

MARKETBEAT

U.S. Industrial

Q3 2018



U.S. INDUSTRIAL

Employment Indicators

	Q3 17	Q3 18	12-Month Forecast
Total Nonfarm Employment	146.9M	149.3M	▲
Industrial Employment	31.5M	32.3M	▲
Unemployment	4.4%	3.9%	▼

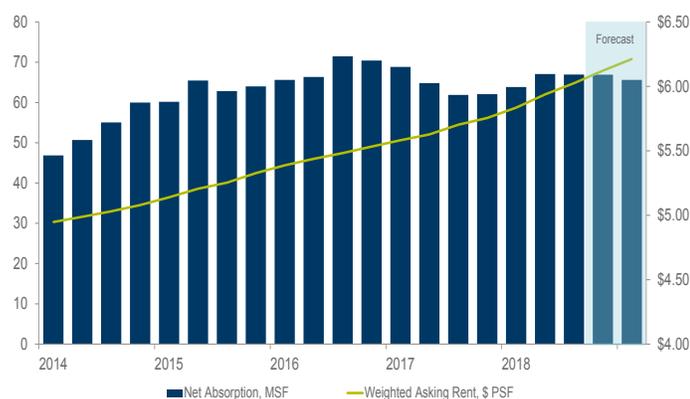
Source: BLS

Market Indicators

	Q3 17	Q3 18	12-Month Forecast
Overall Vacancy	5.1%	4.9%	▲
Net Absorption	66.8M	66.3M	▲
Under Construction	233.1M	285.4M	▲
Weighted Asking Rent (NNN)	\$5.80	\$6.15	▲
Rent Growth (Yr/Yr % Chg.)	3.9%	5.9%	▲

Net Absorption/Rent NNN

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Another Year Another Medal

U.S. industrial absorption is on track to finish 2018 with its third strongest net occupancy growth, behind only 2016 and 2014. Considering the strong economic fundamentals, there is no indication that demand will soften in the final quarter of 2018. This means that the three strongest years of industrial occupancy growth since the 1980s will have occurred in the last five years. Looking forward, the combination of limited new product and high utilization rates of existing footprints will translate to strong performance for Class A product and improved performance for Class B and C product.

Broad-Based Growth Continues: U.S. industrial markets absorbed 66.3 million square feet (msf) in the third quarter of 2018, pushing year-to-date absorption to 203.9 msf, a 10.5% increase from the 184.5 msf registered a year ago. Leasing demand continued to be broad-based during the quarter, with 41 markets recording over 1 msf of net absorption and 29 markets eclipsing 2 msf of occupancy gains year-to-date. Each industrial segment continued on a roll, with annual net absorption for warehouse/distribution real estate surpassing 180 msf, while the growth rate for manufacturing and flex space absorption nearly doubled in the third quarter of 2018 with those segments absorbing 13.6 msf and 6.4 msf, respectively. Among the U.S. regions, the South set the pace for the market in the third quarter of 2018 with 27.7 msf of quarterly absorption, and the West closely behind at 20.8 msf. Markets in which annual net absorption was strongest included the Inland Empire (22.7 msf), Dallas/Fort Worth (17.2 msf), Atlanta (15.9 msf) the Pennsylvania I-81/I-78 Distribution Corridor (13.3 msf), Chicago (12.9 msf), and Central New Jersey (12.4 msf).

Vacancy Remains Anchored: Despite the delivery of 72 msf of new product in the third quarter of 2018, the vacancy rate remained anchored at a historic low of 4.9%, 130 basis points (bps) below the 5-year historical average of 6.2% for all product types. Vacancy rates have declined over the last 12 months in 50 of the 79 markets tracked by Cushman & Wakefield, with rates holding steady or declining further in 42 markets during the third quarter. Among the tightest markets were Los Angeles (with vacancy of 1.4%), Orange County (1.7%), Salt Lake City (2.4%), the San Francisco Peninsula (2.6%), Central New Jersey and Silicon Valley (each at 2.8%), Cincinnati (2.9%) and Jacksonville (3.0%).

Strong Fundamentals in Secondary Markets: Strengthening fundamentals in secondary markets have helped spur solid occupancy growth. Over 30 secondary markets registered more than 1 msf of net absorption year-to-date. Notably, average annual rent growth for both warehouse and manufacturing are forecast to be strongest in secondary markets in 2018, although growth will also be strong in primary and tertiary markets.

All Eyes on Development: Market conditions are motivating new development; construction starts jumped by 22.4% year-over-year nationally, with 34 markets experiencing an uptick in construction starts during the third quarter of 2018. The largest up-tick was in the Midwest—where the development pipeline increased 34.5% since the second quarter of 2018—while construction activity increased modestly in the South and

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Northeast and fell slightly in the West. There is currently 285.4 msf of industrial product under construction of which 199.4 msf is speculative, 70% more than the 5-year historical average of 104.9 msf. Development of all sizes remains concentrated in a handful of markets, but activity is ticking up across the country. This is evidenced by the Inland Empire, Dallas/Fort Worth, Atlanta, Chicago, and the Pennsylvania I-81/I-78 Distribution Corridor still accounting for more than one-third of product under construction, but 45 additional markets currently having more than 1 msf under development.

Rents Rise Above Replacement Costs: U.S. industrial rents increased 5.9% in the third quarter of 2018 from a year ago, rising in 53 markets—20 of which posted double-digit gains. The strongest rent growth occurred in San Francisco North Bay, Central Valley California, Central New Jersey, Seattle, Sacramento, Boston, Long Island, Memphis and Pittsburgh—all markets in which average asking rents rose more than 15% year-over-year. Although overall asking rents currently stand at a high of \$6.15 per square foot, on an inflation-adjusted basis rents remain 4.3% below their level at the height of the last cycle. Rent growth has lifted rents above replacement costs in many markets, which—when taken in tandem with tight conditions and continued demand—will bolster additional development. Nevertheless, rising construction costs and the conservatism among developers that has been a hallmark of the current expansion will promote prudence and keep industrial rents from being watered down from a wave of speculative supply.

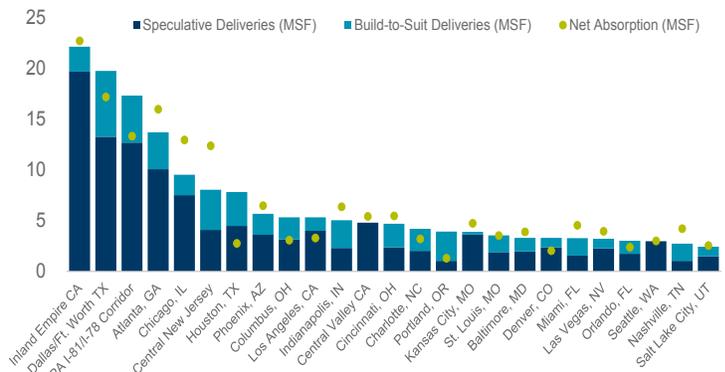
Booming Freight Economy: The outlook for consumer spending and retail sales is positive, and that for eCommerce even more so: online sales are forecast to grow by double-digits throughout the next three years. And despite concerns over trade policy, the primary drivers of industrial leasing exhibit strength. Ports are bustling, industrial output was the highest ever in August, and the Association of American Railroads reports that the last two weeks of September 2018 were the two highest-volume U.S. intermodal weeks on record. Inflation remains the greatest near-term risk. Eventually, higher input and product costs—as measured by the producer price index (PPI)—could result in higher consumer prices which could stifle consumption and demand for industrial real estate. Recently, the PPI has been ticking upward—and not just as a result of tariff-related price effects. Transportation and storage costs are rising rapidly. Despite the inflationary headwinds, the U.S. economy and the industrial property market are expected to perform well in 2018 and 2019.

Outlook

- Net absorption will surpass 250 msf in 2018 for a third year in a row, and eclipse 100 msf for a sixth consecutive year in 2019.
- Supply will modestly outpace demand with the overall industrial vacancy rate remaining in the low-to-mid 5% range through 2018 and 2019.
- Rent growth will remain strong in 2018 and gradually begin to decelerate in 2019.

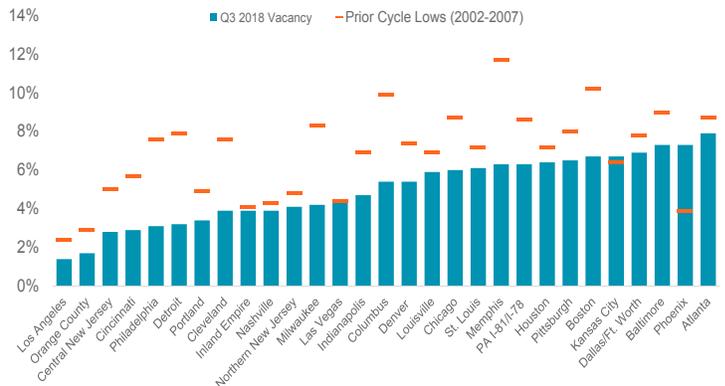
Few Signs of Overbuilding

YEAR-TO-DATE SUPPLY & DEMAND FUNDAMENTALS



Source: Cushman & Wakefield Research

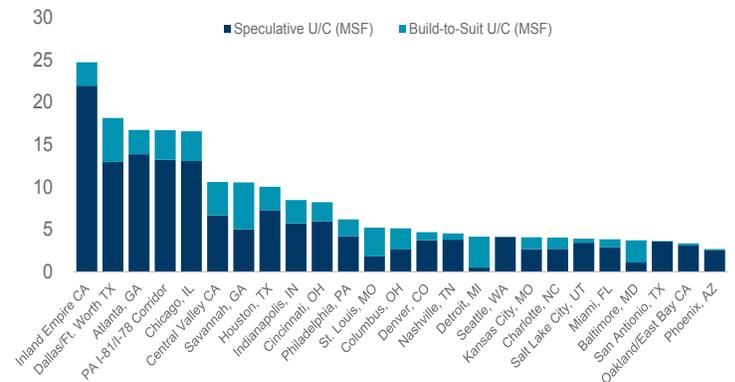
Markets Remain Tight



Source: Cushman & Wakefield Research

Development Pipeline Building

Q3 2018 INDUSTRIAL PRODUCT UNDER CONSTRUCTION



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
United States	66,812,583	63,862,195	63,606,343	74,024,994	66,275,849	118,078,023
Northeast	8,861,433	5,186,345	11,738,275	7,574,394	8,334,036	16,490,828
Midwest	14,367,981	20,129,097	10,453,129	19,048,749	9,491,534	22,682,864
South	25,175,978	21,782,491	23,005,428	31,230,527	27,654,469	35,949,519
West	18,407,191	16,764,262	18,409,511	16,171,324	20,795,810	42,954,812

U.S. Industrial Report Markets	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Atlanta, GA	3,648,731	4,088,694	5,060,545	3,914,585	6,965,199	6,343,792
Austin, TX	-310,320	333,881	88,415	-7,271	33,372	517,471
Baltimore, MD	2,000,608	747,727	1,285,871	1,527,676	1,076,185	1,263,962
Binghamton, NY	40,000	67,346	0	-104,450	-137,442	20,000
Birmingham, AL	41,451	54,771	51,651	-139,480	284,495	385,190
Boston, MA	-141,078	492,001	278,374	-322,686	-286,481	338,760
Buffalo, NY	164,966	-924,409	-419,352	-416,072	361,972	617,885
Central Valley, CA	1,117,105	921,226	1,906,657	611,363	2,894,262	3,786,550
Charleston, SC	-412,412	-129,871	1,050,618	3,373,254	2,696	477,213
Charlotte, NC	349,467	188,684	398,436	1,862,756	936,141	1,174,123
Chicago, IL	2,099,650	6,156,467	2,978,396	6,338,567	3,605,619	6,445,504
Cincinnati, OH	424,580	1,064,784	1,569,121	2,028,135	1,862,303	2,059,839
Cleveland, OH	119,114	-287,548	1,362,622	-876,635	-682,362	624,685
Colorado Springs, CO	-226,085	18,596	191,460	271,803	268,162	170,130
Columbus, OH	1,426,826	1,812,261	320,010	2,011,600	739,775	2,127,657
Dallas/Ft. Worth, TX	6,888,446	4,640,129	3,148,086	8,447,765	5,556,610	5,990,270
Dayton, OH	-148,694	489,070	-183,797	-19,724	-98,342	57,382
Denver, CO	1,347,621	1,543,466	249,507	558,268	1,223,839	2,342,483
Detroit, MI	1,091,403	2,555,549	-311,631	2,072,402	-1,906,249	2,002,416
El Paso, TX	376,794	321,135	372,123	100,800	680,474	344,726
Fort Myers/Naples, FL	-28,025	73,330	32,218	-134,930	-147,698	321,362
Fredericksburg, VA	49,387	56,102	868,508	-140,363	-42,789	98,271
Ft. Lauderdale, FL	179,962	514,548	-152,477	-165,440	843,971	1,396,645
Greenville, SC	502,474	394,982	1,800,991	1,069,748	1,868,143	393,527
Hampton Roads, VA	576,275	-36,520	302,709	-22,701	-338,584	334,280
Hartford, CT	27,817	135,148	359,849	-77,021	-1,363,863	516,783
Houston, TX	3,209,316	-104,023	817,236	1,459,852	485,266	3,997,029
Indianapolis, IN	2,313,853	3,716,487	556,797	1,658,650	4,138,778	2,837,672
Inland Empire CA	7,126,381	4,688,875	6,318,215	7,795,158	8,554,877	9,577,927
Jacksonville, FL	1,826,645	1,423,221	331,318	-107,214	45,155	287,502
Kansas City, MO	1,682,050	2,117,643	2,037,146	1,895,096	805,447	2,532,637
Lakeland, FL	293,766	36,455	435,792	643,178	235,643	149,005
Las Vegas, NV	2,145,979	2,298,777	1,970,032	1,352,307	630,459	1,063,059
Long Island, NY	253,587	852,791	-342,938	284,735	-588,527	567,655
Los Angeles, CA	1,837,210	1,022,046	1,685,219	-5,468	1,612,015	7,978,800
Louisville, KY	1,245,202	1,222,039	1,774,227	3,224,156	2,028,682	2,387,332
Memphis, TN	486,717	662,189	1,370,642	-211,289	1,303,011	2,736,150
Miami, FL	128,146	730,241	995,053	895,165	2,642,658	1,618,923
Milwaukee, WI	1,493,471	-56,043	842,084	712,238	79,061	1,064,415
Minneapolis, MN	872,326	825,334	592,886	895,305	560,618	1,960,941

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Nashville, TN	1,675,012	120,526	1,308,765	1,899,880	1,001,225	808,386
New Haven, CT	5,477	175,696	131,206	-43,970	208,046	432,533
New Jersey - Central	2,809,359	2,184,634	3,906,067	3,124,948	5,325,215	5,369,090
New Jersey - Northern	497,798	1,664,946	161,298	735,863	336,333	3,425,712
Northern VA	-20,211	35,291	68,689	511,809	306,033	491,546
Oakland/East Bay, CA	-1,569,379	660,234	-419,159	-1,489,837	-305,680	2,178,710
Oklahoma City, OK	-542,074	n/a	-36,553	-56,541	-4,993	333,614
Omaha, NE	349,921	455,995	-45,931	92,488	-168,696	267,789
Orange County, CA	-143,511	-261,531	-122,415	362,050	186,754	2,772,216
Orlando, FL	462,458	789,720	679,407	1,318,618	384,622	1,694,486
Palm Beach County, FL	362,784	101,677	4,592	49,778	87,463	319,106
PA I-81/I-78 Distribution Corridor	3,541,623	844,371	4,626,038	5,380,314	3,284,050	2,418,078
Philadelphia, PA	1,437,888	611,009	1,709,697	-393,235	371,849	1,778,930
Phoenix, AZ	2,571,976	2,600,022	1,615,377	2,628,495	2,212,260	2,548,499
Pittsburgh, PA	-650,575	-356,733	1,186,565	-1,162,742	79,076	638,309
Portland, OR	870,133	-72,333	-633,444	1,315,894	609,839	1,563,766
Providence, RI	63,199	313,632	71,456	142,176	61,684	61,684
Puget Sound - Eastside	-182,255	220,980	524,863	214,628	391,358	444,790
Raleigh/Durham, NC	317,502	-294,394	225,740	184,041	129,296	159,421
Richmond, VA	705,151	1,022,908	70,213	19,340	189,478	97,505
Roanoke, VA	95,604	6,011	480,115	472,350	54,719	22,047
Rochester, NY	407,166	-594,469	101,023	34,455	981,275	0
Sacramento, CA	1,379,668	1,426,115	1,717,798	825,852	-131,069	1,166,644
Salt Lake City, UT	798,628	723,096	1,039,351	-136,573	1,652,453	1,142,353
San Antonio, TX	135,180	-203,074	76,360	-26,959	79,690	391,347
San Diego, CA	844,640	103,378	-85,162	903,332	513,371	2,358,708
San Francisco North Bay, CA	71,827	39,783	-80,832	135,573	38,977	275,593
San Francisco Peninsula, CA	762	15,292	-4,915	-219,691	-134,821	354,722
San Jose (Silicon Valley), CA	-177,705	346,282	731,852	71,272	-253,643	358,595
Savannah, GA	0	3,855,811	0	920,868	0	0
Seattle, WA	561,459	251,674	1,762,853	658,361	577,153	2,719,250
Southern New Hampshire	184,217	-302,661	-118,498	135,192	-194,820	195,392
St. Louis, MO	2,643,481	1,279,098	735,426	2,240,627	555,582	701,927
St. Petersburg/Clearwater, FL	123,416	225,964	-165,644	116,241	-261,559	199,990
Suburban MD	37,371	316,522	71,323	173,822	320,893	355,790
Syracuse, NY	219,989	23,043	87,490	256,887	-104,331	110,017
Tampa, FL	677,735	587,815	132,184	-57,510	839,148	488,357
Tucson, AZ	32,737	218,284	42,254	318,537	255,244	152,017
Tulsa, OK	93,420	n/a	58,275	114,543	69,824	371,151

p = preliminary

Overall Vacancy Rate	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p
United States	5.1%	5.1%	5.0%	4.9%	4.9%
Northeast	5.3%	5.3%	5.1%	5.3%	5.3%
Midwest	5.4%	5.3%	5.3%	5.0%	5.0%
South	6.2%	6.1%	5.9%	5.8%	5.8%
West	3.7%	3.7%	3.5%	3.6%	3.5%

U.S. Industrial Report Markets	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p
Atlanta, GA	7.8%	7.7%	8.1%	8.2%	7.9%
Austin, TX	9.5%	8.8%	9.2%	7.3%	7.1%
Baltimore, MD	6.9%	6.4%	6.4%	6.2%	7.3%
Binghamton, NY	9.8%	9.9%	8.8%	9.7%	10.5%
Birmingham, AL	10.8%	10.6%	10.2%	11.3%	9.8%
Boston, MA	6.4%	6.2%	5.9%	6.2%	6.7%
Buffalo, NY	8.9%	9.1%	9.2%	9.5%	9.2%
Central Valley, CA	2.8%	3.3%	3.6%	4.5%	3.5%
Charleston, SC	8.0%	8.1%	8.0%	7.2%	7.7%
Charlotte, NC	3.5%	3.4%	5.1%	4.5%	4.4%
Chicago, IL	6.7%	6.8%	6.8%	6.3%	6.0%
Cincinnati, OH	3.4%	3.2%	3.7%	3.0%	2.9%
Cleveland, OH	3.8%	3.9%	3.5%	3.5%	3.9%
Colorado Springs, CO	10.6%	10.7%	7.9%	6.9%	6.4%
Columbus, OH	5.1%	4.7%	4.8%	5.1%	5.4%
Dallas/Ft. Worth, TX	6.8%	7.0%	6.4%	6.4%	6.9%
Dayton, OH	8.2%	8.3%	7.8%	8.0%	8.1%
Denver, CO	4.8%	4.9%	5.0%	5.3%	5.4%
Detroit, MI	3.1%	2.9%	2.9%	2.9%	3.2%
El Paso, TX	5.0%	3.2%	2.7%	2.4%	1.1%
Fort Myers/Naples, FL	1.8%	1.9%	2.1%	2.8%	2.7%
Fredericksburg, VA	4.7%	5.3%	5.5%	6.7%	7.0%
Ft. Lauderdale, FL	4.0%	2.9%	3.8%	3.7%	3.1%
Greenville, SC	5.8%	5.8%	5.4%	5.3%	4.8%
Hampton Roads, VA	4.1%	4.4%	4.2%	3.9%	4.2%
Hartford, CT	8.1%	7.9%	7.6%	7.7%	6.8%
Houston, TX	6.2%	6.3%	6.0%	6.2%	6.4%
Indianapolis, IN	5.5%	5.3%	5.5%	5.2%	4.7%
Inland Empire CA	4.0%	4.1%	3.9%	4.1%	3.9%
Jacksonville, FL	4.8%	4.0%	3.4%	2.9%	3.0%
Kansas City, MO	7.1%	7.2%	7.4%	6.8%	6.7%
Lakeland, FL	3.9%	3.9%	4.9%	4.5%	3.8%
Las Vegas, NV	5.9%	4.6%	4.8%	4.3%	4.5%
Long Island, NY	6.5%	5.6%	5.1%	5.0%	5.1%
Los Angeles, CA	1.2%	1.3%	1.3%	1.5%	1.4%
Louisville, KY	8.1%	7.7%	7.2%	6.4%	5.9%
Memphis, TN	8.2%	7.8%	7.4%	7.2%	6.3%
Miami, FL	4.7%	4.7%	4.3%	4.3%	3.6%
Milwaukee, WI	3.8%	4.1%	4.1%	4.0%	4.2%
Minneapolis, MN	8.0%	8.5%	8.7%	8.2%	7.9%

Overall Vacancy Rate	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p
Nashville, TN	3.3%	3.5%	3.4%	3.2%	3.9%
New Haven, CT	9.8%	9.5%	9.1%	9.3%	6.9%
New Jersey - Central	3.6%	3.3%	2.6%	2.6%	2.8%
New Jersey - Northern	4.6%	4.4%	4.7%	4.1%	4.1%
Northern VA	8.7%	8.4%	10.1%	9.3%	8.6%
Oakland/East Bay, CA	3.3%	3.0%	3.0%	3.7%	4.2%
Oklahoma City, OK	9.0%	9.0%	4.7%	4.7%	5.3%
Omaha, NE	3.6%	3.4%	2.5%	2.9%	3.1%
Orange County, CA	1.9%	1.9%	1.9%	1.9%	1.7%
Orlando, FL	5.5%	5.4%	5.1%	4.8%	5.2%
Palm Beach County, FL	3.3%	2.7%	3.0%	3.1%	2.8%
PA I-81/I-78 Distribution Corridor	5.3%	5.1%	4.8%	5.5%	6.3%
Philadelphia, PA	3.4%	4.0%	3.3%	3.2%	3.1%
Phoenix, AZ	8.3%	7.9%	7.8%	7.1%	7.3%
Pittsburgh, PA	4.8%	5.4%	5.4%	6.1%	6.5%
Portland, OR	3.5%	3.9%	4.2%	3.9%	3.4%
Providence, RI	0.1%	0.1%	0.0%	0.4%	0.4%
Puget Sound - Eastside	4.9%	4.7%	4.3%	4.2%	3.9%
Raleigh/Durham, NC	5.5%	6.0%	5.5%	5.5%	4.8%
Richmond, VA	3.7%	3.7%	3.9%	3.5%	4.2%
Roanoke, VA	7.1%	7.2%	7.0%	6.6%	6.6%
Rochester, NY	9.0%	9.8%	9.7%	9.6%	8.3%
Sacramento, CA	6.3%	5.9%	4.3%	4.3%	4.5%
Salt Lake City, UT	5.8%	5.6%	5.2%	5.2%	2.4%
San Antonio, TX	8.0%	8.8%	8.4%	8.6%	9.0%
San Diego, CA	4.8%	4.8%	4.8%	4.9%	5.0%
San Francisco North Bay, CA	4.8%	4.6%	4.2%	3.9%	3.6%
San Francisco Peninsula, CA	2.1%	2.0%	1.6%	2.3%	2.6%
San Jose (Silicon Valley), CA	3.6%	3.2%	2.3%	2.7%	2.8%
Savannah, GA	3.2%	1.2%	1.2%	0.6%	0.6%
Seattle, WA	4.2%	4.1%	3.5%	3.9%	4.0%
Southern New Hampshire	7.5%	8.2%	8.8%	9.2%	8.2%
St. Louis, MO	6.7%	6.0%	6.1%	5.7%	6.1%
St. Petersburg/Clearwater, FL	3.5%	3.6%	3.8%	3.7%	4.0%
Suburban MD	10.4%	9.7%	9.7%	9.3%	8.2%
Syracuse, NY	8.8%	8.8%	8.6%	7.8%	8.0%
Tampa, FL	5.2%	5.3%	5.8%	6.2%	5.5%
Tucson, AZ	8.2%	6.6%	6.3%	6.0%	5.7%
Tulsa, OK	8.9%	8.9%	3.1%	3.0%	2.7%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p	
United States	\$5.80	\$5.84	\$6.00	\$6.11	\$6.15	\$5.44	\$6.07
Northeast	\$6.03	\$6.17	\$6.40	\$6.51	\$6.73	\$6.41	\$5.14
Midwest	\$4.61	\$4.61	\$4.70	\$4.79	\$4.79	\$4.47	\$4.67
South	\$5.45	\$5.41	\$5.62	\$5.60	\$5.58	\$4.83	\$4.91
West	\$7.98	\$8.12	\$8.34	\$8.58	\$8.71	\$7.66	\$9.43

U.S. Industrial Report Markets	Q3 2017	Q4 2017	Q1 2018	Q2 2017	Q3 2018p	Q3 2018p	
Atlanta, GA	\$4.54	\$4.47	\$4.83	\$4.96	\$5.04	\$4.21	\$3.98
Austin, TX	\$9.34	\$9.24	\$10.08	\$9.94	\$10.37	\$7.60	\$9.65
Baltimore, MD	\$5.10	\$5.70	\$5.75	\$5.77	\$5.54	\$5.02	n/a
Binghamton, NY	\$4.58	\$4.57	\$4.57	\$4.57	\$4.55	\$4.31	\$4.21
Birmingham, AL	\$4.09	\$4.02	\$3.98	\$4.06	\$4.26	\$3.93	n/a
Boston, MA	\$6.97	\$8.17	\$7.45	\$7.30	\$8.22	\$7.63	\$7.93
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.24	\$4.75	\$4.44	\$5.15	\$5.46	\$4.56	\$7.53
Charleston, SC	\$5.48	\$5.52	\$5.54	\$5.52	\$5.46	\$5.49	\$4.95
Charlotte, NC	\$5.42	\$5.21	\$5.27	\$5.18	\$5.30	\$4.82	\$4.45
Chicago, IL	\$5.03	\$5.08	\$5.19	\$5.29	\$5.34	\$5.06	\$4.92
Cincinnati, OH	\$4.33	\$4.25	\$4.34	\$4.40	\$4.27	\$4.01	\$3.26
Cleveland, OH	\$4.12	\$4.15	\$4.30	\$4.44	\$4.12	\$3.80	n/a
Colorado Springs, CO	\$7.37	\$7.85	\$8.07	\$8.13	\$8.15	\$7.60	\$7.24
Columbus, OH	\$3.46	\$3.50	\$3.55	\$3.59	\$3.60	\$3.60	n/a
Dallas/Ft. Worth, TX	\$5.59	\$5.06	\$5.40	\$5.50	\$5.12	\$4.19	\$4.20
Dayton, OH	\$3.33	\$3.26	\$3.29	\$3.05	\$3.08	\$3.06	\$2.93
Denver, CO	\$8.03	\$7.96	\$7.78	\$7.92	\$8.02	\$6.61	\$7.76
Detroit, MI	\$5.56	\$5.57	\$5.79	\$5.96	\$6.09	\$5.59	\$5.41
El Paso, TX	\$4.00	\$4.10	\$4.10	\$4.10	\$4.25	\$4.25	\$4.15
Fort Myers/Naples, FL	\$7.50	\$7.61	\$7.72	\$7.75	\$7.99	\$7.55	\$8.86
Fredericksburg, VA	\$5.73	\$5.73	\$5.79	\$5.97	\$5.69	\$5.77	\$4.90
Ft. Lauderdale, FL	\$9.21	\$9.27	\$9.45	\$9.36	\$8.73	\$8.15	\$8.97
Greenville, SC	\$3.63	\$3.60	\$3.43	\$3.45	\$3.63	\$3.59	\$3.34
Hampton Roads, VA	\$5.00	\$5.28	\$5.44	\$5.52	\$5.67	\$5.54	\$5.53
Hartford, CT	\$4.24	\$4.28	\$4.47	\$4.55	\$4.88	\$4.80	\$3.78
Houston, TX	\$6.40	\$6.44	\$6.22	\$6.13	\$6.22	\$6.10	\$5.58
Indianapolis, IN	\$3.76	\$3.80	\$3.88	\$4.09	\$3.99	\$3.65	\$3.09
Inland Empire CA	\$7.52	\$7.61	\$7.69	\$7.76	\$7.92	\$7.70	\$8.20
Jacksonville, FL	\$4.98	\$5.37	\$5.52	\$5.67	\$5.21	\$4.72	\$3.12
Kansas City, MO	\$4.43	\$4.27	\$4.20	\$4.29	\$4.38	\$4.03	\$5.28
Lakeland, FL	\$5.76	\$5.54	\$5.45	\$5.64	\$5.68	\$5.06	\$8.21
Las Vegas, NV	\$6.84	\$6.96	\$6.96	\$7.08	\$6.96	\$6.48	\$5.40
Long Island, NY	\$9.21	\$9.44	\$10.68	\$10.90	\$10.81	\$10.21	\$11.29
Los Angeles, CA	\$9.00	\$9.36	\$9.85	\$10.02	\$10.05	\$9.57	\$9.61
Louisville, KY	\$3.70	\$3.73	\$3.81	\$3.88	\$3.94	\$3.79	\$3.54
Memphis, TN	\$2.75	\$2.75	\$2.75	\$3.15	\$3.22	\$3.09	\$2.77
Miami, FL	\$8.25	\$8.45	\$8.79	\$7.49	\$7.55	\$7.16	\$7.73
Milwaukee, WI	\$4.59	\$4.64	\$4.57	\$4.59	\$4.63	\$4.22	\$4.68
Minneapolis, MN	\$4.90	\$4.88	\$4.90	\$4.90	\$4.94	\$4.50	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p	
Nashville, TN	\$5.03	\$5.09	\$4.91	\$4.76	\$4.80	\$4.87	\$3.44
New Haven, CT	\$5.15	\$5.35	\$5.57	\$5.43	\$5.31	\$4.56	\$5.70
New Jersey - Central	\$7.39	\$7.58	\$7.69	\$8.30	\$8.87	\$8.05	\$7.69
New Jersey - Northern	\$7.82	\$8.56	\$8.57	\$8.61	\$8.67	\$8.75	\$6.62
Northern VA	\$11.12	\$11.36	\$11.18	\$11.57	\$11.80	\$9.09	n/a
Oakland/East Bay, CA	\$10.10	\$10.43	\$10.45	\$11.42	\$11.47	\$10.30	\$12.31
Oklahoma City, OK	\$4.95	\$4.95	\$4.78	\$4.74	\$4.70	\$4.83	\$4.13
Omaha, NE	\$5.57	\$5.55	\$5.62	\$5.58	\$5.62	\$5.46	\$4.61
Orange County, CA	\$10.74	\$11.24	\$11.61	\$11.34	\$11.94	\$10.64	\$11.60
Oriando, FL	\$6.38	\$6.48	\$6.45	\$6.60	\$6.88	\$5.76	\$5.83
Palm Beach County, FL	\$10.56	\$10.69	\$10.74	\$10.01	\$10.12	\$8.47	\$9.45
PA I-81/I-78 Distribution Corridor	\$4.75	\$4.77	\$4.80	\$4.86	\$4.88	\$4.89	\$4.50
Philadelphia, PA	\$4.58	\$4.51	\$4.76	\$4.79	\$4.96	\$4.86	\$4.94
Phoenix, AZ	\$6.80	\$6.70	\$6.91	\$7.31	\$6.83	\$5.27	\$7.77
Pittsburgh, PA	\$7.68	\$7.58	\$8.59	\$8.77	\$8.88	\$5.98	\$5.22
Portland, OR	\$8.38	\$8.50	\$8.53	\$8.72	\$8.67	\$7.67	\$8.91
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$12.24	\$11.76	\$11.75	\$11.53	\$11.14	\$10.74	\$8.19
Raleigh/Durham, NC	\$7.71	\$8.70	\$8.51	\$8.66	\$8.64	\$5.96	\$8.40
Richmond, VA	\$5.03	\$4.92	\$4.83	\$5.16	\$4.89	\$4.74	\$5.36
Roanoke, VA	\$4.99	\$4.98	\$5.21	\$5.16	\$5.18	\$4.68	\$7.58
Rochester, NY	\$4.84	\$4.84	\$5.40	\$5.40	\$5.40	\$3.75	\$4.75
Sacramento, CA	\$5.08	\$5.06	\$5.41	\$6.24	\$6.05	\$5.87	\$6.47
Salt Lake City, UT	\$5.64	\$5.82	\$5.65	\$5.37	\$5.64	\$5.40	\$5.16
San Antonio, TX	\$5.75	\$5.79	\$6.08	\$6.09	\$6.14	\$5.16	n/a
San Diego, CA	\$11.88	\$12.36	\$12.48	\$12.72	\$12.84	\$9.60	\$11.40
San Francisco North Bay, CA	\$11.97	\$11.69	\$14.87	\$15.13	\$16.04	\$13.36	\$12.29
San Francisco Peninsula, CA	\$16.42	\$17.72	\$17.62	\$16.41	\$16.49	\$15.25	\$19.81
San Jose (Silicon Valley), CA	\$12.12	\$13.20	\$13.08	\$12.84	\$12.96	\$11.64	\$15.36
Savannah, GA	\$4.69	\$4.62	\$4.62	\$4.65	\$4.65	\$4.23	n/a
Seattle, WA	\$7.45	\$7.61	\$8.73	\$8.79	\$8.90	\$8.33	\$9.54
Southern New Hampshire	\$5.62	\$5.79	\$5.92	\$5.64	\$5.78	\$5.01	\$5.30
St. Louis, MO	\$4.62	\$4.47	\$4.57	\$4.86	\$4.96	\$4.51	\$7.60
St. Petersburg/Clearwater, FL	\$7.99	\$8.12	\$7.86	\$7.67	\$8.05	\$6.14	\$6.28
Suburban MD	\$9.21	\$9.37	\$10.02	\$10.12	\$9.66	\$7.92	n/a
Syracuse, NY	\$4.08	\$4.02	\$3.94	\$3.89	\$3.88	\$4.41	\$3.20
Tampa, FL	\$5.85	\$5.72	\$5.74	\$5.98	\$6.24	\$5.29	\$4.19
Tucson, AZ	\$6.37	\$6.23	\$6.09	\$6.08	\$6.14	\$5.93	\$5.24
Tulsa, OK	\$4.54	\$4.54	\$4.69	\$4.69	\$4.77	\$4.65	\$4.00

p = preliminary

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q3 2018p
United States	14,581,399,220	212,408,138	285,378,748
Northeast	2,019,766,829	29,241,187	34,139,843
Midwest	4,017,497,207	41,207,292	65,456,052
South	4,511,156,317	81,976,637	111,326,679
West	4,032,978,867	59,983,022	74,456,174

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2018	Under Construction as of Q3 2018p
Atlanta, GA	602,344,464	13,676,829	16,832,156
Austin, TX	41,105,170	646,151	2,070,987
Baltimore, MD	208,945,263	3,304,209	3,741,229
Binghamton, NY	17,463,247	0	0
Birmingham, AL	14,730,458	239,500	2,910,000
Boston, MA	146,096,787	472,500	1,336,558
Buffalo, NY	110,052,883	487,035	419,122
Central Valley, CA	128,808,782	4,794,695	10,600,672
Charleston, SC	71,579,555	5,508,135	2,817,499
Charlotte, NC	192,208,756	4,184,120	4,081,512
Chicago, IL	1,207,532,322	9,511,379	16,781,561
Cincinnati, OH	288,378,865	4,687,539	8,854,378
Cleveland, OH	495,499,412	2,871,520	3,413,853
Colorado Springs, CO	31,227,262	0	170,906
Columbus, OH	254,691,996	5,325,301	5,129,550
Dallas/Ft. Worth, TX	734,115,127	19,707,545	19,140,161
Dayton, OH	119,189,224	431,600	1,335,296
Denver, CO	245,260,710	3,294,246	5,122,927
Detroit, MI	538,154,064	2,298,831	5,285,273
El Paso, TX	52,684,401	648,760	797,662
Fort Myers/Naples, FL	41,594,589	197,371	873,785
Fredericksburg, VA	11,887,625	0	0
Ft. Lauderdale, FL	88,782,662	1,042,403	1,584,246
Greenville, SC	197,843,955	707,497	3,553,544
Hampton Roads, VA	98,286,777	50,000	50,000
Hartford, CT	93,012,333	133,200	1,255,000
Houston, TX	431,842,882	7,796,151	10,476,561
Indianapolis, IN	262,583,035	5,026,486	8,974,317
Inland Empire CA	541,478,833	22,086,737	25,052,721
Jacksonville, FL	106,017,415	60,000	1,255,890
Kansas City, MO	219,138,831	3,892,058	5,073,642
Lakeland, FL	32,222,795	1,286,928	1,531,120
Las Vegas, NV	125,892,282	3,209,009	2,954,452
Long Island, NY	133,253,087	90,530	469,052
Los Angeles, CA	1,069,650,328	5,321,551	3,397,347
Louisville, KY	161,777,615	5,068,551	3,685,566
Memphis, TN	193,328,576	4,348,955	2,779,307
Miami, FL	160,123,459	3,264,843	3,852,920
Milwaukee, WI	201,148,949	1,358,791	2,059,565
Minneapolis, MN	110,551,229	1,584,145	2,137,156

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q3 2018p
Nashville, TN	209,666,342	2,736,635	4,523,036
New Haven, CT	47,972,701	80,500	855,000
New Jersey - Central	348,481,617	8,031,287	3,675,610
New Jersey - Northern	286,876,256	1,025,817	1,874,815
Northern VA	61,920,511	344,444	342,541
Oakland/East Bay, CA	206,421,235	1,324,295	5,608,130
Oklahoma City, OK	67,950,001	11,996	0
Omaha, NE	75,308,190	678,254	974,441
Orange County, CA	283,843,779	545,774	1,452,341
Orlando, FL	120,573,000	3,014,229	2,744,870
Palm Beach County, FL	41,477,766	166,392	247,413
PA I-81/I-78 Distribution Corridor	281,683,045	17,291,095	16,732,425
Philadelphia, PA	143,986,315	0	6,802,631
Phoenix, AZ	315,653,104	5,663,055	4,477,624
Pittsburgh, PA	168,651,734	334,848	554,400
Portland, OR	200,691,981	3,915,343	2,591,816
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	61,189,474	411,340	782,213
Raleigh/Durham, NC	53,579,211	136,500	279,600
Richmond, VA	93,148,340	856,707	1,666,649
Roanoke, VA	51,451,418	250,000	0
Rochester, NY	73,551,473	0	0
Sacramento, CA	141,502,247	905,820	919,603
Salt Lake City, UT	124,296,894	2,432,072	3,996,435
San Antonio, TX	39,913,461	344,850	6,486,449
San Diego, CA	164,059,934	1,823,574	2,296,046
San Francisco North Bay, CA	30,734,395	40,000	614,204
San Francisco Peninsula, CA	41,792,226	0	0
San Jose (Silicon Valley), CA	85,631,745	634,118	0
Savannah, GA	56,682,251	1,039,548	10,548,650
Seattle, WA	192,574,576	2,968,431	4,179,803
Southern New Hampshire	48,120,877	1,240,000	0
St. Louis, MO	245,321,090	3,541,388	5,437,020
St. Petersburg/Clearwater, FL	47,910,931	126,000	64,675
Suburban MD	50,196,477	109,043	213,201
Syracuse, NY	42,837,169	54,375	165,230
Tampa, FL	80,837,025	923,017	1,828,370
Tucson, AZ	42,269,080	612,962	238,934
Tulsa, OK	94,428,039	179,328	347,080

p = preliminary

About Cushman & Wakefield

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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

