

U.S. Supply Chain Real Estate

Mid-Year 2022 Review

October 12, 2022

Ward Richmond, SIOR

Executive Vice President



Q2 2022 U.S. Industrial

Industrial Sector Demand Remains High



YTD Overall
Net Absorption

231.8

MSF

2.2% Lower
than Q2 2021



Warehouse/Distribution
Direct Asking Rents

\$7.30

PSF/YR NNN

12.5% Higher
than Q2 2021



Overall
Vacancy Rate

3.7%

121 bps Lower
than Q2 2021



Product
Under Construction

613.4

MSF

40.3% Higher
than Q2 2021

Top Markets

YTD Overall Net Absorption

23.8 MSF

Chicago

YTD New Supply

23.7 MSF

Dallas-Fort Worth

Product Under Construction

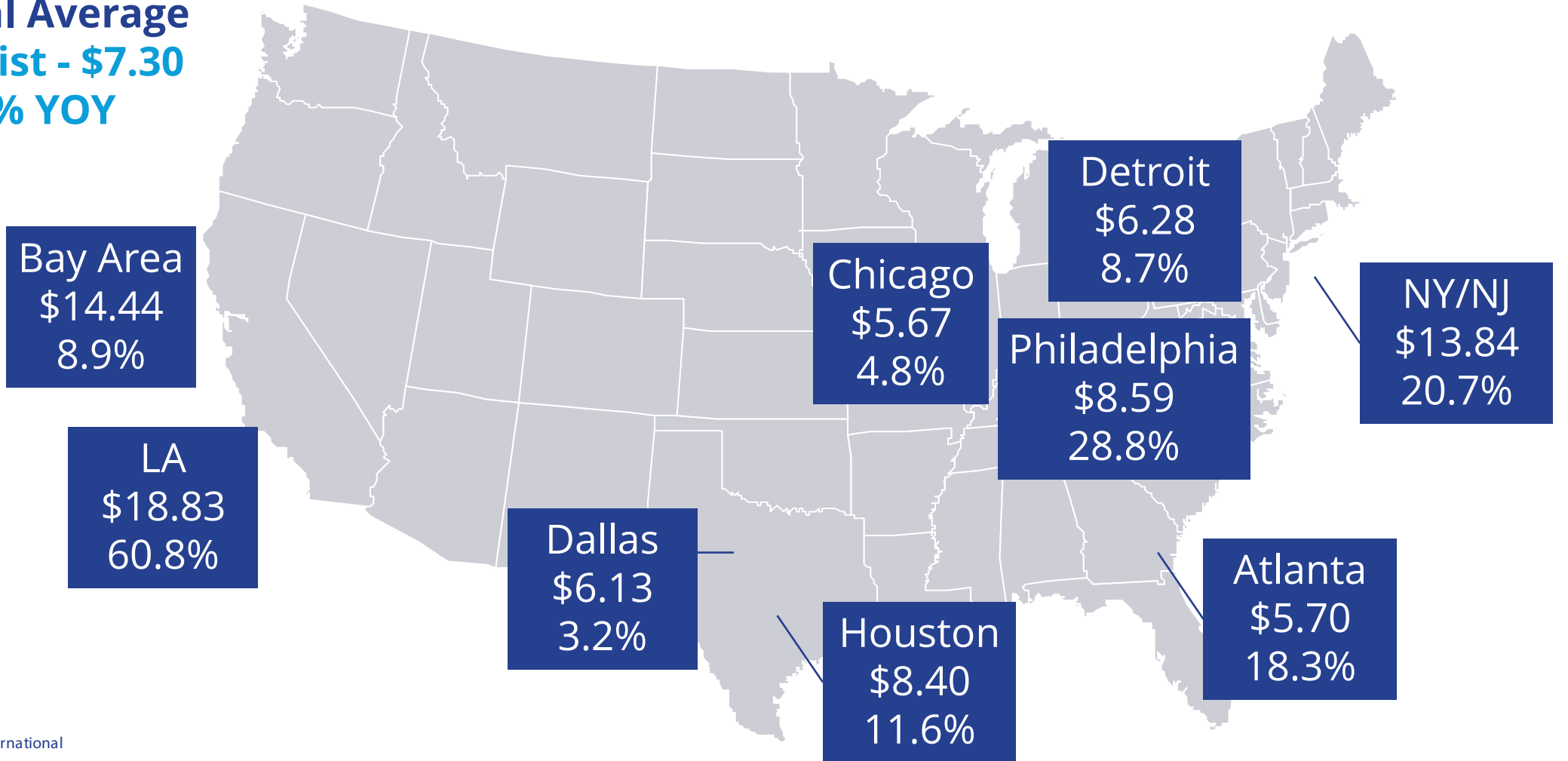
58.8 MSF

Dallas-Fort Worth

Q2 2022 U.S. Industrial

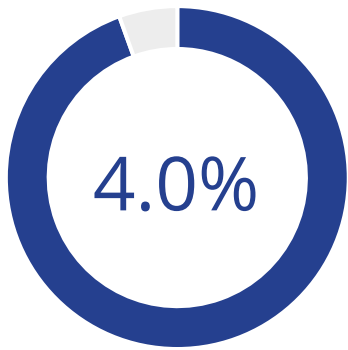
Warehouse Lease Rates are Climbing

National Average
Whse/Dist - \$7.30
Up 12.5% YOY

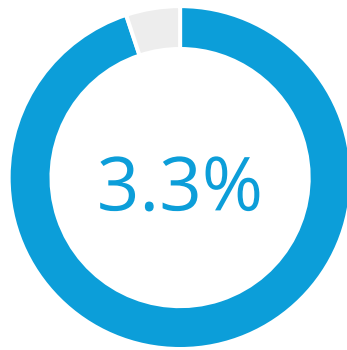


Q2 2022 U.S. Industrial

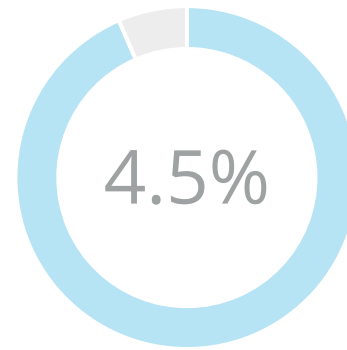
Regional Industrial Vacancy Rates



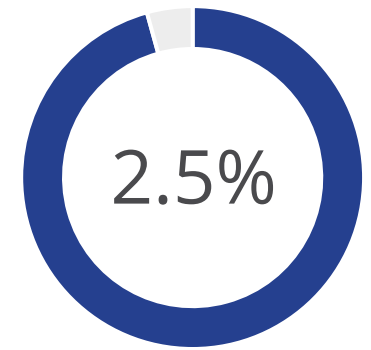
Midwest



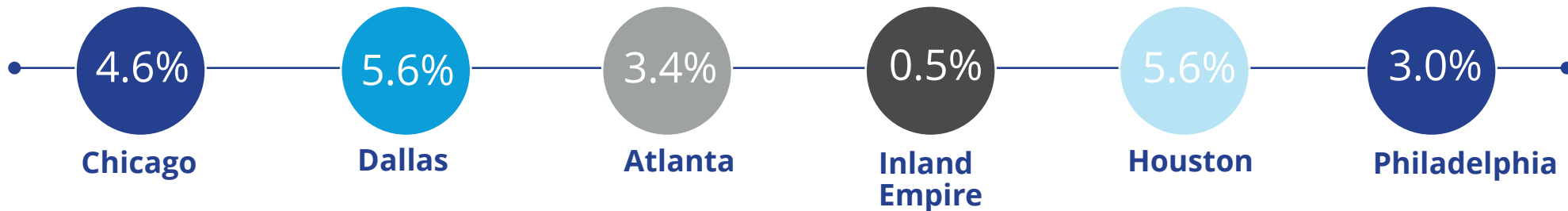
Northeast



South

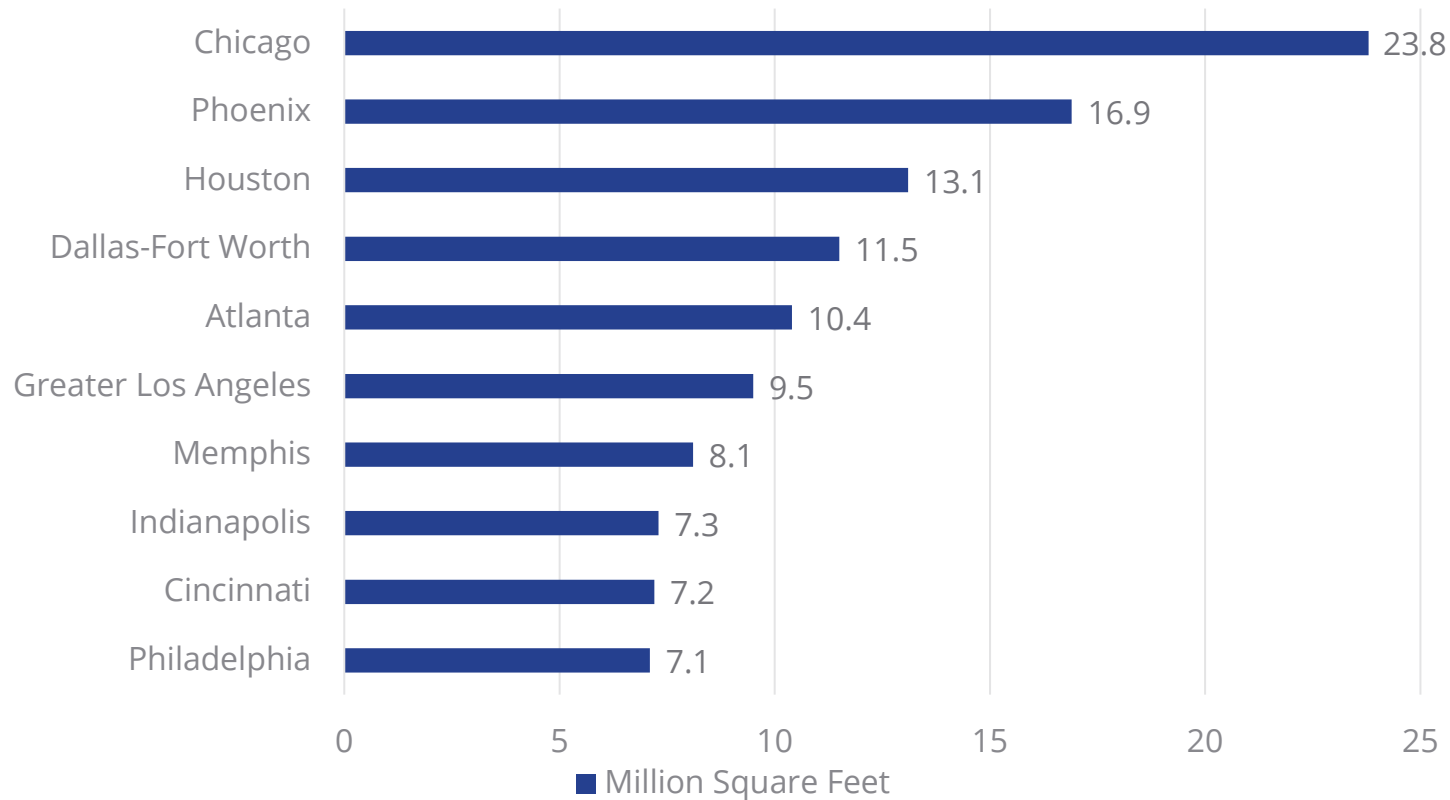


West

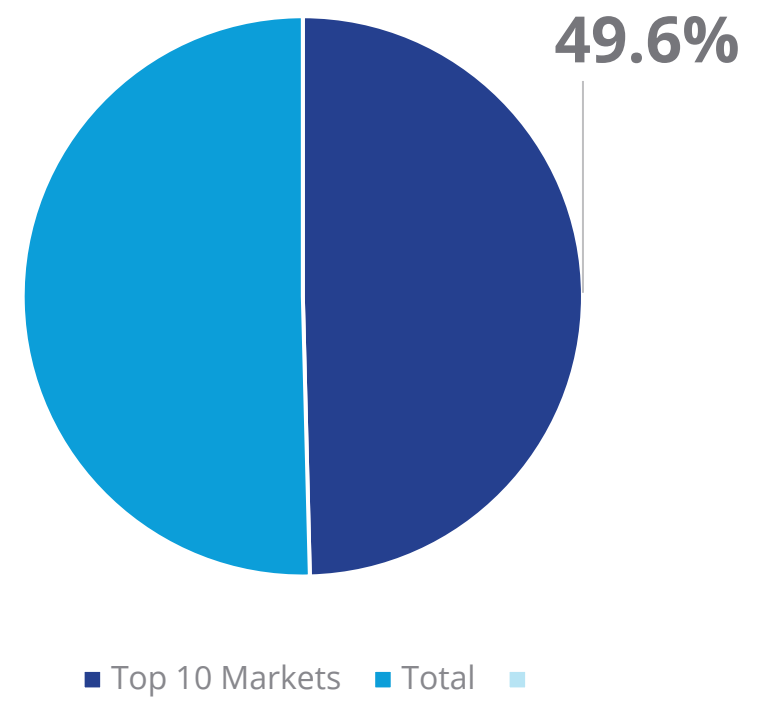


Q2 2022 U.S. Top 10 Rankings

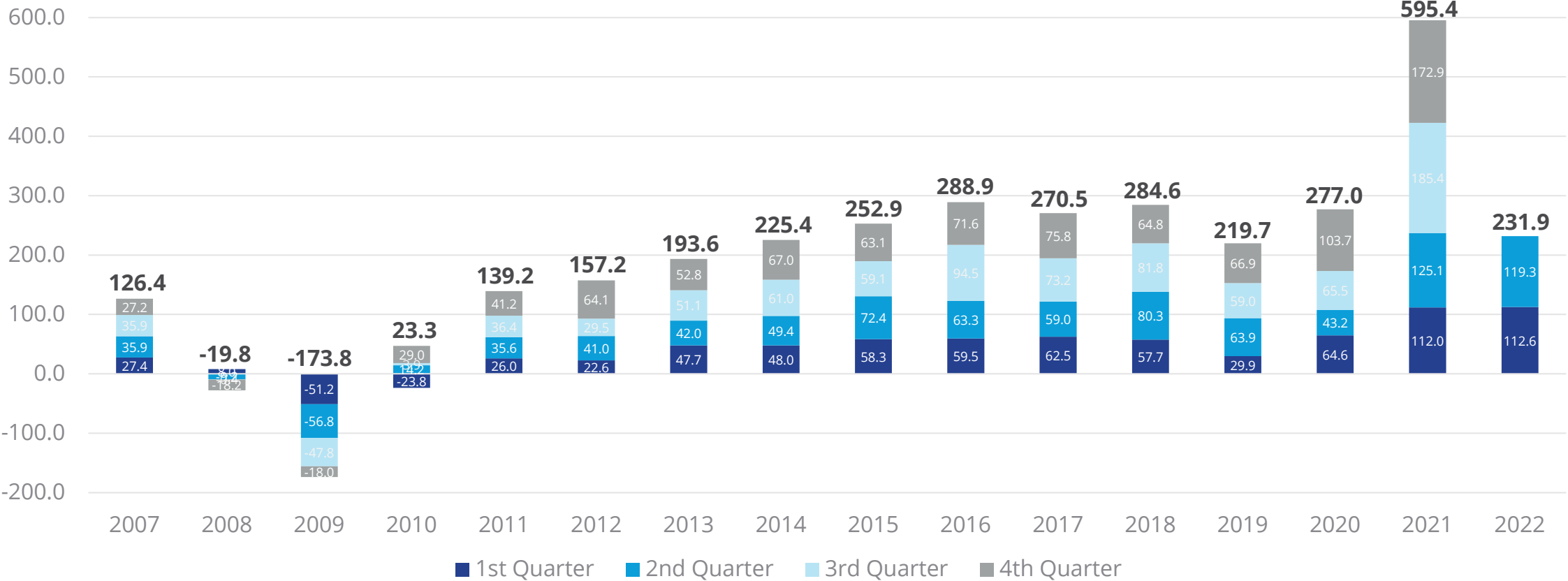
YTD Overall Net Absorption



% of Total Absorption

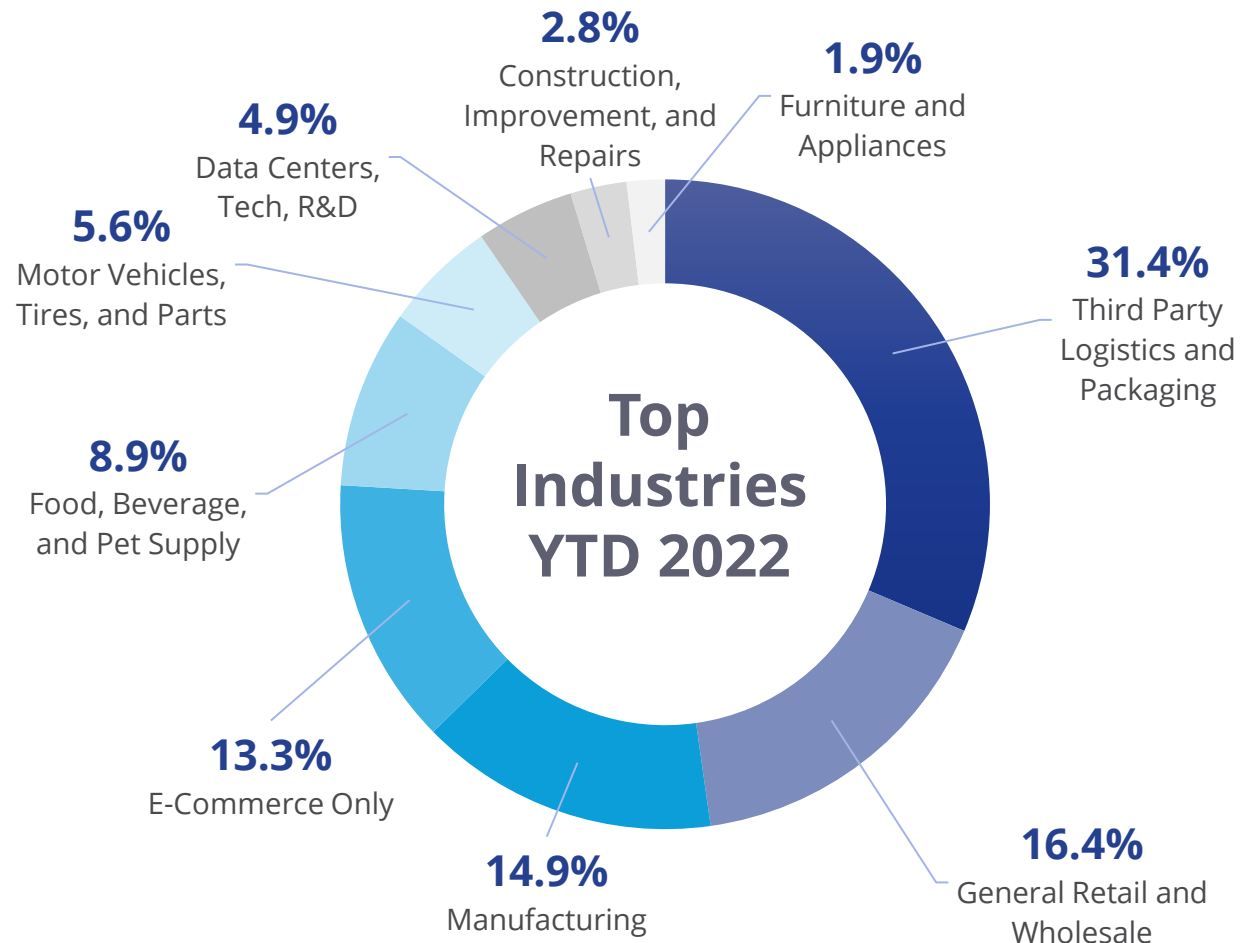


Q2 2022 U.S. Industrial Quarterly Occupancy Gains



Q2 2022 U.S. Industrial

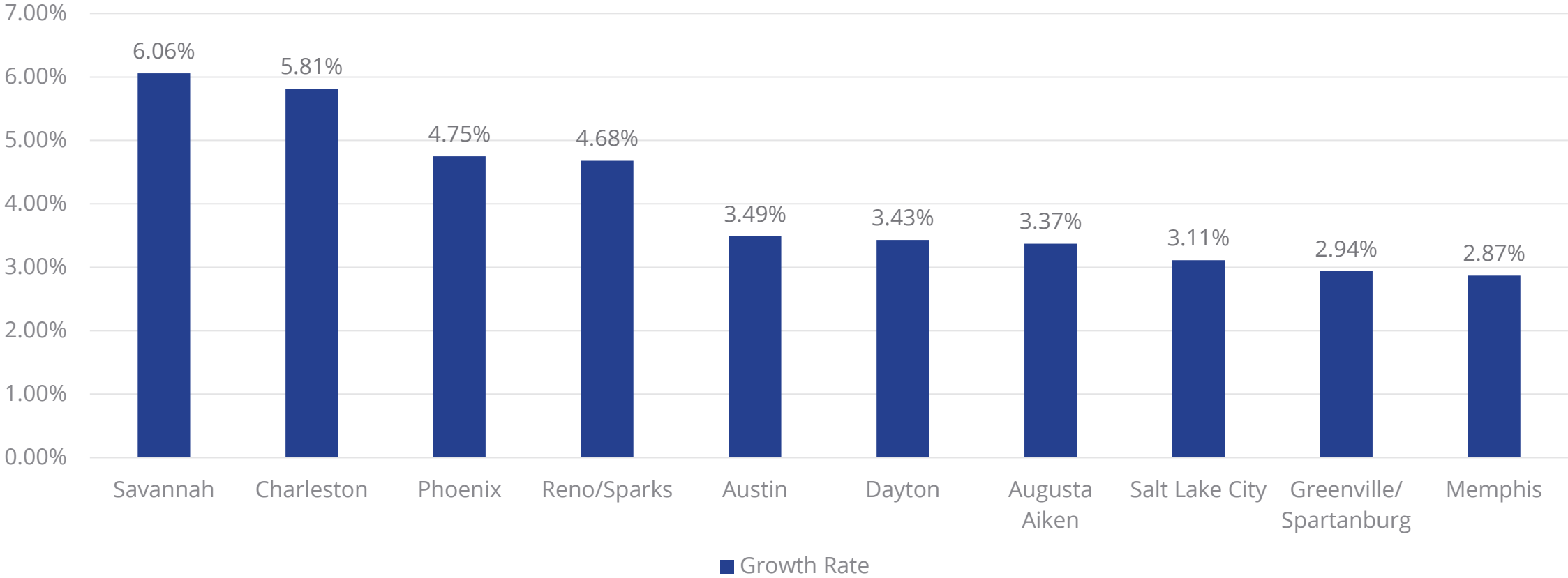
3PL Providers Take Higher Market Share



Top 10 Occupiers YTD 2022

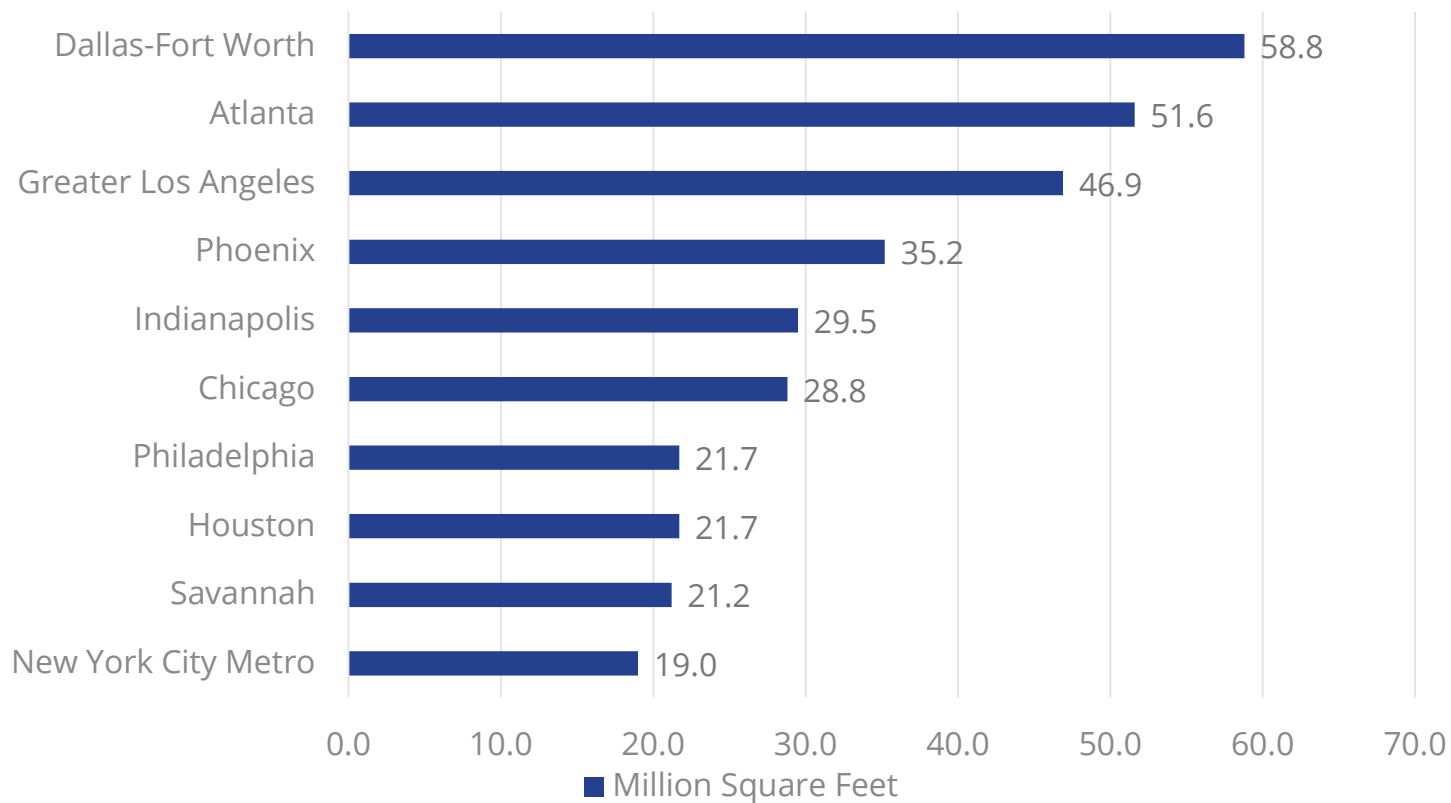
	Occupier	SF Occupied
1	Amazon	30,543,348
2	Walmart	8,081,868
3	Tesla	4,961,449
4	NFI Industries	4,027,741
5	Home Depot	3,570,163
6	FedEx	3,558,473
7	ULINE	3,323,441
8	UNIS	2,721,008
9	GXO Logistics	2,669,929
10	DHL Supply Chain	2,654,663

Q2 2022 U.S. Top 10 Rankings Growth Markets*

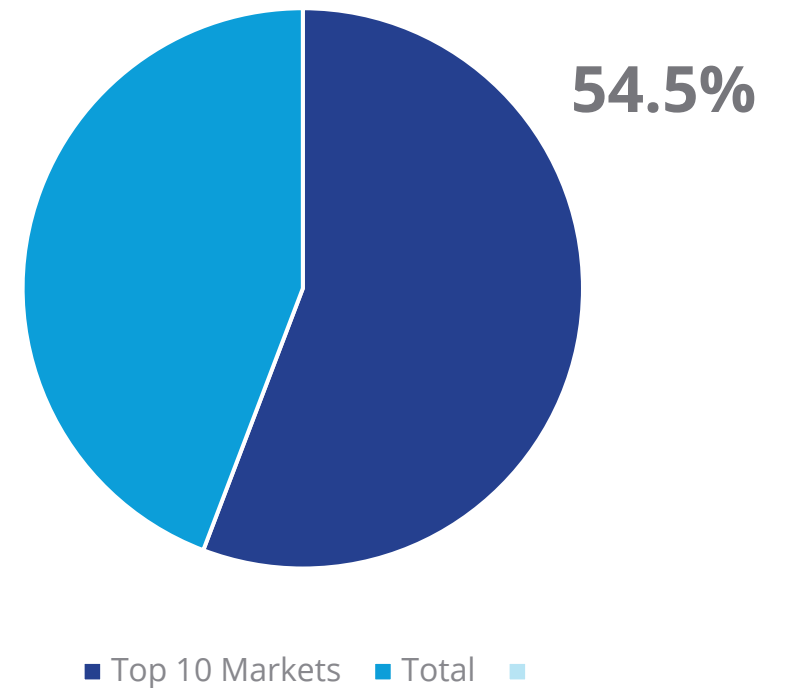


*Growth Rate = YTD Net Absorption as a % of existing inventory

Q2 2022 U.S. Top 10 Rankings Product Under Construction

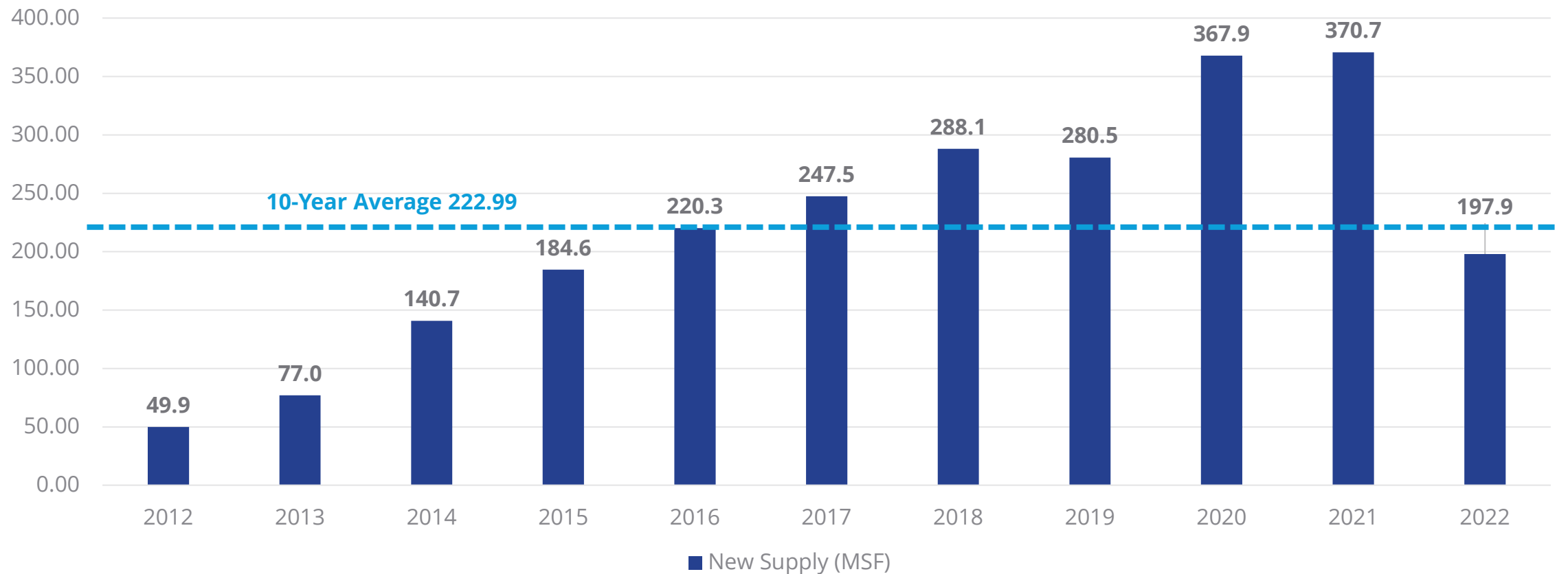


% of Total Construction

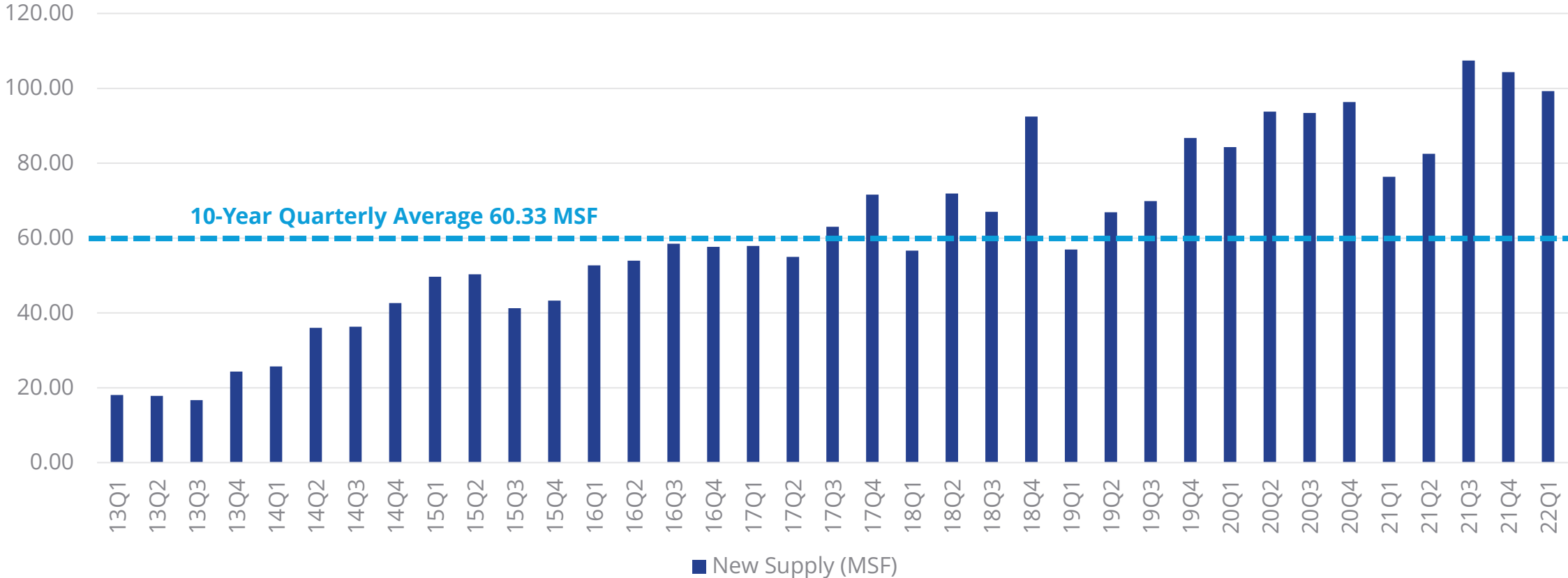


Q2 2022 U.S. Industrial Market

New Supply Increases 26% YOY



Q2 2022 U.S. Industrial Quarterly New Supply



What's Next?



Labor shortage



Supply-chain constraints



Land availability



Rising materials cost



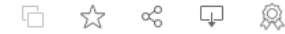
Interest rate hikes



Q2 2022 U.S. Industrial Data Analytics



Industrial Warehouse Labor Overview Colliers by Evan Stair



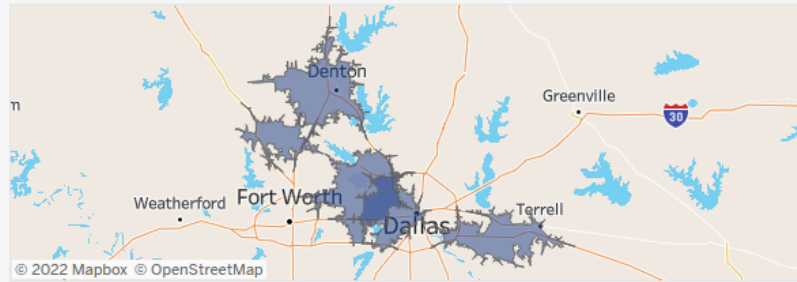
Warehouse Labor Overview

SELECT LOCATION

(All)

DRIVE TIME

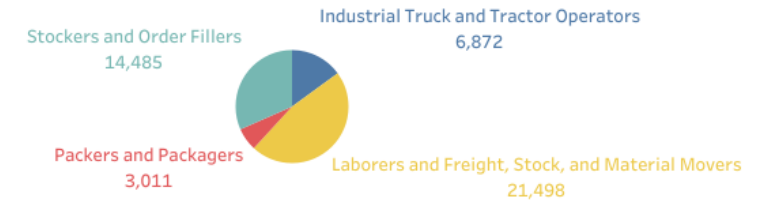
20



Total warehouse labor supply

45,865

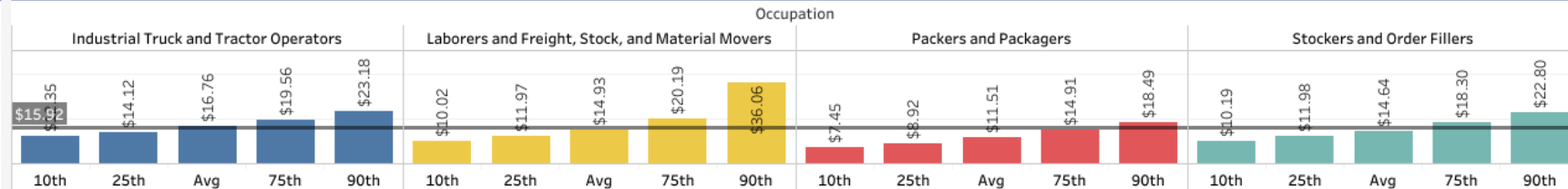
Warehouse labor supply by specific occupation



Key demographics

Total Population	1,640,319
Total Households	617,109
5 Year Projected Population Growth	54.24%
Median Household Income	\$352,377
Average Household Income	\$474,794
Civilian 16+, at Workplace	1,564,259
Civilian 16+, Unemployed	57,657

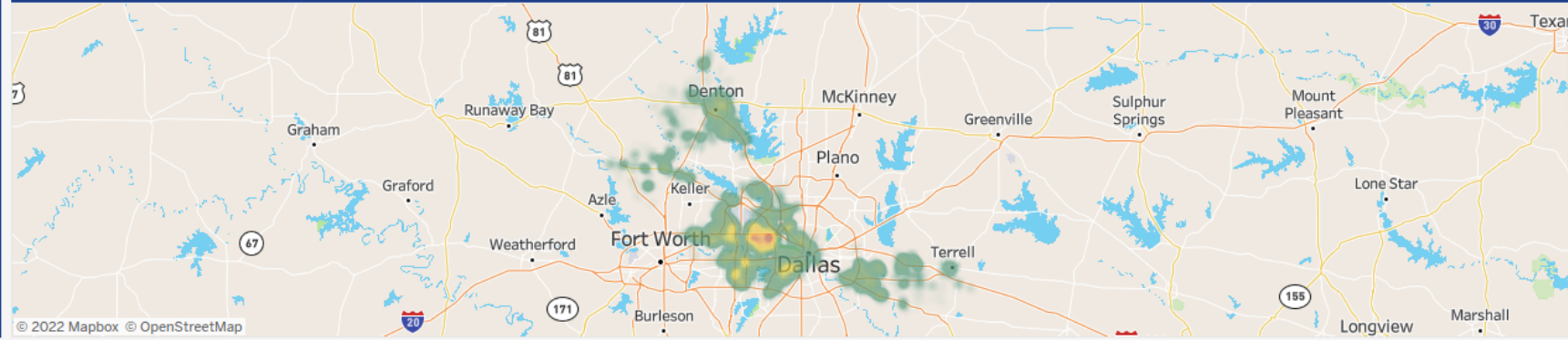
Hourly wages by specific occupation



Businesses in the area with more than (200 Employees)

Business Name	Count
Associates Corp North America	36,000
UT Southwestern Medical Center	18,000
Mongolian Concepts LLC	17,000
CCA Club Options Holdings LLC	14,312
Verizon Communications Inc	14,000
Southwest Airlines Co	13,370
Vrio Corp	12,600
Finance Amer Equity Capitl LLC	11,800
Thryv Holdings Inc	10,300
Dallas County Hospital Dst	10,049
Wand Topco Inc	10,016
Gooch Companies Incorporated	10,000
Country of Dallas	9,000

Where warehouse employees live in the highest concentration around address



Q2 2022 U.S. Industrial Keller Logistics Group



Under Construction:

1. Wilmer, TX: *332,509 SF*
2. Defiance, OH: *195,000 SF*
3. Napoleon, OH: *150,000 SF*
4. Defiance, OH: *70,000 SF*

Planned:

1. Findlay, OH: *210,000 SF*
2. Hicksville, OH: *200,000 SF*
3. Temple, TX: *TBD*

10 Total Buildings

6 Different Cities

± 1,157,509 Total Square Feet



Thank you!