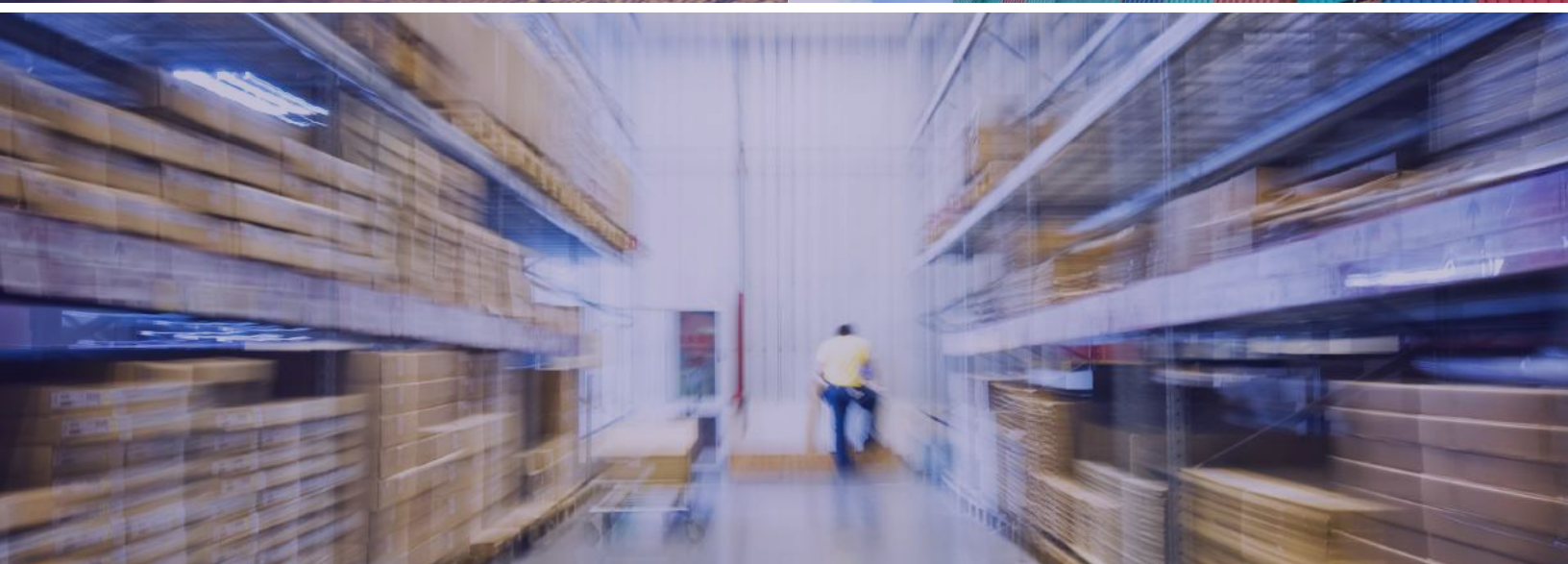


Q1 2017 NATIONAL

LEE & ASSOCIATES SUPPLY CHAIN & LOGISTICS REPORT





Top Tier US Markets Second Tier Markets Third Tier Markets Lee Nationwide Office locations

Minneapolis, MN
Pittsburgh, PA
Providence, RI
Salt Lake City, UT

Miami-Dade County, FL
Charlotte, NC
Columbia, SC
Detroit, MI

Nashville, TN
Charlotte, NC

Charleston, SC
Cincinnati, OH
Columbus, OH
Indianapolis, IN

Las Vegas, NV
Los Angeles, CA
Louisville, KY
Newark, NJ

Sacramento, CA
San Jose, CA
Washington, DC

Tampa, FL
Birmingham, AL
Cleveland, OH
Greenville, SC

Jacksonville, FL
Kansas City, MO/KS
Long Island, NY
Phoenix, AZ

San Diego, CA
Memphis, TN

Baltimore, MD
Greensboro, NC
Hartford, CT

St. Louis, MO
Syracuse, NY
Wilmington, DE

Tulsa, OK

Dayton, OH

Jackson, MS

Houston, TX

Charleston, SC
Cincinnati, OH
Columbus, OH
Indianapolis, IN
Atlanta, GA
Dallas, TX

Las Vegas, NV
Los Angeles, CA
Louisville, KY
Newark, NJ
Inland Empire, CA
Denver, CO

Orlando, FL
Sacramento, CA
San Jose, CA
Washington, DC
Savannah, GA

New York, NY
Richmond, VA
San Francisco, CA



Lee Supply Chain: Regional Map Stats

#	City	Market Size *	Bulk Market Size *	Rental Rate * (Bulk Modern)	Vacancy *	Under Construction *	Absorption * (Q3 & Q4)
1a.	Los Angeles	1.0 Billion SF	382 Million SF	\$9.74	1.1%	5.0 Million SF	3.7 Million SF
1b.	Inland Empire	529 Million SF	384 Million SF	\$5.33	3.2%	24.4 Million SF	7.1 Million SF
2.	Chicago	1.2 Billion SF	754 Million SF	\$4.16	6.9%	18.0 Million SF	10 Million SF
3	Northern New Jersey	840 Million SF	730 Million SF	\$6.51	5.8%	12.3 Million SF	6.7 Million SF
4.	Dallas / Ft.Worth	845 Million SF	713 Million SF	\$3.85	6.1%	24.1 Million SF	23.5 Million SF
5.	Atlanta	690 Million SF	621 Million SF	\$3.75	7.6%	13.5 Million SF	6.0 Million SF
6.	Philadelphia	418 Million SF	1.0 Billion SF	\$4.84	6.23%	13.6 Million SF	10.7 Million SF
7.	Detroit	567 Million SF	60 Million SF	\$5.29	3.8%	3.3 Million SF	1.4 Million SF
8.	Houston	577 Million SF	526 Million SF	\$6.39	5.5%	5.2 Million SF	8.5 Million SF
9.	Minneapolis	113 Million SF	25 Million SF	\$4.50	10.7%	1.1 Million SF	2.2 Million SF
10.	Seattle	314 Million SF	283 Million SF	\$5.64 - \$6.00	3.4%	3.9 Million SF	2.9 Million SF
12.	Phoenix	297 Million SF	205 Million SF	\$4.32 - \$6.60	9.4%	3.3 Million SF	5.6 Million SF
13.	Columbus	271 Million SF	131 Million SF	\$3.50	5.2%	2.7 Million SF	6.9 Million SF
16.	Denver	295 Million SF	100 Million SF	\$4.50	4.8%	3.2 Million SF	1.2 Million SF
17.	East Bay / Oakland	250 Million SF	175 Million SF	\$7.80- \$10.20	1.5%	2.3 Million SF	2.4 Million SF
18.	Memphis	248 Million SF	239 Million SF	\$3.50	6.8%	2.8 Million SF	1.8 Million SF
19.	Charlotte	325 Million SF	295 Million SF	\$4.10	5.4%	2.1 Million SF	5.3 Million SF
20.	Miami-Dade County	236 Million SF	218 Million SF	\$9.00	3.7%	3.3 Million SF	1.4 Million SF
21.	Louisville	205 Million SF	195 Million SF	\$3.65	5.1%	5.1 Million SF	0.7 Million SF
22.	Orlando / Lakeland	185 Million SF	156 Million SF	\$5.75	5.2%	2.0 Million SF	1.7 Million SF
23.	Stockton / Modesto	151 Million SF	78 Million SF	\$4.56	.99%	3.9 Million SF	6.4 Million SF
24.	Norfolk / Hampton	112 Million SF	98 Million SF	\$5.00	6.3%	5.1 Million SF	0.3 Million SF
26.	Nashville	207 Million SF	191 Million SF	\$4.75	3.6%	5.7 Million SF	1.8 Million SF
28.	Savannah	52 Million SF	50 Million SF	\$4.25	3.0%	3.4 Million SF	1.5 Million SF

PLEASE SEE DEFINITIONS BELOW

* Market Size (SF):	Includes shallow bay & flex.
Bulk Market Size (SF):	Excludes shallow bay & flex.
Rental Rates (\$):	NNN lease rate for a 200,000 SF, 30'-36' high modern, and functional building (at the end of Q4 quarter in 2016).
Vacancy (%):	For warehouse product, excluding shallow bay and flex (at the end of Q4 quarter in 2016).
Under Construction (SF):	Total industrial including flex (at the end of Q4 quarter in 2016).
Absorption (SF):	Total industrial including flex. (include net absorption for last 2 quarters)

RECENT NATIONAL SIGNIFICANT (Q4 2016) SUPPLY CHAIN LOGISTIC TRANSACTIONS

SQ. FT.	BUYER / TENANT	LANDLORD / SELLER	CITY / STATE
21 acres	California Tank Lines	Golden State Lumber	Stockton, CA
4,000,000	Daikin	Harvey Builders	Houston, TX
2,200,000	Amazon	Goodman Birtcher	Eastvale, CA
2,000,000	Kateon	Kateon	Houston, TX
1,500,000	TBC Corporation	Panattoni	Rossville, TN
1,453,615	Eliken Properties	Hackman-Oaktree-Calare Properties	Corsicana, TX
1,440,000	Lego Systems	Transpacific Development	Fort Worth, TX
1,435,750	Floor & Décor	Duke Realty	Bloomington, GA
1,369,177	Exeter	USAA	Tobyhanna, PA
1,240,967	WayFair	Rockefeller / Alfieri	Cranbury, NJ
1,224,000	WayFair	Duke Realty	Perris, CA
1,211,000	The Container Store	Duke Realty	Coppell, TX
1,200,000	Amazon	Hillwood	San Bernardino, CA
1,103,331	Floor & Décor	Principal Life	Moreno Valley, CA
1,100,000	JLA Homes	Build-to-Suit	Port Wentworth, GA
1,052,380	Amazon	Perot Development	DFW Airport, TX
1,000,000	IKEA	Clay Development	Houston, TX
1,000,000	Amazon	Prologis	Aurora, CO
927,972	Clarion Partners	Cornerstone RE Advisors	Kent, WA
873,800	Duracell	Core5	Fairburn, GA
814,848	Sear Logistics Services	Heitman LLC	Romeoville, IL
800,000	FedEx	FedEx	Houston, TX
800,000	Amazon	Hines	Houston, TX
780,320	Harrison Properties	Safeway	Tempe, AZ
776,515	Warehouse Specialist Inc.	Globe Logistics Properties	Sauk Village, IL
768,567	Mission Foods	Robinson Weeks	Grand Prairie, TX
756,000	American Tires Distributors	Hillwood Properties	Roanoke, TX
752,808	Huhtamaki, Inc.	Cohen Asset Mgmt.	Goodyear, AZ
750,000	UPS	Clarion	Lathrop, CA
741,458	Noble Furniture	Prologis	Ontario, CA
720,000	Wolverine	USAA	Beaumont, CA
717,717	Treehouse Foods	Hillwood	Groveport, OH
684,420	Hines	Hillwood	Phoenix, AZ
663,000	Chewy, Inc.	Crow Holdings	Lewisville, TX
639,473	Walmart	Goodman Birtcher	Fontana, CA
635,000	Modway	Exeter	East Windsor, NJ
633,953	LuLaRoe	United Facilities	Fontana, CA
626,848	Amazon	Bridge Development	Waukegan, IL
616,551	OHL	Prologis	Fontana, CA
616,000	Amazon	TIAA CREF	Teterboro, NJ
614,880	Clorox	Duke Realty	East Point, GA
604,930	Ameriwood	Gramercy Property Trust	Black Creek, GA
601,491	Ariens	First Industrial Realty Trust	Somers, WI
552,842	LaSalle Investment Mgmt	Panattoni	Des Moines, WA
543,400	XPO Logistics	Prologis	Rialto, CA
542,977	Burlington Coat	Prologis	Redlands, CA
537,000	W.S. Badcock	Build To Suit	LaGrange, GA
527,120	Barry Callebaut	Clarion	Bethlehem, PA
507,984	DSV Solutions	Prologis	Grand Prairie, TX
495,000	Blue Apron	Duke Realty	Linden, NJ
466,418	Cohen Asset Mgmt.	Vereit	Tolleson, AZ

LEE & ASSOCIATES TRANSACTIONS ARE HIGHLIGHTED IN GREY

SQ. FT.	BUYER / TENANT	LANDLORD / SELLER	CITY / STATE
460,000	FoxCon	Liberty Property Trust	Houston, TX
450,000	Amazon	Majestic Realty	Aurora, CO
441,000	Advanced Auto Parts	Panattoni	Houston, TX
426,408	DHL	Pizzuti / USAA	Obetz, OH
425,448	Alphabroder	Prologis	Bolingbrook, IL
420,000	STAG Industrial Mgmt.	Ares Commercial RE Mgmt.	Cedar Hill, TX
402,860	Amazon	Duke Realty	Aurora, IL
393,292	Principal Life	Opus	Phoenix, AZ
390,000	Sears	Greenwich Capital Commercial	Gouldsboro, PA
368,931	ATL Bonded Warehouse	IPT	Kennesaw, GA
355,577	C&S Wholesale Grocers	Globe Logistics Properties	DFW Airport, TX
354,316	Living Spaces Furniture	Prologis	Fremont, CA
350,000	Amazon	Majestic Realty	Aurora, CO
340,704	Staples	Prologis	Grove City, OH
323,435	Aviall Services	Clarion	Phoenix, AZ
317,880	DSI	McDonald Development	N Savannah, GA
314,032	JobsOhio	Exeter	Groveport, OH
309,840	Petco	TIAA CREF	Joilet, IL
297,050	UPS	DCT	Hayward, CA
295,695	OHL	New York Life	Phoenix, AZ
294,000	Draexlmeir Group	Trammell Crow	Livermore, CA
289,129	Coaster of America	Matrix	South Brunswick, NJ
286,000	Packwell	Avera	Houston, TX
283,000	Gimaud Farms (sale)	Orton	Stockton, CA
268,567	Giti Tire	Clarion	Fairburn, GA
268,482	Serta	Liberty Property Trust	Houston, TX
266,149	LA Specialty Produce	Prologis	Hayward, CA
260,765	Lineage Logistics	Globe Logistics Properties	Bethlehem, PA
257,600	Stockbridge	Metzler North America	Kent, WA
255,070	Hankook Tires	Hillwood	Groveport, OH
238,000	FedEx	McShane	Hayward, CA
229,918	Amerisource Bergen	Panattoni	Des Moines, WA
225,972	Regal Logistics	Dermody	Fife, WA
220,154	Amazon	Prologis	Richmond, CA
215,000	Wagner Spray	Duke Realty	Otsego, MN
205,250	Foamex	Prologis	Kent, WA
201,000	NC Minerals	United Properties	Shakopee, MN
200,000	Murphy Warehouse	United Properties	Shakopee, MN
200,000	Turn 14 Distribution	Cabot Properties	Hatfield, PA
198,292	Idea Nuova	Watson Land Company	Carson, CA
194,000	Communication Test Drive	Principal Financial	Livermore, CA
185,629	DG Logistics	Watson Land Company	Carson, CA
174,510	Wasserstrom	Clarion	Bethlehem, PA
163,499	CNR International	Prologis	Rancho Dominguez, CA
161,521	Smart Warehousing	Terragon	Sumner, WA
156,000	Ruan	Liberty Property Trust	Dayton, MN
154,765	US Elogistics	Prologis	South Brunswick, NJ
150,000	Slumberger	Liberty Property Trust	Houston, TX
150,000	Trademango	TA	Rancho Dominguez, CA
149,852	PFG	Americold	Phoenix, AZ
145,000	Life Fitness	TA	Coons Rapids, MN

ECOMMERCE FACILITIES

INDUSTRIAL OUTLOOK

5 Ecommerce Fulfillment Trends Impacting 2017 and Beyond

What does 2017 hold for retail, ecommerce fulfillment and shipping professionals? Given the speed of change and new innovation in the marketplace, it's no longer enough to look just one year ahead. You would be much better advised to consider what supply chains and delivery operations will look like in 2020. The ecommerce challenges our consumer economy is facing today aren't just temporary headlines — they are harbingers of what's to come, illuminating micro trends that will soon turn into powerful tides.

With that, here are 5 ecommerce fulfillment and shipping trends to watch in 2017 and beyond:

THE DEFINITION OF FULFILLMENT WILL CHANGE

Already the word “omni-channel” has stretched to apply to multiple fulfillment models including drop shipping and ship from store. In the future, fulfillment will be performed by everyone from OEMs and major 3PLs to an Uber-esque network of independent packers, drivers and small parcel shippers. This will continue to reshape the rules of accountability in the supply chain: Who pays when there is damage? Who owns the last mile of delivery or the last moment of truth with a consumer? Packaging will play a bigger role than ever in ensuring product integrity and an ideal customer experience no matter whose hands touch each order first, third or last.

LABOR PRESSURES WILL INTENSIFY

It's the first variable to get squeezed in the more volume-same hours equation, and the pressure will be amplified by a lack of skilled labor. Smart, scalable automation and systems that model, prompt and correct the practices of human packers will provide much needed relief and volume growth.

SHIPPING COSTS WILL NOT CAP OUT

More orders, same hours? There's only one surefire way to get a few more onto every truck load: incentivize manufacturers, retailers, and consumers to shave inches off each order with dimensional weight pricing models. Because rates will continue to rise, package sizes will need to continue to shrink – but without sacrificing protection or consumer satisfaction.

WAREHOUSES GET A LONG OVERDUE MAKEOVER

At sky-high rental prices, every square foot of warehouse space will become precious. This will inspire retailers and fulfillment providers to re-examine how their operations were designed – many doing so for the first time in years or even decades. Identifying and eliminating inefficiencies throughout the operation will ensure that every resource is being used to its greatest return. A good place to start is to consider how much space is currently being occupied by big, bulky packaging materials.

BRANDS WILL GET UP CLOSE AND PERSONAL

Brand loyalty? What's that? Online shoppers will be increasingly compelled to compare prices and look for the item with the best delivery dates, lowest shipping cost, and the best discount codes. The winner may come down to which retailers know the consumer the best: their delivery preferences, their likelihood of return shipments, and what type of packaging can be recycled curbside in their area and what cannot. Personalization – both the packaging itself and the entire at-home delivery experience – is the next frontier for retailers looking to stand out from their competitors.

Jan 11, 2017 | By Ken Chrisman | MultiChannel Merchant blog

LOST IN THE CRACKS

All tilt-wall buildings have caulk between the tilt wall panels, which requires periodic replacement. Typically, Landlords perform this work and bill the cost back to the Tenant. In the event the Landlord fails to re-caulk the tilt wall panels, the building could lose its ability to provide a water-tight enclosure, thus causing damage to office space, inventory and other improvements to the building.

It is important to either define the party responsible for maintaining a water-tight structure and/or create periodic inspections of the tilt wall panels to ensure the responsible party is performing periodic caulking.

**SALES / LEASE
TIP**

FOR LEASE



267,503 SF
600 Greenwood Industrial Park
McDonough, GA



1,101,889 SF
2255 & 2185 W. Lugonia Avenue
Redlands, CA



642,720 SF
Ridge Railhead Industrial Park
400 E. Industrial Avenue, Fort Worth, TX



421,405 SF
Brewster Creek Boulevard
Bartlett, IL



938,828 SF
200 Goodman Drive
Carlisle, PA



646,000 SF
Southpark Place (2 buildings)
Grove City, OH



110,710 SF
225 South 51st Street
Phoenix, AZ



322,000 SF
Southpark Place - Spec #1
Grove City, OH



211,445 SF
700 Greenwood Industrial Park
McDonough, GA



191,099 SF
215 Hill Brady North
Battle Creek, MI



408,908 SF
5100 West 70th Place
Bedford Park, IL



64,014 SF
3825 South 36th Street
Phoenix, AZ

FOR SALE



304,800 SF
1365 Mitchell Boulevard
Schaumburg, IL



416,700 SF
17100 S. Harlan Road
Lathrop, CA



122,000 SF
14620 Henry Road
Houston, TX



120,000 SF
40249 Schoolcraft Road
Plymouth, MI



113,000 SF
13827 West Hardy
Houston, TX



50,000 SF
1833 Stearman Avenue
Hayward, CA



549,805 SF
SWC Dumas Street & Waterman Avenue
San Bernardino, CA



103,980 SF
910 Rankin Road
Houston, TX



269,831 SF
5900 N Meadows Drive
Grove City, OH



129,575 SF
1800 - 1880 S. 7th Street
Phoenix, AZ



80,000 SF
800 77th Avenue
Oakland, CA



422,400 SF
192 Kost Road
Carlisle, PA



124,000 SF
7625 Southlake Parkway
Morrow, GA



130,000 SF
Danview Technology Park
Shelby Township, MI



414,020 SF
255 S. Waterman Avenue
San Bernardino, CA



150,000 SF
4730 Fite Court
Stockton, CA



421,405 SF
Brewster Creek Boulevard
Bartlett, IL



1,200,000 SF
United Business Park
Interstate 81, Shippensburg, PA



121,000 SF
50 Somerset Place
Clifton, NJ



90,552 SF
9310 South McKemy
Chandler, AZ



343,720 SF
Ridge Railhead Industrial Park (bldg 2)
400 E. Industrial Avenue, Fort Worth, TX



113,175 SF
301 South Trade Center
Conroe, TX



106,560 SF
1349 Irving Park Road
Itasca, IL



108± ACRE RARE WATERFRONT
2101-2603 Wilbur Avenue
Antioch, CA

FOR LEASE

FOR SALE

KEY CONTACTS

ATLANTA / SOUTHEAST

3500 Lenox Road, Suite 200
Atlanta, GA 30326

Brett Chambless, SIOR
(404) 442.2810
bchambless@lee-associates.com

Mike Sutter
(404) 442.2804
msutter@lee-associates.com

CHICAGO

9450 West Bryn Mawr Ave., Suite 550
Rosemont, IL 60018

Jeff Janda, SIOR
(773) 355.3000
jjanda@lee-associates.com

COLUMBUS

5100 Parkcenter Avenue, Suite 100
Dublin, OH 43017

Mike Spencer, SIOR
(614) 923.3300
mike.spencer@lee-associates.com

Dax Hudson
(614) 923.3300
dax.hudson@lee-associates.com

DALLAS

15455 Dallas Parkway, Suite 400
Addison, TX 75001

Trey Fricke, SIOR
(972) 934.4000
tfricke@lee-associates.com

Reid Bassinger, SIOR
(972) 934.4000
rbassinger@lee-associates.com

DENVER

1610 Wynkoop Street, Suite 450
Denver, CO 80202

Ron Webert
(303) 296.8500
rwebert@lee-associates.com

DETROIT

26211 Central Park Blvd., Suite 612
Southfield, MI 48076

Jon Savoy
(248) 351.3500
jon.savoy@lee-associates.com

Jeff Buckler
(248) 567.8004
jeff.buckler@lee-associates.com

EASTBAY / OAKLAND

520 3rd Street, Suite 105
Oakland, CA 94607

Craig Hagglund, SIOR
(510) 903.7611
chagglund@lee-associates.com

HOUSTON

9805 Katy Freeway, Suite 800
Houston, Texas 77024

Mike Spears, SIOR, CCIM
(713) 744.7404
mike.spears@lee-associates.com

Robert McGee
(713) 744.7408
rmcgee@lee-associates.com

INLAND EMPIRE

3535 Inland Empire Boulevard
Ontario, California 91764

Jeff Smith, SIOR
(909) 373.2909
jsmith@lee-assoc.com

LOS ANGELES

5000 E Spring Street, Suite 750
Long Beach, CA 90815

David Bales
(562) 354.2500
dbales@lee-associates.com

MINNEAPOLIS

5353 Gamble Drive, Suite 106
St. Louis Park, MN 55416

Chris Garcia
(404) 442.2810
cgarcia@lee-associates.com

NORTHERN NEW JERSEY

669 River Drive, Suite 201
Elmwood Park, NJ 07407

Rick Marchisio
(973) 337.1144
rick.marchisio@lee-associates.com

PHILADELPHIA

1104 Fernwood Avenue, Suite 101
Camp Hill, PA 17011

John Van Buskirk, SIOR
(610) 400.0484
jvanbuskirk@lee-associates.com

Brian Knowles
(610) 400.0499
bknowles@lee-associates.com

PHOENIX

3200 East Camelback Rd., Suite 100
Phoenix, AZ 85018

Stein Koss, SIOR
(602) 956.7777
skoss@leearizona.com

Thomas B. Louer, SIOR
(602) 956.7777
tlouer@leearizona.com

STOCKTON

241 Frank West Circle, Suite 300
Stockton, CA 95206

Jim Martin, SIOR
(209) 983.1111
jmartin@lee-associates.com

SEATTLE

701 Pike Street, Suite 1025
Seattle, WA 98101

Christian Mattson
(206) 773.2679
cmattson@lee-associates.com

Billy Moultrie
(206) 624.2424
bmoultrie@lee-associates.com



LEE &
ASSOCIATES®

COMMERCIAL REAL ESTATE SERVICES