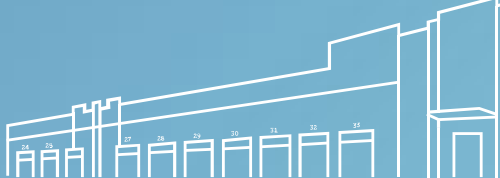


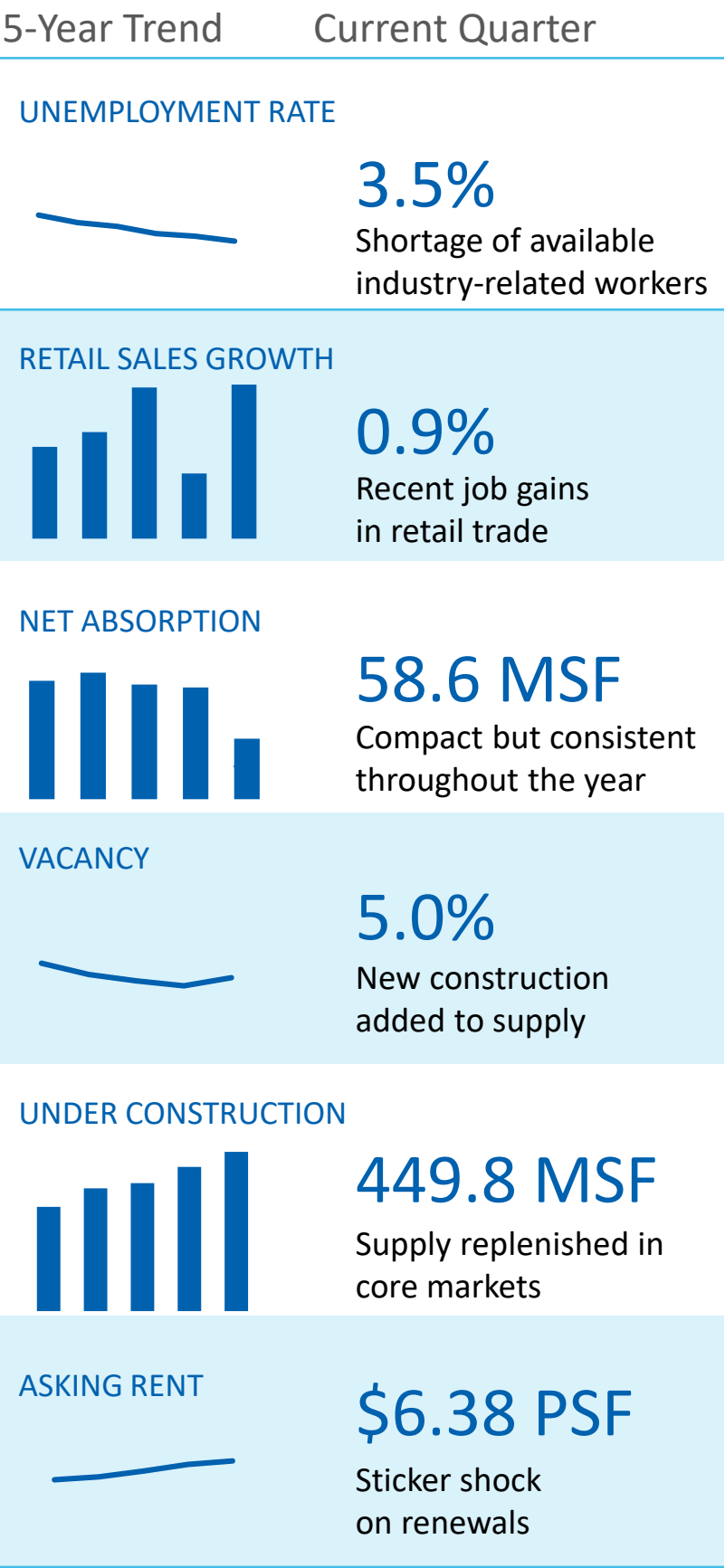
REAL ESTATE OUTLOOK

U.S. MARKET | INDUSTRIAL

FOURTH QUARTER 2019



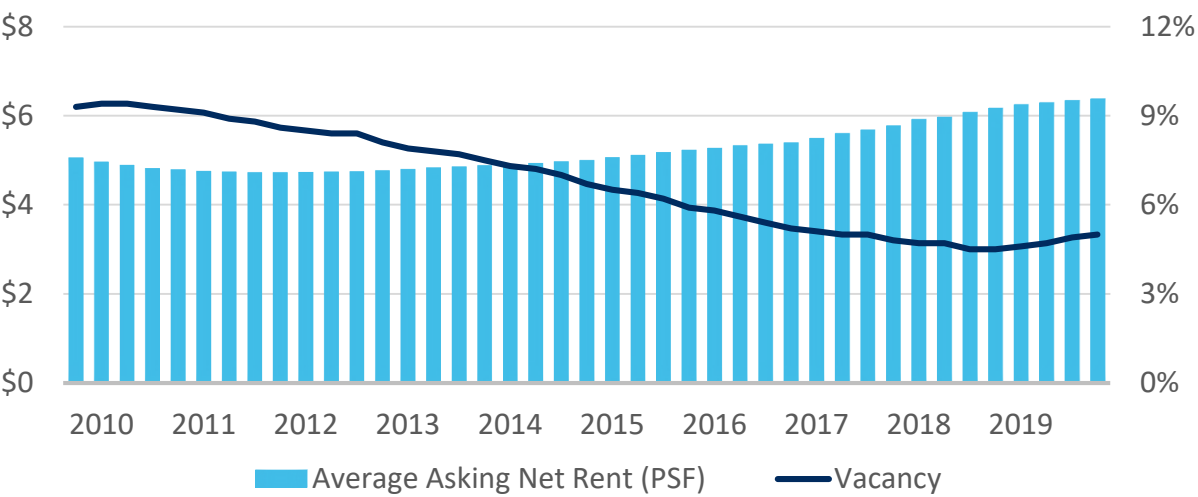
U.S. TRENDLINES



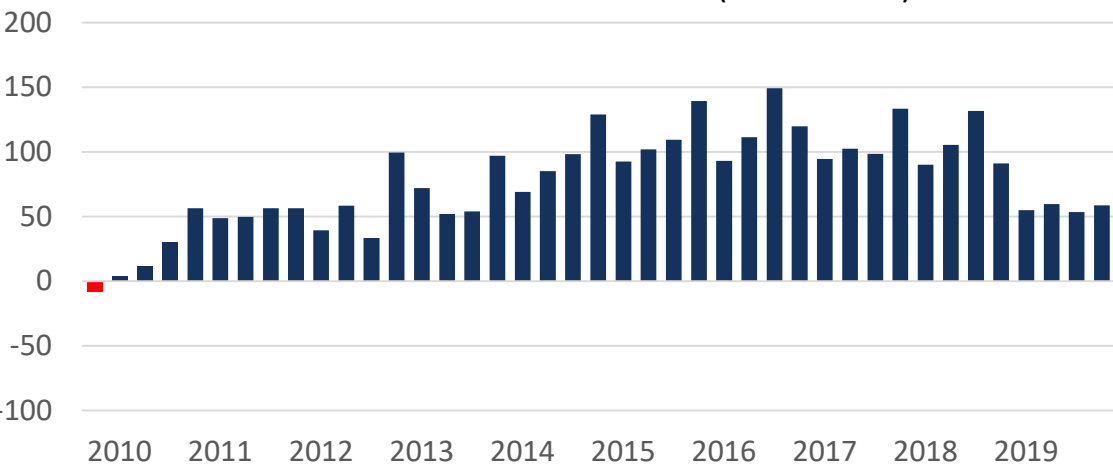
U.S. HIGHLIGHTS

- U.S. economy growing near 2%, buoyed by better-than-expected consumer spending.
- U.S. payroll jobs grew 2.2% in 2019.
- Labor shortage concerning for logistics industry.
- U.S. e-commerce sales logged highest annual growth ever during 2019, including a record monthly increase for December.
- 3 billion SF of occupancy growth during the 2010s-decade, growth every quarter.
- Occupancy gains (SF) in 40 of 47 markets in 2019.
- Slight deceleration of leasing velocity anticipated, especially approaching 2020 election.
- Vacancy increased due to new inventory and an increase of sublease availabilities.
- New product delivered in Q4 2019 was at the highest level in six quarters.
- Construction pipeline swelled as developers revitalize contaminated land sites.
- Overbuilding is a slight concern in some markets.
- Mixed economic forecasts, rising construction prices could curb development in some areas.
- Rents peaked for third straight year and grew by more than 26% during the 2010s.
- 40 of 47 markets recorded annual rent growth.
- Rents are expected to continue trending upward, especially in markets with construction growth.
- While global concerns remain, trade war fears seem to be calming.

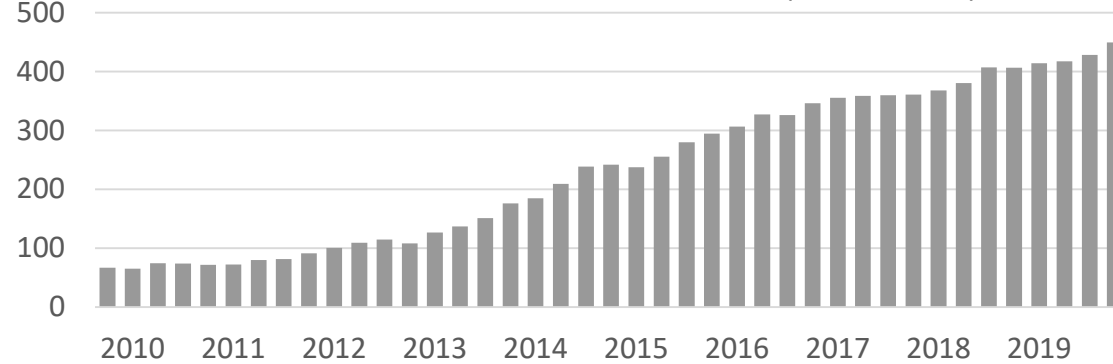
VACANCY VS ASKING RENT



NET ABSORPTION (MILLION SF)



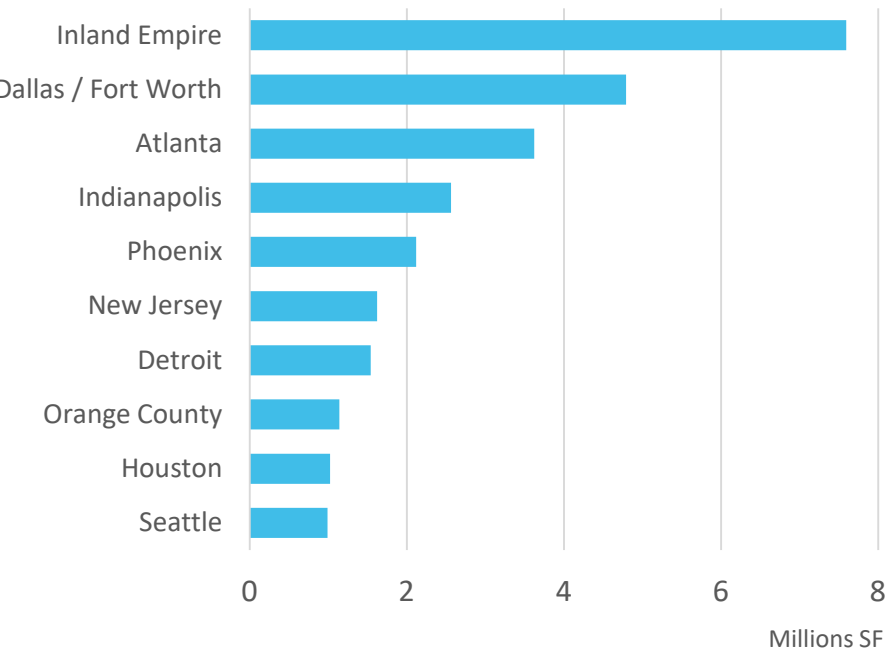
UNDER CONSTRUCTION (MILLION SF)





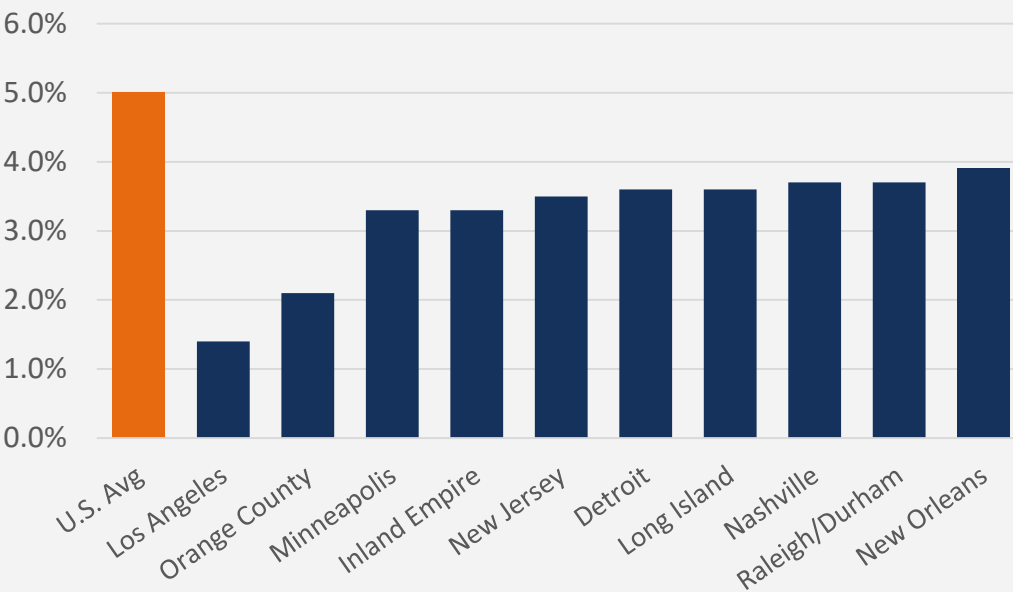
NET ABSORPTION

Q4 2019 Net Absorption



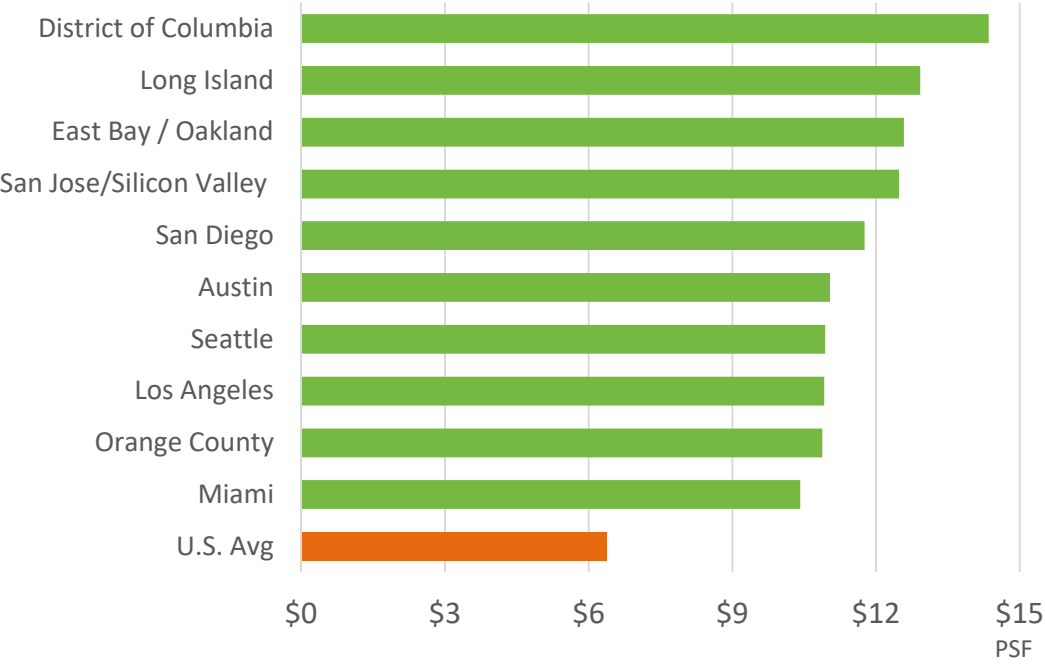
VACANCY/CONSTRUCTION

Q4 2019 Vacancy Rate

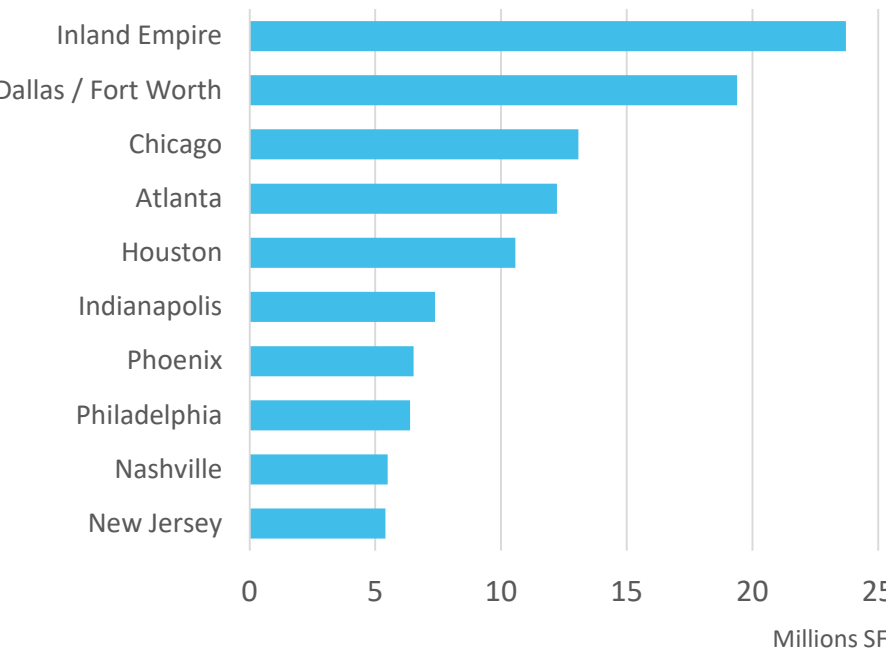


ASKING RENTS

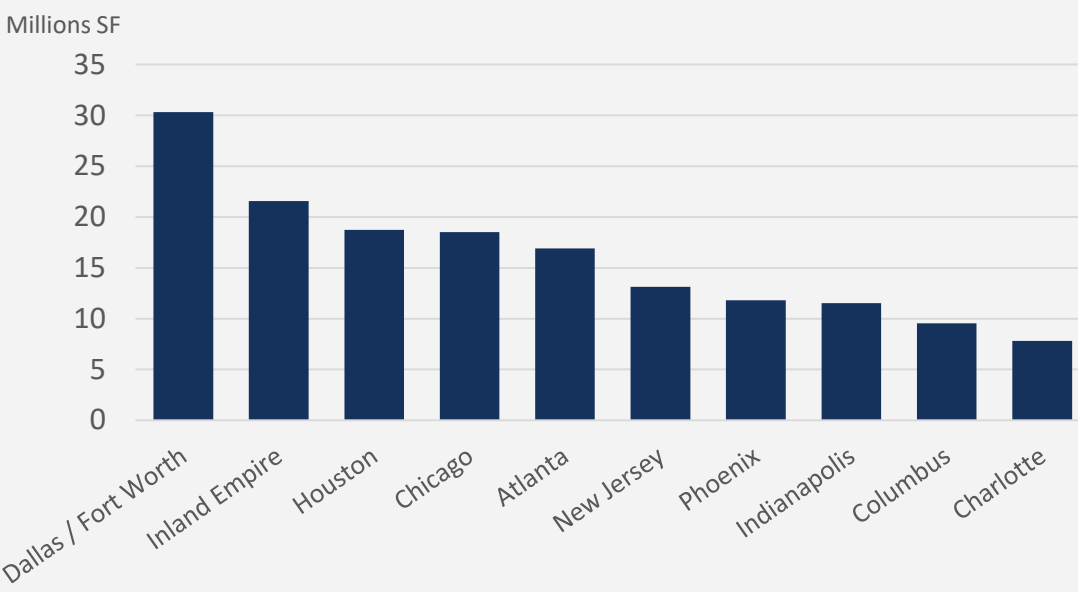
Q4 2019 Asking Rate NNN



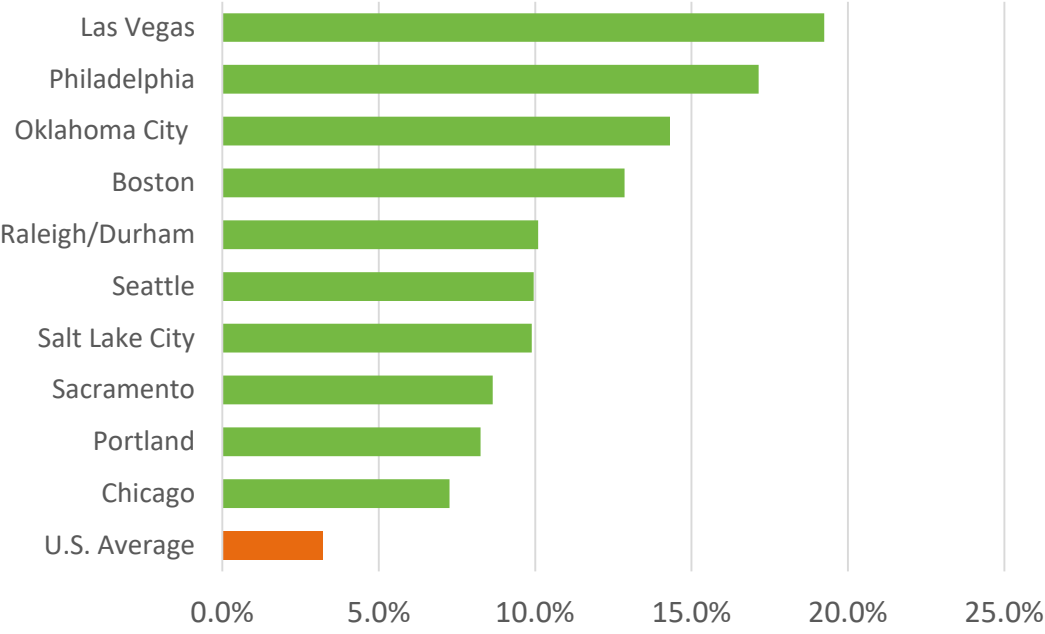
Trailing 4-Qtr Net Absorption

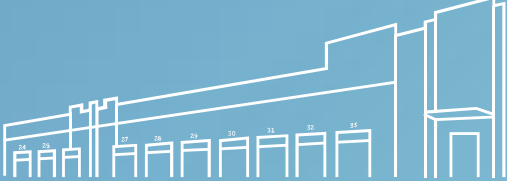


Q4 2019 Under Construction



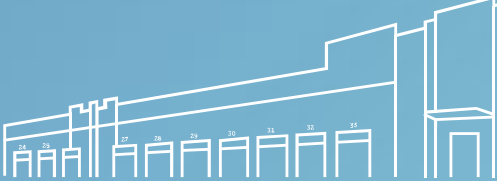
Year-Over-Year Rent Growth





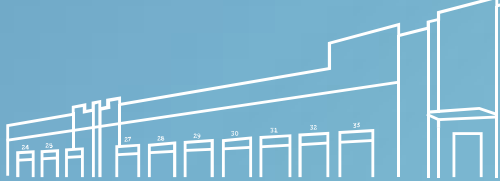
Market	Inventory Square Feet	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Atlanta	635,157,911	5.8%	5.6%	3,621,823	12,223,662	\$4.60	4.5%	16,916,727
Austin	53,581,344	9.4%	8.7%	768,108	1,552,599	\$11.04	3.2%	2,397,062
Baltimore*	219,430,812	6.9%	6.1%	722,000	2,416,000	\$6.00	1.6%	7,393,994
Boston	327,377,861	5.1%	4.7%	36,876	952,552	\$9.48	12.9%	2,129,050
Charlotte	311,450,195	6.5%	6.3%	(538,554)	3,260,550	\$5.18	5.1%	7,828,610
Chicago	1,290,461,764	5.5%	5.5%	699,188	13,080,723	\$6.13	7.3%	18,526,280
Cincinnati	317,626,274	5.3%	5.1%	237,448	34,570	\$4.31	1.7%	6,695,350
Cleveland	332,787,941	4.9%	4.7%	(20,199)	727,454	\$4.11	4.8%	1,248,927
Columbus	292,597,525	5.9%	5.5%	(325,686)	270,010	\$4.09	3.3%	9,534,074
Dallas / Fort Worth	708,559,493	7.2%	5.6%	4,790,455	19,397,446	\$5.35	4.9%	30,336,990
Denver*	251,106,530	4.9%	4.6%	716,332	4,275,228	\$8.71	5.1%	6,265,626
Detroit	550,652,166	3.6%	3.5%	1,540,796	1,561,278	\$6.14	1.5%	5,376,447
District of Columbia*	9,522,959	5.9%	5.9%	14,000	(221,000)	\$14.35	6.4%	91,765
East Bay / Oakland	166,104,190	5.3%	4.8%	618	(146,210)	\$12.58	-2.3%	2,947,790
Hartford	123,767,554	6.8%	6.8%	(725,316)	(1,864,591)	\$5.25	1.4%	182,000
Houston*	494,095,098	6.4%	6.1%	1,023,000	10,566,000	\$7.05	1.1%	18,727,366
Indianapolis	323,786,400	4.3%	4.1%	2,562,528	7,379,049	\$3.97	4.5%	11,515,936
Inland Empire	566,137,217	3.3%	3.1%	7,592,255	23,712,611	\$7.69	5.5%	21,566,664
Kansas City	294,428,951	5.8%	5.5%	895,860	1,462,064	\$4.62	-5.3%	6,193,350
Las Vegas	131,908,847	5.2%	5.0%	837,684	4,582,412	\$8.86	19.2%	6,349,145
Long Island	159,372,308	3.6%	3.5%	(714,295)	(587,710)	\$12.92	1.7%	717,245
Los Angeles	838,464,998	1.4%	1.2%	275,425	300,714	\$10.92	4.6%	5,914,902
Miami	192,503,557	4.4%	4.1%	471,243	1,693,519	\$10.42	1.2%	3,701,885
Milwaukee	238,484,292	4.3%	4.2%	60,421	1,386,750	\$4.53	1.3%	3,773,283

*Market reports Vacant Available rate

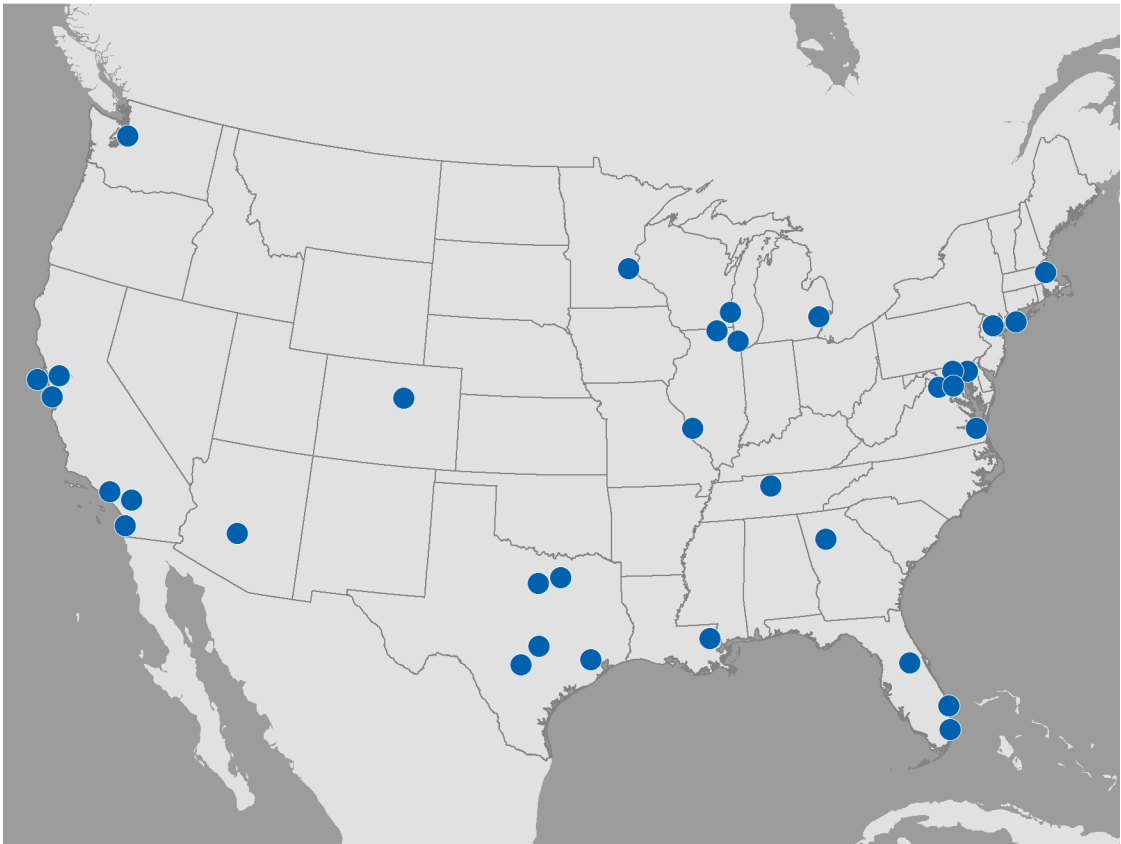


Market	Inventory Square Feet	Overall Vacancy Rate	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rent NNN	Annual Rent Change	Under Construction
Minneapolis	375,538,500	3.3%	3.1%	478,530	1,214,018	\$5.72	-11.0%	2,722,781
Nashville	229,355,694	3.7%	3.3%	615,723	5,489,557	\$5.82	-3.6%	4,522,824
New Jersey	677,321,215	3.5%	3.2%	1,622,599	5,408,572	\$8.73	6.1%	13,144,976
New Orleans	64,167,145	3.9%	3.7%	479,320	(126,220)	\$5.20	0.8%	139,200
Northern Virginia*	87,852,834	7.6%	7.3%	12,000	605,000	\$10.16	3.8%	1,076,716
Oklahoma City	113,464,570	5.0%	4.7%	58,053	1,404,656	\$5.99	14.3%	592,219
Orange County	213,224,096	2.1%	1.9%	1,140,424	8,650	\$10.88	2.7%	734,268
Orlando	159,188,575	6.6%	6.5%	(375,242)	(486,978)	\$6.70	3.9%	6,143,806
Philadelphia	528,597,252	5.5%	5.4%	694,006	6,383,257	\$6.49	17.1%	6,691,803
Phoenix	327,344,402	7.2%	6.7%	2,118,514	6,518,868	\$7.25	6.9%	11,822,241
Pittsburgh	187,051,454	5.7%	5.6%	287,241	314,230	\$5.36	2.7%	1,633,550
Portland	219,268,154	4.1%	3.7%	293,539	521,411	\$9.44	8.3%	5,627,562
Raleigh/Durham	122,273,518	3.7%	3.7%	911,358	2,718,352	\$7.63	10.1%	4,434,205
Sacramento	161,884,408	4.7%	4.5%	728,985	1,237,464	\$8.17	8.6%	2,560,982
Salt Lake City	144,787,795	4.5%	4.1%	400,752	2,733,000	\$6.22	9.9%	4,038,123
San Antonio	108,725,642	7.6%	7.3%	651,024	2,615,237	\$5.56	1.9%	3,379,160
San Diego	124,189,159	5.5%	5.3%	(184,535)	565,424	\$11.76	4.3%	980,965
San Jose/Silicon Valley	190,510,732	6.6%	6.0%	307,278	1,704,196	\$12.48	1.0%	3,435,642
Seattle	313,269,016	4.9%	4.4%	989,599	437,983	\$10.94	9.9%	3,539,551
St. Louis	298,547,878	5.3%	5.2%	(458,976)	318,259	\$4.56	-4.6%	4,088,337
Suburban Maryland*	97,149,273	8.6%	8.2%	(15,000)	189,000	\$8.70	2.5%	462,371
Tampa	175,655,425	5.3%	5.1%	739,975	2,341,916	\$6.08	-0.5%	2,638,377
Westchester	208,607,439	5.3%	5.1%	(426,309)	(311,911)	\$9.19	-2.2%	298,827

*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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