The overall Atlanta industrial market recorded a net absorption of positive 1,440,306 square feet in the fourth quarter 2016. In comparison, the Atlanta industrial market recorded a net absorption of positive 3,288,125 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Atlanta industrial market increased to 7.6% from 7.0%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 8.3%, while warehouse projects reported a vacancy rate of 7.5% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Atlanta industrial market for the fourth quarter was $4.43 per square foot. In the third quarter 2016, the average quoted asking rental rate was $4.33 per square foot, representing a 2.3% increase in the fourth quarter.

During the fourth quarter, 23 buildings totaling 6,044,304 square feet were completed in the Atlanta industrial market. This is comparative to 16 buildings totaling 3,514,481 square feet completed in the third quarter 2016. At the end of the fourth quarter 13,554,910 square feet of industrial space were under construction in the Atlanta industrial market.
Baltimore Q4 2016
Industrial Market Overview Report

Baltimore Industrial Market: Vacancy, Rents Rise

The overall Baltimore industrial market recorded a net absorption of negative (178,321) square feet in the fourth quarter 2016. In comparison, the Baltimore industrial market recorded a net absorption of positive 488,464 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Baltimore industrial market increased to 8.8% from 8.7%. Flex projects recorded a vacancy rate of 8.1%, while warehouse projects reported a vacancy rate of 9.0% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Baltimore industrial market for the fourth quarter was $5.97 per square foot. In the third quarter 2016, the average quoted asking rental rate was $5.87 per square foot, representing a 1.7% increase in the fourth quarter.

During the fourth quarter, one building totaling 160,000 square feet was completed in the Baltimore industrial market. This is comparative to two buildings totaling 322,800 square feet completed in the third quarter 2016. At the end of the fourth quarter 4,800,620 square feet of industrial space were under construction in the Baltimore industrial market.

Market Overview:

Absorption: (177,321) down from 488,464

Flex vacancy: 8.1% down from 8.3%

Warehouse vacancy: 9.0% up from 8.8%

Rental rate (per sq. ft.): $6.01 up 0.3%

New construction: 160,000 sq. ft. delivered

Overall Market Trends for Q4 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
The overall Boston industrial market recorded a net absorption of positive 1,375,803 square feet in the fourth quarter 2016. In comparison, the Boston industrial market recorded a net absorption of positive 2,184,992 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Boston industrial market decreased to 6.1% from 6.4%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 8.1%, while warehouse projects reported a vacancy rate of 5.4% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Boston industrial market for the fourth quarter was $6.77 per square foot. In the third quarter 2016, the average quoted asking rental rate was $6.73 per square foot, representing a 0.6% increase in the fourth quarter.

During the fourth quarter, nine buildings totaling 498,001 square feet were completed in the Boston industrial market. This is comparative to seven buildings totaling 1,879,842 square feet completed in the third quarter 2016. At the end of the fourth quarter 2,426,113 square feet of industrial space were under construction in the Boston industrial market.

Absorption: 1,375,803 down from 2,184,992

Flex vacancy: 8.1% down from 8.4%

Warehouse vacancy: 5.4%, down from 5.7%

Rental rate (per sq. ft.): $6.77 up 0.3%

New construction: 498,001 sq. ft. delivered
Chicago Q4 2016
Industrial Market Overview Report

The overall Chicago industrial market recorded a net absorption of positive 5,376,193 square feet in the fourth quarter 2016. In comparison, the Chicago industrial market recorded a net absorption of positive 7,236,491 square feet in the third quarter 2015.

In the fourth quarter, the overall total vacancy rate in the Chicago industrial market decreased to 6.5% from 6.6%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 8.6%, while warehouse projects reported a vacancy rate of 6.4% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Chicago industrial market for the fourth quarter was $5.72 per square foot. In the third quarter 2016, the average quoted asking rental rate was $5.74 per square foot, representing a 0.3% decrease in the fourth quarter.

During the fourth quarter, 29 buildings totaling 6,015,533 square feet were completed in the Chicago industrial market. This is comparative to 21 buildings totaling 6,376,998 square feet completed in the third quarter 2016. At the end of the fourth quarter 18,365,392 square feet of industrial space were under construction in the Chicago industrial market.

Market Overview:

Absorption: 5,376,193 down from 7,236,491

Flex vacancy: 8.6% down from 9.2%

Warehouse vacancy: 6.4%, unchanged

Rental rate (per sq. ft.): $5.72 down 0.3%

New construction: 6,015,533 sq. ft. delivered

Overall Market Trends for Q4 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
The overall Dallas/Ft. Worth industrial market recorded a net absorption of positive 4,090,300 square feet in the fourth quarter 2016. In comparison, the Dallas/Ft. Worth industrial market recorded a net absorption of positive 10,245,918 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Dallas/Ft. Worth industrial market remained at 6.1% which was also recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 7.0%, while warehouse projects reported a vacancy rate of 6.0% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Dallas/Ft. Worth industrial market for the fourth quarter was $5.61 per square foot. In the third quarter 2016, the average quoted asking rental rate was $5.37 per square foot, representing a 4.5% increase in the fourth quarter.

During the fourth quarter, 26 buildings totaling 4,459,247 square feet were completed in the Dallas/Ft. Worth industrial market. This is comparative to 26 buildings totaling 5,749,390 square feet completed in the third quarter 2016. At the end of the fourth quarter 24,178,225 square feet of industrial space were under construction in the Dallas/Ft. Worth industrial market.

**Market Overview:**

Absorption: 9,793,901 up from 2,739,032

Flex vacancy: 7.0% down from 7.3%

Warehouse vacancy: 6.0% up from 5.9%

Rental rate (per sq. ft.): $5.61 up 4.5%

New construction: 4,459,247 sq. ft. delivered
The overall Denver industrial market recorded a net absorption of positive 1,061,336 square feet in the fourth quarter 2016. In comparison, the Denver industrial market recorded a net absorption of positive 899,222 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Denver industrial market increased to 4.8% from 4.5%, which was recorded at the end of the third quarter. Flex projects recorded a vacancy rate of 9.3%, while warehouse projects reported a vacancy rate of 3.9% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Denver industrial market for the fourth quarter was $8.31. In the third quarter 2016, the average quoted asking rental rate was $8.23 per square foot, representing a 1.0% increase in the fourth quarter.

During the fourth quarter, 13 buildings totaling 1,613,589 square feet were completed in the Denver industrial market. This is comparative to 10 buildings totaling 979,150 square feet completed in the third quarter 2016. At the end of the fourth quarter 3,227,764 square feet of industrial space were under construction in the Denver industrial market.

Market Overview:

Absorption: 1,061,336 up from 899,222

Flex vacancy: 9.3% up from 9.1%

Warehouse vacancy: 3.9% up from 3.5%

Rental rate (per sq. ft.): $8.31, up from $8.23

New construction: 1,613,589 sq. ft. delivered
Detroit Q4 2016
Industrial Market Overview Report

The overall Detroit industrial market recorded a net absorption of positive 1,430,086 square feet in the fourth quarter 2016. In comparison, the Detroit industrial market recorded a net absorption of positive 1,227,163 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Detroit industrial market decreased to 3.8% from 3.9%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 7.4%, while warehouse projects reported a vacancy rate of 3.4% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Detroit industrial market for the fourth quarter was $5.29 per square foot. In the third quarter 2016, the average quoted asking rental rate was $5.25 per square foot, representing a 0.8% increase in the fourth quarter.

During the fourth quarter, nine buildings totaling 640,865 square feet were completed in the Detroit industrial market. This is comparative to seven buildings totaling 482,588 square feet completed in the third quarter 2016. At the end of the fourth quarter 3,328,949 square feet of industrial space were under construction in the Detroit industrial market.

Market Overview:

Absorption: 1,430,086 up from 1,227,163

Flex vacancy: 7.4%, down from 7.5%

Warehouse vacancy: 3.4%, down from 3.6%

Rental rate (per sq. ft.): $5.29 up 0.8%

New construction: 640,865 sq. ft. delivered
The overall Houston industrial market recorded a net absorption of positive 1,851,815 square feet in the fourth quarter 2016. In comparison, the Houston industrial market recorded a net absorption of positive 6,698,994 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Houston industrial market decreased to 5.6% from 5.5%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 7.1%, while warehouse projects reported a vacancy rate of 5.5% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Houston industrial market for the fourth quarter was $6.72 per square foot. In the third quarter 2016, the average quoted asking rental rate was $6.63 per square foot, representing a 1.4% increase in the fourth quarter.

During the fourth quarter, 37 buildings totaling 2,953,204 square feet were completed in the Houston industrial market. This is comparative to 52 buildings totaling 6,448,914 square feet completed in the third quarter 2016. At the end of the fourth quarter 5,223,750 square feet of industrial space were under construction in the Houston industrial market.

**Market Overview:**

Absorption: 1,851,815 down from 6,698,994

Flex vacancy: 7.1% up from 6.7%

Warehouse vacancy: 5.5% up from 5.4%

Rental rate (per sq. ft.): $6.72 up 1.4%

New construction: 2,953,204 sq. ft. delivered

**Overall Market Trends for Q4 2016**

- **NET ABSORPTION**
- **VACANCY RATE**
- **CONSTRUCTION**
- **ASKING RATES**
The overall Kansas City industrial market recorded a net absorption of positive 1,532,681 square feet in the fourth quarter 2016. In comparison, the Kansas City industrial market recorded a net absorption of positive 3,648,773 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Kansas City industrial market increased to 6.1% from 5.6%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 5.8%, while warehouse projects reported a vacancy rate of 6.1% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Kansas City industrial market for the fourth quarter was $4.48 per square foot. In the third quarter 2016, the average quoted asking rental rate was $4.44 per square foot, representing a 0.9% increase in the third quarter.

During the fourth quarter, nine new buildings totaling 3,272,300 square feet was completed in the Kansas City industrial market. This is comparative to nine new buildings totaling 3,664,435 square feet completed in the third quarter 2016. At the end of the fourth quarter 6,840,078 square feet of industrial space were under construction in the Kansas City industrial market.

Market Overview:
Absorption: 1,532,681 down from 3,648,773
Flex vacancy: 5.8% up from 5.7%
Warehouse vacancy: 6.1%, up from 5.6%
Rental rate (per sq. ft.): $4.44 up 0.9%

New construction: 3,272,300 sq. ft. delivered

Overall Market Trends for Q4 2016
- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
The overall Los Angeles industrial market recorded a net absorption of positive 935,387 square feet in the fourth quarter 2016. In comparison, the Los Angeles industrial market recorded a net absorption of positive 858,723 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Los Angeles industrial market increased to 2.3% from 2.2%, which was recorded at the end of the third quarter. Flex projects recorded a vacancy rate of 4.1%, while warehouse projects reported a vacancy rate of 2.1% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Los Angeles industrial market for the fourth quarter was $9.55 per square foot. In the third quarter 2016, the average quoted asking rental rate was $9.47 per square foot, representing a 0.8% increase in the fourth quarter.

During the fourth quarter, 12 buildings totaling 1,639,498 square feet were completed in the Los Angeles industrial market. This is comparative to nine buildings totaling 687,673 square feet completed in the third quarter 2016. At the end of the fourth quarter 6,057,143 square feet of industrial space were under construction in the Los Angeles industrial market.

**Market Overview:**

Absorption: 935,387 up from 858,723

Flex vacancy: 4.1% down from 4.2%

Warehouse vacancy: 2.1%, unchanged

Rental rate (per sq. ft.): $9.55 up 0.8%

New construction: 1,639,498 sq. ft. delivered

**Overall Market Trends for Q4 2016**

NET ABSORPTION  
VACANCY RATE  
CONSTRUCTION  
ASKING RATES
Miami-Dade Q4 2016
Industrial Market Overview Report

The overall Miami-Dade industrial market recorded a net absorption of positive 480,811 square feet in the fourth quarter 2016. In comparison, the Miami-Dade industrial market recorded a net absorption of positive 1,041,493 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Miami-Dade industrial market decreased to 3.7% from 3.8%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 4.3%, while warehouse projects reported a vacancy rate of 3.7% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Miami-Dade industrial market for the fourth quarter was $9.56 per square foot. In the third quarter 2016, the average quoted asking rental rate was $9.43 per square foot, representing a 1.4% increase in the fourth quarter.

During the fourth quarter, three buildings totaling 314,057 square feet were completed in the Miami-Dade industrial market. This is comparative to three buildings totaling 241,212 square feet completed in the third quarter 2016. At the end of the fourth quarter 4,359,280 square feet of industrial space were under construction in the Miami-Dade industrial market.

Market Overview:

Absorption: 922,053 up from 633,577

Flex vacancy: 4.3% down from 4.8%

Warehouse vacancy: 3.7%, unchanged

Rental rate (per sq. ft.): $9.56, up 1.4%

New construction: 241,212 sq. ft. delivered

Overall Market Trends for Q4 2016

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES

Source: CoStar Property®

Vacancy Rates

New Construction

U.S Rental Rates

Source: CoStar Property®
Minneapolis Q4 2016
Industrial Market Overview Report

The overall Minneapolis industrial market recorded a net absorption of positive 766,002 square feet in the fourth quarter 2016. In comparison, the Minneapolis industrial market recorded a net absorption of positive 1,989,401 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Minneapolis industrial market decreased to 4.4% from 4.6%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 7.0%, while warehouse projects reported a vacancy rate of 4.0% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Minneapolis industrial market for the fourth quarter was $6.54 per square foot. In the third quarter 2016, the average quoted asking rental rate was $6.53 per square foot, representing a 0.2% increase in the fourth quarter.

During the fourth quarter, four buildings totaling 411,200 square feet were completed in the Minneapolis industrial market. This is comparative to nine buildings totaling 1,920,904 square feet completed in the third quarter 2016. At the end of the fourth quarter 439,527 square feet of industrial space were under construction in the Minneapolis industrial market.

Market Overview:

Absorption: 766,002 down from 1,989,401

Flex vacancy: 6.6%, down from 6.7%

Warehouse vacancy: 3.8%, down from 3.9%

Rental rate (per sq. ft.): $6.54 up 0.2%

New construction: 411,200 sq. ft. delivered
New York Outer Boroughs Q4 2016 Industrial Market Overview Report

New York City Industrial Market: Vacancy, Rents Rise

The overall New York Outer Boroughs industrial market recorded a net absorption of negative (42,131) square feet in the fourth quarter 2016. In comparison, the New York Outer Boroughs industrial market recorded a net absorption of negative (139,999) square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the New York Outer Boroughs industrial market increased to 3.9% from 3.8%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 5.6%, while warehouse projects reported a vacancy rate of 3.8% at the end of the fourth quarter.

The overall average quoted asking rental rate in the New York Outer Boroughs industrial market for the fourth quarter was $19.65 per square foot. In the third quarter 2016, the average quoted asking rental rate was $19.48 per square foot, representing a 0.9% increase in the fourth quarter.

During the fourth quarter, six buildings totaling 41,325 square feet were completed in the New York Outer Boroughs industrial market. This is comparative to three building totaling 82,929 square feet completed in the third quarter 2016. At the end of the fourth quarter 710,207 square feet of industrial space were under construction in the New York Outer Boroughs industrial market.

Market Overview:

Absorption: (42,131) up from (139,999)

Flex vacancy: 5.6% up from 5.5%

Warehouse vacancy: 3.8%, up from 3.7%

Rental rate (per sq. ft.): $19.65 up 0.9%

New construction: 41,325 sq. ft. delivered

Overall Market Trends for Q4 2016

- **NET ABSORPTION**
- **VACANCY RATE**
- **CONSTRUCTION**
- **ASKING RATES**
The overall Philadelphia industrial market recorded a net absorption of positive 8,712,708 square feet in the fourth quarter 2016. In comparison, the Philadelphia industrial market recorded a net absorption of positive 8,238,430 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Philadelphia industrial market decreased to 6.3% from 6.5%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 6.9%, while warehouse projects reported a vacancy rate of 6.3% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Philadelphia industrial market for the fourth quarter was $4.84 per square foot. In the third quarter 2016, the average quoted asking rental rate was $4.79 per square foot, representing a 1.0% increase in the fourth quarter.

During the fourth quarter, 18 buildings totaling 7,375,994 square feet were completed in the Philadelphia industrial market. This is comparative to eight buildings totaling 3,394,809 square feet completed in the third quarter 2016. At the end of the fourth quarter 17,259,140 square feet of industrial space were under construction in the Philadelphia industrial market.

**Market Overview:**

Absorption: 8,712,708 up from 8,238,430

Flex vacancy: 6.9% down from 7.2%

Warehouse vacancy: 6.3%, down from 6.4%

Rental rate (per sq. ft.): $4.84 up 1.0%

New construction: 7,375,994 sq. ft. delivered

**Overall Market Trends for Q4 2016**

- **NET ABSORPTION**
- **VACANCY RATE**
- **CONSTRUCTION**
- **ASKING RATES**
Phoenix Q4 2016
Industrial Market Overview Report

The overall Phoenix industrial market recorded a net absorption of positive 2,547,966 square feet in the fourth quarter 2016. In comparison, the Phoenix industrial market recorded a net absorption of positive 1,466,648 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Phoenix industrial market decreased to 9.6% from 10.3%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 12.9%, while warehouse projects reported a vacancy rate of 9.3% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Phoenix industrial market for the fourth quarter was $6.88 per square foot. In the third quarter 2016, the average quoted asking rental rate was $6.89 per square foot, representing a 0.1% decrease in the third quarter.

During the fourth quarter, five buildings totaling 642,069 square feet were completed in the Phoenix industrial market. This is comparative to nine buildings totaling 1,541,332 square feet completed in the third quarter 2016. At the end of the fourth quarter 4,304,479 square feet of industrial space were under construction in the Phoenix industrial market.

Market Overview:
Absorption: 2,547,966 up from 1,466,648
Flex vacancy: 12.9% down from 13.6%
Warehouse vacancy: 9.3%, down from 9.9%
Rental rate (per sq. ft.): $6.88 down 0.1%
New construction: 642,069 sq. ft. delivered

Overall Market Trends for Q4 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
Sacramento Q4 2016
Industrial Market Overview Report

Sacramento Industrial Market: Vacancy Dips as Rents Stay Flat

The overall Sacramento industrial market recorded a net absorption of positive 910,943 square feet in the fourth quarter 2016. In comparison, the Sacramento industrial market recorded a net absorption of positive 1,083,892 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Sacramento industrial market decreased to 8.1% from 8.6%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 13.7%, while warehouse projects reported a vacancy rate of 7.4% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Sacramento industrial market for the fourth quarter was $5.50 per square foot, which was the same rate recorded in the third quarter.

During the fourth quarter, no new space was completed in the Sacramento industrial market. This is comparative to one building completed in the third quarter, totaling 8,282 square feet. At the end of the fourth quarter 1,256,554 square feet of industrial space were under construction in the Sacramento industrial market.

Market Overview:

Absorption: 910,943 down from 1,083,892
Flex vacancy: 13.7% down from 15.4%
Warehouse vacancy: 7.4%, down from 7.7%
Rental rate (per sq. ft.): $5.50, unchanged
New construction: 0 sq. ft. delivered

Overall Market Trends for Q4 2016

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES
San Diego Q4 2016
Industrial Market Overview Report

San Diego Industrial Market: Vacancy Dips, Rents Rise

The overall San Diego industrial market recorded a net absorption of positive 748,294 square feet in the fourth quarter 2016. In comparison, the San Diego industrial market recorded a net absorption of positive 1,071,188 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the San Diego industrial market decreased to 5.1% from 5.2%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 8.1%, while warehouse projects reported a vacancy rate of 4.2% at the end of the fourth quarter.

The overall average quoted asking rental rate in the San Diego industrial market for the fourth quarter was $12.35 per square foot. In the third quarter 2016, the average quoted asking rental rate was $12.21 per square foot, representing a 1.1% increase in the fourth quarter.

During the fourth quarter, nine buildings totaling 732,599 square feet were completed in the Sacramento industrial market. This is comparative to one building totaling 79,500 square feet completed in the third quarter 2016. At the end of the fourth quarter 1,161,242 square feet of industrial space were under construction in the San Diego industrial market.

Market Overview:

Absorption: 748,294 up from 1,071,188

Flex vacancy: 8.1%, unchanged

Warehouse vacancy: 4.2%, down from 4.3%

Rental rate (per sq. ft.): $12.35 up 1.1%

New construction: 732,599 sq. ft. delivered

Overall Market Trends for Q4 2016

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES
The overall San Francisco industrial market recorded a net absorption of negative (35,357) square feet in the fourth quarter 2016. In comparison, the San Francisco industrial market recorded a net absorption of positive 19,866 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the San Francisco industrial market increased to 2.8% from 2.7%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 4.4%, while warehouse projects reported a vacancy rate of 2.2% at the end of the fourth quarter.

The overall average quoted asking rental rate in the San Francisco industrial market for the fourth quarter was $21.02 per square foot. In the third quarter 2016, the average quoted asking rental rate was $19.97 per square foot, representing a 5.3% increase in the fourth quarter.

During the fourth quarter, no new space was completed in the San Francisco industrial market. This is comparative to one building totaling 153,047 square feet completed in the third quarter 2016. At the end of the fourth quarter 663,053 square feet of industrial space were under construction in the San Francisco industrial market.

**Absorption:** (35,357) down from 19,866

**Flex vacancy:** 4.4% up from 4.2%

**Warehouse vacancy:** 2.2%, unchanged

**Rental rate (per sq. ft.):** $21.02 up 5.3%

**New construction:** 0 sq. ft. delivered

**Overall Market Trends for Q4 2016**

- **NET ABSORPTION**
- **VACANCY RATE**
- **CONSTRUCTION**
- **ASKING RATES**
Seattle/Puget Sound Industrial Market: Vacancy Dips, Rents Rise

The overall Seattle/Puget Sound industrial market recorded a net absorption of positive 1,109,322 square feet in the fourth quarter 2016. In comparison, the Seattle/Puget Sound industrial market recorded a net absorption of positive 1,804,557 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Seattle/Puget Sound industrial market decreased to 3.3% from 3.4%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 5.2%, while warehouse projects reported a vacancy rate of 3.1% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Seattle/Puget Sound industrial market for the fourth quarter was $8.01 per square foot. In the third quarter 2016, the average quoted asking rental rate was $7.85 per square foot, representing a 2.0% increase in the fourth quarter.

During the fourth quarter, four buildings totaling 720,715 square feet were completed in the Seattle/Puget Sound industrial market. This is comparative to no buildings completed in the third quarter 2016. At the end of the fourth quarter 3,052,320 square feet of industrial space were under construction in the Seattle/Puget Sound industrial market.

Market Overview:

Absorption: 1,109,322 down from 1,804,557

Flex vacancy: 5.2% down from 5.7%

Warehouse vacancy: 3.1%, down from 3.2%

Rental rate (per sq. ft.): $8.01 up 2.0%

New construction: 720,715 sq. ft. delivered

Overall Market Trends for Q4 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES

Source: CoStar Property®
St. Louis Q4 2016
Industrial Market Overview Report

The overall St. Louis industrial market recorded a net absorption of positive 1,011,295 square feet in the fourth quarter 2016. In comparison, the St. Louis industrial market recorded a net absorption of positive 1,321,654 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the St. Louis industrial market remained at 6.0%, which was the same figure recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 9.5%, while warehouse projects reported a vacancy rate of 5.7% at the end of the fourth quarter.

The overall average quoted asking rental rate in the St. Louis industrial market for the fourth quarter was $4.34 per square foot. In the third quarter 2016, the average quoted asking rental rate was $4.27 per square foot, representing a 1.6% increase in the third quarter.

During the fourth quarter, three buildings totaling 860,800 square feet were completed in the St. Louis industrial market. This is comparative to one building totaling 138,000 square feet completed in the third quarter 2016. At the end of the fourth quarter 5,794,863 square feet of industrial space were under construction in the St. Louis industrial market.

Market Overview:

Absorption: 1,011,295 down from 1,321,654

Flex vacancy: 9.5% up from 8.7%

Warehouse vacancy: 5.7%, down from 5.9%

Rental rate (per sq. ft.): $4.34 up 1.6%

New construction: 860,800 sq. ft. delivered

Overall Market Trends for Q4 2016

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES

Source: CoStar Property®

Vacancy Rates

New Construction

U.S Rental Rates

Source: CoStar Property®
The overall Washington industrial market recorded a net absorption of positive square feet in the fourth quarter 2016. In comparison, the Washington industrial market recorded a net absorption of positive 2,015,593 square feet in the third quarter 2016.

In the fourth quarter, the overall total vacancy rate in the Washington industrial market decreased to 7.9% from 8.1%, which was recorded at the conclusion of the third quarter. Flex projects recorded a vacancy rate of 9.7%, while warehouse projects reported a vacancy rate of 7.0% at the end of the fourth quarter.

The overall average quoted asking rental rate in the Washington industrial market for the fourth quarter was $10.12 per square foot. In the third quarter 2016, the average quoted asking rental rate was $10.09 per square foot, representing a 0.5% increase in the fourth quarter.

During the fourth quarter, six buildings totaling 530,921 square feet were completed in the Washington industrial market. This is comparative to four buildings totaling 404,351 square feet completed in the third quarter 2016. At the end of the fourth quarter 2,143,030 square feet of industrial space were under construction in the Washington industrial market.

Market Overview:

Absorption: 601,543 up from 2,015,593

Flex vacancy: 9.7% down from 10.2%

Warehouse vacancy: 7.0%, down from 7.2%

Rental rate (per sq. ft.): $10.12 up 0.5%

New construction: 530,921 sq. ft. delivered