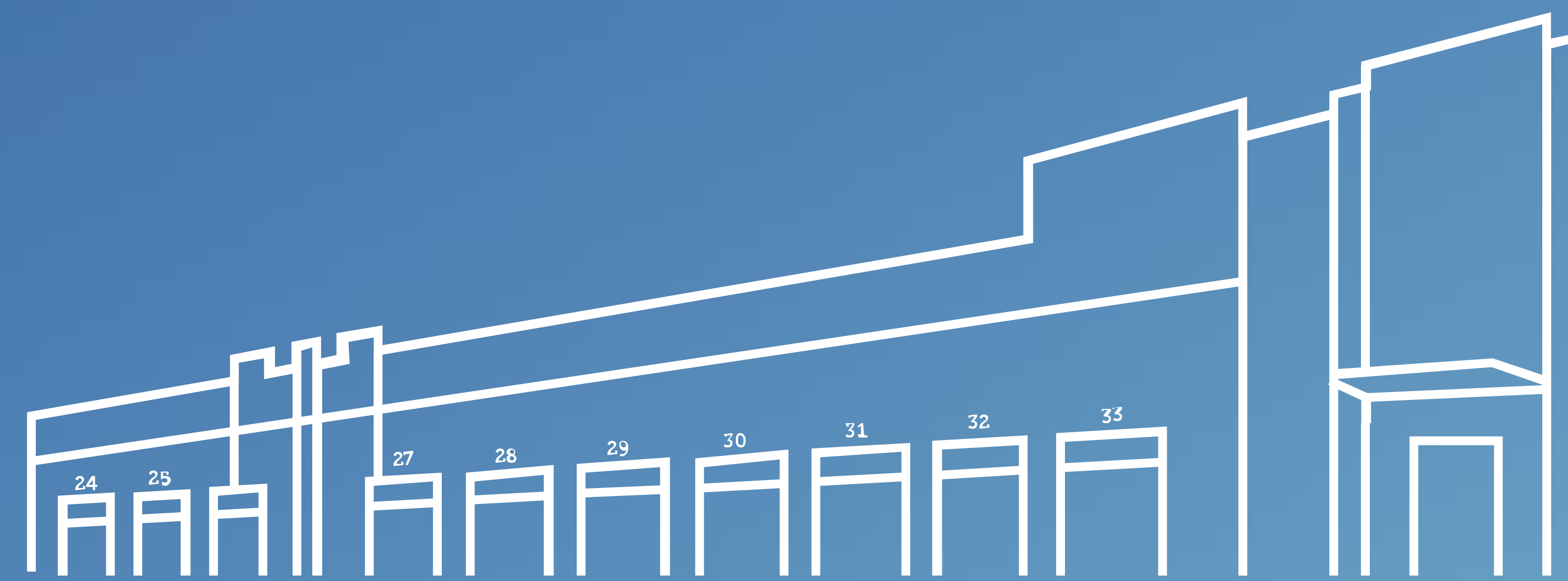


TRANSWESTERN®

REAL ESTATE OUTLOOK

U.S. MARKET | INDUSTRIAL

THIRD QUARTER 2018

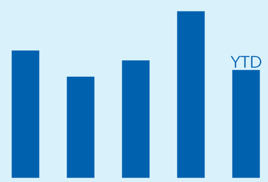
U.S. TRENDLINES

5-Year Trend | Current Quarter

UNEMPLOYMENT RATE

3.7%
More openings than available workers

RETAIL SALES GROWTH



0.8%
Softer August and September

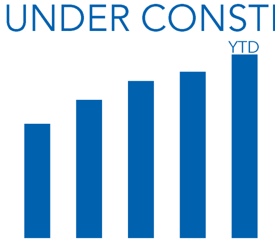
NET ABSORPTION

83.3 MSF
Unabated demand for high-quality infill

VACANCY

4.9%
Continued constraint despite new inventory

UNDER CONSTRUCTION



376.0 MSF
Aggressive and widespread

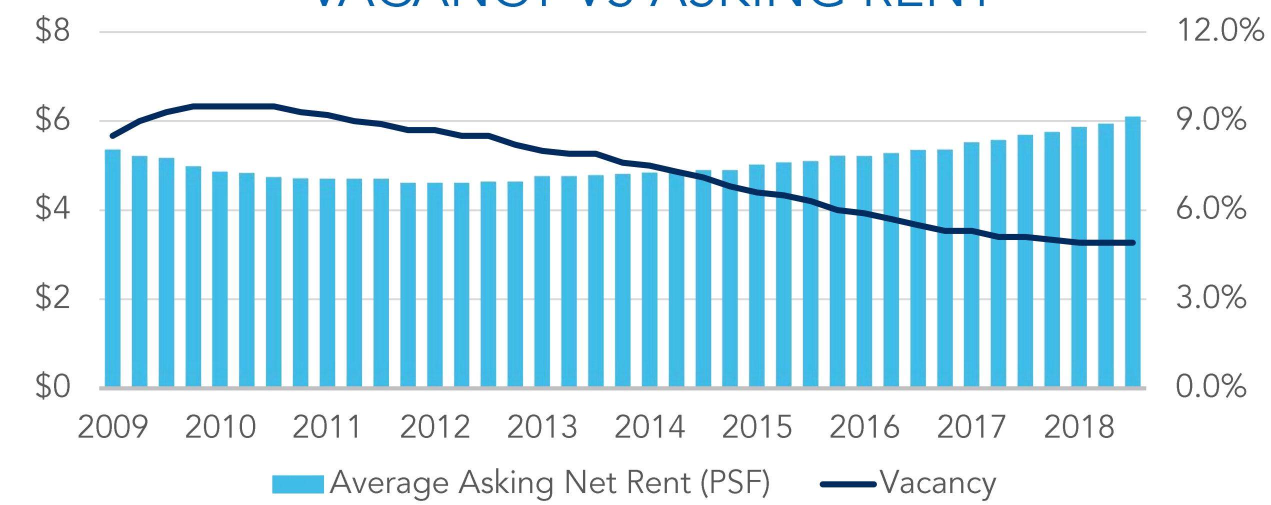
ASKING RENT

$6.10 PSF
Record-setting year-over-year growth

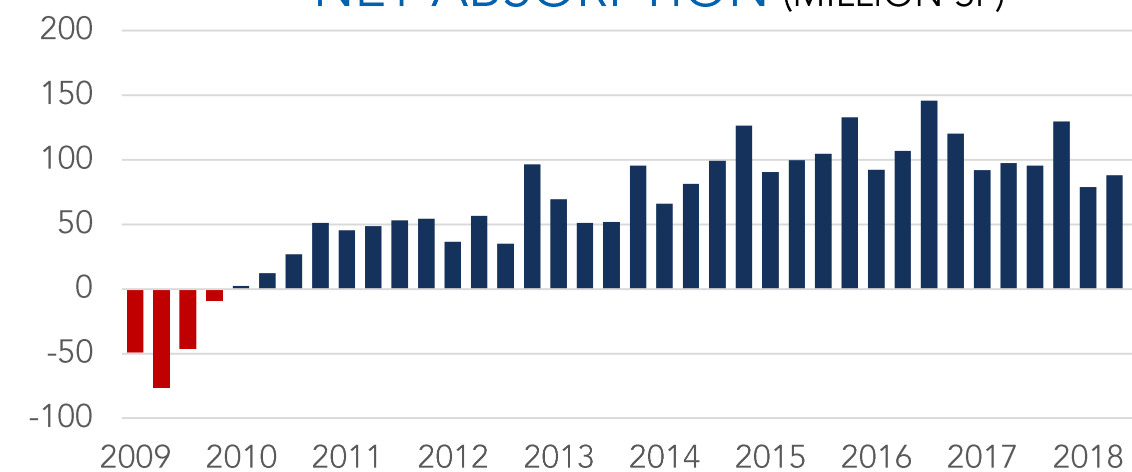
U.S. HIGHLIGHTS

- Market benefitting from robust GDP growth boosted by consumer spending.
- Construction, manufacturing, transportation and warehousing employment growth trending up.
- Retail sales softened but consumer confidence remains high.
- Record port volumes continue to drive coastal markets as tariffs looms.
- Positive Q3 2018 net absorption in 35 markets.
- Positive 12-month net absorption in 44 of 47 markets studied.
- Preleased deliveries driving a large percentage of absorption.
- Vacancy rate has dropped 300 basis points during the past five years.
- Year-over-year rent growth in 43 markets.
- Smaller coastal markets reporting tremendous rent growth.
- Expected online holiday shopping growth bodes well for the market.
- Rising protectionism and trade war have not yet affected demand.
- Whispers of market being overbuilt not affecting voracious appetite as developers expand geographic parameters.

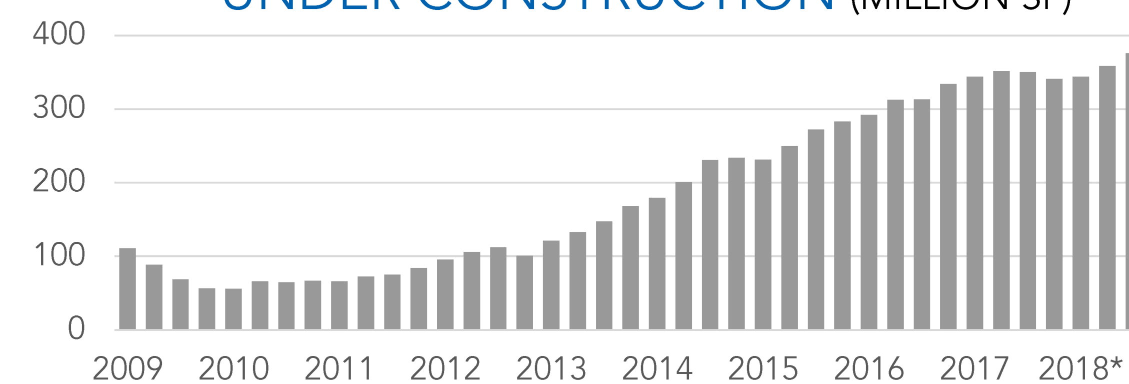
VACANCY VS ASKING RENT



NET ABSORPTION (MILLION SF)



UNDER CONSTRUCTION (MILLION SF)



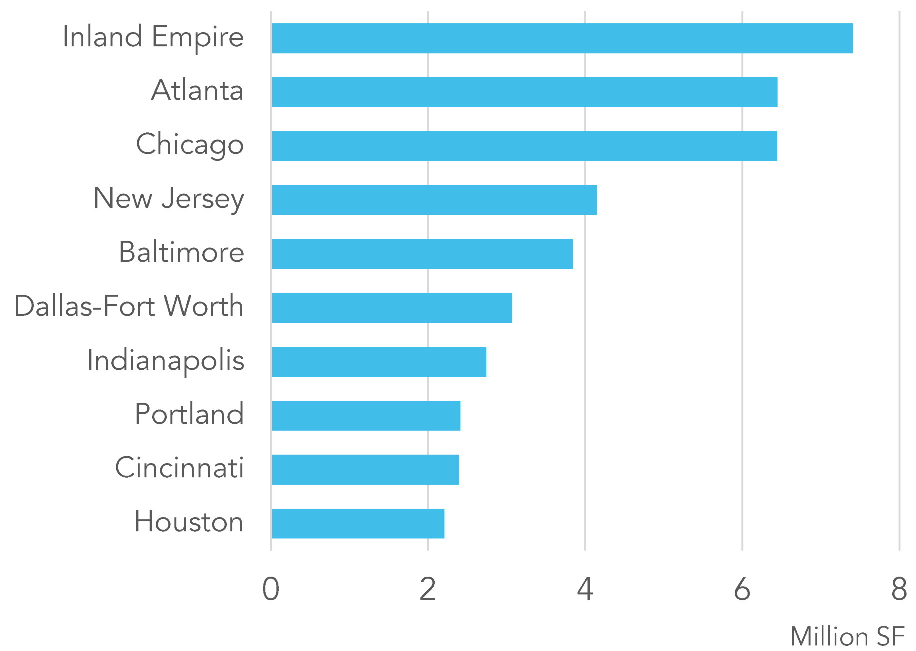
** Denotes through Q3 2018*

TRANSWESTERN®

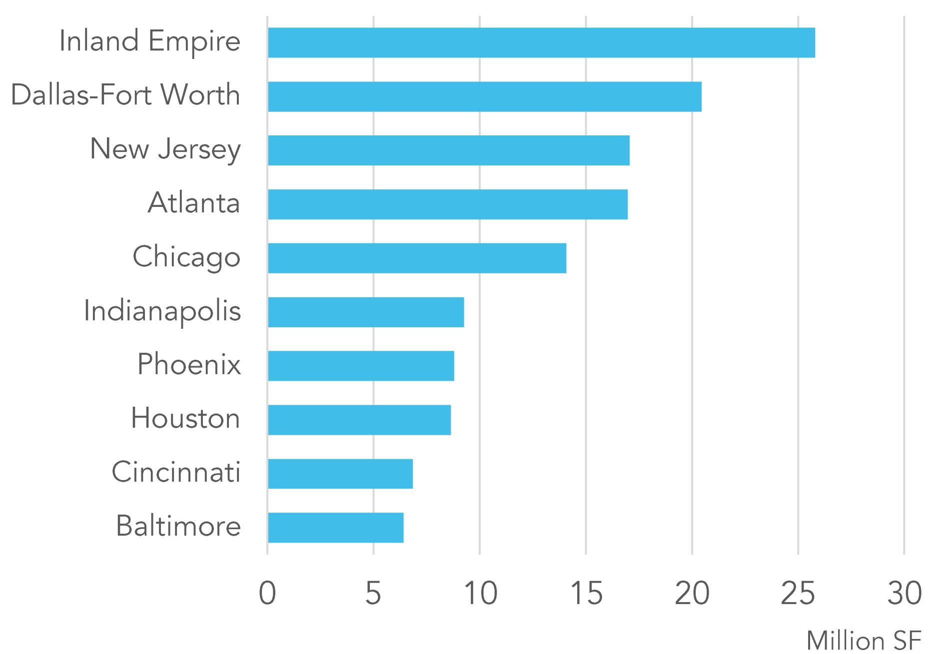
TOP RANKED MARKETS BY INDICATORS

ABSORPTION

Q3 2018 Net Absorption

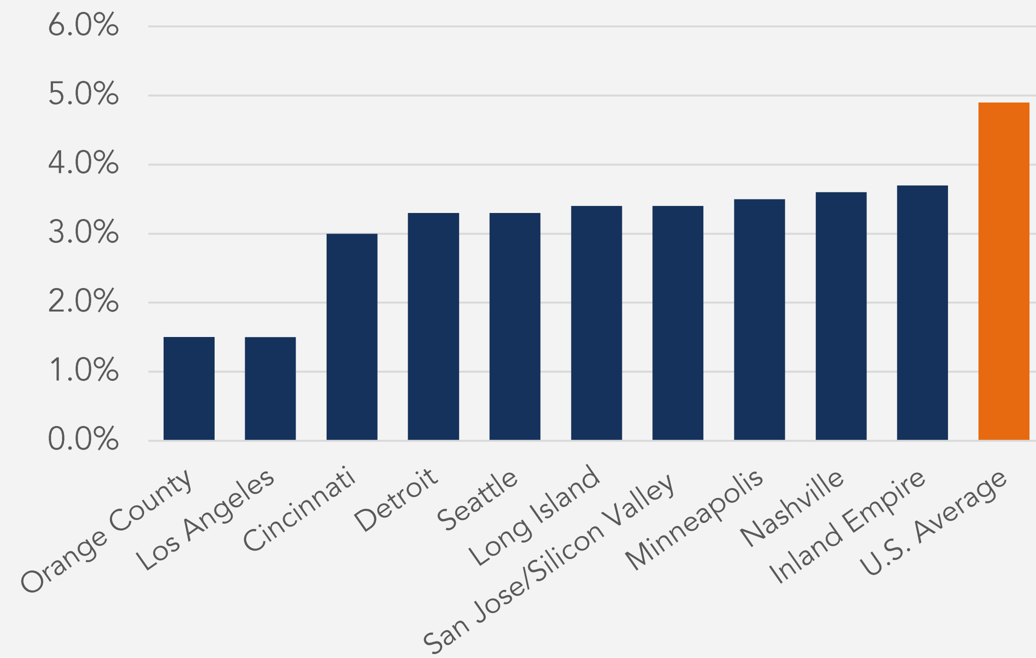


Trailing 4-Qtr Net Absorption

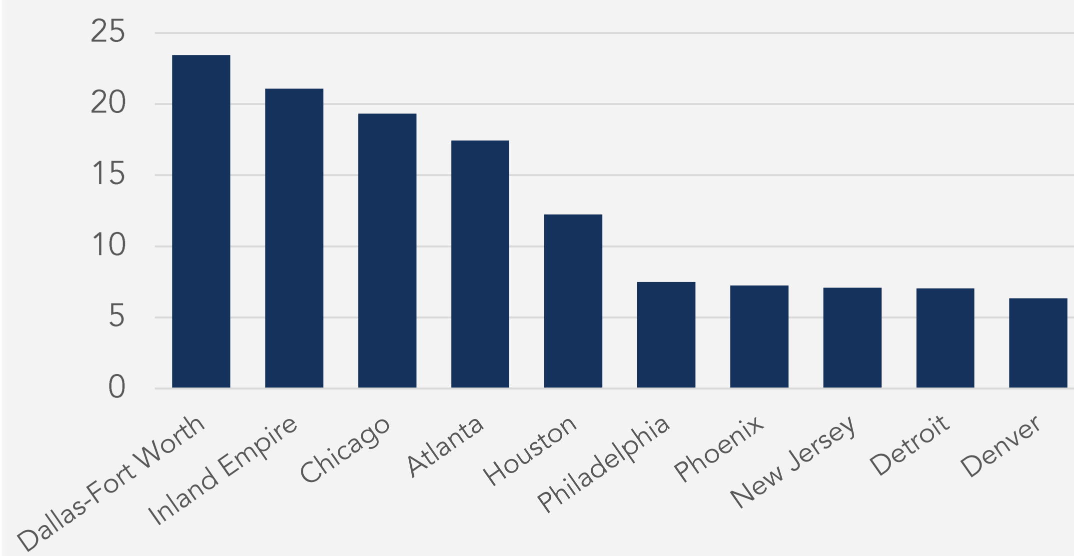


VACANCY/CONSTRUCTION

Q3 2018 Vacancy Rate

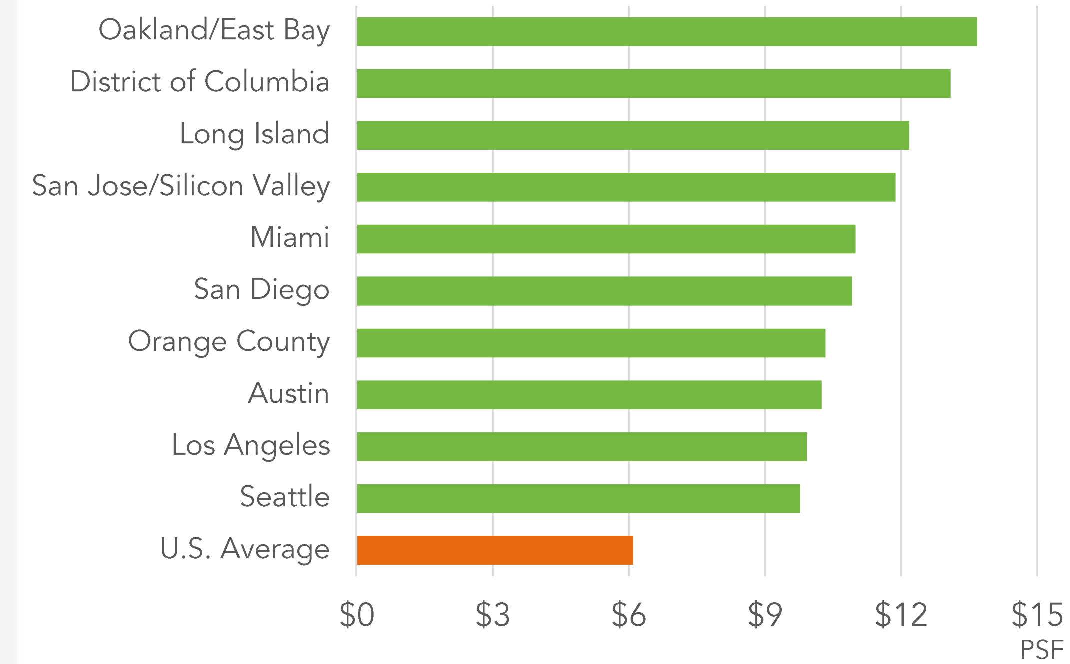


Q3 2018 Under Construction (Million SF)

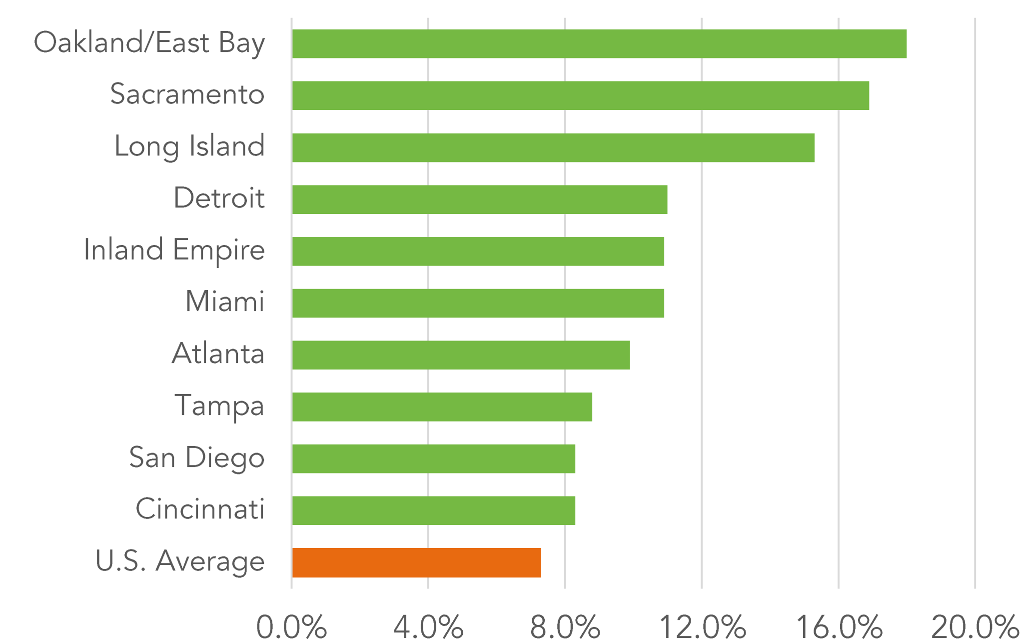


ASKING RENTS

Q3 2018 Asking Rate NNN



Year-Over-Year Rent Growth



TRANSWESTERN®

Market	Inventory SF	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Atlanta	614,367,665	5.7%	5.4%	6,449,977	16,978,955	$4.32	9.9%	17,432,551
Austin	49,263,325	8.3%	7.7%	376,081	1,711,947	$10.25	6.4%	2,187,858
Baltimore*	218,635,486	7.6%	7.2%	3,844,000	6,415,000	$5.88	-2.8%	1,297,850
Boston	324,314,574	5.3%	5.1%	1,041,990	2,455,964	$8.24	7.7%	1,123,320
Charlotte	299,285,472	5.8%	5.4%	429,603	4,446,271	$4.84	4.8%	5,551,526
Chicago	1,258,332,243	5.9%	5.9%	6,444,995	14,075,093	$5.72	3.2%	19,321,295
Cincinnati	307,411,712	3.0%	3.0%	2,394,023	6,853,569	$4.18	8.3%	4,932,448
Cleveland	318,421,941	4.5%	4.3%	(150,530)	706,029	$4.03	-1.0%	2,383,200
Columbus	278,329,304	4.8%	4.4%	(1,454,393)	5,229,341	$3.84	4.6%	3,472,079
Dallas - Fort Worth	776,549,624	6.6%	6.1%	3,070,475	20,450,490	$5.36	8.1%	23,446,006
Denver*	241,809,008	4.2%	3.7%	587,034	3,982,613	$8.26	1.1%	6,346,617
Detroit	537,574,057	3.3%	3.2%	(286,991)	4,763,883	$6.07	11.0%	7,034,810
District of Columbia*	9,716,772	5.0%	5.0%	38,000	27,000	$13.09	1.7%	16,000
Oakland/East Bay	164,814,953	4.7%	4.4%	(135,390)	(568,326)	$13.68	18.0%	2,328,059
Hartford	119,683,511	6.5%	6.4%	(472,671)	764,592	$5.20	8.1%	1,063,092
Houston*	534,266,532	5.3%	5.0%	2,211,000	8,647,000	$7.09	7.3%	12,234,389
Indianapolis	304,948,814	4.1%	3.8%	2,742,771	9,255,440	$3.85	4.3%	5,235,972
Inland Empire	538,677,127	3.7%	3.5%	7,404,791	25,800,163	$7.06	10.9%	21,080,621
Kansas City	281,524,048	5.2%	5.2%	1,247,727	4,042,811	$4.81	2.1%	3,863,647
Las Vegas	122,017,934	5.1%	4.9%	503,897	6,173,738	$7.05	1.7%	4,745,988
Long Island	154,215,997	3.4%	3.1%	(212,866)	(117,594)	$12.18	15.3%	222,819
Los Angeles	835,923,069	1.5%	1.3%	986,709	5,632,333	$9.93	5.2%	3,884,717
Miami	189,476,140	4.3%	4.1%	750,616	1,596,675	$11.00	10.9%	5,355,160
Milwaukee	228,994,102	3.8%	3.8%	109,456	1,138,660	$4.54	3.7%	629,300

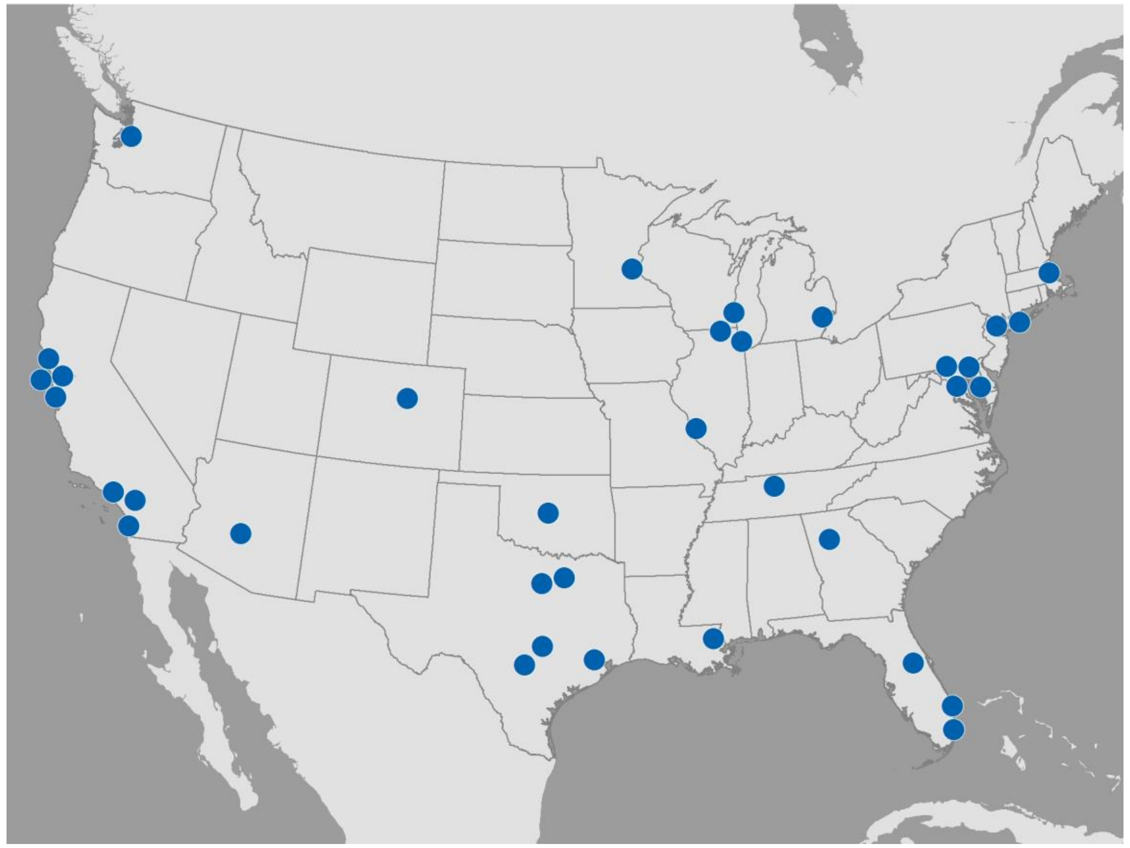
*Market reports Vacant Available rate

TRANSWESTERN®

Market	Inventory SF	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent FSG	Annual Rent Change	Under Construction
Minneapolis	360,963,544	3.5%	3.3%	472,360	3,414,150	$6.80	3.8%	2,417,790
Nashville	208,888,683	3.6%	3.3%	(326,094)	3,055,257	$5.65	2.2%	5,911,833
New Jersey	674,900,272	3.8%	3.5%	4,149,635	17,063,748	$8.04	7.5%	7,094,935
New Orleans	64,163,553	3.8%	3.7%	(174,467)	660,837	$5.16	-9.9%	0
Northern Virginia*	86,878,468	7.3%	7.2%	234,000	1,111,000	$9.77	5.3%	1,682,067
Oklahoma City	102,485,973	4.1%	3.9%	112,854	2,491,642	$5.17	3.2%	219,657
Orange County	211,666,712	1.5%	1.3%	(198,428)	385,434	$10.34	3.8%	1,995,075
Orlando	152,834,431	4.4%	4.3%	683,126	3,844,573	$6.40	2.2%	2,223,965
Philadelphia	513,155,572	5.8%	5.6%	104,536	3,886,967	$5.43	5.2%	7,501,971
Phoenix	309,684,672	7.4%	7.2%	988,157	8,786,874	$6.82	0.6%	7,237,576
Pittsburgh	177,895,640	6.1%	5.9%	(210,451)	(441,789)	$5.42	-7.8%	1,649,957
Portland	210,029,819	3.8%	3.7%	2,412,293	2,893,003	$8.53	7.3%	2,576,182
Raleigh-Durham	117,501,701	5.5%	5.3%	420,764	1,510,060	$6.77	0.7%	1,681,226
Sacramento	160,313,038	5.3%	5.1%	347,870	5,000,370	$6.72	16.9%	919,603
Salt Lake City	136,568,661	3.8%	3.7%	866,752	4,496,545	$5.73	2.3%	4,357,055
San Antonio	102,308,180	6.7%	6.6%	30,449	33,395	$5.60	5.6%	4,152,731
San Diego	123,664,627	4.2%	4.0%	600,788	1,324,338	$10.92	8.3%	1,727,702
San Jose/Silicon Valley	57,920,448	3.4%	3.3%	(17,325)	604,419	$11.88	2.0%	2,144,224
Seattle	296,169,663	3.3%	3.0%	919,453	4,160,569	$9.78	4.0%	5,112,877
St. Louis	168,061,149	4.8%	4.5%	(56,712)	771,192	$5.91	5.7%	3,157,910
Suburban Maryland*	96,937,126	7.8%	7.6%	161,000	1,225,000	$8.47	2.5%	543,989
Tampa	168,061,149	4.7%	4.5%	551,013	1,496,845	$5.93	8.8%	2,705,310
Westchester	201,697,434	4.9%	4.8%	496,095	284,943	$8.40	5.9%	1,547,730

*Market reports Vacant Available rate

TRANSWESTERN LOCATIONS



ABOUT TRANSWESTERN

Transwestern is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service – the Transwestern Experience. Specializing in Agency Leasing, Asset Services, Occupier Solutions, Capital Markets and Research, our fully integrated global enterprise adds value for investors, owners and occupiers of all commercial property types. We leverage market insights and operational expertise from members of the Transwestern family of companies specializing in development, real estate investment management and research. Transwestern has 35 U.S. offices and assists clients from more than 221 offices in 37 countries through strategic alliances with France-based BNP Paribas Real Estate and Canada-based Devencore. Experience Extraordinary at transwestern.com and @Transwestern.

RESEARCH METHODOLOGY

The information in this report is the result of a compilation of competitive industrial properties located in select U.S. metropolitan areas. Owner-occupied properties and government-owned buildings are excluded from analysis. All rents are reported as triple net rents. Markets denoted with an asterisk (*) report local vacancy rates as vacant available space.

SENIOR RESEARCH CONTACTS

Atlanta/Miami
Keith Pierce
Keith.Pierce@transwestern.com
404.842.6534

Austin
Karen Judson
Karen.Judson@transwestern.com
512.314.3560

Boston
Chase Bourdelaise
Chase.Bourdelaise@transwestern.com
617.439.9313

Chicago
Sandy McDonald
Sandy.McDonald@transwestern.com
312.881.7037

Dallas-Fort Worth
Ryan Tharp
Ryan.Tharp@transwestern.com
214.446.4574

Denver
Jared Balcavage
Jared.Balcavage@transwestern.com
303.952.5606

Houston
Stuart Showers
Stuart.Showers@transwestern.com
713.270.3380

New Jersey
Matthew Dolly
Matthew.Dolly@transwestern.com
973.947.9244

New York
Danny Mangru
Danny.Mangru@transwestern.com
212.537.7690

Phoenix
Darrell Magnuson
Darrell.Magnuson@transwestern.com
602.386.1188

San Antonio
Yesenia Dominguez
Yesenia.Dominguez@transwestern.com
210.563.7070

San Francisco Bay Area
Dina Gouveia
Dina.Gouveia@transwestern.com
925.357.2023

Southern California
Michael Soto
Michael.Soto@transwestern.com
213.430.2525

Washington D.C./Baltimore
Elizabeth Norton
Elizabeth.Norton@transwestern.com
202.775.7026

TRANSWESTERN®