Valuation & Advisory

INDUSTRIAL

U.S. OUTLOOK & TRENDS

Spring 2019

CUSHMAN & WAKEFIELD

2019 OUTLOOK

The U.S. economy and property markets entered 2018 with very strong fundamentals and a lot of momentum. The latest economic data—on consumer spending, global trade, manufacturing, intermodal rail volumes, and other metrics—send a clear signal that the U.S. economy is poised for greater growth. According to Cushman & Wakefield's North American Macro Forecast (January 2019) the U.S. economy is showing no signs of fatigue; expect the economy to keep humming along through 2020, albeit at a slightly slower pace.

North America is on track to record a cyclical peak of 2.7% growth in real gross domestic product (GDP) for 2018, with a solid 2.4% forecast for 2019. For the period 2018-2020, average GDP growth is expected to be similar to that of 2015-2017. In terms of growth, real GDP has averaged about 2% per annum throughout most of this expansion. On the heels of soaring business and consumer confidence, stock market wealth, stronger global growth, and tax cut stimulus, the U.S. is clearly shifting into a higher gear.

Given that commercial real estate tracks well with the broader economy, 2019 will also be a strong year for the property markets. Labor markets will remain tight with workers increasingly difficult to find. 2018 marked the eighth consecutive year that North American job growth totaled more than two million nonfarm payroll positions. The cumulative job gains between 2010 and 2018 was an estimated 27.3 million payrolls, with 5.7 million of them concentrated in industrial related industries. As the consumer goes, so goes the industrial market. Fortunately, real consumer spending is forecast to grow 2.6% in 2019—a growth rate more than sufficient to power demand for industrial real estate. The U.S. unemployment rate will continue to track below consensus estimates of full employment, meaning that warehouse labor will be increasingly hard to find and expensive to attract and retain. Trade policy and the uncertainty surrounding it remain the greatest risks.

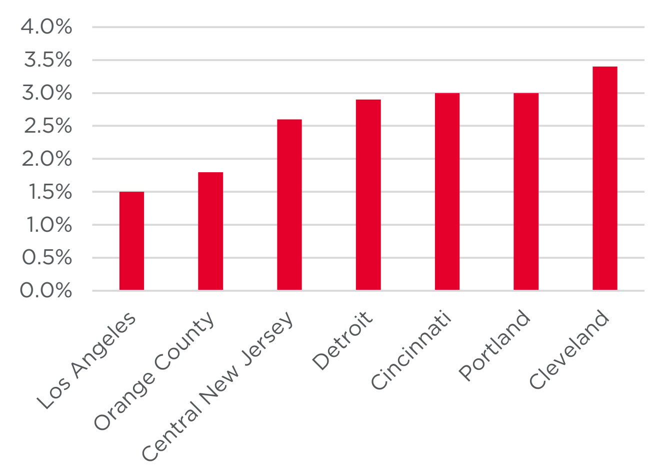
These rates are among the lowest of the past 50 years. Wage pressures are also forming. That does not mean job growth evaporates. Population growth alone supports roughly 1.2 million newly-created U.S. jobs each year. In addition, based on the working-age employment-to-population ratio, there is potential for a further rebound in labor force participation; that would boost payroll growth.

Active Buyers and Sellers in 2018

Buyers	Sellers
• Morgan Stanley	• SunCap
• Blackstone	• Hillwood
• Prologis	• Panattoni
• Exeter	• LaSalle
• TA Realty	• Carlyle Group
• Rexford Industrial REIT	• TIAA
• CalPERS	• DivcoWest
• Innovo Property Group	• Scannell Properties

Source: Real Capital Analytics, Cushman & Wakefield Research

Major Markets with Lowest Vacancy Q4 2018



Source: Cushman & Wakefield Research

We expect 3.6 million newly created jobs in 2019 and 2020 with roughly 680,000 of those concentrated in industrial industries—driven largely by the secondary markets which have slightly more labor market slack.

According to Real Capital Analytics (RCA), U.S. industrial sales volume totaled $79.5 billion in 2018, a year-over-year increase of 26%. Most of the increase in industrial transaction volume was attributable to near-record M&A activity which rose 280% year-over-year to $18.7 billion, second only to the $24.2 billion in 2015. In 2018, Los Angeles ($3.7 billion), Chicago ($2.4 billion), Inland Empire ($2.3 billion), Northern New Jersey ($1.8 billion), and Silicon Valley ($1.75 billion) made the top five in total sales volume.

Investors indicate that the U.S. industrial market will continue to remain strong throughout the remainder of 2018, but are cautiously optimistic going into 2019, with the uncertainty of the U.S. economy, political climate, and rising interest rates.

The appetite remains very strong for well-located Class A assets with access to transportation nodes, such as rail, port, and intermodal services. The intermodal and port concepts (international access) are in high demand and remain the most efficient means of shipping, as logistics and supply chain fundamentals are critical in today's industrial investment criteria, both from an investor and user perspective.

Investors identify several key top 10 U.S. markets that are expected to command premium pricing for Class A product:

- Atlanta
- Chicago
- Dallas
- Houston
- Eastern/Central PA
- New Jersey (Central & Northern)
- San Francisco Bay Area
- Seattle
- Southern California (especially Inland Empire)
- Southern Florida (Miami, in particular)

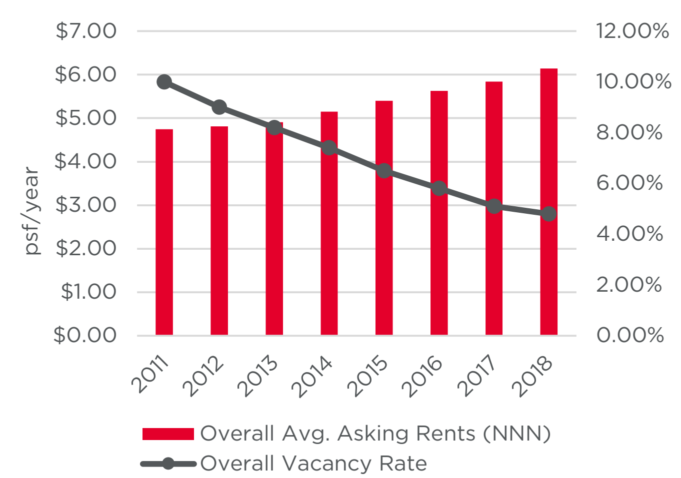
Southern California (especially Inland Empire), New Jersey (Central/Northern), Seattle, and Southern Florida (Miami, in particular) continue to experience some of the most aggressive pricing, as Class A overall cap rates have compressed below 4.0%, driven primary by port access. However, high population growth markets such as Atlanta, Dallas, Houston, Indianapolis, Memphis, and Nashville appear on investors' radar screens as opportunities.

The market participants indicated that available Class A product continues to be limited. However, investors feel Class B assets have superior upside potential (rental rate increases and higher yield/returns), compared to the higher-priced Class A product. There continues to be minimal interest in Class C assets, as the risk factors regarding functionality, age, and condition (large near-term capital expenditures) continue to be of greatest concern.

As of Q4 2018, there was 275.9 million square feet (msf) of industrial product under construction, of which 191.9 msf is speculative. Although development remains concentrated in major industrial markets, 47 of 79 markets tracked by Cushman & Wakefield have over 1.0 msf under construction. Given the tight market conditions and strong underlying fundamentals, developers are expected to break ground on additional speculative projects in 2019, which will help keep supply and demand fundamental closer to balance. Nonetheless, tenant activity remains brisk, and it is likely that leasing demand will keep pace with supply deliveries in the near term. Strong industrial fundamentals are evident in key commercial real estate metrics. Case in point, the U.S. industrial market has now recorded nearly 285 msf of absorption, the most absorption ever reported by Cushman & Wakefield.

U.S. industrial vacancy continued to tighten and is currently tracking at a 30-year low at 4.8%. Healthy demand from logistics and distribution users is fueling rent growth. U.S. industrial rents increased 5.1% in the fourth quarter from a year ago, rising in 52 of 79 markets tracked by Cushman & Wakefield.

Rental vs. Vacancy Rates



Source: Cushman & Wakefield Research

SPRING 2019
INVESTOR SURVEY RESULTS

Industrial Overall Capitalization Rates – Comparison Analysis Spring 2019									
	Spring 2019	Spring 2018	Spring 2017	Spring 2016	Spring 2015	12-Month Change (bps)*	24-Month Change (bps)*	36-Month Change (bps)*	48-Month Change (bps)*
Class A	3.75% - 6.50%	3.75%-6.50%	4.00% - 6.50%	4.00% - 6.50%	4.00% - 6.50%				
Range Average	4.65%	4.81%	4.86%	5.00%	5.12%	-0.16	-0.21	-0.35	-0.47
Class B	4.25% - 8.00%	4.25% - 8.50%	5.00% - 8.75%	5.00% - 8.50%	5.00% - 8.50%				
Range Average	5.97%	6.25%	6.36%	6.31%	6.35%	-0.28	-0.39	-0.34	-0.38
Class C	7.00% - 10.00%	7.00% - 10.00%	7.00% - 12.00%	7.00% - 12.00%	7.00% - 12.00%				
Range Average	8.06%	8.43%	8.71%	8.52%	8.72%	-0.37	-0.65	-0.46	-0.66

Note: The lower-end of the range reflects Class A Southern CA, (Inland Empire), Northern New Jersey, Seattle, and Southern FL (Miami) assets. All predominantly U.S. Port Cities.
*Ending Spring 2019
Compiled by Cushman & Wakefield's Valuation & Advisory Industrial Practice Group

FINAL RESULTS

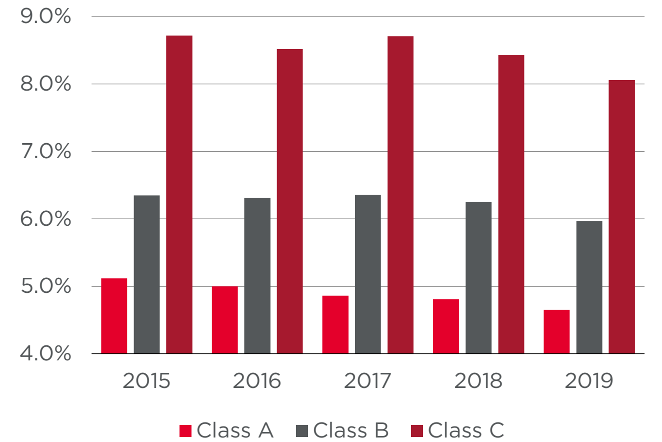
Cushman & Wakefield provides comprehensive real-time market data and analysis by leveraging our expertise and collaborating with the leaders of our multiple disciplines—Valuation & Advisory, Industrial Capital Markets, Industrial Research, and Industrial Operations, among others. For the Spring 2019 edition of the U.S. Industrial Investor Outlook & Trends, we augmented our expertise by interviewing representatives from some of the nation's most prominent institutional buyers and sellers of industrial assets.

The results of our investor survey (overall capitalization rates) taken Spring 2019 are in the table above. The participants focus on the type (Class A, B, and C) and location of an industrial asset prior to selecting an appropriate overall capitalization rate. While the definitions of the asset types vary, most agree on the criteria defined by CoStar Group Inc. In addition, market conditions, tenancies, and changing demand indicators are also taken into consideration. These factors and CoStar's definition of asset types are described in detail in the Background Information section of the report.

Based on the Spring 2019 results, overall capitalization rates range widely by asset class, indicating nearly a 135-basis-point (bps) differential between Class A and B industrial product and a 341 bps difference between Class A and C industrial facilities. Overall rates for Class C properties are 209 bps above Class B industrial product. Due to the lack of available and higher priced Class A product, investors are now targeting Class B product seeking higher yields/returns.

The results of our survey over the previous five-year period are graphically presented as follows:

Capitalization Rates Comparison Analysis



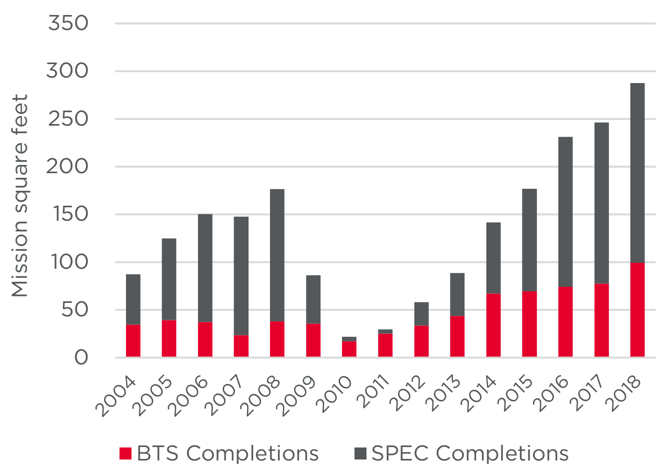
Source: Cushman & Wakefield's Valuation & Advisory Industrial Practice Group

The current survey indicates that cap rates for Class A assets slightly decreased by -0.16 bps, but greater reductions are indicated for Class B and C assets of -0.28 bps and -0.37 bps, respectively, since Spring 2018. There is strong demand for Class A assets located in core U.S. markets, but over the last five years, while cap rates significantly decreased, Class A rates are beginning to stabilize. Little if any additional compression is expected for the remainder of 2019 and into 2020, with investors closely monitoring rising interest rates and 10-year Treasury yield rates. More notably, cap rates for Class B and C assets indicate the largest decrease, as investors are targeting more Class B product with higher yields/returns than the higher priced Class A assets; Class C product still has minimal demand.

Overall, it appears that investors remain aggressive, but pricing and overall rates are beginning to stabilize. Class A properties located in Southern California (especially Inland Empire), Northern New Jersey, Seattle, and Southern Florida (Miami, in particular) still command the most aggressive overall rates; all predominately U.S. Port Cities.

Investors remain cautiously optimistic in the near term, since the U.S. industrial market is heavily dependent upon the global economic climate, global geopolitical factors, and access to credit. Seaport cities and major logistics hubs are expected to remain the strongest performers throughout 2019 and beyond.

Historical Construction Completions



Source: Cushman & Wakefield Research (includes alliance offices)

While the overall national economy continues to strengthen, external uncertainties such as challenges within the European economy, a weakened Chinese market, and the outcome of future trade agreements under the current administration, have the potential to suppress consumer and business confidence in the near term.

With a strong infrastructure in place in most U.S. markets, and the availability of natural resources, the long-term investment outlook for the national industrial market is positive. Seaport cities and major logistics hubs are expected to remain the strongest performers, especially with eCommerce continuing to fuel the U.S. economy.

Both consumers and businesses are feeling positive about the economy. The Conference Board's Consumer Confidence Index reached 131.4 as of January 2019—up from this time last year. The National Federation of Independent Business's (NFIB) Optimism Index, saw the second highest level in the survey's 45-year history at 107.9, rising to within 0.1 point of the record-high of 108. The July 2018 report also set new records in terms of owners reporting job creation plans and those with job openings. Confidence is a critically important economic indicator for industrial real estate. When consumers are confident, they spend more. That, in turn, boosts business profits, which creates jobs, ultimately translating into demand for industrial real estate. Although consumer spending has been reasonably healthy throughout this expansion, it has not been overly robust. Personal consumption expenditures grew by 2.7% year-over-year in Q4 2018—certainly a healthy pace. Looking forward, we expect that rate of growth to be maintained in 2019, averaging 2.8% for the year. Combined with eCommerce penetration continuing, we anticipate strong industrial leasing in 2019.

A significant portion of demand for industrial space is ultimately driven by consumer spending, and we expect that engine to remain strong. Our forecast calls for growth in total retail sales to decelerate from 5.1% in 2018 to 4.4% in 2019, with online sales advancing by 14.6% in 2019. This means 2018 will have been the first year when online sales broke the $500 billion mark, and 2019 is likely to be the second.

Consequently, the need for warehousing and distribution space will only increase in the near-term. Net absorption will eclipse 245 msf in 2019 with demand expected to track in the low-to-mid 200 msf range in 2020. Developers will continue to exercise caution, with deliveries continuing to modestly outpace demand, thus allowing vacancy rates to hover in the 5% range through 2020. Growth in asking rents will soften slightly, but rents will continue to rise. Overall industrial rent growth for all product types and classes peaked in 2015 and has been on a decelerating trajectory since; we forecast that trend will continue, rents continuing to grow at a faster clip than in the overall market.

BACKGROUND INFORMATION

PHYSICAL CRITERIA/LOCATION

These participants, typical for the market, focus on the type (Class A, B, and C) and location of an industrial asset prior to selecting an appropriate overall capitalization rate. While the criteria relative to defining the asset type vary, most agree on the following, as defined by CoStar Group Inc. below.

Class A Industrial

Class A buildings generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well-located and provide efficient tenant layouts, as well as high-quality and, in some buildings, one-of-a-kind floor plans. These buildings contain a modern mechanical system and have above-average maintenance and management, in addition to the best quality materials and workmanship in their trim and interior fittings. They are generally the most eagerly sought by investors who are willing to pay a premium for quality.

Class B Industrial

Buildings in this category command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special features and have ordinary design or, if new or fairly new, good to excellent design. These buildings typically have average to good maintenance, management, and tenants. They are less appealing to tenants than Class A properties and may be deficient in a number of respects, including floor plans, condition, and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C Industrial

These structures generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, low clear ceiling heights, and/or inferior mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

RISK FACTORS/MARKET CONDITIONS/TENANCIES

Although the preceding criteria are of primary focus, the participants also identified the following risk factors influencing their purchasing decisions:

- Overall vacancy and strengths/weaknesses of the local market
- Current occupancy and near term rollover exposure of the asset
- Potential for market rent increases and/or decreases
- Competing buildings in the area that are presently or may be listed for sale
- Readily available developable land for potential competition
- The functionality of the asset (clear ceiling height, layout, design, ratio of office to total warehouse space, lighting, adequacy of parking and truck storage, truck turning radius, access to rail, etc.), as well as the age and condition of the asset, including the roof structure and parking areas
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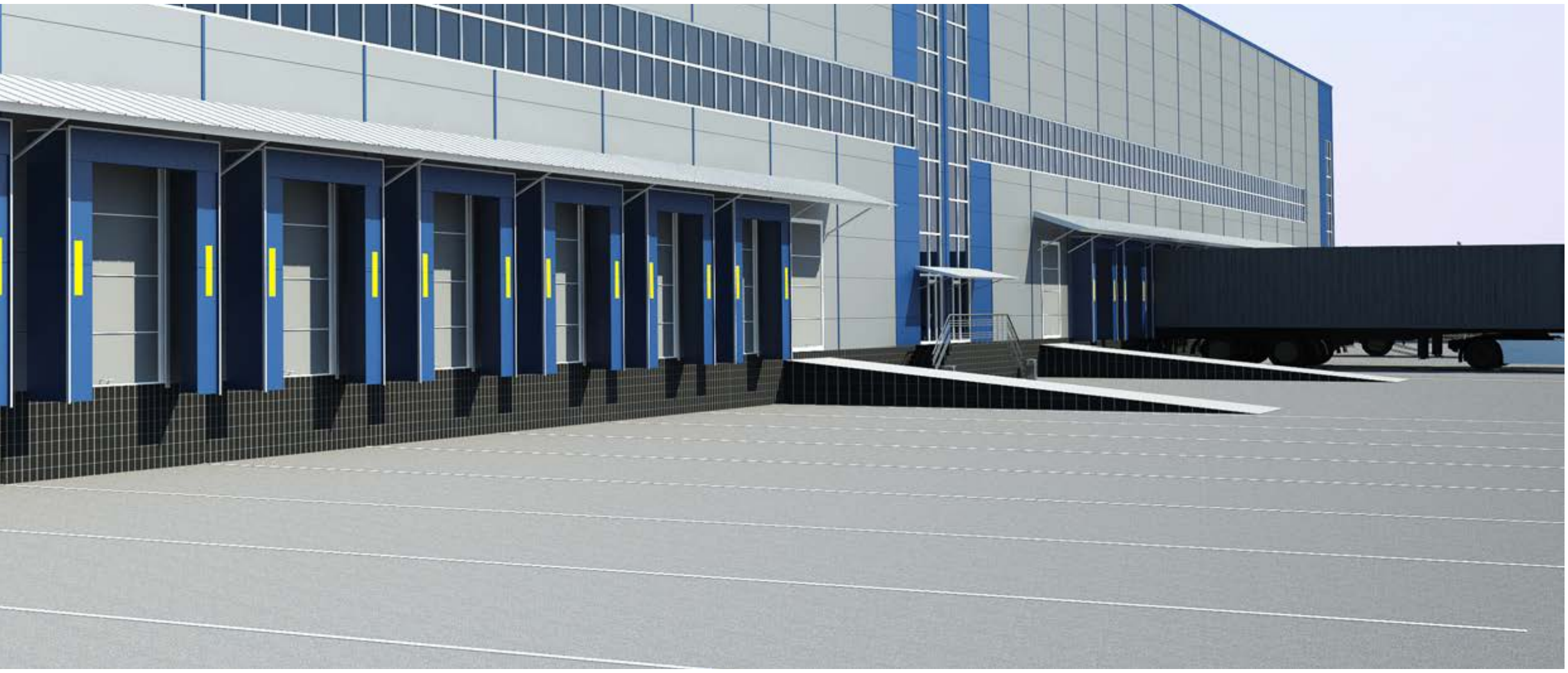

- Access to major transportation linkages
- Creditworthiness of the tenant(s)
- Contractual rent in place in relationship to market rent levels (above/below market)
- Replacement cost new relative to purchase price
- Feasibility of new construction
- The potential of rising interest rates in 2019 and 2020

CHANGING DEMAND INDICATORS

In addition to the above, investors in the industrial arena continue to be far more attuned to changing demand drivers and trends relating to the needs of the end-users/occupiers. End-users/occupiers are demanding facilities that are more efficient to operate and offer the ability to ship product faster without increasing costs. Some key observations made were:

LOGISTICS

Efficiency in the transformation and distribution of goods from raw material to final market sourcing continues to be the driving force relative to site selection. Location strategy and availability of sufficient labor are more critical than ever. With increased competition worldwide, the end-users/occupiers are becoming more innovative and cost conscious prior to final site selection. According to the State of Logistics Report July 2018, published by the Council of Supply Chain Management Professionals (CSCMP), the total cost of U.S. logistics rose 6.2%, following a rare decline in 2016. Also, according to the 29th Annual State of Logistics report, logistics costs as a percentage of GDP, one of the report's most frequently cited data points, has stayed within a range of 7.5% to 8.0% since 2010. The report also revealed that the third-party logistics (3PL) segment saw net revenue increase by $10 billion, from $175 billion in 2017 to $185 billion in 2018. The U.S. 3PL market is projected to grow by roughly 5.5% from 2017 to 2019, driven by an increase in outsourcing of both core and noncore logistics management activities. The industries with the largest proportion of outsourced logistics operations are high tech, retail, and food and groceries; logistics outsourcing is growing the fastest, however, in the eCommerce sectors.

ENERGY COSTS

Energy continues to be at the top of the end-users/occupiers list, as manufacturers and distributors try to find ways to reduce operating costs. Forecasting energy costs remains challenging due to the volatility in oil and gas prices. The U.S. Energy Information Administration (EIA) forecasts U.S. regular gasoline prices to average $2.47 per gallon over the full year of 2019, which, if realized, would result in the average U.S. household spending around 9.5% less on motor fuel in 2019 compared with 2018. The U.S. retail regular gasoline price is predicted to average $2.57 per gallon for the summer of 2019, 29 cents per gallon lower than the average price at that time last year. This slight decline in prices is not a cause for too much comment as gasoline prices tend to have a seasonal component. U.S. crude oil and petroleum product net imports are estimated to have fallen from an average of 3.8 million barrels per day in 2017 to an average of 2.4 million barrels per day in 2018. EIA forecasts that net imports will continue to fall to an average of 0.9 million barrels per day in 2019 and to an average net export level of 0.3 million barrels per day in 2020.

EIA estimates that U.S. crude oil production averaged 12.0 million barrels per day in January, up 90,000 barrel per day from December. EIA forecasts U.S. crude oil production to average 12.4 million barrels per day in 2019

and 13.2 million barrels per day in 2020, with most of the growth coming from the Permian region of Texas and New Mexico.

The volume of crude oil imports to the U.S. Gulf Coast (Petroleum Administration for Defense District, or PADD 3) from Canada has increased significantly during the past several years, reaching a record high of 644,000 barrels per day in October 2018. Canada's exports tend to be heavy crude oils, which Gulf Coast refiners are well equipped to process. Increasing volumes of Canadian crude oil have been transported to PADD 3 via rail, a more expensive option than via pipeline, because the existing pipelines have largely reached their capacities. This capacity limitation has created a transportation constraint and contributed to large price differentials between Western Canadian Select (WCS) and West Texas Intermediate (WTI) crude oils. The future levels of crude-by-rail shipments from Canada to the United States and price differentials between WCS and WTI are uncertain, as trade press reports indicate that increased shipping capacity in both rail and pipelines are expected by the end of 2019.

ACCESS TO MAJOR PORT CITES

Access to major deepwater ports is critical to the manufacturing and distribution sectors. Port cities in the U.S. are still expected to see sizable increases in shipping volume from Asia. Maritime transport is essential to the world's economy as over 90% of the world's trade is carried by sea, and it is, by far, the most cost-effective way to move mass amounts of goods and raw materials around the world. According to Sea-Land Service, Inc., to and from the U.S., the yearly waterborne foreign trade amounts to over one billion tons and a value of over $626 billion. To keep up with the demand from foreign trade, container ships are becoming larger and more cost effective, driving ports in the U.S. and around the globe into a constant struggle to keep up with the massive bulk of these new modern carriers. Industrial markets proximate to ports of entry remain some of the strongest performing markets in the country. As containerized imports have risen steadily over the last few years, the appetite for nearby industrial space has been robust. As of December 2018, imports at the nation's major retail container ports have set another new record, reaching 2 million containers in a single month for the first time as retailers continued to bring merchandise into the country ahead of a now-postponed increase in tariffs on goods from China, according to the monthly Global Port Tracker report released by the National Retail Federation and Hackett Associates. The National Retail Federation predicts imports will grow between 3.8% and 4.4% during the first half of 2019.

November was estimated at 2.01 million TEU, a 14% year-over-year increase that would have been a new record if not for the October number. December—normally a slow month with holiday merchandise already on the shelves—is forecast at 1.83 million TEU, up 6.1% year-over year. Those numbers would bring 2018 to a total of 21.8 million TEU, an increase of 6.5% over last year's record 20.5 million TEU.

Both year-over-year growth rates and total volumes slowed down considerably in January with 10% tariffs on $200 billion worth of Chinese products that took effect in September. It had been scheduled to increase to 25%, but the increase was put on hold while the two countries conduct 90 days of negotiations. Official action to delay the tariff increase has yet to be announced, however. January 2019 was forecasted at 1.72 million TEU, down 2.1% from January 2018; February at 1.67 million TEU, down 1.0% year-over-year; March at 1.57 million TEU, up 1.7%, and April at 1.7 million TEU, up 3.7%.

Port congestion is likely to remain a challenge, which may in turn support port-proximate industrial leasing. Although U.S. ports have been upgrading navigation channels and waterside infrastructure, inland road and rail capacity has typically not increased in tandem. As a consequence, more logistics operations will occur closer to ports.

INLAND PORT CITIES

Those markets in the U.S. that serve as critical links in global supply chains by efficiently and effectively moving cargo from maritime ports inland for distribution throughout the U.S., will continue to perform well. Inland port cities are critical to the completion of the supply-chain cycle, as shippers are looking to locate their distribution centers in close proximity to their end markets and reduce long-haul trucking costs by using intermodal rail. Markets with sufficient infrastructure and rail connectivity—like Chicago, Dallas/Fort Worth, Southern California (Inland Empire), Kansas City, and Columbus—serve as essential distribution nodes for many industrial occupiers. Collectively, these markets are forecast to increase their existing supply of industrial space by 145 msf over the next two years.

The growth of intermodal rail has made locating several hundred miles from seaports more feasible. Land availability, sizable population, and, more importantly, rail connectivity to other major cities are key notable traits. Another factor for importers subject to U.S. Customs duties and other taxes is the presence of inland foreign-trade zones (FTZ). There are now roughly 250 FTZ projects, many of them inland, permitting users to economically combine import and regional distribution functions at the same facility.

ACCESS TO RAIL NETWORKS

According to the Association of American Railroads (AAR), total carloads were up 1.8%, or 238,857 carloads from this time last year. Coal led the way in December, rising 3.8% (12,382 carloads), coal's biggest percentage gain in nine months. For all of 2018, coal carloads were down 0.3% (15,284 carloads), as coal continued to suffer from market and regulatory forces that favor natural gas and renewables for electricity generation. Petroleum products continued their resurgence, rising 26.5% in December and 18.2% for all of 2018, leading all carload commodities in carload gains. In 2018, 13 of the 20 commodity categories we track saw carload increases; carloads of chemicals and crushed stone, sand, and gravel set new annual volume records in 2018. What happens to rail traffic in 2019 will depend on how the domestic and global economies hold up and the policies, particularly monetary and trade, that come out of Washington.

The Intermodal Association of North America anticipates another solid year for intermodal in 2019. In the short-term, the mandated transition to electronic logging devices by trucking firms will cause a ripple effect for owner-operators, which will promote intermodal demand. Historically, when over-the-road prices climb, shoppers tend to look to intermodal rail to remain within their transportation budgets. As a result, intermodal is positioned well to gain market share on 500- to 1,000-mile hauls in 2019.

As the U.S. economy grows, the need to move freight will grow too. Recent forecasts from the Federal Highway Administration found that total U.S. freight shipments will rise from an estimated 18.1 billion tons in 2015 to 25.5 billion tons in 2040—a 41% increase.

ECOMMERCE

In just five years, eCommerce distribution space demand, which encompasses dedicated eCommerce fulfillment space but omits shared distribution space for both direct-to-consumer fulfillment and store replenishment, has grown from less than 5% of U.S. leasing in 2013 to about 20-25% of all new leasing in the U.S. for the period 2014 to 2018.

Considering that online sales are growing nearly four times faster than overall retail sales, further industrial demand for eCommerce fulfillment can be expected. A significant and growing share of online sales are General Merchandise, Apparel and Accessories, Furniture and Other Sales—commonly referred to as GAFO—which represents merchandise normally sold in department stores that typically require warehousing and distribution. These sales represent 26.9% of U.S. online transactions.

According to the U.S. Department of Commerce, total eCommerce sales for 2018 were $4.5 trillion, an increase of 15.0% from 2017; eCommerce sales accounted for 14.3% share of total retail sales last year, up from 12.9% in 2017 and 11.6% in 2016. Consequently, growth in this sector will increase demand on the trucking industry as well.

With a focus on individual packages rather than pallets, differences in inventory turns, significantly greater product variety, ever-quicker and reliable delivery expectations, and a need to accept returns, eCommerce fulfillment is an intense user of industrial space. These characteristics also increase the need for logistics-related real estate closer to urban areas to meet customer demand for same-day/next-day delivery. For many retailers, future sales—and profits—will be dependent on how quickly and consistently goods can be delivered to consumers in major metro areas.

Logistics has been transformed by eCommerce, becoming a competitive service business focused more on shipping directly to customers' homes from warehouses, and focused less on shipping to brick-and-mortar stores. Increasingly, businesses are embarking on their own e-commerce, trying to guide their businesses more online. The transformation that branded companies will undergo—developing a direct relationship with consumers and, in some cases, replacing or complementing retail relationships—will continue to lead to significant requirements for new industrial space.

PROXIMITY TO SUPPLIERS

Proximity to suppliers continues to be the trend in the industrial arena. Manufacturers are finding that proximity increases communication and the flow of information, ultimately resulting in improved processes and products. This enables a streamlined approach to inventory management and facilitates the more efficient, cost-effective, "just-in-time delivery" paradigm.

BUSINESS-FRIENDLY ENVIRONMENT

Another critical factor affecting industrial activity in the U.S. is the location of plants and warehousing to areas that offer a business-friendly environment. States that offer aggressive incentive packages with lower corporate taxes have become key drivers relative to conducting business and site selection criteria.

VALUATION & ADVISORY

Through the expertise of more than 1,825 professionals in nearly 150 offices, Cushman & Wakefield's Valuation & Advisory (V&A) group provides sophisticated advice on real estate equity and debt decisions to clients on a worldwide scale. Our capabilities span valuation and advisory services relating to acquisition, disposition, financing, litigation, and financial reporting, and 17 practice groups deliver real estate strategies and solutions to clients with unique operational, technical and business requirements. Access to real-time market data, the insights of Cushman & Wakefield's leasing, research and capital markets experts, and the experience derived from more than 35 years of operation ensure the application of best practices and proven, successful methodologies. In 2018, the group completed assignments involving 252,900 properties valued at more than $3.1 trillion.

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- Industrial
- Machinery & Equipment
- Multifamily
- Office
- Residential Development
- Restaurant
- Retail
- Self Storage
- Senior Housing/Healthcare
- Sports & Entertainment

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 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of $8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

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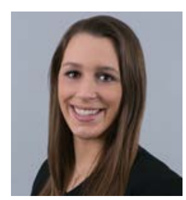

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