

MARKETBEAT

U.S. Industrial

Q3 2017



U.S. INDUSTRIAL

Employment Indicators

	Q3 16	Q3 17	12-Month Forecast
Total Nonfarm Employment	144.7M	146.6M	▲
Industrial Employment	25.2M	25.6M	▲
Unemployment	4.9%	4.3%	▲

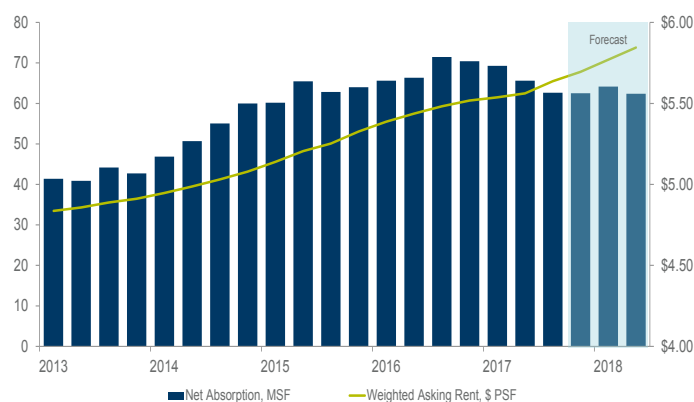
Source: BLS

Market Indicators

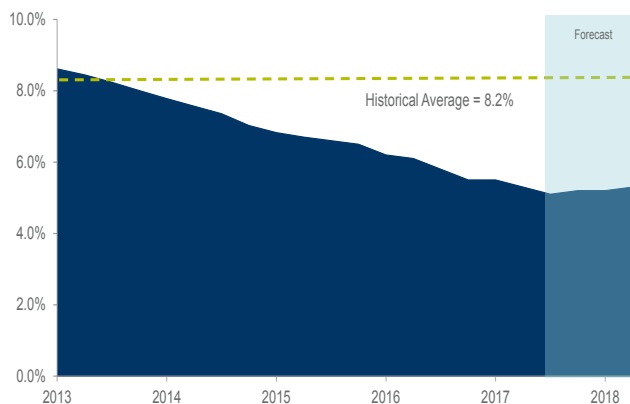
	Q3 16	Q3 17	12-Month Forecast
Overall Vacancy	5.5%	5.1%	▲
Net Absorption	78.5M	66.5M	▲
Under Construction	214.6M	233.1M	▲
Weighted Asking Rent (NNN)	\$5.57	\$5.80	▲
Rent Growth (Yr/Yr % Chg.)	5.1%	4.1%	▲

Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Strong Occupier Demand Surmounts Wave of Historic Supply

Another Solid Year for Industrial: 175.1 million square feet (msf) of new deliveries have hit the market through the first three quarters of 2017, the largest wave of new space delivered in the first nine months of any year. Even so, industrial tenants have absorbed 187.4 msf of space, pushing the vacancy rate downward by 40 basis points (bps) year-over-year to a historic low of 5.1%. Average industrial asking rents for all product types have risen by 4.1% year-over-year to a new high of \$5.80 per square foot (psf). Every industrial segment remains in growth mode with warehousing posting 167.2 msf of net absorption, manufacturing registering 11.3 msf of growth, and flex product experiencing 4.8 msf of net occupancy gains from January through September of this year.

Bigger the Market, Bigger the Leasing and Development: The U.S. industrial market remains on track to eclipse 230 msf of absorption for a fourth consecutive year. Considering that the annual average since 2010 has been 196.8 msf, 2017 will undoubtedly be another solid year. Over one-third of year-to-date absorption is attributable to five core markets: Dallas/Ft. Worth, Atlanta, Inland Empire, Chicago, and the Pennsylvania I-81/I-78 Distribution Corridor—an indication that, despite widespread occupancy gains, the bulk of activity remains concentrated in primary industrial cities. This is also the case with industrial development, as these same five markets account for over one-third of both year-to-date deliveries and product currently under construction.

Strong Fundamentals in Secondary Markets: Strengthening fundamentals in secondary markets have given rise to solid occupancy growth in Kansas City, Greenville, Baltimore, Phoenix, and Cincinnati, among other markets. Over 30 secondary markets have registered more than 1 msf of net absorption through Q3 2017. Notably, average annual rent growth for warehouse space is forecast to be stronger in secondary markets (5.5%) than in primary ones (4.8%) in 2017, although rent growth will be historically strong in both.

Supply Not Overpowering Demand: The construction pipeline is at its highest level this cycle. Despite the increase, supply and demand remain in relative equilibrium in most markets. Speculative projects account for 121.6 msf (or 69.5%) of year-to-date deliveries, and given the tight market, developers continue to break ground. Currently, there is 233.1 msf under construction, of which 150.9 msf is speculative. The greatest concentration of speculative projects is in the South and West regions (52.4 msf and 50.8 msf, respectively). Nationally, 34 markets have over 1 msf of speculative product in the pipeline, but in over half of them, vacancy rates continue to tighten, indicating a need for new supply.

Rents Continue to Run: Strong leasing activity by both traditional industrial users and eCommerce-related occupiers continues to fuel rent growth. U.S. average annual industrial warehouse asking rents have increased 23.7% since 2010, and in Q3 2017 rose 4.5% year-over-year to \$5.10 psf. Among the regions, year-over-year rent growth in Q3 2017 was strongest in the West (8.4%), followed by the Midwest (5.0%) and the South (4.9%). Rents in the Northeast were virtually unchanged (0.2%). Asking rents increased quarter-over-quarter in 48 of the 79 markets tracked by Cushman & Wakefield, with the most notable increases occurring in coastal markets where a lack of available space and fierce competition are pushing rents higher.

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U.S. Economy Powers Through Headwinds

Continued Growth on Horizon: The expansion is sailing forward despite economic uncertainty spurred by multiple hurricanes this season. Although weather snapped the 83-month streak of consecutive job gains, with firms shedding 33,000 nonfarm payrolls in September, it is important not to read too much into a single monthly report. We expect hiring to bounce back. On another positive note, the Institute for Supply Management's (ISM) Purchasing Managers' Index—a measure of the manufacturing sector's health—rose to 60.8 in September, its highest reading since 2004. Seventeen of the 18 manufacturing industries the ISM tracks reported growth while the new orders component rose to a multi-year high (64.6). Those results suggest that the manufacturing sector will continue to churn out goods and drive related logistics demand in the months ahead.

Bustling Ports and Busy Railroads: Other important indicators that correlate well with the industrial sector, such as containerized retail imports, intermodal rail volume, and consumer spending, also continue to trend in a positive direction. Ports are bustling. In August 2017 (the most recent month for which data is available), U.S. retail container ports collectively handled 1.80 million TEUs—the highest monthly containerized import volume on record—surpassing the previous high of 1.78 million TEUs set one month earlier in July. This places Q3 2017 among the strongest quarters ever for containerized retail import activity. Railroads are also setting records. Average weekly intermodal rail volume in September was the second highest ever (behind 2015), with the last two weeks of that month the strongest in the history of U.S. railroads.

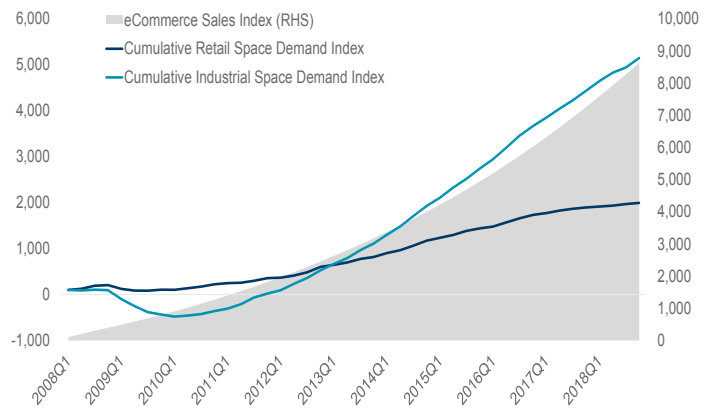
Confident Consumers Bode Well for Logistics: Consumer sentiment and spending also bode well for logistics and industrial demand. We anticipate consumer spending to grow by 2.7% in 2017, the same rate as last year, a pace that has translated into strong eCommerce-driven leasing fundamentals. Since the second quarter of 2016, eCommerce sales are up by more than 16%, the highest rate in five years. Retail sales are expected to pick up as we head into a holiday season that could be the best one in years. We anticipate overall retail sales will grow by 3.8% in 2017, compared to 3.0% in 2016, before accelerating to 4.1% in 2018.

Outlook

- Logistics-related leasing will continue to benefit from solid economic fundamentals that spur increased consumer spending.
- Net absorption will eclipse 230 msf for a fourth year in a row, and will reach 218 msf in 2018.
- Increased speculative supply will place upward pressure on vacancy as supply/demand begin to slowly rebalance in Q4 2017. We forecast average annual vacancy to rise 30 bps in 2018 to 5.3% for all industrial product types.
- Look for continued rental rate appreciation in Q4 2017, with rent growth slowly beginning to decelerate in 2018. We anticipate average annual rent gains of 3.7% in 2017, and 2.9% in 2018, for all industrial product types.

New Demand Reflects eCommerce Dominance/Rise

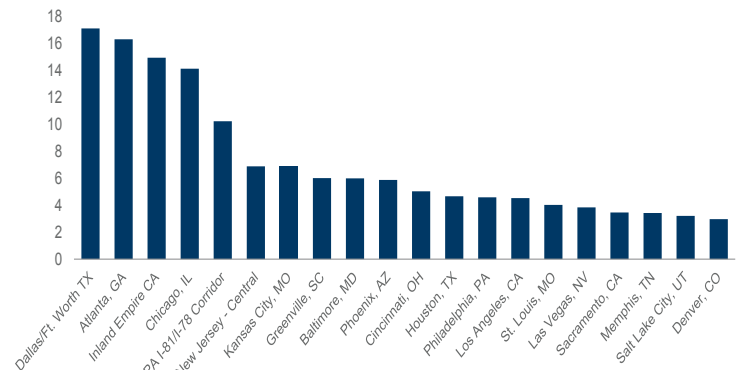
Q1 2008 = 100



Source: U.S. Census Bureau, Cushman & Wakefield Research

Solid Demand in Primary and Secondary Markets

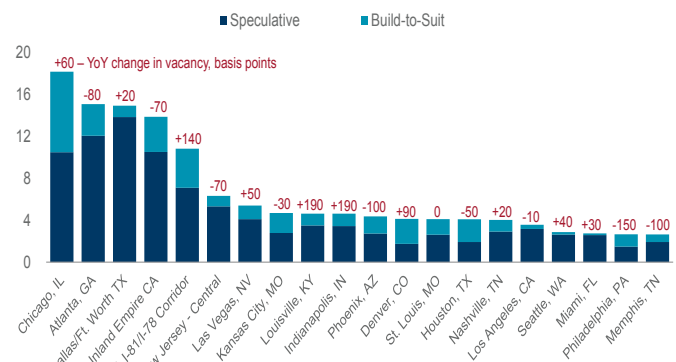
YEAR-TO-DATE NET ABSORPTION (MSF)



Source: Cushman & Wakefield Research

Few Signs of Overbuilding

YEAR-TO-DATE DELIVERIES BY TYPE: (MSF), VACANCY (YOY CHG, BPS)



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p	Q3 2017p
United States	78,483,313	63,129,827	58,229,698	62,638,053	66,513,919	118,981,266
Northeast	17,790,157	7,233,913	5,748,978	12,011,270	8,472,310	17,159,732
Midwest	23,968,635	15,788,785	13,095,694	12,254,016	15,432,229	18,697,924
South	21,353,134	27,857,093	24,562,079	26,155,357	24,810,369	39,194,870
West	15,371,387	12,250,036	14,822,947	12,217,410	17,799,011	43,928,740

U.S. Industrial Report Markets	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p	Q3 2017p
Atlanta, GA	2,245,312	3,546,425	6,399,144	6,264,777	3,648,731	6,414,640
Austin, TX	80,659	116,610	-209,019	134,562	-310,320	516,135
Baltimore, MD	1,029,640	944,082	506,693	2,913,206	2,573,184	1,778,967
Binghamton, NY	80,204	8,605	99,383	80,590	40,000	40,000
Birmingham, AL	826,217	33,863	-340,522	12,600	70,051	174,362
Boston, MA	2,190,787	996,083	-267,560	116,651	-141,078	351,738
Buffalo, NY	500,257	1,217,645	-952,685	94,497	164,966	288,683
Central Valley, CA	971,895	2,031,463	-421,586	90,068	647,686	994,709
Charleston, SC	-42,512	1,001,344	1,211,292	-273,598	-182,081	418,901
Charlotte, NC	1,158,781	1,812,029	756,188	1,145,159	332,705	n/a
Chicago, IL	10,474,949	4,149,725	3,051,662	7,466,514	3,612,071	3,330,265
Cincinnati, OH	1,833,726	556,179	4,407,420	199,615	426,950	1,217,160
Cleveland, OH	331,032	1,187,461	180,990	739,053	119,114	749,456
Colorado Springs, CO	-97,504	-160,026	-54,690	29,210	651,506	234,241
Columbus, OH	1,349,355	2,080,666	193,936	-195,634	1,426,826	2,672,048
Dallas/Ft. Worth, TX	7,200,702	5,298,286	6,771,134	5,587,211	4,758,387	5,541,158
Dayton, OH	306,394	525,747	971,866	204,599	-499,194	135,682
Denver, CO	746,413	596,022	161,477	1,272,015	1,537,380	1,690,291
Detroit, MI	1,070,776	985,441	-59,666	89,640	1,311,972	1,477,521
El Paso, TX	-293,711	-78,692	76,000	357,161	376,794	1,178,035
Fort Myers/Naples, FL	272,489	206,876	218,558	191,401	-31,237	92,915
Fredericksburg, VA	189,844	173,790	-130,887	176,438	73,387	53,081
Ft. Lauderdale, FL	702,011	858,893	570,792	49,340	179,962	870,828
Greenville, SC	1,560,194	1,353,175	1,784,144	1,856,762	2,373,548	637,388
Hampton Roads, VA	-3,892	-359,777	473,881	1,001,321	724,245	291,335
Hartford, CT	866,772	125,862	183,652	261,345	27,817	412,282
Houston, TX	810,247	4,065,736	1,288,474	603,380	2,771,280	6,031,173
Indianapolis, IN	3,108,214	1,848,702	381,033	424,423	2,130,644	3,509,689
Inland Empire CA	3,784,917	3,636,653	4,238,816	3,666,936	7,042,746	11,816,138
Jacksonville, FL	239,728	161,043	288,006	442,976	1,484,796	255,831
Kansas City, MO	1,134,989	1,840,583	2,449,729	2,756,998	1,667,542	2,897,265
Lakeland, FL	231,791	93,900	300,673	-6,466	336,566	832,390
Las Vegas, NV	698,467	955,129	540,804	1,813,670	1,481,844	n/a
Long Island, NY	365,094	-230,288	-74,069	-47,352	233,960	701,149
Los Angeles, CA	1,783,386	250,202	1,770,796	1,031,454	1,727,125	8,759,081
Louisville, KY	491,942	322,851	502,185	56,395	1,219,602	2,138,200
Memphis, TN	695,753	3,011,967	1,719,834	1,219,093	486,717	3,463,589
Miami, FL	624,408	438,808	716,099	-272,557	128,146	1,133,563
Milwaukee, WI	585,596	-12,492	327	201,877	1,484,545	502,233
Minneapolis, MN	459,794	519,293	-361,946	477,473	872,326	n/a

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p	Q3 2017p
Nashville, TN	578,168	2,529,427	628,583	299,720	1,555,256	2,042,981
New Haven, CT	-169,623	293,732	107,072	18,838	5,477	140,064
New Jersey - Central	2,088,582	702,054	1,567,346	2,548,178	2,774,359	4,454,057
New Jersey - Northern	949,477	-449,521	689,129	1,225,925	386,097	1,729,446
Northern VA	293,531	-54,788	133,525	158,067	-20,211	414,613
Oakland/East Bay, CA	-362,897	274,100	370,186	80,753	-1,395,593	1,901,800
Oklahoma City, OK	79,041	-66,220	-56,356	-229,173	-542,074	452,792
Omaha, NE	142,371	204,651	130,509	211,393	282,952	462,168
Orange County, CA	577,174	417,332	160,843	166,577	-247,559	2,484,749
Orlando, FL	671,947	1,013,276	175,456	966,805	381,755	1,287,982
Palm Beach County, FL	351,542	181,815	228,708	174,307	266,198	327,391
PA I-81/I-78 Distribution Corridor	7,608,813	2,326,714	2,255,040	4,629,244	3,344,174	5,652,257
Philadelphia, PA	3,442,237	1,520,977	1,434,070	1,532,321	1,619,450	2,235,613
Phoenix, AZ	2,244,605	1,572,074	2,105,250	1,199,401	2,571,976	3,236,295
Pittsburgh, PA	-175,139	100,230	283,316	765,481	-450,317	488,812
Portland, OR	308,442	529,659	645,643	829,963	870,133	831,879
Providence, RI	115,966	102,292	101,650	87,648	63,199	63,199
Puget Sound - Eastside	256,769	303,774	230,918	74,918	-182,255	604,973
Raleigh/Durham, NC	-172,912	344,104	-58,747	109,980	421,973	694,614
Richmond, VA	75,820	263,746	421,366	594,383	415,115	309,224
Roanoke, VA	354,142	69,980	286,933	1,115,132	247,331	7,769
Rochester, NY	225,539	213,189	-4,470	407,166	117,303	n/a
Sacramento, CA	582,097	183,313	1,504,383	880,488	1,079,135	1,881,915
Salt Lake City, UT	763,231	442,247	1,372,941	1,042,903	798,628	2,382,384
San Antonio, TX	88,610	142,169	-161,720	181,376	550,512	540,509
San Diego, CA	-100,709	431,283	330,736	17,518	844,640	2,550,822
San Francisco North Bay, CA	278,280	104,199	154,809	51,451	44,962	236,393
San Francisco Peninsula, CA	-193,018	72,077	-15,400	225,572	-22,221	394,596
San Jose (Silicon Valley), CA	-420,112	-36,597	179,242	-472,266	-245,318	1,172,980
Savannah, GA	48,052	-358,098	0	1,183,500	n/a	n/a
Seattle, WA	2,512,682	527,043	1,505,694	96,309	561,459	2,565,331
Southern New Hampshire	123,310	18,726	378,928	60,340	184,217	327,204
St. Louis, MO	3,171,439	1,902,829	1,749,834	-321,935	2,596,481	1,744,437
St. Petersburg/Clearwater, FL	-37,440	590,146	130,598	83,096	104,689	219,730
Suburban MD	517,102	250,065	-2,323	-56,959	37,371	245,267
Syracuse, NY	-422,119	287,613	-51,824	230,398	219,989	275,228
Tampa, FL	250,524	146,530	133,614	90,095	617,276	829,507
Tucson, AZ	1,037,269	120,089	42,085	120,470	32,737	190,163
Tulsa, OK	235,404	-196,268	-200,227	25,867	93,420	n/a

p = preliminary

Overall Vacancy Rate	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p
United States	5.5%	5.5%	5.3%	5.3%	5.1%
Northeast	6.3%	6.2%	5.7%	5.5%	5.3%
Midwest	5.4%	5.5%	5.5%	5.4%	5.4%
South	6.6%	6.6%	6.6%	6.5%	6.3%
West	4.1%	4.0%	3.7%	3.6%	3.7%

U.S. Industrial Report Markets	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p
Atlanta, GA	8.6%	9.0%	8.7%	8.4%	7.8%
Austin, TX	7.5%	6.4%	9.5%	8.6%	9.5%
Baltimore, MD	7.0%	6.6%	7.9%	7.3%	6.9%
Binghamton, NY	11.7%	10.8%	11.3%	10.3%	9.8%
Birmingham, AL	9.0%	8.8%	11.4%	11.3%	10.8%
Boston, MA	6.7%	6.4%	6.6%	6.5%	6.4%
Buffalo, NY	8.9%	8.9%	9.2%	9.0%	8.9%
Central Valley, CA	5.2%	3.4%	3.4%	3.8%	3.3%
Charleston, SC	6.8%	6.8%	4.7%	6.0%	8.0%
Charlotte, NC	3.8%	3.6%	3.4%	3.6%	3.6%
Chicago, IL	6.1%	6.3%	6.4%	6.3%	6.7%
Cincinnati, OH	4.2%	4.2%	3.0%	3.3%	3.4%
Cleveland, OH	4.9%	4.6%	4.6%	4.2%	3.8%
Colorado Springs, CO	9.8%	10.1%	9.9%	9.6%	10.0%
Columbus, OH	5.9%	5.5%	5.6%	5.9%	5.1%
Dallas/Ft. Worth, TX	6.6%	6.9%	7.2%	6.9%	6.8%
Dayton, OH	8.1%	8.0%	7.7%	7.6%	8.2%
Denver, CO	3.9%	4.3%	4.9%	4.8%	4.8%
Detroit, MI	4.0%	4.0%	3.5%	3.5%	3.1%
El Paso, TX	7.1%	6.8%	6.8%	5.7%	5.0%
Fort Myers/Naples, FL	3.3%	2.8%	2.2%	2.0%	1.8%
Fredericksburg, VA	8.1%	7.6%	6.6%	5.3%	4.7%
Ft. Lauderdale, FL	5.5%	4.4%	4.5%	4.4%	4.0%
Greenville, SC	6.9%	6.6%	6.5%	6.2%	5.8%
Hampton Roads, VA	6.3%	6.6%	5.1%	5.0%	4.5%
Hartford, CT	11.9%	11.7%	8.1%	8.3%	8.1%
Houston, TX	6.7%	7.1%	7.0%	6.8%	6.2%
Indianapolis, IN	3.6%	3.0%	5.1%	5.1%	5.5%
Inland Empire CA	4.7%	4.4%	4.0%	4.1%	4.0%
Jacksonville, FL	6.5%	6.2%	5.6%	5.4%	4.8%
Kansas City, MO	7.5%	8.3%	8.3%	7.8%	7.2%
Lakeland, FL	4.2%	3.7%	5.1%	5.1%	3.9%
Las Vegas, NV	5.6%	5.1%	5.7%	6.0%	6.1%
Long Island, NY	6.5%	6.6%	6.8%	6.9%	6.5%
Los Angeles, CA	1.3%	1.4%	1.3%	1.2%	1.2%
Louisville, KY	6.2%	6.6%	7.2%	7.7%	8.1%
Memphis, TN	9.2%	8.7%	8.1%	8.4%	8.2%
Miami, FL	4.4%	4.3%	4.2%	5.0%	4.7%
Milwaukee, WI	4.0%	4.4%	4.5%	4.5%	3.8%
Minneapolis, MN	8.4%	8.2%	8.7%	8.7%	8.0%

Overall Vacancy Rate	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p
Nashville, TN	3.1%	2.9%	3.2%	2.9%	3.3%
New Haven, CT	13.2%	12.6%	9.2%	9.8%	9.8%
New Jersey - Central	4.3%	4.2%	4.1%	4.3%	3.6%
New Jersey - Northern	5.9%	5.9%	5.5%	4.8%	4.6%
Northern VA	9.2%	9.2%	8.8%	8.5%	8.7%
Oakland/East Bay, CA	3.1%	2.6%	2.2%	2.4%	3.1%
Oklahoma City, OK	6.7%	7.3%	6.8%	7.5%	9.0%
Omaha, NE	3.2%	3.2%	3.1%	3.3%	3.6%
Orange County, CA	2.2%	2.0%	2.0%	1.9%	1.9%
Orlando, FL	5.1%	4.6%	5.1%	5.6%	5.5%
Palm Beach County, FL	3.8%	4.2%	3.5%	3.6%	3.3%
PA I-81/I-78 Distribution Corridor	3.9%	4.7%	5.1%	5.3%	5.3%
Philadelphia, PA	4.9%	4.2%	3.9%	3.7%	3.4%
Phoenix, AZ	9.3%	9.1%	8.9%	8.6%	8.3%
Pittsburgh, PA	6.0%	5.7%	5.7%	4.8%	4.8%
Portland, OR	4.3%	4.0%	3.9%	3.2%	3.5%
Providence, RI	0.2%	0.3%	0.2%	0.2%	0.1%
Puget Sound - Eastside	4.9%	4.7%	4.3%	4.3%	4.9%
Raleigh/Durham, NC	6.2%	5.9%	6.5%	6.2%	5.5%
Richmond, VA	6.9%	6.6%	5.4%	5.1%	4.8%
Roanoke, VA	8.3%	7.2%	8.0%	7.3%	7.1%
Rochester, NY	9.9%	9.6%	9.6%	9.0%	9.0%
Sacramento, CA	8.9%	10.8%	6.2%	5.6%	4.8%
Salt Lake City, UT	7.5%	7.2%	6.1%	5.4%	5.8%
San Antonio, TX	9.6%	9.6%	9.2%	8.6%	7.4%
San Diego, CA	5.1%	5.3%	5.1%	5.1%	4.8%
San Francisco North Bay, CA	5.2%	5.5%	5.2%	5.1%	5.0%
San Francisco Peninsula, CA	2.9%	2.6%	2.6%	2.1%	2.1%
San Jose (Silicon Valley), CA	2.6%	3.3%	3.2%	3.6%	3.8%
Savannah, GA	2.3%	3.0%	3.0%	3.2%	3.2%
Seattle, WA	3.8%	3.8%	3.4%	3.7%	4.2%
Southern New Hampshire	15.8%	15.7%	6.3%	6.8%	7.5%
St. Louis, MO	6.7%	7.0%	6.7%	6.8%	6.7%
St. Petersburg/Clearwater, FL	5.8%	4.7%	4.1%	4.0%	3.5%
Suburban MD	11.6%	10.7%	9.9%	10.5%	10.4%
Syracuse, NY	11.3%	10.6%	10.7%	9.9%	8.8%
Tampa, FL	5.6%	5.5%	5.0%	5.4%	5.2%
Tucson, AZ	8.1%	7.8%	7.4%	7.1%	8.2%
Tulsa, OK	7.4%	7.6%	8.8%	9.1%	8.9%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p	Q3 2017p	
United States	\$5.57	\$5.63	\$5.68	\$5.70	\$5.80	\$5.10	\$5.56
Northeast	\$6.02	\$6.03	\$6.12	\$6.03	\$6.03	\$5.85	\$4.86
Midwest	\$4.39	\$4.42	\$4.48	\$4.57	\$4.61	\$4.28	\$4.46
South	\$5.18	\$5.21	\$5.22	\$5.26	\$5.44	\$4.63	\$4.59
West	\$7.41	\$7.65	\$7.92	\$7.98	\$8.03	\$6.87	\$8.62

U.S. Industrial Report Markets	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p	Q3 2017p	
Atlanta, GA	\$4.17	\$4.20	\$4.31	\$4.35	\$4.54	\$3.82	\$4.17
Austin, TX	\$9.75	\$9.71	\$9.27	\$9.21	\$9.34	\$6.72	n/a
Baltimore, MD	\$5.49	\$5.35	\$5.08	\$4.78	\$5.10	\$4.54	n/a
Binghamton, NY	\$4.81	\$4.71	\$4.70	\$4.64	\$4.58	\$3.96	\$4.29
Birmingham, AL	\$4.70	\$5.01	\$4.18	\$4.23	\$4.09	\$3.71	n/a
Boston, MA	\$6.17	\$6.22	\$6.61	\$6.85	\$6.97	\$6.37	\$8.07
Buffalo, NY	\$4.98	\$4.98	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.06	\$4.08	\$4.30	\$4.25	\$4.39	\$4.20	\$4.48
Charleston, SC	\$5.31	\$5.26	\$5.36	\$5.35	\$5.48	\$5.65	\$4.71
Charlotte, NC	\$5.17	\$5.15	\$5.11	\$5.27	\$5.29	\$4.65	\$3.96
Chicago, IL	\$4.79	\$4.76	\$4.87	\$4.98	\$5.03	\$4.82	\$4.66
Cincinnati, OH	\$3.91	\$4.06	\$4.33	\$4.27	\$4.33	\$3.95	\$3.85
Cleveland, OH	\$3.88	\$3.94	\$3.99	\$4.10	\$4.12	\$3.82	n/a
Colorado Springs, CO	\$7.27	\$7.40	\$8.02	\$7.42	\$8.48	\$7.01	\$6.65
Columbus, OH	\$3.35	\$3.43	\$3.46	\$3.46	\$3.46	\$3.46	n/a
Dallas/Ft. Worth, TX	\$4.89	\$4.84	\$4.86	\$4.93	\$5.59	\$4.16	\$3.26
Dayton, OH	\$3.19	\$3.21	\$3.32	\$3.32	\$3.33	\$3.54	\$2.96
Denver, CO	\$7.23	\$7.57	\$8.03	\$8.10	\$8.03	\$6.42	\$8.18
Detroit, MI	\$5.26	\$5.26	\$5.36	\$5.53	\$5.56	\$5.22	\$4.88
El Paso, TX	\$3.95	\$3.95	\$3.95	\$3.95	\$4.00	\$4.00	\$3.95
Fort Myers/Naples, FL	\$6.72	\$6.80	\$7.44	\$7.45	\$7.50	\$7.08	\$9.70
Fredericksburg, VA	\$5.65	\$5.67	\$5.71	\$5.69	\$5.73	\$5.29	\$4.62
Ft. Lauderdale, FL	\$9.52	\$8.69	\$8.92	\$9.12	\$9.21	\$8.33	\$8.51
Greenville, SC	\$3.55	\$4.16	\$3.58	\$3.58	\$3.63	\$3.28	\$3.89
Hampton Roads, VA	\$5.21	\$5.42	\$5.08	\$5.05	\$5.00	\$4.74	\$5.85
Hartford, CT	\$4.32	\$4.08	\$4.53	\$4.21	\$4.24	\$4.58	\$3.49
Houston, TX	\$6.12	\$6.14	\$6.23	\$6.28	\$6.40	\$6.17	\$6.28
Indianapolis, IN	\$3.55	\$3.62	\$3.70	\$3.74	\$3.76	\$3.43	\$3.35
Inland Empire CA	\$6.58	\$6.82	\$7.28	\$7.42	\$7.52	\$6.98	\$8.45
Jacksonville, FL	\$4.34	\$4.24	\$4.63	\$4.74	\$4.98	\$4.50	\$4.26
Kansas City, MO	\$4.51	\$4.41	\$4.38	\$4.45	\$4.43	\$3.81	\$4.58
Lakeland, FL	\$4.85	\$5.00	\$5.17	\$5.18	\$5.76	\$5.25	\$5.95
Las Vegas, NV	\$7.86	\$7.27	\$7.88	\$7.76	\$7.30	\$6.06	n/a
Long Island, NY	\$8.53	\$8.86	\$9.97	\$9.25	\$9.21	\$8.97	\$9.75
Los Angeles, CA	\$8.79	\$9.08	\$9.25	\$9.05	\$9.00	\$8.55	\$8.88
Louisville, KY	\$3.67	\$3.68	\$3.76	\$3.76	\$3.70	\$3.59	\$3.43
Memphis, TN	\$2.49	\$2.55	\$2.73	\$2.81	\$2.75	\$2.23	n/a
Miami, FL	\$7.32	\$8.32	\$7.98	\$8.13	\$8.25	\$8.11	\$6.70
Milwaukee, WI	\$4.39	\$4.35	\$4.45	\$4.55	\$4.59	\$4.06	\$4.73
Minneapolis, MN	\$4.78	\$4.78	\$4.79	\$4.80	\$4.90	\$4.63	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017p	Q3 2017p	
Nashville, TN	\$4.14	\$4.07	\$4.18	\$5.14	\$5.03	\$4.91	\$4.06
New Haven, CT	\$5.68	\$5.24	\$5.33	\$4.62	\$5.15	\$4.62	\$5.33
New Jersey - Central	\$7.18	\$7.28	\$7.31	\$7.40	\$7.39	\$6.50	\$6.52
New Jersey - Northern	\$7.71	\$7.90	\$7.60	\$7.78	\$7.82	\$7.72	\$6.07
Northern VA	\$11.11	\$11.12	\$11.15	\$11.16	\$11.12	\$8.97	n/a
Oakland/East Bay, CA	\$8.88	\$9.01	\$9.12	\$10.05	\$9.45	\$9.05	\$10.17
Oklahoma City, OK	\$4.65	\$4.61	\$4.86	\$4.98	\$4.95	\$4.18	\$3.12
Omaha, NE	\$5.55	\$5.41	\$5.63	\$5.57	\$5.57	\$4.90	\$0.00
Orange County, CA	\$10.91	\$11.21	\$11.10	\$11.40	\$10.74	\$9.76	\$9.94
Orlando, FL	\$6.45	\$6.48	\$6.32	\$6.29	\$6.38	\$5.50	\$5.24
Palm Beach County, FL	\$9.64	\$10.71	\$11.12	\$10.62	\$10.56	\$9.96	\$5.27
PA I-81/I-78 Distribution Corridor	\$4.53	\$4.64	\$4.72	\$4.74	\$4.75	\$4.76	\$4.25
Philadelphia, PA	\$4.65	\$4.63	\$4.81	\$4.95	\$4.58	\$4.01	\$3.46
Phoenix, AZ	\$6.54	\$7.05	\$7.03	\$6.80	\$6.80	\$4.99	\$7.70
Pittsburgh, PA	\$7.72	\$7.84	\$7.54	\$7.09	\$7.68	\$5.16	\$5.17
Portland, OR	\$7.62	\$8.02	\$7.73	\$8.34	\$8.38	\$6.94	\$7.78
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$11.24	\$11.62	\$12.27	\$12.12	\$12.24	\$10.71	\$7.56
Raleigh/Durham, NC	\$7.06	\$6.99	\$7.28	\$7.50	\$7.71	\$5.87	\$6.94
Richmond, VA	\$4.67	\$4.72	\$4.70	\$4.80	\$5.03	\$4.40	\$4.26
Roanoke, VA	\$4.18	\$4.32	\$4.43	\$4.76	\$4.99	\$4.73	\$6.10
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$4.85	\$3.25	\$4.75
Sacramento, CA	\$4.43	\$4.55	\$4.68	\$5.04	\$5.28	\$5.02	\$5.55
Salt Lake City, UT	\$5.47	\$5.45	\$5.37	\$5.49	\$5.64	\$5.23	\$5.48
San Antonio, TX	\$5.85	\$5.98	\$6.08	\$5.77	\$5.76	\$4.96	n/a
San Diego, CA	\$12.00	\$12.12	\$12.00	\$11.76	\$11.88	\$8.88	\$10.56
San Francisco North Bay, CA	\$9.97	\$10.23	\$10.04	\$9.42	\$11.64	\$12.84	\$13.20
San Francisco Peninsula, CA	\$15.95	\$14.12	\$14.72	\$16.18	\$16.42	\$15.68	\$18.69
San Jose (Silicon Valley), CA	\$11.88	\$12.60	\$11.88	\$12.24	\$12.12	\$11.04	\$12.84
Savannah, GA	\$4.79	\$4.75	\$4.75	\$4.69	\$4.69	\$4.32	n/a
Seattle, WA	\$6.61	\$6.73	\$7.15	\$7.38	\$7.45	\$6.77	\$5.88
Southern New Hampshire	\$6.07	\$5.53	\$5.90	\$5.72	\$5.62	\$4.91	\$5.34
St. Louis, MO	\$4.27	\$4.39	\$4.45	\$4.58	\$4.62	\$4.23	\$6.98
St. Petersburg/Clearwater, FL	\$7.34	\$7.72	\$7.93	\$8.05	\$7.99	\$5.50	\$6.85
Suburban MD	\$9.44	\$9.57	\$10.11	\$9.36	\$9.21	\$7.61	n/a
Syracuse, NY	\$3.81	\$3.83	\$3.85	\$4.07	\$4.08	\$4.35	\$3.19
Tampa, FL	\$6.12	\$6.10	\$6.15	\$5.77	\$5.85	\$5.02	\$4.20
Tucson, AZ	\$6.81	\$6.67	\$6.44	\$6.29	\$6.37	\$6.08	\$5.54
Tulsa, OK	\$4.52	\$4.52	\$4.52	\$4.53	\$4.54	\$4.87	\$3.79

p = preliminary

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q3 2017p
United States	14,184,082,899	175,121,330	233,139,664
Northeast	2,126,249,356	22,990,154	31,046,483
Midwest	3,906,040,453	41,569,945	51,101,913
South	4,222,836,471	66,811,720	83,178,210
West	3,928,956,619	43,749,511	67,813,058

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2017	Under Construction as of Q3 2017p
Atlanta, GA	566,250,405	15,081,069	14,764,889
Austin, TX	38,842,099	857,296	735,551
Baltimore, MD	204,005,922	2,275,186	7,734,614
Binghamton, NY	17,613,764	0	700,000
Birmingham, AL	14,708,455	0	239,500
Boston, MA	131,629,792	375,455	910,153
Buffalo, NY	111,277,196	55,000	280,400
Central Valley, CA	115,918,565	1,434,726	4,405,420
Charleston, SC	66,147,732	1,825,987	5,673,518
Charlotte, NC	179,957,857	1,509,406	1,345,483
Chicago, IL	1,190,601,524	18,174,074	12,345,925
Cincinnati, OH	283,465,530	2,555,490	2,985,696
Cleveland, OH	491,173,199	1,301,725	2,956,000
Colorado Springs, CO	31,784,430	27,400	956,040
Columbus, OH	249,081,544	556,031	6,321,045
Dallas/Ft. Worth, TX	596,166,524	14,941,372	13,506,691
Dayton, OH	114,340,765	1,145,689	1,337,360
Denver, CO	244,759,750	4,125,630	4,096,565
Detroit, MI	495,580,651	1,775,201	3,365,603
El Paso, TX	52,037,278	0	436,218
Fort Myers/Naples, FL	41,844,642	105,953	393,360
Fredericksburg, VA	13,219,632	900,000	0
Ft. Lauderdale, FL	87,673,380	664,923	1,009,382
Greenville, SC	188,236,790	766,600	0
Hampton Roads, VA	99,984,162	399,580	620,000
Hartford, CT	92,730,283	634,000	398,850
Houston, TX	414,877,322	4,087,158	4,370,915
Indianapolis, IN	253,640,978	4,460,415	7,026,399
Inland Empire CA	512,107,885	13,871,766	28,694,557
Jacksonville, FL	105,540,696	1,033,000	2,185,476
Kansas City, MO	212,730,704	4,688,819	7,185,944
Lakeland, FL	30,906,725	798,516	605,920
Las Vegas, NV	121,600,121	5,400,269	2,816,463
Long Island, NY	130,673,678	24,000	695,297
Los Angeles, CA	1,078,875,024	3,571,366	7,947,993
Louisville, KY	155,050,668	4,628,961	6,323,715
Memphis, TN	192,588,615	2,641,192	4,645,752
Miami, FL	157,928,023	2,747,294	2,762,058
Milwaukee, WI	197,826,440	886,330	1,362,845
Minneapolis, MN	106,052,379	825,015	2,443,423

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q3 2017p
Nashville, TN	205,752,356	4,032,602	4,220,675
New Haven, CT	48,292,201	80,000	0
New Jersey - Central	340,589,581	6,319,357	7,379,818
New Jersey - Northern	286,312,012	657,361	2,256,037
Northern VA	57,131,862	80,160	557,144
Oakland/East Bay, CA	205,014,843	974,185	1,502,582
Oklahoma City, OK	71,065,215	536,200	735,000
Omaha, NE	68,888,299	1,100,736	1,020,955
Orange County, CA	283,736,914	274,185	1,520,658
Orlando, FL	117,336,971	2,131,843	1,836,336
Palm Beach County, FL	41,453,954	415,289	166,392
PA I-81/I-78 Distribution Corridor	262,530,994	10,835,118	14,311,346
Philadelphia, PA	295,816,523	2,661,198	2,469,432
Phoenix, AZ	309,392,931	4,364,574	1,992,949
Pittsburgh, PA	168,147,736	1,189,196	281,150
Portland, OR	196,092,237	2,067,328	2,418,650
Providence, RI	77,727,305	0	n/a
Puget Sound - Eastside	61,482,797	425,447	229,677
Raleigh/Durham, NC	52,208,150	460,500	768,000
Richmond, VA	94,257,888	397,600	726,046
Roanoke, VA	50,333,435	100,000	250,000
Rochester, NY	73,551,473	0	50,000
Sacramento, CA	140,600,555	1,348,678	748,179
Salt Lake City, UT	127,293,336	2,017,910	4,164,423
San Antonio, TX	40,211,544	920,814	1,178,398
San Diego, CA	162,910,024	497,434	2,352,167
San Francisco North Bay, CA	22,086,925	125,020	0
San Francisco Peninsula, CA	41,931,381	0	0
San Jose (Silicon Valley), CA	85,112,391	182,000	450,610
Savannah, GA	51,503,655	1,043,671	5,092,142
Seattle, WA	145,536,940	2,871,622	3,285,991
Southern New Hampshire	46,790,937	122,849	1,000,000
St. Louis, MO	242,658,440	4,100,420	2,750,718
St. Petersburg/Clearwater, FL	47,561,160	341,976	286,000
Suburban MD	48,594,729	216,000	136,666
Syracuse, NY	42,565,881	36,620	364,000
Tampa, FL	79,130,950	724,572	903,852
Tucson, AZ	42,719,570	169,971	230,134
Tulsa, OK	60,327,675	147,000	314,000

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.)

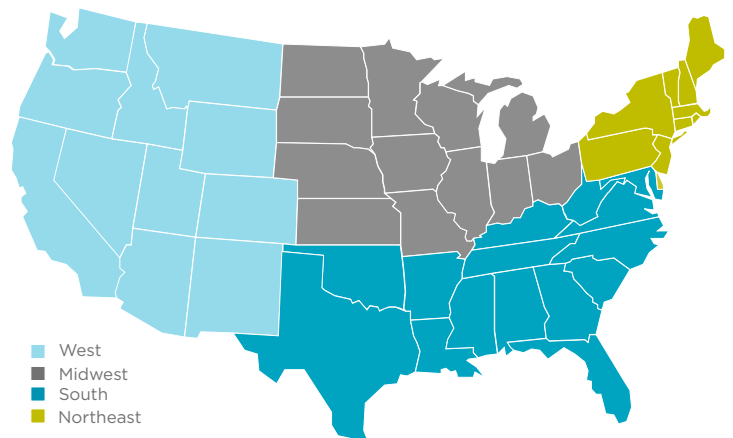
Leasing Activity: The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

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.

Regional Map



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