



Office Market Report

Rochester - MN (USA)

PREPARED BY



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OFFICE MARKET REPORT

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12 Mo Deliveries in SF

24.8K

12 Mo Net Absorption in SF

72.2K

Vacancy Rate

5.2%

12 Mo Asking Rent Growth

2.1%

The Rochester office market has a vacancy rate of 5.2%. This vacancy rate is 1.1% lower than it was this time last year. This decrease of vacancy occurred because there was 65,000 SF of positive absorption and demolition removed 15,000 SF of inventory.

Rents have increased 2.1% in the past 12 months and are currently around \$27.00/SF. Roughly 200,000 SF is under construction in the Rochester office market. In the past year, there have been 30 sales, which have traded for approximately \$37.4 million in volume and 230,000 SF in stock.

Vacancy is 4.8% in 4 & 5 Star buildings, and 22,000 SF has been absorbed in this asset class over the past year. Within 3 Star buildings, vacancy is 9.0% and there has been 1,800 SF of negative absorption. Currently, 1.6% of 1 & 2 Star space is vacant, and 45,000 SF has been absorbed in this space type over the past 12 months.

Rents are around \$35.00/SF in 4 & 5 Star buildings, \$23.00/SF in 3 Star buildings, and \$21.00/SF in 1 & 2

Star buildings. Year-over-year rent growth was 1.9% in 4 & 5 Star buildings, 1.6% in 3 Star buildings, and 2.8% in 1 & 2 Star buildings.

Current vacancy is higher than its trailing three-year average of 4.9%. However, this figure is lower than the national trailing three-year average of 12.4%. The market is approximately 110,000 SF larger than it was three years ago, and is the result of roughly 150,000 SF of construction and roughly 40,000 SF of demolition. Rents have increased 7.1% over the past three years, higher than the national average of 2.4%. There have been 92 sales over the past three years, amounting to \$103 million in volume and 730,000 SF of inventory.

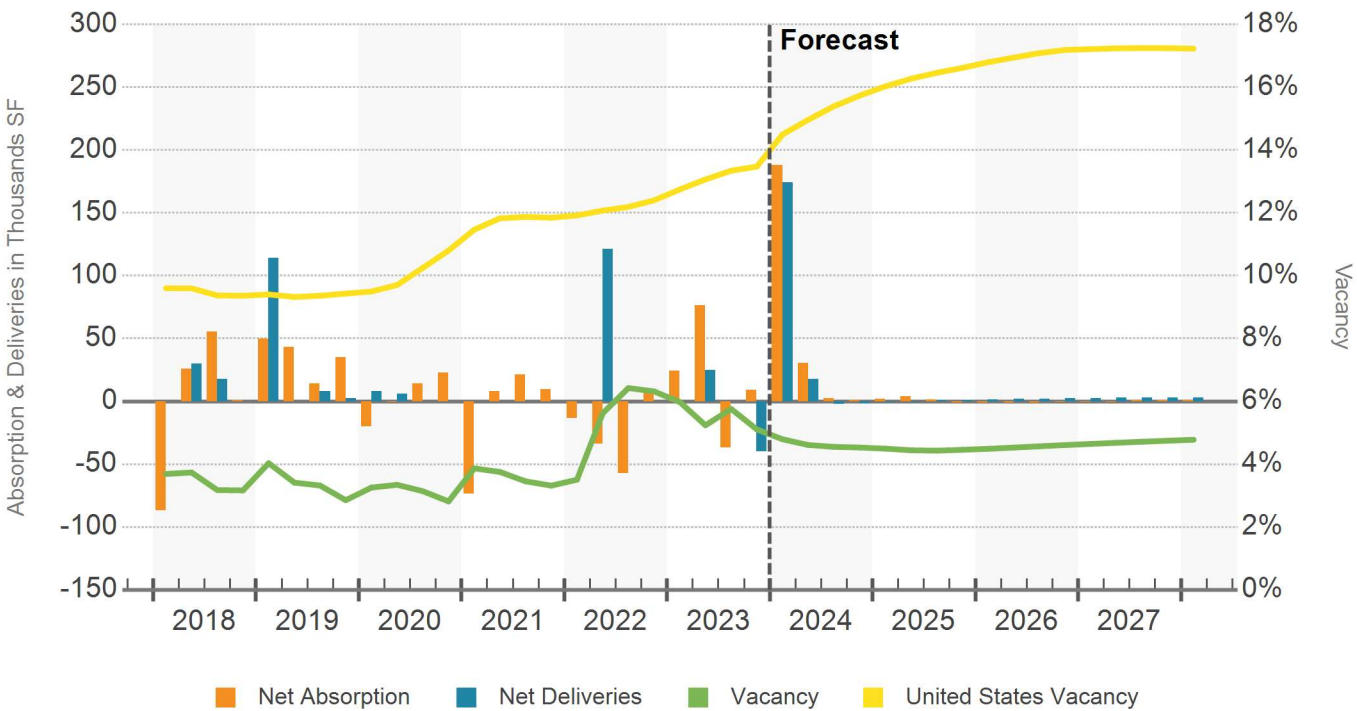
CoStar's estimated cap rate for Rochester has averaged 9.0% over the past three years, which is lower than the current estimated cap rate of 9.6%.

The total Rochester office market comprises 7.1 million SF of inventory.

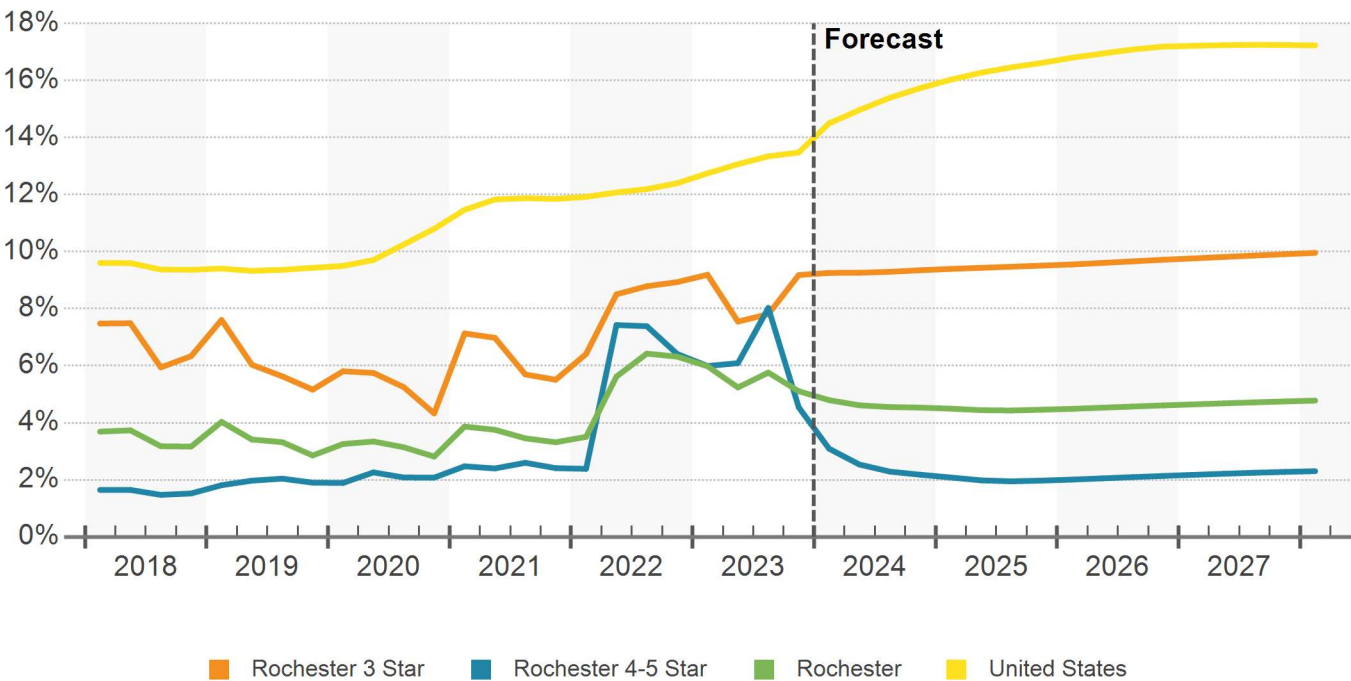
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	2,244,882	4.8%	\$35.39	5.2%	(5,198)	0	196,000
3 Star	2,472,207	9.0%	\$23.31	12.3%	3,785	0	0
1 & 2 Star	2,393,957	1.6%	\$21.01	2.0%	(3,064)	0	0
Market	7,111,046	5.2%	\$26.59	6.6%	(4,477)	0	196,000
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.2%	4.9%	4.6%	9.5%	2015 Q1	1.4%	2016 Q4
Net Absorption SF	72.2K	35,178	46,363	527,395	2016 Q4	(210,052)	2014 Q4
Deliveries SF	24.8K	49,959	52,279	217,280	2009 Q2	0	2022 Q1
Asking Rent Growth	2.1%	1.1%	-0.5%	5.0%	2016 Q1	-4.1%	2010 Q4
Sales Volume	\$37.3M	\$21.9M	N/A	\$66.7M	2016 Q3	\$0	2010 Q2

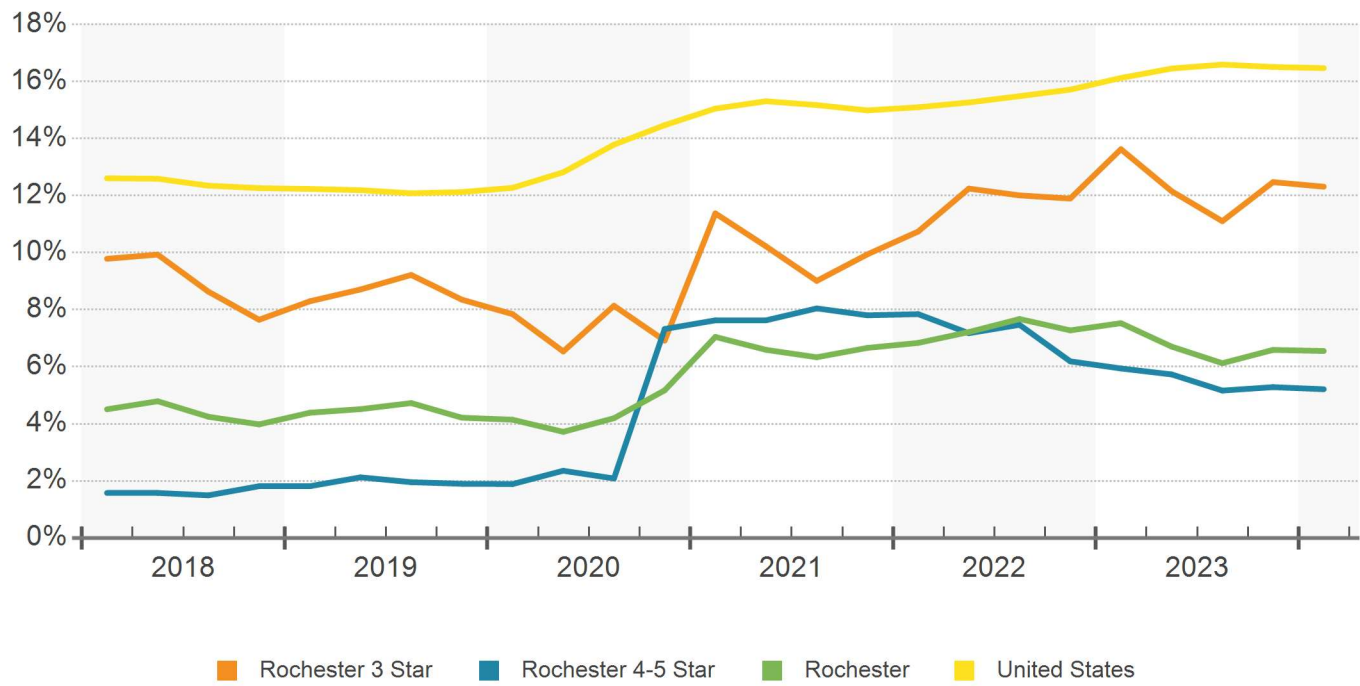
NET ABSORPTION, NET DELIVERIES & VACANCY



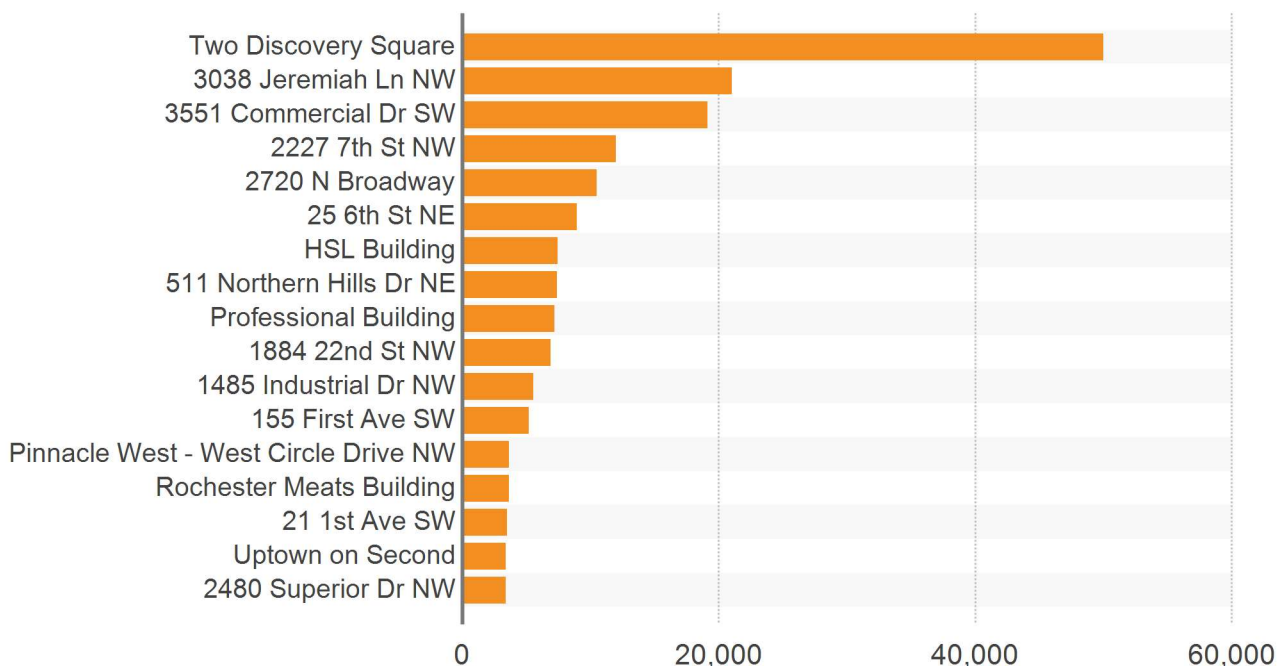
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



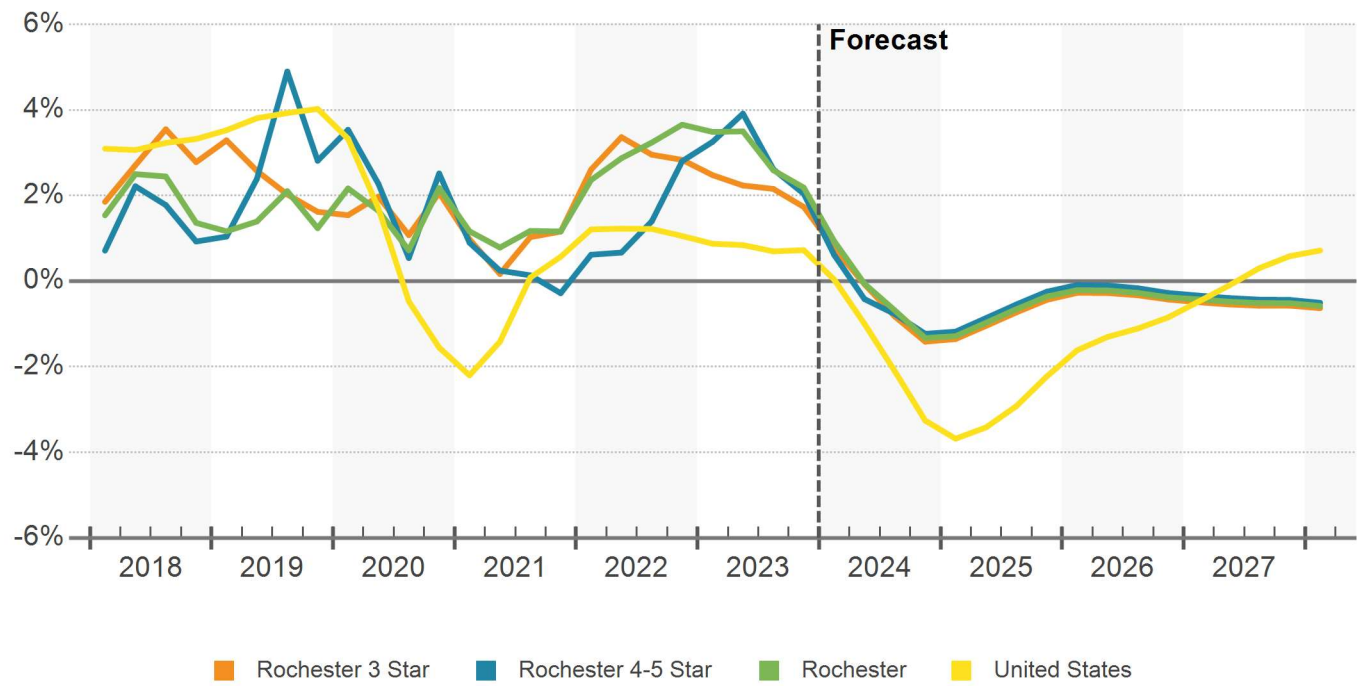
Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Two Discovery Square	Downtown Rocheste...	121,000	71,000	0	0	0	0	50,000
3038 Jeremiah Ln NW	Rochester HOS	24,840	3,771	0	0	0	0	21,069
3551 Commercial Dr SW	Historic Southwest MF	112,000	39,127	0	0	0	0	19,137
2227 7th St NW	Rochester HOS	14,700	0	0	0	0	0	12,000
2720 N Broadway	Rochester HOS	11,543	0	0	0	0	0	10,528
25 6th St NE	Rochester HOS	9,811	0	0	0	0	0	8,948
HSL Building	Rochester HOS	20,542	0	0	0	0	0	7,483
511 Northern Hills Dr NE	Rochester HOS	21,469	0	0	0	0	0	7,434
Professional Building	Rochester HOS	7,200	0	0	0	0	0	7,200
1884 22nd St NW	Rochester HOS	15,859	0	0	0	0	0	6,927
1485 Industrial Dr NW	Rochester HOS	6,120	0	0	0	0	0	5,582
155 First Ave SW	Downtown Rocheste...	91,974	0	0	0	0	0	5,228
Pinnacle West - West Circle Driv...	Rochester HOS	20,039	0	822	0	0	0	3,677
Rochester Meats Building	Rochester HOS	6,583	0	0	0	0	0	3,650
21 1st Ave SW	Downtown Rocheste...	118,446	14,527	(5,198)	0	0	0	3,496
Uptown on Second	Historic Southwest MF	8,004	4,000	0	0	0	0	3,432
2480 Superior Dr NW	Rochester HOS	3,420	0	0	0	0	0	3,420
Subtotal Primary Competitors		613,550	132,425	(4,376)	0	0	0	179,211
Remaining Rochester Market		6,497,496	235,154	(101)	0	0	0	(113,726)
Total Rochester Market		7,111,046	367,579	(4,477)	0	0	0	65,486

TOP OFFICE LEASES PAST 12 MONTHS

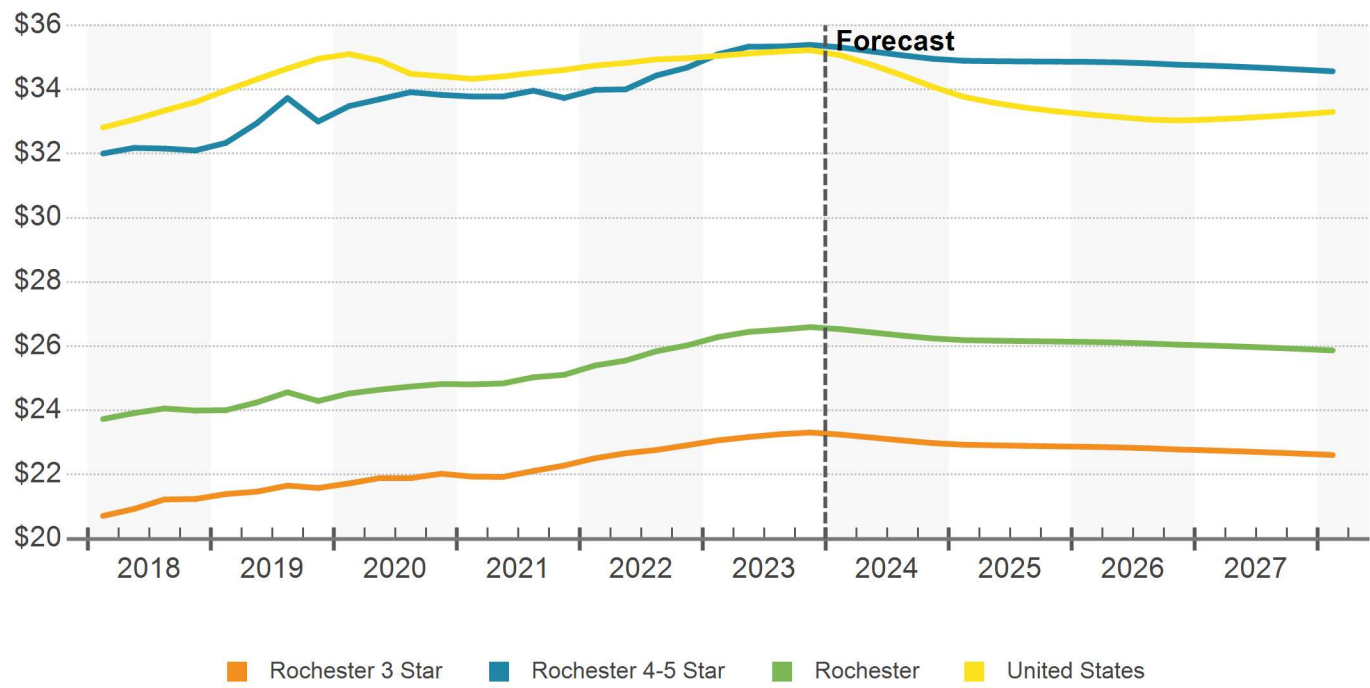
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
2720 N Broadway	-	11,543	Q1 23	-	-	-
3038 Jeremiah Ln NW	-	9,920	Q1 23	-	-	-
6047 Rome Cir NW	Northwest Rochester	9,240	Q2 23	-	-	Realty Growth, Inc.
206 S Broadway	Downtown Rochester	8,644	Q2 23	Cornerstone Management...	-	-
18 Woodlake Dr SE	Historic Southwest	7,100	Q3 23	-	-	Titan 360 Commerical...
1884 22nd St NW	-	6,927	Q2 23	-	-	-
Bandel Heights Business Center	-	6,800	Q2 23	-	-	-
2720 Superior Dr NW	-	4,383	Q3 23	-	-	-
Rochester Meats Building	-	3,650	Q2 23	-	-	-
2900 43rd St NW	-	3,127	Q1 23	-	-	-
3625 10th Ln NW	-	3,000	Q3 23	-	-	-
2720 Superior Dr NW	-	2,665	Q4 23	-	-	-
6113 Rome Cir NW	Northwest Rochester	2,236	Q3 23	-	-	Loam Commercial Real...
6113 Rome Cir NW	Northwest Rochester	2,236	Q1 23	-	-	Loam Commercial Real...
2518 Superior Dr NW	-	2,233	Q2 23	-	-	-
1530 Greenview Dr SW	Historic Southwest	2,052	Q3 23	-	-	Edina Realty
917 Broadway Ave N	-	1,999	Q4 23	-	-	-
North Plaza Offices	-	1,936	Q1 23	-	-	-
Valley High Business Center	-	1,931	Q4 23	-	-	-
Pinnacle West - West Circle Drive NW	-	1,839	Q2 23	-	-	-
401 16th Ave NW	Meadow Park	1,600	Q4 23	-	-	The Prow Company
Miracle Mile Shopping Center	Meadow Park	1,300	Q2 23	-	-	Paramark Real Estate...
Fortress Financial Building	-	1,270	Q2 23	-	-	-
2660 Superior Dr NW	-	1,248	Q4 23	-	-	-
3428 Lakeridge Pl	Historic Southwest	1,200	Q1 23	Apple Roofing	-	Paramark Real Estate...
3003 43rd St NW	-	1,200	Q1 23	-	-	-
Uptown Square	Uptown Rochester	1,075	Q3 23	-	-	Paramark Real Estate...
Superior Financial Center	-	1,010	Q4 23	-	-	-
3224 6th Ave NE	-	1,000	Q2 23	-	-	-
5231 E Frontage Rd NW	-	965	Q4 23	-	-	-
Lexington Professional	-	960	Q2 23	-	-	-
Lexington Professional	-	960	Q2 23	-	-	-
1530 Greenview Dr SW	Historic Southwest	950	Q2 23	-	-	Edina Realty
2660 Superior Dr NW	-	850	Q1 23	-	-	-
Stone Crossing	Historic Southwest	827	Q1 23	Pantheon Computers Inc	-	Realty Growth, Inc.
Pinnacle West - West Circle Drive NW	-	822	Q4 23	-	-	-
2510 Superior Dr NW	-	800	Q3 23	-	-	-
1530 Greenview Dr SW	Historic Southwest	719	Q3 23	-	-	Edina Realty
North Plaza Offices	-	672	Q1 23	-	-	-
501 4th Ave NW	-	670	Q3 23	-	-	-

Renewal

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Rochester	\$0.66	\$2	\$0.22	\$7.38	\$6.74	\$17

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Rochester	\$0.57	\$1.72	\$0.20	\$5.03	\$5.66	\$13.18

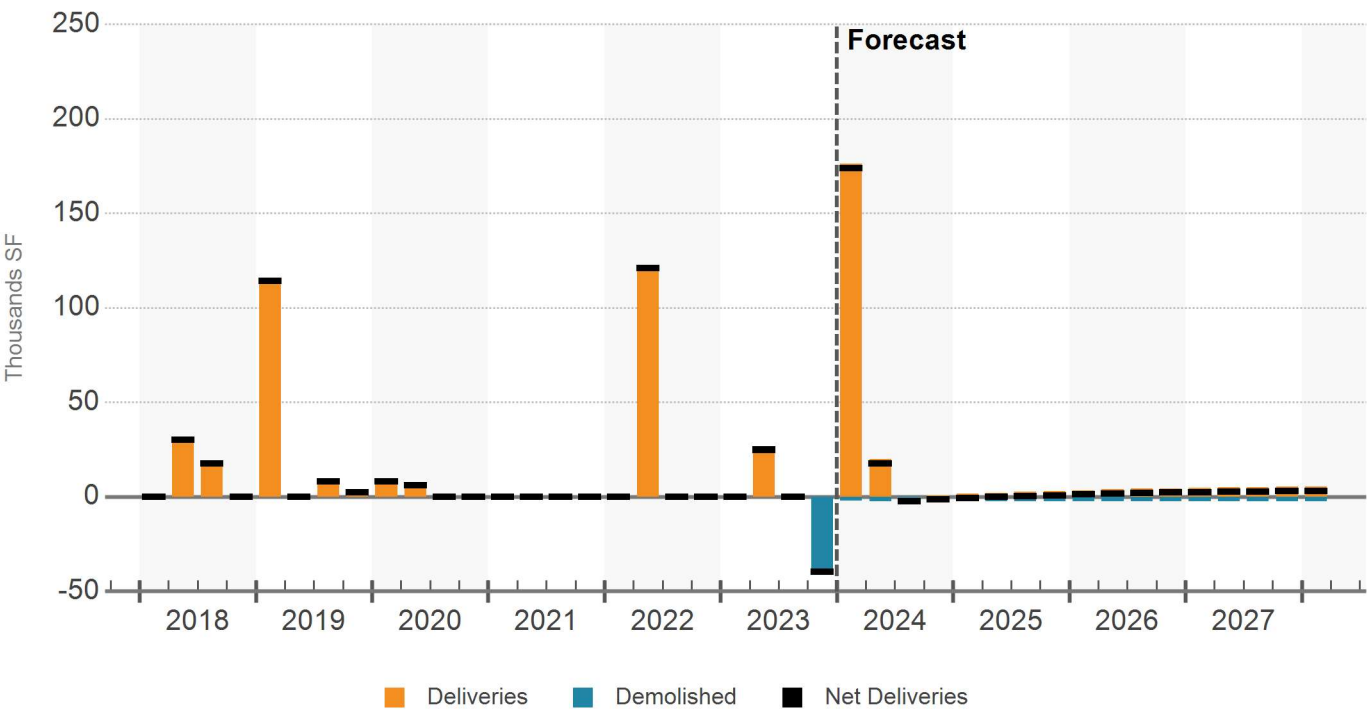
Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Rochester	\$0.51	\$1.70	\$0.20	\$4.30	\$4.02	\$10.73

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

DELIVERIES & DEMOLITIONS

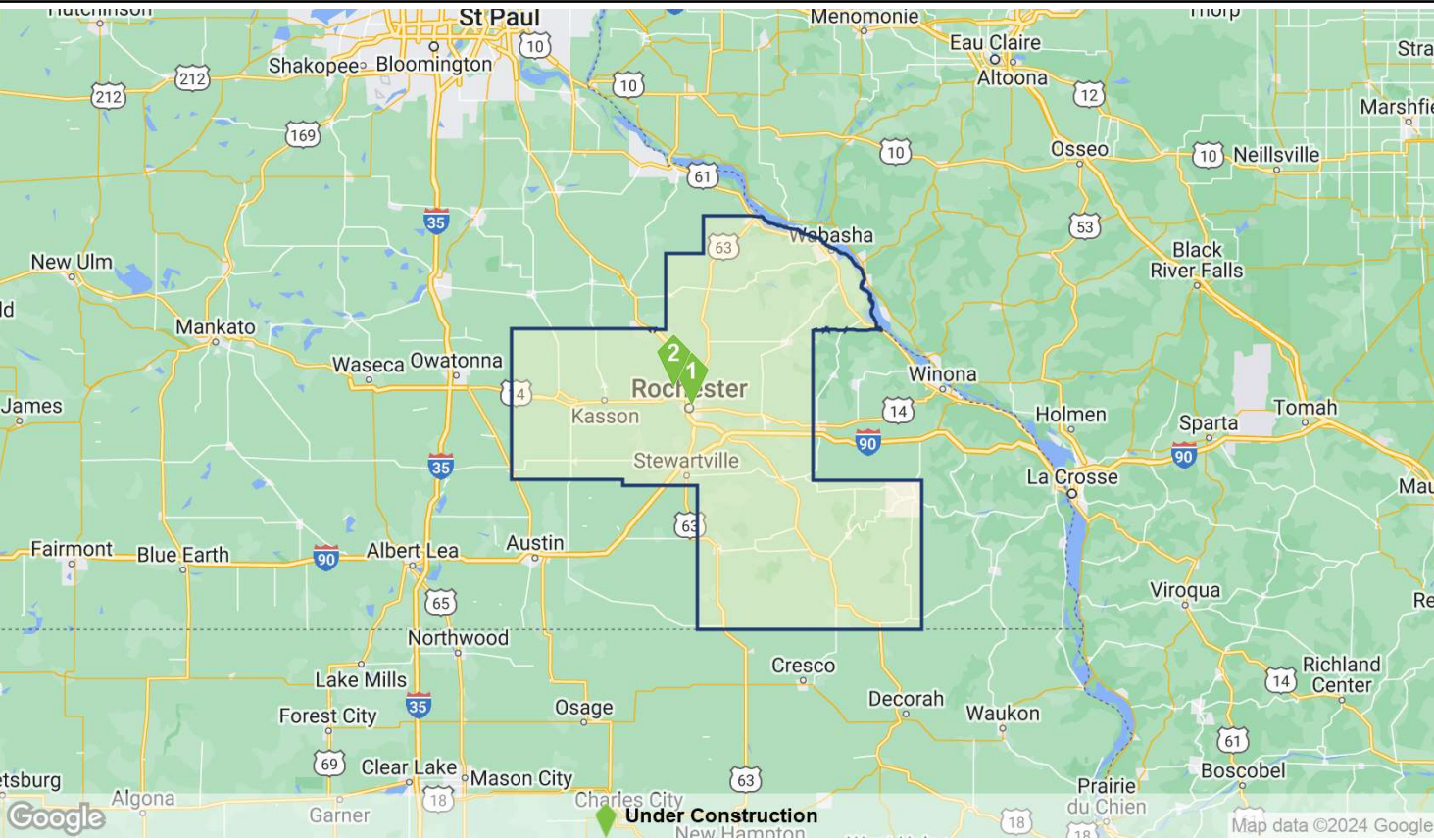


Under Construction Properties

Rochester Office

Properties	Square Feet	Percent of Inventory	Released
2	196,000	2.8%	89.8%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 415 2nd Ave SW	★★★★★	176,000	11	Jun 2022	Feb 2024	-
2 Sarah Place NW	★★★★★	20,000	2	Aug 2023	Apr 2024	-



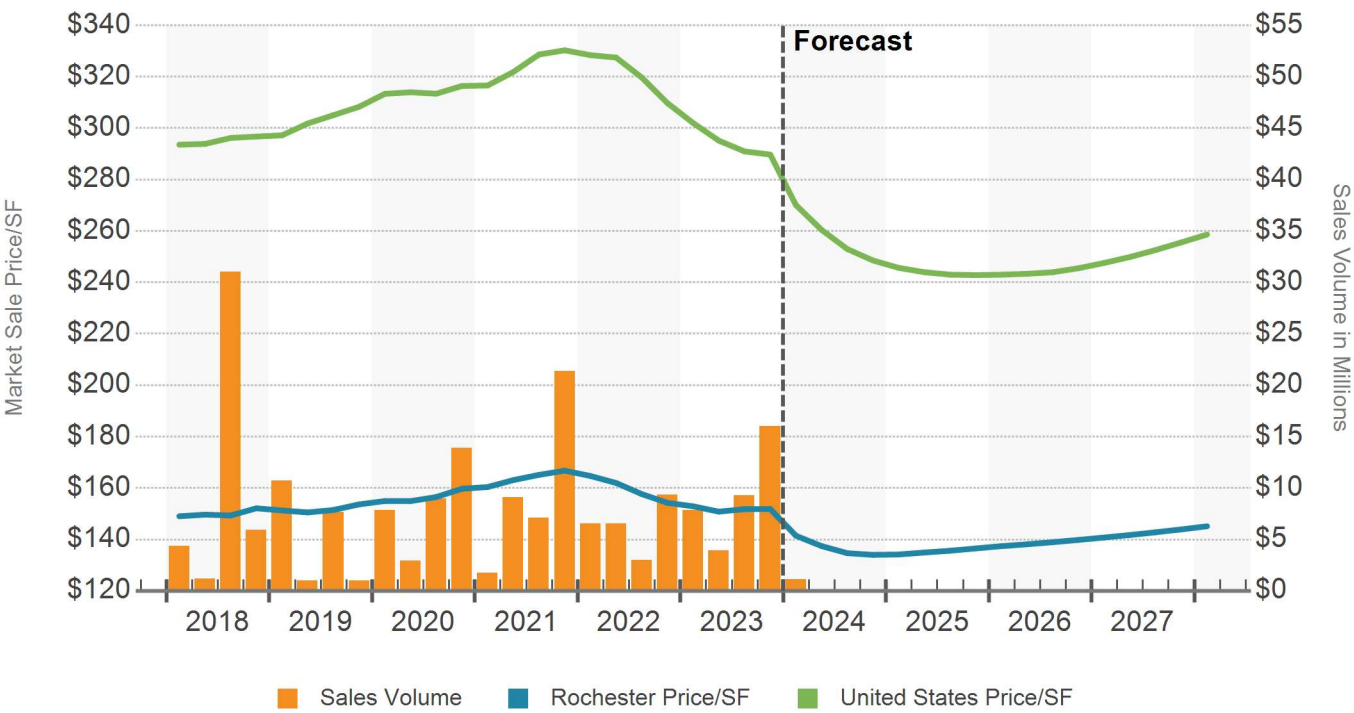
There have been 30 sales in the Rochester office market over the past year, which amounts to \$37.4 million of volume and 170,000 SF of stock. These sales have averaged \$178/SF, which is greater than the estimated market price of \$152/SF. During this time, trailing one-year price per SF averages were as high as \$182/SF and as low as \$166/SF. Over the past three years, Rochester has averaged 31 sales per year, \$33.5 million of volume per year, and 250,000 SF of stock per year.

The 4 & 5 Star building traded for \$10.3 million in

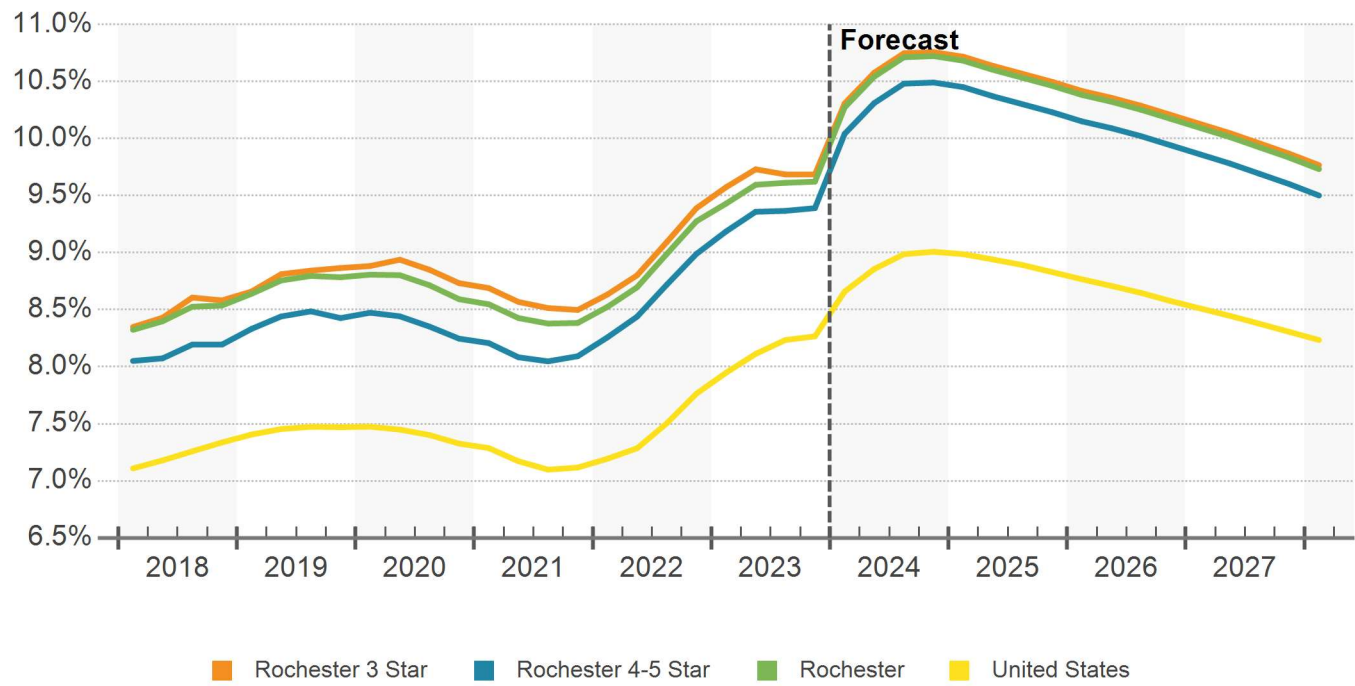
volume, or \$260/SF. The 3 Star buildings traded for \$17.0 million in volume, or \$152/SF on average. The 1 & 2 Star buildings traded for \$10.2 million in volume, or \$172/SF on average.

The market's current transaction cap rate stands at 8.5%, above the national average of 7.1%. Over the past three years, transaction cap rates have averaged 6.8%. Within Rochester, 4 & 5 Star buildings have a market cap rate of 9.4%, 3 Star buildings have a market cap rate of 9.6%, and 1 & 2 Star buildings have a market cap rate of 9.8%.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

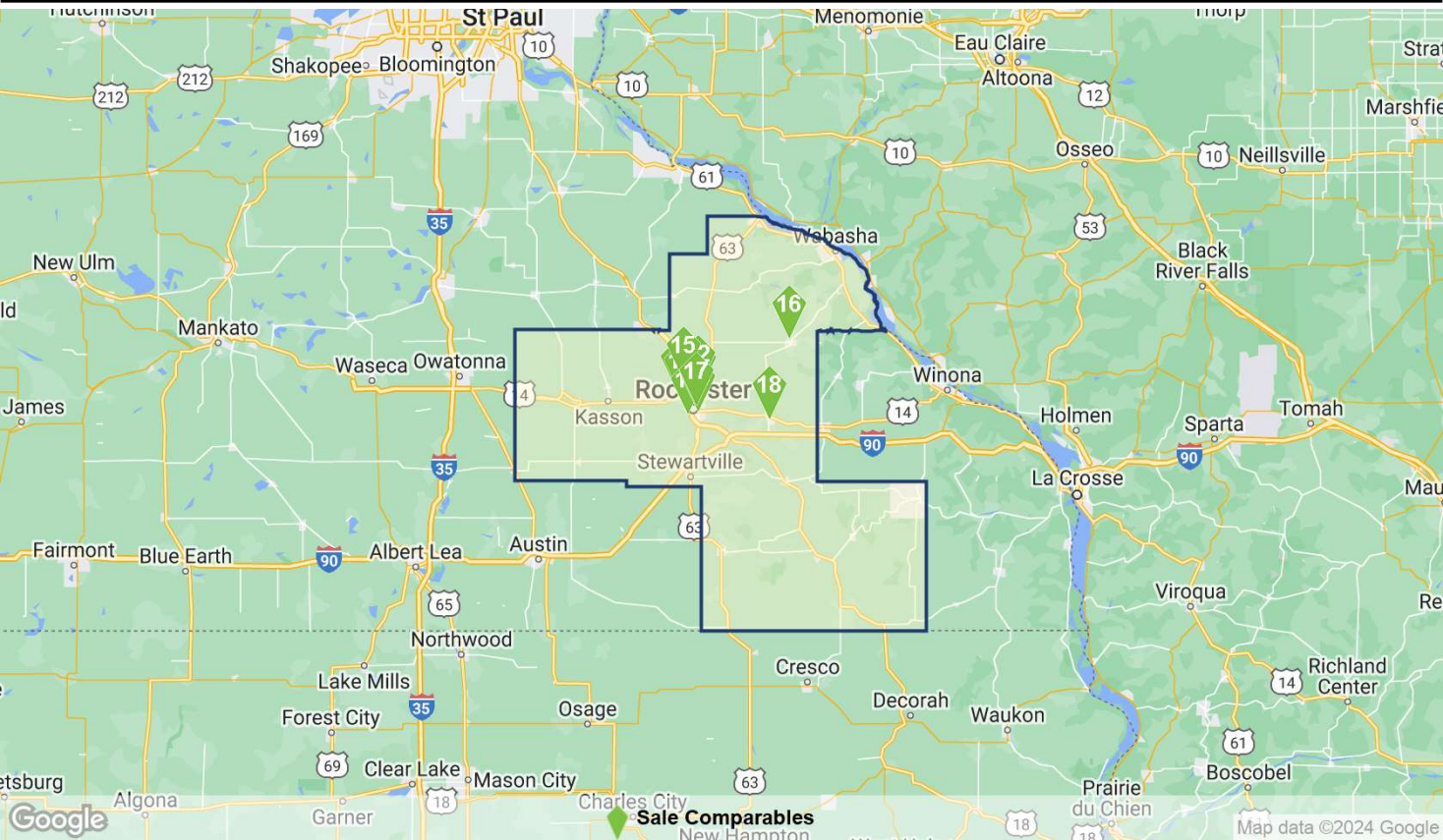


Sales Past 12 Months

Rochester Office

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
30	8.5%	\$177	7.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$196,000	\$1,736,740	\$785,000	\$10,300,000
Price/SF	\$76	\$177	\$146	\$875
Cap Rate	8.5%	8.5%	8.5%	8.5%
Time Since Sale in Months	0.1	6.0	6.8	11.2
Property Attributes	Low	Average	Median	High
Building SF	1,710	9,314	5,379	42,250
Stories	1	2	2	3
Typical Floor SF	693	5,500	2,980	21,469
Vacancy Rate At Sale	0%	7.1%	0%	100%
Year Built	1892	1974	1986	2008
Star Rating	★★★★★	★★★★★ 2.6	★★★★★	★★★★★



Sales Past 12 Months

Rochester Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 310 Broadway Ave S	★★★★★	2008	40,265	32.6%	12/6/2023	\$10,300,000	\$256	-
2 2521 Pennington Dr NW	★★★★★	2005	42,250	0%	7/31/2023	\$5,000,000	\$118	-
3 1751 Highway 52 N	★★★★★	1961	8,748	0%	3/24/2023	\$3,685,912	\$421	-
4 Pinnacle West - West Cir... 2746 Superior Dr NW	★★★★★	2002	20,039	4.1%	11/30/2023	\$2,900,000	\$145	8.5%
5 511 Northern Hills Dr NE	★★★★★	1976	21,469	0%	9/15/2023	\$2,300,000	\$107	-
6 221 2nd Ave SW	★★★★★	1996	18,030	0%	3/10/2023	\$2,250,000	\$125	8.5%
7 K & F Properties 2768 Superior Dr NW	★★★★★	2004	5,200	100%	12/29/2023	\$1,980,000	\$381	-
8 3520 E River Rd NE	★★★★★	1985	5,520	0%	6/1/2023	\$1,300,000	\$236	-
9 1014 Bel Air Ln NW	★★★★★	2000	6,287	70.8%	1/3/2024	\$1,100,000	\$175	-
10 315 Elton Hills Dr NW	★★★★★	1978	7,984	0%	3/31/2023	\$950,000	\$119	-
11 3269 19th St NW	★★★★★	2006	1,000	0%	7/31/2023	\$875,000	\$875	-
12 3400 E River Rd NE	★★★★★	1996	5,238	0%	4/3/2023	\$785,000	\$150	-
13 Palladium Bldg. 1915 Greenview Pl SW	★★★★★	1986	5,960	0%	4/3/2023	\$700,000	\$117	-
14 411 12th St SE	★★★★★	1936	2,080	0%	5/23/2023	\$430,000	\$207	-
14 411 12th St SE	★★★★★	1936	2,080	0%	5/23/2023	\$430,000	\$207	-
15 2801 55th St NW	★★★★★	1992	1,800	0%	7/20/2023	\$415,000	\$231	-
16 920 N Wabasha	★★★★★	2001	2,832	0%	11/9/2023	\$413,000	\$146	-
16 920 N Wabasha	★★★★★	2001	2,832	0%	11/9/2023	\$413,000	\$146	-
17 212 1st Ave SW	★★★★★	1895	2,860	0%	9/1/2023	\$383,731	\$134	-
18 27 2nd St SW	★★★★★	1977	3,941	0%	7/31/2023	\$300,000	\$76	-



Rochester boasts a diverse and resilient economy with several key sectors driving its growth and stability. According to Oxford Economics, Rochester's average annual unemployment rate stands at 2.4%, compared to the 10-year average of 3.2% and the national average of 3.6%.

At the heart of the city's economy is the renowned Mayo Clinic, one of the world's largest and most prestigious medical institutions. The presence of Mayo Clinic not only serves as a major healthcare provider but also contributes significantly to the local economy by attracting patients and medical professionals from around the world. This healthcare sector, including other medical facilities and healthcare-related businesses, is a primary driver of Rochester's economy.

The city's educational institutions, notably the University of Minnesota Rochester, also play a significant role in shaping its economy. These institutions drive innovation, research, and technology, fostering a knowledge-based economy. Additionally, Rochester has made strategic investments in the bio and life sciences sector, leading to the emergence of several biotechnology companies. These firms benefit from the research expertise and healthcare infrastructure in the region, creating high-value jobs and driving economic growth.

Manufacturing is another vital component of Rochester's economy. The city is home to a variety of manufacturers, including medical device and technology companies. These businesses contribute to the local economy and provide jobs for the region's residents. Moreover, Rochester's strategic location in southeastern Minnesota and excellent transportation infrastructure facilitates the distribution of goods and services, contributing to the city's economic vitality.

Retail, hospitality, and service industries also contribute significantly to Rochester's economy. The city's growth has led to an expansion of retail establishments, restaurants, and entertainment venues, catering to both residents and the many patients and visitors to Mayo Clinic. This sector not only provides job opportunities but also enhances the overall quality of life in the city.

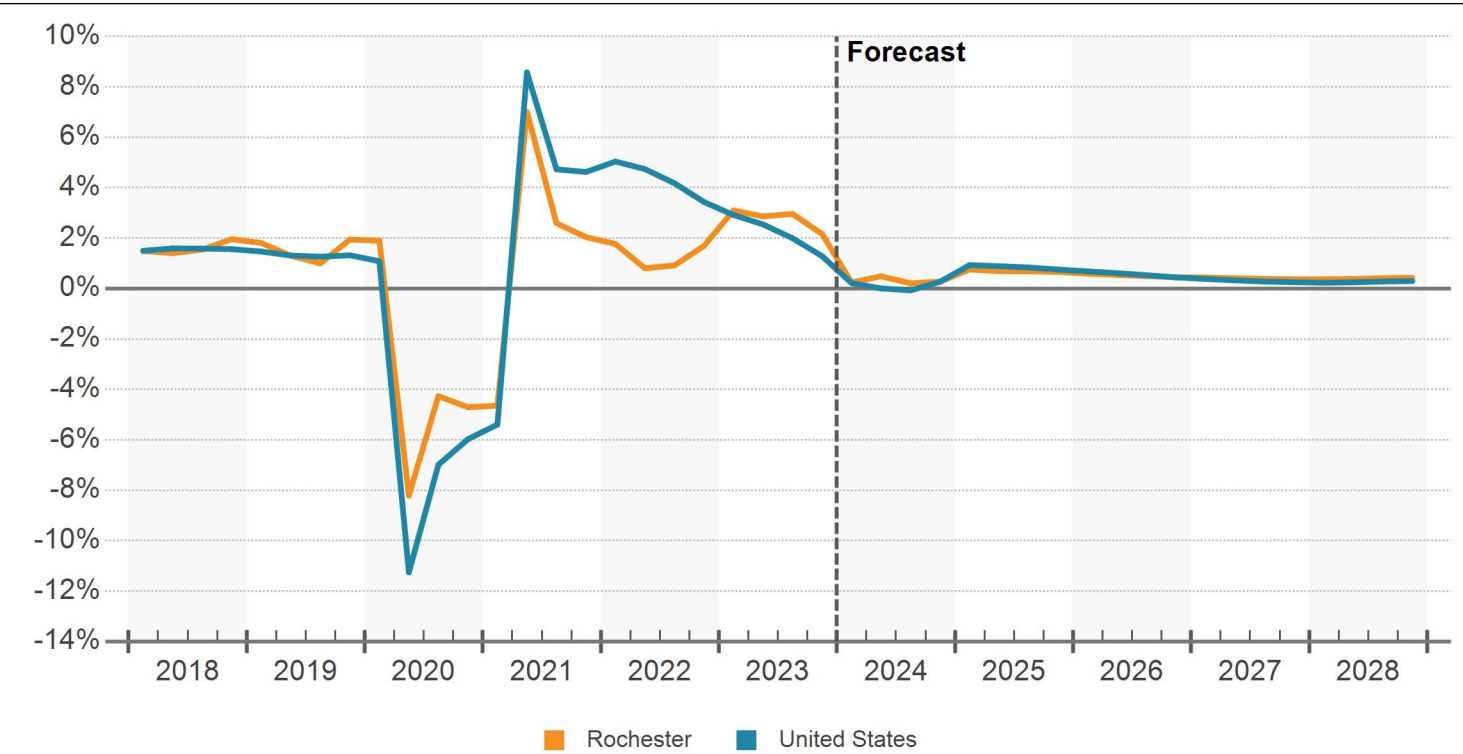
Overall, Rochester has a well-rounded economy that combines healthcare, education, research, manufacturing, and a robust service sector. The presence of the Mayo Clinic and related healthcare businesses sets the city apart, making it a global healthcare destination. With a commitment to innovation and strategic investments in key sectors, Rochester's economy is poised for continued growth and prosperity.

ROCHESTER EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	10	1.0	0.75%	-0.11%	-0.89%	0.70%	-0.21%	0.09%
Trade, Transportation and Utilities	18	0.8	3.72%	0.11%	-0.05%	1.05%	-0.09%	0.15%
Retail Trade	13	1.0	6.44%	0.41%	0.24%	0.23%	-0.04%	0.10%
Financial Activities	3	0.4	-3.49%	0.49%	0.14%	1.45%	-0.04%	0.16%
Government	13	0.7	1.63%	1.45%	0.67%	0.37%	0.70%	0.41%
Natural Resources, Mining and Construction	5	0.8	0.54%	1.32%	3.00%	2.32%	0.44%	0.29%
Education and Health Services	55	2.7	2.97%	2.91%	2.04%	1.87%	0.72%	0.67%
Professional and Business Services	6	0.3	-4.10%	0.66%	1.05%	2.00%	-0.35%	0.52%
Information	1	0.4	-3.65%	-2.69%	-5.49%	1.09%	-0.32%	0.34%
Leisure and Hospitality	11	0.8	1.83%	2.83%	1.08%	1.48%	0.81%	0.83%
Other Services	4	0.8	4.17%	1.57%	0.37%	0.63%	0.39%	0.28%
Total Employment	126	1.0	1.99%	1.19%	1.03%	1.30%	0.44%	0.41%

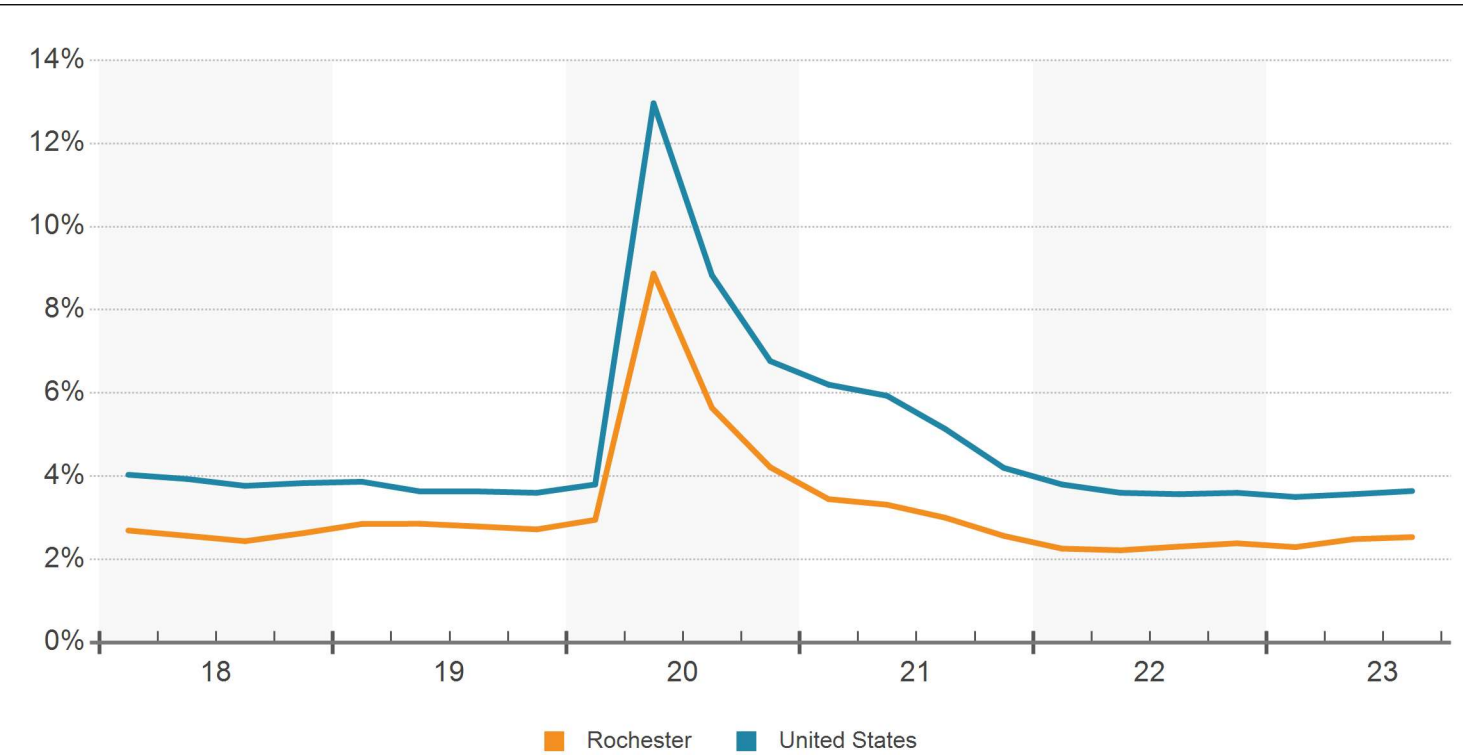
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

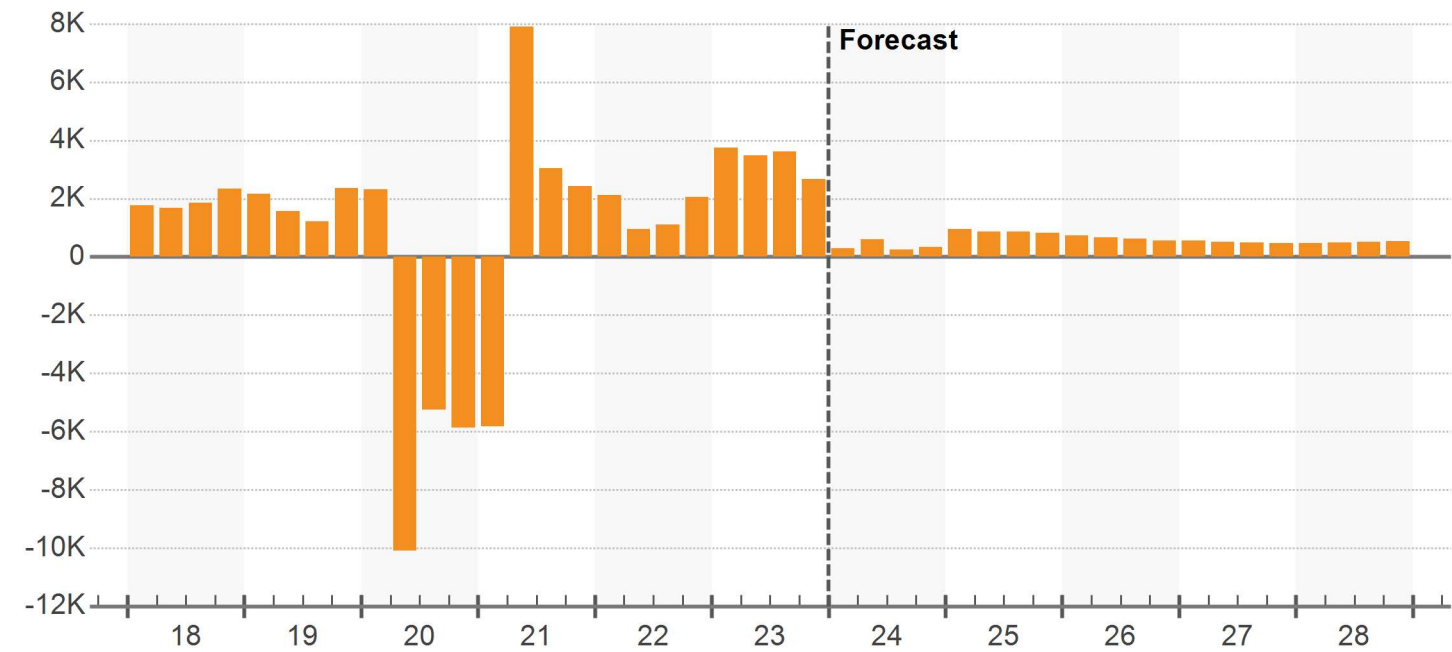


Source: Oxford Economics

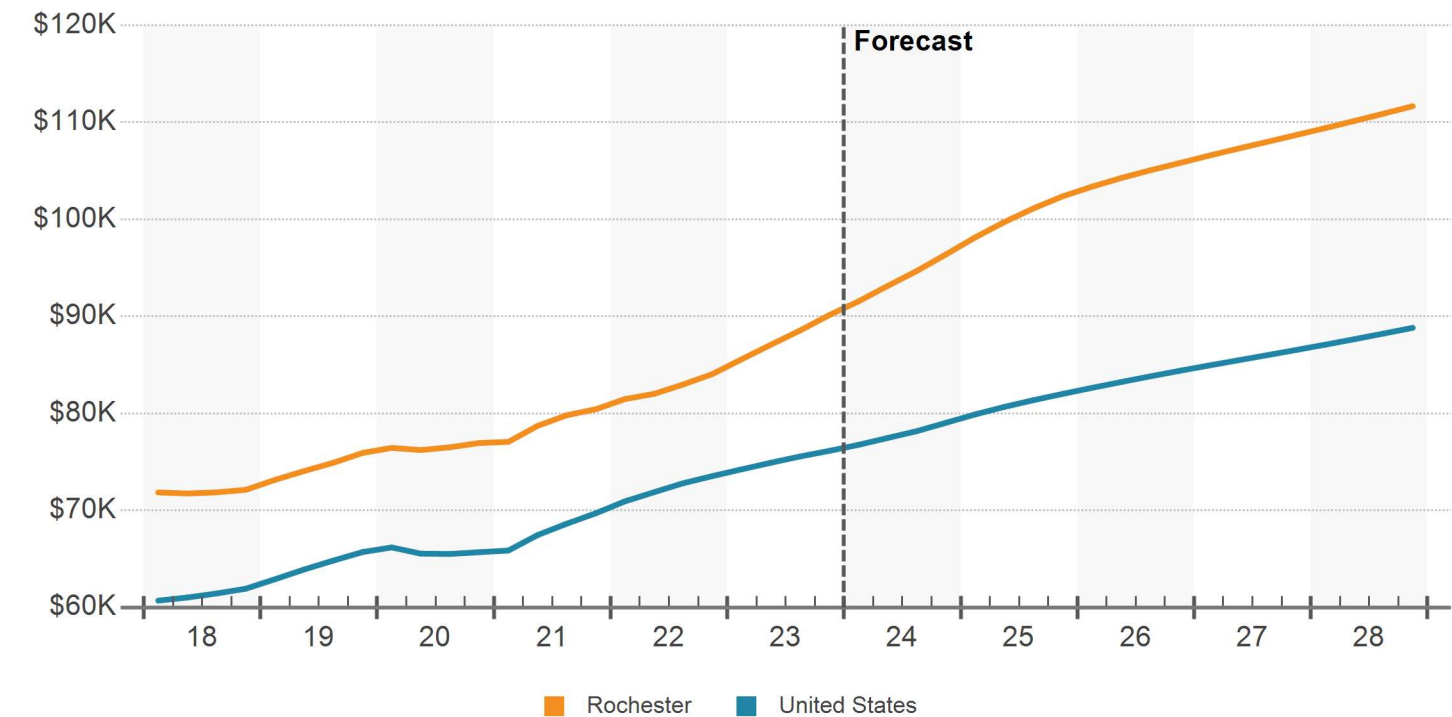
UNEMPLOYMENT RATE (%)



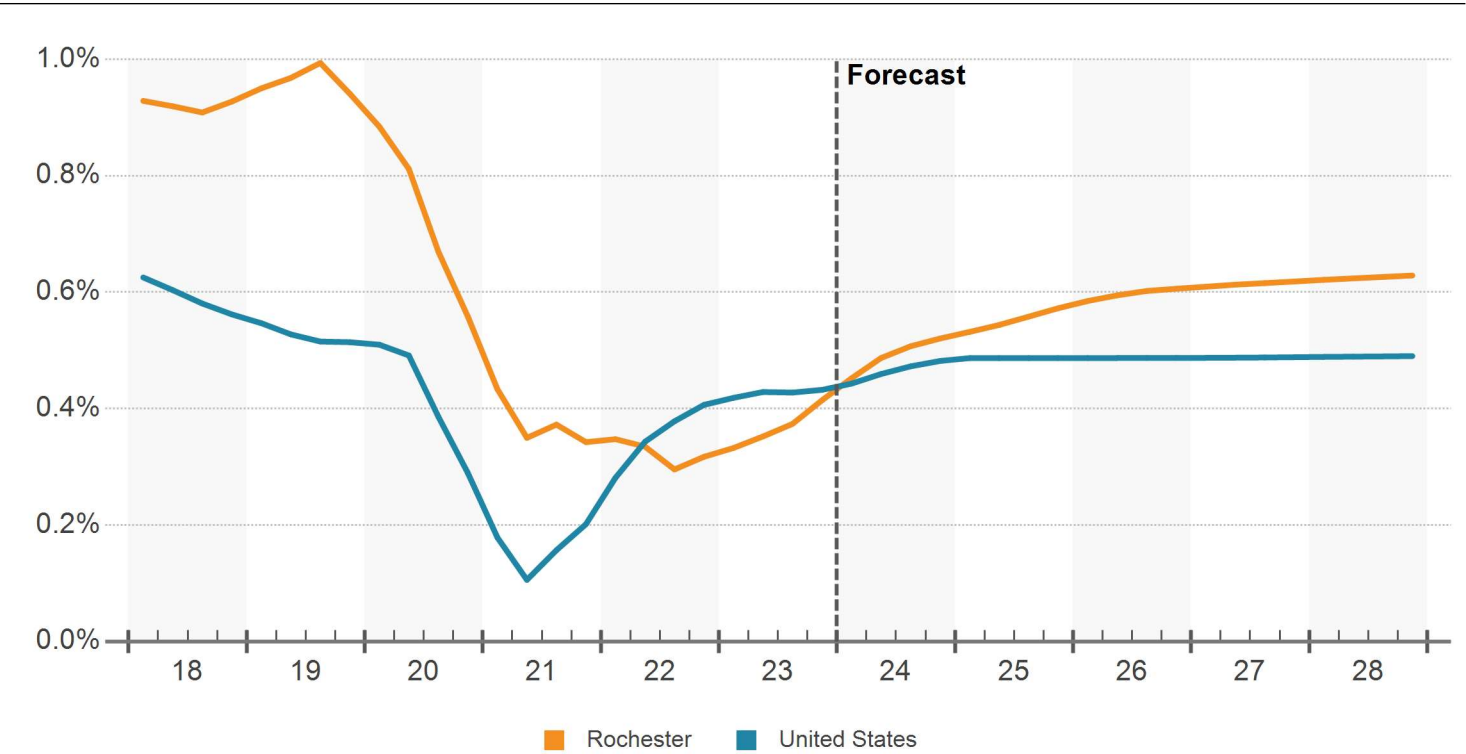
NET EMPLOYMENT CHANGE (YOY)



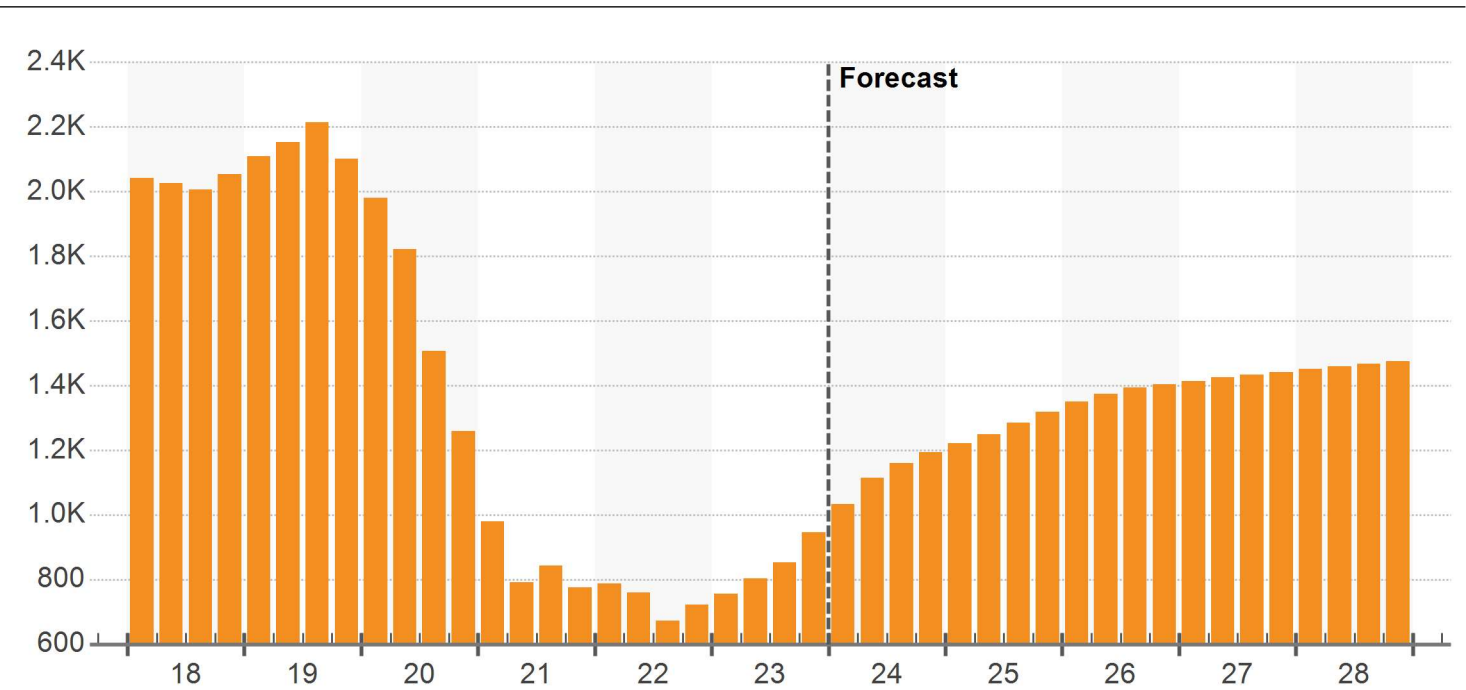
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

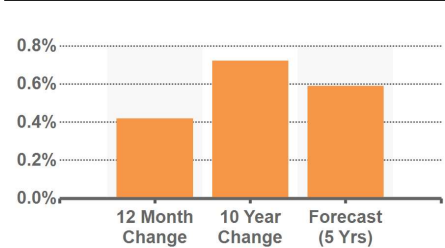


DEMOGRAPHIC TRENDS

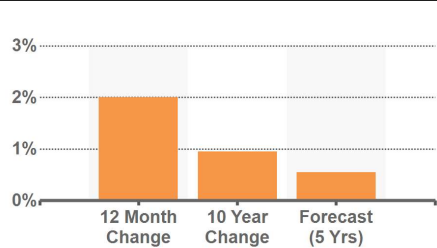
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	229,238	335,138,125	0.4%	0.4%	0.7%	0.5%	0.6%	0.5%
Households	93,491	130,848,617	0.6%	0.6%	1.2%	0.9%	0.7%	0.6%
Median Household Income	\$90,258	\$76,199	7.2%	3.5%	3.7%	3.8%	4.4%	3.1%
Labor Force	129,536	167,591,625	2.0%	1.7%	0.9%	0.8%	0.5%	0.2%
Unemployment	2.5%	3.6%	0.2%	0.1%	-0.2%	-0.3%	-	-

Source: Oxford Economics

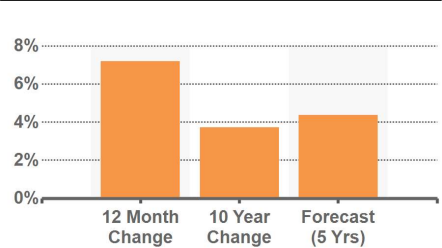
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	7,328,468	12,105	0.2%	3,773	0.1%	3.2
2027	7,316,363	10,772	0.1%	523	0%	20.6
2026	7,305,591	6,754	0.1%	(4,235)	-0.1%	-
2025	7,298,837	88	0%	5,769	0.1%	0
2024	7,298,749	187,703	2.6%	220,461	3.0%	0.9
YTD	7,111,046	0	0%	(4,477)	-0.1%	-
2023	7,111,046	(14,949)	-0.2%	72,077	1.0%	-
2022	7,125,995	121,000	1.7%	(96,786)	-1.4%	-
2021	7,004,995	0	0%	(35,170)	-0.5%	-
2020	7,004,995	13,874	0.2%	16,273	0.2%	0.9
2019	6,991,121	124,237	1.8%	142,075	2.0%	0.9
2018	6,866,884	47,589	0.7%	(5,130)	-0.1%	-
2017	6,819,295	52,473	0.8%	(17,527)	-0.3%	-
2016	6,766,822	0	0%	527,395	7.8%	0
2015	6,766,822	18,996	0.3%	25,648	0.4%	0.7
2014	6,747,826	0	0%	(210,052)	-3.1%	-
2013	6,747,826	46,377	0.7%	8,695	0.1%	5.3
2012	6,701,449	62,000	0.9%	59,710	0.9%	1.0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	2,508,056	21,303	0.9%	18,620	0.7%	1.1
2027	2,486,753	19,943	0.8%	15,982	0.6%	1.2
2026	2,466,810	15,949	0.7%	11,586	0.5%	1.4
2025	2,450,861	9,247	0.4%	14,069	0.6%	0.7
2024	2,441,614	196,732	8.8%	245,477	10.1%	0.8
YTD	2,244,882	0	0%	(5,198)	-0.2%	-
2023	2,244,882	(14,949)	-0.7%	27,965	1.2%	-
2022	2,259,831	121,000	5.7%	27,640	1.2%	4.4
2021	2,138,831	0	0%	(7,077)	-0.3%	-
2020	2,138,831	5,870	0.3%	1,966	0.1%	3.0
2019	2,132,961	90,000	4.4%	80,571	3.8%	1.1
2018	2,042,961	0	0%	7,308	0.4%	0
2017	2,042,961	25,133	1.2%	9,022	0.4%	2.8
2016	2,017,828	0	0%	1,637	0.1%	0
2015	2,017,828	0	0%	4,935	0.2%	0
2014	2,017,828	0	0%	4,079	0.2%	0
2013	2,017,828	0	0%	-	-	-
2012	2,017,828	0	0%	(14,071)	-0.7%	-

Supply & Demand Trends

Rochester Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	2,472,165	2	0%	(4,346)	-0.2%	-
2027	2,472,163	(4)	0%	(4,833)	-0.2%	-
2026	2,472,167	(5)	0%	(5,100)	-0.2%	-
2025	2,472,172	(17)	0%	(4,003)	-0.2%	-
2024	2,472,189	(18)	0%	(4,170)	-0.2%	-
YTD	2,472,207	0	0%	3,785	0.2%	0
2023	2,472,207	0	0%	(6,106)	-0.2%	-
2022	2,472,207	0	0%	(84,616)	-3.4%	-
2021	2,472,207	0	0%	(29,162)	-1.2%	-
2020	2,472,207	8,004	0.3%	28,162	1.1%	0.3
2019	2,464,203	32,001	1.3%	58,934	2.4%	0.5
2018	2,432,202	40,709	1.7%	(10,874)	-0.4%	-
2017	2,391,493	18,100	0.8%	(39,658)	-1.7%	-
2016	2,373,393	0	0%	89,266	3.8%	0
2015	2,373,393	18,000	0.8%	13,909	0.6%	1.3
2014	2,355,393	0	0%	(35,884)	-1.5%	-
2013	2,355,393	45,464	2.0%	32,185	1.4%	1.4
2012	2,309,929	62,000	2.8%	92,556	4.0%	0.7

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	2,348,247	(9,200)	-0.4%	(10,501)	-0.4%	-
2027	2,357,447	(9,167)	-0.4%	(10,626)	-0.5%	-
2026	2,366,614	(9,190)	-0.4%	(10,721)	-0.5%	-
2025	2,375,804	(9,142)	-0.4%	(4,297)	-0.2%	-
2024	2,384,946	(9,011)	-0.4%	(20,846)	-0.9%	-
YTD	2,393,957	0	0%	(3,064)	-0.1%	-
2023	2,393,957	0	0%	50,218	2.1%	0
2022	2,393,957	0	0%	(39,810)	-1.7%	-
2021	2,393,957	0	0%	1,069	0%	0
2020	2,393,957	0	0%	(13,855)	-0.6%	-
2019	2,393,957	2,236	0.1%	2,570	0.1%	0.9
2018	2,391,721	6,880	0.3%	(1,564)	-0.1%	-
2017	2,384,841	9,240	0.4%	13,109	0.5%	0.7
2016	2,375,601	0	0%	436,492	18.4%	0
2015	2,375,601	996	0%	6,804	0.3%	0.1
2014	2,374,605	0	0%	(178,247)	-7.5%	-
2013	2,374,605	913	0%	(23,490)	-1.0%	-
2012	2,373,692	0	0%	(18,775)	-0.8%	-



OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$25.75	114	-0.6%	-3.2%	356,055	4.9%	0.1%
2027	\$25.92	115	-0.5%	-2.6%	347,343	4.7%	0.1%
2026	\$26.05	116	-0.4%	-2.1%	336,724	4.6%	0.2%
2025	\$26.15	116	-0.4%	-1.7%	325,346	4.5%	-0.1%
2024	\$26.24	117	-1.3%	-1.3%	330,700	4.5%	-0.6%
YTD	\$26.59	118	2.1%	0%	367,579	5.2%	0.1%
2023	\$26.60	118	2.2%	0%	363,102	5.1%	-1.2%
2022	\$26.03	116	3.7%	-2.1%	450,128	6.3%	3.0%
2021	\$25.11	112	1.2%	-5.6%	232,342	3.3%	0.5%
2020	\$24.82	110	2.2%	-6.7%	197,172	2.8%	0%
2019	\$24.30	108	1.2%	-8.7%	199,571	2.9%	-0.3%
2018	\$24	107	1.4%	-9.8%	217,409	3.2%	0.8%
2017	\$23.68	105	2.5%	-11.0%	164,690	2.4%	1.0%
2016	\$23.10	103	3.8%	-13.2%	94,850	1.4%	-7.8%
2015	\$22.26	99	4.4%	-16.3%	622,245	9.2%	-0.1%
2014	\$21.32	95	0.9%	-19.8%	628,897	9.3%	3.1%
2013	\$21.14	94	2.5%	-20.5%	418,845	6.2%	0.5%
2012	\$20.62	92	0.9%	-22.5%	381,163	5.7%	0%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$34.42	113	-0.6%	-2.7%	59,308	2.4%	0.1%
2027	\$34.62	114	-0.4%	-2.2%	56,649	2.3%	0.1%
2026	\$34.77	114	-0.3%	-1.8%	52,711	2.1%	0.2%
2025	\$34.87	114	-0.2%	-1.5%	48,375	2.0%	-0.2%
2024	\$34.95	115	-1.2%	-1.2%	53,222	2.2%	-2.4%
YTD	\$35.39	116	1.9%	0%	107,172	4.8%	0.2%
2023	\$35.39	116	2.0%	0%	101,974	4.5%	-1.9%
2022	\$34.68	114	2.8%	-2.0%	144,888	6.4%	4.0%
2021	\$33.74	111	-0.3%	-4.7%	51,528	2.4%	0.3%
2020	\$33.83	111	2.5%	-4.4%	44,451	2.1%	0.2%
2019	\$33	108	2.8%	-6.7%	40,547	1.9%	0.4%
2018	\$32.10	105	0.9%	-9.3%	31,118	1.5%	-0.4%
2017	\$31.81	104	1.9%	-10.1%	38,426	1.9%	0.8%
2016	\$31.21	102	2.3%	-11.8%	22,315	1.1%	-0.1%
2015	\$30.51	100	5.3%	-13.8%	23,952	1.2%	-0.2%
2014	\$28.98	95	-0.2%	-18.1%	28,887	1.4%	-0.2%
2013	\$29.03	95	4.1%	-18.0%	32,966	1.6%	0%
2012	\$27.89	92	3.1%	-21.2%	32,966	1.6%	0.7%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$22.50	118	-0.7%	-3.5%	249,286	10.1%	0.2%
2027	\$22.65	119	-0.6%	-2.8%	244,946	9.9%	0.2%
2026	\$22.78	119	-0.4%	-2.3%	240,120	9.7%	0.2%
2025	\$22.88	120	-0.4%	-1.8%	235,032	9.5%	0.2%
2024	\$22.98	120	-1.4%	-1.4%	231,040	9.3%	0.2%
YTD	\$23.31	122	1.6%	0%	223,093	9.0%	-0.2%
2023	\$23.31	122	1.7%	0%	226,878	9.2%	0.2%
2022	\$22.92	120	2.8%	-1.7%	220,772	8.9%	3.4%
2021	\$22.29	117	1.2%	-4.4%	136,156	5.5%	1.2%
2020	\$22.03	115	2.1%	-5.5%	106,994	4.3%	-0.8%
2019	\$21.59	113	1.6%	-7.4%	127,152	5.2%	-1.2%
2018	\$21.24	111	2.8%	-8.9%	154,085	6.3%	2.0%
2017	\$20.67	108	2.5%	-11.3%	102,502	4.3%	2.4%
2016	\$20.16	106	6.3%	-13.5%	44,904	1.9%	-3.8%
2015	\$18.97	99	4.6%	-18.7%	134,170	5.7%	0.1%
2014	\$18.13	95	1.6%	-22.2%	130,079	5.5%	1.5%
2013	\$17.85	93	1.0%	-23.4%	94,195	4.0%	0.5%
2012	\$17.67	92	-2.2%	-24.2%	80,916	3.5%	-1.5%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$20.26	113	-0.7%	-3.6%	47,461	2.0%	0.1%
2027	\$20.41	114	-0.6%	-2.9%	45,748	1.9%	0.1%
2026	\$20.53	115	-0.5%	-2.4%	43,893	1.9%	0.1%
2025	\$20.63	115	-0.5%	-1.9%	41,939	1.8%	-0.2%
2024	\$20.73	116	-1.4%	-1.4%	46,438	1.9%	0.5%
YTD	\$21.01	118	2.8%	-0.1%	37,314	1.6%	0.1%
2023	\$21.02	118	3.0%	0%	34,250	1.4%	-2.1%
2022	\$20.42	114	6.2%	-2.9%	84,468	3.5%	1.7%
2021	\$19.24	108	3.9%	-8.5%	44,658	1.9%	0%
2020	\$18.52	104	1.7%	-11.9%	45,727	1.9%	0.6%
2019	\$18.22	102	-2.0%	-13.4%	31,872	1.3%	0%
2018	\$18.58	104	0.5%	-11.6%	32,206	1.3%	0.4%
2017	\$18.49	103	3.5%	-12.0%	23,762	1.0%	-0.2%
2016	\$17.87	100	3.7%	-15.0%	27,631	1.2%	-18.4%
2015	\$17.24	96	2.5%	-18.0%	464,123	19.5%	-0.3%
2014	\$16.81	94	2.0%	-20.0%	469,931	19.8%	7.5%
2013	\$16.49	92	1.4%	-21.6%	291,684	12.3%	1.0%
2012	\$16.26	91	0.8%	-22.7%	267,281	11.3%	0.8%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$148.11	142	9.5%
2027	-	-	-	-	-	-	\$143.91	138	9.8%
2026	-	-	-	-	-	-	\$139.83	134	10.2%
2025	-	-	-	-	-	-	\$136.52	130	10.5%
2024	-	-	-	-	-	-	\$134.02	128	10.7%
YTD	3	\$1.1M	0.1%	\$1,100,000	\$174.96	-	\$152.40	146	9.6%
2023	28	\$37M	3.2%	\$1,683,025	\$177.96	8.5%	\$151.82	145	9.6%
2022	25	\$25.4M	2.3%	\$1,334,706	\$182.19	6.5%	\$154.24	147	9.3%
2021	36	\$39.2M	4.8%	\$1,189,380	\$119.05	5.5%	\$166.76	159	8.4%
2020	26	\$33.6M	3.5%	\$1,598,121	\$149.16	6.0%	\$159.73	153	8.6%
2019	16	\$20.4M	1.7%	\$1,357,007	\$171.02	7.1%	\$153.65	147	8.8%
2018	34	\$42.5M	5.3%	\$1,464,660	\$119.14	6.8%	\$152.12	145	8.5%
2017	23	\$14M	2.4%	\$877,225	\$116.78	7.3%	\$148.12	142	8.3%
2016	40	\$29.8M	9.9%	\$962,095	\$46.47	6.2%	\$150.55	144	7.9%
2015	14	\$55.1M	2.8%	\$3,933,736	\$293.08	8.0%	\$143.66	137	7.9%
2014	17	\$20.5M	2.0%	\$1,208,747	\$151.27	6.3%	\$136.71	131	8.0%
2013	11	\$5.2M	3.9%	\$582,433	\$27.55	-	\$128.01	122	8.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

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

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$188.70	137	9.3%
2027	-	-	-	-	-	-	\$183.23	133	9.6%
2026	-	-	-	-	-	-	\$177.89	129	9.9%
2025	-	-	-	-	-	-	\$173.53	126	10.2%
2024	-	-	-	-	-	-	\$170.16	124	10.5%
YTD	-	-	-	-	-	-	\$193.32	140	9.4%
2023	1	\$10.3M	1.8%	\$10,300,000	\$255.81	-	\$193.06	140	9.4%
2022	-	-	-	-	-	-	\$198.52	144	9.0%
2021	-	-	-	-	-	-	\$216.70	157	8.1%
2020	2	\$1.8M	0.5%	\$1,800,000	\$306.64	-	\$209.49	152	8.2%
2019	2	\$8.6M	1.8%	\$4,280,000	\$224.55	7.5%	\$201.56	146	8.4%
2018	1	\$14.9M	5.8%	\$14,925,000	\$126.01	-	\$199.30	145	8.2%
2017	-	-	-	-	-	-	\$191.95	139	8.0%
2016	-	-	-	-	-	-	\$194.62	141	7.6%
2015	-	-	-	-	-	-	\$190.42	138	7.6%
2014	1	\$1.1M	0.1%	\$1,100,000	\$431.37	-	\$180.87	131	7.6%
2013	-	-	-	-	-	-	\$167.03	121	7.9%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$133.08	144	9.5%
2027	-	-	-	-	-	-	\$129.33	140	9.9%
2026	-	-	-	-	-	-	\$125.68	136	10.2%
2025	-	-	-	-	-	-	\$122.75	133	10.5%
2024	-	-	-	-	-	-	\$120.56	130	10.8%
YTD	2	-	0.1%	-	-	-	\$137.13	148	9.6%
2023	16	\$17.2M	4.9%	\$1,436,750	\$151.52	8.5%	\$135.87	147	9.7%
2022	13	\$18.2M	4.0%	\$1,654,090	\$187.15	6.6%	\$136.76	148	9.4%
2021	18	\$15.5M	8.4%	\$968,064	\$75.40	5.5%	\$146.67	159	8.5%
2020	14	\$23.5M	5.9%	\$1,957,754	\$169.09	6.0%	\$139.52	151	8.7%
2019	8	\$8.9M	2.6%	\$1,116,875	\$137.24	6.7%	\$136.22	147	8.9%
2018	16	\$12M	5.0%	\$997,000	\$103.81	8.6%	\$136.03	147	8.6%
2017	11	\$9M	3.5%	\$1,001,667	\$110.64	7.4%	\$133.40	144	8.3%
2016	19	\$12M	5.5%	\$923,243	\$111.24	6.0%	\$135.70	147	7.9%
2015	9	\$52.4M	6.3%	\$5,824,456	\$352.27	7.5%	\$126.70	137	8.0%
2014	7	\$16.4M	3.8%	\$2,349,889	\$182.83	6.3%	\$120.09	130	8.0%
2013	4	\$4M	8.8%	\$2,012,500	\$29.77	-	\$114.89	124	8.2%

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

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$122.23	146	9.7%
2027	-	-	-	-	-	-	\$118.89	142	10.0%
2026	-	-	-	-	-	-	\$115.62	138	10.4%
2025	-	-	-	-	-	-	\$113.01	135	10.7%
2024	-	-	-	-	-	-	\$111.07	133	10.9%
YTD	1	\$1.1M	0.3%	\$1,100,000	\$174.96	-	\$126.33	151	9.8%
2023	11	\$9.5M	2.8%	\$1,053,949	\$175.63	-	\$126.25	151	9.8%
2022	12	\$7.2M	2.5%	\$895,555	\$170.71	6.2%	\$127.13	152	9.4%
2021	18	\$23.8M	5.3%	\$1,397,676	\$191.22	-	\$136.59	164	8.6%
2020	10	\$8.3M	3.6%	\$1,033,438	\$103.09	6.0%	\$129.86	156	8.8%
2019	6	\$2.9M	0.7%	\$572,020	\$181.04	-	\$122.81	147	9.1%
2018	17	\$15.6M	5.2%	\$974,134	\$126.90	6.2%	\$120.63	144	8.8%
2017	12	\$5M	3.4%	\$717,229	\$129.70	7.0%	\$118.62	142	8.6%
2016	21	\$17.8M	22.6%	\$990,155	\$33.38	6.4%	\$120.95	145	8.1%
2015	5	\$2.7M	1.6%	\$530,440	\$67.82	8.9%	\$113.51	136	8.2%
2014	9	\$3M	1.8%	\$333,275	\$69.23	-	\$108.86	130	8.2%
2013	7	\$1.2M	2.3%	\$173,843	\$22.11	-	\$101.78	122	8.5%

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