

CapitaLand Ascendas REIT
Independent Market Report 2025

Seeding Growth, Creating Enduring Value

Grounded in resilience and governance, our values keep us steadfast through business cycles while propelling us to seize opportunities with clarity and confidence.

We are advancing through innovation, partnerships, and sustainable growth. With strategic focus and effective execution, we continue to seed new opportunities and strengthen growth engines to deliver enduring value for our stakeholders.



About Us

CapitaLand Ascendas REIT (CLAR) is Singapore's first and largest listed business space and industrial real estate investment trust (REIT). As one of Singapore's REIT pioneers, CLAR has played a crucial role in the development of the Singapore REIT sector. It provides an attractive platform for investment in business and industrial properties across developed markets. CLAR owns and manages a well-diversified portfolio, valued at S\$18.2 billion. The portfolio comprises 222 investment properties¹ in Singapore, Australia, the US and the UK/Europe. CapitaLand Ascendas REIT Management Limited, the manager of CLAR (Manager), is a wholly owned subsidiary of Singapore-listed CapitaLand Investment Limited (CLI), a leading global real asset manager with a strong Asia foothold.

Our Vision

To be a leading global real estate investment trust.

Our Mission

To deliver predictable distributions and achieve long-term capital stability for Unitholders.

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¹ Excludes 27 IBP and LogisHub @ Clementi in Singapore, Summerville Logistics Center in the US, as well as Welwyn Garden City, Manton Wood and Towcester in the UK which are under development as at 31 December 2025.

Independent Market Report

Singapore

By Knight Frank Pte Ltd Consultancy, February 2026

1. MACROECONOMIC OVERVIEW AND OUTLOOK

1.1 Economic Performance

Singapore's Gross Domestic Product (GDP) grew by 5.0% in 2025, easing from the 5.3% growth the year before. Growth was primarily driven by strong global demand for Singapore's manufacturing output, especially in electronics and biomedical clusters, which surged in the final quarter on heightened demand for AI-related semiconductors and tech products. Robust performance in the services sectors underpinned growth momentum, while exports remained resilient despite global uncertainties. The manufacturing-led rebound and broad-based activity supported overall economic resilience throughout the year.

With more job openings than unemployed individuals, the ratio of job vacancies to unemployed people stood at 1.49 in September 2025, while the unemployment rate remained low at 2.0% – consistent with pre-pandemic levels between 2015 and 2019. The Ministry of Manpower (MOM) highlighted that the labour market is holding up well, although hiring momentum has softened and employers are becoming more selective. Tightness in the labour market is expected to ease gradually as vacancies are filled, while workforce upskilling and a steady employment base help sustain overall workforce resilience.

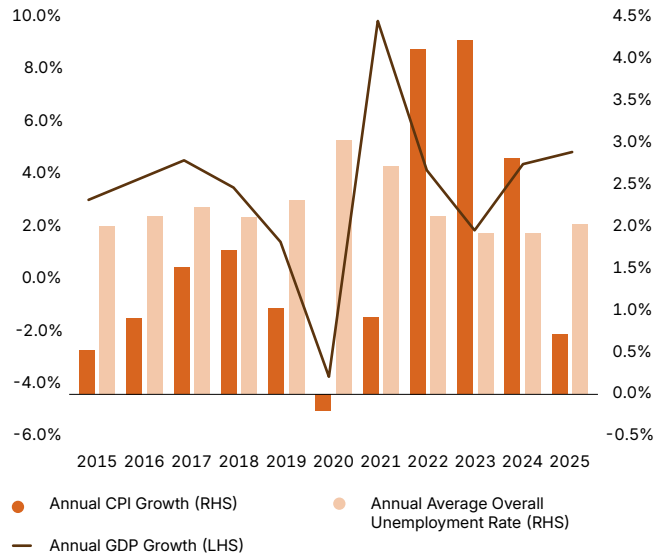
Core inflation (CPI), which excludes private transport and accommodation costs to better reflect household spending, averaged 0.7% for 2025, a marked drop from 2.8% in 2024. This moderation reflected the easing of global supply-side pressures and softer domestic demand amid cautious market sentiment. While prices of goods and services have generally stabilised, sectors such as food and healthcare have seen smaller increases, helping to keep overall household expenditure in check. The lower core inflation provides some relief for consumers, supporting purchasing power despite ongoing macroeconomic uncertainties.

1.2 Performance of Key Business Sectors

As of 4Q 2025, Singapore's economic growth was broad-based as both Goods and Services Producing Industries expanded 7.6% and 4.3% year-on-year (YoY), respectively.

Within the Goods Producing Industries, the Manufacturing and Construction sectors grew 8.7% and 5.2% YoY, respectively. The manufacturing sector's growth was broad-based, with output expanding across all clusters except for general manufacturing. Notably, the electronics

Annual GDP Growth, Unemployment and Core Inflationⁱ (CPI)



(i) Core inflation excludes the components of "Accommodation" and "Private Transport".
Source: MTI, Monetary Authority of Singapore, Singstat, Knight Frank Consultancy

cluster saw strong gains due to a surge in demand for AI-related semiconductors, servers, and server-related products, while the biomedical manufacturing cluster benefited from higher-than-expected production of active pharmaceutical ingredients and biological products.

Within the Services Producing Industries, the Wholesale Trade and Finance & Insurance sectors were the largest contributors to GDP growth for the year, registering annual growth rates of 6.1% and 4.3%, respectively. Foreign wholesale sales volume was fastest in electronic components and telecommunications & computers, while growth in domestic wholesale sales volumes was the strongest in the general wholesale trade and industrial & construction machinery. Meanwhile, the finance & insurance sector was buoyed by accommodative financial conditions, which supported higher net fees, commissions, and increased payment transaction volumes by banks and fund managers.

1.3 Economic Outlook for 2026

In the year ahead, Singapore's economic outlook points to moderate but steady expansion amid a more challenging global environment. GDP growth for most of Singapore's key trading partners is expected to ease as the impact of US tariffs takes effect. China's growth is projected to moderate due to slower export expansion, while industrial activity in the Eurozone is also likely to soften. Slower growth in major economies is expected to temper demand for exports from Southeast Asia, although stable

domestic demand in the region provides some support. The US economy faces potential challenges, as domestic consumption growth moderates amid a cooling labour market, and concerns over an AI-driven investment bubble heighten the risk of a broader economic slowdown with possible global recessionary implications.

Downside risks to the global macroeconomy persist, as renewed tariff actions or risk-off sentiment in financial markets could weigh on business and household confidence, prompting more cautious hiring, investment, and spending. Against this backdrop, Singapore's manufacturing and trade-related services sectors are projected to expand at a slower pace than in 2025. Electronics manufacturing is positioned to benefit from AI-related semiconductor and server demand, while transport engineering growth draws support from aerospace maintenance and marine & offshore order books. Meanwhile, the precision engineering and biomedical manufacturing clusters could encounter headwinds from US tariff uncertainties and the normalisation of previously elevated output.

Domestically, construction activity is expected to remain resilient, supported by public residential and civil engineering projects, whereas consumer-facing sectors such as retail and food & beverage may experience subdued growth. Considering these factors, forward-looking indicators suggest more modest expansion for Singapore, with the MTI projecting GDP growth for 2026 at 2.0% to 4.0%.

2. INDUSTRIAL LANDSCAPE

2.1 Industry 4.0 and Global Technology Trends

Singapore's manufacturing sector is advancing into a new phase defined by deeper digitalisation, intelligence, sustainability and deep-tech innovation. Factories are increasingly using Industrial Internet of Things (IIoT), predictive analytics, cloud platforms and digital twin technologies to enhance real-time visibility, make production more adaptive and boost energy efficiency.

The Smart Industry Readiness Index (SIRI), developed by the Economic Development Board (EDB), remains a key guide for manufacturers, assessing readiness across processes, technology, and organisational capabilities, and helping companies design targeted transformation strategies. Recent SIRI assessments show manufacturers advancing beyond basic digitalisation towards deeper adoption of vertical integration, real-time production monitoring, and advanced analytics for yield and predictive maintenance. Electronics, semiconductors, and pharmaceutical firms demonstrate stronger scores

in automation and data connectivity, while more small and medium enterprises (SMEs) are using the SIRI Prioritisation Matrix to sequence high-impact initiatives. These trends point to more structured, implementation-driven Industry 4.0 readiness across the manufacturing base.

Over the past year, several manufacturing technology trends have accelerated, with Singapore taking proactive steps to capitalise on these developments:

- 1. Power semiconductors and wide-bandgap technology:** Singapore is expanding investments in next-generation chips, including an 8-inch silicon carbide pilot line developed with the Institute of Microelectronics (IME) and Soitec. Wide-bandgap semiconductors, such as silicon carbide (SiC) and gallium nitride (GaN), can operate at higher voltages, temperatures, and frequencies than traditional silicon-based devices, enabling more energy-efficient and compact power electronics for electric vehicles, renewable energy systems, and industrial applications.
- 2. Research and development (R&D) and green technology:** Singapore continues to strengthen its innovation and sustainability ecosystem in step with global trends. In the 2025 Global Innovation Index, Singapore ranked fifth globally and second in Asia, maintaining its top position in innovation inputs – including institutions, human capital & research, and business sophistication – reflecting strong capabilities for scientific research and technology development. Beyond rankings, the Singapore Budget 2025 increased investments in R&D infrastructure, including a national semiconductor prototyping facility and AI capabilities for businesses, signalling a sustained commitment to deep tech and productivity growth. On the green technology front, Singapore's Green Investment Programme and renewable energy capacity expansions reinforce its push toward low-carbon innovation.

2.2 Other New Growth Sectors and Trends

Advances in operational technology are reshaping Singapore's industrial, manufacturing, warehousing, and logistics sectors, fuelling growth in areas such as:

- 1. Green and low-carbon energy/chemicals:** Singapore is accelerating low-carbon energy and green-chemicals development through hydrogen-ready pipelines, sustainable aviation fuel production and circular-chemistry projects on Jurong Island. Efforts such as new carbon-capture pilots and renewable-feedstock processing help industries cut emissions while strengthening the island's role as a

next-generation energy-chemicals hub. Firms are increasingly investing in cleaner processes and low-carbon technologies.

- 2. Advanced manufacturing via refreshed Industry Transformation Maps (ITMs):** The updated ITMs are driving the adoption of high-tech production methods, including autonomous mobile robots, digital twin-enabled prototyping and AI-driven quality control. These upgrades support growth in semiconductors, biologics, precision engineering and additive manufacturing. Companies are modernising plants, integrating Industry 4.0 systems and upskilling workers to compete in higher-value global manufacturing chains.
- 3. Sustainable data centres (DC) and "green" warehousing:** Singapore's DC expansion is shifting towards energy-efficient designs such as liquid and tropical-climate cooling, onsite solar generation and stricter power-usage limits. Logistics players are developing greener warehouses with automated storage systems, EV-ready fleets and materials that reduce embodied carbon. These moves reflect strong decarbonisation targets and the need to support digital growth without exceeding resource and land constraints.
- 4. Aerospace manufacturing and maintenance, repair and overhaul (MRO):** Aerospace production and MRO activity are rising with the rebound in air travel and demand for newer, more efficient aircraft. Investments by firms in Singapore now span composite-component fabrication, engine-overhaul lines for geared-turbofan models and R&D in sustainable aviation technologies. This reinforces Singapore's standing as a leading Asia Pacific (APAC) aerospace hub while generating high-skill manufacturing and engineering roles.

2.3 Overview of Government Policies and Plans

To address existing challenges and seize emerging opportunities in its industrial landscape, Singapore has introduced strategies aimed at improving manufacturing competitiveness and supporting the transition to a low-carbon, resource-efficient economy. These initiatives provide a coordinated framework to enhance productivity, foster innovation, and ensure long-term industrial resilience while reinforcing Singapore's competitiveness as a leading advanced manufacturing hub.

- 1. Manufacturing 2030 (M2030) vision:** A long-term roadmap to position the country as a global hub for advanced, innovation-driven manufacturing.

The strategy responds to rapid technological change, evolving supply chains and intensifying global competition by accelerating digitalisation, automation and Industry 4.0 adoption across firms. Beyond technology, M2030 places strong emphasis on workforce transformation and capability building. Initiatives such as the Advanced Manufacturing Training Academy (AMTA) and SkillsFuture Singapore's Workforce Upskilling Playbook for the precision engineering sector identify emerging roles spanning data analytics, AI-enabled design, and advanced automation. Higher education institutions are concurrently updating curricula to align with Industry 4.0 requirements, while over 350 SkillsFuture programmes provide flexible pathways for continuous upskilling. Collectively, these efforts aim to lift sector value-add, support a shift towards higher-value manufacturing activities and strengthen Singapore's ability to attract frontier investments.

- 2. Innovation and enterprise collaboration:** Complementing the M2030 agenda, public-private platforms such as the Global Innovation Alliance facilitate closer collaboration between multinational corporations, local enterprises and research institutions. These networks enable local SMEs to access advanced facilities, co-innovation opportunities and overseas markets, reinforcing an integrated ecosystem where talent development, technological advancement and enterprise growth are mutually reinforcing.
- 3. Research, Innovation, and Enterprise (RIE2030) framework:** A central driver of research and innovation, with the government committing a record S\$37 billion over the next five years under the updated RIE2030 plan, a 32% increase from RIE2025, to strengthen the nation's R&D ecosystem and tackle strategic challenges. This includes S\$3 billion set aside for flagship programmes and "grand challenges," such as enhancing semiconductor research in advanced packaging, heterogeneous integration and photonics, reinforcing Singapore's deep-tech position. RIE2030 also maintains focus on sustainability and low-carbon technologies under its four key pillars, accelerating the translation of climate-resilient and environmentally beneficial solutions as well as expanding talent development to support green and digital innovation across sectors.
- 4. Green economy regulatory and infrastructure push:** Industrial development is reshaped through tighter environmental regulations and targeted sustainability investments. Key measures include progressively higher carbon taxes and the Green Mark 2021 standards, which establish clearer benchmarks

for energy efficiency and emissions reduction. These are supported by grants encouraging the adoption of low-carbon technologies, energy-efficient equipment and circular-economy solutions. In parallel, infrastructure initiatives such as eco-industrial parks, district-level energy systems and waste-to-resource platforms create an enabling environment for more sustainable industrial operations.

2.4 Changes in Government Policy and Impact on the Industrial Landscape

- 1. Enhancement to the Industrial Land Lease Framework by JTC:** JTC has begun implementing four key enhancements to its Industrial Land Lease Framework in 2025, following recommendations from the Alliance for Action on Business Competitiveness to provide longer lease tenures and greater flexibility for businesses. First, all new greenfield industrial land allocations requiring development have been granted an additional three years of lease tenure, ensuring companies can fully utilise the intended 20- or 30-year lease term once their facilities are completed, thereby mitigating concerns that development periods could shorten productive use durations. From the second half of 2025, JTC rolled out the Flexible Lease Extension Initiative (FLEXI), allowing eligible lessees on 20-year leases to extend their tenure by up to two tranches of five years – effectively adding up to 10 extra years. At the same time, the land lease renewal application window has been extended, enabling lessees to apply as early as 10 years before expiry, replacing the previous six-year lead time. Lastly, the definition of qualifying investments in plant & machinery has also been broadened to include auditable investments in innovation, R&D, digital transformation and intellectual property creation. Together, these updates provide businesses with greater certainty and flexibility, incentivising long-term investments in industrial land, facilities and productivity-enhancing equipment, particularly for those with short remaining land lease periods.
- 2. Extension and Expansion of the Land Intensification Allowance (LIA):** The LIA is a tax incentive introduced in 2007 to encourage land-efficient industrial development. It provides capital allowance relief for qualifying expenditure on buildings that maximise land use, including multi-storey factories or facilities with higher gross plot ratios. The scheme initially focused on manufacturing, logistics and integrated construction/prefabrication hubs such as precast concrete plants under the Integrated Construction Hub programme. The most recent changes to the LIA include extending the scheme to 31 December 2030 and expanding it to include multi-storey Design-for-Manufacturing-and-Assembly (DfMA) facilities from 2026, while relaxing related-user shareholding thresholds to broaden eligibility. These updates promote vertical, high-density industrial developments and improve the economics of capital-intensive and automated operations, supporting Singapore's transition toward high-value, land-efficient manufacturing and logistics.
- 3. Foreign workforce policy reforms:** In 2025, the MOM introduced significant reforms to Singapore's foreign workforce framework. The previous limits on the employment period for work permit holders, which ranged from 14 to 26 years depending on sector and origin, were removed from 1 July 2025. The maximum employment age has increased from 60 to 63, and the age limit for new work permit applicants will rise to 61. Starting 1 September 2025, the Non-Traditional Sources Occupation List has been expanded, and the support period under the Manpower for Strategic Economic Priorities (M-SEP) scheme has been extended to three years. These changes aim to help companies retain experienced foreign workers, reduce turnover and address labour shortages, particularly in manufacturing, construction and logistics sectors. By enhancing workforce stability, the reforms support productivity, operational continuity and the growth of Singapore's industrial landscape.
- 4. Dormitory Transition Scheme (DTS) and New Dormitory Standards (NDS):** The DTS was introduced by MOM in 2023 to raise living standards and public-health resilience across roughly 1,000 existing migrant-worker dormitories. Under the scheme, dormitories must meet "interim standards" by 2030 – for example, limiting each room to a maximum of 12 residents, ensuring a minimum of 3.6 square metres (sqm) of living space per resident, and providing enhanced sanitation and isolation-room facilities. Existing dormitories will need to comply with the NDS by 2040, while it has applied to all new dormitories since 2021, which raises the living-space requirement to 4.2 sqm per resident. While the restructuring of dormitories could tighten bed supply during retrofits, which puts upward pressure on bed rents and labour housing costs, better living conditions over time will support a healthier and more productive workforce, which is critical for sectors reliant on migrant labour, such as manufacturing and construction.

2.5 New Growth Areas

- 1. Northern Gateway:** A major mixed-use growth area covering Woodlands Regional Centre, Woodlands North Coast, Sembawang North, Kranji and Sembawang. Approximately 14,000 new homes, both public and private, will be built, including waterfront housing to create vibrant and liveable neighbourhoods. The plans also include flexible industrial and business parks, modern commercial hubs and enhanced connectivity through the Johor-Singapore Rapid Transit System (RTS) Link and a new Woodlands Multi-Modal Transport Hub. The vision is to establish a dynamic northern corridor combining housing, employment opportunities, green spaces and waterfront amenities to support sustainable economic and community development.
- 2. Woodlands:** A modern regional centre integrating residential, commercial and industrial functions. Around 4,000 new flats will be built in the 21-hectare Housing by the Woods precinct, alongside waterfront residential developments at Woodlands North Coast – a 100-hectare mixed-use business precinct that will support knowledge-intensive, research and light industrial activities. The upcoming RTS Link and upgraded transport networks will enhance accessibility, while offices, retail, green spaces and recreational facilities will create a multifunctional urban environment, transforming Woodlands into a well-connected hub for living, working, innovation and leisure, reinforcing its role as the northern gateway.
- 3. Sungei Kadut Eco-District (SKED):** The redevelopment of SKED aims to maximise land efficiency, integrate resource-efficient infrastructure and promote collaboration to reposition the district as a sustainable, diversified hub for advanced manufacturing, agri-food innovation and green industries. Multi-storey shared-factory developments at Sungei Kadut, including the newly completed TimMac@Kranji, will support furniture, timber, metal, machinery, recycling and waste-management industries. Local supermarket operator Sheng Siong is also relocating its headquarters, warehouse, and distribution centre from Mandai Link to Sungei Kadut, occupying approximately 61,300 sqm with temperature-controlled storage and integrated food-processing capabilities to support up to 120 supermarkets. Complementing the SKED, the Lim Chu Kang precinct is being master-planned into a highly productive agri-food zone, featuring a future multi-tenant farming facility envisaged to boost local food production sustainably and strengthen national food security.
- 4. Expansion plans for the aerospace industry:** The fourth phase of new factory space at Seletar Aerospace Park, known as JTC Corporation AeroSpace Four, will add 11,000 sqm of ready-to-use factories by 2027 to meet growing demand from aviation and maintenance companies. At the same time, Collins Aerospace is investing US\$250 million to relocate its Singapore manufacturing operations to a new facility at Seletar, with construction in the fourth quarter of 2025 and operations expected from 2028. Beyond Seletar, developments linked to Changi Airport, including Changi Terminal 5 and the Changi East Urban District, will support increased air travel capacity, drive growth in aircraft fleet size and boost demand for MRO services. Despite overall economic volatility, aerospace activity continued to grow in 2025, reflecting rising air travel across APAC. The APAC region's fleet is projected to exceed 6,000 aircraft in the next 15 years, generating further demand for MRO services, which supported expansions such as ST Engineering's new 10,000 sqm engine maintenance facility in Paya Lebar that opened in September 2025.
- 5. Future food factory development at Kallang:** Developed by CapitaLand Development and slated for completion in 2028, Gourmet Xchange is a centrally located food factory development in Kallang Way designed to support Singapore's evolving food-production ecosystem. The project will redevelop a 44,100 sqm site in the Kolam Ayer industrial estate into a nine-storey facility featuring modular, scalable units and ramp access for 40-foot container trucks. It is intended to accommodate central kitchens, food processors, cold-storage operators and caterers, while providing ground-level retail and F&B space. The development aligns with broader industry efforts to modernise food production operations through improved workflow design, supply chain integration and purpose-built facilities. Its strata-titled units offer flexibility for multiple tenants, enabling small and medium food enterprises to access contemporary industrial infrastructure in an accessible city-fringe location.
- 6. Jurong Innovation District (JID):** The 620-hectare JID is set to be Singapore's premier hub for advanced manufacturing, built around five precincts that combine production, research and sustainability. Developments have been progressing steadily at JID since 2019, most recently marked by the completion of Bulim Square by JTC – a S\$570 million facility adding over 1.7 million square feet (sq ft) of high-specifications factory space for sectors such as semiconductors, aerospace, robotics and healthcare. JID already hosts about 100 firms across the

manufacturing value chain, from research institutes and training providers to advanced manufacturers and startups. Planned infrastructure includes Singapore's first underground logistics network and an 11-kilometre "Sky Corridor" to promote a car-lite environment. Once fully operational, JID is expected to generate around 95,000 new jobs, reinforcing its status as a critical growth engine for technology-driven industries and sustainable economic development in the West Region.

7. **Jurong Island reinvention for green energy and low-carbon infrastructure:** About 300 hectares (approximately 10% of Jurong Island) will be dedicated to new energy projects, including hydrogen-ready power plants, ammonia-based generation and renewable fuels. In addition, 20 hectares have been set aside for Singapore's largest low-carbon DC park, capable of supporting up to 700 megawatts of power capacity. Within this zone, JTC and the National University of Singapore are exploring setting up a pilot facility to test green innovations for tropical data centres (DCs). These include advanced cooling approaches such as renewable energy integration, liquid and immersion cooling, smart microgrids and AI-driven optimisation of energy and water use – innovations towards enhancing DC efficiency in hot and humid environments. These developments position Jurong Island as a critical growth area for sustainable energy, green data infrastructure and industrial transformation.

2.6 Impact of Macro Conditions on Industrial Property Demand

Given Singapore's position as a global trade and logistics hub, industrial property demand remains closely influenced by macroeconomic and geopolitical developments. While uncertainties in global trade and growth may continue to affect short-term expansion plans, lowered interest rates and strong manufacturing momentum heading into 2026 have reinforced investor confidence in industrial and logistics assets. Government initiatives and incentives aimed at strengthening Singapore's leadership in advanced manufacturing and logistics support a steady

growth trajectory for the sector and signal continued opportunities for both occupiers and investors.

Structural demand remains robust across sectors such as cold chain logistics, food production facilities, and higher-value manufacturing, even as e-commerce activity gradually returns to pre-pandemic patterns. Institutional investors are increasingly targeting specialised segments, including data centres, prime logistics and high-specification industrial facilities, with the ongoing AI boom driving greater demand for technology-enabled infrastructure. Alternative sectors such as self-storage have also attracted attention. A wider range of investible industrial assets has entered positive carry territory, further drawing institutional participation, while local enterprises continue to selectively assess premises to ensure business continuity amid economic uncertainties.

Industrial real estate indicators are forecast to remain stable in 2026, supported by easing interest rates and sustained investor appetite for higher-yield assets. Looking ahead, investors are expected to focus on quality assets with lease tenures of at least 20 years or more, which provide steady rental income and a degree of security amid ongoing macroeconomic and technological shifts.

3. INDUSTRIAL MARKET OVERVIEW

3.1 Investment Sales

Despite the ongoing geopolitical tensions coupled with a global economy that is adjusting to a new normal of trade uncertainties, the total value of industrial property investment sales (excluding sites under the IGLS programme) chalked up a respectable S\$5.8 billion in 2025, slightly lower than the S\$6.0 billion recorded in 2024.

Most notable were three industrial portfolio deals: (1) the acquisition of the five purpose-built worker's accommodation assets by newly listed Centurion Accommodation REIT for S\$1.4 billion, (2) the acquisition of three industrial and logistics properties by CapitaLand Ascendas REIT (CLAR) for S\$565.8 million, and (3) Mapletree Industrial Trust's divestment of three industrial assets for S\$535.3 million. These deals underscore sustained investor appetite across a wide and diverse spectrum of industrial property types.

Selected Major Investment Sales in 2025

Name of Development	Location	Sale Price (S\$ mil)	Net Lettable Area (sq ft)	Unit Price (S\$ psf)	Tenure#	Date of Sale
Business Park Developments						
The Synergy	1 International Business Park	120.1	282,392	425	60 years from 01/07/2008	2Q
The Strategy	2 International Business Park	280.0	572,046	489	60 years from 01/07/2008	2Q
5 Science Park Drive	5 Science Park Drive	245.0	242,059	1,012	56 years from 01/06/2025	2Q
Single-User Factory Developments						
23 Lok Yang Way	23 Lok Yang Way	70.0	Undisclosed	Undisclosed	30 years from 26/02/2025	1Q
Multiple-User Factory Developments						
Woodlands Central Cluster	33 Marsiling Industrial Estate Road 3	135.2	422,864	320	60 years from 01/07/2008	2Q
Warehouse Developments						
19 & 21 Pandan Avenue	19 & 21 Pandan Avenue	140.0	772,299	181	45 years from 01/02/2004	3Q
10 Toh Guan Road	10 Toh Guan Road	84.5	441,955	191	30+30 years from 16/10/1995	3Q
Others						
Three high-quality industrial and logistics properties	2 Pioneer Sector 1, Tuas Connection, 9 Kallang Sector	565.8	1,770,931	319	Varying lease tenures	4Q
SG1 Data Centre	51 Serangoon North Avenue 4	354.0	Undisclosed	Undisclosed	30 years from 24/08/2010	3Q
9 Tai Seng Drive	9 Tai Seng Drive	455.2	75,003	Not representative	30 years from 01/06/2025	2Q
Westlite Worker Dormitory Portfolio	32 to 38 Mandai Estate, 14 to 28 Toh Guan Road East, 2 Woodlands Sector 2, 23 Mandai Estate, 25 Ubi Avenue 3	1,382.3	Undisclosed	Undisclosed	Varying lease tenures	3Q

Any information on lease tenure renewal or extension that is not publicly available is excluded above.

Source: Various sources, Knight Frank Consultancy

Note: Private investment sales are defined as investment transactions that comprise an entire building or property with a total worth of S\$10 million and above or bulk sales within a development amounting to S\$10 million or more.

3.2 Investment Outlook

Barring unforeseen circumstances, improved financing conditions are set to boost industrial property transactions as investors seek yield-accretive opportunities. High-quality, newly developed assets, as well as value-add properties with long remaining land leases of 30 years or more, are expected to remain in high demand. Lower interest rates and the robust income potential of warehouses, data centres and specialised manufacturing facilities will further support investor appetite, with a focus on assets that combine stable returns with resilience amid macroeconomic uncertainties and structural shifts.

4. INDUSTRIAL PROPERTY MARKET OVERVIEW

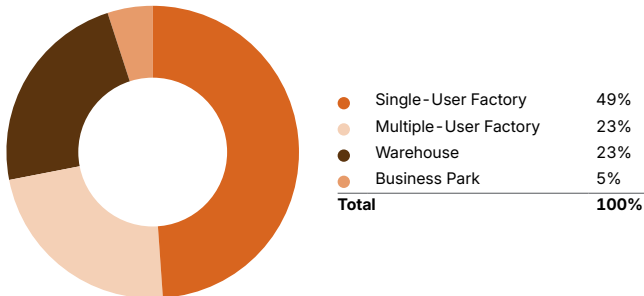
Singapore has an estimated 584.2 million sq ft of industrial stock as at 4Q 2025. This comprised 84.7% of private stock, and the remaining was developed by the public sector. Single-user factories (285.8 million sq ft or 48.9%) made up approximately half of the total industrial stock, followed by multiple-user factories (23.4%), warehouses (22.7%), and business parks (5.0%).

Independent Market Report

Singapore

By Knight Frank Pte Ltd Consultancy, February 2026

Total Industrial Stock Nationwide as at 4Q 2025



Source: JTC J-Space, Knight Frank Consultancy

4.1 IGLS Programme

Under the 1H 2026 IGLS programme, the Government has launched eight industrial sites, comprising six on the Confirmed List and two on the Reserve List, covering a total site area of about 11.1 hectares with a potential yield of 2.4 million sq ft in gross floor area (GFA). The Confirmed List sites are located at Jalan Buroh, Kaki Bukit, 6 Tuas Avenue 14, Jalan Besut, Chin Bee Road and 5 Tuas Avenue 13. The two Reserve List sites are at Tuas Road and Penjuru Road.

The total amount of industrial land offered in 1H 2026 IGLS is noticeably lower than in 1H 2025 (which rolled out 10 sites totalling 14 hectares and a potential yield of about 3.6 million sq ft of GFA), indicating that the Government is pacing supply more cautiously. This more measured release suggests an intention to balance industrial land availability with moderating demand conditions, avoiding oversupply in the short term and maintaining price stability while supporting longer-term economic and manufacturing needs.

5. BUSINESS PARK

5.1 Stock and Supply

As at 4Q 2025, Singapore's business park stock reached 28.9 million sq ft, marking a substantial 6.6% YoY increase, largely driven by the phased completion of Punggol Digital District (PDD) and 1 Science Park Drive – the largest development within the Geneo life sciences and innovation cluster at Singapore Science Park (SSP). Privately-owned business park spaces made up the bulk of total stock (81.4%) at 23.6 million sq ft.

Although the completion of PDD and 1 Science Park Drive contributed around 2.5 million sq ft of new business park GFA in 2025, net new supply was more modest at 1.8 million sq ft, as asset enhancement initiatives (AEIs) by landlords temporarily withdrew older properties from the market.

5.2 Demand and Occupancy

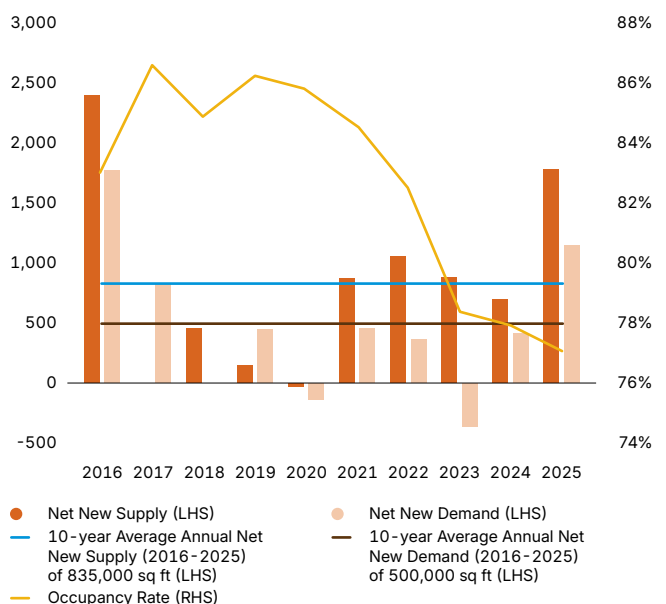
Fuelled by strong demand for modern, high-specification spaces from technology, R&D and knowledge-based companies, and supported by the availability of new supply, net new demand for business parks rose sharply to 1.16 million sq ft in 2025 – the highest level since 2016.

Nationwide occupancy of business park space registered at 77.1% as of 4Q 2025, 0.8 percentage points (ppt) lower on a YoY basis. This decline is primarily attributable to the phased completion of PDD. According to JTC data, PDD's occupancy stood at 58.6% as at 4Q 2025, with JTC continuing its leasing efforts for the newly completed buildings. Despite the decline in occupancy on a nationwide level, the demand for centrally located business park spaces remained resilient, with overall occupancy of those in the Central Region (85.6% occupancy as of 4Q 2025) remaining consistently higher than the other regions (73.0%, 58.4% and 63.0% in the East, North-East and West Regions, respectively).

Business parks located within a short commute to the city centre, such as those within Science Park and one-north, continue to appeal to multinational corporations due to their visibility, prestige and convenience, which help to attract and retain talent. The attractive rents in business parks enable occupiers to create larger, customised workspaces tailored to their operational needs, while enjoying proximity to other firms, research institutions and universities, which fosters a collaborative ecosystem that encourages productivity and knowledge sharing.

Net New Supply, Net New Demand and Average Occupancy of Business Park Space

Net Floor Area ('000 sq ft)



Source: JTC J-Space, Knight Frank Consultancy

5.3 Future Supply

Upcoming Major Business Park Development in 2026

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sq ft)
27 IBP	International Business Park	West	CLAR	265,240

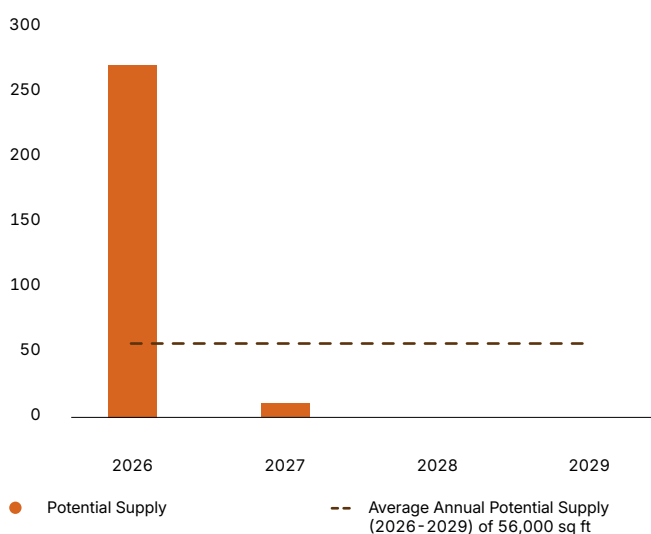
Source: CapitaLand Ascendas REIT

Between 2026 and 2029, the only major business park development in the pipeline is 27 IBP, an 11-storey project by CLAR scheduled for completion in 1H 2026. Strategically located beside the Ayer Rajah Expressway (AYE) and within walking distance from the upcoming Jurong Town Hall MRT station, the development is positioned to appeal to firms looking to consolidate their operations within a modern, integrated campus environment. 27 IBP will feature advanced, environmentally sustainable design elements, supported by its BCA Green Mark Platinum certification. The project is expected to offer large, efficient floor plates, flexible layout configurations and enhanced end-of-trip facilities tailored to technology, R&D and high-specification occupants.

Apart from 27 IBP, JTC has yet to announce any additional planned business park supply over the next five years, suggesting a tightly controlled pipeline that may support occupancy and rental stability of the business park market.

Potential Supply of Business Park Space

Gross Floor Area ('000 sq ft)



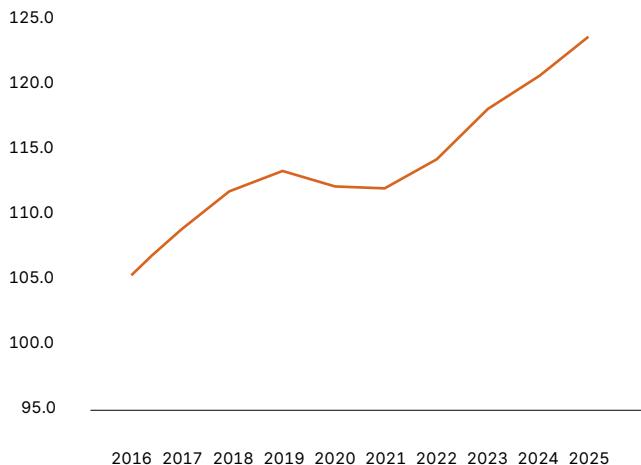
Source: JTC J-Space, Knight Frank Consultancy

5.4 Rents

Strong take-up of brand new, higher-specification business park developments, including the recently completed PDD and 1 Science Park Drive within Geneo, coupled with lease renewals by existing tenants in newer, centrally located developments, has continued to support the business park rental market. JTC's rental index for business parks increased 2.6% YoY in 4Q 2025, with the 25th percentile, median and 75th percentile rents at S\$3.99, S\$4.47 and S\$4.90 per square foot (psf) per month (pm), respectively.

JTC Rental Index of Business Park Space

Rental Index (4Q 2012 = 100)



Source: JTC J-Space, Knight Frank Consultancy

Note: JTC rental indices are based on the last quarter of each respective year (e.g. 4Q 2025)

5.5 Outlook

The business park segment faces near-term challenges from the rise of hybrid work models and the influx of modern, well-positioned developments, which have shifted occupier demand away from older business parks. Vacancy rates highlight this trend, with the West recording the highest at 37.0%, followed by the East at 27.0%. Nevertheless, landlords are actively revitalising older assets, and their relatively lower rents compared to office space may attract tenants to relocate selected backend functions to lower occupancy costs.

Independent Market Report

Singapore

By Knight Frank Pte Ltd Consultancy, February 2026

The limited supply pipeline underpins the strong occupancy of prime business park spaces in the Central Region (85.6%), which continues to be favoured by higher value-add industries prioritising connectivity to public transport, proximity to central hubs, and access to amenities to attract and retain talent. Looking ahead, with occupiers focused on cost and space efficiency, business park rents are expected to remain largely stable, with potential modest growth of 0.5% to 1% in 2026.

6. HIGH-SPECIFICATIONS (HI-SPECS) AND LIGHT INDUSTRIAL SPACE

6.1 Stock and Supply

As at 4Q 2025, Singapore has approximately 422.8 million sq ft of single- and multiple-user factory space, a slight 0.5% YoY growth from 420.5 million sq ft in 4Q 2024. Private factory space makes up 81.6% (or 345.0 million sq ft) of total nationwide factory stock, with the remaining 18.4% (or 77.8 million sq ft) being public factory space developed and managed by JTC. More than two-thirds (67.6% or 285.8 million sq ft) of total factory space is made up of single-user factories, with the balance (32.4% or 137.0 million sq ft) being multiple-user factories. High-specification industrial space (including data centres) is estimated at 69.5 million sq ft GFA.

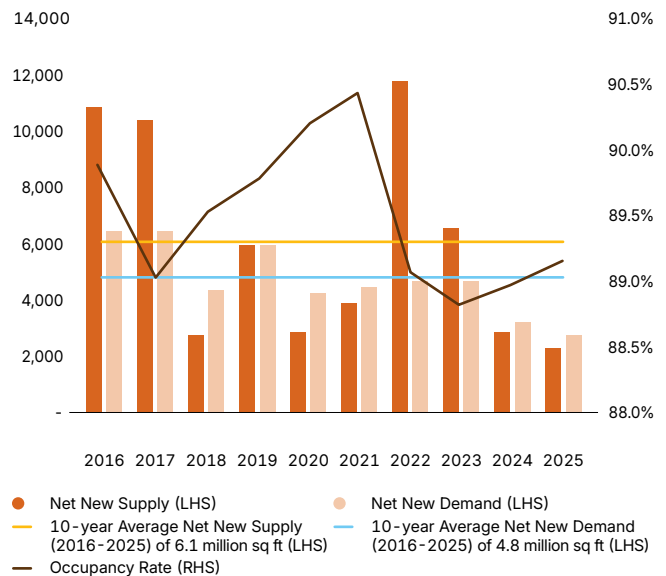
The net new supply of factory space for the whole of 2025 was 2.2 million sq ft, a 23.6% YoY decline from 2.9 million sq ft in 2024, the second consecutive year where new supply remains lower than the 10-year average of 6.1 million sq ft. Prominent new completions in 2025 included JTC Space @ Ang Mo Kio (1.3 million sq ft GFA), Sanofi (338,848 sq ft GFA) and CT FoodNex (200,747 sq ft GFA).

6.2 Demand and Occupancy

The net new demand for factory space was 2.8 million sq ft as at 4Q 2025, which translated to a 13.6% YoY decline. Despite the lower take-up, the nationwide occupancy of factory space rebounded by 0.2 ppt to 89.2%, surpassing the occupancy in the past three years. New demand was primarily driven by the pharmaceutical and electronics sectors, supported by the expansion of activities in the biomedical manufacturing and AI fields.

Net New Supply, Net New Demand and Average Occupancy of Factory Space

Net Floor Area ('000 sq ft)



Source: JTC J-Space, Knight Frank Consultancy

6.3 Future Supply

Between 2026 and 2029, over 34.0 million sq ft of new public and private factory space is slated for completion, which represents an annual average supply of 8.5 million sq ft. 2026 and 2027 will see the highest completion of new stock in the near term, estimated at 7.9 million sq ft and 13.1 million sq ft, respectively. The upcoming stock comprises both single-user and multiple-user factory space, by both public and private sector industrialists. Prominent developments include the 316,566 sq ft (GFA) single-user factory by WuXi Biologics Biopharmaceuticals and two factories by Soon Hock, one in the West (741,633 sq ft GFA) and the other in the East (546,376 sq ft GFA).

The next major development to come onstream will be a multiple-user food factory at Kallang Way, named Gourmet Xchange (over 1.2 million sq ft GFA), by CapitalLand Development. Slated for completion in 2028, this project will be Singapore's largest strata-titled food development and a landmark waterfront food hub.

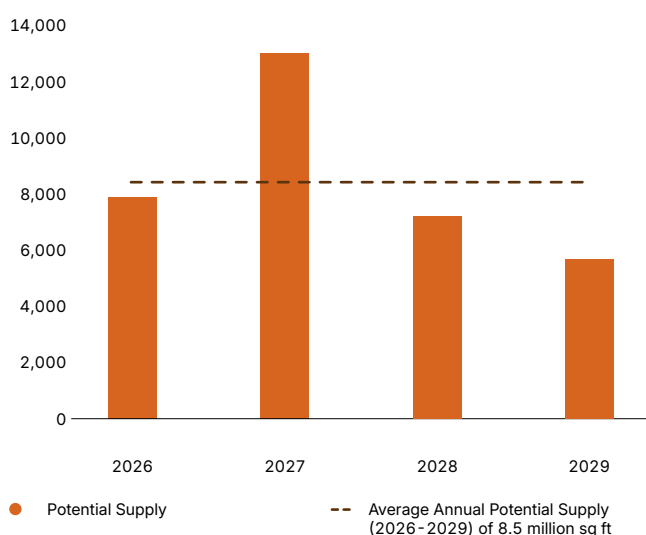
Upcoming Major Factory Developments in 2026

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sq ft)
Single-user Factory Developments (including DCs)				
Data Centre	Jalan Tukang	West	Equinix Singapore Pte Ltd	300,098
Single-user Factory	Tuas South	West	WuXi Biologics Biopharmaceuticals Singapore Private Limited	316,566
Single-user Factory	Jalan Samulun	West	Paxocean Engineering Pte Ltd	1.3 million
Multiple-user Factory Developments (including DCs)				
Multiple-user Factory	Tuas Link Close	West	Soon Hock Land Pte Ltd	741,633
Stellar@Tampines	Tampines North Drive 4	East	Soon Hock Property Development Pte Ltd	546,376

Source: JTC J-Space, Knight Frank Consultancy

Potential Supply of Factory Space

Gross Floor Area ('000 sq ft)



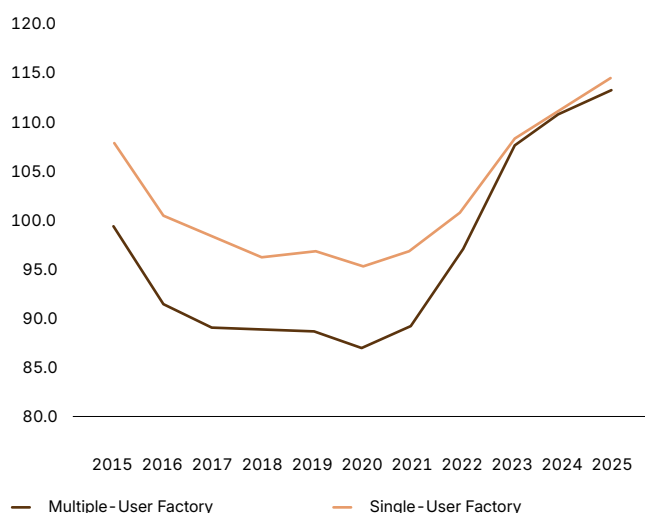
Source: JTC J-Space, Knight Frank Consultancy

6.4 Rents

With occupancy being resilient nationwide, the JTC rental index for both multiple and single-user factory space grew 1.8% YoY and 2.7% YoY, respectively, in 4Q 2025. Based on JTC data, the median rent of multiple-user factories and single-user factories were S\$2.46 psf pm and S\$1.82 psf pm, respectively, while the 75th percentile rents were S\$2.96 psf pm and S\$2.60 psf pm, respectively. Overall, the average rents for multiple-user factories remained consistently higher than those for single-user factories in Singapore.

JTC Rental Indices of Factory Space by Types

JTC Rental Index (4Q 2012 = 100)



Source: JTC J-Space, Knight Frank Consultancy

6.5 Outlook

The prospect for Singapore's factory landscape is largely driven by the performance and sentiments of the manufacturing sector and industrialists, currently bolstered by the advanced manufacturing sector, including growth in the electronics and biomedical manufacturing clusters. The uptick of the Purchasing Managers' Index, which recorded its sixth consecutive month of expansion between August 2025 and January 2026, also signified the tentative recovery of industrialists' confidence in demand prospects, as global trade performed better than expected in 2025 and is adjusting to the new order shift from globalisation to plurilateralism. Specifically, the sustained global demand for hardware and AI chips contributed substantially to the growth of the electronics sector, which is expected to be carried forward to 2026. Considering the above, Knight Frank predicts factory rents to experience moderate annual growth of 2% to 3% in 2026.

7. LOGISTICS AND DISTRIBUTION CENTRES (WAREHOUSES)

7.1 Stock and Supply

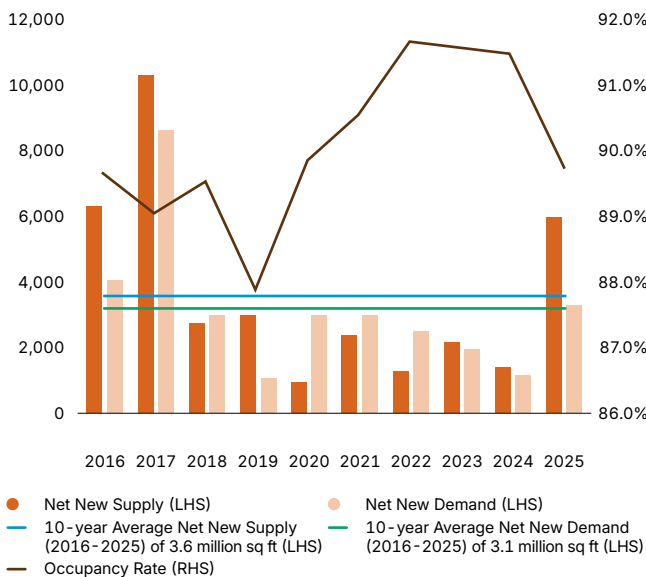
As at 4Q 2025, Singapore has 132.4 million sq ft of warehouse stock, comprising over 95.3% (126.2 million sq ft) of private warehouse space. The remaining 6.2 million sq ft (4.7%) of warehouse space is owned and operated by JTC. The net supply of warehouse space totalled 6.0 million sq ft in 2025, more than four times that of the previous year. Prominent completions in 2025 included DSV Pearl (728,700 sq ft), 15 Benoi Sector (1.08 million sq ft) and 5 Toh Guan Road East (548,100 sq ft), which was developed by CLAR.

7.2 Demand and Occupancy

The net demand for warehouse space as at 4Q 2025 totalled 3.2 million sq ft, the highest in the past eight years. The recovery of warehouse demand was mainly attributed to the resilient demand for prime logistics facilities with automation and temperature-controlled facilities to meet the needs of industrialists as well as logistics and supply chain players. Though the overall occupancy of warehouse space was 89.8% as at 4Q 2025, which represented a 1.7 ppt decline from the previous year, this was likely due to the surge in completion of multiple large-scale logistics facilities in 2025. Occupancy is envisaged to stabilise in the near term, moving towards the healthy state of above 90% as observed in the past four years.

Net New Supply, Net New Demand and Average Occupancy of Warehouse Space

Net Floor Area ('000 sq ft)



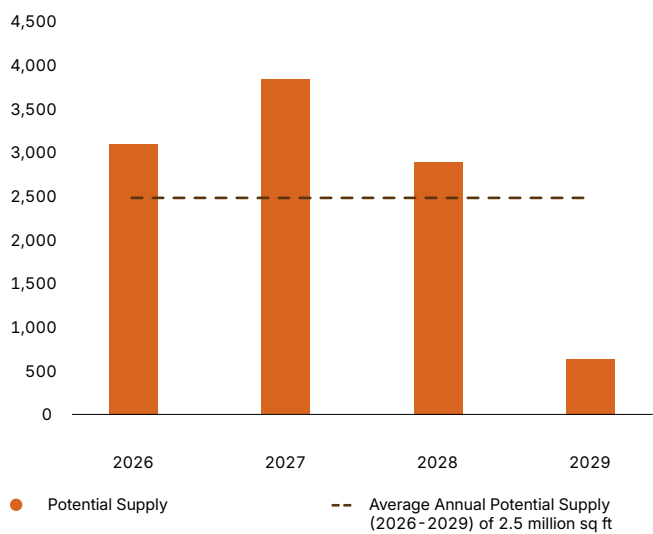
Source: JTC J-Space, Knight Frank Consultancy

7.3 Future Supply

Singapore is expecting over 9.9 million sq ft of new warehouse space from 2026 to 2029, which translates to an annual supply of 2.5 million sq ft. Around 70% of the upcoming stock is slated for completion in 2026 and 2027, of which prominent upcoming developments include the expansion of Jurong Island Logistics Hub (672,700 sq ft) and PSA Supply Chain Hub @ Tuas (2.5 million sq ft).

Potential Supply of Warehouse Space

Gross Floor Area ('000 sq ft)



Source: JTC J-Space, Knight Frank Consultancy

7.4 Rents

The JTC rental index for warehouses grew 3.0% YoY in 4Q 2025, demonstrating 20 consecutive quarters of rental growth since 4Q 2020. Singapore's warehouse rental market is generally stable, with healthy demand for good-quality warehouse and logistics spaces. The 25th percentile, median and 75th percentile rents were S\$1.75 psf pm, S\$2.33 psf pm and S\$3.00 psf pm, respectively, which translated to 1.7%, 9.4% and 11.1% YoY growth from 4Q 2024 rents.

Upcoming Major Warehouse Developments in 2026 and 2027

Name of Development	Location	Planning Region	Name of Developer	Approximate GFA (sq ft)	Expected Year of Completion
Jurong Island Logistics Hub	Tembusu Crescent	West	Cogent Jurong Island Pte Ltd	672,700	2026
Warehouse Development	Pioneer Turn	West	Pioneer Turn Logistics Pte Ltd	597,200	2026
PSA Supply Chain Hub @ Tuas	Tuas South Avenue 5	West	PSA Corporation Limited	2.5 million	2027

Source: JTC J-Space, Knight Frank Consultancy

JTC Rental Index of Warehouse Space

JTC Rental Index (4Q 2012 = 100)



Source: JTC J-Space, Knight Frank Consultancy

7.5 Outlook

Singapore's warehouse and logistics landscape is envisaged to remain resilient. Stockpiling continues amid trade policy shifts, and demand for good quality and prime logistics facilities continues to underpin space take-up. Newly completed prime logistics facilities have been reported to attain healthy occupancies, despite the influx of new completions in the first three quarters of 2025. Investors are also expected to prioritise prime logistics facilities with longer-term leases that offer more stable rental income while providing a degree of security amid ongoing economic uncertainties. Considering the new completions in 2025 and 2026, Knight Frank forecasts overall warehouse rents to trend on a modest growth of 1% to 2% in 2026 as the market takes time to absorb the new supply.

8. DATA CENTRES (DC)

8.1 Growth in Total Capacity (2022-20205)

Singapore's DC market has continued to expand despite a tightly managed supply environment. Total IT capacity has risen steadily from around 1.4 gigawatts (GW) in 2022 to an estimated 1.7 GW in 2025, reflecting carefully curated new builds under the government's DC moratorium framework.

In 2022, market capacity was close to 1.4 GW at the time the Data Centre - Call for Applications (DC-CFA) pilot was launched. The pilot programme supported up to 60 megawatts (MW) of additional capacity across successful applications, with strict requirements around efficiency and sustainability.

Capacity increased further in 2023 as early pipeline projects progressed. In July 2023, the DC-CFA1 winners were announced, with about 80 MW of new capacity provisionally awarded. AirTrunk-ByteDance (JV), Equinix, Microsoft and DayOne were among the successful applicants receiving allocations.

Total capacity rose to around the mid-1.5 GW level by the end of 2024, and the market has approached circa 1.7 GW by the end of 2025 as the CFA1 projects came onstream. The launch of DC-CFA2 in December 2025 underpins the next leg of growth, with the successful applicants due to be announced in 1Q 2026, according to the Infocomm Media Development Authority (IMDA).

Overall, the capacity trajectory highlights a controlled but persistent expansion path, with the city-state using the CFA framework to balance growth in AI and cloud workloads against long-term power and sustainability constraints.

8.2 Singapore Green Data Centre Roadmap

Policy momentum has accelerated with the release of the Singapore Green Data Centre Roadmap in May 2024 and the launch of DC-CFA2 in December 2025. Under the Roadmap, at least 300 MW of additional capacity will be provided in the near term, with a minimum of 200 MW specifically associated with DC-CFA2. The initiative places a strong emphasis on green energy deployments to support future DC growth, including new low-carbon energy pathways and grid enhancements. The second CFA tranche will thus deliver not only incremental MWs, but also a step-change in efficiency and environmental performance, reinforcing Singapore as a premium, sustainable DC hub.

8.3 Occupancy Trends

Singapore’s DC market has undergone a long-term tightening of utilisation, with historic data showing a clear structural shift from a relatively loose environment in the mid-2000s to one of the most constrained Tier-1 markets globally today. Occupancy levels rose steadily from below 50% in 2005 to 70-80% by the mid-2010s, driven by accelerating cloud migration, digitalisation initiatives and early hyperscale deployments.

By the late 2010s and early 2020s, demand pressure intensified. Even before the moratorium was introduced, occupancy was consistently exceeding 85%-90%, signalling the market’s inability to expand fast enough to match the surge in regional cloud and financial workloads. As new construction halted between 2019 and 2022, vacancy tightened further, pushing the supply-demand imbalance to unprecedented levels.

As at 4Q 2025, Singapore operates at approximately 95% occupancy, reflecting the acute scarcity of immediately available colocation space. This was underpinned by strong inflows from hyperscalers, fintech firms, global banks and sovereign entities with stringent resiliency and latency requirements. The city-state’s geopolitical neutrality, regulatory credibility and network centrality continue to attract mission-critical applications, making it one of the most expensive data centre markets globally.

A major contributor to this tightening has been the shift of regional headquarters and IT deployments from Hong Kong to Singapore. Over the past several years, multiple multinational corporates and global financial institutions have moved operational command centres, regional data governance functions and latency-sensitive workloads southward. Heightened regulatory uncertainty, evolving data requirements and risk-management considerations in Hong Kong have accelerated this rebalancing. As banks expand their regional trading, payments and compliance

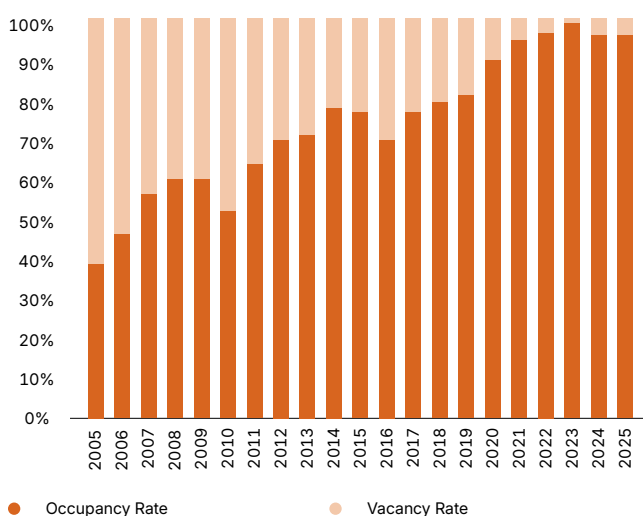
platforms, Singapore has increasingly become the preferred anchor point for critical infrastructure.

Despite today’s ultra-tight utilisation, the market still sees healthy churn in the small and mid-sized enterprise segment. Cloud migration, IT modernisation and data centre consolidation are freeing pockets of secondary space. However, these fragments are typically low-density and unsuitable for hyperscale deployments, and are quickly absorbed by niche enterprise, gaming, e-commerce or compliance-driven users.

In contrast, hyperscale demand remains deep and structural, and most new supply entering the market, including CFA1 and future CFA2 allocations, is expected to be pre-leased well ahead of completion. This bifurcated environment, characterised by limited secondary availability but strong top-tier demand, means Singapore will continue to operate as a premium-priced, capacity-constrained, high-value digital infrastructure hub for the foreseeable future.

Historical Occupancy Rates

MW IT Load



Source: Knight Frank DC Research

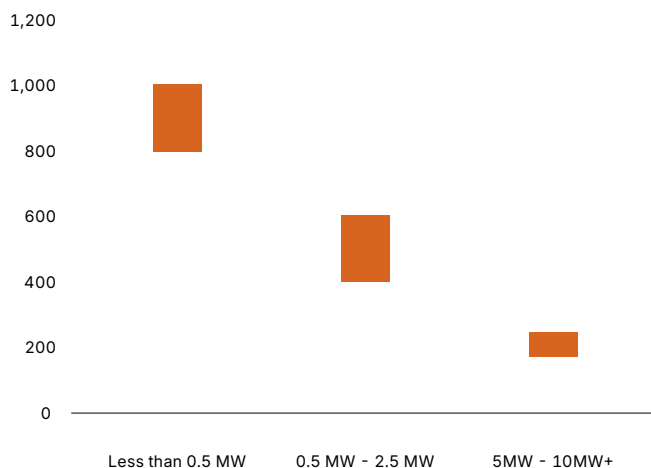
8.4 Rent Analysis

Singapore DC rents are poised to remain elevated relative to the rest of Asia, even as additional power capacity comes online. This resilience reflects the city-state’s highly network-centric environment and sustained demand from cloud providers, financial institutions, and AI workloads. Rental levels also vary significantly by asset type and deployment scale: hyperconnected facilities can command close to S\$1,000 per kilowatt (kW) per month due to their dense network ecosystems, while more standard enterprise-focused sites typically range between S\$400-600 per kW per month. At the hyperscale

level, Singapore continues to lead the region, with some deals pricing around S\$250 per kW – the highest in Asia. However, these can taper down depending on the customer relationship and pricing power across the region.

Singapore Colocation Rental Rates

S\$ per kW per month



Source: Knight Frank DC Research

Category	Power Range	Pricing Per Month
Retail	Less than 0.5 MW	S\$800 / kW - S\$1,000 / kW
Wholesale	0.5 MW - 2.5 MW	S\$400 / kW - S\$600 / kW
Hyperscale	5 MW - 10 MW+	Up to S\$250 / kW

8.5 Key Investment Sales Transactions

In 2024, the average global real estate transaction value in the DC sector reached US\$79.25 million (S\$101.85 million), up 15% from 2023 and 44% above pre-COVID levels. Values have been increasing at a 7.5% compound annual growth rate since 2019.

Against this backdrop of rising deal sizes, Singapore ranked among the top global investment locations, attracting US\$2.4 billion (S\$3.08 billion) in 2024. While it trails major markets like the US, Australia and Japan, Singapore leads many mature European markets and continues to draw high-value, institutionally-driven transactions.

Singapore DC assets continue to attract exceptionally strong investor interest, underpinned by sustained end-user demand for capacity and the depth and reliability of the local capital markets environment. Transaction volume remains structurally low, with limited new supply and an existing stock that is tightly held by both local and international operators, resulting in only a handful of asset-level trades each year.

In November 2024, Keppel DC REIT acquired the economic interests in KDC SGP 7 & 8 for S\$1.38 billion. The two facilities, built in 2023 and 2024 respectively and fully contracted with a combined 40 MW of IT load, transacted at a touted implied yield of ~6.5%, making it one of the largest single-asset data centre transactions in Southeast Asia to date.

In May 2025, CapitaLand Ascendas REIT purchased 9 Tai Seng Drive from its sponsor for S\$455 million at a Net Property Income (NPI) yield of 7.2%. The property, refurbished as a DC in 2019, is a Tier-3 DC, fully occupied with a WALE of approximately 4.5 years at the time of acquisition. The slightly higher yield reflected the older vintage and specifications relative to newly-built hyperscale assets and the multi-tenanted nature of the property.

Investors without in-house development capability have increasingly gained exposure to the Singapore DC market through platform-level investments in operators. Over the past 2 years, AirTrunk, DayOne (formerly GDS) and Singtel have each secured substantial commitments from global infrastructure investors, with aggressive multiples paid to secure strategic access to Singapore's highly constrained but continuously in-demand ecosystem.

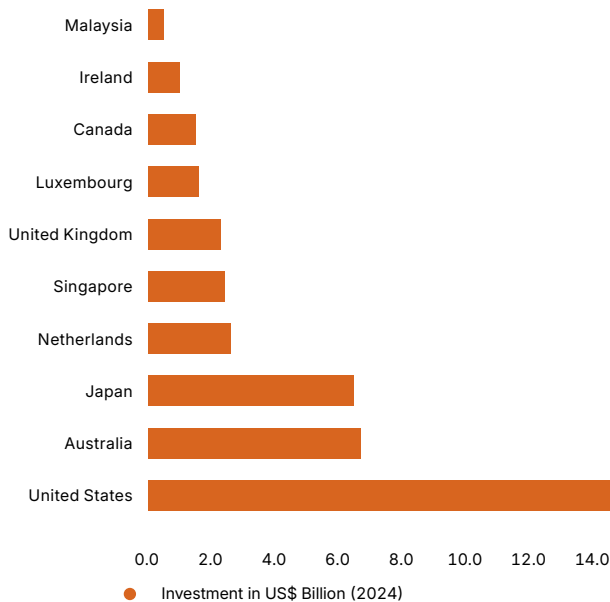
Yields paid for prime operating assets (recently developed, stabilised and leased to hyperscale customers) are forecast to remain at the ~6.5% level due to the lack of supply entering the market and the continued investor appetite to gain exposure to the asset class in Singapore. Singapore REITs often acquire assets from their sponsor at a modest discount to market valuation, reflecting the integrated developer-owner model in which companies recycle stabilised assets into the REIT platform and provide a guaranteed exit strategy. It is therefore likely that more widely marketed asset sales could result in this cap rate being compressed even further.

Independent Market Report

Singapore

By Knight Frank Pte Ltd Consultancy, February 2026

Global DC Investment in US\$ Billion (2024)



Source: Knight Frank DC Research

8.6 Outlook

Looking ahead, DC-CFA2's additional 200 MW – on top of the 80 MW from the pilot in 2022 – will provide a meaningful but measured increase in supply over the medium term. However, the deployment of this capacity will be phased for alignment with power availability and project delivery timelines.

Given the strong pipeline of AI, cloud and financial services requirements, most of this capacity is expected to be absorbed by latent demand, with limited impact on headline vacancy rates. The market is therefore likely to remain tight but functional, with new projects rapidly pre-leased by high-quality tenants.

8.7 Singapore's role in a regional DC ecosystem

The Green DC Roadmap and CFA framework further clarify Singapore's strategic positioning within the broader Southeast Asia DC ecosystem. Singapore is set to continue attracting high-value, latency-sensitive and mission-critical workloads, including financial trading, sovereign workloads, niche AI training/inference, and regional control planes for global cloud platforms. In contrast, neighbouring markets such as Johor and Batam are expected to absorb bulk hyperscale and large AI deployments, which are more land- and power-intensive. These markets are viewed as complementary rather than competing, enabling

operators to design multi-country architectures that balance cost, performance and regulatory requirements. Importantly, authorities do not expect a "reverse migration" of workloads from Johor or Batam back into Singapore. Instead, Singapore will sit at the top of the value chain, providing premium, highly connected capacity for the most critical and sensitive applications.

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Independent Market Report

Australia

By Colliers Research, February 2026

1. Macroeconomic Overview & Outlook

GDP

Australia's economy grew by 0.8% over the December 2025 quarter (2.6% higher YoY) reflecting annual growth of 2.0% through the year, marginally above expectations.

GDP growth through the December quarter was driven by household consumption (Black Friday and Boxing Day sales) and public demand. Both Private and Public sector spending remained firm following a robust rise the previous quarter. Private investment has been supported by data centres and aircraft while transport and infrastructure investment from state and local government supported public investment.

The household savings ratio increased through the December quarter, rising to 6.9% from 6.1%, and is the highest level following pandemic disruptions through the early 2020s. The increase was driven by a mix of high household disposable income through the quarter with potential for changing expectations to the Reserve Bank of Australia's (RBA) cash rate pathway and softening consumer sentiment to underpin increasing household savings.

Labour Market

Australia's labour market has been resilient over the last five years but has weakened marginally with unemployment softening to 4.3% in February 2026, from 4.1% the month prior. Despite the softening, the RBA continues to highlight the robustness of the labour market as a factor challenging the inflation target. Disruptions from the conflict in the Middle East underpins potential downside risk for the labour market insofar as elevated energy prices slow global and domestic economies, as well as some job losses from the technology sector where AI advancements have been the narrative around a reduction in workforce numbers.

Population

Australia's population growth has entered a more normalised phase following the post-pandemic lift, recording growth of about 1.6% over the 12 months to September 2025. Net overseas migration was the primary driver of population growth, contributing 311,000 people and accounted for 73% of growth. Australia's robust population growth through migration has underpinned economic resilience over the last five years which has in turn continued to position Australia as a key investment destination for offshore capital. In addition, a lack of new development supply expected to drive scarcity of space and therefore income growth across asset classes, while population growth adds greater foot traffic and higher densities in asset classes such as retail and healthcare.

CPI

Inflationary pressure has continued to surprise on the upside through both the September and December quarters with an increase in both headline inflation and trimmed mean inflation. Headline inflation pushed above the top of the target band to record 3.6% per annum (p.a.) in the December quarter, with trimmed mean inflation increasing 3.4% (up from 3.0% through the year to September 2025).

The market remains impacted by capacity constraints with an inability to accommodate higher growth rates without placing upward pressure on prices. The futures market is increasingly reassessing its expectations of the cash rate pathway with a strong bias toward further cash rate increases for 2026. Following the March increase, the futures markets are pricing in the potential for a further increase of 25 to 50 basis points (bps) through the remainder of the year (equating to an increase of between 75 to 100 bps through the year). The increase in headline inflation was supported by the ongoing unwinding of government cost-of-living subsidies in addition to a stronger than anticipated pickup in private sector investment with housing inflation proving a challenge to moderate.

Cash Rates

Aligning with the growing expectations of the market from late 2025, the RBA increased the cash rate by a further 25 basis points (bps) to 4.10% at the March 2026 meeting, following the increase made in February 2026 and reversing two of the cuts made in 2025.

More recently, global economic risk has significantly increased in March with geopolitical tensions reaching breaking point across the Middle East. Conflict between Iran, Israel and the US has placed material pressure on energy sectors with the closure of a key shipping passage for the global export of crude oil with additional disruptions to other energy sources. The impending upward pressure this will have on inflation has led to the timing of the additional rate increase which was expected in May from forecasts earlier in the year.

2. Industrial and Logistics Market Performance and Trends

2.1. Stock and Supply

Australia's industrial and logistics (I&L) market now exceeds 82 million sqm, having grown nearly 30% over the past five years. This expansion has been driven largely by the significant supply response to the pandemic-fuelled surge in demand during 2021 to 2022. The 2025 supply

pipeline of 2.5 million sqm was slightly below 2024 levels as owners began to scale back speculative development. Even so, supply finished the year 15.6% higher than the 10-year average of 2.1 million sqm, marking the sixth consecutive year of above-average supply delivery.

2.2. Demand and Occupancy

In 2025, I&L leasing take-up was almost 3.5 million sqm. Although this remains above the 10-year average of 3.4 million sqm, it reflects a softer level of activity compared with the average of 4.2 million sqm in the past five years, signalling a return to a more normalised demand environment. Sydney and Melbourne both recorded activity below their long-term averages as strong rental growth placed greater pressure on occupiers' capacity to pay. In contrast, Brisbane, Adelaide and Perth outperformed their 10-year averages, supported by population-driven demand and logistics operators expanding to service key growth corridors. Transport and Logistics remained the largest occupier group in 2025, though its share eased to 36% from 39% in 2024. Construction, Retail and Wholesale Trade expanded their share of take-up as housing approvals and consumer sentiment lifted following three cash-rate cuts.

Vacancy rates reached 4% nationally in 2025 up from 2.9% in 2024, as speculative developments continue to come to fruition and enter the market. However, vacancy is likely nearing the cyclical peak as the supply pipeline starts to normalise.

2.3. Rents

Prime net face rents rose 2.8% YoY to A\$196 per square metre (psm) p.a., while secondary rents posted 2.6% growth, reaching A\$163 psm p.a.. Brisbane emerged as the standout performer, leading the nation with prime rents up 8.4% YoY, reflecting robust demand and tightening vacancy as infrastructure development surrounding the 2032 Olympics gathers pace, alongside continued population-led demand.

Nationally, prime incentives reached a new high of 15.6%, with growth stemming from larger institutional markets, where competitive packages are being used strategically to preserve headline face rents amidst a rise in vacancy levels.

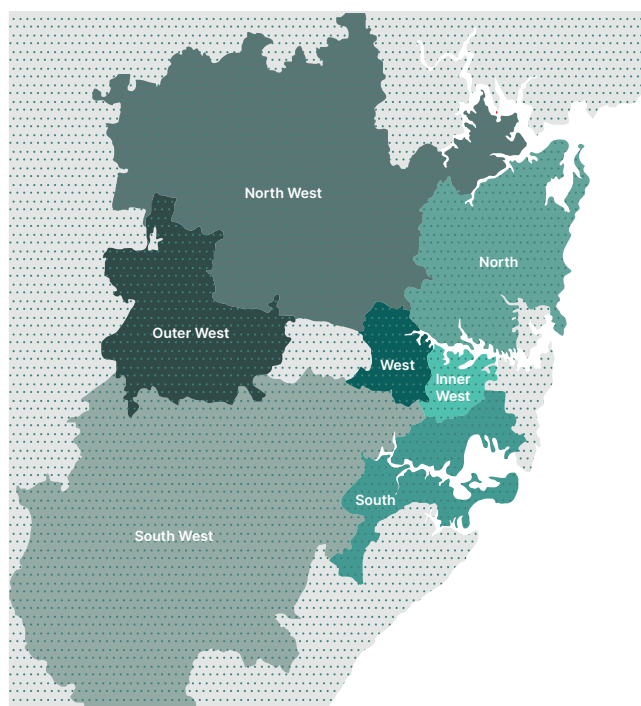
2.4. Future Supply

Supply is expected to remain elevated for the next two to three years as the speculative pipelines in Sydney and Brisbane progress toward completion, following the earlier completion of Melbourne's speculative cycle. In 2026, national deliveries could reach 3 million sqm, with more than 600,000 sqm already under construction.

2.5. Investment Market

Australia's I&L investment market ended 2025 on a high, with volumes for transactions above A\$10 million reaching A\$7.61 billion, one of the strongest years on record and approximately 12% above the 10-year average. Institutional interest across markets has continued to grow as investors seek to capitalise on the sector's resilient fundamentals, underpinned by population growth, rising e-commerce activity and increasing demand for modern facilities capable of supporting automation and advanced supply-chain technologies. This is driving further diversification of capital flows into the I&L sector. Yield compression began, with prime yields tightening 14 bps YoY to 5.70% and secondary yields down 29 bps YoY to 6.35%. Adelaide, Perth and Brisbane led compression as these markets become increasingly institutionalised.

3. Sydney I&L Market



3.1. Stock and Supply

Sydney delivered approximately 0.8 million sqm of new supply in 2025, cementing the year as one of the most active on record and marking the fourth consecutive year of above (10-year) average growth. Total stock levels for I&L space above 5,000 sqm now sits at just over 26 million sqm, second only to Melbourne. While 2025 was initially projected to be the biggest supply year in history, a portion of development activity has been deferred to 2026 and beyond as developers increasingly prioritise pre-commitment strategies. This shift has resulted in completions falling below 2024 levels, which could help stabilise vacancy rates in the near term.

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By Colliers Research, February 2026

3.2. Demand and Occupancy

Sydney ended 2025 as the most active leasing market nationally. With 1.2 million sqm of leasing take-up (for warehouses above 5,000 sqm), this was slightly higher than 2024 and just below the 10-year average. The South West was Sydney's strongest performing submarket in 2025, achieving its highest annual result on record with more than 480,000 sqm leased. The major driver of this activity was Kmart's pre-lease commitment of 100,000 sqm in the Moorebank Intermodal Precinct, the largest deal nationally for 2025 as occupiers continue to position themselves close to key infrastructure to optimise supply chain efficiencies.

Despite the high level of new supply, existing stock continued to dominate leasing activity, accounting for 60% of all deals. Activity in the speculative (18%), pre-lease (18%), and sub-lease (5%) categories were all softer.

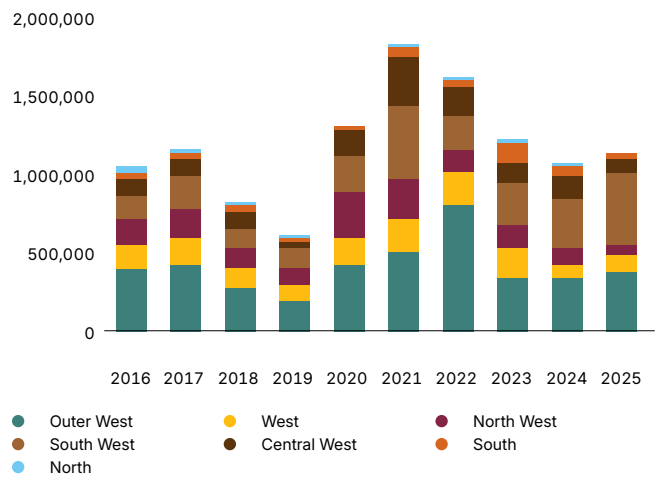
Although Transport and Logistics remained the dominant occupier type, its take-up eased to 37%, which is below the long-term average of 48%. In contrast, Manufacturing, Retail Trade, Wholesale Trade and Construction all recorded activity levels above their historic averages, resulting in a more balanced occupier mix. The growth in Retail and Wholesale Trade has been underpinned

by a pick-up in consumer spending and confidence amongst retailers.

Vacancy reached 4.5% by year-end from 3.1% in 2024 after four years of above-average supply. However, vacancy remains below pre-2020 levels and is expected to hold steady as supply tapers from mid-2027.

Sydney I&L Gross Take-up

(sqm)



Source: Colliers Research

Vacancy

	Outer West	West	North West	South West	Central West	South	North
Dec 2024	3.9%	3.1%	2.2%	3.6%	3.7%	3.2%	0.0%
Dec 2025	5.2%	4.8%	3.4%	5.3%	4.1%	4.8%	0.7%

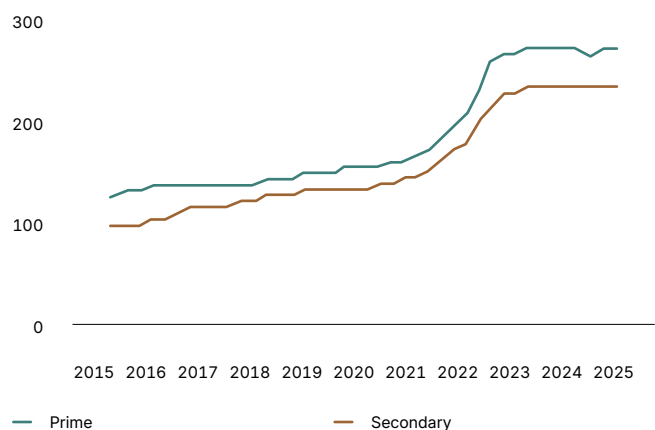
3.3. Rents

Prime net face rents increased by 0.5% in 2025 to A\$273 psm p.a. whilst secondary net face rents remained unchanged at A\$236 psm p.a., signalling a continued period of stabilisation across the broader market. Sydney's rent growth has been comparatively modest relative to other major industrial markets, particularly after leading the nation over the past five years with an average annual increase of around 11%. The spread of rents is also widening as institutional landlords are holding firm on book values and compensating through higher incentives, while private owners continue to demonstrate greater flexibility on face rents.

Incentives increased further through 2025, reaching 17.6% for prime assets and 16.9% for secondary assets by year-end, reflecting heightened competition among landlords and longer transaction timeframes. As a result, effective rents softened slightly, with prime rents declining 0.8% to A\$290 psm p.a., and secondary rents easing 0.6% to A\$261 psm p.a..

Sydney I&L Prime and Secondary Net Face Rents

(\$/sqm)



Source: Colliers Research

Prime Net Face Rents and Incentives

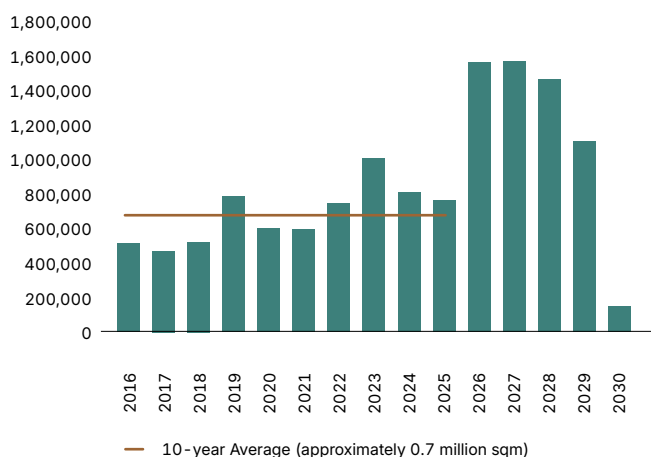
	West	North	South	South West	North West	Central West	Outer West
Rent (A\$ psm p.a.)	244.5	288.3	370.5	242.0	234.0	265.7	236.3
Change (YoY)	0.0%	1.5%	1.2%	0.2%	-0.8%	0.1%	0.5%
Incentives	18.3%	15.0%	17.5%	17.5%	18.8%	18.1%	18.8%

3.4. Future Supply

Looking ahead, the development pipeline remains substantial, with approximately 0.5 million sqm already under construction and scheduled for delivery in 1H 2026. This momentum could see the 2026 pipeline exceed 1.6 million sqm, maintaining a larger-than-average annual supply profile for at least the next four years as the land acquisition boom post 2020 continues to materialise. This substantial growth could see Sydney overtake Melbourne as the largest I&L market nationally. The Outer West is expected to remain the leading growth submarket through 2026. Both the Outer West and South West recorded the strongest annual supply growth compared to their 10-year averages, underscoring the role of Sydney's outer precincts in absorbing the bulk of new development.

Sydney I&L Supply Pipeline

(sqm)



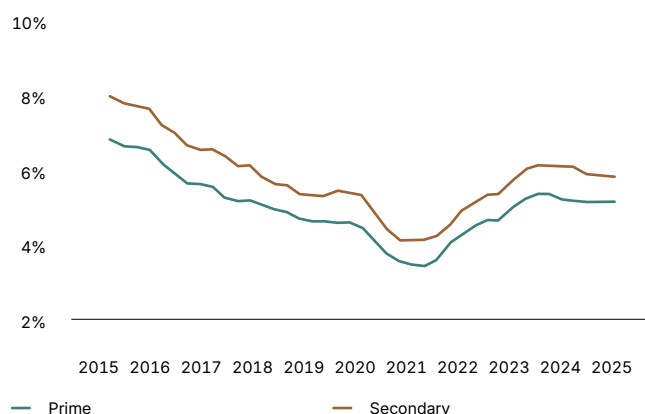
Source: Colliers Research

3.5. Investment Market

Sydney closed 2025 as the national leader in I&L investment, with annual sales volumes reaching A\$3.2 billion, one of the highest totals on record and more than 20% above both 2024 levels and the 10-year average. Portfolio transactions made a substantial contribution to overall deal volumes, with more than A\$474 million of portfolio sales transacted in 2025. Goodman executed two major divestment initiatives, selling three assets to Centuria for A\$201 million and a further two assets to Barings for A\$145 million.

Prime grade assets averaged yields of 5.21%, down nine bps over the year, and secondary yields at 5.89%, down 28 bps. 2025 marked the beginning of the compression cycle, with secondary assets seeing greater and earlier movement. Further compression is anticipated in 2026.

Sydney I&L Prime and Secondary Yields



Source: Colliers Research

3.6. Outlook

Supply will remain elevated over the next three to five years with substantial development concentrated in the Outer West and around the Western Sydney Airport, which is scheduled to open at the end of 2026 and is set to accelerate activity in the surrounding precinct. 2026 could mark Sydney's highest annual supply on record. However, the pipeline is increasingly driven by developments requiring pre-commitment prior to construction, providing flexibility in delivery and helping maintain balanced market conditions. Currently 42.0% of the 2026 pipeline is already pre-committed and a further 13.4% will only proceed with construction once a pre-commitment is made.

Sydney's industrial market is expected to record slightly above-average take-up in 2026, supported by solid gross state product growth and improving economic conditions.

Rental growth is likely to remain subdued through the first half of 2026 before gradually returning to pre-2020 growth levels as the market completes its stabilisation phase. Incentives will continue to rise, likely to reach 20% for both prime and secondary within the next 12 months.

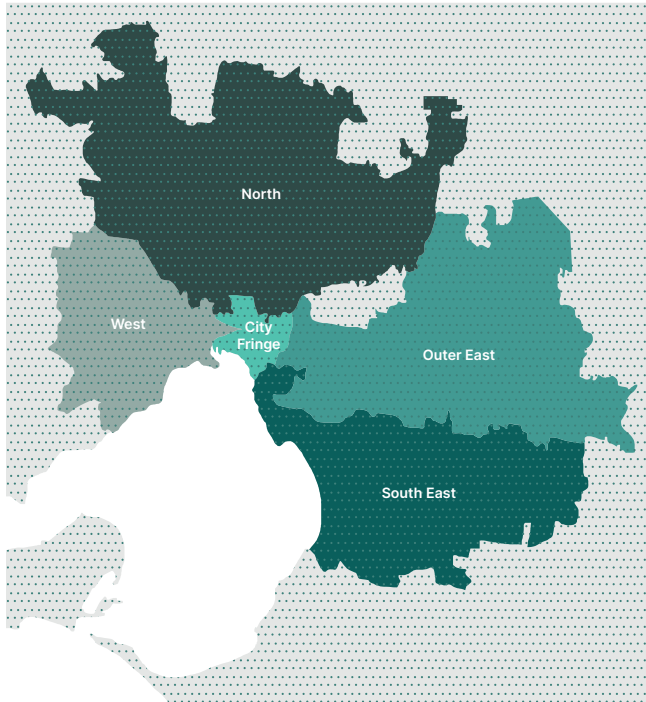
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Sydney is expected to remain a key investment destination, underpinned by deep capital pools and a growing focus on higher-value uses such as data centres and cold storage. Large-scale transactions are expected to shape investment activity through 2026.

4. Melbourne I&L Market



4.1. Stock and Supply

Melbourne delivered more than 1.0 million sqm of new I&L space in 2025, making it the second strongest year of growth on record and the sixth consecutive year of above-average supply. Total stock has now reached 28.4 million sqm, cementing Melbourne as the largest I&L market in the country.

Melbourne also recorded the highest level of completions nationally in 2025. The North and South East both exceeded their 2024 delivery levels and 10-year averages. The West submarket delivered slightly below its 10-year average at 325,000 sqm but remains the largest submarket in Australia with more than 10 million sqm of stock. The West has also begun the trend expected across all Melbourne submarkets in 2026: a shift towards below-average growth due to the end of the speculative development cycle, as developers increasingly opt for pre-commitment led strategies as leasing risk rises and feasibilities stay tight.

4.2. Demand and Occupancy

Take-up strengthened at the end of 2025, lifting annual activity to 1.1 million sqm. This was broadly in line with 2024, although still below the 10-year average of 1.3 million sqm. Leasing was heavily concentrated in the West, which accounted for 57% of all activity and was the only submarket in Melbourne to record stronger annual volumes than in 2024. After several years of substantial supply additions since 2020, secondary take-up fell to 13%, down from nearly 19% in 2024. Speculative space also made up its highest share in more than five years, reflecting a lag between new supply and tenant absorption in a high-volume delivery environment.

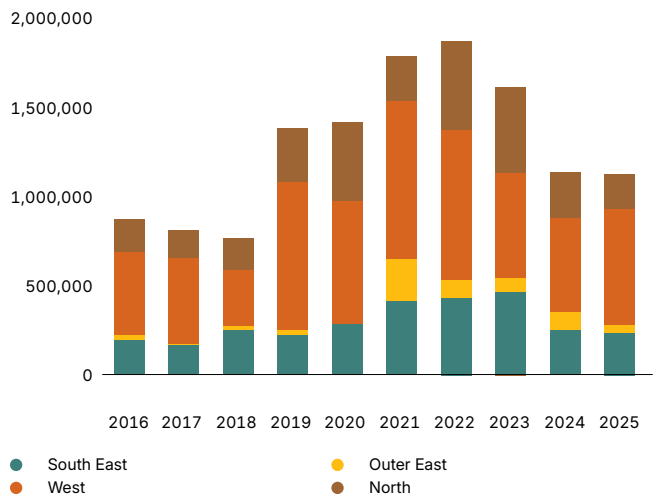
Retail Trade overtook Transport & Logistics as the largest take-up sector in 2025. Notably, online retailer Temple and Webster leased 32,000 sqm in Truganina, while Aldi secured 27,000 sqm in Derrimut, both within key hubs in Melbourne’s West.

Vacancy was 4.2% by the end of 2025, following a 150 bps increase over the past year. Due to the varying performance of submarkets, vacancy is now more evenly distributed. The West recorded the only notable decline to 3.7% due to a significant drop in supply delivered in 2025, whilst the Outer East remains the tightest submarket with 2.7% vacancy given scarce new stock delivered and limited activity, creating opportunities.

Speculative vacancy accounted for about 34% of total vacancy, which is relatively low given the scale of recent supply, supported by strong pre-commitment rates of 62%. However, prime and super prime vacancy remains significant, representing nearly 80% of total vacant stock, indicating that prime occupiers are increasingly seeking newer spaces at similar effective rental levels.

Melbourne I&L Gross Take-up

(sqm)



Source: Colliers Research

Vacancy

	South East	Outer East	West	North
Dec 2024	1.4%	1.2%	4.2%	3.1%
Dec 2025	4.2%	2.7%	3.7%	6.0%

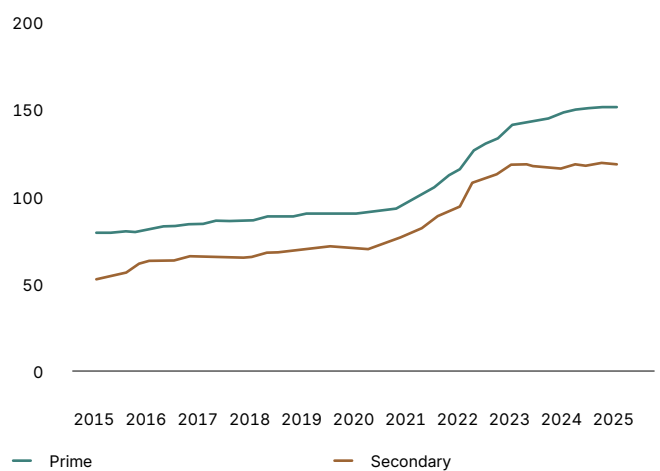
4.3.Rents

Melbourne's rental market remained subdued in 2025, with prime net face rents at A\$153 psm p.a., up 2.0% YoY. The market is currently in a period of rebasing as unsustainable levels of growth from the past five years taper amid moderating demand. The Outer East was the only submarket to record notable prime growth, rising 5.1%. Secondary rents rose 1.5% annually, although the South East experienced a slight decline of 1.4%. All other submarkets recorded stronger secondary rental growth than prime, as consecutive years of above average supply has provided surplus prime availabilities.

Incentives continued to rise as institutional landlords aimed to preserve face rents, averaging 21.7% for prime and 21.9% for secondary. Every submarket now sits above 20%, with the South East and Outer East recording the strongest increases as they move closer to the higher incentive levels already seen in the West and North. As a result, effective rents have softened across most areas. Average prime effective rents declined 2.4% to A\$120 psm p.a., while secondary effective rents fell 6.0% to A\$94 psm p.a..

Melbourne I&L Prime and Secondary Net Face Rents

(\$/sqm)



Source: Colliers Research

Prime Rents and Incentives

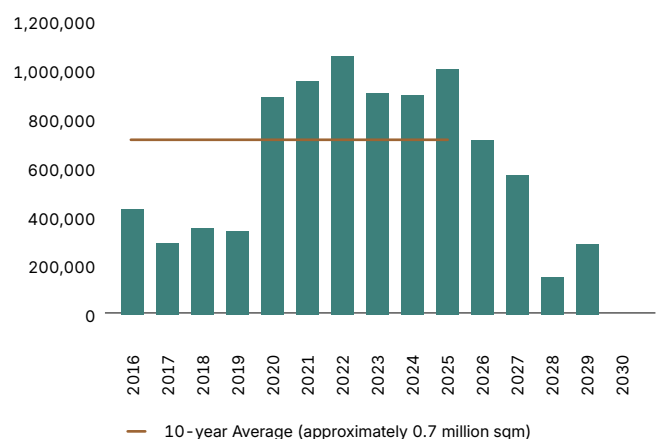
	City Fringe	North	South East	West	Outer East
Rent (A\$ psm p.a.)	225.0	144.0	164.2	135.0	167.1
Change (YoY)	0.0%	1.1%	0.1%	1.9%	5.1%
Incentives	17.5%	21.8%	22.9%	27.5%	14.6%

4.4.Future Supply

With 2025 marking the final year of anticipated above-average expansion, the development pipeline is expected to moderate to approximately 0.7 million sqm in 2026. This will mark the final year of higher speculative delivery and alleviate upward pressure on vacancy. However, pre-commitment levels remain subdued at less than 25.0%, which could see the pipeline tighten further where delivery can be completed with a pre-commitment and pushed into 2027 or further. The Outer East is positioned for a stronger role in future growth. Historically the smallest contributor to new supply, it is expected to gain momentum from 2027 as the city continues expanding into areas with greater land availability.

Melbourne I&L Supply Pipeline

(sqm)



Source: Colliers Research

Independent Market Report

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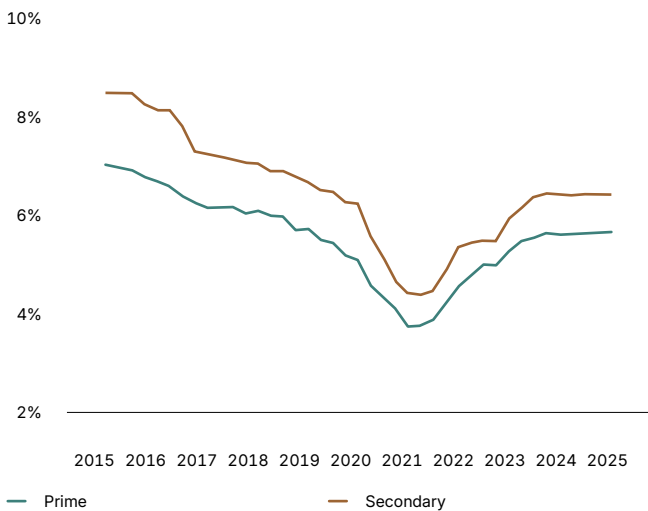
By Colliers Research, February 2026

4.5. Investment Market

Melbourne's I&L investment market closed 2025 with total volumes of A\$1.2 billion, reflecting a softer year compared to historical norms as both transaction volumes and deal counts declined. This slowdown was largely attributed to increases of the Foreign Owners Land Tax (FOLT), which has dampened offshore investment activity. This has allowed for stronger corporate and owner-occupier demand, particularly for smaller assets. As a result, the average asset size transacted during the year fell to approximately A\$23 million, down from historical averages of A\$28 million.

Yields softened modestly by five bps over the year. Secondary yields saw minimal compression of three bps in 2025. Local capital remains dominant amid muted offshore interest, creating opportunities for strategic domestic investors.

Melbourne I&L Prime and Secondary Yields



Source: Colliers Research

4.6. Outlook

Melbourne's I&L market is set for a more subdued phase over the next five years as supply trends below average, easing pressure on rising vacancy amid moderate take-up expectations and limited economic growth. While the Outer East is likely to play a larger role in new supply as development shifts toward areas with greater land availability, overall delivery will remain constrained.

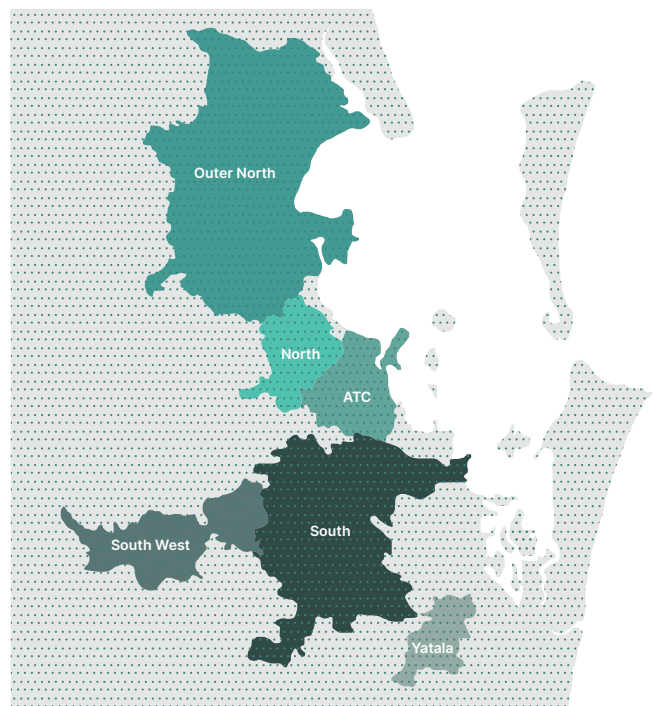
Take-up is expected to hold at moderate levels, reflecting softer gross state product growth and a more measured occupier environment.

Rental growth is forecast to remain subdued, with the Outer East and West standing out as the only submarkets likely to record meaningful gains. Incentives will likely see

further growth for another 12 months, likely to reach above 22% by end 2026.

Investment activity is expected to improve as the new Commercial and Industrial Property Tax offers vendors clearer exit strategies, supporting portfolio repositioning and capital recycling that could lift transaction volumes through 2026. Private domestic buyers are also set to remain the dominant source of demand over the next few years.

5. Brisbane I&L Market



5.1 Stock and Supply

Total stock stands at 13.0 million sqm, positioning Brisbane as Australia's third-largest industrial market. In 2025, development activity was 490,000 sqm, 16.5% below 2024 levels but 17.6% above the 10-year average. Brisbane's I&L market remains constrained by a scarcity of serviced land. This scarcity concentrated 2025 completions in the Brisbane South precinct (~182,500 sqm) where serviced land remains accessible.

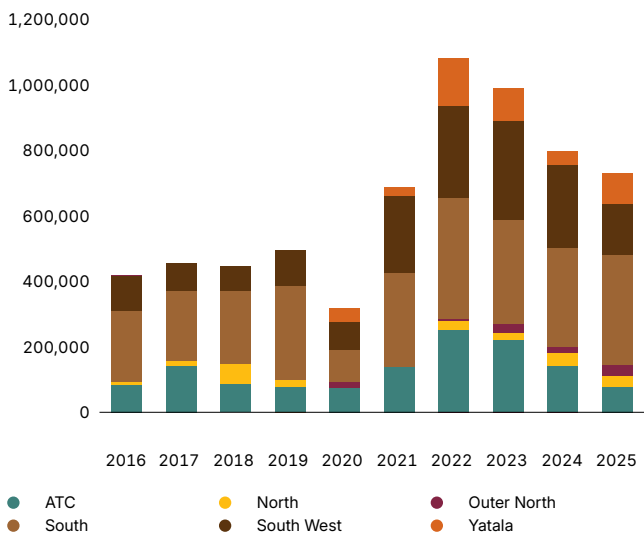
5.2 Demand and Occupancy

Take-up in Brisbane's I&L market for 2025 remains above average, driven by strong port activity, a growing pipeline of infrastructure projects, and continued strength in the logistics and warehousing sector. This has increased requirements for storage, hardstand areas, warehouse and distribution space. While annual take-up in 2025 (736,000 sqm) was slightly lower than 2024 levels, the

Outer North, South and Yatala all recorded stronger annual activity in 2025 than the previous year. The largest deal of the year was Officeworks' pre-lease of 77,000 sqm in Redbank, part of Brisbane's South West.

Overall vacancy edged down to 4.3% by year-end, down from the recent peak of 4.5% in September 2025, signalling an early stage of market tightening despite above average new supply over the past four years. With several major heads of agreement currently underway, vacancy is expected to compress further in the near term. Even as supply remained elevated in 2025, existing direct vacancy made the bulk of vacant stock at 58%. However, with pre-commitment rates down from 60% in 2024 to 42% in 2025, speculative vacancy is on the rise. Stronger pre-commitments in 2026 at upwards of 61% will however ease such vacancy for the next 12 months.

Brisbane I&L Gross Take-up (sqm)



Source: Colliers Research

Vacancy

	ATC	North	Outer North*	South	South West	Yatala*
Dec 2024	1.2%	3.2%	N.A.	5.4%	2.1%	N.A.
Dec 2025	3.1%	3.4%	1.0%	5.4%	5.7%	1.8%

* Vacancy for Yatala commenced December 2025. Vacancy for Outer North commenced September 2025.

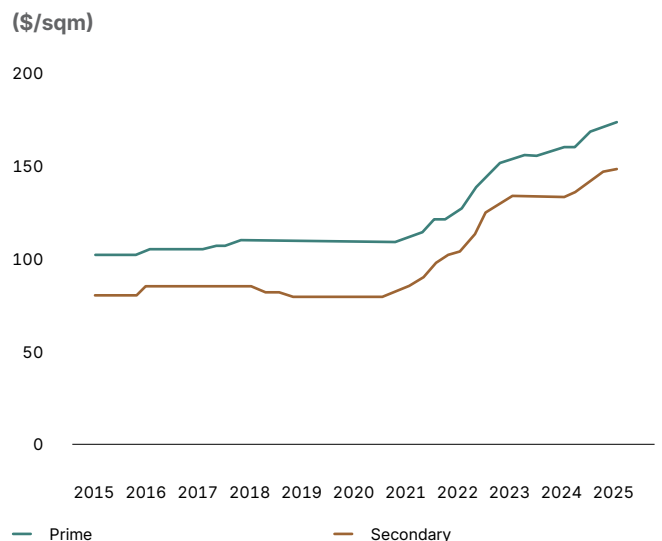
N.A.: Not available.

5.3 Rents

Annual rental growth across both prime and secondary industrial grades has been the strongest since March 2024, when growth was still in double digits. Prime net face rents rose 8.4% YoY to December 2025, while secondary face rents increased by 9.8%. Although some precincts have experienced higher vacancy and a modest rise in incentives, the overall decline in vacancy, combined with strong recent take-up and continued demand, suggests that rental growth is likely to remain strong, with the potential to return to double-digit increases over the year ahead. The Australia Trade Coast (ATC) and North precincts continued to be the key drivers of rent growth for the year at 14.3% and 17.5% respectively.

However, in the submarkets where prime rents have risen the most, incentives have also increased, used mostly by institutional investors as a lever to maintain growth in net face rents amidst above average supply. Both the ATC and North precincts recorded a 100 bps rise in incentives, while the South West was the only submarket to record a decline. Despite this, effective rents have continued to grow. Brisbane remains the only Eastern Seaboard market to record positive effective annual rental growth, with prime rents up 8.3% to A\$157 psm p.a. and secondary rents up 9.1% to A\$135 psm p.a..

Brisbane I&L Prime and Secondary Net Face Rents (\$/sqm)



Source: Colliers Research

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By Colliers Research, February 2026

Prime Rents and Incentives

	ATC	North	Outer North*	South	South West	Yatala
Rent (A\$ psm p.a.)	200.0	185.0	180.0	157.5	165.0	162.5
Change (YoY)	14.3%	17.5%	N.A.	0.0%	3.1%	3.2%
Incentives	10.0%	10.0%	9.0%	11.5%	11.3%	10.0%

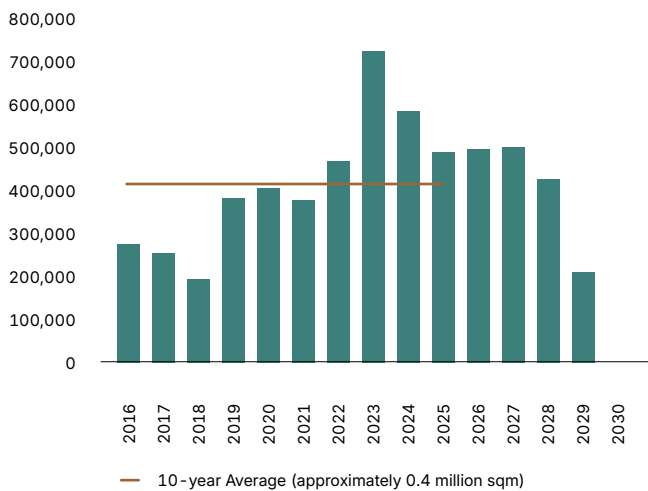
* Rents data captured for Outer North since September 2025
N.A.: Not available.

5.4 Future Supply

Although supply is expected to increase over the next two years compared with 2025, it will not be enough to meet the level of space currently in demand and will moderate by 2028. Over the next three years, average annual supply of 478,000 sqm is materially (26%) below the 10-year average annual take-up of 647,000 sqm. Estimates show only three to four years of industrial land supply remain, making Brisbane one of the few Australian markets where land values continue to rise even as others soften.

Brisbane I&L Supply Pipeline

(sqm)



Source: Colliers Research

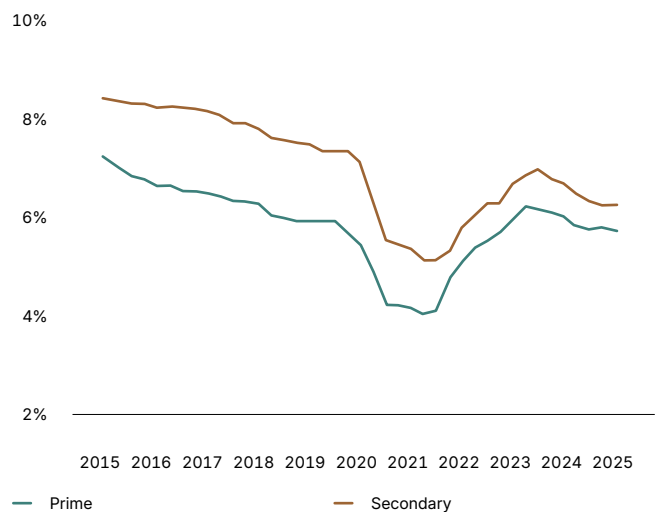
5.5 Investment Market

2025 was a standout year for Brisbane I&L sales, with investment volumes at an all-time high of A\$2.4 billion. 2025 saw a significant level of large transactions, with five deals exceeding A\$100 million across both land and investment sales. Notable deals included the sale of Dyno Nobel's Gibson Island property to Goodman Group for A\$198.4 million, making it the largest freehold industrial land sale in Queensland, Wacol Logistics Estate was sold to JD Property for A\$252.5 million, while 43-91 Rudd Street was sold to Richmond Bridge for A\$130.6 million. Whilst institutional investors remained the largest investor group,

private purchases recorded significant growth in proportion of purchase volumes, up to 44% from 36% in 2024.

Brisbane's industrial yields have been tightening steadily, reflecting strong investor demand and market fundamentals. Prime industrial yields average at 5.78%, whilst secondary yields sit at 6.28%. Over the past year, yields compressed in Brisbane by 21 bps for prime and 43 bps for secondary. This made Brisbane the strongest market along East Coast markets for yield compression and is greatly attributed to significant capital flows into the sector, supported by rising rents, and strong take-up.

Brisbane I&L Prime and Secondary Yields



Source: Colliers Research

5.6 Outlook

Queensland's expanding population and infrastructure developments are set to support continued demand from the transport, logistics and construction sectors in 2026, with rising consumption and storage needs underpinning strong industrial activity. Take-up will start strong in 2026, driven by several Heads of Agreements already underway in late 2025. Looking further ahead, vacancy is forecast to continue trending lower as demand builds.

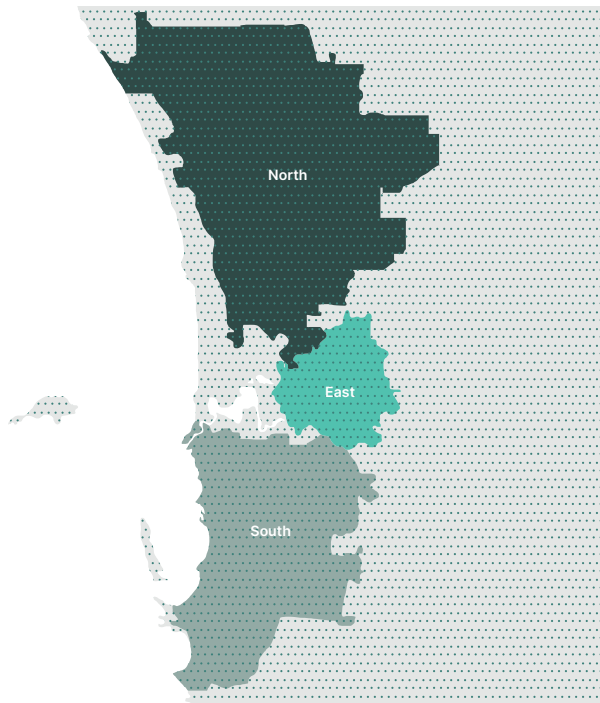
The development pipeline remains resilient despite labour and financing cost pressures. Supply in 2026 is expected

to edge above 2025 levels, concentrated in the South and Yatala, and the market will shift towards pre-commitment led projects.

Net face rents should rise gradually, given tighter vacancy and continued improving economic conditions ahead of the Olympics.

Although uncertainty around cash rates persists, strong capital inflows continue to support momentum, with record investment volumes in 2025 pointing to sustained activity in 2026 and ongoing downward pressure on yields.

6. Perth I&L Market



6.1 Stock and Supply

New supply reached 116,000 sqm in 2025 with 85% of this supply pre-committed, the highest share nationally. Perth's I&L market now comprises more than 8.7 million sqm of stock in buildings over 3,000 sqm. The supply pipeline in Perth has been moderating for two consecutive years, with 2025 supply down 25.5% on 2024 and 31.8% on the 10-year average. The East submarket dominated activity, accounting for 64% of supply and achieving a 100% pre-commitment rate.

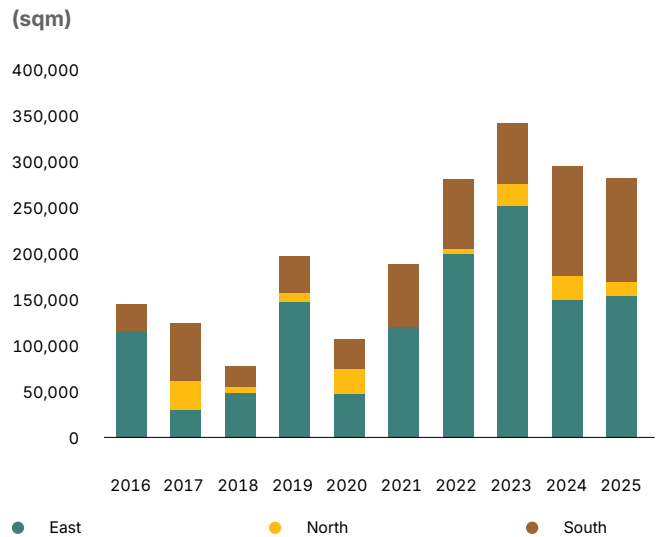
6.2 Demand and Occupancy

Perth's I&L sector recorded solid demand in 2025, with take-up reaching almost 283,000 sqm. This pushed annual volumes above the 10-year average, although marginally below 2024 levels. The South submarket was the strongest performer, accounting for 54% of total activity, followed by the East at 41%.

Demand was underpinned by Transport & Logistics occupiers which remained the most active in 2025. Supported by rising online retail penetration and population-driven consumption, they represented over 30% of all leasing transactions. Notable deals included a 17,000 sqm lease to the Matic Group in Canning Vale, the second largest transaction in the past two years and Australia Post's commitment to approximately 16,000 sqm of new speculative space in Jandakot Airport. High pre-commitment levels continued to characterise the market, with speculative and pre-leasing deals making up nearly half of all take-up in 2025.

Vacancy edged up slightly over the year, from 2.5% to 2.7%, yet Perth still retains the lowest vacancy rate of any Australian market. Existing stock accounts for roughly 65% of all available space. Vacancy is also unevenly distributed. Two of the 32 vacant assets represented almost 20% of total vacant area.

Perth I&L Gross Take-up



Source: Colliers Research

	North	South	East	Total
Dec 2024	0.4%	3.5%	2.4%	2.5%
Dec 2025	0.3%	3.5%	2.8%	2.7%

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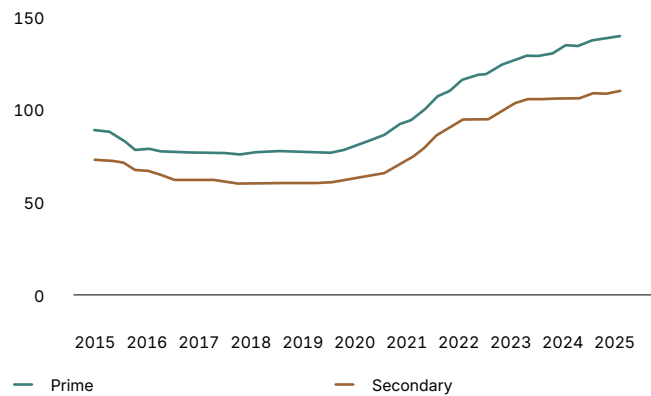
6.3 Rents

While take-up remained above average, a tightening supply pipeline supported solid market fundamentals in Perth. Perth recorded strong rental growth, with prime-grade net face rents rising 3.7% YoY to A\$142 psm p.a., outperforming most markets nationally. Secondary rents also increased, up 3.1% YoY to A\$112 psm p.a. by end 2025.

Incentives were unchanged in 2025, averaging 13.3% for prime assets and 12.1% for secondary, though they remained above five-year averages of 8.7% and 10.0% respectively. The above-average incentives highlights landlords' continued focus on maintaining competitiveness while still underpinning rental growth. As a result, effective rents mirrored face rental growth, averaging A\$123 psm p.a. for prime assets and A\$98 psm p.a. for secondary.

Perth I&L Prime and Secondary Net Face Rents

(\$/sqm)



Source: Colliers Research

Prime Rents and Incentives

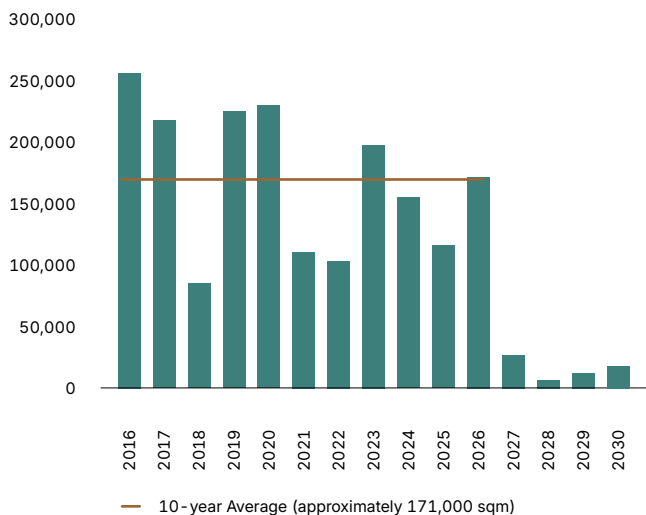
	North	South	East
Rent (A\$ psm p.a.)	137.5	140.0	147.5
Change (YoY)	7.8%	1.8%	1.7%
Incentives	10.0%	15.0%	15.0%

6.4 Future Supply

Total delivery is expected to rise in 2026 with more than 173,000 sqm forecast for completion, although this will still fall shy of the 20-year average annual supply. Almost half (49%) of this pipeline is already pre-committed, signalling sustained and elevated tenant demand.

Perth I&L Supply Pipeline

(sqm)



Source: Colliers Research

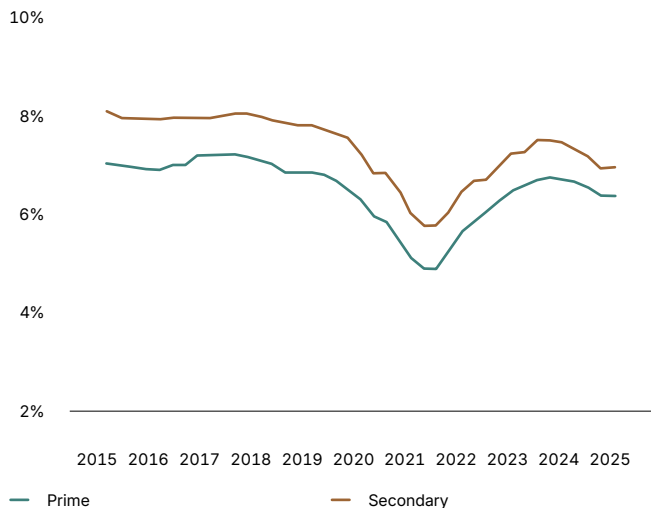
6.5 Investment Market

2025 was an exceptional year for I&L investment activity in Perth, with transaction volumes reaching A\$360 million, an 87% increase on 2024. Key deals included ESR's sale of 7-11 and 25-27 Gauge Circuit, Canning Vale, to Centuria for A\$38.6 million, and Harmony Investments' purchase of 6 Magnet Road, Canning Vale, for A\$35 million. These high-profile transactions signal a return of institutional capital. Both total deal volumes and the number of transactions rose materially compared with 2024.

Owner-occupiers and corporate buyers also increased their presence in the market. This was driven by several factors: elevated leasing costs encouraged businesses to secure long-term control of their occupied space for cost efficiency; limited availability of quality stock to lease; and stronger balance sheets supported by improved operational performance across logistics-exposed industries.

Market evidence indicates that yields have now stabilised, averaging 6.42% for prime assets and 7.00% for secondary, following four consecutive quarters of easing across both grades. This resulted in YoY compression of 33 bps for prime assets and 50 bps for secondary assets. Private investors continue to achieve keener yields, particularly in lower-value asset brackets that attract a larger and more liquid buyer pool. The East remains the sharpest-yielding submarket, with an average yield of around 6.25% for prime assets.

Perth I&L Prime and Secondary Yields



Source: Colliers Research

6.6 Outlook

Perth's I&L market remains strongly positioned, with the East submarket set to double supply from 2025 volumes and continue as the primary driver of growth. Despite this increase, overall supply conditions are expected to remain tight due to the high pre-commitment level of projects in 2026 and with supply expected to fall by more than six times to approximately 27,200 sqm in 2027.

Vacancy is forecast to stabilise in the near term before tightening further, with the potential for sub-1% vacancy from late 2028 should new supply remain limited and above-average take-up persist. Tenant demand is expected to remain robust, supported by forecast gross state product growth of at least 2% p.a. over the next five years.

Capital market conditions are improving as the price discovery phase eases and funding costs stabilise, supporting increased transactional activity through 2026. Investor sentiment has strengthened, with Perth's superior income returns relative to East Coast markets attracting income-focused and core capital seeking diversification.

7. Suburban Office Market Performance and Trends

7.1. Stock and Supply

Australia's office market is largely concentrated within the central business districts (CBDs) of major cities. As at December 2025, 71% of office stock is located within CBD markets and 29% resides outside of these core areas. Non-CBD office stock is diverse, ranging from CBD-style assets in office hubs close to the CBD, to larger, low-rise properties with expansive floor plates in more suburban locations. The majority of non-CBD office space is found

in Melbourne and Sydney, with both cities having a fairly even split between CBD and non-CBD stock. Non-CBD locations offer more affordable office space, especially considering the higher premium charged for office space within Sydney and Melbourne's CBDs.

New supply to market across the national metropolitan (metro) markets increased 129% YoY over 2025 with a total of 146,400 sqm reaching completion. However, this was a significant decrease compared to high levels of supply delivered over 2020 to 2023 which averaged 237,000 sqm p.a.. The completions were mainly in Sydney and Melbourne.

A higher vacancy environment in the metro markets, combined with the escalation of economic rents, has led to a lower supply pipeline over the last two years. Across the country, there are only 72,000 sqm of projects scheduled to be completed in 2026 and 99,900 sqm in the pipeline for 2027 and 2028. It is anticipated that as supply thins over the next few years and business conditions improve, occupiers will absorb existing vacancies and ease vacancy pressures.

7.2. Demand and Occupancy

Leasing activity was softer over 1H 2025 but finished the year strongly across the nation's metro markets, with 92,200 sqm leased over 4Q, lifting annual leasing volumes to more than 268,300 sqm which is only 10% below the five-year average and 7% down on the prior year. Tenant demand continued to favour high quality assets in amenity rich precincts, with staff experience remaining a key factor when occupiers assessed options in the market.

Following vacancy declines across eight tracked markets over 1H 2025, new supply additions over 2H 2025 has led to vacancy increases. The headline rate increased by 1.2 ppt to 18.5% over 2H 2025 with negative net absorption of 19,600 sqm. Withdrawals are expected to play a key role in moderating vacancy moving forward, with over 124,000 sqm removed from the market in 2025 which was an increase from 91,000 sqm in 2024. We anticipate vacancy to have peaked broadly given more limited supply over the next three years.

7.3. Rents

National prime metro net effective rents recorded a pick-up in growth over 2025, recording the strongest YoY growth since 2023 at 2.5%. Although total market vacancy has weighed on rent growth over the last two years, certain pockets of the prime market are seeing tightening vacancy rates, putting upward pressure on rents and lowering incentives. These selected pockets are driving the performance of headline metro numbers as the broader market battles higher vacancy rates.

Independent Market Report

Australia

By Colliers Research, February 2026

Average incentives across the metro market remained mostly stable but did show signs of easing in 4Q, declining by 50 bps to a national average of 34%. Incentives seem to have peaked and are likely to remain broadly stable. Some tightening may be expected in 2026, especially for certain segments of the market where vacancy is tight and supply is constrained.

7.4. Investment

Investment volumes finished 2025 strong with national metro transaction volumes reaching A\$2.9 billion, a 23% YoY uptick from 2024 levels, with Sydney and Brisbane leading nationally.

National weighted average prime yields remained stable at 7.76% as markets continue through the stabilisation period of the cycle. No further expansion was recorded across the metro markets.

8. Sydney Metro Office Market

The Sydney metro office markets are undergoing a transformative shift as the final supply cycle reaches completion over 4Q 2025 and the impact of stock withdrawals flows through the market. While the impact of this is anticipated to be different across each market, it is expected to be positive for owners of existing prime assets as they capture displaced tenants and benefit from improved local amenities as a result of increased residential mix in the market.

8.1 Stock and Supply

Approximately 110,136 sqm of space was added to Sydney's metro office market in 2025, the five years up to 2025 saw an annual average of only 67,868 sqm. With a total stock of 5.32 million sqm at end 2025, Sydney is the largest metro market in Australia.

The North Shore (1.59 million sqm) and Parramatta (974,405 sqm) precincts are the largest markets across Sydney metro, followed by Macquarie Park (956,618 sqm).

8.2 Demand and Occupancy

Tenant demand across the Sydney metro office market remained subdued in 2025 as occupiers continue to right size and centralise operations. Despite this, gross leasing activity remained stable, with a strong 4Q supporting annual volumes of 68,117 sqm, just 8.8% below leasing activity in 2024. Leasing was led by small and medium enterprise occupiers, with tenants in the sub-1,000 sqm size range accounting for 61% of all deals in 2025.

Leasing activity was concentrated in Grade A and Grade B stock, reflecting limited availability in the premium market

and ongoing flight to quality. Within the Grade B segment, demand was strongest for assets that were recently refurbished or fitted out with high-quality specifications. The value proposition of such space was particularly attractive to tenants with tighter budget constraints.

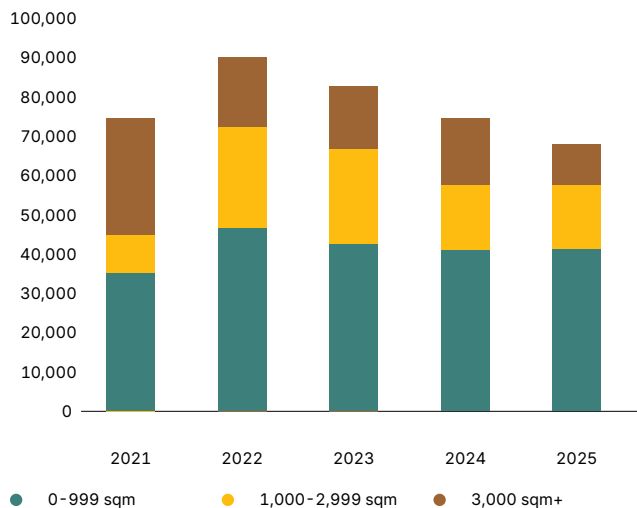
Net absorption continues to be concentrated in prime assets across the metro. Over 2H 2025, total market net absorption in Parramatta was recorded at 6,958 sqm, up from a negative 2,896 sqm in 1H 2025. A similar pattern was evident in North Sydney, where prime net absorption totalled 5,648 sqm in 2H 2025, compared to negative absorption of 4,913 in 2H 2024.

Vacancy across the metro office markets reached 23.9% over the six months to January 2026, as markets continue to contend with elevated vacancy, particularly within secondary assets, and softer tenant demand amid ongoing occupier centralisation. Vacancy is expected to remain stable over early 2026 as the final few developments in the pipeline reach completion before trending back down driven by underlying tenant demand and withdrawals.

Clear divergence by market and grade remains evident, with high-quality, well-located assets materially outperforming the broader and secondary markets. New Grade A assets delivered within the past five years in Parramatta's Mid City precinct are recording vacancies of approximately 6% to 8% which is well below the broader market rate of 22.1% as well as the Grade B market rate of 40.0%. Similarly, the premium market in North Sydney was among the tightest nationally, averaging 5.3% vacancy since 2020. With the completion of Victoria Cross OSD however, it has now increased to 27.6%.

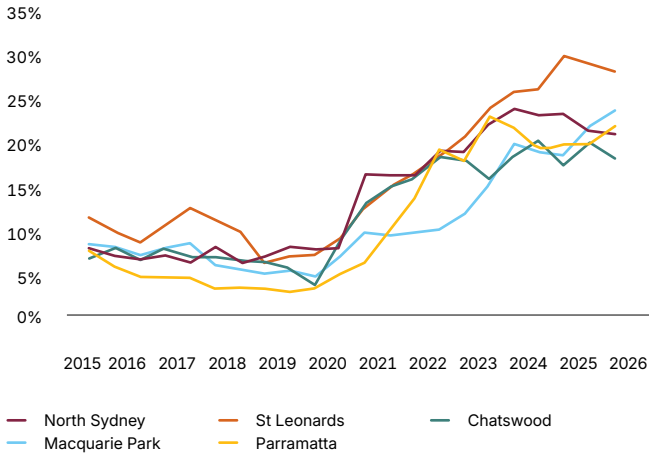
Sydney Metro Office Gross Leasing Activity by Size

NLA (sqm)



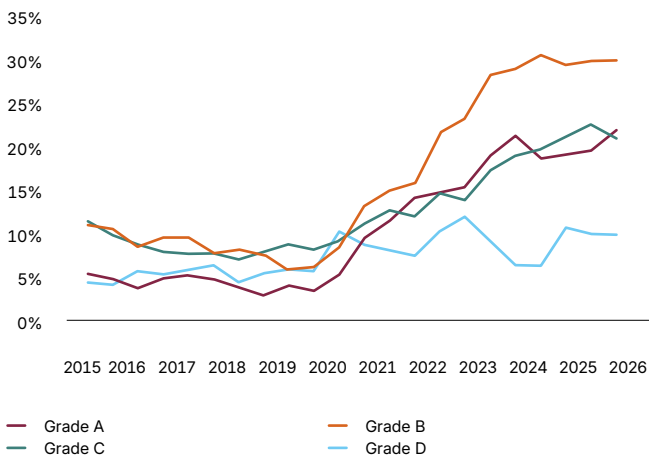
Source: Colliers Research

Sydney Metro Office Vacancy by Market



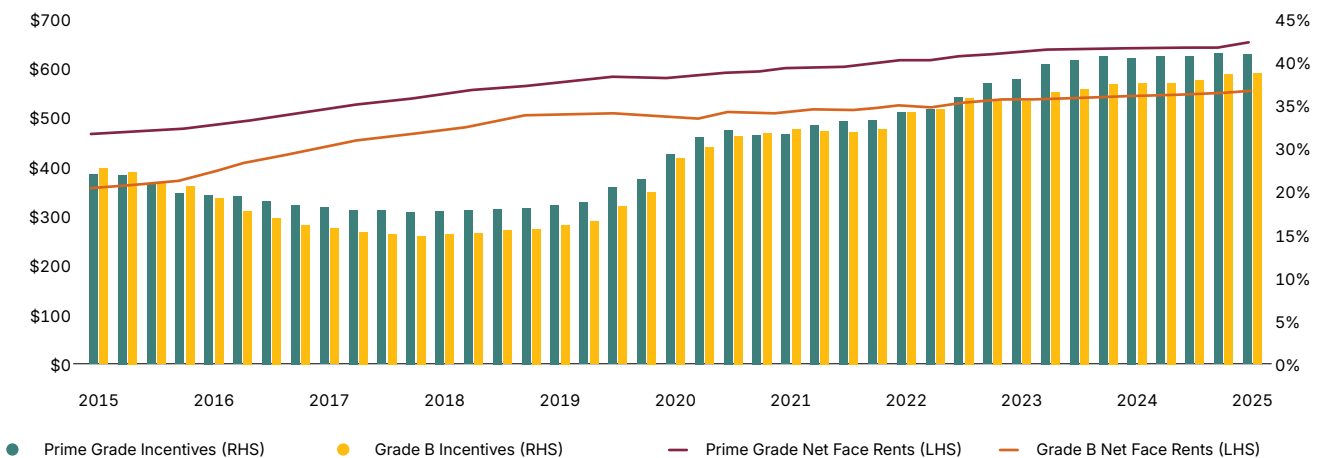
Source: Colliers Research, PCA

Sydney Metro Office Vacancy by Grade



Source: Colliers Research, PCA

Sydney Metro Office Average Net Face Rent (A\$ per sqm p.a.) and Incentives



Source: Colliers Research

8.3 Rents

Vacancy across Sydney continues to constrain growth of face rents while placing upward pressure on incentives. Rental performance remains segmented by grade and precinct, with the premium market recording annual growth of 1.6% to December, followed by 0.7% growth in Grade A and 0.5% in Grade B stock. Growth within the new Grade A segment was supported by leasing outcomes at a recently refurbished asset in Sydney Olympic Park and strong performance in Parramatta, where the new Grade A market remains tight.

Incentives have increased over the past five years, driven by rising vacancy and softer tenant demand. However, incentive levels now appear to have peaked, with early signs of moderation and selective tightening. Tightening has been most evident within the Parramatta Grade A market, led by higher quality Grade A assets as tenant choice becomes increasingly limited.

8.4 Future Supply

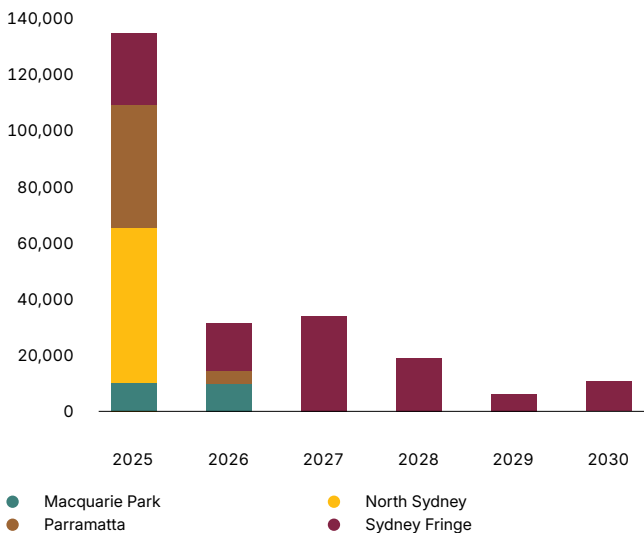
The supply outlook across Sydney’s metro markets remains constrained. Only nine major projects are currently in the pipeline, expected to deliver a combined 78,092 sqm by 2028. Notable developments that have recently reached completion in 4Q include Victoria Cross Station OSD in North Sydney (55,980 sqm) and 17 Khartoum Road, the second last stage of Stockland’s MPark development (10,035 sqm).

Across Western Sydney, refurbishment has emerged as the dominant supply response, with landlords targeting the performance gap between prime and secondary assets. Recent examples include 2 to 12 Macquarie Street (35,675 sqm) delivered in 4Q 2025, and 25 Smith Street (10,500 sqm) scheduled for completion in 1Q 2026.

In the CBD Fringe and South Sydney, two major projects are underway, accounting for 63,300 sqm due for delivery by 2028, including Oxford and Foley in Darlinghurst (9,600 sqm) and Harbourside in Pyrmont (30,000 sqm).

Sydney Metro Office Supply Pipeline by Market

NLA (sqm)



Source: Colliers Research

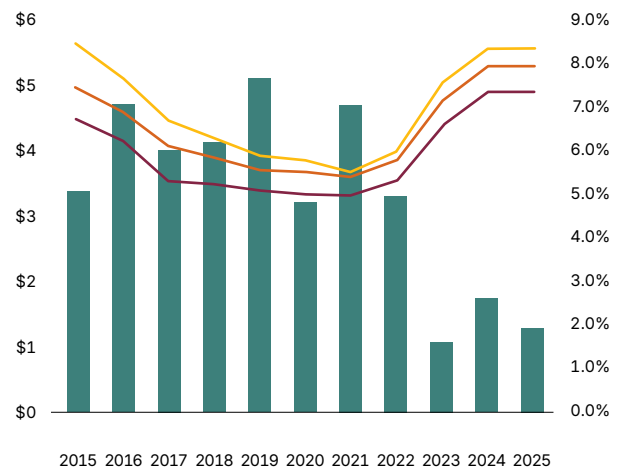
8.5 Investment Market

The Sydney metro market was the most active nationally in 2025 with transactions reaching A\$1.3 billion. However, this was still significantly below the 10-year average of A\$3.3 billion. Yields were unchanged from a year ago remaining at 7.3% and 7.9% for New Grade A and Grade A assets, respectively.

While transaction activity in 2H 2024 was led by developers purchasing secondary assets for future residential or alternate use development plays, 2025 saw

an increase in activity from a wider range of investors. Unlisted funds, education providers and owner occupiers re-entered the market, stepping in to take advantage of attractive discounts to peak values, in a countercyclical move to either secure their future premises at a relatively low entry point to the market or capitalise on the metro markets large peak to trough yield cycle.

Sydney Metro Office Investment Volumes (A\$ billion) and Average Yields



Source: Colliers Research

8.6 Outlook

The outlook for the Sydney metro office market is positive, as several supportive factors are beginning to align. A pause in the supply cycle, together with ongoing stock withdrawals (expected to be concentrated across North Shore and Macquarie Park) for alternate use conversion, is expected to place downward pressure on structural secondary vacancy while displaced tenants from withdrawn assets support re-occupation across the market.

Improving business conditions are expected to drive organic tenant growth and expansion. Many occupiers reduced their footprints during the peak of the pandemic, and a growing cohort is anticipated to require additional space as business activity and headcount increases.

As the investment environment continues to stabilise, increased institutional investor activity is expected across metro markets. With the CBD anticipated to tighten, investors priced out of core CBD assets are likely to target prime opportunities in established metro precincts, particularly North Sydney.

8.7 Macquarie Park Submarket

Located approximately 13 kilometres north-west of the Sydney CBD, total new deliveries in Macquarie Park amounted to just 10,000 sqm in 2025. This was significantly lower than 116,710 sqm delivered over the last five years. The supply outlook is benign with no deliveries expected in 2026 to 2030.

Tenant demand across Macquarie Park remains subdued with negative net absorption of 39,981 sqm over 2025, compared to 19,293 sqm in 2024. While the headline vacancy rate (24.0%) remains more than double the 10-year average of 10.6%, availability of suitable stock is limited.

The market's specialised tenant profile continues to drive strong demand for mixed office and laboratory accommodation with access to loading facilities and major road arterials. Assets that meet these criteria continue to attract strong interest, while pure office accommodation record higher vacancy levels.

Average net face rent growth in Macquarie Park has been mostly subdued over the last five years as vacancy remains elevated well above historical levels. As at 4Q 2025, average net face rents are A\$500 psm p.a. in New Grade A, A\$453 in Grade A and A\$385 in Grade B stock. 2025 saw the first period of rent growth in the market since 2022 with net face rents increasing by 4.6% and 2.7% in Grade A and Grade B respectively. This rent growth was fuelled by healthy demand mentioned above for specialised lab space and a shortage of available stock. Incentives trended up in line with increasing vacancy over the last five years, with New Grade A seeing a nine ppt increase, while both Grade A and B markets saw a 10 ppt increase. Incentive levels seem to have peaked with no change recorded to the current levels of incentives since mid-2024.

Looking ahead, leasing fundamentals are expected to strengthen over the next year alongside improving business conditions and the limited supply of new projects.

9. Melbourne Metro Office Market

9.1 Stock and Supply

Approximately 63,700 sqm of new office space was added to Melbourne's metro market in 2025. This was well below the average annual supply observed since 2020 (127,700 psm p.a.). With a total stock of 5.17 million sqm at end 2025, Melbourne is the second largest metro market in Australia.

The majority of stock is found in the City Fringe (31%) and Outer East (19%) precincts. The metro office market, and

particularly the City Fringe, experienced a robust supply cycle through the early 2020s, which moderated in 2025, and has entered a more tempered phase anticipated to be maintained through the medium term.

9.2 Demand and Occupancy

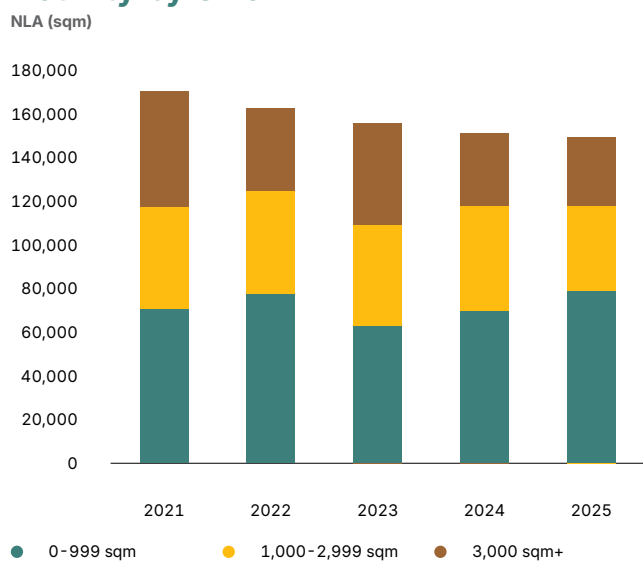
Gross leasing activity across Melbourne's metro office market remained robust and recorded approximately 150,000 sqm in 2025, almost on par with leasing activity in 2024.

Through 2025, the primary industries underpinning leasing activity across the metro office market included Property Services, Manufacturing, Information & Technology, Education & Training and Health & Community Services.

Vacancy across most submarkets has started to tighten. Metro Melbourne office vacancy was 14.1% as at September 2025, falling from 15.4% a year ago. The combination of ongoing absorption and limited supply across most precincts is underpinning normalisation across these markets.

While vacancy rates across all office grades were higher in September 2025 compared to five years ago, the net change in occupied Grade A office stock was an increase of approximately 550,000 sqm compared to an increase of 33,000 sqm for Grade B office stock highlighting the robust flight to quality demand. Conversely, occupied Grade C stock decreased by approximately 79,000 sqm.

Melbourne Metro Office Gross Leasing Activity by Size



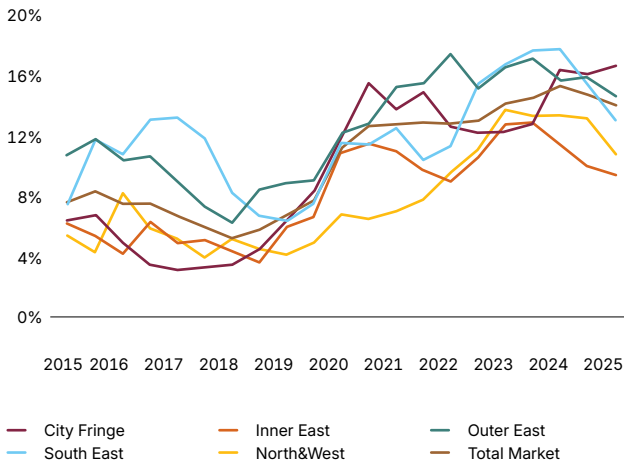
Source: Colliers Research

Independent Market Report

Australia

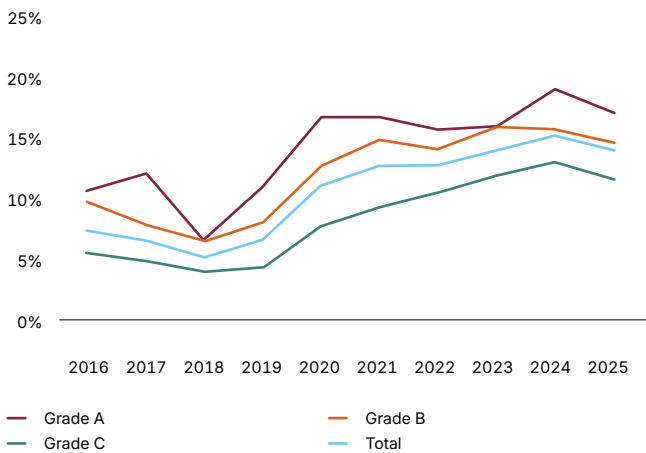
By Colliers Research, February 2026

Melbourne Metro Office Vacancy by Market



Source: Colliers Research

Melbourne Metro Office Vacancy by Grade



Source: Colliers Research

9.3 Rents

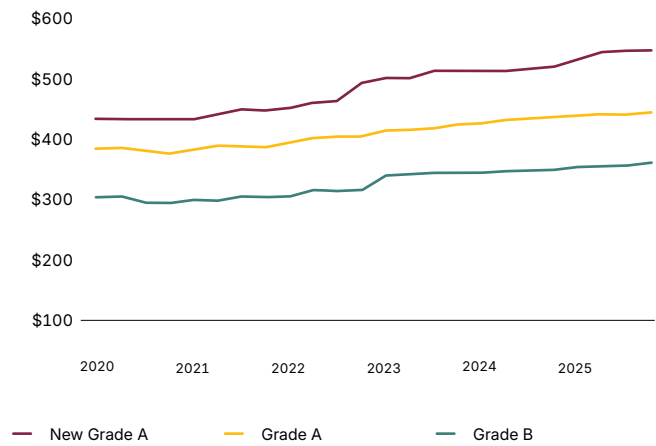
The market continues to recalibrate with robust growth in net face rents alongside incentives. Growth in incentives has broadly eased but is still significantly above that observed a decade prior.

New Grade A net face rents increased 5.0% over the year to A\$549 psm p.a. with incentives remaining stable at 41%. New Grade A net face rents in the City Fringe increased 9.5% through the year to A\$690 psm p.a., while incentives grew to approximately 45% from 43% a year before.

Consequently, new Grade A net effective rents grew modestly by 2.1% through the year to A\$322 psm p.a.. New Grade A net effective rents in the City Fringe recorded robust growth of 5.7% through 2025 to A\$380 per sqm p.a.. However, they remain below the pre-COVID peak of A\$473 per sqm p.a..

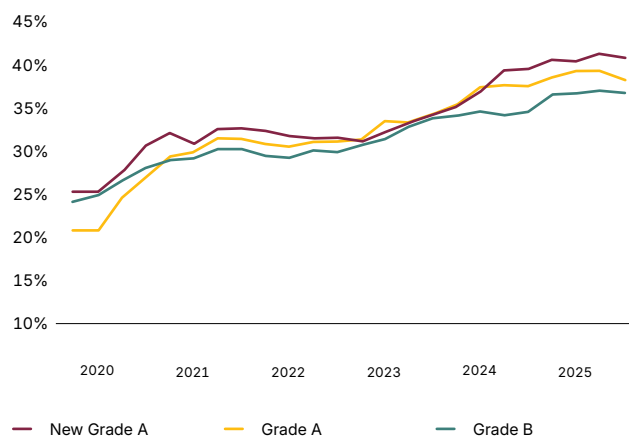
Melbourne Metro Office Average Net Face Rent

(A\$ psm p.a.)



Source: Colliers Research

Melbourne Metro Office Average Net Incentives



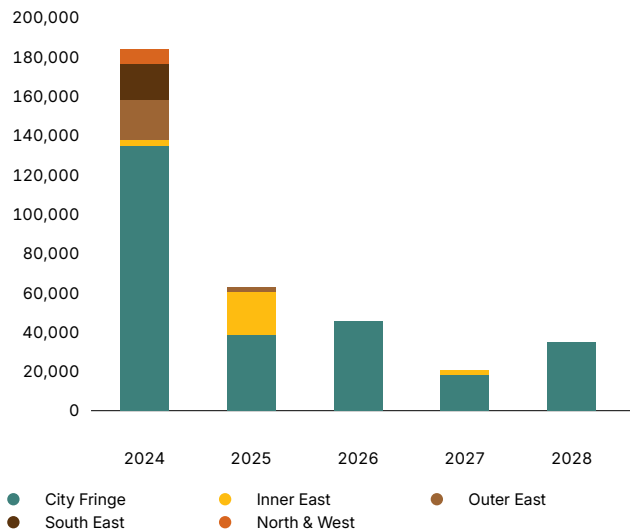
Source: Colliers Research

9.4 Future Supply

Near term annual supply is anticipated to remain concentrated within the City Fringe, albeit well below that observed through the recent supply cycle. The more moderate supply pipeline will allow Melbourne greater opportunity for normalisation (albeit likely an extended process) through to 2030.

Melbourne Metro Office Supply Pipeline by Market

NLA (sqm)



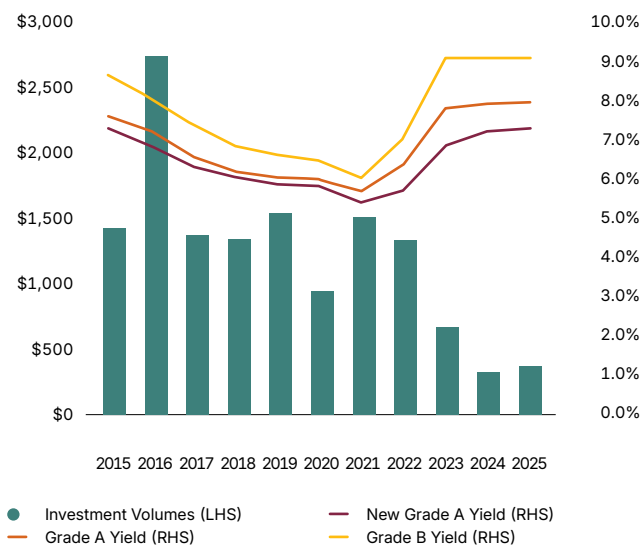
Source: Colliers Research

9.5 Investment Market

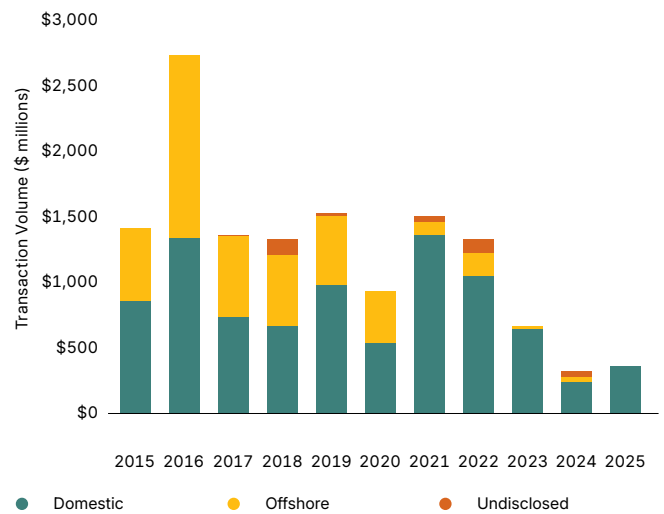
Transaction volumes of Melbourne's metro market improved 12.3% YoY to approximately A\$380 million in 2025. However, it remains well below the long-term average of approximately A\$1.35 billion. Transaction volumes and market liquidity has been limited with the strong elevation in yields (and the risk-free rate) as well as a material increase in the bid-ask spread since 2023.

Yields for New Grade A and Grade A assets have also remained unchanged YoY at 7.3% and 8.0%, respectively.

Melbourne Metro Office Investment Volumes (A\$ million) & Average Yields



Source: Colliers Research



9.6 Outlook

The metro office market is likely to undergo an extended period of normalisation following the robust supply cycle and broader office market disruptions experienced through the early 2020s. Vacancy remains high but has recorded some improvement over the last 12 months. Ongoing absorption and the easing of supply, likely to persist through the remainder of the 2020s, will benefit most metro precincts.

Competitive tension with available CBD Grade A office stock will ease gradually from 2027 with no new supply to be delivered in the CBD until at least the 2030s, allowing scope for improved balance across this market. City Fringe Net Face Rent growth for new Grade A office has remained robust. Stabilising incentives and the possibility of easing in the near term will likely underpin net effective rent growth in the medium term.

9.7 Mulgrave Submarket

Mulgrave is a suburb within Melbourne's Outer East, featuring several business parks and office developments including the Nexus Business Park and Mulgrave Innovation Precinct. Key competitive advantages of Mulgrave are good connectivity with easy access to the Monash Freeway and Eastlink, extensive wellness and lifestyle amenities as well as agglomerative benefits supported by proximity to major educational and health institutions.

There was no new office supply delivered across the suburb of Mulgrave through 2025 and no new supply anticipated to be delivered through the foreseeable future.

Vacancy across the suburb was measured at 20.6% in September 2025 with vacancy higher across Grade A office stock (21.7%) relative to Grade B (19.7%).

Independent Market Report

Australia

By Colliers Research, February 2026

While vacancy remains elevated, incentives are likely to remain an ongoing feature of the Outer Eastern market. Some assets within the Outer Eastern market such as those relatively depreciated and situated at the peripheral, are likely to undergo asset repositioning or repurposing.

10. Brisbane Metro Office Market

10.1 Stock and Supply

Only 1,788 sqm was completed in Brisbane metro in 2025 as high construction costs and feasibility constraints have delayed the start of new projects. The stock of metro office stock remained at approximately 1.3 million sqm at end 2025, with 44% of space located in Urban Renewal precincts stretching from New Farm through Fortitude Valley to Bowen Hills.

As businesses and investors gravitate toward modern, well-connected precincts, older fringe markets such as Milton and Toowong have continued to contract, with ageing stock withdrawn or converted. In contrast, Urban Renewal precincts have emerged as Brisbane’s primary growth engine, capturing the majority of new tenants, capital and development activity.

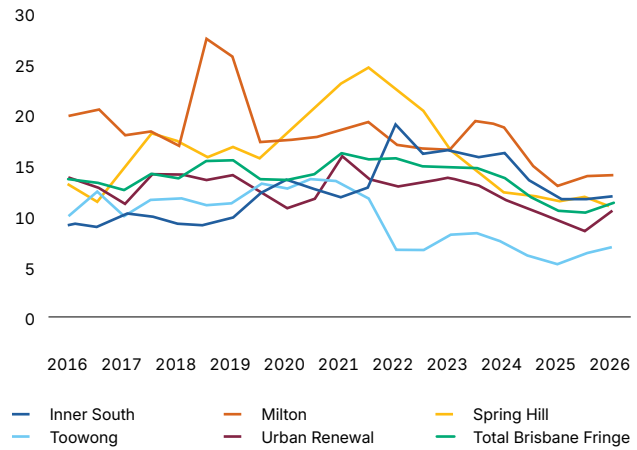
10.2 Demand and Occupancy

After several years of strong Grade A absorption driven by flight to quality, Grade A net absorption fell to a negative 12,721 sqm over the six months to January 2026, contributing to an overall negative net absorption of 15,824 sqm.

High construction and fit out costs have influenced the market, with tenants now preferring offices with existing fit outs (87% of leasing deals). While five-year terms have been most common, three-year leases were also favoured for flexibility. The majority of leasing activity was concentrated in the sub 1,000 sqm bracket, followed by the 1,000-2,999 sqm bracket.

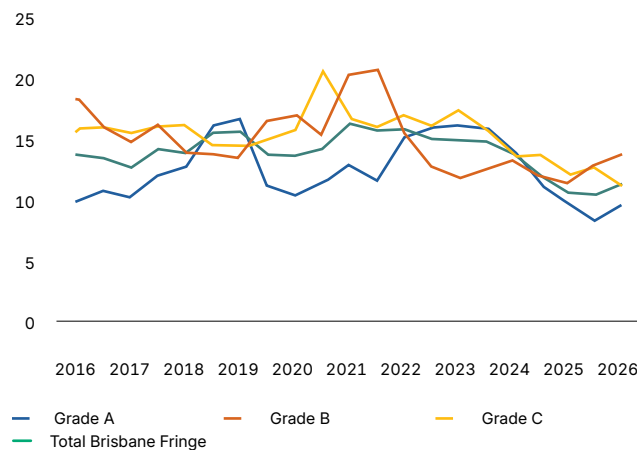
Brisbane Metro vacancy increased to 11.4% in January 2026, up from 10.5%, as weaker demand led the precinct to record negative net absorption for the first time since July 2021. This was driven by several large tenants relocating out of the Fringe, as well as others downsizing or exiting the market altogether.

Brisbane Metro Office Vacancy by Sub-Market



Source: Colliers Research, PCA

Brisbane Metro Office Vacancy by Grade

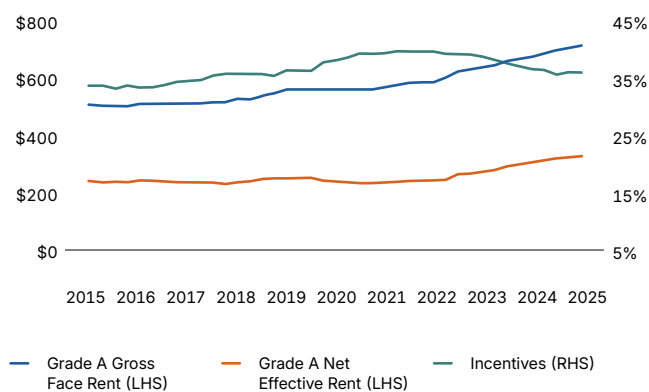


Source: Colliers Research, PCA

10.3 Rents

Annual gross face rents growth in Brisbane Metro has eased from around 7% to 9% in 2023 to between 4% and 6% in 2025. Prime space rose by approximately 6% to A\$720 psm p.a. and Grade B space was up 4% to A\$624 psm p.a.. While incentives are beginning to stabilise, they remain elevated as landlords anticipate backfill from recently vacated properties. Overall, limited new supply continues to support rising effective rents across the market. Grade A net effective rents increased by nearly 7% over the year to record A\$334 psm in December 2025.

Brisbane Metro Office Grade A Gross Face Rent (A\$ per sqm), Net Effective Rent (A\$ per sqm) and Incentives



Source: Colliers Research

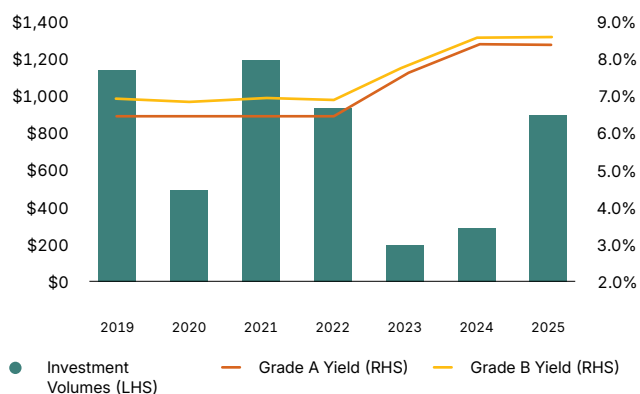
10.4 Future Supply

While some speculative developments may emerge in 2028, most projects remain proposed, with no new committed developments currently in the pipeline.

10.5 Investment Market

Total investment sales in 2025 reached A\$906 million, rebounding 211% from 2024, supported by at least four major transactions over A\$100 million. Stronger access to capital and pent-up demand have drawn buyers back, with investor interest expanding beyond traditional core areas to capture opportunities across the wider market. High profile sales, including Green Square North (A\$174.9 million) and Green Square South (A\$132.0 million), signal renewed appetite for large scale investments, complemented by smaller deals. Yields have remained stable at 8.5% and 8.7% for Grade A and Grade B assets, respectively. As market confidence returns, the growing optimism may drive some yield compression, though uncertainty of interest rates could pose challenges.

Brisbane Metro Office Investment Volumes (A\$ million) and Average Yields



10.6 Outlook

The current pipeline indicates subdued development activity, with developers continuing to face challenges from high construction and labour costs in the short term. Projects are likely to be delayed, although the supply pipeline could expand if previously announced projects that were on hold are revived through improved pre-commitment levels.

On the leasing front, vacancy rates may face pressure from backfill space coming online in 2026 and 2027. This is likely to be mitigated by the absence of new supply and ongoing tenant demand. Face rents are forecast to rise modestly, while incentives are expected to stabilise to attract tenants. With demand expected to improve and supply remaining constrained, the fundamentals remain supportive of continued growth in both rents and capital values, conditions that opportunistic investors will be keen to leverage. Yields remain stable but are showing signs of tightening, reflecting improved market sentiment and growing investor interest.

10.7 Fortitude Valley Submarket

The Fortitude Valley suburb is located within Brisbane's Urban Renewal precinct, the largest and fastest growing metro office precinct. The area makes up 44% (584,594 sqm) of total fringe office space. It has been particularly successful in attracting creative, technology and knowledge-based industries.

The Urban Renewal precinct is seeing very little new office supply, with only 1,788 sqm added in 2025. At the same time, 5,567 sqm of space was withdrawn from the market across 2024 and 2025, further reducing available supply. With no projects scheduled to complete in 2026, and no new developments expected before at least 2028, market conditions are expected to remain tight.

The Urban Renewal precinct held a vacancy rate of 10.7% in January 2026. The return of approximately 40,000 sqm of backfill space in 2026 to 2027 is expected to put some upward pressure on vacancy although ongoing demand and limited new supply are expected to partially mitigate this impact.

Prime rents in the Urban Renewal precinct have grown strongly, rising about 10% per year compared with 6% across the wider metro area, reflecting the precinct's popularity and modern buildings. Secondary rents have also increased faster than the metro average, supported by steady demand and limited affordable options. With continued tenant interest, rents are expected to keep rising, albeit modestly, and while incentives are beginning to stabilise, they remain high at 36%.

Independent Market Report

United States

By Cushman & Wakefield Regional, LLC

1. Macroeconomic Overview and Outlook

1.1 GDP Growth

Despite historic tariff increases, tighter labour supply, geopolitical flare-ups, and prolonged policy battles in 2025, the economy proved resilient. GDP growth surprised to the upside at roughly 2% in 2025, a pace we expect to continue in 2026. AI-driven investment remains the primary growth engine, with data centers, computing infrastructure, and strong equity markets supporting activity. High-wealth households continue to drive consumption, suggesting spending should remain resilient absent a major market correction. Inflation remains the key challenge. Tariffs have driven a temporary price-level increase, after which inflation should moderate as supply chains adjust, though easing will take longer than initially expected. After trending toward 2%, inflation has remained stuck in the 2.5–3% range for nearly two years, driven largely by a reversal in goods prices. Core goods inflation has risen about 1.4% year-on-year (YoY), reflecting deglobalisation and tariff pressures, even as labour markets and consumer demand cooled. While inflation never reached the 4–5% once feared, it has remained persistently higher than it otherwise would have, with firms absorbing more costs through margins than expected.

1.2 Labour Market

The US labour market is softening, though the causes are less clear than usual. A sharp decline in the foreign-born workforce from reduced immigration suggests hiring constraints are largely supply-driven, while layoffs and claims point to a recalibration rather than a recession. The Dallas Fed estimates the break-even pace of job growth at about 30,000 per month, yet gains have averaged under 20,000 over the past six months, pushing unemployment back to early-2017 levels. Conference Board surveys confirm the shift: job seekers report greater difficulty finding work, while employers say it is easier to fill positions. Our baseline outlook calls for essentially flat employment in 2026 which is typical for a supply-constrained market near full employment.

1.3 Long-term Yield

The yield curve has been dislocated for three years—deeply inverted in 2023 to 2024 and largely flat through 2025. In recent months, particularly after the Fed's 3Q cut, the front end has begun to turn modestly positive, but the long end has remained stubborn. That persistence matters. Recent U-shaped curves reflect near-term growth concerns, while a clearly positive curve—last

seen in October 2021—typically supports capital flows into longer-duration assets such as Commercial Real Estate (CRE). Unlike prior easing cycles during the Global Financial Crisis (GFC) and COVID-19, long-term yields are not falling. In those periods, rates across the curve dropped more than 150 basis points (bps) after the Fed began cutting rates. This cycle is different and non-recessionary: since cuts began last fall, 3- and 5-year yields have moved sideways, while the 10-year is up roughly 20 to 30 bps. The pattern more closely resembles the early-2000s post-tech-bust cycle, when the recession was mild and long-term rates held firm rather than collapsing. The widening gap between the 10-year and the short end reflects a rising term premium. Inflation remains 50 to 100 bps above target, and fiscal deficits are approaching Great Recession levels. Even without recession pressure, bond investors are demanding higher compensation for long-dated Treasuries, keeping the long end supported by real macro forces and creating a structural headwind that must be incorporated into any recovery outlook.

1.5 Debt & Capital Markets

A key pillar of the recovery has been the improving fluidity of debt markets. While sales volume is up 22% YoY, it still lags the rebound in lending. Market depth has shifted as well: active buyers are down roughly 34%, compared with only a 6% decline in lenders, reflecting a preference for the protection and yields of debt amid uncertainty. As credit remains competitive and liquidity improves, we expect the buyer pool to rebuild, adding momentum as price discovery firms. The lender mix has also become more favourable for the next phase of recovery. Banks, which once accounted for nearly half of all lending, now represent about 35%, opening the market to a more diversified set of capital providers, including debt funds. This broader base reduces reliance on any single credit source while supporting transaction activity and refinancing as volumes build into 2026. Refinancing—particularly in office—has quietly become a major driver of originations over the past year, helping to temper distress. While sector shares remain relatively stable, apartments lead growth, with retail and office close behind, signalling that lenders are increasingly willing to engage across a broader range of property types as more maturities come due through 2026.

1.6 Investments

Looking ahead, one of the most encouraging signs is the return of institutional buyers. Large, institutional-quality deals are up roughly 50% from their trough, and institutional and public-market acquisitions are up about 35% YoY—the fastest growth of any buyer group. More importantly, institutional net buying has turned positive after nearly three years of outflows, signalling renewed

participation and meaningful upside as this channel reactivates. This shift is boosting market liquidity and setting the stage for more consistent capital deployment into 2026.

1.7 US Economic Policy

Trade policy, immigration, and fiscal policy have shifted meaningfully. Trade policy remains a drag on growth, reflecting both the direct cost of tariffs and uncertainty around their future, including the Supreme Court review of country-specific tariffs under the International Emergency Economic Power Act. Restrictive immigration policy is constraining labour supply, weighing on job creation and consumer spending. The One Big Beautiful Bill Act (OBBBA), enacted in July 2025, is expected to deliver modest net benefits over the medium term, raising the level of GDP by up to 1.0% by 2028. In the near term, the 43-day government shutdown—ended 12 November—reduced 4Q 2025 GDP growth by roughly 1.5%, much of which should be recovered in 1Q 2026 as federal spending rebounds. We expect policy to be less disruptive in 2026 for several reasons: tariffs are driving a temporary price-level increase that should fade as supply chains adjust; US-Mexico-Canada Agreement renegotiation in 2026 may encourage more cooperative trade policy with key partners; the OBBBA provides longer-term tax clarity and pro-growth incentives; approaching midterm elections should favour more business-friendly initiatives such as deregulation; and both the broader economy and CRE have demonstrated notable resilience amid recent policy shifts.

2. Office Market Performance & Trends

Office market fundamentals began to improve in early 2024, when sublease inventories and vacancy increases peaked. By the second half of 2025, these positive signs had solidified into a clear recovery. Net absorption turned positive in the final six months of 2025 (+2.5 million sq ft), marking the strongest back-to-back quarterly performance since COVID, aside from the brief rebound in early 2021. Higher-quality buildings drew even more attention, with Class A absorption near +3.5 million sq ft in 4Q 2025 and topping +9.2 million sq ft for the full year. After 12 straight quarters of negative absorption, US demand has been positive for the past two quarters. While full-year net absorption in 2025 remained negative, at -6.7 million sq ft, this represents a substantial improvement from the prior five-year average of -50.5 million sq ft annually. Moreover, the weakness remained highly concentrated. Excluding the five markets that were the weakest, 2025 net absorption for the remaining 86 US office markets tracked by Cushman & Wakefield Research (C&W) would have been +11.1 million sq ft.

Demand for office space appears to be growing, and it is also spreading geographically. Absorption was positive for the year in 50 US office markets. That is up from 33 markets in 2024 and is the highest number of markets with positive absorption for a full year since 2019. In further signs of a spreading recovery, there were another 14 markets where demand was negative for the full year but turned positive in 4Q 2025.

2.1 Occupancy Rate

Improving demand and muted new construction meant that vacancy remained essentially flat quarter on quarter (QoQ), up just 5 bps. Vacancy in Class A buildings declined by 5 bps QoQ. The overall national vacancy rate finished the year at 20.5%, up 30 bps from fourth quarter 2024. This is the smallest YoY increase in five-and-a-half years. Vacancy declined over the past 12 months in half of US markets, and declines exceeded 100 bps in 17 different markets.

The decline in vacant sublease availabilities is a large driver of firming occupancies. At 108.6 million sq ft, the national inventory of sublease space is down 20% from its first quarter 2024 peak. In 2025, sublease availabilities declined by 17.5 million sq ft (a decrease of 14% YoY), and this strengthening was widespread with YoY declines occurring in over 60% of US markets. Sublease availability drops exceeded 100,000 sq ft in three gateway markets—Manhattan (-3.8 million sq ft), San Francisco (-1.5 million sq ft), and Los Angeles (-112,000 square feet)—as well as across a number of other noteworthy office markets.

2.2 Asking Rents

After reaching a new record high in first quarter 2020, at US\$33.69 psf, the national average asking rent has continued to grow, reaching US\$38.37 psf in fourth quarter 2025. With only a four-cent increase YoY, asking rents appear to be moderating. In 4Q 2025, overall Class A rents increased 1.8% YoY to US\$44.15 psf. In addition, major markets like Miami, San Francisco, San Mateo County, Midtown Manhattan and Midtown South Manhattan, continue to record asking rents above US\$60 psf, on an annual basis. Looking ahead, C&W expects rents to soften as demand remains subdued at a national level, although there will be significant variation across markets and the building quality spectrum.

2.3 Sales Volume

Office investment activity expanded steadily from 2009 through 2015, with sales volume peaking in 2015 amid falling cap rates and abundant Commercial Mortgage-Backed Securities (CMBS) financing. Volumes declined in 2016 and 2017 but remained elevated relative to historical

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norms. More recently, office sales totalled US\$51.8 billion at end 2023, rose to US\$64.0 billion in 2024, and reached US\$82.9 billion through 4Q 2025, according to Real Capital Analytics. Single-asset trades continue to dominate sales volume during the year as investors prefer these types of deals given the current economic environment. Through fourth quarter 2025, single asset sales totalled roughly US\$67.4 billion, growing 36.3% YoY. Over the same period, portfolio sales totalled approximately US\$15.5 billion in volume, up 64.2% from fourth quarter 2024.

2.5 Overall Capitalisation Rates

The office sector has sustained investor demand in recent years, contributing to lower overall cap rates. CBD assets in major markets have driven most of this momentum, while suburban office markets—despite growing investor interest since 2009—have consistently posted higher cap rates. Performance within CBDs has been uneven: top-tier downtowns continue to outperform, while smaller CBDs lag. Overall, CBD cap rates remain lower than suburban rates due to higher barriers to entry, limited developable land, and more balanced supply-demand dynamics, which also support higher rents. Through fourth quarter 2025, cap rates for suburban office properties continue to trend higher than CBD office properties. Cap rate trends vary by methodology. The PwC Real Estate Investor Survey reflects sentiment from major institutional equity investors, while National Council of Real Estate Investment Fiduciaries (NCREIF) is based on appraisal data from unlevered, investment-grade properties held by tax-exempt institutions. According to PwC, the national CBD overall cap rate (OAR) was 7.3% in 4Q 2025, up 6 bps YoY, while the suburban OAR rose to 7.8%, up 13 bps. In contrast, NCREIF reported a national office cap rate of 5.7% in 4Q 2025, down 9 bps YoY.

3. San Diego Office Market

The San Diego County office market comprises approximately 71.4 million sq ft of inventory and is geographically segmented into three primary office markets, North County, Central County, and South County, encompassing a total of 32 submarkets. This regional segmentation reflects the county's diverse employment centers, development patterns, and tenant demand drivers. Central County is the largest and commands the highest rents of the three primary office markets. It is defined by Del Mar Heights and Rancho Bernardo to the north, Torrey Pines and Miramar to the south, the Pacific Ocean to the west, and Poway and California State Route 67 to the east. San Diego County's proximity to the Mexico-Baja California-United States border positions the region as a strategic hub for international and cross-border business activity. This geographic advantage, combined

with a diverse economic base and multiple employment nodes, continues to support the county's role as a key office market within Southern California.

At year end, overall vacancy rate in the San Diego County office market remained unchanged YoY at 13.3%, reflecting relative stability at the aggregate level despite divergent submarket performance. Office occupiers continue to shrink their footprints and are signing few leases. However, high-demand employment nodes such as Campus Point and the 56 Corridor remained fully occupied, underscoring sustained tenant preference for well-located, high-quality office environments. In contrast, the Downtown submarket within South County continued to face pronounced headwinds, with vacancy ending the quarter at 27.9%. This disparity highlights the uneven nature of the market's recovery and underscores the ongoing structural challenges confronting San Diego's urban office core, as tenants continue to recalibrate space needs amid hybrid work adoption and evolving occupancy strategies.

Direct asking rents remained stable YoY at US\$3.49 pm. Effective rents are down slightly as tenant improvement (TI) allowances have increased to over US\$40 psf for second-generation space and upwards of US\$125 psf for new space. Rental performance varies meaningfully by submarket and building class. Del Mar Heights continued to command the highest overall asking rents in the region at US\$5.35 psf pm, supported by sustained demand for premier coastal office locations. County-wide Class A office space averaged US\$3.49 psf pm compared to Class C office which averaged US\$2.14 psf pm.

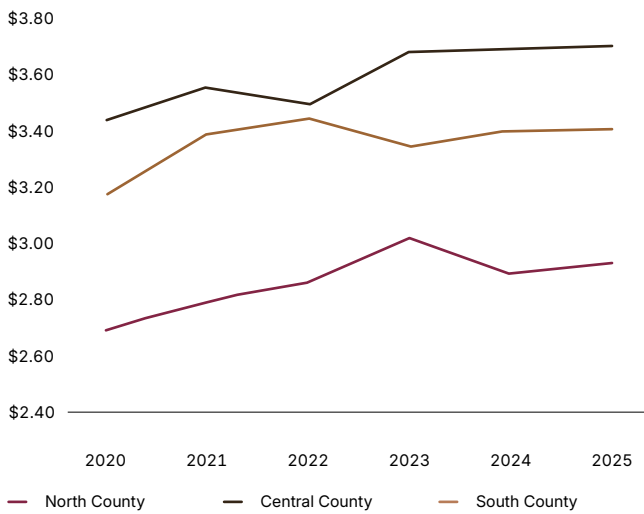
Construction activity in the San Diego County office market remained subdued at year end. Approximately 2 million sq ft delivered since 2022 remains available. IQHQ's RaDD life science campus (1.7 million sq ft) was completed in Downtown and its only non retail lease required a substantial concession package. IQHQ has become willing to engage with traditional office tenants at lower effective rents. The Campus at Horton (700,000 sq ft of office and lab space) was handed back to its lender in 2025. Some investors are looking to convert older office towers in Downtown into housing. In University Town Centre (UTC), Novartis signed a development deal (465,000 sq ft lab facility) with Alexandria Real Estate at Campus Pointe. Construction starts have also included build-to-suit (BTS) medical offices, but speculative traditional office development is unlikely in the near term.

Sales volume was up significantly totalling US\$1.6 billion in 2025 compared to US\$932 million in 2024. Some notable transactions include One America Plaza which was acquired by Saca Capital for US\$120 million (US\$192 psf); 350 Camino Del La Reina acquired by Strategic

Value Partners for US\$92 million (US\$256 psf and 501 W Broadway acquired by XYZ for US\$69 million, or US\$167 psf. Cap rates are hovering around 8.4%. Investors are either looking for discounted properties and conversion opportunities or single-tenant buildings featuring long-term leases. More distress sales and foreclosures are anticipated.

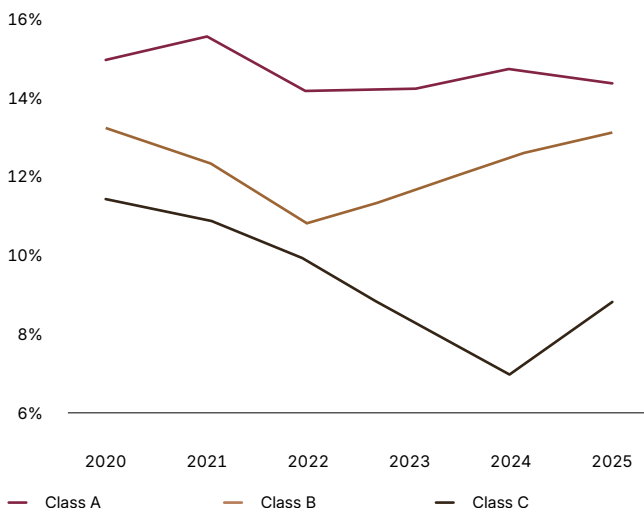
Asking Rent

(psf)



Market Statistics

Vacancy by Class

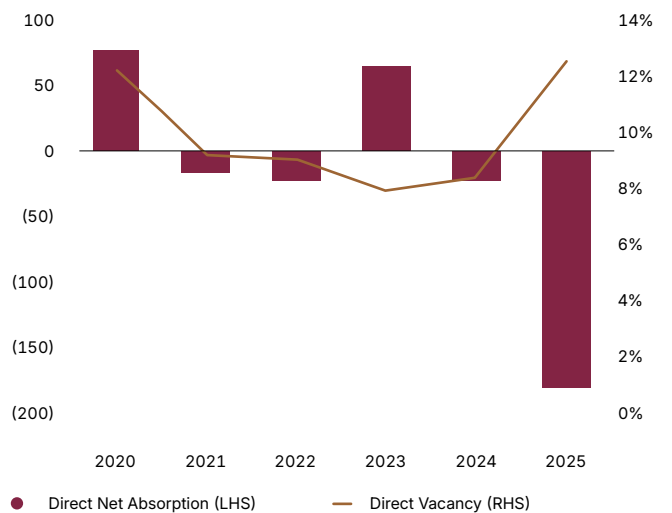


3.1 Sorrento Valley

Sorrento Valley's direct office vacancy was 12.5% at year end, up 400 bps YoY. Class A direct vacancy is up 30 bps YoY, while Class B vacancy is up 530 bps YoY. The Sorrento Mesa average direct asking rent across all classes increased 0.4% to US\$3.88 psf on a monthly full-service basis from a year ago. Over the past 12 months, Class A direct average rent has decreased 2.0% to US\$4.44 psf pm, while Class B average rent has decreased by 1.4% to US\$3.77 psf pm. Sublease availability is 8.7%, down 190 bps from a year ago, but up 500 bps since 1Q 2020.

Sorrento Valley Absorption and Vacancy

('000 sq ft)



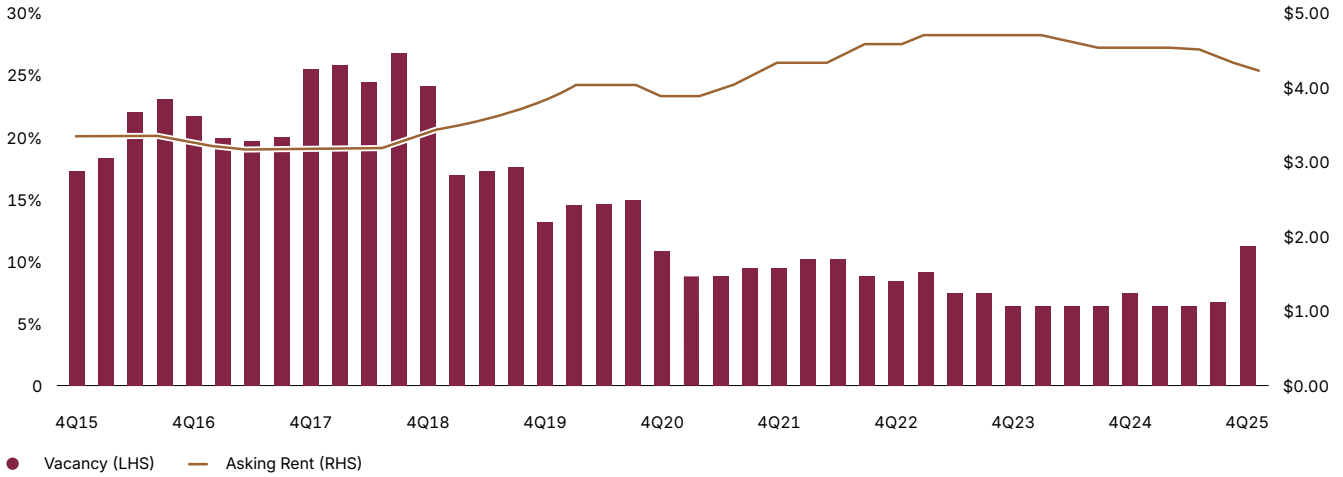
Source: Cushman & Wakefield Research, CoStar.

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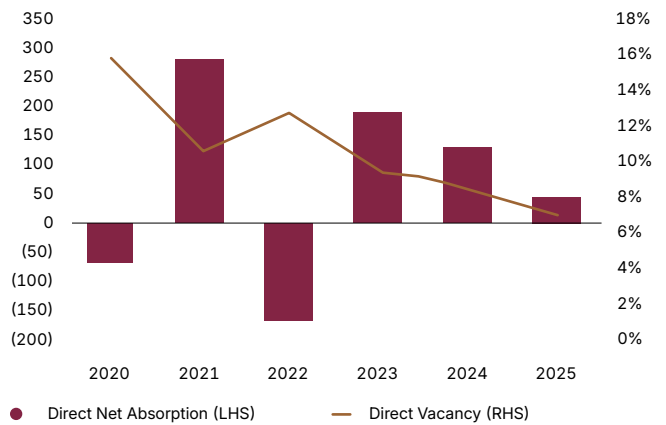
Sorrento Valley Vacancy and Asking Rent (psf)



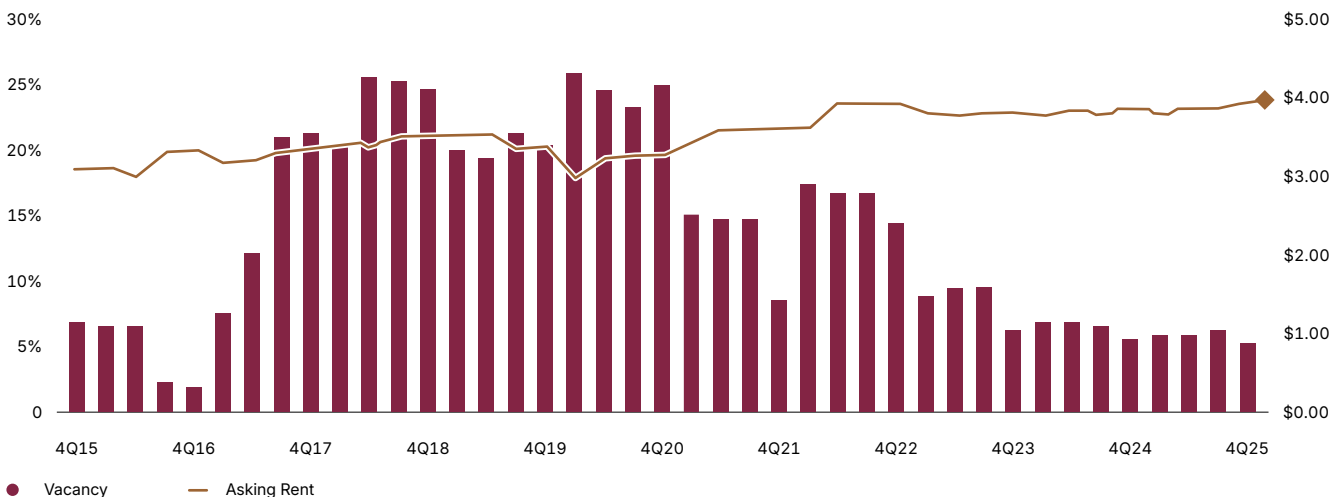
3.2 Rancho Bernardo

At the end of 4Q 2025, the Rancho Bernardo direct office vacancy was 7.0%, an increase of 10 bps from the previous quarter and down 150 bps from a year ago. Class A direct vacancy is down 50 bps YoY, while Class B vacancy is down 180 bps YoY. The Rancho Bernardo average direct asking rent across all classes increased 2.2% to US\$3.39 psf on a monthly full-service basis from a year ago. Over the past 12 months, Class A direct average rent increased 2.4% to US\$3.97 psf pm, while Class B average rent decreased by 0.9% to US\$3.16 psf pm. Sublease availability is 3.5%, down 70 bps from a year ago, but up 170 bps since 1Q 2020.

Rancho Bernardo Absorption and Vacancy ('000 sq ft)



Rancho Bernardo Vacancy and Asking Rent (psf)



Source: Cushman & Wakefield Research, CoStar.

4. Raleigh-Durham Office Market

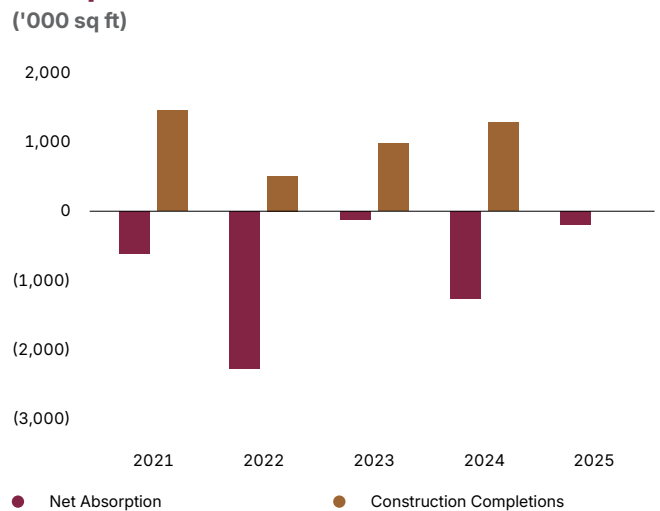
Demand improved in the second half of the year, with 722,000 sq ft of new leases signed in 4Q 2025 and nearly 2.5 million sq ft leased for 2025. New leasing activity skewed to larger users (more than 20,000 sq ft), with 11 transactions in 4Q 2025. As these tenants take occupancy, absorption is expected to stabilise in coming quarters. Renewal activity was more muted and totalled 85,000 sq ft in 4Q 2025 (642,000 sq ft for the year), concentrated primarily in West Raleigh and Cary (a combined 330,000 sq ft in 2025). Despite improved leasing, the office Raleigh-Durham office market recorded occupancy losses of more than 130,000 sq ft in 4Q 2025 and net absorption finished the year down -189,000 sq ft. Overall vacancy edged up slightly in 4Q 2025 to 22.9%. Downtown Durham led the market in occupancy gains driven by roughly 30,000 sq ft of leasing at Diamond View II and the Venable Center, including a notable move-in by Boston Consulting Group. However, this momentum was offset by occupancy losses in Downtown Raleigh and the RTP/I-40 Corridor. Looking ahead, with no near-term construction underway or planned, vacancy should gradually ease as existing availability is absorbed.

Average asking rents declined to US\$30.70 psf, even as tenants leased higher-priced space. Class A rents averaged US\$31.69 psf, a 21.7% premium to Class B at US\$26.03 psf. The Six Forks/North Hills submarket (Raleigh's most expensive, urban-style submarket) led pricing at US\$39.09 psf, followed by Downtown Durham (US\$34.86 psf) and Downtown Raleigh (US\$32.84 psf). Concessions remain elevated, with a month of free rent per year of term is common and TI allowances can reach up to \$100 psf for new space with a 10-year term. Asking rents are anticipated to continue decreasing modestly in the near term and landlord concessions are likely to remain

a key component of deal structures as owners compete to attract and retain creditworthy tenants.

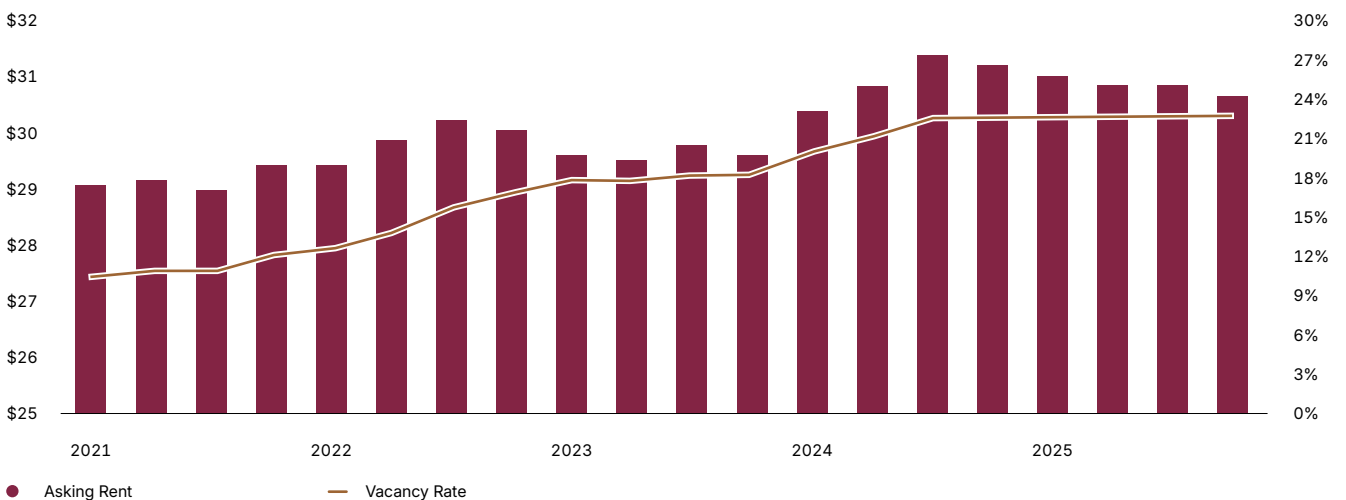
Sales activity remains below historical averages, but 4Q 2025 featured several sizable transactions. Olive Point Capital acquired the fully leased 3900 Paramount Parkway from W. P. Carey for US\$33 million (US\$150 psf)—about 40% below the 2019 price. The Silverman Group purchased the fully leased 3901 S. Miami Boulevard from Peakstone Realty Trust for US\$16.5 million (US\$75 psf), and an undisclosed buyer acquired 3200 Beachleaf Court from Truist Bank. Over the past year, Raleigh office trades averaged US\$270 psf, with high-quality, well-leased assets in prime locations generally transacting at mid-6% to mid-7% cap rates.

Net Absorption and Construction Completions



Source: Cushman & Wakefield Research, CoStar.

Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research, CoStar.

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4.1 Research Triangle Park (RTP/I-40)

RTP/I-40, Raleigh's largest submarket, reported the largest share of new leasing activity in 2025, making up 19.1% of all new leases. However, this momentum was offset by occupancy losses which resulted in negative overall net absorption. Overall vacancy remained at 30.7% on par with 2024 resulting, in part, from several subleases expiring and tenants consolidating their footprint. Older buildings will continue to struggle, but new leases are being signed in new and newly-renovated buildings as tenant seek out quality and amenity-rich buildings. Imperial Tower has recently signed a string of tenants following a \$10 million renovation after standing vacant since 2023.

Overall gross asking rents were US\$28.54 psf and Class A office gross asking rents were US\$29.16 psf, excluding medical office and life science properties. Sales volume has been low although the numbers of properties traded (22) is in line with the historical average. The largest transaction was United Therapeutics Corporation's purchase of a 456,000-sq ft, five-building campus at 79 TW Alexander Drive for US\$107 million (US\$234 psf). Overall cap rates are hovering around 8.6%.

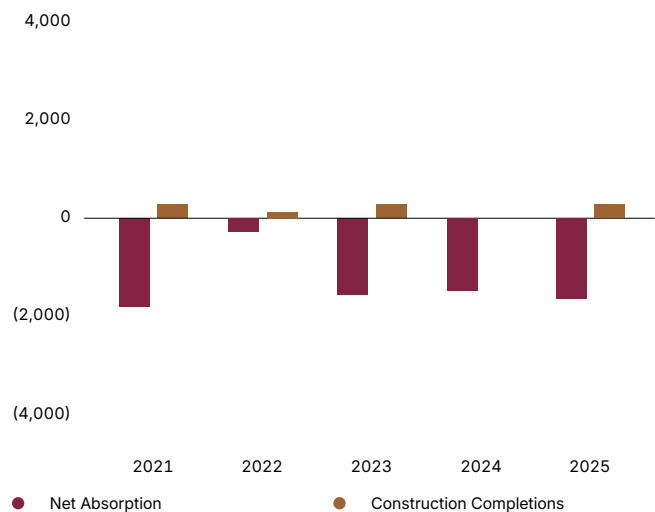
5. Portland Office Market

Driven by continued availability growth and limited backfill of large blocks of space in Portland, the overall vacancy rose to 24.3% in 4Q 2025. Net absorption was -1.6 million sq ft for the year. Leasing activity was concentrated in newer, amenity rich buildings and select suburban submarkets, while the CBD and Central Core continued to experience elevated move outs. Despite the higher vacancy, asking rents remained relatively stable through year end, with the market wide average full service asking rent closing the fourth quarter at US\$33.57 psf. Landlords largely protected face rents by offering increased concessions (5.9 months free rent), TI allowances (US\$55.05 psf) and flexible lease structures. Pricing strength remained concentrated in high quality Class A assets with modern layouts, strong amenity packages, sustainability features, and proximity to transit nodes, while older and commodity offices faced greater competitive pressures.

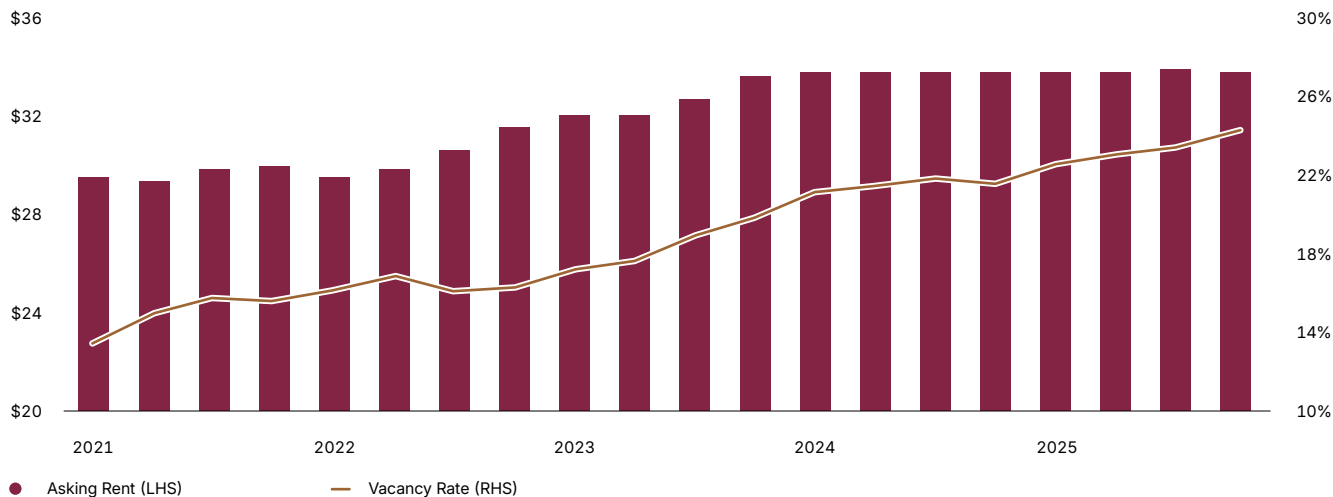
Transaction volume increased 10% YoY to US\$518 million. However, majority of transactions featured heavier upfront equity and deeper pricing to compensate for elevated vacancies, richer concessions and TI packages, as well as muted rent growth. Overall cap rates are hovering around 8.8%. Notable transactions include Clean Water Services' purchase of the former Sage Software Building (83,287 sq ft) in Beaverton for US\$11.5 million (US\$138 psf), a 17.9% discount to the US\$14 million list price. Menlo Equities purchased Block 1 of Brewery Blocks from J.P. Morgan for US\$21 million (US\$157 psf). The larger block last traded in 2007 at an allocated US\$44.7 million, implying a 53% decline. Felton Properties bought 4 Star Kruse Woods V in the Kruse Way submarket for US\$47.5 million (US\$249 psf), and Melvin Mark acquired MachineWorks downtown for US\$28 million (US\$243 psf) in a high occupancy play. The Portland CBD submarket witnessed Swickard Auto Group acquiring the US Bancorp Tower (50% leased) for US\$45 million (US\$38.99 psf) in a distressed sale and Fountainhead Development acquire Pacwest building (52.2% leased) for US\$55.7 million (US\$101.64 psf), also a distressed sale.

Net Absorption and Construction Completions

('000 sq ft)



Asking Rent (psf) and Vacancy



5.1 Sunset Corridor

The submarket contains 4.5 million sq ft of inventory and has a vacancy rate 19.1%, a result of -135,501 sq ft of net absorption. There is no office space under construction. Average asking rents are US\$26.85 psf and US\$28.33 psf for Class A office, compared to the wider Portland market average of US\$38.5/ sq ft.

5.2 217 Corridor/Beaverton

According to CoStar, the office submarket has 2.8 million sq ft of inventory and a vacancy rate of 17.9%. Net absorption was -12,000 sq ft. There has been no office space under construction in the submarket for the past 10 years. Asking rents average approximately US\$25.00 psf. Annual rent growth in 2025 was 1.3% which is below the submarket's five-year average of 1.9% and its 10-year average of 2.8%.

6. San Francisco Office Market

The San Francisco office market is comprised of 12 submarkets within two major markets, the Central Business District (CBD) and Non-CBD. Most of its space (55.1 million sq ft) is in the CBD submarkets: North Financial District and South Financial District. North Financial District, traditionally considered the more prestigious of the two, has given way to the South Financial District, as the latter has better transportation alternatives, newer buildings and is the preferred tech hub for in-demand creative space. The city's remaining 31.3 million sq ft are located within the city's 10 non-CBD submarkets, many of which are increasingly dominated by technology tenants.

The San Francisco office market showed clear signs of stabilisation, supported by declining vacancy and strengthening tenant demand. Total office vacancies stood at approximately 28.6 million sq ft, with the overall vacancy rate falling 110 bps YoY to 33.1%. A key driver of this improvement was a sharp contraction in sublease inventory, which declined 25.6% to roughly five million sq ft, signaling a meaningful reversal of pandemic-era space shedding and renewed tenant confidence. In the CBD, vacancy declined 120 bps to 32.7%, aided by increased leasing activity from technology, artificial intelligence, and professional services users.

San Francisco continues to command some of the highest office rents in the US. The overall average asking rent increased 0.9% YoY to US\$67.47 psf, reflecting relative pricing resilience amid elevated vacancy and ongoing absorption of excess space. Direct Class A asking rental rates fell by 0.8% to US\$74.72 psf but continue to be supported by competitive landlord strategies and sustained tenant preference for high-quality, amenity-rich assets. Rental performance varied meaningfully across submarkets, underscoring the city's bifurcated recovery. Mission Bay remained the highest-priced office district, with average asking rents reaching US\$125.50 psf, driven by strong demand from life sciences, biotechnology, and AI-oriented tenants. Tenants are receiving generous incentives, with TI allowances up to US\$200 psf to attract tenants to Class A buildings. Conversely, the Van Ness Corridor posted the lowest average asking rents at US\$43.52 psf, reflecting its smaller inventory base and more limited concentration of Class A product. Overall, pricing is increasingly shaped by flight-to-quality dynamics and the gradual normalisation of technology and innovation-driven leasing activity heading into 2026.

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Tenants seeking space have larger space requirements, particularly among technology, AI and professional services firms. Leasing activity in the fourth quarter of 2025 was heavily concentrated in Class A assets, which accounted for 71.3% of total transactional volume, underscoring tenants' continued preference for high-quality, well-amenitised buildings in prime locations. On a YTD basis, leasing activity totalled 8.1 million sq ft, representing a substantial 50.8% increase YoY and reflecting a meaningful rebound in occupier confidence. The CBD remained the engine of market activity, generating 5.3 million sq ft of leasing through the fourth quarter as tenants recommitted to core, transit-oriented locations. Several high-profile transactions reinforced this trend, including Sierra AI's lease (251,179 sq ft) at 185 Berry Street in SoMa, DocuSign's renewal (189,542 sq ft) at 221 Main Street in the South Financial District, and Kirkland & Ellis's renewal (153,202 sq ft) at 555 California Street. Collectively, these deals highlight improving tenant sentiment, growing conviction in long-term space needs, and strengthening fundamentals that are positioning San Francisco's office market for a more durable recovery entering 2026.

San Francisco experienced its first full year of positive absorption since 2019, marking a pivotal turning point in the city's post-pandemic recovery. YTD absorption totalled 772,809 sq ft, reflecting a meaningful shift in market dynamics as move-ins continued to outpace move-outs across the city. This improvement signals that occupiers are not only re-entering the market but are doing so with greater confidence and longer-term commitments. The CBD accounted for most of this momentum, recording 447,988 sq ft of positive absorption, while non-CBD submarkets contributed an additional 324,821 sq ft. These gains underscore broad-based improvement rather than isolated submarket performance, supported by expanding space requirements from technology, AI and professional services firms.

Construction remains subdued, with just 1.8 million sq ft underway in 1Q 2026, the lowest level since the dotcom bust. Key projects under construction include Elco Yards (500,000 sq ft), Southline's 345,000 sq ft building at 50 Tanforan Avenue, and YouTube's new headquarters in San Bruno. Other notable developments include 567 Airport Blvd (241,679 sq ft), and 500 Broadway St (228,000 sq ft). Construction is likely to remain muted, with developers focusing on preleased or BTS projects. The market's recovery will depend on sustained leasing momentum and improved capital market conditions.

Sales activity (US\$2.4 billion) was below historical averages (US\$3.5 billion), and pricing adjusted significantly down to US\$364 psf from US\$780 psf in 2022. Cap rates ended the year at 7.4% up 50 bps from 6.9% in 2024. The market is dominated by private buyers targeting distressed

and value-add opportunities, as institutional investors remain cautious: Lone Star Funds acquired the CMBS note secured by 600 California Street (26% leased) for US\$130 million, reflecting a debt basis of approximately US\$361 psf; 300 Howard Street (US\$107.6 million / US\$232 psf, 100% vacant); and Wells Fargo's headquarters at 420 California Street (US\$55 million / US\$135 psf, Wells Fargo plans to vacate). Other notable transactions include UCSF Health's acquisition of Alexandria Center for Scient and Technology office portfolio for US\$767 million (US\$2,000 psf) which UCSF partially leased (purchase option); Peninsula Land & Capital's acquisition of 505 Montgomery Street for US\$105 million (US\$299 psf); and New York Life and Lincoln Property's acquisition of 600 Townsend Street for US\$54 million (US\$260 psf), which has a 2.2-year weighted average lease term (WALT).

6.1 South of Market (SoMa)

A broader uptick in San Francisco's office leasing activity, driven in part by increased hiring and space demand from AI firms and other tech companies has driven positive absorption (totaling 169,000 sq ft) in five of the past six quarters for this submarket. For example, Foundation, a robotics firm, leased 617–629 Bryant Street (36,000 sq ft), Tuneln, Inc. signed a sublease at 475 Brannan Street (15,035 sq ft) and Character AI leased 550 Third Street (25,000 sq ft). Renewal activity and expansions are also picking up. The vacancy rate (24.7% as at end 2025) has declined from 25.8% a year ago supported by steady leasing activity and few deliveries.

Premium buildouts are commanding higher rates. Asking rents for creative office space range from US\$29 psf to US\$50 psf. However, overall asking rents (US\$36 psf) remain 40% below the peak in 2019. New construction is scarce. The most recent delivery was 531 Bryant Street in April 2024 (54,452 sq ft, LEED Gold-certified) with asking rents ranging from US\$53 psf to US\$65 psf. The pipeline includes over 1.4 million sq ft (for e.g., 598 Brannan St) in the planning stages. However, some proposed offices have been converted to residential projects (for e.g. 88 Bluxome). SOMA's vacancy rate is expected to decline gradually while rent growth is likely to remain flat in the near term, with affordability and flexibility continuing to drive tenant interest in Class B assets.

7. Logistics Market Performance & Trends

Despite trade uncertainty, tenant demand and overall leasing activity strengthened in the second half of 2025. US industrial net absorption exceeded 50 million sq ft for two consecutive quarters—a milestone not seen since 2023. Fourth-quarter net absorption reached 54.5 million sq ft, 29% higher YoY, and 53% of US industrial markets posted annual absorption gains in 2025. Larger users, often

seeking modern logistics facilities to support automation and higher power requirements, drove most of the demand. Among properties built since 2020, 43% of net demand (116 million sq ft) came from requirements of more than 500,000 sq ft. Major retailers, e-commerce firms, manufacturers, and third-party logistics providers (3PLs) dominated this segment. Historically, key port-proximate markets capture 20-25% of annual net absorption. In 2025, however, maritime trade moderation reduced their share to just 13% of total demand. Instead, inland markets led demand: Dallas/Fort Worth (31.1 million sq ft), Indianapolis (13.7 million sq ft), Phoenix (13.7 million sq ft), Kansas City (11.8 million sq ft), and Columbus (9.8 million sq ft).

7.1 Occupancy Rate

The US industrial vacancy rate held steady at 7.1% through the second half of 2025, supported by stronger demand, slower speculative supply and moderating sublease space availability. Vacancy increased by just 45 bps YoY, the smallest annual increase in three years. In the fourth quarter of 2025, 53% of US markets saw vacancy rates remain flat or decline QoQ. Smaller industrial assets remain the tightest segment, with vacancy at 4.8%, while big-box warehouses (more than 300,000 sq ft) ended the year at 9.8%. After peaking mid-year at 10.6%, vacancy in larger-format buildings tightened as new vacant deliveries slowed and demand improved, particularly from 3PLs, manufacturing, food and beverage and e-commerce users.

7.2 Rental Rates and Concessions

Growth in industrial asking rents slowed to 1.5% YoY in the fourth quarter, the lowest growth rate since the first quarter of 2020. The deceleration was concentrated in the Northeast and West, where rents had surged earlier in the cycle (up roughly 100% and 60% from 2019 to peak). As demand softened and vacancy increased in 2025, rents fell by 3.8% in the Northeast and 4.5% in the West. While 40% of markets posted YoY rent declines, long-term growth remains elevated: one-third of US markets saw rents rise more than 50% between 2020 and 2025, keeping costs high for tenants exiting leases during this period. National industrial asking rents remained largely flat at US\$10.02 psf for warehouse space and US\$9.58 psf for manufacturing at the end of 2025. Tenant leverage has increased, prompting landlords to expand concession packages, with three to five months of free rent becoming more standard on five- to seven-year leases.

7.3 Sales Volume

Market participants entered 2025 optimistic about trading conditions, but by April, uncertainty surrounding tariff increases caused many tenants to delay lease decisions. This pause further softened an already uneven leasing

environment, complicating underwriting and raising investor concerns. The slowdown in listings and deal activity proved brief, however, as investors continued to transact through the uncertainty—albeit more selectively. Portfolio and entity-level sales barely grew in 2025 and represented the third-lowest share of total annual industrial deal activity in the past 20 years. Portfolio transactions are typically used to gain rapid sector exposure, but with institutional allocations to industrial already elevated, the need for large, exposure-building transactions has diminished. Portfolio sales totalled US\$29.5 billion in 2025, up 11% from 2024, but well below the prior year's 29% growth pace. Individual asset sales increasingly dominated the market. Single-asset transactions rose 19% YoY to US\$84.9 billion in 2025, accelerating from 2024 and well above the US\$48.1 billion annual average recorded in the five years preceding the pandemic. By property type, warehouse and flex investment rebounded meaningfully. Warehouse sales declined sharply in 2023 but recovered to US\$81.9 billion in 2024 and increased another 14% in 2025 to US\$96.7 billion. Flex transactions followed a similar trajectory, rising 23% YoY in 2025 to US\$17.6 billion after strong gains in 2024.

7.4 Overall Capitalisation Rates

While price growth for industrial properties slowed in 2025, cap rates compressed slightly. According to the RCA Hedonic Index, cap rates fell 10 bps over the year to 6.1% in 4Q 2025. Industrial cap rates reached a low of 5.2% in this cycle, bottoming out in 4Q 2021. The previous high-water mark for the sector was 6.9% in 2007, prior to the GFC.

7.5 Construction

Elevated vacancy rates, higher interest rates, and modest demand helped slow groundbreakings in 2024, leading to just 280 million sq ft of industrial deliveries this past year—the lowest annual total since 2017. Completions fell 35% YoY and were 25% below the 10-year average. The under-construction pipeline has inched up over the past two quarters, reaching 268 million sq ft after bottoming at 264 million sq ft midyear. BTS projects made up 29% of completions in 2025, up from 22% in 2024, as developers grew more cautious with speculative supply. As large industrial users prioritise customised facilities to meet operational and power requirements, BTS activity is likely to pick up. Currently, 40% of space under development is BTS (106 million sq ft).

8. Kansas City Logistics Market

2025 ended with optimism that the Kansas City industrial market was in a strong place and continuing to improve. Deliveries totalled 9.8 million sq ft, including 8.3 million sq ft of BTS space in 2025. Major BTS projects included

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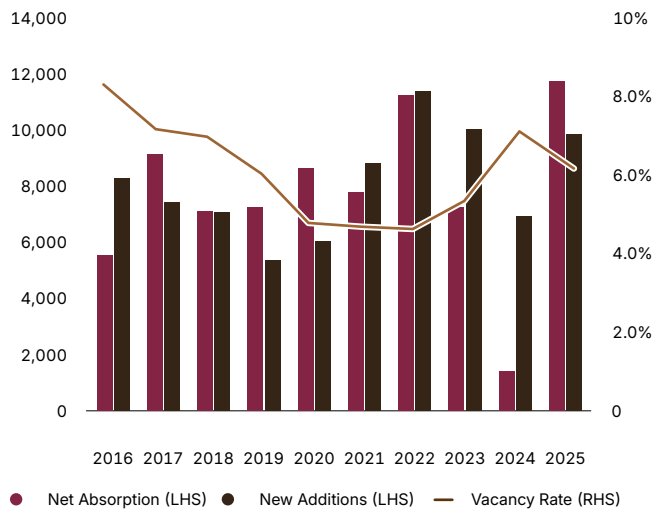
a 2.7 million sq ft manufacturing facility for Panasonic and three additional projects exceeding 750,000 sq ft, many of which commenced construction prior to 2025. Total absorption reached 11.8 million sq ft in 2025, driven largely by the delivery of specialised, long-term projects. As a result, vacancy declined to 6.2% by year-end. While leasing activity averaged 2.7 million sq ft per quarter in 2025, this is below the 3.2 million sq ft quarterly average from 2019–2023—highlighting a roughly 500,000 sq ft per-quarter gap between a moderate and a thriving market. Asking rents ended the year up 3.8% to US\$5.73 psf, averaging US\$5.46 psf for manufacturing and US\$5.18 psf for warehouse/distribution space.

Investment activity slowed, with total transaction volume of only US\$252 million—down sharply from the prior year but modestly above 2023 levels. Average pricing rose slightly to US\$67 psf, surpassing the prior market peak set in 2021. Notable trades included Almanac Realty Investors' acquisition of Inland Port XXXII in Edgerton for US\$55.7 million (US\$73 psf) and Jefferson River Capital's purchase of the Fort Parts Distribution Center in Shawnee for US\$17.7 million (US\$79 psf). While land acquisitions slowed sharply in 2024, momentum began to return in late 2025 as major developers closed on select parcels for construction of new industrial facilities.

Leasing will be critical to absorbing space delivering in 2026 and unlocking future development. Developers are

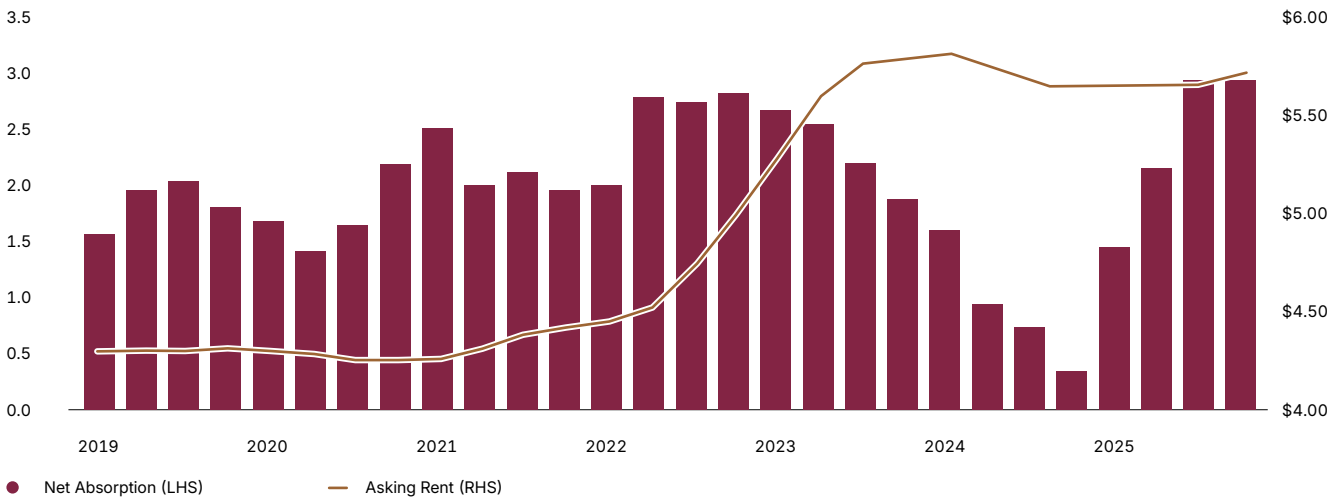
currently focused on projects around 500,000 sq ft or smaller, with a return to speculative buildings exceeding 750,000 sq ft likely several quarters away. Near-term momentum will depend on a steady pickup in 100,000–200,000 sq ft deals to de-risk some of the existing blocks and near-term deliveries. As buildings lease-up, the market could transition quickly into a new expansion phase.

Net Absorptions, Additions and Vacancy ('000 sq ft)



Source: Cushman & Wakefield Research.

Net Absorption (million sq ft) and Asking Rent (psf)

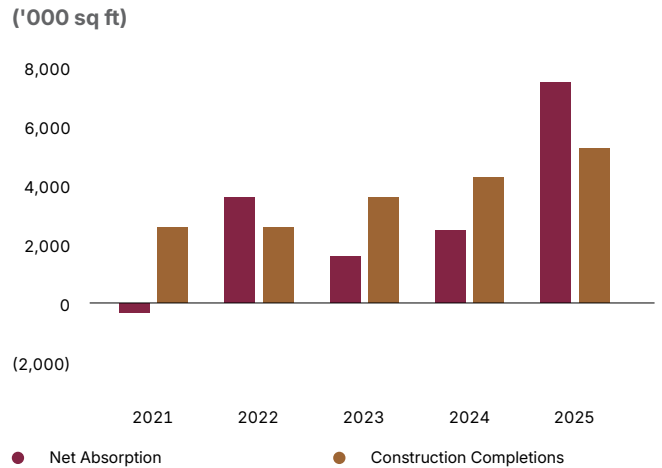


Source: Cushman & Wakefield Research.

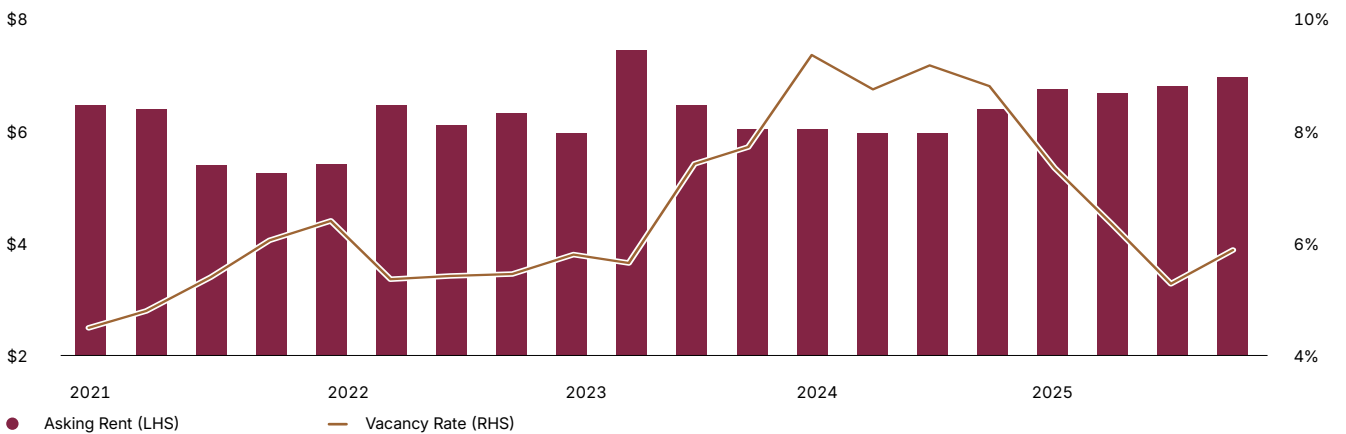
8.1 Johnson County

Johnson County experienced tremendous growth in 2025, reporting 7.5 million sq ft absorption powered by multiple one-of-a-kind deals, several of which had been in the works for years. The most significant was Panasonic's 2.7 million sq ft battery manufacturing plant. It is the largest economic development in the history of Kansas City, estimated to cost US\$4 billion and target employment of 4,000 full-time workers at capacity. Others include Amazon's market rate purchase of a 1.0 million sq ft building near I-35 and 175th Street, which had been delivered on a speculative basis by TPA Group with the intent of leasing it; and the U.S. Postal Service sublease of a 1.1 million sq ft distribution centre near Olathe. Collectively, those three deals totalled 4.9 million sq ft of absorption. As a result, vacancy declined from 8.7% in 4Q 2024 to 5.9% by end 2025 even though 5.25 million sq ft of deliveries came online. Despite robust absorption and falling vacancies in recent years, the Johnson County industrial development market had been in a lull through most of 2025 until recently. Multiple land transactions closed in 2025 as developers consider speculative construction in what could be the start of another period of expansion.

Net Absorption and Construction Completions



Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research.

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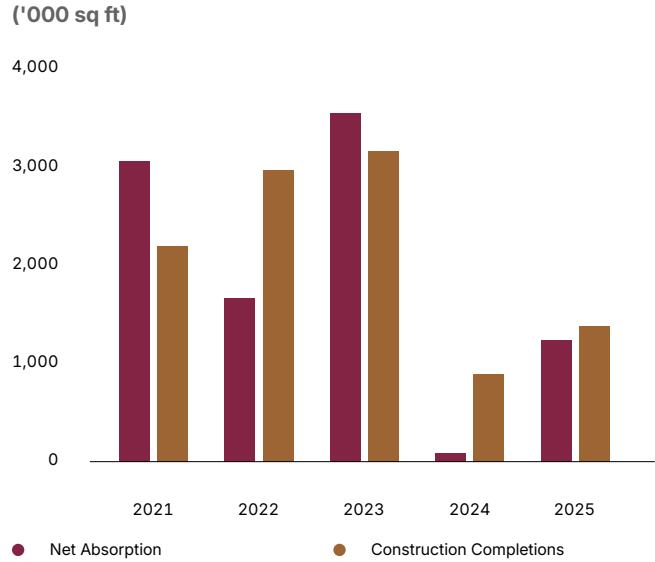
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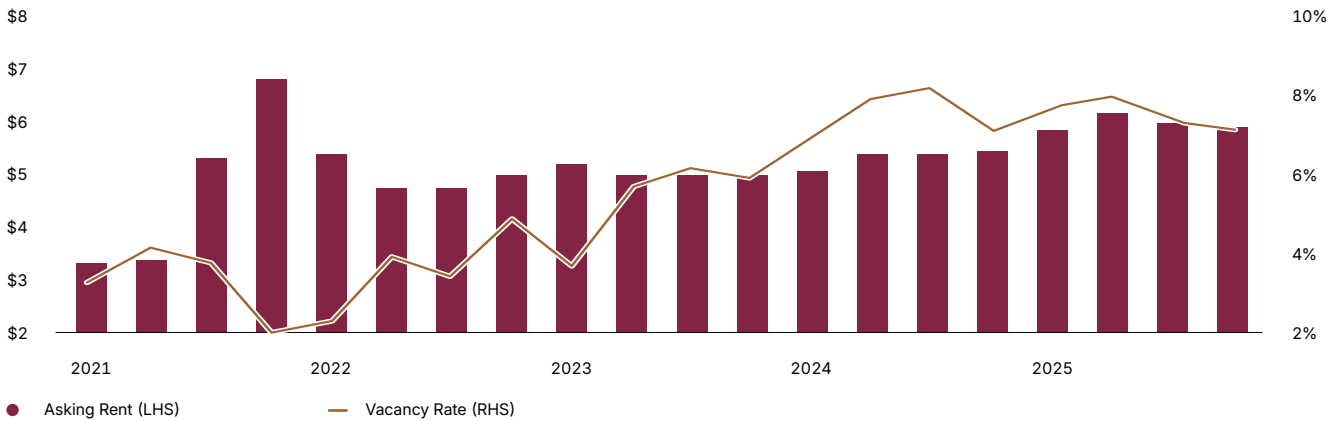
8.2 Jackson County

Total absorption in 2025 was 1.2 million sq ft, powered by delivery of cold storage BTS projects and backfilling of vacant space. Three separate BTS projects ranging from 312,000 sq ft to 335,000 sq ft were delivered, two of which were cold storage facilities. I-49 Logistics Center, which is located right next to the Canadian Pacific Kansas City Southern Railyard, has been a draw for tenants. While newer developments have reached the southern perimeter of the metro, sites located within the I-435 loop remain in high demand due to direct access to four major interstates. A 300,000-sq ft lease at Blue River Commerce Center brought that park back to full occupancy, while 89,000 sq ft was absorbed at Three Trails Industrial Park in 1Q 2025. Collectively, those parks total 2.9 million sq ft and are 100% occupied. The next major site for speculative development is Eastgate Commerce Center (1,200 acres & 10 million sq ft), located north of I-70 in Independence. The first two buildings, a pair of 284,000-sq ft speculative projects, have been delivered and signed at least one lease.

Net Absorption and Construction Completions



Asking Rent (psf) and Vacancy

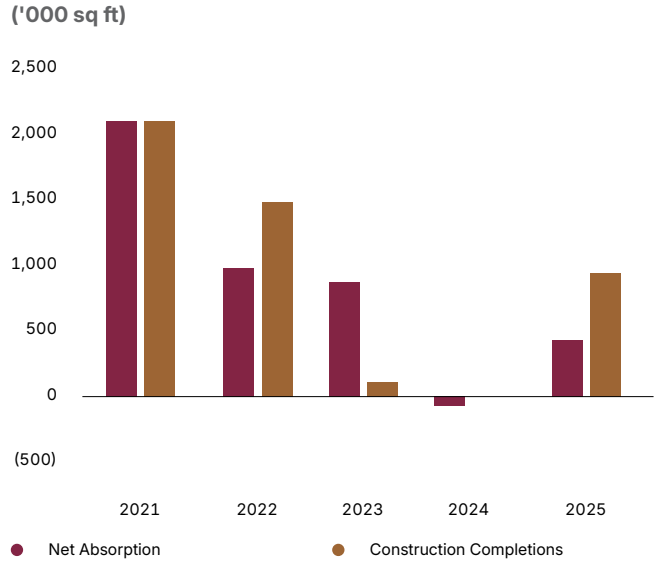


Source: Cushman & Wakefield Research.

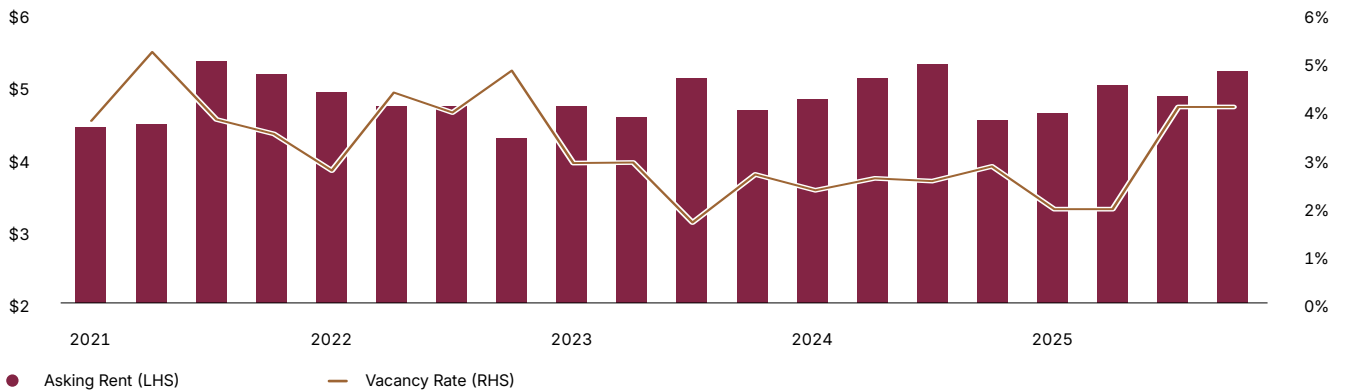
8.3 Wyandotte County

Total absorption in 2025 was 430,000 sq ft across Wyandotte County which has three primary concentrations: Fairfax, Turner Diagonal and Western Edge. The Fairfax district is home to the GM Fairfax Assembly Plant, which aims to start production of the Chevy Equinox in 2027 – a boost to the local economy. The Turner Diagonal area includes a specialised e-commerce facility that is in the process of launching limited drone delivery (to the south) and the 1.9 million sq ft Turner Logistics Center (to the north) which is fully leased. Plans exist for a second phase (900,000 sq ft) at Turner Logistics Center, but no official start date has been announced. The Western Edge includes areas surrounding the interchange of I-70 and I-435, which includes the former Woodlands Racetrack, an omnichannel distribution centre, and both BTS and speculative projects just south of the highway. However, the announcement at the end of the year that the American football team Kansas City Chiefs will move forward with plans to build a new stadium in that general area will impact future industrial development.

Net Absorption and Construction Completions



Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research.

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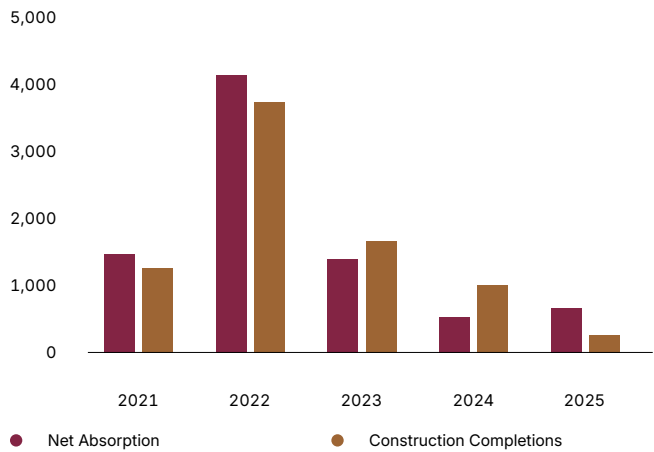
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8.4 Executive Park (EP), Northland Park (NP) & The Northland

Total absorption in 2025 was 622,000 sq ft, powered by an explosion in speculative development in NP which led to additional construction in The Northland and eventually new buildings going up on some of the last remaining infill sites in EP. In the past decade, there have been 12 million sq ft of deliveries across 32 buildings with an occupancy rate of 95.3% in line with the submarket overall. Only five of those buildings have any vacancy. Looking forward, Norfolk Southern Railroad (which operates Voltz Yard in NP) is in discussions over a merger with Union Pacific Railroad that would create the first east-west transcontinental railroad in the US. The merger could potentially make Voltz Yard the connecting point between east, which would drive additional development in that area.

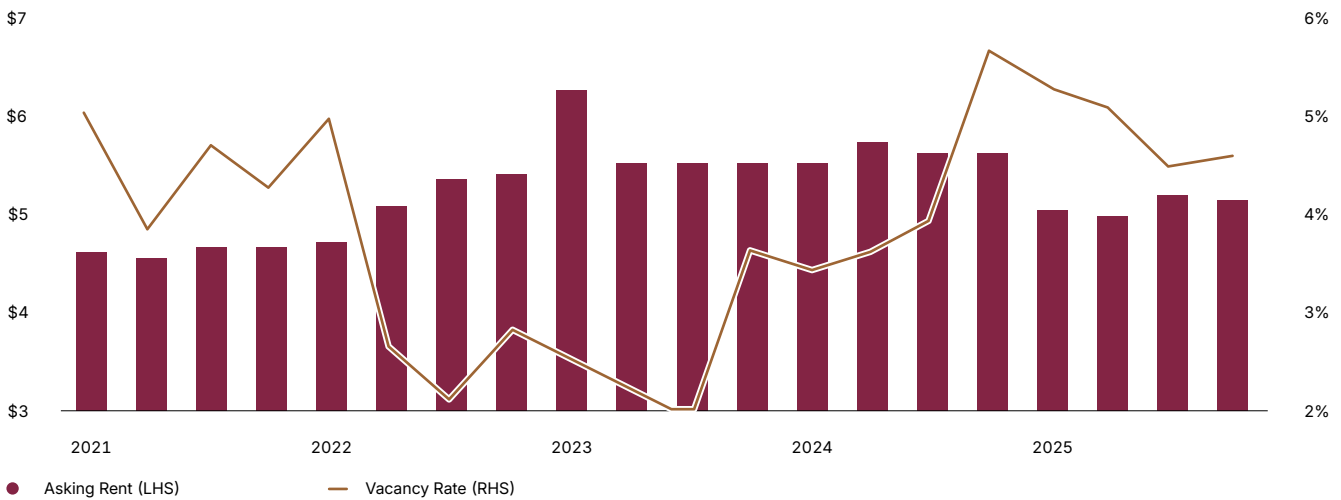
Net Absorption and Construction Completions

('000 sq ft)



Source: Cushman & Wakefield Research.

Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research.

9. Chicago Logistics Market

Chicago's industrial market saw a surge in demand during 4Q 2025. New leasing reached 9.9 million sq ft, up 69.4% YoY, bringing full-year 2025 leasing to 36.8 million sq ft (+33.6% YoY). Big-box demand was a standout, with leases of 500,000 sq ft or more totalling 8.2 million sq ft—up 118.3% from 2024—underscoring sustained interest in large-format facilities. Vacancy edged up 20 bps YoY to 4.7% and was flat QoQ, with nine of 19 submarkets posting declines. Submarkets with notable declines in vacancy included Southeast Wisconsin and Northern Fox Valley, which recorded drops of 250 bps to 7.6% and 160 bps to 5.8%, respectively. Vacant sublease space decreased

8.1% YoY to 3.9 million sq ft in 4Q 2025, now comprising just 6.5% of the total vacant inventory. The bulk of vacant subleases are located within Interstate 55, Western Cook County and O'Hare, which account for 49.7% of all sublease vacancies. Net absorption totalled 6.3 million sq ft through 4Q, down 41.9% YoY, largely due to the delivery of 7.6 million sq ft across 15 new vacant buildings of 250,000 sq ft or more which offset occupancy gains. As previously leased space is occupied in the upcoming quarters, absorption is expected to increase and stabilise.

Average asking net rental rates recorded moderate annual growth in 4Q 2025, up 4.4% YoY to US\$7.16 psf. Ten out of the 19 submarkets experienced YoY rent growth.

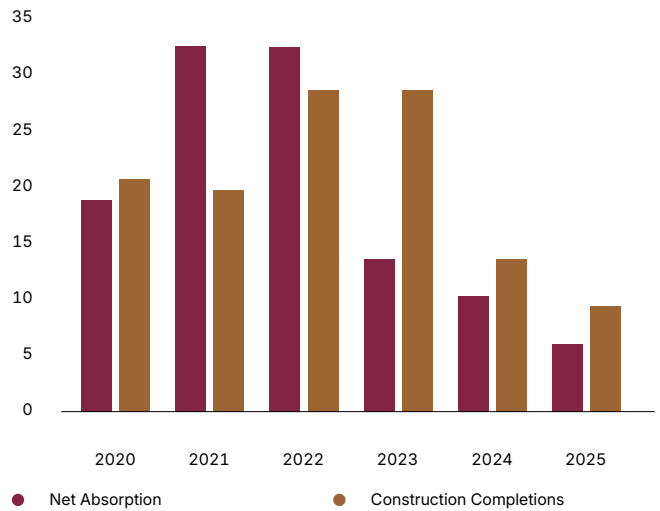
Western Kane County, Chicago South and Central DuPage recorded some of the highest YoY rent increases, up 59.4% to US\$8.83 psf, 17.9% to US\$8.05 psf and 9.8% to US\$9.42 psf, respectively.

Construction moderated further in 2025, with completions down 32.4% YoY to 9.4 million sq ft. The pipeline stands at 10.4 million sq ft (+7.8% YoY), concentrated in the Interstate 80 and I-55 Corridors. BTS deliveries rose to 5.2 million sq ft (+51.3% YoY), while 5.8 million sq ft of speculative space remains under construction, just over one-fifth of which is pre-leased. The slowdown in new supply should help support leasing and absorption as demand normalises.

Investment activity slowed on a trailing 12-month basis, with volume at US\$3.8 billion (-20% YoY), but rebounded as quarterly volume exceeded US\$1 billion for 4Q 2025. Pricing averaged US\$88 psf, with cap rates generally between 6.0% and 8.0% and market pricing near 8.1%. Logistics assets dominated, accounting for over 70% of volume (US\$2.8 billion), though activity remains well below the 2021 peak.

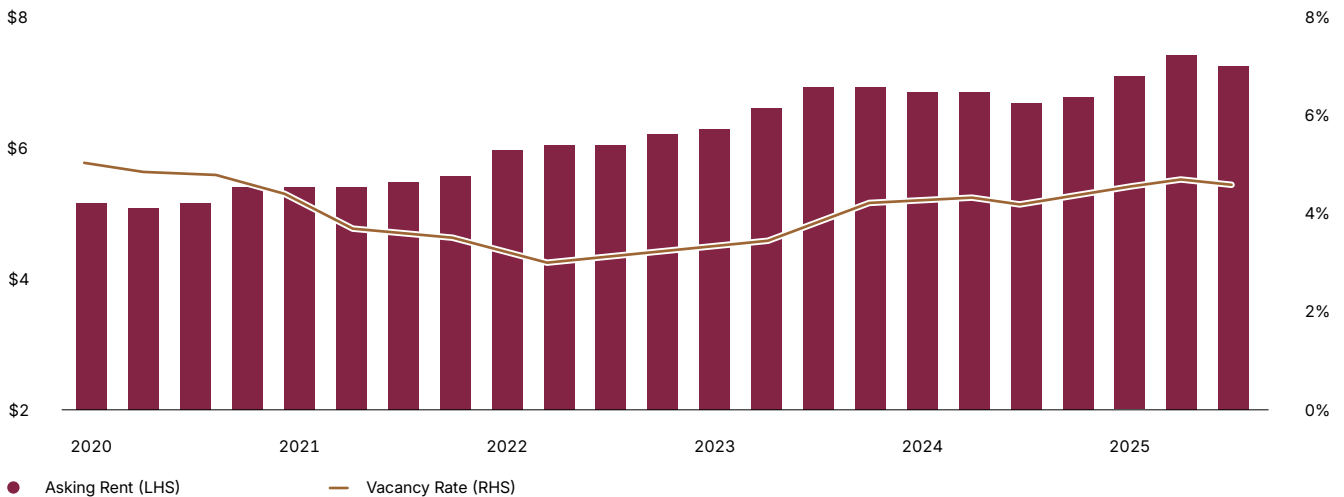
Net Absorption and Construction Completions

(million sq ft)



Source: Cushman & Wakefield Research, CoStar.

Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research, CoStar.

9.1 O'Hare

O'Hare is the Chicago region's third-largest industrial submarket, with roughly 98 million sq ft of inventory and demand historically driven by airport-related freight activity. The ongoing freight recession has softened conditions, with net absorption of -769,730 sq ft over the past year. Reduced tenant demand was due, primarily, to uncertainty around tariffs. In turn, overall vacancy increased slightly to 3.9% and availability rose modestly to 3.8 million sq ft. However, asking rents are up slightly YoY with average industrial rents at US\$10.17 psf. Spaces

under 100,000 sq ft are leasing on roughly 36-month terms, mostly through new leases, while 100,000–500,000 sq ft spaces lease on longer terms averaging about nine years. Rent escalations have stabilised at 3.5%–4.0% in newer buildings, typically including one month of free rent, and 3.0%–3.5% in older assets. Growth is expected to remain near current levels through 2026.

The O'Hare industrial submarket recorded US\$363 million in transaction volume in 2025, exceeding the historical annual average of US\$297 million. The market cap rate compressed YoY from 7.9% to 7.80% and

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the average transaction price increased 6.5% YoY to US\$120 psf. Notable transactions included the mid-year recapitalisation of the 765,225 sq ft Regent O'Hare industrial park for US\$83 million (US\$108 psf) and the acquisition of the 230,000 sq ft Thornsdale Distribution Center for US\$36.5 million (US\$158 psf). Both reflect strong pricing for high-quality assets and broader portfolio rationalisation by major logistics users.

The O'Hare submarket has 2.0 million sq ft under construction (2% of inventory) with data centres comprising roughly 85% (1.7 million sq ft) of all new construction activity. Over the past year, 1.2 million sq ft of starts were recorded, nearly all tied to data centre development, signalling a shift in demand drivers. Major projects include Prime Data Centers' three-building, 1 million sq ft, 175 MW campus in Elk Grove Village; Aligned Data Centers' two-building, 1 million sq ft, 96 MW campus near O'Hare; STACK Infrastructure's 263,000 sq ft, 36 MW facility; and T5 Data Centers' 220,000 sq ft, 36 MW CHI V project, with delivery beginning in 2027. Illinois data center investment tax exemptions and credits, enacted in 2019, and comparatively low power costs continue to support this activity.

9.2 Central Kane/DuPage

The Central Kane/DuPage industrial submarket had net absorption of 210,763 sq ft over the past year, attributed to a leasing slowdown and reduced construction. Vacancy was 2.4% and remains well below the historical average. Within DuPage itself, overall vacancy is closer to 2.4%. Inventory has grown 4.6% over three years with 3.1 million sq ft delivered, including 300,000 sq ft in the past year. Another 580,000 sq ft (0.8% of inventory) is under construction, however, only 20% is currently available. Overall weighted average net rents are US\$10.92 for office/flex and US\$9.40 for warehouse/distribution. The outlook for the submarket is stable, as rent growth is projected to track the greater Chicago market and demand should meet anticipated new supply.

The Central Kane/DuPage industrial submarket posted US\$338 million in trailing 12-month sales, in line with the five-year average of US\$332 million but well below the 2021 peak of US\$601 million. Logistics assets dominated activity, accounting for US\$309 million of total volume. Institutional investors increased their share of transactions to 50% over the past year, up from a long-term average of 45%, while private equity nearly doubled its presence to 20%. Private investors continue to represent about 25% of activity. Notable trades included Ares Industrial's US\$76.5 million (US\$100 psf) acquisition of the 764,895 sq ft Orchard Gateway in 3Q 2025 and its US\$58.15 million (US\$135 psf) purchase of the fully leased 429,610 sq ft Park 88 Logistics Center in 2Q 2025. Recent sales have

largely featured well-leased assets or sale and leasebacks, allowing investors to capture future rent growth.

9.3 Near South Cook

The Near South Cook industrial submarket benefits from strong infrastructure, including access to I-80, I-94, I-294, I-57, and proximity to CN's Harvey Intermodal Terminal, which anchors many of the area's largest industrial assets. Like the other Chicago submarkets, trailing 12-month net absorption in Near South Cook was a negative -84,000 sq ft, although logistics space generated 220,000 sq ft of demand. Logistics space comprises 34.8 million sq ft (66%) of the 53.1 million sq ft inventory. Net completions were -37,000 sq ft as demolitions outpaced new construction, with no space currently under construction and a projected -150,000 sq ft inventory change in 2026. Vacancy increased just 10 bps YoY to 5.7%. Asking rents average US\$10.10 psf and rose 4.0% YoY, in line with metro growth. Looking ahead, vacancy is expected to tighten modestly due to continued demolitions, while rent growth slows but remains consistent with broader Chicago market trends.

Near South Cook posted US\$139 million in trailing 12-month industrial sales, representing 2.9 million sq ft and in line with the five-year average of US\$141 million, though well below the 2021 peak of US\$259 million. Private investors dominated recent activity, accounting for about 70% of sales over the past year. Transactional pricing averaged US\$58 psf, matching the five-year average, while estimated market pricing rose to US\$84 psf versus a US\$76 psf five-year average, with values projected to reach US\$87 psf by year-end. Recent notable trades include Roosevelt Paper Company's US\$31.1 million (US\$66.85 psf) purchase of a 464,818 sq ft Alsip warehouse in 4Q 2025 and two 2Q 2025 sales totalling over US\$28 million. With demolitions continuing to outpace deliveries, Near South Cook remains in transition. The removal of obsolete inventory is helping offset softer demand, and fundamentals are expected to track broader Chicago market trends going forward.

9.4 I-88 West

I-88 West posted 440,000 sq ft of net absorption over the past year. Leasing activity remained steady, and vacancy remained tight at 5.0%. Approximately 1.6 million sq ft, or 1.9% of inventory, is currently under construction. From 2020 to 2023, the submarket added nearly 11 million sq ft of occupied space, with recent demand concentrated in newer logistics facilities, which accounted for 340,000 sq ft of absorption over the past year. Data centres remain a key driver, contributing 560,000 sq ft of absorption in the last 12 months, including a 411,000 sq ft move-in by CyrusOne. Recent activity includes the May 2025

delivery of Kraft Heinz's 775,000 sq ft BTS distribution facility and the planned 500,000 sq ft Ravago BTS in Montgomery, expected in summer 2026. While most speculative projects lease within a year, the 788,000 sq ft Plainfield Business Center Building 1 is delivering in winter 2025/2026 with significant space still available. Annual rent growth is 4.3% in line with the broader Chicago market at 4.1%. Specialized space has slowed to 3.3% while logistics and flex rents remain steady at 4.7% and 4.1%, respectively. Rent growth is expected to ease slightly by year-end 2026. Starting rents for buildings over 100,000 sq ft average about US\$5.00 psf NNN, while smaller spaces under 20,000 sq ft are leasing most actively at US\$10.00–\$12.00 psf NNN.

Sales volume was US\$139 million over the past 12 months. The largest transaction was Morgan Stanley's April 2025 purchase of a 180,000 sq ft Aurora facility for US\$21.75 million (US\$121 psf) in a sale and leaseback with Nissan. Most recent deals have been US\$10 million or less, including STORE Capital's US\$12.8 million (US\$51 psf) sale-leaseback acquisition of a 250,000 sq ft warehouse in 1Q 2025.

9.5 Far South Cook

Total inventory is approximately 36.0 million sq ft, dominated by logistics space at 25.5 million sq ft. The Far South Cook industrial submarket reported a vacancy rate of 2.0% as at end 2025 which is well below the five- and 10-year averages of roughly 4.3%. However, it is forecast to rise to 4.8% by year-end 2026 with about 4.5 million sq ft available (12.2% availability rate) and 970,000 sq ft under construction, near its long-term average. Rents increased 4.5% YoY, exceeding the metro average, with logistics rents up 5.2%. Average asking rents are US\$7.80 psf, led by logistics at US\$7.00 psf, flex at US\$16.60 psf, and specialised assets at US\$9.40 psf. Rent growth is expected to remain strong, ending 2026 at 3.9%, ahead of the Chicago average of 3.4%.

Over the past year, 26 industrial properties traded in Far South Cook, totalling 1.7 million sq ft and US\$132 million in sales—above both the five-year average of US\$96.6 million and the 10-year average of US\$87.7 million. Market pricing averages US\$81 psf, below the metro average of US\$98 psf, with logistics and specialised assets at US\$81 psf and flex properties at US\$114 psf. The market cap rate is roughly 8.0%.

9.6 I-39 Corridor

Total inventory stands at about 22 million sq ft. The I-39 Corridor industrial submarket reported a vacancy rate of 2.8% and 346,551 sq ft of net absorption. With

approximately 620,646 sq ft available and no space under construction currently, vacancy is projected to remain stable 2026. Rents increased 2.0% YoY, roughly in line with the broader market, led by 3.1% growth in logistics rents. Average asking rents for warehouse are US\$6.77 psf. Rent growth is expected to slow, with overall gains forecast at 0.5% in 2026, comparable to the Rockford market average.

Over the past year, 54 industrial properties traded in the submarket, totalling 2.0 million sq ft and US\$62.5 million in sales—above the five-year average of US\$54.7 million and the 10-year average of US\$44.2 million. Estimated pricing averages US\$49 psf, below the market average of US\$53 psf, with logistics at US\$48 psf, flex at US\$63 psf, and specialised assets at US\$46 psf. The estimated cap rate is 10.6%, in line with the broader market's 10.5%.

10. Indianapolis Logistics Market

In 4Q 2025, the Indianapolis industrial market had net absorption of 5.5 million sq ft, bringing YTD absorption to 13.7 million sq ft—up 293% YoY. Demand was driven by the region's strategic location, strong leasing, BTS completions, and large user sales, including a 1.2 million sq ft purchase by Walmart in Mt. Comfort. The East and South submarkets led 4Q absorption (1.8 million sq ft each), while the East (4.9 million sq ft) and Northwest (4.1 million sq ft) finished the year strongest. New leasing reached 21.6 million sq ft (+65.6% YoY), with leases over 300,000 sq ft up 71%. Overall vacancy (including sublease space) fell sharply to 7.6% (–290 bps YoY), though it remains highest in the South (13.6%) and East (11.7%). Market fundamentals tightened further as sublease availability declined from 3.6 million sq ft to 2.0 million sq ft (0.56% total inventory), with nearly 1.0 million sq ft absorbed by just two leases. Total availability rate is only slightly higher 8.0%. Key lease transactions include Harper Collins (1.57 million sq ft), Hyster Yale (712,000 sq ft) at the Ronald Regan Logistics Center and Faith Technologies (672,944 sq ft) sublease at Park 130. Flex space continues to outperform with 1.4% vacancy, while Modern Bulk accounts for 71.5% of vacant space. Asking rents posted their largest QoQ increase since 2Q 2024, rising to US\$6.16 psf. Logistics assets (about 70% of inventory) averaged nearly US\$7.00 psf, with large-format buildings leasing near US\$5.70 psf and sub-100,000 sq ft properties commanding roughly a 25% premium amid low vacancy.

Industrial investment remains solid despite recent softening. Trailing-year sales totalled US\$1.3 billion, in line with the 10-year average and driven by logistics assets. Transaction activity rebounded in 2Q 2025 to a three-year high, led by Walmart's US\$108 million acquisition in

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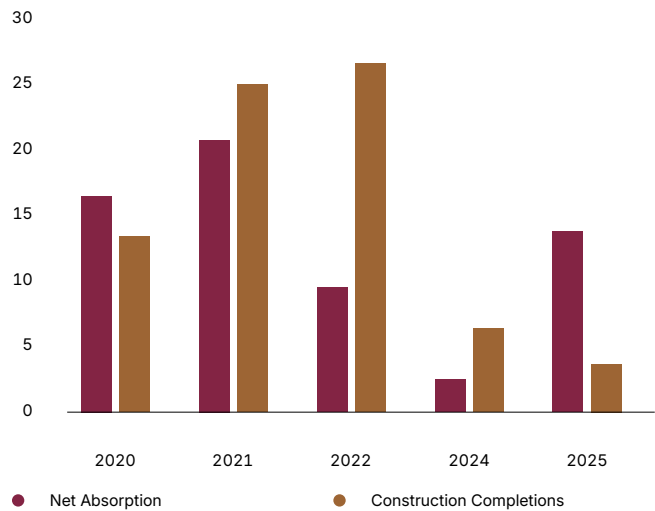
By Cushman & Wakefield Regional, LLC

McCordsville, Amazon’s US\$77.3 million purchase of a 1.0 million sq ft facility in Greenfield, and two acquisitions by EQT Real Estate totalling US\$132 million. Private investors now account for roughly half of buyers, while institutional participation has declined. Pricing for large logistics assets generally ranges from US\$80–US\$100 psf, with cap rates just over 6%.

Construction slowed sharply in 2025, with completions down nearly 50% YoY to 3.7 million sq ft. The pipeline edged up to 3.5 million sq ft in 4Q, dominated by BTS projects (81% of space under construction). Development is concentrated in the West and Northeast, with speculative activity largely limited to the Northwest and Southeast. Despite the broader slowdown, speculative starts increased YoY, signalling selective developer confidence.

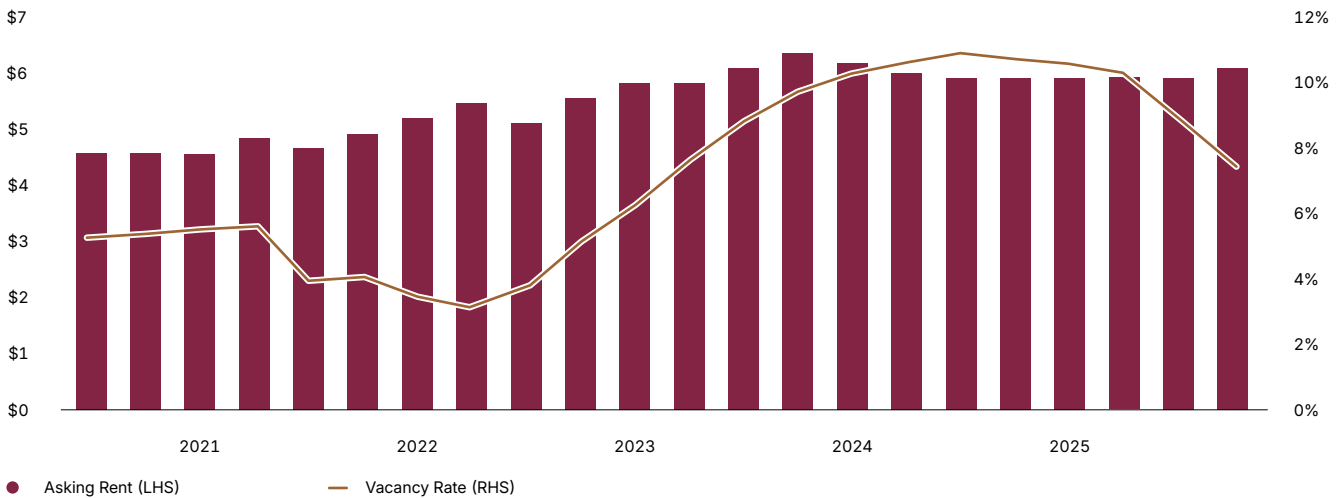
Net Absorption and Construction Completions

(million sq ft)



Source: Cushman & Wakefield Research, CoStar.

Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research, CoStar.

10.1 Johnson County (South)

Johnson County, south of Indianapolis along I-65, remains a key logistics hub, though demand has lagged recent supply. 4Q 2025 net absorption totalled 346,000 sq ft, well below historical norms. Logistics assets—nearly 80% of inventory—posted positive annual absorption of 231,000 sq ft for the first time since 4Q 2023, but demand remains subdued. Vacancy is elevated at 13.6% overall and 21.4% for logistics, though the late-2025 dip in logistics vacancy signals early stabilisation. Rent growth has slowed materially amid high vacancy. Average asking rents are US\$6.93 psf, with YoY growth near zero.

Construction has tapered sharply, leaving the pipeline at its lowest level in nearly a decade, which should support gradual vacancy improvement toward ~13% by year-end, assuming absorption continues to recover. Investment activity surged over the past year, driven by several large logistics transactions, lifting sales volume to US\$254 million—well above historical averages. Logistics pricing typically ranges from US\$80–US\$90 psf, with cap rates in the high-7% to high-8% range amid higher borrowing costs. While interest in large distribution assets remains, elevated vacancy and muted rent growth present near-term risks.

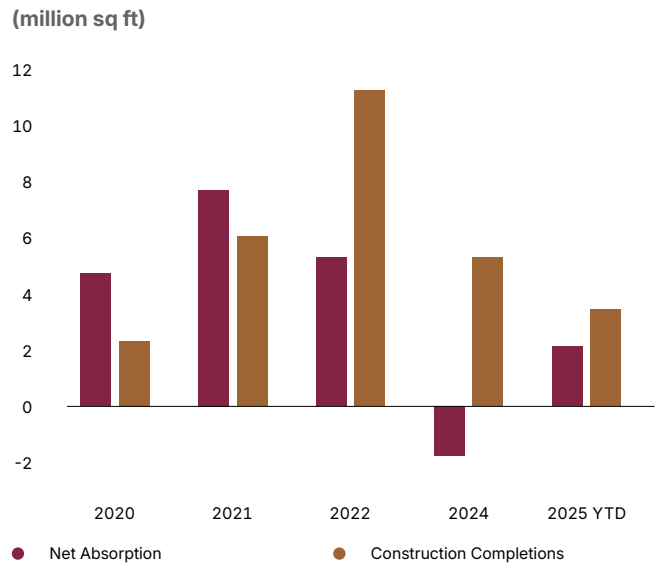
11. Charleston Logistics Market

Availabilities tightened as vacancy decreased to 14.3% in 4Q 2025, marking the first decline in three years. This inflection coincided with a sharp slowdown in construction, with less than 600,000 sq ft remaining in the pipeline, and 4Q 2025 leasing exceeded 600,000 sq ft—seasonally softer but consistent with historical patterns—while 2025 leasing averaged nearly 873,000 sq ft per quarter, outpacing deliveries and supporting absorption. Three tenant move-ins over 100,000 sq ft and a BTS delivery generated nearly 820,000 sq ft of occupancy gains in 4Q, the fourth consecutive quarter of growth, lifting annual net absorption to just over 2.1 million sq ft. With additional large and mid-sized move-ins scheduled, vacancy is expected to continue trending down in 2026 as the muted pipeline allows conditions to rebalance. Asking rents were largely flat at US\$7.99 psf, reflecting continued tenant leverage amid above historical market vacancy. Landlords increased concessions including several months of free rent and substantial tenant improvements, keeping pressure on effective rents despite stable asking rates.

Sales volume remained subdued at roughly US\$399 million, below 2023 and 2024 levels. Fully leased assets with credit tenants continue to attract buyers, but higher cap rates are weighing on valuations. Average pricing stands at US\$117 psf—up more than 38% since 2020—though appreciation has stalled. Buyers are underwriting cap rates 40–50 bps higher than comparable markets due to elevated vacancy, with recent trades generally between 6.0% and 8.0% and market pricing near 7.7% over the past year. Investment activity has focused on stabilised income and well-located infill. Northpoint acquired Airport Commerce Center in North Charleston in October 2025

from Brookwood Capital Partners for US\$55.1 million (US\$138 psf). The 398,100-sq ft portfolio includes tenants such as DHL, Owens Corning, and American Tire. Boutique national investors are targeting value-add opportunities. Citimark acquired two North Charleston warehouses for US\$31.6 million (US\$92 psf), while Obelisk Real Estate Partners purchased four small-bay properties in Ravenel for US\$8.2 million (US\$206 psf) and Vine Works Trade Park on Johns Island for US\$11.25 million, with plans for redevelopment into warehouse and showroom space.

Net Absorption and Construction Completions



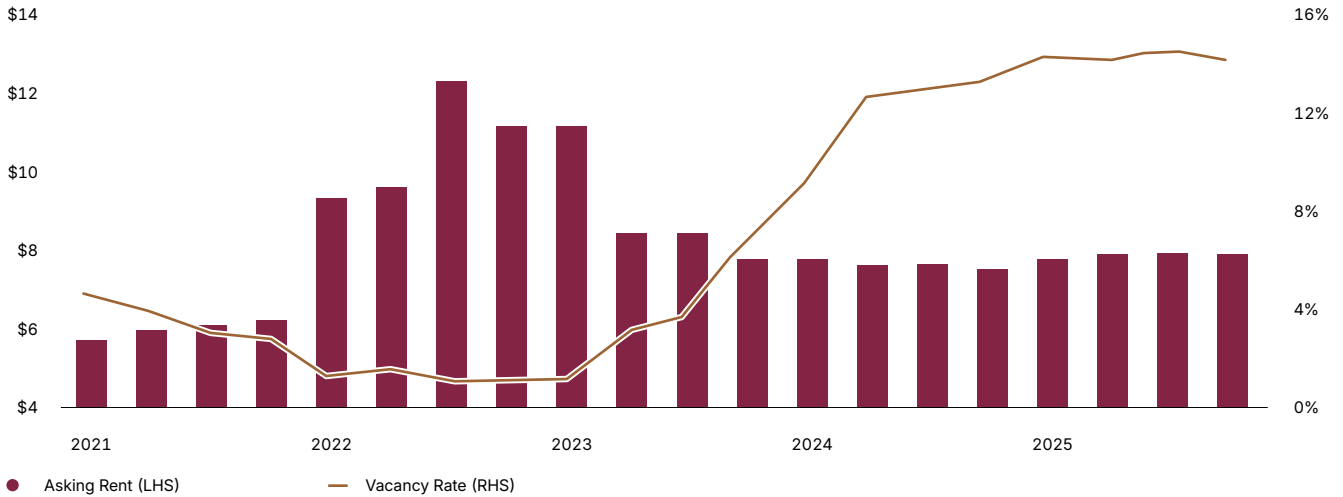
Source: Cushman & Wakefield Research, CoStar.

Independent Market Report

United States

By Cushman & Wakefield Regional, LLC

Asking Rent (psf) and Vacancy



Source: Cushman & Wakefield Research, CoStar.

11.1 North Charleston (I-26 Corridor)

North Charleston’s industrial submarket benefits from strong regional connectivity along I-26 and key arterials, supported by rail access and ongoing infrastructure upgrades. Demand is anchored by aerospace, logistics, and manufacturing users, including major operations tied to Boeing, Mercedes-Benz, and Volvo, with modern logistics and BTS development offsetting selective redevelopment of older sites near the urban edge. Over the past year, the submarket recorded 730,000 sq ft of net absorption against 420,000 sq ft of deliveries, with 490,000 sq ft (1.2% of inventory) underway—roughly in line with the metro pipeline. Vacancy stands at 10.7% and asking rents average US\$8.85 psf.

Investment activity remains healthy: US\$232 million (US\$148 psf) in trailing-year sales across 59 deals. The largest recent sale came in October, when Northpoint Development used fund capital to purchase the Airport Commerce Center, a three-property, 2017-built industrial park totalling 398,100 sq ft for US\$55.1 million or US\$138 psf. Citimark Management was the most active buyer purchasing the unleased, 97,000-sq ft, 1977-built warehouse at Pepperdam Industrial Park for US\$10.5 million or US\$109 psf and the 247,000-sq ft distribution center at 3191 Ashley Phosphate Road for US\$21.1 million or US\$86 psf.

Independent Market Report

UK/Europe

By Knight Frank LLP, February 2026

1. UK MACROECONOMIC OVERVIEW AND OUTLOOK

Global economic conditions were highly uncertain through the first half of 2025, with shifting US policy and the prospect of new tariffs weighing heavily on sentiment. Negotiations later in the year helped ease some of the most restrictive proposals, but the broader outlook remained volatile amid ongoing geopolitical tensions, stubborn inflation and rising sovereign debt burdens. Global public debt surpassed US\$100 trillion in 2024, and IMF projections indicate it could reach around 100% of global GDP by 2029, its highest level since the post-war era. As we move into 2026, the environment is still evolving, but greater clarity around policy direction and trade structures is starting to provide a firmer foundation for activity.

The UK economy surprised on the upside in early 2025, showing resilience against global headwinds. GDP grew 0.7% in 1Q, eased to 0.2% in 2Q, and then held steady with 0.1% growth in both 3Q and 4Q. Although momentum softened mid-year, overall UK GDP rose by 1.3% in 2025 — below the OBR's 1.5% projection but still the strongest annual outturn since 2023. Looking ahead, growth is expected to remain subdued in 2026, with Oxford Economics forecasting 1% growth in 2026, before gradually improving to 1.4% in 2027 and 1.5% in both 2028 and 2029.

Inflation pressures are becoming more balanced. Headline inflation has eased across major economies, supported by stabilising energy prices and improved supply conditions, while core inflation is adjusting more gradually. This shift has allowed several central banks to move towards a more neutral stance, with markets expecting selective rate cuts into 2026. In the UK, inflation trended lower through 2025, prompting the Bank of England (BoE) to deliver a cumulative 100 bps of rate cuts, bringing the base rate to 3.7% by year-end. Although inflation ticked up to 3.4% in December, marking its first rise in five months, the increase is expected to be temporary. The BoE continues to forecast a return towards the 2% target by 2Q 2026, supported by government measures such as energy bill cuts and a rail fare freeze.

The outlook for 2026 is broadly encouraging, with the UK macroeconomic environment entering its first year of stability in close to half a decade. Capital Economics forecasts the Bank Rate to ease to roughly 3% by late 2026, while markets are currently pricing in two additional quarter-point cuts, which would place rates near 3.2%. Although not a return to the ultra-low levels of the past decade, this signals a more stable policy backdrop and compares with benchmark rates of 2.1% in the Eurozone and 3.7% in the US.

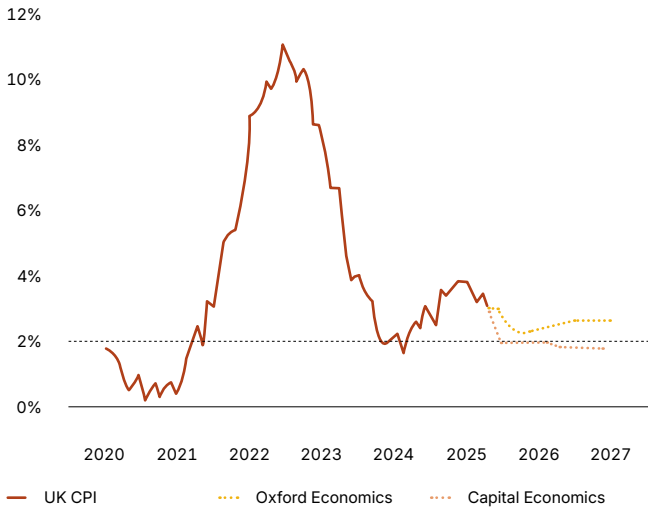
The labour market loosened through 2025 as hiring slowed and wage pressures eased. The unemployment rate rose to 5.1% in the three months to November, the highest since the pandemic. Wage growth (excluding bonuses) slipped to 4.5%, the lowest since early 2022, bringing it closer to levels the BoE sees as consistent with price stability. Private-sector pay also fell below 4% for the first time since 2020, underscoring a broader cooling. Looking ahead, forecasters (including the OBR) expect only gradual improvement, with unemployment likely to hover near 5% before edging down towards its estimated equilibrium rate of 4.1% by 2027.

Retail sales volumes picked up in December 2025, rising 0.4% month-on-month and reversing some of the weakness in October and November, when sales were estimated to have fallen. Although consumer spending has improved since the energy crisis eased, households remain cautious, saving a larger share of income and showing weak demand for credit. Looking ahead to 2026, spending power is expected to grow only modestly, even as consumer confidence begins to recover. Knight Frank forecasts retail sales values to rise by 2.5% in 2026, with volumes holding close to 1% for a second consecutive year.

In 2025, the Labour Government faced growing pressure to adhere to its own fiscal rules, and markets increasingly anticipated tax rises to create additional fiscal space. This contributed to a cautious economic backdrop, with investors waiting for clearer direction ahead of the Autumn Budget (the Budget). When the Budget arrived, it confirmed a shift towards fiscal consolidation. The government announced a measured mix of targeted spending cuts and light tax measures, including reductions to capital gains allowances, modest increases in dividend taxation, and tighter rules for non-dom individuals. These measures helped to calm markets: gilt prices steadied after the announcement, and concerns over fiscal discipline eased. While the Budget measures are not expected to directly affect commercial real estate, some policies, such as higher taxes on high-value residential properties, could weigh on the housing market.

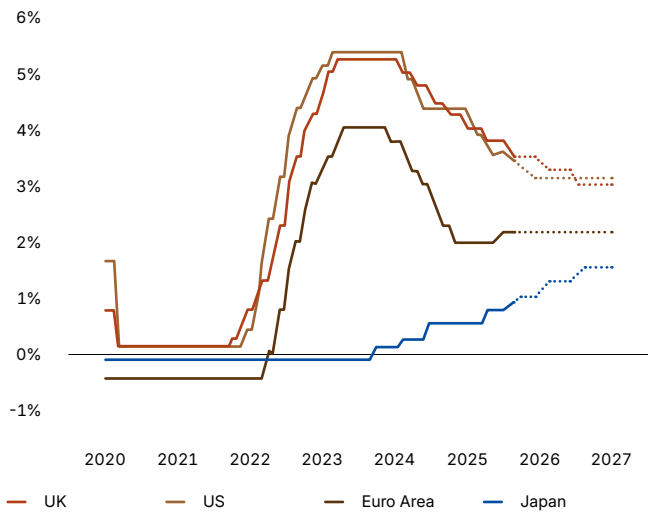
The Budget also highlighted plans to support infrastructure, innovation and productivity, including an expansion of the British Business Bank and further progress on the Mansion House reforms. These reforms will require pension funds to allocate 10% of assets to private markets by 2030, with at least half of that directed towards domestic investments. This shift is designed to channel long-term capital into domestic businesses and infrastructure, which naturally positions UK commercial real estate as a potential beneficiary.

UK Inflation Forecasts



Source: Knight Frank Insight, ONS, Oxford Economics, Capital Economics

Central Bank Base Rate Forecasts



Source: Knight Frank Insight, Macrobond, Oxford Economics

2. UK LOGISTICS MARKET PERFORMANCE AND TRENDS

The UK logistics market in 2025 continued to build on the momentum in 2024, with take-up volumes up 13.1% YoY. While structural demand drivers remain, occupier behaviour has been more selective and value-focused with higher levels of availability and greater choice, resulting in longer decision cycles.

Demand for space remains diverse given the flexibility of modern logistics assets. New tenant types have started to emerge, such as Chinese e-commerce (most notably JD.com, but other names as well, such as online furniture retailer Daals) and cold store operators, demonstrating

that demand is starting to shift beyond the traditional industrial and logistics tenants of urban distribution, retail and manufacturing. Although these traditional occupiers currently dominate, demand dynamics are anticipated to fuel income growth as the recent boom in logistics development subsides.

Development activity, particularly in the big box sector (units more than 200,000 sq ft), has become increasingly bespoke, which is benefitting listed logistics companies with established development capabilities. Second-hand space continued to provide tenants with greater choice, but the highest quality assets continue to attract the greatest level of interest as automation, energy efficiency and compliance standards all rose on occupiers' priority lists. However, ongoing macroeconomic challenges and tighter margins have prompted more measured decision-making, leading to development activity continuing to weaken throughout the year.

Supply expanded as new completions fed through and more space became available, easing conditions without tipping the market into oversupply. Regional disparities emerged, with some core hubs like the South West tightening off the back of strong leasing activity, while other regions like London, the South East and East saw availability drift higher. With developers facing higher financing and build costs, speculative starts are increasingly being suppressed, limiting the development pipeline as a result. As a result, the scarcity of best-in-class available assets in certain areas and size bands remains unresolved.

Pricing held broadly firm with headline rents for prime buildings remaining generally stable, and incentives were used more actively to maintain momentum where choice widened. Investment markets improved as the year progressed, with pricing predominantly driven by an easing of volatility. This mainly stemmed from debt markets that have shown increased liquidity for logistics assets and a reduction in borrowing costs, which have helped to strengthen investor confidence. Furthermore, the expected re-organisation of Local Government Pension Schemes may lead to higher core capital allocations to logistics in 2026, potentially compressing prime yields.

2.1 UK Stock and Vacancy

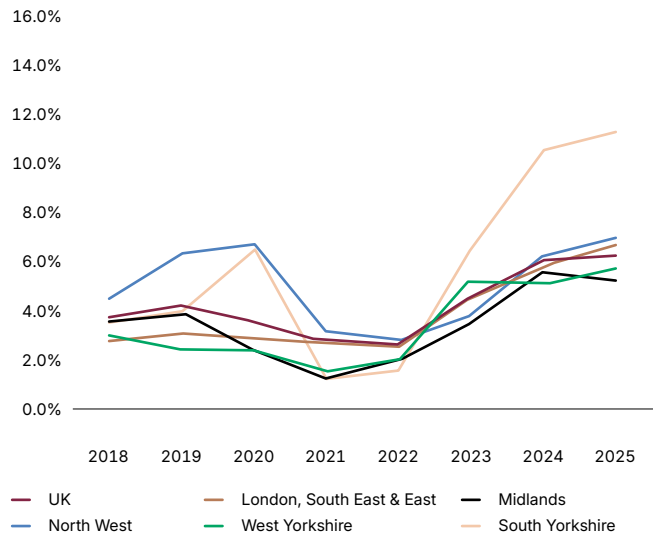
The total standing stock of industrial and logistics properties over 50,000 sq ft increased by 1.2% in 2025, showing continued signs of slowed growth compared to 1.6% in 2024 and 3.2% in 2023. Approximately 13.5 million sq ft of new stock was completed in 2025, including both available space and space that was pre-committed on either a build-to-suit (BTS) or pre-let basis. This represented a decline from the approximate 17.9 million sq ft that was completed in 2024 and 34.7 million sq ft in 2023.

The availability of existing industrial and logistics stock in the UK for units over 50,000 sq ft rose by 3.6% over the 12 months to 4Q 2025, to 86.2 million sq ft, 33% of which was new space, while 67% accounted for second-hand space. The volume of new speculative space available was up 5.4% YoY to 28.8 million sq ft, while second-hand space rose 3.0% annually to 57.5 million. Of the 28.8 million sq ft of available new speculative stock, 40% sits above 250,000 sq ft (through 30 units), while 38% sits between 100,000-250,000 sq ft (through 68 units), reflecting developers' focus on big box and mid box developments to meet sustained demand across key sectors. The increase in availability was a result of a challenging economic backdrop and continued inflationary pressures. While second-hand space offered a favourable cost profile and lower upfront capex requirements due to previous tenants' fit out, this space too was taking longer to be absorbed as occupiers remained cautious in committing to new leases. The overall supply uplift translated into the vacancy rate softening 20 bps to 7.5% in 4Q 2025, up from 7.3% in 4Q 2024. While the current vacancy rate is higher than the c.3% lows of recent years, it remains 80 bps below the 10-year pre-pandemic average of 8.3%.

The most significant rise in vacancy through 2025 was recorded in London, the South East and East, rising 110 bps YoY to 8.1%, driven entirely by new development completions. West Yorkshire's vacancy levels continued to remain volatile, its vacancy rate softened 70bps in 2025 to 6.9%. While it remains higher than at the end of 2024, available stock is dominated by lower quality space, with 81% of available floorspace in units that are grade B or C, highlighting the continued mismatch between supply and occupier demand. However, some regions have fared better. In the Midlands, vacancy rates fell 30bps YoY to 6.3% in 4Q 2025. This was driven entirely by a reduction in new space, which has fallen 13% since 4Q 2024.

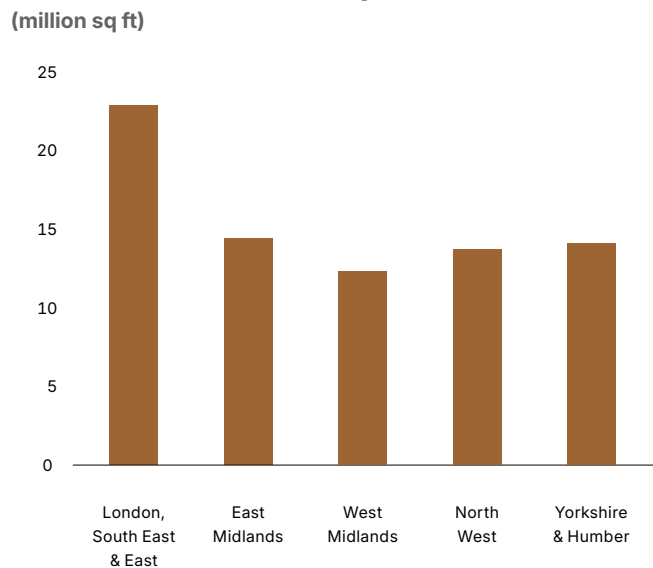
While second-hand space remains ample in the UK, occupiers are still prioritising high-quality space with strong ESG credentials. Much of this second-hand stock will fall short of modern fit-out and amenity requirements of occupiers. It may also fail to meet the tightening Minimum Energy Efficiency Standards (MEES), which require commercial properties to achieve an EPC rating of C by April 2027. Properties that do not comply will need refurbishment works to reach the required standard, which may not be viable in some assets.

Vacancy Rates (Units Over 50,000 Sq Ft)



Source: Knight Frank Insight

Regional Availability As At 4Q 2025 (Units Over 50,000 Sq Ft)



Source: Knight Frank Insight

2.2 UK Demand

UK industrial and logistics take-up for 2025 indicated a robust rebound towards pre-pandemic market activity. Occupiers committed to 41.0 million sq ft during the year, marking a 13.1% increase on the 36.3 million sq ft recorded over the same period in 2024. Total volumes for the year sit 16.2% above the five-year pre-pandemic average of 35.3 million sq ft.

Independent Market Report

UK/Europe

By Knight Frank LLP, February 2026

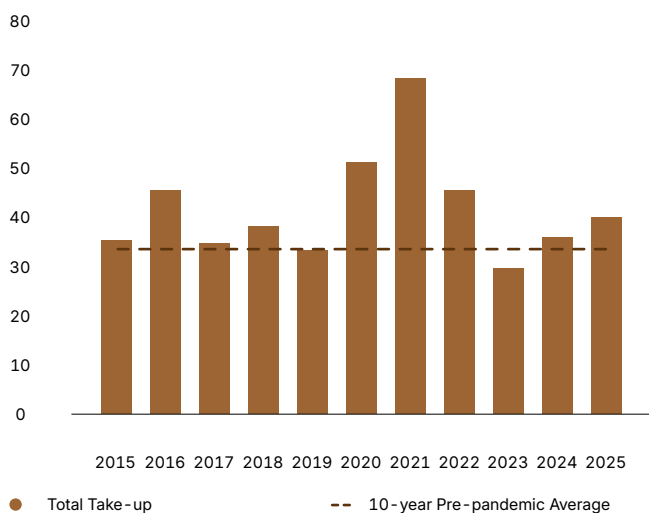
Distribution firms accounted for 42.0% of total floorspace taken in 2025, up from the 39.2% recorded for the sector in 2024. Manufacturers also marginally strengthened their presence, representing 31.9% of annual activity, up from 29.7% in 2024. Retailers' share of take-up has fallen to 18.4% over the course of the year from 21.1%; however, their total take-up volumes rose 26.1% YoY to 16.3 million sq ft. Although take-up by non-traditional (Other) occupiers fell from 10.0% to 7.7% in 2025, total take-up volumes have risen for the sector by 51.3% since 2023, reinforcing the sector's growing influence and activity coming from new tenant types.

Modern space continues to dominate occupier requirements, even as the resurgence of second-hand space is offering greater choice. The share of take-up represented by second-hand space accounted for 48% of total take-up in 2025; however, total volumes for second-hand space fell 4.9% to 18.9 million sq ft YoY.

Amid rising development and financing costs, and with speculative pipelines at their lowest levels since 2020, occupier sentiment remained positive toward BTS and pre-let options, particularly those that have undergone high-quality refurbishments. For example, 52% or over 3.6 million sq ft of take-up volume in the South West in 2025 was new BTS space.

Take-Up (Units Over 50,000 Sq Ft)

(million sq ft)



Source: Knight Frank Insight

2.3 UK Rents and Incentives

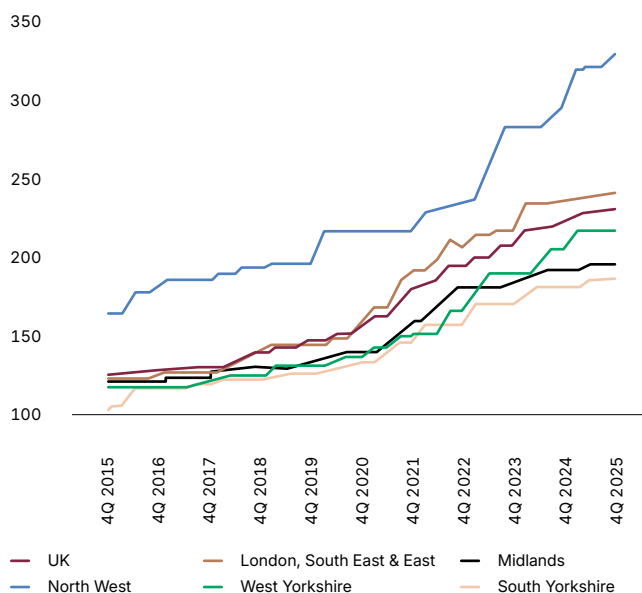
While there has been a notable uplift in occupier activity, the leasing environment continues to be shaped by cost-conscious occupiers. Energy costs remain high, and employers have been contending with increased National Insurance Contributions and a higher minimum wage, both of which were implemented in April 2025.

Prime rents remained relatively resilient throughout 2025, with improving take-up helping to limit downward pressure on headline rental values despite rising supply. Landlords largely sought to protect pricing, although incentives became more competitive, with improved terms offered to attract occupiers and minimise void periods.

Prime rents in the UK for units over 50,000 sq ft eased marginally by 0.4% to £11.94 per sq ft, reflecting a slight softening due to some landlords beginning to reduce quoted rents on prime units to secure tenants. Rents in London, South East and East remained the highest in the UK for units over 50,000 sq ft at £28.00 in West London, this is down 6.7% YoY. Prime rents in the North West market remained at £11.50 per sq ft for units over 50,000 sq ft. In Yorkshire & Humber, prime rents for units over 50,000 sq ft remained stable in Sheffield at £9.00 per sq ft and grew in Leeds by 8.7% YoY to £10.00 per sq ft. No annual growth was registered in Birmingham (West Midlands), with rents remaining at £12.00 per sq ft for a sixth consecutive quarter. Similarly, rents in Northampton (East Midlands) have remained at £10.00 per sq ft for the previous 13 quarters.

Prime Rent Index (Units Over 50,000 sq ft)

(1Q 2009 = 100)



Source: Knight Frank Insight

2.4 UK Future Supply

Development activity, particularly speculative starts, has been slowing over the past three years due to increased debt and higher building costs. Approximately 5.5 million sq ft of space (units over 50,000 sq ft) is expected to be completed in 2026. This includes both available space and space that has already been committed on either a BTS or pre-let basis, with 15.4% of the pipeline currently under offer.

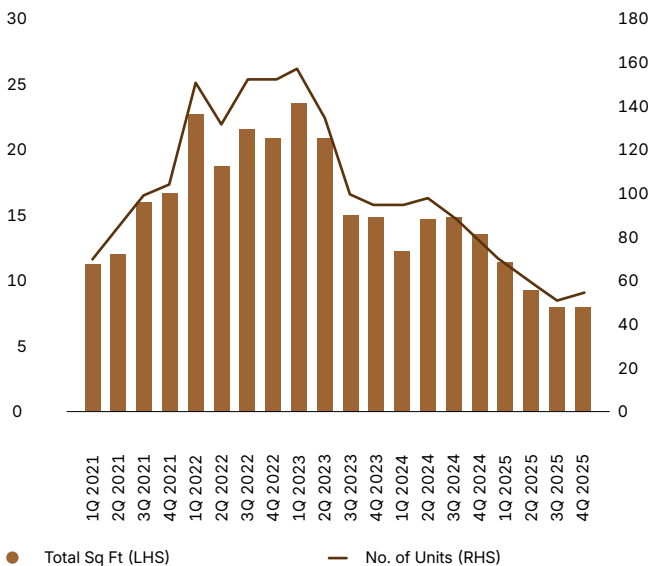
Despite a slight increase in the overall vacancy rate, the supply constraints in certain size bands and specific locations are helping to provide developers with the incentive to bring new schemes forward.

Speculative development remains at an all-time low. Approximately 8.4 million sq ft of space was under construction (across 56 units) at the end of 4Q 2025. This is slightly higher than the low of 8.2 million sq ft (across 53 units) in 3Q 2025, but down from a cyclical peak of 23.9 million sq ft (across 159 units) in 1Q 2023 (units over 50,000 sq ft). Further speculative development beyond those already underway is expected to remain limited.

The speculative development pipeline moving into 2026 varies from region to region. The South West had 287,000 sq ft (4 units) of speculative development in the pipeline at the end of 2025. The East Midlands had 408,000 sq ft (1 unit) of speculative development, and London, South East and East currently have no speculative development. All regions experienced a decline in the volume of speculative space under construction in 2025, except in the South West, which rose by 1.8 million sq ft YoY. South Yorkshire saw a significant reduction in activity throughout 2025, falling from 1.8 million sq ft to 185,000 sq ft in 4Q 2025. The North West also saw a reduction of 1.9 million sq ft over the same period to 767,000 sq ft.

Speculative Development (Under Construction)

(million sq ft)



Source: Knight Frank Insight

2.5 UK Investment Market

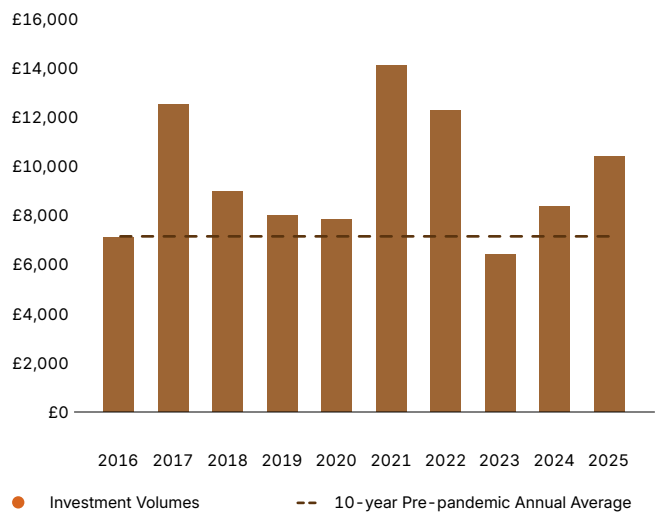
Investment activity in 2025 was driven by improving sentiments and a gradual alignment of buyer and seller expectations. Even as some pricing mismatch and

continuous speculation about tax rises limited deal flows, investment volumes reached £10.5 billion for 2025, up 26.5% from the volume recorded in 2024 and 11.0% ahead of the 10-year average. 4Q 2025 saw investment volumes exceed the £4 billion mark, making it the highest quarterly total since 1Q 2022.

On a regional level, investment activity in London, the South East and East region fell 3.1% annually, while the South West was 25.3% above the volume recorded in 2024, with 31 deals in 2025. Investment activity in the Midlands was down 34.5% YoY, even though some sizeable portfolio sales brought 2H 2025 investment volumes to £980 million.

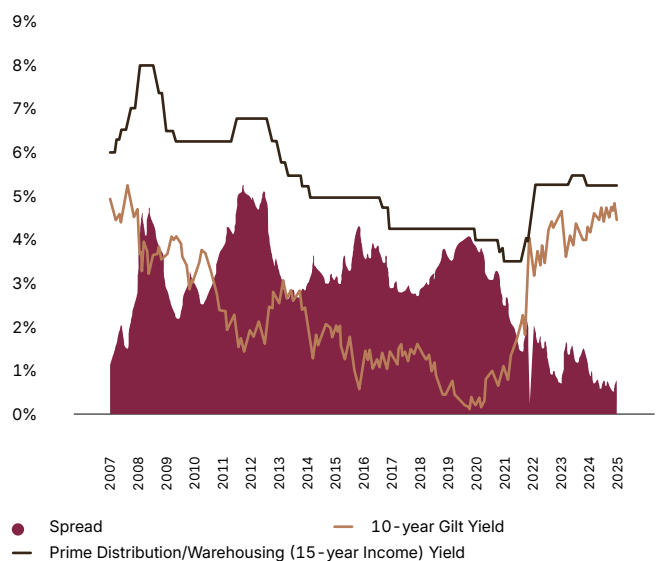
Industrial and Logistics Investment Volume

£ million



Source: Knight Frank Insight, RCA

Industrial Prime Yields & Gilts



Source: Knight Frank Insight, Macrobond

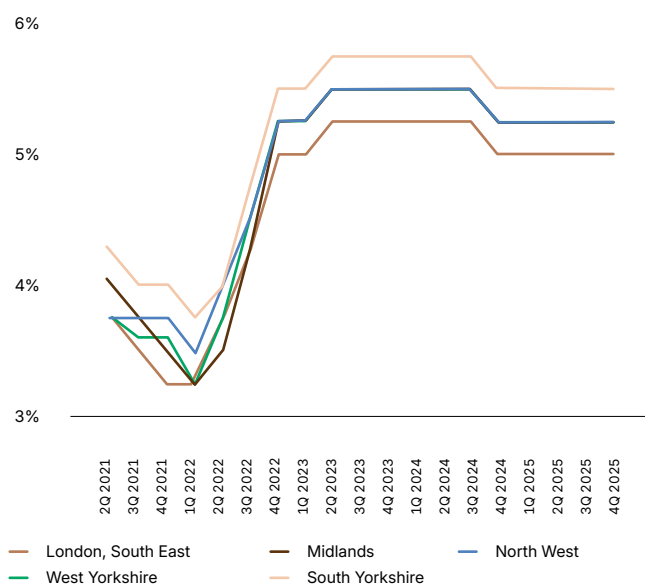
Independent Market Report

UK/Europe

By Knight Frank LLP, February 2026

Yields for prime distribution/warehousing assets with 15-year income on open market rent reviews have remained stable in 2025 at 5.25% after compressing 25 bps at the end of 2024. Prime yields in London, South East and East have remained at 5.0% through to 4Q 2025. In the Midlands, North West and West Yorkshire, prime yields remained at 5.25% while prime yields in South Yorkshire remained at 5.50%.

Regional Prime Industrial Yields (15-year income NIY)



Source: Knight Frank Insight

2025 Top Investment Deals in the UK

Property	Region	Price (£ mil)	Yield	Purchaser	Vendor
Centurion Portfolio	Various	1,035	Undisclosed	Tritax	Blackstone
Urban Logistics REIT	Various	670	Undisclosed	London Metric Property	Urban Logistics REIT
Warehouse REIT 2025	Various	489	Undisclosed	Blackstone	Warehouse REIT Plc
Clipstone Industrial REIT 2025	Various	350	Undisclosed	Sixth Street Partners	Clipstone Investment Management Limited
Logicor Portfolio	Various	246	5.01%	Greykite	Logicor
Fradley Park	Lichfield	197	5.15%	The Royal London Mutual Insurance Society Limited	Fradley 1 Limited
The Access Portfolio	Various	145	5.34%	Barings	Blackstone/Mileway
Tesco Stores, Thurrock Distribution Centre	Purfleet	128	5.51%	Valor Real Estate	Canada Life

Source: Knight Frank Insight

In terms of active capital, the buyer profile remains dominated by cross-border capital, which accounted for 46% of the total invested capital of £10.5 billion in 2025; however, this is down from accounting for 49% of the total in 2024 and 56% in 2023. Institutional investors accounted for 22% of the total in 2025, up from 18% in 2024. Portfolio trading remains dominant, accounting for half of the £10.5 billion invested in the sector in 2025. Several sizeable portfolios are expected to come to market in early 2026, reinforcing its dominance as a driver of investment volumes.

One notable investment deal was Tritax's acquisition of the Centurion Portfolio, a high-quality portfolio of logistics assets for £1,035 million. The acquisition includes 32 urban logistics and five big box assets across the South East and the Midlands. Another notable transaction included Greykite's purchase of Logicor's portfolio, comprising eight assets split across the North West, North East and South West, for £246 million (NIY 5.01%) on behalf of its new Silverdock European Logistics platform. Barings acquired a portfolio of four multi-let urban logistics properties across the South East of England for £145 million (NIY 5.34%). Known as the Access Portfolio, the assets are located in Basingstoke, Bracknell, Welwyn Garden City and Milton Keynes.

2.6 UK Outlook

The UK industrial and logistics sector enters 2026 with a sense of cautious optimism. Stabilising macroeconomic conditions, the gradual return of core capital, renewed occupier confidence and with development slowing, the sector appears to be entering a more stable, although highly selective phase of the cycle. Rental growth is moderating but remains supported by structural drivers, while sustainability and operational efficiency will increasingly determine which assets outperform.

Occupier demand is driven not only by the continued expansion of e-commerce and the entry of new e-commerce platforms, notably JD.com's Joybuy platform, but also by rising defence investment, nearshoring trends and tightening trade regulations that are reshaping supply chains. Together, these forces are strengthening demand for modern, well-located logistics and industrial assets, particularly those capable of accommodating automation equipment for operational efficiency, supporting ESG objectives and last-mile delivery requirements.

Vacancy rates started to edge down in 4Q, and this trend is expected to continue into 2026, due to the shrinking of the development pipeline. Vacancy rates remain significantly higher for older, secondary stock, which may face costly upgrade works or potential obsolescence due to tightening environmental (MEES) regulations set to come in over the next few years. However, with debt and development costs still elevated, the development pipeline is expected to remain constrained, and this lack of new development is expected to support rental growth for modern, well-specified facilities.

Core capital is set for a gradual return to UK commercial real estate in 2026, driven by stabilising debt costs and improved investor confidence. Expectations for interest rate cuts in 2026, together with increased competition among lenders, suggest that real estate debt costs will decrease further. This should make debt more accretive for core and core plus assets. As more large portfolio deals are brought to market, we expect robust investment activity to continue in 2026.

A slowing in rental growth is expected to continue. The forecast average annual growth rate is 2.9% in 2026, down from around 4.6% last year. However, rental growth is still likely to remain favourable relative to other sectors or historic levels.

Key Markets Rental Growth Forecasts

Region	5-YR CAGR % (2025-2029)
UK	3.5
London	4.1
South East	3.2
Eastern	3.8
East Midlands	3.0
West Midlands	3.2
North West	3.8
Yorks & Humber	3.0

Source: Knight Frank Insight

Five-year Compound Annual Growth Rates (CAGR) forecasts indicate that the UK industrial market will rise by 3.5% over the next five years (2025-2029). London, the Eastern region and the North West region are anticipated to outperform the UK average growth, at 4.1%, 3.8% and 3.8% respectively.

3. UK AND EUROPEAN DATA CENTRE MARKET

The UK and European data centre market continues to expand at pace. In 2025, a total of 22,731.1 megawatts (MW) of capacity was added to the aggregate supply, which includes live¹ facilities as well as those under construction², committed³ or at an early stage of development⁴. This brought the total regional supply⁵ to 58,888.1 MW. 2025 marked the strongest year on record for new capacity coming online, with 1,207.6 MW of live supply delivered during the year, an increase of 2.7% compared with the 1,175.8 MW delivered in 2024. The FLAP-D markets, namely Frankfurt, London, Amsterdam, Paris and Dublin, continue to be the leading markets, contributing 51% (or 620.8 MW) of all new live supply delivered in 2025.

¹ Determined IT power that is operational whether it is let or not.

² Under Construction Supply is the estimated IT power that is currently having the mechanical and electrical plant installed to support it.

³ Committed Supply is the estimated IT Load that we are highly confident will be added to a market's overall supply. To the best of our knowledge, this supply has the required elements (government, land, power, etc.) secured or will be developed by an operator with a strong and reliable track record.

⁴ Early-Stage Supply is the IT Load that has been announced or speculated but has yet to secure all of the required elements (government, land, power, etc.) for development.

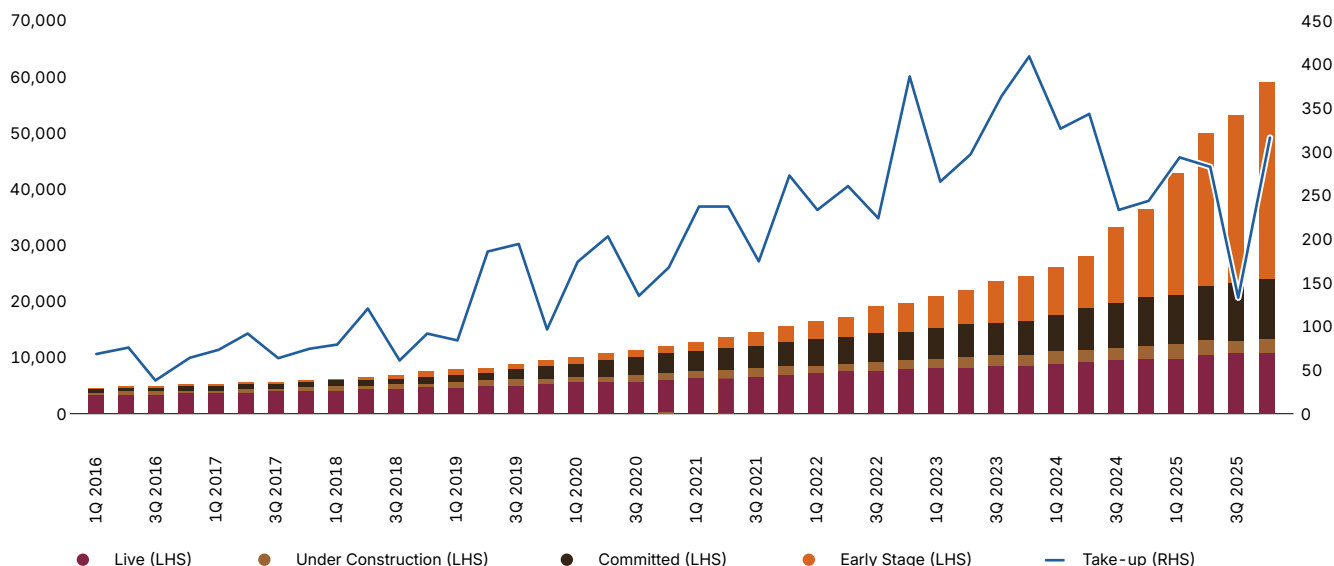
⁵ Total Supply is the sum of all four supply categories: Live, Under Construction, Committed, and Early-Stage Supply.

Independent Market Report

UK/Europe

By Knight Frank LLP, February 2026

UK and European Supply and Take-up (MW)



Continued growth in cloud services, combined with the rapid acceleration of AI workloads, is driving strong demand across the region, with Europe recording 979.5 MW of capacity transacted in 2025, slightly below the 1,145.5 MW transacted in 2024. AI-specific leasing activity has increased nearly seven-fold, reaching 161.0 MW of capacity transacted in 2025, up from just 24.7 MW two years ago. The Nordics have emerged as a preferred destination for AI deployments, accounting for 68% (108.7 MW) of AI leasing this year, driven by access to abundant renewable energy, lower power costs and favourable climate conditions. While London and Paris remain key AI markets, grid saturation and rising energy requirements are constraining further growth. In response, operators are deploying innovative solutions such as on-site generation, battery storage and renewable power purchase agreements (PPAs) to meet the high-density power demands of AI and high-performance computing (HPC) workloads.

Europe has an average vacancy of 8.9%, which remains largely unchanged from the 9.0% recorded in the 4Q 2024, despite the substantial delivery of new capacity. While an 8.9% vacancy rate is not considered tight in today's market, as leading global markets often sit well below this level, it is still low by historical standards. Five years ago, in 4Q 2020,

Europe's vacancy rate was 15.2%. Some FLAP-D markets sit well below the European average, with locations such as Frankfurt and Dublin reporting vacancy rates below 5%.

The high level of pre-leasing activity, particularly in under-construction and committed projects, is further compressing available space. In many cases, new capacity is fully committed before completion, leaving limited optionality for new entrants or expansion requirements. Of the capacity under construction, nearly half (48%) is already pre-leased. In the FLAP-D markets, this figure is even higher at 67%. For committed pipelines, the pre-leased share across Europe stands at 20%.

While not yet fully enacted, the EU's proposed AI Act is expected to introduce new compliance obligations for infrastructure supporting high-risk AI systems. Data centres hosting such workloads may need to demonstrate transparency, auditability and compliance with ethical AI principles, especially if they serve sectors like healthcare, law enforcement or critical infrastructure. As these requirements take shape, data centres capable of meeting the proposed standards are likely to see stronger demand and may be able to charge higher rents, whereas facilities lacking the necessary compliance, power density or auditability could face weaker demand.

3.1 London (UK) Data Centre Market

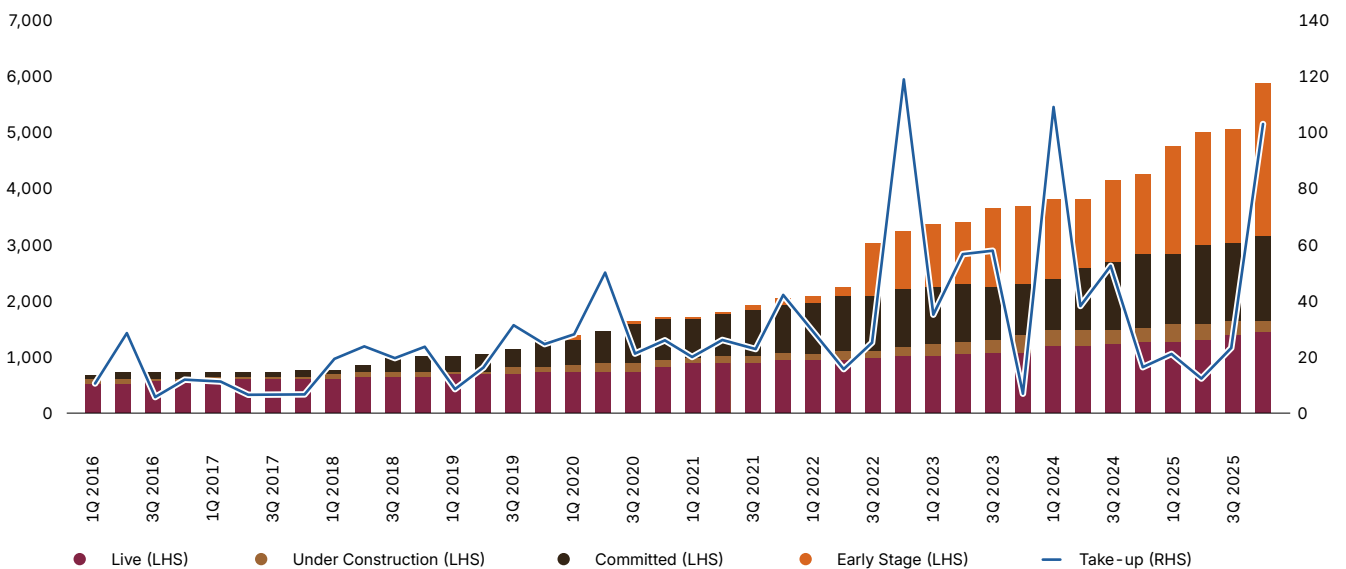
London, Europe's largest data centre market and the dominant hub in the UK, delivered another year of exceptional growth in 2025. Aggregate supply (live, under construction, committed and early-stage) surpassed the 5-gigawatt (GW) milestone, closing the year at 5.9 GW, a 38.1% increase compared to 2024 after 1.6 GW of capacity was added. This expansion means London now accounts for 10% of Europe's total capacity and 38% of FLAP-D capacity. The market remains primarily driven by wholesale colocation, which accounts for 75% of aggregate capacity. While power and planning constraints have shaped delivery timelines in recent years, relief is on the horizon. The announcement of AI Growth Zones in Oxfordshire and South Wales signals a strategic shift towards areas offering faster grid connections and greater planning flexibility, enabling operators to meet rising AI-driven demand while alleviating pressure on London's constrained core hubs. In parallel, National Grid's connection reforms aim to streamline the queue process and prioritise shovel-ready projects, reducing delays that have historically slowed capacity deployment.

Development activity remained resilient throughout 2025 despite power and planning challenges. A total of 158.7 MW of new capacity went live during the year, slightly below the 181.5 MW delivered in 2024. Construction continues at pace, with 248.2 MW currently under construction and a future pipeline (both committed and early stage) of 4.2 GW,

up 54.7% YoY and representing nearly 10% of Europe's total pipeline. Hyperscale projects dominated headlines, with several major schemes advancing through planning. Global Technical Realty secured approval in October for its 256 MW Southall campus[T3.1], while Equinix revealed plans for a 320 MW campus in Hertfordshire, currently awaiting consent. Google is expanding its footprint with a proposed 164 MW facility south of Harlow, and AWS, following its 2024 site acquisition, has submitted plans for a 96 MW campus in Slough.

Demand from public cloud providers has driven the majority of leasing activity in London over the past few years, accounting for an average of 81% of transactions annually between 2020 and 2024. In 2025, AI-driven demand increased, accounting for 19% of leasing transactions, equivalent to 30.5 MW of capacity. However, overall take-up fell in 2025, with 160.2 MW transacted during the year, down from a peak of 219.6 MW in 2024, a reflection of limited available capacity rather than weaker customer appetite, as ongoing power constraints and rising AI-driven requirements mean demand continues to exceed what the market can provide. Construction volumes are increasingly pre-leased, with 72% of capacity currently under construction already pre-let and 9% of the future pipeline pre-leased. This dynamic has kept vacancy rates low, at 6.1% as of 4Q 2025, or 3.0% when excluding smaller retail and legacy colocation facilities.

London Supply and Take-up (MW)

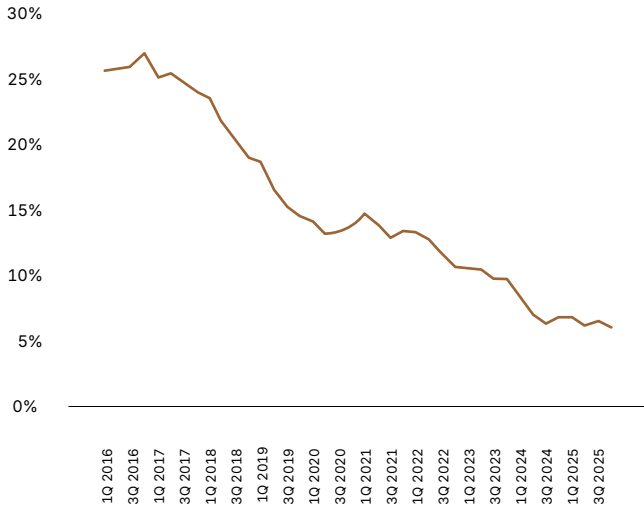


Independent Market Report

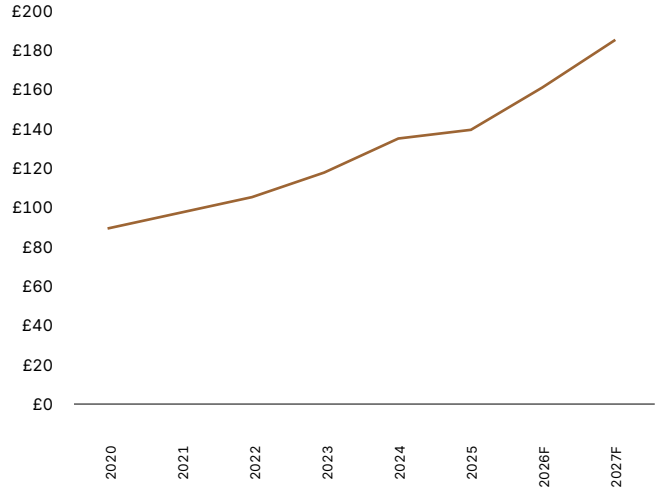
UK/Europe

By Knight Frank LLP, February 2026

London Colocation Vacancy (% of Live IT)



London Wholesale Colocation Pricing

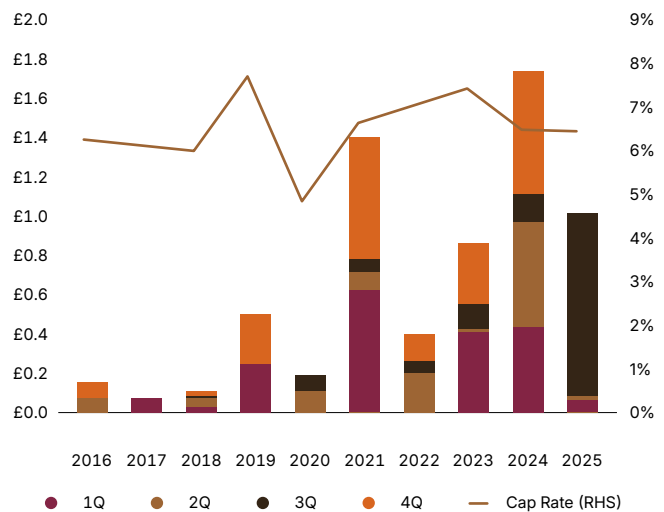


London's colocation pricing is on a steep upward trajectory, projected to more than double from £90 in 2020 to £185 by 2027. Wholesale colocation rents currently range between £135–£140 per kW, while retail colocation pricing has become increasingly volatile, recently settling around £300 per kW. The Office of Gas and Electricity Markets' (Ofgem) new queue management reforms could accelerate grid connections for data centre projects, bringing incremental capacity online sooner and helping to ease some supply pressure in the short term. This works alongside major grid upgrades, such as the Iver-B substation delivering additional capacity post-2028, which will provide large-scale capacity, potentially easing power constraints, moderating rent inflation and stabilising the market over the longer term.

UK data centre investment in 2025 totalled £1.02 billion, down 41% from the £1.74 billion recorded in 2024. Activity this year was dominated by major hyperscale acquisitions and strategic land purchases and reflected a clear shift towards secondary markets beyond London as operators seek greater power availability and development flexibility. The headline deal was DigitalBridge and La Caisse's £4.22 billion acquisition of Yondr Group, a global platform spanning eight sites worldwide, with a combined capacity of 948 MW, including the 100 MW LON1 facility in Slough. Significant land transactions also shaped the market, including NTT's acquisition of 26.3 acres for its planned LON2 site and Tritax Big Box's £70 million purchase of Manor Farm in Colnbrook for a planned 107 MW development. Additional activity included Columbia Threadneedle's estimated £14 million acquisition of a Node4 portfolio across Northampton, Derby and Leeds, alongside Pulsant's expansion through multiple sites in Fareham and Birmingham for an undisclosed sum.

UK Investment Volumes

(billion)



3.2 Manchester (UK) Data Centre Market

Manchester and the wider North of England are positioned for significant long-term growth following recent planning reforms. In February 2025, the government introduced "grey belt" rules to ease Green Belt development and launched AI Growth Zones in northern areas, including the North East and rumoured zones in Teesside and Cumbria. These zones offer streamlined planning and priority energy access for AI-driven infrastructure. In October, draft regulations extended the Nationally Significant Infrastructure Projects (NSIP) regime to data centres, enabling large-scale sites to fast-track approvals through the Planning Inspectorate. A December consultation proposed further changes to the National Planning

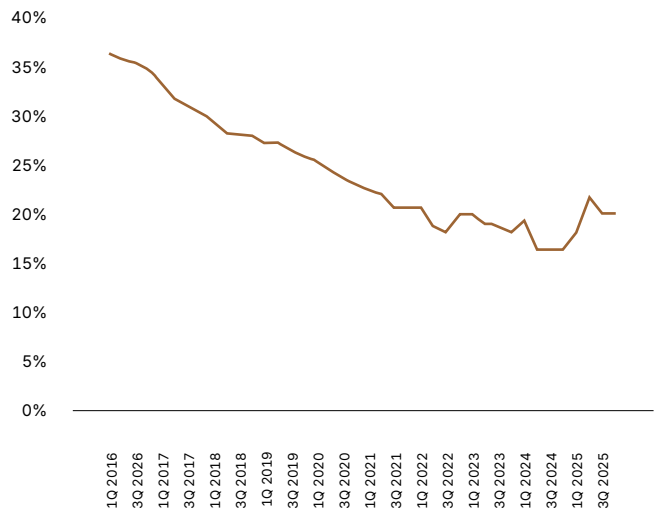
Policy Framework (NPPF) to strengthen support for data centres and on-site energy generation. Collectively, these measures simplify planning and create a favourable environment for hyperscale and AI-related developments.

Manchester now has over 1.8 GW of aggregate capacity, following a strong year with 310.9 MW added to the pipeline. Live IT capacity was 85.7 MW by the end of 2025, meaning there is now 20 times more capacity in the pipeline than is operational. Currently, live supply in Manchester is split approximately 40% self-build and 60% colocation, but this balance is expected to shift to 50/50 when the pipeline is factored in. Two hyperscale-sized developments progressed late in the year: Microsoft submitted plans for a 201.6 MW campus in Leeds, on land purchased in 2024 for £106.6 million from Harworth, and Drax announced plans for a 100 MW facility in Selby, expected to support AI workloads at its existing power station.

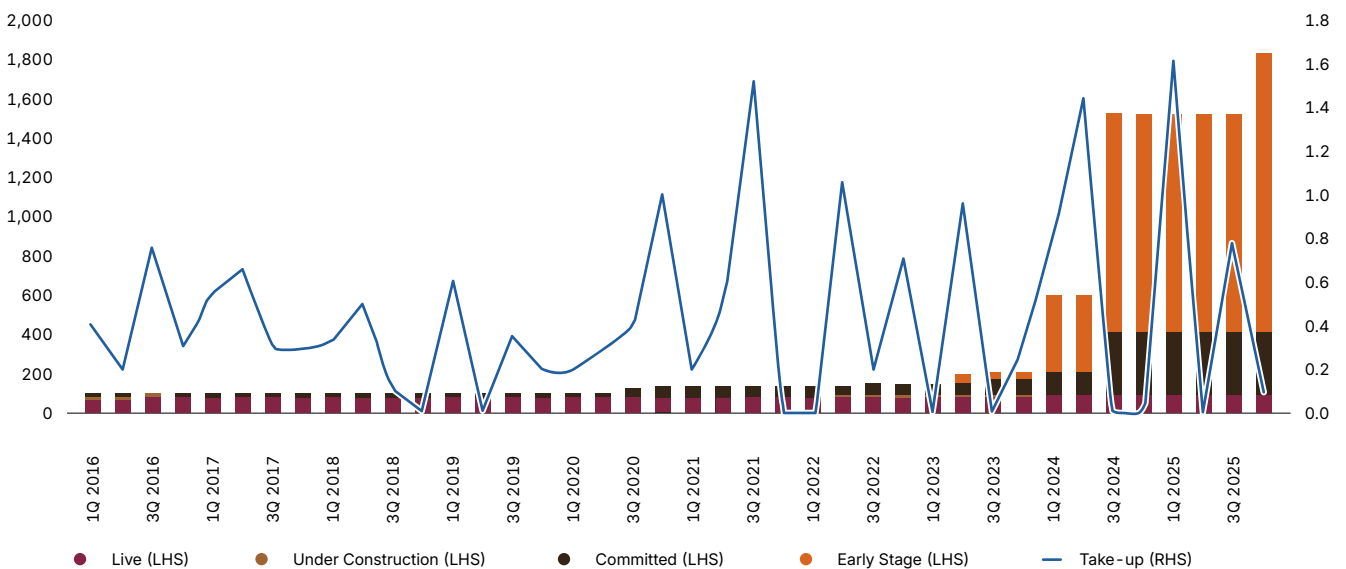
Vacancy rates in Manchester have trended downward over the past decade, although the pace of absorption has slowed in recent years. As of 4Q 2025, vacancy stands at 19.9%, with 10.3 MW of available capacity, but most of this is within retail colocation facilities, typically offering less than 2.5 MW each. These smaller increments are unlikely to meet hyperscale or large wholesale requirements, which often demand multi-MW blocks. Despite the relatively high headline vacancy rate, Manchester has very limited hyperscale-suitable capacity, with only one wholesale facility offering any available space, and that is under 1 MW.

Take-up in 2025 was 2.5 MW, broadly in line with historic trends, with the five-year annual average being 2.0 MW. Given Manchester's heavy reliance on retail colocation, this relatively low level of capacity transacted is not unexpected. While retail capacity is available, these facilities are not configured to support the types of deployments that are increasingly driving demand in other UK markets. Activity is likely to rebound over the next few years as new wholesale colocation developments become operational, providing larger-scale options for enterprise and cloud customers.

Manchester Colocation Vacancy (% of Live IT)



Manchester Supply and Take-up (MW)



Independent Market Report

UK/Europe

By Knight Frank LLP, February 2026

3.3 Paris (France) Data Centre Market

Paris delivered one of the strongest growth performances across FLAP-D markets in 2025. Aggregate capacity climbed to 3.5 GW, driven by an 84.5% increase in the development pipeline compared to 2024, with 1.6 GW capacity added. Live capacity additions more than tripled YoY in 2025, with 190.9 MW energised compared to 60.5 MW in 2024, lifting total live market capacity to 702.8 MW. Construction activity in Paris is picking up pace, with the market now accounting for 8% of all European data centre projects under construction. Among the largest developments, Equinix is building three sites that will add 47.3 MW of capacity through the expansion of PA13x and new facilities at PA12x and PA14, two of which are already pre-leased to a major public cloud provider. Colt DCS is advancing the first phase of its new campus south of Paris, expected to deliver 40 MW initially, while OpCore has broken ground on phase one of its D36 facility, adding 40 MW now and targeting a total of 130 MW once fully built.

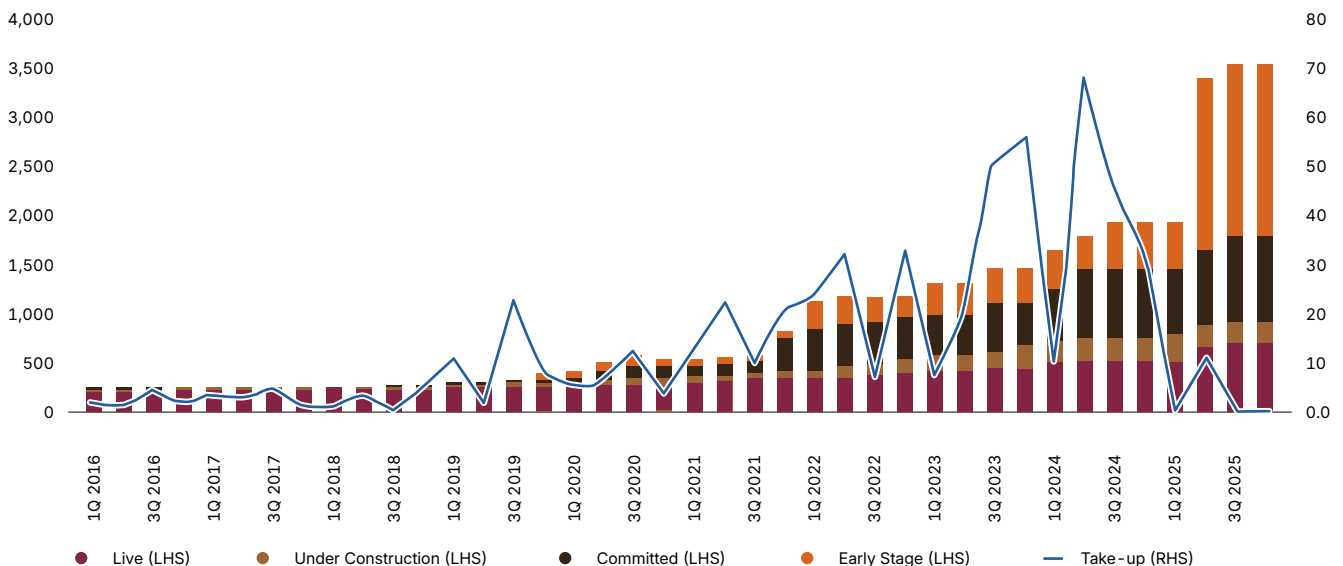
Paris continues to attract significant investment from sovereign funds, hyperscalers and private equity. The two largest announcements this year include a €50 billion joint venture between Mistral AI, NVIDIA, MGX and Bpifrance to develop a 1.4 GW AI mega-campus, scheduled to go live in 2028 and Brookfield's €20 billion commitment via

Data4, announced at the AI Action Summit in February 2025. Brookfield's plan aims to triple France's data centre capacity by 2030, with €15 billion dedicated to hyperscale builds and €5 billion for broader AI infrastructure, including energy and semiconductor projects.

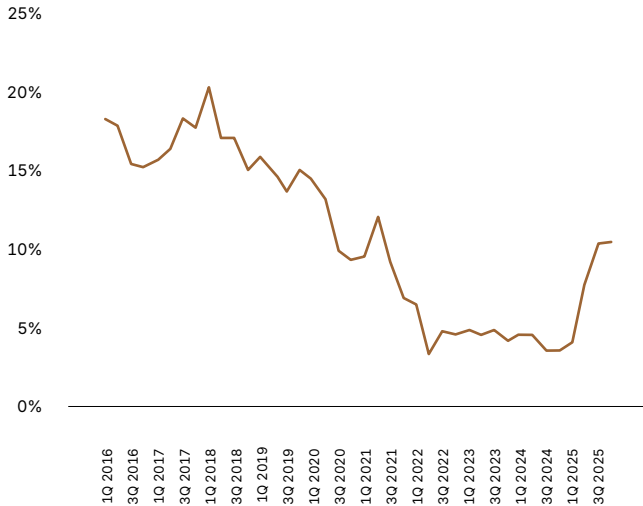
Leasing activity slowed YoY, totalling 11.2 MW of transactions in 2025. Leasing was constrained by limited available capacity, as the majority of new supply was already committed, rather than due to weaker demand. Public cloud providers continued to be a key growth driver for the Paris market. Most capacity that went live during the year was leased at or prior to completion, with 73.2% pre-leased.

Vacancy rates have shifted over the past year. At the end of 2024, Paris recorded a historic low vacancy rate of 3.5%, but this has gradually risen through 2025, reaching 10.4% by the 3Q 2025. This rise is largely attributable to retail colocation sites, which typically offer smaller, multi-tenant deployments and therefore carry structurally higher vacancy as capacity is absorbed incrementally. Currently, 67.4 MW of live capacity is available; however, when these retail sites are excluded, and the market is assessed on a wholesale basis, where capacity is leased in large blocks to single occupiers such as hyperscalers, the vacancy rate falls by nearly a third, to 3.6%. Over half (56%) of capacity under construction is already pre-leased, broadly in line with the FLAP-D average of 60%.

Paris Supply and Take-up (MW)

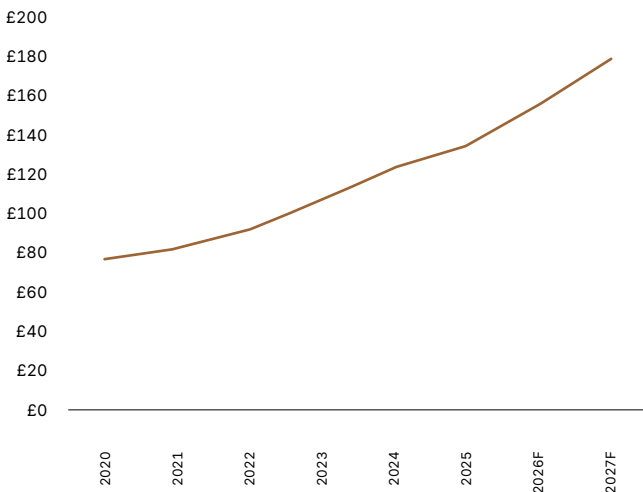


Paris Colocation Vacancy (% of Live IT)



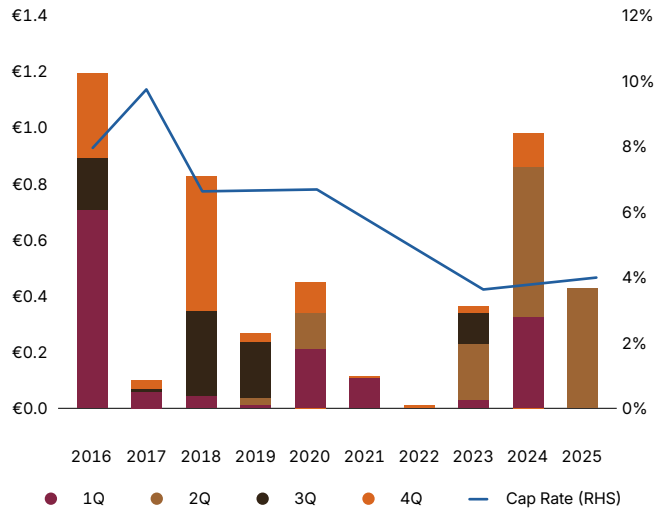
Paris continues to face intense upward pressure on data centre rental values, driven by tight wholesale availability and severe power constraints. Wholesale colocation pricing is now €130–€140 per kW. With Europe-wide construction timelines stretching beyond 2027 and aggressive pre-leasing across the FLAP-D markets, pricing in Paris remains on a strong growth trajectory, with conditions unlikely to ease before 2026.

Paris Wholesale Colocation Pricing



France recorded €430 million in data centre transactions in 2025, less than half the amount seen in 2024, all from a single deal. InfraVia Capital Partners acquired a 50% equity stake in OpCore from Iliad Group for €430 million. The portfolio includes six data centres in the Paris region, with a combined IT capacity of 171 MW.

France Investment Volumes

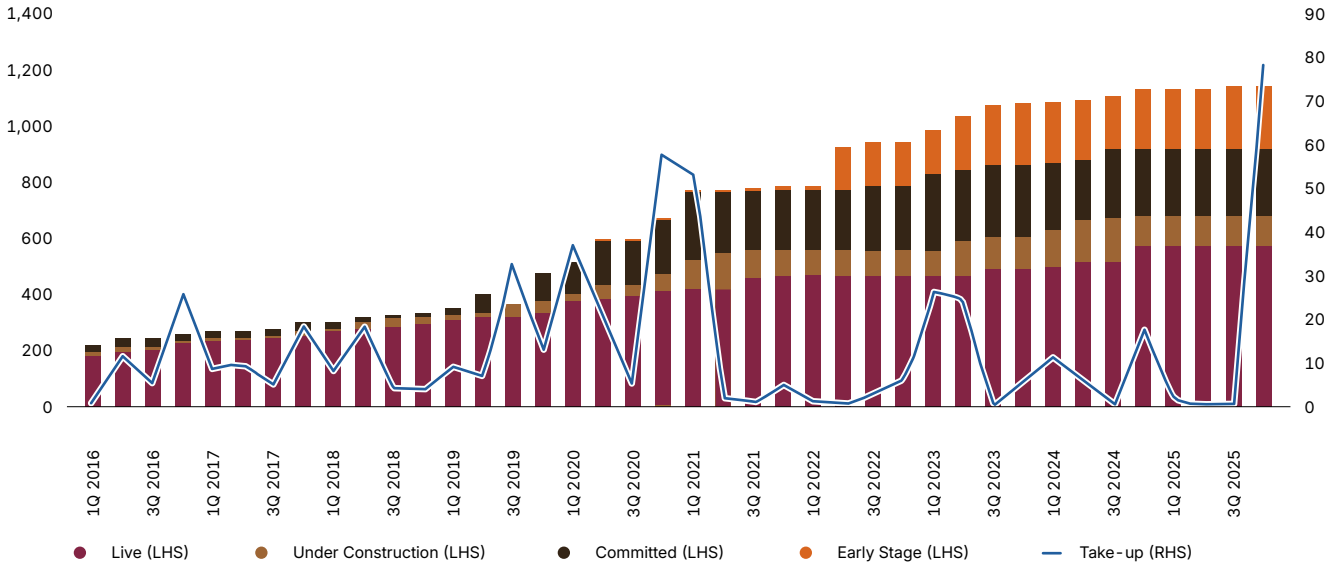


3.4 Amsterdam (The Netherlands) Data Centre Market

Amsterdam remains one of Europe's most supply-constrained markets, recording another year of near-flat growth. Aggregate capacity increased by just 1.4% in 2025, with only 16 MW added to the pipeline, bringing total market capacity to 1.1 GW. The development pipeline is equally constrained. Amsterdam has the smallest pipeline among FLAP-D markets, with 465.7 MW across committed and early-stage projects and only 102 MW currently under construction. Strict government regulations, high land and power costs and limited site availability continue to restrict expansion. Sustainability targets and moratoriums on hyperscale development have further slowed momentum. Earlier this year, Amsterdam extended its moratorium on new data centre developments until 2035, effectively halting new builds unless projects were submitted before December 2023.

Current demand is driven primarily by public cloud providers, rather than AI-related workloads. Take-up volumes in 2025 reached 79.3 MW, more than double the 34.6 MW recorded in 2024. Most of this came from a single major deal in the final quarter. Pure Data Centres, backed by Oaktree Capital, secured a lease agreement with Microsoft for a 78 MW campus (AMS01) in Westpoort. Future demand will likely hinge on supply availability and the loosening of development constraints rather than traditional market dynamics.

Amsterdam Supply and Take-up (MW)



Vacancy remains extremely tight. Live colocation vacancy rates stand at 5.6%, ranking Amsterdam third among FLAP-D markets behind Frankfurt and Dublin. For wholesale facilities offering at least 2 MW, vacancy drops to 1.8%, and for sites with more than 5 MW, it falls further to 1.4%. Construction pipelines are 44% pre-let, leaving 60 MW of available space across eight developments. CyrusOne holds the largest share of this, with 27 MW vacant at its Amsterdam 1 and 2 sites. Committed pipelines remain largely available, with only 27% pre-leased, and most will not be ready for service until 2030 at the earliest, if at all.

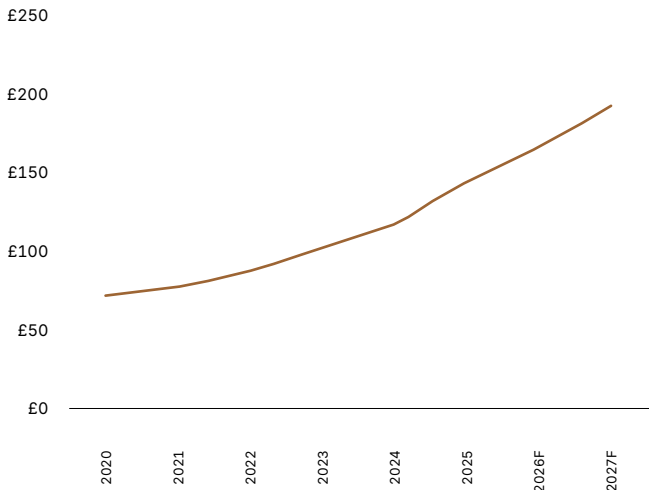
Looking ahead, Amsterdam’s growth will remain highly constrained. Hyperscale projects depend on regulatory exemptions and grid upgrades. In early 2025, TenneT invested €5.5 billion in grid improvements, including high-voltage substation expansions and published updated capacity maps to guide developers towards available connections. These measures are critical to easing congestion and enabling future deployments, while also encouraging development in secondary markets such as Rotterdam, Almere and Groningen.

Amsterdam Colocation Vacancy (% of Live IT)



Wholesale colocation pricing in Amsterdam currently sits in the €140–€150 per kW range, with forecasts indicating 15% annual rental growth over the next two years, driven by constrained supply and increasingly competitive hyperscale demand. This compression in supply is the result of strict moratoria and zoning regulations since 2019–2022, a tightly capped 70 MW per annum power allowance in Amsterdam and Haarlemmermeer and limited grid capacity, particularly until TenneT completes major reinforcement works (likely around 2031).

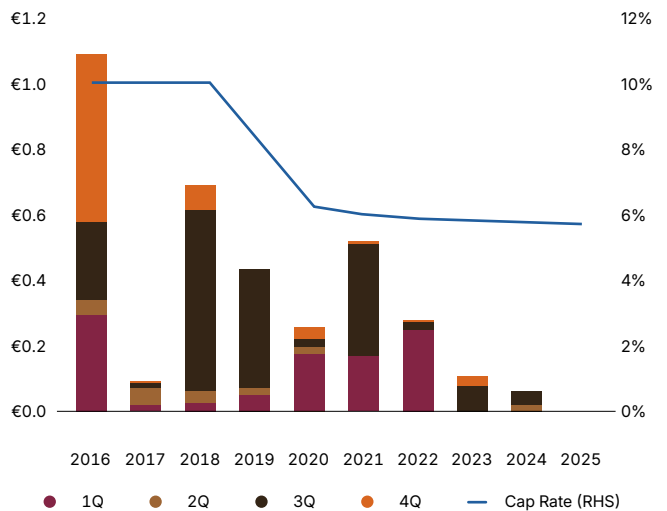
Amsterdam Wholesale Colocation Pricing



Amsterdam’s highly constrained growth environment has not deterred strategic investment moves, though transaction values remain undisclosed. In line with the market’s hyperscale-driven demand and limited development pipeline, DigitalBridge Group and La Caisse acquired hyperscale operator Yondr Group, securing the AMS1 campus, a 60 MW facility fully leased to a single tenant. NorthC expanded its footprint by purchasing six sites from Colt Technology Services, including Amsterdam’s Stekkenbergweg site, which adds 3.4 MW live capacity with 0.4 MW planned. Meanwhile, Microsoft secured a 50-hectare land parcel in the second half of the year in Middenmeer to extend its existing campus.

Netherlands Investment Volumes

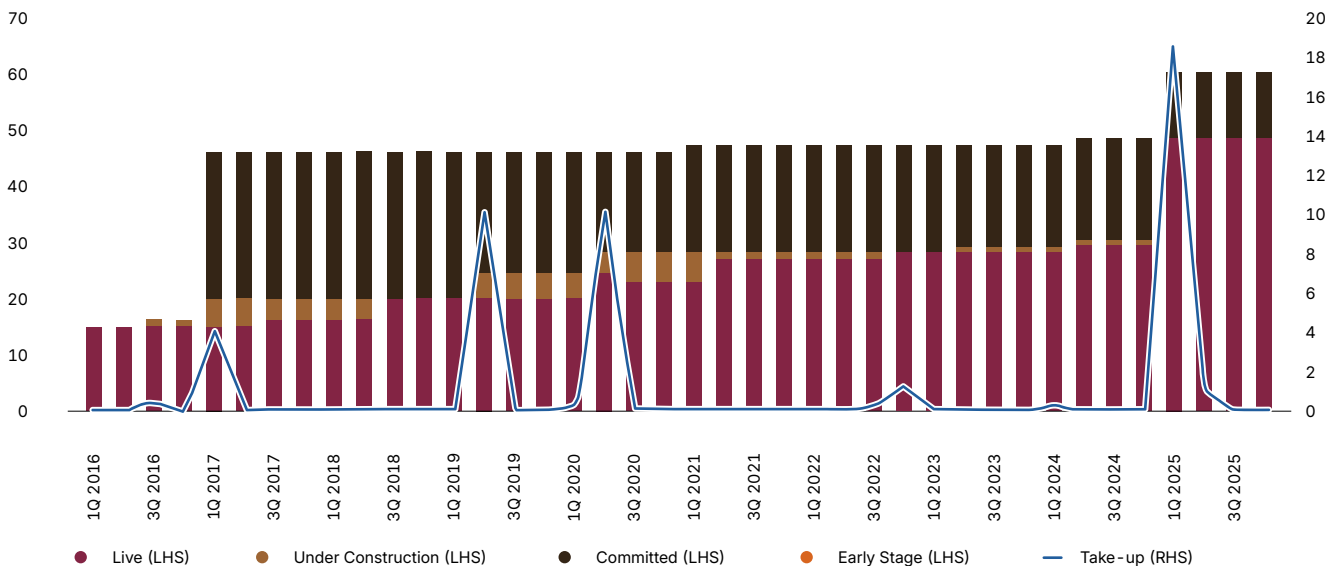
(billion)



3.5 Geneva (Switzerland) Data Centre Market

Geneva remains a very small and tightly held data centre market by European standards. Aggregate capacity in Geneva stood at 60.5 MW at the end of 2025, with 12.0 MW of new capacity added to the total, a 24.8% increase YoY. This is Geneva’s first significant expansion since 2017; the market has recorded virtually flat growth (under 2% annually) in the last seven years. Even with this increase, Geneva remains one of Europe’s smallest data centre markets, with less than one-tenth the capacity of Zürich, which serves as a focal point of Switzerland’s data centre infrastructure.

Geneva Supply and Take-up (MW)



Independent Market Report

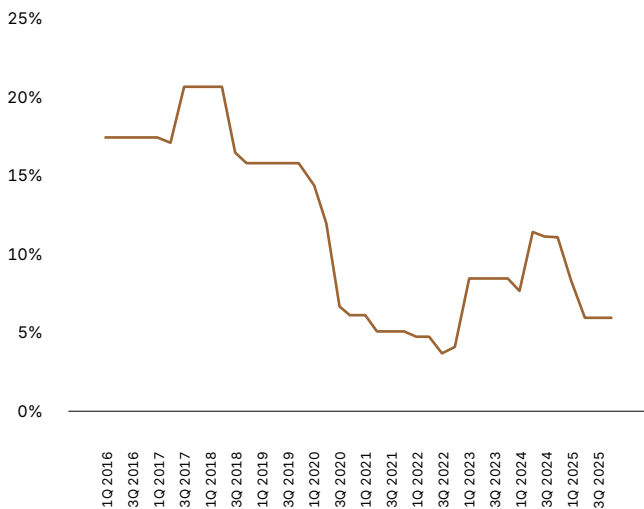
UK/Europe

By Knight Frank LLP, February 2026

No additional projects are currently under construction in Geneva. The development pipeline, comprising projects in committed or early-stage planning, totals 28.0 MW and is expected to unfold over the next five years. This pipeline includes a mix of international and local initiatives. Planned expansions feature STACK Infrastructure’s proposed GEN03 wholesale campus (12 MW), BrainServe’s extension of its Crissier facility (3.5 MW) and Arcos’Arre Architecture’s data centre in Saint-Triphon (up to 12.5 MW). However, none of these projects had broken ground by year-end, leaving Geneva with at least an 18 to 24-month gap before any new supply is expected to come online.

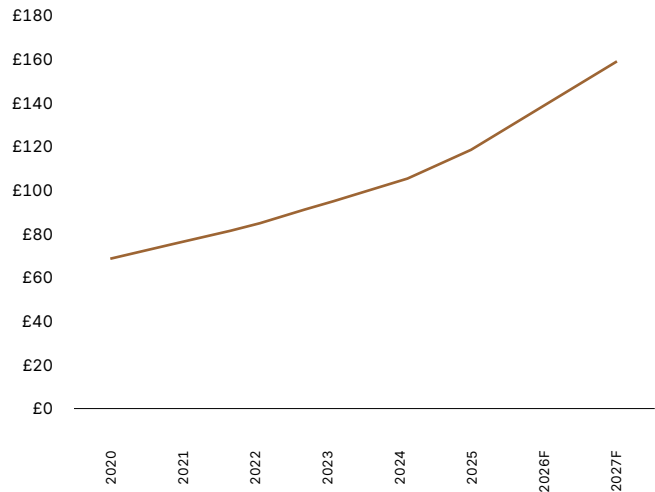
Demand for data centre space in Geneva far exceeds the current supply. Take-up spiked in 2025 as new capacity finally became available to meet pent-up requirements. In contrast to the subdued 0.3 MW transacted in 2024, 2025 saw 19.3 MW of capacity leased, the highest annual take-up on record. Virtually all of the new supply was absorbed over the course of the year, with leasing activity driven entirely by public cloud providers. Microsoft announced a €393 million investment in June 2025 to expand its Swiss cloud regions, including Geneva, with AI-ready infrastructure. This signals that hyperscale cloud providers are gradually expanding their footprint in the Geneva market. Live colocation availability stands at 6.1%, equating to just 2.9 MW of available space. However, when excluding smaller retail facilities, the Geneva market is effectively fully occupied, on par with the ultra-tight FLAP-D markets. 100% (or 12.0 MW) of the committed pipeline is already pre-leased.

Geneva Colocation Vacancy (% of Live IT)



Wholesale colocation pricing in Geneva is now estimated at €115–€125 per kW, up from €105–€110 last year. With no new supply expected for at least 2027, pricing pressure is likely to persist, keeping Geneva among the most expensive secondary markets in Europe.

Geneva Wholesale Colocation Pricing



In 2025, there was one significant portfolio transaction. GIC and MEAG, the asset manager of Munich Re Group, invested a combined €1.4 billion into Vantage Data Centers’ EMEA platform. The portfolio comprised four sites across Switzerland and Germany, including two facilities in Zurich (ZHR11 and ZHR21) with a combined capacity of 32 MW.



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