

# Q3 2019 Market Reports



**INDUSTRIAL**



**REGIONAL OVERVIEWS**

LOCAL EXPERTISE.  
INTERNATIONAL  
REACH.  
WORLD CLASS.



## WEST

### CALIFORNIA

City of Industry  
 Investment Services Group  
 Irvine  
 LA North - Antelope Valley  
 LA North - Calabasas  
 LA North - Sherman Oaks  
 LA North - Ventura County  
 Long Beach  
 Los Angeles - Central  
 Los Angeles - Long Beach  
 Los Angeles - West  
 Los Olivos  
 Newport Beach  
 Oakland  
 Ontario  
 Orange  
 Palm Desert  
 Pasadena  
 Pleasanton  
 Riverside  
 San Diego  
 San Diego - North  
 San Luis Obispo  
 Santa Barbara  
 Stockton  
 Temecula Valley  
 Victorville  
 Walnut Creek

### COLORADO

Denver

### IDAHO

Boise

### NEVADA

Reno

### WASHINGTON

Seattle  
 Tacoma

## SOUTHWEST

### ARIZONA

Phoenix

### TEXAS

Dallas-Fort Worth  
 Houston

## MIDWEST

### ILLINOIS

Chicago  
 Chicago Asset Management Group  
 Chicago Valuation and Consulting

### INDIANA

Greenwood  
 Indianapolis

### MICHIGAN

Detroit

### MINNESOTA

Minneapolis

### MISSOURI

St. Louis

### OHIO

Cincinnati  
 Cleveland  
 Columbus

### WISCONSIN

Madison

## NORTHEAST

### MARYLAND

Maryland  
 Maryland Lee Chesapeake Property  
 Management

### NEW JERSEY

New Jersey - North & Central

## NEW YORK

Long Island/Queens  
 New York

## PENNSYLVANIA

Eastern Pennsylvania - Central PA  
 Eastern Pennsylvania - Suburban  
 Philadelphia

## SOUTHEAST

### FLORIDA

Miami  
 Naples - Ft. Myers  
 Orlando

### GEORGIA

Atlanta  
 Atlanta Valuation and Consulting  
 Corporate Solutions - Tenant Advisory

### NORTH CAROLINA

Raleigh-Durham

### SOUTH CAROLINA

Charleston  
 Greenville

## CANADA

### BRITISH COLUMBIA

Vancouver

### ONTARIO

Toronto

## Q3 2019 FEATURED MARKETS

### INDUSTRIAL

- Los Angeles North
- South Bay Port Market
- Inland Empire East
- Inland Empire West
- Orange County
- Seattle - Puget Sound
- Metro Phoenix
- Dallas - Fort Worth
- Houston
- Chicago
- Indianapolis
- Detroit
- Minneapolis
- Cincinnati
- Columbus
- Baltimore
- Northern New Jersey
- New York City
- Philadelphia Region
- South Florida
- Central Florida
- Atlanta
- Raleigh-Durham
- Charleston
- Greenville-Spartanburg
- Vancouver, BC

### OFFICE

- Los Angeles North
- Los Angeles - San Gabriel Valley
- Los Angeles - Tri-Cities
- Denver
- Seattle - Puget Sound
- Metro Phoenix
- Houston
- Minneapolis - St. Paul
- Cincinnati
- Columbia South
- Northern New Jersey
- New York
- South Florida
- Atlanta

### RETAIL

- Raleigh-Durham
- Charleston
- Greenville-Spartanburg
- Vancouver, BC
- Los Angeles Tri Cities
- Los Angeles San Gabriel Valley
- Chicago
- South Florida
- Atlanta
- Raleigh-Durham
- Charleston
- Greenville/Spartanburg

### New Construction Outpaces Increased Q3 Demand

Nationwide third-quarter net absorption of industrial space totaled 62.8 million SF. It was an increase from Q2's 41.3 million SF but a 13.1% decline from the same period last year. Year-to-date demand totaled 136.1 million SF, down 32.8% compared to the first three quarters of 2018. Year-over-year rent growth averaged 7% and new buildings under construction totaled 418.5 million SF, up 13% versus a year ago.

Deliveries so far this year totaled 230 million, a 0.7% increase over the first nine months of 2018. With expectations that economic growth will moderate, absorption may not keep up with the pace of planned completions, which are forecast to spike in Q4. Vacancies are likely to expand about 90 basis points over the next two years. Of the nation's 390 metros in Lee & Associates' quarterly survey, 219 posted positive net absorption. Demand in the Chicago market topped all metros in the third quarter with 8.4 million SF followed by Atlanta's 5.8 million SF, 5.7 million SF in Southern California's Inland Empire and Dallas/Ft. Worth's 4.3 million SF. Demand for space by Amazon continues to dominate the overall market with the company leasing approximately 8.6 million SF so far this year. The mammoth e-commerce operator leased some 13.6 million SF last year and has leased approximately 8.6 million SF so far in 2019 as it seeks smaller spaces to satisfy last-mile delivery requirements.

### MARKETS WITH MOST SF UNDER CONSTRUCTION

Market	SF	Market	SF
Dallas/Ft Worth	38.0 M	Philadelphia, PA	33.9 M
Inland Empire	28.7 M	Atlanta, GA	21.9 M
Chicago, IL	21.8 M	Houston, TX	17.5 M

### LOWEST VACANCY RATES AMONG TOP 25 MARKETS






Market	Vacancy Rate	Market	Vacancy Rate
Los Angeles, CA	2.6%	Minneapolis, MN	3.2%
Detroit, MI	3.4%	Orange County, CA	3.5%
Boston, MA	3.6%	Cleveland, OH	3.7%

### HIGHEST RENTAL RATES

Market	Asking Rent/SF	Market	Asking Rent/SF
San Francisco, CA	\$27.16	South Bay/San Jose, CA	\$24.39
Long Island, NY	\$18.24	East Bay/Oakland, CA	\$14.81
Orange County, CA	\$13.39	Los Angeles, CA	\$13.23

### MOST 12-MONTH SALES VOLUME & AVERAGE PRICE PER SF

Market	Sales Volume	Avg Price/SF	Market	Sales Volume	Avg Price/SF
Los Angeles, CA	\$4,950,475,716	\$209.00	New York, NY	\$4,555,393,903	\$176.00
Inland Empire, CA	\$4,402,605,068	\$144.00	Chicago, IL	\$3,995,987,800	\$75.00
San Jose, CA	\$3,497,600,800	\$338.00	Atlanta, GA	\$2,704,439,940	\$66.00
Orange County, CA	\$2,290,303,034	\$239.00	Phoenix, AZ	\$2,214,740,522	\$106.00

	<b>62.8</b>	<b>Q3 NET ABSORPTION</b> Million SF
	<b>4.8%</b>	<b>VACANCY</b> 1.15 Billion SF
	<b>2.9%</b>	<b>AVG. ASKING RATE</b> \$7.26 PER SF
	<b>86.5</b>	<b>Q3 DELIVERIES</b> Million SF
	<b>418.5</b>	<b>UNDER CONSTRUCTION</b> Million SF

Sales activity has eased somewhat from the record-breaking pace set in the last half of 2018 but appreciation has mirrored rent growth with the market cap rate holding steady at 6.7% over the last eight quarters.

The size of portfolio sales compared to last year has declined along with a slowing in overall growth in values, which have gained about 6.7% through September versus 8.6% over the first three quarters of 2018.

A pair of billion-dollar portfolios traded in the first half. The joint venture of Oxford Properties Group and Ivanhoe Cambridge acquired 111 buildings and 68 active developments and land parcels from IDI Logistics for \$1.7 billion. Colony Capital purchased 54 buildings from Dermody Properties for \$1.6 billion.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
20670-80 Nordhoff St	Chatsworth	60,043	Neutraderm, Inc.
13170 Telfair Ave	Sylmar	38,600	N/A
9610 DeSoto Ave	Chatsworth	37,260	Delta Hi-Tech, Inc.

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
860-864 Arroyo St San Fernando	\$5,237,500 Owner/User	\$182.00 -	28,800 Class C	AAAB LLC Ward H & Mary L White
7633 Varna Ave North Hollywood	\$4,377,000 Owner/User	\$218.00 -	20,050 Class C	RAV33 LLC Empire Optical of CA
12955-59 Sherman Way North Hollywood	\$4,300,000 Owner/User	\$216.00 -	19,864 Class C	V. Manukyan & J. Misiriam Wysewell Properties

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
27788 Hancock Pkwy	Santa Clarita	50,930	Trammell Crow Co
27736-27772 Hancock Pkwy	Santa Clarita	32,667	Trammell Crow Co
-	-	-	-

**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
Avion Burbank	Burbank	1,000,000	Q4 2020
28820 Chase Pl	Valencia	155,680	March 2020
Center @ Needham Ranch	Santa Clarita	444,643	Q4 2019

**TOTAL INDUSTRIAL MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	2.20%	\$12.00	139,306	134,500,178	2,260,327
Q2 2019	2.30%	\$11.52	71,190	134,969,219	764,630
Q1 2019	2.10%	\$11.28	316,231	134,556,656	927,500
Q4 2018	2.30%	\$11.40	181,899	134,806,723	927,500
Q3 2018	2.40%	\$10.44	24,710	135,244,901	912,000


**139,306** NET ABSORPTION  
SF


**2.20%** VACANCY  
2,976,796 SF


**\$12.00** AVG. ASKING RATE  
PSF GROSS


**83,597** DELIVERIES  
2 Buildings


**2,260,327** UNDER  
CONSTRUCTION  
15 Buildings

**SHELLY GARCIA**, Director of Marketing

With conditions continuing to favor landlords, asking lease rates are rising steadily and now average an unprecedented \$1.00 per SF, \$0.26 more per square foot than the peak asking rate during the last real estate cycle. Vacancy rates, in the 2 percent range for 5 years now, are severely curtailing options for tenants, and conditions are likely to persist until 2021 when most of the 2 Million SF of new industrial product will have been delivered.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
12100 Rivera Rd	Whittier (Southeast)	215,462	County of Los Angeles
9350 Rayo Ave Bldg B	South Gate	213,232	Amazon
2300 Redondo Ave	Long Beach (South)	204,936	Traffic Tech

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
11811-11831 E. Florence Santa Fe Springs (SE)	\$55,113,937 Inv Portfolio	\$191.37 3.5%	288,000 Class B	PS Business Parks Inc Westcore Properties
1241-1245 Watson Ctr Rd Carson (South)	\$55,500,000 Investment	\$261.08 -	212,578 Class B	Liberty Property Ltd Ptn Simon Levi Company Ltd
18221 S. Susana Rd Compton	\$20,400,000 Investment	\$202.90 5.46%	100,543 Class C	The Blackstone Grp LP West Harbor Capital

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
21900 S. Wilmington	Carson	412,000	Alpert & Alpert
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
13344 S. Main St	Los Angeles	290,303	Q3 2020
2300 Redondo Ave Bldg 1	Long Beach	204,936	Q4 2019
1901 W. Pacific Coast Hwy	Long Beach	193,379	Q3 2019


**TOTAL INDUSTRIAL MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	1.40%	\$13.08	(302,257)	196,005,295	2,013,297
Q2 2019	1.20%	\$12.96	(225,204)	195,634,111	1,912,034
Q1 2019	1.20%	\$12.24	99,543	195,592,982	1,047,797
Q4 2018	1.20%	\$12.00	190,622	195,592,982	1,047,797
Q3 2018	1.30%	\$11.28	502,458	195,592,982	653,449


**(302,257)** NET ABSORPTION  
SF


**1.40%** VACANCY  
2,822,432 SF


**\$13.08** AVG. ASKING RATE  
PSF GROSS


**446,574** DELIVERIES  
2 Buildings


**2,013,297** UNDER  
CONSTRUCTION  
15 Buildings

**DAVID BALES**, Principal

Healthy demand continued in Q3 while vacancy ticked up slightly from 1.2% to 1.4% due to delivery of a 412,000-SF facility in Carson. As vacancy has been less than 2% for more than four years, this continued demand with little availability has continued to push pricing. The average industrial rate rose slightly to \$1.09 per month in Q3 but is up from \$0.94 from a year ago - a 16% increase. As the boom in industrial prices and values continue, tenant confidence in absorbing new space at higher prices have demonstrated some signs of stress as both Ports forecast slower container counts for the 4th Quarter.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
6275 Lance Dr	Riverside	1,012,995	Cardinal Health, Inc.
6207 Cajon Blvd	San Bernardino	830,750	LG Electronics USA, Inc.
11260 Cedar Ave	Rialto	677,383	Newgistics, Inc.

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
490 Columbia Ave Riverside	\$123,750,000 Investment	\$123.00 -	1,009,092 Class A	ASB Real Estate Inv Washington Capital Mgt
6275 Lance Dr Riverside	\$94,209,000 Investment	\$93.00 -	1,012,995 Class A	Dedeaux Properties LLC Hillwood Inv & Dev
4350-4420 Serrano Dr Jurupa Valley	\$56,230,525 Owner/User	\$169.00 -	332,725 Class A	GreenCycle US Holding CapRock Partners

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
6275 Lance Dr	Riverside	1,012,995	Hillwood/Magnon
3350 Redlands Ave	Perris	643,263	IDI Gazeley
21822 Opportunity Way	Riverside	262,260	Dermody Prop.


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
24400 Krameria Ave	Moreno Valley	1,331,763	Q4 2019
3520 S. Cactus Ave	Rialto	1,264,102	Q4 2019
1010 W. 4th St	Beaumont	1,074,628	Q4 2019


**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Gross SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.73%	\$8.68	3,972,991	238,631,361	16,732,914
Q2 2019	4.10%	\$8.88	9,228,383	235,015,746	16,362,419
Q1 2019	4.71%	\$8.43	3,869,865	234,034,555	18,750,669
Q4 2018	5.50%	\$8.81	8,363,013	229,308,545	15,205,970
Q3 2018	5.29%	\$8.64	6,244,653	224,108,619	14,994,018


**3,972,991** GROSS  
ABSORPTION SF


**3.73%** VACANCY  
8,898,142 SF


**\$8.68** AVG. ASKING RATE  
PSF GROSS


**2,382,283** DELIVERIES  
10 Buildings


**16,732,914** UNDER  
CONSTRUCTION  
63 Buildings

**TOBY TEWELL**, Vice President  
**CAROLINE PAYAN**, Dir. Mktg & Research

Activity in the industrial sector in the 3rd Quarter of 2019 continued to be steady despite tightening across every size range. Vacancy in most submarkets continues to be extremely low, and prices and lease rates remain high and steady. Like the first half of the year, much of the activity was accounted for by investor purchases and tenant renewals. 1031 Exchange buyers continue to accept low cap rate deals in order to take advantage of high sales prices and reap large gains on previous investments. Owner-users are uncertain in their outlook and many are expecting slower growth over the next 18 months.




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
Prologis West Ont Log	Bldg 1, Ontario	1,206,967	VF Outdoor
Majestic Airport Ctr	Bldg 5, Ontario	725,000	Target
2825 Jurupa St	Ontario	612,104	Samsung

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
Rancho Cucamonga Dist Rancho Cucamonga #16	\$58,920,398 Investment	\$140.60 4.10%	419,064 Class B	Lincoln Property Co Colony Capital
Serrano Bus Park Bldg 1 Mira Loma	\$30,561,960 Owner/User	\$169.00 -	180,840 Class A	GreenCycle US Holding Caprock Partners
4850 Airport Dr Ontario	\$21,006,483 Investment	\$140.60 4.10%	149,406 Class B	Lincoln Property Co Colony Capital

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
Goodman Ind Park Bldg 2	Fontana	615,971	Goodman
Goodman Ind Park Bldg 1	Fontana	508,002	Goodman
Prologis Mtn View Ind Bldg 4	Fontana	207,253	Prologis


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
Watson Ind Park Bldg 848	Chino	566,210	± April 2020
Watson Ind Park Bldg 849	Chino	280,790	± April 2020
Oakmont Live Oak	Fontana	±236,912	± Q2 2020

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	1.19%	\$8.616	1,337,003	321,877,285	11,768,301
Q2 2019	1.16%	\$8.460	2,357,533	319,632,450	11,969,128
Q1 2019	1.37%	\$8.292	583,120	314,414,452	8,555,446
Q4 2018	1.45%	\$8.160	1,624,090	312,310,181	6,004,339
Q3 2018	1.44%	\$7.884	1,977,152	311,034,499	6,121,130

 **1,337,003** NET ABSORPTION SF

 **1.19%** VACANCY 3,821,828 SF

 **\$8.616** AVG. ASKING RATE PSF GROSS

 **1,466,887** DELIVERIES 5 Buildings

 **11,768,301** UNDER CONSTRUCTION 51 Buildings

**ANGELICA GUZMAN**, Dir. Mktg & Res

The Inland Empire West market had a positive net absorption for the quarter due strong e-commerce demand for efficient industrial buildings and new construction. Effective lease rates remain at record high as limited supply and robust market conditions continue to drive rates upward too \$0.718 NNN. With over ±11,768,301 square feet currently under construction, the industrial market still reached a record low 1.19% in vacancy in the IEW.




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
515 E. Dyer Rd	Santa Ana	414,309	Amazon
17352 Derian Ave	Irvine	132,545	P&P Imports
7340 Lampson Ave	Garden Grove	76,080	Pacific Athletic Wear

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
9300 Toledo Way Irvine	\$277,715,000 Investment	\$233.00 -	1,207,097 Class B	CenterPoint Properties Albertsons
10541-10681 Calle Lee Los Alamitos	\$128,500,000 Investment	\$187.00 -	685,588 Class B	Alere Property Group Northwestern Mutual Life
3201 S. Susan St Santa Ana	\$40,200,000 Investment	\$201.00 -	200,000 Class A	CenterPoint Properties The Dixie Group

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
None to Report	-	-	-
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
705 Alton Ave	Santa Ana	166,722	Q2 2020
1585 MacArthur Blvd	Costa Mesa	100,276	Q3 2019
2906 Tech Center	Santa Ana	79,128	Q2 2020

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.30%	\$13.00	77,000	301,000,000	1,180,373
Q2 2019	3.50%	\$13.08	(519,000)	301,000,000	811,943
Q1 2019	3.15%	\$13.08	(1,500,000)	300,550,000	100,276
Q4 2018	3.00%	\$12.88	3,387	300,670,000	368,780
Q3 2018	2.70%	\$12.76	(862,970)	299,688,049	1,557,384


**77,000** NET ABSORPTION  
SF


**3.30%** VACANCY  
9,933,000 SF


**\$13.00** AVG. ASKING RATE  
PSF GROSS


**0** DELIVERIES  
0 Buildings


**1,180,373** UNDER  
CONSTRUCTION  
11 Buildings

**JACK HALEY**, Principal

Tenant demand for Orange County industrial space posted a slight overall gain in the third quarter. But asking lease rates have leveled off this year after increasing an average of about 5% annually for the previous three years. Amazon leased 400,000 SF+ in central Orange County in addition to good local tenant activity. Due to low interest rates and the lack of good alternative investments, industrial buildings are selling quickly if placed on the market. The ratio of sellers to buyers is still skewed with many buyers losing out in competitive bid situations.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
3401 W Valley Hwy E	Puyallup/S Hill	263,168	Port Logistics Group
3514 142nd Ave E	Puyallup/ S Hill	161,200	Progressive
20413 59th Pl S	Kent Valley N	144,000	Crane Worldwide Logistics

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
W Valley Hwy N/72nd Ave Auburn & Kent	\$22,025,000 Leasehold	\$181.45 -	121,382 Class B	TA Realty Brekke Properties
17117 59th Ave NE Arlington	\$12,200,000 Leasehold	\$129.96 6.70%	93,878 Class A	Northwest Building Corp Spirit Realty Capital
19027 72nd Ave S Kent	\$9,796,500 Leasehold	\$155.50 -	63,000 Class A	Black Creek Group ShahSafari

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
2800 Center Dr Bldg A	DuPont	747,488	IAC Properties
3230 International Pl	DuPont	628,640	CRG
20529 24th Ave S IAC Comm	Sea Tac / Burien	457,211	Panattoni


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
7816 Hawks Prairie Rd NE	Lacey	565,170	May 2020
2800 Center Dr Bldg B	DuPont	494,900	June 2020
Sahw Rd E & 5th Ave SE	Puyallup	438,065	Dec 2019

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates NNN	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	5.1%	\$9.95	(462,652)	293,936,053	3,017,678
Q2 2019	4.2%	\$9.47	1,403,949	291,790,027	3,672,380
Q1 2019	4.0%	\$9.29	(1,329,427)	289,597,761	4,960,067
Q4 2018	3.4%	\$9.16	764,962	289,220,976	4,595,834
Q3 2018	3.0%	\$8.94	1,382,674	287,213,289	4,246,771

 **(462,652)** NET ABSORPTION SF

 **5.10%** VACANCY  
14,913,949 SF

 **\$9.95** AVG. ASKING RATE PSF GROSS

 **2,173,312** DELIVERIES  
10 Buildings

 **3,017,678** UNDER CONSTRUCTION  
22 Buildings

**CHRIS PETERSON**, Principal

Q3 2019 saw the continuation of growth and deliveries in the greater Puget Sound market. Little hesitation has been taking effect with numerous projects continuing to push ahead, rents continuing to climb, and vacancy rates remain at historic lows. Core markets and near the Ports are seeing the most feverish growth in rents, with the entire region following along.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
1755 S. 75th Ave	Southwest Valley	211,185	States Logistics
100 N. 61st Ave	Southwest Valley	181,325	Sendoso
317 S. 48th St	Tempe	154,813	Integrated CBD

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
2500 W. Frye Rd Southeast Valley	\$79,750,000 Investment	\$380.89 -	191,000 Flex/Data	CBRE Global Investors Lincoln Property Co
575 S. 143rd Ave Southwest Valley	\$69,832,600 Owner/User	\$77.45 -	901,700 Class A	Nike, Inc. Lincoln Property Co
1635 S. 43rd Ave Southwest Valley	\$47,400,000 Owner/User	\$120.07 -	394,775 Class A	Vital Pharmaceuticals Cohen Asset Mgmt

### LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
3333 N. 59th Ave	Phoenix	554,000	Trammell Crow Co
Lotus Project (4 Bldgs)	Chandler	473,516	Conor Commercial
8001 W. Buckeye Rd	Phoenix	379,828	Wentworth Prop Co


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
305 S. Bullard Ave	Goodyear	790,980	Q4 2019
SWC 101st Ave & Roosevelt	Avondale	651,775	Q2 2020
SWC Indian School & Cotton	Goodyear	643,798	Q4 2019

### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates NNN	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	7.20%	\$7.56	2,063,180	316,364,852	9,694,226
Q2 2019	6.80%	\$7.56	1,492,672	313,210,462	9,797,239
Q1 2019	7.20%	\$7.56	672,695	311,916,181	6,933,315
Q4 2018	7.50%	\$7.32	2,419,344	311,459,551	5,424,724
Q3 2018	7.40%	\$7.20	688,445	307,968,137	7,004,491

 **2,063,180** NET ABSORPTION SF

 **7.20%** VACANCY 22,872,436 SF

 **\$7.56** AVG. ASKING RATE PSF GROSS

 **3,058,664** DELIVERIES 17 Buildings

 **9,694,226** UNDER CONSTRUCTION 20 Buildings

**CHRIS MCCHESENEY**, Research Dir.

High demand along with record construction kept the Phoenix industrial market rolling through the third quarter. With one quarter remaining in 2019, vacancy rates crept up slightly to 7.2%, rental rates remained steady at \$0.63/SF NNN and net absorption vaulted to 2,063,180 SF. Nearly 9.7 million SF of space was under construction at the end of the third quarter. The largest delivery during Q3 was 202 West Logistics Center, a 554,000 SF warehouse/distribution facility in the Southwest Valley. Nike purchased a 901,700 SF distribution facility (40' clear height) in the Southwest Valley for \$69,832,600.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
17505 I-35 W N Frontage	Northlake	500,555	Schluter Systems
2801 N. Houston School	South Dallas	610,806	ICU Medical
15221 N. Beach St	Fort Worth	810,908	Callaway Golf Company

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
3000 E. Pioneer Great Southwest	\$65,165,227 Investment	\$79.00 5.0%	815,820 Class A	Black Creek Group Lasalle Inv Mgmt
2115 E. Randol Mill Rd Great Southwest	\$14,900,000 Investment	\$81.00 Healthy	182,630 Class B	Sealy & Company Cole OFC Arlington TX
2918 S. Jupiter Rd NE Dallas/Garland	\$3,400,000 Investment	\$32.00 9.0%	105,000 class C	LB Jupiter Investment Tchunji Corp

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
2601 W. Rochelle	DFW Airport	494,385	Dalfen
313 N. Great Southwest Pky	Arlington	128,173	Prologis
2000-2030 E. Arbrook	Arlington	176,000	East Group Prop


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
2650 Rental Car Dr	E DFW Air	709,700	Dec 2019
1401 Chalk Hill Rd	Eastern Lonestar	672,775	Q1 2020
9031 Autobahn Dr	South Dallas	106,700	Q1 2020


**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.10%	\$6.84	3,326,802	934,358,395	38,029,101
Q2 2019	6.10%	\$6.60	6,892,273	931,698,974	32,005,218
Q1 2019	6.20%	\$6.59	5,791,604	924,518,686	32,117,275
Q4 2018	6.00%	\$6.44	7,343,201	917,059,314	29,232,756
Q3 2018	6.10%	\$6.33	5,613,132	910,390,735	28,682,910


**3,326,802** NET ABSORPTION  
SF


**6.10%** VACANCY  
56,551,740 SF


**\$6.84** AVG. ASKING RATE  
PSF GROSS


**2,649,621** DELIVERIES  
27 Buildings


**38,029,101** UNDER  
CONSTRUCTION  
141 Buildings

**COLTON RHODES, Associate**

The DFW industrial market continues to see strong performance heading into Q4 2019 pushing the average quoted rate to \$6.84 PSF as compared to \$6.60 PSF in Q2 of 2019. Developers remain bullish with deliveries of over 2.5M SF pushing the total market size to 934M SF. We expect to continue to see positive absorption as interest from e-commerce, last mile distributors and large big box distributors remains consistent.





### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
2244 N. Mason Bldg 1	Northwest Outliers	373,860	Rooms To Go
10620 Telge Rd, Bldg 3	Northwest Outliers	251,753	COE Distributing
5412 Ameriport Pky #12	East-Southeast Far Ind	218,553	-

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1800 N. Mason Rd Northwest Outlies Ind	\$94,000,000 Investment	\$62.64 -	\$62.64 Class B	Tratt Properties, LLC Spirit MTA REIT
18140 Kickapoo Rd Northwest Highway 6 Ind	\$30,500,000 Investment	\$63.57 -	479,806 Class A	Sealy & Company Broad Ocean Tech
1616-1702 Gears Rd No Freeway/Tomball Ind	\$17,000,000 Owner/User	\$100.04 -	169,925 Class C	CSE Global Limited Bradley M. Davis

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
Hwy 59 & Will Clayton Pky	Air 59 Log Ctr/Humble	685,400	Archway Advisors
631 Buffalo Lakes Dr, Bldg 9	Missouri City	352,769	Trammell Crow Co
21501 Gulf Freeway North	Webster	350,000	American Furniture


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
Fallbrook Dr	Houston	1,000,000	Feb 2020
10629 Red Bluff Rd	Pasadena	784,000	June 2020
Fallbrook Dr	Houston	770,640	March 2020


### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.57%	\$7.47	499,682	639,200,776	17,453,152
Q2 2019	6.01%	\$7.48	2,547,268	634,836,107	13,518,153
Q1 2019	5.51%	\$7.44	2,986,45	628,713,958	15,022,063
Q4 2018	5.51%	\$7.48	2,230,144	625,526,039	13,788,059
Q3 2018	5.41%	\$7.34	3,791,707	622,516,317	14,284,712

 **499,682** NET ABSORPTION SF

 **6.57%** VACANCY 41,983,058 SF

 **\$7.47** AVG. ASKING RATE PSF GROSS

 **4,306,544** DELIVERIES 61 Buildings

 **17,453,152** UNDER CONSTRUCTION 191 Buildings

#### JOHN ERCK, Director

Houston's industrial market continues to expand as growth within e-commerce and plastics industry moves full steam ahead. A near-record 18.2 million SF are under construction with a considerable amount being speculative logistics properties. Northwest and Southeast Houston remain the most active areas for industrial expansion. Northwest is close to Houston's growing population. Southwest is near the city's petrochemical complex and Port Houston. Home Depot, Dollar Tree, Plantgistic, Builders FirstSource, Costco, Ross and other major merchants have expanded. Twelve-month rent growth is above the historical average at 2.4%.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
3300 Channahon Rd	I-80 Corr / Joliet	1,220,140	Target Corporation
3901 Brandon Rd	I-80 Corr/Elwood	826,755	UNIS
1000 Bilter Rd	I-88 Corr/Aurora	694,367	LTD Commodities

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
16801 S. Exchange Ave South Crook/Lansing	\$12,697,500 Investment	\$27.85 8.85%	455,858 Class C	Plymouth Industrial REIT Torchlight Investors
10200 55th St SE Wisconsin/Kenosha	\$29,300,000 Investment	\$82.77 -	354,000 Class A	Clear Height Properties Kenall Manufacturing
7701-7711 95th St Wisconsin/Pleasant Prairie	- Investment	- -	252,825 Class B	High Street Realty Co Zilber Property Group

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
25101 S. Ridgeland Ave	Monee	879,040	DeBartolo/LFI R.E.
12508 38th St	Kenosha	800,000	Uline/Hunzinger
805 Discovery Dr	West Chicago	782,000	Suncast/Pritzker


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
Steiner Rd & 143rd St	Plainfield	1,500,000	Q1 2020
3501 S. Pulaski Rd	Chicago	999,900	Q1 2020
I-88 & Orchard Rd	Aurora	764,895	Q4 2019


### TOTAL INDUSTRIAL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	5.80%	\$6.17	6,512,782	1,305,776,037	16,937,511
Q2 2019	5.78%	\$6.10	5,164,359	1,298,546,937	18,098,059
Q1 2019	5.72%	\$6.07	4,291,980	1,301,352,095	18,323,465
Q4 2018	5.86%	\$5.98	3,154,364	1,298,817,068	19,198,878
Q3 2018	5.84%	\$5.80	4,898,667	1,295,224,449	15,370,601

 **6,512,782** NET ABSORPTION SF

 **5.80%** VACANCY  
75,787,484 SF

 **\$6.17** AVG. ASKING RATE PSF GROSS

 **7,625,380** DELIVERIES  
18 Buildings

 **16,937,511** UNDER CONSTRUCTION  
63 Buildings

**DIANA PEREZ**, Director of Research

The net absorption for Chicago's industrial market has remained positive for the 15th consecutive quarter. Totalling 6.5 million square feet during the third quarter of 2019, bringing the year-to-date tally to 15.9 million square feet. Build-to-suit construction projects delivered nearly 2.7 million square-feet during the third quarter, contributing strongly to the quarter's positive net absorption. The third quarter 2019 Chicago industrial vacancy rate remained unchanged from the second quarter despite a decline in leasing and sale activity. The occupancy of a 1.2 million-square-foot building in the I-80/Joliet Corridor by a major retailer helped to keep overall vacancy rates steady.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
Perry Blvd. & SR 267	Whitestown	636,742	Puma North America
700 S. Post Rd	Indianapolis	200,000	PepsiCo
-	-	-	-

### SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
5425 Exploration Dr	\$43,604,981	\$70.23	620,900	Black Creek Group
Airport/Indianapolis	Investment	-	Class A	Molto Properties
GLP Ind Portfolio (7 Bldgs)	\$188,000,000	\$70.00	2,697,841	Blackstone
Airport & Greenwood	Investment	-	Class A/B	GLP
-	-	-	-	-

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
146th & Howe Rd (BTS)	Noblesville	1,000,000	SMC Corp of America
600 N. Northfield Dr	Brownsburg	690,980	Becknell - Radial
1151 S. Graham Rd (BTS)	Greenwood	612,883	Scannell - Amazoon


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
9247 E CR 100 S	Avon	1,109,121	Q4 2019
I-70 & State Rd 39	Clayton	1,070,160	Q2 2020
3751 S. CR 500 E	Whitestown	1,016,424	Q4 2019

### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.80%	\$4.69	2,717,642	346,240,000	13,400,000
Q2 2019	3.80%	\$4.58	2,200,000	343,530,000	11,700,000
Q1 2019	3.80%	\$4.43	1,400,000	342,427,859	7,372,336
Q4 2018	4.00%	\$4.40	700,629	341,794,283	7,108,939
Q3 2018	3.90%	\$4.62	4,119,571	340,264,082	5,025,587

 **2,717,642** NET ABSORPTION SF

 **3.80%** VACANCY  
13,288,343 SF

 **\$4.69** AVG. ASKING RATE PSF GROSS

 **2,660,000** DELIVERIES  
8 Buildings

 **13,400,000** UNDER CONSTRUCTION  
34 Buildings

#### REBECCA WELLS, Principal

The industrial market continued full steam ahead in Q3 with absorption, asking rates and construction totals all increasing over the previous quarter. Direct vacancy remains low at 3.8%, but we expect this to return closer to the historical average of 5% over the coming quarter once the 13.4 million SF underway is completed since nearly 10.4 million SF of that is speculative. Sales remained strong at \$59/SF thanks in part to the Blackstone purchase of the GLP industrial portfolio, which included seven buildings representing 2.7 million SF at \$70/SF.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
12723 Telegraph Rd	Redford	256,100	Piston Automotive LLC
10725 Harrison Rd	Romulus	136,500	Cranes Worldwide Logistics
800 Tech Row	Madison Heights	63,479	MP Acquisition LLC

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
7075 Dort Highway Grand Blanc	\$14,580,000 Investment	\$22.26 10.0%	667,000 Class C	Triyar Companies Covington Group Inc
2555 Twentieth St Port Huron	\$4,975,000 Owner/User	\$34.36 -	144,785 Class C	R&E Automated Systems MAG Automotive, LLC
39001 Schoolcraft Rd Livonia	\$2,250,000 Owner/User	\$21.51 -	104,600 Class C	International Extrusions Fives Group

### LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
33600 Mound Rd	Sterling Heights	569,380	Ashley Capital
40033 Mitchell Dr	Sterling Heights	187,500	JB Donaldson Co Inc
10605 Hi Tech Dr	Whitmore Lake	80,235	Zander Industries


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
1420 E. Ten Mile Rd	Hazel Park	651,610	Nov 2019
1100 Entrance Dr	Auburn Hills	461,525	Nov 2019
24400 Dequenne Rd	Warren	295,510	Jan 2020


### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.40%	\$6.36	1,818,139	656,304,212	3,609,373
Q2 2019	3.30%	\$6.24	(1,146,479)	652,597,472	5,176,380
Q1 2019	3.10%	\$6.24	148,848	652,694,129	5,215,446
Q4 2018	3.3%	\$6.15	3,960,018	653,355,415	5,371,879
Q3 2018	3.3%	\$6.07	1,750,970	649,782,719	8,384,571

 **1,818,139** NET ABSORPTION SF

 **3.40%** VACANCY 22,165,994 SF

 **\$6.36** AVG. ASKING RATE PSF GROSS

 **1,993,724** DELIVERIES 7 Buildings

 **3,609,373** UNDER CONSTRUCTION 51 Buildings

**JON SAVOY**, President

Even with the ongoing trade war, exports from Detroit are booming and developers are taking advantage of the white-hot industrial market. High costs of construction have resulted in limited inventory, making users value their existing facilities. Detroit is projected to add an additional 5 million square feet of inventory by 2021, much of that distribution focused. Manufacturing companies are taking a wait and see approach as the international trade agreements are being negotiated.




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
9001 Wyoming Ave N	Brooklyn Park	382,635	Amazon
355 E. 8th St	Saint Paul	166,000	Murphy Warehouse
4837 Azelia Ave N	Brooklyn Center	116,000	JSI Logistics

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
2800 Vicksburg Ln N Plymouth	\$17,700,000 Investment	\$115.69 -	152,995 Class B	Capital Partners Eagale Ridge Partners
7225 Bush Lake Rd Edina	\$13,660,000 Investment	\$168.31 -	81,158 Class B	PS Midwest One Pegasus Group
150 W. 81st St Bloomington	\$12,460,000 Investment	\$173.91 -	71,647 Class B	PS Midwest One Pegasus Group

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
845 Minnehaha Ave E	Saint Paul	299,500	Vomela
12800 Arbor Lakes Pkwy N	Maple Grove	264,400	Arbor Lakes Bus Park
5101 Industrial Blvd NE	Fridley	200,000	Northern Stacks VIII


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
3200 4th Avae E	Shakopee	302,644	Q2 2020
8610 Galpin Blvd	Chanhassen	255,650	Q1 2020
8200 Bunker Lk Blvd	Ramsey	210,000	Q3 2020


**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.80%	\$5.18	612,000	361,549,109	3,609,206
Q2 2019	4.80%	\$5.18	829,298	359,633,370	2,400,546
Q1 2019	4.40%	\$5.16	758,371	358,480,294	1,472,266
Q4 2018	4.00%	\$4.93	124,157	358,055,426	2,973,894
Q3 2018	4.60%	\$4.92	436,295	357,587,238	2,167,439


**612,000** **NET ABSORPTION**  
SF


**4.80%** **VACANCY**  
12,153,720 SF


**\$5.18** **AVG. ASKING RATE**  
PSF GROSS


**1,915,739** **DELIVERIES**  
15 Buildings


**3,609,206** **UNDER CONSTRUCTION**  
27 Buildings

**RA'EESA MOTALA**, Associate

The overall vacancy rate remained the same in Q3 2019. The average asking rate was \$5.18 PSF and high rate was \$9.23 PSF. To date there are 27 construction projects throughout the market, up from Q2 2019 and around 1.9 MM delivered as of today.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
3500 Langley Dr	Airport/Hebron	483,000	Vertiv
175 Progress Pl	Tri-County/Springdale	167,000	Product Fulfillment Solutions
1765-1795 Worldwide Bl	Airport/Hebron	176,000	iHerb.com

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
55 Transport Dr Florence/Richwood	\$32,268,000 Owner/User	\$72.95 -	442,304 Class?	United Parcel Service Inc IDI Logistics
3015 Kustom Dr Airport/Hebron	\$7,300,000 Investment	\$68.87 -	106,000 Class B	Exeter Property Group Legrand North America
8816-8840 Beckett Rd Tri-County/West Chester	\$4,375,000 Investment	\$66.49 7.50%	65,800 Class B	Exeter Property Group Dacc Investments

### LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
3220 Meadow Ln	Erlanger, KY	780,000	Neyer
2360 Progress Dr	Hebron, KY	617,000	Duke Realty
3577 Yankee Rd	Middletown	613,000	Cincinnati Comm'l


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
4805 Aero Pkwy	Florence	1,070,157	Q2 2020
Amazon Prime Air Hub Phase 1	Hebron	1,000,000	Q4 2021
Erlanger Commerce Ctr Bldg 3	Erlanger	575,700	Q4 2019

### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	5.40%	\$4.38	1,873,154	265,705,467	5,554,577
Q2 2019	4.70%	\$4.37	120,964	261,804,416	10,289,471
Q1 2019	4.10%	\$4.20	(313,199)	259,847,598	8,159,507
Q4 2018	3.80%	\$4.14	720,672	259,627,945	7,320,922
Q3 2018	3.50%	\$4.22	2,002,836	258,124,158	8,147,615

 **1,873,154** NET ABSORPTION SF

 **5.40%** VACANCY  
14,462,593 SF

 **\$4.38** AVG. ASKING RATE PSF GROSS

 **6,804,456** DELIVERIES  
8 Buildings

 **5,554,577** UNDER CONSTRUCTION  
17 Buildings

#### STEWART DEVITT, Sr. Vice President

Cincinnati's industrial market had negative absorption in the first half, but during the third quarter increased activity added nearly 1.9 million SF of positive net absorption. Despite the increased activity, the vacancy rate increased 70 basis points to 5.4% because of the vacant speculative inventory delivered during the quarter. There are 5.6 million SF under construction and 1 million SF of speculative construction will break ground prior to the year end. The 1-million SF first phase of the 3.3-million SF Amazon Prime Air Hub at the Greater Cincinnati/Northern Kentucky International Airport is scheduled to be operational by early 2021.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
3880 Groveport Rd	Southeast	706,162	Walker Edison
5465 Centerpoint Pkwy	Southeast	478,053	ODW Logistics
3100 Creekside Pkwy	Southeast	257,962	Spartan Logistics

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
3801-4001 Gantz Rd Southwest	\$39,600,000 Investment	\$42.92 6.25%	922,448 Class A	Link Industrial Duke Realty
4509 Orange Point Dr Delaware County	\$6,797,950 Investment	\$47.25 -	143,863 Class B	Plymouth REIT Quantum Investments
2353-2373 Global Dr Southeast	\$31,898,000 Investment	\$81.37 5.78%	392,016 Class A	Ind Logistics Prop Trust Pizzuti

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
1860 Walcutt Rd	West	292,730	Hackman Capital
Dove Pkwy	Southeast	175,000	Nifco
4616 Bridgeway Ave	East	60,800	Daimler


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
8519 Mink St	Licking County	1,232,149	Q2 2020
1260 London Groveport Rd	Southeast	1,059,000	Q2 2020
220 Park West Dr	Madison County	845,280	Q2 2020

### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.60%	\$4.07	1,693,456	298,329,738	9,512,622
Q2 2019	3.90%	\$3.92	2,311,139	294,480,134	8,214,900
Q1 2019	3.90%	\$3.99	1,070,478	282,306,044	3,580,900
Q4 2018	4.70%	\$3.98	2,221,356	291,414,390	5,1014,066
Q3 2018	4.30%	\$4.01	1,320,743	290,128,082	4,945,241

 **1,693,456** NET ABSORPTION SF

 **4.60%** VACANCY  
13,841,328 SF

 **\$4.07** AVG. ASKING RATE PSF NET

 **589,530** DELIVERIES  
5 Buildings

 **9,512,622** UNDER CONSTRUCTION  
21 Buildings

**MIKE SPENCER**, Principal/Broker

While Columbus leads the Midwest in economic growth, the market is experiencing the largest amount of spec projects ever recorded. Occupier demand has continued to pick up since the traditionally slow summer months, but there will likely be an oversupply in 2020 when much of this spec product is delivered. Occupiers and investors continue to support the region as evidenced from the demand and absorption, recent acquisitions, and Columbus' logistical and operating cost advantages.



## SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
1 Principio Pkwy W	Cecil County	650,000	-
5250 Holabird Ave	Baltimore	254,698	-
350 Old Bay Ln	Aberdeen	175,200	-

## SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
2800 Eastern Blvd Baltimore County	\$19,900,000 Dev/Owner	\$10.38 -	1,916,859 Class C	Blue Ocean Realty Middle River Station Dev
521 McCormick Dr Anne Arundel	\$15,700,000 Dev/Owner	\$139.56 5.10%	112,500 Class A	Realterm NAT IDI Logistics
6740 Dorsey Rd Route 1	\$15,450,000 Investment	\$128.55 6.48%	120,186 Class B	Angelo, Gordon & Co Prologis


## LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
None to report	-	-	-
-	-	-	-
-	-	-	-

Address	Submarket/City	SF	Delivery Date
7015 Tradepoint Aave	Baltimore County	1,500,400	Mar 2020
1500 Woodley Rd	Aberdeen	1,200,000	Mar 2020
7005 Tradepoint Ave	Baltimore County	812,250	May 2020

## TOTAL INDUSTRIAL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	9.80%	\$2.76	(360,286)	41,078,278	2,661,974
Q2 2019	8.90%	\$2.83	980,527	41,078,278	2,661,974
Q1 2019	9.60%	\$3.36	130,114	40,309,508	1,269,395
Q4 2018	9.40%	\$3.31	(24,956)	40,059,908	1,518,995
Q3 2018	9.40%	\$3.47	684,651	40,091,701	1,018,370

 **(360,286)** NET ABSORPTION SF

 **9.8%** VACANCY  
4,019,649 SF

 **\$2.76** AVG. ASKING RATE PSF GROSS

 **0** DELIVERIES  
0 Buildings

 **2,661,974** UNDER CONSTRUCTION  
5 Buildings

**TOM WHELAN**, Principal

The overall Baltimore market includes the City of Baltimore and the counties of Baltimore, Anne Arundel, Carroll, Cecil, Hartford and Howard. Demand has been healthy and vacancy rates remain low. The largest transaction in Q3 was the 1 principle Pkwy W lease of a 605,000-SF building in Cecil County. There was no new product delivered to the market in the third quarter. The market has several attributes including access to the Port of Baltimore, as well as close proximity to I-95, Rt 1, and many other highways which attracts strong tenants.




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1 Barnes & Noble Way	Exit 8A	1,145,200	Barnes & Noble Distribution
495 Weston Canal Rd	Western Rt. 287	660,000	Amazon
Elm St	Perth Amboy/GSP	650,000	Home Depot

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
257 Prospect Plains Rd Exit 8A	\$116,521,739 Bulk Portfolio	\$116.52 -	1,000,000 Class A	The Blackstone Group Global Logistics Prop
61 Station Rd Exit 8A	\$89,953,440 Bulk Portfolio	\$116.52 -	772,000 Class A	The Blackstone Group Global Logistics Prop
600 Ridge Rd, Bldg 4	\$65,739,900 Owner/User	\$139.99 -	469,600 Class A	Kiss Products, Inc. Rockefeller Group

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
1080 King Georges Post Rd	Edison	635,086	Arizona Beverage
800 Centennial Ave	Piscataway	277,830	Penford Group
85 Stults Rd	Dayton	203,488	EverWest R.E. Inv.


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
942 Memorial Pkwy Bldg 3,5,6,7	Phillipsburg	2,177,554	Q4 2019-2020
Tremley Point Rd, Bldgs E, G	Linden	1,324,973	2020
50 Veronica Ave	Somerset	926,392	2020


**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates NNN	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.10%	\$9.17	1,872,322	843,284,152	7,601,021
Q2 2019	4.20%	\$9.00	1,404,216	842,182,066	6,094,918
Q1 2019	4.20%	\$8.86	311,854	840,102,540	7,617,844
Q4 2018	4.10%	\$8.70	1,105,781	839,268,527	7,453,030
Q3 2018	4.00%	\$8.43	5,786,929	836,858,281	9,724,402


**1,872,322** **NET ABSORPTION**  
SF


**4.1%** **VACANCY**  
34,767,617 SF


**\$9.17** **AVG. ASKING RATE**  
PSF NNN


**1,102,758** **DELIVERIES**  
7 Buildings


**7,601,021** **UNDER CONSTRUCTION**  
41 Buildings

**MICHAEL MALMSTONE**, R.E. Analyst

It was another record-setting quarter of rent growth. About 6.3MM SF was leased, with an average lease size and lease-up time of 21k SF and 5.1 months respectively. Net absorption grew 33% despite Class B rents in core markets being pushed to more than \$10 PSF. Sales volume unofficially set an all-time record with Blackstone's \$13.4B industrial portfolio purchase of about 115MM SF. This will be the largest private real estate transaction ever once it is confirmed. The largest leases and lowest vacancy within core markets are in the Exit 8A, Western Rt. 287 and Somerset submarkets, the same submarkets attracting the most investor attention for new construction. Pricing retreated 3.8% to \$113.64 PSF as cap rates decompressed 60 bps to 6% overall.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
127-40 Willets Point Blvd	Flushing/Queens	109,300	(Unconfirmed)
57-47 47th St	Maspeth/Queens	75,000	(Unconfirmed)
48-49 35th St	Long Island/Queens	46,860	Maquette Fine Art Service

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
58-95 Maurice Ave Maspeth/Queens	\$39,500,000 Fee	\$311.00 3.05%	127,000 Class C	Turnbridge Equities M. Parisi & Son Const Co
47-50 30th St Long Island City/Queens	\$25,000,000 Fee (Redev)	\$476.00 -	52,500 Class C	Alexandria R.E. Equities Prestone Printing Co
145-179 Wolcott St Red Hook/Brooklyn	\$21,500,000 Fee (Ptflio/Lnd)	\$796.00 -	27,000 Class C/Lnd	Four Points Gregory Lovine

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
79-40 Cooper Ave	Queens	15,000	Cayre Equities
132-15 35th Ave	Queens	9,399	Jimmy Meng
20 S. Bridge St	Staten Island	6,400	VV&J Realty Corp


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
566 Gulf Ave	Staten Island	450,000	Q1 2020
63 Flushing Ave	Brooklyn	394,200	Q4 2020
640 Columbia St	Brooklyn	336,500	Q2 2020

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.80%	\$22.66	(90,485)	224,218,978	2,732,144
Q2 2019	4.70%	\$22.45	(208,770)	224,188,179	2,230,143
Q1 2019	4.60%	\$22.43	238,983	224,154,271	2,235,643
Q4 2018	4.70%	\$21.94	782,245	224,123,656	1,258,932
Q3 2018	4.80%	\$21.48	1,747,007	223,650,855	1,726,233


**(90,485)** **NET ABSORPTION**  
SF


**4.8%** **VACANCY**  
10,652,863 SF


**\$22.45** **AVG. ASKING RATE**  
PSF GROSS


**30,799** **DELIVERIES**  
3 Buildings


**2,732,144** **UNDER CONSTRUCTION**  
18 Buildings

**HENRY ABRAMOV**, Research Director

New York City industrial asking rents continued to increase for four consecutive quarters to end the quarter at \$22.66 per square foot, an increase of 5.5% year-over-year. We forecast asking rents to continue increasing into the fourth quarter, despite the increase in availability and vacancy every quarter this year. The availability rate is 7.9% and is the highest it's been in five years. With over a dozen buildings under construction with 2-3 million square feet, and two deliveries expected into the fourth quarter, there's no indication that the availability rate will decrease next quarter. Overall, leasing activity remains high at an average of 1 million square feet leased each quarter since 2018.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1611 Ebberts Spring Ct	Central PA	714,5989	Riviana Foods Inc
7352 Industrial Blvd	Lehigh Valley	730,080	Keurig Dr Pepper Inc.
Archibald Logistics Ctr	Northeast PA	1,016,480	Chewy

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
485 Distribution Center Central PA	\$42,500,000 Investment	\$93.00 -	457,000 Class A	Black Creek Endurance
325 S. Salem Church Rd Central PA	\$31,103,937 Investment	\$39.60 -	785,400 Class A	Northwestern Mutual AEW Capital
1 Commerce Dr Southern NJ	\$43,000,000 Investment	\$46.16 -	931,560 Class B	Sun Equity Triangle Capital

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
1611 Ebberts Spring Ct	Greencastle	1,160,640	NorthPoint Dev
2900 Brodhead Rd	Bethlehem	513,520	Black Creek
3769 Commerce Center Blvd	Bethlehem	508,821	Majestic Realty


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
Tradeport 164 Bldg 1	Wilkes Barre	1,393,080	Q4 2019
200 Logistics Dr	Hamburg	1,240,000	Q4 2019
3419 Ritner Hwy	Newville	1,215,240	Q4 2019

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	5.56%	\$5.58	3,770,106	1,158,326,076	33,929,176
Q2 2019	5.63%	\$5.53	(1,447,744)	1,154,023,542	32,941,154
Q1 2019	5.29%	\$5.61	617,774	1,151,390,215	31,407,296
Q4 2018	5.01%	\$5.34	6,649,742	1,147,159,141	31,985,606
Q3 2018	5.04%	\$5.36	8,363,109	1,140,523,245	25,657,456


**3,770,106** NET ABSORPTION  
SF


**5.56%** VACANCY  
65,479,560 SF


**\$5.58** AVG. ASKING RATE  
PSF GROSS


**2,793,062** DELIVERIES  
10 Buildings


**33,929,176** UNDER  
CONSTRUCTION  
88 Buildings

**CONNER SANBOWER**, Research  
Analyst

The Philadelphia region continues to experience robust industrial development growth. Industrial construction deliveries are expected to exceed recent highs at the end of Q4, with over 17MM SF targeted for delivery. 1MM SF and greater buildings comprise a large portion of development, with 11 such buildings contributing nearly 12.5MM SF to the 33.9MM SF under construction. Vacancy has remained steady with a slight decrease of 9 bps to 5.56%, while absorption shows positive movement nearing 4MM SF for the quarter. E-commerce demand appears poised to continue, thereby buttressing the overall industrial demand outlook in the region beyond the near term.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
6703 NW 7th St	Miami	176,348	Unavailable
6717 Belvadere Rd	West Palm Beach	161,725	Unavailable
2290-2398 NW 119th St	Miami	157,385	Unavailable

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
6301 E 10th/5801 E 10th Hialeah	\$177,500,000 Portfolio Inv.	\$109.00 -	1,624,308 Class A	RREEF America Prudential R.E. Investors
15701 SW 29th St Miramar	\$47,500,000 Investment	\$180.00 -	264,074 Class B	Stockbridge IDI Logistics
3200 NW 67th Ave Miami	\$36,099,000 Investment	\$186.00 -	177,300 Class A	JP Morgan Asset Mgmt Fortress

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
3850-3870 W. 108th St	Hialeah	493,187	Flagler Global Logist
2301 NW 107th/10660 NW 25th	Doral	318,043	Foundry Commercial
3200 NW 67th Ave	Miami	190,850	Flagler Global Logist


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
4310-4350 NW 215th St	Miami Gardens	1,108,566	Q4 2019
3880-3980 W 104th/3805 W 108th	Hialeah	597,761	Q4 2019
304-306 Haverhill Rd	West Palm Beach	566,670	Q1 2020


### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.20%	\$10.66	460,697	443,698,769	8,332,977
Q2 2019	4.10%	\$10.58	290,660	442,626,044	8,400,676
Q1 2019	3.80%	\$10.38	349,750	441,124,687	7,796,593
Q4 2018	3.50%	\$10.44	1,382,871	439,565,902	6,123,084
Q3 2018	3,30%	\$10.41	1,698,260	437,194,544	7,722,636

 **460,697** NET ABSORPTION SF

 **4.2%** VACANCY  
17,759,218 SF

 **\$10.66** AVG. ASKING RATE PSF GROSS

 **1,432,725** DELIVERIES  
12 Buildings

 **8,332,977** UNDER CONSTRUCTION  
75 Buildings

**MATTHEW ROTOLANTE, SIOR,**  
CCIM President

The South Florida Industrial Market continues to perform well, particularly among institutional players. Net absorption totaled 460,697 SF with total average rental rates for South Florida increasing to \$10.66/sf up from \$10.58/SF last quarter. During Q3, 12 industrial buildings totaling 1,432,725 SF were reported delivered with construction climbing to about 8,332,977 SF still under construction. Sales volume so far year to date comes in at over \$2 Billion, up 21% year over year with over \$1 Billion trading in Q3 alone. The average price per square foot remains steady at about \$130/SF, and cap rates are still averaging at 6% over the last four quarters.





### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
2452 Lake Emma Rd	Longwood/Lake Mary	149,000	Alliance Building Supply
Vista East Parkway	SE Orlando	105,000	Home Depot
9901 Satellite Blvd	SE Orlando	33,699	FS Florida (Carpet One)

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
8000-8500 Vista Reserve SE Orlando	\$42,400,000 Investment	\$75.11 -	564,508 Class A	Colony Capital Tarus
438 Kaley Ave Central	\$3,696,000 Owner/User	\$84.00 -	44,000 Class C	One Pulse Foundation VF Investors LLP
661 Garden Commerce Pk NW Orlando	\$21,620,000 Investment	\$153.41 5.20%	140,929 Class A	KKR WGCC Properties LLC

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
8000 Vista Reserve	Orlando	240,068	Colony Capital
8500 Vista Reserve	Orlando	324,440	Colony Capital
540 Ocoee Business Pkwy	Ocoee	145,000	McCraney/Clarion


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
570 Ocoee Business Park	Ocoee	405,000	May 2020
1 Weatherby	Orlando	383,618	Q3 2020
Upsala Rd	Sanford	264,950	Q3 2020

### TOTAL INDUSTRIAL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	5.70%	\$6.83	728,526	129,351,644	4,532,066
Q2 2019	5.80%	\$7.20	567,806	128,396,690	5,441,747
Q1 2019	5.00%	\$6.67	531,837	128,090,043	4,056,647
Q4 2018	5.80%	\$6.08	574,131	127,009,046	3,818,892
Q3 2018	6.00%	\$6.35	1,004,805	113,253,115	4,267,914

 **728,526** NET ABSORPTION SF

 **5.7%** VACANCY 7,296,000 SF

 **\$6.83** AVG. ASKING RATE PSF GROSS

 **1,150,715** DELIVERIES 9 Buildings

 **4,532,066** UNDER CONSTRUCTION 29 Buildings

#### WILLIAM BRADFORD, President

Despite continued instability and uncertainty, the third quarter industrial market continued its positive push upwards. With net absorption 24% higher than the 2nd quarter and sales volume 33% higher than the 2nd quarter, things look to be trending fine. Supply is relatively in check with demand and we are not seeing overbuilding concerns. As we conclude the 3rd quarter and look towards the 4th quarter, we remain optimistic and believe the year will end strongly, although not quite at the level of 2018.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
2100-2200 W. Park Pl Blv	Stone Mountain	700,000	Amazon
1265 Terminus Dr	I-20 W/Douglasville	527,000	Fr8Auctions
3120 Anvil Block Rd	South Atlanta	447,520	FedEx Ground

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
5390 Hunter Rd South Atlanta	\$59,750,000 Investment	\$66.00 5.0%	903,145 Class A	Morgan Stanley R.E. LaSalle Investment Mgmt
2200 Thornton Rd I-20 West	\$36,700,000 Investment	\$77.00 -	476,054 Class A	Cabot Properties Inc Colony Capital Inc
11665 Lewis Braselton Blv Northeast	\$25,000,000 Investment	\$54.00 -	462,000 Class A	Barings UBS Realty Advisors

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
3150 Highway 42	South Atlanta	1,011,907	Scannell Properties
94 Logistics Ln	Northeast	1,003,386	Exeter Property Grp
1720 Peachtree Industrial Blv	Northeast	442,000	Seefried


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
5455 Campbellton Fairburn Rd	South Atlanta	1,400,000	Q2 2020
7055 Campbellton Rd	I-20 West	1,128,400	Q2 2020
2160 Anvil Block Rd	South Atlanta	1,043,418	Q4 2019

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.30%	\$5.28	6,305,966	709,253,894	20,609,209
Q2 2019	6.60%	\$5.28	4,198,969	704,526,176	21,377,513
Q1 2019	6.40%	\$5.19	857,014	698,940,416	17,207,348
Q4 2018	6.00%	\$5.08	3,491,918	694,794,278	17,338,831
Q3 2018	5.60^	\$5.02	8,086,419	688,404,096	20,649,068


**6,305,966** NET ABSORPTION  
SF


**6.3%** VACANCY  
44,746,317 SF


**\$5.28** AVG. ASKING RATE  
PSF GROSS


**4,009,075** DELIVERIES  
11 Buildings


**20,609,209** UNDER  
CONSTRUCTION  
41 Buildings

**CRAIG VIERGEVER**, EVP, Principal

Atlanta's Industrial market continues to lead in strong net absorption, ending Q3 with 6.3M SF absorbed, bringing year-to-date absorption to 11.4M SF. Overall vacancy decreased 30 basis points to 6.3%. There was 20.6M SF under construction at the end of Q3. Compared to 18 buildings that broke ground in Q2, only 6 new build-to-suit and speculative properties started in Q3. At the end of Q3, the Atlanta market delivered 4M SF of new industrial product (100,000 SF plus) to the marketplace, bringing year-to-date deliveries to 12.3M SF.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
4020 Stirrup Creek Dr	Research Triangle Pk	44,917	Unavailable
6231 Westgate Rd	Raleigh	23,997	Unavailable
419 Davis Dr	Research Triangle Pk	20,411	Unavailable

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
20 TW Alexander Dr Research Triangle Park	\$47,231,461 Investment	\$317.00 -	148,989 Class A	Longfellow R.E. Partners Bain Capital R.E. LP
977 Shotwell Rd Clayton	\$44,518,859 Investment	\$63.00 -	706,405 Class A	Stolts Real Estate Ptnrs Petrus Partners, Ltd
4001 E. Chapel Hill-Nelson Research Triangle Park	\$37,000,000 Investment	\$51.00 -	731,071 Class A	Trinity Capital Advisors State Street Bank, N.A.

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
4915 Hillsborough Rd	Durham	39,239	Jacobs Glass
110 Harvest Mill Ln	Clayton	35,000	H&S Bakery, Inc.
305 Capcom Ave	Wake Forest	22,268	Goodberrys Comm


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
1275 Person St	Durham	410,000	Oct 2020
805 S. Briggs Ave	Durham	260,000	Oct 2020
2320 Presidential Dr	Durham	55,590	Feb 2020

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.90%	\$7.42	314,989	128,408,117	2,704,665
Q2 2019	4.10%	\$7.36	1,159,361	128,362,655	2,258,384
Q1 2019	4.80%	\$7.27	(88,385)	128,154,494	2,369,545
Q4 2018	4.50%	\$7.38	737,007	127,744,514	2,496,275
Q3 2018	5.90%	\$7.15	(746,119)	128,912,268	2,530,124

 **314,989** NET ABSORPTION SF

 **3.90%** VACANCY 4,985,381 SF

 **\$7.42** AVG. ASKING RATE PSF GROSS

 **103,707** DELIVERIES 4 Buildings


 **2,704,665** UNDER CONSTRUCTION 23 Buildings

**SCOTT HADLEY**, Senior Director

The Triangle Industrial Market continued to see a reduction of available space and increased rents across Raleigh and Durham. The vacancy rate dropped from 4.1% to 3.9% in Q3 and average rents increased by \$0.04. There are 3,370,225 SF under construction with 62.7% preleased. Third-quarter absorption of 314,989 SF was down compared to 1.2 million SF in Q2. Investment-grade buildings are in high demand from investors in and outside the market. Absorption and rent growth has slowed. Amazon's 700,281-SF facility and the 900,000-SF Novo Nordisk plant are set for delivery in Q4.



**710,955** **NET ABSORPTION**  
SF


**6.2%** **VACANCY**  
5,220,400 SF


**\$7.17** **AVG. ASKING RATE**  
PSF GROSS


**803,340** **DELIVERIES**  
5 Buildings


**2,500,000** **UNDER CONSTRUCTION**  
16 Buildings

**THOMAS BUIST**, Broker

Charleston is setting local records for industrial development and absorption. Deliveries total about 6.5 million SF since 2018 with about 2.9 million SF completed in the past year. Construction has slowed but there is plenty in the pipeline. With the success of developers in leasing speculative buildings, new supply should easily exceed historical norms in 2019. Due to the Port of Charleston's success in adding jobs and population, both rents and sales volume have ticked up. Owners pushed rents by 3.9% over the past year. In 2018 sales surpassed \$300 million for the first time since 2016.

### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
1334 Drop Off Dr	Summerville	365,000	Universal Logistics
9735 Patriot Blvd	Ladson	264,312	Mercedes Benz
1017 Northpointe Ind Bl	Hanahan	143,000	Expeditors

### SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
7771 Palmetto Commerce	\$28,000,000	\$265.00	106,500	MUSC
North Charleston	Investment	-	Class B	Sensus One
105 E. Port Lane	\$7,100,000	\$80.77	87,900	Stag Industrial
Summerville	Investment	6.20%	Class B	Buerger Dev Corp
5914 Howard St	\$5,150,000	\$120.79	42,637	Calcote Properties LLC
Hanahan	Investment	7.04%	Class B	UEC Properties LLC

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
7413 Magi Rd	Charleston	313,650	StockBridge Capital
7755 Palmetto Commerce Pky	North Charleston	159,840	RCRM Family Ltd Ptnr
553 Trade Center Pky	Summerville	115,500	Elm Tree Funds

### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
115 N. Metts St	St. George	566,666	Aug 2020
Volvo Car Dr & Fish Road	Ridgeville	504,010	TBD
Highway Phase I	Ladson	420,888	TBE

### TOTAL INDUSTRIAL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.20%	\$7.17	710,955	84,200,000	2,500,000
Q2 2019	6.20%	\$7.12	243,527	83,400,000	3,300,000
Q1 2019	5.90%	\$7.03	816,857	82,900,000	3,700,000
Q4 2018	5.90%	\$6.96	1,089,903	82,100,000	2,800,000
Q3 2018	6.30%	\$6.84	1,686,751	81,200,000	2,600,000




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
50 Tyger River Dr	Rt 290 Corr/Duncan	221,833	Plastic Omnium
1700 Old Grove Rd	I-85 S/Donaldson	142,405	ORBIS
130 Monroe Dr	I-85 South/Wenwood	100,464	ALO Tennessee

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
130 Monroe Dr Simpsonville	\$13,830,232 Investment	\$89.17 6.16%	155,101 Class A	EGP 385 BP 1031 LLC 385 Business Park LLC
1621 Southport Rd Spartanburg	\$1,120,000 Individual	\$22.14 -	50,583 Class C	William & Heather Hulsey Upstate Development Pt
2006 Perimeter Rd Greenville	\$1,010,000 Individual	\$21.05 -	47,975 Class B	Duro Properties LLC Harbour Tr & Inv Mgmt

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
GSP Logistics Pkwy	Greer	567,630	BMW
400 E. Stone Ave	Greenville	310,000	Central Realty
Carolina Point Pkwy	Greenville	25,000	Tru by Hilton


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
Genoble Rd, Bldg A	Greer	1,318,680	Q2 2020
Robinson Rd, Bldg C	Greer	1,314,060	Q2 2020
6135 Anderson Mill Rd	Moore	708,067	Q4 2019


**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	5.00%	\$4.08	(320,222)	227,074,119	10,952,966
Q2 2019	4.80%	\$4.04	(572,316)	226,192,198	7,239,508
Q1 2019	4.20%	\$3.81	2,807,342	225,377,090	7,239,508
Q4 2018	4.60%	\$3.75	3,442,116	223,282,279	8,186,182
Q3 2018	4.50%	\$3.68	2,056,990	219,444,421	9,309,925

 **(320,222)** NET ABSORPTION SF

 **5.0%** VACANCY  
11,276,292 SF

 **\$4.08** AVG. ASKING RATE PSF GROSS

 **1,331,494** DELIVERIES  
4 Buildings

 **10,952,966** UNDER CONSTRUCTION  
35 Buildings

**RANDALL BENTLEY**, President

Greenville/Spartanburg continued in Q3 with a slightly negative net absorption. Vacancy inched upwards as well from 4.8% to 5.0%, still indicative of a very low inventory rate that has continued for the last 9 quarters. Despite the uptick in vacancy, record-setting construction levels have been met with strong absorption as over 8.7 million SF has been absorbed in the last 4 quarters. Rents have increased steadily 4% to 5% annually. The recent growth is a testament to the market's positive attributes, including access to ports, proximity to major metros in the southeast and availability of development-ready land. Greenville/Spartanburg also offers easy access to Atlanta, Charlotte, and Port of Charleston.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
4300 80th St	Delta	234,629	MTU Maintenance
3084 Peardonville	Abbotsford	179,057	FlexiForce Canada Inc
27475 58 Crescent	Langley	162,000	General Motors

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
15050 54A Avenue Surrey	\$66,150,000 Investment	\$221.06 3.8%	315,128 Class A	CanFirst Capital Mgmt Hydro Quebec
10095 & 10097 179th St Surrey	\$12,550,000 Investment	\$211.76 -	59,265 Class A	Hall Constructors Corp PD Properties & Rentals
30722 Marshall Rd Abbotsford	\$12,534,830 Investment	\$245.64 -	51,030 Class A	Global Bolting Systems Teck Construction LLP

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
7560 Beedie Way	Delta	365,490	Beedie
2825 41B St	Delta	300,000	GWL/HOOPP
18880 30th Ave	Surrey	196,839	Hopewell


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
18890 22nd Ave	Surrey	530,563	Q2 2020
4514 27B Ave/2864 41 B St	Delta	484,920	Q2 2020
18917 24 Ave	Surrey	360,000	Q2 2021

**TOTAL INDUSTRIAL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	1.42%	\$13.10	1,637,414	214,855,677	5,067,201
Q2 2019	1.46%	\$12.89	1,356,107	213,145,441	4,024,055
Q1 2019	1.47%	\$12.89	428,998	214,855,677	3,914,415
Q4 2018	1.46%	\$12.56	907,240	211,339,441	3,805,649
Q3 2018	1.46%	\$12.15	1,439,307	210,572,470	3,536,060


**1,637,414** NET ABSORPTION  
SF


**1.42%** VACANCY  
3,045,192 SF


**\$13.10** AVG. ASKING RATE  
PSF GROSS


**1,710,236** DELIVERIES  
12 Buildings


**5,067,201** UNDER  
CONSTRUCTION  
44 Buildings

**NOINA MATTA**, Director of Research

For Q3 2019 Metro Vancouver's industrial market continues to experience record-low vacancy rates. Despite over 3.4 million square feet of space coming to market in the past year, the vacancy remains below 2.0%. Moreover, due to lack of specialized industrial space and a high demand, lease rates and sale prices continue to increase. There have been decreases in the residential and multi-dwelling sectors, however, the industrial sector remains strong. Prospects for non-residential construction activity in BC tops the country this year in terms of growth and capital investments.

### Demand Eases Amid New Construction Boom

Tenant growth slipped in the third quarter, notching its weakest three-month period this year. Barring a sizable gain in the fourth-quarter demand, the overall market is poised to turn in the least annual net absorption total in four years.

Third-quarter absorption totaled 11,297,543 SF, 60% less than the same period last year. Year-to-date absorption through September totaled 46.3 million SF, a 28.3% drop from the first three quarters of 2018. The slowdown comes as the volume of new construction rose to 189 million SF at the end of the third quarter, a gain of 28.1 million SF compared to the same period last year.

Rent growth gained an average of 3.6% year over year. Because of slowing demand and rising supply, the forecast is that rent growth will weaken further.

Year-to-date demand for Class A space totaled 42.6 million SF, an 8.1% decline compared to the first nine months of 2018. Deliveries through the third quarter totaled 47 million SF, up 1.4 million SF versus a year ago, and the 152.5 million SF of new construction for premium space jumped 17.5% from the end of Q3 last year. Average year-over-year rent growth for premium space gained 2.2%.

### MARKETS WITH MOST SF UNDER CONSTRUCTION

Market	SF	Market	SF
New York, NY	17.8 M	Washington, DC	13.1 M
Boston, MA	10.3 M	Dallas/Ft Worth, TX	9.4 M
Chicago, IL	8.4 M	Austin, TX	7.8 M

### LOWEST VACANCY RATES AMONG TOP 25 MARKETS






Market	Vacancy Rate	Market	Vacancy Rate
Seattle, WA	6.0%	San Francisco, CA	6.2%
Portland, OR	6.5%	Kansas City, MO	6.5%
Tampa/St. Petersburg, FL	6.7%	St. Louis, MO	7.2%

### HIGHEST RENTAL RATES

Market	Asking Rent/SF	Market	Asking Rent/SF
San Francisco, CA	\$63.34	New York, NY	\$62.07
South Bay/San Jose, CA	\$46.83	Los Angeles, CA	\$37.96
Miami-Dade Co, FL	\$37.84	Washington, DC	\$37.27

### MOST 12-MONTH SALES VOLUME & AVERAGE PRICE PER SF

Market	Sales Volume	Avg Price/SF	Market	Sales Volume	Avg Price/SF
New York, NY	\$17,381,620,431	\$685.00	Boston, MA	\$9,167,049,930	\$406.00
Washington, DC	\$9,016,229,734	\$377.00	San Francisco, CA	\$7,368,653,053	\$859.00
Los Angeles, CA	\$7,198,507,180	\$433.00	Seattle, WA	6,224,261,756	\$475.00
San Jose, CA	\$4,354,433,543	\$666.00	Atlanta, GA	\$3,433,060,125	\$197.00

	<b>11.3</b>	<b>Q3 NET ABSORPTION</b> Million SF
	<b>8.8%</b>	<b>VACANCY</b> 1.1 Billion SF
	<b>0.5%</b>	<b>AVG. ASKING RATE</b> \$26.40 PER SF
	<b>19.7</b>	<b>Q2 DELIVERIES</b> Million SF
	<b>189.0</b>	<b>UNDER CONSTRUCTION</b> Million SF

Demand for Class B space is off substantially so far this year. Through the third quarter, net absorption for second-tier space totaled 5.5 million SF compared to 13.5 million SF through September of last year. Deliveries of new product slipped 7.7% to 16.7 million SF year to date, but buildings under construction totaled 36.5 million SF this year, a 17.7% increase. Asking rents gained 3.5% over the same period last year. Tech markets led by Austin, TX, San Jose, CA, San Francisco and Seattle, WA, posted the strongest rent growth over the past 12 months. Metros with the weakest rent gains included New York City, Washington, D.C., and Boston, MA. Deal volume surged in the first half of the year, setting up 2019 as a potential record year. Prices continue to rise despite increasing average cap rates.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
3900 W. Alameda Ave	Burbank	115,673	Walt Disney Animation
3400 W. Olive Ave	Burbank	108,167	Warner Bros.
21255 Burbank Blvd	Woodland Hills	52,875	WeWork

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
5200 Lankershim Blvd North Hollywood	\$91,200,000 Investment	\$521.00 -	175,175 Class A	Rockwood Cap Artisan Rty Swift Real Estate Partners
24151 Ventura Blvd. Calabasas	\$24,000,000 Investment	\$314.00 -	76,496 Class A	4M Investment Corp Parkway Calabasas Inv
18321 Ventura Blvd Tarzana	\$22,000,000 Investment	\$260.00 -	84,780 Class A	Optimus Properties LLC 4M Investment Corp

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
20000 Prairie St	Chatsworth	255,000	MGA Entertainment
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
6150 Laurel Canyon Blvd	North Hollywood	500,000	Dec 2019
Avion Burbank	Burbank	142,250	Q4 2020
18362-18424 Oxnard St	Tarzana	98,527	Feb. 2020

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	9.30%	\$33.72	31,695	73,314,784	964,002
Q2 2019	9.40%	\$33.60	109,654	73,306,304	722,567
Q1 2019	9.50%	\$33.72	(215,363)	73,838,044	624,040
Q4 2018	9.20%	\$32.88	453,583	73,612,222	613,107
Q3 2018	9.80%	\$31.92	137,261	73,412,887	346,492


**31,659** NET ABSORPTION  
SF


**9.3%** VACANCY  
6,826,055 SF


**\$33.72** AVG. ASKING RATE  
PSF GROSS


**255,000** DELIVERIES  
1 Building


**964,002** UNDER  
CONSTRUCTION  
18 Buildings


**SHELLY GARCIA**, Dir. of Marketing

A quick glance suggests that the office market is plodding along with modest improvements. But a closer look shows a market in transition with strategically located creative and medical office space seeing low vacancy and high demand and the lion's share of developer attention. Submarkets attracting creative office users, mostly in the East San Fernando Valley, show an average 4.75 percent vacancy rate, and more than two-thirds of the square footage under development geared to creative users. Medical office space, while not concentrated in one submarket cluster, is very active with one-third of the projects under development geared to health care users.







 **(7,450)** **NET ABSORPTION SF**

 **7.1%** **VACANCY**  
2,322,454 SF

 **\$25.80** **AVG. ASKING RATE PSF GROSS**

 **32,637** **DELIVERIES**  
1 Building

 **93,160** **UNDER CONSTRUCTION**  
2 Buildings

**CHRISTOPHER LARIMORE**, President

The SGV office leasing market experienced the usually seasonal slowing of activity due to the summer months, which lead to a few of the larger spaces available to be withdrawn. Owners sometimes correlate this slowing with either the need for representation change or readjustment to the market. Asking rates increased 3% to \$2.15 PSF and the vacancy remained almost unchanged at 6.9%. Eight sales occurred during the 3Q19 at 6.3% cap rate average and \$182 PSF average. The market saw more investors purchasing office buildings which speaks to the fact that the SGV is a value-add alternative to the more expensive Los Angeles based cities. Overall sales performed at an even pace with last quarter and leasing was slower but with increased rental rates. The 4th quarter is expected to end very strong.

**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1515 W. Cameron Ave	West Covina	3,510	Children's Bureau of SoCal
5240 Irwindale Ave	Irwindale	3,350	MWDB Group, Inc.
1000 Corporate Center	Monterey Park	5,620	N/A

**SIGNIFICANT BUILDING SALES**

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
955 Overland Ct	\$19,919,301	\$228.41	87,210	HCT Logistics Co, Ltd
San Dimas	Investment	7.48%	Class B	Asset Mgmt Consultants
101 Centre Plaza Dr	\$14,455,000	\$384.54	37,590	Barry D Pritchard
Monterey Park	Investment	-	Class C	Chase Partners, Ltd
10503-10507 Valley Blvd	\$10,500,000	\$116.35	90,243	Yuqin LI
El Monte	Investment	5.01%	Class B	Jeerreddi A. Prasad MD

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
19115-19117 Colima Rd	Rowland Heights	32,637	Rowland Hts, Medical
-	-	-	-
-	-	-	-

**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
9133 Garvey Ave	Rosemead	62,000	Nov. 2019
288 N. Santa Anita Ave	Arcadia	31,160	Oct 2020
-	-	-	-

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	7.10%	\$25.80	(7,450)	32,920,270	93,160
Q2 2019	6.90%	\$25.32	28,568	32,887,633	94,637
Q1 2019	7.00%	\$25.20	66,220	32,887,633	94,637
Q4 2018	7.20%	\$24.48	434,658	32,887,633	104,637
Q3 2018	8.50%	\$24.24	(44,935)	32,887,633	104,637


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
2255 N. Ontario	Burbank	43,000	DNEG
55 S. Lake Ave	Pasadena	26,506	HRC Management
800 N. Brand Blvd	Glendale	104,000	Service Titan

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
2947 Bradley St Pasadena	\$30,000,000 Leasehold	\$137.00 -	219,000 Class B	Graymark Capital Inc Hudson Advisors
2923-2935 Bradley St Pasadena	\$14,038,114 Leasehold	\$132.15 -	106,229 Class B	Graymark Capital Inc Hudson Advisors
66 Hurlbut St Pasadena	\$11,750,000 Investment	\$ -	21,220 Class C	Nirmal Kumar, MD Inc Markwood Enterprises

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
380 E. Union St	Pasadena	82,000	Alexandria R.E. Eq
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
10 W. Walnut	Pasadena	500,000	2021
3400 Warner Blvd	Burbank	800,000	2023
-	-	-	-

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	11.7%	\$39.72	37,254	18,955,573	1,300,000
Q2 2019	11.9%	\$38.64	13,993	18,955,573	340,067
Q1 2019	12.0%	\$38.64	(11,639)	18,955,573	340,067
Q4 2018	11.9%	\$37.68	109,928	19,955,573	121,067
Q3 2018	12.9%	\$35.88	25,183	19,054,149	121,067


**37,254** **NET ABSORPTION**  
SF


**11.7%** **VACANCY**  
2,217,319 SF


**\$39.72** **AVG. ASKING RATE**  
PSF GROSS


**82,000** **DELIVERIES**  
1 Building


**1,300,000** **UNDER CONSTRUCTION**  
1 Building

**COLLEEN CAREY**, Founding Principal

Burbank's office market continued to tighten with a low 7% vacancy rate. Glendale witnessed some recovery from the high-profile corporate move outs that included Nestle, which vacated 375,000 SF, and some entertainment employers. The Glendale office market sale frenzy has subsided. The Pasadena office marketplace is a hub of engineering, high tech, education and healthcare companies. Kaiser Permanente's construction of its first medical school is taking shape. The purchase of the 600,000-SF Corporate Center on South Lake by Coretrust Capital has resulted in heavy reinvestment which should produce significant new lease activity.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1621 18th St	LoDo	92,477	Checkr
717 17th St	CBD	91,500	2U
3601 Walnut St	RiNo	50,125	EverCommerce

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
7800 E. Union DTC	\$71,700,000 Investment	\$188.00 -	381,466 Class B	TerraCap Management Bridge Investment Grp
4643 S. Ulster St DTC	\$71,250,000 Investment	\$223.00 -	319,967 Class A	Granite Properties Barings Real Estate
205 Detroit Cherry Creek	\$55,000,000 Investment	\$742.00 -	74,085 Class A	Power Financial Corp BMC Investments

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
260 N. Josephine	Cherry Creek	66,000	Elevation Dev Grp
-	-	-	-
-	-	-	-

**LARGEST UNDER CONSTRUCTION**


Address	Submarket/City	SF	Delivery Date
675 15th St	CBD	600,000	Q4 2020
6900 Layton Ave	SES	385,000	Q3 2020
1901 Wazee	LoDo	211,000	Q1 2021

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	9.4%	\$27.54	1,816	212,062,750	3,479,474
Q2 2019	9.2%	\$27.27	603,254	211,670,636	3,634,293
Q1 2019	9.3%	\$27.00	1,040,360	210,805,879	3,296,974
Q4 2018	9.4%	\$26.95	1,160,514	208,760,044	4,540,282
Q3 2018	9.7%	\$26.87	1,279,356	208,111,030	4,811,635


  
**1,816**
**NET ABSORPTION  
SF**

  
**9.4%**
**VACANCY**  
19,925,719 SF


  
**\$27.54**
**AVG. ASKING RATE  
PSF GROSS**

  
**392,114**
**DELIVERIES**  
10 Buildings


  
**3,479,474**
**UNDER  
CONSTRUCTION**  
45 Buildings

**JR BITZER**, Principal

Bay area companies continue to expand into Denver. Flight to quality continues from Class B to Class A.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1201 2nd Ave 2+U	Seattle	275,000	Qualtrics
333 Dexter Ave N	Seattle	640,000	Apple
1165 Eastlake Ave E	Seattle	100,000	Adaptive Biotechnologies

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1420 5th Av/ 999 Third Av Seattle CBD	\$1,200,000,000 Fee Interest	\$621.25 -	943,575 Class A	Black Rock Ivanhoe Cambridge
901 Fifth Ave Seattle CBD	\$305,000,000 Fee Interest	\$562.83 4.74%	541,900 Class A	Vanbartron Group Schnitzer West Investcorp
509 Olive Way (Med/Dtl) Seattle CBD	\$113,000,000 Fee Interest	\$397.55 5.80%	284,239 Class B	Menashe Properties Goodman Real Estate

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
469 Central Way	Kirkland Urban	220,000	Talon/Ryan/PGIM
630 Boren Ave N	Seattle	148,264	Vulcan Inc
2575 Williamson Pl	DuPont	40,397	Davis Property & Inv


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
1324 Westlake Ave Block 20	Seattle	1,100,000	Dec 2019
1301 5th Ave Rainier Square	Seattle	801,000	Sept 2020
1201 2nd Ave - 2+U	Seattle	686,908	Dec 2019

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.00%	\$34.42	1,326,333	205,622,394	6,636,791
Q2 2019	6.40%	\$33.66	1,500,426	205,172,105	6,496,532
Q1 2019	6.60%	\$33.31	(31,431)	204,051,201	7,298,627
Q4 2018	6.20%	\$32.76	1,277,887	203,229,562	8,131,700
Q3 2018	6.90%	\$33.20	677,304	203,243,085	7,648,254

 **1,326,333** NET ABSORPTION SF

 **6.0%** VACANCY  
12,281,166 SF

 **\$34.42** AVG. ASKING RATE PSF GROSS

 **475,908** DELIVERIES  
5 Buildings

 **6,636,791** UNDER CONSTRUCTION  
25 Buildings

**MACGREGOR MILLER**, Principal

The Seattle office market continues to be one of the strongest in the country with tech and biotech companies taking more space in both the CBD and Eastside submarkets. As a sign of commitment to the Eastside market, Google purchased a 240,000-SF building in Kirkland. Investor interest in the greater Seattle market continues to be exceptionally strong with a number of trophy and suburban office projects selling at premium prices. But data indicates that the explosion of new office development may have peaked, and it is unclear what impact WeWorks' troubles will have on the market.





### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
NWC Hayden & Loop 101	North Scottsdale	150,000	Choice Hotels
S. McQueen Rd	Gilbert	120,512	Northrup Grumman
410 N. Scottsdale Rd	Tempe	100,810	Opendoor

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
21711 N. 7th St Deer Valley Airport	\$92,250,000 Investment	\$438.86 -	210,202 Class A	NGP Management, LLC Artis REIT
2415 E. Camelback Rd Camelback Corridor	\$60,250,000 Investment	\$275.85 -	218,387 Class A	Transwestern Crow Holdings
14400 N. 87th St Scottsdale Airpark	\$51,476,000 Investment	\$376.12 -	136,862 Class B	CIM Group, LP Crow Holdings

### LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
1127 N. Papago Dr	Tempe	345,795	Lincoln Property Co
400 & 410 E. Rivulon Blvd	Gilbert	199,682	Nationwide R.E. Inv.
1465 N. Scottsdale Rd	Scottsdale	151,318	The Plaza Co's


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
101 E. Washington St	Phoenix	280,399	Q4 2019
410 N. Scottsdale Rd	Tempe	265,000	Q4 2019
850 W. Rio Salado Pkwy	Tempe	185,833	Q4 2019

### TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	16.10%	\$25.03	1,018,799	103,005,143	1,826,969
Q2 2019	16.20%	\$24.74	245,609	101,676,035	2,065,316
Q1 2019	16.20%	\$24.69	1,113,006	101,093,062	2,227,704
Q4 2018	16.60%	\$24.09	(33,135)	99,495,850	2,569,439
Q3 2018	16.30%	\$24.44	999,900	99,937,230	2,785,849

 **1,018,799** NET ABSORPTION SF

 **16.1%** VACANCY  
16,560,621 SF

 **\$25.03** AVG. ASKING RATE PSF GROSS

 **696,795** DELIVERIES  
4 Buildings

 **1,826,969** UNDER CONSTRUCTION  
17 Buildings

**CHRIS MCCHESENEY**, Research Dir.

Phoenix's Office Market erupted for another strong quarter as vacancy rates dropped, rental rates remained level, and net absorption skyrocketed compared to last quarter. Total sales volume almost doubled in the quarter and cap rates still stand in the low 7's. Net absorption in Q3 followed Q2 with more than 1M SF occupied. With just over 1M SF already absorbed in 2019, the outlook for the remainder of the year looks promising and the demand for Class A office space will continue to rise. Of the five largest lease transactions of the quarter, Lee & Associates is responsible for four of them.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
585 N. Dairy Ashford Rd	Katy Freeway West	156,828	Kiewitt Engineering
1360 Post Oak Blvd	Galleria/Uptown	109,667	Engie
909 Fannin	Bellaire	100,812	Houston Methodist Hosp

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
2000 W. Sam Houston Pky Westchase	\$133,906,829 Investment	\$266.53 5.3%	502,410 Class A	Cousins Properties Inc TIER REIT, Inc.
825 Town & Country Katy Freeway West	\$93,000,000 Investment	\$409.58 5.7%	227,063 Class A	Lionstone Partners, LLC Midway
2050 W Sam Houston Pky Westchase	\$88,780,806 Investment	\$266.53 5.3%	333,100 Class A	Cousins Properties Inc TIER REIT, Inc.

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
19350 State Hwy 249	Houston	156,000	Greenwood Prop
8731 Katy Freeway	Houston	102,474	Diamond Relty Mgt
1401 Lake Plaza Dr	Spring	48,840	Patrinely Group LLC


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
845 Texas Ave-Texas Tower	Houston	1,123,699	Oct 2021
US-59 & Kingwood Dr-Insperity	Bldg 5/Kingwood	270,000	Mar 2020
4200 Westheimer / 200 Park Pl	Houston	207,202	Mar. 2020

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	16.74%	\$28.96	(407,766)	332,022,127	3,541,162
Q2 2019	16.54%	\$29.09	(699,965)	331,714,792	3,391,426
Q1 2019	15.99%	\$29.17	527,301	330,367,581	3,794,532
Q4 2018	16.07%	\$28.76	1,720,328	330,049,443	3,440,837
Q3 2018	16.39%	\$28.68	1,152,646	329,272,954	4,212,510


**(407,766)** **NET ABSORPTION**  
SF


**16.74%** **VACANCY**  
55,586,651 SF


**\$28.96** **AVG. ASKING RATE**  
PSF GROSS


**408,196** **DELIVERIES**  
13 Buildings


**3,541,162** **UNDER CONSTRUCTION**  
85 Buildings

**JILL NESLONEY, Director**

Houston's office market really has not seen a dramatic change in the last 12 months. Rents have held in the \$29 per square foot range and vacancy rates have hovered between 16.5% to 17.5%. Tenants are still signing leases however new buildings are coming on the market which is preventing positive absorption from happening. The Houston economy is still strong and growing however we are just not seeing that growth have a major impact on the overall Houston office market. Tenants that reduced their square footage when oil prices dropped may never reabsorb the space they gave back. It could be another year or two before we see rental rates and occupancy increase.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
801 Nicollet Mall	Minneapolis CBD	125,000	RSM
705 & 733 Marquette Av	Minneapolis CBD	78,000	Merrill Corp
3701 Wayzata Blvd	West	70,000	SRF Consulting

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
Two 22 Minneapolis CBD	\$81,000,000 Investment	\$107.00 7.2%	756,200 Class A	Lingerfelt Commonwealth 222 S 9th Sts LLC
2620 Eagan Woods Dr Eagan/Southeast	\$29,400,000 Investment	\$420.00 7.5%	70,000 Class A	Harrison Street MSP Commercial
6820 Wedgwood Rd N Northwest	\$22,770,731 Investment	\$225.00 8.0%	101,100 Class B	Syndicated Equities WRP Maple Grove LLC

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
3701 Wayzata Blvd (Target West)	Minneapolis	400,000	Opus
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
30 3rd St S (Gateway Tower)	Minneapolis	900,000	Q4 2021
700 Nicollet Mall (Dayton's)	Minneapolis	750,000	Q12020
-	-	-	-

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	11.8%	\$25.02	145,085	125,867,649	2,901,293
Q2 2019	14.9%	\$24.29	175,045	95,050,542	2,789,729
Q1 2019	15.1%	\$23.85	344,205	95,238,409	1,881,985
Q4 2018	15.5%	\$23.88	157,460	95,394,066	2,233,654
Q3 2018	No Data This Qtr	-	-	-	-

 **145,085** NET ABSORPTION SF

 **11.8%** VACANCY  
14,878,134 SF

 **\$25.02** AVG. ASKING RATE PSF GROSS

 **400,000** DELIVERIES  
1 Building

 **2,901,293** UNDER CONSTRUCTION  
17 Buildings

**LAMAR NEWBURN**, Vice President

The Minneapolis/St. Paul office market, consisting of more than 125M SF of space in seven counties, posted 145,000 SF of positive net absorption for Q3 2019 (363,000 SF for multi-tenant properties). The vacancy rate for the market stands at 11.8% for all properties (15.4% vacancy for multi-tenant properties). The average asking lease rate came in at \$25.06 PSF FSG. To date, there are 20 construction projects throughout the market totaling more than 2.9M SF. During Q3 2019, the market experienced 1.5M SF of leasing activity. The unemployment rate ticked up slightly to 2.9% (vs. 3.7% nationally) and office job growth declined 3,200 jobs year-over-year.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
10151 Carver Rd	Cincinnati/Blue Ash	132,679	Belcan
201 E. 4th St	Cincinnati/CBD	31,521	Promotion Execution Ptn
3600-3700 Park 42 Dr	Sharonville	27,144	LifeSafer

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
525 Vine St Cincinnati/CBD	\$24,500,000 Investment	\$63.46 9.21%	386,092 Class A	Group RMC McKnight Realty Partners
1 W 4th St Cincinnati/CBD	\$11,500,000 Investment	\$34.02 9.24%	338,009 Class B	City Club Apartments LLC S.N. Phelps
11500 Northlake Dr Cincinnati/Mason	\$8,700,000 Investment	\$49.43 8.68%	176,000 Class B	Shelbourne Global Soltns C-III Asset Management

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
1840 Simon Kenton Way	Covington	88,000	Kenton Cnty Admin
1171 State Route 28	Milford	15,000	Scheuermann Prop
8479 S. Mason Montgomery	Mason	12,000	N/D


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
5310 Medpace Way-Madison Sq	Cincinnati	268,377	Q1 2020
637 Melish Pl, Ofc Bldg 2	Cincinnati	184,000	Q2 2020
1717 Glendale Milford Rd	Cincinnati	100,000	Q2 2020

### TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	14.10%	\$18.15	89,407	61,948,522	422,500
Q2 2019	14.10%	\$18.30	86,775	61,895,865	433,500
Q1 2019	14.20%	\$18.23	18,253	61,895,865	435,000
Q4 2018	15.20%	\$17.98	(115,876)	62,783,384	390,000
Q3 2018	15.10%	\$18.02	38,533	62,783,384	466,400

 **89,407** NET ABSORPTION SF

 **14.10%** VACANCY 78,747,618 SF

 **\$18.15** AVG. ASKING RATE PSF GROSS

 **52,600** DELIVERIES 3 Buildings

 **422,500** UNDER CONSTRUCTION 3 Buildings

**JOE GILLIGAN**, Senior Vice President

The Cincinnati office market recorded another quarter of positive net absorption totaling 89,407 square feet. The overall vacancy rate decreases by 7 basis points (bps) to 14.1%. Availability continues to tighten, with developers converting existing buildings and removing large blocks of high-vacancy space. With the market remaining tight and no additional projects being built, it will continue to remain difficult finding Class A contiguous space.




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
7151 Columbia Gateway	Columbia South	20,427	-
7000 Columbia Gateway	Columbia South	17,100	Dreamport
6708 Alexander Bell Dr	Columbia South	11,560	-

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
7230 Lee Deforst Dr Columbia South	\$355,300 Investment	\$141.55 -	2,510 Class A	CSW Properties Authority Dev Co
5525 Twin Knolls Rd Columbia South	\$242,000 -	\$175.36 -	1,380 Class B	Undisclosed Undisclosed
5405 Twin Knolls Columbia South	\$255,000 Owner/User	\$189.03 -	1,349 Class B	Undisclosed Undisclosed

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
None to report	-	-	-
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
11100 Johns Hopkins Rd	Columbia South	263,000	Oct 2019
-	-	-	-
-	-	-	-

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	9.6%	\$25.01	198,000	10,300,000	263,000
Q2 2019	9.8%	\$25.04	106,000	10,300,000	263,000
Q1 2019	12.5%	\$25.29	(169,000)	10,300,000	263,000
Q4 2018	12.20%	\$25.37	(252,000)	10,200,000	263,000
Q3 2018	10.4%	\$25.25	(228,000)	10,200,000	396,000


**198,000** **NET ABSORPTION**  
SF


**9.6%** **VACANCY**  
988,800 SF


**\$25.01** **AVG. ASKING RATE**  
PSF GROSS


**0** **DELIVERIES**  
0 Buildings


**263,000** **UNDER CONSTRUCTION**  
1 Building

**BILL HARRISON, Sr. Vice President**

Columbia South is the largest suburban office submarket in metro Baltimore. It's where the Howard Hughes Corp. continues to make quick work on its planned overhaul of Downtown Columbia. The supply of new office product has a significant advantage over the existing stock. This submarket between Baltimore and Washington, D.C. has a lot of staying power. The region's highly educated workforce attracts a diverse tenant base. Many large tech companies call the area home, including Johns Hopkins Applied Physics Lab, Lee & Associates, SAIC, MICROS Systems, Merkle, Magellan Health and Computer Sciences Corp.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
340 Mount Kemble Ave	Morristown	200,418	CIT Group Inc.
1 Diamond Hill Rd	Rte 78 East/Berkeley Hts	180,000	Summit Medical Group
100 Warren Corp Ctr Dr	Route 78 East/Warren	157,747	Everest Reinsurance

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1 Diamond Hill Rd	\$140,000,000	\$518.52	270,000	Welltower, Inc.
Rte 78 East / Berkeley Hts	Sale/Lseback	-	Class A	Summit Medical Group
1100 Campus Rd	\$47,533,115	\$284.64	166,991	Empire Square Group
Brunswick West/Princeton	Investment	-	Class A	Black Creek Group
15 Vreeland Rd	\$25,750,000	\$193.48	133,090	Algin Management
Morristown/Florham Park	Investment	-	Class A	Northwestern Sec Dev Cor

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
200 Monmouth St	Red Bank	45,200	Metrovation
365 Route 59	Airmont	40,000	The Embassy Group
491 State Route 208	Monroe	39,997	Professional Square


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
31 Eastern Rd Bldg 100	Kearny	250,000	Dec 2020
1280 Randolph Rd	Plainfield	205,111	Dec 2020
1000 Maxwell Ln	Hoboken	125,000	July 2020

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	10.5%	\$26.23	738,521	375,110,553	1,687,024
Q2 2019	10.7%	\$26.04	1,702,886	375,082,553	1,466,868
Q1 2019	11.1%	\$25.70	688,806	374,548,796	1,806,900
Q4 2018	11.2%	\$25.52	776,275	374,280,248	1,820,764
Q3 2018	11.4%	\$25.49	2,070,317	374,169,093	1,763,385

 **738,521** NET ABSORPTION SF

 **10.5%** VACANCY 39,568,157 SF

 **\$26.23** AVG. ASKING RATE PSF GROSS

 **0** DELIVERIES 0 Buildings

 **1,687,024** UNDER CONSTRUCTION 23 Buildings

**MICHAEL MALMSTONE**, R.E. Analyst

NNJ Office market remains a tenant's market. Net absorption nearly halved Q2's along with a slight 1.5% uptick in leasing volume. The average lease footprint grew by 18% to 4,409 SF, weighted by four 100k+ SF leases to healthcare, insurance and financial industry tenants. Lease-up time grew by 9 days on average to 9.3 months. Q3 posted New Jersey's lowest historic unemployment rate at 3.1%, partially driven by an influx of healthcare jobs. Available space increased 20 bps to 13.8%. In the investment realm, most fundamentals softened in Q3. Cap rates decompressed slightly 10 bps to 8%. Sales volume shrank by 41% to just \$433MM and pricing moderated to \$145 PSF, down only 3% QoQ. Q3's strongest sub-markets included Newark/Urban Essex, Trenton, and Somerset/I-78, all finishing with 400k+ SF of net absorption. Bergen East and the Meadowlands continue to foster the most under-construction product, both at 340k+ SF each.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
550 Washington St	Hudson Square	1,295,800	Google, Inc.
375 Hudson St	Hudson Square	960,222	Publicis Groupe
437 Madison Ave	Plaza District	362,197	WeWork Companies Inc

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
711 Fifth Ave Plaza District	\$955,000,000 Fee	\$2,698 4.5%	354,000 Class A	Bilgili Holding/SHVO, Inc Nightingale Prop/Wafra CP
711 Fifth Ave Plaza District	\$909,267,500 Fee	\$2,569 4.8%	354,000 Class A	Nightingale Prop/Wafra CP The Coca Cola Co.
330 Madison Ave Grand Central	\$900,000,000 Fee Ptnr Buyout	\$1,060 -	849,372 Class A	Abu Dhabi Inv Authority Vornado

### LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
639 Eleventh Ave	New York	30,478	Sam Ruvinsky
-	-	-	-
-	-	-	-


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
50 Hudson Yards	Hudson Yards	2,900,000	Q1 2022
66 Hudson Blvd	Hudson Yards	2,862,278	Q4 2022
3 Hudson Blvd	Hudson Yards	2,000,000	Q4 2022

### TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q2 2019	7.7%	\$77.61	1,017,915	554,066,726	17,462,977
Q1 2019	7.6%	\$76.44	2,470,328	554,036,248	17,945,047
Q4 2018	7.7%	\$74.18	1,320,986	551,272,083	14,057,466
Q3 2018	8.2%	\$73.82	(1,378,020)	549,252,109	16,344,444
Q2 2018	7.7%	\$73.42	2,357,211	549,053,975	16,317,928

 **1,017,915** NET ABSORPTION SF

 **7.7%** VACANCY  
42,663,137 SF

 **\$77.61** AVG. ASKING RATE PSF GROSS

 **30,478** DELIVERIES  
1 Building

 **17,462,977** UNDER CONSTRUCTION  
29 Buildings

**HENRY ABRAMOV**, Research Dir.

The Manhattan office market set another high for average asking rents in Q3. This time increasing 1.5% from 2Q to \$77.61. That's 5.7% higher than a year ago. Direct asking rents increased in 12 out of 15 office submarkets. New deliveries contributed to the increase in rents, which is mostly in Midtown South's far west side. There are more than 600,000 SF available among One Manhattan West, 30 Hudson Yards, 55 Hudson Yards and 40 Tenth Avenue, where asking rents are more than \$100 per SF.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
5505 Blue Lagoon Dr	Miami	156,023	Lennar Corp
1700 N University Dr	Plantation	145,322	Magic Leap
3011 Ponce de Leon Blv	Coral Gables	63,009	Unavailable

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1001 Brickell Bay Dr Miami	\$165,300,000 Investment	\$319.00 -	517,450 Class A	Aimco AFA Asset Services
800 Brickell Ave Miami	\$125,500,000 Renovation	\$603.00 -	208,000 Class B	Gatsby Enterprises RREEF America
3801 PGA Blvd Palm Beach Gardens	\$70,700,000 Investment	\$374.00 -	189,000 Class A	New York Life KBS Realty Advisors

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
1200 SW 145th Ave	Pembroke Pines	165,000	TPA Group
3310 Mary St	Coconut Grove	95,000	Terra Group
3480-3484 Main Highway	Coconut Grove	44,293	Optimum Dev USA


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
830 Brickell Plaza	Miami	552,301	Q1 2022
100 Jim Moran Blvd	Deerfield Beach	405,000	Q4 2021
5050 N. Quadrille Blvd	West Palm Beach	371,880	Q4 2020

### TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	8.6%	\$34.19	556,932	234,815,248	5,933,314
Q2 2019	8.8%	\$34.00	205,255	234,654,146	5,212,765
Q1 2019	8.8%	\$33.79	123,672	234,293,714	4,495,409
Q4 2018	8.7%	\$32.78	171,887	234,023,573	3,672,915
Q3 2018	8.8%	\$31.90	254,100	234,143,879	3,234,384

 **556,932** NET ABSORPTION SF

 **8.6%** VACANCY  
19,560,933 SF

 **\$34.19** AVG. ASKING RATE PSF GROSS

 **175,681** DELIVERIES  
4 Buildings

 **5,933,314** UNDER CONSTRUCTION  
52 Buildings

**GREGORY LASKODY, CCIM,**  
Principal

The South Florida office market totals almost 235MM square feet of office space between Class A, B, and C product. Collectively, the vacancy averaged 8.6%, with average rents at \$34.19/SF. Rental rate gaps between the classes of office space are narrowing, as vacancy rates continue to decrease, combined with available space being rapidly absorbed; this, in turn, is reflected in increasing average sale prices at around \$260/SF. Average cap rates have also decreased to 6.3%. The fact that yield rates are slightly down should be no surprise, given that borrowing costs (i.e., interest rates) have been trending down since the beginning of the calendar year.





### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
5238 Peachtree Rd	Northlake	197,455	PruittHealth
1155 Perimeter Ctr W	Central Perimeter	152,726	VMWare AirWatch
725 Ponce de Leon NE	Midtown	131,656	BlackRock

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
950 E. Paces Ferry NE Buckhead	\$205,000,000 Investment	\$324.00 -	631,808 Class A	KKR & Co, LP Oaktree Capital Mgmt
600 Galleria Parkway SE Northwest	\$112,625,581 Investment	\$260.00 -	433,826 Class A	Piedmont Office Rlty Tr Teachers Retirement OH
400 Galleria Parkway SE Northwest	\$112,255,896 Investment	\$260.00 -	432,402 Class A	Piedmont Office Rlty Tr Teachers Retirement OH

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
771 Spring St	Midtown	760,000	Portman Holdings
725 Ponce de Leon Ave NE	Buckhead	370,931	New City, LLC
3900 Motors Industrial Way	Northlake	210,000	Integral Group


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
650 W. Peachtree St	Midtown	750,000	Q3 2021
240 Perimeter Ctr Pkwy	Central Perimeter	670,000	Q1 2020
1105 W. Peachtree St	Atlanta	664,184	Q3 2021


### TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	15.0%	\$27.21	149,772	221,931,179	7,273,458
Q2 2019	14.9%	\$26.77	481,099	221,665,224	6,533,801
Q1 2019	15.0%	\$25.98	270,371	221,178,577	4,749,923
Q4 2018	14.8%	\$25.92	875,799	220,493,548	5,027,900
Q3 2018	15.0%	\$25.61	116,549	219,774,877	4,911,301

 **149,772** NET ABSORPTION SF

 **15.0%** VACANCY  
33,292,890 SF

 **\$27.21** AVG. ASKING RATE PSF GROSS

 **265,955** DELIVERIES  
7 Buildings


 **7,273,458** UNDER CONSTRUCTION  
44 Buildings

**JOHN DECOUTO**, Sr. Managing Dir.


Overall vacancy in the Atlanta office market increased slightly, ten basis points in the third quarter of 2019 to 15.0% with positive net absorption of 149,772 SF due to larger tenants occupying new space. Average asking rents for classes A, B, and C rose to \$27.21 PSF. There was 7,273,458 SF under construction in Q3, with Midtown Atlanta leading all office development with 3.56 MSF. Despite the 15% vacancy, Atlanta's Office market is HOT! Rents continue to climb and concessions continue to tighten for any building built since 2010 or that's been renovated with modern common areas and tenant amenities. The buildings stuck in the 80's & 90's are slow to move and help to keep ATL's office vacancy in the mid-teens.




**235,244** **NET ABSORPTION**  
SF


**6.6%** **VACANCY**  
6,936,484 SF


**\$25.74** **AVG. ASKING RATE**  
PSF GROSS


**506,764** **DELIVERIES**  
5 Buildings


**3,034,679** **UNDER CONSTRUCTION**  
44 Buildings

**BRIAN FAMER**, Senior Director

The Raleigh-Durham office market is one of the strongest performing markets on the East Coast. Rental rate growth continues and our market is now #2 in the US for office rent growth. Deliveries were doubled from Q1 at just over half a million SF, with much of it in the Downtown Durham market. Absorption was up from Q1 as well to 235k SF. Strong demand increased construction with 3 new Class A office towers in the Raleigh area ranging in size from 255k to 330k SF. A new trend we are seeing is former large box retail and smaller scale malls being converted to open tech office. We are seeing record investment sales in office buildings. The Captrust Tower at North Hills closed in July fetching \$459/SF and a cap rate of 5.7%!

**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
5 Moore Dr, Bldg F	Research Triangle Prk	111,018	-
Crossroads Corporate Pk	Cary	73,256	Relias Learning
Lenovo Bldg II 1009 Think	Morrisville	73,200	-

**SIGNIFICANT BUILDING SALES**

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
4208 Six Forks Rd Raleigh	\$137,750,000 Investment	\$459.00 5.7%	300,289 Class A	Preferred Office Prop KBS Realty Advisors
79 TW Alexander Dr Research Triangle Park	\$26,468,249 Investment	\$360.00 -	73,606 Class B	Global Mutual (USA) Highwoods Properties
6601 Six Forks Rd Raleigh	\$24,257,479 Investment	\$219.00 7.5%	111,000 Class A	JPB Holdings, LLC Principal Financial Group

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
6933 Louis Stephens Dr	Morrisville	205,000	Credit Suisse Mgmt
907 Gateway Commons Dr	Wake Forest	31,932	Radeas
1525 Apex Pkwy	Apex	27,502	Staley C. Smith

**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
4200 Six Forks Rd	Raleigh	330,380	Oct 2020
621 Hillsborough St	Raleigh	265,000	Jan 2021
421 N. Harrington St	Raleigh	255,000	Oct 2020

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.6%	\$25.74	235,244	105,173,634	3,034,679
Q2 2019	6.4%	\$24.99	149,219	104,698,802	2,883,910
Q1 2019	6.4%	\$24.61	754,406	104,513,906	2,605,637
Q4 2018	6.4%	\$24.26	1,211,872	103,721,152	3,239,605
Q3 2018	6.5%	\$23.51	520,517	102,507,186	3,634,468



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
4401 Leeds Ave	North Charleston	18,174	Pulte Homes
235 Magrath Darby	Mount Pleasant	7,382	USI Insurance
498 Wando Park Blvd	Mount Pleasant	6,655	Jear Logistics

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
8084 Rivers Ave North Charleston	\$2,781,031 Owner/User	\$140.00 -	19,934 Class B	Origins 8084 Rivers Avenue
221 St. Phillips St Charleston	\$1,900,000 Investment	\$451.00 -	4,200 Class B	- -
82 Cannon St Charleston	\$1,900,000 Investment	\$1,468 -	1,294 Class C	- -

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
75 Port City Landing	Mount Pleasant	125,000	Holder Properties
2165 Hospital Dr	Mount Pleasant	75,000	MBRE
1859 Summerville Ave	Charleston	42,416	RCB


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
22 Westedge St	Charleston	154,998	Dec. 2019
Meetin St @ Alonquin Rd	Charleston	110,000	Jul 2020
4920 O'Hear Ave	North Charleston	110,000	Jan. 2021

### TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.2%	\$26.70	118,070	31,000,000	845,000
Q2 2019	5.9%	\$26.78	(209,960)	30,800,000	867,000
Q1 2019	5.0%	\$26.59	246,606	30,700,000	841,000
Q4 2018	5.5%	\$26.45	97,402	30,600,000	770,000
Q3 2018	5.2%	\$26.46	(57,807)	30,400,000	819,000

 **118,070** NET ABSORPTION SF

 **6.2%** VACANCY  
192,200 SF

 **\$26.70** AVG. ASKING RATE PSF GROSS

 **202,856** DELIVERIES  
9 Buildings

 **845,000** UNDER CONSTRUCTION  
20 Buildings

**PETE HARPER, CCIM**, Principal

Charleston's strong office sector continued in the third quarter. This is largely due to population and job growth in the Lowcountry. The continued port deepening and capital investments made by major manufacturers both national and international have been a boon to the economy. Tech-related firms relocating to Charleston have contributed greatly bringing overall vacancies down to 6.2%. The market hit a high point in 2018 when annual rents gained more than 3%. Roughly 900,000 SF in deliveries were met with strong absorption and sales volumes hit an all-time high.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
350 Halton Rd	Greenville	118,208	Greenville County
352 Halton Rd	Greenville	111,403	Greenville County
400 Memorial Drive Ext	Spartanburg	11,440	Family Dental Health

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
32 Centennial Way Greenville (Medical)	\$7,580,000 Investment	\$373.40 6.30%	20,300 Class B	Colleen/Randall Manning 32 Stoney Point Dr LLC
100 Powers Blvd Anderson	\$1,250,000 Leasehold	\$44.57 -	28,048 Class B	JJS Capital Group Synovus Bank
400 Regent Park Ct Greenville	\$950,000 Investment	\$118.75 -	8,000 Class B	Aiken Mitchell Const Westport International

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
110 Valley View Rd	Fountain Inn	7,600	Donna Cato
133-135 Broadbent Way	Anderson	5,630	John Broadbent
433 SE Main St	Simpsonville	11,000	Melvin Wells


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
423 S. Main St	Greenville	150,000	Q1 2020
Bridges Rd	Mauldin	70,000	Q3 2020
900 Pendleton	Greenville	10,351	Q4 2019

**TOTAL OFFICE MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.5%	\$17.78	71,561	39,869,959	246,351
Q2 2019	7.6%	\$17.70	(396,728)	40,375,803	188,627
Q1 2019	6.5%	\$17.75	401,445	40,185,832	196,000
Q4 2018	8.0%	\$17.72	(106,847)	40,078,368	96,802
Q3 2018	7.8%	\$17.52	(12,525)	39,659,149	130,425


**71,561** **NET ABSORPTION**  
SF


**6.5%** **VACANCY**  
2,610,077 SF


**\$17.78** **AVG. ASKING RATE**  
PSF GROSS


**12,276** **DELIVERIES**  
2 Buildings


**246,351** **UNDER CONSTRUCTION**  
5 Buildings

**DARATH MACKIE**, Associate

Upstate South Carolina's overall vacancy decreased from 7.6% in Q2 to 6.5% in Q3. The Class A vacancy rate fell to 9.8% from 10.2% at midyear. Class B's vacancy rate fell to 6.9% from 7.1% in Q2. Third-quarter net absorption totaled 71,561 SF. Average asking rents settled at \$17.78 per SF in Q3, up 0.4% from the previous quarter. Third-quarter Class A asking rates averaged \$23.81, up 1.1% from Q2. Two buildings were delivered in Q3 totaling 12,276 SF. Five buildings totaling 246,351 SF in the Upstate are nearly complete.




**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
3777 Kingsway	Burnaby	26,000	Rise People
1028 Hamilton St	Vancouver	22,000	Tech Resources, Ltd
-	-	-	-

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
5890-5900 No. 3 Rd Richmond	\$28,500,000 Market	\$477.00 -	59,714 Class A	Dava Developments Norenger Development
101 Smithe St Downtown Vancouver	\$27,375,000 Market	\$913.00 -	30,000 Class B	Private Canadian Investor LaSalle International
435 Columbia St New Westminster	\$15,050,000 Share Sale	\$330.00 5.0%	45,617 Class C	Grosvenor Canada Bovcher Institute

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
285 W. 5th Ave	Vancouver	47,000	PC Urban
-	-	-	-
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
349 W George St "The Post"	Vancouver	1,100,000	2023
1133 Melville St "The Stack"	Vancouver	540,000	2022
1090 W Pender St "B6"	Vancouver	525,656	2023

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates Net	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.6%	\$27.29	23,249	60,069,311	5,662,374
Q2 2019	4.4%	\$27.53	109,944	59,861,751	5,469,913
Q1 2019	5.0%	\$28.47	(268,992)	59,746,492	3,764,876
Q4 2018	6.2%	\$27.08	889,529	57,648,673	3,250,030
Q3 2018	6.2%	\$26.11	287,531	57,231,588	3,452,223

 **23,249** NET ABSORPTION SF

 **4.6%** VACANCY 2,750,542 SF

 **\$27.29** AVG. ASKING RATE PSF NET

 **47,000** DELIVERIES 1 Building

 **5,662,374** UNDER CONSTRUCTION 37 Buildings

**JASON MARRIOTT**, Vice President

All-time high rents and record low vacancy dampens deal velocity. A wait-and-see approach starts to take hold particularly in major investment sales in the lead-up to Canada's Oct. 21 federal election. Value-driven Downtown tenants are relocating to the Suburbs for significant savings. Meanwhile, recent editions have commented on WeWork's growth in Vancouver and their planned presence of nearly 700,000 SF in nine locations. But heightening investor and media scrutiny of its finances and leadership threatens their expansion plans. This could cause some chaos in the world of office space - not the disruption WeWork sought to create.

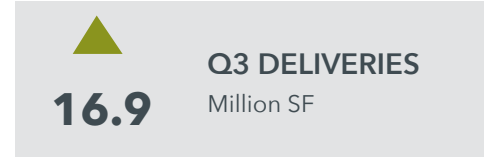
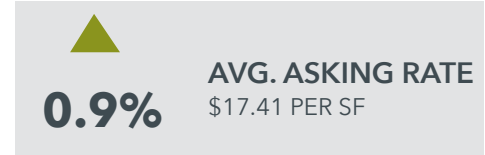
## Merchant Demand Falls to Decade-Low Levels

The retail correction deepened in the third quarter as store closings mount. Although there was modest Q3 demand for single-tenant buildings and shopping center space - which combine as 85% of the nation's retail inventory - net absorption across the broad retail category since January is off 55% compared to the first three quarters of last year.

Net absorption so far this year totals 20.3 million SF. It's at its lowest level since 2009 with steep overall declines this year in single-tenant buildings, shopping centers, malls and specialty centers. Absorption this year is in the red in 175 of the nation's 390 surveyed markets. Beleaguered merchants are expected to close 8,200 stores this year. Images of retail collapse are common in rural areas and other markets with population losses.

Here's a breakdown by product type:

Single-tenant stand-alone buildings, aka general retail, account for about 54% of the nation's 4.4-billion-SF retail inventory. More than 16.7 million SF were absorbed through the first three quarters, a year-over-year drop of 35%. Shopping center space fared worse. The 7 million SF absorbed through September was down 55% from a year ago. Shopping centers represent 31% of total retail.



Mall space, which makes up 7.8% of the retail inventory, was in the red again in the third quarter. Tenants shed 6.8 million SF in the third quarter and vacant space is up 9.7 million SF since January. Demand for power centers gained in Q3 but year-to-date absorption is net negative 828,023 SF. Power centers are about 6.6% of total inventory and defined as having several large anchor tenants, including warehouse clubs, discount and off-price stores, with few specialty merchants. Tenant demand for specialty centers, which make up less than 1% of retail space, is down more than 540,000 SF since January. The volume of new completions has reached its lowest level in more than 12 years. The least new development is in the Midwest. Investors continued to divest their retail holdings, causing price appreciation to flatten.

### MARKETS WITH MOST SF UNDER CONSTRUCTION

Market	SF	Market	SF
Northern New Jersey	3.8 M	Houston, TX	3.7 M
Miami-Dade Co, FL	3.5 M	Dallas/Ft Worth, TX	3.3 M
Los Angeles, CA	2.8 M	Washington, DC	2.8 M

### MOST SF NET ABSORPTION YEAR-TO-DATE

Market	SF	Market	SF
Houston, TX	2.9 M	Dallas/Ft Worth, TX	1.5 M
Jacksonville, FL	1.4 M	Tampa/St. Petersburg, FL	1.4 M
Northern New Jersey	1.2 M	Atlanta, GA	1.1 M

### MOST SF DELIVERIES YEAR-TO-DATE

Market	SF	Market	SF
Houston, TX	3.0 M	Dallas/Ft Worth, TX	2.7 M
Chicago, IL	1.4 M	Cleveland, OH	1.4 M
New York, NY	1.3 M	Atlanta, GA	1.2 M

### MOST 12-MONTH SALES VOLUME & AVERAGE PRICE PER SF

Market	Sales Volume	Avg Price/SF	Market	Sales Volume	Avg Price/SF
New York, NY	\$5,578,756,673	\$394.00	Los Angeles, CA	\$4,384,612,683	\$389.00
Chicago, IL	\$2,473,909,634	\$167.00	Atlanta, GA	\$2,186,406,998	\$167.00
Washington, DC	\$1,961,017,441	\$300.00	Phoenix, AZ	\$1,891,171,725	\$189.00
Boston, MA	\$1,682,565,797	\$236.00	Inland Empire, CA	\$1,455,648,745	\$238.00


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1253 E. Colorado Blvd	Pasadena	13,125	Confidential Medical
326 S. Lake Ave	Pasadena	4,315	Barry's Bootcamp
39 W. Colorado Blvd	Pasadena	1,800	Salt & Straw

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
250 N. 1st St Burbank (Storefront)	\$25,900,000 Investment	\$658.95 7.26%	39,305 Class A	Burbank Collectin Assoc KBS Strategic Opp REIT
400 S. Brand Blvd Glendale (Auto)	\$15,053,500 Investment	\$545.28 -	27,607 Class B	Glendale Property Hldg Intn'l Intelligence Inv Grp
640 N. Fair Oaks Ave Pasadena	\$4,871,000 Investment	\$284.69 7.88%	17,110 Class C	Orange Grove Collision The Koulajian Rev Tr

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
30 S. Berkeley Ave	Pasadena	5,121	UNK
3740 E. Foothill Blvd.	Pasadena	2,944	Anna Foothill
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
280-400 E. Colorado Blvd	Pasadena	60,000	Jan 2020
1231 N. San Fernando Rd	Glendale	16,690	Aug 2020
Avion- San Fernando & Tulare	Burbank	15,000	Aug 2020

**TOTAL RETAIL MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates NNN	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.50%	\$34.20	37,006	26,049,367	60,000
Q2 2019	3.60%	\$34.20	(12,259)	26,044,246	65,121
Q1 2019	3.60%	\$32.76	(61,264)	26,044,246	65,121
Q4 2018	3.30%	\$35.40	71,758	26,039,396	9,971
Q3 2018	3.60%	\$33.72	(50,381)	26,056,499	9,971


**37,006** NET ABSORPTION  
SF


**3.5%** VACANCY  
91,715 SF


**\$34.20** AVG. ASKING RATE  
PSF GROSS


**5,121** DELIVERIES  
1 Building


**60,000** UNDER  
CONSTRUCTION  
1 Building

**JODI SHOEMAKE**, Principal

Retail absorption is up and vacancy is down. Good news for the Tri-Cities. The market report covers the cities of Burbank, Glendale, Pasadena, South Pasadena, Altadena and South Pasadena and includes all property types (Class A, B and C) 4,000 square feet and above. Rental rates are stable at \$2.85/sf per month NNN.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
18506 E. Gale Ave	City of Industry	10,533	Office Conversion
17427 Colima Rd	City of Industry	7,500	Former TGIF's
1041 E. Route 66	Glendora	9,987	Spectrum Appliances

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
723-727 Huntington Dr Monrovia	\$30,500,000 Investment	\$314.81 6.12%	96,885 Class B	Monrovia Landing LLC Telos Capital Funds
240 S. Diamond Bar Blvd Diamond Bar	\$11,825,000 Investment	\$355.51 5.18%	33,262 Class B	Alta International, LLC Diamontris LLC/Lanying Luo
1241-1251 S. Lone Hill Ave Glendora	\$12,027,185 Investment	\$338.90 6.0%	35,489 Class B	Oecus LLC & Lemng Shi Seagrove LA

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
8479 Garvey Ave	Rosemead	35,000	K-Min Dev LLC
1500 Market Place Dr	Monterey Park	25,000	Edgewood Props
-	-	-	-

**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
101-111 W. Valley Blvd	San Gabriel	48,126	Apr 2020
550 W. Garvey	Monterey Park	11,081	Nov 2019
-	-	-	-

**TOTAL RETAIL MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.20%	\$23.52	(88,676)	65,310,923	76,086
Q2 2019	4.10%	\$22.92	151,694	65,308,923	76,605
Q1 2019	4.20%	\$23.52	(156,869)	65,251,086	121,605
Q4 2018	4.00%	\$22.56	(28,816)	65,241,264	143,548
Q3 2018	4.00%	\$22.32	(220,818)	65,317,668	163,400

**(88,676)** NET ABSORPTION  
SF

**4.20%** VACANCY  
2,742,666 SF

**\$23.52** AVG. ASKING RATE  
PSF GROSS

**6,000** DELIVERIES  
1 Building

**76,086** UNDER  
CONSTRUCTION  
5 Buildings

**DAN BACANI**, Principal

Vacancy rates increased to 4.2% and net absorption decreased by 88,676 SF. Overall, rental rates increased to \$1.96PSF per month NNN.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
800-832 S. Randall Rd	Far NW/Algonquin	14,185	Floor & Decor
1103-1173 S. Main St	Eastern EW/Lombard	52,000	Power Paintball
35 N. State St	East Loop/Chicago	45,602	Primark

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
350 E. Golf Rd Schaumburg	\$30,500,000 Investment	\$208.87 -	146,025 -	Apollo Net Lease Capital Brookfield Property Grp
2030-2060 York Rd Eastern EW/Oak Brook	\$20,500,000 Investment	\$290.88 -	70,478 -	GK Development Inc. Lincoln Property Co.
6540 W. 95th St South Crook/Oak Lawn	\$14,500,000 Investment	\$1,379.77 -	10,509 -	Apollo Net Lease Capital Brookfield Property Grp

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
SW Routh 12 & 120	Lakemoor	244,171	Woodman's Food Mkt
2300 S. Archer Ave	Chicago	46,701	Mark Properties Inc
19260 S. Halsted St	Homewood	23,500	MedProperties Grp


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
4601-4715 W. Foster Ave	Chicago	144,000	Feb 2020
2500 N. Milwaukee Ave	Chicago	130,705	Oct 2019
2000 Oakbrook Ctr	Oak Brook	120,000	May 2020

### TOTAL RETAIL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	6.18%	\$16.40	494,201	563,268,027	1,536,724
Q2 2019	6.10%	\$16.30	(319,710)	562,644,251	1,782,893
Q1 2019	6.10%	\$16.76	(323,749)	560,883,152	1,826,694
Q4 2018	6.00%	\$16.05	100,909	591,381,877	1,984,856
Q3 2018	6.00%	\$16.09	(22,552)	588,948,594	2,205,392

 **494,201** NET ABSORPTION SF

 **6.18%** VACANCY 34,816,522 SF

 **\$16.40** AVG. ASKING RATE PSF GROSS

 **481,873** DELIVERIES 26 Buildings

 **1,536,724** UNDER CONSTRUCTION 109 Buildings

**RYAN REBOT**, Analyst

The Chicago retail market continues to experience decreasing sales during the third quarter 2019. The vacancy rate increased to 6.18 percent from the 6.10 percent seen in the previous quarter. Despite the rising vacancy rate, net absorption was positive 494,201 SF. Average rental rates rose to \$16.40 PSF, per year from the previous quarter of \$16.30 PSF, per year. The third quarter 2019 completed constructions remained steady with the prior quarter, seeing 26 completed retail buildings delivering 481,873 SF of retail space to the market. There are currently 109 buildings under construction totaling 1,536,724 SF.





### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
8595 SW 124th Ave	Kendall	70,271	Regal Cinemas
4065-4085 N Haverhill N	West Palm Beach	52,995	Publix
9001-9565 W. Atlantic	Pompano Beach	45,247	Unavailable

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
11001 Southern Blvd Royal Palm Beach	\$96,800,000 Investment	\$280.00 -	346,042 Class A	Inven Trust Blackstone
333-399 N. Congress Ave Boynton Beach	\$50,000,000 Investment	\$161.00 -	310,382 Class A	Carlyle Management Inland American REIT
509-511 Collins Ave Miami Beach	\$33,100,000 Investment	\$1,446 -	22,857 Class A	Allied Partners D&R Design District

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
1870 NW 117th Pl	Miami	285,226	Stiles Realty
1045 5th St	Miami Beach	67,673	The Comras Co.
181 S. Bryan Rd (Bldg N)	Dania Beach	49,932	Kimco Realty

### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
2300 NE 151st St	North Miami	800,000	Q4 2019
1400 NW North River Dr	Miami	345,000	Q1 2020
NE 1st Ave (Miami World Ctr)	Miami	300,000	Q1 2020


### TOTAL RETAIL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.9%	\$30.04	727,835	324,986,909	5,317,665
Q2 2019	4.0%	\$28.90	451,115	324,447,385	5,807,304
Q1 2019	4.0%	\$28.62	414,265	323,994,807	5,878,726
Q4 2018	4.0%	\$27.51	393,694	323,294,948	4,819,995
Q3 2018	3.9%	\$27.49	421,588	322,628,987	4,730,720

 **727,835** NET ABSORPTION SF

 **3.9%** VACANCY  
13,043,460 SF

 **\$30.04** AVG. ASKING RATE PSF GROSS

 **659,000** DELIVERIES  
27 Buildings

 **5,317,665** UNDER CONSTRUCTION  
141 Buildings

**MATTHEW ROTOLANTE, SIOR, CCIM**, President

The South Florida Retail Market continues to show promise with several major developments underway. Net absorption increased to 727,835 SF with total average rental rates for South Florida increasing to over \$30 PSF up from \$28.90 PSF last quarter. During Q3, 27 retail buildings totaling 659,000 SF were reported delivered with about 5,317,665 SF still under construction. Sales volume so far year-to-date comes in at almost \$1.5 Billion, down 35% year over year. The average price per square foot for recent South Florida transactions is \$268 PSF, and cap rates are down 50 basis points averaging at 6% over the last four quarters.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
3020 Chapel Hill Rd	West Metro Retail	45,000	LA Fitness
12160 County Line Rd	South Metro Retail	42,068	Eden Fresh Market
Dawson Forest Rd	Georgia 400 Retail	35,000	Onelife Fitness

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
4101 Roswell Rd North Cobb Retail	\$54,850,000 Investment	\$239.96 5.75%	228,584 Class B	RREEF Property Trust Deutsche Bank AG
1555 Church St Dekalb Retail	\$22,077,928 Investment	\$629.05 -	35,097 Class A	Weingarten Realty Adv. SJ Collins Enterprises
10675 Alpharetta Hwy Georgia 400 Retail	\$13,706,097 Investment	\$127.26 -	107,698 Class B	The Malon D Mimms Co Butler Development

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
141 Railroad St	North Cobb Retail	96,756	Penn Hodge Prop.
3720 Buford Dr	Gwinnett Retail	62,493	SH Flemming LLC
975 Memorial Dr SE	Central Atlanta Retail	48,201	Fuqua Development


### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
3533 Chamblee Tucker Rd	Gwinnett Retail	102,877	Q3 2020
George 400 Hwy @ Dawson Forest	Georgia 400 Retail	97,374	Q4 2019
3462 Peachtree Rd NE	Buckhead retail	90,000	Q3 2021


### TOTAL RETAIL MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.80%	\$15.15	187,928	367,533,733	1,778,043
Q2 2019	4.80%	\$15.01	513,809	367,123,536	2,227,886
Q1 2019	4.90%	\$14.46	398,980	366,910,318	1,752,441
Q4 2018	4.90%	\$14.03	890,895	366,508,287	1,860,836
Q3 2018	5.10%	\$14.27	761,768	366,115,275	1,856,150

 **187,928** NET ABSORPTION SF

 **4.8%** VACANCY  
17,796,763 SF

 **\$15.15** AVG. ASKING RATE PSF GROSS

 **528,191** DELIVERIES  
46 Buildings

 **1,778,043** UNDER CONSTRUCTION  
102 Buildings

**ALLEN BROWN**, Principal

Overall vacancy remained the same in Q3 to 4.8% with a positive net absorption of 187,928 SF. There were 46 new retail buildings delivered to the market in Q3, adding half a million SF of new inventory to the Atlanta market. As 2019 comes to an end, the Atlanta market will continue to see the redevelopment of older malls and retail centers involving apartments, outdoor plazas and innovative experiences for shoppers.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
1501 N. Salem St	Apex	167,000	Crossroads Ford Truck Ct
652-672 N. Churton St	Hillsborough	19,973	Check TBJ Space for Name
314-355 N. Madison Blv	Roxboro	6,000	Korset Ladies Apparel

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
6911 Carpenter Fire Statn Cary	\$22,500,000 Owner/User	\$178.00 -	126,233 Health Club	YMCA of the Triangle Crosspointe Church
214-220 Hinton Oaks Blvd Knightdale	\$15,051,570 Investment	\$124.00 9.0%	121,383 Shop Ctr	M&J Wilkow Kimco Realty Corp.
1002-1018 Shoppes @ Midtown, Knightdale	\$14,075,936 Investment	\$101.00 9.0%	139,462 Freestndg	M&J Wilkow Kimco Realty Corp

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
1436 Rock Quarry Rd	Raleigh	116,089	YMCA of the Triangle
1200 Wake Towne Dr	Raleigh	105,000	Regency Centers
6901 Play Golf Way	Raleigh	64,000	Drive Shack Raleigh


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
Eastfield I-95 & I-70	Selma	750,000	Jun 2020
Hwy 86 & Eubanks Rd	Chapel Hill	119,218	Apr 2020
David Dr & Airport Rd	Morrisville	103,000	Nov 2020

**TOTAL RETAIL MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.0%	\$18.58	502,764	100,888,384	1,543,589
Q2 2019	3.3%	\$18.48	(132,729)	100,689,111	1,861,299
Q1 2019	2.8%	\$17.35	172,650	100,323,594	1,276,917
Q4 2018	2.8%	\$17.28	213,995	100,132,826	1,145,013
Q3 2018	2.9%	\$17.08	(82,475)	99,978,140	1,218,539


**502,764** **NET ABSORPTION**  
SF


**3.0%** **VACANCY**  
929,420 SF


**\$18.58** **AVG. ASKING RATE**  
PSF GROSS


**399,363** **DELIVERIES**  
15 Buildings


**1,543,589** **UNDER CONSTRUCTION**  
47 Buildings

**HUNTER STEWART, MBA, Broker**

The favorable demographics of the Raleigh-Durham retail market continue to attract both national and regional tenants. Average rental rates have consistently climbed, and new construction remained strong with the bulk of consisting of neighborhood centers with grocery stores or other nationally known tenants as anchor tenants. The overall vacancy rate dropped from 3.3% in Q2 to 3.0% in Q3. Just over 1.5M SF is currently under construction with approximately 86% preleased. Trends we've observed include demand for retail in areas we've traditionally not seen in the past, such as in the growing downtown areas of towns and in Research Triangle Park, following recent residential development.



### SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
1510 Meeting St	Charleston	57,854	US Foods
10055 Dorchester Rd	Summerville	28,100	Dorchester County
1964 Ashley River Rd	Charleston	26,285	-

### SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1510 Meeting St Charleston	\$14,500,000 Investment	\$250.63 6.10%	57,854 -	Bosman Dairy, LLC US Foods, Inc.
502 King St Charleston	\$5,500,000 Investment	\$539.37 -	10,197 -	Atalaya Capital Mgmt LP 502 King St LLC
270 King St Charleston	\$4,900,000 Investment	\$181.48 -	27,000 -	- American Tea Growers

### LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
465 Meeting St	Charleston	150,000	LS3P Associates
2829 Highway 52	Monks Corner	33,000	-
2114 Highway 41	Mount Pleasant	3,159	-

### LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
320 Broad St	Charleston	106,250	Jan 2020
Plantation N Blv & St James Blv	Goose Creek	30,225	Oct 2019
6025 Rivers Ave	North Charleston	20,000	Dec 2019

### TOTAL RETAIL MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	3.30%	\$20.10	66,680	46,092,872	331,102
Q2 2019	3.20%	\$20.19	148,515	45,963,343	443,674
Q1 2019	2.90%	\$20.20	71,503	45,686,152	677,404
Q4 2018	2.50%	\$20.20	(28,698)	45,373,577	828,638
Q3 2018	2.40%	\$20.16	483,640	45,365,328	752,400

 **66,680** NET ABSORPTION SF

 **3.30%** VACANCY  
1,590,001 SF

 **\$20.10** AVG. ASKING RATE PSF GROSS

 **134,532** DELIVERIES  
8 Buildings

 **331,102** UNDER CONSTRUCTION  
26 Buildings

**HUNTER HARTLEY**, Researcher

Despite Low vacancies, around 3.3%, rent appreciation has been unassuming in Charleston, publishing around -.3% in annual gains. Deliveries are expected to follow suit, as developers are continuing to stay on the same course with their deliveries in 2019 as they did in 2018. As such, steady investment will continue to emerge as more than \$300 M have flowed into the market each year. Charleston's Retail market continues to thrive as dramatic population and job growth paired with a strong tourism industry encourages development. Large firms such as Boeing, Benefitfocus and PeopleMatter have added thousands of higher paying jobs to the market in recent years, allowing Charleston to continue to expand and contribute to retail consumption.


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
108-112 Wilkesville Hwy	Cherokee/Gaffney	33,163	Farmers Furniture
315 W. Front St	Pickens/Liberty	30,714	Roses Express
1706 Poinsett Hwy	Cherrydale/Greenville	10,908	Boom Boom Beauty Sup

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
1801-1805 Poinsett Hwy Greenville	\$5,693,430 Investment	\$690.00 6.85%	8,250 Class B	Parbec, LLC VEREIT, Inc.
1002 Keys Dr Greenville	\$5,000,000 Investment	\$351.00 -	14,240 Class A	RAJDC Raleigh RE LLC Eagle on #, LLC
1075 Tiger Blvd Clemson	\$2,635,000 Investment	\$418.00 6.85%	6,300 Class A	1075 Tiger Blvd LLC Clemson Bed, LLC

**LARGEST DELIVERIES**


Address	Submarket/City	SF	Developer
147 Welborn St	Greenville	40,000	159 Welborn Inv.
3035 N. Main St	Anderson	20,000	Caliber Anderson
1831 Cannons Campground	Spartanburg	8,320	Twin Rivers Capital


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
Falls St	Greenville	80,000	Q1 2020
Legacy Square	Greenville	50,000	Q1 2020
1550 E. Main St	Duncan	9,000	Q4 2019

**TOTAL RETAIL MARKET STATISTICS**

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q3 2019	4.10%	\$11.82	(119,556)	88,388,528	196,644
Q2 2019	3.90%	\$11.88	(257,765)	88,306,521	269,051
Q1 2019	3.50%	\$11.76	143,229	88,089,261	262,955
Q4 2018	3.60%	\$12.38	292,964	87,998,812	307,849
Q3 2018	3.90%	\$11.67	321,850	87,919,669	332,912

 **(119,556)** NET ABSORPTION SF

 **4.10%** VACANCY  
3,656,115 SF

 **\$11.82** AVG. ASKING RATE PSF GROSS

 **82,007** DELIVERIES  
8 Buildings

 **196,644** UNDER CONSTRUCTION  
14 Buildings

**JAMES MCKAY**, Associate

The Greenville/Spartanburg Retail Market experienced its second consecutive quarter of negative net absorption causing vacancy rates to return to a healthy rate of 4.1%. The retail market continues to be strong in Greenville as traditional brick and mortar stores adapt to remain competitive with Amazon. Cap rates on retail markets crept up over the last quarter but with current inventory low we expect rates to stabilize through the end of 2020.



# ECONOMIC OVERVIEW



**TRENDING IN Q3**

The nation's economy grew at a 1.9% annual rate in the third quarter thanks to another boost from consumer spending that offset a drop in business investment.

The gross domestic product, a broad measure of the output of goods and services, was better than expected. But it was off from Q2's 2% GDP rate and down from 3.4% a year ago in a stronger economy enjoying the fruits of tax reform.

Uncertainty about lengthy trade and tariff disputes has led executives to back off on investment in equipment and structures, which the tax cuts were targeted to benefit. Spending increased on soft goods like software programs and technology.

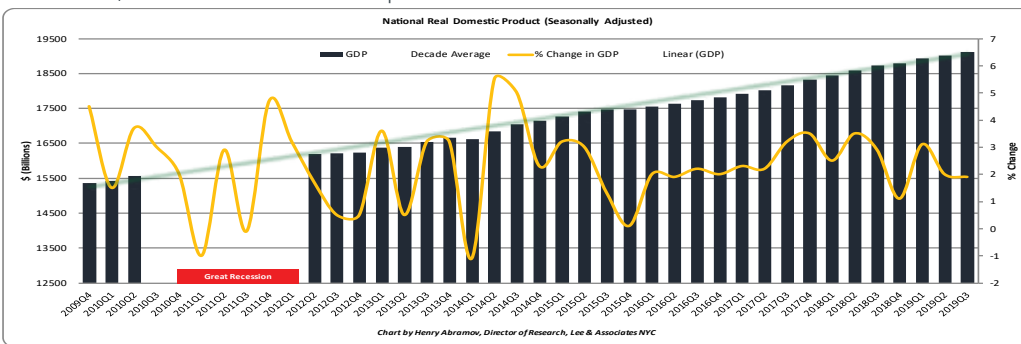
Nationwide, demand for industrial space is off

was up 2.9% in the third quarter but down from a 4.6% gain in Q2. Government spending was up 2% compared to a 4.8% second-quarter increase.

U.S. households have been improving their financial condition. Disposable personal income increased \$181.7 billion, or 4.5%, in the third quarter compared to a 4.8% increase in the second quarter. Nearly half of the third quarter's growth was in residential construction and spending on recreational goods such as bicycles, books and computers. The jobless rate was at a half-century low this year and wages and incomes rose. Consumer sentiment remains strong.

But the drop in business investment is more disappointing evidence that 2017's tax reform

*U.S. households have been improving their financial condition.*



sharply compared to last year. Lee & Associates' surveys of 390 industrial markets and found year-over-year net absorption falling 41% to 32 million SF in the first quarter, down 56% in Q2 to 41.3 million SF and off 13.1% to 62.8 million SF in the third quarter.

Business investment has contracted for six straight months and was off 3% in the third quarter, the biggest quarterly drop since late 2015. Investment in structures retreated 15.3% from Q2 and equipment purchases were off about 4%. Consumer spending

package has fallen short of expectations. The promised economic benefits included a sustained 3% annual GDP or more and an average \$4,000 boost in household income. New taxes generated by predicted growth would offset the tax cut.

In addition to consumer spending, much of the increased spending on Pentagon programs finds its way into the economy. But it's also added to the government debt and a deficit of nearly a trillion dollars.





**TRENDING IN Q3**

The unemployment rate in September fell 0.2 percentage points to 3.5%, the lowest in 50 years. Non-farm payrolls increased by 136,000 jobs. That was less than the 145,000 positions expected but previous monthly totals were revised upwards. Hiring in August totaled 168,000, up from the previous estimate of 130,000 jobs and July's new job total increased to 166,000 from 159,000.

The number of unemployed persons fell by 275,000 to 5.8 million.

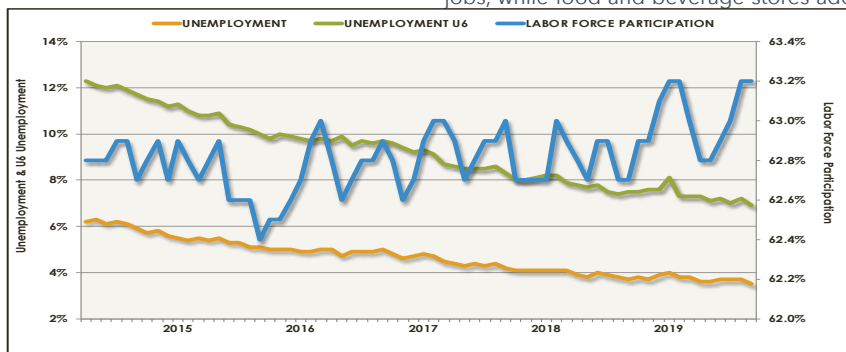
Job growth has averaged 161,000 per month thus far in 2019, compared with an average monthly gain of 223,000 in 2018. Although the nation's job creating engine has lost some steam, there was reassurance in the latest data.

its average monthly gain over the prior 12 months. Ambulatory health care services added 29,000 jobs and hospitals added 8,000 jobs over the month.

Employment gained 34,000 jobs in professional and business services. The industry has added an average of 35,000 jobs per month thus far in 2019, compared with 47,000 jobs per month in 2018.

Government at all levels added 22,000 workers. Government has added 147,000 jobs over the past 12 months, largely in local government. Employment in transportation and warehousing was up 16,000 positions.

Retail trade shed 11,000 jobs. Within the industry, clothing and clothing accessories stores lost 14,000 jobs, while food and beverage stores added 9,000



*“We’re on a three-month track of more than 150,000 jobs per month” - Carl Tannenbaum, Chief Economist Northern Trust.*

“All of us have been on edge a little bit with declines on readings in the service sector, fearing that the trade problems would jump the fence from heavy to lighter industries,” Carl Tannenbaum, chief economist at Northern Trust told the New York Times. “We’re on a three-month track of more than 150,000 jobs per month. That says to me that the economy still is expanding well.”

In September, employment continued to trend up in health care and in professional and business services. Health care added 39,000 jobs, in line with

jobs. Since reaching a peak in January 2017, retail trade has lost 197,000 jobs.

Employment in other major industries, including mining, construction, manufacturing, wholesale trade, information, financial activities, and leisure and hospitality, showed little change over the month.



**TRENDING IN Q3**

At the end of the third quarter it appeared increasingly likely that Federal Reserve officials would cut interest rates at their meeting at the end of October, if needed, to preserve economic growth.

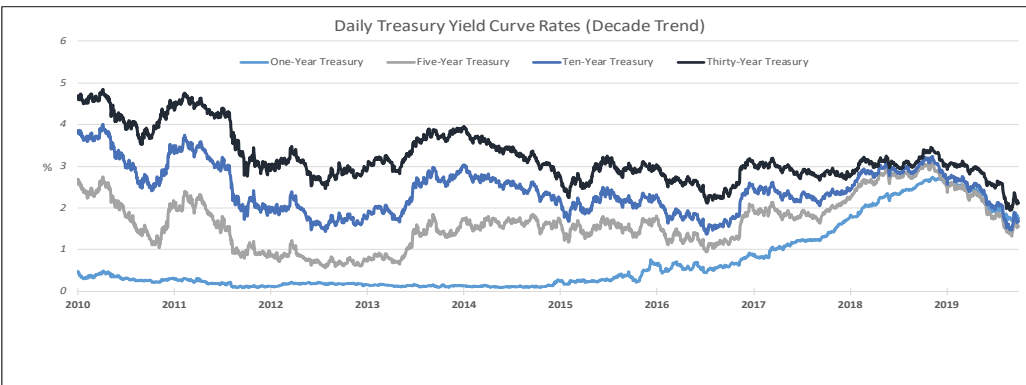
It would be the third cut since July but several voting members of the Federal Open Market Committee had expressed opposition. They questioned the timing when the Fed's own analysis believes the recent economy had expanded at a slight to moderate pace and that the outlook was good.

But the scales were tipping in favor of voting members willing to allow one more cut in 2019. It would be justified, they believe, due to the

moving back to our symmetric 2% objective."

Powell also has had to contend with frequent caustic attacks from President Trump who says that rates - now in the 2% to 2.25% range - should be cut to zero. A paper in September by the National Bureau of Economic Research said the White House's verbal assaults have affected the Fed's policy choices.

In a recent cover story in "The Economist" that was headlined "The World Economy's Strange New Rules," the weekly magazine was critical of low interest rates that leave central banks little room to cut should recession strike, a major concern among several voting Fed members. With central banks in Europe and England so willingly committed to



*"Looking ahead, policy is not on a preset course," - Fed Chairman Jerome Powell*

slowing global economy and the U.S.-China trade war. Uncertainties are weighing down business investment and menacing growth prospects.

"We believe that our policy actions are providing support for the outlook. Looking ahead, policy is not on a preset course," said Fed Chairman Jerome Powell, speaking at an Oct. 8 meeting of the National Association of Business Economics in Denver, CO. "We will act as appropriate to support continued growth, a strong job market and inflation

quantitative easing, the magazine concluded, "This strange state of affairs once looked temporary, but it has become the new normal."

Healthy consumer spending recently has been keeping the domestic economy growing. But retail sales fell in September for the first time in seven months



**TRENDING IN Q3**

Global economic growth this year has receded to its slowest pace since the 2009 recession, and the International Monetary Fund’s expectations for 3% growth this year is down from 3.2% in July.

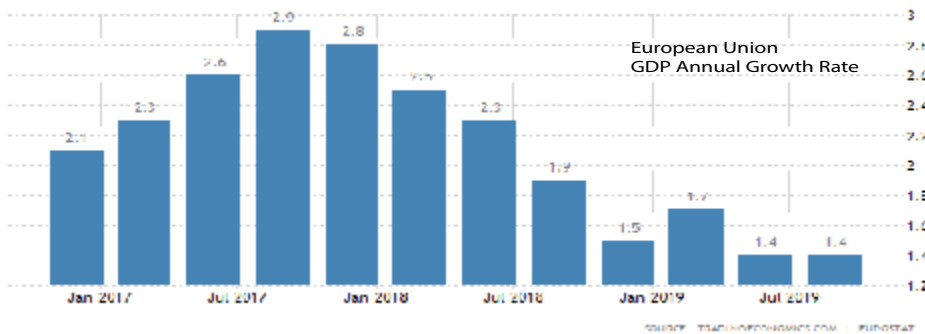
The chief reason that repeatedly has been cited for the malaise is the trade war between the U.S. and China, which has stunted manufacturing, disrupted supply chains, reduced investment and spooked financial markets.

Finance ministers and central bankers meeting in Washington, D.C., in early October expressed frustration over President Donald Trump’s insistence that multilateral trade, environmental and defense agreements are harmful to U.S. interests. Because the U.S. exports more to the

until Jan. 31, 2020. The extension will allow the United Kingdom and the E.U. more time to resolve residual risks to the financial system.

In spite of China’s recent pledge to buy more U.S. farm products, there are questions about how much will be purchased and over what time frame as well as what the U.S. will have to give in return. China wants the U.S. to drop its plan to add 15% tariffs on \$156 billion in consumer goods on Dec. 15.

The White House announced at the start of the fourth quarter that China will buy \$50 billion in farm products in less than two years. But China has not confirmed that total, saying purchases will be based on actual demand and at fair-



*“We are fed up with that politic where you have threat, threat, threat, every day.”*

E.U. than China, Trump’s recent plans to impose \$7.5 billion in tariffs on E.U. goods sets the stage for a dispute more damaging than the U.S. and China trade conflict.

“We are fed up with that politic where you have threat, threat, threat, every day,” said Bruno Le Maire, France’s finance minister,

Meanwhile, the British government reached a tentative agreement with the European Union and accepted the E.U.’s offer to delay Brexit

market prices.

U.S. exports of soybeans, sorghum, pork and other agricultural products to China peaked in 2013 at about \$29 billion and have fallen \$9.2 billion in the past year.



The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy.

Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property and Lee Proprietary Data. © Copyright 2019 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com