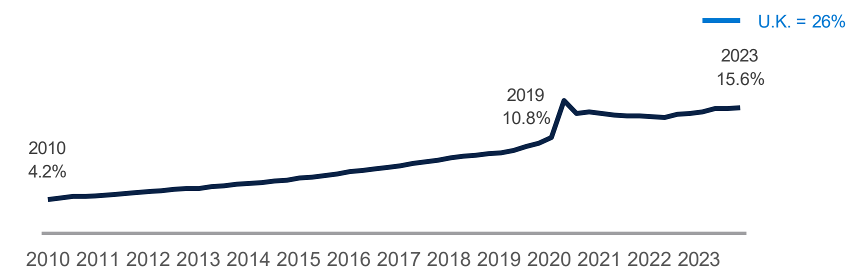
LOGISTICS DEMAND CONTINUES IN STRENGTH

Three secular tailwinds complement broader economic growth to drive increasing demand for space[1,2]

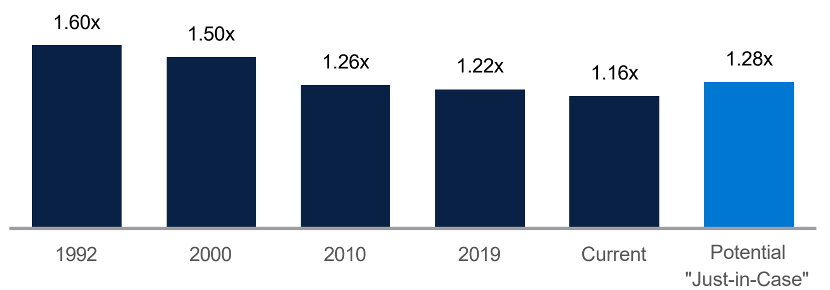
Macroeconomic growth has supported logistics demand through increased consumer spending—a function of population growth, income growth, and spending habits—driving more goods through supply chains

1. **E-commerce** ushered in a sea change in logistics demand as more goods flowed direct to homes—removing retail as a storage option and pushing customer complexities into the supply chain
2. **Inventory management** shifts to a more defensive posture, requiring more space for storage close to consumers
3. **Domestic and near-shore manufacturing** directly drives demand for factory space but also for the distribution of component parts needed to keep production lines active

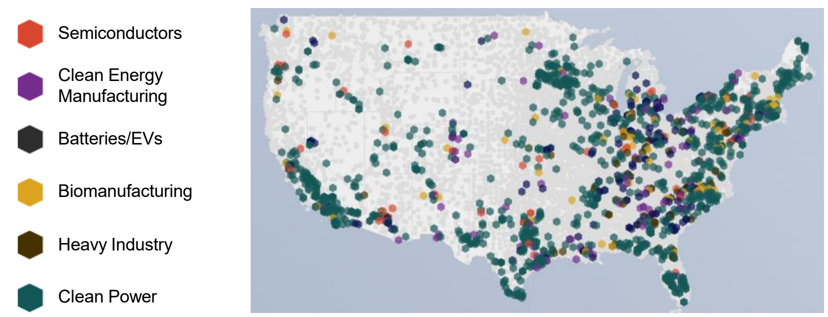
E-COMMERCE AS A % OF ALL SALES[3]



INVENTORY-TO-SALES (EX-AUTO)[4]



$650B+ OF "INVESTMENTS IN AMERICA" SINCE 2021[5]



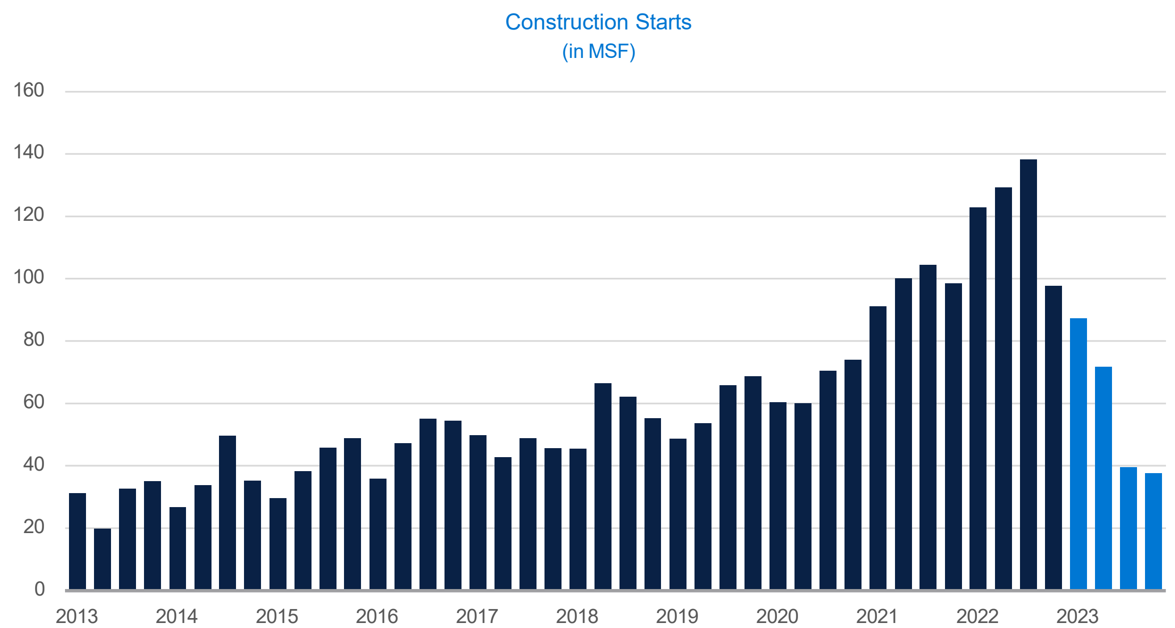
(1) Slide content reflects Greystar opinion and observations unless otherwise noted (April 2024).
(2) Greystar analysis of Costar and Oxford Economics data (March 2024).
(3) US Census Bureau, Retail Sales (Total and E-Commerce) Data (March 2024). U.K. Office of National Statistics (April 2024).
(4) US Census Bureau, Monthly Retail Trade and Food Services (April 2024). "Just-in-Case" shows post-2000 average as a reference.
(5) The White House, "Investing in America," (accessed April 2024).

NEW SUPPLY IS IN RETREAT

Two years of elevated construction activity has come to an end[1]

- U.S. starts activity was 50% lower in 2023 v. 2022, declining rapidly in the back half of the year with 2H23 starts down more than 65% year-over-year[1]

CONSTRUCTION STARTS (IN MSF)[1]



FACTORS AFFECTING SUPPLY[2]

- ▲ Rising rents boost development yields
- ▲ Fundamentals support robust growth underwriting
- ▲ Investors are eager to diversify out of Retail and Office
- ▼ Financing costs have risen dramatically with rising interest rates
- ▼ Traditional construction loan channels limited to proven real estate developers at moderate leverage
- ▼ Construction costs are still historically elevated though cost relief is on the horizon
- ▼ Land-rich sites are not labor-rich for logistics operations & vice versa
- ▼ Run-rate obsolescence is accelerated with greater demand for highly functional space

(1) Costar data (April 2024).
(2) Slide content reflects Greystar opinion and observations unless otherwise noted (April 2024).