

MARKETBEAT

U.S. Industrial

Q2 2017



U.S. INDUSTRIAL

Employment Indicators

	Q2 16	Q2 17	12-Month Forecast
Total Nonfarm Employment	143.9M	146.2M	▲
Industrial Employment	25.2M	25.6M	▲
Unemployment	4.9%	4.4%	■

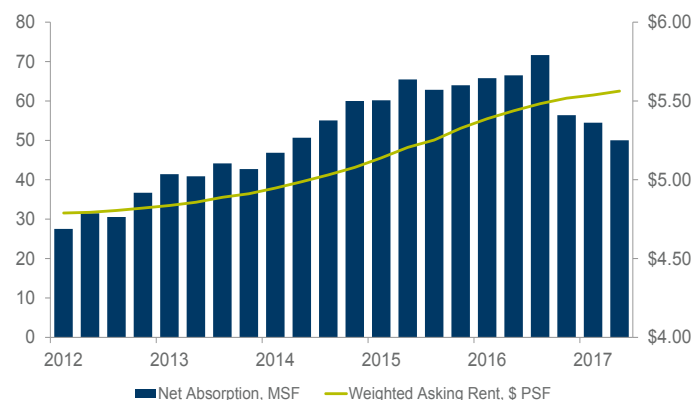
Source: BLS

Market Indicators

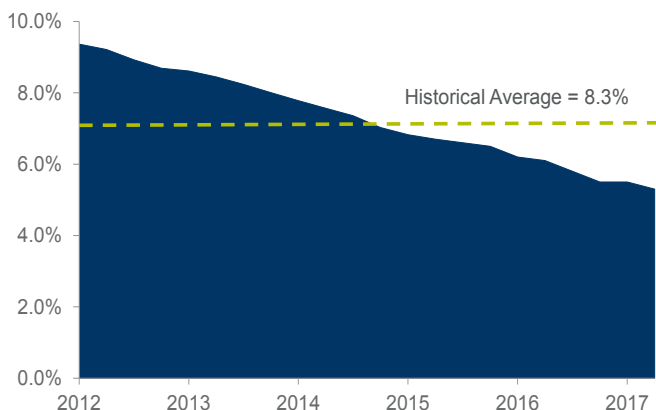
	Q2 16	Q2 17	12-Month Forecast
Overall Vacancy	6.1%	5.3%	▲
Net Absorption	77.3M	59.5M	▲
Under Construction	193.7M	237.1M	▲
Weighted Asking Rent (NNN)	\$5.38	\$5.62	▲

Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

Recent economic indicators point to a U.S. economic expansion that still has legs. With 222,000 net new nonfarm payroll jobs added in June, job growth remains solid. In the first half of 2017, 1.1 million new jobs were created, indicating that the U.S. economy is still a job-creating machine. In fact, the economy has added jobs every month since October 2010—a record 81-month stretch that has absorbed roughly 16 million workers. That has spurred demand for industrial space, which has registered 1.5 billion square feet (bsf) of net absorption during that period.

The manufacturing sector also remains on a roll. The Institute for Supply Management's (ISM) Purchasing Managers' Index (PMI) rose to 57.8 in June, its highest level since August 2014. The index has been in expansionary territory for ten consecutive months. The new orders component of the PMI—a gauge of manufacturing's health in the months ahead—rose to 63.5 in June, bringing it close to the multi-year high of 65.1 reached at the beginning of 2017.

U.S. rail traffic in Q2 2017 was a mix of great and mediocre. On the "great" side were year-to-date intermodal volumes through June that were the largest on record. The "mediocre" side saw motor vehicles and parts shipments post their sixth straight monthly decline. But while new light vehicle sales are down from 2016's record pace, there is no reason to panic. Auto sales are higher in the first half of 2017 than in any comparable period since 2005.

The Conference Board's Consumer Confidence Index ticked upward to 118.9 in June. Through the first half of 2017, the average index was 118.2. The last time the measure remained that high over a six-month period was late 2000. Despite an unexpected decline in retail sales in May (-0.3%), core retail sales—which correspond most closely with the consumer spending portion of GDP—were unchanged in May (0.6%), and online sales increased by 0.8% in May after rising 0.9% in April. Given the solid labor market, a promising manufacturing outlook, strong transportation indices, high consumer confidence and rising wages, expect to see the industrial run continue.

Market Overview

The U.S. industrial market absorbed 59.5 million square feet (msf) of space in the second quarter of 2017, up 6.6% from that registered in the previous quarter, propelling year-to-date net absorption to 115.3 msf. Every industrial segment remains in growth mode: through mid-year, warehouse and distribution space posted 101.6 msf of net absorption, manufacturing registered 8.3 msf, and flex product experienced 5.4 msf of net occupancy gains.

Occupier demand for modern logistics space continues to be hot, with leasing of newly constructed speculative and build-to-suit product delivered in the past 24 months accounting for 62.3% of Q2 2017 net absorption. Although 19 markets report over 1 msf of positive net absorption during the second quarter, Chicago (6.9 msf), Atlanta (6.3 msf), Dallas/Ft. Worth (5.7

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msf), the Pennsylvania I-81/I-78 Distribution Corridor (4.6 msf), the Inland Empire (3.6 msf) and Central New Jersey (2.5 msf) account for nearly half of the nation's net absorption.

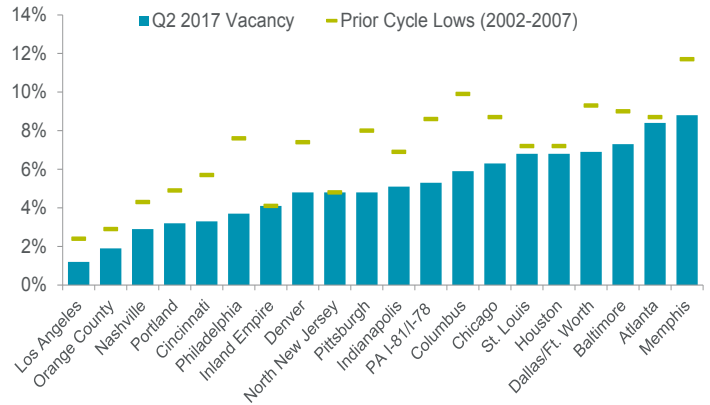
Demand has exceeded supply for 29 quarters. That has resulted in historic lows for vacancy, and a challenging operating environment for industrial occupiers seeking to expand their supply chain networks. The national industrial vacancy rate tightened further in Q2 2017, as vacancy fell 20 basis points (bps) to 5.3%, a full 300 bps below the 10-year historical average. Vacancy declined or held firm in 37 of the 79 markets tracked by Cushman & Wakefield, and rates remain below their 10-year historical average in all 79 markets.

On the development front, 107.2 msf has been delivered so far in 2017, with 52.5 msf of that total coming online in the second quarter. Over two-thirds of the deliveries this year have been speculative, but preleasing of speculative product remains brisk. In Q2 2017, preleasing rates for newly delivered product rose 340 bps from the first quarter to 48.9%, a clear indication of strong demand for functional product. The construction pipeline expanded noticeably in the second quarter, increasing by 8.1% from Q1 2017 to 237.1 msf. While the greatest concentration of construction is in large markets with strong underlying fundamentals and low vacancies, construction starts increased in 46 of 79 markets.

Given the tight conditions and strong leasing by eCommerce and 3PL occupiers, industrial asking rents have continued to rise. U.S. industrial asking rents for all product types increased 4.6% in Q2 2017 from a year ago to \$5.62 per square foot (psf). Average U.S. industrial rents rose in 61 of 79 markets during the same time, with over one-quarter of the industrial markets reporting double-digit gains. Meanwhile, average U.S. warehouse rents for all classes increased 4.3% in Q2 2017 from a year ago to \$5.05 psf—the highest mark since Cushman & Wakefield began tracking the metric in 1990.

Many Markets Remain as Tight as a Drum

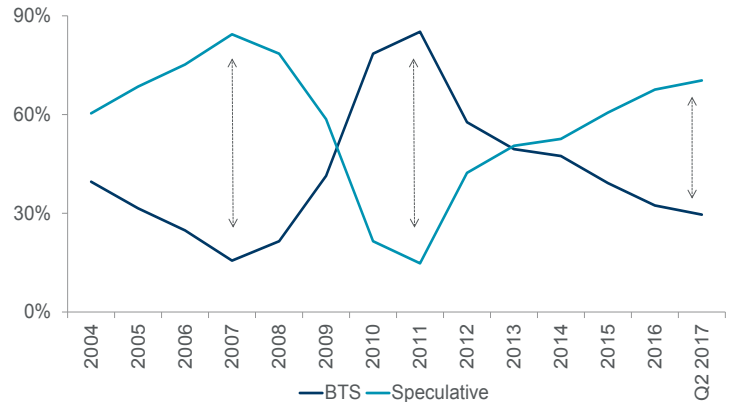
CURRENT VACANCY VS. PRIOR CYCLE TROUGH



Source: Cushman & Wakefield Research

Speculative Construction Is on the Rise

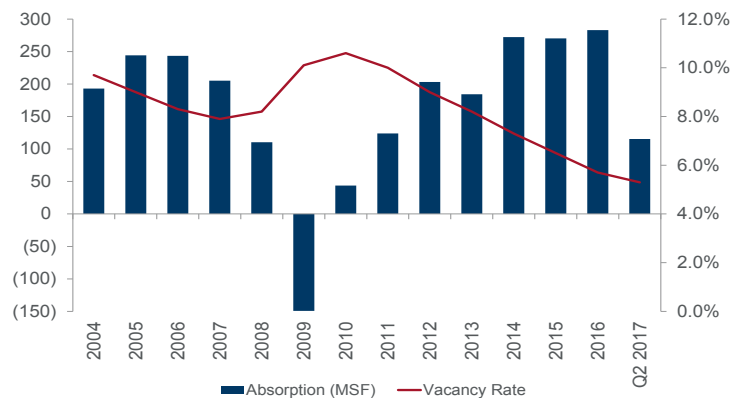
SPEC DELIVERIES ARE RISING BUT REMAIN WELL BELOW PRIOR CYCLES



Source: Cushman & Wakefield Research

On Pace for Another Strong Year

DEMAND CONTINUES TO KEEP PACE WITH SUPPLY



Source: Cushman & Wakefield Research

Outlook

- Logistics-related leasing will benefit from solid economic fundamentals that spur increased consumer spending.
- Net absorption will eclipse 225 msf for a fourth year in a row.
- Deliveries will not overpower demand, but increased speculative supply will place upward pressure on vacancy.
- Expect continued rental rate appreciation in the second half of 2017 with rent growth decelerating in 2018.

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
United States	77,284,442	78,483,313	63,129,827	55,837,434	59,470,838	123,015,762
Northeast	13,074,715	17,790,157	7,233,913	5,223,888	11,590,765	16,748,574
Midwest	14,865,228	23,968,635	15,788,785	12,632,717	10,906,301	21,173,940
South	23,715,895	21,353,134	27,857,093	22,685,920	24,965,276	39,325,696
West	25,628,604	15,371,387	12,250,036	15,294,909	12,008,496	45,767,552

U.S. Industrial Report Markets	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Atlanta, GA	3,852,450	2,245,312	3,546,425	6,399,144	6,264,777	4,889,962
Austin, TX	242,070	80,659	116,610	-209,019	134,562	572,182
Baltimore, MD	506,425	1,029,640	944,082	601,088	2,395,619	1,006,326
Binghamton, NY	117,480	80,204	8,605	99,383	80,590	n/a
Birmingham, AL	403,623	826,217	33,863	-340,522	12,600	207,745
Boston, MA	1,079,816	2,190,787	996,083	-267,560	146,431	918,449
Buffalo, NY	136,985	500,257	1,217,645	-952,685	94,497	640,095
Central Valley, CA	519,917	971,895	2,031,463	92,710	386,256	380,134
Charleston, SC	646,339	-42,512	1,001,344	1,293,927	-542,886	540,215
Charlotte, NC	1,503,782	1,158,781	1,812,029	756,188	1,145,159	341,158
Chicago, IL	5,656,574	10,474,949	4,149,725	2,891,269	6,938,000	4,296,870
Cincinnati, OH	1,787,525	1,833,726	556,179	3,966,686	163,015	1,137,431
Cleveland, OH	-36,295	331,032	1,187,461	180,990	739,053	982,405
Colorado Springs, CO	98,615	-97,504	-160,026	209,304	407,173	196,862
Columbus, OH	180,470	1,349,355	2,080,666	193,936	-195,634	1,897,371
Dallas/Ft. Worth, TX	4,809,247	7,200,702	5,298,286	6,650,273	5,678,052	8,054,198
Dayton, OH	328,464	306,394	525,747	926,181	204,099	75,616
Denver, CO	1,450,866	746,413	596,022	183,192	1,473,181	3,985,137
Detroit, MI	1,478,756	1,070,776	985,441	-263,025	-366,847	1,692,314
El Paso, TX	712,193	-293,711	-78,692	76,000	357,161	581,841
Fort Myers/Naples, FL	351,557	272,489	206,876	218,558	191,401	139,206
Fredericksburg, VA	70,112	189,844	173,790	-124,975	184,902	152,140
Ft. Lauderdale, FL	20,012	702,011	858,893	534,362	116,227	748,779
Greenville, SC	3,131,610	1,560,194	1,353,175	515,093	1,385,330	779,560
Hampton Roads, VA	390,311	-3,892	-359,777	442,604	936,015	253,810
Hartford, CT	347,113	866,772	125,862	183,652	261,345	624,012
Houston, TX	92,367	810,247	4,065,736	1,100,522	211,411	4,802,741
Indianapolis, IN	2,720,089	3,108,214	1,848,702	784,605	544,064	4,579,454
Inland Empire CA	8,608,335	3,784,917	3,636,653	4,233,160	3,587,967	9,649,107
Jacksonville, FL	727,867	239,728	161,043	285,616	385,064	1,971,005
Kansas City, MO	1,775,923	1,134,989	1,840,583	2,449,729	2,374,998	2,330,838
Lakeland, FL	90,185	231,791	93,900	322,473	-11,166	241,756
Las Vegas, NV	441,278	698,467	955,129	540,804	1,813,670	n/a
Long Island, NY	112,036	365,094	-230,288	-207,859	-47,352	330,107
Los Angeles, CA	2,769,413	1,783,386	250,202	1,729,044	879,060	7,631,568
Louisville, KY	1,599,711	491,942	322,851	502,185	291,259	1,217,632
Memphis, TN	341,427	695,753	3,011,967	1,902,419	1,245,801	3,091,188
Miami, FL	353,972	624,408	438,808	456,494	52,590	2,177,744
Milwaukee, WI	743,340	585,596	-12,492	327	201,877	683,328
Minneapolis, MN	403,691	459,794	519,293	-361,946	477,473	n/a

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Nashville, TN	1,433,052	578,168	2,529,427	579,181	443,020	1,150,144
New Haven, CT	-117,896	-169,623	293,732	107,072	18,838	475,252
New Jersey - Central	2,672,125	2,088,582	702,054	1,400,046	2,523,645	3,950,608
New Jersey - Northern	1,341,223	949,477	-449,521	632,784	1,105,617	2,420,426
Northern VA	-125,578	293,531	-54,788	133,525	114,525	471,316
Oakland/East Bay, CA	3,125,423	-362,897	274,100	370,186	272,341	2,496,916
Oklahoma City, OK	355,395	79,041	-66,220	-56,356	-229,173	396,411
Omaha, NE	81,715	142,371	204,651	114,131	211,393	468,055
Orange County, CA	625,271	577,174	417,332	73,028	53,932	1,561,698
Orlando, FL	822,697	671,947	1,013,276	187,456	834,782	832,779
Palm Beach County, FL	317,775	351,542	181,815	132,770	122,846	421,408
PA I-81/I-78 Distribution Corridor	4,069,078	7,608,813	2,326,714	2,256,669	4,629,244	4,976,712
Philadelphia, PA	1,336,387	3,442,237	1,520,977	1,264,786	1,324,880	1,085,319
Phoenix, AZ	2,196,394	2,244,605	1,572,074	2,105,250	1,199,401	7,862,563
Pittsburgh, PA	967,110	-175,139	100,230	283,316	667,478	614,966
Portland, OR	978,437	308,442	529,659	645,643	829,963	1,566,760
Providence, RI	254,742	115,966	102,292	101,650	87,648	132,286
Puget Sound - Eastside	1,322,354	256,769	303,774	230,918	74,918	400,744
Raleigh/Durham, NC	283,535	-172,912	344,104	-58,747	109,980	728,303
Richmond, VA	321,430	75,820	263,746	138,883	572,959	364,856
Roanoke, VA	63,011	354,142	69,980	286,933	1,115,132	33,168
Rochester, NY	801,031	225,539	213,189	-4,470	407,166	84,970
Sacramento, CA	368,021	582,097	183,313	1,359,925	229,658	1,540,013
Salt Lake City, UT	612,166	763,231	442,247	1,372,941	1,042,903	2,233,567
San Antonio, TX	142,329	88,610	142,169	-133,376	266,848	741,018
San Diego, CA	374,520	-100,709	431,283	330,736	17,518	1,693,870
San Francisco North Bay, CA	52,321	278,280	104,199	154,809	51,451	212,850
San Francisco Peninsula, CA	34,830	-193,018	72,077	-15,728	180,823	701,916
San Jose (Silicon Valley), CA	494,984	-420,112	-36,597	131,208	-419,806	871,640
Savannah, GA	-120,950	48,052	-358,098	n/a	1,183,500	1,183,500
Seattle, WA	1,291,209	2,512,682	527,043	1,505,694	96,309	2,249,354
Southern New Hampshire	61,249	123,310	18,726	378,928	60,340	295,797
St. Louis, MO	-255,024	3,171,439	1,902,829	1,749,834	-385,190	3,030,258
St. Petersburg/Clearwater, FL	30,381	-37,440	590,146	132,098	8,087	426,117
Suburban MD	275,122	517,102	250,065	-2,323	-56,959	281,405
Syracuse, NY	-103,764	-422,119	287,613	-51,824	230,398	199,575
Tampa, FL	262,732	250,524	146,530	163,673	19,984	526,083
Tucson, AZ	264,250	1,037,269	120,089	42,085	-168,222	532,853
Tulsa, OK	-190,296	235,404	-196,268	-200,227	25,867	n/a

p = preliminary

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

U.S. Industrial Report Markets	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p
Atlanta, GA	8.4%	8.6%	9.0%	8.7%	8.4%
Austin, TX	7.7%	7.5%	6.4%	9.5%	8.6%
Baltimore, MD	7.2%	7.0%	6.6%	7.9%	7.3%
Binghamton, NY	11.7%	11.7%	10.8%	11.3%	10.3%
Birmingham, AL	14.4%	9.0%	8.8%	11.4%	11.3%
Boston, MA	7.0%	6.7%	6.4%	6.6%	6.4%
Buffalo, NY	9.0%	8.9%	8.9%	9.2%	9.0%
Central Valley, CA	5.4%	5.2%	3.4%	3.0%	3.1%
Charleston, SC	7.7%	6.8%	6.8%	4.7%	6.0%
Charlotte, NC	4.5%	3.8%	3.6%	3.4%	3.6%
Chicago, IL	6.3%	6.1%	6.3%	6.4%	6.3%
Cincinnati, OH	4.0%	4.2%	4.2%	3.0%	3.3%
Cleveland, OH	5.0%	4.9%	4.6%	4.6%	4.2%
Colorado Springs, CO	9.1%	9.8%	10.1%	9.9%	9.6%
Columbus, OH	6.5%	5.9%	5.5%	5.6%	5.9%
Dallas/Ft. Worth, TX	6.9%	6.6%	6.9%	7.2%	6.9%
Dayton, OH	8.6%	8.1%	8.0%	7.7%	7.6%
Denver, CO	3.4%	3.9%	4.3%	4.9%	4.8%
Detroit, MI	4.6%	4.0%	4.0%	3.5%	3.5%
El Paso, TX	6.6%	7.1%	6.8%	6.8%	5.7%
Fort Myers/Naples, FL	3.8%	3.3%	2.8%	2.2%	2.0%
Fredericksburg, VA	10.2%	8.1%	7.6%	8.5%	6.6%
Ft. Lauderdale, FL	6.8%	5.5%	4.4%	4.5%	4.4%
Greenville, SC	6.7%	6.9%	6.6%	6.4%	6.1%
Hampton Roads, VA	6.5%	6.3%	6.6%	5.4%	5.4%
Hartford, CT	12.8%	11.9%	11.7%	5.1%	5.4%
Houston, TX	6.4%	6.7%	7.1%	7.0%	6.8%
Indianapolis, IN	4.9%	3.6%	3.0%	5.1%	5.1%
Inland Empire CA	4.7%	4.7%	4.4%	4.0%	4.1%
Jacksonville, FL	6.5%	6.5%	6.2%	5.6%	5.4%
Kansas City, MO	7.5%	7.5%	8.3%	8.3%	7.8%
Lakeland, FL	5.5%	4.2%	3.7%	5.1%	5.1%
Las Vegas, NV	5.8%	5.6%	5.1%	5.7%	6.0%
Long Island, NY	6.9%	6.5%	6.6%	6.8%	6.9%
Los Angeles, CA	1.6%	1.3%	1.4%	1.3%	1.2%
Louisville, KY	5.4%	6.2%	6.6%	7.2%	7.7%
Memphis, TN	9.3%	9.2%	8.7%	8.3%	8.8%
Miami, FL	4.9%	4.4%	4.3%	4.2%	5.0%
Milwaukee, WI	4.2%	4.0%	4.4%	4.5%	4.5%
Minneapolis, MN	8.5%	8.4%	8.2%	8.7%	8.7%

Overall Vacancy Rate	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p
Nashville, TN	3.4%	3.1%	2.9%	3.2%	2.9%
New Haven, CT	12.9%	13.2%	12.6%	6.1%	5.0%
New Jersey - Central	4.3%	4.3%	4.2%	4.1%	4.3%
New Jersey - Northern	5.7%	5.9%	5.9%	5.5%	4.8%
Northern VA	9.6%	9.2%	9.2%	8.8%	8.5%
Oakland/East Bay, CA	2.7%	3.1%	2.6%	2.2%	2.3%
Oklahoma City, OK	7.2%	6.7%	7.3%	6.8%	7.5%
Omaha, NE	3.1%	3.2%	3.2%	3.1%	3.3%
Orange County, CA	2.3%	2.2%	2.0%	2.0%	1.9%
Orlando, FL	5.8%	5.1%	4.6%	5.1%	5.6%
Palm Beach County, FL	4.4%	3.8%	4.2%	3.5%	3.6%
PA I-81/I-78 Distribution Corridor	5.1%	3.9%	4.7%	5.1%	5.3%
Philadelphia, PA	5.4%	4.9%	4.2%	3.9%	3.7%
Phoenix, AZ	9.6%	9.3%	9.1%	8.9%	8.6%
Pittsburgh, PA	5.6%	6.0%	5.7%	5.7%	4.8%
Portland, OR	4.4%	4.3%	4.0%	3.9%	3.2%
Providence, RI	0.3%	0.2%	0.3%	0.2%	0.2%
Puget Sound - Eastside	5.3%	4.9%	4.7%	4.3%	4.3%
Raleigh/Durham, NC	5.8%	6.2%	5.9%	6.3%	6.1%
Richmond, VA	7.5%	6.9%	6.6%	5.4%	5.1%
Roanoke, VA	8.1%	8.3%	7.2%	8.0%	7.9%
Rochester, NY	10.2%	9.9%	9.6%	9.6%	9.0%
Sacramento, CA	9.4%	8.9%	10.8%	6.2%	5.6%
Salt Lake City, UT	7.0%	7.5%	7.2%	6.1%	5.4%
San Antonio, TX	9.0%	9.6%	9.6%	10.0%	8.9%
San Diego, CA	5.0%	5.1%	5.3%	5.1%	5.1%
San Francisco North Bay, CA	6.5%	5.2%	5.5%	5.2%	5.1%
San Francisco Peninsula, CA	2.8%	2.9%	2.6%	2.6%	2.1%
San Jose (Silicon Valley), CA	2.2%	2.6%	3.3%	3.2%	3.6%
Savannah, GA	2.4%	2.3%	3.0%	3.0%	3.2%
Seattle, WA	4.6%	3.8%	3.8%	3.4%	3.7%
Southern New Hampshire	16.0%	15.8%	15.7%	6.3%	6.8%
St. Louis, MO	7.5%	6.6%	6.9%	6.7%	6.8%
St. Petersburg/Clearwater, FL	5.6%	5.8%	4.7%	4.1%	4.0%
Suburban MD	12.7%	11.6%	10.7%	9.9%	10.5%
Syracuse, NY	10.3%	11.3%	10.6%	10.7%	9.9%
Tampa, FL	6.1%	5.6%	5.5%	5.0%	5.4%
Tucson, AZ	8.6%	8.1%	7.8%	7.4%	7.7%
Tulsa, OK	7.8%	7.4%	7.6%	8.8%	9.1%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p	
United States	\$5.38	\$5.42	\$5.50	\$5.56	\$5.62	\$5.06	\$5.50
Northeast	\$5.53	\$5.65	\$5.87	\$6.02	\$6.13	\$5.87	\$4.87
Midwest	\$4.34	\$4.38	\$4.42	\$4.41	\$4.40	\$4.21	\$4.57
South	\$5.12	\$5.22	\$5.18	\$5.15	\$5.22	\$4.58	\$4.43
West	\$6.96	\$6.99	\$7.14	\$7.43	\$7.78	\$6.93	\$8.47

U.S. Industrial Report Markets	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p	
Atlanta, GA	\$4.22	\$4.17	\$4.20	\$4.31	\$4.35	\$3.75	\$3.52
Austin, TX	\$9.66	\$9.75	\$9.71	\$9.27	\$9.21	\$6.45	n/a
Baltimore, MD	\$5.57	\$5.49	\$5.35	\$5.08	\$4.78	\$4.16	n/a
Binghamton, NY	\$4.81	\$4.81	\$4.71	\$4.70	\$4.64	\$3.90	\$4.29
Birmingham, AL	\$3.57	\$4.70	\$5.01	\$4.18	\$4.23	\$3.85	n/a
Boston, MA	\$6.02	\$6.17	\$6.22	\$6.61	\$6.85	\$6.22	\$7.91
Buffalo, NY	\$4.13	\$4.98	\$4.98	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.02	\$4.06	\$4.08	\$4.24	\$4.41	\$4.44	\$3.36
Charleston, SC	\$5.31	\$5.31	\$5.26	\$5.36	\$5.35	\$5.48	\$4.71
Charlotte, NC	\$5.03	\$5.17	\$5.15	\$5.11	\$5.27	\$4.62	\$3.96
Chicago, IL	\$4.88	\$4.79	\$4.76	\$4.87	\$4.98	\$4.76	\$4.64
Cincinnati, OH	\$4.01	\$3.91	\$4.06	\$4.33	\$4.27	\$3.82	\$3.83
Cleveland, OH	\$3.95	\$3.88	\$3.94	\$3.99	\$4.10	\$3.80	n/a
Colorado Springs, CO	\$6.42	\$7.27	\$7.40	\$8.02	\$7.42	\$6.90	n/a
Columbus, OH	\$3.35	\$3.35	\$3.43	\$3.46	\$3.46	\$3.46	n/a
Dallas/Ft. Worth, TX	\$5.16	\$4.89	\$4.84	\$4.86	\$4.93	\$3.99	\$3.81
Dayton, OH	\$3.22	\$3.19	\$3.21	\$3.32	\$3.32	\$3.40	\$2.97
Denver, CO	\$7.04	\$7.23	\$7.57	\$8.03	\$8.10	\$6.49	\$8.08
Detroit, MI	\$5.25	\$5.26	\$5.26	\$5.36	\$5.53	\$5.14	\$4.92
El Paso, TX	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$4.00	\$3.90
Fort Myers/Naples, FL	\$6.61	\$6.72	\$6.80	\$7.44	\$7.45	\$7.15	\$7.52
Fredericksburg, VA	\$5.83	\$5.65	\$5.67	\$5.76	\$5.68	\$5.77	\$5.04
Ft. Lauderdale, FL	\$9.65	\$9.52	\$8.69	\$8.92	\$9.12	\$8.39	\$8.31
Greenville, SC	\$3.53	\$3.55	\$4.16	\$3.44	\$4.17	\$3.68	\$3.79
Hampton Roads, VA	\$5.18	\$5.21	\$5.42	\$5.08	\$5.07	\$4.86	\$5.64
Hartford, CT	\$4.27	\$4.32	\$4.08	\$4.53	\$4.20	\$4.31	\$3.54
Houston, TX	\$6.19	\$6.12	\$6.14	\$6.23	\$6.28	\$6.12	\$5.94
Indianapolis, IN	\$3.50	\$3.55	\$3.62	\$3.70	\$3.74	\$3.39	\$3.15
Inland Empire CA	\$6.24	\$6.58	\$6.82	\$7.28	\$7.42	\$7.09	\$8.28
Jacksonville, FL	\$3.99	\$4.34	\$4.24	\$4.63	\$4.74	\$4.30	\$3.90
Kansas City, MO	\$4.48	\$4.51	\$4.41	\$4.38	\$4.45	\$3.83	\$4.42
Lakeland, FL	\$4.89	\$4.85	\$5.00	\$5.17	\$5.18	\$5.14	\$5.34
Las Vegas, NV	\$7.78	\$7.86	\$7.27	\$7.88	\$7.76	\$6.41	n/a
Long Island, NY	\$8.25	\$8.53	\$8.86	\$9.97	\$9.25	\$9.02	\$9.93
Los Angeles, CA	\$8.29	\$8.79	\$9.08	\$9.25	\$9.05	\$8.72	\$8.47
Louisville, KY	\$3.63	\$3.67	\$3.68	\$3.76	\$3.76	\$3.68	\$3.26
Memphis, TN	\$2.51	\$2.49	\$2.55	\$2.57	\$2.64	\$2.30	n/a
Miami, FL	\$7.23	\$7.32	\$8.32	\$7.98	\$8.13	\$8.17	\$7.16
Milwaukee, WI	\$4.33	\$4.39	\$4.35	\$4.45	\$4.55	\$3.95	\$4.88
Minneapolis, MN	\$4.67	\$4.78	\$4.78	\$4.79	\$4.80	\$4.52	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p	
Nashville, TN	\$3.97	\$4.14	\$4.07	\$4.18	\$5.14	\$4.98	\$4.04
New Haven, CT	\$5.20	\$5.68	\$5.24	\$5.85	\$5.30	\$4.75	\$5.32
New Jersey - Central	\$6.97	\$7.18	\$7.28	\$7.31	\$7.40	\$6.31	\$6.39
New Jersey - Northern	\$7.71	\$7.71	\$7.90	\$7.60	\$7.78	\$7.56	\$6.28
Northern VA	\$10.89	\$11.11	\$11.12	\$11.15	\$11.16	\$8.87	n/a
Oakland/East Bay, CA	\$8.52	\$8.88	\$9.01	\$9.65	\$9.98	\$9.03	\$10.56
Oklahoma City, OK	\$4.57	\$4.65	\$4.61	\$4.86	\$4.98	\$4.08	\$3.12
Omaha, NE	\$5.22	\$5.55	\$5.41	\$5.63	\$5.57	\$5.20	\$4.85
Orange County, CA	\$10.44	\$10.91	\$11.21	\$11.10	\$11.40	\$9.70	\$12.30
Orlando, FL	\$6.65	\$6.45	\$6.48	\$6.32	\$6.29	\$5.43	\$5.17
Palm Beach County, FL	\$9.35	\$9.64	\$10.71	\$11.12	\$10.62	\$10.12	\$8.15
PA I-81/I-78 Distribution Corridor	\$4.57	\$4.53	\$4.64	\$4.72	\$4.74	\$4.74	n/a
Philadelphia, PA	\$4.52	\$4.65	\$4.63	\$4.81	\$4.95	\$4.25	\$4.30
Phoenix, AZ	\$6.43	\$6.54	\$7.05	\$7.03	\$6.80	\$5.03	\$7.52
Pittsburgh, PA	\$7.70	\$7.72	\$7.84	\$7.54	\$7.09	\$5.01	\$5.11
Portland, OR	\$7.22	\$7.62	\$8.02	\$7.73	\$8.30	\$8.53	\$6.88
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$10.89	\$11.24	\$11.62	\$12.27	\$12.12	\$10.69	\$7.78
Raleigh/Durham, NC	\$6.44	\$7.06	\$6.99	\$7.28	\$7.50	\$5.51	\$6.98
Richmond, VA	\$4.34	\$4.67	\$4.72	\$4.71	\$4.79	\$4.17	\$3.84
Roanoke, VA	\$4.10	\$4.18	\$4.32	\$3.94	\$3.99	\$3.78	\$4.30
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$3.25	\$4.75
Sacramento, CA	\$4.40	\$4.43	\$4.55	\$4.68	\$4.80	\$4.80	\$5.52
Salt Lake City, UT	\$5.40	\$5.47	\$5.45	\$5.37	\$5.49	\$5.06	\$5.72
San Antonio, TX	\$5.83	\$5.85	\$5.98	\$6.04	\$5.77	\$4.97	n/a
San Diego, CA	\$12.12	\$12.00	\$12.12	\$12.00	\$11.76	\$8.76	\$10.20
San Francisco North Bay, CA	\$9.87	\$9.97	\$10.23	\$10.04	\$9.42	\$9.42	\$6.42
San Francisco Peninsula, CA	\$13.50	\$15.95	\$14.12	\$14.72	\$16.18	\$15.18	\$18.68
San Jose (Silicon Valley), CA	\$9.96	\$11.88	\$12.60	\$12.00	\$12.48	\$11.28	\$13.32
Savannah, GA	\$4.55	\$4.79	\$4.75	\$4.75	\$4.69	\$4.32	n/a
Seattle, WA	\$6.04	\$6.61	\$6.73	\$7.15	\$7.38	\$6.65	\$5.95
Southern New Hampshire	\$6.14	\$6.07	\$5.53	\$5.90	\$5.72	\$5.02	\$5.26
St. Louis, MO	\$4.28	\$4.27	\$4.39	\$4.45	\$4.58	\$4.17	\$8.94
St. Petersburg/Clearwater, FL	\$7.61	\$7.34	\$7.72	\$7.93	\$8.05	\$5.96	\$6.44
Suburban MD	\$9.20	\$9.44	\$9.57	\$10.11	\$9.36	\$7.67	n/a
Syracuse, NY	\$3.65	\$3.81	\$3.83	\$3.85	\$4.07	\$4.37	\$3.13
Tampa, FL	\$5.48	\$6.12	\$6.10	\$6.15	\$5.77	\$4.91	\$4.09
Tucson, AZ	\$6.80	\$6.81	\$6.67	\$6.44	\$6.30	\$6.07	\$5.48
Tulsa, OK	\$4.50	\$4.52	\$4.52	\$4.52	\$4.53	\$4.85	\$3.79

p = preliminary

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q2 2017p
United States	14,046,531,597	107,189,445	237,079,831
Northeast	2,119,104,897	15,967,555	28,891,269
Midwest	3,886,798,622	23,405,869	56,302,386
South	4,132,307,732	45,552,246	84,740,445
West	3,908,320,346	22,263,775	67,145,731

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2017	Under Construction as of Q2 2017p
Atlanta, GA	559,993,730	9,659,538	18,348,937
Austin, TX	38,644,449	659,646	964,274
Baltimore, MD	202,439,604	574,856	6,173,519
Binghamton, NY	17,613,764	****	700,000
Birmingham, AL	14,708,455	0	127,000
Boston, MA	131,368,666	342,014	1,004,432
Buffalo, NY	111,277,196	55,000	280,400
Central Valley, CA	114,598,292	899,800	4,405,420
Charleston, SC	64,992,311	893,002	6,113,074
Charlotte, NC	179,957,857	1,509,406	1,345,483
Chicago, IL	1,180,989,237	8,723,232	18,428,814
Cincinnati, OH	282,271,739	1,409,824	3,012,883
Cleveland, OH	491,873,019	977,725	1,648,000
Colorado Springs, CO	31,763,212	0	163,440
Columbus, OH	248,036,749	364,000	6,339,360
Dallas/Ft. Worth, TX	592,329,583	11,104,431	14,589,175
Dayton, OH	114,223,181	873,700	1,503,349
Denver, CO	243,119,997	2,527,522	5,959,170
Detroit, MI	494,341,274	1,257,261	3,273,214
El Paso, TX	52,037,278	0	436,500
Fort Myers/Naples, FL	41,999,724	105,953	282,860
Fredericksburg, VA	10,494,825	0	900,000
Ft. Lauderdale, FL	87,512,218	289,137	1,031,524
Greenville, SC	125,492,543	950,538	694,850
Hampton Roads, VA	96,470,662	329,580	445,000
Hartford, CT	92,730,283	634,000	1,061,850
Houston, TX	412,853,101	3,095,146	2,122,737
Indianapolis, IN	250,704,546	2,041,463	7,222,684
Inland Empire CA	504,886,132	6,603,227	27,207,194
Jacksonville, FL	104,507,696	0	3,343,476
Kansas City, MO	212,037,190	3,995,305	7,473,110
Lakeland, FL	30,928,525	820,316	605,920
Las Vegas, NV	119,620,990	3,601,254	3,387,731
Long Island, NY	130,593,153	0	719,297
Los Angeles, CA	1,077,285,198	1,544,968	8,630,386
Louisville, KY	153,461,087	3,043,625	4,882,895
Memphis, TN	193,376,072	2,641,192	3,193,010
Miami, FL	157,179,499	2,049,276	2,385,130
Milwaukee, WI	198,182,412	682,330	550,337
Minneapolis, MN	105,822,567	766,373	2,254,542

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q2 2017 ^p
Nashville, TN	204,479,749	2,020,132	4,448,300
New Haven, CT	47,798,552	30,000	130,500
New Jersey - Central	338,995,144	4,751,804	5,846,034
New Jersey - Northern	285,876,477	441,600	1,716,735
Northern VA	57,051,702	0	399,485
Oakland/East Bay, CA	204,831,460	161,483	1,499,605
Oklahoma City, OK	70,590,005	345,000	926,200
Omaha, NE	68,235,589	579,256	1,012,695
Orange County, CA	283,176,958	274,185	585,904
Orlando, FL	117,043,071	1,843,183	1,209,615
Palm Beach County, FL	40,517,552	361,690	296,860
PA I-81/I-78 Distribution Corridor	259,997,039	7,588,663	12,438,409
Philadelphia, PA	294,311,006	1,298,650	3,039,169
Phoenix, AZ	307,138,523	2,211,399	3,991,235
Pittsburgh, PA	167,747,744	789,204	395,570
Portland, OR	195,050,921	1,068,870	2,302,100
Providence, RI	77,727,305	n/a	n/a
Puget Sound - Eastside	61,325,797	268,447	386,677
Raleigh/Durham, NC	51,378,896	184,500	871,914
Richmond, VA	95,679,695	397,600	474,333
Roanoke, VA	50,093,282	100,000	250,000
Rochester, NY	73,551,473	0	50,000
Sacramento, CA	141,000,710	443,734	1,212,223
Salt Lake City, UT	125,875,624	600,198	3,117,647
San Antonio, TX	39,305,488	593,726	1,061,068
San Diego, CA	162,738,462	178,336	1,168,757
San Francisco North Bay, CA	21,960,430	125,020	0
San Francisco Peninsula, CA	41,954,253	0	0
San Jose (Silicon Valley), CA	85,154,559	182,000	450,610
Savannah, GA	51,503,655	1,043,671	5,092,142
Seattle, WA	144,096,189	1,433,172	2,647,821
Southern New Hampshire	46,774,564	0	1,404,873
St. Louis, MO	240,081,119	1,735,400	3,583,398
St. Petersburg/Clearwater, FL	47,606,481	291,976	242,000
Suburban MD	48,594,729	216,000	136,666
Syracuse, NY	42,742,531	36,620	104,000
Tampa, FL	78,861,533	387,126	1,241,498
Tucson, AZ	42,742,639	140,160	29,811
Tulsa, OK	60,222,675	42,000	105,000

^p = preliminary

About Cushman & Wakefield

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

Methodology

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

Explanation of Terms

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

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

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

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

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

W/D: Warehouse and or distribution properties.

MFG: Manufacturing properties.

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Regional Map

