CUSHMAN & WAKEFIELD

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U.S. Macro Forecast

February 2018

Strong... getting stronger

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The U.S. economy has created more than **2 million** net new nonfarm jobs for each of the last six years; we forecast that to continue in 2018.

Office demand has begun to decelerate. Demand peaked at **81 msf** in 2015, slowed to 53.2 msf in 2016, and then to **49.1 msf** in 2017. Demand is expected to register at **43.1 msf** in 2018.

We expect the record-setting industrial run of such demand to continue, with net absorption tallying over **400 msf** for the next two years.

In 2018, there is potential for up to **25** at-risk retailers to file for bankruptcy; up to a record **11,000 stores** may be strategically shuttered.

Record levels of dry powder are aimed at U.S. commercial properties. According to Preqin as of January 2018, there was **$164 billion** targeting U.S. assets by closed-end funds.

Executive Summary

Strong & Getting Stronger

Eight and a half years into the current cycle the U.S. economy is showing no signs of fatigue; in fact, it's getting stronger. In terms of growth, real GDP has averaged about 2% per annum throughout most of this expansion, but on the heels of soaring business and consumer confidence, stock market wealth, stronger global growth, and tax cut stimulus, the U.S. is clearly shifting into a higher gear. For the last 9 months, the U.S. economy has been growing at a much faster pace of 3%, and with the tax cuts kicking in now, this stronger rate of growth is expected to continue. In our baseline forecast, Real GDP will now grow by 2.7% in 2018 and risks remain largely to the upside that growth will exceed this level. Given that commercial real estate tracks well with the broader economy, albeit at a slight lag, 2018 will also be a strong year for the property markets. That said, the old adage that "all real estate is local" has never been truer. Depending on the product, the geography, the submarket, the block, the floor plate—it can very easily be an investor-favorable market on one side of town and an occupier-favorable market on the other. Rigorous due diligence at this stage in the cycle is an absolute must.

OFFICE

- Net absorption is expected to decelerate in tandem with office-using job growth. We forecast demand to register 97.5 million square feet (msf) between 2018 and 2020, putting vacancy on an upward trajectory towards 14.1% by 2020.
- Although deliveries will hit a cyclical peak in 2018—68.4 msf—healthy preleasing and concentrated impacts will mute the effect on vacancy rates. Markets in the Sunbelt will outperform others.

	2018	2019	2020
Vacancy Rate	13.5%	13.8%	14.1%
Asking Rent Yr/Yr % Chg.	4.0%	3.2%	1.9%

RETAIL

- The eCommerce disruption is concentrated in weak or ill-positioned assets, particularly Class B and C malls. Most shopping centers boasted a new low in vacancy rates in 2017.
- As the pipeline clears out, new construction will be strongest in mixed-use categories. Mall redevelopment and shifting tenants across property types are likely to emerge as key themes.

	2018	2019	2020
Vacancy Rate	7.0%	7.1%	7.3%
Asking Rent Yr/Yr % Chg.	2.4%	0.6%	-0.8%

INDUSTRIAL

- Continued penetration of eCommerce will fuel demand even as other drivers return in full force. Net absorption is set to exceed 600 msf over the next three years.
- Short lead-time of pipeline combined with a dearth of product in a record-tight market will temper any upward movement in national industrial vacancy rates.

	2018	2019	2020
Vacancy Rate	5.3%	5.4%	5.5%
Asking Rent Yr/Yr % Chg.	3.0%	2.4%	1.3%

CAPITAL MARKETS

- Deal activity is expected to rise, but fewer big-ticket transactions will keep volumes roughly flat. Some upside exists as investors may strategically liquidate trophy assets, especially as rising interest rates diminish the attractiveness of refinancing.
- Pricing and total NCREIF returns on moderating path reflect expected pressure from a rising cost of capital. Favorable spreads and risk tolerance will benefit opportunistic and value-add strategies.

	2018	2019	2020
Total Investment Sales ($ Bil.)	$450.8	$421.4	$406.3
NCREIF Unlevered Returns (AR%)	6.7%	6.4%	5.2%

Economy

Many Reasons for Optimism

The U.S. economy entered 2018 with very strong fundamentals and a lot of momentum. The latest economic data—on consumer spending, global trade, various manufacturing indices, and other metrics—send a clear signal that the U.S. economy is poised for greater growth. In addition, the labor market continue to crank out new jobs. Last year, the U.S. economy created 2.1 million net new nonfarm payroll jobs, more than 700,000 of which were in office-using sectors. The unemployment rate ended 2017 at 4.1%.Significantly, the economic expansion also became more broad-based in 2017, with both emerging economies and advanced economies growing in unison. Nearly 80% of the world is now sharing in this acceleration. The Baltic Dry Index—a reliable proxy of global trade—is hovering at its highest level in three years.

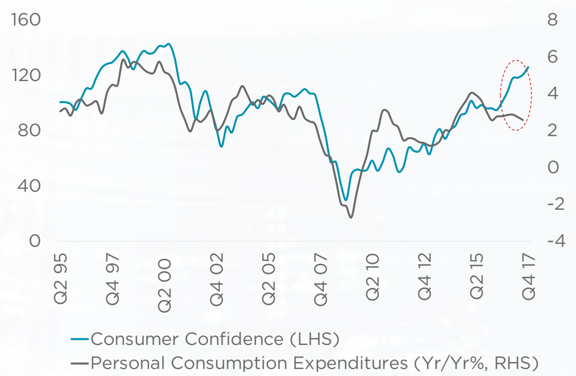
This optimism is most evident in the measures of confidence. Both consumers and businesses are feeling as positive about the economy as they have in nearly 20 years. The Conference Board's Consumer Confidence Index has been hovering in the 120 range since last summer. The National Federation of Independent Business's (NFIB) Optimism Index confirms similar upbeat sentiment.

Confidence is a critically important economic indicator for the CRE industry. When consumers are confident, they spend more. That, in turn, boosts business profits, which creates jobs, ultimately translating into demand for CRE space. Although consumer spending has been reasonably healthy throughout this expansion, it has not been overly robust. Personal consumption expenditures are growing at a rate of 2.5% annually—a healthy pace, indeed. But current confidence indicators, along with the wealth effect from higher home and equity values, suggest that consumer spending could be higher. Greater consumer spending could, given the above factors, result in an upside scenario of a 4% real GDP growth number. In general, when GDP is strengthening, so too are property markets.

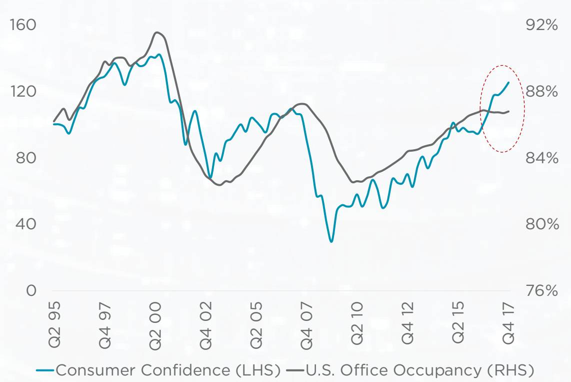
The labor market is one of the largest risk factors to the CRE outlook. The U.S. economy generated 2.1 million jobs in 2017—a sixth consecutive year of at least 2 million job gains—but a clear deceleration from the 2.9 million in 2015 and the 2.5 million in 2016. Based on the job openings data, demand for labor remains very robust. Demand is not the issue; finding labor talent is. The unemployment rate ended 2017 at 4.1% —below what most consider the level of full employment, estimated at 5%. The U-6 measure—known as

- ***The U.S. economy is humming along. All signs continue to point to the current economy being the longest expansion in the post-WWII era.***
- ***Recent tax cuts will spur growth in the near-term, but will put pressure on interest rates and inflation.***
- ***Commercial real estate is performing well in the aggregate, but is increasingly diverging across localities/geography and product type.***
- ***Job growth is healthy, but slowing—that will curb demand for real estate in some markets.***

WHEN CONFIDENCE SOARS. . .



. . . OCCUPANCY GROWS



Source: The Conference Board, U.S. Bureau of Economic Analysis, Cushman & Wakefield Research

Economy

underemployment—ended 2017 at 8.1%. These rates are among the lowest for the last 50 years. The NFIB reports that businesses are having the most difficult time filling positions since 2000. Wage pressures are also forming. The employment cost index increased by 2.5% in 2017, and is expected to continue to accelerate.

Full employment does not mean that job growth evaporates. Population growth alone supports roughly 1.2 million newly created U.S. jobs each year. In addition, based on the working-age employment-to-population ratio, there is potential for a further rebound in labor force participation; that would boost payroll growth. We expect one more year of 2 million newly created jobs in 2018—driven largely by the secondary markets which have slightly more labor market slack. But in general, we forecast employment growth to continue to weaken gradually from this point forward.

Cue Monetary Policy to take Center Stage

With the economy operating at near full employment and wages now accelerating, the Federal Open Market Committee (FOMC) will respond by raising short-term rates three times in 2018 (our current assumption), and will continue its policy path towards normalization. The trajectory for monetary policy will be one of increasing focus for financial markets. There is some uncertainty about the tone of monetary policy, as new Federal Reserve Board (FRB) Chair Jerome Powell replaces Janet Yellen in February this year, and a shake-up in the FOMC voting members takes place. In addition, there are currently three vacant FRB governor seats. Some believe a slightly more hawkish tone will emerge. We will continue to watch this closely.

The long end of the yield curve is also expected to trend upward. Indications are certainly there suggesting that rates will increase—a more aggressive Fed, larger budget deficits, some wage-driven inflation. That said, interest rates will remain relatively very low for at least one more year. Global inflation is still low—below 2% in most of the advanced world—and 10-year government bond yields around the world are still very low—just 0.6% in Germany and 0% in Japan, to name two. Consequently, a scenario in which U.S. interest rates completely pull away from the rest of the world is unlikely.

What Could Go Wrong?

Despite an upbeat environment, rising risks to medium-term outlook should not be discounted. The most immediate threats include a bull market across sectors, imbalances in China's economy and impacts from immigration/trade policy.

The U.S. equity markets are at all-time highs. The political debate surrounding the recent tax reform legislation has diverted focus from global stock performance. In step with a synchronized upturn in world economic growth, international stock prices have soared, and actually have grown faster than those for U.S. stocks. The 21.5% growth in the S&P 500 Index in 2017 seems anemic compared to the 37.5% growth in the MSCI Emerging Market Index. The fall in the value of the U.S. dollar and a rising price-to-earnings ratio for the S&P 500 Index makes the U.S. equity picture appear less sanguine. However, with the Fed now unwinding its quantitative easing (QE) program, and with some scenarios showing interest rates moving up far more aggressively, there are increasing risks that a sharp prolonged correction in asset prices could take place. Since so much of the improvement in the economy is now linked to the wealth effect from equity markets, this could be damaging to both the broader economy and to real estate markets. Fortunately, for the near-term, stock buybacks, M&A activity and the corporate tax cut set to result in outsized post-tax earnings in 2018 will temper the uphill the path of P/E ratios.

Other risks to the continued economic expansion could arise from ideological stances on foreign policy, including trade and immigration. Such risks have become more common in the U.S. and other countries. According to U.S. Census Bureau, the native-born working-age population will start to decline in 2019—a trend that is expected to last for 10 years. Absent any net positive in-migration, worker shortages will be exacerbated. Some of the rhetoric surrounding specific immigration programs may be of marginal influence on the macroeconomy. But the largest U.S. visa program is part of the North America Free Trade Agreement (NAFTA). Should trade policy negotiations—including withdrawal from the agreement—result in increased worker shortages—an unlikely but possible scenario—the effects would be felt in trade flows, investment, stock markets and economic/CRE performance.

Expansion Likely to be the Longest, Despite Naysayers

Just about every economic policy pundit has tried to call the next recession. It is true that expansions do not die of old age. For the U.S., that is good news because the current expansion may just become the longest in the post-WWII era. By this June, it will become the second longest. Over the next 12 months, the probability of an economic downturn has fallen to a low probability of 0-10%. Indeed, over the last eight and a half years, the economy has demonstrated its ability to fly on one engine when others failed, something else that should not be discounted.

Office

Demand Steady but Slowing; Wave of Deliveries to Hit in 2018

The office sector is facing a number of underlying dynamics that will slowly but surely start to push vacancy rates higher. Although headline office-using job growth reaccelerated in 2017 to 707,000 from 688,000 in 2016, we expect it to decelerate as broader momentum in labor markets faces the headwinds that accompany tight unemployment. High-tech job growth, another major driver of both traditional office and Flex/R&D space, will mimic this path.

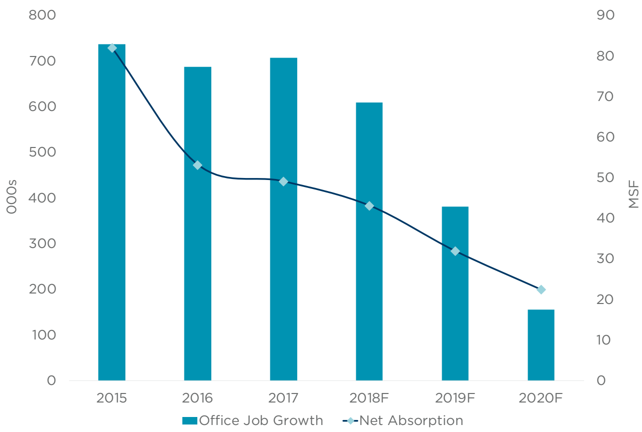
Demand for office space has already begun to decelerate. It peaked at 81 msf in 2015, slowed to 53.2 msf in 2016, and then to 49.1 msf in 2017. Some of that is due to the density trend—fewer square feet per worker—while some is due to slowing job growth in the major office-absorbing markets, including New York, Los Angeles and San Francisco. Some fall-off of demand is simply due to the maturity of the cycle which has businesses taking a more cautious approach. Our forecast calls for 1.1 million new office-using jobs to be created over the next three years—roughly half the 2.1 million-job pace from 2015 to 2017.

Although absorption rates are compressing in the office sector, leasing activity remains robust. In 2017, new leasing activity totaled 314.5 msf—the first time during this cycle that the 300 msf-threshold was surpassed. Notably, new leasing volume rose across all regions from 2016 to 2017. The high-tech, business services, financial services and healthcare/life sciences sectors drove the largest deals. Government, legal, insurance, creative, energy and media industrial accounted for less than 10% of major deal activity, with creative and media contributing relatively less compared to 2016.

Slowly rising vacancy rates, particularly in the nation's CBDs, will become a key theme over the next few years. We expect 2018 to be the peak of the development cycle for the office sector, with just over 68 msf set to deliver. Although that level will fall off as construction and labor costs rise, new supply will be increasingly driven by secondary markets, with an additional 97.9 msf delivering by 2020. Preleasing activity remains healthy if not robust in many new developments; so most of the risk for the office sector will be concentrated in backfilling commodity Class A and Class B space. Going forward, in general, look for markets with little new space under construction to outperform those with a lot. Suburban submarkets offering a range of amenities as well as public transit are well positioned to capture demand.

Rent growth will come under pressure over the forecast horizon. Asking rent increases peaked in 2016 at 5.3% and are now on a decelerating path in most markets. Concession packages are already becoming more aggressive in certain markets such as Manhattan and Washington, DC, and are expected to rise in other delivery-heavy markets. Rents will also be under pressure as more lower-priced Class B space comes to the market. Both of these features will contribute to the deceleration in asking rents.

OFFICE-USING JOB GROWTH VS. NET ABSORPTION



Source: U.S. Bureau of Labor Statistics, Cushman & Wakefield Research

FORECAST SNAPSHOT

	2018	2019	2020
Net Absorption msf	43.1	31.9	22.4
Deliveries msf	68.4	55.6	42.3
Vacancy Rate	13.5%	13.8%	14.1%
Asking Rent $ psf	$31.64	$32.65	$33.26

Industrial

Synchronized Tailwinds Gaining Steam

The harmonized pickup in global economic activity is not the only tailwind benefitting industrial real estate in the U.S. A powerful mixture—increasing trade flows, continued eCommerce penetration and expansion, rising consumer spending, rebounding investment and a maturing construction cycle—started to form in late 2016 and throughout 2017. This mix is expected to become more potent in 2018, affecting demand for all types of industrial properties from warehouse and distribution centers to manufacturing facilities. The only time the outlook for manufacturing production was rosier was for a brief period in early 2011. In its December survey, the National Association of Manufacturers reported that more than 95% of firms had a positive outlook about the next 12 months, up from 85% last December and 57% in December 2015.

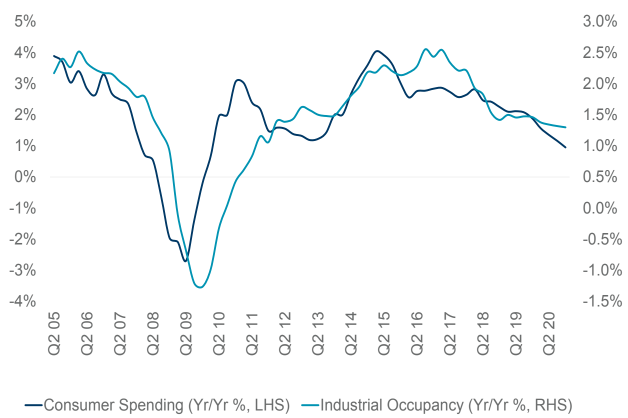
The bulk of demand for industrial space is ultimately driven by consumer spending, and we expect that engine to remain strong. Our forecast calls for growth in total retail and food sales to accelerate from 4.6% in 2017 to 5.2% in 2018—while eCommerce will continue to outperform, rising at a rate more than three times that of retail sales. In 2018, we expect online sales to grow by 16.4%. This means that 2018 will be the first year when online sales break the $500 billion mark. With a focus on individual packages rather than pallets, difference in inventory turns, significantly greater product variety, ever-quicker and reliable delivery expectations, and a need to accept returns, eCommerce will continue to be an intensive user of industrial space.

For many retailers, future sales—and profits—will depend on how quickly and consistently goods can be delivered to customers. This will increase the need for logistics-related real estate closer to urban areas in order to meet tighter delivery commitments. While supply chain strategies vary greatly, it is clear that logistics is becoming a revenue driver, with high-velocity distribution centers increasingly considered strategic assets of a retailer's business.

Consequently, the need for warehousing and distribution space will only increase over the forecast horizon. We expect the record-setting run of such demand to continue, with net absorption tallying over 200 msf per year for the next two years before declining slightly in 2020 to about 180 msf. We anticipate the decade from 2010 and 2020 to register over 2 billion square feet of demand. So, despite a very active pipeline—which is expected to peak this year—vacancy rates are not expected to rise by much.

Developers will continue exercising caution, with deliveries modestly outpacing demand, thus allowing vacancy rates to hover in the 5% range through 2020. Growth in asking rents will soften slightly but rents will continue to rise. Rent growth peaked in 2015 and has been on a decelerating trajectory since; we forecast that trend will continue, with average annual asking rents rising by 3.0%, 2.4% and 1.4% in 2018, 2019 and 2020, respectively.

CONSUMER SPENDING MAJOR ENGINE FOR INDUSTRIAL



Source: U.S. Bureau of Economic Analysis, Cushman & Wakefield Research

FORECAST SNAPSHOT

	2018	2019	2020
Net Absorption msf	232.3	200.3	180.5
Deliveries msf	249.5	220.1	208.3
Vacancy Rate	5.3%	5.4%	5.5%
Asking Rent $ psf	$5.92	$6.06	$6.14

Retail

Challenges Abound, but Not for All

The good news for retail real estate is that the majority of property types are faring well, except for specific concepts/categories that are facing the harshest headwinds from eCommerce and right-sizing. Depending on location and class, even malls have their bright spots. By and large, shopping centers—excluding urban, stand-alone and malls—have experienced the strongest demand from restaurants, grocery, off-price apparel and club/warehouse stores. While eCommerce penetration is higher among GAFO categories than for overall retail sales, and although the brunt of the real estate impact continues to be felt in malls, a majority of sales still take place in physical, bricks-and-mortar store locations. Shopping centers are leveraging the consumer appetite for experiences—offering restaurant/bars and entertainment-themed concepts. eCommerce-resistant services like nail and hair salons and boutique and big-box fitness are helping pave the way. It appears that some retailers may be facing saturation rather than a lack of demand.

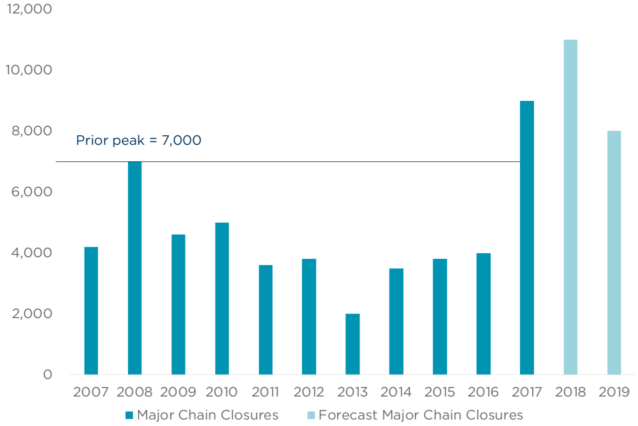
As the shake-up at major GAFO retailers continues to unfold, the downstream implications are evolving. In 2017, there were just under 9,000 store closures, while PNC data reveal there were 36 major retailer bankruptcies—one shy of the 37 bankruptcies registered in 2009 at the height of the Financial Crisis. Cushman & Wakefield is tracking at-risk retailers in 2018, including the potential for 25 to file for bankruptcy; up to a record 11,000 stores may be strategically shuttered.

While all commercial property asset classes are experiencing similar overall trends in leasing performance, attention to location and property idiosyncrasies is perhaps greatest in retail. Nationally, the pipeline has been tightening since 2015. That year marked what is considered to have been the economy's best year of the current cycle—a view that could be upended in 2018 if all goes according to script. This cycle's peak of 27.5 msf in 2015 is considerably lower than the prior cycle's peak in 2007 when 110.8 msf was delivered. Retail construction will remain tied to multifamily and mixed-use development. Most other retail segments remain overbuilt. Redevelopment will continue to be a theme for obsolete or near-obsolete assets.

Shopping center fundamentals reflect an industry that has found stability while shifting and adapting to a new generation of consumers and their preferences. This is most evident in vacancy rates which hovered at a cyclical low point of 6.9% in 2017. Constricted supply over the next few years—the pipeline is likely to empty out towards 2020 before the retail reset is finally past—will help to temper the rise in nationwide vacancies. We expect the weakest period for demand to begin this year as closures mount and retailers attempt to revitalize strategy playbooks.

In 2017, average asking rents rose 2.9%. As the industry's dynamics catch up to affect tenants of all types, we anticipate rents to start to feel the effects. In 2018, average asking rents are forecast to rise by 2.4% before starting to decline by the end of the decade.

MAJOR CHAIN STORE CLOSURES



Source: Moody's, Cushman & Wakefield Research

FORECAST SNAPSHOT

	2018	2019	2020
Net Absorption msf	6.3	3.9	-0.3
Deliveries msf	18.0	11.3	8.9
Vacancy Rate	7.0%	7.1%	7.3%
Asking Rent $ psf	$16.84	$16.94	$16.81

Capital Markets

Same Old Meets a New Dawn and a New Day

Commercial property investment markets ended 2017 on a solid note despite beginning the year with elevated economic and political uncertainty. Record low interest rates, though climbing recently, have continued to fuel a search for yield that is drawing capital into CRE from other asset classes and from other countries into the U.S. Meanwhile, compressed cap rates in certain product segments and markets within U.S. CRE are increasingly pushing investors towards new strategies. These strategic rotations have gained momentum as investors have become more confident about the outlook for the continuance of the current economic and CRE expansionary cycle.

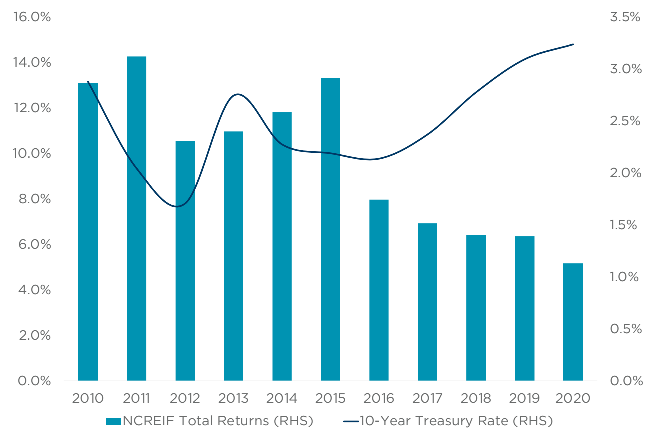
Last year ended where we had anticipated: with total volumes down by 6.7%. We expect 2018 to be a stable year. While some investors (institutions) are getting off of the sidelines, many are reaching into secondary markets, suburbs and industrial assets that tend to have a lower nominal value than their CBD and gateway counterparts. The majority of transaction activity will continue to be in core properties. But elevated pricing spreads, large amounts of dry powder and enhanced risk appetite should translate to increased transaction activity by opportunistic and value-add investors. There could be a meaningful increase in the number of deals in 2018, but fewer big-ticket transactions mean volumes will be roughly flat. The upside risk to our forecast is some investors may seek to take advantage of current pricing to liquidate assets. As interest rates increase, this may become more likely as refinancing will become less attractive. At the same time, the shift towards lower individual asset value strategies could result in greater portfolio volumes to meet minimum investment requirements of institutions.

Record levels of dry powder are aimed at U.S. commercial properties. As of January 2018, Preqin reports there is $164 billion targeting U.S. assets by closed-end funds. At current levels, investors are having increased difficulty deploying the capital they have. They will continue to face the challenge of investing that capital in an environment of rising interest rates domestically and internationally over the coming years.

Most cap rates either remained flat in 2017 or compressed between 10-20 bps, depending on the sector. Across the board, cap rates sat tight at 6.1%. Industrial remained the stand-out sector, with values rising sufficiently to push cap rates down more than 20 bps—from 6.9% to under 6.7% over the same timeframe. Nevertheless, with spreads at current levels, rising interest rates and the stage set for greater inflationary pressure, price appreciation will occur at a slower rate.

The focus for 2018 remains on maximizing returns from income growth. Only some upside risk exists for NOI returns which are likely to remain low or tempered in the face of new construction, rising vacancies and slowing rent growth. Combined with slowing appreciation, NCREIF total returns are forecast to moderate from 7.0% in 2017 to 6.4% in 2018 before compressing further. These returns are consistent with an economy that is running at full capacity but with lower growth rates than in the past. Similar decelerations would be expected across other growth sensitive asset classes.

HIGH INTEREST RATES EXPECTED TO MODERATE RETURNS



Source: NCREIF, Federal Reserve, Cushman & Wakefield Research

FORECAST SNAPSHOT

	2018	2019	2020
Investment Sales	$450.8	$421.4	$406.3
NCREIF Returns	6.7%	6.4%	5.2%
All Property CPPI Price Index	6.0%	5.5%	2.3%

Forecast Statistics

U.S. MACRO FORECAST TABLE

	2015	2016	2017	2018	2019	2020
U.S. Economy						
Real GDP, AR%	2.9	1.5	2.3	2.7	2.1	1.9
Nonfarm Employment Change, Ths.	2,876	2,492	2,140	2,019	1,221	455
Office-using Employment Change, Ths.	737	688	707	610	381	155
Unemployment Rate, %*	5.3	4.9	4.4	3.7	3.5	4.1
CPI-U Inflation, Yr/Yr%*	0.1	1.3	2.1	2.2	2.2	2.2
Core PCE Inflation, Yr/Yr%*	1.3	1.8	1.5	1.8	2.0	2.1
ECI Total Wages & Salaries Index, Yr/Yr%*	2.2	2.3	2.5	2.8	3.0	2.7
Fed Funds Rate, % (Year-end, Q4)	0.2	0.4	1.2	2.0	2.9	2.9
10-year Treasury Rate, % (Year-end, Q4)	2.2	1.6	2.2	2.7	3.0	3.2
Retail Sales & Food Services, Yr/Yr%*	2.6	3.0	4.6	5.2	3.5	2.5
GAFO Retail Sales, Yr/Yr%*	1.7	-0.1	1.8	4.5	3.3	3.2
eCommerce Sales, Yr/Yr %*	14.0	14.9	15.8	16.4	13.0	10.3
Manufacturing Industrial Production, Yr/Yr %*	0.2	0.2	1.7	2.3	1.7	1.6
Office Sector [1]						
Deliveries, msf	51.8	52.4	54.7	68.4	55.6	42.3
Net Absorption, msf	82.0	53.2	49.1	43.1	31.9	22.4
Vacancy Rate	13.8%	13.2%	13.2%	13.5%	13.8%	14.1%
Asking Rents	$27.68	$29.16	$30.41	$31.64	$32.65	$33.26
Growth in Asking Rents, Yr/Yr %	3.3%	5.3%	4.3%	4.0%	3.2%	1.9%
Industrial Sector[1]						
Deliveries, msf	176.9	233.0	246.1	249.5	220.1	208.3
Net Absorption, msf	247.8	281.7	246.3	232.3	200.3	180.5
Vacancy Rate	6.6%	5.7%	5.2%	5.3%	5.4%	5.5%
Asking Rents	$5.31	$5.54	$5.75	$5.92	$6.06	$6.14
Growth in Asking Rents, Yr/Yr %	6.0%	4.2%	3.9%	3.0%	2.4%	1.3%
Retail Sector[1/2]						
Deliveries, msf	27.5	25.0	21.8	18.0	11.3	8.9
Net Absorption, msf	41.7	38.3	34.1	6.3	3.9	-0.3
Vacancy Rate	7.9%	7.5%	6.9%	7.0%	7.1%	7.3%
Asking Rents	$15.69	$15.98	$16.45	$16.84	$16.94	$16.81
Growth in Asking Rents, Yr/Yr %	1.1%	1.9%	2.9%	2.4%	0.6%	-0.8%
Capital Markets[3]						
Total Investment Sales, $ Bil.	$547.1	$497.1	$463.9	$450.8	$421.4	$406.3
NCREIF Unlevered Returns, AR%	13.3%	8.0%	7.0%	6.7%	6.4%	5.2%
Moody's/RCA CPPI (All Property Types), % (Year-end, Q4)	10.6%	9.1%	7.0%	6.0%	5.5%	2.3%

1. Annual asking rents and vacancy rates are averages, not year-end

2. Historical series based on CoStar; Shopping Centers Only (excludes stand-alone and urban retail)

3. Total investment sales includes office, industrial, retail, multifamily, hotel, and land sales

** Annual Average*

Sources: Moody's Analytics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve, U.S. Census Bureau, U.S. Board of Governors of the Federal Reserve System, Costar (retail only), Real Capital Analytics NCREIF, Cushman & Wakefield Research

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.

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