

MARKETBEAT

U.S. Industrial

Q4 2016



U.S. INDUSTRIAL

Employment Indicators

| | Q4 15 | Q4 16 | 12-Month Forecast |
|--------------------------|--------|--------|-------------------|
| Total Nonfarm Employment | 142.8M | 144.6M | ▲ |
| Industrial Employment | 25.1M | 25.2M | ▲ |
| Unemployment | 5.0% | 4.7% | ▼ |

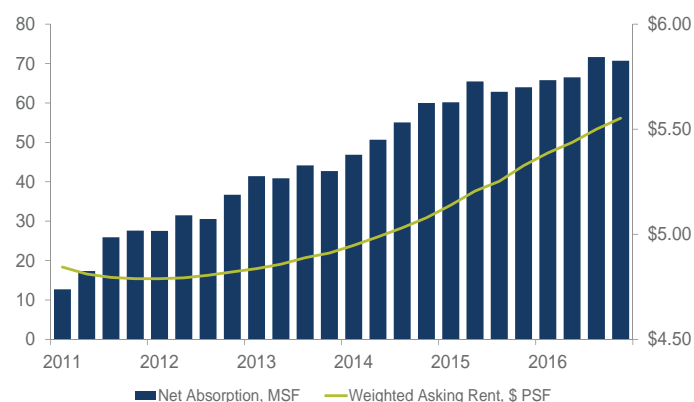
Source: BLS

Market Indicators

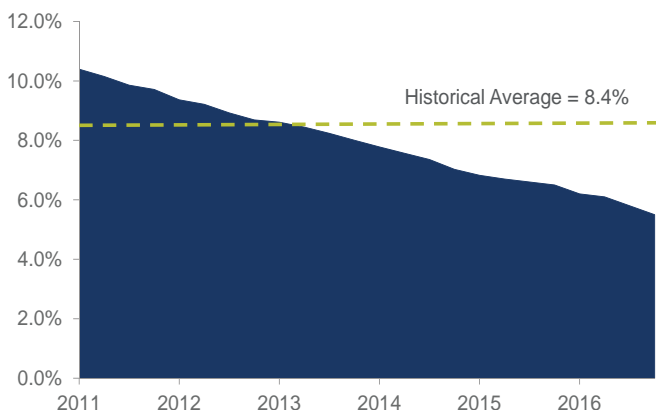
| | Q4 15 | Q4 16 | 12-Month Forecast |
|----------------------------|--------|--------|-------------------|
| Overall Vacancy | 6.5% | 5.5% | ▼ |
| Net Absorption | 67.3M | 63.6M | ▲ |
| Under Construction | 185.6M | 215.6M | ▲ |
| Weighted Asking Rent (NNN) | \$5.43 | \$5.64 | ▲ |

Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

The U.S. economy and industrial market are positioned to perform well in 2017. In the third quarter of 2016 real GDP expanded at a 3.5% annual rate — the strongest growth rate in two years and more than triple the rate of growth for the first half of 2016. Nationally, 2.2 million jobs were created during 2016, and the unemployment rate (4.7% in December) declined to its lowest level since 2007. Wage growth is firming: hourly earnings rose 2.9% year-over-year in December — a post-recession high. The increase in wages will enable households to further increase consumption in 2017, sustaining economic momentum and bolstering logistics-related leasing.

Economic data reflect an increasingly confident consumer. The Conference Board's Consumer Confidence Index rose to 113.7 in December — its highest level this business cycle — with the expectation series of the index showing that consumers anticipate business conditions, jobs and their income to improve in the next six months. Given that consumer spending is a dominant driver of industrial demand these readings indicate more momentum for the industrial sector, especially as eCommerce continues to grow rapidly. As a share of retail sales, excluding autos, eCommerce has grown from 1% in Q1 2000 to 9.3% in Q3 2016. We expect that share to increase by another 1% by the end of 2018; that means the current rate of \$100 billion eCommerce sales per quarter will increase roughly 25% to nearly \$125 billion per quarter in Q4 2018 as retail sales increase. This equates to an additional \$2 billion in eCommerce sales per month within the next two years. This growth trajectory suggests similar, if not more, robust absorption for warehouse and distribution product.

The U.S. manufacturing sector ended 2016 on a strong note: the ISM manufacturing index rose to a two-year high of 54.7 in December as production and new orders surged. The strength in production and new orders reported in the ISM index are consistent with other economic data including core capital goods orders and the manufacturing portion of industrial production, both of which indicate a stronger manufacturing sector. Domestic companies have also reined in inventories to more closely align with sales and there are early signs corporate investment is beginning to firm, both of which bode well for the industrial market.

Market Overview

Demand remained robust in the final quarter of 2016 as the U.S. industrial market absorbed 63.6 million square feet (MSF) of space. This propelled annual net absorption to a record-setting 282.9 MSF and pushed deliveries to a cyclical high of 232.9 MSF. Typically such a robust development pipeline would dramatically rebalance supply and demand fundamentals and elevate the vacancy rate, but these are not typical times. Ecommerce continues to structurally alter supply chains and drive robust levels of leasing. As a result, the vacancy rate tightened in Q4 2016 falling by 30 basis points (bps) to 5.5% for all industrial product types.

Every industrial segment remains in growth mode: in 2016, logistics-related warehousing posted 242.9 MSF of net absorption, manufacturing registered 25.1 MSF of growth, flex

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product posted 13.1 MSF of net occupancy gains, and high technology occupancy increased by 1.8 MSF. The current industrial expansion is one for the record book. As of January 2017, the industrial sector has registered 27 consecutive quarters of net occupancy gains, placing this expansion among the longest ever. It is also among the strongest with net absorption for the past three years (825.5 MSF) surpassing the strongest period of occupancy growth in the prior cycle (726.8 MSF from 1997-1999).

U.S. industrial vacancy (5.5%) is currently at its lowest level of the past 30 years and is a full 290 bps below the 10-year historical average of 8.4% for all product types. Warehouse conditions remain tight with vacancy holding steady at 5.6% in Q4 2016. Over the past year, logistics-related vacancy has declined 130 bps (from 6.9% to 5.6%) despite the delivery of 156.8 MSF of new speculative warehouse product. In most industrial markets, vacancy rates have fallen below prior-cycle lows.

Healthy demand from logistics and distribution users is fueling rent growth. U.S. industrial asking rents increased 3.9% in Q4 2016 from a year ago. Industrial rents rose in 61 of 79 markets tracked by Cushman & Wakefield during the same period, with over one-quarter 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 witnessing rental rate appreciation.

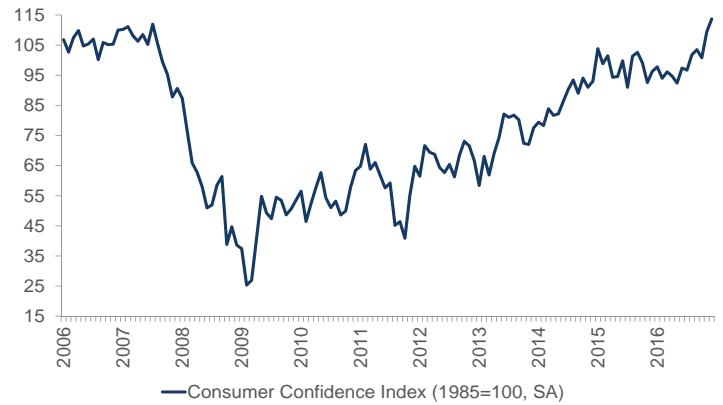
Currently, there is 215.6 MSF of industrial product under construction, of which 145.9 MSF is speculative. Although development remains strongest in major industrial markets, port cities and primary inland distribution hubs, nearly half of the U.S. markets currently have over 1 MSF under construction. Given the tight market conditions and strong underlying fundamentals, developers are expected to break ground on additional speculative projects which will help bring supply and demand fundamentals closer to balance. Nonetheless, tenant activity in the market remains brisk and it is likely that leasing demand will keep pace with supply deliveries in the near term.

Outlook

- Solid labor markets and firmer wage growth will support consumer confidence and spur stronger consumer spending. Consumption will drive industrial absorption, particularly for warehouse.
- Given the expected policy changes (tax cuts, spending increases, deregulation) from the Trump administration, the near-term outlook has been revised upward. The medium- and long-term outlook is less certain.
- Net absorption will once again approach 250 MSF in 2017. Leasing demand will balance new deliveries and hold national vacancy steady.
- We anticipate that supply will meet demand for industrial space in the latter half of 2017. Until then, expect strong pressure on rents to remain.

Confident Consumers Will Spur Spending

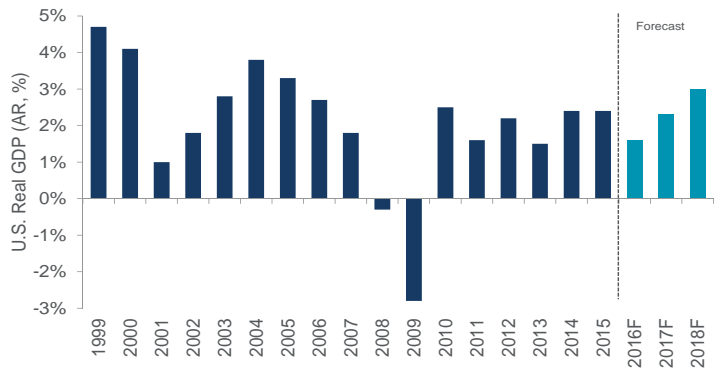
WITH CONFIDENCE AT CYCLICAL HIGH EXPECT INCREASED CONSUMPTION



Source: The Conference Board, Cushman & Wakefield Research

Stronger Growth Expected in the Near Term

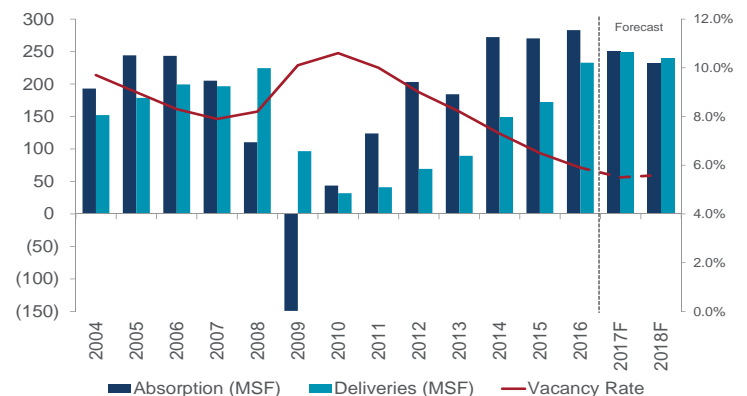
ODDS ARE HIGH THAT FISCAL STIMULUS MEASURES YIELD GROWTH



Source: Bureau of Economic Analysis, Moody's Analytics, Cushman & Wakefield Research

Supply/Demand Remains Imbalanced

STRONG DEMAND AND SUPPLY CONSTRAINTS TIGHTEN VACANCY



Source: Cushman & Wakefield Research

| Demand Indicators (Overall) | Net Absorption | | | | | Leasing Activity |
|-----------------------------|----------------|------------|------------|------------|------------|------------------|
| | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p | Q4 2016p |
| United States | 67,306,547 | 63,488,580 | 77,180,220 | 78,685,200 | 63,570,692 | 113,560,952 |
| Northeast | 12,367,311 | 13,416,209 | 13,195,260 | 17,826,866 | 7,215,187 | 18,147,115 |
| Midwest | 12,898,159 | 12,229,265 | 14,808,451 | 24,147,525 | 15,575,179 | 19,386,783 |
| South | 22,626,849 | 25,281,012 | 23,715,895 | 21,353,134 | 27,857,093 | 34,657,589 |
| West | 19,414,228 | 12,562,094 | 25,460,614 | 15,357,675 | 12,923,233 | 41,369,465 |

| U.S. Industrial Report Markets | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p | Q4 2016p |
|--------------------------------|-----------|-----------|-----------|------------|-----------|-----------|
| Atlanta, GA | 3,787,196 | 4,014,644 | 3,852,450 | 2,245,312 | 3,546,425 | 3,372,193 |
| Austin, TX | 385,165 | 171,666 | 242,070 | 80,659 | 116,610 | 559,142 |
| Baltimore, MD | 273,161 | 1,611,283 | 506,425 | 1,029,640 | 944,082 | 3,631,917 |
| Binghamton, NY | -153,440 | 35,384 | 117,480 | 80,204 | 8,605 | 38,425 |
| Birmingham, AL | -176,074 | 108,076 | 403,623 | 826,217 | 33,863 | 366,784 |
| Boston, MA | 2,704,991 | -245,725 | 1,079,816 | 2,190,787 | 996,083 | 2,252,510 |
| Buffalo, NY | n/a | -276,271 | 136,985 | 500,257 | 1,217,645 | 400,555 |
| Charleston, SC | 870,931 | 647,660 | 646,339 | -42,512 | 1,001,344 | 392,512 |
| Charlotte, NC | 275,502 | 119,578 | 1,503,782 | 1,158,781 | 1,812,029 | 3,201,420 |
| Chicago, IL | 3,181,601 | 2,437,786 | 5,656,574 | 10,474,949 | 4,149,725 | 6,666,466 |
| Cincinnati, OH | 1,050,450 | 849,734 | 1,787,525 | 1,833,726 | 556,179 | 1,352,275 |
| Cleveland, OH | 680,698 | 962,071 | -36,295 | 331,032 | 1,187,461 | 654,647 |
| Colorado Springs, CO | 168,596 | 352,165 | -140,722 | 238,973 | n/a | n/a |
| Columbus, OH | 958,752 | 1,381,183 | 180,470 | 1,349,355 | 2,080,666 | 1,722,404 |
| Dallas/Ft. Worth, TX | 5,158,085 | 6,357,032 | 4,809,247 | 7,200,702 | 5,298,286 | 6,355,058 |
| Dayton, OH | 416,061 | 564,858 | 328,464 | 306,394 | 525,747 | 352,790 |
| Denver, CO | -438,786 | -97,905 | 1,450,866 | 746,413 | 596,022 | 1,662,841 |
| Detroit, MI | 2,281,673 | 2,368,339 | 1,478,756 | 1,070,776 | 985,441 | 1,297,651 |
| East Bay, CA | 1,080,889 | -331,755 | 3,125,423 | -362,897 | 274,100 | 3,260,893 |
| El Paso, TX | 390,000 | 1,576,642 | 712,193 | -293,711 | -78,692 | 381,012 |
| Fort Myers/Naples, FL | 161,561 | 141,662 | 351,557 | 272,489 | 206,876 | 131,791 |
| Fredericksburg, VA | -21,638 | -76 | 70,112 | 189,844 | 173,790 | 13,460 |
| Ft. Lauderdale, FL | 51,158 | 26,560 | 20,012 | 702,011 | 858,893 | 504,301 |
| Greenville, SC | 866,914 | 830,107 | 3,131,610 | 1,560,194 | 1,353,175 | 719,932 |
| Hampton Roads, VA | -21,546 | -204,133 | 390,311 | -3,892 | -359,777 | 310,433 |
| Hartford, CT | -196,297 | -161,857 | 347,113 | 866,772 | 125,862 | 760,829 |
| Houston, TX | 243,707 | 1,550,857 | 92,367 | 810,247 | 4,065,736 | 3,092,847 |
| Indianapolis, IN | 1,620,767 | 881,633 | 2,720,089 | 3,108,214 | 1,848,702 | 2,055,036 |
| Inland Empire CA | 6,018,135 | 3,483,292 | 8,608,335 | 3,784,917 | 3,636,653 | 8,084,982 |
| Jacksonville, FL | 1,314,626 | 1,023,149 | 727,867 | 239,728 | 161,043 | 1,765,254 |
| Kansas City, MO | 919,847 | 773,318 | 1,775,923 | 1,134,989 | 1,840,583 | 3,341,210 |
| Lakeland, FL | 131,220 | 247,320 | 90,185 | 231,791 | 93,900 | 271,151 |
| Las Vegas, NV | 411,294 | 792,135 | 441,278 | 698,467 | 955,129 | n/a |
| Long Island, NY | 247,509 | 493,677 | 112,036 | 365,094 | -230,288 | 664,447 |
| Los Angeles, CA | 2,184,513 | 2,246,044 | 2,769,413 | 1,783,386 | 250,202 | 6,898,527 |
| Louisville, KY | 1,292,708 | 967,870 | 1,599,711 | 491,942 | 322,851 | 1,647,055 |
| Memphis, TN | 1,542,588 | 1,690,863 | 341,427 | 695,753 | 3,011,967 | 593,500 |
| Miami, FL | 549,178 | 779,691 | 353,972 | 624,408 | 438,808 | 1,591,214 |
| Milwaukee, WI | 546,891 | 885,374 | 743,340 | 585,596 | -12,492 | 1,100,019 |
| Minneapolis, MN | 671,568 | 1,041,300 | 403,691 | 459,794 | 519,293 | n/a |

| Demand Indicators (Overall) | Net Absorption | | | | | Leasing Activity |
|------------------------------------|----------------|-----------|-----------|-----------|-----------|------------------|
| | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p | Q4 2016p |
| Nashville, TN | 3,115,044 | 1,287,008 | 1,433,052 | 578,168 | 2,529,427 | 1,109,119 |
| New Haven, CT | -120,269 | 27,084 | -117,896 | -169,623 | 293,732 | 504,192 |
| New Jersey - Central | 2,797,263 | 5,861,097 | 2,672,125 | 2,088,582 | 702,054 | 3,929,231 |
| New Jersey - Northern | 1,281,402 | 1,723,861 | 1,341,223 | 949,477 | -449,521 | 2,512,247 |
| Oklahoma City, OK | -249,225 | 366,886 | 355,395 | 79,041 | -66,220 | n/a |
| Omaha, NE | -67,189 | -18,265 | 81,715 | 142,371 | 204,651 | 349,282 |
| Orange County, CA | 554,044 | 428,201 | 625,271 | 577,174 | 417,332 | 2,110,423 |
| Orlando, FL | 393,499 | 736,721 | 822,697 | 671,947 | 1,013,276 | 708,743 |
| Palm Beach County, FL | 277,198 | 80,709 | 317,775 | 351,542 | 181,815 | 103,189 |
| PA I-81/I-78 Distribution Corridor | 2,109,790 | 2,747,713 | 4,069,078 | 7,608,813 | 2,326,714 | 3,220,418 |
| Philadelphia, PA | 1,852,105 | 2,158,170 | 1,336,387 | 3,442,237 | 1,520,977 | 2,705,267 |
| Phoenix, AZ | 4,027,249 | 1,386,180 | 2,196,394 | 2,244,605 | 1,572,074 | 4,970,674 |
| Pittsburgh, PA | 1,189,636 | 873,111 | 967,110 | -175,139 | 100,230 | 855,723 |
| Portland, OR | 3,128,684 | 439,415 | 978,437 | 308,442 | 529,659 | 1,498,415 |
| Providence, RI | n/a | 133,493 | 254,742 | 115,966 | 102,292 | 102,292 |
| Puget Sound - Eastside | 213,643 | -118,429 | 1,322,354 | 256,769 | 303,774 | 560,558 |
| Raleigh/Durham, NC | 847,787 | 108,522 | 283,535 | -172,912 | 344,104 | 276,401 |
| Richmond, VA | -197,984 | 547,739 | 321,430 | 75,820 | 263,746 | 376,678 |
| Roanoke, VA | 239,271 | -76,697 | 63,011 | 354,142 | 69,980 | 55,368 |
| Rochester, NY | 338,920 | 69,576 | 801,031 | 225,539 | 213,189 | 66,658 |
| Sacramento, CA | -134,622 | 1,291,485 | 368,021 | 582,097 | 183,313 | 946,930 |
| Salt Lake City, UT | 512,920 | 410,524 | 612,166 | 763,231 | 442,247 | 2,175,660 |
| San Antonio, TX | 304,981 | 147,891 | 142,329 | 88,610 | 142,169 | 332,021 |
| San Diego, CA | 611,932 | -236,360 | 374,520 | -100,709 | 431,283 | 1,538,161 |
| San Francisco North Bay, CA | 73,004 | 25,677 | 52,321 | 278,280 | 104,199 | 312,185 |
| San Francisco Peninsula, CA | 100,315 | 232,460 | 34,830 | -193,018 | 72,077 | 410,723 |
| San Jose (Silicon Valley), CA | 455,549 | 44,003 | 494,984 | -420,112 | -36,597 | 1,479,305 |
| Savannah, GA | 610,191 | 0 | -120,950 | 48,052 | -358,098 | 1,536,630 |
| Seattle, WA | -737,959 | 618,628 | 1,291,209 | 2,512,682 | 527,043 | 2,011,211 |
| Southern New Hampshire | 303,388 | 233,167 | 181,794 | 160,019 | n/a | n/a |
| St. Louis, MO | 637,040 | 101,934 | -311,801 | 3,350,329 | 1,689,223 | 495,003 |
| St. Petersburg/Clearwater, FL | 20,082 | 61,539 | 30,381 | -37,440 | 590,146 | 344,814 |
| Stockton/Tracy, CA | 1,080,889 | 1,555,862 | 591,264 | 621,706 | 2,544,634 | 2,850,526 |
| Suburban MD | 107,919 | 108,423 | 275,122 | 517,102 | 250,065 | 428,279 |
| Suburban VA | -196,354 | 271,468 | -125,578 | 293,531 | -54,788 | 125,262 |
| Syracuse, NY | 12,313 | -256,271 | -103,764 | -422,119 | 287,613 | 134,321 |
| Tampa, FL | 375,052 | 70,529 | 262,732 | 250,524 | 146,530 | 360,109 |
| Tucson, AZ | 103,939 | 40,472 | 264,250 | 1,037,269 | 120,089 | 597,451 |
| Tulsa, OK | -95,054 | -90,177 | -190,296 | 235,404 | -196,268 | n/a |

p = preliminary

| Overall Vacancy Rate | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p |
|----------------------|---------|---------|---------|---------|----------|
| United States | 6.5% | 6.2% | 6.1% | 5.8% | 5.5% |
| Northeast | 7.7% | 7.3% | 7.1% | 6.5% | 6.3% |
| Midwest | 6.2% | 6.2% | 5.9% | 5.8% | 5.4% |
| South | 7.4% | 7.0% | 7.0% | 6.8% | 6.6% |
| West | 5.1% | 4.9% | 4.6% | 4.2% | 4.1% |

| U.S. Industrial Report Markets | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p |
|--------------------------------|---------|---------|---------|---------|----------|
| Atlanta, GA | 7.9% | 8.5% | 8.4% | 8.6% | 9.0% |
| Austin, TX | 6.1% | 6.8% | 7.7% | 7.5% | 6.4% |
| Baltimore, MD | 8.3% | 7.5% | 7.2% | 7.0% | 6.6% |
| Binghamton, NY | 12.4% | 12.2% | 11.7% | 11.7% | 10.8% |
| Birmingham, AL | 12.4% | 17.0% | 14.4% | 9.0% | 8.8% |
| Boston, MA | 7.6% | 7.3% | 7.0% | 6.7% | 6.5% |
| Buffalo, NY | 8.8% | 8.9% | 9.0% | 8.9% | 8.9% |
| Charleston, SC | 7.3% | 7.9% | 7.7% | 6.8% | 6.8% |
| Charlotte, NC | 6.0% | 6.4% | 4.5% | 3.8% | 3.6% |
| Chicago, IL | 6.4% | 6.4% | 6.3% | 6.1% | 6.3% |
| Cincinnati, OH | 4.5% | 4.2% | 4.0% | 4.2% | 4.2% |
| Cleveland, OH | 5.3% | 5.2% | 5.0% | 4.9% | 4.6% |
| Colorado Springs, CO | 7.9% | 6.3% | 7.8% | 7.3% | 7.3% |
| Columbus, OH | 6.5% | 6.6% | 6.5% | 5.9% | 5.5% |
| Dallas/Ft. Worth, TX | 7.5% | 6.9% | 6.9% | 6.6% | 6.9% |
| Dayton, OH | 9.1% | 8.7% | 8.6% | 8.1% | 8.0% |
| Denver, CO | 4.3% | 2.7% | 3.4% | 3.9% | 4.3% |
| Detroit, MI | 5.4% | 4.8% | 4.6% | 4.0% | 4.0% |
| East Bay, CA | 3.5% | 2.9% | 2.7% | 3.1% | 2.9% |
| El Paso, TX | 11.6% | 8.7% | 6.6% | 7.1% | 6.8% |
| Fort Myers/Naples, FL | 5.8% | 4.6% | 3.8% | 3.3% | 2.8% |
| Fredericksburg, VA | 12.8% | 12.3% | 10.2% | 8.1% | 7.6% |
| Ft. Lauderdale, FL | 6.4% | 7.1% | 6.8% | 5.5% | 4.4% |
| Greenville, SC | 6.8% | 7.4% | 6.7% | 6.9% | 6.6% |
| Hampton Roads, VA | 6.4% | 7.0% | 6.5% | 6.3% | 6.6% |
| Hartford, CT | 12.6% | 12.9% | 12.8% | 11.9% | 11.7% |
| Houston, TX | 5.5% | 6.0% | 6.4% | 6.7% | 7.1% |
| Indianapolis, IN | 7.3% | 5.3% | 4.9% | 3.6% | 3.0% |
| Inland Empire CA | 5.7% | 5.5% | 4.7% | 4.7% | 4.4% |
| Jacksonville, FL | 8.0% | 7.2% | 6.5% | 6.5% | 6.2% |
| Kansas City, MO | 7.4% | 7.9% | 7.5% | 7.5% | 8.3% |
| Lakeland, FL | 3.5% | 5.0% | 5.5% | 4.2% | 3.7% |
| Las Vegas, NV | 6.8% | 5.7% | 5.9% | 5.8% | 5.4% |
| Long Island, NY | 8.3% | 7.5% | 6.9% | 6.5% | 6.6% |
| Los Angeles, CA | 2.3% | 2.2% | 1.6% | 1.3% | 1.4% |
| Louisville, KY | 4.9% | 5.5% | 5.4% | 6.2% | 6.6% |
| Memphis, TN | 9.8% | 9.5% | 9.3% | 9.2% | 8.7% |
| Miami, FL | 5.7% | 4.9% | 4.9% | 4.4% | 4.3% |
| Milwaukee, WI | 4.7% | 4.4% | 4.2% | 4.0% | 4.4% |
| Minneapolis, MN | 9.9% | 8.7% | 8.5% | 8.4% | 8.2% |

| Overall Vacancy Rate | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p |
|------------------------------------|---------|---------|---------|---------|----------|
| Nashville, TN | 4.7% | 3.5% | 3.4% | 3.1% | 2.9% |
| New Haven, CT | 12.4% | 12.7% | 12.9% | 13.2% | 12.6% |
| New Jersey - Central | 6.1% | 5.1% | 4.3% | 4.3% | 4.2% |
| New Jersey - Northern | 6.7% | 6.3% | 5.7% | 5.9% | 5.9% |
| Oklahoma City, OK | 6.7% | 6.5% | 7.2% | 6.7% | 7.3% |
| Omaha, NE | 3.0% | 3.5% | 3.1% | 3.2% | 3.2% |
| Orange County, CA | 2.8% | 2.8% | 2.3% | 2.2% | 2.0% |
| Orlando, FL | 7.3% | 6.9% | 5.8% | 5.1% | 4.6% |
| Palm Beach County, FL | 4.4% | 5.4% | 4.4% | 3.8% | 4.2% |
| PA I-81/I-78 Distribution Corridor | 5.2% | 6.6% | 5.1% | 3.9% | 4.7% |
| Philadelphia, PA | 5.6% | 5.6% | 5.4% | 4.9% | 4.2% |
| Phoenix, AZ | 10.3% | 10.1% | 9.6% | 9.3% | 9.1% |
| Pittsburgh, PA | 6.8% | 6.2% | 5.6% | 6.0% | 5.7% |
| Portland, OR | 4.9% | 4.8% | 4.4% | 4.3% | 4.0% |
| Providence, RI | 0.8% | 0.6% | 0.3% | 0.2% | 0.3% |
| Puget Sound - Eastside | 6.2% | 6.9% | 5.3% | 4.9% | 4.7% |
| Raleigh/Durham, NC | 5.0% | 6.3% | 5.8% | 6.2% | 5.9% |
| Richmond, VA | 7.9% | 8.1% | 7.5% | 6.9% | 6.6% |
| Roanoke, VA | 7.6% | 8.3% | 8.1% | 8.3% | 7.2% |
| Rochester, NY | 11.4% | 11.3% | 10.2% | 9.9% | 9.6% |
| Sacramento, CA | 10.8% | 10.3% | 9.4% | 8.9% | 10.8% |
| Salt Lake City, UT | 7.3% | 7.1% | 7.0% | 7.5% | 7.2% |
| San Antonio, TX | 10.4% | 9.4% | 9.0% | 9.6% | 9.6% |
| San Diego, CA | 5.0% | 5.0% | 5.0% | 5.1% | 5.3% |
| San Francisco North Bay, CA | 6.2% | 6.7% | 6.5% | 5.2% | 5.5% |
| San Francisco Peninsula, CA | 3.4% | 2.6% | 2.8% | 2.9% | 2.6% |
| San Jose (Silicon Valley), CA | 3.4% | 3.1% | 2.2% | 2.6% | 3.3% |
| Savannah, GA | 2.2% | 2.2% | 2.4% | 2.3% | 3.0% |
| Seattle, WA | 5.0% | 5.8% | 4.6% | 3.8% | 3.8% |
| Southern New Hampshire | 16.2% | 16.0% | 15.7% | 15.3% | 15.3% |
| St. Louis, MO | 6.6% | 6.9% | 7.3% | 6.4% | 6.6% |
| St. Petersburg/Clearwater, FL | 5.1% | 5.5% | 5.6% | 5.8% | 4.7% |
| Stockton/Tracy, CA | 7.1% | 6.9% | 6.3% | 6.0% | 3.4% |
| Suburban MD | 12.2% | 12.6% | 12.7% | 11.6% | 10.7% |
| Suburban VA | 11.9% | 9.0% | 9.6% | 9.2% | 9.2% |
| Syracuse, NY | 10.8% | 11.2% | 10.3% | 11.3% | 10.6% |
| Tampa, FL | 6.1% | 6.2% | 6.1% | 5.6% | 5.5% |
| Tucson, AZ | 9.2% | 9.6% | 8.6% | 8.1% | 7.8% |
| Tulsa, OK | 7.8% | 8.0% | 7.8% | 7.4% | 7.6% |

p = preliminary

| Weighted Average Asking Rent | Overall (All Property Types) | | | | | W/D | MFG |
|------------------------------|------------------------------|---------|---------|---------|----------|----------|--------|
| | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p | Q4 2016p | |
| United States | \$5.43 | \$5.48 | \$5.52 | \$5.57 | \$5.64 | \$4.98 | \$5.20 |
| Northeast | \$5.65 | \$5.75 | \$5.84 | \$5.98 | \$6.06 | \$5.70 | \$4.52 |
| Midwest | \$4.33 | \$4.35 | \$4.40 | \$4.38 | \$4.40 | \$4.14 | \$4.32 |
| South | \$5.12 | \$5.21 | \$5.19 | \$5.24 | \$5.24 | \$4.46 | \$4.17 |
| West | \$7.09 | \$7.09 | \$7.19 | \$7.42 | \$7.62 | \$6.43 | \$7.95 |

| U.S. Industrial Report Markets | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p | Q4 2016p | |
|--------------------------------|---------|---------|---------|---------|----------|----------|---------|
| Atlanta, GA | \$4.29 | \$4.27 | \$4.22 | \$4.17 | \$4.20 | \$3.68 | \$3.52 |
| Austin, TX | \$9.94 | \$9.72 | \$9.66 | \$9.75 | \$9.71 | \$6.92 | \$7.80 |
| Baltimore, MD | \$5.61 | \$5.48 | \$5.57 | \$5.49 | \$5.35 | \$4.86 | n/a |
| Binghamton, NY | \$4.83 | \$4.74 | \$4.81 | \$4.81 | \$4.71 | \$4.23 | \$4.42 |
| Birmingham, AL | \$4.58 | \$3.61 | \$3.57 | \$4.70 | \$5.01 | \$4.57 | n/a |
| Boston, MA | \$5.96 | \$5.86 | \$6.02 | \$6.17 | \$6.22 | \$5.83 | \$5.66 |
| Buffalo, NY | \$4.13 | \$4.13 | \$4.13 | \$4.98 | \$4.98 | \$4.75 | \$3.95 |
| Charleston, SC | \$4.93 | \$5.07 | \$5.31 | \$5.31 | \$5.26 | \$5.46 | \$4.35 |
| Charlotte, NC | \$4.81 | \$5.02 | \$5.03 | \$5.17 | \$5.15 | \$4.73 | \$4.19 |
| Chicago, IL | \$4.85 | \$4.87 | \$4.88 | \$4.79 | \$4.76 | \$4.68 | \$4.46 |
| Cincinnati, OH | \$3.89 | \$3.97 | \$4.01 | \$3.91 | \$4.06 | \$3.64 | \$3.74 |
| Cleveland, OH | \$3.87 | \$3.89 | \$3.95 | \$3.88 | \$3.94 | \$3.60 | n/a |
| Colorado Springs, CO | \$6.83 | \$6.41 | \$6.56 | \$6.54 | \$6.54 | \$6.54 | n/a |
| Columbus, OH | \$3.38 | \$3.35 | \$3.35 | \$3.35 | \$3.43 | \$3.43 | n/a |
| Dallas/Ft. Worth, TX | \$5.09 | \$5.47 | \$5.16 | \$4.89 | \$4.84 | \$4.04 | \$3.84 |
| Dayton, OH | \$3.21 | \$3.21 | \$3.22 | \$3.19 | \$3.21 | \$3.01 | \$2.93 |
| Denver, CO | \$8.24 | \$7.71 | \$7.04 | \$7.23 | \$7.57 | \$6.29 | \$8.78 |
| Detroit, MI | \$5.04 | \$5.15 | \$5.25 | \$5.26 | \$5.26 | \$4.74 | \$4.72 |
| East Bay, CA | \$7.98 | \$8.84 | \$8.52 | \$8.88 | \$9.01 | \$7.46 | \$10.34 |
| El Paso, TX | \$3.75 | \$3.90 | \$3.95 | \$3.95 | \$3.95 | \$4.00 | \$3.90 |
| Fort Myers/Naples, FL | \$6.37 | \$6.36 | \$6.61 | \$6.72 | \$6.80 | \$6.39 | \$6.60 |
| Fredericksburg, VA | \$5.53 | \$5.72 | \$5.83 | \$5.65 | \$5.67 | \$5.85 | \$4.82 |
| Ft. Lauderdale, FL | \$7.75 | \$8.76 | \$9.65 | \$9.52 | \$8.69 | \$7.96 | \$7.24 |
| Greenville, SC | \$3.86 | \$3.44 | \$3.53 | \$3.55 | \$4.16 | \$3.48 | \$3.36 |
| Hampton Roads, VA | \$5.03 | \$5.06 | \$5.18 | \$5.21 | \$5.42 | \$5.28 | \$4.80 |
| Hartford, CT | \$4.18 | \$4.22 | \$4.27 | \$4.32 | \$4.08 | \$4.13 | \$3.52 |
| Houston, TX | \$6.05 | \$6.02 | \$6.19 | \$6.12 | \$6.14 | \$6.05 | \$5.72 |
| Indianapolis, IN | \$3.55 | \$3.47 | \$3.50 | \$3.55 | \$3.62 | \$3.53 | \$3.55 |
| Inland Empire CA | \$5.75 | \$5.90 | \$6.24 | \$6.58 | \$6.82 | \$6.31 | \$7.54 |
| Jacksonville, FL | \$4.05 | \$4.05 | \$3.99 | \$4.34 | \$4.24 | \$3.82 | \$3.08 |
| Kansas City, MO | \$4.14 | \$4.39 | \$4.48 | \$4.51 | \$4.41 | \$3.92 | \$4.44 |
| Lakeland, FL | \$4.53 | \$4.63 | \$4.89 | \$4.85 | \$5.00 | \$4.94 | \$4.55 |
| Las Vegas, NV | \$7.19 | \$7.69 | \$7.74 | \$7.80 | \$7.24 | \$6.15 | n/a |
| Long Island, NY | \$8.63 | \$8.15 | \$8.25 | \$8.53 | \$8.86 | \$8.51 | \$8.15 |
| Los Angeles, CA | \$8.09 | \$8.26 | \$8.29 | \$8.79 | \$9.08 | \$8.94 | \$7.96 |
| Louisville, KY | \$3.52 | \$3.61 | \$3.63 | \$3.67 | \$3.68 | \$3.58 | \$3.16 |
| Memphis, TN | \$2.50 | \$2.35 | \$2.51 | \$2.49 | \$2.55 | \$2.37 | n/a |
| Miami, FL | \$7.08 | \$7.47 | \$7.23 | \$7.32 | \$8.32 | \$8.01 | \$6.65 |
| Milwaukee, WI | \$4.29 | \$4.39 | \$4.33 | \$4.39 | \$4.35 | \$3.85 | \$4.46 |
| Minneapolis, MN | \$4.63 | \$4.65 | \$4.67 | \$4.78 | \$4.78 | \$4.61 | n/a |

| Weighted Average Asking Rent | Overall (All Property Types) | | | | | W/D | MFG |
|------------------------------------|------------------------------|---------|---------|---------|----------|----------|---------|
| | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016p | Q4 2016p | |
| Nashville, TN | \$4.03 | \$3.97 | \$3.97 | \$4.14 | \$4.07 | \$5.19 | \$2.58 |
| New Haven, CT | \$5.23 | \$5.18 | \$5.20 | \$5.68 | \$5.24 | \$5.16 | \$4.33 |
| New Jersey - Central | \$6.06 | \$6.59 | \$6.97 | \$7.18 | \$7.28 | \$6.29 | \$4.39 |
| New Jersey - Northern | \$7.03 | \$7.42 | \$7.71 | \$7.71 | \$7.90 | \$7.44 | \$6.23 |
| Oklahoma City, OK | \$4.00 | \$4.21 | \$4.57 | \$4.65 | \$4.61 | \$3.96 | \$2.50 |
| Omaha, NE | \$5.28 | \$5.16 | \$5.22 | \$5.55 | \$5.41 | \$5.15 | \$5.05 |
| Orange County, CA | \$9.62 | \$9.76 | \$10.44 | \$10.91 | \$11.21 | \$9.03 | \$11.56 |
| Orlando, FL | \$6.36 | \$6.51 | \$6.65 | \$6.45 | \$6.48 | \$5.34 | \$5.34 |
| Palm Beach County, FL | \$7.93 | \$9.30 | \$9.35 | \$9.64 | \$10.71 | \$9.98 | \$9.43 |
| PA I-81/I-78 Distribution Corridor | \$4.31 | \$4.35 | \$4.57 | \$4.53 | \$4.64 | \$4.63 | \$3.50 |
| Philadelphia, PA | \$4.70 | \$4.52 | \$4.52 | \$4.65 | \$4.63 | \$4.22 | \$3.64 |
| Phoenix, AZ | \$6.29 | \$6.26 | \$6.43 | \$6.54 | \$7.05 | \$4.86 | \$7.40 |
| Pittsburgh, PA | \$5.74 | \$7.21 | \$7.70 | \$7.72 | \$7.84 | \$5.01 | \$4.58 |
| Portland, OR | \$6.72 | \$7.07 | \$7.22 | \$7.62 | \$8.02 | \$6.55 | \$6.00 |
| Providence, RI | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.85 | \$4.70 | n/a |
| Puget Sound - Eastside | \$9.84 | \$9.89 | \$10.89 | \$11.24 | \$11.62 | \$10.21 | \$7.19 |
| Raleigh/Durham, NC | \$7.77 | \$6.34 | \$6.44 | \$7.06 | \$6.99 | \$5.51 | \$5.57 |
| Richmond, VA | \$4.43 | \$4.41 | \$4.34 | \$4.67 | \$4.72 | \$4.03 | \$3.83 |
| Roanoke, VA | \$4.14 | \$4.23 | \$4.10 | \$4.18 | \$4.32 | \$4.28 | \$4.33 |
| Rochester, NY | \$4.84 | \$4.84 | \$4.84 | \$4.84 | \$4.84 | \$3.25 | \$4.75 |
| Sacramento, CA | \$4.74 | \$4.40 | \$4.40 | \$4.43 | \$4.55 | \$4.51 | \$4.76 |
| Salt Lake City, UT | \$5.28 | \$5.30 | \$5.40 | \$5.47 | \$5.45 | \$5.18 | \$4.38 |
| San Antonio, TX | \$5.74 | \$5.76 | \$5.83 | \$5.85 | \$5.98 | \$4.97 | n/a |
| San Diego, CA | \$11.52 | \$11.76 | \$12.12 | \$12.00 | \$12.12 | \$9.00 | \$10.20 |
| San Francisco North Bay, CA | \$10.69 | \$7.98 | \$9.87 | \$9.97 | \$10.23 | \$10.23 | \$4.39 |
| San Francisco Peninsula, CA | \$11.64 | \$13.09 | \$13.50 | \$15.95 | \$14.12 | \$13.33 | \$17.62 |
| San Jose (Silicon Valley), CA | \$9.84 | \$9.60 | \$9.96 | \$11.88 | \$12.60 | \$9.84 | \$14.04 |
| Savannah, GA | \$4.22 | \$4.22 | \$4.55 | \$4.79 | \$4.75 | \$4.32 | n/a |
| Seattle, WA | \$5.84 | \$5.85 | \$6.04 | \$6.61 | \$6.73 | \$6.12 | \$4.90 |
| Southern New Hampshire | \$5.69 | \$5.73 | \$6.14 | \$6.07 | \$6.07 | \$5.54 | \$5.05 |
| St. Louis, MO | \$4.22 | \$4.07 | \$4.14 | \$4.22 | \$4.28 | \$4.00 | \$7.29 |
| St. Petersburg/Clearwater, FL | \$7.43 | \$7.40 | \$7.61 | \$7.34 | \$7.72 | \$5.85 | \$6.32 |
| Stockton/Tracy, CA | \$3.96 | \$3.96 | \$4.08 | \$4.20 | \$4.32 | \$4.44 | \$3.96 |
| Suburban MD | \$9.20 | \$9.19 | \$9.20 | \$9.44 | \$9.57 | \$8.27 | n/a |
| Suburban VA | \$10.97 | \$11.14 | \$10.89 | \$11.11 | \$11.12 | \$9.02 | n/a |
| Syracuse, NY | \$3.82 | \$3.56 | \$3.65 | \$3.81 | \$3.83 | \$4.44 | \$2.87 |
| Tampa, FL | \$5.31 | \$5.42 | \$5.48 | \$6.12 | \$6.10 | \$5.27 | \$3.92 |
| Tucson, AZ | \$6.92 | \$6.90 | \$6.80 | \$6.81 | \$6.67 | \$6.47 | \$6.04 |
| Tulsa, OK | \$4.52 | \$4.49 | \$4.50 | \$4.52 | \$4.52 | \$4.83 | \$3.81 |

p = preliminary

| Inventory | Inventory | Deliveries 2016 | Under Construction as of Q4 2016p |
|---------------|----------------|-----------------|-----------------------------------|
| United States | 14,205,625,356 | 232,871,130 | 215,633,304 |
| Northeast | 2,326,052,719 | 32,815,006 | 30,729,998 |
| Midwest | 3,870,131,441 | 56,938,841 | 52,081,592 |
| South | 4,155,553,347 | 90,954,439 | 81,740,952 |
| West | 3,853,887,849 | 52,162,844 | 51,080,762 |

| U.S. Industrial Report Markets | Inventory | Deliveries 2016 | Under Construction as of Q4 2016p |
|--------------------------------|---------------|-----------------|-----------------------------------|
| Atlanta, GA | 550,446,346 | 17,499,949 | 14,797,634 |
| Austin, TX | 46,041,861 | 630,870 | 840,565 |
| Baltimore, MD | 204,910,029 | 159,987 | 4,512,080 |
| Binghamton, NY | 17,660,684 | 0 | 650,000 |
| Birmingham, AL | 15,240,259 | 180,000 | 260,000 |
| Boston, MA | 344,260,641 | 2,294,473 | 868,342 |
| Buffalo, NY | 111,993,208 | 1,790,000 | 196,630 |
| Charleston, SC | 64,241,111 | 2,921,678 | 3,526,502 |
| Charlotte, NC | 178,766,479 | 1,700,983 | 1,248,032 |
| Chicago, IL | 1,171,767,498 | 18,041,677 | 20,777,821 |
| Cincinnati, OH | 280,775,653 | 4,906,907 | 2,753,546 |
| Cleveland, OH | 489,103,389 | 2,605,420 | 1,528,925 |
| Colorado Springs, CO | 34,367,377 | 275,198 | n/a |
| Columbus, OH | 248,352,834 | 5,928,095 | 2,759,975 |
| Dallas/Ft. Worth, TX | 579,909,768 | 22,355,321 | 17,097,755 |
| Dayton, OH | 113,130,990 | 556,300 | 2,286,066 |
| Denver, CO | 242,502,073 | 4,019,565 | 3,068,019 |
| Detroit, MI | 492,818,096 | 1,725,084 | 3,219,554 |
| East Bay, CA | 200,263,602 | 3,003,429 | 1,129,190 |
| El Paso, TX | 52,037,278 | 445,000 | 320,000 |
| Fort Myers/Naples, FL | 41,584,386 | 347,863 | 28,371 |
| Fredericksburg, VA | 10,250,997 | 0 | 0 |
| Ft. Lauderdale, FL | 88,060,927 | 266,851 | 765,976 |
| Greenville, SC | 197,629,483 | 2,007,000 | 3,198,000 |
| Hampton Roads, VA | 95,144,209 | 61,000 | 968,625 |
| Hartford, CT | 92,456,251 | 716,000 | 0 |
| Houston, TX | 406,564,052 | 14,872,050 | 2,503,518 |
| Indianapolis, IN | 248,449,485 | 2,978,381 | 6,386,751 |
| Inland Empire CA | 498,534,650 | 20,530,668 | 22,748,712 |
| Jacksonville, FL | 104,660,284 | 879,777 | 1,531,201 |
| Kansas City, MO | 207,988,781 | 8,340,589 | 6,920,628 |
| Lakeland, FL | 32,604,567 | 405,060 | 1,396,036 |
| Las Vegas, NV | 107,582,601 | 2,613,021 | 3,650,700 |
| Long Island, NY | 130,131,077 | 178,000 | 637,745 |
| Los Angeles, CA | 1,078,341,579 | 3,454,220 | 5,810,424 |
| Louisville, KY | 142,224,553 | 6,009,765 | 5,494,466 |
| Memphis, TN | 190,647,503 | 4,375,473 | 2,641,192 |
| Miami, FL | 151,740,646 | 1,626,819 | 4,220,640 |
| Milwaukee, WI | 198,032,676 | 1,947,459 | 577,770 |
| Minneapolis, MN | 104,981,039 | 3,079,509 | 788,000 |

| Inventory | Inventory | Deliveries 2016 | Under Construction as of Q4 2016p |
|------------------------------------|-------------|-----------------|-----------------------------------|
| Nashville, TN | 201,822,563 | 3,300,993 | 5,260,229 |
| New Haven, CT | 48,872,066 | 305,773 | 80,500 |
| New Jersey - Central | 334,939,373 | 3,641,888 | 9,123,334 |
| New Jersey - Northern | 289,024,393 | 526,248 | 2,129,335 |
| Oklahoma City, OK | 68,966,254 | 871,719 | 0 |
| Omaha, NE | 68,291,937 | 873,368 | 913,356 |
| Orange County, CA | 283,034,100 | 624,875 | 222,735 |
| Orlando, FL | 110,494,129 | 1,366,743 | 1,494,160 |
| Palm Beach County, FL | 40,820,146 | 594,672 | 736,931 |
| PA I-81/I-78 Distribution Corridor | 256,795,466 | 17,318,399 | 13,206,024 |
| Philadelphia, PA | 289,850,312 | 4,098,702 | 3,466,438 |
| Phoenix, AZ | 305,451,542 | 5,472,611 | 3,007,218 |
| Pittsburgh, PA | 168,108,301 | 1,559,023 | 229,650 |
| Portland, OR | 193,837,947 | 2,243,343 | 2,698,132 |
| Providence, RI | 77,727,305 | 0 | 0 |
| Puget Sound - Eastside | 61,057,350 | 298,378 | 655,124 |
| Raleigh/Durham, NC | 51,543,680 | 668,623 | 336,124 |
| Richmond, VA | 92,574,799 | 304,600 | 578,990 |
| Roanoke, VA | 49,847,096 | 0 | 250,000 |
| Rochester, NY | 73,551,473 | 0 | 0 |
| Sacramento, CA | 133,714,559 | 96,152 | 282,254 |
| Salt Lake City, UT | 125,295,336 | 1,749,201 | 2,770,669 |
| San Antonio, TX | 39,424,869 | 1,701,481 | 1,246,874 |
| San Diego, CA | 161,367,510 | 1,182,206 | 726,791 |
| San Francisco North Bay, CA | 21,847,019 | 179,354 | 125,020 |
| San Francisco Peninsula, CA | 40,659,616 | 0 | 0 |
| San Jose (Silicon Valley), CA | 84,601,590 | 674,803 | 0 |
| Savannah, GA | 50,459,984 | 3,197,810 | 5,000,913 |
| Seattle, WA | 141,618,321 | 2,666,232 | 3,037,177 |
| Southern New Hampshire | 48,001,232 | 0 | n/a |
| St. Louis, MO | 246,439,063 | 5,956,052 | 3,169,200 |
| St. Petersburg/Clearwater, FL | 51,403,077 | 0 | 341,976 |
| Stockton/Tracy, CA | 98,077,810 | 2,216,100 | 988,626 |
| Suburban MD | 48,410,804 | 1,246,170 | 311,000 |
| Suburban VA | 56,855,867 | 635,182 | 90,240 |
| Syracuse, NY | 42,680,937 | 386,500 | 142,000 |
| Tampa, FL | 80,044,666 | 28,500 | 702,672 |
| Tucson, AZ | 41,733,267 | 863,488 | 159,971 |
| Tulsa, OK | 60,180,675 | 292,500 | 40,250 |

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.

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Regional Map

