

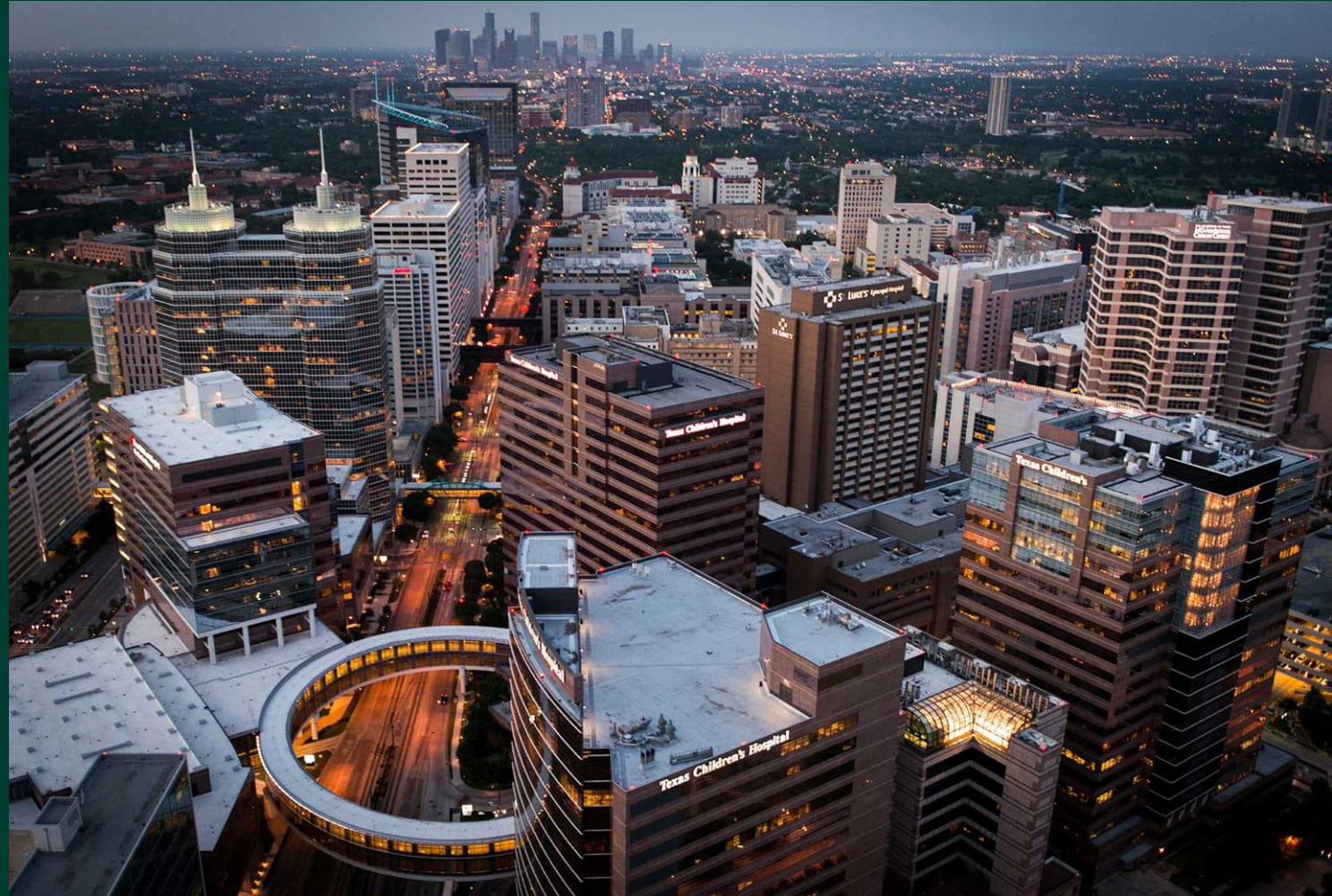
U.S. Real Estate Major Asset Types Overview/Update

for



Presented by:
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Associate Research
Director

April 9, 2024

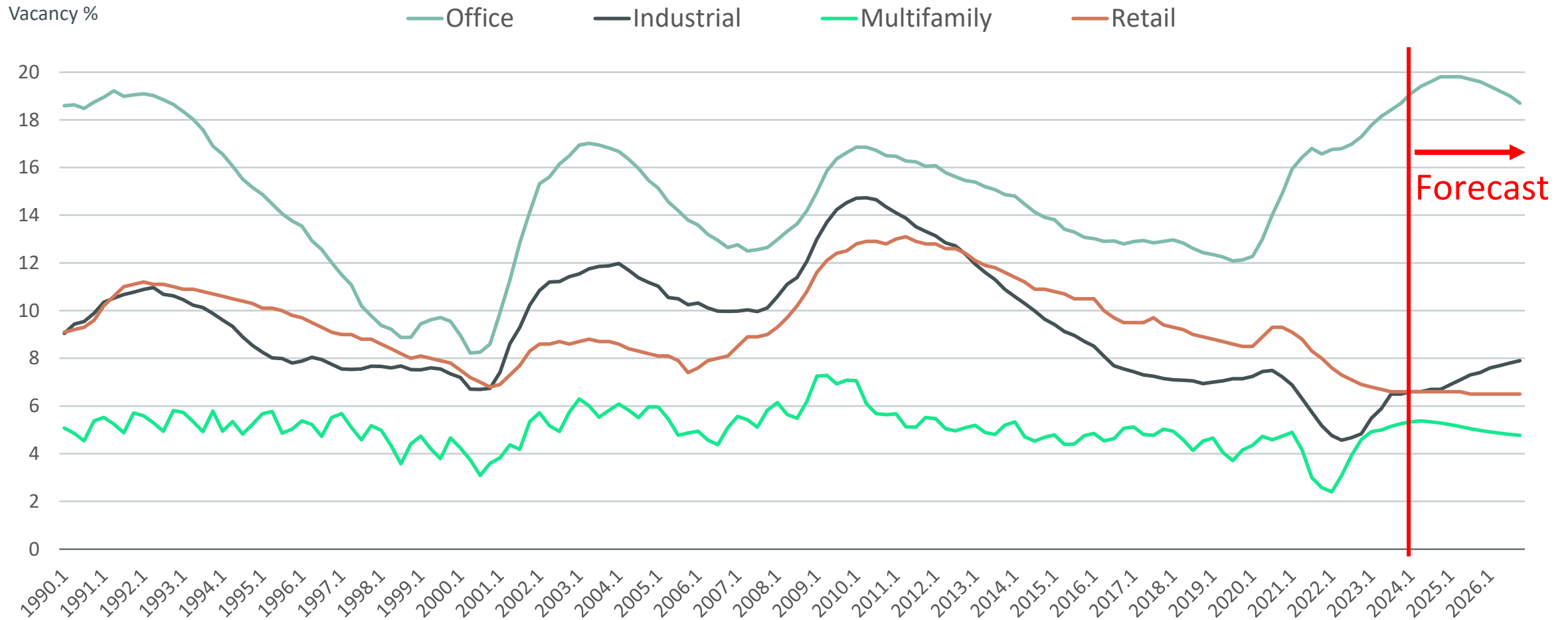




Real Estate-U.S.

Overall, U.S. CRE fundamentals look strong (aside from office)

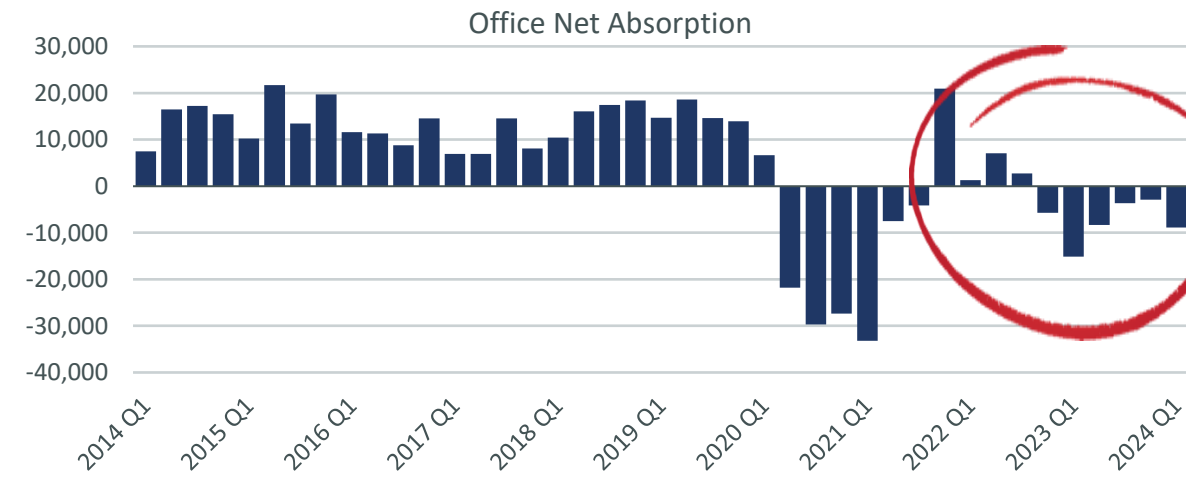
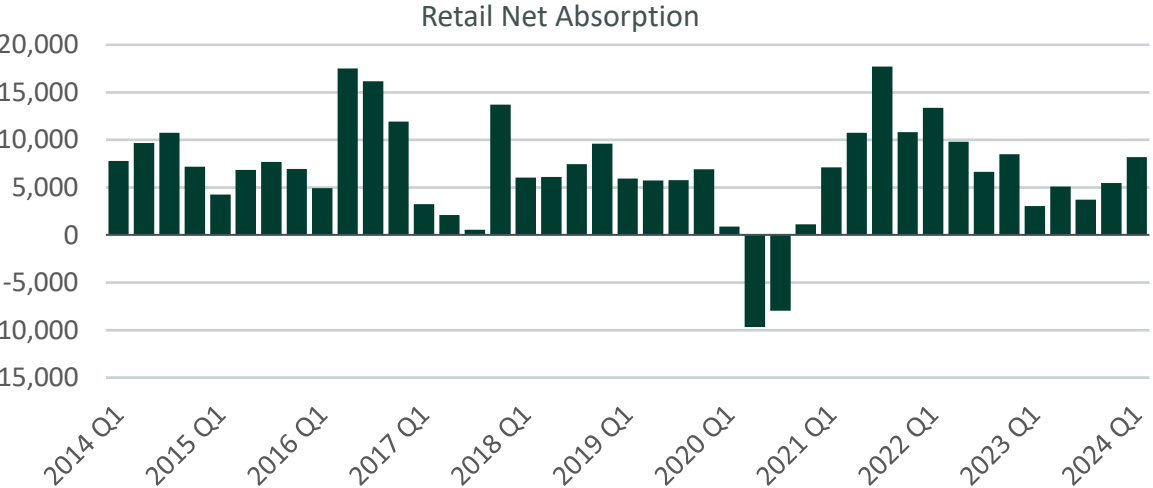
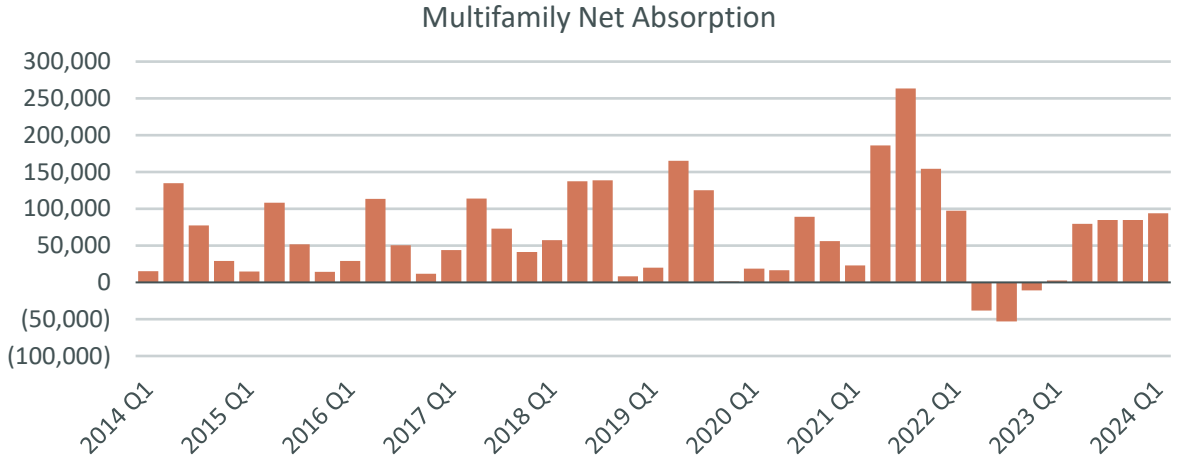
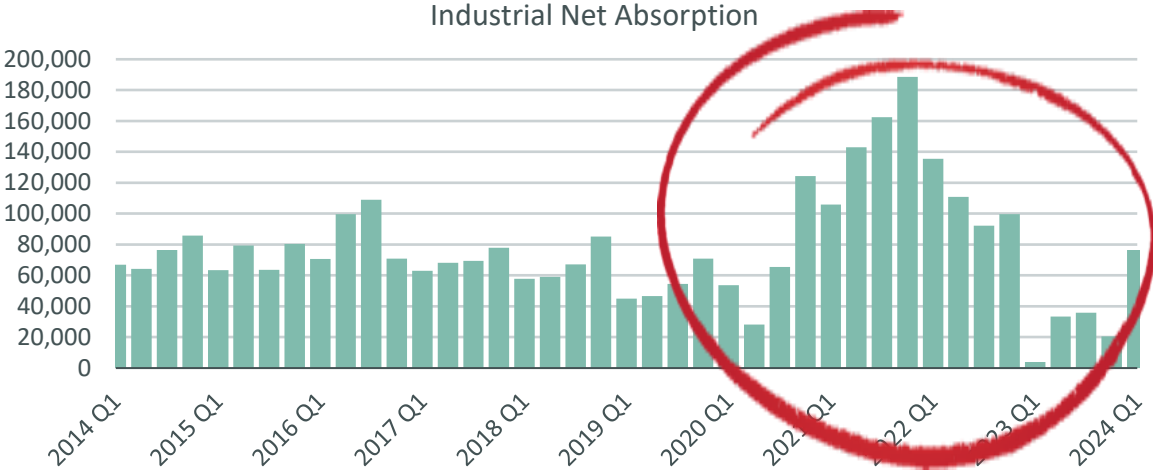
National Vacancy by Sector with Forecast



Source: CBRE Econometric Advisors, Q4 2023.

Fundamentals remain ok, expecting positive absorption in ¾ sectors

U.S. Net Absorption by Sector



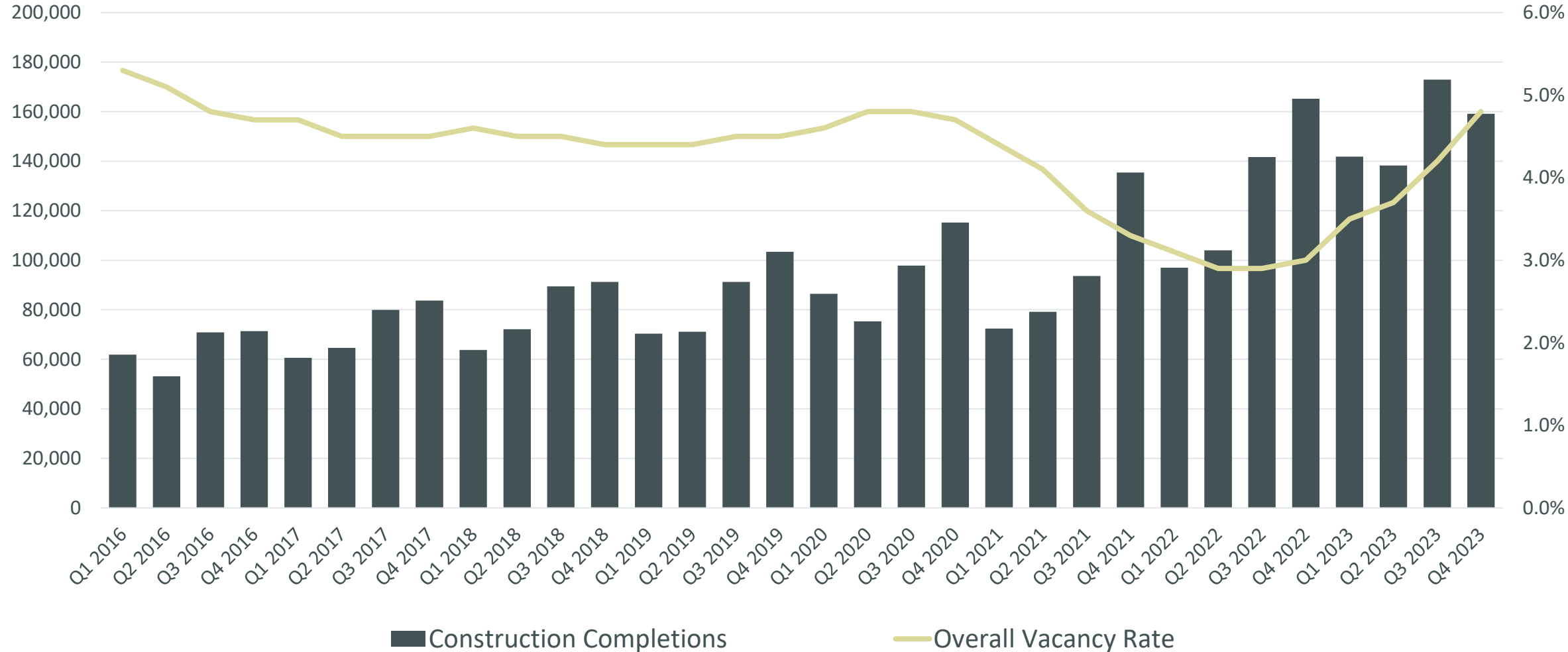
Source: CBRE Econometric Advisors, CBRE Research, March 2024.



U.S. Industrial

Industrial vacancy continues to rise throughout Q4

U.S. industrial supply & demand



Source: CBRE Econometric Advisors, Q4 2023.

Market Vacancy Rates Under and Over 300K Sq. Ft.

Markets with the Largest Vacancy Rate Discrepancies – Over 300K Sq. Ft.

Market	Overall Vacancy Rate – Under 300K Sq. Ft.	Overall Vacancy Rate – Over 300K Sq. Ft.	Percentage Point Difference
Orlando	4.6%	16.7%	12.1
Denver	5.4%	14.9%	9.5
Dallas-Ft. Worth	7.2%	14.9%	7.7
Indianapolis	5.0%	12.4%	7.4
Salt Lake City	3.7%	10.2%	6.6
Phoenix	5.4%	11.7%	6.3
Savannah	3.8%	10.1%	6.3
St. Louis	2.4%	8.0%	5.6
Columbus	3.3%	8.7%	5.4
Philadelphia	5.8%	11.1%	5.3

Source: CBRE Research, Q4 2023.

Top 10 Industrial Markets - Q4 2023

- 45 of 57 markets included in CBRE statistics posted positive net absorption in 2023.
- Dallas-Fort Worth (DFW) was the top market for overall net absorption.
- The Savannah market remained the top growth rate market for the sixth consecutive quarter, followed by Charleston and Las Vegas.
- Phoenix retook the top spot for under construction product from DFW as its total UC remained on par with the previous quarter.

Net Absorption (Existing inventory MSF)		
Ranking	Market	MSF
1	Dallas - Fort Worth (979.8)	31.3
2	Chicago (1,257.1)	24.2
3	Houston (624.2)	20.7
4	PA I-78/81 Corridor (526.6)	13.4
5	Phoenix (410.0)	13.2
6	Savannah (121.3)	12.4
7	Indianapolis (356.4)	10.5
8	Nashville (218.2)	9.7
9	Atlanta (733.1)	8.6
10	Columbus (313.2)	8.4

Growth Rate*		
Ranking	Market	%
1	Savannah	10.3%
2	Charleston	7.0%
3	Las Vegas	4.7%
4	Nashville	4.4%
5	El Paso	4.2%
6	Reno	3.9%
7	Austin	3.9%
8	Jacksonville	3.9%
9	Houston	3.3%
10	Louisville	3.3%

Under Construction* (Preleased %)		
Ranking	Market	MSF
1	Phoenix (18.1%)	39.2
2	Dallas - Ft. Worth (31.8%)	30.1
3	Inland Empire (19.7%)	20.2
4	Atlanta (31.1%)	20.2
5	Las Vegas (15.1%)	17.4
6	Chicago (52.1%)	17.0
7	Charlotte (19.8%)	14.4
8	Houston (40.2%)	14.3
9	Austin (31.1%)	14.1
10	Savannah (10.2%)	13.4

Ports

* Growth rate equals year-to-date overall net absorption divided by existing inventory.

Source: CBRE Research, Q4 2023.

Rent Growth Shifts Away from Southern California and New Jersey

- Only 7 markets posted rent growth of 20% or higher in 2023, much lower than the 26 markets in 2022.
- The top markets for rent growth shifted from Southern California and New Jersey to other Northeast, Southwest, and Florida markets.
- Philadelphia posted the highest rent growth in the nation at 25.4% due to a robust amount of first-generation bulk transactions.
- While rent growth in So Cal declined; Orange County (\$19.53), Los Angeles County (\$19.16), and the Inland Empire (\$17.51) still possess some of the highest taking rents in the nation.

Taking Rent Growth – Top 20 Markets Over the National Average

	Market	Y-o-Y Growth		Market	Y-o-Y Growth
1	Philadelphia	25.4%	11	Tampa	18.0%
2	Reno	23.5%	12	PA I-78/81 Corridor	17.9%
3	South Florida *	23.0%	13	St. Louis	17.4%
4	Baltimore	21.4%	14	Seattle	16.1%
5	Orlando *	20.8%	15	Columbus	16.1%
6	El Paso *	20.6%	16	Greenville - Spartanburg	15.9%
7	Las Vegas	20.0%	17	Central New Jersey	15.9%
8	Nashville *	19.4%	18	Minneapolis - St. Paul	15.7%
9	Atlanta *	19.2%	19	Cincinnati	15.5%
10	Phoenix	18.2%	20	Dallas – Ft. Worth	14.9%

Compares Jan-Dec 2022 vs. Jan-Dec 2023 first year base rents 10,000 sq. ft. to 699,999 sq. ft. with a lease term of 12 months and longer.
Source: CBRE Research, Q4 2023.

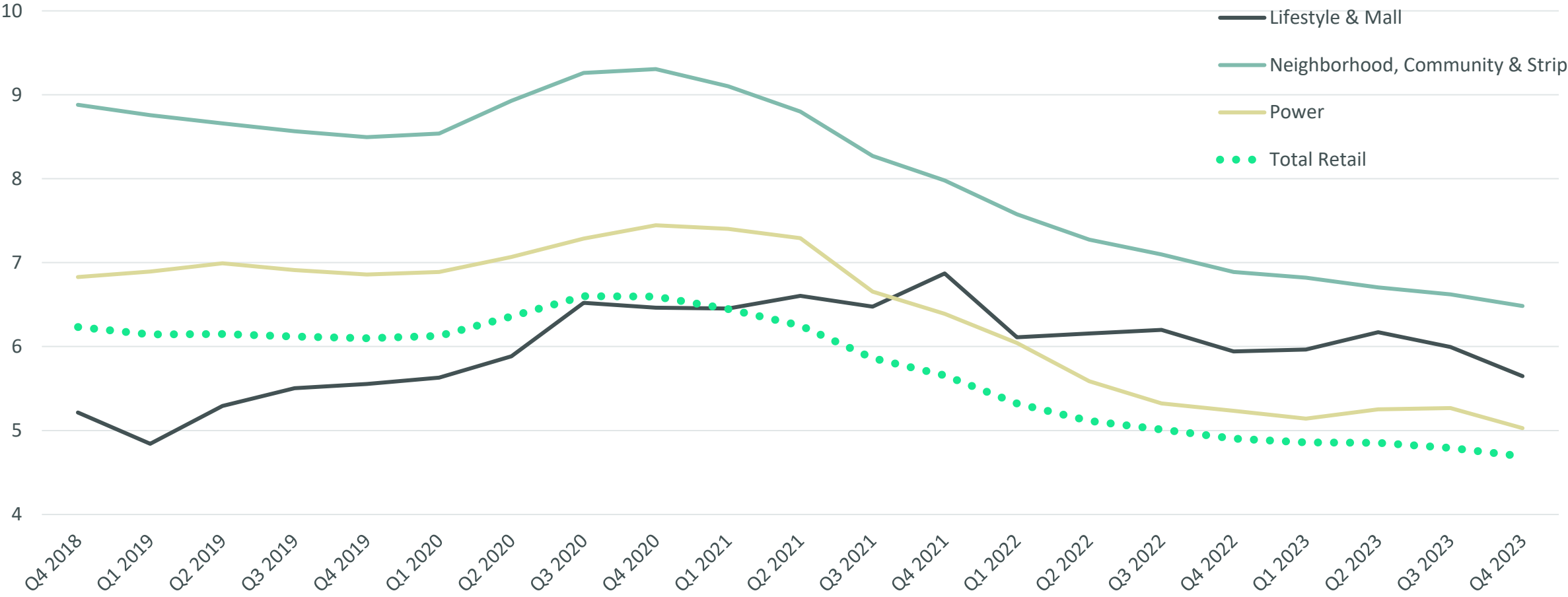
* 5 of Top 10 in South/Southeast



U.S. Retail

Retail availability continues to fall

Retail availability by product type



Source: CBRE Econometric Advisors, Q4 2023

Figure 8
At-a-glance retail market metrics for 2023

Market	Total Inventory	Annual Completions	Annual Net Absorption	Availability Rate		Asking Rents	
	(SF Thousands)	(SF Thousands)	(SF Thousands)	Q4 2023 Percentage	Basis-Point Change, Y-o-Y	Net, \$/SF, Q4 2023	% Change, Y-o-Y
Albuquerque	52,288	131	36	2.9	10	14.90	0.7
Atlanta	352,058	1,154	1,321	3.3	-	19.49	3.8
Austin	101,409	1,653	1,832	3.3	(30)	26.63	1.4
Bakersfield	29,795	111	(11)	4.2	40	15.57	4.1
Baltimore	127,535	211	(100)	5.8	20	18.58	2.2
Birmingham	76,961	283	805	3.1	(60)	13.49	1.0
Boston	277,963	321	497	3.6	(10)	20.22	0.2
Bronx/Brooklyn/Queens/Staten Island	108,598	326	562	5.4	(20)	42.46	3.1
Central New Jersey	167,463	164	1,710	5.7	(90)	21.27	1.4
Charleston, SC	42,865	90	98	2.9	(10)	25.70	(1.9)
Charlotte	86,810	246	810	3.0	(70)	16.38	4.7
Chicago	443,562	613	2,738	6.6	(50)	18.02	1.3
Cincinnati	109,904	182	722	4.4	(50)	13.43	4.1
Cleveland	124,134	122	(606)	5.1	50	12.67	0.2
Columbus	102,864	306	636	3.9	(40)	14.38	1.9
Dallas	255,170	1,742	1,794	4.8	(20)	19.77	0.4
Denver	158,737	600	809	5.0	(20)	20.92	6.2
Detroit	265,103	567	630	6.6	(10)	14.56	2.1
Fort Lauderdale	105,379	353	819	3.8	(50)	28.70	3.9
Fort Worth	166,390	729	1,902	4.4	(80)	17.94	3.2
Fresno	46,864	27	(13)	5.0	10	15.35	(0.8)
Greensboro	95,517	417	658	3.4	(20)	12.83	3.9
Hartford	53,878	38	-	6.6	10	17.00	(1.3)
Honolulu	49,496	10	308	4.3	(70)	49.17	4.4
Houston	380,690	2,801	3,000	5.3	(10)	20.62	1.8

Note: Asking rent growth is calculated from neighborhood, community & strip centers.
Source: CBRE Econometric Advisors, Q4 2023.

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At-a-glance retail market metrics for 2023

Market	Total Inventory	Annual Completions	Annual Net Absorption	Availability Rate		Asking Rents	
	(SF Thousands)	(SF Thousands)	(SF Thousands)	Q4 2023 Percentage	Basis-Point Change, Y-o-Y	Net, \$/SF, Q4 2023	% Change, Y-o-Y
Indianapolis	117,737	345	1,269	3.6	(90)	15.96	4.1
Jacksonville	79,891	455	430	5.6	(10)	17.54	3.7
Kansas City	118,009	544	440	5.1	-	13.82	0.5
Las Vegas	113,494	491	716	5.2	(20)	22.99	3.6
Long Island	130,673	97	741	4.9	(60)	36.20	3.4
Los Angeles	378,957	947	476	5.4	10	36.64	14
Louisville	74,941	168	427	3.2	(40)	15.38	2.0
Manhattan	24,184	66	(486)	9.0	230	48.31	3.0
Memphis	85,003	136	(381)	5.0	50	11.64	3.8
Miami	124,231	1,281	1,469	3.5	(30)	40.05	2.2
Milwaukee	91,142	271	113	4.5	20	14.95	2.6
Minneapolis	170,501	693	757	4.0	(10)	17.35	2.5
Nashville	106,596	606	541	2.5	-	24.45	3.7
Northern New Jersey	157,433	279	622	5.3	(30)	27.07	4.2
Oakland	109,974	122	(192)	5.8	30	31.47	0.7
Oklahoma City	92,445	423	118	5.0	30	15.07	0.3
Orange County	133,209	29	99	4.0	(10)	30.63	3.1
Orlando	125,883	1,338	2,174	3.6	(70)	20.33	4.0
Philadelphia	234,324	372	1,722	5.1	(50)	19.33	2.2
Phoenix	218,260	879	2,254	4.2	(70)	18.43	5.1
Pittsburgh	108,039	40	202	5.1	(20)	13.19	2.4
Portland	107,066	280	363	4.2	(10)	24.72	1.8
Providence	49,234	66	349	4.3	(50)	17.92	(0.3)
Raleigh	94,901	359	561	2.5	(30)	21.55	5.1
Richmond	72,177	170	514	4.6	(60)	22.44	1.5

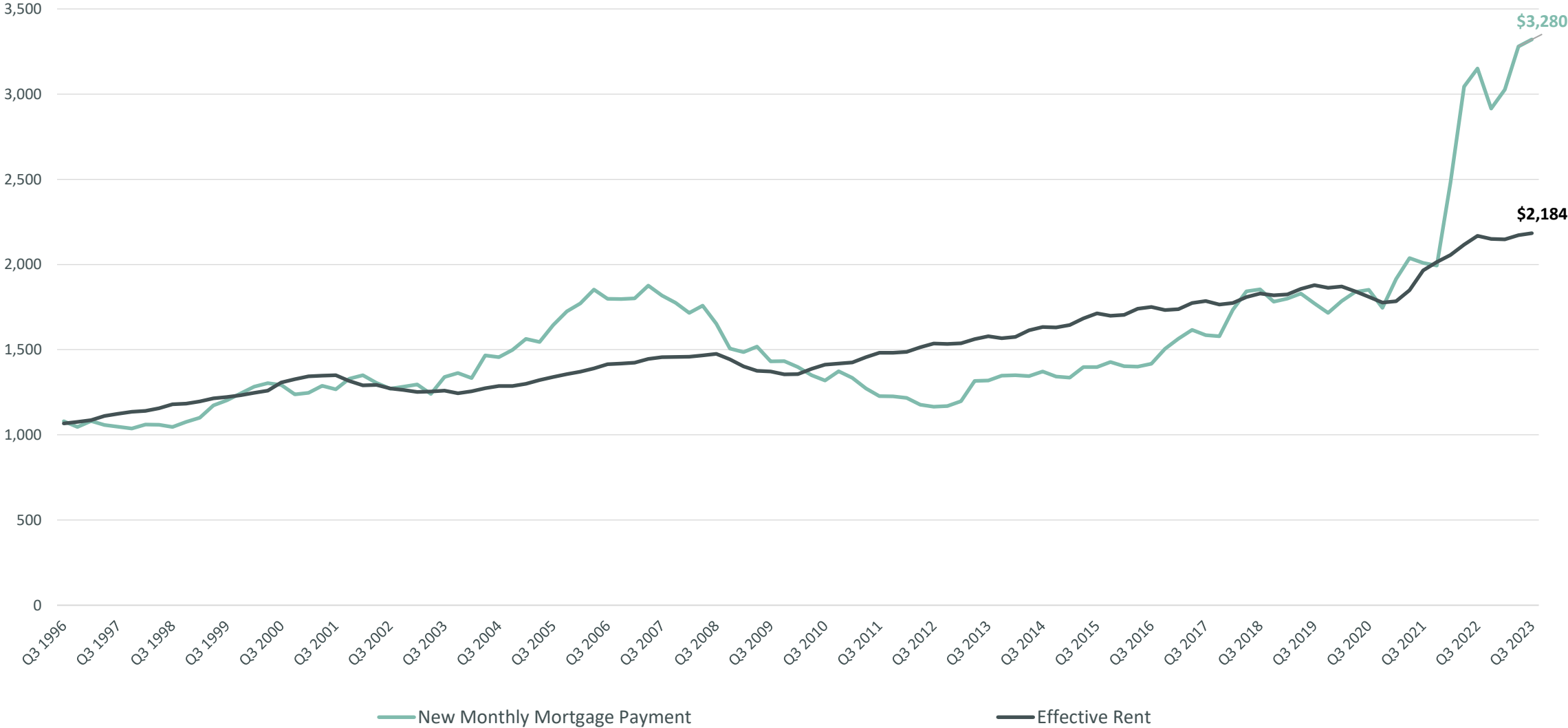
Note: Asking rent growth is calculated from neighborhood, community & strip centers.
Source: CBRE Econometric Advisors, Q4 2023.

U.S. Multifamily



Cost of renting vs buying a home

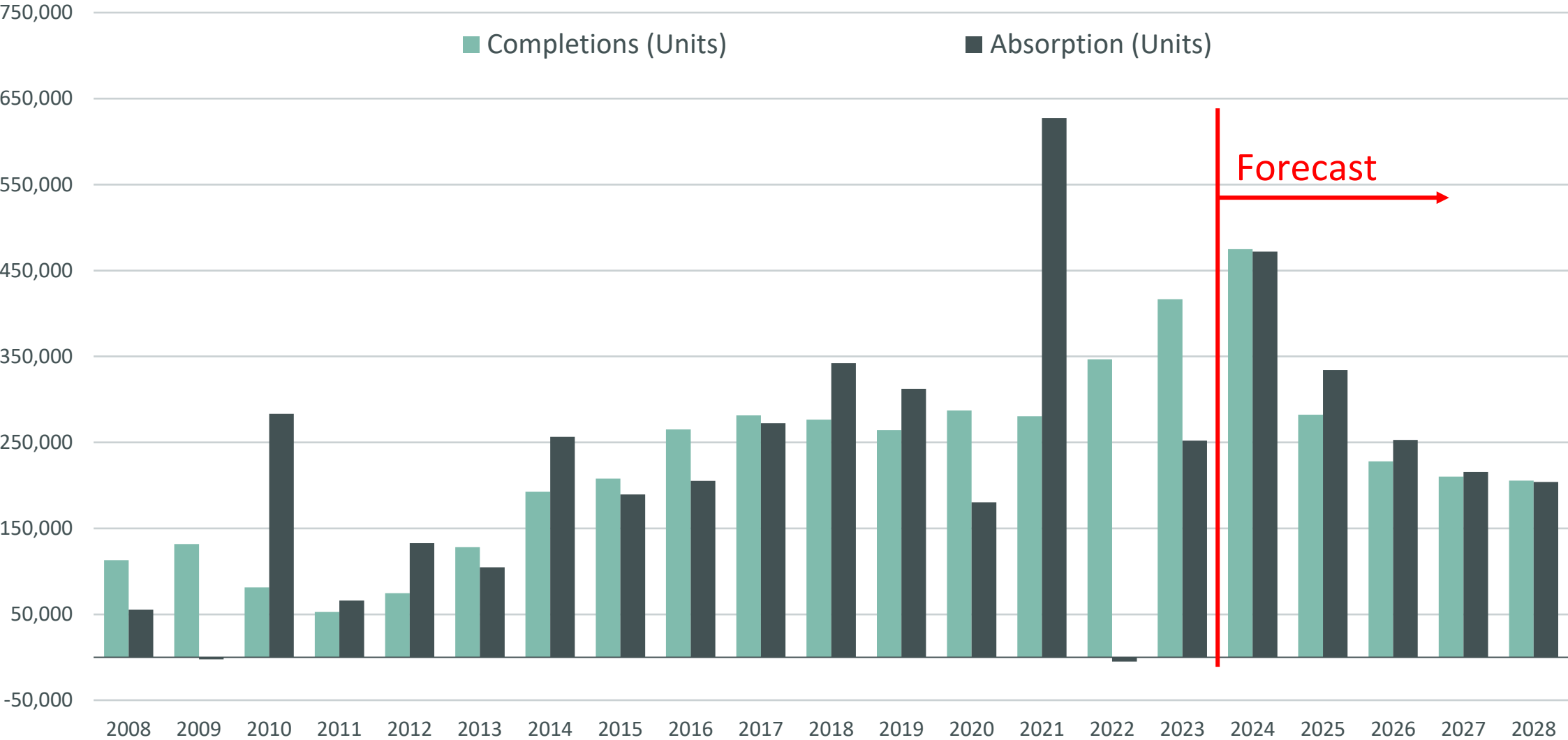
U.S. Average Rent vs. New Mortgage Payment (\$)



Source: CBRE Econometric Advisors, Freddie Mac, U.S. Census Bureau, Realtor.com®, FHFA, Q3 2023.

Multifamily is poised to deliver more than will be absorbed in 2024

U.S. Multifamily Completions vs. Net Absorption (Units)



Source: CBRE Econometric Advisors, Q4 2023.

Multifamily vacancy is expected to rise amongst the Sunbelt

U.S. Multifamily Current vs. Forecasted

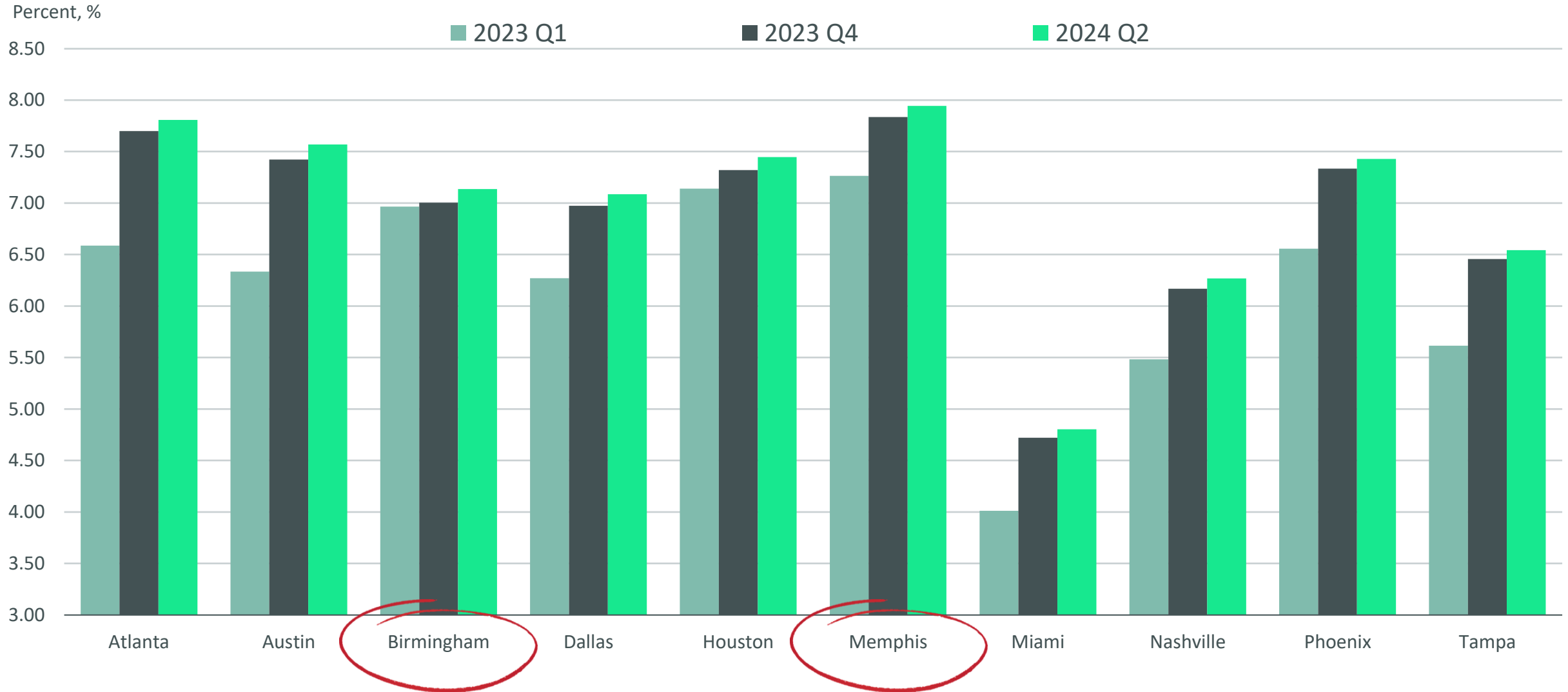


Figure 7
All Northeast & Midwest markets had positive rent growth

- The Northeast and Midwest were the only two regions with all markets having positive year-over-year rent growth in Q4. The Midwest led with 2.7% (down from 2.9% in Q3), followed by the Northeast with 2.4% (down from 2.9%). The Southeast, South Central, Mountain and Pacific regions all had negative average rent growth in Q4.
- While the South Central and Southeast regions saw bigger year-over-year declines in rent vs. Q3, the Pacific and Mountain regions had lower negative growth.
- Twenty-nine of the 69 markets tracked by CBRE had negative year-over-year rent growth in Q4, up slightly from 25 in Q3. Ten of those 29 markets had negative but improving rent growth in Q4, while all but one of the other 19 markets saw greater but slowing rent growth declines.
- Madison, WI had the biggest decline of 320 bps in its rent growth rate in Q4 to 5.5%. Honolulu had the greatest increase of 170 bps, followed by Orange County (+140 bps) and San Francisco (+130 bps).
- Austin, Jacksonville and Atlanta had the most negative rent growth in Q4, albeit at a lesser rate of decline than in Q3.

Rank	Market	Percentage Rent Change Y-o-Y
ALL MARKET		
	Sum of Markets	0.4
PACIFIC		
	Region	-0.6
1	Orange County	2.6
2	Ventura	2.5
3	Honolulu	1.7
4	San Diego	0.8
5	Sacramento	-0.7
6	San Francisco	-0.8
7	Seattle	-0.9
8	Inland Empire	-0.9
9	Los Angeles	-0.9
10	San Jose	-1.6
11	Oakland	-1.8
12	Portland	-3.1
MOUNTAIN WEST		
	Region	-1.8
1	Tucson	0.8
2	Denver	0.8
3	Albuquerque	0.4
4	Colorado Springs	-2.4
5	Las Vegas	-3.1
6	Salt Lake City	-3.4
7	Phoenix	-4.4

Rank	Market	Percentage Rent Change Y-o-Y
SOUTH CENTRAL		
	Region	-1.4
1	Tulsa	3.4
2	Oklahoma City	1.9
3	El Paso	1.4
4	Houston	0.1
5	Corpus Christi	-0.8
6	Dallas	-1.5
7	Ft. Worth	-1.7
8	San Antonio	-2.8
9	Austin	-5.8
SOUTHEAST		
	Region	-1.5
1	Lexington	4.0
2	Louisville	3.6
3	Norfolk	1.9
4	Miami	0.7
5	Greenville	0.4
6	Memphis	0.4
7	Greensboro	0.0
8	Richmond	-0.1
9	Ft. Lauderdale	-0.3
10	Birmingham	-0.6
11	West Palm Beach	-0.6
12	Tampa	-1.6
13	Charlotte	-2.3
14	Nashville	-2.3
15	Raleigh	-3.0
16	Orlando	-4.0
17	Atlanta	-4.5
18	Jacksonville	-5.1

Rank	Market	Percentage Rent Change Y-o-Y
MIDWEST		
	Region	2.7
1	Madison, WI	5.5
2	Dayton	4.0
3	Omaha	3.9
4	Chicago	3.6
5	Cincinnati	3.5
6	Milwaukee	3.3
7	Cleveland	3.1
8	Indianapolis	2.9
9	St. Louis	2.8
10	Kansas City	2.7
11	Columbus	2.4
12	Detroit	0.8
13	Minneapolis	0.5
NORTHEAST/MID-ATLANTIC		
	Region	2.4
1	Providence	4.7
2	Hartford	4.3
3	Boston	3.2
4	New York	2.5
5	Washington, D.C.	2.5
6	Newark	2.2
7	Philadelphia	1.5
8	Long Island	0.9
9	Pittsburgh	0.8
10	Baltimore	0.7

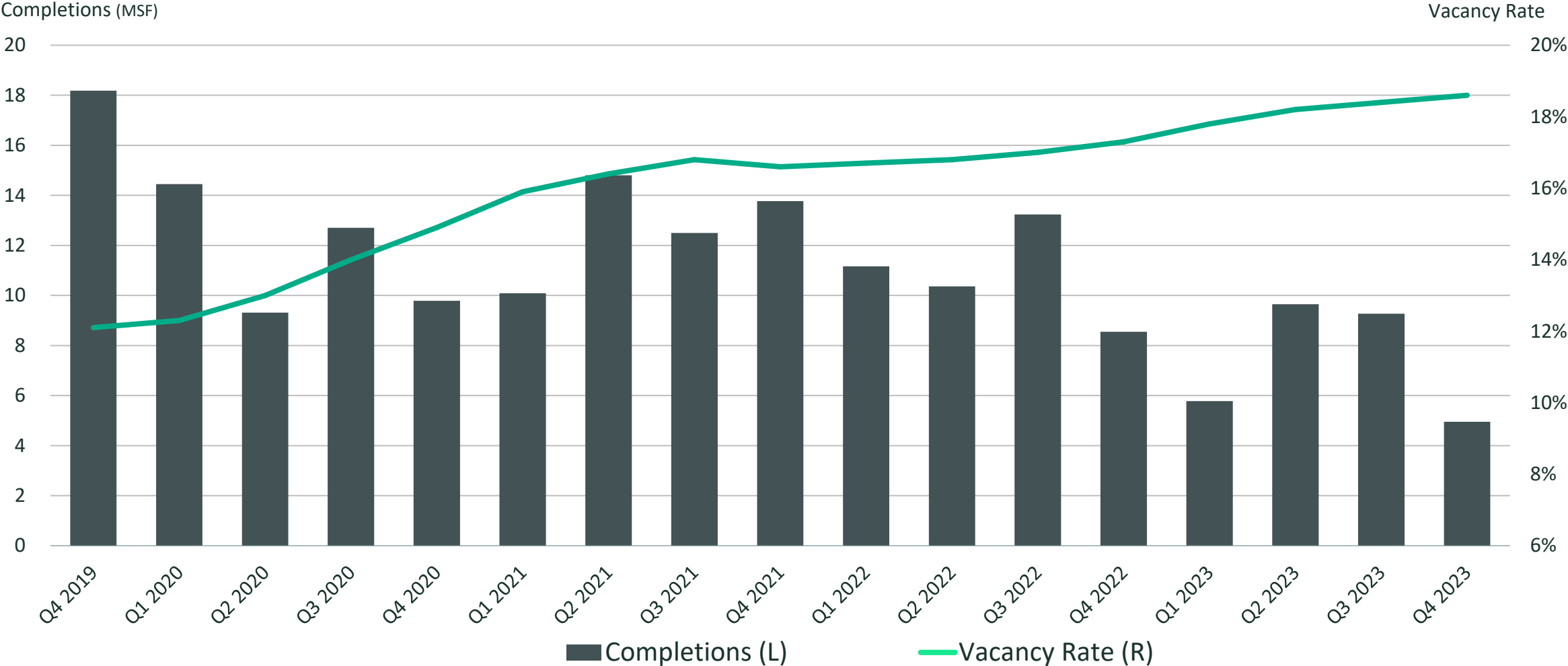
Source: CBRE Research, CBRE Econometric Advisors, Q4 2023. Based on effective "same-store" rents.

U.S. Office



Deliveries continue to dwindle, and vacancy continues to rise

U.S. Office supply & demand



Source: CBRE Econometric Advisors, Q4 2023.

Despite ^{DEMAND} More Office Jobs, Occupied Space Is Below Its Pre-Pandemic Level

- Historically, there was a strong positive relationship between office-using employment and office space demand.
- The market has reached an inflection point in 2021. The rise in hybrid work has complicated the relationship between job growth and space demand.
- Despite 1.8 million more office-using jobs (6% above pre-pandemic levels) as of Q4 2023, occupied office space is 4% below pre-pandemic levels (-125.9 MSF). Space allocated for each employee has sunk to a 22-year low of 140 sq. ft.

U.S. Office-Using Employment and Occupied Office Space

Indexed to Q1 2008 = 100



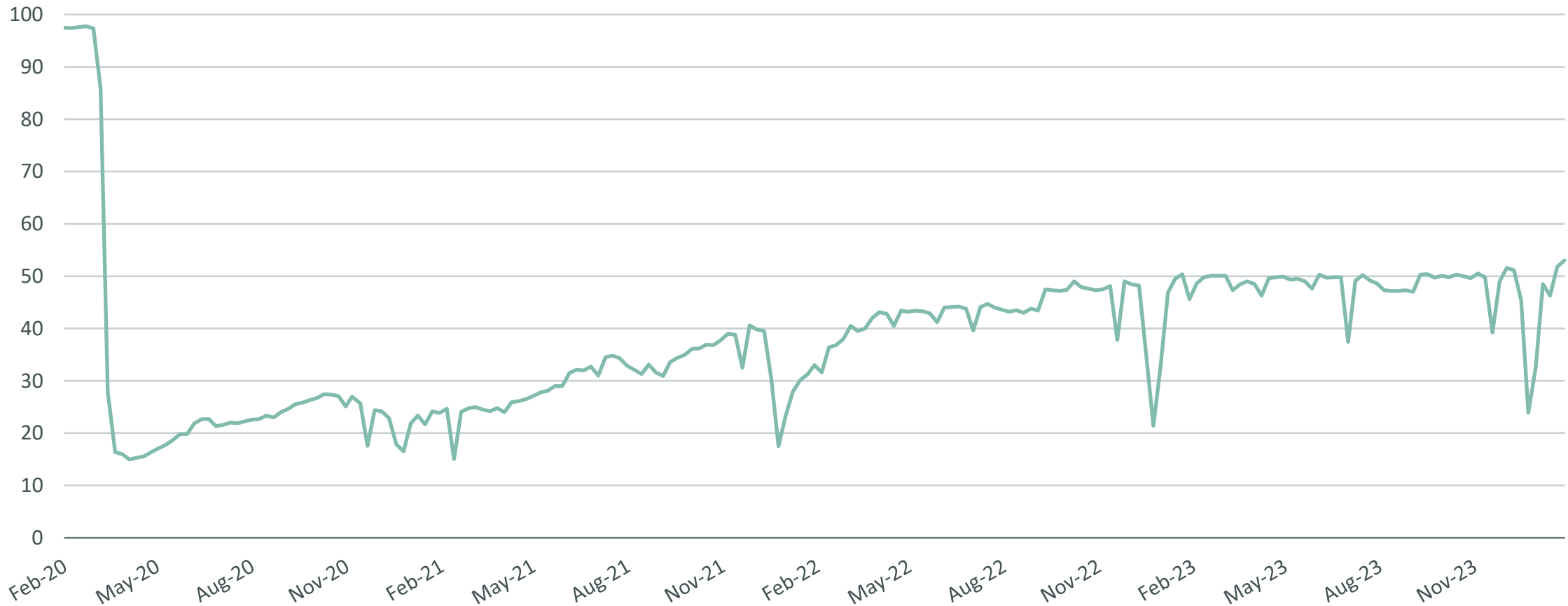
Source: CBRE Research, CBRE EA, BLS, Q4 2023.

Office Utilization Reached a New High of 53%

Office Occupancy Index

Occupancy Index

— Building Occupancy Index

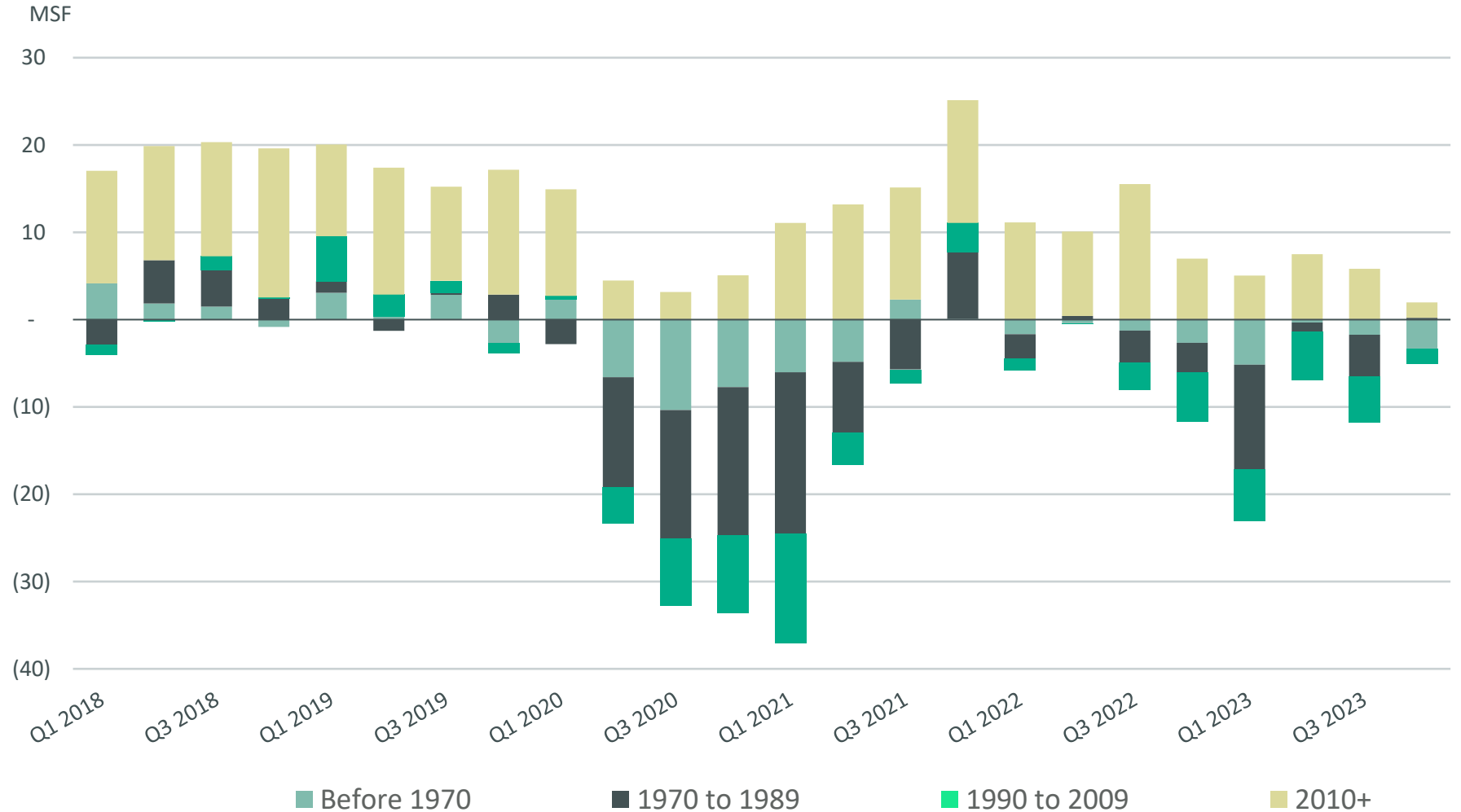


Source: Kastle Systems.

Demand for New Buildings Remains More Resilient

- Younger buildings, constructed since 2010, have consistently recorded positive net absorption leading up to and during the pandemic.
- Older buildings account for all negative net absorption since the pandemic.

Net Absorption by Building Vintage



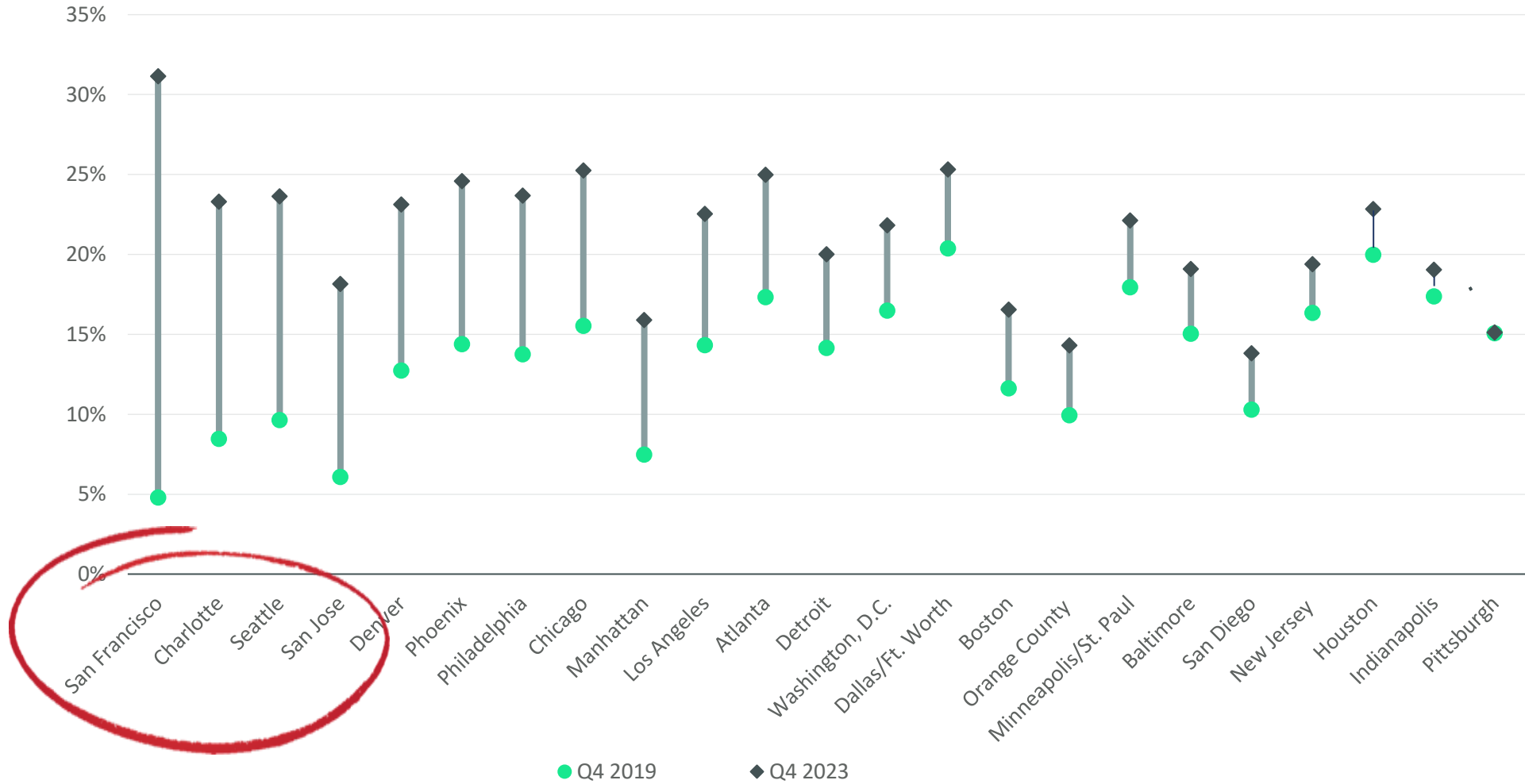
Source: CBRE EA, Q4 2023.

Vacancy Increased the Most in the Largest U.S. Office Markets

- San Francisco had the most dramatic increase in vacancy, rising from 4.9% in Q4 2019 to 31.2% in Q4 2023.

(Tech jobs)

Vacancy Rates by Market, Q4 2019 – Q4 2023



Source: CBRE Research, Q4 2023.

Thank you



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Commercial Real Estate Metropolitan New Orleans

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Corporate Services Advisor,
NAI/Latter & Blum

Panel:

- **Andrew Marcus**
Real Estate Development & Leasing,
PMG Leasing
- **Jeff Lahasky**
President, Lahasky Investment Group
- **Jackie Dadakis**
CEO, Green Coast Enterprises

