

MARKETBEAT

U.S. Industrial

Q1 2017



U.S. INDUSTRIAL

Employment Indicators

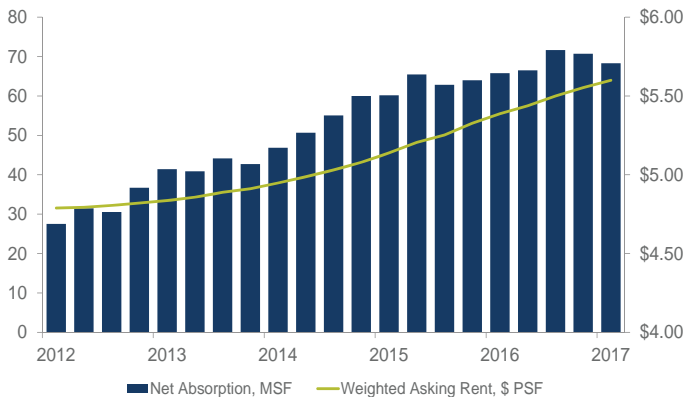
	Q1 16	Q1 17	12-Month Forecast
Total Nonfarm Employment	143.4M	145.7M	▲
Industrial Employment	25.3M	25.6M	▲
Unemployment	4.9%	4.6%	▼

Source: BLS

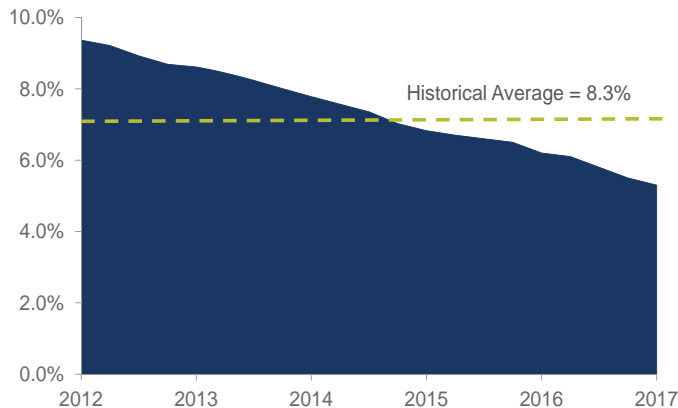
Market Indicators

	Q1 16	Q1 17	12-Month Forecast
Overall Vacancy	6.1%	5.3%	▲
Net Absorption	62.8M	53.8M	▲
Under Construction	175.6M	219.3M	▲
Weighted Asking Rent (NNN)	\$5.44	\$5.67	▲

Net Absorption/Rent NNN 4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

Employment growth in the first quarter of 2017 was solid — averaging 178,000 jobs per month and thus a sizeable increase from the monthly average of 148,000 jobs added in the fourth quarter of 2016. Q1 2017 job growth was roughly on par with the average of 187,000 per month for 2016 as a whole. The March job gains of 98,000, while comparatively small, continued the record-setting streak of employment growth that began in the fourth quarter of 2010.

The manufacturing sector is on a roll. The Institute for Supply Management's (ISM) Purchasing Managers' Index has been in expansionary territory for seven straight months, registering 57.2 in March. That indicates conditions within the sector are much improved. The subcomponents of the ISM index painted an even stronger picture, showing new orders expanding vigorously, exports at their highest point since 2013, and employment at levels not seen since 2011. Improvement is also evident in an uptick in rail volumes. The American Association of Railroads reports that year-to-date total carloads through March totaled 180,655 — up 5.7% from a year-ago, and year-to-date intermodal volume was up 1.4% (47,977 units) over last year.

However, U.S. retail sales fell for a second straight month in March. The U.S. Commerce Department reported that retail sales declined by 0.2%, led by a decline in auto sales which were down 1.6% from the same month a year prior. Sales of cars and light trucks declined to a 16.5 million-unit pace, the slowest in more than two years, and is evidence that the auto market has cooled somewhat after an unprecedented seventh straight year of record sales. In contrast, eCommerce sales continued to grow, with online sales up 11.9% from a year ago.

The Conference Board's Consumer Confidence Index surged in March to 125.6 — its highest level in more than 16 years— amid growing market optimism. This reading suggests that consumer spending will accelerate. With confidence upbeat and household balance sheets healthy, real consumption should firm moving forward, serving as a catalyst for industrial-related leasing.

Market Overview

The U.S. industrial market absorbed 53.8 million square feet (MSF) of space in the first quarter of 2017, a 14.4% decline from that registered in the first quarter 2016. Still, Q1 2017 absorption was well above the quarterly average of 49.3 MSF of absorption witnessed during the current economic recovery and significantly higher than the average quarterly absorption of 40.6 MSF registered during the last two economic growth cycles. Q1 2017 marks 28 quarters of net occupancy gains, placing the current expansion among the longest on record. The current expansion is also among the strongest with net absorption now having surpassing 1.3 billion square feet added since 2010.

The current booming industrial expansion has been more broad-based than prior expansions, and widespread occupancy gains continue across the country. Nineteen

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markets reported over 1 MSF of positive net absorption during the first quarter of the year. Occupier demand for modern industrial space continues to grow, with new construction leasing of speculative and build-to-suit industrial product delivered in the past 24 months accounting for over half of Q1 2017 net absorption.

The national industrial vacancy rate continued to decline in the first quarter of 2017 to 5.3%, falling 20 basis points (bps) from Q4 2016 and 80 bps from a year ago. Industrial vacancy is currently tracking at its lowest level of the past 30 years and is now a full 300 bps below the 10-year historical average of 8.3%. Vacancy rates declined or held firm during the quarter in 51 of the 79 markets tracked by Cushman & Wakefield. Strong leasing fundamentals have driven vacancies for each industrial product lower than at any point in the last cycle.

In Q1 2017, 54.9 MSF of new industrial product came online, of which 39.8 MSF was speculative. Sixteen markets delivered more than 1 MSF in Q1 2017, led by Dallas/Ft. Worth (7.1 MSF), Atlanta (6.3 MSF), Chicago (4.2 MSF), the Pennsylvania I-81/I-78 Distribution Corridor (3.2 MSF), Kansas City (2.6 MSF), Central New Jersey (2.1 MSF) and the Inland Empire (2.1 MSF). The pipeline remains robust, with ground breakings up 24% since the fourth quarter of 2016. Currently, speculative projects under construction total 145.5 MSF, which accounts for 66.3% of the total 219.3 MSF in the development pipeline. We anticipate that supply will meet demand in Q2 2017, and that vacancy will slowly begin to rebalance in the second half of 2017.

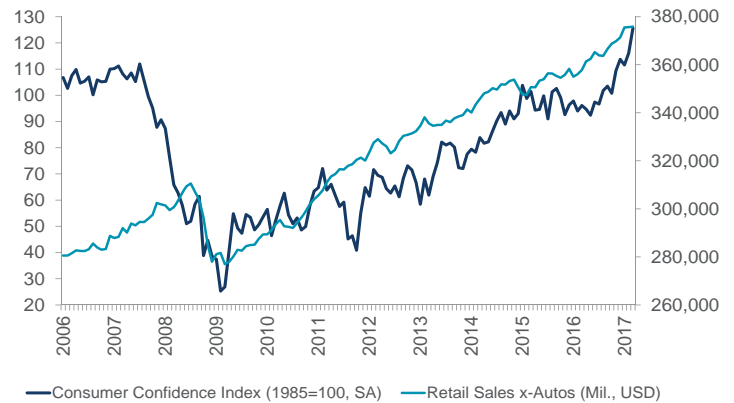
An uptick in leasing by third-party logistics services (3PLs) and healthy demand from other logistics and distribution occupiers are fueling rent growth. U.S. industrial asking rents rose 4.2% in Q1 2017 from a year ago. Industrial rents rose in 71 of the 79 markets tracked during the same period, with over one-third of industrial markets reporting double-digit gains. In many markets, industrial rents remain at historic highs, and on a national level every industrial product type is experiencing rental rate appreciation.

Outlook

- Logistics-related leasing will benefit from solid economic fundamentals that spur increased consumer spending.
- Trade policy of the Trump Administration remains unclear, but it appears that the most likely policy adjustments will not rail supply chains.
- Deliveries are not expected to overpower leasing demand. However, supply will meet demand and slowly bring fundamentals back into balance.
- Expect continued rental rate appreciation in Q2 2017 with rent growth decelerating in the second half of 2017.

Will Confident Consumers Increase Spending?

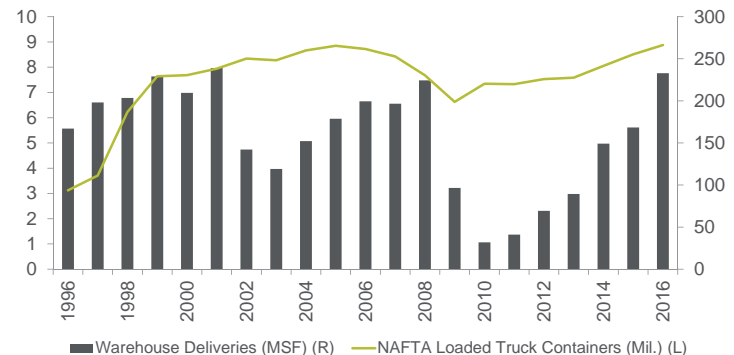
GROWING OPTIMISM SUGGESTS CONSUMER SPENDING WILL ACCELERATE



Source: The Conference Board, U.S. Department of Commerce

Trade Policy Remains Biggest Wild Card

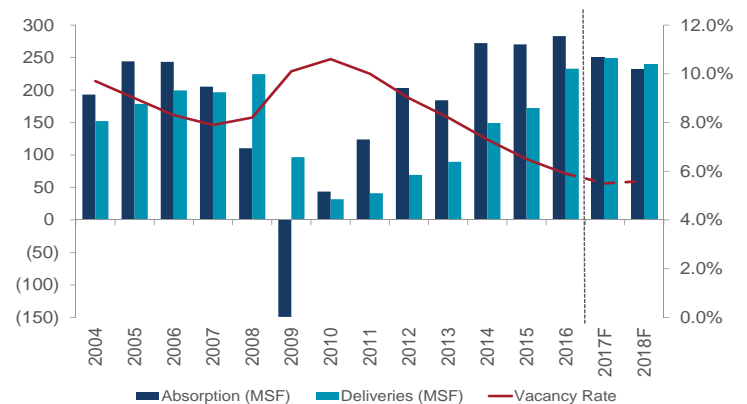
NAFTA WITHDRAWAL APPEARS UNLIKELY, WHICH BENEFITS WAREHOUSING



Source: U.S. Department of Transportation, Cushman & Wakefield Research

Near-Term Industrial Outlook

EXPECT ANOTHER STRONG PERFORMANCE FOR THE INDUSTRIAL MARKET



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p	Q1 2017p
United States	62,787,242	77,284,442	78,483,313	63,129,827	53,769,325	128,175,083
Northeast	13,416,209	13,074,715	17,790,157	7,233,913	6,013,365	14,960,702
Midwest	11,960,215	14,865,228	23,968,635	15,788,785	12,488,915	26,166,406
South	25,281,012	23,715,895	21,353,134	27,857,093	18,921,872	36,325,403
West	12,129,806	25,628,604	15,371,387	12,250,036	16,345,173	50,722,572

U.S. Industrial Report Markets	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p	Q1 2017p
Atlanta, GA	4,014,644	3,852,450	2,245,312	3,546,425	6,360,431	5,970,364
Austin, TX	171,666	242,070	80,659	116,610	-209,019	524,496
Baltimore, MD	1,611,283	506,425	1,029,640	944,082	90,618	3,742,266
Binghamton, NY	35,384	117,480	80,204	8,605	99,383	6,790
Birmingham, AL	108,076	403,623	826,217	33,863	-340,522	530,455
Boston, MA	-245,725	1,079,816	2,190,787	996,083	-267,560	1,424,557
Buffalo, NY	-276,271	136,985	500,257	1,217,645	-952,685	268,129
Charleston, SC	647,660	646,339	-42,512	1,001,344	1,293,927	374,646
Charlotte, NC	119,578	1,503,782	1,158,781	1,812,029	756,188	2,332,572
Chicago, IL	2,437,786	5,656,574	10,474,949	4,149,725	2,667,241	3,529,733
Cincinnati, OH	849,734	1,787,525	1,833,726	556,179	4,033,174	3,188,127
Cleveland, OH	962,071	-36,295	331,032	1,187,461	180,990	1,281,985
Colorado Springs, CO	32,126	98,615	-97,504	-160,026	59,099	14,234
Columbus, OH	1,381,183	180,470	1,349,355	2,080,666	193,936	1,814,510
Dallas/Ft. Worth, TX	6,357,032	4,809,247	7,200,702	5,298,286	5,361,376	4,004,573
Dayton, OH	564,858	328,464	306,394	525,747	929,381	110,891
Denver, CO	-97,905	1,450,866	746,413	596,022	136,784	3,327,450
Detroit, MI	2,368,339	1,478,756	1,070,776	985,441	113,412	2,547,399
El Paso, TX	1,576,642	712,193	-293,711	-78,692	76,000	76,000
Fort Myers/Naples, FL	141,662	351,557	272,489	206,876	218,558	82,973
Fredericksburg, VA	-76	70,112	189,844	173,790	-124,975	89,726
Ft. Lauderdale, FL	26,560	20,012	702,011	858,893	385,012	584,077
Greenville, SC	830,107	3,131,610	1,560,194	1,353,175	515,093	1,115,201
Hampton Roads, VA	-204,133	390,311	-3,892	-359,777	20,276	180,180
Hartford, CT	-161,857	347,113	866,772	125,862	183,652	468,262
Houston, TX	1,550,857	92,367	810,247	4,065,736	366,980	4,693,879
Indianapolis, IN	881,633	2,720,089	3,108,214	1,848,702	481,004	1,932,119
Inland Empire CA	3,483,292	8,608,335	3,784,917	3,636,653	4,215,907	12,075,658
Jacksonville, FL	1,023,149	727,867	239,728	161,043	409,928	847,739
Kansas City, MO	773,318	1,775,923	1,134,989	1,840,583	2,446,833	7,855,614
Lakeland, FL	247,320	90,185	231,791	93,900	262,677	426,657
Las Vegas, NV	792,135	441,278	698,467	955,129	540,804	n/a
Long Island, NY	493,677	112,036	365,094	-230,288	-231,655	367,827
Los Angeles, CA	2,246,044	2,769,413	1,783,386	250,202	1,365,680	10,209,325
Louisville, KY	967,870	1,599,711	491,942	322,851	489,567	1,109,418
Memphis, TN	1,690,863	341,427	695,753	3,011,967	2,240,074	2,862,686
Miami, FL	779,691	353,972	624,408	438,808	58,180	914,476
Milwaukee, WI	885,374	743,340	585,596	-12,492	327	773,266
Minneapolis, MN	1,041,300	403,691	459,794	519,293	-361,946	n/a
Nashville, TN	1,287,008	1,433,052	578,168	2,529,427	450,792	2,116,243

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p	Q1 2017p
New Haven, CT	27,084	-117,896	-169,623	293,732	107,072	183,404
New Jersey - Central	5,861,097	2,672,125	2,088,582	702,054	1,197,271	4,766,322
New Jersey - Northern	1,723,861	1,341,223	949,477	-449,521	391,204	1,510,948
Northern VA	271,468	-125,578	293,531	-54,788	133,525	227,899
Oakland/East Bay, CA	-331,755	3,125,423	-362,897	274,100	566,130	3,569,600
Oklahoma City, OK	366,886	355,395	79,041	-66,220	-56,356	232,452
Omaha, NE	-18,265	81,715	142,371	204,651	111,443	402,140
Orange County, CA	428,201	625,271	577,174	417,332	-118,270	2,854,161
Orlando, FL	736,721	822,697	671,947	1,013,276	47,302	912,925
Palm Beach County, FL	80,709	317,775	351,542	181,815	88,639	86,592
PA I-81/I-78 Distribution Corridor	2,747,713	4,069,078	7,608,813	2,326,714	2,640,844	2,340,140
Philadelphia, PA	2,158,170	1,336,387	3,442,237	1,520,977	1,319,277	2,435,664
Phoenix, AZ	1,386,180	2,196,394	2,244,605	1,572,074	2,105,250	5,315,081
Pittsburgh, PA	873,111	967,110	-175,139	100,230	1,102,278	256,184
Portland, OR	439,415	978,437	308,442	529,659	645,643	1,174,401
Providence, RI	133,493	254,742	115,966	102,292	101,650	101,650
Puget Sound - Eastside	-118,429	1,322,354	256,769	303,774	99,512	577,273
Raleigh/Durham, NC	108,522	283,535	-172,912	344,104	-92,005	782,182
Richmond, VA	547,739	321,430	75,820	263,746	138,883	512,920
Roanoke, VA	-76,697	63,011	354,142	69,980	286,933	16,076
Rochester, NY	69,576	801,031	225,539	213,189	-4,470	356,293
Sacramento, CA	1,291,485	368,021	582,097	183,313	1,235,799	1,277,005
Salt Lake City, UT	410,524	612,166	763,231	442,247	1,372,941	649,444
San Antonio, TX	147,891	142,329	88,610	142,169	-171,765	221,186
San Diego, CA	-236,360	374,520	-100,709	431,283	330,736	1,626,771
San Francisco North Bay, CA	25,677	52,321	278,280	104,199	108,147	400,003
San Francisco Peninsula, CA	232,460	34,830	-193,018	72,077	-586	486,629
San Jose (Silicon Valley), CA	44,003	494,984	-420,112	-36,597	102,355	1,315,987
Savannah, GA	0	-120,950	48,052	-358,098	n/a	n/a
Seattle, WA	618,628	1,291,209	2,512,682	527,043	1,505,694	3,198,967
Southern New Hampshire	233,167	61,249	123,310	18,726	378,928	182,299
St. Louis, MO	-167,116	-255,024	3,171,439	1,902,829	1,693,120	2,730,622
St. Petersburg/Clearwater, FL	61,539	30,381	-37,440	590,146	59,093	176,022
Stockton/Tracy, CA	1,443,613	519,917	971,895	2,031,463	2,031,463	2,475,867
Suburban MD	108,423	275,122	517,102	250,065	-173,686	313,898
Syracuse, NY	-256,271	-103,764	-422,119	287,613	-51,824	292,233
Tampa, FL	70,529	262,732	250,524	146,530	180,375	264,624
Tucson, AZ	40,472	264,250	1,037,269	120,089	42,085	174,716
Tulsa, OK	-90,177	-190,296	235,404	-196,268	-200,227	n/a

p = preliminary

Overall Vacancy Rate	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
United States	6.1%	5.8%	5.5%	5.5%	5.3%
Northeast	7.1%	6.6%	6.3%	6.2%	5.6%
Midwest	5.9%	5.8%	5.4%	5.5%	5.5%
South	7.0%	6.8%	6.6%	6.6%	6.6%
West	4.6%	4.2%	4.1%	4.0%	3.7%

U.S. Industrial Report Markets	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
Atlanta, GA	8.5%	8.4%	8.6%	9.0%	8.7%
Austin, TX	6.8%	7.7%	7.5%	6.4%	9.5%
Baltimore, MD	7.5%	7.2%	7.0%	6.6%	7.9%
Binghamton, NY	12.2%	11.7%	11.7%	10.8%	11.3%
Birmingham, AL	17.0%	14.4%	9.0%	8.8%	11.4%
Boston, MA	7.3%	7.0%	6.7%	6.4%	6.6%
Buffalo, NY	8.9%	9.0%	8.9%	8.9%	9.2%
Charleston, SC	7.9%	7.7%	6.8%	6.8%	4.7%
Charlotte, NC	6.4%	4.5%	3.8%	3.6%	3.4%
Chicago, IL	6.4%	6.3%	6.1%	6.3%	6.4%
Cincinnati, OH	4.2%	4.0%	4.2%	4.2%	3.0%
Cleveland, OH	5.2%	5.0%	4.9%	4.6%	4.6%
Colorado Springs, CO	9.3%	9.1%	9.8%	10.1%	9.9%
Columbus, OH	6.6%	6.5%	5.9%	5.5%	5.6%
Dallas/Ft. Worth, TX	6.9%	6.9%	6.6%	6.9%	7.2%
Dayton, OH	8.7%	8.6%	8.1%	8.0%	7.7%
Denver, CO	2.7%	3.4%	3.9%	4.3%	4.9%
Detroit, MI	4.8%	4.6%	4.0%	4.0%	3.5%
El Paso, TX	8.7%	6.6%	7.1%	6.8%	6.8%
Fort Myers/Naples, FL	4.6%	3.8%	3.3%	2.8%	2.2%
Fredericksburg, VA	12.3%	10.2%	8.1%	7.6%	8.5%
Ft. Lauderdale, FL	7.1%	6.8%	5.5%	4.4%	4.5%
Greenville, SC	7.4%	6.7%	6.9%	6.6%	6.9%
Hampton Roads, VA	7.0%	6.5%	6.3%	6.6%	5.8%
Hartford, CT	12.9%	12.8%	11.9%	11.7%	6.9%
Houston, TX	6.0%	6.4%	6.7%	7.1%	7.0%
Indianapolis, IN	5.3%	4.9%	3.6%	3.0%	5.1%
Inland Empire CA	5.5%	4.7%	4.7%	4.4%	4.0%
Jacksonville, FL	7.2%	6.5%	6.5%	6.2%	5.6%
Kansas City, MO	7.9%	7.5%	7.5%	8.3%	8.3%
Lakeland, FL	5.0%	5.5%	4.2%	3.7%	5.1%
Las Vegas, NV	5.7%	5.8%	5.6%	5.1%	5.7%
Long Island, NY	7.5%	6.9%	6.5%	6.6%	6.8%
Los Angeles, CA	2.2%	1.6%	1.3%	1.4%	1.3%
Louisville, KY	5.5%	5.4%	6.2%	6.6%	7.2%
Memphis, TN	9.5%	9.3%	9.2%	8.7%	8.3%
Miami, FL	4.9%	4.9%	4.4%	4.3%	4.2%
Milwaukee, WI	4.4%	4.2%	4.0%	4.4%	4.5%
Minneapolis, MN	8.7%	8.5%	8.4%	8.2%	8.7%
Nashville, TN	3.5%	3.4%	3.1%	2.9%	3.2%

Overall Vacancy Rate	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
New Haven, CT	12.7%	12.9%	13.2%	12.6%	6.1%
New Jersey - Central	5.1%	4.3%	4.3%	4.2%	4.1%
New Jersey - Northern	6.3%	5.7%	5.9%	5.9%	5.5%
Northern VA	9.0%	9.6%	9.2%	9.2%	8.8%
Oakland/East Bay, CA	2.9%	2.7%	3.1%	2.6%	2.3%
Oklahoma City, OK	6.5%	7.2%	6.7%	7.3%	6.7%
Omaha, NE	3.5%	3.1%	3.2%	3.2%	3.1%
Orange County, CA	2.8%	2.3%	2.2%	2.0%	2.0%
Orlando, FL	6.9%	5.8%	5.1%	4.6%	5.1%
Palm Beach County, FL	5.4%	4.4%	3.8%	4.2%	3.5%
PA I-81/I-78 Distribution Corridor	6.6%	5.1%	3.9%	4.7%	5.1%
Philadelphia, PA	5.6%	5.4%	4.9%	4.2%	3.9%
Phoenix, AZ	10.1%	9.6%	9.3%	9.1%	8.9%
Pittsburgh, PA	6.2%	5.6%	6.0%	5.7%	5.7%
Portland, OR	4.8%	4.4%	4.3%	4.0%	3.9%
Providence, RI	0.6%	0.3%	0.2%	0.3%	0.2%
Puget Sound - Eastside	6.9%	5.3%	4.9%	4.7%	4.3%
Raleigh/Durham, NC	6.3%	5.8%	6.2%	5.9%	5.8%
Richmond, VA	8.1%	7.5%	6.9%	6.6%	5.6%
Roanoke, VA	8.3%	8.1%	8.3%	7.2%	8.0%
Rochester, NY	11.3%	10.2%	9.9%	9.6%	9.6%
Sacramento, CA	10.3%	9.4%	8.9%	10.8%	6.4%
Salt Lake City, UT	7.1%	7.0%	7.5%	7.2%	6.1%
San Antonio, TX	9.4%	9.0%	9.6%	9.6%	10.0%
San Diego, CA	5.0%	5.0%	5.1%	5.3%	5.1%
San Francisco North Bay, CA	6.7%	6.5%	5.2%	5.5%	5.2%
San Francisco Peninsula, CA	2.6%	2.8%	2.9%	2.6%	2.6%
San Jose (Silicon Valley), CA	3.1%	2.2%	2.6%	3.3%	3.1%
Savannah, GA	2.2%	2.4%	2.3%	3.0%	3.0%
Seattle, WA	5.8%	4.6%	3.8%	3.8%	3.4%
Southern New Hampshire	16.0%	16.0%	15.8%	15.7%	6.3%
St. Louis, MO	6.8%	7.4%	6.5%	6.8%	6.7%
St. Petersburg/Clearwater, FL	5.5%	5.6%	5.8%	4.7%	4.1%
Stockton/Tracy, CA	5.8%	5.4%	5.2%	3.4%	3.5%
Suburban MD	12.6%	12.7%	11.6%	10.7%	9.9%
Syracuse, NY	11.2%	10.3%	11.3%	10.6%	10.7%
Tampa, FL	6.2%	6.1%	5.6%	5.5%	5.0%
Tucson, AZ	9.6%	8.6%	8.1%	7.8%	7.4%
Tulsa, OK	8.0%	7.8%	7.4%	7.6%	8.8%

p = preliminary

	Overall (All Property Types)					W/D	MFG
Weighted Average Asking Rent	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p	Q1 2017p	
United States	\$5.44	\$5.50	\$5.57	\$5.63	\$5.67	\$5.01	\$5.32
Northeast	\$5.66	\$5.83	\$6.02	\$6.03	\$6.15	\$5.94	\$4.68
Midwest	\$4.38	\$4.41	\$4.39	\$4.42	\$4.48	\$4.19	\$4.41
South	\$5.17	\$5.23	\$5.18	\$5.21	\$5.20	\$4.44	\$4.27
West	\$7.01	\$7.15	\$7.41	\$7.65	\$7.92	\$6.72	\$8.19

U.S. Industrial Report Markets	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p	Q1 2017p	
Atlanta, GA	\$4.27	\$4.22	\$4.17	\$4.20	\$4.31	\$3.76	\$3.53
Austin, TX	\$9.72	\$9.66	\$9.75	\$9.71	\$9.27	\$6.48	\$8.74
Baltimore, MD	\$5.48	\$5.57	\$5.49	\$5.35	\$5.08	\$4.45	n/a
Binghamton, NY	\$4.74	\$4.81	\$4.81	\$4.71	\$4.70	\$4.23	\$4.32
Birmingham, AL	\$3.61	\$3.57	\$4.70	\$5.01	\$4.18	\$3.83	n/a
Boston, MA	\$5.86	\$6.02	\$6.17	\$6.22	\$6.69	\$6.06	\$7.72
Buffalo, NY	\$4.13	\$4.13	\$4.98	\$4.98	\$4.13	\$4.25	\$3.95
Charleston, SC	\$5.07	\$5.31	\$5.31	\$5.26	\$5.36	\$5.43	\$4.67
Charlotte, NC	\$5.02	\$5.03	\$5.17	\$5.15	\$5.11	\$4.52	\$4.04
Chicago, IL	\$4.87	\$4.88	\$4.79	\$4.76	\$4.87	\$4.78	\$4.58
Cincinnati, OH	\$3.97	\$4.01	\$3.91	\$4.06	\$4.33	\$3.80	\$3.82
Cleveland, OH	\$3.89	\$3.95	\$3.88	\$3.94	\$3.99	\$3.73	n/a
Colorado Springs, CO	\$6.11	\$6.42	\$7.27	\$7.40	\$8.02	\$6.69	\$6.53
Columbus, OH	\$3.35	\$3.35	\$3.35	\$3.43	\$3.46	\$3.46	n/a
Dallas/Ft. Worth, TX	\$5.47	\$5.16	\$4.89	\$4.84	\$4.86	\$3.99	\$3.69
Dayton, OH	\$3.21	\$3.22	\$3.19	\$3.21	\$3.32	\$3.37	\$2.96
Denver, CO	\$7.71	\$7.04	\$7.23	\$7.57	\$8.03	\$6.84	\$7.24
Detroit, MI	\$5.15	\$5.25	\$5.26	\$5.26	\$5.36	\$4.94	\$4.79
El Paso, TX	\$3.90	\$3.95	\$3.95	\$3.95	\$3.95	\$4.00	\$3.90
Fort Myers/Naples, FL	\$6.36	\$6.61	\$6.72	\$6.80	\$7.44	\$6.98	\$8.15
Fredericksburg, VA	\$5.72	\$5.83	\$5.65	\$5.67	\$5.76	\$5.92	\$4.92
Ft. Lauderdale, FL	\$8.76	\$9.65	\$9.52	\$8.69	\$8.92	\$8.45	\$8.63
Greenville, SC	\$3.44	\$3.53	\$3.55	\$4.16	\$3.44	\$3.22	\$3.87
Hampton Roads, VA	\$5.06	\$5.18	\$5.21	\$5.42	\$5.39	\$5.22	\$5.14
Hartford, CT	\$4.22	\$4.27	\$4.32	\$4.08	\$4.53	\$4.42	\$4.34
Houston, TX	\$6.02	\$6.19	\$6.12	\$6.14	\$6.23	\$6.08	\$5.99
Indianapolis, IN	\$3.47	\$3.50	\$3.55	\$3.62	\$3.70	\$3.34	\$3.13
Inland Empire CA	\$5.90	\$6.24	\$6.58	\$6.82	\$7.28	\$6.69	\$8.17
Jacksonville, FL	\$4.05	\$3.99	\$4.34	\$4.24	\$4.63	\$4.26	\$2.97
Kansas City, MO	\$4.39	\$4.48	\$4.51	\$4.41	\$4.38	\$3.88	\$4.35
Lakeland, FL	\$4.63	\$4.89	\$4.85	\$5.00	\$5.17	\$5.15	\$4.55
Las Vegas, NV	\$7.74	\$7.78	\$7.86	\$7.27	\$7.88	\$6.95	n/a
Long Island, NY	\$8.15	\$8.25	\$8.53	\$8.86	\$9.81	\$9.76	\$9.11
Los Angeles, CA	\$8.26	\$8.29	\$8.79	\$9.08	\$9.25	\$8.94	\$8.40
Louisville, KY	\$3.61	\$3.63	\$3.67	\$3.68	\$3.76	\$3.66	\$3.13
Memphis, TN	\$2.35	\$2.51	\$2.49	\$2.55	\$2.57	\$2.28	n/a
Miami, FL	\$7.47	\$7.23	\$7.32	\$8.32	\$7.98	\$8.03	\$7.40
Milwaukee, WI	\$4.39	\$4.33	\$4.39	\$4.35	\$4.45	\$3.88	\$4.70
Minneapolis, MN	\$4.65	\$4.67	\$4.78	\$4.78	\$4.79	\$4.44	n/a
Nashville, TN	\$3.97	\$3.97	\$4.14	\$4.07	\$4.18	\$4.30	\$2.57

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p	Q1 2017p	
New Haven, CT	\$5.18	\$5.20	\$5.68	\$5.24	\$5.85	\$5.41	\$5.54
New Jersey - Central	\$6.59	\$6.97	\$7.18	\$7.28	\$7.31	\$6.45	\$4.42
New Jersey - Northern	\$7.42	\$7.71	\$7.71	\$7.90	\$7.60	\$7.29	\$6.38
Northern VA	\$11.14	\$10.89	\$11.11	\$11.12	\$11.15	\$8.84	n/a
Oakland/East Bay, CA	\$8.84	\$8.52	\$8.88	\$9.01	\$9.59	\$8.34	\$10.57
Oklahoma City, OK	\$4.21	\$4.57	\$4.65	\$4.61	\$4.86	\$4.22	\$2.50
Omaha, NE	\$5.16	\$5.22	\$5.55	\$5.41	\$5.63	\$5.28	\$4.85
Orange County, CA	\$9.76	\$10.44	\$10.91	\$11.21	\$11.10	\$9.58	\$11.35
Orlando, FL	\$6.51	\$6.65	\$6.45	\$6.48	\$6.32	\$5.27	\$5.19
Palm Beach County, FL	\$9.30	\$9.35	\$9.64	\$10.71	\$11.12	\$10.76	\$9.21
PA I-81/I-78 Distribution Corridor	\$4.35	\$4.57	\$4.53	\$4.64	\$4.72	\$4.72	n/a
Philadelphia, PA	\$4.52	\$4.52	\$4.65	\$4.63	\$4.81	\$4.26	\$3.69
Phoenix, AZ	\$6.26	\$6.43	\$6.54	\$7.05	\$7.03	\$4.88	\$7.41
Pittsburgh, PA	\$7.21	\$7.70	\$7.72	\$7.84	\$7.54	\$5.25	\$5.24
Portland, OR	\$7.07	\$7.22	\$7.62	\$8.02	\$7.73	\$6.75	\$6.23
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$9.89	\$10.89	\$11.24	\$11.62	\$12.27	\$10.72	\$7.21
Raleigh/Durham, NC	\$6.34	\$6.44	\$7.06	\$6.99	\$7.28	\$5.60	\$6.73
Richmond, VA	\$4.41	\$4.34	\$4.67	\$4.72	\$4.71	\$4.10	\$3.84
Roanoke, VA	\$4.23	\$4.10	\$4.18	\$4.32	\$3.94	\$3.66	\$4.23
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$3.25	\$4.75
Sacramento, CA	\$4.40	\$4.40	\$4.43	\$4.55	\$4.66	\$4.54	\$5.60
Salt Lake City, UT	\$5.30	\$5.40	\$5.47	\$5.45	\$5.37	\$5.10	\$4.76
San Antonio, TX	\$5.76	\$5.83	\$5.85	\$5.98	\$6.04	\$5.00	n/a
San Diego, CA	\$11.76	\$12.12	\$12.00	\$12.12	\$12.00	\$9.12	\$9.96
San Francisco North Bay, CA	\$7.98	\$9.87	\$9.97	\$10.23	\$10.04	\$10.05	\$4.91
San Francisco Peninsula, CA	\$13.09	\$13.50	\$15.95	\$14.12	\$14.72	\$13.73	\$18.35
San Jose (Silicon Valley), CA	\$9.60	\$9.96	\$11.88	\$12.60	\$12.12	\$9.84	\$13.32
Savannah, GA	\$4.22	\$4.55	\$4.79	\$4.75	\$4.75	\$4.32	n/a
Seattle, WA	\$5.85	\$6.04	\$6.61	\$6.73	\$7.15	\$6.31	\$5.46
Southern New Hampshire	\$5.73	\$6.14	\$6.07	\$5.53	\$5.90	\$5.45	\$5.42
St. Louis, MO	\$4.31	\$4.28	\$4.27	\$4.39	\$4.45	\$4.07	\$7.40
St. Petersburg/Clearwater, FL	\$7.40	\$7.61	\$7.34	\$7.72	\$7.93	\$5.80	\$5.63
Stockton/Tracy, CA	\$3.98	\$4.02	\$4.06	\$4.08	\$4.06	\$4.44	\$3.24
Suburban MD	\$9.19	\$9.20	\$9.44	\$9.57	\$10.12	\$8.42	n/a
Syracuse, NY	\$3.56	\$3.65	\$3.81	\$3.83	\$3.85	\$4.31	\$2.93
Tampa, FL	\$5.42	\$5.48	\$6.12	\$6.10	\$6.15	\$5.38	\$4.00
Tucson, AZ	\$6.90	\$6.80	\$6.81	\$6.67	\$6.44	\$5.87	\$5.86
Tulsa, OK	\$4.49	\$4.50	\$4.52	\$4.52	\$4.52	\$4.83	\$3.81

p = preliminary

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q1 2017p
United States	14,049,637,336	54,938,360	219,299,112
Northeast	2,109,604,297	7,352,572	27,961,760
Midwest	3,878,143,274	13,725,515	48,265,277
South	4,164,068,758	23,925,682	81,393,357
West	3,897,821,007	9,934,591	61,678,718

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2017	Under Construction as of Q1 2017p
Atlanta, GA	555,753,632	6,273,636	15,479,136
Austin, TX	38,320,749	335,946	593,130
Baltimore, MD	202,392,387	160,000	4,686,259
Binghamton, NY	17,601,714	0	700,000
Birmingham, AL	14,708,455	0	260,000
Boston, MA	130,425,392	191,014	855,432
Buffalo, NY	111,407,904	55,000	172,400
Charleston, SC	64,814,564	446,002	5,409,417
Charlotte, NC	179,080,715	352,162	1,787,545
Chicago, IL	1,175,874,072	4,165,759	16,691,530
Cincinnati, OH	281,180,419	360,664	3,750,043
Cleveland, OH	490,936,250	692,725	1,067,000
Colorado Springs, CO	31,705,466	0	34,700
Columbus, OH	247,886,682	364,000	2,395,975
Dallas/Ft. Worth, TX	587,552,414	7,096,560	15,804,471
Dayton, OH	114,075,496	770,000	1,538,549
Denver, CO	241,799,754	1,204,630	3,881,982
Detroit, MI	493,313,923	376,758	3,840,597
El Paso, TX	52,037,278	0	104,000
Fort Myers/Naples, FL	41,811,048	13,395	235,418
Fredericksburg, VA	10,369,638	0	900,000
Ft. Lauderdale, FL	87,743,487	259,137	664,574
Greenville, SC	186,785,782	345,738	1,813,299
Hampton Roads, VA	95,258,193	30,000	605,559
Hartford, CT	92,514,499	0	127,000
Houston, TX	409,263,441	1,479,429	2,392,772
Indianapolis, IN	253,029,340	1,869,440	6,552,107
Inland Empire CA	500,384,125	2,131,506	27,805,691
Jacksonville, FL	104,507,696	0	2,936,041
Kansas City, MO	210,602,565	2,560,680	6,941,193
Lakeland, FL	31,024,617	758,116	668,120
Las Vegas, NV	117,472,328	1,257,478	4,703,197
Long Island, NY	130,435,520	0	719,297
Los Angeles, CA	1,077,382,454	358,925	6,532,582
Louisville, KY	152,325,370	1,907,908	3,932,766
Memphis, TN	192,072,073	1,077,972	1,563,220
Miami, FL	154,000,711	1,213,261	3,263,945
Milwaukee, WI	197,896,286	278,560	494,770
Minneapolis, MN	104,769,001	345,173	1,059,442
Nashville, TN	203,313,673	804,220	5,652,459

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q1 2017p
New Haven, CT	47,863,075	0	135,000
New Jersey - Central	336,272,961	2,140,071	7,712,329
New Jersey - Northern	285,778,100	441,600	1,687,735
Northern VA	56,855,867	0	399,485
Oakland/East Bay, CA	204,476,525	0	1,473,974
Oklahoma City, OK	68,912,893	100,000	1,171,200
Omaha, NE	68,199,188	206,356	1,098,673
Orange County, CA	282,749,006	41,666	232,519
Orlando, FL	115,574,173	249,200	1,556,803
Palm Beach County, FL	40,459,236	0	736,931
PA I-81/I-78 Distribution Corridor	255,644,154	3,235,778	11,382,636
Philadelphia, PA	293,168,918	692,530	2,773,908
Phoenix, AZ	306,953,913	1,630,513	4,021,593
Pittsburgh, PA	167,555,119	596,579	470,150
Portland, OR	194,685,062	431,246	2,818,387
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	61,257,350	200,000	411,052
Raleigh/Durham, NC	51,660,957	184,500	571,414
Richmond, VA	93,503,433	60,000	711,933
Roanoke, VA	49,995,771	0	0
Rochester, NY	73,551,473	0	50,000
Sacramento, CA	141,114,298	423,734	1,073,255
Salt Lake City, UT	125,731,188	438,852	2,722,906
San Antonio, TX	39,331,519	303,200	897,747
San Diego, CA	162,842,066	178,336	907,734
San Francisco North Bay, CA	21,876,795	29,776	0
San Francisco Peninsula, CA	41,513,281	0	0
San Jose (Silicon Valley), CA	85,415,359	182,000	450,610
Savannah, GA	50,459,984	0	5,000,913
Seattle, WA	143,580,512	924,329	2,217,116
Southern New Hampshire	46,890,390	0	1,033,873
St. Louis, MO	240,380,052	1,735,400	2,835,398
St. Petersburg/Clearwater, FL	47,168,185	236,976	105,000
Stockton/Tracy, CA	114,169,641	381,600	2,341,449
Suburban MD	48,352,584	0	311,000
Syracuse, NY	42,767,773	0	142,000
Tampa, FL	78,435,558	196,324	1,178,800
Tucson, AZ	42,711,884	120,000	49,971
Tulsa, OK	60,222,675	42,000	0

p = preliminary

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 45,000 employees in more than 70 countries help occupiers and investors optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$6 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. 2017 marks the 100-year anniversary of the Cushman & Wakefield brand. 100 years of taking our clients' ideas and putting them into action. To learn more, visit www.cushwakecentennial.com, www.cushmanwakefield.com or follow @CushWake on Twitter.

Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of industrial properties deemed to be competitive in the local industrial markets. Generally, owner-occupied and federally-owned buildings are not included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

Explanation of Terms

Total Inventory: The total amount of industrial space (in buildings of a predetermined size by market) that can be rented by a third party.

Overall Vacancy Rate: The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory.

Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

Leasing Activity: The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

Overall Weighted Asking Rents: NNN average asking rents weighted by the amount of available direct and sublease space in industrial properties.

W/D: Warehouse and or distribution properties.

MFG: Manufacturing properties.

Jason Tolliver
Head of Industrial Research,
Americas
Tel: +1 317.639.0549
cushmanwakefield.com

Carolyn Salzer
Industrial Research Analyst,
Americas
Tel: +1 847.518.3212
cushmanwakefield.com

Regional Map

