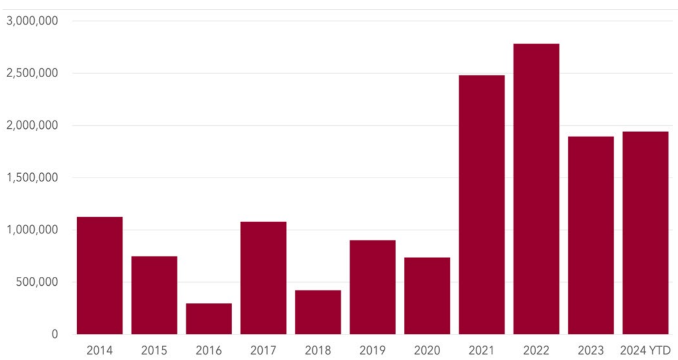
Orange County tenant demand continued to slow in the first half, fueling a rise in the overall vacancy rate to 4.4% from the record low of 1.9% at the end of 2022. Leasing activity is down and rent growth has gone flat after more than a decade of steady double-digit annual growth. The 799,275 SF of negative net absorption in the second quarter and Q1's negative 2.1 million SF brings the total decline in the last six quarters to more than 5 million SF. Since 2020 the long-term average vacancy rate is 4.5%. Tenants know that they have less competition for space and landlords are offering more lease concessions. The largest sale in Q2 was for a 278,572-SF Fullerton building for $338 per SF sold by American Realty Advisors to Rexford Industrial Realty.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | Qtrly Net Absorption SF | (840,477) | (2,195,088) | (145,286) | (671,137) | (959,262) |
| ▲ | Vacancy Rate | 4.2% | 3.9% | 3.2% | 2.9% | 2.5% |
| ▼ | Avg NNN Asking Rate PSF | $1.64 | $1.67 | $1.72 | $1.71 | $1.69 |
| ▲ | SF Under Construction | 1,941,566 | 1,325,450 | 1,894,488 | 2,615,664 | 3,183,232 |
| ▲ | Inventory SF | 303,476,452 | 303,411,959 | 303,353,975 | 302,750,949 | 302,204,367 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1901 E. Rosslynn Avenue<br>Fullerton, CA | 278,572 SF | $9,425,000<br>$338.33 PSF | Rexford Industrial<br>SVF California Rosslynn LLC | Class B |
| 2040-2050 S. State College Blvd.<br>Anaheim, CA | 104,767 SF | $64,500,000<br>$615.65 PSF | NE State College LLC<br>PSIF EBS State College LLC | Class B |
| 3140 E. Coronado Street<br>Anaheim, CA | 95,732 SF | $26,800,000<br>$279.95 PSF | 3140 Coronado LLC<br>TTM Technologies North America LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5701 Bolsa Avenue<br>Huntington Beach, CA | 147,010 SF | Safran Cabin | Cryogenic Industries | Liquid Gases |
| 14852 Delta Lane<br>Huntington Beach, CA | 119,894 SF | Sares-Regis Group | Boeing Encore Interiors | Aerospace |
| 14752 Delta Lane<br>Huntington Beach, CA | 116,825 SF | Sares-Regis Group | Scale3PL LLC | Logistics |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## SAN DIEGO, CA

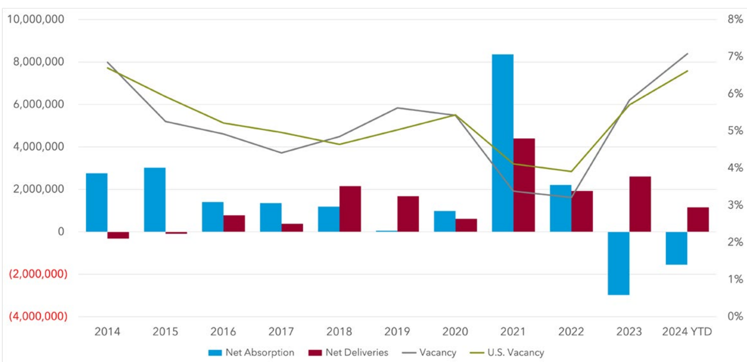
## INDUSTRIAL MARKET OVERVIEW

SPENCER DOK, *Vice President*

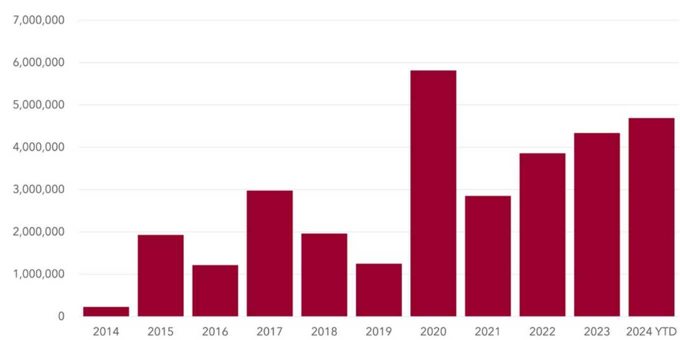
In 24Q2, San Diego's industrial market experienced negative absorption for the sixth consecutive quarter, the longest streak since the Great Recession. Vacancies rose to 7.1%, the highest in nearly a decade, driven by challenges in the defense, biotech, and distribution sectors. Leasing activity for spaces over 50,000 SF remained subdued, with only four new leases signed, reflecting less than 20% of total leasing volume. Despite increased construction, particularly in South County near the port of entry, broader macroeconomic concerns are dampening demand among large occupiers. Meanwhile, demand remains robust for smaller industrial spaces, driving competition among landlords and keeping rents stable with minimal growth observed during the quarter.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (2,407,752) | (3,109,550) | (2,975,172) | (1,929,789) | (1,260,469) |
| ▲ Vacancy Rate | 6.9% | 6.6% | 5.8% | 5.1% | 4.5% |
| ◄ ► Avg NNN Asking Rate PSF | $1.88 | $1.88 | $1.87 | $1.85 | $1.82 |
| ▼ SF Under Construction | 4,689,035 | 5,190,430 | 4,335,669 | 5,237,624 | 4,564,925 |
| ▲ Inventory SF | 211,066,953 | 210,535,558 | 209,909,501 | 208,722,088 | 208,347,442 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 14105 Kirkham Way<br>Poway, CA | 115,000 SF | $32,900,000<br>$286.09 PSF | General Atomics<br>Healthpeak Properties | Class B |
| 13450 Stowe Drive<br>Poway, CA | 78,000 SF | $19,600,000<br>$251.28 PSF | Staley Point Capital<br>Swift Engineering, Inc. | Class C |
| 9575 Aero Drive<br>San Diego, CA | 48,635 SF | $17,985,000<br>$369.80 PSF | Rady Children's Hospital<br>JRC Real Estate | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 13100 Danielson Street<br>Poway, CA | 129,910 SF | Lincoln Property Co. | Liberty Packaging | Manufacturing |
| 2080 Sanyo Avenue<br>San Diego, CA | 58,852 SF | Ben Badiee | Blue Streak Electronics | Manufacturing |
| 2210 Oak Ridge Way<br>Vista, CA | 53,269 SF | Staley Point Capital | Solatube International | Manufacturing |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## SAN DIEGO NORTH COUNTY, CA

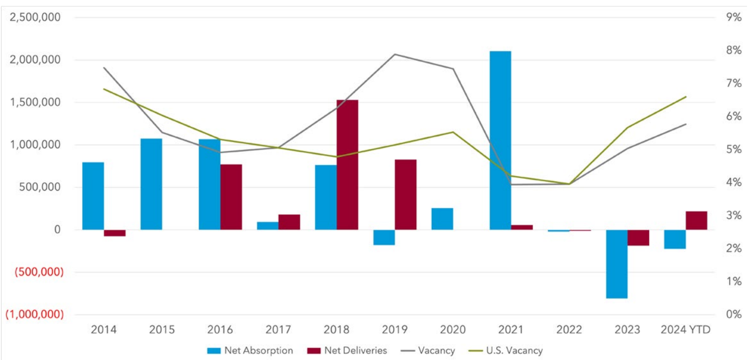
## INDUSTRIAL MARKET OVERVIEW

DANIEL KNOKE, *Principal*

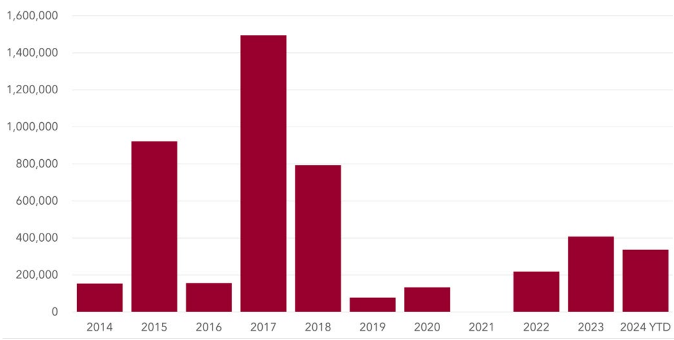
The North County San Diego market posted the strongest quarter we've seen in the last year and a half. Leasing activity saw a large uptick resulting in our first quarter of positive net absorption since Q2 2022, a trend we see continuing for the foreseeable future. Investment sales are starting to make a return after 5 quarters of very low activity, signaling the start of the return to pre-Covid market norms.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 121,800 | (333,251) | (39,397) | (324,725) | (213,992) |
| ▼ | Vacancy Rate | 5.4% | 5.6% | 5.0% | 5.0% | 4.4% |
| ▲ | Avg NNN Asking Rate PSF | $1.40 | $1.38 | $1.41 | $1.44 | $1.44 |
| ▲ | SF Under Construction | 336,515 | 242,890 | 242,890 | 242,890 | 242,890 |
| ◄ ► | Inventory SF | 58,534,109 | 58,534,109 | 58,315,680 | 58,315,680 | 58,315,680 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 6352 Corte Del Abeto<br>Carlsbad, CA | 40,893 SF | $11,948,539<br>$292.19 PSF | TA Realty<br>BKM Capital Partners | Class B |
| 2350 Oak Ridge Way<br>Vista, CA | 35,469 SF | $8,867,250<br>$250.00 PSF | Redback Boots USA<br>Dallas Van Kempen | Class B |
| 1816 Ord Way<br>Oceanside, CA | 28,475 SF | $6,999,000<br>$245.79 PSF | WCC Energy, Inc.<br>Michael Lafever | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2210 Oak Ridge Way<br>Vista, CA | 53,269 SF | Staley Point Capital | Solatube International, Inc | Manufacturing |
| 2790 Business Park Drive<br>Vista, CA | 49,299 SF | Meruelo Group | Granite Construction | Construction |
| 4039 Calle Platino<br>Oceanside, CA | 43,725 SF | Rexford Industrial Realty | Daikin | Manufacturing |

# Q2 2024
## SAN FRANCISCO, CA

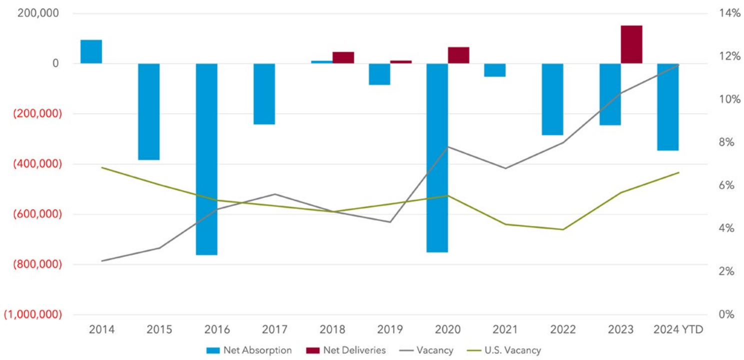
## INDUSTRIAL MARKET OVERVIEW

THOMAS NIU, *Senior Vice President*

Although the industrial market continues to suffer from negative absorption, we are witnessing increased activity from tenants and investors alike. For instance, the $39.5M acquisition of 3550 3rd Street, an industrial vehicle maintenance facility, by Crest Partners demonstrates ongoing investor confidence in this submarket. Likewise, a number of the larger available spaces that we are handling out of this office have seen a significant uptick in tour activity with a growing number of larger tenants in excess of 50,000 square feet now in the market. In addition, a number of planned fleet (as well as public) electric mobility charging stations are in the works to be located both on industrial land and buildings in our submarket.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (779,734) | (538,596) | (525,875) | (584,454) | (498,923) |
| ▲ Vacancy Rate | 11.62% | 11.17% | 10.57% | 9.90% | 8.60% |
| ▼ Avg NNN Asking Rate PSF | $27.53 | $28.94 | $27.62 | $27.85 | $27.64 |
| ◄ ► SF Under Construction | 242,086 | 242,086 | 242,086 | 393,863 | 393,863 |
| ▼ Inventory SF | 27,935,501 | 27,938,700 | 27,924,021 | 27,772,244 | 27,772,244 |

NET ABSORPTION, NET DELIVERIES, & VACANCY

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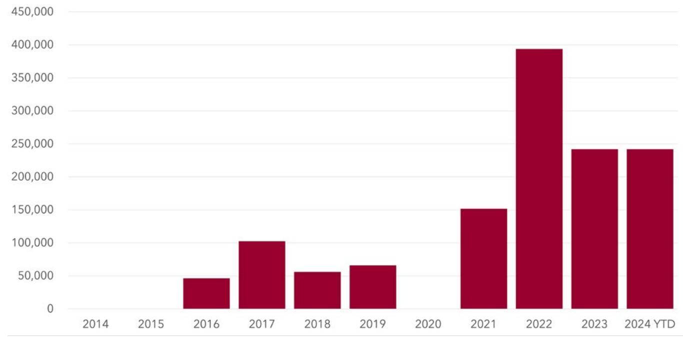



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 3550 3rd Street<br>San Francisco, CA | 102,157 SF | $39,500,000<br>$386.66 PSF | Crest Partners<br>JJH Investments LLC | Class C |
| 2015 McKinnon Avenue<br>San Francisco, CA | 10,530 SF | $3,000,000<br>$284.90 PSF | Minerva Construction<br>James Kennedy | Class C |
| 600 Illinois Street<br>San Francisco, CA | 7,886 SF | $3,725,000<br>$472.36 PSF | Undisclosed<br>Christopher D. Delaney | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1900 Oakdale Avenue<br>San Francisco, CA | 33,000 SF | Lodhia Family | Public Utilities Commission | Government |
| 540 Barneveld Avenue<br>San Francisco, CA | 21,750 SF | Julie Thomson | Conrad Imports | Retailer |
| 1375 Howard Street<br>San Francisco, CA | 14,367 SF | Charles Rothkopf | Undisclosed | Undisclosed |

# Q2 2024
## SAN LUIS OBISPO, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

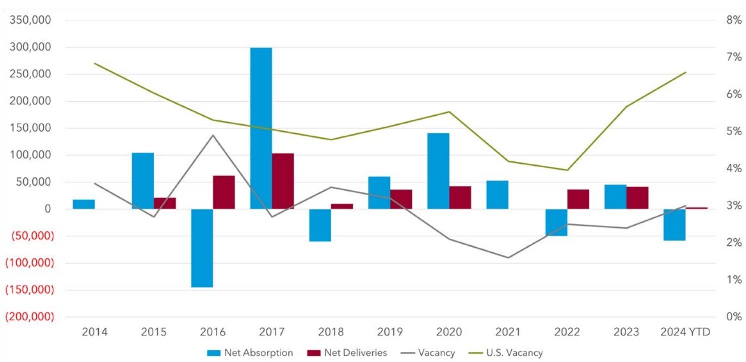
## INDUSTRIAL MARKET OVERVIEW

MARTIN INDVIK, *Broker Associate*

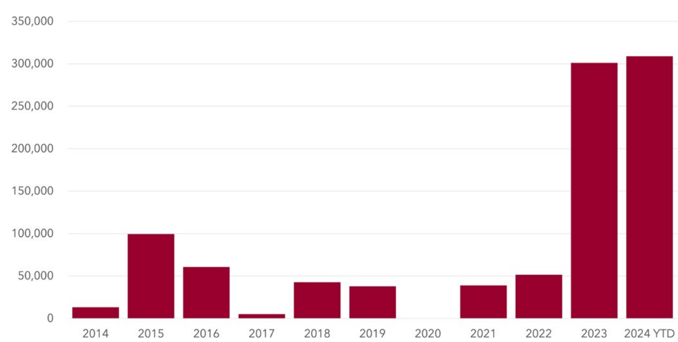
The San Luis Obispo's 9.5-million-SF industrial market has seen its vacancy rate rise to 3.0%, up by 0.5% over the past year, during which there also was 58,000 SF of negative absorption and 3,400 SF were delivered. There are 6.1 million SF of logistics space, 2.5 million SF of specialized space and 860,000 SF of flex space. Rents in San Luis Obispo are about $16.30 per SF, a 1.2% increase from a year ago. In the last three years rents are up 12.9%. Approximately 310,000 SF are under construction. About 81,000 SF have been added to the market in the last three years.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (52,387) | (32,632) | 45,514 | 46,493 | 10,219 |
| ▲ Vacancy Rate | 2.9% | 2.7% | 2.4% | 2.5% | 2.4% |
| ▼ Avg NNN Asking Rate PSF | $16.33 | $16.40 | $16.37 | $16.27 | $16.11 |
| ◄ ► SF Under Construction | 309,000 | 309,000 | 301,000 | 301,000 | 10,000 |
| ◄ ► Inventory SF | 9,490,290 | 9,490,290 | 9,486,890 | 9,486,890 | 9,486,890 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 4110 Horizon Lane<br>San Luis Obispo, CA | 8,750 SF | $1,900,000<br>$217.14 PSF | Horizon Industries LLC<br>David L. Street | Class C |
| 3427 Roberto Court<br>San Luis Obispo, CA | 5,933 SF | $1,600,000<br>$269.68 PSF | Randolph A. Coates<br>David & Lisa Maksoudian Fam Tr | Class C |
| 930 Huber Street<br>Grover Beach, CA | 2,160 SF | $1,100,000<br>$249.31 PSF | Rami Moussa<br>Wilkins Family Trust | |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1625 Commerce Way<br>Paso Robles, CA | 22,600 SF | Tom Johansing | Undisclosed | Undisclosed |
| 1228 11th Street<br>Paso Robles, CA | 3,889 SF | American Storage Facilities LLC | Undisclosed | Undisclosed |
| 1228 11th Street<br>Paso Robles, CA | 3,529 SF | American Storage Facilities LLC | Undisclosed | Undisclosed |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## SANTA BARBARA, CA

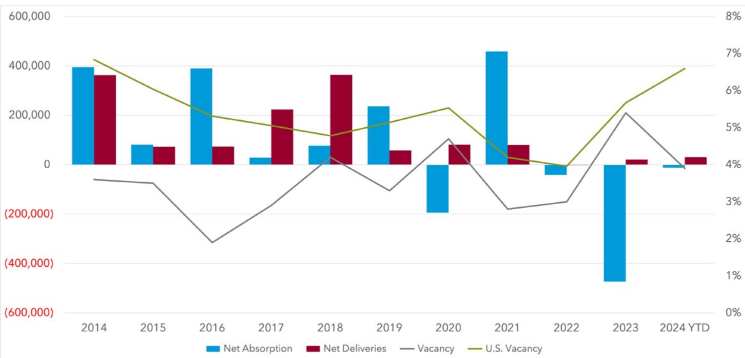
### INDUSTRIAL MARKET OVERVIEW

TOM DAVIDSON, *Broker Associate*

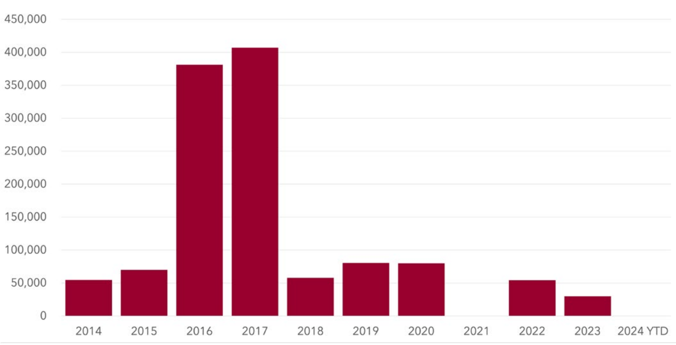
Santa Barbara's availability rate of 5.1% is the highest in a decade. Vacancy increased to 3.8% from less than 3% in 2023, before a 200,000-SF cannabis growing facility in Carpinteria became available. Hollandia Produce's nearly 800,000-SF leaseback for 25 years in Carpinteria and Raytheon's five-year renewal for 120,000 SF in Goleta were notable transactions. But net absorption over the past 12 months was roughly 10,000 SF. Leasing volume in the first quarter was the lowest since 2017 with only about 10 new leases signed. Santa Barbara faces minimal near-term supply-side pressure on vacancy or rent growth.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (303,734) | (510,371) | (473,792) | (555,711) | (60,711) |
| ▼ Vacancy Rate | 5.1% | 5.2% | 5.4% | 5.4% | 3.4% |
| ▼ Avg NNN Asking Rate PSF | $17.79 | $17.93 | $17.93 | $17.84 | $17.69 |
| ▼ SF Under Construction | 0 | 30,000 | 30,000 | 30,000 | 30,000 |
| ▲ Inventory SF | 20,321,701 | 20,300,000 | 20,300,000 | 20,300,000 | 20,300,000 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY




#### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 6338 Lindmar Drive<br>Goleta, CA | 66,178 SF | $11,100,000<br>$167.73 PSF | Derek Duncan<br>Stephen Barlett | Class B |
| 1604 N. O Street<br>Lompoc, CA | 27,535 SF | $7,500,000<br>$272.38 PSF | CB Coastal LLC<br>Davids Pinot Vineyards, Inc. | Class C |
| 2325 Skyway Drive<br>Santa Maria, CA | 25,053 SF | $5,100,000<br>$203.57 PSF | Rancho Laguna Farms<br>Francis D. & Alida Freda 1991 Trust | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 326 Bollay Drive<br>Goleta, CA | 42,611 SF | Majestic Asset Management, Inc. | Redwire Space Enterprises, Inc. | Services |
| 495 Pine Avenue<br>Goleta, CA | 5,361 SF | Goleta Business Park | Merakai LLC dba MOS Equipment | Manufacturing |
| 750 Technology Drive<br>Goleta, CA | 5,000 SF | Onnen & Klopstein Investments | Undisclosed | Undisclosed |

# Q2 2024
## STOCKTON/CENTRAL VALLEY, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

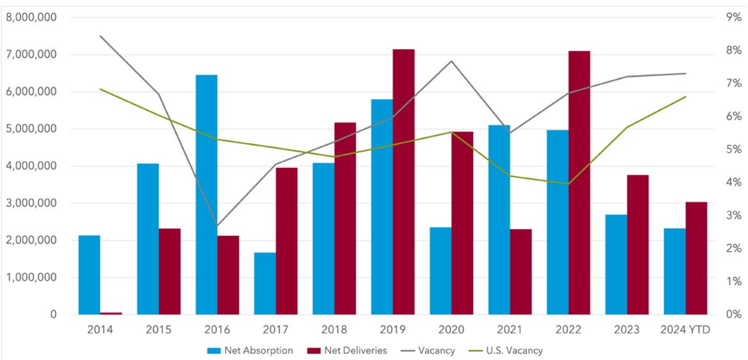
## INDUSTRIAL MARKET OVERVIEW

JIM MARTIN, SIOR *Senior Vice President*

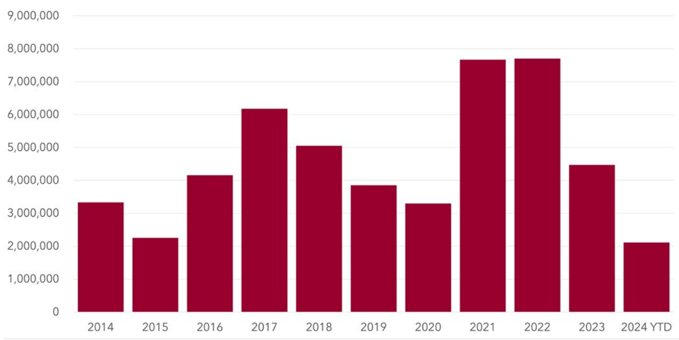
Despite continued momentum on the leasing front the Central Valley has seen an increase in 2nd / 3rd generation spaces hit the market for lease/sale due to closures of industrial manufacturing operations along with shifts in supply chain concerns with a handful of 3PLs vacating warehouse facilities. Q2 2024 saw several smaller (60,000sf and below) owner/user buildings hit the market – more so than seen in some time. Generally low supply of this product type should result in strong activity but the continued high interest rates has tempered owner/user buyers. Speculative construction remains at a standstill pending further absorption of existing spec product but some of the top leases in the quarter will help on that front.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ Qtrly Net Absorption SF | 2,756,802 | 2,921,466 | 3,671,770 | 4,824,096 | 6,167,200 |
| ▲ Vacancy Rate | 7.2% | 6.8% | 7.0% | 6.1% | 6.4% |
| ▲ Avg NNN Asking Rate PSF | $9.60 | $9.48 | $9.48 | $9.36 | $9.24 |
| ▼ SF Under Construction | 2,110,939 | 3,720,004 | 5,148,452 | 6,331,730 | 5,108,682 |
| ▲ Inventory SF | 152,471,484 | 150,862,419 | 149,433,971 | 148,245,705 | 148,235,507 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 16888 McKinley Avenue<br>Lathrop, CA | 827,363 SF<br>on 106.05 Acres | $146,000,000<br>$176.46 PSF | Super Store Industries<br>SoftBank Group | Class B |
| 1624 Army Court<br>Stockton, CA | 655,976 SF<br>on 36.41 Acres | $71,800,000<br>$109.46 PSF | DRA<br>Kennedy Wilson | Class B |
| 8477 S. Airport Way<br>Stockton, CA | 97,085 SF<br>on 6.56 Acres | $18,181,818<br>$187.28 PSF | Phelan<br>REAM Enterprises | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 504 E. Glenn Avenue<br>Modesto, CA | 350,325 SF | G3 | Corrugated Supply Company | Warehouse/<br>Distribution |
| 1919 Boeing Way<br>Stockton, CA | 233,932 SF | Clarion | Dollar Tree | Warehouse/<br>Distribution |
| 8547 S. Airport Way<br>Stockton, CA | 106,641 SF | Phelan | Metalrays | Warehouse/<br>Distribution |

# Q2 2024
## DENVER, CO

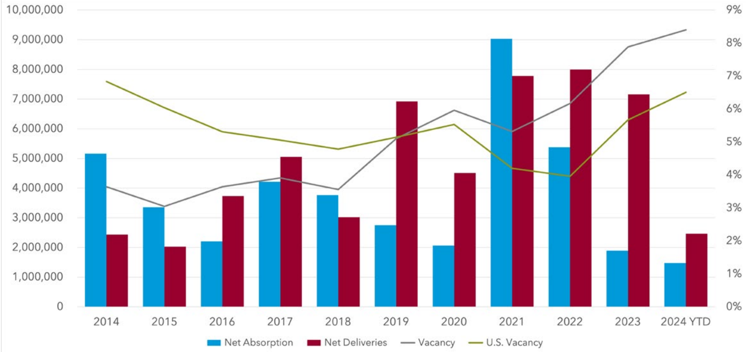
## INDUSTRIAL MARKET OVERVIEW

RON WEBERT, SIOR, *Principal*

The Denver market is a slow mover, but a steady performer, with absorption, leasing activity and vacancy rates all virtually unchanged from the previous quarter. Interest rates have not lowered as we all hoped, but in spite of this, sales volume has seen a slight uptick, the highest volume in the previous 6 quarters. With a possible interest rate decrease coming in the fall, we predict sales volume to be steady and increase near the end of the year. Some large deals appear to be close, with a 600K new construction sale, and a 500K+ lease, so there are some indicators that we will experience some positive momentum as we head into the latter half of the year.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ Net Absorption SF | 203,220 | 1,178,728 | 1,760,652 | (51,992) | 1,247,363 |
| ▲ Vacancy Rate | 8.4% | 7.5% | 7.9% | 7.0% | 6.6% |
| ▲ Avg NNN Asking Rate PSF | $11.06 | $11.01 | $10.88 | $10.92 | $10.19 |
| ▼ SF Under Construction | 4,633,930 | 6,432,450 | 8,450,390 | 10,286,874 | 10,479,949 |
| ▲ Inventory SF | 285,822,100 | 283,503,041 | 281,444,197 | 278,330,490 | 277,199,371 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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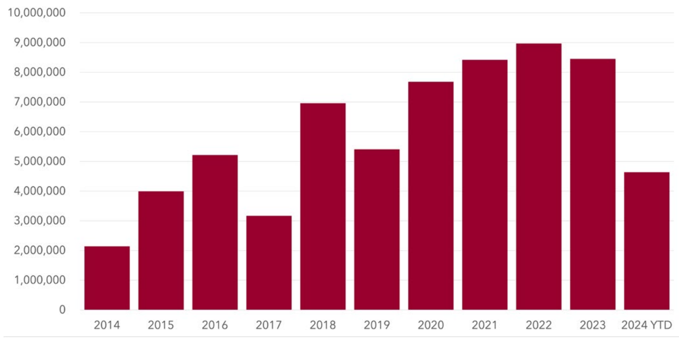



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 9940 Havana Street<br>Commerce City, CO | 280,000 SF | $722,400,000<br>$258.00 PSF | Eaton Vance<br>Scannell | Class A |
| 18245 E. 40th Avenue<br>Aurora, CO | 155,916 SF | $16,000,000<br>$102.00 PSF | Brennan<br>William Gold | Class A |
| 7194 S. Revere Parkway<br>Centennial, CO | 123,820 SF | $20,800,000<br>$168.00 PSF | Cherry Creek Schools<br>Brennan | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 21001 E. 13th Avenue<br>Aurora, CO | 223,850 SF | Northpoint | ID Logistics | Retail Services |
| 12000 E. 45th Avenue<br>Denver, CO | 181,860 SF | Prologis | Airhead Sports | Retail Services |
| 5275 Pecos Street<br>Denver, CO | 144,000 SF | Westfield | Lennox | HVAC Equipment |

# Q2 2024
## FORT MYERS, FL

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

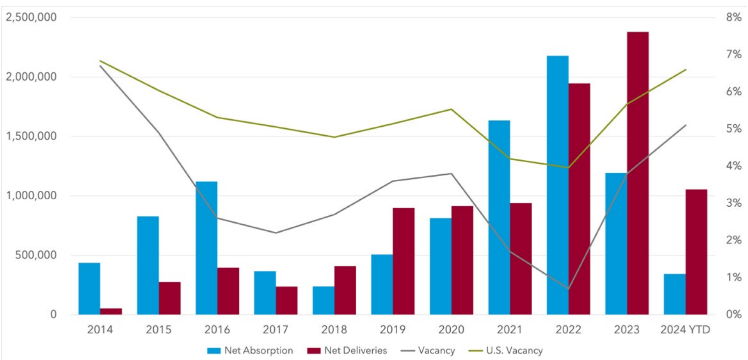
## INDUSTRIAL MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

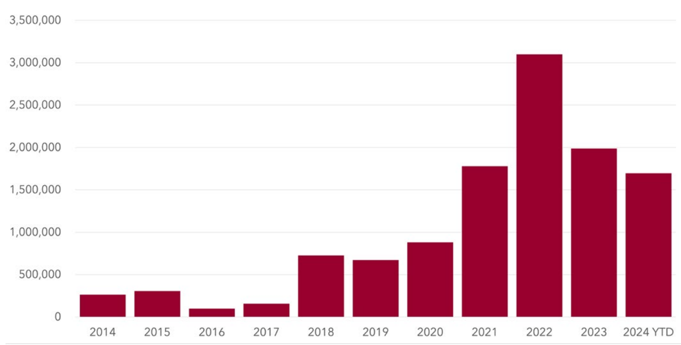
Market fundamentals supported another solid quarter in the Fort Myers industrial market. Rent growth continued at the close of second quarter for another record high rate of $13.79 per square foot, NNN in Lee County. Total leasing activity at midyear totaled more than 1.37 million SF. Although year-over-year (YOY) net absorption moderated, the level of demand remained solid. Total net absorption was positive for the third consecutive quarter with the strongest quarterly increase in the South Fort Myers submarket. One of the largest leases inked at midyear was to Highland Cabinetry at Knott Realty's Meridian Center South, taking 57,604 square feet in the Class A development.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | Qtrly Net Absorption SF | 184,677 | 174,728 | 490,424 | (10,949) | 258,478 |
| ▲ | Vacancy Rate | 5.1% | 4.8% | 3.8% | 1.9% | 1.2% |
| ▲ | Avg NNN Asking Rate PSF | $13.79 | $13.23 | $13.06 | $12.88 | $12.57 |
| ▼ | SF Under Construction | 1,242,493 | 1,256,337 | 1,987,016 | 3,120,264 | 3,363,074 |
| ▲ | Inventory SF | 41,464,764 | 41,312,310 | 40,409,201 | 39,129,623 | 38,771,709 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 5519 2nd Street, W<br>Lehigh Acres, FL | 22,254 SF | $5,280,000<br>$237.26 PSF | My Printed Glass<br>Aspron Investments LLC | Class B |
| 2130 Andrea Lane<br>Fort Myers, FL | 19,800 SF | $1,985,000<br>$100.25 PSF | Consignment Furniture Whse of Ft Myers<br>16420 Andrea Lane LLC | Class C |
| 8831 Business Park Drive<br>Fort Myers, FL | 18,750 SF | $5,000,000<br>$266.67 PSF | Kylar LLC<br>Korik Realty | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 10411 Meridian Center Parkway<br>Fort Myers, FL | 57,604 SF | Knott Realty Group | Highland Cabinetry | Cabinet Manufacturer |
| 6115 Tri County Commerce Way<br>Fort Myers, FL | 45,673 SF | Glenstar/Columnar | Costco Wholesale Corporation | Variety Store/<br>Warehouse Club |
| 6135 Tri County Commerce Way<br>Fort Myers, FL | 45,570 SF | Glenstar/Columnar | Aviation Precision Technology, Inc. | Aviation Repair/<br>Manufacturer |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## NAPLES, FL

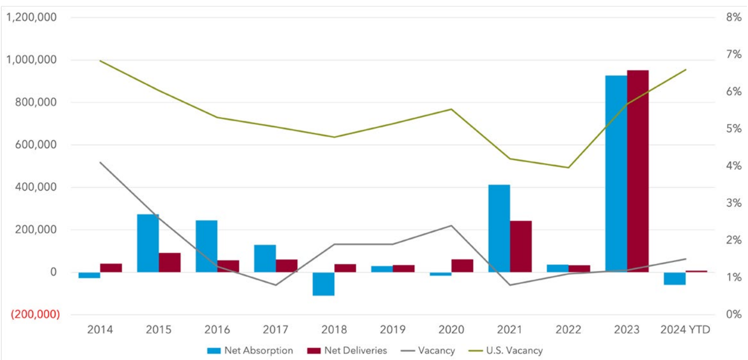
## INDUSTRIAL MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

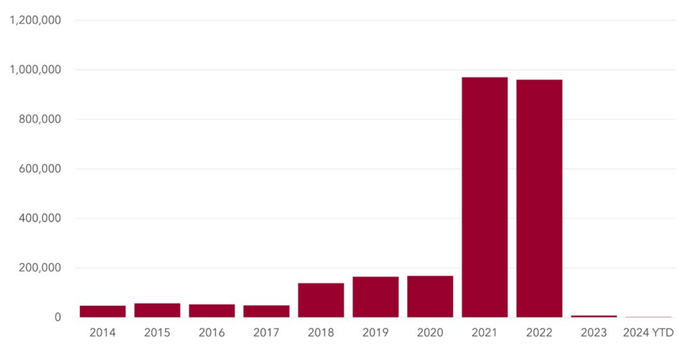
The Naples industrial market remained tight for another consecutive quarter. Midyear market fundamentals showed little change in demand with positive absorption and strong leasing activity. New leasing activity at midyear was nearly 180,000 square feet, which was an improvement over the first half of last year in 2023. Year-over-year rent growth moderated, closing the quarter at an average asking rate of $19.71 psf NNN. There was a slight uptick in vacancy to 1.3%, for a 50 basis point jump. As a supply constrained market with limited options, rental rates may stay elevated hovering near the $20 mark into the end of the year.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | 19,895 | (60,008) | (1,134) | (37,177) | 947,965 |
| ▼ Vacancy Rate | 1.3% | 1.7% | 1.2% | 1.2% | 0.8% |
| ▼ Avg NNN Asking Rate PSF | $19.71 | $19.79 | $19.65 | $20.58 | $19.21 |
| ◄ ► SF Under Construction | 2,000 | 2,000 | 7,800 | 7,800 | 22,968 |
| ◄ ► Inventory SF | 14,440,473 | 14,440,473 | 14,432,673 | 14,432,673 | 14,417,505 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1225 Industrial Boulevard<br>Naples, FL | 24,950 SF | $6,350,000<br>$254.51 PSF | EQT Exeter<br>PepsiCo., Inc. | Class C |
| 3963/4001/4027 Exchange Avenue<br>Naples, FL | 20,850 SF | $4,415,000<br>$211.75 PSF | Darren Webber<br>Gulfside Industrial Rentals, Inc. | Class C |
| 3600 Westview Drive<br>Naples, FL | 18,597 SF | $7,500,000<br>$403.29 PSF | Jeffery Wells<br>Todd Rosenthal | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4720 Radio Road<br>Naples, FL | 35,088 SF | Sandal Real Estate Holdings | L & W Supply Corporation | Construction |
| 3600 Westview Drive<br>Naples, FL | 9,299 SF | Jeffery Wells | Naples Motorsports | Luxury Car Dealership |
| 3831 Arnold Avenue<br>Naples, FL | 7,316 SF | A M G Properties, Inc. | Undisclosed | Undisclosed |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## ORLANDO, FL

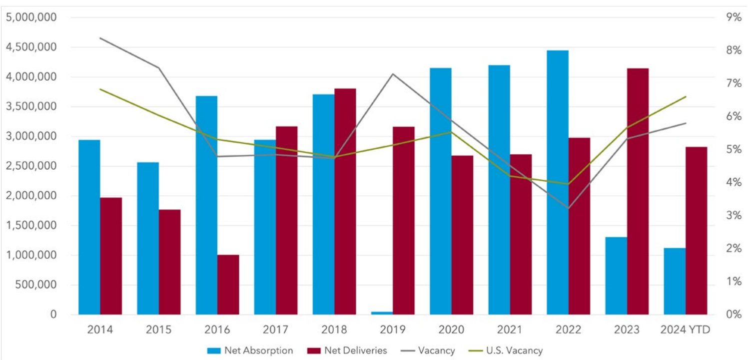
## INDUSTRIAL MARKET OVERVIEW

DEREK RIGGLEMAN, *Senior Vice President, Principal*

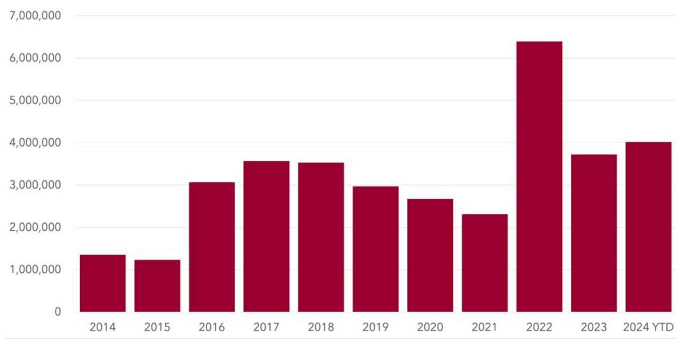
Orlando's industrial market remains tight with a 6.8% vacancy rate, only a 100-basis point increase from last quarter despite an influx of new supply delivering in Q2. The development pipeline is finally stabilizing, with 4 million square feet currently under construction. With limited new development starting and strong demand persisting, Orlando could see further market tightening going into 2025.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 1,792,904 | 1,989,458 | 1,306,680 | 2,677,278 | 3,351,899 |
| ▲ Vacancy Rate | 6.8% | 5.4% | 5.3% | 4.1% | 3.9% |
| ▲ Avg NNN Asking Rate PSF | $9.49 | $8.45 | $10.31 | $10.75 | $10.25 |
| ▼ SF Under Construction | 4,018,253 | 5,758,635 | 3,722,513 | 5,845,569 | 6,052,119 |
| ▲ Inventory SF | 135,879,689 | 133,309,665 | 128,458,121 | 126,167,823 | 125,884,653 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 7415 Emerald Dunes Drive*<br>Orlando, FL | 653,692 SF | $120,000,300<br>$183.57 PSF | LBA Realty<br>Link Industrial | Class A |
| 9777 Satellite Boulevard*<br>Orlando, FL | 256,838 SF | $40,500,000<br>$157.69 PSF | Harbert Management Corporation<br>Investcorp | Class C |
| 3600 Silver Star Road<br>Orlando, FL | 254,915 SF | $36,500,000<br>$143.18 PSF | Denholtz<br>Investcorp | Class B |

**Part of a Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 350 Gills Drive<br>Orlando, FL | 150,600 SF | Big Box Property<br>Owner C LLC | Victory Packaging | Distribution |
| 2416 Sand Lake Road<br>Orlando, FL | 78,368 SF | Prologis, Inc. | Undisclosed | Building Supply |
| 550 Marshall Lake Road<br>Apopka, FL | 58,600 SF | Summit Real<br>Estate Group | Architectural Glass Services | Building Supply |

# Q2 2024
## SOUTH FLORIDA, FL

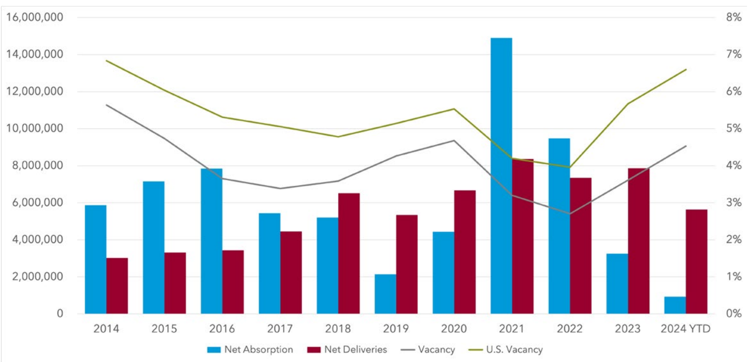
## INDUSTRIAL MARKET OVERVIEW

GREG MILOPOULOS, *Principal*

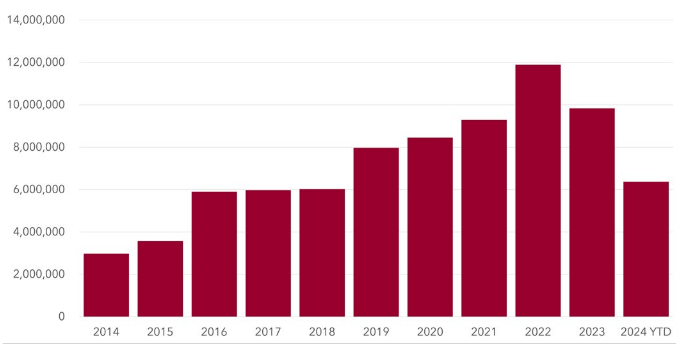
Our team continues to see an uptick in acquisitions of industrial assets and their valuation even while leasing momentum appears to be slowing down. Aside from Broward County's geographical makeup and limited future development opportunities, in my opinion the reason there hasn't been a pull back on valuation is the forthcoming reduction in interest rates per the FED. With debt and rent costs coming down, purchasing power remains positive as CAP rates won't regress enough to change asset values. Our team has completed just shy of 100,000 SF of sales this year, each deal slightly exceeding the last. All of them have interesting stories, reflecting the current nature of getting deals done in Broward County.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 1,773,506 | 2,961,905 | 3,252,605 | 3,969,529 | 6,945,756 |
| ▲ Vacancy Rate | 4.1% | 3.4% | 3.3% | 2.8% | 2.4% |
| ▼ Avg NNN Asking Rate PSF | $17.29 | $17.35 | $17.39 | $16.93 | $16.18 |
| ▼ SF Under Construction | 6,510,804 | 8,487,863 | 9,834,644 | 12,431,013 | 12,598,637 |
| ▲ Inventory SF | 489,503,755 | 486,043,338 | 484,008,534 | 480,280,355 | 479,113,734 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 14490 Corporate Road, S<br>Jupiter, FL | 1,001,226 SF | $106,500,000<br>$106.37 PSF | Hillwood Investment Properties<br>Truist Securities, Inc. | Class A |
| 3774 Interstate Park Road, N<br>Riviera Beach, FL | 225,000 SF | $55,000,000<br>$244.44 PSF | LBA Logistics<br>Dalfen Industrial | Class B |
| 3150 NW 33rd Street<br>Pompano Beach, FL | 136,032 SF | $62,860,708<br>$462.10 PSF | Tishman Speyer<br>IDI Logistics | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4000 NW 126th Avenue<br>Coral Springs, FL | 215,486 SF | GIC & EQT Exeter | PepsiCo Beverage North America | Food & Beverage |
| 1660 Silver Beach Road<br>Riviera Beach, FL | 90,822 SF | American Realty Advisors | Undisclosed | Undisclosed |
| 14620-14660 NW 60th Avenue<br>Miami Lakes, FL | 84,600 SF | Link Logistics | Hotelier Linen Service | Linen Supply |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

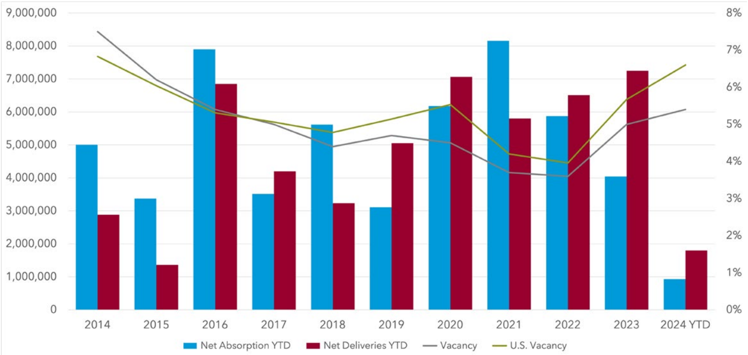
# Q2 2024
## TAMPA BAY, FL

## INDUSTRIAL MARKET OVERVIEW
LEE & ASSOCIATES TAMPA BAY

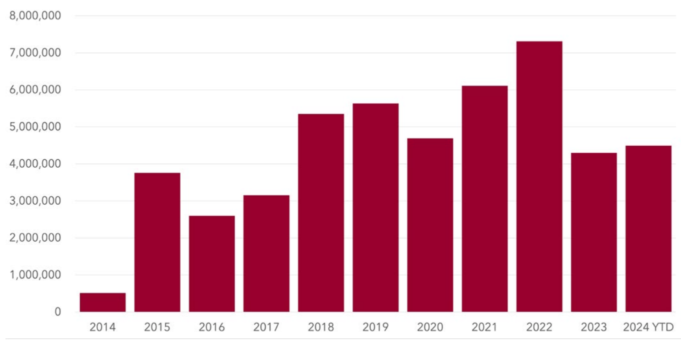
The Tampa Bay region's industrial market remains robust with a low vacancy rate of 5.4%, marking only a slight increase of 30 basis points from the previous quarter of 5.1%. In the second quarter of 2024, we saw the completion of eight new buildings, contributing an impressive 1.1 million square feet to our market. Leasing activity has been strong and occupancy levels remained high throughout the quarter. However, the limited availability of industrial space underscores the need for further development as 45% of the current pipeline is already pre-leased. The asking rates have seen slight fluctuations but overall have increased from $11.40 PSF in Q2 2023 to $11.58 PSF in Q2 2024; landlords appear confident in maintaining or increasing rental rates.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 1,078,963 | 659,980 | 4,042,972 | 6,385,720 | 7,766,345 |
| ▲ Vacancy Rate | 5.4% | 5.1% | 5.0% | 5.0% | 4.9% |
| ▲ Avg NNN Asking Rate PSF | $11.58 | $11.32 | $11.39 | $11.04 | $11.40 |
| ▲ SF Under Construction | 4,491,759 | 3,388,141 | 4,298,013 | 5,601,871 | 5,940,367 |
| ▲ Inventory SF | 244,650,465 | 244,428,965 | 241,539,808 | 240,803,351 | 239,788,481 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| S County Rd 39<br>Lithia, FL | 658 Acres | $14,062,371<br>$21,371 Per Acre | Tampa Electric Company<br>FFD Land Co., Inc. | Land |
| 4408-4410 W. Linebaugh Avenue<br>Tampa, FL | 126,270 SF | $10,000,000<br>$79.20 PSF | ODD Holdings LLC<br>5 Daughters R.E. Holdings, et al | Class C |
| 4908 W. Linebaugh Avenue<br>Tampa, FL | 10.6 Acres | $5,250,000<br>$495,283 Per Acre | ZSPR Propoco of East Tampa LLC<br>GC Tampa Linebaugh Owner LLC | Land |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| Lakeside Logistics<br>Plant City, FL | 252,580 SF | CBRE Investment<br>Management LLC | Sonoco Products Company DBA | Global Packaging<br>Supplier |
| 900 N. Chestnut Road<br>Lakeland, FL | 178,702 SF | AG-HS Lakeland<br>Property Owner LLC | Safelite Fulfillment, Inc. | Autoglass Fulfillment<br>Services |
| 750 42nd Street NW<br>Winter Haven, FL | 138,000 SF | DG Industrial Portfolio<br>Property Owner LP | Packaging Corporation of America | Manufacturing |

# Q2 2024
## ATLANTA, GA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

## INDUSTRIAL MARKET OVERVIEW

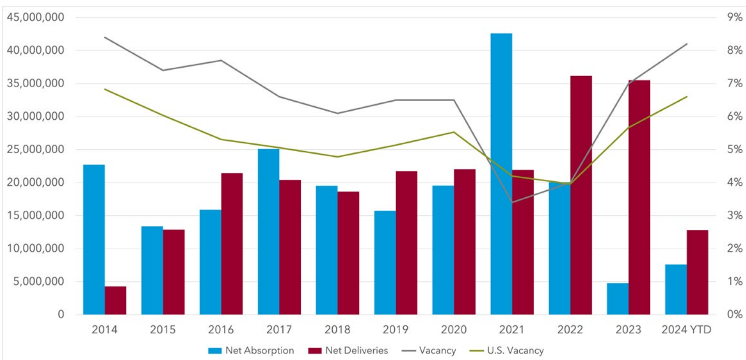
KATE HUNT, *Senior Research Analyst*

Leasing activity in Atlanta surged, rising 19% from last quarter and 40% in the first half of 2024 compared to 2023. Net absorption was positive at 3.3 million square feet in Q2, with higher levels expected later this year as tenants occupy newly leased spaces. Despite increased leasing, the vacancy rate rose to 8.2% in Q2 due to 7.3 million square feet of new inventory. Over the next 9-12 months, an additional 11.2 million square feet is expected to deliver. However, development activity is slowing, shown by the drop in groundbreakings this quarter. Robust leasing is expected to reduce vacancy and spur more speculative development by year-end.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 10,963,750 | 7,089,361 | 4,780,044 | 9,477,520 | 11,840,437 |
| ▲ | Vacancy Rate | 8.2% | 7.5% | 7.0% | 6.0% | 5.1% |
| ▲ | Avg NNN Asking Rate PSF | $8.38 | $8.24 | $8.50 | $8.36 | $8.32 |
| ▼ | SF Under Construction | 11,157,055 | 18,687,427 | 19,483,314 | 24,649,378 | 36,225,608 |
| ▲ | Inventory SF | 860,122,304 | 856,164,714 | 831,107,927 | 823,097,931 | 808,883,501 |

**Statistics may have changed due to annual audit*

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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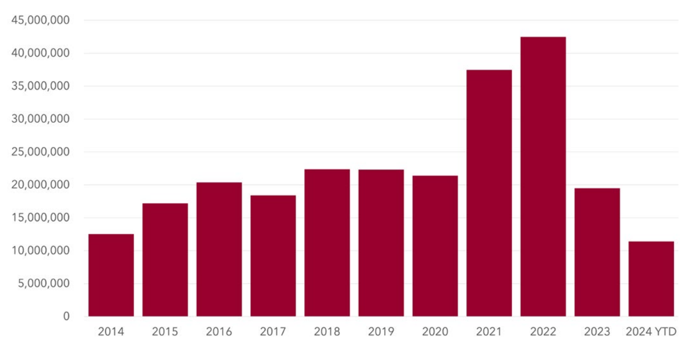



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 6455 Best Friend Road<br>Norcross, GA | 453,600 SF | $82,400,000<br>$181.66 PSF | 26th Street Partners LLC<br>TPA Group LLC | Class A |
| 130 Distribution Drive<br>McDonough, GA | 846,496 SF | $77,500,000<br>$91.55 PSF | GLP Capital Partners<br>American Realty | Class A |
| 7634 Hwy 140<br>Adairsville, GA | 691,667 SF | $66,250,000<br>$95.78 PSF | Welcome Group<br>PGIM, Inc. | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2201 Thornton Road<br>Lithia Springs, GA | 733,680 SF | Prologis, Inc | GXO Logistcs, Inc. | Logistics |
| 7875 White Road<br>Austell, GA | 604,852 SF | LXP Industrial Trust | Mars Wrigley Confectionery | Manufacturing |
| 920 Hwy 124<br>Braselton, GA | 520,570 SF | Prologis, Inc | Mizuno USA, Inc. | Manufacturing |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## SAVANNAH, GA

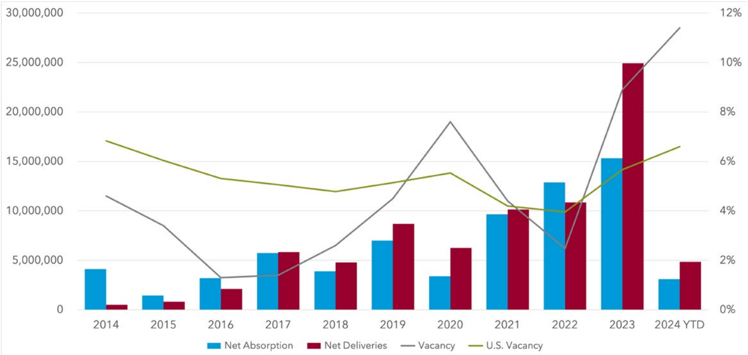
## INDUSTRIAL MARKET OVERVIEW

KATE HUNT, *Senior Research Analyst*

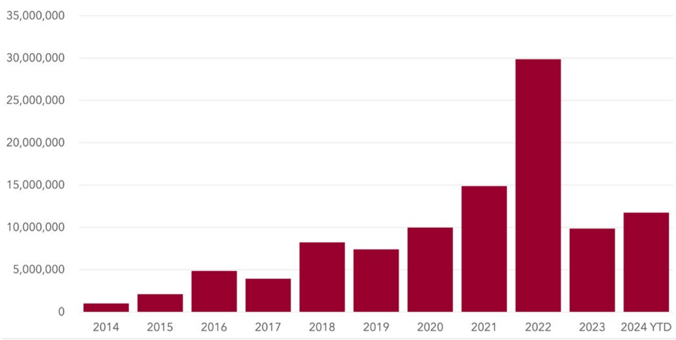
Savannah continues to ride the supply wave as nearly 3 million square feet of new inventory hit the market this quarter, further elevating vacancies. However, demand remains strong with robust leasing activity. The Port of Savannah has seen an increase in container trade every month in 2024 compared to 2023. GPA's performance in May improved by 11% over April's numbers. With consumer spending still active and anticipated elevated port activity for the remainder of the year, Savannah's industrial market is experiencing positive and sustained momentum amid rising vacancy.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 12,152,385 | 11,431,165 | 15,331,772 | 13,046,332 | 12,793,350 |
| ▲ | Vacancy Rate | 11.4% | 10.9% | 8.9% | 8.1% | 4.8% |
| ▲ | Avg NNN Asking Rate PSF | $7.57 | $7.20 | $7.28 | $7.78 | $7.12 |
| ▼ | SF Under Construction | 11,738,538 | 12,605,640 | 9,865,055 | 18,705,725 | 17,192,429 |
| ▲ | Inventory SF | 134,720,573 | 129,114,775 | 126,123,239 | 117,972,526 | 101,485,288 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1009 Gateway Parkway - Bldg 1H<br>Rincon, GA | 790,400 SF | $87,000,000<br>$110.07 PSF | EQT Exeter<br>TerrCap Management | Class A |
| 101 Feldspar - Bldg 10<br>Savannah, GA | 413,230 SF | $50,750,000<br>$122.81 PSF | DWS<br>Scannell Properties | Class A |
| 421 Morgan Lakes Industrial Blvd<br>Pooler, GA | 115,500 SF | Undisclosed | Stream Realty Partners LP<br>North Point Industrial LLC | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1000 Gateway Parkway<br>Rincon, GA | 380,000 SF | Broe Group | Aertssen | Transportation and Warehousing |
| 302 International Trade Parkway<br>Port Wentworth, GA | 350,933 SF | Safaveih, Inc. | Undisclosed | Undisclosed |
| 605 Expansion Boulevard<br>Port Wentworth, GA | 331,200 SF | Prologis | Veteran Carriers, Inc. | Transportation and Warehousing |

# Q2 2024
## CHICAGO, IL

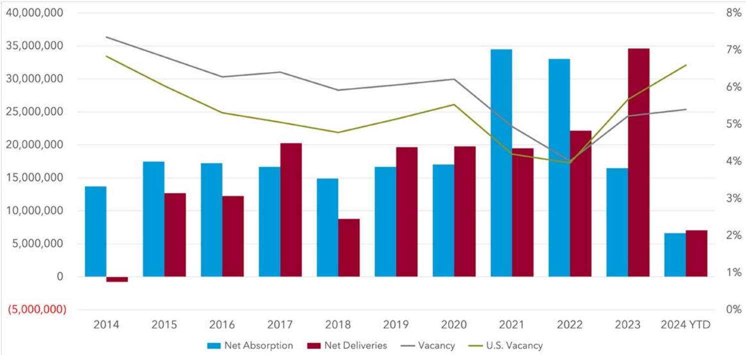
## INDUSTRIAL MARKET OVERVIEW

ZACH GELLER, *Market Analytics Director;* BRANDON PAPPAS, *VP Data Analytics and Business Development*

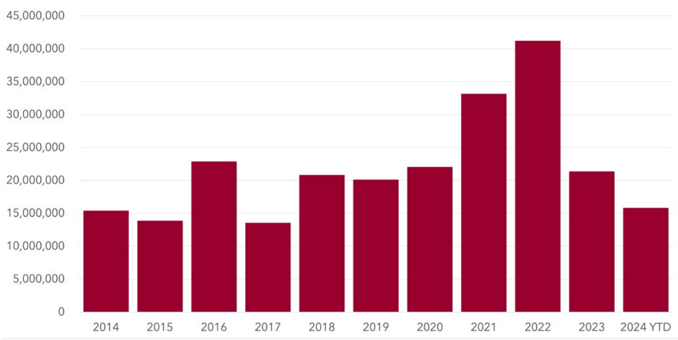
Chicago's industrial sector is cooling after peak years in 2021 and 2022, with leasing activity down around 7% compared to the 2015-2019 average. As of Q2 2024, Chicago's vacancy rate is 5.4%, significantly lower than historical averages by 200 basis points. The market absorbed 10.1 million square feet in the last year, keeping its vacancy rate at least 100 basis points tighter than the national average. Expectations are for Chicago's vacancy rates to remain below the 20-year average throughout 2024, supported by strong intermodal infrastructure and affordable rents, which sustain tenant demand.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 10,094,202 | 15,682,636 | 16,239,035 | 25,086,494 | 25,887,080 |
| ◄ ► | Vacancy Rate | 5.4% | 5.4% | 5.2% | 4.5% | 4.2% |
| ▲ | Avg NNN Asking Rate PSF | $9.59 | $9.42 | $9.33 | $9.20 | $9.04 |
| ▼ | SF Under Construction | 16,057,202 | 17,455,684 | 21,375,600 | 28,712,693 | 37,101,484 |
| ▲ | Inventory SF | 1,408,432,954 | 1,407,555,896 | 1,401,369,670 | 1,391,154,240 | 1,379,924,240 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 21561 Mississippi Street<br>Elwood, IL | 624,370 SF | $44,000,000<br>$70.47 PSF | Stonepeak Partners LLC<br>CenterPoint Properties | Class A |
| 26318-26634 S. Walton Drove<br>Elwood, IL | 600,000 SF | $42,283,803<br>$70.47 PSF | Stonepeak Partners LLC<br>CenterPoint Properties | Class A |
| 2501 Galvin Drive<br>Elgin, IL | 342,620 SF | $35,200,000<br>$102.74 | Cabot Properties, Inc.<br>Zurich | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 701 Central Avenue<br>University Park, IL | 1,552,475 SF | W.P. Carey, Inc. | Samsung | Electronics |
| 9850 Mississippi Street<br>Crown Point, IN | 1,001,662 SF | Crow Holdings | Amazon | Technology &<br>E-Commerce |
| 825 Bluff Road<br>Romeoville, IL | 500,160 SF | James Campbell<br>Company LLC | Central American Group | Transportation/<br>Logistics |

# Q2 2024
## KANSAS CITY, KS

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

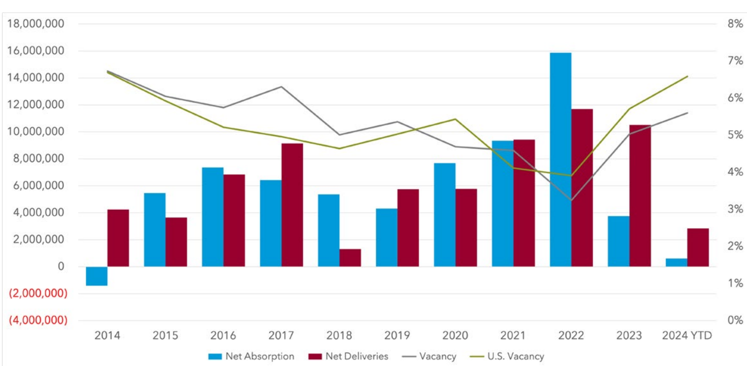
## INDUSTRIAL MARKET OVERVIEW

JOSH KOCH, *Senior Associate*

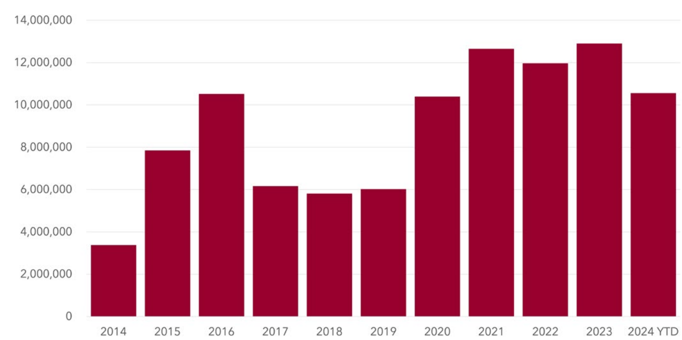
The industrial vacancy rates in Kansas City, much like the rest of the country, have continued to increase QoQ, reaching 5.9%. This rise is primarily attributed to the delivery of 2.1 million SF of speculative construction this quarter and a decrease in demand for larger spaces (500,000 SF or more). Despite this, overall demand remains strong, particularly in the 25,000 to 150,000 SF range, driving up rental rates by $0.08/SF QoQ (from $7.17/SF NNN to $7.25/SF NNN). Owners of Class B/C industrial properties are benefiting from these rental increases because most speculative developers have refrained from dividing their new deliveries, therefore, maintaining scarcity in certain size ranges.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 2,970,316 | 2,624,530 | 3,744,637 | 11,734,340 | 12,640,327 |
| ▲ | Vacancy Rate | 5.9% | 5.7% | 5.0% | 4.2% | 3.8% |
| ▲ | Avg NNN Asking Rate PSF | $7.25 | $7.17 | $7.08 | $6.97 | $6.86 |
| ▼ | SF Under Construction | 9,416,080 | 11,416,080 | 12,909,077 | 14,379,107 | 16,189,567 |
| ▲ | Inventory SF | 364,301,537 | 363,530,704 | 361,748,115 | 358,755,179 | 355,569,777 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 2515 Semco Drive<br>Belton, MO | 22,042 SF | $5,600,000<br>$254.06 PSF | Bluegrass Brothers<br>Semco Stone | IOS |
| 7848 Barton Street<br>Lenexa, KS | 19,780 SF | $2,400,000<br>$121.33 PSF | Mass Medical Storage<br>Hogdon Power Company | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1500 W. Geospace Drive<br>Independence, MO | 342,245 SF | Space Center | USCIS | Government |
| 8700 Elmwood Avenue<br>Kansas City, MO | 170,225 SF | Northpoint | Keystone Technologies | Manufacturing |
| 159th & John Glenn Parkway<br>New Century, KS | 132,503 SF | VanTrust | Olathe Millwork | Distribution |

# Q2 2024
## BATON ROUGE, LA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

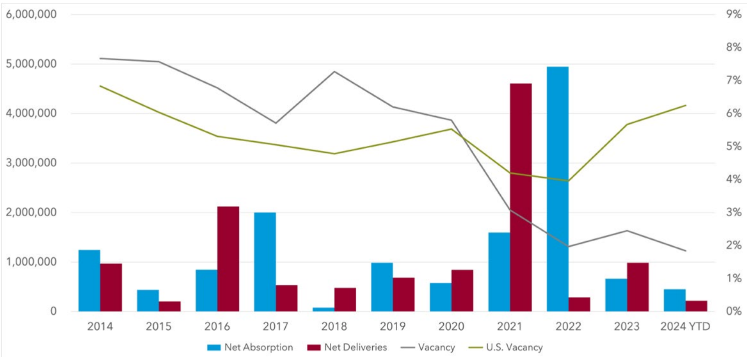
## INDUSTRIAL MARKET OVERVIEW

EVAN SCROGGS, *President, Managing Principal*

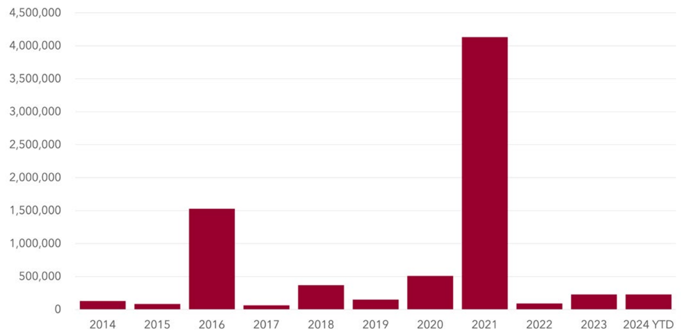
The Baton Rouge industrial market saw vacancy rates drop by 80 basis points from Q1 to Q2 settling in at 1.84%. This is the first time for vacancy to fall below 2% since Q1 of 2023. Total market vacancy fell to 694,450 SF. Net deliveries and new construction starts were both under 250K SF for the quarter, continuing the trend of scarcity of quality product. 390,375 SF of space was absorbed in Q2 bringing the YTD total to 450,667 SF. All submarkets experienced positive absorption for the quarter. Asking rental rates increased quarter over quarter from $9.66/SF to $9.75/SF. Overall, the Baton Rouge industrial market remains tight with increasing rental rates and historically low vacancy rates.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 609,204 | 707,849 | 708,669 | Unknown | Unknown |
| ▼ Vacancy Rate | 1.84% | 2.64% | 2.45% | 3.03% | 2.34% |
| ▲ Avg NNN Asking Rate PSF | $9.75 | $9.66 | $9.48 | Unknown | Unknown |
| ▼ SF Under Construction | 95,014 | 132,618 | 106,562 | 111,250 | 714,963 |
| ▲ Inventory SF | 37,655,399 | 37,548,837 | 37,437,587 | 36,722,624 | 36,670,309 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 36445 Perkins Road<br>Prairieville, LA | 111,000 SF | $5,300,000<br>$47.75 PSF | Perfomance Contractors<br>Aptim | Class C |
| 9250 Wilbur Street<br>Baton Rouge, LA | 19,186 SF | $1,218,250<br>$63.50 PSF | FNLR Non Friction LLC<br>Sun Coast Resources LLC | Class C |
| 2718 S. Ruby Avenue<br>Gonzales, LA | 13,025 SF | $1,360,000<br>$104.41 PSF | Coleman Roofing & Construction<br>Livingston Frost LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 36548 Lyle Drive<br>Geismar, LA | 17,823 SF | Lot 30 LLC | Code Red Safety | Oil Field Services |
| 7150 Exchequer Drive<br>Baton Rouge, LA | 16,000 SF | Fourth & Long LLC | Undisclosed | Mechanical Distribution |
| 11200 Industriplex Avenue<br>Baton Rouge, LA | 14,649 SF | 11200 Industriplex Blvd. LLC | Honeywell International | Industrial Automation |

# Q2 2024
## BOSTON, MA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

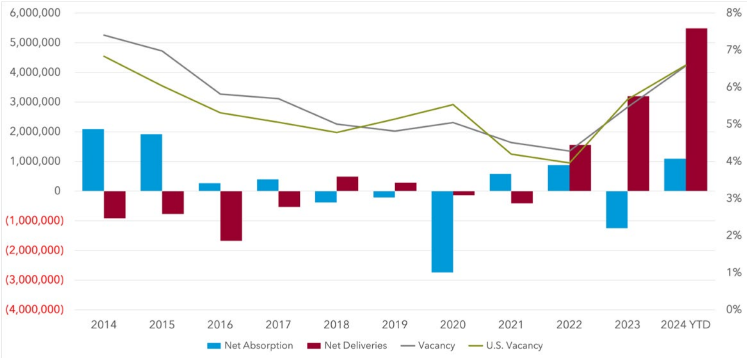
## INDUSTRIAL MARKET OVERVIEW

TY JANNEY, *Managing Principal;* ROBERT ELMER, *Managing Principal*

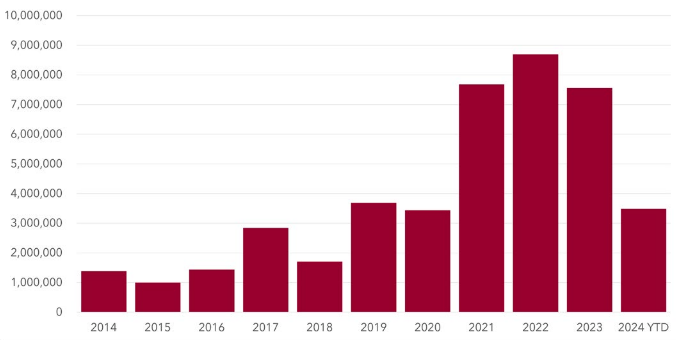
Boston's industrial market faces challenges in 2024, as vacancy rates rise to 6.6% and negative net absorption coincide with its heaviest delivery schedule in 25 years, adding 3.5 million SF of new construction. The housing slowdown continues to dampen demand for warehouse goods, impacting Boston's logistics and flex spaces. Despite robust consumer spending and job growth, the industrial sector struggles with space absorption. Rent growth has slowed to 7.0%, in line with national trends but above historical averages. Looking ahead, Boston expects vacancy to stabilize near 7% by 2025, reflecting broader economic adjustments and suggesting cautious optimism amidst ongoing supply challenges.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 524,707 | (1,666,783) | (1,215,115) | 910,563 | (1,168,031) |
| ▲ | Vacancy Rate | 6.5% | 5.9% | 5.5% | 5.0% | 4.9% |
| ▲ | Avg NNN Asking Rate PSF | $16.29 | $16.04 | $15.77 | $15.56 | $15.17 |
| ▼ | SF Under Construction | 3,483,548 | 7,914,844 | 7,559,227 | 7,669,917 | 8,462,917 |
| ▲ | Inventory SF | 367,116,564 | 362,404,160 | 361,630,425 | 361,200,563 | 360,322,475 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 8 Centennial Drive<br>Peabody, MA | 520,792 SF | $77,000,000<br>$147.85 PSF | Tishman Speyer<br>Analogic Corporation | Class B |
| 175 Lowell Street<br>Wilmington, MA | 298,895 SF | $90,000,000<br>$301.11 PSF | Dogwood Industrial Properties<br>National Development | Class A |
| 14 Aegean Drive<br>Methuen, MA | 234,254 SF | $54,400,000<br>$232.23 PSF | Ares Industrial R.E. Income Tr,, Inc.<br>New York Life Investments | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3 Nemco Way<br>Ayer, MA | 113,382 SF | Anthony J Basile | CELLTREAT Scientific Products | Professional Scientific Services |
| 200 Danton Drive<br>Methuen, MA | 70,041 SF | Starwood Capital Group | All Access Equipment | Rental & Leasing Services |
| 115 Jackson Road<br>Devens, MA | 54,000 SF | MA Division of Capital Asset Mgmt/REALM | Xinetics | Aircraft Manufacturing |

# Q2 2024
## GREATER BALTIMORE, MD

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

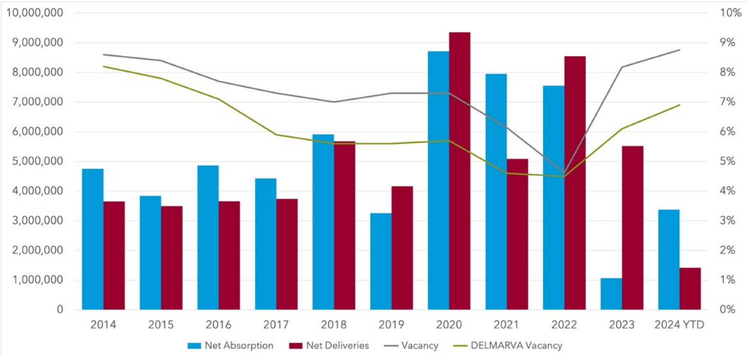
### INDUSTRIAL MARKET OVERVIEW

ERIC SKOGMO, *Vice President*

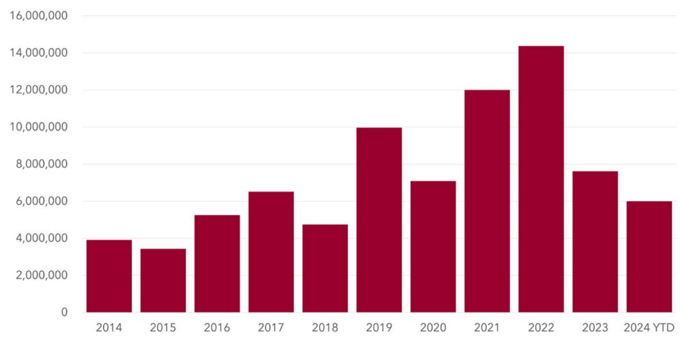
Economic concerns and uncertainty in the upcoming election have contributed to another down quarter for the Greater Baltimore industrial market. The second quarter saw negative absorption and once again an increase in the vacancy rate. Over four million square feet of sublet space alone is available as well. With several buildings sitting vacant since delivery and a decrease in tenant demand, speculative development has continued to decline. Capital markets activity increased compared to the first quarter. The most notable transaction was EQT Exeter's acquisition of Baltimore Crossroads from PGIM, a six-building portfolio just north of Baltimore.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | Net Absorption SF | 1,003,309 | 530,434 | (260,274) | 1,649,851 | (215,737) |
| ▲ | Vacancy Rate | 8.48% | 8.39% | 8.18% | 7.24% | 6.37% |
| ▲ | Avg NNN Asking Rate PSF | $9.24 | $8.89 | $8.90 | $8.93 | $7.83 |
| ▼ | SF Under Construction | 6,002,171 | 7,025,331 | 7,618,515 | 9,983,969 | 14,580,644 |
| ▲ | Inventory SF | 277,392,824 | 275,887,206 | 274,905,536 | 269,448,676 | 263,918,859 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY




#### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| Baltimore Crossroads Portfolio<br>Middle River, MD | 887,117 SF | $140,500,000<br>$158.38 PSF | EQT Exeter<br>PGIM, Inc. | Class A |
| 6720 Baymeadow Drive<br>Glen Burnie, MD | 105,700 SF | $17,750,000<br>$167.93 PSF | Ares Management Corp<br>High Street Logistics Properties | Class C |
| 1704 Trible Road<br>Edgewood, MD | 105,000 SF | $18,625,000<br>$177.38 PSF | Stolz Real Estate Partners<br>Sagarad Real Estate | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1000 Commerce Center Drive<br>Elkton, MD | 766,000 SF | Trammell Crow<br>Company | Ammo International | Service |
| 1411 Tangier Drive<br>Middle River, MD | 217,745 SF | PGIM, Inc. | Mary Sue Candies | Manufacturing |
| 7200 Standard Drive<br>Hanover, MD | 150,346 SF | TPG Angelo<br>Gordon & Co. LP | Allied Power | Wholesaler |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## DETROIT, MI

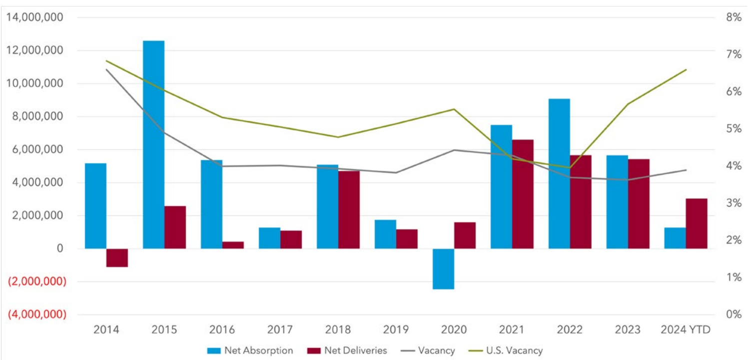
## INDUSTRIAL MARKET OVERVIEW

JON SAVOY, CCIM, SIOR, *President*

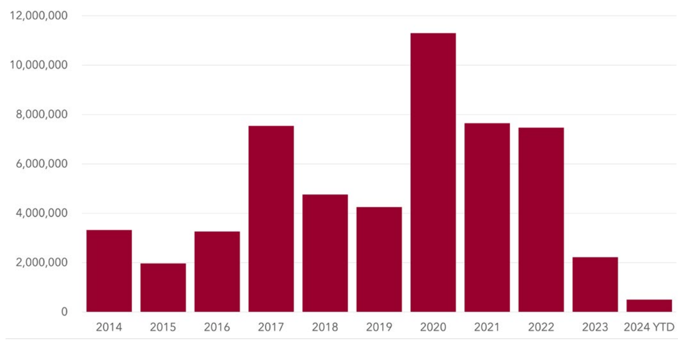
The Detroit Industrial Market indicated a 3.80% vacancy rate during the second quarter of 2024, a 0.10% increase from the previous quarter. The new construction market has slowed considerably given increased interest rates and construction costs. Detroit now has just under two-and-one-half million square feet of construction underway. Kansas City-based Northpointe Development is in the process of developing both 700,000 square feet at the Romulus Trade Center in Romulus and 1,000,000 square feet at the Eastland Commerce Center in Harper Woods. Sale prices have continued to increase, a result of a shortage of product.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 3,803,557 | 6,144,979 | 5,657,340 | 8,884,648 | 6,781,056 |
| ▲ Vacancy Rate | 3.8% | 3.7% | 3.6% | 3.5% | 3.5% |
| ▲ Avg NNN Asking Rate PSF | $8.64 | $8.57 | $8.49 | $8.40 | $8.32 |
| ▼ SF Under Construction | 2,465,262 | 3,113,296 | 5,001,337 | 6,019,803 | 7,715,048 |
| ▲ Inventory SF | 630,952,085 | 629,989,181 | 627,910,600 | 626,735,154 | 624,480,654 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 6000 Rosa Park Boulevard<br>Detroit, MI | 400,000 SF | Undisclosed | Henry Ford Health<br>Cardinal Health, Inc. | Class A |
| 3500 24th Street<br>Port Huron, MI | 149,078 SF | Undisclosed | Burton-Katzman, Inc.<br>South River Service Corp. | Class B |
| 1700 Atlantic Boulevard<br>Auburn Hills, MI | 121,263 SF | $12,600,000<br>$103.91 PSF | Superior Electric Co.<br>Burton-Katzman, Inc. | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 800 Standard Parkway<br>Auburn Hills, MI | 150,102 SF | General<br>Development Co. | Convergix Automation<br>Solutions, Inc. | Automotive |
| 31840 Enterprise Drive<br>Livonia, MI | 130,700 SF | Livonia Estates Ltd. | OPW Fluids Group, Inc. | Manufacturing |
| 12601 Southfield Freeway<br>Detroit, MI | 81,000 SF | RealtyMogul Co. | Unity Software, Inc. | Technology |

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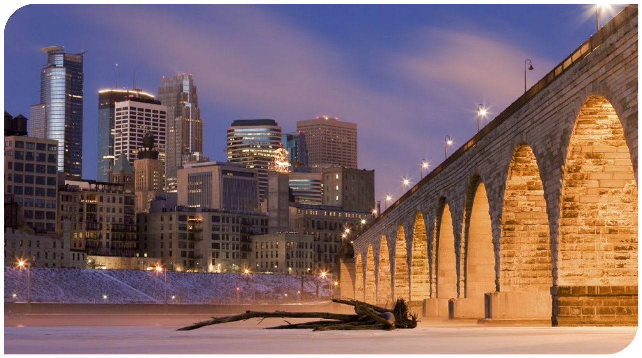
# Q2 2024
## TWIN CITIES, MN



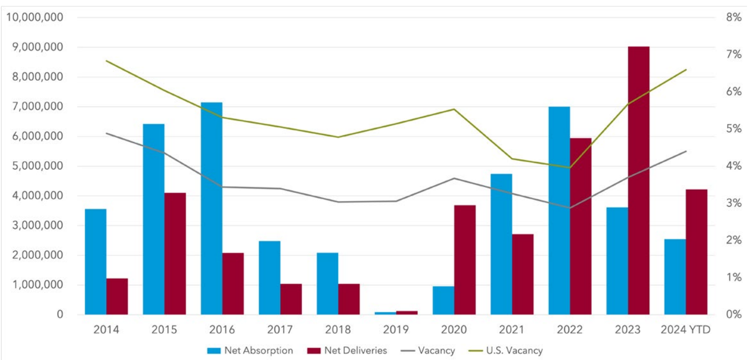
## INDUSTRIAL MARKET OVERVIEW

NATHAN ARNOLD, CCIM, *Principal*

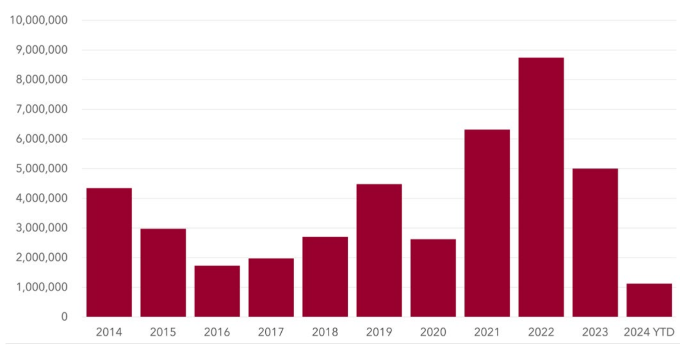
The industrial real estate market in Minneapolis saw robust activity in Q2 2024. Vacancy rates slightly decreased, reflecting strong demand and steady leasing activity. Net absorption remained positive, driven by continued interest from logistics and e-commerce companies. However, new construction starts have slowed, partly due to rising construction costs and interest rates. Rental rates have been stable, with some submarkets experiencing slight increases due to limited supply. The outlook remains optimistic, with expectations of sustained demand and gradual growth in rental rates as the market adjusts to economic conditions.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 3,433,142 | 3,392,586 | 3,615,180 | 3,678,457 | 5,856,935 |
| ▲ Vacancy Rate | 4.3% | 4.0% | 3.7% | 3.5% | 3.1% |
| ▲ Avg NNN Asking Rate PSF | $8.83 | $8.59 | $8.55 | $8.25 | $8.13 |
| ▼ SF Under Construction | 1,124,108 | 3,545,177 | 5,746,183 | 8,620,615 | 9,138,073 |
| ▲ Inventory SF | 429,328,702 | 425,432,054 | 422,448,005 | 418,471,655 | 416,705,228 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| Part of a 20-Building Sale<br>Metro Wide, MN | 4,000,000 SF | $396,800,000 | EQT Exeter<br>Prologis | Class A |
| 326 Lake Hazeltine Drive -3 Bldg Sale<br>Chaska, MN | 82,085 SF | $14,040,000<br>$171.04 PSF | Beckman Coulter<br>Cardbeck Chaska Trust | Class B |
| 2450 N Washington Avenue<br>Minneapolis, MN | 181,436 SF | $6,310,000<br>$34.78 PSF | Cemstone<br>Classice Space, Inc. | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 6300 Olson Memorial Highway<br>Golden Valley, MN | 124,000 SF | United Properties | Shippers Supply | Shipping Materials |
| 11100 Jefferson Highway, N<br>Champlin, MN | 92,721 SF | Investcorp | States Manufacturing | Electrical |
| 17600 Territorial Road<br>Maple Grove, MN | 88,760 SF | Opus | Turbine Pro | Manufacturing |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
# CHARLOTTE, NC

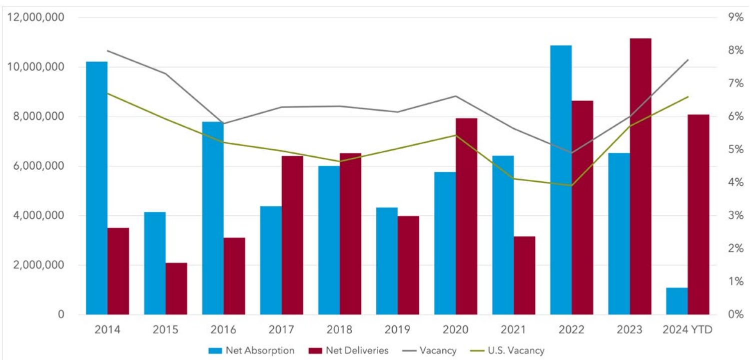
## INDUSTRIAL MARKET OVERVIEW

GREG PIERATT, *President/Principal;* MATT FRAZEE, *Principal*

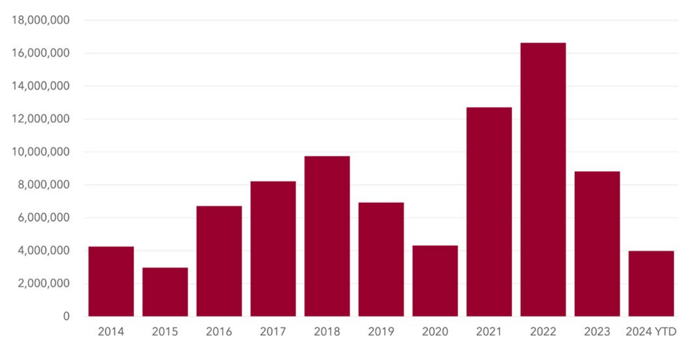
The Charlotte industrial market saw a rise in vacancy rates to 7.8% due to continued construction and high-profile move-outs. Approximately 13.5 million SF is under construction, with large-box buildings facing the most significant vacancy challenges. Annual rent growth remains strong at 6.1%, although it has decelerated recently. Leasing activity has cooled from pandemic peaks, with net absorption falling below pre-pandemic levels. Sales volume dropped by 31% year-over-year, reflecting cautious investor sentiment amid rising interest rates. Long-term prospects remain positive, bolstered by strong population growth and federal investments in manufacturing sectors.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 2,367,279 | 3,429,964 | 6,530,133 | 9,888,871 | 10,397,485 |
| ▲ | Vacancy Rate | 7.68% | 7.23% | 6.00% | 5.31% | 4.95% |
| ▲ | Avg NNN Asking Rate PSF | $9.30 | $9.22 | $9.07 | $8.94 | $8.72 |
| ▼ | SF Under Construction | 13,534,234 | 16,694,072 | 17,610,393 | 17,851,986 | 18,848,857 |
| ▲ | Inventory SF | 380,093,126 | 376,006,495 | 372,083,369 | 369,502,763 | 366,699,819 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1900 Continental Boulevard<br>Charlotte, NC | 1,361,756 SF | $97,000,000<br>$71.23 PSF | LM Real Estate Partners<br>Somerset Prop/Waterfall Asst Mgt | Class B |
| 1345 Hall Spencer Road<br>Rock Hill, SC | 160,624 SF | $3,535,000<br>$22.01 PSF | Integrated Electrical Service<br>Schuff Steel | Class B |
| 209 Long Meadow Drive<br>Salisbury, NC | 111,977 SF | $5,950,000<br>$53.14 PSF | Imperial Brown<br>Ballston Spa National Bank | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5910 Long Creek Park Drive<br>Charlotte, NC | 222,500 SF | Blackstone | BIC Corporation | Manufacturing |
| 2022 The Oaks Parkway<br>Belmont, NC | 143,020 SF | LBA Realty | Priority Tire | Retailer |
| 546 L&C Distribution Center<br>Richburg, SC | 110,000 SF | Weston, Inc | Atlantic Home Textiles | Manufacturing |

# Q2 2024
## DURHAM, NC

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

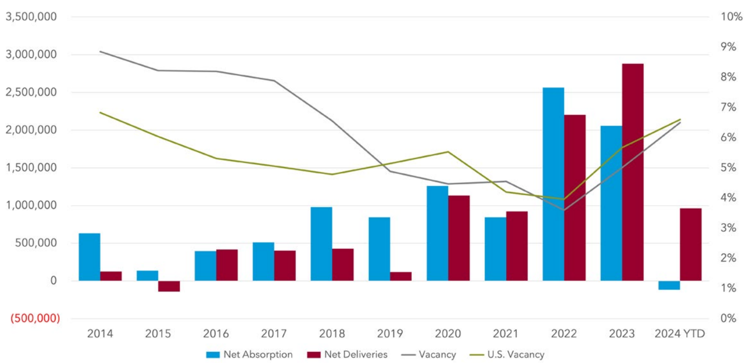
## INDUSTRIAL MARKET OVERVIEW

WILL JUDY, *Broker*

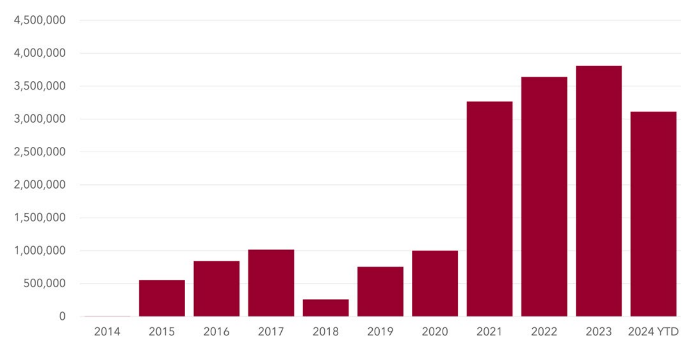
Demand for industrial space in the Durham area exceeds national averages, driven largely by economic growth fueled by the Research Triangle. This area constitutes 45% of the market's inventory, which includes a significant amount of flex space used for life-science research, development, and lab space. E-commerce and other distribution operations, notably along interstates 40 and 85, are active. However, deliveries have still outpaced demand causing vacancy rates to rise to 6.5%, while new construction has only declined slightly and remains strong with approximately 3.1 million square feet in the pipeline. High interest rates have reduced sales volume, and recent deals have been smaller, averaging around $3 million per transaction.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 1,362,918 | 1,731,066 | 2,058,150 | 2,379,543 | 2,523,499 |
| ▲ Vacancy Rate | 6.50% | 6.29% | 5.00% | 4.58% | 5.07% |
| ▲ Avg NNN Asking Rate PSF | $11.53 | $11.51 | $11.36 | $11.18 | $10.99 |
| ▼ SF Under Construction | 3,113,275 | 3,180,320 | 3,809,720 | 3,911,370 | 2,864,293 |
| ▲ Inventory SF | 53,142,318 | 51,929,860 | 50,995,260 | 50,867,859 | 50,304,936 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 933 Ellis Road<br>Durham, NC | 274,370 SF | $53,200,000<br>$193.90 PSF | EastGroup Properties, Inc.<br>Trinity Capital Advisors | Class A |
| 920 E. Raleigh Street<br>Siler City, NC | 119,044 SF | $3,800,000<br>$31.92 PSF | Hunt Forest Resources<br>David Kargarzadeh | Class B |
| 712 Ellis Road<br>Durham, NC | 35,306 SF | $3,037,500<br>$86.03 PSF | Littlewood Grey<br>Johnson Brothers Liquor Company | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3450 Hopson Road<br>Durham, NC | 340,200 SF | Undisclosed | Undisclosed | Undisclosed |
| 6056 W. Ten Road<br>Mebane, NC | 35,559 SF | Al Neyer | Undisclosed | Undisclosed |
| 3399 Durham Road<br>Roxboro, NC | 9,488 SF | Gold Empire Holdings | Undisclosed | Distribution |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## RALEIGH, NC

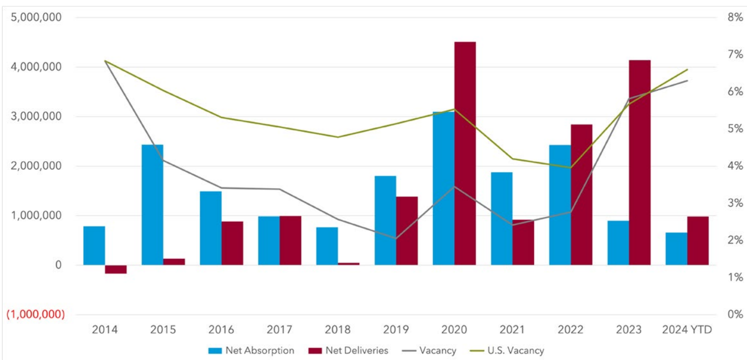
## INDUSTRIAL MARKET OVERVIEW

WILL JUDY, *Broker*

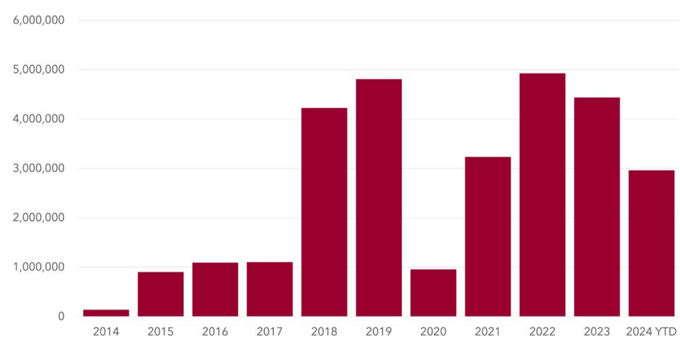
Raleigh's industrial market shows a cooling trend with rising vacancy rates at 7.1%, above the U.S. average of 6.6%. Over the past year, 4.4 million SF was delivered, and 2.8 million SF is under construction, half of which is preleased. With this surge in new construction, vacancy rates are expected to continue rising. Lease rates have plateaued, and cap rates have increased. Most recent transactions have involved local investors or users, with the majority being smaller transactions. Net absorption has been 810,000 SF in the past 12 months, below the market's historical average. Demand continues to concentrate in Southeast and Southwest Wake County.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 979,307 | 1,091,675 | 898,187 | 716,138 | 2,625,019 |
| ◄ ► Vacancy Rate | 6.3% | 6.3% | 5.8% | 5.2% | 3.7% |
| ▲ Avg NNN Asking Rate PSF | $12.13 | $11.97 | $11.82 | $11.63 | $11.43 |
| ▼ SF Under Construction | 2,961,786 | 3,608,941 | 4,434,440 | 5,335,737 | 6,436,131 |
| ▲ Inventory SF | 104,711,812 | 103,188,121 | 102,362,622 | 101,096,850 | 99,925,690 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 600 S. Greenfield Parkway<br>Garner, NC | 160,380 SF | $27,500,000<br>$171.47 PSF | Wake Cnty Board Alcoholic Control<br>Wigeon Capital LLC | Class A |
| 7300 ACC Boulevard<br>Raleigh, NC | 175,275 SF | $21,300,000<br>$121.52 PSF | Royal Oak Realty Trust<br>SMT, Inc. | Class B |
| 4501 Waterfield Drive - Bldg 2*<br>Garner, NC | 57,600 SF | $13,213,098<br>$229.39 PSF | Foxfield<br>Wigeon Capital LLC | Class A |

**Part of Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2405 Innovation Loop<br>Youngsville, NC | 169,940 SF | Summit Real<br>Estate Group | Undisclosed | Undisclosed |
| 5100 Jones Sausage Road<br>Garner, NC | 75,669 SF | Beacon Development<br>Company | Undisclosed | Undisclosed |
| 800 N. Greenfield Parkway<br>Garner, NC | 50,756 SF | Prologis, Inc. | Undisclosed | Undisclosed |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## LINCOLN, NE

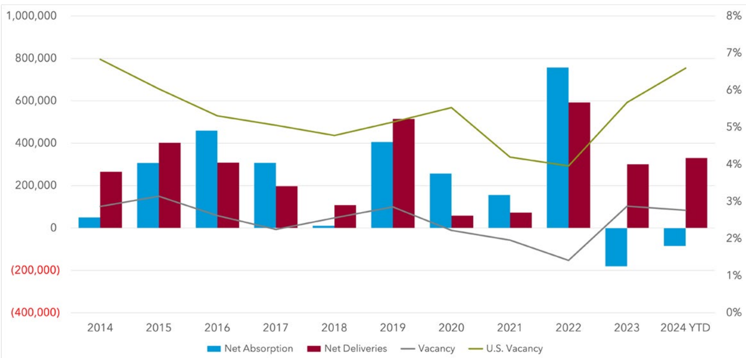
## INDUSTRIAL MARKET OVERVIEW

AMMAR ABU-HAMDA, *Associate*

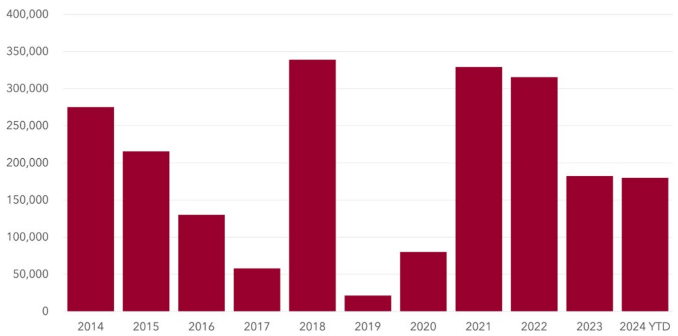
Vacancy in the Lincoln industrial market during Q2 2024 was 2.7% and increased by 0.7% over the past 12 months, meanwhile the national average increased by 1.9%. During Q2 2024, 19,000 SF has been absorbed, 250,000 SF delivered and 180,000 SF under construction, representing a 0.6% expansion of Lincoln's inventory. Rents were around $7.40/SF, which is a 3.5% increase from where they were a year ago. Throughout the past three years, rents have increased a cumulative 18.3%. Market cap rate for Lincoln was 9.2%, relatively above its trailing three-year average of 8.7%. Both employment and population saw growth over the last twelve months, the number of jobs increased by 1.9%, while Lincoln's population grew by 1.4% during the same time period.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (109,412) | (180,580) | (3,464) | 167,603 | 650,298 |
| ◄ ► Vacancy Rate | 2.9% | 2.9% | 2.4% | 2.2% | 1.9% |
| ▲ Avg NNN Asking Rate PSF | $7.27 | $7.25 | $7.18 | $7.12 | $7.03 |
| ▼ SF Under Construction | 127,949 | 182,349 | 388,899 | 412,779 | 357,779 |
| ▼ Inventory SF | 32,616,574 | 32,644,885 | 32,438,335 | 32,393,335 | 32,381,935 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 6940 Cornhusker Highway<br>Lincoln, NE | 188,604 SF | $15,420,000<br>$81.76 PSF | New Mountain Capital<br>Cleaver Brooks | Class B |
| 940 Calvert Street<br>Lincoln, NE | 164,953 SF | $17,500,000<br>$106.09 PSF | Farmers CoOp<br>AGP Grain CoOp | Class C |
| 1115 Libra Drive<br>Lincoln, NE | 58,240 SF | $5,300,000<br>$91.00 PSF | Schafer Richardson<br>Tilt Up Concrete | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3435 Schworer Drive<br>Lincoln, NE | 40,040 SF | Key Crest Holding | Garner Industries | Manufacturing |
| 5601 N. 57th Street<br>Lincoln, NE | 27,405 SF | Commercial Properties Associates | Ideal Pure Water | Services |
| 117 Harwood Court<br>Lincoln, NE | 5,250 SF | Jung Electric | Decks Unlimited | Services |

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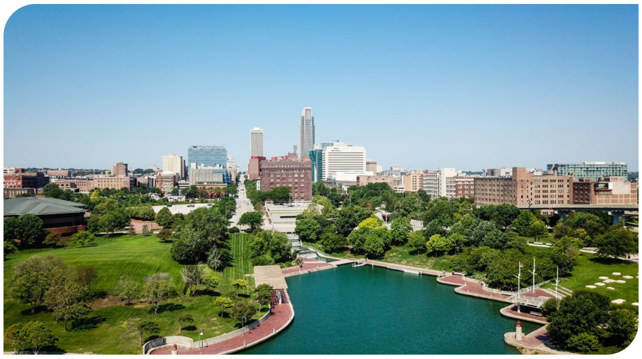
# Q2 2024
## OMAHA, NE



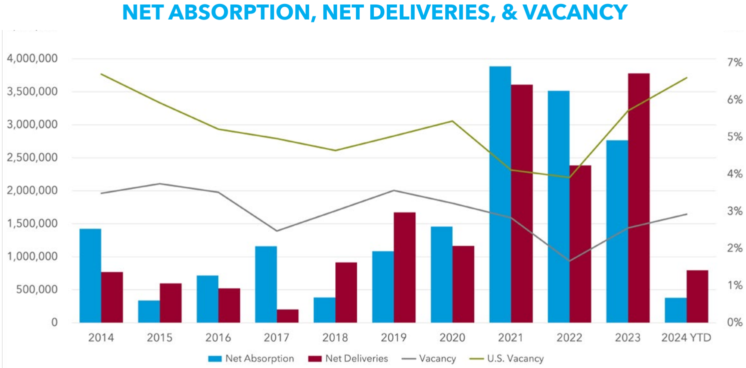
## INDUSTRIAL MARKET OVERVIEW

AMMAR ABU-HAMDA, *Associate*

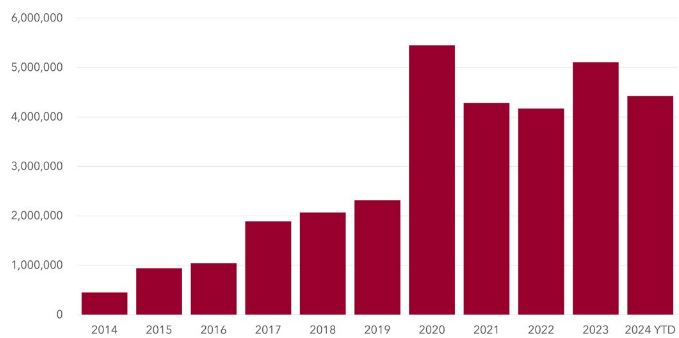
Vacancy in the Omaha industrial market during Q2 2024 was 3.0% and increased 0.7% over the past 12 months, meanwhile the national average increased by 1.9%. During Q2 2024, 1.6 million SF was absorbed, 2.4 million SF was delivered and 4.4 million SF under construction, representing a 4.1% expansion of Omaha's inventory. Rents were around $8.15/SF, which is a 4.1% increase from where they were a year ago. In the past three years, rents have increased a cumulative 19.0%. Market cap rate for Omaha were 8.9%, slightly above its trailing three-year average of 8.2%. Both employment and population saw growth over the last twelve months, the number of jobs increased by 1.5%, while Omaha's population grew by 1.0% during the same time period.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 1,601,632 | 1,099,523 | 2,841,328 | 2,104,619 | 2,953,000 |
| ▲ Vacancy Rate | 3.0% | 2.8% | 2.4% | 2.2% | 2.1% |
| ▲ Avg NNN Asking Rate PSF | $8.15 | $7.96 | $7.94 | $7.86 | $7.77 |
| ▼ SF Under Construction | 4,426,363 | 4,837,573 | 5,108,158 | 6,073,243 | 6,184,071 |
| ▲ Inventory SF | 107,454,132 | 4,083,802 | 3,724,317 | 3,761,386 | 3,181,076 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 11305 S. 150th Avenue<br>Omaha, NE | 317,519 SF | $61,451,708<br>$193.54 PSF | Arch Street Capital Advisors<br>Scannell Properties | Class A |
| 9202 F Street<br>Omaha, NE | 267,495 SF | $22,500,000<br>$84.11 PSF | Founders Properties<br>GI IX Specialty RET LLC | Class B |
| 4101 Gibson Road<br>Omaha, NE | 215,127 SF | $69,038,000<br>$320.92 PSF | Blue Owl<br>Syngenta Global | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 12500 I Street<br>Omaha, NE | 750,000 SF | Industrial Realty Group LLC | Ford Storage and Moving Company | Warehouse |
| 13900 Chalco Valley Parkway<br>Omaha, NE | 73,483 SF | NEBCO | Union Pacific Railroad | Warehouse |
| 14850 Rodina Street<br>Springfield, NE | 69,120 SF | MadDad 1 LLC | Cannonball Express | Warehouse |

# Q2 2024
# NEW JERSEY, NJ

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

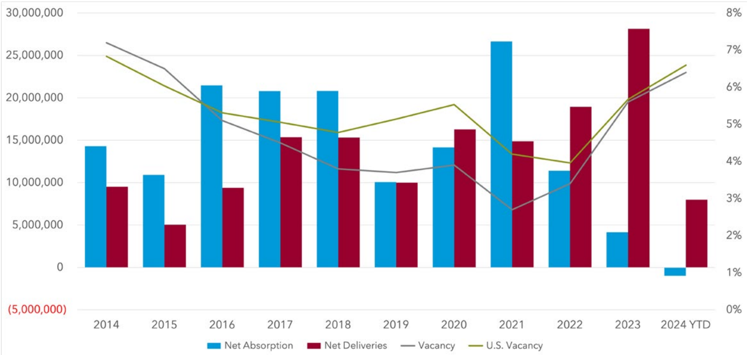
## INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

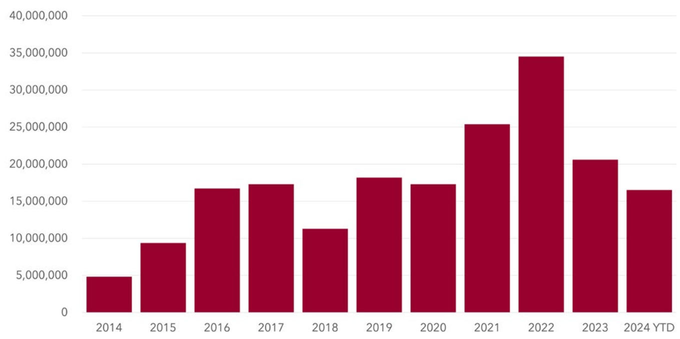
The NJ Industrial market continues a shift to normalizing as more landlords move to a more competitive tune in negotiations. Q2 rental growth dipped negatively, losing nearly a nickel with rents at $13.61 PSF NNN. 8.3MM SF was leased in 5 months on average, a month shorter QoQ. 28 leases over 100k SF were signed. 24 leases totaling 904k SF or 11% of all inked space were subleases. Available sublet space continued to grow to 9.2MM SF, about double the 5-year average and the highest since 2009. Net absorption finished (559k) SF, marking the third negative quarter of the trailing four. Sales volume made marginal gains, up 27% to $632MM, less than half of the 5-year average. Median pricing also up marginally at $164 PSF. 69.6MM SF is proposed, the majority of which is in Gloucester, Salem and Mercer Counties.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | Qtrly Net Absorption SF | (558,790) | (429,911) | 1,242,460 | (1,698,091) | 1,156,478 |
| ▲ | Vacancy Rate | 6.4% | 5.9% | 5.6% | 5.1% | 4.1% |
| ▼ | Avg NNN Asking Rate PSF | $13.61 | $13.65 | $13.46 | $13.55 | $13.52 |
| ▼ | SF Under Construction | 16,528,547 | 19,539,747 | 20,620,145 | 24,259,718 | 30,210,952 |
| ▲ | Inventory SF | 1,052,830,028 | 1,048,255,202 | 1,044,844,409 | 1,038,583,843 | 1,029,081,609 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 3091 US Highway 22<br>Branchburg, NJ | 311,040 SF | $65,310,000<br>$209.97 PSF | Abaline Supply Company<br>Transwestern Development Co. | Class A |
| 1 Gateway Boulevard<br>Pedricktown, NJ | 247,220 SF | $28,850,000<br>$116.70 PSF | Galvanize Real Estate<br>STAG Industrial, Inc. | Class B |
| 370 Essex Street<br>Lodi, NJ | 169,205 SF | $29,200,000<br>$172.57 PSF | AAA Wholesale Cash and Carry<br>Urban Edge Properties | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 500 Salt Meadow Road<br>Carteret, NJ | 479,700 SF | Crow Holdings | DSV | Transportation and Warehousing |
| 300 Salt Meadow Road<br>Carteret, NJ | 355,100 SF | Crow Holdings | DSV | Transportation and Warehousing |
| 99 Callahan Boulevard<br>Sayreville, NJ | 342,371 SF | Trammell Crow Company | JW Fulfillment | Transportation and Warehousing |

# Q2 2024
## RENO, NV

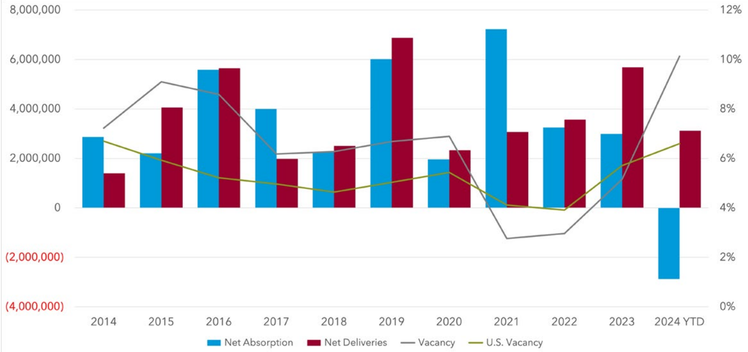
## INDUSTRIAL MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

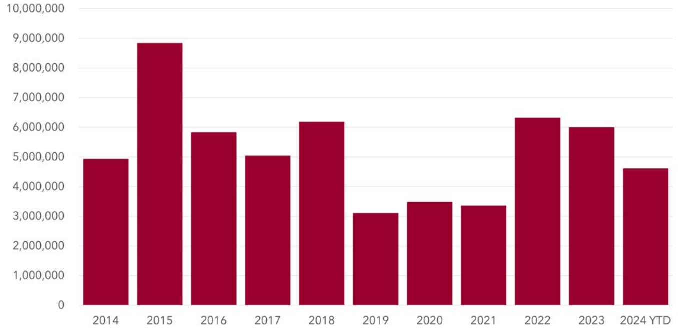
Negative absorption, flat pricing, while still having a large pipeline of "under construction" give the accurate indication of what is going on presently in Northern Nevada. Tenants have foothold to negotiate in an area which has been driven by landlords for the past number of years. The flip side of this is the fact that our location has not changed and we are still situated in a very advantageous position on the west coast for deliveries. Additionally, the amount of developable ground has diminished to almost none over the past years, meaning that even though we might be a bit over supplied currently, when demand catches up", pricing should be very solid for owners as dirt is still is at a premium.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (2,359,730) | (12,091) | 2,994,404 | 4,272,636 | 5,217,982 |
| ▲ Vacancy Rate | 9.6% | 7.1% | 5.2% | 4.1% | 3.9% |
| ▼ Avg NNN Asking Rate PSF | $9.20 | $9.22 | $9.22 | $9.16 | $9.06 |
| ▼ SF Under Construction | 4,617,112 | 4,634,447 | 6,000,721 | 5,984,937 | 5,648,959 |
| ▲ Inventory SF | 118,235,258 | 116,512,878 | 115,113,794 | 114,612,039 | 113,688,211 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 945 Spice Island Drive<br>Sparks, NV | 90,101 SF | $15,300,000<br>$169.81 PSF | LBA Realty<br>Libitzky Property Company | Class B |
| 1080 Linda Way<br>Sparks, NV | 29,100 SF | $4,083,218<br>$140.32 PSF | Dornin Investment Group<br>Ribeiro Company | Class C |
| 5325 Louie Lane<br>Reno, NV | 24,028 SF | $3,504,078<br>$145.83 PSF | Dornin Investment Group<br>Ribeiro Company | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5360 Capital Court<br>Reno, NV | 104,297 SF | Link Logistics | Reno Warehouse & Logistics | Transportation &<br>Warehouse |
| 8880 N. Hills Boulevard<br>Reno, NV | 39,800 SF | Link Logistics | Octillion Power | Energy |
| 3895 Corsair Street<br>Reno, NV | 35,026 SF | CPP Investments | Renewal By Anderson | Windows |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
# CINCINNATI, OH

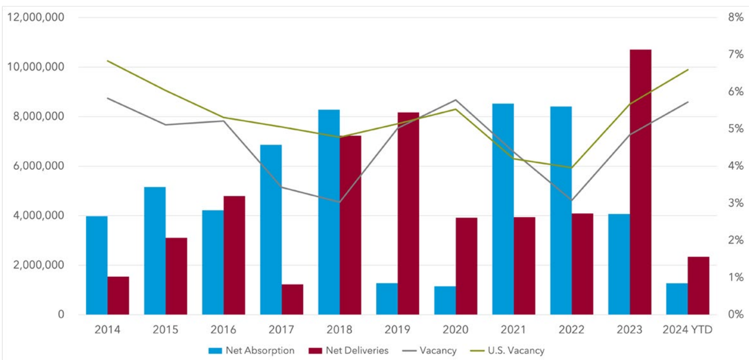
## INDUSTRIAL MARKET OVERVIEW

PAUL SCHMERGE, *Senior Vice President*

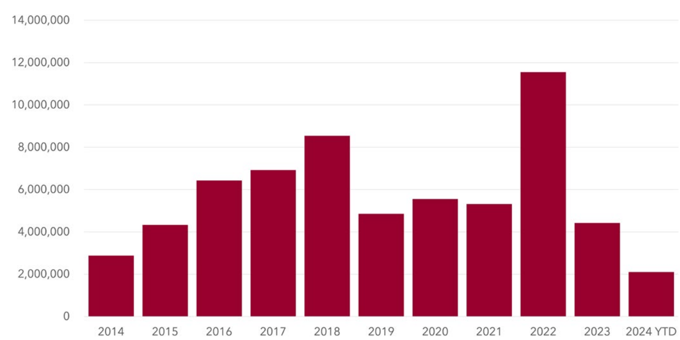
The Greater Cincinnati Industrial market's overall vacancy rate continues to increase to 5.8%. The rate was 5.1% in Q124. This rate is skewed higher by the overabundance of bulk space (7%) as a result of the record new construction of speculative space built in 2023. The vacancy rate for office/ warehouse space remains very low at 2.7%. Asking rates have continued to rise ($7.32/ SF NNN) fueled by the office/ warehouse market, however, our rate is far below the national average ($12/ SF NNN). New construction of spec buildings has paused while occupancy catches up. The sale market remains strong as inventory remains very low, and demand steady.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 1,049,953 | 2,786,122 | 4,073,012 | 4,139,357 | 3,865,204 |
| ▲ Vacancy Rate | 5.8% | 5.1% | 4.8% | 4.3% | 3.5% |
| ▲ Avg NNN Asking Rate PSF | $7.32 | $7.23 | $7.17 | $7.09 | $6.90 |
| ▼ SF Under Construction | 2,103,810 | 3,825,484 | 4,425,259 | 8,087,450 | 10,419,491 |
| ▲ Inventory SF | 359,537,276 | 357,806,602 | 357,193,827 | 353,381,636 | 350,068,098 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1600 Worldwide Boulevard<br>Hebron, KY | 543,000 SF | $45,250,000<br>$83.33 PSF | Dermody Properties, Inc.<br>JPMorgan Chase & Co. | Class B |
| 1770 Worldwide Boulevard<br>Hebron, KY | 199,385 SF | $18,350,000<br>$92.03 PSF | EQT Exeter<br>JPMorgan Chase & Co. | Class B |
| 1605 Worldwide Boulevard<br>Hebron, KY | 150,060 SF | $11,800,000<br>$78.64 PSF | EQT Exeter<br>JPMorgan Chase & Co. | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1201 Logistics Way<br>Monroe, OH | 553,694 SF | Ares Industrial<br>Real Estate | Blue Buffalo Company | Manufacturing |
| 6800 Industrial Road<br>Florence, KY | 160,620 SF | Green Door Capital LLC | Ammann America | Services |
| 5453-5459 W. Chester Road<br>West Chester, OH | 73,500 SF | Prologis, Inc. | Schneider Electric | Services |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
# CLEVELAND, OH

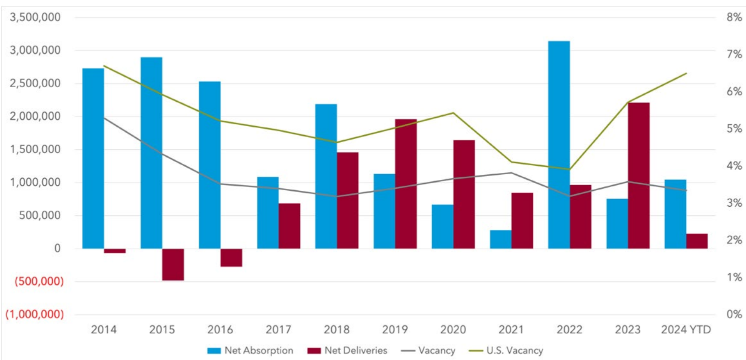
## INDUSTRIAL MARKET OVERVIEW

CONNOR KROUSE, *Associate*

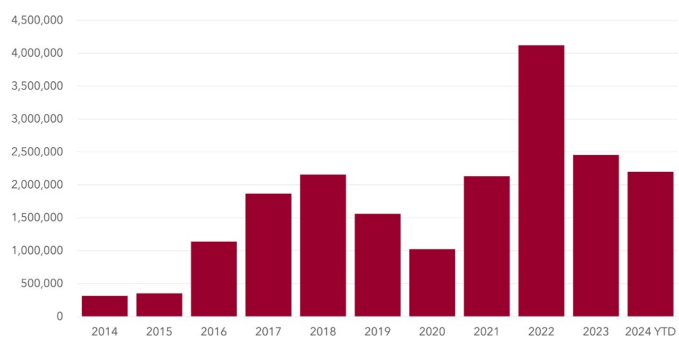
Cleveland's industrial market remains balanced, but slower leasing and negative net absorption are raising vacancy rates as 2024 begins. Despite this, vacancy is still low at 3.3%, compared to the national 6.5%. Limited modern industrial space impacts leasing, with Cleveland's availability at 4.9% versus the national 8.9%. Q4 2023 leasing was around 840,000 SF, half the pre-pandemic average. High interest rates are slowing construction, with 2.2 million SF underway, representing 0.6% of inventory. Rent growth remains strong, with year-over-year gains at 5.8% in Q2 2024. Investment activity is robust, with $110 million traded in Q4 2023, double the pre-pandemic average.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 353,718 | 615,178 | 756,691 | 1,240,451 | 3,082,122 |
| ▲ | Vacancy Rate | 3.30% | 3.70% | 3.60% | 3.50% | 3.40% |
| ▲ | Avg NNN Asking Rate PSF | $6.55 | $6.46 | $6.40 | $6.30 | $6.20 |
| ▼ | SF Under Construction | 2,197,894 | 2,269,894 | 2,456,657 | 3,182,769 | 3,970,388 |
| ▲ | Inventory SF | 356,109,749 | 356,037,749 | 355,882,972 | 355,169,460 | 354,104,720 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 7501 Performance Lane<br>North Ridgeville, OH | 347,205 SF | $36,500,000<br>$105.13 PSF | Royal Oak Realty Trust<br>LCN Capital Partners | Class A |
| 4505-4665 Beidler Road<br>Willoughby, OH | 323,906 SF | $4,500,000<br>$13.89 PSF | The Macomb Group<br>Woodhill Supply, Inc. | Class C |
| 30500 Bruce Industrial Parkway<br>Solon, OH | 151,659 SF | $9,750,000<br>$64.29 PSF | Diamond Properties<br>ICP LLC | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3960 Summit Road<br>Barberton, OH | 99,832 SF | 3960 Warehouse LLC | JendEx Services | Logistics |
| 6611 W. Snowville Road<br>Brecksville, OH | 50,545 SF | Ray Fogg Corporate Properties LLC | Lumitex | Manufacturing/ Distribution |
| 8844 Mayfield Road<br>Chesterland, OH | 44,000 SF | Tierra Associates Ltd | Darrah Electric | Manufacturing |

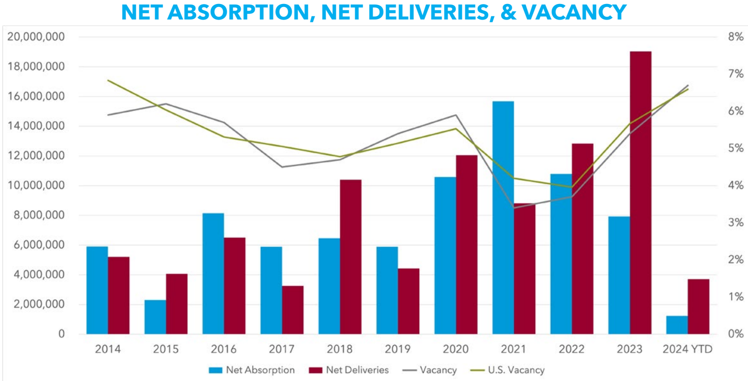
## INDUSTRIAL MARKET OVERVIEW

MIKE SPENCER, SIOR, *Principal, Broker*

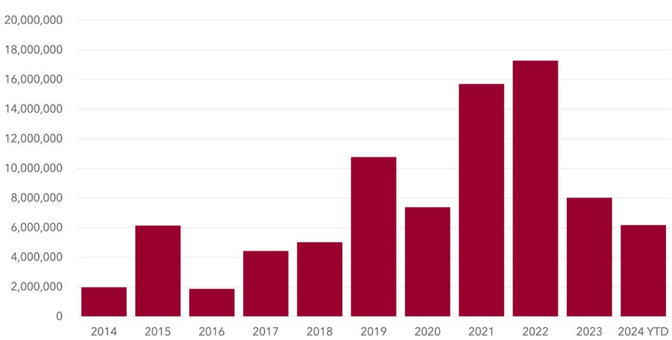
The market is starting to absorb the oversupply of bulk spaces, especially now that significant spec development has come to a halt. While vacancy rates are still increasing, occupier demand is picking up. Rental rates have pulled back for the time being, but with no new development, these conditions favoring tenants may be short lived. Columbus continues to benefit from a diverse economic base, helping stabilize against most economic fluctuations. Both domestic and international investors have continually demonstrated resolute interest in Columbus' robust economic fundamentals. A prime logistics hub, a highly educated and skilled labor force, and a growing technology and manufacturing base, provide for one of the most sought after and fastest growing economies in the Midwest.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 2,619,843 | (370,009) | 1,841,619 | 787,205 | 4,403,326 |
| ▲ | Vacancy Rate | 6.7% | 6.4% | 5.4% | 4.9% | 4.3% |
| ▼ | Avg NNN Asking Rate PSF | $6.91 | $6.94 | $6.87 | $6.98 | $6.84 |
| ▼ | SF Under Construction | 6,180,145 | 7,770,976 | 8,020,838 | 10,654,210 | 11,543,682 |
| ▲ | Inventory SF | 357,022,184 | 355,954,841 | 350,256,118 | 344,386,016 | 338,642,668 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 521 Exchange Way<br>Commercial Point, OH | 1,194,865 SF | $94,100,000<br>$78.75 PSF | WP Carey<br>VanTrust | Class A |
| 6215 Winchester Boulevard<br>Canal Winchester, OH | 150,205 SF | $20,250,000<br>$134.82 PSF | STAG Industrial<br>Tenby Partners | Class A |
| 6161 Shamrock Court<br>Dublin, OH | 65,000 SF | $7,850,000<br>$120.77 PSF | 6161 Shamrock LLC<br>Agracel, Inc. | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5235 Westpoint DrIVE<br>Groveport, OH | 1,116,015 SF | Exeter | Maersk | Logistics |
| 7585 Robinett Way<br>Canal Winchester, OH | 450,696 SF | Molto | DB Schenker | Logistics |
| 3495 Gantz Road<br>Grove City, OH | 263,219 SF | Exeter | FST Logistics | Logistics |

# Q2 2024
## TORONTO, ON

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COMMERCIAL REAL ESTATE SERVICES

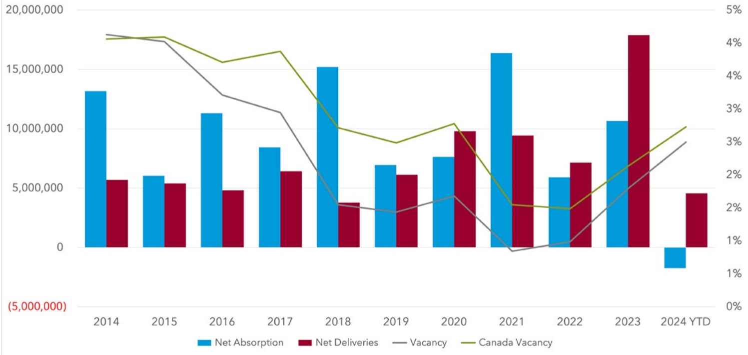
## INDUSTRIAL MARKET OVERVIEW

DANIEL SMITH, *Senior Vice President, Partner*

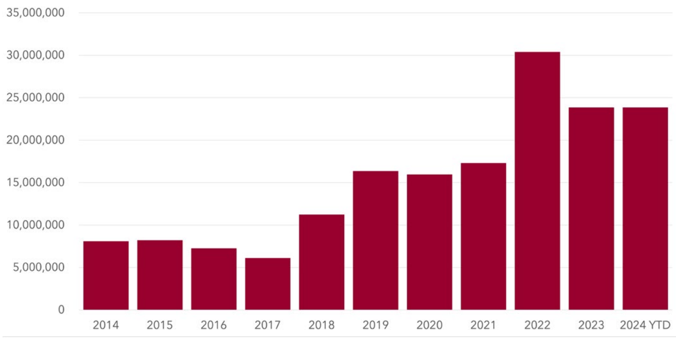
The Greater Toronto Area's industrial market has been cooling since early 2023. Increased net deliveries have led to a slight rise in vacancies, though strong demand persists. Average rents have grown over the past year, albeit at a slower rate. Rising interest rates are impacting new developments, causing rental levels to remain strong while new supply slows down. Lease terms have shortened, and sublease availability has doubled due to economic pressures. Despite these challenges, the industrial sector remains robust, with an increase in sales prices.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 7,736,892 | 8,335,336 | 10,658,830 | 9,077,673 | 6,033,077 |
| ▲ Vacancy Rate | 2.4% | 2.2% | 1.8% | 1.3% | 1.4% |
| ▲ Avg NNN Asking Rate PSF | $20.24 | $20.18 | $19.75 | $19.24 | $18.63 |
| ▲ SF Under Construction | 23,856,992 | 22,806,294 | 23,862,927 | 29,666,778 | 31,576,295 |
| ▲ Inventory SF | 880,490,754 | 878,692,738 | 875,933,368 | 867,845,797 | 863,378,493 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 2600 North Park Drive<br>Brampton, ON | 331,000 SF | $110,000,000*<br>$332.33 PSF | Gigg Express, Inc.<br>Oxford Properties | Class A |
| 400 Cochrane Drive**<br>Markham, ON | 186,943 SF | $40,000,000*<br>$214.08 PSF | Dream<br>CanFirst Capital Management | Class C |
| 15 Precidio Court***<br>Brampton, ON | 173,975 SF | $45,200,000*<br>$259.81 PSF | Pure Industrial<br>AIMCo | Class B |

** All numbers shown are in Canadian dollars (CAD)' ** Part of 3-Property Portfolio Sale; ***Part of a 5-Property Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 300 Pendant Drive<br>Mississauga, ON | 95,000 SF | Excel Transportation | Acrocargo Supply Chain Ltd. | Logistics Services |
| 2750 Peddie Road<br>Milton, ON | 91,000 SF | Prologis | FedEx | Couriers and Express Delivery Services |
| 2250 North Park Drive<br>Brampton, ON | 82,221 SF | Crown Enterprises | Undisclosed | Undisclosed |

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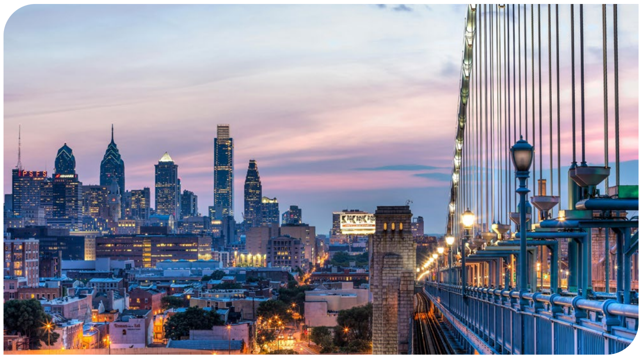
# Q2 2024
# SUBURBAN PHILADELPHIA, PA



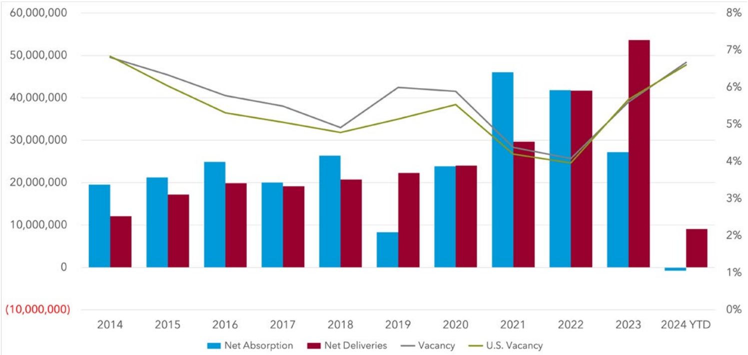
## INDUSTRIAL MARKET OVERVIEW

JOSHUA YURASITS, *Research Analyst*

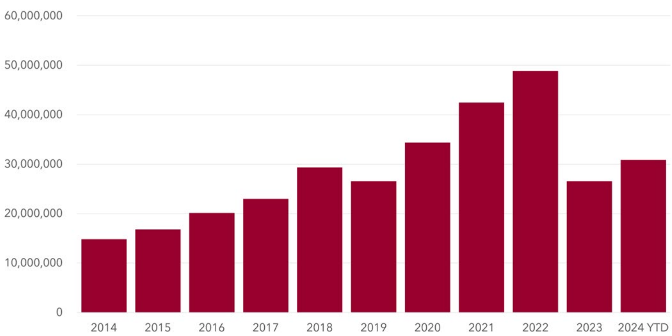
The market in Philadelphia MSA shows significant activity and trends as of Q2 2024. While the market is still seeing continued demand, activity has slowed compared to previous quarters. The 12-month net absorption at the end of Q2 was 8.57 million SF, compared to Q1 2024's 21.61 million SF. Vacancy rates rose slightly to 6.67% from 5.95% in Q1. The average NNN asking rate is $8.80 PSF annually. Under construction space increased to 30.88 million SF, reflecting ongoing development. Historical data reveals consistent growth in net absorption, deliveries, and construction, emphasizing the market's dynamism and resilience. Significant transactions demonstrate investor confidence, stimulate economic growth, and enhance the recent toughness of market liquidity.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 8,573,383 | 21,611,858 | 24,383,987 | 29,349,344 | 37,746,335 |
| ▲ Vacancy Rate | 6.67% | 5.95% | 5.60% | 5.30% | 4.61% |
| ▲ Avg NNN Asking Rate PSF | $8.80 | $8.74 | $8.36 | $8.56 | $8.86 |
| ▲ SF Under Construction | 30,875,949 | 27,090,167 | 26,571,599 | 36,239,981 | 36,667,827 |
| ▲ Inventory SF | 1,336,818,034 | 1,333,655,485 | 1,324,336,022 | 1,309,895,769 | 1,335,822,374 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1 Lee Boulevard<br>Malvern, PA | 442,300 SF | $58,753,711<br>$132.84 PSF | Carson Companies<br>Raymour & Flannigan | Class B |
| 2070 N. Union street<br>Middletown, PA | 251,200 SF | $38,000,000<br>$151.27 PSF | Ares<br>Endurance Real Estate | Class A |
| 2411 Kistler Court<br>Kutztown, PA | 105,000 SF | $22,550,000<br>$214.76 PSF | Cabot Properties<br>Hillwood Development Company | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 8301 Industrial Booulevard<br>Brainigsville, PA | 1,029,600 SF | Prologis | Wakefern Food Corp. | Food&Beverage |
| 71 Mall Road<br>Frackville, PA | 1,014,913 SF | NorthPoint | ID Logistics | 3PL |
| 6 Kane Lane<br>Taylor, PA | 955,935 SF | Gladstone Commercial Corporation | Hub Group Trucking | 3PL |

# Q2 2024
# WESTERN PENNSYLVANIA, PA

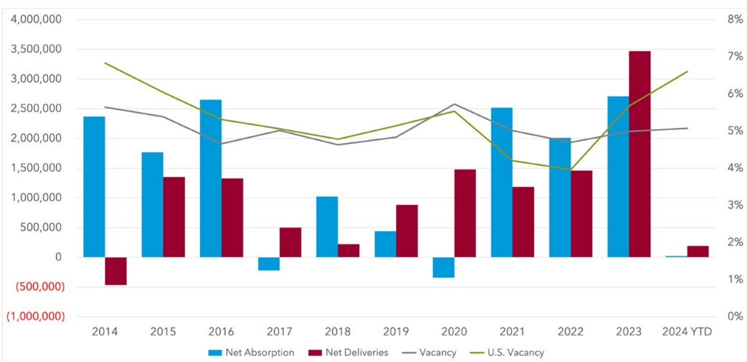
## INDUSTRIAL MARKET OVERVIEW

HEATHER KREIGER, *Regional Research Director*

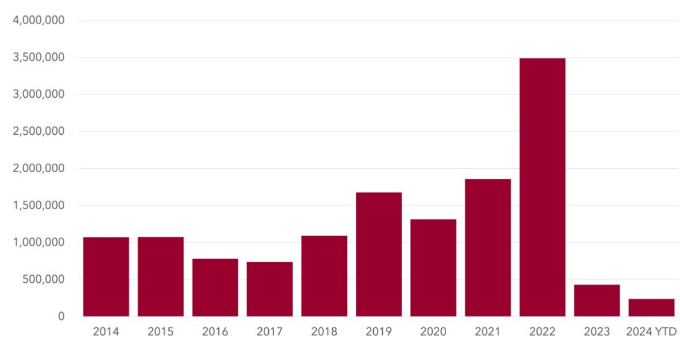
The Pittsburgh, PA industrial market has shown stability over the past five quarters. As of Q2 2024, 12-month net absorption was 1,7 MSF, a 19% increase over Q1 2024. Vacancy rates have remained stable and saw a slight decline to 5.10% in Q2 2024 from 5.30% in the previous quarter. Average NNN asking rates have consistently risen, reaching $7.35 PSF annually in Q2 2024 reflecting steady demand in the market. Under-construction inventory dropped significantly over the past 2 quarters indicating a slowdown in new construction. Despite this, the total market inventory grew modestly to 201,299,846 SF.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 1,725,893 | 1,454,580 | 2,709,272 | 1,899,780 | 2,349,529 |
| ▼ | Vacancy Rate | 5.1% | 5.3% | 5.0% | 4.9% | 4.6% |
| ▲ | Avg NNN Asking Rate PSF | $7.35 | $7.33 | $7.29 | $7.21 | $7.19 |
| ▼ | SF Under Construction | 238,000 | 320,500 | 429,848 | 2,326,899 | 3,139,659 |
| ▲ | Inventory SF | 201,299,846 | 201,217,346 | 201,107,998 | 199,210,947 | 198,398,187 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 150 Bonnie Drive<br>Butler, PA | 86,899 SF | $9,272,583<br>$106.71 PSF | Fortress Net Lease REIT<br>RelaDyne LLC | Class C |
| 950 Galiffa Drive<br>Donora, PA | 85,000 SF | $735,000<br>$8.65 PSF | Hadanich<br>M. Glosser & Sons, Inc. | Class C |
| 100 California Avenue<br>Pittsburgh, PA | 65,413 SF | $3,500,000<br>$53.51 PSF | 1000 California Ave LLC<br>California Property, Inc. | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1750 Shenango Road<br>New Galilee, PA | 121,369 SF | STAG Industrial | Steelite Int'l USA, Inc | Manufacturer |
| 625 Avenue D<br>Leetsdale, PA | 89,604 SF | Buncher Company | Formosa Operations LLC | Manufacturer |
| 150 Bonnie Drive<br>Butler, PA | 86,899 SF | Fortress Net Lease REIT | PCC Lubricants | Wholesaler |

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# Q2 2024
# CHARLESTON, SC

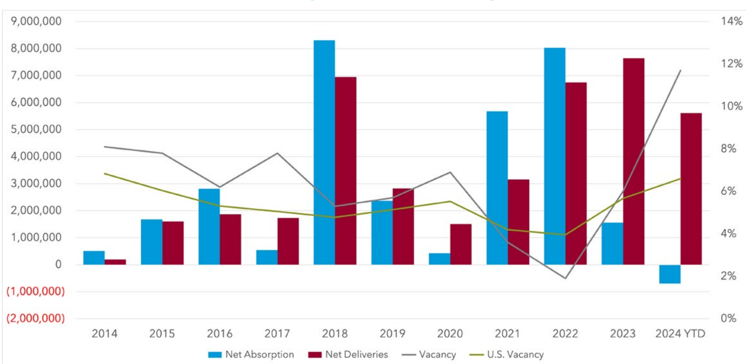

## INDUSTRIAL MARKET OVERVIEW

JOHN KINCAID, SIOR, CCIM, *Vice President*

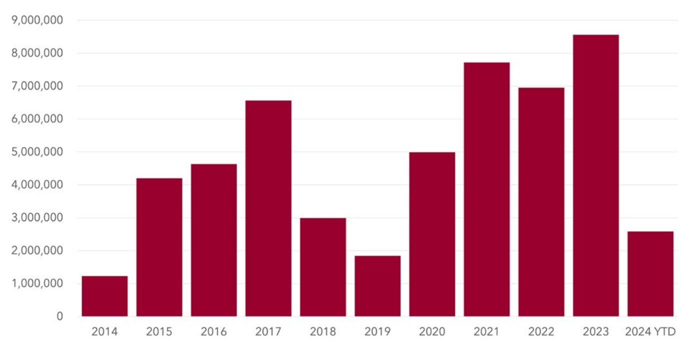
While there has been a surplus of supply over the first half of the year, we have also seen some significant bulk leases executed. Amazon and others have taken space in the market in Q2, and hopefully, that sets a trend for other users to enter the market. It's going to take time and patience to fill the big box spaces, but spaces between 10,000-50,000 SF are occupied and leasing at a solid rate. I believe tenants staying put will slow absorption, as it's not feasible for established tenants to move to Class A rents when they have a low basis in a Class B building. Charleston remains an active industrial market as the Hugh Leatherman Terminal works on opening all its berths for containers.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (17,850) | (675,662) | 1,557,194 | 591,561 | 83,236 |
| ▲ Vacancy Rate | 11.7% | 9.0% | 6.0% | 6.1% | 5.2% |
| ▲ Avg NNN Asking Rate PSF | $8.32 | $8.30 | $7.96 | $7.92 | $7.84 |
| ▼ SF Under Construction | 2,583,382 | 6,616,940 | 8,561,315 | 8,476,395 | 7,953,623 |
| ▲ Inventory SF | 103,761,046 | 100,669,029 | 98,151,016 | 96,575,256 | 95,109,275 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 130 Hodge Road*<br>Summerville, SC | 534,081 SF | $64,089,720<br>$120.00 PSF | Fundrise<br>Foundry Commercial | Class A |
| 103 Ardis Street<br>Summerville, SC | 15,758 SF | $1,700,000<br>$107.88 PSF | 103 Ardis Street Holdings LLC<br>Christopher Evans | Class C |
| 7374 Peppermill Parkway<br>Charleston, SC | 12,000 SF | $1,060,000<br>$88.33 PSF | Pepperdam Industrial LLC<br>Victory Properties LLC | Class B |

*Part of a 2-Property Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 840 Drop Off Drive<br>Summerville, SC | 228,722 SF | Transwestern Real Estate Service | Pacific Asiana LLC | Freight Carrier |
| 237 Jedburg Road<br>Summerville, SC | 158,340 SF | Trinity Capital | Amazon | Distribution |
| 334 Port City Centre Drive<br>Summerville, SC | 155,688 SF | Barrings | Undisclosed | Undisclosed |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## GREENVILLE / SPARTANBURG, SC

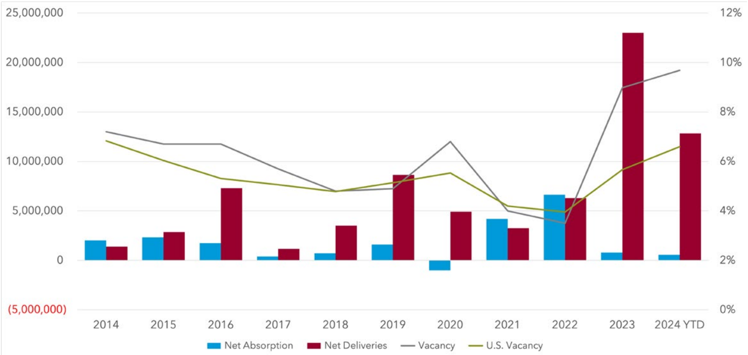
### INDUSTRIAL MARKET OVERVIEW

RANDALL BENTLEY, SIOR, CCIM, *President*

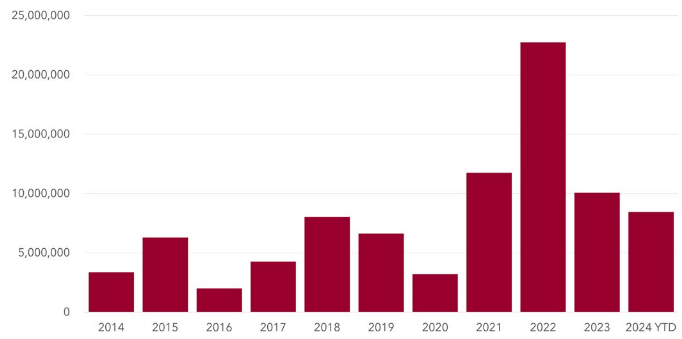
As anticipated, Greenville/Spartanburg's industrial vacancy rates rose 60 basis points in Q2 2024 to 9.4%, fueled by class-a industrial projects being delivered. With construction starts dwindling each quarter the supply surge is expected to be short lived in 2024. Yet, we've seen a rise in Tenant activity and demand appears to be picking up. 3PL's are landing new contracts, and manufacturing companies are expanding. Kenco Management, a large 3PL, inked the largest deal of Q2, leasing 161,967 SF in Duncan.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 3,675,418 | 7,295,308 | 7,162,476 | 10,773,895 | 10,781,392 |
| ▲ Vacancy Rate | 9.4% | 8.8% | 8.3% | 6.7% | 7.3% |
| ▲ Avg NNN Asking Rate PSF | $5.50 | $5.08 | $4.91 | $4.90 | $4.67 |
| ▲ SF Under Construction | 5,666,536 | 5,045,536 | 8,962,537 | 9,965,901 | 3,153,699 |
| ▲ Inventory SF | 251,797,433 | 248,611,510 | 239,660,664 | 232,790,292 | 236,553,266 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1619 Antioch Church Road<br>Piedmont, SC | 194,300 SF | $18,360,000<br>$94.49 PSF | Americold Realty<br>Global Net Lease | Class B |
| 105 Wood Street<br>Greenville, SC | 161,214 SF | $4,000,000<br>$24.81 PSF | KM Fabrics<br>Chromascape Holdings | Class B |
| 108 Pennsylvania Avenue<br>Greer, SC | 104,683 SF | $1,830,000<br>$17.48 PSF | Ridgeline Construction Group<br>Pennsylvania Properties | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 280 Parkway East<br>Duncan, SC | 161,967 SF | Patillo | Kenco Management Service | 3PL |
| 220 Commerce Road<br>Greenville, SC | 158,879 SF | Westin, Inc. | Crown Imports LLC | Distributor |
| 785 Victor Hill Road<br>Greer, SC | 109,295 SF | Appian Investments | Undisclosed | Automotive Supplier |

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# Q2 2024
## NASHVILLE, TN

## INDUSTRIAL MARKET OVERVIEW

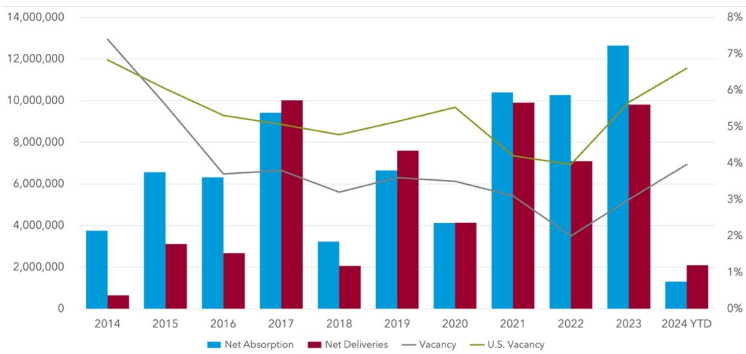
JIM RODRIGUES, SIOR, *President*

The Nashville industrial market continues to demonstrate resilience in the first half of 2024 with overall vacancy below 4%. Sublease vacancy accounts for approximately 25% of the market's activity. The second quarter saw negative absorption which is largely the result of large, single tenant facilities coming online in outlying submarkets. There has not been an increase in rent abatement or other incentives as Middle Tennessee remains a landlord market. Activity remains solid, and tenants recognize Nashville's population growth and quality of life as primary drivers for industrial relocations and expansions into the market.

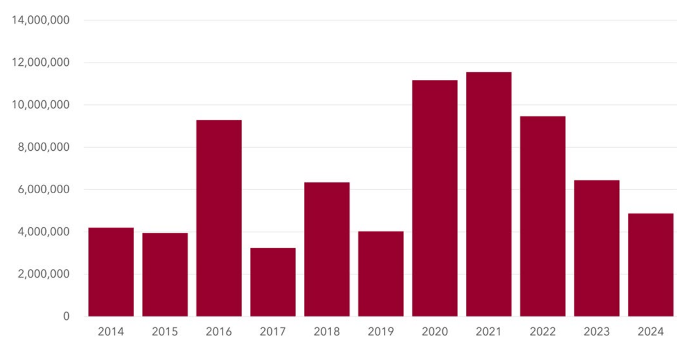
| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 8,080,353 | 13,801,040 | 12,647,506 | 12,333,013 | 12,954,712 |
| ▲ Vacancy Rate | 3.96% | 3.30% | 3.00% | 2.70% | 2.40% |
| ▼ Avg NNN Asking Rate PSF | $9.94 | $10.64 | $9.07 | $7.48 | $7.51 |
| ▼ SF Under Construction | 4,875,492 | 5,213,712 | 6,446,236 | 9,553,208 | 12,830,559 |
| ▲ Inventory SF | 272,872,241* | 264,921,078 | 266,128,523 | 260,190,193 | 257,689,488 |

** Statistics may have changed due to inventory audit*

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| Beckwith Farms<br>Mount Juliet, TN | 1,455,780 SF | $155,077,000<br>$106.53 PSF | Prologis<br>Nuveen | Class A |
| 2 Dell Parkway<br>Nashville, TN | 366,534 SF | $76,200,000<br>$207.89 PSF | KKR<br>LRC Properties | Class A |
| 5028-5050 Harding Place<br>Nashville, TN | 221,280 SF | $25,900,000<br>$117.05 PSF | Brennan Investment Group<br>Jim Crossman | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 245 Couchville Industrial Boulevard*<br>Mount Juliet, TN | 397,275 SF | Welcome Group | S3PL | Logistics |
| 2700 Marty Robins Drive*<br>Lebanon, TN | 301,320 SF | Panattoni | Builders First Source | Building Materials |
| 271 Mason Road*<br>La Vergne, TN | 254,912 SF | Panattoni | Quanta Manufacturing | Electronic Hardware |

** Lee Nashville Deal*

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# Q2 2024
## HOUSTON, TX

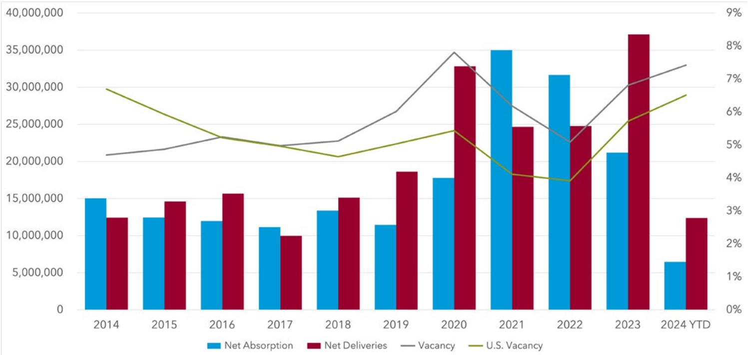
## INDUSTRIAL MARKET OVERVIEW

RICHARD GLASS, SIOR, *Principal*

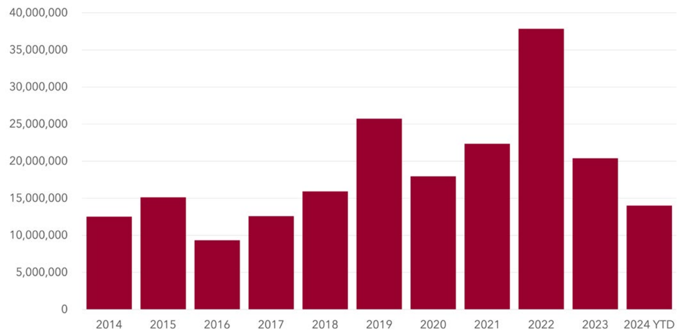
Houston's industrial market remains robust, with a strong performance mid-year 2024 resulting with positive absorption of 6.5 million SF. The quarter ended with 12.5 million SF of new inventory, with another 12.0 million SF under construction scheduled to deliver by year-end 2024. Vacancy rate increased quarter-over-quarter from 6.8% to 7.4% despite an average of NNN asking rate decreased $0.06 per SF quarter-over-quarter compared to Q1 2024. Port Houston continues to be a key gateway for imports/exports. Houston's port processed over 1.7 million TEUs, marking a 14% increase compared to the same period in 2023. The market is poised to remain vigorous, anticipating strong performance throughout the remainder of the year.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 18,361,786 | 18,239,472 | 21,197,268 | 24,477,641 | 25,112,778 |
| ▲ | Vacancy Rate | 7.4% | 7.1% | 6.8% | 6.5% | 6.0% |
| ▼ | Avg NNN Asking Rate PSF | $8.88 | $8.94 | $8.95 | $8.86 | $8.75 |
| ▼ | SF Under Construction | 14,004,954 | 16,452,227 | 20,391,023 | 24,916,178 | 34,542,014 |
| ▲ | Inventory SF | 827,809,960 | 821,810,652 | 815,416,707 | 808,112,976 | 796,121,737 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 13930 Journey Road, PH 2, Bldg 6<br>Houston, TX | 159,850 SF | Undisclosed | Cleo Management, Inc.<br>IDV-BP South Belt LLC | Class A |
| 915 Conroe Park West Drive<br>Conroe, TX | 145,222 SF | $14,522,000<br>$100.00 PSF | TradeLane Properties<br>Fourshore Capital | Class A |
| 12020 Barker Cypress Road<br>Cypress, TX | 142,100 SF | $17,360,000<br>$122.17 PSF | 1031 Capital<br>Molto Properties | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 15550 Milner Road, Bldg 4<br>Houston, TX | 1,213,573 SF | Prologis, Inc. | Integra Mission Critical | Computer Systems<br>Design Services |
| 359 Pike Court, Bldg 2<br>La Porte, TX | 372,090 SF | Starwood Real Estate<br>Income Trust, Inc. | PGS | Professional, Scientific,<br>and Technical Services |
| 12631 S. Main Street, Bldg 2<br>Houston, TX | 368,099 SF | Jackson-Shaw Company | eFulfill, Inc. | Process, Physical Dist/<br>Logistics Cnsltg Svc |

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# Q2 2024
## PACIFIC NORTHWEST, WA

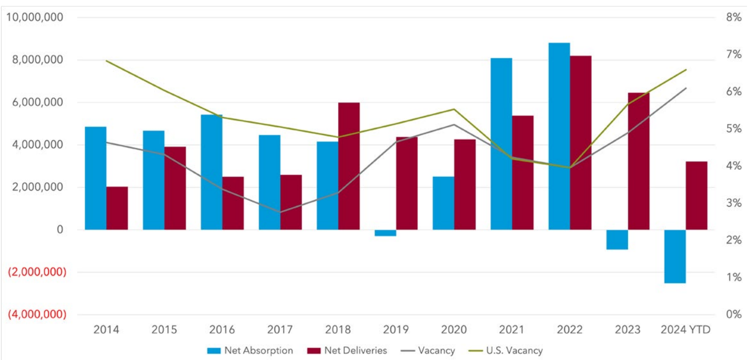
## INDUSTRIAL MARKET OVERVIEW

VANESSA HERZOG, *Principal*

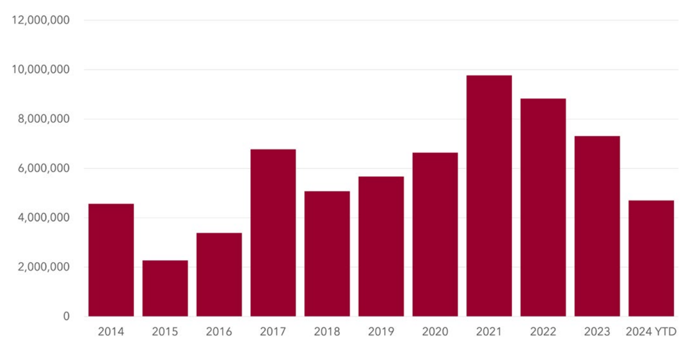
Industrial markets in the Pacific NW are adjusting but remaining steady. Vacancy rates are around 7% in the 6-county region along the I-5 corridor (Arlington to Vancouver, WA). Leasing activity slowed in the first quarter but is picking up in the second. New construction is active, but the project pipeline is diminishing due to high land price expectations, stabilized rental rates, and continued high construction costs. This trend is expected to continue into 2025, frustrating developers and land sellers. Large land parcels are hard to find, pushing developers toward infill assemblages, land use changes, or full site redevelopment. Demand for IOS properties is slowing, and small owner-user facilities' demand is leveling off.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (2,142,214) | (2,688,054) | (2,232,454) | (692,294) | 2,803,844 |
| ▲ | Vacancy Rate | 7.38% | 7.20% | 6.30% | 5.70% | 5.30% |
| ▼ | Avg NNN Asking Rate PSF | $14.82 | $14.85 | $14.83 | $14.84 | $14.60 |
| ▲ | SF Under Construction | 11,400,000 | 6,713,709 | 7,786,821 | 6,787,358 | 8,634,108 |
| ▲ | Inventory SF | 360,036,235 | 355,266,605 | 354,650,713 | 352,343,906 | 350,487,030 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 18435 Olympic Avenue, S<br>Tukwila, WA | 71,900 SF | $14,595,000<br>$202.99 PSF | Olympic Ave Holding LLC<br>Cascade Engine Center LLC | Class B |
| 660 S. Othello St. & 7101 8th Ave., S<br>Seattle, WA | 139,857 SF | $23,000,000<br>$164.45 PSF | Fortress Investment Group<br>Frye Art Museum | Class B |
| Sumner Meadows Golf Cource<br>Sumner, WA | 3,596,749 SF | $46,779,382<br>$13.01 PSF | KGCAL Sumner Meadows LLC<br>City of Sumner | Land |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 10920 Steele Street, S<br>Lakewood, WA | 64,341 SF | First Industrial | Navistar | Manufacturing |
| 506 44th Street, NW<br>Auburn, WA | 82,420 SF | 4JC Investments | Fluid Motion | Manufacturing |
| 8610 212th Street<br>Kent, WA | 108,000 SF | Public REIT | Cosmos Granite | Wholesaler |

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# Q2 2024
## MADISON, WI

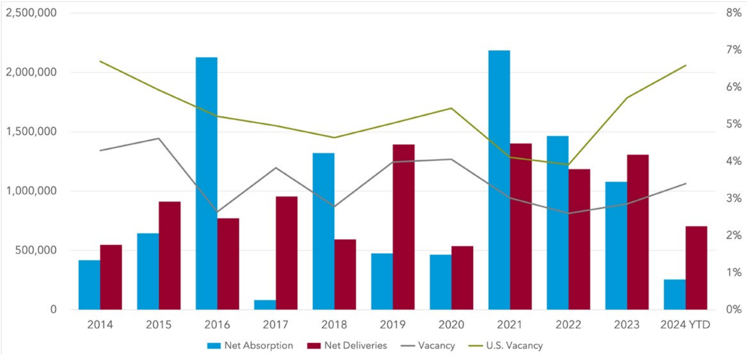
## INDUSTRIAL MARKET OVERVIEW

CAMP PERRET, *Vice President*

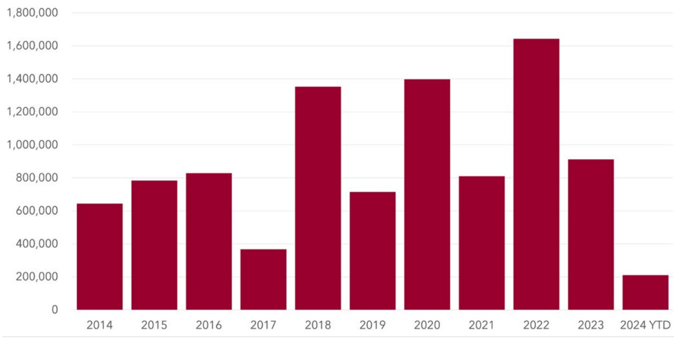
The vacancy rate in the Madison Industrial Market Rent is 3.3%. This low vacancy rate continues to slow leasing activity. High construction costs continue to hinder construction starts with only 210,956 sf under way. Deliveries were steady with 326,992 sf supplied in Q2. Rent growth year-over-year was 2.86% with an all-time high average asking rate of $7.81/sf. Flex asking rate is up to $10.89/sf. Sale volumes were down slightly year-over-year, mainly due to lack of inventory. Price per sf has remained steady over the past 2 ½ years.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 630,311 | 1,039,885 | 1,078,013 | 1,675,031 | 1,773,477 |
| ▲ | Vacancy Rate | 3.3% | 3.0% | 2.9% | 3.0% | 1.8% |
| ▲ | Avg NNN Asking Rate PSF | $7.81 | $7.77 | $7.73 | $7.64 | $7.55 |
| ▼ | SF Under Construction | 210,956 | 529,164 | 912,447 | 1,157,589 | 2,111,792 |
| ▲ | Inventory SF | 78,438,775 | 78,111,783 | 77,735,362 | 77,579,048 | 76,599,853 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 275 Investment Court<br>Verona, WI | 30,000 SF | $2,800,000<br>$93.33 PSF | Bricks, Inc.<br>Artisan Graham Real Estate | Class B |
| 2922 Syene Road<br>Madison, WI | 18,340 SF | $1,600,000<br>$87.92 PSF | Oster Joint Revocable Trust<br>Curry Estates LLC | Class B |
| 6617 Seybold Road<br>Madison, WI | 14,820 SF | $629,558<br>$42.48 PSF | Ace Electric<br>William Gehl | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4722 Helgesen Drive<br>Madison, WI | 121,400 SF | STAG Industrial, Inc. | US Ventures | Wholesaler |
| 2430 Pennsylvania Avenue<br>Madison, WI | 11,500 SF | Michael O'Mara | Water Supply and Irrigation Systems | Services |
| 1814-1820 S. Park Street<br>Madison, WI | 8,000 SF | Robert Cox Realty | K-Beauty | Retailer |

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# Q2 2024 OFFICE OVERVIEW

## OFFICE OVERVIEW: WEAK DEMAND PLAGUES U.S. MARKETS

The United States and Canada share a long geographic border, but when it comes to office markets the two nations are in different worlds. There's been healthy demand for space in Canada lately, but weak net absorption continues to dog U.S. markets, driving up the vacancy rate to a record 13.9%.

Negative net absorption in the U.S. in the first half totaled 28.4 million SF, a 28% improvement from the same period a year ago. Notably, although Q2 was the eighth straight quarter with demand in the red, it only totaled negative 1.6 million SF. It was the type of quarterly report that may give some landlords and investors hope that the market is bottoming.

Nevertheless, since April 2020, U.S. negative absorption totals more than 206 million SF, which is four times the occupancy lost in the 2008 financial crisis and nearly three times the loss after the dot-com bust. Stagnating office attendance, slowing office job growth and about 25% of pre-Covid leases yet to expire give little indication that reversal of the trend is imminent.

U.S. office attendance averages perhaps 5 percentage points higher than a year ago, according to independent surveys by Kastle Systems and Stanford University. When that is combined with slowing growth of less than 1% for office jobs, it results in space requirements continuing to resettle downward with many tenants shrinking in place or consolidating into fewer locations as leases expire.

Over the last 18 months the amount of space taken by new tenants is 15-20% less than the average from 2015-19. The volume of sublease space has doubled since 2019 to 200 million SF, half of which is vacant.

New construction is down with 10 million SF of new inventory added in the first half, the least since 2013. But about 18 million SF are slated for delivery in the third quarter. Starts totaled 4 million SF in Q1. The nearly 35 million SF in 2023 starts were the least since 2010.

With only $13.4 billion in year-to-date sales, 2024 is on track as the nadir for trades since the 2008 recession. Debt maturities are posing challenges for owners and investors. There are about $206 billion in office loans maturing this year and $180 billion maturing in the next two years. Delinquency rates now at 7.4% could hit levels reached in the 2008 recession.

In Canada, meanwhile, there were 3.4 million SF of net absorption in the first half, which is nearly equal to annual nationwide expansion totals in 2016 and 2017. Canada only posted one year of negative growth during Covid in the last decade, putting 4.9 million SF back on the market in 2021. Since the lockdown, however, tenant expansion totals 9.6 million SF.

On a regional basis, leasing conditions are comparatively stronger in the West. Calgary was Canada's top office market with tenants signing for 2.7 million SF over the past 12 months. Vancouver totaled 760,674 SF. Meanwhile, net growth in the last four quarters totaled 2.3 million SF in Toronto and 613,354 SF in the nearby Greater Golden Horseshoe market at the west end of Lake Ontario.

| LOWEST VACANCY RATE | |
|---|---|
| FL, Miami | 8.5% |
| NY, Long Island* | 8.8% |
| OH, Cincinnati | 9.1% |
| FL, Orlando | 9.1% |
| ON, Toronto | 9.3% |
| **U.S. Index** | 13.9% |
| **Canada Index** | 8.6% |

| HIGHEST MARKET RENT / SF ANNUAL | |
|---|---|
| NY, New York* | $56.76 |
| CA, San Francisco | $52/02 |
| FL, Miami | $51.36 |
| MA, Boston | $42.60 |
| CA, Los Angeles | $41.52 |
| **U.S. Index** | $35.40 |
| **Canada Index** | $26.76 CAD |

| HIGHEST MARKET SALE PRICE / SF | |
|---|---|
| NY, New York* | $557 |
| CA, San Francisco | $541 |
| WA, Seattle | $394 |
| MA, Boston | $374 |
| CA, Los Angeles | $366 |
| **U.S. Index** | $277 |
| **Canada Index** | $259 CAD |

| MOST SF UNDER CONSTRUCTION SF | |
|---|---|
| MA, Boston | 13,876,045 |
| NY, New York* | 10,118,912 |
| ON, Toronto | 8,340,966 |
| WA, Seattle | 8,178,013 |
| TX, Dallas-Fort Worth | 7,423,551 |
| **U.S. Index** | 88,700,551 |
| **Canada Index** | 13,152,512 |

| LARGEST INVENTORY BY SF | |
|---|---|
| NY, New York* | 978,339,010 |
| DC, Washington | 526,575,598 |
| IL, Chicago | 510,700,322 |
| CA, Los Angeles | 440,867,159 |
| TX, Dallas-Fort Worth | 424,922,347 |
| **U.S. Index** | 8,470,851,698 |
| **Canada Index** | 688,963,876 |

| LOWEST MARKET CAP RATE | |
|---|---|
| ON, Toronto | 6.1% |
| CA, San Francisco | 6.4% |
| NY, New York* | 6.7% |
| CA, Los Angeles | 6.9% |
| FL, Miami | 7.0% |
| **U.S. Index** | 8.6% |
| **Canada Index** | 7.3% |

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## OFFICE OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / SF | MARKET SALE PRICE / SF | SF UNDER CONSTRUCTION | INVENTORY SF | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **AB, Calgary** ** | 13.8% | $1.67 | $117 | 235,947 | 97,390,080 | 11.9% |
| **AZ, Phoenix** | 16.5% | $2.47 | $206 | 1,113,610 | 197,170,715 | 8.5% |
| **BC, Vancouver** ** | 6.8% | $2.73 | $481 | 3,617,519 | 97,569,531 | 4.2% |
| **CA, Bakersfield** | 12.3% | $1.95 | $153 | 20,000 | 16,231,919 | 10.1% |
| **CA, East Bay** | 14.4% | $3.08 | $278 | 0 | 115,700,261 | 7.3% |
| **CA, Fresno** | 7.5% | $1.87 | $170 | 136,111 | 29,110,614 | 9.7% |
| **CA, Inland Empire** | 5.7% | $2.29 | $196 | 132,291 | 77,536,190 | 8.5% |
| **CA, Los Angeles** | 16.2% | $3.46 | $366 | 2,962,239 | 440,867,159 | 6.9% |
| **CA, Orange County** | 12.8% | $2.66 | $268 | 89,528 | 158,825,465 | 7.6% |
| **CA, San Diego** | 12.1% | $3.18 | $308 | 3,665,019 | 119,476,815 | 7.6% |
| **CA, San Francisco** | 22.5% | $4.41 | $541 | 1,382,481 | 192,310,651 | 6.4% |
| **CA, San Luis Obispo** | 3.5% | $2.41 | $243 | 0 | 6,696,493 | 8.7% |
| **CA, Santa Barbara** | 6.4% | $2.73 | $327 | 165,641 | 13,802,603 | 7.4% |
| **CA, Stockton** | 5.2% | $1.82 | $162 | 10,604 | 13,022,887 | 9.1% |
| **CA, Ventura** | 10.9% | $2.33 | $211 | 0 | 21,800,610 | 9.0% |
| **CO, Denver** | 17.2% | $2.44 | $217 | 2,619,287 | 186,221,411 | 8.6% |
| **DC, Washington** | 17.1% | $3.26 | $298 | 2,152,067 | 526,575,598 | 8.9% |
| **FL, Fort Myers** | 5.8% | $2.19 | $184 | 13,200 | 22,019,448 | 8.4% |
| **FL, Miami** | 8.5% | $4.28 | $353 | 3,410,690 | 117,445,976 | 7.0% |
| **FL, Naples** | 4.9% | $2.90 | $243 | 39,986 | 10,598,327 | 8.3% |
| **FL, Orlando** | 9.1% | $2.41 | $188 | 713,557 | 105,952,532 | 8.9% |
| **FL, Tampa Bay** | 9.5% | $2.51 | $194 | 576,272 | 129,705,868 | 8.8% |
| **GA, Atlanta** | 16.3% | $2.38 | $201 | 2,389,755 | 338,994,356 | 8.5% |
| **GA, Savannah** | 1.7% | $2.21 | $179 | 123,452 | 12,549,215 | 9.9% |
| **ID, Boise** | 6.2% | $1.87 | $153 | 27,714 | 35,620,742 | 10.2% |
| **IL, Chicago** | 16.4% | $2.49 | $180 | 1,164,413 | 510,700,322 | 9.4% |
| **IN, Indianapolis** | 9.7% | $1.82 | $115 | 1,289,568 | 111,126,132 | 10.4% |
| **KS, Lawrence** | 10.2% | $1.88 | $116 | 0 | 3,336,429 | 11.1% |
| **KS, Topeka** | 7.2% | $1.54 | $110 | 100,000 | 11,795,466 | 10.6% |
| **LA, Baton Rouge** | 5.6% | $1.69 | $105 | 11,490 | 28,269,928 | 12.1% |
| **MA, Boston** | 12.8% | $3.55 | $374 | 13,876,045 | 381,535,350 | 7.5% |
| **MD, Baltimore** | 11.5% | $2.02 | $150 | 1,532,681 | 149,743,087 | 9.9% |
| **MI, Detroit** | 12.1% | $1.82 | $114 | 1,610,097 | 201,002,983 | 10.9% |
| **MN, Minneapolis** | 11.3% | $2.23 | $152 | 476,600 | 204,661,551 | 9.3% |
| **United States Index** | 13.9% | $2.95 | $277 | 88,700,551 | 8,470,851,698 | 8.6% |
| **Canada Index** | 8.6% | $2.23 CAD | $259 CAD | 13,152,512 | 688,963,876 | 7.3% |

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# Q2 2024
# OFFICE OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / SF | MARKET SALE PRICE / SF | SF UNDER CONSTRUCTION | INVENTORY SF | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **MO, Kansas City*** | 12.3% | $1.91 | $121 | 963,554 | 128,806,988 | 10.0% |
| **MO, Saint Louis** | 10.6% | $1.81 | $109 | 832,500 | 148,229,297 | 10.7% |
| **NC, Charlotte** | 14.3% | $2.75 | $246 | 1,462,165 | 137,053,193 | 7.9% |
| **NC, Durham** | 9.7% | $2.36 | $216 | 162,759 | 37,396,574 | 8.5% |
| **NC, Raleigh** | 10.9% | $2.51 | $213 | 1,033,101 | 79,983,787 | 8.5% |
| **NE, Lincoln** | 6.9% | $1.64 | $119 | 0 | 18,735,730 | 10.4% |
| **NE, Omaha** | 7.1% | $2.11 | $121 | 1,310,515 | 48,440,033 | 11.2% |
| **NJ, Atlantic City** | 6.0% | $1.94 | $132 | 0 | 7,610,944 | 10.6% |
| **NJ, Northern New Jersey** * | 13.9% | $2.42 | $180 | 270,750 | 155,028,478 | 9.6% |
| **NJ, Trenton** | 12.1% | $2.47 | $150 | 462,604 | 31,858,961 | 10.3% |
| **NJ, Vineland** | 5.9% | $1.52 | $105 | 0 | 2,849,740 | 10.6% |
| **NV, Reno** | 9.0% | $2.05 | $190 | 367,218 | 17,362,559 | 9.1% |
| **NY, Long Island** | 8.8% | $2.71 | $179 | 168,132 | 100,012,210 | 9.4% |
| **NY, New York** * | 13.9% | $4.73 | $557 | 10,118,912 | 978,339,010 | 6.7% |
| **OH, Cincinnati** | 9.1% | $1.76 | $99 | 86,000 | 105,375,097 | 11.3% |
| **OH, Cleveland** | 9.7% | $1.63 | $93 | 1,147,253 | 113,399,174 | 12.4% |
| **OH, Columbus** | 9.5% | $1.88 | $111 | 651,449 | 119,720,407 | 10.5% |
| **ON, Toronto** ** | 9.3% | $2.47 | $293 | 8,340,966 | 287,985,432 | 6.1% |
| **PA, Harrisburg** | 8.3% | $1.50 | $111 | 120,534 | 38,612,492 | 11.6% |
| **PA, Lehigh Valley** * | 7.1% | $1.76 | $99 | 39,375 | 32,192,152 | 12.0% |
| **PA, Philadelphia** * | 10.8% | $2.31 | $159 | 2,242,148 | 332,607,752 | 9.9% |
| **PA, Pittsburgh** | 11.7% | $1.87 | $111 | 699,452 | 143,646,749 | 10.7% |
| **SC, Charleston** | 8.0% | $2.68 | $200 | 158,027 | 33,758,645 | 9.3% |
| **SC, Greenville** | 8.8% | $1.91 | $130 | 161,688 | 35,352,661 | 9.9% |
| **SC, Spartanburg** | 3.4% | $1.76 | $116 | 6,500 | 7,850,061 | 10.8% |
| **TN, Nashville** | 11.8% | $2.70 | $216 | 3,059,846 | 104,226,917 | 8.3% |
| **TX, Dallas-Fort Worth** | 18.3% | $2.57 | $208 | 7,423,551 | 424,922,347 | 8.4% |
| **TX, Houston** | 18.8% | $2.47 | $192 | 2,494,814 | 358,196,590 | 9.5% |
| **WA, Seattle** | 15.3% | $3.08 | $394 | 8,178,013 | 235,784,173 | 7.2% |
| **WI, Madison** | 6.0% | $1.91 | $116 | 105,013 | 40,379,103 | 11.3% |
| **United States Index** | 13.9% | $2.95 | $277 | 88,700,551 | 8,470,851,698 | 8.6% |
| **Canada Index** | 8.6% | $2.23 CAD | $259 CAD | 13,152,512 | 688,963,876 | 7.3% |

** Please note that the statistics represented in this table are based on CoStar defined market territories and may not represent the geographic area the label depicts.*

*** Numbers shown are in Canadian dollars (CAD)*

# Q2 2024
## PHOENIX, AZ

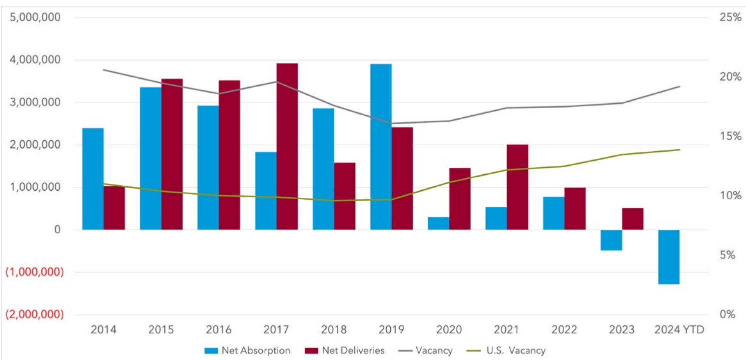
## OFFICE MARKET OVERVIEW

CHRIS MCCHESNEY, *Research Director*

The Metro Phoenix office market faces substantial challenges compounded by shifts in workplace dynamics accelerated by the COVID-19 pandemic. The widespread adoption of remote work has significantly reduced the immediate demand for physical office space, with many businesses opting for hybrid or fully remote work models. This shift is reflected in Phoenix's negative net absorption of 883,286 square feet in the second quarter, marking its worst performing quarter on record. The market is grappling with significant vacancies and decreased leasing activity, underscoring the profound impact of evolving work patterns.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ Qtrly Net Absorption SF | (883,286) | (497,019) | 68,616 | (355,027) | (137,097) |
| ▲ Vacancy Rate | 19.2% | 18.4% | 17.8% | 17.9% | 17.7% |
| ▼ Avg NNN Asking Rate PSF | $29.45 | $29.86 | $29.56 | $28.64 | $28.79 |
| ◀ ▶ SF Under Construction | 387,578 | 387,578 | 252,578 | 402,194 | 552,194 |
| ▲ Inventory SF | 109,294,275 | 109,186,633 | 109,075,724 | 108,988,962 | 108,838,962 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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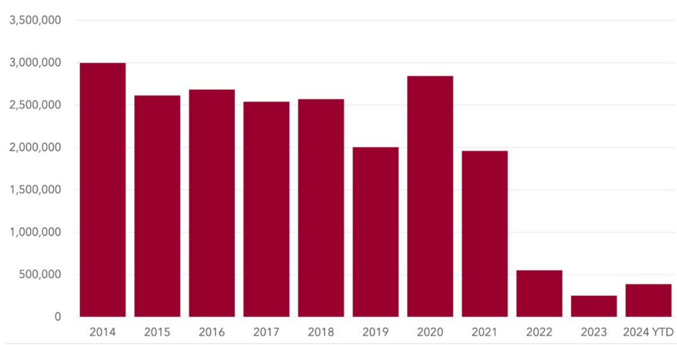


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1825 E. Buckeye Road, (5 Bldgs)<br>Phoenix, AZ | 539,849 SF | $44,300,000<br>$82.06 PSF | Heymann<br>Blackstone, Inc. | Class B |
| 2375 E. Camelback Road<br>Phoenix, AZ | 308,827 SF | $86,100,000<br>$278.80 PSF | Columbus Properties<br>New York Life | Class A |
| 433 S. Farmer Avenue<br>Tempe, AZ | 180,910 SF | $56,200,000<br>$310.65 PSF | Breakwater Partners<br>M.A. Mortenson | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1930 W. Rio Salado Parkway<br>Tempe, AZ | 136,246 SF | Oaktree Capital | Dutch Bros | Food & Beverage |
| 6400 E. McDowell Road<br>Scottsdale, AZ | 89,716 SF | Bridge CRE | WillScot Mobile | Modular Space |
| 2394 E. Camelback Road<br>Phoenix, AZ | 47,474 SF | ViaWest | Fennemore | Law Firm |

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# Q2 2024
# VANCOUVER, BC

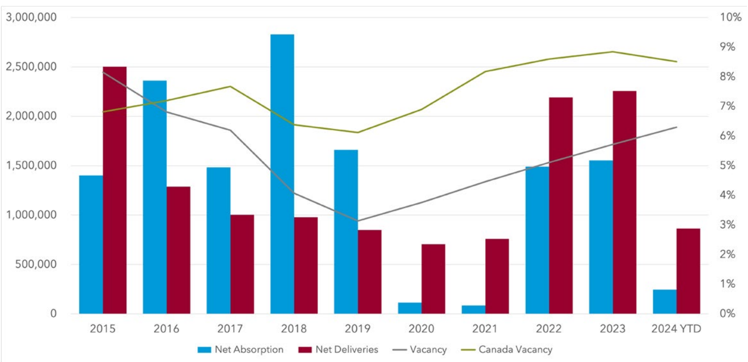
## OFFICE MARKET OVERVIEW

MASON TAYKANDY, *Research Coordinator*

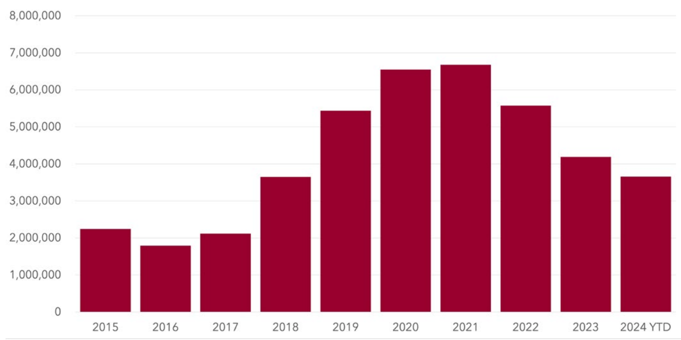
The Vancouver office market remains tenant-favorable in Q2 2024, with downtown vacancy rates hovering around 12-14%. The BoC's recent 25 basis point interest rate cut to 4.75% could stimulate investment. Notably, Germany-based Deka Immobilien Investment's $300 million purchase of 401 West Georgia Street and 402 Dunsmuir Street, underscores a strong appetite for foreign investment despite broader market uncertainties. Office developments are becoming increasingly non-speculative, reflecting cautious sentiment. Further, ICBC's move to the 164,255 square foot building at 2150 Keith Drive in Vancouver exemplifies current office utilization trends. Overall, the market is marked by a tenant's advantage, selective investment activity, and cautious development approaches.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 1,247,521 | 727,055 | 1,553,311 | 1,596,552 | 1,032,056 |
| ▲ | Vacancy Rate | 6.3% | 6.2% | 5.7% | 5.8% | 5.5% |
| ▲ | Avg NNN Asking Rate PSF | $44.86 | $44.85 | $45.01 | $44.77 | $44.67 |
| ▼ | SF Under Construction | 3,657,119 | 4,334,806 | 4,190,549 | 4,705,027 | 4,844,380 |
| ▲ | Inventory SF | 97,579,848 | 96,859,848 | 96,716,348 | 96,148,955 | 95,463,303 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 401 W. Georgia & 402 Dunsmuir St.<br>Vancouver, BC | 416,000 SF | $300,000,000*<br>$721.15 PSF | Deka Immobilien Investment GmbH<br>Oxford Prop & Canada Pension Plan | Class A |
| 3777 Kingsway<br>Burnaby, BC | 671,555 SF | $82,500,000*<br>$122.85 PSF | Crestpoint R.E. Inv/ Ltd. *(50% Int)<br>H&R Real Estate Investment Trust | Class B |
| 1260 Hamilton Street<br>Vancouver, BC | 11,280 SF | $11,000,000*<br>$975.18 PSF | No. 99 Seabright Holdings Ltd.<br>Undisclosed | Class C |

**All numbers shown are in Canadian dollars (CAD)*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2150 Keith Drive<br>Vancouver, BC | 164,255 SF | BentallGreenOak | ICBC | Insurance |
| 1055 Dunsmuir Street<br>Vancouver, BC | 53,000 SF | Hudson Pacific | Boomi | Technology |
| 1077 W. Cordova Street<br>Vancouver, BC | 23,532 SF | Westbank | AON | Finance & Insurance |

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# Q2 2024
# BAKERSFIELD, CA

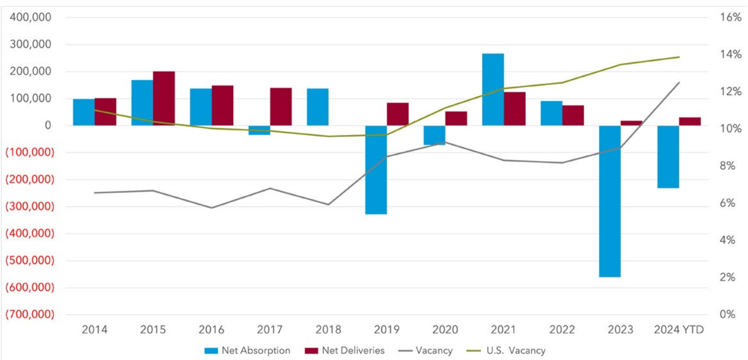
## OFFICE MARKET OVERVIEW

ROSS PUSKARICH, *Associate*

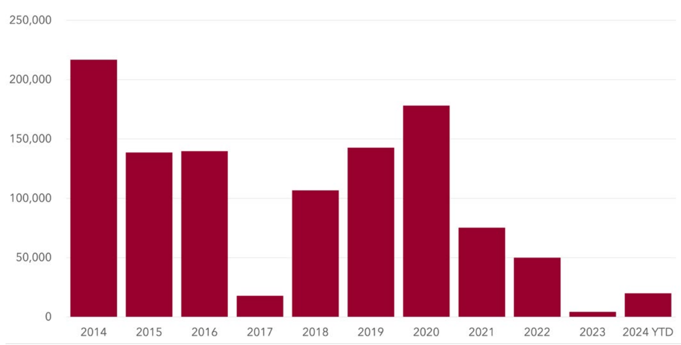
The Bakersfield office market has increased to 12.5%, up 3.9% YOY. The uptick in vacancy is attributed to almost 600,000 SF of negative absorption and 40,000 SF of deliveries. Rents increased 1.2% YOY and currently average $24 PSF. Total volume in sales over the last 12 months was approximately $84M with an average of $188 PSF. The current cap rate stands at 7.8%, above the national average of 7.3%. High quality assets net the lowest cap rates with lower quality reaching as high as 11% cap rate.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (606,000) | (472,898) | (561,000) | (179,000) | (247,000) |
| ▲ Vacancy Rate | 12.4% | 11.2% | 9.0% | 8.7% | 9.2% |
| ▲ Avg NNN Asking Rate PSF | $23.48 | $23.44 | $23.40 | $24.12 | $24.36 |
| ◄ ► SF Under Construction | 20,000 | 20,000 | 4,382 | 13,993 | 9,611 |
| ◄ ► Inventory SF | 16,232,479 | 16,232,479 | 16,246,282 | 16,082,343 | 16,037,568 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 9831 Rosedale Highway<br>Bakersfield, CA | 3,542 SF | $1,200,000<br>$339.00 PSF | Israel Martinez<br>Gilliam & Sons, Inc. | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4550 California Avenue<br>Bakersfield, CA | 23,607 SF | David Pick Investment Group | Undisclosed | Undisclosed |
| 4540 California Avenue<br>Bakersfield, CA | 11,858 SF | David Pick<br>Investment Group | Undisclosed | Undisclosed |
| 4200 Truxtun Avenue<br>Bakersfield, CA | 4,214 SF | Rodney Palla | Chaparal Medical Group | Medical |

# Q2 2024
## EAST BAY - TRI-VALLEY, CA

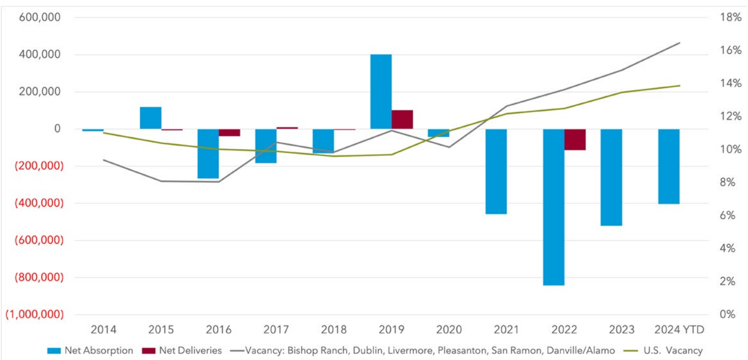
### OFFICE MARKET OVERVIEW

MARK RINKLE, *Principal*

Q2 faced escalating challenges, with the vacancy rate climbing to 16.4% and the 12-month net absorption posting another negative half a million square feet. Market rents dipped slightly from $34.11 to $34.09, showing continued weakness in the leasing sector. This persistent negative absorption trend, coupled with increasing vacancies, underscores a tough period ahead as hybrid work patterns and economic uncertainties continue to impact leasing activity and tenant retention. On the bright side, there were several large campus sale transactions that took place, most notably being the Pleasanton Corporate Commons which was purchased by Nome Capital Partners and Dutra Plaza being purchased by Engrace Montessori School. PCC was purchased at 43% less than the assessed value.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (497,079) | (363,091) | (520,881) | (581,250) | (96,764) |
| ▲ Vacancy Rate | 16.4% | 15.1% | 14.8% | 14.5% | 14.8% |
| ▼ Avg NNN Asking Rate PSF | $34.09 | $34.11 | $34.20 | $34.32 | $34.19 |
| ◄ ► SF Under Construction | 0 | 0 | 0 | 0 | 0 |
| ◄ ► Inventory SF | 27,315,270 | 27,315,270 | 27,315,270 | 27,315,270 | 27,315,270 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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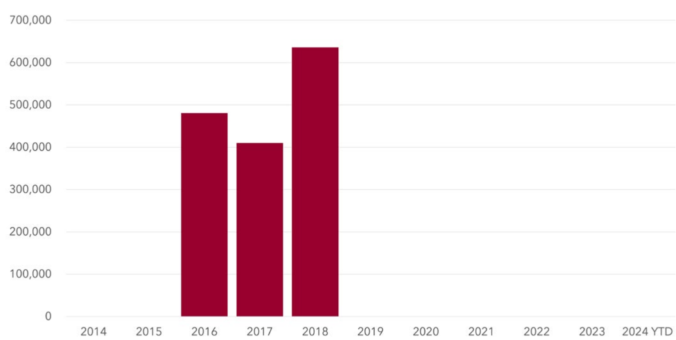


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 6200-6230 Stoneridge Mall Road<br>Pleasanton, CA | 595,608 SF | $151,800,000<br>$255.00 PSF | Nome Capital Partners<br>UBS Asset Management | Class A |
| 5950-5960 Stoneridge Drive<br>Pleasanton, CA | 42,200 SF | $6,707,500<br>$159.00 PSF | Engrace Montessori School<br>Dutra Enterprises, Inc. | Class B |
| 6111 Johnson Court<br>Pleasanton, CA | 14,588 SF | Undisclosed | Undisclosed<br>The RK Logistics Group | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 6111 Bollinger Canyon Road<br>San Ramon, CA | 42,647 SF | Sunset Development Company | Undisclosed | Undisclosed |
| 12677 Alcosta Boulevard<br>San Ramon, CA | 42,000 SF | Sunset Development Company | Undisclosed | Undisclosed |
| 6955-6979 Sierra Court<br>Dublin, CA | 36,843 SF | Dianne Johnson | Document Fullfillment Services | Professional, Scientific, & Technical Services |

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# Q2 2024
## FRESNO, CA

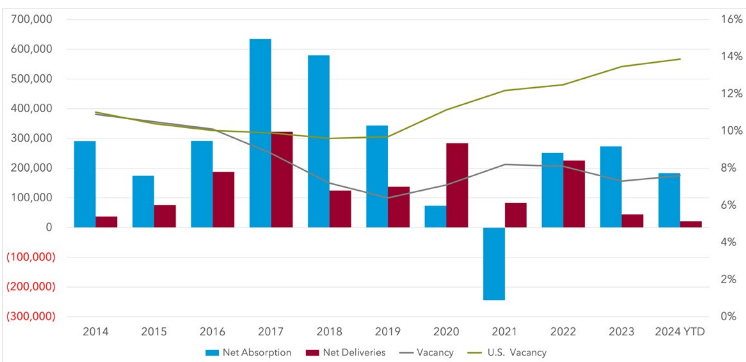
## OFFICE MARKET OVERVIEW

ROSS PUSKARICH, *Associate*

Fresno is the largest office market in the Central Valley and is among the tightest in the western U.S. with 7.6% vacancy falling from 10.9% 10 years ago. Net absorption was positive in 2022 and 2023 and totals 183,083 SF year to date. User sales remain a major market driver with tenants leveraging lower purchase prices. The largest leases come from medical users, notably the Community Regional Medical Center in downtown Fresno. Despite market challenges, deal sizes in 2023 only decreased by 10% compared to the 2017-2019 average, better than the 30%-40% reductions seen in other markets.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 183,000 | 221,454 | 273,346 | 90,766 | 41,886 |
| ▼ Vacancy Rate | 7.6% | 7.7% | 7.3% | 7.8% | 8.1% |
| ▲ Avg NNN Asking Rate PSF | $22.47 | $22.43 | $22.38 | $22.38 | $22.22 |
| ▲ SF Under Construction | 136,111 | 101,000 | 108,000 | 88,800 | 94,100 |
| ▲ Inventory SF | 29,111,613 | 29,100,000 | 29,100,000 | 29,100,000 | 29,100,000 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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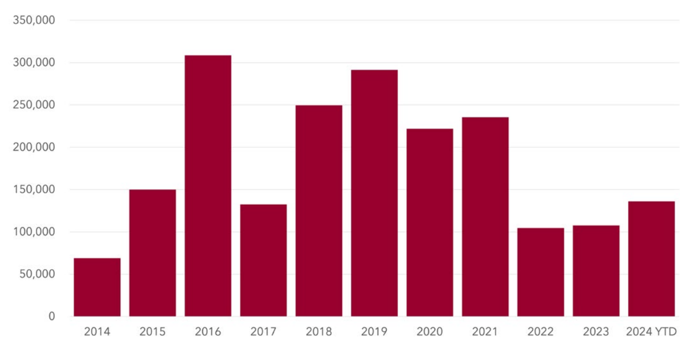


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1320 E. Shaw Avenue<br>Fresno, CA | 54,679 SF | $3,632,662<br>$66.00 PSF | Fresno Starpoint LLC<br>Mill Avenue Properties LLC | Class B |
| 1318 E. Shaw Avenue<br>Fresno, CA | 32,172 SF | $2,390,132<br>$74.00 PSF | Fresno Starpoint LLC<br>Mill Avenue Properties LLC | Class B |
| 1322 E. Shaw Avenue<br>Fresno, CA | 32,100 SF | $2,443,966<br>$76.00 PSF | Fresno Starpoint LLC<br>Mill Avenue Properties LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 7170 N. Financial Drive<br>Fresno, CA | 15,428 SF | Ellis Enterprises | Bright Day ADHC | Health Care and<br>Social Assistance |
| 3240 N. Millbrook Avenue<br>Fresno, CA | 13,518 SF | John S. Foggy | Undisclosed | Undisclosed |
| 7815 N. Palm Avenue<br>Fresno, CA | 6,995 SF | Tutelian & Company | Undisclosed | Undisclosed |

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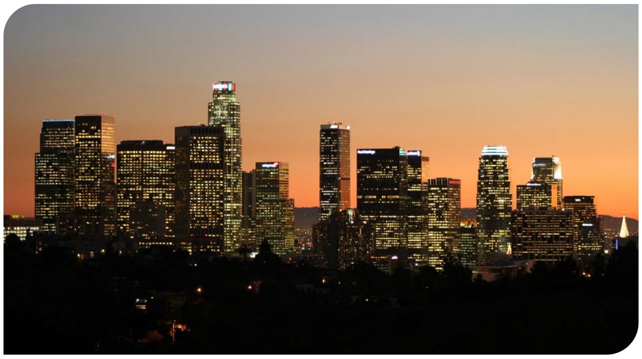
# Q2 2024
## LA - NORTH, CA



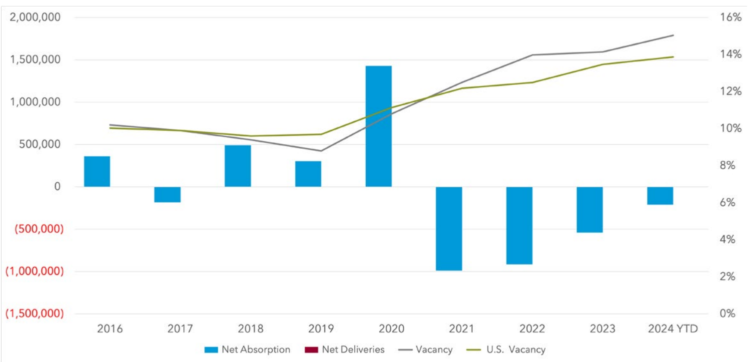
## OFFICE MARKET OVERVIEW

MIKE TINGUS, *President*

The LA North office market reported 848,479 square feet of space leased, a seven percent increase from the first quarter and the highest volume since the same period last year. No new construction was delivered during Q2, however, 433,000 square feet of construction is slated for completion by the end of the year, with three-quarters scheduled to come online by the end of the third quarter in the Universal/Studio City submarket, and the remaining inventory in Tarzana/Woodland Hills. Eight assets were sold, including three distressed properties, at an average of $308 per square foot.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (209,970) | (555,718) | (540,144) | (404,185) | (38,150) |
| ▲ | Vacancy Rate | 15.04% | 14.79% | 14.14% | 13.79% | 13.55% |
| ▲ | Avg NNN Asking Rate PSF | $2.89 | $2.86 | $2.85 | $2.87 | $2.89 |
| ◀ ▶ | SF Under Construction | 572,308 | 572,308 | 97,095 | 1,017,295 | 1,462,295 |
| ▼ | Inventory SF | 98,713,364 | 98,744,377 | 98,662,070 | 98,460,971 | 97,810,069 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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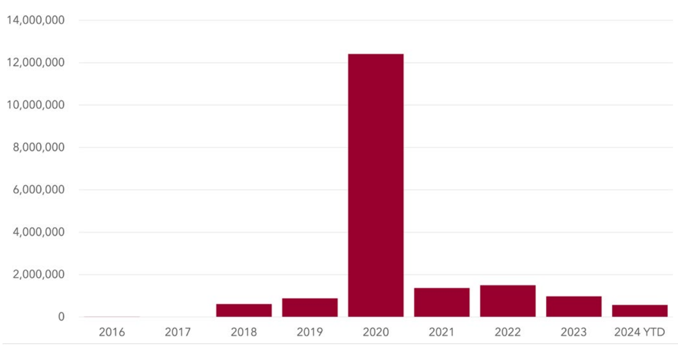


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 19839 Nordhoff Street<br>Chatsworth, CA | 10,483 SF | $3,200,000<br>$302.25 PSF | Ovation Tax Group LLC<br>My 3 Suns LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 15821 Ventura Boulevard<br>Encino, CA | 9,226 SF | Douglas Emmett<br>2014 LLC | Slade Neighbors, a Professiona<br>Law Corporation | Private Law Firm |
| 16030 Ventura Boulevard<br>Encino, CA | 9,133 SF | The Almar Building | Fulton Management | Entertainment<br>Business Mgmt Firm |
| 4312 Woodman Avenue<br>Sherman Oaks, CA | 8,247 SF | Mike Malamut C LLC | JR Consulting Management LLC | Financial Services |

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# Q2 2024
## LA - TRI-CITIES, CA

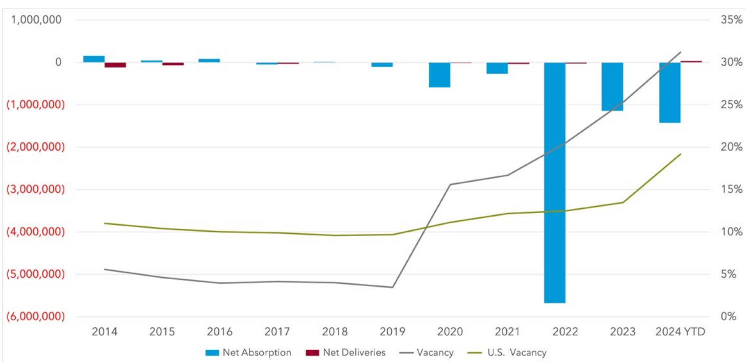
## OFFICE MARKET OVERVIEW

ELLIOTT GALLAHAN, *Senior Associate*

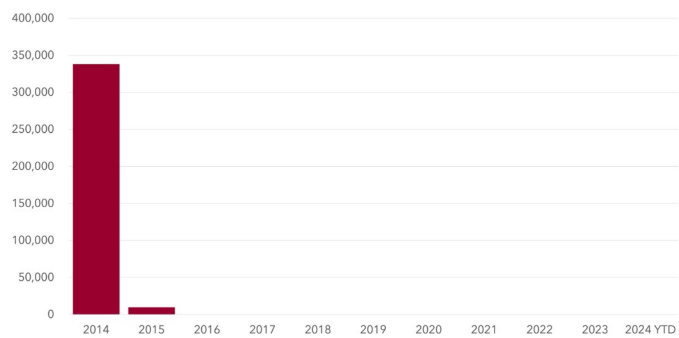
As of Q2 2024, the Tri-Cities office market, encompassing Burbank, Glendale, and Pasadena, faces significant challenges. The vacancy rate has risen to 31.2%, up from 30.6% in Q1 2024, and market asking rents have increased to $44.80 per square foot annually, compared to $43.74 previously. The 12-month net absorption is -521,723 square feet, indicating ongoing negative absorption. The sales market shows a decline, with the market sale price per square foot dropping to $317, a 6.6% decrease from the prior period's $340. Additionally, the market cap rate has risen to 6.7% from 6.4%. Leasing activity remains sluggish, reflecting persistent market difficulties.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (521,723) | (628,118) | (628,620) | (90,756) | 344,482 |
| ▲ | Vacancy Rate | 31.2% | 30.6% | 22.6% | 19.0% | 18.5% |
| ▲ | Avg FSG Asking Rate PSF | $44.80 | $43.74 | $44.76 | $44.88 | $44.88 |
| ▼ | SF Under Construction | 145,674 | 183,574 | 455,000 | 455,000 | 455,000 |
| ▼ | Inventory SF | 19,125,952 | 19,356,538 | 18,813,401 | 18,813,401 | 18,813,401 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 601 Mission Street<br>South Pasadena, CA | 11,705 SF | $6,800,000<br>$298.84 PSF | Birdi & Associates, Inc.<br>Urs Fischer | Class C |
| 529 Hahn Avenue<br>Glendale, CA | 10,421 SF | $4,225,000<br>$405.43 PSF | Undisclosed<br>Geoffrey Robert Gross | Class C |
| 605 Mission Street<br>South Pasadena, CA | 6,000 SF | $1,902,096<br>$317.02 PSF | Birdi & Associates, Inc.<br>Urs Fischer | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 269-283 S. Lake Avenue<br>Pasadena, CA | 33,464 SF | Heitman | Tokio Marine | Insurance Agents |
| 500 N. Brand Boulevard<br>Glendale, CA | 20,292 SF | Michael Dardick | Undisclosed | Undisclosed |
| 4411 W. Olive Avenue<br>Burbank, CA | 15,883 SF | Alexander Moradi | Undisclosed | Undisclosed |

# Q2 2024
## LA - WEST, CA

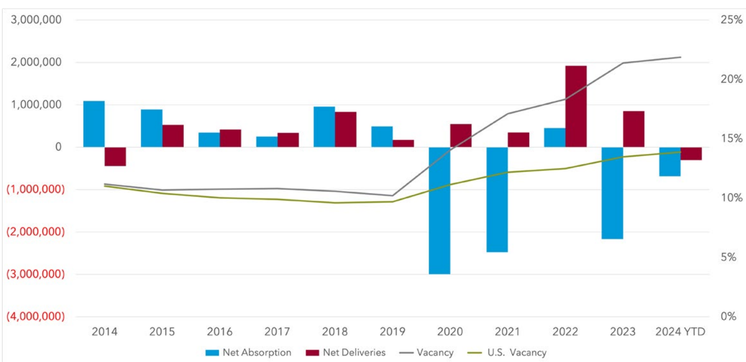
## OFFICE MARKET OVERVIEW

ALEKS TRIFUNOVIC, SIOR, *President*

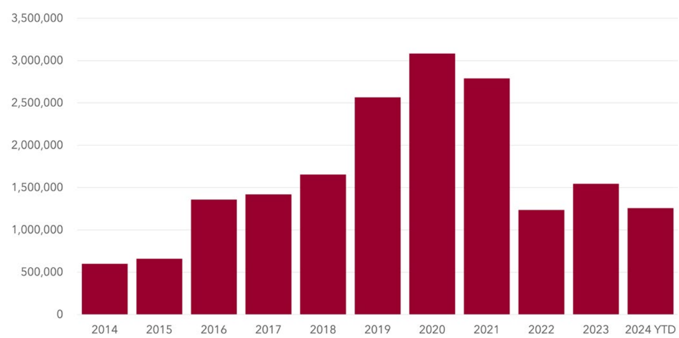
The Westside office market has seen a dip in leasing demand. Century City remains the bright spot for law firms and financial companies pursuing Class A office space. The WFH thaw has many companies reviewing their true needs for coming back to the office. The avoidance of the below-the-line workers for Hollywood is positive for an industry that hasn't recovered from the strikes in the summer of 2023. We are seeing sellers come to the reality of the new normal on pricing with the sale of 5340 Alla Road at $370 per/sf to an owner user which is a 50% reduction of value and the sale of 12901 Jefferson Blvd selling at an 11 CAP.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 142,627 | (708,621) | (991,899) | (620,722) | (323,146) |
| ▼ Vacancy Rate | 21.7% | 21.8% | 21.4% | 20.2% | 19.5% |
| ▼ Avg FSG Asking Rate PSF | $4.33 | $4.37 | $4.30 | $4.29 | $4.35 |
| ▼ SF Under Construction | 1,257,320 | 1,400,565 | 1,545,431 | 1,394,935 | 1,450,083 |
| ▲ Inventory SF | 93,449,908 | 93,306,663 | 93,752,700 | 93,649,705 | 93,594,557 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 444 N. Larchmont Boulevard<br>Los Angeles, CA | 5,100 SF | $3,500,000<br>$686.27 PSF | 1600 Productions LLC<br>The Estate of Patricia Louise Rose | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5750 Hannum Avenue Suite 100<br>Culver City, CA | 17,363 SF | Culver City/<br>Hannum LLC | Sherwood Management Co. | Jewelery |
| 2242-2250 Cotner Avenue<br>Los Angeles, CA | 13,000 SF | The Cahill Group | Hidden Garden Floral Designs, Inc. | Florals/Distribution |
| 5700 Buckingham Parkway 2nd Floor<br>Culver City, CA | 12,000 SF | Otto Nemenz<br>International, Inc. | Icon Entertainment Group LLC | Entertainment |

# Q2 2024
# ORANGE COUNTY, CA

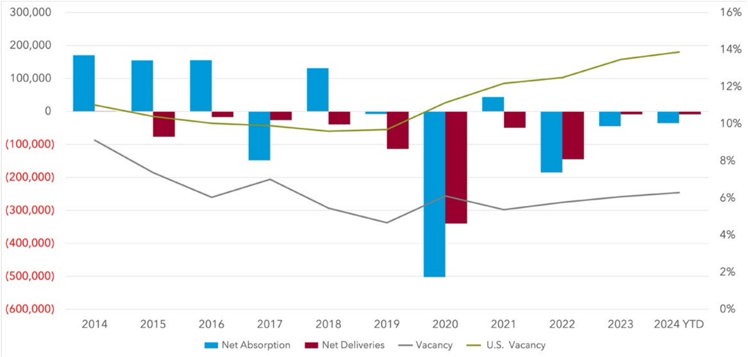
## OFFICE MARKET OVERVIEW

CHRISTOPHER MANASSERO, *Senior Associate*

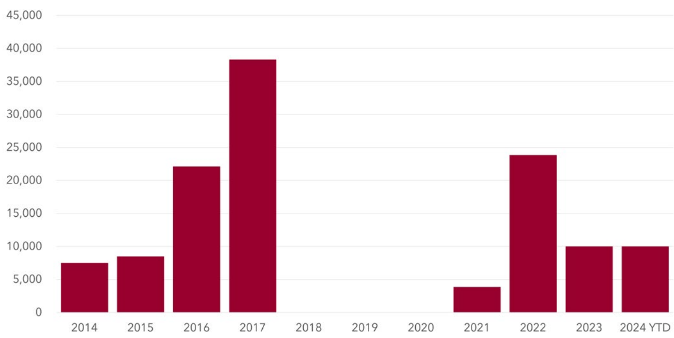
The office sector in North Orange County reflects a market experiencing slight contraction but also shows signs of pricing resilience. The net absorption in Q2 2024 indicates a contraction in demand, with a negative absorption of 8,978 square feet, albeit an improvement from the more significant negative absorption in Q1 2024. The slight increase in vacancy rates could challenge market recovery, encouraging landlords to offer competitive leasing conditions to attract tenants.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (8,978) | (26,367) | 16,160 | (18,203) | 45,744 |
| ▲ | Vacancy Rate | 6.3% | 6.1% | 5.4% | 5.9% | 5.7% |
| ▲ | Avg FSG Asking Rate PSF | $26.67 | $26.30 | $26.36 | $25.68 | $25.57 |
| ▼ | SF Under Construction | 10,000 | 23,800 | 15,000 | 15,000 | 15,000 |
| ▼ | Inventory SF | 12,124,146 | 12,171,379 | 12,238,992 | 12,229,282 | 12,229,282 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1325 Rose Drive*<br>Placentia, CA | 25,000 SF | $975,000,000<br>$641.58 PSF | UCI Health<br>Tenet Healthcare Corporation | Class B |
| 1800 E. La Veta Avenue<br>Orange, CA | 22,699 SF | $9,000,000<br>$396.49 PSF | 1800 E La Veta Ave Ground Owner LP<br>Orange 702 LP | Class B |
| 1275 N. Rose Drive*<br>Placentia, CA | 19,779 SF | $975,000,000<br>$641.58 PSF | UCI Health<br>Tenet Healthcare Corporation | Class C |

** Part of a 15-Property Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1290 N. Hancock Street<br>Anaheim, CA | 8,073 SF | 1290 N Hancock LLC | Undislcosed | Undislcosed |
| 251 E. Imperial Highway<br>Fullerton, CA | 6,010 SF | Sunny Hills<br>Management | Undislcosed | Undislcosed |
| 701 Kimberly Avenue<br>Placentia, CA | 4,030 SF | David & Carol Zaslow | Undislcosed | Undislcosed |

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# Q2 2024
## SAN DIEGO, CA

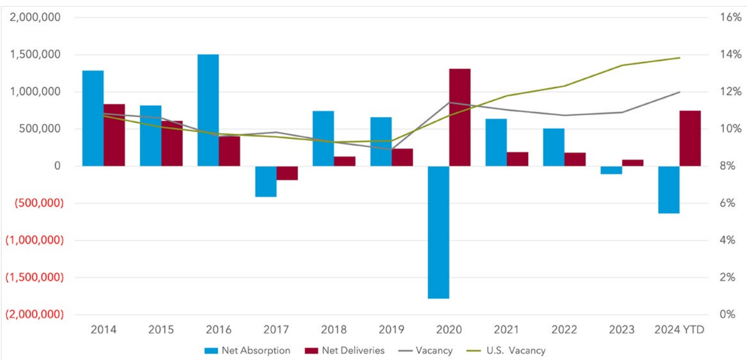
## OFFICE MARKET OVERVIEW

SPENCER DOK, *Vice President*

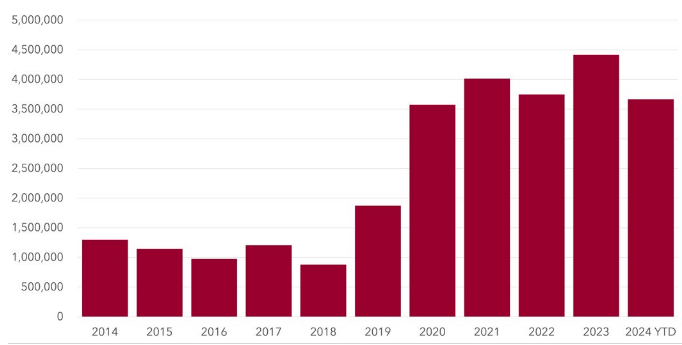
Since 2020, San Diego's office market has fared better than national counterparts, benefiting from resilient core industries like innovation and military sectors. Despite positive net absorption in 24Q2, vacancy has risen by about 250 basis points since the pandemic's onset, heading towards a potential peak of nearly 14%. Downtown projects like Campus at Horton and RaDD, totaling 2.4 million SF, are set to escalate vacancy, potentially exceeding 35%. High concessions and stagnant rent growth of 0.8% YoY reflect tenant leverage, exacerbated by 20-year high in sublet space. With substantial new supply and leases from pre-pandemic periods yet to expire, San Diego faces challenges avoiding peak vacancy and sustaining rent levels across its key office markets.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (22,298) | (487,502) | (108,883) | (681,781) | (1,085,591) |
| ▲ | Vacancy Rate | 11.8% | 11.3% | 10.9% | 11.1% | 10.9% |
| ▲ | Avg NNN Asking Rate PSF | $3.18 | $3.17 | $3.17 | $3.16 | $3.15 |
| ▼ | SF Under Construction | 3,665,019 | 4,475,704 | 4,415,704 | 4,258,595 | 3,808,172 |
| ▲ | Inventory SF | 119,414,280 | 118,649,690 | 118,666,555 | 118,513,073 | 118,337,088 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 9275-9325 Sky Park Court<br>San Diego, CA | 205,000 SF | $12,141,743<br>$92.40 PSF | Orum Capital<br>TPG | Class A |
| 15721-15725 Pomerado Road<br>Poway, CA | 70,000 SF | $22,250,000<br>$317.86 PSF | IRA Capital LLC<br>Healthpeak Properties | Class B |
| 6719 Alvarado Road<br>San Diego, CA | 53,781 SF | $16,350,000<br>$304.01 PSF | Sharp Healthcare<br>TDA Investment Group | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 16465 Via Esprillo<br>San Diego, CA | 83,000 SF | Drawbridge Realty | DRS Daylight Solutions | Manufacturing |
| 7650 Mission Valley Road<br>San Diego, CA | 74,000 SF | HG Fenton | City of San Diego | Government |
| 9889 Willow Creek Road<br>San Diego, CA | 50,236 SF | Currie Partners | Werfen | Manufacturing |

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# Q2 2024
## SAN DIEGO NORTH COUNTY, CA

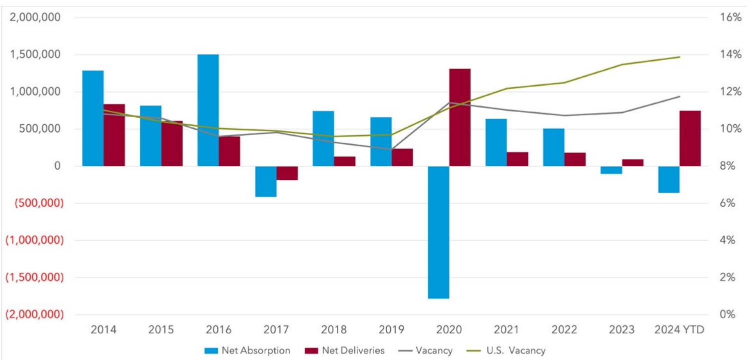
### OFFICE MARKET OVERVIEW

JEFF ABRAMSON, *Principal*

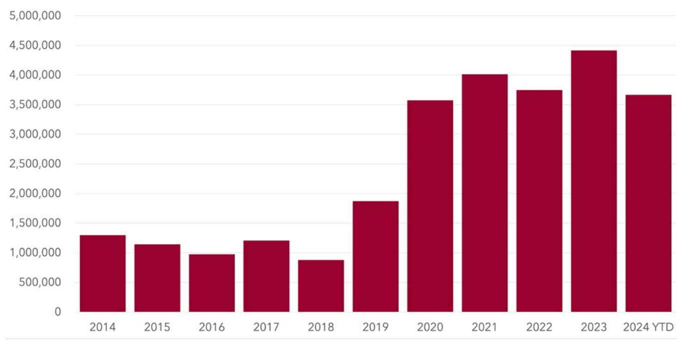
There continues to be lower transaction volume this quarter. Interest rates are making financing tougher. Uncertainties with the FED have prolonged investor skepticism specifically relating to lower buyer leverage. This is contributing to higher vacancy rates as new investments and tenant commitments slow down. Despite all this, deals are still being completed. Investors are always looking for creative deal structures and tenants need to continue to operate. There shouldn't be any drastic movement with rates in the upcoming two quarters, but being creative will assist clients in getting deals completed.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 9,000 | 489,554 | 104,042 | 676,940 | 1,090,750 |
| ▲ Vacancy Rate | 11.74% | 11.34% | 11.89% | 11.10% | 11.94% |
| ▲ Avg NNN Asking Rate PSF | $35.76 | $35.64 | $35.88 | $35.88 | $36.48 |
| ▼ SF Under Construction | 3,665,019 | 4,475,704 | 4,415,704 | 4,258,595 | 3,808,172 |
| ▼ Inventory SF | 20,228,330 | 20,235,984 | 20,196,638 | 20,030,773 | 19,948,672 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 9275 Sky Park Court*<br>San Diego, CA | 131,401 SF | $12,116,555<br>$92.21 PSF | Orum Capital<br>TPG Angelo Gordon & Co. LP | Class A |
| 9325 Sky Park Court*<br>San Diego, CA | 73,599 SF | $6,851,445<br>$93.09 PSF | Orum Capital<br>TPG Angelo Gordon & Co. LP | Class A |
| 5973 Avenida Encinas<br>Carlsbad, CA | 51,176 SF | $9,750,000<br>$190.52 PSF | Luna Grill<br>Peregrine Realty Partners | Class B |

** Part of a 2-Property Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 16465 Via Esprillo<br>San Diego, CA | 82,999 SF | Global Atlantic<br>Financial Group | DRS Daylight Solutions | Manufacturing |
| 7650 Mission Valley Road<br>San Diego, CA | 74,000 SF | H.G. Fenton Company | City of San Diego | Government |
| 1959 Palomar Oaks Way<br>Carlsbad, CA | 16,600 SF | MJL Properties, Inc. | SimplerSpace | Real Estate |

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# Q2 2024
## SAN FRANCISCO, CA

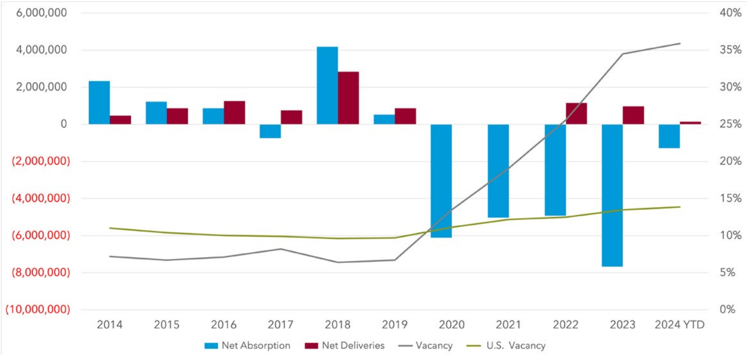
## OFFICE MARKET OVERVIEW

DAVID KLEIN, *Managing Principal*

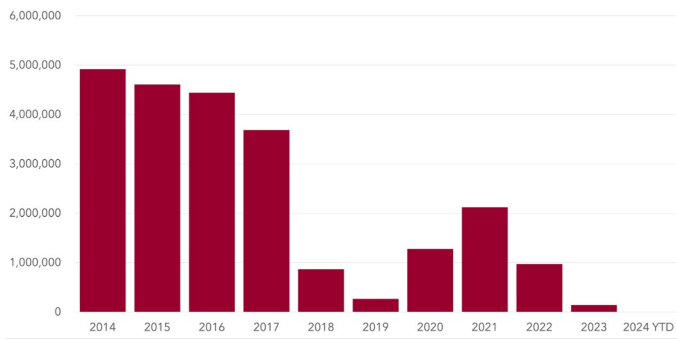
The San Francisco office market has experienced another quarter of negative net absorption, reduced asking rental rates, and increased vacancy. Annualized absorption for Q2 was (6,022,778) SF, following Q1's (6,758,261) SF marking the fifth consecutive year of negative absorption. In 2024, San Francisco saw the equivalent of two years' worth of space lease-up lost in a good leasing year. Q2 2024 office vacancy is now 35.82%, up from 34.87% in Q1, tripling the national average. Asking rents decreased from $40.83 PSF in Q1 to $39.65 PSF in Q2, a 2.9% quarterly drop, 11.6% annualized. San Francisco's office occupancy was 44.9% through June 2024, indicating potential further vacancy increases as leases come-up for renewal.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (6,022,778) | (6,758,261) | (7,825,078) | (7,672,646) | (5,590,367) |
| ▲ Vacancy Rate | 35.82% | 34.78% | 34.45% | 32.07% | 28.78% |
| ▼ Avg NNN Asking Rate PSF | $39.65 | $40.83 | $41.95 | $42.81 | $44.88 |
| ▼ SF Under Construction | 0 | 91,152 | 142,039 | 318,816 | 603,856 |
| ◀ ▶ Inventory SF | 91,466,133 | 91,466,133 | 91,411,681 | 91,360,794 | 91,184,017 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 300 California Street<br>San Francisco, CA | 119,000 SF | $28,500,000<br>$239.50 PSF | Redco Development<br>LeFrak | Class B |
| 410 Townsend Street<br>San Francisco, CA | 78,000 SF | $20,000,000<br>$282.05 PSF | New York Life Real Estate Investors<br>Nationwide Mutual | Class B |
| 144-154 2nd Street<br>San Francisco, CA | 30,996 SF | $6,550,000<br>$211.32 PSF | StartupHQ LLC<br>DoMy LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1455 Market Street<br>San Francisco, CA | 157,154 SF | Hudson Pacific | City & County of San Francisco | Government |
| 400-430 California Street<br>San Francisco, CA | 123,000 SF | Kennedy Wilson | Rippling | Technical Services |
| 405 Howard Street<br>San Francisco, CA | 110,000 SF | Clarion Partners | Orrick | Professional Services |

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# Q2 2024
## SAN LUIS OBISPO, CA

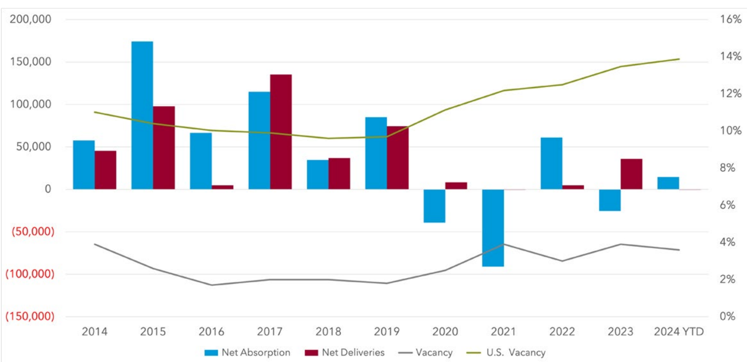
### OFFICE MARKET OVERVIEW

MARTIN INDVIK, *Broker Associate*

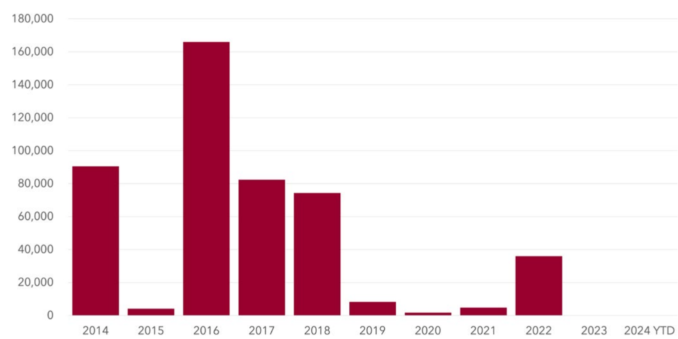
San Luis Obispo's vacancy rate of 3.6% is down 0.2% from last year due to 15,000 SF of positive absorption and flat net deliveries. At $29 per SF – less than the national average – rents have increased 2.2% in the past 12 months and 6.8% in three years. Current inventory is 6.7 million SF. About 42,000 SF have been added in the last three years. There is no new construction in the pipeline. In the past year, 25 sales have occurred with 190,000-SF of lower- and mid-tier properties trading for $45.4 million.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 15,960 | (2,085) | (25,459) | (36,903) | (10,134) |
| ▼ Vacancy Rate | 3.6% | 3.8% | 3.9% | 4.1% | 3.8% |
| ▲ Avg NNN Asking Rate PSF | $28.65 | $28.62 | $28.44 | $28.27 | $27.92 |
| ◄ ► SF Under Construction | 0 | 0 | 0 | 0 | 0 |
| ◄ ► Inventory SF | 6,696,493 | 6,696,493 | 6,696,493 | 6,696,493 | 6,696,493 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY




#### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 8740 Pueblo Avenue<br>Atascadero, CA | 4,741 SF | $800,000<br>$168.74 PSF | David Mitchell Kirk/Lorna Elizabeth Kirk<br>J. Suzan Takacs Trust | Class C |
| 1545 Higuera Street<br>San Luis Obispo, CA | 2,700 SF | $1,200,000<br>$444.44 PSF | Steven And Rosalee Goodman Family Tr<br>Dick & Susan Gin | Class B |
| 2912 Union Road<br>Paso Robles, CA | 2,161 SF | $890,000<br>$411.85 PSF | Ryan & Carley Kremke<br>Bruce C. White | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3528 Combine Street<br>Paso Robles, CA | 4,843 SF | Capps Construction | Undisclosed | Undisclosed |
| 1319 Marsh Street<br>San Luis Obispo, CA | 3,595 SF | Jason Grote | Undisclosed | Undisclosed |
| 1232 Park Street<br>Paso Robles, CA | 3,015 SF | Undisclosed | Undisclosed | Undisclosed |

# Q2 2024
# SANTA BARBARA, CA

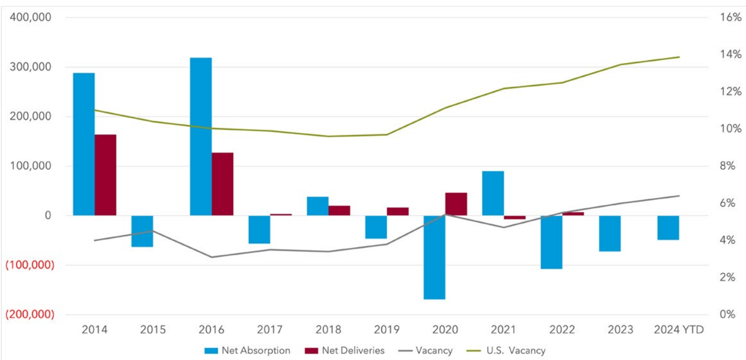
## OFFICE MARKET OVERVIEW

STEPHEN LEIDER, *Broker Associate*

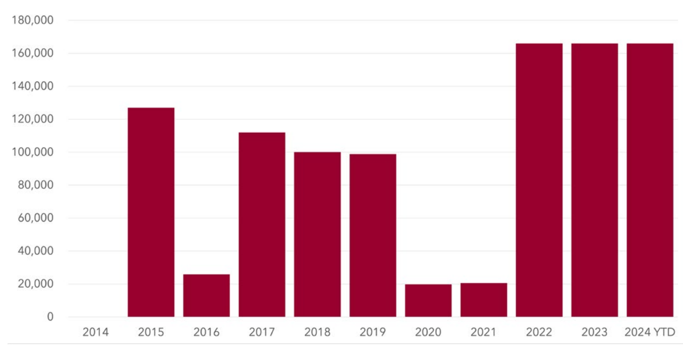
Santa Barbara's office market serves scores of tenants in healthcare and defense/aerospace, including companies linked to Vandenberg Air Force Base. Nevertheless, demand for space since Covid has fallen, albeit less than the national average. The vacancy rate is up from nearly 4% to 6.4%, the highest in a decade. Companies are opting for smaller and more efficient footprints, especially the larger occupiers. In the mixed-use commercial hub Paseo Nuevo, the former Nordstrom's on State Street is reopening with 165,000 SF redeveloped as office space. Quarterly leasing activity, excluding renewals, has averaged about 100,000 SF over the past eight quarters.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (77,405) | (65,596) | (72,107) | (124,042) | (116,278) |
| ▼ Vacancy Rate | 6.3% | 6.6% | 6.0% | 6.0% | 5.8% |
| ▲ Avg NNN Asking Rate PSF | $32.69 | $32.64 | $32.52 | $32.68 | $32.52 |
| ◄ ► SF Under Construction | 166,000 | 166,000 | 166,000 | 166,000 | 166,000 |
| ◄ ► Inventory SF | 13,802,603 | 13,802,603 | 13,802,603 | 13,802,603 | 13,802,603 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 2225 Skyway Drive<br>Santa Maria, CA | 5,150 SF | $1,150,000<br>$223.30 PSF | Angela Guggia<br>Randy & Tracy Burdick | Class C |
| 1300 E. Cypress Street<br>Santa Maria, CA | 2,560 SF | $735,000<br>$287.11 PSF | Care Net Pregnancy Center<br>George Hanover | Class C |
| 249 N. Turnpike Road<br>Santa Barbara, CA | 2,200 SF | $675,000<br>$306.82 PSF | Smith Family Trust<br>Walpole Family Trust | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1155 Eugenia Place<br>Carpenteria, CA | 18,000 SF | Kent N Allen | Undisclosed | Undisclosed |
| 749 Ward Drive<br>Goleta, CA | 17,224 SF | Edwrd Mark | Arthrex, Inc. | Services |
| 175 Cremona Drive<br>Goleta, CA | 12,978 SF | Majestic Asset<br>Management Inc. | Aptitude Medical Systems, Inc | Medical Services |

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# Q2 2024
## DENVER, CO

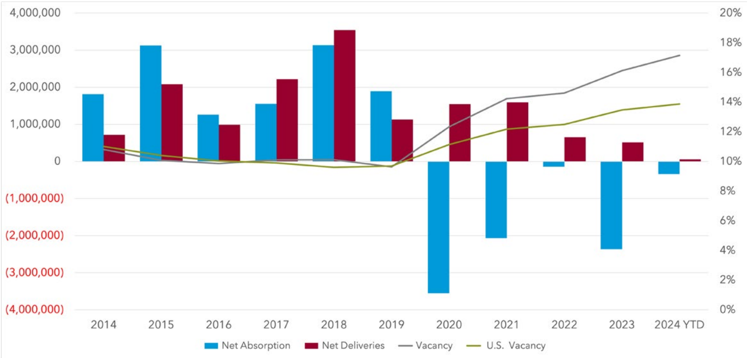
## OFFICE MARKET OVERVIEW

JR BITZER, *Principal*

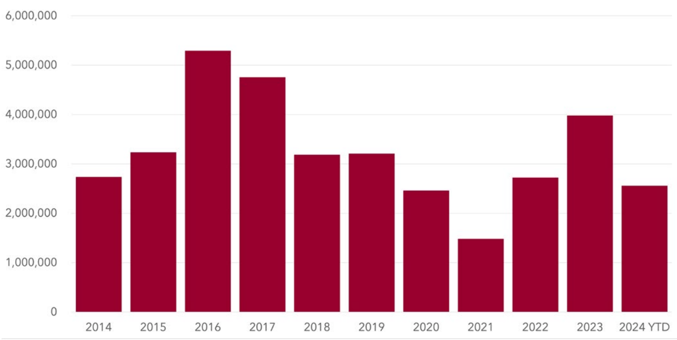
Even as "hybrid" has finally been accepted as the new normal, the Metro Denver Office market continues to see another quarter of negative absorption and record high vacancy rates. While small local companies have embraced the hybrid model, corporate America is still struggling to bring their employees back to the office which has severely impacted the Central Business District like so many other downtowns across the country. Large blocks of space are prevalent throughout the market, while it's become much more difficult to find smaller quality spaces in the more desirable locations. As the office market continues to plod along, there's been an uptick in sales activity, especially at heavily discounted prices.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (1,435,996) | (1,562,013) | (2,365,611) | (1,898,091) | (1,478,353) |
| ▲ Vacancy Rate | 17.1% | 16.4% | 16.1% | 16.0% | 15.4% |
| ▼ Avg NNN Asking Rate PSF | $29.37 | $29.49 | $29.41 | $29.29 | $29.24 |
| ▼ SF Under Construction | 2,559,574 | 3,784,511 | 3,980,516 | 3,873,304 | 3,888,539 |
| ▲ Inventory SF | 186,324,434 | 185,515,050 | 185,260,045 | 185,218,701 | 185,171,699 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 101 W. Colfax Avenue<br>Denver, CO | 320,000 SF | $88,500,000<br>$277.00 PSF | City & County Of Denver<br>Kayan LLC | Class A |
| 5701 S. Santa Fe Drive<br>Littleton, CO | 243,000 SF | $26,750,000<br>$129.23 PSF | ConXcorp<br>Echostar Corporation | Class B |
| 5613 DTC Parkway<br>Greenwood Village, CO | 234,426 SF | $26,000,000<br>$110.91 PSF | K&C Management<br>BSP Senita DTC | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 717 17th Street<br>Denver, CO | 121,000 SF | Brookfield Properties | Johns Manville | Manufacturing |
| 1700 Lincoln Street<br>Denver, CO | 73,700 SF | Brookfield Properties | State of Colorado Judicial Group | Government |
| 6363 S. Fiddlers Green Circle<br>Greenwood Village, CO | 50,400 SF | Schnitzer West | ConMed | Healthcare |

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# Q2 2024
## FORT MYERS, FL

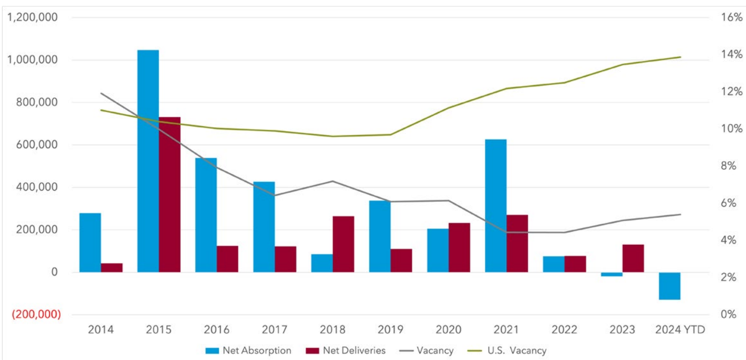
## OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

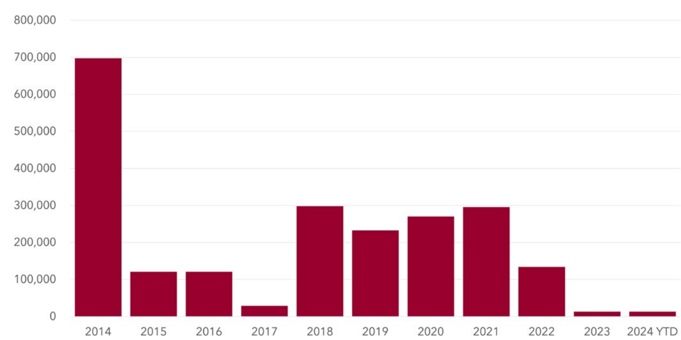
The Fort Myers office market featured single-digit vacancy when compared to the national average. However, local market and economic indicators showed overall office demand remained moderate. Office-using employment dipped in both the Financial Activities, (-1.3%) and Professional and Business Services (-0.9%) industries YOY. The Information industry was the only sector that improved YOY by +2.9%. The construction pipeline was at its lowest point in over a decade. Market fundamentals did not support additional inventory as demand tempered. Net absorption was negative for another consecutive quarter. New leasing activity dipped and asking rates stabilized. Class B buildings showed the strongest demand for the quarter.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | (25,026) | (104,296) | (188,039) | (6,761) | 121,401 |
| ▲ Vacancy Rate | 5.4% | 5.3% | 4.9% | 4.0% | 3.9% |
| ▲ Avg NNN Asking Rate PSF | $18.84 | $18.55 | $17.87 | $18.18 | $18.29 |
| ◄ ► SF Under Construction | 13,200 | 13,200 | 13,200 | 13,200 | 13,200 |
| ◄ ► Inventory SF | 22,068,956 | 22,068,956 | 22,068,956 | 22,068,956 | 22,068,956 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 13813 Metro Parkway<br>Fort Myers, FL | 38,404 SF | $13,200,000<br>$343.71 PSF | Lee Health<br>Millennium Physician Group | Class B |
| 13774 Plantation Road<br>Fort Myers, FL | 16,736 SF | $3,800,000<br>$227.06 PSF | BOS Plantation LLC<br>Cam Plantation LLC | Class B |
| 8000 Summerlin Lakes Drive<br>Fort Myers, FL | 15,058 SF | $3,300,000<br>$219.15 PSF | LSI Companies, Inc.<br>William Cronin | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 6611 Orion Drive<br>Fort Myers, FL | 10,177 SF | Baryl Orion Center LLC | Florida Rural Legal Services, Inc. | Non-profit Law Firm |
| 9160 Forum Corporate Parkway<br>Fort Myers, FL | 7,410 SF | Forum Park II LLC | The Children's Network of Southwest Florida LLC | Child Welfare |
| 1821 Victoria Avenue<br>Fort Myers, FL | 6,200 SF | City of Palms LLC | Wright Construction Group | General Contractor |

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# Q2 2024
## NAPLES, FL

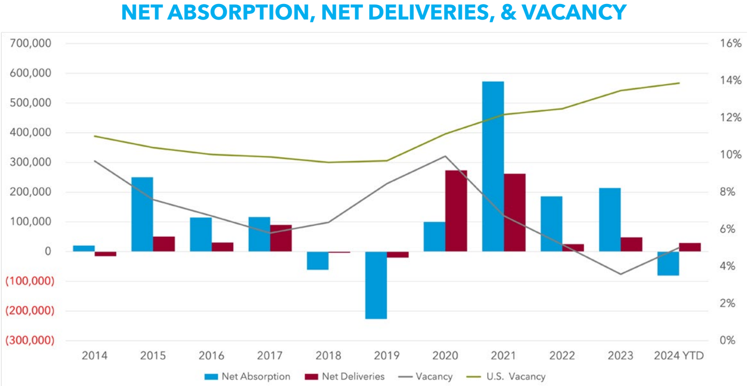
## OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

Annual job growth in the Financial Activities industry increased +1.0% as of May, and Professional and Business Services employment declined -1.8% YOY. Employment in the Information industry remained unchanged YOY. The vacancy rate was relatively tight at 4.4% with very little sublease space on the market and new construction starts dwindling. Spec professional office construction remained at a seven year low with most of the proposed projects in the pipeline consisting of medical office space. YOY asking rates continued to inch upward as owners' costs remained high, closing the quarter at an average $26.00 PSF NNN.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | 18,944 | (99,658) | 62,386 | 45,720 | 68,462 |
| ▼ Vacancy Rate | 4.4% | 4.6% | 3.3% | 3.7% | 4.2% |
| ▼ Avg NNN Asking Rate PSF | $26.00 | $26.63 | $25.70 | $25.66 | $25.73 |
| ◄ ► SF Under Construction | 40,000 | 40,000 | 69,125 | 92,950 | 92,950 |
| ◄ ► Inventory SF | 10,587,378 | 10,587,378 | 10,558,253 | 10,534,428 | 10,534,428 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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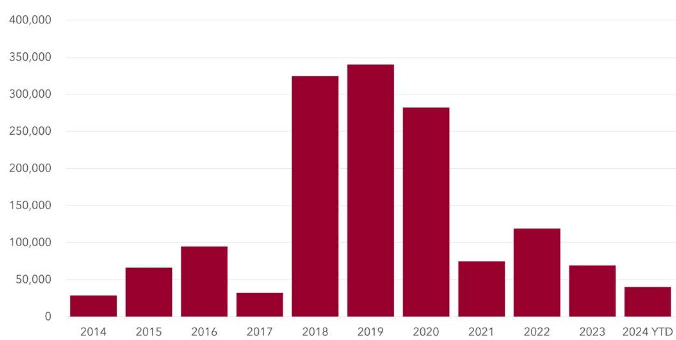



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 4532 Tamiami Trail E<br>Naples, FL | 9,739 SF | $2,060,000<br>$211.52 PSF | Gray Woods Management LLC<br>New Solutions Diamond Fund | Class B |
| 925-941 High Point Drive<br>Naples, FL | 5,984 SF | $3,000,000<br>$501.34 PSF | Sunshine Gasoline Distributors, Inc.<br>Ling High Point LLC | Class C |
| 3227 Horseshoe Drive S<br>Naples, FL | 5,425 SF | $1,500,000<br>$276.50 PSF | SR828 LLC<br>3227 Horseshoe LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 6770 Immokalee Road-Bldg. 100<br>Naples, FL | 20,000 SF | 6750 Immokalee<br>Medical LLC | NeuroScience and<br>Spinal Associates | Healthcare |
| 9132 Strada Place<br>Naples, FL | 11,869 SF | Prudential Real<br>Estate Investors | Porter Wright Morris & Arthur LLP | Attorneys |
| 2640 Golden Gate Parkway<br>Naples, FL | 5,640 SF | Halstatt | Kimley-Horn | Engineering<br>Consultants |

# Q2 2024
# SOUTH FLORIDA, FL

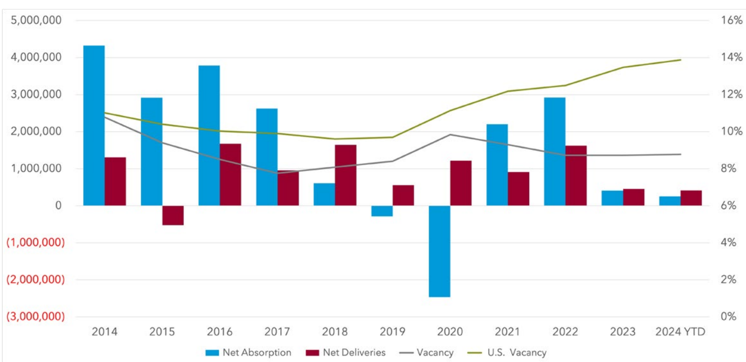
## OFFICE MARKET OVERVIEW

C. TODD EVERETT, SIOR, *Principal*

The South Florida office market in Q2 2024 is outperforming the national average, with notable strength in downtown West Palm Beach, where over 1 million square feet of new Class A office space is under construction out of 2.6 million square feet fully approved. Class A office rents in West Palm Beach and Miami rank among the highest in the country. While older suburban offices face challenges, the influx of high-end space has created a rising tide effect. Despite some high vacancy rates and increased sublease spaces, demand in key areas remains robust, driven by tech and finance sector interest, and continued robust in-migration trends.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Net Absorption SF | 775,175 | 179,345 | 410,320 | 320,352 | 1,444,295 |
| ▼ Vacancy Rate | 8.1% | 8.2% | 8.2% | 8.4% | 8.3% |
| ▲ Avg NNN Asking Rate PSF | $37.52 | $36.93 | $36.54 | $36.18 | $35.96 |
| ▼ SF Under Construction | 4,425,160 | 4,582,647 | 4,511,612 | 4,621,400 | 4,680,044 |
| ▲ Inventory SF | 253,070,343 | 252,816,253 | 252,658,129 | 252,631,270 | 252,593,753 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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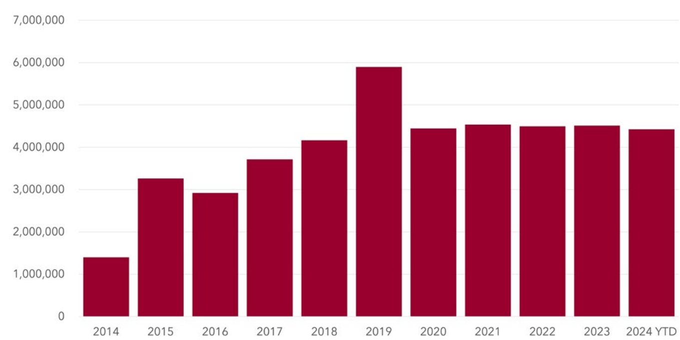


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1691 Michigan Avenue<br>Miami Beach, FL | 161,824 SF | $62,500,000<br>$324.72 PSF | Black Lion Investment Group<br>Clarion Partners | Class A |
| 249 NE 6th Street<br>Miami, FL | 131,129 SF | $67,000,000<br>$510.95 PSF | Mediterranean Shipping Co USA<br>Swerdlow Real Estate Group, Inc. | Class A |
| 3601 SW 160th Avenue<br>Miramar, FL | 96,984 SF | $12,064,946<br>$124.40 PSF | YMP Real Estate Management LLC<br>Starwood Capital Group | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 200 S. Biscayne Boulevard<br>Miami, FL | 81,603 SF | Ponte Gadea USA, Inc. | White & Case | Law Offices |
| 701 Waterford Way<br>Miami, FL | 77,989 SF | PIMCO | Assurant | Insurance |
| 401 E. Las Olas Boulevard<br>Fort Lauderdale, FL | 48,790 SF | DWS Group | Greenberg Traurig LLP | Law Offices |

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# Q2 2024
## TAMPA BAY, FL

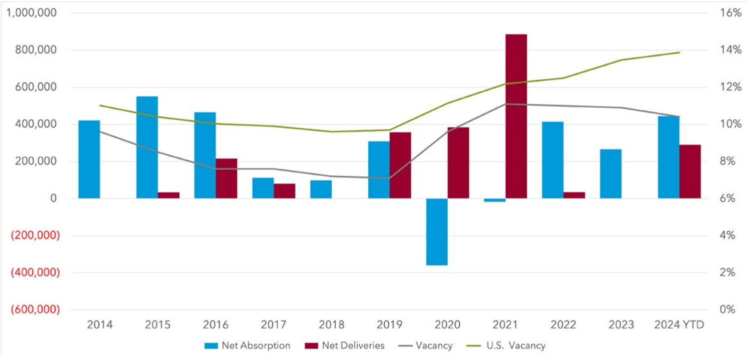
## OFFICE MARKET OVERVIEW

LEE & ASSOCIATES TAMPA BAY

Due to a lack of new speculative supply delivered in recent quarters, the Central Hillsborough submarket within Tampa's office market has shown resilience despite increasing sublease availability and a rising vacancy rate. Currently, only one project is under construction within the submarket. With no significant influx of new office space, businesses will likely compete for the limited available properties, absorbing some of the existing vacancies. As a result, the vacancy rate is expected to decline throughout 2025, driven by increased pressure on existing availabilities.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 493,414 | 228,502 | 265,709 | 298,451 | 441,347 |
| ▲ | Vacancy Rate | 10.4% | 8.9% | 10.9% | 11.1% | 11.1% |
| ▲ | Avg NNN Asking Rate PSF | $36.27 | $35.53 | $35.63 | $35.10 | $35.10 |
| ▼ | SF Under Construction | 428,929 | 718,929 | 718,929 | 718,929 | 718,929 |
| ▲ | Inventory SF | 32,477,299 | 31,501,043 | 31,442,852 | 31,442,852 | 31,442,852 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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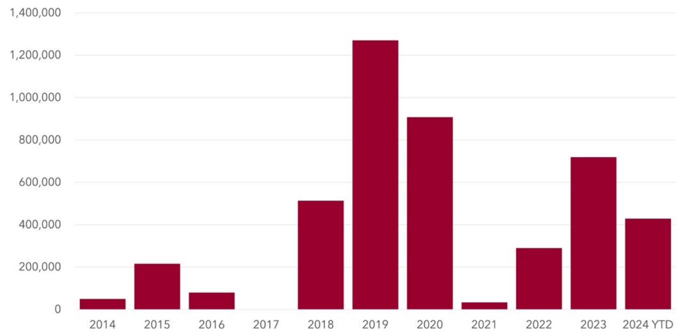



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 100 N. Tampa Street<br>Tampa, FL | 572,111 SF | $151,300,000<br>$264.46 PSF | The Brookdale Group<br>Prudential | Class A |
| 1425 S. Howard Avenue<br>Tampa, FL | 5,016 SF | $3,500,000<br>$697.77 PSF | PHDermatology<br>Henry Wiley | Class C |
| 230 E. Davis Boulevard<br>Tampa, FL | 4,336 SF | $2,500,000<br>$576.57 PSF | Vera Muzzillo<br>Richard A. Bokor, PA | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4030 W. Boy Scout Boulevard<br>Tampa, FL | 28,713 SF | MetLife, Inc | Atkins North America, Inc. | Professional, Scientific, and Technical Services |
| 4211 W. Boy Scout Boulevard<br>Tampa, FL | 17,051 SF | Cousins Properties | Undisclosed | Undisclosed |
| 4301 W. Boy Scout Boulevard<br>Tampa, FL | 17,004 SF | Cousins Properties | Repkon | Wholesaler |

# Q2 2024
## ATLANTA, GA

## OFFICE MARKET OVERVIEW

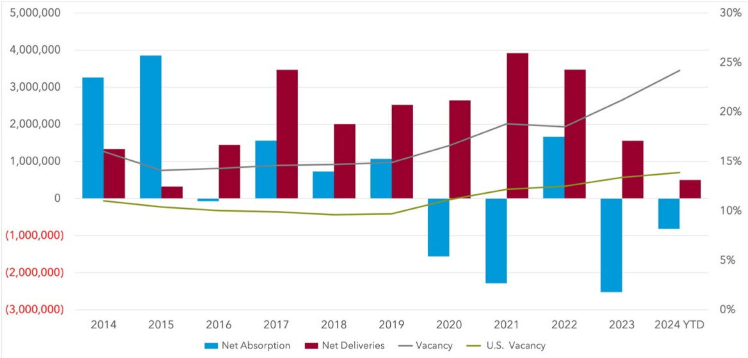
KATE HUNT, *Senior Research Analyst*

While vacancy has continued its upward trend in recent quarters, positive move-in activity will occur later this year and into 2025. A low level of new office development and anticipated gains in occupancy could lead to gradually improving market fundamentals, though the trend of space rightsizing is expected to continue.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (2,067,668) | (3,029,047) | (2,524,369) | (1,751,575) | (648,383) |
| ▲ Vacancy Rate | 24.2% | 23.6% | 21.2% | 20.8% | 19.1% |
| ▼ Avg NNN Asking Rate PSF | $29.88 | $29.90 | $30.92 | $30.54 | $30.34 |
| ▲ SF Under Construction | 2,151,326 | 2,034,913 | 2,501,859 | 2,633,281 | 3,135,831 |
| ▼ Inventory SF | 188,062,785 | 190,498,864 | 220,535,837 | 225,744,093 | 242,929,491 |

**Statistics may have changed due to annual audit*

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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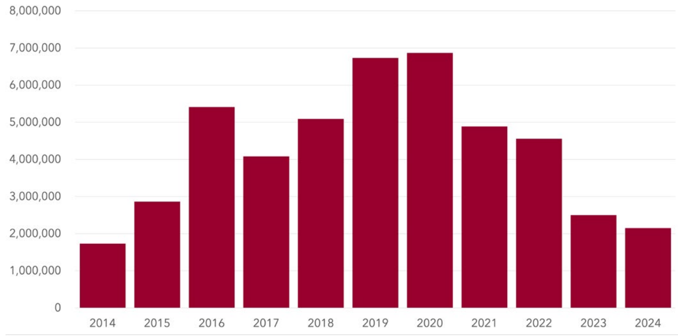


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 780 Johnson Ferry Road NE<br>Atlanta, GA | 186,360 SF | $23,500,000<br>$126.10 PSF | Camco Investment Group<br>Blackmount Real Estate Partners | Class A |
| 15 Peachtree Street<br>Atlanta, GA | 85,000 SF | $18,400,000<br>$216.47 PSF | The Atlanta Development Authority<br>Private Individual | Class C |
| 6120 Powers Ferry Road NW<br>Atlanta, GA | 138,433 SF | $12,000,000<br>$86.68 PSF | GreenSky LLC<br>Bridge Commercial Real Estate | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 725 W. Peachtree St NE<br>Atlanta, GA | 264,300 SF | CBRE Investment Management | AGL Services Company | Professional, Scientific & Technical Services |
| 5 Concourse Parlway<br>Atlanta, GA | 180,173 SF | Building & Land Technology | Newell Brands | Manufacturing |
| 271 17th Street NW<br>Atlanta, GA | 164,221 SF | Lionstone Investments | Piedmont Healthcare | Health Care & Social Assistance |

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# Q2 2024
## CHICAGO, IL

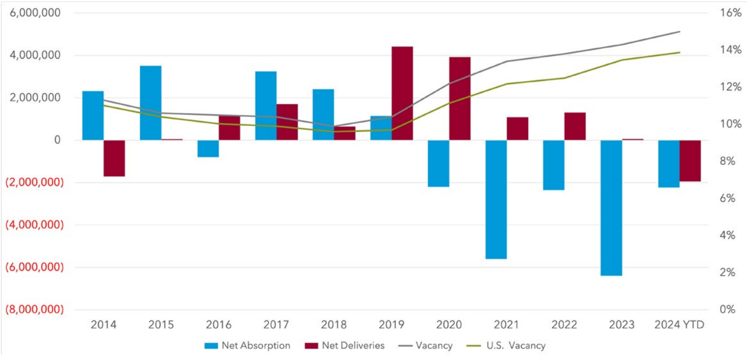
## OFFICE MARKET OVERVIEW

ZACH GELLER, *Market Analytics Directir,* BRANDON PAPPAS, *VP Data Analytics and Business Devevelopment*

Chicago's office market is grappling with a surge in vacancy, reaching 103 million square feet, or 20.1% of total inventory—a significant increase of 27 million square feet since Q1 2020. The current vacancy rate stands at 16.2%, with an annual negative absorption of 4.3 million square feet. Construction activity has dwindled to 1.2 million square feet, primarily concentrated on medical and laboratory spaces. Despite absorption challenges, Class C offices maintain a 6.5% vacancy rate, attracting tenants. Landlords are providing concessions to fill space, but these may necessitate rent adjustments.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (4,274,392) | (7,134,567) | (6,398,101) | (6,688,469) | (4,241,280) |
| ▼ Vacancy Rate | 16.2% | 16.7% | 16.3% | 16.2% | 15.8% |
| ▲ Avg NNN Asking Rate PSF | $29.87 | $29.82 | $29.75 | $29.69 | $29.62 |
| ▼ SF Under Construction | 1,166,426 SF | 1,860,602 SF | 1,914,394 SF | 1,554,856 SF | 1,673,089 SF |
| ▼ Inventory SF | 510,744,025 SF | 512,593,942 SF | 512,686,874 SF | 512,978,767 SF | 513,359,707 SF |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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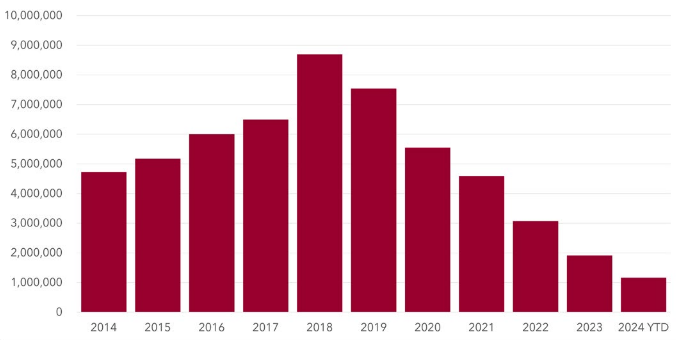


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 20 W. Kinzie Street<br>Chicago, IL | 258,658 SF | $20,000,000<br>$77.32 PSF | Bixby Bridge Capital<br>The Alter Group | Class A |
| 915-939 W. North Avenue<br>Chicago, IL | 199,683 SF | $20,960,500<br>$104.97 PSF | MCZ Development Corporation<br>Principal | Class A |
| 216 W. Jackson Boulevard<br>Chicago, IL | 185,479 SF | $2,575,000<br>$13.88 PSF | Brog Properties<br>Starwood Capital Group | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1299 Zurich Way<br>Schaumburg, IL | 214,108 SF | Stonemont Financial Group | Wheels | Professional, Scientific, and Technical Services |
| 222 Merchandise Mart Plaza<br>Chicago, IL | 108,617 SF | Vornado Realty Trust | Grubhub | Retailer |
| 203 N. LaSalle Street<br>Chicago, IL | 76,932 SF | Sumitomo Corporation of Americas | Lessen | Professional, Scientific, and Technical Services |

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# Q2 2024
## KANSAS CITY, KS

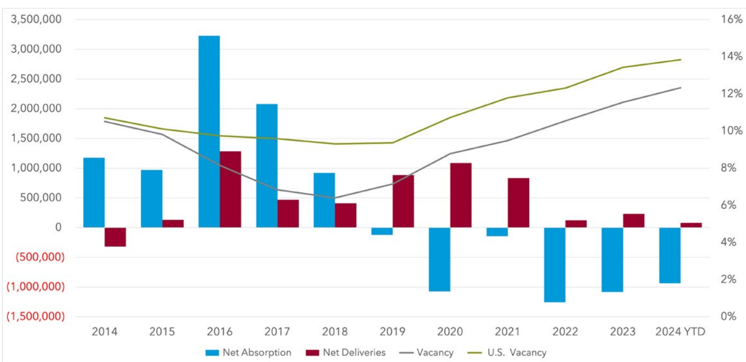
## OFFICE MARKET OVERVIEW

MAX LAPKE, *Senior Associate*

Quarter 2 of 2024 continued to show promising signs of increased leasing activity throughout the market, especially in the College Blvd and Plaza submarkets. The amount of available office space has also started to flatten out. Additionally, as of the start of Q2 the amount of sublease availability has decreased 20% from its peak (1.7 million SF). Tour activity and average lease term length has continued to increase over 2023's level. A highlight in the office and retail sectors for the quarter was the sale of the Country Club Plaza to HP Village Partners out of Dallas. This sale included several office properties in addition to the abundant amount of retail.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (775,376) | (1,130,335) | (1,083,878) | (1,683,597) | (2,211,058) |
| ▲ | Vacancy Rate | 12.2% | 12.0% | 11.5% | 11.5% | 11.5% |
| ▲ | Avg FSG Asking Rate PSF | $22.90 | $22.89 | $22.87 | $22.70 | $22.68 |
| ▼ | SF Under Construction | 967,754 | 995,454 | 929,954 | 987,073 | 1,020,984 |
| ▲ | Inventory SF | 128,874,779 | 128,774,779 | 128,794,734 | 128,677,561 | 128,649,650 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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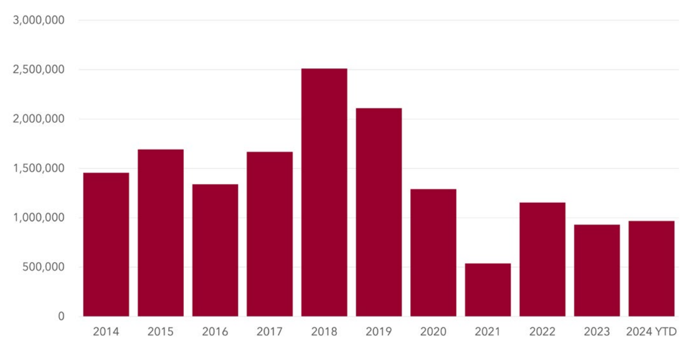


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 460 Nichols Road<br>Kansas City, MO | 45,970 SF | Undsiclosed | Charter Holdings<br>Taubman Centers & The Macerich Co. | Class A |
| 420-424 Nichols Road<br>Kansas City, MO | 44,616 SF | Undsiclosed | Charter Holdings<br>Taubman Centers & The Macerich Co. | Class A |
| 1301 Oak Street<br>Kansas City, MO | 42,810 SF | Undsiclosed | Meiners Companies<br>Iconic Investors LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1111 Main Street<br>Kansas City, MO | 185,163 SF | Copaken Brooks | HNTB | Engineering Services |
| 10801 Mastin Street<br>Overland Park, KS | 26,170 SF | Corporate Woods | The Scoular Company | Transportation and Warehousing |
| 600 Broadway Boulevard<br>Kansas City, MO | 22,264 SF | Metcalf Asset Management LLC | Union Pacific | Transportation and Warehousing |

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# Q2 2024
## BOSTON, MA

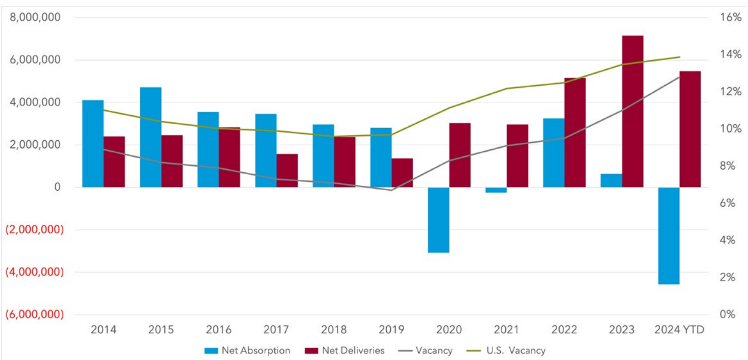
## OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal, President*

Boston's office market is experiencing a significant downturn due to decreased post-pandemic demand, a slowdown in the life sciences sector, and an influx of new supply. Office attendance is low, with MBTA ridership at 70% of pre-pandemic levels. Reduced space needs have led to a record-high availability rate of 17.5% and a net absorption of -4.6 million SF over the past year. Since 2022, 12 million SF of new space has been added, with 15 million SF expected by 2025. Vacancy rates have risen to 12.8%, and sublet availability has surged to 13.7 million SF. Average market rents are stagnant, while office investment sales have dropped. Despite these challenges, Boston's economy remains strong, but the market outlook is cautious with rising vacancy and falling rents expected.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (4,024,664) | (788,732) | 634,373 | 946,726 | 929,298 |
| ▲ Vacancy Rate | 12.7% | 11.6% | 11.1% | 11.0% | 10.2% |
| ▲ Avg NNN Asking Rate PSF | $42.66 | $42.61 | $42.69 | $42.60 | $42.32 |
| ▼ SF Under Construction | 13,735,045 | 14,037,923 | 15,090,963 | 16,448,658 | 19,117,276 |
| ▲ Inventory SF | 381,356,195 | 380,453,325 | 379,485,409 | 378,520,850 | 375,520,801 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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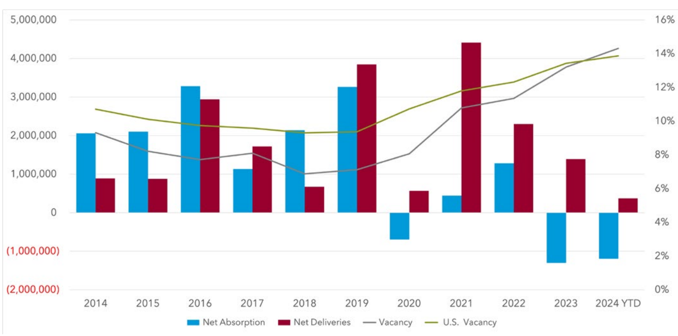


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 200 Newport Avenue Exit<br>Quincy, MA | 591,110 SF | $13,230,000<br>$92.00 PSF | MBTA<br>Starwood Property Trust, Inc. | Class A |
| 101 Tremont Street<br>Boston, MA | 80,000 SF | $30,000,000<br>$375.00 PSF | Suffolk University<br>GLL Real Estate Partners GmbH | Class B |
| 201-207 South Street<br>Boston, MA | 74,000 SF | $13,000,000<br>$176.00 PSF | City Realty Group<br>Juster Properties | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 5 Necco Street<br>Boston, MA | 74,000 SF | Alexandria Real Estate Equities, Inc. | Havas | Professional, Scientific, and Technical Services |
| 1601 Trapelo Road<br>Waltham, MA | 60,000 SF | Boston Properties | Welch's Food, Inc. | Manufacturing |
| 1 Cabot Road<br>Medford, MA | 56,048 SF | Davis Companies | Cambridge Health Alliance | Healthcare |

# Q2 2024
## GREATER COLUMBIA, MD

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COMMERCIAL REAL ESTATE SERVICES

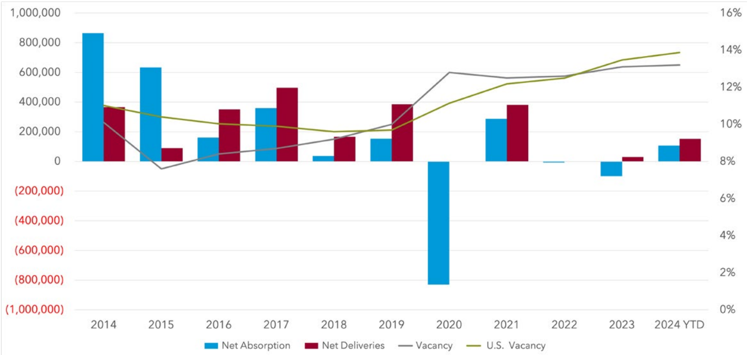
## OFFICE MARKET OVERVIEW

BILL HARRISON, *Senior Vice President*

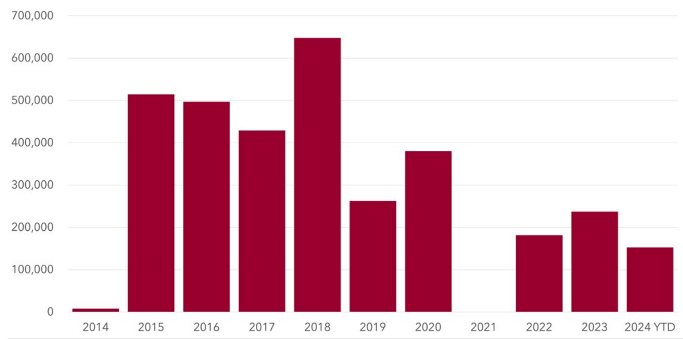
Better news for Q2. Net absorption went positive to a level of 169,217 SF, compared to a negative (50,591) SF for Q1. This was due in part to three large office leases in the market. Those leases were 33,897 SF at 7080 Samuel Morse, 32,000 SF at 6250 Old Dobbin, and 12,128 SF at 10285 Little Patuxent Parkway. The vacancy rate improved slightly to 13.2% versus the 13.4 % shown in Q1. However, the average rental rate dropped from $25.17 to $23.99. Medical, Government and IT related tenants continue to be the strongest prospects in this market.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Net Absorption SF | 169,217 | (50,591) | (18,562) | 68,148 | (129,816) |
| ▼ Vacancy Rate | 13.2% | 13.4% | 13.1% | 13.0% | 13.2% |
| ▼ Avg Asking Rate PSF | $23.99 | $25.17 | $25.21 | $25.14 | $25.48 |
| ▼ SF Under Construction | 153,000 | 227,586 | 237,586 | 237,586 | 267,586 |
| ▲ Inventory SF | 23,301,346 | 23,159,760 | 23,149,760 | 23,149,760 | 23,119,760 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 9151 Baltimore National Pike<br>Elliott City, MD | 10,000 SF | $3,987,500<br>$398.75 PSF | Blue Owl<br>Fulton Bank | Class A |
| 9520 Berger Road<br>Columbia, MD | 4,243 SF | $1,039,535<br>$245.00 PSF | Zimet Wellness<br>Psych Associates of MD | Class A |
| 14333 Laurel Bowie Road<br>Laurel, MD | 1,911 SF | $401,000<br>$209.84 PSF | Harrison Moody<br>Marroquin Dental Management | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 7080 Samuel Morse Drive<br>Columbia, MD | 33,897 SF | Abrams Development | NVR | Construction |
| 6250 Old Dobbin Lane<br>Columbia, MD | 32,000 SF | Goodier Properties | Premier Medical Management | Health Care |
| 10285 Little Patuxent Parkway<br>Columbia, MD | 12,128 SF | Howard Hughes | ENTAA Care | Healthcare |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## TWIN CITIES, MN

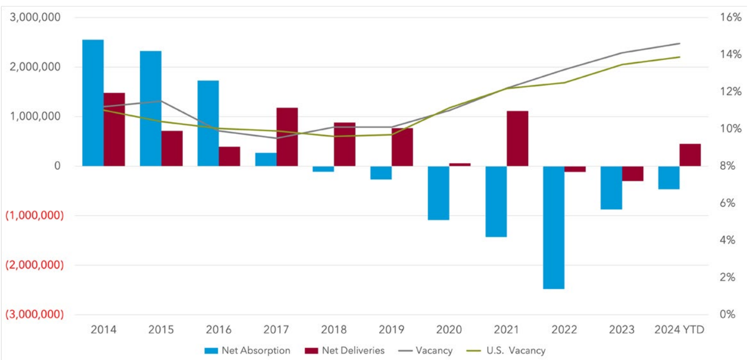
## OFFICE MARKET OVERVIEW

KONNOR CARLSON, *Associate*

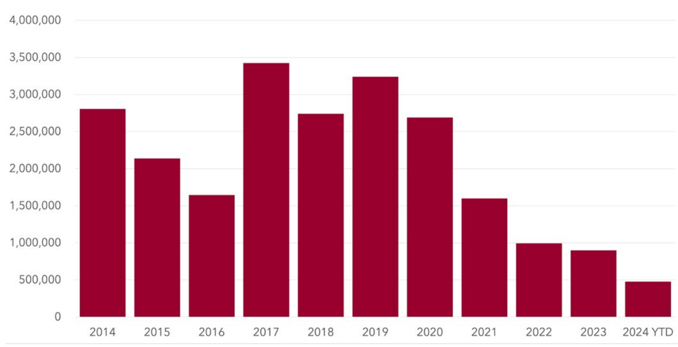
As of Q2 2024, the Twin Cities office market shows stability with a vacancy rate around 14%. Absorption rates remain positive but have slowed, indicating cautious expansion among businesses. Rental rates have slightly increased, particularly in Class A spaces. Investment activity is strong, focusing on adaptive reuse and modernization projects. Tenants favor mixed-use developments with amenities, reflecting a shift towards collaborative and hybrid work environments. Economic factors like interest rates and labor market conditions continue to influence market dynamics, but overall confidence remains high due to the region's diverse economy and resilient demand for office space.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | Net Absorption SF | (541,257) | 58,420 | (607,493) | (1,695,610) | (1,736,446) |
| ▲ | Vacancy Rate | 11.30% | 10.60% | 11.13% | 11.17% | 10.84% |
| ▲ | Avg Asking Rate PSF | $26.79 | $26.69 | $26.71 | $26.75 | $26.69 |
| ▼ | SF Under Construction | 476,600 | 915,680 | 516,811 | 791,624 | 801,621 |
| ▲ | Inventory SF | 204,661,551 | 204,219,471 | 201,756,665 | 201,368,218 | 201,367,451 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 330 2nd Avenue S<br>Minneapolis, MN | 201,511 SF | $7,259,751<br>$36.03 PSF | KGSM LLC<br>SSI Operating Co LLC | Class B |
| 3680 Pheasant Ridge Drive NE<br>Blaine, MN | 46,800 SF | $4,052,000<br>$86.58 PSF | Atawasul Center<br>MN School of Bus/Globe College | Class B |
| 600 W. Travelers Trail<br>Burnsville, MN | 33,908 SF | $3,150,000<br>$92.90 PSF | Mohamed Nur<br>American Automobile Assoc Ntn'l | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3311 E. Old Shakopee Road<br>Bloomington, MN | 87,000 SF | State Street BK & Trust | TKDA | Professional, Scientific, & Technical Services |
| 3701 Wayzata Boulevard<br>Minneapolis, MN | 55,281 SF | Wayzata Venture LLC | Undisclosed | Undisclosed |
| 2410 Stillwater Road E<br>Saint Paul, MN | 44,663 SF | Gethsemane<br>Lutheran Church | Sejong Academy | Educational Services |

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# Q2 2024
# CHARLOTTE, NC

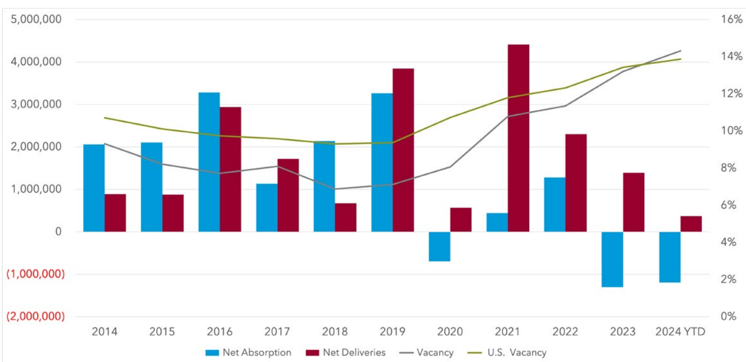
## OFFICE MARKET OVERVIEW

GREG PIERATT, *President, Principal;* MATT FRAZEE, *Principal*

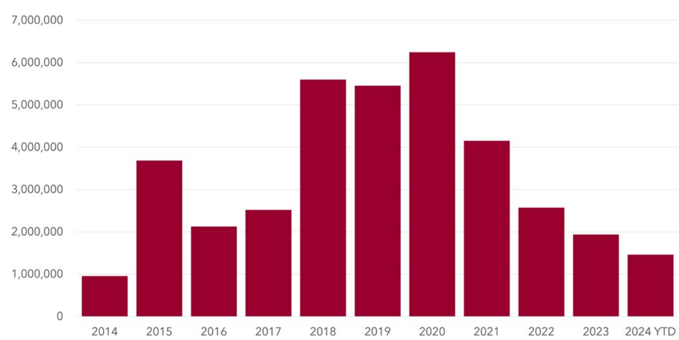
Charlotte's office market faced increasing vacancies and a sharp decline in leasing activity in Q2 2024. The vacancy rate peaked at 14.3%, driven by major employer consolidations and move-outs. Notable deals included Vanguard's purchase of Centene's abandoned campus. Despite a low construction pipeline, with only 1.5 million SF under construction, pre-leasing rates are under 25%. Rent growth is bifurcated, with new high-quality spaces seeing increases while older properties struggle. Sales volume dropped significantly, dominated by owner-user transactions and smaller deals, reflecting cautious institutional investment. The market anticipates a slow recovery amid economic uncertainties.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (1,327,069) | (1,396,059) | (1,302,729) | (660,864) | 78,867 |
| ▲ | Vacancy Rate | 14.24% | 13.96% | 13.21% | 12.65% | 12.52% |
| ▲ | Avg NNN Asking Rate PSF | $32.95 | $32.84 | $32.67 | $32.44 | $32.12 |
| ▼ | SF Under Construction | 1,462,165 | 1,814,715 | 1,936,612 | 2,968,878 | 2,747,935 |
| ▲ | Inventory SF | 137,053,193 | 136,826,928 | 136,681,375 | 135,901,896 | 135,875,009 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 2405 Governor Hunt Road<br>Charlotte, NC | 700,000 SF | $117,000,000<br>$167.14 PSF | The Vanguard Group<br>Centene | Class A |
| 10100 Park Cedar Drive<br>Charlotte, NC | 51,982 SF | $7,800,000<br>$150.05 PSF | Mava Capital<br>Waters Investments, Inc. | Class B |
| 511 Yellowstone Drive<br>Charlotte, NC | 24,000 SF | $6,500,000<br>$270.83 PSF | Charlotte-Mecklenburg Bd of Edu<br>Mecklenburg Bar Foundation | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 9335 Harris Corners Parkway<br>Charlotte, NC | 28,278 SF | CP Group, Siguler Guff | Truist Insurance Holdings | Arts, Entertainment<br>& Recreation |
| 1040 Red Ventures Drive<br>Fort Mill, SC | 26,045 SF | Yujie Zhang, Wellman<br>Building LLC | Department of Homeland Security | Professional, Scientific<br>& Technical Services |
| 3600 South Boulevard<br>Charlotte, NC | 19,925 SF | Beacon Partners,<br>Thrift CRE | CPL | Professional, Scientific<br>& Technical Services |

# Q2 2024
## DURHAM, NC

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COMMERCIAL REAL ESTATE SERVICES

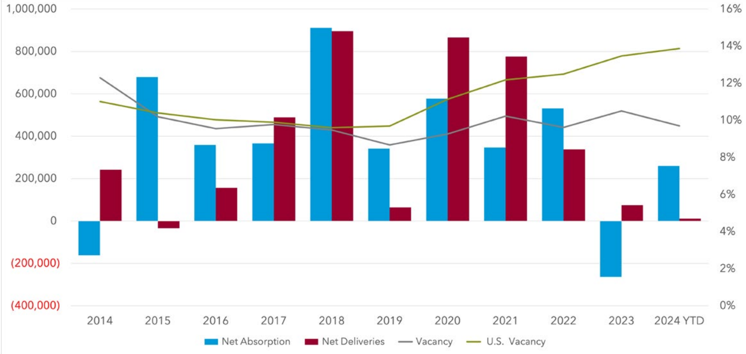
## OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President, Principal*

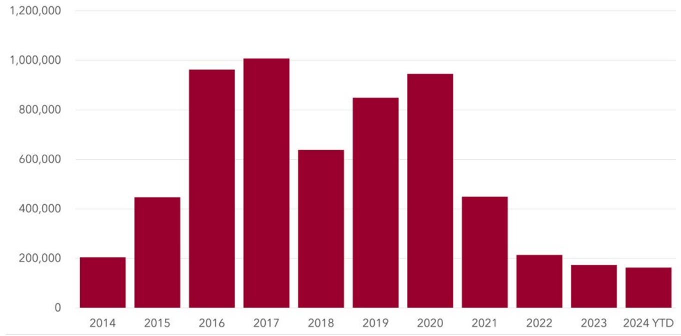
Durham market vacancies are 9.7%, below the national vacancy rate of 13.8%. Second quarter market results include positive net absorption, slowing asking rent growth, increasing concessions, and available sublease space more than ten times the amount available before the pandemic. On the demand side, employees want work-from-home flexibility and offices with fitness centers, health clubs, coffee shops, rooftop bars, restaurants, retail, event areas, and outdoor spaces. Notwithstanding these challenges, the Research Triangle area is strong, home to more than 375 companies, with 21 companies recently expanding and relocating to Chatham, Orange, and Durham counties.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 52,042 | 182,291 | (263,604) | (233,786) | 42,841 |
| ▼ Vacancy Rate | 9.7% | 9.9% | 10.5% | 10.2% | 10.0% |
| ▲ Avg NNN Asking Rate PSF | $28.29 | $27.84 | $27.81 | $27.71 | $27.56 |
| ▼ SF Under Construction | 162,759 | 169,959 | 174,180 | 198,180 | 198,180 |
| ▼ Inventory SF | 37,405,361 | 37,446,460 | 37,435,039 | 37,411,039 | 37,411,039 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 502 Rigsbee Avenue<br>Durham, NC | 11,587 SF | $4,300,000<br>$371.11 PSF | Civic Federal Credit Union<br>Clear Vue Glass | Class B |
| 316-318 Holland Street<br>Durham, NC | 7,000 SF | $2,000,000<br>$285.71 PSF | Sung J. & Ivette Lee<br>Frank B. Konhaus and Ellen Cassilly | Class B |
| 514 S Duke Street<br>Durham, NC | 3,688 SF | $1,100,000<br>$298.26 PSF | Mills & Mahoney, P.A.<br>Rebecca Merrill | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 410 Blackwell Street<br>Durham, NC | 15,000 SF | Capitol Broadcasting Company | Undisclosed | Undisclosed |
| 5003 S. Miami Boulevard<br>Durham, NC | 11,913 SF | Lincoln Property Company | Undisclosed | Undisclosed |
| 700 Park Offices Drive<br>Durham, NC | 10,000 SF | Research Triangle Park Foundation | Undisclosed | Undisclosed |

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# Q2 2024
# RALEIGH, NC

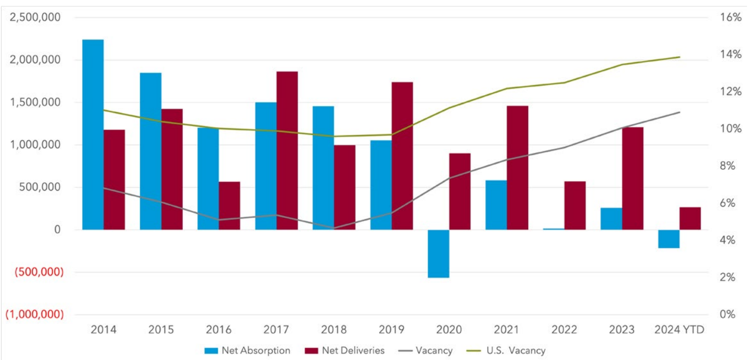
## OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President, Principal*

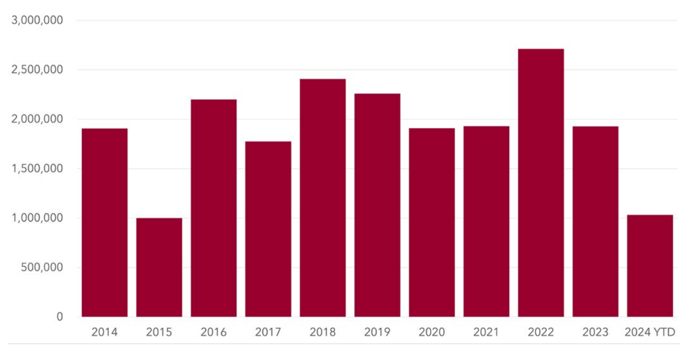
Raleigh's 10.8% vacancy, although well below US vacancy, is the state capital's highest vacancy in ten years. Demand decline, decreased deal volume, decreased absorption, increased new deliveries, and properties under construction less than 35% preleased, may pose a bleaker picture than reality. Raleigh remains one of the fastest-growing areas in the nation. Business-friendly, high-skilled labor, lower-than-average costs, tech, and life science companies contribute to the robust economy. Additionally, as the state capital, Raleigh has the stability of a large government employment base.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 833,196 | 862,261 | 259,791 | (204,040) | (644,638) |
| ▲ Vacancy Rate | 10.9% | 10.4% | 10.1% | 10.0% | 9.7% |
| ▲ Avg NNN Asking Rate PSF | $30.08 | $29.78 | $29.70 | $29.50 | $29.27 |
| ▼ SF Under Construction | 1,033,101 | 1,660,667 | 1,927,937 | 2,227,391 | 2,884,935 |
| ▲ Inventory SF | 79,982,058 | 79,183,601 | 78,916,331 | 78,574,350 | 77,841,580 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 4201 Lake Boone Trail*<br>Raleigh, NC | 50,220 SF | $13,710,000<br>$273.00 PSF | Evergreen Medical Properties<br>Highwoods Properties, Inc. | Class B |
| 4301 Lake Boone Trail*<br>Raleigh, NC | 48,417 SF | $13,160,000<br>$271.81 PSF | Evergreen Medical Properties<br>Highwoods Properties, Inc. | Class B |
| 2300 Rexwoods Drive*<br>Raleigh, NC | 61,060 SF | $9,770,000<br>$160.01 PSF | Evergreen Medical Properties<br>Highwoods Properties, Inc. | Class B |

**Part of a Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2201 Iron Works Drive<br>Raleigh, NC | 30,622 SF | Grubb Ventures<br>Services, LLC | Undisclosed | Undisclosed |
| 1001 Winstead Drive<br>Cary, NC | 30,000 SF | Accesso Partners | Accesso | Business<br>Services, NEC |
| 2501 Aerial Center Parkway<br>Morrisville, NC | 22,500 SF | Sentinel Real Estate<br>Corporation | Undisclosed | Undisclosed |

# Q2 2024
## LINCOLN, NE

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COMMERCIAL REAL ESTATE SERVICES

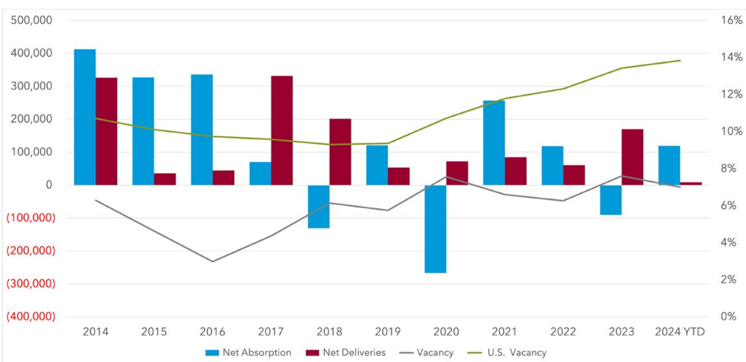
## OFFICE MARKET OVERVIEW

BENJAMIN PEARSON, *Principal,* DAKOTAH SMITH, *Associate Broker*

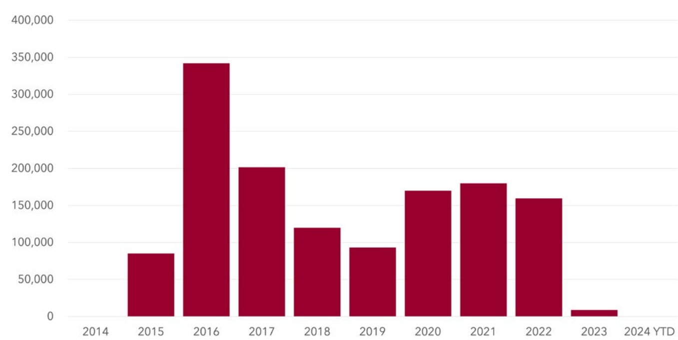
The Lincoln office market has seen a decrease in its vacancy rate, dropping from 7.5% to 7%. With no new office buildings under construction, demand for high-quality and economical office space has intensified. This past quarter recorded a positive net absorption of 39,410 square feet, a notable improvement following three quarters of negative absorption. We anticipate rental rates will stabilize as landlords offer more concessions and enhanced build-outs to attract and retain tenants. These incentives are expected to make leasing more appealing and drive further demand for office space. Overall, the decline in the vacancy rate, combined with the lack of new construction, indicates a period of growth and opportunity in the Lincoln office market.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 39,410 | (20,202) | (90,529) | (109,267) | 95,335 |
| ▼ | Vacancy Rate | 7.0% | 7.5% | 7.6% | 7.2% | 6.4% |
| ▲ | Avg NNN Asking Rate PSF | $19.69 | $19.65 | $19.66 | $19.59 | $19.38 |
| ▼ | SF Under Construction | 0 | 8,763 | 8,763 | 166,095 | 175,095 |
| ▲ | Inventory SF | 18,735,730 | 18,726,967 | 18,726,967 | 18,595,871 | 18,586,871 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 220 S. 17th Street<br>Lincoln, NE | 42,600 SF | $3,250,000<br>$76.29 PSF | Realty Gift Fund<br>US Property Management | Class C |
| 3833 S. 14th Street<br>Lincoln, NE | 4,255 SF | $795,000<br>$186.84 PSF | Greenleaf Commercial Real Estate<br>Wellspring Behavioral Health LLC | Class C |
| 8500 Mohave Drive<br>Lincoln, NE | 4,103 SF | $1,015,958<br>$247.61 PSF | Advanced Physical Therapy<br>Krueger Development | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2021 Transformation Drive<br>Lincoln, NE | 13,370 SF | Nebraska Innovation Campus | Garner Industries | Manufacturing |
| 3401 Village Drive<br>Lincoln, NE | 10,195 SF | Hampton Enterprises | Bosch | Engineering |
| 1401 Dahlberg Drive<br>Lincoln, NE | 8,700 SF | Krueger Development | Office Interios & Designs, Inc. | Interior Design |

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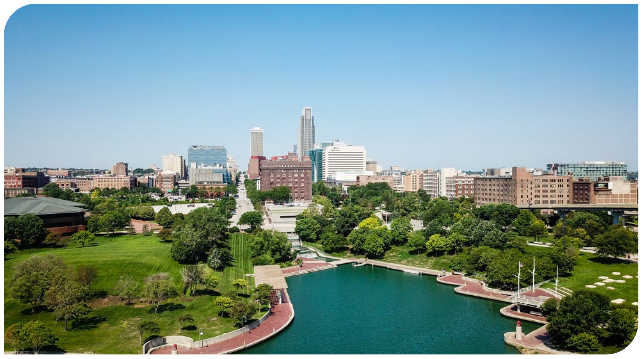
# Q2 2024
## OMAHA, NE



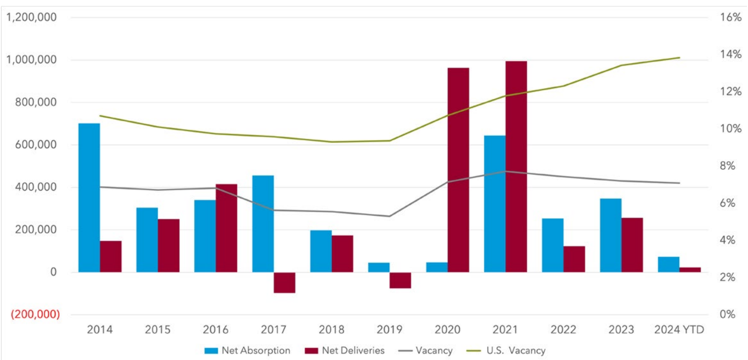
## OFFICE MARKET OVERVIEW

BENJAMIN PEARSON, *Principal,* DAKOTAH SMITH, *Associate Broker*

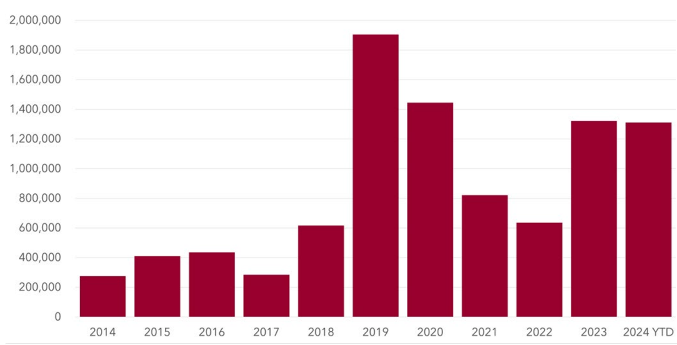
The Omaha office market has seen a slight increase in the vacancy rate to 7.1% from the first quarter. This quarter recorded another positive net absorption of 149,141 square feet. One of the top three sales transactions was brokered and auctioned by Scott Moore of Lee & Associates, involving a 42,587 SF office building at 2707 N 108th Street. Despite the recent increase, the current vacancy rate remains lower than the trailing three-year average of 7.3% and well below the national average of 12.7%. Over the past three years, the market has expanded by approximately 720,000 SF, driven by around 950,000 SF of new construction and about 240,000 SF of demolition. Rents have risen by 5.2% over this period, outpacing the national average of 3.2%.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 149,141 | 126,207 | 348,025 | 470,157 | 379,046 |
| ▲ | Vacancy Rate | 7.1% | 7.0% | 7.2% | 7.0% | 7.3% |
| ▲ | Avg NNN Asking Rate PSF | $25.41 | $25.37 | $25.27 | $25.17 | $25.03 |
| ▼ | SF Under Construction | 1,310,515 | 1,333,215 | 1,322,035 | 1,322,035 | 1,365,197 |
| ▲ | Inventory SF | 48,451,127 | 48,428,427 | 48,428,427 | 48,428,427 | 48,385,265 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 16940 Lakeside Hills Plaza<br>Omaha, NE | 119,000 SF | $11,000,000<br>$92.44 PSF | CommonSpirit Health<br>Healthpeak Properties | Class B |
| 9910 Maple Street<br>Omaha, NE | 43,479 SF | $1,287,500<br>$29.61 PSF | QAO LLC<br>Stephen & Jacqueline Saylan | Class B |
| 2707 N. 108th Street<br>Omaha, NE | 42,587 SF | $1,350,000<br>$31.70 PSF | Buildertrend<br>Faulk Enterprises | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 12500 I Street<br>Omaha, NE | 21,852 SF | Industrial Realty Group LLC | Stillwater Insurance Group | Insurance |
| 14301 FNB Parkway<br>Omaha, NE | 18,329 SF | Linden Place Ltd Ptnrs 1 | Avior Wealth Management | Finance |
| 4606 N. 56th Street<br>Omaha, NE | 15,862 SF | White Lotus Real Estate | Equus Workforce Solutions | Business Support |

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# Q2 2024
# NEW JERSEY, NJ

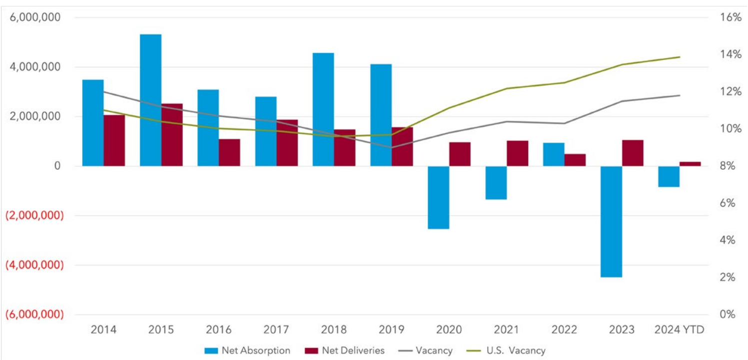
## OFFICE MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

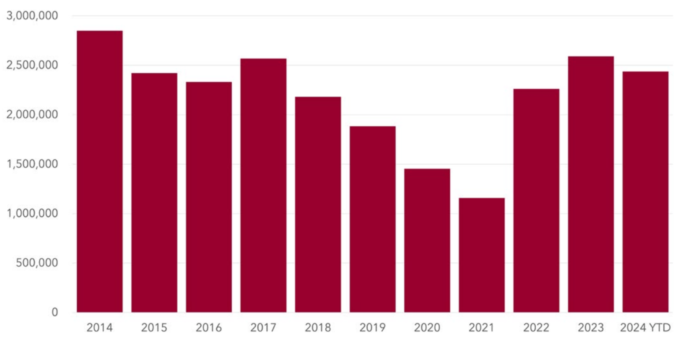
Q2 leasing fell 10% QoQ to 2.4MM SF, 75% of the 5-year average. Seven 50k+ SF leases were inked. Lease-up time remained flat at 9 months. Rental rates gained $0.20 PSF QoQ to $28.17 PSF gross. 240k SF of occupied space was added during Q2, marking the first positive quarter since Q3 2022 and (9.7MM) SF loss since COVID. As of May, NJ unemployment remained at 4.2% since April, down 20 bps QoQ and up 30 bps YoY. Sales volume finished at $188MM, the lowest quarter since Q3 2001. 50 office properties encompassing 12.6MM SF and $800MM of active CMBS debt are currently specially serviced, while 30 properties with $1B of active debt are projected to default in the next 24 months. Average pricing fell 11% to $136 PSF while cap rates hovered around 6.6%. 11.6MM SF is approved, 761k SF being medical.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ Qtrly Net Absorption SF | 239,842 | (1,081,477) | (274,580) | (1,753,740) | (1,695,248) |
| ◄ ► Vacancy Rate | 11.8% | 11.8% | 11.5% | 11.4% | 10.9% |
| ▲ Avg GRS Asking Rate PSF | $28.17 | $27.97 | $28.07 | $28.10 | $27.89 |
| ▼ SF Under Construction | 2,436,828 | 2,557,204 | 2,590,954 | 3,044,197 | 2,982,024 |
| ▲ Inventory SF | 421,987,973 | 421,867,597 | 421,815,847 | 421,357,804 | 421,176,477 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 900 US Highway 9 N<br>Woodbridge, NJ | 112,705 SF | $11,169,000<br>$99.10 PSF | TrueStone LLC<br>TFE Properties | Class B |
| 710 Route 46 E<br>Fairfield, NJ | 103,502 SF | $12,258,333<br>$118.44 PSF | Blinds To Go<br>Stonewater Equities | Class B |
| 80 Main Street<br>West Orange, NJ | 101,000 SF | $8,000,000<br>$79.21 PSF | Iron Ore Properties LLC<br>Lawrence Drill | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 499 Washington Boulevard<br>Jersey City, NJ | 184,341 SF | LeFrak | Fidelity Investor Center | Finance & Insurance |
| 300 Warren Corporate Center Drive<br>Warrren, NJ | 157,546 SF | Rubenstein Partners<br>& Vision | Regeneron | Information |
| 494 Broad Street<br>Newark, NJ | 74,356 SF | Fidelco Realty | NJIT | Educational Services |

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# Q2 2024
## RENO, NV

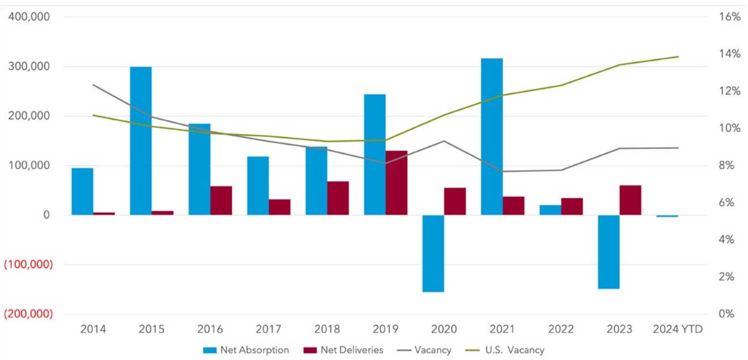
## OFFICE MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

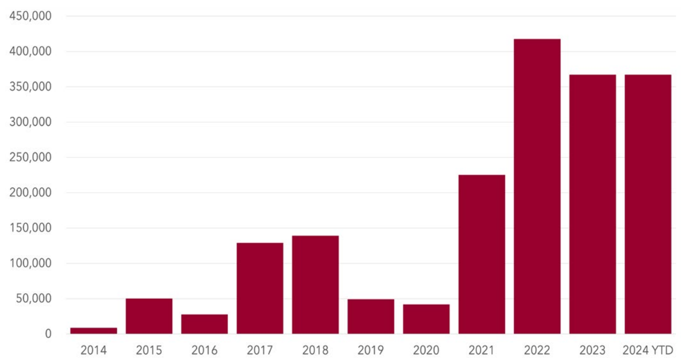
The office market has not taken the "hit" that much of the rest of the country has due in large part to the mix of the tenants being primarily local and the fact that there has only been moderate growth in construction in this sector in the last 20 years. Add to this, the population and job growth in the area has really taken off. We have had flat pricing and relatively flat vacancy rates for some time, and I expect that the market will be able to handle the new construction. The new construction will demand, and receive, higher pricing while the rest of the market will have to get very aggressive with pricing to retain/acquire the tenants they need. I see our relative inexpensive pricing to continue to attract and acquire tenants from the population moving to the area for "quality of life" attributes.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 116,722 | 31,208 | (148,824) | (254,541) | (293,715) |
| ▼ | Vacancy Rate | 8.8% | 9.1% | 8.9% | 9.3% | 9.4% |
| ▲ | Avg NNN Asking Rate PSF | $24.57 | $24.53 | $24.37 | $24.20 | $24.32 |
| ◀ ▶ | SF Under Construction | 367,218 | 367,218 | 367,218 | 347,218 | 357,453 |
| ◀ ▶ | Inventory SF | 17,362,559 | 17,362,559 | 17,362,559 | 17,362,559 | 17,352,324 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1595 Robb Drive<br>Reno, NV | 7,585 SF | $1,404,190<br>$185.13 PSF | Dornin Invest Group<br>Ribeiro Company | Class B |
| 6120 Mae Ann Avenue<br>Reno, NV | 7,500 SF | $1,563,141<br>$208.42 PSF | Dornin Invest Group<br>Ribeiro Company | Class B |
| 1575 Robb Avenue<br>Reno, NV | 6,011 SF | $1,486,050<br>$247.22 PSF | Dornin Invest Group<br>Ribeiro Company | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 9850 Double R Boulevard<br>Reno, NV | 28,856 SF | Incline Capital Group | Nevada Dept of Health<br>& Human Services | Public Adminstration |
| 1885 S. Arlington Street<br>Reno, NV | 15,721 SF | Gary Mollath | Adopt-a-Vet Dental | Health Care |
| 100 W. Liberty Street<br>Reno, NV | 5,134 SF | CM Capital | Address Income LLC | Services |

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# Q2 2024
## NEW YORK, NY

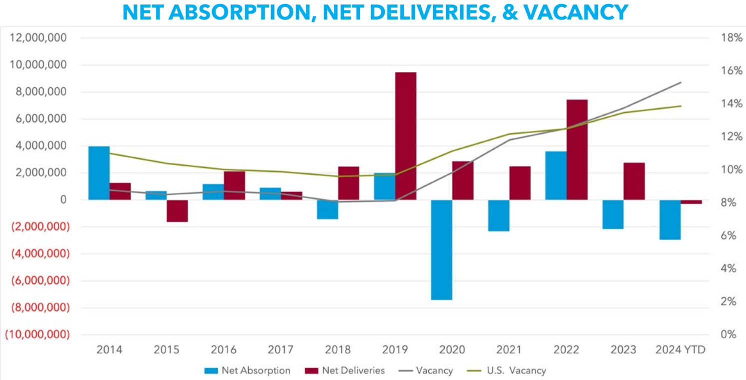
## OFFICE MARKET OVERVIEW

HEATHER SMOLINSKI, *Research Associate*

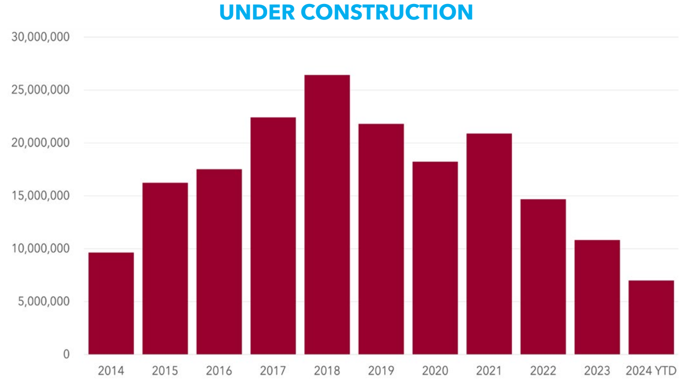
Manhattan's office leasing activity rebounded in the second quarter of 2024, totaling 8.7 million square feet after a slow first quarter. The total leasing for Q1 and Q2 2024 reached just over 15 million square feet, marking a 9% increase compared to the first half of 2023. One of the largest lease transactions of 2024 so far was Bloomberg's renewal of 946,000 square feet at 731 Lexington Avenue. Additionally, American Eagle and Covington & Burling signed significant relocations, upgrading their building classes and continuing the trend of tenants moving to higher-quality spaces.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (2,948,362) | (4,668,172) | (6,133,435) | (1,250,335) | (2,492,608) |
| ▼ Vacancy Rate | 15.3% | 15.5% | 15.0% | 15.0% | 15.0% |
| ▲ Avg Asking Rate PSF | $70.22 | $69.85 | $69.88 | $69.76 | $69.71 |
| ▼ SF Under Construction | 7,005,747 | 7,123,779 | 7,350,117 | 7,156,685 | 7,200,452 |
| ▼ Inventory SF | 592,813,514 | 593,375,218 | 593,147.718 | 594,858,008 | 594,990,096 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 980 Madison Avenue<br>New York, NY | 100,000 SF | $560,000,000<br>$5,600.00 PSF | Bloomberg LP<br>980 Madison Owner LLC | Class B |
| 1740 Broadway<br>New York, NY | 640,000 SF | $185,900,000<br>$290.46 PSF | Yellowstone RE Investments<br>Blackstone, Inc. | Class B |
| 222 Broadway<br>New York, NY | 775,854 SF | $147,500,000<br>$190.11 PSF | GFP Real Estate<br>DWS Group | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 731 Lexington Avenue<br>New York, NY | 946,815 SF | Vornado | Bloomberg LP | Finance/Media |
| 63 Madison Avenue<br>New York, NY | 338,085 SF | George Comfort & Sons | American Eagle | Apparel |
| 30 Hudson Yards<br>New York, NY | 235,479 SF | Related Companies | Covington &Burling | Law |

# Q2 2024
# CINCINNATI, OH

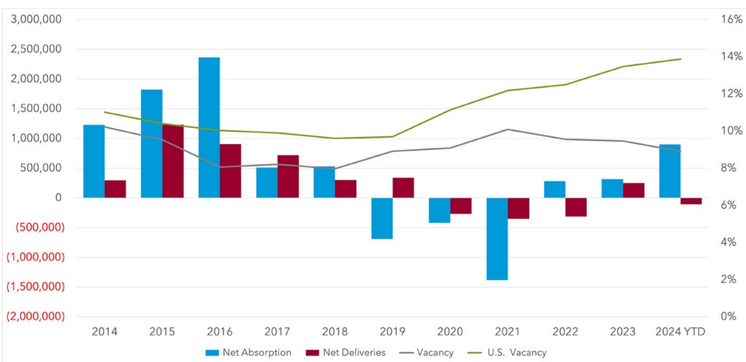
## OFFICE MARKET OVERVIEW

GARY FISHER, *Vice President*

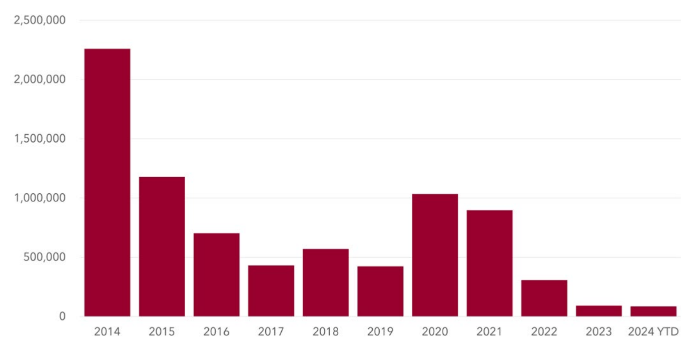
Cincinnati's leasing market is stable. Vacancy averages 9.2%, lower than 13.8% nationally due to few new deliveries, and positive net absorption. New leases average 3,800 sf, 4.5% below pre-2020, suggesting less downsizing vs national trends. Growth in office jobs mirrors the 8% national rate. Inventory is 0.5% lower than in 2020, and newer is better, as properties built since 2020 are 80% occupied. Downsizing examples include Unlimited Systems and Pepsi, which relocated to Montgomery Quarter. Rent growth slowed to 0.9% year-over-year, above national averages. Interest rates and material costs limit new construction projects, ensuring stable vacancy near term. Repurposing the 2nd floor of Sak's former downtown store into HQ offices of Paycor is underway.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 667,700 | 850,111 | 316,563 | (14,694) | (68,113) |
| ▼ | Vacancy Rate | 9.1% | 9.3% | 9.5% | 9.7% | 9.7% |
| ▲ | Avg NNN Asking Rate PSF | $21.19 | $21.14 | $21.08 | $21.00 | $21.00 |
| ▼ | SF Under Construction | 86,000 | 92,000 | 92,000 | 142,652 | 162,390 |
| ▼ | Inventory SF | 105,375,097 | 105,482,989 | 105,482,989 | 105,432,337 | 105,326,599 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 101-103 Knightsbridge Drive<br>Hamilton, OH | 408,194 SF | $11,200,000<br>$27.44 PSF | Miami University Of Ohio<br>Vor Technology Park LLC | Class B |
| 211-219 W. 4th Street<br>Cincinnati, OH | 55,842 SF | $1,400,000<br>$25.07 PSF | Model Group<br>The Loring Group | Class B |
| 644 Eden Park Drive<br>Cincinnati, OH | 36,600 SF | $8,710,800<br>$238.00 PSF | Children's Hospital Medical Center<br>Laser Spine Institute | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 9987 Carver Road<br>Blue Ash, OH | 37,104 SF | VanTrust Real Estate LLC | Sheakley | Professional, Scientific, and Technical Services |
| 101 W. Fifth Street<br>Cincinnati, OH | 36,319 SF | City of Cincinnati<br>Planning and Buildings | Paycor | Services |
| 659 Van Meter Street<br>Cincinnati, OH | 10,500 SF | Hixson Architecture<br>Engineering Interiors | CostQuest | Services |

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# Q2 2024
# CLEVELAND, OH

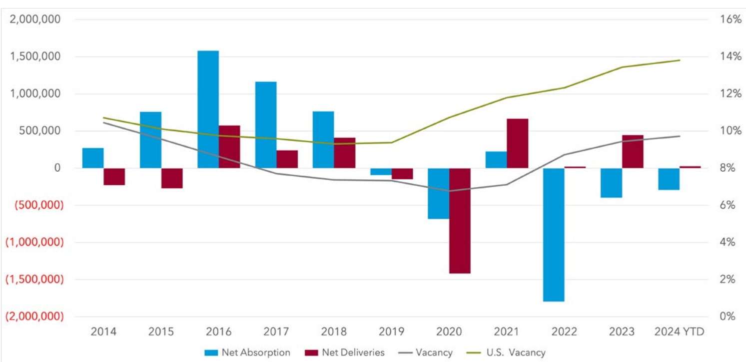
## OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Partner*

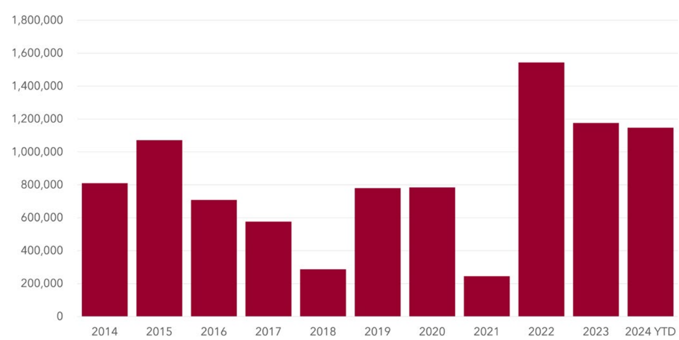
Office vacancy in Cleveland rose to 9.7% in Q2 2024, below the national benchmark of 13.8%. Despite years of limited new deliveries, vacancy remains lower than during the global financial crisis. Around 35,000 SF was returned to the market over the past year due to firms consolidating and adjusting their office spaces. New lease sizes decreased by 15%, averaging 2,800 SF. Downtown Cleveland saw significant space returns, while suburban areas like Chagrin Corridor and West submarkets maintained positive net absorption. Construction starts fell, with 1.1 million SF underway, representing 1% of market inventory. Rent growth remained steady at 1.3%, but rising vacancy may pressure rents negatively by mid-2024.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (418,694) | 280,060 | (396,888) | (1,172,398) | (908,298) |
| ▲ Vacancy Rate | 9.7% | 9.5% | 9.4% | 9.4% | 9.1% |
| ▲ Avg NNN Asking Rate PSF | $19.61 | $19.59 | $19.52 | $19.54 | $19.37 |
| ▼ SF Under Construction | 1,147,253 | 1,152,253 | 1,176,099 | 1,350,099 | 1,381,099 |
| ▲ Inventory SF | 113,317,072 | 113,313,975 | 113,290,129 | 113,116,129 | 113,085,129 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 200 Public Square<br>Cleveland, OH | 1,287,001 SF | $54,000,000<br>$41.96 PSF | Namdar Realty Group<br>DRA Advisors | Class A |
| 747 Alpha Drive<br>Mayfield, OH | 230,000 SF | $17,000,000<br>$73.91 PSF | Park Place Technologies | Class A |
| 1100 Graham Road<br>Cuyahoga Falls, OH | 27,144 SF | $1,600,000<br>$58.94 PSF | Caring For Kids, Inc.<br>James Pulk | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1350 Euclid Avenue<br>Cleveland, OH | 38,000 SF | Renaissance Center | Cohen & Company | Accounting |
| 6000 Lombardo Center<br>Seven Hills, OH | 12,000 SF | Genesis Building Ltd. | Yardi | Software |
| 6150 Oak Tree Boulevard<br>Independence, OH | 10,556 SF | Park Center Plaza LP | LJB | Engineering |

# Q2 2024
## TORONTO, ON

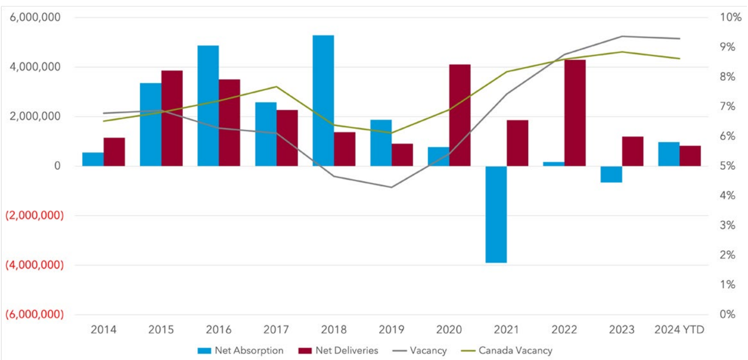
## OFFICE MARKET OVERVIEW

WILL GEHRING, *Senior Vice President*

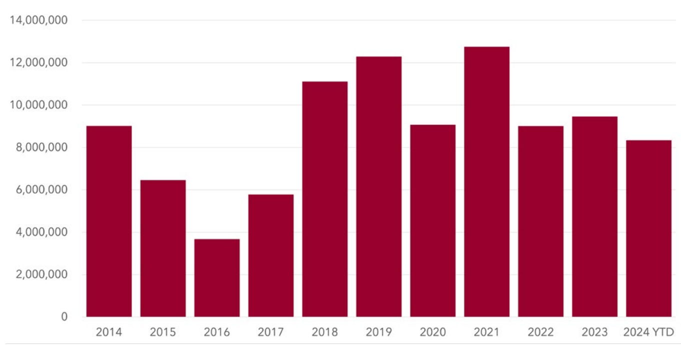
The Greater Toronto Area's office space market is undergoing adjustments, with annual rental growth figures proving misleading as landlords offer more incentives, effectively lowering net rents. Average lease terms have shortened compared to pre-pandemic levels, and sublets now make up a significant portion of available space, increasing since before the pandemic. The sales market has seen limited activity, making price assessments challenging. Should REITs need to sell properties, this could drive cap rates higher and further depress values due to increased vacancies and reduced rents. Despite these challenges, the market's adaptability and resilience continue to shape its evolution.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 2,484,578 | 370,540 | (655,458) | (1,478,618) | (1,596,058) |
| ▼ | Vacancy Rate | 9.2% | 9.4% | 9.4% | 9.4% | 9.6% |
| ▲ | Avg NNN Asking Rate PSF | $40.89 | $40.48 | $40.35 | $40.16 | $39.80 |
| ▼ | SF Under Construction | 8,340,966 | 8,611,304 | 9,462,464 | 9,538,972 | 8,605,910 |
| ▲ | Inventory SF | 287,980,207 | 287,641,217 | 287,151,433 | 286,504,533 | 286,439,321 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 25 Dockside Drive<br>Toronto, ON | 479,437 SF | $232,500,000*<br>$484.94 PSF | George Brown Coll & Halmont Prop<br>H&R REIT | Class A |
| 110 Sheppard Avenue East<br>Toronto, ON | 162,267 SF | $29,000,000*<br>$178.72 PSF | Minett Capital<br>Beneva | Class A |
| 45 Sheppard Avenue East**<br>Toronto, ON | 130,307 SF | $59,127,972*<br>$453.76 PSF | Byron Equities<br>Crown Realty Partners | Class B |

**All numbers shown are in Canadian dollars (CAD)' ** Part of a 2-Property Portfolio Ssle*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 197 The West Mall<br>Toronto, ON | 107,078 SF | Slate Asset Management | Moneris Solutions | Financial Transactions Processing |
| 302 Bay Street<br>Toronto, ON | 55,279 SF | London Property Corporation | iQ Offices | Lessors of Real Estate Property |
| 75 Courtneypark Drive West<br>Toronto, ON | 38,500 SF | Soneil Group of Companies | Undisclosed | Undisclosed |

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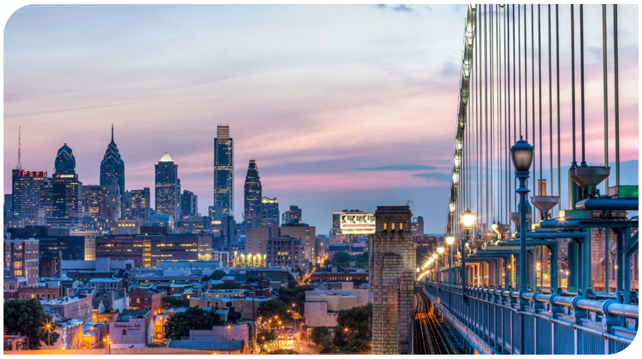
# Q2 2024
## SUBURBAN PHILADELPHIA, PA



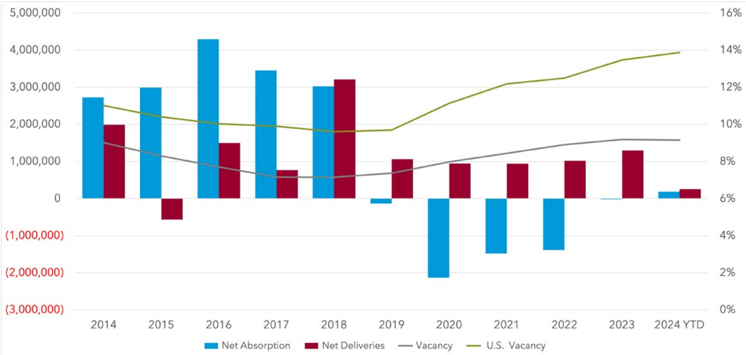
### OFFICE MARKET OVERVIEW

HEATHER KREIGER, *Regional Research Director*

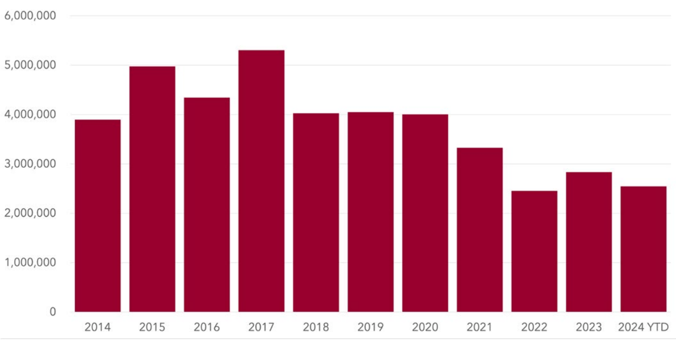
The office real estate market in Eastern Pennsylvania shows mixed activity as of Q2 2024. The 12-month net absorption was 1.72 million SF, slightly up from Q1's 1.71 million SF. Vacancy rates remained high at 9.2%, consistent with Q1's 9.3%. The average NNN asking rate is $26.89 PSF annually. Under construction space decreased to 2.55 million SF, indicating a slowdown in new developments. Historical data shows fluctuating net absorption and deliveries, reflecting market volatility. While the office market is still facing challenges, the pickup in transactions highlights potential investor confidence. This trend suggests a hopeful future for the area and resilience in the sector.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 1,716,820 | 1,711,043 | 1,298,052 | 720,923 | 590,050 |
| ▼ Vacancy Rate | 9.2% | 9.3% | 9.2% | 9.1% | 9.0% |
| ▲ Avg NNN Asking Rate PSF | $26.89 | $26.82 | $26.86 | $26.84 | $26.96 |
| ▼ SF Under Construction | 2,545,906 | 2,605,306 | 2,833,843 | 3,591,784 | 3,636,380 |
| ▲ Inventory SF | 504,828,560 | 504,657,460 | 504,577,013 | 503,732,370 | 503,115,455 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY




#### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1100 N. King Street<br>Wilmington, DE | 372,118 SF | $34,173,347<br>$91.83 PSF | Incyte<br>Capital Commercial Investments | Class A |
| 1100 French Street<br>Wilmington, DE | 145,189 SF | $13,326,653<br>$91.79 PSF | Incyte<br>Capital Commercial Investments | Class A |
| 1760 Market Street<br>Philadelphia, PA | 138,128 SF | $11,500,000<br>$83.26 PSF | 1760 Market Street Holdings<br>Chelsea & Village Associates | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1650 Arch Street<br>Philadelphia, PA | 46,500 SF | ASI Management | Ballinger | Engineering |
| 4051 Ogletown Road<br>Newark, DE | 25,237 SF | JPMorgan Chase & Co. | ATI Physical Therapy | Healthcare |
| 925 Harvest Drive<br>Plymouth Meeting, PA | 22,000 SF | Brandywin Realty Trust | Elliot Greenleaf | Law |

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# Q2 2024
## WESTERN PENNSYLVANIA, PA

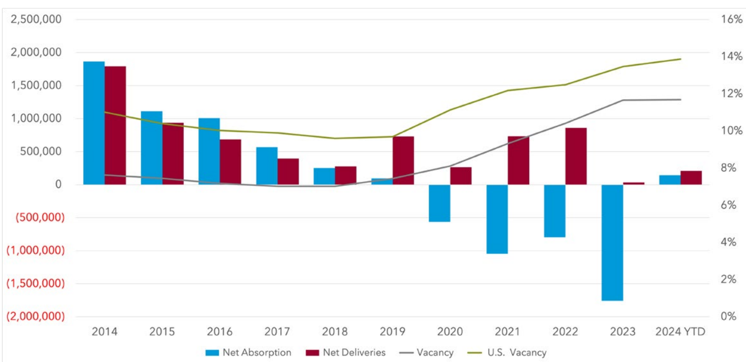
## OFFICE MARKET OVERVIEW

HEATHER KREIGER, *Regional Research Director*

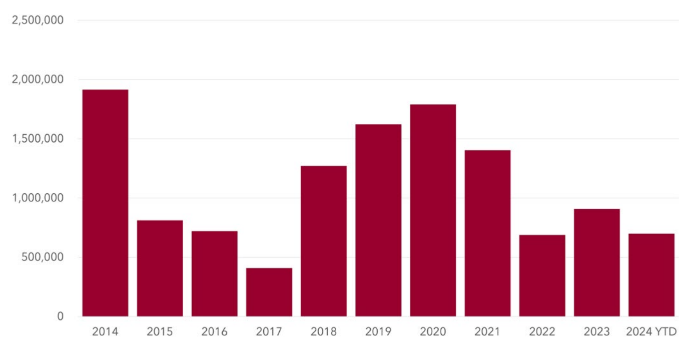
The Pittsburgh, PA office market has faced challenges over the past five quarters. As of Q2 2024, the 12-month net absorption was negative at (387,265) SF, an improvement from the deeper negative absorption of (1,758,861) SF in Q4 2023. The vacancy rate has remained relatively stable, standing at 11.7% in Q2 2024, only slightly fluctuating from 11.8% in Q1 2024 and 11.3% in Q3 2023. Average NNN asking rates have shown a slight upward trend, reaching $25.66 PSF annually in Q2 2024, up from $25.50 in Q2 2023. The amount of space under construction decreased to 699,452 SF in Q2 2024 from 907,573 SF in the previous quarters. The total inventory increased modestly to 143,676,318 SF in Q2 2024.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (387,265) | (1,330,533) | (1,758,861) | (1,534,860) | (1,358,067) |
| ▼ Vacancy Rate | 11.7% | 11.8% | 11.7% | 11.3% | 11.3% |
| ▼ Avg NNN Asking Rate PSF | $25.66 | $25.76 | $25.69 | $25.58 | $25.50 |
| ▼ SF Under Construction | 699,452 | 907,573 | 907,573 | 907,573 | 740,473 |
| ▲ Inventory SF | 143,676,318 | 143,468,197 | 143,468,197 | 143,472,797 | 143,454,897 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 4215 5th Avenue<br>Pittsburgh, PA | 129,212 SF | $32,382,385<br>$250.61 PSF | University of Pittsburgh<br>Walnut Capital | Class C |
| 2840 Library Road<br>Pittsburgh, PA | 12,815 SF | $795,000<br>$62.04 PSF | Undisclosed<br>Lowry Center LLC | Class C |
| 7620 Meade Street<br>Pittsburgh, PA | 10,511 SF | $2,100,000<br>$199.79 PSF | Metro Community Health Center<br>Dialysis Clinic, Inc. | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 615 Alpha Drive<br>Pittsburgh, PA | 121,010 SF | McKnight Realty<br>Partners | Benshaw, Inc. | Manufacturer |
| 121 Bayer Road<br>Pittsburgh, PA | 65,000 SF | DiCicco<br>Development, Inc. | PantherRX Rare | Pharmaceuticals |
| 1 Penn Center West<br>Pittsburgh, PA | 36,397 SF | Golden East Investors | NVR Mortgage | Finance & Insurance |

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# Q2 2024
# CHARLESTON, SC

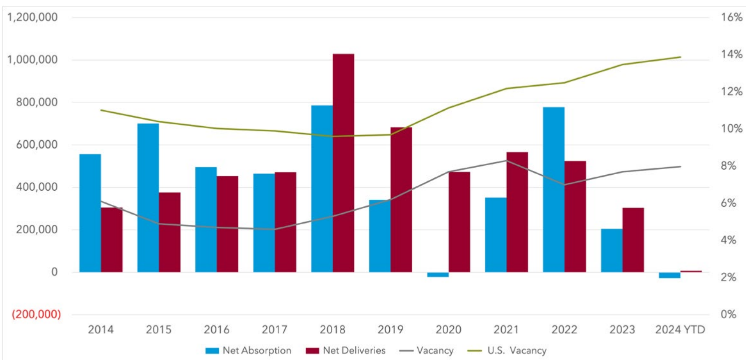
## OFFICE MARKET OVERVIEW

PETE HARPER, CCIM, *Principal*

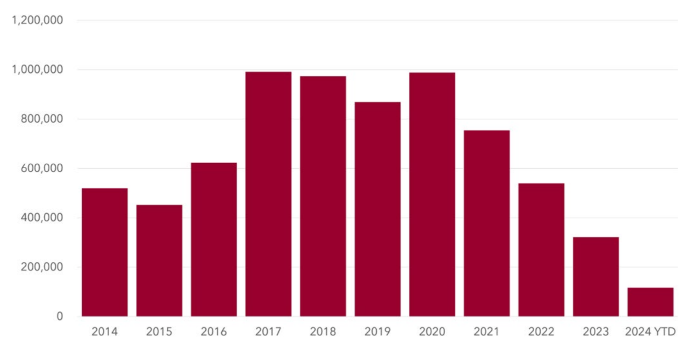
The Charleston Office Market has shown remarkable resilience through the second quarter of 2024. Leasing activity in downtown and nearby submarkets has increased. With limited new construction and the absence of new construction starts, we anticipate positive absorption of office space throughout the market for the rest of the year. Charleston continues to attract businesses seeking smaller spaces in a tight market. This trend suggests a strong finish for the year, including rental rate increases for most submarkets. Charleston's niche appeal has continued to drive new to market companies to open office locations to service the growing population base.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 98,235 | (125,546) | (43,959) | 130,700 | 243,461 |
| ▼ | Vacancy Rate | 7.98% | 8.20% | 7.70% | 7.30% | 7.60% |
| ▲ | Avg NNN Asking Rate PSF | $32.50 | $31.70 | $31.68 | $31.64 | $31.69 |
| ▲ | SF Under Construction | 116,975 | 112,188 | 101,289 | 107,423 | 80,030 |
| ▲ | Inventory SF | 33,760,175 | 33,755,005 | 33,753,309 | 33,721,309 | 33,691,279 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 16 Charlotte Street<br>Charleston, SC | 14,750 SF | $6,600,000<br>$447 PSF | Robert Martin House LLC<br>NCGS, Inc. | Class B |
| 115 River Landing Drive<br>Charleston, SC | 13,063 SF | $3,750,000<br>$287 PSF | Sweet Alice Charleston LLC<br>Riverland Properties LLC | Class B |
| 4200 Faber Place Drive<br>North Charleston, SC | 9,175 SF | $1,945,000<br>$212 PSF | The Parrott Group, Inc.<br>Darby Development | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1505 King Street Exit<br>North Charleston, SC | 32,277 SF | Asana Partners | Undisclosed | Undisclosed |
| 2265 Clements Ferry Road<br>Charleston, SC | 14,698 SF | Caliber Construction | Guardian Pharmacy | Medical |
| 1080 Morrison Drive<br>Charleston, SC | 11,025 SF | Cowan Nakios<br>Group LLC | Northwestern Mutual | Finance |

# Q2 2024
## GREENVILLE / SPARTANBURG, SC

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

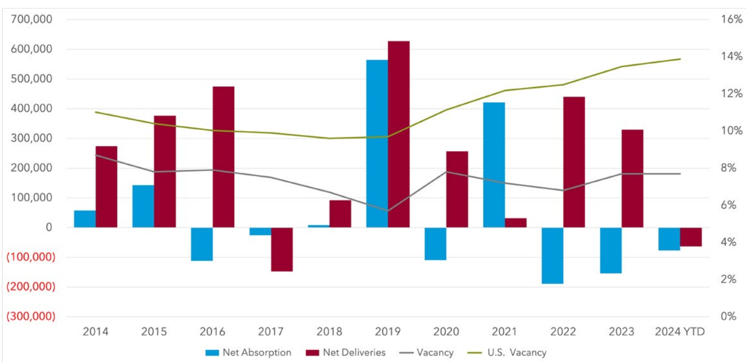
## OFFICE MARKET OVERVIEW

DARATH MACKIE, *Vice President*

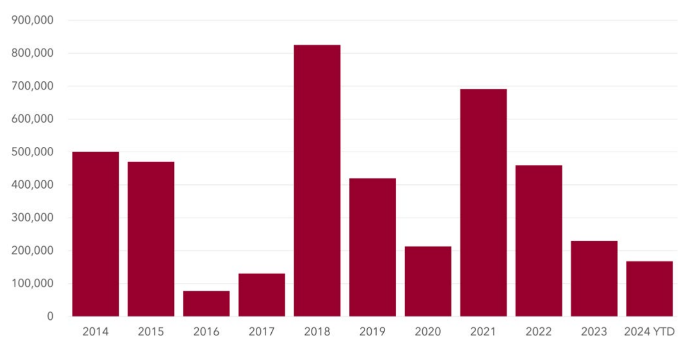
The Greenville/Spartanburg office market known for its vibrant economy, strategic location, and high quality of life is poised for continued growth. With a strong economic foundation, ongoing infrastructure improvements, and a proactive business community, the region is well-positioned to attract new businesses and investment. Ongoing construction suggests a confidence in future demand despite current absorption challenges. Several notable office projects are underway, including mixed-use developments that combine office, retail, and residential spaces helping to meet the demand for multi-functional environments that cater to the needs of startups, remote workers, and established companies alike.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (29,651) | (67,482) | (153,928) | 3,875 | (62,132) |
| ▼ Vacancy Rate | 7.8% | 7.9% | 7.7% | 7.3% | 6.9% |
| ▲ Avg NNN Asking Rate PSF | $22.10 | $21.78 | $20.99 | $21.38 | $21.23 |
| ▼ SF Under Construction | 168,188 | 177,642 | 229,642 | 235,714 | 433,785 |
| ▼ Inventory SF | 43,495,864 | 43,611,240 | 43,559,240 | 43,549,168 | 43,339,643 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 770 Pelham Road<br>Greenville, SC | 38,706 SF | $6,500,000<br>$167.93 PSF | Upstate Warrior Solutions<br>RealOp Investments | Class A |
| 157 E. Saint Johns Street<br>Spartanburg, SC | 13,249 SF | $1,633,000<br>$123.25 PSF | Bible Study Time, Inc (Time for Hope)<br>Rigsby Family Holdings LLC | Class B |
| 745 Wade Hampton Boulevard<br>Greenville, SC | 10,000 SF | $2,500,000<br>$250.00 PSF | Pii Wade Hampton LLC<br>Duro Properties LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 935 S. Main Street<br>Greenville, SC | 15,020 SF | Fp Holdings LLC | Brasfield & Gorrie | Construction |
| 550 S. Main Street<br>Greenville, SC | 12,690 SF | Riverplace Office, Inc. | Undisclosed | Undisclosed |
| 1045-1053 Keys Drive<br>Greenville, SC | 12,500 SF | JLM & Associates | Mitchell Contract Interiors | Construction |

# Q2 2024
## NASHVILLE, TN

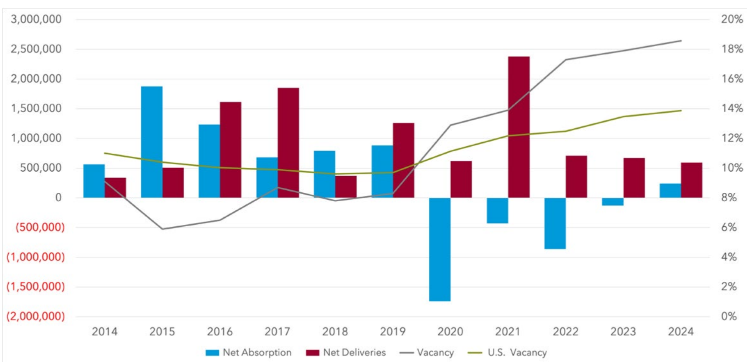
## OFFICE MARKET OVERVIEW

KYLE NEVEAU, *Director*

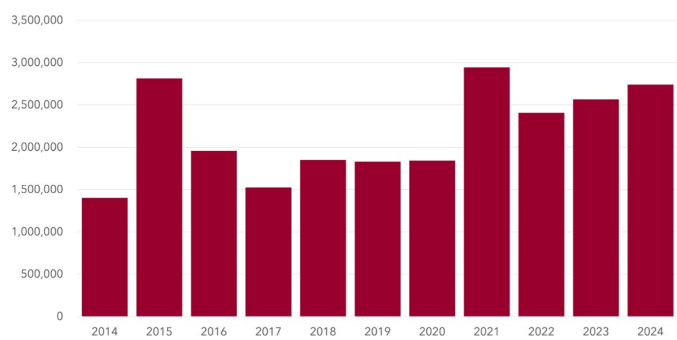
Nashville's office market is showing strong momentum heading into the second half of the year, with the vacancy rate dropping nearly 100 basis points to 18.7% and positive absorption for Q2. Leasing activity is near pre-pandemic levels. However, some tenants are still reassessing their footprints, and elevated sublet availability challenges landlords. Developers have been adding high-quality office space, a trend that started before the pandemic and continues despite changes in office needs. With about 2.6 million square feet under construction, supply pressures will remain for at least the next two years. This ongoing development underscores the market's attractiveness and developers' confidence in its long-term potential.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 279,693 | (293,271) | (127,970) | (636,227) | (148,135) |
| ▼ | Vacancy Rate | 18.57% | 19.50% | 17.90% | 18.70% | 18.50% |
| ▲ | Avg NNN Asking Rate PSF | $30.61 | $29.92 | $29.41 | $29.67 | $28.01 |
| ▼ | SF Under Construction | 2,562,957 | 2,740,059 | 2,565,114 | 2,565,114 | 2,518,101 |
| ▼ | Inventory SF | 54,021,376 | 54,186,663 | 53,056,998 | 53,204,483 | 52,963,692 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 501-523 Mainstream Drive<br>Nashville, TN | 59,502 SF | $13,806,116<br>$232.03 PSF | Goodwill Industries of Middle TN<br>Continental Capital Partners | Class B |
| 1161 Murfreesboro Road<br>Nashville, TN | 83,066 SF | $6,200,000<br>$74.64 PSF | Clearbrook Holdings<br>Eastman Management Corporation | Class C |
| 201 E. Main Street<br>Murfreesboro, TN | 60,193 SF | $5,200,000<br>$86.39 PSF | Richard Sandoval<br>Simpson Organization | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 215 Gothic Court<br>Franklin, TN | 6,293 SF | Jeremy Bangs | Tennessee Prime Baseball | Baseball Training |
| 6640 Carothers Parkway<br>Franklin, TN | 5,511 SF | Pacific Oak<br>Capital Advisors | Truist | Financial |
| 1109 Harpeth Industrial Court<br>Franklin, TN | 5,320 SF | Private owner | Shop Neuflora | Apparel |

# Q2 2024
## HOUSTON, TX

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

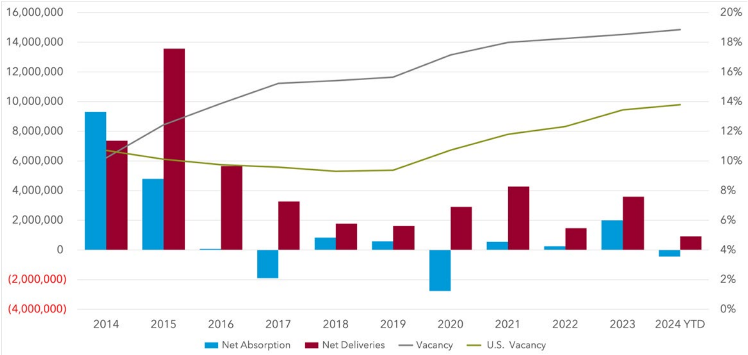
## OFFICE MARKET OVERVIEW

TRAVIS TAYLOR, *Principal*

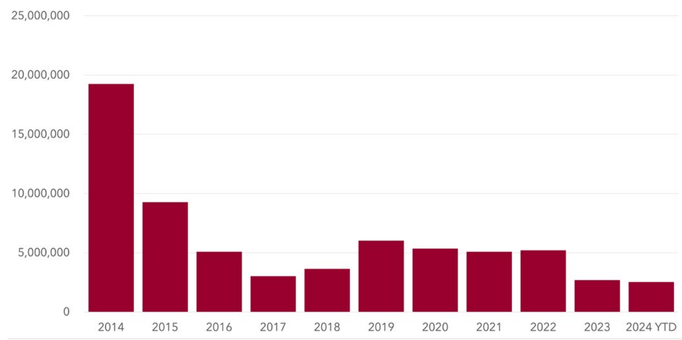
Houston's labor market growth remains strong and broad throughout Q2 2024. Analysis reveals the energy sector sustained a reduction of jobs year-over-year while mining related services registered growth. Exports of energy goods through the Port of Houston ticked down in March 2024. Office demand persisted, reflected by a tightening in new construction activity. Notably, only one Class A building encompassing 308,000 square feet located in the Katy Freeway West submarket, preleased at 68%, went under construction. The overall vacancy rate rose by 33 basis points from the previous quarter, reaching 18.85%. Projections for 2024 suggest subdued growth, with investment sales likely to remain low due to inflation and the elevated cost of debt.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ Qtrly Net Absorption SF | 467,198 | 651,325 | 1,995,093 | 27,614 | 355,602 |
| ◄ ► Vacancy Rate | 18.9% | 18.9% | 18.5% | 18.6% | 18.4% |
| ▲ Avg NNN Asking Rate PSF | $29.61 | $29.52 | $29.42 | $29.33 | $29.24 |
| ▲ SF Under Construction | 2,524,924 | 2,079,634 | 2,701,152 | 4,305,327 | 4,005,392 |
| ▲ Inventory SF | 358,210,448 | 358,012,062 | 357,293,555 | 356,064,347 | 355,596,216 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 712 Main Street<br>Houston, TX | 794,186 SF | Undisclosed | The Wideman Cmpany<br>Midway | Class B |
| 9700-9702 Bissonnet Street<br>Houston, TX | 545,580 SF | Undisclosed | Shahis Hashmi<br>Omninet Capital | Class B |
| 575 N. Dairy Ashford Road<br>Houston, TX | 306,721 SF | $47,000,000<br>$153.00 PSF | Goddard Investment Group<br>American Realty Advisors | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4 Waterway Avenue<br>Woodlands, TX | 168,805 SF | Howard Hughes | Ovinitiv | Exploration & Production |
| 8101 W. Sam Houston Parkway S<br>Houston, TX | 136,800 SF | GWL Realty Advisors | Blue Cross Blue Shield | Insurance |
| 915 N. Eldridge Parkway<br>Houston, TX | 99,501 SF | Oak Street Real Estate Capital | OneSubsea | Underwater Technology |

# Q2 2024
## PACIFIC NORTHWEST, WA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

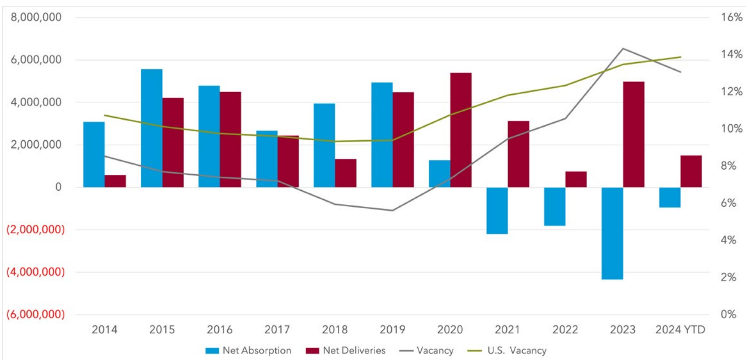
## OFFICE MARKET OVERVIEW

HARRISON LAIRD, *Principal*

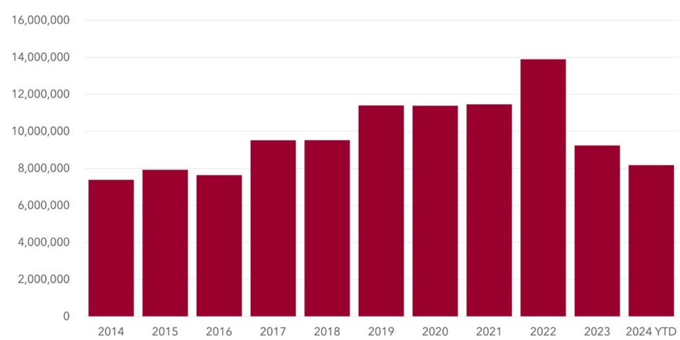
The Seattle office market faces its worst downturn in over 40 years, in part due to remote work and tech company exposure. While leasing velocity improved slightly in early 2024, absorption remains negative, and the regional vacancy rate is projected to rise as companies continue to adjust post-Covid. High availability, slower leasing, softening rents, and significant concessions favor tenants. Despite some positive absorption in Bellevue, regional office utilization remains low. Office valuations and sales volume have dropped sharply due to high interest rates and office hesitancy. Key trends to watch include coworking growth, flight to quality, and return-to-work mandates.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (2,471,216) | (3,317,171) | (4,338,236) | (3,588,382) | (2,965,608) |
| ▼ Vacancy Rate | 15.1% | 15.21% | 14.33% | 13.29% | 12.45% |
| ▼ Avg FS Asking Rate PSF | $36.96 | $37.14 | $37.12 | $37.37 | $37.52 |
| ▲ SF Under Construction | 8,178,013 | 7,727,192 | 9,239,358 | 11,073,748 | 12,385,380 |
| ▲ Inventory SF | 235,628,884 | 234,238,978 | 232,748,983 | 230,917,207 | 229,618,036 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1717 S. J Street<br>Tacoma, WA | 655,742 SF | Undisclsoed | Healthpeak Properties, Inc.<br>Physicians Realty Trust | Class B |
| 1301 SW 16th Street<br>Renton, WA | 617,238 SF | $85,750,000<br>$138.93 PSF | Alaska Air Group, Inc.<br>Unico Properties | Class B |
| 710 2nd Avenue<br>Seattle, WA | 335,000 SF | $36,640,000<br>$109.37 PSF | King County<br>CIM Group LP | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1646 123rd Avenue NE<br>Bellevue, WA | 326,731 SF | Wright Runstad & Co. | Snowflake | Information |
| 700 Bellevue Way NE<br>Bellevue, WA | 153,610 SF | Kemper Development Company | TikTok | Information |
| 401 Union Street<br>Seattle WA | 86,519 SF | Wright Runstad & Co. | Remitly | Finance and Insurance |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## MADISON, WI

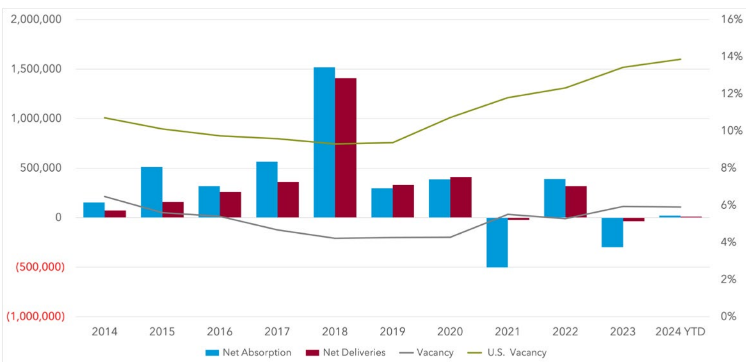
## OFFICE MARKET OVERVIEW

CAMP PERRET, *Vice President*

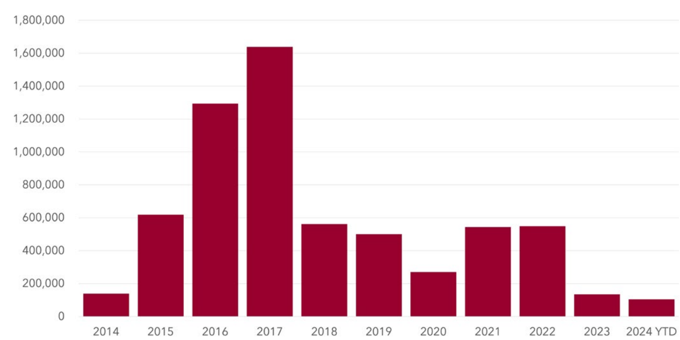
Vacancy rates in the Madison Office Market continue to remain steady; now at 6.1%, less than half of the national average of 13.7%. Net absorption, while low, is now in the black. Leasing activity was up from Q1. The percentage of sublet space available has dropped below 15%. Asking rents are up .5% year-over-year. These indicators show weak improvement in the rental market as businesses continue to adjust to shrinking space needs. Sale volumes continue to be muted due to financing rates. Most inventory under construction is owner occupied or build to suit as some tenants seek out newer, more modern buildings.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 2,508 | (280,227) | (297,879) | (407,065) | (386,508) |
| ▲ Vacancy Rate | 6.1% | 6.0% | 5.9% | 5.9% | 6.5% |
| ▲ Avg NNN Asking Rate PSF | $22.91 | $22.87 | $22.88 | $22.79 | $22.81 |
| ▼ SF Under Construction | 105,013 | 135,013 | 135,013 | 292,013 | 368,013 |
| ▲ Inventory SF | 40,388,243 | 40,358,243 | 40,369,763 | 40,212,763 | 40,586,046 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 7974 UW Health Court<br>Middleton, WI | 277,898 SF | Undisclosed | Undisclosed<br>AJC Development Group | Class A |
| 5520 Research Park Drive<br>Madison, WI | 50,000 SF | $3,323,481<br>$66.47 PSF | Promega Corporation<br>Research Properties LLC | Class B |
| 2801 Marshall Court<br>Madison, WI | 24,500 SF | $10,000,000<br>$408.16 PSF | Moose International, Inc.<br>Stone House Developments, Inc. | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1800 Deming Way<br>Middleton, WI | 70,781 SF | Compass<br>Properties LLC | Sentry Insurance Company | Insurance Agents |
| 1242 Fourier Drive<br>Madison, WI | 9,733 SF | Newcomb Construction<br>Company | Wisconsin Early Autism Project | Health Care and<br>Social Assistance |
| 121 S. Bristol Street<br>Sun Prairie, WI | 5,935 SF | Keller Williams<br>Commercial | Undisclosed | Undisclosed |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
# RETAIL OVERVIEW

## RETAIL OVERVIEW: STRONG MERCHANT DEMAND CONTINUES

Record low vacancy and availability combined with a cooling economy is working against retail tenant expansion in the United States. But in Canada, merchants shrugged off a slower economy and stepped up growth in the first half, producing a 23% increase in year-over-year net absorption and driving down the nation's vacancy rate to 1.5%, a new low.

The U.S. vacancy rate was unchanged at 4.1% at the end of Q2 and up slightly from the record 4% rate at the close of 2023. Demand for U.S. retail space rose by more than 51 million SF in 2023 for the third straight year of growth. But through June of this year absorption totaled only 9.9 million SF, down more than half from the same period a year ago.

Most recent growth has been driven by tenants from food-and-beverage, discount, health and beauty, off-price and experiential sectors. Food-and-beverage sector tenants accounted for nearly 20% of all leasing activity. Most of the focus is spaces of 2,500 SF or less and overwhelmingly is driven by growth from quick-service restaurants.

Meanwhile, new retail development activity in the U.S. remains minimal with only 18 million SF delivered in the first half. About 50 million SF of space was completed last year, which is nearly 40% less than the 10-year average.

Since early 2020, there has been more than 210 million SF of net absorption in the U.S. At the close of Q1 2024 only 739 million SF were available, nearly 15% less than the prior five-year average. Merchants leased up 205 million SF in 2023, the least since 2000, but the decline is more about lack of supply than slowing demand. The median length of time to lease available space has fallen to slightly less than eight months, the fastest since 2008.

While moderating from the multi-decade high pace reached near the end of 2022, lease rates in stronger markets continue to increase at a healthy clip. Asking rents are up 2.5% over the last year to a new high of $25 per SF. Rent growth is very much tied to growth geographically. Eleven of the 12 markets with the most rent growth are in the South and Southwest, whereas markets in the Northeast and Midwest with legacy supply and stagnant populations have underperformed.

Canadian per capita retail spending has been easing and is down by more than 5% since 2022 when central banks began raising interest rates. Building materials, jewelry, furniture and appliances have seen declining sales while non-discretionary spending on food and beverages is holding steady. Because the Bank of Canada perceives that the risk of inflation has declined, in June it was the first among central banks to begin easing tight monetary conditions with a modest reduction in its overnight interest rate from 5% to 4.75%. It was the bank's first rate cut since the Covid lockdown four years ago.

| LOWEST VACANCY RATE | |
|---|---|
| BC, Vancouver | 1.2% |
| ON, Toronto | 1.3% |
| MA, Boston | 2.4% |
| MN, Minneapolis | 2.5% |
| NC, Charlotte | 2.7% |
| **U.S. Index** | 4.1% |
| **Canada Index** | 1.6% |

| HIGHEST MARKET RENT / SF ANNUAL | |
|---|---|
| FL, Miami | $47.88 |
| NY, New York* | $47.52 |
| CA, Orange County | $37.44 |
| CA, Los Angeles | $36.36 |
| CA, San Diego | $35.40 |
| **U.S. Index** | $24.96 |
| **Canada Index** | $22.40 CAD |

| HIGHEST MARKET SALE PRICE / SF | |
|---|---|
| BC, Vancouver | $528 CAD |
| FL, Miami | $448 |
| CA, Orange County | $442 |
| NY, New York* | $440 |
| CA, Los Angeles | $430 |
| **U.S. Index** | $249 |
| **Canada Index** | $332 CAD |

| MOST SF UNDER CONSTRUCTION SF | |
|---|---|
| TX, Dallas-Fort Worth | 5,048,291 |
| TX, Houston | 3,684,828 |
| ON, Toronto | 2,926,870 |
| NY, New York | 2,303,506 |
| AZ, Phoenix | 2,227,359 |
| **U.S. Index** | 50,596,613 |
| **Canada Index** | 8,250,854 |

| LARGEST INVENTORY BY SF | |
|---|---|
| NY, New York* | 645,853,938 |
| IL, Chicago | 591,276,018 |
| TX, Dallas-Fort Worth | 471,532,131 |
| CA, Los Angeles | 454,461,696 |
| TX, Houston | 440,910,835 |
| **U.S. Index** | 12,112,440,220 |
| **Canada Index** | 822,154,887 |

| LOWEST MARKET CAP RATE | |
|---|---|
| BC, Vancouver | 4.2% |
| ON, Toronto | 4.6% |
| CA, Orange County | 5.2% |
| CA, Los Angeles | 5.4% |
| FL, Miami | 5.4% |
| **U.S. Index** | 6.9% |
| **Canada Index** | 5.3% |

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
# RETAIL OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / SF | MARKET SALE PRICE / SF | SF UNDER CONSTRUCTION | INVENTORY SF | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **AB, Calgary **** | 1.9% | $1.78 | $263 | 1,978,061 | 79,564,474 | 6.2% |
| **AZ, Phoenix** | 4.9% | $2.09 | $256 | 2,227,359 | 243,605,167 | 6.5% |
| **BC, Vancouver **** | 1.2% | $2.23 | $528 | 847,087 | 130,410,685 | 4.2% |
| **CA, Bakersfield** | 4.7% | $1.63 | $220 | 162,475 | 35,348,038 | 6.6% |
| **CA, East Bay** | 5.7% | $2.70 | $337 | 293,785 | 124,790,777 | 5.6% |
| **CA, Fresno** | 4.8% | $1.59 | $205 | 264,698 | 49,352,918 | 6.9% |
| **CA, Inland Empire** | 5.8% | $2.20 | $299 | 790,053 | 202,548,294 | 5.9% |
| **CA, Los Angeles** | 5.5% | $3.03 | $430 | 1,817,387 | 454,461,696 | 5.4% |
| **CA, Orange County** | 4.3% | $3.12 | $442 | 215,436 | 143,994,453 | 5.2% |
| **CA, San Diego** | 4.3% | $2.95 | $407 | 542,398 | 140,139,988 | 5.5% |
| **CA, San Francisco** | 6.5% | $3.57 | $576 | 127,800 | 82,147,268 | 4.8% |
| **CA, San Luis Obispo** | 3.1% | $2.32 | $306 | 201,019 | 15,569,987 | 6.1% |
| **CA, Santa Barbara** | 4.1% | $2.55 | $349 | 35,000 | 25,081,336 | 6.2% |
| **CA, Stockton** | 4.7% | $1.82 | $216 | 46,474 | 31,621,894 | 6.8% |
| **CA, Ventura** | 5.7% | $2.38 | $315 | 34,078 | 41,946,304 | 5.9% |
| **CO, Denver** | 3.9% | $2.14 | $276 | 310,321 | 165,907,695 | 6.3% |
| **DC, Washington** | 4.3% | $2.73 | $342 | 1,159,418 | 271,712,981 | 6.4% |
| **FL, Fort Myers** | 2.8% | $1.82 | $245 | 182,759 | 49,312,448 | 6.5% |
| **FL, Miami** | 2.8% | $3.99 | $448 | 1,129,009 | 148,673,728 | 5.4% |
| **FL, Naples** | 3.6% | $2.42 | $339 | 89,816 | 24,110,739 | 5.6% |
| **FL, Orlando** | 3.4% | $2.41 | $275 | 900,594 | 158,280,773 | 6.4% |
| **FL, Tampa Bay** | 3.0% | $2.20 | $271 | 477,951 | 182,634,553 | 6.3% |
| **GA, Atlanta** | 3.7% | $1.88 | $222 | 840,086 | 375,569,125 | 6.8% |
| **GA, Savannah** | 3.0% | $2.02 | $226 | 233,407 | 28,522,691 | 7.5% |
| **ID, Boise** | 3.1% | $1.48 | $224 | 287,968 | 43,250,395 | 6.5% |
| **IL, Chicago** | 4.8% | $1.77 | $190 | 845,962 | 591,276,018 | 7.6% |
| **IN, Indianapolis** | 3.3% | $1.57 | $161 | 1,169,204 | 135,354,646 | 7.8% |
| **KS, Lawrence** | 3.1% | $1.38 | $187 | 0 | 6,757,879 | 7.6% |
| **KS, Topeka** | 4.5% | $0.92 | $141 | 0 | 13,908,428 | 8.6% |
| **LA, Baton Rouge** | 2.4% | $1.53 | $158 | 223,581 | 48,046,469 | 7.8% |
| **MA, Boston** | 2.4% | $2.30 | $280 | 663,247 | 251,713,960 | 6.2% |
| **MD, Baltimore** | 5.5% | $1.97 | $213 | 290,992 | 145,579,982 | 7.1% |
| **MI, Detroit** | 5.0% | $1.56 | $137 | 299,899 | 263,270,174 | 7.7% |
| **MN, Minneapolis** | 2.5% | $1.62 | $174 | 473,833 | 207,838,724 | 7.3% |
| **United States Index** | 4.1% | $2.08 | $249 | 50,596,613 | 12,112,440,220 | 6.9% |
| **Canada Index** | 1.6% | $1.87 | $332 | 8,250,854 | 822,154,887 | 5.3% |

# Q2 2024
## RETAIL OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / SF | MARKET SALE PRICE / SF | SF UNDER CONSTRUCTION | INVENTORY SF | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **MO, Kansas City*** | 3.9% | $1.50 | $169 | 356,874 | 134,175,093 | 7.3% |
| **MO, Saint Louis** | 4.3% | $1.41 | $145 | 300,040 | 177,859,439 | 8.3% |
| **NC, Charlotte** | 2.7% | $2.06 | $238 | 634,877 | 154,090,608 | 6.7% |
| **NC, Durham** | 1.9% | $2.05 | $250 | 102,612 | 31,468,578 | 8.2% |
| **NC, Raleigh** | 2.2% | $2.22 | $264 | 803,624 | 76,088,756 | 6.5% |
| **NE, Lincoln** | 3.0% | $1.22 | $142 | 56,218 | 22,282,249 | 7.6% |
| **NE, Omaha** | 4.3% | $1.45 | $159 | 433,551 | 66,587,582 | 7.6% |
| **NJ, Atlantic City** | 4.6% | $1.45 | $158 | 0 | 18,616,115 | 7.6% |
| **NJ, Northern New Jersey** * | 4.0% | $2.02 | $217 | 293,083 | 137,439,452 | 7.1% |
| **NJ, Trenton** | 3.7% | $1.87 | $186 | 27,368 | 22,370,955 | 8.2% |
| **NJ, Vineland** | 5.1% | $1.27 | $164 | 0 | 8,495,416 | 7.4% |
| **NV, Reno** | 3.9% | $1.85 | $224 | 12,125 | 28,057,669 | 7.1% |
| **NY, Long Island** | 4.1% | $2.90 | $338 | 768,822 | 156,443,979 | 6.3% |
| **NY, New York** * | 4.0% | $3.96 | $440 | 2,303,506 | 645,853,938 | 6.0% |
| **OH, Cincinnati** | 5.1% | $1.34 | $130 | 882,726 | 135,812,722 | 8.1% |
| **OH, Cleveland** | 4.8% | $1.27 | $109 | 214,470 | 146,273,460 | 8.5% |
| **OH, Columbus** | 3.7% | $1.60 | $154 | 631,884 | 124,545,559 | 8.0% |
| **ON, Toronto** ** | 1.3% | $2.20 | $400 | 2,926,870 | 303,779,839 | 4.6% |
| **PA, Harrisburg** | 4.6% | $1.41 | $144 | 156,785 | 38,336,129 | 7.7% |
| **PA, Lehigh Valley** * | 4.4% | $1.39 | $145 | 20,500 | 51,544,619 | 8.8% |
| **PA, Philadelphia** * | 4.2% | $1.81 | $188 | 1,529,167 | 345,421,772 | 7.3% |
| **PA, Pittsburgh** | 4.2% | $1.33 | $143 | 455,870 | 159,363,123 | 7.6% |
| **SC, Charleston** | 3.0% | $2.10 | $267 | 371,692 | 49,262,536 | 6.4% |
| **SC, Greenville** | 3.1% | $1.49 | $169 | 44,578 | 64,652,193 | 7.1% |
| **SC, Spartanburg** | 3.6% | $1.21 | $130 | 27,180 | 26,010,355 | 8.4% |
| **TN, Nashville** | 3.2% | $2.28 | $262 | 1,002,343 | 123,716,793 | 6.2% |
| **TX, Dallas-Fort Worth** | 4.5% | $2.00 | $276 | 5,048,291 | 471,532,131 | 6.4% |
| **TX, Houston** | 5.0% | $1.96 | $246 | 3,684,828 | 440,910,835 | 7.0% |
| **WA, Seattle** | 3.3% | $2.49 | $345 | 439,119 | 182,832,548 | 5.8% |
| **WI, Madison** | 2.1% | $1.43 | $154 | 137,942 | 42,020,612 | 7.4% |
| **United States Index** | 4.1% | $2.08 | $249 | 50,596,613 | 12,112,440,220 | 6.9% |
| **Canada Index** | 1.6% | $1.87 | $332 | 8,250,854 | 822,154,887 | 5.3% |

** Please note that the statistics represented in this table are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

*** Numbers shown are in Canadian dollars (CAD)*

# Q2 2024
## VANCOUVER, BC

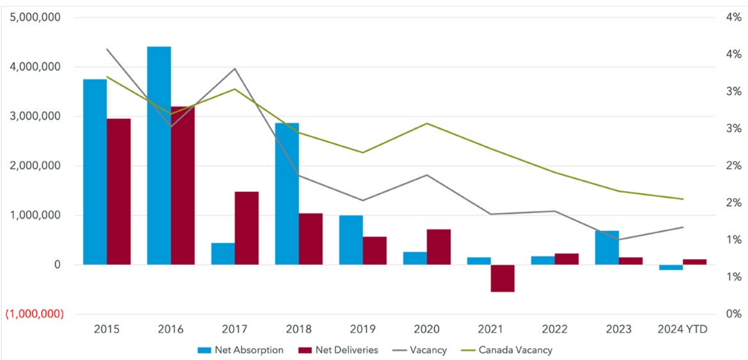
## RETAIL MARKET OVERVIEW

DERRICK GONZALES, *Director of Research*

The Vancouver retail market continues to see strong tenant demand but still faces limited availabilities resulting in 3.2% rent growth. Despite strong market dynamics, a year removed since Nordstrom announced the closing all Canadian locations, the retailer's former space of 220,000 SF at CF Pacific Centre is still vacant. This quarter, the Bank of Canada implemented its first interest rate cut by 25 basis points from 5.0% 4.75% with many scheduled reductions in the coming future. T&T Supermarket, a national Asian grocery chain, announced its second Burnaby location at Onni's Gilmore Place occupying 55,000 SF within the transit-oriented mixed-use development.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 179,438 | 257,181 | 687,508 | 673,543 | 365,903 |
| ▼ Vacancy Rate | 1.1% | 1.2% | 1.0% | 1.1% | 1.0% |
| ▲ Avg NNN Asking Rate PSF | $36.69 | $36.54 | $36.49 | $36.15 | $35.45 |
| ▼ SF Under Construction | 847,087 | 900,999 | 932,048 | 924,357 | 1,104,150 |
| ▲ Inventory SF | 130,410,685 | 130,333,256 | 130,297,214 | 130,301,501 | 130,096,630 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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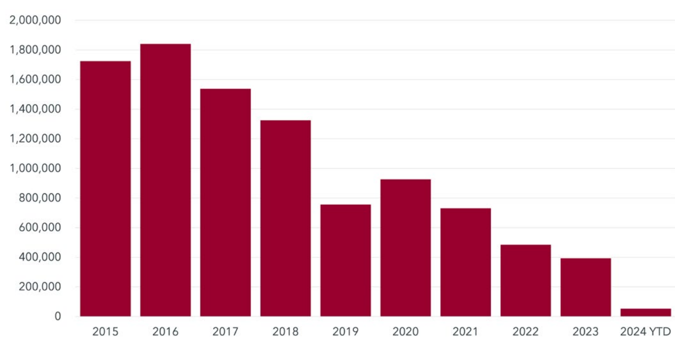


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 1260 Hamilton Street<br>Vancouver, BC | 11,280 SF | $11,000,000*<br>$975.00 PSF | 1479275 B.C. Ltd.<br>No. 99 Seabright Holdings Ltd. | Single Tenant |
| 45380 Luckakuck Way<br>Chilliwack, BC | 10,800 SF | $7,500,000*<br>$694.00 PSF | Cottonwood Grove Developments<br>Windbreak Developments Ltd. | Single Tenant |
| 2705 Granville Street<br>Vancouver, BC | 5,927 SF | $9,700,000*<br>$1,637.00 PSF | Granvillerich Holdings Ltd.<br>Serra Investment Corporation | Single Tenant |

*All numbers shown are in Canadian dollars (CAD)*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| Gilmore Place Phase 12<br>Burnaby, BC | 55,000 SF | Onni Group | T&T Supermarket | Grocery |
| 11900 Haney Place<br>Mission, BC | 37,328 SF | Lorval Developments | Mission Thrift Store | Second Hand Retail |
| 7366 Edmonds Street<br>Burnaby, BC | 27,665 SF | Cressey Development | Vitality Fitness | Fitness Gyms |

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# Q2 2024
## BAKERSFIELD, CA

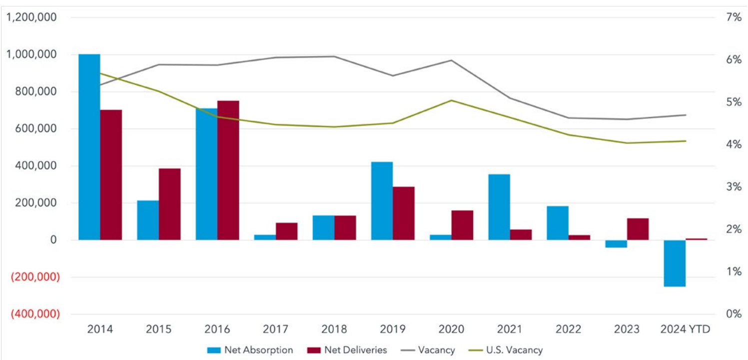
## RETAIL MARKET OVERVIEW

AMANDA BROCK, *VP Retail Properties*

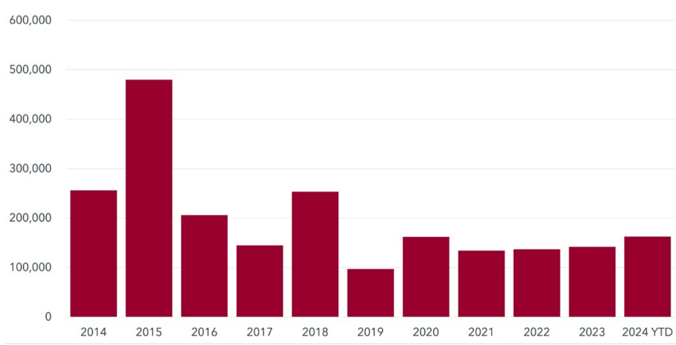
The Bakersfield retail market has a 4.7% vacancy rate, up 0.9% from last year. There has been 230,000 SF of negative absorption and 98,000 SF of net deliveries. Rents have risen 2.3% over the past year, averaging $19.50/SF. Currently, 160,000 SF is under construction. In the last year, 114 sales amounted to approximately $120 million.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (224,000) | 8,177 | (40,300) | (93,100) | (38,200) |
| ▲ Vacancy Rate | 4.7% | 4.2% | 4.6% | 4.2% | 4.9% |
| ▲ Avg NNN Asking Rate PSF | $19.50 | $19.42 | $19.40 | $19.30 | $19.08 |
| ▼ SF Under Construction | 162,475 | 164,975 | 140,000 | 155,165 | 155,382 |
| ▲ Inventory SF | 35,344,331 | 35,300,000 | 33,779,830 | 33,459,546 | 33,739,059 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 100 S. Oswell Street<br>Bakersfield, CA | 4,500 SF | $3,000,000<br>$666.67 PSF | Parmars LLC<br>Dashtiland Investment LLC | Single-Tenant |
| 8101 E. Brundage Lane<br>Bakersfield, CA | 4,300 SF | $2,600,000<br>$604.65 PSF | Food Mart One, Inc.<br>Samco | Single-Tenant |
| 19487 Highway 65<br>Bakersfield, CA | 2,752 SF | $2,750,000<br>$999.00 PSF | Jack In The Box<br>City National Bank | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1121 Olive Drive<br>Bakersfield, CA | 21,971 SF | Ephram &<br>Odette Nehme | Dollar Tree | Merchandise Retailer |
| 626 Cecil Avenue<br>Delano, CA | 18,171 SF | Branman & Teplin, An<br>Accountancy Corp. | Dollar Tree | Merchandise Retailer |
| 2717-2721 Calloway Drive<br>Bakersfield, CA | 14,016 SF | JH Real Estate<br>Partners, Inc. | Five Below | Merchandise Retailer |

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# Q2 2024
## FRESNO, CA

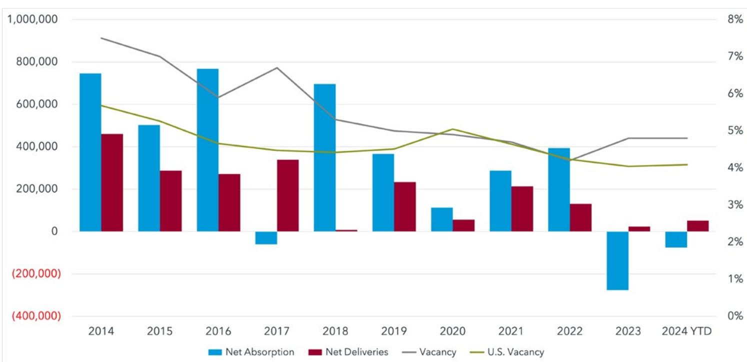
## RETAIL MARKET OVERVIEW

AMANDA BROCK, *VP Retail Properties*

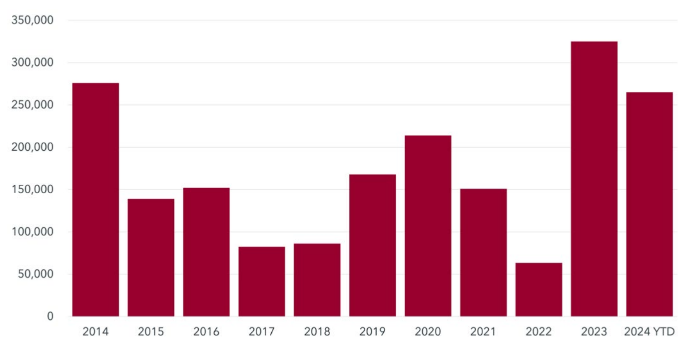
The Fresno market has performed relatively well despite Covid's impact on the retail sector. Since early 2023, 23 leases of 10,000 SF and larger have been signed, showcasing strong market performance. Notable leases include El Super's 53,000-SF lease at Manchester Center in Midtown East and a 52,000-SF renewal at Heritage Square in Southeast Fresno. Construction activity remains minimal, with only 260,000 SF underway, half of which is available. No single project exceeds 30,000 SF. Rents gained 2.7% in the last year and average $19 per SF, 24% less than the national average. Neighborhood centers have led the market, with rents up 2.9% over the past year.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | (75,900) | (413,885) | (276,396) | (176,298) | (152,051) |
| ◄ ► Vacancy Rate | 4.8% | 4.8% | 4.8% | 4.7% | 4.5% |
| ▲ Avg NNN Asking Rate PSF | $19.04 | $18.92 | $18.83 | $18.69 | $18.52 |
| ▼ SF Under Construction | 264,698 | 323,000 | 325,000 | 246,000 | 237,000 |
| ▲ Inventory SF | 49,322,698 | 49,300,000 | 49,300,000 | 49,300,000 | 49,300,000 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 2990 E. Nees Avenue<br>Fresno, CA | 17,272 SF | $4,600,000<br>$266.33 PSF | CV Devco LLC<br>Willow & Nees Property LLC | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1510-1544 N. 1st Street<br>Fresno, CA | 34,236 SF | Andy M.A. &<br>Trang B. Luu | Dollar Tree | Discount Retail |
| 770-790 W. Shaw Avenue<br>Clovis, CA | 29,520 SF | Toni Ko | Dollar Tree | Discount Retail |
| 4951-4969 E. Kings Canyon Road<br>Fresno, CA | 11,879 SF | Wood Investments<br>Companies | Undisclosed | Undisclosed |

# Q2 2024
## LA - SAN GABRIEL VALLEY, CA

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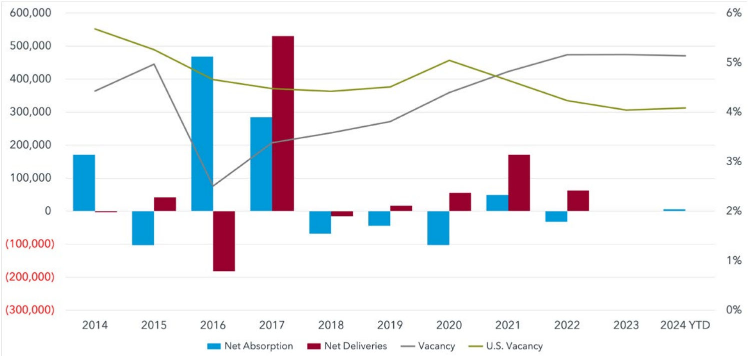
## RETAIL MARKET OVERVIEW

JODI SHOEMAKE, *Founding Principal*

Pasadena, home to the Rose Bowl Stadium is a vibrant tourist destination with 22 blocks of national tenants, boutiques, and over 100 restaurants and cafes, all walkable in the city's historic downtown district. The retail submarket of the West San Gabriel Valley of LA experienced negative absorption at the end of the 2nd Quarter of 2024, and an increase in the vacancy rate to 5.1%, down from 5.7% one year ago. The average annual rental rate continued to climb to $37.04, a 10% increase in the average from Q2 2023. The national outlook for retail remains positive as the sector is poised to become the nation's highest occupancy commercial real estate sector.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (17,212.00) | 24,254.00 | (55,643.00) | 91,979.00 | 26,533.00 |
| ▲ Vacancy Rate | 5.1% | 3.1% | 3.6% | 3.4% | 5.7% |
| ▲ Avg NNN Asking Rate PSF | $37.04 | $36.36 | $36.66 | $37.09 | $34.80 |
| ◄ ► SF Under Construction | 0 | 0 | 0 | 0 | 0 |
| ▲ Inventory SF | 26,911,744 | 26,768,252 | 26,795,323 | 26,457,164 | 26,383,593 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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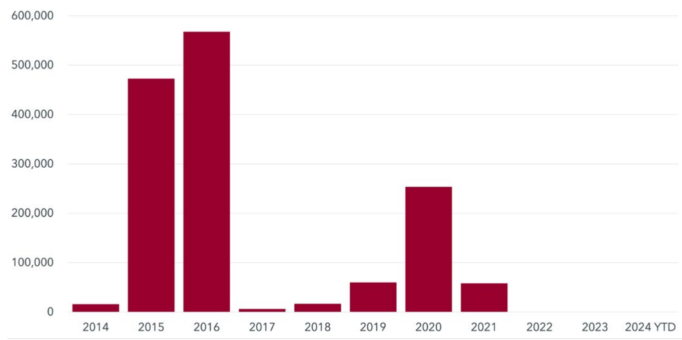


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 520 N. Glendale Avenue<br>Glendale, CA | 24,000 SF | $12,353,000<br>$514.71 PSF | Erewhon Natural Foods<br>MCMB Glendale LLC | Single-Tenant |
| 328-330 N. San Fernando Boulevard<br>Burbank, CA | 22,000 SF | $6,100,000<br>$277.27 PSF | Arash Danialifar<br>James P. Argyropoulos Living Tr. | Multi-Tenant |
| 2501-2515 Fair Oaks Avenue<br>Altadena, CA | 13,200 SF | $2,950,000<br>$223.48 PSF | 24Seven Comfort Apparel<br>John A. Roesch Declaration of Tr. | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 520 N. Glendale AveNUE<br>Glendale, CA | 18,000 SF | 520 N Glendale<br>Avenue LLC | Erewhon Natural Foods | Grocery Stores |
| 1129 Fair Oaks Avenue<br>South Pasadena, CA | 15,000 SF | Bob Wagner | Trader Joe's | Grocery Stores |
| 60-62 N. Sierra Madre Boulevard<br>Pasadena, CA | 14,600 SF | Johnny Kuan-nan Chen | School/Childcare<br>(Former Ace Hardware) | School/Childcare |

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# Q2 2024
## ORANGE COUNTY, CA

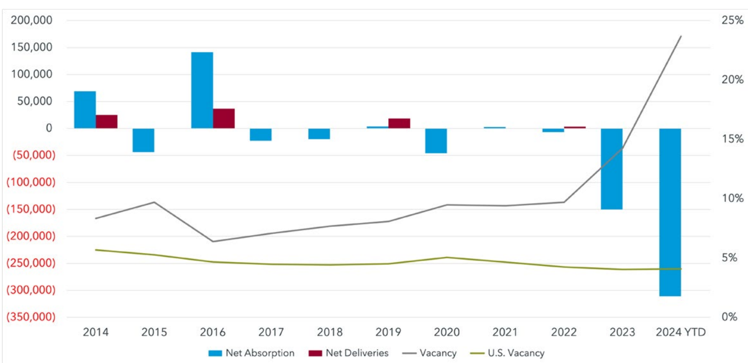
## RETAIL MARKET OVERVIEW

CHRISTOPHER MANASSERO, *Senior Associate*

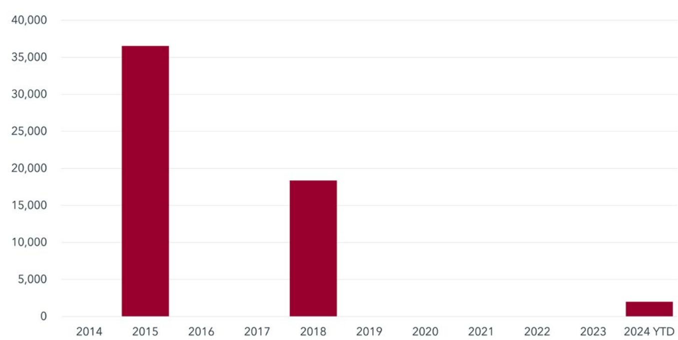
The retail market in North Orange County has demonstrated resilience in Q2 2024. The net absorption for Q2 2024 has shown significant improvement, with a positive absorption of 97,512 square feet. This is a notable recovery from Q1 2024, which saw a negative absorption of 83,997 square feet. The trend indicates a strengthening demand for retail space in the region. While there has been a minor decrease in the average NNN asking rate, the overall market outlook remains stable and vacancy rates have been steady throughout the last 12 months. Continued monitoring of these key indicators will be essential to understand the evolving dynamics and to make informed investment and leasing decisions.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 97,512 | (83,997) | 45,304 | (119,227) | (17,721) |
| ▼ Vacancy Rate | 3.5% | 3.9% | 3.6% | 3.8% | 3.3% |
| ▼ Avg NNN Asking Rate PSF | $29.80 | $30.38 | $28.34 | $28.66 | $27.27 |
| ▲ SF Under Construction | 26,500 | 2,000 | 2,000 | 2,000 | 3,200 |
| ▼ Inventory SF | 23,015,899 | 23,080,442 | 23,120,228 | 23,086,541 | 23,085,341 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 301-339 N. Harbor Boulevard<br>La Habra, CA | 23,050 SF | $3,693,116<br>$160.22 PSF | Diamond Harbor LLC<br>Hsing Hua Cheng | Multi-Tenant |
| 910-924 Williamson Avenue<br>Fullerton, CA | 10,615 SF | $2,600,000<br>$244.94 PSF | Diamond Management<br>Barry Codispoti | Multi-Tenant |
| 114 N. Harbor Boulevard<br>Fullerton, CA | 3,825 SF | $2,326,000<br>$608.10 PSF | Pablo E. Ortiz<br>Robert David WinkelmanN | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 789-795 S. Tustin Street<br>Orange, CA | 15,326 SF | Fainbarg Family Trust | Dollar Tree | Discount Retail |
| 22200-22260 La Palma Avenue<br>Yorba Linda, CA | 3,106 SF | Chung Suk Kim | Undisclosed | Undisclosed |
| 301-339 N. Harbor Boulevard<br>La Habra, CA | 3,000 SF | Sherry Babb | Undisclosed | Undisclosed |

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# Q2 2024
## SAN DIEGO, CA

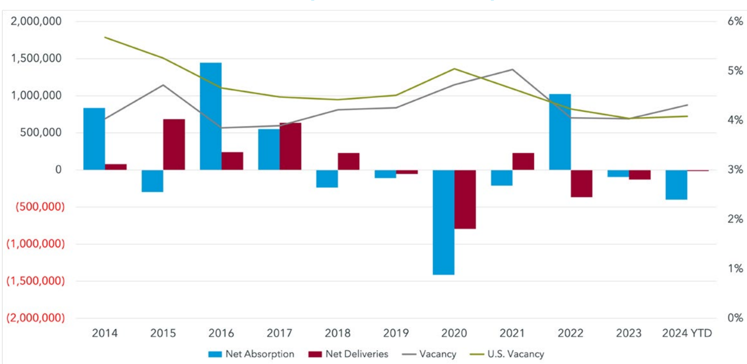
## RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President*

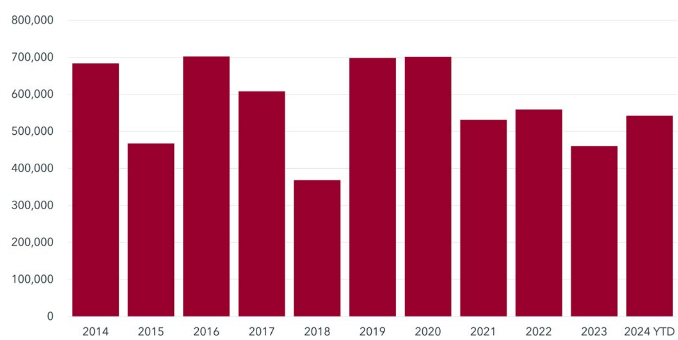
San Diego's retail market continues to be in a strong position. The lack of new inventory, combined with the redevelopment of some retail into other property types is likely to keep existing tenants in their current spaces. 99 Cents Only closed roughly 20 locations and Dollar Tree acquired the leases in at least 10 of them. Landlords have become much more selective in choosing of tenants and typically have the leverage in negotiations and are offering fewer concessions. Most new retail space will likely be part of a mixed-use development, as the City of San Diego is typically requiring new apartment buildings to have ground floor retail. Elevated interest rates, economic uncertainty and the pricing expectation gap between buyers and sellers are weighing own the transaction volume.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (40,260) | (144,406) | (94,779) | (90,935) | (166,758) |
| ▼ | Vacancy Rate | 4.3% | 4.4% | 4.0% | 4.1% | 4.4% |
| ▲ | Avg NNN Asking Rate PSF | $2.95 | $2.93 | $2.92 | $2.89 | $2.87 |
| ▼ | SF Under Construction | 542,798 | 566,898 | 460,583 | 504,080 | 521,502 |
| ▲ | Inventory SF | 140,143,020 | 140,142,678 | 140,156,939 | 140,107,426 | 140,336,661 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1640-1750 Camino Del Rio North<br>San Diego, CA | 474,324 SF | $64,392,052<br>$135.76 PSF | Lowe/Real Capital Solutions<br>Unibail-Rodamco-Westfield | Multi-Tenant |
| 200-272 E. Valley Parkway<br>Escondido, CA | 387,550 SF | $20,511,842<br>$52.93 PSF | Steerpoint Capital<br>Unibail-Rodamco-Westfield | Multi-Tenant |
| 1702 N. El Camino Real<br>San Diego, CA | 385,000 SF | $52,265,835<br>$135.76 PSF | MVV Owner LLC<br>Unibail-Rodamco-Westfield | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1766 E. Main Street<br>EL Cajon, CA | 32,800 SF | Leoni Grinberg | Dollar Tree | Discout Retail |
| 7900-7938 El Cajon Boulevard<br>Escondido, CA | 32,463 SF | Euston Management | Dollar Tree | Discout Retail |
| 121 Louisiana Avenue<br>San Diego, CA | 29,222 SF | The Langfan Company | Dollar Tree | Discout Retail |

# Q2 2024
## SAN DIEGO NORTH COUNTY, CA

LEE & ASSOCIATES
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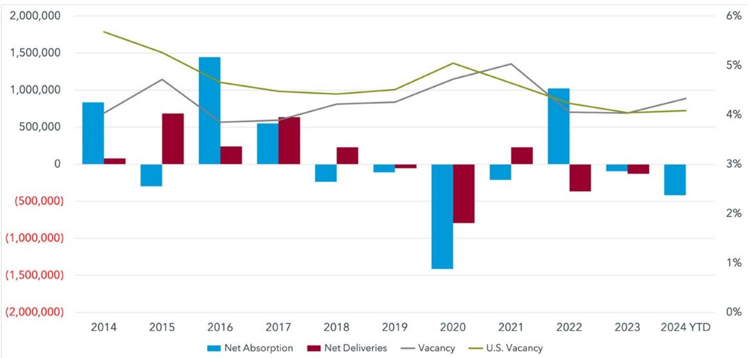
## RETAIL MARKET OVERVIEW

VICTOR AQUILINA, *Principal*

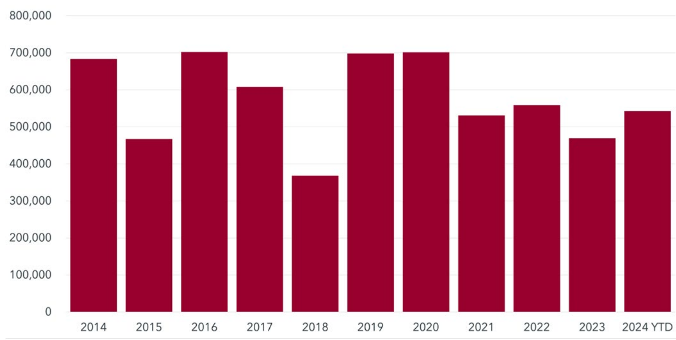
The San Diego retail market continues to thrive as availability rate trends towards a 15 year low. Small box leasing (<3,000) continues to drive leasing activity. The major driving force behind the Q2 retail leasing in San Diego was due to the 250,000 SF of Dollar Tree acquisition of 12 99 Cents Only locations. This helped leasing SF for Q2 reach over 800,000 SF, the first time to exceed 700,000 SF in one quarter since 2022. While leasing has been the driving factor for the San Diego retail market over the first half of 2024, sales volumes have been 25% below the cycle peak of $650 million in early 2022. We expect to see low transaction levels as long as rates remain high and the pricing expectation gap between buyers and sellers is wide.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | (31,608) | (135,754) | (94,779) | (90,935) | (166,758) |
| ▼ | Vacancy Rate | 4.3% | 4.4% | 4.0% | 4.1% | 4.4% |
| ▲ | Avg NNN Asking Rate PSF | $35.44 | $35.21 | $34.99 | $34.69 | $34.44 |
| ▼ | SF Under Construction | 542,798 | 566,898 | 469,235 | 512,732 | 521,502 |
| ▲ | Inventory SF | 140,164,656 | 140,164,314 | 140,169,923 | 140,120,410 | 140,349,645 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1640-1750 Camino Del Rio N<br>San Diego, CA | 474,324 SF | $64,392,052<br>$135.76 PSF | Lowe<br>Uniball-Rodamco-Westfield | Multi-Tenant |
| 200-272 E. Via Rancho Parkway N<br>Escondido, CA | 387,550 SF | $20,511,842<br>$52.93 PSF | Steerpoint Capital\<br>Unibail-Rodamco-Westfield | Multi-Tenant |
| 1702 N. Camino Del Rio Riv<br>San Diego, CA | 385,000 SF | $52,265,835<br>$135.76 PSF | Lowe<br>Unibail-Rodamco-Westfield | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1766 E. Main Street<br>El Cajon, CA | 32,800 SF | Leoni Grinberg | Dollar Tree | Variety Store |
| 7900 El Cajon Boulevard<br>La Mesa, CA | 32,463 SF | Euston Management<br>Corporation | Dollar Tree | Variety Store |
| 121 Louisiana Avenue<br>San Diego, CA | 29,222 SF | The Langfan Company | Dollar Tree | Variety Store |

# Q2 2024
## SAN LUIS OBISPO, CA

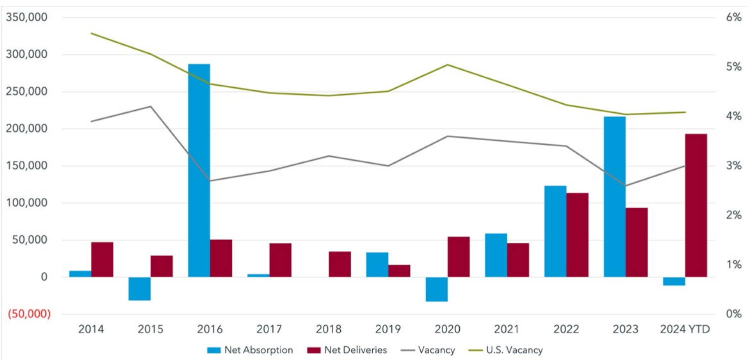
## RETAIL MARKET OVERVIEW

JEFF ALLEN, *Senior Associate*

While the availability rate is trending at 4.1%, it is still low from a historical perspective. Demand has been healthy. Except for the first three months of this year, net absorption has been positive in nearly every quarter since 2021. Single-tenant availability has been relatively stable at about 3% for the past several years. Multi-tenant availability ticked up above 5% in 2024, although it is near its 15-year low. Retailers do have some options in new inventory. Roughly 200,000 SF is under construction with about 50,000 SF still available for lease.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (16,102) | 24,782 | 216,630 | 216,738 | 241,805 |
| ▲ Vacancy Rate | 3.1% | 3.0% | 2.6% | 2.9% | 3.0% |
| ▲ Avg NNN Asking Rate PSF | $27.86 | $27.71 | $27.55 | $27.36 | $27.11 |
| ◄ ► SF Under Construction | 201,000 | 201,000 | 199,000 | 201,000 | 201,000 |
| ◄ ► Inventory SF | 15,569,987 | 15,569,987 | 15,567,867 | 15,567,867 | 15,567,867 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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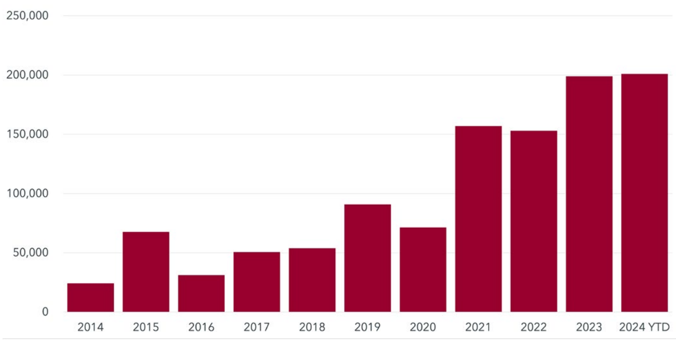


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1052 E. Grand Avenue<br>Arroyo Grande, CA | 20,000 SF | $3,500,000<br>$175.00 PSF | Acts Churches of America, Inc.<br>Blankenburg Properties | Multi-Tenant |
| 8304 El Camino Real<br>Atascadero, CA | 2,800 SF | $1,640,000<br>$585.71 PSF | Cole Valley Partners<br>Paul Meltzer Trust | Single-Tenant |
| 927 Shell Beach Road<br>Pismo Beach, CA | 1,872 SF | $1,800,000<br>$961.54 PSF | Cynthia Foresee Family Trust<br>Cravens Family Trust | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 7065-7101 El Camino Real<br>Atascadero, CA | 13,487 SF | Taft Family Trust | Dollar Tree | Discount Retail |
| 1314 Madonna Road<br>San Luis Obispo, CA | 13,261 SF | P Terence Shubert | Dollar Tree | Discount Retail |
| 11560 Los Osos Valley Road<br>San Luis Obispo, CA | 4,605 SF | Laguna Village<br>Shopping Center LLC | Undisclosed | Undisclosed |

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# Q2 2024
## SANTA BARBARA, CA

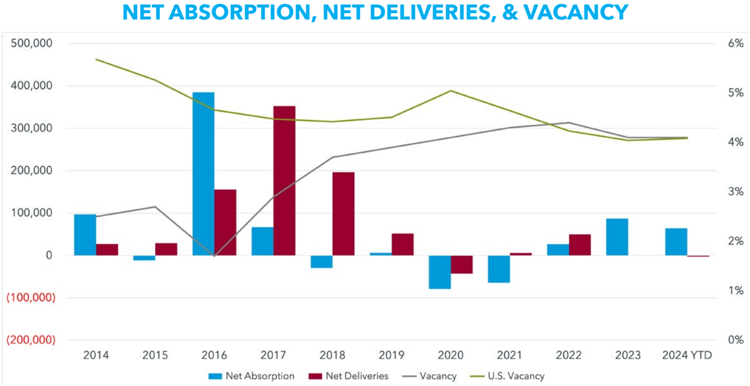
## RETAIL MARKET OVERVIEW

CHRISTI VIOR, *Associate*

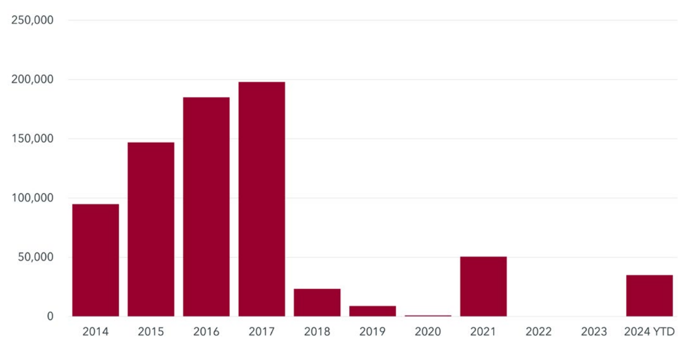
The 3.1% availability rate is the lowest in nearly 15 years. Net absorption has been positive for almost every quarter since early 2023 and is up 64,000 SF in the last 12 months. Single-tenant availability is about 2% and multi-tenant availability is at a 10-year low of 4%. Leasing volume has remained steady at approximately 70,000 SF quarterly over the past year, consistent with recent annual averages. There are about 35,000 SF in the construction pipeline, mostly available for lease. Rents are up 2.3% in the past 12 months and by 15.2% over the past five years.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 86,004 | 67,867 | 87,313 | 24,087 | (128,179) |
| ▼ Vacancy Rate | 4.0% | 4.1% | 4.1% | 4.2% | 4.4% |
| ▲ Avg NNN Asking Rate PSF | $30.61 | $30.39 | $30.25 | $30.08 | $29.86 |
| ◄ ► SF Under Construction | - | - | - | - | - |
| ◄ ► Inventory SF | 25,081,166 | 25,081,166 | 25,083,838 | 25,083,838 | 25,083,838 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1600 N. H Street<br>Lompoc, CA | 62,523 SF | $3,630,000<br>$57.98 PSF | STNL Development<br>JINUSHI USA, Inc. | Multi-Tenant |
| 1208 N. Broadway<br>Santa Maria, CA | 7,688 SF | $3,000,000<br>$390.22 PSF | Hyekoung Shin<br>Justin Jho | Single-Tenant |
| 2917 De la Vina Street<br>Santa Barbara, CA | 2,384 SF | $2,100,000<br>$880.87 PSF | 2915 Dlv LLC<br>Thomas J. Dietsch | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| S Bradley Rd - Crsrds at Santa Maria<br>Santa Maria, CA | 8,000 SF | Westar Associates | DAISO | Retailer |
| Paseo Nuevo<br>Santa Barbara, CA | 3,327 SF | Pacific Retial Capital Partners | ALO, LLC | Retailer |
| 1015 State Street<br>Santa Barbara, CA | 2,622 SF | Lexi Hurst | Santa Barbara Yes Store, Inc. | Retailer |

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# Q2 2024
## DENVER, CO

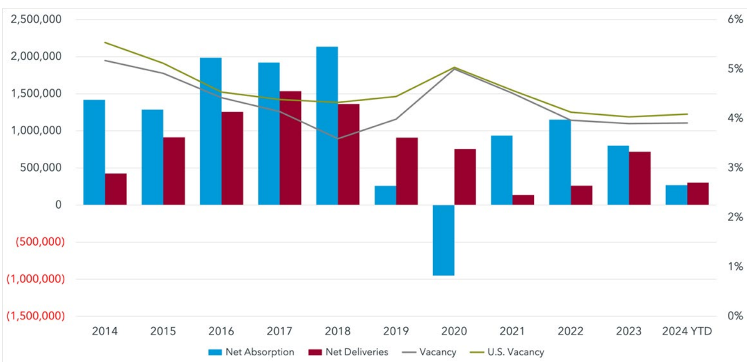
## RETAIL MARKET OVERVIEW

RAY ROSADO, CCIM, *Principal*

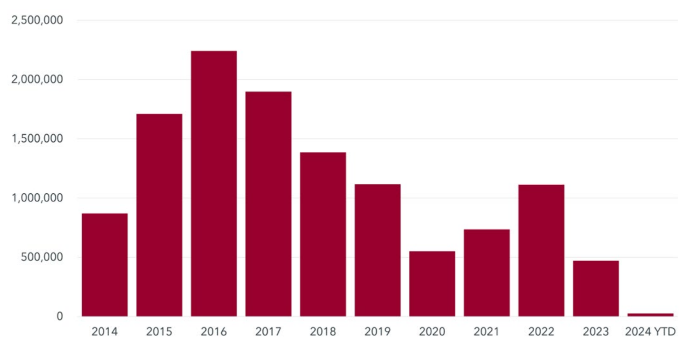
It isn't just the temperatures that are sizzling hot in Denver metro for Q2! The retail vacancy rate continues at all-time lows of 3.9% for yet another quarter, while construction remains limited due to higher interest rates. Chains continue looking for small format spaces and experiential tenants dominate larger format leasing (Pickleball anyone?). On the buy side, buyer pool shifted to small private investors focusing on single-tenant net-leased deals under $5M and the average cap rate sits at 6.3%. We suspect that retail will stay tight for 2024 due to limited new construction with strong demand, while longterm support for retail looks good due to area population and household growth.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 608,994 | 153,171 | 691,973 | 1,257,014 | 1,406,308 |
| ◄ ► Vacancy Rate | 3.9% | 3.9% | 3.9% | 3.9% | 4.0% |
| ▲ Avg NNN Asking Rate PSF | $25.63 | $25.40 | $25.56 | $25.36 | $25.20 |
| ▼ SF Under Construction | 317,321 | 331,063 | 380,555 | 476,743 | 525,114 |
| ▲ Inventory SF | 166,213,343 | 165,093,431 | 165,047,576 | 164,927,846 | 164,944,812 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 3501 Clear Creek Drive<br>Golden, CO | 111,000 SF | $50,000,000<br>$450.45 PSF | Realty Income Corp<br>Life time | Single-Tenant |
| 10750 E. Arapahoe Road<br>Englewood, CO | 51,437 SF | $18,660,000<br>$362.52 PSF | Holman<br>Wells Fargo | Single-Tenant |
| 550 Broadway<br>Denver, CO | 16,356 SF | $12,200,000<br>$745.90 PSF | Northpond Partners<br>Denver Broadway Central LLC | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 13600 E. Mississippi Avenue<br>Aurora, CO | 50,349 SF | Weststar<br>Management Corp | Hope City Church of Colorado | Religious |
| 407-417 S. Broadway<br>Denver, CO | 25,579 SF | D4 Urban, Broadway<br>NE Properties | The Denver Center for the<br>Performing Arts | Arts, Entertainment |
| 9637 E. County Line Road<br>Englewood, CO | 25,014 SF | SITE Centers GS<br>Centennial LLC | Golf Galaxy Performance Center | Retailer |

# Q2 2024
# FORT MYERS, FL

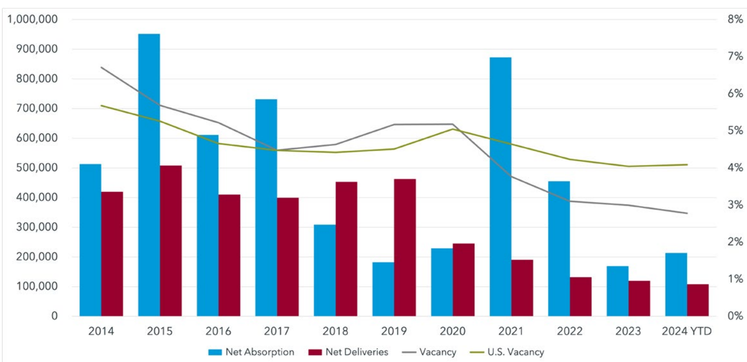
## RETAIL MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

The retail market in Fort Myers ended midyear with another solid quarter. Demand outpaced supply pushing asking rates up to an average $21.90 psf NNN. Overall vacancy has never been this low, registering at 2.7%. Retail Trade employment improved 1.2% year-over-year adding 500 jobs. The construction pipeline grew 33% year-over-year to nearly 183,000 square feet under construction. One of the newest additions to the market was delivery of The Shoppes at Verdana Village in Estero off Corkscrew Road. This was a Publix-anchored center by WMG Development.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 265,464 | 175,743 | 168,935 | 223,864 | 393,401 |
| ▼ | Vacancy Rate | 2.7% | 2.9% | 3.0% | 3.2% | 3.0% |
| ▲ | Avg NNN Asking Rate PSF | $21.90 | $21.75 | $21.53 | $21.25 | $20.94 |
| ▼ | SF Under Construction | 182,759 | 197,067 | 184,491 | 120,539 | 137,336 |
| ▲ | Inventory SF | 49,400,622 | 49,324,739 | 49,292,293 | 49,280,293 | 49,250,013 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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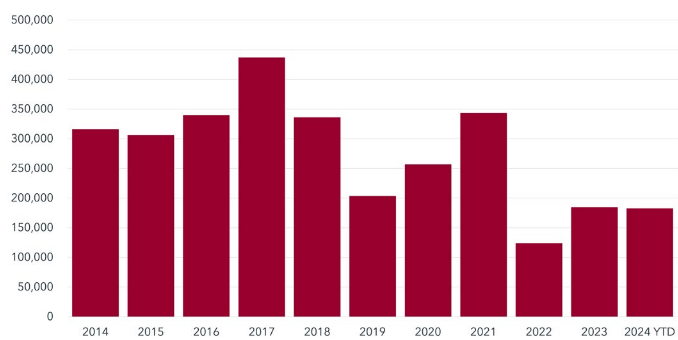


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 13711 S. Tamiami Trail<br>Fort Myers, FL | 118,583 SF | $23,400,000<br>$197.33 PSF | Centro Realty LLC<br>Schiff Enterprises/Nuveen | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 14607 Ben C. Pratt Parkway<br>Fort Myers, FL | 15,510 SF | High Tech Ventures LLC | Harley Davidson | Motorcycles & Parts |
| 25141-25191 Chamber of Commerce<br>Bonita Springs, FL | 10,649 SF | Isram Realty &<br>Management, Inc. | Dollar Tree | Variety Store |
| 4429 Cleveland Avenue<br>Fort Myers, FL | 7,233 SF | Alta Center LLC | Candy Wonderland | Kids Play Center |

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# Q2 2024
## NAPLES, FL

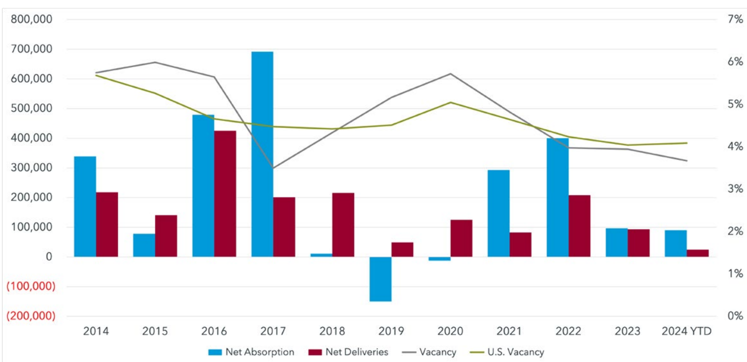
## RETAIL MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

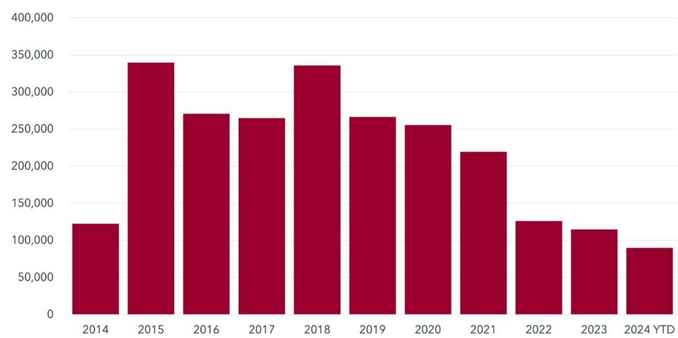
Healthy market fundamentals supported another quarter of solid demand in the Naples MSA. Retail Trade employment grew 1.3% year-over-year (YOY) and consumer sentiment rose 0.2 points from May to June. Net absorption, while down slightly YOY, was positive for another consecutive quarter. Demand continued to outpace supply at the midyear mark, pushing asking rates upward in a historically tight retail market. The overall vacancy rate has not been this low since Q4 2007. There are a few anticipated projects proposed in eastern Collier County that may alleviate some of the supply pressure. However, we expect average asking rates to remain elevated and vacancy to hover below 4% well into the next year.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 103,390 | 64,382 | 96,597 | 66,805 | 143,653 |
| ▼ | Vacancy Rate | 3.5% | 3.8% | 3.9% | 3.8% | 3.7% |
| ▲ | Avg NNN Asking Rate PSF | $29.06 | $28.88 | $28.63 | $28.25 | $27.88 |
| ▼ | SF Under Construction | 89,816 | 102,434 | 114,693 | 141,777 | 118,518 |
| ▲ | Inventory SF | 24,113,936 | 24,101,318 | 24,089,059 | 24,044,159 | 24,034,159 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 5010-5066 Airport-Pulling Road N.<br>Naples, FL | 250,234 SF | Undisclosed | Benderson Development<br>SITE Centers | Multi-Tenant |
| 600 Goodlette Road N.<br>Naples, FL | 14,784 SF | $5,500,000<br>$372.02 PSF | Chris Cona<br>Luisa & Eduardo Pereiro | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4875 Golden Gate Parkway<br>Naples, FL | 11,700 SF | Gator Investments | Smash Fitness | Fitness Facility |
| 615 E. Elkam Circle<br>Marco Island, FL | 5,792 SF | Pontus Capital | Trulieve, Inc. | Medicinals and Botanicals |

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# Q2 2024
# SOUTH FLORIDA, FL

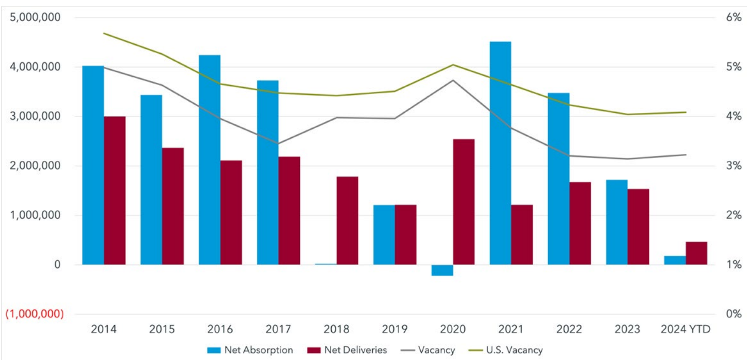
## RETAIL MARKET OVERVIEW

STEPHEN DEMEO, *Principal*

As major brands show interest in new South Florida locations, power centers, strip centers, and grocery-anchored neighborhood retail centers continue to see healthy leasing activity due to ongoing consumer spending on services and essentials. This demand has driven the availability rate to historic lows of 3.1%, well below the five-year average of 4.3%. Miami still has the highest retail rents in Florida at $48.00/SF, followed by Palm Beach at $38.00/SF and Fort Lauderdale at $36.00/SF. New supply has not improved space availability, with over 1.8 million SF of retail space delivered since 2023 already 95% leased. Space availability is unlikely to improve significantly, and near-term forecast expectations are for historically tight vacancy rates around 3-4%.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 842,752 | 1,910,924 | 1,719,310 | 2,593,463 | 2,882,201 |
| ▲ | Vacancy Rate | 3.1% | 3.0% | 3.0% | 3.0% | 2.9% |
| ▲ | Avg NNN Asking Rate PSF | $36.92 | $35.92 | $36.22 | $36.17 | $36.26 |
| ▲ | SF Under Construction | 2,309,500 | 1,790,197 | 2,210,626 | 2,494,617 | 2,815,446 |
| ▲ | Inventory SF | 343,218,428 | 343,032,327 | 342,747,138 | 342,461,903 | 341,946,743 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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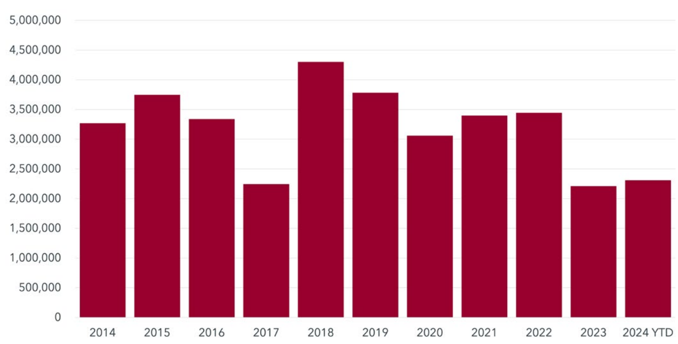



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1203-1285 N. University Drive<br>Coral Springs, FL | 148,677 SF | $58,500,000<br>$393.47 PSF | Publix Super Markets, Inc.<br>Apollo Global Management | Multi-Tenant |
| 8129-8375 NW 88th Avenue<br>Tamarac, FL | 124,585 SF | $22,500,000<br>$180.60 PSF | Jamestown LP<br>Regency Centers Corporation | Multi-Tenant |
| 10299 Royal Palm Boulevard<br>Coral Springs, FL | 123,063 SF | $20,450,720<br>$166.18 PSF | Anthony Berritto<br>Raymond Beverlee | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1401-1729 E. Hallandale Beach Blvd.<br>Hallandale Beach, FL | 31,030 SF | RK Centers | Crunch Fitness | Fitness |
| 1801-1875 S. University Drive<br>Davie, FL | 28,170 SF | Ireland Companies | Burlington | Department Store |
| 2035 N. University Drive<br>Coral Springs, FL | 23,450 SF | RK Centers | Altitude Trampoline Park | Amusement &<br>Recreation |

# Q2 2024
## ATLANTA, GA

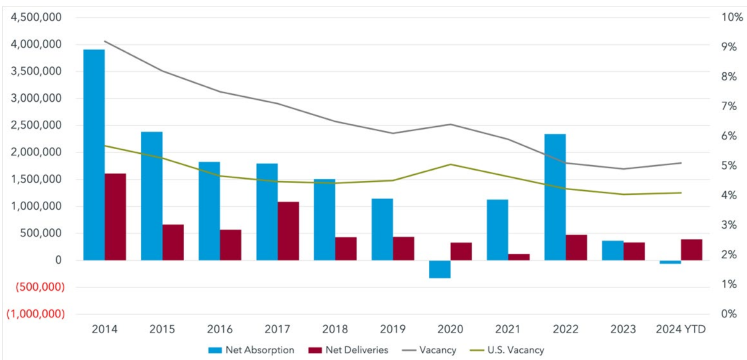
## RETAIL MARKET OVERVIEW

KATE HUNT, *Senior Research Analyst*

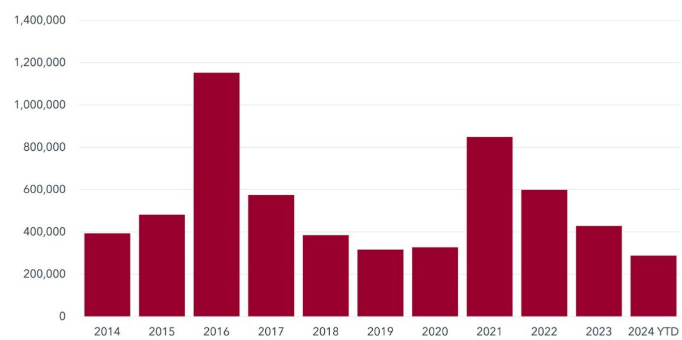
Favorable demographic trends and strong demand, coupled with a lack of large-scale speculative supply, have created Atlanta's tightest retail market on record, with a steady vacancy rate of 5.1%. Average asking rents have increased quarter over quarter, surpassing national rent growth. Although flattening consumer spending and store closures will have some impact, overall retail fundamentals in Atlanta have significantly improved since the onset of the pandemic.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 389,612 | 512,822 | 365,575 | 1,639,294 | 1,989,472 |
| ▲ Vacancy Rate | 5.1% | 5.0% | 4.9% | 5.0% | 5.1% |
| ▲ Avg NNN Asking Rate PSF | $18.47 | $18.17 | $18.38 | $18.57 | $17.90 |
| ▲ SF Under Construction | 288,392 | 230,631 | 428,237 | 577,642 | 727,125 |
| ▼ Inventory SF | 186,275,636 | 186,480,443 | 185,881,047 | 185,893,809 | 208,461,554 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 4920 Roswell Road NE*<br>Atlanta, GA | 127,952 SF | $35,669,631<br>$278.77 PSF | Jamestown LP<br>EDENS | Multi-Tenant |
| 2275 Marietta Boulevard NW*<br>Atlanta, GA | 49,600 SF | $19,946,537<br>$402.15 PSF | InvenTrust Properties Corp.<br>EDENS | Multi-Tenant |
| 5475-5485 Bethelview Road*<br>Cumming, GA | 71,648 SF | $19,490,900<br>$272.04 PSF | Publix Super Markets, Inc.<br>ShopCore Properties | Multi-Tenant |

**Part of a Portfolio Sale*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4839-4925 Jonesboro Road<br>Forest Park, GA | 60,000 SF | Omega Home Care Services | Yes Foods | Accommodation and Food Services |
| 1820 Conyers Station Road NE<br>Conyers, GA | 45,000 SF | Blanchard Real Estate | Boxville Self Storage | Retailer |
| 130 Peachtree E. Shopping Court<br>Peachtree City, GA | 36,000 SF | Publix Super Markets Inc. | B. Turner's Clothing Co. | Retailer |

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# Q2 2024
## CHICAGO, IL

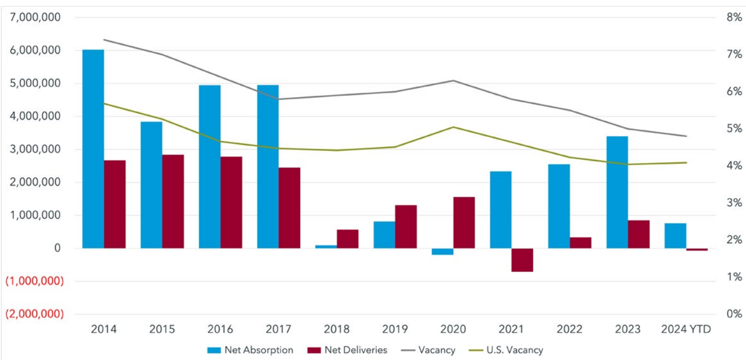

## RETAIL MARKET OVERVIEW

ZACH GELLER, *Market Analytics Director,* BRANDON PAPPAS, *VP Data Analytics and Business Devevelopment*

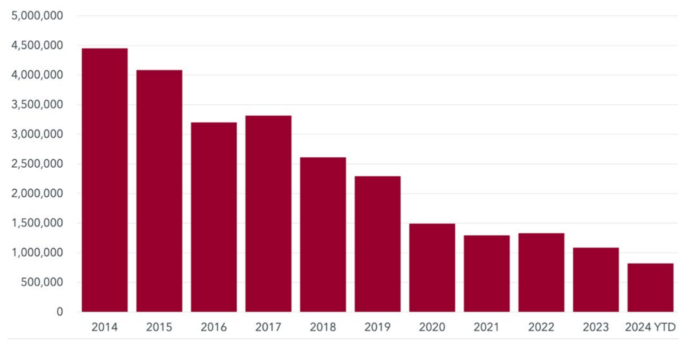
Chicago's retail market absorbed 1.8 million SF up to Q2 2024, down from 5 million SF between Q4 2022 and Q3 2023. Since 2011, only four years saw development exceed absorption, mainly from 2018 to 2020. By Q2 2024, Chicago's availability rate dropped below 6%, a 30-year low and well below pre-pandemic averages of 8.6% (three-year) and 7.9% (ten-year). Availability remains tight for smaller properties under 5,000 SF and those with supermarket anchors, at 3.2% and 2.9%, respectively. Strong demand continues in dining, discount retail, fitness, and education. Construction has been minimal since 2009, with just 820,000 SF underway, largely pre-leased.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 1,868,859 | 2,397,170 | 3,399,066 | 5,025,603 | 4,198,569 |
| ▼ Vacancy Rate | 4.8% | 4.9% | 5.0% | 4.9% | 5.1% |
| ▲ Avg NNN Asking Rate PSF | $21.19 | $21.30 | $21.28 | $21.20 | $21.12 |
| ▼ SF Under Construction | 836,469 | 1,018,296 | 1,100,412 | 1,282,583 | 1,316,430 |
| ▲ Inventory SF | 591,339,552 | 591,247,027 | 591,393,411 | 590,978,354 | 590,888,028 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 5710-5960 75th Street<br>Kenosha, WI | 202,499 SF | $18,649,257<br>$92.10 PSF | United Properties Corp.<br>Richard Yuspeh | Multi-Tenant |
| 200-530 Commons Drive<br>Geneva, IL | 160,736 SF | $22,216,538<br>$138.22 PSF | Lamar Companies<br>LaSalle Investment Management | Multi-Tenant |
| 101-295 Rice Lake Square<br>Wheaton, IL | 154,158 SF | $16,964,247<br>$110.04 PSF | Core Acquisitions<br>Grosvenor | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1600-1627 Sherman Avenue<br>Evanston, IL | 53,322 SF | Highlands REIT | LA Fitness | Arts, Entertainment, and Recreation |
| 3330 W. Roosevelt Road<br>Geneva, IL | 49,922 SF | M & J Financial LLC | Cinemas Entertainment | Arts, Entertainment, and Recreation |
| 201-211 W. Rand Road<br>Mount Prospect, IL | 42,419 SF | Joseph Freed and Associates LLC | The Picklr | Arts, Entertainment, and Recreation |

# Q2 2024
## KANSAS CITY, KS

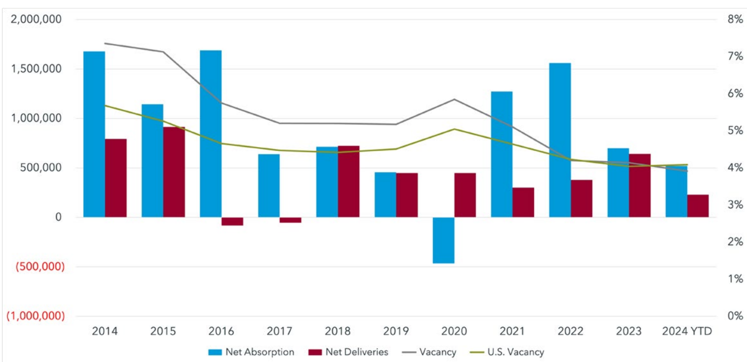
## RETAIL MARKET OVERVIEW

HUNTER SEABAUGH, *Senior Associate*

Retail leasing remains robust. Low vacancy rates. Interest rate environment is hampering new development / constraining existing supply and driving rates. Automotive category is strong. Coffee is strong. We are continuing to see creative repurposes for junior box and big box space. Still notable competition in the car wash arena. Lots of dry powder is sitting on the sidelines as people are reluctant to buy given where rates are.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 867,261 | 1,076,579 | 699,351 | 653,646 | 1,101,184 |
| ◄ ► Vacancy Rate | 3.9% | 3.9% | 4.1% | 4.3% | 4.1% |
| ▲ Avg NNN Asking Rate PSF | $17.99 | $17.98 | $17.91 | $17.70 | $17.56 |
| ▼ SF Under Construction | 352,674 | 380,954 | 527,258 | 636,126 | 810,147 |
| ▲ Inventory SF | 134,151,398 | 134,108,156 | 133,922,449 | 133,692,247 | 133,507,852 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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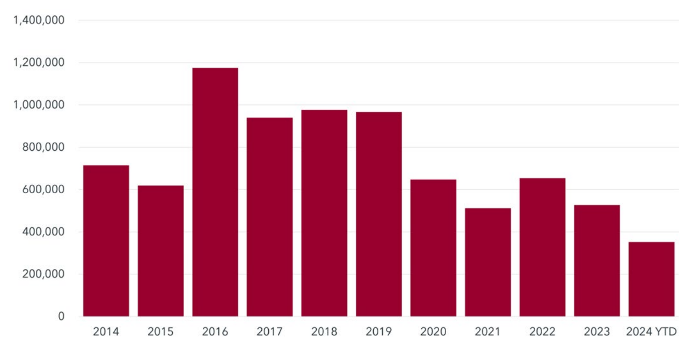



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| The Plaza (410 Ward Parkway) KCMO, KS | 784,000 SF | Undisclosed | HP Partners Macelich | Single-Tenant |
| Olathe Pointe Olathe, KS | 91,246 SF | Undisclosed | Undisclosed ArciTerra | Multi-Tenant |
| Olathe Pointe II Olathe, KS | 46,978 SF | Undisclosed | Undisclosed ArciTerra | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 9650 Quivira Road Overland Park, KS | 19,142 SF | Block & Co | Sierra's | Apparel |
| 4303 W. 119th Street Overland Park, KS | 15,000 SF | O'Connor Capital | Aritzia | Apparel |
| 12121 Blue Ridge Boulevard KCMO, KS | 13,093 SF | U-Haul Holding Company | Undisclosed | Undisclosed |

# Q2 2024
## CHARLOTTE, NC

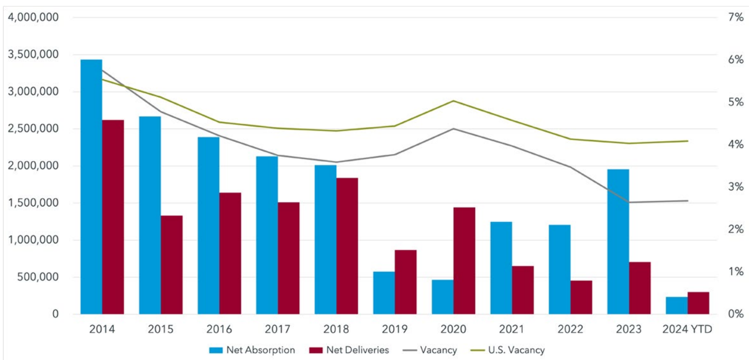
## RETAIL MARKET OVERVIEW

GREG PIERATT, *President, Principal*

Charlotte's retail market remained resilient in Q2 2024 despite slower leasing activity and a slight pullback in consumer spending. The vacancy rate rose slightly to 3.2%, still below pre-pandemic levels. Construction activity is at a historic low, with 670,000 SF underway, primarily build-to-suit projects. Rent growth continues strong at 5.7% annually, driven by demand in suburban power centers and neighborhood centers. Sales volume fell 45% year-over-year due to higher capital costs, with private developers focusing on value-add opportunities. Long-term prospects are supported by tight supply and ongoing suburban population growth.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 958,654 | 1,332,626 | 1,955,354 | 1,834,107 | 1,515,875 |
| ◄ ► Vacancy Rate | 2.7% | 2.7% | 2.6% | 2.9% | 3.0% |
| ▲ Avg NNN Asking Rate PSF | $24.78 | $24.61 | $24.07 | $23.75 | $23.40 |
| ▼ SF Under Construction | 634,877 | 816,286 | 913,487 | 773,287 | 738,724 |
| ▲ Inventory SF | 154,090,608 | 153,939,223 | 153,791,212 | 153,724,683 | 153,550,503 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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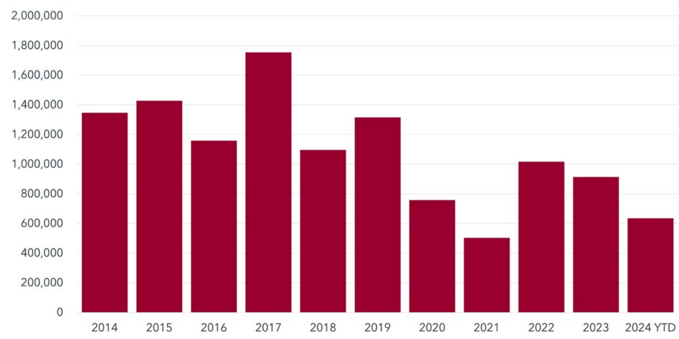


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 933 Louise Avenue<br>Charlotte, NC | 68,970 SF | $11,000,000<br>$159.49 PSF | Yale Realty Services Corp.<br>Stockbridge Capital Group LLC | Multi-Tenant |
| 11410 Carolina Place Parkway<br>Pineville, NC | 36,040 SF | $6,750,000<br>$187.29 PSF | Queen City Drive LLC<br>E.C.A. Charlotte LLC | Multi-Tenant |
| 134 N. Main Street<br>Belmont, NC | 22,066 SF | $2,250,000<br>$101.97 PSF | Owner/User<br>Milltowne Properties LLC | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 685 Ritchie Road<br>Salisbury, NC | 71,000 SF | Utah Development | General RV Center | Retailer |
| 1831 N. Tryon Street<br>Charlotte, NC | 55,692 SF | Browder Group | The Piklr | Retailer |
| 11108 S. Tryon Street<br>Charlotte, NC | 44,000 SF | PMT Partners | Crunch Fitness | Arts, Entertainment & Recreation |

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# Q2 2024
## DURHAM, NC

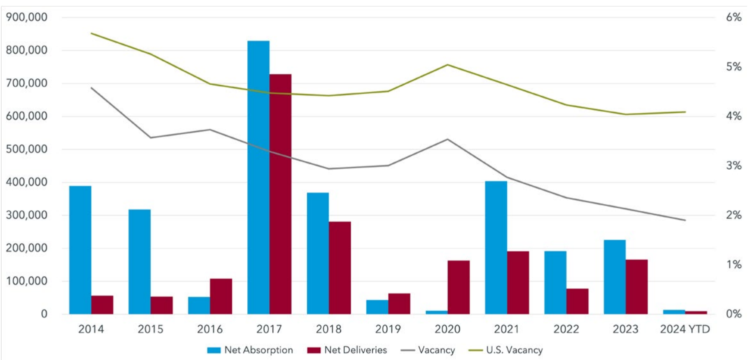
## RETAIL MARKET OVERVIEW

CHRISTINA COFFEY, *Vice President*

Durham's retail sector continues to thrive with more demand than supply, a record low availability rate, 2.0% vacancy that is nearly 200 basis points below the national average of 4.7%. Notable openings include the premier entertainment destination Top Golf in South Durham. Other retailers that opened this quarter are Emmy Squared Pizza at Brightleaf Square and Thaiangle at Roger's Alley. Construction starts have been limited and approximately 90% of space under construction is preleased. The Triangle continues to rank as one of the strongest markets in the nation with its highly educated workforce, higher education institutions, and high quality of life.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 221,496 | 220,511 | 225,516 | 179,327 | 146,123 |
| ▼ | Vacancy Rate | 1.9% | 2.0% | 2.1% | 2.3% | 2.4% |
| ▲ | Avg NNN Asking Rate PSF | $24.57 | $23.81 | $23.65 | $23.39 | $23.06 |
| ▲ | SF Under Construction | 102,612 | 92,634 | 79,843 | 79,843 | 152,234 |
| ▲ | Inventory SF | 31,470,622 | 28,278,420 | 28,271,411 | 28,271,411 | 28,181,805 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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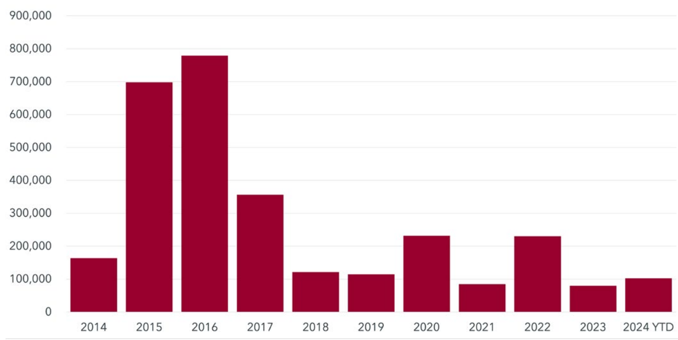


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1014 Yunus Road<br>Durham, NC | 3,200 SF | $3,394,500<br>$1,060.78 PSF | Paloma Ed LLC<br>Ellis Rd Durham NC LLC | Single-Tenant |
| 6408 Leesville Road<br>Durham, NC | 2,044 SF | $1,700,000<br>$831.70 PSF | Koehler Partners, Inc.<br>William Etters | Single-Tenant |
| 3807 N. Duke Street<br>Durham, NC | 2,048 SF | $1,500,000<br>$732.42 PSF | Mahajan<br>Wildor Restaurant Group LLC | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 3615 Witherspoon Boulevard<br>Durham, NC | 21,315 SF | Armada Hoffler Properties, Inc. | Boot Barn | Family Clothing Stores |
| 5340 McFarland Road<br>Durham, NC | 6,969 SF | James R. Lockamy | Texas Roadhouse | Accommodation and Food Services |
| 1525 Glenn School Road<br>Durham, NC | 5,000 SF | WRS, Inc. | Durham Eye Care Center | Health Care |

# Q2 2024
## RALEIGH, NC

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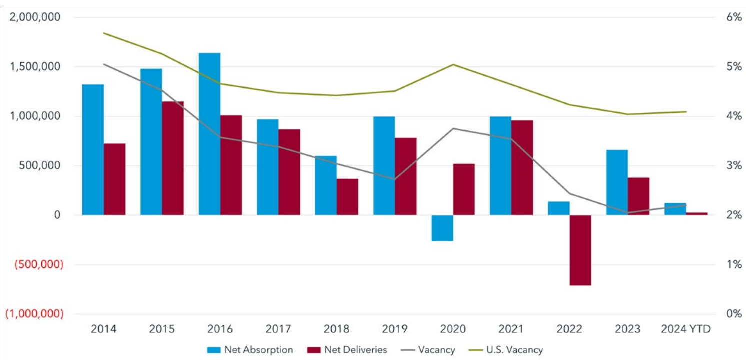
## RETAIL MARKET OVERVIEW

CHRISTINA COFFEY, *Vice President*

Raleigh's retail market continues to have a record low vacancy rate. An abundance of new restaurants opened: Mac's Speed Shop at Five Points, Drift Coffee at Ridgewood, La Farm at The Row on Glenwood, Press at 400H, La Terrazza at The Dillon, and Alpaca on Hillsborough Street in the former IHOP. Notable closures included Ragazzi's in Garner, Armadillo Grill in Glenwood South, and The Gatorbug at Midtown East. Retailers continue to struggle with the lack of employees, increasing rents, and rising business costs. The new redevelopment, Raleigh Ironworks, welcomed Tenants Brodeto by Chef Scott Crawford, 25,000 SF entertainment concept, Jaguar Bolera, and retailers Flourish Market and Beatniks.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 486,204 | 569,335 | 660,865 | 634,374 | 518,532 |
| ▲ Vacancy Rate | 2.2% | 1.8% | 2.1% | 2.3% | 2.4% |
| ▼ Avg NNN Asking Rate PSF | $26.69 | $27.27 | $26.38 | $25.70 | $25.09 |
| ▼ SF Under Construction | 803,624 | 951,519 | 922,239 | 895,117 | 828,879 |
| ▲ Inventory SF | 76,090,078 | 75,828,324 | 75,800,322 | 75,738,944 | 75,677,985 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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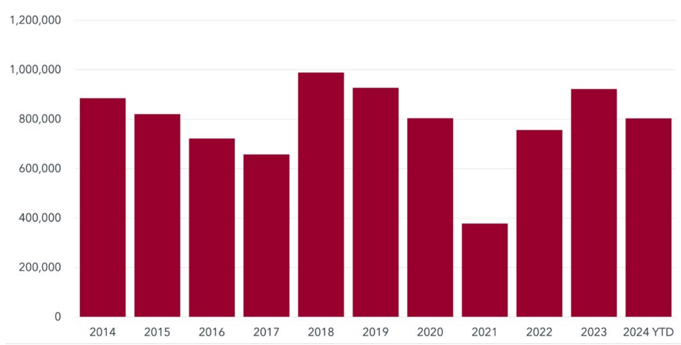


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 615 Oberlin Road<br>Raleigh, NC | 2,775 SF | $6,900,000<br>$2,486.49 PSF | Hasmik Ghazaryan<br>David S. Brody | Single-Tenant |
| 4600 Crabtree Valley Avenue<br>Raleigh, NC | 8,800 SF | $6,135,000<br>$697.16 PSF | Cambridge Properties<br>PMT Partners VIII | Single-Tenant |
| 2900 Spring Forest Road<br>Raleigh, NC | 26,004 SF | $5,038,000<br>$193.74 PSF | Kirk Imports Furniture<br>North Raleigh Group | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 9650 Strickland Road<br>Raleigh, NC | 21,987 SF | First Washington Realty, Inc. | North Raleigh Ministries Thrift | Retailer |
| 208-290 Grande Heights Drive<br>Cary, NC | 20,388 SF | Phillips Edison & Company | Altitude Trampoline Park | Arts, Entertainment, and Recreation |
| 12217-12295 Capital Boulevard<br>Wake Forest, NC | 19,146 SF | Zapolski Real Estate | Ace Hardware | Retailer |

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# Q2 2024
## LINCOLN, NE

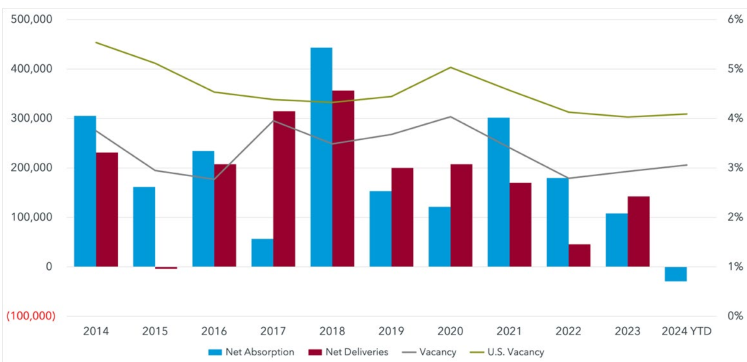
## RETAIL MARKET OVERVIEW

JORDAN POTTHOFF, *Senior Associate Broker*

The Lincoln retail market has a vacancy rate of 2.9%, remaining steady over the past year. Market rents continue to climb with low vacancies. There has been a slight increase in construction. Lee & Associates achieved the top three transactions by square footage in both leasing and sales categories. Katy Martin represented the tenant, a pickleball and bar and grill establishment, leasing over 20,000 SF at 56th & Hwy 2. Ammar Abu-Hamda and Benjamin Pearson represented the seller in a 19,000+ SF multi-tenant retail center.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 27,395 | 113,187 | 107,877 | 63,712 | 118,837 |
| ◄ ► Vacancy Rate | 2.9% | 2.9% | 2.9% | 3.1% | 2.8% |
| ▼ Avg NNN Asking Rate PSF | $14.60 | $14.66 | $14.51 | $14.40 | $14.30 |
| ▼ SF Under Construction | 56,218 | 49,600 | 14,600 | 21,640 | 69,640 |
| ◄ ► Inventory SF | 22,272,782 | 22,272,782 | 22,272,782 | 22,265,742 | 22,217,742 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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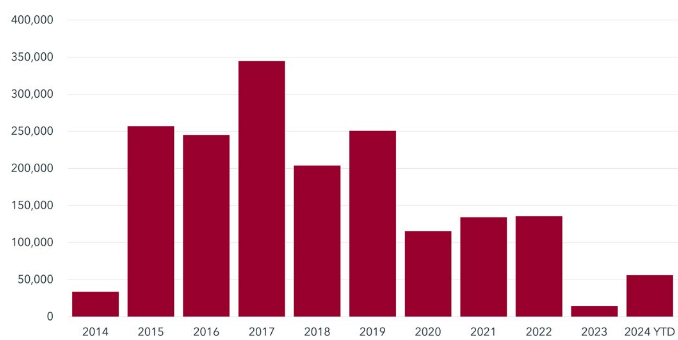
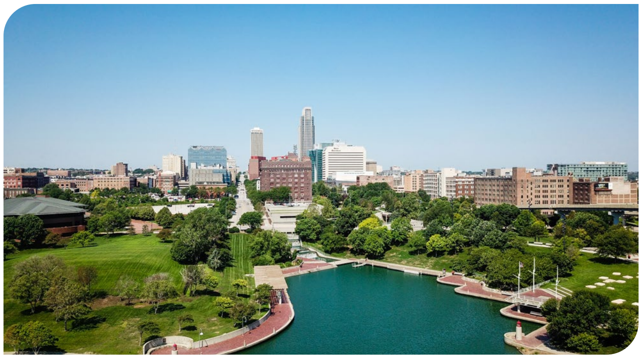



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 3939 N. 48th Street<br>Lincoln, NE | 19,102 SF | $1,250,000<br>$65.44 PSF | Toan Le<br>Kevin Lang | Multi-Tenant |
| 5001 O Street<br>Lincoln, NE | 12,898 SF | $3,350,000<br>$259.73 PSF | Michael Kuzma<br>Kent Thompson | Multi-Tenant |
| 4420 Lucile Drive<br>Lincoln, NE | 4,578 SF | $1,000,000<br>$218.44 PSF | Rahul Razdan (Radiologist)<br>Manzitto Real Estate | Single-Tenant<br>(Owner-user) |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2960 Pine Lake Road<br>Lincoln, NE | 35,000 SF | RED Development | Painted Tree Boutiques | Gifts/Décor/Clothing |
| 5601 S. 59th Street<br>Lincoln, NE | 20,398 SF | Schafer Richardson | Pickle Family | Pickleball/Bar & Grill |
| 4700 W. Huntington Avenue<br>Lincoln, NE | 8,468 SF | Hampton Enterprises | Project Future Child<br>Development Center | Day Care |

# Q2 2024
## OMAHA, NE



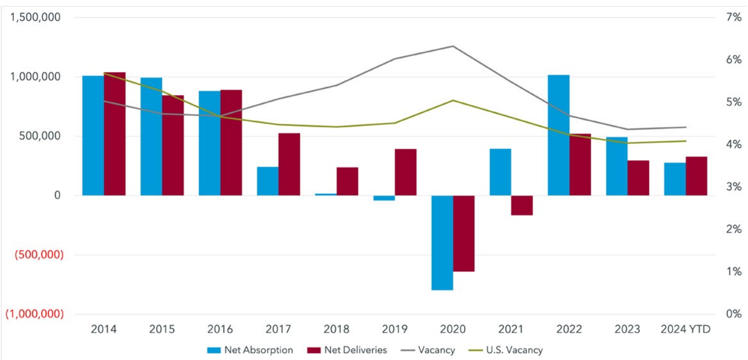
## RETAIL MARKET OVERVIEW

GRACE NEWTON, *Vice President*

Omaha's retail market has stayed very active during the first half of 2024. The sales volume in Q2 doubled Q1 and would be expected to outpace 2023 by a notable number. While net absorption and leasing activity isn't where it was at this point last year, the decreased vacancy rate and first-hand experience in the market would point to just as many deals to be made in Omaha, if only the supply was there. Tenants in Omaha are quickly filling new construction buildings and highly desired pad sites remain active.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 384,561 | 540,036 | 492,450 | 575,765 | 749,049 |
| ◄ ► Vacancy Rate | 4.4% | 4.4% | 4.4% | 4.4% | 4.6% |
| ◄ ► Avg NNN Asking Rate PSF | $17.43 | $17.43 | $17.13 | $16.74 | $16.55 |
| ▼ SF Under Construction | 436,172 | 484,530 | 515,705 | 329,700 | 352,977 |
| ▲ Inventory SF | 66,082,846 | 65,996,216 | 65,913,809 | 65,892,769 | 65,809,109 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY

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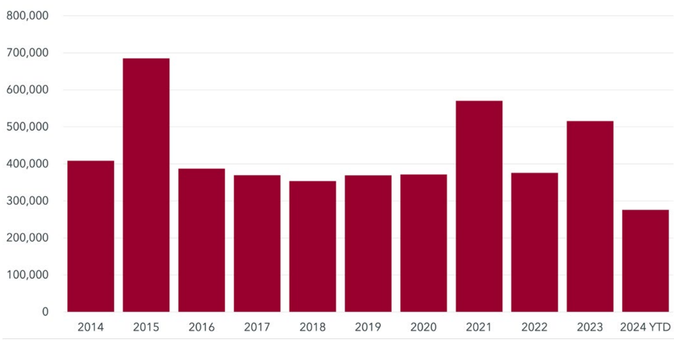


| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 11313-11349 Davenport Street<br>Omaha, NE | 22,735 SF | $3,030,000<br>$133.00 PSF | Magnum Realty Inc. | Multi-Tenant |
| 608 Fort Crook Road N<br>Bellevue, NE | 17,594 SF | $2,200,000<br>$125.00 PSF | Greenline Motors<br>Corwin Holdings | Single-Tenant |
| 4903-4911 Dodge Street<br>Omaha, NE | 14,704 SF | $1,300,000<br>$88.00 PSF | Bayse Real Estate<br>Kouri Management | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 14021512 Harlan Drive<br>Bellevue, NE | 15,008 SF | Four Points Property Management | Harbor Freight Tools | Hardware Store |
| 602 N. 210th Street<br>Elkhorn, NE | 14,479 SF | WOSC 3 LLC | Gerber Collision | Services |
| 1002-1008 Dodge Street<br>Omaha, NE | 8,289 SF | Shamrock Development | Capitol Arcade | Entertainment |

LEE & ASSOCIATES
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# Q2 2024
## RENO, NV

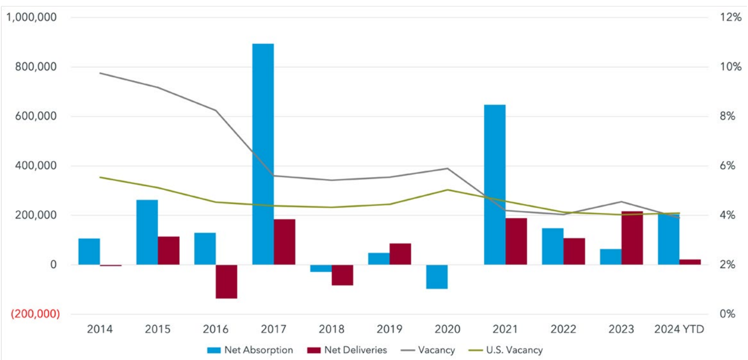
## RETAIL MARKET OVERVIEW

LYLE CHAMBERLAIN, CCIM, *President*

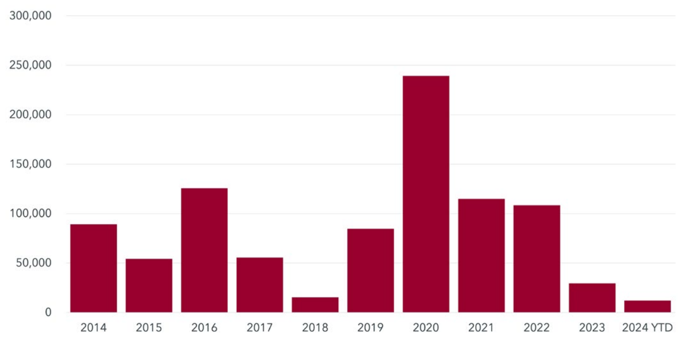
The lack of new construction is really the dominating issue. The rise in interest rates have slowed everything in general, but the area has seen a growing population since the depression. Without much in the way of new construction, the resulting demand has kept this sector with low vacancy and generally rising rates. Even in the big box sector, our performance has been relatively better than most. This is a result from being over built prior to the depression. The ensuing wave of population growth has generally occurred in areas where prior construction was there to provide for the needs. This is now pushing geographical borders to the point where new developments will be required to meet the needs of the expanding population growth.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 310,283 | 313,000 | 63,619 | 95,391 | 303,353 |
| ◄ ► | Vacancy Rate | 3.9% | 3.9% | 4.6% | 4.6% | 4.3% |
| ▲ | Avg NNN Asking Rate PSF | $22.23 | $22.05 | $21.93 | $21.78 | $21.58 |
| ▲ | SF Under Construction | 12,125 | 7,325 | 29,521 | 93,161 | 205,576 |
| ◄ ► | Inventory SF | 28,042,990 | 28,042,990 | 28,020,794 | 27,943,829 | 27,831,414 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 155 Damonte Ranch Parkway<br>Reno, NV | 132,313 SF | $18,000,000<br>$136.04 PSF | MK III Holdings<br>Southtowne Crossing LLC | Single-Tenant |
| 1315 Scheels Drive<br>Reno, NV | 29,537 SF | $6,408,052<br>$216.95 PSF | Gerrity Group<br>Rhino Investments | Multi-Tenant |
| 1530 E. Lincoln Way<br>Reno, NV | 24,308 SF | $5,273,620<br>$216.95 PSF | Gerrity Group<br>Rhino Investments | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2863 Northtowne Lane<br>Reno, NV | 44,500 SF | Charles Co | Need 2 Speed | Entertainment |
| 4879 S. Virginia<br>Reno, NV | 29,788 SF | Kimco | Bob's Discount Furniture | Furniture |
| 720 S. Meadows<br>Reno, NV | 6,101 SF | Alex Zipolo | Ace Hardware | Retailer |

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# Q2 2024
## NEW YORK, NY

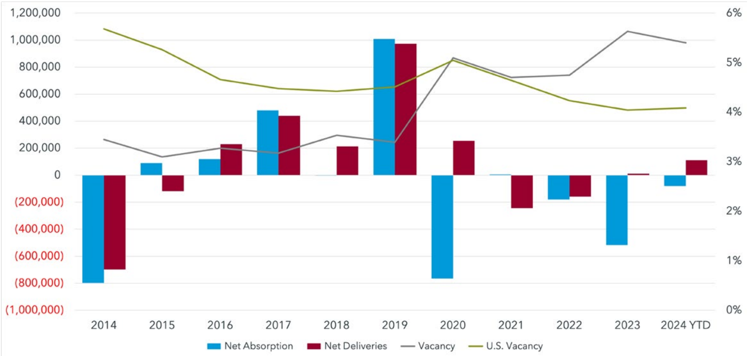
## RETAIL MARKET OVERVIEW

HEATHER SMOLINSKI, *Research Associate*

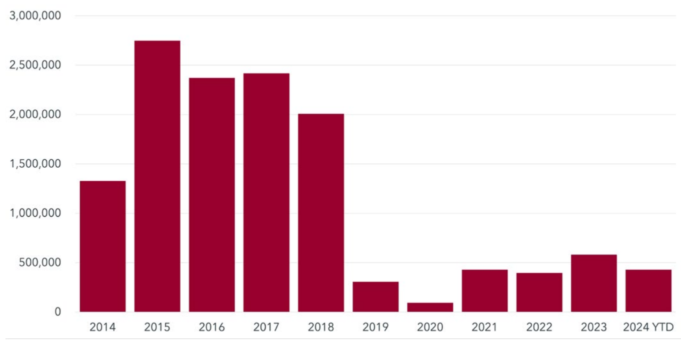
Despite a strong consumer appetite for luxury and leisure driven by an influx of tourists and an improving labor market, Manhattan's retail leasing slowed in Q2 due to the reduced supply of prime locations and high capital costs. The scarcity of available prime retail spaces contributed to an improvement in pricing. In Q2 2024, the number of direct available ground floor spaces in the top 16 retail corridors fell, while average asking rents rose for the eighth consecutive quarter. However, these rents are still a third below the peak levels of 2014.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 289,066 | (251,573) | (517,918) | (632,521) | (240,953) |
| ▼ | Vacancy Rate | 5.4% | 5.6% | 5.6% | 5.6% | 5.0% |
| ▲ | Avg NNN Asking Rate PSF | $136.50 | $136.25 | $136.24 | $136.60 | $135.58 |
| ▼ | SF Under Construction | 428,354 | 545,354 | 581,354 | 581,354 | 407,000 |
| ▼ | Inventory SF | 58,803,254 | 59,755,609 | 59,728,404 | 59,736,948 | 59,757,388 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 680 Madison<br>New York, NY | 34,000 SF | $180,000,000<br>$5,294.18 PSF | TZ Capital<br>Thor Equities | Multi-Tenant |
| 2 Times Square<br>New York, NY | 26,992 SF | $100,000,000<br>$3,704.80 PSF | Bando Construction<br>Sherwood Properties | Multi-Tenant |
| 30 Times Square<br>New York, NY | 10,040 SF | $31,430,000<br>$3,130.48 PSF | Boich Companies<br>SL Green | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 230 Fifth Avenue<br>New York, NY | 32,000 SF | GFP Real Estate | 230 Fifth Rooftop Bar | Restaurant |
| 515 Broadway<br>New York, NY | 30,000 SF | Undisclosed | Undisclosed | Undisclosed |
| 639 W. 46th Street<br>New York, NY | 25,000 SF | MKF Realty LLC | Undisclosed | Undisclosed |

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# Q2 2024
## CINCINNATI, OH

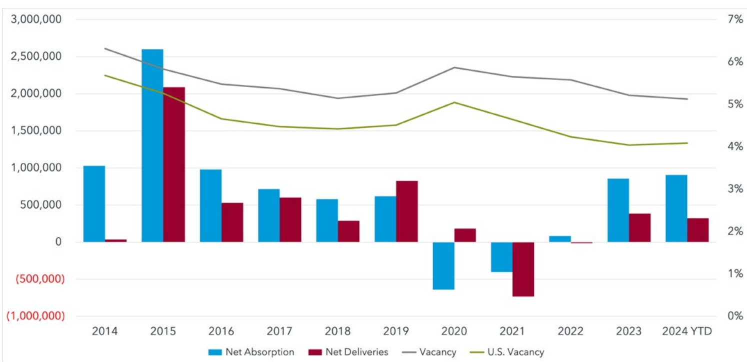
## RETAIL MARKET OVERVIEW

TC BARTOSZEK, *Senior Vice President*

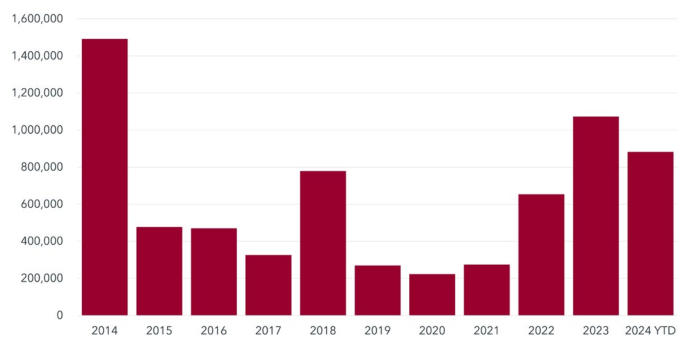
The Cincinnati / Northern Kentucky retail market continues its strong occupancy rate going into the second half of the 2024 year. Demand remains consistent, especially in the second-generation restaurant and end-cap drive-thru spaces. Negotiations have never been more difficult for tenants entering the market. In A, B, and even C markets the Landlords are having their demands met in the likes that haven't been seen in recent memory. Interest rates are not currently having an impact on leasing but continue to make investment sales difficult.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 931,065 | 995,818 | 857,363 | 1,156,000 | 710,565 |
| ▼ | Vacancy Rate | 5.1% | 5.2% | 5.2% | 5.3% | 5.5% |
| ▼ | Avg NNN Asking Rate PSF | $16.09 | $16.15 | $15.69 | $15.62 | $15.46 |
| ▲ | SF Under Construction | 882,726 | 842,705 | 1,072,640 | 900,033 | 902,384 |
| ▲ | Inventory SF | 135,808,026 | 135,787,696 | 135,485,739 | 135,438,798 | 135,369,835 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 4530 Eastgate Boulevard<br>Cincinnati, OH | 174,740 SF | $17,500,018<br>$100.15 PSF | Equity Management Group, Inc.<br>DRA Advisors | Multi-Tenant |
| 7250 Cabela Drive<br>West Chester, OH | 75,000 SF | $9,485,000<br>$126.47 PSF | 1031 Exchange<br>Bass Pro Outdoor World LLC | Single-Tenant |
| 550 Old State Route 74 Pike<br>Cincinnati, OH | 68,276 SF | $4,250,000<br>$62.25 PSF | Unicorp National Developments Inc.<br>Kamin Realty Company | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 4780 Cornell Road<br>Cincinnati, OH | 72,000 SF | American Lending Center | ACX Cinemas | Theaters |
| 877 NW Washington Boulevard<br>Hamilton, OH | 15,000 SF | 877 NW Washington LLC | Shooters Sport Grill | Retailer |
| 7301-7311 Tylers Corner Drive<br>West Chester, OH | 5,497 SF | Nisbet Investment Corp. | Premier Pet | Retailer |

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# Q2 2024
## TORONTO, ON

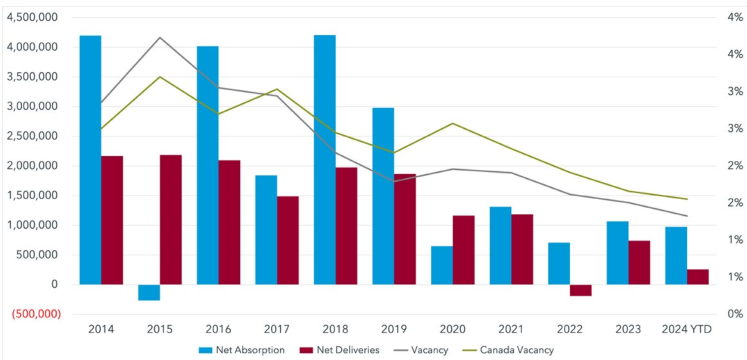
## RETAIL MARKET OVERVIEW

LUIS ALMEIDA, SIOR, *Executive Vice President, Partner*

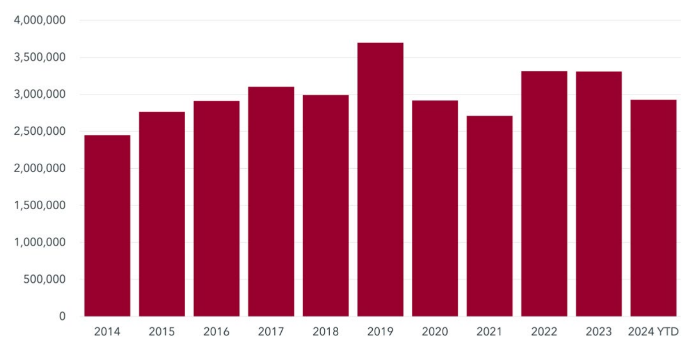
As Canada's largest metropolis, the Greater Toronto Area boasts a diverse retail landscape, featuring downtown shopping districts, suburban malls, and unique neighborhood boutiques. The retail market remains robust due to a growing, diverse population and solid employment base, with net absorption rising and modest rent growth. However, e-commerce and changing consumer behaviors challenge traditional retail models, prompting investments in technology and innovative formats. Lease terms have shortened from pre-pandemic norms. Despite these challenges, stable rents, low vacancies, and favorable cap rates make retail an attractive investment, especially compared to office spaces.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Net Absorption SF | 1,795,880 | 1,463,454 | 1,067,191 | 703,947 | 446,254 |
| ▼ Vacancy Rate | 1.3% | 1.5% | 1.5% | 1.7% | 1.7% |
| ▲ Avg NNN Asking Rate PSF | $36.06 | $35.62 | $35.43 | $35.28 | $35.03 |
| ▼ SF Under Construction | 2,926,870 | 3,124,627 | 3,309,144 | 3,428,074 | 3,122,080 |
| ▲ Inventory SF | 303,802,699 | 303,530,347 | 303,377,306 | 303,403,832 | 303,121,217 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 1224 Dundas Street East<br>Mississauga, ON | 203,192 SF | $55,300,000*<br>$272.16 PSF | Soneil Group of Companies<br>AIMCo | Multi-Tenant |
| 701 Rossland Road East<br>Whitby, ON | 50,000 SF | $13,700,000*<br>$274.00 PSF | Undisclosed<br>Europro | Multi-Tenant |
| 16925 Yonge Street<br>Newmarket, ON | 41,597 SF | $10,160,000*<br>$244.25 PSF | Undisclosed<br>Larma Management | Multi-Tenant |

**All numbers shown are in Canadian dollars (CAD)*

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 220 Yonge Street<br>Toronto, ON | 110,001 SF | Cadillac Fairview | Simons | Clothing and Clothing Accessories Retailers |
| 350 Bay Street<br>Toronto, ON | 26,687 SF | Dream | Undisclosed | Undisclosed |
| 1970 Dundas Street East<br>Mississauga, ON | 24,131 SF | RioCan | Fit 4 Less | Fitness Centers |

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# Q2 2024
# CHARLESTON, SC

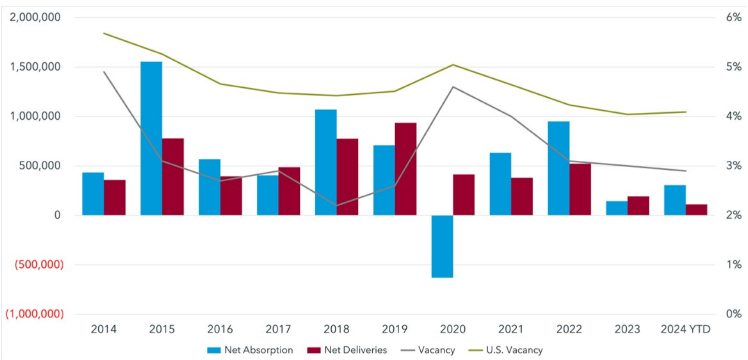
## RETAIL MARKET OVERVIEW

JAMES BAKKER, CCIM, PMP, *Senior Associate*

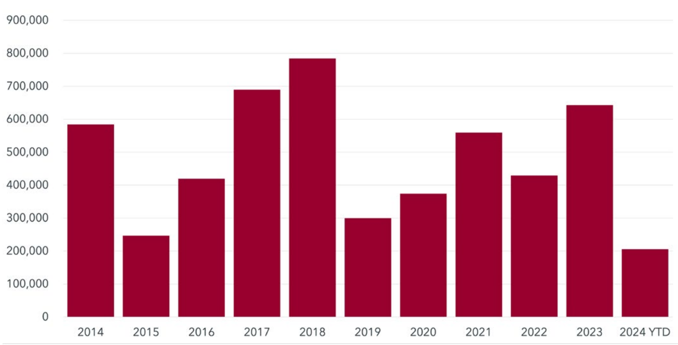
The Charleston market remains robust, though rates appear to be reaching their peak. Inflation continues to pose a significant challenge, acting as a persistent headwind. Additionally, rising interest rates are starting to slow down development activities. Despite these obstacles, the market's strength is evident, with ongoing demand and investment. Charleston's submarkets are attracting tenants due to the rise of mixed-use communities in the areas surrounding downtown. This trend is drawing more people to these vibrant and convenient neighborhoods, resulting in increased retail demand.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 294,797 | 11,035 | 79,153 | 104,889 | (90,214) |
| ▼ | Vacancy Rate | 2.90% | 3.50% | 2.96% | 3.05% | 3.10% |
| ▲ | Avg NNN Asking Rate PSF | $28.30 | $26.87 | $27.31 | $26.72 | $26.50 |
| ▼ | SF Under Construction | 205,947 | 231,376 | 185,394 | 181,971 | 156,363 |
| ▲ | Inventory SF | 49,220,975 | 48,992,126 | 48,930,193 | 48,896,465 | 48,820,753 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 5950 Rivers Avenue<br>North Charleston, SC | 236,112 SF | $19,350,000<br>$81.95 PSF | Granite Canyon Partners<br>Crown Holdings Group | Multi-Tenant |
| 5060 Dorchester Road<br>North Charleston, SC | 124,416 SF | $18,800,000<br>$151.11 PSF | Woodlock Cap & O'Connor Cap Ptnrs<br>Paragano Development LLC | Multi-Tenant |
| 8440 Dorchester Road<br>North Charleston, SC | 58,214 SF | $10,000,000<br>$171.78 PSF | NewSpring Church<br>Carolina Capital Partners | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1291 Folly Road<br>Charleston, SC | 27,250 SF | Brixmor | Harbor Freight Tools | Hardware Store |
| 676 Long Point Road<br>Mount Pleasant, SC | 24,305 SF | American Asset<br>Corporation | Pickleball Kingdom | Sports and Recreation |
| 1909 N Highway<br>Mount Pleasant, SC | 14,000 SF | Continental Realty<br>Corporation | Trader Joes | Grocery Stores |

# Q2 2024
## GREENVILLE / SPARTANBURG, SC

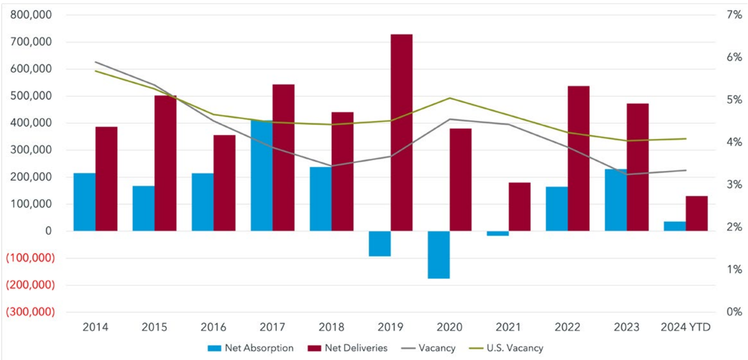
## RETAIL MARKET OVERVIEW

ANDREW HARRILL, CCIM, *Senior Vice President*

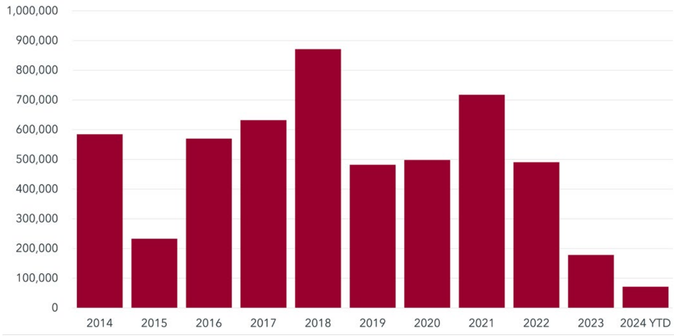
Strong performance from retailers has continued to stabilize vacancy rates in the Greenville/Spartanburg market, ending Q2 2024 with a low 3.23%, a slight increase of just 1 basis point from last quarter. New construction starts have notably decelerated this quarter to below 50,000 SF. This cautious approach to new retail construction has contributed to maintaining near-record low vacancy levels. While rising interest rates and economic uncertainties have dampened investment activity, steady rent growth has enabled the retail sector to outshine other property types in the market. The average triple net (NNN) asking rate per square foot annually rose to $14.69 in Q2 2024, up from $14.24 in Q1 2024, reflecting the increased demand and rental rates for retail properties.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 49,854 | 88,613 | 229,868 | 401,033 | 149,656 |
| ▲ Vacancy Rate | 3.23% | 3.22% | 3.24% | 3.40% | 3.64% |
| ▲ Avg NNN Asking Rate PSF | $14.69 | $14.24 | $13.48 | $14.07 | $14.15 |
| ▼ SF Under Construction | 71,758 | 127,502 | 178,521 | 202,932 | 336,529 |
| ▲ Inventory SF | 92,997,518 | 92,938,156 | 92,858,821 | 92,773,876 | 92,580,350 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 205 & 225 W. Blackstock Road<br>Spartanburg, SC | 611,357 SF | $15,150,000<br>$24.78 PSF | Westgate Carolina Realty LLC<br>CBL & Associates | Multi-Tenant |
| 203 Rutherford Road<br>Greenville, SC | 21,500 SF | $8,587,000<br>$399.40 PSF | Stanley Martin Homes LLC<br>Palmetto Alliance Property Grp LLC | Single-Tenant |
| 102 Ellis Ferry Avenue<br>Gaffney, SC | 20,250 SF | $2,875,000<br>$141.98 PSF | Agree Realty Corporation<br>Henbell Gaffney HFT LLC | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 2081 E. Main Street<br>Spartanburg, SC | 40,094 SF | Gator Investments | Undisclosed | Undisclosed |
| 3720 Boiling Springs Road<br>Boiling Springs, SC | 32,260 SF | Wheeler Real Estate<br>Investment Trust, Inc. | La Unica Super Market | Grocery |
| 315 Old Boiling Springs Road<br>Greenville, SC | 27,694 SF | Alex Mill Park LLC | The Goddard School | Schools and<br>Education Services |

# Q2 2024
## NASHVILLE, TN

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COMMERCIAL REAL ESTATE SERVICES

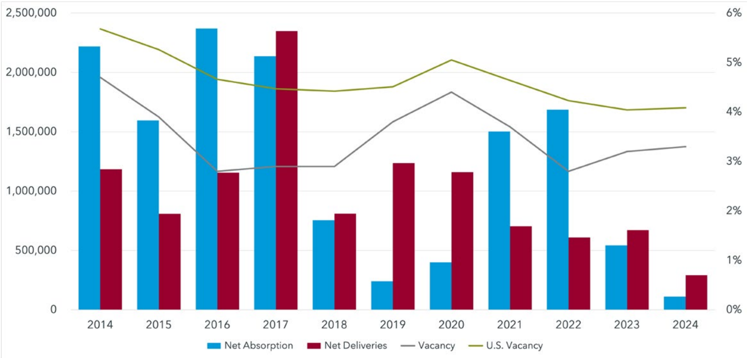
## RETAIL MARKET OVERVIEW

MILLER CHANDLER, *Director,* LEE ANN JAMES, *Director*

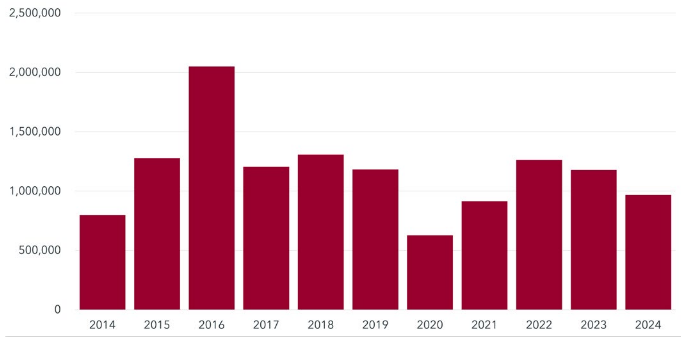
According to a recent Costar article, population growth in Music City continues to outpace retail inventory growth by 5% or more, mirroring the trend in other Sun Belt markets. With retail space at a premium, the vacancy rate for Greater Nashville is holding steady, ticking up only slightly to 3.3%. Lee & Associates Nashville captured the top spot for retail leases in Q2 with the 10,000+ SF signing of Nashville Swim Academy at a former factory site in the trendy Nations neighborhood (1111 63rd Ave N, Nashville). There were a couple notable sales in the second quarter, the largest based on both square footage and price being Cool Springs Pointe (1610-1626 Galleria Blvd), a retail center with multiple outparcels in the Cool Springs area of Brentwood, TN.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Net Absorption SF | 588,503 | 415,478 | 542,899 | 795,314 | 735,027 |
| ▲ | Vacancy Rate | 3.3% | 3.2% | 3.2% | 3.2% | 3.2% |
| ▼ | Avg NNN Asking Rate PSF | $24.11 | $25.24 | $24.45 | $23.65 | $23.71 |
| ▼ | SF Under Construction | 967,554 | 1,145,196 | 1,178,107 | 1,452,448 | 1,359,243 |
| ▲ | Inventory SF | 123,925,970 | 122,898,736 | 122,245,248 | 121,238,459 | 120,641,086 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| Cool Springs Pointe<br>Brentwood, TN | 198,103 SF | $34,500,000<br>$174.15 PSF | Greenberg Gibbons<br>SITE Centers | Multi-Tenant |
| 516 Hagan Street<br>Nashville, TN | 10,000 SF | $12,250,000<br>$1,225.00 PSF | Material Ventures<br>Local Investor | Single-Tenant |
| 925 Lebanon Pike<br>Nashville, TN | 5,464 SF | $9,745,398<br>$1,783.56 PSF | Private Investor<br>Retail Partners | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 1111 63rd Avenue N*<br>Nashville, TN | 10,193 SF | Vintage South | Nashville Swim Academy | Swim School |
| 261 Indian Lake Boulevard<br>Hendersonville, TN | 10,064 SF | Indian Lake West Shops | Dollar Tree | Consumer Goods |
| 150-152 2nd Ave N Lower Level<br>Nashville, TN | 10,000 SF | Jeffrey Welk | Undisclosed | Bar / Entertainment |

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# Q2 2024
## HOUSTON, TX

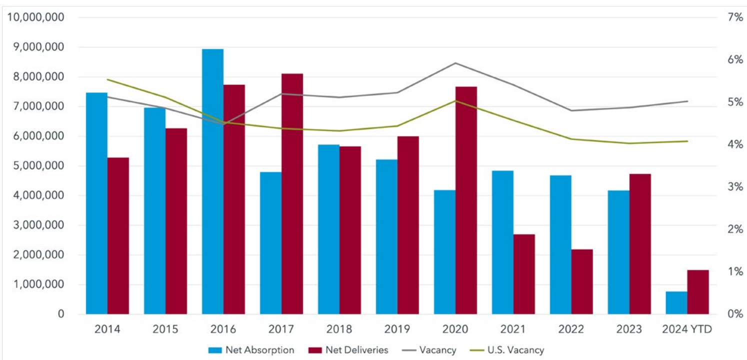
## RETAIL MARKET OVERVIEW

MARY DOETTERL, *Research Manager*

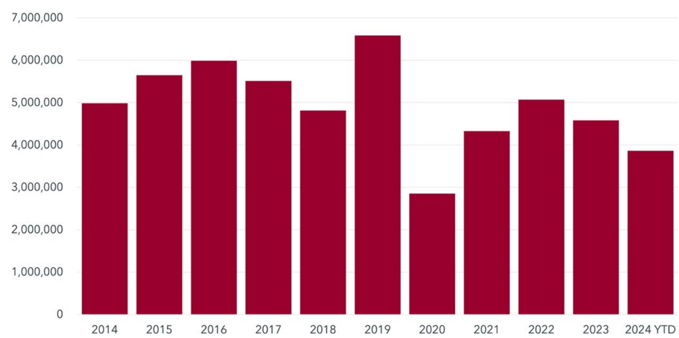
Houston's MSA, with a population of 7.22 million, continues to retain its position as the fifth-largest city in the U.S. The retail market continues to show its ability to withstand challenges. Leasing activity for Q2 2024 amounted to 2,307,208 square feet while absorbing 3,094,445 square feet. Strip centers and malls emerged as the largest property types during Q2 2024. Despite the national vacancy rate average reported at 4.1%, Houston's vacancy rate stayed steady at 5.0%. We are still seeing similar trends with square feet under construction declining each quarter, suggesting that developers are continuing to be cautious due to interest rates and high construction costs.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 3,094,445 | 3,508,101 | 4,174,234 | 3,417,915 | 3,488,405 |
| ◄ ► Vacancy Rate | 5.0% | 5.0% | 4.9% | 4.9% | 4.9% |
| ▼ Avg NNN Asking Rate PSF | $23.54 | $23.64 | $23.54 | $23.36 | $23.11 |
| ▼ SF Under Construction | 3,862,568 | 4,140,951 | 4,578,998 | 4,716,325 | 4,665,639 |
| ▲ Inventory SF | 440,699,489 | 440,144,565 | 439,191,760 | 437,784,954 | 436,805,577 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 12523-12589 Westheimer Road<br>Houston, TX | 141,498 SF | Undisclosed | Song Jong M<br>Wu Properties | Multi-Tenant |
| 9300 Emmett F Lowry Expressway<br>Texas City, TX | 120,669 SF | Undisclosed | Investor Loan Source<br>JMK5 Holdings | Multi-Tenant |
| 1409-1539 Little York Road<br>Houston, TX | 117,786 SF | Undisclosed | Undisclosed<br>RTC Retail | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 12655 West Rd/ Hwy 290<br>Houston, TX | 50,000 SF | Keller Williams Realty | Good Car People | Dealership |
| 10515 Katy Freeway<br>Houston, TX | 47,423 SF | SmithCo Development | Undisclosed | Clothing Store |
| 5000 Katy Mills Circle<br>Katy, TX | 44,987 SF | Simon Premium Outlets | Slick City | Amusement Center |

# Q2 2024
## PACIFIC NORTHWEST, WA

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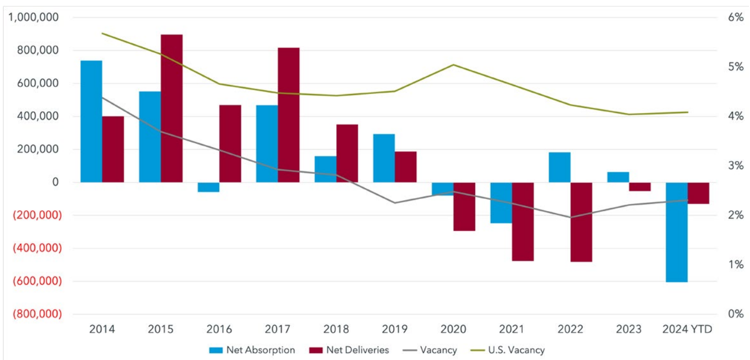
## RETAIL MARKET OVERVIEW

KYLE PROSSER, *Principal*

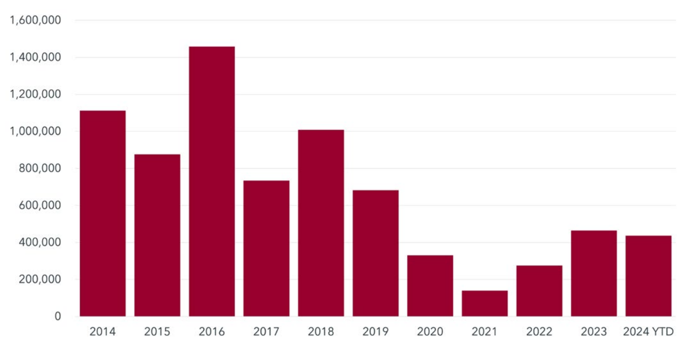
The Puget Sound retail market continues to struggle in downtown urban areas, while suburban markets flourish. With office sector vacancy rates remaining high and many people working from home full or part-time, daily retail mirrors its COVID-era trajectory. Vacancy rates hover around 3.5% market-wide but are significantly higher in downtown Seattle, ranging from 12-14%.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | (688,394) | (668,493) | (548,911) | (429,920) | (273,716) |
| ▲ Vacancy Rate | 3.4% | 3.3% | 3.1% | 3.1% | 3.1% |
| ▼ Avg NNN Asking Rate PSF | $29.81 | $29.82 | $29.85 | $29.53 | $29.27 |
| ▼ SF Under Construction | 436,619 | 445,293 | 465,144 | 179,201 | 329,270 |
| ▲ Inventory SF | 182,765,131 | 182,322,078 | 182,353,653 | 182,345,136 | 182,374,299 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 600 Pine Street<br>Seattle, WA | 339,784 SF | $88,250,000<br>$260.00 PSF | Undisclosed<br>Undisclosed | Multi-Tenant |
| 800 Garden Avenue N<br>Renton, WA | 151,840 SF | $24,000,000<br>$158.00 PSF | Undisclosed<br>Undisclosed | Multi-Tenant |
| 19910 Poplar Way<br>Lynnwood, WA | 26,244 SF | $22,000,000<br>$838.00 PSF | Undisclosed<br>Undisclosed | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| Oaktree Shopping Center<br>Northgate, WA | 45,155 SF | Undisclosed | Super Saver Markets | Grocer |
| Lynnwood Crossroads<br>Edmonds, WA | 28,898 SF | Undisclosed | T&T Supermarket | Grocer |
| 6818 Tacoma Mall Boulevard<br>Tacoma, WA | 26,549 SF | Undisclosed | Krafter's Land Cabinetry | Cabinet Manufacturer |

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# Q2 2024
## MADISON, WI

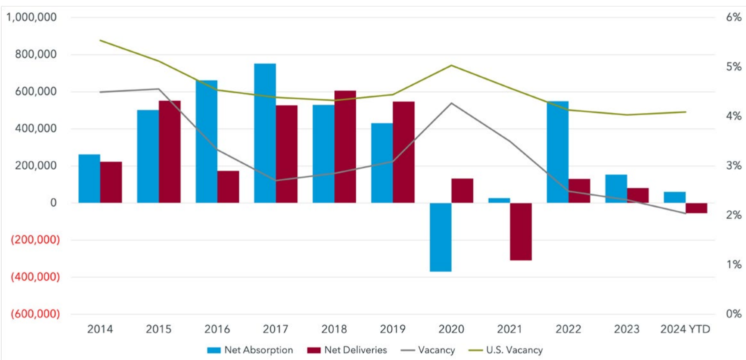
## RETAIL MARKET OVERVIEW

CAMP PERRET, *Vice President*

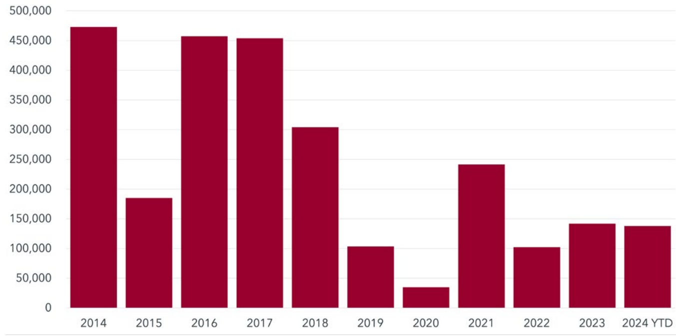
For the eighth consecutive quarter, the vacancy rate in the Madison Retail Market is under 3%. The Q2 vacancy rate of 2.1% continues to slow leasing activity. High construction costs continue to hinder construction starts with only 137,942 sf under way. Just 9,000 sf were delivered in Q2. The limited volume of new deliveries is not alleviating any of the supply pressure, leaving rental rates steady. Rent growth year-over-year was 1.8%. Sales volumes and price per sf were up slightly in Q2 despite interest rates.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▼ | 12 Mo. Net Absorption SF | 125,920 | 192,576 | 153,275 | 360,342 | 405,960 |
| ▲ | Vacancy Rate | 2.1% | 2.0% | 2.3% | 2.2% | 2.3% |
| ▼ | Avg NNN Asking Rate PSF | $17.17 | $17.25 | $17.09 | $16.98 | $16.86 |
| ▼ | SF Under Construction | 137,942 | 146,942 | 142,000 | 204,121 | 109,121 |
| ▲ | Inventory SF | 42,020,612 | 42,011,612 | 42,075,460 | 41,988,339 | 41,983,339 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|---|---|---|---|
| 2915 Pinery Road<br>Portage, WI | 53,220 SF | $3,600,000<br>$67.64 PSF | Essential Properties LP<br>CTO Realty Growth, Inc. | Single-Tenant |
| 2121 E. Springs Drive<br>Madison, WI | 46,890 SF | $4,190,000<br>$89.36 PSF | STORE Capital Corporation<br>Triple Shift Entertainment LLC | Single-Tenant |
| 8026 Forsythia Street<br>Middleton, WI | 18,109 SF | $5,300,000<br>$292.67 PSF | Forsythia Collision LLC<br>Tippetts Rentals LLC | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 703 University Avenue<br>Madison, WI | 14,141 SF | Executive<br>Management, Inc. | Undisclosed | Undisclosed |
| 2024-2029 S. Stoughton Road<br>Madison, WI | 5,604 SF | Facility Gateway<br>Corporation | Gym/Personal Trainer | Retailer |
| 3131 E. Washington Avenue<br>Madison, WI | 4,800 SF | Simonson Brothers<br>Partnership | Day Care Center | Services |

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# Q2 2024
# MULTIFAMILY OVERVIEW

## MULTIFAMILY OVERVIEW: STRONG NORTH AMERICAN DEMAND

Canadian renters should be forgiven, when reflecting on the United States' current multifamily market, if there is a twinge of tenant envy. In Canada, tough real estate development restrictions and liberal immigration policies are under fire for driving up the cost of housing. Following two years of near double-digit rent growth, the average nationwide vacancy rate is down to 2%, a two-decade low, amid record-setting population increases.

On the other hand, the U.S. multifamily market experienced a robust rebound in demand in the first half, driven by rising consumer confidence and diminishing recession fears. First-half net absorption totaled 287,635 units, 56% more than for the same period last year.

Despite the heightened demand new supply continues to saturate the market. There were 335,872 units added in the first half, including a quarterly record 182,872 in the second quarter. This surge in supply has pushed up the vacancy rate to a record 7.9%. But with absorption on the rise, the overall market is expected to stabilize and improve by the end of the year.

Detailed vacancy data reveals divergent trends among property segments. Vacancy in Class A properties have escalated over the last 10 quarters. A surplus of premium-level units has driven up the vacancy rate for the high-end segment by 440 basis points in this cycle to 11%. Reduced demand for Class B apartments – attributed to elevated prices and economic uncertainty – has resulted in a more modest vacancy increase of 300 basis points. Vacancy rates among mid-priced properties have ranged from 4.2% in 2021 to the current 7.1% in the second half.

As the vacancy rate has increased by 310 basis points since 2021, multifamily rent growth has fallen from 9.4% to 1.1%. But performance can vary widely from region to region and not all markets posted increasing vacancies. In fact, vacancies declined in six markets – San Francisco, East Bay, Louisville, Norfolk, San Jose and Orange County – as net absorption outpaced new supply.

Additionally, by largely resisting overbuilding during the pandemic, the Midwest and Northeast markets have maintained greater supply-demand equilibrium and lead the nation in rent growth. Metros with the biggest average gains include Louisville with the greatest annual effective rent growth of 5.1%. Year-over-year rents were up 4% in Dayton, 3.8% in Buffalo, Hartford and Tulsa, 3.5% in Washington, D.C., 3.3% in Cleveland, 3.1% in Madison and 2.9% in Northern New Jersey.

In contrast, the steepest rent declines showed up in the South and Southwest in the first half with -6.2% in Austin, -2.5% in Phoenix, -3% in Jacksonville, -3.3% in Raleigh, -2.8% in Atlanta, -2.6% in Sarasota, -2.5% in Phoenix and -2.4% in Charlotte. Rent growth in Palm Beach fell from 29% in 2021 to -0.8% in Q2.

More than 533,000 completions are scheduled for this year, reflecting a 9% decline from the record supply of 2023. At the same time, absorption is accelerating, increasing the likelihood that the national market will stabilize by the end of the year.

| LOWEST VACANCY RATE | |
|---|---|
| BC, Vancouver | 1.1% |
| ON, Toronto | 1.8% |
| NY, New York* | 2.6% |
| CA, Orange County | 4.0% |
| CA, Los Angeles | 5.2% |
| **U.S. Index** | 7.8% |
| **Canada Index** | 2.0% |

| HIGHEST MARKET RENT / UNIT | |
|---|---|
| NY, New York* | $3,171 |
| CA, San Francisco | $3,054 |
| MA, Boston | $2,881 |
| CA, Orange County | $2,652 |
| CA, San Diego | $2,457 |
| **U.S. Index** | $1,710 |
| **Canada Index** | $1,531 CAD |

| HIGHEST 12 MO. SALES VOLUME | |
|---|---|
| MO, Kansas City | $5,323,271,039 |
| FL, Orlando | $4,455,504,316 |
| CA, East Bay | $4,288,741,301 |
| MA, Boston | $4,131,715,718 |
| NJ, No. New Jersey | $3,026,198,839 |
| **U.S. Index** | $80,458,294,454 |
| **Canada Index** | $3,259,675,140 CAD |

| MOST UNITS UNDER CONSTRUCTION | |
|---|---|
| NY, New York* | 64,784 |
| TX, Dallas-Fort Worth | 44,203 |
| AZ, Phoenix | 32,052 |
| GA, Atlanta | 27,786 |
| NC, Charlotte | 27,715 |
| **U.S. Index** | 818,152 |
| **Canada Index** | 65,387 |

| LARGEST INVENTORY BY UNITS | |
|---|---|
| NY, New York* | 1,560,985 |
| CA, Los Angeles | 1,038,030 |
| TX, Dallas-Fort Worth | 879,154 |
| TX, Houston | 716,227 |
| DC, Washington | 571,428 |
| **U.S. Index** | 19,861,871 |
| **Canada Index** | 941,036 |

| LOWEST MARKET CAP RATE | |
|---|---|
| BC, Vancouver | 2.8% |
| ON, Toronto | 3.9% |
| CA, Orange County | 4.4% |
| CA, San Francisco | 4.4% |
| CA, San Diego | 4.7% |
| **U.S. Index** | 6.0% |
| **Canada Index** | 4.1% |

** Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.*

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## MULTIFAMILY OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / UNIT | MARKET SALE PRICE / UNIT | UNDER CONST. UNITS | INVENTORY UNITS | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **AB, Calgary **** | 3.1% | $1,387 | $203,932 | 8,219 | 76,158 | 5.2% |
| **AZ, Phoenix** | 11.1% | $1,560 | $265,123 | 32,052 | 393,241 | 4.8% |
| **BC, Vancouver **** | 1.1% | $1,739 | $383,536 | 20,604 | 141,675 | 2.8% |
| **CA, Bakersfield** | 4.4% | $1,330 | $121,000 | 179 | 26,165 | 7.1% |
| **CA, East Bay** | 6.8% | $2,395 | $362,149 | 4,362 | 192,323 | 5.1% |
| **CA, Fresno** | 4.7% | $1,414 | $151,265 | 138 | 56,435 | 6.3% |
| **CA, Inland Empire** | 6.3% | $2,045 | $264,573 | 7,936 | 175,063 | 5.2% |
| **CA, Los Angeles** | 5.2% | $2,263 | $358,653 | 22,176 | 1,038,030 | 4.9% |
| **CA, Orange County** | 4.0% | $2,652 | $443,278 | 7,837 | 256,704 | 4.4% |
| **CA, San Diego** | 5.6% | $2,457 | $389,108 | 8,332 | 280,166 | 4.7% |
| **CA, San Francisco** | 6.2% | $3,054 | $544,841 | 3,412 | 185,090 | 4.4% |
| **CA, San Luis Obispo** | 7.2% | $2,102 | $284,703 | 328 | 8,088 | 5.3% |
| **CA, Santa Barbara** | 3.2% | $2,450 | $332,233 | 78 | 20,878 | 4.8% |
| **CA, Stockton** | 4.1% | $1,644 | $168,583 | 304 | 29,046 | 6.7% |
| **CA, Ventura** | 5.1% | $2,588 | $353,551 | 79 | 37,185 | 4.7% |
| **CO, Denver** | 9.5% | $1,877 | $313,569 | 20,310 | 303,132 | 5.1% |
| **DC, Washington** | 6.6% | $2,209 | $300,968 | 25,569 | 571,428 | 5.6% |
| **FL, Fort Myers** | 15.0% | $1,827 | $223,901 | 7,486 | 32,998 | 5.5% |
| **FL, Miami** | 5.8% | $2,348 | $307,109 | 24,695 | 192,613 | 5.3% |
| **FL, Naples** | 10.8% | $2,301 | $279,998 | 1,636 | 14,287 | 5.1% |
| **FL, Orlando** | 10.0% | $1,787 | $234,788 | 16,536 | 221,555 | 5.2% |
| **FL, Tampa Bay** | 9.8% | $1,778 | $210,514 | 13,292 | 229,096 | 5.5% |
| **GA, Atlanta** | 12.2% | $1,621 | $209,521 | 27,786 | 520,579 | 5.5% |
| **GA, Savannah** | 10.9% | $1,677 | $190,614 | 3,546 | 33,832 | 5.5% |
| **ID, Boise** | 10.5% | $1,554 | $236,752 | 2,943 | 40,061 | 5.1% |
| **IL, Chicago** | 5.4% | $1,776 | $208,412 | 7,762 | 565,619 | 6.7% |
| **IN, Indianapolis** | 9.6% | $1,273 | $128,672 | 6,083 | 170,909 | 6.5% |
| **KS, Lawrence** | 2.5% | $1,012 | $88,626 | 0 | 12,244 | 8.0% |
| **KS, Topeka** | 8.0% | $896 | $59,751 | 134 | 9,854 | 8.4% |
| **LA, Baton Rouge** | 14.7% | $1,164 | $115,148 | 790 | 42,298 | 7.4% |
| **MA, Boston** | 5.4% | $2,881 | $443,818 | 17,233 | 276,479 | 5.1% |
| **MD, Baltimore** | 7.2% | $1,673 | $181,702 | 3,506 | 212,194 | 6.3% |
| **MI, Detroit** | 7.4% | $1,278 | $103,038 | 3,183 | 230,526 | 7.3% |
| **MN, Minneapolis** | 7.6% | $1,495 | $173,527 | 10,114 | 279,451 | 6.5% |
| **United States Index** | 7.8% | $1,710 | $225,427 | 818,152 | 19,861,871 | 6.0% |
| **Canada Index** | 2.0% | $1,531 CAD | $257,932 CAD | 65,387 | 941,036 | 4.1% |

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# Q2 2024
## MULTIFAMILY OVERVIEW

| MARKET | VACANCY RATE | MARKET RENT / UNIT | MARKET SALE PRICE / UNIT | UNDER CONST. UNITS | INVENTORY UNITS | MARKET CAP RATE |
|---|---|---|---|---|---|---|
| **MO, Kansas City*** | 8.0% | $1,297 | $139,658 | 6,757 | 176,608 | 6.5% |
| **MO, Saint Louis** | 9.6% | $1,236 | $129,588 | 2,715 | 147,902 | 7.1% |
| **NC, Charlotte** | 12.2% | $1,594 | $226,426 | 27,715 | 223,649 | 5.3% |
| **NC, Durham** | 13.0% | $1,549 | $207,232 | 5,486 | 61,117 | 5.5% |
| **NC, Raleigh** | 12.1% | $1,544 | $225,261 | 9,780 | 129,127 | 5.2% |
| **NE, Lincoln** | 5.3% | $1,135 | $116,261 | 780 | 32,479 | 7.2% |
| **NE, Omaha** | 6.4% | $1,197 | $112,960 | 1,805 | 82,906 | 7.0% |
| **NJ, Atlantic City** | 3.8% | $1,657 | $130,143 | 0 | 10,583 | 7.1% |
| **NJ, Northern New Jersey** * | 5.3% | $2,137 | $229,547 | 12,309 | 167,131 | 6.1% |
| **NJ, Trenton** | 3.3% | $2,108 | $236,089 | 1,231 | 20,496 | 6.0% |
| **NJ, Vineland** | 3.4% | $1,324 | $101,848 | 0 | 3,182 | 7.0% |
| **NV, Reno** | 8.7% | $1,574 | $229,595 | 1,450 | 46,101 | 5.2% |
| **NY, Long Island** | 5.7% | $2,876 | $340,661 | 1,372 | 58,599 | 5.2% |
| **NY, New York** * | 2.6% | $3,171 | $373,532 | 64,784 | 1,560,985 | 5.3% |
| **OH, Cincinnati** | 7.1% | $1,258 | $101,860 | 4,639 | 142,245 | 7.8% |
| **OH, Cleveland** | 8.4% | $1,187 | $82,517 | 3,299 | 135,808 | 8.9% |
| **OH, Columbus** | 7.8% | $1,305 | $126,227 | 8,790 | 214,583 | 6.9% |
| **ON, Toronto** ** | 1.8% | $1,664 | $270,988 | 26,165 | 407,517 | 3.9% |
| **PA, Harrisburg** | 6.0% | $1,338 | $122,313 | 1,295 | 32,499 | 7.0% |
| **PA, Lehigh Valley** * | 3.7% | $1,648 | $148,379 | 584 | 35,466 | 7.1% |
| **PA, Philadelphia** * | 7.1% | $1,760 | $198,663 | 14,300 | 364,224 | 6.2% |
| **PA, Pittsburgh** | 6.0% | $1,339 | $125,205 | 1,764 | 105,113 | 8.0% |
| **SC, Charleston** | 9.7% | $1,781 | $216,091 | 5,427 | 69,716 | 5.3% |
| **SC, Greenville** | 11.4% | $1,355 | $166,835 | 1,658 | 54,450 | 5.9% |
| **SC, Spartanburg** | 15.5% | $1,260 | $142,337 | 843 | 16,188 | 5.8% |
| **TN, Nashville** | 11.9% | $1,673 | $233,609 | 15,268 | 172,744 | 5.5% |
| **TX, Dallas-Fort Worth** | 10.8% | $1,534 | $176,461 | 44,203 | 879,154 | 5.7% |
| **TX, Houston** | 11.3% | $1,343 | $144,570 | 19,918 | 716,227 | 6.5% |
| **WA, Seattle** | 6.8% | $2,042 | $370,615 | 20,562 | 388,659 | 4.8% |
| **WI, Madison** | 4.0% | $1,546 | $159,772 | 2,521 | 74,183 | 6.5% |
| **United States Index** | 7.8% | $1,710 | $225,427 | 818,152 | 19,861,871 | 6.0% |
| **Canada Index** | 2.0% | $1,531 CAD | $257,932 CAD | 65,387 | 941,036 | 4.1% |

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*** Numbers shown are in Canadian dollars (CAD)*

# Q2 2024
## BAKERSFIELD, CA

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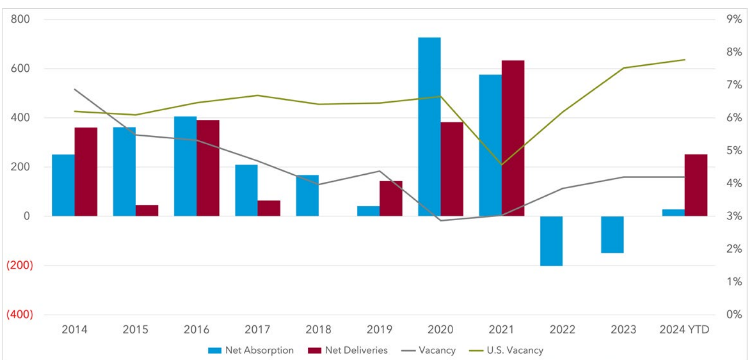
## MULTIFAMILY MARKET OVERVIEW

VALI NEMETZ, *Broker Associate*

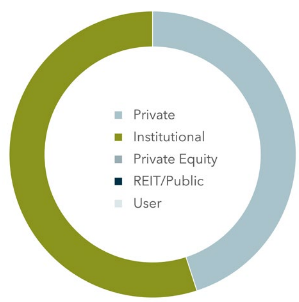
Bakersfield is primarily a single-family housing market with average prices under $400,000. There are large apartment communities near downtown. Midsize communities are scattered across Ridgecrest, Delano and Tehachapi. Asking monthly rents average $1,330, making it one of California's most affordable markets. Growth has slowed in the past two years. Last year net absorption dropped to 76 units with workforce housing seeing a net loss of 91 units due to increased affordable housing options. The low 4.3% vacancy rate is due to limited development. Only 470 units have been added over the past three years.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Absorption Units | 75 | (96) | (149) | (71) | (104) |
| ▲ | Vacancy Rate | 4.3% | 4.1% | 4.2% | 3.8% | 3.7% |
| ▲ | Asking Rent/Unit ($) | $1,332 | $1,325 | $1,313 | $1,315 | $1,278 |
| ▼ | Under Construction Units | 179 | 379 | - | - | 5 |
| ▲ | Inventory Units | 26,170 | 25,970 | 24,785 | 24,958 | 24,704 |

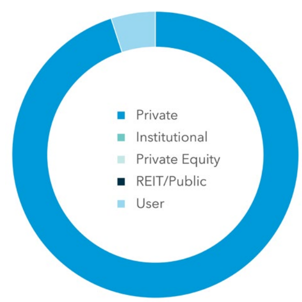
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 3619 M Street<br>Bakersfield, CA | $837,500<br>$52,344 Per Unit | 16 | Sumner 17 LP<br>Dumlao MagawayManagement Svcs LLC |
| 214 Beardsley Avenue<br>Bakersfield, CA | $1,380,000<br>$106,154 Per Unit | 13 | Mitchell Ho Ming Felton<br>Orange Donkey, Inc. |
| 2804 N Chester Avenue<br>Bakersfield, CA | $1,280,000<br>$106,667 Per Unit | 12 | Rabco Investors LLC<br>Leaf Village LLC |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Daljinder S. Chauhan | $8,500,000 |
| SimonCRE | $6,039,000 |
| Chase Partners, Ltd | $5,841,000 |
| Modiv Indistrial, Inc. | $4,086,087 |
| Gregory G. Wahl Trust | $3,400,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Graceada Partners | $30,100,000 |
| Michael Diep | $3,800,000 |
| Golden Management | $2,342,500 |
| Jeff Liu | $2,000,000 |
| Venaniao Diaz Cirilo Diaz | $1,950,000 |

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# Q2 2024
## EAST BAY, CA

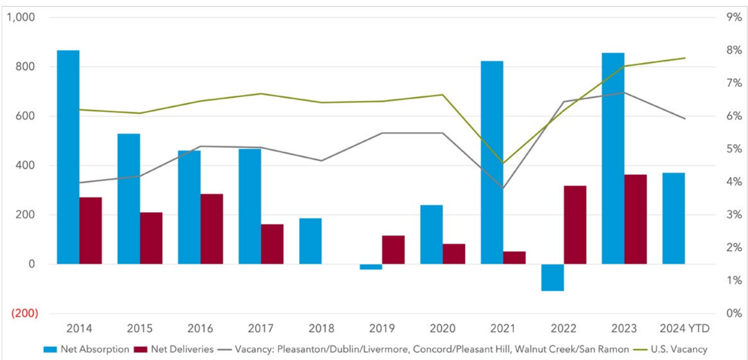
## MULTIFAMILY MARKET OVERVIEW

NITA DENHOY, *Principal*

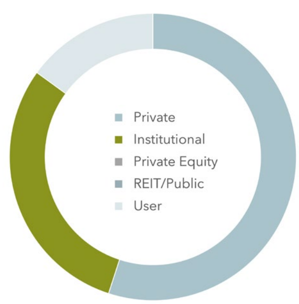
In the second quarter of 2024, the multifamily market saw a 12-month absorption decrease to 832 units, down from 1,049 in the previous quarter. The vacancy rate rose from 5.9% to 6.3%, suggesting tighter market conditions. Asking rents increased slightly to $2,509.26 per unit. Construction has begun to pick up with 1,046 units underway, reflecting renewed confidence in market growth. Furthermore, the overall inventory expanded to 42,224 units. High-value transactions such as the $98.85 million sale in Walnut Creek reflect continued investor engagement in a market adjusting to economic conditions.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Absorption Units | 832 | 1,049 | 857 | 450 | 182 |
| ▼ Vacancy Rate | 5.9% | 6.3% | 6.7% | 6.2% | 6.8% |
| ▲ Asking Rent/Unit ($) | $2,509.26 | $2,489.43 | $2,456.81 | $2,459.63 | $2,486.92 |
| ▲ Under Construction Units | 1,046 | 741 | 741 | 1,248 | 867 |
| ▲ Inventory Units | 42,224 | 41,557 | 41,557 | 41,050 | 41,050 |

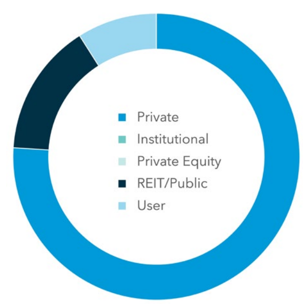
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 81 Mayhew Way<br>Walnut Creek, CA | $98,850,000<br>$236,483 Per Unit | 418 | Bridge Investment Group<br>WGID Enterprises, Inc. |
| 1380 N. California Boulevard<br>Walnut Creek, CA | $57,000,000<br>$740,260 Per Unit | 77 | Hines<br>Encore Capital Management |
| 6599 Dublin Boulevard<br>Dublin, CA | $46,000,000<br>$353,846 Per Unit | 130 | Cityview<br>Gabriel Chu |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Prometheus Real Estate Group, Inc. | $57,956,500 |
| Encore Capital Management | $57,000,000 |
| Gabriel Chu | $46,000,000 |
| GID Investment Advisors LLC | $35,500,000 |
| Elias Commercial Enterprises | $9,150,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Granite Capital Group Inc. | $57,956,500 |
| Hines | $57,000,000 |
| Cityview | $46,000,000 |
| Marcus & Millichap | $35,500,000 |
| Kevin J. Schaefer | $9,150,000 |

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# Q2 2024
## FRESNO, CA

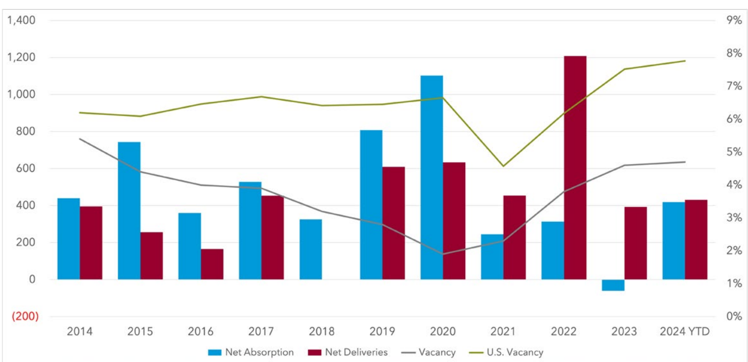
## MULTIFAMILY MARKET OVERVIEW

VALI NEMETZ, *Broker Associate*

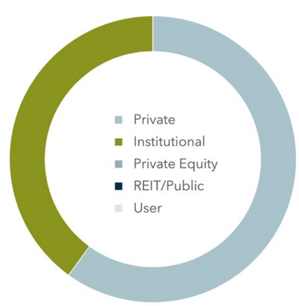
Fresno stands out as one of California's most affordable markets. The 4.7% vacancy rate is up 60 basis points year over year and the highest since 2015. This is due to new deliveries outpacing net absorption with 780 units added and only 420 units absorbed in the last 18 months. Rent growth has slowed, rising only 2.3% year over year, a sharp decline from the 12.2% peak in Q3 2021. Concessions are increasing and additional supply is expected in the second half of 2024, which may further increase the vacancy rate.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 418 | 92 | (60) | (151) | (166) |
| ▲ Vacancy Rate | 4.7% | 4.5% | 4.6% | 4.1% | 4.1% |
| ▲ Asking Rent/Unit ($) | $1,416 | $1,401 | $1,389 | $1,390 | $1,384 |
| ▼ Under Construction Units | 138 | 569 | 569 | 923 | 923 |
| ▲ Inventory Units | 56,435 | 56,004 | 56,004 | 55,650 | 55,650 |

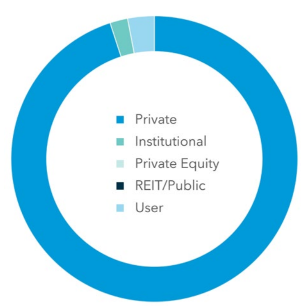
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1030-1040 S. 8th Street<br>Fresno, CA | $2,254,000<br>$102,455 Per Unit | 22 | Undisclosed<br>Leland B. Evans |
| 5444 N. Maroa Avenue<br>Fresno, CA | $2,250,000<br>$173,077 Per Unit | 13 | Brown & Worden Properties<br>Foothill Health Services, Inc. |
| 1611 W. Shields Avenue<br>Fresno, CA | $1,360,000<br>$113,333 Per Unit | 12 | Linden D. Abbott Family Trust<br>Gardner Living Trust |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| 11 Capital LLC | $30,000,000 |
| David H. Hussain Revocable Trust | $4,695,000 |
| Mariah M. Qian | $3,300,000 |
| Hussian Family Trust | $2,850,000 |
| Evans Leland B. | $2,254,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Graceada Partners | $30,000,000 |
| Mathew Radmanesh | $6,897,000 |
| Esmeraldo & Antonia Esposo | $4,695,000 |
| Francisco & Kelley Sanchez Trust | $3,300,000 |
| Susan Horner Living Trust | $2,850,000 |

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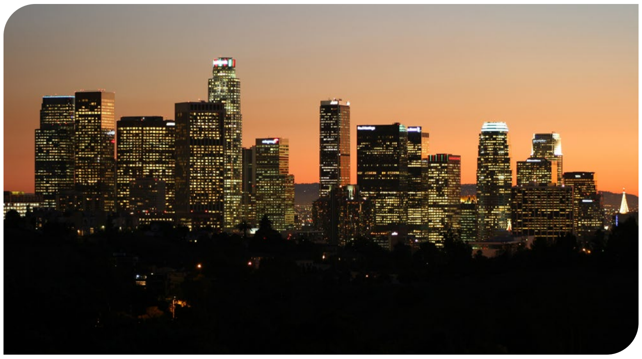
# Q2 2024
## LOS ANGELES, CA



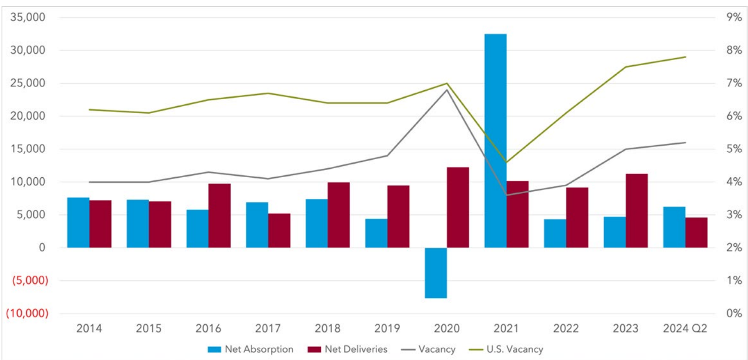
## MULTIFAMILY MARKET OVERVIEW

WARREN BERZACK, *National Director of Multifamily*

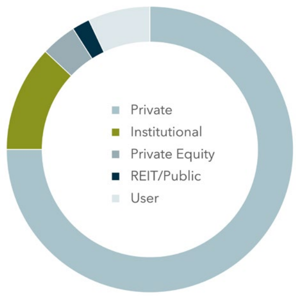
Los Angeles apartment market has had its challenges: Less-than-average renter demand during the past 12 months, writers' strikes, outmigration, and economic uncertainty further weakened renter activity in 2023. Also, there were 9,200 units completed. However, renter activity has improved since the second half of last year, with vacancy holding in a narrower range, around 5%. Higher-income renters seeking top-tier apartments have been the most significant drivers of activity. As a result of improved demand, asking rents, presently $2,260 per month, have bottomed and gains may resume this year.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Absorption Units | 4,681 | 4,747 | 4,944 | 883 | 3,134 |
| ▲ Vacancy Rate | 5.1% | 5.0% | 4.8% | 4.9% | 4.3% |
| ▲ Asking Rent/Unit ($) | $2,241 | $2,223 | $2,230 | $2,577 | $2,211 |
| ▼ Under Construction Units | 23,174 | 23,788 | 23,351 | 23,479 | 26,910 |
| ▲ Inventory Units | 1,031,238 | 1,021,626 | 1,017,488 | 1,013,023 | 1,008,705 |

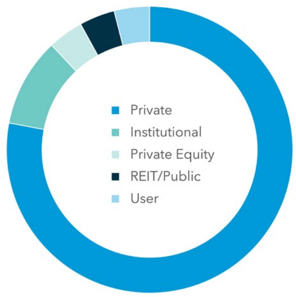
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1050 Frederick Street*<br>Venice, CA | $10,000,000,000.00 | 795 | Blackstone<br>Apartment Income REIT |
| 5758 Las Virgenes Canyon*<br>Calabasas, CA | | 698 | Blackstone<br>Apartment Income REIT |
| 348 S. Hauser Boulevard*<br>Los Angeles, CA | | 611 | Blackstone<br>Apartment Income REIT |

**Part of a 78-Property Portfolio Sale*

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| CIM Group LP | $188,000,000 |
| Franklin Templeton | $150,000,000 |
| Equity Residential | $110,000,000 |
| NMS Properties | $79,000,000 |
| Stockbridge Capital Group LLC | $73,000,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Blackstone | $10,000,000,000,000 |
| FPA Multifamily LLC | $265,000,000 |
| DivCore | $125,000,000 |
| IMT Residential | $110,000,000 |
| Abacus Capital Group | $70,000,000 |

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## LA - SAN GABRIEL VALLEY, CA

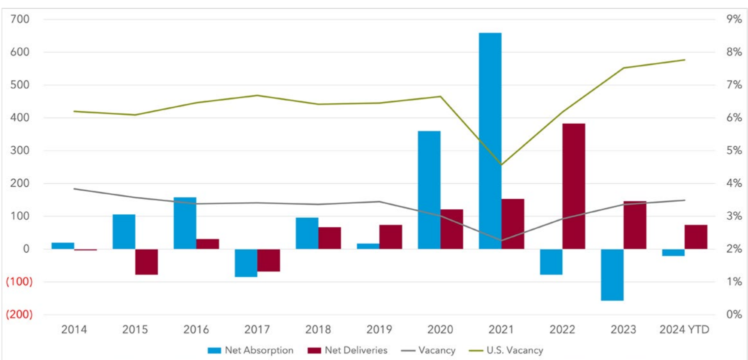
## MULTIFAMILY MARKET OVERVIEW

ROBERT LEVEEN, *Senior Vice President*

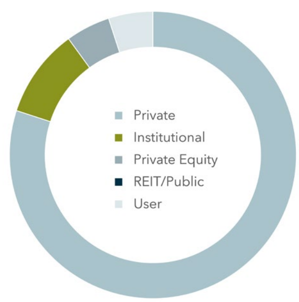
As of this writing the 10 Year Treasury Note is 4.286% a decrease of 12BPS from the last report. The most recent jobs report was slightly higher than expected. The hope over the last several months has been with less job formation, the economy is cooling, thus better chances for the Fed to cut interest rates. The looming local issue is the "Justice for Renters Act" on the statewide November ballot which would repeal Costa-Hawkins and open the door for municipalities to impose highly restrictive rent control ordinances. Therefore, many investors are going to sit out the market until after the election to see how it shakes out.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 50 | 24 | 0 | 130 | 120 |
| ▲ Vacancy Rate | 4.1% | 3.6% | 3.7% | 3.5% | 3.7% |
| ▲ Asking Rent/Unit ($) | $1,944 | $1,910 | $1,887 | $1,880 | $1,873 |
| ▼ Under Construction Units | 2,703 | 2,914 | 2,529 | 2,626 | 2,029 |
| ▲ Inventory Units | 75,332 | 73,270 | 72,831 | 72,761 | 72,761 |

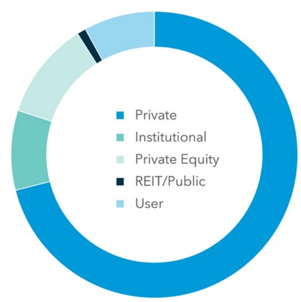
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 3106 N. Garey Avenue<br>Pomona, CA | $9,900,000<br>$225,000 Per Unit | 44 | Samantha Kaura<br>Amelian Kot & Family Trust |
| 2629 Gage Avenue<br>El Monte, CA | $6,800,000<br>$234,483 Per Unit | 29 | Golden Management<br>Janelle Kerber |
| 450 E. Live Oak Avenue<br>Arcadia, CA | $7,500,000<br>$214,286 Per Unit | 35 | Ambitus Partners<br>Nichola & Diane Brown |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Benedict Canyon Equities, Inc. | $231,625,000 |
| Positive Investments, Inc. | $187,418,000 |
| Sares-Regis Group | $122,400,000 |
| Azusa Pacific University | $95,750,000 |
| Legacy Partners | $92,000,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Positive Investments, Inc. | $587,504,021 |
| Franklin Templeton | $187,800,000 |
| Benedict Canyon Equities, Inc. | $144,050,000 |
| Sirott Investments | $136,700,000 |
| Fairmont Management Company | $134,125,000 |

# Q2 2024
## LA - TRI-CITIES, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

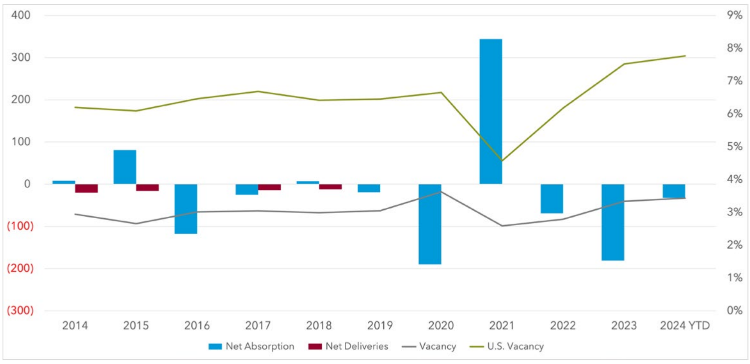
## MULTIFAMILY MARKET OVERVIEW

ROBERT LEVEEN, *Senior Vice President*

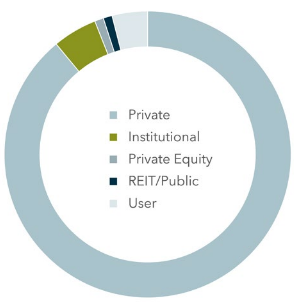
As of this writing the 10 Year Treasury Note is 4.286% a decrease of 12BPS from the last report. The most recent jobs report was slightly higher than expected. The hope over the last several months has been with less job formation, the economy is cooling, thus better chances for the Fed to cut interest rates. The looming local issue is the "Justice for Renters Act" on the statewide November ballot which would repeal Costa-Hawkins and open the door for municipalities to impose highly restrictive rent control ordinances. Therefore, many investors are going to sit out the market until after the election to see how it shakes out.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Absorption Units | 214 | 54 | 6 | 400 | 44 |
| ▼ | Vacancy Rate | 4.0% | 4.1% | 3.6% | 3.5% | 3.8% |
| ▲ | Asking Rent/Unit ($) | $2,461 | $2,447 | $2,407 | $2,414 | $2,414.00 |
| ▲ | Under Construction Units | 1,546 | 1,543 | 1,484 | 1,362 | 1,657 |
| ▲ | Inventory Units | 59,384 | 58,954 | 58,419 | 58,028 | 57,571 |

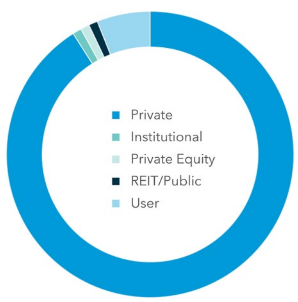
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 130 W. Mountain Street<br>Glendale, CA | $8,575,000<br>$408,333 Per Unit | 21 | The Geraldine O'Sullivan 2009 Trust<br>Zarik Megerdichian |
| 174 Mar Vista Avenue<br>Pasadena, CA | $2,674,000<br>$222,833 Per Unit | 12 | Undisclosed<br>Michael H. Saperstein Trust |
| 437 Chester Avenue<br>Pasadena, CA | $5,130,000<br>$301,765 Per Unit | 17 | Albert Navi<br>Geotech Development Corporation |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Peter M. Fertig | $15,175,000 |
| Zarik Megerdichian | $8,575,000 |
| Robert W. Turner | $7,710,000 |
| David J. Meissner | $6,900,000 |
| Diana Duenas | $6,100,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Pink Tillman | $9,800,000 |
| The Geraldine O'Sullivan 2009 Trust | $8,575,000 |
| Varant & Sevan Markarian | $7,710,000 |
| Ibrahim Safar | $6,900,000 |
| Vana Mehrabian | $6,100,000 |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## SAN DIEGO NORTH COUNTY, CA

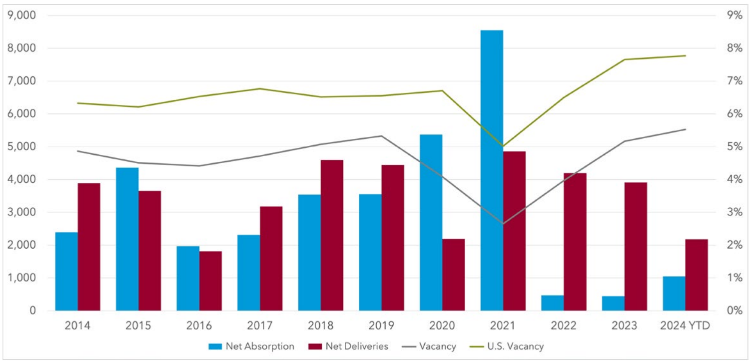
## MULTIFAMILY MARKET OVERVIEW

LEO LAGRIMAS, III, *Associate*

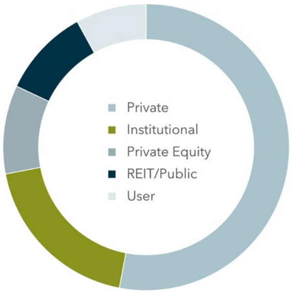
The current average cap rate in San Diego County's multifamily sector is 4.62%. This rate has remained consistent over the past three quarters and has increased by 0.22% over the past year. In addition, the average market asking rents have risen from $2,440 in Q1 2024 to $2,459 this quarter, nearly reaching the record high of $2,462 set in Q2 2023. The average market sale price per unit for Q2 2024 is $389,419, an increase from $387,077 last quarter. However, this is a 4.10% decrease from the $406,225 average a year ago. Furthermore, vacancy rates increased from 5.1% in Q1 2024 to 5.5% in Q2 2024, marking the highest rate since Q1 2010 in San Diego County.

| | MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Absorption Units | 232 | 70 | 442 | 828 | 503 |
| ▲ | Vacancy Rate | 5.5% | 5.1% | 5.2% | 4.3% | 3.9% |
| ▲ | Asking Rent/Unit ($) | $2,459 | $2,440 | $2,412 | $2,441 | $2,462 |
| ▼ | Under Construction Units | 8,309 | 9,235 | 8,810 | 8,539 | 8,378 |
| ▲ | Inventory Units | 280,292 | 278,354 | 278,113 | 276,595 | 275,237 |

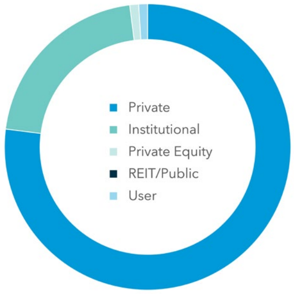
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 162-70 W. Seaward Avenue<br>San Ysidro, CA | $28,050,000<br>$233,750 Per Unit | 120 | PI Prop No 24 LLC & 610 Inv 23 10 LLC<br>Seaward Ltd |
| 3810 Winona Avenue<br>San Diego, CA | $12,000,000<br>$176,471 Per Unit | 68 | Winona Avenue Housing Associates LP<br>Winona Gardens Housing Associates LP |
| 1019 Imperial Beach Boulevard<br>Imperial Beach, CA | $12,750,000<br>$240,566 Per Unit | 53 | DMJ Equity 1 LLC<br>McCall, Robin Dale; The Perez McCall Family Tr |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Lennar | $245,645,982 |
| AEW Capital Management | $212,141,374 |
| JPMorgan Chase & Co. | $203,000,000 |
| MG Properties | $174,000,000 |
| The Premiere Residential Communities | $165,500,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Marcus & Millichap | $247,500,000 |
| Kohlberg Kravis Roberts & Co. LP | $245,645,982 |
| Essex Property Trust, Inc. | $212,141,374 |
| Church of Jesus Christ Latter-Day Saints | $203,000,000 |
| MIG Capital | $174,000,000 |

# Q2 2024
# SAN FRANCISCO, CA

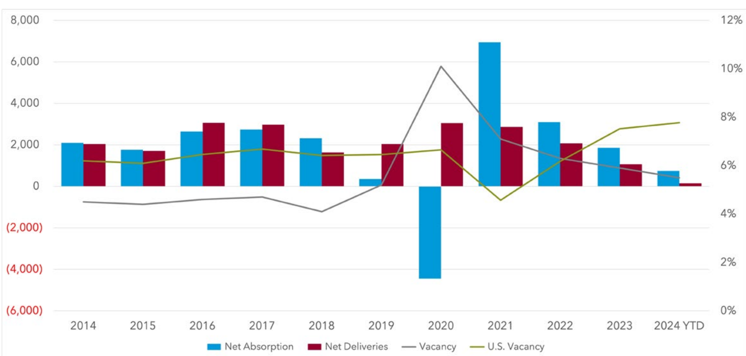
## MULTIFAMILY MARKET OVERVIEW

RYAN ABEL, *Vice President*

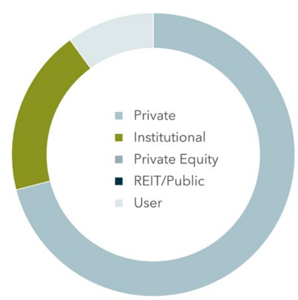
Q2 of 2024 showed continued improvement in vacancy rates. Net absorptions slowly increased, yet market sales by volume have still remained slow. Asking rents have remained the same as Q1of 2024, with little expectation of rents increasing throughout the year. The environment in the last 12 months of institutional investor portfolios defaulting on underperforming loans continued into the 2nd quarter, while default in the private sector still remains low in comparison. The rate of construction still remains below the rates prior to 2022, even with legislation passed in 2023 to expedite permits and entitlement, which reflects the rates of new construction throughout the city. Given the federal stance on interest rates we expect this to continue throughout the year.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Absorption Units | 1,497 | 1,853 | 1,898 | 2,100 | 2,472 |
| ◄ ► Vacancy Rate | 5.5% | 5.5% | 5.9% | 6.3% | 5.9% |
| ▼ Asking Rent/Unit ($) | $2,856 | $2,880 | $2,838 | $2,875 | $2,908 |
| ▲ Under Construction Units | 2,131 | 2,130 | 2,130 | 1,307 | 1,021 |
| ◄ ► Inventory Units | 159,239 | 159,239 | 159,239 | 159,024 | 158,548 |

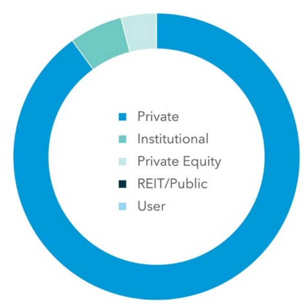
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1257 Bush Street<br>San Francisco, CA | $5,900,000<br>$168,571 Per Unit | 35 | Swift Real Estate Partners<br>Epp Properties |
| 395 Euclid Avenue<br>San Francisco, CA | $5,675,000<br>$315,278 Per Unit | 18 | Skyline Pacific Properties LLC<br>Hubert Hing Chung Tsang |
| 1840 Sacramento Street<br>San Francisco, CA | $5,200,000<br>$325,000 Per Unit | 16 | American Realty & Construction<br>Epp Properties |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Veritas Investments, Inc. | $92,348,035 |
| Z & L Properties | $92,062,286 |
| Elizabeth Liu | $27,150,000 |
| Avidbank | $14,000,000 |
| Mosser Companies | $11,165,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Steve Pyo & Ellen Hong | $92,062,286 |
| Brookfield Corporation | $77,250,000 |
| City and County of San Francisco | $27,150,000 |
| Anchor Pacific Capital, Inc. | $18,000,000 |
| Hadad Enterprises, Inc. | $14,000,000 |

# Q2 2024
## SAN LUIS OBISPO, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

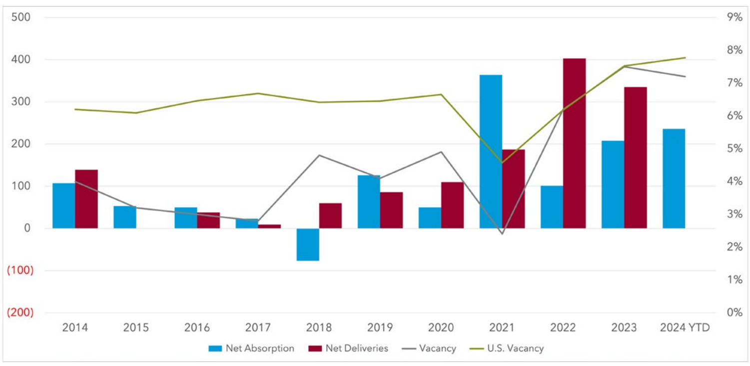
## MULTIFAMILY MARKET OVERVIEW

VALI NEMETZ, *Broker Associate*

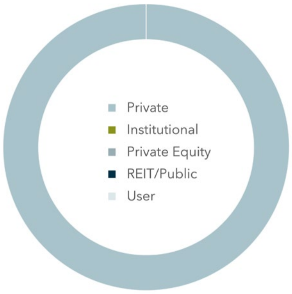
San Luis Obispo offers a mild climate, a strong university system with more than 20,000 students, an outdoor lifestyle along the Central Coast and a vibrant cultural backdrop. Net absorption in the past 12 months has reached 240 units, significantly more than the 10-year average of 99 units. Vacancy is greatest in the North SLO submarket. South SLO, with its a lower vacancy rate, has outperformed the market over the past 12 months. Rents have increased by 0.3% YOY, less than pre-COVID levels. Approximately 330 units are in the pipeline.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 247 | 174 | 208 | 42 | (35) |
| ▼ Vacancy Rate | 7.2% | 7.9% | 7.5% | 9.1% | 7.8% |
| ▲ Asking Rent/Unit ($) | $2,103 | $2,070 | $2,089 | $2,079 | $2,091 |
| ◄ ► Under Construction Units | 328 | 328 | 18 | - | 215 |
| ◄ ► Inventory Units | 8,090 | 8,090 | 7,901 | 7,901 | 7,901 |

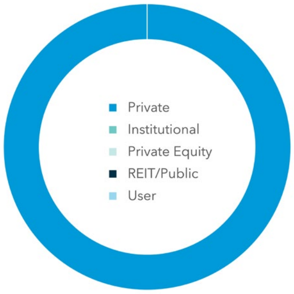
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 544 Pacific Street<br>San Luis Obispo, CA | $5,350,000<br>$222,917 Per Unit | 24 | Alison Oberti Aurignac<br>Gifford Family Trust |
| 3362 Rockview Place<br>San Luis Obispo, CA | $7,700,000<br>$366,667 Per Unit | 21 | Joseph P. Collins<br>Quaglino Properties |
| 1580 13th Street<br>Oceano, CA | $2,650,000<br>$203,846 Per Unit | 13 | 1580 13th St. LLC<br>Claretta Terrace Limited Partnership |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Quaglino Properties | $7,700,000 |
| Karen M. Gifford | $5,350,000 |
| James E. O'Blenis | $4,275,000 |
| The Asa Drexler Living Trust | $4,150,000 |
| Wilson-Murrell Investments | $2,500,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Joseph P. Collins | $7,700,000 |
| James Knapp | $4,275,000 |
| Rakesh & Manisha Panchal | $4,150,000 |
| Craig Silveira | $2,500,000 |
| Fred E. Kelley | $1,800,000 |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## SANTA BARBARA, CA

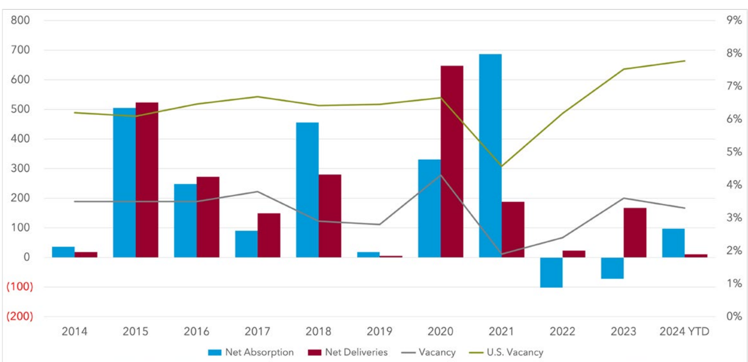
## MULTIFAMILY MARKET OVERVIEW

STEPHEN LEIDER, *Broker Associate*

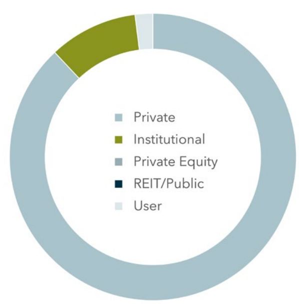
Demand in the second quarter was the most since 2021. The vacancy rate is currently 3.3%, slightly below the long-term average of 3.5%. Luxury segment vacancies are higher at 7.4% due to new inventory delivered late last year. The overall vacancy rate is expected to stay stable, given limited inventory growth and modest demand. Rents have increased by 2.7% year over year, compared to 1.1% nationally, with the strongest growth in Santa Maria. Renters have become more price-conscious, limiting landlords' ability to raise rents aggressively. Over the past decade, around 2,300 units have been added to the inventory.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 102 | (11) | (72) | (133) | (144) |
| ▼ Vacancy Rate | 3.3% | 3.6% | 3.6% | 2.8% | 2.9% |
| ▲ Asking Rent/Unit ($) | $2,451 | $2,417 | $2,399 | $2,398 | $2,378 |
| ▼ Under Construction Units | 78 | 89 | 89 | 178 | 178 |
| ◄ ► Inventory Units | 20,887 | 20,887 | 20,709 | 20,709 | 20,709 |

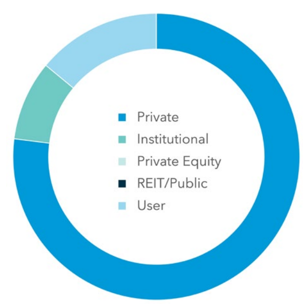
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 6384 El Greco Road<br>Goleta, CA | $7,085,000<br>$354,250 Per Unit | 20 | Isla Vista Greco Property Owner LLC<br>Paul B. Shults |
| 1514-1520 Garden Street<br>Santa Barbara, CA | $7,250,000<br>$329s,545 Per Unit | 22 | Mercer Advisors, Inc.<br>Lee & Associates |
| 408 W. Pedregosa Street<br>Santa Barbara, CA | $2,580,000<br>$430,000 Per Unit | 6 | Tony & Patty Hwang<br>Hickey Brothers Land Co., Inc. |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Mitsui & Co., Ltd. | $113,500,000 |
| Shan Goldman | $16,800,000 |
| Lee & Associates | $14,500,000 |
| Louis Ventura | $11,250,000 |
| Jeffrey L. Anastas | $9,350,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Afton Properties | $113,500,000 |
| The Koto Group | $16,800,000 |
| Mercer Advisors | $14,500,000 |
| Dario Pini | $11,750,000 |
| John A. Warkentin | $11,250,000 |

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# Q2 2024
## FORT MYERS, FL

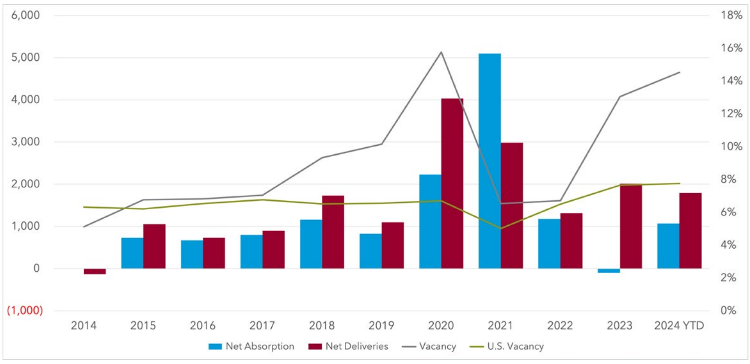
## MULTIFAMILY MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

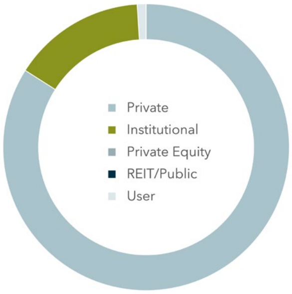
Population growth supported strong overall demand even as occupancy fell. Net absorption surged year-over-year by almost 500%. The construction wave continued in the Fort Myers metro. Multifamily development was strong with most of the activity in the Cape Coral submarket of Lee County. The largest community delivered at midyear was 444 units at The Hadley in Cape Coral, a Latigo Group ("TLG") property managed by Greystar. There's potential for nearly 10,000 more units to be added to market inventory in the next three years. We expect annual rent growth to continue to moderate into the next year as Fort Myers renters are provided with more options.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 1,403 | 419 | (102) | 200 | 234 |
| ▲ Vacancy Rate | 14.6% | 12.8% | 13.1% | 10.3% | 9.5% |
| ▼ Asking Rent/Unit ($) | $1,829.65 | $1,860.20 | $1,886.94 | $1,904.54 | $1,923.26 |
| ▼ Under Construction Units | 7,548 | 8,036 | 7,441 | 7,997 | 7,448 |
| ▲ Inventory Units | 32,998 | 31,485 | 31,205 | 29,985 | 29,589 |

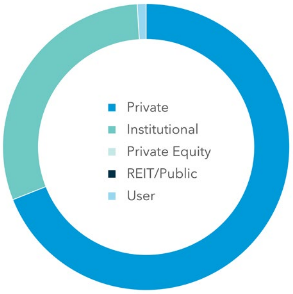
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1801 Brantley Road<br>Fort Myers, FL | $57,000,000<br>$192,568 Per Unit | 296 | Interface Properties<br>Inland Private Capital Corporation |
| 1906-1924 Golfview Avenue<br>Fort Myers, FL | $2,100,000<br>$140,000 Per Unit | 15 | Golf View 2024 LLC<br>Texas Hold'em LLC |
| 4702 Skyline Boulevard<br>Cape Coral, FL | $2,000,000<br>$200,000 Per Unit | 10 | 4704 Skyline BLV LLC<br>Decanes Equity LLC |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| ApexOne Investment Partners | $81,250,000 |
| BLD Construction | $72,185,528 |
| Inland Real Estate Group of Companies, Inc. | $57,000,000 |
| InvestRes | $56,000,000 |
| DRA Advisors | $33,083,333 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Grant Cardone | $155,250,000 |
| The Embassy Group LLC | $81,250,000 |
| Interface Properties | $57,000,000 |
| JSB Capital Group LLC | $36,092,764 |
| BLD Construction | $36,092,764 |

# Q2 2024

## NAPLES, FL

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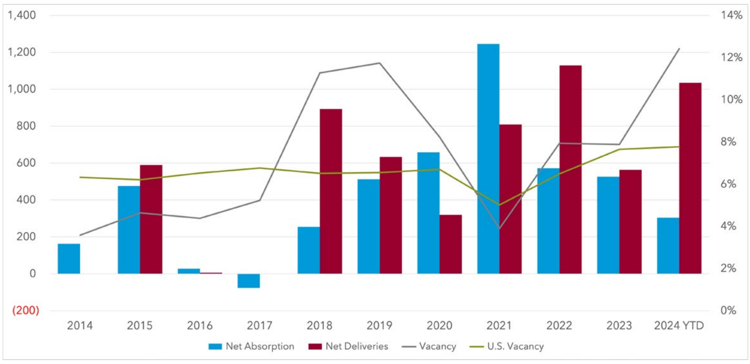
## MULTIFAMILY MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

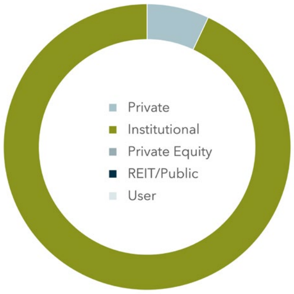
Overall market vacancy rose 170 basis points year-over-year to 12.5%. As new supply delivered, landlords offered more concessions to stay competitive. More than 1,200 units were delivered in the first half of the year. The largest delivery in 2024 was 434 units at the Richman Signature Property, Everly, in the Golden Gate submarket of Naples. Asset values have slowly decreased as rent growth declined over the past year. Twelve-month sales volume dramatically declined. Average market rent stabilized as new deliveries continued to outpace demand for another consecutive quarter. We may see rent growth continue to soften through the rest of the year until new inventory is absorbed.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 688 | 530 | 527 | 551 | 734 |
| ▲ Vacancy Rate | 12.5% | 11.3% | 7.9% | 9.9% | 10.8% |
| ▼ Asking Rent/Unit ($) | $2,294.99 | $2,363.31 | $2,386.01 | $2,379.72 | $2,365.70 |
| ▼ Under Construction Units | 1,636 | 1,947 | 2,543 | 1,792 | 1,576 |
| ▲ Inventory Units | 14,287 | 13,976 | 13,252 | 13,252 | 13,252 |

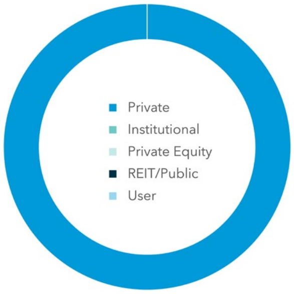
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 3034 County Barn Road<br>Naples, FL | Undisclosed | 47 | Shoreham Capital/Sabal Inv Holdings<br>Toll Brothers |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| D.R. Horton | $42,228,000 |
| Daniel Davies | $2,080,000 |
| Stephen S. West | $1,300,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Pretium Partners LLC | $42,228,000 |
| Christopher Costanza | $2,080,000 |
| Michael Whalen | $1,300,000 |

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# Q2 2024
# SOUTH FLORIDA, FL

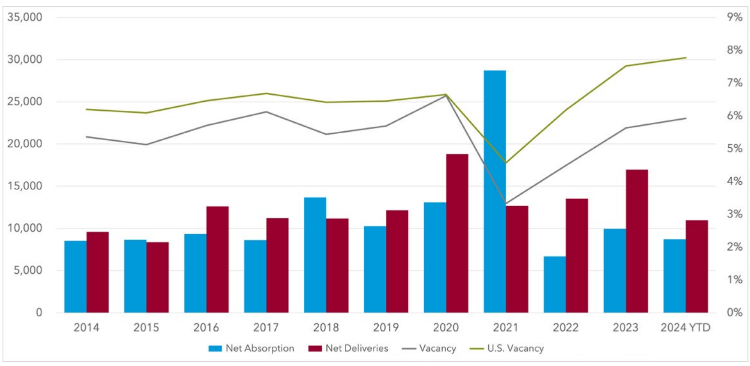
## MULTIFAMILY MARKET OVERVIEW

TODD COHEN, *Principal*

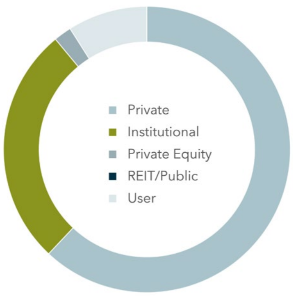
South Florida's multifamily sector continues to outperform most other asset classes and geographical markets despite signs of slowing as we enter Q3 2024. Net absorption runs parallel with net deliveries, healthier than the past two years despite both metrics slowing year-over-year. Vacancy rates inch up slowly, but remain lower than the national average. Rental rates and growth remain strong, sales numbers are still setting records, and demand for renting stays high as new home costs remain untenable for most buyers. Additional affordable housing is needed more than ever, with municipalities and developers pushing to meet demand. Major new developments are greenlighted weekly across all three South Florida counties, a trend showing no signs of slowing.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 14,890 | 13,072 | 9,960 | 9,324 | 7,471 |
| ▲ Vacancy Rate | 5.9% | 5.7% | 5.6% | 5.6% | 5.5% |
| ▲ Asking Rent/Unit ($) | $2,173 | $2,170 | $2,147 | $2,139 | $2,141 |
| ▲ Under Construction Units | 45,762 | 44,904 | 46,928 | 46,791 | 47,729 |
| ▲ Inventory Units | 562,492 | 557,020 | 551,535 | 547,824 | 544,069 |

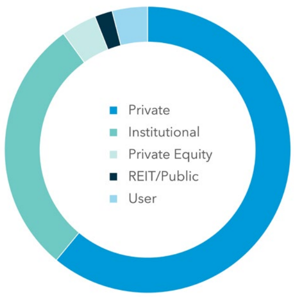
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 225 S. Dixie Highway<br>Coral Gables, FL | $344,993,707<br>$696,957 Per Unit | 495 | Hines Global Income Trust, Inc.<br>Nolan Reynolds International |
| 2828 NW 1st Avenue<br>Miami, FL | $135,000,000<br>$544,355 Per Unit | 248 | Berkshire<br>Related Group |
| 255 SW 11th Street<br>Miami, FL | $184,500,000<br>$495,968 Per Unit | 372 | Harbor Group International LLC<br>Clarion Partners |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Prudential | $248,522,095 |
| The Carlyle Group | $130,750,000 |
| Related Development LLC | $122,000,000 |
| AEW Capital Management | $121,000,000 |
| The Related Companies | $100,000,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Brookfield Corporation | $378,645,980 |
| Pantzer Properties | $222,750,000 |
| Stockbridge Capital Group LLC | $156,000,000 |
| Greystar Real Estate Partners | $148,278,000 |
| Ares Management Corp | $139,687,600 |

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# Q2 2024
## ATLANTA, GA

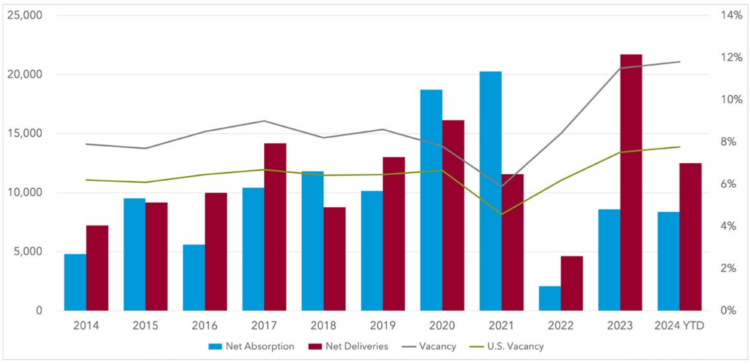
## MULTIFAMILY MARKET OVERVIEW

KATE HUNT, *Senior Research Analyst*

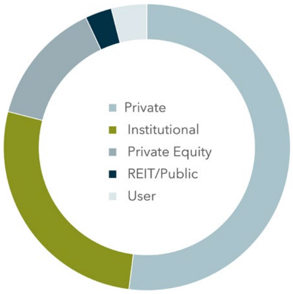
Demand has returned to Atlanta's multifamily market, but the sector is now grappling with elevated vacancy rates following a record influx of new supply. Over the past few years, multifamily vacancy in Atlanta has surged, climbing from 5.9% in 2021 to the current 11.8%. This increase has also led to a softening of area rents. Looking ahead, overall vacancy in the Atlanta market is expected to remain above the 10-year average for the next several years as the pace of new unit deliveries slows and the buildings lease up.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Absorption Units | 12,342 | 10,116 | 8,586 | 4,332 | 3,583 |
| ▲ | Vacancy Rate | 11.8% | 11.7% | 11.5% | 10.5% | 10.3% |
| ▲ | Asking Rent/Unit ($) | $1,611 | $1,600 | $1,582 | $1,605 | $1,599 |
| ▼ | Under Construction Units | 29,736 | 35,356 | 34,534 | 35,997 | 40,022 |
| ▲ | Inventory Units | 572,514 | 563,868 | 556,179 | 550,339 | 588,392 |

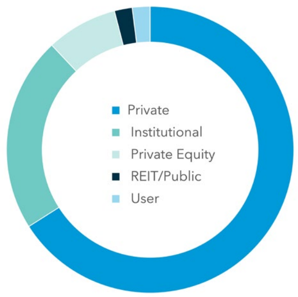
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1500 Westshore Drive<br>Cumming, GA | $118,500,000<br>$327,348 Per Unit | 362 | Weinstein Properties<br>Atlantic Residential |
| 1265 Mount Vernon Highway<br>Atlanta, GA | $102,500,000<br>$248,786 Per Unit | 412 | Pacific Urban Investors LLC<br>New York Life Insurance Company |
| 2110 Preston Park Drive<br>Duluth, GA | $97,000,000<br>$220,455 Per Unit | 440 | Greystar Real Estate Partners<br>Cortland |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| TPA Group LLC | $414,050,087 |
| Atlantic Residential | $207,625,000 |
| The Carlyle Group | $185,384,832 |
| Starwood Capital Group | $162,899,380 |
| GoldOller Real Estate Investments | $162,625,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Weinstein Properties | $444,529,900 |
| Ares Management Corp | $216,963,305 |
| Equity Residential | $191,000,000 |
| Hilltop Residential | $177,750,000 |
| Stockbridge Capital Group LLC | $151,920,477 |

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# Q2 2024
## CHARLOTTE, NC

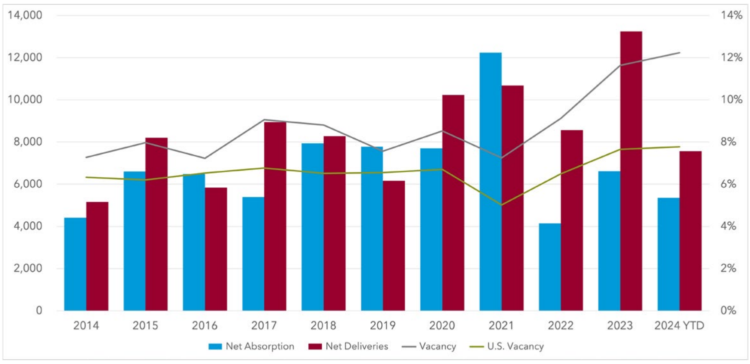
## MULTIFAMILY MARKET OVERVIEW

FRANK GYORODY *Senior Vice President, Principal*

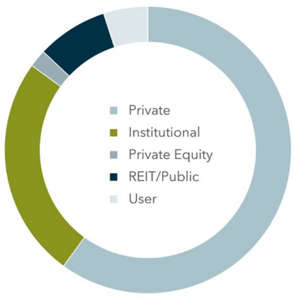
The Charlotte multifamily market faced significant challenges in Q2 2024, with the vacancy rate rising to 12.1% due to a record supply of 14,000 new units outpacing net absorption of nearly 9,000 units. Annual rent growth remained negative at -1.6%, although it improved slightly from -2.0% in Q1. The market saw a shift in demand towards high-amenity, urban properties, while suburban developments also gained traction. High construction levels are expected to peak soon, but a decline in new starts indicates potential rent growth recovery by 2026. Sales volume dropped 44% year-over-year, driven by higher financing costs and cautious investor sentiment.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Absorption Units | 8,480 | 7,654 | 6,617 | 4,894 | 4,466 |
| ▲ | Vacancy Rate | 12.2% | 12.1% | 11.6% | 11.1% | 10.0% |
| ▲ | Asking Rent/Unit ($) | $1,593.11 | $1,578.46 | $1,570.90 | $1,590.93 | $1,623.83 |
| ▼ | Under Construction Units | 27,715 | 28,956 | 31,783 | 32,589 | 32,590 |
| ▲ | Inventory Units | 223,647 | 220,075 | 216,078 | 212,877 | 208,762 |

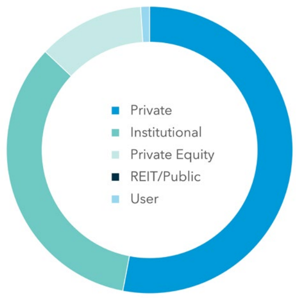
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 5410 Prosperity Ridge Road<br>Charlotte, NC | $64,650,000<br>$191,272 Per Unit | 338 | Fairfield Residential<br>Knightvest Management |
| 171 Donaldson Drive<br>Lincolnton, NC | $37,500,000<br>$119,427 Per Unit | 314 | Newbrook Capital Properties<br>NeuRock Capital |
| 3005 Chestnut Grove Lane<br>Matthews, NC | $80,000,000<br>$312,500 Per Unit | 256 | PASSCO Companies LLC<br>Preferred Apartment Communities |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Hines | $156,501,500 |
| Mid-America Apartment Communities, Inc. | $107,000,000 |
| Cortland | $104,000,000 |
| Starlight Investments Ltd. | $101,250,000 |
| Weidner Property Management LLC | $81,500,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Blackstone, Inc. | $247,800,000 |
| Prudential | $155,860,000 |
| Wood Partners | $107,000,000 |
| Greystar Real Estate Partners | $101,250,000 |
| Waterton | $81,500,000 |

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# Q2 2024
## DURHAM, NC

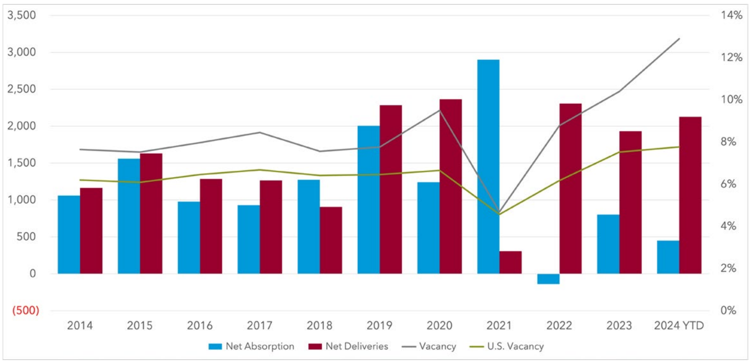
## MULTIFAMILY MARKET OVERVIEW

JAKE PLOTKIN, CCIM, *Vice President, Principal*

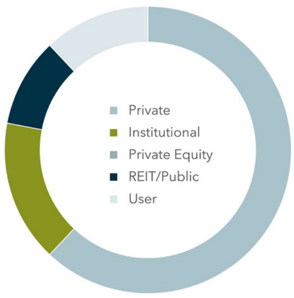
Durham's multifamily market offers a diverse range of properties, from new luxury apartments to hotel transformations. Amenities such as outdoor entertainment areas, specialized fitness centers, and coworking spaces remain critical for occupancy. However, the vacancy rate rose to a record 12.9%, and rents declined slightly to $1,550/unit over the past year. Despite this, demand has been increasing, with positive net absorption in the past three quarters. Downtown Durham leads in both new inventory and net absorption, reflecting its vibrant live/work/play environment. The construction pipeline is robust, with 6,400 units underway, primarily in South Durham and Downtown Durham.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 1,600 | 915 | 804 | 423 | (179) |
| ▲ Vacancy Rate | 12.9% | 11.1% | 10.4% | 9.6% | 10.9% |
| ▲ Asking Rent/Unit ($) | $1,548 | $1,519 | $1,511 | $1,523 | $1,555 |
| ▼ Under Construction Units | 5,486 | 6,892 | 7,066 | 6,427 | 5,986 |
| ▲ Inventory Units | 61,117 | 59,366 | 58,880 | 58,112 | 57,758 |

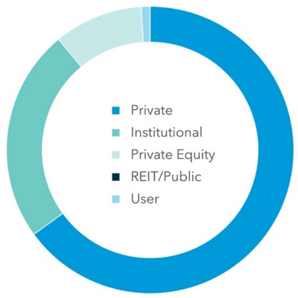
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1400 E. Cornwallis Road<br>Durham, NC | $30,000,000<br>$147,059 Per Unit | 204 | ColRich<br>Campus Apartments LLC |
| 200 Westminster Drive<br>Chapel Hill, NC | $21,300,000<br>$147,917 Per Unit | 144 | Benefit Street Partners<br>GVA Property Management |
| 820 Martin Luther King Jr. Parkway<br>Durham, NC | $17,100,000<br>$106,875 Per Unit | 160 | Lincoln Avenue Capital<br>The Related Companies |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Bell Partners | $83,600,000 |
| Sentinel Real Estate | $83,000,000 |
| Solomon Organization | $76,500,000 |
| Spyglass Realty Partners | $70,000,000 |
| Blackstone | $70,000,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| King Properties | $84,750,000 |
| Mesirow Financial | $83,600,000 |
| The Connor Group | $83,000,000 |
| Braddock & Logan | $76,500,000 |
| Apartment Income REIT | $70,000,000 |

# Q2 2024
## RALEIGH, NC

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COMMERCIAL REAL ESTATE SERVICES

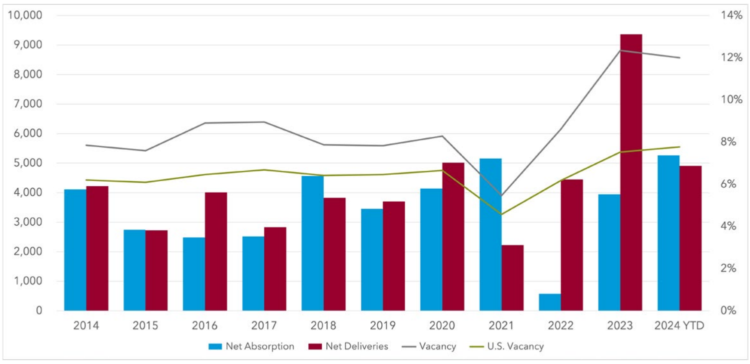
## MULTIFAMILY MARKET OVERVIEW

JAKE PLOTKIN, CCIM, *Vice President, Principal*

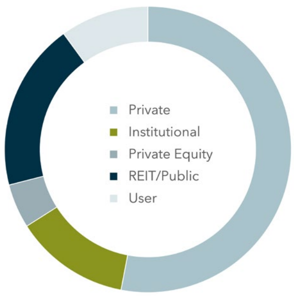
Raleigh's multifamily market remains strong, but new supply has pushed the vacancy rate to 11.9%. Positive net absorption for five consecutive quarters totaled 6,200 units, far above the annual average of 3,500 units. However, 9,200 units were delivered in the past year, with 8,000 more expected in 2024, leading to a 200 basis point vacancy increase. Despite this, Raleigh's affluence, driven by technology and life sciences, keeps it prominent. The construction pipeline has 10,000 units, placing Raleigh in the top 10 U.S. markets for units under construction. Rent growth fell from -0.9% to -2.6% due to oversupply, but Q3 2023 sales volume increased with six major transactions over $70 million each.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 6,253 | 4,850 | 3,944 | 3,043 | 1,871 |
| ▼ Vacancy Rate | 12.0% | 12.7% | 12.3% | 11.1% | 10.3% |
| ▲ Asking Rent/Unit ($) | $1,545 | $1,526 | $1,520 | $1,553 | $1,589 |
| ▼ Under Construction Units | 9,780 | 11,191 | 13,327 | 14,894 | 15,760 |
| ▲ Inventory Units | 129,127 | 127,016 | 124,558 | 122,107 | 119,790 |

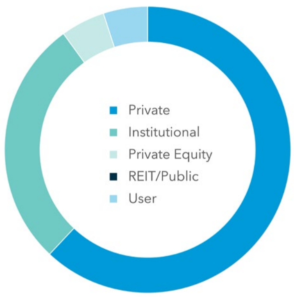
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 4710 Mint Leaf Lane<br>Raleigh, NC | $81,090,000<br>$265,000 Per Unit | 306 | Mid-America Apartment Communities, Inc.<br>Wood Partners |
| 1000 Broadstone Way<br>Apex, NC | $66,250,000<br>$220,833 Per Unit | 300 | Post Investment Group<br>RailField Partners |
| 4545 Cary Glen Blvd*<br>Cary, NC | $16,350,000<br>$136,250 Per Unit | 120 | Lincoln Avenue Capital<br>The Related Companies |

**Part of a Portfolio*

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| The Halle Companies | $171,000,000 |
| Crescent Communities | $105,280,000 |
| Wood Partners | $81,090,000 |
| Carter-Haston Real Estate | $79,925,000 |
| TDK Development | $79,500,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Mitsubishi Estate Company | $219,780,000 |
| Apartment Income REIT | $171,000,000 |
| Mid-America Apt Communities, Inc. | $81,090,000 |
| CBRE Investment Management | $79,925,000 |
| Bell Partners | $79,500,000 |

# Q2 2024
## LINCOLN, NE

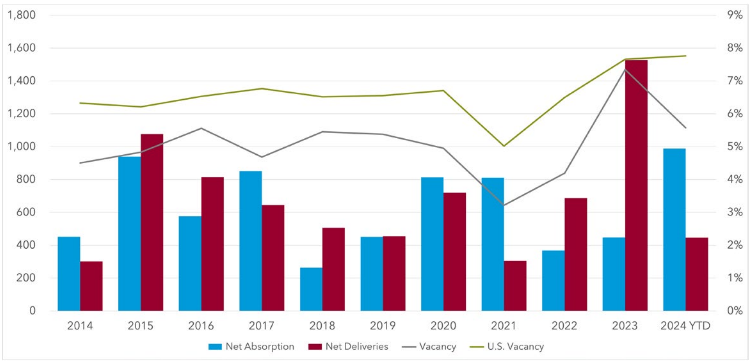
## MULTIFAMILY MARKET OVERVIEW

MO BARRY, *Vice President*

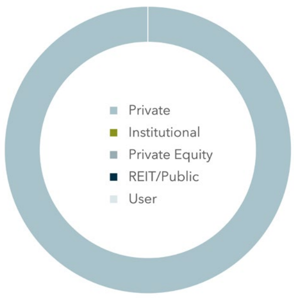
Lincoln's apartment market, driven by a young population and colleges, has absorbed 1,300 units over the past year, mainly high-end. Annual demand averages 640 units, while annual net deliveries are 1,600 units, mostly high-end. Current vacancy rates are 5.6%, with a decade average of 4.9%. Rent growth is 2.2% annually, below the 10-year average of 3.3%. Construction has slowed due to high costs and interest rates, reducing under-construction units to 780. 2024 projections indicate a 6.1% vacancy rate, a 1.2% decrease, and 3.5% rent growth.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 1,275 | 947 | 447 | 244 | 357 |
| ▼ Vacancy Rate | 5.7% | 6.8% | 7.3% | 6.2% | 4.6% |
| ▲ Asking Rent/Unit ($) | $1,140 | $1,118 | $1,112 | $1,116 | $1,116 |
| ◄ ► Under Construction Units | 780 | 780 | 1,226 | 1,120 | 1,684 |
| ◄ ► Inventory Units | 32,526 | 32,526 | 32,080 | 31,406 | 30,842 |

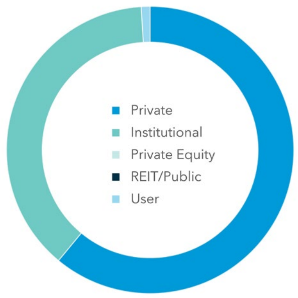
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1625 E. Street<br>Lincoln, NE | $920,000<br>$51,111 Per Unit | 18 | Selfmade LLC<br>Victoria Stock |
| 1144 S. 11th Street<br>Lincoln, NE | $1,036,500<br>$64,781 Per Unit | 16 | Maranville Properties LLC<br>Scott Ranallo |
| 4616 Stockwell Street<br>Lincoln, NE | $549,990<br>$91,665 Per Unit | 6 | Stanton Rentals LLC<br>SK Management LLC |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| JRK Property Holdings | $31,475,000 |
| MC Home Solutions LLC | $19,148,000 |
| Dale Thomas | $17,957,000 |
| Mark A Bousek | $3,750,000 |
| Eric & Carol Clark | $3,400,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Briar Capital Management LLC | $31,475,000 |
| MC Home Solutions LLC | $17,957,000 |
| Wassco, LLC | $11,468,000 |
| Keystone Private Capital | $3,840,000 |
| Well Capital | $3,840,000 |

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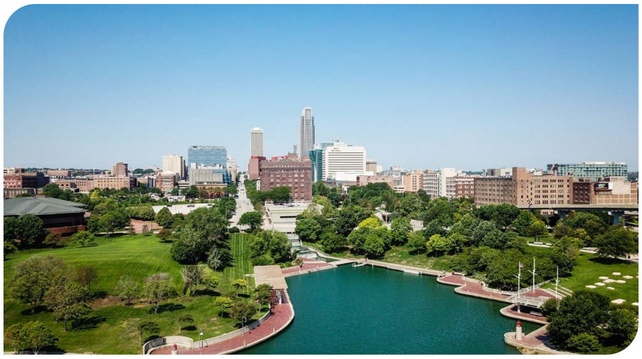
COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## OMAHA, NE



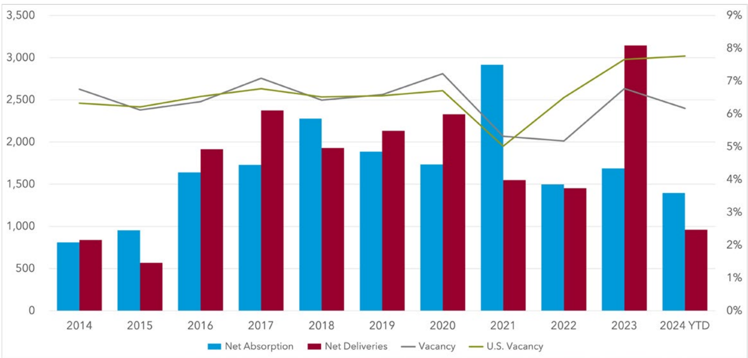
## MULTIFAMILY MARKET OVERVIEW

MO BARRY, *Vice President*

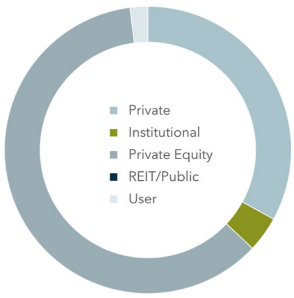
Omaha's multifamily market benefits from robust job growth and low cost-of-living with nonfarm payroll growth ranking second nationally and a low unemployment rate. In Q2 2024, over 800 units were absorbed, doubling the 2015-19 average, and trailing 12-month demand at 2,100 units, 30% above pre-pandemic levels, particularly strong for mid-tier apartments due to employment growth in middle-income sectors. The market saw 2,200 units delivered in the past year, with luxury and mid-tier apartments comprising significant portions. Vacancy rates remained stable at 6.2%, below the national average, while annual rent growth was 3.3%. Despite a decrease in construction starts, the forecast for 2024 includes 1,900 net deliveries, with a projected vacancy rate of 6.2% and annual rent gains of 4.4%.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Absorption Units | 2,176 | 2,617 | 1,686 | 1,501 | 1,295 |
| ▼ Vacancy Rate | 6.3% | 6.4% | 6.8% | 6.6% | 6.2% |
| ▲ Asking Rent/Unit ($) | $1,199 | $1,179 | $1,160 | $1,161 | $1,164 |
| ▼ Under Construction Units | 1,805 | 2,617 | 2,349 | 2,774 | 3,209 |
| ▲ Inventory Units | 82,880 | 82,068 | 81,919 | 81,358 | 80,485 |

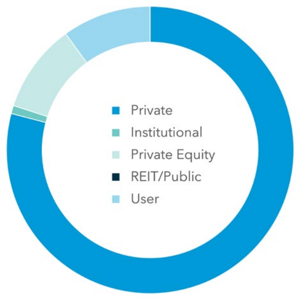
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 7471 Lakeview Court<br>Omaha, NE | $43,650,000<br>$158,152 Per Unit | 276 | Metonic Real Estate Solutions LLC<br>Dicon Corporation |
| 10232 S. 97th Court<br>Papillon, NE | $52,500,000<br>$164,063 Per Unit | 320 | Four Mile Capital<br>David Lockwood |
| 6801 A Plaza<br>Omaha, NE | $13,700,000<br>$68,159 Per Unit | 201 | Moline Management LLC<br>The Burlington Capital Group |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Four Mile Capital | $52,500,000 |
| Metonic Real Estate Solutions LLC | $43,650,000 |
| Parkwest Real Estate Partners | $16,700,000 |
| Kouri Management Inc. | $5,879,000 |
| JGC Investments LLC | $4,750,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| David Lockwood | $52,500,000 |
| Dicon Corporation | $43,650,000 |
| Belgrade Company | $16,700,000 |
| LeavenWealth | $6,885,000 |
| AndMark Management Company | $5,879,000 |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
## RENO, NV

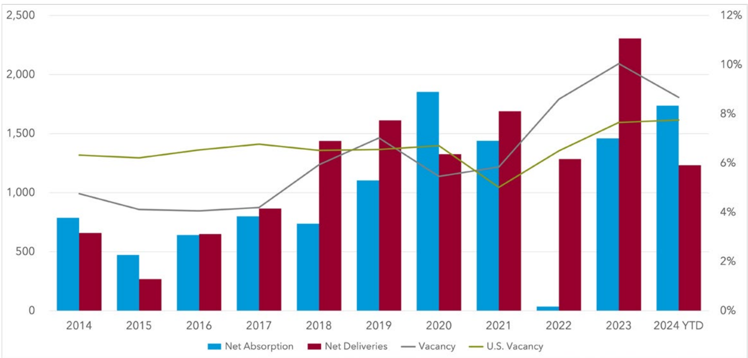
## MULTIFAMILY MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

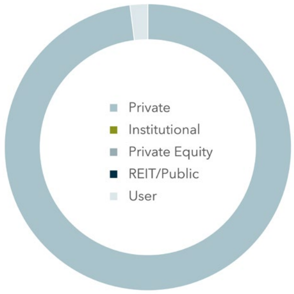
The Northern Nevada population continues to expand and grow. As the area offers climate and other "quality of life" advantages over many parts of the nation, as well as competitive cost of living numbers. However, the velocity of new units. has outpaced the demand metrics, resulting in oversupply of this market. Rents have been relatively flat, and vacancy, surprisingly high due to this. Although construction starts continue at a substantial level, I expect the rise in the interest rates and general slow down of the economy will effectuate a turnaround here and construction to slow soon. This should allow the demand components to "catch up" and continue to make this a very healthy market going forward.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 2,391 | 1,628 | 1,460 | 1,303 | 880 |
| ▼ Vacancy Rate | 8.7% | 9.5% | 10.0% | 9.5% | 9.2% |
| ▲ Asking Rent/Unit ($) | $1,571.09 | $1,553.78 | $1,524.27 | $1,542.29 | $1,563.38 |
| ▼ Under Construction Units | 1,450 | 2,076 | 2,273 | 2,585 | 2,977 |
| ▲ Inventory Units | 46,101 | 45,175 | 44,869 | 44,287 | 43,712 |

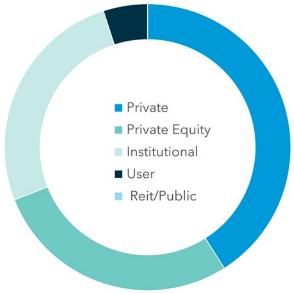
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 2308 Wedekind Road<br>Reno, NV | $875,000<br>$145,833 Per Unit | 6 | Nicolas Cogliandro<br>Homewood Investments LLC |
| 1380 N. Sierra Street<br>Reno, NV | $800,000<br>$66,667 Per Unit | 12 | Timothy Albiniano<br>Goon Wong Trust |
| 116 St. Lawrence Avenue<br>Reno, NV | $1,199,000<br>$199,833 Per Unit | 6 | Reno 116 St. Lawrence<br>Draper St. Lawrence |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Benedict Canyon Equities, Inc. | $46,200,000 |
| Quarry Capital | $43,000,000 |
| MJD Capital Partners LLC | $14,500,000 |
| GBS Advisors, Inc. | $11,760,000 |
| Deborah Berger | $8,900,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Tower 16 Capital Partners | $43,000,000 |
| Ascent Properties | $23,100,000 |
| Northland | $23,100,000 |
| Javier Vega | $14,500,000 |
| Village Investment Partners | $11,760,000 |

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# Q2 2024
## CINCINNATI, OH

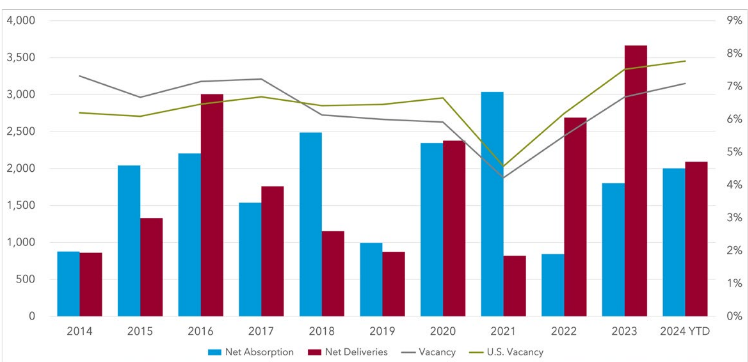
## MULTIFAMILY MARKET OVERVIEW

JOSH HARKAVY, *Vice President*

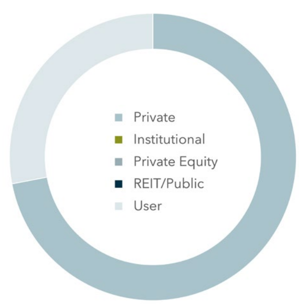
2nd quarter 2024 Cincinnati multi-family vacancy edged up from 6.79% in Q1 '24 to 7.1% in Q2 '24 but is .06% under national vacancy. Locally, asking rents have increased every quarter for the past year. Rent growth is 2.5% YOY. There are 4,600 units under construction, with 3,200 units to be delivered this year; 3,800 units were delivered in 2023. Market softness from construction is moderated by the lack of availability of single-family homes. Sales volume past 12 months was $62M, historical average is $259M. Sales were down 62% in '23 YOY & down 50% from 4th Q '23 to 1st Q '24 to $11M. Sale price per unit in '23 was $105K.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 1,960 | 1,826 | 1,802 | 2,071 | 1,388 |
| ▲ Vacancy Rate | 7.1% | 6.7% | 6.7% | 6.4% | 6.0% |
| ▲ Asking Rent/Unit ($) | $1,258.85 | $1,242.69 | $1,229.15 | $1,225.34 | $1,224.02 |
| ▲ Under Construction Units | 4,639 | 4,363 | 4,571 | 4,905 | 5,486 |
| ▲ Inventory Units | 142,245 | 140,822 | 140,153 | 139,783 | 138,388 |

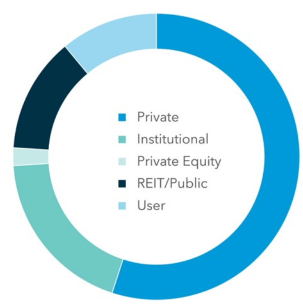
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 4700 Beechwood Road<br>Cincinnati, OH | $22,500,000<br>$122,283 Per Unit | 184 | The Orbach Group LLC<br>Related Development LLC |
| 660 Park Avenue<br>Loveland, OH | $9,000,000<br>$105,882 Per Unit | 85 | The Orbach Group LLC<br>Related Development LLC |
| 1429 Old State Route 74<br>Batavia, OH | $4,500,000<br>$83,333 Per Unit | 54 | Daniel J. Hume<br>Nagi Jonnala |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| SITE Centers | $30,717,500 |
| DRA Advisors | $17,500,018 |
| Wells Fargo & Company | $11,650,000 |
| Spyglass Capital Partners LLC | $10,250,000 |
| Kossman Development Company | $8,000,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Huber Equity Group | $15,000,000 |
| Historic Limited Liability Company | $5,040,001 |
| Daniel J. Hume | $4,500,000 |
| John S. Corder | $4,200,000 |
| Gaslight Management LLC | $3,850,000 |

# Q2 2024
## TORONTO, ON

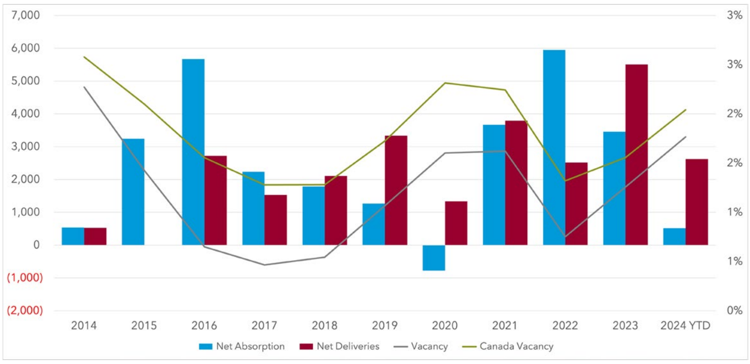
## MULTIFAMILY MARKET OVERVIEW

LUIS ALMEIDA, SIOR, *Executive Vice President, Partner*

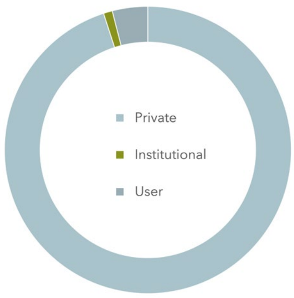
The Greater Toronto Area's multi-family sector has experienced high demand due to population growth from natural increases and immigration. Higher interest rates have driven more potential buyers to rent, affecting pre-construction sales and exacerbating supply-demand imbalances. Rents have increased at an average annual rate. Units under construction have seen a significant recent surge. Future demand looks promising, driven by demographic and economic fundamentals. Potential risks include regulatory changes, stagnant incomes, rising unemployment and inflationary pressures. Employment growth remains crucial for sustaining housing demand amid these uncertainties.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Absorption Units | 2,215 | 2,526 | 3,459 | 3,636 | 3,682 |
| ▲ Vacancy Rate | 1.8% | 1.7% | 1.3% | 1.2% | 1.0% |
| ▲ Asking Rent/Unit ($) | $2,276 | $2,271 | $2,256 | $2,231 | $2,189 |
| ▲ Under Construction Units | 26,189 | 25,632 | 23,465 | 22,034 | 20,675 |
| ▲ Inventory Units | 407,611 | 407,008 | 404,989 | 404,232 | 402,227 |

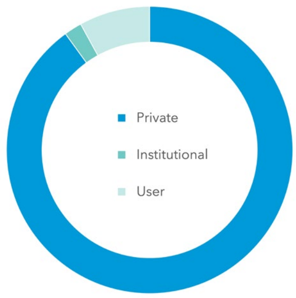
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 2000 Sheppard Avenue West**<br>Toronto, ON | $83,059,555*<br>$259,561 Per Unit | 320 | QMW Corp<br>Fisher-Kay Ltd. |
| 1236 Birchmount Road<br>Toronto, ON | $52,288,595*<br>$237,675 Per Unit | 220 | KingSett Capital, Inc.<br>Mahogany Management |
| 1640 Lawrence Avenue West<br>Toronto, ON | $25,880,000*<br>$275,319 Per Unit | 94 | Lankin Investments<br>Undisclosed |

**All numbers shown are in Canadian dollars (CAD); **Part of 2-Property Portfolio*

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Terra Firma Homes | $95,180,000 |
| Shafik Kassam | $58,695,518 |
| Samuel Librach | $39,000,000 |
| Greencrest Developments | $32,350,000 |
| Percy Ellis | $26,200,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Lankin Investments | $111,230,000 |
| QMW Corp | $101,000,000 |
| Realstar Group | $88,000,000 |
| Valour Group | $60,675,518 |
| Colonia Treujand Ltd | $26,200,000 |

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# Q2 2024
## NASHVILLE, TN

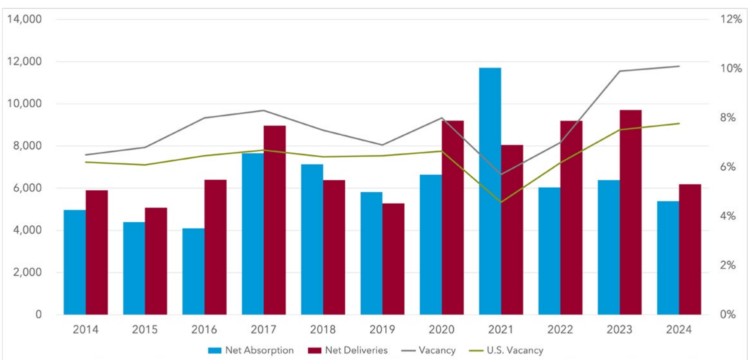
## MULTIFAMILY MARKET OVERVIEW

GAINES HANKS, *Associate*

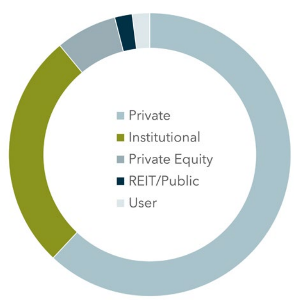
Nashville's multifamily market continues to ride the supply wave, with over 6,000 units delivered year-to-date in 2024. Despite this influx in new supply, the vacancy rate saw a slight decline of 30 basis points in Q2, settling at 10.1%. This trend is a promising sign for owners and developers. Nashville's population growth shows no signs of slowing down, ensuring sustained demand for multifamily housing.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|
| ▲ 12 Mo. Absorption Units | 9,067 | 7,507 | 6,390 | 6,643 | 4,733 |
| ▼ Vacancy Rate | 10.1% | 10.4% | 9.9% | 9.7% | 9.7% |
| ▲ Asking Rent/Unit ($) | $1,589 | $1,553 | $1,529 | $1,551 | $1,558 |
| ▼ Under Construction Units | 18,775 | 20,446 | 20,789 | 21,117 | 24,574 |
| ▲ Inventory Units | 222,408 | 216,436 | 212,045 | 209,013 | 206,539 |

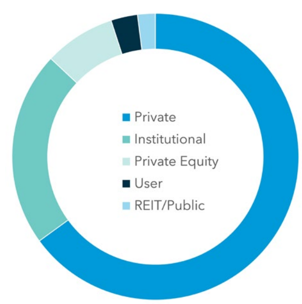
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1000 Enclave Circle<br>Nashville, TN | $51,790,000<br>$136,289 Per Unit | 380 | Fairfield Residential<br>GVA Property Management |
| 1000 Legion Drive<br>Franklin, TN | $44,000,000<br>$494,382 Per Unit | 89 | The Estate Club<br>Thompson Thrift |
| 401 Victory Road<br>Clarksville, TN | $31,000,000<br>$159,794 Per Unit | 194 | MFR Investments<br>Keystone Realty & Management |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| GVA Property Management | $259,722,576 |
| Blackstone, Inc. | $171,635,000 |
| Crescent Communities LLC | $99,337,000 |
| Franklin Templeton | $96,500,000 |
| Olympus Property | $83,500,000 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| CalSTRS | $154,132,576 |
| Weinstein Properties | $114,570,000 |
| Covenant Capital Group | $114,469,000 |
| Mistubishi Estate Co., Ltd | $99,337,000 |
| Red Willow Production Company | $96,500,000 |

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COMMERCIAL REAL ESTATE SERVICES

# Q2 2024
# PACIFIC NORTHWEST, WA

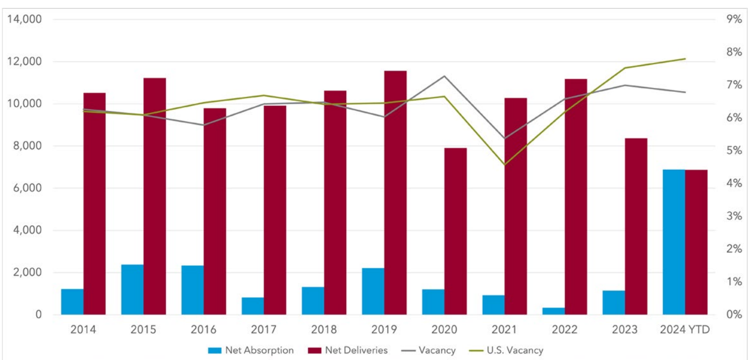
## MULTIFAMILY MARKET OVERVIEW

CANDICE CHEVAILLIER, *Principal*

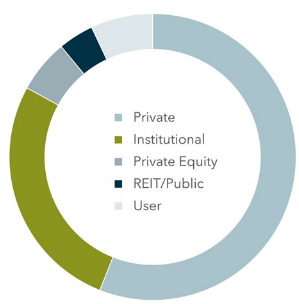
Absorption is up over 33% between Q1 and Q2 while the vacancy rate is beginning to inch back down. Asking rates have begun to slowly trend up again from the lows of 2023 and the beginning of 2024. We are seeing that the construction pipeline has fallen 15%. After four quarters of total units under construction over 24K, the total units now under construction is now just over 21K. The net absorption data is up 6X, going from 1,140 in 2024 to 6,881 for YTD 2024. Deal activity has been robust from private investors while institutional is mainly still sitting on the sidelines. The underlying metrics are improving paving the way for a market recovery.

| MARKET INDICATORS | | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|---|---|---|---|---|---|---|
| ▲ | 12 Mo. Absorption Units | 9,521 | 7,128 | 6,269 | 5,464 | 5,522 |
| ▼ | Vacancy Rate | 6.8% | 7.0% | 7.0% | 7.0% | 6.8% |
| ▲ | Asking Rent/Unit ($) | $2,042 | $1,997 | $2,000 | $1,960 | $1,973 |
| ▼ | Under Construction Units | 20,978 | 24,223 | 25,360 | 25,735 | 28,435 |
| ▲ | Inventory Units | 387,960 | 383,929 | 384,139 | 381,156 | 379,157 |

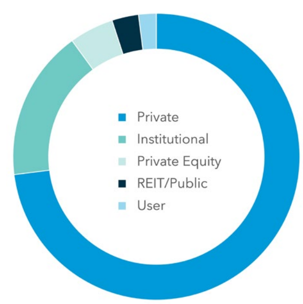
### NET ABSORPTION, NET DELIVERIES, & VACANCY




### SALE BY BUYER TYPE




### SALE BY SELLER TYPE




***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

| TOP SALE TRANSACTIONS | SALE PRICE | NUMBER OF UNITS | BUYER / SELLER |
|---|---|---|---|
| 1280 Harrison St - Stack House<br>Seattle, WA | $104,000,000<br>$374,101 Per Unit | 278 | JP Morgan Chase & Company<br>Timberlane Partners |
| 1212 Harrison Street - CHROMA<br>Seattle, WA | $92,000,000<br>$334,545 Per Unit | 275 | Carmel Partners<br>ICONIQ Capital LLC |
| 1001 Minor Avenue - Sentral First Hill<br>Seattle, WA | $76,250,000<br>$364,833 Per Unit | 209 | Roundhouse<br>ICONIQ Capital LLC |

| TOP SELLERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Greystar Real Estate Partners | $1,094,877,135 |
| Security Properties | $691,320,000 |
| Blackstone, Inc. | $643,810,000 |
| Kennedy Wilson, Inc. | $563,950,000 |
| Goodman Real Estate, Inc. | $551,460,100 |

| TOP BUYERS (PAST 12 MONTHS) | SALES VOLUME |
|---|---|
| Marcus & Millichap | $897,012,000 |
| Security Properties, Inc. | $638,725,000 |
| Blackstone, Inc. | $625,925,000 |
| Acacia Capital Corporation | $611,790,000 |
| Kennedy Wilson, Inc. | $551,384,812 |

# GLOSSARY OF TERMS

## ABSORPTION
Refers to the change in occupancy over a given time period. Lease renewals are not factored into absorption unless the renewal includes the occupancy of additional space. (In that case, the additional space would be counted in absorption.) Pre-leasing of space in non-existing buildings (e.g., Proposed, Under Construction, Under Renovation) is not counted in absorption until the actual move-in date.

## CAP RATE
The income rate of return for a total property that reflects the relationship between one year's net operating income expectancy and the total price or value. Calculated by dividing the net operating income by the sale price or value.

## CLASS A OFFICE
In general, a class A building is an extremely desirable investment-grade property with the highest quality construction and workmanship, materials and systems, significant architectural features, the highest quality/expensive finish and trim, abundant amenities, first rate maintenance and management; usually occupied by prestigious tenants with above average rental rates and in an excellent location with exceptional accessibility. They are most eagerly sought by international and national investors willing to pay a premium for quality and are often designed by architects whose names are immediately recognizable. A building meeting this criteria is often considered to be a landmark, either historical, architectural or both. It may have been built within the last 5-10 years, but if it is older, it has been renovated to maintain its status and provide it many amenities. Buildings of this stature can be one-of-a-kind with unique shape and floor plans, notable architectural design, excellent and possibly outstanding location and a definite market presence.

## CLASS B OFFICE
In general, a class B building offers more utilitarian space without special attractions. It will typically have ordinary architectural design and structural features, with average interior finish, systems, and floor plans, adequate systems and overall condition. It will typically not have the abundant amenities and location that a class A building will have. This is generally considered to be more of a speculative investment. The maintenance, management and tenants are average to good, although, Class B buildings are less appealing to tenants and may be deficient in a number of respects including floor plans, condition and facilities. They therefore attract a wide range of users with average rents. They lack prestige and must depend chiefly on lower price to attract tenants and investors. Typical investors are some national but mostly local.

## CLASS C OFFICE
In general, a class C building is a no-frills, older building that offers basic space. The property has below-average maintenance and management, a mixed or low tenant prestige, and inferior elevators and mechanical/electrical systems. As with Class B buildings, they lack prestige and must depend chiefly on lower price to attract tenants and investors.

## GROSS ABSORPTION
For existing buildings, the measure of total square feet occupied (indicated as a Move-In) over a given period of time with no consideration for space vacated during the same time period. Sublet space and lease renewals are not factored into gross absorption. However, in a lease renewal that includes the leasing of additional space, that additional space is counted in gross absorption. Preleasing of space in non-existing buildings (Planned, Under Construction or Under Renovation) is not counted in gross absorption until actual move in, which by definition may not be any earlier than the delivery date.

*Source: CoStar Group and NAIOP Research Foundation*

# GLOSSARY OF TERMS

## INDUSTRIAL GROSS RENT

A type of Modified Gross lease where the tenant pays one or more of the expenses in addition to the rent. Exact details must be confirmed for each lease.

## INVENTORY

Existing inventory refers to the total square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space that is either planned, or under construction.

## MODIFIED GROSS

Modified Gross is a general type of lease rate where typically the tenant will be responsible for their proportional share of one or more of the expenses. The Lessor (landlord) will pay the remaining expenses. For example: Plus Electric means the tenant pays rent plus their own electric expense, or Plus Janitorial means the tenant pays the rent plus their own janitorial expense. Both of these are types of Modified Gross Leases, which may vary from tenant to tenant.

## NET ABSORPTION

For existing buildings, the measure of total square feet occupied (indicated as a Move-In) less the total space vacated (indicated as a Move-Out) over a given period of time. Lease renewals are not factored into net absorption. However, in a lease renewal that includes the leasing of additional space, that additional space is counted in net absorption. Pre-leasing of space in non-existing buildings (Planned, Under Construction or Under Renovation) is not counted in net absorption until actual move in, which by definition may not be any earlier than the delivery date.

## TRIPLE NET (NNN)

A lease in which the tenant is responsible for all expenses associated with their proportional share of occupancy of the building.

## UNDER CONSTRUCTION

Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building Under Construction, the site must have a concrete foundation in place.

## VACANCY RATE

Expressed as a percentage - it identifies the amount of New/Relet/Sublet space vacant divided by the existing RBA. Can be used for buildings or markets.

## COMMON LEASE TYPES MATRIX

| LEASE TYPE | RESPONSIBILITY FOR EXPENSES | OTHER |
|---|---|---|
| Gross (full service) | Landlord pays all or most of the operating expenses and taxes. | Costs of operation must be disclosed in lease. |
| Modified Gross | Expenses are divided between tenant and landlord. | Costs can be double or triple net depending on terms of lease. |
| Net | Tenant pays all operating expenses. | Landlord must disclose tenant responsibility in lease. |
| Triple Net (Net-net-net, or NNN) | Tenant pays all operating expenses, taxes and insurance. | Landlord is responsible for structure, roof and maybe parking lot. |

*Source: CoStar Group and NAIOP Research Foundation*

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES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