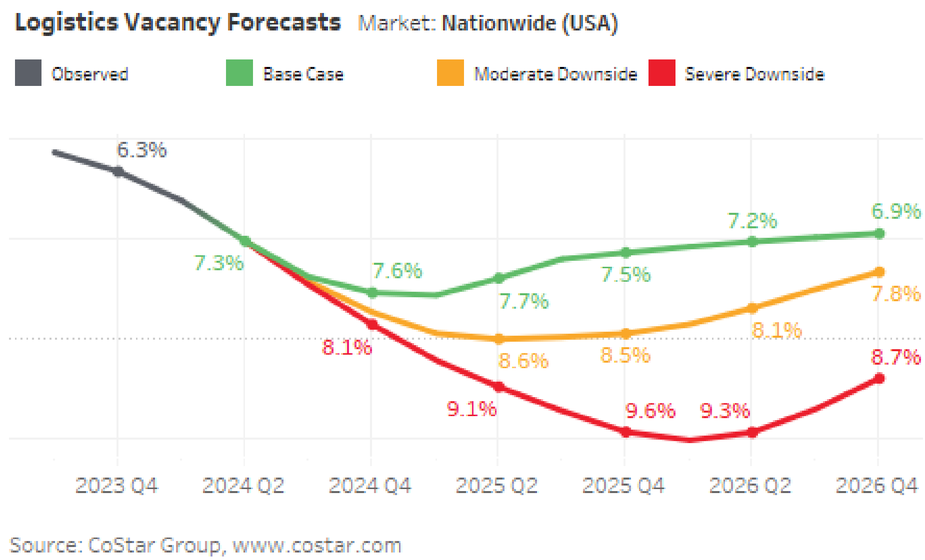
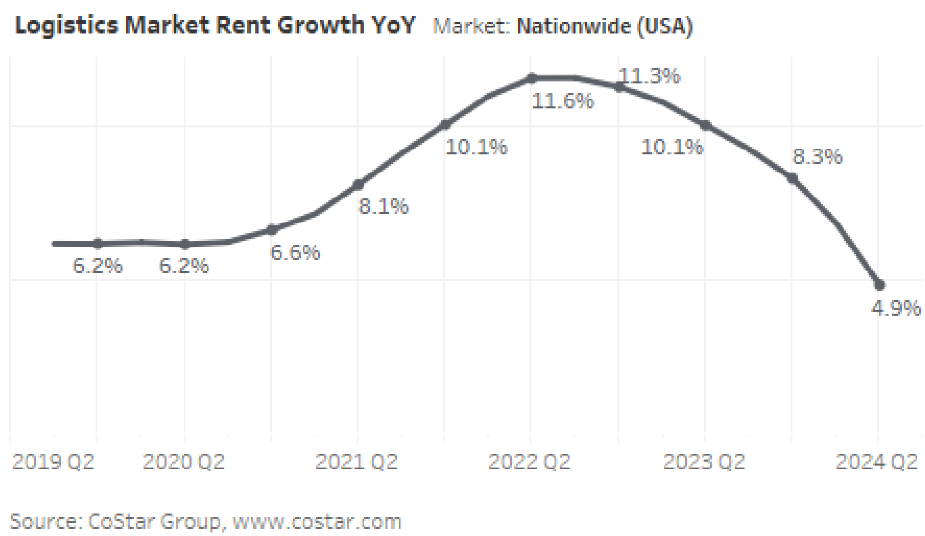
REAL ESTATE & LABOR SNAPSHOT

MOHR PARTNERS x NTT DATA

National Logistics Real Estate Overview





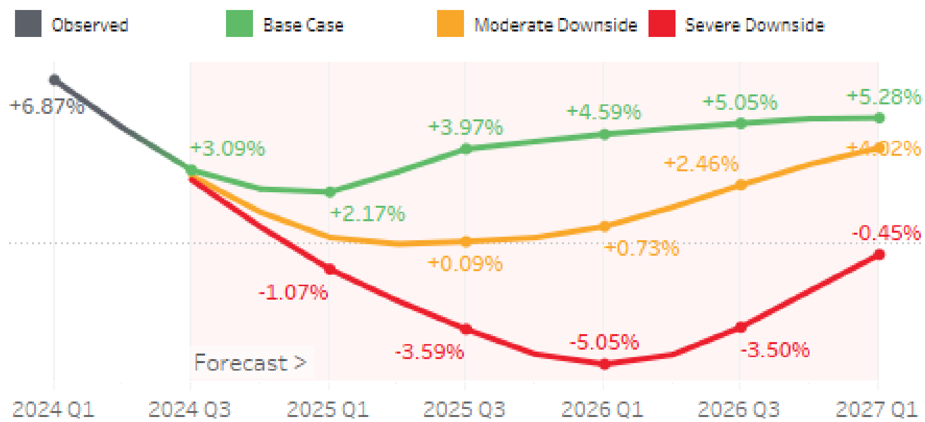
Shifting Market Conditions and Tenant Leverage

Over the past eight consecutive quarters, the U.S. industrial real estate market has experienced a steady increase in vacancy rates, fundamentally altering the dynamics between property owners and tenants. This trend has decidedly shifted market conditions in favor of tenants, diminishing the owners' ability to aggressively raise rents. The prevailing market sentiment suggests that it could be another 12 to 18 months before property owners regain the leverage necessary to implement significant rent hikes.

Impact of Historical Rent Growth

The period from 2021 through 2023 witnessed record rent growth, which has had a lasting impact on the industrial real estate market. As a result, property owners in many markets are still able to command significant rent increases—upwards of 50%—when long-term leases expire. This historical rent growth provides a buffer for property owners, allowing them to maintain revenue streams even amidst fluctuating market conditions.

Logistics Market Rent Growth YoY Forecasts Market: **Nationwide (USA)**



Source: CoStar Group, www.costar.com

Prospects for Future Rent Growth

Despite the current tenant-friendly market, there are indications that rent growth could reaccelerate in the latter part of next year. A critical factor influencing this potential shift is the anticipated decline in new construction completions slated for mid-2025. As the supply of new industrial spaces diminishes, the existing vacancy rates are expected to tighten, thereby setting the stage for a more landlord-favorable environment and subsequent rent increases.

2024 Top Growth Markets 2019 Q3 - 2024 Q2

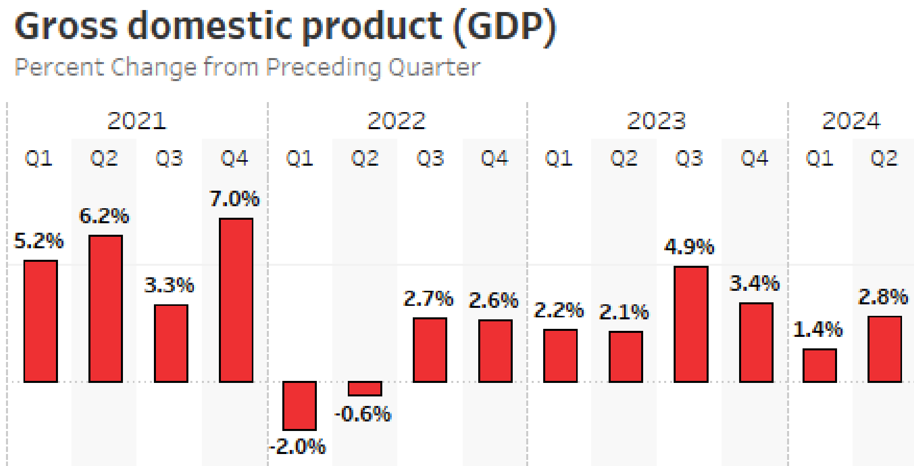
Market	Growth Rate
1. Phoenix - AZ	29.1%
2. Las Vegas - NV	25.8%
3. Salt Lake City - UT	20.9%
4. Indianapolis - IN	20.0%
5. Lehigh Valley - PA	19.6%
6. Dallas-Fort Worth - TX	19.4%
7. Houston - TX	18.9%
8. Stockton - CA	18.5%
9. Nashville - TN	16.8%
10. Orlando - FL	16.1%

Source: CoStar Group, www.costar.com

Emerging Positive Indicators for Tenant Demand

Amid these market fluctuations, several positive indicators for tenant demand have emerged as the year progresses. One of the key drivers has been the gradual rise in overall retail goods spending, particularly in sectors such as non-store retailers and general merchandise stores. This uptick in consumer spending is largely attributable to the subsiding inflation rates, which have alleviated some of the economic pressures faced by households.

In parallel, key industrial market indicators that experienced declines last year have shown signs of stabilization in 2024. Employment in warehousing and storage, along with wholesale trade inventories, have leveled off, indicating a steadier market. Additionally, monthly U.S. imports, which had declined last year, have been increasing at double-digit year-over-year rates since February. This surge in imports signifies a robust flow of goods through distribution centers across the country, reflecting a reinvigorated demand for industrial space.



Source: Bureau of Economic Analysis, www.bea.gov

Economic Resurgence and its Implications

The broader U.S. economy has shown signs of resilience, reaccelerating in the second quarter of the year after experiencing a notable slowdown at the beginning of 2024. Real economic growth, measured at an annualized rate, reached 2.8% in the second quarter, doubling the 1.4% growth rate recorded in the first quarter. This economic boost has been primarily driven by robust household spending growth and solid business investment.

The implications of this economic resurgence are significant for the industrial real estate market. As household spending and business investments continue to grow, the demand for industrial space is likely to increase. This heightened demand could further influence vacancy rates and rent growth, potentially accelerating the market shift back in favor of property owners.

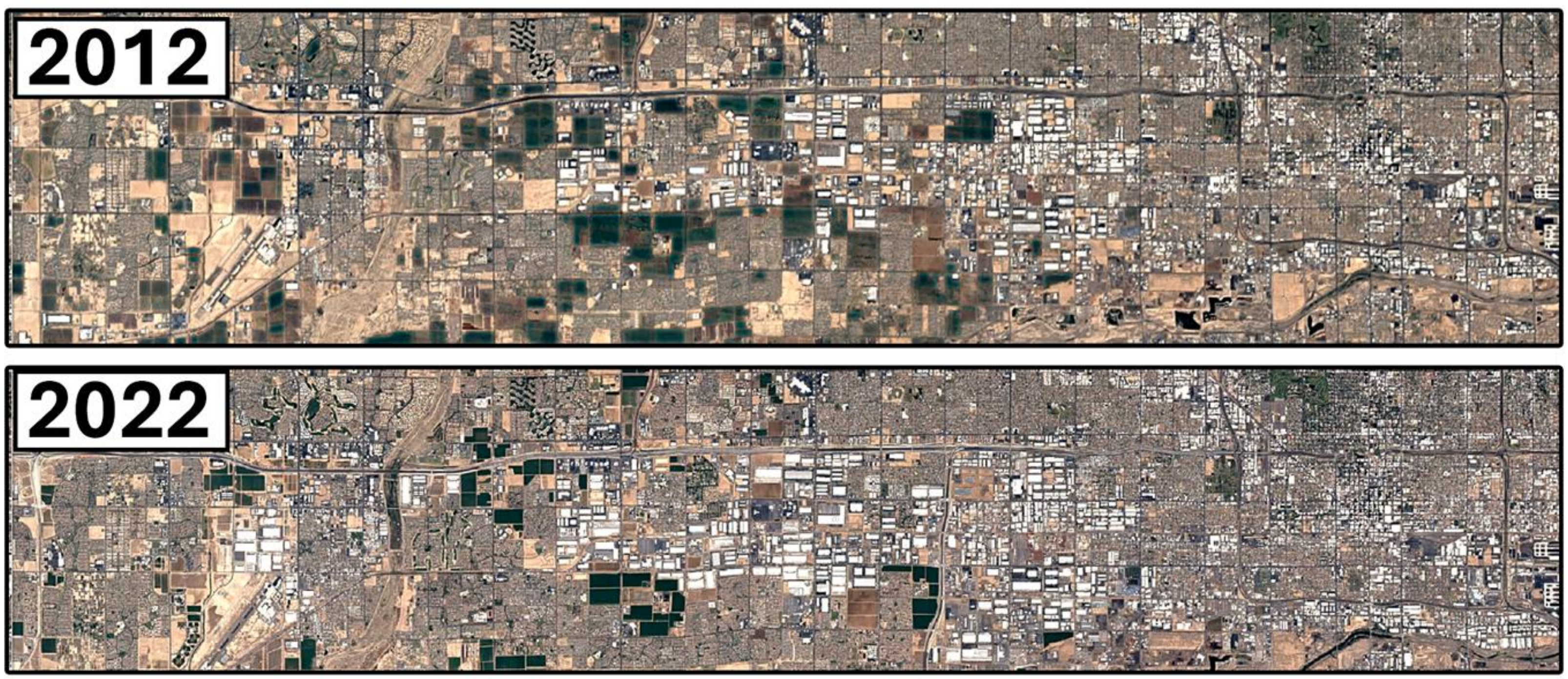


Figure 1. Two satellite images of western Phoenix, AZ

Logistics Market Stats Q2 2024

Large Markets

Market	Available SF Total	Vacancy Rate	Market Asking Rent/SF	Market Asking Rent Growth QoQ	Net Absorption SF QoQ	Net Absorption SF YoY	Net Delivered SF QoQ	Net Delivered SF YoY	Under Construction SF	Construction Starts SF YoY	Market Growth Last 4Q
Savannah - GA	20.5M SF	14.7%	$8.13	1.44%	870.5K SF	8.1M SF	1.9M SF	20.3M SF	10.5M SF	8.4M SF	7.53%
Austin - TX	22.2M SF	11.7%	$13.12	-0.87%	1.1M SF	7.2M SF	2.8M SF	11.0M SF	13.9M SF	9.1M SF	7.35%
Phoenix - AZ	64.0M SF	12.7%	$13.14	0.83%	5.0M SF	14.2M SF	10.2M SF	43.1M SF	26.7M SF	18.6M SF	4.31%
Las Vegas - NV	23.3M SF	7.6%	$13.57	-0.42%	2.3M SF	5.7M SF	3.8M SF	12.3M SF	11.9M SF	9.7M SF	4.23%
Greenville - SC	8.4M SF	7.1%	$6.54	1.31%	211.7K SF	3.4M SF	584.2K SF	3.6M SF	2.2M SF	2.5M SF	3.95%
Norfolk - VA	7.1M SF	4.4%	$9.25	0.68%	-26.7K SF	2.9M SF	326.1K SF	4.5M SF	3.7M SF	3.4M SF	3.53%
Salt Lake City - UT	14.3M SF	9.4%	$9.83	-0.20%	2.0M SF	4.5M SF	1.8M SF	8.6M SF	2.4M SF	1.4M SF	3.52%
Jacksonville - FL	10.1M SF	4.8%	$10.10	1.46%	412.9K SF	3.4M SF	814.4K SF	3.4M SF	4.7M SF	4.0M SF	2.97%
Nashville - TN	16.9M SF	6.1%	$10.22	0.49%	846.0K SF	5.5M SF	1.0M SF	8.1M SF	4.6M SF	5.2M SF	2.89%
El Paso - TX	8.2M SF	10.1%	$7.68	0.32%	-746.3K SF	1.7M SF	841.0K SF	4.9M SF	3.8M SF	3.4M SF	2.87%
Oklahoma City - OK	6.8M SF	6.6%	$7.95	0.21%	42.1K SF	2.5M SF	64.0K SF	4.3M SF	1.5M SF	1.6M SF	2.83%
Orlando - FL	17.3M SF	6.3%	$12.99	0.74%	439.7K SF	4.2M SF	1.5M SF	9.0M SF	5.3M SF	4.8M SF	2.81%
Houston - TX	64.1M SF	8.4%	$8.33	-0.78%	4.0M SF	17.4M SF	7.4M SF	31.4M SF	10.4M SF	10.2M SF	2.77%
Louisville - KY	12.4M SF	5.2%	$6.34	1.30%	2.2M SF	4.9M SF	1.3M SF	6.8M SF	3.6M SF	3.5M SF	2.76%
Dallas-Fort Worth - TX	120.5M SF	11.0%	$8.84	1.99%	9.8M SF	22.4M SF	12.5M SF	57.9M SF	21.3M SF	15.3M SF	2.56%
Charleston - SC	14.3M SF	13.9%	$9.55	1.13%	464.8K SF	1.8M SF	2.3M SF	7.8M SF	4.3M SF	2.5M SF	2.56%
Stockton - CA	12.7M SF	7.5%	$8.96	1.01%	1.0M SF	3.1M SF	1.6M SF	4.2M SF	2.1M SF	1.2M SF	2.54%
Spartanburg - SC	19.0M SF	18.2%	$6.32	1.34%	1.1M SF	1.8M SF	2.2M SF	7.3M SF	3.8M SF	2.5M SF	2.52%
Worcester - MA	7.4M SF	7.8%	$9.66	0.29%	166.8K SF	1.6M SF	-13.4K SF	2.1M SF	3.7M SF	1.7M SF	2.48%
Minneapolis - MN	15.8M SF	6.5%	$8.17	1.89%	338.7K SF	3.8M SF	1.2M SF	7.2M SF	1.2M SF	1.2M SF	2.02%
Denver - CO	23.6M SF	9.2%	$11.40	0.74%	67.0K SF	3.4M SF	1.0M SF	7.5M SF	3.8M SF	2.4M SF	1.75%
Boston - MA	16.8M SF	6.3%	$14.72	1.24%	3.2M SF	2.9M SF	4.6M SF	6.8M SF	1.9M SF	1.7M SF	1.63%
Providence - RI	4.9M SF	3.9%	$10.46	-0.52%	-2.6K SF	1.2M SF	0.0K SF	482.0K SF	4.4M SF	607.5K SF	1.56%
Charlotte - NC	31.8M SF	7.5%	$8.66	0.99%	2.7M SF	4.0M SF	3.6M SF	12.6M SF	13.0M SF	8.4M SF	1.54%
Columbus - OH	32.5M SF	8.3%	$7.79	0.44%	644.6K SF	4.3M SF	597.6K SF	13.2M SF	5.2M SF	4.3M SF	1.44%
Richmond - VA	6.5M SF	5.5%	$9.01	2.39%	-627.3K SF	1.4M SF	468.8K SF	3.8M SF	2.4M SF	1.9M SF	1.40%
Kansas City - MO	21.9M SF	6.1%	$6.67	1.16%	2.7M SF	3.6M SF	770.8K SF	8.4M SF	5.7M SF	4.8M SF	1.34%
Philadelphia - PA	54.9M SF	7.7%	$10.70	0.79%	466.4K SF	4.7M SF	1.9M SF	17.8M SF	14.8M SF	10.4M SF	1.07%
Atlanta - GA	76.9M SF	7.9%	$8.57	1.56%	1.9M SF	7.1M SF	7.9M SF	28.7M SF	14.5M SF	13.9M SF	1.07%
Akron - OH	4.0M SF	4.0%	$6.67	0.84%	644.7K SF	777.8K SF	248.0K SF	1.3M SF	173.1K SF	0.0K SF	1.05%
Pittsburgh - PA	9.6M SF	5.9%	$8.19	2.45%	643.9K SF	1.3M SF	82.5K SF	2.6M SF	88.0K SF	0.0K SF	1.00%
Detroit - MI	22.2M SF	4.6%	$8.33	0.49%	423.5K SF	3.3M SF	891.8K SF	5.8M SF	1.2M SF	1.1M SF	0.99%
Chicago - IL	84.6M SF	5.9%	$9.14	0.73%	2.5M SF	8.8M SF	2.9M SF	27.8M SF	10.9M SF	8.4M SF	0.92%
Inland Empire - CA	83.6M SF	7.6%	$13.54	-1.03%	4.4M SF	6.0M SF	5.5M SF	30.4M SF	23.9M SF	12.4M SF	0.91%

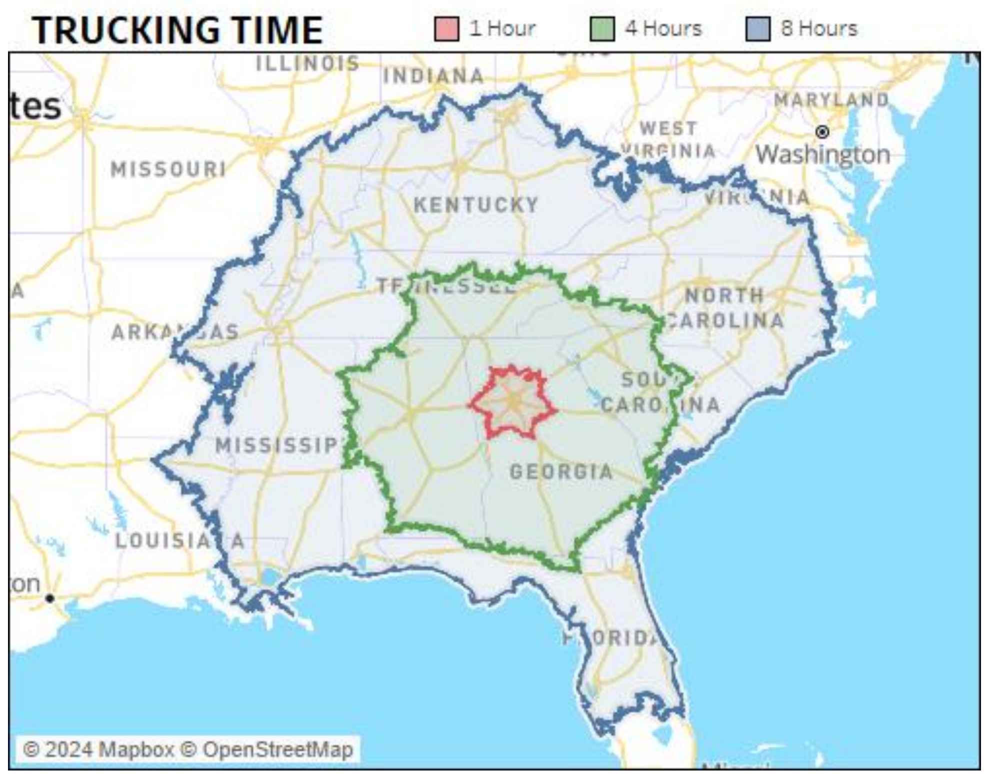
Market	Available SF Total	Vacancy Rate	Market Asking Rent/SF	Market Asking Rent Growth QoQ	Net Absorption SF QoQ	Net Absorption SF YoY	Net Delivered SF QoQ	Net Delivered SF YoY	Under Construction SF	Construction Starts SF YoY	Market Growth Last 4Q
Omaha - NE	3.3M SF	3.7%	$7.58	0.84%	208.3K SF	472.6K SF	202.0K SF	1.0M SF	809.6K SF	551.6K SF	0.78%
Greensboro - NC	7.6M SF	4.9%	$6.82	1.39%	-490.2K SF	770.5K SF	247.3K SF	3.0M SF	2.4M SF	1.4M SF	0.76%
Miami - FL	19.6M SF	4.4%	$19.94	0.45%	-161.8K SF	1.6M SF	2.2M SF	7.3M SF	5.2M SF	4.1M SF	0.73%
Indianapolis - IN	42.1M SF	11.4%	$7.12	0.86%	-289.4K SF	2.2M SF	2.8M SF	12.5M SF	5.4M SF	2.2M SF	0.73%
San Antonio - TX	16.5M SF	10.8%	$9.37	1.16%	620.9K SF	821.5K SF	-312.8K SF	5.2M SF	4.6M SF	5.3M SF	0.72%
Long Island - NY	9.3M SF	5.1%	$18.60	0.63%	432.7K SF	790.4K SF	1.0M SF	1.8M SF	1.0M SF	369.8K SF	0.62%
Milwaukee - WI	6.2M SF	4.1%	$6.66	2.22%	109.0K SF	627.1K SF	54.5K SF	2.3M SF	403.0K SF	341.0K SF	0.61%
Scranton - PA	5.4M SF	5.3%	$6.45	0.81%	-1.3M SF	370.5K SF	2.6K SF	2.7M SF	1.6M SF	1.2M SF	0.46%
Cincinnati - OH	20.8M SF	7.1%	$7.15	1.60%	-1.3M SF	993.9K SF	730.7K SF	8.6M SF	2.4M SF	1.6M SF	0.41%
Saint Louis - MO	19.0M SF	5.9%	$6.58	1.06%	188.9K SF	530.4K SF	573.7K SF	2.4M SF	1.3M SF	1.7M SF	0.23%
Tampa - FL	10.9M SF	5.9%	$12.37	1.09%	-619.8K SF	329.7K SF	330.5K SF	2.8M SF	4.0M SF	2.1M SF	0.22%
Washington - DC	14.3M SF	5.4%	$15.61	1.31%	71.3K SF	178.1K SF	250.1K SF	3.1M SF	3.4M SF	1.1M SF	0.11%
Lehigh Valley - PA	14.2M SF	6.5%	$8.36	0.86%	-1.5M SF	72.3K SF	0.0K SF	2.9M SF	3.8M SF	1.7M SF	0.07%
New Orleans - LA	2.3M SF	2.9%	$10.18	1.15%	135.9K SF	42.2K SF	0.0K SF	352.4K SF	1.2M SF	1.2M SF	0.06%
Grand Rapids - MI	2.7M SF	1.6%	$6.38	0.94%	877.5K SF	34.3K SF	96.2K SF	376.2K SF	876.0K SF	443.5K SF	0.04%
Birmingham - AL	4.8M SF	5.3%	$7.27	1.24%	205.0K SF	-13.2K SF	132.2K SF	141.2K SF	66.0K SF	35.0K SF	-0.02%
Northern New Jersey - NJ	15.0M SF	5.6%	$15.45	-0.31%	505.7K SF	-240.0K SF	914.2K SF	3.8M SF	2.2M SF	2.0M SF	-0.14%
Memphis - TN	32.3M SF	7.9%	$4.75	1.11%	298.7K SF	-397.6K SF	7.0K SF	3.8M SF	23.2K SF	52.7K SF	-0.14%
Hartford - CT	3.8M SF	4.3%	$8.63	0.68%	-105.0K SF	-109.6K SF	190.1K SF	139.1K SF	237.2K SF	205.4K SF	-0.17%
Sacramento - CA	11.1M SF	5.6%	$11.07	1.87%	221.4K SF	-263.4K SF	83.2K SF	2.8M SF	1.1M SF	592.4K SF	-0.18%
Cleveland - OH	11.0M SF	3.8%	$6.22	2.10%	732.4K SF	-420.5K SF	10.5K SF	1.3M SF	1.4M SF	271.4K SF	-0.23%
Des Moines - IA	5.7M SF	8.3%	$6.99	0.76%	-446.7K SF	-166.9K SF	410.8K SF	1.3M SF	685.8K SF	136.8K SF	-0.27%
Fort Lauderdale - FL	7.4M SF	4.3%	$20.37	-0.49%	-85.2K SF	-336.0K SF	0.0K SF	882.2K SF	492.9K SF	484.1K SF	-0.31%
Lakeland - FL	7.5M SF	11.1%	$8.91	1.44%	270.1K SF	-247.5K SF	428.7K SF	2.6M SF	849.0K SF	1.3M SF	-0.36%
New York - NY	67.8M SF	7.0%	$19.42	-0.17%	-374.2K SF	-2.5M SF	4.0M SF	11.0M SF	13.8M SF	5.7M SF	-0.39%
Seattle - WA	30.1M SF	8.3%	$14.07	1.11%	-103.4K SF	-1.4M SF	2.3M SF	6.2M SF	8.0M SF	6.2M SF	-0.57%
Fresno - CA	2.2M SF	3.2%	$8.19	0.06%	-478.6K SF	-357.3K SF	54.0K SF	117.1K SF	457.5K SF	130.5K SF	-0.58%
Baltimore - MD	19.2M SF	7.4%	$10.82	2.10%	-259.5K SF	-1.1M SF	264.2K SF	54.8K SF	3.6M SF	3.9M SF	-0.63%
Dayton - OH	5.6M SF	5.8%	$5.77	0.37%	-179.0K SF	-552.5K SF	40.0K SF	47.2K SF	364.0K SF	304.0K SF	-0.66%
San Diego - CA	8.9M SF	6.8%	$18.76	0.29%	242.1K SF	-900.0K SF	233.4K SF	2.1M SF	2.6M SF	2.1M SF	-1.01%
Los Angeles - CA	55.6M SF	5.9%	$18.41	-2.25%	-2.4M SF	-8.0M SF	2.1M SF	5.9M SF	6.1M SF	6.4M SF	-1.22%
Portland - OR	14.9M SF	5.8%	$10.99	0.58%	-1.5M SF	-2.8M SF	172.0K SF	1.8M SF	2.5M SF	2.0M SF	-1.56%
East Bay - CA	14.2M SF	6.6%	$15.45	0.46%	-1.4M SF	-2.8M SF	93.1K SF	1.8M SF	1.2M SF	1.0M SF	-1.67%
Orange County - CA	12.5M SF	5.2%	$18.99	-0.76%	-736.9K SF	-2.9M SF	516.3K SF	1.5M SF	1.7M SF	1.4M SF	-1.83%
Reno - NV	12.0M SF	11.1%	$8.35	0.06%	-1.3M SF	-2.4M SF	1.7M SF	3.7M SF	3.6M SF	2.6M SF	-2.72%
Harrisburg - PA	8.4M SF	7.8%	$7.65	0.90%	-2.1M SF	-2.6M SF	0.0K SF	946.2K SF	496.6K SF	743.9K SF	-2.74%

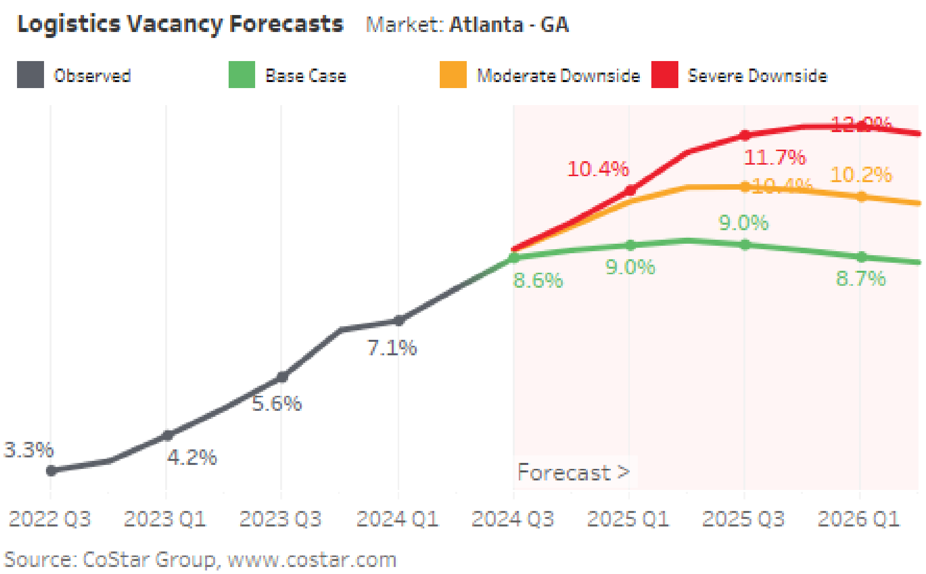
SELECT MARKET SUMMARIES

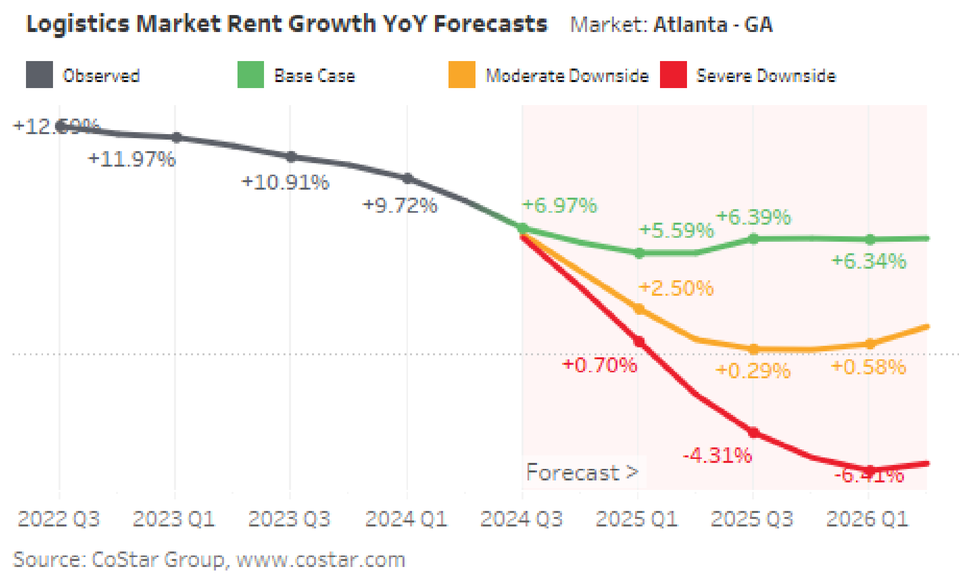
MOHR PARTNERS x NTT DATA

Atlanta, GA

Vacancy Rate Increase: Atlanta's industrial market has seen its vacancy rate rise to 7.5%, above its 10-year average, driven by subdued demand and a surge in big-box deliveries. This trend is expected to continue through early 2025 as new projects outpace absorption.
Speculative Construction Surge: A record wave of speculative projects, especially big-box facilities, has led to higher availability, particularly in areas like Kennesaw/Acworth. However, smaller spaces, especially in suburban locations, remain in high demand with lower availability rates.
Subdued Rent Growth: While annual rent growth remains strong at 7.0%, quarter-to-quarter growth has decelerated significantly. This slowdown is expected to persist as vacancy rates continue to rise, with rent growth projected to dip below 5% by early 2025.
Shift in Tenant Demand: Some large tenants, particularly those related to home goods and logistics, have vacated space due to inflationary pressures and rising interest rates. However, sectors like renewable energy and medical supplies are growing, with notable leases in these areas helping to balance the market.
Long-Term Market Outlook: While demand has slowed, Atlanta remains a key regional distribution hub due to its strategic location, strong population growth, and proximity to southeastern ports. A slowdown in new construction is expected to tighten vacancies and drive rent growth again in the next few years, especially as fewer projects come online.







Chicago, IL

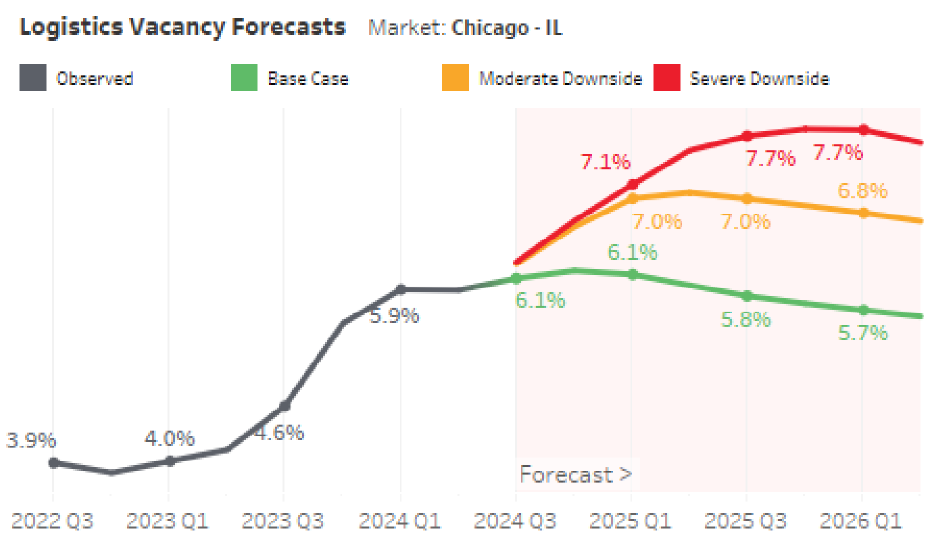
Prime Infrastructure: Chicago is the only U.S. metro area with access to six Class 1 railroads, supported by an extensive highway network. This makes it a top logistics hub, driving steady demand for industrial space, especially in key submarkets like Joliet and South I-55 Corridor.

Tight Vacancy Rates: Chicago's logistics vacancy rate of 6.1% is below its long-term average and tighter than the national average, supported by limited speculative development. Despite challenges, the market is expected to maintain this lower vacancy rate compared to other regions.

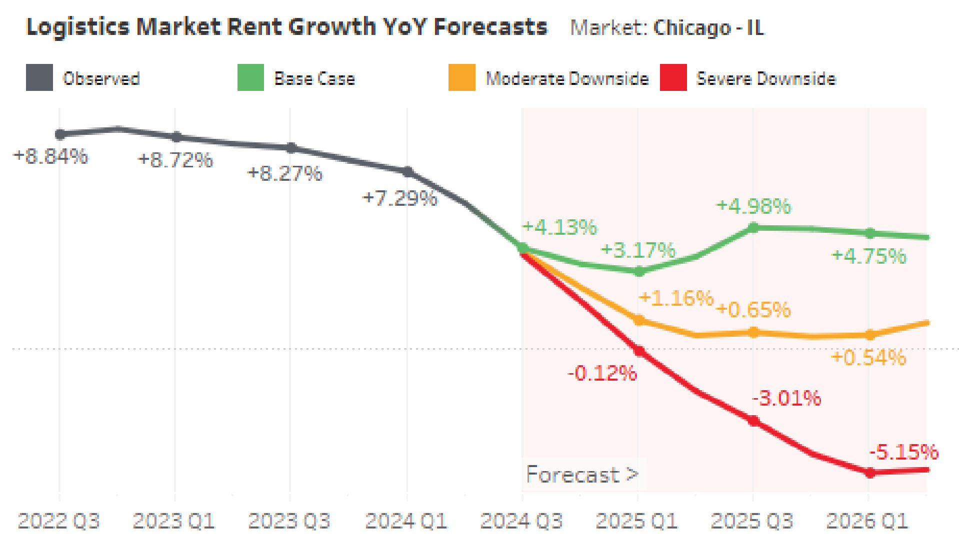
Slowing Rent Growth: Annual rent growth in Chicago is currently at 4.1%, outpacing the national average but down from the record highs of 2022. Rent growth is expected to continue decelerating due to high interest rates and increased supply but could reaccelerate if economic growth picks up in 2025-2026.

Positive Absorption Amid Rising Vacancy: Chicago remains one of the top U.S. markets for net positive absorption, with 7.1M SF absorbed in the past year. However, vacancy rates are expected to rise slightly due to ongoing speculative construction and slower leasing activity.

Emerging Trends: Local developers are repurposing vacant office properties into distribution or data centers, driven by strong demand for logistics space. Chicago's nation-leading intermodal infrastructure continues to attract logistics firms, reinforcing its status as a major distribution hub.



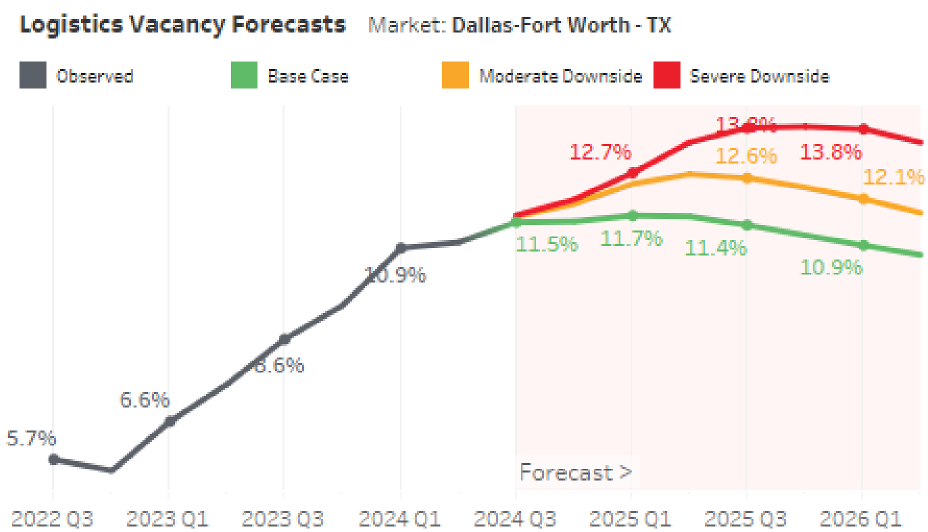
Source: CoStar Group, www.costar.com



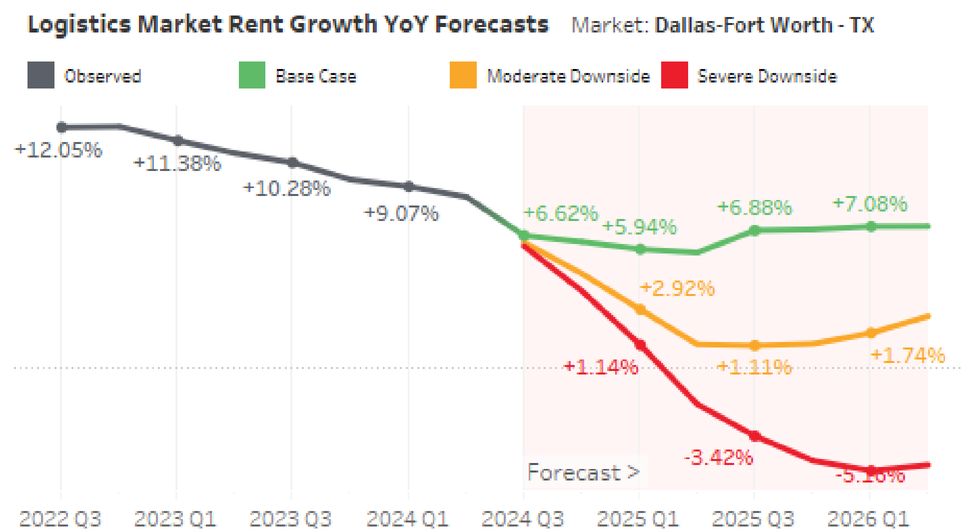
Source: CoStar Group, www.costar.com

Dallas-Fort Worth, TX

Surge in New Supply and Rising Vacancies: The DFW industrial market has seen a rapid influx of new inventory, with over 100M SF delivered since early 2023, driving the logistics vacancy rate to 11.5%. This supply-side pressure has caused vacancies to reach their highest point in over a decade.
Mixed Absorption and Tenant Demand: The first half of 2024 saw uneven net absorption. Large move-ins offset early-year vacancies, but overall demand has moderated compared to peak levels during 2021-2022. The small bay industrial sector remains strong, with tight availability rates around 6.6%.
Decelerating Rent Growth: Year-over-year rent growth is currently at 6.6%, down from the 2022 peak of 12.1%. Rent growth is expected to continue slowing due to rising vacancies, though urban core properties and smaller bays remain insulated from this trend.
Speculative Development and Supply Saturation: Outlying submarkets, like SE Dallas and Kaufman County, are experiencing supply saturation due to speculative development, with availability rates exceeding 20%. However, more established hubs like North Fort Worth and Alliance are better positioned to manage new inventory thanks to stronger pre-leasing and connectivity.
Long-Term Market Strength: DFW remains a leader in economic and demographic growth, driving long-term demand for industrial space. While new supply is set to slow in 2025, population growth and strong business relocations to the region continue to support a favorable outlook for future absorption and rent reacceleration.



Source: CoStar Group, www.costar.com



Source: CoStar Group, www.costar.com

Houston, TX

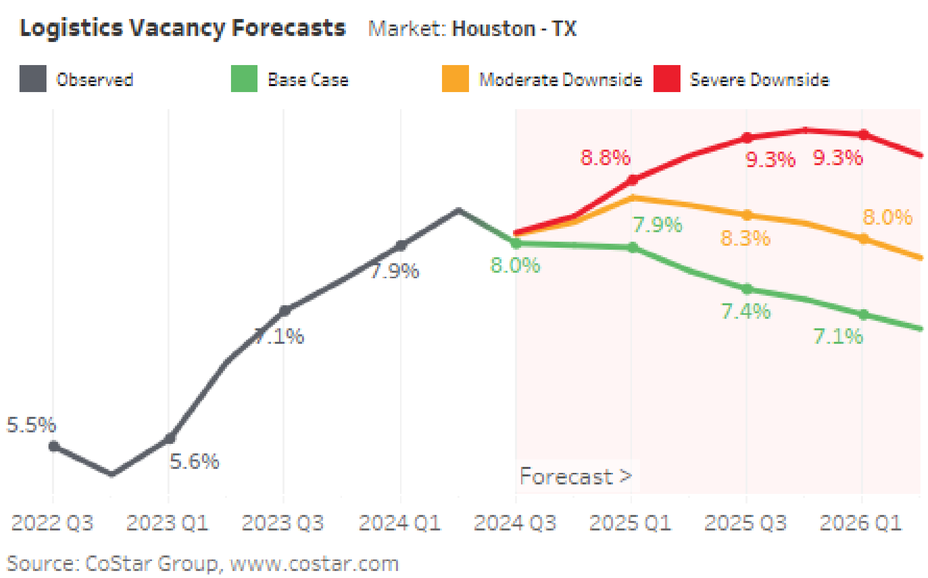
Supply/Demand Imbalance and Rising Vacancy: Houston's logistics vacancy rate has increased to 8.0%, driven by a wave of speculative construction. Over 10.4M SF is still under construction, with big-box spaces facing the most significant supply-side pressure.

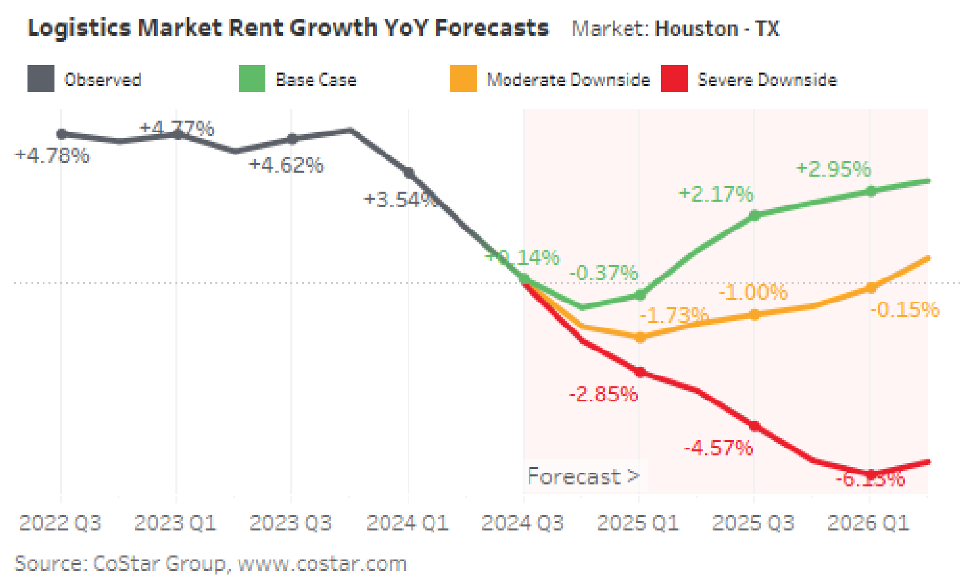
Decelerating Rent Growth: Annual rent growth has slowed to below 1.0%, the lowest pace in three years, due to the increase in vacancies. Rent growth is expected to moderate further in 2024, but core submarkets near the Port of Houston and George Bush Intercontinental Airport should see the largest rent gains.

Small Bay Strength: The small bay industrial sector, with limited new supply, remains a bright spot. Availability rates in this segment are around 6%, and owners are securing rent escalations of around 8%, double the historical average.

Moderation in New Supply: New supply is expected to drop significantly, with 2025 deliveries on track to hit a 13-year low. This reduction in new inventory could help vacancy rates stabilize and support rent growth reacceleration in the coming years.

Strong Long-Term Demand Drivers: Houston's long-term industrial demand is supported by the Port of Houston, its growing population, and a robust manufacturing and petrochemical sector. Despite short-term challenges, Houston's fundamentals remain strong for future growth.



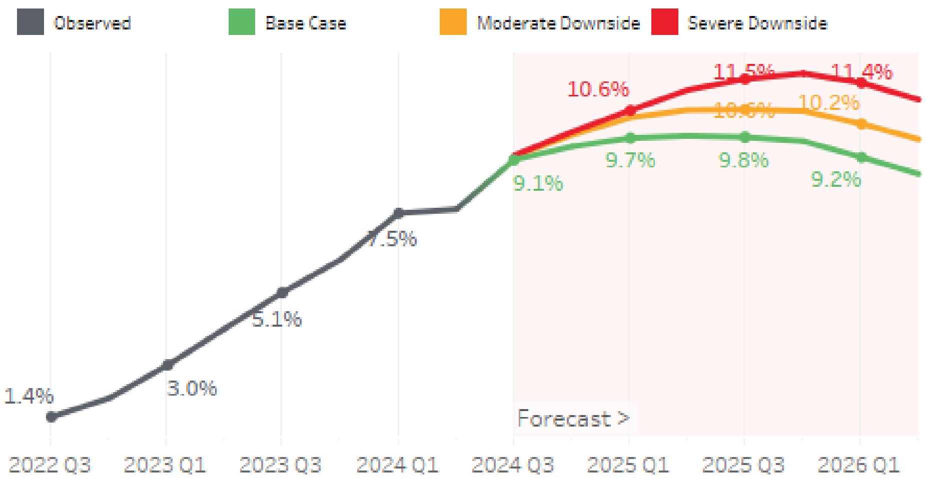


Inland Empire, CA

Rising Vacancy Due to New Supply: Inland Empire's logistics vacancy rate has increased to 9.1% in Q3 2024, up from a record low of 1.4% in mid-2022. This rapid rise in vacancy is driven by a wave of new supply, with over 40M SF completed since 2023 and an additional 23.9M SF under construction.
Softening Demand and Sublease Pressure: Net absorption has been negative in three of the past five quarters, putting downward pressure on rents. Asking rents have fallen by over 10% from their peak, with landlords offering concessions like free rent on larger leases.
Potential for Future Rent Growth: While rent growth has decelerated in 2024, the moderation in new construction and a rebound in leasing activity suggest that rent growth could reaccelerate in 2025-2026 as vacancy stabilizes and tenant demand increases.
Submarket Performance and Construction Shifts: Larger logistics facilities over 1M SF remain in strong demand, particularly in submarkets like Ontario and Fontana, while mid-sized buildings face higher availability rates. Temporary moratoriums and resident pushback could further constrain future construction, particularly in cities like Redlands and Fontana.
Long-Term Growth Supported by E-commerce and Ports: The Inland Empire continues to benefit from its proximity to the Ports of Los Angeles and Long Beach, with transportation and warehousing jobs expanding by nearly 30% since pre-pandemic levels. E-commerce growth, led by Amazon, remains a key driver of demand in the region, bolstering its long-term prospects.

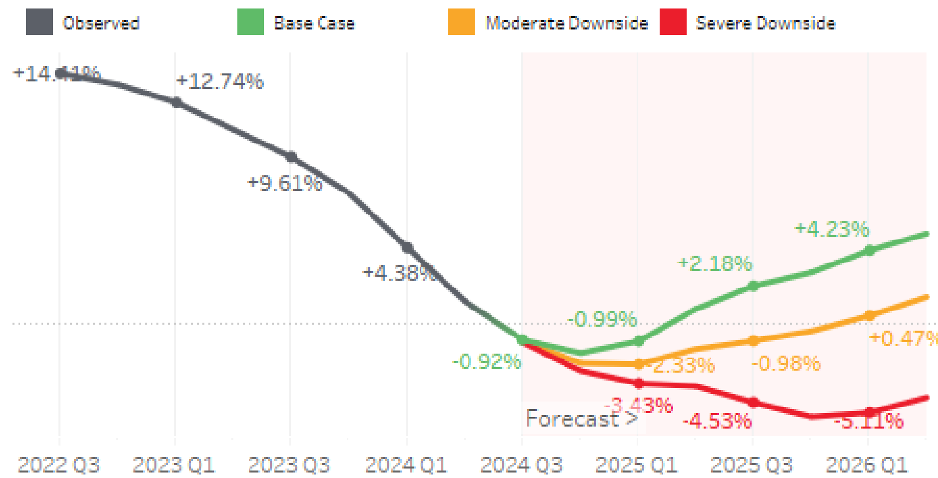
TRUCKING TIME

Logistics Vacancy Forecasts Market: Inland Empire - CA



Source: CoStar Group, www.costar.com

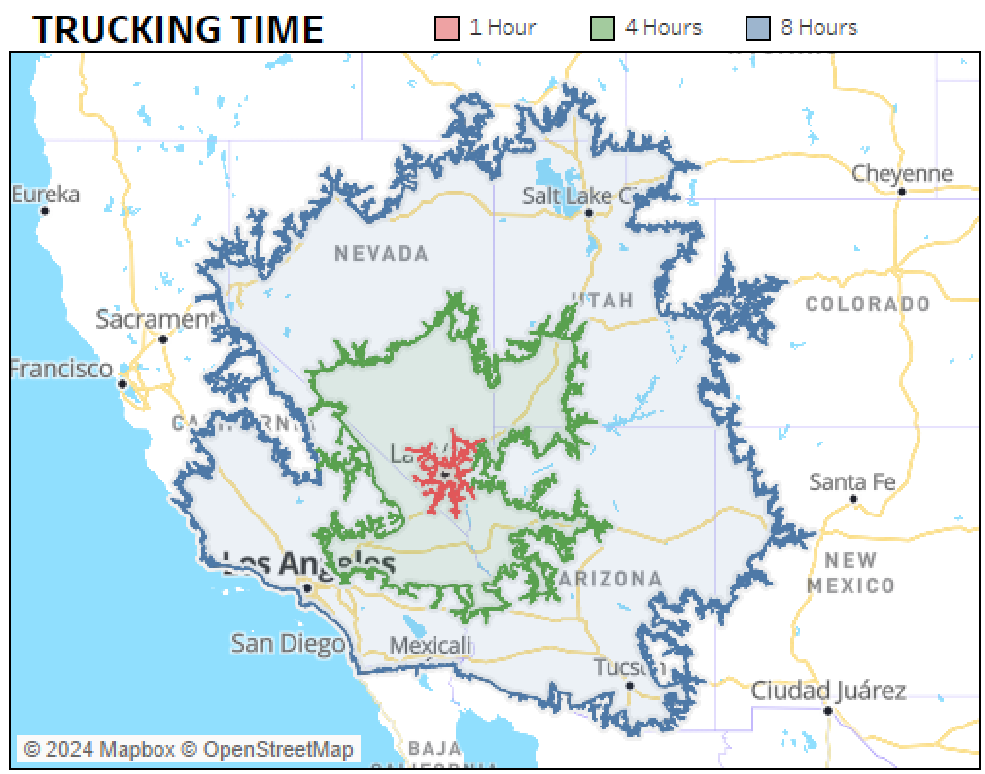
Logistics Market Rent Growth YoY Forecasts Market: Inland Empire - CA

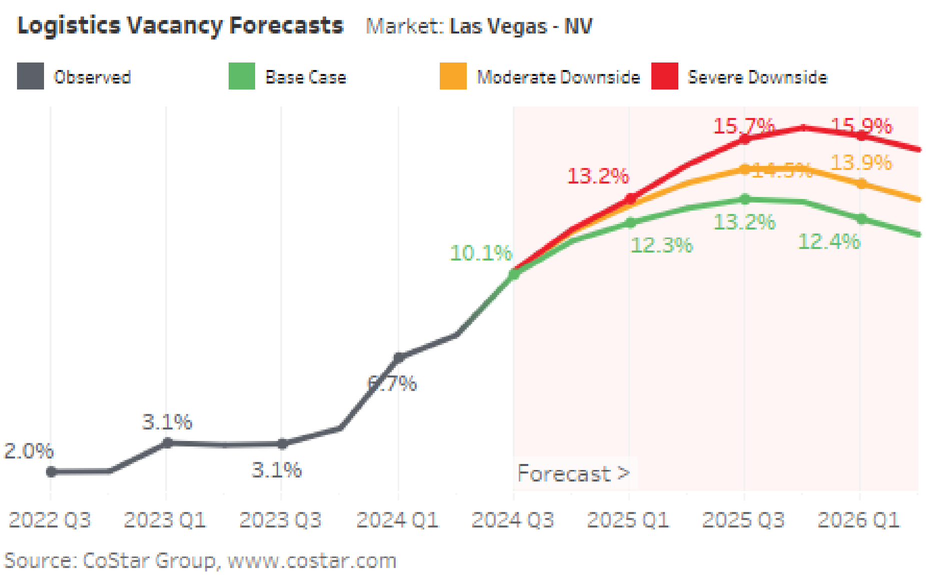


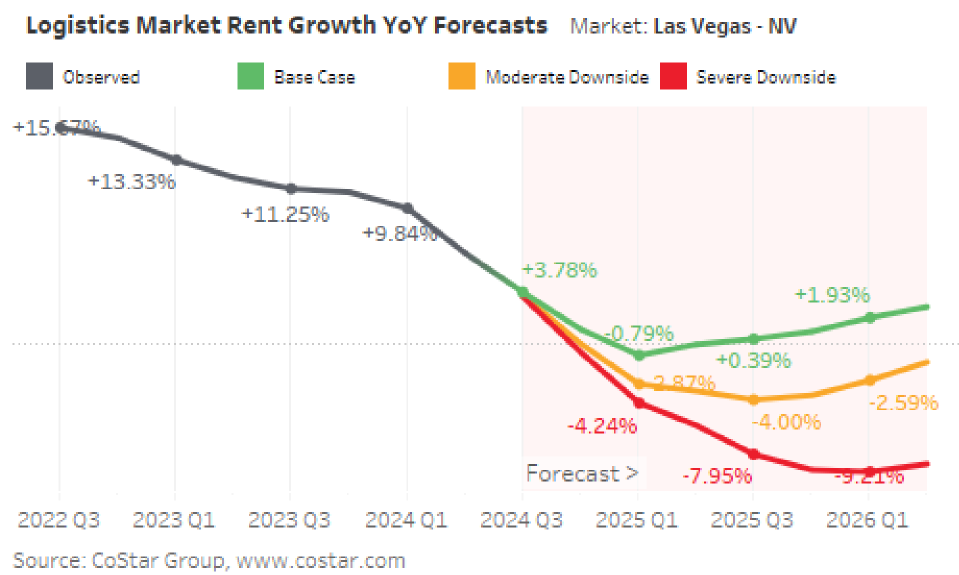
Source: CoStar Group, www.costar.com

Las Vegas, NV

Rising Vacancy Due to Supply Surge: Logistics vacancy in Las Vegas has risen to 10.1% as a result of 12.3M SF of new supply delivered in the past year. With 11.9M SF still under construction, vacancy is expected to continue rising, potentially surpassing 13% by 2025.
Demand Shift to Mid-Sized Spaces: Leasing activity has been concentrated in the 100,000-400,000 SF segment, with limited interest in larger spaces (400,000+ SF). Speculative developers have started subdividing larger projects due to the lack of demand for big-box spaces.
Decelerating Rent Growth: Annual rent growth has moderated from its peak, now below 5%, with quarter-over-quarter rent gains flat in early 2024. Rising vacancy and an influx of speculative space are putting downward pressure on rents, which are expected to stabilize at lower growth levels in the near term.
Long-Term Growth Drivers: Despite near-term challenges, Las Vegas benefits from strategic access to Southern California ports, a growing population, and favorable tax incentives. These factors will continue to drive industrial demand over the long term.
Sector-Specific Demand: The hospitality and gaming industries are significant drivers of industrial demand, particularly for spaces under 400,000 SF. Additionally, the market's proximity to Southern California and its strategic location along key transport routes provide long-term tailwinds for logistics and distribution growth.







Nashville, TN

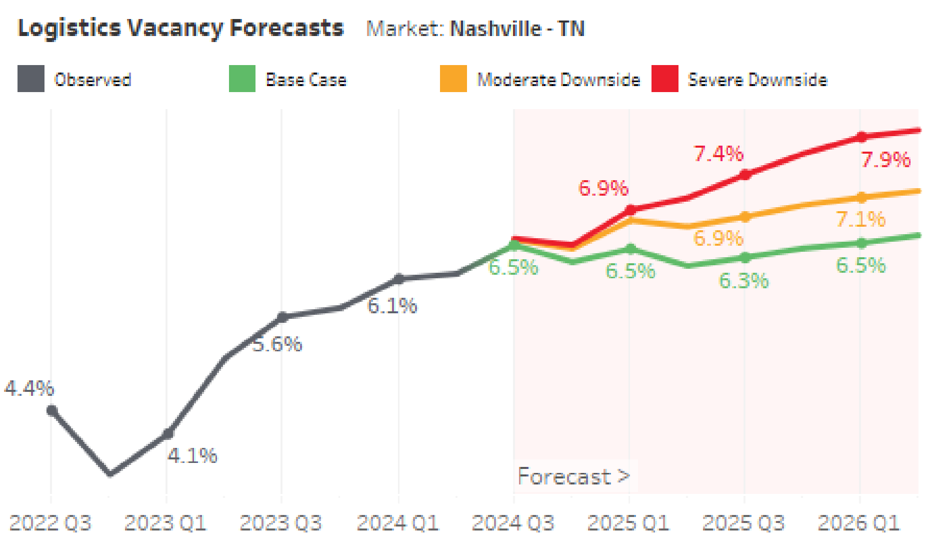
Rising Vacancy Amid Record Deliveries: Nashville's logistics vacancy rate increased to 6.2% in Q2 2024 due to a surge in new supply, with 10.3M SF delivered over the past year. This marks a record level of development, though vacancies remain below the national average.

Strong Absorption: Tenant demand has rebounded, with 5.5M SF of net absorption over the past year, driven by distribution and food services tenants.

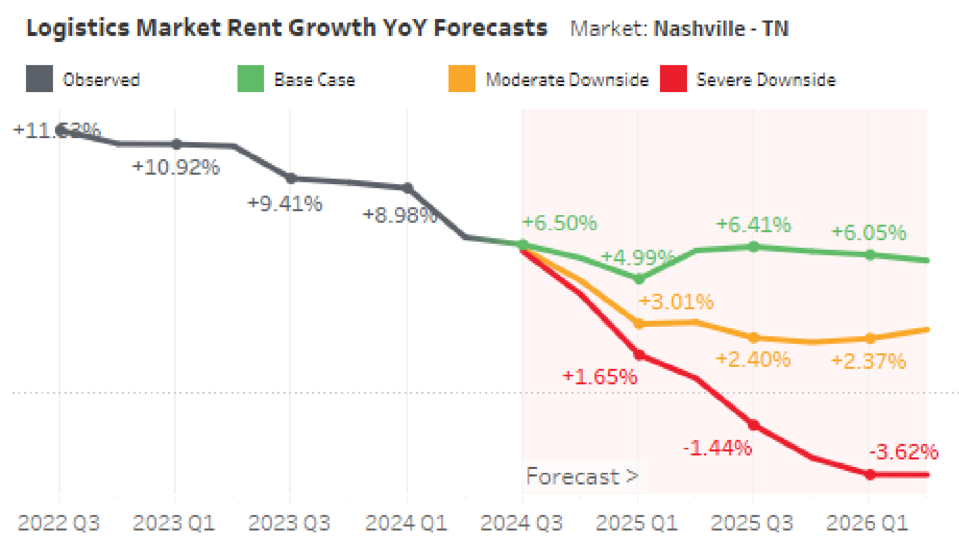
Moderating Rent Growth: Rent growth in Nashville has slowed from its record pace, with a four-quarter trailing growth rate of 6.5%. While this is a decline from 2022 highs, it still outpaces the national average by 200 basis points, reflecting the relatively tight market conditions.

Speculative Development and Small Bay Strength: Availability rates for properties larger than 100,000 SF remain elevated at 9% due to speculative development. In contrast, small bay properties (under 50,000 SF) have tighter availability at around 4%, particularly in fast-growing suburban areas like Franklin and Brentwood.

Investment Activity Rebounds: Nashville's industrial investment market saw a resurgence in Q2 2024, with the highest quarterly sales volume since late 2022. Institutional buyers and REITs have returned, driving four-quarter trailing investment activity to $1.1 billion, well above pre-pandemic levels.



Source: CoStar Group, www.costar.com

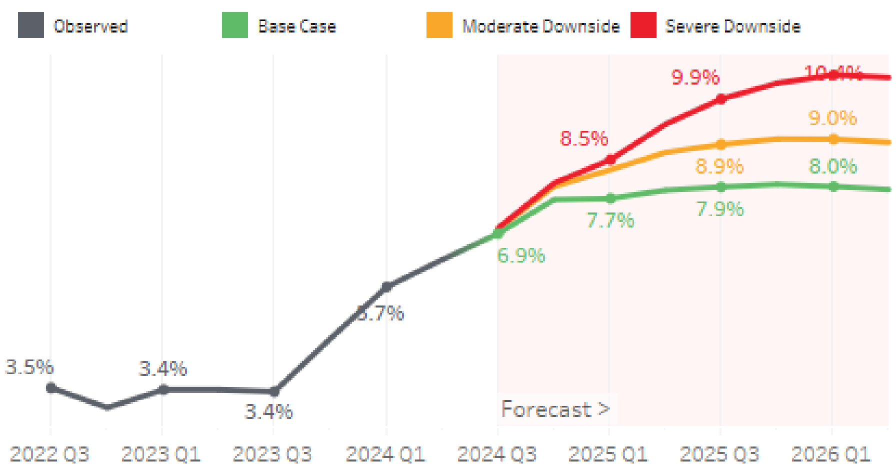


Source: CoStar Group, www.costar.com

Orlando, FL

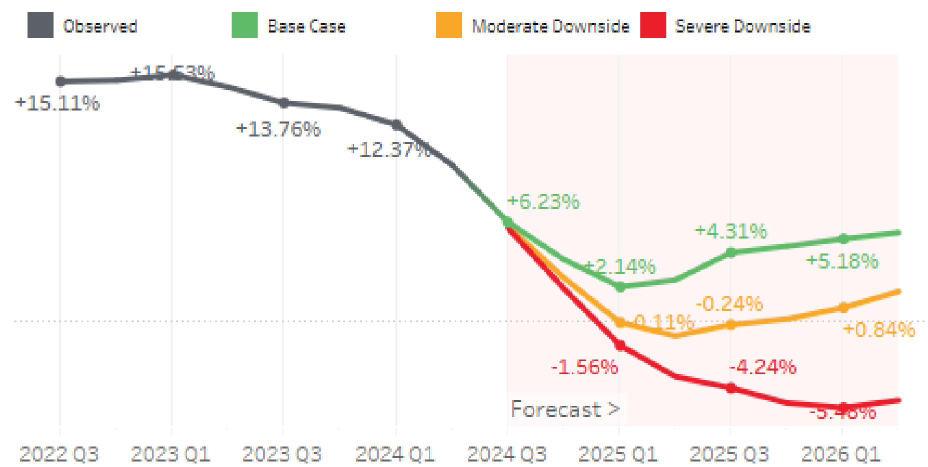
Rising Vacancy Amid Supply Surge: Orlando's industrial vacancy rate has climbed to 6.9% due to a wave of 8.9M SF of new supply delivered in the past year. With nearly 14M SF projected to be added between 2023 and 2024, vacancy is expected to rise further, potentially peaking near 8% in early 2025.
Shift in Demand to Smaller Spaces: Tenant demand has shifted toward smaller spaces, with more than 50% of 2024 leasing activity occurring in buildings under 25,000 SF. This trend has created tight market conditions for small bay spaces, with limited availability and heightened competition for quality spaces in this size range.
Moderating Rent Growth: Rent growth has decelerated from a record high of 15.6% in early 2023 to 6.2% in Q3 2024. As new supply continues to outpace demand, rent growth is expected to normalize closer to 4% by the end of 2024, with further moderation in 2025.
Large Block Supply Pressure: The market faces challenges with larger blocks of space (200K SF+), where vacancy rates are higher, and landlords are offering more concessions. Speculative development remains concentrated in the NW and SE Orange County areas, contributing to elevated vacancy in larger facilities.
Long-Term Growth Drivers: Orlando's industrial market benefits from strong population growth, a deep talent pool, and a dynamic economy fueled by the tech, fintech, defense, and tourism sectors. Despite short-term challenges, the region's economic strength and continued in-migration will support long-term industrial demand.

Logistics Vacancy Forecasts Market: **Orlando - FL**



Source: CoStar Group, www.costar.com

Logistics Market Rent Growth YoY Forecasts Market: **Orlando - FL**



Source: CoStar Group, www.costar.com

Phoenix, AZ

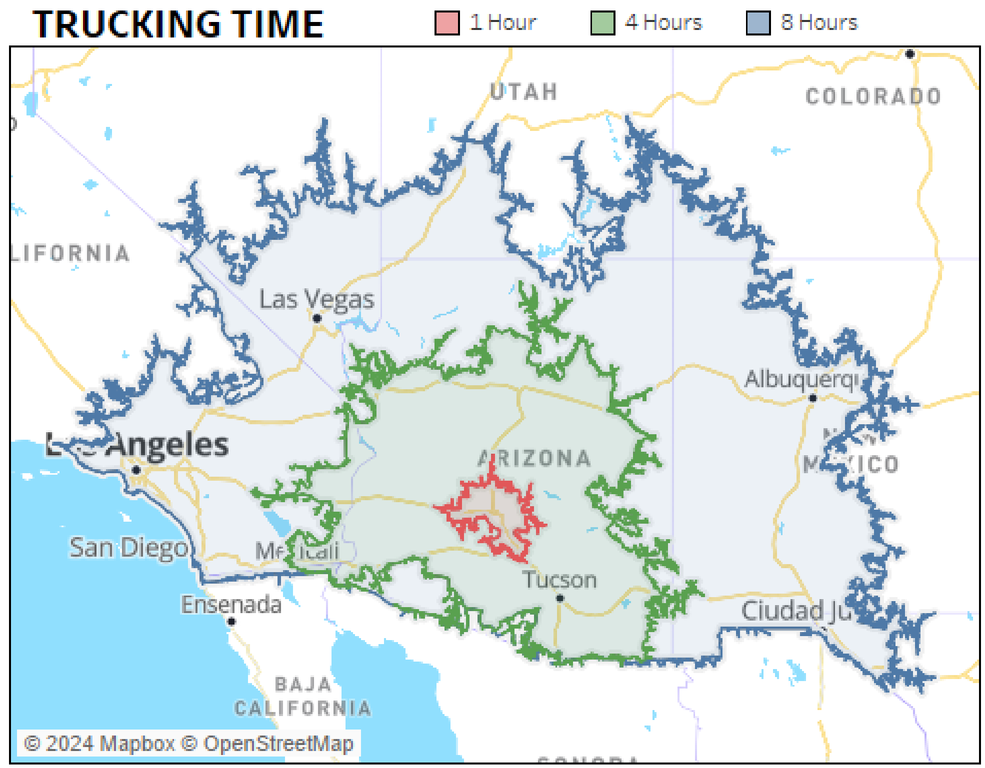
Rising Vacancy Due to Supply Surge: Phoenix's industrial vacancy rate climbed to 11.1% as of Q3 2024 due to an unprecedented wave of new construction. Over the past 12 months, 41.8M SF of industrial space was delivered, with nearly 30M SF still under construction. The ongoing speculative development will likely push vacancy higher through mid-2025.

Demand Outpaced by Supply: Despite resilient tenant demand, with 14.2M SF of net absorption over the past year, the rapid pace of deliveries continues to outstrip leasing activity. The vacancy rate for buildings larger than 100K SF has reached 13.8%, while smaller bay properties remain tight with vacancy in the low 4% range.

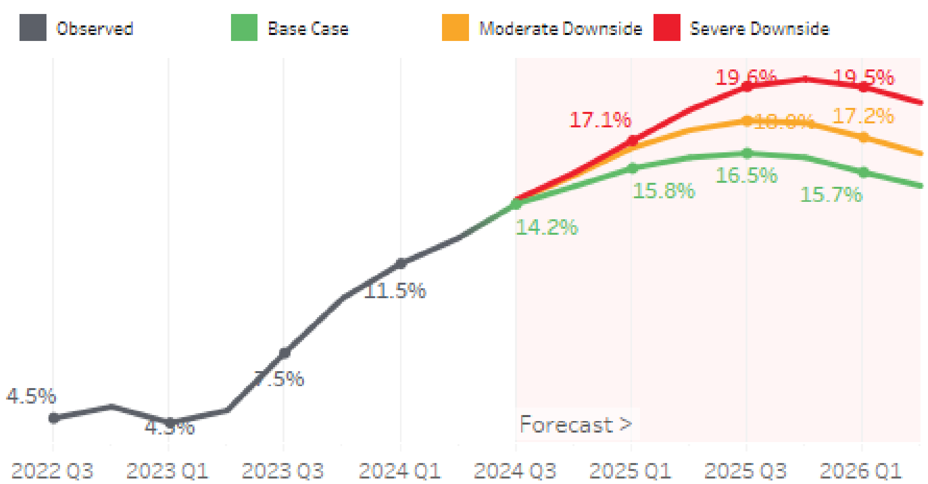
Moderating Rent Growth: Rent growth in Phoenix has slowed significantly from its peak of 15.2% in 2022 to 6.4% in the past year. With ongoing supply pressure, rent growth is expected to decelerate further, reaching its lowest level in over a decade by early 2025. Smaller bay properties and infill locations are likely to retain more pricing power.

Shift to Smaller Spaces: Small bay properties under 50,000 SF are experiencing tight availability, benefiting from strong demand related to residential construction and population growth. In contrast, big box spaces are facing increased competition and higher availability, particularly in the West Valley, where much of the new construction is concentrated.

Long-Term Growth Drivers: Phoenix remains attractive due to its strategic location, affordability, and strong labor market. The region is also seeing significant growth in advanced manufacturing, particularly in the semiconductor industry. These factors will continue to support long-term demand for industrial space, despite near-term challenges.

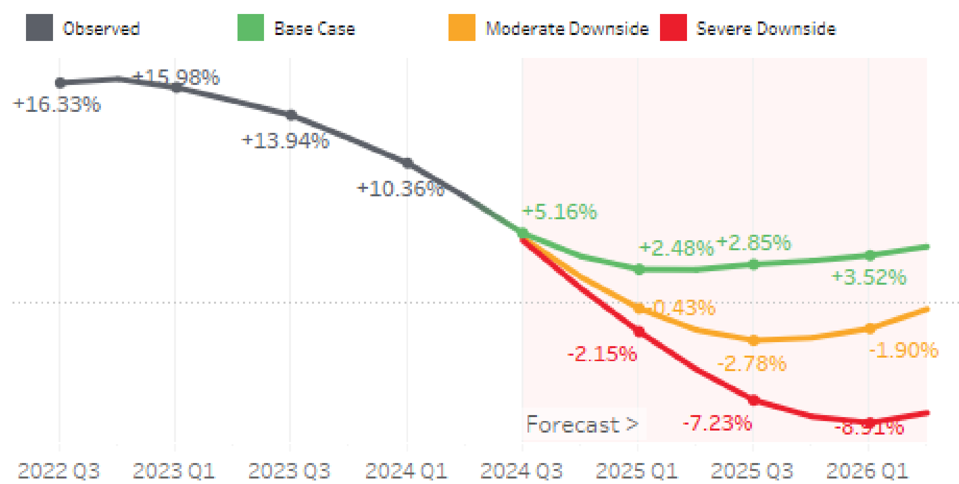


Logistics Vacancy Forecasts Market: **Phoenix - AZ**



Source: CoStar Group, www.costar.com

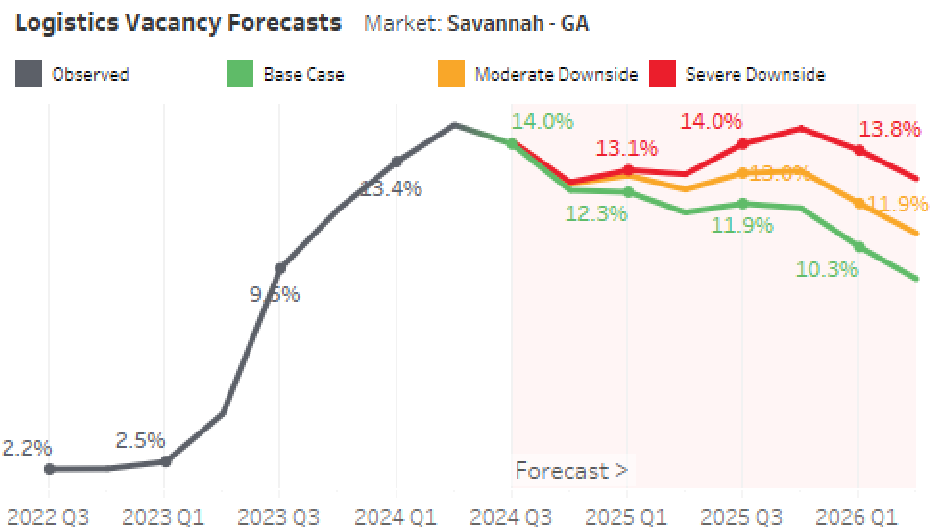
Logistics Market Rent Growth YoY Forecasts Market: **Phoenix - AZ**



Source: CoStar Group, www.costar.com

Savannah, GA

Emerging Distribution Hub: Savannah has established itself as a significant East Coast distribution hub, driven by enhancements at the Port of Savannah, including the completion of a harbor deepening project in 2022. This expansion has attracted increased interest from logistics and manufacturing companies, with national retailers and distributors leasing large industrial spaces.
Supply Growth Outpacing Demand: Despite continued demand, the rapid delivery of new industrial supply has pushed the vacancy rate up to 14%, from a low of under 2% in early 2022. An additional 10.5M SF is under construction, representing a significant 21% expansion of total inventory. Savannah regularly ranks among the top U.S. markets for industrial inventory growth.
Big Box Distribution Facilities: The market has seen a surge in demand for large distribution centers, particularly from logistics companies.
Rent Growth and Market Conditions: Despite rising vacancies, Savannah landlords have retained some pricing power due to ongoing demand. Annual rent growth in Savannah is around 5.8%, outpacing the national average, and average asking rents are currently near $8.13/SF, slightly below nearby markets like Jacksonville and Charleston.
Infrastructure and Population Growth: Savannah benefits from a strategic location at the intersection of I-95 and I-16, as well as robust port and rail infrastructure. Population growth has supported demand for industrial space, with the region experiencing about 5% growth from 2020-2023. The Hyundai electric vehicle manufacturing facility in Bryan County is expected to further boost industrial demand as it brings 8,000 new jobs and attracts related suppliers.
Long-Term Outlook: Savannah's industrial market is expected to continue growing, fueled by its strategic location, expanding port infrastructure, and a dynamic economy. While short-term challenges include elevated vacancy rates due to oversupply, the region's focus on large-scale distribution and manufacturing, combined with ongoing investments in infrastructure, positions it for continued long-term growth.



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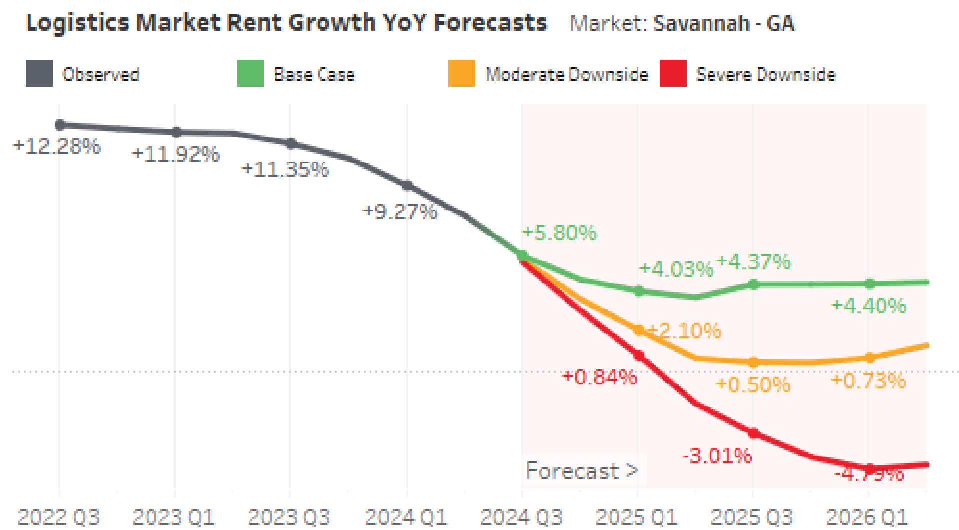


Source: CoStar Group, www.costar.com

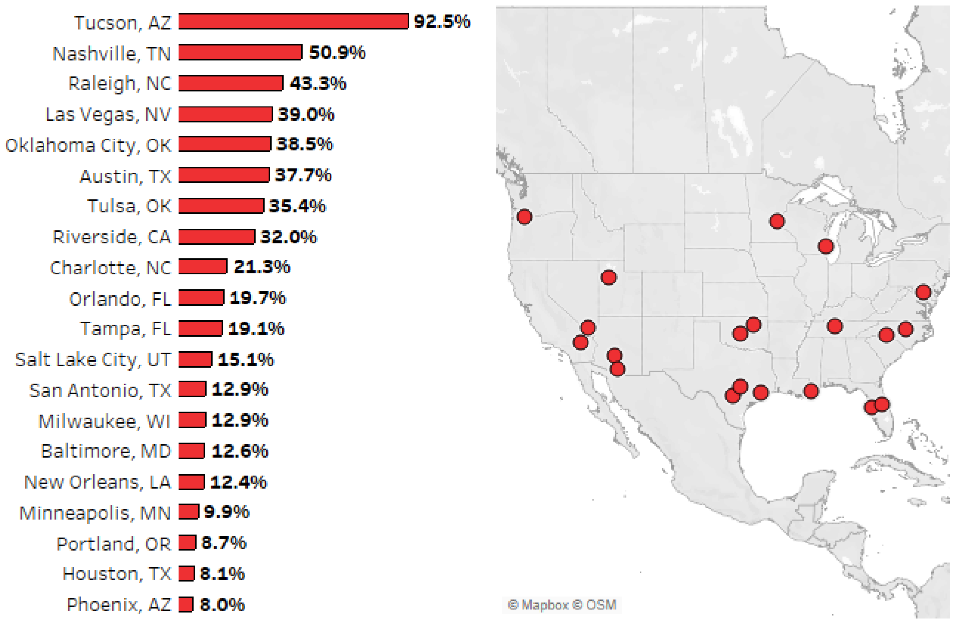
National Warehouse Labor Market

Current Workforce Landscape

As of 2023, the U.S. labor market for warehouse workers includes approximately 3,013,667 employees, a figure that aligns closely with national averages. The compensation for these roles is also consistent with national benchmarks, with a median salary of $37,648 per year. The competition for hiring within this sector is moderate, reflecting an equilibrium between supply and demand. With 36,138 job postings per month, the demand for warehouse labor remains robust, driven by various industry sectors.

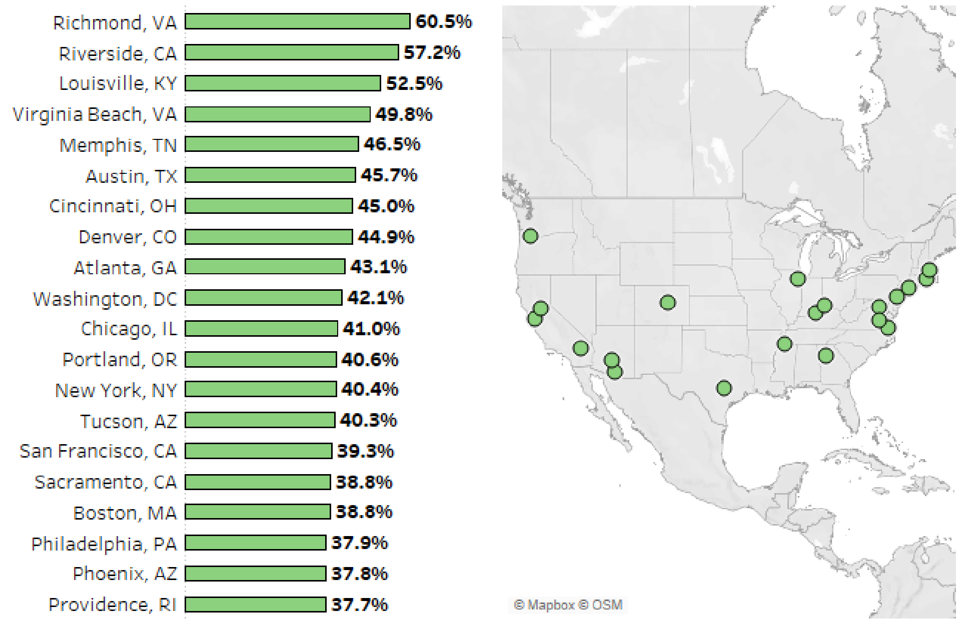
Warehouse Laborer Job Growth | 2019 - 2024

Top 20 Large Metros (1M+ Population)



Median Hourly Earnings Growth | 2018-2023

Top 20 Large Metros (1M+ Population)



Source: Lightcast, 2024

Top Companies	Unique Postings
Amazon	11,604
Aerotek	8,474
Randstad	7,749
UPS	7,406
FedEx	7,394

Top Job Titles	Unique Postings
Warehouse Associates	75,478
Material Handlers	51,274
Warehouse Workers	29,324
Warehouse Package Handlers	9,754
General Laborers	9,450

Market Dynamics and Future Projections

The warehouse labor market is experiencing stable growth. The past five years have seen a modest 2% growth in employment, with a projected 8% growth over the next five years. This growth trajectory indicates a steady increase in demand for warehouse labor, driven by the expansion of e-commerce, increasing consumer demand, and the continuous need for efficient supply chain operations.

The risk of retirement within this workforce is about average, with approximately 534,013 employees aged 55 or older. This suggests a balanced age distribution that can sustain the labor supply while also presenting opportunities for new entrants as older workers retire.

Demographic and Geographic Insights

The demographic profile of warehouse workers is diverse, with a notable representation across various age groups and ethnicities. The age distribution reveals a workforce that is predominantly young to middle-aged, with 18.5% aged 19-24 and 24.9% aged 25-34. This indicates a relatively youthful workforce, which is beneficial for the physically demanding nature of warehouse jobs.

	% of Jobs	Jobs
14-18	3.1%	92,406
19-24	18.5%	557,093
25-34	24.9%	749,017
35-44	19.2%	579,968
45-54	16.6%	501,170
55-64	13.1%	396,154
65+	4.6%	137,859

Ethnically, the workforce is diverse, with White workers constituting 48.8%, Hispanic or Latino workers 22.6%, and Black or African American workers 22.3%. This diversity highlights the inclusive nature of the warehouse labor market and its accessibility to various demographic groups. Geographically, California, Texas, Illinois, Pennsylvania, and Florida are the states with the highest employment levels for warehouse workers. These states are major hubs for logistics and distribution, owing to their large populations and significant industrial activities.

Market Comparison Stats

Top Markets - Warehouse Laborers

Market	2024 Jobs
1. Chicago, IL	143,386
2. New York, NY	130,017
3. Los Angeles, CA	124,872
4. Dallas, TX	83,526
5. Riverside, CA	82,340
6. Atlanta, GA	81,158
7. Houston, TX	60,079
8. Philadelphia, PA	58,074
9. Phoenix, AZ	54,271
10. Miami, FL	45,596

Source: Lightcast, 2024

Lowest Median Wage Markets

Market	Avg Wage
1. Tulsa, OK	$16.84
2. New Orleans, LA	$16.87
3. Oklahoma City, OK	$16.98
4. Charlotte, NC	$17.12
5. San Antonio, TX	$17.23
6. Birmingham, AL	$17.36
7. Raleigh, NC	$17.38
8. Tampa, FL	$17.55
9. Miami, FL	$17.94
10. Jacksonville, FL	$18.24

Source: Lightcast, 2024

Highest Median Wage Markets

Market	Avg Wage
1. San Francisco, CA	$23.51
2. San Jose, CA	$23.19
3. Minneapolis, MN	$22.52
4. Seattle, WA	$22.47
5. Louisville, KY	$21.97
6. Honolulu, HI	$21.86
7. Boston, MA	$21.83
8. Denver, CO	$21.44
9. Riverside, CA	$21.37
10. New York, NY	$21.37

Source: Lightcast, 2024

Warehouse Laborers Concentration

Market	Concentration
1. Memphis, TN	2.93
2. Riverside, CA	2.46
3. Louisville, KY	2.28
4. Indianapolis, IN	2.08
5. Nashville, TN	1.90
6. Charlotte, NC	1.65
7. Chicago, IL	1.60
8. Las Vegas, NV	1.59
9. Atlanta, GA	1.42
10. Oklahoma City, OK	1.36

Source: Lightcast, 2024 | 1.00 is the national average

Job Postings

Market	Unique Job Postings
1. Chicago, IL	24,767
2. Dallas, TX	24,271
3. Los Angeles, CA	22,398
4. Phoenix, AZ	18,455
5. New York, NY	18,353
6. Atlanta, GA	17,773
7. Seattle, WA	14,372
8. Boston, MA	14,253
9. Houston, TX	12,242
10. Minneapolis, MN	12,075

Source: Lightcast, 2024

Compensation and Skills Demand

Skill	Salary Boosting	Job Postings Requesting	Projected Growth	Growth Relative to Market
Material Handling Equipment	✓	28,578	+17.1%	Growing
Forklift Certification	✗	27,444	+3.4%	Lagging
Inventory Staging	✗	24,732	+15.7%	Growing
Material Handling	✗	24,693	+7.3%	Stable
Order Fulfillment	✗	22,669	+8.5%	Stable
Warehouse Operations	✓	21,042	+7.6%	Stable
Warehouse Management Systems	✓	16,500	+10.7%	Growing
Power Industrial Truck (PIT) Operation	✗	14,997	+6.0%	Stable

The compensation for warehouse labor is in line with national averages, providing a stable income for workers in this sector. The median hourly wage is $18.10, which is competitive within the broader labor market. This stability in compensation is crucial for attracting and retaining talent in a sector characterized by high demand and operational importance.

The skills in demand for warehouse workers are reflective of the core responsibilities associated with the role. Key defining skills include warehousing, forklift operation, palletizing, and shipping and receiving. These skills are essential for the efficient handling and movement of goods within warehouses and distribution centers. The demand for these skills has been growing, with warehousing skills alone showing a 13% growth rate.

Advanced or distinguishing skills such as material handling equipment operation, forklift certification, and inventory staging are also highly sought after. These skills enhance a worker's capability to perform specialized tasks, thereby increasing their value within the labor market.

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