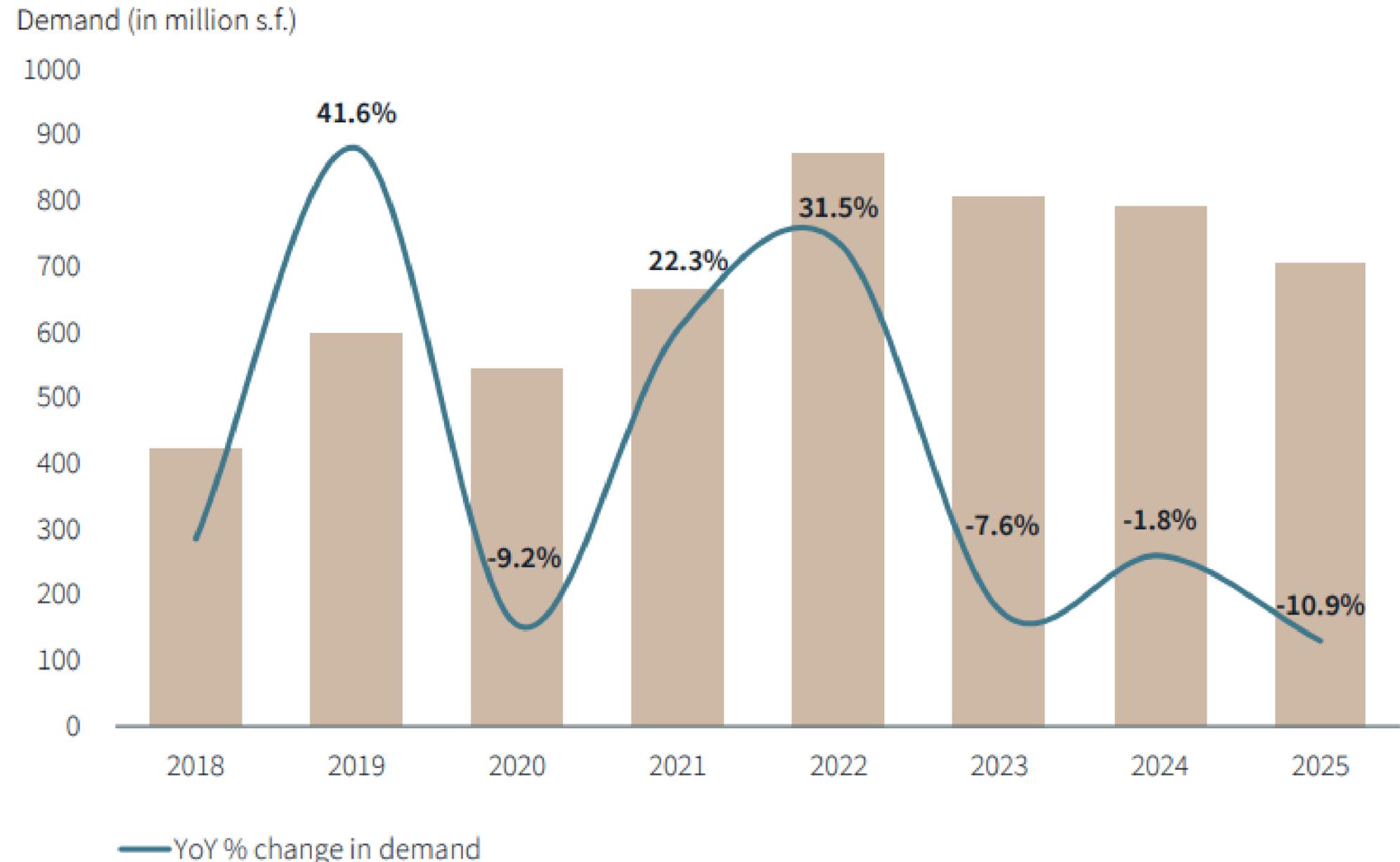


TRENDS AND INSIGHTS



Demand is down for the third year in a row

Tenants are remaining active in the market for extended periods and demand is down 10.9% year-over-year. While overall requirements are down for the third year in a row, there's increased certainty that current searches will result in completed transactions and convert into deals. Demand for Warehouse & Distribution is down 14.6% Y-o-Y, while manufacturing is up 9.0%. **Organizations are prioritizing efficiency and cost reduction, carefully assessing inventory expenses and interest rates, with future supply chain considerations sometimes becoming the decisive factor** in their real estate decisions.



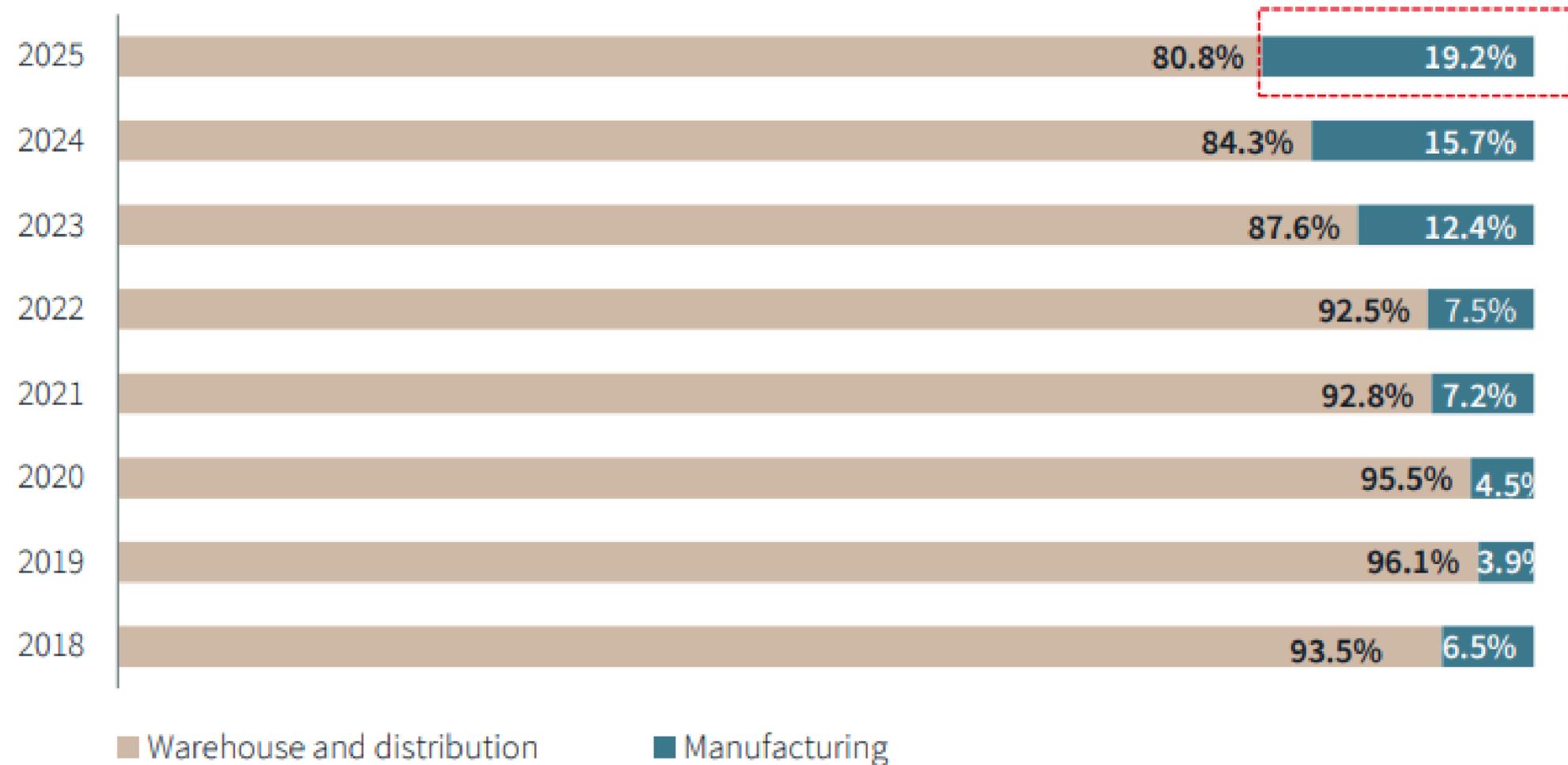
Source: JLL Research



Manufacturing related demand to reach 30% of U.S. industrial demand by 2028

Customer proximity is crucial amid tariff risks and supply chain regionalization. **In key manufacturing markets like Houston and Atlanta, land, power, and labor drive location decisions.** Modern Warehouse and Distribution facilities are also facing higher power demands due to automation, technology infrastructure, and EV adoption, requiring substantial charging infrastructure for logistics operations.

Warehouse and Distribution vs. Manufacturing requirements (as a percent of total requirements)



Note: Warehouse & Distribution includes Flex/R&D/Lab, Land and Special Purpose
 Source: JLL Research