

# U.S. Industrial Trends Report

3rd Quarter 2014



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# U.S. Industrial Sector Analysis

## Economy

Despite economic uncertainty elsewhere in the world, most signs point to an increasingly robust expansion in the U.S. Real GDP grew by 4.6% in the second quarter of 2014, with pent-up activity from the first quarter driving growth to nearly double the 25-year average rate of 2.5%. Although it is likely that GDP will slow slightly in the third quarter, the remainder of the year is already looking strong. The ISM Manufacturing Index is in the high 50s (registering nearly 57 in September) for a 22nd consecutive month. Any reading above 50 indicates the manufacturing sector is expansion mode; a reading above 55 typically means robust growth in the sector. Auto sales have averaged an 8.8% year-over-year growth rate for the past six months, and retail sales—growing at rate of 4-5% this year—reflect a consumer who is spending again at pre-recession levels. Both industrial production and utilization of resources accelerated over the past five months, with durable manufacturing production (motor vehicles and parts and high-tech) 6% above August 2013 levels.

Accompanying all this good news are improvements in the labor market. The unemployment rate is currently 5.9%—130 basis points (bps) lower than just one year ago. Employment in industrial-related sectors grew by 103,000 payrolls in the third quarter of 2014—more than tripling the 31,000 additional payrolls added in the third quarter of last year. In fact, from January through September of this year industrial employment has already expanded by more jobs (284,000 net new jobs) than in all of 2013 (262,000 net new jobs).

As strong as these trends are, there are still a few economic engines that could drive further acceleration in the industrial sector. Housing, which typically accounts for 10-15% of warehouse inventory, has slowed since the end of 2013. This makes sense since fewer investor purchases are tempering sales. But when organic homebuyers come back into the market, these trends will reverse. Continued employment growth along with low interest rates will help buoy buyers in the year ahead.

We're also waiting to see the full impact of Alibaba. As has been well documented, this e-commerce giant is planning to expand into the U.S. Last year Alibaba posted \$248 million in sales, more than double those of Amazon. The impact of these developments could bring even more upside to the industrial sector over the next few years.

## Industrial Sector

The U.S. industrial sector is booming. In the third quarter, the industrial sector absorbed 41.6 million square feet (msf)—the second strongest reading since recordkeeping began in 1993; the record of 46 msf was set in the fourth quarter of 2012. Industrial vacancy fell 20 basis points from the previous quarter to 8.0%—the tightest level in six years.

Regionally, the West region remains the tightest. Vacancy currently stands at 6.4% and year-over-year rent growth reached 3.9%. Vacancy has also fallen sharply in the Midwest where vacancy now at 7.7%—50 bps below its long-term average. Rents in the Midwest increased 1.4% year-over-year. The South is approaching its historical vacancy equilibrium—at 9.3%; that is just 10 bps above its longer-term average. Rents increased by 4.4% during the third quarter in the South. The Northeast saw vacancy fall by 10 bps to 8.6%, and rents were up by 1.4%.

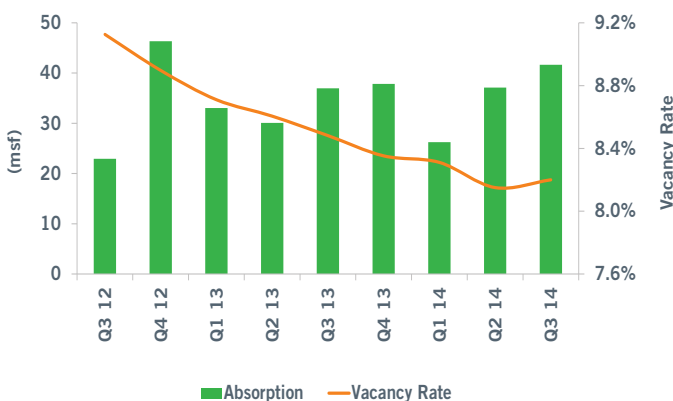
Of the 69 markets tracked by Cassidy Turley, 56 (81%) are now seeing rent growth versus the 44 (or 64%) that posted rent growth in the third quarter of 2013. As the nation's markets tighten further—rent growth averaged nearly 3% for the past four quarters for the first time since

### Market Indicators

3rd Quarter 2014

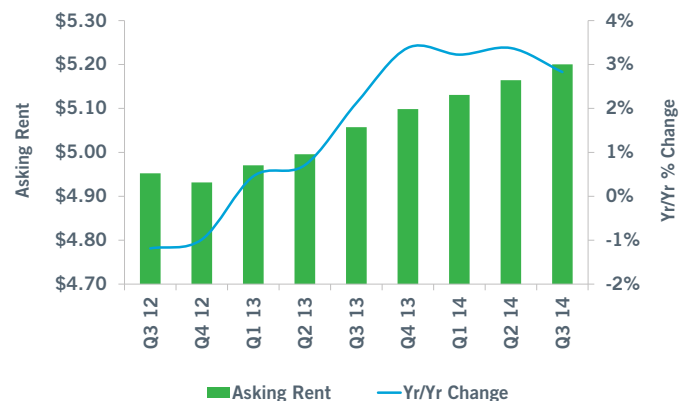
	2014 Q3	Trend (from previous Qtr)
Net Absorption	41.6M	▲
Vacancy	8.0%	▼
Asking Rents	\$5.20	▲
Under Construction	121.3M	▲

## U.S. Net Absorption vs. Vacancy



Source: Cassidy Turley Research

## U.S. Asking Rents



Source: Cassidy Turley Research

# U.S. Industrial Sector Analysis

2000. Developers are hustling to keep up with the robust demand trends. The amount of space under construction grew from 108.5 msf last quarter to 121 msf this quarter. That is twice the amount of activity that was in the pipeline in the third quarter of last year. Nevertheless, absorption levels have exceeded new construction each quarter of the past five years—by nearly double. If this pattern continues, industrial rent growth will likely accelerate well beyond 3% in 2015.

Although down slightly from last year, demand for large, mostly ecommerce-related distribution center space continues to be robust. Vacancy rates for that product have trended down by 40 bps over the past four quarters. Rents have mostly climbed at a steady pace for each product type (Bulk Class A, B, Manufacturing and Warehouse), but the largest gains in the third quarter were in the manufacturing sector. Demand for such space doubled in the last year, and rents for manufacturing space increased at a rate of 3.3%—which was best in class this quarter.

Sales activity of significant industrial properties continues to climb. Year-to-date sales are up 10% from a year ago, at \$31.6 billion in August of 2014 versus \$28.6 billion in August of 2013. Although flex space saw a 25% increase in the January-August sales volume, cap rates are compressing much faster on warehouse space—falling 40 bps in the last year compared to only 20 bps for flex space. Cap rates currently stand at 6.9% for warehouse space and 7.2% for flex space. Those figures are low, but by comparison cap rates were 30 bps lower in 2006 when demand for industrial space wasn't nearly as robust and interest rates weren't nearly as low. This disconnect suggests there is still a lot of room for industrial properties to appreciate going forward.

## Outlook

Economic conditions are less sanguine virtually everywhere else around the world, and that is clouding the outlook going forward. The Eurozone appears to be slipping back into recession, growth in China continues to slow, Japan reported negative GDP in the second quarter, and the emerging markets are stagnating. If conditions worsen overseas, and in particular, if the Eurozone falls into a severe downturn, that could be enough to trip up the U.S. expansion and slow growth to uncomfortable levels.

Downside risks aside, 2014 is on track to be the third strongest ever for the industrial sector in terms of net absorption. If it weren't for the weather-induced slowdown in Q1, it is likely this year would have eclipsed the high watermark set in 1997. Although the global uncertainty is starting to weigh on some of the latest economic data (retail sales, confidence and the ISM Index softened in September), the indicators still collectively point to a solid finish to the year. The key number to watch in the industrial sector is the vacancy rate. It is currently at 8%, but if current demand trends carry forward, vacancy will be below 7% by this same time next year. Historically, when vacancy reaches that 7% threshold, it is often a launching pad for rents to take off—doubling and possibly tripling the current growth rate.

## Asking Rents

Select Markets, Avg. Rent Q3 2014

	Rents (NNN)	Yr/Yr % Chg.
San Francisco, CA	\$11.76	2.1%
San Mateo County, CA	\$10.08	10.5%
Suburban VA	\$8.57	2.0%
San Jose-Silicon Valley, CA	\$7.61	11.8%
Suburban MD	\$7.20	0.7%
San Diego, CA	\$6.84	-1.7%
Los Angeles, CA	\$6.24	10.7%
Northern NJ	\$6.23	-0.6%
Oakland-East Bay, CA	\$5.78	12.9%
Denver, CO	\$5.74	15.7%
Colorado Springs, CO	\$5.53	2.4%
Phoenix, AZ	\$5.28	4.8%
Central NJ	\$5.20	1.4%
Baltimore, MD	\$5.18	13.8%
Minneapolis, MN	\$4.78	6.0%
Chicago, IL	\$4.70	5.2%
Houston, TX	\$4.65	1.5%
Raleigh, NC	\$4.48	6.2%
Nashville, TN	\$4.29	7.5%
Sacramento, CA	\$4.20	-5.4%
Tampa, FL	\$4.14	-1.0%
Kansas City, MO	\$4.10	0.7%
Dallas, TX	\$4.07	5.5%
Charlotte, NC	\$4.06	3.6%
Saint Louis, MO	\$4.05	1.0%
Milwaukee, WI	\$3.82	-4.3%
Indianapolis, IN	\$3.79	3.0%
Atlanta, GA	\$3.68	5.5%
Louisville, KY	\$3.61	15.7%
Columbus, OH	\$3.06	0.7%
Cincinnati, OH	\$2.97	1.4%
Dayton, OH	\$2.55	0.8%

Source: Cassidy Turley Research

## Net Absorption

Select Markets, Q3 2014



Source: Cassidy Turley Research

## Net Absorption as % of Inventory

Select Markets, Q3 2014



Source: Cassidy Turley Research

# Industrial Sales

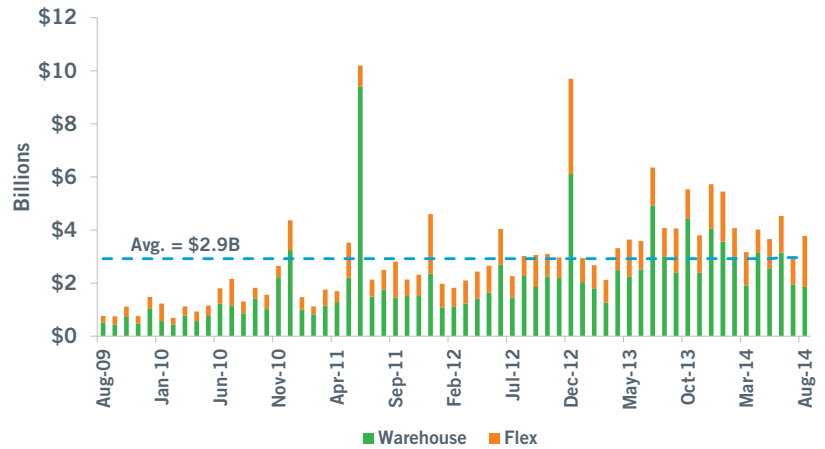
## Industrial Sales

Select Markets, Jan - Aug 2014

Market	Volume (mil)	Average PSF
Los Angeles, CA	\$1,933.3	\$112
Chicago, IL	\$1,890.8	\$53
Dallas, TX	\$1,395.0	\$48
San Jose, CA	\$1,323.1	\$181
Northern NJ	\$1,130.4	\$81
Inland Empire, CA	\$1,061.4	\$76
Atlanta, GA	\$918.5	\$45
Orange County, CA	\$904.1	\$129
San Diego, CA	\$756.3	\$136
Phoenix, AZ	\$689.0	\$89
Boston, MA	\$681.7	\$71
Denver, CO	\$676.4	\$70
Houston, TX	\$655.3	\$67
East Bay, CA	\$509.3	\$113
Austin, TX	\$491.7	\$100
Nashville, TN	\$488.7	\$37
Minneapolis, MN	\$479.9	\$61
Raleigh, NC	\$429.5	\$59
Indianapolis, IN	\$412.9	\$32
Charlotte, NC	\$407.0	\$49
Miami, FL	\$369.5	\$111
Seattle, WA	\$361.6	\$96
Baltimore, MD	\$345.6	\$66
San Francisco, CA	\$296.3	\$270
Suburban MD	\$253.4	\$90
Columbus, OH	\$253.2	\$39
San Antonio, TX	\$214.1	\$70
Milwaukee, WI	\$212.0	\$54
Tampa, FL	\$165.2	\$56
Cincinnati, OH	\$164.2	\$35
Sacramento, CA	\$139.4	\$50
Kansas City, MO	\$102.1	N/A
Saint Louis, MO	\$101.1	\$38

Source: Real Capital Analytics

## U.S. Industrial Sales Volume



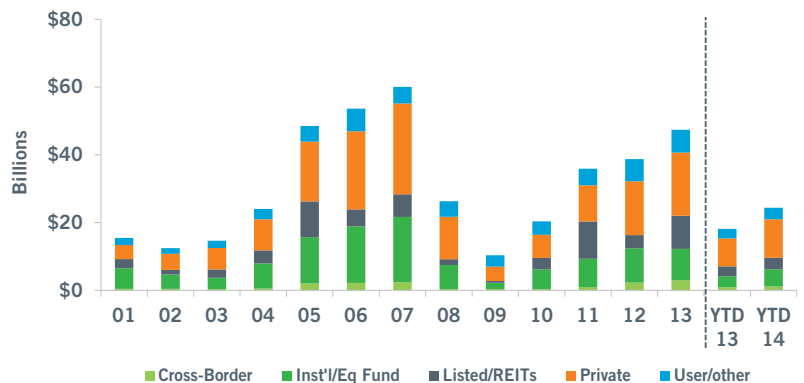
Source: Real Capital Analytics

## U.S. Industrial Cap Rates



Source: Real Capital Analytics

## Industrial Acquisition by Buyer Type



Source: Real Capital Analytics

# Net Absorption

	2011	2012	2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014r	Q3 2014p
<b>United States</b>	<b>118,145,000</b>	<b>110,671,000</b>	<b>137,932,000</b>	<b>36,966,000</b>	<b>37,834,000</b>	<b>26,254,000</b>	<b>37,106,000</b>	<b>41,641,000</b>
<b>Northeast</b>	9,238,000	3,099,000	8,744,000	3,793,000	1,000,000	-27,000	513,000	1,053,000
<b>Midwest</b>	22,236,000	33,503,000	37,519,000	8,498,000	8,117,000	8,861,000	10,219,000	10,149,000
<b>South</b>	49,782,000	42,301,000	46,207,000	10,128,000	13,065,000	6,995,000	11,717,000	15,434,000
<b>West</b>	36,888,000	31,767,000	45,461,000	14,547,000	15,652,000	10,424,000	14,657,000	15,005,000
Albuquerque, NM	-194,000	-404,000	185,000	256,000	183,000	-220,000	104,000	130,000
Anaheim-Santa Ana, CA	1,530,000	411,000	-43,000	-249,000	188,000	251,000	270,000	196,000
Atlanta-Sandy Springs-Marietta, GA	5,373,000	4,842,000	7,687,000	968,000	1,322,000	114,000	1,943,000	1,714,000
Austin-Round Rock, TX	914,000	926,000	962,000	160,000	271,000	-528,000	198,000	131,000
Baltimore, MD	2,449,000	1,625,000	3,576,000	1,070,000	1,242,000	-52,000	213,000	1,637,000
Birmingham-Hoover, AL	414,000	612,000	-73,000	-243,000	-38,000	95,000	98,000	85,000
Boston-Cambridge, MA	1,352,000	1,011,000	1,775,000	785,000	-81,000	425,000	255,000	362,000
Buffalo-Niagara Falls, NY	-450,000	236,000	-973,000	-291,000	-61,000	24,000	153,000	177,000
Charleston-North Charleston, SC	3,102,000	163,000	-470,000	-647,000	-85,000	264,000	-728,000	458,000
Charlotte, NC	2,929,000	2,100,000	2,849,000	574,000	1,005,000	435,000	908,000	1,226,000
Chicago-Naperville-Joliet, IL	3,344,000	14,703,000	9,136,000	557,000	2,141,000	1,445,000	1,705,000	1,214,000
Cincinnati-Middletown, OH-KY-IN	175,000	2,384,000	4,760,000	1,999,000	353,000	1,339,000	1,899,000	778,000
Cleveland-Elyria-Mentor, OH	158,000	183,000	1,313,000	516,000	373,000	54,000	-54,000	441,000
Colorado Springs, CO	356,000	609,000	398,000	162,000	-5,000	236,000	41,000	-26,000
Columbia, SC	604,000	-228,000	367,000	150,000	142,000	85,000	-210,000	-35,000
Columbus, OH	106,000	681,000	4,477,000	1,661,000	1,181,000	2,075,000	384,000	1,746,000
Dallas-Fort Worth, TX	10,941,000	8,899,000	8,899,000	1,238,000	5,011,000	1,659,000	2,060,000	1,374,000
Dayton, OH	1,182,000	2,104,000	1,778,000	721,000	400,000	75,000	1,479,000	281,000
Denver-Aurora, CO	-355,000	3,600,000	4,855,000	1,809,000	1,283,000	1,891,000	1,578,000	437,000
Detroit-Warren-Livonia, MI	5,715,000	-36,000	2,729,000	152,000	751,000	-31,000	483,000	-378,000
Ft. Lauderdale, FL	5,000	982,000	1,579,000	333,000	462,000	170,000	627,000	271,000
Greensboro-Winston-Salem, NC	-69,000	763,000	-982,000	-797,000	-259,000	126,000	36,000	39,000
Greenville, SC	943,000	820,000	453,000	192,000	39,000	-128,000	243,000	119,000
Hartford-West Hartford-East Hartford, CT	48,000	68,000	-459,000	-302,000	-80,000	264,000	-56,000	271,000
Honolulu, HI	204,000	93,000	138,000	214,000	-61,000	-3,000	135,000	121,000
Houston-Baytown-Sugar Land, TX	3,582,000	5,186,000	3,627,000	831,000	1,612,000	1,694,000	1,633,000	2,444,000
Indianapolis, IN	5,406,000	4,477,000	2,213,000	636,000	185,000	667,000	1,415,000	1,421,000
Jacksonville, FL	1,519,000	466,000	561,000	143,000	-198,000	365,000	-212,000	9,000
Kansas City, MO-KS	1,553,000	2,096,000	3,149,000	707,000	40,000	786,000	107,000	1,804,000
Las Vegas-Paradise, NV	700,000	-226,000	2,059,000	726,000	458,000	27,000	485,000	450,000
Little Rock-N. Little Rock, AR	129,000	-561,000	51,000	-95,000	-177,000	8,000	-238,000	-38,000
Los Angeles-Long Beach-Glendale, CA	491,000	3,909,000	759,000	1,580,000	1,864,000	1,703,000	2,184,000	1,674,000
Louisville, KY-IN	1,709,000	802,000	1,681,000	566,000	1,229,000	194,000	848,000	787,000
Memphis, TN-MS-AR	967,000	-465,000	3,877,000	1,869,000	-748,000	277,000	-209,000	747,000
Miami-Dade, FL	1,826,000	2,348,000	2,040,000	1,040,000	216,000	521,000	1,250,000	636,000
Milwaukee-Waukesha-West Allis, WI	3,129,000	3,702,000	4,828,000	1,293,000	1,616,000	721,000	1,219,000	1,234,000
Minneapolis-St. Paul-Bloomington, MN-WI	421,000	2,247,000	1,303,000	84,000	314,000	-146,000	-173,000	524,000
Nashville-Davidson-Murfreesboro, TN	3,665,000	6,034,000	3,327,000	1,673,000	394,000	-690,000	2,200,000	1,647,000
New York, NY	59,000	-57,000	26,000	15,000	38,000	21,000	-17,000	41,000
Long Island, NY	130,000	-412,000	614,000	63,000	-57,000	51,000	-224,000	53,000
Northern New Jersey	548,000	793,000	1,427,000	401,000	-420,000	-633,000	-836,000	118,000
Central New Jersey	2,951,000	1,659,000	2,962,000	1,275,000	403,000	1,277,000	55,000	-66,000
Oakland-East Bay, CA	457,000	1,967,000	4,087,000	996,000	1,156,000	664,000	1,676,000	1,173,000
Oklahoma City, OK	1,411,000	-99,000	555,000	82,000	357,000	227,000	136,000	-1,000

# Net Absorption

	2011	2012	2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014r	Q3 2014p
Omaha, NE-IA	427,000	291,000	-73,000	79,000	58,000	165,000	290,000	152,000
Orlando, FL	1,864,000	1,016,000	1,589,000	337,000	296,000	-34,000	246,000	607,000
West Palm Beach-Boca Raton, FL	443,000	674,000	812,000	19,000	214,000	119,000	235,000	28,000
Philadelphia-Camden-Wilmington, PA-NJ	2,417,000	203,000	1,973,000	1,467,000	951,000	-1,829,000	804,000	-272,000
Phoenix-Mesa-Scottsdale, AZ	7,478,000	5,565,000	3,325,000	1,000,000	1,605,000	2,938,000	3,654,000	1,867,000
Pittsburgh, PA	2,165,000	1,409,000	813,000	269,000	288,000	246,000	225,000	196,000
Portland-Vancouver-Beaverton, OR-WA	2,213,000	1,778,000	741,000	493,000	696,000	257,000	784,000	997,000
Raleigh-Durham, NC	506,000	736,000	639,000	261,000	-81,000	389,000	149,000	159,000
Sacramento-Arden-Arcade-Roseville, CA	703,000	234,000	1,465,000	-164,000	119,000	386,000	746,000	1,279,000
Saint Louis, MO-IL	621,000	671,000	1,907,000	95,000	705,000	1,710,000	1,466,000	932,000
Salt Lake City, UT	2,657,000	253,000	1,352,000	73,000	477,000	-189,000	-673,000	194,000
San Antonio, TX	2,409,000	1,642,000	367,000	111,000	-93,000	1,348,000	-337,000	-526,000
San Bernardino/Riverside, CA	15,509,000	6,600,000	16,756,000	5,457,000	4,351,000	1,496,000	922,000	4,581,000
San Diego-Carlsbad-San Marcos, CA	695,000	2,710,000	2,327,000	1,099,000	559,000	373,000	489,000	386,000
San Francisco, CA	-101,000	-293,000	-57,000	-68,000	43,000	-9,000	43,000	221,000
San Jose-Silicon Valley, CA	257,000	-269,000	409,000	121,000	286,000	-29,000	71,000	361,000
San Mateo County, CA	151,000	154,000	1,153,000	-4,000	296,000	-533,000	525,000	73,000
Seattle-Tacoma-Bellevue, WA	1,666,000	3,389,000	2,669,000	249,000	1,417,000	963,000	907,000	611,000
DC-MD Suburbs	2,000	1,226,000	-187,000	-183,000	353,000	-231,000	59,000	19,000
DC-VA Suburbs	1,019,000	381,000	1,019,000	200,000	296,000	258,000	331,000	152,000
Stockton, CA	2,503,000	1,915,000	2,415,000	634,000	603,000	206,000	829,000	210,000
Syracuse, NY	18,000	-1,809,000	585,000	111,000	19,000	126,000	153,000	173,000
Tampa-St.Petersburg-Clearwater, FL	1,146,000	1,304,000	1,424,000	296,000	284,000	257,000	209,000	1,738,000
Tucson, AZ	-32,000	-227,000	470,000	165,000	134,000	16,000	-113,000	72,000
Washington, DC	-21,000	111,000	-21,000	-21,000	-1,000	50,000	33,000	5,000

Methodology and data sources explained on page 14

r = revision

p = preliminary

# Industrial Vacancy Rates

	2011	2012	2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014r	Q3 2014p
	<i>(Quarterly Average)</i>							
<b>United States</b>	<b>9.6%</b>	<b>9.1%</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.4%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.0%</b>
<b>Northeast</b>	9.1%	9.1%	8.9%	8.9%	8.8%	8.7%	8.7%	8.6%
<b>Midwest</b>	9.4%	9.0%	8.3%	8.3%	8.2%	8.1%	7.8%	7.7%
<b>South</b>	11.3%	10.6%	9.7%	9.6%	9.6%	9.6%	9.5%	9.3%
<b>West</b>	8.4%	8.0%	7.2%	7.2%	6.8%	6.8%	6.6%	6.4%
Albuquerque, NM	5.8%	6.8%	7.6%	7.6%	7.3%	7.9%	7.7%	7.5%
Anaheim-Santa Ana, CA	3.6%	2.6%	2.5%	2.7%	2.7%	2.7%	2.3%	2.5%
Atlanta-Sandy Springs-Marietta, GA	15.0%	14.0%	12.4%	12.3%	12.0%	12.0%	11.5%	11.2%
Austin-Round Rock, TX	13.8%	11.1%	8.8%	8.4%	7.9%	10.3%	9.7%	9.2%
Baltimore, MD*	13.1%	12.3%	11.1%	10.9%	10.2%	10.2%	10.2%	9.6%
Birmingham-Hoover, AL	8.0%	8.0%	8.2%	8.3%	8.3%	8.2%	8.1%	8.0%
Boston-Cambridge, MA	15.2%	14.2%	13.0%	12.6%	12.7%	12.4%	12.1%	11.8%
Buffalo-Niagara Falls, NY	8.1%	7.7%	9.0%	9.5%	9.6%	9.5%	9.2%	9.2%
Charleston-North Charleston, SC	14.3%	13.3%	14.4%	15.6%	16.2%	15.4%	17.9%	16.6%
Charlotte, NC	9.6%	8.5%	8.0%	7.3%	8.1%	7.7%	7.6%	7.8%
Chicago-Naperville-Joliet, IL	11.4%	10.3%	9.2%	9.2%	9.0%	9.0%	8.9%	8.9%
Cincinnati-Middletown, OH-KY-IN	10.0%	9.4%	7.0%	6.6%	6.2%	5.8%	5.5%	5.6%
Cleveland-Elyria-Mentor, OH	9.6%	9.4%	9.2%	9.1%	9.0%	9.0%	9.1%	8.9%
Colorado Springs, CO	11.1%	10.7%	9.2%	8.8%	8.9%	8.7%	8.6%	8.7%
Columbia, SC	14.7%	16.0%	15.8%	15.5%	15.1%	14.9%	15.4%	15.5%
Columbus, OH	10.7%	9.6%	8.3%	7.9%	7.8%	7.3%	7.4%	7.1%
Dallas-Fort Worth, TX	10.0%	8.5%	7.2%	7.2%	6.6%	6.9%	6.5%	6.5%
Dayton, OH	10.1%	13.0%	14.2%	15.2%	14.7%	14.4%	13.0%	13.1%
Denver-Aurora, CO	8.2%	7.6%	6.3%	6.0%	5.5%	5.0%	4.9%	4.8%
Detroit-Warren-Livonia, MI	12.7%	11.9%	10.9%	10.9%	10.7%	10.7%	10.5%	10.6%
Ft. Lauderdale, FL	11.4%	10.6%	9.4%	9.2%	8.8%	9.1%	8.5%	8.1%
Greensboro-Winston-Salem, NC	9.5%	9.6%	9.5%	9.7%	9.8%	9.8%	9.9%	9.9%
Greenville, SC	11.0%	10.8%	10.2%	10.2%	10.2%	10.5%	10.2%	10.0%
Hartford-West Hartford-East Hartford, CT	9.2%	9.7%	9.9%	10.0%	10.1%	9.9%	9.9%	9.6%
Honolulu, HI	2.8%	2.4%	2.2%	1.8%	2.0%	2.0%	1.7%	1.7%
Houston-Baytown-Sugar Land, TX	7.5%	6.6%	6.6%	6.8%	7.0%	7.3%	7.3%	6.9%
Indianapolis, IN	5.1%	3.9%	3.7%	3.8%	4.3%	4.5%	4.6%	4.9%
Jacksonville, FL	10.6%	9.8%	8.8%	8.6%	8.9%	8.4%	8.7%	8.7%
Kansas City, MO-KS	8.6%	7.9%	7.4%	7.3%	7.3%	7.7%	7.9%	7.6%
Las Vegas-Paradise, NV	12.4%	12.2%	11.0%	10.7%	10.2%	10.5%	10.0%	9.6%
Little Rock-N. Little Rock, AR	7.2%	8.1%	8.1%	8.1%	8.4%	8.4%	8.9%	8.9%
Los Angeles-Long Beach-Glendale, CA	5.6%	5.4%	5.6%	5.6%	5.5%	5.2%	4.9%	4.7%
Louisville, KY-IN	9.1%	8.1%	6.7%	5.5%	6.3%	7.3%	6.6%	5.9%
Memphis, TN-MS-AR	14.0%	15.5%	14.0%	13.5%	14.4%	14.5%	14.6%	14.6%
Miami-Dade, FL	7.4%	6.2%	5.6%	5.4%	5.4%	5.2%	4.7%	4.7%
Milwaukee-Waukesha-West Allis, WI	7.9%	7.0%	6.7%	6.5%	6.2%	6.2%	5.8%	5.5%
Minneapolis-St. Paul-Bloomington, MN-WI	13.7%	12.4%	10.6%	10.4%	10.1%	10.3%	10.4%	10.0%
Nashville-Davidson-Murfreesboro, TN	10.1%	9.3%	8.2%	8.0%	8.2%	8.7%	7.5%	6.8%
New York, NY	4.0%	4.0%	4.3%	4.3%	4.0%	3.9%	4.0%	3.7%
Long Island, NY	4.7%	4.7%	4.5%	4.5%	4.5%	4.5%	4.6%	4.6%
Northern New Jersey	8.5%	8.2%	7.6%	7.5%	7.6%	7.8%	8.1%	8.0%
Central New Jersey	10.7%	9.0%	7.8%	7.5%	7.2%	6.5%	6.5%	7.3%
Oakland-East Bay, CA	9.4%	9.0%	7.1%	6.8%	6.2%	5.6%	5.2%	5.0%



# Industrial Vacancy Rates

	2011	2012	2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014r	Q3 2014p
	<i>(Quarterly Average)</i>							
Oklahoma City, OK	6.3%	5.7%	5.8%	5.8%	5.5%	5.6%	5.5%	5.6%
Omaha, NE-IA	4.7%	4.2%	4.6%	4.8%	4.7%	4.5%	4.2%	3.9%
Orlando, FL	11.1%	9.0%	7.8%	7.7%	7.4%	7.5%	7.5%	6.8%
West Palm Beach-Boca Raton, FL	9.2%	7.3%	5.0%	4.9%	4.5%	4.7%	4.0%	4.0%
Philadelphia-Camden-Wilmington, PA-NJ	10.4%	10.0%	10.1%	10.1%	9.8%	10.4%	10.1%	10.2%
Phoenix-Mesa-Scottsdale, AZ	14.3%	12.7%	12.5%	12.9%	12.6%	12.2%	11.7%	11.2%
Pittsburgh, PA	8.7%	8.3%	7.7%	7.7%	7.6%	7.5%	7.4%	7.4%
Portland-Vancouver-Beaverton, OR-WA	9.4%	8.2%	8.3%	8.4%	7.9%	7.8%	7.6%	6.9%
Raleigh-Durham, NC	19.9%	18.8%	17.1%	16.5%	16.6%	16.7%	16.2%	16.1%
Sacramento-Arden-Arcade-Roseville, CA	13.5%	13.3%	12.5%	12.3%	12.2%	11.9%	11.4%	10.6%
Saint Louis, MO-IL	8.7%	8.8%	8.1%	8.1%	7.8%	7.3%	6.7%	6.3%
Salt Lake City, UT	2.1%	2.2%	2.2%	2.4%	2.0%	2.2%	3.0%	2.8%
San Antonio, TX	9.1%	9.0%	8.7%	8.1%	10.0%	9.4%	10.0%	10.8%
San Bernardino/Riverside, CA	8.4%	7.5%	6.1%	5.8%	5.1%	4.9%	5.9%	5.8%
San Diego-Carlsbad-San Marcos, CA	11.6%	10.4%	8.7%	8.7%	7.8%	7.6%	7.2%	7.1%
San Francisco, CA	4.7%	4.8%	5.1%	5.3%	5.1%	5.1%	4.9%	5.9%
San Jose-Silicon Valley, CA	7.8%	7.1%	6.6%	6.6%	6.3%	6.2%	6.1%	5.7%
San Mateo County, CA	9.0%	9.3%	6.2%	6.0%	5.2%	6.5%	4.8%	4.7%
Seattle-Tacoma-Bellevue, WA	7.5%	6.0%	5.2%	5.5%	4.8%	4.7%	4.6%	4.6%
DC-MD Suburbs	13.7%	11.8%	11.0%	11.6%	10.8%	10.5%	10.0%	9.9%
DC-VA Suburbs	11.6%	10.6%	10.0%	10.2%	9.4%	8.7%	8.0%	7.8%
Stockton, CA	11.6%	10.3%	9.3%	8.8%	9.7%	9.6%	9.0%	8.8%
Syracuse, NY	11.5%	15.1%	15.2%	15.0%	15.0%	14.9%	14.6%	14.2%
Tampa-St.Petersburg-Clearwater, FL	8.7%	8.0%	6.4%	6.3%	6.0%	5.8%	5.6%	5.0%
Tucson, AZ	10.0%	11.5%	10.5%	10.2%	9.7%	9.7%	10.2%	10.0%
Washington, DC	18.1%	18.5%	16.8%	17.4%	17.3%	16.8%	16.4%	16.7%

Methodology and data sources explained on page 14

r = revision

p = preliminary

\* Baltimore, MD vacancy rate only reflects direct vacancy

# Asking Rents

	2011	2012	2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014r	Q3 2014p
	<i>(Quarterly Average)</i>							
United States	\$4.99	\$4.95	\$5.03	\$5.06	\$5.10	\$5.13	\$5.16	\$5.20
Northeast	\$5.82	\$5.71	\$5.71	\$5.74	\$5.79	\$5.87	\$5.84	\$5.82
Midwest	\$3.80	\$3.73	\$3.82	\$3.80	\$3.84	\$3.83	\$3.84	\$3.85
South	\$4.49	\$4.47	\$4.58	\$4.58	\$4.65	\$4.72	\$4.78	\$4.78
West	\$5.86	\$5.88	\$6.01	\$6.12	\$6.12	\$6.11	\$6.19	\$6.36
Albuquerque, NM	\$6.38	\$6.23	\$5.70	\$5.80	\$5.64	\$5.59	\$5.52	\$5.53
Anaheim-Santa Ana, CA	\$5.84	\$5.87	\$6.13	\$6.39	\$6.40	\$6.43	\$6.62	\$6.75
Atlanta-Sandy Springs-Marietta, GA	\$3.48	\$3.45	\$3.50	\$3.48	\$3.53	\$3.57	\$3.60	\$3.68
Austin-Round Rock, TX	\$5.59	\$5.63	\$5.72	\$5.79	\$5.88	\$6.00	\$6.06	\$6.08
Baltimore, MD	\$4.84	\$4.76	\$4.86	\$4.55	\$4.80	\$5.04	\$5.89	\$5.18
Birmingham-Hoover, AL	\$3.13	\$3.15	\$3.09	\$3.04	\$3.04	\$3.09	\$3.12	\$3.15
Boston-Cambridge, MA	\$4.24	\$4.23	\$4.40	\$4.37	\$4.37	\$4.43	\$4.41	\$4.44
Buffalo-Niagara Falls, NY	\$4.28	\$4.02	\$3.74	\$3.76	\$3.73	\$3.75	\$3.76	\$3.66
Charleston-North Charleston, SC	\$4.03	\$4.04	\$4.13	\$4.14	\$4.12	\$4.12	\$4.20	\$4.20
Charlotte, NC	\$3.62	\$3.78	\$3.93	\$3.92	\$3.95	\$3.97	\$4.12	\$4.06
Chicago-Naperville-Joliet, IL	\$4.04	\$4.09	\$4.40	\$4.46	\$4.46	\$4.50	\$4.53	\$4.70
Cincinnati-Middletown, OH-KY-IN	\$2.77	\$2.74	\$2.88	\$2.93	\$2.89	\$2.92	\$2.95	\$2.97
Cleveland-Elyria-Mentor, OH	\$3.81	\$3.81	\$3.81	\$3.82	\$3.86	\$3.82	\$3.84	\$3.91
Colorado Springs, CO	\$5.80	\$5.41	\$5.37	\$5.40	\$5.34	\$5.39	\$5.46	\$5.53
Columbia, SC	\$3.74	\$3.75	\$3.66	\$3.61	\$3.65	\$3.64	\$3.43	\$3.52
Columbus, OH	\$2.98	\$2.87	\$3.06	\$3.04	\$3.00	\$2.99	\$3.06	\$3.06
Dallas-Fort Worth, TX	\$3.67	\$3.65	\$3.83	\$3.85	\$4.01	\$4.08	\$4.09	\$4.07
Dayton, OH	\$2.89	\$2.75	\$2.66	\$2.53	\$2.63	\$2.60	\$2.56	\$2.55
Denver-Aurora, CO	\$4.59	\$4.62	\$4.90	\$4.96	\$5.07	\$5.23	\$5.59	\$5.74
Detroit-Warren-Livonia, MI	\$4.10	\$4.01	\$3.99	\$3.96	\$4.12	\$4.19	\$4.08	\$4.08
Ft. Lauderdale, FL	\$6.05	\$5.85	\$6.00	\$6.03	\$6.02	\$6.23	\$6.29	\$6.42
Greensboro-Winston-Salem, NC	\$3.11	\$2.99	\$2.94	\$2.97	\$2.94	\$2.84	\$2.82	\$2.83
Greenville, SC	\$2.97	\$2.92	\$2.88	\$2.87	\$2.90	\$2.97	\$3.04	\$3.08
Hartford-West Hartford-East Hartford, CT	\$4.34	\$4.26	\$4.06	\$4.01	\$3.99	\$4.05	\$3.98	\$4.04
Honolulu, HI	\$10.56	\$10.71	\$10.80	\$10.84	\$10.93	\$10.90	\$10.89	\$10.94
Houston-Baytown-Sugar Land, TX	\$4.41	\$4.45	\$4.53	\$4.58	\$4.60	\$4.72	\$4.67	\$4.65
Indianapolis, IN	\$3.43	\$3.51	\$3.68	\$3.68	\$3.71	\$3.71	\$3.75	\$3.79
Jacksonville, FL	\$3.77	\$3.83	\$3.86	\$3.84	\$3.80	\$3.83	\$3.83	\$3.80
Kansas City, MO-KS	\$3.98	\$4.00	\$4.13	\$4.07	\$4.16	\$4.14	\$4.02	\$4.10
Las Vegas-Paradise, NV	\$5.68	\$5.48	\$5.51	\$5.57	\$5.53	\$5.52	\$5.63	\$5.83
Little Rock-N. Little Rock, AR	\$3.14	\$3.12	\$3.29	\$3.29	\$3.31	\$3.27	\$3.33	\$3.37
Los Angeles-Long Beach-Glendale, CA	\$5.15	\$5.23	\$5.53	\$5.63	\$5.75	\$5.82	\$6.03	\$6.24
Louisville, KY-IN	\$3.00	\$3.00	\$3.19	\$3.12	\$3.59	\$3.54	\$3.52	\$3.61
Memphis, TN-MS-AR	\$2.52	\$2.55	\$2.56	\$2.51	\$2.53	\$2.61	\$2.61	\$2.61
Miami-Dade, FL	\$6.65	\$7.29	\$7.83	\$7.99	\$7.85	\$8.34	\$8.56	\$8.33
Milwaukee-Waukesha-West Allis, WI	\$4.26	\$4.03	\$3.96	\$3.99	\$3.95	\$3.90	\$3.91	\$3.82
Minneapolis-St. Paul-Bloomington, MN-WI	\$4.23	\$4.30	\$4.62	\$4.51	\$4.82	\$4.89	\$4.91	\$4.78
Nashville-Davidson-Murfreesboro, TN	\$3.82	\$3.90	\$3.94	\$3.99	\$4.09	\$4.27	\$4.30	\$4.29
New York, NY	\$13.06	\$11.98	\$11.23	\$11.36	\$11.39	\$11.39	\$11.84	\$11.37
Long Island, NY	\$10.59	\$10.97	\$10.98	\$11.16	\$11.13	\$11.63	\$11.77	\$11.88
Northern New Jersey	\$5.42	\$5.48	\$6.04	\$6.27	\$6.24	\$6.51	\$6.14	\$6.23
Central New Jersey	\$4.65	\$4.52	\$5.29	\$5.13	\$5.55	\$5.53	\$5.30	\$5.20
Oakland-East Bay, CA	\$4.69	\$4.87	\$5.04	\$5.12	\$5.14	\$5.29	\$5.61	\$5.78

# Asking Rents

	2011	2012	2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014r	Q3 2014p
	<i>(Quarterly Average)</i>							
Oklahoma City, OK	\$3.43	\$3.45	\$3.50	\$3.53	\$3.71	\$3.79	\$3.90	\$3.91
Omaha, NE-IA	\$4.62	\$4.45	\$4.60	\$4.55	\$4.47	\$4.50	\$4.40	\$4.38
Orlando, FL	\$4.06	\$3.95	\$4.05	\$4.08	\$4.14	\$4.18	\$4.29	\$4.25
West Palm Beach-Boca Raton, FL	\$6.29	\$6.28	\$6.39	\$6.31	\$6.43	\$6.47	\$6.62	\$6.78
Philadelphia-Camden-Wilmington, PA-NJ	\$4.04	\$4.14	\$4.13	\$4.13	\$4.15	\$4.11	\$4.04	\$4.02
Phoenix-Mesa-Scottsdale, AZ	\$4.88	\$4.90	\$5.03	\$5.04	\$5.04	\$5.16	\$5.28	\$5.28
Pittsburgh, PA	\$4.36	\$4.79	\$4.60	\$4.55	\$4.65	\$4.59	\$4.50	\$4.63
Portland-Vancouver-Beaverton, OR-WA	\$4.27	\$4.36	\$4.59	\$4.56	\$4.41	\$4.46	\$4.44	\$4.52
Raleigh-Durham, NC	\$3.97	\$4.06	\$4.18	\$4.22	\$4.24	\$4.31	\$4.39	\$4.48
Sacramento-Arden-Arcade-Roseville, CA	\$4.35	\$4.44	\$4.38	\$4.44	\$4.44	\$4.20	\$4.20	\$4.20
Saint Louis, MO-IL	\$4.49	\$4.27	\$4.03	\$4.01	\$3.97	\$3.79	\$4.09	\$4.05
Salt Lake City, UT	\$4.13	\$4.33	\$4.52	\$4.54	\$4.54	\$4.54	\$4.59	\$4.61
San Antonio, TX	\$4.01	\$4.05	\$4.24	\$4.22	\$4.38	\$4.49	\$4.58	\$4.71
San Bernardino/Riverside, CA	\$3.98	\$4.29	\$4.61	\$4.67	\$4.43	\$4.55	\$4.73	\$4.74
San Diego-Carlsbad-San Marcos, CA	\$7.41	\$7.14	\$6.99	\$6.96	\$6.84	\$7.08	\$6.84	\$6.84
San Francisco, CA	\$9.55	\$9.89	\$10.62	\$11.52	\$11.40	\$10.56	\$10.20	\$11.76
San Jose-Silicon Valley, CA	\$6.23	\$6.79	\$6.86	\$6.81	\$7.16	\$7.23	\$7.39	\$7.61
San Mateo County, CA	\$8.94	\$8.51	\$8.88	\$9.12	\$9.24	\$9.24	\$9.80	\$10.08
Seattle-Tacoma-Bellevue, WA	\$5.33	\$5.51	\$5.71	\$5.73	\$5.86	\$5.87	\$5.89	\$5.88
DC-MD Suburbs	\$6.65	\$6.69	\$7.09	\$7.15	\$7.35	\$7.25	\$7.12	\$7.20
DC-VA Suburbs	\$8.18	\$8.31	\$8.40	\$8.40	\$8.53	\$8.51	\$8.55	\$8.57
Stockton, CA	\$3.68	\$3.69	\$3.67	\$3.66	\$3.66	\$3.63	\$3.64	\$3.68
Syracuse, NY	\$3.22	\$2.70	\$2.65	\$2.62	\$2.64	\$2.67	\$2.68	\$2.72
Tampa-St.Petersburg-Clearwater, FL	\$3.92	\$3.95	\$4.09	\$4.18	\$4.22	\$4.17	\$4.19	\$4.14
Tucson, AZ	\$5.77	\$5.44	\$5.46	\$5.58	\$5.54	\$5.54	\$5.46	\$5.59
Washington, DC	\$9.10	\$7.71	\$7.95	\$7.96	\$8.02	\$8.04	\$8.06	\$8.08

Methodology and data sources explained on page 14

r = revision

p = preliminary

# Inventory

	Inventory Q3 2014	Vacant Stock Q3 2014	Deliveries YTD 2014	U/C (as of Q3 2014)
<b>National Total</b>	<b>11,154,484,000</b>	<b>854,744,000</b>	<b>74,289,000</b>	<b>121,286,000</b>
Albuquerque, NM	46,890,000	3,523,000	144,000	0
Anaheim-Santa Ana, CA	70,855,000	1,763,000	549,000	626,000
Atlanta-Sandy Springs-Marietta, GA	352,387,000	39,415,000	1,184,000	9,462,000
Austin-Round Rock, TX	34,439,000	3,183,000	288,000	785,000
Baltimore, MD	164,982,000	15,805,000	1,922,000	3,048,000
Birmingham-Hoover, AL	95,690,000	7,652,000	0	0
Boston-Cambridge, MA	117,061,000	13,852,000	41,000	0
Buffalo-Niagara Falls, NY	57,723,000	5,323,000	178,000	288,000
Charleston-North Charleston, SC	34,885,000	5,777,000	152,000	284,000
Charlotte, NC	153,728,000	11,991,000	1,302,000	1,004,000
Chicago-Naperville-Joliet, IL	820,782,000	72,827,000	3,202,000	11,364,000
Cincinnati-Middletown, OH-KY-IN	277,208,000	15,385,000	2,514,000	1,884,000
Cleveland-Elyria-Mentor, OH	323,669,000	28,910,000	142,000	170,000
Colorado Springs, CO	33,324,000	2,899,000	197,000	0
Columbia, SC	37,484,000	5,823,000	0	60,000
Columbus, OH	264,455,000	18,526,000	1,593,000	2,519,000
Dallas-Fort Worth, TX	495,232,000	32,342,000	5,072,000	13,952,000
Dayton, OH	108,077,000	14,135,000	616,000	2,356,000
Denver-Aurora, CO	244,945,000	11,757,000	2,440,000	2,297,000
Detroit-Warren-Livonia, MI	299,058,000	31,826,000	0	52,000
Ft. Lauderdale, FL	83,047,000	6,745,000	552,000	358,000
Greensboro-Winston-Salem, NC	198,673,000	19,599,000	302,000	0
Greenville, SC	75,496,000	7,566,000	120,000	756,000
Hartford-West Hartford-East Hartford, CT	94,997,000	9,141,000	0	1,500,000
Honolulu, HI	37,171,000	650,000	160,000	0
Houston-Baytown-Sugar Land, TX	318,342,000	21,895,000	5,939,000	6,334,000
Indianapolis, IN	244,801,000	11,995,000	1,743,000	9,688,000
Jacksonville, FL	79,952,000	6,951,000	30,000	368,000
Kansas City, MO-KS	194,345,000	14,790,000	3,491,000	2,628,000
Las Vegas-Paradise, NV	99,298,000	9,529,000	369,000	1,214,000
Little Rock-N. Little Rock, AR	51,085,000	4,572,000	0	0
Los Angeles-Long Beach-Glendale, CA	570,855,000	26,855,000	1,148,000	1,489,000
Louisville, KY-IN	110,678,000	6,519,000	1,427,000	1,337,000
Memphis, TN-MS-AR	148,216,000	21,683,000	1,376,000	2,545,000
Miami-Dade, FL	163,256,000	7,623,000	1,206,000	758,000
Milwaukee-Waukesha-West Allis, WI	267,245,000	14,698,000	1,880,000	4,169,000
Minneapolis-St. Paul-Bloomington, MN-WI	100,334,000	10,033,000	0	4,886,000
Nashville-Davidson-Murfreesboro, TN	195,914,000	13,322,000	686,000	516,000
New York, NY	15,321,000	573,000	0	0
Long Island, NY	301,051,000	13,776,000	0	0
Northern New Jersey	272,148,000	21,772,000	1,508,000	1,447,000
Central New Jersey	192,475,000	14,051,000	3,693,000	1,150,000
Oakland-East Bay, CA	197,736,000	9,887,000	1,813,000	816,000
Oklahoma City, OK	83,870,000	4,710,000	519,000	1,073,000
Omaha, NE-IA	50,578,000	1,965,000	221,000	0
Orlando, FL	88,934,000	6,034,000	305,000	2,242,000
West Palm Beach-Boca Raton, FL	32,478,000	1,296,000	240,000	750,000
Philadelphia-Camden-Wilmington, PA-NJ	298,175,000	30,562,000	178,000	2,946,000

# Inventory

	Inventory Q3 2014	Vacant Stock Q3 2014	Deliveries YTD 2014	U/C (as of Q3 2014)
Phoenix-Mesa-Scottsdale, AZ	297,368,000	33,305,000	5,917,000	3,907,000
Pittsburgh, PA	213,489,000	15,808,000	318,000	641,000
Portland-Vancouver-Beaverton, OR-WA	153,049,000	10,588,000	558,000	994,000
Raleigh-Durham, NC	45,343,000	7,300,000	161,000	20,000
Sacramento-Arden-Arcade-Roseville, CA	137,454,000	14,570,000	273,000	0
Saint Louis, MO-IL	235,412,000	14,831,000	606,000	1,416,000
Salt Lake City, UT	110,490,000	3,145,000	316,000	355,000
San Antonio, TX	64,707,000	7,005,000	1,112,000	22,000
San Bernardino/Riverside, CA	380,800,000	22,075,000	10,105,000	9,171,000
San Diego-Carlsbad-San Marcos, CA	161,086,000	11,440,000	271,000	50,000
San Francisco, CA	21,512,000	1,269,000	0	0
San Jose-Silicon Valley, CA	83,900,000	4,782,000	0	0
San Mateo County, CA	39,784,000	1,870,000	0	0
Seattle-Tacoma-Bellevue, WA	185,783,000	8,592,000	2,309,000	3,119,000
DC-MD Suburbs	50,688,000	5,018,000	188,000	550,000
DC-VA Suburbs	38,406,000	2,996,000	445,000	394,000
Stockton, CA	142,942,000	12,604,000	0	939,000
Syracuse, NY	45,853,000	6,507,000	108,000	0
Tampa-St.Petersburg-Clearwater, FL	112,494,000	5,602,000	1,100,000	329,000
Tucson, AZ	27,595,000	2,764,000	59,000	260,000
Washington, DC	6,984,000	1,166,000	0	0

*Methodology and data sources explained on page 14*

*Under construction and inventory change figures are derived from Cassidy Turley's proprietary sample and taken directly from CoStar's database for certain markets.*

## Disclaimer

This report and other research materials may be found on our website at [www.cassidyturley.com](http://www.cassidyturley.com). This is a research document of Cassidy Turley in Washington, DC. Questions related to information herein should be directed to the Research Department at 202-463-2100. Information contained herein has been obtained from sources deemed reliable and no representation is made as to the accuracy thereof.

## Methodology

Cassidy Turley's quarterly estimates are derived from a variety of data sources, including its own proprietary sample of market activity, historical inventory data from Reis LLC, Bureau of Labor Statistics Employment data, CoStar and other 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 three months (90 days) 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 greater than 10,000 square feet) that can be rented by a third party.

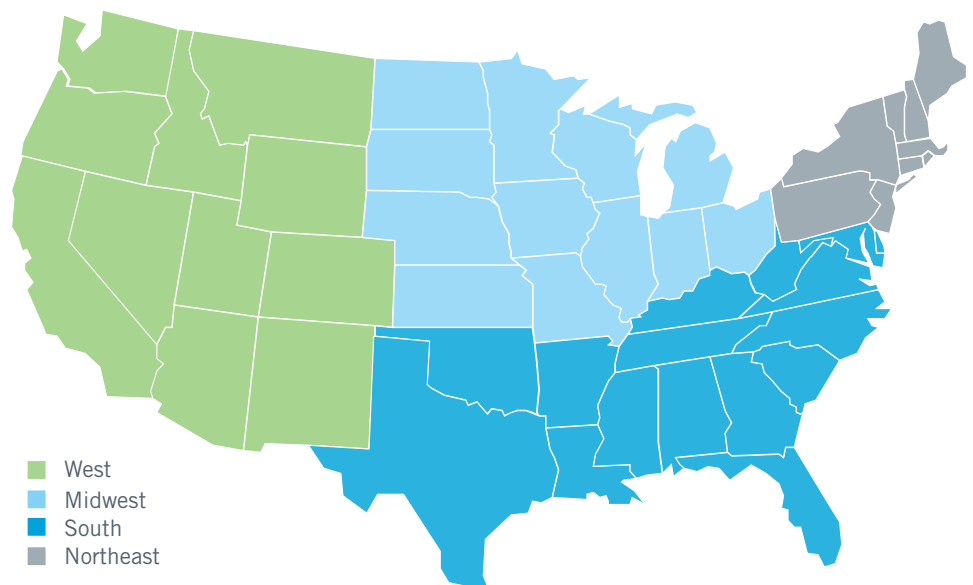
**Total Space Available:** The sums of new, relet, and sublet space that is unoccupied and being actively marketed.

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

**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.)

**Asking Rents:** Gross average asking rents.

## Regional Map



# A Leader in Commercial Real Estate Services

At Cassidy Turley, we are market leaders, industry leaders and community leaders. Nationwide, clients recognize us for the creative sophistication of our real estate advice as well as for the discipline and accuracy of our service delivery. We are a trusted partner and advocate, supporting our clients' overall business performance. In markets across the country, we are respected as a leading provider of commercial real estate services as well as for our community engagement. Our thorough understanding of local business practices and market dynamics, combined with our customer focus and service commitment, give our clients a distinct edge in commercial real estate across the globe.

## Local Market Leaders, Nationwide

- Our professionals have strong ties to our communities and our industry, and a deep knowledge of local business leaders and practices, giving Cassidy Turley and our clients a distinctive edge.
- Our in-depth, local market knowledge provides a comprehensive understanding of market dynamics and enables us to effectively forecast market trends – providing insight to clients and helping them make informed real estate decisions.
- Our leadership position is recognized in the communities we serve. We are often rated in local business journals as a “Best Place to Work,” and are honored for our many local philanthropic efforts.

## Industry Leadership

- Named to Leaders List of 2014 Global Outsourcing 100
- Over 80% of real estate executives familiar with our brand ranked it Very Good or Excellent – *Wall Street Journal* survey
- Ranked a Top 5 Brand – Lipsey's 2014 Commercial Real Estate Brandy Survey
- 2014 Greenest Company Index – *Commercial Property Executive*
- Named by the EPA a 2013 ENERGY STAR® Partner of the Year

## World-Class Expertise

- Many of our associates have honed their skills in their respective markets for years – even decades – gaining an understanding of industry best practices and serving as thought leaders.

## Key Statistics

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- More than 60 U.S. offices
- More than 4,000 professionals
- More than 920 brokers
- More than 2,400 domestic corporate services locations
- 2013 transactions
  - Gross transaction volume \$25.8 billion
  - Gross capital markets volume \$11.4 billion
- 400 million sf managed portfolio
- 610 million sf leasing portfolio

## About Cassidy Turley

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Cassidy Turley announced in a press release on September 22 that it has entered into an agreement with an affiliate of DTZ Investment Holdings, backed by TPG, PAG Asia Capital and Ontario Teachers' Pension Plan (the Consortium that agreed to acquire DTZ), to sell 100% of the equity interests of Cassidy Turley. The agreement is subject to customary closing conditions and is dependent on Cassidy Turley's combination with the operations of DTZ Group (DTZ) to create a global, full-service commercial real estate services company. The Consortium's acquisition of DTZ is currently scheduled to close in early November 2014. The acquisition of Cassidy Turley is expected to close on December 31, 2014.