

MARKETBEAT

U.S. Industrial

Q4 2017



U.S. INDUSTRIAL

Employment Indicators

	Q4 16	Q4 17	12-Month Forecast
Total Nonfarm Employment	145.2M	147.2M	▲
Industrial Employment	25.4M	25.9M	▲
Unemployment	4.7%	4.1%	▼

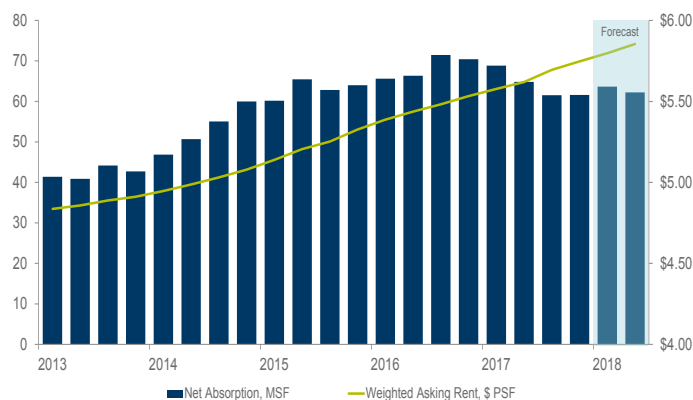
Source: BLS

Market Indicators

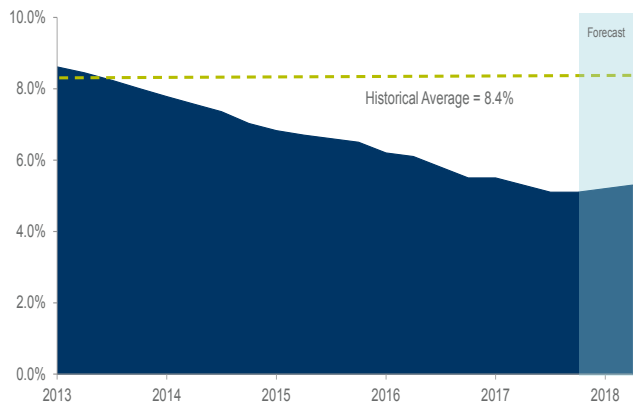
	Q4 16	Q4 17	12-Month Forecast
Overall Vacancy	5.5%	5.1%	▲
Net Absorption	63.1M	63.3M	■
Under Construction	215.6M	242.5M	▲
Weighted Asking Rent (NNN)	\$5.63	\$5.84	▼
Rent Growth (Yr/Yr % Chg.)	4.1%	3.7%	▼

Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Industrial Market Shows No Signs of Slowing

Another Banner Year: U.S. industrial markets absorbed 63.3 million square feet (msf) in the fourth quarter of 2017, boosting net occupancy gains for the year to over 246.3 msf. The U.S. industrial market has now recorded over 240 msf of absorption for four consecutive years—the strongest run on record. The national industrial vacancy rate held at 5.1% for all product types—the lowest rate on record—with market conditions tightening slightly in the Midwest and South. The greatest growth markets in 2017 were Dallas/Ft Worth, Atlanta, the Inland Empire, Chicago and the Pennsylvania I-81/I-78 Distribution Corridor, and together they accounted for 38% of overall U.S. net absorption.

Firing on All Cylinders: Every industrial segment remained in growth mode. Through Q4 2017, warehouse product posted 224.9 msf of net absorption, manufacturing registered 10.2 msf of growth, flex occupancy grew by 7.2 msf and high technology occupancy increased by 2.4 msf. The current industrial expansion is one for the record book. As of January 2018, the industrial sector has registered 31 consecutive quarters of net occupancy gains—the longest expansion ever. It is also among the strongest with net absorption since 2010 surpassing 1.4 trillion square feet.

Tight Conditions: At 5.1%, the U.S. industrial vacancy rate is a full 330 basis points (bps) below the 10-year historical average of 8.4% for all product types. The warehouse market remains tight with vacancy tracking at 5.2% in Q4 2017. Over the past year, logistics-related vacancy has declined 50 bps (from 5.7% to 5.2%) despite the delivery of 168.6 msf of new speculative warehouse product. Strikingly, warehouse vacancy rates remain below prior cycle lows in many industrial markets, with conditions tightening further in Q4 2017 as rates track below 5% in nearly half of all U.S. markets. At year-end 2017, the tightest U.S. markets included Savannah, Los Angeles, Orange County, the San Francisco Peninsula, and Oakland/East Bay, all of which have vacancy rates at 3% or below.

Rents Continue to Run: Healthy demand from logistics and distribution users is fueling rent growth. U.S. industrial rents increased 3.7% in Q4 2017 from a year ago to a record high of \$5.84 per square foot (psf). Industrial rents rose in 62 of 79 markets tracked by Cushman & Wakefield during the same period, with many port-proximate industrial markets reporting double-digit gains. Among the regions, year-over-year rent growth in Q4 2017 was strongest in the West (6.1%), followed by the Midwest (4.4%), South (4.1%) and Northeast (2.6%). Rent growth was strongest in Jacksonville, San Francisco, Nashville, Raleigh/Durham, Oakland/East Bay and Seattle—all markets where rents grew more than 12% in 2017.

Conservative Development: New construction starts rose slightly—by 3.5%—in Q4 2017. Currently, there is 242.5 msf of industrial product under construction, of which 161.6 msf is speculative. Although development remains concentrated in major industrial markets, 42 of the 79 markets tracked have over 1 msf under construction. Given the tight market conditions and strong underlying fundamentals, developers are expected to be conservative in breaking ground on additional speculative projects, which will slowly bring supply and demand fundamentals closer into balance. Nevertheless, concern over the length of the current economic cycle, the increased institutional nature of developers and financial partners, and lack of land and rising construction costs are likely to prevent dramatic increases in speculative development in most markets.

MARKETBEAT

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Q4 2017



Don't Bet Against the U.S. Economy, More Upside than Downside

Solid Footing: The U.S. economy and industrial market are positioned to perform well in 2018. For the fourth quarter, job gains averaged 204,000 a month, the most since the third quarter of 2016. For all of 2017, U.S. firms created nearly 2.1 million net new jobs, down from 2.2 million in 2016 but almost equal to the 2012-2016 average. Renewed confidence in the economy and higher levels of real discretionary income are anticipated to boost retail sales while a stronger U.S. housing market will buttress leasing demand among firms associated with home building and furnishings. Stronger global growth is also expected to support economic growth and leasing fundamentals. In short, the U.S. economy and industrial market enter 2018 on the strongest footing of any year in the current expansion with few signs of slowing.

Paying-Up: Since 2016, the Employment Cost Index—a quarterly economic series detailing the changes in the costs of labor for businesses in the economy—has risen at a faster pace for warehouse workers than for all civilian workers. This trend is mirrored in forecasts for income: the largest growth in real per capita income is projected to be in industrial markets, particularly those in Florida and distribution-centric markets in Pennsylvania and the Midwest. Since labor typically accounts for at least half of traditional warehouse operating costs, the relationship between labor costs and warehouse operations will remain a key theme in 2018, with occupiers increasingly required to pay-up to ramp-up or keep-up warehousing and fulfillment operations.

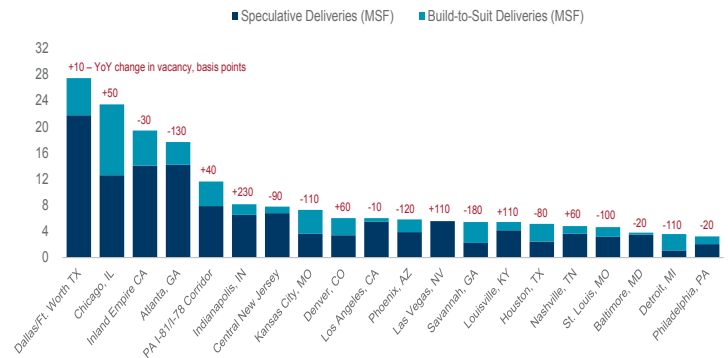
Churning it Out: The U.S. manufacturing sector ended 2017 on a strong note with the ISM manufacturing index rising to 59.7 in December—the second fastest pace of expansion in six years. Buoyed by both domestic and international demand, new orders are surging at their fastest pace in more than 13 years. The ISM index expanded at a torrid pace in the third and fourth quarters of 2017. Since August 2017, the index has consistently tracked above 58.2, a rare occurrence. The only other period in the past 40 years that the ISM registered 58 or higher for that many consecutive months was a streak that lasted from November 2003 to August 2004. The rapid pace of expansion and rising backlog of orders indicates continued production and demand for manufacturing and logistics-related real estate in 2018

Outlook

- Logistics-related leasing will continue to benefit from solid economic fundamentals that spur increased consumer spending.
- Net absorption will once again surpass 200 msf for a fifth year in a row.
- Increased speculative supply will place upward pressure on vacancy as supply/demand begin to slowly rebalance. We forecast average annual vacancy to rise 20 bps in 2018 to 5.3% for all industrial product types.
- Rental rate appreciation will continue, although rent growth will slowly begin to decelerate in 2018. We anticipate average annual rent gains of 2.9% in 2018 for all industrial product types.

Few Signs of Overbuilding

2017 DELIVERIES BY TYPE & YEAR-OVER-YEAR CHANGE IN VACANCY



Source: Cushman & Wakefield Research

Demand in Line with Supply in Many Markets

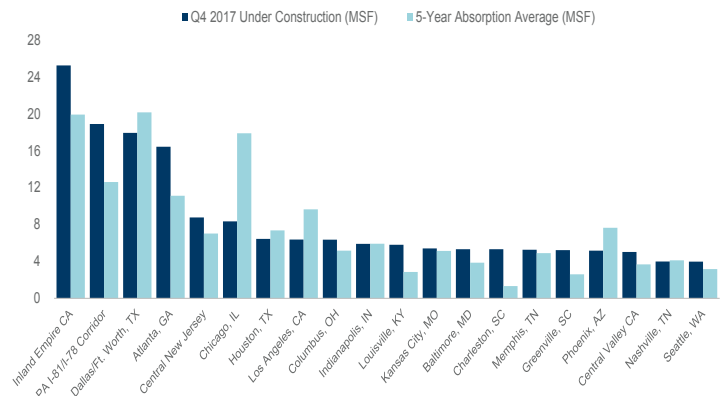
2017 NET ABSORPTION & NEW DELIVERIES (ALL TYPES, % OF INVENTORY)



Source: Cushman & Wakefield Research

Rebalancing of Vacancy Will Occur Slowly

CURRENT CONSTRUCTION COMPARED TO 5-YR ABSORPTION AVERAGE



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity	
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p	Q4 2017p	
United States	63,129,827	56,496,898	61,153,434	65,352,828	63,337,868	126,388,312	
Northeast	7,233,913	5,895,761	12,161,672	8,861,433	5,186,345	17,594,167	
Midwest	15,788,785	12,182,398	11,482,199	14,367,981	20,129,097	19,751,508	
South	27,857,093	24,494,410	26,155,561	25,175,978	21,782,491	41,859,268	
West	12,250,036	13,924,329	11,354,002	16,947,436	16,239,935	47,183,369	

U.S. Industrial Report Markets	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p	Q4 2017p
Atlanta, GA	3,546,425	6,399,144	6,264,777	3,648,731	4,088,694	4,732,413
Austin, TX	116,610	-209,019	134,562	-310,320	333,881	973,567
Baltimore, MD	944,082	506,693	3,729,126	2,000,608	747,727	1,549,674
Binghamton, NY	8,605	99,383	80,590	40,000	67,346	0
Birmingham, AL	33,863	-340,522	12,600	41,451	54,771	62,301
Boston, MA	996,083	-267,560	116,651	-141,078	492,001	1,268,578
Buffalo, NY	1,217,645	-952,685	94,497	164,966	-924,409	246,741
Central Valley, CA	2,031,463	-839,196	608,268	1,117,105	921,226	2,327,454
Charleston, SC	1,001,344	1,329,240	-288,998	-412,412	-129,871	532,312
Charlotte, NC	1,812,029	389,560	1,162,803	349,467	188,684	1,612,913
Chicago, IL	4,149,725	2,230,409	6,553,318	2,099,650	6,156,467	3,417,908
Cincinnati, OH	556,179	4,263,420	186,615	424,580	1,064,784	2,200,770
Cleveland, OH	1,187,461	180,990	739,053	119,114	-287,548	1,556,656
Colorado Springs, CO	-160,026	91,382	-2,312	-226,085	18,596	256,249
Columbus, OH	2,080,666	193,936	-195,634	1,426,826	1,812,261	3,070,633
Dallas/Ft. Worth, TX	5,298,286	7,966,900	6,399,621	6,888,446	4,640,129	6,215,788
Dayton, OH	525,747	621,366	192,475	-148,694	489,070	87,740
Denver, CO	596,022	70,166	1,167,416	1,347,621	1,543,466	1,452,072
Detroit, MI	985,441	10,481	11,961	1,091,403	2,555,549	1,828,706
El Paso, TX	-78,692	76,000	357,161	376,794	321,135	976,900
Fort Myers/Naples, FL	206,876	160,361	196,483	-28,025	73,330	434,591
Fredericksburg, VA	173,790	-133,487	184,638	49,387	56,102	101,200
Ft. Lauderdale, FL	858,893	570,792	49,340	179,962	514,548	1,465,100
Greenville, SC	1,353,175	1,509,164	765,525	502,474	394,982	798,037
Hampton Roads, VA	-359,777	491,781	1,167,591	576,275	-36,520	594,345
Hartford, CT	125,862	183,652	261,345	27,817	135,148	695,034
Houston, TX	4,065,736	1,295,674	788,676	3,209,316	-104,023	4,289,307
Indianapolis, IN	1,848,702	468,287	458,889	2,313,853	3,716,487	3,507,962
Inland Empire CA	3,636,653	4,238,816	3,670,698	7,126,381	4,688,875	8,873,364
Jacksonville, FL	161,043	294,531	604,702	1,826,645	1,423,221	1,011,225
Kansas City, MO	1,840,583	2,458,089	2,917,834	1,682,050	2,117,643	2,323,760
Lakeland, FL	93,900	300,673	30,604	293,766	36,455	180,940
Las Vegas, NV	955,129	753,845	638,981	686,224	1,774,450	2,802,346
Long Island, NY	-230,288	-163,183	60,528	253,587	852,791	954,300
Los Angeles, CA	250,202	1,817,627	1,212,513	1,837,210	1,022,046	5,962,573
Louisville, KY	322,851	516,917	58,395	1,245,202	1,222,039	1,723,917
Memphis, TN	3,011,967	1,719,834	1,219,093	486,717	662,189	2,996,386
Miami, FL	438,808	716,099	-272,557	128,146	730,241	1,473,547
Milwaukee, WI	-12,492	100,727	354,717	1,493,471	-56,043	305,810
Minneapolis, MN	519,293	-361,946	477,473	872,326	825,334	n/a

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p	Q4 2017p
Nashville, TN	2,529,427	625,416	-200,280	1,675,012	120,526	2,101,672
New Haven, CT	293,732	107,072	18,838	5,477	175,696	380,594
New Jersey - Central	702,054	1,765,243	2,548,178	2,809,359	2,184,634	4,445,701
New Jersey - Northern	-449,521	689,129	1,364,765	497,798	1,664,946	1,841,238
Northern VA	-54,788	133,525	158,067	-20,211	35,291	200,986
Oakland/East Bay, CA	274,100	371,786	210,153	-1,569,379	660,234	3,449,032
Oklahoma City, OK	-66,220	-56,356	-229,173	-542,074	n/a	n/a
Omaha, NE	204,651	130,509	146,433	349,921	455,995	283,489
Orange County, CA	417,332	181,240	166,598	-143,511	-261,531	1,950,984
Orlando, FL	1,013,276	169,416	989,386	462,458	789,720	439,455
Palm Beach County, FL	181,815	132,122	174,307	362,784	101,677	505,016
PA I-81/I-78 Distribution Corridor	2,326,714	2,309,040	4,642,512	3,541,623	844,371	5,149,488
Philadelphia, PA	1,520,977	1,418,070	1,422,735	1,437,888	611,009	1,567,135
Phoenix, AZ	1,572,074	2,105,250	1,199,401	2,571,976	2,600,022	6,718,125
Pittsburgh, PA	100,230	283,316	765,481	-650,575	-356,733	507,088
Portland, OR	529,659	645,643	829,963	870,133	-72,333	2,200,213
Providence, RI	102,292	101,650	87,648	63,199	313,632	63,334
Puget Sound - Eastside	303,774	99,512	74,918	-182,255	220,980	526,743
Raleigh/Durham, NC	344,104	-247,778	76,732	317,502	-294,394	641,582
Richmond, VA	263,746	480,166	595,183	705,151	1,022,908	378,429
Roanoke, VA	69,980	-442,290	170,468	95,604	6,011	195,829
Rochester, NY	213,189	-4,470	407,166	407,166	-594,469	45,147
Sacramento, CA	183,313	770,177	483,538	1,379,668	1,426,115	3,020,499
Salt Lake City, UT	442,247	1,372,941	1,042,903	798,628	723,096	1,704,225
San Antonio, TX	142,169	57,024	439,830	135,180	-203,074	0
San Diego, CA	431,283	330,736	17,518	844,640	103,378	1,681,271
San Francisco North Bay, CA	104,199	105,774	46,381	71,827	39,783	317,543
San Francisco Peninsula, CA	72,077	-15,400	233,572	762	15,292	478,477
San Jose (Silicon Valley), CA	-36,597	276,251	-463,286	-177,705	346,282	1,382,977
Savannah, GA	-358,098	0	1,183,500	0	3,855,811	3,855,811
Seattle, WA	527,043	1,505,694	96,309	561,459	251,674	1,608,822
Southern New Hampshire	18,726	378,928	60,340	184,217	-302,661	301,900
St. Louis, MO	1,902,829	1,886,130	-360,935	2,643,481	1,279,098	1,168,074
St. Petersburg/Clearwater, FL	590,146	97,885	174,396	123,416	225,964	150,896
Suburban MD	250,065	-2,323	-56,959	37,371	316,522	728,167
Syracuse, NY	287,613	-51,824	230,398	219,989	23,043	127,889
Tampa, FL	146,530	187,495	90,095	677,735	587,815	936,962
Tucson, AZ	120,089	42,085	120,470	32,737	218,284	470,400
Tulsa, OK	-196,268	-200,227	25,867	93,420	n/a	n/a

p = preliminary

Overall Vacancy Rate	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p
United States	5.5%	5.3%	5.3%	5.1%	5.1%
Northeast	6.2%	5.7%	5.5%	5.3%	5.3%
Midwest	5.5%	5.5%	5.4%	5.4%	5.3%
South	6.6%	6.5%	6.5%	6.2%	6.1%
West	4.0%	3.7%	3.7%	3.7%	3.7%

U.S. Industrial Report Markets	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p
Atlanta, GA	9.0%	8.7%	8.4%	7.8%	7.7%
Austin, TX	6.4%	9.5%	8.6%	9.5%	8.8%
Baltimore, MD	6.6%	7.9%	7.3%	6.9%	6.4%
Binghamton, NY	10.8%	11.3%	10.3%	9.8%	9.9%
Birmingham, AL	8.8%	11.4%	11.3%	10.8%	10.6%
Boston, MA	6.4%	6.6%	6.5%	6.4%	6.2%
Buffalo, NY	8.9%	9.2%	9.0%	8.9%	9.1%
Central Valley, CA	3.4%	3.4%	3.3%	2.8%	3.3%
Charleston, SC	6.8%	4.7%	6.0%	8.0%	8.1%
Charlotte, NC	3.6%	3.4%	3.6%	3.5%	3.4%
Chicago, IL	6.3%	6.4%	6.3%	6.7%	6.8%
Cincinnati, OH	4.2%	3.0%	3.3%	3.4%	3.2%
Cleveland, OH	4.6%	4.6%	4.2%	3.8%	3.9%
Colorado Springs, CO	10.1%	10.1%	10.0%	10.6%	10.7%
Columbus, OH	5.5%	5.6%	5.9%	5.1%	4.7%
Dallas/Ft. Worth, TX	6.9%	7.2%	6.9%	6.8%	7.0%
Dayton, OH	8.0%	7.7%	7.6%	8.2%	8.3%
Denver, CO	4.3%	4.9%	4.8%	4.8%	4.9%
Detroit, MI	4.0%	3.5%	3.5%	3.1%	2.9%
El Paso, TX	6.8%	6.8%	5.7%	5.0%	3.2%
Fort Myers/Naples, FL	2.8%	2.2%	2.0%	1.8%	1.9%
Fredericksburg, VA	7.6%	6.6%	5.3%	4.7%	5.3%
Ft. Lauderdale, FL	4.4%	4.5%	4.4%	4.0%	2.9%
Greenville, SC	6.6%	6.5%	6.2%	5.8%	5.8%
Hampton Roads, VA	6.6%	4.9%	4.7%	4.1%	4.4%
Hartford, CT	11.7%	8.1%	8.3%	8.1%	7.9%
Houston, TX	7.1%	7.0%	6.8%	6.2%	6.3%
Indianapolis, IN	3.0%	5.1%	5.1%	5.5%	5.3%
Inland Empire CA	4.4%	4.0%	4.1%	4.0%	4.1%
Jacksonville, FL	6.2%	5.6%	5.4%	4.8%	4.0%
Kansas City, MO	8.3%	8.3%	7.5%	7.1%	7.2%
Lakeland, FL	3.7%	5.1%	5.1%	3.9%	3.9%
Las Vegas, NV	5.1%	5.2%	5.4%	6.0%	6.2%
Long Island, NY	6.6%	6.8%	6.9%	6.5%	5.6%
Los Angeles, CA	1.4%	1.3%	1.2%	1.2%	1.3%
Louisville, KY	6.6%	7.2%	7.7%	8.1%	7.7%
Memphis, TN	8.7%	8.1%	8.4%	8.2%	7.8%
Miami, FL	4.3%	4.2%	5.0%	4.7%	4.7%
Milwaukee, WI	4.4%	4.5%	4.5%	3.8%	4.1%
Minneapolis, MN	8.2%	8.7%	8.7%	8.0%	8.5%

Overall Vacancy Rate	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p
Nashville, TN	2.9%	3.2%	2.9%	3.3%	3.5%
New Haven, CT	12.6%	9.2%	9.8%	9.8%	9.5%
New Jersey - Central	4.2%	4.1%	4.3%	3.6%	3.3%
New Jersey - Northern	5.9%	5.5%	4.8%	4.6%	4.4%
Northern VA	9.2%	8.8%	8.5%	8.7%	8.4%
Oakland/East Bay, CA	2.6%	2.1%	2.3%	3.3%	3.0%
Oklahoma City, OK	7.3%	6.8%	7.5%	9.0%	9.0%
Omaha, NE	3.2%	3.1%	3.3%	3.6%	3.4%
Orange County, CA	2.0%	2.0%	1.9%	1.9%	1.9%
Orlando, FL	4.6%	5.1%	5.6%	5.5%	5.4%
Palm Beach County, FL	4.2%	3.5%	3.6%	3.3%	2.7%
PA I-81/I-78 Distribution Corridor	4.7%	5.1%	5.3%	5.3%	5.1%
Philadelphia, PA	4.2%	3.9%	3.7%	3.4%	4.0%
Phoenix, AZ	9.1%	8.9%	8.6%	8.3%	7.9%
Pittsburgh, PA	5.7%	5.7%	4.8%	4.8%	5.4%
Portland, OR	4.0%	3.9%	3.2%	3.5%	3.9%
Providence, RI	0.3%	0.2%	0.2%	0.1%	0.1%
Puget Sound - Eastside	4.7%	4.3%	4.3%	4.9%	4.7%
Raleigh/Durham, NC	5.9%	6.5%	6.2%	5.5%	6.0%
Richmond, VA	6.6%	5.0%	4.9%	3.7%	3.7%
Roanoke, VA	7.2%	8.0%	7.3%	7.1%	7.2%
Rochester, NY	9.6%	9.6%	9.0%	9.0%	9.8%
Sacramento, CA	10.8%	7.6%	7.3%	6.3%	5.9%
Salt Lake City, UT	7.2%	6.1%	5.4%	5.8%	5.6%
San Antonio, TX	9.6%	9.1%	8.2%	8.0%	8.8%
San Diego, CA	5.3%	5.1%	5.1%	4.8%	4.8%
San Francisco North Bay, CA	5.5%	5.1%	5.2%	4.8%	4.6%
San Francisco Peninsula, CA	2.6%	2.6%	2.1%	2.1%	2.0%
San Jose (Silicon Valley), CA	3.3%	3.0%	3.4%	3.6%	3.2%
Savannah, GA	3.0%	3.0%	3.2%	3.2%	1.2%
Seattle, WA	3.8%	3.4%	3.7%	4.2%	4.1%
Southern New Hampshire	15.7%	6.3%	6.8%	7.5%	8.2%
St. Louis, MO	7.0%	6.7%	6.8%	6.7%	6.0%
St. Petersburg/Clearwater, FL	4.7%	4.1%	4.0%	3.5%	3.6%
Suburban MD	10.7%	9.9%	10.5%	10.4%	9.7%
Syracuse, NY	10.6%	10.7%	9.9%	8.8%	8.8%
Tampa, FL	5.5%	5.0%	5.4%	5.2%	5.3%
Tucson, AZ	7.8%	7.4%	7.1%	8.2%	6.6%
Tulsa, OK	7.6%	8.8%	9.1%	8.9%	8.9%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p	Q4 2017p	
United States	\$5.63	\$5.66	\$5.69	\$5.80	\$5.84	\$5.18	\$5.62
Northeast	\$6.03	\$6.12	\$6.03	\$6.03	\$6.19	\$6.02	\$4.97
Midwest	\$4.42	\$4.48	\$4.57	\$4.61	\$4.61	\$4.31	\$4.46
South	\$5.21	\$5.22	\$5.26	\$5.45	\$5.41	\$4.66	\$4.73
West	\$7.65	\$7.82	\$7.89	\$7.95	\$8.11	\$7.00	\$8.60

U.S. Industrial Report Markets	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p	Q4 2017p	
Atlanta, GA	\$4.20	\$4.31	\$4.35	\$4.54	\$4.47	\$3.80	\$4.17
Austin, TX	\$9.71	\$9.27	\$9.21	\$9.34	\$9.24	\$6.86	\$8.40
Baltimore, MD	\$5.35	\$5.08	\$4.78	\$5.10	\$5.70	\$5.14	n/a
Binghamton, NY	\$4.71	\$4.70	\$4.64	\$4.58	\$4.57	\$4.09	\$4.29
Birmingham, AL	\$5.01	\$4.18	\$4.23	\$4.09	\$4.02	\$3.71	n/a
Boston, MA	\$6.22	\$6.61	\$6.85	\$6.97	\$8.17	\$7.13	\$9.42
Buffalo, NY	\$4.98	\$4.13	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.08	\$4.32	\$4.25	\$4.24	\$4.75	\$4.65	\$5.13
Charleston, SC	\$5.26	\$5.36	\$5.35	\$5.48	\$5.52	\$5.56	\$4.70
Charlotte, NC	\$5.15	\$5.11	\$5.27	\$5.42	\$5.21	\$4.67	\$3.94
Chicago, IL	\$4.76	\$4.87	\$4.98	\$5.03	\$5.08	\$4.86	\$4.71
Cincinnati, OH	\$4.06	\$4.33	\$4.27	\$4.33	\$4.25	\$3.86	\$3.85
Cleveland, OH	\$3.94	\$3.99	\$4.10	\$4.12	\$4.15	\$3.85	n/a
Colorado Springs, CO	\$7.40	\$6.78	\$7.43	\$7.37	\$7.85	\$7.16	\$6.86
Columbus, OH	\$3.43	\$3.46	\$3.46	\$3.46	\$3.50	\$3.50	n/a
Dallas/Ft. Worth, TX	\$4.84	\$4.86	\$4.93	\$5.59	\$5.06	\$4.06	\$3.85
Dayton, OH	\$3.21	\$3.32	\$3.32	\$3.33	\$3.26	\$3.59	\$2.89
Denver, CO	\$7.57	\$8.03	\$8.10	\$8.03	\$7.96	\$6.42	\$7.63
Detroit, MI	\$5.26	\$5.36	\$5.53	\$5.56	\$5.57	\$5.24	\$5.03
El Paso, TX	\$3.95	\$3.95	\$3.95	\$4.00	\$4.10	\$4.10	\$4.00
Fort Myers/Naples, FL	\$6.80	\$7.44	\$7.45	\$7.50	\$7.61	\$6.99	\$10.07
Fredericksburg, VA	\$5.67	\$5.71	\$5.69	\$5.73	\$5.73	\$5.26	\$4.62
Ft. Lauderdale, FL	\$8.69	\$8.92	\$9.12	\$9.21	\$9.27	\$8.62	\$8.62
Greenville, SC	\$4.16	\$3.58	\$3.58	\$3.63	\$3.60	\$3.26	\$3.82
Hampton Roads, VA	\$5.42	\$5.08	\$5.05	\$5.00	\$5.28	\$5.02	\$5.83
Hartford, CT	\$4.08	\$4.53	\$4.21	\$4.24	\$4.28	\$4.62	\$3.56
Houston, TX	\$6.14	\$6.23	\$6.28	\$6.40	\$6.44	\$6.24	\$6.39
Indianapolis, IN	\$3.62	\$3.70	\$3.74	\$3.76	\$3.80	\$3.51	\$3.37
Inland Empire CA	\$6.82	\$7.28	\$7.42	\$7.52	\$7.61	\$6.89	\$8.01
Jacksonville, FL	\$4.24	\$4.63	\$4.74	\$4.98	\$5.37	\$4.82	\$5.96
Kansas City, MO	\$4.41	\$4.38	\$4.45	\$4.43	\$4.27	\$3.82	\$4.09
Lakeland, FL	\$5.00	\$5.17	\$5.18	\$5.76	\$5.54	\$5.01	\$5.95
Las Vegas, NV	\$7.27	\$7.14	\$6.80	\$6.81	\$6.82	\$6.45	\$6.16
Long Island, NY	\$8.86	\$9.97	\$9.25	\$9.21	\$9.44	\$9.13	\$9.62
Los Angeles, CA	\$9.08	\$9.25	\$9.05	\$9.00	\$9.36	\$8.83	\$9.00
Louisville, KY	\$3.68	\$3.76	\$3.76	\$3.70	\$3.73	\$3.68	\$3.09
Memphis, TN	\$2.55	\$2.73	\$2.81	\$2.75	\$2.75	\$2.14	n/a
Miami, FL	\$8.32	\$7.98	\$8.13	\$8.25	\$8.45	\$8.44	\$6.43
Milwaukee, WI	\$4.35	\$4.45	\$4.55	\$4.59	\$4.64	\$3.92	\$4.87
Minneapolis, MN	\$4.78	\$4.79	\$4.80	\$4.90	\$4.88	\$4.63	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017p	Q4 2017p	
Nashville, TN	\$4.07	\$4.18	\$5.14	\$5.03	\$5.09	\$5.01	\$4.09
New Haven, CT	\$5.24	\$5.33	\$4.62	\$5.15	\$5.35	\$4.80	\$5.33
New Jersey - Central	\$7.28	\$7.31	\$7.40	\$7.39	\$7.58	\$6.84	\$5.70
New Jersey - Northern	\$7.90	\$7.60	\$7.78	\$7.82	\$8.56	\$8.41	\$8.21
Northern VA	\$11.12	\$11.15	\$11.16	\$11.12	\$11.36	\$9.16	n/a
Oakland/East Bay, CA	\$9.01	\$9.12	\$10.17	\$10.10	\$10.43	\$9.74	\$11.21
Oklahoma City, OK	\$4.61	\$4.86	\$4.98	\$4.95	\$4.95	n/a	n/a
Omaha, NE	\$5.41	\$5.63	\$5.57	\$5.57	\$5.55	\$4.91	n/a
Orange County, CA	\$11.21	\$11.10	\$11.40	\$10.74	\$11.24	\$10.06	\$10.35
Orlando, FL	\$6.48	\$6.32	\$6.29	\$6.38	\$6.48	\$5.64	\$5.59
Palm Beach County, FL	\$10.71	\$11.12	\$10.62	\$10.56	\$10.69	\$9.65	\$9.64
PA I-81/I-78 Distribution Corridor	\$4.64	\$4.72	\$4.74	\$4.75	\$4.77	\$4.78	\$4.25
Philadelphia, PA	\$4.63	\$4.81	\$4.95	\$4.58	\$4.51	\$4.10	\$3.43
Phoenix, AZ	\$7.05	\$7.03	\$6.80	\$6.80	\$6.70	\$5.02	\$7.57
Pittsburgh, PA	\$7.84	\$7.54	\$7.09	\$7.68	\$7.58	\$5.55	\$4.69
Portland, OR	\$8.02	\$7.73	\$8.34	\$8.38	\$8.50	\$7.15	\$7.74
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	N/A
Puget Sound - Eastside	\$11.62	\$12.27	\$12.12	\$12.24	\$11.76	\$10.29	\$8.27
Raleigh/Durham, NC	\$6.99	\$7.28	\$7.50	\$7.71	\$8.70	\$5.78	\$8.64
Richmond, VA	\$4.72	\$4.70	\$4.80	\$5.03	\$4.92	\$4.33	\$4.16
Roanoke, VA	\$4.32	\$4.43	\$4.76	\$4.99	\$4.98	\$4.50	\$6.83
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$3.25	\$4.75
Sacramento, CA	\$4.55	\$4.66	\$4.93	\$5.08	\$5.06	\$4.97	\$5.63
Salt Lake City, UT	\$5.45	\$5.37	\$5.49	\$5.64	\$5.82	\$5.34	\$5.79
San Antonio, TX	\$5.98	\$5.79	\$5.79	\$5.75	\$5.79	\$4.98	n/a
San Diego, CA	\$12.12	\$12.00	\$11.76	\$11.88	\$12.36	\$9.00	\$11.16
San Francisco North Bay, CA	\$10.23	\$9.97	\$11.54	\$11.97	\$11.69	\$11.70	\$14.26
San Francisco Peninsula, CA	\$14.12	\$14.72	\$16.18	\$16.42	\$17.72	\$16.85	\$21.28
San Jose (Silicon Valley), CA	\$12.60	\$12.00	\$12.48	\$12.12	\$13.20	\$12.24	\$13.80
Savannah, GA	\$4.75	\$4.75	\$4.69	\$4.69	\$4.62	\$4.33	n/a
Seattle, WA	\$6.73	\$7.15	\$7.38	\$7.45	\$7.61	\$7.07	\$5.90
Southern New Hampshire	\$5.53	\$5.90	\$5.72	\$5.62	\$5.79	\$5.00	\$5.36
St. Louis, MO	\$4.39	\$4.45	\$4.58	\$4.62	\$4.47	\$4.19	\$7.17
St. Petersburg/Clearwater, FL	\$7.72	\$7.93	\$8.05	\$7.99	\$8.12	\$5.84	\$6.69
Suburban MD	\$9.57	\$10.11	\$9.36	\$9.21	\$9.37	\$7.69	n/a
Syracuse, NY	\$3.83	\$3.85	\$4.07	\$4.08	\$4.02	\$4.28	\$3.25
Tampa, FL	\$6.10	\$6.15	\$5.77	\$5.85	\$5.72	\$5.00	\$4.20
Tucson, AZ	\$6.67	\$6.44	\$6.29	\$6.37	\$6.23	\$6.17	\$5.08
Tulsa, OK	\$4.52	\$4.52	\$4.53	\$4.54	\$4.54	n/a	n/a

p = preliminary

Inventory	Inventory	Deliveries 2017	Under Construction as of Q4 2017p
United States	14,254,374,086	246,050,822	242,262,914
Northeast	2,139,863,673	29,097,798	38,522,633
Midwest	3,924,752,709	60,870,674	44,947,061
South	4,251,375,452	98,034,260	89,386,671
West	3,938,382,252	58,048,090	69,606,549

U.S. Industrial Report Markets	Inventory	Deliveries 2017	Under Construction as of Q4 2017p
Atlanta, GA	568,438,801	17,640,102	16,414,186
Austin, TX	39,462,450	1,477,647	950,417
Baltimore, MD	205,536,774	3,804,351	5,322,329
Binghamton, NY	17,403,145	923,000	0
Birmingham, AL	14,708,455	0	239,500
Boston, MA	141,607,860	711,308	1,555,500
Buffalo, NY	110,514,178	55,000	280,400
Central Valley, CA	116,842,208	2,616,865	5,027,589
Charleston, SC	65,973,979	1,759,985	5,322,048
Charlotte, NC	181,614,083	3,135,440	1,147,512
Chicago, IL	1,195,588,067	23,404,358	8,336,508
Cincinnati, OH	284,181,583	3,231,543	3,097,603
Cleveland, OH	491,336,124	1,821,725	3,662,000
Colorado Springs, CO	31,679,942	37,800	825,000
Columbus, OH	249,696,461	1,109,810	6,349,191
Dallas/Ft. Worth, TX	606,575,493	27,413,196	17,925,189
Dayton, OH	115,338,432	1,852,889	1,041,350
Denver, CO	246,663,515	6,026,330	3,934,602
Detroit, MI	497,962,535	3,584,663	3,802,353
El Paso, TX	52,323,996	286,718	236,542
Fort Myers/Naples, FL	41,973,946	217,453	349,560
Fredericksburg, VA	13,529,712	900,000	0
Ft. Lauderdale, FL	87,825,789	664,923	1,538,751
Greenville, SC	190,163,844	1,011,100	5,229,327
Hampton Roads, VA	97,358,305	599,580	245,000
Hartford, CT	92,879,133	782,850	123,200
Houston, TX	416,388,219	5,145,688	6,438,689
Indianapolis, IN	256,848,077	8,153,415	5,904,630
Inland Empire CA	517,858,172	19,402,682	25,223,635
Jacksonville, FL	107,082,686	2,573,476	814,005
Kansas City, MO	215,287,073	7,275,990	5,403,324
Lakeland, FL	30,898,925	790,716	636,120
Las Vegas, NV	117,324,620	5,564,750	1,947,244
Long Island, NY	130,769,166	24,000	695,297
Los Angeles, CA	1,080,641,455	6,020,423	6,365,058
Louisville, KY	155,848,256	5,426,549	5,798,798
Memphis, TN	192,588,615	2,641,192	5,261,192
Miami, FL	157,981,410	3,067,904	3,172,892
Milwaukee, WI	198,105,182	1,287,067	906,316
Minneapolis, MN	108,663,837	3,092,587	1,627,979

Inventory	Inventory	Deliveries 2017	Under Construction as of Q4 2017p
Nashville, TN	207,995,787	4,805,642	3,996,135
New Haven, CT	48,292,201	80,000	935,500
New Jersey - Central	341,321,388	7,785,164	8,757,684
New Jersey - Northern	287,598,708	2,005,865	2,147,654
Northern VA	57,131,862	80,160	557,144
Oakland/East Bay, CA	205,185,318	1,240,589	3,470,319
Oklahoma City, OK	71,065,215	536,200	735,000
Omaha, NE	69,083,789	1,407,829	976,862
Orange County, CA	283,793,824	274,185	1,520,658
Orlando, FL	118,245,488	3,032,432	1,096,983
Palm Beach County, FL	41,495,816	415,289	166,392
PA I-81/I-78 Distribution Corridor	263,583,781	11,615,118	18,884,195
Philadelphia, PA	296,281,456	3,233,678	3,604,829
Phoenix, AZ	310,643,801	5,828,136	5,170,358
Pittsburgh, PA	168,316,886	1,358,346	308,769
Portland, OR	197,493,348	2,692,461	3,655,414
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	60,672,519	489,397	157,363
Raleigh/Durham, NC	52,082,803	460,500	136,500
Richmond, VA	94,625,913	770,333	215,447
Roanoke, VA	50,476,603	100,000	250,000
Rochester, NY	73,551,473	0	50,000
Sacramento, CA	140,875,778	1,298,734	787,605
Salt Lake City, UT	127,853,135	2,577,709	3,740,923
San Antonio, TX	39,577,534	1,328,065	827,217
San Diego, CA	162,974,353	586,434	3,125,499
San Francisco North Bay, CA	22,488,843	125,020	0
San Francisco Peninsula, CA	41,891,409	0	0
San Jose (Silicon Valley), CA	85,166,687	182,000	450,610
Savannah, GA	55,642,703	5,435,719	3,388,742
Seattle, WA	145,579,922	2,914,604	3,974,538
Southern New Hampshire	47,297,525	122,849	1,000,000
St. Louis, MO	242,661,549	4,648,798	3,838,945
St. Petersburg/Clearwater, FL	47,882,791	659,976	0
Suburban MD	48,638,129	216,000	182,834
Syracuse, NY	42,719,468	400,620	179,605
Tampa, FL	79,913,395	1,490,924	478,220
Tucson, AZ	42,753,403	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 with 45,000 employees in more than 70 countries helping occupiers and investors optimize the value of their real estate. 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. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Methodology

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

Explanation of Terms

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

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

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

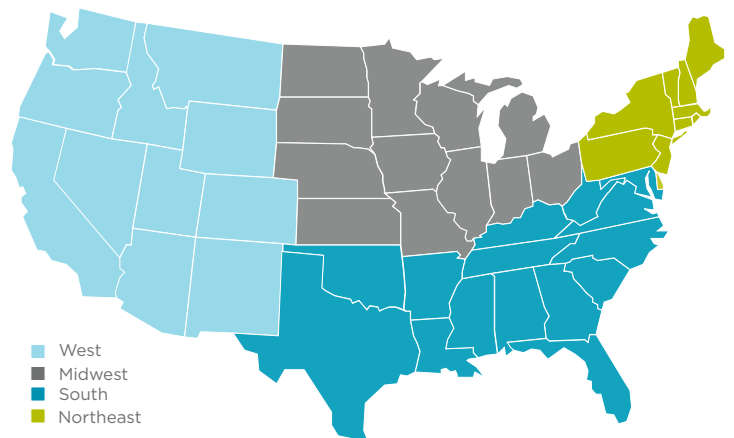
Leasing Activity: The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

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

W/D: Warehouse and or distribution properties.

MFG: Manufacturing properties.

Regional Map



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