

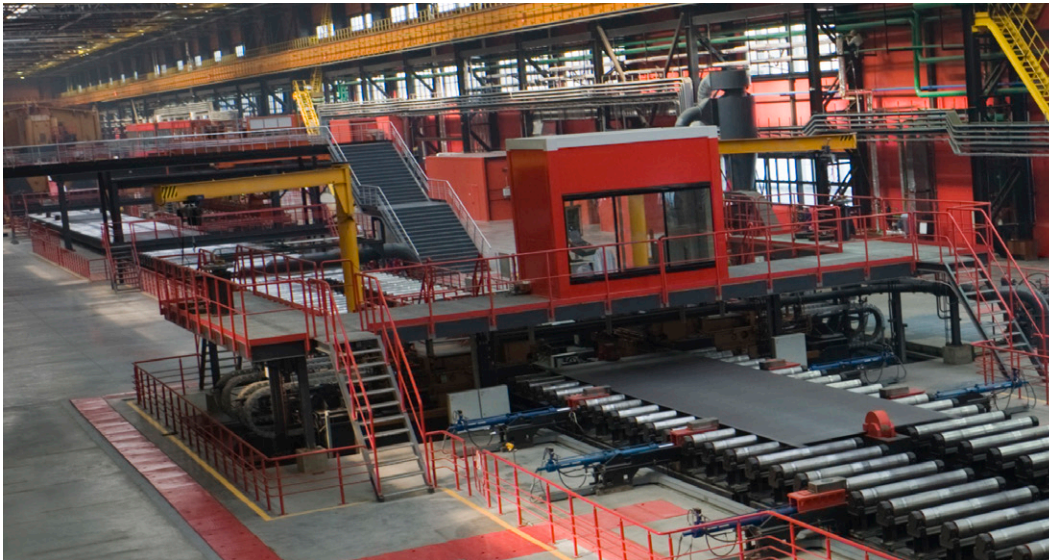
INDUSTRIAL REPORT

Fall 2019

Maintaining Momentum

Yardi® Matrix

New Deliveries Outpace Net Absorption



OVERVIEW

- At mid-year, the overall vacancy rate matched the historic low of 4.8% recorded at the end of 2018.
- New deliveries surpassed net absorption for another consecutive quarter.
- E-commerce sales for the second quarter of 2019 totaled \$146.2 billion, up 13.3% from the second quarter of 2018.

Despite rising concerns about the national economy in this late-stage business cycle and increasing trade tensions, the industrial real estate sector carried its stellar performance well into the first half of 2019. Distribution centers, warehouses, manufacturing facilities and other light industrial buildings continue to generate strong momentum, particularly in markets with improved infrastructure, sustained employment growth and proximity to major ports and air cargo centers.

Between June 2018 and June 2019, total nonfarm employment expanded by 2.3 million for an annualized increase of 1.5%. During the same 12-month period, employment in manufacturing gained 167,000 (up 1.3%); jobs in durable goods manufacturing increased by 126,000 (up 1.6%), while transportation and warehousing added 158,000 jobs (up 2.9%). The unemployment rate stood at 3.7% at mid-year, contracting by just 30 basis points since June 2018.

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