

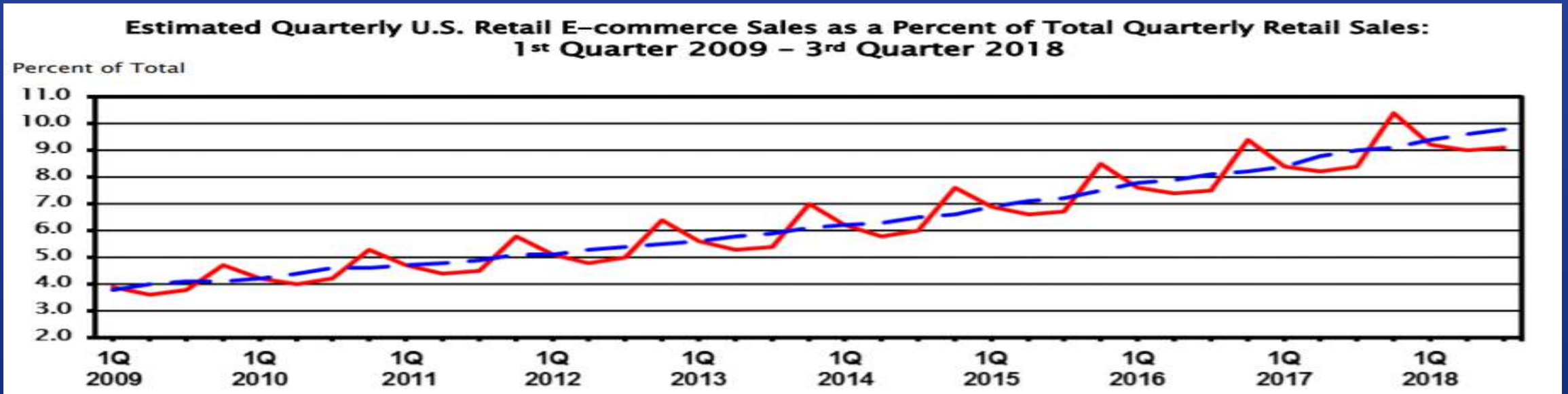
Jerry Matson Talks Industrial



Colliers

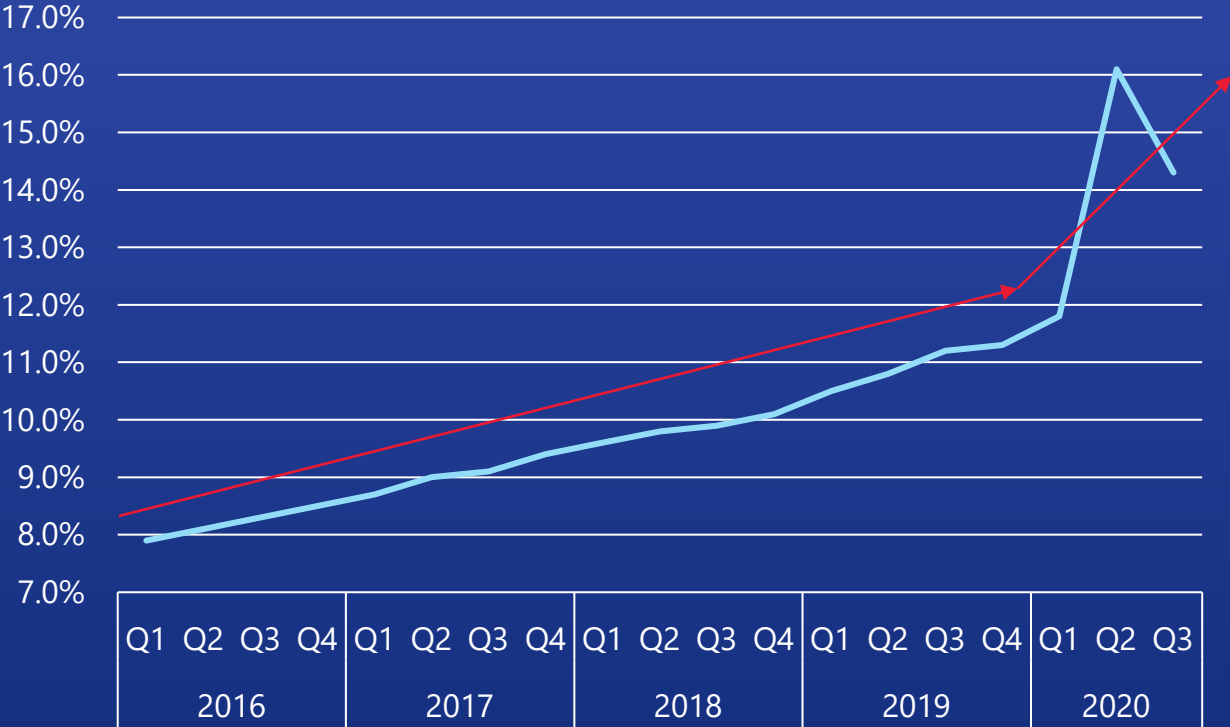
Click, Click, BOOM!

- US Retail Sales
 - 2019- 5.47 Trillion
 - 2010-2018, E-Commerce grows from 4.5% to 9.9%
 - 8 Years, growing 15% a year.....
 - 2019 “E-Commerce passes 10% of sales”. Yipee....
 - 2020, how did your parents and teenager's behavior change?
 - What do you think happened in 2020?

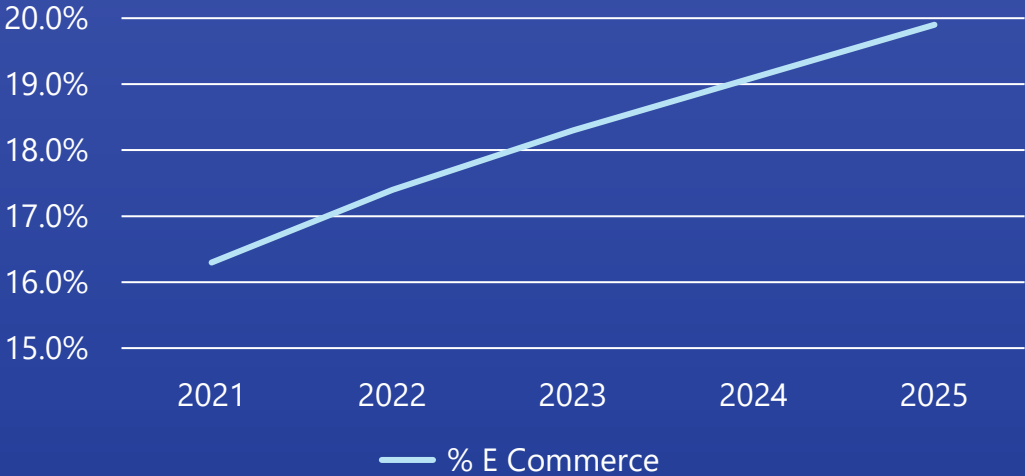


E-Commerce Growth

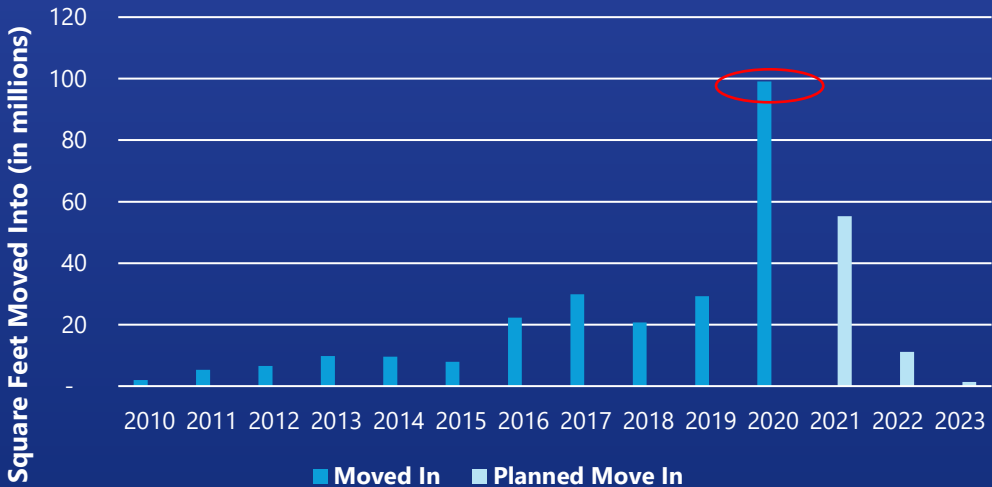
E-Commerce Share of Total Retail Sales



GlobalData Forecast of E-Commerce



Amazon Industrial Move-Ins



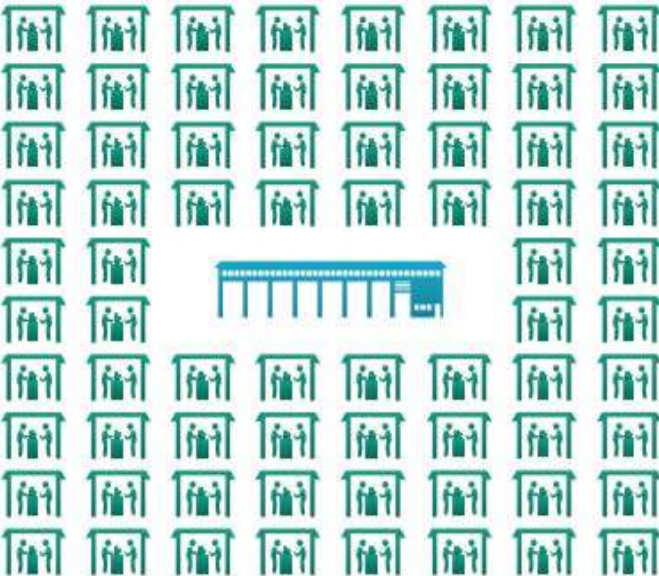
Transition Effect: Brick & Mortar to E-Commerce



How Much Real Estate Does a \$1B Retailer Need?

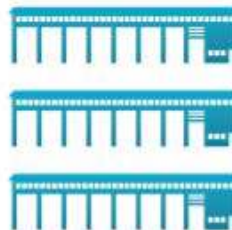
Brick & Mortar Real Estate Footprint: 2.8 MSF

Retail: 2,500,000 SF Logistics: 325,000 SF



E-commerce Real Estate Footprint: 1.0 MSF

Retail: 0 SF Logistics: 1,000,000 SF



Source: Prologis Research

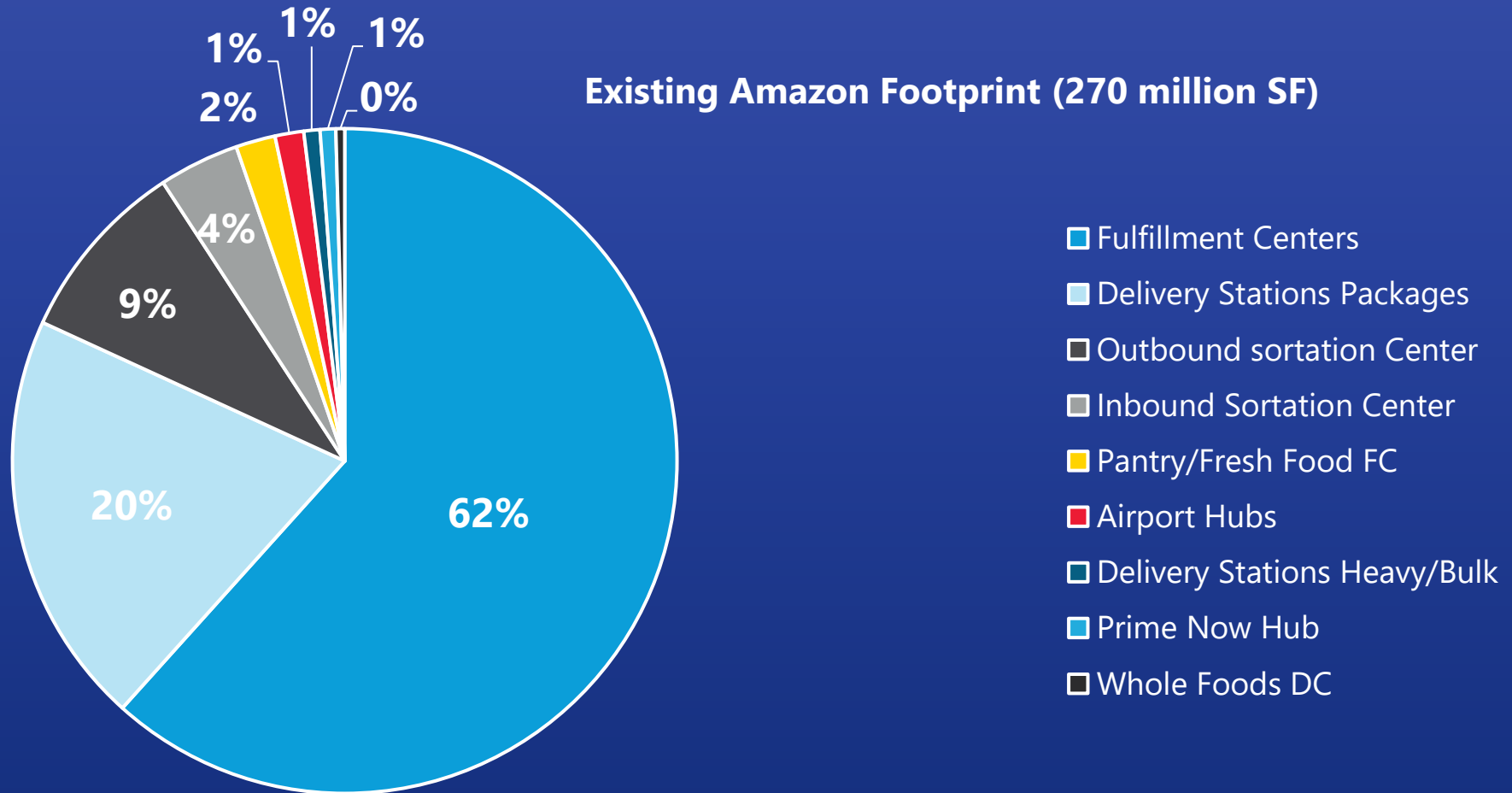
1% shift from brick and mortar to online= 54.7B in sales.

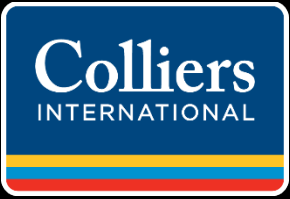
54.7x 675,000 SF= 37M square feet

6%= 222M Sq feet of new buildings, the size of Portland market built in a year...



Amazon Growth





UNFI

1,200,000 SF

Costco/Innovel

1,200,000 SF



Lowe's

1,200,000 SF

Confidential

680,000 SF*

Columbia distributing

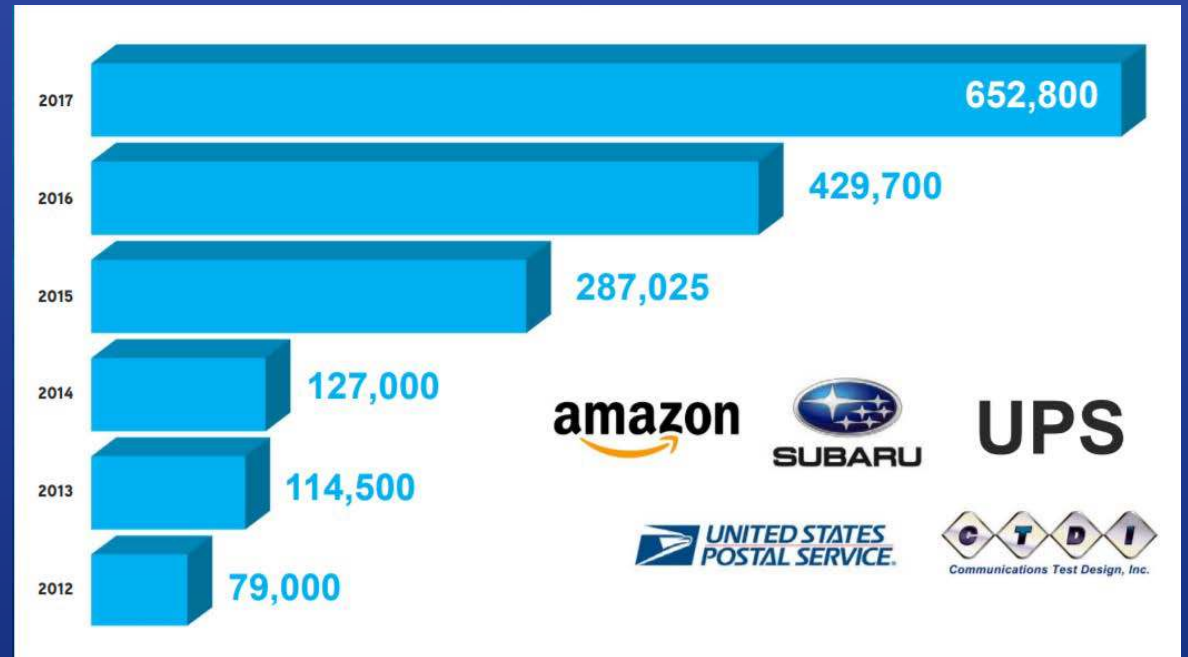
560,000 SF



**968,000 SF

Avg.

Top Transactions (Avg of top 5)





MEDIAN HOUSE PRICES 2020

Seattle	\$752,187
Portland	\$455,753
San Francisco	\$1,310,500
Los Angeles	\$859,000

Housing affordability in Portland allows us to compete for corporate clients



2019 Forecast

Forecast

- Industrial will outlast other product types in positive market conditions by 24-36+ months due to secular growth trend in E-Commerce and debt/equity preference for product type. This will be very evident in the “Big Box” Space.
- Weakness will be in pockets of smaller companies and/or that are being disrupted. This may slow velocity or metrics sooner on smaller spaces sooner than later.
- Developers will tie up land to position themselves to be in a ‘Built-To-Suit Market’
- The new capital and corporations coming to Portland will change valuations and ‘beta’ forever
- Opportunity for growth = Growing pains on cost of living, crowding, tax initiatives on infrastructure etc.