

# MARKETBEAT

## U.S. Industrial

### Q1 2019



#### U.S. INDUSTRIAL

##### Employment Indicators

	Q1 18	Q1 19	12-Month Forecast
Total Nonfarm Employment	148.0M	150.7M	▲
Industrial Employment	32.3M	33.0M	▲
Unemployment	4.1%	3.8%	▼

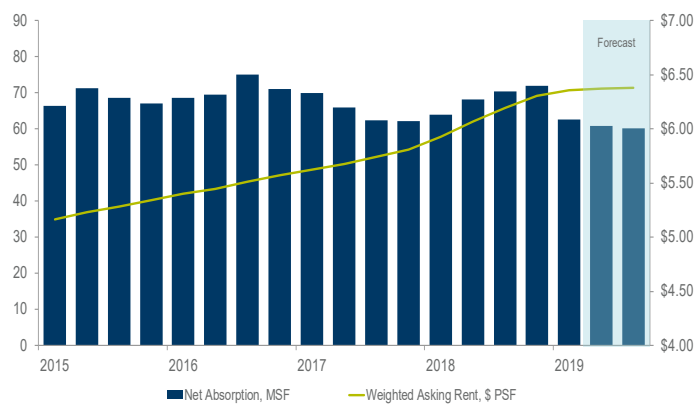
Source: BLS

##### Market Indicators

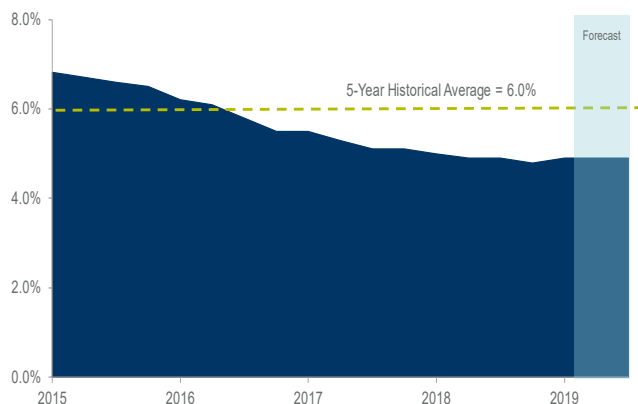
	Q1 18	Q1 19	12-Month Forecast
Overall Vacancy	5.0%	4.9%	▲
Net Absorption	63.3M	25.8M	▲
Under Construction	249.9M	309.4M	▼
Weighted Asking Rent (NNN)	\$6.18	\$6.41	▲
Rent Growth (Yr/Yr % Chg.)	8.6%	3.7%	▲

##### Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



##### Overall Vacancy



Source: Cushman & Wakefield Research

## Solid Fundamentals Despite Slow Start

**Supply Side Constraints:** U.S. industrial markets absorbed 25.8 million square feet (msf) in the first quarter of 2019 and registered a healthy 113 msf of new leasing activity—a combination of both direct and sublet activity. Typical of the first three months of a year, seasonality played a role in the first quarter of 2019 with weather conditions delaying delivery of some projects and slowing development starts. This caused delays in tenants taking occupancy of leases inked in 2018 and early 2019 thus lowering quarterly net absorption. A lack of space options—especially in secondary and tertiary industrial markets—also restricted net occupancy growth. Throughout the current economic expansion, quarterly net absorption has averaged 48.8 msf, often with sizable quarter-to-quarter swings. Although net absorption in the first quarter of this year was relatively low when compared to trends, all other market fundamentals showed strength; over 40% of markets reported leasing activity increased quarter-over-quarter, vacancy remained near historic lows, and average asking rents for all industrial product reached a new nominal high of \$6.41 per square foot (psf).

**Tight Conditions Push Rents Upward:** Despite the delivery of 58.6 msf of new industrial product in the first quarter of 2019, vacancy was anchored at 4.9% at the close of the quarter—110 basis points (bps) below the five-year historical average of 6.0% for all product types. Vacancy rates declined or held steady over the previous 12 months in over half of the markets tracked by Cushman & Wakefield, with rates holding steady or declining further in 42 markets quarter-over-quarter. Continued demand from third-party logistics providers and other logistics and distribution occupiers—along with limited space options—fueled rent growth during the first quarter of the year. U.S. industrial rents increased 3.7% from the first quarter of 2018 to the first quarter of 2019 (YOY). The West and Midwest recorded the strongest YOY rent gains at 7.9% and 3.7%, respectively. Among the U.S. markets, rents rose in 50 markets with 12 markets registering double-digit gains.

**Development Pipeline Expands:** Tight market conditions motivated new development; construction starts in the first quarter of 2019 increased 10.2% YOY with 38 markets experiencing an uptick in development. There is currently 309.4 msf of industrial product under construction of which 209.4 msf is speculative and 100 msf is build-to-suit. The share of build-to-suit projects—as a percentage of total logistics product under construction—rose from 28.5% in the fourth quarter of 2018 to 32.3% in the first quarter of 2019. This is further evidence that the increasingly specialized nature of fulfillment center design and the scarcity of modern,

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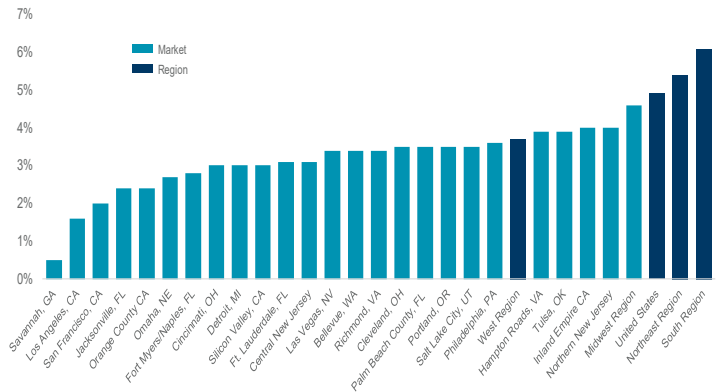


functional space in some markets are prompting greater build-to-suit activity. The largest increase in overall construction activity was in the South—where the development pipeline increased 46.4% YOY. In the Midwest construction activity rose 36% YOY. Seven markets have more than 10 msf in their respective pipelines—Dallas/Fort Worth, the Inland Empire, Atlanta, the Pennsylvania I-81 & I-78 Distribution Corridor, Chicago, Houston and Indianapolis—and account for nearly half of the current development pipeline.

**U.S. Economy Powering Through Volatility:** Despite some concerns at the start of 2019, the U.S. economy remains in very good shape. After a turbulent time in late 2018 and 2019 that included slowing growth in major global economies, ongoing trade squabbles and uncertainty surrounding the imposition of U.S. trade tariffs on imports from China, mixed messages from the Fed on monetary policy, and a partial government shutdown, the U.S. economy continues to expand at a healthy clip. Real GDP grew by a solid 2.6% in the fourth quarter of 2018, led once again by consumer spending. Looking ahead, we forecast real GDP growth in the mid-2% range in 2019—a moderation from the 2.9% growth rate in 2018, but still a very healthy backdrop for commercial real estate. For context, a real GDP growth rate in the 2-3% range is consistent with more than 240 msf of industrial net absorption, and broad-based rent growth across most product types and geographies. The road ahead may be a bit bumpy but there is no indication that industrial demand will be forced to veer off course. Expect 2019 to be another solid year in the strongest industrial expansion ever recorded.

### Vacancy Anchored Near Historic Lows

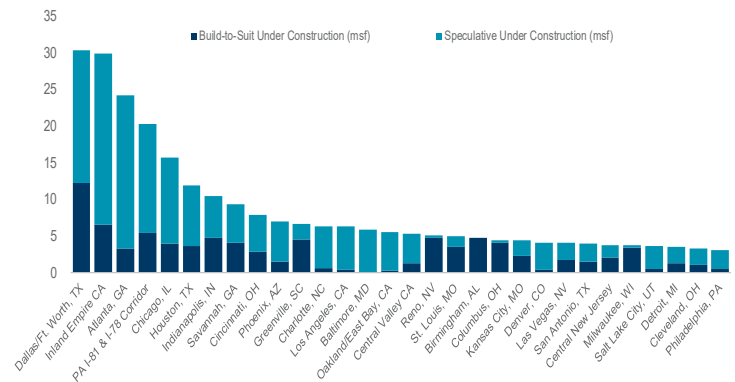
#### LIMITED AVENUES FOR GROWTH IN MANY MARKETS



Source: Cushman & Wakefield Research

### Supply Is Growing, Build-to-Suit Remains Sizable

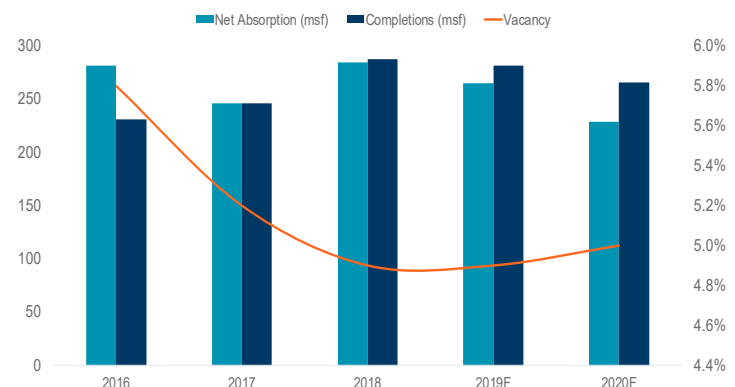
#### Q1 2019 UNDER CONSTRUCTION BY TYPE



Source: Cushman & Wakefield Research

### Moderating But Solid Growth Ahead

#### U.S. INDUSTRIAL SECTOR FUNDAMENTALS



Source: Cushman & Wakefield Research

## Outlook

- Net absorption is forecasted to surpass 240 msf in 2019 for a sixth consecutive year, with demand for all regions and all product types growing.
- The greatest uptick in leasing activity will be in the 10,000-to-100,000-sf and the 300,000-to-500,000-sf segments. Leasing activity in the 100,000-to-300,000-sf range will strengthen from 2018 levels, while activity within the 500,000-sf-and-larger-size range is expected to be on par with 2018 levels.
- Increased speculative supply will place upward pressure on vacancy. We forecast average annual vacancy to rise 30 to 40 bps to between 5.1% and 5.2% by year-end 2019.
- Rental rate appreciation will continue, although rent growth will slowly begin to decelerate. We expect year-over-year growth in asking rents of 4.8% in 2019 and 3.6% in 2020 for all types and classes of industrial product.

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
United States	63,273,117	78,319,382	75,926,699	70,050,871	25,799,904	112,939,109
Northeast	11,011,491	8,386,743	9,872,241	5,937,597	2,842,171	17,093,492
Midwest	10,589,587	19,047,424	11,747,971	18,140,817	8,795,039	24,050,501
South	22,071,838	33,640,911	30,805,975	30,566,874	11,743,132	34,262,079
West	19,600,201	17,244,304	23,500,512	15,405,583	2,419,562	37,533,037

U.S. Industrial Report Markets	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
Atlanta, GA	5,060,545	3,914,585	7,111,993	5,495,251	1,225,081	3,951,193
Austin, TX	88,415	-7,271	33,372	222,275	-378,143	529,125
Baltimore, MD	1,285,871	1,503,676	1,207,521	143,512	225,419	1,199,220
Binghamton, NY	0	-104,450	-137,442	205,987	31,000	0
Birmingham, AL	51,651	-139,480	296,795	215,434	21,430	266,850
Boston, MA	278,374	-322,686	-286,481	425,794	-388,807	1,649,614
Buffalo, NY	-419,352	-416,072	361,972	-616,508	-242,919	108,073
Central Valley, CA	1,912,197	643,298	2,677,005	-1,702,973	312,137	2,479,177
Charleston, SC	1,049,618	3,374,054	1,298,366	910,071	766,192	653,352
Charlotte, NC	398,436	1,862,756	936,141	682,510	-93,975	1,594,933
Chicago, IL	2,269,362	6,345,261	3,018,145	3,958,387	2,625,392	6,448,718
Cincinnati, OH	1,681,049	1,997,518	1,756,119	1,289,395	-91,519	863,698
Cleveland, OH	1,362,622	-876,635	-682,362	908,040	203,022	1,044,220
Colorado Springs, CO	191,309	307,062	351,356	225,427	195,407	155,064
Columbus, OH	320,010	2,011,600	739,775	2,604,046	2,109,294	4,801,501
Dallas/Ft. Worth, TX	2,986,660	8,095,382	4,758,858	7,012,973	5,215,541	9,289,757
Denver, CO	272,730	690,454	1,421,289	3,104,987	579,327	2,144,030
Detroit, MI	-114,555	1,767,446	561,905	3,750,620	214,604	1,282,556
El Paso, TX	673,781	1,917,812	2,022,370	1,637,420	-744,694	662,300
Fort Myers/Naples, FL	87,048	-48,970	-368,600	301,776	153,980	323,612
Fredericksburg, VA	-57,125	16,616	5,401	13,894	172,699	80,318
Ft. Lauderdale, FL	-152,477	-125,218	740,788	-296,756	209,966	677,738
Greenville, SC	1,800,991	1,069,748	1,868,143	465,341	2,073,719	690,888
Hampton Roads, VA	302,709	-22,701	-338,584	75,511	-388,112	481,668
Hartford, CT	359,849	-77,021	-1,363,863	2,338,553	100,699	275,866
Houston, TX	844,562	1,550,170	1,905,652	1,365,054	-1,303,648	3,265,199
Indianapolis, IN	556,674	2,093,580	4,440,828	1,593,727	928,745	3,963,488
Inland Empire CA	6,524,905	8,232,436	8,996,418	5,869,250	1,661,715	8,936,886
Jacksonville, FL	331,318	-107,214	4,171	695,185	127,887	614,773
Kansas City, MO	2,037,146	1,895,096	805,447	2,272,848	1,074,955	2,234,404
Lakeland, FL	430,592	612,978	240,843	534,577	-55,790	69,420
Las Vegas, NV	2,007,761	1,329,445	547,358	1,313,471	515,560	1,453,503
Long Island, NY	-284,252	251,912	-462,724	-706,718	-315,616	1,116,367
Los Angeles, CA	1,754,485	204,722	1,860,620	-511,297	-1,216,749	6,949,159
Louisville, KY	1,783,727	3,238,055	2,034,662	2,627,307	1,243,996	2,440,509
Memphis, TN	1,340,577	-275,401	1,341,348	1,970,332	0	0
Miami, FL	934,229	1,418,650	1,093,873	233,183	881,189	1,623,988
Milwaukee, WI	842,084	712,238	79,061	-147,195	1,158,275	1,393,030
Minneapolis, MN	592,886	895,305	560,618	673,576	549,778	1,084,904
Nashville, TN	1,308,765	1,897,965	1,238,630	726,010	1,355,971	1,042,444

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
New Haven, CT	131,206	-43,970	208,046	327,445	-73,539	229,063
New Jersey - Central	3,885,161	3,458,058	5,446,125	387,392	460,842	5,674,896
New Jersey - Northern	450,298	879,837	370,317	44,971	1,638,685	1,914,785
Northern VA	68,689	511,809	335,388	92,223	251,144	249,338
NY Outer Boroughs	-1,071,501	307,057	648,312	977,500	-464,287	957,623
Oakland/East Bay, CA	-439,363	-1,538,437	-99,908	685,184	-870,882	1,903,667
Omaha, NE	81,257	92,488	-53,388	141,772	-178,332	301,367
Orange County, CA	-159,786	350,319	382,274	309,866	-1,461,065	1,561,603
Orlando, FL	679,407	1,318,618	453,619	819,109	65,166	1,167,387
Palm Beach County, FL	-19,492	138,107	34,941	-23,294	-130,004	248,734
PA I-81/I-78 Distribution Corridor	4,643,975	5,222,614	3,996,542	1,492,731	645,598	1,945,889
Philadelphia, PA	1,709,697	-174,504	344,141	391,994	1,808,640	1,305,604
Phoenix, AZ	1,615,377	2,794,541	2,212,260	1,069,587	1,721,638	2,299,933
Pittsburgh, PA	1,186,565	-1,162,742	3,488	168,921	-645,815	1,029,813
Portland, OR	-633,444	1,315,894	2,385,618	254,394	-747,880	1,652,877
Providence, RI	71,456	142,176	61,684	53,000	115,887	115,887
Puget Sound - Eastside	524,863	214,628	391,358	226,472	101,442	348,960
Raleigh/Durham, NC	225,740	184,041	129,296	250,515	-310,477	339,523
Reno, NV	746,396	125,814	254,757	807,700	1,415,548	1,043,013
Richmond, VA	-82,351	6,515	1,143,214	444,632	50,838	972,088
Roanoke, VA	480,115	472,350	54,719	486,982	227,024	134,431
Rochester, NY	101,023	34,455	981,275	547,631	226,986	252,132
Sacramento, CA	1,658,385	827,755	376,574	32,449	237,895	760,907
Salt Lake City, UT	1,039,351	-136,573	715,280	2,265,732	116,375	2,534,717
San Antonio, TX	76,360	-26,959	79,690	647,238	160,732	598,868
San Diego, CA	-85,162	903,332	513,371	336,139	165,130	526,331
San Francisco North Bay, CA	128,353	149,437	72,405	-322,978	104,619	227,783
San Francisco Peninsula, CA	4,885	-219,691	-134,821	84,934	-192,273	554,393
San Jose (Silicon Valley), CA	731,852	72,970	-255,099	150,692	-354,425	530,203
Savannah, GA	n/a	920,868	n/a	2,144,943	n/a	n/a
Seattle, WA	1,762,853	658,361	577,153	1,200,974	170,919	1,350,457
Southern New Hampshire	-118,498	135,192	-194,820	-129,135	-7,035	330,450
St. Louis, MO	961,052	2,113,527	521,823	1,095,601	200,825	632,615
St. Petersburg/Clearwater, FL	-110,774	115,924	-226,116	135,751	125,250	124,352
Suburban MD	71,323	173,822	388,158	306,144	137,169	402,206
Syracuse, NY	87,490	256,887	-104,331	28,039	-48,148	187,430
Tampa, FL	74,653	-34,919	911,499	265,156	52,146	362,730
Tucson, AZ	42,254	318,537	255,244	5,573	-34,876	120,374
Tulsa, OK	58,275	114,543	69,824	-33,385	405,436	205,135

p = preliminary

Overall Vacancy Rate	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p
United States	5.0%	4.9%	4.9%	4.8%	4.9%
Northeast	5.1%	5.3%	5.3%	5.2%	5.4%
Midwest	5.2%	4.9%	4.9%	4.7%	4.6%
South	6.1%	5.9%	5.9%	5.8%	6.1%
West	3.6%	3.7%	3.5%	3.6%	3.7%

U.S. Industrial Report Markets	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p
Atlanta, GA	8.1%	8.2%	7.9%	7.7%	8.3%
Austin, TX	9.2%	7.3%	7.1%	7.3%	8.2%
Baltimore, MD	6.4%	6.2%	7.3%	7.2%	7.1%
Binghamton, NY	8.8%	9.7%	10.5%	10.3%	10.3%
Birmingham, AL	10.2%	11.3%	9.8%	8.2%	8.0%
Boston, MA	5.9%	6.2%	6.7%	6.8%	7.1%
Buffalo, NY	9.2%	9.5%	9.2%	9.4%	9.6%
Central Valley, CA	3.9%	5.0%	4.1%	5.8%	6.8%
Charleston, SC	8.0%	7.2%	7.7%	7.3%	6.1%
Charlotte, NC	5.1%	4.5%	4.4%	6.3%	6.4%
Chicago, IL	6.8%	6.3%	6.0%	5.5%	5.5%
Cincinnati, OH	3.7%	3.0%	2.9%	3.0%	3.0%
Cleveland, OH	3.5%	3.5%	3.9%	3.4%	3.5%
Colorado Springs, CO	8.6%	7.7%	6.6%	5.9%	4.4%
Columbus, OH	4.8%	5.1%	5.4%	4.5%	4.6%
Dallas/Ft. Worth, TX	6.4%	6.4%	6.9%	7.1%	7.0%
Denver, CO	5.0%	5.3%	5.0%	4.7%	5.1%
Detroit, MI	2.9%	2.9%	3.2%	2.9%	3.0%
El Paso, TX	8.8%	8.3%	7.4%	6.9%	7.8%
Fort Myers/Naples, FL	2.1%	2.8%	2.7%	2.7%	2.8%
Fredericksburg, VA	5.5%	6.7%	7.0%	7.6%	6.2%
Ft. Lauderdale, FL	3.8%	3.7%	3.1%	3.2%	3.1%
Greenville, SC	5.4%	5.3%	4.8%	4.5%	4.4%
Hampton Roads, VA	4.2%	3.9%	4.2%	4.1%	3.9%
Hartford, CT	7.6%	7.7%	6.8%	6.0%	5.6%
Houston, TX	6.0%	6.2%	6.4%	6.2%	7.3%
Indianapolis, IN	5.5%	5.2%	4.7%	4.9%	4.6%
Inland Empire CA	3.9%	4.1%	3.9%	3.8%	4.0%
Jacksonville, FL	3.4%	2.9%	3.0%	2.3%	2.4%
Kansas City, MO	7.4%	6.8%	6.7%	7.0%	6.6%
Lakeland, FL	4.9%	4.5%	3.8%	3.8%	4.2%
Las Vegas, NV	4.8%	4.2%	4.5%	3.8%	3.4%
Long Island, NY	5.1%	5.0%	5.1%	5.6%	5.2%
Los Angeles, CA	1.3%	1.5%	1.4%	1.5%	1.6%
Louisville, KY	7.2%	6.4%	5.9%	5.7%	5.2%
Memphis, TN	7.4%	7.2%	6.3%	6.0%	6.0%
Miami, FL	4.3%	4.3%	3.6%	3.7%	4.5%
Milwaukee, WI	4.1%	4.0%	4.2%	4.6%	4.2%
Minneapolis, MN	8.7%	8.2%	7.9%	8.2%	8.2%
Nashville, TN	3.4%	3.2%	3.9%	3.6%	4.8%

Overall Vacancy Rate	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p
New Haven, CT	9.1%	9.3%	6.9%	4.9%	4.6%
New Jersey - Central	2.6%	2.6%	2.8%	2.6%	3.1%
New Jersey - Northern	4.7%	4.1%	4.1%	4.0%	4.0%
Northern VA	10.1%	9.3%	8.6%	8.6%	7.8%
NY Outer Boroughs	5.0%	5.6%	5.8%	5.0%	5.5%
Oakland/East Bay, CA	3.0%	3.7%	4.1%	4.2%	4.6%
Omaha, NE	2.3%	2.5%	2.8%	2.7%	2.7%
Orange County, CA	1.9%	1.9%	1.7%	1.8%	2.4%
Orlando, FL	5.1%	4.8%	5.2%	4.7%	4.9%
Palm Beach County, FL	3.0%	3.1%	2.8%	3.3%	3.5%
PA I-81/I-78 Distribution Corridor	4.8%	5.5%	6.3%	6.5%	7.6%
Philadelphia, PA	3.3%	3.2%	3.1%	4.4%	3.6%
Phoenix, AZ	7.8%	7.1%	7.3%	7.4%	7.0%
Pittsburgh, PA	5.4%	6.1%	6.5%	5.5%	6.2%
Portland, OR	4.2%	3.9%	3.4%	3.0%	3.5%
Providence, RI	0.0%	0.4%	0.4%	0.3%	0.1%
Puget Sound - Eastside	4.3%	4.2%	3.9%	3.6%	3.4%
Raleigh/Durham, NC	5.5%	5.5%	4.8%	4.4%	4.8%
Reno, NV	6.3%	6.5%	6.0%	6.0%	5.5%
Richmond, VA	3.9%	3.5%	4.2%	4.2%	3.4%
Roanoke, VA	7.0%	6.6%	6.6%	5.8%	5.5%
Rochester, NY	9.7%	9.6%	8.3%	7.6%	7.3%
Sacramento, CA	5.1%	5.0%	4.8%	4.5%	4.4%
Salt Lake City, UT	5.2%	5.1%	2.3%	2.8%	3.5%
San Antonio, TX	8.4%	8.6%	9.0%	7.9%	7.3%
San Diego, CA	4.8%	4.9%	5.0%	5.4%	5.4%
San Francisco North Bay, CA	3.1%	2.7%	2.5%	4.3%	4.2%
San Francisco Peninsula, CA	1.6%	2.3%	2.6%	2.4%	2.0%
San Jose (Silicon Valley), CA	2.3%	2.7%	2.8%	2.6%	3.0%
Savannah, GA	1.2%	0.6%	0.6%	0.5%	0.5%
Seattle, WA	3.5%	3.9%	4.0%	4.2%	4.3%
Southern New Hampshire	8.8%	9.2%	8.2%	8.0%	7.9%
St. Louis, MO	6.1%	5.7%	6.1%	5.6%	5.9%
St. Petersburg/Clearwater, FL	3.8%	3.7%	4.0%	3.5%	4.6%
Suburban MD	9.7%	9.3%	8.2%	7.8%	7.8%
Syracuse, NY	8.6%	7.8%	8.0%	7.6%	7.6%
Tampa, FL	5.8%	6.2%	5.5%	5.3%	6.0%
Tucson, AZ	6.3%	6.0%	5.7%	5.7%	5.8%
Tulsa, OK	3.1%	3.0%	2.7%	2.9%	3.9%

p = preliminary

	Overall (All Property Types)					W/D	MFG
Weighted Average Asking Rent	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p	
United States	\$6.18	\$6.30	\$6.36	\$6.36	\$6.41	\$5.74	\$6.50
Northeast	\$7.69	\$7.84	\$8.09	\$7.93	\$7.64	\$7.57	\$5.20
Midwest	\$4.77	\$4.87	\$4.88	\$4.86	\$4.94	\$4.53	\$5.05
South	\$5.60	\$5.62	\$5.58	\$5.50	\$5.54	\$4.85	\$5.28
West	\$8.13	\$8.16	\$8.48	\$8.61	\$8.77	\$7.77	\$9.84

U.S. Industrial Report Markets	Q1 2018	Q2 2017	Q3 2018	Q4 2017	Q1 2019p	Q1 2019p	
Atlanta, GA	\$4.83	\$4.96	\$5.04	\$4.47	\$4.60	\$4.00	\$8.33
Austin, TX	\$10.08	\$9.94	\$10.37	\$10.43	\$10.03	\$7.56	\$8.61
Baltimore, MD	\$5.75	\$5.77	\$5.54	\$5.63	\$5.51	\$5.01	n/a
Binghamton, NY	\$4.57	\$4.57	\$4.55	\$4.25	\$4.25	\$4.09	\$4.09
Birmingham, AL	\$3.98	\$4.06	\$4.26	\$4.30	\$4.35	\$3.89	n/a
Boston, MA	\$7.45	\$7.30	\$8.22	\$8.32	\$9.28	\$8.29	\$8.39
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.26	\$5.05	\$5.21	\$5.74	\$4.26	\$4.23	\$4.29
Charleston, SC	\$5.54	\$5.52	\$5.46	\$5.56	\$5.67	\$5.47	\$5.28
Charlotte, NC	\$5.27	\$5.18	\$5.30	\$5.52	\$5.44	\$5.00	\$4.69
Chicago, IL	\$5.19	\$5.29	\$5.34	\$5.37	\$5.48	\$5.09	\$5.13
Cincinnati, OH	\$4.34	\$4.40	\$4.27	\$4.26	\$4.38	\$4.26	\$3.37
Cleveland, OH	\$4.30	\$4.44	\$4.12	\$4.09	\$4.28	\$3.97	n/a
Colorado Springs, CO	\$8.07	\$8.13	\$8.57	\$8.56	\$9.25	\$8.13	\$7.80
Columbus, OH	\$3.55	\$3.59	\$3.60	\$3.67	\$3.71	\$3.71	n/a
Dallas/Ft. Worth, TX	\$5.40	\$5.50	\$5.12	\$5.04	\$5.19	\$4.35	\$3.88
Denver, CO	\$7.78	\$7.92	\$8.02	\$8.34	\$8.71	\$7.18	\$8.89
Detroit, MI	\$5.79	\$5.96	\$6.09	\$6.08	\$6.04	\$5.54	\$5.28
El Paso, TX	\$4.10	\$4.10	\$4.25	\$4.50	\$4.01	\$3.98	\$4.25
Fort Myers/Naples, FL	\$7.72	\$7.75	\$7.99	\$8.19	\$8.59	\$8.11	\$9.73
Fredericksburg, VA	\$5.79	\$5.97	\$5.69	\$5.42	\$5.59	\$5.75	\$4.85
Ft. Lauderdale, FL	\$9.45	\$9.36	\$8.73	\$9.75	\$10.10	\$9.63	\$10.72
Greenville, SC	\$3.43	\$3.45	\$3.63	\$3.67	\$3.71	\$3.60	\$3.59
Hampton Roads, VA	\$5.44	\$5.52	\$5.67	\$5.61	\$5.50	\$5.37	\$5.48
Hartford, CT	\$4.47	\$4.55	\$4.88	\$5.18	\$5.23	\$5.40	\$4.55
Houston, TX	\$6.22	\$6.13	\$6.22	\$6.25	\$6.15	\$5.93	\$6.41
Indianapolis, IN	\$3.88	\$4.09	\$3.99	\$3.95	\$3.96	\$3.66	\$3.64
Inland Empire CA	\$7.69	\$7.76	\$7.92	\$8.07	\$8.20	\$7.82	\$9.25
Jacksonville, FL	\$5.52	\$5.67	\$5.21	\$5.10	\$5.40	\$4.67	\$4.60
Kansas City, MO	\$4.20	\$4.29	\$4.38	\$4.26	\$4.28	\$3.96	\$5.25
Lakeland, FL	\$5.45	\$5.64	\$5.68	\$5.38	\$5.30	\$5.11	\$8.42
Las Vegas, NV	\$6.96	\$6.96	\$6.96	\$7.32	\$7.68	\$7.20	\$5.40
Long Island, NY	\$10.68	\$10.90	\$10.81	\$10.99	\$11.05	\$10.63	\$10.53
Los Angeles, CA	\$9.85	\$10.02	\$10.05	\$10.43	\$10.70	\$10.08	\$10.43
Louisville, KY	\$3.81	\$3.88	\$3.94	\$4.06	\$4.18	\$4.00	\$3.76
Memphis, TN	\$3.04	\$3.15	\$3.22	\$3.08	\$3.08	\$2.96	\$2.77
Miami, FL	\$8.79	\$7.49	\$7.55	\$7.57	\$7.86	\$7.44	\$7.91
Milwaukee, WI	\$4.57	\$4.60	\$4.63	\$4.60	\$4.57	\$4.30	\$4.50
Minneapolis, MN	\$4.90	\$4.90	\$4.94	\$4.97	\$5.02	\$4.71	n/a
Nashville, TN	\$4.91	\$4.76	\$4.80	\$4.32	\$4.40	\$4.38	\$2.70

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p	
New Haven, CT	\$5.57	\$5.43	\$5.31	\$6.04	\$6.11	\$4.78	\$5.91
New Jersey - Central	\$7.69	\$8.30	\$8.87	\$8.24	\$8.48	\$7.41	\$6.49
New Jersey - Northern	\$8.57	\$8.61	\$8.67	\$8.65	\$9.13	\$9.05	\$8.23
Northern VA	\$11.18	\$11.57	\$11.80	\$11.94	\$11.91	\$9.36	n/a
NY Outer Boroughs	\$18.47	\$18.89	\$18.64	\$19.12	\$18.81	\$18.80	n/a
Oakland/East Bay, CA	\$10.43	\$11.33	\$11.50	\$11.43	\$11.47	\$10.24	\$12.40
Omaha, NE	\$5.62	\$5.54	\$5.72	\$5.79	\$5.45	\$5.21	\$4.24
Orange County, CA	\$11.61	\$11.34	\$11.94	\$11.06	\$11.01	\$10.55	\$11.37
Orlando, FL	\$6.45	\$6.60	\$6.88	\$7.02	\$7.00	\$6.04	\$7.10
Palm Beach County, FL	\$10.74	\$10.01	\$10.12	\$10.57	\$10.01	\$9.14	\$7.93
PA I-81/I-78 Distribution Corridor	\$4.80	\$4.86	\$4.88	\$4.85	\$4.82	\$4.82	\$4.50
Philadelphia, PA	\$4.76	\$4.79	\$4.96	\$5.37	\$5.28	\$5.28	\$5.11
Phoenix, AZ	\$6.91	\$7.31	\$6.83	\$6.45	\$6.90	\$5.22	\$8.30
Pittsburgh, PA	\$8.59	\$8.77	\$8.88	\$8.96	\$8.68	\$5.80	\$4.55
Portland, OR	\$8.53	\$8.59	\$8.67	\$8.64	\$8.48	\$7.42	\$8.21
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$11.75	\$11.53	\$11.14	\$11.68	\$12.49	\$10.00	\$6.90
Raleigh/Durham, NC	\$8.51	\$8.66	\$8.64	\$8.57	\$7.96	\$5.65	\$7.15
Reno, NV	\$4.44	\$4.80	\$4.80	\$4.56	\$4.68	\$4.44	\$4.56
Richmond, VA	\$4.83	\$5.16	\$4.89	\$4.71	\$4.72	\$4.33	\$5.74
Roanoke, VA	\$5.21	\$5.16	\$5.18	\$5.51	\$5.00	\$4.62	\$6.63
Rochester, NY	\$5.40	\$5.40	\$5.40	\$5.40	\$5.40	\$4.00	\$4.75
Sacramento, CA	\$5.41	\$5.73	\$6.07	\$6.96	\$7.73	\$7.63	\$9.66
Salt Lake City, UT	\$5.65	\$5.37	\$5.64	\$5.76	\$5.76	\$5.52	\$4.80
San Antonio, TX	\$6.08	\$6.14	\$6.14	\$6.04	\$6.09	\$4.88	n/a
San Diego, CA	\$12.48	\$12.72	\$12.84	\$13.32	\$13.20	\$11.16	\$12.24
San Francisco North Bay, CA	\$11.21	\$12.93	\$12.93	\$12.47	\$12.36	\$13.27	\$15.63
San Francisco Peninsula, CA	\$17.62	\$16.41	\$16.49	\$16.44	\$17.90	\$16.38	\$21.21
San Jose (Silicon Valley), CA	\$13.08	\$12.84	\$12.96	\$13.56	\$13.56	\$11.64	\$15.24
Savannah, GA	\$4.62	\$4.91	\$4.91	\$4.98	\$4.98	\$4.27	n/a
Seattle, WA	\$8.73	\$8.79	\$8.90	\$9.48	\$9.19	\$8.88	\$8.20
Southern New Hampshire	\$5.92	\$5.64	\$5.78	\$5.57	\$5.58	\$4.80	\$5.38
St. Louis, MO	\$4.57	\$4.86	\$4.96	\$4.88	\$4.95	\$4.56	\$6.41
St. Petersburg/Clearwater, FL	\$7.86	\$7.67	\$8.05	\$8.61	\$8.15	\$6.22	\$5.57
Suburban MD	\$10.02	\$10.12	\$9.66	\$9.57	\$9.34	\$7.90	n/a
Syracuse, NY	\$3.94	\$3.89	\$3.88	\$4.13	\$4.39	\$4.62	\$3.70
Tampa, FL	\$5.74	\$5.98	\$6.24	\$6.63	\$6.49	\$5.29	\$5.54
Tucson, AZ	\$6.09	\$6.08	\$6.14	\$5.95	\$6.06	\$6.00	\$5.64
Tulsa, OK	\$4.69	\$4.69	\$4.77	\$4.77	\$4.83	\$4.33	\$4.22

p = preliminary



Inventory	Inventory	Deliveries YTD 2019	Under Construction as of Q1 2019p
United States	14,741,689,506	58,643,648	309,397,105
Northeast	2,196,741,851	9,439,034	33,396,434
Midwest	3,943,022,309	13,934,001	61,976,644
South	4,468,023,347	24,711,616	132,271,287
West	4,133,901,999	10,558,997	81,752,740

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2019	Under Construction as of Q1 2019p
Atlanta, GA	608,612,159	4,484,168	24,186,023
Austin, TX	41,988,191	681,068	1,926,532
Baltimore, MD	210,668,509	94,130	5,863,570
Binghamton, NY	17,469,673	0	0
Birmingham, AL	14,570,638	100,000	4,730,000
Boston, MA	177,230,299	856,952	1,013,000
Buffalo, NY	109,673,100	0	437,122
Central Valley, CA	133,264,836	1,025,357	5,283,756
Charleston, SC	74,580,014	843,930	3,047,846
Charlotte, NC	194,563,759	594,078	6,358,647
Chicago, IL	1,214,916,610	4,778,097	15,753,157
Cincinnati, OH	287,777,070	519,903	7,901,155
Cleveland, OH	504,144,083	906,350	3,324,101
Colorado Springs, CO	31,634,229	0	124,000
Columbus, OH	259,610,883	3,515,941	4,412,000
Dallas/Ft. Worth, TX	759,995,050	5,086,533	30,298,534
Denver, CO	243,898,913	917,789	4,118,262
Detroit, MI	535,225,276	538,291	3,469,878
El Paso, TX	53,842,823	0	765,108
Fort Myers/Naples, FL	47,391,514	389,102	363,917
Fredericksburg, VA	13,645,372	0	45,000
Ft. Lauderdale, FL	91,163,407	336,116	2,375,665
Greenville, SC	205,253,597	2,036,400	6,639,332
Hampton Roads, VA	99,125,978	0	965,800
Hartford, CT	94,084,062	0	0
Houston, TX	440,464,713	4,026,549	11,936,332
Indianapolis, IN	266,085,649	411,982	10,492,477
Inland Empire CA	551,343,399	3,307,724	29,911,729
Jacksonville, FL	106,487,687	220,790	1,871,745
Kansas City, MO	222,809,446	572,403	4,354,159
Lakeland, FL	32,690,293	0	2,146,354
Las Vegas, NV	118,046,868	190,623	4,101,625
Long Island, NY	130,342,328	0	993,867
Los Angeles, CA	1,068,405,955	56,306	6,342,630
Louisville, KY	164,287,302	483,805	1,376,227
Memphis, TN	184,073,590	0	0
Miami, FL	159,429,286	408,601	2,148,798
Milwaukee, WI	202,531,743	804,830	3,738,769
Minneapolis, MN	113,579,314	689,632	2,214,623
Nashville, TN	213,365,516	3,157,709	2,385,133

Inventory	Inventory	Deliveries YTD 2019	Under Construction as of Q1 2019p
New Haven, CT	47,649,569	0	855,000
New Jersey - Central	350,239,046	1,792,235	3,762,403
New Jersey - Northern	285,871,318	749,878	1,962,908
Northern VA	62,254,644	29,040	139,000
NY Outer Boroughs	135,988,726	450,000	241,800
Oakland/East Bay, CA	206,924,130	140,587	5,495,162
Omaha, NE	89,927,652	101,000	1,322,873
Orange County, CA	276,421,926	232,354	572,900
Orlando, FL	120,280,220	347,767	2,969,083
Palm Beach County, FL	41,887,342	56,160	489,123
PA I-81/I-78 Distribution Corridor	287,993,118	4,107,397	20,231,191
Philadelphia, PA	149,234,811	1,305,572	3,109,726
Phoenix, AZ	319,613,882	612,935	6,962,921
Pittsburgh, PA	168,978,507	177,000	749,417
Portland, OR	201,928,579	679,090	1,917,635
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	61,126,538	0	816,524
Raleigh/Durham, NC	52,848,864	120,000	0
Reno, NV	91,926,815	1,432,353	5,035,053
Richmond, VA	92,686,609	0	2,160,409
Roanoke, VA	51,768,634	0	0
Rochester, NY	73,551,473	0	0
Sacramento, CA	141,576,458	0	986,887
Salt Lake City, UT	127,742,065	1,046,012	3,626,118
San Antonio, TX	40,356,673	967,327	3,997,692
San Diego, CA	164,584,761	397,534	1,978,284
San Francisco North Bay, CA	31,195,900	246,200	70,312
San Francisco Peninsula, CA	41,447,300	0	0
San Jose (Silicon Valley), CA	85,409,260	0	353,419
Savannah, GA	58,843,486	0	9,321,465
Seattle, WA	194,750,892	274,133	2,739,389
Southern New Hampshire	47,859,057	0	0
St. Louis, MO	246,414,583	1,095,572	4,993,452
St. Petersburg/Clearwater, FL	44,132,648	64,675	0
Suburban MD	50,142,810	46,168	0
Syracuse, NY	42,849,459	0	40,000
Tampa, FL	77,668,424	137,500	2,778,701
Tucson, AZ	42,659,293	0	1,316,134
Tulsa, OK	58,953,595	0	985,251

p = preliminary

## About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://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

