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Warehouse Space Sold Out; Demand at All-time High

Prologis releases new supply chain research; hosts inaugural thought leadership event

SAN FRANCISCO, Oct. 26, 2021 /PRNewswire/ -- New research by Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, underscores the crisis facing the world's supply chain, with logistics space at an all-time low, a slowdown in the flow of goods and rising construction costs.

Prologis will explore these topics and much more at its [inaugural event](#) tomorrow, Oct. 27. Industry leaders will discuss the factors associated with a healthy supply chain, including transportation, skilled and ready workforce pipelines, and leading-edge energy initiatives.

Logistics space in the U.S. is effectively sold out

Highlights from Prologis' current [Industrial Business Indicator™ \(IBI\)](#), the company's proprietary quarterly survey of customer activity and sentiment, include:

- Strong retail sales and supply chain challenges are driving urgency in leasing U.S. net absorption reached a record high of 115 million square feet in Q3 2021 and 280 million square feet year-to-date – more than double the same period last year, pushing vacancy to a new low of 3.9 percent.

Prologis' Research team also released a new paper, "[Persistent Disruption.](#)" which explores the shift logistics customers are making from "just in time" to "just in case" – or a permanent shift toward resilience. This shift will create powerful demand tailwinds in logistics real estate and could prolong or worsen the current shortage of space. Highlights include:

- Robust inventory-to-sales ratios are key to the future supply chain. Disruptions in the flow of goods will persist beyond the pandemic, driven by structural forces in climate, geopolitics and labor.
- Higher inventories will require 800 million square feet (MSF) of logistics real estate or more to fix the shortage and build in resilience. Logistics real estate leasing is not yet reflecting this demand because companies need to first focus on immediate inventory challenges.
- Gateway locations are poised to benefit as the first step on the consumption end of supply chains. Because these locations generally have high barriers to new logistics development, demand is expected to outstrip supply.

Supply chain leaders tackle transportation, energy and workforce issues

Prologis' thought leadership event will feature a conversation between UPS CEO Carol

Tomé and Prologis CEO Hamid Moghadam and will be moderated by Susie Gharib, *Fortune* anchor and senior special correspondent. Their discussion will focus on leadership, culture and innovation. Bestselling author Michael Lewis – a keen observer of politics, finance and American culture – will deliver closing remarks. The day will also include three panels:

Transportation: Jack Kennedy, founder and CEO, Platform Science; Andrew Smith, founder and CEO, Outrider; and Will O'Donnell, managing partner, Prologis Ventures, will discuss innovative transportation solutions, including fleet technology, robotics and automation. The panel will be moderated by Bryan Walsh, future correspondent, *Axios*.

Energy: U.S. Representative Nanette Barragan; Dr. Lee Kindberg, Head of Environment & Sustainability, Maersk North America; Huw Phillips, VP, Real Estate Excellence, DHL; and Erik Neandross, CEO, Gladstein, Neandross & Associates will discuss renewable energy with Henrik Holland, Prologis' global head of EV Charging.

Workforce: Maria Flynn, CEO, Jobs for the Future (JFF), and Andy Van Kleunen, CEO, National Skills Coalition, will explore solutions to the current workforce shortage with Tyler Gray, EVP global editorial for Edelman and former *Fast Company* senior editor.

The full agenda is available at <https://www.prologis.events/>.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of September 30, 2021, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 994 million square feet (92 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,500 customers principally across two major categories: business-to-business and retail/online fulfillment.

FORWARD-LOOKING STATEMENTS

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates," including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity, contribution and disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and, therefore, actual outcomes and results may differ

materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic and political climates; (ii) changes in global financial markets, interest rates and foreign currency exchange rates; (iii) increased or unanticipated competition for our properties; (iv) risks associated with acquisitions, dispositions and development of properties; (v) maintenance of real estate investment trust status, tax structuring and changes in income tax laws and rates; (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings; (vii) risks related to our investments in our co-investment ventures, including our ability to establish new co-investment ventures; (viii) risks of doing business internationally, including currency risks; (ix) environmental uncertainties, including risks of natural disasters; (x) risks related to the current coronavirus pandemic; and (xi) those additional factors discussed in reports filed with the Securities and Exchange Commission by us under the heading "Risk Factors." We undertake no duty to update any forward-looking statements appearing in this document except as may be required by law.



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