

MARKETBEAT

U.S. Industrial

Q2 2018



U.S. INDUSTRIAL

Employment Indicators

	Q2 17	Q2 18	12-Month Forecast
Total Nonfarm Employment	146.3M	148.7M	▲
Industrial Employment	31.6M	32.5M	▲
Unemployment	4.3%	3.9%	▼

Source: BLS

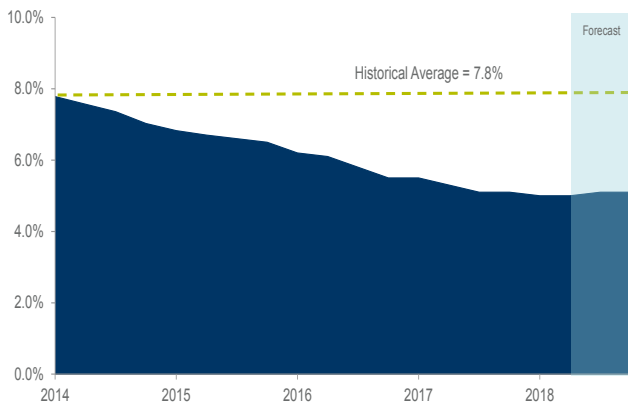
Market Indicators

	Q2 17	Q2 18	12-Month Forecast
Overall Vacancy	5.3%	5.0%	▲
Net Absorption	61.2M	64.1M	▲
Under Construction	232.9M	267.2M	▲
Weighted Asking Rent (NNN)	\$5.70	\$6.11	▲
Rent Growth (Yr/Yr % Chg.)	3.6%	7.2%	▲

Net Absorption/Rent NNN 4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

No Signs of Slowing

Demand Growing Stronger: U.S. industrial markets absorbed 64.1 million square feet (msf) in the second quarter of 2018, up 4.9% from the same period a year ago, and propelled year-to-date absorption to 126 msf. Demand during the second quarter continued to be impressive and broad-based. Leasing velocity accelerated in nearly half of the U.S. during the second quarter, with 29 markets posting over 1 msf of absorption through the first half of 2018 as occupiers further expanded their footprints. Every industrial segment remained in growth mode. Through midyear, logistics-related warehousing posted 113 msf of net occupancy gains, manufacturing registered 7.2 msf and flex space recorded 3.7 msf. Every U.S. region performed well during the quarter, with the South and the West leading absorption gains and the Midwest posting the greatest year-over-year improvement. Markets where demand was strongest include Inland Empire (13.3 msf), Dallas/Fort Worth (11.7 msf) and Chicago (9.8 msf). Given its performance in the first half of 2018, U.S. industrial net absorption is on pace to eclipse the net occupancy gains in 2017 and rank among the top five years on record.

Vacancy Holding Steady: The national industrial vacancy rate held steady at 5.0% in the second quarter of 2018—a full 180 basis points (bps) below the 5-year historical average of 6.8% for all product types. Vacancy rates declined or held firm during the quarter in 50 of 79 markets tracked by Cushman & Wakefield. The tightest U.S. markets include Savannah, Los Angeles, Orange County, San Francisco, Central New Jersey, San Jose, Detroit and Jacksonville, all of which have headline vacancy rates of 3% or lower. Logistics-related vacancy rose 10 bps over the quarter as warehouse deliveries slightly outpaced leasing demand in 40 markets, although all markets remain historically tight. During the first half of 2018, 132 msf of new industrial product was delivered of which 89.1 msf was speculative. Pre-leasing of speculative buildings remained steady at 46.9%—indicating continued demand by tenants for modern, functional space.

Development Rising: Tight market conditions are encouraging new development; construction starts jumped nationally by 8.1% quarter-over-quarter with 41 markets reporting construction starts up in the second quarter of 2018. The largest uptick in construction activity occurred in the South, while the development pipeline increased modestly in the Midwest and West and fell in the Northeast. Currently, there is 267.2 msf of industrial product under construction of which 178.3 msf is speculative, 70% higher than the 5-year historical average of 104.9 msf. Space options remain particularly tight in the 100,000-to-250,000-square-foot size segment where new supply has lagged and leasing demand has popped. As a result, construction activity for mid-sized industrial product rose 15.9% over the second quarter, nearly double the increase of big box development. Development of all sizes remains highly concentrated in a handful of markets, but activity is increasing across the country. Although the Inland Empire, Dallas, Atlanta, the Pennsylvania I-81/I-78 Distribution Corridor and Savannah account for more than one-third of product under construction,

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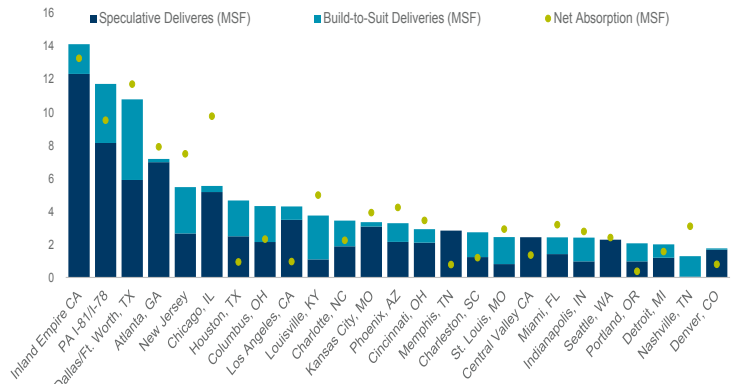
49 markets currently have more than 1 msf in development.

Rents Are Running: Healthy demand combined with modest supply growth caused U.S. industrial rents in the second quarter of 2018 to increase 7.2% from a year ago, rising in 58 of 79 markets; 18 markets reported double-digit gains. The strongest rent growth occurred in San Francisco, Pittsburgh, Baltimore, Jacksonville, Seattle, Sacramento, Raleigh/Durham, Atlanta, Central Valley California and Central New Jersey—all markets where rents increased more than 12% year-over-year. Although overall industrial rents currently stand at a high of \$6.11 per square foot, on an inflation-adjusted basis rents remain 4.8% below their level at the height of the last cycle.

Growth & Anxiety: The U.S. economy is re-accelerating, buttressed by a strong labor market; the consensus among economists is that the expansion will continue through 2019. In the first half of 2018, 1.3 million net new nonfarm payroll jobs were created, the largest job gain since 2015. Other industrial demand drivers appear dynamic. The Institute for Supply Management's Purchasing Managers Index reached its highest level in June since mid-2004 with the new orders component in expansionary territory for a 14th consecutive month. Average weekly intermodal rail volume—which correlates well with warehouse demand—posted its highest monthly level on record in June as firms built up inventories. Both the West and East Coast ports posted strong inbound containerized volumes in the second quarter as retailers and manufacturers rushed to import goods before new levies went into effect. Uncertainty over trade policy and increased consumer spending resulted in a surge of shipments that strained equipment capacity and further elevated logistics costs that were already rising rapidly. As a result, orders for heavy-duty trucks accelerated in June, pushing factory backlogs near the highest level in two decades. Although logistics demand is expected to remain strong in the near term, occupiers will continue to face significant transportation and labor cost pressures through 2018.

Few Signs of Overbuilding

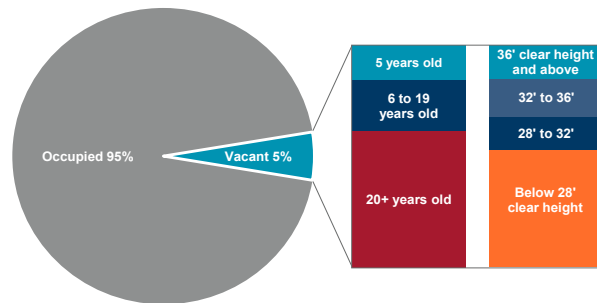
MIDYEAR SUPPLY & DEMAND FUNDAMENTALS



Source: Cushman & Wakefield Research

Lack of Modern, Functional Space Will Govern Growth

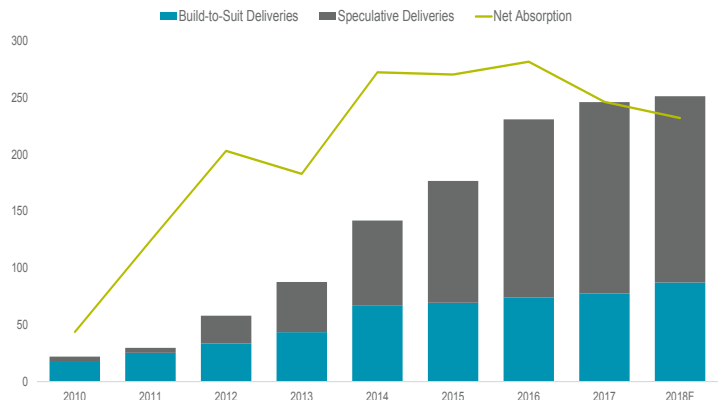
COMPOSITION OF CURRENTLY VACANT WAREHOUSE/DISTRIBUTION SPACE



Source: Cushman & Wakefield Research

Supply/Demand Will Remain Largely Balanced

DELIVERIES BY TYPE AND NET ABSORPTION (MSF)



Source: Cushman & Wakefield Research

Outlook

- Net absorption will surpass 240 msf in 2018 for a third year in a row, and eclipse 200 msf in 2019 for a sixth consecutive year.
- Supply will modestly outpace demand with overall industrial vacancy rate remaining in the low-to-mid 5% range through 2018/19
- Rent growth will remain strong in 2018 and gradually beginning to decelerate in 2019.

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
United States	61,153,434	65,352,828	63,337,868	61,852,306	64,137,191	116,164,950
Northeast	12,161,672	8,861,433	5,186,345	11,423,987	6,870,484	14,492,037
Midwest	11,482,199	14,367,981	20,129,097	10,984,802	19,232,055	23,459,461
South	26,155,561	25,175,978	21,782,491	21,089,134	26,591,273	39,569,000
West	11,354,002	16,947,436	16,239,935	18,354,383	11,443,379	38,644,452

U.S. Industrial Report Markets	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
Atlanta, GA	6,264,777	3,648,731	4,088,694	5,060,545	2,857,404	5,865,307
Austin, TX	134,562	-310,320	333,881	88,415	-7,271	373,177
Baltimore, MD	3,729,126	2,000,608	747,727	461,676	1,507,118	1,958,591
Binghamton, NY	80,590	40,000	67,346	0	-104,450	15,344
Birmingham, AL	12,600	41,451	54,771	51,651	-173,230	138,866
Boston, MA	116,651	-141,078	492,001	278,374	-322,686	921,413
Buffalo, NY	94,497	164,966	-924,409	-419,352	-416,072	310,297
Central Valley, CA	608,268	1,117,105	921,226	2,046,981	-683,622	680,094
Charleston, SC	-288,998	-412,412	-129,871	123,934	1,083,525	578,964
Charlotte, NC	1,162,803	349,467	188,684	398,436	1,862,756	1,762,588
Chicago, IL	6,553,318	2,099,650	6,156,467	4,068,486	5,700,574	6,576,197
Cincinnati, OH	186,615	424,580	1,064,784	993,008	2,466,236	1,884,663
Cleveland, OH	739,053	119,114	-287,548	1,362,622	-876,635	1,040,466
Colorado Springs, CO	-2,312	-226,085	18,596	191,460	271,803	257,531
Columbus, OH	-195,634	1,426,826	1,812,261	320,010	2,011,600	2,130,488
Dallas/Ft. Worth, TX	6,399,621	6,888,446	4,640,129	3,194,334	8,513,864	5,929,961
Dayton, OH	192,475	-148,694	489,070	-77,608	-40,424	79,467
Denver, CO	1,167,416	1,347,621	1,543,466	309,601	497,633	1,847,665
Detroit, MI	11,961	1,091,403	2,555,549	-558,225	2,131,607	2,344,340
El Paso, TX	357,161	376,794	321,135	372,123	75,000	230,530
Fort Myers/Naples, FL	196,483	-28,025	73,330	-50,338	-263,003	243,503
Fredericksburg, VA	184,638	49,387	56,102	868,508	-140,363	47,963
Ft. Lauderdale, FL	49,340	179,962	514,548	-321,665	341,358	1,199,244
Greenville, SC	765,525	502,474	394,982	1,800,991	1,069,748	1,347,457
Hampton Roads, VA	1,167,591	576,275	-36,520	302,709	-22,701	591,777
Hartford, CT	261,345	27,817	135,148	359,849	-77,021	351,529
Houston, TX	788,676	3,209,316	-104,023	653,162	295,798	3,006,968
Indianapolis, IN	458,889	2,313,853	3,716,487	755,306	2,036,960	3,733,855
Inland Empire CA	3,670,698	7,126,381	4,688,875	6,318,275	6,960,519	12,556,194
Jacksonville, FL	604,702	1,826,645	1,423,221	319,834	-95,814	1,034,705
Kansas City, MO	2,917,834	1,682,050	2,117,643	2,037,146	1,895,096	2,547,107
Lakeland, FL	30,604	293,766	36,455	494,256	612,178	87,570
Las Vegas, NV	638,981	686,224	1,774,450	1,931,549	611,796	1,586,582
Long Island, NY	60,528	253,587	852,791	-314,632	-25,954	502,955
Los Angeles, CA	1,212,513	1,837,210	1,022,046	1,439,782	-467,671	7,028,599
Louisville, KY	58,395	1,245,202	1,222,039	1,774,227	3,215,156	3,271,480
Memphis, TN	1,219,093	486,717	662,189	1,132,128	-345,436	910,702
Miami, FL	-272,557	128,146	730,241	1,260,786	1,937,157	1,840,907
Milwaukee, WI	354,717	1,493,471	-56,043	842,084	712,238	854,060
Minneapolis, MN	477,473	872,326	825,334	592,886	895,305	203,142

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
Nashville, TN	-200,280	1,675,012	120,526	1,308,765	1,795,848	1,370,200
New Haven, CT	18,838	5,477	175,696	131,206	-43,970	189,078
New Jersey - Central	2,548,178	2,809,359	2,184,634	3,890,321	3,249,160	3,684,346
New Jersey - Northern	1,364,765	497,798	1,664,946	-93,749	449,827	1,833,312
Northern VA	158,067	-20,211	35,291	68,689	345,041	309,141
Oakland/East Bay, CA	210,153	-1,569,379	660,234	-447,048	-1,871,613	1,483,375
Oklahoma City, OK	-229,173	-542,074	N/A	-39,128	-25,209	656,451
Omaha, NE	146,433	349,921	455,995	-71,249	88,451	439,693
Orange County, CA	166,598	-143,511	-261,531	-110,040	318,906	1,593,516
Orlando, FL	989,386	462,458	789,720	663,000	890,905	910,690
Palm Beach County, FL	174,307	362,784	101,677	-99,576	110,703	308,667
PA I-81/I-78 Distribution Corridor	4,642,512	3,541,623	844,371	4,626,038	4,900,314	4,426,089
Philadelphia, PA	1,422,735	1,437,888	611,009	1,637,896	-306,590	755,861
Phoenix, AZ	1,199,401	2,571,976	2,600,022	1,615,377	2,628,495	1,704,892
Pittsburgh, PA	765,481	-650,575	-356,733	1,186,565	-1,083,401	466,998
Portland, OR	829,963	870,133	-72,333	-633,444	1,315,894	1,208,269
Providence, RI	87,648	63,199	313,632	71,456	142,176	142,176
Puget Sound - Eastside	74,918	-182,255	220,980	524,863	214,628	490,431
Raleigh/Durham, NC	76,732	317,502	-294,394	143,571	41,495	529,947
Richmond, VA	595,183	705,151	1,022,908	-58,757	-79,824	1,028,480
Roanoke, VA	170,468	95,604	6,011	480,115	472,350	54,444
Rochester, NY	407,166	407,166	-594,469	101,023	34,455	196,642
Sacramento, CA	483,538	1,379,668	1,426,115	1,762,422	83,594	1,092,676
Salt Lake City, UT	1,042,903	798,628	723,096	1,039,351	-283,448	1,269,699
San Antonio, TX	439,830	135,180	-203,074	76,360	-92,633	319,359
San Diego, CA	17,518	844,640	103,378	-85,162	903,332	1,965,052
San Francisco North Bay, CA	46,381	71,827	39,783	-52,996	133,198	387,504
San Francisco Peninsula, CA	233,572	762	15,292	-4,915	-233,200	366,447
San Jose (Silicon Valley), CA	-463,286	-177,705	346,282	703,220	66,237	949,995
Savannah, GA	1,183,500	0	3,855,811	0	920,868	1,966,018
Seattle, WA	96,309	561,459	251,674	1,762,853	658,361	1,934,834
Southern New Hampshire	60,340	184,217	-302,661	-118,498	217,809	247,234
St. Louis, MO	-360,935	2,643,481	1,279,098	720,336	2,211,047	1,625,983
St. Petersburg/Clearwater, FL	174,396	123,416	225,964	7,019	-86,482	198,716
Suburban MD	-56,959	37,371	316,522	51,323	247,756	456,784
Syracuse, NY	230,398	219,989	23,043	87,490	256,887	448,763
Tampa, FL	90,095	677,735	587,815	443,766	-387,332	847,883
Tucson, AZ	120,470	32,737	218,284	42,254	318,537	241,097
Tulsa, OK	25,867	93,420	n/a	58,275	114,543	191,960

p = preliminary

Overall Vacancy Rate	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p
United States	5.3%	5.1%	5.1%	5.0%	5.0%
Northeast	5.5%	5.3%	5.3%	5.1%	5.3%
Midwest	5.4%	5.4%	5.3%	5.3%	5.2%
South	6.5%	6.2%	6.1%	5.9%	5.9%
West	3.6%	3.7%	3.7%	3.5%	3.6%

U.S. Industrial Report Markets	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p
Atlanta, GA	8.4%	7.8%	7.7%	8.1%	8.2%
Austin, TX	8.6%	9.5%	8.8%	9.2%	7.3%
Baltimore, MD	7.3%	6.9%	6.4%	6.4%	6.2%
Binghamton, NY	10.3%	9.8%	9.9%	8.8%	9.7%
Birmingham, AL	11.3%	10.8%	10.6%	10.2%	11.3%
Boston, MA	6.5%	6.4%	6.2%	5.9%	6.2%
Buffalo, NY	9.0%	8.9%	9.1%	9.2%	9.5%
Central Valley, CA	3.3%	2.8%	3.3%	3.5%	4.9%
Charleston, SC	6.0%	8.0%	8.1%	8.0%	7.2%
Charlotte, NC	3.6%	3.5%	3.4%	5.1%	4.5%
Chicago, IL	6.3%	6.7%	6.8%	6.8%	6.3%
Cincinnati, OH	3.3%	3.4%	3.2%	3.7%	3.0%
Cleveland, OH	4.2%	3.8%	3.9%	3.5%	3.5%
Colorado Springs, CO	10.0%	10.6%	10.7%	7.9%	6.9%
Columbus, OH	5.9%	5.1%	4.7%	4.8%	5.1%
Dallas/Ft. Worth, TX	6.9%	6.8%	7.0%	6.4%	6.4%
Dayton, OH	7.6%	8.2%	8.3%	7.8%	8.0%
Denver, CO	4.8%	4.8%	4.9%	5.0%	5.3%
Detroit, MI	3.5%	3.1%	2.9%	2.9%	2.9%
El Paso, TX	5.7%	5.0%	3.2%	2.7%	2.6%
Fort Myers/Naples, FL	2.0%	1.8%	1.9%	2.1%	2.8%
Fredericksburg, VA	5.3%	4.7%	5.3%	5.5%	6.7%
Ft. Lauderdale, FL	4.4%	4.0%	2.9%	3.8%	3.7%
Greenville, SC	6.2%	5.8%	5.8%	5.4%	6.9%
Hampton Roads, VA	4.7%	4.1%	4.4%	4.2%	3.9%
Hartford, CT	8.3%	8.1%	7.9%	7.6%	7.7%
Houston, TX	6.8%	6.2%	6.3%	6.0%	6.0%
Indianapolis, IN	5.1%	5.5%	5.3%	5.5%	5.2%
Inland Empire CA	4.1%	4.0%	4.1%	3.9%	4.1%
Jacksonville, FL	5.4%	4.8%	4.0%	3.4%	2.9%
Kansas City, MO	7.5%	7.1%	7.2%	7.4%	6.8%
Lakeland, FL	5.1%	3.9%	3.9%	4.9%	4.5%
Las Vegas, NV	5.4%	6.0%	6.2%	5.1%	4.8%
Long Island, NY	6.9%	6.5%	5.6%	5.1%	5.0%
Los Angeles, CA	1.2%	1.2%	1.3%	1.3%	1.5%
Louisville, KY	7.7%	8.1%	7.7%	7.2%	6.4%
Memphis, TN	8.4%	8.2%	7.8%	7.4%	7.2%
Miami, FL	5.0%	4.7%	4.7%	4.3%	4.3%
Milwaukee, WI	4.5%	3.8%	4.1%	4.1%	4.0%
Minneapolis, MN	8.7%	8.0%	8.5%	8.7%	8.2%

Overall Vacancy Rate	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p
Nashville, TN	2.9%	3.3%	3.5%	3.4%	3.2%
New Haven, CT	9.8%	9.8%	9.5%	9.1%	9.3%
New Jersey - Central	4.3%	3.6%	3.3%	2.6%	2.6%
New Jersey - Northern	4.8%	4.6%	4.4%	4.7%	4.1%
Northern VA	8.5%	8.7%	8.4%	10.1%	9.3%
Oakland/East Bay, CA	2.3%	3.3%	3.0%	3.0%	3.9%
Oklahoma City, OK	7.5%	9.0%	9.0%	5.0%	4.9%
Omaha, NE	3.3%	3.6%	3.4%	2.5%	2.9%
Orange County, CA	1.9%	1.9%	1.9%	1.9%	1.9%
Orlando, FL	5.6%	5.5%	5.4%	5.1%	4.8%
Palm Beach County, FL	3.6%	3.3%	2.7%	3.0%	3.1%
PA I-81/I-78 Distribution Corridor	5.3%	5.3%	5.1%	4.8%	5.5%
Philadelphia, PA	3.7%	3.4%	4.0%	3.3%	3.2%
Phoenix, AZ	8.6%	8.3%	7.9%	7.8%	7.1%
Pittsburgh, PA	4.8%	4.8%	5.4%	5.4%	6.1%
Portland, OR	3.2%	3.5%	3.9%	4.2%	3.9%
Providence, RI	0.2%	0.1%	0.1%	0.0%	0.4%
Puget Sound - Eastside	4.3%	4.9%	4.7%	4.3%	4.2%
Raleigh/Durham, NC	6.2%	5.5%	6.0%	5.5%	5.5%
Richmond, VA	4.9%	3.7%	3.7%	3.9%	3.5%
Roanoke, VA	7.3%	7.1%	7.2%	7.0%	6.6%
Rochester, NY	9.0%	9.0%	9.8%	9.7%	9.6%
Sacramento, CA	7.3%	6.3%	5.9%	4.0%	3.9%
Salt Lake City, UT	5.4%	5.8%	5.6%	5.2%	5.2%
San Antonio, TX	8.2%	8.0%	8.8%	8.4%	9.2%
San Diego, CA	5.1%	4.8%	4.8%	4.8%	4.9%
San Francisco North Bay, CA	5.2%	4.8%	4.6%	4.4%	4.0%
San Francisco Peninsula, CA	2.1%	2.1%	2.0%	1.6%	2.3%
San Jose (Silicon Valley), CA	3.4%	3.6%	3.2%	2.3%	2.7%
Savannah, GA	3.2%	3.2%	1.2%	1.2%	0.6%
Seattle, WA	3.7%	4.2%	4.1%	3.5%	3.9%
Southern New Hampshire	6.8%	7.5%	8.2%	8.8%	9.2%
St. Louis, MO	6.8%	6.7%	6.0%	6.1%	5.7%
St. Petersburg/Clearwater, FL	4.0%	3.5%	3.6%	3.8%	3.7%
Suburban MD	10.5%	10.4%	9.7%	9.7%	9.3%
Syracuse, NY	9.9%	8.8%	8.8%	8.6%	7.8%
Tampa, FL	5.4%	5.2%	5.3%	5.8%	6.2%
Tucson, AZ	7.1%	8.2%	6.6%	6.3%	6.0%
Tulsa, OK	9.1%	8.9%	8.9%	3.1%	3.0%

p = preliminary

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p	
United States	\$5.70	\$5.80	\$5.84	\$6.00	\$6.11	\$5.43	\$5.95
Northeast	\$6.03	\$6.03	\$6.17	\$6.40	\$6.51	\$6.26	\$5.17
Midwest	\$4.57	\$4.61	\$4.61	\$4.70	\$4.79	\$4.51	\$4.54
South	\$5.27	\$5.45	\$5.41	\$5.62	\$5.60	\$4.82	\$4.75
West	\$7.91	\$7.98	\$8.12	\$8.34	\$8.58	\$7.59	\$9.28

U.S. Industrial Report Markets	Q2 2017	Q3 2017	Q4 2017	Q1 2017	Q2 2018p	Q2 2018p	
Atlanta, GA	\$4.35	\$4.54	\$4.47	\$4.83	\$4.96	\$4.19	\$3.53
Austin, TX	\$9.21	\$9.34	\$9.24	\$10.08	\$9.94	\$8.16	\$9.75
Baltimore, MD	\$4.78	\$5.10	\$5.70	\$5.75	\$5.77	\$5.23	n/a
Binghamton, NY	\$4.64	\$4.58	\$4.57	\$4.57	\$4.57	\$4.09	\$4.29
Birmingham, AL	\$4.23	\$4.09	\$4.02	\$3.98	\$4.06	\$3.75	n/a
Boston, MA	\$6.85	\$6.97	\$8.17	\$7.45	\$7.30	\$6.71	\$7.80
Buffalo, NY	\$4.13	\$4.13	\$4.13	\$4.13	\$4.13	\$4.25	\$3.95
Central Valley, CA	\$4.25	\$4.24	\$4.75	\$4.45	\$4.82	\$4.41	\$7.41
Charleston, SC	\$5.35	\$5.48	\$5.52	\$5.54	\$5.52	\$5.58	\$4.73
Charlotte, NC	\$5.27	\$5.42	\$5.21	\$5.27	\$5.18	\$4.77	\$4.12
Chicago, IL	\$4.98	\$5.03	\$5.08	\$5.19	\$5.29	\$5.07	\$4.85
Cincinnati, OH	\$4.27	\$4.33	\$4.25	\$4.34	\$4.40	\$4.21	\$3.13
Cleveland, OH	\$4.10	\$4.12	\$4.15	\$4.30	\$4.44	\$4.15	n/a
Colorado Springs, CO	\$7.43	\$7.37	\$7.85	\$8.07	\$8.13	\$7.45	\$7.24
Columbus, OH	\$3.46	\$3.46	\$3.50	\$3.55	\$3.59	\$3.59	n/a
Dallas/Ft. Worth, TX	\$4.93	\$5.59	\$5.06	\$5.40	\$5.50	\$4.23	\$4.22
Dayton, OH	\$3.32	\$3.33	\$3.26	\$3.29	\$3.05	\$2.83	\$2.93
Denver, CO	\$8.10	\$8.03	\$7.96	\$7.78	\$7.92	\$6.48	\$7.58
Detroit, MI	\$5.53	\$5.56	\$5.57	\$5.79	\$5.96	\$5.58	\$5.15
El Paso, TX	\$3.95	\$4.00	\$4.10	\$4.10	\$4.10	\$4.10	\$4.00
Fort Myers/Naples, FL	\$7.45	\$7.50	\$7.61	\$7.72	\$7.75	\$7.40	\$8.34
Fredericksburg, VA	\$5.69	\$5.73	\$5.73	\$5.79	\$5.97	\$6.05	\$4.90
Ft. Lauderdale, FL	\$9.12	\$9.21	\$9.27	\$9.45	\$9.36	\$8.84	\$9.82
Greenville, SC	\$3.58	\$3.63	\$3.60	\$3.43	\$3.45	\$3.32	\$3.29
Hampton Roads, VA	\$5.05	\$5.00	\$5.28	\$5.44	\$5.52	\$5.28	\$5.75
Hartford, CT	\$4.21	\$4.24	\$4.28	\$4.47	\$4.55	\$4.76	\$3.86
Houston, TX	\$6.28	\$6.40	\$6.44	\$6.22	\$6.13	\$6.01	\$5.46
Indianapolis, IN	\$3.74	\$3.76	\$3.80	\$3.88	\$4.09	\$3.71	\$3.90
Inland Empire CA	\$7.42	\$7.52	\$7.61	\$7.69	\$7.76	\$7.51	\$7.95
Jacksonville, FL	\$4.74	\$4.98	\$5.37	\$5.52	\$5.67	\$4.89	\$9.66
Kansas City, MO	\$4.45	\$4.43	\$4.27	\$4.20	\$4.29	\$3.89	\$4.45
Lakeland, FL	\$5.18	\$5.76	\$5.54	\$5.45	\$5.64	\$5.09	\$8.50
Las Vegas, NV	\$6.80	\$6.81	\$6.82	\$6.96	\$6.96	\$6.48	\$5.52
Long Island, NY	\$9.25	\$9.21	\$9.44	\$10.68	\$10.90	\$10.20	\$11.04
Los Angeles, CA	\$9.05	\$9.00	\$9.36	\$9.85	\$10.02	\$9.65	\$9.31
Louisville, KY	\$3.76	\$3.70	\$3.73	\$3.81	\$3.88	\$3.79	\$3.25
Memphis, TN	\$2.81	\$2.75	\$2.75	\$2.75	\$3.15	\$3.18	\$2.49
Miami, FL	\$8.13	\$8.25	\$8.45	\$8.79	\$7.49	\$7.08	\$7.41
Milwaukee, WI	\$4.55	\$4.59	\$4.64	\$4.57	\$4.60	\$4.20	\$4.68
Minneapolis, MN	\$4.80	\$4.90	\$4.88	\$4.90	\$4.90	\$4.60	n/a

Weighted Average Asking Rent	Overall (All Property Types)					W/D	MFG
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p	
Nashville, TN	\$5.14	\$5.03	\$5.09	\$4.91	\$4.76	\$4.78	\$3.41
New Haven, CT	\$4.62	\$5.15	\$5.35	\$5.57	\$5.43	\$4.63	\$5.62
New Jersey - Central	\$7.40	\$7.39	\$7.58	\$7.69	\$8.30	\$7.69	\$7.43
New Jersey - Northern	\$7.78	\$7.82	\$8.56	\$8.57	\$8.61	\$8.70	\$6.56
Northern VA	\$11.16	\$11.12	\$11.36	\$11.18	\$11.57	\$9.23	n/a
Oakland/East Bay, CA	\$10.17	\$10.10	\$10.43	\$10.51	\$10.96	\$9.72	\$11.64
Oklahoma City, OK	\$4.98	\$4.95	\$4.95	\$5.00	\$5.01	\$4.84	\$4.11
Omaha, NE	\$5.57	\$5.57	\$5.55	\$5.62	\$5.58	\$5.43	\$4.59
Orange County, CA	\$11.40	\$10.74	\$11.24	\$11.61	\$11.34	\$10.34	\$11.00
Orlando, FL	\$6.29	\$6.38	\$6.48	\$6.45	\$6.60	\$5.53	\$5.55
Palm Beach County, FL	\$10.62	\$10.56	\$10.69	\$10.74	\$10.01	\$8.69	\$8.90
PA I-81/I-78 Distribution Corridor	\$4.74	\$4.75	\$4.77	\$4.80	\$4.86	\$4.86	\$4.50
Philadelphia, PA	\$4.95	\$4.58	\$4.51	\$4.76	\$4.79	\$4.56	\$4.59
Phoenix, AZ	\$6.80	\$6.80	\$6.70	\$6.91	\$7.31	\$6.08	\$8.12
Pittsburgh, PA	\$7.09	\$7.68	\$7.58	\$8.59	\$8.77	\$5.71	\$5.82
Portland, OR	\$8.34	\$8.38	\$8.50	\$8.53	\$8.59	\$7.55	\$8.34
Providence, RI	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.70	n/a
Puget Sound - Eastside	\$12.12	\$12.24	\$11.76	\$11.75	\$11.53	\$11.80	\$7.76
Raleigh/Durham, NC	\$7.50	\$7.71	\$8.70	\$8.51	\$8.66	\$5.90	\$7.77
Richmond, VA	\$4.80	\$5.03	\$4.92	\$4.83	\$5.16	\$4.65	\$4.89
Roanoke, VA	\$4.76	\$4.99	\$4.98	\$5.21	\$5.16	\$4.61	\$7.56
Rochester, NY	\$4.84	\$4.84	\$4.84	\$5.40	\$5.40	\$3.75	\$4.75
Sacramento, CA	\$4.93	\$5.08	\$5.06	\$5.43	\$5.83	\$5.66	\$6.91
Salt Lake City, UT	\$5.49	\$5.64	\$5.82	\$5.65	\$6.19	\$6.24	\$5.62
San Antonio, TX	\$5.79	\$5.75	\$5.79	\$6.08	\$6.14	\$5.15	n/a
San Diego, CA	\$11.76	\$11.88	\$12.36	\$12.48	\$12.72	\$9.00	\$11.28
San Francisco North Bay, CA	\$11.54	\$11.97	\$11.69	\$14.88	\$15.24	\$11.63	\$13.93
San Francisco Peninsula, CA	\$16.18	\$16.42	\$17.72	\$17.62	\$16.41	\$15.59	\$19.56
San Jose (Silicon Valley), CA	\$12.48	\$12.12	\$13.20	\$13.08	\$12.84	\$11.64	\$14.76
Savannah, GA	\$4.69	\$4.69	\$4.62	\$4.62	\$4.65	\$4.23	n/a
Seattle, WA	\$7.38	\$7.45	\$7.61	\$8.73	\$8.79	\$8.27	\$9.60
Southern New Hampshire	\$5.72	\$5.62	\$5.79	\$5.92	\$5.64	\$5.08	\$5.44
St. Louis, MO	\$4.58	\$4.62	\$4.47	\$4.57	\$4.86	\$4.47	\$7.08
St. Petersburg/Clearwater, FL	\$8.05	\$7.99	\$8.12	\$7.86	\$7.67	\$6.43	\$6.22
Suburban MD	\$9.36	\$9.21	\$9.37	\$10.02	\$10.12	\$8.37	n/a
Syracuse, NY	\$4.07	\$4.08	\$4.02	\$3.94	\$3.89	\$4.45	\$3.20
Tampa, FL	\$5.77	\$5.85	\$5.72	\$5.74	\$5.98	\$5.19	\$4.22
Tucson, AZ	\$6.29	\$6.37	\$6.23	\$6.09	\$6.08	\$5.96	\$5.00
Tulsa, OK	\$4.53	\$4.54	\$4.54	\$4.69	\$4.69	\$4.85	\$4.34

p = preliminary

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q2 2018p
United States	14,497,364,189	132,841,176	267,173,506
Northeast	2,007,200,835	19,430,367	31,773,528
Midwest	4,001,467,995	27,147,862	48,659,512
South	4,479,942,884	49,073,301	111,319,772
West	4,008,752,475	37,189,646	75,420,694

U.S. Industrial Report Markets	Inventory	Deliveries YTD 2018	Under Construction as of Q2 2018p
Atlanta, GA	595,630,327	7,178,232	17,478,230
Austin, TX	41,722,105	508,526	1,830,844
Baltimore, MD	206,480,254	839,200	6,206,238
Binghamton, NY	17,447,409	0	0
Birmingham, AL	14,617,958	127,000	2,922,500
Boston, MA	145,584,419	45,000	3,064,775
Buffalo, NY	110,067,283	487,035	374,122
Central Valley, CA	126,419,208	2,438,413	9,218,141
Charleston, SC	68,572,794	2,740,507	4,485,071
Charlotte, NC	192,173,336	3,447,742	3,090,169
Chicago, IL	1,203,215,382	5,541,741	8,063,504
Cincinnati, OH	286,532,275	2,925,647	4,724,388
Cleveland, OH	494,115,324	1,691,020	3,807,328
Colorado Springs, CO	31,308,501	0	170,906
Columbus, OH	253,671,960	4,327,381	5,908,970
Dallas/Ft. Worth, TX	725,192,272	10,784,690	22,557,926
Dayton, OH	119,013,114	258,600	908,750
Denver, CO	243,710,618	1,763,493	4,742,675
Detroit, MI	537,128,293	2,007,237	4,275,779
El Paso, TX	53,409,401	373,760	697,662
Fort Myers/Naples, FL	41,691,829	132,671	671,687
Fredericksburg, VA	13,677,585	0	0
Ft. Lauderdale, FL	88,893,783	892,023	1,248,433
Greenville, SC	195,098,832	707,497	3,553,544
Hampton Roads, VA	98,215,367	50,000	195,000
Hartford, CT	93,012,333	133,200	1,255,000
Houston, TX	424,232,110	4,660,351	6,981,879
Indianapolis, IN	259,472,914	2,418,469	7,695,618
Inland Empire CA	532,747,690	14,127,752	24,807,977
Jacksonville, FL	105,804,275	0	1,315,890
Kansas City, MO	218,595,499	3,348,726	3,800,335
Lakeland, FL	32,222,795	1,286,928	520,000
Las Vegas, NV	123,494,578	1,707,316	2,321,377
Long Island, NY	132,985,535	42,000	337,582
Los Angeles, CA	1,069,216,604	4,304,918	3,754,130
Louisville, KY	160,463,392	3,754,328	3,895,998
Memphis, TN	195,885,865	2,842,614	3,785,967
Miami, FL	159,547,634	2,428,043	3,956,301
Milwaukee, WI	200,005,964	922,721	1,174,970
Minneapolis, MN	110,178,176	1,042,179	1,621,352

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q2 2018p
Nashville, TN	209,500,413	1,768,135	4,750,519
New Haven, CT	47,972,701	80,500	855,000
New Jersey - Central	344,986,449	4,877,918	5,051,809
New Jersey - Northern	285,816,537	591,665	1,431,997
Northern VA	61,842,786	266,719	399,890
Oakland/East Bay, CA	205,592,016	391,834	6,086,992
Oklahoma City, OK	67,946,866	11,996	0
Omaha, NE	75,042,052	219,040	880,711
Orange County, CA	284,032,923	545,774	1,352,108
Orlando, FL	118,974,601	1,657,578	2,355,995
Palm Beach County, FL	41,654,581	166,392	202,413
PA I-81/I-78 Distribution Corridor	275,995,189	11,716,392	14,800,465
Philadelphia, PA	142,617,201	0	4,315,048
Phoenix, AZ	313,342,564	3,290,515	5,193,161
Pittsburgh, PA	168,479,168	162,282	162,500
Portland, OR	201,586,757	2,069,252	3,848,984
Providence, RI	77,727,305	0	0
Puget Sound - Eastside	60,943,296	186,977	836,361
Raleigh/Durham, NC	53,073,463	136,500	279,600
Richmond, VA	92,762,113	95,000	1,749,147
Roanoke, VA	51,280,452	250,000	0
Rochester, NY	73,551,473	0	0
Sacramento, CA	138,393,685	830,820	929,303
Salt Lake City, UT	123,213,773	1,232,122	3,977,471
San Antonio, TX	39,190,501	344,850	3,899,060
San Diego, CA	163,496,691	1,186,247	2,592,555
San Francisco North Bay, CA	28,624,097	40,000	464,204
San Francisco Peninsula, CA	41,762,308	0	0
San Jose (Silicon Valley), CA	85,749,118	480,978	153,140
Savannah, GA	56,682,251	1,039,548	10,548,650
Seattle, WA	191,881,753	2,293,054	4,428,294
Southern New Hampshire	48,120,877	1,240,000	0
St. Louis, MO	244,497,042	2,445,101	5,797,807
St. Petersburg/Clearwater, FL	47,917,366	126,000	0
Suburban MD	50,280,477	109,043	213,201
Syracuse, NY	42,836,956	54,375	125,230
Tampa, FL	80,481,609	168,100	1,180,878
Tucson, AZ	43,236,295	300,181	542,915
Tulsa, OK	94,823,491	179,328	347,080

p = preliminary

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Methodology

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

Explanation of Terms

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

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

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

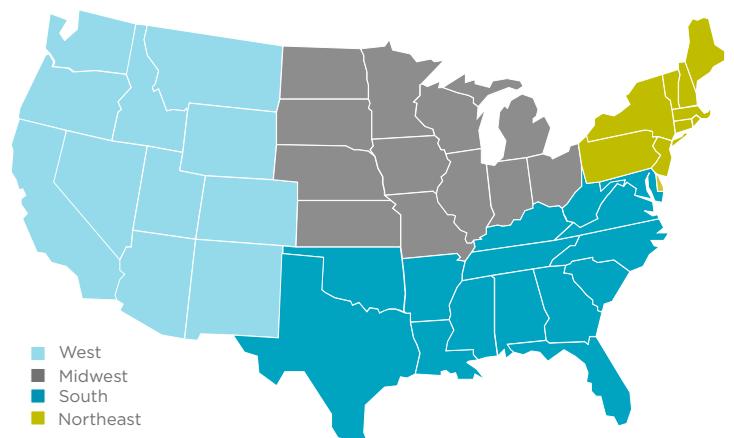
Leasing Activity: The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

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

W/D: Warehouse and or distribution properties.

MFG: Manufacturing properties.

Regional Map



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