

Industrial Snapshot Q4 2015

Hampton Roads

Hampton Roads Industrial

Economic Indicators

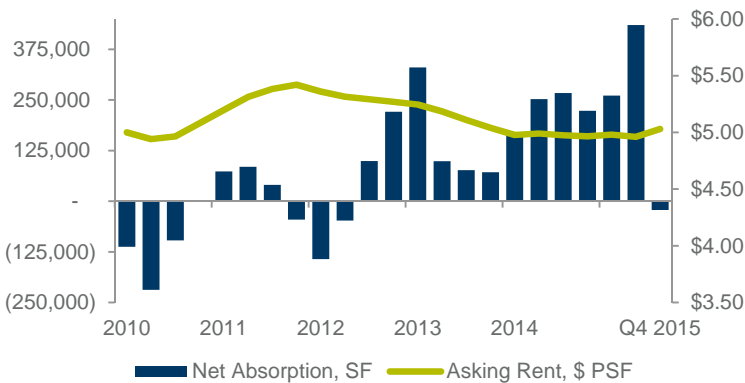
	Q4 14	Q4 15	12-Month Forecast
Hampton Roads Employment	754k	764k	▼
Hampton Roads Unemployment	5.65%	5.17%	▼
U.S. Unemployment	6.17%	5.28%	▼

Market Indicators

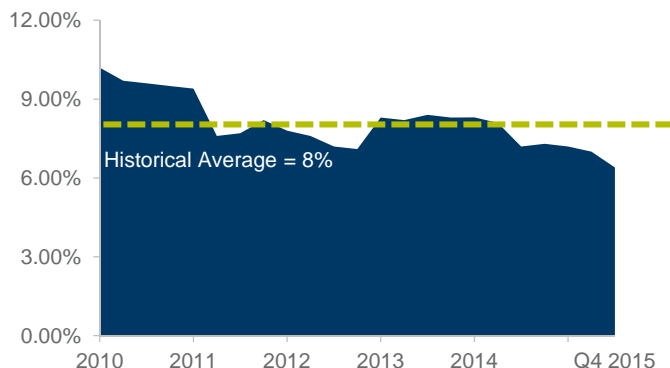
	Q4 14	Q4 15	12-Month Forecast
Overall Vacancy	7.3%	6.4%	▼
Net Absorption	950k	1.8m	▲
Under Construction	415k	128k	■
Overall Avg Asking Rent	\$4.97	\$5.03	▲

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

The Port of Virginia reported a slight decrease in TEU volumes in December at 197,039 TEUs. Overall, 2015 continues a healthy trend in container movement, with 6.5% more TEUs this year compared to 2014. Additionally, three Hampton Roads companies have been chosen to participate in Virginia's VALET program, which provides government assistance to expand trade internationally. While unemployment is down, there remains a significant available labor pool for companies looking to relocate to the region. The commute shed for Hampton Roads includes the entire MSA of 1.7 million people. Exiting military personnel provide a quality, trainable future workforce..

Market Overview

The market is increasingly competitive as vacancies erode; 2015 ended with a 6.4% vacancy rate compared to 7.3% in 2014. Construction on build-to-suits is healthy, with Emser Tile announcing construction of a their new 401,000-square foot East Coast distribution center. Net absorption has seen a sharp rise throughout the year. Fortunately for tenants, rates remain aggressive, but are expected to rise in the coming year. 2015 wraps up as one of the best-performing years since the recession.

Outlook

The Hampton Roads industrial market has made significant strides toward health. It is proving itself to be a sought-after location for distribution companies looking to service the East Coast. Port growth and available distribution sites will continue to fuel growth in 2016

MARKETBEAT

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Hampton Roads



SUBMARKET	TOTAL BLDGS	INVENTORY	YTD LEASING ACTIVITY	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION	UNDER CNSTR	DIRECT WEIGHTED AVG. NET RENT (MF)	DIRECT WEIGHTED AVG. NET RENT (OS)	DIRECT WEIGHTED AVG. NET RENT (W/D)
Copeland	198	10,890,699	925,922	6.1%	598,406	-	\$4.97	\$10.13	\$4.65
Gloucester	7	227,936	0	13.8%	0	-	N/A	N/A	N/A
Oakland	46	4,256,460	195,682	6.4%	273,109	-	N/A	N/A	\$5.60
Oyster Point	58	4,001,217	69,366	3.6%	35,956	15,000	N/A	N/A	\$3.15
Williamsburg	50	8,059,841	20,168	4.2%	-8,455	-	N/A	N/A	\$5.83
Airport Industrial Park	54	3,193,412	244,495	9.7%	-57,369	-	\$5.31	N/A	\$5.61
Bainbridge	140	9,732,975	537,734	2.4%	13,004	-	N/A	\$8.65	\$5.58
Cavalier	92	5,275,427	438,013	6.1%	80,318	37,000	\$4.82	N/A	\$4.42
Central Norfolk	73	4,929,027	300,451	18.1%	104,250	-	\$9.21	N/A	\$3.58
Cleveland	71	2,761,511	119,851	14.9%	49,561	-	\$4.41	\$12.25	\$6.23
Greenbrier	35	2,269,789	125,283	9.7%	215,033	-	N/A	\$7.15	\$4.21
Isle of Wight	13	3,522,978	0	5.1%	0	-	N/A	N/A	N/A
Lynnhaven	161	7,620,000	542,176	16.9%	239,446	58,000	\$5.41	\$9.45	\$4.21
Norfolk Industrial Park	150	7,517,567	272,230	4.9%	-20,986	-	\$4.63	\$6.41	\$5.12
North Suffolk	12	2,304,280	156,108	0%	50,000	-	N/A	N/A	\$4.75
Portsmouth	92	4,405,550	49,600	7.6%	-35,797	18,209	N/A	N/A	\$4.53
South Suffolk	80	10,891,324	365,334	0.9%	600,556	-	\$4.40	N/A	\$3.96
West Norfolk	66	2,337,198	3,500	7.8%	-3,521	-	\$3.21	N/A	\$6.10
HAMPTON ROADS TOTALS	1,398	94,179,644	3,738,471	6.4%	1,815,997	128,209	5.15	9.01	4.85

*Rental rates reflect asking \$

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

Key Lease Transactions 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
1920 Campostella Rd*	141,050	Transnational Foods	Warehouse/Distribution	Bainbridge
1960 Diamond Hill Rd	66,800	Carroll Tire Company	Warehouse/Distribution	Bainbridge
1345 Taylor Farm*	59,650	US Homecare Products	Warehouse/Distribution	Lynnhaven
1100 International Place*	54,593	Minton & Roberson	Warehouse/Distribution	Cavalier
1100 International Place	40,000	Raytheon	Warehouse/Distribution	Cavalier

Key Sales Transactions 2015

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE	SUBMARKET
815 Chapman Way	266,613	International Paper Co./Municipal Partners III LLC	Warehouse/Distribution	\$4,000,000	Oakland
5700 Ward Ave	96,000	Carpenter Realty Corp/WRJ LLC	Manufacturing	\$4,150,000	Airport Industrial Park

*Denotes renewal and is not included in C&W statistics.

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