Terreno Realty Corporation

Q2 2024 Update

August 7, 2024

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Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements and, in some cases, can be identified by the use of the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “result,” “should,” “will,” “seek,” “target,” “see,” “likely,” “position,” “opportunity,” “outlook,” “potential,” “future,” “strategy,” “goal,” and similar expressions. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including risks related to our ability to meet our estimated forecasts related to stabilized capitalization rates and market capitalization rates. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

We caution investors that forward-looking statements are based on management’s beliefs and on assumptions made by, and information currently available to, management. Factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: (i) our ability to identify and acquire industrial properties on terms favorable to us; (ii) general volatility of the capital markets and the market price of our common stock; (iii) adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we own properties; (iv) our dependence on key personnel and our reliance on third-party property managers; (v) our inability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vi) our ability to manage our growth effectively; (vii) tenant bankruptcies and defaults on or non-renewal of leases by tenants; (viii) decreased rental rates or increased vacancy rates; (ix) increased interest rates and operating costs; (x) declining real estate valuations and impairment charges; (xi) our expected leverage, our failure to obtain necessary outside financing, and existing and future debt service obligations; (xii) our ability to make distributions to our stockholders; (xiii) our failure to successfully hedge against interest rate increases; (xiv) our failure to successfully operate acquired properties; (xv) risk relating to our real estate redevelopment, renovation and expansion strategies and activities (including rising inflation, supply chain disruptions and construction delays); (xvi) the impact of any future pandemic, epidemic or outbreak of any highly infectious disease on the U.S., regional and global economies and on our business, financial condition and results of operations and that of our tenants; (xvii) risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology networks and related systems; (xviii) our failure to qualify or maintain our status as a real estate investment trust (“REIT”), and possible adverse changes to tax laws; (xix) uninsured or underinsured losses and costs relating to our properties or that otherwise result from future litigation; (xx) environmental uncertainties and risks related to natural disasters; (xxi) financial market fluctuations; and (xxii) changes in real estate and zoning laws and increases in real property tax rates. Other factors that could materially affect results can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, including those set forth under the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the Company’s preliminary prospectus supplement relating to the offering under the section titled “Risk Factors”, and in our other public filings.

We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

Investment Strategy

Unique and Highly Selective Market Approach

- Acquire, own and operate industrial real estate in six major coastal U.S. markets. Exclusively.
  - Mix of core and value-add investments
  - No greenfield development
  - No complex joint ventures
  - Emphasis on discount to replacement cost provides margin of safety
- Superior market fundamentals
  - Strong demand generators (high population densities, high volume distribution points, logistics infrastructure)
  - Physical and regulatory constraints to new supply
    - Shrinking supply in certain submarkets

Functional Assets in Infill Locations

- Broad product opportunity set (1)
  - Warehouse / distribution (77.5%)
  - Improved land (12.2%) (2)
  - Transshipment (6.5%)
  - Flex (including light industrial and R&D) (3.8%)
- Functional and flexible assets
  - Cater to sub-market tenant demands, including last-mile distribution
  - Generally suitable for multiple tenants
  - Opportunity for higher and better use over time

Goal: Superior same store NOI and per share NAV growth

(1) *Reflects Terreno portfolio composition based on annualized base rent ("ABR") as of June 30, 2024. Excludes nine properties under development or redevelopment that, upon completion, will consist of ten buildings aggregating approximately 1.1 million square feet and one approximately 2.8-acre improved land parcel, and approximately 35.4 acres of land for future development.*

(2) *Includes 45 improved land parcels totaling approximately 152.4 acres that were 98.1% leased as of June 30, 2024. Such land is used for industrial outdoor storage and may be redeveloped to higher and better use.*

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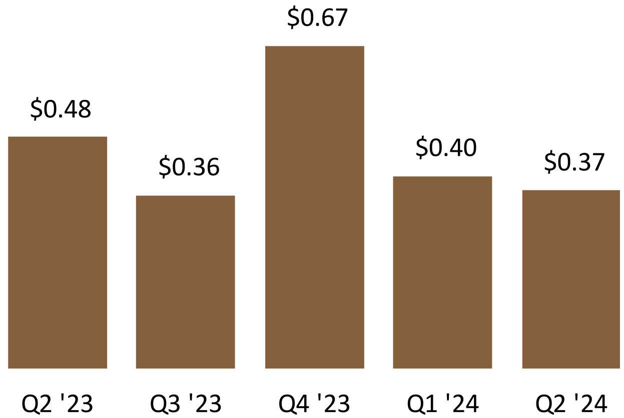
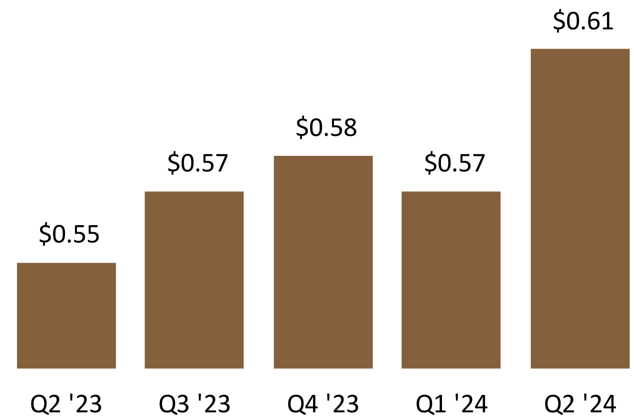
Financial Highlights

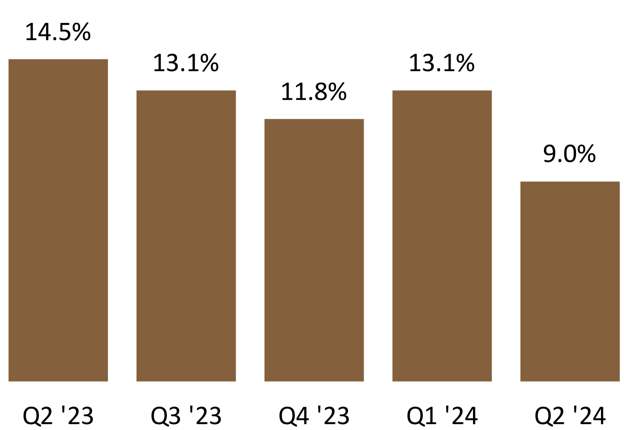
Net Income Per Share



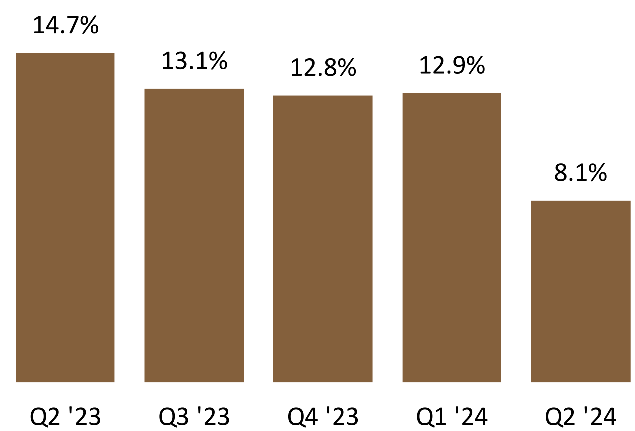
FFO Per Share (1)



Cash Same Store NOI Growth (1)(2)



Cash SSNOI Excluding Termination Fees (1)(2)



(1) *This is a non-GAAP financial measure. Please see our Reporting Definitions for further explanation.*

(2) *Approximately $0.3 million (60bps) of the increase in cash-basis same store NOI for the three months ended June 30, 2024 was related to properties that were acquired vacant or with near term expirations. Cash-basis same store NOI growth %'s are as reported in the Company's Form 10-K's. Previously reported cash-basis same store NOI growth has not been adjusted for properties that were subsequently disposed of or held for sale.*

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Recent Highlights

Investment Highlights

Q2 2024 Acquisitions	$448.8 million
2024 YTD Acquisitions (1)(2)	$474.9 million
Acquisitions Under Contract (1)	-
2024 YTD Dispositions (1)	$11.0 million
2024 YTD Development and Redevelopment Starts (3)	$185.2 million

Capital Markets Activities

- During the second quarter of 2024, Terreno Realty Corporation did not issue any shares of common stock under the Company's ATM equity offering program. During the six months ended June 30, 2024, Terreno Realty Corporation issued an aggregate of 2,353,278 shares of common stock under the ATM at a weighted average offering price of $64.00 per share, receiving gross proceeds of approximately $150.6 million.
- Combined with the March 2024 public offering of 6,325,000 shares of common stock, Terreno Realty Corporation has issued 8,678,278 shares of common stock at a weighted average offering price of $62.54 per share, receiving aggregate gross proceeds of approximately $542.8 million.
- In July 2024, we repaid $100.0 million of senior unsecured notes using existing cash on hand. We have no further debt maturing in 2024 or 2025. As of June 30, 2024, there were no borrowings outstanding under our $400 million revolving credit facility.

Operating Highlights

- Cash rents on new and renewed leases commencing during the three months ended June 30, 2024 increased approximately 45.9% on approximately 0.5 million square feet and 18.9 acres of improved land; tenant retention during the three months ended June 30, 2024 was 56.4% for the operating portfolio and 61.2% for the improved land portfolio. Cash rents on new and renewed leases commencing during the six months ended June 30, 2024 increased approximately 46.5% on approximately 1.2 million square feet and 22.2 acres of improved land; tenant retention during the six months ended June 30, 2024 was 56.6% for the operating portfolio and 65.7% for the improved land portfolio.
- Total portfolio, excluding nine properties under development or redevelopment and 45 improved land parcels, was 96.0% leased as of June 30, 2024 as compared to 96.2% at March 31, 2024 and 97.8% at June 30, 2023. Occupancy declined during the second quarter primarily due to 99,000 square feet of acquired vacancy (approximately 60bps). The improved land portfolio of 45 parcels totaling approximately 152.4 acres was 98.1% leased at June 30, 2024 as compared to 94.6% at March 31, 2024 and 96.3% at June 30, 2023.
- The same store portfolio of approximately 14.7 million square feet, representing approximately 81.2% of our total square feet, was 96.0% leased as of June 30, 2024 as compared to 96.2% as of March 31, 2024 and 98.1% as of June 30, 2023.

(1) *As of August 6, 2024.*
(2) *On August 1, 2024, the Company acquired one industrial property in Washington, D.C. for a purchase price of approximately $7.6 million.*
(3) *As of August 6, 2024, we commenced development on three properties year-to-date in 2024, with a total expected investment of approximately $121.2 million, including development costs, capitalized interest and other costs. Additionally, we commenced the redevelopment of one existing property with an expected additional investment of $64.0 million, including redevelopment costs, capitalized interest and other costs.*

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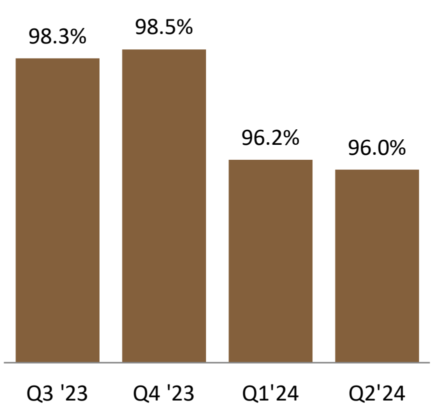
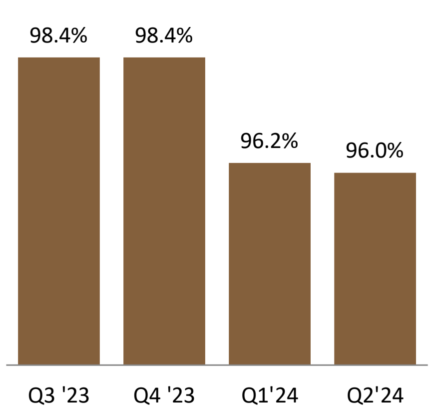
Current Portfolio Overview

Occupancy (1) (2)

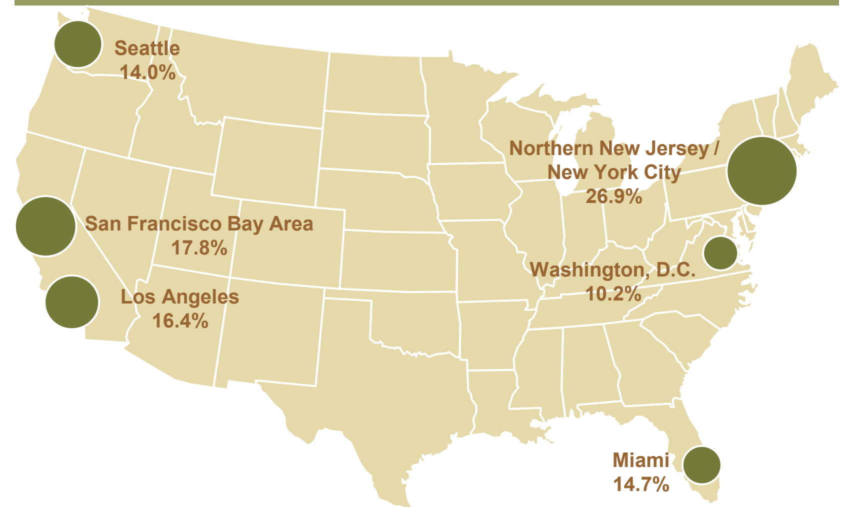
Portfolio



Same Store



Six Major Coastal U.S. Markets (2) (3)



Key Metrics (4)

Square Feet (2)	18.1 million	**Average Acquisition Size**	$19.1 million
Number of Buildings (2)	292	**Weighted Average Occupancy at Acquisition**	86.0%
45 Improved Land Parcels (2)	152.4 acres	**Square Feet Under Development or Redevelopment**	1.1 million

(1) *Portfolio and Same Store occupancy based on approximately 18.1 million and 14.7 million square feet, respectively, as of June 30, 2024, and excludes 45 improved land parcels consisting of approximately 152.4 acres. Occupancy declined during the second quarter primarily due to 99,000 square feet of acquired vacancy (approximately 60bps).*

(2) *Excludes nine properties under development or redevelopment as of June 30, 2024, that, upon completion, will consist of ten buildings aggregating approximately 1.1 million square feet and one approximately 2.8-acre improved land parcel, and approximately 35.4 acres of land for future development.*

(3) *Based on annualized base rent ("ABR") by market including approximately 18.1 million square feet and 45 improved land parcels consisting of approximately 152.4 acres as of June 30, 2024.*

(4) *Portfolio as of June 30, 2024.*

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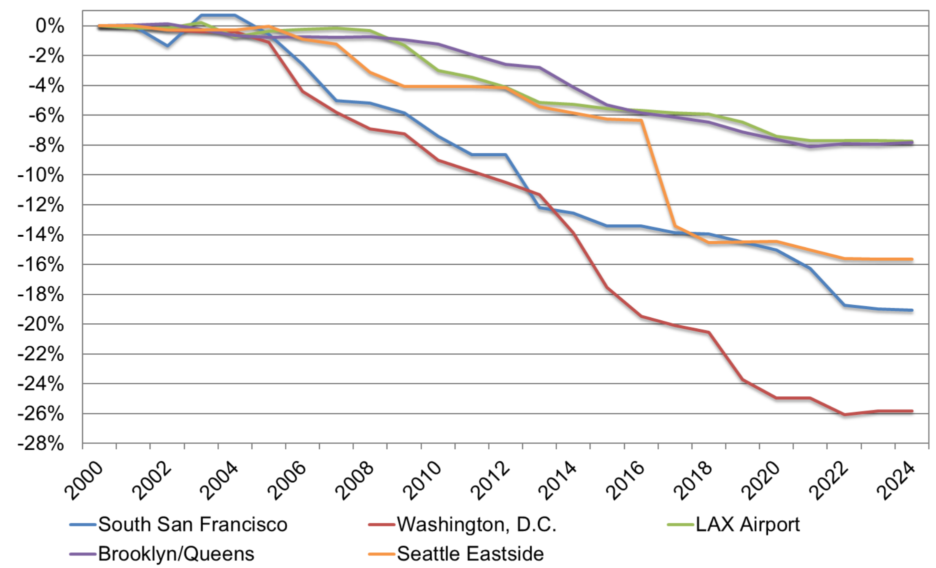
Terreno's Submarket Focus

Highly Focused Submarket Strategy

- 36% of portfolio located in **shrinking supply** submarkets [(1)]
  - Characterized by shrinking industrial supply. Offers opportunities to convert existing buildings into higher and better use over time. Urban infill.
- 43% of portfolio in **no net new supply** submarkets [(1)]
  - Characterized by older existing industrial product. Offers opportunities to redevelop existing buildings into new, modern industrial buildings. Infill.
- 21% of portfolio in **new supply** submarkets [(1)]
  - Characterized by industrial buildings that will remain in their current state for the foreseeable future with previously undeveloped land available for industrial development. Greenfield.

Percentage Decrease in Industrial Supply Since 2000 [(2)] In Select Submarkets



Submarket	SF Decrease (Millions of SF)	Total SF Decrease Since 2000	Annual SF Decrease
Washington, D.C.	2.6	25.8%	1.1%
South San Francisco	3.5	19.1%	0.8%
Seattle Eastside	1.8	15.7%	0.7%
Brooklyn/Queens	14.4	7.8%	0.3%
LAX Airport	1.3	7.7%	0.3%

(1) As of August 6, 2024. Reflects Terreno portfolio composition based on geography and purchase price, includes nine properties under development or redevelopment and improved land parcels. Developments and redevelopments are included at total investment. Refer to Appendix for submarket classifications.

(2) Data provided by Costar. As a comparison, industrial supply has increased 32% nationally and 146% in the Inland Empire since 2000.

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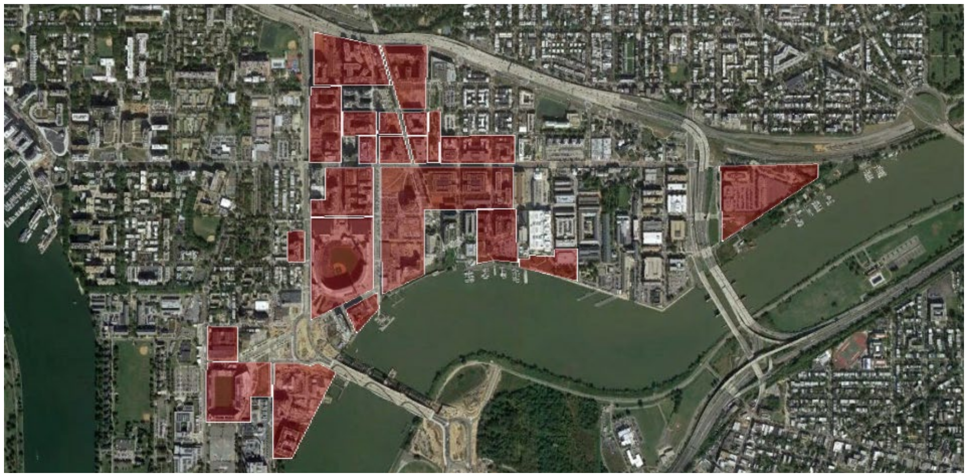
Shrinking Supply: Washington, D.C.

Approximately 27.3% Decrease in Supply and 12.2% Average Annual Increase in Rental Rate Since 1994

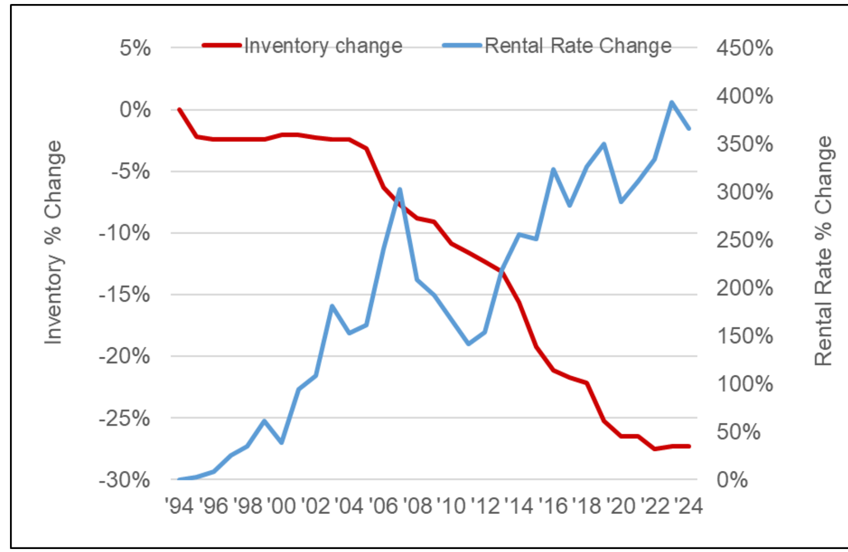
Capitol Riverfront, Washington D.C.:



Northeast Submarket, Washington D.C.:

Demolished or Repurposed Industrial Inventory

Terreno Properties (9 buildings, approximately 902,000 SF)



Represents inventory and rental rates for all Washington, D.C. submarkets.
Source: CoStar

- Industrial supply has been in secular decline, replaced by retail, entertainment, and multifamily.
- Former industrial pockets including Capitol Riverfront and NoMa / Union Market have been transformed by conversion to higher and better uses.

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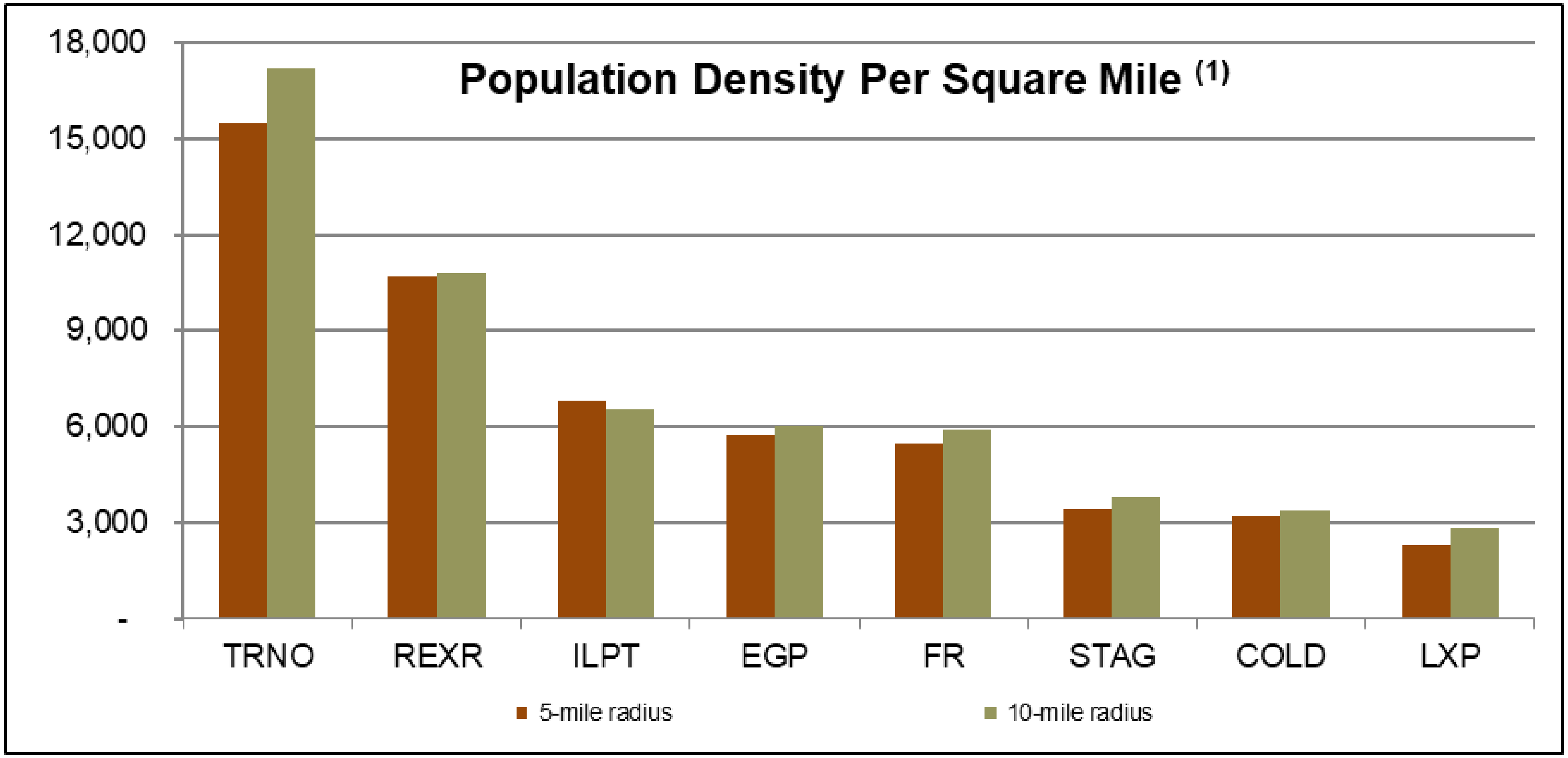
Submarket Focus: Infill

Terreno portfolio located within highest density population submarkets as compared to other industrial REITs



(1) Represents average population density weighted by square feet and ranked by 5-mile radius, as of August 6, 2024.
Prologis (NYSE: PLD) excluded due to lack of disclosed data.
Source: S&P Global Market Intelligence, Terreno Realty Corporation.

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Submarket Focus: Infill

Terreno portfolio located within highest density population submarkets as compared to other industrial REITs

- *TRNO represents average population density within 5-mile radius of owned properties, weighted by square footage, as of August 6, 2024. Peers represent average population density within 5-mile radius of owned properties for combined portfolios of COLD, EGP, FR, ILPT, LXP, REXR, and STAG, weighted by square footage, and located in states with TRNO-owned properties, as of August 6, 2024.*
- *PLD excluded due to lack of disclosed data.*
- *Source: S&P Global Market Intelligence, Terreno Realty Corporation.*

Submarket Focus: Ownership Density

Expanding presence in infill submarkets

JFK Airport - Jamaica, Queens, New York City

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Superior Long-Term Results

11.3%

Average Cash SSNOI Growth Since IPO(1)

12.9%

Unleveraged IRR on 34 Sold Properties Since IPO(1)

12.7%

Dividend CAGR Since 2011 Initiation

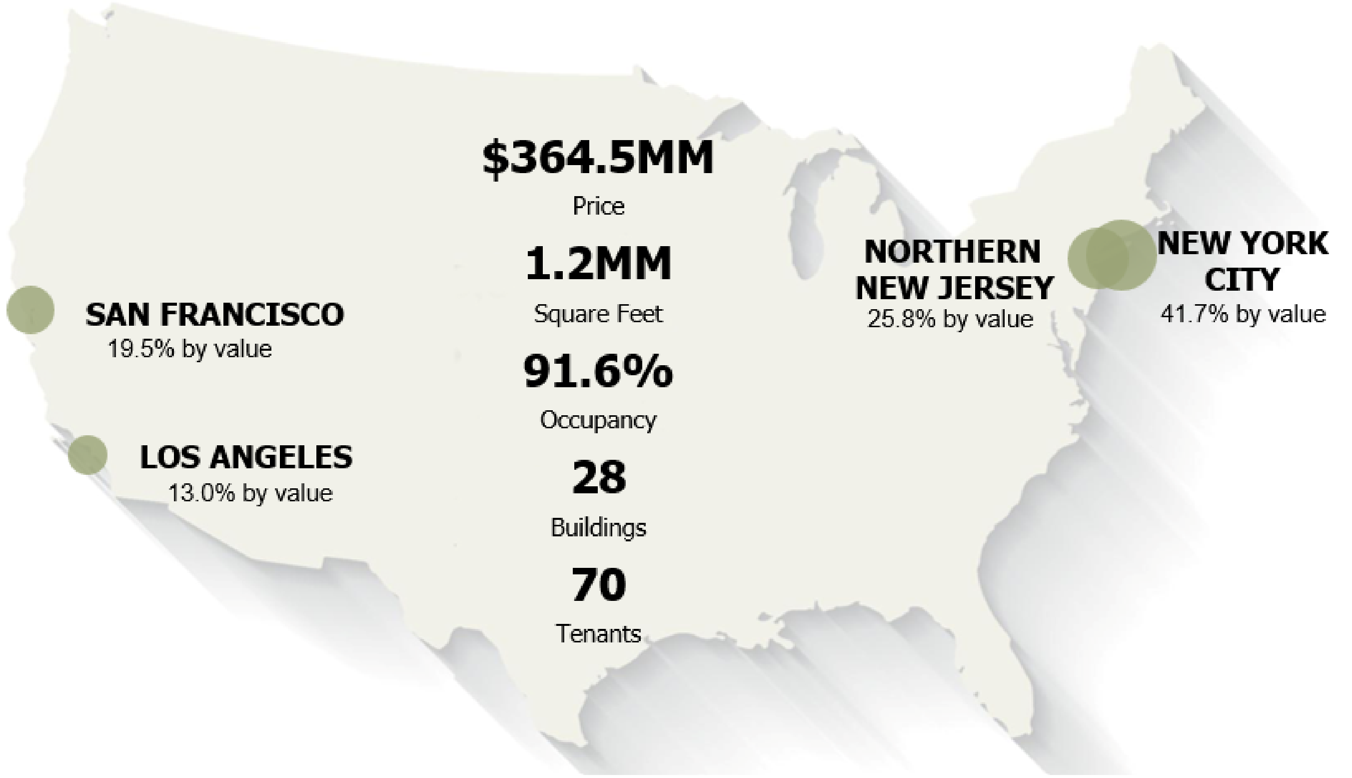
10.4%

TSR CAGR Since 2010 IPO

(1) See Appendix for details.

Multi-Market Portfolio Acquisition

- On May 2, 2024, the Company acquired a portfolio of industrial properties comprised of 28 buildings totaling approximately 1.2 million square feet located in New York City, Northern New Jersey, San Francisco Bay Area and Los Angeles for a total purchase price of approximately $364.5 million.
- The in-place cap rate was 4.3%, the estimated stabilized cap rate was 5.0% and the estimated stabilized cap rate adjusting to today's market rents was 5.8% (1).



(1) *See Appendix for definitions.*

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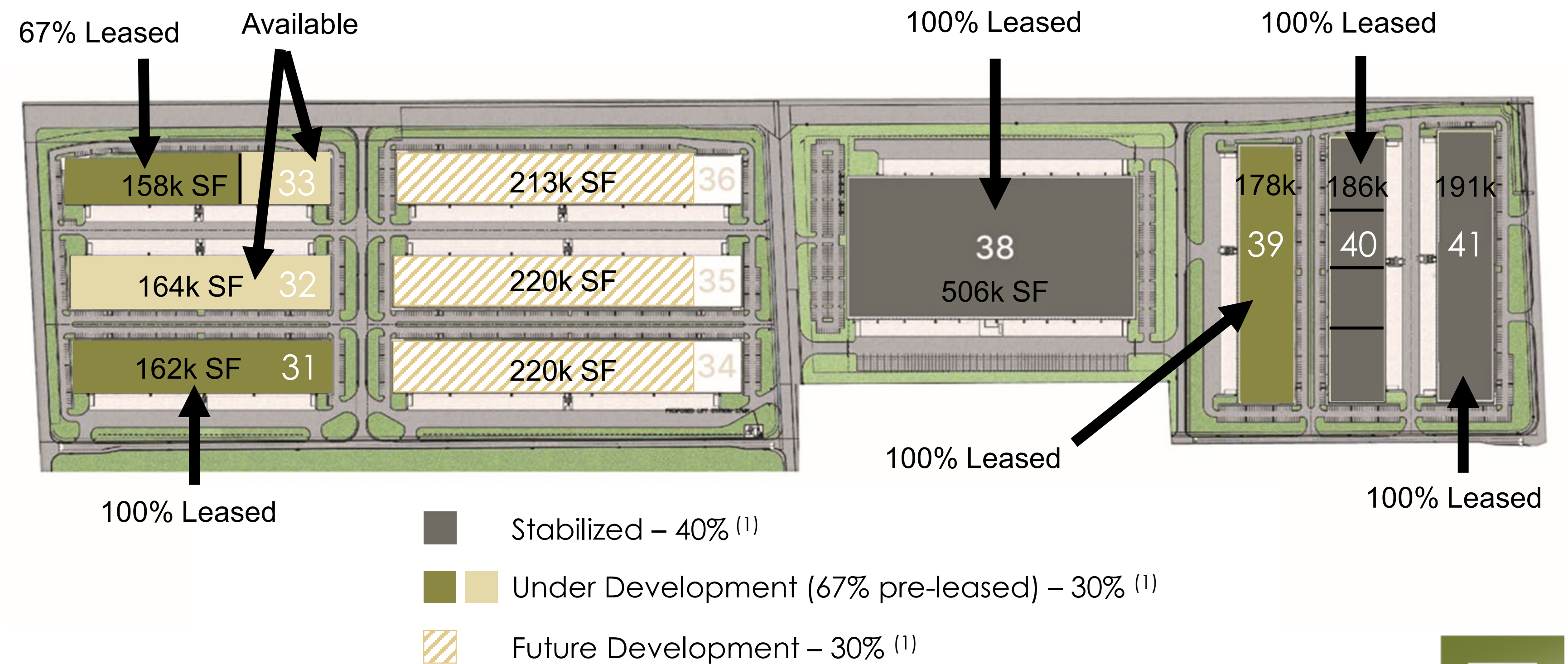
Countyline Corporate Park Phase IV

- Countyline Corporate Park Phase IV is a 121-acre landfill redevelopment project in Miami's Countyline Corporate Park ("Countyline"), immediately adjacent to Terreno Realty Corporation's seven buildings within Countyline. At expected completion in 2027, Countyline Phase IV is expected to contain ten LEED-certified industrial distribution buildings totaling approximately 2.2 million square feet for a total expected investment of approximately $511.5 million:



(1) *As of August 6, 2024.*

Environmental Highlights

We contribute positively to the environment by owning and operating facilities in infill locations close to population centers thereby minimizing vehicle miles traveled and the concomitant use of fuel and production of airborne particulate matter pollution. We do not develop buildings in greenfield locations. When re-leasing and redeveloping, we reduce our carbon footprint by upgrading existing facilities with energy efficient lighting and heating, and water saving solutions. Many of our properties are in historical manufacturing sites and we remove hazardous materials and remediate those sites that have environmental contaminants.

Recent Highlights

Rooftop Solar

- Entered agreements to host rooftop solar projects in our Washington, D.C., Los Angeles, and Northern New Jersey/New York markets. The projects are expected to be delivered beginning in late 2024, on track towards our goal of hosting rooftop solar arrays on at least 5% of the total rooftop area of our portfolio by year-end 2024, up from ~3% today.

Green Building Certifications

- Achieved LEED certification at Countyline Building 28 in Hialeah, Florida. To date, we have achieved LEED certification on approximately 1,026,000 square feet of newly-developed buildings built on former landfill and industrial land sites and commenced LEED certification on an additional 2,122,000 square feet of newly-developed buildings built on former landfill and industrial land sites in Miami, Los Angeles and New Jersey.

Commitment to ESG Excellence

- More than 78% of our portfolio now contains energy efficient lighting and we are committed to upgrading the lighting across the portfolio as we gain access to units during vacancy periods.
- Increased the number of white or reflective surface roofs to approximately 80% of our portfolio.
- Increased our GRESB Real Estate Assessment score from 35 in 2021 to 60 in 2023, and our MSCI ESG rating was upgraded from B to BBB during 2023.

Market Leading Corporate Structure

Management Alignment

- Executive Team's long-term incentive compensation fully aligned with stockholders
  - Performance shares tied to three-year total stockholder return exceeding the MSCI U.S. REIT Index and FTSE Nareit Equity Industrial Index
  - No annual cash bonus plan for CEO and President with their long-term compensation paid solely in stock
- No stock options, SARs, dividend equivalent units or UPREIT units
- Significant senior management and board investment in common shares (approximately 2.0% of outstanding shares valued at $129.0 million)

Corporate Governance

- Tied for #1 among all REITs for Corporate Governance by Green Street Advisors, June 20, 2024
- Majority independent directors with diverse expertise serving annual terms; no classification of Board without shareholder approval ("MUTA opt-out")
- Adopted a majority voting standard in non-contested director elections
- Opted out of three Maryland anti-takeover provisions (no opt in without stockholder approval)
- Ownership limits designed to protect REIT status and not for the purpose of serving as an anti-takeover device
- No stockholder rights plan unless approved in advance by stockholders or if adopted, subject to termination if not ratified by stockholders within 12 months

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Key Takeaways

- Focused strategy
  - Six major coastal US markets, exclusively
  - Flexible and functional assets in infill locations
- Acquisition opportunities across our target markets at discounts to replacement cost
  - Ability to convert value-add investments into stabilized assets and realize value
  - Urban infill locations provide superior rent growth and higher and better use opportunities over time
- Strong balance sheet including an investment grade credit rating, undrawn line of credit and more than $100 million of cash
- Demonstrated value creation with 34 properties sold since 2010 IPO for an aggregate sales price of approximately $664.0 million earning a 12.9% unleveraged IRR
- 12.7% dividend CAGR since initiating dividend in 2011
- 10.4% compounded annual total shareholder return since 2010 IPO
- Aligned management team and market leading corporate governance

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Appendix

Appendix: Statements Of Operations

CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands except share and per share data)	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
REVENUES				
Rental revenues and tenant expense reimbursements	$ 94,247	$ 79,535	$ 179,277	$ 154,186
Total revenues	94,247	79,535	179,277	154,186
COSTS AND EXPENSES				
Property operating expenses	23,772	18,586	44,662	36,967
Depreciation and amortization	23,012	18,232	43,951	36,391
General and administrative	10,543	9,766	21,053	19,086
Acquisition costs and other	36	27	36	75
Total costs and expenses	57,363	46,611	109,702	92,519
OTHER INCOME (EXPENSE)				
Interest and other income	4,332	973	7,225	2,936
Interest expense, including amortization	(5,520)	(5,900)	(10,760)	(13,275)
Gain on sales of real estate investments	-	12,257	5,715	12,257
Total other income (expense)	(1,188)	7,330	2,180	1,918
Net income	35,696	40,254	71,755	63,585
Allocation to participating securities	(156)	(180)	(310)	(286)
Net income available to common stockholders	$ 35,540	$ 40,074	$ 71,445	$ 63,299
EARNINGS PER COMMON SHARE - BASIC AND DILUTED:				
Net income available to common stockholders - basic	$ 0.37	$ 0.48	$ 0.77	$ 0.78
Net income available to common stockholders - diluted	$ 0.37	$ 0.48	$ 0.77	$ 0.77
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	96,289,755	83,116,241	92,581,813	81,514,960
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	96,406,139	83,116,241	92,950,015	81,761,199

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Appendix: Net Income, FFO and Adjusted FFO

NET INCOME, FFO AND ADJUSTED FFO [1] (in thousands except share and per share data)	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Total revenues	$ 94,247	$ 79,535	$ 179,277	$ 154,186
Property operating expenses	(23,772)	(18,586)	(44,662)	(36,967)
Depreciation and amortization	(23,012)	(18,232)	(43,951)	(36,391)
General and administrative	(10,543)	(9,766)	(21,053)	(19,086)
Acquisition costs and other	(36)	(27)	(36)	(75)
Interest and other income	4,332	973	7,225	2,936
Interest expense, including amortization	(5,520)	(5,900)	(10,760)	(13,275)
Gain on sales of real estate investments	-	12,257	5,715	12,257
Net income	**35,696**	**40,254**	**71,755**	**63,585**
Allocation to participating securities	(156)	(180)	(310)	(286)
Net income available to common stockholders	**$ 35,540**	**$ 40,074**	**$ 71,445**	**$ 63,299**
Net income available to common stockholders per common share - basic	**$ 0.37**	**$ 0.48**	**$ 0.77**	**$ 0.78**
Net income available to common stockholders per common share - diluted	**$ 0.37**	**$ 0.48**	**$ 0.77**	**$ 0.77**
Adjustments to arrive at Funds from Operations:				
Gain on sales of real estate investments	-	(12,257)	(5,715)	(12,257)
Depreciation and amortization related to real estate	22,973	18,198	43,873	36,325
Allocation to participating securities	(261)	(206)	(489)	(396)
Funds from Operations [1]	**$ 58,408**	**$ 45,989**	**$ 109,424**	**$ 87,257**
Funds from operations per common share - basic	**$ 0.61**	**$ 0.55**	**$ 1.18**	**$ 1.07**
Funds from operations per common share - diluted	**$ 0.61**	**$ 0.55**	**$ 1.18**	**$ 1.07**
Adjustments to arrive at Adjusted Funds From Operations:				
Acquisition costs and other	36	27	36	75
Stock-based compensation	3,988	3,805	7,344	6,843
Straight-line rents	(1,953)	(2,042)	(3,404)	(4,215)
Amortization of lease intangibles	(4,458)	(3,645)	(7,808)	(7,186)
Total capital expenditures	(53,459)	(37,999)	(95,659)	(59,809)
Development and redevelopment capital expenditures [2]	38,323	25,777	73,079	37,397
Capital expenditures related to stabilization [2]	4,434	4,443	6,463	9,807
Adjusted Funds from Operations	**$ 45,319**	**$ 36,355**	**$ 89,475**	**$ 70,169**
Common stock dividends paid	**$ 43,518**	**$ 33,173**	**$ 82,570**	**$ 63,926**
Weighted average basic common shares	**96,289,755**	**83,116,241**	**92,581,813**	**81,514,960**
Weighted average diluted common shares	**96,406,139**	**83,116,241**	**92,950,015**	**81,761,199**

(1) See Reporting Definitions for further explanation.
(2) Development and redevelopment capital expenditures includes costs incurred related to development/redevelopment construction in progress and renovation and expansion projects. Capital expenditures related to stabilization includes costs incurred related to leasing acquired vacancy.

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Appendix: Supplemental Components of NAV

COMPONENTS OF NET OPERATING INCOME[1] (in thousands except share and per share data)		For the Three Months Ended June 30, 2024
Total revenues	$	94,247
Less straight-line rents		(1,953)
Less amortization of lease intangibles		(4,458)
Less property operating expenses		(23,772)
Cash net operating income	$	64,064
CONTRACTUAL RENT ABATEMENTS	$	2,112
LEASE TERMINATION INCOME	$	413
CASH NOI FROM DISPOSED PROPERTIES	$	10
CASH NOI FROM REDEVELOPMENTS	$	475

BALANCE SHEET ITEMS (in thousands except share and per share data)		As of June 30, 2024
Other assets and liabilities		
Cash and cash equivalents	$	181,989
Restricted cash		461
Construction in progress [2]		292,555
Other assets, net		82,373
Less straight-line rents		(51,024)
Security deposits		(36,797)
Dividends payable		(43,528)
Accounts payable and other liabilities		(77,863)
Total other assets and liabilities	$	348,166
DEBT		
Credit facility	$	-
Term loans [3]		(200,000)
Senior unsecured notes [3]		(575,000)
Total debt	$	(775,000)
Total shares outstanding		96,720,906

Q2 2024 Acquisitions

Property Name	Date	Purchase Price (in thousands)	Estimated Stabilized Cap Rate	Leased % at Acquisition
Fleet	April 15, 2024	$ 84,300	5.3%	100.0%
Multi-market portfolio	May 2, 2024	364,500	5.0%	91.6%
Total/Weighted Average		$ 448,800	5.1%	93.2%

SUMMARY MARKET INFORMATION (Operating Portfolio) [2]

Market	Rentable Square Feet	Occupancy % as of June 30, 2024	Annualized Base Rent (in thousands)	Base Rent Per Occupied Square Foot
Northern New Jersey/New York City	3,464,783	92.7%	$ 63,865	$ 19.89
Los Angeles	2,780,481	97.6%	38,476	14.18
Miami	3,698,421	99.7%	40,539	11.00
San Francisco Bay Area	3,282,191	94.1%	48,804	15.79
Seattle	2,739,144	94.1%	34,305	13.31
Washington, D.C.	2,151,888	98.4%	28,066	13.25
Total/Weighted Average	18,116,908	96.0%	$ 254,055	$ 14.60

SUMMARY MARKET INFORMATION (Improved Land) [2]

Market	Number of Parcels	Acreage	Occupancy % as of June 30, 2024	Annualized Base Rent (in thousands)
Northern New Jersey/New York City	13	68.0	100.0%	$ 14,072
Los Angeles	13	27.0	100.0%	8,904
Miami	3	9.9	100.0%	2,150
San Francisco Bay Area	4	14.3	100.0%	2,837
Seattle	10	25.9	88.8%	6,081
Washington, D.C.	2	7.3	100.0%	1,395
Total/Weighted Average	45	152.4	98.1%	$ 35,439

(1) See Reporting Definitions for further explanation.

(2) The Company had nine properties under development or redevelopment as of June 30, 2024 that, upon completion, will consist of ten buildings aggregating approximately 1.1 million square feet and one approximately 2.8-acre improved land parcel, and approximately 35.4 acres of land for future development.

(3) Excludes deferred financing costs and loan fees.

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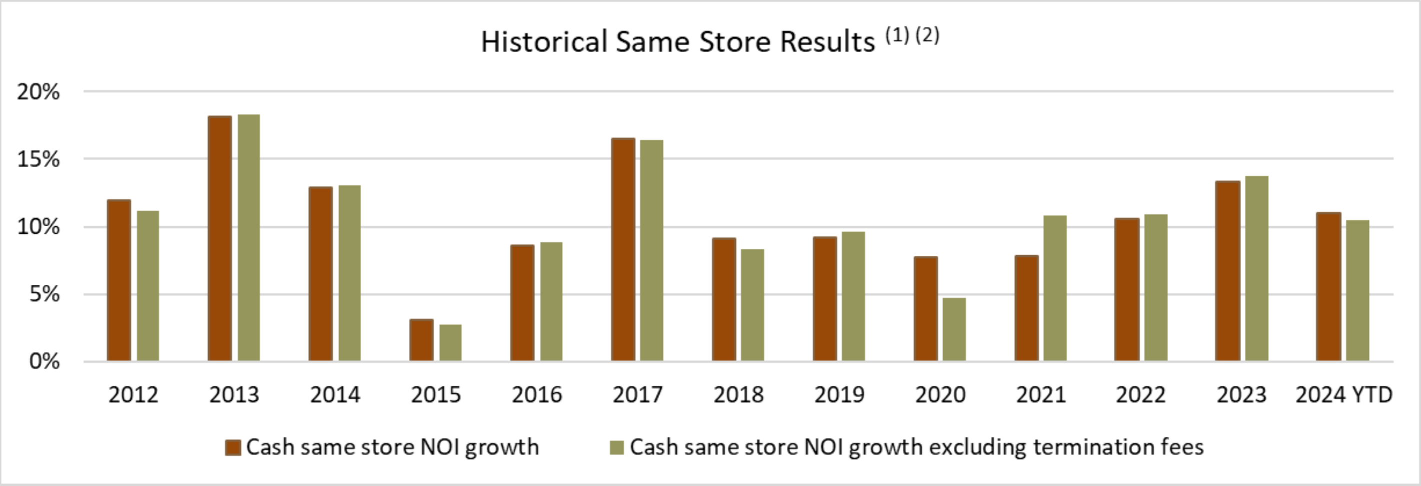
Appendix: Same Store Results

SAME STORE GROWTH [1] (in thousands)	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	$ Change	% Change	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023	$ Change	% Change
Net income	$ 35,696	$ 40,254	$ (4,558)	(11.3)%	$ 71,755	$ 63,585	$ 8,170	12.8%
Depreciation and amortization	23,012	18,232	4,780	26.2%	43,951	36,391	7,560	20.8%
General and administrative	10,543	9,766	777	8.0%	21,053	19,086	1,967	10.3%
Acquisition costs and other	36	27	9	33.3%	36	75	(39)	(52.0)%
Total other income and expenses	1,188	(7,330)	8,518	n/a	(2,180)	(1,918)	(262)	13.7%
Net operating income	70,475	60,949	9,526	15.6%	134,615	117,219	17,396	14.8%
Less non-same store NOI	(12,816)	(4,935)	(7,881)	159.7%	(19,161)	(7,249)	(11,912)	164.3%
Same store NOI	$ 57,659	$ 56,014	$ 1,645	2.9%	$ 115,454	$ 109,970	$ 5,484	5.0%
Less straight-line rents and amortization of lease intangibles	(1,997)	(4,925)	2,928	(59.5)%	(4,947)	(10,376)	5,429	(52.3)%
Cash-basis same store NOI	$ 55,662	$ 51,089	$ 4,573	9.0%	$ 110,507	$ 99,594	$ 10,913	11.0%
Less termination fee income	(413)	-	(413)	n/a	(512)	(20)	(492)	2460.0%
Cash-basis same store NOI excluding termination fees	$ 55,249	$ 51,089	$ 4,160	8.1%	$ 109,995	$ 99,574	$ 10,421	10.5%

Average cash-basis same store growth since IPO: 11.3%



(1) Same Store NOI is computed as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. The same store pool includes all properties that were owned as of June 30, 2024 and since January 1, 2023 and excludes properties that were held for sale, disposed of prior to or were under development or redevelopment as of June 30, 2024. See Reporting Definitions for further explanation.

(2) Historical Same Store Results include cash-basis same store NOI growth %'s as reported in the Company's Form 10-Q and 10-K's. Previously reported cash-basis same store NOI growth has not been adjusted for properties that were subsequently disposed of or held for sale.

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Appendix: Developments and Redevelopments

DEVELOPMENTS AND REDEVELOPMENTS

Property Name	Total Expected Investment (in thousands) [1]	Amount Spent to Date (in thousands) [2]	Estimated Stabilized Cap Rate [3]	Estimated Post-Development Square Feet	Estimated Post-Development Acreage	Estimated Stabilization Quarter	% Pre-leased June 30, 2024
Properties under development or redevelopment:							
Countyline Phase IV							
Countyline Building 31 [4]	$ 42,054	$ 31,354	6.0%	161,787	-	Q4 2024	100.0%
Countyline Building 32 [4]	40,132	20,935	6.0%	164,307	-	Q4 2025	0.0%
Countyline Building 33 [4] [6]	38,977	22,454	5.9%	158,042	-	Q4 2025	0.0%
Countyline Building 39 [4]	43,802	38,912	5.8%	178,201	-	Q3 2024	100.0%
147th Street	15,431	13,681	5.3%	31,378	-	Q4 2024	0.0%
Maple III	28,486	25,036	3.1%	-	2.8	Q1 2025	0.0%
Paterson Plank III	35,301	32,671	3.8%	47,316	-	Q1 2025	0.0%
East Garry Avenue	40,513	27,530	5.1%	91,500	-	Q2 2025	100.0%
139th Street [5]	104,611	40,888	6.1%	227,755	-	Q4 2027	0.0%
Total/Weighted Average	$ 389,307	$ 253,461	5.5%	1,060,286	2.8		40.7%
Land for future development:							
Countyline Phase IV							
Countyline Phase IV Land [4]	174,846	56,827	6.0%	652,985	-	2025-2027	n/a
Total/Weighted Average	$ 174,846	$ 56,827	6.0%	652,985	-		n/a

(1) Excludes below-market lease adjustments recorded at acquisition. Total expected investment for the properties includes the initial purchase price, buyer's due diligence and closing costs, estimated near-term redevelopment expenditures, capitalized interest and leasing costs necessary to achieve stabilization.

(2) Excludes below-market lease adjustments recorded at acquisition.

(3) Estimated stabilized cap rates are calculated as estimated annualized cash basis net operating income for the property stabilized to market occupancy (generally 95%) divided by the total expected investment for the property.

(4) Collectively, "Countyline Phase IV", a 121-acre project entitled for 2.2 million square feet of industrial distribution buildings located in Miami's Countyline Corporate Park ("Countyline"), immediately adjacent to our seven buildings within Countyline. Countyline Phase IV, a landfill redevelopment adjacent to Florida's Turnpike and the southern terminus of I-75, is expected to contain ten LEED-certified industrial distribution buildings at completion.

(5) This redevelopment property was initially acquired in 2017 for a total initial investment, including closing costs and acquisition costs, of approximately $39.9 million. The property was in the operating portfolio until January 2024 where redevelopment commenced. The amount spent to date includes the total initial investment and capital expenditures incurred prior to redevelopment and excludes accumulated depreciation recorded since acquisition. We expect a total incremental investment of approximately $64.0 million.

(6) In July 2024, we pre-leased 67% of Countyline Building 33. The seven-year lease will commence upon completion of building construction and tenant improvements.

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Appendix: Dispositions

HISTORICAL DISPOSITIONS

Property	Market	Acquisition Date	Disposition Date	Acquisition Price (in thousands)	Disposition Price (in thousands)	Unleveraged IRR
Rialto	Los Angeles	September 2010	November 2012	$ 12,110	$ 16,962	20.9%
Maltese	New Jersey/New York	September 2010	December 2013	16,500	19,000	11.8%
Warm Springs	San Francisco	March 2010	June 2015	7,264	13,400	15.1%
Sweitzer	Washington, D.C.	October 2012	November 2015	6,950	11,200	21.5%
Fortune Qume	San Francisco	March 2010	February 2016	5,550	8,200	11.3%
Global Plaza	Washington, D.C.	March 2012	March 2016	6,100	8,200	13.2%
39th Street	Miami	August 2011	September 2016	4,400	6,097	12.1%
Whittier	Los Angeles	June 2012	April 2017	16,100	25,300	14.5%
Bollman	Washington, D.C.	June 2011	August 2017	7,500	12,000	12.4%
Route 100	Washington, D.C.	June 2013	August 2017	16,650	28,500	15.7%
8441 Dorsey	Washington, D.C.	March 2011	December 2017	5,800	11,500	11.9%
Hampton	Washington, D.C.	May 2014	February 2018	18,050	20,250	6.9%
10th Avenue	Miami	December 2010	June 2018	9,000	24,300	11.5%
26th Street (office)	Miami	September 2012	November 2018	3,150	4,325	14.4%
Miller Ave	Los Angeles	December 2014	November 2018	22,899	33,217	14.5%
California Ave	Los Angeles	June 2014	March 2019	7,815	12,410	12.4%
10100 NW 25th Street	Miami	January 2011	August 2019	9,875	14,000	7.2%
8215 Dorsey	Washington, D.C.	November 2009	October 2019	6,000	7,470	7.5%
9020 Junction	Washington, D.C.	November 2010	December 2019	13,800	15,000	7.6%
9070 Junction	Washington, D.C.	February 2015	June 2020	10,360	16,609	8.3%
Troy Hill	Washington, D.C.	August 2012	June 2020	6,664	9,348	9.2%
Parkway	Washington, D.C.	March 2014	June 2020	18,000	25,293	12.8%
NW 60th Avenue	Miami	December 2010	July 2020	7,750	22,150	7.4%
Hanford	Seattle	April 2017	September 2021	5,940	10,325	11.0%
Melanie Lane	New Jersey/New York	September 2013	October 2021	20,000	32,650	10.1%
Middlebrook	New Jersey/New York	September 2010	May 2022	27,000	110,350	15.2%
Riverbend	Seattle	July 2014	October 2022	2,770	8,650	15.6%
Schoolhouse	New Jersey/New York	September 2016	November 2022	9,072	25,025	20.7%
Pulaski	New Jersey/New York	March 2014	December 2022	9,200	24,250	14.1%
West Side Avenue	New Jersey/New York	April 2017	May 2023	14,000	25,450	14.4%
New Ridge Road	Washington, D.C.	July 2016	October 2023	8,200	17,964	17.5%
1 Dodge Drive	New Jersey/New York	June 2013	December 2023	6,775	17,750	11.2%
1215 W Walnut	Los Angeles	July 2017	December 2023	9,352	15,860	13.0%
5300 Denver	Seattle	May 2016	March 2024	4,741	11,000	16.5%
			Total	$ 355,337	$ 664,005	12.9%

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Appendix: Capitalization

Maturity (in thousands except share and per share data)	Credit Facility	Term Loans	Senior Unsecured Notes	Total Debt
2024 (6 months) (1)	$ -	$ -	$ 100,000	$ 100,000
2025	-	-	-	-
2026	-	-	50,000	50,000
2027	-	100,000	50,000	150,000
2028	-	100,000	100,000	200,000
Thereafter	-	-	275,000	275,000
Total Debt	-	200,000	575,000	775,000
Deferred financing costs, net	-	(738)	(2,286)	(3,024)
Total Debt, net	$ -	$ 199,262	$ 572,714	$ 771,976
Weighted Average Interest Rate	n/a	6.6%	3.1%	4.0%

	As of June 30, 2024	As of June 30, 2023
Total Debt, net	$ 771,976	$ 771,148
Less: Cash and cash equivalents	(181,989)	(58,920)
Net Debt	$ 589,987	$ 712,228
Common Stock		
Shares Outstanding	96,720,906	83,750,716
Market Price	$ 59.18	$ 60.10
Total Equity	5,723,943	5,033,418
Total Market Capitalization	$ 6,495,919	$ 5,804,566
Total Debt-to-Total Investments in Properties	16.7%	20.0%
Total Debt-to-Total Market Capitalization	11.9%	13.3%
Floating Rate Debt as a % of Total Debt	25.8%	25.8%
Net Income	$ 71,755	$ 63,585
Adjusted EBITDA (2)	$ 128,131	$ 107,912
Interest Coverage	11.9 x	8.1 x
Fixed Charge Coverage	7.7 x	6.7 x
Net Debt-to-Adjusted EBITDA (2)	2.2 x	3.2 x
Weighted Average Maturity of Total Debt (years)	3.8	4.8

(1) In July 2024, we repaid the $100.0 million tranche of 7-year Senior Unsecured Notes using existing cash on hand. The notes bore interest at 3.8% and had an original maturity date of July 14, 2024.

(2) See Reporting Definitions for further explanation.

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Appendix: Selected Recent Acquisitions

6584-6674 Fleet Drive

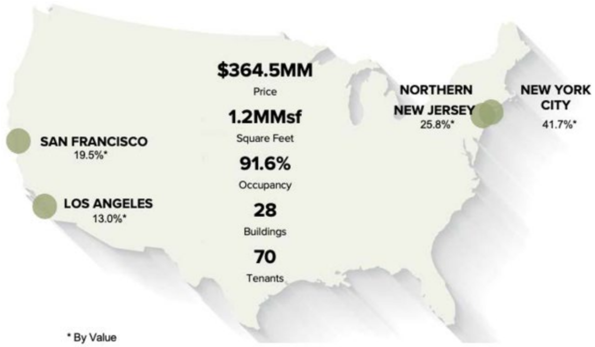
Alexandria, VA
April 15, 2024

- Purchase Price: $84.3 million
- Size: Four industrial distribution buildings containing approximately 357,000 square feet on 19.1 acres
- Estimated Stabilized Cap Rate: 5.3%
- Occupancy: 100% leased to 21 tenants, with all leases expiring by 2031
- Location: Approximately two miles from the intersection of I-95/395 and I-495 (Capital Beltway)

Multi-market Portfolio

May 2, 2024

- Purchase Price: $364.5 million
- Size: 28 buildings containing approximately 1.2 million square feet
- Estimated Stabilized Cap Rate: 5.0%
- Occupancy: 91.6% leased to 70 tenants
- Location: New York City, Northern New Jersey, San Francisco Bay Area and Los Angeles



3000 V Street

Washington, D.C.
August 1, 2024

- Purchase Price: $7.6 million
- Size: One industrial distribution building containing approximately 26,000 square feet on 0.7 acres
- Estimated Stabilized Cap Rate: 5.6%
- Occupancy: Vacant
- Location: Immediately adjacent to and between two existing Terreno Realty Corporation buildings on V Street

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Appendix: Selected Examples of Value Creation

Since Terreno's 2010 IPO, approximately 54% of our acquisitions have been value-add investments. Terreno has successfully stabilized 123 value-add investments to date. Terreno has sold approximately 8% of our properties for an unleveraged IRR of 12.9%.

Strategy	Examples
Leasing and Development	▪ 13045 SE 32nd Street, Bellevue, WA: One industrial distribution building containing approximately 16,000 square feet on 1.8 acres. The property was acquired vacant in January 2024 for approximately \$6.5 million. Terreno executed a lease which commenced on May 1, 2024 and will expire July 2029, resulting in an estimated stabilized cap rate of 5.8%. ▪ Countyline Corporate Park Phase IV Building 40, Hialeah, FL: Completed the development of a 186,000 square foot 36-foot clear height cross-dock industrial distribution building on 9.1 acres with 60 dock-high and two grade-level loading positions and parking for 159 cars. The building is expected to achieve LEED certification, the total expected investment is approximately \$43.8 million and the stabilized cap rate is 6.3%. The building is 100% leased to four tenants. Countyline Corporate Park Phase IV is a landfill redevelopment immediately adjacent to Terreno Realty Corporation's seven fully-leased buildings within Miami's Countyline Corporate Park ("Countyline"). At expected completion in 2027, Countyline Phase IV is expected to contain ten LEED-certified industrial distribution buildings totaling approximately 2.2 million square feet for a total expected investment of approximately \$511.5 million.
Value Realized	▪ Sold 34 properties since inception for an aggregate sales price of approximately \$664.0 million, realizing a 12.9% unleveraged IRR. During the first quarter of 2024, Terreno Realty Corporation sold one property in Seattle, WA for a sales price of approximately \$11.0 million generating an unleveraged IRR of approximately 16.5%.

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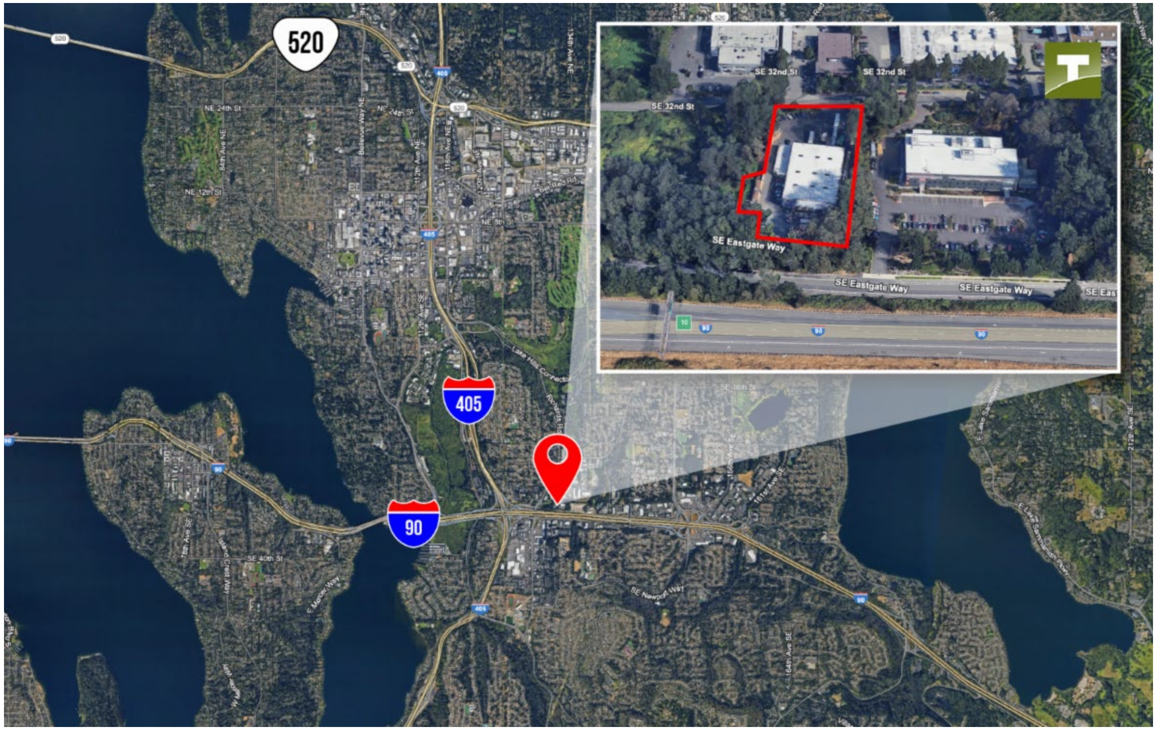
Appendix: Value Creation – Leasing



- **Property:** 13045 SE 32nd Street
- **Location:** Bellevue, WA, adjacent to the intersection of I-90 and I-405
- **Size:** One industrial distribution building containing approximately 16,000 square feet on 1.8 acres
- **Acquisition Price:** $6.5 million in January 2024
- **Occupancy at Acquisition:** Vacant

- **Leasing:** Executed a lease which commenced on May 1, 2024 and will expire July 2029. Make-ready work included renovating the warehouse and office, roof and seismic upgrades, painting, and installation of LED lighting and a sprinkler system.

Value Creation – Estimated stabilized cap rate after releasing of 5.8%

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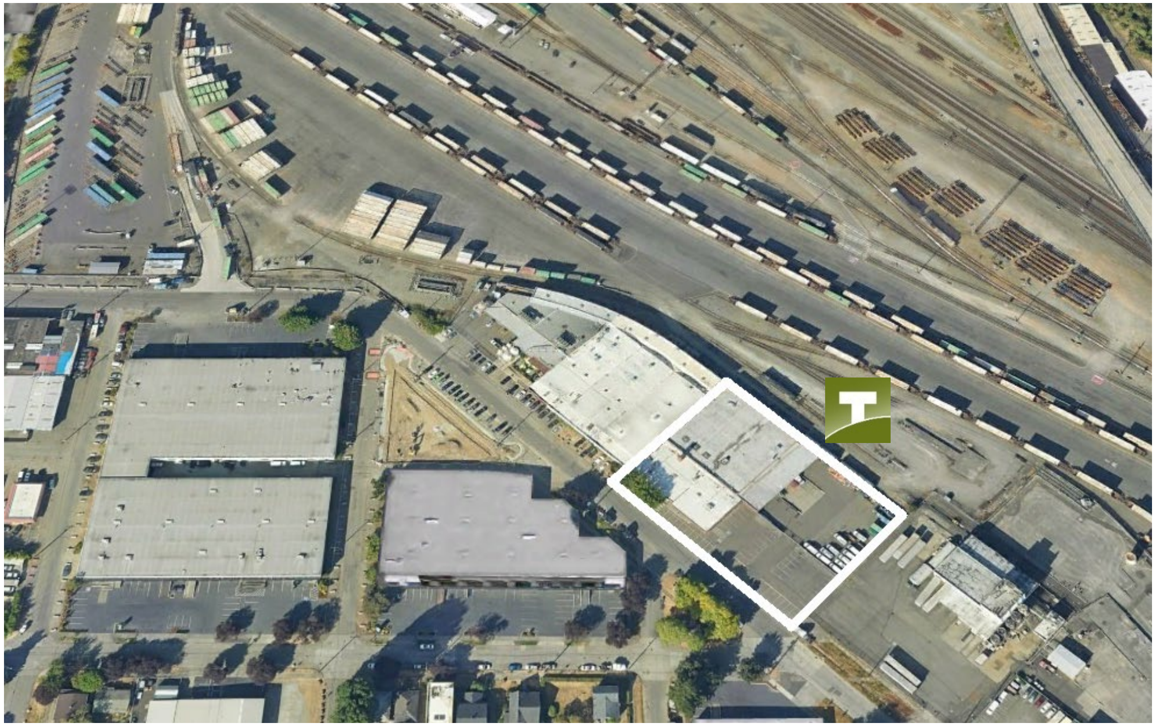
Appendix: Value Realized



- **Property:** 5300 Denver Avenue South
- **Location:** Seattle, WA, adjacent to Seattle's Port and SoDo district
- **Size:** One industrial distribution building containing approximately 25,000 square feet on 1.5 acres which is 100% leased to one tenant
- **Acquisition Price:** $4.7 million in May 2016
- **Value Created:** Sold in March 2024 for approximately $11.0 million, generating an unleveraged IRR of 16.5%

Value Realized – Sold for approximately $11.0 million, resulting in a gain of approximately $5.7 million and generating an unleveraged internal rate of return of 16.5%

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Appendix: Submarket Focus

Market	Shrinking Supply (1)	No Net New Supply (2)	New Supply (3)
Los Angeles	LAX West of 405 Hawthorne Downtown LA	South Bay Commerce/Vernon Mid-Counties San Fernando Valley Orange County	Inland Empire West Inland Empire East
New York City/Northern New Jersey	Brooklyn/Queens/Bronx Secaucus Meadowlands	Bayonne Newark/Elizabeth Fairfield Jersey City JFK Kearny	Exit 8A Exit 10 / I 287 Exit 12
San Francisco Bay Area	Silicon Valley San Jose South SF Dogpatch/Mission Bay	East Bay	Livermore Richmond Fremont
Miami	Central Dade	Airport/Doral	Medley Airport North North Dade Hialeah Hialeah North
Seattle	South Seattle Tukwila Eastside	Kent SeaTac Renton	Auburn Sumner Fife Puyallup
Washington D.C.	D.C. Inside the D.C. Beltway Alexandria	Corridor Close in PG County Close in NOVA	Dulles
% of Terreno's Portfolio (4)	**36%**	**43%**	**21%**

(1) *Shrinking Supply: Characterized by shrinking industrial supply. Offers opportunities to convert existing buildings into higher and better use over time. Super infill.*
(2) *No Net New Supply: Characterized by older existing industrial product. Offers opportunities to redevelop existing buildings into new, modern industrial buildings. Infill.*
(3) *New Supply: Characterized by industrial buildings that will remain in their current state for the foreseeable future with previously undeveloped land available for industrial development. Greenfield.*
(4) *As of August 6, 2024. Reflects Terreno portfolio composition based on geography and purchase price, includes nine properties under development or redevelopment and improved land parcels. Developments and redevelopments are included at total investment.*

Appendix: Management and Board of Directors

Blake Baird *Chairman and CEO*	▪ Co-founded Terreno Realty Corporation in 2007 ▪ Former President and Director of AMB Property Corporation (NYSE: AMB) ▪ Director of Sunstone Hotel Investors, Inc. (NYSE: SHO)
Mike Coke *President*	▪ Co-founded Terreno Realty Corporation in 2007 ▪ Former Chief Financial Officer and Executive Vice President of AMB ▪ Director of Broadstone Net Lease, Inc. (NYSE: BNL)
Jaime Cannon *EVP and CFO*	▪ Joined Terreno Realty Corporation in 2010 ▪ Former Vice President, Treasury at AMB ▪ Former Audit Manager at PriceWaterhouseCoopers LLP
John Meyer *EVP and COO*	▪ Joined Terreno Realty Corporation in 2010 ▪ Former Senior Vice President, Director of Transactions, Southwest Region for AMB
Gary Boston *Director*	▪ Former Senior Portfolio Manager of APG Asset Management ▪ Former Director of Retail Value Inc. (NYSE: RVI)
Lee Carlson *Nominating and Corporate Governance Chair*	▪ Principal of NNC Apartment Ventures, LLC ▪ Former Executive Vice President, Chief Operating Officer, Chief Financial Officer and Board Member of BRE Properties
Constance von Muehlen *Director*	▪ Executive Vice President and Chief Operating Officer of Alaska Airlines ▪ Former U.S. Army Captain and Black Hawk helicopter pilot ▪ Former FAA Women in Aviation advisory board member
Irene Oh *Audit Chair*	▪ Executive Vice President and Chief Risk Officer of East West Bancorp and East West Bank ▪ Director of United Way of Greater Los Angeles
Doug Pasquale *Lead Director*	▪ Former President, Chief Executive Officer and Chairman of Nationwide Health Properties (formerly NYSE: NHP) ▪ Chairman of the Board of Sunstone Hotel Investors, Inc. (NYSE: SHO) ▪ Director of Alexander & Baldwin (NYSE: ALEX) and Dine Brands Global (NYSE: DIN)
Dennis Polk *Compensation Chair*	▪ Hyve Solutions Executive and Director for TD SYNNEX (NYSE: SNX) ▪ Former President and Chief Executive Officer of TD SYNNEX ▪ Director of Concentrix Corporation (Nasdaq: CNXC)

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Appendix: Reporting Definitions

Adjusted EBITDA: We compute Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, gain on sales of real estate investments, acquisition costs and stock-based compensation. We believe that presenting Adjusted EBITDA provides useful information to investors regarding our operating performance because it is a measure of our operations on an unleveraged basis before the effects of tax, gain (loss) on sales of real estate investments, non-cash depreciation and amortization expense, acquisition costs and stock-based compensation. By excluding interest expense, Adjusted EBITDA allows investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allows for more meaningful comparison of our operating performance between quarters as well as annual periods and for the comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. As we are currently in a growth phase, acquisition costs are excluded from Adjusted EBITDA to allow for the comparison of our operating performance to that of stabilized companies.

The following table reflects the calculation of Adjusted EBITDA reconciled from net income for the three and six months ended June 30, 2024 and 2023 (dollars in thousands):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Net income	$ 35,696	$ 40,254	$ (4,558)	(11.3)%	$ 71,755	$ 63,585	$ 8,170	12.8%
Gain on sales of real estate investments	-	(12,257)	12,257	n/a	(5,715)	(12,257)	6,542	(53.4)%
Depreciation and amortization	23,012	18,232	4,780	26.2%	43,951	36,391	7,560	20.8%
Interest expense, including amortization	5,520	5,900	(380)	(6.4)%	10,760	13,275	(2,515)	(18.9)%
Stock-based compensation	3,988	3,805	183	4.8%	7,344	6,843	501	7.3%
Acquisition costs and other	36	27	9	33.3%	36	75	(39)	(52.0)%
Adjusted EBITDA	$ 68,252	$ 55,961	$ 12,291	22.0%	$ 128,131	$ 107,912	$ 20,219	18.7%

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Appendix: Reporting Definitions

Adjusted Funds from Operations (AFFO): We compute AFFO by adding to or subtracting from FFO (see definition below) (i) acquisition costs (ii) stock-based compensation (iii) straight-line rents, (iii) amortization of above- and below-market lease intangibles and (iv) non-recurring capital expenditures required to stabilize acquired vacancy or renovation projects. We use AFFO as a meaningful supplemental measure of our operating performance because it captures trends in our portfolio operating results when compared year over year. We also believe that AFFO is a widely recognized supplemental measure of the performance of REITs and is used by investors as a basis to assess operating performance in comparison to other REITs. As a result, we believe that the use of AFFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

Funds from Operations (FFO): We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("Nareit"), which defines FFO as net income (loss) (determined in accordance with GAAP), excluding gains (losses) from sales of property and impairment write-downs of depreciable real estate, plus depreciation and amortization on real estate assets and after adjustments for unconsolidated partnerships and joint ventures (which are calculated to reflect FFO on the same basis). We believe that presenting FFO provides useful information to investors regarding our operating performance because it is a measure of our operations without regard to specified non-cash items, such as real estate depreciation and amortization and gain or loss on sale of assets.

We believe that FFO is a meaningful supplemental measure of our operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting alone to be insufficient. As a result, we believe that the use of FFO, together with the required GAAP presentations, provide a more complete understanding of our operating performance.

Appendix: Reporting Definitions

In-Place Cap Rate: We compute estimated in-place cap rates, at the time of acquisition, as annualized cash basis net operating income for the property divided by the total acquisition cost for the property. Total acquisition cost for the property includes the initial purchase price, the effects of marking assumed debt to market (if any), buyer's due diligence and closing costs. We define cash basis net operating income for the property as net operating income excluding straight-line rents and amortization of lease intangibles.

Market Cap Rate: We compute estimated market cap rates, at the time of acquisition, as annualized cash basis net operating income for the property stabilized to market rents and occupancy (generally 95%) divided by the total acquisition cost for the property. Total acquisition cost for the property includes the initial purchase price, the effects of marking assumed debt to market (if any), buyer's due diligence and closing costs, estimated near-term capital expenditures and leasing costs necessary to achieve stabilization. We define cash basis net operating income for the property as net operating income excluding straight-line rents and amortization of lease intangibles.

Net Debt: We compute net debt as total debt, less deferred financing costs and cash and cash equivalents. We believe that presenting net debt provides useful information to investors regarding our ability to repay our outstanding consolidated indebtedness.

Appendix: Reporting Definitions

Net Operating Income (NOI): We compute NOI as rental revenues, including tenant expense reimbursements, less property operating expenses. We compute same store NOI as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. NOI excludes depreciation, amortization, general and administrative expenses, acquisition costs and interest expense. We compute cash-basis same store NOI as same store NOI excluding straight-line rents and amortization of lease intangibles. The same store pool includes all properties that were owned and in operation as of June 30, 2024 and since January 1, 2023 and excludes properties that were either disposed of prior to, held for sale to a third party or in development or redevelopment as of June 30, 2024. As of June 30, 2024, the same store pool consisted of 246 buildings aggregating approximately 14.7 million square feet representing approximately 81.2% of our total square feet owned and 44 improved land parcels consisting of approximately 145.3 acres representing approximately 95.3% of our total acreage owned. We believe that presenting NOI, same store NOI and cash-basis same store NOI provides useful information to investors regarding the operating performance of our properties because NOI excludes certain items that are not considered to be controllable in connection with the management of the property, such as depreciation, amortization, general and administrative expenses, acquisition costs and interest expense. By presenting same store NOI and cash-basis same store NOI, the operating results on a same store basis are directly comparable from period to period.

Stabilized Cap Rate: We compute estimated stabilized cap rates, at the time of acquisition, as annualized cash basis net operating income for the property stabilized to market occupancy (generally 95%) divided by the total acquisition cost for the property. Total acquisition cost for the property includes the initial purchase price, the effects of marking assumed debt to market (if any), buyer's due diligence and closing costs, estimated near-term capital expenditures and leasing costs necessary to achieve stabilization. We define cash basis net operating income for the property as net operating income excluding straight-line rents and amortization of lease intangibles.

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