



Industrial Market Report

Little Rock - AR

PREPARED BY

Elrod Real Estate

David Elrod
Partner



INDUSTRIAL MARKET REPORT

Market Key Statistics	2
Leasing	3
Rent	7
Construction	9
Under Construction Properties	11
Sales	12
Sales Past 12 Months	13
Economy	15
Market Submarkets	17
Supply & Demand Trends	20
Rent & Vacancy	22
Sale Trends	24

12 Mo Deliveries in SF

83.8 K

12 Mo Net Absorption in SF

(25.2 K)

Vacancy Rate

3.9%

12 Mo Rent Growth

3.2%

Little Rock's industrial market continues to strengthen and vacancies have decreased for much of this cycle. And while demand has slowed and rates have risen slightly throughout 2019, a growing manufacturing sector has led to strong tenant interest for space in the area recently. With over two million square feet absorbed, 2018 hit a cyclical high for demand. As companies continue to expand and add jobs, the industrial market is likely to benefit.

As a result of the high demand, vacancies continue to fall and hover near historical lows in 2020 at about 3.9%. Development remains modest, and speculative

construction is a nonfactor here. Though, with limited supply in the pipeline, there is question how much further growth can take place. Rising construction and labor costs have also hindered development, which has led to increasing rents.

Overall, rent growth has been healthy with nearly 3.2% year-over-year growth in the past 12 months. With limited construction expected to complete in the near term, competition for space is likely to further increase rents. Investment activity was strong in 2019, with volume already surpassing historical norms for the metro.

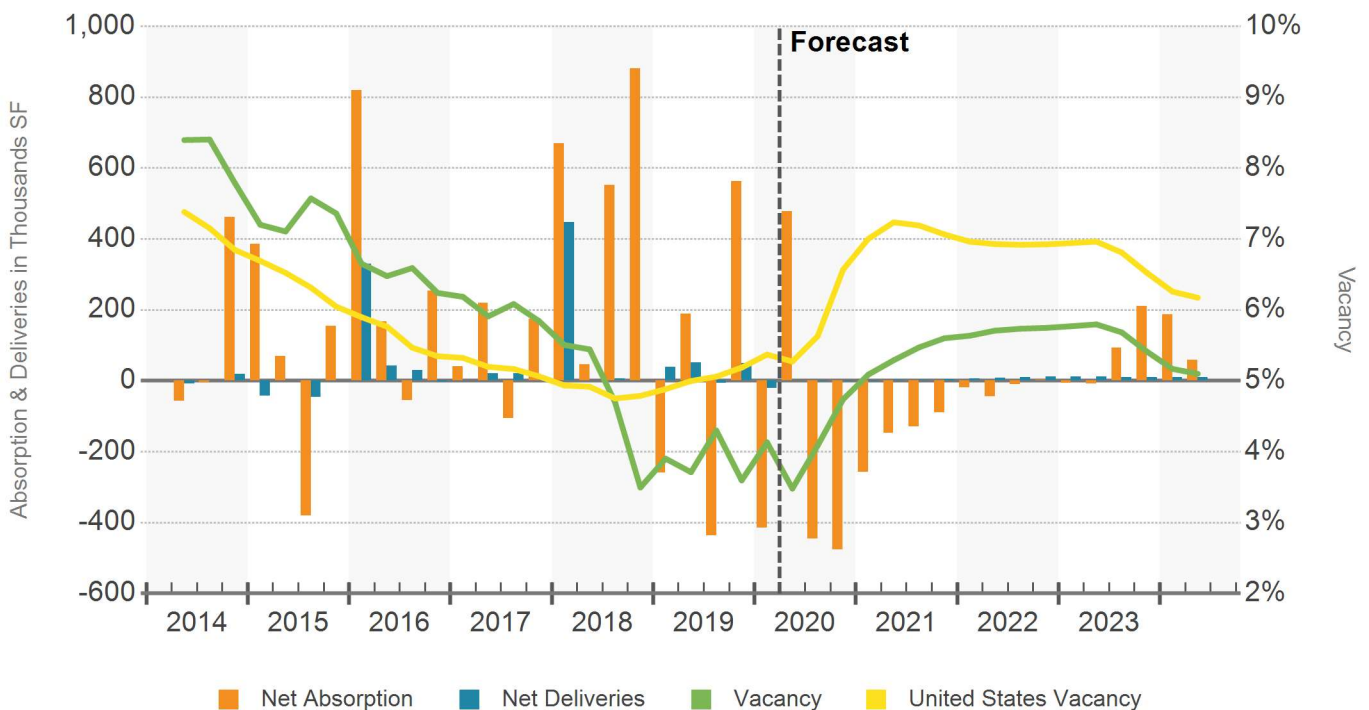
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	40,866,876	3.5%	\$4.35	5.3%	127,811	0	0
Specialized Industrial	22,936,262	4.4%	\$4.97	7.4%	(34,961)	0	0
Flex	9,468,322	4.7%	\$8.24	8.4%	44,297	0	0
Market	73,271,460	3.9%	\$5.05	6.3%	137,147	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	6.8%	5.3%	11.0%	2007 Q4	3.5%	2018 Q4
Net Absorption SF	(25.2 K)	396,575	(172,265)	4,160,354	2008 Q3	(1,339,371)	2010 Q1
Deliveries SF	83.8 K	174,126	33,382	553,654	2008 Q3	0	2015 Q4
Rent Growth	3.2%	1.6%	1.9%	7.1%	2018 Q4	-3.3%	2009 Q3
Sales Volume	\$83.7 M	\$53.1M	N/A	\$120.1M	2019 Q3	\$18.2M	2010 Q4

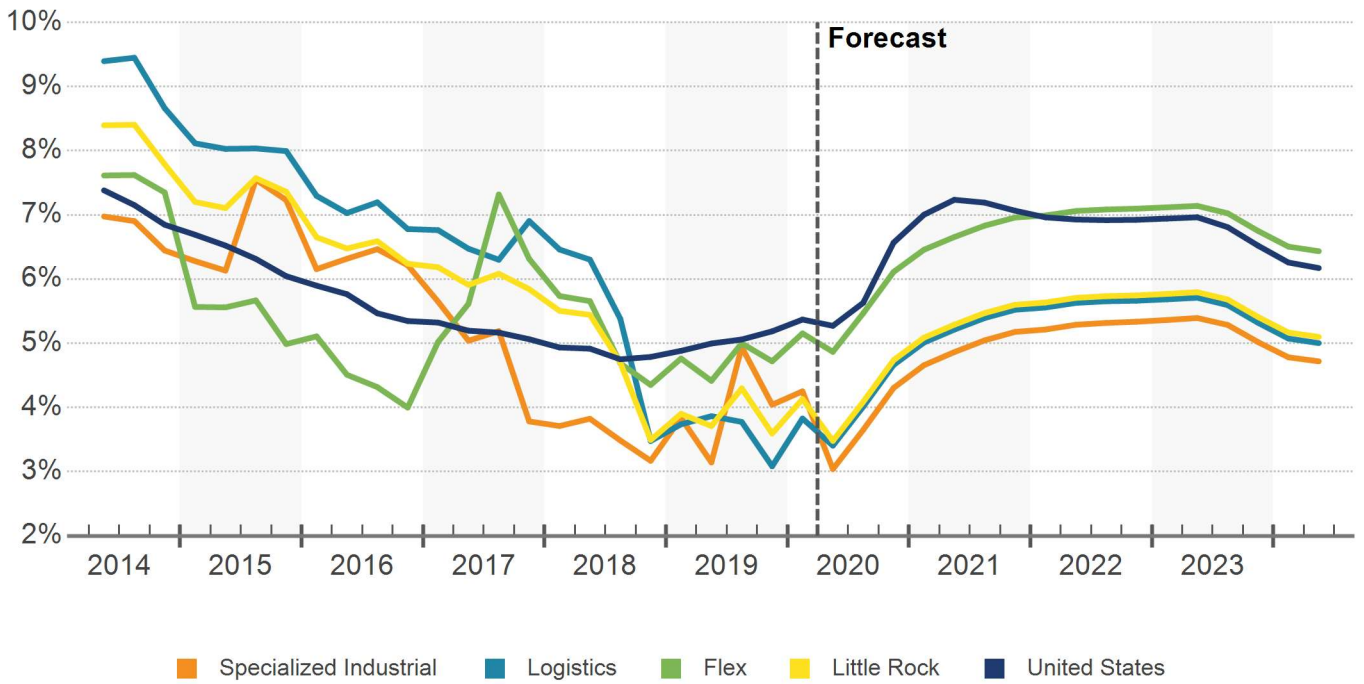
While absorption throughout 2019 slowed, vacancies have continued to fall in recent years. The manufacturing and trade industries continue to experience healthy job growth and demand hit cyclical highs in 2018. Also, the growing presence of e-commerce has caused an uptick in these sectors and could cause a reasonable demand for distribution and warehouse facilities in the near term. This resulted in Ben E Keith, premier foodservice distributor to choose Little Rock for its new location in the North Little Rock Submarket. This 430,000 SF distribution center is expected to add 250 jobs within the first year and hopes to add more in the future.

The existing inventory primarily supports local businesses and manufacturing given the city's proximity to Memphis, which is a regional distribution hub. But much like Memphis, Little Rock has immediate access to waterways, rail, and ground transportation. This attracted the recent announcement in April 2019 of CZ-USA, a Czech gun manufacturer plans to move its headquarters into the submarket. Plans currently call for a roughly \$90 million investment for a 265,000 SF facility, bringing close to 600 jobs to the area.

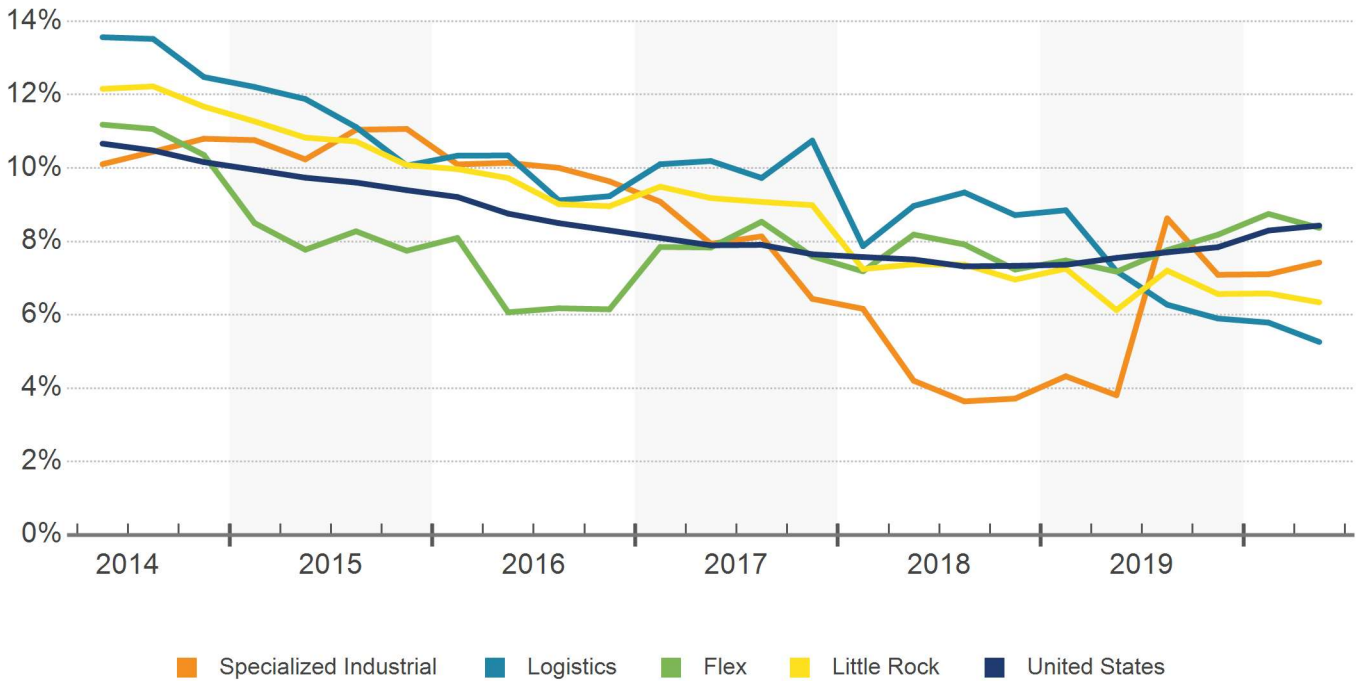
NET ABSORPTION, NET DELIVERIES & VACANCY



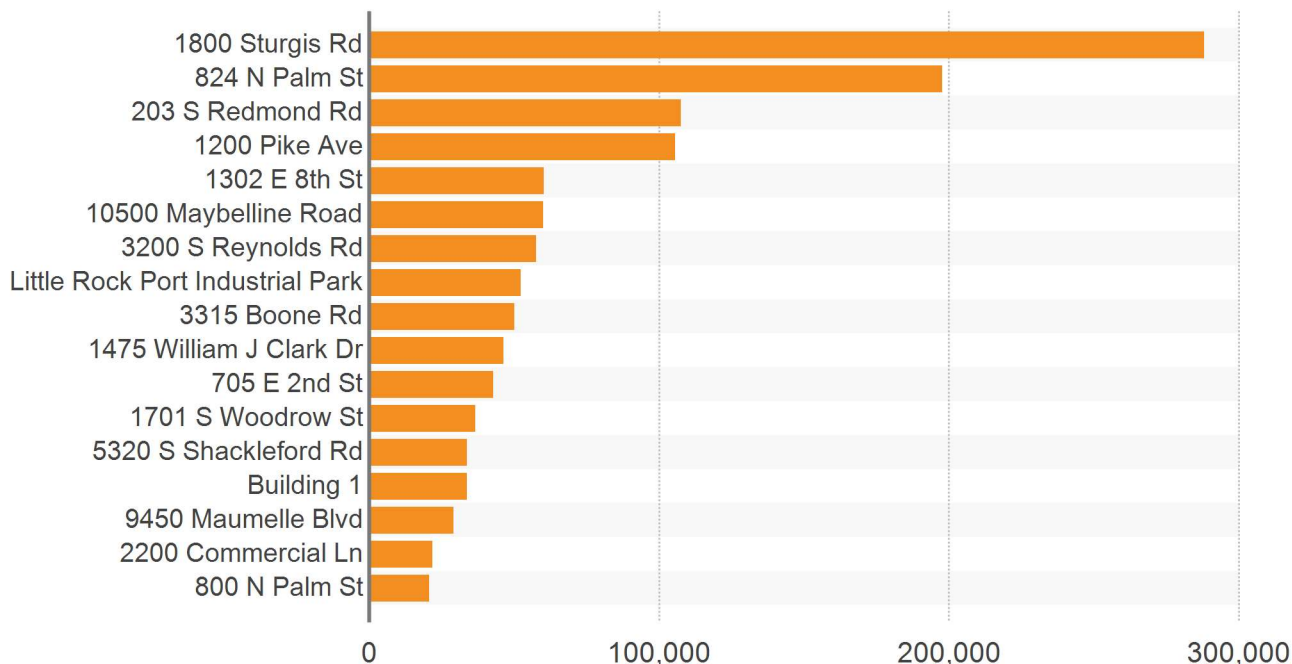
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Building SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
1800 Sturgis Rd	Faulkner County	288,137	0	0	0	0	0	288,137
824 N Palm St	North Little Rock	300,000	0	0	0	0	0	197,802
203 S Redmond Rd	Outlying Pulaski Cou...	107,520	0	0	0	0	0	107,520
1200 Pike Ave	North Little Rock	160,138	0	0	0	0	0	105,585
1302 E 8th St	North Little Rock	177,086	0	0	0	0	0	60,326
10500 Maybelline Road	North Little Rock	176,000	0	60,000	0	0	0	60,000
3200 S Reynolds Rd	Saline County	63,000	0	(2,372)	60,000	0	0	57,628
Little Rock Port Industrial Park	Outlying Pulaski Cou...	59,921	0	0	0	0	0	52,416
3315 Boone Rd	Saline County	50,000	0	0	0	0	0	50,000
1475 William J Clark Dr	Faulkner County	504,000	0	0	0	0	0	46,414
705 E 2nd St	Lonoke County	42,914	0	0	0	0	0	42,914
1701 S Woodrow St	Downtown	36,745	0	0	36,745	0	0	36,720
5320 S Shackelford Rd	Outlying Pulaski Cou...	51,200	0	0	0	0	0	33,758
Building 1	North Little Rock	43,022	0	0	0	0	0	33,750
9450 Maumelle Blvd	Outlying Pulaski Cou...	47,899	0	0	0	0	0	29,179
2200 Commercial Ln	Airport	105,069	0	0	0	0	0	21,791
800 N Palm St	North Little Rock	20,679	0	0	0	0	0	20,679
Subtotal Primary Competitors		2,233,330	0	57,628	96,745	0	0	1,244,619
Remaining Little Rock Market		71,038,130	2,890,607	(471,873)	40,402	0	0	(1,269,834)
Total Little Rock Market		73,271,460	2,890,607	(414,245)	137,147	0	0	(25,215)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
6901 Lindsey Rd	Outlying Pulaski County	554,416	Q2 19	HMS Manufacturing Co	-	Binswanger
12401 I-30 Hwy	Outlying Pulaski County	247,058	Q1 20	Amazon.com Services LLC	Cushman & Wakefie...	Colliers International
7701 Lindsey Rd	Outlying Pulaski County	215,299	Q4 19	Afco Metals	-	-
4200 Hoerner Rd	Southwest	125,000	Q4 19	-	-	Haybar Realty
700 S German Ln	Faulkner County	111,000	Q4 19	-	-	Covington Companies
203 S Redmond Rd	Outlying Pulaski County	107,520	Q2 19	-	-	Triangle Engineering, Inc.
707 Robins St	Faulkner County	77,000	Q1 20	Westrock	-	Covington Companies
2000 E Roosevelt Rd	Airport	38,388	Q4 19	M&A Supply Company Inc	-	-
6900 Alcoa Rd *	Saline County	38,000	Q3 19	FedEx Freight	Hathaway Group	Hathaway Group
4545 W Bethany Rd	North Little Rock	30,000	Q3 19	-	-	Allied Brokers
9450 Maumelle Blvd	Outlying Pulaski County	29,179	Q4 19	-	-	Richardson Properties
6001 Lindsey Rd	Outlying Pulaski County	25,000	Q2 19	Stuttgart Flour Milling, LLC	-	Colliers International
1701 E 5th St	North Little Rock	20,160	Q2 19	-	-	Michele Phillips & Co
800 N Palm St	North Little Rock	20,000	Q2 19	Tree of Life Seeds, Inc.	-	Colliers International
7501 Kanis Rd	Midtown	18,901	Q1 20	National HVAC Service Ltd.	Colliers International	Colliers International
17 Collins Industrial Pl	Outlying Pulaski County	15,000	Q1 20	-	-	RPM Group
6621 Geyer Springs Rd	Southwest	12,992	Q3 19	Mattress King	-	Colliers International
600 S German Ln	Faulkner County	10,500	Q4 19	-	-	Covington Companies
6142 Getty Dr	Outlying Pulaski County	10,250	Q2 19	SC Homes dba Morgan C...	Newmark Moses Tu...	Hathaway Group
600 S German Ln	Faulkner County	9,672	Q3 19	-	-	Covington Companies
101 Market Plaza Rd	North Little Rock	9,500	Q4 19	-	-	Jenkins Enterprises
8400 Baseline Rd	Outlying Pulaski County	9,000	Q4 19	-	-	John Hartnack
8400 Baseline Rd	Outlying Pulaski County	9,000	Q2 19	-	-	John Hartnack
6621 Geyer Springs Rd	Southwest	8,742	Q1 20	-	-	Colliers International
700 W Broadway Ave	North Little Rock	7,900	Q4 19	-	-	Newmark Moses Tucke...
4507-4515 E 43rd St	North Little Rock	7,500	Q2 19	Romanoff Renovations	-	Hathaway Group
601 Murphy Dr	Outlying Pulaski County	7,000	Q3 19	Siteone Landscape	-	RPM Group
821 S Broadway St	Downtown	6,000	Q3 19	-	-	Property Ventures Of M...
600 S German Ln	Faulkner County	6,000	Q1 20	Pro Air	-	Covington Companies
600 S German Ln	Faulkner County	6,000	Q3 19	-	-	Covington Companies
1500 E 145th St	Outlying Pulaski County	6,000	Q1 20	-	-	Flake & Kelley Commer...
600 S German Ln	Faulkner County	5,200	Q1 20	Bell Flooring	-	Covington Companies
5100 W Bethany Rd	North Little Rock	5,000	Q2 19	-	-	Jenkins Enterprises
5100 W Bethany Rd	North Little Rock	5,000	Q2 19	-	-	Jenkins Enterprises
15 Guy Industrial Park Dr	Faulkner County	5,000	Q2 19	-	-	Rick Puloma
10600 Colonel Glenn Rd	Outlying Pulaski County	5,000	Q2 19	SRP Contractors	-	Colliers International
715 S Arch St	Downtown	4,484	Q4 19	GoBrands, Inc.	-	Colliers International
1305-1309 N Hills Blvd	North Little Rock	4,356	Q1 20	Blue Train Apparel	-	General Properties, Inc.
1305-1309 N Hills Blvd	North Little Rock	4,356	Q1 20	-	-	General Properties, Inc.
1305-1309 N Hills Blvd	North Little Rock	4,356	Q3 19	GBT FREIGHT SYSTEM...	-	General Properties, Inc.

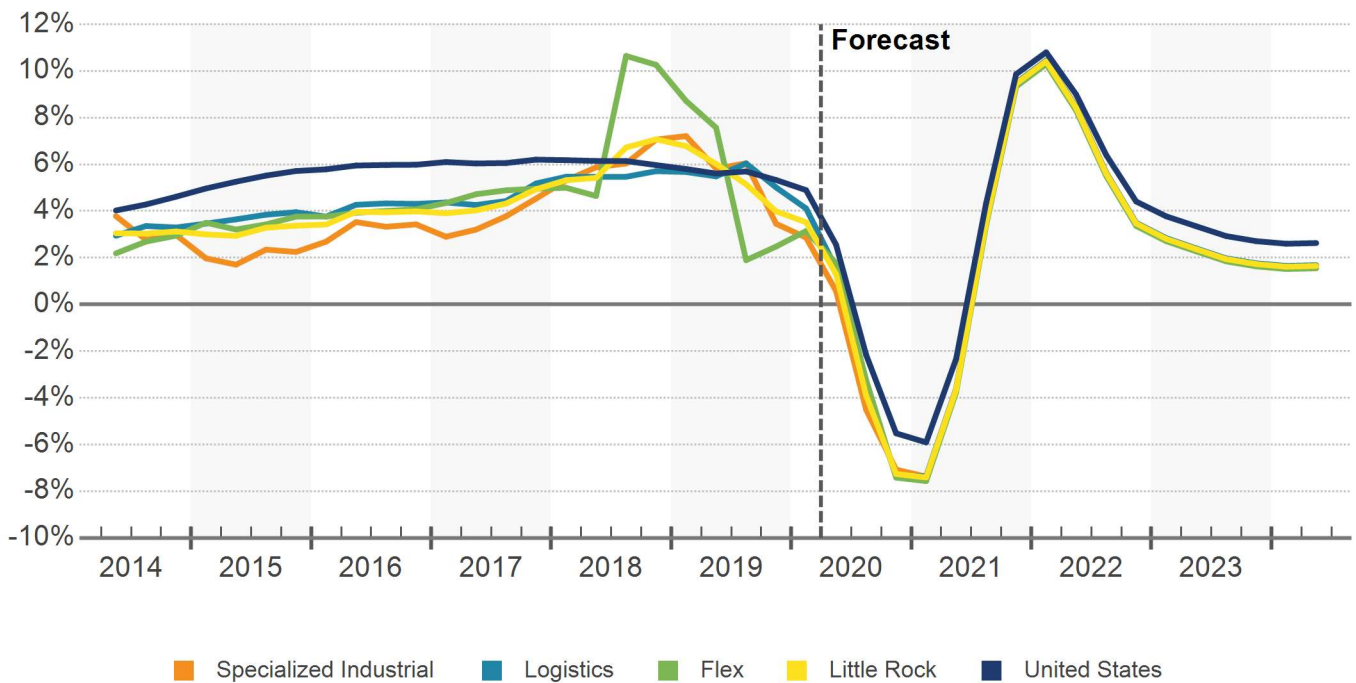
*Renewal

As construction and labor costs continue to rise, rents are likely to rise in newly built properties. In fact, rents for properties that have been built since 2010 are about 10% higher on average than those built prior. As trade tensions rise, couple with the shortage of labor workers, it is likely industrial rents will continue to boast strong gains.

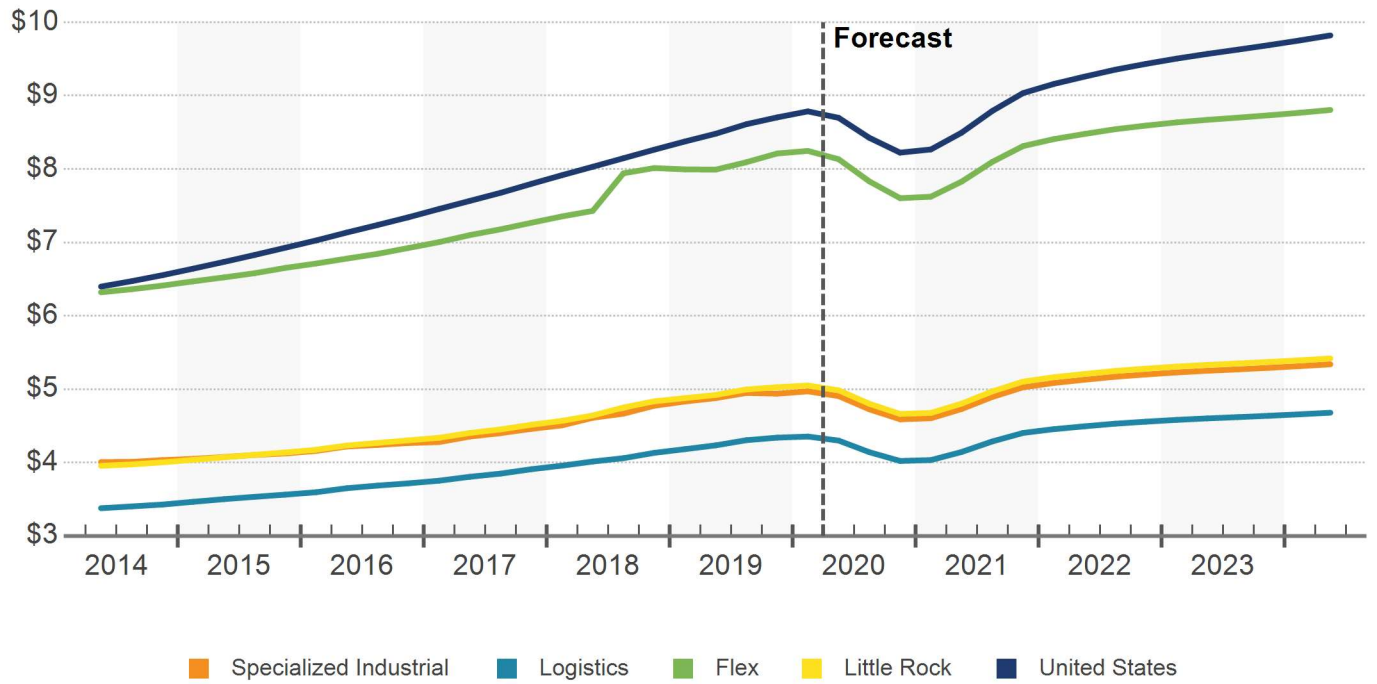
With vacancies near historical lows, the competition among landlords has increased rents recently. With the majority of the development coming online preleased,

and this is likely the norm for the near term. Little Rock's build-to-suit nature of the market will likely continue to allow opportunities for landlords to increase rents. Rates have remained in the \$4–\$5/SF range for the majority of the cycle, which is well below the \$8.50/SF national average. However, while rents have experienced marginal increases in recent quarters, growth improved substantially in 2018, increasing by about 7%. Also, cumulative growth has reached about 22% since its prerecession peak in 2008.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET

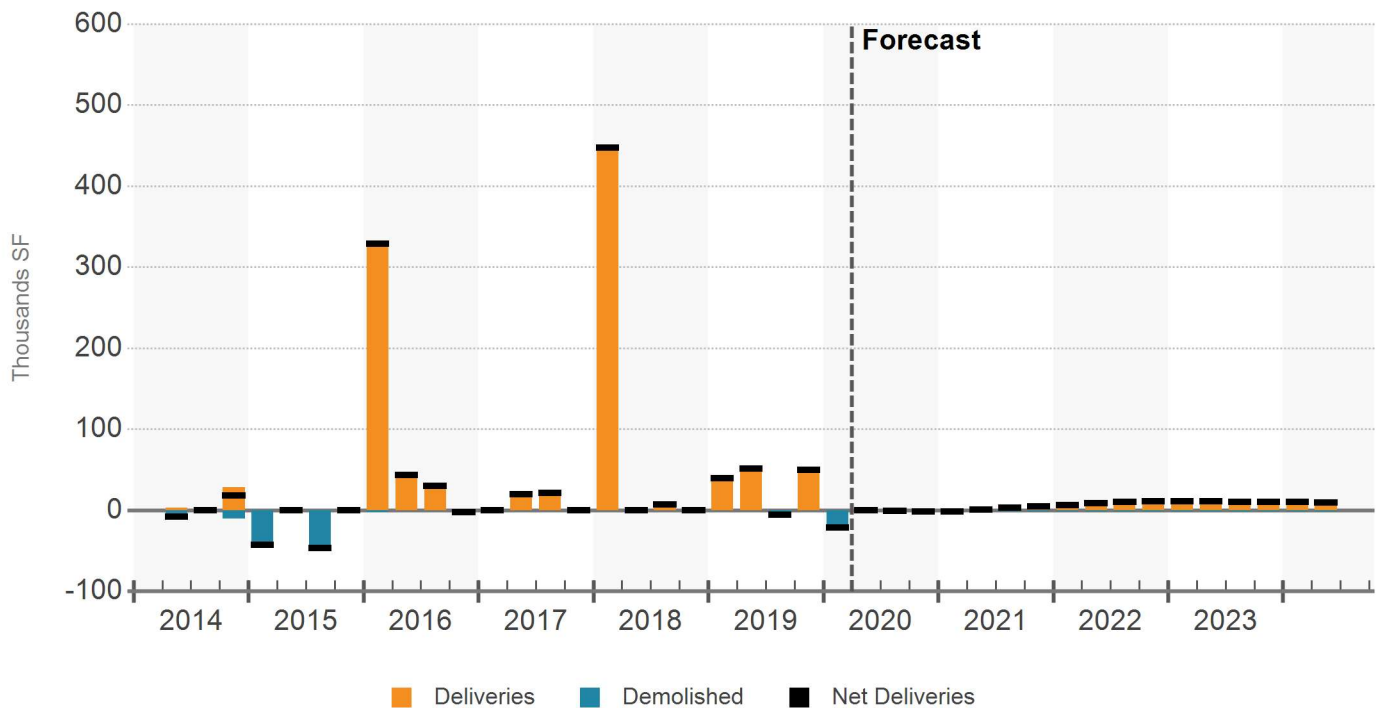


Development has slowed significantly this cycle compared to the last, and the only substantial supply has been geared towards large build-to-suit projects like the Ben E Keith facility. In fact, of the handful of projects that are currently under construction, there are no availabilities as of March. In the past three years, the only additions to the existing stock have been under the logistics designation, with no flex or specialized properties coming online. This is likely to continue in the near term with the most recent announcement of the new headquarters for CZ-USA, which plans to move its headquarters to the metro. The plans currently call for a 265,000 SF development, which once completed will be

the third largest development this cycle.

Since the development of the FedEx facility in 2016, the most significant addition to the logistics stock in the Little Rock metro is the 426,850 SF distribution facility for Ben E. Keith in 2018. The Fort Worth - based food and beverage distributor, similar to most logistics tenants in the area, will service the local community and most of central Arkansas. The industrial inventory in Little Rock is characterized by a large size disparity between a mix of older, relatively smaller warehouses and larger (100,000-plus SF) multi-tenant distribution-type centers, with little to no middle ground.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	{0} 000	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Airport	0	-	-	-	-	44,948	-	-
2	Downtown	0	-	-	-	-	20,882	-	-
3	Faulkner County	0	-	-	-	-	34,525	-	-
4	Grant County	0	-	-	-	-	11,671	-	-
5	Lonoke County	0	-	-	-	-	26,946	-	-
6	Midtown	0	-	-	-	-	25,561	-	-
7	North Little Rock	0	-	-	-	-	24,947	-	-
8	Outlying Pulaski County	0	-	-	-	-	27,564	-	-
9	Perry County	0	-	-	-	-	33,281	-	-
10	Saline County	0	-	-	-	-	12,774	-	-
	All Other	0	-	-	-	-	38,015	-	-
Totals		0	0	0	-		27,208	-	

Under Construction Properties

Properties

Square Feet

Percent of Inventory

Released

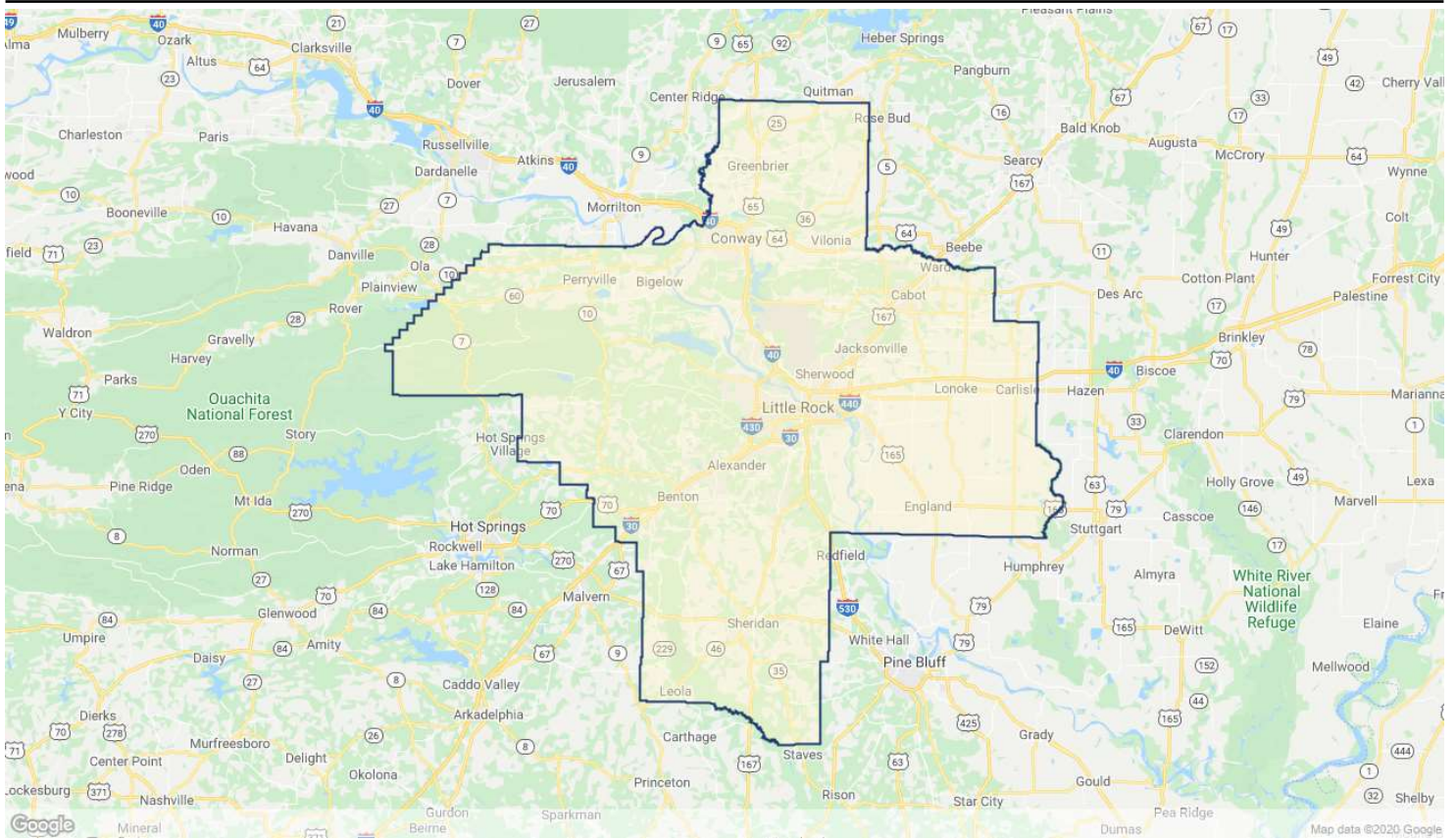
0

0

-

-

UNDER CONSTRUCTION PROPERTIES

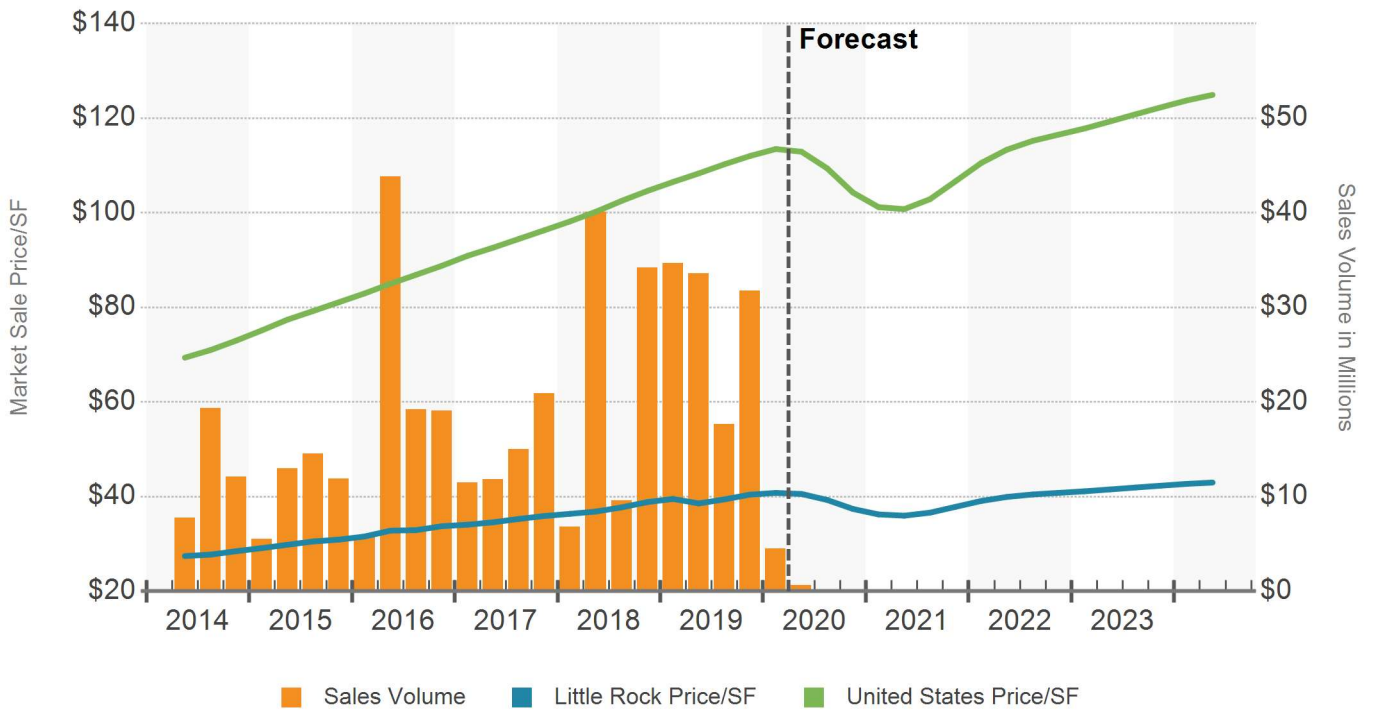


The Little Rock industrial investment market hit a historical peak in 2019, with sales volume eclipsing \$100 million for the first time. Volume is currently anchored by two large deals from out-of-state investors. The nearly 88,000 SF refrigeration facility on 1400 Gregory Street in North Little Rock was acquired by Cloverleaf Cold Storage Inc. The Iowa-based firm purchased the property for \$22.8 million (\$259/SF).

With the rise of e-commerce, the demand for distribution

and warehouses have become prominent, as well as cold storage. As grocery delivery has increased among these e-commerce companies, it is likely these types of industrial properties become more desirable. Most facilities this cycle have fallen under this designation in Little Rock. In 2019, the Little Rock Logistics Center sold to San Francisco-based Glen Una Management Company for \$20.75 million (\$41.50/SF). This has also helped propel volume in 2018, coming off another strong year for the industrial investment market here.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Sale Comparables

82

Avg. Cap Rate

9.7%

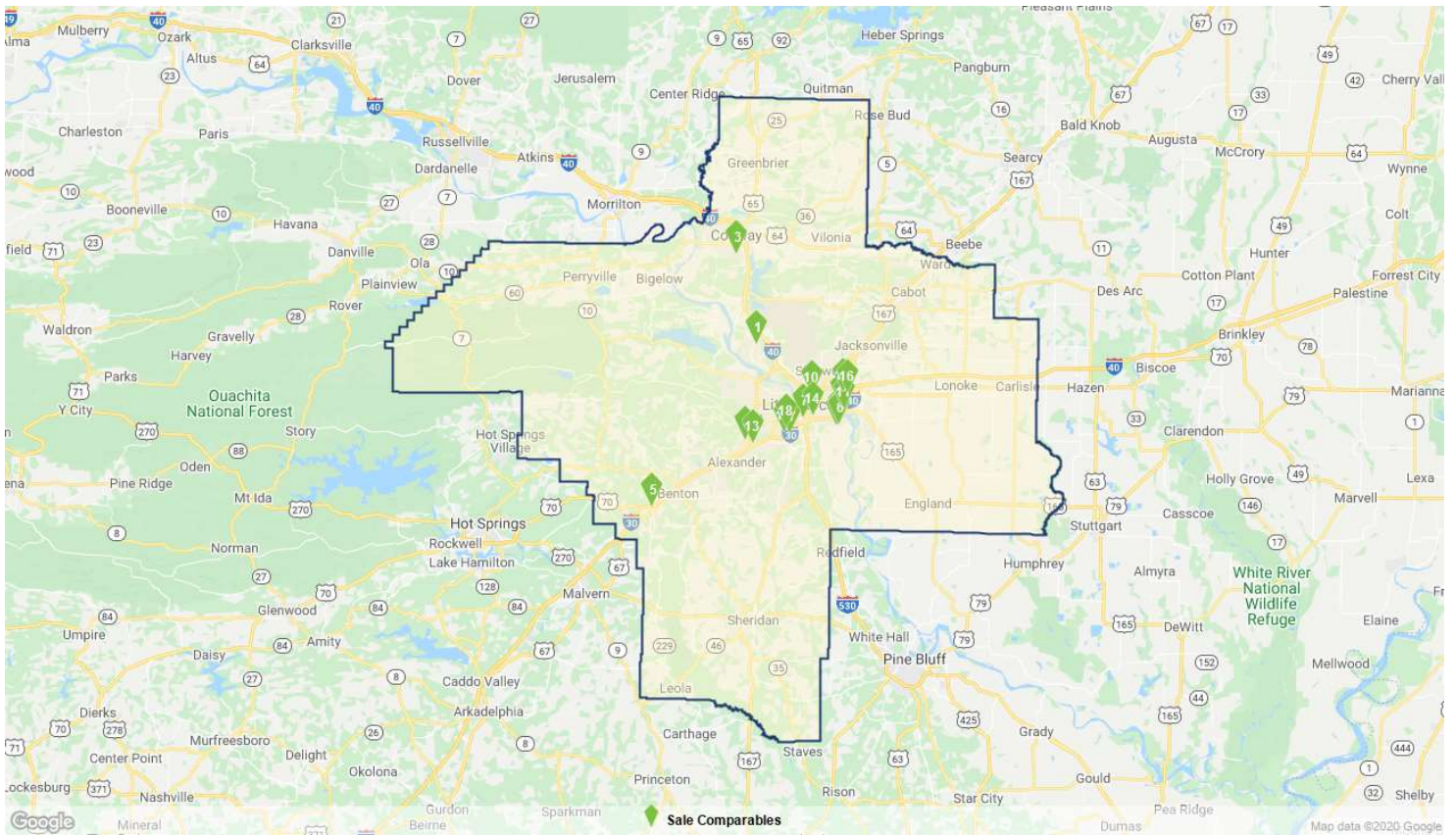
Avg. Price/SF

\$33

Avg. Vacancy At Sale

1.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$46,500	\$1,372,294	\$535,000	\$20,750,000
Price/SF	\$1.13	\$33	\$32	\$900
Cap Rate	6.9%	9.7%	8.5%	13.9%
Time Since Sale in Months	1.0	6.8	7.0	11.6
Property Attributes	Low	Average	Median	High
Building SF	1,200	37,838	12,513	500,450
Ceiling Height	12'	19'2"	18'	60'
Docks	0	3	0	68
Vacancy Rate At Sale	0%	1.1%	0%	100%
Year Built	1926	1981	1982	2016
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.1	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Little Rock Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Little Rock Logistics Ce... 104 Champs Blvd	★★★★★	1989	500,450	0%	6/27/2019	\$20,750,000	\$41	6.9%
2 7701 Lindsey Rd	★★★★★	1973	215,299	0%	12/20/2019	\$14,175,927	\$66	-
3 1800 Sturgis Rd	★★★★★	1995	288,137	0%	10/29/2019	\$6,800,000	\$24	-
4 4726 Thibault Rd	★★★★★	1982	13,600	0%	9/30/2019	\$3,020,979	\$222	-
5 12651-12661 I-30	★★★★★	1990	9,000	0%	8/21/2019	\$2,338,561	\$260	-
6 O'Neal Steel 8100 Frazier Pike	★★★★★	1979	78,328	0%	9/4/2019	\$2,243,192	\$29	-
6 O'Neal Steel 8100 Frazier Pike	★★★★★	1979	78,328	0%	9/4/2019	\$2,200,000	\$28	-
7 3120 Interstate 30	★★★★★	1977	84,450	0%	5/30/2019	\$2,150,000	\$25	8.5%
8 8717 Stagecoach Rd	★★★★★	1977	42,023	0%	9/30/2019	\$1,950,000	\$46	-
9 7300 Industry Dr	★★★★★	1996	42,271	0%	12/20/2019	\$1,750,000	\$41	-
10 1600 E Gregory St	★★★★★	1959	225,651	0%	5/21/2019	\$1,625,000	\$7.20	-
11 1201 Baucum Industrial Dr	★★★★★	1997	22,500	0%	5/16/2019	\$1,560,000	\$69	8.5%
10 1600 E Gregory St	★★★★★	1959	225,651	0%	5/21/2019	\$1,448,199	\$6.42	-
12 4000 W 65th St	★★★★★	1967	56,000	0%	10/10/2019	\$1,330,000	\$24	-
13 9121 Sibley Hole Rd	★★★★★	2002	16,460	0%	11/14/2019	\$1,300,000	\$79	-
14 2000 E Roosevelt Rd	★★★★★	1964	37,232	0%	10/17/2019	\$1,215,000	\$33	10.7%
15 7910 Rains Rd	★★★★★	1979	1,200	0%	7/12/2019	\$1,080,000	\$900	-
16 79 Inmon Rd	★★★★★	1984	9,500	0%	1/15/2020	\$950,000	\$100	-
17 6600 Interstate 30 Hwy	★★★★★	1953	32,320	0%	8/1/2019	\$850,000	\$26	-
18 5301 Scott Hamilton Dr	★★★★★	1948	43,364	0%	12/9/2019	\$800,000	\$18	-

The coronavirus outbreak has already started to impact the national and local economies, some more severe than others. As many local governments enforce shutdown requirements, as well as the closures of many businesses and retailers, the commercial real estate industry will likely suffer. As the overall timeline of the outbreak is still unknown, we are updating our analysis as more information becomes available.

Prior to the outbreak, as Little Rock is the state capital, its economy is historically driven by the local government, which has an outsized influence on job growth. However, government employment has been slow to add jobs over the past five years, averaging little to no year-over-year growth. Little Rock's annual job growth has averaged just over 1% since 2010, accounting for less than 4,000 jobs added per year. The good news is the labor market is already tight, with unemployment in the 2-3% range, ranking third in the state with the lowest rate behind Northwest Arkansas

and Jonesboro. Also, in the past year, the financial activities, leisure and hospitality, and manufacturing sectors have anchored job growth.

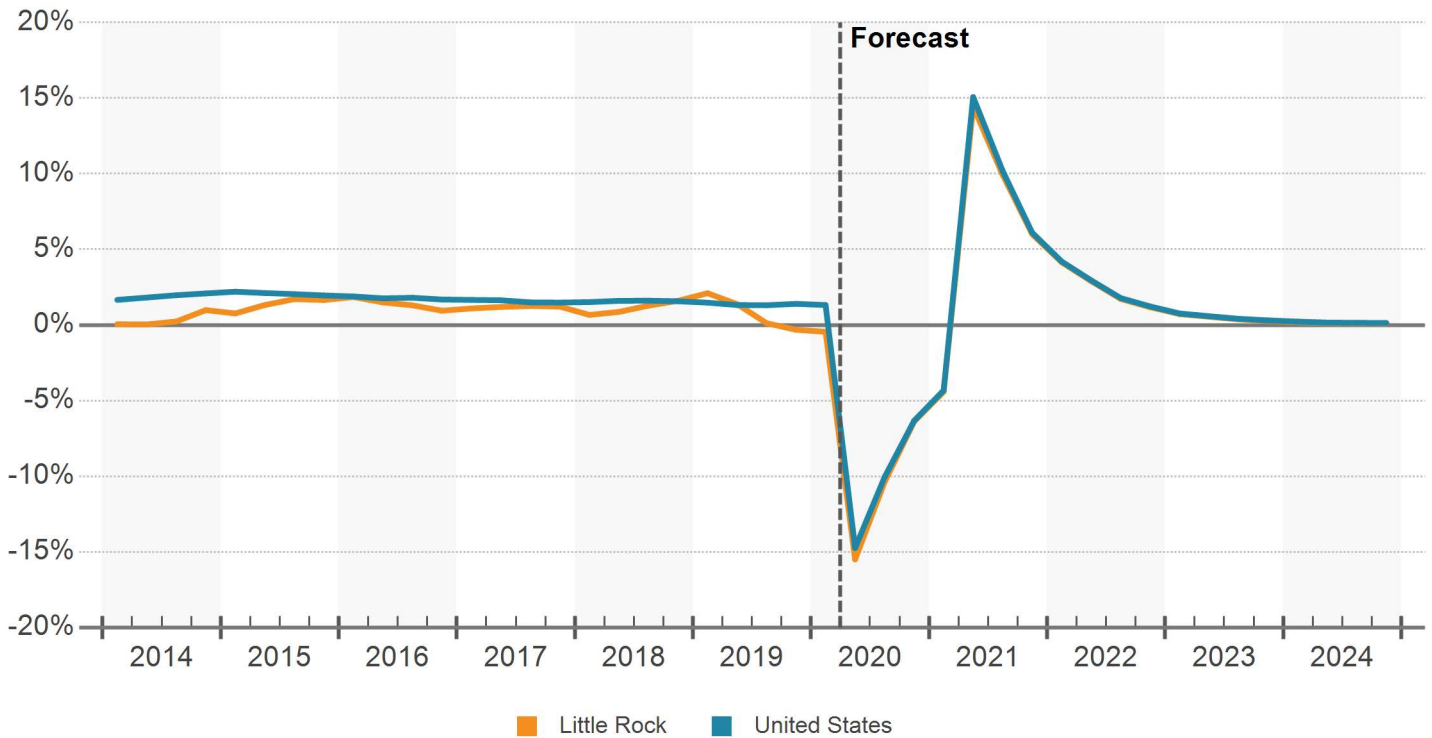
Within the aforementioned sectors, several expansions and relocations within the metro have helped create jobs. In a fall 2019 announcement, Virginia-based DXC Technology announced its expansion of its Conway office, estimated to create 1,200 jobs over the next several years. Priority1, Appetgy and CoorsTek are a few other examples of companies within Little Rock that will in total create more than hundred jobs in the next year. Also, gun manufacturer CZ-USA, recently announced its relocation of its headquarters to the Little Rock Port, which will in turn create about 565 jobs in the next five years. While these companies continue to drive the manufacturing and office-using sectors, the eds and meds industry has continued to invest and create opportunities.

LITTLE ROCK EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Level		12 Month Change		10 Yr Change		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	21	0.7	-3.81%	-1.47%	0.14%	0.97%	-0.36%	-0.29%
Trade, Transportation and Utilities	69	1.0	-2.29%	-1.18%	0.83%	1.11%	0.04%	0.14%
Retail Trade	37	1.0	-2.39%	-1.42%	0.54%	0.68%	0.25%	0.09%
Financial Activities	22	1.0	-1.26%	0.48%	1.34%	1.26%	0.38%	0.38%
Government	70	1.3	-0.15%	1.38%	-0.14%	0.11%	0.68%	0.48%
Natural Resources, Mining and Construction	18	0.9	2.47%	0.57%	0.87%	2.86%	0.33%	0.19%
Education and Health Services	59	1.0	1.33%	2.54%	1.69%	2.15%	0.57%	0.76%
Professional and Business Services	48	0.9	-2.42%	0.92%	1.12%	2.55%	0.31%	0.65%
Information	4	0.6	-2.53%	1.09%	-6.10%	0.56%	-3.22%	0.31%
Leisure and Hospitality	33	0.9	-6.40%	-4.09%	1.08%	2.02%	1.47%	1.34%
Other Services	19	1.3	-0.21%	0.26%	1.91%	1.00%	0.01%	0.02%
Total Employment	347	1.0	-5.63%	-4.23%	0.31%	1.03%	1.21%	1.28%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



Source: Oxford Economics

DEMOGRAPHIC TRENDS

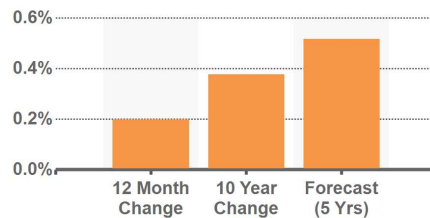
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	744,701	329,350,781	0.4%	0.5%	0.6%	0.7%	0.5%	0.5%
Households	285,314	122,118,500	0.3%	0.4%	0.4%	0.7%	0.4%	0.4%
Median Household Income	\$55,022	\$64,754	4.4%	3.3%	1.8%	2.6%	3.0%	2.9%
Labor Force	358,737	163,932,672	0.2%	0.6%	0.4%	0.6%	0.5%	0.4%
Unemployment	3.3%	3.7%	0%	-0.1%	-0.4%	-0.6%	-	-

Source: Oxford Economics

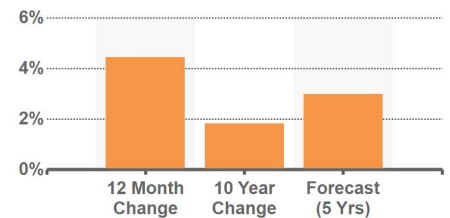
POPULATION GROWTH



LABOR FORCE GROWTH

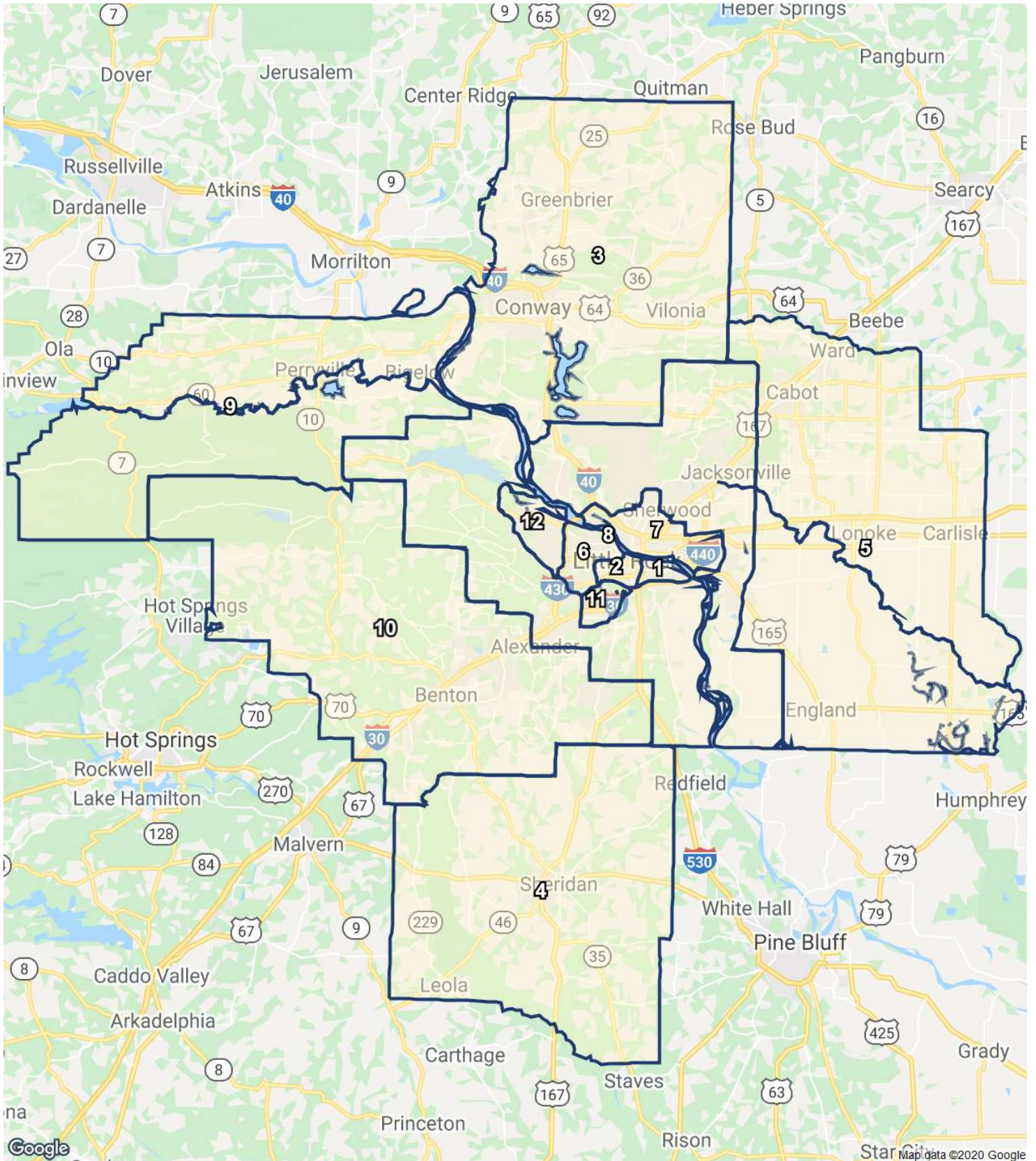


INCOME GROWTH



Source: Oxford Economics

LITTLE ROCK SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Airport	135	6,068	8.3%	5	0	0	0%	-	0	-	-	-
2	Downtown	163	3,404	4.6%	7	0	0	0%	-	0	-	-	-
3	Faulkner County	267	9,218	12.6%	3	0	0	0%	-	0	-	-	-
4	Grant County	11	128	0.2%	11	0	0	0%	-	0	-	-	-
5	Lonoke County	92	2,479	3.4%	8	0	0	0%	-	0	-	-	-
6	Midtown	86	2,198	3.0%	9	0	0	0%	-	0	-	-	-
7	North Little Rock	550	13,721	18.7%	2	0	0	0%	-	0	-	-	-
8	Outlying Pulaski County	836	23,044	31.4%	1	1	34	0.1%	2	0	-	-	-
9	Perry County	2	67	0.1%	12	0	0	0%	-	0	-	-	-
10	Saline County	317	4,049	5.5%	6	1	50	1.2%	1	0	-	-	-
11	Southwest	209	8,537	11.7%	4	0	0	0%	-	0	-	-	-
12	West	25	358	0.5%	10	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Airport	\$3.79	12	3.5%	4	-0.6%	6
2	Downtown	\$4.63	9	3.1%	7	-0.5%	3
3	Faulkner County	\$4.14	11	3.9%	1	-0.7%	10
4	Grant County	\$4.81	7	3.0%	9	-0.5%	4
5	Lonoke County	\$6.23	4	2.7%	10	-0.6%	7
6	Midtown	\$7.63	2	3.7%	3	-0.6%	8
7	North Little Rock	\$4.78	8	2.4%	12	-0.6%	5
8	Outlying Pulaski County	\$5.52	6	3.2%	6	-0.8%	11
9	Perry County	\$5.59	5	2.6%	11	-0.7%	9
10	Saline County	\$6.85	3	3.0%	8	-0.4%	1
11	Southwest	\$4.14	10	3.4%	5	-0.4%	2
12	West	\$10.59	1	3.7%	2	-0.8%	12

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Airport	67,918	1.1%	2	38,650	0.6%	4	-
2	Downtown	163,127	4.8%	8	(81,384)	-2.4%	10	-
3	Faulkner County	422,824	4.6%	7	218,239	2.4%	1	-
4	Grant County	-	-	-	0	0%	-	-
5	Lonoke County	34,664	1.4%	3	16,250	0.7%	6	-
6	Midtown	159,724	7.3%	10	25,420	1.2%	5	-
7	North Little Rock	613,800	4.5%	6	216,435	1.6%	2	-
8	Outlying Pulaski County	880,343	3.8%	5	(198,265)	-0.9%	11	-
9	Perry County	-	-	-	0	0%	-	-
10	Saline County	33,876	0.8%	1	95,281	2.4%	3	0.5
11	Southwest	503,131	5.9%	9	(344,640)	-4.0%	12	-
12	West	11,200	3.1%	4	(11,200)	-3.1%	9	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	73,392,571	39,046	0.1%	92,969	0.1%	0.4
2023	73,353,525	41,906	0.1%	285,731	0.4%	0.1
2022	73,311,619	35,481	0%	(72,452)	-0.1%	-
2021	73,276,138	7,109	0%	(624,327)	-0.9%	-
2020	73,269,029	(24,181)	0%	(860,002)	-1.2%	-
YTD	73,271,460	(21,750)	0%	(277,098)	-0.4%	-
2019	73,293,210	134,671	0.2%	56,174	0.1%	2.4
2018	73,158,539	454,510	0.6%	2,146,112	2.9%	0.2
2017	72,704,029	40,989	0.1%	326,199	0.4%	0.1
2016	72,663,040	399,146	0.6%	1,184,006	1.6%	0.3
2015	72,263,894	(89,612)	-0.1%	226,500	0.3%	-
2014	72,353,506	(4,708)	0%	706,163	1.0%	-
2013	72,358,214	22,735	0%	491,089	0.7%	0
2012	72,335,479	49,724	0.1%	(1,213,665)	-1.7%	-
2011	72,285,755	(148,380)	-0.2%	(15,651)	0%	-
2010	72,434,135	164,698	0.2%	44,641	0.1%	3.7
2009	72,269,437	327,911	0.5%	(650,096)	-0.9%	-
2008	71,941,526	393,696	0.6%	3,694,929	5.1%	0.1

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	22,946,052	3,178	0%	15,630	0.1%	0.2
2023	22,942,874	3,441	0%	75,709	0.3%	0
2022	22,939,433	2,867	0%	(33,836)	-0.1%	-
2021	22,936,566	479	0%	(199,714)	-0.9%	-
2020	22,936,087	(175)	0%	(60,158)	-0.3%	-
YTD	22,936,262	0	0%	(82,926)	-0.4%	-
2019	22,936,262	14,250	0.1%	(186,419)	-0.8%	-
2018	22,922,012	0	0%	140,575	0.6%	0
2017	22,922,012	0	0%	557,445	2.4%	0
2016	22,922,012	(2,550)	0%	230,242	1.0%	-
2015	22,924,562	0	0%	(180,046)	-0.8%	-
2014	22,924,562	(8,750)	0%	273,505	1.2%	-
2013	22,933,312	0	0%	65,280	0.3%	0
2012	22,933,312	0	0%	(643,942)	-2.8%	-
2011	22,933,312	(181,567)	-0.8%	174,909	0.8%	-
2010	23,114,879	0	0%	(407,132)	-1.8%	-
2009	23,114,879	146,138	0.6%	522,570	2.3%	0.3
2008	22,968,741	174,774	0.8%	937,395	4.1%	0.2

Supply & Demand Trends

Little Rock Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	40,960,980	30,295	0.1%	63,926	0.2%	0.5
2023	40,930,685	32,454	0.1%	171,886	0.4%	0.2
2022	40,898,231	27,689	0.1%	(30,143)	-0.1%	-
2021	40,870,542	5,611	0%	(345,614)	-0.8%	-
2020	40,864,931	(23,695)	-0.1%	(667,771)	-1.6%	-
YTD	40,866,876	(21,750)	-0.1%	(197,317)	-0.5%	-
2019	40,888,626	120,421	0.3%	277,503	0.7%	0.4
2018	40,768,205	454,510	1.1%	1,819,606	4.5%	0.2
2017	40,313,695	40,989	0.1%	(12,004)	0%	-
2016	40,272,706	351,696	0.9%	812,646	2.0%	0.4
2015	39,921,010	(85,049)	-0.2%	188,412	0.5%	-
2014	40,006,059	1,642	0%	372,499	0.9%	0
2013	40,004,417	6,775	0%	540,130	1.4%	0
2012	39,997,642	49,724	0.1%	(396,428)	-1.0%	-
2011	39,947,918	35,400	0.1%	(186,824)	-0.5%	-
2010	39,912,518	152,958	0.4%	543,039	1.4%	0.3
2009	39,759,560	164,669	0.4%	(1,204,405)	-3.0%	-
2008	39,594,891	219,039	0.6%	2,637,138	6.7%	0.1

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	9,485,539	5,573	0.1%	13,413	0.1%	0.4
2023	9,479,966	6,011	0.1%	38,136	0.4%	0.2
2022	9,473,955	4,925	0.1%	(8,473)	-0.1%	-
2021	9,469,030	1,019	0%	(78,999)	-0.8%	-
2020	9,468,011	(311)	0%	(132,073)	-1.4%	-
YTD	9,468,322	0	0%	3,145	0%	0
2019	9,468,322	0	0%	(34,910)	-0.4%	-
2018	9,468,322	0	0%	185,931	2.0%	0
2017	9,468,322	0	0%	(219,242)	-2.3%	-
2016	9,468,322	50,000	0.5%	141,118	1.5%	0.4
2015	9,418,322	(4,563)	0%	218,134	2.3%	-
2014	9,422,885	2,400	0%	60,159	0.6%	0
2013	9,420,485	15,960	0.2%	(114,321)	-1.2%	-
2012	9,404,525	0	0%	(173,295)	-1.8%	-
2011	9,404,525	(2,213)	0%	(3,736)	0%	-
2010	9,406,738	11,740	0.1%	(91,266)	-1.0%	-
2009	9,394,998	17,104	0.2%	31,739	0.3%	0.5
2008	9,377,894	(117)	0%	120,396	1.3%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$5.46	133	1.7%	8.7%	3,914,025	5.3%	-0.1%
2023	\$5.37	130	1.7%	6.8%	3,968,652	5.4%	-0.3%
2022	\$5.28	128	3.5%	5.0%	4,212,666	5.7%	0.1%
2021	\$5.10	124	9.5%	1.5%	4,103,856	5.6%	0.9%
2020	\$4.66	113	-7.3%	-7.3%	3,471,436	4.7%	1.1%
YTD	\$5.05	123	0.4%	0.4%	2,890,607	3.9%	0.3%
2019	\$5.03	122	4.0%	0%	2,635,259	3.6%	0.1%
2018	\$4.83	117	7.1%	-3.8%	2,556,762	3.5%	-2.3%
2017	\$4.52	110	4.9%	-10.2%	4,248,364	5.8%	-0.4%
2016	\$4.30	104	4.0%	-14.4%	4,533,574	6.2%	-1.1%
2015	\$4.14	100	3.4%	-17.7%	5,318,434	7.4%	-0.4%
2014	\$4.00	97	3.1%	-20.4%	5,634,546	7.8%	-1.0%
2013	\$3.88	94	2.1%	-22.8%	6,345,417	8.8%	-0.7%
2012	\$3.80	92	-0.1%	-24.4%	6,813,771	9.4%	1.7%
2011	\$3.81	92	-1.6%	-24.3%	5,550,382	7.7%	-0.2%
2010	\$3.87	94	-3.1%	-23.1%	5,683,111	7.8%	0.1%
2009	\$3.99	97	-3.1%	-20.6%	5,563,054	7.7%	1.3%
2008	\$4.12	100	-1.7%	-18.1%	4,585,047	6.4%	-4.6%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$5.38	126	1.7%	9.0%	1,138,797	5.0%	-0.1%
2023	\$5.29	124	1.7%	7.1%	1,151,529	5.0%	-0.3%
2022	\$5.20	122	3.5%	5.3%	1,224,080	5.3%	0.2%
2021	\$5.02	118	9.5%	1.7%	1,187,609	5.2%	0.9%
2020	\$4.59	108	-7.1%	-7.1%	987,323	4.3%	0.3%
YTD	\$4.97	117	0.6%	0.6%	1,010,237	4.4%	0.4%
2019	\$4.94	116	3.5%	0%	927,311	4.0%	0.9%
2018	\$4.77	112	7.1%	-3.3%	726,642	3.2%	-0.6%
2017	\$4.46	105	4.5%	-9.7%	867,217	3.8%	-2.4%
2016	\$4.27	100	3.4%	-13.6%	1,424,662	6.2%	-1.0%
2015	\$4.12	97	2.2%	-16.5%	1,657,454	7.2%	0.8%
2014	\$4.03	95	3.0%	-18.3%	1,477,408	6.4%	-1.2%
2013	\$3.92	92	2.6%	-20.7%	1,759,663	7.7%	-0.3%
2012	\$3.82	90	-0.2%	-22.7%	1,824,943	8.0%	2.8%
2011	\$3.83	90	-2.5%	-22.5%	1,181,001	5.1%	-1.5%
2010	\$3.93	92	-3.7%	-20.5%	1,537,477	6.7%	1.8%
2009	\$4.08	96	-4.3%	-17.4%	1,130,345	4.9%	-1.7%
2008	\$4.26	100	-2.2%	-13.7%	1,506,777	6.6%	-3.4%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$4.72	135	1.8%	8.8%	2,143,511	5.2%	-0.1%
2023	\$4.64	132	1.8%	6.9%	2,177,200	5.3%	-0.3%
2022	\$4.56	130	3.5%	5.0%	2,316,181	5.7%	0.1%
2021	\$4.40	126	9.5%	1.5%	2,257,290	5.5%	0.9%
2020	\$4.02	115	-7.3%	-7.3%	1,905,416	4.7%	1.6%
YTD	\$4.35	124	0.3%	0.3%	1,436,656	3.5%	0.4%
2019	\$4.34	124	5.0%	0%	1,261,089	3.1%	-0.4%
2018	\$4.13	118	5.7%	-4.8%	1,418,171	3.5%	-3.4%
2017	\$3.91	112	5.2%	-9.9%	2,783,267	6.9%	0.1%
2016	\$3.72	106	4.3%	-14.4%	2,730,274	6.8%	-1.2%
2015	\$3.56	102	4.0%	-17.9%	3,191,224	8.0%	-0.7%
2014	\$3.43	98	3.3%	-21.0%	3,464,685	8.7%	-0.9%
2013	\$3.32	95	2.0%	-23.5%	3,835,542	9.6%	-1.3%
2012	\$3.25	93	-0.3%	-25.0%	4,368,897	10.9%	1.1%
2011	\$3.26	93	-1.1%	-24.8%	3,922,745	9.8%	0.5%
2010	\$3.30	94	-3.5%	-24.0%	3,700,521	9.3%	-1.0%
2009	\$3.42	98	-2.4%	-21.2%	4,090,602	10.3%	3.4%
2008	\$3.50	100	-1.9%	-19.3%	2,721,528	6.9%	-6.2%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$8.88	138	1.6%	8.1%	631,717	6.7%	-0.1%
2023	\$8.73	136	1.6%	6.3%	639,923	6.8%	-0.3%
2022	\$8.59	134	3.4%	4.6%	672,405	7.1%	0.1%
2021	\$8.31	129	9.3%	1.2%	658,957	7.0%	0.8%
2020	\$7.60	118	-7.4%	-7.4%	578,697	6.1%	1.4%
YTD	\$8.24	128	0.3%	0.3%	443,714	4.7%	0%
2019	\$8.21	128	2.5%	0%	446,859	4.7%	0.4%
2018	\$8.01	125	10.3%	-2.4%	411,949	4.4%	-2.0%
2017	\$7.27	113	5.0%	-11.5%	597,880	6.3%	2.3%
2016	\$6.92	108	4.1%	-15.7%	378,638	4.0%	-1.0%
2015	\$6.65	104	3.8%	-19.0%	469,756	5.0%	-2.4%
2014	\$6.41	100	2.9%	-21.9%	692,453	7.3%	-0.6%
2013	\$6.23	97	1.7%	-24.2%	750,212	8.0%	1.4%
2012	\$6.12	95	0.5%	-25.4%	619,931	6.6%	1.8%
2011	\$6.09	95	-1.2%	-25.8%	446,636	4.7%	0%
2010	\$6.17	96	-1.4%	-24.9%	445,113	4.7%	1.1%
2009	\$6.25	97	-2.7%	-23.9%	342,107	3.6%	-0.2%
2008	\$6.42	100	-0.4%	-21.8%	356,742	3.8%	-1.3%

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
2024	-	-	-	-	-	-	\$43.36	166	7.8%
2023	-	-	-	-	-	-	\$42.33	162	7.8%
2022	-	-	-	-	-	-	\$40.80	156	7.8%
2021	-	-	-	-	-	-	\$37.86	145	8.1%
2020	-	-	-	-	-	-	\$37.41	143	8.1%
YTD	14	\$5.2M	0.3%	\$396,791	\$29.30	-	\$40.77	156	7.5%
2019	104	\$117.7M	5.3%	\$1,569,057	\$38.46	9.2%	\$40.43	155	7.5%
2018	123	\$90.6M	5.8%	\$1,332,263	\$31.31	8.7%	\$38.86	149	7.4%
2017	106	\$59.2M	4.9%	\$910,744	\$31.92	7.3%	\$35.92	138	7.5%
2016	111	\$87.9M	3.9%	\$1,203,975	\$40.05	7.4%	\$33.76	129	7.6%
2015	113	\$44.9M	2.8%	\$568,974	\$32.00	-	\$30.93	119	7.9%
2014	87	\$47.3M	3.7%	\$788,407	\$22.19	9.8%	\$28.49	109	8.2%
2013	95	\$40.7M	4.2%	\$607,013	\$17.61	9.4%	\$26.54	102	8.4%
2012	96	\$46.4M	5.4%	\$702,674	\$14.41	-	\$25.32	97	8.6%
2011	72	\$33.1M	4.3%	\$688,545	\$21.52	8.1%	\$24.59	94	8.8%
2010	67	\$18.2M	2.3%	\$434,489	\$20.63	-	\$23.98	92	9.0%
2009	53	\$27.8M	3.2%	\$713,454	\$22.07	-	\$24.00	92	9.1%

(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.

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
2024	-	-	-	-	-	-	\$40.22	162	7.8%
2023	-	-	-	-	-	-	\$39.27	158	7.7%
2022	-	-	-	-	-	-	\$37.85	152	7.7%
2021	-	-	-	-	-	-	\$35.09	141	8.1%
2020	-	-	-	-	-	-	\$34.67	139	8.1%
YTD	3	\$880K	0.2%	\$440,000	\$24.85	-	\$37.77	152	7.5%
2019	21	\$51.8M	5.3%	\$3,234,502	\$52.26	-	\$37.42	150	7.5%
2018	22	\$33.2M	5.8%	\$2,553,055	\$37.34	-	\$35.98	145	7.4%
2017	21	\$14.8M	3.3%	\$821,778	\$27.94	5.8%	\$33.18	133	7.4%
2016	26	\$18.1M	3.7%	\$822,152	\$22.65	-	\$31.13	125	7.5%
2015	17	\$7.1M	1.9%	\$588,196	\$24.99	-	\$29.01	117	7.8%
2014	16	\$5.2M	1.0%	\$399,273	\$36.72	-	\$26.53	107	8.2%
2013	14	\$6.9M	3.5%	\$868,674	\$13.99	-	\$24.68	99	8.4%
2012	13	\$11.9M	4.1%	\$1,316,746	\$13.84	-	\$23.63	95	8.5%
2011	11	\$11.1M	3.5%	\$1,391,250	\$33.32	-	\$23.01	92	8.7%
2010	17	\$5.9M	2.6%	\$454,071	\$18.67	-	\$22.94	92	8.8%
2009	9	\$11.8M	6.0%	\$1,475,536	\$17.60	-	\$22.98	92	9.0%

(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
2024	-	-	-	-	-	-	\$39.51	169	7.8%
2023	-	-	-	-	-	-	\$38.56	165	7.8%
2022	-	-	-	-	-	-	\$37.16	159	7.8%
2021	-	-	-	-	-	-	\$34.48	148	8.1%
2020	-	-	-	-	-	-	\$34.07	146	8.1%
YTD	10	\$4M	0.3%	\$403,828	\$30.45	-	\$37.13	159	7.6%
2019	59	\$48.4M	5.6%	\$1,211,205	\$27.32	9.3%	\$36.81	158	7.5%
2018	70	\$38.8M	5.9%	\$1,020,597	\$23.60	8.7%	\$35.49	152	7.4%
2017	56	\$35.8M	6.0%	\$993,133	\$30.53	8.1%	\$32.78	141	7.5%
2016	59	\$57.6M	3.4%	\$1,516,825	\$52.41	6.8%	\$30.86	132	7.6%
2015	66	\$27.9M	2.9%	\$581,451	\$32.06	-	\$27.74	119	8.0%
2014	50	\$32.7M	5.3%	\$961,634	\$17.98	10.1%	\$25.68	110	8.3%
2013	63	\$24.1M	5.0%	\$512,096	\$14.71	9.4%	\$24.02	103	8.5%
2012	64	\$25.6M	6.6%	\$581,482	\$11.97	-	\$22.86	98	8.7%
2011	43	\$20.6M	5.2%	\$589,290	\$17.80	8.1%	\$22.25	95	8.9%
2010	40	\$10.6M	2.5%	\$458,896	\$20.47	-	\$21.36	92	9.1%
2009	34	\$8.8M	2.1%	\$365,434	\$18.17	-	\$21.47	92	9.2%

(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
2024	-	-	-	-	-	-	\$67.58	166	7.7%
2023	-	-	-	-	-	-	\$65.76	161	7.7%
2022	-	-	-	-	-	-	\$63.45	156	7.7%
2021	-	-	-	-	-	-	\$58.91	145	8.0%
2020	-	-	-	-	-	-	\$58.26	143	8.0%
YTD	1	\$240K	0.1%	\$240,000	\$30.00	-	\$63.60	156	7.5%
2019	24	\$17.5M	3.7%	\$919,949	\$59.00	8.9%	\$63.14	155	7.5%
2018	31	\$18.6M	5.0%	\$1,095,382	\$51.55	-	\$60.14	148	7.4%
2017	29	\$8.7M	4.5%	\$786,687	\$56.10	-	\$55.91	137	7.5%
2016	26	\$12.2M	6.2%	\$935,654	\$41.11	8.0%	\$52.48	129	7.6%
2015	30	\$10M	4.4%	\$525,312	\$39.69	-	\$49.14	121	7.8%
2014	21	\$9.4M	3.3%	\$724,485	\$54.67	9.0%	\$45.19	111	8.1%
2013	18	\$9.7M	2.5%	\$804,333	\$54.79	-	\$41.82	103	8.3%
2012	19	\$8.9M	4.0%	\$687,736	\$39.82	-	\$39.89	98	8.5%
2011	18	\$1.3M	2.4%	\$259,000	\$30.01	-	\$38.41	94	8.7%
2010	10	\$1.8M	0.8%	\$298,500	\$33.94	-	\$37.72	93	8.9%
2009	10	\$7.3M	1.5%	\$1,035,714	\$67.60	-	\$37.26	91	9.1%

(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.