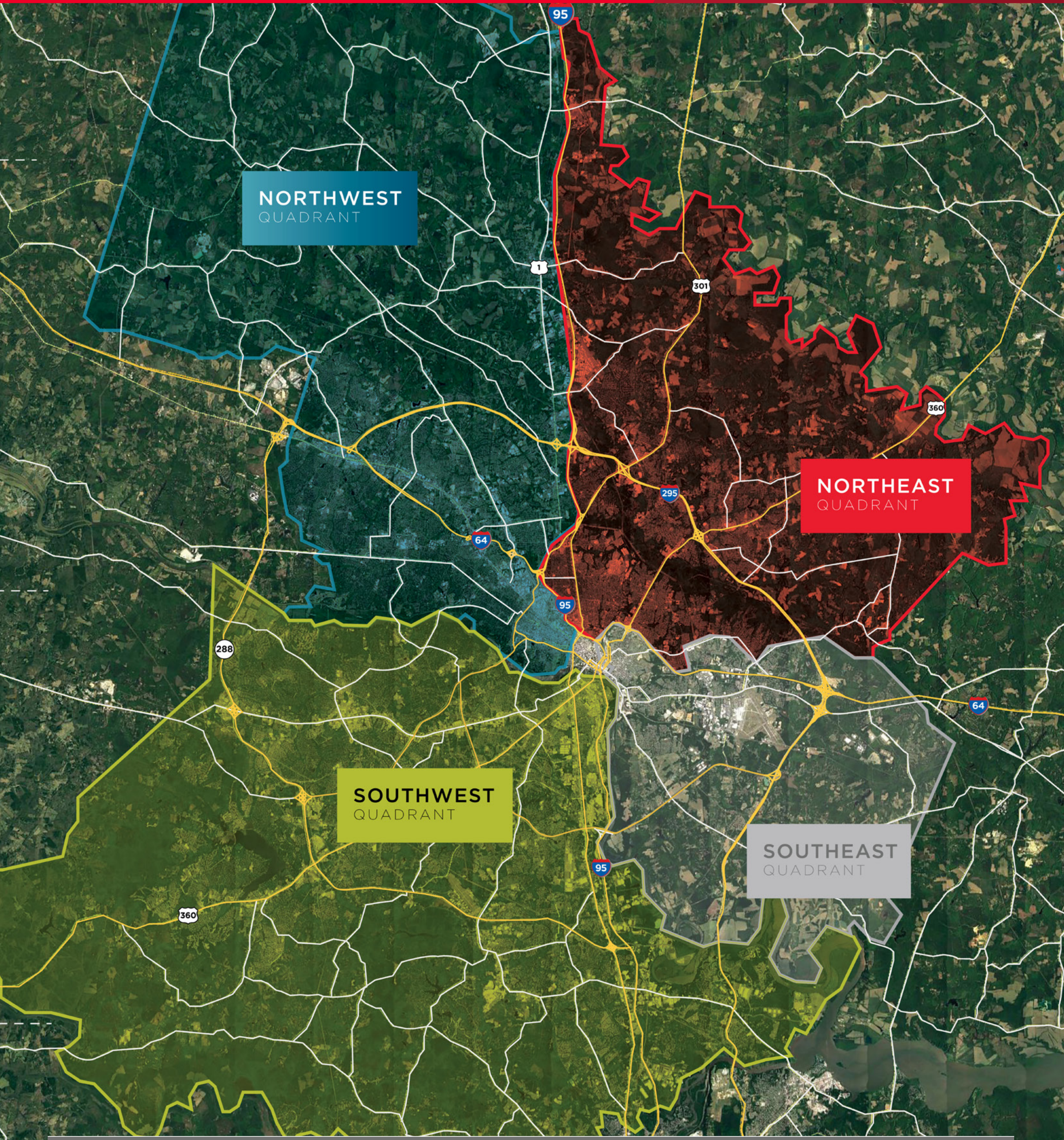
INDUSTRIAL MARKET OVERVIEW

RICHMOND, VIRGINIA | Q3 2019

CUSHMAN & WAKEFIELD | THALHIMER



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	YTD LEASING ACTIVITY (SF)	YTD NET OVERALL ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG. NET RENT
NORTHEAST	10,876,377	2.1%	741,307	(224,291)	0	$6.27
NORTHWEST	19,437,801	2.4%	483,570	223,145	812,390	$6.09
SOUTHEAST	20,275,369	3.6%	201,157	(305,018)	2,716,760	$5.15
SOUTHWEST	41,365,282	2.2%	1,254,110	986,404	410,000	$4.09
TOTAL MARKET	92,131,095	2.7%	2,680,144	680,240	3,939,150	$4.86

Statistics as of Q3 2019

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RICHMOND INDUSTRIAL MARKET OVERVIEW

Located at the confluence of Interstates I-95 and I-64, the Richmond MSA is comprised of four main submarkets – the Northeast Quadrant (NEQ), Northwest Quadrant (NWQ), Southeast Quadrant (SEQ), and Southwest Quadrant (SWQ). The region is also home to the Richmond Marine Terminal, which provides maritime access to the Port of Virginia on the James River. Recent investments in the inland port resulted in a 31.5% increase in container volume from 2017 to 2018.

Industrial rental rates have experienced steady growth in the current market cycle, while the overall vacancy rate has declined to cycle lows. With limited available space and tenant interest in the region, development activity has accelerated to provide Class A distribution space. 1.9 million square feet of distribution space, largely concentrated near the Richmond Marine Terminal and Airport, is currently under construction. Even with construction activity reaching new peaks, an estimated 70% of the space under construction is pre-leased. Deliveries are expected to be quickly absorbed and should encourage further development activity in the near term.

NEW CONSTRUCTION SINCE 2012

TOTAL INVENTORY **7.5** MSF ADDED SINCE THE START OF 2012

99.8% OF NEW INVENTORY IS OCCUPIED

3.9 MSF OF INDUSTRIAL SPACE CURRENTLY UNDER CONSTRUCTION

1.4 MSF OF SPECULATIVE DISTRIBUTION SPACE UNDER CONSTRUCTION

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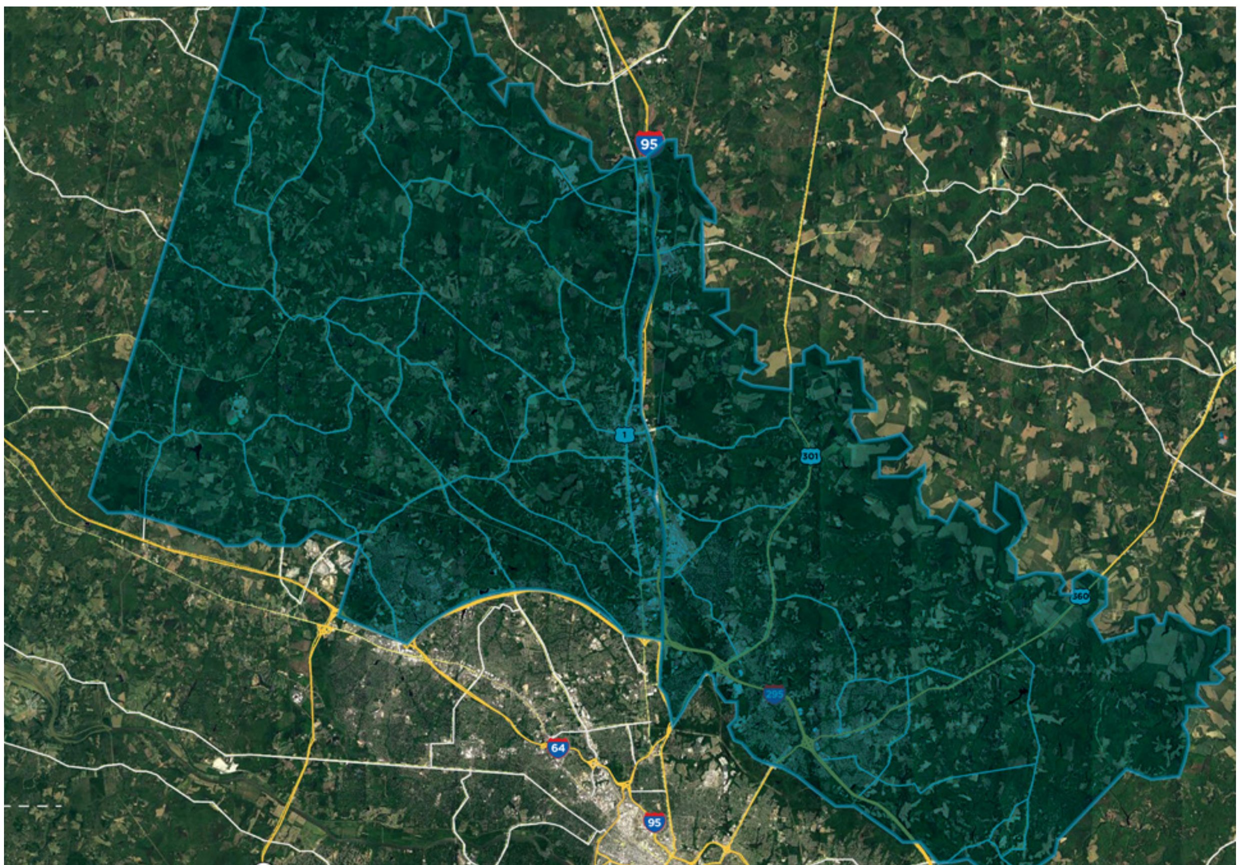
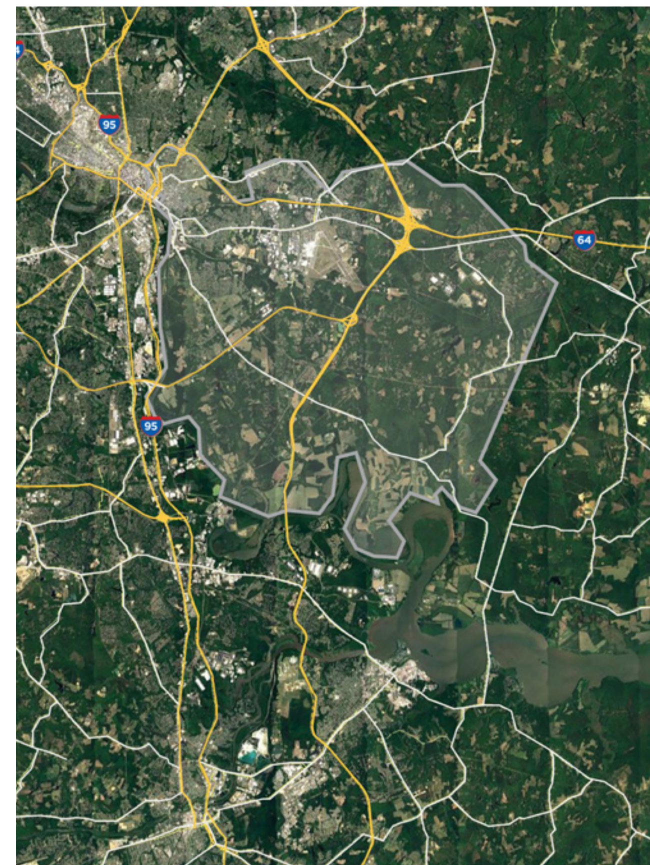
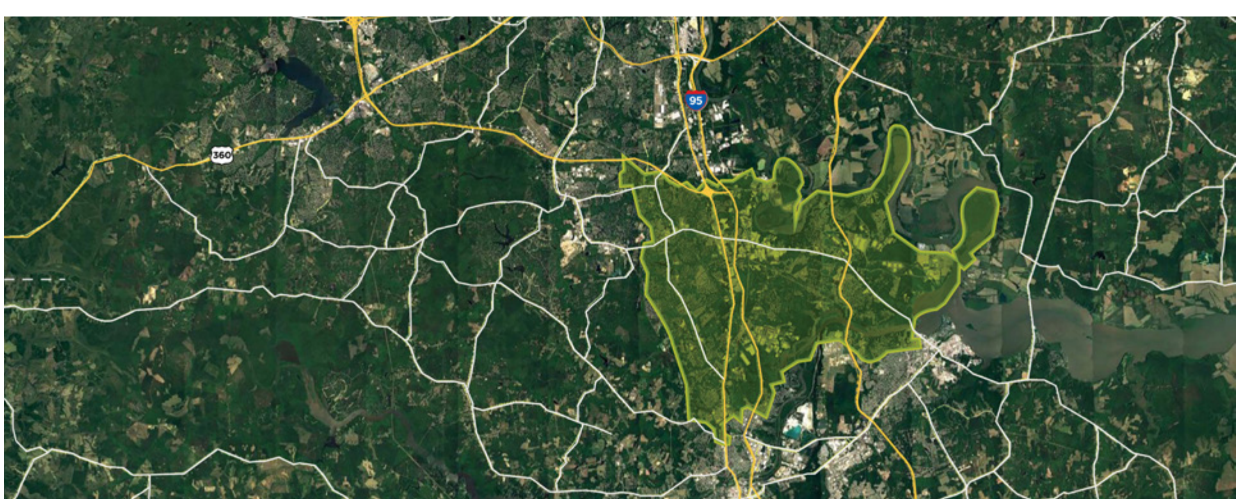
CLASS A/B DISTRIBUTION IN EACH SUBMARKET



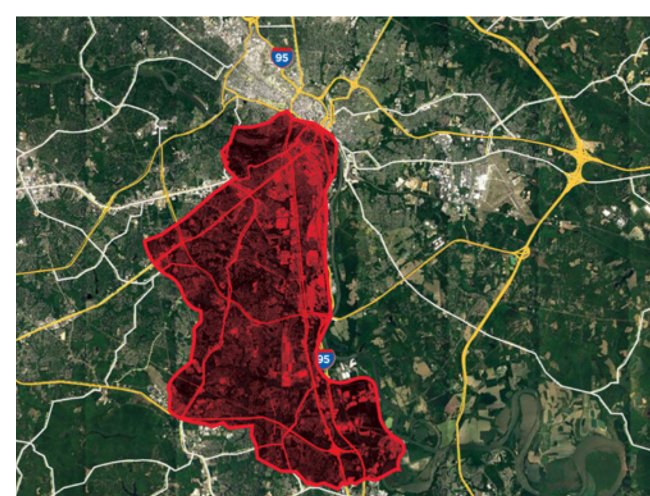
I-95 N



AIRPORT



I-95 S/RT 10



I-95 S/JEFF DAVIS

SUBMARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY RATE	YTD LEASING ACTIVITY (SF)	YTD NET OVERALL ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG. NET RENT
I-95 N	6,485,079	1.8%	118,064	(25,424)	390,000	$8.01
I-95 S/RT 10	8,036,154	7.1%	131,015	93,680	0	$4.40
AIRPORT	10,941,314	2.7%	105,206	(11,228)	246,760	$5.12
I-95 S/JEFF DAVIS	7,642,534	1.9%	724,820	560,300	782,390	$4.43

DEVELOPMENT ACTIVITY SINCE 2012

SUBMARKET	TOTAL NEW INVENTORY (SF)	TOTAL UNDER CONSTRUCTION (SF)	TOTAL SPECULATIVE SPACE UNDER CONSTRUCTION (SF)	TOTAL AVAILABLE SPACE UNDER CONSTRUCTION
I-95 N	1,125,955	390,000	390,000	346,000
I-95 S/RT 10	2,920,393	0	0	0
AIRPORT	2,572,933	2,716,760	246,760	246,760
I-95 S/JEFF DAVIS	711,997	782,390	782,390	320,690

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