

FORT COLLINS

Q2 2023



INDUSTRIAL MARKET REPORT



INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

626K

12 Mo Net Absorption in SF

219K

Vacancy Rate

4.9%

12 Mo Rent Growth

6.5%

Fort Collins is served by several highways, providing ready access across the region. While the large-scale distribution market is relatively small here, developers have been active in the pandemic era with major tenants, including Amazon and Bobo's Oat Bars, expanding in the market. Even with an active pipeline, strong tenant demand has kept vacancies relatively stable, which should persist in the near term.

However, signals are emerging that a gradual slowing in

leasing and absorption is approaching. Rising inflation is having an impact on purchasing power, which could lead to less demand for industrial product. Average annual rents have increased by 6.5%, but this potential slowdown could decelerate rent growth in 2023.

With strong tenant demand and rent growth, investors have been bullish on Fort Collins' industrial market with trailing 12-month investment volume totaling \$115 million.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	16,306,514	5.3%	\$11.90	5.7%	2,192	0	4,171,940
Specialized Industrial	3,513,217	2.6%	\$12.28	3.5%	(2,000)	0	0
Flex	6,380,546	5.0%	\$13.57	11.8%	(35)	0	91,660
Market	26,200,277	4.9%	\$12.30	6.7%	157	0	4,263,600
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.5%	4.7%	4.1%	7.9%	2003 Q3	2.1%	1999 Q4
Net Absorption SF	219K	309,702	1,622,721	962,553	2004 Q4	(307,331)	2010 Q2
Deliveries SF	626K	352,341	1,705,990	869,198	2023 Q1	6,000	2014 Q1
Rent Growth	6.5%	2.2%	2.9%	8.4%	2022 Q3	-5.1%	2003 Q1
Sales Volume	\$104M	\$62.7M	N/A	\$257.1M	2021 Q4	\$0	2004 Q1

Continued tenant demand has kept vacancies relatively stable in the recent past. An active pipeline however, is projected to push vacancies above the national average this year.

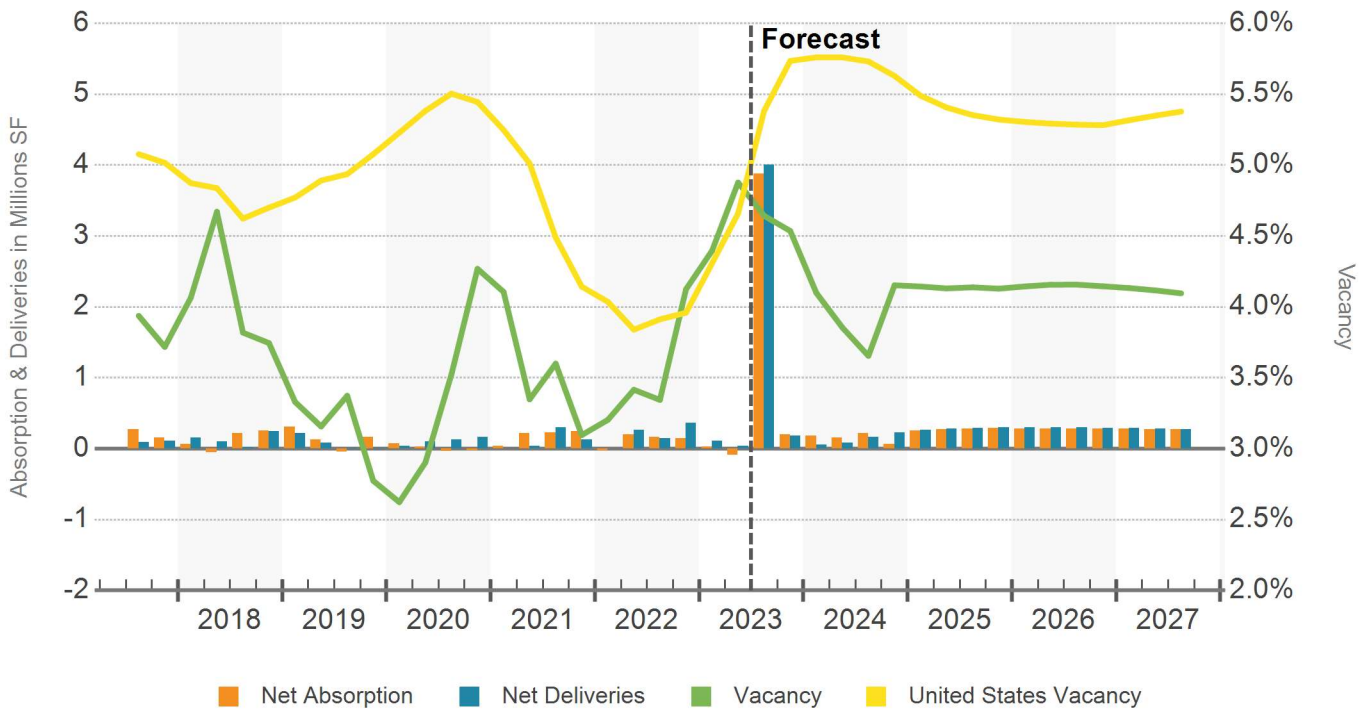
Recent activity has been concentrated in Loveland in the area surrounding the Northern Colorado Regional airport.

While Amazon recently announced plans to scale back on its warehouse expansion initiative across the U.S., the e-commerce giant is still forging ahead with its plans in Fort Collins. The company purchased 150 acres on the northern border of the airport and is building a 3.8 million square foot distribution center at the site, which will be

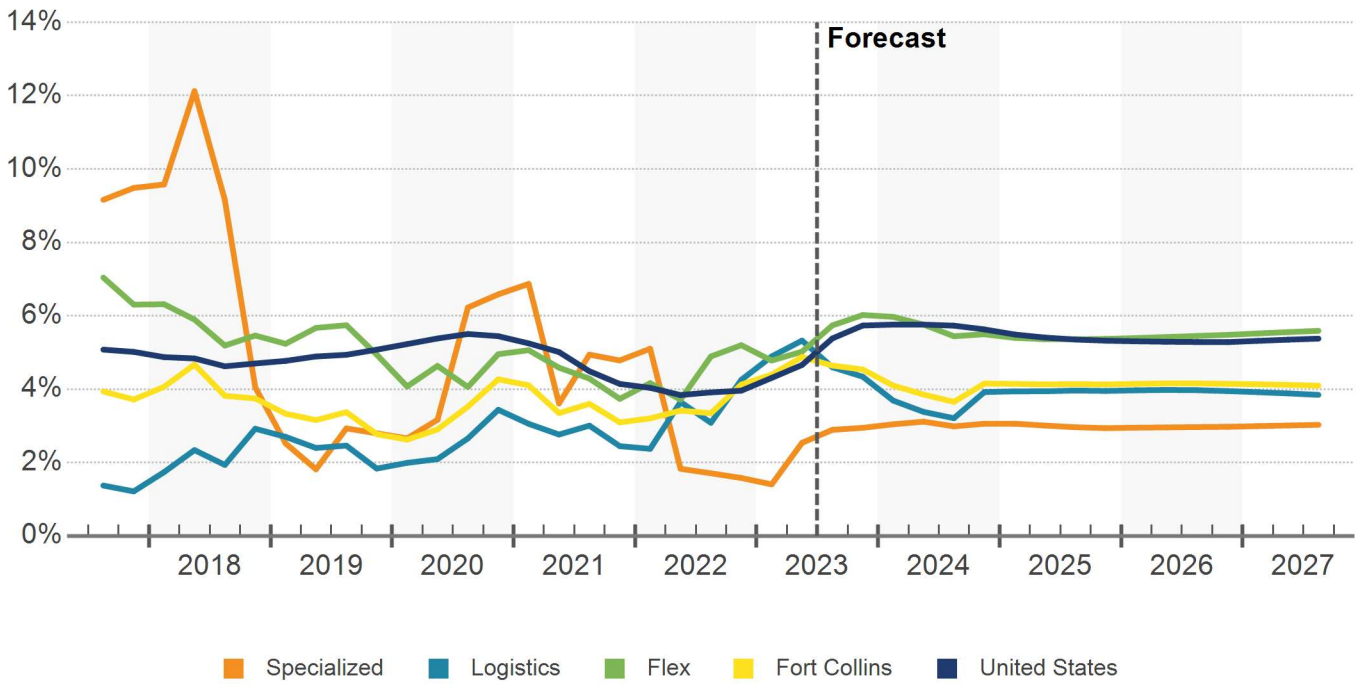
named Loveland Commerce Center. The expansion is projected to generate roughly 1,000 jobs. Amazon already has a presence in Fort Collins. The e-commerce giant also occupies 123,000 SF at a last-mile distribution warehouse at the nearby Centerra development.

Several brewing companies, from Odell Brewing, and Anheuser Busch (which operates a more than one million SF light manufacturing facility in Fort Collins), to High Country Beverage, have a presence in Fort Collins. High Country moved into its new 146,000 SF facility in Johnstown in 2017, leaving behind its former space near the Fort Collins-Loveland Municipal Airport for the intersection of I-25 and US 34, an area known as 2534.

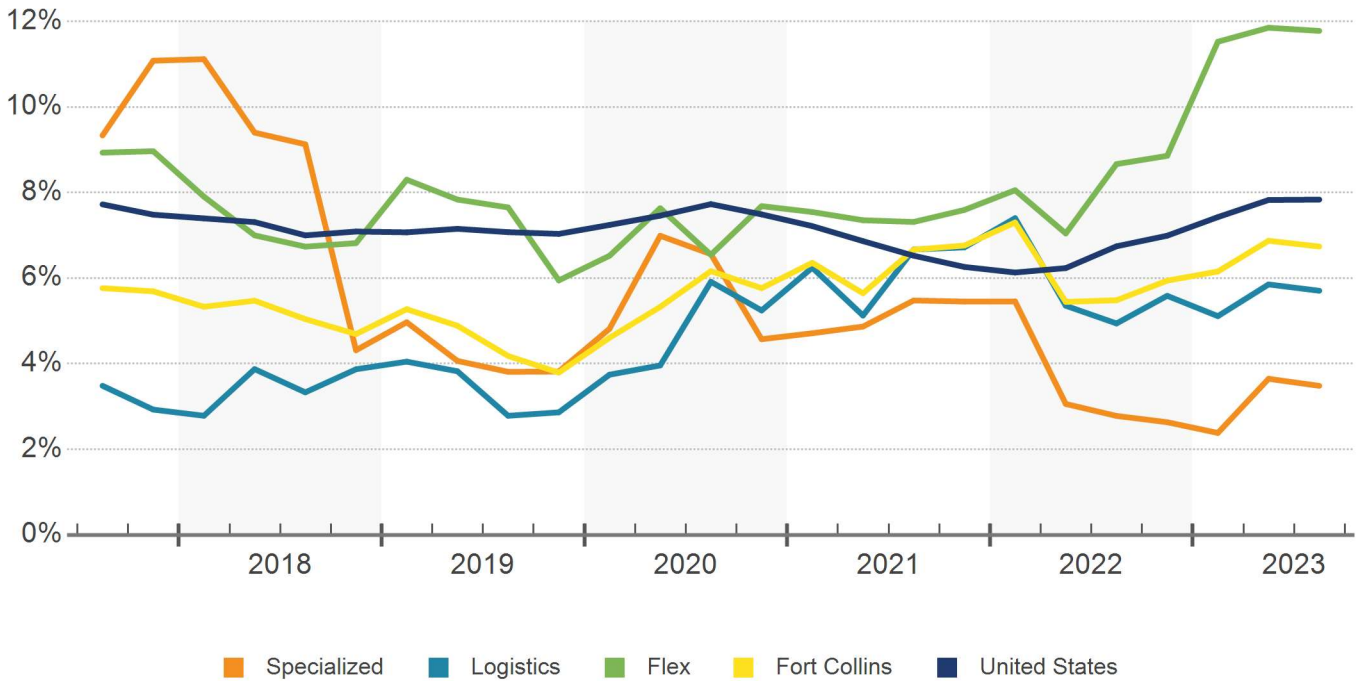
NET ABSORPTION, NET DELIVERIES & VACANCY



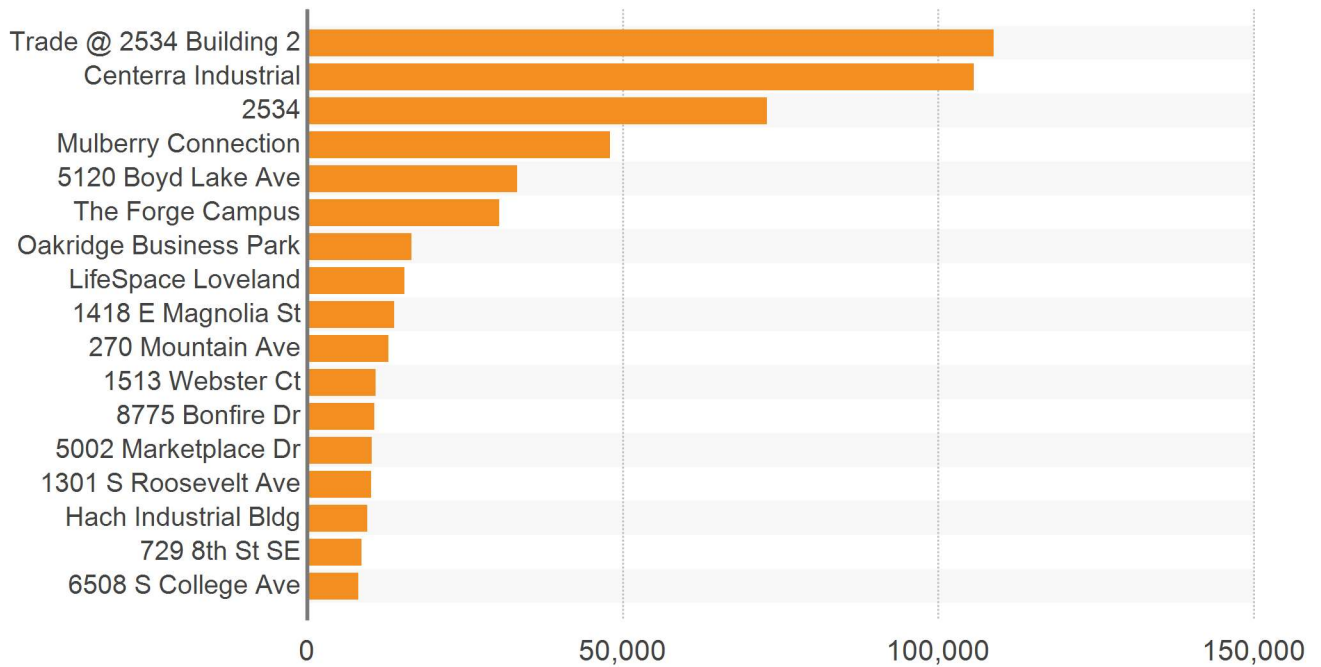
VACANCY RATE



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
Trade @ 2534 Building 2	Fort Collins/Loveland...	145,008	27,593	56,098	0	0	0	108,750
Centerra Industrial	Fort Collins/Loveland...	123,037	0	0	0	0	0	105,651
2534	Fort Collins/Loveland...	72,896	0	0	23,970	0	0	72,896
Mulberry Connection	Fort Collins/Loveland...	71,200	23,236	16,545	0	0	0	47,964
5120 Boyd Lake Ave	Fort Collins/Loveland...	33,252	0	0	0	0	0	33,252
The Forge Campus	Fort Collins/Loveland...	276,752	89,500	30,500	0	0	0	30,500
Oakridge Business Park	Fort Collins/Loveland...	37,993	0	0	16,585	0	0	16,585
LifeSpace Loveland	Fort Collins/Loveland...	16,700	1,250	4,200	1,250	0	0	15,450
1418 E Magnolia St	Fort Collins/Loveland...	13,840	0	0	6,530	0	0	13,840
270 Mountain Ave	Fort Collins/Loveland...	30,000	0	0	0	0	0	12,880
1513 Webster Ct	Fort Collins/Loveland...	22,920	0	0	0	0	0	10,871
8775 Bonfire Dr	Outlying Larimer Cnt...	12,470	0	0	0	0	0	10,707
5002 Marketplace Dr	Fort Collins/Loveland...	42,125	31,875	0	(21,250)	0	0	10,250
1301 S Roosevelt Ave	Fort Collins/Loveland...	24,000	0	0	0	0	0	10,175
Hach Industrial Bldg	Fort Collins/Loveland...	20,000	0	0	0	0	0	9,555
729 8th St SE	Fort Collins/Loveland...	48,022	0	0	0	0	0	8,626
6508 S College Ave	Fort Collins/Loveland...	8,100	0	0	0	0	0	8,100
Subtotal Primary Competitors		998,315	173,454	107,343	27,085	0	0	526,052
Remaining Fort Collins Market		25,201,962	1,104,170	(75,705)	(118,943)	157	0	(307,121)
Total Fort Collins Market		26,200,277	1,277,624	31,638	(91,858)	157	0	218,931

TOP INDUSTRIAL LEASES PAST 12 MONTHS

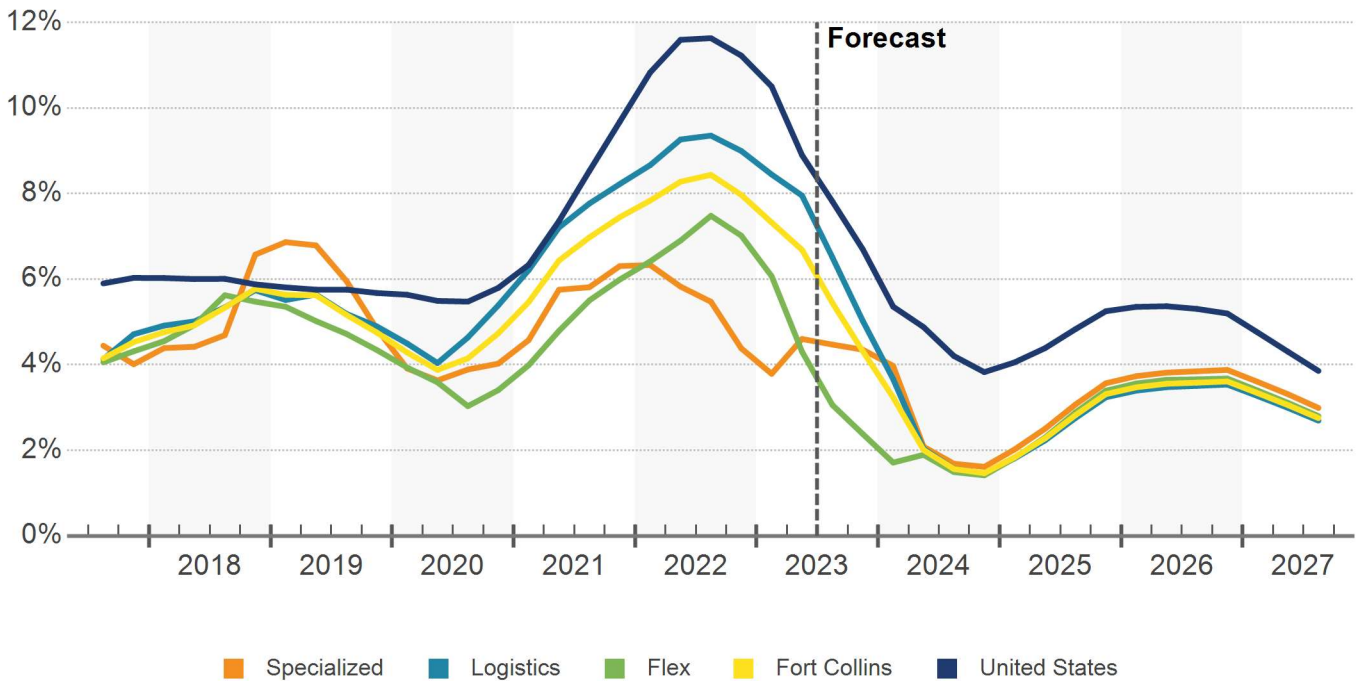
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
4550 Byrd Dr	Fort Collins/Loveland	59,000	Q1 23	Heska	JLL	CBRE
4151 Ronald Reagan Blvd	Fort Collins/Loveland	58,000	Q3 22	Kroger Fulfillment Networ...	JLL	NAI Affinity;Newmark
4201 Ronald Reagan Blvd	Fort Collins/Loveland	48,926	Q3 22	Radial Engineering	CBRE	NAI Affinity;Newmark
2221 Clayton Pl	Fort Collins/Loveland	47,125	Q1 23	UFP Concrete Forming S...	CBRE	-
2221 Clayton Pl	Fort Collins/Loveland	43,864	Q1 23	-	-	CBRE
5120 Boyd Lake Ave	Fort Collins/Loveland	33,252	Q4 22	Beatty Construction Servi...	Revival Properties A...	Cushman & Wakefield
4151 Ronald Reagan Blvd	Fort Collins/Loveland	27,593	Q2 23	Stevens Equipment Supply	-	NAI Affinity;Newmark
4201 Ronald Reagan Blvd	Fort Collins/Loveland	23,970	Q4 22	SCP Distributors LLC Su...	Thrive Commercial...	NAI Affinity;Newmark
4201 Ronald Reagan Blvd	Fort Collins/Loveland	23,970	Q4 22	Pool Corporation	Thrive Commercial...	NAI Affinity;Newmark
5002 Marketplace Dr	Fort Collins/Loveland	20,875	Q3 22	Carson Development, LLC	-	Cushman & Wakefield
4200 Ronald Reagan Blvd	Fort Collins/Loveland	17,000	Q4 22	-	Realtec Commercial...	RE/MAX Commercial A...
4036 Redman Dr	Fort Collins/Loveland	16,545	Q1 23	ASCH, LLC, a Colorado li...	-	Cushman & Wakefield
5858 Wright Dr	Fort Collins/Loveland	16,370	Q4 22	GRNE Solar	-	Cushman & Wakefield
5874 Langley Ave	Fort Collins/Loveland	15,295	Q3 22	Elite Roofing Supply	Lee & Associates D...	Realtec Commercial R...
4563 Denrose Ct	Fort Collins/Loveland	13,940	Q1 23	Patriot Petroleum Solutions	-	Cushman & Wakefield
1513 Webster Ct	Fort Collins/Loveland	12,780	Q3 22	Consolidated Electrical Di...	Hughes Marino	Cushman & Wakefield
3825 E Mulberry St	Fort Collins/Loveland	12,072	Q4 22	Fort Collins Baseball	-	Cushman & Wakefield
1301 S Roosevelt Ave	Fort Collins/Loveland	11,850	Q3 22	Corder Enterprises	CBRE	CBRE
1924 County Road 15C	Fort Collins/Loveland	9,000	Q4 22	UPG Enterprises LLC	-	-
6508 S College Ave	Fort Collins/Loveland	8,100	Q4 22	-	-	Commercial Real Estat...
121 Commerce Dr	Fort Collins/Loveland	8,000	Q1 23	Environmental Office Solu...	Cushman & Wakefield	Waypoint Real Estate
729 8th St SE	Fort Collins/Loveland	7,535	Q4 22	-	-	CBRE
1418 E Magnolia St	Fort Collins/Loveland	7,310	Q4 22	Precision Door Fort Collins	-	Cushman & Wakefield;...
1231 Boise Ave	Fort Collins/Loveland	7,240	Q2 23	Rocky Mountain Design &...	-	Cushman & Wakefield
6556 Buttercup Dr *	Outlying Larimer Cnty	6,000	Q3 22	RC Forster Fitness, LLC d...	-	Cushman & Wakefield
3204-3206 N Garfield Ave	Fort Collins/Loveland	6,000	Q1 23	Wheel & Tire Experts, LLC	RE/MAX Leaders	NAI Affinity
2030 Airway Ave	Fort Collins/Loveland	5,500	Q4 22	Gearheadz Garage	-	Zanpar Corporation
502 N 2nd St	Fort Collins/Loveland	5,400	Q3 22	-	-	Ironstone
5801-5809 Wright Dr	Fort Collins/Loveland	5,200	Q3 23	Landmark EPC LLC	-	Cushman & Wakefield
528 N Link Ln	Fort Collins/Loveland	5,000	Q4 22	-	C3 Commercial	Commercial Brokers All...
729 8th St SE	Fort Collins/Loveland	4,818	Q1 23	-	-	CBRE
1308 Riverside Ave	Fort Collins/Loveland	4,500	Q1 23	-	-	Doberstein Lemburg C...
449-477 Denver Ave	Fort Collins/Loveland	4,200	Q4 22	S2 Signs, LLC.	-	The Group, Inc.
7355 Greenridge Rd	Fort Collins/Loveland	4,008	Q1 23	ORIGIN Engineering	-	Cushman & Wakefield
533 E County Road 8	Fort Collins/Loveland	4,000	Q2 23	-	-	Waypoint Real Estate
253 42nd St SW	Fort Collins/Loveland	3,843	Q1 23	-	-	CBRE
1225 Red Cedar Cir	Fort Collins/Loveland	3,798	Q3 22	AcornandCrowStudios, LLC	-	Cushman & Wakefield
200 Airpark Dr	Fort Collins/Loveland	3,432	Q2 23	-	-	E-Flux
1313 Duff Dr	Fort Collins/Loveland	3,290	Q4 22	-	-	CBRE
1313 Duff Dr	Fort Collins/Loveland	3,220	Q4 22	Aktivax, Inc.	CBRE	CBRE

*Renewal

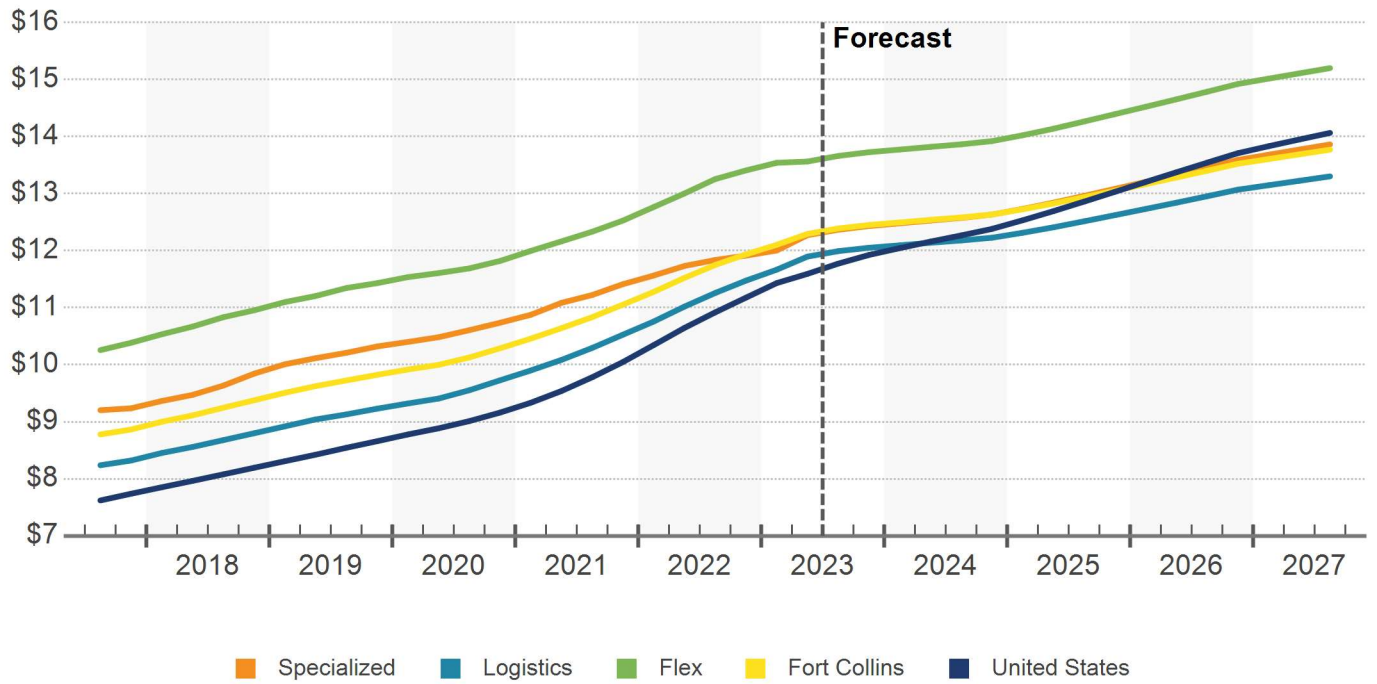
From the viewpoint of tenants, rents have never been higher and many are finding themselves with little negotiating power to reduce rates. Annual rents are up by 6.5%, achieving an all-time high of \$12.30/SF. Fort Collins rents are above the national benchmark of

\$11.60/SF, likely due to the abundance of flex space in the market which command higher rates. While rents have accelerated in recent years, an uncertain economic climate could put downward pressure on rent growth in the back half of the year.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



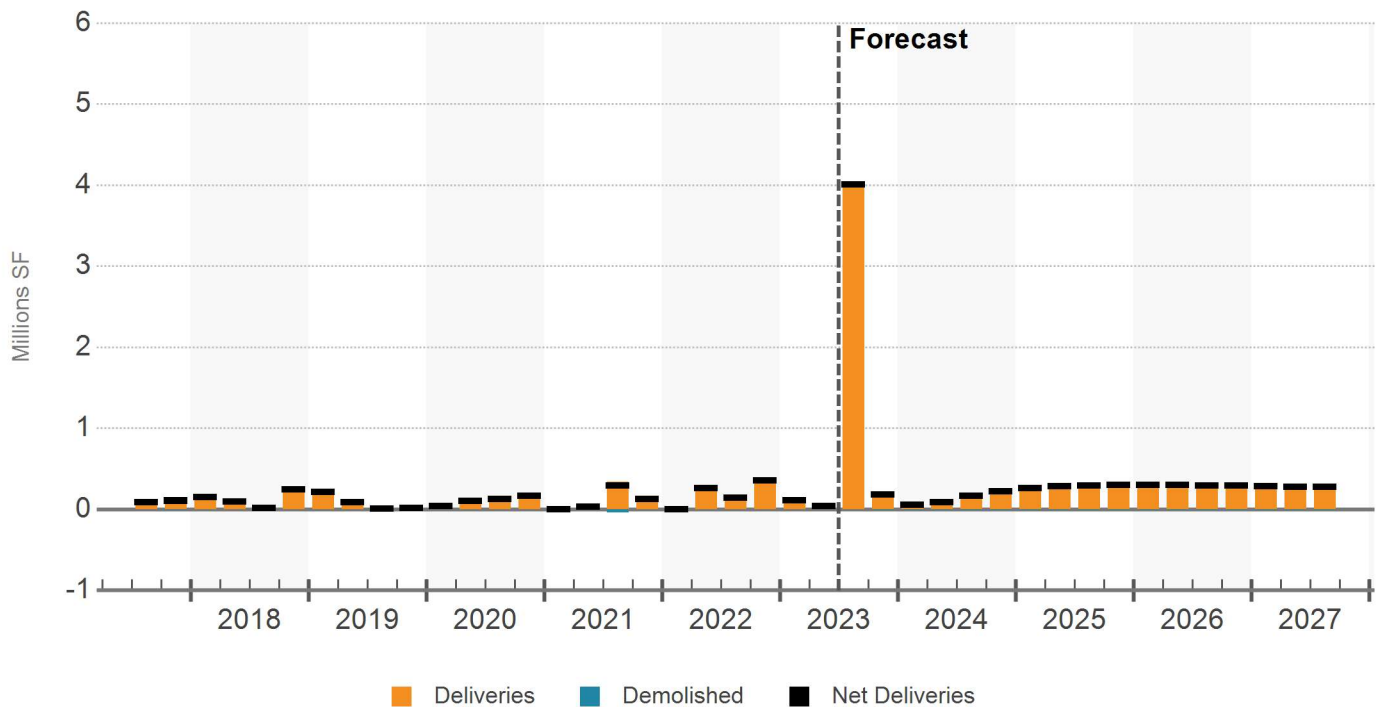
With 4.3 million SF currently under construction, the pipeline remains active and will expand the industrial market's inventory by 16.3%. A significant portion of this stock is slated for delivery in mid-2023.

Developers have been especially active in the area surrounding the Northern Colorado Regional Airport. Over 300,000 SF is under construction within a 2 mile radius of the airport. Construction has almost wrapped up on McWhinney's latest development at Centerra Industrial Campus where Bobo's Oat Bars will consolidate operations. The 123,000-SF manufacturing

building was the largest speculative project underway in the market before being entirely preleased in November. It is scheduled to deliver in August and is the seventh project for McWhinney at the location.

More development is on the way in the area. Loveland City Council has approved the annexation and rezoning of 150 acres of land on the northern side of the airport. Amazon purchased the land and plans to build a 600,000-sf fulfillment center at the site, which will be called Loveland Commerce Center.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory				Average Building Size			
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Fort Collins/Loveland	11	4,244	3,926	92.5%	1	23,198	385,782	1
2	Outlying Larimer Cnty	1	20	0	0%	2	35,111	20,000	2
Totals		12	4,264	3,926	92.1%		23,949	355,300	

Under Construction Properties

Fort Collins Industrial

Properties

Square Feet

Percent of Inventory

Released

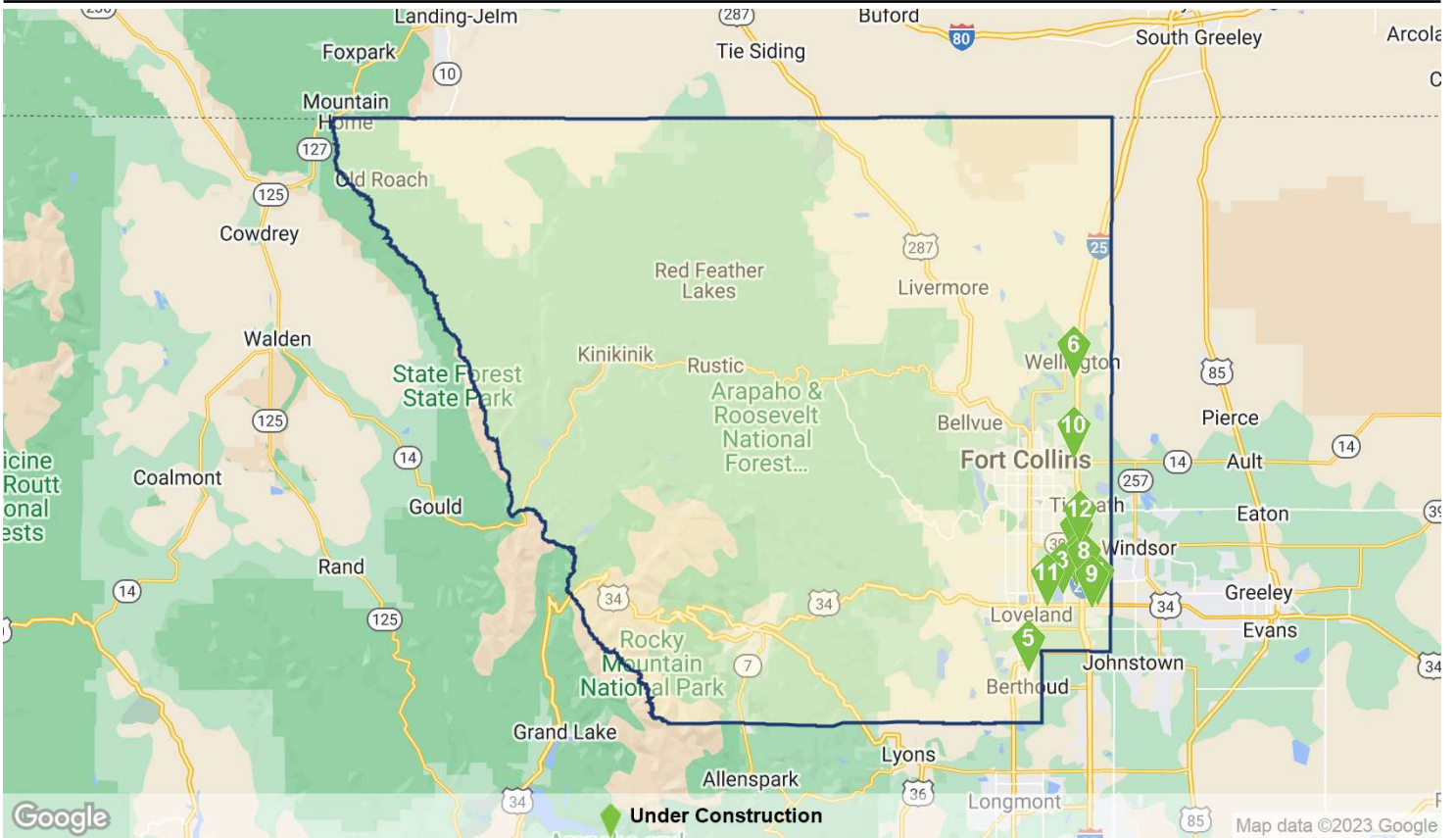
12

4,263,600

21.5%

92.1%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Amazon 6425 Byrd Dr	★★★★★	3,850,000	4	Jun 2022	Aug 2023	-
2 3645 Precision Dr	★★★★☆	163,940	1	Nov 2022	Sep 2023	McWhinney
3 TBD Boyd Lake Ave	★★★★☆	100,000	1	Feb 2023	Aug 2023	-
4 4520/4540 Venture Dr	★★★★☆	23,880	1	Aug 2022	Aug 2023	Limelight Electric
5 220 Water Ave	★★★★☆	20,000	1	Oct 2022	Oct 2023	-
6 6599 Buttercup Dr	★★★★☆	20,000	1	Apr 2023	Nov 2023	-
7 1233 N County Road 3	★★★★☆	20,000	1	Feb 2023	Feb 2024	-

Under Construction Properties

Fort Collins Industrial

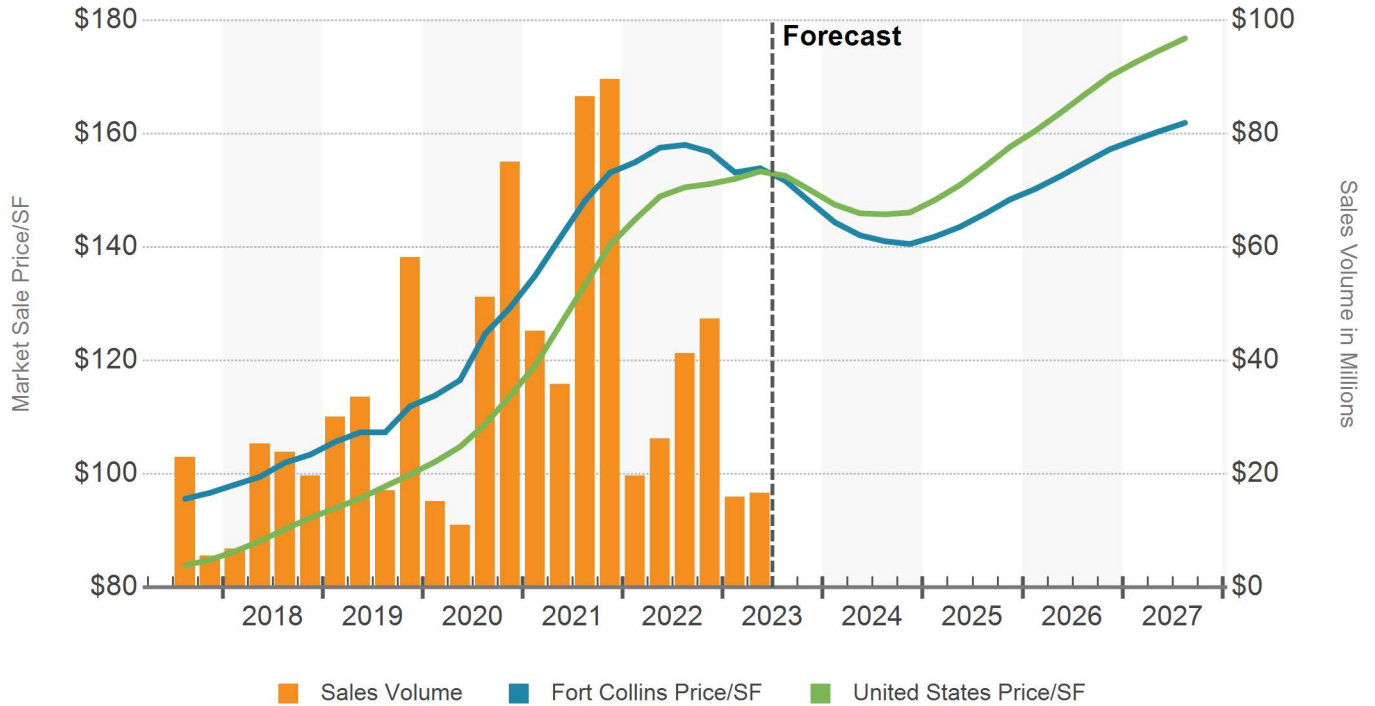
UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 3505 Draft Horse Ct	★ ★ ★ ★ ★	17,500	1	Oct 2022	Aug 2023	-
9 Building 2 4530 Venture Dr	★ ★ ★ ★ ★	16,000	1	Nov 2022	Aug 2023	-
10 11 NW Frontage Rd	★ ★ ★ ★ ★	14,280	1	Aug 2022	Aug 2023	-
11 2283 11th St SW	★ ★ ★ ★ ★	10,000	1	Aug 2022	Aug 2023	-
12 E County Road 34 E	★ ★ ★ ★ ★	8,000	1	Nov 2022	Nov 2023	-

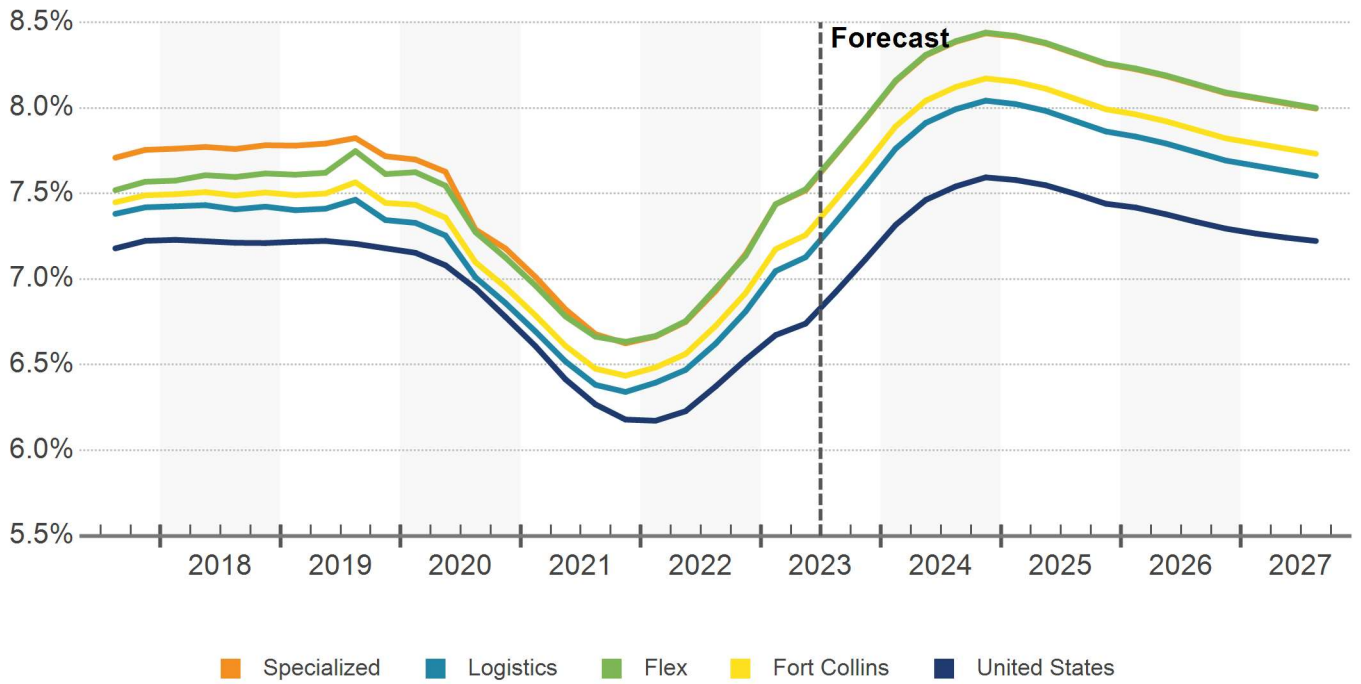
High interest rates continue to sideline a growing number of investors, and deal volume has decelerated since the start of 2023. Trailing 12-month investment volume now totals \$115 million. The slowdown in investment activity will likely cause the pace of price growth and cap rate compression to slow this year.

A significant portion of volume in the pandemic era was driven by Mark IV Capital's acquisition of a 123,000-SF distribution building at Centerra Industrial Park in Loveland. McWhinney sold the asset, built in 2018, for \$32.63 million (\$265.70/SF) in August 2020. Amazon occupies the entire building and had roughly ten years remaining on its lease term.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Fort Collins Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

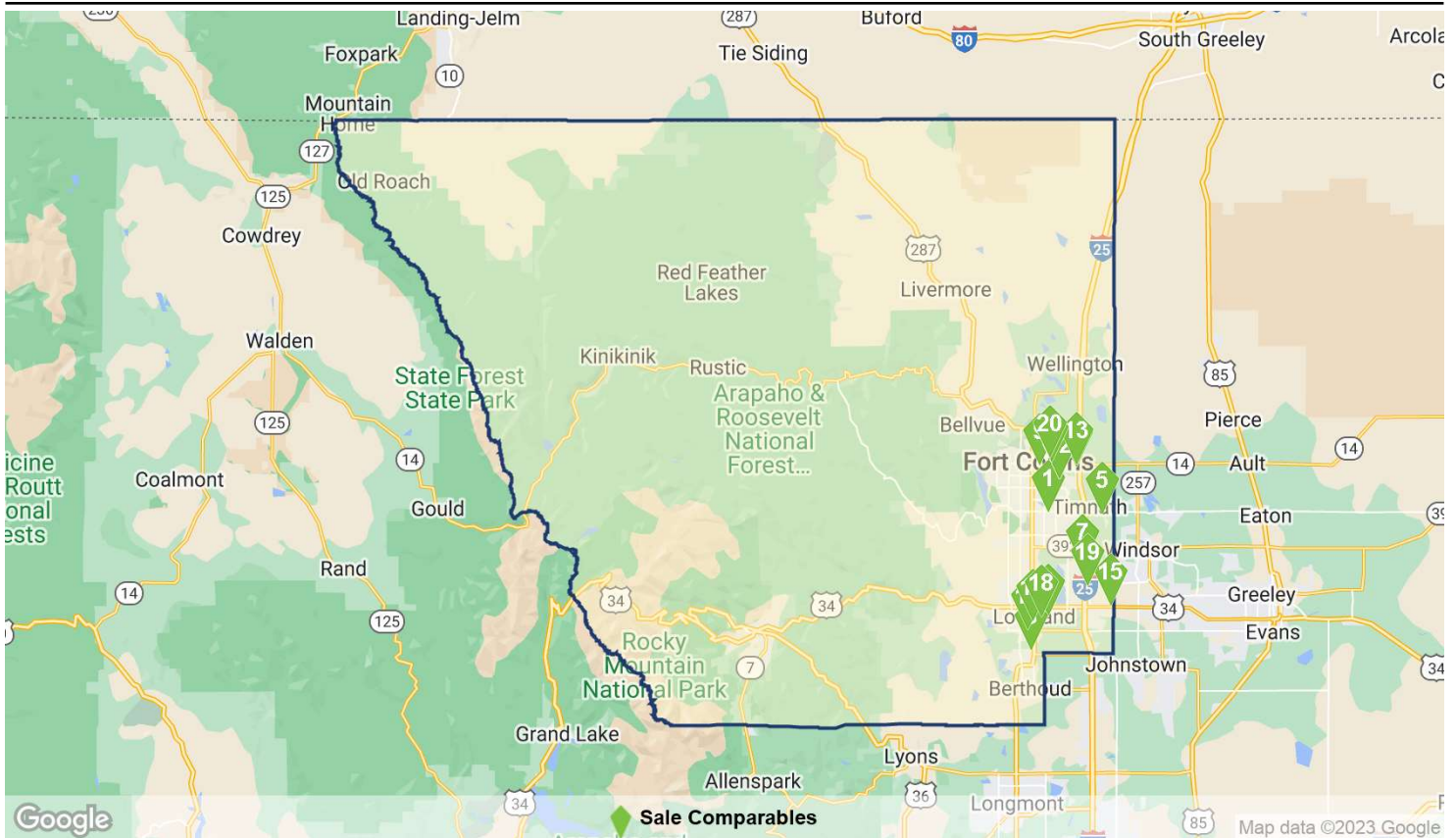
87

6.2%

\$127

20.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$16,832	\$2,341,570	\$1,457,500	\$7,042,425
Price/SF	\$0.18	\$127	\$186	\$561
Cap Rate	5.0%	6.2%	6.0%	7.5%
Time Since Sale in Months	0.3	6.6	7.4	11.8
Property Attributes	Low	Average	Median	High
Building SF	2,105	17,760	11,060	95,000
Ceiling Height	9'	16'7"	16'	24'
Docks	0	2	0	29
Vacancy Rate At Sale	0%	20.2%	0%	100%
Year Built	1945	1984	1981	2022
Star Rating	★★★★★	★★★★★ 2.0	★★★★★	★★★★★

Sales Past 12 Months

Fort Collins Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 4812 McMurry Ave	★★★★★	1995	40,722	0%	9/9/2022	\$7,042,425	\$173	7.0%
2 Plum Tree Plaza 2573-2601 Midpoint Dr	★★★★★	1989	38,162	0%	10/6/2022	\$6,802,647	\$178	-
3 Office/Warehouse I 729 8th St SE	★★★★★	1977	48,022	0%	10/25/2022	\$6,400,000	\$133	-
4 115 Peridot St	★★★★★	2018	40,801	0%	12/30/2022	\$6,316,655	\$155	-
5 4973 Goodman Rd	★★★★★	2015	45,550	0%	10/6/2022	\$5,451,100	\$120	-
6 Waterford Center 1000 S Lincoln Ave	★★★★★	1946	88,878	0%	3/13/2023	\$5,400,000	\$61	6.3%
7 6310 Byrd Dr	★★★★★	2017	9,450	0%	8/23/2022	\$5,300,000	\$561	5.5%
8 Loveland Molecular Labs 3985 S Lincoln Ave	★★★★★	2001	28,600	24.5%	4/3/2023	\$4,750,000	\$166	6.0%
9 913 E Laurel St	★★★★★	1963	22,041	0%	4/12/2023	\$3,800,000	\$172	5.7%
10 2607 Midpoint Dr	★★★★★	1988	18,400	0%	10/6/2022	\$3,201,301	\$174	-
11 912 Smithfield Dr	★★★★★	1997	19,818	0%	7/26/2022	\$2,900,000	\$146	-
12 2601 Midpoint Dr	★★★★★	1988	16,608	0%	10/6/2022	\$2,896,053	\$174	-
13 813 Smithfield Dr	★★★★★	1997	11,060	0%	2/17/2023	\$2,603,140	\$235	7.5%
14 1828 E Mulberry St	★★★★★	1950	19,404	0%	6/6/2023	\$2,500,000	\$129	-
15 8906 E Highway 34	★★★★★	1975	12,184	0%	3/9/2023	\$2,300,000	\$189	-
16 244 Barberry Pl	★★★★★	1980	20,000	0%	10/21/2022	\$2,000,000	\$100	-
17 Building 1 500 S Lincoln Ave	★★★★★	1962	11,093	0%	6/8/2023	\$1,900,000	\$171	6.8%
18 Hach Industrial Bldg 129 S Madison Ave	★★★★★	1985	11,128	0%	8/9/2022	\$1,861,120	\$167	-
19 3590 Draft Horse Ct	★★★★★	2008	8,215	0%	10/25/2022	\$1,800,000	\$219	-
20 1708 Heath Pky	★★★★★	1978	11,120	0%	7/20/2022	\$1,475,000	\$133	-

While many might consider Fort Collins a college town—it is virtually wedded to Colorado State University—the city's economic strength stems from the diversity of the employers located here. Colorado State University's influence cannot be disregarded, however. It plays a vital role in drawing the city's high-paying employers. Because of the university's resources and research facilities, not to mention the constant supply of educated graduates, a number of tech companies, and more than 20 Fortune 500 companies are located in the metro, including Hewlett-Packard, AMD, and Intel. These firms can take advantage of partnerships with the school and its research labs, incubating an employee base already experienced in fieldwork.

Fort Collins has developed a significant craft beer industry and is home to a number of notable brewers, including New Belgium, Odell, and Black Bottle, not to mention behemoth Anheuser-Busch. This industry niche

accounts for a more than \$1 billion economic impact on Larimer County, with almost 3,000 jobs and in the neighborhood of \$175 million in wages.

The Fort Collins Area Chamber of Commerce is implementing a new regional strategic initiative, called Northern Colorado Prospers (NCP) 2.0, in an effort to spur local economic growth. According to the Chamber, this initiative will shift resources to accelerate and reignite businesses and the local economy, take talent attraction and retention to the next level, expand the scope of the existing transportation goal, and implement a better-resourced, more-proactive effort to ensure a business-friendly operating environment.

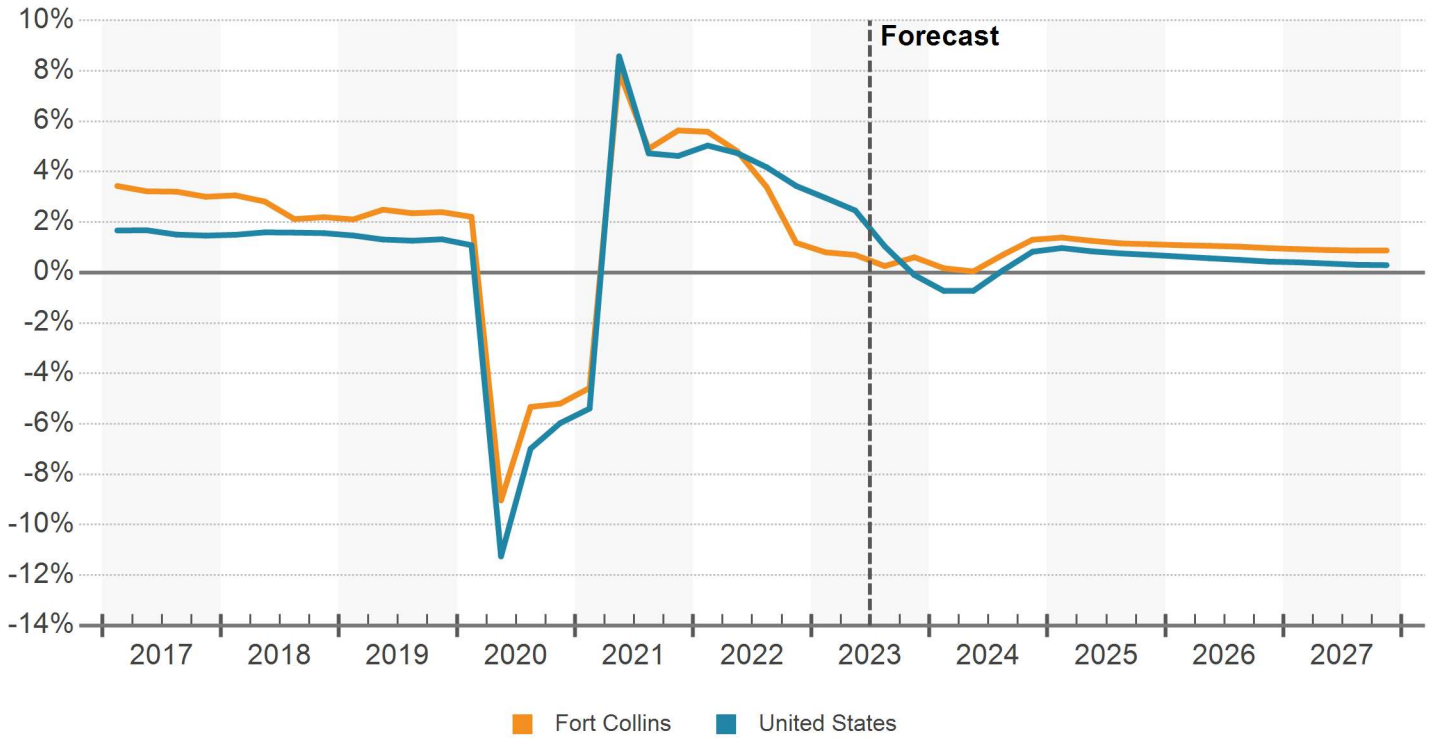
Population growth has often been well above the national average in past years. A low cost of living and affordable home prices also makes the metro attractive to businesses and residents.

FORT COLLINS 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	15	1.0	-0.01%	1.39%	2.45%	0.79%	0.37%	-0.08%
Trade, Transportation and Utilities	30	0.9	-0.75%	0.82%	2.37%	1.20%	0.57%	-0.02%
Retail Trade	20	1.1	-0.17%	0.61%	1.44%	0.39%	0.75%	-0.01%
Financial Activities	7	0.7	0.51%	0.95%	2.07%	1.48%	0.71%	-0.02%
Government	43	1.6	0.61%	1.73%	1.96%	0.30%	1.55%	0.45%
Natural Resources, Mining and Construction	13	1.3	2.39%	2.77%	3.77%	2.50%	0.81%	0.10%
Education and Health Services	20	0.7	2.51%	3.49%	3.28%	1.76%	0.53%	0.56%
Professional and Business Services	21	0.8	-1.56%	1.99%	1.08%	2.14%	0.33%	0.23%
Information	3	0.8	5.03%	-1.46%	1.67%	1.13%	-0.23%	0.18%
Leisure and Hospitality	23	1.2	2.34%	5.74%	2.24%	1.59%	1.02%	0.85%
Other Services	7	1.0	-0.31%	2.91%	1.82%	0.68%	1.18%	0.17%
Total Employment	180	1.0	0.63%	2.25%	2.24%	1.35%	0.84%	0.28%

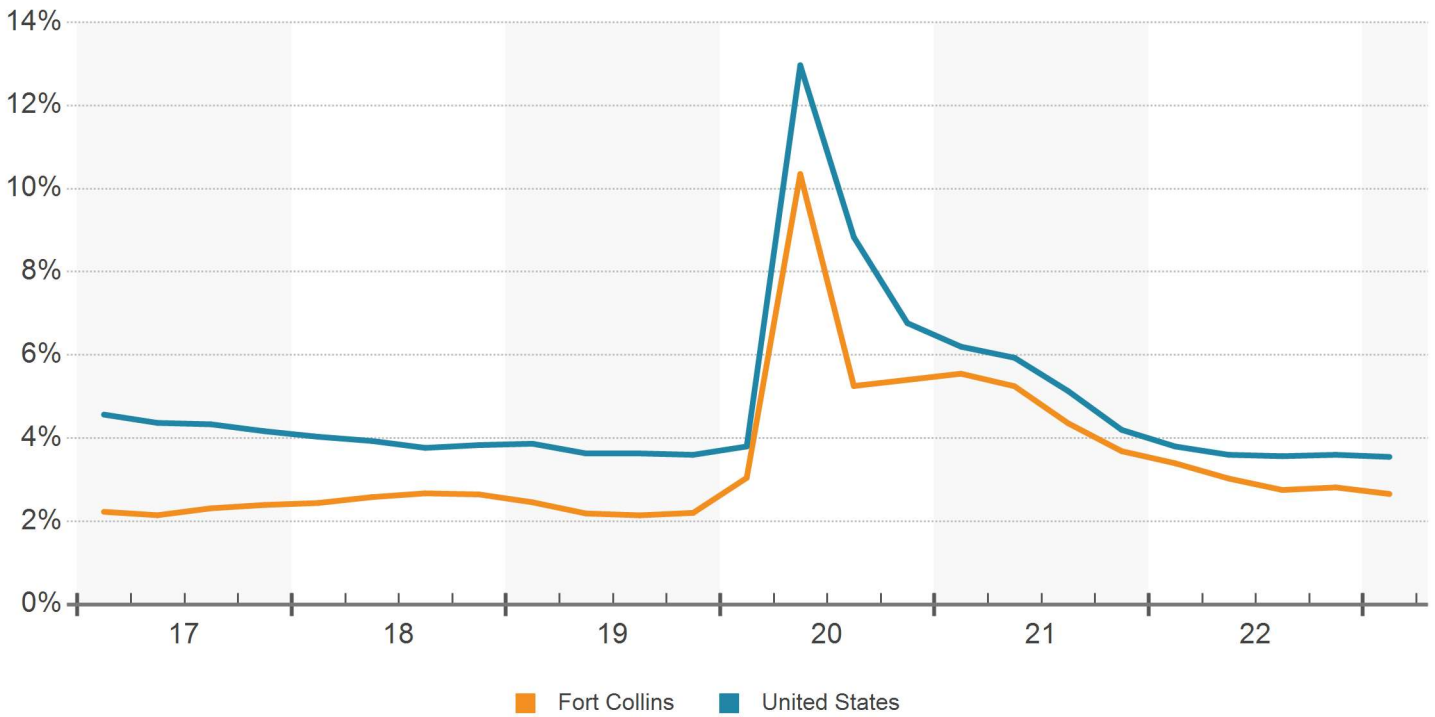
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

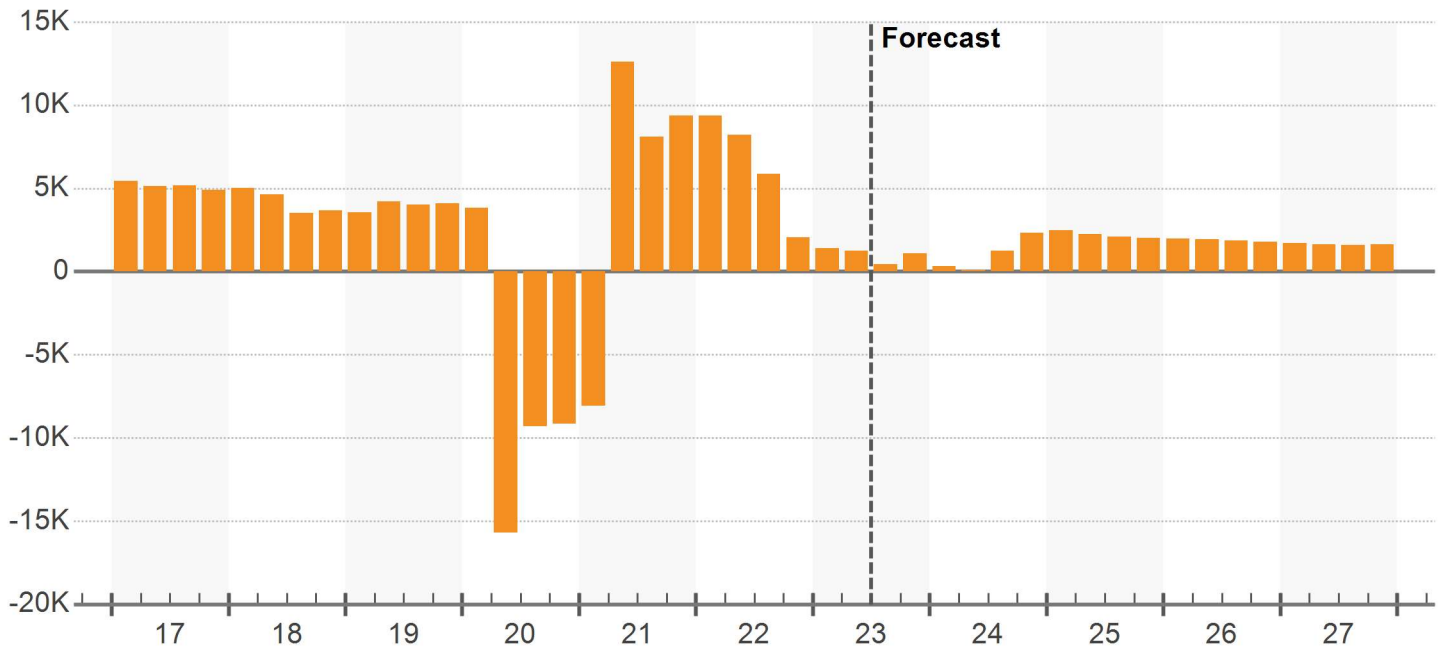


Source: Oxford Economics

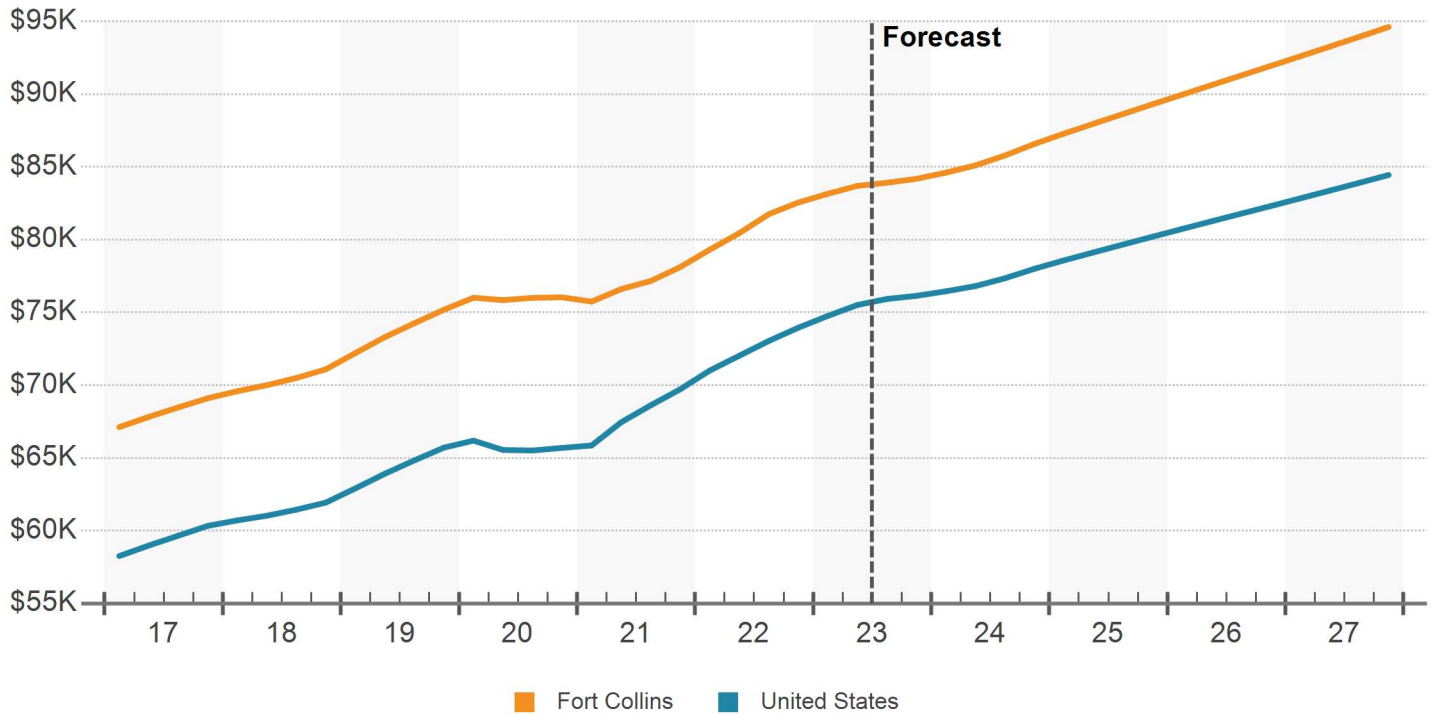
UNEMPLOYMENT RATE (%)



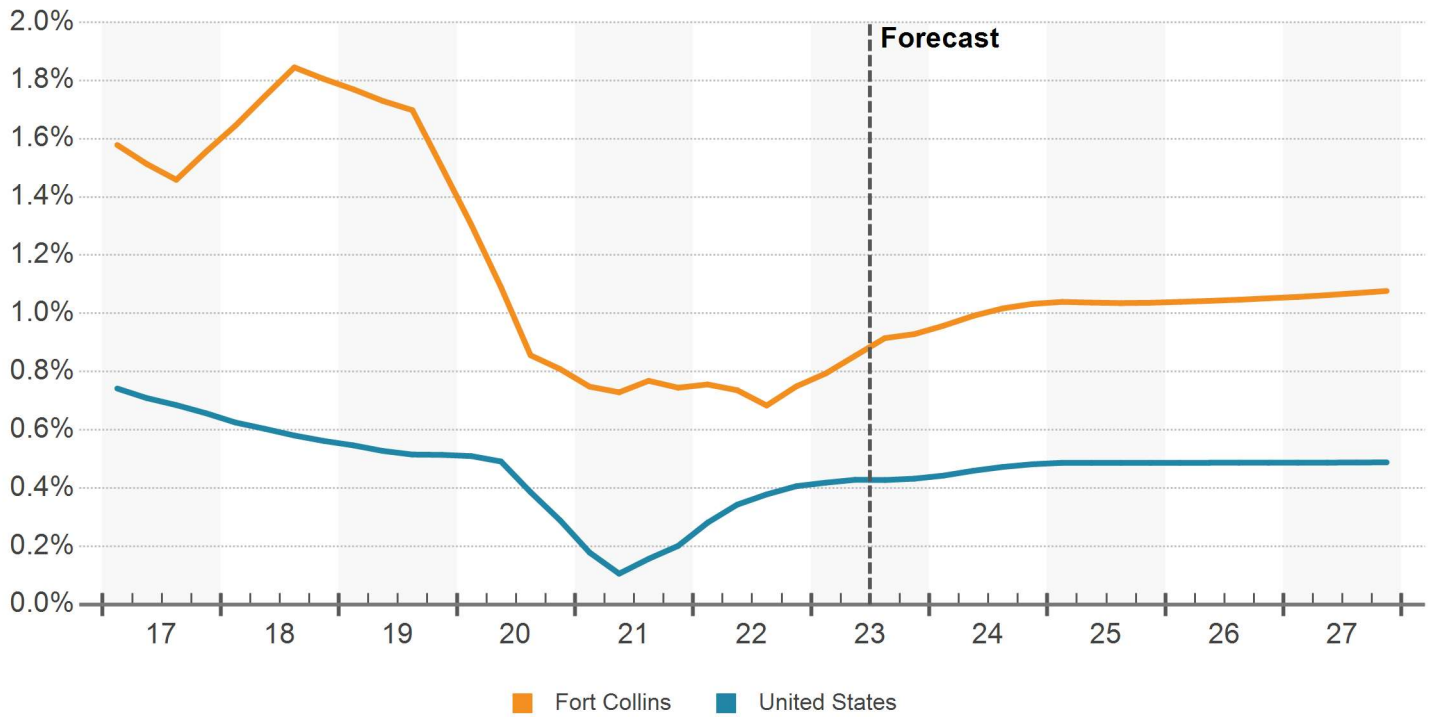
NET EMPLOYMENT CHANGE (YOY)



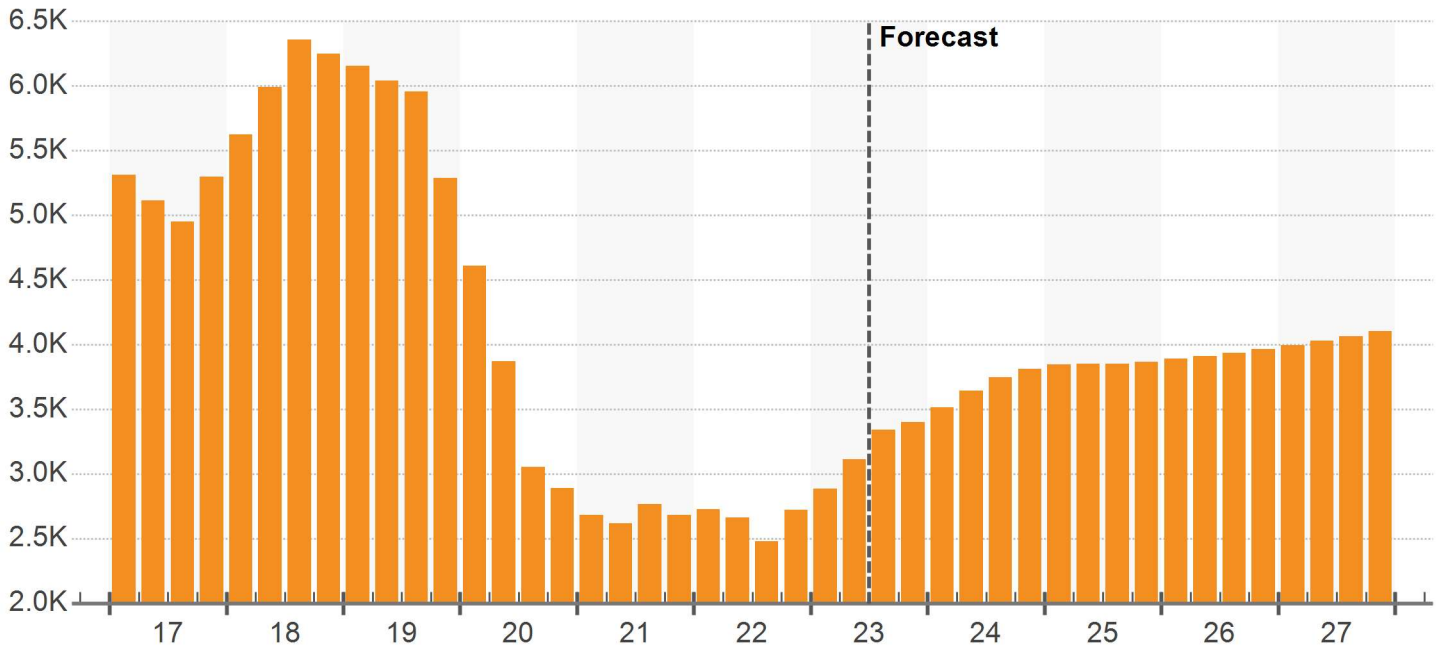
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

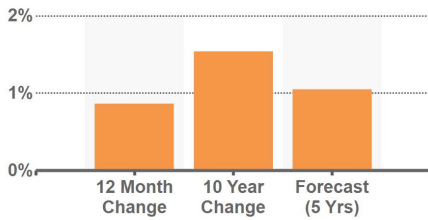


DEMOGRAPHIC TRENDS

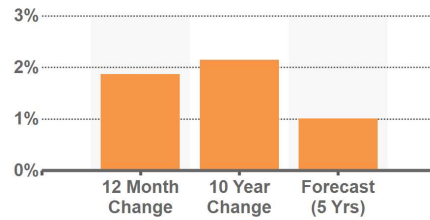
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	367,583	334,417,719	0.9%	0.4%	1.5%	0.6%	1.0%	0.5%
Households	155,841	129,828,148	1.2%	0.7%	2.2%	0.9%	1.2%	0.6%
Median Household Income	\$83,723	\$75,567	3.8%	4.7%	3.8%	3.8%	2.8%	2.5%
Labor Force	214,050	165,434,859	1.9%	0.8%	2.1%	0.6%	1.0%	0.4%
Unemployment	2.7%	3.5%	-0.3%	0%	-0.3%	-0.4%	-	-

Source: Oxford Economics

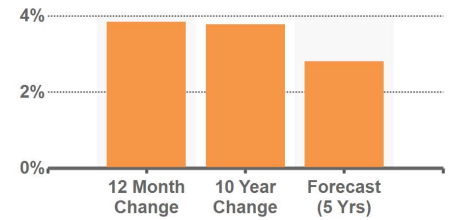
POPULATION GROWTH



LABOR FORCE GROWTH



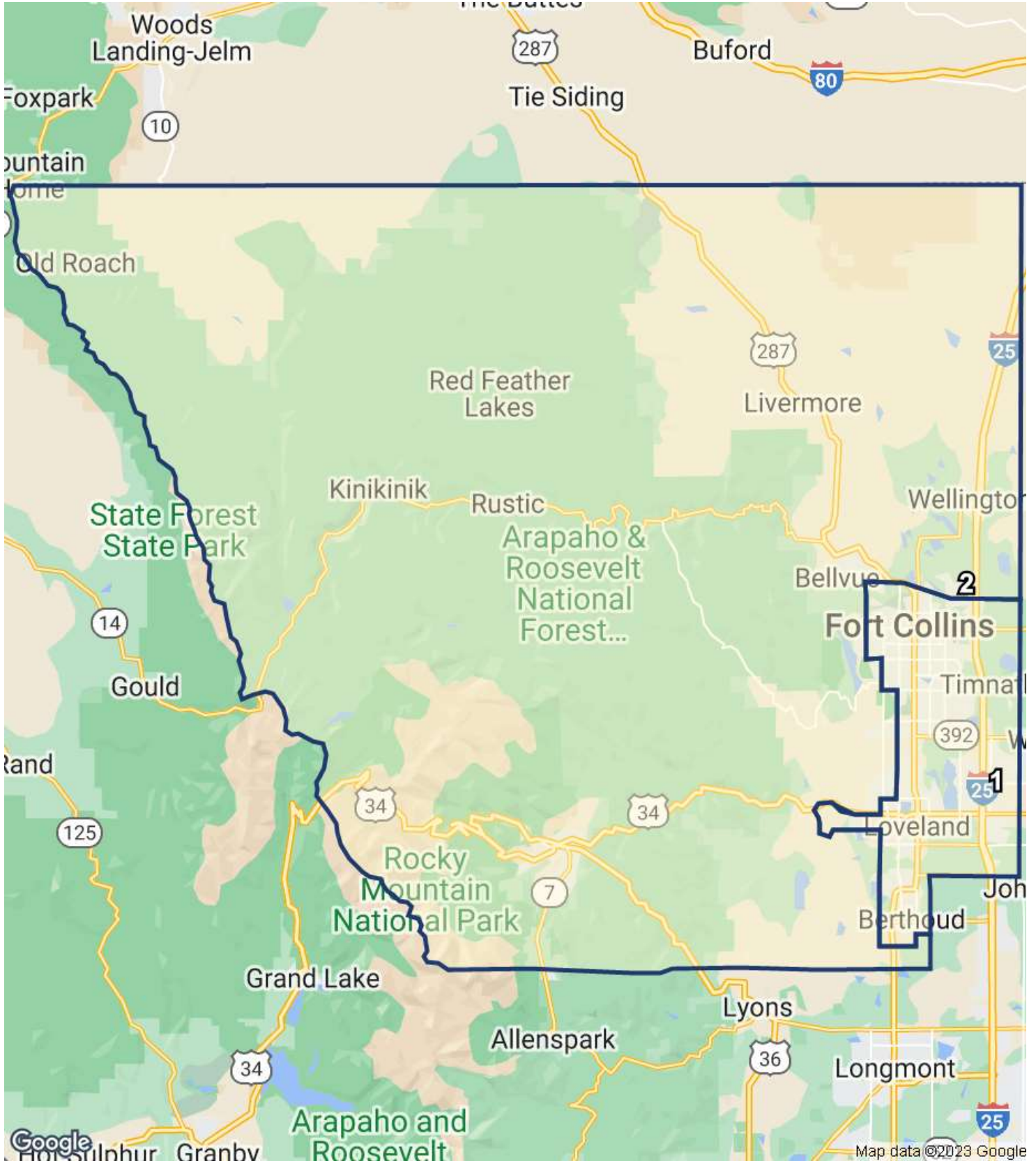
INCOME GROWTH



Source: Oxford Economics

Submarkets

FORT COLLINS SUBMARKETS



Submarkets

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Fort Collins/Loveland	1,025	23,778	90.8%	1	10	626	2.6%	1	11	4,244	17.8%	1
2	Outlying Larimer Cnty	69	2,423	9.2%	2	0	0	0%	-	1	20	0.8%	2

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Fort Collins/Loveland	\$12.34	1	6.2%	2	2.0%	1
2	Outlying Larimer Cnty	\$11.84	2	9.7%	1	1.9%	2

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Fort Collins/Loveland	1,269,991	5.3%	2	215,490	0.9%	1	2.3
2	Outlying Larimer Cnty	7,633	0.3%	1	3,441	0.1%	2	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	34,324,088	1,106,020	3.3%	1,084,692	3.2%	1.0
2026	33,218,068	1,183,244	3.7%	1,128,069	3.4%	1.0
2025	32,034,824	1,131,128	3.7%	1,091,034	3.4%	1.0
2024	30,903,696	520,526	1.7%	617,079	2.0%	0.8
2023	30,383,170	4,325,764	16.6%	4,022,499	13.2%	1.1
YTD	26,200,277	142,871	0.5%	(60,063)	-0.2%	-
2022	26,057,406	761,998	3.0%	470,426	1.8%	1.6
2021	25,295,408	452,315	1.8%	729,636	2.9%	0.6
2020	24,843,093	428,392	1.8%	45,179	0.2%	9.5
2019	24,414,701	315,330	1.3%	540,576	2.2%	0.6
2018	24,099,371	506,089	2.1%	480,773	2.0%	1.1
2017	23,593,282	382,384	1.6%	586,079	2.5%	0.7
2016	23,210,898	557,116	2.5%	448,656	1.9%	1.2
2015	22,653,782	50,482	0.2%	(170,237)	-0.8%	-
2014	22,603,300	330,977	1.5%	511,262	2.3%	0.6
2013	22,272,323	169,265	0.8%	303,070	1.4%	0.6
2012	22,103,058	32,210	0.1%	305,644	1.4%	0.1
2011	22,070,848	13,130	0.1%	81,294	0.4%	0.2

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	3,509,275	(648)	0%	(2,842)	-0.1%	-
2026	3,509,923	(417)	0%	(1,489)	0%	-
2025	3,510,340	(468)	0%	3,900	0.1%	-
2024	3,510,808	(1,811)	-0.1%	(5,406)	-0.2%	-
2023	3,512,619	(598)	0%	(48,607)	-1.4%	-
YTD	3,513,217	0	0%	(35,667)	-1.0%	-
2022	3,513,217	0	0%	112,556	3.2%	0
2021	3,513,217	11,200	0.3%	73,767	2.1%	0.2
2020	3,502,017	0	0%	(132,683)	-3.8%	-
2019	3,502,017	0	0%	43,966	1.3%	0
2018	3,502,017	176,572	5.3%	350,095	10.0%	0.5
2017	3,325,445	119,108	3.7%	157,875	4.7%	0.8
2016	3,206,337	301,225	10.4%	338,437	10.6%	0.9
2015	2,905,112	16,250	0.6%	(299,650)	-10.3%	-
2014	2,888,862	6,000	0.2%	23,163	0.8%	0.3
2013	2,882,862	(2,360)	-0.1%	35,614	1.2%	-
2012	2,885,222	14,130	0.5%	17,387	0.6%	0.8
2011	2,871,092	0	0%	(39,175)	-1.4%	-

Supply & Demand Trends

Fort Collins Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	24,277,691	1,087,210	4.7%	1,078,307	4.4%	1.0
2026	23,190,481	1,162,383	5.3%	1,116,274	4.8%	1.0
2025	22,028,098	1,111,355	5.3%	1,059,420	4.8%	1.0
2024	20,916,743	499,755	2.4%	567,006	2.7%	0.9
2023	20,416,988	4,253,345	26.3%	4,054,881	19.9%	1.0
YTD	16,306,514	142,871	0.9%	(35,624)	-0.2%	-
2022	16,163,643	751,932	4.9%	441,554	2.7%	1.7
2021	15,411,711	418,715	2.8%	557,017	3.6%	0.8
2020	14,992,996	376,775	2.6%	129,615	0.9%	2.9
2019	14,616,221	272,860	1.9%	423,598	2.9%	0.6
2018	14,343,361	276,488	2.0%	28,271	0.2%	9.8
2017	14,066,873	305,207	2.2%	433,661	3.1%	0.7
2016	13,761,666	242,491	1.8%	58,459	0.4%	4.1
2015	13,519,175	34,232	0.3%	74,783	0.6%	0.5
2014	13,484,943	256,896	1.9%	389,378	2.9%	0.7
2013	13,228,047	171,625	1.3%	273,243	2.1%	0.6
2012	13,056,422	18,080	0.1%	238,574	1.8%	0.1
2011	13,038,342	13,130	0.1%	65,256	0.5%	0.2

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	6,537,122	19,458	0.3%	9,227	0.1%	2.1
2026	6,517,664	21,278	0.3%	13,284	0.2%	1.6
2025	6,496,386	20,241	0.3%	27,714	0.4%	0.7
2024	6,476,145	22,582	0.3%	55,479	0.9%	0.4
2023	6,453,563	73,017	1.1%	16,225	0.3%	4.5
YTD	6,380,546	0	0%	11,228	0.2%	0
2022	6,380,546	10,066	0.2%	(83,684)	-1.3%	-
2021	6,370,480	22,400	0.4%	98,852	1.6%	0.2
2020	6,348,080	51,617	0.8%	48,247	0.8%	1.1
2019	6,296,463	42,470	0.7%	73,012	1.2%	0.6
2018	6,253,993	53,029	0.9%	102,407	1.6%	0.5
2017	6,200,964	(41,931)	-0.7%	(5,457)	-0.1%	-
2016	6,242,895	13,400	0.2%	51,760	0.8%	0.3
2015	6,229,495	0	0%	54,630	0.9%	0
2014	6,229,495	68,081	1.1%	98,721	1.6%	0.7
2013	6,161,414	0	0%	(5,787)	-0.1%	-
2012	6,161,414	0	0%	49,683	0.8%	0
2011	6,161,414	0	0%	55,213	0.9%	0

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$13.85	188	2.4%	16.0%	1,397,520	4.1%	-0.1%
2026	\$13.52	183	3.6%	13.3%	1,377,020	4.1%	0%
2025	\$13.05	177	3.3%	9.3%	1,322,630	4.1%	0%
2024	\$12.63	171	1.5%	5.8%	1,283,274	4.2%	-0.4%
2023	\$12.45	169	4.3%	4.3%	1,378,108	4.5%	0.4%
YTD	\$12.30	167	6.5%	3.1%	1,277,624	4.9%	0.8%
2022	\$11.93	162	8.0%	0%	1,074,690	4.1%	1.0%
2021	\$11.05	150	7.4%	-7.4%	783,118	3.1%	-1.2%
2020	\$10.29	139	4.7%	-13.8%	1,060,439	4.3%	1.5%
2019	\$9.82	133	4.8%	-17.7%	677,226	2.8%	-1.0%
2018	\$9.38	127	5.8%	-21.4%	902,472	3.7%	0%
2017	\$8.86	120	4.5%	-25.7%	877,156	3.7%	-1.0%
2016	\$8.48	115	3.4%	-28.9%	1,095,251	4.7%	0.4%
2015	\$8.20	111	4.3%	-31.3%	986,791	4.4%	1.0%
2014	\$7.86	107	5.1%	-34.1%	766,072	3.4%	-0.9%
2013	\$7.48	101	3.6%	-37.3%	946,357	4.2%	-0.6%
2012	\$7.23	98	2.0%	-39.5%	1,080,162	4.9%	-1.2%
2011	\$7.08	96	0.6%	-40.7%	1,353,596	6.1%	-0.3%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$13.95	186	2.7%	17.1%	106,782	3.0%	0.1%
2026	\$13.59	181	3.9%	14.1%	104,380	3.0%	0%
2025	\$13.08	174	3.6%	9.8%	103,136	2.9%	-0.1%
2024	\$12.63	168	1.6%	6.0%	107,332	3.1%	0.1%
2023	\$12.43	166	4.4%	4.4%	103,504	2.9%	1.4%
YTD	\$12.28	164	4.5%	3.1%	91,145	2.6%	1.0%
2022	\$11.91	159	4.4%	0%	55,478	1.6%	-3.2%
2021	\$11.41	152	6.3%	-4.2%	168,034	4.8%	-1.8%
2020	\$10.73	143	4.0%	-9.9%	230,601	6.6%	3.8%
2019	\$10.32	138	4.8%	-13.4%	97,918	2.8%	-1.3%
2018	\$9.84	131	6.6%	-17.4%	141,884	4.1%	-5.4%
2017	\$9.24	123	4.0%	-22.5%	315,407	9.5%	-1.6%
2016	\$8.88	118	3.4%	-25.5%	354,174	11.0%	-2.4%
2015	\$8.59	114	5.2%	-27.9%	391,386	13.5%	10.9%
2014	\$8.17	109	5.1%	-31.4%	75,486	2.6%	-0.6%
2013	\$7.77	104	2.7%	-34.7%	92,649	3.2%	-1.3%
2012	\$7.57	101	2.1%	-36.5%	130,623	4.5%	-0.1%
2011	\$7.42	99	1.2%	-37.7%	133,880	4.7%	1.4%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$13.38	197	2.4%	16.6%	923,044	3.8%	-0.1%
2026	\$13.07	192	3.5%	13.9%	915,502	3.9%	0%
2025	\$12.62	186	3.2%	10.0%	870,673	4.0%	0%
2024	\$12.22	180	1.5%	6.6%	819,995	3.9%	-0.4%
2023	\$12.05	177	5.0%	5.0%	886,034	4.3%	0.1%
YTD	\$11.90	175	7.7%	3.8%	865,969	5.3%	1.1%
2022	\$11.47	169	9.0%	0%	687,474	4.3%	1.8%
2021	\$10.53	155	8.2%	-8.3%	377,096	2.4%	-1.0%
2020	\$9.73	143	5.4%	-15.2%	515,398	3.4%	1.6%
2019	\$9.23	136	4.9%	-19.6%	268,238	1.8%	-1.1%
2018	\$8.80	129	5.7%	-23.3%	418,976	2.9%	1.7%
2017	\$8.32	122	4.7%	-27.5%	170,759	1.2%	-1.1%
2016	\$7.95	117	3.3%	-30.7%	313,613	2.3%	1.3%
2015	\$7.70	113	4.2%	-32.9%	129,581	1.0%	-0.3%
2014	\$7.39	109	5.7%	-35.6%	170,132	1.3%	-1.0%
2013	\$6.99	103	4.4%	-39.1%	302,614	2.3%	-0.8%
2012	\$6.69	98	2.7%	-41.7%	404,232	3.1%	-1.7%
2011	\$6.52	96	0.8%	-43.2%	624,726	4.8%	-0.4%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$15.29	167	2.5%	14.0%	367,694	5.6%	0.1%
2026	\$14.92	163	3.7%	11.3%	357,138	5.5%	0.1%
2025	\$14.39	157	3.4%	7.4%	348,821	5.4%	-0.1%
2024	\$13.92	152	1.4%	3.8%	355,947	5.5%	-0.5%
2023	\$13.72	150	2.4%	2.4%	388,570	6.0%	0.8%
YTD	\$13.57	148	4.1%	1.2%	320,510	5.0%	-0.2%
2022	\$13.40	147	7.0%	0%	331,738	5.2%	1.5%
2021	\$12.53	137	6.0%	-6.6%	237,988	3.7%	-1.2%
2020	\$11.82	129	3.4%	-11.8%	314,440	5.0%	0%
2019	\$11.43	125	4.3%	-14.7%	311,070	4.9%	-0.5%
2018	\$10.95	120	5.5%	-18.3%	341,612	5.5%	-0.8%
2017	\$10.38	114	4.3%	-22.5%	390,990	6.3%	-0.5%
2016	\$9.96	109	3.8%	-25.7%	427,464	6.8%	-0.6%
2015	\$9.59	105	4.2%	-28.5%	465,824	7.5%	-0.9%
2014	\$9.20	101	3.5%	-31.4%	520,454	8.4%	-0.6%
2013	\$8.89	97	1.9%	-33.7%	551,094	8.9%	0.1%
2012	\$8.72	95	0.6%	-34.9%	545,307	8.9%	-0.8%
2011	\$8.67	95	0%	-35.3%	594,990	9.7%	-0.9%

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
2027	-	-	-	-	-	-	\$163.30	242	7.7%
2026	-	-	-	-	-	-	\$157.26	233	7.8%
2025	-	-	-	-	-	-	\$148.40	220	8.0%
2024	-	-	-	-	-	-	\$140.56	208	8.2%
2023	-	-	-	-	-	-	\$148	219	7.7%
YTD	34	\$32.5M	1.2%	\$1,250,820	\$128.63	6.2%	\$154.30	228	7.3%
2022	84	\$134.6M	4.7%	\$1,770,642	\$131.12	6.3%	\$156.79	232	6.9%
2021	132	\$257.1M	7.4%	\$2,403,214	\$158.62	7.2%	\$153.14	227	6.4%
2020	82	\$152.4M	8.3%	\$2,498,800	\$76.04	7.6%	\$129.35	192	7.0%
2019	89	\$139.1M	5.4%	\$2,044,922	\$118.94	6.8%	\$111.94	166	7.4%
2018	72	\$75.6M	4.1%	\$1,608,600	\$100.97	6.5%	\$103.42	153	7.5%
2017	90	\$108.3M	5.7%	\$1,933,294	\$97.75	7.5%	\$96.70	143	7.5%
2016	79	\$58.2M	4.1%	\$1,212,655	\$86.21	7.7%	\$96.38	143	7.1%
2015	107	\$54.8M	7.6%	\$1,074,887	\$87.56	6.2%	\$92.89	138	7.0%
2014	79	\$53.2M	4.2%	\$818,763	\$68.47	7.5%	\$85.56	127	7.4%
2013	117	\$75.8M	5.2%	\$824,432	\$81.04	7.4%	\$77.60	115	7.7%
2012	77	\$35.7M	3.3%	\$595,640	\$52.56	7.5%	\$72.87	108	7.9%

(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.

SPECIALIZED INDUSTRIAL 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
2027	-	-	-	-	-	-	\$156.22	237	8.0%
2026	-	-	-	-	-	-	\$150.28	228	8.1%
2025	-	-	-	-	-	-	\$141.65	215	8.3%
2024	-	-	-	-	-	-	\$134.03	204	8.4%
2023	-	-	-	-	-	-	\$140.64	214	7.9%
YTD	-	-	-	-	-	-	\$146.32	222	7.6%
2022	6	\$11.7M	2.2%	\$2,333,000	\$168.60	-	\$149.42	227	7.1%
2021	22	\$33M	7.5%	\$2,748,399	\$159.95	-	\$146.76	223	6.6%
2020	5	\$7.2M	1.6%	\$1,807,826	\$141.58	-	\$123.35	187	7.2%
2019	8	\$27.3M	6.6%	\$3,407,512	\$117.43	-	\$105.98	161	7.7%
2018	4	\$7.5M	6.1%	\$3,750,000	\$42.89	-	\$97.86	149	7.8%
2017	5	\$8.2M	2.8%	\$1,635,999	\$86.40	-	\$91.67	139	7.8%
2016	4	\$4.6M	2.5%	\$2,295,000	\$88.61	-	\$91.55	139	7.3%
2015	3	\$1.2M	1.8%	\$597,750	\$99.51	-	\$89.78	136	7.2%
2014	5	\$1.8M	2.2%	\$612,767	\$40.54	-	\$82.70	126	7.6%
2013	6	\$3.8M	1.9%	\$625,700	\$68.77	-	\$74.61	113	7.9%
2012	4	\$2.7M	3.8%	\$895,833	\$25.26	-	\$70.09	106	8.1%

(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.

LOGISTICS 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
2027	-	-	-	-	-	-	\$163.61	243	7.6%
2026	-	-	-	-	-	-	\$157.58	234	7.7%
2025	-	-	-	-	-	-	\$148.74	221	7.9%
2024	-	-	-	-	-	-	\$140.90	209	8.0%
2023	-	-	-	-	-	-	\$148.50	221	7.5%
YTD	27	\$20.5M	1.0%	\$977,587	\$168.66	6.2%	\$154.94	230	7.2%
2022	62	\$82.9M	5.9%	\$1,480,812	\$109.72	6.0%	\$156.94	233	6.8%
2021	79	\$131.2M	7.1%	\$2,049,705	\$144.59	7.1%	\$153.11	228	6.3%
2020	47	\$111.5M	6.8%	\$2,858,410	\$112.58	7.4%	\$128.91	192	6.9%
2019	58	\$76.1M	6.0%	\$1,812,569	\$101.95	7.0%	\$111.25	165	7.3%
2018	58	\$50.6M	4.4%	\$1,446,488	\$120.31	6.5%	\$102.34	152	7.4%
2017	53	\$38.3M	4.7%	\$1,596,318	\$83.42	7.4%	\$95.50	142	7.4%
2016	57	\$35.9M	4.6%	\$1,121,314	\$86.45	8.0%	\$95.26	142	7.0%
2015	61	\$41.1M	4.6%	\$1,028,206	\$101.40	6.2%	\$91.61	136	7.0%
2014	62	\$39.4M	4.8%	\$787,258	\$81.22	7.5%	\$84.42	125	7.3%
2013	79	\$51.9M	6.8%	\$894,937	\$75.85	6.9%	\$77.44	115	7.6%
2012	54	\$24M	3.9%	\$584,513	\$50.48	8.5%	\$72.63	108	7.8%

(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.

FLEX 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
2027	-	-	-	-	-	-	\$166.17	240	8.0%
2026	-	-	-	-	-	-	\$160.02	231	8.1%
2025	-	-	-	-	-	-	\$151.01	218	8.3%
2024	-	-	-	-	-	-	\$143.03	207	8.4%
2023	-	-	-	-	-	-	\$150.40	217	7.9%
YTD	7	\$12M	2.2%	\$2,398,400	\$91.47	6.2%	\$156.62	226	7.6%
2022	16	\$40M	3.2%	\$2,665,222	\$198.57	6.5%	\$160.34	232	7.1%
2021	31	\$93M	8.0%	\$2,999,419	\$183.17	7.3%	\$156.66	226	6.6%
2020	30	\$33.7M	15.7%	\$1,873,193	\$35.01	8.0%	\$133.99	193	7.1%
2019	23	\$35.7M	3.5%	\$1,981,483	\$187.47	6.7%	\$117.34	169	7.6%
2018	10	\$17.5M	2.4%	\$1,747,713	\$114.17	-	\$109.83	159	7.6%
2017	32	\$61.8M	9.5%	\$2,287,882	\$111.59	7.7%	\$103.25	149	7.6%
2016	18	\$17.7M	3.9%	\$1,266,813	\$85.13	7.5%	\$102.55	148	7.2%
2015	43	\$12.5M	17.0%	\$1,388,390	\$59.94	-	\$98.63	142	7.1%
2014	12	\$12M	4.0%	\$1,001,533	\$48.61	-	\$90.72	131	7.4%
2013	32	\$20.2M	3.3%	\$720,971	\$102.47	8.0%	\$79.70	115	7.9%
2012	19	\$9.1M	1.9%	\$567,865	\$92.04	7.0%	\$75.11	108	8.1%

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