

MARKETBEAT

U.S. Industrial

Q3 2016



U.S. INDUSTRIAL

Employment Indicators

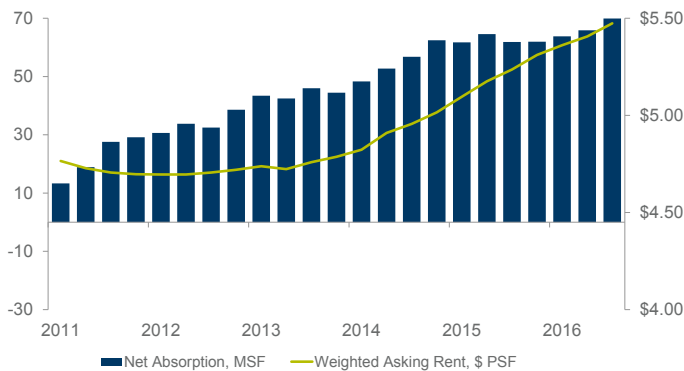
	Q3 15	Q3 16	12-Month Forecast
Total Nonfarm Employment	142.2M	144.6M	▲
Industrial Employment	24.8M	25.2M	▲
Unemployment	5.2%	4.9%	▼

Source: BLS

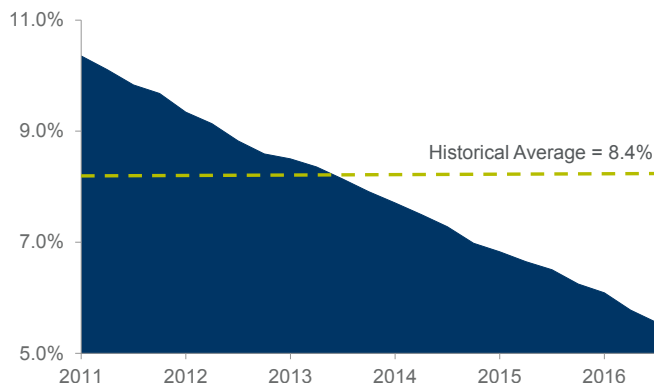
Market Indicators

	Q3 15	Q3 16	12-Month Forecast
Overall Vacancy	6.5%	5.6%	▲
Net Absorption	58.0M	74.9M	▼
Under Construction	182.3M	214.5M	▲
Weighted Asking Rent (NNN)	\$5.30	\$5.57	▲

Net Absorption/Rent NNN 4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

Despite a series of shocks to the U.S. economy this year and uncertainties surrounding the U.S. presidential election, the fundamentals that drive demand for industrial space remain firmly intact. Important indicators that correlate well with the industrial sector, such as containerized traffic flows, transportation indices and consumer confidence, are still trending in a positive direction. The ever-important employment figures also point to ongoing industrial growth. The U.S. economy added a solid 575,000 jobs over the past three months ending in September, and wage growth is accelerating. The latest trends in the labor markets are consistent with stronger consumer spending as well as housing and construction improvements, all of which bode well for industrial-related leasing.

A bounce-back in the ISM manufacturing index in September should also help allay concerns that growth will stall in the fourth quarter of 2016. The manufacturing index returned to expansion territory, rising 2.1 points to 51.5 at the end of the third quarter. Aside from continued weakness in manufacturing employment, the sub-index readings were generally upbeat. Notably, the new orders component surged 6.0 points to 55.1, which provides some hope that business spending will improve in the fourth quarter. Order backlogs also jumped — another reason for optimism. It is also promising to see the production component move back into expansionary territory (52.8), with 10 of 18 industry sectors reporting growth in production.

Clearly the sector is confronting headwinds. Exporters continue to face a stronger U.S. dollar, global weakness persists, and firms continue to be challenged by elevated inventories which hamper freight movements by ocean, rail and trucking. For five consecutive quarters, elevated inventories have also been a drag on GDP growth. That is the longest stretch since 1957. The ISM customer inventories component climbed to 53.0 in September, its second highest reading of the current expansion. This indicates that inventories remain too high in some places along the supply chain, which will temporarily curb demand for industrial space in certain areas. But all these developments aren't new challenges; indeed the industrial market has performed remarkably well despite them. Looking forward we still see the positives outweighing the negatives in the industrial market.

Market Overview

U.S. industrial markets absorbed 74.9 million square feet (MSF) of space in the third quarter of 2016, up 29.1% from the third quarter of 2015. This propelled year-to-date net absorption to 212.9 MSF, up 17.9% from the same period a year prior. The industrial sector has now registered 26 consecutive quarters of net occupancy gains with the Q3 2016 absorption reaching a new cyclical high. Although 18 markets witnessed over 1 MSF of absorption during Q3 2016, the bulk of leasing activity remained concentrated near port cities, inland distribution hubs, and population centers. Every industrial segment continued in growth mode during the quarter: through the nine months ending in September, logistics-related warehousing has posted 185.6 MSF of net absorption,

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manufacturing has registered 16.2 MSF of growth, and flex product experienced 9.9 MSF of net occupancy gains.

The national industrial vacancy rate continued to decline in the third quarter of 2016, falling by 20 basis points (BPS) from the second quarter and 90 BPS from a year-ago to 5.6%. Industrial vacancy tightened in every region and is currently tracking a full 280 BPS below the 10-year historical average of 8.4%. Warehousing conditions continued to tighten in Q3 2016 as 59 of 79 markets tracked by Cushman & Wakefield saw warehouse vacancy rates decline. In nearly every industrial market vacancy rates have now fallen below prior-cycle lows.

Strong leasing activity by both traditional industrial users and eCommerce-related occupiers continues to fuel rent growth. U.S. industrial rents increased 5.1% in the third quarter of 2016 from a year-ago, with over 40% of industrial markets currently reporting double-digit gains. In many markets, industrial rents are at historic highs, and on a national level the U.S. is witnessing rental rate appreciation for every industrial product type.

On the development front, 159.3 MSF of industrial product has been delivered in 2016, of which 59.6 MSF came online in the third quarter. Major industrial markets, port cities and primary inland distribution hubs have welcomed the majority of industrial deliveries this year — industrial product that is increasingly speculative in nature. Speculative projects account for 108.9 MSF (or 68%) of year-to-date deliveries, and given the tight market, developers continue to break ground on more speculative projects. Currently, there is 214.5 MSF of industrial product under construction, of which 102.1 MSF is expected to come online in the fourth quarter of 2016.

Despite increasing development volumes, quarterly leasing demand has continued to outpace deliveries, but that gap is closing. We continue to see the strongest development activity in the primary markets that have dominated leasing and deliveries this cycle. But development is accelerating across the country with nearly half of all U.S. industrial markets reporting more than 1 MSF under construction. Given the strength of underlying fundamentals and occupiers' demand for modern, functional distribution space, leasing of newly delivered space is expected to be brisk.

Outlook

- Much of what drives demand for logistics space links to the U.S. consumer, and with expected wage and labor market gains, consumption will drive industrial growth.
- U.S. imports, which are closely tied to warehousing demand, will continue to expand on the back of solid domestic demand and subdued import prices. Exports will be modest.
- Net absorption will once again surpass the 220 MSF mark. Leasing demand will balance new deliveries and hold national vacancy steady.
- We anticipate that supply will meet demand for industrial space in 2017. Until then, expect upward pressure on rents to continue.

A Positive Sign for Exporters

U.S. EXPORTS ARE NO LONGER DECLINING

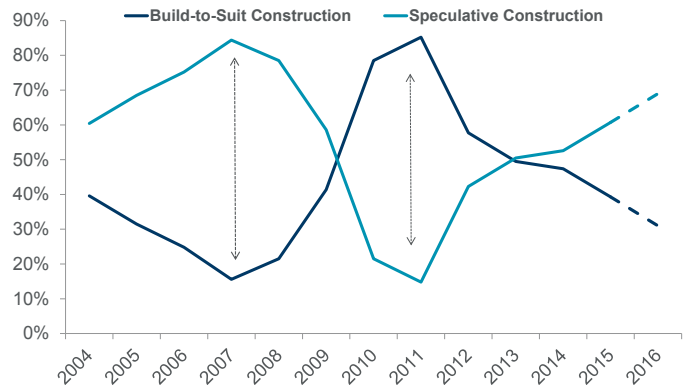
Exports, Balance of Payment Basis (Y/Y % Chg., SA)



Source: Federal Reserve

Developers are Hustling to Bring Product Online

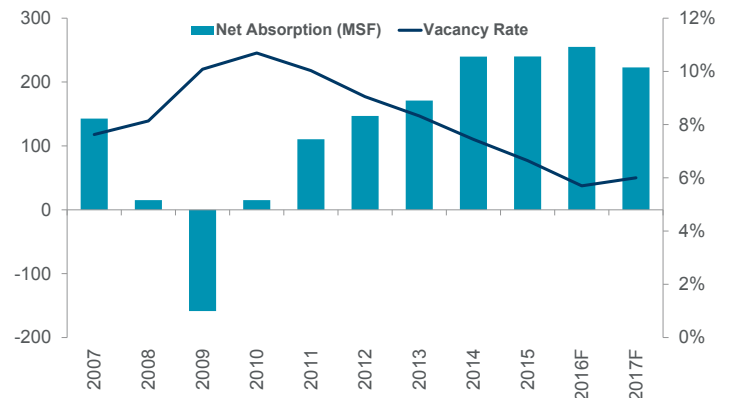
BUILD TO SUIT VS. SPECULATIVE CONSTRUCTION (% OF TOTAL)



Source: Cushman & Wakefield Research

The Roll Continues for Industrial

EXPECT CYCLICAL HIGH ABSORPTION IN 2016 AND STRONG 2017



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
United States	57,990,810	67,349,408	62,185,362	75,832,135	74,851,732	125,945,554
Northeast	8,613,248	12,344,677	12,839,338	12,022,967	16,626,347	24,894,889
Midwest	15,436,849	12,898,159	12,406,846	15,279,958	23,604,939	21,348,209
South	16,640,923	22,626,849	25,197,809	23,123,902	20,701,692	37,301,226
West	17,299,790	19,479,723	11,741,369	25,405,308	13,918,754	42,401,230

U.S. Industrial Report Markets	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Atlanta, GA	2,024,104	3,787,196	3,665,803	3,730,462	2,212,205	7,383,701
Austin, TX	535,220	385,165	171,666	242,070	80,659	470,958
Baltimore, MD	515,020	273,161	1,611,283	506,425	1,029,640	2,619,155
Binghamton, NY	47,200	-176,074	35,384	117,480	117,480	130,826
Birmingham, AL	-8,894	-176,074	108,076	403,623	826,217	128,815
Boston, MA	-564,925	2,704,991	-247,193	851,845	2,485,635	1,247,619
Buffalo, NY	n/a	n/a	-276,271	136,985	500,257	155,732
Charleston, SC	-671,776	870,931	647,674	402,519	831,567	804,785
Charlotte, NC	44,315	275,502	-326,334	2,060,434	935,694	1,802,889
Chicago, IL	5,537,960	3,181,601	2,698,851	6,006,916	10,016,494	8,067,389
Cincinnati, OH	1,085,966	1,050,450	849,734	1,793,770	1,693,178	1,318,395
Cleveland, OH	264,832	680,698	962,071	-36,295	331,032	428,536
Colorado Springs, CO	197,926	168,596	352,165	211,443	n/a	104,005
Columbus, OH	316,303	958,752	1,381,183	180,470	1,349,355	1,684,084
Dallas/Ft. Worth, TX	1,344,169	5,158,085	6,652,163	5,062,495	7,763,907	7,556,865
Dayton, OH	909,642	416,061	564,858	336,924	552,184	381,278
Denver, CO	748,877	-438,786	73,814	1,478,592	163,723	1,061,689
Detroit, MI	2,527,064	2,281,673	2,284,855	1,250,999	769,656	1,342,533
East Bay, CA	360,593	1,080,889	-109,633	2,908,795	-144,738	4,073,936
El Paso, TX	683,500	390,000	1,576,642	712,193	-293,711	257,861
Fort Myers/Naples, FL	44,970	161,561	140,362	354,599	230,115	166,005
Fredericksburg, VA	53,029	-21,638	-76	70,112	170,419	66,727
Ft. Lauderdale, FL	482,672	51,158	750,090	570,142	511,427	508,890
Greenville, SC	1,108,045	866,914	830,107	3,131,610	1,560,194	604,526
Hampton Roads, VA	579,468	-21,546	-204,133	407,321	28,648	599,378
Hartford, CT	146,502	-196,297	-161,857	186,593	866,772	1,217,217
Houston, TX	2,062,877	243,707	1,477,233	-267,093	111,061	4,066,869
Indianapolis, IN	1,571,505	1,620,767	881,633	2,720,089	3,349,822	3,849,001
Inland Empire CA	3,778,078	6,018,135	3,354,969	8,375,828	3,804,033	7,735,438
Jacksonville, FL	782,236	1,314,626	1,023,149	604,465	296,244	890,133
Kansas City, MO	1,032,936	919,847	773,318	1,775,923	1,134,989	1,922,159
Lakeland, FL	171,050	131,220	247,320	78,085	179,091	131,752
Las Vegas, NV	767,457	411,294	789,986	444,432	667,316	n/a
Long Island, NY	-653,171	247,509	434,777	102,586	232,379	934,171
Los Angeles, CA	3,591,968	2,184,513	2,251,117	2,651,195	1,503,682	8,267,830
Louisville, KY	1,380,064	1,292,708	928,800	1,599,711	478,317	1,711,900
Memphis, TN	2,186,850	1,542,588	1,690,863	341,427	695,753	2,171,394
Miami, FL	278,677	549,178	1,244,887	241,954	712,127	892,383
Milwaukee, WI	144,626	546,891	885,374	743,340	585,596	1,102,221
Minneapolis, MN	1,646,823	671,568	1,041,300	403,691	459,794	n/a

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Nashville, TN	1,149,509	3,115,044	368,767	445,274	241,518	687,478
New Haven, CT	242,326	-120,269	27,084	98,418	-169,623	872,179
New Jersey - Central	2,889,095	2,797,263	5,857,597	2,321,967	1,568,411	4,171,636
New Jersey - Northern	988,107	1,281,402	1,672,285	1,388,969	367,936	2,554,459
Oklahoma City, OK	-91,810	-249,225	366,886	355,395	79,041	n/a
Omaha, NE	100,304	-67,189	-18,265	50,348	87,731	494,780
Orange County, CA	673,150	554,044	395,017	470,515	166,260	2,636,774
Orlando, FL	987,678	393,499	736,721	820,417	404,180	1,104,005
Palm Beach County, FL	159,760	277,198	378,706	349,274	321,054	94,310
PA I-81/I-78 Distribution Corridor	3,888,287	2,109,790	2,747,713	3,631,632	7,155,768	8,634,585
Philadelphia, PA	2,044,302	1,852,105	1,696,743	1,060,782	3,631,433	3,945,206
Phoenix, AZ	821,688	4,027,249	1,386,180	2,196,394	2,244,605	7,200,347
Pittsburgh, PA	-25,911	1,189,636	873,111	991,907	-209,506	409,491
Portland, OR	919,682	3,128,684	439,415	978,437	308,442	1,476,673
Providence, RI	n/a	n/a	133,493	254,742	115,966	115,966
Puget Sound - Eastside	189,875	213,643	-118,429	1,322,354	256,769	589,999
Raleigh/Durham, NC	-24,322	847,787	108,522	283,535	-172,912	489,149
Richmond, VA	-88,609	-197,984	547,939	338,680	-81,087	180,709
Roanoke, VA	53,300	239,271	-106,122	63,011	-70,667	46,406
Rochester, NY	-386,210	338,920	69,576	801,031	225,539	14,700
Sacramento, CA	1,163,411	-134,622	304,430	734,847	582,097	1,219,630
Salt Lake City, UT	977,388	512,920	410,524	612,166	763,231	1,678,706
San Antonio, TX	-64,086	304,981	147,891	84,870	378,273	323,357
San Diego, CA	1,072,702	677,427	-236,360	374,520	-100,709	1,833,911
San Francisco North Bay, CA	389,837	73,004	17,284	5,328	159,067	326,339
San Francisco Peninsula, CA	61,178	100,315	230,460	10,890	-212,958	333,435
San Jose (Silicon Valley), CA	365,336	455,549	39,803	494,984	-378,224	965,950
Savannah, GA	n/a	610,191	n/a	-120,950	48,052	48,052
Seattle, WA	443,811	-737,959	618,628	1,291,209	2,512,682	895,109
Southern New Hampshire	-66,015	303,388	233,167	181,794	160,019	386,230
St. Louis, MO	298,888	637,040	101,934	53,783	3,275,108	757,833
St. Petersburg/Clearwater, FL	6,741	20,082	54,945	17,940	-44,662	197,503
Stockton/Tracy, CA	360,593	1,080,889	1,570,362	590,564	645,595	1,840,014
Suburban MD	177,624	107,919	108,423	275,122	517,102	473,481
Suburban VA	122,019	-196,354	271,468	-125,578	293,531	412,640
Syracuse, NY	63,661	12,313	-256,271	-103,764	-422,119	104,872
Tampa, FL	610,082	375,052	68,265	274,654	193,291	409,150
Tucson, AZ	416,240	103,939	-28,363	252,815	977,881	265,450
Tulsa, OK	47,441	-95,054	-90,177	-190,296	235,404	n/a*

p = preliminary

Overall Vacancy Rate	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
United States	6.5%	6.2%	6.1%	5.8%	5.6%
Northeast	7.7%	7.3%	7.2%	6.6%	6.3%
Midwest	6.2%	6.2%	5.9%	5.8%	5.4%
South	7.4%	7.0%	7.1%	6.9%	6.7%
West	5.1%	4.9%	4.6%	4.2%	4.0%

U.S. Industrial Report Markets	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
Atlanta, GA	8.3%	7.9%	8.5%	8.4%	8.6%
Austin, TX	6.9%	6.1%	6.8%	7.7%	7.5%
Baltimore, MD	8.3%	8.3%	7.5%	7.2%	7.0%
Binghamton, NY	11.1%	12.4%	12.2%	11.7%	11.7%
Birmingham, AL	11.7%	12.4%	17.0%	14.4%	9.0%
Boston, MA	8.2%	7.6%	7.7%	7.4%	6.8%
Buffalo, NY	8.7%	8.8%	8.9%	9.0%	8.9%
Charleston, SC	8.6%	7.3%	7.9%	7.7%	6.4%
Charlotte, NC	6.2%	6.0%	6.4%	4.5%	3.8%
Chicago, IL	6.4%	6.4%	6.4%	6.3%	6.1%
Cincinnati, OH	4.4%	4.5%	4.2%	4.0%	4.2%
Cleveland, OH	5.4%	5.3%	5.2%	5.0%	4.9%
Colorado Springs, CO	7.7%	7.9%	6.3%	6.3%	7.3%
Columbus, OH	6.6%	6.5%	6.6%	6.5%	5.9%
Dallas/Ft. Worth, TX	7.7%	7.5%	6.9%	6.9%	6.6%
Dayton, OH	9.4%	9.1%	8.7%	8.6%	8.1%
Denver, CO	4.0%	4.3%	2.7%	3.4%	3.9%
Detroit, MI	5.7%	5.4%	4.8%	4.6%	4.0%
East Bay, CA	3.5%	3.5%	2.9%	2.7%	3.0%
El Paso, TX	12.1%	11.6%	8.7%	6.6%	7.1%
Fort Myers/Naples, FL	6.2%	5.8%	4.6%	3.8%	3.3%
Fredericksburg, VA	12.6%	12.8%	12.3%	10.2%	8.1%
Ft. Lauderdale, FL	6.0%	6.4%	7.1%	6.8%	5.5%
Greenville, SC	7.3%	6.8%	7.4%	6.7%	6.9%
Hampton Roads, VA	6.5%	6.4%	7.0%	6.4%	6.5%
Hartford, CT	12.7%	12.6%	12.9%	12.6%	11.7%
Houston, TX	5.4%	5.5%	6.0%	6.4%	6.7%
Indianapolis, IN	7.6%	7.3%	5.3%	4.9%	3.7%
Inland Empire CA	6.0%	5.7%	5.5%	4.7%	4.7%
Jacksonville, FL	8.8%	8.0%	7.2%	6.5%	6.5%
Kansas City, MO	7.6%	7.4%	7.9%	7.5%	7.5%
Lakeland, FL	4.1%	3.5%	5.0%	5.5%	4.2%
Las Vegas, NV	6.3%	6.8%	5.7%	5.9%	5.8%
Long Island, NY	9.2%	8.3%	7.5%	6.9%	6.5%
Los Angeles, CA	2.7%	2.3%	2.2%	1.6%	1.3%
Louisville, KY	5.6%	4.9%	5.5%	5.4%	6.2%
Memphis, TN	10.6%	9.8%	9.9%	9.7%	9.2%
Miami, FL	6.1%	5.7%	4.9%	4.9%	4.4%
Milwaukee, WI	4.8%	4.7%	4.4%	4.2%	4.0%
Minneapolis, MN	9.7%	9.9%	8.7%	8.5%	8.4%

Overall Vacancy Rate	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
Nashville, TN	5.4%	4.7%	3.5%	3.5%	3.3%
New Haven, CT	12.7%	12.4%	12.7%	12.4%	12.7%
New Jersey - Central	7.4%	6.1%	5.1%	4.3%	4.3%
New Jersey - Northern	7.0%	6.7%	6.3%	5.7%	5.9%
Oklahoma City, OK	6.2%	6.7%	6.5%	7.2%	6.7%
Omaha, NE	2.7%	3.0%	3.5%	3.1%	3.2%
Orange County, CA	3.0%	2.8%	2.8%	2.3%	2.2%
Orlando, FL	7.5%	7.3%	6.9%	5.8%	5.1%
Palm Beach County, FL	4.9%	4.4%	5.4%	4.4%	3.8%
PA I-81/I-78 Distribution Corridor	5.0%	5.2%	6.6%	5.1%	3.9%
Philadelphia, PA	5.8%	5.6%	5.6%	5.4%	4.9%
Phoenix, AZ	11.1%	10.3%	10.1%	9.6%	9.3%
Pittsburgh, PA	7.2%	6.8%	6.2%	5.6%	6.0%
Portland, OR	5.3%	4.9%	4.8%	4.4%	4.3%
Providence, RI	1.3%	0.8%	0.6%	0.3%	0.2%
Puget Sound - Eastside	6.5%	6.2%	6.9%	5.3%	4.9%
Raleigh/Durham, NC	6.1%	5.0%	6.3%	5.8%	6.2%
Richmond, VA	7.7%	7.9%	8.1%	7.5%	7.2%
Roanoke, VA	8.3%	7.6%	8.3%	8.1%	8.3%
Rochester, NY	11.8%	11.4%	11.3%	10.2%	9.9%
Sacramento, CA	10.5%	10.8%	9.9%	9.4%	8.9%
Salt Lake City, UT	7.2%	7.3%	7.1%	7.0%	7.5%
San Antonio, TX	11.2%	10.4%	10.2%	10.5%	9.3%
San Diego, CA	5.3%	5.0%	5.0%	4.9%	5.1%
San Francisco North Bay, CA	6.5%	6.2%	6.5%	6.5%	5.7%
San Francisco Peninsula, CA	3.6%	3.4%	2.6%	2.8%	2.9%
San Jose (Silicon Valley), CA	4.0%	3.4%	3.0%	2.1%	2.3%
Savannah, GA	5.6%	2.2%	2.2%	2.4%	2.3%
Seattle, WA	4.3%	5.0%	5.8%	4.6%	3.8%
Southern New Hampshire	17.4%	16.2%	16.0%	15.7%	15.3%
St. Louis, MO	6.5%	6.6%	6.9%	7.3%	6.4%
St. Petersburg/Clearwater, FL	5.6%	5.1%	5.5%	5.6%	5.8%
Stockton/Tracy, CA	7.1%	7.1%	7.0%	6.3%	6.2%
Suburban MD	12.2%	12.2%	12.6%	12.7%	11.6%
Suburban VA	11.5%	11.9%	9.0%	9.6%	9.2%
Syracuse, NY	10.9%	10.8%	11.2%	10.3%	11.3%
Tampa, FL	6.7%	6.1%	6.2%	6.1%	5.6%
Tucson, AZ	9.4%	9.2%	9.6%	8.6%	8.1%
Tulsa, OK	8.3%	7.8%	8.0%	7.8%	7.4%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p	
United States	\$5.30	\$5.40	\$5.44	\$5.49	\$5.57	\$4.88	\$5.11
Northeast	\$5.60	\$5.61	\$5.66	\$5.83	\$6.03	\$5.55	\$4.52
Midwest	\$4.30	\$4.36	\$4.37	\$4.40	\$4.42	\$4.09	\$4.31
South	\$4.96	\$5.10	\$5.18	\$5.23	\$5.19	\$4.44	\$4.17
West	\$6.83	\$7.01	\$7.00	\$7.10	\$7.36	\$6.23	\$7.55

U.S. Industrial Report Markets	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p	
Atlanta, GA	\$4.20	\$4.29	\$4.27	\$4.22	\$4.17	\$3.63	\$3.45
Austin, TX	\$9.84	\$9.94	\$9.72	\$9.66	\$9.75	\$6.96	\$7.80
Baltimore, MD	\$5.40	\$5.61	\$5.48	\$5.57	\$5.49	\$4.58	n/a
Binghamton, NY	\$4.83	\$4.83	\$4.74	\$4.81	\$4.81	\$4.36	\$3.50
Birmingham, AL	\$4.69	\$4.58	\$3.61	\$3.57	\$4.70	\$4.19	n/a
Boston, MA	\$5.94	\$5.96	\$5.86	\$6.02	\$6.17	\$5.67	\$5.64
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.13	\$4.98	\$4.75	\$3.95
Charleston, SC	\$4.67	\$4.93	\$4.92	\$5.16	\$5.24	\$5.32	\$4.63
Charlotte, NC	\$4.26	\$4.24	\$4.96	\$4.99	\$5.34	\$4.56	\$5.68
Chicago, IL	\$4.79	\$4.85	\$4.87	\$4.88	\$4.79	\$4.66	\$4.52
Cincinnati, OH	\$3.81	\$3.89	\$3.97	\$4.01	\$3.91	\$3.49	\$3.63
Cleveland, OH	\$3.86	\$3.87	\$3.89	\$3.95	\$3.88	\$3.57	n/a
Colorado Springs, CO	\$6.92	\$6.83	\$6.41	\$6.56	\$6.54	\$6.54	n/a
Columbus, OH	\$3.30	\$3.38	\$3.35	\$3.35	\$3.35	\$3.35	n/a
Dallas/Ft. Worth, TX	\$5.00	\$5.09	\$5.47	\$5.16	\$4.89	\$4.07	\$3.97
Dayton, OH	\$3.19	\$3.21	\$3.21	\$3.22	\$3.19	\$3.10	\$2.90
Denver, CO	\$7.96	\$8.24	\$7.71	\$7.04	\$7.23	\$5.98	\$8.02
Detroit, MI	\$4.92	\$5.04	\$5.15	\$5.25	\$5.26	\$4.70	\$4.74
East Bay, CA	\$6.76	\$7.23	\$7.76	\$7.55	\$8.00	\$6.99	\$8.85
El Paso, TX	\$3.75	\$3.75	\$3.90	\$3.95	\$3.95	\$4.00	\$3.90
Fort Myers/Naples, FL	\$6.25	\$6.37	\$6.36	\$6.61	\$6.72	\$6.43	\$6.37
Fredericksburg, VA	\$5.47	\$5.53	\$5.72	\$5.83	\$5.65	\$5.82	\$4.80
Ft. Lauderdale, FL	\$7.63	\$7.75	\$7.84	\$7.98	\$8.12	\$7.38	\$7.47
Greenville, SC	\$3.44	\$3.86	\$3.44	\$3.53	\$3.55	\$3.55	\$3.40
Hampton Roads, VA	\$4.87	\$5.03	\$5.06	\$5.19	\$5.21	\$5.02	\$4.52
Hartford, CT	\$4.21	\$4.18	\$4.22	\$4.25	\$4.32	\$4.44	\$3.70
Houston, TX	\$6.09	\$6.05	\$6.02	\$6.19	\$6.12	\$6.04	\$5.65
Indianapolis, IN	\$3.93	\$3.97	\$3.47	\$3.50	\$3.55	\$3.49	\$3.41
Inland Empire CA	\$5.38	\$5.75	\$5.90	\$6.24	\$6.58	\$6.11	\$7.18
Jacksonville, FL	\$3.91	\$4.05	\$4.05	\$3.99	\$4.34	\$4.01	\$3.23
Kansas City, MO	\$4.10	\$4.14	\$4.39	\$4.48	\$4.51	\$3.87	\$4.56
Lakeland, FL	\$4.50	\$4.53	\$4.63	\$4.89	\$4.85	\$4.73	\$4.60
Las Vegas, NV	\$7.18	\$7.19	\$7.56	\$7.32	\$7.68	\$6.60	n/a
Long Island, NY	\$8.87	\$8.63	\$8.15	\$8.25	\$8.53	\$7.90	\$8.93
Los Angeles, CA	\$7.79	\$8.09	\$8.26	\$8.29	\$8.79	\$8.41	\$8.07
Louisville, KY	\$3.65	\$3.52	\$3.61	\$3.63	\$3.67	\$3.59	\$3.03
Memphis, TN	\$2.53	\$2.50	\$2.35	\$2.51	\$2.49	\$2.28	n/a
Miami, FL	\$6.95	\$7.08	\$7.47	\$7.23	\$7.32	\$7.09	\$6.04
Milwaukee, WI	\$4.22	\$4.29	\$4.39	\$4.33	\$4.39	\$4.01	\$4.36
Minneapolis, MN	\$4.48	\$4.63	\$4.65	\$4.67	\$4.78	\$4.71	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p	
Nashville, TN	\$3.94	\$4.03	\$5.25	\$5.35	\$5.47	\$4.86	\$2.65
New Haven, CT	\$5.08	\$5.23	\$5.18	\$5.20	\$5.68	\$5.20	\$5.22
New Jersey - Central	\$5.82	\$6.06	\$6.59	\$6.97	\$7.18	\$6.07	\$3.39
New Jersey - Northern	\$6.92	\$7.03	\$7.42	\$7.71	\$7.71	\$7.15	\$6.24
Oklahoma City, OK	\$4.03	\$4.00	\$4.21	\$4.57	\$4.65	\$3.88	\$2.50
Omaha, NE	\$5.34	\$5.28	\$5.83	\$5.22	\$5.55	\$5.10	\$5.10
Orange County, CA	\$9.42	\$9.62	\$9.76	\$10.44	\$10.91	\$8.68	\$11.70
Orlando, FL	\$6.25	\$6.36	\$6.51	\$6.65	\$6.45	\$5.29	\$6.14
Palm Beach County, FL	\$7.79	\$7.93	\$9.30	\$9.35	\$9.64	\$8.49	\$7.10
PA I-81/I-78 Distribution Corridor	\$4.07	\$4.31	\$4.35	\$4.57	\$4.53	\$4.51	\$3.50
Philadelphia, PA	\$4.76	\$4.70	\$4.52	\$4.52	\$4.65	\$4.24	\$3.75
Phoenix, AZ	\$6.14	\$6.29	\$6.26	\$6.43	\$6.54	\$4.77	\$7.27
Pittsburgh, PA	\$5.69	\$5.74	\$7.21	\$7.70	\$7.72	\$4.80	\$4.62
Portland, OR	\$6.47	\$6.72	\$7.07	\$7.22	\$7.62	\$6.42	\$6.14
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$9.22	\$9.84	\$9.89	\$10.89	\$11.24	\$9.64	\$6.54
Raleigh/Durham, NC	\$7.24	\$7.77	\$7.39	\$7.98	\$7.05	\$5.65	\$5.48
Richmond, VA	\$4.43	\$4.43	\$4.41	\$4.34	\$4.67	\$3.91	\$3.87
Roanoke, VA	\$3.93	\$4.14	\$4.23	\$4.10	\$4.18	\$4.13	\$4.19
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$3.25	\$4.75
Sacramento, CA	\$4.65	\$4.74	\$4.40	\$4.39	\$4.43	\$4.36	\$4.85
Salt Lake City, UT	\$5.16	\$5.28	\$5.30	\$5.40	\$5.47	\$5.18	\$3.96
San Antonio, TX	\$5.76	\$5.74	\$5.57	\$5.74	\$5.78	\$4.76	n/a
San Diego, CA	\$11.40	\$11.52	\$11.76	\$12.12	\$12.00	\$8.88	\$9.84
San Francisco North Bay, CA	\$10.22	\$10.69	\$9.74	\$9.97	\$10.10	\$10.10	\$11.66
San Francisco Peninsula, CA	\$12.12	\$11.64	\$13.09	\$13.50	\$15.95	\$14.01	\$21.94
San Jose (Silicon Valley), CA	\$8.93	\$9.84	\$9.60	\$9.84	\$11.88	\$8.64	\$13.92
Savannah, GA	\$4.03	\$4.22	\$4.22	\$4.55	\$4.79	\$4.18	n/a
Seattle, WA	\$5.94	\$5.84	\$5.85	\$6.04	\$6.61	\$6.11	\$4.10
Southern New Hampshire	\$5.74	\$5.69	\$5.73	\$6.14	\$6.07	\$5.54	\$5.05
St. Louis, MO	\$4.21	\$4.22	\$4.07	\$4.14	\$4.22	\$3.96	\$6.87
St. Petersburg/Clearwater, FL	\$7.23	\$7.43	\$7.40	\$7.61	\$7.34	\$5.36	\$6.11
Stockton/Tracy, CA	\$3.75	\$3.88	\$4.18	\$4.23	\$4.32	\$4.20	\$4.20
Suburban MD	\$8.62	\$9.20	\$9.19	\$9.20	\$9.43	\$8.28	n/a
Suburban VA	\$8.62	\$9.20	\$11.14	\$10.89	\$11.11	\$8.97	n/a
Syracuse, NY	\$3.87	\$3.82	\$3.56	\$3.65	\$3.81	\$4.28	\$2.87
Tampa, FL	\$5.30	\$5.31	\$5.42	\$5.48	\$6.12	\$5.31	\$3.65
Tucson, AZ	\$6.39	\$6.92	\$6.90	\$6.80	\$6.81	\$6.00	\$6.22
Tulsa, OK	\$4.56	\$4.52	\$4.49	\$4.50	\$4.52	\$4.89	\$3.81

p = preliminary

Inventory	Inventory	Deliveries YTD	Under Construction as of Q3 2016p
United States	14,044,295,164	159,261,143	214,502,985
Northeast	2,318,000,139	22,867,637	29,373,671
Midwest	3,848,658,406	37,360,796	52,076,536
South	4,034,293,908	57,889,347	90,761,790
West	3,843,342,711	41,143,363	42,290,988

U.S. Industrial Report Markets	Inventory	Deliveries YTD	Under Construction as of Q3 2016p
Atlanta, GA	543,860,764	11,011,545	18,877,589
Austin, TX	45,836,565	573,270	653,635
Baltimore, MD	204,750,042	0	2,317,543
Binghamton, NY	17,674,534	0	0
Birmingham, AL	15,240,259	0	440,000
Boston, MA	344,823,044	1,826,673	861,862
Buffalo, NY	110,618,208	415,000	1,571,630
Charleston, SC	63,862,024	2,321,526	4,023,468
Charlotte, NC	158,284,451	1,168,874	649,337
Chicago, IL	1,165,049,536	12,203,962	18,933,428
Cincinnati, OH	280,358,303	3,966,857	2,198,274
Cleveland, OH	487,312,807	2,109,000	1,546,345
Colorado Springs, CO	34,367,377	n/a	n/a
Columbus, OH	246,897,728	4,385,226	3,111,600
Dallas/Ft. Worth, TX	572,491,660	15,719,720	21,745,608
Dayton, OH	112,765,194	406,300	2,411,906
Denver, CO	242,737,305	3,026,990	3,440,675
Detroit, MI	491,044,546	1,084,219	2,351,387
East Bay, CA	199,366,413	3,003,429	556,556
El Paso, TX	51,790,980	445,000	n/a
Fort Myers/Naples, FL	41,143,463	173,965	239,643
Fredericksburg, VA	10,250,597	0	n/a
Ft. Lauderdale, FL	88,289,538	163,419	910,108
Greenville, SC	195,703,177	1,605,000	3,600,000
Hampton Roads, VA	94,944,013	61,000	534,045
Hartford, CT	92,057,251	0	0
Houston, TX	398,217,339	7,590,028	6,836,968
Indianapolis, IN	247,037,923	2,343,869	4,428,137
Inland Empire CA	495,532,371	17,742,804	18,395,253
Jacksonville, FL	104,595,284	814,777	1,418,201
Kansas City, MO	204,155,531	4,539,519	7,759,235
Lakeland, FL	32,528,297	405,060	1,264,036
Las Vegas, NV	108,937,843	1,740,327	1,240,647
Long Island, NY	129,926,108	178,000	569,000
Los Angeles, CA	1,075,836,395	1,553,944	6,195,466
Louisville, KY	141,131,592	4,916,804	6,467,340
Memphis, TN	188,522,906	1,981,513	5,035,152
Miami, FL	152,564,498	1,362,762	4,507,643
Milwaukee, WI	197,466,132	1,295,479	1,098,750
Minneapolis, MN	104,472,070	1,387,759	2,168,800

Inventory	Inventory	Deliveries YTD	Under Construction as of Q3 2016p
Nashville, TN	131,970,543	239,203	924,697
New Haven, CT	48,566,293	0	80,500
New Jersey - Central	334,145,825	2,826,828	6,567,422
New Jersey - Northern	289,076,403	336,708	1,376,765
Oklahoma City, OK	68,540,201	445,666	59,000
Omaha, NE	68,634,237	441,707	1,025,661
Orange County, CA	282,663,728	624,875	222,735
Orlando, FL	109,840,019	632,633	1,799,630
Palm Beach County, FL	39,985,916	329,749	635,760
PA I-81/I-78 Distribution Corridor	251,873,791	11,960,584	14,430,953
Philadelphia, PA	289,240,195	3,886,702	3,108,508
Phoenix, AZ	304,151,338	4,172,407	2,066,259
Pittsburgh, PA	168,120,151	1,264,642	471,031
Portland, OR	192,613,739	981,408	2,641,548
Providence, RI	77,727,305	n/a	n/a
Puget Sound - Eastside	61,057,350	298,378	386,534
Raleigh/Durham, NC	51,272,732	253,350	552,273
Richmond, VA	91,701,177	304,600	216,000
Roanoke, VA	49,848,993	0	250,000
Rochester, NY	73,551,473	0	0
Sacramento, CA	134,076,760	96,152	282,254
Salt Lake City, UT	125,295,336	1,749,201	2,134,476
San Antonio, TX	40,843,302	1,493,721	520,551
San Diego, CA	161,134,604	949,300	635,931
San Francisco North Bay, CA	21,416,354	0	313,020
San Francisco Peninsula, CA	39,821,951	0	0
San Jose (Silicon Valley), CA	83,646,398	111,043	563,760
Savannah, GA	49,047,984	1,785,810	5,022,871
Seattle, WA	140,965,606	2,013,517	1,981,566
Southern New Hampshire	48,001,232	0	0
St. Louis, MO	243,464,399	3,196,899	5,043,013
St. Petersburg/Clearwater, FL	51,393,192	0	341,976
Stockton/Tracy, CA	98,377,416	2,216,100	1,074,337
Suburban MD	48,684,918	1,246,170	311,000
Suburban VA	56,855,867	635,182	90,240
Syracuse, NY	42,598,326	172,500	336,000
Tampa, FL	80,232,940	28,500	365,226
Tucson, AZ	41,344,427	863,488	159,971
Tulsa, OK	60,068,675	180,500	152,250

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 43,000 employees in more than 60 countries help investors and occupiers 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 \$5 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. To learn more, visit 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: +1 317.634.6363

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Regional Map

