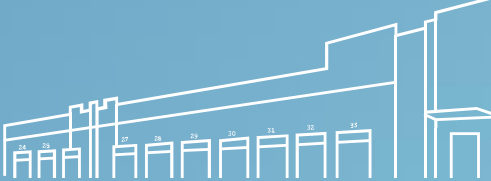


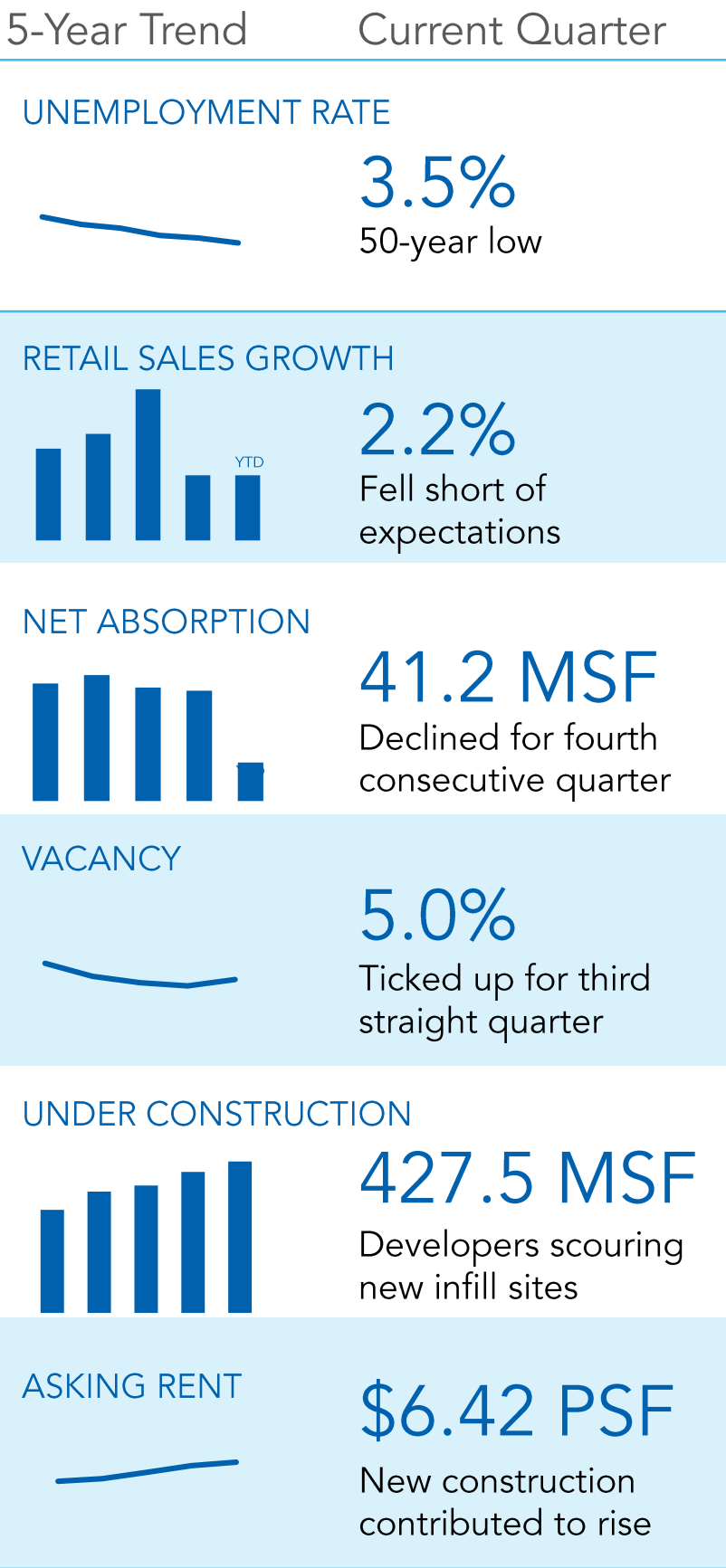
REAL ESTATE OUTLOOK

U.S. MARKET | INDUSTRIAL

THIRD QUARTER 2019



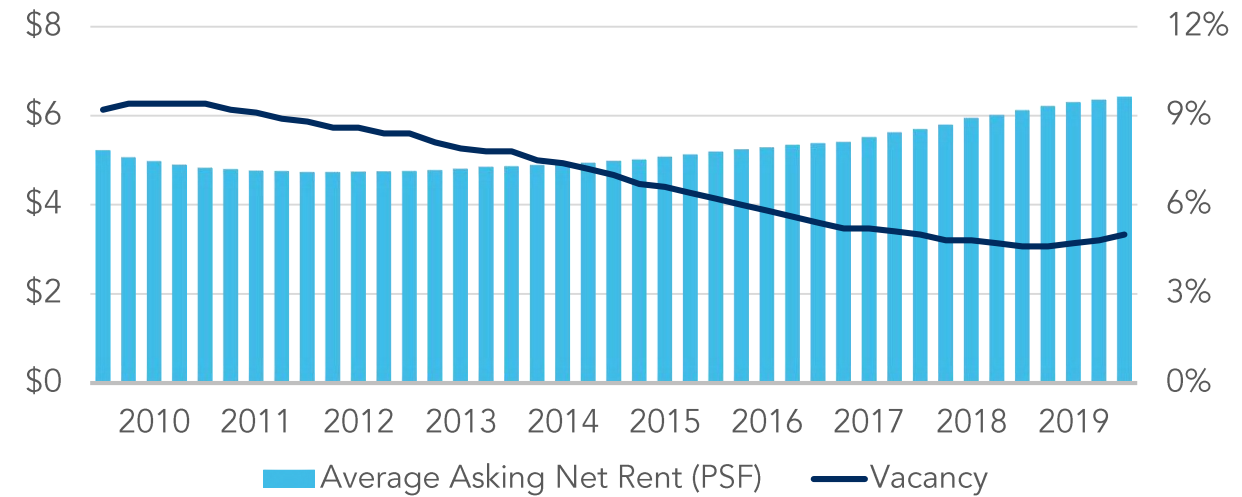
U.S. TRENDLINES



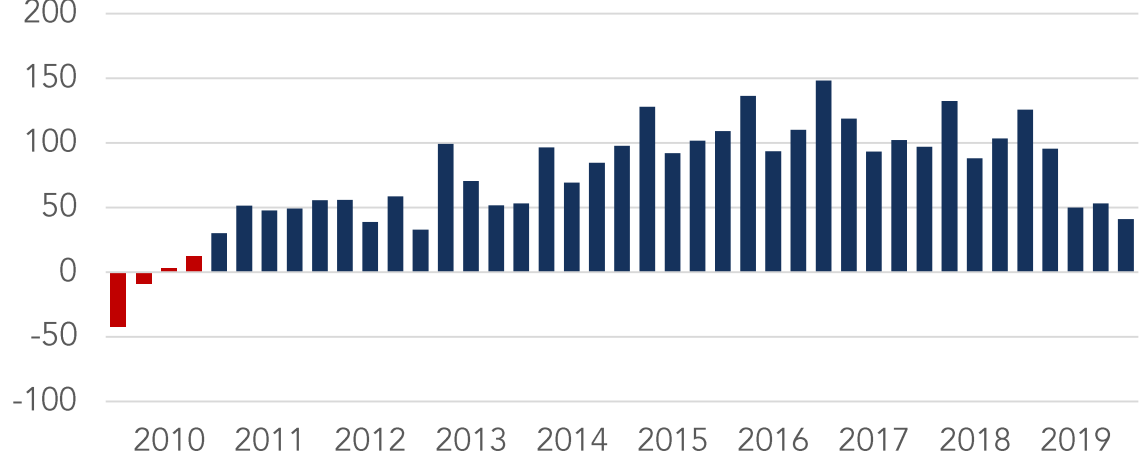
U.S. HIGHLIGHTS

- Low unemployment and skill gap triggering sluggish job growth in U.S.
- Transportation and warehousing employment continued to expand.
- Business confidence slipped due to trade wars, especially in manufacturing sector.
- September U.S. retail sales suffered largest decrease since February.
- Sale of building materials, as well as online spending, each decreased late in quarter.
- Scarcity of quality supply slowed absorption.
- Vacancy increased as older space returned to market and remains unleased. Users prefer to await new construction.
- Developers scour for new places to build despite obstacles and increased costs.
- Investors scoop up infill industrial to re-position for last-mile e-commerce delivery.
- Rents continued to rise, but are plateauing.
- Drayage costs rising as truckers deliver an increased number of empty containers, making it imperative for logistics companies to be closer to ports.
- Healthy U.S. consumer spending growth expected for the upcoming holiday season, though at a slower rate than 2018.
- Global economic growth on slowest pace since 2009, largely tied to weaker manufacturing.

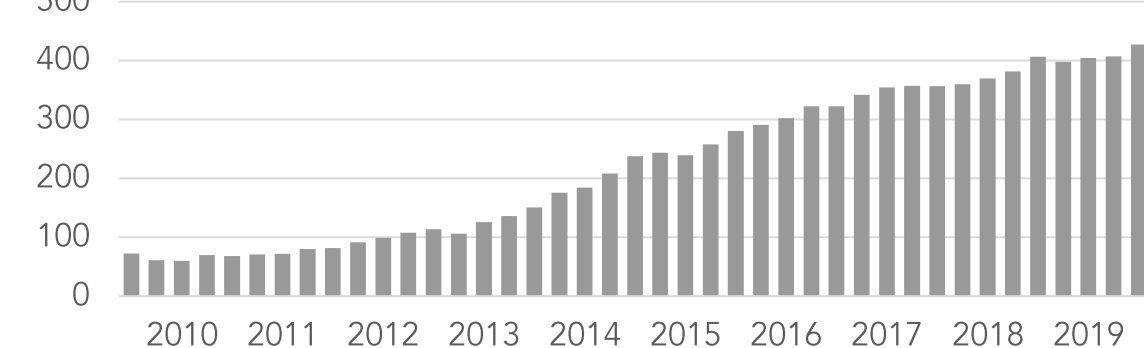
VACANCY VS ASKING RENT

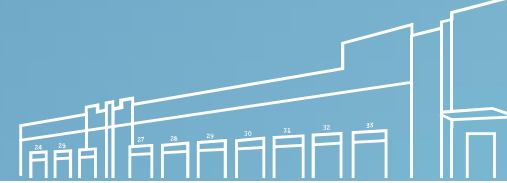


NET ABSORPTION (MILLION SF)



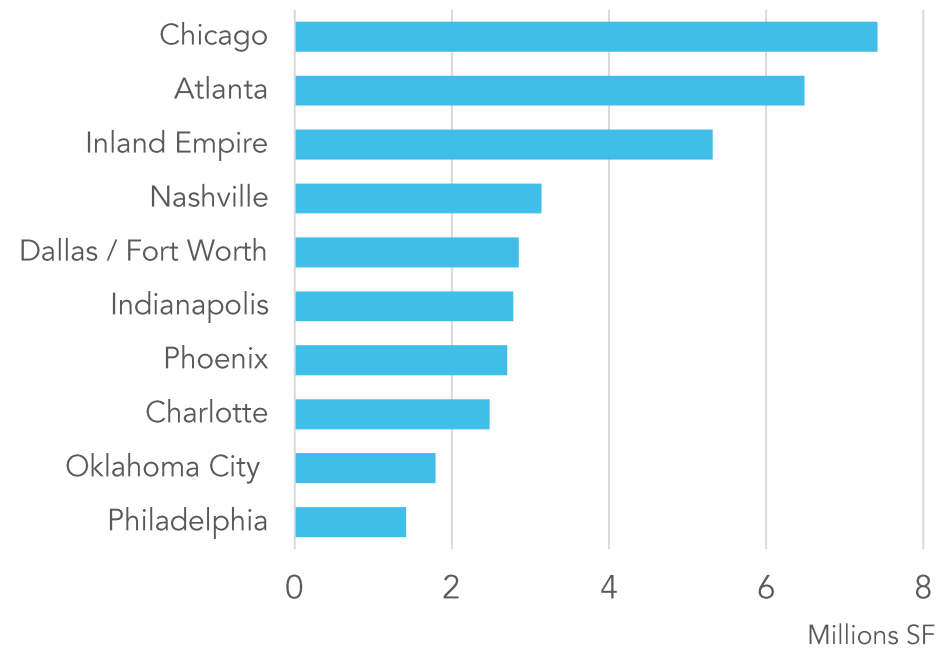
UNDER CONSTRUCTION (MILLION SF)





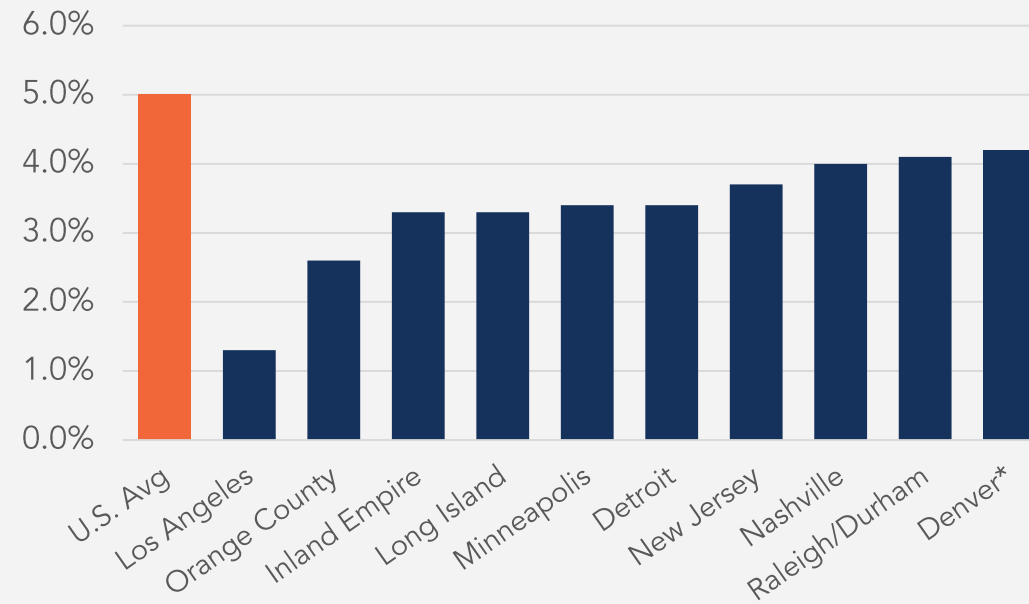
ABSORPTION

Q3 2019 Net Absorption



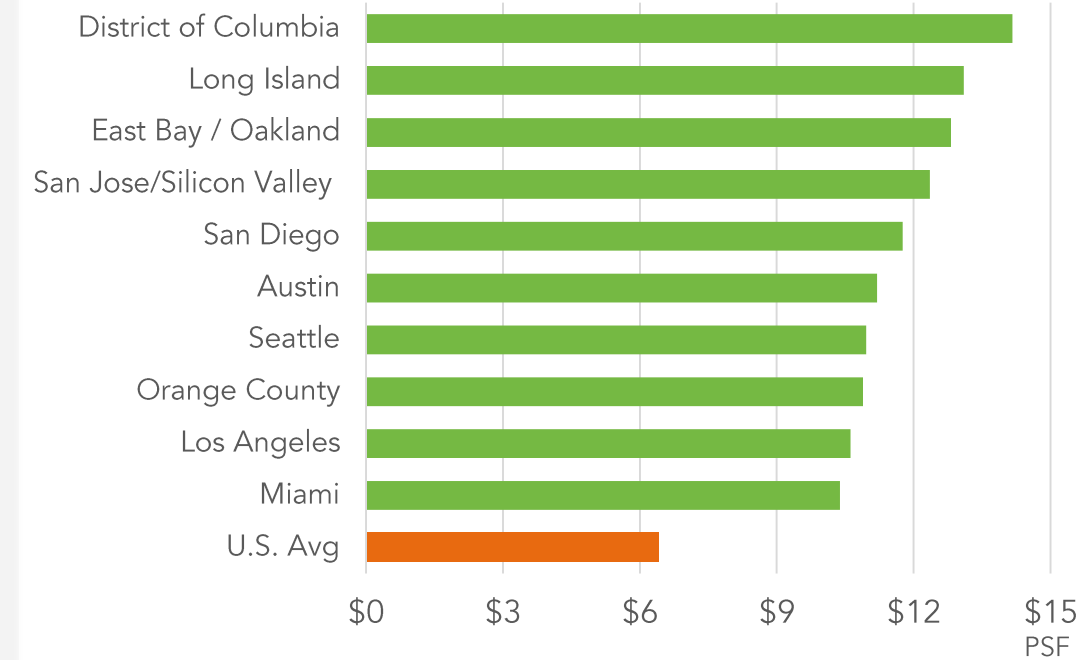
VACANCY/CONSTRUCTION

Q3 2019 Vacancy Rate

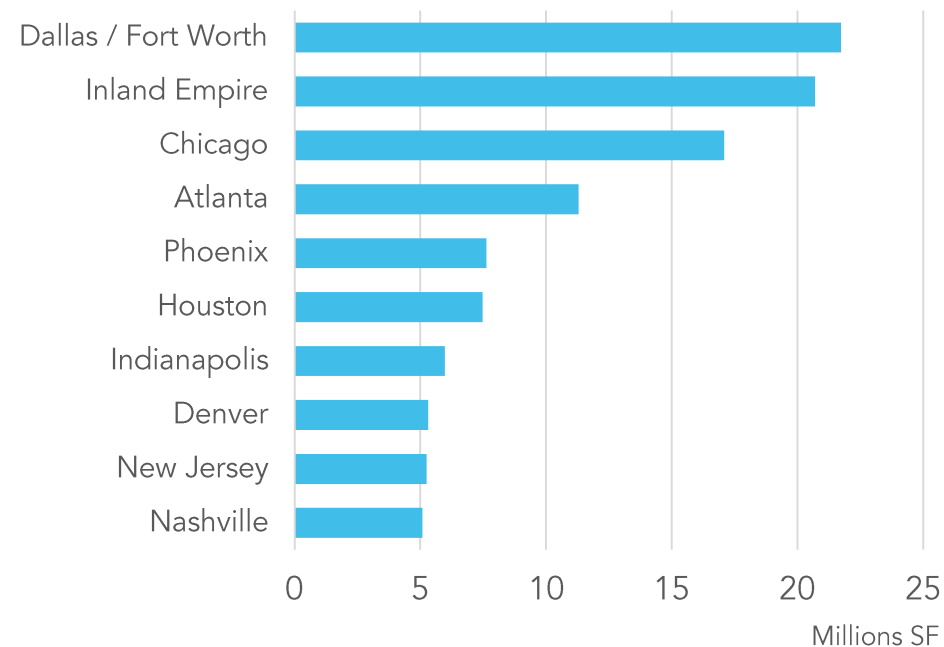


ASKING RENTS

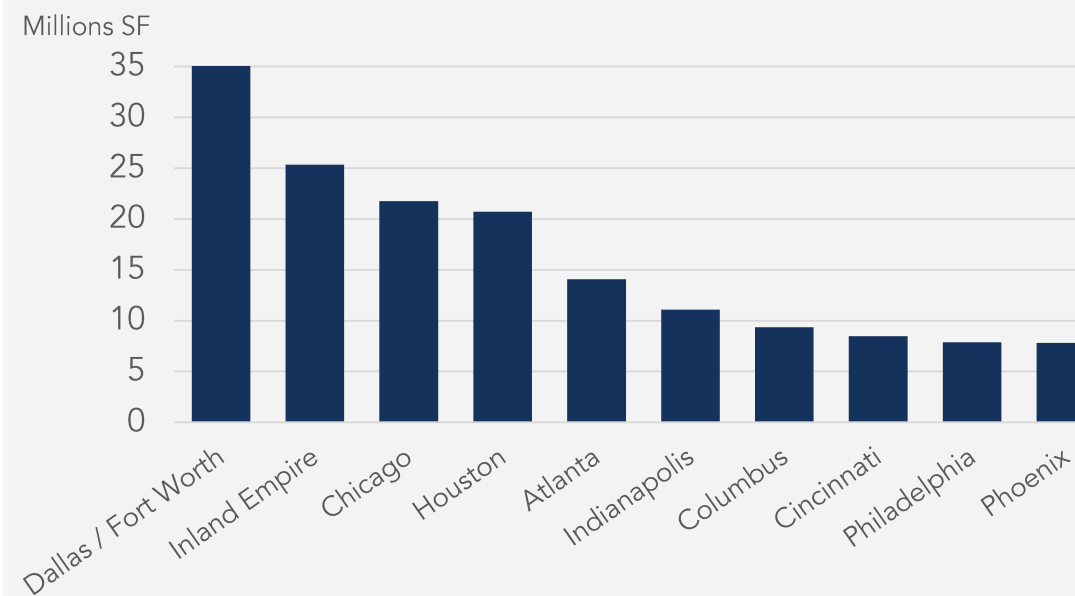
Q3 2019 Asking Rate NNN



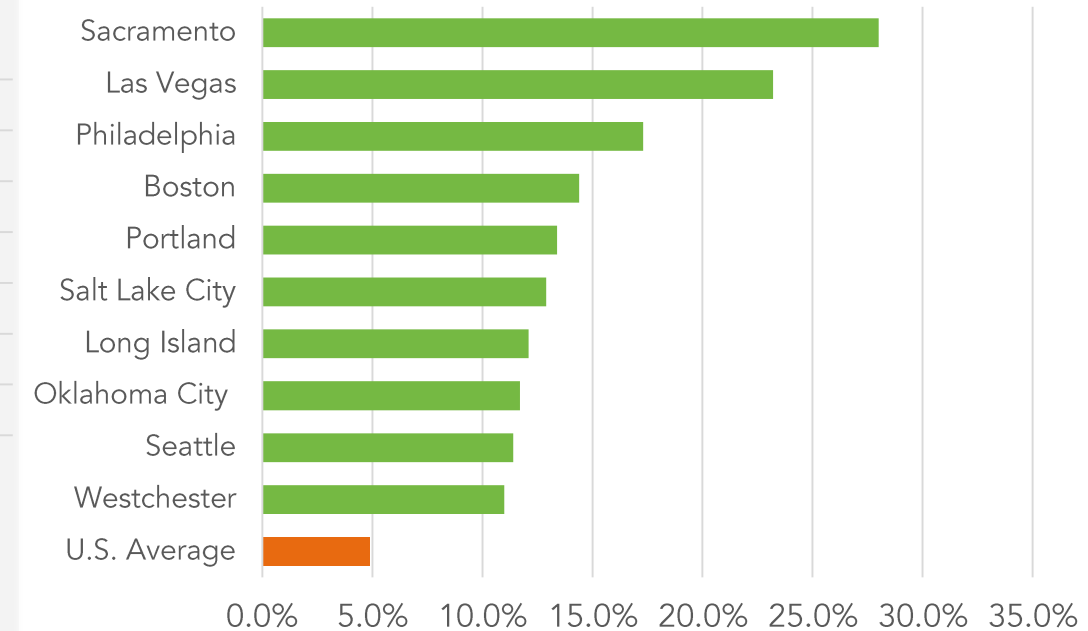
Trailing 4-Qtr Net Absorption

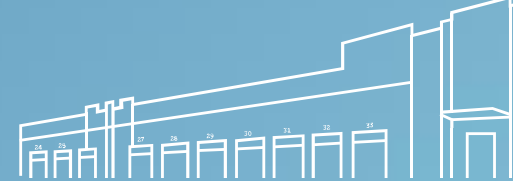


Q3 2019 Under Construction



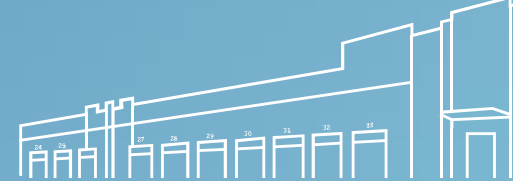
Year-Over-Year Rent Growth





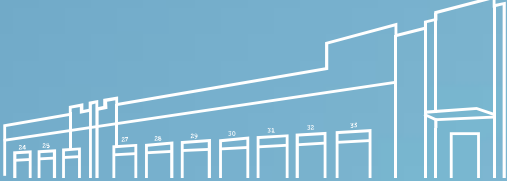
Market	Inventory Square Feet	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Atlanta	630,925,486	5.6%	5.4%	6,490,785	11,298,195	\$4.71	8.0%	14,068,755
Austin	53,490,009	10.4%	9.7%	153,664	958,901	\$11.20	9.3%	2,777,122
Baltimore*	219,090,809	6.9%	6.3%	1,054,000	2,377,000	\$5.97	1.5%	5,608,654
Boston	326,833,999	5.3%	5.0%	(1,209,799)	563,562	\$9.48	14.4%	1,427,260
Charlotte	309,977,267	6.3%	6.1%	2,483,240	5,051,071	\$5.20	7.9%	5,251,216
Chicago	1,284,187,363	5.9%	5.9%	7,417,335	17,084,801	\$6.20	8.4%	21,769,802
Cincinnati	314,134,768	4.7%	4.4%	(1,634,213)	(103,395)	\$4.32	3.8%	8,478,049
Cleveland	332,037,856	4.5%	4.3%	(406,306)	1,695,438	\$4.26	6.8%	1,736,253
Columbus	288,923,942	5.1%	4.7%	(1,852,012)	2,857,376	\$3.97	3.1%	9,368,572
Dallas / Fort Worth	803,826,468	6.5%	6.2%	2,851,906	21,727,614	\$5.77	9.3%	37,611,000
Denver*	249,519,358	4.2%	4.0%	1,007,815	5,319,568	\$8.70	4.8%	4,060,218
Detroit	546,182,564	3.4%	3.3%	696,282	4,387,058	\$6.25	3.5%	3,548,495
District of Columbia*	9,641,815	7.2%	7.2%	(147,000)	(284,000)	\$14.17	8.3%	16,000
East Bay / Oakland	166,315,604	5.4%	4.8%	277,194	459,871	\$12.82	-6.8%	2,533,840
Hartford	122,873,145	6.5%	6.5%	(1,769,554)	(949,565)	\$5.31	3.3%	224,000
Houston*	481,422,341	5.9%	5.5%	1,013,000	7,476,000	\$6.73	-0.6%	20,721,371
Indianapolis	319,028,425	4.2%	4.0%	2,782,265	5,976,460	\$4.04	5.5%	11,090,331
Inland Empire	558,260,894	3.3%	2.8%	5,320,328	20,707,959	\$7.65	8.4%	25,335,464
Kansas City	293,833,778	5.9%	5.6%	(244,309)	2,181,999	\$4.67	-3.7%	2,707,129
Las Vegas	130,974,858	4.9%	4.7%	437,620	5,051,920	\$8.59	23.2%	4,553,725
Long Island	159,330,313	3.3%	3.2%	467,934	104,651	\$13.10	12.1%	633,720
Los Angeles	838,223,215	1.3%	1.2%	611,336	3,192,385	\$10.62	7.0%	6,156,685
Miami	192,990,775	4.7%	4.5%	416,355	2,603,640	\$10.39	-2.4%	3,117,958
Milwaukee	236,909,158	4.4%	4.4%	394,359	(377,867)	\$4.65	2.4%	3,573,568

*Market reports Vacant Available rate

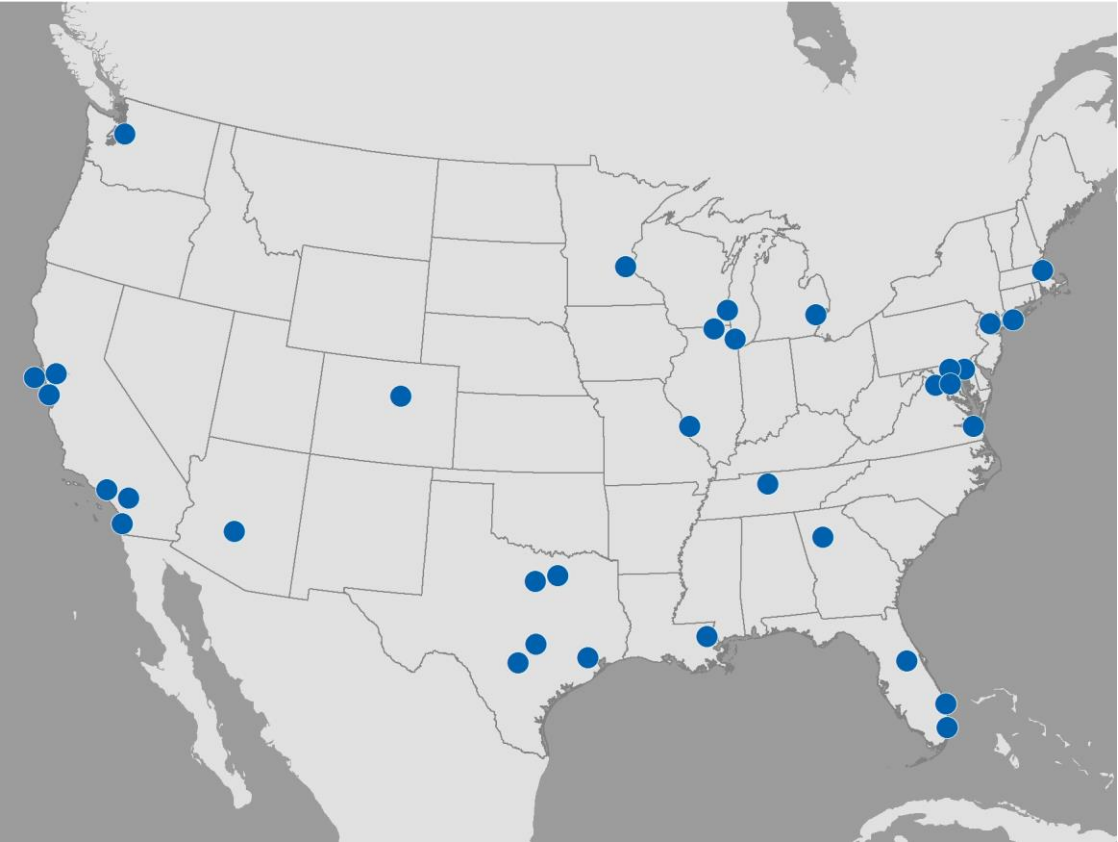


Market	Inventory Square Feet	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Minneapolis	374,074,106	3.4%	3.2%	1,054,982	1,146,372	\$6.95	1.8%	2,405,963
Nashville	230,698,809	4.0%	3.6%	3,142,336	5,089,612	\$5.94	3.8%	1,219,715
New Jersey	679,389,564	3.7%	3.5%	1,274,921	5,246,086	\$8.59	6.8%	6,986,415
New Orleans	63,956,284	4.7%	4.4%	(214,551)	1,732,725	\$5.32	2.5%	139,200
Northern Virginia*	87,852,834	7.6%	7.3%	394,000	795,000	\$10.11	3.5%	437,628
Oklahoma City	111,711,851	5.0%	4.8%	1,794,996	1,106,027	\$5.73	11.7%	307,295
Orange County	213,123,820	2.6%	2.4%	(138,973)	(883,245)	\$10.89	5.4%	842,173
Orlando	157,893,704	6.1%	6.0%	(35,704)	443,467	\$6.72	6.0%	5,692,285
Philadelphia	522,719,396	5.0%	4.9%	1,421,250	4,339,315	\$6.37	17.3%	7,874,452
Phoenix	324,036,576	7.1%	6.6%	2,707,486	7,630,859	\$7.13	5.3%	7,807,922
Pittsburgh	186,112,096	5.9%	5.7%	(23,175)	802,043	\$5.53	2.0%	770,867
Portland	218,943,195	4.7%	4.4%	(148,445)	371,777	\$9.54	13.4%	4,959,449
Raleigh/Durham	119,567,571	4.1%	3.7%	155,461	1,982,916	\$6.95	2.2%	2,686,225
Sacramento	162,027,774	5.3%	5.1%	58,723	581,295	\$8.64	28.0%	1,269,932
Salt Lake City	143,718,083	4.4%	4.1%	362,843	1,197,500	\$6.46	12.9%	2,553,653
San Antonio	107,857,950	8.0%	7.7%	(271,943)	2,344,487	\$5.60	1.5%	1,624,283
San Diego	124,189,159	5.0%	4.7%	394,334	890,815	\$11.76	7.7%	980,965
San Jose/Silicon Valley	185,249,535	6.3%	5.7%	(15,070)	1,562,267	\$12.36	7.7%	1,817,523
Seattle	313,208,762	5.2%	4.7%	(466,256)	242,780	\$10.96	11.4%	3,017,678
St. Louis	293,252,024	5.1%	5.0%	784,619	1,607,288	\$4.72	0.6%	4,304,973
Suburban Maryland*	97,118,640	8.7%	8.2%	152,000	(418,000)	\$8.64	2.0%	492,286
Tampa	173,004,176	5.4%	5.2%	895,864	2,004,145	\$6.31	5.9%	3,102,739
Westchester	205,950,076	5.3%	5.2%	(613,190)	(616,857)	\$9.30	11.0%	1,119,827

*Market reports Vacant Available rate



TRANSWESTERN LOCATIONS



ABOUT TRANSWESTERN

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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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