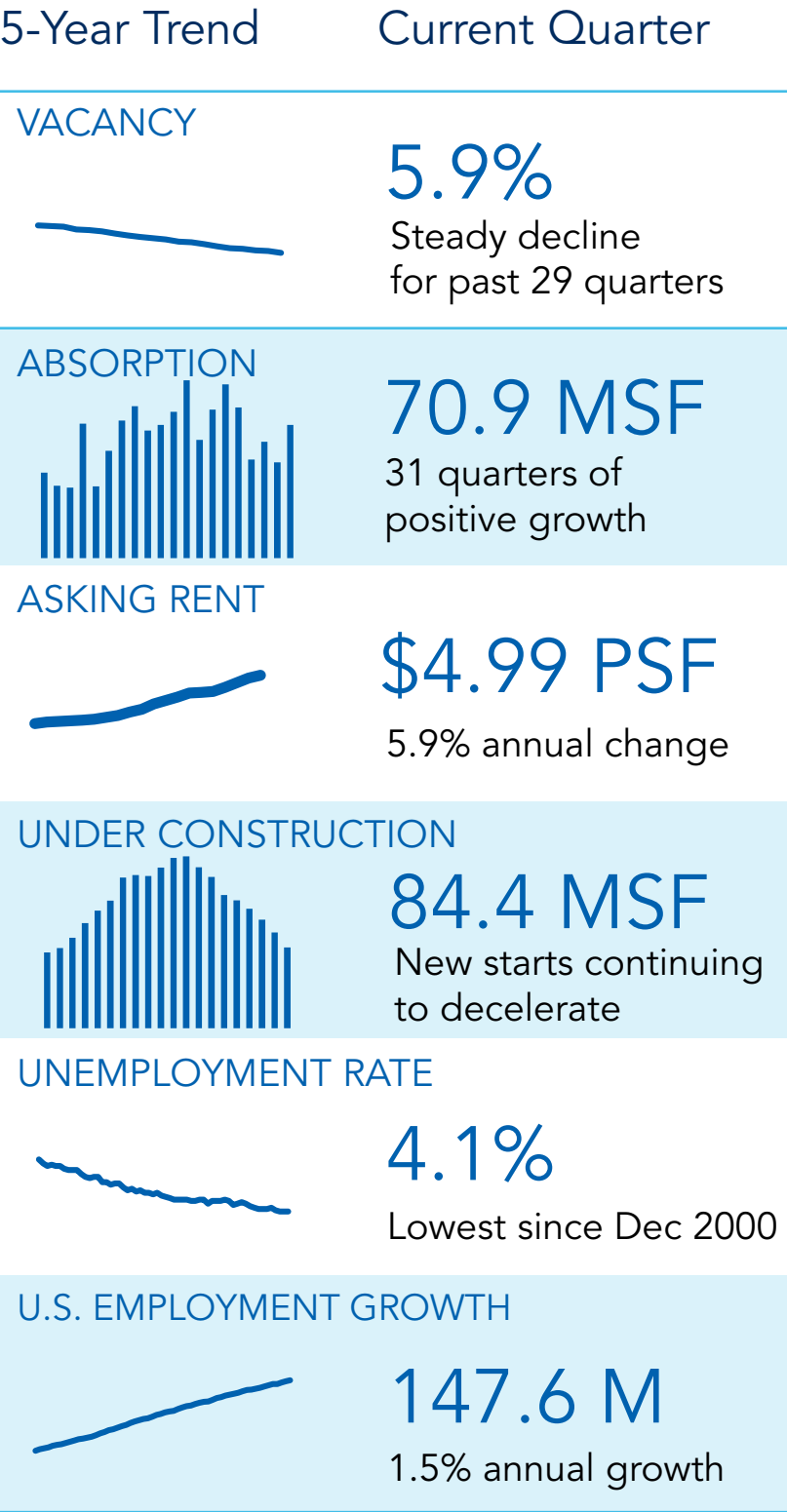


REAL ESTATE OUTLOOK

U.S. MARKET | INDUSTRIAL

FOURTH QUARTER 2017

U.S. TRENDLINES



U.S. HIGHLIGHTS

In **New Jersey**, vacancy and asking rents improved to historical levels; net absorption second highest all-time.

Atlanta experienced near-record annual net absorption at 21 MSF and its highest asking rent average in 15 years.

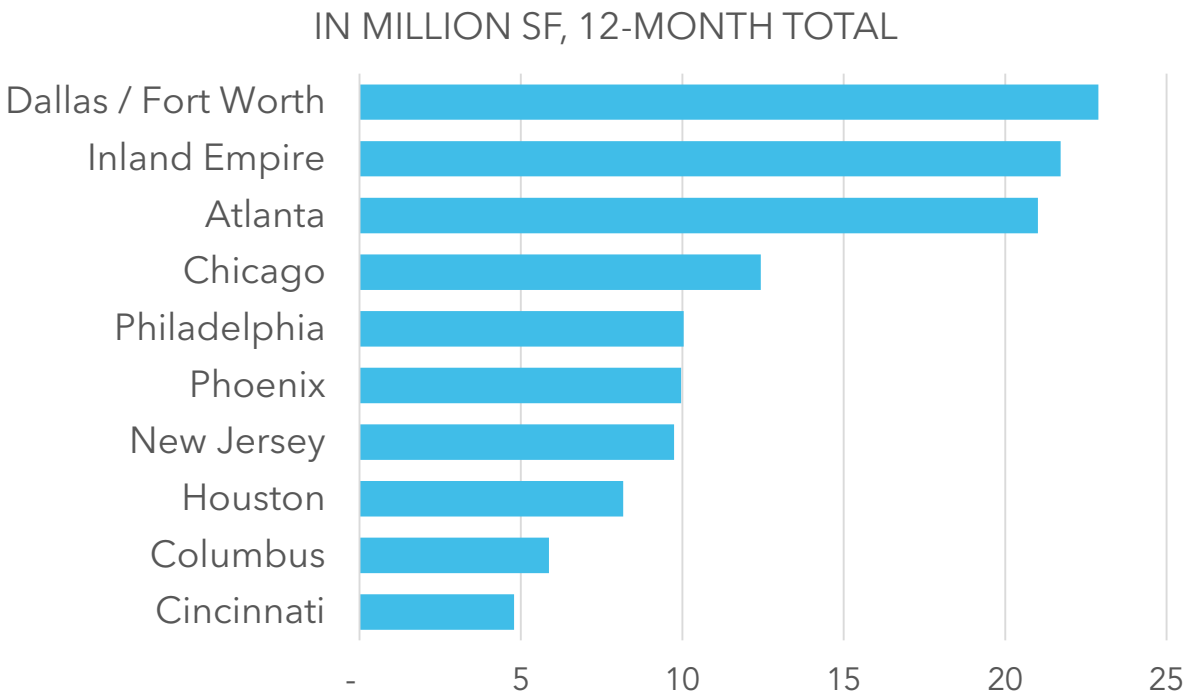
The **Inland Empire** leads the nation with 23 MSF under construction at year-end.

Vacancy in **Seattle's** Puget Sound market dropped to a historic low of 2.7%, pushing asking rents up 22.8% due to unabated demand.

Notable leases in fourth quarter:

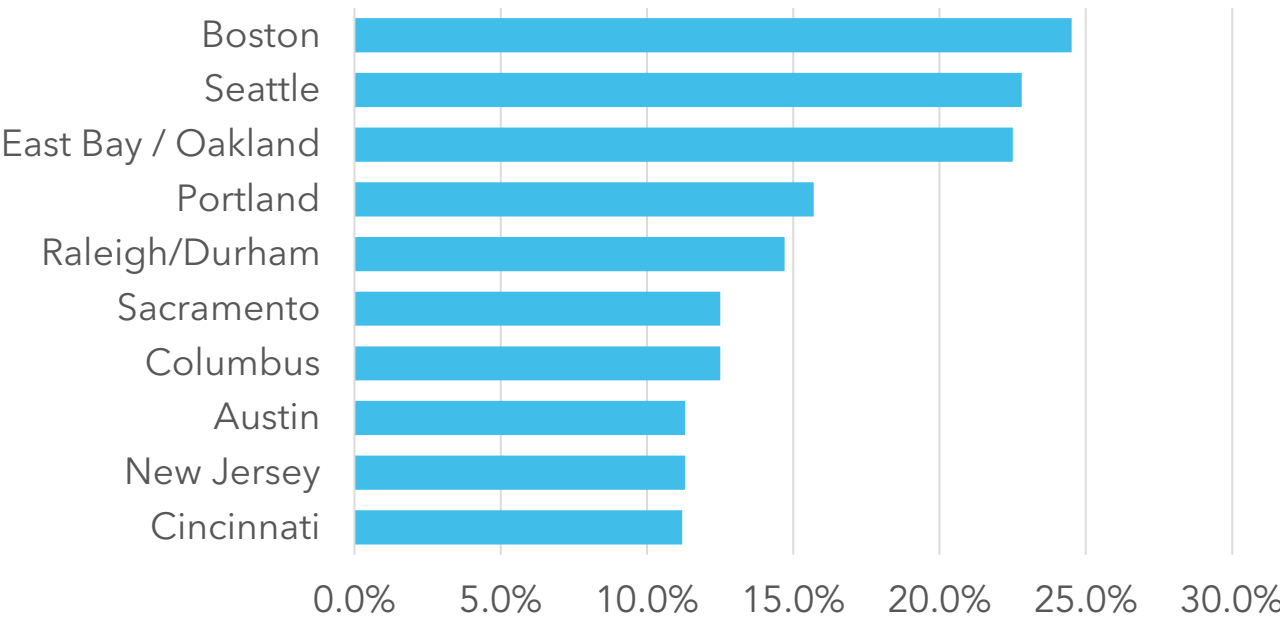
- Walmart (1,022,670 SF – **Inland Empire**)
- Solaris Paper (862,035 SF – **Inland Empire**)
- Best Buy (725,400 SF – **New Jersey**)
- Geodis (639,000 SF – **Charlotte**)
- Amazon (615,000 SF – **Memphis**)

TOP 10 MARKETS: NET ABSORPTION

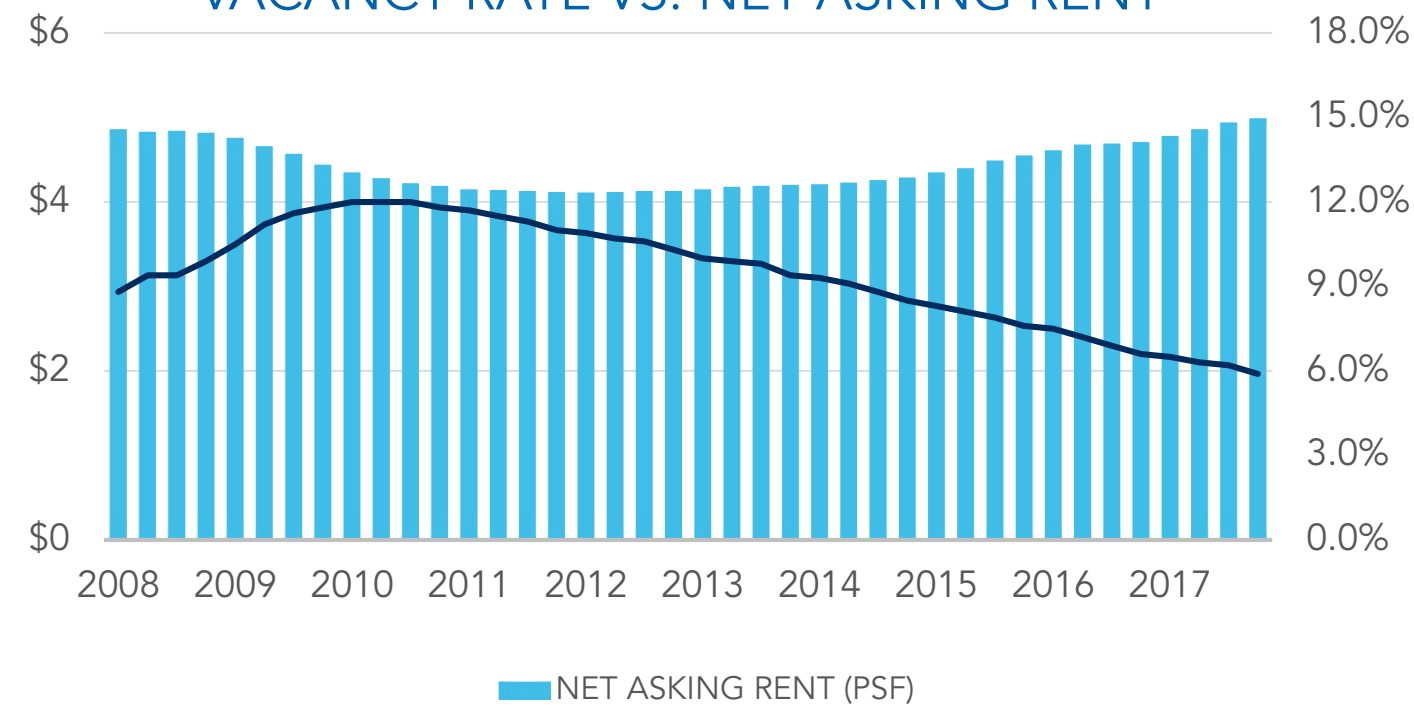


TOP 10 MARKETS: RENT CHANGE

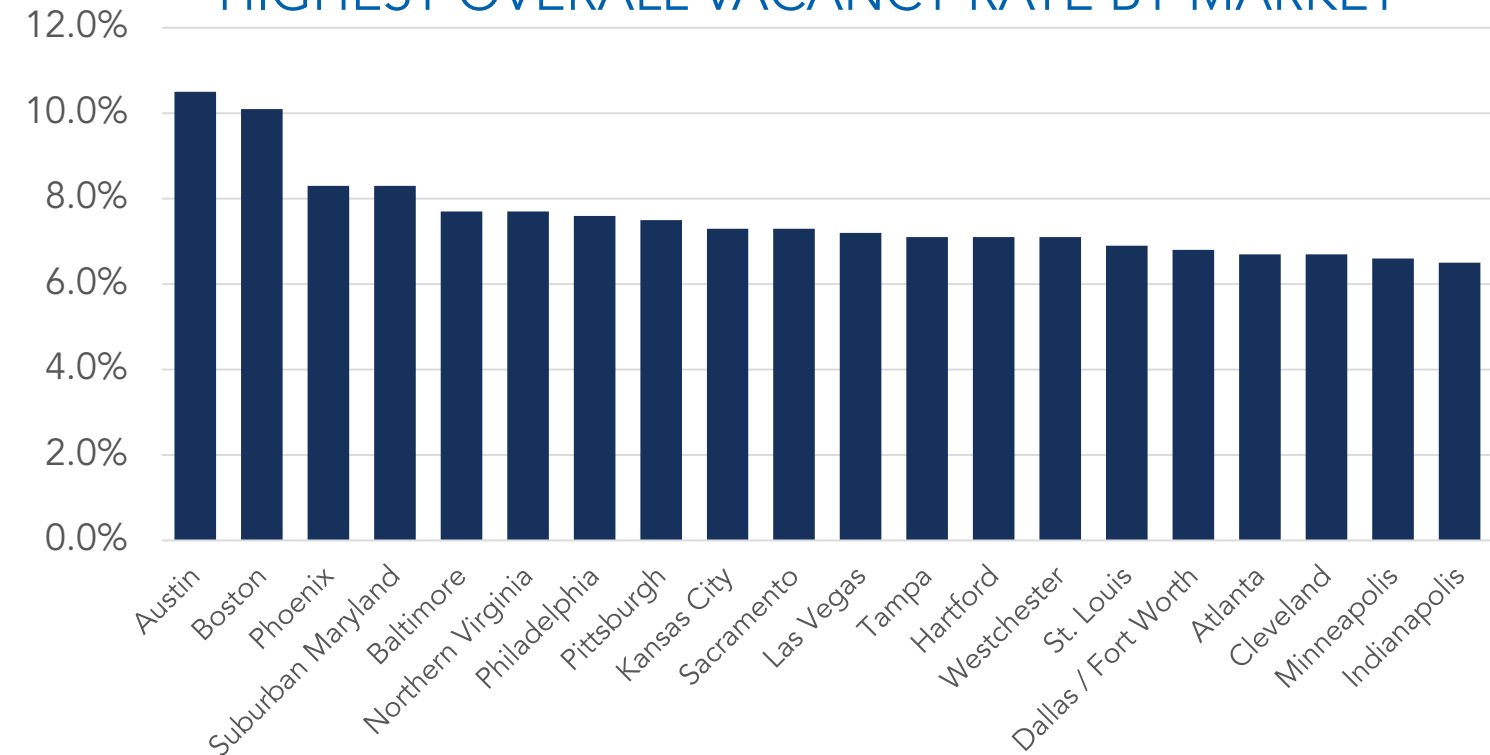
YEAR OVER YEAR



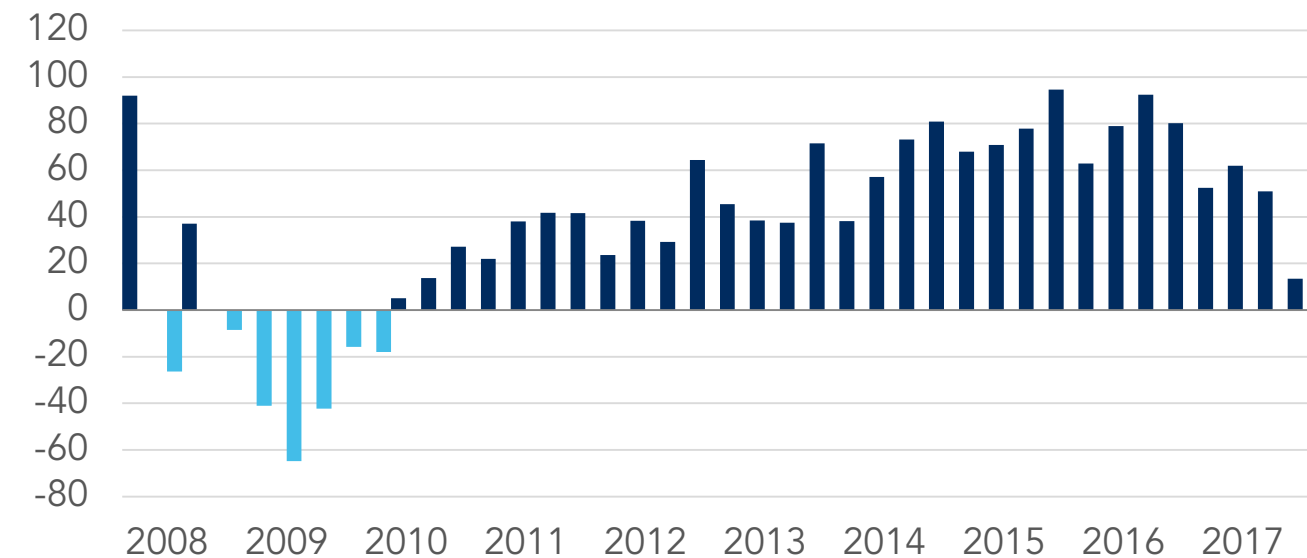
VACANCY RATE VS. NET ASKING RENT



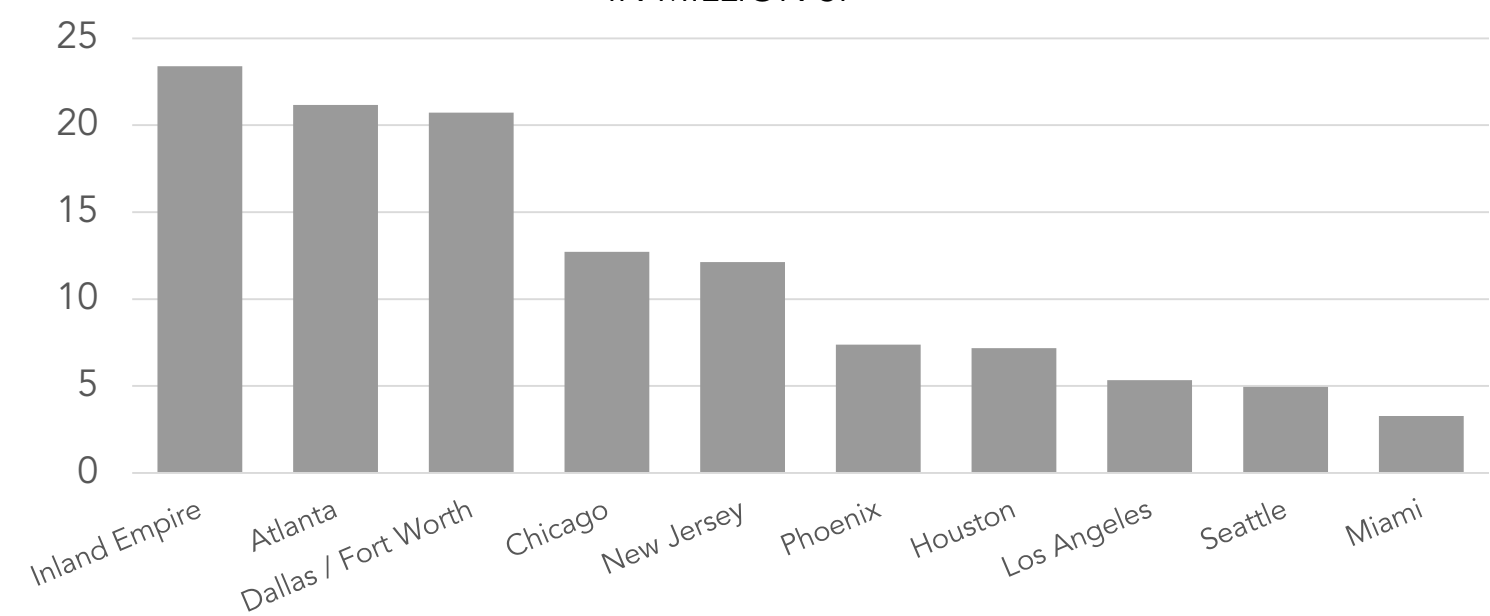
HIGHEST OVERALL VACANCY RATE BY MARKET



NET ABSORPTION
IN MILLION SF



SUPPLY UNDER CONSTRUCTION
IN MILLION SF



US MARKET | INDUSTRIAL

Market	Inventory SF	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent FSG	Annual Rent Change	Under Construction
Atlanta	643,727,051	6.7%	6.4%	4,600,199	21,013,324	\$3.94	2.8%	21,168,043
Austin	48,515,744	10.5%	10.2%	237,739	(49,265)	\$10.48	11.3%	1,804,622
Baltimore*	213,939,005	7.7%	7.4%	1,620,000	2,206,000	\$5.98	-2.0%	2,699,864
Boston**	75,337,000	10.1%	14.0%	180,000	(81,000)	\$8.33	24.5%	903,000
Charlotte	173,834,567	6.4%	6.0%	250,238	4,506,439	\$4.38	7.6%	1,516,512
Chicago	1,235,388,359	6.4%	6.2%	3,090,535	12,424,965	\$5.47	0.04%	12,715,061
Cincinnati	156,995,997	4.5%	4.5%	400,226	4,782,332	\$3.77	11.2%	1,096,594
Cleveland	162,690,219	6.7%	6.2%	(365,382)	(454,254)	\$3.62	6.2%	70,000
Columbus	169,234,506	5.0%	4.8%	1,549,716	5,868,021	\$3.51	12.5%	923,920
Dallas/Fort Worth	767,549,677	6.8%	6.7%	7,312,311	22,888,668	\$4.99	-3.4%	20,729,636
Denver*	236,540,114	3.5%	3.3%	1,043,417	2,810,832	\$7.90	4.4%	251,919
Detroit	314,043,721	3.7%	3.5%	2,484,592	3,084,724	\$5.16	7.7%	703,511
District of Columbia*	9,811,733	6.4%	6.4%	(20,000)	22,000	\$13.81	4.3%	0
East Bay/Oakland	162,688,419	3.8%	3.4%	(626,468)	554,565	\$11.76	22.5%	2,200,841
Hartford	76,508,516	7.1%	6.6%	96,600	1,345,565	\$4.62	0.9%	0
Houston*	512,144,317	5.0%	4.7%	1,236,000	8,170,000	\$6.61	-3.8%	7,179,128
Indianapolis	186,828,449	6.5%	6.2%	816,169	318,283	\$3.70	-0.8%	251,080
Inland Empire	518,748,222	3.8%	3.7%	5,898,350	21,716,928	\$6.72	9.8%	23,385,428
Kansas City	163,088,799	7.3%	7.1%	451,836	3,837,702	\$4.32	0.0%	202,800
Las Vegas	79,304,760	7.2%	7.0%	1,643,181	2,810,926	\$6.43	-5.3%	1,866,230
Long Island, New York	90,887,328	3.4%	3.2%	587,789	345,817	\$9.87	-3.0%	0
Los Angeles	830,874,057	1.3%	1.1%	2,249,586	4,156,948	\$9.43	6.6%	5,335,212
Miami	188,267,027	4.6%	4.3%	297,912	1,748,709	\$10.11	-1.5%	3,267,975
Milwaukee	141,523,769	5.0%	5.0%	32,445	960,375	\$4.17	-1.4%	0

*Market reports Vacant Available rate

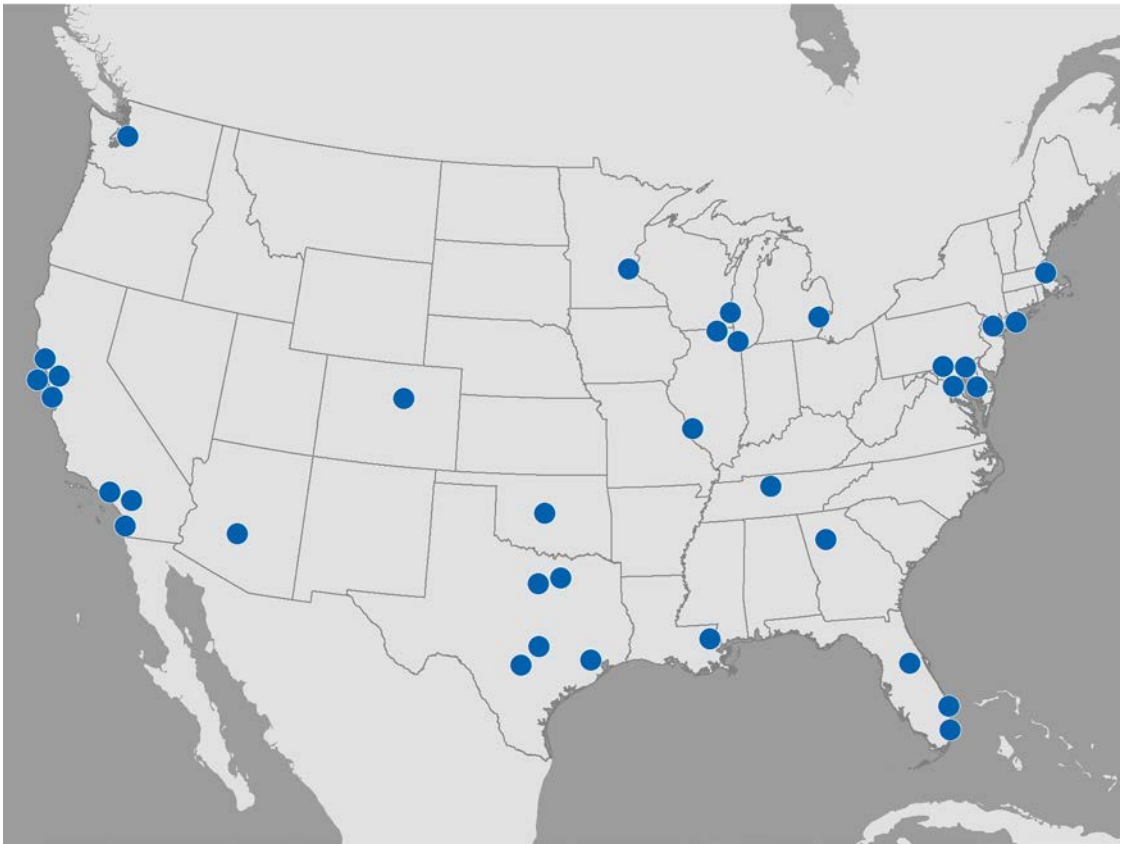
** Market reports Vacant Available rate for Direct

US MARKET | INDUSTRIAL

Market	Inventory SF	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent FSG	Annual Rent Change	Under Construction
Minneapolis	89,501,779	6.6%	6.2%	1,049,606	796,105	\$6.01	5.3%	801,948
New Jersey	665,744,962	4.3%	4.2%	5,326,726	9,745,788	\$7.49	11.3%	12,123,896
New Orleans	50,589,846	3.8%	3.7%	419,161	(25,540)	\$5.19	-9.7%	0
Northern Virginia*	86,457,997	7.7%	7.5%	448,000	395,000	\$9.42	1.7%	961,100
Oklahoma City	64,594,699	4.2%	4.0%	479,494	556,394	\$4.74	2.6%	0
Orange County	211,496,712	1.6%	1.3%	(12,842)	(465,561)	\$9.95	3.7%	1,078,762
Orlando	88,351,486	4.4%	4.4%	573,149	2,180,368	\$5.68	9.0%	93,608
Philadelphia	299,974,446	7.6%	7.5%	1,598,749	10,043,153	\$4.62	2.7%	2,090,440
Phoenix	306,265,233	8.3%	7.9%	3,211,038	9,956,979	\$6.96	0.0%	7,381,948
Pittsburgh	98,951,340	7.5%	7.5%	(883,419)	85,192	\$4.73	-9.4%	0
Portland	139,935,986	4.0%	3.8%	(361,104)	1,594,902	\$7.24	15.7%	3,021,305
Raleigh/Durham	73,263,428	5.5%	5.5%	(324,526)	440,239	\$4.46	14.7%	396,060
Sacramento	104,608,700	7.3%	7.0%	1,638,866	3,872,797	\$5.05	12.5%	127,300
Salt Lake City	88,495,489	4.6%	4.3%	1,571,369	3,443,129	\$5.36	4.3%	1,127,178
San Antonio	73,988,927	6.3%	6.0%	(53,774)	517,403	\$5.20	1.2%	458,789
San Diego	92,625,376	4.9%	4.8%	605,860	717,134	\$10.44	3.7%	1,521,503
San Jose/Silicon Valley	65,231,810	3.5%	3.5%	268,150	(600,614)	\$12.55	6.3%	472,786
Seattle	259,233,371	2.7%	2.5%	1,516,738	4,432,175	\$8.40	22.8%	4,953,343
St. Louis	156,595,655	6.9%	6.8%	(70,734)	2,985,468	\$4.24	6.0%	0
Suburban Maryland*	96,589,540	8.3%	7.8%	685,000	1,127,000	\$8.31	1.9%	685,000
Tampa	83,516,826	7.1%	7.0%	(376,516)	719,465	\$5.17	7.9%	791,650
Westchester	113,489,159	7.1%	7.1%	(52,556)	2,867,218	\$7.33	9.4%	0

*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 single and multi-tenant office properties located in select U.S. metropolitan areas. Owner-occupied properties, medical offices, and government-owned buildings are excluded from analysis. All rents are reported as full-service gross. 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	Denver Jeffrey Buckingham Jeffrey.Buckingham@transwestern.com 303.952.5606	San Antonio Yesenia Dominguez Yesenia.Dominguez@transwestern.com 210.563.7070
Austin Karen Judson Karen.Judson@transwestern.com 512.314.3560	Houston Stuart Showers Stuart.Showers@transwestern.com 713.270.3380	San Francisco Bay Area Dina Gouveia Dina.Gouveia@transwestern.com (925) 357-2023
Boston Chase Bourdelaise Chase.Bourdelaise@transwestern.com 617.439.9313	New Jersey Matthew Dolly Matthew.Dolly@transwestern.com 973.947.9244	Southern California Michael Soto Michael.Soto@transwestern.com 213.430.2525
Chicago Sandy McDonald Sandy.McDonald@transwestern.com 312.881.7037	New York Danny Mangru Danny.Mangru@transwestern.com 212.537.7690	Washington D.C./Baltimore Elizabeth Norton Elizabeth.Norton@transwestern.com 202.775.7026
Dallas-Fort Worth Ryan Tharp Ryan.Tharp@transwestern.com 214.446.4574	Phoenix Darrell Magnuson Darrell.Magnuson@transwestern.com 602.386.1188	

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