LEE & ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES

Q3 2025 MARKET REPORTS

LEE-ASSOCIATES.COM/RESEARCH

INDUSTRIAL OVERVIEW: MARKETS AWAIT TARIFF CLARITY

Net absorption of industrial space increased in the third quarter across North America but demand was weak and failed again to keep pace with the supply of new buildings, while tenant growth remained hobbled by tariff concerns and interest rates.

In the United States, following 8.1 million SF of negative absorption in the first half, third-quarter tenant growth totaled 31 million SF. That was off 41% from a year ago and the 22.8 million SF year to date growth was off 70% compared to the first nine months of last year.

Across Canada there was 5,390,568 SF of net absorption in Q3. But year-to-date tenant growth remained slightly in the red at negative 275,450 SF. Net absorption is projected to total only about 1.4 million SF this year compared to the 20-million-SF average annual tenant growth of the previous three years. The tenant expansion also falls short of the more than 100 million SF of new inventory delivered in that period.

In the U. S. the increased net absorption also will be outweighed by the estimated 233.5 million SF of space slated for delivery this year, which follows a three-year, 1.4-billion-SF construction boom.

The combination of tenant contraction and added supply drove up the vacancy rate 70 basis points from the second quarter to 7.5%, the highest since 2013 in the aftermath of the Great Recession. Impending supply additions are forecast to push vacancy higher.

As property owners increasingly offer concessions, free rent is strategically favored by most landlords – typically one month of free rent per year. The reduced "effective" rental rate can translate into a 5% to 8% savings to the tenant. Meanwhile, landlords theorize that after the free rent is used in the first year, the property's full value will be restored for the remainder of the lease.

High vacancies have hit larger buildings in recent years. Since 2022, vacancy in buildings larger than 100,000 SF is up 380 basis points to more than 8%. Buildings from 50,000 SF to 100,000 SF have seen a more gradual rise, increasing 240 basis points, to 5.7%. Buildings smaller than 50,000 SF are in most demand and with vacancy typically at less than 5%.

Meanwhile, the ongoing trade uncertainty poses great risk as business leaders struggle to plan for growth. The federal government has reached preliminary agreements with the European Union and only six other trading partners. The current tariff truce with China is under stress due to China's restrictions on its rare-earth materials.

Complicating matters is whether the administration's trade policy will satisfy a majority on the U.S. Supreme Court. The court this term will consider President Trump's appeal of a lower court's denial of his claiming emergency powers to make trade agreements without Congress. The ruling against the government by the U.S. Court of International Trade was affirmed in August by a federal appellate court.

LOWEST VACANCY RATE	
NE, Omaha	2.8%
BC, Vancouver	3.9%
MN, Minneapolis	3.9%
OH, Cleveland	4.1%
ON, Toronto	4.3%
U.S. Index	7.5%
Canada Index	4.2%

HIGHEST MARKET RENT / SF ANNUAL	
CA, San Francisco	$28.68
CA, San Diego	$22.32
FL, Miami	$20.76
NY, New York*	$19.68
CA, Orange County	$19.20
U.S. Index	$12.00
Canada Index	$12.24 CAD

HIGHEST MARKET SALE PRICE / SF	
CA, San Francisco	$455
CA, Orange County	$350
CA, San Diego	$327
CA, Los Angeles	$320
BC, Vancouver	$320 CAD
U.S. Index	$157
Canada Index	$218 CAD

MOST SF UNDER CONSTRUCTION SF	
TX, Dallas-Fort Worth	35,499,228
TX, Houston	23,156,583
AZ, Phoenix	20,931,778
TX, Austin	16,786,074
GA, Atlanta	16,402,014
U.S. Index	306,719,390
Canada Index	31,125,216

LARGEST INVENTORY BY SF	
IL, Chicago	1,426,833,145
TX, Dallas-Fort Worth	1,220,007,555
CA, Los Angeles	960,455,697
ON, Toronto	897,937,107
NY, New York*	882,850,365
U.S. Index	19,452,391,048
Canada Index	1,944,833,245

LOWEST MARKET CAP RATE	
BC, Vancouver	4.2%
ON, Toronto	4.7%
CA, Inland Empire	4.7%
CA, Los Angeles	5.1%
CA, Orange County	5.3%
U.S. Index	7.3%
Canada Index	5.4%

** 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

Q3 2025
INDUSTRIAL OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
AB, Calgary **	4.5%	$0.79	$138	2,342,838	196,545,271	6.8%
AZ, Phoenix	12.4%	$1.07	$183	20,931,778	508,179,291	6.6%
BC, Vancouver **	3.9%	$1.19	$320	3,567,323	283,647,883	4.2%
CA, Bakersfield	10.6%	$0.81	$115	1,092,443	67,225,962	7.3%
CA, East Bay	9.0%	$1.46	$276	1,086,204	278,561,354	5.8%
CA, Fresno	4.2%	$0.73	$93	50,100	87,822,586	7.5%
CA, Inland Empire	8.6%	$1.03	$262	10,293,147	791,524,620	4.7%
CA, Los Angeles	6.5%	$1.48	$320	3,893,113	960,455,697	5.1%
CA, Orange County	6.5%	$1.60	$350	2,016,912	304,304,715	5.3%
CA, San Diego	9.4%	$1.86	$327	2,524,484	216,099,299	6.2%
CA, San Francisco	13.1%	$2.39	$455	2,005,110	102,558,980	5.8%
CA, San Luis Obispo	2.5%	$1.34	$196	325,365	9,870,384	6.7%
CA, Santa Barbara	4.3%	$1.43	$220	43,350	20,857,553	6.9%
CA, Stockton	11.1%	$0.78	$132	1,602,460	156,204,145	6.3%
CA, Ventura	5.6%	$1.24	$206	817,730	76,092,996	6.3%
CO, Denver	8.5%	$0.97	$172	5,120,597	285,457,031	7.5%
DC, Washington	5.6%	$1.52	$254	15,102,250	318,649,268	6.8%
FL, Fort Myers	8.4%	$1.11	$148	1,184,674	44,198,044	8.2%
FL, Miami	6.3%	$1.73	$276	4,536,530	279,520,761	5.8%
FL, Naples	3.8%	$1.49	$191	22,086	14,578,712	7.6%
FL, Orlando	8.2%	$1.20	$171	2,488,410	211,660,009	6.6%
FL, Tampa	7.2%	$1.07	$151	2,249,005	225,276,524	7.5%
GA, Atlanta	8.7%	$0.81	$119	16,402,014	866,026,023	6.6%
GA, Savannah	12.5%	$0.74	$131	10,217,011	157,669,072	6.8%
ID, Boise	9.1%	$0.88	$134	4,417,777	62,909,324	7.8%
IL, Chicago	5.9%	$0.80	$98	13,978,713	1,426,833,145	8.0%
IN, Indianapolis	9.0%	$0.64	$77	4,220,640	430,452,943	8.5%
KS, Lawrence	2.4%	$0.79	$90	0	9,218,932	9.3%
KS, Topeka	2.5%	$0.50	$54	502,037	21,971,333	10.0%
LA, Baton Rouge	2.2%	$0.84	$80	987,000	45,021,502	9.5%
LA, Lafayette	2.7%	$0.77	$80	2,155,000	27,302,001	9.4%
MA, Boston	8.4%	$1.42	$196	2,507,329	369,492,085	7.1%
MD, Baltimore	9.3%	$0.92	$135	3,588,894	268,914,761	7.7%
MI, Detroit	4.9%	$0.74	$72	2,769,332	634,272,387	10.7%
MN, Minneapolis	3.9%	$0.78	$101	3,804,959	437,400,477	8.8%
United States Index	7.5%	$1.00	$157	306,719,390	19,452,391,048	7.3%
Canada Index	4.2%	$1.02 CAD	$218 CAD	31,125,216	1,944,833,245	5.4%

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

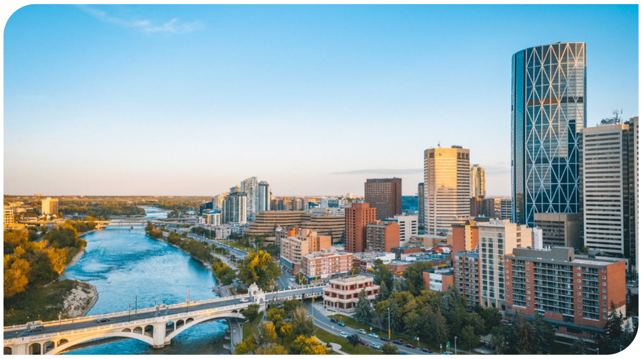
Q3 2025
INDUSTRIAL OVERVIEW

MARKET	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	SF UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
MO, Kansas City *	6.2%	$0.60	$66	9,399,280	374,957,045	9.3%
MO, Saint Louis	4.7%	$0.61	$71	5,167,899	345,246,519	8.5%
NC, Charlotte	10.1%	$0.81	$107	9,366,708	396,541,202	7.4%
NC, Durham	7.7%	$0.96	$137	2,896,728	58,684,072	7.2%
NC, Raleigh	6.9%	$1.04	$146	3,395,290	108,190,168	7.8%
NE, Lincoln	2.4%	$0.65	$82	251,558	33,795,564	9.5%
NE, Omaha	2.8%	$0.71	$86	4,683,119	110,992,515	8.9%
NJ, Atlantic City	5.9%	$0.91	$83	0	9,760,244	8.6%
NJ, Northern New Jersey *	5.8%	$1.37	$211	4,286,812	258,640,128	6.6%
NJ, Trenton	8.2%	$0.89	$165	626,624	44,619,758	6.8%
NJ, Vineland	5.4%	$0.66	$68	0	19,957,536	7.8%
NV, Las Vegas	11.4%	$1.18	$215	4,985,588	196,832,982	5.8%
NV, Reno	11.1%	$0.77	$139	5,681,399	119,816,690	6.2%
NY, Long Island *	5.8%	$1.60	$207	923,126	183,295,608	8.4%
NY, New York *	7.9%	$1.64	$273	8,092,029	882,850,365	6.1%
OH, Cincinnati	5.8%	$0.62	$73	2,403,514	364,848,723	8.5%
OH, Cleveland	4.1%	$0.55	$50	1,171,020	354,485,419	10.6%
OH, Columbus	7.3%	$0.68	$89	5,924,778	383,922,815	7.3%
ON, Toronto **	4.3%	$1.13	$258	15,064,229	897,937,107	4.7%
PA, Harrisburg	6.8%	$0.72	$99	17,382	113,941,476	7.1%
PA, Lehigh Valley *	8.0%	$0.78	$127	2,983,433	170,249,161	6.9%
PA, Philadelphia *	9.4%	$0.97	$130	7,847,117	643,655,880	7.2%
PA, Pittsburgh	5.9%	$0.74	$68	450,903	230,871,466	8.8%
SC, Charleston	15.4%	$0.88	$113	2,019,424	116,600,101	7.7%
SC, Greenville	5.7%	$0.59	$65	1,397,623	154,471,636	9.1%
SC, Spartanburg	10.7%	$0.57	$76	1,847,060	130,224,872	8.3%
TN, Nashville	6.2%	$0.99	$124	9,296,905	288,219,237	6.5%
TX, Austin	13.3%	$1.19	$161	16,786,074	172,427,437	7.5%
TX, Dallas-Fort Worth	9.1%	$0.83	$133	35,499,228	1,220,007,555	6.3%
TX, Houston	7.2%	$0.78	$108	23,156,583	853,198,290	7.7%
WA, Seattle	8.9%	$1.19	$237	5,487,421	365,051,268	5.8%
WI, Madison	4.4%	$0.67	$76	4,499,618	78,758,314	8.8%
United States Index	7.5%	$1.00	$157	306,719,390	19,452,391,048	7.3%
Canada Index	4.2%	$1.02 CAD	$218 CAD	31,125,216	1,944,833,245	5.4%

** 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)*

Q3 2025
CALGARY, AB



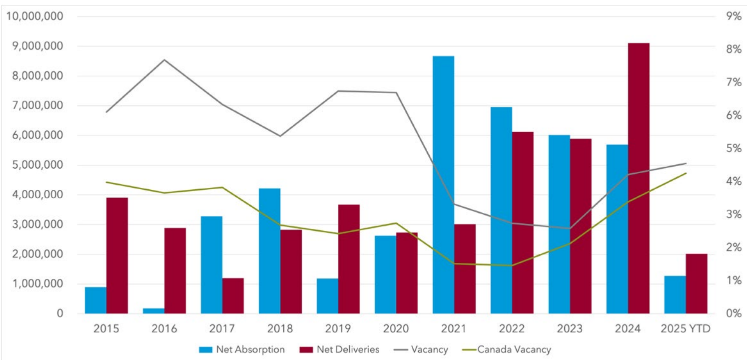
INDUSTRIAL MARKET OVERVIEW

COLE MOOK, *Research Analyst*

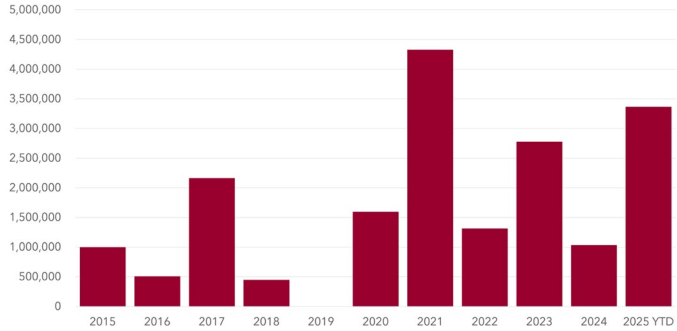
Calgary's industrial market demonstrated continued strength in Q3 2025, as vacancy fell to 4.04%, down from 4.54% in Q2. Net absorption remained positive at 564,217 sq. ft., following 1,012,454 sq. ft. in Q2. Construction completions were limited, with 135,800 sq. ft. delivered. Development activity remained stable, with 3.36 million sq. ft. under construction and over 11.1 million sq. ft. planned. Lease transactions fell 12% to 112 transactions, while sales rose 9% to 81 transactions. Small-bay and single-use facilities remain scarce and in-demand asset classes. Big-box lease activity is picking up and expected to accelerate in Q4. Year-end urgency, sustained activity and limited near-term supply should push vacancy lower into Q4.

MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Net Absorption SF	564,217	1,012,454	(481,109)	2,482,235	1,644,502
▼	Vacancy Rate	4.04%	4.54%	4.56%	3.48%	3.86%
◄ ►	Avg NNN Asking Rate PSF	Not Tracked	Not Tracked	Not Tracked	Not Tracked	Not Tracked
▼	Sale Price PSF	$188.64	$232.33	$201.42	$229.72	$168.48
◄ ►	Cap Rate	Not Tracked	Not Tracked	Not Tracked	Not Tracked	Not Tracked
▲	Under Construction SF	3,367,792	2,549,177	1,120,300	1,036,557	2,118,589
▼	Inventory SF	175,017,053	175,336,262	174,314,405	173,471,924	172,018,074

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7503 - 35th Street SE Calgary, AB	219,151 SF	$25,630,000 $116.95 PSF	Nicola Foothills IV Nominee, Inc. Canadian Property Holdings, Inc.	Class C
928 - 72nd Avenue NE Calgary, AB	171,255 SF	$35,000,000 $204.37 PSF	2570882 Alberta Ltd. 72nd Ave Business Centre Hldgs	Class B
1020 - 68th Avenue NE Calgary, AB	148,372 SF	$12,000,000 $80.88 PSF	2062895 Alberta Ltd. TNC 1020 68th Avenue Ltd.	Class B

All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7007 - 84th Street SE Calgary, AB	138,420 SF	Campo Properties, Inc.	Scott Springfield MFG. Inc.	Manufactuer
2719 - 3rd Avenue NE Calgary, AB	65,811 SF	Opus Properties Corporation	Undisclosed	Undisclosed
47 Aero Drive NE Calgary, AB	36,192 SF	Ral Calgary Cargo LP	Undisclosed	Undisclosed

Q3 2025
PHOENIX, AZ

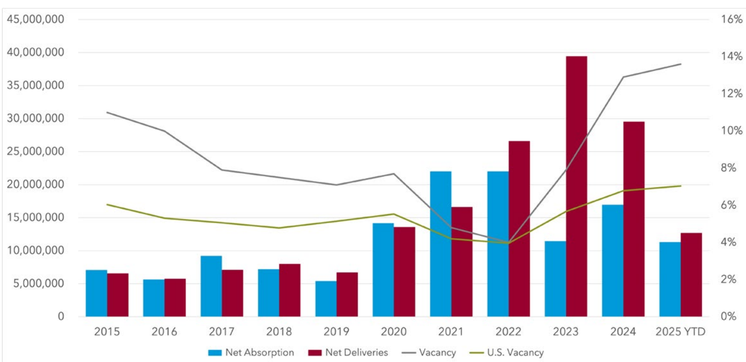
INDUSTRIAL MARKET OVERVIEW

CHRIS MCCHESNEY, *Research Director*

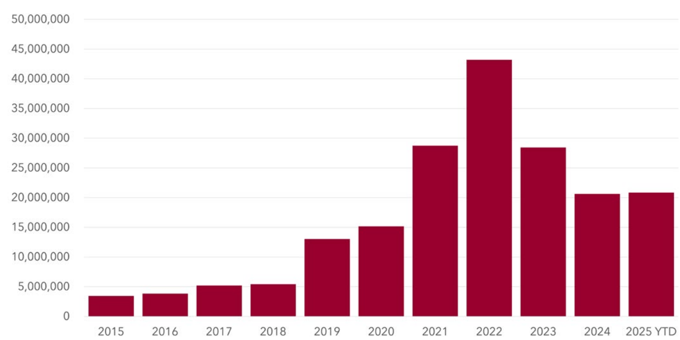
Over the past few years, Metro Phoenix has emerged as one of the fastest-growing industrial markets in the United States. Its growth has been driven by a combination of strategic location, robust infrastructure, relatively low costs compared to coastal markets, and a business-friendly environment. The market continues to attract significant demand from logistics, e-commerce, manufacturing, and major mission-critical operations such as semiconductor facilities, electric vehicle production, and data centers. These factors have collectively positioned Phoenix as a key hub for industrial and distribution activity in the Southwest.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	Qtrly Net Absorption SF	4,256,901	2,311,273	4,345,216	3,106,751	2,365,734
▼	Vacancy Rate	13.60%	13.80%	13.60%	12.90%	11.60%
▼	Avg NNN Asking Rate PSF	$13.56	$13.92	$13.56	$13.56	$13.44
▼	Sale Price PSF	$169.60	$191.11	$183.71	$172.08	$150.38
▼	Cap Rate	6.80%	7.20%	6.50%	6.40%	6.50%
▲	Under Construction SF	20,852,106	19,282,617	19,767,171	20,628,215	28,718,048
▲	Inventory SF	451,714,930	446,052,267	444,427,978	437,587,792	428,487,792

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7200 N. Sarival Avenue Litchfield Park, AZ	1,259,666 SF	$147,066,005 $116.75 PSF	Dollar Tree Lincoln Property Company	Class A
8900 N. Sarival Avenue Waddell, AZ	1,023,610 SF	$140,200,000 $136.97 PSF	JLL Income Trust Clarius/Peakline	Class A
16451 W. Glendale Avenue Litchfield Park, AZ	897,315 SF	$113,550,000 $126.54 PSF	EQT Exeter Westport Capital	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
16155 W. Elwood Street (Sublease) Goodyear, AZ	1,302,434 SF	Tratt Properties	CEVA Logistics	Logistics
7733 N. Litchfield Road Glendale, AZ	1,278,670 SF	Lincoln Property Co.	Walmart Stores, Inc.	Retail
8700 N. Sarival Avenue Waddell, AZ	734,800 SF	Clarius/Peakline	Scotts Miracle-Gro	Lawn Care

Q3 2025
VANCOUVER, BC

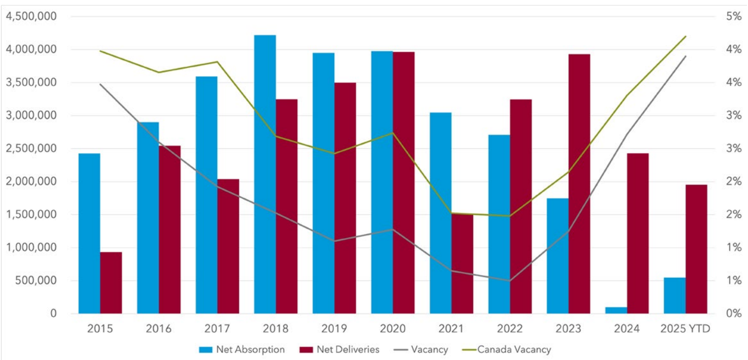
INDUSTRIAL MARKET OVERVIEW

DERRICK GONZALES, *Director of Research*

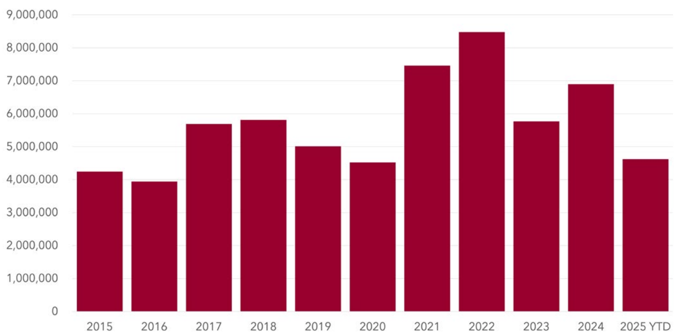
Metro Vancouver's industrial vacancy rate rose 30 basis points (bps) to 4.3% while net absorption remained in negative territory for the second consecutive quarter with -212,995 SF. While the south of the Fraser River markets saw an overall vacancy drop 20 bps to 4.4%, north of the Fraser River markets saw an increase of 70 bps showing the dynamic nature of the regional industrial market. Large block tenants occupying 100,000 SF or more instilled confidence in the Vancouver market. Most notably, Pantos Logistics pre-leased of 350,000 SF at Beedie's speculative development at the Tsawwassen First Nations while D-Home International Logistics leased 123,000 SF at 16111 Blundell Road in East Richmond.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Qtrly Net Absorption SF	(213,995)	100,369	877,686	561,169	(361,635)
Vacancy Rate	4.30%	4.00%	3.40%	3.30%	3.00%
Avg NNN Asking Rate PSF	$19.18	$19.92	$19.82	$19.54	$20.38
Sale Price PSF	$489.00	$446.00	$451.00	$452.00	$458.19
Cap Rate	4.20%	4.20%	4.10%	4.09%	4.10%
Under Construction SF	4,621,038	5,237,524	5,940,287	6,897,808	6,237,268
Inventory SF	245,672,893	245,321,763	243,842,090	243,314,849	243,111,057

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
904 & 908 Cliveden Avenue Delta, BC	69,137 SF	$22,000,000 $318.00 PSF	Big Mountain Foods Yegre EB Ltd.	Class B
26680 Gloucester Way Langley, BC	45,298 SF	$26,500,000 $585.00 PSF	Timber Mart Benjamin Moore & Co.	Class B
1900 Brigantine Drive Coquitlam, BC	37,848 SF	$20,388,000 $539.00 PSF	Polycrete Investments Ltd. Skeans Holdings Ltd.	Class A

All numbers shown are in Canadian dollars (CAD)

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4449 Salish Way Tsawwassen First Nations, BC	349,272 SF	Tsawwassen First Nations/Beedie	Pantos Logistics, Inc.	3PL
16111 Blundell Road - Unit 102 Richmond, BC	123,669 SF	Pure Industrial	D-Home International Logistics	3PL
6705 Dennett Place Delta, BC	110,000 SF	Prepac Manufacturing Ltd.	Cascadia Metals Ltd.	Metal Distribution

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
BAKERSFIELD, CA

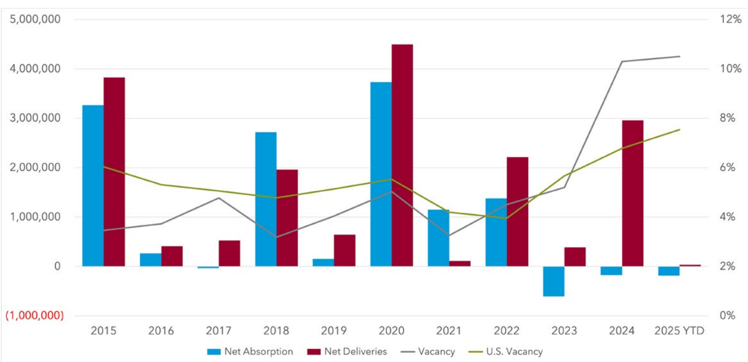
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

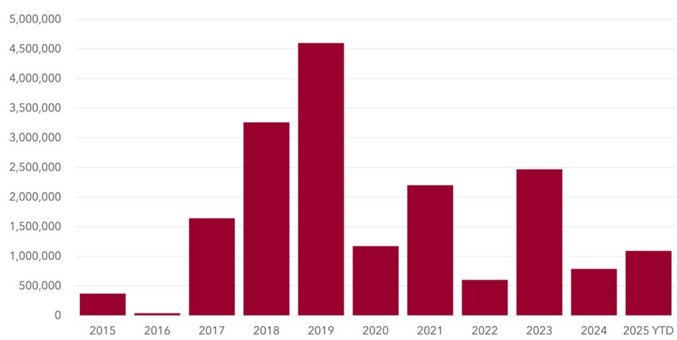
Bakersfield's industrial vacancy rose from 10.2% to 10.6% over the past year, following -940,000 SF of net absorption. This remains well above the national industrial average of 7.5%, making it one of the higher vacancy rates in the U.S. Despite the softness, average asking rents increased 0.2% to $9.70/SF-still among California's most affordable occupancy costs. Over the past decade, Bakersfield's industrial inventory expanded by 15.2 million SF, or 28%, outpacing national growth. About 1.1 million SF is under construction, including the 711,200-SF Nestlé distribution center in Arvin. With limited speculative projects ahead, vacancies may tighten in 2026, allowing modest rent growth to resume.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(946,300)	(419,089)	121,551	(174,977)	375,235
◄ ► Vacancy Rate	10.50%	10.50%	10.00%	10.30%	7.30%
▼ Avg NNN Asking Rate PSF	$9.69	$10.04	$9.96	$10.03	$9.92
▲ Sale Price PSF	$115.00	$111.00	$110.00	$108.00	$107.00
▼ Cap Rate	7.26%	7.40%	7.40%	7.47%	7.38%
▼ Under Construction SF	1,092,443	1,237,678	1,169,678	788,000	1,865,090
▲ Inventory SF	67,219,780	66,913,883	66,890,640	66,962,856	65,097,554

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1500 S. Union Avenue Bakersfield, CA	84,603 SF	$10,800,000 $127.66 PSF	A-C Electric Company PCL Construction	Class B
2157 Mohawk Street Bakersfield, CA	53,150 SF	$9,000,000 $169.33 PSF	Leo Mark Hinds, Esq. Jessica Moore	Class C
1066 Carrier Parkway Avenue Bakersfield, CA	13,821 SF	$2,250,000 $162.80 PSF	Daniel S. & Jeannette A. Freitas Jimmy and Barbara Carter	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5000 Fanucchi Way E Shafaater, CA	215,844 SF	The Wonderful Company	Hillman Solutions Group	Wholesaler
1911 Mineral Court Bakersfield, CA	15,080 SF	Gramp	Beardsley School District	Educational Services
2202 Zeus Court Bakersfield, CA	7,500 SF	Landscape Development	Gunnar Energy	Proessional, Scientific, and Technical Services

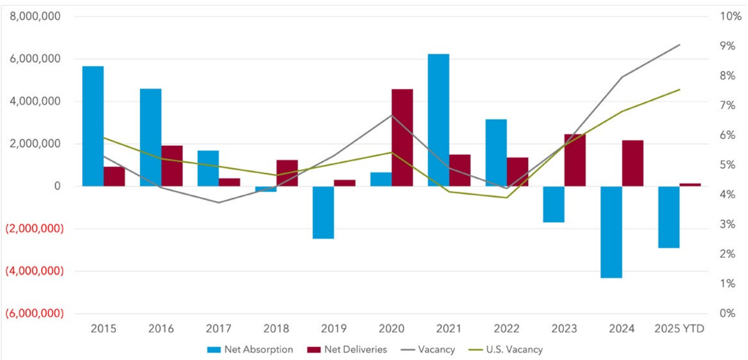
INDUSTRIAL MARKET OVERVIEW

CHRIS SCHOFIELD, SIOR, *President*

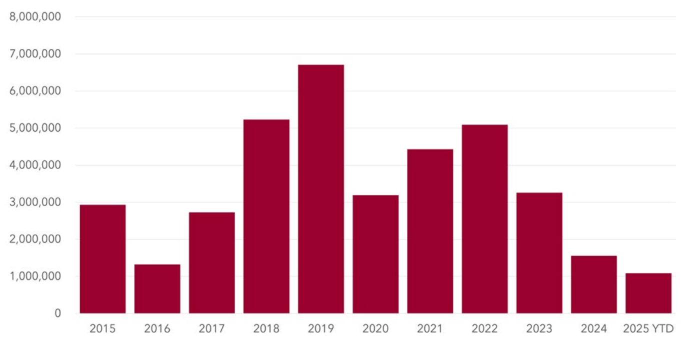
Overall vacancy in the East Bay Industrial markets rose slightly from the previous quarter to 9.1%, and a full 2% year over year. Though availability has increased, the market has moved forward without significant downward pressure on rents. As new deliveries slow, we will begin to see stronger leasing activity over a more diversified tenant base. Owner/User sales remain strong with limited inventory and we are seeing more investor sales as well.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(4,747,815)	(5,994,256)	(6,121,708)	(4,316,150)	(4,034,467)
▲ Vacancy Rate	9.10%	9.00%	8.40%	8.00%	7.10%
▼ Avg NNN Asking Rate PSF	$17.52	$17.64	$17.64	$17.64	$17.52
▲ Sale Price PSF	$275.00	$272.00	$274.00	$274.00	$272.00
◀ ▶ Cap Rate	5.80%	5.80%	5.80%	5.70%	5.70%
▲ Under Construction SF	1,086,204	1,007,245	1,227,740	1,557,535	2,092,811
▼ Inventory SF	278,929,916	278,940,356	278,836,543	278,793,061	278,253,612

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5020 & 5070 Brandin Court Fremont, CA	132,856 SF	$33,000,000 $248.00 PSF	Berkeley Partners Dutra	Class B
14700 Doolittle Drive San Leandro, CA	45,200 SF	$9,220,000 $204.00 PSF	Wilson Qi Riggs Distributing	Class C
23002 Foley Street Hayward, CA	20,296 SF	$7,125,000 $351.00 PSF	Garage Door Guys Shu Fen Liu	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7200-7240 Edgewater Drive Oakland, CA	240,808 SF	ProLogis	Pacific Cargo	3PL
47422 Kato Road Fremont, CA	214,809 SF	UBS	The New IEM	Energy
955 Kennedy Street Oakland, CA	119,000 SF	ProLogis	Freightway Transport	3PL

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
EAST BAY, TRI-VALLEY, CA

INDUSTRIAL MARKET OVERVIEW

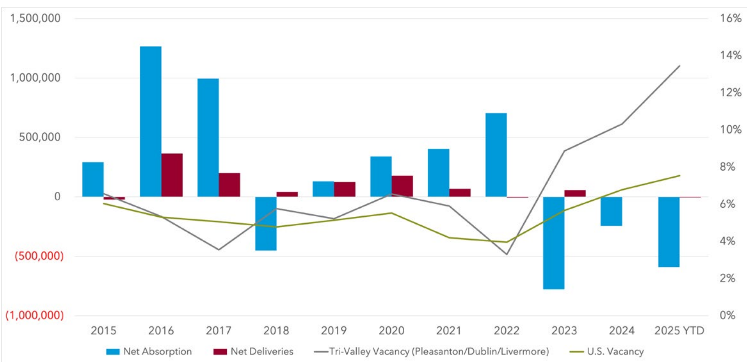
SEAN OFFERS, SIOR, *Principal*

We saw an uptick in activity in Q3 on both the sale and leasing fronts. Companies started looking for new space to either expand or find a more suitable location. With a good number of spaces being leased or sold we have been seeing the vacancy rate decrease, which was a positive sign. We do give credit to many landlords who sharpen their pencils and were aggressive to secure tenants. The leasing activity for larger spaces (>100K) remained slow but we are hopeful that they will pick up prior to the year's end.

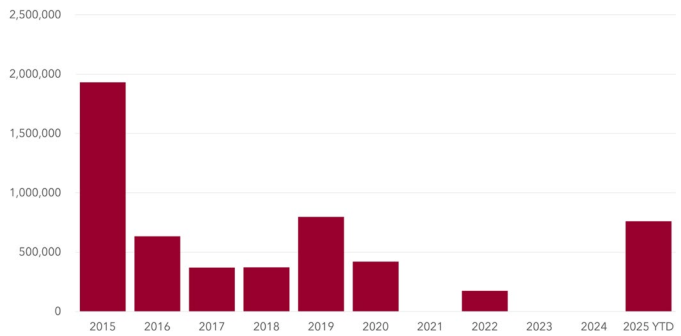
The Tri-Valley area includes the cities of Livermore, Dublin, and Pleasanton

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(571,482)	(322,470)	(565,586)	(244,170)	(636,690)
▲ Vacancy Rate	13.5%	13.0%	11.6%	10.3%	9.9%
▼ Avg NNN Asking Rate PSF	$22.37	$22.57	$22.58	$22.55	$22.46
▲ Sale Price PSF	$328.00	$327.00	$326.00	$326.00	$324.00
◄ ► Cap Rate	6.1%	6.1%	6.1%	6.1%	6.0%
◄ ► Under Construction SF	760,216	760,216	760,216	-	-
◄ ► Inventory SF	29,518,034	29,518,034	29,518,034	29,532,034	29,532,034

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6591 Sierra Lane Dublin, CA	30,731 SF	$10,500,000 $341.67 PSF	Del Monte Electric Co. Inc. Canyon Partners Real Estate LLC	Class B
6670 Owens Drive Pleasanton, CA	15,024 SF	$5,400,000 $359.42 PSF	Paul F. Curtis Nils Swann	Class B
23 Rickenbacker Circle Livermore, CA	5,299 SF	$1,974,990 $372.71 PSF	First Edison Solar JPJS Properties LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
122 Lindbergh Avenue Livermore, CA	56,027 SF	Bernhard Properties LLC	Undisclosed	Undisclosed
5625 Brisa Street Livermore, CA	17,561 SF	Shari Lucas	Triangle Coatings, Inc.	Manufacturing
7133 Koll Center Parkway Pleasanton, CA	16,466 SF	Bennett Commercial LLC	Comtel Systems Technology	Computer Consulting

Q3 2025
FRESNO, CA

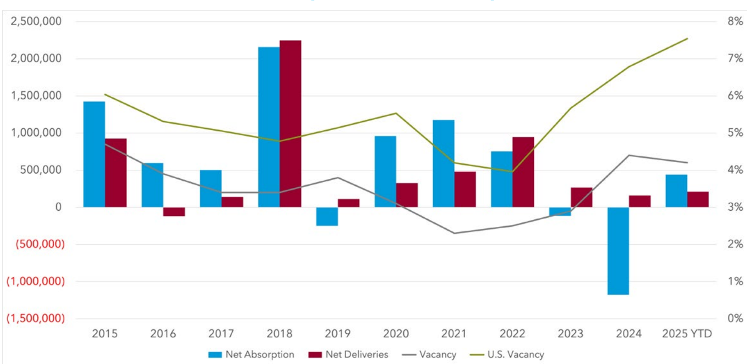
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

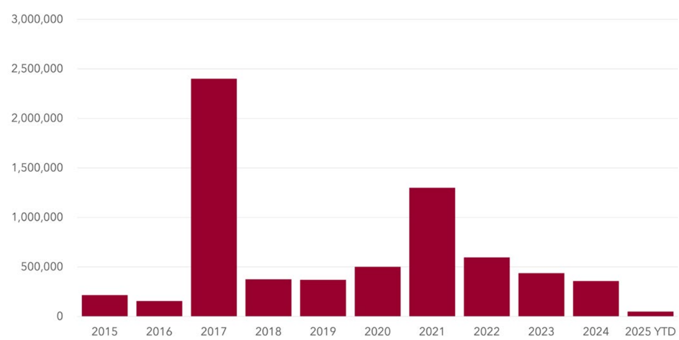
Fresno's industrial vacancy edged down to 4.2% in Q3 2025 from 4.4% a year earlier, supported by 170,000 SF of net absorption despite some tenant moveouts. Vacancy remains well below the national average of 7.5%, positioning Fresno among the tighter U.S. industrial markets. Average asking rents declined slightly by 0.3% to $8.80/SF, offering some of California's lowest occupancy costs. Over the past decade, the market added 5.9 million SF of space, a modest 7% expansion compared to national trends. The construction pipeline totals just 50,000 SF, led by a preleased 20,000-SF Nations Roofing warehouse in Fowler. With strong logistics connectivity, Fresno remains an appealing hub for regional distribution and eCommerce operators.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	183,619	(567,890)	(884,987)	(1,177,316)	(996,000)
▼ Vacancy Rate	4.20%	4.50%	4.00%	4.40%	4.10%
▼ Avg NNN Asking Rate PSF	$8.77	$8.85	$8.78	$8.75	$8.60
▲ Sale Price PSF	$93.00	$88.00	$86.00	$84.00	$84.00
▼ Cap Rate	7.55%	7.70%	7.71%	7.80%	7.76%
◄ ► Under Construction SF	50,100	50,100	25,100	357,000	357,000
▲ Inventory SF	87,824,218	87,646,746	87,539,833	87,366,686	87,212,044

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
105 W. Dakota Avenue Clovis, CA	116,690 SF	$9,026,000 $77.35 PSF	Escor Group, Inc. Sandell Properties LLC	Class B
4397 N. Golden State Boulevard Fresno, CA	99,658 SF	$17,100,000 $171.59 PSF	Blue Owl Capital William E. Schuh Farms LLC	Class C
5689 E. Fountain Way Bldg 700 & 800 Fresno, CA	19,900 SF	$1,600,000 $80.40 PSF	Linnea & Richard A. Jr. Goudy Duncan Enterprises, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3146 S. Chestnut Avenue Fresno, CA	527,500 SF	Inland Distribution	Cal Dairies, Inc.	Dairy
2843-2887 S. East Avenue Fresno, CA	80,065 SF	Diversified Development Group	Undisclosed	Undisclosed
2929 S. Angus Avenue Fresno, CA	45,196 SF	Zimmerman Development, Inc.	Bussetto Foods	Food Manufacturing

Q3 2025
INLAND EMPIRE EAST, CA

INDUSTRIAL MARKET OVERVIEW

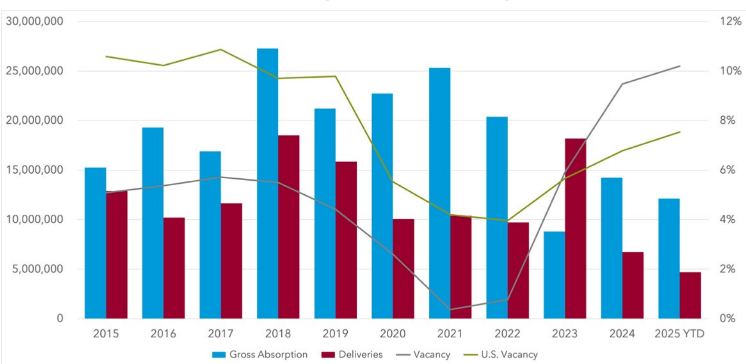
JENNIFER YINGST, *Research Director*

In Q3 2025 the industrial market showed firmer demand but continued normalization in pricing. Gross absorption registered 4.31M SF, a sharp +77% QoQ rebound yet11% below Q3 2024. The vacancy rate ticked up to 10.20% (+16 bps QoQ; +128 bps YoY), reflecting earlier supply overhangs, while average NNN asking rents eased for a fourth straight quarter to $11.87/yr PSF ($0.99/SF/mo), -5.7% QoQ and -9.0% YoY. Investment pricing was steadier, with sales price PSF at $267.07 (+1.6% QoQ; +4.5% YoY). On the supply side, the under-construction pipeline fell to 2.19M SF (-37% QoQ; -53% YoY), and total inventory was essentially flat at 289.2M SF. Taken together, activity improved quarter-to-quarter, rents continued to recalibrate, and a shrinking pipeline should help temper vacancy pressure if demand remains resilient.

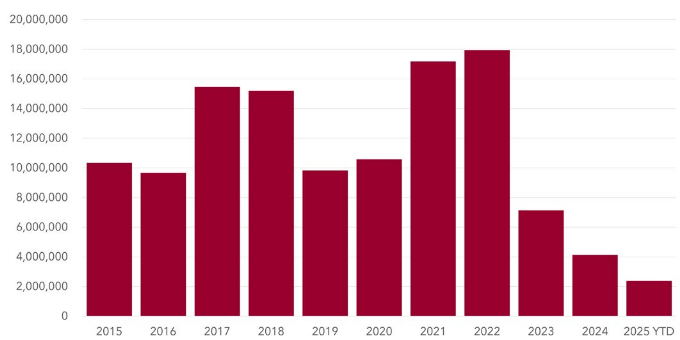
MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ Gross Absorption SF	4,307,405	2,428,599	5,396,724	2,173,745	4,825,401
▲ Vacancy Rate	10.20%	10.04%	9.39%	9.48%	8.92%
▼ Avg NNN Asking Rate PSF	$11.87	$12.58	$12.63	$12.95	$13.05
▲ Sale Price PSF	$267.07	$262.82	$262.55	$262.67	$255.58
◄ ► Cap Rate	*	*	*	*	*
▼ Under Construction SF	2,186,618	3,494,711	3,192,367	4,142,725	4,621,148
▲ Inventory SF	289,223,567	289,086,505	288,525,678	288,490,063	288,160,074

*Please contact Lee & Associates Riverside for Cap Rate Information

GROSS ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
22491 Harley Knox Boulevard Perris, CA	348,375 SF	$90,600,000 $260.06 PSF	Cabbot Properties, Inc. SRG Commercial, Inc.	Class A
7190 Jurupa Avenue Riverside, CA	111,725 SF	$20,000,000 $179.01 PSF	KX Riverside Airport LLC Marae Asset Global	Class B
1790, 1810 & 1880 Iowa Avenue Riverside, CA	93,373 SF	$21,383,535 $229.01 PSF	Citrus Park Technology LLC Iowa Avenue Industrial LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3994 S. Riverside Avenue Rialto, CA	796,841 SF (Renewal)	Blackstone Real Estate Income Trust, Inc.	Living Spaces	Furniture
1300 California Street Redlands, CA	771,839 SF	Prologis Trust	DCG Group	Fulfillment Center
11260 Cedar Avenue Rialto, CA	677,383 SF	ASB Real Estate Investments	US eLogistics Service Corp.	Logistics

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
INLAND EMPIRE WEST, CA

INDUSTRIAL MARKET OVERVIEW

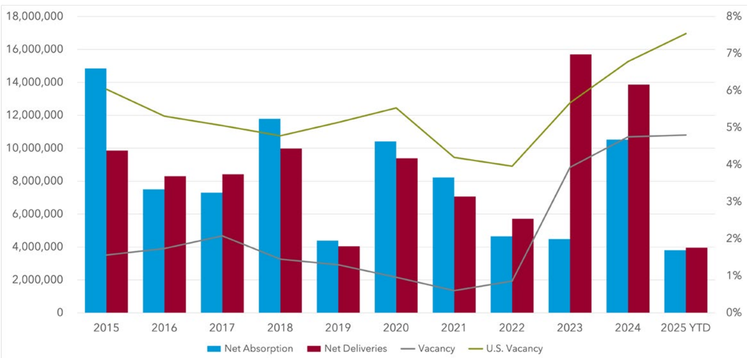
KIMBERLY ROMANIELLO, *Director of Marketing & Research*

After a period of rapid growth, the Inland Empire's industrial leasing market is finding its rhythm, with vacancy gently rising as supply and demand reach a new balance. A wave of new listings and abundant available space gives tenants plenty of choice, while landlords get creative with incentives and lease terms. Recent distribution center closures have shaken things up slightly, but overall absorption continues at a steady pace. Economic factors like tariffs and retail trends add a dash of uncertainty, yet the market's underlying strength remains clear. With construction slowing and asking rents starting to climb, the stage is set for a more vibrant and dynamic market ahead.

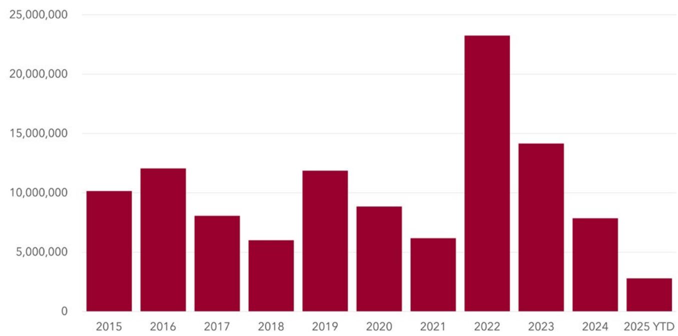
MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	3,812,944	1,864,568	3,024,360	906,006	(41,39)
▲ Vacancy Rate	4.80%	4.39%	4.00%	4.75%	4.89%
▲ Avg NNN Asking Rate PSF	$12.76	$12.54	$13.13	$14.84	$15.11
▼ Sale Price PSF	$272.07	$300.80	$269.50	$287.78	$322.00
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction SF	2,794,946	6,264,623	8,224,312	7,526,236	7,861,560
▲ Inventory SF	370,398,973	370,320,849	372,031,276	371,040,486	371,566,444

**Please contact Lee & Associates Ontario for Cap Rate Information*

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11991 Landan Drive Jurupa Valley, CA	765,456 SF	$208,760,000 $272.73 PSF	Fortress Investment Group LLC UPS Logistics	Class A
14928 Washington Drive Fontana, CA	177,660 SF	$43,541,201 $245.08 PSF	Bridge Investment Group Patriot Development Partners LLC	Class A
14074 Rancho Court Fontana, CA	100,039 SF	$24,355,728 $243.46 PSF	Bridge Investment Group Patriot Development Partners LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
13052 Jurupa Avenue Fontana, CA	827,578 SF	Principal Life Insurance Company	Elogistek LLC	Logistics
11991 Landon Drive Jurupa Valley, CA	765,456 SF	Fortress Investment Group LLC	United Parcel Service	Retailer
2825 E. Jurupa Street Ontario, CA	612,083 SF	Link Logistics Real Estate LLC	JCR Logistics	Logistics

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
LA - CENTRAL, CA

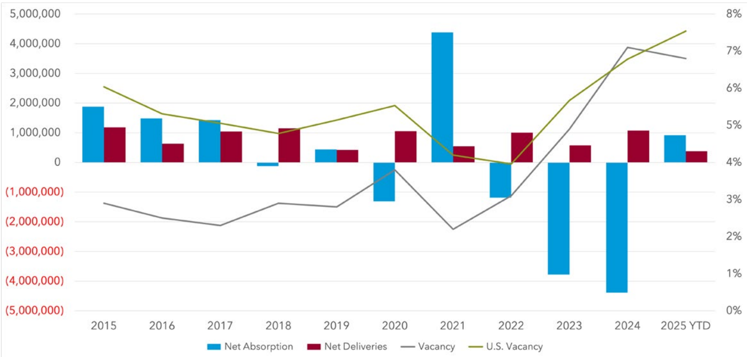
INDUSTRIAL MARKET OVERVIEW

LEJO MAMMEN, *Director of IT & Research*

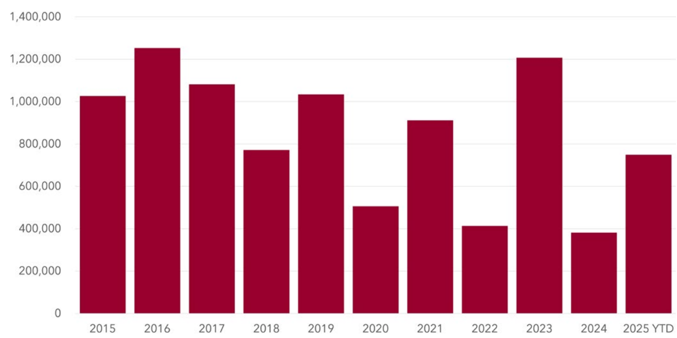
The Central submarket is showing signs of stabilization in 2025 after two years of rising vacancy. After peaking at 7.1% in 2024, vacancy has edged down to 6.8% year-to-date as net absorption turned positive at roughly 917,000 square feet. Leasing activity remains steady, with more than 9 million square feet transacted across 445 deals, reflecting ongoing tenant demand amid elevated availability of 8.3%. Deliveries have moderated to 382,000 square feet, and construction remains limited at under 750,000 square feet, supporting gradual rebalancing. Rents have firmed modestly from last year, with overall triple-net rates averaging $15.96 per square foot.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Net Absorption SF	(764,247)	(505,454)	(1,551,039)	(4,385,861)	(2,327,855)
▲	Vacancy Rate	6.90%	6.70%	6.80%	7.10%	6.30%
▼	Avg NNN Asking Rate PSF	$15.96	$16.44	$16.08	$15.36	$15.72
▲	Sale Price PSF	$243.53	$204.17	$349.38	$356.16	$185.85
▼	Cap Rate	5.20%	5.30%	4.30%	4.00%	7.00%
▲	Under Construction SF	755,567	629,661	343,609	381,639	-
▲	Inventory SF	246,340,710	246,182,995	246,135,943	245,964,896	245,521,191

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4400-4458 Pacific Boulevard Vernon, CA	253,200 SF	$48,800,000 $192.73 PSF	Digital Realty Trust, Inc. 4D Development	Class C
7400 Bandini Boulevard Commerce, CA	94,937 SF	$38,500,000 $405.53 PSF	Shins Trading Company Bridge Industrial	Class A
5764 Alcoa Avenue* Los Angeles, CA	66,550 SF	$25,942,389 $389.82 PSF	Agile Cold Storage Link Logistics Real Estate	Class B

**Part of a 4-Property Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8500 Rex Road Pico Rivera, CA	335,600 SF	Majestic	Million Dollar Baby	Consumer Goods
4885 E. 52nd Place Vernon, CA	210,347 SF	Bridge Industrial	UniUni Logistics, Inc.	Logistics
5631 Ferguston Drive Los Angeles, CA	204,000 SF	Oldcastle Building Envelope, Inc.	Bathroom Vanities Wholesale, Inc.	Bathroom Fixtures & Accessories

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
LA - NORTH, CA

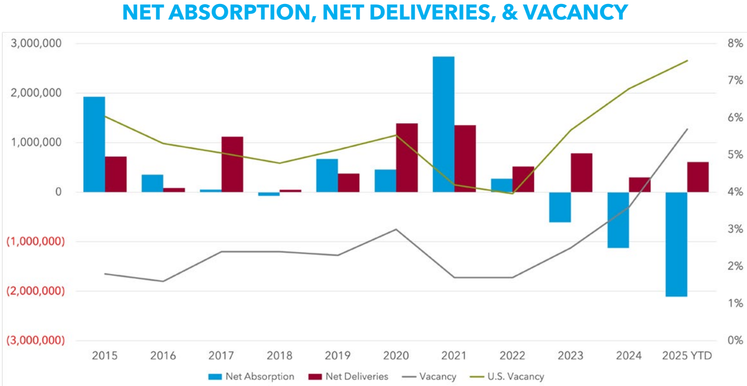
INDUSTRIAL MARKET OVERVIEW

LOS ANGELES NORTH INDUSTRIAL TEAM

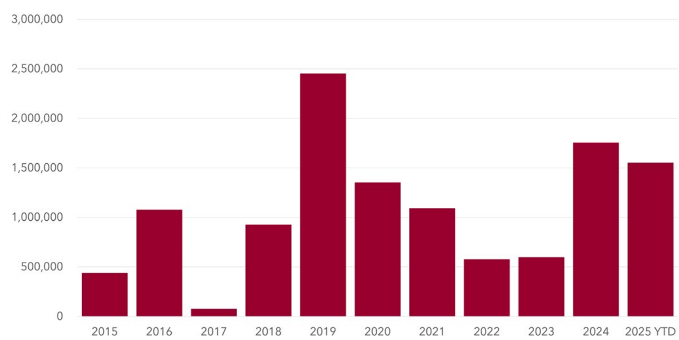
The LA North industrial market continued to cool in Q3 2025 but remains resilient compared to broader national trends. Vacancy increased to 5.69%, still well below the U.S. average of 7.54%, reflecting underlying market strength despite slower leasing activity. Net absorption stayed negative, signaling a period of adjustment following several years of expansion. Average asking rents held firm at $1.47 per square foot, showing landlord confidence even amid softer demand.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(2,503,166)	(2,531,947)	(2,897,244)	(3,044,255)	(2,749,211)
▲ Vacancy Rate	5.69%	4.69%	4.24%	4.25%	3.90%
▲ Avg NNN Asking Rate PSF	$17.64	$17.52	$17.52	$18.00	$18.36
▼ Sale Price PSF	$253.00	$269.28	$326.17	$289.16	$277.00
◀ ▶ Cap Rate	5.40%	5.40%	4.90%	5.24%	5.25%
▼ Under Construction SF	1,553,488	2,210,311	3,302,832	2,675,252	1,549,378
▲ Inventory SF	142,348,936	141,960,565	141,578,148	141,101,099	141,131,275

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10220 Norris Avenue Pacoima, CA	60,000 SF	$13,200,000 $220.00 PSF	Bolour Harold Jabarian & Associates	Class B
12350 Montague Street Pacoima, CA	50,400 SF	$10,000,000 $198.41 PSF	JZ Capital Partners LTD Bixler Revocable Trust	Class C
100 E. Graham Place* Burbank, CA	43,622 SF	$9,109,872 $208.84 PSF	Alta West Partners LLC The Luzzatto Company	Class B

**Part of a Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
40347 Legacy Lane Palmdale, CA	99,853 SF	Undisclosed	Undisclosed	Undisclosed
8430 Tujunga Avenue Sun Valley, CA	71,547 SF	Rexford Industrial Realty, Inc.	Undisclosed	Entertainment
11085 Olinda Street Sun Valley, CA	52,640 SF	Lynne N. Rosenblood	Zodax LP	Retail

Q3 2025

LA - SAN GABRIEL VALLEY, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

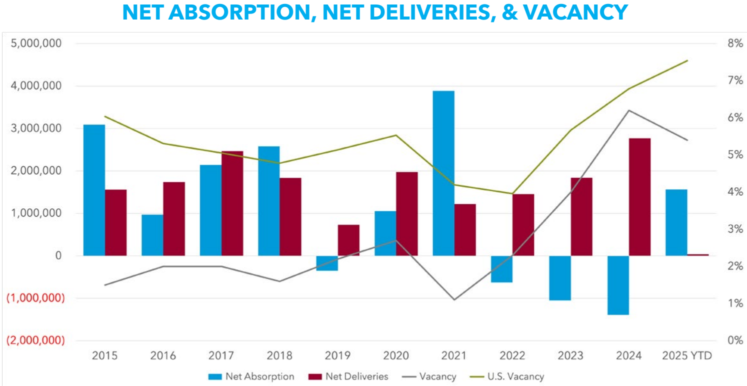
INDUSTRIAL MARKET OVERVIEW

LEJO MAMMEN, *Director of IT & Research*

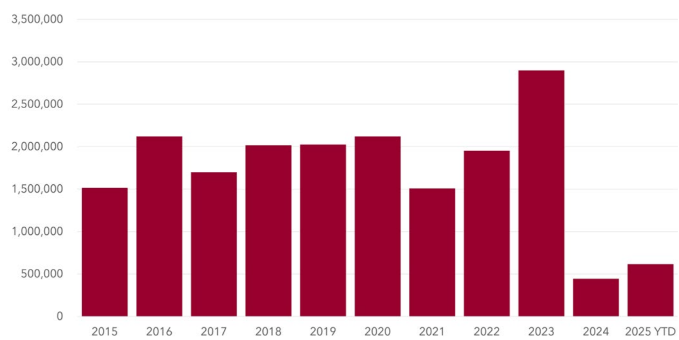
The SGV submarket is showing early signs of recovery in 2025 after two years of rising vacancy and negative absorption. Vacancy has improved to 5.4% year-to-date from 6.2% in 2024, supported by 1.56 million square feet of positive net absorption. Leasing activity remains solid with nearly 9 million square feet transacted across 539 deals, suggesting tenants are re-entering the market despite the elevated availability of 6.4%. Construction remains limited at just 617,000 square feet, and new deliveries have slowed considerably. Average triple-net rents have adjusted downward to $15.48 per square foot, reflecting a more balanced market as landlords compete to fill space.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,122,390	44,652	426,499	(1,387,934)	(1,779,369)
▼ Vacancy Rate	5.30%	6.00%	5.80%	6.20%	6.40%
▼ Avg NNN Asking Rate PSF	$15.48	$15.84	$16.68	$16.80	$17.88
▼ Sale Price PSF	$240.24	$285.03	$287.74	$209.64	$219.22
▼ Cap Rate	4.80%	5.30%	6.10%	5.90%	6.10%
◄ ► Under Construction SF	616,782	616,782	493,874	444,995	714,775
◄ ► Inventory SF	177,752,058	177,752,058	177,714,872	177,714,872	177,445,092

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
18537-18571 E Gale Avenue* City of Industry, CA	148,408 SF	$41,063,727 $276.69 PSF	TA Realty MetLife, Inc.	Class A
18505-18535 E. Gale Avenue* City of Industry, CA	136,705 SF	$36,207,990 $264.86 PSF	TA Realty MetLife, Inc.	Class B
1100-1116 Coiner Court* City of Industry, CA	81,489 SF	$20,186,507 $247.72 PSF	TA Realty MetLife, Inc.	Class C

**Part of a 4-Property Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
120 Puente Avnue City of Industry, CA	272,145 SF	TA Realty	Sunset Distributing	Wine/Distilled Alcho-holic Bev Merchant
19515-19605 E Walnut Drive N City of Industry, CA	260,000 SF	Industrial PK E Sub A	IDC Logistics	Logistics
18400-18450 Gale Avenue City of Industry, CA	139,055 SF	Moloney Family Trust	DNA Motoring	Motor Vehicle Sup-plies/Parts (wholesale)

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
LA - SOUTH BAY, CA

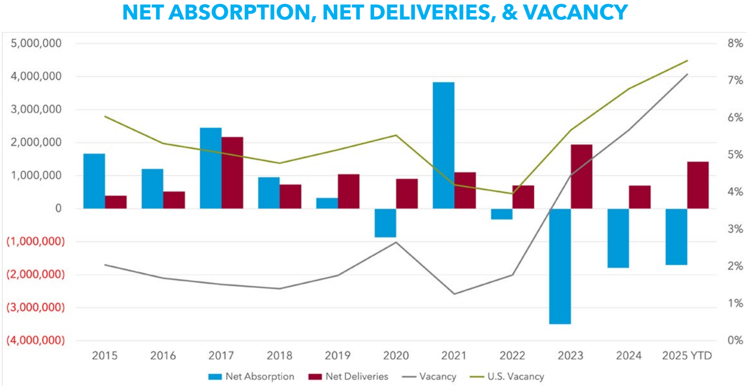
INDUSTRIAL MARKET OVERVIEW

BRANDON CARRILLO, *Principal*

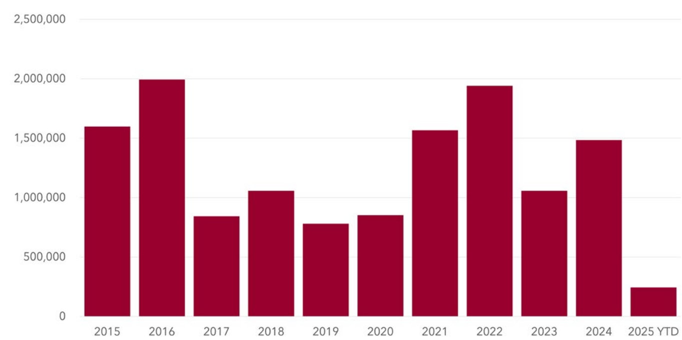
Average lease rates continued their year-long slide in the 3rd Quarter 2025, decreasing from $1.54 PSF NNN (2Q25) to $1.48 PSF NNN (3Q25). Lease rates for industrial space have softened since 2023 due to reduced demand and rising vacancy. The vacancy rate also increased from 6.0% to 6.9% quarter-over-quarter, not including sublease availability, which could add another point or two. Average sale rates remain price-segmented based on numerous variables. Despite these trends, LA/South Bay industrial real estate remains healthy, offering buyers and tenants more options and favorable pricing not seen in years. Listing time on market continues to depend heavily on agent pricing guidance and submarket conditions.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	12 Mo. Net Absorption SF	(757,229)	(953,287)	576,305	(1,400,793)	671,902
▲	Vacancy Rate	6.00%	5.90%	5.10%	5.10%	4.30%
▼	Avg NNN Asking Rate PSF	$17.76	$18.48	$19.32	$19.68	$19.92
▲	Sale Price PSF	$291.41	$276.33	$307.49	$362.40	$281.76
▲	Cap Rate	6.40%	5.30%	5.60%	6.00%	4.40%
▼	Under Construction SF	244,786	643,012	1,276,644	1,483,769	1,778,207
▲	Inventory SF	199,731,671	199,302,559	198,668,927	198,308,460	198,014,022

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3700-3730 Redondo Beach Blvd.* Redondo Beach, CA	99,377 SF	$35,500,000 $357.23 PSF	Terreno Realty MetLife, Inc.	Class B
2959 E. Victoria Street Rancho Dominguez, CA	54,400 SF	$23,000,000 $422.79 PSF	Zurich Transport Metropolis Partners	Class C
600 Allied Way El Segundo, CA	36,250 SF	$17,250,000 $475.86 PSF	Empire International Ltd. Private Individual	Class C

**Part of a 2-Property Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
19801 S. Santa Fe Avenue Rancho Dominguez, CA	356,642 SF	Port Logistics Group, Inc.	Undisclosed	Undisclosed
901 E. 233rd Street Carson, CA	221,050 SF	Watson Land Company	Custom Goods	Logistics
20846 Normandie Avenue Torrance, CA	203,877 SF	Bridge Industrial	Hadrian, Inc.	Manufacturing

Q3 2025
LA - WEST, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

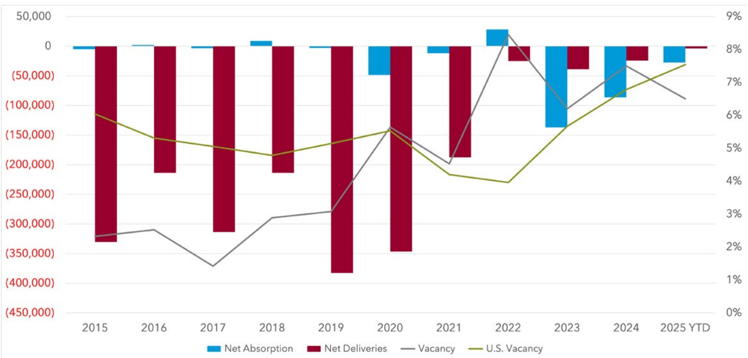
INDUSTRIAL MARKET OVERVIEW

DOUGLAS R. MARSHALL, SIOR, *Principal*

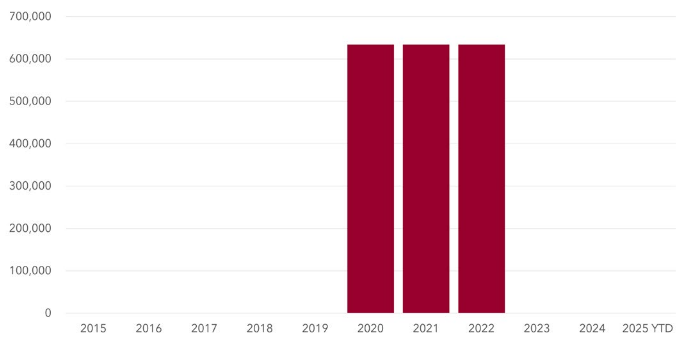
The West Los Angeles industrial/flex marketplace is softer. Demand, lease prices, and sale prices are down. Buyers want deals reflecting lower $/SF due to the high cost of financing and city regulations. Tenants are looking for short-term leases, flexibility, lower rents, or free rent to decrease occupancy costs. It is a tenant's market. Overall vacancy is approximately 6.5%. We are seeing rents range from about $2.00/NNN/SF to $2.50/NNN/SF for industrial space/flex spaces.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	64,259	(45,310)	89,176	(134,061)	(218,293)
▼ Vacancy Rate	6.50%	7.35%	7.08%	7.50%	7.31%
▼ Avg NNN Asking Rate PSF	$2.24	$2.27	$2.31	$2.34	$2.35
▼ Sale Price PSF	$416.00	$477.00	$483.00	$485.00	$485.00
▲ Cap Rate	5.17%	5.13%	5.09%	5.06%	5.02%
◄ ► Under Construction SF	-	-	-	-	-
◄ ► Inventory SF	20,348	20,348	20,348	20,348	20,348

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3700-3730 Redondo Beach Avenue Redondo Beach, CA	99,371 SF	$35,500,000 $357.23 PSF	Terrena Redondo Realty MCP SoCal Industrial	Class B
3624 W. Century Boulevard Inglewood, CA	79,125 SF	$29,100,000 $367.77 PSF	Fnlr Logistics LLC BT Property LLC	Class B
11220 Hindry Avenue Westchester, CA	30,000 SF	$7,100,000 $236.67 PSF	11220 Hindry Holdings LLC 11220 Hindry LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5353 Imperial Highway Los Angeles, CA	10,194 SF	Prologis, Inc.	Undisclosed	Industrial
12509 Beatrice Street Los Angeles, CA	9,000 SF	Grosvenor Property Company	Furientis, Inc.	Commercial Products
12511 Beatrice Street Los Angeles, CA	6,100 SF	Grosvenor Property Company	National Gym Supply	Ecommerce

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
ORANGE COUNTY, CA

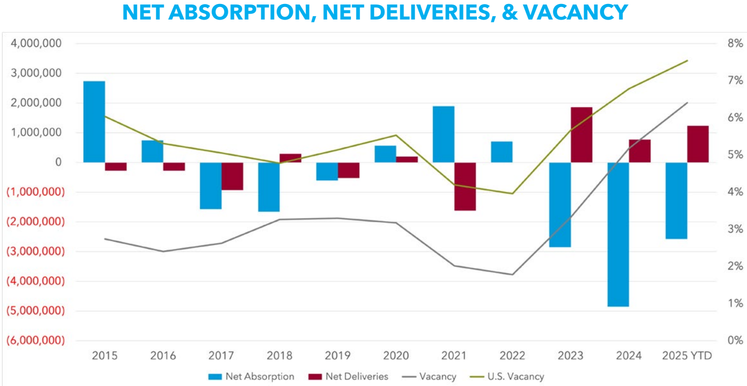
INDUSTRIAL MARKET OVERVIEW

JACK HALEY, *Principal*

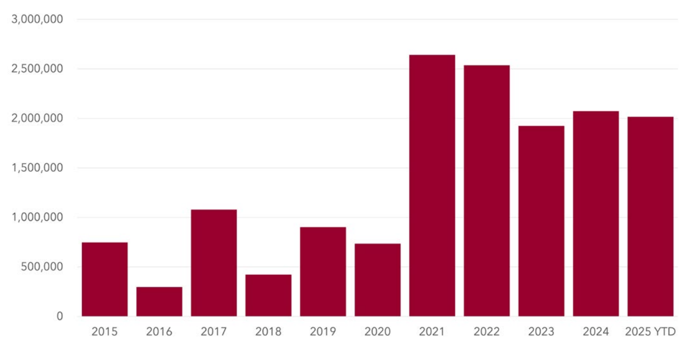
The easing trend in overall industrial demand continued in the third quarter as lease rates slipped and countywide vacancy climbed to its highest level since the great recession. Net absorption in the third quarter was negative 850,291 SF. It was the greatest quarterly loss this year and a record 11th straight quarter of tenant contraction, during which the vacancy rate increased from 1.8% to 6.6%. Lease concessions for tenants is at a peak now. Demand recently has risen for distribution & manufacturing buildings between 100,000-200,000 SF with more transactions occurring this quarter.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ Qtrly Net Absorption SF	(869,033)	(420,054)	(797,474)	(876,049)	(1,295,787)
▲ Vacancy Rate	6.20%	5.70%	5.60%	5.20%	4.80%
▼ Avg NNN Asking Rate PSF	$18.12	$18.36	$18.48	$19.08	$19.20
▲ Sale Price PSF	$343.00	$330.00	$355.00	$339.00	$310.00
▲ Cap Rate	6.19%	5.46%	5.17%	4.29%	5.35%
▼ Under Construction SF	2,016,912	2,657,851	2,340,604	2,073,482	1,929,705
▲ Inventory SF	304,190,209	303,473,441	303,356,915	302,958,661	302,822,717

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6250 Caballero Blvd & 6270-2690 Caballero Blvd, Buena Park, CA	274,170 SF	$60,900,000 $222.13 PSF	Elion Partners AEW Capital Management	Class C
17731 Cowan Irvine, CA	54,088 SF	$30,650,000 $566.67 PSF	Orange Bakery, Inc. Xebec	Class A
6259 Descanso Avenue Buena Park, CA	54,000 SF	$17,400,000 $322.22 PSF	Toro Enterprises, Inc. Fortress Investment Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2060 N. Batavia Street Orange, CA	225,204 SF	Prologis	Undisclosed	Undisclosed
3130-3100 S. Harbor Boulevard Santa Ana, CA	162,656 SF	Emerald RE Partners & Dune RE Partners LP	Anduril Industries	Manufacturing
4260 N. Harbor Boulevard Fullerton, CA	141,616 SF	Prologis	180 Snacks	Roasted Nuts & Peanut Butter Mfg

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
SAN DIEGO NORTH COUNTY, CA

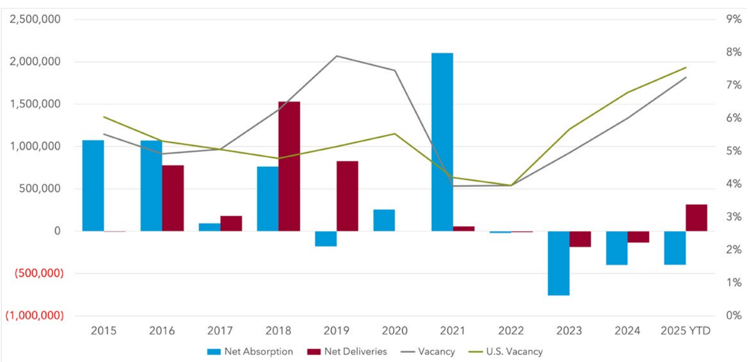
INDUSTRIAL MARKET OVERVIEW

DANIEL KNOKE, *Principal*

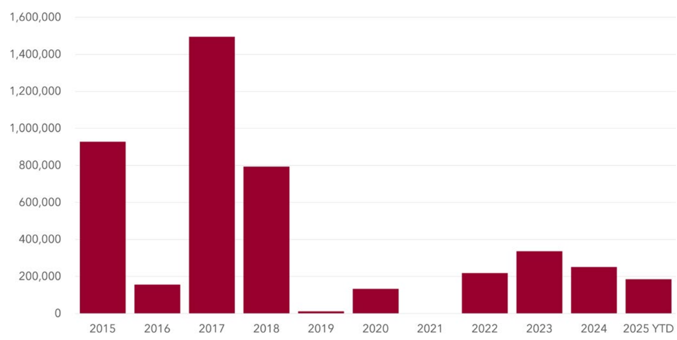
There is an interesting anomaly that happened in the North San Diego Industrial market throughout the third quarter of this year. We saw a slight increase in average sales price per square foot and average NNN asking rates, while simultaneously net absorption fell even deeper into the negatives, vacancy rates rose 104 basis points, and average cap rate expanded slightly by 2 basis points. Global uncertainty seems to be here to stay for the foreseeable future and will provide great opportunities for those bold enough to transact.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Absorption Units	(547,697)	(497,373)	(397,852)	(268,144)	72,615
▲ Vacancy Rate	7.24%	6.20%	7.10%	6.30%	5.50%
▲ Avg NNN Asking Rent PSF	$18.84	$17.40	$17.28	$17.64	$17.40
▲ Sale Price PSF	$305.00	$297.00	$301.00	$288.00	$261.00
▲ Cap Rate	6.29%	6.27%	6.10%	6.20%	6.15%
▼ Under Construction	185,458	343,753	343,753	251,229	251,229
▲ Inventory	59,718,000	59,477,660	59,396,679	58,717,461	58,717,461

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2793 Loker Avenue Carlsbad, CA	42,268 SF	$8,890,994 $210.35 PSF	GID Industrial Advisors LLC MegLife, Inc.	Class B
1230 Avenida Chelsea Vista, CA	38,802 SF	$8,918,500 $229.85 PSF	Atmoic Investments, Inc. The Paskin Group	Class B
2791 Loker Avenue Carlsbad, CA	35,875 SF	$8,909,006 $248.33 PSF	GID Industrial Advisors LLC MetLife, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1201 Park Center Drive Vista, CA	96,745 SF	US Foods	Undisclosed	Undisclosed
2611 Commerce Way Vista, CA	55,296 SF	Whitaker Investment	Sivana	Manufacturing
3215 Executive Ridge Vista, CA	44,630 SF	Chandru Wadhwani	SHIPeNATION	Logistics

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
SAN FRANCISCO, CA

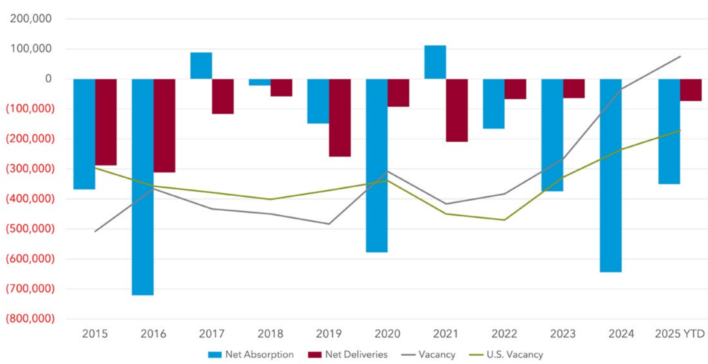
INDUSTRIAL MARKET OVERVIEW

THOMAS NIU, *Senior Vice President*

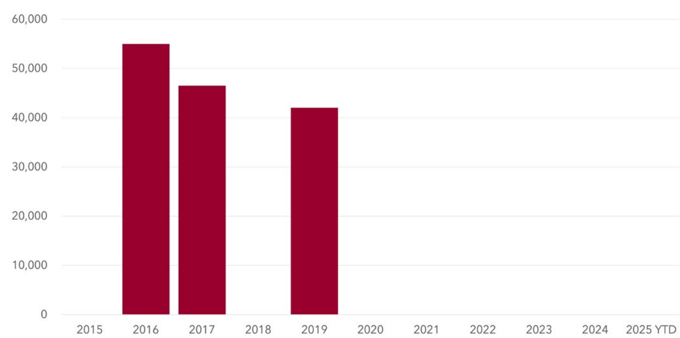
San Francisco's industrial market experienced a relatively quiet Q3 2025. Vacancy fell 18 basis points but remained far above recent norms at 10.46% as firms continue to grapple with uncertain economic policy and materials costs. The largest transaction seen in the quarter was at 200 Potrero Ave, where the owners of Gizmo Art Production were able to purchase their studio headquarters from Regency Centers, a national retail REIT. Large lease transactions from the autonomous delivery division of Doordash, Humble Robotics, and aerospace firm Astro Mechanica, meanwhile, demonstrate the potential for growing firms in cutting edge fields enabled by advances in artificial intelligence, such as robotics and autonomous vehicles, to start cutting into vacant industrial space.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Absorption Units	(614,573)	(677,474)	(398,020)	(643,944)	(518,899)
▼ Vacancy Rate	10.46%	10.64%	9.43%	9.22%	8.34%
▲ Avg NNN Asking Rent PSF	$21.95	$21.91	$21.86	$21.63	$21.52
▼ Sale Price PSF	$342.00	$344.00	$344.00	$350.00	$348.00
▲ Cap Rate	6.01%	5.98%	5.96%	5.86%	5.84%
◄ ► Under Construction	-	-	-	-	-
▼ Inventory	22,712,340	22,754,376	22,754,376	22,786,056	22,786,056

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
200 Potrero Avenue San Francisco, CA	27,716 SF	$4,999,000 $180.37 PSF	Mark & Kathy Sabatino Regency Centers	Class C
1031 Valencia Street San Francisco, CA	8,019 SF	$3,135,000 $390.95 PSF	Brett Thurber Janet Moyer Landscaping	Class C
305 12th Street San Francisco, CA	6,753 SF	$2,350,000 $347.99 PSF	LionDanceME GROUP i	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1960 Folsom Street San Francisco, CA	34,325 SF	Lumberman Construction Supply	Doordash	Food Delivery
201 11th Street San Francisco, CA	28,992 SF	Nader Heydayian	Humble Robotics	Robotics
550 7th Street (flex) San Francisco, CA	21,500 SF	Vantage Property Investors	Astro Mechanicha	Aerospace

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
SAN LUIS OBISPO, CA

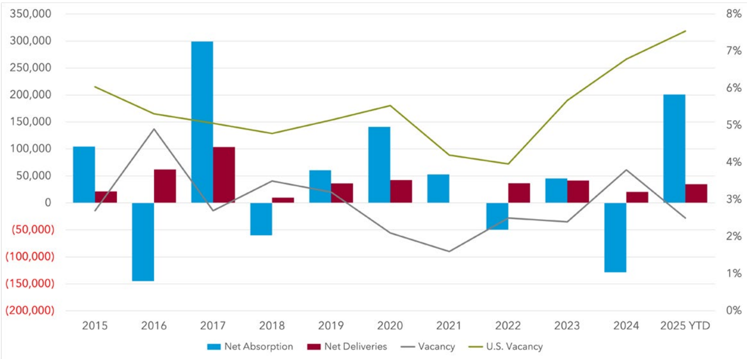
INDUSTRIAL MARKET OVERVIEW

MARTIN INDVIK, *Managing Director, Central Coast*

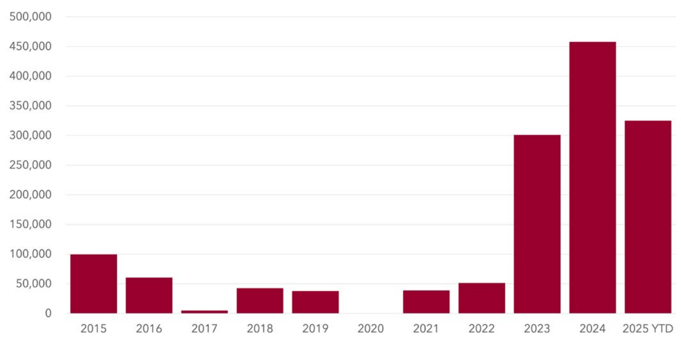
As of Q4 2025, San Luis Obispo's industrial market posts a 2.5% vacancy rate, down 1.4% year-over-year due to 180,000 SF of net absorption versus 38,000 SF of new deliveries. The rate sits below both the five- and ten-year averages of 3.0% and 3.1%, respectively. Available inventory totals 320,000 SF (3.1% availability), while 330,000 SF is under construction-well above the 10-year average of 190,000 SF. The market comprises of 9.9 million SF, including 6.4 million SF of logistics, 870,000 SF of flex, and 2.5 million SF of specialized space. Average rents are $16.10/SF, down 0.4% annually, with five- and ten-year rent growth averaging 4.3% and 5.0%.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	186,369	347,269	341,578	(128,582)	(45,934)
▼ Vacancy Rate	2.40%	4.30%	4.20%	3.80%	3.10%
▼ Avg NNN Asking Rate PSF	$16.08	$16.56	$16.48	$16.30	$16.26
◄ ► Sale Price PSF	$197.00	$197.00	$198.00	$193.00	$195.00
◄ ► Cap Rate	6.70%	6.70%	6.64%	6.72%	6.63%
▼ Under Construction SF	325,000	360,320	360,320	457,820	457,820
▼ Inventory SF	9,900,000	10,167,486	10,149,060	9,976,190	9,574,184

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2432 Spring Street Paso Robles, CA	6,528 SF	$1,242,090 $190.27 PSF	Carmelo Plateroti Undisclosed	Class C
202 Tank Farm Road San Luis Obispo, CA	4,963 SF	$1,225,000 $246.83 PSF	Derek Senn Craig & Patricia Karli Trust	Class C
1101-1107 Paso Robles Street Paso Robles, CA	11,000 SF	Undisclosed	Du Coing Enterprises Undisclosed	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
760 Fiero Lane San Luis Obispo, CA	217,000 SF	Quaglino Properties	Mach Enterprises	Undisclosed
3067 Propeller Drive Paso Robles, CA	22,000 SF	Undisclosed	Evans Fabrication	Fabrication
3428 Bullock San Luis Obispo, CA	10,000 SF	David Schlossberg	Undisclosed	Undisclosed

Q3 2025
SANTA BARBARA, CA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

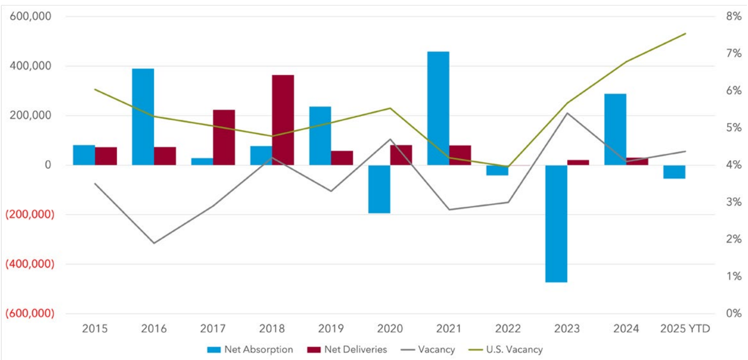
INDUSTRIAL MARKET OVERVIEW

TOM DAVIDSON, *Senior Vice President*

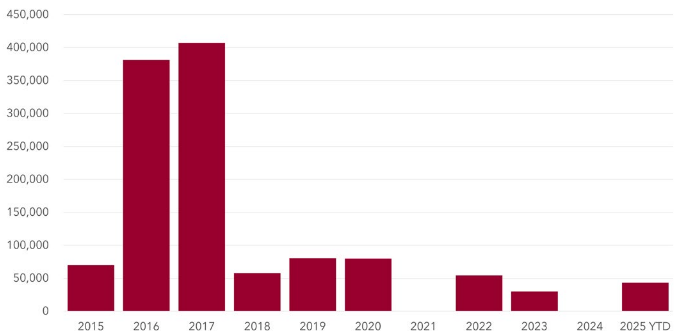
As of Q3 2025, Santa Barbara's industrial market reports a 4.3% vacancy rate, up 0.4% year-over-year following -91,000 SF of net absorption and no new deliveries. The current rate is above the five-year average of 3.8% and the ten-year average of 3.5%. About 1.2 million SF is listed for lease, representing 5.9% availability, with 43,000 SF under construction-slightly above the 10-year average of 34,000 SF. Total inventory measures 20.9 million SF, including 11.9 million SF of logistics, 4.3 million SF of flex, and 4.7 million SF of specialized space. Average rents are $17.20/SF, down 0.3% year-over-year, with five- and ten-year average annual rent growth of 4.0% and 4.7%, respectively.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(92,671)	95,726	204,664	288,491	335,853
▲ Vacancy Rate	4.31%	4.40%	4.20%	4.10%	3.92%
▲ Avg NNN Asking Rate PSF	$17.19	$18.13	$17.95	$17.92	$17.76
▼ Sale Price PSF	$220.00	$202.00	$217.00	$213.00	$212.00
▲ Cap Rate	6.92%	7.60%	6.86%	7.00%	6.89%
◄ ► Under Construction SF	43,350	43,350	43,350	-	-
▲ Inventory SF	20,863,331	20,787,805	20,738,840	20,322,695	20,302,646

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
414 Por La Mar Drive Santa Barbara, CA	19,626 SF	$4,300,000 $219.00 PSF	Greycliff Capital Shahram Bijan	Class C
1637 W. Central Avenue Lompoc, CA	20,000 SF	$3,040,000 $152.00 PSF	GH Lompoc LLC Neo Street Partners LLC	Class C
132 Santa Barbara Street Santa Barbara, CA	10,000 SF	$6,875,000 $688.00 PSF	SB Parlors LLC Castagnola Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1401 W. Fairway Drive Santa Maria, CA	49,895 SF	Krz Fairway LLC	WheelPros	Automotive
165 Castillian Drive Goleta, CA	12,252 SF	Investec	Undisclosed	Undisclosed
2625 Skyway Drive Santa Maria, CA	10,000 SF	Bormes Brother LLC	Undisclosed	Undisclosed

Q3 2025
STOCKTON/CENTRAL VALLEY, CA

INDUSTRIAL MARKET OVERVIEW

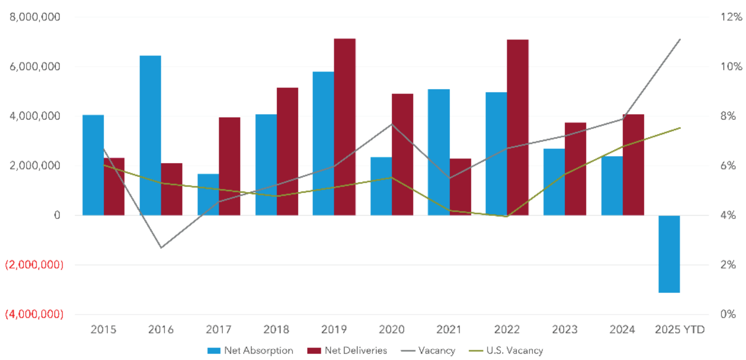
JIM MARTIN, SIOR *Senior Vice President*

The Central Valley welcomed an increase in leasing activity and investment sales during Q3 which was a welcome relief to what had been a rather uneventful Q1-Q2 of 2025. While sublease availability climbed to levels not seen in several years, build to suit activity was as robust as ever and owner/user as well as institutional investment sales saw a healthy pace of transactions, signaling that the Central Valley Industrial Market, while not as white hot as it was in quarters past, continues to be an attractive location for corporate occupiers, institutional capital and owner/users alike.

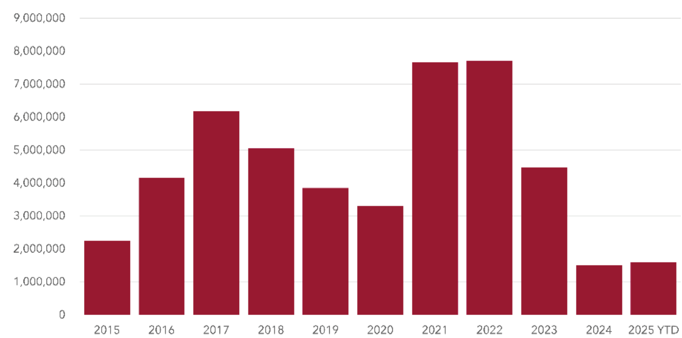
MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ Qtrly Absorption Units	92,550	115,085	312,900	343,650	191,360
▲ Vacancy Rate	8.95%	8.90%	8.20%	8.20%	7.90%
◄ ► Avg NNN Asking Rent PSF	$105.12	$105.12	$105.12	$105.12	$105.12
◄ ► Sale Price PSF	*	*	*	*	*
◄ ► Cap Rate	*	*	*	*	*
▲ Under Construction	2,865,906	2,490,000	2,490,000	1,030,790	2,120,950
◄ ► Inventory	155,087,729	155,087,729	155,087,729	153,997,569	152,352,029

**Please contact Lee & Associates Stockton for Sale Price and Cap Rate Information*

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2900 N. MacArthur Drive Tracy, CA	283,712 SF	$42,400,000 $149.45 PSF	LBA Prologis	Class A
6665 Hardaway Road Stockton, CA	208,000 SF	$15,400,000 $74.04 PSF	Bering Capital Cliff Family	Class B
834 Performance Drive Stockton, CA	165,474 SF	$23,900,000 $144.43 PSF	Southern Tire Mart LS Auto Mall	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
International Park of Commerce #11 Tracy, CA	1,700,150 SF	Prologis	Pepsi	Warehouse/ Distribution

Q3 2025
VENTURA COUNTY, CA

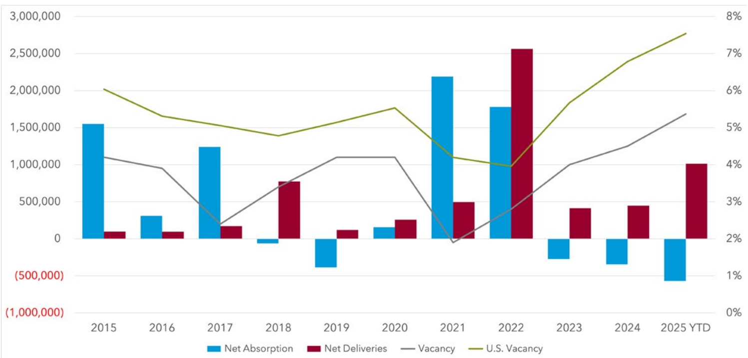
INDUSTRIAL MARKET OVERVIEW

VENTURA COUNTY INDUSTRIAL

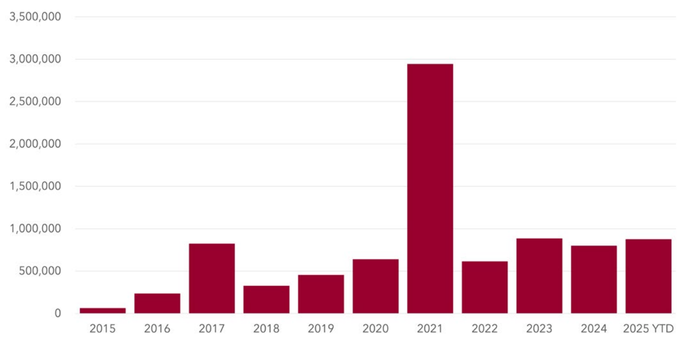
The Ventura industrial market softened slightly in Q3 2025 but remains one of the healthier markets in Southern California. Vacancy rose to 5.37%, still well below the U.S. average of 7.54%, highlighting its continued strength despite slower tenant movement. Net absorption turned negative, yet average asking rents climbed to $1.43 per square foot, reflecting steady landlord confidence. Investment activity also remained firm, with pricing stable at $216 per square foot. Construction activity remains healthy, supporting long-term stability without creating oversupply pressures.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(698,641)	317,527	(178,396)	(344,309)	(134,378)
▲ Vacancy Rate	5.37%	3.86%	4.12%	4.50%	4.30%
▲ Avg NNN Asking Rate PSF	$17.16	$15.84	$15.96	$14.52	$14.52
▲ Sale Price PSF	$216.00	$210.00	$138.00	$202.00	$220.00
▼ Cap Rate	6.00%	6.20%	6.20%	5.78%	6.34%
▲ Under Construction SF	876,705	203,978	946,687	800,543	800,543
◄ ► Inventory SF	77,983,567	77,983,567	77,720,844	77,691,284	77,417,738

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2590 Conejo Spectrum Street Thousand Oaks, CA	77,172 SF	$18,900,000 $244.91 PSF	The Interface Group Western States Technologies	Class B
1251 N. Rice Avenue Oxnard, CA	43,022 SF	$13,200,000 $306.82 PSF	The Foursquare Church ZDI, Inc.	Class B
800 N. Mitchell Road Newbury Park, CA	50,119 SF	$7,112,000 $141.90 PSF	Undiclosed Undisclosed	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3935-3949 Heritage Oak Court Simi Valley, CA	82,078 SF	Rexford Industrial Realty, Inc.	Pentair	Water Solutions
2455 Conjeo Spectrum Street Thousand Oaks, CA	42,504 SF	Rexford Industrial Realty, Inc.	Undisclosed	Undisclosed
650 Buena Vista Avenue Oxnard, CA	40,855 SF	Irwin H. & Dalia D. Sherry Trust	Undisclosed	Undisclosed

Q3 2025
DENVER, CO

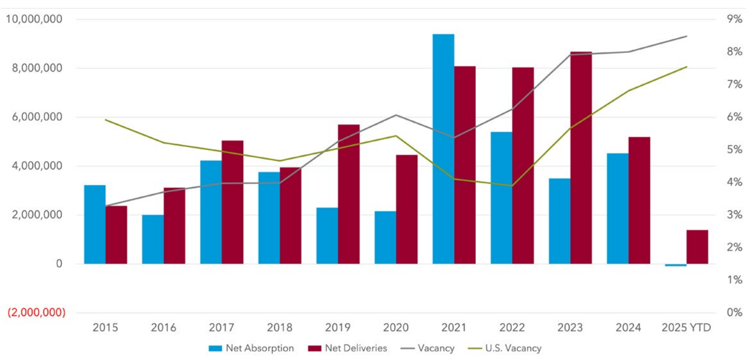
INDUSTRIAL MARKET OVERVIEW

JEFF HEINE, *Principal*

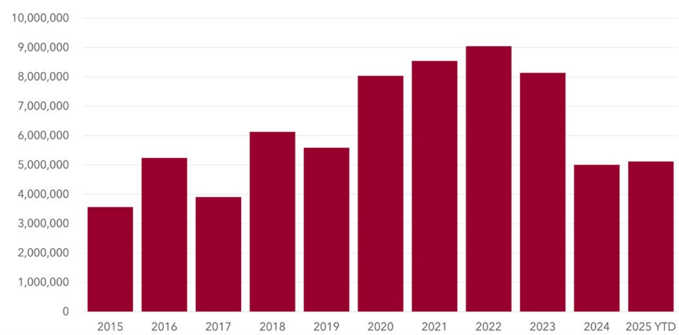
The Denver industrial market showed signs of stabilization in Q3 2025 as demand began to catch up with slowing new supply. Vacancy held at 8.5%, elevated compared to long-term averages but no longer climbing, supported by a construction pipeline at its lowest level since 2017. Leasing remained focused in the East I-70 corridor, where logistics and small-bay tenants were most active. Landlords continue to show flexibility, often subdividing larger spaces to capture smaller users. Investment sales also gained momentum, highlighted by our very own Lee & Associates Denver office closing the quarter's largest sale-the $69 million Lovett 76 Logistics Center transaction to Trader Joe's. While average rents remain under pressure, flex and small-bay assets are outperforming, setting the stage for gradual tightening into 2026.

MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	Net Absorption SF	1,773,997	(1,735,711)	(305,020)	537,147	1,857,007
▼	Vacancy Rate	8.5%	8.9%	8.3%	8.0%	7.7%
▼	Avg NNN Asking Rate PSF	$11.57	$11.72	$11.76	$11.78	$11.77
▲	Sale Price PSF	$172.00	$173.00	$174.00	$174.00	$175.00
▲	Cap Rate	7.5%	7.4%	7.4%	7.3%	7.3%
▼	Under Construction SF	5,120,597	5,473,145	5,222,444	3,591,189	4,401,097
▲	Inventory SF	285,375,035	284,368,016	284,002,571	283,911,539	282,712,209

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6196 E. Bridge Street Brighton, CO	613,758 SF	$69,350,000 $112.99 PSF	Trader Joe's Lovett Industrial LLC	Class A
9410 Heinz Way Commerce City, CO	140,994 SF	$29,250,000 $207.00 PSF	CEMCO ASB	Class A
5101 Quebec Street Commerce City, CO	30,676 SF	$28,000,000 $912.00 PSF	Good Investment Partners SVC REIT	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1485 E. 61st Avenue Commerce City, CO	189,120 SF	Gladstone Commercial	RedBird	Distributor
6550 N. Denali Street Aurora, CO	152,031 SF	Hines	Undisclosed	Undisclosed
25000 E. 56th Aurora, CO	148,885 SF	Opus	Phillip Morris	Distribution

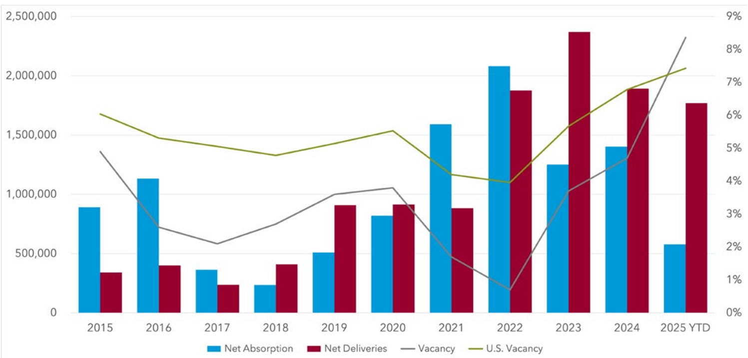
INDUSTRIAL MARKET OVERVIEW

LINDA GARRISON, *Office Manager*

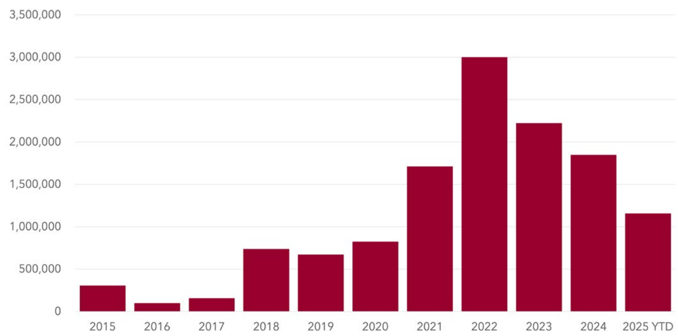
The construction industry grew faster in the metro area than statewide over the year and employment in the Manufacturing industry grew +1.2%. Although industrial demand tempered when compared to prior quarters, new leasing activity showed a rebound with strong leasing and absorption, while vacancy rates remained elevated at 8.4% due to a recent surge in new construction. Positive leasing momentum across logistics, construction, and HVAC sectors indicated continued demand, but this was tempered by increased available space from new deliveries. Rental growth was steady at 2.9% YOY, with a future pipeline of new projects set for late 2025 potentially impacting absorption and vacancy rates further into the year. The largest transaction for the quarter was the sale of 8951 Alico Trade Center Road, comprising 35,387 SF.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ Qtrly Net Absorption SF	576,525	622,340	(194,651)	377,325	247,304
▲ Vacancy Rate	8.40%	7.50%	5.90%	4.70%	5.00%
▼ Avg NNN Asking Rate PSF	$14.07	$14.81	$14.39	$14.16	$13.91
▲ Sale Price PSF	$206.00	$194.00	$223.00	$205.00	$197.00
▲ Cap Rate	8.30%	6.29%	7.42%	7.40%	6.50%
▲ Under Construction SF	1,157,474	479,188	1,676,244	1,849,169	1,472,366
▼ Inventory SF	38,382,738	44,153,154	42,810,098	42,447,228	42,320,568

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8951 Alico Trade Center Road Fort Myers, FL	35,387 SF	$6,000,000 $169.55 PSF	B&D Acquisitions LLC WestSide 2 LLC	Class B
3531 Metro Parkway Fort Myers, FL	27,480 SF	$4,500,000 $163.76 PSF	Jung FT Myers Bay LLC Metro Properties LLC	Class B
4840 Laredo Avenue Fort Myers, FL	23,750 SF	$5,600,000 $235.79 PSF	Jorana NNN No. 4 LLC Barlow LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
16595 Oriole Road Fort Myers, FL	65,001 SF	Seagate Alico South LLC	Florida Dept of Law Enforcement	Law Enforcement
4131 Wausau Road Fort Myers, FL	21,000 SF	William S. & Michele M. Lee	1st Floor Direct	Flooring
2559 Fourth Street Fort Myers, FL	10,000 SF	WKLK Offshore LLC	Titan Contracting	Plumbing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
NAPLES, FL

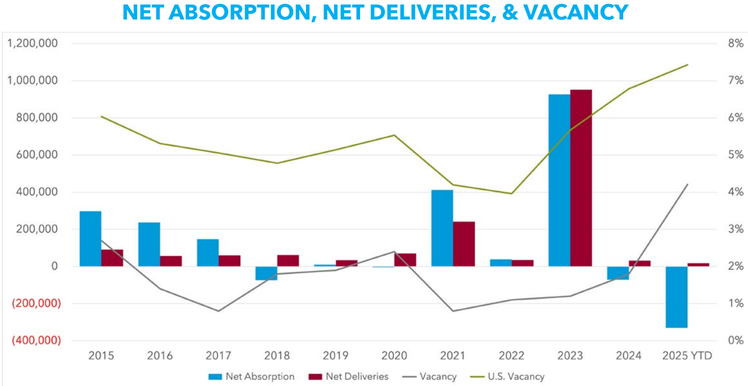
INDUSTRIAL MARKET OVERVIEW

LINDA GARRISON, *Office Manager*

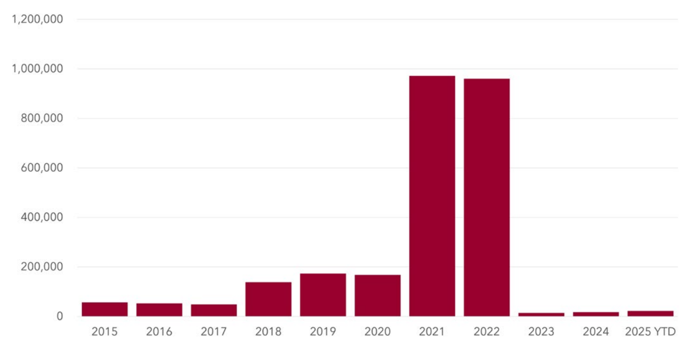
The Naples-Marco Island MSA had the third fastest annual job growth rate compared to all metro areas in the state in the manufacturing industry, registering a +3.4% increase in jobs. Transportation, warehousing, and utilities employment rose +3.1% YOY and the construction industry added 200 jobs for a +0.9% increase. Despite solid job growth, demand for space cooled at midyear. Leasing activity remains steady, with positive absorption, despite a backdrop of rising vacancies throughout the Southwest Florida region. The market continues to benefit from strong regional demand for logistics and warehouse space, driven by the expansion of e-commerce. The vacancy rate has not been this high since 2015.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ Qtrly Net Absorption SF	(330,786)	(21,712)	(191,900)	(60,082)	19,316
▲ Vacancy Rate	4.20%	3.30%	3.20%	1.80%	1.50%
▲ Avg NNN Asking Rate PSF	$19.89	$19.17	$19.26	$20.25	$20.22
▲ Sale Price PSF	$357.00	$330.00	$280.00	$220.00	$309.00
▼ Cap Rate	7.60%	7.60%	7.62%	7.62%	7.65%
◄ ► Under Construction SF	22,086	22,086	22,086	17,394	17,394
▼ Inventory SF	13,030,244	14,564,928	14,564,928	14,547,534	14,547,534

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2884 Horseshoe Drive S Naples, FL	39,529 SF	$10,250,000 $259.30 PSF	Argeo Horseshoe LLC Gary R. Van Cleef	Class C
1009 Alachua Street Immokalee, FL	12,008 SF	$1,300,000 $108.26 PSF	Collier Truss, Inc. Marc L. Shapiro	Class C
5795 Washington Street Naples, FL	9,000 SF	$1,950,000 $216.67 PSF	Washington Ave Properties LLC Boring LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
275 Airport Pulling Road N Naples, FL	10,335 SF	275 Airport Investments LLC	Alara Stone Source LLC	Stone Supplier
4573 Enterprise Avenue Naples, FL	4,000 SF	Connie Jean Youngmark Trust	Avatar Flooring, Inc.	Flooring
4120 Enterprise Avenue Naples, FL	1,500 SF	Venture One Real Estate	West Coast Stripping & Restoration, Inc.	Restoration

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
ORLANDO, FL

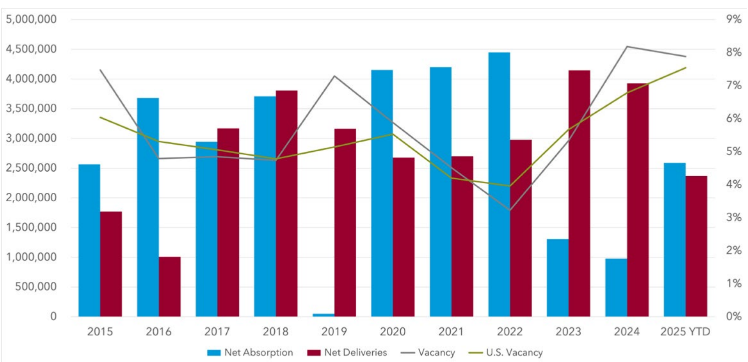
INDUSTRIAL MARKET OVERVIEW

DEREK RIGGLEMAN, SIOR, *Senior Vice President, Principal*

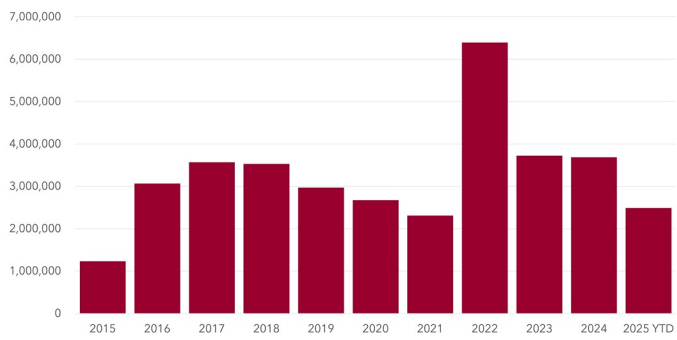
The Orlando industrial market remained balanced in Q3 2025. Vacancy held steady at 7.88%, indicating a stable demand environment across most submarkets. Average asking rents continued their upward momentum, reaching $10.55 per square foot as tenants competed for well-located, modern space. Construction activity moderated to about 2.5 million square feet, reflecting a more measured development pace following several years of robust expansion. Overall, market conditions point to steady performance with healthy fundamentals and limited signs of overbuilding heading into year-end.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,435,512	2,279,140	967,939	979,031	1,763,059
▲ Vacancy Rate	7.88%	7.49%	8.71%	8.18%	7.52%
▲ Avg NNN Asking Rate PSF	$10.55	$9.96	$9.74	$9.54	$8.81
▲ Sale Price PSF	$178.00	$128.00	$160.00	$144.14	$163.00
▼ Cap Rate	6.58%	6.90%	6.90%	5.00%	4.70%
▼ Under Construction SF	2,488,410	3,753,191	2,387,148	3,687,165	3,634,939
▲ Inventory SF	139,680,364	138,812,747	138,838,426	137,356,568	136,204,117

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4210 LB McLeod Orlando, FL	490,150 SF	$100,000,000 $204.02 PSF	BKM Capital Partners Link Logistics	Class A
350 Sheeler Road Apopka, FL	311,046 SF	$31,750,000 $102.07 PSF	Livetrends Industrial Holdings Co. Little Brownie Properties, Inc.	Class C
5707 Dot Com Court Oviedo, FL	210,613 SF	$33,250,000 $157.87 PSF	LCR Properties Terra Cap Management	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1260 Northland Lane Apopka, FL	237,648 SF	Clarion	Undisclosed	Automotive
4510 Portier Boulevard Orlando, FL	62,008 SF	Link	Speed Xpress	3PL
4554 Portier Boulevard Orlando, FL	52,355 SF	Link	Hastens	Retail

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
SOUTH FLORIDA, FL

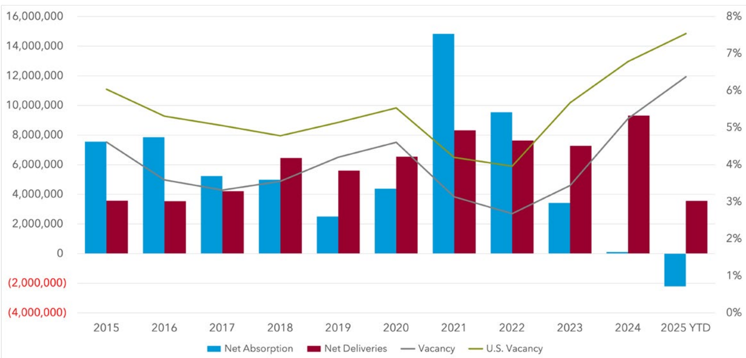
INDUSTRIAL MARKET OVERVIEW

WILLIAM DOMSKY, *Principal*

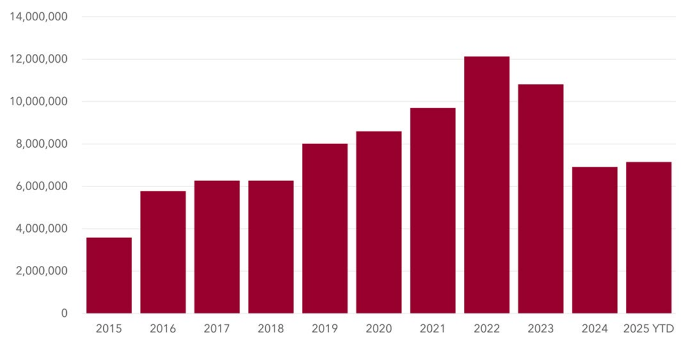
Q3 2025 delivered mixed trends across the South Florida region. The average vacancy rate is up with a significant year-over-year increase. Despite the overall lower volume of deals, the rental rates continue to grow but at 2.8% on average down considerably from a high of 18% in 2022. Sales volume has moderated from the fervent pace of the years 2020-2023 but pricing continues to rise, now averaging $264 per square foot with limited available inventory. South Florida is a critical logistics hub, a gateway market to the world with direct access to a sizable and influential population. The market performs well above the U.S. average consistently with confidence over the years.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(2,794,416)	(3,171,289)	(2,840,013)	111,116	2,847,389
▲ Vacancy Rate	7.70%	7.60%	7.40%	6.90%	6.60%
▲ Avg NNN Asking Rate PSF	$17.35	$17.29	$17.22	$17.01	$17.09
▲ Sale Price PSF	$224.00	$198.00	$224.00	$249.00	$201.00
▼ Cap Rate	5.75%	6.33%	5.43%	6.28%	6.53%
▲ Under Construction SF	7,150,825	6,988,815	8,021,960	6,917,255	6,150,335
▲ Inventory SF	495,385,388	494,272,943	493,069,320	491,823,927	490,805,508

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3245 Meridian Parkway Weston, FL	232,000 SF	$56,000,000 $241.38 PSF	Ares Management Corporation Cabot Properties, Inc.	Class A
6450 NW 97th Avenue Doral, FL	193,507 SF	$73,319,802 $378.90 PSF	Terreno Realty Link Logistics Real Estate	Class A
5255 NW 159th Street Miami Lakes, FL	182,919 SF	$27,800,000 $151.98 PSF	Redfearn Cap/TPG Angelo Gordon RREEF Property Tr, Inc,/DWS Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6703 NW 7th Street Miami, FL	176,348 SF	Prologis, Inc.	US Elogistics	Transportation & Warehousing
11150 NW 122nd Street Medley, FL	140,799 SF	Prologis, Inc.	Undisclosed	Undisclosed
11585 W. 43rd Avenue Hialeah, FL	107,947 SF	Terreno Realty	Gap Forwarding, Inc.	Freight Forwarding

Q3 2025
TAMPA BAY, FL

INDUSTRIAL MARKET OVERVIEW

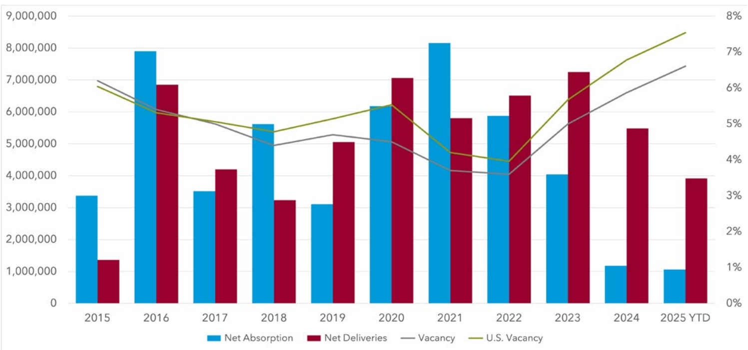
JULIA SILVA, SIOR, *President*

The Tampa Bay industrial market demonstrated strong performance in Q3 2025, posting 1,403,322 SF of net absorption and bringing the 12-month total back into positive territory after Q1's negative quarter. Vacancy improved to 6.2%, supported by strong tenant demand and active leasing. Average asking rents held steady at $11.38 PSF, while sale prices rose, reflecting sustained investor confidence. Construction activity totaled 3.47 million SF, signaling continued development interest. The quarter's momentum was driven by PepsiCo's immediate move into 1.2 million SF at Central Florida Integrated Logistics Park in Polk County, along with Monster Energy's 349,929-SF lease in Lakeland, both underscoring robust demand from national brands.

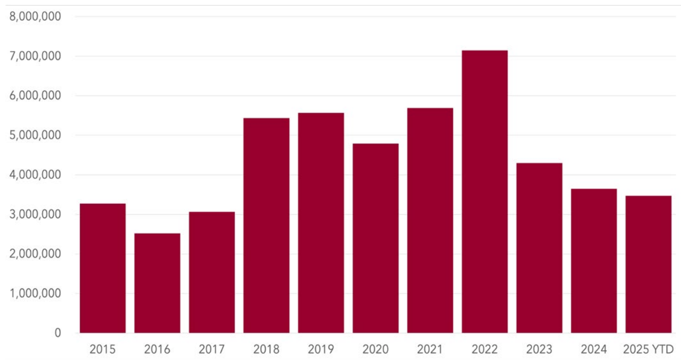
MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	12 Mo. Net Absorption SF	205,404	(350,900)	247,284	1,179,272	1,387,050
▼	Vacancy Rate	6.20%	6.96%	6.66%	5.87%	5.69%
▼	Avg NNN Asking Rate PSF	$11.38	$11.57	$11.14	$11.47	$10.85
▲	Sale Price PSF	$133.00	$126.00	$125.00	$127.00	$118.00
▼	Cap Rate	7.36%	7.44%	7.40%	7.50%	7.42%
▲	Under Construction SF	3,470,505	3,121,903	2,708,087	3,558,166	4,810,401
▲	Inventory SF	264,398,782	252,429,602	250,609,368	248,966,349	246,602,210

**As of Q3 2025, all market stats include industrial/flex properties 10,000 SF+, previously 15,000 SF Industrial and 10,000 SF Flex*

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Mango I-4 Log Ctr 6337 Mango Road Seffner, FL	302,940 SF	$56,200,000 $185.52 PSF	Transwestern Investment Group TA Associates	Class A
10889 Crossroads Commerce Blvd Tampa, FL	113,729 SF	$22,100,000 $194.32 PSF	Colonial Distributing Stonelake Capital Partners	Class A
11471 US Highway 301 Thonotosassa, FL	72,698 SF	$15,200,000 $209.10 PSF	SB Compark I LLC Link Logistics Real Estate	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4051 Logistics Parkway Winter Haven, FL	1,216,800 SF	Tratt Properties LLC	PepsiCo	Food & Beverage
5380 Allen K Breed Highway Lakeland, FL	349,929 SF	Sealy & Company	Monster Energy	Food & Beverage
585 33rd Street NE Ruskin, FL	278,249 SF	Pattillo Industrial Real Estate	ID Logistics	Logistics & Supply Chain

Q3 2025
ATLANTA, GA

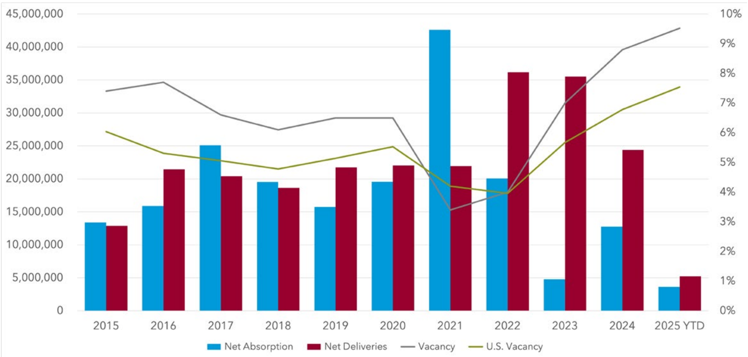
INDUSTRIAL MARKET OVERVIEW

KATE HUNT, *Research Director*

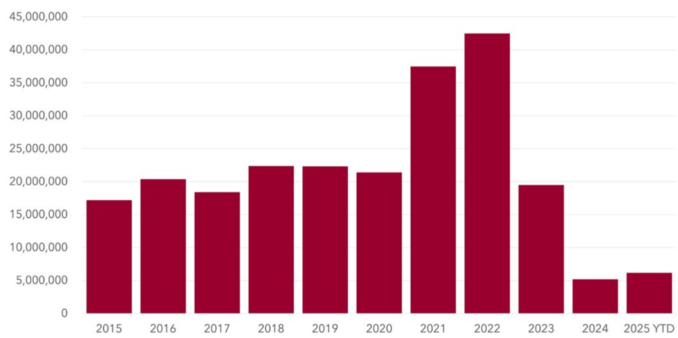
Atlanta's industrial market remains fundamentally strong as of Q3 2025. Vacancy dipped slightly to 9.52%, the first decline in a year, suggesting vacancy has likely peaked. Nearly 10 million square feet was leased during the quarter, with demand coming from a broad range of users. Developer confidence is returning, with 11 new projects breaking ground and 6.2 million square feet under construction. Looking ahead, measured growth is expected, as new supply better aligns with tenant needs and Atlanta continues to reinforce its role as a leading logistics and manufacturing hub in the Southeast.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	6,668,822	6,808,807	10,457,368	12,760,529	9,870,839
▼ Vacancy Rate	9.52%	9.54%	8.80%	8.80%	8.20%
▼ Avg NNN Asking Rate PSF	$8.01	$8.13	$8.35	$8.53	$8.60
▼ Sale Price PSF	$118	$126	$124	$121	$112
▼ Cap Rate	5.80%	6.00%	6.00%	6.10%	6.50%
▲ Under Construction SF	6,161,216	5,509,122	7,119,498	5,198,515	9,997,059
▲ Inventory SF	904,933,801	900,465,654	896,853,758	869,931,668	864,660,112

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1871 Willow Springs Church Road Social Circle, GA	1,512,552 SF	$75,000,000 $49.59 PSF	North Haven Net REIT WPT Capital Advisors LLC	Class A
201 Greenwood Court* McDonough, GA	800,000 SF	$72,222,800 $90.28 PSF	Bridge Logistics Properties Link Logistics Real Estate	Class A
10835 Hazelbrand Road Covington, GA	500,000 SF	$66,000,000 $132.00 PSF	Serverfarm Strategic Real Estate Partners	Class A

**Part of a Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Arthur K Bolton Parkway Griffin, GA	933,656 SF	Prologis	Undisclosed	Retail
1950 Oak Lawn Avenue* Atlanta, GA	633,000 SF	Property Reserve, Inc.	Elogistics	E-commerce
6705 Oakley Industrial Boulevard Union City, GA	560,625 SF	Link Logistics Real Estate	GXO	Transportation and Warehousing

**Lee Atlanta and Lee City of Industry deal*

Q3 2025
SAVANNAH, GA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

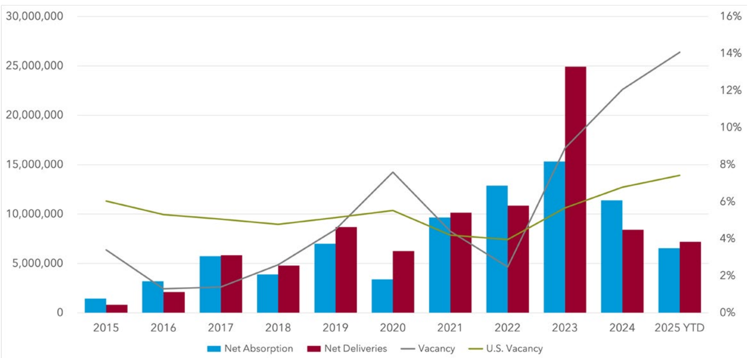
INDUSTRIAL MARKET OVERVIEW

KATE HUNT, *Research Director*

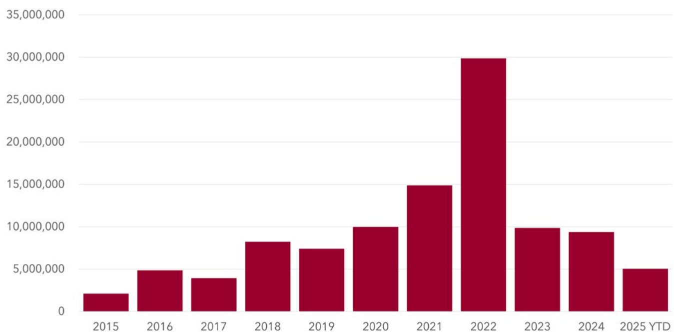
Savannah's industrial market continues to evolve, with Q3 2025 marking a period of steady demand amid elevated vacancy, now at 14.07%. Positive net absorption and rising asking rents-now averaging $8.51 PSF-reflect ongoing interest in the market, especially from users seeking access to the Port of Savannah and major transportation corridors. Over 5 million square feet is under construction, pointing to sustained developer confidence. August's strong performance from the Georgia Ports Authority further supports Savannah's long-term logistics appeal. With major manufacturing investments underway, including Hyundai's supplier network, the region remains a growing hub for industrial expansion in the Southeast.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Net Absorption SF	8,852,426	13,776,326	15,147,875	11,400,367	14,832,521
▲	Vacancy Rate	14.07%	13.48%	10.77%	12.05%	11.86%
▲	Avg NNN Asking Rate PSF	$8.51	$8.42	$8.45	$8.18	$7.28
▲	Sale Price PSF	$130.00	$116.00	$123.00	$117.00	$118.00
▼	Cap Rate	6.80%	7.50%	6.97%	7.22%	7.02%
▲	Under Construction SF	5,040,965	2,776,445	3,768,461	9,385,025	8,780,296
▲	Inventory SF	164,398,251	163,710,198	157,972,934	140,635,189	139,713,977

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1200 Logistics Parkway Rincon, GA	1,026,606 SF	$104,400,000 $101.69 PSF	Stockbridge Capital Group LLC Becknell Industrial	Class A
11900 US-280 - DSP I-16 Logistics Ctr Ellabell, GA	548,818 SF	$72,000,000 $131.19 PSF	MetLife Investment Management Dayton Street Partners LLC	Class A
104 Coleman Boulevard Savannah, GA	71,675 SF	$12,000,000 $167.42 PSF	The Pete Store Citi Trends	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
250 Grange Road Savannah, GA	284,400 SF	Prologis	Undisclosed	Undisclosed
1010 Branch Road Rincon, GA	248,000 SF	Broe Real Estate Group	Aertssen Logistics	Broker-Transportation of Freight and Cargo
311 International Trade Parkway Port Wentworth, GA	236,910 SF	SEDA	Undisclosed	Undisclosed

Q3 2025
BOISE, ID

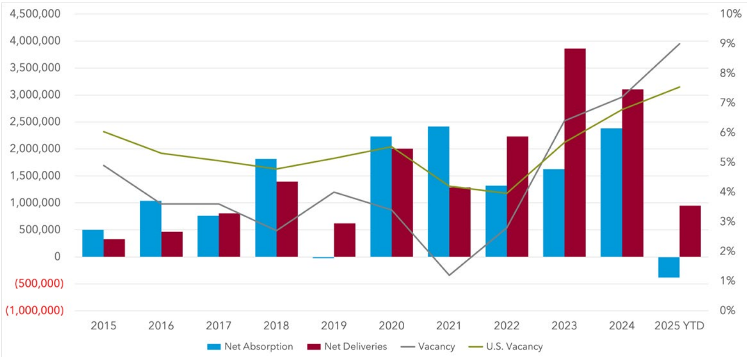
INDUSTRIAL MARKET OVERVIEW

RIVER CURTIS, *Senior Associate*

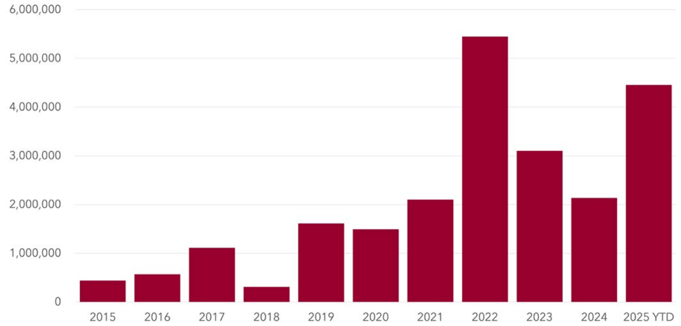
Boise's industrial market remained active in Q3 2025, with net absorption at 36,572 SF and the vacancy rate increasing to 9.0%. Asking NNN rents climbed to $12.68 PSF annually, reflecting healthy demand even as construction activity continued. Over 4.45 million SF is currently underway, indicating that developers remain confident in the market's fundamentals despite the slow absorption pace compared to last quarter. While vacancy has edged higher, rental rates and robust construction point to ongoing optimism in Boise's industrial sector.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	36,572	713,311	1,299,734	2,382,118	2,739,055
▲ Vacancy Rate	9.00%	8.80%	8.20%	7.20%	7.30%
▲ Avg NNN Asking Rate PSF	$12.68	$12.12	$12.01	$11.04	$10.37
▲ Sale Price PSF	$233.00	$224.00	$200.00	$159.00	$198.00
▲ Cap Rate	5.83%	-	-	6.03%	-
▲ Under Construction SF	4,454,477	3,482,593	2,591,207	2,136,478	2,328,715
▲ Inventory SF	63,641,979	63,535,303	63,066,535	62,692,527	62,392,670

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7017 S. Eisenman Road Boise, ID	171,470 SF	Contact Broker	LBA Logistics Red River Commerce Center LLC	Class A
16693 Madison Road - Building C Nampa, ID	115,008 SF	$21,000,000 $182.60 PSF	Given Family Trust LDK Ventures	Class A
8300 Birch Lane Nampa, ID	80,460 SF	Contact Broker	FNLR Ion Nampa LLC Bow River Capital	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
15861 McDermott Road Nampa, ID	340,848 SF	AT Industrial	DHL	Distribution & Logistics
16810 Northside Boulevard Nampa, ID	260,000 SF	Adler Industrial	Amalgamated Sugar	Food Manufacturing
4315 Skyway Street Caldwell, ID	36,348 SF	Lincoln Property Company	Findlay Food Coatings	Industrial Food User

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
CHICAGO, IL

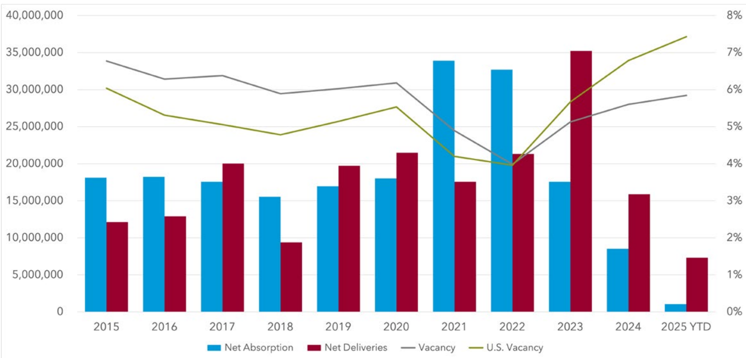
INDUSTRIAL MARKET OVERVIEW

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

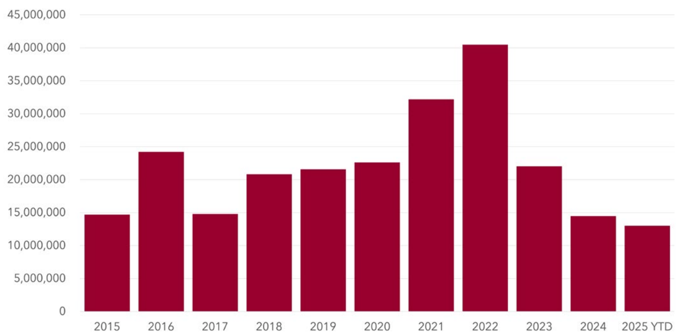
Chicago's industrial sector is cooling as tenant demand eases after years of expansion. Annual absorption reached 3.6 million SF, ranking 10th nationally, though momentum has slowed considerably. Construction has pulled back to 13.0 million SF, a fraction of the 2022 peak. Vacancy stands at 5.8%, still below historic and national averages, while availability is 8.8%, concentrated in logistics. Rents rose 3.3%, outpacing the U.S. average, though landlord leverage is weakening and concessions are likely to increase. The market outlook is subdued, with vacancy projected to rise and rent growth to slow through 2026, as reliance on logistics leaves Chicago vulnerable to softening trade and population trends.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Net Absorption SF	3,634,969	4,201,990	7,515,182	8,525,564	7,874,447
▼	Vacancy Rate	5.84%	5.89%	5.67%	5.60%	5.33%
▲	Avg NNN Asking Rate PSF	$9.60	$9.56	$9.46	$9.36	$9.29
▲	Sale Price PSF	$97.61	$97.31	$96.35	$94.82	$92.92
▼	Cap Rate	8.00%	8.02%	8.04%	8.06%	8.08%
▼	Under Construction SF	13,168,590	14,027,963	12,829,104	14,488,204	15,643,360
▲	Inventory SF	1,426,627,527	1,426,019,872	1,424,598,576	1,422,125,358	1,417,286,549

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
555 Saint James Gate Bolingbrook, IL	404,000 SF	$29,500,000 $73.02 PSF	Hines TradeLane Properties	Class A
21800 Cicero Avenue Matteson, IL	388,578 SF	$21,000,000 $54.04 PSF	Treetop Development Reich Brothers	Class B
800 S. Northpoint Boulevard Waukegan, IL	363,027 SF	$1,350,000 $3.72 PSF	Terraco, Inc. Investcorp	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
21500 Gateway Drive Matteson, IL	757,504 SF	Crow Holdings	Peopleworks	Human Capital Mgmt Software
800 Bilter Road Aurora, IL	592,539 SF	Prologis	DSV	Transport and Logistics
700 S. Weber Road Bolingbrook, IL	382,228 SF	Ares Industrial Management	Lindt	Food Manufacturing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
INDIANAPOLIS, IN

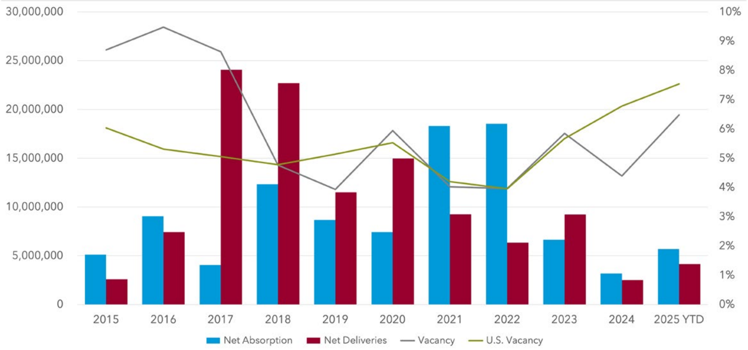
INDUSTRIAL MARKET OVERVIEW

STAN ELSER, *Executive Vice President*

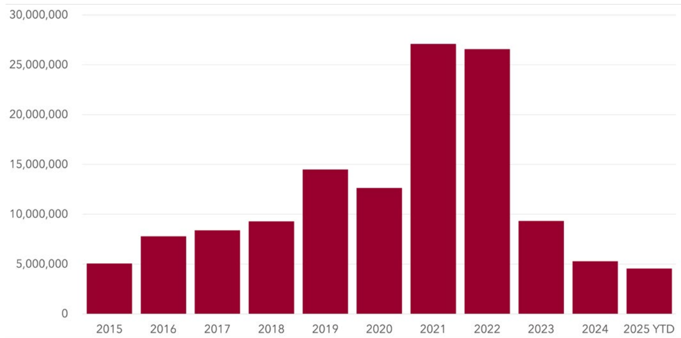
Tenant demand for industrial space has moderated as new deliveries further outpace the demand. As vacancy increases the supply-side pressures are subsiding with deliveries expected to reach a nine-year low in 2025. Indianapolis experienced an industrial development boom over the past few years, with one of the most significant inventory increases in the nation since the pandemic. Since 2020, the market added 83 million SF of new industrial space, 70% were properties larger than 500,000 SF. In 22Q1, the vacancy rate was just 3.6%. As of 25Q3, it's 13.9%, representing an improvement of 230 basis points from last quarter's peak. With demand projected to rise this year and deliveries set to fall to the lowest level since 2016, Indianapolis will likely see its vacancy rate improve modestly for the first time in three years.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(329,097)	(204,801)	(881,123)	(1,810,528)	(546,289)
▲ Vacancy Rate	5.03%	4.96%	5.20%	5.60%	4.80%
◀ ▶ Avg NNN Asking Rate PSF	$7.67	$7.67	$7.67	$7.65	$7.65
▲ Sale Price PSF	$77.00	$76.00	$76.00	$75.00	$74.00
◀ ▶ Cap Rate	8.50%	8.50%	8.50%	8.50%	8.50%
▲ Under Construction SF	4,559,441	3,899,497	4,643,762	5,284,899	5,649,096
▲ Inventory SF	429,891,470	429,602,412	428,178,211	427,300,144	426,749,642

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6437 Enterprise Drive McCordsville, IN	1,236,162 SF	$108,000,000 $87.37 PSF	Walmart Real Estate Business Trust Core5 Industrial Partners	Class A
2463 N. Buck Creek Road Greenfield, IN	1,053,360 SF	$77,324,800 $73.41 PSF	Amazon LXP Industrial Trust	Class A
5789 N. Graham Road Whiteland, IN	846,000 SF	$68,000,000 $80.38 PSF	EQT Real Estate Mohr Partners, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6299 S. 475 E Lebanon, IN	737,457 SF	Whitestown Owner LLC	Undisclosed	Undisclosed
5650 Belcher Way Lebanon, IN	400,576 SF	Zeller - 401 LRH Restructured	Undisclosed	Undisclosed
4212 Owens Farm Court Greenfield, IN	370,000 SF	VanTrust Real Estate LLC	Neovia Logistics	3rd Party Logistics / Supply Chain

Q3 2025
KANSAS CITY METRO

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

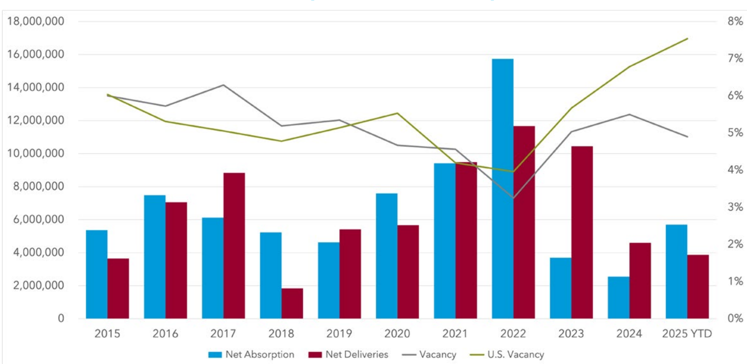
INDUSTRIAL MARKET OVERVIEW

JOSH KOCH, *Senior Associate*

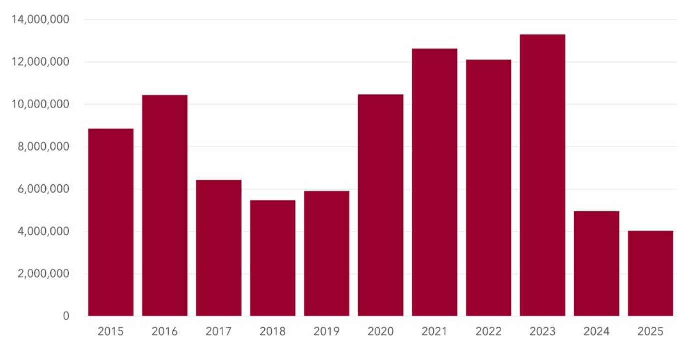
Kansas City's industrial market remained steady in Q3 2025, with a vacancy rate of 4.9%, down 10 bps from Q2 as leasing continued to outpace new deliveries. The quarter's largest transactions were Amazon's purchase of a 1.07 million SF facility at 175th & Hedge Lane and Faith Technologies' 463,435 SF lease at LPKC. Three speculative projects totaling 1.3 million SF broke ground during the quarter, outpacing the 770,486 SF delivered. Trailing 12-month net absorption reached 13.24 million SF, underscoring ongoing tenant demand. Overall, the market remains healthy, supported by steady occupancy gains, balanced construction activity, and continued investor confidence in the Kansas City industrial sector.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Absorption Units	13,240,000	12,041,606	11,941,606	2,100,000	2,989,814
▼ Vacancy Rate	4.90%	5.00%	4.60%	5.40%	5.50%
▼ Avg NNN Asking Rent PSF	$5.90	$5.95	$6.00	$6.06	$6.02
◄ ► Sale Price PSF	$65.00	$65.00	$66.00	$65.00	$65.00
◄ ► Cap Rate	9.20%	9.20%	9.20%	9.30%	9.40%
▲ Under Construction	4,029,614	3,500,000	4,700,000	4,961,532	3,760,831
▲ Inventory	326,071,718	325,301,232	322,901,232	320,501,232	320,088,093

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
175th & Hedge Lane Olathe, KS	1,071,139 SF	Undisclosed	Amazon Block	Class A
3630 E. Front Street Gardner, KS	246,000 SF	$8,250,000 $33.54 PSF	Opes BridgeCap Partners	Class C
9806 Lackman Road Kansas City, MO	195,000 SF	$17,400,000 $89.23 PSF	Talley LLC Novation IQ	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
31450 W. 196th Street Edgerton KS	463,435 SF	Northpoint	Faith Technologies	Manufacturing
30900 W. 183rd Street Gardner, KS	210,482 SF	Northpoint	Maersk	3PL
10707-15 NW Airworld Drive Kansas City, MO	200,000 SF	Capital Land	Midwest International Logisitics	3PL

Q3 2025
LAFAYETTE, LA

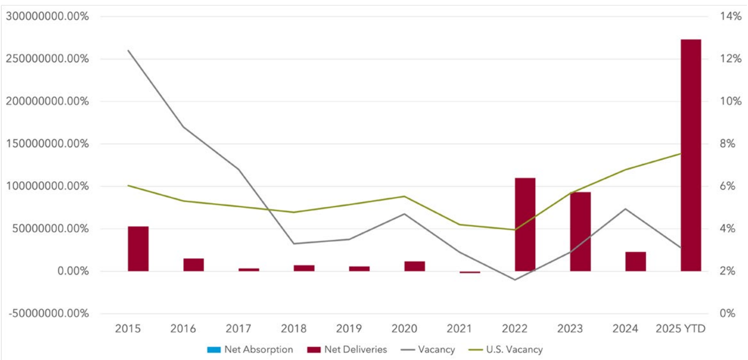
INDUSTRIAL MARKET OVERVIEW

CLINTON SHEPARD, *Principal*

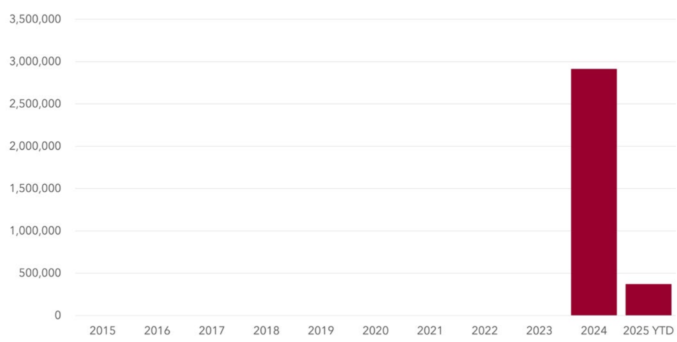
Demand in the Lafayette market slowed in Q3. While the vacancy rate ticked upward, the broader trend remains positive. Vacancy had been falling for several consecutive quarters. Despite minor fluctuations, the market operates at an exceptionally high level of functional occupancy – effectively near 100%. Asking lease rates are edging higher, a promising sign of continued market confidence. I remain convinced that there is upward potential for lease rates to better align with the market's true strength and regional fundamentals. There also are signs of much-needed spec development on the horizon.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Absorption Units	217,101	450,364	103,568	369,366	340,628
▲	Vacancy Rate	3.10%	3.05%	4.60%	4.94%	4.80%
▲	Avg NNN Asking Rent PSF	$8.68	$7.47	$7.78	$7.43	$8.00
▼	Sale Price PSF	$54.93	$78.74	$81.65	$74.13	$74.23
▼	Cap Rate	-	8.65%	-	8.84%	8.64%
▲	Under Construction	124,145	122,602	125,000	2,636,900	50,000
▲	Inventory	39,086,400	38,962,255	38,839,653	38,714,653	36,077,753

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
939 W. Pont Des Mouton Lafayette, LA	148,035 SF	Undisclosed	MMR Construction Stirling Properties	Class A
8404 Hwy 90 E Broussard, LA	25,000 SF	$1,250,000 $50.00 PSF	PBS PT, Inc. Recognition E Hwy 90 LLC	Class S
4677 NW Evangeline Thwy Carencro, LA	21,850 SF	$1,165,000 $53.32 PSF	ARK Real Estate LLC Talos QN Exploration	Class S

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
111 Nova Drive Broussard, LA	33,270 SF	Honey Blue LLC	Gallo Mechanical	Construction
1023 Bertrand Parkway Broussard, LA	18,500 SF	Hargroder Holdings LLC	Statewide Crude	Oilfield
112 Nova Drive Broussard, LA	12,685 SF	Taylor Construction LLC	NEO Products	Oilfield

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
BOSTON, MA

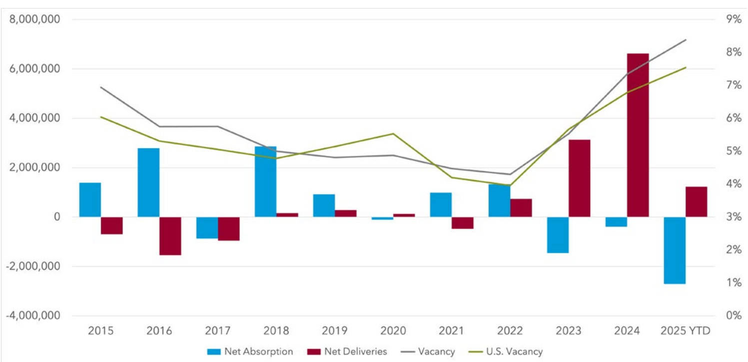
INDUSTRIAL MARKET OVERVIEW

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

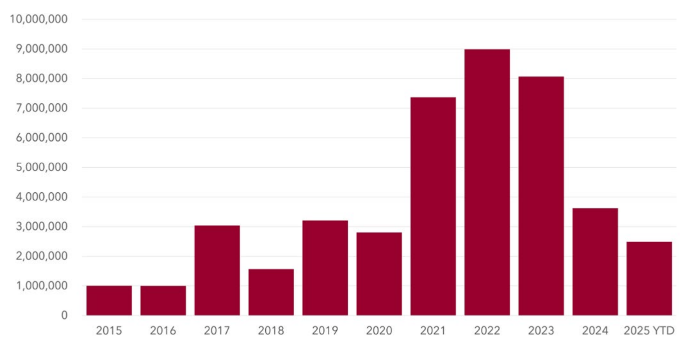
The Boston industrial market has softened following its largest construction surge in 25 years, pushing vacancy to 8.3%, the highest since 2014. Demand has weakened amid a national slowdown in housing-related goods and flex space tied to biotech. Net absorption over the past year stands at -3.2 million SF. Average rents are $16.80/SF, up 2.6% year over year, with flex space averaging about $19.80/SF. Rent growth has cooled from a 2022 peak of 9.5% but is expected to stabilize and rebound by 2026 as new supply declines. Construction starts are down more than 70%, suggesting vacancy will peak near 9%. Despite short-term softness, investor confidence remains firm, underpinned by Boston's long-term industrial fundamentals.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	12 Mo. Net Absorption SF	(3,049,828)	(3,760,944)	(1,497,584)	(390,900)	(1,143,514)
▲	Vacancy Rate	8.3%	8.0%	7.9%	7.3%	7.0%
▼	Avg NNN Asking Rate PSF	$17.09	$17.23	$17.18	$16.93	$16.65
▼	Sale Price PSF	$195.84	$196.99	$195.40	$192.12	$189.52
▲	Cap Rate	7.8%	5.4%	-	8.3%	7.6%
▼	Under Construction SF	2,488,844	2,653,923	2,965,453	3,622,445	3,900,347
▲	Inventory SF	368,909,363	368,885,352	368,361,956	367,679,892	367,027,453

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
440 Riverside Avenue Medford, MA	206,954 SF	$53,750,000 $259.72 PSF	MBTA Anheuser-Busch	Class B
117 Hospital Road Devens, MA	165,000 SF	$74,000,000 $448.48 PSF	Pivotal Manufacturing Partners King Street Properties	Class A
150 Salem Turnpike Saugus, MA	84,770 SF	$58,500,000 $690.10 PSF	Link Logistics Real Estate HRP Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
202 S. Washington Street Morton, MA	200,000 SF	STAG Industrial, Inc.	Green Garden Products	Wholesaler
523 Pleasant Street Attleboro, MA	130,572 SF	VMD Companies LLC	Massachusetts Design	Manufacturing
35 Otis Street Westborough, MA	121,700 SF	STAG Industrial, Inc.	WESCO International, Inc.	Utilities

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
GREATER BALTIMORE, MD

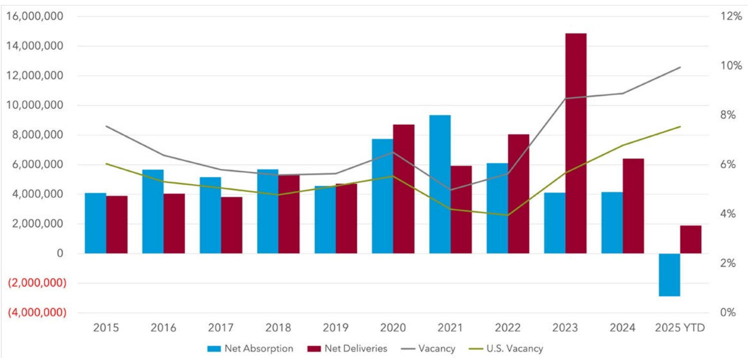
INDUSTRIAL MARKET OVERVIEW

VIMBAINASHE MARUFU, *Associate*

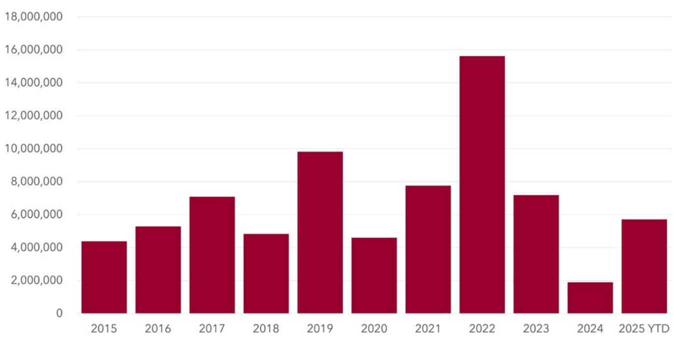
After years of robust growth, Maryland's industrial market is hitting a pause. Net absorption slowed dramatically in Q3, and vacancy crept above 10% for the first time in years. While rents held steady, the pace of leasing cooled, with logistics firms like Ryder anchoring the few large deals. Developers remain bullish, pushing construction to nearly 6 million SF, even as demand softens. On the investment side, pricing remains firm, with institutional buyers like Ares Management still active. The market is recalibrating less frenzied, but still fundamentally strong.

MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	Net Absorption SF	88,857	3,482,655	4,806,461	4,148,591	6,651,005
▲	Vacancy Rate	10.33%	10.13%	9.18%	8.74%	7.84%
▲	Avg NNN Asking Rate PSF	$10.62	$10.56	$10.66	$10.66	$11.11
▲	Sale Price PSF	$139.40	$139.20	$138.60	$136.00	$132.60
▲	Cap Rate	7.39%	7.38%	7.36%	7.36%	7.36%
▲	Under Construction SF	5,711,953	4,721,186	4,059,362	3,834,112	2,225,034
▲	Inventory SF	291,392,337	291,068,101	290,596,934	289,804,054	288,205,164

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1000 Commerce Center Drive Elkton, MD	770,160 SF	$80,000,000 $103.87 PSF	Ares Management Corporation Diamond Realty Inv/Trammell Crow	Class A
651-687 Commerce Drive* Upper Marlboro, MD	151,200 SF	$26,725,630 $176.76 PSF	Equus Capital Partners Ltd. Mapletree Investments Pte Ltd.	Class B
551-579 Commerce Drive* Upper Marlboro, MD	119,400 SF	$19,556,005 $163.79 PSF	Equus Capital Partners, Ltd. Mapletree Investments Pte Ltd.	Class B

**Part of a 6-Property Mapletree Investments Portfolio*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
200 Powers Road Port Deposit, MD	1,026,000 SF	Hillwood Investment Properties	Ryder Logistics Solutions	Logistics and Transportation
16910 National Pike Hagerstown, MD	631,420 SF	The State of Maryland	Ryder	Logistics and Transportation
11710 Hopewell Road Hagerstown, MD	319,596 SF	The Bowman Group LLC	Undisclosed	Undisclosed

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
DETROIT, MI

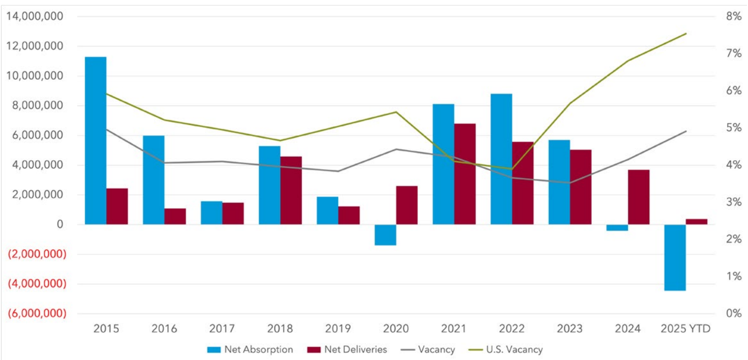
INDUSTRIAL MARKET OVERVIEW

JON SAVOY, CCIM, SIOR, *President*

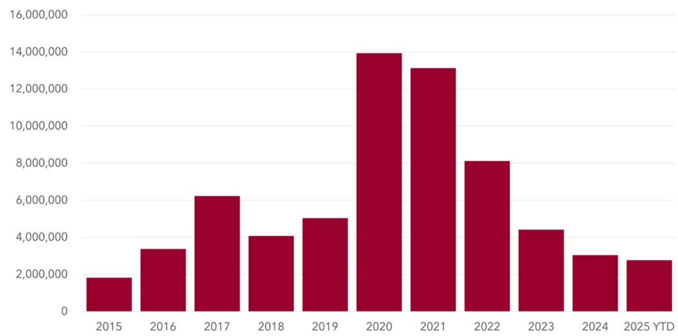
Detroit's industrial market continued to feel the effects of slower tenant activity in Q3 2025, with vacancy reaching 4.91 percent, the highest level seen this cycle. This marked the third consecutive quarter of negative absorption, reflecting ongoing caution among occupiers. Even so, average asking rents remained steady at $8.87 per square foot net annually, supported by limited construction and steady demand for well-positioned, functional space. With speculative development still quiet, users are turning to existing buildings to meet current needs. Looking ahead, activity is expected to stay focused in core areas with stable demand.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(3,829,301)	(3,873,845)	(3,698,013)	(409,812)	(262,110)
▲ Vacancy Rate	4.9%	4.8%	4.7%	4.2%	4.2%
▼ Avg NNN Asking Rate PSF	$8.87	$8.89	$8.82	$8.72	$8.63
◄ ► Sale Price PSF	$72.00	$72.00	$71.00	$70.00	$69.00
◄ ► Cap Rate	10.7%	10.7%	10.7%	10.7%	10.7%
▲ Under Construction SF	2,769,332	2,662,691	2,625,428	3,037,362	3,299,294
▼ Inventory SF	634,374,532	634,391,584	634,437,633	633,996,143	633,682,490

NET ABSORPTION, NET DELIVERIES, & VACANCY



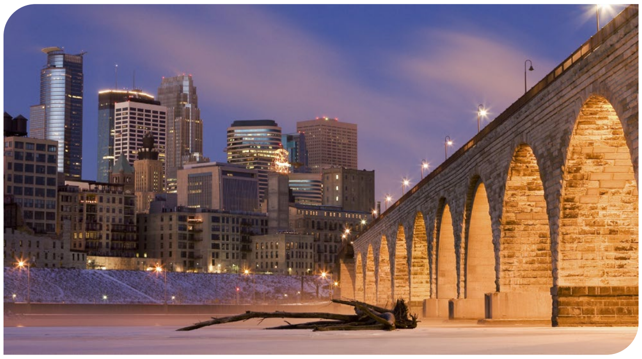
UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
19451 Sherwood Street Detroit, MI	220,000 SF	Undisclosed	Undisclosed Marwood USA LLC	Class C
15203 S. Commerce Drive Dearborn, MI	53,906 SF	$3,600,000 $66.78 PSF	Evergreen & Fenkell, Inc. World Properties LI LLC	Class B
1121-1135 Rochester Road Troy, MI	42,900 SF	$3,500,000 $81.59 PSF	1121 Rochester LLC The Levine Group, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7700 Michigan Avenue Saline, MI	360,700 SF	Automotive Components Holdings	Undisclosed	Transportation & Warehousing
11997-12001 Sears Street Livonia, MI	237,459 SF	Kin Properties, Inc.	W.F. Whelan Logistics	Logistics
28101 Schoolcraft Road Livonia, MI	132,804 SF	Ashley Capital	Rhino Tool House	Manufacturing

Q3 2025
TWIN CITIES, MN



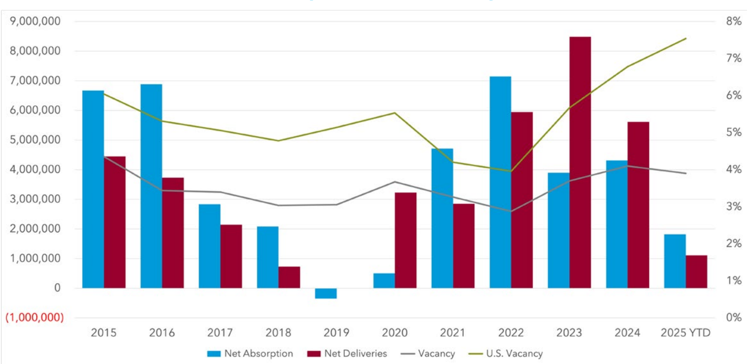
INDUSTRIAL MARKET OVERVIEW

NATHAN ARNOLD, CCIM, *Principal*

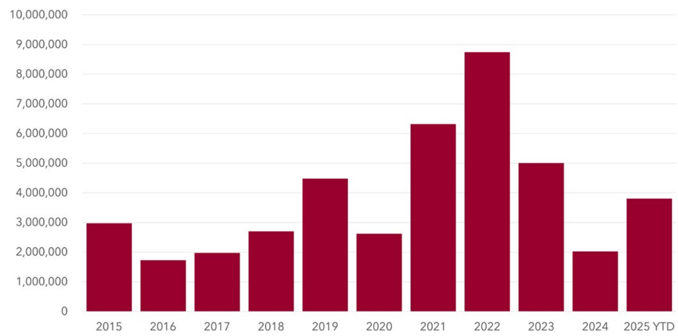
In Q3 2025, the Minneapolis industrial market stayed remarkably steady. Vacancy rates held firm, showing little movement from the prior quarter, while rental rates ticked up modestly as demand outpaced limited new supply. Leasing activity was driven by logistics, manufacturing, and last-mile users seeking well-located, efficient space. Construction starts remain subdued amid higher financing costs, keeping the market balanced and preventing oversupply. Overall, the sector remains resilient - steady fundamentals, mild rent growth, and consistent absorption underscore Minneapolis's position as one of the Midwest's most stable industrial markets

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	3,508,854	2,069,287	3,626,111	4,707,857	5,300,000
▼ Vacancy Rate	3.90%	4.10%	3.80%	4.20%	4.10%
▲ Avg NNN Asking Rate PSF	$9.38	$9.24	$9.09	$9.14	$8.40
▲ Sale Price PSF	$101.00	$98.00	$96.00	$95.00	$91.00
◄ ► Cap Rate	8.80%	8.80%	8.80%	8.91%	9.10%
▲ Under Construction SF	3,804,959	2,948,148	1,891,851	1,600,000	1,400,000
▲ Inventory SF	437,564,700	435,712,227	432,346,517	432,000,000	431,640,830

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
701 NE Industrial Boulevard Minneapolis, MN	599,778 SF	$53,800,000 $89.70 PSF	Broadstone Net Lease J.J. Taylor Distributing	Class C
1000 Park Road Chanhassen, MN	151,636 SF	12,800,000 $84.41 PSF	Safety Rail Company The Carlyle Group	Class C
610 Opperman Drive Eagan, MN	150,000 SF	$17,000,000 $113.33 PSF	Centra Digital Ryan Companies	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10400 Naples Street NE Blaine, MN	116,950 SF	Capital Partners	Island Deliveries	3PL
13120 County Road 6 Plymouth, MN	72,800 SF	Kurt Woodhouse	Corporate Installations	Furniture Wholsalers
2215 Highway 36 W Roseville, MN	68,983 SF	EQT RE	Hood Packaging Corp	Manufacturing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
CHARLOTTE, NC

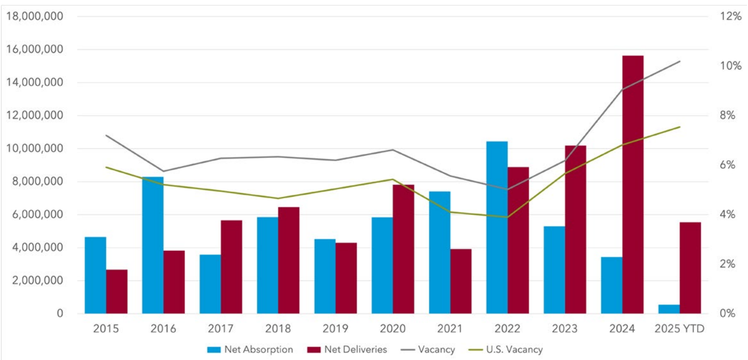
INDUSTRIAL MARKET OVERVIEW

GREG PIERATT, *President,* MATT FRAZEE, *Partner*

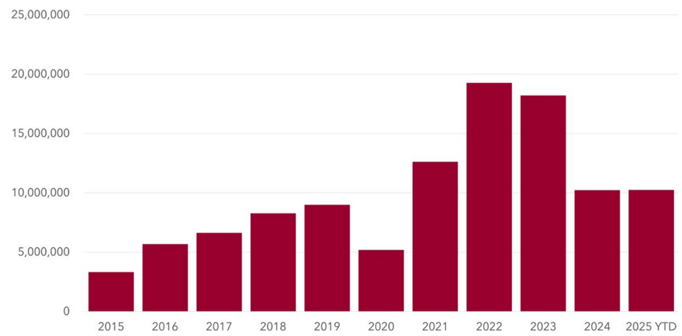
Charlotte's industrial market is under pressure from a large amount of new supply, while leasing activity has slowed due to weakened retail spending and uncertainty about tariffs. Vacancy and availability rates, which had stabilized earlier in 2025, increased again in the second quarter, with availability reaching 11.3%—over 3 percentage points higher than the lows two years ago. Although population growth supports long-term industrial demand, risks in the near term are rising because strong construction activity and slow retail spending are expected to keep vacancies elevated through at least mid-2026. As a result, industrial rent growth is projected to decelerate to around 3% by early 2026, though this remains ahead of the national average.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	12 Mo. Net Absorption SF	4,273,762	2,124,908	5,787,470	3,444,076	(735,062)
▲	Vacancy Rate	10.10%	9.90%	9.20%	9.10%	8.60%
▲	Avg NNN Asking Rate PSF	$9.73	$9.60	$9.51	$9.36	$9.17
▲	Sale Price PSF	$108.00	$106.00	$103.00	$101.00	$99.00
◄ ►	Cap Rate	7.40%	7.40%	7.50%	7.50%	7.50%
▲	Under Construction SF	10,244,737	8,687,045	9,617,763	10,226,326	14,218,440
▲	Inventory SF	396,647,383	395,037,548	392,898,351	391,103,855	385,364,268

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
12220 Carolina Logistics Drive Pineville, NC	1,006,462 SF	$101,772,000 $101.12 PSF	Blackstone, Inc. Beacon Development Company	Class A
11925 Carolina Logistics Drive Pineville, NC	525,624 SF	$71,799,380 $136.60 PSF	Artemis Real Estate Partners Beacon Development Company	Class A
10230 Pineville Distribution Street Pineville, NC	525,000 SF	$64,114,287 $122.12 PSF	Artemis Real Estate Partners Beacon Development Company	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
325 Lineberger Road Gastonia, NC	511,661 SF	NorthPoint Development	MAT Logistics	Hardware Manufacturing
8820 Old Dowd Road Charlotte, NC	473,954 SF	Johnson Development Associates	Kuehne+Nagel	Freight Transport
1900 Continental Boulevard Charlotte, NC	213,783 SF	LM Real Estate Partners	Deufol	Packing and Crating

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
DURHAM, NC

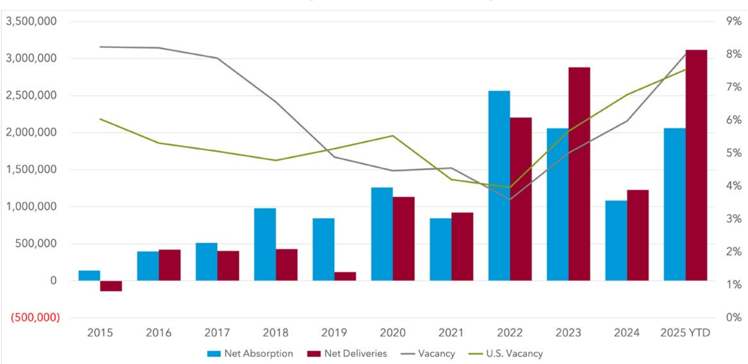
INDUSTRIAL MARKET OVERVIEW

WILL JUDY, *Broker*

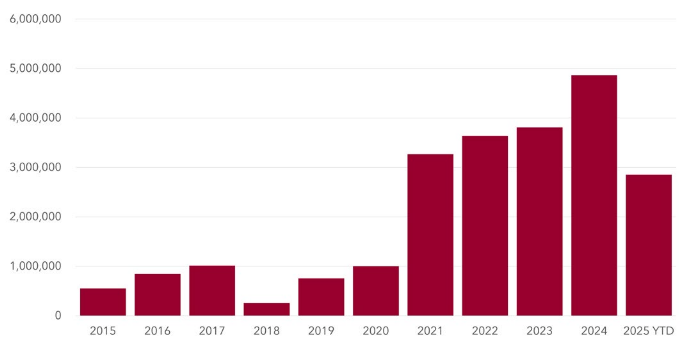
Durham's industrial market strengthened in Q3 2025 as net absorption rose to 2.42 million SF, up from 2.03 million SF in Q2. Vacancy edged higher to 8.0%, reflecting steady deliveries, while average asking rents dipped slightly to $11.56 PSF. Sale prices advanced to $136 PSF, and cap rates compressed to 7.28%, highlighting robust investor appetite. Construction activity pulled back to 2.85 million SF, suggesting a more measured pipeline compared to last quarter's 3.36 million SF. Overall, market fundamentals remain favorable, with healthy tenant demand and rising asset values balancing modest rent softness.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,422,013	2,032,208	2,574,173	1,084,319	1,178,003
▲ Vacancy Rate	8.00%	7.83%	7.30%	5.98%	5.94%
▼ Avg NNN Asking Rate PSF	$11.56	$11.61	$11.45	$11.32	$11.60
▲ Sale Price PSF	$136.00	$130.00	$128.00	$121.00	$112.00
▼ Cap Rate	7.28%	7.40%	7.38%	7.68%	7.34%
▼ Under Construction SF	2,854,763	3,358,471	3,286,422	4,865,112	2,888,232
▲ Inventory SF	58,399,791	57,906,298	57,700,652	54,972,032	54,002,769

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3530 Brightleaf Lane* Apex, NC	359,600 SF	$68,023,051 $189.16 PSF	JLL Income Property Trust Beacon Development Company	Class A
2324 Ferrell Road Durham, NC	250,541 SF	$47,025,000 $187.69 PSF	EastGroup Properties, Inc. Scannell Properties	Class A
3560 Brightleaf Lane* Apex, NC	205,776 SF	$40,393,680 $196.30 PSF	JLL Income Property Trust Beacon Development Company	Class A

**Part of a Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3351-A Hopson Road Durham, NC	266,760 SF	Undisclosed	Undisclosed	Undisclosed
4226 Surles Court Durham, NC	43,818 SF	Prologis	Undisclosed	Undisclosed
1129 E. Geer Street Durham, NC	8,200 SF	Prestige Home Solutions	Undisclosed	Undisclosed

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
RALEIGH, NC

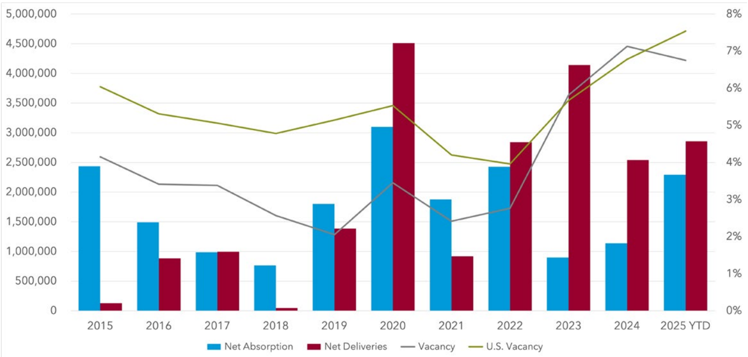
INDUSTRIAL MARKET OVERVIEW

WILL JUDY, *Broker*

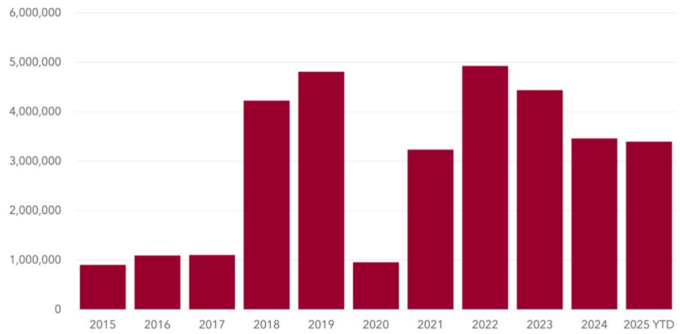
Raleigh's industrial sector accelerated in Q3 2025, with net absorption climbing to 2.78 million SF, up from 2.19 million SF in Q2. Vacancy edged down to 6.75% as demand kept pace with new deliveries. Average asking rents held firm at $12.57 PSF, while sale prices advanced to $146 PSF. Cap rates compressed to 7.84%, underscoring ongoing investor interest. The construction pipeline expanded to 3.40 million SF, signaling continued developer confidence, and inventory surpassed 108 million SF. Overall, Raleigh's industrial market remains one of the region's strongest, supported by resilient tenant demand and active investment.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,777,062	2,190,618	1,401,729	1,137,777	1,148,858
▼ Vacancy Rate	6.75%	6.80%	7.38%	7.13%	6.98%
▼ Avg NNN Asking Rate PSF	$12.57	$12.59	$12.35	$12.27	$12.20
▲ Sale Price PSF	$145.67	$139.00	$137.00	$132.00	$137.00
▼ Cap Rate	7.84%	8.00%	7.99%	8.27%	8.04%
▲ Under Construction SF	3,395,290	3,165,148	3,904,749	3,458,569	2,672,898
▲ Inventory SF	108,173,810	107,314,159	105,965,428	105,621,642	105,124,889

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
501 N. Greenfield Parkway Garner, NC	170,100 SF	$9,900,000 $58.20 PSF	LI Garner Industrial LLC Gregory Poole Equipment Co.	Class B
4520 Bullock Farm Road Raleigh, NC	129,000 SF	$44,150,000 $342.25 PSF	Oliver Point Capital Merus LLC	Class A
2101 Westinghouse Boulevard * Raleigh, NC	97,546 SF	$20,718,602 $212.40 PSF	Town Lane Equus Capital Partners	Class B

**Part of a Portfolio Sale*

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3401 Gresham Lake Road Raleigh, NC	60,914 SF	Stoltz	Undisclosed	Undisclosed
2545 Hwy 70 Clayton, NC	28,394 SF	Greenberg Gibbons Properties	Undisclosed	Undisclosed
6100 Veterans Parkway Garner, NC	9,093 SF	Merritt Properties	Undisclosed	Undisclosed

Q3 2025
WILMINGTON, NC

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

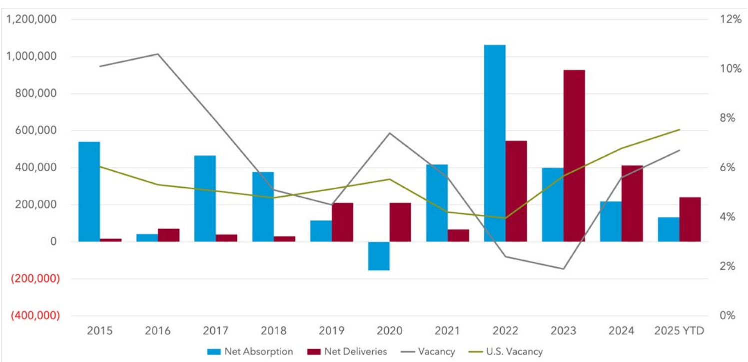
INDUSTRIAL MARKET OVERVIEW

SANDY THORPE, *Managing Director*

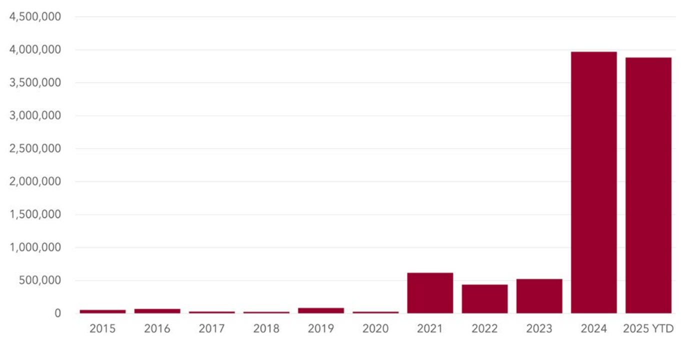
Wilmington's industrial market posted -125,214 SF of net absorption in Q3 2025, reflecting a pause in demand following earlier expansion. Vacancy settled at 6.7%, and average asking rents held firm at $7.98 PSF. Sale prices climbed to $85 PSF, while cap rates compressed slightly to 8.13%, underscoring resilient investor interest. Construction activity remained elevated at 3.88 million SF, with total inventory reaching 19.6 million SF. Despite muted short-term absorption, the market continues to attract long-term investment and development activity under the revised geographic boundaries.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Net Absorption SF	(125,214)	(21,723)	(131,151)	(217,434)	(338,176)
▲	Vacancy Rate	6.67%	6.60%	6.80%	6.20%	4.50%
▼	Avg NNN Asking Rate PSF	$7.98	$8.07	$7.97	$7.97	$8.78
▲	Sale Price PSF	$85.00	$84.00	$78.00	$77.00	$75.00
▼	Cap Rate	8.13%	8.17%	8.43%	8.45%	8.49%
▲	Under Construction SF	3,882,887	3,730,000	3,830,081	3,970,781	1,084,511
▲	Inventory SF	19,568,500	19,523,634	19,423,553	19,282,853	18,939,123

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7207 Ogden Business Lane Wilmington, NC	16,546 SF	$3,500,000 $211.53 PSF	Lifepoint Church Private Seller	Class C
1601 Seaside Road SW Ocean Isle Beach, NC	13,420 SF	$1,250,000 $93.15 PSF	K & M Meredith LLC Undisclosed	Class B
2105 Capital Drive Wilmington, NC	2,393 SF	$475,000 $198.50 PSF	Undisclosed Undisclosed	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1335 Cedar Hill Road Navassa, NC	31,055 SF	Cedar Hill I LLC	Undisclosed	Undisclosed
2045 Corporate Drive S Wilmington, NC	15,312 SF	Lee Coastal Chemical	Performance Auto Specialist	Services
2820 US Highway 421 N Wilmington, NC	15,000 SF	Piedmont Developers LLC	Undisclosed	Undisclosed

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
LINCOLN, NE

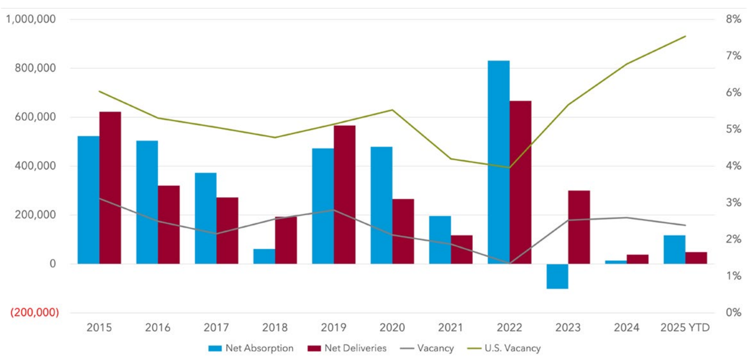
INDUSTRIAL MARKET OVERVIEW

AMMAR ABU-HAMDA, *Associate*

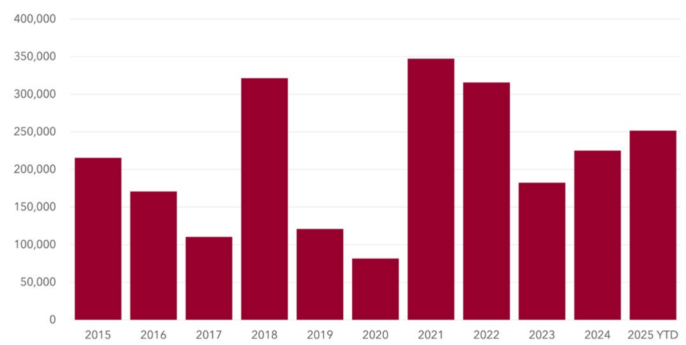
Vacancy in the Lincoln industrial market during Q3 2025 was 2.4% and decreased by 0.2 % over the past 12 months, meanwhile the national average increased by 0.7 %. During Q3 2025, there was 152,540 SF of positive absorption, 23,345 SF delivered and 251,558 SF under construction, representing a 0.7 % expansion of Lincoln's inventory. Rents were around $7.75/SF, which is a 1.8% increase from where they were a year ago. In the past three years, rents have increased a cumulative of 10.9 %. Market cap rate for Lincoln was 9.5 %, slightly above its trailing three-year average of 9.03 %. Both employment and population saw growth over the last twelve months, the number of jobs increased by 2.06 %, and Lincoln's population grew by 2.0 % during the same time period.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	152,540	20,250	239,153	14,192	8,492
▼ Vacancy Rate	2.4%	2.7%	2.4%	2.6%	2.6%
▲ Avg NNN Asking Rate PSF	$7.75	$7.74	$7.73	$7.67	$7.61
▼ Sale Price PSF	$82.00	$84.00	$82.00	$82.00	$81.00
▲ Cap Rate	9.50%	9.30%	9.40%	9.30%	9.40%
▼ Under Construction SF	251,558	274,903	276,255	225,160	211,373
▲ Inventory SF	33,820,364	33,797,019	33,772,067	33,772,067	33,734,604

NET ABSORPTION, NET DELIVERIES, & VACANCY



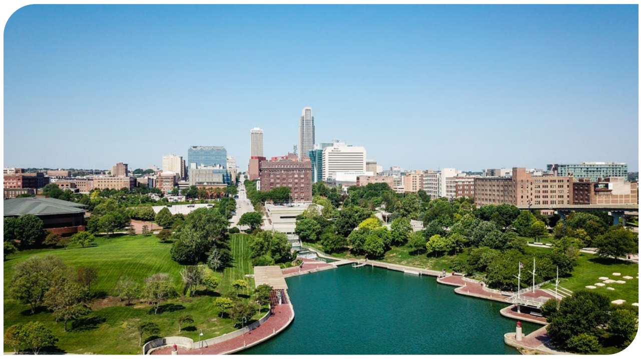
UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6940 Cornhusker Highway Lincoln, NE	188,604 SF	$15,418,965 $81.75 PSF	New Mountain Capital Cleaver Brooks	Class B
8601 Cornhusker Highway Lincoln, NE	134,083 SF	$7,000,000 $52.21 PSF	Innovative Exhaust Solutions Robert Bosch	Class C
1131 Kingbird Road Lincoln, NE	54,400 SF	$6,500,000 $119.49 PSF	Ragez LLC Las Brisas Land Development Co.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
123 NW 28th Street Lincoln, NE	11,990 SF	Vivid Property Company	Protégé Baseball	Sports Facility
100 Harwood Court Lincoln, NE	11,700 SF	R.U. Nuts Company	Lincoln City Soccer	Sports Facility
4800 N. 57th Street Lincoln, NE	8,300 SF	Wullschleger Kurt & Jane Trust	Cascade Cabinets & Flooring LLC	Manufacturing

Q3 2025
OMAHA, NE



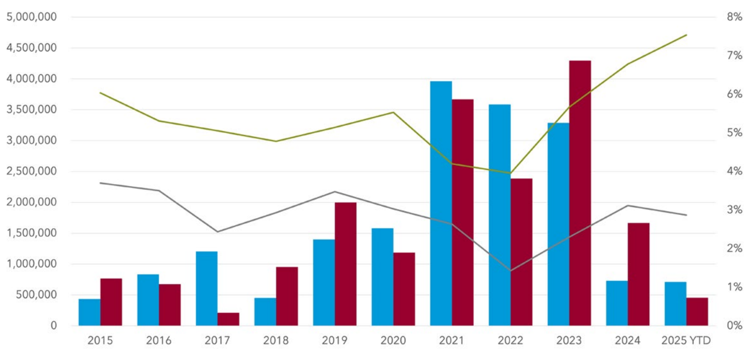
INDUSTRIAL MARKET OVERVIEW

AMMAR ABU-HAMDA, *Associate*

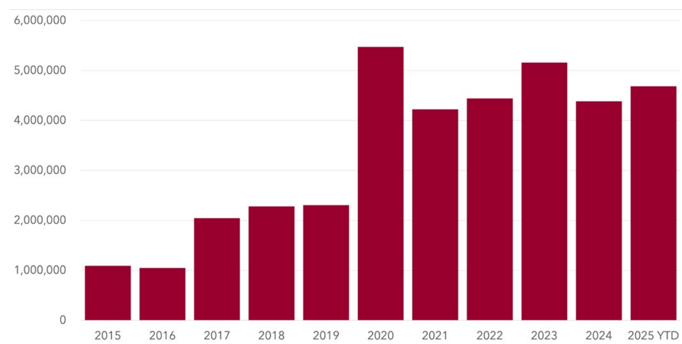
Vacancy in the Omaha industrial market during Q3 2025 was 2.6 % and decreased 0.6% over the past 12 months, meanwhile the national average increased by 0.76%. During Q3 2025, there was 346,362 SF of positive absorption, 357,216 SF delivered and 4,638,119 SF under construction, representing a 4.2% expansion of Omaha's inventory. Rents were around $8.54/SF, which is a 2.2% increase from where they were a year ago. In the past three years, rents have increased a cumulative 11.9%. Market cap rate for Omaha was 8.9%, slightly above its trailing three-year average of 8.6%. Both employment and population saw growth over the last twelve months, the number of jobs increased by 2.9%, while Omaha's population grew by 1.0% during the same time period.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	1,129,528	1,063,458	1,385,827	727,782	911,175
◄ ► Vacancy Rate	2.6%	2.6%	2.7%	3.1%	3.2%
▲ Avg NNN Asking Rate PSF	$8.54	$8.52	$8.50	$8.43	$8.36
◄ ► Sale Price PSF	$86.00	$86.00	$85.00	$84.00	$81.00
◄ ► Cap Rate	8.90%	8.90%	8.90%	8.80%	9.00%
▼ Under Construction SF	4,683,119	4,734,085	4,666,383	4,381,499	3,805,020
▲ Inventory SF	110,992,232	110,635,016	110,536,521	110,536,521	110,487,716

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6200 N. 16th Street Omaha, NE	246,595 SF	$13,400,000 $54.34 PSF	6200 N 16th LLC TLK Transportation	Class B
4526 S. 140th Street Omaha, NE	29,706 SF	$3,900,000 $131.29 PSF	Jz Supply Co. LLC Richard W. Vale	Class C
6820 J Street Omaha, NE	29,013 SF	$2,247,000 $77.45 PSF	W H Warehouse Dean Buck Holdings, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10405 I Street Omaha, NE	33,120 SF	Zimmer Co	Sadoff & Rudoy Industries	Recycling
11302 I Street Omaha, NE	32,000 SF	Complete Custom Homes	Cohere Beauty	Manufacturing
14607 Chandler Road Omaha, NE	21,050 SF	Pelster Construction	Midwest Automotive Trucking	Transportation

Q3 2025
NEW JERSEY, NJ

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

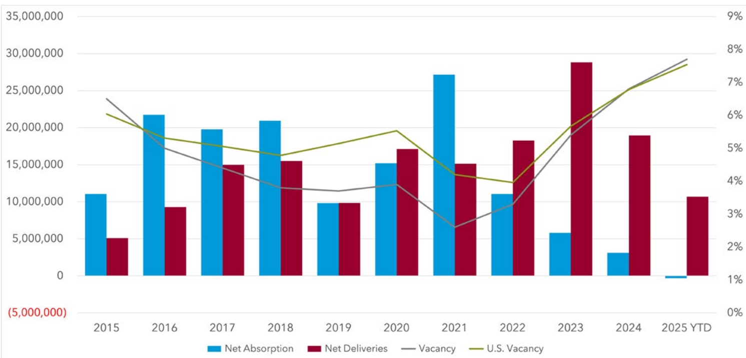
INDUSTRIAL MARKET OVERVIEW

MICHAEL MALMSTONE, *Director of Research and Valuation*

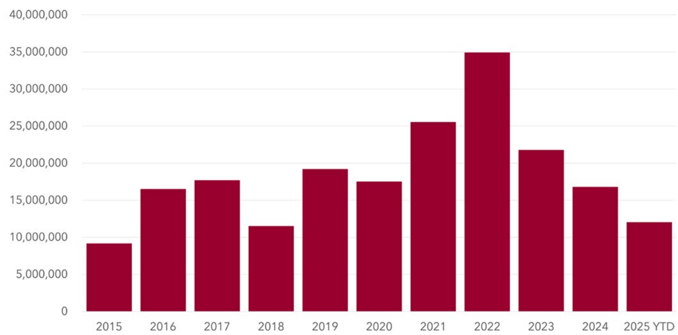
The NJ Industrial market continues to regulate with more availabilities in recently overbuilt submarkets. Rental growth remained nearly flat. Despite record Class A asking rates, effective taking rents show the largest discount off sticker price, especially in tertiary located Class A space, with landlords offering more free rent, now averaging 5+ months. Nearly all the largest leases signed were by logistics users. Leasing fell slightly QoQ, now at 83% of the 5-year average at 10.4MM SF leased; in 6 months on average. 43 leases over 100k SF were signed with the largest gains in the 100k-300k SF tranche. 14 leases totaling 410k SF or 4% of all inked space were subleases, more than halving QoQ. Available sublet space remains at all-time highs at 13.9MM SF, mostly in Exit 8A. Net absorption clocked 718k SF turning positive QoQ. Sales volume finished Q3 at $663MM, 45% of the 5-year average. Average pricing fell 20% to $208 PSF while average cap rates decompressed 60 bps up to 8.4% as the Fed lowered its target rates to 4.00% - 4.25%, down 25 bps in September. 74.8MM SF is proposed.

MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	Qtrly Net Absorption SF	718,358	(53,090)	(978,585)	2,906,666	2,085,865
▲	Vacancy Rate	7.7%	7.5%	7.2%	6.8%	6.7%
▼	Avg NNN Asking Rate PSF	$13.45	$13.49	$13.46	$13.52	$13.62
▼	Sale Price PSF	$207.72	$261.28	$208.08	$186.76	$183.38
▲	Cap Rate	8.4%	7.8%	6.9%	7.0%	10.1%
▼	Under Construction SF	12,031,706	13,658,954	15,380,375	16,808,232	17,606,987
▲	Inventory SF	1,071,112,042	1,067,734,207	1,064,642,259	1,060,422,035	1,056,484,408

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
500 University Court Blackwood, NJ	275,930 SF	$36,200,000 $131.19 PSF	Berkeley Partners Equity Industrial Partners	Class A
333 North Street Teterboro, NJ	221,448 SF	$74,500,000 $336.42 PSF	Berkeley Partners Equity Industrial Partners	Class B
2321 High Hill Road Kearny, NJ	197,500 SF	$26,050,000 $131.90 PSF	Link Logistics Real Estate EQT Real Estate	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2 Gateway Boulevard Pedricktown, NJ	705,000 SF	Matrix Development	JW Logistics	Logistics
16 Applegate Drive Robbinsville, NJ	480,420 SF	PGIM	Sino Investment	Manufacturer
500 Salt Meadow Road Carteret, NJ	479,700 SF	Broad Range Logistics	Crow Holdings	Logistics

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
LAS VEGAS, NV

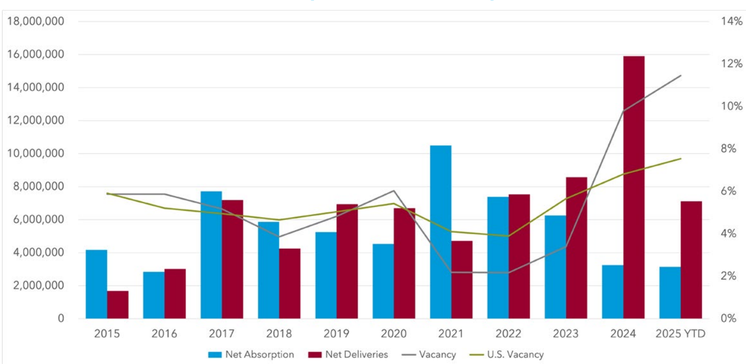
INDUSTRIAL MARKET OVERVIEW

JOHN SHARPE, *President*

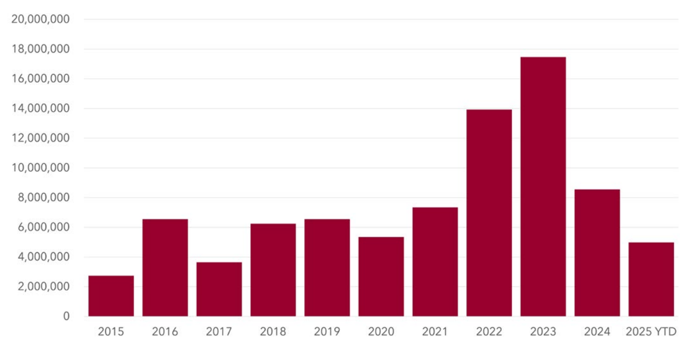
The Las Vegas industrial market remained steady through the third quarter as tenant activity held consistent across most submarkets. Over the past year, net absorption reached 3.9 million square feet, showing a modest gain from earlier in the year. Vacancy ticked up to 11.4%, largely due to recent deliveries still working through lease-up. Asking rents averaged $14.20 per square foot, holding level quarter over quarter. Developers are pacing new projects carefully as demand normalizes and tenants take a more measured approach to expansion. Despite the slowdown, the market continues to show solid fundamentals and steady long-term demand.

MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	Qtrly Net Absorption SF	3,917,887	3,067,511	4,496,865	3,251,844	3,890,316
▲	Vacancy Rate	11.40%	11.00%	10.40%	9.80%	8.40%
▼	Avg NNN Asking Rate PSF	$14.20	$14.21	$14.10	$13.97	$13.84
▲	Sale Price PSF	$215.00	$213.00	$213.00	$218.00	$213.00
◀ ▶	Cap Rate	5.80%	5.80%	5.80%	5.70%	5.70%
▼	Under Construction SF	4,985,588	7,022,857	8,588,440	8,553,539	10,244,689
▲	Inventory SF	196,831,979	194,648,872	192,825,067	189,717,082	186,153,910

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3310 N. Lamb Boulevard Las Vegas, NV	104,440 SF	$23,500,000 $225.01 PSF	LC Industries Rockefeller Group	Class A
7160 Amigo Street Las Vegas, NV	89,584 SF	$17,000,000 $189.77 PSF	GID Investment Advisors Thomas & Mack Company	Class B
12200 Bermuda Road Henderson, NV	85,947 SF	$20,330,000 $236.54 PSF	RCG Group Strongbox Development Company	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3700 Bay Lake Trail North Las Vegas, NV	464,203 SF	Prologis	Global Industrial	Wholesaler
3310 N. Commerce Street North Las Vegas, NV	337,008 SF	SunCap / GID	Kreate	Manufacturing
5210 E. Carey Avenue Las Vegas, NV	228,760 SF	Panattoni	Welspun USA	Manufacturing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
RENO, NV

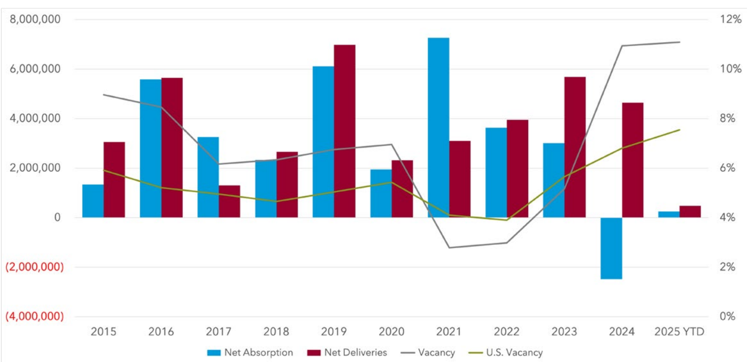
INDUSTRIAL MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

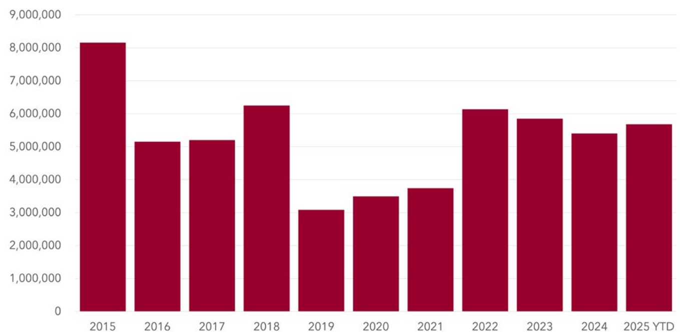
Reno and the Norther Nevada Industrial market are holding its own despite the slow down nationally, interest rates, and an ever-changing tariff policy. Diversified demand to include Data Centers and increased Manufacturing have helped our strong Logistics location to keep positive absorption in the face of continued construction and slowing national demand. Although we continue to have 5.5 million SF under construction (it seems like at all times}, pricing for leasing and sales remain stable. We do not have the rapid growth we have seen over the past years and we still have over 11% vacancy, but we are keeping up with the supply. For now.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	1,381,537	2,545,672	254,765	(1,483,040)	(2,485,571)
▲ Vacancy Rate	11.1%	10.2%	10.7%	11.2%	10.9%
◄ ► Avg NNN Asking Rate PSF	$9.27	$9.27	$9.35	$9.33	$9.30
▼ Sale Price PSF	$138.85	$138.91	$138.75	$137.38	$136.22
◄ ► Cap Rate	6.2%	6.2%	6.2%	6.2%	6.2%
▼ Under Construction SF	5,681,399	5,696,519	5,706,739	5,215,239	5,400,631
▲ Inventory SF	119,820,690	119,805,570	119,649,750	119,623,870	119,339,118

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
831 Deming Way Sparks, NV	68,277 SF	$9,655,500 $141.42 PSF	Dornin Investment 47th Ave Partners	Class C
2609-2625 Mill Street Reno, NV	52,080 SF	$6,933,000 $133.12 PSF	RTC CKMR 2 LP	Class B
1555 Crane Way Sparks, NV	49,000 SF	$4,350,000 $88.78 PSF	Refrigeration Supply Anderson NV LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3020 Airway Drive Reno, NV	199,680 SF	Tolles	Undisclosed	Undisclosed
9515 N. Virginia Street Reno, NV	111,416 SF	Sieroty Co., Inc.	Krone	Farm Equipment
3000 Airway Reno, NV	70,182 SF	Tolles	G-Force Arms	FireArms

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
CINCINNATI, OH

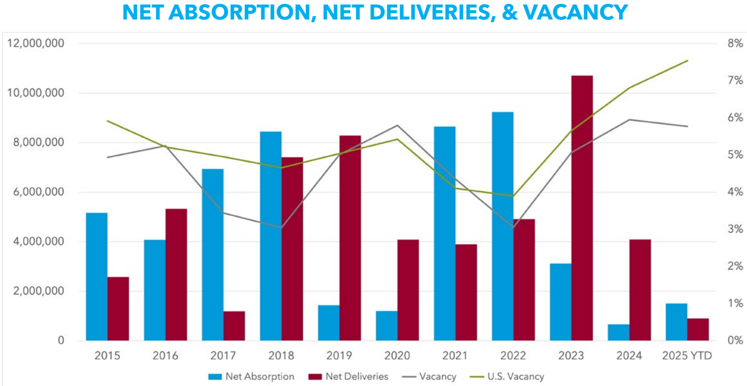
INDUSTRIAL MARKET OVERVIEW

CHAS COOK, *Vice President*

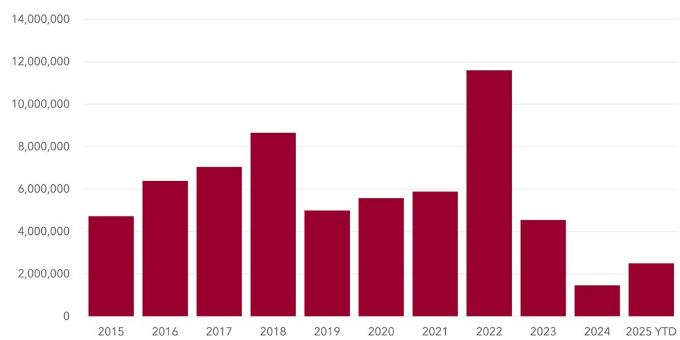
Cincinnati's industrial market remained balanced through the third quarter, holding a 5.8% vacancy rate and posting 2.2 million square feet of net absorption over the past year. Construction activity remains limited, with just over 2.5 million square feet underway (less than 1% of total inventory) which continues to support steady fundamentals. Leasing has cooled among smaller users, but larger tenants are keeping demand strong, especially in the Tri-County and Airport submarkets. Average asking rents are around $7.40 per square foot, up 2.6% year over year. Investment activity also gained traction this quarter as confidence gradually returns to the market.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	2,576,696	2,928,598	2,974,126	669,066	1,505,376
▼ Vacancy Rate	5.68%	5.81%	5.55%	5.95%	6.12%
▲ Avg NNN Asking Rent PSF	$7.42	$7.40	$7.36	$7.31	$7.22
▲ Sale Price PSF	$72.82	$72.16	$71.31	$69.55	$67.84
▼ Cap Rate	8.51%	8.53%	8.54%	8.60%	8.65%
▲ Under Construction	2,076,308	1,882,514	1,832,039	1,470,364	1,425,650
▲ Inventory	364,840,874	364,831,874	364,313,874	363,939,574	363,801,823

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7420 Kilby Road Harrison, OH	501,884 SF	$23,952,096 $47.72 PSF	Tenet Equity Partners 7420 Kilby LLC	Class A
9300 Allen Road West Chester, OH	136,550 SF	$12,000,000 $87.88 PSF	Dayton Heidelberg Dist Co LLC Ohio Eagle Distributing LLC	Class B
5657 Wooster Pike Fairfax, OH	85,000 SF	$3,000,000 $35.29 PSF	Consolidated Analytical Sys, Inc. The Cincinnati Steel Treating Co.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1301 Madison Avenue Covington, KY	205,000 SF	Charles Shor	N & M Warehousing	Transportation and Warehousing
8959 Blue Ash Road Blue Ash, OH	92,700 SF	Eckart Supply	Eckart Supply	Professional, Scientific, and Technical Services
9411 Seward Road Fairfield, OH	30,000 SF	JTF Properties LLC	Core & Main	Manufacturing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
CLEVELAND, OH

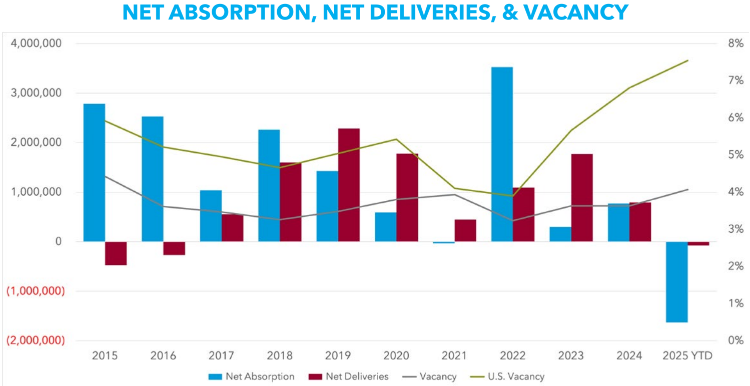
INDUSTRIAL MARKET OVERVIEW

CONNOR KROUSE, *Senior Associate*

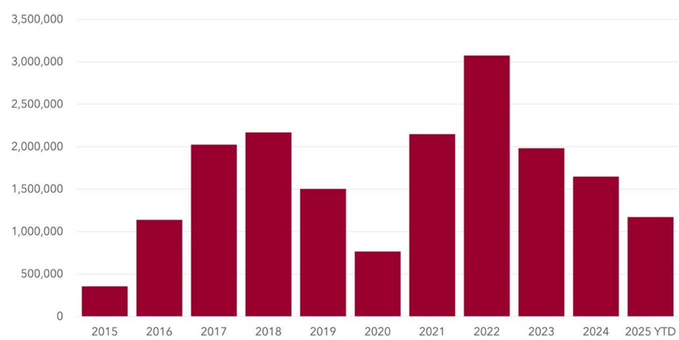
Cleveland's availability rate increased as move-outs drove two straight quarters of negative absorption, though availability remains below the national average due to limited construction. Leasing activity is soft, with new-to-market leases down 15% and overall new lease volume down 33%. Strongsville and Medina County outperformed thanks to I-71 access. Tenant mix is a factor-90% of leases are under 25,000 SF, reflecting sensitivity among smaller manufacturers. Large bay availability (7.7%) is well below the national 11.2%. Rent growth slowed to 1.6% year-over-year. While manufacturing headwinds persist, limited supply and construction should help stabilize near-term conditions.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
12 Mo. Net Absorption SF	(1,497,923)	(1,643,134)	57,693	768,513	947,535
Vacancy Rate	4.07%	4.16%	3.88%	3.63%	3.67%
Avg NNN Asking Rate PSF	$6.54	$6.58	$6.58	$6.51	$6.43
Sale Price PSF	$50.31	$49.80	$49.57	$49.18	$48.39
Cap Rate	10.63%	10.66%	10.64%	10.61%	10.62%
Under Construction SF	1,171,020	1,125,000	1,135,000	1,647,014	1,379,414
Inventory SF	354,436,936	355,047,292	355,037,292	354,512,258	354,531,858

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
43500 Victory Parkway Glenwillow, OH	434,000 SF	$41,000,000 $94.47 PSF	Vincent Fond Investcorp	Class A
1214 Marquette Street Cleveland, OH	249,671 SF	$18,550,000 $74.30 PSF	Cannon Commercial, Inc. IPC LLC	Class C
10367 Brecksville Road Brecksville, OH	58,000 SF	$6,250,000 $107.76 PSF	Royal Oak Realty Trust Barnes Group, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
20001 Euclid Avenue Euclid, OH	662,290 SF	Opal Holdings	HGR Industrial Surplus	Wholesaler
7800 Tyler Boulevard Mentor, OH	102,932 SF	Industrial Realty Group LLC	Undisclosed	Distribution
4862 Gray Lane Stow, OH	83,503 SF	Ray Fogg Corporate Properties LLC	Undisclosed	Distribution

Q3 2025
COLUMBUS, OH

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

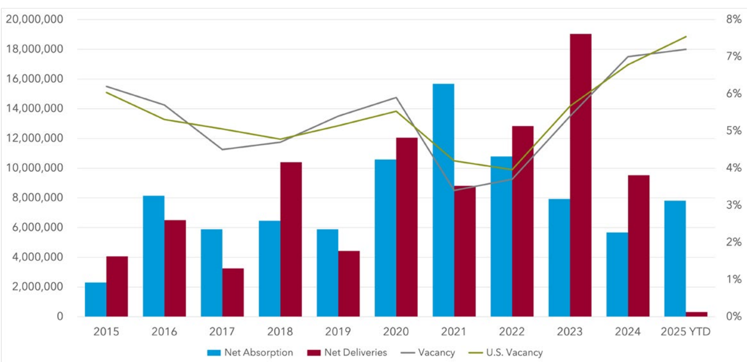
INDUSTRIAL MARKET OVERVIEW

MIKE SPENCER, SIOR, *Founding Principal*

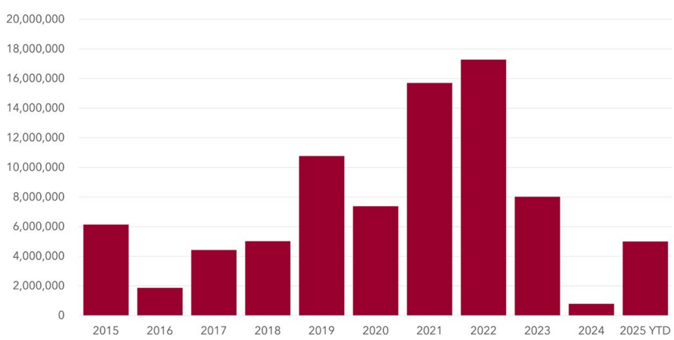
In Q3, leasing momentum remained solid-tenants continue to pursue modern bulk and infill product. New construction focused increasingly on build to suit versus speculative starts, tempering supply growth. Sales activity skewed toward well located, Class A assets, though tighter capital markets restrained volume somewhat. Absorption stayed positive as occupiers consolidated or expanded, especially in logistics submarkets. Heading into late 2025, vacancy will likely drift downward as demand absorbs new deliveries. Rent growth should be modest but steady. Spec groundbreakings will likely remain cautious and focused on 100k-300k sf ranges, not large speculative blocks. Investors will favor stable, quality assets over speculative plays.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,411,187	2,357,197	3,459,958	1,985,604	1,431,216
▼ Vacancy Rate	7.20%	8.10%	7.40%	7.00%	7.00%
▲ Avg NNN Asking Rate PSF	$7.05	$6.99	$6.99	$6.94	$6.89
▲ Sale Price PSF	$109.00	$104.95	$93.00	$89.00	$85.00
▲ Cap Rate	6.15%	5.95%	6.17%	6.15%	6.35%
▲ Under Construction SF	5,003,680	2,650,582	1,083,489	3,239,002	3,263,002
▲ Inventory SF	370,328,252	370,143,662	370,774,605	367,497,859	361,112,230

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6241 Shook Road Columbus, OH	1,589,459 SF	$118,796,166 $74.74 PSF	Whirlpool Link	Class A
7409 Mink Street Pataskala, OH	946,400 SF	$89,046,776 $94.09 PSF	EQT Real Estate Red Rock Development	Class A
3188 Toy Road Columbus, OH	260,690 SF	$37,648,850 $144.42 PSF	Blue Vista Molto Properties	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3538 Tradeport Court Columbus, OH	514,490 SF	Stockbridge Capital	Bleckman USA LLC	3PL
840 Hilliard Rome Road Columbus, OH	367,633 SF	TPA Group	MEI Industrial Solutions	Industrial Packaging
9885 Innovation Campus Way New Albany, OH	352,012 SF	Vitrian	Hims & Hers	Telehealth / Wellness

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
TORONTO, ON

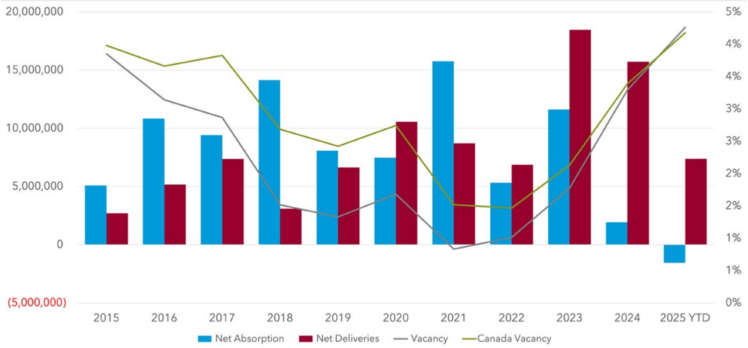
INDUSTRIAL MARKET OVERVIEW

LEE & ASSOCIATES TORONTO, *Real Estate Intelligence Department*

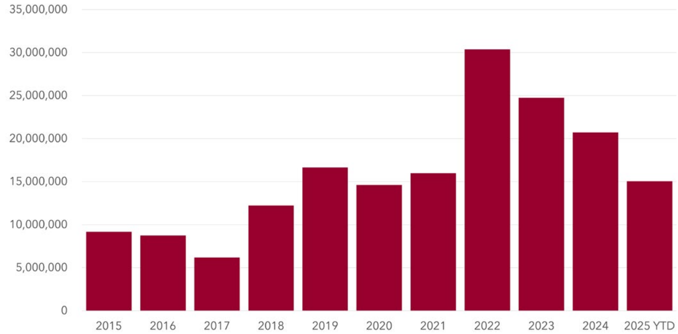
The Greater Toronto Area industrial market is undergoing a period of recalibration as a surge of speculative development collides with softer demand. Vacancy and availability have risen notably, reflecting the pace of new supply and shifting economic headwinds such as tariff uncertainty and slowing logistics activity. Submarkets like GTA East and North GTA West are seeing the sharpest adjustments, particularly in manufacturing-driven locations. While elevated construction levels continue to weigh on fundamentals, deliveries are expected to taper in the coming year. Rental growth has turned negative, yet liquidity remains intact, with investors positioning for a longer-term rebound.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	871,484	409,389	1,182,164	1,921,133	2,580,130
▲ Vacancy Rate	4.3%	4.2%	3.6%	3.3%	2.8%
▼ Avg NNN Asking Rate PSF	$18.99	$19.15	$19.25	$19.22	$19.20
▲ Sale Price PSF	$360.00	$359.00	$356.00	$353.00	$348.00
◄ ► Cap Rate	4.7%	4.7%	4.7%	4.7%	4.7%
▼ Under Construction SF	15,053,277	17,737,841	20,117,764	20,729,822	25,614,663
▲ Inventory SF	897,918,908	895,234,344	891,340,266	890,532,915	883,315,455

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



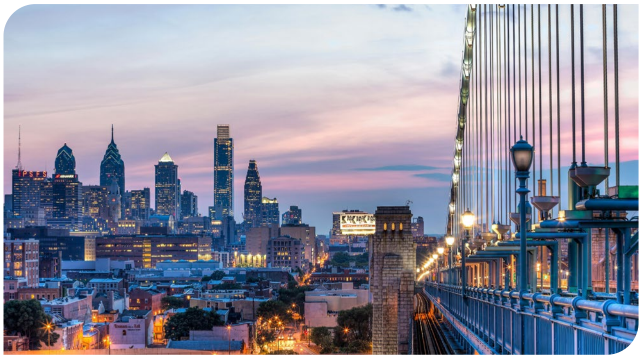
TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11400 Steeles Avenue E Halton Hills, ON	639,839 SF	$143,000,000 $223.49 PSF	BGO IG Wealth Management	Class A
700 Clayson Road Toronto, ON	451,010 SF	$134,500,000 $298.22 PSF	Pure Industrial IG Wealth Management	Class B
197 Norseman Street Toronto, ON	235,274 SF	$67,045,500 $284.97 PSF	W.P. Carey Polytainers, Inc.	Class C

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

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2995 Peddie Road Milton, ON	288,467 SF	Orlando Corporation	Vision Transportation Systems	Transportation
160 Carrier Drive Toronto, ON	271,452 SF	AIMCo	Undisclosed	Undisclosed
5405 Countryside Drive Brampton, ON	247,144 SF	Orlando Corporation	Mainfreight	Transportation

Q3 2025
SUBURBAN PHILADELPHIA, PA

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES



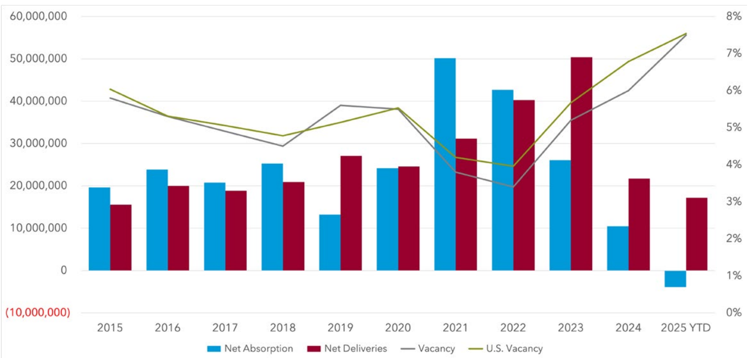
INDUSTRIAL MARKET OVERVIEW

ANDREW MAYER, *Research Analyst*

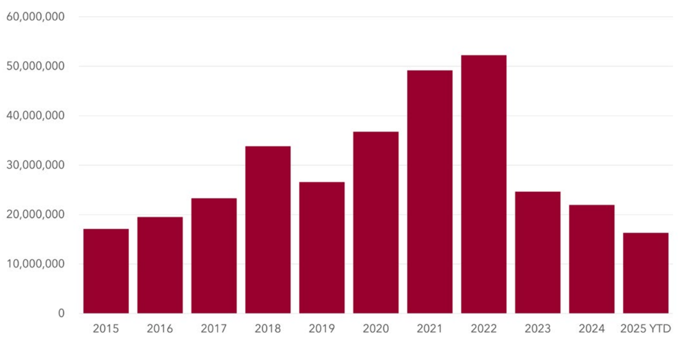
The Eastern Pennsylvania industrial market recorded a steady third quarter in 2025, marked by meaningful leasing activity tempered by the delivery of new speculative product, much of which entered the market vacant. Central Pennsylvania was the clear leader in demand, highlighted by the lease at 6101 Archer Drive, which removed more than one million square feet from availability. While elevated vacancies persist due to recent supply additions, the pace of new deliveries has begun to moderate. With construction slowing and absorption showing resilience, the market appears to be positioning for a potential rebalancing heading into late 2025 and into 2026.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	2,532,009	8,522,842	8,545,283	10,436,235	10,194,569
▲ Vacancy Rate	7.50%	7.00%	6.40%	6.00%	6.00%
▼ Avg NNN Asking Rate PSF	$8.28	$8.46	$8.40	$8.45	$8.30
▼ Sale Price PSF	$86.00	$96.00	$87.00	$113.00	$120.00
▼ Cap Rate	8.08%	8.11%	7.15%	7.42%	7.46%
▲ Under Construction SF	16,300,956	14,986,862	18,279,145	21,956,887	25,592,712
▲ Inventory SF	1,320,500,900	1,317,260,838	1,311,113,272	1,303,338,859	1,297,754,105

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
216 Greenfield Road Lancaster, PA	758,973 SF	$75,000,000 $98.82 PSF	Blue Owl Capital Machine Investment Group	Class C
3145 Shilington Road Reading, PA	324,226 SF	$15,400,000 $47.50 PSF	Jersey Holdings Hofmann Industries	Class B
1055-1101 Crossroads Boulevard Reading, PA	324,132 SF	$27,348,638 $84.38 PSF	Niagara Bottling Silver Springs Bottled Water Co.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6101 Archer Drive Chambersburg, PA	1,006,500 SF	Endurance Real Estate Group	Ryder Logistics	Transportation and Warehousing
2 Gateway Boulevard Pedricktown, NJ	705,900 SF	Matrix Development	JW Fulfillment	Professional, Scientific, and Technology
4259 US-130 Edgewater Park, NJ	303,750 SF	EQT Real Estate	JD Logistics	Transportation and Warehousing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
WESTERN PENNSYLVANIA, PA

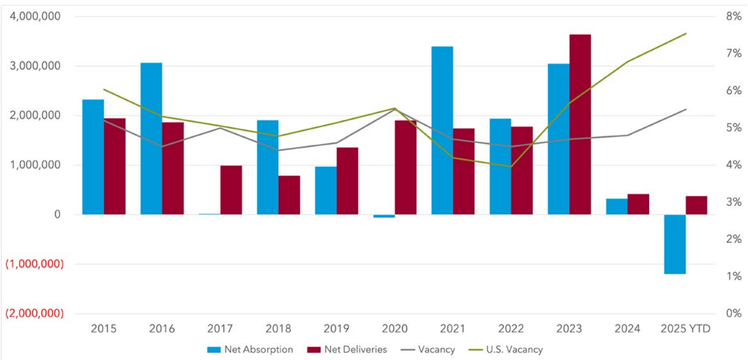
INDUSTRIAL MARKET OVERVIEW

HEATHER KREIGER, CCIM, *Principal, Regional Research Director*

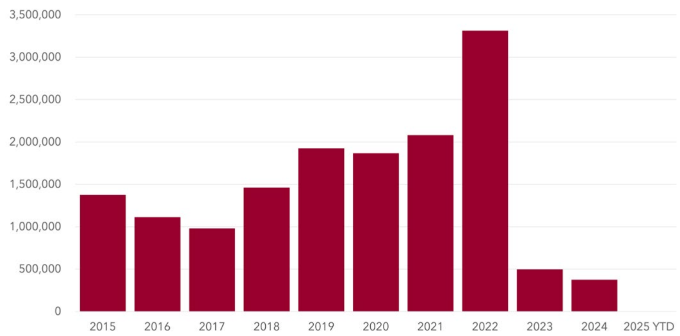
Western Pennsylvania's industrial market continued its steady, resilient pace through Q3 2025. Vacancy rose modestly to 5.5%, up 30 basis points from last quarter, while net absorption posted -1.1 MSF over the past twelve months. Despite the pullback, fundamentals remain solid and vacancy is essentially flat. Asking rents climbed to $8.84/SF, marking a 6% annual increase. Investment activity was active, with pricing averaging $101/SF and cap rates compressing to 7.6%. With minimal projects currently under construction and limited new supply expected, the market remains stable and supply-constrained across its 203.9 MSF industrial inventory.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(1,123,953)	(338,040)	322,594	323,428	2,215,773
▲ Vacancy Rate	5.50%	5.20%	5.10%	4.80%	4.80%
▲ Avg NNN Asking Rate PSF	$8.84	$8.61	$8.78	$8.64	$8.30
▲ Sale Price PSF	$101.00	$86.00	$52.00	$54.00	$60.00
▼ Cap Rate	7.60%	12.20%	10.30%	9.30%	8.30%
▼ Under Construction SF	541,482	566,897	552,542	439,060	441,460
▲ Inventory SF	203,922,428	203,724,428	203,548,428	203,548,428	203,546,028

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
321 Cherry Hill Drive / 45 Bay Hill Dr. Latrobe, PA	161,477 SF	$9,950,000 $61.61 PSF	Aurora Property Management PRR Fam Partnership	Class B
1200 International Drive Oakdale, PA	100,000 SF	$12,500,000 $125.00 PSF	Outrigger Industrial Ashford Partners	Class A
11055 Parker Drive Irwin, PA	39,000 SF	$3,100,000 $79.49 PSF	Planet Aid David Rosenblatt	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
410-426 Keystone Drive Cranberry, PA	89,363 SF	STAG Industrial	Derse	Professional, Scientific, Technical
55 Hickory Street Washington, PA	65,000 SF	Crossgates, Inc.	Lighthouse Electric	Electrical Contractors
610 Alpha Drive Pittsburgh, PA	58,000 SF	Triko Holdings, Inc.	Tandem Foods	Food Manufacturer

Q3 2025
CHARLESTON, SC

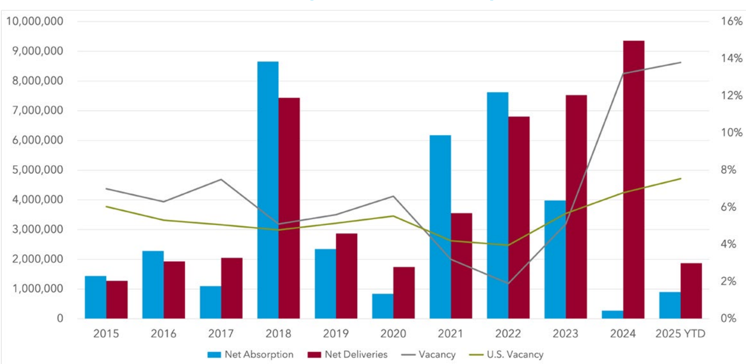
INDUSTRIAL MARKET OVERVIEW

GUY MARTINO, *Director of Marketing*

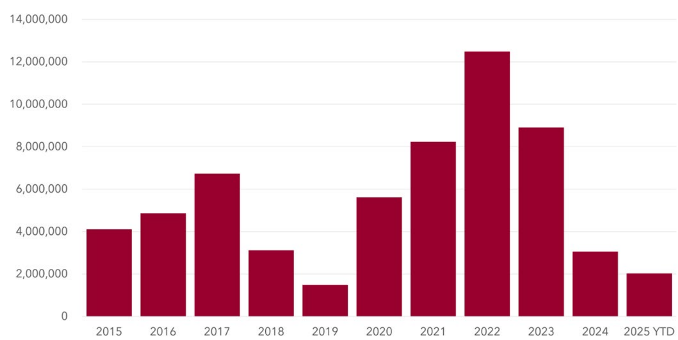
Charleston's industrial market is at an inflection point, balancing years of rapid growth with new headwinds that investors and tenants should keep a close eye on. After a development boom driven by port activity, logistics demand, and population growth, vacancy rates have begun to tick upward as new deliveries outpace absorption. This means occupiers are recalibrating: logistics players and advanced manufacturers are still bullish on Charleston's strategic port access and labor base, while smaller tenants are cautious amid higher operating costs. For investors, this creates a nuanced landscape where stabilized assets with strong credit tenants are commanding premiums, but lease-up risk on new product is growing.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	343,784	(69,976)	706,422	(306,959)	(64,960)
▼ Vacancy Rate	13.80%	14.10%	13.60%	13.20%	12.00%
▼ Avg NNN Asking Rate PSF	$8.20	$8.35	$8.28	$8.29	$8.34
▼ Sale Price PSF	$183.00	$115.00	$72.00	$129.00	$78.00
▼ Cap Rate	7.71%	7.76%	7.77%	7.77%	7.85%
▲ Under Construction SF	2,030,757	1,990,757	1,990,757	1,182,693	398,538
◄ ► Inventory SF	108,788,090	108,788,090	108,288,858	106,916,093	105,782,785

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
166 Quality Drive Summerville, SC	43,501 SF	$6,500,000 $149.42 PSF	Armstrong KION Group	Class B
1159 Cainhoy Road Wando, SC	40,470 SF	$8,250,000 $203.85 PSF	Springfield Properties LLC DESETA Realty Group	Class B
9516 Hamburg Road Ladson, SC	36,000 SF	$5,900,000 $163.89 PSF	Catalyst Investment Partners Brookwood Capital Partners	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
337 Port City Centre Drive Summerville, SC	124,028 SF	Landmark	Undisclosed	Undisclosed
430 Industrial Road Summerville, SC	84,000 SF	Cotswald Group	Undisclosed	Undisclosed
115 Winding Woods Road Saint George, SC	80,000 SF	Dorchester County	Whiting-Turner	Constrution

Q3 2025
GREENVILLE / SPARTANBURG, SC

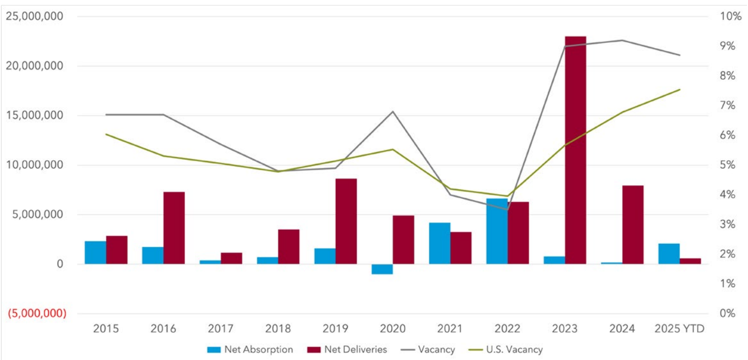
INDUSTRIAL MARKET OVERVIEW

RANDALL BENTLEY, SIOR, CCIM, *President*

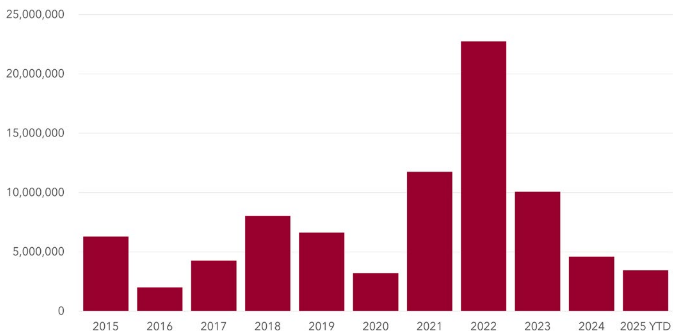
In Q3 2025, the Greenville-Spartanburg industrial market demonstrated continued momentum across both investment sales and leasing activity. Investor demand remained strong, highlighted by three Class A facilities exceeding 300,000 square feet trading hands – the highest-priced transaction reaching $98.71 per square foot in Piedmont. On the leasing front, Class A remained steady from the previous quarter, led by large-scale commitments such as Valvoline's 368,280-square-foot lease in Duncan and several additional leases surpassing 200,000 square feet. The Upstate market continues to attract robust interest from manufacturing, distribution, and investors from all over the country.

MARKET INDICATORS		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲	12 Mo. Absorption Units	7,228,090	5,060,325	8,746,615	3,747,319	3,950,473
▼	Vacancy Rate	8.70%	9.30%	8.40%	10.20%	10.20%
▲	Avg NNN Asking Rent PSF	$6.49	$6.32	$6.01	$5.91	$5.74
▲	Sale Price PSF	$69.93	$66.42	$66.11	$63.87	$62.00
▼	Cap Rate	7.80%	8.90%	9.00%	7.20%	8.90%
▲	Under Construction	1,450,000	1,400,000	3,890,802	4,609,501	2,617,414
▲	Inventory	257,187,504	256,198,515	255,704,214	254,988,515	254,988,515

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1127 Woods Chapel Road Greer, SC	430,700 SF	$33,050,000 $76.74 PSF	RealOp & Kennedy Investments CRG	Class A
550 Mason Farm Lane Greer, SC	378,690 SF	$29,250,000 $77.24 PSF	IP Capital Partners Walton Street Capital	Class A
1701 Old Grove Road Piedmont, SC	336,850 SF	$33,250,000 $98.71 PSF	MDH Partners MDG Partners	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1771 Victor Hill Road Duncan, SC	368,280 SF	Panattoni	Valvoline	Distribution
2415 N. Highway 81 Anderson, SC	338,000 SF	Sage Park	Keller Logistics	3PL
1809 E. Poinsett Ext. Duncan, SC	243,642 SF	Stag	LEL International	Manufacturing

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
NASHVILLE, TN

INDUSTRIAL MARKET OVERVIEW

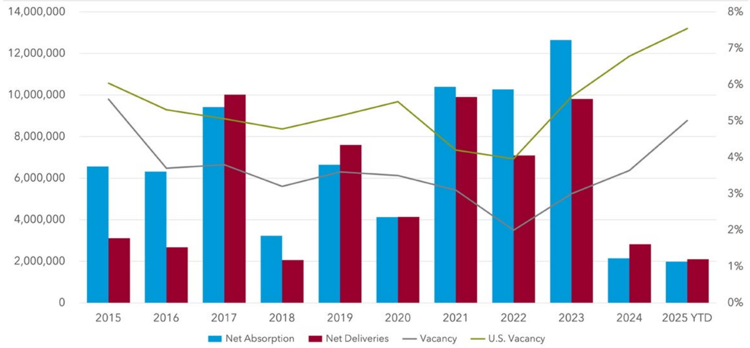
JIM RODRIGUES, SIOR, *President*

In Q3 2025, Nashville's industrial vacancy registered at 5.01%, but that headline figure conceals a tighter reality for many users. When buildings not divisible under 150,000 square feet are excluded, effective vacancy plunges to 2.85%, highlighting the constrained market for small- to mid-size tenants. No new construction broke ground this quarter, though several projects are expected to start before year's end. With a light development pipeline and limited near-term supply growth, availability is likely to remain scarce, helping to sustain upward rent pressure and maintain a landlord friendly dynamic.

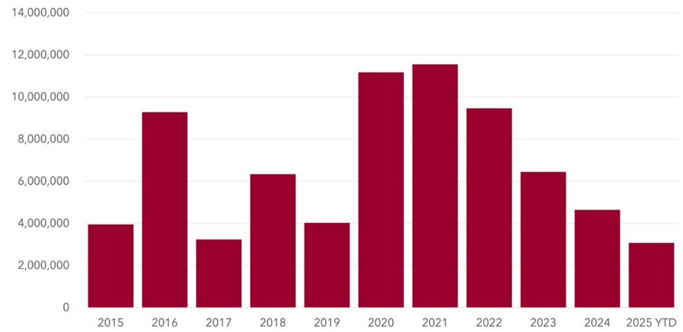
MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	2,585,470	3,301,348	220,450	2,146,060	4,737,036
▲ Vacancy Rate	5.01%	4.79%	4.74%	3.6%	3.9%
▲ Avg NNN Asking Rate PSF	$9.81	$9.31	$9.34	$9.40	$9.57
◄ ► Sale Price PSF	*	*	*	*	*
◄ ► Cap Rate	*	*	*	*	*
▼ Under Construction SF	3,074,266	3,711,565	4,584,559	4,642,920	5,061,612
▼ Inventory SF	275,683,028	276,246,746	273,871,264	274,538,669	274,058,652

**Please contact Lee & Associates Nashville for Sale Price and Cap Rate Information*

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
135 Logistics Drive Lebanon, TN	600,285 SF	$67,000,000 $111.61 PSF	Prologis LBA Logistics	Class A
Multi-Property Portfolio Sale Nashville, TN	257,090 SF	$39,200,000 $152.48 PSF	Dogwood Properties Brookfield Properties	Class B
606 Butler Street Murfreesboro, TN	250,350 SF	$23,580,000 $94.19 PSF	InLight Real Estate Partners Store Opening Solutions	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1125 Vaughn Parkway Portland, TN	312,000 SF	AIG/Equus	Dorman	Manufacturing
1115 Vaughn Parkway Portland, TN	126,000 SF	AIG/Equus	TH Logistics	3PL
230 Ellery Court Nashville, TN	83,007 SF	Stonelake	Undisclosed	Undisclosed

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2025
AUSTIN, TX

INDUSTRIAL MARKET OVERVIEW

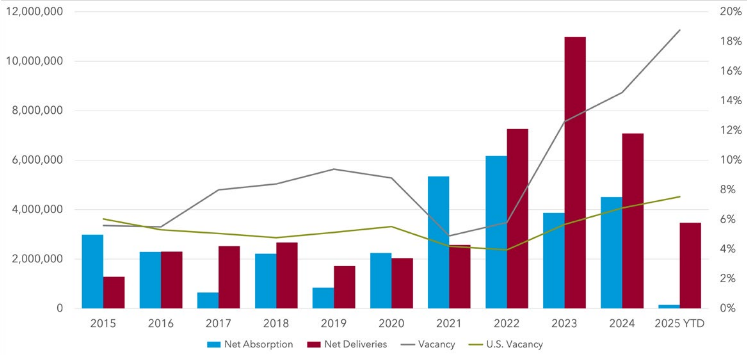
MITCHELL BECKER, *Managing Principal*

Austin's industrial market continues to face headwinds as tenants and landlords adjust to the record amount of new product delivered over the past few years. Demand remains active across most size ranges, though leasing decisions are taking longer and tenants have more options than in prior cycles. Elevated vacancy is still being digested, but the pace of new deliveries has begun to slow. Large users are more active than ever in the central Texas region, which bodes well for needed absorption in the coming quarters.

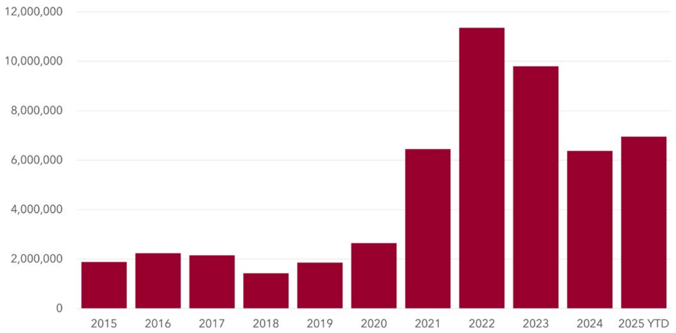
MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Absorption Units	2,195,570	2,047,357	1,654,669	4,509,153	5,652,440
▲ Vacancy Rate	18.77%	18.67%	15.82%	14.56%	13.55%
◀ ▶ Avg NNN Asking Rent PSF	*	*	*	*	*
▼ Sale Price PSF	$180.00	$185.00	$196.00	$202.00	$191.00
◀ ▶ Cap Rate	*	*	*	*	*
▼ Under Construction	6,949,027	7,539,170	4,445,516	6,373,896	6,503,161
▲ Inventory	109,379,205	108,727,814	106,348,936	102,873,265	100,954,751

**Please contact Lee & Associates Austin, TX for Lease Rates and Cap Rate Information*

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
12420 Entrada Boulevard Manor, TX	135,927 SF Sale-Leaseback	Undisclosed	CapRidge Partners Transpak	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
TechRidge 5 Austin, TX	135,442 SF	NewTower	Zellerfeld	Footwear
Prologis Walnut Creek 16 Austin, TX	51,200 SF	Prologis	Patriot Power	Renewable Energy
Park 290 Building 1 Austin, TX	38,489 SF	Brookfield	Specialized Packing Group	Packaging

Q3 2025

DALLAS-FORT WORTH, TX

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

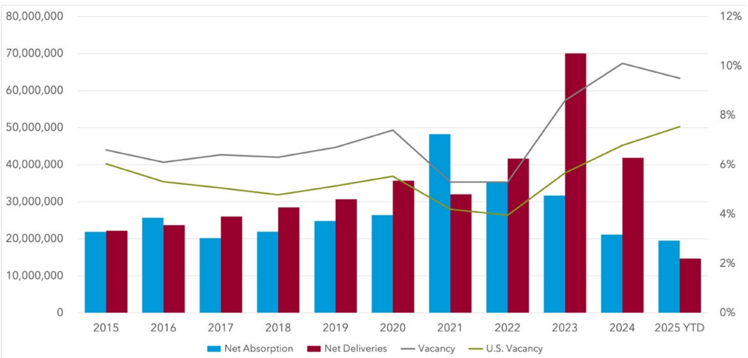
INDUSTRIAL MARKET OVERVIEW

TREY FRICKE, SIOR, *Managing Principal*

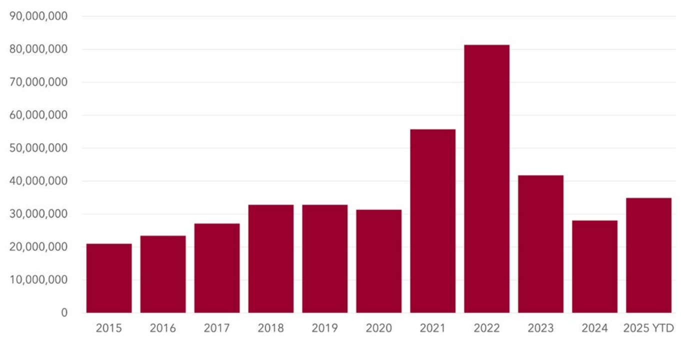
The Dallas-Fort Worth industrial market showed continued stability in Q3 2025, with vacancy rates steady at 9.5%, down slightly from last quarter. Twelve-month net absorption reached 21.8 million SF, indicating consistent tenant demand even as overall absorption levels moderate compared to prior years. Average asking rents remained strong, posting $8.96 PSF, NNN, while sale pricing climbed further to $129 PSF, reflecting ongoing investor confidence. Development activity also held elevated, with more than 34 million SF under construction, reinforcing the region's long-term growth trajectory. Together, these trends highlight a market that continues to expand on solid fundamentals, supported by strong leasing activity, a diverse occupier base, rising valuations, and a robust pipeline.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Absorption Units	21,814,131	25,093,966	27,656,144	20,781,144	23,994,971
▼ Vacancy Rate	9.50%	9.60%	9.60%	10.10%	10.00%
▲ Avg NNN Asking Rent PSF	$8.96	$8.91	$8.52	$8.73	$9.05
▲ Sale Price PSF	$129.00	$127.00	$126.00	$119.00	$116.00
▼ Cap Rate	6.30%	6.40%	6.40%	6.50%	6.50%
▲ Under Construction	34,152,040	33,226,961	31,745,327	28,075,094	24,599,475
▲ Inventory	1,082,350,860	1,078,797,367	1,071,061,262	1,067,886,266	1,063,442,731

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2501 Eagle Parkway Fort Worth, TX	1,251,160 SF	Undisclosed	Property Reserve Trammell Crow Company	Class A
3800 Cedardale Road Dallas, TX	776,630 SF	Undisclosed	Ares Management Arcapita	Class A
14601 Mobility Way Fort Worth, TX	766,994 SF	Undisclosed	Wistron Corporation Hillwood	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2100 N. Refuge Way Grand Prairie, TX	683,569 SF	Link Logistics	Modine	Transportation and Warehousing
801 E. Wintergreen Road Hutchins, TX	626,147 SF	Prologis	American Standard	Wholesaler
1200 W. Wintergreen Road Hutchins, TX	416,891 SF	Cabot Properties, Inc.	VM Innovations	Retailer

Q3 2025
HOUSTON, TX

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

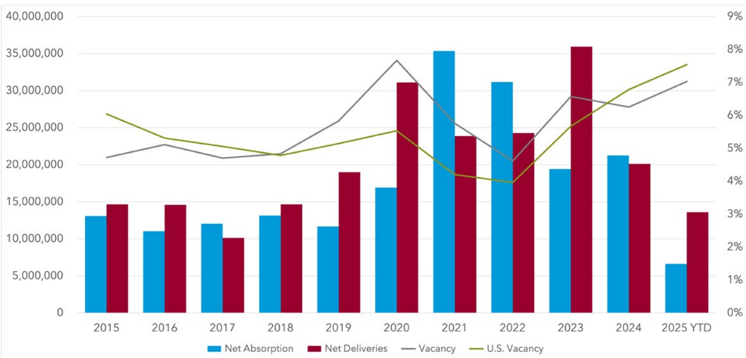
INDUSTRIAL MARKET OVERVIEW

MARY DOETTERL, *Research Director*

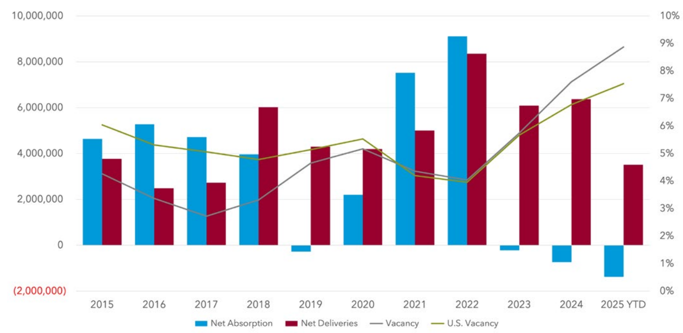
Houston's industrial market remained active in Q3 2025, recording 1.45 million square feet of net absorption over the past 12 months, signaling steady tenant demand. The vacancy rate edged up slightly to 5.7%, while average triple-net asking rents increased to $10.51 per square foot, extending steady rent growth. Construction activity remained strong, supporting ongoing supply in key logistics corridors. Leasing continued across e-commerce, manufacturing, and energy-related users, reflecting Houston's diversified demand base. Investment interest persisted, with cap rates stable amid cautious optimism. Overall, fundamentals remain healthy, underscoring sustained tenant activity and long-term strength in the metro's industrial market.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	1,448,032	2,974,660	1,279,672	4,608,067	6,730,646
▲ Vacancy Rate	5.70%	5.60%	5.30%	5.30%	5.40%
▲ Avg NNN Asking Rate PSF	$10.51	$10.27	$9.74	$9.63	$9.56
▼ Sale Price PSF	$95.00	$134.00	$195.00	$108.00	$115.00
▼ Cap Rate	6.00%	6.90%	7.30%	8.00%	7.40%
▲ Under Construction SF	21,115,581	18,450,958	17,803,107	16,481,611	14,421,526
▲ Inventory SF	79,634,895	74,019,661	71,727,289	69,555,907	70,185,722

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Fairbanks Logistics Park Houston, TX	1,011,521 SF	Undisclosed	Foxconn Dalfen Industrial	Class A
Pinnacle Logistics Park Houston, TX	895,000 SF	Undisclosed	Undisclosed Hillwood Development	Class A
Layne Crossing/Victory Commerce Ct Houston, TX	879,613 SF	Undisclosed	The Blackstone Group Crow Industrial	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
31270 Kingsland Boulevard Brookshire, TX	1,051,549 SF	Hunt Southwest	Pepsi	Manufacturing
410 West Road Houston, TX	728,080 SF	Vigavi	Panelmatic	Packaging Machinery
1401 Rankin Road Houston, TX	656,658 SF	Prologis	Foxconn	Electronics Manufacturer

Q3 2025
PACIFIC NORTHWEST, WA

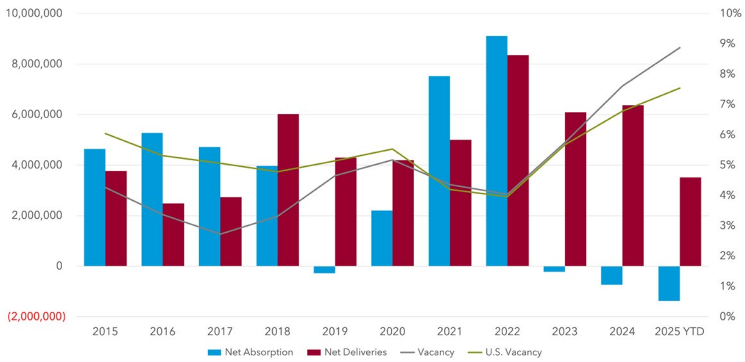
INDUSTRIAL MARKET OVERVIEW

ANDREW HULL, *Principal*

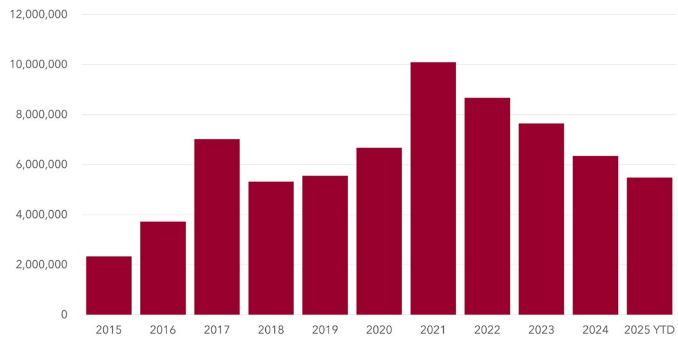
The Pacific Northwest industrial market continued to face headwinds in Q3 2025, with vacancy climbing to 8.79% as sluggish tenant demand and a wave of second-generation space returned to the market. Net absorption remained negative, though at a slower pace than Q2, suggesting some stabilization. Average annual NNN rents held firm at $15.50/SF, as newer Class A assets kept pricing buoyant despite softer demand in older product. Investment sales volume increased, with pricing drifting lower and cap rates ticking upward. Tariff-driven cost pressures on construction and imported goods added another layer of uncertainty, affecting both development pipelines and tenants reliant on trade. Even so, Washington's strong trade corridors and export-driven user base provide a foundation for cautious optimism as the market looks to regain balance heading into 2026.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(1,041,157)	(1,377,305)	2,096,803	(2,287,759)	(3,243,430)
▲ Vacancy Rate	8.79%	8.60%	7.6%	8.00%	7.80%
▼ Avg NNN Asking Rate PSF	$15.50	$14.47	$14.30	$14.36	$14.26
▲ Sale Price PSF	$237.00	$224.45	$233.00	$215.11	$238.00
▲ Cap Rate	5.85%	5.60%	5.80%	6.20%	5.72%
▲ Under Construction SF	5,487,421	5,413,360	5,741,878	5,817,103	10,910,795 SF
▼ Inventory SF	365,023,177	365,958,421	364,699,678	363,502,423	362,293,871

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7402 150th Street SW Lakewood, WA	92,740 SF	$21,086,500 $227.37 PSF	SJ Distributors Bridge Industrial	Class A
19111 Des Moines Memorial Drive SeaTac, WA	74,783 SF	$17,700,000 $236.68 PSF	BKM Capital Partners Seattle Olympic Park LLC	Class B
2600 W. Commodore Way Seattle, WA	58,281 SF	$9,800,000 $168.15 PSF	CAT Investments Unico Properties	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10300 E. Marginal Way S Tukwila, WA	230,131 SF	Prologis	Amazon	E-Commerce
1215 80th Street SW Everett, WA	166,590 SF	SMARTCAP	Undisclosed	Undisclosed
495 Andover Park E Tukwila, WA	148,565 SF	Brookfield Properties	Surf Soccer Club	Recreation

Q3 2025
MADISON, WI

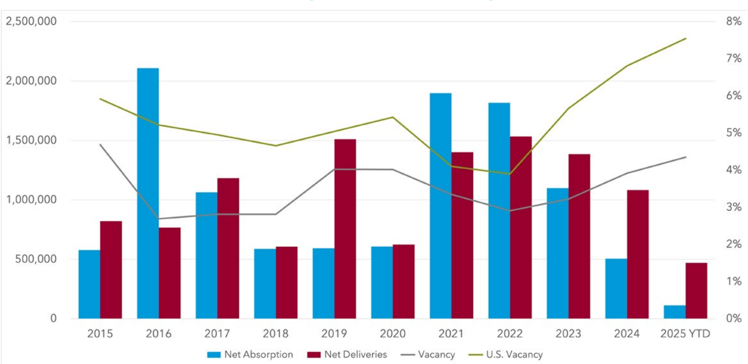
INDUSTRIAL MARKET OVERVIEW

CAMP PERRET, *Vice President*

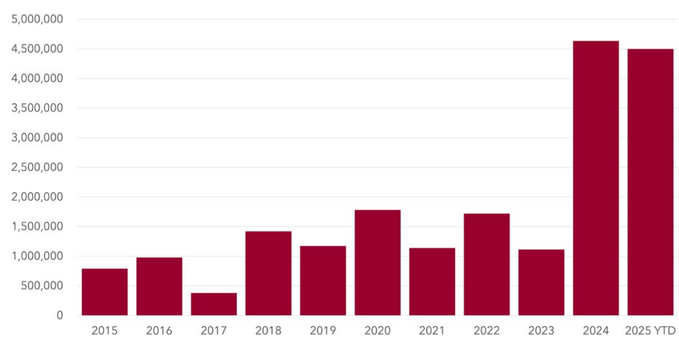
Madison industrial market demand continues to be strong. The vacancy rate of 4.3% is well below the national average of 7.5%. Low inventory continues to increase rental rates. Construction starts were down in Q3. Sales and leasing volumes were down year-over-year, mainly due to lack of inventory. Financing rates and construction costs also continue to dampen new construction starts and as well as sale volumes. As the Fed lowers interest rates, we may see increased volume in both sales and construction starts since the market clearly needs further industrial space.

	MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼	12 Mo. Net Absorption SF	79,369	203,172	386,836	505,349	848,298
◄ ►	Vacancy Rate	4.3%	4.3%	4.2%	3.9%	3.6%
▲	Avg NNN Asking Rate PSF	$8.02	$7.98	$7.96	$7.90	$7.84
▼	Sale Price PSF	$76.00	$77.00	$77.00	$76.00	$75.00
◄ ►	Cap Rate	8.8%	8.8%	8.7%	8.7%	8.7%
▲	Under Construction SF	4,499,618	4,471,845	4,310,081	4,634,098	1,007,591
◄ ►	Inventory SF	78,751,914	78,751,914	78,665,678	78,281,416	78,152,323

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
350 17th Street Monroe, WI	205,321 SF	$11,643,750 $56.71 PSF	GATOR LLC R.R. Donnelley & Sons Company	Class C
2701 S. Stoughton Road Madison, WI	158,500 SF	$7,500,000 $47.32 PSF	SSAB Group LLC Weir Slurry Group, Inc.	Class B
2221 Mustang Way Madison, WI	48,929 SF	$3,551,383 $72.58 PSF	Oakhouse RE LLC H&E Development LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2041 S. Stoughton Road Madison, WI	39,065 SF	Oakleaf Properties, Inc.	Undisclosed	Undisclosed
200 Interstate Boulevard Edgerton, WI	38,400 SF	Artron Properties	Undisclosed	Undisclosed
3404-3432 McAllen Way Madison, WI	11,010 SF	McAllen Properties LLC	Undisclosed	Undisclosed

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