

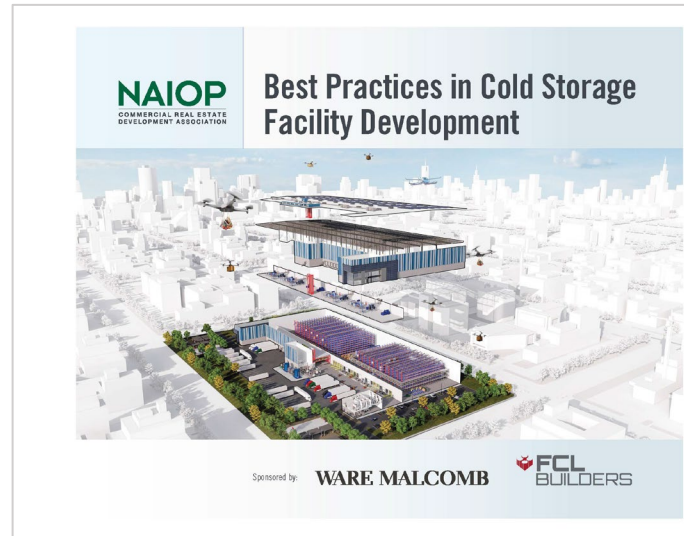
NAIOP Western Regional Summit
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Jennifer LeFurgy, PhD
Executive Director, NAIOP Research Foundation

Development magazine



Knowledge and Research



NAIOP Research Foundation



NAIOP Research Foundation Overview

- Founded in 2000 as a 501(c)(3)
- Board of Trustees
- Meet at each fall and spring meeting
- Shawn Moura, PhD, Senior Director of Research
- Bennett Gray, Vice President (fundraising)



Governors Program

- 92 Governors
- Pledges support research and programmatic initiatives
- Research committee determines topics and ideas are discussed at biannual Industry Trends meeting
- Networking and mentorship opportunities
- Serve as respondents and suggest case studies



Visionaries Program

- Provides mentoring, high-level networking, and research-related experiences to rising industry leaders 40 years of age and under.
- Almost half (11) have gone on to become governors.



Distinguished Fellows Program

- Commercial real estate, economic and public policy experts. They are usually nominated by NAIOP chapters.
- DFs author reports, speak at events and to NAIOP Forums

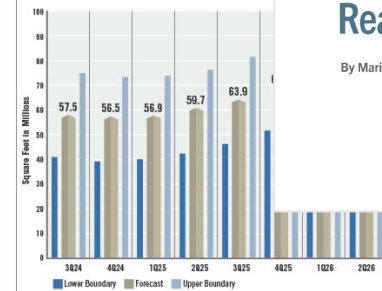


Total U.S. industrial net absorption in the first half of 2024 totaled 67.1 million square feet, down substantially from 2021, when it totaled 749.3 million square feet for the year, according to historical data provided by CoStar. Increased uncertainty about the economic outlook for the second half of 2024, the current NAIOP Industrial Space Demand Forecast assumes that the national industrial real estate market will continue the trend of positive net absorption for the foreseeable future. For the second half of 2024 is forecast to be approximately 114 million square feet, full-year absorption in 2024 is forecast to be approximately 228 million square feet, and absorption in the first half of 2025 is forecast to be approximately 154 million square feet (quarterly projections). This forecast assumes a "soft landing" as defined by a gradual lowering of interest rates without significant harm to employment or a macroeconomic recession. If a "hard landing" materializes, industrial net absorption is expected to underperform the forecast. Given recent volatility in equity markets and mixed employment data, the possibility of a recession appears higher than was the case at the beginning of the year.

New Data Source for NAIOP Space Demand Forecasts

Beginning with this report, the NAIOP Industrial and Office Space Demand Forecasts will refer to historical net absorption and other historical market data provided by CoStar. Past editions of the Space Demand Forecasts utilized and tracked historical data provided by CBRE Econometric Advisors. Due to the change in data sources, the current forecast is not directly comparable to past forecasts. Comparisons between forecast absorption and actual absorption will resume in 2025. For more information about the data used in this forecast, please refer to the Key Inputs and Disclaimers section at the end of the report.

FIGURE 1 Out-of-Sample Forecast of the Industrial Absorption Rate and Its 95% Confidence Interval U.S. Markets, Quarterly Net Absorption



Recruiting, Training and Retaining Talent in the Real Estate Development Industry

By Mariya Letdin, PhD, Dustin C. Read, PhD/JD, and Spenser Robinson, DBA

NAIOP RESEARCH FOUNDATION

Economic Impacts of CRE



CRE Contribution State GDP, 2023 (Billions):

Arizona	\$37.5
Colorado	\$14.8
Idaho	\$3.6
New Mexico	\$2.4
Utah	\$8.5
Washington	\$13.7

Development Approvals Index

- Ranking of site plan and building approvals in 100 jurisdictions based on transparency, accountability and consistency.

Jurisdiction	Weighted Overall Score (100), 2022
Fairfax County, VA	69
Clark County, NV	60
Goodyear, AZ	60
Denver (City and County)	47
Salt Lake City	47
Albuquerque	41
Mesa, AZ	38
Las Vegas	35

Nearshoring/Reshoring

Forging the Future: Study with Newmark on “watershed moment” for American manufacturing:

- High-tech/Digitalization
- Automotive/Transportation
- Energy
- Biomanufacturing

300+ major manufacturing facility announcements have been made across North America

- \$400 billion in pledged project investment
- 210,000 new proposed jobs
- 250+ million square feet of new development over the next decade

TABLE 2

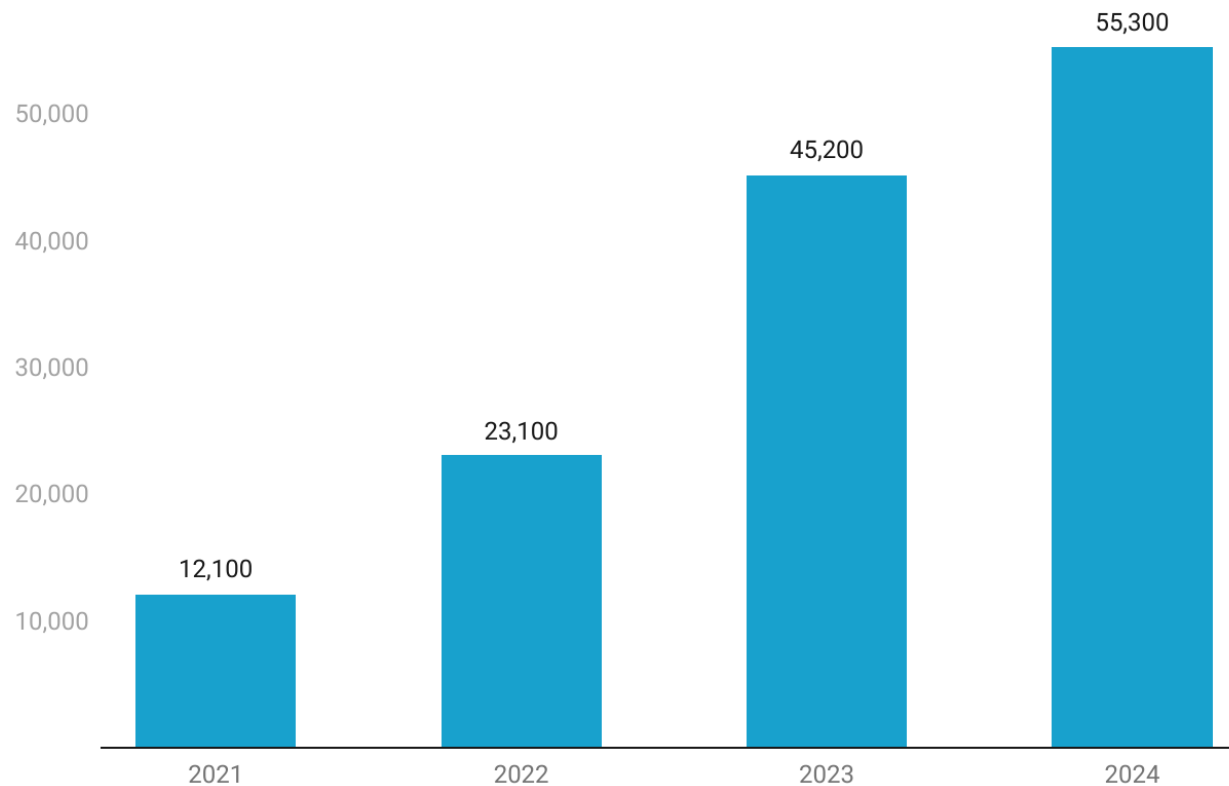
Top Growth Markets by Manufacturing Jobs Announced

Markets	# of Jobs Announced	# of Facility Announcements	Market Size	Industrial Construction Pipeline as % of Inventory, 3Q23	Key Sector Manufacturing Labor Pool, July 2023	Industrial Energy Cost (Avg. Cents per Kilowatt-hour), 2Q23	Driving Sector
Phoenix, AZ MSA	15,466	14	Large Metro	11.8%	74,316	7.67	
Atlanta, GA MSA	12,713	7	Large Metro	3.9%	41,325	7.01	
Austin, TX MSA	11,465	6	Large Metro	13.5%	43,209	6.74	 
Raleigh, NC MSA	8,580	3	Large Metro	6.1%	16,205	6.88	 
Detroit, MI MSA	6,462	6	Large Metro	1.2%	131,427	8.29	
Syracuse, NY MSA	9,000	1	Mid-Sized Metro	0.0%	11,020	6.65	
Columbia, SC MSA	4,300	2	Mid-Sized Metro	3.1%	8,286	6.79	
Albany, NY MSA	2,633	2	Mid-Sized Metro	0.8%	12,317	6.65	 
Greensboro, NC MSA	2,520	4	Mid-Sized Metro	1.9%	9,912	6.88	
Charleston, SC MSA	2,075	3	Mid-Sized Metro	10.8%	17,801	6.79	
Savannah, GA MSA	8,840	2	Small Metro/Micro	13.9%	10,761	7.01	
Brownsville, TN Micropolitan Area	7,490	3	Small Metro/Micro	0.0%	158	6.41	
Reno, NV MSA	5,600	3	Small Metro/Micro	5.6%	14,874	11.82	
Elizabethtown, KY MSA	5,120	2	Small Metro/Micro	9.9%	3,007	6.36	
Sherman, TX MSA	4,500	2	Small Metro/Micro	61.1%	2,042	6.74	

Sources: JobsEQ, Moody's Analytics, U.S. Energy Information Administration, Newmark Research
Industrial energy cost averages quoted on statewide basis.

Office Conversions

Office-to-Apartment Conversions Pipeline More Than Quadrupled in 4 Years



The data shows future apartments from office conversions for each particular year. Data subject to change.

Source: RentCafe analysis of Yardi Matrix data • Created with Datawrapper



Upcoming Research

- Best practices in developing data centers
- Access to power, water, the grid & impact on CRE
- AI in CRE
- Continued coverage of conversions, near/onshoring/advanced manufacturing, and insurance costs

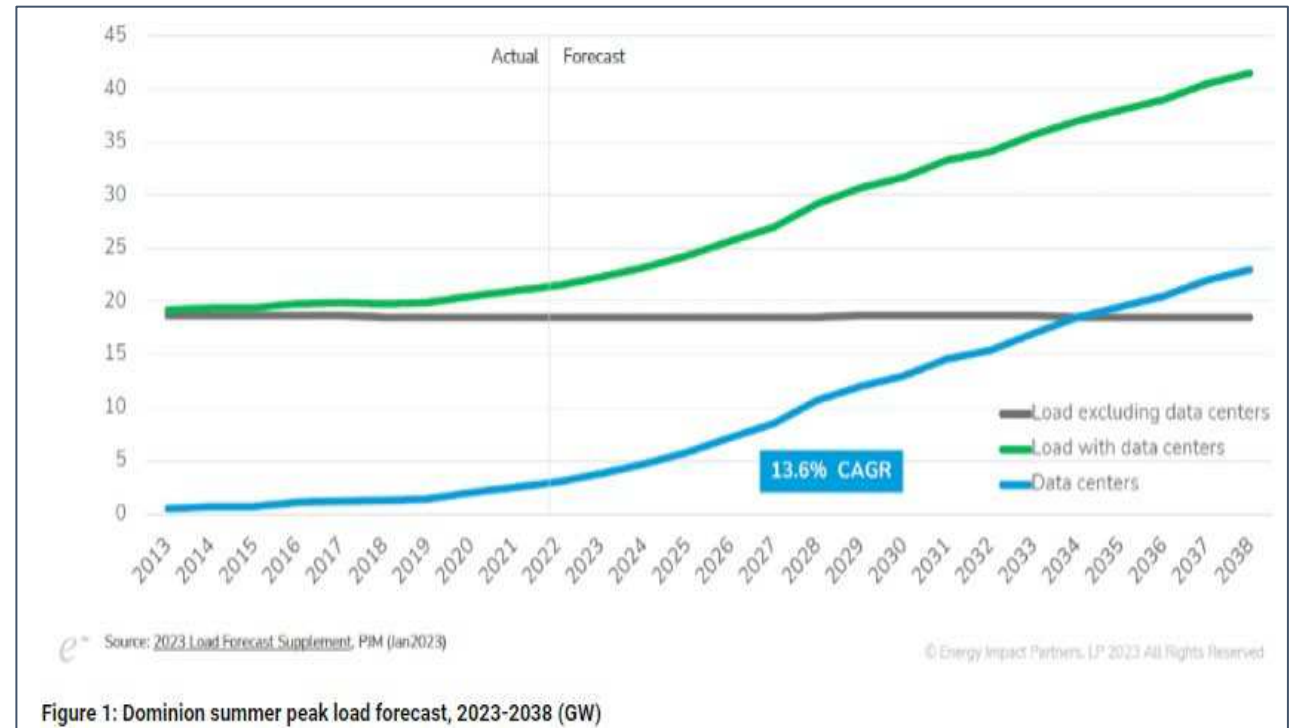


Figure 1: Dominion summer peak load forecast, 2023-2038 (GW)

How Can We Connect?

- We may know research(ers) that can answer your questions if we can't.
- Suggest case profiles and interviewees for research projects (and Development magazine articles)
- Nominate Distinguished Fellows
- Recommend Visionaries candidates
- Provide feedback on research
- Develop chapter event programming around research
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