

# MARKETBEAT

## U.S. Industrial

### Q4 2018



#### U.S. INDUSTRIAL

##### Employment Indicators

	Q4 17	Q4 18	12-Month Forecast
Total Nonfarm Employment	147.4M	149.9M	▲
Industrial Employment	32.1M	33.1M	▲
Unemployment	4.1%	3.7%	▼

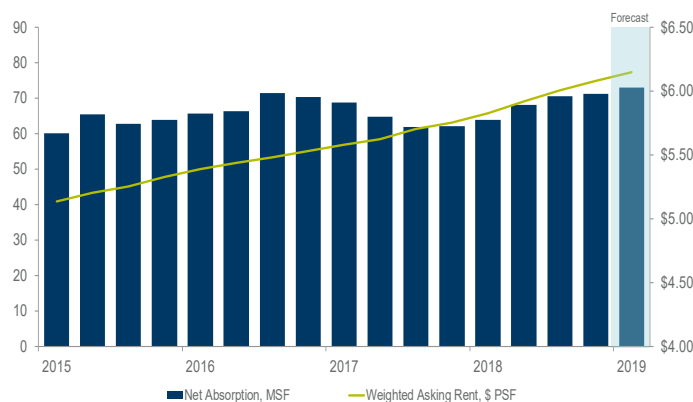
Source: BLS

##### Market Indicators

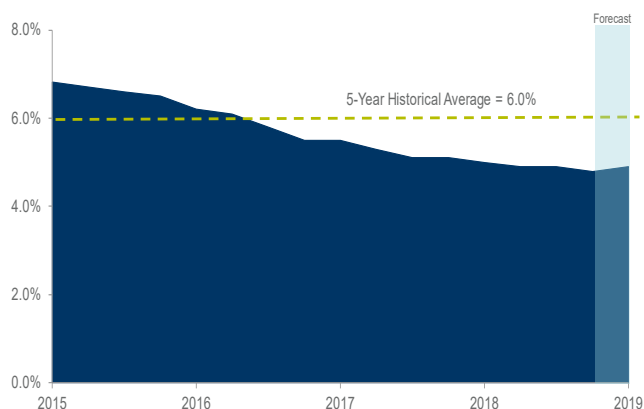
	Q4 17	Q4 18	12-Month Forecast
Overall Vacancy	5.1%	4.8%	■
Net Absorption	63.3M	66.1M	▼
Under Construction	241.3M	275.9M	▲
Weighted Asking Rent (NNN)	\$5.84	\$6.14	▲
Rent Growth (Yr/Yr % Chg.)	3.8%	5.1%	▲

##### Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



##### Overall Vacancy



Source: Cushman & Wakefield Research

## Another Banner Year

U.S. industrial net absorption rose to an all-time high of 284.9 million square feet (msf) in 2018. It has now registered over 240 msf for five consecutive years—the strongest run on record. The national industrial vacancy rate declined slightly to 4.8% for all product types in 2018—a new historic low—with market conditions tightening slightly in the Northeast, Midwest and South. Average asking rents for all industrial product across the U.S. reached a new nominal high of \$6.14 per square foot (psf).

**Broad-Based:** U.S. industrial markets absorbed 66.1 msf in the fourth quarter of 2018, pushing the 2018 total to 284.9 msf—a 16.8% increase from the 246.1 msf registered in 2017. All industrial segments were on a roll, with annual net absorption for warehouse/distribution product reaching 246.6 msf, manufacturing occupancy expanding by 23.6 msf and flex product absorbing 10.1 msf. Among the regions, the South led gains with 118.5 msf of absorption, followed by the West with 73.3 msf. The primary industrial markets—Inland Empire, Dallas/Ft. Worth, Atlanta, the PA I-81/I-78 Corridor, New Jersey and Chicago—accounted for more than 40% of net absorption in 2018. But strength was also evident in secondary/tertiary markets as 41 markets recorded over 1 msf of net absorption and 53 markets eclipsed 2 msf of net occupancy growth in 2018. When considering demand as a share of inventory—a proxy for relative demand—some of the strongest growth of 2018 occurred in Charleston, Louisville, Savannah, Las Vegas, Indianapolis and Kansas City.

**Tight Market Bolstered Rents:** Despite the delivery of 70.9 msf of new industrial product in the fourth quarter of 2018, vacancy remained anchored at 4.8% at the close of the quarter—120 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 67% of the markets tracked by Cushman & Wakefield, with rates holding steady or declining further in 65% of markets quarter-over-quarter. Voracious demand and limited space options fueled rent growth. U.S. industrial rents increased 5.1% in the fourth quarter of 2018 from a year ago. The Northeast and West recorded the strongest gains (8.3% each), although rents increased in all regions. Among the U.S. markets, rents rose in 52 markets with 14 markets registering double-digit gains.

**No Signs of Overbuilding:** Tight market conditions motivated new development; construction starts increased 14.3% in the fourth quarter of 2018 year-over-year, with 38 markets experiencing an uptick in development. The largest uptick was in the Midwest—where the development pipeline increased 41.9% from the fourth quarter of 2017—while construction activity rose modestly in the South and West and fell slightly in the Northeast. There is currently 275.9 msf of industrial product under construction of which 191.9 msf is speculative, 70% more than the five-year historical average of 104.9 msf. Development remains concentrated in a handful of markets, but activity is ticking up across the country. Five markets—the Inland Empire, PA I-81/I-78 Corridor, Dallas/Ft. Worth, Chicago and Houston—account for more than one-third of the current pipeline, but 42 additional markets have more than 1 msf under development.

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### Q4 2018

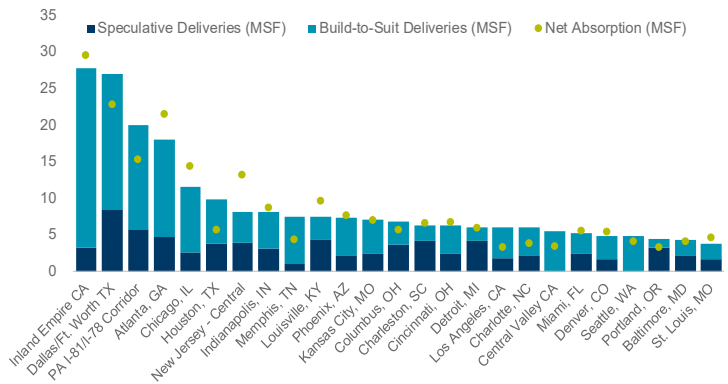


**Secondary Market Strength:** From 2015-2017, demand in secondary industrial markets exceeded supply. Limited development meant stronger rent growth as occupiers competed for ever-fewer space options. In 2018, new supply in secondary markets increased, but developers largely displayed caution. Of the 79 industrial markets tracked by Cushman & Wakefield in 2018, demand outpaced supply in 37 markets, 24 markets reported largely balanced supply/demand, and deliveries only slightly outpaced demand in 24 markets. The result: enough supply allowed for tenant expansions, but not too much supply to derail rent growth. Look for this dynamic to continue in 2019 with much needed supply coming online and rents continuing to grow.

**The Economic Road Ahead:** As the consumer goes, so goes the industrial market. Fortunately, real consumer spending is forecast to grow 2.6% in 2019—a growth rate more than sufficient to power demand for industrial real estate. The U.S. unemployment rate will continue to track below consensus estimates of full employment, meaning that warehouse labor will be increasingly hard to find and expensive to attract and retain. Trade policy and the uncertainty surrounding it remain the greatest risks. Recent developments—including the signing of the trilateral United States-Mexico-Canada Agreement (USMCA) and the easing of trade tensions between the U.S. and China brought about by the 90-day tariff “cease-fire” and renewed trade talks—are welcome developments. Although the USMCA must still be ratified by all three nations’ legislative bodies, its adoption is likely. It remains to be seen whether U.S.-China negotiations will result in a long-term truce or whether tariffs will once again be ratcheted up. The renewed talks are promising, but we have seen that circumstances can change quickly. To date, the trade conflict has had no negative affect on industrial leasing demand. A key consideration moving forward is that even if U.S.-China trade talks falter, substitute Asian exporters would be inclined to ship goods through similar trade lanes and ports of entry, meaning the near-term risk to industrial markets that serve as Asian gateways is low. Taken together, 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.

### Few Signs of Overbuilding

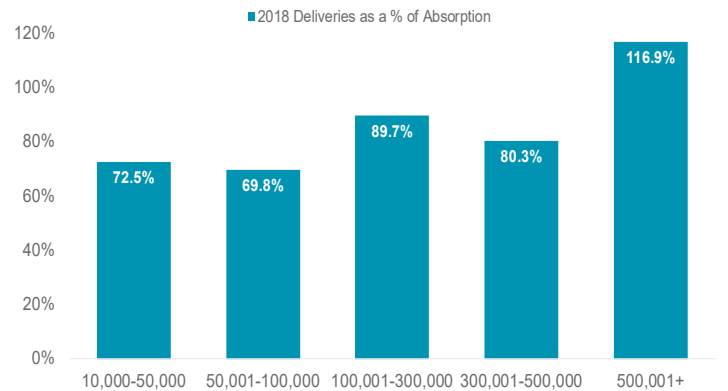
Q4 2018 YEAR-TO-DATE DELIVERIES AND NET ABSORPTION



Source: Cushman & Wakefield Research

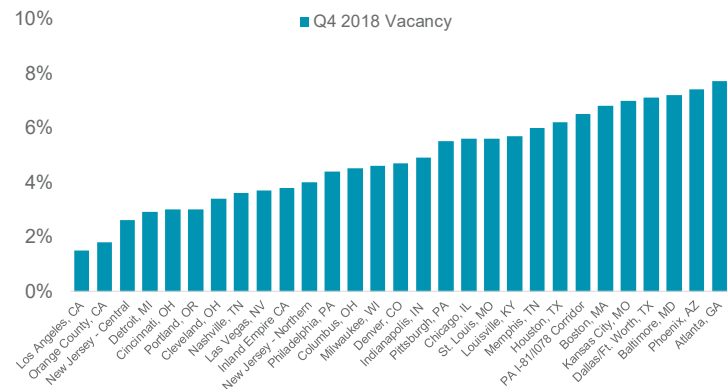
### More Undersupplied Than Not

RELATIVE SUPPLY & DEMAND BY SIZE



Source: Cushman & Wakefield Research

### Markets Remain Tight



Source: Cushman & Wakefield Research

### Outlook

- Net absorption is forecast 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 in 2019.
- Port markets and infill-sited submarkets of populated inland distribution hubs are where U.S. rent growth will be strongest.

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
United States	63,862,195	64,188,518	77,483,954	77,177,017	66,079,593	125,181,385
Northeast	5,186,345	12,082,992	8,079,686	9,223,929	4,960,097	19,064,048
Midwest	20,129,097	10,350,446	18,679,650	11,653,349	18,145,791	27,980,753
South	21,782,491	22,861,323	33,622,269	31,837,187	30,149,040	36,860,264
West	16,764,262	18,893,757	17,102,349	24,462,552	12,824,665	41,276,320

U.S. Industrial Report Markets	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Atlanta, GA	4,088,694	5,060,545	3,914,585	7,111,993	5,495,251	4,925,442
Austin, TX	333,881	88,415	-7,271	33,372	222,275	719,297
Baltimore, MD	747,727	1,285,871	1,503,676	1,207,521	143,512	1,733,724
Binghamton, NY	67,346	n/a	-104,450	-137,442	205,987	117,721
Birmingham, AL	54,771	51,651	-139,480	296,795	215,434	273,026
Boston, MA	492,001	278,374	-322,686	-286,481	425,794	1,096,515
Buffalo, NY	-924,409	-419,352	-416,072	361,972	-616,508	133,130
Central Valley, CA	921,226	1,912,197	643,298	3,899,346	-2,925,314	1,559,001
Charleston, SC	-129,871	1,049,618	3,374,054	1,298,366	910,071	570,324
Charlotte, NC	188,684	398,436	1,862,756	936,141	682,510	1,416,680
Chicago, IL	6,156,467	2,269,362	6,202,261	3,018,145	2,965,747	7,611,735
Cincinnati, OH	1,064,784	1,681,049	1,997,518	1,756,119	1,289,395	1,724,108
Cleveland, OH	-287,548	1,362,622	-876,635	-682,362	908,040	1,295,535
Colorado Springs, CO	18,596	191,309	307,062	351,356	225,427	115,710
Columbus, OH	1,812,261	320,010	2,011,600	739,775	2,604,046	5,633,399
Dallas/Ft. Worth, TX	4,640,129	2,986,660	8,095,382	4,758,858	7,012,973	6,451,307
Dayton, OH	489,070	-239,141	-224,774	-94,622	997,614	208,852
Denver, CO	1,543,466	272,730	690,454	1,421,289	3,104,987	1,702,062
Detroit, MI	2,555,549	-114,555	1,767,446	561,905	3,750,620	2,281,076
El Paso, TX	321,135	673,781	1,917,812	2,022,370	1,637,420	1,475,555
Fort Myers/Naples, FL	73,330	87,048	-48,970	-368,600	301,776	237,860
Fredericksburg, VA	56,102	-57,125	16,616	5,401	13,894	64,534
Ft. Lauderdale, FL	514,548	-152,477	-125,218	740,788	-296,756	861,992
Greenville, SC	394,982	1,800,991	1,069,748	1,868,143	465,341	1,132,161
Hampton Roads, VA	-36,520	302,709	-22,701	-338,584	75,511	547,475
Hartford, CT	135,148	359,849	-77,021	-1,363,863	2,338,553	1,806,870
Houston, TX	-104,023	844,562	1,550,170	1,895,652	1,365,054	3,348,528
Indianapolis, IN	3,716,487	556,674	2,093,580	4,440,828	1,593,727	2,599,304
Inland Empire CA	4,688,875	6,524,905	8,232,436	8,996,418	5,869,250	10,946,194
Jacksonville, FL	1,423,221	331,318	-107,214	4,171	695,185	794,770
Kansas City, MO	2,117,643	2,037,146	1,895,096	805,447	2,272,848	2,100,952
Lakeland, FL	36,455	430,592	612,978	240,843	534,577	37,700
Las Vegas, NV	2,298,777	2,047,713	1,313,304	541,814	1,022,889	1,725,115
Long Island, NY	852,791	-284,252	251,912	-462,724	-706,718	660,451
Los Angeles, CA	1,022,046	1,754,485	204,722	1,860,620	-511,297	8,273,547
Louisville, KY	1,222,039	1,783,727	3,238,055	2,034,662	2,627,307	2,720,268
Memphis, TN	662,189	1,340,577	-275,401	1,341,348	1,970,332	1,122,032
Miami, FL	730,241	1,760,267	1,456,549	2,140,078	233,183	1,078,788
Milwaukee, WI	-56,043	842,084	712,238	79,061	-147,195	1,053,422
Minneapolis, MN	825,334	592,886	895,305	560,618	673,576	1,736,514

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Nashville, TN	120,526	1,308,765	1,897,965	1,238,630	726,010	993,798
New Haven, CT	175,696	131,206	-43,970	208,046	327,445	350,753
New Jersey - Central	2,184,634	3,885,161	3,458,058	5,446,125	387,392	2,405,795
New Jersey - Northern	1,664,946	450,298	879,837	370,317	44,971	2,931,930
Northern VA	35,291	68,689	511,809	335,388	92,223	413,574
Oakland/East Bay, CA	660,234	-439,363	-1,538,437	-99,908	685,184	2,526,873
Oklahoma City, OK	n/a	-36,553	-56,541	-4,993	n/a	n/a
Omaha, NE	455,995	81,257	92,488	-53,388	141,772	191,595
Orange County, CA	-261,531	-159,786	350,319	382,274	309,866	2,124,238
Orlando, FL	789,720	679,407	1,318,618	453,619	819,109	1,024,791
Palm Beach County, FL	101,677	-19,492	138,107	34,941	-23,294	116,406
PA I-81/I-78 Distribution Corridor	844,371	4,643,975	5,222,614	3,996,542	1,492,731	6,867,994
Philadelphia, PA	611,009	1,709,697	-174,504	344,141	391,994	1,711,452
Phoenix, AZ	2,600,022	1,615,377	2,794,541	2,212,260	1,069,587	1,475,719
Pittsburgh, PA	-356,733	1,186,565	-1,162,742	3,488	168,921	380,361
Portland, OR	-72,333	-633,444	1,315,894	2,385,618	254,394	1,737,946
Providence, RI	313,632	71,456	142,176	61,684	53,000	53,000
Puget Sound - Eastside	220,980	524,863	214,628	391,358	226,472	449,411
Raleigh/Durham, NC	-294,394	225,740	184,041	129,296	250,515	562,435
Richmond, VA	1,022,908	-82,351	6,515	1,143,214	26,798	174,338
Roanoke, VA	6,011	480,115	472,350	54,719	486,982	144,940
Rochester, NY	-594,469	101,023	34,455	981,275	547,631	91,700
Sacramento, CA	1,426,115	1,658,385	827,755	376,574	32,449	1,044,825
Salt Lake City, UT	723,096	1,039,351	-136,573	715,280	2,005,437	3,036,054
San Antonio, TX	-203,074	76,360	-26,959	79,690	647,238	324,026
San Diego, CA	103,378	-85,162	903,332	513,371	336,139	1,203,947
San Francisco North Bay, CA	39,783	128,353	149,437	72,405	-322,978	220,609
San Francisco Peninsula, CA	15,292	4,885	-219,691	-134,821	84,934	122,335
San Jose (Silicon Valley), CA	346,282	731,852	72,970	-255,099	150,692	665,531
Savannah, GA	3,855,811	0	920,868	0	2,144,943	2,144,943
Seattle, WA	251,674	1,762,853	658,361	577,153	1,200,974	2,224,544
Southern New Hampshire	-302,661	-118,498	135,192	-194,820	-129,135	199,703
St. Louis, MO	1,279,098	961,052	2,113,527	521,823	1,095,601	1,544,261
St. Petersburg/Clearwater, FL	225,964	-110,774	115,924	-226,116	135,751	163,026
Suburban MD	316,522	71,323	173,822	388,158	306,144	246,308
Syracuse, NY	23,043	87,490	256,887	-104,331	28,039	256,673
Tampa, FL	587,815	74,653	-34,919	911,499	265,156	598,114
Tucson, AZ	218,284	42,254	318,537	255,244	5,573	122,659
Tulsa, OK	n/a	58,275	114,543	69,824	-33,385	442,102

p = preliminary

Overall Vacancy Rate	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p
United States	5.1%	5.0%	4.9%	4.9%	4.8%
Northeast	5.3%	5.1%	5.3%	5.3%	5.2%
Midwest	5.3%	5.3%	5.0%	5.0%	4.8%
South	6.1%	6.0%	5.9%	5.9%	5.8%
West	3.7%	3.5%	3.6%	3.4%	3.5%

U.S. Industrial Report Markets	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p
Atlanta, GA	7.7%	8.1%	8.2%	7.9%	7.7%
Austin, TX	8.8%	9.2%	7.3%	7.1%	7.3%
Baltimore, MD	6.4%	6.4%	6.2%	7.3%	7.2%
Binghamton, NY	9.9%	8.8%	9.7%	10.5%	10.3%
Birmingham, AL	10.6%	10.2%	11.3%	9.8%	8.2%
Boston, MA	6.2%	5.9%	6.2%	6.7%	6.8%
Buffalo, NY	9.1%	9.2%	9.5%	9.2%	9.4%
Central Valley, CA	3.3%	3.9%	5.0%	3.2%	5.8%
Charleston, SC	8.1%	8.0%	7.2%	7.7%	7.3%
Charlotte, NC	3.4%	5.1%	4.5%	4.4%	6.3%
Chicago, IL	6.8%	6.8%	6.3%	6.0%	5.6%
Cincinnati, OH	3.2%	3.7%	3.0%	2.9%	3.0%
Cleveland, OH	3.9%	3.5%	3.5%	3.9%	3.4%
Colorado Springs, CO	10.7%	8.6%	7.7%	6.6%	5.9%
Columbus, OH	4.7%	4.8%	5.1%	5.4%	4.5%
Dallas/Ft. Worth, TX	7.0%	6.4%	6.4%	6.9%	7.1%
Dayton, OH	8.3%	7.8%	8.0%	8.1%	8.0%
Denver, CO	4.9%	5.0%	5.3%	5.0%	4.7%
Detroit, MI	2.9%	2.9%	2.9%	3.2%	2.9%
El Paso, TX	3.2%	8.8%	8.3%	7.4%	6.9%
Fort Myers/Naples, FL	1.9%	2.1%	2.8%	2.7%	2.7%
Fredericksburg, VA	5.3%	5.5%	6.7%	7.0%	7.6%
Ft. Lauderdale, FL	2.9%	3.8%	3.7%	3.1%	3.2%
Greenville, SC	5.8%	5.4%	5.3%	4.8%	4.5%
Hampton Roads, VA	4.4%	4.2%	3.9%	4.2%	4.1%
Hartford, CT	7.9%	7.6%	7.7%	6.8%	6.0%
Houston, TX	6.3%	6.0%	6.2%	6.4%	6.2%
Indianapolis, IN	5.3%	5.5%	5.2%	4.7%	4.9%
Inland Empire CA	4.1%	3.9%	4.1%	3.9%	3.8%
Jacksonville, FL	4.0%	3.4%	2.9%	3.0%	2.3%
Kansas City, MO	7.2%	7.4%	6.8%	6.7%	7.0%
Lakeland, FL	3.9%	4.9%	4.5%	3.8%	3.8%
Las Vegas, NV	6.2%	4.7%	4.2%	4.4%	3.7%
Long Island, NY	5.6%	5.1%	5.0%	5.1%	5.6%
Los Angeles, CA	1.3%	1.3%	1.5%	1.4%	1.5%
Louisville, KY	7.7%	7.2%	6.4%	5.9%	5.7%
Memphis, TN	7.8%	7.4%	7.2%	6.3%	6.0%
Miami, FL	4.7%	4.3%	4.3%	3.6%	3.7%
Milwaukee, WI	4.1%	4.1%	4.0%	4.2%	4.6%
Minneapolis, MN	8.5%	8.7%	8.2%	7.9%	8.2%

Overall Vacancy Rate	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p
Nashville, TN	3.5%	3.4%	3.2%	3.9%	3.6%
New Haven, CT	9.5%	9.1%	9.3%	6.9%	4.9%
New Jersey - Central	3.3%	2.6%	2.6%	2.8%	2.6%
New Jersey - Northern	4.4%	4.7%	4.1%	4.1%	4.0%
Northern VA	8.4%	10.1%	9.3%	8.6%	8.6%
Oakland/East Bay, CA	3.0%	3.0%	3.7%	4.1%	4.2%
Oklahoma City, OK	9.0%	4.7%	4.7%	5.3%	5.3%
Omaha, NE	2.6%	2.5%	2.9%	3.1%	3.2%
Orange County, CA	1.9%	1.9%	1.9%	1.7%	1.8%
Orlando, FL	5.4%	5.1%	4.8%	5.2%	4.7%
Palm Beach County, FL	2.7%	3.0%	3.1%	2.8%	3.3%
PA I-81/I-78 Distribution Corridor	5.1%	4.8%	5.5%	6.3%	6.5%
Philadelphia, PA	4.0%	3.3%	3.2%	3.1%	4.4%
Phoenix, AZ	7.9%	7.8%	7.1%	7.3%	7.4%
Pittsburgh, PA	5.4%	5.4%	6.1%	6.5%	5.5%
Portland, OR	3.9%	4.2%	3.9%	3.4%	3.0%
Providence, RI	0.1%	0.0%	0.4%	0.4%	0.3%
Puget Sound - Eastside	4.7%	4.3%	4.2%	3.9%	3.6%
Raleigh/Durham, NC	6.0%	5.5%	5.5%	4.8%	4.4%
Richmond, VA	3.7%	3.9%	3.5%	4.2%	4.2%
Roanoke, VA	7.2%	7.0%	6.6%	6.6%	5.8%
Rochester, NY	9.8%	9.7%	9.6%	8.3%	7.6%
Sacramento, CA	5.9%	5.1%	5.0%	4.8%	4.5%
Salt Lake City, UT	5.6%	5.2%	5.1%	2.3%	2.8%
San Antonio, TX	8.8%	8.4%	8.6%	9.0%	7.9%
San Diego, CA	4.8%	4.8%	4.9%	5.0%	5.4%
San Francisco North Bay, CA	4.6%	3.1%	2.7%	2.5%	4.3%
San Francisco Peninsula, CA	2.0%	1.6%	2.3%	2.6%	2.4%
San Jose (Silicon Valley), CA	3.2%	2.3%	2.7%	2.8%	2.6%
Savannah, GA	1.2%	1.2%	0.6%	0.6%	0.5%
Seattle, WA	4.1%	3.5%	3.9%	4.0%	4.2%
Southern New Hampshire	8.2%	8.8%	9.2%	8.2%	8.0%
St. Louis, MO	6.0%	6.1%	5.7%	6.1%	5.6%
St. Petersburg/Clearwater, FL	3.6%	3.8%	3.7%	4.0%	3.5%
Suburban MD	9.7%	9.7%	9.3%	8.2%	7.8%
Syracuse, NY	8.8%	8.6%	7.8%	8.0%	7.6%
Tampa, FL	5.3%	5.8%	6.2%	5.5%	5.3%
Tucson, AZ	6.6%	6.3%	6.0%	5.7%	5.7%
Tulsa, OK	8.9%	3.1%	3.0%	2.7%	2.9%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p	
United States	\$5.84	\$5.98	\$6.07	\$6.13	\$6.14	\$5.47	\$6.11
Northeast	\$6.19	\$6.49	\$6.50	\$6.73	\$6.70	\$6.47	\$5.15
Midwest	\$4.61	\$4.70	\$4.79	\$4.79	\$4.78	\$4.46	\$4.54
South	\$5.41	\$5.60	\$5.61	\$5.57	\$5.49	\$4.81	\$4.88
West	\$8.11	\$8.26	\$8.33	\$8.70	\$8.79	\$7.64	\$9.75

U.S. Industrial Report Markets	Q4 2017	Q1 2017	Q2 2018	Q3 2017	Q4 2018p	Q4 2018p	
Atlanta, GA	\$4.47	\$4.83	\$4.96	\$5.04	\$4.47	\$3.94	\$4.92
Austin, TX	\$9.24	\$10.08	\$9.94	\$10.37	\$10.43	\$7.96	\$9.08
Baltimore, MD	\$5.70	\$5.75	\$5.77	\$5.54	\$5.63	\$5.14	n/a
Binghamton, NY	\$4.57	\$4.57	\$4.57	\$4.55	\$4.25	\$4.09	\$4.09
Birmingham, AL	\$4.02	\$3.98	\$4.06	\$4.26	\$4.30	\$3.85	n/a
Boston, MA	\$8.17	\$7.45	\$7.30	\$8.22	\$8.32	\$8.41	\$8.30
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.75	\$4.26	\$5.05	\$5.62	\$5.72	\$4.32	\$9.46
Charleston, SC	\$5.52	\$5.54	\$5.52	\$5.46	\$5.56	\$5.60	\$5.01
Charlotte, NC	\$5.21	\$5.27	\$5.18	\$5.30	\$5.52	\$4.96	\$4.66
Chicago, IL	\$5.08	\$5.19	\$5.29	\$5.34	\$5.38	\$5.06	\$4.94
Cincinnati, OH	\$4.25	\$4.34	\$4.40	\$4.27	\$4.26	\$4.11	\$3.15
Cleveland, OH	\$4.15	\$4.30	\$4.44	\$4.12	\$4.09	\$3.78	n/a
Colorado Springs, CO	\$7.85	\$8.07	\$8.13	\$8.57	\$8.56	\$8.02	\$7.38
Columbus, OH	\$3.50	\$3.55	\$3.59	\$3.60	\$3.67	\$3.67	n/a
Dallas/Ft. Worth, TX	\$5.06	\$5.40	\$5.50	\$5.12	\$5.04	\$4.25	\$3.98
Dayton, OH	\$3.26	\$3.29	\$3.05	\$3.08	\$3.08	\$3.24	\$2.94
Denver, CO	\$7.96	\$7.78	\$7.92	\$8.02	\$8.34	\$6.61	\$8.89
Detroit, MI	\$5.57	\$5.79	\$5.96	\$6.09	\$6.08	\$5.62	\$5.37
El Paso, TX	\$4.10	\$4.10	\$4.10	\$4.25	\$4.50	\$4.50	\$4.75
Fort Myers/Naples, FL	\$7.61	\$7.72	\$7.75	\$7.99	\$8.19	\$7.67	\$10.66
Fredericksburg, VA	\$5.73	\$5.79	\$5.97	\$5.69	\$5.42	\$5.52	\$4.86
Ft. Lauderdale, FL	\$9.27	\$9.45	\$9.36	\$8.73	\$9.75	\$9.18	\$8.72
Greenville, SC	\$3.60	\$3.43	\$3.45	\$3.63	\$3.67	\$3.76	\$3.32
Hampton Roads, VA	\$5.28	\$5.44	\$5.52	\$5.67	\$5.61	\$5.51	\$5.49
Hartford, CT	\$4.28	\$4.47	\$4.55	\$4.88	\$5.18	\$5.34	\$4.51
Houston, TX	\$6.44	\$6.22	\$6.13	\$6.22	\$6.25	\$6.05	\$6.24
Indianapolis, IN	\$3.80	\$3.88	\$4.09	\$3.99	\$3.95	\$3.67	\$3.23
Inland Empire CA	\$7.61	\$7.69	\$7.76	\$7.92	\$8.07	\$7.55	\$9.35
Jacksonville, FL	\$5.37	\$5.52	\$5.67	\$5.21	\$5.10	\$4.37	\$5.14
Kansas City, MO	\$4.27	\$4.20	\$4.29	\$4.38	\$4.26	\$3.95	\$4.72
Lakeland, FL	\$5.54	\$5.45	\$5.64	\$5.68	\$5.38	\$5.17	\$8.42
Las Vegas, NV	\$6.82	\$6.96	\$7.08	\$7.08	\$7.44	\$6.96	\$5.40
Long Island, NY	\$9.44	\$10.68	\$10.90	\$10.81	\$10.99	\$10.61	\$10.57
Los Angeles, CA	\$9.36	\$9.85	\$10.02	\$10.05	\$10.43	\$9.62	\$10.72
Louisville, KY	\$3.73	\$3.81	\$3.88	\$3.94	\$4.06	\$3.88	\$3.72
Memphis, TN	\$2.75	\$3.04	\$3.15	\$3.22	\$3.08	\$2.96	\$2.77
Miami, FL	\$8.45	\$8.79	\$7.49	\$7.55	\$7.57	\$7.19	\$8.22
Milwaukee, WI	\$4.64	\$4.57	\$4.60	\$4.63	\$4.60	\$4.24	\$4.57
Minneapolis, MN	\$4.88	\$4.90	\$4.90	\$4.94	\$4.97	\$4.66	n/a



Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p	
Nashville, TN	\$5.09	\$4.91	\$4.76	\$4.80	\$4.32	\$4.40	\$2.69
New Haven, CT	\$5.35	\$5.57	\$5.43	\$5.31	\$6.04	\$4.83	\$6.00
New Jersey - Central	\$7.58	\$7.69	\$8.30	\$8.87	\$8.24	\$7.34	\$6.58
New Jersey - Northern	\$8.56	\$8.57	\$8.61	\$8.67	\$8.65	\$8.76	\$6.66
Northern VA	\$11.36	\$11.18	\$11.57	\$11.80	\$11.94	\$9.32	N/A
Oakland/East Bay, CA	\$10.43	\$10.43	\$11.33	\$11.50	\$11.43	\$10.21	\$12.32
Oklahoma City, OK	\$4.95	\$5.00	\$5.01	\$4.70	\$4.70	\$4.83	\$4.13
Omaha, NE	\$5.52	\$5.62	\$5.58	\$5.62	\$5.79	\$5.62	\$4.64
Orange County, CA	\$11.24	\$11.61	\$11.34	\$11.94	\$11.06	\$10.47	\$11.37
Orlando, FL	\$6.48	\$6.45	\$6.60	\$6.88	\$7.02	\$5.83	\$6.17
Palm Beach County, FL	\$10.69	\$10.74	\$10.01	\$10.12	\$10.57	\$9.34	\$7.82
PA I-81/I-78 Distribution Corridor	\$4.77	\$4.80	\$4.86	\$4.88	\$4.85	\$4.85	\$4.50
Philadelphia, PA	\$4.51	\$4.76	\$4.79	\$4.96	\$5.37	\$5.43	\$5.07
Phoenix, AZ	\$6.70	\$6.91	\$7.31	\$6.83	\$6.45	\$5.04	\$7.25
Pittsburgh, PA	\$7.58	\$8.59	\$8.77	\$8.88	\$8.96	\$5.81	\$4.73
Portland, OR	\$8.50	\$8.53	\$8.59	\$8.67	\$8.64	\$7.63	\$8.09
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	N/A
Puget Sound - Eastside	\$11.76	\$11.75	\$11.53	\$11.14	\$11.68	\$10.76	\$8.30
Raleigh/Durham, NC	\$8.70	\$8.51	\$8.66	\$8.64	\$8.57	\$5.79	\$7.42
Richmond, VA	\$4.92	\$4.83	\$5.16	\$4.89	\$4.71	\$4.48	\$5.56
Roanoke, VA	\$4.98	\$5.21	\$5.16	\$5.18	\$5.51	\$5.18	\$6.73
Rochester, NY	\$4.84	\$5.40	\$5.40	\$5.40	\$5.40	\$3.75	\$4.75
Sacramento, CA	\$5.06	\$5.41	\$5.73	\$6.07	\$6.96	\$6.86	\$8.01
Salt Lake City, UT	\$5.82	\$5.65	\$5.37	\$5.64	\$5.76	\$5.64	\$4.68
San Antonio, TX	\$5.79	\$6.08	\$6.14	\$6.14	\$6.04	\$4.77	N/A
San Diego, CA	\$12.36	\$12.48	\$12.72	\$12.84	\$13.32	\$9.96	\$11.88
San Francisco North Bay, CA	\$11.69	\$11.21	\$12.93	\$12.93	\$12.47	\$12.00	\$16.94
San Francisco Peninsula, CA	\$17.72	\$17.62	\$16.41	\$16.49	\$16.44	\$15.56	\$20.03
San Jose (Silicon Valley), CA	\$13.20	\$13.08	\$12.84	\$12.96	\$13.56	\$12.00	\$15.48
Savannah, GA	\$4.62	\$4.62	\$4.91	\$4.91	\$4.98	\$4.27	N/A
Seattle, WA	\$7.61	\$8.73	\$8.79	\$8.90	\$9.48	\$9.12	\$9.19
Southern New Hampshire	\$5.79	\$5.92	\$5.64	\$5.78	\$5.57	\$4.74	\$5.39
St. Louis, MO	\$4.47	\$4.57	\$4.86	\$4.96	\$4.88	\$4.43	\$6.03
St. Petersburg/Clearwater, FL	\$8.12	\$7.86	\$7.67	\$8.05	\$8.61	\$6.36	\$6.06
Suburban MD	\$9.37	\$10.02	\$10.12	\$9.66	\$9.57	\$7.87	N/A
Syracuse, NY	\$4.02	\$3.94	\$3.89	\$3.88	\$4.13	\$4.41	\$3.71
Tampa, FL	\$5.72	\$5.74	\$5.98	\$6.24	\$6.63	\$5.37	\$5.58
Tucson, AZ	\$6.23	\$6.09	\$6.08	\$6.14	\$5.95	\$5.85	\$5.32
Tulsa, OK	\$4.59	\$4.69	\$4.69	\$4.77	\$4.77	\$4.85	\$4.23

p = preliminary



Inventory	Inventory	Deliveries 2018	Under Construction as of Q4 2018p
United States	14,650,302,083	287,361,378	275,872,863
Northeast	2,026,701,265	36,864,378	37,175,403
Midwest	4,040,070,863	59,501,320	63,783,262
South	4,531,824,475	113,966,266	99,604,633
West	4,051,705,480	77,029,414	75,309,565

U.S. Industrial Report Markets	Inventory	Deliveries 2018	Under Construction as of Q4 2018p
Atlanta, GA	603,379,128	18,043,329	10,320,165
Austin, TX	41,307,123	1,473,168	1,602,644
Baltimore, MD	209,962,557	4,397,473	3,717,820
Binghamton, NY	17,469,673	0	0
Birmingham, AL	14,730,458	319,500	2,830,000
Boston, MA	146,626,393	952,106	856,952
Buffalo, NY	109,653,228	487,035	419,122
Central Valley, CA	130,345,880	5,550,335	7,953,802
Charleston, SC	73,488,862	6,340,372	2,239,759
Charlotte, NC	193,128,468	6,037,348	3,900,295
Chicago, IL	1,210,459,750	11,616,236	15,620,306
Cincinnati, OH	289,920,112	6,282,425	7,682,056
Cleveland, OH	501,122,579	3,389,620	3,279,875
Colorado Springs, CO	31,170,113	171,065	100,000
Columbus, OH	256,190,430	6,815,301	6,349,750
Dallas/Ft. Worth, TX	741,341,030	26,933,448	21,693,809
Dayton, OH	119,949,345	1,120,376	1,337,020
Denver, CO	246,884,157	4,895,853	5,039,240
Detroit, MI	537,823,815	6,113,896	4,041,898
El Paso, TX	52,724,401	688,760	841,662
Fort Myers/Naples, FL	41,609,742	403,082	536,347
Fredericksburg, VA	13,887,164	0	0
Ft. Lauderdale, FL	88,681,956	1,910,624	1,221,339
Greenville, SC	203,927,072	1,060,497	4,141,784
Hampton Roads, VA	98,562,709	50,000	700,800
Hartford, CT	94,267,333	1,388,200	0
Houston, TX	434,914,575	9,850,506	10,328,530
Indianapolis, IN	265,790,052	8,112,334	9,447,924
Inland Empire CA	547,687,407	27,735,665	24,687,322
Jacksonville, FL	105,966,420	89,005	2,012,535
Kansas City, MO	222,339,932	7,093,159	3,141,360
Lakeland, FL	32,821,995	1,886,128	1,609,000
Las Vegas, NV	125,791,419	3,230,951	4,445,264
Long Island, NY	129,250,000	90,530	600,757
Los Angeles, CA	1,069,143,183	6,087,442	6,007,416
Louisville, KY	163,832,255	7,434,461	2,263,310
Memphis, TN	184,073,590	7,527,475	193,000
Miami, FL	161,684,485	5,271,840	2,596,184
Milwaukee, WI	202,016,315	1,694,856	4,650,269
Minneapolis, MN	112,598,348	2,606,180	1,995,929

Inventory	Inventory	Deliveries 2018	Under Construction as of Q4 2018p
Nashville, TN	209,754,995	2,822,135	5,048,526
New Haven, CT	47,972,701	80,500	855,000
New Jersey - Central	350,845,857	8,131,537	4,357,153
New Jersey - Northern	286,709,553	1,222,817	1,677,815
Northern VA	62,163,113	587,046	168,040
Oakland/East Bay, CA	207,102,770	2,127,412	5,382,249
Oklahoma City, OK	67,950,001	11,996	0
Omaha, NE	76,354,737	786,189	971,591
Orange County, CA	283,831,246	1,665,528	805,254
Orlando, FL	120,909,309	3,350,038	2,669,082
Palm Beach County, FL	41,407,731	166,392	467,413
PA I-81/I-78 Distribution Corridor	285,201,623	20,003,879	23,245,063
Philadelphia, PA	147,558,610	2,603,548	4,255,511
Phoenix, AZ	319,029,373	7,386,675	6,639,466
Pittsburgh, PA	168,801,507	484,621	868,030
Portland, OR	201,458,288	4,436,861	2,269,555
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	61,126,538	411,340	816,524
Raleigh/Durham, NC	52,970,160	136,500	120,000
Richmond, VA	92,600,852	856,707	1,983,409
Roanoke, VA	51,659,017	250,000	0
Rochester, NY	73,551,473	0	0
Sacramento, CA	141,401,496	905,820	986,887
Salt Lake City, UT	126,696,053	3,049,495	4,348,303
San Antonio, TX	39,742,060	1,302,382	4,105,797
San Diego, CA	165,183,882	2,947,522	1,367,315
San Francisco North Bay, CA	31,106,779	289,904	324,300
San Francisco Peninsula, CA	41,556,974	0	0
San Jose (Silicon Valley), CA	85,414,260	634,118	353,419
Savannah, GA	58,843,486	3,200,783	9,321,465
Seattle, WA	194,476,759	4,890,466	2,529,915
Southern New Hampshire	48,120,877	1,240,000	0
St. Louis, MO	245,505,448	3,870,748	5,265,284
St. Petersburg/Clearwater, FL	48,034,413	126,000	64,675
Suburban MD	50,363,510	276,076	46,168
Syracuse, NY	42,945,132	179,605	40,000
Tampa, FL	80,973,799	983,867	2,513,995
Tucson, AZ	42,298,903	612,962	1,253,334
Tulsa, OK	94,428,039	179,328	347,080

p = preliminary

## About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 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

