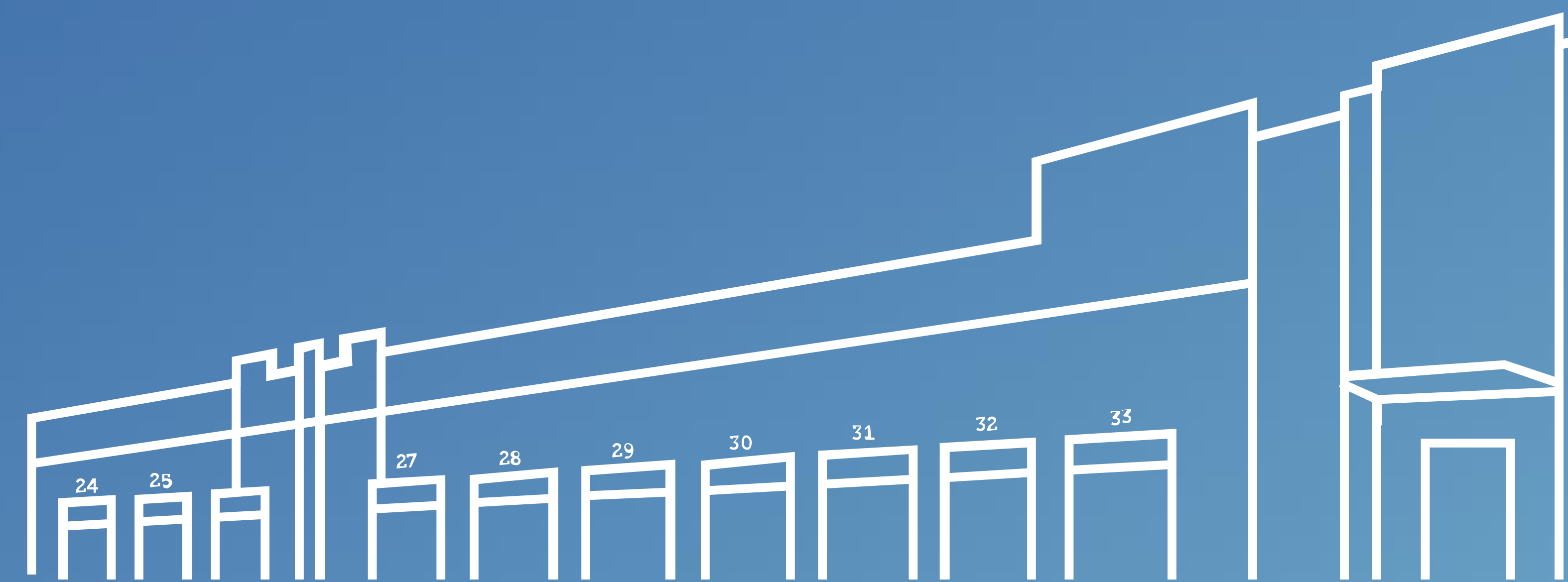
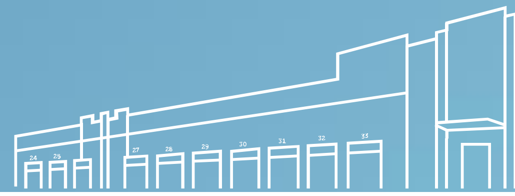
TRANSWESTERN®



REAL ESTATE OUTLOOK

U.S. MARKET | INDUSTRIAL

SECOND QUARTER 2019



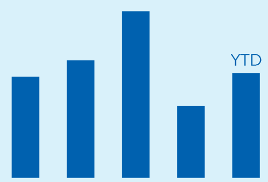
U.S. TRENDLINES

5-Year Trend | Current Quarter

UNEMPLOYMENT RATE

3.7%
Improved slightly

RETAIL SALES GROWTH



3.2%
Best YTD growth thru Q2 since 2011

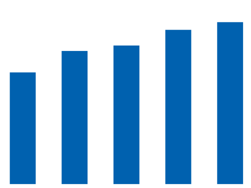
NET ABSORPTION

86.4 MSF
Declined for three consecutive quarters

VACANCY

4.8%
Ticked up for second straight quarter

UNDER CONSTRUCTION



413.7 MSF
Surpassed record level set the previous quarter

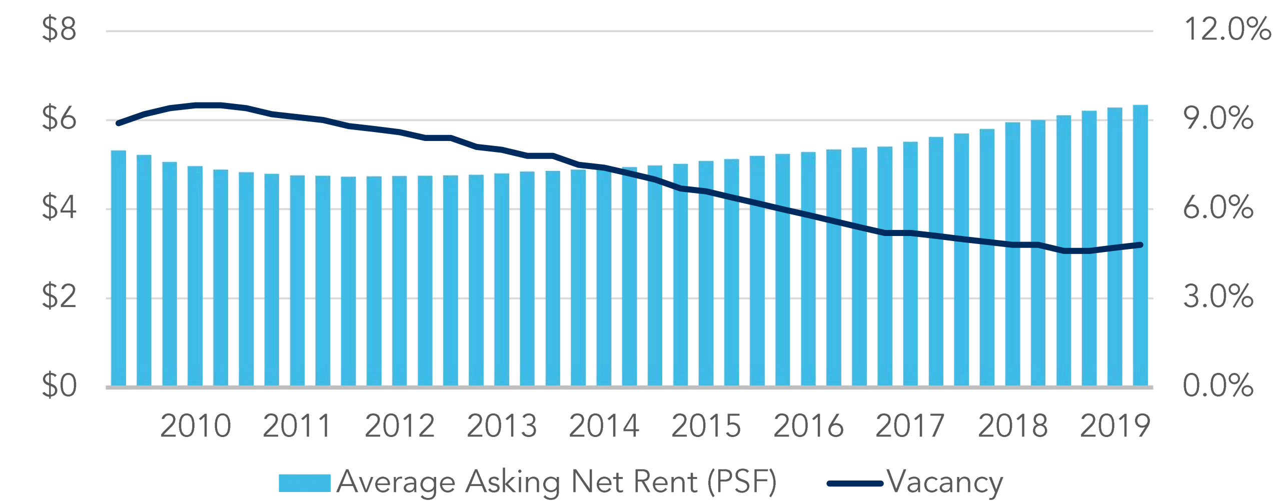
ASKING RENT

$6.34 PSF
Continued to rise, albeit more slowly

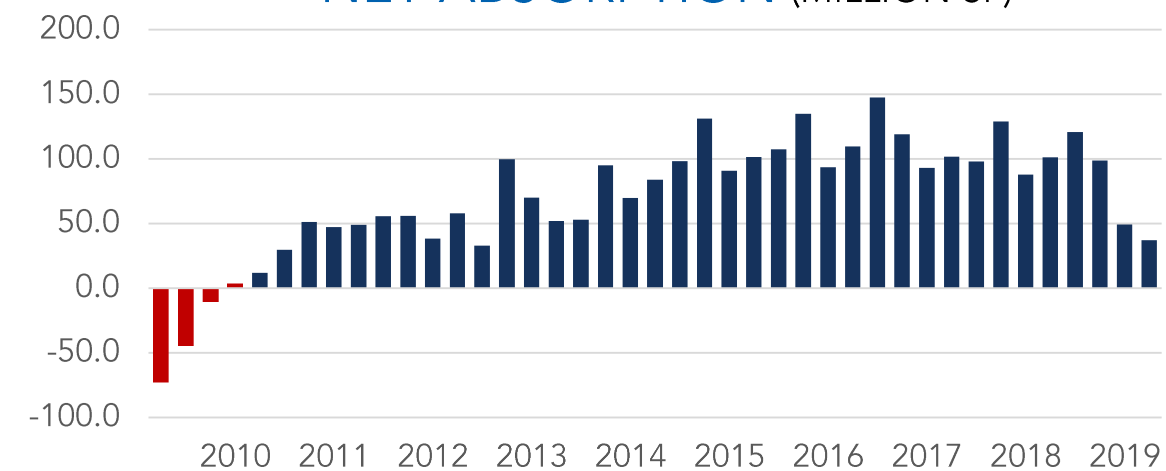
U.S. HIGHLIGHTS

- Longest ever expansion of U.S. economy.
- Transportation and warehousing added 158,000 jobs over the past 12 months.
- Construction averaged 21,000 monthly job gains over the prior 12 months.
- Consumer spending increased, but slower.
- E-commerce surpassed 10% mark of total U.S. retail sales for the first time (10.2%).
- While new supply is outpacing leasing activity in some markets, other regions experienced a considerable rebound in net absorption after a slow Q1.
- Vacancy increased for the second consecutive quarter for the first time since Q4 2009-Q1 2010.
- Record level of construction ongoing, more than double that of five years ago, with over half the markets boasting 3 MSF of construction activity.
- Labor challenges and rising land prices should continue to limit new building deliveries and stave off overbuilding.
- 43 of 47 markets recorded rent increases when compared year-over-year.
- Tariffs, trade disputes will lengthen lead times and costs for construction materials.
- Industrial space demand expected to pick up during 2H 2019 as the US supply chain prepares for the holiday shopping season.

VACANCY VS ASKING RENT



NET ABSORPTION (MILLION SF)



UNDER CONSTRUCTION (MILLION SF)

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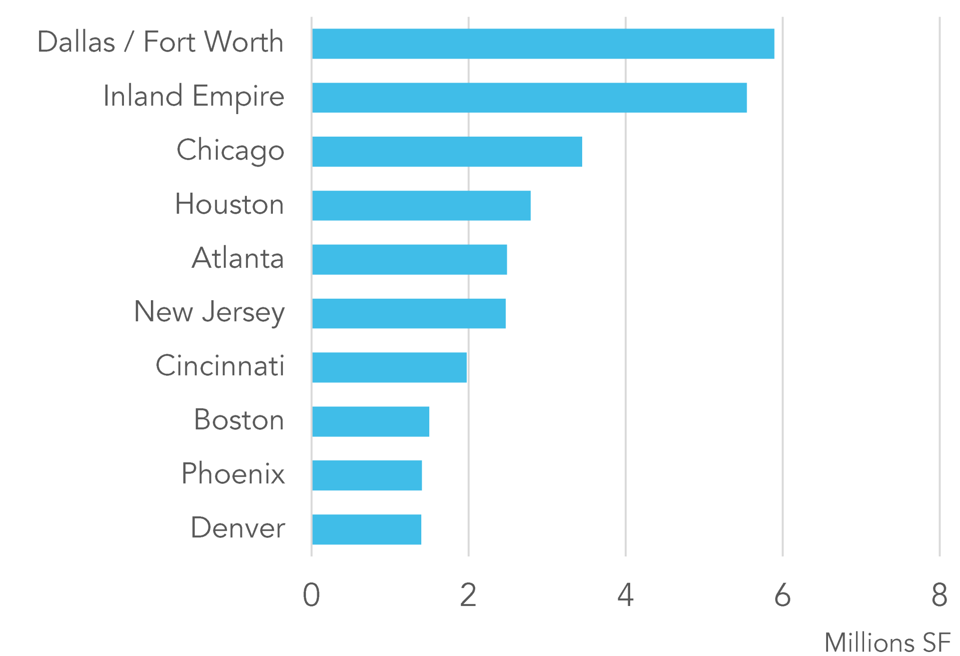
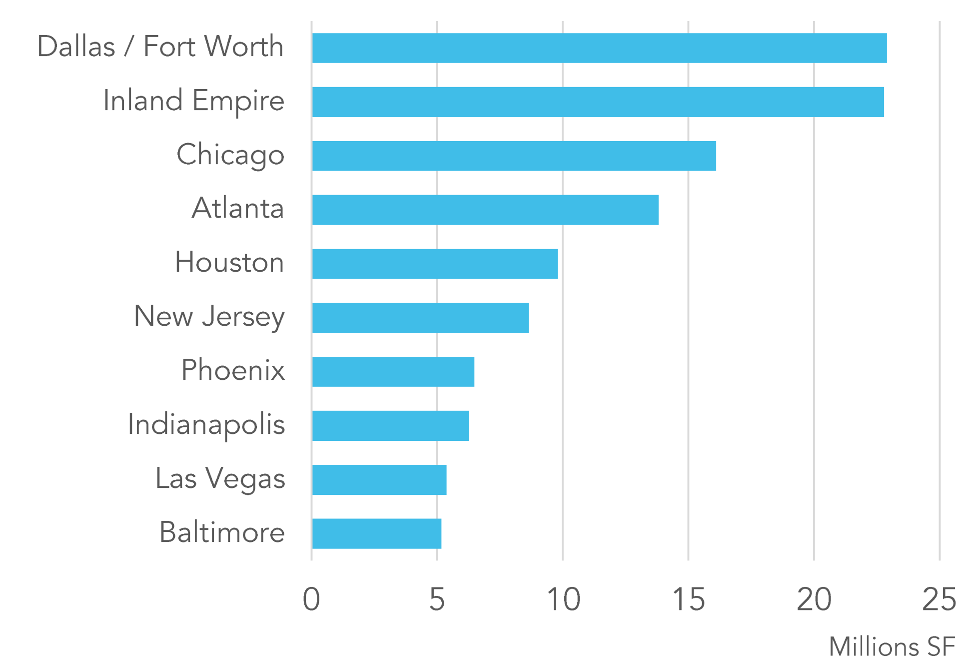
U.S. MARKET | INDUSTRIAL | Q2 2019
TOP RANKED MARKETS BY INDICATORS

ABSORPTION

Q2 2019 Net Absorption

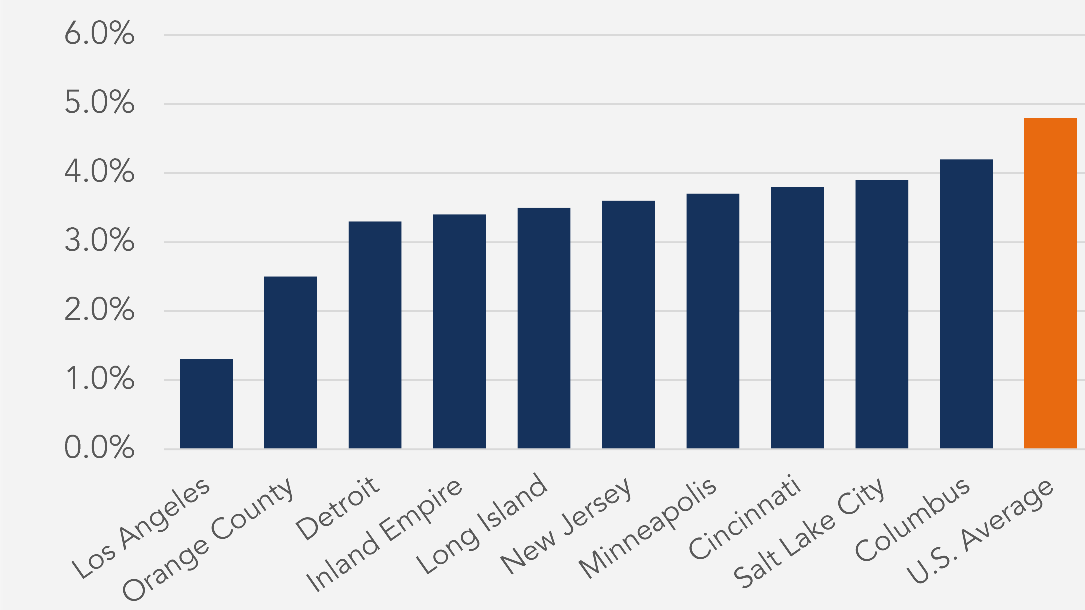


Trailing 4-Qtr Net Absorption

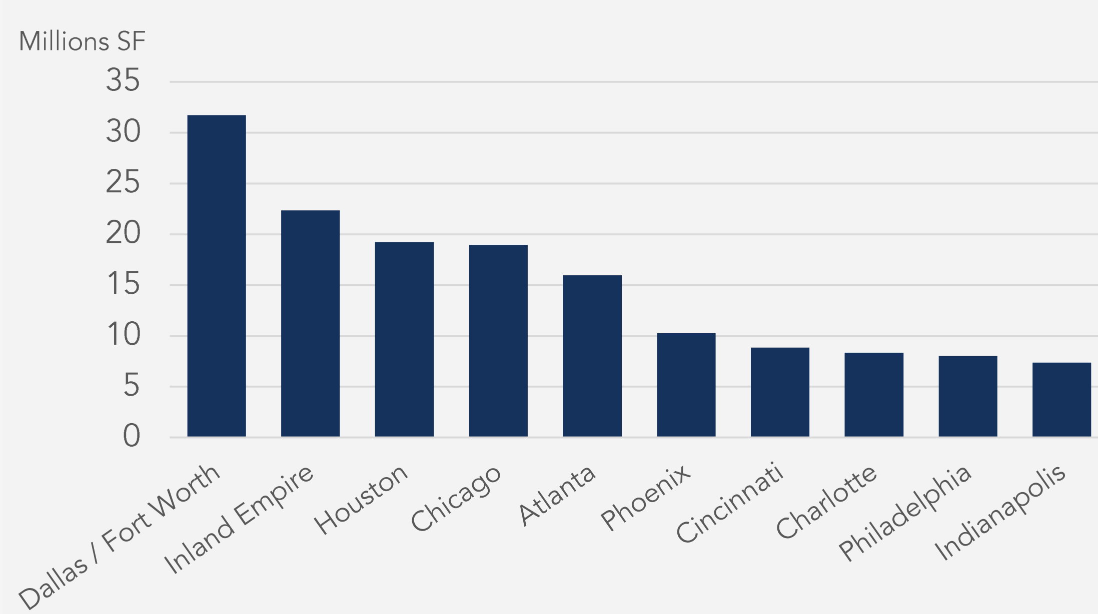


VACANCY/CONSTRUCTION

Q2 2019 Vacancy Rate

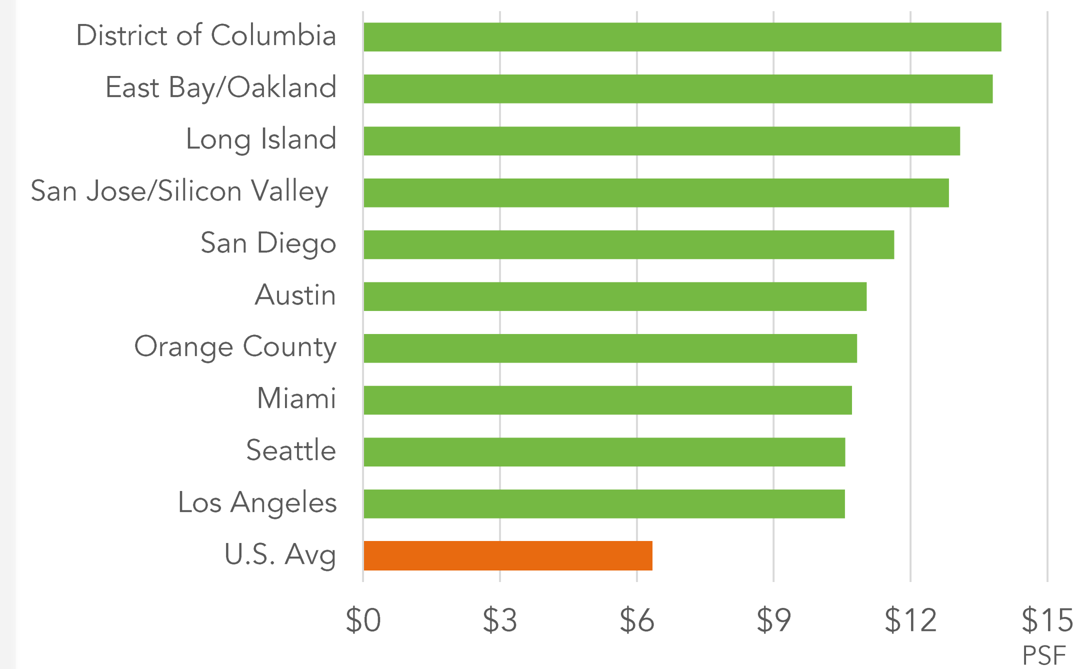


Q2 2019 Under Construction

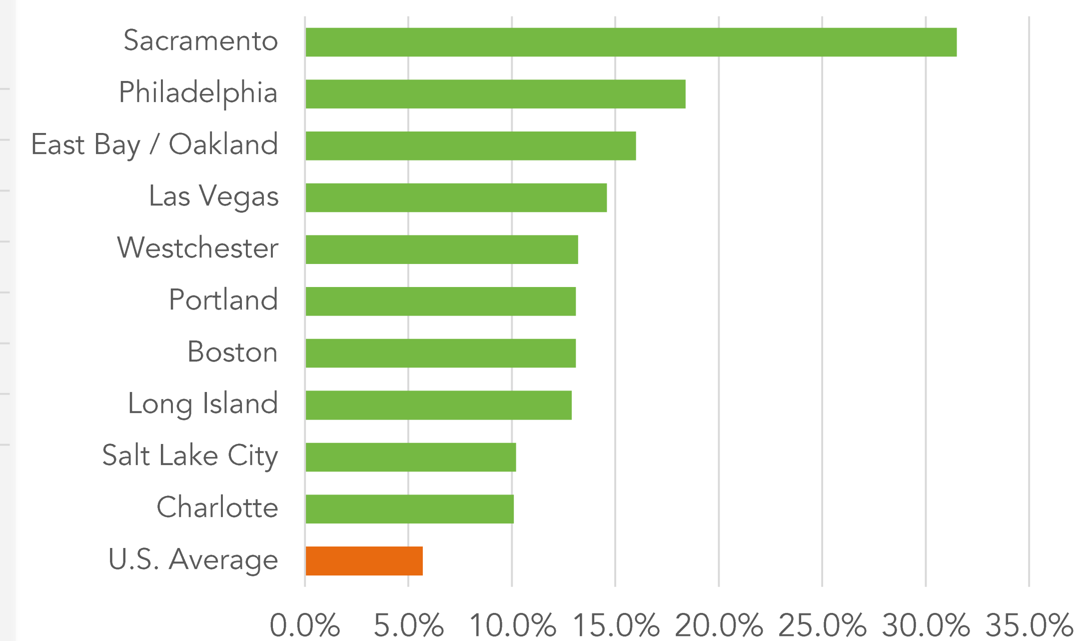


ASKING RENTS

Q2 2019 Asking Rate NNN



Year-Over-Year Rent Growth



TRANSWESTERN®

Market	Inventory Square Feet	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Atlanta	624,510,802	5.7%	5.5%	2,491,929	13,819,607	$4.62	6.9%	15,963,734
Austin	52,868,803	10.2%	9.4%	131,673	1,373,501	$11.04	6.2%	1,198,038
Baltimore*	218,550,269	7.2%	6.6%	400,000	5,169,000	$5.95	1.4%	6,313,114
Boston	326,731,843	4.9%	4.8%	1,499,707	2,946,475	$9.08	13.1%	937,260
Charlotte	305,008,157	7.1%	6.9%	1,287,921	4,280,084	$5.12	10.1%	8,356,568
Chicago	1,274,051,669	5.5%	N/A	3,447,395	16,112,461	$6.02	7.2%	18,959,250
Cincinnati	308,430,361	3.8%	3.4%	1,975,719	4,283,514	$4.33	6.9%	8,864,198
Cleveland	330,822,783	4.4%	4.3%	(189,714)	2,745,599	$4.16	6.7%	1,626,853
Columbus	282,853,351	4.2%	4.1%	1,245,628	3,986,422	$3.93	1.3%	3,683,070
Dallas / Fort Worth	800,706,487	6.6%	6.3%	5,895,885	22,898,592	$5.59	7.3%	31,731,261
Denver*	247,277,557	4.5%	4.2%	1,400,229	4,652,446	$8.40	2.6%	4,422,187
Detroit	539,967,215	3.3%	3.1%	(1,112,680)	4,736,097	$6.19	4.6%	4,112,370
District of Columbia*	9,664,537	5.9%	5.9%	(51,000)	(100,000)	$13.99	6.4%	16,000
East Bay / Oakland	165,653,324	5.6%	5.1%	(651,852)	(631,962)	$13.80	16.0%	1,800,039
Hartford	121,220,500	5.3%	5.2%	(268,693)	2,008,144	$5.22	9.0%	0
Houston*	540,312,257	5.4%	5.2%	2,792,000	9,804,000	$7.29	4.3%	19,226,721
Indianapolis	310,686,249	4.5%	4.3%	127,340	6,270,669	$3.96	5.0%	7,366,428
Inland Empire	553,418,029	3.4%	2.8%	5,543,434	22,792,422	$7.54	8.3%	22,370,970
Kansas City	284,102,994	5.4%	5.3%	264,847	4,819,379	$4.74	-0.8%	1,681,512
Las Vegas	128,042,650	4.7%	4.5%	891,566	5,376,334	$8.09	14.6%	3,730,214
Long Island	154,787,000	3.5%	3.4%	194,751	(393,529)	$13.09	12.9%	514,534
Los Angeles	837,360,766	1.3%	1.2%	55,826	3,567,758	$10.56	7.6%	5,937,844
Miami	191,883,373	4.6%	4.3%	508,869	2,960,679	$10.72	0.7%	3,954,691
Milwaukee	232,162,248	4.4%	4.4%	(122,118)	(759,497)	$4.70	7.8%	4,174,427

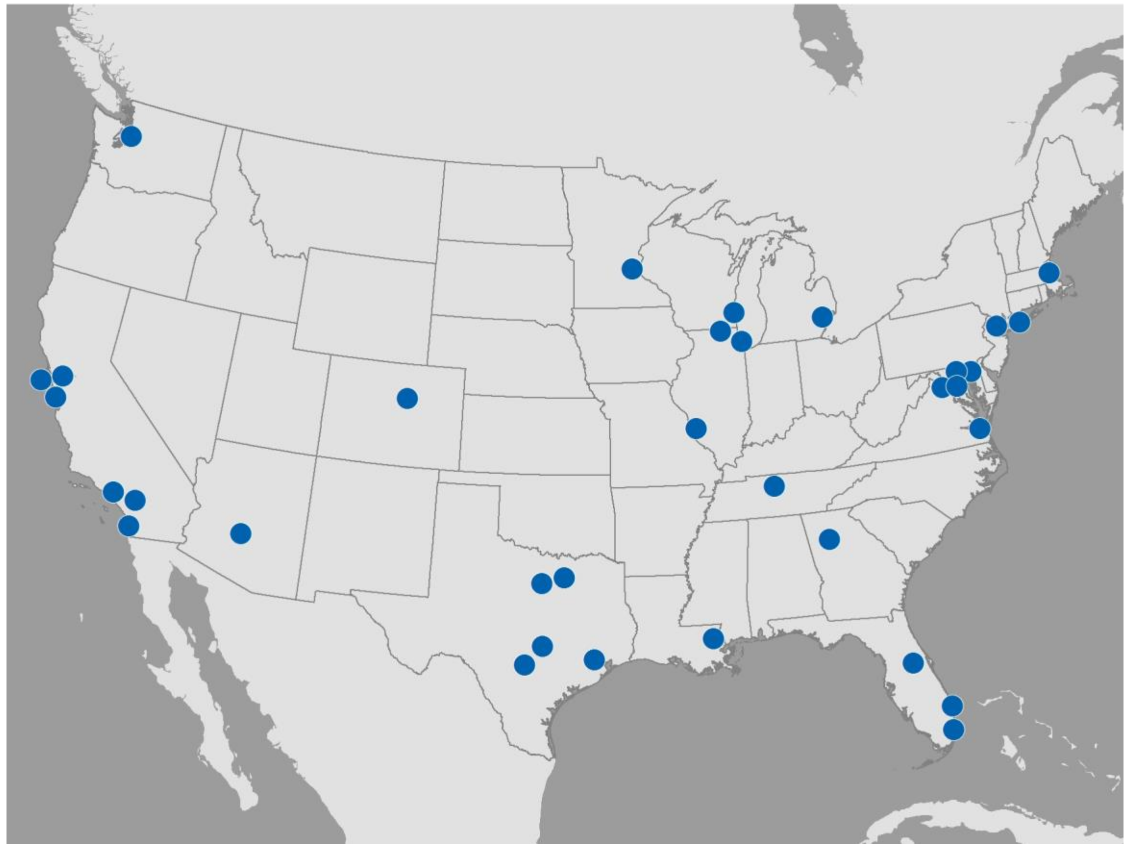
*Market reports Vacant Available rate

TRANSWESTERN®

Market	Inventory Square Feet	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Minneapolis	365,978,090	3.7%	3.5%	(1,266,798)	626,122	$6.82	2.4%	1,711,640
Nashville	215,152,231	4.9%	4.5%	374,962	925,512	$5.78	-3.0%	3,079,264
New Jersey	679,844,328	3.6%	3.5%	2,474,029	8,646,967	$8.41	7.8%	6,936,318
New Orleans	63,227,170	4.2%	4.1%	(447,238)	(519,800)	$5.32	-0.6%	170,400
Northern Virginia*	87,770,754	7.9%	7.7%	258,000	634,000	$9.95	1.9%	519,708
Oklahoma City	104,278,249	4.8%	4.5%	(119,336)	(630,108)	$5.51	6.8%	110,090
Orange County	213,123,820	2.5%	2.4%	65,195	(942,700)	$10.83	6.2%	842,173
Orlando	155,422,755	5.6%	5.5%	(440,286)	1,175,504	$6.76	6.1%	3,407,602
Philadelphia	515,364,871	5.0%	4.9%	758,575	5,103,863	$6.31	18.4%	8,024,518
Phoenix	315,541,435	7.1%	6.7%	1,405,393	6,484,415	$7.25	5.5%	10,277,426
Pittsburgh	180,890,301	5.9%	5.7%	(67,177)	848,463	$5.44	2.6%	955,084
Portland	210,125,364	4.3%	4.1%	(22,764)	3,118,746	$9.40	13.1%	2,595,401
Raleigh/Durham	116,570,667	4.4%	4.0%	1,179,874	2,196,076	$6.79	3.8%	802,463
Sacramento	161,418,815	5.3%	5.2%	(58,019)	915,149	$8.48	31.5%	802,672
Salt Lake City	137,045,596	3.9%	3.7%	343,784	1,126,613	$6.16	10.2%	4,021,861
San Antonio	103,543,628	7.1%	6.9%	(136,781)	1,070,268	$5.62	2.7%	2,092,589
San Diego	123,911,872	5.1%	4.8%	(286,810)	1,097,269	$11.64	9.0%	1,060,244
San Jose/Silicon Valley	191,364,594	6.1%	5.7%	1,085,749	1,113,523	$12.84	8.7%	2,632,375
Seattle	299,169,681	4.4%	4.0%	1,251,979	2,157,158	$10.57	7.5%	3,478,766
St. Louis	283,309,307	5.3%	5.2%	1,158,457	2,751,057	$4.65	-2.3%	3,307,447
Suburban Maryland*	96,940,320	8.5%	8.2%	51,000	(410,000)	$8.59	1.4%	51,000
Tampa	168,995,887	5.5%	5.1%	202,359	1,364,310	$6.31	9.0%	2,412,246
Westchester	202,764,962	5.1%	5.0%	(623,977)	755,761	$9.20	13.2%	998,632

*Market reports Vacant Available rate

TRANSWESTERN LOCATIONS



ABOUT TRANSWESTERN

Transwestern Commercial Services (TCS) is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service and innovative client solutions. Applying a consultative approach to Agency Leasing, Asset Services, Occupier Solutions, Capital Markets and Research, our fully integrated global organization adds value for investors, owners and occupiers of all commercial property types. We leverage market insight and operational expertise from across the Transwestern enterprise, which includes firms specializing in development and real estate investment management. TCS has 34 U.S. offices and assists clients from more than 200 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.

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