BLACK SALMON

INNOVATIVE THINKING IN REAL ESTATE

UNITED STATES INDUSTRIAL REAL ESTATE MARKET

October 2025

INTRODUCTION

STEPHEN EVANS
MANAGING DIRECTOR

- +39 years of real estate expertise, with deep focus on industrial assets.
- Nearly 20 years at USAA Real Estate (now Affinius Capital), a global institutional real estate investment manager with ~$60B AuM. Direct experience with industrial acquisition and development strategies including funds and separate accounts.
- Partnered with many of the top institutional investors worldwide, including pension funds, insurance companies, and sovereign wealth funds.

BLACK SALMON

$2.1BN
PROJECTS AND ASSETS UNDER MANAGEMENT

+$500M
IN EQUITY INVESTED

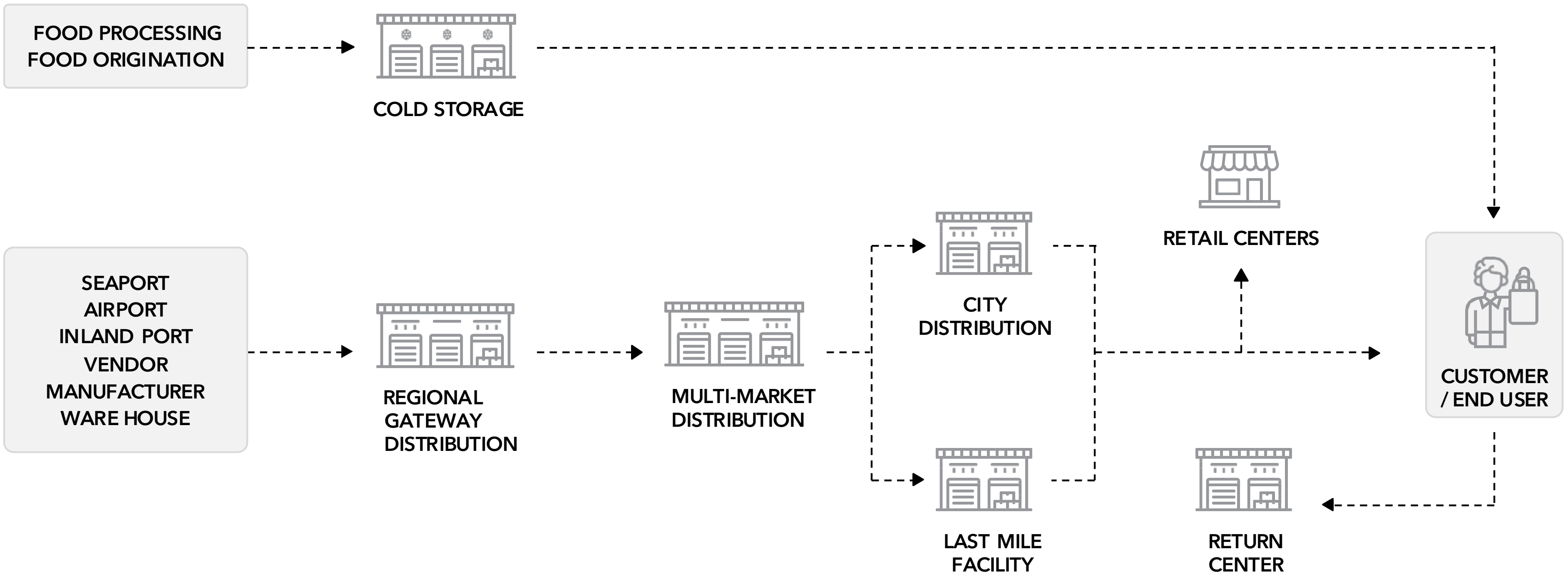
+20 YEARS
INSTITUTIONAL REAL ESTATE EXPERIENCE

1.2M
COMMERCIAL SQ. FT. ACQUIRED

+65 YEARS
COMBINED REAL ESTATE EXPERIENCE

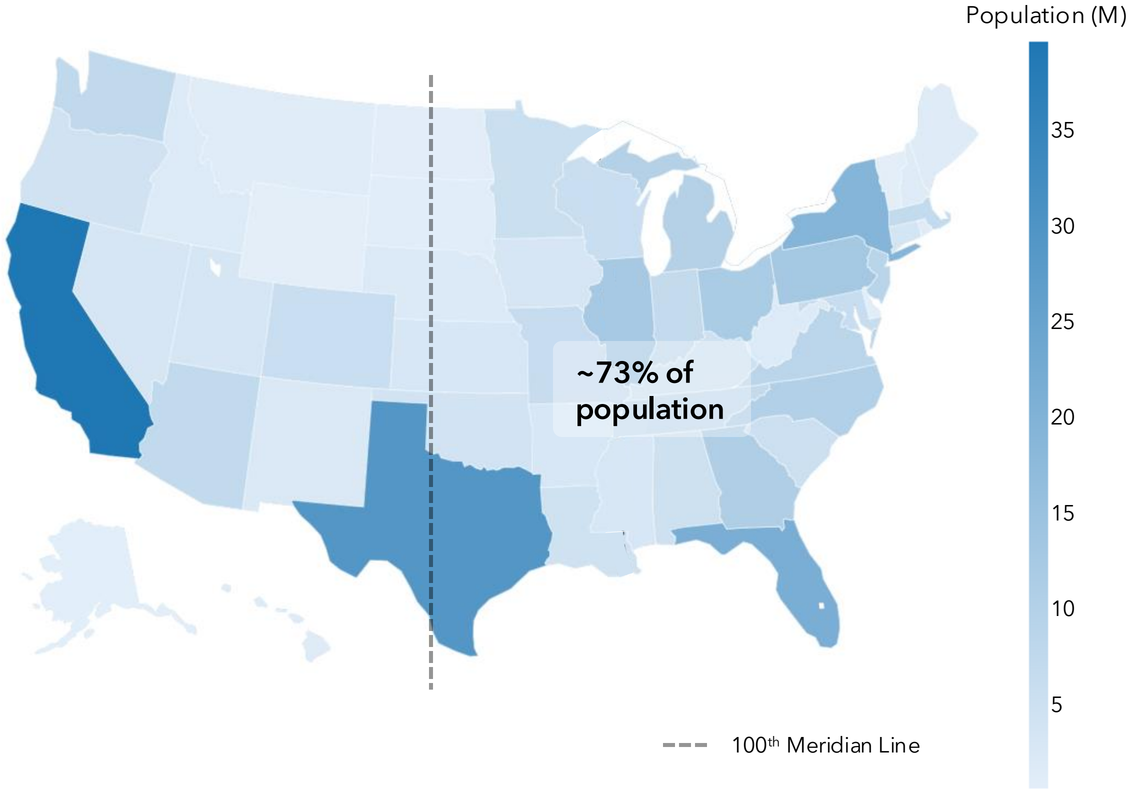
600,000
COMMERCIAL SQ. FT. DEVELOPED & IN PIPELINE

SUPPLY MANAGEMENT & LOGISTICS



DEMOGRAPHIC HUBS

U.S. Population Heat Map (by State)

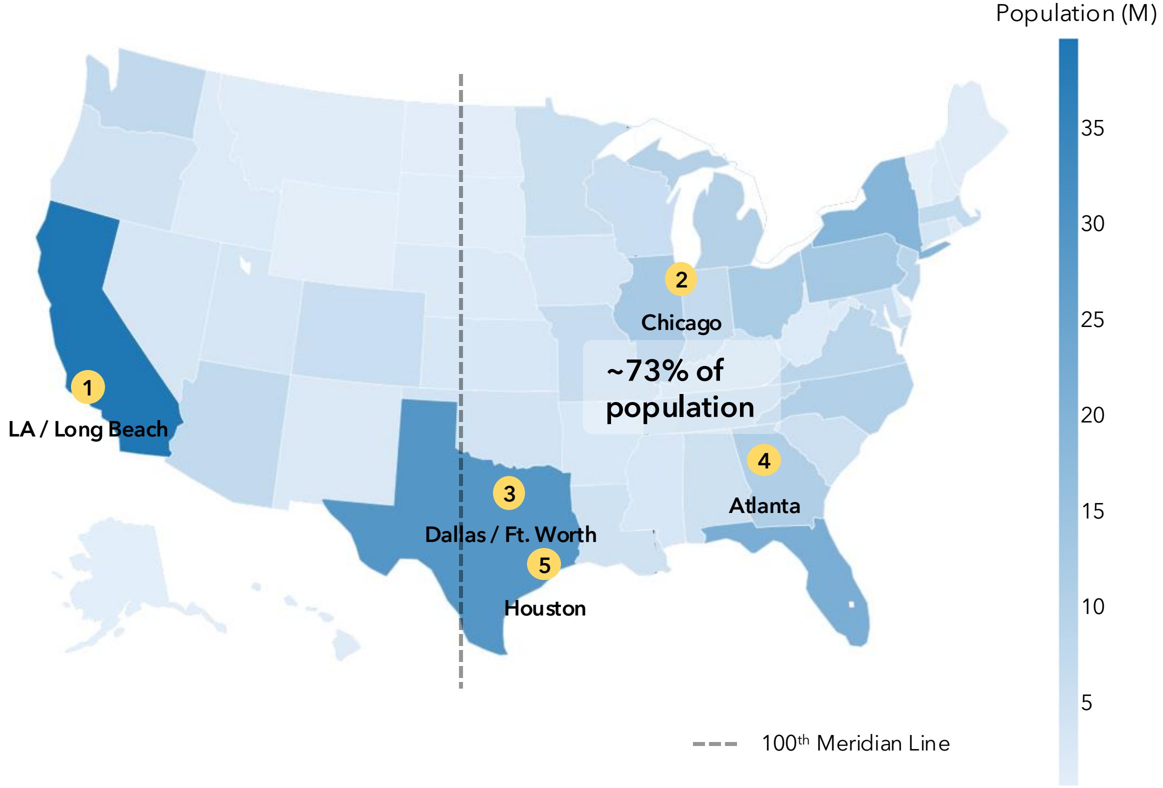


Rank	State	Population (estimate, millions)
1	California	39.4
2	Texas	31.3
3	**Florida**	**23.4**
4	**New York**	**19.9**
5	**Pennsylvania**	**13.1**
6	**Illinois**	**12.7**
7	**Ohio**	**11.9**
8	**Georgia**	**11.2**
9	**North Carolina**	**11.0**
10	**Michigan**	**10.1**

Source: US Census Bureau

STRATEGIC INDUSTRIAL MARKETS

U.S. Population Heat Map (by State) with Five Largest Industrial Markets

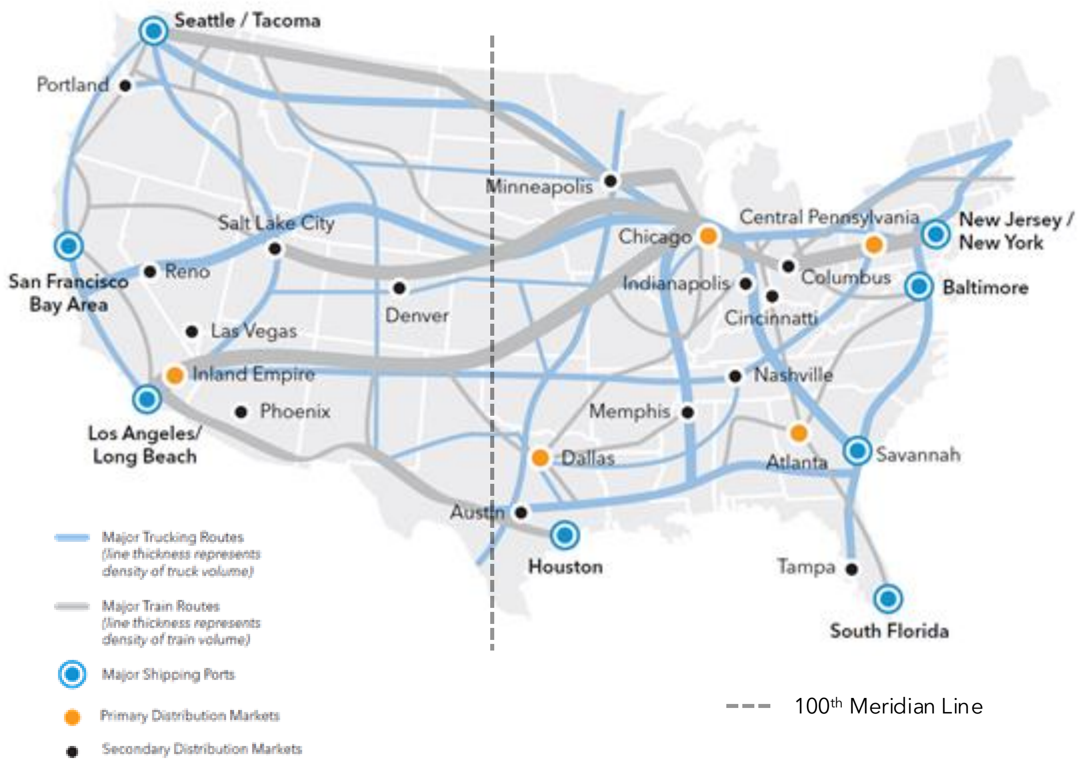


Rank	Market	Inventory (Sq Ft)
1	LA/Long Beach, CA	1,449,913,367
2	Chicago, IL	1,255,524,906
3	Dallas/Ft. Worth, TX	1,023,206,887
4	Atlanta, GA	786,687,133
5	Houston, TX	588,019,131
6	Cleveland, OH	530,159,983
7	Detroit, MI	502,356,197
8	Phoenix, AZ	456,720,019
9	I-81/I-78 Dist. Corridor, PA	389,429,205
10	New Jersey (Central), NJ	383,139,454

Source: C&W Q2 2025 U.S. Industrial Marketbeat

STRATEGIC INDUSTRIAL MARKETS & CONNECTIVITY

Major Markets, Shipping Ports, Train and Trucking Routes



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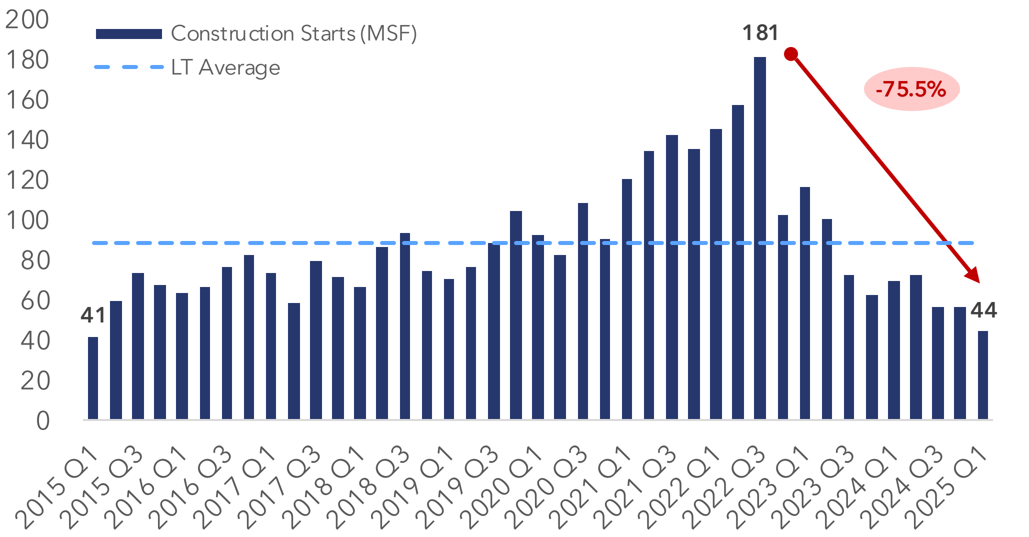
Source: C&W Q2 2025 U.S. Industrial Marketbeat

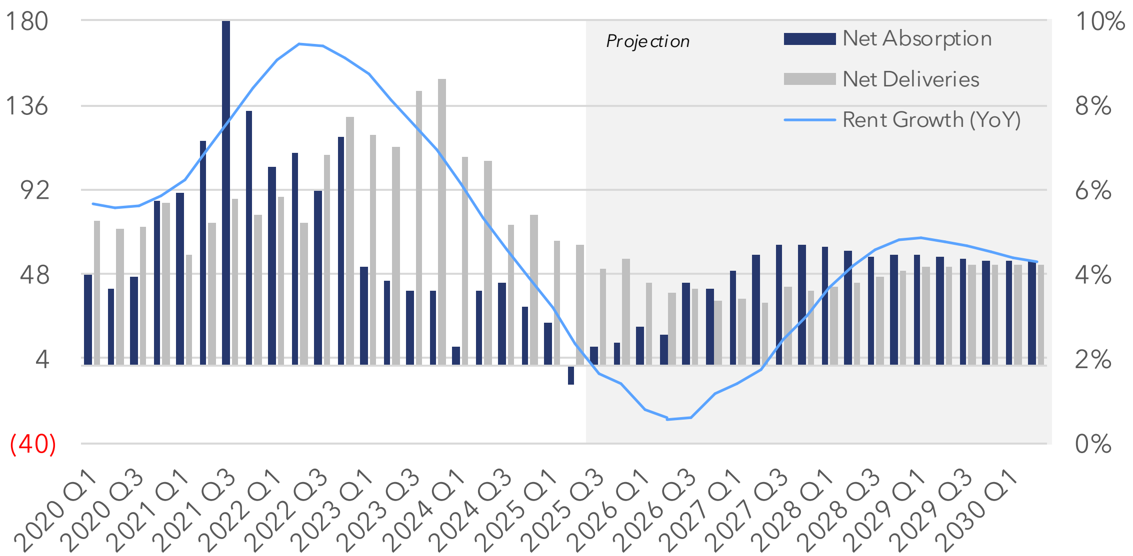
Source: Ares Management Corporation; CoStar Advisory Services, 12/31/20; Federal Highway Administration, 2017; U.S. Department of Transportation Maritime Administration, 2015.

MARKET DYNAMICS – Supply/Demand Fundamentals

CONSTRUCTION STARTS (MSF)



ABSORPTION, NET DELIVERIES & VACANCY



- Cushman & Wakefield reports that overall vacancy stands at 7.1%, just 10 bps higher than the long-term 15-year pre-pandemic historical average.
- The construction pipeline has dropped to 268.6 msf–its lowest since 2017–after peaking above 700 msf in 2022, and is expected to contract further amid economic uncertainty, rising borrowing costs, and elevated vacancy rates.
- Stabilizing vacancy, combined with fewer tenant consolidations and growing demand drivers should fuel leasing activity, particularly in the second half of the year and into 2026.

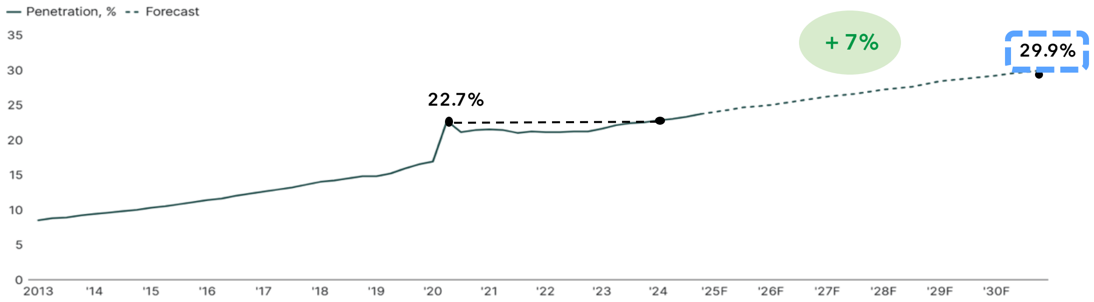
DEMAND DRIVERS

E-Commerce
- E-commerce sales surged during the pandemic and is projected to keep expanding, above 10% annually until 2027. [1]
- By 2030, e-commerce penetration rate is expected to reach 30%, driving sustained demand for logistics real estate. [2]
- Rising customer returns highlight the need for facilities closer to consumers to reduce logistical gaps and improve efficiency.

Reshoring / Nearshoring
- Companies are shifting production closer to home, with U.S. manufacturing construction hitting $122.7B in Nov 2024, nearly double the pre-pandemic average.
- Tariffs and contingency planning are accelerating U.S. and nearshore operations, boosting long-term industrial real estate demand.

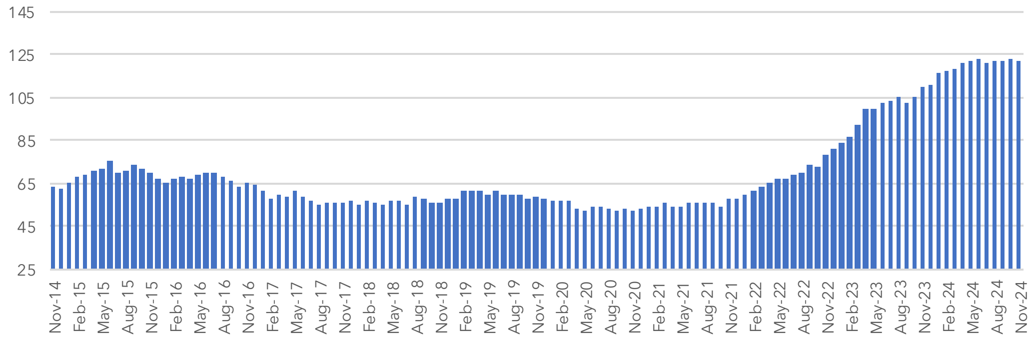
Flight to quality
- U.S. warehouses are aging (avg. 43 years old; nearly 30% over 50 years) and often lack features needed for automation, efficiency, and worker retention, creating functional obsolescence.
- With only 6% of stock built in the past decade, demand is concentrating in modern facilities – evidenced by 74% of top leases in 2023 occurring in new builds – driving a clear flight to quality.

E-COMMERCE PENETRATION RATE IN THE U.S. (% OF CORE RETAIL GOODS SALES)



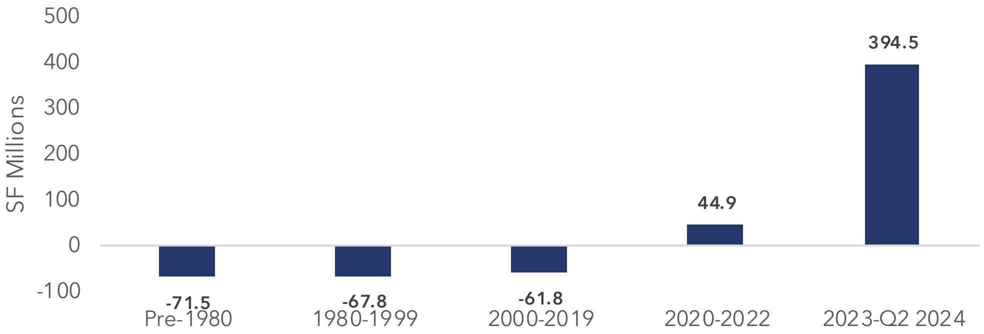
Note: Core retail goods sales exclude auto, gas, and food services.
Source: U.S. Census Bureau, Prologis Research Forecast

TOTAL REAL PRIVATE MANUFACTURING CONSTRUCTION SPENDING (Bn)



4Q24 Newmark US Industrial Conditions and Trends

INDUSTRIAL NET ABSORPTION SINCE Q1 2023 BY YEAR BUILT



(1) Emarketer, U.S Retail Ecommerce Sales, (2) Prologis research

OUR INVESTMENT APPROACH TO THE MARKET

- **Real Estate is Local**
    - Contacts via relationships
    - Networking
    - Tenure in the market
- **Market Selection**
    - Submarket focus
    - Institutional exit optionality
    - Tenant demand
- **Rigorous Underwriting**
    - Basis is key (acquisition/development and at exit)
    - Scrutinize fundamentals (demand, supply, rates)
    - Stress-test assumptions

OUR STRATEGIC EXECUTION IN THE SPACE

At Black Salmon, we are convinced that the current market momentum–unique in many respects–creates a **compelling opportunity** to be bullish on the sector.

This confidence is not just about short-term dynamics; it is rooted in the **long-term fundamentals** and **megatrends** reshaping U.S. manufacturing.

Our differentiated value proposition lies in providing investors access to **investment opportunities** across the **entire supply chain**.

By doing so, we position ourselves not only to capture near-term growth but also to **build resilient value creation** over the long run.

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