

Prologis Research Finds Strong Rental Growth Continuing in Annual Logistics Rent Index

Rent growth in the U.S. is again the highest in the world amid historically low vacancies; Europe is gaining momentum

SAN FRANCISCO, March 2, 2017 /PRNewswire/ -- Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today released its 2016 Logistics Rent Index. Data for the index comes from Prologis' global portfolio and local knowledge of pricing in the markets in which it operates.

Key findings include:

- Rental rates for global logistics real estate rose by 4 percent in 2016.
- The United States led market rent growth in 2016, rising 5 percent—the highest in the world, with major coastal markets near large consumption centers outperforming all other U.S. markets by more than 150 basis points.
- Market rent growth in Europe was 3 percent and is gaining momentum
- A favorable gap between market rents and in places leases is now the widest in our history, which will drive industry earnings growth even as market rent growth moderates.

"This year's index tells us that market rent continues to increase due in large part to the confluence of growing consumption and favorable underlying dynamics of supply and demand. In many leading markets, replacement costs are rising quickly, which in turn supports further growth in market rents," said Chris Caton, Prologis' Global Head of Research.

Prologis Research introduced the index last year. The index examines trends in net effective rents globally in 60 markets spanning four major regions of the world. Prologis embarked on the study because it found that market rent trends across the globe either are not readily available, may not deduct for lease concessions or do not accurately reflect the performance of modern logistics facilities.

The full index can be found at <http://prolo.gs/2IY664u>.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2016, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 676 million square feet (63 million square meters) in 20 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.

FORWARD-LOOKING STATEMENTS

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates", including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity, contribution and disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic and political climates, (ii) changes in global financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust status, tax structuring and changes in income tax rates (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments in our co-investment ventures, including our ability to establish new co-investment ventures, (viii) risks of doing business internationally, including currency risks, (ix) environmental

uncertainties, including risks of natural disasters, and (x) those additional factors discussed in reports filed with the Securities and Exchange Commission by us under the heading "Risk Factors." We undertake no duty to update any forward-looking statements appearing in this document except as may be required by law.



SOURCE Prologis, Inc.

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