

Industrial REITs

4Q23 Quarterly: Another solid quarter; 2024 guidance implies healthy growth

Price Objective Change

Solid 4Q caps off a strong 2023 despite normalization

Industrial REITs reported solid 4Q results with 2 beats & 3 meets, capping of a strong year historically despite normalization from record growth in 2021 & 2022. FY23 FFO/sh grew +11% Y/Y for our Buy-rated REITs (EGP, PLD & REXR). Companies under coverage beat initial guidance by +3%. See inside for summaries of key performance metrics.

Operating metrics healthy; market vacancy to peak in '24

Key operating metrics remain at or near record highs despite market vacancy increasing +230bp to 5.7% in 2023. REIT stabilized portfolios remain essentially full with less than 3% vacancy, outperforming the overall market and supporting pricing power. Cash same store (SS) NOI growth of +7.3% in 4Q is attractive vs other REIT sectors and elevated from 2018-19 average of +5.1%. Cash leasing spreads for our Buy-rated REITs are 3x pre-pandemic averages at approximately 45% with EGP reaching new highs this quarter.

Guides imply healthy earnings growth with risk to upside

PLD's (ex promotes) and EGP's 2024 FFO/sh guidance implies the highest Y/Y growth at +9% and +7%, respectively. REXR's initial guidance came in below the Street and disappointed on conservative timing factors related to assets falling within its repositioning program and the lease-up of completing projects. That said, REXR has large embedded growth within its portfolio and remains confident in its medium-term target of 11-13% CAGR. LXP was the big exception amongst our coverage with guidance implying -10% Y/Y growth at midpoint driven by slow lease up of big box developments.

BofA leading indicator points to positive demand signals

Demand remains healthy in most markets with secular tailwinds intact, including e-commerce growth and onshoring/nearshoring. Our leading indicator ([link to January update](#)) suggests a pickup in demand starting late Spring 2024. Improving demand coupled with new constructions starts down over -60% from peak levels in late 2022 sets up an attractive landscape for landlords in 2H24 & 2025.

Strong balance sheets support more external growth in '24

REITs have continued highlighting opportunities to make accretive external investments amid broader financial distress within CRE. Transaction volumes are expected to increase this year with more clarity around cost of capital. We believe PLD, EGP and REXR have the strongest balance sheets and are best positioned to be opportunistic.

We update our models and POs post 4Q earnings

We make estimate changes to REXR, LXP and STAG as shown on page 3. Our PO for EGP rises to \$210 (was \$195). We lower our POs for LXP to \$7 (was \$8) and REXR to \$66 (was \$68). We continue to view REXR's return potential as attractive and see its operating platform as a key differentiator in its market See inside for more.

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Refer to important disclosures on page 22 to 26. Analyst Certification on page 19. Price Objective Basis/Risk on page 19.

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Exhibit 1: Ratings & Price Objectives

BofA Buys: EGP, PLD and REXR

Ticker	Rating	PO
EGP	Buy	\$210.00
LXP	Underperform	\$7.00
PLD	Buy	\$148.00
REXR	Buy	\$66.00
STAG	Underperform	\$34.00

Source: BofA Global Research

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Key terms:

CAGR – compound annual growth rate

CRE – commercial real estate

EGP – EastGroup Properties

FFO – funds from operations

LXP – LXP Industrial Trust

MTM – mark-to-market

NOI – net income

PLD – Prologis

PO – price objective

Q/Q: quarter over quarter

REXR – Rexford Industrial Realty

SF – square feet

SS – same store

STAG – STAG Industrial

YTD: year to date

Y/Y– year over year

Solid 4Q earnings with 2024 guidance

Industrial REITs delivered solid 4Q23 results with two beats & three meets and introduced 2024 guidance.

See our earnings reviews for our thoughts on 4Q results:

- PLD: [meets on solid quarter & maintains 2024 guidance in line with Street](#)
- REXR: [delivers another solid quarter but introduces 2024 guidance below Street](#)
- EGP: [beats & introduces 2024 guidance broadly in line with expectations](#)
- STAG: [beats and introduces 2024 guidance in line with the Street](#)
- LXP: Reported \$0.17 FFO/sh (in line with the Street) and introduced 2024 guidance -2c below the Street, implying -10% Y/Y decline driven by lost revenue from office sales, timing of development lease up and higher interest expense. Leasing spreads were elevated in 4Q vs. historical levels at 52% GAAP / 37% cash (excluding fixed renewals) but are expected to moderate to 20-30% cash in 2024. Portfolio MTM for leases expiring through 2029 is 23%. LXP expects to complete three 1 million SF development projects in 1H24. Key to watch will be the pace of lease up given the recent softness with big box demand. The low end of guidance assumes these are not leased in 2024.

Exhibit 2: 4Q23 Earnings Review

Industrial REITs delivered a mix of beats & meets while introducing 2024 guidance

Company	Actual FFO/sh	Actual vs. Street	Actual % Var to Street	FY24 FFO/sh guidance	Guidance vs. Street	2024 % Var to Street
PLD	\$1.26	In Line	0%	\$5.42 - 5.56	In Line	0%
REXR	\$0.56	In Line	0%	\$2.27 - 2.30	Below	-7%
EGP	\$2.03	Beat	1%	\$8.17 - 8.37	In Line	0%
STAG	\$0.58	Beat	2%	\$2.36 - \$2.40	In Line	0%
LXP	\$0.17	In Line	0%	\$0.61 - 0.65	Below	-3%

Source: Company Reports, BofA Global Research

Note: PLD's FFO/sh includes impact of promotes

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PO & Estimate Changes

Exhibit 3: Summary of PO Changes

Updated POs after model reviews

Ticker	Old PO	New PO	QRQ	Rating	Current Price
EGP	\$195.00	\$210.00	B-1-7	Buy	\$180.93
LXP	\$8.00	\$7.00	B-3-7	Underperform	\$8.64
REXR	\$68.00	\$66.00	B-1-7	Buy	\$51.84

Source: BofA Global Research; priced as of 02/22/2024

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Exhibit 4: Summary of estimate changes

Updated published estimates after review of models

Ticker	2024		2025		2026		2027	
	Old	New	Old	New	Old	New	Old	New
EGP	\$8.35	\$8.35	\$9.08	\$9.08	\$9.81	\$9.81	\$10.51	\$10.50
LXP	\$0.67	\$0.63	\$0.69	\$0.61	\$0.72	\$0.66	\$0.74	\$0.70
REXR	\$2.46	\$2.35	\$2.81	\$2.68	\$3.06	\$3.01	\$3.34	\$3.19
STAG	\$2.35	\$2.36	\$2.38	\$2.44	\$2.41	\$2.50	\$2.42	\$2.56

Source: BofA Global Research

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EGP (B-1-7): After updating our model for 4Q23 earnings, we are increasing our price objective to \$210.00 from \$195.00. Our \$210 price objective for EGP is in line (unchanged) to our forward NAV estimate. We derive our NAV estimate by applying a 4.1% (previously 4.3%) cap rate to our forward NOI estimate of \$485M (previously \$472M). Maintain Buy.

LXP (B-3-7): After updating our model for 4Q23 earnings, we are decreasing our price objective to \$7.00 from \$8.00. Our \$7.00 price objective for LXP represents a -20.0% discount (unchanged) to our forward NAV estimate. We derive our NAV estimate by applying a 6.5% (previously 6.1%) cap rate to our forward NOI estimate of \$272M (previously \$283M). Maintain Underperform.

REXR (B-1-7): After updating our model for 4Q23 earnings, we are decreasing our price objective to \$66.00 from \$68.00. Our \$66 price objective for REXR is in line (unchanged) to our forward NAV estimate. We derive our NAV estimate by applying a 4.1% (unchanged) cap rate to our forward NOI estimate of \$764M (previously \$781M). We maintain our Buy rating given REXR's strong platform and valuation.

STAG (B-3-7): After updating our model for 4Q23 earnings, we are maintaining our price objective of \$34.00 but update our estimates. Our \$34 price objective for STAG is in line (unchanged) to our forward NAV estimate. We derive our NAV estimate by applying a 6.4% (previously 6.3%) cap rate to our forward NOI estimate of \$576M (previously \$566M).



Company guidance

Exhibit 5: FFO/sh guidance (\$ per share)

Industrial REITs introduced 2024 guidance

Ticker	FFO/sh (low)	FFO/sh (high)	FFO/sh (midpoint)	Prior quarter (midpoint)	Initial (midpoint)
EGP	8.17	8.37	8.27	n.a.	n.a.
LXP	0.61	0.65	0.63	n.a.	n.a.
PLD	5.42	5.56	5.49	n.a.	n.a.
REXR	2.27	2.30	2.29	n.a.	n.a.
STAG	2.36	2.40	2.38	n.a.	n.a.

Source: Company filings; Note: Data as of 4Q23;

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Exhibit 6: SS NOI growth guidance

Industrial REITs introduced 2024 cash SS NOI growth guidance

Ticker	SS NOI (low)	SS NOI (high)	SS NOI (midpoint)	Prior quarter (midpoint)	Initial (midpoint)
EGP	5.5%	6.5%	6.0%	n.a.	n.a.
LXP	3.5%	4.5%	4.0%	n.a.	n.a.
PLD	8.0%	9.0%	8.5%	n.a.	n.a.
REXR	7.0%	8.0%	7.5%	n.a.	n.a.
STAG	4.8%	5.3%	5.0%	n.a.	n.a.

Source: Company filings; Note: Data as of 4Q23

EGP: Cash; LXP: GAAP; PLD: Cash (PLD's share); REXR: Cash; STAG: Cash

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Exhibit 7: Occupancy guidance (percent)

REIT portfolios are expected to maintain high occupancy

Ticker	Occupancy (low)	Occupancy (high)	Occupancy (midpoint)	Prior quarter (midpoint)	Initial (midpoint)
EGP	96.5%	97.5%	97.0%	n.a.	n.a.
LXP	n.a.	n.a.	n.a.	n.a.	n.a.
PLD	96.5%	97.5%	97.0%	n.a.	n.a.
REXR	96.5%	97.0%	96.8%	n.a.	n.a.
STAG	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company filings; Note: Data as of 4Q23

EGP: Average month end occupancy; PLD: Average occupancy; REXR: Average SS portfolio occupancy

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Exhibit 8: Acquisitions guidance (\$ millions)

We note REXR is the most active acquirer but not reflected in guidance

Ticker	Acquisitions (low)	Acquisitions (high)	Acquisitions (midpoint)	Prior quarter (midpoint)	Initial (midpoint)
EGP	130	130	130	n.a.	n.a.
LXP	n.a.	n.a.	n.a.	n.a.	n.a.
PLD	500	1,000	750	n.a.	n.a.
REXR	n.a.	n.a.	n.a.	n.a.	n.a.
STAG	350	650	500	n.a.	n.a.

Source: Company filings; Note: Data as of 4Q23

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Exhibit 9: Dispositions guidance (\$ millions)

PLD forecasts the most capital recycling to help fund future investment

Ticker	Dispositions (low)	Dispositions (high)	Dispositions (midpoint)	Prior quarter (midpoint)	Initial (midpoint)
EGP	35	35	35	n.a.	n.a.
LXP	n.a.	n.a.	n.a.	n.a.	n.a.
PLD	800	1,200	1,000	n.a.	n.a.
REXR	n.a.	n.a.	n.a.	n.a.	n.a.
STAG	75	125	100	n.a.	n.a.

Source: Company filings; Note: Data as of 4Q23

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Exhibit 10: Development starts guidance (\$ millions)
PLD projects the most development starts

Ticker	Developments (low)	Developments (high)	Developments (midpoint)	Prior quarter (midpoint)	Initial (midpoint)
EGP	300	300	300	n.a.	n.a.
LXP	n.a.	n.a.	n.a.	n.a.	n.a.
PLD	3,000	3,500	3,250	n.a.	n.a.
REXR	n.a.	n.a.	n.a.	n.a.	n.a.
STAG	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company filings; Note: Data as of 4Q23
EGP: Development Starts; PLD: Development Starts

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Geographic exposure

Exhibit 11: EGP - Top Markets

EGP's market exposure is focused in the Sunbelt

Market	% of Rent
Southern California	12.0%
Dallas	11.4%
Houston	10.7%
Orlando (sb)	8.0%
San Antonio	7.8%
Tampa	7.7%
Phoenix (sb)	7.0%
Charlotte	5.9%
San Francisco	5.8%
Other U.S. Markets	5.8%
Top 10 markets	82.1%

Company filings, BofA Global Research as of 4Q23

Note: EGP represent exposure by Rent

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Exhibit 12: LXP - Top Markets

LXP is focused on smaller U.S. markets in the Sunbelt and Midwest

Market	% of ABR
Other U.S. Markets	21.1%
Phoenix (sb)	11.7%
Atlanta	8.7%
Houston	5.8%
Dallas	5.5%
Cincinnati	5.4%
Indianapolis	5.3%
Columbus	5.2%
South Florida (sb)	3.8%
Nashville	3.6%
Top 10 markets	76.1%

Company filings, BofA Global Research as of 4Q23

Note: LXP represent exposure by Rent

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Exhibit 13: PLD - Top Markets

Southern California is PLD's largest market

Market	% of NOI
Southern California	19.9%
NJ/NYC	9.3%
Other U.S. Markets	8.0%
San Francisco	7.8%
East & Central PA	5.6%
Chicago	5.4%
Dallas	4.7%
Atlanta	4.6%
South Florida (sb)	4.4%
Houston	3.3%
Top 10 markets	73.1%

Company filings, BofA Global Research as of 4Q23

Note: PLD represent exposure by NOI

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Exhibit 14: REXR - Top Markets

REXR is solely located in Southern California

Market	% of Rent
Southern California	100.0%

Company filings, BofA Global Research as of 4Q23

Note: REXR represent exposure by Rent

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Exhibit 15: STAG - Top Markets

Charlotte is STAG's largest market

Market	% of SF
Other U.S. Markets	29.5%
Charlotte	10.9%
East & Central PA	9.1%
Chicago	6.7%
Indianapolis	5.8%
Nashville	4.4%
Minneapolis	2.9%
Columbus	2.9%
NJ/NYC	2.9%
Southern California	2.8%
Top 10 markets	77.9%

Company filings, BofA Global Research as of 4Q23

Note: STAG represent exposure by SF

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Exhibit 16: Geographic Exposure

Most REIT portfolio geographic exposures are diversified

Top US Markets	PLD	EGP	LXP	REXR	STAG
Southern California	19.9%	12.0%		100.0%	2.8%
Dallas	4.7%	11.4%	5.5%		1.6%
Houston	3.3%	10.7%	5.8%		2.0%
Phoenix (sb)	1.5%	7.0%	11.7%		0.5%
Charlotte		5.9%	2.1%		10.9%
Atlanta	4.6%	2.2%	8.7%		1.3%
Chicago	5.4%		3.3%		6.7%
East & Central PA	5.6%				9.1%
NJ/NYC	9.3%		2.1%		2.9%
South Florida (sb)	4.4%	5.5%	3.8%		0.5%
San Francisco	7.8%	5.8%			
Indianapolis	1.0%		5.3%		5.8%
Orlando (sb)	1.6%	8.0%			0.5%
Nashville	1.5%		3.6%		4.4%
Cincinnati	1.4%		5.4%		1.4%
Columbus			5.2%		2.9%
Tampa		7.7%			0.3%
San Antonio		7.8%			0.0%
Baltimore/DC	2.7%		2.2%		2.6%
Cleveland			1.9%		2.8%
Jacksonville		3.3%			1.1%
El Paso		1.6%			2.2%
St. Louis			2.2%		1.4%
Savannah			2.6%		0.4%
Austin		3.0%			
Seattle	3.0%				
Minneapolis					2.9%
Denver		1.8%			0.4%
Raleigh					2.1%
Louisville					1.0%
Fresno		0.5%			
Other U.S. Markets	8.0%	5.8%	21.1%	0.0%	29.5%
U.S. Subtotal / Wtd Avg	85.8%	100.0%	92.5%	100.0%	100.0%

Source: Company filings, BofA Global Research as of 4Q23

Note: EGP, LXP and REXR represent exposure by Rent, PLD by NOI, STAG by SF; LXP represents Industrial portfolio concentration in top 20 markets

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Exhibit 17: PLD - International Markets

PLD's portfolio spans Europe, Asia and the Americas

Market	% of NOI
Americas ex US	4.0%
Canada	1.3%
Mexico	2.3%
Brazil	0.4%
Europe	8.5%
France	1.1%
Germany	1.1%
Netherlands	1.0%
Poland	0.0%
Spain	0.0%
UK	2.3%
Czech Republic	0.0%
Italy	0.0%
Other European markets	3.1%
Asia	1.6%
China	0.4%
Japan	1.1%
Singapore	0.2%
Total international markets	14.2%

Company filings, BofA Global Research as of 4Q23

Note: PLD represent exposure by NOI

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Supply / demand analysis

Exhibit 18: Industrial REIT portfolio weighted supply exposure

REXR and STAG markets have the least amount of supply scheduled for delivery as a % of inventory in '24

Company	Portfolio weighted supply (2024)	Company	Portfolio weighted supply (2025)
REXR	1.60%	STAG	1.39%
STAG	2.66%	LXP	1.69%
PLD	3.30%	PLD	1.69%
EGP	3.55%	EGP	2.09%
LXP	3.67%	REXR	2.45%

Source: BofA Global Research, REIS, Company filings

Note: PLD's US portfolio comprises 85.8% of total; this analysis only looks at PLD's US exposure.

Note: LXP represents Industrial portfolio concentration in top 20 markets of 92.5%; this analysis only looks at LXP's Industrial portfolio concentration in top 20 markets

Note: EGP and REXR Southern California market exposure represented by Los Angeles; for others using San Bernardino/Riverside.

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Exhibit 19: Industrial REIT portfolio weighted demand exposure

Strongest demand as a % of inventory for LXP & EGP in 2024

Company	Portfolio weighted demand (2024)	Company	Portfolio weighted demand (2025)
LXP	3.34%	REXR	2.29%
EGP	3.25%	EGP	2.09%
PLD	3.08%	PLD	1.79%
STAG	2.51%	LXP	1.76%
REXR	1.71%	STAG	1.50%

Source: BofA Global Research, REIS, Company filings

Note: PLD's US portfolio comprises 85.8% of total; this analysis only looks at PLD's US exposure.

Note: LXP represents Industrial portfolio concentration in top 20 markets of 92.5%; this analysis only looks at LXP's Industrial portfolio concentration in top 20 markets

Note: EGP and REXR Southern California market exposure represented by Los Angeles; for others using San Bernardino/Riverside.

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Exhibit 20: Industrial REIT portfolio weighted demand vs supply ratios

PLD has attractive forecasted supply-demand dynamics in 2024

Company	Portfolio weighted supply-demand ratio (2024)	Company	Portfolio weighted supply-demand ratio (2025)
PLD	0.81x	LXP	0.86x
STAG	0.89x	STAG	0.87x
REXR	0.93x	PLD	0.88x
EGP	0.95x	EGP	0.94x
LXP	0.97x	REXR	1.07x

Source: BofA Global Research, REIS, Company filings

Note: PLD's US portfolio comprises 85.8% of total; this analysis only looks at PLD's US exposure.

Note: LXP represents Industrial portfolio concentration in top 20 markets of 92.5%; this analysis only looks at LXP's Industrial portfolio concentration in top 20 markets

Note: EGP and REXR Southern California market exposure represented by Los Angeles; for others using San Bernardino/Riverside.

Supply vs demand ratio = supply as a % of inventory divided by net absorption as % of inventory

Note: A ratio of 1x is when supply and demand (net absorption) are equal. A number below 1x is when demand exceeds supply. Above 1x implies the opposite.

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Exhibit 21: Industrial REIT portfolio weighted effective rent growth

PLD and EGP markets have the highest forecasted rent growth in 2024

Company	Portfolio weighted effective rent growth (2024)	Company	Portfolio weighted effective rent growth (2025)
PLD	4.87%	PLD	5.24%
EGP	4.85%	LXP	4.96%
LXP	4.82%	EGP	4.89%
STAG	4.74%	STAG	4.88%
REXR	4.20%	REXR	4.70%

Source: BofA Global Research, REIS, Company filings

Note: PLD's US portfolio comprises 85.8% of total; this analysis only looks at PLD's US exposure.

Note: LXP represents Industrial portfolio concentration in top 20 markets of 92.5%; this analysis only looks at LXP's Industrial portfolio concentration in top 20 markets

Note: EGP and REXR Southern California market exposure represented by Los Angeles; for others using San Bernardino/Riverside.

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Exhibit 22: Inventory to population ratio

EGP and REXR lead Industrial REIT inventory to population ratios

Company	Inventory / Population
EGP	44.2
REXR	49.3
STAG	55.8
LXP	57.4
PLD	66.1

Source: REIS, company filings; Inventory / population ratio represents the market weighted industrial inventory (SF) to population ratio.

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Top tenant exposure

Exhibit 23: Top 10 tenants

REIT tenant concentrations differ: EGP's tenant base is the most diversified

EGP - Tenants	% of total	LXP - Tenants	% of total	PLD - Tenants	% of total
Amazon	1.8%	Amazon	6.9%	Amazon	5.0%
REPET, Inc.	0.8%	Nissan	4.8%	Home Depot	1.5%
Starship Logistics LLC	0.8%	Kellogg	3.6%	FedEx	1.4%
DSV Air & Sea Inc.	0.7%	Black and Decker	3.5%	Geodis	1.3%
Consolidated Electrical Distributors	0.7%	Wal-Mart	3.3%	DHL	1.2%
FedEx Corp.	0.7%	GXO Logistics	2.8%	CEVA Logistics	0.9%
The Chamberlain Group	0.6%	Watco	2.4%	Maersk	0.8%
Trane U.S. Inc.	0.6%	Fedex	2.3%	UPS	0.8%
Infinite Electronics Inc.	0.6%	Owens Corning	2.2%	GXO	0.8%
Novolex Holdings, LLC	0.6%	Mars Wrigley	2.0%	DSV Panalpina	0.8%
Total	7.9%	Total	33.8%	Total	14.5%

Source: Company filings

Notes: EGP based on total annualize base rent; LXP on base rent; PLD on net effective rent

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Exhibit 24: Top 10 tenants

REXR has least exposure to AMZN as a top 10 tenant

REXR - Tenants	% of total	STAG - Tenants	% of total
Tireco, Inc.	2.8%	Amazon	2.9%
L3 Technologies, Inc.	1.9%	Soho Studio, LLC	0.9%
Zenith Energy West Coast Terminals	1.7%	American Tire Distributors, Inc.	0.9%
Federal Express Corporation	1.6%	Eastern Metal Supply, Inc.	0.9%
Cubic Corporation	1.6%	Tempur Sealy International, Inc.	0.8%
GXO Logistics Supply Chain, Inc.	1.3%	Hachette Book Group, Inc.	0.8%
Best Buy Stores, L.P.	1.2%	Kenco Logistic Services, LLC	0.7%
The Hertz Corporation	1.2%	Yanfeng US Automotive Interior	0.7%
IBY, LLC	1.0%	WestRock Company	0.7%
Michael Kors (USA)	0.9%	Penguin Random House, LLC	0.7%
Total	15.2%	Total	10.0%

Source: Company filings

Notes: REXR based on total annualize base rent; STAG on annualized base rental revenue

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Industry exposure

Exhibit 25: Top 10 Industry exposure

Broad range of sector exposure across portfolios

LXP - Industry exposure	% of ABR	PLD - Industry exposure	%, NRA
Consumer Products	25.1%	Transport/Freight	12.5%
Transportation/Logistics	19.8%	Consumer Goods	11.5%
E-Commerce	14.1%	Food & Beverage	10.4%
Automotive	11.3%	Multi Customer 3PL	9.2%
Construction/Materials	10.4%	Electronics/Appliances	7.6%
Food	9.2%	Apparel	7.5%
Apparel	2.3%	Construction	7.0%
Specialty	2.2%	Auto & Parts	7.0%
Technology	2.1%	General Goods	6.9%
Retail Department	2.0%	Industry/Machinery	5.5%
Total	98.5%	Total	85.1%

Source: Company filings

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Exhibit 26: Top 10 Industry exposure

Broad range of sector exposure across portfolios

REXR - Industry exposure

	% of ABR
Manufacturing	23.0%
Warehousing / Transportation	22.0%
Wholesale Trade	22.0%
Professional/Scientific/Tech Services	9.0%
Retail Trade	6.0%
Construction	3.0%
Arts / Rec	2.0%
Other	13.0%

Total	100.0%
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Source: Company filings

STAG - Industry exposure

	% of ABR
Air Freight & Logistics	11.0%
Containers & Packaging	8.1%
Automobile Components	7.1%
Machinery	6.0%
Commercial Services & Supplies	5.8%
Trading Companies & Distribution (Industrial Goods)	5.4%
Distributors (Consumer Goods)	4.5%
Building Products	4.2%
Consumer Staples Distribution	3.7%
Broadline Retail	3.7%

Total	59.5%
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Lease expiration

Exhibit 27: Industrial Lease Expirations

REXR has the highest portion of outstanding leases expiring in 2024

	EGP	LXP	PLD	REXR	STAG	Average
2024	10.5%	4.4%	9.1%	13.9%	7.8%	9.1%
2025	15.4%	6.9%	12.0%	16.4%	11.3%	12.4%
2026	18.8%	12.4%	13.9%	16.7%	18.0%	16.0%
2027	17.3%	14.0%	14.8%	12.9%	14.5%	14.7%
2028	13.3%	6.8%	14.6%	10.9%	11.0%	11.3%
2029	8.0%	13.5%	n.a.	7.0%	10.9%	9.9%
Thereafter	16.7%	42.0%	35.6%	22.2%	26.5%	28.6%

Source: Company filings; BofA Global Research

Note: Data as of 4Q23

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Key metrics tables

Exhibit 28: Industrial REIT cash same store NOI

Cash same store NOI growth remains elevated historically

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	4.5%	3.7%	4.1%	3.0%	2.2%	5.9%	5.6%	5.2%	6.4%	8.5%	9.5%	8.7%	8.7%	11.0%	6.4%	6.9%	7.5%
LXP		-0.2%				0.6%				2.5%	3.2%	4.1%	5.7%	5.1%	5.6%	4.7%	4.1%
PLD	4.6%	4.6%	2.9%	2.2%	3.0%	4.5%	5.8%	6.7%	7.5%	8.7%	8.2%	9.3%	9.1%	11.4%	10.7%	9.5%	8.5%
REXR	7.2%	7.5%	-2.3%	5.0%	7.1%	8.2%	22.0%	13.3%	6.8%	11.7%	10.1%	9.7%	10.7%	10.7%	10.0%	9.5%	9.5%
STAG	1.2%	2.5%	2.1%	0.8%	1.5%	2.4%	4.4%	2.9%	3.4%	4.8%	4.0%	5.6%	4.5%	5.9%	4.5%	5.3%	6.8%
Avg	4.4%	3.6%	1.7%	2.8%	3.5%	4.3%	9.5%	7.0%	6.0%	7.2%	7.0%	7.5%	7.7%	8.8%	7.4%	7.2%	7.3%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23;

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Exhibit 29: Industrial REIT GAAP same store NOI

GAAP same store NOI remains elevated historically

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	3.7%	1.7%	2.5%	2.3%	2.0%	6.3%	5.9%	6.9%	8.1%	7.4%	7.7%	6.6%	7.1%	7.6%	5.9%	6.0%	6.8%
LXP																	
PLD	4.0%	2.8%	2.6%	1.9%	3.5%	4.2%	6.1%	6.2%	7.9%	7.1%	7.6%	8.3%	7.7%	9.9%	8.9%	9.3%	7.8%
REXR	5.5%	3.7%	3.1%	4.4%	2.5%	6.8%	10.1%	9.7%	10.0%	8.0%	7.0%	7.2%	7.3%	7.3%	8.0%	8.9%	8.4%
STAG	1.1%	2.2%	-0.2%	-0.1%	1.5%	-0.2%	5.3%	2.3%	0.9%	2.4%	1.8%	5.4%	4.2%	4.9%	4.1%	4.8%	5.4%
Avg	3.6%	2.6%	2.0%	2.1%	2.4%	4.3%	6.9%	6.3%	6.7%	6.2%	6.0%	6.9%	6.6%	7.4%	6.7%	7.3%	7.1%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 30: Industrial REIT Same Store Portfolio Occupancy

Same store occupancy increased +30 bp Q/Q in 4Q23

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	97.0%	96.8%	97.1%	96.8%	97.7%	97.6%	97.4%	98.1%	98.1%	97.9%	98.6%	98.5%	98.4%	98.6%	98.5%	98.1%	98.5%
LXP	96.7%	97.4%	97.4%	98.9%	97.6%	97.5%	97.4%	98.7%	99.1%	99.4%	99.3%	99.5%	99.8%	99.8%	99.8%	99.2%	100.0%
PLD	96.8%	96.1%	95.8%	95.6%	96.1%	95.5%	95.9%	96.6%	97.4%	97.5%	97.6%	97.7%	97.8%	97.9%	97.4%	96.9%	97.1%
REXR	97.4%	98.0%	97.6%	98.4%	98.2%	98.6%	98.4%	98.8%	99.1%	99.3%	98.9%	98.4%	98.1%	98.0%	98.1%	97.9%	97.5%
STAG	95.6%	96.3%	97.2%	96.2%	96.4%	96.8%	96.8%	96.5%	97.1%	97.4%	98.7%	98.9%	99.1%	98.1%	97.9%	98.0%	98.4%
Avg	96.7%	96.9%	97.0%	97.2%	97.2%	97.2%	97.2%	97.7%	98.2%	98.3%	98.6%	98.6%	98.6%	98.5%	98.3%	98.0%	98.3%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 31: Industrial REIT Total portfolio occupancy

Total occupancy increased +30 bp Q/Q in 4Q23

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	97.1%	96.7%	97.0%	96.4%	97.3%	97.2%	96.8%	97.6%	97.4%	97.9%	98.5%	98.5%	98.3%	97.9%	98.2%	97.7%	98.2%
LXP	97.0%	97.2%	97.3%	98.9%	98.3%	97.8%	97.8%	98.9%	99.4%	99.4%	98.9%	99.1%	99.5%	99.5%	99.5%	99.2%	100.0%
PLD	96.3%	95.4%	96.0%	95.9%	96.4%	95.7%	96.8%	97.3%	98.0%	97.7%	97.8%	97.9%	98.3%	98.3%	97.5%	97.8%	97.7%
REXR	96.1%	95.2%	95.4%	97.2%	95.2%	95.8%	95.4%	96.1%	96.3%	96.3%	95.2%	94.5%	94.6%	93.8%	94.0%	94.1%	94.1%
STAG	95.0%	96.2%	97.0%	96.3%	96.9%	97.0%	96.8%	95.9%	96.9%	96.9%	98.1%	98.2%	98.5%	97.6%	97.7%	97.6%	98.2%
Avg	96.3%	96.1%	96.5%	96.9%	96.8%	96.7%	96.7%	97.2%	97.6%	97.6%	97.7%	97.6%	97.8%	97.4%	97.4%	97.3%	97.6%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

Note: LXP represents % leased for industrial properties; PLD occupancy includes share of unconsolidated

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Exhibit 32: Industrial REIT cash leasing spreads

Cash leasing spreads decreased -180bp Q/Q to 44.2% in 4Q23

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	9.3%	14.1%	7.9%	16.1%	7.9%	16.1%	16.2%	23.9%	18.0%	21.1%	22.4%	23.8%	34.3%	32.0%	37.8%	39.1%	43.0%
LXP																	
PLD	15.0%	13.4%	9.6%	11.7%	13.4%	12.5%	15.5%	12.9%	19.6%	19.2%	27.5%	38.5%	32.4%	41.9%	48.1%	54.2%	51.8%
REXR	27.1%	24.4%	18.2%	17.4%	18.1%	32.7%	21.3%	38.5%	21.5%	56.9%	61.5%	62.9%	52.4%	59.7%	74.8%	51.4%	45.6%
STAG	6.4%	3.3%	1.6%	1.3%	4.9%	9.6%	8.1%	8.0%	16.0%	15.2%	14.1%	13.6%	14.2%	25.3%	28.0%	39.3%	36.2%
Avg	14.5%	13.8%	9.3%	11.6%	11.1%	17.7%	15.3%	20.8%	18.8%	28.1%	31.4%	34.7%	33.3%	39.7%	47.2%	46.0%	44.2%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 33: Industrial REIT GAAP leasing spreads

GAAP leasing spreads decreased -220bp Q/Q to 62.4% in 4Q23

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	18.3%	24.6%	13.8%	28.0%	15.4%	25.8%	31.2%	37.4%	31.5%	33.5%	37.2%	39.4%	49.2%	48.5%	52.8%	55.4%	62.0%
LXP																	
PLD	29.5%	25.1%	22.0%	25.9%	28.0%	27.0%	31.5%	27.9%	33.0%	37.0%	45.6%	59.7%	50.6%	68.8%	78.5%	84.0%	74.1%
REXR	42.0%	36.6%	32.3%	26.8%	29.9%	47.1%	33.9%	54.3%	34.2%	71.1%	83.0%	88.6%	77.0%	80.2%	96.8%	64.8%	63.1%
STAG	13.2%	11.2%	9.6%	4.7%	12.9%	18.7%	15.1%	14.7%	22.6%	25.1%	21.9%	25.1%	25.4%	35.3%	42.6%	54.2%	50.5%
Avg	25.8%	24.4%	19.4%	21.4%	21.6%	29.7%	27.9%	33.6%	30.3%	41.7%	46.9%	53.2%	50.6%	58.2%	67.7%	64.6%	62.4%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 34: Total development & redevelopment pipeline as a % of total unde depreciated assets

Development pipelines decreased Q/Q, representing 8.8% of total unde depreciated assets

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	12.3%	11.5%	9.4%	6.3%	7.9%	7.0%	8.5%	11.1%	12.3%	13.4%	11.3%	11.8%	9.5%	10.5%	9.9%	9.8%	9.9%
LXP	2.0%	2.0%	1.9%	1.8%	3.7%	5.2%	6.4%	11.3%	10.6%	10.8%	11.7%	11.7%	9.9%	9.0%	10.0%	10.0%	7.3%
PLD	9.2%	5.9%	5.4%	5.3%	6.3%	6.5%	6.3%	7.9%	7.5%	8.5%	9.4%	9.2%	7.9%	7.0%	6.4%	6.8%	7.6%
REXR	5.9%	5.1%	5.4%	5.0%	2.4%	4.7%	5.2%	3.7%	4.5%	5.4%	6.6%	6.5%	6.7%	8.8%	8.3%	10.0%	10.4%
STAG																	
Avg	7.4%	6.1%	5.5%	4.6%	5.1%	5.8%	6.6%	8.5%	8.8%	9.5%	9.7%	9.8%	8.5%	8.8%	8.7%	9.2%	8.8%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 35: Total Preleased % (Developments & Redevelopments)

Development preleasing decreased Q/Q to 21.5%

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	40.0%	36.0%	30.0%	26.0%	35.0%	34.0%	53.0%	41.0%	48.0%	55.0%	52.0%	48.0%	38.0%	38.0%	38.0%	18.0%	23.0%
LXP					63.2%	34.8%	27.0%	14.9%	12.7%	12.5%	19.2%	19.2%	8.5%	0.0%	29.2%	34.7%	15.9%
PLD	32.3%	38.4%	61.6%	63.3%	56.6%	57.1%	54.0%	56.7%	52.6%	49.6%	48.3%	44.8%	44.4%	42.4%	38.7%	40.3%	37.2%
REXR	25.1%	3.6%	6.8%	18.6%	8.2%	55.3%	50.4%	12.5%	15.3%	21.6%	17.2%	18.6%	7.3%	6.5%	7.4%	8.8%	9.9%
STAG																	
Avg	32.5%	26.0%	32.8%	36.0%	40.8%	45.3%	46.1%	31.3%	32.1%	34.7%	34.2%	32.7%	24.6%	21.7%	28.3%	25.4%	21.5%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 36: Overall projected yields (Developments & Redevelopments)

Projected development yields increased +10bp Q/Q to 6.6%

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	7.2%	7.1%	6.9%	7.0%	6.9%	7.1%	7.1%	6.9%	6.5%	6.2%	6.5%	6.4%	6.3%	6.8%	6.8%	6.8%	6.8%
LXP																	
PLD	6.0%	5.9%	5.8%	5.7%	5.7%	5.8%	5.7%	5.9%	5.7%	5.7%	5.8%	6.1%	5.9%	6.2%	6.2%	6.3%	6.5%
REXR	5.3%	5.4%	5.4%	5.4%	5.7%	6.0%	5.8%	6.5%	6.6%	7.5%	7.6%	7.2%	7.0%	6.7%	6.7%	6.5%	6.5%
STAG																	
Avg	6.2%	6.1%	6.0%	6.0%	6.1%	6.3%	6.2%	6.4%	6.3%	6.5%	6.6%	6.6%	6.4%	6.6%	6.6%	6.5%	6.6%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 37: Land held for development as a % of total unde depreciated assets

Land banks are in the low-3% of assets range

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	3.0%	3.2%	3.2%	3.4%	3.6%	4.0%	3.2%	2.6%	3.0%	2.9%	3.3%	3.3%	4.1%	3.9%	3.9%	4.2%	4.6%
LXP	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	2.6%	2.7%	2.7%	2.7%	2.1%	2.1%	2.2%	2.2%	2.0%
PLD	2.5%	2.5%	2.8%	2.9%	2.6%	2.8%	3.1%	3.2%	3.8%	3.7%	4.2%	3.9%	3.5%	3.6%	3.6%	3.7%	3.7%
REXR																	
STAG																	
Avg	2.0%	2.0%	2.2%	2.3%	2.3%	2.4%	2.3%	2.1%	3.2%	3.1%	3.4%	3.3%	3.2%	3.2%	3.2%	3.3%	3.4%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 38: Average size of assets (in thousands of SF)

LXP's average asset size in 4Q23 was more than double its peer average

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	105.3	105.1	105.7	106.1	106.4	107.4	109.1	111.0	112.0	112.5	116.8	116.8	117.7	118.6	118.7	120.8	121.5
LXP	404.8	407.2	404.2	417.0	431.6	429.9	418.2	412.0	453.1	452.2	454.2	458.4	465.1	466.9	466.9	468.3	475.2
PLD	206.0	206.8	206.9	208.4	208.8	209.0	209.3	209.7	209.5	210.1	210.3	207.4	216.4	216.9	217.2	217.4	218.6
REXR	124.7	123.0	120.7	120.0	127.0	124.9	123.9	125.7	124.7	122.2	119.5	120.9	119.1	121.4	121.0	121.3	123.0
STAG	203.0	201.3	201.0	199.8	199.6	200.7	199.7	200.0	199.5	199.8	199.5	198.2	198.8	198.9	199.1	197.2	197.4
Avg	208.8	208.7	207.7	210.2	214.7	214.4	212.0	211.7	219.8	219.4	220.1	220.4	223.4	224.5	224.6	225.0	227.1

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

Average size of assets = Total SF (in thousands) divided by the total number of buildings in the portfolio

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Exhibit 39: Capex as a % of NOI

Capex as a % of NOI averaged 12.5% in 4Q23, still below pre-pandemic level

Ticker	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	19.5%	17.4%	14.4%	17.4%	17.5%	21.2%	19.4%	17.4%	22.1%	19.2%	18.8%	17.4%	15.1%	21.9%	17.7%	19.5%	14.7%
LXP	9.2%	7.7%	8.5%	3.9%	0.5%	2.8%	2.2%	8.0%	8.3%	6.7%	1.4%	2.8%	0.8%	0.5%	2.4%	1.9%	6.8%
PLD	19.4%	8.1%	11.7%	13.2%	18.6%	10.6%	14.3%	18.4%	20.5%	12.9%	15.6%	17.1%	14.0%	8.0%	11.4%	13.6%	19.6%
REXR	5.6%	5.6%	5.5%	5.8%	6.6%	8.0%	8.7%	5.7%	4.8%	3.2%	5.4%	5.4%	5.9%	5.2%	8.2%	9.8%	6.7%
STAG	11.6%	12.1%	4.4%	17.3%	10.9%	7.0%	7.5%	11.3%	11.7%	11.2%	11.1%	11.7%	9.9%	7.7%	11.7%	7.4%	14.7%
Average	13.1%	10.2%	8.9%	11.5%	10.8%	9.9%	10.4%	12.2%	13.5%	10.6%	10.4%	10.9%	9.2%	8.7%	10.3%	10.4%	12.5%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

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Exhibit 40: S,G&A as a % of NOI

EGP operates with the lowest G&A as a % of NOI

Ticker	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EGP	7.9%	5.2%	6.3%	5.7%	5.1%	5.8%	6.3%	4.7%	4.7%	5.3%	4.9%	4.4%	4.1%	5.3%	4.3%	3.3%	3.4%
LXP	9.9%	11.1%	10.6%	9.9%	10.6%	10.3%	11.3%	11.6%	14.8%	16.4%	14.1%	13.7%	14.1%	13.2%	12.6%	12.2%	13.5%
PLD	12.1%	10.7%	9.1%	10.1%	8.9%	10.5%	9.7%	8.6%	9.1%	9.3%	10.1%	10.1%	7.0%	8.2%	7.6%	7.1%	7.3%
REXR	14.7%	15.7%	14.7%	15.0%	13.6%	15.1%	13.4%	13.5%	14.9%	13.7%	13.1%	12.2%	14.5%	12.8%	12.2%	11.9%	12.6%
STAG	10.2%	10.8%	9.7%	9.9%	10.4%	12.0%	11.2%	11.2%	8.9%	9.7%	9.3%	8.1%	8.5%	9.2%	8.7%	7.7%	8.0%
Average	11.0%	10.7%	10.1%	10.1%	9.7%	10.7%	10.4%	9.9%	10.5%	10.9%	10.3%	9.7%	9.6%	9.7%	9.1%	8.4%	9.0%

Source: Company filings and BofA Global Research; Note: Data as of 4Q23

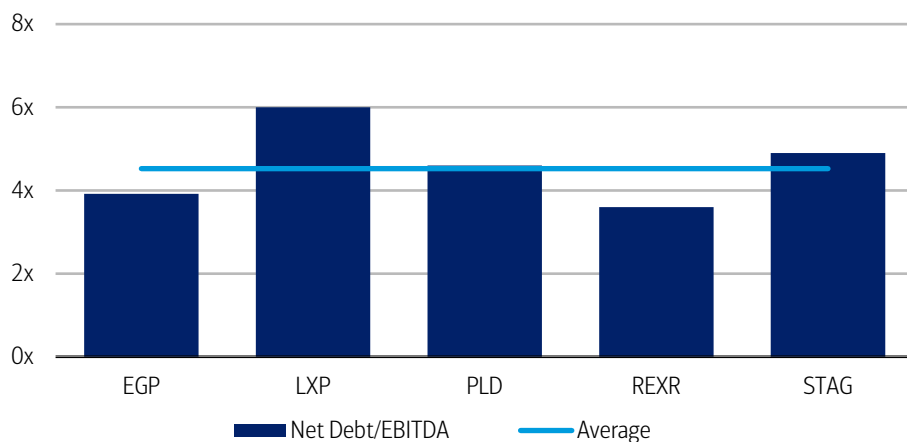
BofA GLOBAL RESEARCH



Balance Sheets

Exhibit 41: Industrial leverage

Buy-rated REXR, EGP and PLD lead Industrial REITs with the lowest leverage

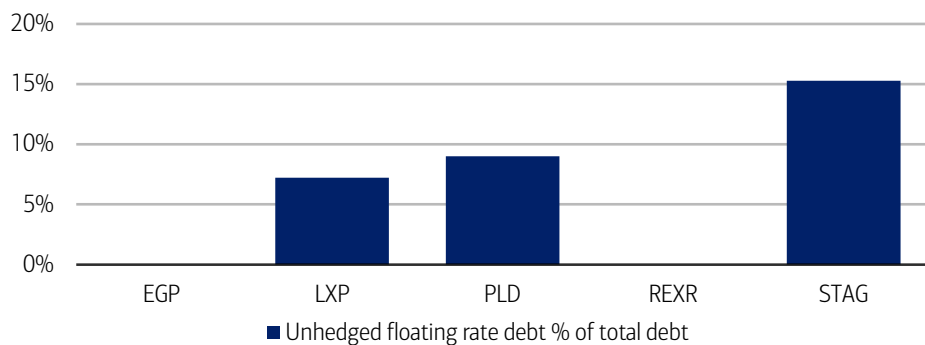


Source: Company filings as of 4Q23; EGP: Debt-to-EBITDA ratio; LXP: Net Debt / Adjusted EBITDA; PLD: Debt/Adjusted EBITDA; REXR: Net debt to Adjusted EBITDA (quarterly results annualized); STAG: Net debt / Annualized Run Rate Adjusted EBITDA ratio

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Exhibit 42: Industrial Floating rate debt analysis

STAG and PLD have the highest portion of unhedged floating rate debt



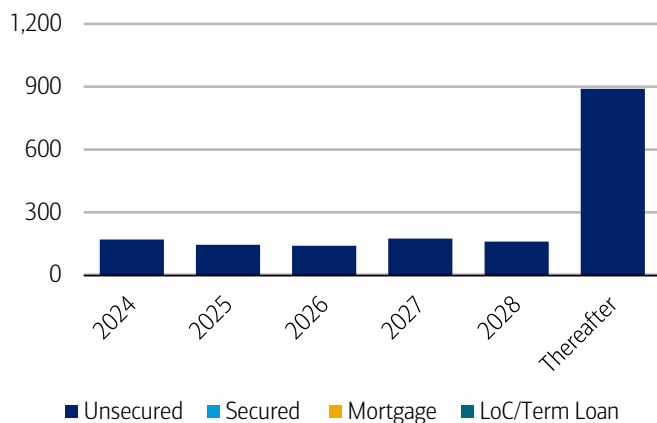
Source: Company filings as of 4Q23

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EGP

Exhibit 43: Principal (\$ million)

EGP has \$170.0M debt due in 2024



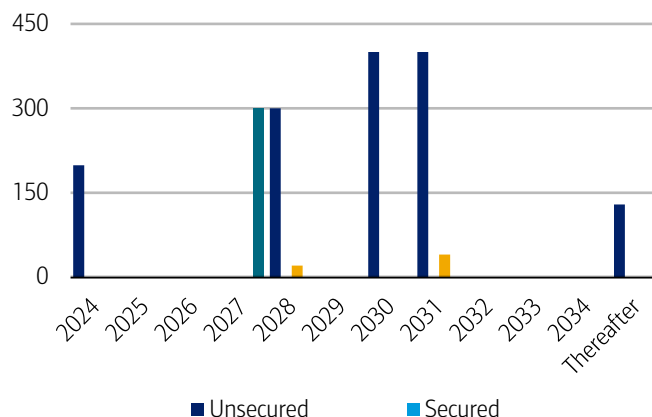
Source: Company filings as of 4Q23

BofA GLOBAL RESEARCH

LXP

Exhibit 44: Principal (\$ million)

LXP has \$198.9M debt due in 2024



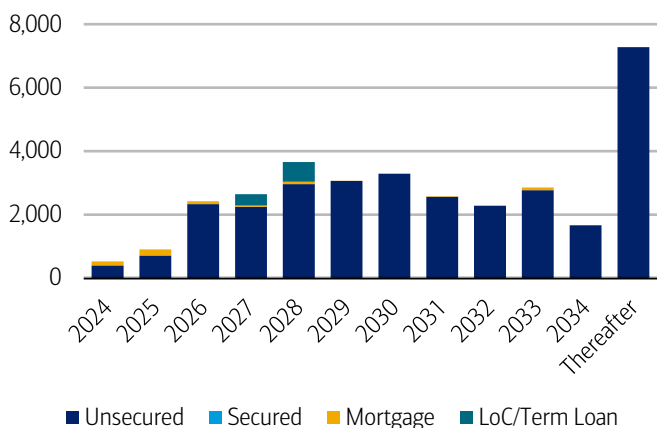
Source: Company filings as of 4Q23

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PLD

Exhibit 45: Principal (\$ million)

PLD has \$529.1M debt due in 2024



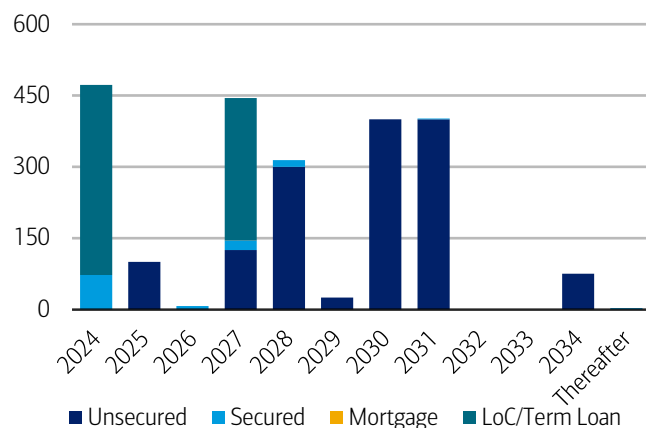
Source: Company filings as of 4Q23; includes JV debt

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REXR

Exhibit 46: Principal (\$ million)

REXR has \$472.5M debt due in 2024



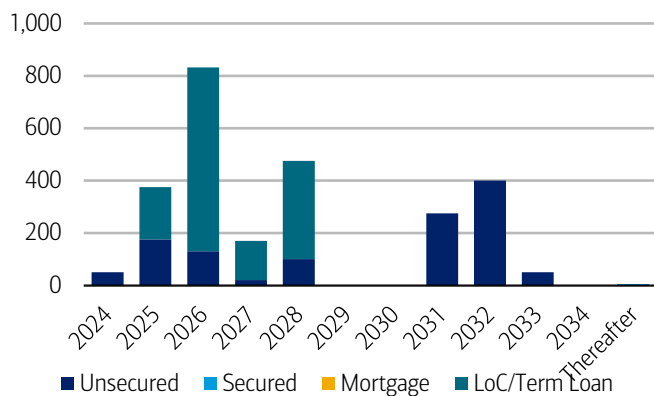
Source: Company filings as of 4Q23

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STAG

Exhibit 47: Principal (\$ million)

STAG has \$50.0M debt due in 2024



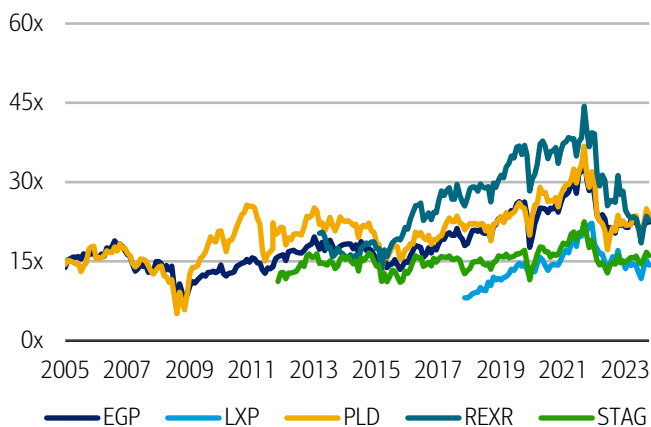
Source: Company filings as of 4Q23

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Valuation

Exhibit 48: FFO Multiple

REITs are trading at or below pre-pandemic multiples

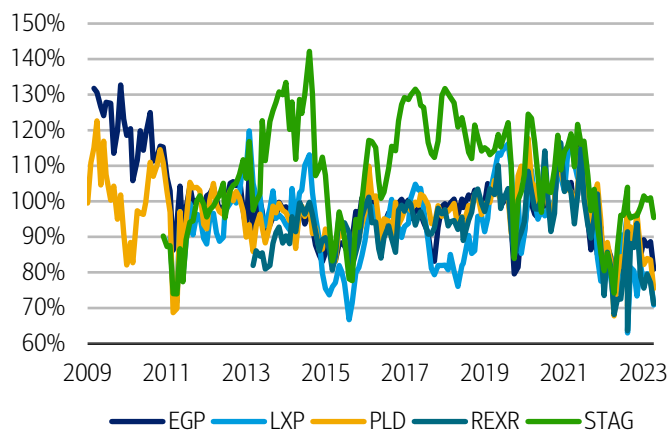


Source: BofA Global Research

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Exhibit 49: Price as % of NAV

STAG is trading the closest to NAV versus rest at discount

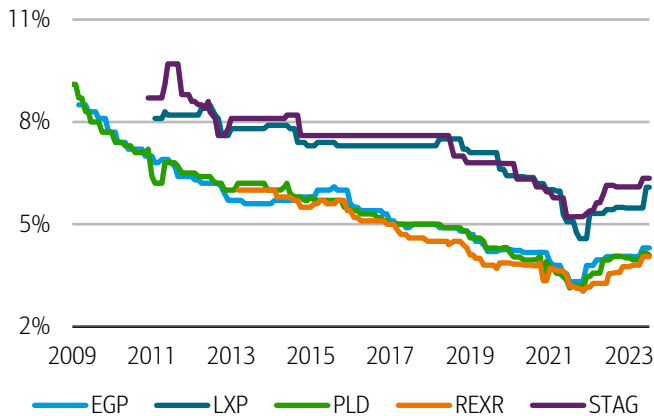


Source: BofA Global Research

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Exhibit 50: Applied Cap Rate

BofA's applied cap rate for the sector is 4.2%

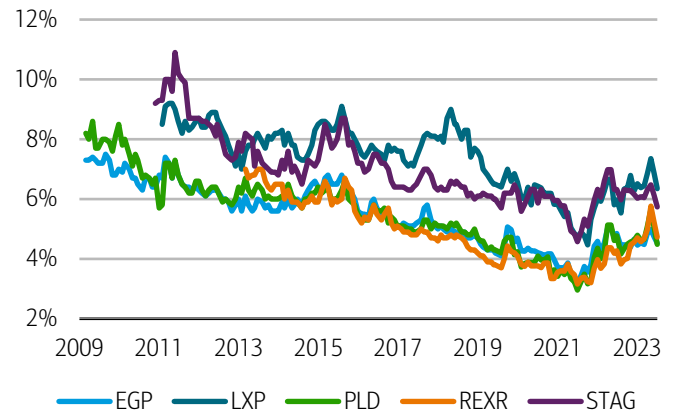


Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 51: Implied Cap Rate

Implied cap rate for the sector is 4.8%



Source: BofA Global Research

BofA GLOBAL RESEARCH

Stock performance

Exhibit 52: Total Return

PLD and STAG outperformed the RMZ in 4Q23

	EGP	LXP	PLD	REXR	STAG	RMZ
YTD	-0.5%	-13.0%	0.1%	-5.4%	-0.1%	-3.2%
4Q23	11.0%	12.9%	19.6%	14.4%	14.9%	14.7%
3Q23	-3.3%	-7.4%	-7.9%	-4.8%	-2.8%	-8.0%
2Q23	5.8%	-4.2%	-1.0%	-11.8%	7.2%	1.6%
1Q23	12.5%	4.2%	11.5%	9.9%	5.8%	1.6%
Past Year	13.3%	-18.7%	9.4%	-11.2%	15.0%	-3.0%
Past 3 Years	40.6%	-9.1%	35.7%	14.1%	39.0%	2.3%
Past 5 Years	94.0%	11.6%	111.6%	67.4%	68.7%	0.6%
Past 10 Years	303.0%	38.8%	340.9%	390.3%	180.6%	26.2%

Source: Factset, BofA Global Research

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Exhibit 53: Stocks Mentioned

Ratings and prices of stocks mentioned in this report

BofA Ticker	Bloomberg Ticker	Company Name	Price	Rating
EGP	EGP US	EastGroup Properties	\$180.93	B-1-7
LXP	LXP US	LXP Industrial Trust	\$8.64	B-3-7
PLD	PLD US	Prologis, Inc.	\$133.21	B-1-7
REXR	REXR US	Rexford Industrial Realty	\$51.84	B-1-7
STAG	STAG US	STAG Industrial Inc.	\$38.31	B-3-7

Source: BofA Global Research, priced as of 2/23/2024

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¹Relative within REITs, we view each REIT sector (i.e., office, apartments, retail, etc.) as either overweight (will outperform the RMZ rate of change in a twelve month period), underweight (will underperform the RMZ rate of change in a twelve month period), or equal weight (will be in line with RMZ rate of change over a twelve month period). The MSCI US REIT Index (RMZ) is a free float market capitalization weighted index that is comprised of Equity REIT securities that belong to the MSCI US Investable Market 2500 Index. The MSCI US REIT Index includes only REIT securities that are of reasonable size in terms of full and free float-adjusted market capitalization. MSCI began calculating the index on June 26, 2005. The AMEX had previously been calculating the index with a base level of 200, as of December 30, 1994.

Price objective basis & risk

EastGroup Properties (EGP)

Our \$210 price objective for EGP reflects our forward NAV estimate. We believe there is a secular demand tailwind for warehouse space and EGP's strong regional platform. We apply a 4.1% cap rate to our forward nominal cash NOI estimate of \$485M to calculate our NAV. We use this cap rate for EGP based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of EGP.

Downside risks to our price objective are a slower recovery in operating fundamentals and tenant demand, excess supply, and a slowdown in development opportunities. A tightening in credit markets could also weigh on access to capital, borrowing costs, and portfolio real estate values.

LXP Industrial Trust (LXP)

Our LXP price objective of \$7.00 applies a -20% discount to our forward 12-month NAV estimate. We apply a 6.5% cap rate to our forward nominal cash NOI estimate of \$272M to calculate our NAV. Upside risks to our PO are operating conditions and investment yields above our expectations, higher-than-forecast dividend growth and lower interest rates. Downside risks to our PO are operating conditions and investment yields below our expectations, and a prolonged period of tight credit market conditions, and rising interest rates.

Prologis, Inc. (PLD)

Our \$148 PO for PLD is based on our forward 12-month NAV estimate. The estimate reflects the value of PLD's global platform and balance sheet offset by trade war fears. We apply a 4.1% cap rate to our forward 12-month NOI forecast of \$6.36B to calculate our NAV. We view a slowdown in global trade and economic growth, operating conditions below our expectations, and heightened geopolitical tensions as downside risks to our PO. Tightening in credit markets could also weigh on access to capital, borrowing costs, and portfolio real estate values. Upside risks to our PO are better-than-expected operating conditions, an improved global trade outlook, and downward pressure on cap rates around the globe.

Rexford Industrial Realty (REXR)

Our \$66 price objective for REXR is our forward NAV estimate. This reflects the value of REXR's unique operating and acquisition platform in its infill Southern California industrial markets. We apply a 4.1% cap rate to our forward nominal cash NOI estimate of \$764M to calculate our NAV. We use this cap rate for REXR based on our view of interest rates over the next year, current private market/transaction comps, and the market exposure of REXR. Downside risks to our price objective are operating conditions below our expectations, a rise in cap rates in REXR's markets above our expectations, and failure by REXR to successfully execute on its investment strategy.

STAG Industrial (STAG)

Our STAG price objective of \$34 represents our forward 12-month NAV estimate. Our NAV estimate is based on a blended 6.4% cap rate for the portfolio. Upside risks to our PO are higher-than-forecast dividend growth rates, stronger acquisition volumes and lower interest rates. The downside risks to our PO are that operating conditions in STAG's core markets, STAG's ability to complete acquisitions, or STAG's pricing on acquisitions are below our expectations, as well as rising interest rates.

Analyst Certification

We, Camille Bonnel and Jeffrey Spector, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective



compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - REITs Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Agree Realty Corp	ADC	ADC US	Joshua Dennerlein
	Alexandria Real Estate Equities	ARE	ARE US	Joshua Dennerlein
	American Homes 4 Rent	AMH	AMH US	Jeffrey Spector
	Americold Realty Trust	COLD	COLD US	Joshua Dennerlein
	AvalonBay Communities Inc	AVB	AVB US	Joshua Dennerlein
	Boston Properties	BXP	BXP US	Jeffrey Spector
	Brixmor Property Group	BRX	BRX US	Jeffrey Spector
	COPT Defense Properties	CDP	CDP US	Camille Bonnel
	Cousins Properties Inc.	CUZ	CUZ US	Camille Bonnel
	EastGroup Properties	EGP	EGP US	Jeffrey Spector
	Empire State Realty Trust	ESRT	ESRT US	Camille Bonnel
	Equity Residential	EQR	EQR US	Jeffrey Spector
	Essential Properties	EPRT	EPRT US	Joshua Dennerlein
	Federal Realty	FRT	FRT US	Jeffrey Spector
	Invitation Homes Inc	INVH	INVH US	Joshua Dennerlein
	Kimco Realty	KIM	KIM US	Jeffrey Spector
	Kite Realty Group	KRG	KRG US	Jeffrey Spector
	Phillips Edison & Company	PECO	PECO US	Jeffrey Spector
	Prologis, Inc.	PLD	PLD US	Camille Bonnel
	Public Storage, Inc.	PSA	PSA US	Jeffrey Spector
	Regency	REG	REG US	Jeffrey Spector
	Rexford Industrial Realty	REXR	REXR US	Camille Bonnel
	Sabra Health Care	SBRA	SBRA US	Joshua Dennerlein
	Simon Property	SPG	SPG US	Jeffrey Spector
	Ventas, Inc.	VTR	VTR US	Jeffrey Spector
	Welltower	WELL	WELL US	Joshua Dennerlein
NEUTRAL				
	Acadia Realty Trust	AKR	AKR US	Jeffrey Spector
	CubeSmart	CUBE	CUBE US	Jeffrey Spector
	EPR Properties	EPR	EPR US	Joshua Dennerlein
	Equity LifeStyle Properties	ELS	ELS US	Jeffrey Spector
	Essex Property Trust, Inc.	ESS	ESS US	Joshua Dennerlein
	Extra Space Storage, Inc.	EXR	EXR US	Jeffrey Spector
	Getty Realty Corp.	GTY	GTY US	Joshua Dennerlein
	Highwoods Properties	HIW	HIW US	Camille Bonnel
	InvenTrust Properties	IVT	IVT US	Jeffrey Spector
	Kilroy Realty Corporation	KRC	KRC US	Camille Bonnel
	Macerich	MAC	MAC US	Jeffrey Spector
	OMEGA Healthcare	OHI	OHI US	Joshua Dennerlein
	Realty Income	O	O US	Jeffrey Spector
	Retail Opportunity Investments Corp.	ROIC	ROIC US	Jeffrey Spector
	SL Green Realty	SLG	SLG US	Camille Bonnel
	Sun Communities	SUI	SUI US	Joshua Dennerlein
	UDR, Inc.	UDR	UDR US	Joshua Dennerlein
	Veris Residential Inc	VRE	VRE US	Joshua Dennerlein
	Vornado Realty	VNO	VNO US	Camille Bonnel
UNDERPERFORM				
	American Assets Trust	AAT	AAT US	Camille Bonnel
	Armada Hoffer Properties	AHH	AHH US	Camille Bonnel
	Camden Property Trust	CPT	CPT US	Joshua Dennerlein
	Douglas Emmett	DEI	DEI US	Camille Bonnel
	Healthpeak Properties, Inc.	PEAK	PEAK US	Joshua Dennerlein
	Hudson Pacific Properties, Inc.	HPP	HPP US	Camille Bonnel
	Kennedy Wilson	KW	KW US	Joshua Dennerlein
	LXP Industrial Trust	LXP	LXP US	Camille Bonnel
	Medical Properties Trust, Inc.	MPW	MPW US	Joshua Dennerlein
	Mid-America Apartment Communities, Inc.	MAA	MAA US	Joshua Dennerlein
	National Storage Affiliates Trust	NSA	NSA US	Jeffrey Spector
	NetSTREIT	NTST	NTST US	Joshua Dennerlein
	NNN REIT Inc	NNN	NNN US	Joshua Dennerlein
	Paramount Group	PGRE	PGRE US	Camille Bonnel
	Peakstone Realty Trust	PKST	PKST US	Joshua Dennerlein
	STAG Industrial	STAG	STAG US	Camille Bonnel



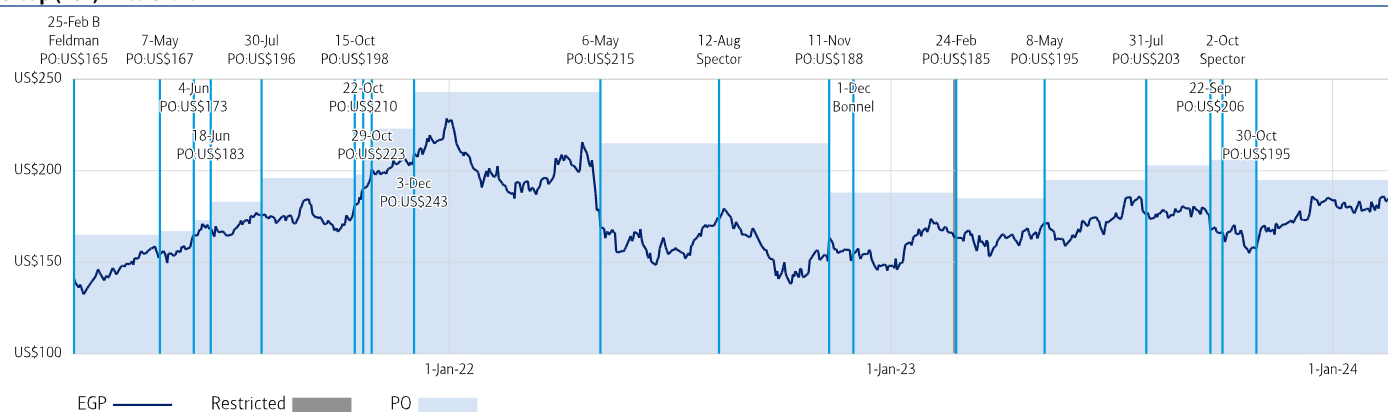
US - REITs Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Tanger Inc	SKT	SKT US	Jeffrey Spector
	WP Carey	WPC	WPC US	Joshua Dennerlein

Disclosures

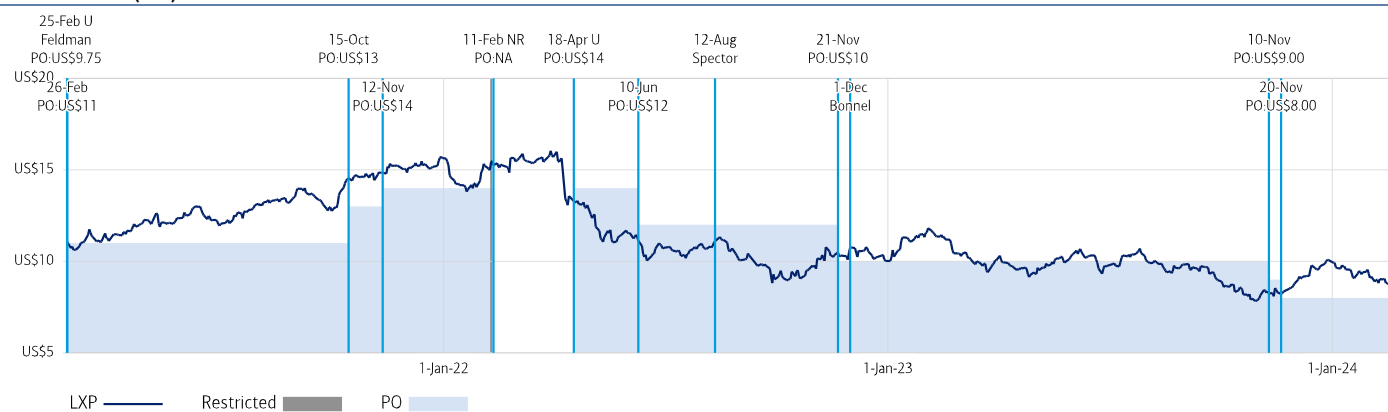
Important Disclosures

EastGroup (EGP) Price Chart

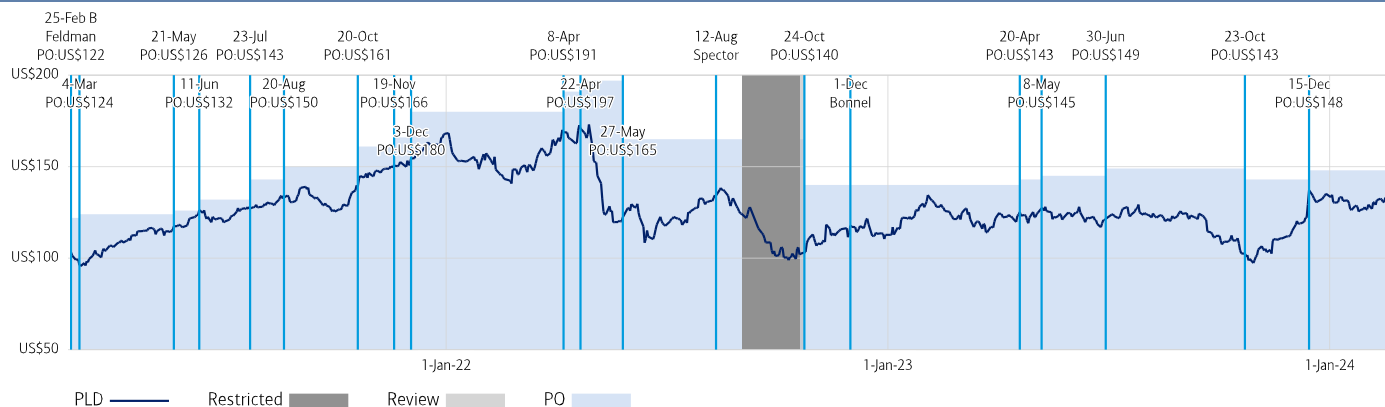


The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

LXP Industrial Trust (LXP) Price Chart

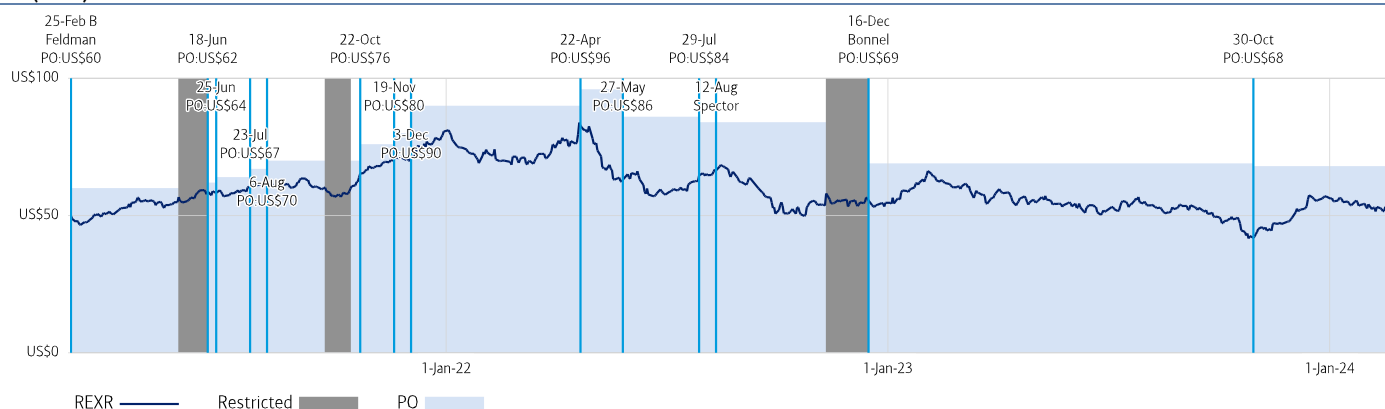


The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Prologis, Inc. (PLD) Price Chart

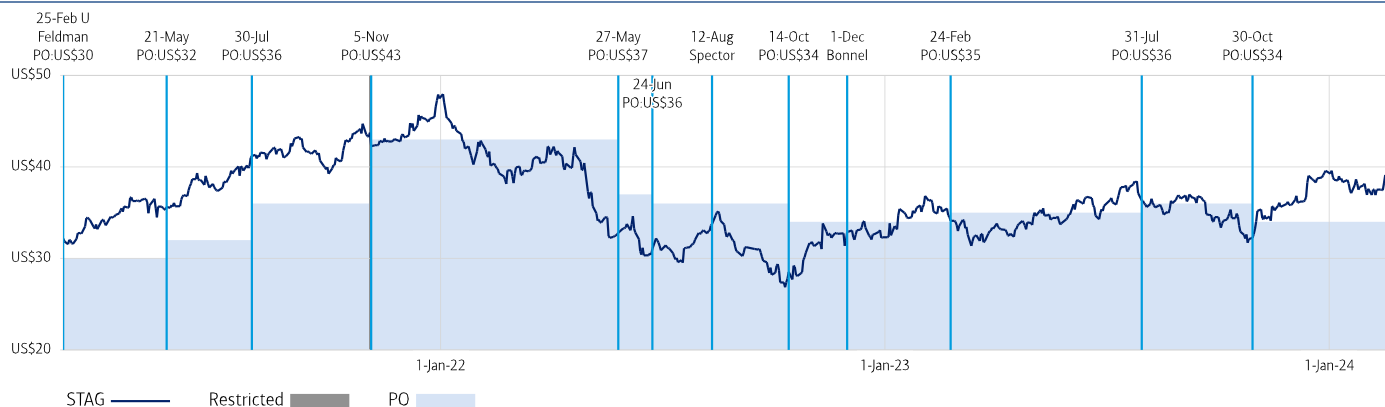
B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Rexford (REXR) Price Chart

B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

STAG Industrial (STAG) Price Chart

B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: REITs (Real Estate Investment Trusts) Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	40	46.51%	Buy	33	82.50%
Hold	27	31.40%	Hold	21	77.78%
Sell	19	22.09%	Sell	16	84.21%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. **Coverage Cluster** is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the [Price Charts website](#), or call 1-800-MERRILL to have them mailed.

BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: EastGroup, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: LXP Industrial Trust.

The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: EastGroup Prop, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: EastGroup Prop, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: EastGroup Prop, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: EastGroup Prop, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: EastGroup Prop, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

BofAS together with its affiliates beneficially owns one percent or more of the common stock of this issuer. If this report was issued on or after the 9th day of the month, it reflects the ownership position on the last day of the previous month. Reports issued before the 9th day of a month reflect the ownership position at the end of the second month preceding the date of the report: Prologis, Inc., Rexford.

BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: EastGroup, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial. The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: EastGroup Prop, LXP Industrial Trust, Prologis, Inc., Rexford, STAG Industrial.

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Other Important Disclosures

BofAS together with its affiliates beneficially owns a net short position of 0.5% or more of the total issued share capital of this issuer. Ownership positions speak as of a date no more than three trading days prior to the date of this report: Rexford.

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The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

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