

# MARKETBEAT

## U.S. Industrial

### Q1 2018



#### U.S. INDUSTRIAL

##### Employment Indicators

	Q1 17	Q1 18	12-Month Forecast
Total Nonfarm Employment	145.8M	148.1M	▲
Industrial Employment	31.5M	32.3M	▲
Unemployment	4.7%	4.1%	▼

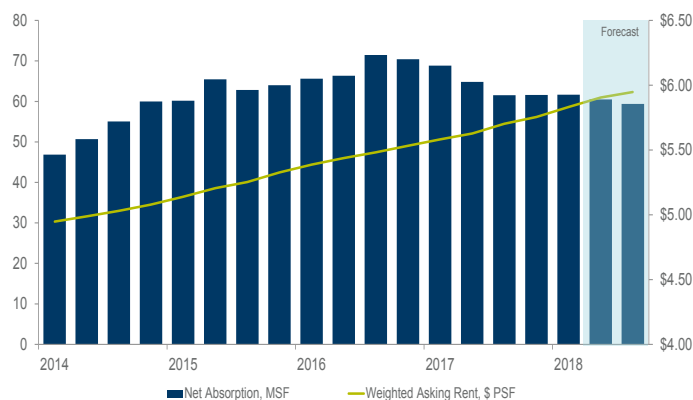
Source: BLS

##### Market Indicators

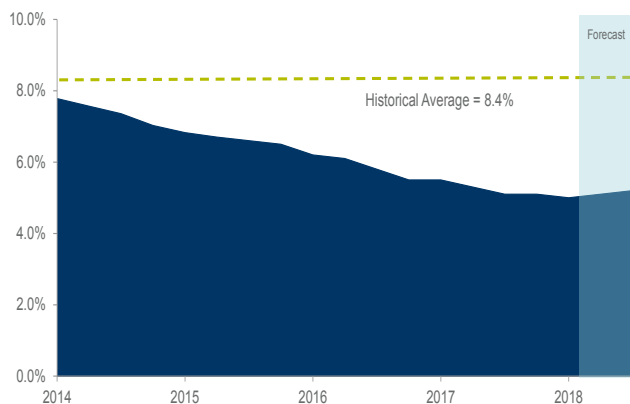
	Q1 17	Q1 18	12-Month Forecast
Overall Vacancy	5.3%	5.0%	▲
Net Absorption	56.5M	56.9M	▲
Under Construction	218.4M	251.3M	▲
Weighted Asking Rent (NNN)	\$5.68	\$5.99	▲
Rent Growth (Yr/Yr % Chg.)	4.1%	5.4%	▲

##### Net Absorption/Rent NNN

###### 4-QTR TRAILING AVERAGE



##### Overall Vacancy



Source: Cushman & Wakefield Research

## No Signs of Slowing

**Strong Start:** U.S. industrial markets absorbed 56.9 million square feet (msf) in the first quarter of 2018 (Q1 2018), making it the fourth strongest start to a year of the past 30 years; only the record-setting 2016 and prior cycle highs of 2007 and 1999 were stronger. Each U.S. region performed well during the quarter, with the South and West leading absorption gains and the Northeast posting the greatest year-over-year improvement. Absorption in the Midwest remained solid, in line with 2016/2017 tallies. Leasing velocity accelerated in half of the U.S. markets, with more than three-quarters of the country registering net occupancy gains. Demand for U.S. industrial space is expected to remain strong throughout 2018, with quarterly net absorption forecast to average 58.1 msf. While that forecast is lower than the quarterly average of 61.6 msf of actual net absorption in 2017, it is higher than the 56.4 msf of quarterly net absorption of the past seven years.

**Broad-Based Gains:** Occupancy gains were broad-based in Q1 2018, with logistics product absorbing 51.0 msf, manufacturing footprints expanding by 2.4 msf, and flex growing by 2.9 msf. The Midwest led manufacturing and flex activity, while the West and South regions had the strongest warehouse performance. Logistics-related leasing was driven by the Inland Empire, Pennsylvania I-81/I-78 Distribution Corridor, Atlanta, Central New Jersey, Dallas, Miami and Kansas City; these markets combined accounted for more than half the nation's warehouse absorption. Chicago, Philadelphia, San Jose, Cincinnati, and Hartford registered the best performance in manufacturing product. For flex space, Salt Lake City, Miami, Detroit, Milwaukee, Pittsburgh, Kansas City, and Minneapolis accounted for nearly 90% of the segment's growth.

**Nowhere to Go:** The industrial market continued to tighten in Q1 2018 with vacancy rates falling in two-thirds of the country. At 5.0%, the U.S. overall vacancy rate is a full 330 basis points (bps) below the 10-year historical average of 8.4% for all product types. The tightest U.S. markets include Savannah, Los Angeles, San Francisco, Orange County, Fort Myers/Naples, San Jose, Central New Jersey and El Paso, all of which have headline vacancy rates of 3% or lower. Logistics-related vacancy declined by 10 bps in Q1 2018 despite the delivery of 43.3 msf of speculative warehouse product. Space options are particularly tight in the 100,000-to-250,000-square-foot size segment where new supply has lagged, and leasing demand has recently spiked. Deal volume by tenants taking space in the 250,000-to-500,000-square-foot segments was up 16.9% in the quarter, while activity in the bulk segment of 500,000-square-feet and above continued to decline gradually from its Q3 2017 peak. The amount of available logistics space and its characteristics will remain a key storyline in 2018: 61.2% of available logistics space is more than 20 years old, and over half of it possesses clear heights below 28 feet. That presents limited options for tenants seeking modern space.

**Rents Rising Faster:** Rent growth accelerated in Q1 2018, with more room to run. U.S. industrial rents increased 5.4% in Q1 2018 from a year ago, rising in 59 of 79 markets tracked by Cushman & Wakefield; 19 markets reported double-digit gains. Among the regions, year-over-year rent growth was strongest in the South (7.1%) and West (6.0%) and more moderate in the Midwest (4.9%) and Northeast (4.1%). The highest rent growth was in Seattle, Sacramento, San Francisco, Jacksonville, Nashville, Raleigh/Durham and Oakland—all markets where rents increased more than 14% year-over-year. Although overall industrial rents currently stand at a record high of \$5.99 per square foot (psf), on an inflation-adjusted basis they remain 4.9% below the level at the height of the last cycle. Strong occupier demand for high-quality space and infill sites capable

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of supporting omnichannel fulfillment amid a historically tight market mean 2018 is expected to be another year of robust rent growth.

**Development Picking Up:** New construction starts rose by 3.6% nationally in Q1 2018 with 42 markets reporting development levels increasing quarter-over-quarter. The largest uptick in construction activity occurred in the South and West regions, as is often the case during any first quarter when seasonality limits activity in the Northeast and Midwest. Currently, there is 251.3 msf of industrial product under construction, of which 164.1 msf is speculative. Although five markets—Inland Empire, Dallas, Pennsylvania I-81/I-78 Distribution Corridor, Atlanta, and Central Valley California—account for over one-third of the development pipeline, 47 markets have more than 1 msf under construction. Activity is expected to increase, but increasing construction costs, scarcity of entitled land and labor, discerning lenders, and caution among developers diminished the likelihood that supply will outstrip demand.

### Full Speed Ahead

**Demand Drivers Look Great:** Economic fundamentals remain solid, underpinned by a strong job market. An average of 202,000 new jobs have been created every month in 2018—more than the monthly averages in both 2016 and 2017. Industrial output rose 3.2% in the six months ending February—the largest 6-month growth rate for any period since 2010. Intermodal rail volume—which correlates closely with warehouse demand—rolled to its second highest weekly average ever in February, and March volume following was the strongest March on record. Strength is also evident in U.S. retail sales for March, which recorded an increase in sales at auto dealers, furniture and home stores, and electronic and appliance sellers.

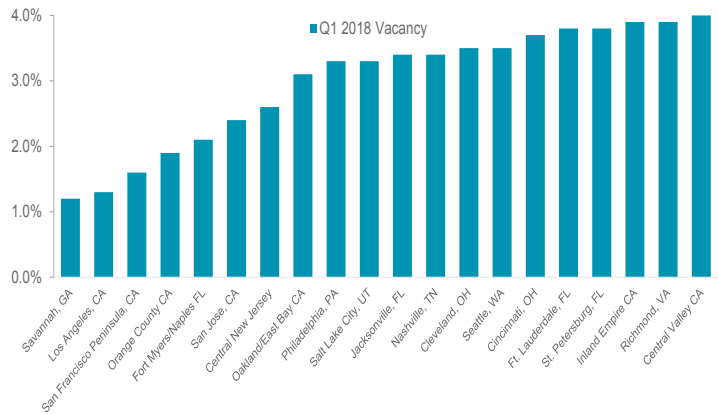
**Trade Rhetoric vs. Reality:** Trade rhetoric has roiled equity markets and interjected a layer of complexity for logisticians. Trade reality is much different than the rhetoric. Little formal trade policy has taken effect and many countries initially subjected to steel and aluminum tariffs have received exemptions. NAFTA negotiations are showing signs of promise, and recent dialogue between the U.S. and China has taken a more conciliatory tone. Trade policy and geopolitical threats will remain headwinds but a strong job market, rising incomes that allow consumers to purchase more, elevated confidence that emboldens them to spend, and strong corporate earnings that encourage businesses to invest all point to stronger growth in 2018.

### Outlook

- Demand drivers point to growth in 2018 with strong absorption in markets with sufficient supply and robust rent growth in markets facing supply constraints.
- We forecast total retail and food sales to accelerate to 5.2%, and for eCommerce sales to grow by 16.4%, in 2018.
- Net absorption is expected to surpass 230 msf in 2018 for the third year in a row, and eclipse 200 msf in 2019 for a sixth year.
- Developers will exercise caution, with deliveries modestly outpacing demand, allowing vacancy rates to hover in the 5% range through 2018/2019.
- Rent growth will remain strong in 2018, softening slowly late in the year with rent growth gradually decelerating in 2019.

### Tight Market Conditions Continue

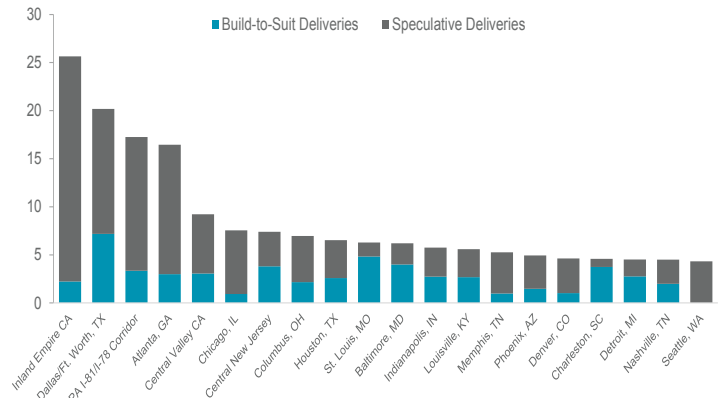
#### OVERALL INDUSTRIAL VACANCY RATE



Source: Cushman & Wakefield Research

### Development Pipeline Is Growing

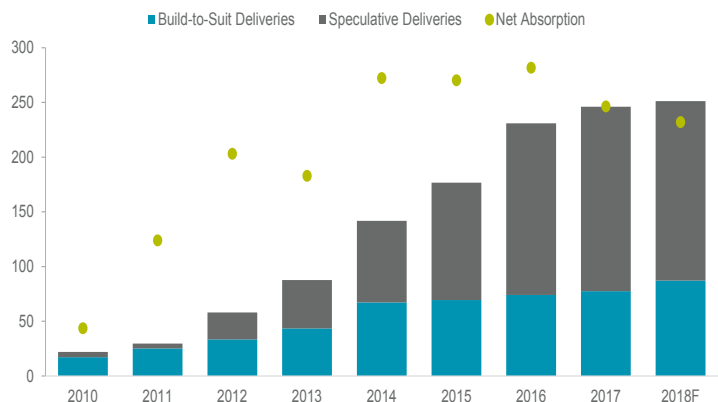
#### UNDER CONSTRUCTION (MSF)



Source: Cushman & Wakefield Research

### Supply Will Not Run Away From Demand

#### DELIVERIES BY TYPE AND NET ABSORPTION (MSF)



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p	Q1 2018p
United States	56,496,898	61,153,434	65,352,828	63,337,868	56,855,055	108,216,084
Northeast	5,895,761	12,161,672	8,861,433	5,186,345	10,728,051	14,846,171
Midwest	12,182,398	11,482,199	14,367,981	20,129,097	11,033,792	24,609,432
South	24,494,410	26,155,561	25,175,978	21,782,491	18,395,360	30,039,151
West	13,924,329	11,354,002	16,947,436	16,239,935	16,697,852	38,721,330

U.S. Industrial Report Markets	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p	Q1 2018p
Atlanta, GA	6,399,144	6,264,777	3,648,731	4,088,694	4,742,224	5,172,040
Austin, TX	-209,019	134,562	-310,320	333,881	88,415	585,256
Baltimore, MD	506,693	3,729,126	2,000,608	747,727	461,676	602,386
Binghamton, NY	99,383	80,590	40,000	67,346	0	0
Birmingham, AL	-340,522	12,600	41,451	54,771	73,651	139,940
Boston, MA	-267,560	116,651	-141,078	492,001	278,374	1,523,439
Buffalo, NY	-952,685	94,497	164,966	-924,409	-419,352	419,764
Central Valley, CA	-839,196	608,268	1,117,105	921,226	1,294,976	2,326,487
Charleston, SC	1,329,240	-288,998	-412,412	-129,871	123,934	766,396
Charlotte, NC	389,560	1,162,803	349,467	188,684	398,436	777,456
Chicago, IL	2,230,409	6,553,318	2,099,650	6,156,467	3,974,101	7,156,627
Cincinnati, OH	4,263,420	186,615	424,580	1,064,784	915,287	1,620,185
Cleveland, OH	180,990	739,053	119,114	-287,548	1,362,622	1,163,404
Colorado Springs, CO	91,382	-2,312	-226,085	18,596	201,930	257,834
Columbus, OH	193,936	-195,634	1,426,826	1,812,261	320,010	1,552,032
Dallas/Ft. Worth, TX	7,966,900	6,399,621	6,888,446	4,640,129	3,232,198	4,877,241
Dayton, OH	621,366	192,475	-148,694	489,070	-74,859	53,260
Denver, CO	70,166	1,167,416	1,347,621	1,543,466	202,718	1,185,633
Detroit, MI	10,481	11,961	1,091,403	2,555,549	-226,368	2,028,359
El Paso, TX	76,000	357,161	376,794	321,135	372,123	773,195
Fort Myers/Naples, FL	160,361	196,483	-28,025	73,330	-43,593	363,581
Fredericksburg, VA	-133,487	184,638	49,387	56,102	868,508	101,843
Ft. Lauderdale, FL	570,792	49,340	179,962	514,548	-82,052	983,300
Greenville, SC	1,509,164	765,525	502,474	394,982	1,800,991	1,795,119
Hampton Roads, VA	491,781	1,167,591	576,275	-36,520	302,709	349,160
Hartford, CT	183,652	261,345	27,817	135,148	337,698	372,597
Houston, TX	1,295,674	788,676	3,209,316	-104,023	57,739	2,276,680
Indianapolis, IN	468,287	458,889	2,313,853	3,716,487	647,116	3,074,876
Inland Empire CA	4,238,816	3,670,698	7,126,381	4,688,875	6,291,318	9,154,302
Jacksonville, FL	294,531	604,702	1,826,645	1,423,221	368,066	859,657
Kansas City, MO	2,458,089	2,917,834	1,682,050	2,117,643	2,037,146	2,796,834
Lakeland, FL	300,673	30,604	293,766	36,455	354,284	127,780
Las Vegas, NV	753,845	638,981	686,224	1,774,450	1,600,411	1,143,282
Long Island, NY	-163,183	60,528	253,587	852,791	-325,352	667,050
Los Angeles, CA	1,817,627	1,212,513	1,837,210	1,022,046	1,493,698	9,994,018
Louisville, KY	516,917	58,395	1,245,202	1,222,039	1,637,427	1,203,388
Memphis, TN	1,719,834	1,219,093	486,717	662,189	n/a	n/a
Miami, FL	716,099	-272,557	128,146	730,241	2,060,051	2,036,406
Milwaukee, WI	100,727	354,717	1,493,471	-56,043	813,894	480,259
Minneapolis, MN	-361,946	477,473	872,326	825,334	592,886	n/a

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p	Q1 2018p
Nashville, TN	625,416	-200,280	1,675,012	120,526	363,767	908,645
New Haven, CT	107,072	18,838	5,477	175,696	112,991	197,598
New Jersey - Central	1,765,243	2,548,178	2,809,359	2,184,634	3,890,321	4,173,654
New Jersey - Northern	689,129	1,364,765	497,798	1,664,946	-117,749	2,208,903
Northern VA	133,525	158,067	-20,211	35,291	16,212	558,873
Oakland/East Bay, CA	371,786	210,153	-1,569,379	660,234	-178,872	1,623,432
Oklahoma City, OK	-56,356	-229,173	-542,074	N/A	-3,545	282,099
Omaha, NE	130,509	146,433	349,921	455,995	-136,317	159,588
Orange County, CA	181,240	166,598	-143,511	-261,531	-130,959	1,740,922
Orlando, FL	169,416	989,386	462,458	789,720	587,900	681,534
Palm Beach County, FL	132,122	174,307	362,784	101,677	73,537	454,298
PA I-81/I-78 Distribution Corridor	2,309,040	4,642,512	3,541,623	844,371	4,777,838	3,109,193
Philadelphia, PA	1,418,070	1,422,735	1,437,888	611,009	1,139,650	1,531,487
Phoenix, AZ	2,105,250	1,199,401	2,571,976	2,600,022	1,394,165	1,836,246
Pittsburgh, PA	283,316	765,481	-650,575	-356,733	912,161	285,801
Portland, OR	645,643	829,963	870,133	-72,333	-633,444	1,452,233
Providence, RI	101,650	87,648	63,199	313,632	71,456	71,456
Puget Sound - Eastside	99,512	74,918	-182,255	220,980	524,863	763,351
Raleigh/Durham, NC	-247,778	76,732	317,502	-294,394	143,571	572,717
Richmond, VA	480,166	595,183	705,151	1,022,908	-135,089	555,002
Roanoke, VA	-442,290	170,468	95,604	6,011	480,115	241,088
Rochester, NY	-4,470	407,166	407,166	-594,469	101,023	34,609
Sacramento, CA	770,177	483,538	1,379,668	1,426,115	1,260,063	1,282,663
Salt Lake City, UT	1,372,941	1,042,903	798,628	723,096	1,039,351	616,141
San Antonio, TX	57,024	439,830	135,180	-203,074	76,360	488,528
San Diego, CA	330,736	17,518	844,640	103,378	-85,162	1,667,853
San Francisco North Bay, CA	105,774	46,381	71,827	39,783	-107,480	106,181
San Francisco Peninsula, CA	-15,400	233,572	762	15,292	26,778	162,000
San Jose (Silicon Valley), CA	276,251	-463,286	-177,705	346,282	683,222	1,261,451
Savannah, GA	0	1,183,500	0	3,855,811	0	0
Seattle, WA	1,505,694	96,309	561,459	251,674	1,762,853	2,015,848
Southern New Hampshire	378,928	60,340	184,217	-302,661	-118,498	189,254
St. Louis, MO	1,886,130	-360,935	2,643,481	1,279,098	808,274	4,524,008
St. Petersburg/Clearwater, FL	97,885	174,396	123,416	225,964	-179,626	77,306
Suburban MD	-2,323	-56,959	37,371	316,522	61,323	423,623
Syracuse, NY	-51,824	230,398	219,989	23,043	87,490	61,366
Tampa, FL	187,495	90,095	677,735	587,815	35,773	455,312
Tucson, AZ	42,085	120,470	32,737	218,284	57,423	131,453
Tulsa, OK	-200,227	25,867	93,420	N/A	58,275	549,302

p = preliminary

Overall Vacancy Rate	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p
United States	5.3%	5.3%	5.1%	5.1%	5.0%
Northeast	5.7%	5.5%	5.3%	5.3%	4.9%
Midwest	5.5%	5.4%	5.4%	5.3%	5.3%
South	6.5%	6.5%	6.2%	6.1%	6.0%
West	3.7%	3.6%	3.7%	3.7%	3.5%

U.S. Industrial Report Markets	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p
Atlanta, GA	8.7%	8.4%	7.8%	7.7%	8.1%
Austin, TX	9.5%	8.6%	9.5%	8.8%	9.2%
Baltimore, MD	7.9%	7.3%	6.9%	6.4%	6.4%
Binghamton, NY	11.3%	10.3%	9.8%	9.9%	8.8%
Birmingham, AL	11.4%	11.3%	10.8%	10.6%	10.2%
Boston, MA	6.6%	6.5%	6.4%	6.2%	5.9%
Buffalo, NY	9.2%	9.0%	8.9%	9.1%	9.2%
Central Valley, CA	3.4%	3.3%	2.8%	3.3%	4.0%
Charleston, SC	4.7%	6.0%	8.0%	8.1%	9.4%
Charlotte, NC	3.4%	3.6%	3.5%	3.4%	5.1%
Chicago, IL	6.4%	6.3%	6.7%	6.8%	6.8%
Cincinnati, OH	3.0%	3.3%	3.4%	3.2%	3.7%
Cleveland, OH	4.6%	4.2%	3.8%	3.9%	3.5%
Colorado Springs, CO	10.1%	10.0%	10.6%	10.7%	9.7%
Columbus, OH	5.6%	5.9%	5.1%	4.7%	4.8%
Dallas/Ft. Worth, TX	7.2%	6.9%	6.8%	7.0%	6.3%
Dayton, OH	7.7%	7.6%	8.2%	8.3%	7.8%
Denver, CO	4.9%	4.8%	4.8%	4.9%	5.0%
Detroit, MI	3.5%	3.5%	3.1%	2.9%	2.9%
El Paso, TX	6.8%	5.7%	5.0%	3.2%	2.7%
Fort Myers/Naples, FL	2.2%	2.0%	1.8%	1.9%	2.1%
Fredericksburg, VA	6.6%	5.3%	4.7%	5.3%	5.5%
Ft. Lauderdale, FL	4.5%	4.4%	4.0%	2.9%	3.8%
Greenville, SC	6.5%	6.2%	5.8%	5.8%	5.5%
Hampton Roads, VA	4.9%	4.7%	4.1%	4.4%	4.2%
Hartford, CT	8.1%	8.3%	8.1%	7.9%	7.1%
Houston, TX	7.0%	6.8%	6.2%	6.3%	6.0%
Indianapolis, IN	5.1%	5.1%	5.5%	5.3%	5.5%
Inland Empire CA	4.0%	4.1%	4.0%	4.1%	3.9%
Jacksonville, FL	5.6%	5.4%	4.8%	4.0%	3.4%
Kansas City, MO	8.3%	7.5%	7.1%	7.2%	7.4%
Lakeland, FL	5.1%	5.1%	3.9%	3.9%	4.9%
Las Vegas, NV	5.2%	5.4%	6.0%	6.2%	6.2%
Long Island, NY	6.8%	6.9%	6.5%	5.6%	5.1%
Los Angeles, CA	1.3%	1.2%	1.2%	1.3%	1.3%
Louisville, KY	7.2%	7.7%	8.1%	7.7%	7.2%
Memphis, TN	8.1%	8.4%	8.2%	7.8%	7.8%
Miami, FL	4.2%	5.0%	4.7%	4.7%	4.3%
Milwaukee, WI	4.5%	4.5%	3.8%	4.1%	4.1%
Minneapolis, MN	8.7%	8.7%	8.0%	8.5%	8.7%

Overall Vacancy Rate	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p
Nashville, TN	3.2%	2.9%	3.3%	3.5%	3.4%
New Haven, CT	9.2%	9.8%	9.8%	9.5%	7.8%
New Jersey - Central	4.1%	4.3%	3.6%	3.3%	2.6%
New Jersey - Northern	5.5%	4.8%	4.6%	4.4%	4.7%
Northern VA	8.8%	8.5%	8.7%	8.4%	10.1%
Oakland/East Bay, CA	2.1%	2.3%	3.3%	3.0%	3.1%
Oklahoma City, OK	6.8%	7.5%	9.0%	9.0%	4.9%
Omaha, NE	3.1%	3.3%	3.6%	3.4%	2.4%
Orange County, CA	2.0%	1.9%	1.9%	1.9%	1.9%
Orlando, FL	5.1%	5.6%	5.5%	5.4%	5.1%
Palm Beach County, FL	3.5%	3.6%	3.3%	2.7%	3.0%
PA I-81/I-78 Distribution Corridor	5.1%	5.3%	5.3%	5.1%	4.8%
Philadelphia, PA	3.9%	3.7%	3.4%	4.0%	3.3%
Phoenix, AZ	8.9%	8.6%	8.3%	7.9%	7.8%
Pittsburgh, PA	5.7%	4.8%	4.8%	5.4%	5.4%
Portland, OR	3.9%	3.2%	3.5%	3.9%	4.2%
Providence, RI	0.2%	0.2%	0.1%	0.1%	0.0%
Puget Sound - Eastside	4.3%	4.3%	4.9%	4.7%	4.3%
Raleigh/Durham, NC	6.5%	6.2%	5.5%	6.0%	5.5%
Richmond, VA	5.0%	4.9%	3.7%	3.7%	3.9%
Roanoke, VA	8.0%	7.3%	7.1%	7.2%	7.0%
Rochester, NY	9.6%	9.0%	9.0%	9.8%	9.7%
Sacramento, CA	7.6%	7.3%	6.3%	5.9%	4.8%
Salt Lake City, UT	6.1%	5.4%	5.8%	5.6%	3.3%
San Antonio, TX	9.1%	8.2%	8.0%	8.8%	8.4%
San Diego, CA	5.1%	5.1%	4.8%	4.8%	4.8%
San Francisco North Bay, CA	5.1%	5.2%	4.8%	4.6%	5.2%
San Francisco Peninsula, CA	2.6%	2.1%	2.1%	2.0%	1.6%
San Jose (Silicon Valley), CA	3.0%	3.4%	3.6%	3.2%	2.4%
Savannah, GA	3.0%	3.2%	3.2%	1.2%	1.2%
Seattle, WA	3.4%	3.7%	4.2%	4.1%	3.5%
Southern New Hampshire	6.3%	6.8%	7.5%	8.2%	6.3%
St. Louis, MO	6.7%	6.8%	6.7%	6.0%	6.1%
St. Petersburg/Clearwater, FL	4.1%	4.0%	3.5%	3.6%	3.8%
Suburban MD	9.9%	10.5%	10.4%	9.7%	9.7%
Syracuse, NY	10.7%	9.9%	8.8%	8.8%	8.6%
Tampa, FL	5.0%	5.4%	5.2%	5.3%	5.8%
Tucson, AZ	7.4%	7.1%	8.2%	6.6%	6.3%
Tulsa, OK	8.8%	9.1%	8.9%	8.9%	3.2%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p	Q1 2018p	
United States	\$5.68	\$5.70	\$5.80	\$5.84	\$5.99	\$5.39	\$5.77
Northeast	\$6.17	\$6.03	\$6.03	\$6.17	\$6.42	\$6.23	\$5.15
Midwest	\$4.48	\$4.57	\$4.61	\$4.61	\$4.70	\$4.38	\$4.65
South	\$5.23	\$5.27	\$5.45	\$5.41	\$5.60	\$5.03	\$4.69
West	\$7.83	\$7.91	\$7.98	\$8.12	\$8.30	\$7.23	\$8.68

U.S. Industrial Report Markets	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p	Q1 2018p	
Atlanta, GA	\$4.31	\$4.35	\$4.54	\$4.47	\$4.83	\$4.08	\$3.78
Austin, TX	\$9.27	\$9.21	\$9.34	\$9.24	\$10.08	\$8.21	\$10.78
Baltimore, MD	\$5.08	\$4.78	\$5.10	\$5.70	\$5.75	\$5.21	n/a
Binghamton, NY	\$4.70	\$4.64	\$4.58	\$4.57	\$4.57	\$4.09	\$4.29
Birmingham, AL	\$4.18	\$4.23	\$4.09	\$4.02	\$3.98	\$3.71	n/a
Boston, MA	\$6.61	\$6.85	\$6.97	\$8.17	\$7.45	\$6.64	\$8.78
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.32	\$4.25	\$4.24	\$4.75	\$4.20	\$4.44	\$3.36
Charleston, SC	\$5.36	\$5.35	\$5.48	\$5.52	\$5.54	\$5.56	\$4.70
Charlotte, NC	\$5.11	\$5.27	\$5.42	\$5.21	\$5.27	\$4.79	\$4.10
Chicago, IL	\$4.87	\$4.98	\$5.03	\$5.08	\$5.19	\$4.95	\$4.84
Cincinnati, OH	\$4.33	\$4.27	\$4.33	\$4.25	\$4.34	\$4.11	\$3.50
Cleveland, OH	\$3.99	\$4.10	\$4.12	\$4.15	\$4.30	\$3.99	n/a
Colorado Springs, CO	\$6.78	\$7.43	\$7.37	\$7.85	\$8.06	\$7.46	\$7.19
Columbus, OH	\$3.46	\$3.46	\$3.46	\$3.50	\$3.55	\$3.55	n/a
Dallas/Ft. Worth, TX	\$4.86	\$4.93	\$5.59	\$5.06	\$5.40	\$4.27	\$4.22
Dayton, OH	\$3.32	\$3.32	\$3.33	\$3.26	\$3.29	\$3.63	\$2.95
Denver, CO	\$8.03	\$8.10	\$8.03	\$7.96	\$7.78	\$6.38	\$7.24
Detroit, MI	\$5.36	\$5.53	\$5.56	\$5.57	\$5.79	\$5.40	\$5.10
El Paso, TX	\$3.95	\$3.95	\$4.00	\$4.10	\$4.10	\$4.10	\$4.00
Fort Myers/Naples, FL	\$7.44	\$7.45	\$7.50	\$7.61	\$7.72	\$7.30	\$8.65
Fredericksburg, VA	\$5.71	\$5.69	\$5.73	\$5.73	\$5.79	\$5.45	\$4.62
Ft. Lauderdale, FL	\$8.92	\$9.12	\$9.21	\$9.27	\$9.45	\$8.91	\$10.18
Greenville, SC	\$3.58	\$3.58	\$3.63	\$3.60	\$3.43	\$3.32	\$3.21
Hampton Roads, VA	\$5.08	\$5.05	\$5.00	\$5.28	\$5.44	\$5.18	\$5.97
Hartford, CT	\$4.53	\$4.21	\$4.24	\$4.28	\$4.47	\$4.60	\$3.89
Houston, TX	\$6.23	\$6.28	\$6.40	\$6.44	\$6.22	\$6.12	\$5.81
Indianapolis, IN	\$3.70	\$3.74	\$3.76	\$3.80	\$3.88	\$3.58	\$3.31
Inland Empire CA	\$7.28	\$7.42	\$7.52	\$7.61	\$7.69	\$6.92	\$8.31
Jacksonville, FL	\$4.63	\$4.74	\$4.98	\$5.37	\$5.52	\$4.76	\$9.49
Kansas City, MO	\$4.38	\$4.45	\$4.43	\$4.27	\$4.20	\$3.57	\$4.04
Lakeland, FL	\$5.17	\$5.18	\$5.76	\$5.54	\$5.45	\$5.01	\$5.95
Las Vegas, NV	\$7.14	\$6.80	\$6.81	\$6.82	\$6.75	\$6.60	\$6.36
Long Island, NY	\$9.97	\$9.25	\$9.21	\$9.44	\$10.68	\$9.98	\$10.74
Los Angeles, CA	\$9.25	\$9.05	\$9.00	\$9.36	\$9.85	\$9.46	\$8.86
Louisville, KY	\$3.76	\$3.76	\$3.70	\$3.73	\$3.81	\$3.73	\$3.14
Memphis, TN	\$2.73	\$2.81	\$2.75	\$2.75	\$2.75	n/a	n/a
Miami, FL	\$7.98	\$8.13	\$8.25	\$8.45	\$8.79	\$8.84	\$7.32
Milwaukee, WI	\$4.45	\$4.55	\$4.59	\$4.64	\$4.57	\$4.00	\$4.84
Minneapolis, MN	\$4.79	\$4.80	\$4.90	\$4.88	\$4.90	\$4.65	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018p	Q1 2018p	
Nashville, TN	\$4.18	\$5.14	\$5.03	\$5.09	\$4.95	\$4.95	\$3.65
New Haven, CT	\$5.33	\$4.62	\$5.15	\$5.35	\$5.57	\$4.64	\$5.64
New Jersey - Central	\$7.31	\$7.40	\$7.39	\$7.58	\$7.69	\$6.97	\$5.49
New Jersey - Northern	\$7.60	\$7.78	\$7.82	\$8.56	\$8.57	\$8.49	\$8.23
Northern VA	\$11.15	\$11.16	\$11.12	\$11.36	\$11.18	\$9.15	n/a
Oakland/East Bay, CA	\$9.12	\$10.17	\$10.10	\$10.43	\$10.40	\$9.26	\$11.34
Oklahoma City, OK	\$4.86	\$4.98	\$4.95	\$4.95	\$5.28	\$4.92	\$4.68
Omaha, NE	\$5.63	\$5.57	\$5.57	\$5.55	\$5.55	\$5.34	\$3.89
Orange County, CA	\$11.10	\$11.40	\$10.74	\$11.24	\$11.61	\$10.22	\$10.88
Orlando, FL	\$6.32	\$6.29	\$6.38	\$6.48	\$6.45	\$5.61	\$6.44
Palm Beach County, FL	\$11.12	\$10.62	\$10.56	\$10.69	\$10.74	\$9.83	\$9.77
PA I-81/I-78 Distribution Corridor	\$4.72	\$4.74	\$4.75	\$4.77	\$4.80	\$4.81	\$4.50
Philadelphia, PA	\$4.81	\$4.95	\$4.58	\$4.51	\$4.76	\$4.53	\$4.57
Phoenix, AZ	\$7.03	\$6.80	\$6.80	\$6.70	\$6.91	\$5.28	\$7.71
Pittsburgh, PA	\$7.54	\$7.09	\$7.68	\$7.58	\$8.59	\$5.59	\$4.28
Portland, OR	\$7.73	\$8.34	\$8.38	\$8.50	\$8.53	\$7.24	\$9.74
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$12.27	\$12.12	\$12.24	\$11.76	\$11.75	\$10.24	\$7.31
Raleigh/Durham, NC	\$7.28	\$7.50	\$7.71	\$8.70	\$8.51	\$5.87	\$8.18
Richmond, VA	\$4.70	\$4.80	\$5.03	\$4.92	\$4.83	\$4.65	\$4.81
Roanoke, VA	\$4.43	\$4.76	\$4.99	\$4.98	\$5.21	\$4.55	\$7.11
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$5.40	\$3.75	\$4.75
Sacramento, CA	\$4.66	\$4.93	\$5.08	\$5.06	\$5.64	\$5.64	\$5.28
Salt Lake City, UT	\$5.37	\$5.49	\$5.64	\$5.82	\$5.65	\$5.83	\$4.15
San Antonio, TX	\$5.79	\$5.79	\$5.75	\$5.79	\$6.08	\$5.29	n/a
San Diego, CA	\$12.00	\$11.76	\$11.88	\$12.36	\$12.48	\$9.12	\$11.04
San Francisco North Bay, CA	\$9.97	\$11.54	\$11.97	\$11.69	\$11.97	\$11.86	\$16.27
San Francisco Peninsula, CA	\$14.72	\$16.18	\$16.42	\$17.72	\$17.62	\$17.11	\$20.24
San Jose (Silicon Valley), CA	\$12.00	\$12.48	\$12.12	\$13.20	\$13.08	\$12.00	\$14.28
Savannah, GA	\$4.75	\$4.69	\$4.69	\$4.62	\$4.62	\$4.33	n/a
Seattle, WA	\$7.15	\$7.38	\$7.45	\$7.61	\$8.73	\$8.29	\$7.15
Southern New Hampshire	\$5.90	\$5.72	\$5.62	\$5.79	\$5.92	\$5.06	\$5.51
St. Louis, MO	\$4.45	\$4.58	\$4.62	\$4.47	\$4.57	\$4.20	\$9.93
St. Petersburg/Clearwater, FL	\$7.93	\$8.05	\$7.99	\$8.12	\$7.86	\$6.18	\$6.09
Suburban MD	\$10.11	\$9.36	\$9.21	\$9.37	\$10.02	\$8.31	n/a
Syracuse, NY	\$3.85	\$4.07	\$4.08	\$4.02	\$3.94	\$4.19	\$3.24
Tampa, FL	\$6.15	\$5.77	\$5.85	\$5.72	\$5.74	\$5.08	\$4.20
Tucson, AZ	\$6.44	\$6.29	\$6.37	\$6.23	\$6.09	\$5.94	\$5.01
Tulsa, OK	\$4.52	\$4.53	\$4.54	\$4.54	\$4.69	\$4.78	\$4.34

p = preliminary



Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q1 2018p
United States	14,410,824,692	58,799,986	251,252,728
Northeast	1,993,641,042	8,791,831	35,742,136
Midwest	3,980,416,040	13,555,670	46,547,019
South	4,455,891,503	21,504,739	95,617,226
West	3,980,876,107	14,947,746	73,346,347

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2018	Under Construction as of Q1 2018p
Atlanta, GA	595,218,856	5,295,533	16,455,440
Austin, TX	41,563,750	350,171	1,425,067
Baltimore, MD	206,480,254	839,200	6,206,238
Binghamton, NY	17,266,122	0	0
Birmingham, AL	14,636,022	127,000	872,500
Boston, MA	145,612,419	45,000	3,064,775
Buffalo, NY	110,137,656	108,000	637,157
Central Valley, CA	124,812,694	1,309,285	9,227,339
Charleston, SC	67,701,399	2,004,601	4,586,278
Charlotte, NC	190,510,328	1,679,322	3,042,678
Chicago, IL	1,199,111,877	3,363,887	7,544,990
Cincinnati, OH	286,357,688	2,516,071	3,315,073
Cleveland, OH	493,267,300	755,000	3,668,270
Colorado Springs, CO	27,985,210	0	150,000
Columbus, OH	250,114,480	765,226	6,969,125
Dallas/Ft. Worth, TX	717,443,390	3,077,808	20,172,705
Dayton, OH	118,524,616	83,600	1,013,750
Denver, CO	242,223,330	213,800	4,631,834
Detroit, MI	535,827,638	696,874	4,520,054
El Paso, TX	52,409,401	373,760	697,662
Fort Myers/Naples, FL	41,657,618	42,715	524,521
Fredericksburg, VA	13,547,393	0	0
Ft. Lauderdale, FL	88,377,590	553,693	1,526,763
Greenville, SC	190,880,359	0	2,506,460
Hampton Roads, VA	98,264,807	50,000	195,000
Hartford, CT	93,012,333	133,200	1,255,000
Houston, TX	423,531,502	2,006,427	6,535,264
Indianapolis, IN	257,512,784	669,044	5,760,586
Inland Empire CA	523,896,800	5,909,554	25,649,881
Jacksonville, FL	106,009,294	0	1,175,100
Kansas City, MO	217,905,877	2,618,804	3,695,142
Lakeland, FL	31,571,987	636,120	650,808
Las Vegas, NV	121,262,863	1,275,681	2,460,469
Long Island, NY	132,569,626	42,000	137,582
Los Angeles, CA	1,067,244,749	2,502,195	4,153,169
Louisville, KY	158,118,608	1,411,889	5,590,250
Memphis, TN	192,588,615	N/A	5,261,192
Miami, FL	159,149,333	1,358,260	3,562,595
Milwaukee, WI	200,343,420	627,045	837,874
Minneapolis, MN	109,941,772	732,579	1,232,534

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q1 2018p
Nashville, TN	207,732,278	0	4,505,896
New Haven, CT	47,972,701	80,500	855,000
New Jersey - Central	341,840,626	1,873,715	7,398,822
New Jersey - Northern	285,915,667	591,665	1,235,519
Northern VA	61,757,118	266,719	370,850
Oakland/East Bay, CA	205,166,608	391,834	2,915,424
Oklahoma City, OK	71,654,890	20,046	0
Omaha, NE	68,150,732	33,600	1,698,262
Orange County, CA	283,638,824	0	1,520,658
Orlando, FL	118,645,912	705,005	1,639,228
Palm Beach County, FL	41,501,932	166,392	146,253
PA I-81/I-78 Distribution Corridor	268,806,266	4,527,469	17,261,326
Philadelphia, PA	139,818,225	0	3,573,850
Phoenix, AZ	312,048,160	1,487,709	4,943,167
Pittsburgh, PA	168,467,168	150,282	143,500
Portland, OR	198,398,446	839,323	3,487,528
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	60,756,319	0	726,294
Raleigh/Durham, NC	53,576,565	136,500	159,600
Richmond, VA	95,136,133	95,000	820,447
Roanoke, VA	50,835,950	0	0
Rochester, NY	73,551,473	0	0
Sacramento, CA	140,877,069	0	934,770
Salt Lake City, UT	124,177,486	477,759	3,634,305
San Antonio, TX	39,429,211	0	1,573,429
San Diego, CA	162,528,199	0	3,290,206
San Francisco North Bay, CA	25,432,841	0	422,128
San Francisco Peninsula, CA	41,886,372	0	0
San Jose (Silicon Valley), CA	85,419,650	0	634,118
Savannah, GA	55,642,703	0	3,388,742
Seattle, WA	190,166,201	540,606	4,322,323
Southern New Hampshire	48,200,877	1,240,000	0
St. Louis, MO	243,357,856	693,940	6,291,359
St. Petersburg/Clearwater, FL	47,780,757	0	126,000
Suburban MD	50,136,334	0	458,910
Syracuse, NY	42,742,578	0	179,605
Tampa, FL	80,141,279	137,500	1,094,270
Tucson, AZ	42,954,286	0	242,734
Tulsa, OK	92,259,935	171,078	347,080

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](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.)

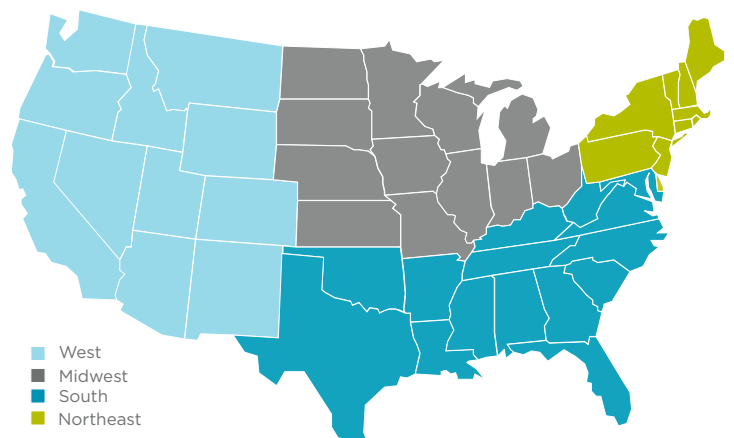
**Leasing Activity:** The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

**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.

## Regional Map



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