PERSPECTIVES

The Global Industrial Sector (R)evolution

NOVEMBER 2025

Hines

The logistics and industrial sectors are both benefitting from secular demand, although the drivers are shifting.

Beyond the now-accepted e-commerce growth narrative and the acceleration of the adjacent data center sector, power availability and network densification are becoming important pricing catalysts, while re/near-shoring demand continues to pick up speed, albeit slowly and with somewhat uneven impact. Opportunity also lies in power-advantaged infill assets that support faster and denser networks; where distance once drove advantage, closeness now creates it.

From High-Yield/Low-Growth to Low-Yield/High-Growth

The global industrial sector[1] has undergone a pronounced evolution (or potentially even a revolution) over the last decade. Fanned, in part, by the flames of e-commerce's transformational growth, the sector has morphed from a high-yield/low-growth sector to a low-yield/high-growth one. And the (r)evolution hasn't stopped there. Our research finds that new corridors of demand are forming as changes in trade policy fuel a rise in intra-regional trade as inter-regional (i.e., global) trade continues to downshift in the face of ongoing deglobalization.

Meanwhile, the industrial sector (particularly the warehouse sector) appears to be converging into other property types, such as retail and data centers, setting the stage for even more potential opportunities for future growth. The bottom line is that the industrial sector has rapidly evolved from a staid, income play into a growing and evolving area with an intriguing forward-looking investment thesis that can be captured by global investors with the agility to find opportunities on the ground.

5 Key Takeaways

1| Global economic shifts, including tariffs, are driving an already established trend of increased intra-regional trade, supporting new corridors of demand for transport logistics nodes.

2| Re/near-shoring is real and increasing, but staggered, and with an uneven impact by sub-region. As individual markets adapt to structural change, rents and values are stabilizing.

3| While not new, e-commerce keeps expanding, increasingly driving industrial sector innovation—especially in specific geographies.

4| A convergence of needs continues to drive industrial sector innovation in infill, shallow bay warehousing (aka "Last Mile"); third-party logistics (3PL); data center and data center related requirements; as well as larger format build-to-suits and redevelopments.

5| An uptick in manufacturing-related activity bodes well for absorption, while limited new construction could be a tailwind for fundamentals. Meanwhile, power availability as a pricing driver is a meaningful trend.

The Age of E-Commerce

While it's a trend that could be considered old news, the rapid growth of e-commerce has played a leading role in the industrial sector's evolution, so, from a historical context, it is central to understanding how the industrial sector has expanded. Specifically, the "age of e-commerce" continues to be a driver of significant demand. As the e-commerce revolution has swept across the globe, the timing and intensification has varied by region.

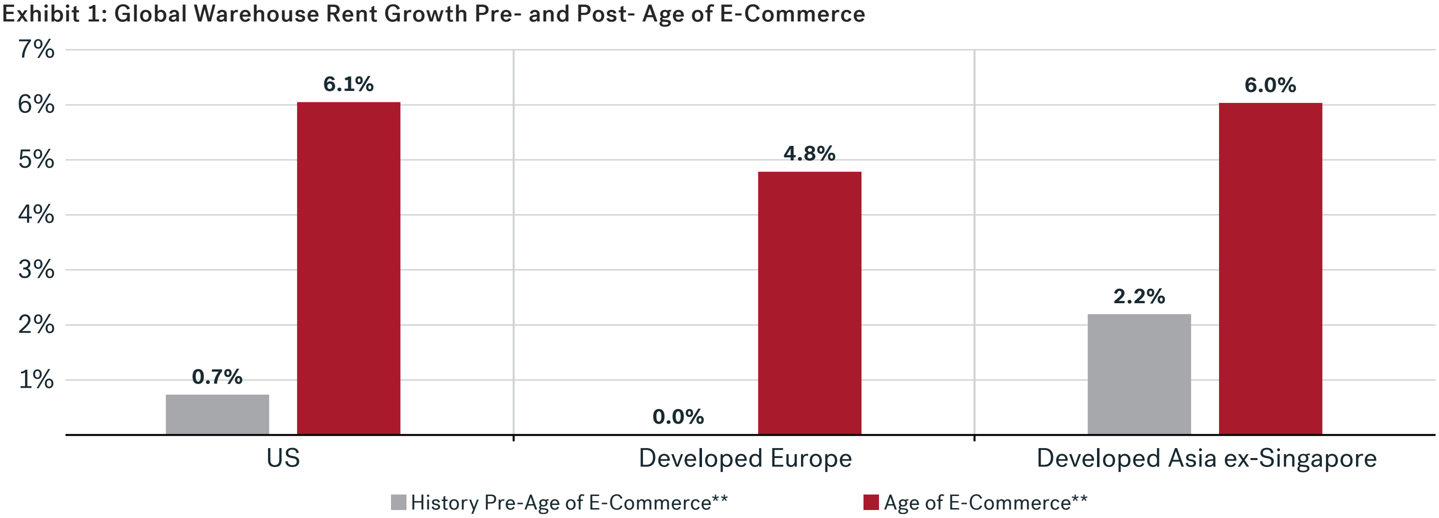
"Warehouse rent growth has accelerated once online sales have reached around 8% to 10% of total retail sales. This is a critical inflection point where e-commerce demand becomes significant enough to move the market."

Our research has found that warehouse rent growth has accelerated once online sales reach around 8% to 10% of total retail sales. This is a critical inflection point where e-commerce demand becomes significant enough to move the market into what we've defined as an "age of e-commerce." Our data tells us that the U.S. reached this point around the end of 2013, while Europe and Asia achieved it in 2016 and 2017, respectively.[2]

Additionally, the volume of online sales is forecasted to continue to rise across all three regions, which should provide further support for increasing demand, rent growth, and capital appreciation for years to come. Rent growth in the age of e-commerce has exceeded the historical average by significant amounts, as shown in Exhibit 1. Asia has demonstrated the "softest" performance—with the step-change coming in by "only" a multiple of three. Meanwhile, Europe's acceleration from essentially 0% average annualized rent growth before the e-commerce shift could be considered the most transformative.

It's also worth noting that power is now a sector-wide pricing consideration. Grid interconnect lead times, substation capacity, and transformer inventory can impact product timeline or usefulness to a particular prospective tenant. Assets with clear power pathways, and the teams in place to deliver them, have been commanding a premium.

Exhibit 1: Global Warehouse Rent Growth Pre- and Post- Age of E-Commerce



*** The "Age of E-Commerce" is selected based on the year e-commerce sales essentially entered the 8-10% band (share of total retail sales) where rent growth tended to respond with accelerated growth. These figures differ by region.*
Sources: Euromonitor International, JLL, CBRE, CoStar, NCREIF, and Hines Research. As of 2Q 2025.[3]

New Geography of Demand: A Look-Back at the Expansion of "Last Mile" Facilities

As e-commerce boomed, "Last Mile" facilities expanded globally and more will likely be needed as the volume of e-commerce sales continues to expand. These are classified as smaller, urban-infill, shallow-bay facilities designed to facilitate the last stage of delivery of online sales (sometimes even enabling a same day turnaround) to targeted consumers. In this context, the e-commerce story has shifted from "large volume" to "closer and faster"—favoring more dense network designs and smaller units. In other words, identifying the right locations for these facilities is critical.

Our research has found that rent growth outperformed in locations that could serve the largest aggregate amount of household disposable income within a 30 to 60-minute drivetime, and in fact, scoring of this metric by micro location is still used in our research to provide a top-down quantified assessment of the appropriateness of any given location for Last Mile facilities.

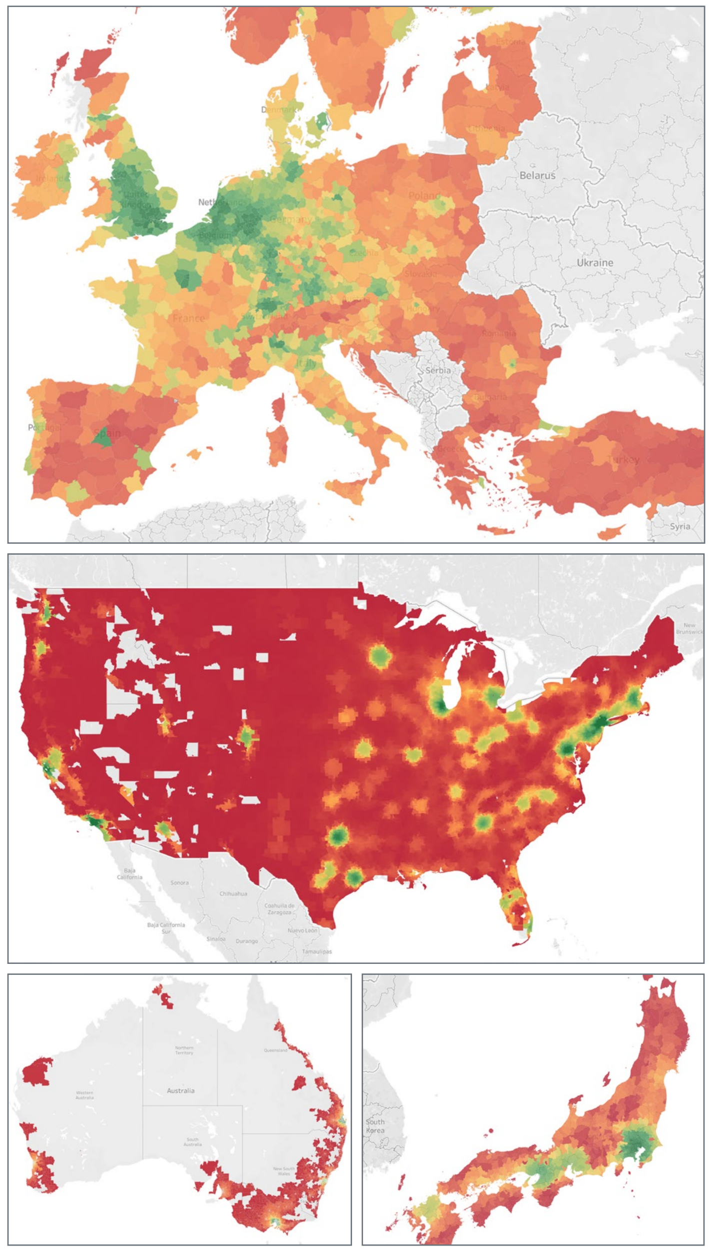
> *"Rent growth outperformed in locations that could serve the largest aggregate amount of household disposable income within a 30 to 60-minute drivetime."*

Regional differences in this context are noteworthy. In Australia and Japan, for example, the concentration of population in a handful of metros translates to a more limited opportunity set. The U.S. offers greater potential with sizeable, more distributed population centers; however, the analysis of Europe is perhaps most intriguing. In Europe, our research identified a broad swath of an almost uninterrupted corridor of demand for investor flows into the sector (shown in the light and dark green areas in Exhibit 2), with nuances based on local dynamics.

Meanwhile, operators must also find a balance between maximizing the number of potential customers with the cost of serving their needs. In almost all cases, the bulk of these costs are fuel and labor, with real estate rents tending to be only a small fraction of the total.[4] There is evidence that operators will pay a premium for locations that significantly reduce overall costs – particularly fuel costs. Last Mile facilities can also help optimize return supply chains for retailers, which can be a drag on margins.

In a landscape where competing uses often squeeze out industrial land, policy makers appear unlikely to favor industrial over residential thus compounding the supply issue. However, Last Mile can offer a strategic foothold for industrial occupiers to gain a competitive advantage.

Exhibit 2: 60-Minute Drivetime Scores Based on Aggregate Amount of Household Spending Power



Sources: ESRI, Michael Bauer International, and Hines Research. As of 4Q 2024 using annual data, with 2024 as last available datapoint.

Policy Shifts Reshaping Trade Partners and Trade Routes

Since about 2008, the world has seen a flatlining of global trade as a percentage of global gross domestic product (GDP). Prior to that, from the 1990s that ratio had risen (sometimes sharply) as trade had consistently outgrown global GDP.[5] The current trade tensions should only serve to reinforce this deglobalization trend.

However, these tides of trade might uncover a bright spot amid this new uncertainty. We believe that even as inter-regional trade may decline, it is likely that intra-regional trade – within the Americas, across Europe, and amongst economies in Asia – may pick up to help fill the gaps. This can be viewed as a re-alignment of globalization from broader trade relationships (inter-regional) to regional trade relationships (intra-regional). While this silver lining may be shiniest in Europe and Asia, it is also likely to contribute to some intensification of demand for land-locked hubs in the U.S. focused on supporting regional road-based freight volumes.

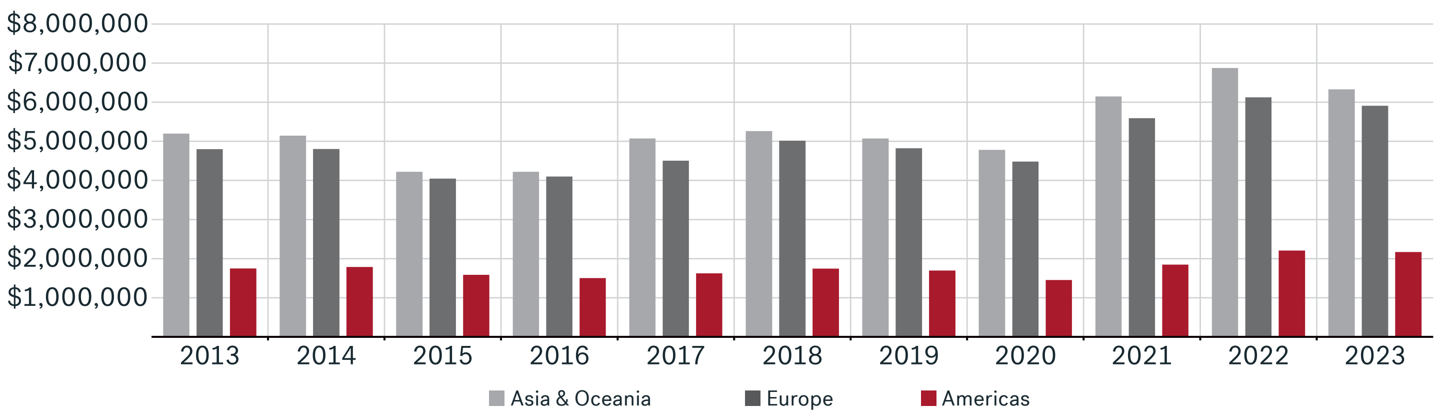
Such demand will likely be manifested in two shifts that are already underway: (1) a dramatic increase in leasing activity from third-party logistics companies focused on professionally managing these intensifying logistics networks on behalf of companies with no such expertise, and (2) proliferating demand for larger format build-to-suits and redevelopments.

Indeed, intra-regional trade has generally picked up since 2020, even if 2023 was a touch slower (see Exhibit 3). If these trade patterns continue, it is likely that there will be a need for new manufacturing and logistics networks, as well as increased demand for industrial and warehouse facilities.

This trend is also being driven by a need for supply chain resilience, where occupiers have a need for greater inventory storage in locations that might negate the impacts of policy shifts or geopolitical tensions. In other words, they're moving from "just in time" to "just in case."

> *"If these global trade patterns continue, it is likely that there will be a need for new manufacturing and logistics networks, as well as increased demand for industrial and warehouse facilities."*

Exhibit 3: Total Value of Intra-Regional Trade



Sources: UN Trade and Development (UNCTAD) and Hines Research. As of 2Q 2025, though using most recent available data through 2023.

And much of that intra-regional trade volume will likely be road-based, even if a portion is initially fed by the import of required inputs though seaports and airports. For example, per the most recently available data, while only a quarter of European Union total domestic and international freight transport was road-based in 2023 (European Commission), within the European Union it was over 70% (Eurostat).

Convergence and Cross-Sector Opportunity

Meanwhile, the industrial/warehouse sector continues to converge with other sectors, a trend that is helping to unlock opportunities for facilities to be built or repositioned for additional uses. For instance, omni-channel retailing is a key trend that has played out as retailers continue to develop creative strategies that leverage the relationship between warehouses and brick-and-mortar shops. In this landscape, retailers can be more flexible in consummating online sales rather than relying solely on an e-commerce warehouse.

For example, when consumers order groceries online, the order is typically prepared at a traditional brick-and-mortar grocery store to be delivered or picked up. As online demand rises, more of those traditional supermarkets could be converted into storage spaces or even expanded to accommodate demand for cold storage or warehouse space. Further, retailers who sell across product types may find that their supermarkets can serve as the ultimate last-mile location for online sales. We believe this blending has already made great progress but is expected to increase as the volume of omni-channel retail sales grows.

As a second example, operational warehouse facilities may need to be repositioned into advanced manufacturing or data centers. Another exit is to redevelop (develop) larger format facilities, particularly build-to-suits. The story for data centers, and the powered land upon which they sit, is almost startling in the scale of demand and potential development.

Covered-Land Optionality in a Higher-for-Longer Rate Environment

Holding well-located, income-producing sites historically has created low carrying cost optionality. A building can operate as an income-generating light industrial asset today, while in parallel an experienced local team can move ahead to advance entitlements, power allocation, and site work that enables future redevelopment as a higher use type of industrial, retail/residential, or a data center. This approach should align returns and timing with challenging permitting realities.

Cold Storage: Specialized Logistics with an Upgrade Cycle

The cold-storage sector has experienced steady growth in fresh food and pharma/biotech distribution, in addition to rising service level requirements globally (e.g., temperature integrity and traceability). It can also be capex and power-intensive, creating opportunities to generate value through strategic investment and development.

Using warehouse (logistics) as a covered land play, in which an investor buys the ongoing cash flow at warehouse prices, adds power to the land, and then sells on to a data center developer, is a scenario that could potentially generate attractive returns. Advanced manufacturing may also provide an interesting exit. Those facilities, semiconductor plants as a prime example, are as power hungry as some of the mid-size data center campuses.

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Regional Outlooks

Global Warehouse Health Has Moderated Since Pandemic Surge

Policy uncertainty has borne silver linings as new pockets of demand rise in response to shifting tides. These differ by region, as different dynamics take hold to varying degrees. However, one commonality across all three regions is that the sector is currently cycling. Values are down and fundamentals have moderated from very strong levels in 2022 (see Exhibit 4).

All three regions were above average levels of fundamental health in mid-2024 as measured by the Hines Research Leasing Environment Health Score,[6] but only Asia is now close. The combination of elevated supply in some markets and a normalization of space demand from the heightened levels experienced during the pandemic has led to significant moderation in the U.S. and Europe. But we have high conviction that the industrial sector will recover in the near term and perform well across a five-year horizon, with regional trends driving that thesis.

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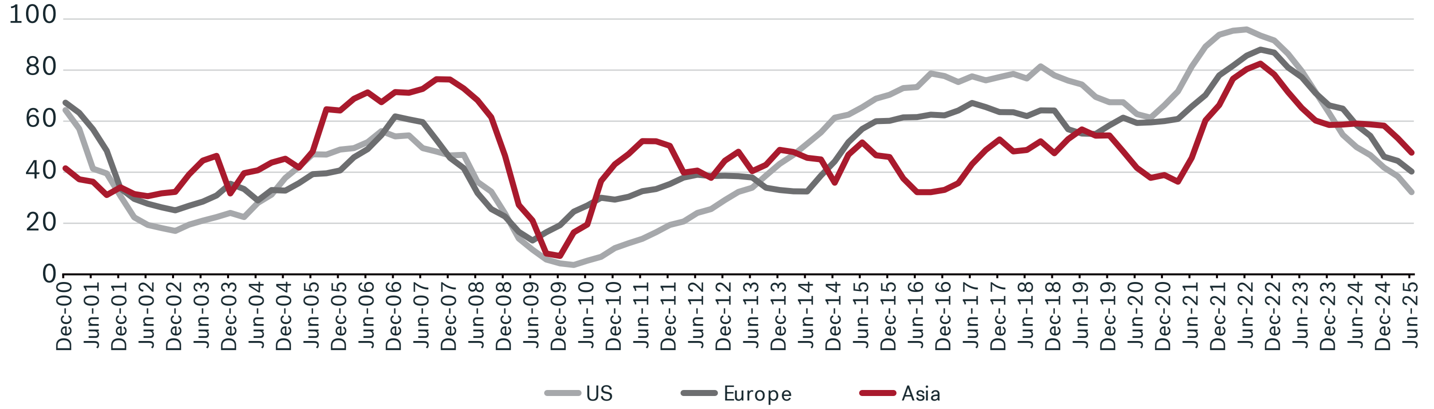
Exhibit 4: Warehouse Leasing Environment Health Scores Across Three Regions/Major Economies



Sources: JLL, CoStar, CBRE, Moody's, Oxford Economics, and Hines Research. As of 2Q 2025.

U.S.: Re-Shoring Trends Accelerating Growth

In the U.S., there is clear evidence that government policy and geopolitical shifts have fueled outsized manufacturing construction spending, relative to history, and we believe that will continue as re-shoring ramps up. Looking closer, we've seen a boom in U.S. manufacturing construction spending starting around 2021 when U.S./China tensions started to escalate. To quantify just how much construction spend, and thus development, could result from these underlying forces, we looked at the new trendline and used that to forecast forward demand. From that analysis we calculated that by 2030, the U.S. could see an additional $1 trillion worth of manufacturing construction.[7]

Given evidence from our research showing that warehouse net absorption has correlated to manufacturing construction spend, this trend highlights another potential source of demand not only for industrial manufacturing facilities, but for the warehouse subsector as well. Specifically, we think that re-shoring alone could increase overall warehouse demand over the next five years by roughly 35%.

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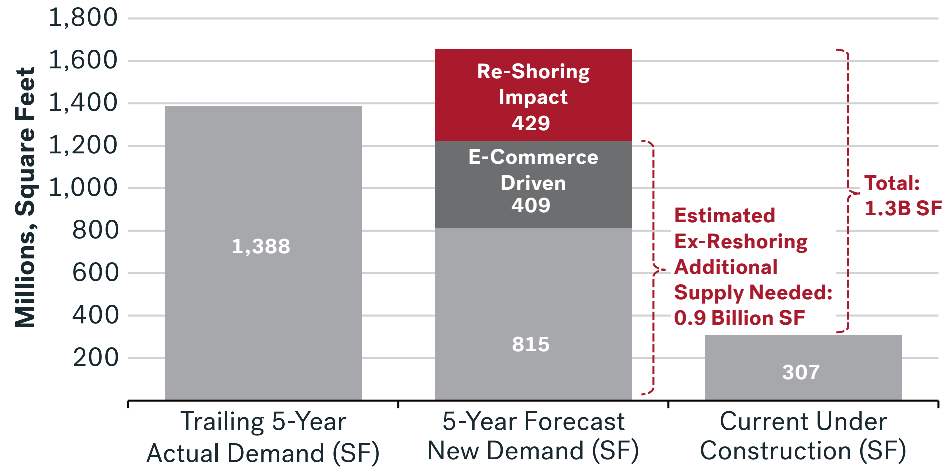
We attempted to quantify the amount of U.S. industrial demand over the next five years in Exhibit 5, using various assumptions to forecast demand across three categories. Demand in the two original categories could almost match the actual space demand for U.S. industrial over the last five years. However, we have also considered the secular shift in manufacturing construction spending as a proxy for the impact of re-shoring. By examining the growth of that spending against industrial and warehouse space demand, we estimate that the "new demand" could be nearly 430 million square feet.

Without that new demand, we would already need more than 1 billion square feet of new supply—and that's after subtracting the U.S. industrial space currently under construction, around 300 million square feet, or 1.6% of total inventory. Adding the new demand from re-shoring, that figure increases to 1.3 billion square feet. While current vacancy should absorb some of the new demand, if we're right, this forecasted demand should lead to healthy expansion over the next five years.

Exhibit 5: Analyzing Current Supply vs. Forecasted Industrial Requirements



Sources: CoStar, Euromonitor, Prologis, Federal Reserve of St. Louis, and Hines Research. As of 2Q 2025.[8]

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Europe: Growth From New Demand Drivers

While the growth of intra-regional trade could be a significant contributor to European industrial demand over the coming years, particularly on the Continent, another key trend that could benefit the warehouse and industrial market is Europe's response to growing uncertainty around how staunch and reliable U.S. support will be in terms of defense for core allies. In fact, we're already seeing European economies committing sometimes large sums to their industrial sectors and domestic infrastructure to boost their capacity for self-defense.

Germany, as an example, announced in June 2025 that it has earmarked €650 million for defense and infrastructure spending over the next decade. Other European economies, to differing degrees, have shown signs of similar commitment. All things equal, this fiscal stimulation should increase the growth trajectory of the European economy over a 10-year horizon, although we don't expect significant uplift in the near-term.

This bodes well for the manufacturing or industrial sectors, and for the warehouse market. There has been a clear correlation between European warehouse rent growth and GDP growth.[9] Generally, as GDP has waxed and waned, so have warehouse rents. In this context, we'd expect that any acceleration in European GDP growth would have positive impacts on the future trajectory of rent and cash flow growth.

"The support for cash flow and valuations in Europe is compelling, in our view."

The consequence has been lower vacancy rates for many key European markets. Of the 60 largest warehouse (logistics) markets in the U.S. and Europe (30 each), 14 of the 20 markets with the lowest vacancy were already in Europe (see Exhibit 6).

Indeed, the European industrial/logistics market appears to be a market of upsides, given the convergence of new demand drivers (transport logistics and defense spending), combined with e-commerce trends, and underpinned by a favorable supply/demand balance. The support for cash flow and valuations in Europe is compelling, in our view.

Aggregation of a Unified U.K. Industrial and Logistics Portfolio

Strategy harnesses mark-to-market rent growth and value creation through proactive asset management, targeted development of new warehouses, and strategic rebranding.

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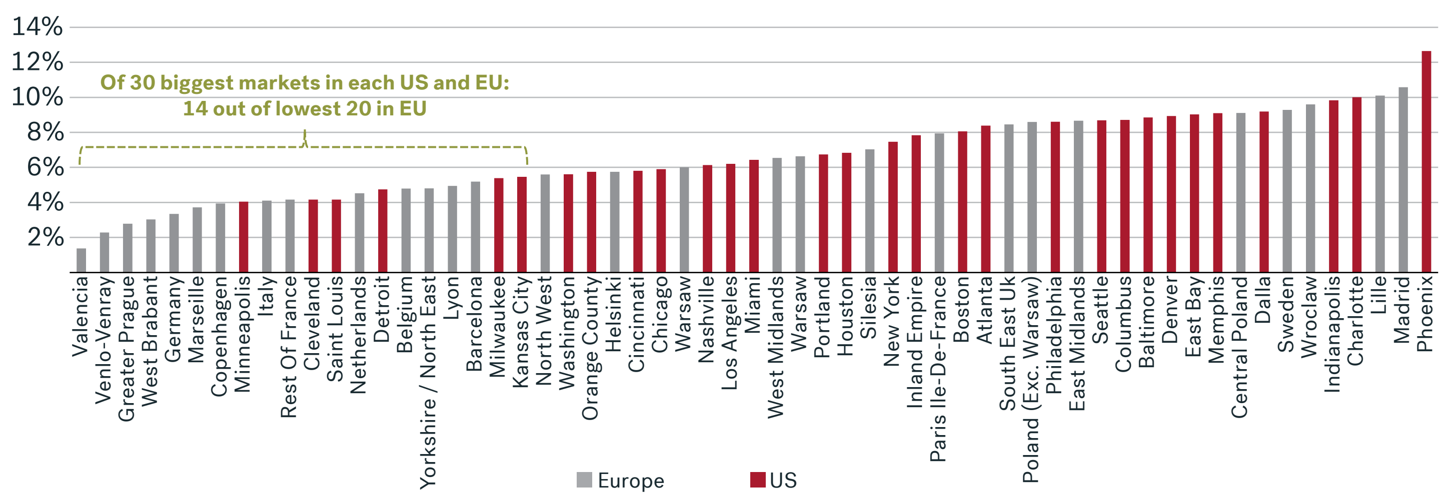
Exhibit 6: Logistics Vacancy Rates



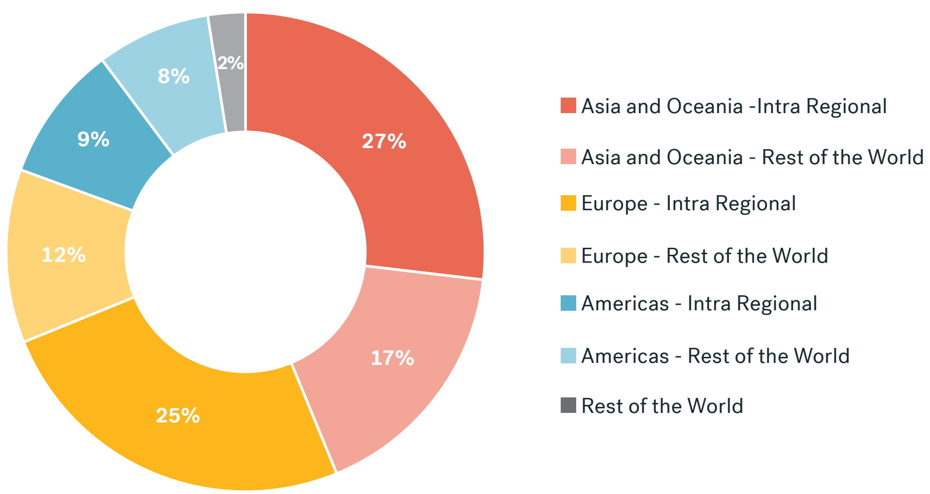
Sources: CBRE, CoStar, and Hines Research. As of Q2 2025.

Asia: Building on Strength in Established Intra-Regional Trade

Asia is large and diverse, with its own nuances that suggest its industrial/logistics markets are responding to the same trends in slightly different ways. First, we've discussed the positive implications of intra-regional trade. We believe that this impulse could be even stronger in Asia. The region's share of intra-regional trade has been well-established and, in fact, world-leading—at almost 30% (see Exhibit 7).

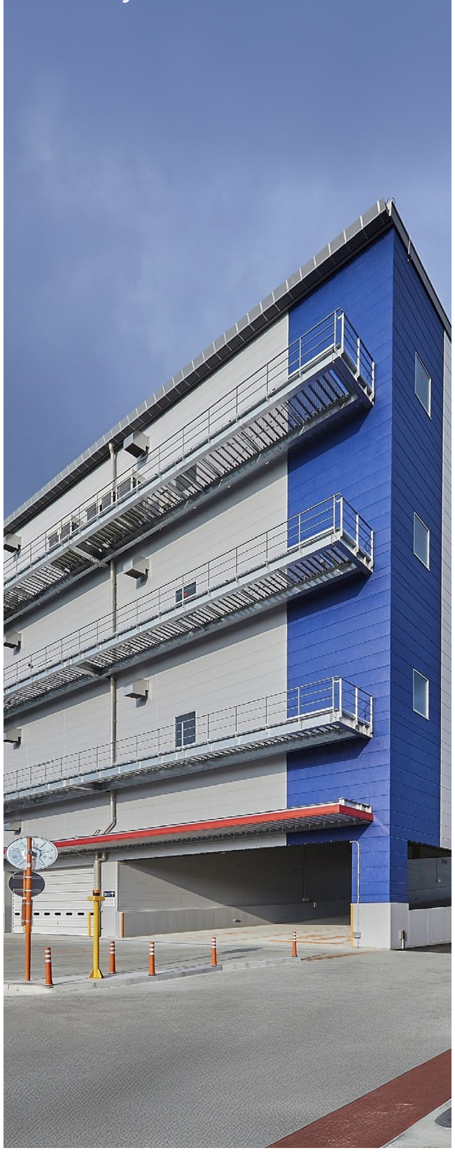
While Asia's share is not much greater than Europe's, what's notable is that Asia achieved these strong linkages in the absence of a common regulatory framework or universal currency like the European Union provides. In other words, the muscles and sinews for growing intra-regional trade, even across dispersed economies, have already been in place and need to only be further flexed. We would also note that the region may not suffer similar declines in trade from deglobalization as inter-regional trade with Europe and Latin America pick up some of the shift away from U.S. trade. Once again, this should benefit the established trade hubs.

Exhibit 7: Regional Shares of Total Global Intra-Regional and Inter-Regional Trade



Sources: UN Trade and Development (UNCTAD), and Hines Research.
s of 2Q 2025, though using most recently available data through 2023.

“We have conviction that there is upside to Asian warehouse rents and values over the coming five years.”



In fact, our analysis of Asia Logistics Core Scores,[10] built on a model developed in the U.S. and then Europe, identifies markets that have outperformed over the long term – i.e. those traditional, established hubs - based on measures such as key demand drivers and access to labor. Out of the 112 metros markets we analyzed in Asia, many of the largest markets in developed economies fall into the top 12, including Greater Seoul, Tokyo, Hong Kong, Singapore, Sydney, and Melbourne.[11] The winners have kept on winning.

On the cyclical side, while all three regions have seen moderation in fundamentals, we are seeing green shoots for the overall Developed Asia warehouse market. A recent loss of momentum was largely driven by oversupply in Japan and South Korea, with construction outstripping demand across Developed Asia since early 2023. However, supply has come down again while demand remained steady or even slightly higher (see Exhibit 8). The result is that the backdrop for rent growth appears to be moving closer to a supportive stance. With intra-regional trade potentially picking up in Asia and e-commerce still lagging the U.S. in Australia, New Zealand, and Japan, we have conviction that there is upside to Asian warehouse rents and values over the coming five years.

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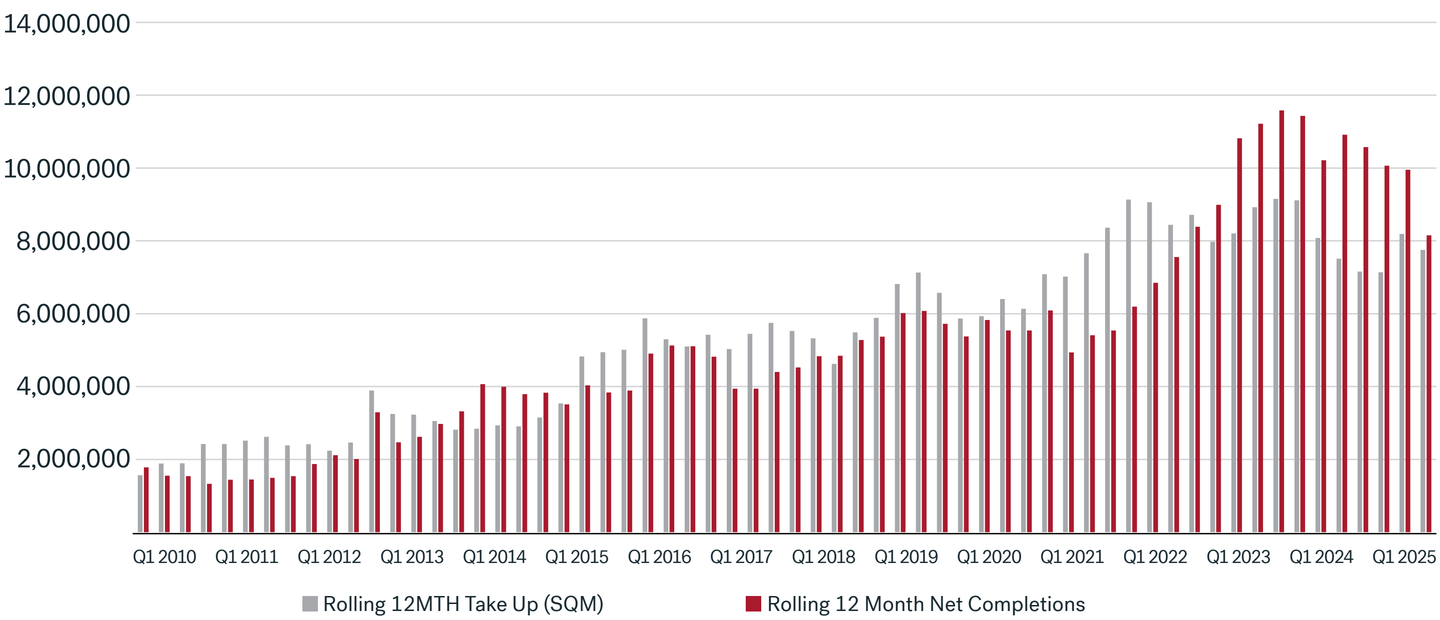
Exhibit 8: Developed Asia Warehouse Trailing 12-Month Take Up vs. Completions



Sources: JLL and Hines Research. As of 2Q 2025. Data aggregated for Australia, Hong Kong, Japan, New Zealand, Singapore, and South Korea.

Is Rental Growth Acceleration on the Way?

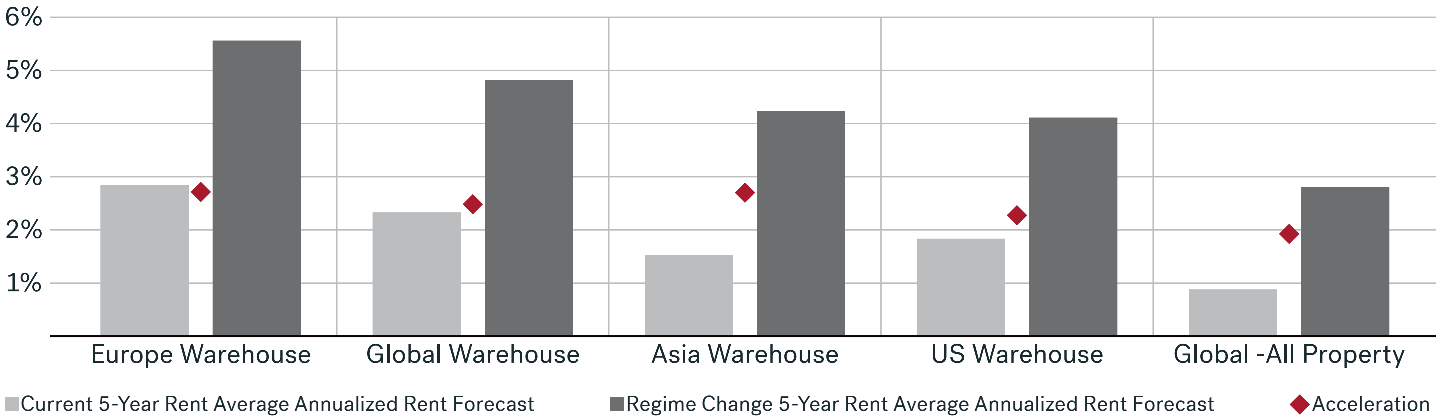
There is a view that, particularly, in the U.S., the world has entered a period where inflation and interest rates may stay "higher for longer," meaning a persistent shift from lower inflation, lower interest rates, and lower growth to higher inflation, higher interest rates, and, arguably, higher growth, if you measure that with nominal GDP. There is historical evidence that in an inflationary environment, real estate rent growth can respond with what we call "regime change rental growth acceleration." What's driving that trend today is more limited supply, which historically has helped drive rents upwards. Secondly, and more importantly, historical data shows a robust correlation between global property rents and inflation. In other words, the higher the inflation, the higher the rent growth—generally speaking.[12]

To quantify this potential acceleration, and the specific impacts on the global industrial space, we leveraged a framework for forecasting rent and price growth, as well as quarterly price and rent forecasts across 900 markets. We adjusted our model to account for this regime change environment.

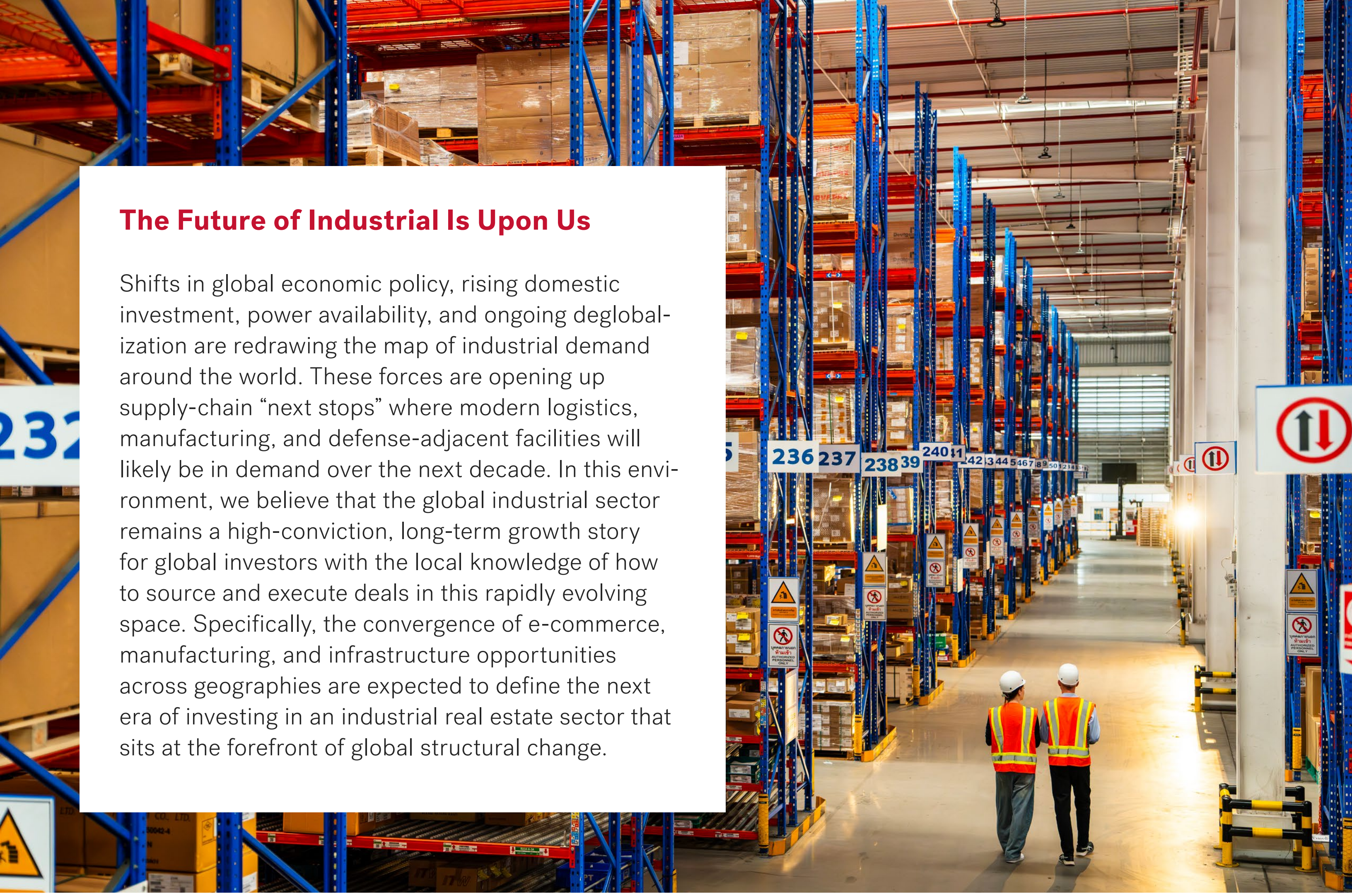
> *"Rent growth in a higher inflation environment could be at least two times our base forecasts over the next five years. In this context, the global warehouse sector is a clear leader."*

Exhibit 9 reveals the results across major regional-sector breakdowns. What we found is that rent growth in a higher inflation environment could be at least two times our base forecasts over the next five years. In this context, the global warehouse sector should be a clear leader, led by Europe, then Asia, followed by the U.S. warehouse sector. Note that even without the acceleration, our base forecasts favor warehouse versus global property on average.

Exhibit 9: Global Property Rent Growth Acceleration – Regime Change Scenario by Sector and Region



Sources: CoStar, NCREIF, JLL, CBRE, ARES, CoreLogic, Oxford Economics, Moody's, and Hines Research. As of 2Q 2025.[13]



The Future of Industrial Is Upon Us

Shifts in global economic policy, rising domestic investment, power availability, and ongoing deglobalization are redrawing the map of industrial demand around the world. These forces are opening up supply-chain “next stops” where modern logistics, manufacturing, and defense-adjacent facilities will likely be in demand over the next decade. In this environment, we believe that the global industrial sector remains a high-conviction, long-term growth story for global investors with the local knowledge of how to source and execute deals in this rapidly evolving space. Specifically, the convergence of e-commerce, manufacturing, and infrastructure opportunities across geographies are expected to define the next era of investing in an industrial real estate sector that sits at the forefront of global structural change.

About the Author and the Hines Proprietary Research Team

Joshua Scoville and his team, including Michael C. Hudgins, Senior Managing Director, the lead author of this paper, and key contributors Tim Jowett, Ryan McCullough, and James Purvis, are responsible for constructing the Hines macroeconomic view and the outlook for commercial real estate market fundamentals and pricing. Hines Research is also responsible for assisting with the development of investment strategies for the firm’s investment programs; working closely with the local and fund management teams, clients, and partners; and supporting geographic leaders in identifying market/ submarket opportunities and risks. The views of the local and fund management teams on the latest market developments are exchanged regularly via biweekly conference calls and quarterly market updates, and are essential for reviewing investment strategies and fund portfolio allocations. Additional members of Hines’ Proprietary Research team include Erik Thomas, Michael Spellane, and Anthony Witkowski.

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Endnotes

1 The global industrial sector is mainly defined by manufacturing in the U.S., and warehouse or logistics in other regions.

2 Sources: Euromonitor International, JLL, CBRE, CoStar, NCREIF and Hines Research. As of 4Q2024, but using annual data for online sales penetration, which starts in 2006. The period inclusive of 2025 to 2028 are forecasts per Euromonitor. When selecting a year, it indicates the end of that year. The "age of e-commerce" is selected based on the year e-commerce sales essentially entered the 8 to 10% band (share of total retail sales) where rent growth tended to respond with accelerated growth. These figures differ by region.

3 Singapore is excluded as its rent growth had a uniquely sharp increase in 2007 that skews the Asian line upwards, we think, inappropriately, if considering the trajectory for the other countries included (Australia, Japan, Korea, and New Zealand). The age of e-commerce is selected based on the year e-commerce sales essentially entered the 8-10% band (share of total retail sales) where rent growth tended to respond with accelerated growth. These figures differ by region.

4 Sources: Establish, Inc/ HWD, Grubb & Ellis Global Logistics, Cushman & Wakefield. As of January 2019.

5 Sources: Oxford Economics and Hines Research. As of 3Q 2025.

6 The Leasing Environment Health Score measures the relative health of a market's current leasing environment. It combines vacancy rates, trailing annual rent growth, and trailing annual demand growth into a composite score. The score is a historical-looking snapshot of where the market is today. It can predict fundamental performance over the next 1-2 years but is not predictive of medium-term performance (3-5 years). The score measures the environment relative to the prior environment in the market's history; a score of 100 is a strong leasing environment, stronger than 100% of the market history. A score of 10 is a weak environment, worse than 90% of a market's history.

7 Sources: Federal Reserve of St. Louis and Hines Research. As of 2Q 2025.

8 Hines Research used estimates of e-commerce sales growth over the next five years to estimate required e-commerce-driven demand. Then, Hines Research used an assumption based on the trailing 5-year average historical ratio of e-commerce-driven demand to total demand (e-commerce = 33% of total) to gross up to total demand. The forecast of e-commerce sales comes from Euromonitor. Finally, using the relationship of construction spending on manufacturing to warehouse demand, the delta between trend growth pre-2021 (before sharp increases in manufacturing spending) and the entire history leads to the conclusion that trend growth for manufacturing-driven warehouse demand could be 35% higher over the next 5 years.

9 Sources: CBRE, Oxford Economics, and Hines Research. As of 2Q 2025. Rent growth is simple average of results for all European markets under Hines Research coverage. GDP growth is real GDP growth for the European Union, year-over-year.

10 Core Scores use a set of factors, unique to each product type, as well as economic and demographic data to determine how "Core" a city is. Higher scoring cities have been indicative of higher rent and revenue growth over time. The Asia model was derived from factors identified and back-tested using more-granular submarket U.S. data.

11 Sources: Oxford Economics and Hines Research. As of Q2 2025.

12 Sources: JLL, CBRE, CoStar, NCREIF, Moody's, Oxford Economics, and Hines Research. As of 4Q 2024.

13 Regime Change is a term used to describe a situation in which macroeconomic and/or financial conditions change to a new persistent investment environment. In this case, we are speaking to the concept that the world economy is moving from a background of low inflation and low interest rates, supportive of cap rate compression, which can result in rising real estate prices, to an environment of rising/persistently elevated inflation, and ascending/higher interest rates - relative to pre-pandemic figures – which should send cap rates up and put pressure on real estate valuations downwards. However, cash flow growth at the property level can offset those price declines if rents grow faster than prices. The analysis here is based on Hines Research price and rent forecasts for the markets shown. We assume that as part of the Regime Change, rent growth accelerates in response to inflation. This is quantitatively derived by making the potential growth rents go exponential rather than linear. Exponential has a curved trajectory as the growth increases as a percentage each quarter. Linear assumes the same growth in absolute amounts per quarter, which diminishes as a percentage growth rate as rents increase. Actual results may differ materially from the forecasted results and are subject to losses. Forecasted results are not a guarantee of future performance. Markets are ranked on the Regime Change Rental Growth Acceleration Forecasts.