

August 25, 2010



ProLogis Research Group Releases New Report on Industrial Property Markets in the United States and Canada

DENVER, Aug. 25 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), a leading global provider of distribution facilities, announced today the release of a new research report on the state of the industrial property markets in the United States and Canada, titled "On the Mend."

The report is based on market statistics compiled from a variety of sources, including ProLogis market officers, brokerage companies and data providers. The information covers the top 31 distribution property markets in the United States and Canada during the first half of 2010.

"By midyear 2010 the nation's distribution property leasing markets were finally showing signs of recovery," commented Leonard Sahling, first vice president of the ProLogis Research Group. "With the U.S. economy on the mend and with very little new supply in the pipeline, the stage is set for a continuing recovery in the nation's distribution property leasing markets."

Detailed findings in the report include the following:

- The overall vacancy rate for bulk distribution space across the top markets edged down to 10.2 percent during the second quarter of 2010 from 10.4 percent in the first quarter of 2010, after having been virtually flat during the two previous quarters.
- Total occupied space (realized demand) climbed 15 million square feet during the second quarter of 2010, a modest 0.2 percent increase, but still well above the tiny gains posted in the previous two quarters.
- Asking rents in the major markets slipped 1.6 percent on average in the second quarter of 2010, their ninth consecutive quarterly decline. Asking rents are now 18.4 percent below their cyclical peak in the first quarter of 2008.
- New completions are on track to set a new record low in 2010. What few new starts there are consist almost exclusively of build-to-suit projects for specific customers.
- In view of the mounting losses on their commercial real estate construction loan portfolios, it is doubtful that U.S. banks will be willing to provide construction financing for new commercial real estate projects for the next several years.
- Looking ahead, some real estate analysts are contemplating the possibility of rent spikes within the distribution property markets in 2012 or 2013.

For a copy of the report on the top property markets in the United States and Canada,

please visit: <http://ir.prologis.com/research/USCanMarketResearchMY2010.cfm>.

The ProLogis Research Group monitors, analyzes and reports on key trends and dynamics in both real estate and supply chain management, drawing from industry data and primary research conducted by company analysts and a network of affiliated academics and other professionals. Past reports have focused on global supply chain dynamics, internet retailing, RFID technology, offshore outsourcing and other related topics. For more, please visit <http://ir.prologis.com/research.cfm>.

About ProLogis

ProLogis is a leading global provider of distribution facilities, with more than 475 million square feet of industrial space (44 million square meters) in markets across North America, Europe and Asia. The company leases its industrial facilities to more than 4,400 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. For additional information about the company, go to <http://www.prologis.com>.

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