

MARKETBEAT

U.S. Industrial

Q4 2016



U.S. INDUSTRIAL

Employment Indicators

	Q4 15	Q4 16	12-Month Forecast
Total Nonfarm Employment	142.8M	144.6M	▲
Industrial Employment	25.1M	25.2M	▲
Unemployment	5.0%	4.7%	▼

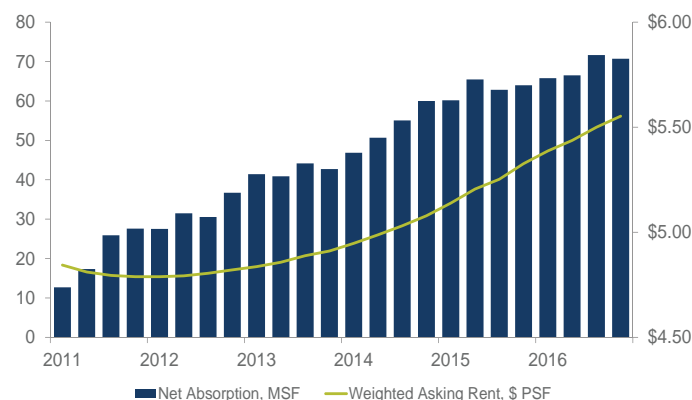
Source: BLS

Market Indicators

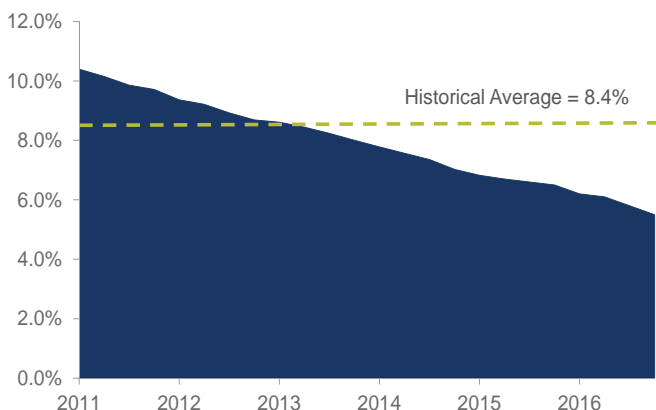
	Q4 15	Q4 16	12-Month Forecast
Overall Vacancy	6.5%	5.5%	▼
Net Absorption	67.3M	63.6M	▲
Under Construction	185.6M	215.6M	▲
Weighted Asking Rent (NNN)	\$5.43	\$5.64	▲

Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

The U.S. economy and industrial market are positioned to perform well in 2017. In the third quarter of 2016 real GDP expanded at a 3.5% annual rate — the strongest growth rate in two years and more than triple the rate of growth for the first half of 2016. Nationally, 2.2 million jobs were created during 2016, and the unemployment rate (4.7% in December) declined to its lowest level since 2007. Wage growth is firming: hourly earnings rose 2.9% year-over-year in December — a post-recession high. The increase in wages will enable households to further increase consumption in 2017, sustaining economic momentum and bolstering logistics-related leasing.

Economic data reflect an increasingly confident consumer. The Conference Board's Consumer Confidence Index rose to 113.7 in December — its highest level this business cycle — with the expectation series of the index showing that consumers anticipate business conditions, jobs and their income to improve in the next six months. Given that consumer spending is a dominant driver of industrial demand these readings indicate more momentum for the industrial sector, especially as eCommerce continues to grow rapidly. As a share of retail sales, excluding autos, eCommerce has grown from 1% in Q1 2000 to 9.3% in Q3 2016. We expect that share to increase by another 1% by the end of 2018; that means the current rate of \$100 billion eCommerce sales per quarter will increase roughly 25% to nearly \$125 billion per quarter in Q4 2018 as retail sales increase. This equates to an additional \$2 billion in eCommerce sales per month within the next two years. This growth trajectory suggests similar, if not more, robust absorption for warehouse and distribution product.

The U.S. manufacturing sector ended 2016 on a strong note: the ISM manufacturing index rose to a two-year high of 54.7 in December as production and new orders surged. The strength in production and new orders reported in the ISM index are consistent with other economic data including core capital goods orders and the manufacturing portion of industrial production, both of which indicate a stronger manufacturing sector. Domestic companies have also reined in inventories to more closely align with sales and there are early signs corporate investment is beginning to firm, both of which bode well for the industrial market.

Market Overview

Demand remained robust in the final quarter of 2016 as the U.S. industrial market absorbed 63.6 million square feet (MSF) of space. This propelled annual net absorption to a record-setting 282.9 MSF and pushed deliveries to a cyclical high of 232.9 MSF. Typically such a robust development pipeline would dramatically rebalance supply and demand fundamentals and elevate the vacancy rate, but these are not typical times. Ecommerce continues to structurally alter supply chains and drive robust levels of leasing. As a result, the vacancy rate tightened in Q4 2016 falling by 30 basis points (bps) to 5.5% for all industrial product types.

Every industrial segment remains in growth mode: in 2016, logistics-related warehousing posted 242.9 MSF of net absorption, manufacturing registered 25.1 MSF of growth, flex

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product posted 13.1 MSF of net occupancy gains, and high technology occupancy increased by 1.8 MSF. The current industrial expansion is one for the record book. As of January 2017, the industrial sector has registered 27 consecutive quarters of net occupancy gains, placing this expansion among the longest ever. It is also among the strongest with net absorption for the past three years (825.5 MSF) surpassing the strongest period of occupancy growth in the prior cycle (726.8 MSF from 1997-1999).

U.S. industrial vacancy (5.5%) is currently at its lowest level of the past 30 years and is a full 290 bps below the 10-year historical average of 8.4% for all product types. Warehouse conditions remain tight with vacancy holding steady at 5.6% in Q4 2016. Over the past year, logistics-related vacancy has declined 130 bps (from 6.9% to 5.6%) despite the delivery of 156.8 MSF of new speculative warehouse product. In most industrial markets, vacancy rates have fallen below prior-cycle lows.

Healthy demand from logistics and distribution users is fueling rent growth. U.S. industrial asking rents increased 3.9% in Q4 2016 from a year ago. Industrial rents rose in 61 of 79 markets tracked by Cushman & Wakefield during the same period, with over one-quarter of industrial markets reporting double-digit gains. In many markets, industrial rents remain at historic highs, and on a national level every industrial product type is witnessing rental rate appreciation.

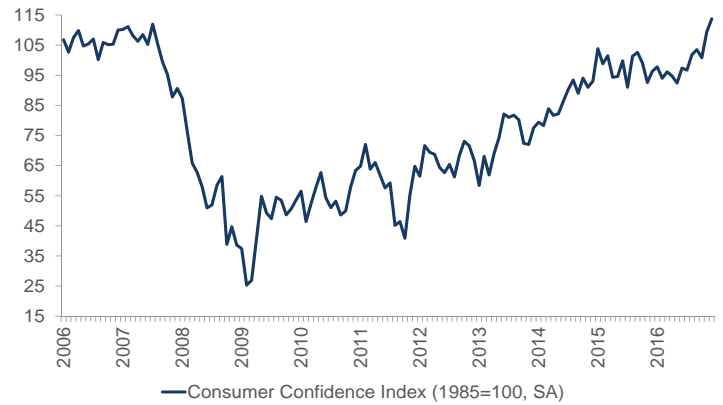
Currently, there is 215.6 MSF of industrial product under construction, of which 145.9 MSF is speculative. Although development remains strongest in major industrial markets, port cities and primary inland distribution hubs, nearly half of the U.S. markets currently have over 1 MSF under construction. Given the tight market conditions and strong underlying fundamentals, developers are expected to break ground on additional speculative projects which will help bring supply and demand fundamentals closer to balance. Nonetheless, tenant activity in the market remains brisk and it is likely that leasing demand will keep pace with supply deliveries in the near term.

Outlook

- Solid labor markets and firmer wage growth will support consumer confidence and spur stronger consumer spending. Consumption will drive industrial absorption, particularly for warehouse.
- Given the expected policy changes (tax cuts, spending increases, deregulation) from the Trump administration, the near-term outlook has been revised upward. The medium- and long-term outlook is less certain.
- Net absorption will once again approach 250 MSF in 2017. Leasing demand will balance new deliveries and hold national vacancy steady.
- We anticipate that supply will meet demand for industrial space in the latter half of 2017. Until then, expect strong pressure on rents to remain.

Confident Consumers Will Spur Spending

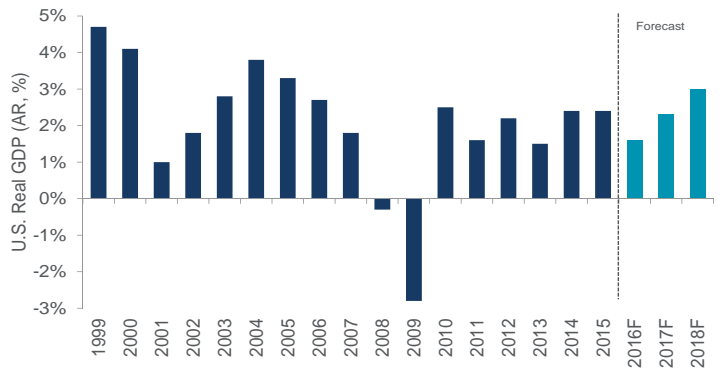
WITH CONFIDENCE AT CYCLICAL HIGH EXPECT INCREASED CONSUMPTION



Source: The Conference Board, Cushman & Wakefield Research

Stronger Growth Expected in the Near Term

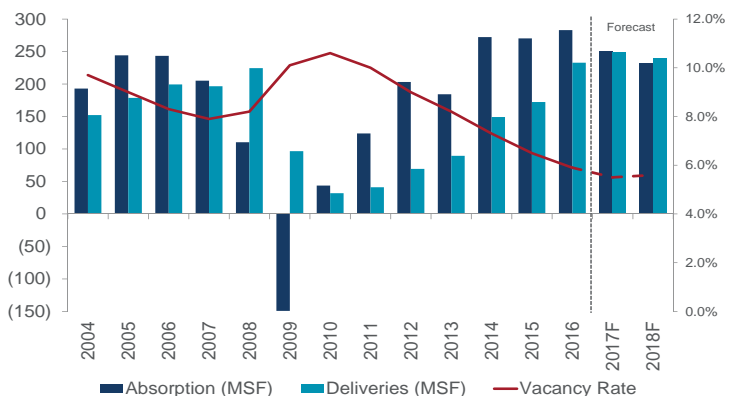
ODDS ARE HIGH THAT FISCAL STIMULUS MEASURES YIELD GROWTH



Source: Bureau of Economic Analysis, Moody's Analytics, Cushman & Wakefield Research

Supply/Demand Remains Imbalanced

STRONG DEMAND AND SUPPLY CONSTRAINTS TIGHTEN VACANCY



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
United States	67,306,547	63,488,580	77,180,220	78,685,200	63,570,692	113,560,952
Northeast	12,367,311	13,416,209	13,195,260	17,826,866	7,215,187	18,147,115
Midwest	12,898,159	12,229,265	14,808,451	24,147,525	15,575,179	19,386,783
South	22,626,849	25,281,012	23,715,895	21,353,134	27,857,093	34,657,589
West	19,414,228	12,562,094	25,460,614	15,357,675	12,923,233	41,369,465

U.S. Industrial Report Markets	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Atlanta, GA	3,787,196	4,014,644	3,852,450	2,245,312	3,546,425	3,372,193
Austin, TX	385,165	171,666	242,070	80,659	116,610	559,142
Baltimore, MD	273,161	1,611,283	506,425	1,029,640	944,082	3,631,917
Binghamton, NY	-153,440	35,384	117,480	80,204	8,605	38,425
Birmingham, AL	-176,074	108,076	403,623	826,217	33,863	366,784
Boston, MA	2,704,991	-245,725	1,079,816	2,190,787	996,083	2,252,510
Buffalo, NY	n/a	-276,271	136,985	500,257	1,217,645	400,555
Charleston, SC	870,931	647,660	646,339	-42,512	1,001,344	392,512
Charlotte, NC	275,502	119,578	1,503,782	1,158,781	1,812,029	3,201,420
Chicago, IL	3,181,601	2,437,786	5,656,574	10,474,949	4,149,725	6,666,466
Cincinnati, OH	1,050,450	849,734	1,787,525	1,833,726	556,179	1,352,275
Cleveland, OH	680,698	962,071	-36,295	331,032	1,187,461	654,647
Colorado Springs, CO	168,596	352,165	-140,722	238,973	n/a	n/a
Columbus, OH	958,752	1,381,183	180,470	1,349,355	2,080,666	1,722,404
Dallas/Ft. Worth, TX	5,158,085	6,357,032	4,809,247	7,200,702	5,298,286	6,355,058
Dayton, OH	416,061	564,858	328,464	306,394	525,747	352,790
Denver, CO	-438,786	-97,905	1,450,866	746,413	596,022	1,662,841
Detroit, MI	2,281,673	2,368,339	1,478,756	1,070,776	985,441	1,297,651
East Bay, CA	1,080,889	-331,755	3,125,423	-362,897	274,100	3,260,893
El Paso, TX	390,000	1,576,642	712,193	-293,711	-78,692	381,012
Fort Myers/Naples, FL	161,561	141,662	351,557	272,489	206,876	131,791
Fredericksburg, VA	-21,638	-76	70,112	189,844	173,790	13,460
Ft. Lauderdale, FL	51,158	26,560	20,012	702,011	858,893	504,301
Greenville, SC	866,914	830,107	3,131,610	1,560,194	1,353,175	719,932
Hampton Roads, VA	-21,546	-204,133	390,311	-3,892	-359,777	310,433
Hartford, CT	-196,297	-161,857	347,113	866,772	125,862	760,829
Houston, TX	243,707	1,550,857	92,367	810,247	4,065,736	3,092,847
Indianapolis, IN	1,620,767	881,633	2,720,089	3,108,214	1,848,702	2,055,036
Inland Empire CA	6,018,135	3,483,292	8,608,335	3,784,917	3,636,653	8,084,982
Jacksonville, FL	1,314,626	1,023,149	727,867	239,728	161,043	1,765,254
Kansas City, MO	919,847	773,318	1,775,923	1,134,989	1,840,583	3,341,210
Lakeland, FL	131,220	247,320	90,185	231,791	93,900	271,151
Las Vegas, NV	411,294	792,135	441,278	698,467	955,129	n/a
Long Island, NY	247,509	493,677	112,036	365,094	-230,288	664,447
Los Angeles, CA	2,184,513	2,246,044	2,769,413	1,783,386	250,202	6,898,527
Louisville, KY	1,292,708	967,870	1,599,711	491,942	322,851	1,647,055
Memphis, TN	1,542,588	1,690,863	341,427	695,753	3,011,967	593,500
Miami, FL	549,178	779,691	353,972	624,408	438,808	1,591,214
Milwaukee, WI	546,891	885,374	743,340	585,596	-12,492	1,100,019
Minneapolis, MN	671,568	1,041,300	403,691	459,794	519,293	n/a

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Nashville, TN	3,115,044	1,287,008	1,433,052	578,168	2,529,427	1,109,119
New Haven, CT	-120,269	27,084	-117,896	-169,623	293,732	504,192
New Jersey - Central	2,797,263	5,861,097	2,672,125	2,088,582	702,054	3,929,231
New Jersey - Northern	1,281,402	1,723,861	1,341,223	949,477	-449,521	2,512,247
Oklahoma City, OK	-249,225	366,886	355,395	79,041	-66,220	n/a
Omaha, NE	-67,189	-18,265	81,715	142,371	204,651	349,282
Orange County, CA	554,044	428,201	625,271	577,174	417,332	2,110,423
Orlando, FL	393,499	736,721	822,697	671,947	1,013,276	708,743
Palm Beach County, FL	277,198	80,709	317,775	351,542	181,815	103,189
PA I-81/I-78 Distribution Corridor	2,109,790	2,747,713	4,069,078	7,608,813	2,326,714	3,220,418
Philadelphia, PA	1,852,105	2,158,170	1,336,387	3,442,237	1,520,977	2,705,267
Phoenix, AZ	4,027,249	1,386,180	2,196,394	2,244,605	1,572,074	4,970,674
Pittsburgh, PA	1,189,636	873,111	967,110	-175,139	100,230	855,723
Portland, OR	3,128,684	439,415	978,437	308,442	529,659	1,498,415
Providence, RI	n/a	133,493	254,742	115,966	102,292	102,292
Puget Sound - Eastside	213,643	-118,429	1,322,354	256,769	303,774	560,558
Raleigh/Durham, NC	847,787	108,522	283,535	-172,912	344,104	276,401
Richmond, VA	-197,984	547,739	321,430	75,820	263,746	376,678
Roanoke, VA	239,271	-76,697	63,011	354,142	69,980	55,368
Rochester, NY	338,920	69,576	801,031	225,539	213,189	66,658
Sacramento, CA	-134,622	1,291,485	368,021	582,097	183,313	946,930
Salt Lake City, UT	512,920	410,524	612,166	763,231	442,247	2,175,660
San Antonio, TX	304,981	147,891	142,329	88,610	142,169	332,021
San Diego, CA	611,932	-236,360	374,520	-100,709	431,283	1,538,161
San Francisco North Bay, CA	73,004	25,677	52,321	278,280	104,199	312,185
San Francisco Peninsula, CA	100,315	232,460	34,830	-193,018	72,077	410,723
San Jose (Silicon Valley), CA	455,549	44,003	494,984	-420,112	-36,597	1,479,305
Savannah, GA	610,191	0	-120,950	48,052	-358,098	1,536,630
Seattle, WA	-737,959	618,628	1,291,209	2,512,682	527,043	2,011,211
Southern New Hampshire	303,388	233,167	181,794	160,019	n/a	n/a
St. Louis, MO	637,040	101,934	-311,801	3,350,329	1,689,223	495,003
St. Petersburg/Clearwater, FL	20,082	61,539	30,381	-37,440	590,146	344,814
Stockton/Tracy, CA	1,080,889	1,555,862	591,264	621,706	2,544,634	2,850,526
Suburban MD	107,919	108,423	275,122	517,102	250,065	428,279
Suburban VA	-196,354	271,468	-125,578	293,531	-54,788	125,262
Syracuse, NY	12,313	-256,271	-103,764	-422,119	287,613	134,321
Tampa, FL	375,052	70,529	262,732	250,524	146,530	360,109
Tucson, AZ	103,939	40,472	264,250	1,037,269	120,089	597,451
Tulsa, OK	-95,054	-90,177	-190,296	235,404	-196,268	n/a

p = preliminary

Overall Vacancy Rate	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p
United States	6.5%	6.2%	6.1%	5.8%	5.5%
Northeast	7.7%	7.3%	7.1%	6.5%	6.3%
Midwest	6.2%	6.2%	5.9%	5.8%	5.4%
South	7.4%	7.0%	7.0%	6.8%	6.6%
West	5.1%	4.9%	4.6%	4.2%	4.1%

U.S. Industrial Report Markets	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p
Atlanta, GA	7.9%	8.5%	8.4%	8.6%	9.0%
Austin, TX	6.1%	6.8%	7.7%	7.5%	6.4%
Baltimore, MD	8.3%	7.5%	7.2%	7.0%	6.6%
Binghamton, NY	12.4%	12.2%	11.7%	11.7%	10.8%
Birmingham, AL	12.4%	17.0%	14.4%	9.0%	8.8%
Boston, MA	7.6%	7.3%	7.0%	6.7%	6.5%
Buffalo, NY	8.8%	8.9%	9.0%	8.9%	8.9%
Charleston, SC	7.3%	7.9%	7.7%	6.8%	6.8%
Charlotte, NC	6.0%	6.4%	4.5%	3.8%	3.6%
Chicago, IL	6.4%	6.4%	6.3%	6.1%	6.3%
Cincinnati, OH	4.5%	4.2%	4.0%	4.2%	4.2%
Cleveland, OH	5.3%	5.2%	5.0%	4.9%	4.6%
Colorado Springs, CO	7.9%	6.3%	7.8%	7.3%	7.3%
Columbus, OH	6.5%	6.6%	6.5%	5.9%	5.5%
Dallas/Ft. Worth, TX	7.5%	6.9%	6.9%	6.6%	6.9%
Dayton, OH	9.1%	8.7%	8.6%	8.1%	8.0%
Denver, CO	4.3%	2.7%	3.4%	3.9%	4.3%
Detroit, MI	5.4%	4.8%	4.6%	4.0%	4.0%
East Bay, CA	3.5%	2.9%	2.7%	3.1%	2.9%
El Paso, TX	11.6%	8.7%	6.6%	7.1%	6.8%
Fort Myers/Naples, FL	5.8%	4.6%	3.8%	3.3%	2.8%
Fredericksburg, VA	12.8%	12.3%	10.2%	8.1%	7.6%
Ft. Lauderdale, FL	6.4%	7.1%	6.8%	5.5%	4.4%
Greenville, SC	6.8%	7.4%	6.7%	6.9%	6.6%
Hampton Roads, VA	6.4%	7.0%	6.5%	6.3%	6.6%
Hartford, CT	12.6%	12.9%	12.8%	11.9%	11.7%
Houston, TX	5.5%	6.0%	6.4%	6.7%	7.1%
Indianapolis, IN	7.3%	5.3%	4.9%	3.6%	3.0%
Inland Empire CA	5.7%	5.5%	4.7%	4.7%	4.4%
Jacksonville, FL	8.0%	7.2%	6.5%	6.5%	6.2%
Kansas City, MO	7.4%	7.9%	7.5%	7.5%	8.3%
Lakeland, FL	3.5%	5.0%	5.5%	4.2%	3.7%
Las Vegas, NV	6.8%	5.7%	5.9%	5.8%	5.4%
Long Island, NY	8.3%	7.5%	6.9%	6.5%	6.6%
Los Angeles, CA	2.3%	2.2%	1.6%	1.3%	1.4%
Louisville, KY	4.9%	5.5%	5.4%	6.2%	6.6%
Memphis, TN	9.8%	9.5%	9.3%	9.2%	8.7%
Miami, FL	5.7%	4.9%	4.9%	4.4%	4.3%
Milwaukee, WI	4.7%	4.4%	4.2%	4.0%	4.4%
Minneapolis, MN	9.9%	8.7%	8.5%	8.4%	8.2%

Overall Vacancy Rate	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p
Nashville, TN	4.7%	3.5%	3.4%	3.1%	2.9%
New Haven, CT	12.4%	12.7%	12.9%	13.2%	12.6%
New Jersey - Central	6.1%	5.1%	4.3%	4.3%	4.2%
New Jersey - Northern	6.7%	6.3%	5.7%	5.9%	5.9%
Oklahoma City, OK	6.7%	6.5%	7.2%	6.7%	7.3%
Omaha, NE	3.0%	3.5%	3.1%	3.2%	3.2%
Orange County, CA	2.8%	2.8%	2.3%	2.2%	2.0%
Orlando, FL	7.3%	6.9%	5.8%	5.1%	4.6%
Palm Beach County, FL	4.4%	5.4%	4.4%	3.8%	4.2%
PA I-81/I-78 Distribution Corridor	5.2%	6.6%	5.1%	3.9%	4.7%
Philadelphia, PA	5.6%	5.6%	5.4%	4.9%	4.2%
Phoenix, AZ	10.3%	10.1%	9.6%	9.3%	9.1%
Pittsburgh, PA	6.8%	6.2%	5.6%	6.0%	5.7%
Portland, OR	4.9%	4.8%	4.4%	4.3%	4.0%
Providence, RI	0.8%	0.6%	0.3%	0.2%	0.3%
Puget Sound - Eastside	6.2%	6.9%	5.3%	4.9%	4.7%
Raleigh/Durham, NC	5.0%	6.3%	5.8%	6.2%	5.9%
Richmond, VA	7.9%	8.1%	7.5%	6.9%	6.6%
Roanoke, VA	7.6%	8.3%	8.1%	8.3%	7.2%
Rochester, NY	11.4%	11.3%	10.2%	9.9%	9.6%
Sacramento, CA	10.8%	10.3%	9.4%	8.9%	10.8%
Salt Lake City, UT	7.3%	7.1%	7.0%	7.5%	7.2%
San Antonio, TX	10.4%	9.4%	9.0%	9.6%	9.6%
San Diego, CA	5.0%	5.0%	5.0%	5.1%	5.3%
San Francisco North Bay, CA	6.2%	6.7%	6.5%	5.2%	5.5%
San Francisco Peninsula, CA	3.4%	2.6%	2.8%	2.9%	2.6%
San Jose (Silicon Valley), CA	3.4%	3.1%	2.2%	2.6%	3.3%
Savannah, GA	2.2%	2.2%	2.4%	2.3%	3.0%
Seattle, WA	5.0%	5.8%	4.6%	3.8%	3.8%
Southern New Hampshire	16.2%	16.0%	15.7%	15.3%	15.3%
St. Louis, MO	6.6%	6.9%	7.3%	6.4%	6.6%
St. Petersburg/Clearwater, FL	5.1%	5.5%	5.6%	5.8%	4.7%
Stockton/Tracy, CA	7.1%	6.9%	6.3%	6.0%	3.4%
Suburban MD	12.2%	12.6%	12.7%	11.6%	10.7%
Suburban VA	11.9%	9.0%	9.6%	9.2%	9.2%
Syracuse, NY	10.8%	11.2%	10.3%	11.3%	10.6%
Tampa, FL	6.1%	6.2%	6.1%	5.6%	5.5%
Tucson, AZ	9.2%	9.6%	8.6%	8.1%	7.8%
Tulsa, OK	7.8%	8.0%	7.8%	7.4%	7.6%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p	
United States	\$5.43	\$5.48	\$5.52	\$5.57	\$5.64	\$4.98	\$5.20
Northeast	\$5.65	\$5.75	\$5.84	\$5.98	\$6.06	\$5.70	\$4.52
Midwest	\$4.33	\$4.35	\$4.40	\$4.38	\$4.40	\$4.14	\$4.32
South	\$5.12	\$5.21	\$5.19	\$5.24	\$5.24	\$4.46	\$4.17
West	\$7.09	\$7.09	\$7.19	\$7.42	\$7.62	\$6.43	\$7.95

U.S. Industrial Report Markets	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p	
Atlanta, GA	\$4.29	\$4.27	\$4.22	\$4.17	\$4.20	\$3.68	\$3.52
Austin, TX	\$9.94	\$9.72	\$9.66	\$9.75	\$9.71	\$6.92	\$7.80
Baltimore, MD	\$5.61	\$5.48	\$5.57	\$5.49	\$5.35	\$4.86	n/a
Binghamton, NY	\$4.83	\$4.74	\$4.81	\$4.81	\$4.71	\$4.23	\$4.42
Birmingham, AL	\$4.58	\$3.61	\$3.57	\$4.70	\$5.01	\$4.57	n/a
Boston, MA	\$5.96	\$5.86	\$6.02	\$6.17	\$6.22	\$5.83	\$5.66
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.98	\$4.98	\$4.75	\$3.95
Charleston, SC	\$4.93	\$5.07	\$5.31	\$5.31	\$5.26	\$5.46	\$4.35
Charlotte, NC	\$4.81	\$5.02	\$5.03	\$5.17	\$5.15	\$4.73	\$4.19
Chicago, IL	\$4.85	\$4.87	\$4.88	\$4.79	\$4.76	\$4.68	\$4.46
Cincinnati, OH	\$3.89	\$3.97	\$4.01	\$3.91	\$4.06	\$3.64	\$3.74
Cleveland, OH	\$3.87	\$3.89	\$3.95	\$3.88	\$3.94	\$3.60	n/a
Colorado Springs, CO	\$6.83	\$6.41	\$6.56	\$6.54	\$6.54	\$6.54	n/a
Columbus, OH	\$3.38	\$3.35	\$3.35	\$3.35	\$3.43	\$3.43	n/a
Dallas/Ft. Worth, TX	\$5.09	\$5.47	\$5.16	\$4.89	\$4.84	\$4.04	\$3.84
Dayton, OH	\$3.21	\$3.21	\$3.22	\$3.19	\$3.21	\$3.01	\$2.93
Denver, CO	\$8.24	\$7.71	\$7.04	\$7.23	\$7.57	\$6.29	\$8.78
Detroit, MI	\$5.04	\$5.15	\$5.25	\$5.26	\$5.26	\$4.74	\$4.72
East Bay, CA	\$7.98	\$8.84	\$8.52	\$8.88	\$9.01	\$7.46	\$10.34
El Paso, TX	\$3.75	\$3.90	\$3.95	\$3.95	\$3.95	\$4.00	\$3.90
Fort Myers/Naples, FL	\$6.37	\$6.36	\$6.61	\$6.72	\$6.80	\$6.39	\$6.60
Fredericksburg, VA	\$5.53	\$5.72	\$5.83	\$5.65	\$5.67	\$5.85	\$4.82
Ft. Lauderdale, FL	\$7.75	\$8.76	\$9.65	\$9.52	\$8.69	\$7.96	\$7.24
Greenville, SC	\$3.86	\$3.44	\$3.53	\$3.55	\$4.16	\$3.48	\$3.36
Hampton Roads, VA	\$5.03	\$5.06	\$5.18	\$5.21	\$5.42	\$5.28	\$4.80
Hartford, CT	\$4.18	\$4.22	\$4.27	\$4.32	\$4.08	\$4.13	\$3.52
Houston, TX	\$6.05	\$6.02	\$6.19	\$6.12	\$6.14	\$6.05	\$5.72
Indianapolis, IN	\$3.55	\$3.47	\$3.50	\$3.55	\$3.62	\$3.53	\$3.55
Inland Empire CA	\$5.75	\$5.90	\$6.24	\$6.58	\$6.82	\$6.31	\$7.54
Jacksonville, FL	\$4.05	\$4.05	\$3.99	\$4.34	\$4.24	\$3.82	\$3.08
Kansas City, MO	\$4.14	\$4.39	\$4.48	\$4.51	\$4.41	\$3.92	\$4.44
Lakeland, FL	\$4.53	\$4.63	\$4.89	\$4.85	\$5.00	\$4.94	\$4.55
Las Vegas, NV	\$7.19	\$7.69	\$7.74	\$7.80	\$7.24	\$6.15	n/a
Long Island, NY	\$8.63	\$8.15	\$8.25	\$8.53	\$8.86	\$8.51	\$8.15
Los Angeles, CA	\$8.09	\$8.26	\$8.29	\$8.79	\$9.08	\$8.94	\$7.96
Louisville, KY	\$3.52	\$3.61	\$3.63	\$3.67	\$3.68	\$3.58	\$3.16
Memphis, TN	\$2.50	\$2.35	\$2.51	\$2.49	\$2.55	\$2.37	n/a
Miami, FL	\$7.08	\$7.47	\$7.23	\$7.32	\$8.32	\$8.01	\$6.65
Milwaukee, WI	\$4.29	\$4.39	\$4.33	\$4.39	\$4.35	\$3.85	\$4.46
Minneapolis, MN	\$4.63	\$4.65	\$4.67	\$4.78	\$4.78	\$4.61	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p	
Nashville, TN	\$4.03	\$3.97	\$3.97	\$4.14	\$4.07	\$5.19	\$2.58
New Haven, CT	\$5.23	\$5.18	\$5.20	\$5.68	\$5.24	\$5.16	\$4.33
New Jersey - Central	\$6.06	\$6.59	\$6.97	\$7.18	\$7.28	\$6.29	\$4.39
New Jersey - Northern	\$7.03	\$7.42	\$7.71	\$7.71	\$7.90	\$7.44	\$6.23
Oklahoma City, OK	\$4.00	\$4.21	\$4.57	\$4.65	\$4.61	\$3.96	\$2.50
Omaha, NE	\$5.28	\$5.16	\$5.22	\$5.55	\$5.41	\$5.15	\$5.05
Orange County, CA	\$9.62	\$9.76	\$10.44	\$10.91	\$11.21	\$9.03	\$11.56
Orlando, FL	\$6.36	\$6.51	\$6.65	\$6.45	\$6.48	\$5.34	\$5.34
Palm Beach County, FL	\$7.93	\$9.30	\$9.35	\$9.64	\$10.71	\$9.98	\$9.43
PA I-81/I-78 Distribution Corridor	\$4.31	\$4.35	\$4.57	\$4.53	\$4.64	\$4.63	\$3.50
Philadelphia, PA	\$4.70	\$4.52	\$4.52	\$4.65	\$4.63	\$4.22	\$3.64
Phoenix, AZ	\$6.29	\$6.26	\$6.43	\$6.54	\$7.05	\$4.86	\$7.40
Pittsburgh, PA	\$5.74	\$7.21	\$7.70	\$7.72	\$7.84	\$5.01	\$4.58
Portland, OR	\$6.72	\$7.07	\$7.22	\$7.62	\$8.02	\$6.55	\$6.00
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$9.84	\$9.89	\$10.89	\$11.24	\$11.62	\$10.21	\$7.19
Raleigh/Durham, NC	\$7.77	\$6.34	\$6.44	\$7.06	\$6.99	\$5.51	\$5.57
Richmond, VA	\$4.43	\$4.41	\$4.34	\$4.67	\$4.72	\$4.03	\$3.83
Roanoke, VA	\$4.14	\$4.23	\$4.10	\$4.18	\$4.32	\$4.28	\$4.33
Rochester, NY	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$3.25	\$4.75
Sacramento, CA	\$4.74	\$4.40	\$4.40	\$4.43	\$4.55	\$4.51	\$4.76
Salt Lake City, UT	\$5.28	\$5.30	\$5.40	\$5.47	\$5.45	\$5.18	\$4.38
San Antonio, TX	\$5.74	\$5.76	\$5.83	\$5.85	\$5.98	\$4.97	n/a
San Diego, CA	\$11.52	\$11.76	\$12.12	\$12.00	\$12.12	\$9.00	\$10.20
San Francisco North Bay, CA	\$10.69	\$7.98	\$9.87	\$9.97	\$10.23	\$10.23	\$4.39
San Francisco Peninsula, CA	\$11.64	\$13.09	\$13.50	\$15.95	\$14.12	\$13.33	\$17.62
San Jose (Silicon Valley), CA	\$9.84	\$9.60	\$9.96	\$11.88	\$12.60	\$9.84	\$14.04
Savannah, GA	\$4.22	\$4.22	\$4.55	\$4.79	\$4.75	\$4.32	n/a
Seattle, WA	\$5.84	\$5.85	\$6.04	\$6.61	\$6.73	\$6.12	\$4.90
Southern New Hampshire	\$5.69	\$5.73	\$6.14	\$6.07	\$6.07	\$5.54	\$5.05
St. Louis, MO	\$4.22	\$4.07	\$4.14	\$4.22	\$4.28	\$4.00	\$7.29
St. Petersburg/Clearwater, FL	\$7.43	\$7.40	\$7.61	\$7.34	\$7.72	\$5.85	\$6.32
Stockton/Tracy, CA	\$3.96	\$3.96	\$4.08	\$4.20	\$4.32	\$4.44	\$3.96
Suburban MD	\$9.20	\$9.19	\$9.20	\$9.44	\$9.57	\$8.27	n/a
Suburban VA	\$10.97	\$11.14	\$10.89	\$11.11	\$11.12	\$9.02	n/a
Syracuse, NY	\$3.82	\$3.56	\$3.65	\$3.81	\$3.83	\$4.44	\$2.87
Tampa, FL	\$5.31	\$5.42	\$5.48	\$6.12	\$6.10	\$5.27	\$3.92
Tucson, AZ	\$6.92	\$6.90	\$6.80	\$6.81	\$6.67	\$6.47	\$6.04
Tulsa, OK	\$4.52	\$4.49	\$4.50	\$4.52	\$4.52	\$4.83	\$3.81

p = preliminary

Inventory	Inventory	Deliveries 2016	Under Construction as of Q4 2016p
United States	14,205,625,356	232,871,130	215,633,304
Northeast	2,326,052,719	32,815,006	30,729,998
Midwest	3,870,131,441	56,938,841	52,081,592
South	4,155,553,347	90,954,439	81,740,952
West	3,853,887,849	52,162,844	51,080,762

U.S. Industrial Report Markets	Inventory	Deliveries 2016	Under Construction as of Q4 2016p
Atlanta, GA	550,446,346	17,499,949	14,797,634
Austin, TX	46,041,861	630,870	840,565
Baltimore, MD	204,910,029	159,987	4,512,080
Binghamton, NY	17,660,684	0	650,000
Birmingham, AL	15,240,259	180,000	260,000
Boston, MA	344,260,641	2,294,473	868,342
Buffalo, NY	111,993,208	1,790,000	196,630
Charleston, SC	64,241,111	2,921,678	3,526,502
Charlotte, NC	178,766,479	1,700,983	1,248,032
Chicago, IL	1,171,767,498	18,041,677	20,777,821
Cincinnati, OH	280,775,653	4,906,907	2,753,546
Cleveland, OH	489,103,389	2,605,420	1,528,925
Colorado Springs, CO	34,367,377	275,198	n/a
Columbus, OH	248,352,834	5,928,095	2,759,975
Dallas/Ft. Worth, TX	579,909,768	22,355,321	17,097,755
Dayton, OH	113,130,990	556,300	2,286,066
Denver, CO	242,502,073	4,019,565	3,068,019
Detroit, MI	492,818,096	1,725,084	3,219,554
East Bay, CA	200,263,602	3,003,429	1,129,190
El Paso, TX	52,037,278	445,000	320,000
Fort Myers/Naples, FL	41,584,386	347,863	28,371
Fredericksburg, VA	10,250,997	0	0
Ft. Lauderdale, FL	88,060,927	266,851	765,976
Greenville, SC	197,629,483	2,007,000	3,198,000
Hampton Roads, VA	95,144,209	61,000	968,625
Hartford, CT	92,456,251	716,000	0
Houston, TX	406,564,052	14,872,050	2,503,518
Indianapolis, IN	248,449,485	2,978,381	6,386,751
Inland Empire CA	498,534,650	20,530,668	22,748,712
Jacksonville, FL	104,660,284	879,777	1,531,201
Kansas City, MO	207,988,781	8,340,589	6,920,628
Lakeland, FL	32,604,567	405,060	1,396,036
Las Vegas, NV	107,582,601	2,613,021	3,650,700
Long Island, NY	130,131,077	178,000	637,745
Los Angeles, CA	1,078,341,579	3,454,220	5,810,424
Louisville, KY	142,224,553	6,009,765	5,494,466
Memphis, TN	190,647,503	4,375,473	2,641,192
Miami, FL	151,740,646	1,626,819	4,220,640
Milwaukee, WI	198,032,676	1,947,459	577,770
Minneapolis, MN	104,981,039	3,079,509	788,000

Inventory	Inventory	Deliveries 2016	Under Construction as of Q4 2016p
Nashville, TN	201,822,563	3,300,993	5,260,229
New Haven, CT	48,872,066	305,773	80,500
New Jersey - Central	334,939,373	3,641,888	9,123,334
New Jersey - Northern	289,024,393	526,248	2,129,335
Oklahoma City, OK	68,966,254	871,719	0
Omaha, NE	68,291,937	873,368	913,356
Orange County, CA	283,034,100	624,875	222,735
Orlando, FL	110,494,129	1,366,743	1,494,160
Palm Beach County, FL	40,820,146	594,672	736,931
PA I-81/I-78 Distribution Corridor	256,795,466	17,318,399	13,206,024
Philadelphia, PA	289,850,312	4,098,702	3,466,438
Phoenix, AZ	305,451,542	5,472,611	3,007,218
Pittsburgh, PA	168,108,301	1,559,023	229,650
Portland, OR	193,837,947	2,243,343	2,698,132
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	61,057,350	298,378	655,124
Raleigh/Durham, NC	51,543,680	668,623	336,124
Richmond, VA	92,574,799	304,600	578,990
Roanoke, VA	49,847,096	0	250,000
Rochester, NY	73,551,473	0	0
Sacramento, CA	133,714,559	96,152	282,254
Salt Lake City, UT	125,295,336	1,749,201	2,770,669
San Antonio, TX	39,424,869	1,701,481	1,246,874
San Diego, CA	161,367,510	1,182,206	726,791
San Francisco North Bay, CA	21,847,019	179,354	125,020
San Francisco Peninsula, CA	40,659,616	0	0
San Jose (Silicon Valley), CA	84,601,590	674,803	0
Savannah, GA	50,459,984	3,197,810	5,000,913
Seattle, WA	141,618,321	2,666,232	3,037,177
Southern New Hampshire	48,001,232	0	n/a
St. Louis, MO	246,439,063	5,956,052	3,169,200
St. Petersburg/Clearwater, FL	51,403,077	0	341,976
Stockton/Tracy, CA	98,077,810	2,216,100	988,626
Suburban MD	48,410,804	1,246,170	311,000
Suburban VA	56,855,867	635,182	90,240
Syracuse, NY	42,680,937	386,500	142,000
Tampa, FL	80,044,666	28,500	702,672
Tucson, AZ	41,733,267	863,488	159,971
Tulsa, OK	60,180,675	292,500	40,250

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 43,000 employees in more than 60 countries help investors and occupiers 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 \$5 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.

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Regional Map

