

Industrial Q1 2023

	YoY Chg	12-Mo. Forecast
3.6% Vacancy Rate	▲	▲
62.5M Net Absorption, SF	▼	▼
\$9.19 Asking Rent, PSF	▲	▲
17.2% Rent Growth	▲	▼
663.3M Under Construction	▬	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2023

	YoY Chg	12-Mo. Forecast*
155.3M Total Nonfarm Employment	▲	▲
42.9M Industrial Employment	▲	▲
3.5% U.S. Unemployment Rate	▼	▲

Source: BLS, *Cushman & Wakefield baseline

Industrial Demand Shifts Back to Normalized Levels, Still Powers Forward

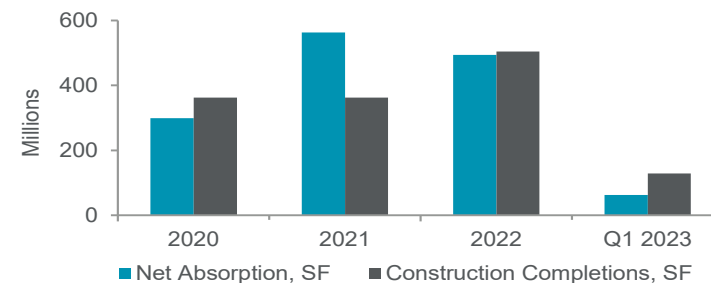
Deal Volume Still Healthy: With a backdrop of high inflation and high interest rates, decelerating consumer demand, and economic uncertainty, the U.S. industrial market trajectory stayed positive across all key indicators. The record demand totals of 2021 and 2022 were partially fueled by the stimulated economy coupled with the dynamic surge in e-commerce during the pandemic and was not sustainable long-term. As a result, quarterly U.S. leasing totals dipped by 9.4% from the previous quarter, with 136.9 million square feet (msf) of deals signed in the first quarter. This total was in line with the quarterly average achieved pre-pandemic (2016-2019), before this expansion cycle kicked into overdrive. While most transaction size ranges yielded declines in volume during the first quarter, the 250,000-500,000-square foot cohort remained steady when compared with the previous three quarters, accounting for a fifth of the quarterly leasing total.

As has been the case over the last few years, the flight to quality by logistics tenants has been vigorous. During the first quarter, tenants executed 59.1 msf of deals in industrial facilities built since 2020, representing 46.4% of the total. In comparison, these modern, Class A buildings accounted for 46.2% of all deal volume in 2022 and 40% in 2021. The Northeast was the only region where leasing activity did not lag the fourth quarter 2022. Leasing volumes in the Northeast were up 5.1% quarter-over-quarter (QoQ), fueled by notable surges in the Pennsylvania I-81/I-78 Corridor, Philadelphia, and Central New Jersey markets. In the Midwest, South and West regions, leasing was off by 13.2%, 9.8% and 12.1%, respectively, over the same time.

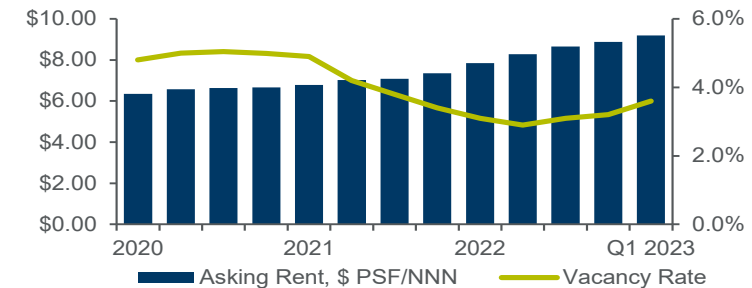
Although moderating, first quarter net absorption came in at 62.5 msf and was comparable to quarterly totals registered earlier in the expansion cycle (2016-2019). While overall net absorption had a notable deceleration in the first quarter, results varied by market with Houston, Dallas/Fort Worth, Phoenix, Indianapolis, Atlanta, the Pennsylvania I-81/I-78 Corridor, and Las Vegas all recording more than 2.8 msf of positive net demand. Conversely, net occupancy gains were tempered across most other markets. Like leasing, the Northeast was the only region in the country to yield a quarterly increase in overall absorption, where it was up 7.7%.

Vacancy Remains Well Below Historical Averages: The overall U.S. industrial vacancy rate ticked higher by 40 basis points (bps) in Q1 2023 to 3.6% but sits well below the 10-year historical average of 5.3%. The uptick was mainly due to the plethora of speculative deliveries coupled with the normalization of demand. Regionally, the South yielded the highest increase in vacancy with a 60-bps jump to 4.2%, making it the first region to surpass the 3% range. This is unsurprising with the level of new construction activity, especially speculative space coming on the market in this region. The West remains the only region with a sub-3% overall vacancy rate.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



While sublease space has been inching higher over the last few quarters, vacant sublease space remained nominal, yielding a mere 0.3% sublease vacancy rate (or just under 43.4 msf of vacant sublease space for the 16.6 billion sf in the U.S. industrial market). Much of the new sublease space that came online during the first quarter was concentrated in the 100,000-300,000-sf range, occurring in a variety of markets.

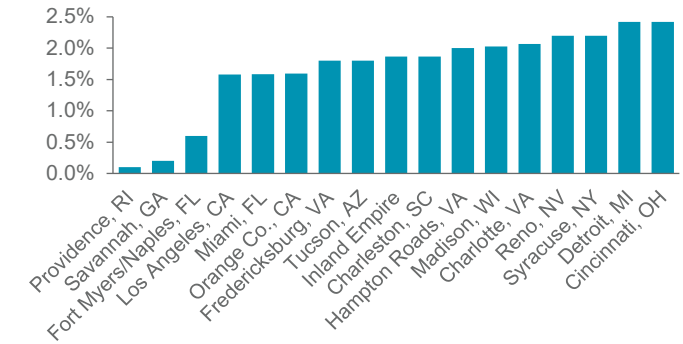
Construction Starts Slowing: Although the industrial pipeline remains historically high, it has declined in each of the last two quarters, ending the first quarter with 663.3 msf of space under construction. This marked the lowest total since first quarter 2022, when the under-construction pipeline exceeded 600 msf for the first time on record. As financing becomes more difficult to obtain amid the current economic climate, construction starts are anticipated to moderate further throughout 2023. Meanwhile, 84% of the product under development is on a speculative basis, of which roughly 20% has been pre-leased by tenants. As many of these speculative facilities deliver in the coming quarters, the national vacancy rate will likely edge higher. Deliveries measured just under 129 msf throughout the first quarter, down modestly compared to fourth quarter 2022, but well above typical first-quarter levels recorded from 2017-2019 (63.9 msf). Approximately 80% of the first-quarter deliveries were speculative, up from 73% in 2022. Regionally, first-quarter completions declined within the Midwest and South regions but remained steady within the Northeast and West. Though deliveries were down in the South, the region still delivered more than double the amount of speculative space over any other region. The Dallas/Fort Worth, Atlanta, Houston, Inland Empire, Chicago, and Greenville markets posted more than 5 msf of quarterly deliveries, the majority of which were speculative. Facilities between 500,000-999,999 sf made up 29% of the square footage completed in the first quarter, 46% of the square footage which had tenants already in place.

Rent Growth Accelerates Again: Asking rental rate growth remained elevated during the first quarter, rising 3.5% QoQ to yet another new high of \$9.19 per square foot (psf) and eclipsing the \$9.00-psf mark for the first time. This comes after quarterly rent growth steadily slipped in each of the last three quarters, including just 2.6% in the fourth quarter 2022. While the rate of increase edged higher, expect growth to temper later in the year and into next year, as it returns toward more sustainable levels. Compared to first quarter 2022, rents have swelled by 17.2%, slightly off the record annual growth achieved over the last three quarters. Rents within warehouse/distribution product have climbed 18.7% annually, led by 28.9% year-over-year (YoY) growth in the Northeast and a 25.6% surge across the West region. Furthermore, as new speculative construction deliveries—which are priced at a premium—persist, expect growth to continue despite the projected rise in vacancy.

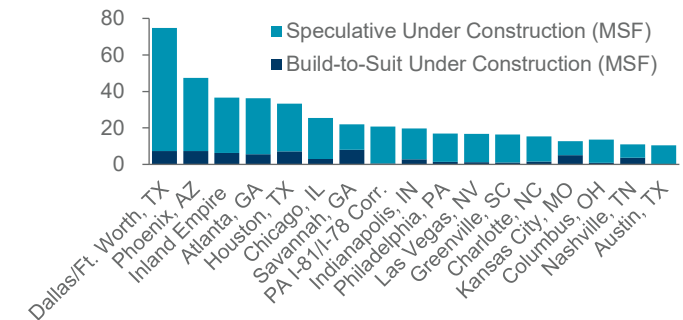
Outlook

- Tenant demand is forecasted to decelerate and register totals closer to those achieved earlier in the expansion cycle, as consumer spending shifts away from purchasing goods amid softer economic conditions. However, growth will continue with almost 350 msf of absorption anticipated in 2023 and 2024 combined, as the market rebalances amid the new wave of supply.
- Healthy construction completions will persist, and new supply will outpace demand, leading to higher vacancy rates across many markets. Although the national vacancy rate is projected to reach 6% by the second half of 2024, the market will remain historically healthy, with vacancy sitting below the 15-year average of 6.8%. The rise in vacancy is good news for occupiers looking for increased options within industrial facilities. Vacancy is not expected to top out higher than that because of the scaling back of development, which happens quickly within the industrial sector—thereby allowing for a quicker recalibration than in other sectors. Construction starts are already showing signs of moderating going forward amid the economic headwinds, which could lead to supply constraints further on in the future.
- Despite ongoing headwinds, rent growth will persevere amid high occupancy rates, growing in the single digits annually over the next few years. However, some port-proximate and coastal markets will likely achieve stronger growth in that time.

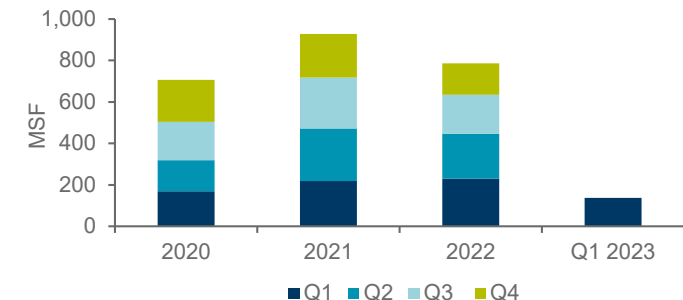
INDUSTRIAL VACANCY, SELECT MARKETS



SPEC VS. BTS CONSTRUCTION, SELECT MARKETS



NEW LEASING ACTIVITY



U.S. Industrial Markets	Net Absorption					Leasing Activity**	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p	Q1 2023p	
United States	121,343,537	135,351,119	124,452,468	113,328,513	62,526,829	136,944,989	
Northeast	11,862,396	12,065,746	15,606,326	7,139,919	7,686,454	18,032,106	
Midwest	28,762,984	35,818,228	23,206,415	29,042,744	17,289,119	27,110,249	
South	54,098,338	57,707,058	61,941,795	57,258,973	27,603,092	56,716,278	
West	26,619,819	29,760,087	23,697,932	19,886,877	9,948,164	35,086,356	

U.S. Industrial Markets	Net Absorption				Leasing Activity**	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p	Q1 2023p
Atlanta, GA	6,005,734	10,661,146	4,112,850	8,976,274	3,029,908	5,818,859
Austin, TX	243,817	522,182	1,321,748	534,298	-13,540	682,939
Baltimore, MD	-63,644	441,442	1,106,187	1,808,132	-104,987	906,881
Binghamton, NY	102,745	99,850	29,718	0	62,125	62,125
Birmingham, AL	220,325	-169,087	443,911	86,342	66,617	660,920
Boise, ID	817,776	204,783	147,199	299,319	572,149	940,556
Boston, MA	258,599	569,071	-277,418	267,748	1,091,979	1,017,259
Buffalo, NY	1,451,665	78,717	582,302	-611,344	-523,209	188,966
Central Valley, CA	2,355,970	5,370,919	3,440,596	-207,662	86,799	1,563,989
Charleston, SC	2,114,178	2,917,978	1,501,119	928,685	-61,284	1,603,417
Charlotte, NC	1,610,472	1,747,083	3,823,968	2,015,198	782,010	1,275,504
Chicago, IL	9,056,101	9,877,416	4,346,438	7,708,104	2,751,444	7,386,787
Cincinnati, OH	3,621,395	4,348,112	1,277,749	2,693,987	646,308	1,594,987
Cleveland, OH	279,973	887,989	614,835	650,241	345,915	2,594,522
Colorado Springs, CO	-316,826	222,740	-129,667	96,414	71,023	152,661
Columbia, SC	527,886	641,015	1,356,306	-91,827	88,208	597,725
Columbus, OH	3,725,885	2,098,850	1,127,262	970,666	951,741	1,227,920
Dallas/Ft. Worth, TX	9,451,177	10,348,385	8,728,372	10,806,417	4,611,057	14,369,727
Denver, CO	1,293,715	341,538	1,718,685	1,315,344	231,153	1,908,628
Detroit, MI	637,919	2,893,686	887,092	2,407,023	2,213,513	2,436,222
El Paso, TX	3,642,021	747,518	244,505	104,804	249,862	1,585,922
Fort Myers/Naples, FL	149,505	332,538	797,226	190,608	215,983	234,117
Fredericksburg, VA	130,090	1,004,760	721,125	653	-4,505	48,067
Ft. Lauderdale, FL	-3,600	180,194	385,922	806,612	290,494	205,188
Greensboro/Winston-Salem, NC	937,453	897,634	805,901	2,946,912	505,088	2,647,355
Greenville, SC	2,944,542	2,289,058	2,393,520	3,213,914	895,457	730,360
Hampton Roads, VA	4,651,890	-208,702	684,186	610,659	-36,789	415,882
Hartford, CT	3,723	47,187	937,203	947,243	-205,923	290,597
Houston, TX	6,640,445	9,214,685	7,868,532	6,040,469	5,155,990	5,011,874
Indianapolis, IN	3,972,229	6,565,483	4,936,581	5,141,256	3,985,594	4,182,495
Inland Empire CA	2,877,400	4,955,175	3,010,853	4,661,970	1,495,452	7,515,794
Jacksonville, FL	495,673	654,985	1,843,332	546,096	302,158	632,254
Kansas City, MO	2,171,323	3,357,965	2,683,464	3,002,440	1,507,865	2,317,393
Lakeland, FL	359,004	-107,808	887,883	710,957	20,852	582,620
Las Vegas, NV	1,782,212	1,385,005	865,880	2,032,725	2,797,664	1,408,159
Long Island, NY	564,459	-73,846	-309,684	161,944	-225,885	767,689
Los Angeles, CA	1,445,581	1,837,253	1,591,315	-895,313	-2,640,032	5,767,368
Louisville, KY	1,223,869	1,269,217	766,440	2,134,420	2,046,020	2,810,378
Madison, WI	479,587	-323,759	699,846	336,649	1,115,551	1,072,856
Memphis, TN	2,750,205	3,010,195	4,079,304	2,293,879	2,146,738	2,491,252
Miami, FL	1,732,947	2,198,900	786,244	687,504	684,846	804,524
Milwaukee, WI	866,711	438,122	1,669,681	736,217	181,597	668,398

U.S. Industrial Markets	Net Absorption				Leasing Activity**	
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p	Q1 2023p
Minneapolis, MN	1,799,816	1,508,992	2,906,882	1,942,299	1,871,717	2,755,744
Nashville, TN	1,381,615	852,957	3,365,054	2,336,988	1,277,309	1,673,309
New Haven, CT	220,799	-205,719	395,681	63,906	149,073	182,958
New Jersey - Central	233,772	-1,130	-181,505	1,213,207	2,180,904	4,563,316
New Jersey - Northern	2,113,896	1,053,064	508,556	844,645	-1,157,900	1,389,553
Northern VA	497,739	303,428	354,424	176,797	-106,805	237,812
NY Outer Boroughs	572,797	163,585	114,376	676,227	-276,467	545,401
Oakland/East Bay, CA	420,207	578,913	1,155,154	746,976	556,625	1,290,152
Omaha, NE	560,789	3,338,614	1,062,453	197,421	1,404,696	169,984
Orange County, CA	342,175	-65,697	650,822	663,149	708,921	1,368,892
Orlando, FL	2,295,242	728,418	408,344	1,618,068	991,955	1,914,944
Palm Beach County, FL	344,300	25,492	270,716	-76,999	-23,013	134,975
PA I-81/I-78 Distribution Corridor	5,859,217	6,432,006	9,333,857	1,946,826	2,870,242	5,827,095
Philadelphia, PA	-697,491	3,395,911	4,046,340	887,813	2,169,247	1,978,964
Phoenix, AZ	7,152,079	6,574,452	4,525,245	3,999,843	4,468,460	4,088,356
Pittsburgh, PA	748,024	-106,945	328,484	644,424	451,855	456,940
Portland, OR	118,698	1,113,729	2,959,873	865,322	-815,352	1,510,426
Providence, RI	106,147	14,662	54,505	249,458	87,542	87,542
Puget Sound - Eastside	518,674	301,772	-35,916	-9,372	271,857	627,817
Raleigh/Durham, NC	-113,594	354,061	-1,779	466,735	479,374	698,075
Reno, NV	561,462	1,304,103	1,601,635	300,032	1,336,941	998,898
Richmond, VA	608,238	767,600	2,869,060	1,828,833	-513,719	1,809,474
Roanoke, VA	-555,256	99,743	335,455	379,467	-262,407	94,955
Rochester, NY	-18,893	103,554	240,290	-204,541	353,522	13,998
Sacramento, CA	1,777,939	20,855	-188,728	669,370	394,941	517,760
Salt Lake City, UT	2,207,082	1,726,581	2,103,696	2,695,162	538,368	936,443
San Antonio, TX	1,222,444	1,542,564	1,698,260	-93,795	1,805,255	1,101,256
San Diego, CA	505,123	455,799	227,290	871,341	-210,214	582,545
San Francisco North Bay, CA	78,326	-239,373	-185,274	5,685	-201,599	285,472
San Francisco Peninsula, CA	144,559	83,776	54,193	26,017	57,008	259,224
San Jose (Silicon Valley), CA	240,488	276,132	5,340	2,961	343,007	332,391
Savannah, GA	1,463,635	3,533,907	7,538,835	2,609,130	2,159,187	2,704,480
Seattle, WA	2,088,539	2,932,222	144,295	1,156,614	-712,398	2,489,092
Southern New Hampshire	333,048	147,525	130,799	-71,870	297,803	357,597
St. Louis, MO	1,591,256	826,758	994,132	3,256,441	313,178	702,941
St. Petersburg/Clearwater, FL	236,754	-1,085	-14,817	4,385	135,752	259,047
Suburban MD	505,109	455,199	83,364	418,738	-3,921	505,729
Syracuse, NY	9,889	348,254	-327,178	124,233	361,546	302,106
Tampa, FL	465,551	351,698	463,887	2,118,874	1,449,830	1,286,105
Tucson, AZ	208,640	379,410	35,446	590,980	597,391	541,733
Tulsa, OK	-17,428	99,758	-87,589	50,746	-655,888	180,352

Overall					
U.S. Industrial Markets	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p
United States	3.1%	2.9%	3.1%	3.2%	3.6%
Northeast	2.9%	2.7%	3.0%	3.3%	3.5%
Midwest	3.2%	3.0%	3.2%	3.3%	3.6%
South	3.6%	3.4%	3.5%	3.6%	4.2%
West	2.3%	2.3%	2.4%	2.6%	2.9%

Overall					
U.S. Industrial Markets	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p
Atlanta, GA	3.5%	2.9%	3.0%	3.2%	4.1%
Austin, TX	3.3%	3.9%	2.6%	4.9%	7.4%
Baltimore, MD	2.8%	2.9%	3.1%	3.1%	3.4%
Binghamton, NY	6.6%	3.7%	3.5%	3.5%	3.0%
Birmingham, AL	3.7%	4.8%	7.8%	7.3%	10.5%
Boise, ID	1.1%	1.0%	1.2%	2.9%	2.7%
Boston, MA	3.9%	3.8%	4.1%	4.3%	4.2%
Buffalo, NY	5.1%	5.4%	4.5%	4.9%	5.4%
Central Valley, CA	4.8%	4.4%	4.2%	4.6%	5.2%
Charleston, SC	1.7%	1.9%	1.5%	1.4%	1.9%
Charlotte, NC	2.3%	1.9%	2.1%	2.1%	2.1%
Chicago, IL	3.7%	3.4%	3.7%	3.7%	4.0%
Cincinnati, OH	3.1%	1.9%	1.7%	1.7%	2.4%
Cleveland, OH	3.4%	3.1%	3.0%	3.0%	2.9%
Colorado Springs, CO	5.3%	4.9%	5.0%	4.9%	4.6%
Columbia, SC	3.8%	3.8%	4.0%	3.9%	4.7%
Columbus, OH	1.4%	1.8%	3.6%	3.7%	4.9%
Dallas/Ft. Worth, TX	4.7%	4.6%	4.7%	5.0%	6.0%
Denver, CO	5.5%	5.9%	6.6%	6.6%	6.6%
Detroit, MI	2.9%	2.8%	3.2%	2.7%	2.4%
El Paso, TX	1.0%	2.2%	2.8%	2.7%	3.9%
Fort Myers/Naples, FL	1.7%	1.0%	0.7%	0.5%	0.6%
Fredericksburg, VA	2.1%	2.9%	2.2%	2.0%	1.8%
Ft. Lauderdale, FL	3.9%	3.8%	3.8%	3.7%	3.3%
Greensboro/Winston-Salem, NC	2.9%	3.0%	2.8%	2.8%	2.8%
Greenville, SC	2.3%	2.3%	2.1%	2.4%	4.2%
Hampton Roads, VA	1.3%	1.5%	1.6%	1.3%	2.0%
Hartford, CT	5.9%	5.9%	4.8%	4.6%	4.8%
Houston, TX	6.5%	5.7%	5.8%	5.7%	6.0%
Indianapolis, IN	3.6%	3.2%	3.9%	5.2%	6.5%
Inland Empire CA	0.6%	0.5%	0.6%	0.9%	1.9%
Jacksonville, FL	3.6%	3.0%	2.5%	2.0%	2.7%
Kansas City, MO	4.7%	4.6%	4.4%	4.6%	4.4%
Lakeland, FL	4.9%	5.2%	4.1%	3.6%	4.2%
Las Vegas, NV	1.4%	1.4%	1.4%	1.9%	2.4%
Long Island, NY	2.0%	2.3%	3.0%	2.9%	3.2%
Los Angeles, CA	0.8%	0.9%	1.0%	1.2%	1.6%
Louisville, KY	1.5%	1.4%	2.2%	3.9%	3.0%
Madison, WI	1.9%	1.8%	1.6%	1.5%	2.0%
Memphis, TN	4.3%	4.4%	4.7%	4.5%	5.9%
Miami, FL	1.6%	1.7%	1.7%	2.0%	1.6%
Milwaukee, WI	2.6%	2.7%	2.1%	2.3%	2.5%

Overall					
U.S. Industrial Markets	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p
Minneapolis, MN	3.5%	3.2%	3.0%	3.0%	3.0%
Nashville, TN	2.8%	3.0%	2.8%	3.0%	3.5%
New Haven, CT	4.5%	4.9%	4.1%	4.0%	3.6%
New Jersey - Central	1.2%	1.5%	2.8%	3.2%	3.3%
New Jersey - Northern	2.4%	2.1%	2.3%	2.4%	3.2%
Northern VA	4.3%	4.0%	3.9%	4.1%	4.3%
NY Outer Boroughs	3.5%	3.4%	3.5%	4.0%	4.2%
Oakland/East Bay, CA	4.0%	3.8%	3.2%	3.2%	2.9%
Omaha, NE	3.4%	3.1%	2.3%	2.2%	2.6%
Orange County, CA	1.3%	1.4%	1.3%	1.2%	1.6%
Orlando, FL	4.3%	3.7%	3.6%	2.7%	2.5%
Palm Beach County, FL	3.1%	3.0%	3.1%	3.3%	3.3%
PA I-81/I-78 Distribution Corridor	1.8%	1.4%	1.5%	2.7%	2.8%
Philadelphia, PA	3.1%	1.8%	2.4%	2.3%	3.3%
Phoenix, AZ	3.9%	3.4%	4.3%	4.5%	4.4%
Pittsburgh, PA	4.6%	4.9%	5.0%	4.9%	4.7%
Portland, OR	2.8%	3.1%	2.7%	2.3%	2.7%
Providence, RI	0.2%	0.1%	0.1%	0.0%	0.1%
Puget Sound - Eastside	2.6%	2.2%	2.6%	2.7%	3.2%
Raleigh/Durham, NC	4.0%	3.4%	4.2%	4.6%	5.3%
Reno, NV	1.1%	1.4%	1.4%	1.7%	2.2%
Richmond, VA	1.7%	1.4%	1.8%	2.8%	2.5%
Roanoke, VA	3.5%	3.2%	3.1%	3.1%	2.9%
Rochester, NY	4.4%	4.5%	4.2%	4.5%	4.1%
Sacramento, CA	2.2%	2.2%	2.6%	3.3%	3.6%
Salt Lake City, UT	1.7%	2.1%	3.0%	2.8%	3.1%
San Antonio, TX	4.9%	5.2%	3.8%	4.4%	6.2%
San Diego, CA	2.2%	2.1%	2.4%	2.4%	2.7%
San Francisco North Bay, CA	4.4%	5.1%	5.7%	5.7%	5.9%
San Francisco Peninsula, CA	3.2%	3.0%	2.8%	2.8%	2.6%
San Jose (Silicon Valley), CA	3.1%	3.3%	3.2%	3.2%	2.8%
Savannah, GA	0.5%	0.6%	0.9%	0.7%	0.2%
Seattle, WA	3.9%	3.4%	3.5%	3.3%	4.0%
Southern New Hampshire	3.7%	3.8%	3.6%	3.8%	3.3%
St. Louis, MO	2.1%	2.0%	2.3%	3.0%	3.1%
St. Petersburg/Clearwater, FL	3.2%	3.2%	3.6%	3.6%	3.4%
Suburban MD	4.9%	4.3%	4.6%	4.5%	5.3%
Syracuse, NY	3.4%	2.5%	3.2%	2.9%	2.2%
Tampa, FL	5.1%	4.8%	5.7%	5.6%	5.4%
Tucson, AZ	4.2%	3.2%	3.1%	2.5%	1.8%
Tulsa, OK	3.7%	3.1%	3.7%	3.9%	3.7%

Overall (All Classes)							W/D	MFG
U.S. Industrial Markets	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p	Q1 2023p		
United States	\$7.84	\$8.28	\$8.66	\$8.88	\$9.19	\$8.59	\$8.72	
Northeast	\$10.21	\$10.71	\$11.61	\$11.94	\$12.50	\$13.53	\$7.39	
Midwest	\$5.84	\$5.99	\$6.10	\$6.30	\$6.33	\$5.86	\$6.25	
South	\$6.58	\$6.85	\$7.08	\$7.26	\$7.49	\$6.85	\$6.39	
West	\$11.66	\$12.57	\$13.05	\$13.18	\$13.88	\$13.17	\$15.75	

Overall (All Classes)						W/D	MFG
U.S. Industrial Markets	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p	Q1 2023p	
Atlanta, GA	\$6.65	\$6.67	\$7.06	\$7.30	\$7.19	\$6.52	\$9.02
Austin, TX	\$12.76	\$12.91	\$13.74	\$12.72	\$14.02	\$11.93	\$0.00
Baltimore, MD	\$7.46	\$7.70	\$8.00	\$7.95	\$8.20	\$7.04	\$0.00
Binghamton, NY	\$4.48	\$4.70	\$4.70	\$4.70	\$4.70	\$4.75	\$4.50
Birmingham, AL	\$6.05	\$5.70	\$5.50	\$5.62	\$6.04	\$5.99	\$0.00
Boise, ID	\$11.03	\$11.67	\$11.14	\$10.03	\$10.34	\$9.56	\$9.41
Boston, MA	\$11.47	\$11.78	\$11.34	\$11.28	\$12.85	\$13.13	\$10.23
Buffalo, NY	\$6.82	\$6.82	\$6.82	\$6.82	\$6.82	\$7.00	\$4.95
Central Valley, CA	\$7.42	\$7.55	\$7.71	\$7.66	\$8.35	\$8.28	\$8.93
Charleston, SC	\$9.21	\$9.43	\$11.25	\$10.87	\$8.88	\$8.21	\$6.22
Charlotte, NC	\$5.99	\$6.58	\$7.10	\$7.13	\$7.23	\$6.53	\$8.25
Chicago, IL	\$6.38	\$6.43	\$6.49	\$6.70	\$6.78	\$6.08	\$7.21
Cincinnati, OH	\$4.80	\$5.37	\$5.59	\$5.99	\$6.00	\$6.10	\$4.64
Cleveland, OH	\$4.71	\$4.77	\$5.00	\$5.59	\$5.27	\$4.87	\$0.00
Colorado Springs, CO	\$10.76	\$10.70	\$10.58	\$10.65	\$10.32	\$10.35	\$9.52
Columbia, SC	\$3.79	\$3.85	\$4.00	\$4.03	\$4.24	\$4.24	\$3.88
Columbus, OH	\$5.21	\$5.20	\$5.72	\$5.91	\$6.14	\$6.13	\$4.82
Dallas/Ft. Worth, TX	\$5.54	\$5.82	\$6.24	\$6.73	\$7.59	\$6.75	\$8.47
Denver, CO	\$10.07	\$10.23	\$10.66	\$9.49	\$9.65	\$8.53	\$10.11
Detroit, MI	\$7.10	\$7.05	\$7.05	\$7.30	\$7.39	\$7.00	\$6.73
El Paso, TX	\$6.75	\$6.75	\$7.00	\$7.25	\$7.25	\$7.25	\$0.00
Fort Myers/Naples, FL	\$9.66	\$9.88	\$10.17	\$10.29	\$10.49	\$10.18	\$17.78
Fredericksburg, VA	\$8.15	\$8.63	\$8.78	\$7.37	\$7.78	\$7.76	\$8.50
Ft. Lauderdale, FL	\$12.04	\$12.32	\$13.07	\$13.98	\$14.16	\$13.72	\$20.72
Greensboro/Winston-Salem, NC	\$4.72	\$4.82	\$4.98	\$4.90	\$5.17	\$5.05	\$4.77
Greenville, SC	\$4.49	\$4.68	\$4.89	\$4.93	\$5.29	\$5.61	\$3.95
Hampton Roads, VA	\$6.96	\$7.13	\$7.53	\$8.14	\$8.68	\$8.15	\$8.05
Hartford, CT	\$5.40	\$5.91	\$5.35	\$5.29	\$5.18	\$4.94	\$4.68
Houston, TX	\$6.62	\$7.01	\$7.15	\$7.08	\$7.15	\$6.77	\$7.74
Indianapolis, IN	\$5.25	\$5.51	\$5.19	\$5.56	\$5.84	\$5.53	\$6.25
Inland Empire CA	\$14.48	\$15.45	\$16.95	\$18.84	\$18.77	\$18.92	\$16.81
Jacksonville, FL	\$6.22	\$6.98	\$6.58	\$7.10	\$6.35	\$5.42	\$9.02
Kansas City, MO	\$4.36	\$4.68	\$5.25	\$5.53	\$5.53	\$4.89	\$5.57
Lakeland, FL	\$5.69	\$5.88	\$6.14	\$6.32	\$6.87	\$6.86	\$12.00
Las Vegas, NV	\$12.42	\$10.63	\$11.44	\$12.38	\$12.46	\$11.75	\$14.95
Long Island, NY	\$14.15	\$14.91	\$16.97	\$16.70	\$17.15	\$17.24	\$14.83
Los Angeles, CA	\$16.62	\$18.08	\$18.53	\$20.38	\$20.58	\$21.01	\$19.73
Louisville, KY	\$4.52	\$4.89	\$4.77	\$5.11	\$5.33	\$5.30	\$4.78
Madison, WI	\$6.14	\$6.16	\$6.13	\$5.98	\$6.32	\$6.75	\$6.01
Memphis, TN	\$3.98	\$4.15	\$4.16	\$4.16	\$4.16	\$4.03	\$4.18
Miami, FL	\$10.25	\$11.90	\$12.76	\$13.48	\$13.83	\$13.83	\$11.27
Milwaukee, WI	\$4.77	\$4.90	\$4.92	\$5.02	\$5.20	\$5.27	\$4.72

Overall (All Classes)						W/D	MFG
U.S. Industrial Markets	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023p	Q1 2023p	
Minneapolis, MN	\$7.25	\$7.38	\$7.49	\$7.55	\$7.57	\$6.58	\$7.00
Nashville, TN	\$6.74	\$6.95	\$6.69	\$7.47	\$7.84	\$7.91	\$3.50
New Haven, CT	\$6.16	\$6.60	\$6.71	\$6.79	\$6.27	\$5.42	\$5.65
New Jersey - Central	\$17.45	\$16.69	\$15.75	\$16.02	\$16.27	\$15.65	\$13.33
New Jersey - Northern	\$13.46	\$13.97	\$15.05	\$15.82	\$16.92	\$17.18	\$12.30
Northern VA	\$14.05	\$14.40	\$14.75	\$14.95	\$15.40	\$13.64	n/a
NY Outer Boroughs	\$22.12	\$23.43	\$24.01	\$25.61	\$25.82	\$25.79	\$22.09
Oakland/East Bay, CA	\$14.03	\$14.23	\$14.74	\$15.47	\$16.07	\$15.36	\$16.98
Omaha, NE	\$6.54	\$6.99	\$7.04	\$7.07	\$7.24	\$6.99	n/a
Orange County, CA	\$17.07	\$17.89	\$18.79	\$19.21	\$18.86	\$19.60	\$18.81
Orlando, FL	\$8.34	\$8.82	\$9.32	\$9.43	\$9.63	\$8.13	\$13.51
Palm Beach County, FL	\$14.57	\$13.63	\$14.21	\$14.26	\$14.76	\$13.82	\$12.51
PA I-81/I-78 Distribution Corridor	\$7.22	\$7.28	\$7.55	\$8.48	\$8.62	\$8.62	n/a
Philadelphia, PA	\$8.60	\$9.31	\$11.97	\$12.39	\$12.65	\$12.71	\$12.30
Phoenix, AZ	\$9.24	\$13.61	\$14.47	\$12.90	\$14.47	\$13.65	\$13.34
Pittsburgh, PA	\$7.18	\$7.17	\$7.14	\$7.04	\$7.05	\$7.42	\$4.99
Portland, OR	\$9.97	\$10.39	\$10.93	\$11.07	\$11.45	\$11.04	\$15.96
Providence, RI	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$7.50	n/a
Puget Sound - Eastside	\$15.29	\$15.77	\$16.70	\$15.85	\$15.53	\$12.28	\$15.33
Raleigh/Durham, NC	\$13.67	\$13.72	\$12.95	\$11.87	\$11.81	\$9.93	n/a
Reno, NV	\$7.68	\$8.64	\$9.00	\$9.36	\$11.64	\$10.56	\$11.76
Richmond, VA	\$6.07	\$5.81	\$6.64	\$6.64	\$7.25	\$6.96	\$7.36
Roanoke, VA	\$4.56	\$4.74	\$5.20	\$5.46	\$5.65	\$4.81	\$7.71
Rochester, NY	\$5.40	\$6.28	\$7.00	\$7.00	\$6.75	\$6.75	\$6.25
Sacramento, CA	\$9.48	\$8.62	\$8.13	\$8.68	\$9.12	\$9.03	\$9.61
Salt Lake City, UT	\$8.57	\$8.36	\$8.41	\$9.69	\$9.31	\$9.28	\$10.72
San Antonio, TX	\$7.17	\$6.95	\$7.82	\$8.44	\$7.70	\$6.73	n/a
San Diego, CA	\$14.37	\$15.49	\$16.45	\$16.92	\$16.60	\$14.99	\$17.25
San Francisco North Bay, CA	\$14.22	\$14.24	\$14.94	\$15.16	\$13.41	\$13.30	\$13.38
San Francisco Peninsula, CA	\$22.38	\$24.85	\$26.23	\$26.57	\$25.10	\$23.73	\$33.27
San Jose (Silicon Valley), CA	\$16.52	\$15.47	\$15.70	\$16.82	\$16.67	\$14.19	\$18.82
Savannah, GA	\$5.88	\$6.12	\$6.14	\$6.15	\$6.48	\$7.32	n/a
Seattle, WA	\$11.09	\$11.77	\$11.46	\$11.41	\$11.43	\$10.71	\$12.40
Southern New Hampshire	\$10.87	\$11.40	\$11.51	\$11.73	\$11.95	\$12.04	\$13.38
St. Louis, MO	\$5.68	\$6.28	\$6.37	\$6.27	\$6.10	\$6.21	\$3.50
St. Petersburg/Clearwater, FL	\$9.32	\$9.76	\$9.66	\$9.46	\$9.83	\$9.38	\$8.47
Suburban MD	\$12.21	\$13.91	\$15.24	\$15.07	\$17.28	\$15.07	n/a
Syracuse, NY	\$5.45	\$5.57	\$5.61	\$5.90	\$6.00	\$5.72	\$5.76
Tampa, FL	\$7.28	\$7.94	\$7.38	\$7.71	\$8.08	\$7.19	\$9.30
Tucson, AZ	\$7.91	\$8.24	\$8.98	\$9.48	\$9.58	\$8.71	\$8.54
Tulsa, OK	\$5.29	\$5.49	\$5.47	\$5.37	\$5.36	\$5.54	\$4.92

p = preliminary.

U.S. Industrial Markets	Inventory	Deliveries 2023 YTD	Under Construction as of Q1 2023p
United States	16,647,026,240	128,984,861	663,293,565
Northeast	2,313,236,847	13,539,486	68,123,485
Midwest	4,453,156,828	30,955,273	105,301,278
South	5,586,297,582	59,215,202	318,588,874
West	4,294,334,983	25,274,900	171,279,928

Overall			
U.S. Industrial Markets	Inventory	Deliveries 2023 YTD	Under Construction as of Q1 2023p
Atlanta, GA	707,224,629	9,609,058	36,347,865
Austin, TX	51,203,859	1,196,318	10,570,070
Baltimore, MD	227,674,562	450,000	3,324,245
Binghamton, NY	17,405,598	0	0
Birmingham, AL	16,814,072	111,983	536,900
Boise, ID	49,419,303	514,343	6,206,086
Boston, MA	156,335,621	1,071,500	3,062,009
Buffalo, NY	116,045,271	55,000	0
Central Valley, CA	163,451,044	1,508,740	7,413,324
Charleston, SC	84,655,044	343,520	9,986,544
Charlotte, NC	233,457,707	768,289	15,338,477
Chicago, IL	1,214,737,009	6,005,973	25,409,939
Cincinnati, OH	314,815,975	2,943,417	8,338,650
Cleveland, OH	523,318,998	885,010	4,155,679
Colorado Springs, CO	40,090,145	8,000	370,477
Columbia, SC	101,589,664	457,600	2,104,384
Columbus, OH	306,119,441	4,690,193	13,577,539
Dallas/Ft. Worth, TX	917,605,380	14,231,949	74,767,042
Denver, CO	262,256,211	435,303	9,905,573
Detroit, MI	496,557,502	560,849	6,584,010
El Paso, TX	66,229,259	1,545,360	5,362,760
Fort Myers/Naples, FL	45,206,306	72,306	3,001,727
Fredericksburg, VA	15,784,857	0	1,886,715
Ft. Lauderdale, FL	91,568,687	0	1,333,750
Greensboro/Winston-Salem, NC	248,303,188	500,000	5,380,864
Greenville, SC	232,819,355	5,229,750	16,470,755
Hampton Roads, VA	110,086,877	0	4,987,000
Hartford, CT	92,474,255	0	905,925
Houston, TX	542,306,658	7,380,931	33,331,457
Indianapolis, IN	332,190,606	8,186,822	19,667,622
Inland Empire CA	600,226,068	7,075,679	36,580,357
Jacksonville, FL	104,688,720	997,943	8,226,426
Kansas City, MO	253,522,693	983,392	13,807,546
Lakeland, FL	67,898,993	464,400	3,375,719
Las Vegas, NV	147,669,711	3,667,583	16,824,820
Long Island, NY	133,126,993	172,622	1,857,243
Los Angeles, CA	899,700,640	894,362	8,139,075
Louisville, KY	194,841,639	337,000	6,086,287
Madison, WI	84,253,459	1,343,014	1,796,140
Memphis, TN	294,783,483	4,806,422	6,287,508
Miami, FL	168,326,536	20,000	8,043,684
Milwaukee, WI	211,633,984	393,308	2,249,873

Overall			
U.S. Industrial Markets	Inventory	Deliveries 2023 YTD	Under Construction as of Q1 2023p
Minneapolis, MN	345,949,296	2,138,213	6,759,682
Nashville, TN	242,731,968	2,537,352	11,025,135
New Haven, CT	47,614,190	0	90,000
New Jersey - Central	365,158,672	2,583,019	9,213,127
New Jersey - Northern	292,299,163	1,173,440	3,327,828
Northern VA	61,338,388	0	254,240
NY Outer Boroughs	143,275,430	0	3,489,682
Oakland/East Bay, CA	213,946,492	110,558	2,739,412
Omaha, NE	105,395,915	2,259,182	1,193,749
Orange County, CA	258,251,822	1,769,760	2,069,443
Orlando, FL	113,495,863	800,293	6,480,919
Palm Beach County, FL	40,064,900	0	1,426,511
PA I-81/I-78 Distribution Corridor	353,882,158	3,415,415	20,803,545
Philadelphia, PA	185,400,303	4,172,378	16,898,226
Phoenix, AZ	375,518,563	4,774,521	47,451,070
Pittsburgh, PA	160,284,232	0	4,814,145
Portland, OR	226,289,181	37,588	4,007,451
Providence, RI	77,727,305	0	663,000
Puget Sound - Eastside	62,177,197	546,344	4,095,442
Raleigh/Durham, NC	51,737,286	927,911	3,947,410
Reno, NV	109,066,500	997,288	3,123,175
Richmond, VA	107,834,033	321,724	4,862,224
Roanoke, VA	38,816,288	0	0
Rochester, NY	73,517,643	750,000	1,452,000
Sacramento, CA	112,086,816	733,041	1,927,526
Salt Lake City, UT	152,515,588	994,870	6,568,614
San Antonio, TX	67,087,904	2,776,250	7,175,019
San Diego, CA	159,397,677	240,975	1,616,270
San Francisco North Bay, CA	31,604,633	0	546,409
San Francisco Peninsula, CA	41,083,214	0	0
San Jose (Silicon Valley), CA	87,174,684	0	840,645
Savannah, GA	106,378,509	1,351,400	22,055,819
Seattle, WA	257,102,494	965,945	8,214,678
Southern New Hampshire	52,289,072	20,000	1,440,755
St. Louis, MO	264,661,950	565,900	1,760,849
St. Petersburg/Clearwater, FL	36,015,357	77,868	561,178
Suburban MD	49,467,355	480,200	1,057,400
Syracuse, NY	46,400,941	126,112	106,000
Tampa, FL	81,797,139	1,419,375	2,282,224
Tucson, AZ	45,307,000	0	2,640,081
Tulsa, OK	66,463,117	0	710,616

Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of industrial properties deemed to be competitive in the local industrial markets. Generally, owner-occupied and federally-owned buildings are not included. Single tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

Explanation of Terms

Total Inventory: The total amount of industrial space (in buildings of a predetermined size by market) that can be rented by a third party.

Overall Vacancy Rate: The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory.

Direct Vacancy Rate: The amount of unoccupied space available directly through the landlord, excludes sublease space.

Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

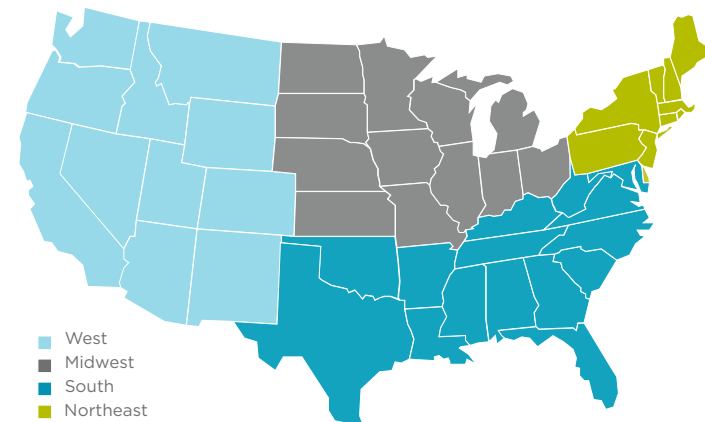
Leasing Activity: The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

Overall Weighted Asking Rents: NNN average asking rents weighted by the amount of available direct and sublease space in industrial properties.

W/D: Warehouse and or distribution properties.

MFG: Manufacturing properties.

Regional Map



About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

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