## US TRENDS

### OFFICE

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### MULTI-FAMILY

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### INDUSTRIAL

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Source: Reis - Change from 2018 YE to 2019 YE

The Coldwell Banker Commercial® (CBC) Blue Book offers a unique market perspective with data generated by true commercial real estate market experts—the professionals of the Coldwell Banker Commercial companies within the local markets. In total, over 130 domestic and international markets are covered in this edition of the Blue Book. Below are the US market statistics.
## CONTENTS

### US MARKETS

<table>
<thead>
<tr>
<th>Region</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL-Huntsville</td>
<td>4</td>
</tr>
<tr>
<td>CA-San Diego and Riverside</td>
<td>5</td>
</tr>
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<td>CA-Antelope Valley</td>
<td>6</td>
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</tr>
<tr>
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</tr>
<tr>
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<tr>
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<td>11</td>
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<tr>
<td>CT-Fairfield County OFFICE</td>
<td>12</td>
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<tr>
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<tr>
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<td>15</td>
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<td>21</td>
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<td>FL-Gainesville</td>
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<td>37</td>
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<tr>
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<td>38</td>
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<tr>
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<td>39</td>
</tr>
<tr>
<td>IL-Chicago</td>
<td>40</td>
</tr>
<tr>
<td>IL-Chicago Land Market</td>
<td>41</td>
</tr>
<tr>
<td>LA-Baton Rouge MSA</td>
<td>42</td>
</tr>
<tr>
<td>LA-New Orleans MSA</td>
<td>43</td>
</tr>
<tr>
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<td>44</td>
</tr>
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<td>ME-York County</td>
<td>45</td>
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<tr>
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<td>46</td>
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<tr>
<td>MS-Mississippi Gulf Coast</td>
<td>47</td>
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<tr>
<td>NC-Wilmington</td>
<td>48</td>
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<tr>
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### INTERNATIONAL MARKETS

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<tbody>
<tr>
<td>Argentina-Buenos Aires, CABA</td>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
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<td>Uruguay-Montevideo</td>
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</table>
HUNTSVILLE, AL

DEMOGRAPHICS

POPULATION OF MSA
444,908

HOUSEHOLDS IN MSA
174,639

HOUSEHOLD MEDIAN INCOME
$59,583.00

UNEMPLOYMENT RATE OF MSA
3.0%

MARKET HIGHLIGHTS

• Continued investment by Mazda Toyota Manufacturing USA, Facebook, Aerojet, Blue Origin, BOCAR, GE Aviation, LG Electronics, Woodbridge Alabama, and others has buoyed Huntsville growth.
• Huntsville ranked No. 1 in country for technology job growth with a 309% increase.
• The Mazda-Toyota plant site work commenced on 2,400 acres.
• There is strong unmet demand for downtown apartments; about 600 more units are needed now.
• Outstanding growth continues with 29,500 new jobs and $5 billion in investment.

INTERESTING FACT

Huntsville has more rocket scientists per capita than any place in the country. Scientists here built the Saturn V.
SAN DIEGO AND RIVERSIDE
LA MESA, CA

DEMOGRAPHICS

POPULATION OF MSA
4,476,222

HOUSEHOLDS IN MSA
1,335,366

HOUSEHOLD MEDIAN INCOME
$59,173.00

UNEMPLOYMENT RATE OF MSA
4%

MARKET HIGHLIGHTS

• San Diego State University West recently won the ballot for the new Mission Valley stadium. This may be a significant driver for new development and redevelopment of older neighborhoods in the Mission Valley region.
• Demand for multi-family remains robust. Senior housing is a growing segment in the region.
• Industrial vacancy remains low.

MARKET HIGHLIGHTS

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<th>VACANCY</th>
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ANTEOPE VALLEY
LANCASTER, CA

DEMOGRAPHICS

POPULATION OF MSA
13,261,538

HOUSEHOLDS IN MSA
4,320,174

HOUSEHOLD MEDIAN INCOME
$65,331.00

UNEMPLOYMENT RATE OF MSA
4%

MARKET HIGHLIGHTS

• The Los Angeles County Board of Supervisors tentatively approved a 19,333 home development in the western portion of the Antelope Valley known as “Centennial Project.” Sited on about 12,300 acres, the project will also include 10 million square feet of commercial space, schools, fire stations, a police station, and a library to be built in phases over 20 years.

• An approximately 26-acre parcel with mixed-use zoning sold with development plans for multi-family housing and commercial development.

• Residential sales activity declined slightly by 5% in 2018, but the average selling price increased 9%.

• An approximately 32-acre parcel located in the Fox Field Specific Plan next to Fox Field Airport sold with plans for an approximately 570,000-square-foot campus-style industrial park.

INTERESTING FACT

Launched from the Mojave Air and Space Port in the Antelope Valley, Virgin Galactic’s SpaceShip Two completed its highest test flight in December 2018. It was the first crewed commercial suborbital spaceflight built to carry private passengers to space.
# NAPA COUNTY
## NAPA, CA

## DEMOGRAPHICS

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<td>Unemployment Rate of MSA</td>
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## MARKET HIGHLIGHTS

- Commercial inventory continues to be low.
- Demand for office, warehouse, and retail remains strong.
- New hotel construction continues to increase capacity.

## INTERESTING FACT

Napa Valley is the premier wine producing region in America. The strength of the wine industry and tourism drive the economy.
SAN FRANCISCO, CA

DEMOGRAPHICS

- **Population of MSA**: 4,641,820
- **Households in MSA**: 1,684,081
- **Household Median Income**: $92,714.00
- **Unemployment Rate of MSA**: 3%

MARKET HIGHLIGHTS

- The investment market remains strong, becoming more lively after a brief Q4 slowdown.
- Apartment vacancy rose, mostly due to extensive multi-family new construction and the holiday season. The vacancy rate has leveled and is tightening.
- New construction permits slowed, mostly due to the rising cost of construction. Several thousand new apartment units broke ground and are in the pipeline for 2019.
- Residential home prices leveled and the market slowed due to the spike in pricing. The multi-family market remained tight and stable.
- Higher interest rates require additional initial capital investment.

INTERESTING FACT

San Francisco has an abundance of tech, medical research, and financial firms. The city is a popular spot for millennials and empty nesters. Residents enjoy an active outdoor lifestyle as well as top sport teams and entertainment venues.
INLAND EMPIRE
TEMECULA, CA

DEMOGRAPHICS

POPULATION OF MSA
4,476,222

HOUSEHOLDS IN MSA
1,335,366

HOUSEHOLD MEDIAN INCOME
$59,173.00

UNEMPLOYMENT RATE OF MSA
4.0%

MARKET HIGHLIGHTS

• The Inland Empire warehouse market is expanding, with over 15 million square feet under construction. Additionally, Amazon announced it was building its 14th fulfillment center in the Inland Empire’s Beaumont area. The online giant is now the largest private-sector employer in the area.

• The Inland Empire is becoming the next frontier for multi-family investors looking for opportunities in Southern California. The region has seen tremendous job and population growth due to the industrial market, and it has created strong fundamentals for the multi-family market.

• The Inland Empire has an expanding residential market and a need for more retail options to serve its residents. The retail vacancy in the market decreased, with rental rates increasing 13% overall from 2017.

• The Inland Empire office market finished 2018 strong. The market’s vacancy rate hit single digits during Q3, 9.3% down from 11.7%. Office lease rates averaged $1.96/square foot during Q3, a modest 4% increase compared with one year earlier.

INTERESTING FACT
The Inland Empire, located just east of Los Angeles, includes Riverside and San Bernardino Counties. The Inland Empire has a rapidly growing population of nearly 4.5 million, fueled by families migrating in search of affordable housing. This migration has led to many new residential, industrial, and commercial developments.
GRAND JUNCTION, CO

DEMOGRAPHICS

POPULATION OF MSA
148,798

HOUSEHOLDS IN MSA
60,562

HOUSEHOLD MEDIAN INCOME
$51,971.00

UNEMPLOYMENT RATE OF MSA
4.9%

MARKET HIGHLIGHTS

• Formerly, the Grand Junction commercial real estate market was generally driven by the energy industry. In 2018, one of the largest commercial property sales was the $31.5 million purchase of a Class A 83,000-square-foot medical office building by an international manager of health-care real estate. Western Colorado is slowly moving away from its reliance on oil and gas extraction.

• Most of the Mesa County commercial market showed improvement year over year, especially the multi-family segment. Office and retail sectors held their own for the second year in a row, while the industrial market was only slightly higher. The resort markets of Aspen and Steamboat Springs experienced solid gains in both commercial and residential in 2018.

• Although demand for space has increased lately, lease rates in Grand Junction have remained very affordable compared to the front range cities of Colorado. For 2019, inline retail locations can be leased for $10 to $25/square foot NNN, while industrial is expected to remain at approximately $7 to $12/square foot NNN. Office rates can generally be found in the $12 to $25+/square foot full-service range.

• According to statistics from the local Board of Realtors, residential sales for the greater Grand Junction area increased, while development applications showed gains. The number of building permits for Mesa County was up in 2018, but the valuation was virtually unchanged. We are anticipating another steady year of growth for new construction as demand grows and inventory levels remain low.

• Recently, the outdoor recreation industry has become one of the biggest contributors to the grand valley growth, thanks to the hard work of the Grand Junction Economic Partnership (www.gjep.org). The ever-increasing construction and rental costs of the Denver/Boulder area are now driving these types of businesses to Western Colorado.

INTERESTING FACT

The “Palisade Plunge” is under construction and will be a 32-mile single-track trail that runs from the top of the Grand Mesa (10,700 feet in elevation) down to the town of Palisade (4,725 feet in elevation).
MARKET HIGHLIGHTS
• The Stamford market continues to benefit from rising rents in New York.
• Industrial sales hit an all-time high in 2017.
• There has been a 60% increase in apartment inventory since 2010.
• A growing millennial population supports sustained growth for the region.
• Retail stability is supported by a high earner population.

INTERESTING FACT
Stamford is among the top 15 major metros for the number of big spenders as a percentage of total population.
FAIRFIELD COUNTY - OFFICE
WILTON, CT

DEMOGRAPHICS

POPULATION OF MSA
947,328

HOUSEHOLDS IN MSA
337,678

HOUSEHOLD MEDIAN INCOME
$89,773.00

UNEMPLOYMENT RATE OF MSA
3%

MARKET HIGHLIGHTS

• The office market in the Fairfield County area saw the following transactions in 2018:
  Reed Exhibition leased 93,000 square feet at 201 Merritt 7 in Norwalk; Blue Buffalo
  Company moved into 50,800 square feet at 15 River Road in Wilton; FactSet leased
  176,104 square feet at 45 Glover Avenue in Norwalk; Frontier Communications
  moved its headquarters to 85,000 square feet at 401 Merritt 7 in Norwalk; and Senior
  Living Development & Silver Heights Development paid $3.3 million for 250,000
  square feet at 48 Monroe Turnpike in Trumbull. Summit Development also purchased
  39 Old Ridgebury Road in Danbury—a 1,200,000-square-foot office park—for $7
  million, while Vineyard Vines moved headquarters to 37,000 square feet at 37 Brown
  House Road in Stamford.

• Office building vacancies in Fairfield County finished the year at 12.2%, down 1.5%
  from the previous year. The average lease transaction size continued to decrease
  from 10,000 square feet to 8,000 square feet.

• New construction began on the 500,000-square-foot headquarters for Charter
  Communications in Stamford.

• In 2018, the office market in Fairfield County saw a trend of decision makers opting
  to move their companies into newer, more efficient buildings while taking smaller
  footprints. The Stamford financial sector continues to downsize, with RBS and UBS
  cutting staff.

• Fairfield County is home to nine Fortune 500 companies, ranking No. 2 in the nation.
  The Maritime Aquarium in Norwalk is the state’s sixth largest tourism or cultural
  attraction, with 450,000 annual visits.
FAIRFIELD COUNTY - INDUSTRIAL
Wilton, CT

DEMOGRAPHICS

POPULATION OF MSA
947,328

HOUSEHOLDS IN MSA
337,678

HOUSEHOLD MEDIAN INCOME
$89,773.00

UNEMPLOYMENT RATE OF MSA
3%

MARKET HIGHLIGHTS

• There were a number of significant office transactions in 2018. Tech company ASML completed a 45,000-square-foot lease at 77 Danbury Road in Wilton. Datto, the world’s leading provider of IT solutions delivered by managed service providers (MSPs), leased a 17,400-square-foot space in Monroe. Coating Design Group purchased a 35,488-square-foot industrial building at 430 Sniffens Lane in Stratford for $1.95 million. And finally, NBC Universal also moved into 115,000 square feet at 35 Corporate Drive in Monroe.

• In the industrial sector, the vacancy rate was down by 0.2% from the previous year, falling to 5.5%.

• Goldblum Properties began new construction of a 50,000-square-foot Class B Flex building in Stamford. BTX completed construction of its 76,000-square-foot headquarters in Shelton.

• Former industrial manufacturing building sites continue to be converted to residential and retail development.

INTERESTING FACT

Fairfield County added 5,400 new jobs in 2018, contributing to 35% of Connecticut’s job growth.
NEW HAVEN COUNTY - OFFICE
WILTON, CT

DEMOGRAPHICS

<table>
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<th>862,127</th>
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<tbody>
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<td>$64,872.00</td>
</tr>
<tr>
<td>UNEMPLOYMENT RATE OF MSA</td>
<td>3%</td>
</tr>
</tbody>
</table>

MARKET HIGHLIGHTS

- Holberton School, a California-based institution that teaches software coding, leased 18,000 square feet in New Haven.
- Overall vacancy in the market improved by 0.2%, with most of the available space still concentrated in a small number of Class A buildings. One of the market’s largest losses was a move out of the building at 1 Long Wharf Drive by the South Central Connecticut Agency on Aging, adding about 30,000 square feet of space to available inventory.
- The 2018 vacancy rate for office properties rose to 8.2%, up from the previous year’s 7.9%. Rent growth for the past 12 months stands at 0.0% and will likely remain muted in the near term.

<table>
<thead>
<tr>
<th>VACANCY</th>
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3%
NEW HAVEN COUNTY - INDUSTRIAL
WILTON, CT

DEMOGRAPHICS

POPULATION OF MSA
862,127

HOUSEHOLDS IN MSA
327,402

HOUSEHOLD MEDIAN INCOME
$64,872.00

UNEMPLOYMENT RATE OF MSA
3%

MARKET HIGHLIGHTS

• New Haven County saw two notable transactions last year. The first was a $1.15 million lease of a 45,788-square-foot industrial building at 335 Putnam Avenue in Hamden. The former industrial building had been converted to a call center for AT&T, but it is now being leased by Love Center Deliverance Ministry, which signed a long-term lease with option to purchase the property. Second, A To Z Supply signed a lease for 127,000 square feet for its corporate office and distribution facility at 710 Bridgeport Avenue.

• New Haven’s flex market suffered a major blow when Bristol-Myers Squibb vacated its 733,000-square-foot Wallingford Campus at 5 Research Parkway, leaving a sizable hole in the market. Massachusetts investor Calare Properties acquired the vacant Bristol-Myers Squibb building in February 2018.

• Amazon continued construction on a new 855,000-square-foot fulfillment center at 415 Washington Avenue in North Haven. Construction on 80,500 square feet for Executive Jeep began at 8 Northrop Industrial Park Road West in Wallingford.

• Industrial space vacancies dropped in 2018, falling to 4.3% from last year’s 5.1%. The New Haven County industrial commercial property market saw a 2.4% 12-month rent growth. Under-construction properties in New Haven County added 947,500 square feet to the industrial market, with a pre-leased rate of 99.8%.

INTERESTING FACT

Yale New Haven Hospital is New Haven’s largest employer, employing over 11,500 people.
SUSSEX COUNTY
REHOBOTH BEACH, DE

DEMOGRAPHICS

POPULATION OF MSA
394,925

HOUSEHOLDS IN MSA
153,289

HOUSEHOLD MEDIAN INCOME
$56,283.00

UNEMPLOYMENT RATE OF MSA
5.2%

MARKET HIGHLIGHTS

• Two major hospitals in Sussex County are expanding or have just completed new construction. Beebe Healthcare Board approved an $180 million system expansion. The health system is expected to build facilities and expand services at sites in Lewes, Rehoboth, and Milville. Bayhealth announced a new $250 million health campus in Milford with construction completed, and the new facility opened in February of 2019.

• Commercial sales and leasing activity in the state has remained strong in 2019, with growth in both areas.

• Harvey Hanna & Associates continues to make progress on its mission to transform the former General Motor plant on Boxwood Road into a modern business and distribution campus that can serve as a new and lasting economic engine for Delaware.

• Residential growth remains strong, especially in the Sussex County sector of Delaware. Because it is fast becoming a retirement destination, new construction and re-sales remain strong, with new development entering the pipeline.

• Growth in the resort area is continuing, with the highest level of growth happening within a 15-mile range of the beaches. Medical expansion and commercial continue to fill in those areas with the highest projected growth in the future.

INTERESTING FACT

The Sussex county sector of Delaware in particular is famous for its resort locations along the Atlantic coast. Including several small towns that offer tourists and locals a diverse selection of historic town centers like Lewes, state parks, campgrounds, and beach-oriented communities like Rehoboth Beach, Fenwick Island, and Bethany Beach.
PINELLAS COUNTY
BELLEAIR BLUFFS, FL

DEMOGRAPHICS

POPULATION OF MSA
2,978,209

HOUSEHOLDS IN MSA
1,180,768

HOUSEHOLD MEDIAN INCOME
$50,567.00

UNEMPLOYMENT RATE OF MSA
3.2%

MARKET HIGHLIGHTS

• The local $10 billion tourism industry has survived the Red Tide outbreak to continue its streak of year-over-year annual record-setting improvement.
• St. Pete Clearwater Airport (PIE) continues its record-setting trend with 11% growth in passenger traffic while completing extensive facility upgrades.
• The high end of the local hospitality market was redefined with the sale of The Vinoy at $500,000+ per key.
• Pinellas County’s residential development is going vertical as we approach built-out status.
• Downtown St. Petersburg and the beachfront communities are leading the way with new developments coming out of the ground at record pace.

INTERESTING FACT

The beautiful white sand beaches are considered by many to be a national treasure.
Palm Beach County is one of Florida’s oldest economies and most valuable real estate markets, with extreme ranges in values and uses. With everything from high-end tourism and technology to professional services and intensive agriculture, Palm Beach County continues to grow and morph into one of Florida’s most diverse markets.

By 2030, retirees should make up to 19% of the county’s population. The county has implemented several creative strategies that enhance the region. The Shovel Ready Program identifies all properties in the county that have a certain level of approvals that would allow a company to break ground in less than 12 months. The county has also incentivized corporate relocation and expansions, and 2018 site consultant firms are expecting even more.

Palm Beach County’s new construction and redevelopment encompasses $2 to $2.5 billion of projects in the pipeline, including The Bristol Palm Beach, a 25-story luxury waterfront condominium and the most expensive condominium in the county; Mausoleum Building, slated for spring 2019; Nurses Residences: Azola (Bella Vita), Atlantic National Bank, Banyan Cay Resort, Canopy Hotel, Broadstone City Center, Dr. Alice Moore Apartments, and Village at Lake Mangonia.

Palm Beach’s residential markets continue to grow in size and value, with larger infill development and redevelopment in both urban and suburban realms. For high-end homes, the inventory remains tight and makes the market hyper-competitive. Middle-market homes are transitioning from suburban-commuter to virtual home offices. Like the rest of the state’s metro areas, affordable workforce homes are scarce.

Little known fact: The Port of Palm Beach is the fourth-busiest container port in the state and the second fastest-growing export port in the nation. In 2016, the Port moved 2.5 million tons of cargo, welcomed 500,000 cruise passengers, and processed 260,000 containers. Additionally, it is the only South Florida port with on-dock rail.

Interesting Fact
Palm Beach County is a much sought-after vacation home destination. Everyone from President Donald Trump to Celine Dion and many retired rock stars, multiple hip hop stars, and sports figures like Tiger Woods, call it home.
MIAMI/DADE COUNTY
CORAL GABLES, FL

DEMOGRAPHICS

POPULATION OF MSA
6,019,790

HOUSEHOLDS IN MSA
2,077,708

HOUSEHOLD MEDIAN INCOME
$51,758.00

UNEMPLOYMENT RATE OF MSA
3.3%

MARKET HIGHLIGHTS

• Miami has been on-again, off-again, with major employers flirting to move to the area, including Amazon and other larger employers. But the sweet spot for Miami has been the tremendous growth in the small-to medium-sized firms that deal with investment and immigration coming from South and Central America.

• Occupancy in the overall sectors has continued to rise as a whole, even with the tremendous amount of overdevelopment in the condominium tower component. Other sectors are booming as well or have sustained growth, with Miami’s redevelopment areas trending toward larger density infill and servicing of the transitional hub for the Latin American markets.

• Overall construction continues to grow despite the slowdown in the condominium sector. Redevelopment and favorable increased density along with economic incentive and opportunity zones have caused an upsurge in international and national investment in the area.

• Prices in the new or redeveloped residential upper-end have plateaued, while prices for the new or redeveloped housing have continued to rise. That said, the need for affordable/workforce housing has been almost nonexistent as builder developers continue to look at the larger return on investment.

• Miami continues to be the gateway for Latin Americans, with a large amount of South and Central Americans looking to Miami as a key source of cultural, social, and financial inspiration. With tourism, television entertainment, investment management, and international banking leading the way, the Miami Metro area has become a landing pad or second home destination for many.

INTERESTING FACT

Miami is one of the most culturally diverse cities in the United States. From the beautiful beaches to the beautiful people, the city has become a global trendsetting mecca.
BROWARD COUNTY
FORT LAUDERDALE, FL

DEMOGRAPHICS

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<td>UNEMPLOYMENT RATE OF MSA</td>
<td>3.3%</td>
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MARKET HIGHLIGHTS

- Fort Lauderdale’s International Airport and Port Everglades continue to expand as it successfully competes with Miami to the South and many others to the North. Increases in cruise lines and shipping have caused an increased demand in industrial and housing in the southern portion of the metro area.

- Vacancy in the overall sectors continues to decrease as available developable lease space and housing areas decrease. With the extremely strong economy of the last few years, even the metro area’s most challenged areas have done better financially than in the distant past.

- Construction overall continues to boom, with infrastructure, high-rise, and redevelopment construction leading the sectors. Fort Lauderdale has a large number of construction workers in the upscale private jet airplane and luxury yacht outfitting, construction, and renovation realms.

- The Fort Lauderdale area residential market continues to surge as foreign buyers and investors seek out opportunities that differ from the Miami market. Middle markets have seen a large transition from suburban to urban fringe, including growth in redevelopment and new construction. Unfortunately, the area suffers from a negative affordability score, but that will lead to new opportunity.

- The Fort Lauderdale MSA continues to benefit from the growth in international tourism, logistics, and overflow of population/business influence from North Miami-Dade County. Recent sports-related developments and the progression of development north and south have made the Metro Broward County one contiguous economy.

INTERESTING FACT

Fort Lauderdale, once considered the “Spring Break Capital of the United States,” is now branded as the “Yacht Capital of the World.”
ST LUCIE COUNTY  
FORT PIERCE, FL

DEMOGRAPHICS

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<td>UNEMPLOYMENT RATE OF MSA</td>
<td>3.8%</td>
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MARKET HIGHLIGHTS

- In the past two years, numerous manufacturers and businesses have expanded or relocated to St. Lucie County, Florida. This involved over 1 million square feet of space and over 1,000 new jobs. Notable new businesses and expansions are City Electric Supply/Tamco, Maverick Boats, Pursuit Boats, Radical Cosmetics, Convey Health Solutions, Natalie’s Orchid Island Juice Company, and Oculus Surgical.

- The majority of the operational portion of the Port of Fort Pierce was purchased by St Lucie County for $22 million. A mega yacht refurbishing company will soon be operating at the site, attracting some of the largest private yachts in the world for maintenance.

- Downtown Fort Pierce continues to see a rebirth of redevelopment and new businesses. The city has received bids for a significant mixed-use development, which includes an upscale hotel and apartments overlooking the city marina.

- The Tradition jobs corridor in Port St. Lucie continues to attract major development. Opportunity abounds for special industrial buildings as little to no inventory is available for purchase or lease.

- Continued strong economic trends both locally and in South Florida are causing strong demand in all sectors of the market. St. Lucie County has a very active Economic Development Council and a strong manufacturers association, the Treasure Coast Manufacturers Association. The strength of these organizations has made St. Lucie County popular for new business relocations and expansions.

INTERESTING FACT

Fort Pierce is home to the A.E. Backus Museum & Gallery, which houses the nation’s largest public presentation of artwork by Florida’s preeminent painter, A.E. “Bean” Backus, known as “the father of Florida landscape art.” The museum is also home to the permanent exhibition of the “Highwaymen,” a group of Florida’s famous landscape artists (mostly from Fort Pierce).
GAINESVILLE, FL

DEMOGRAPHICS

POPULATION OF MSA
277,056

HOUSEHOLDS IN MSA
103,884

HOUSEHOLD MEDIAN INCOME
$45,323.00

UNEMPLOYMENT RATE OF MSA
3.0%

MARKET HIGHLIGHTS

• Walk-to-campus student housing developments are highly sought after in Gainesville. These properties are trading for $15,000–$20,000+ per bed.
• Offices and industrial for sale are in very short supply.
• Retail leasing is very strong, with high occupancies.
• The average sale price for over 100-unit apartment complexes for 2018 was $76,000/ unit.
• Opportunity zone real estate is in very high demand because those zones in Gainesville are in excellent locations.
MELBOURNE-PALM BAY MSA
INDIALANTIC, FL

DEMOGRAPHICS

POPULATION OF MSA
568,183

HOUSEHOLDS IN MSA
227,223

HOUSEHOLD MEDIAN INCOME
$51,536.00

UNEMPLOYMENT RATE OF MSA
3.3%

MARKET HIGHLIGHTS

• New York-based L3 Technologies merged with Florida-based Harris Corp, in the largest defense merger in history. Over 1,300 new jobs will be created with headquarters based in Melbourne. The new Space Force is expected to be based at Kennedy Space Center with 13,000 new jobs.

• Boeing merged with locally based Embraer with an 80% buyout. Embraer is expected to create additional jobs as it expands its manufacturing and expands its business line of jets.

• Grumman Corporation expanded with over 1 million square feet of facilities. Port Canaveral expanded with a new $120 million cruise ship terminal for its added fleet of super passenger ships carrying 6,500 passengers. Luxury resort-style apartment complexes have been built in the past year in Viera, totaling over 1,000 units.

• High demand continues for new residential communities, with extensive new retail product being developed. There is no end in sight for new high-paying jobs in the aerospace, high tech, and aviation sectors, which continue to rise.

• The Brevard County market is experiencing unprecedented growth with its manufacturing GDP up over 200%. Brevard has the highest concentration of high tech workers in Florida. Space X, Blue Origin, and One Web continue expansion at the Space Center.

INTERESTING FACT

The Space Coast is expecting over 100 launches per year. Port Canaveral is the second-largest cruise ship passenger terminal in the world. Patrick Air Force Base is home to the AFTAC facility, whose mission is to detect and locate nuclear explosions anywhere in the world.
JACKSONVILLE, FL

DEMOGRAPHICS

POPULATION OF MSA
1,447,884

HOUSEHOLDS IN MSA
542,219

HOUSEHOLD MEDIAN INCOME
$56,449.00

UNEMPLOYMENT RATE OF MSA
3.1%

MARKET HIGHLIGHTS

- According to a recent survey published by Forbes, the Jacksonville MSA ranked 16th in the nation in 2018 for growth. Forbes explains, “We look at growth of population, employment, wages, and economic output. We also use home price growth as a proxy for wealth.”

- Wayfair announced a plan to develop a 1 million-square-foot distribution facility with approximately 250 workers at Alliance Florida at the Cecil Commerce Center. This follows the 2018 development of two major fulfillment centers for Amazon that brought 2,700 jobs to the region. Jacksonville’s industrial market is at the lowest vacancy level since 2000, in the low 4% range.

- Cordish Companies has been selected to team up with Iguana Investments/Jacksonville Jaguars (Shad Khan) as the development partner for a $2.5 billion world-class mixed-use district in Lot J adjacent to the TIAA Bank Stadium. The master development could eventually span 4.25 million square feet of dining, entertainment, retail, office, hotels, and luxury residential living.

- Durbin Park, a 1,700-acre Gate Petroleum lifestyle mixed-use development on Race Track Road in St. Johns County that will encompass 2.4 million square feet of retail space, 2.8 million square feet of office space, 999 multi-family units, and a 350-key hotel, opened Phase I in 2018. Phase I is anchored by a new state-of-the-art Walmart Center. Phase II is under construction and will be anchored by the first Bass Pro Shops in Northeast Florida.

- The largest office lease signings occurring in 2018 included the 125,000-square-foot lease signed by McKesson at 6651 Gate Parkway in the Southside market, the 112,806-square-foot deal signed by Genpact at 6737 Southpoint Drive in the Southside market, and the 45,000-square-foot lease signed by Dream Finders Homes at 14701 Philips Highway in the Butler/Baymeadows market.

INTERESTING FACT

Jacksonville is the largest city in the continental United States, with over 840 square miles.
ORLANDO
LAKELAND, FL

DEMOGRAPHICS

POPULATION OF MSA
2,390,859

HOUSEHOLDS IN MSA
837,022

HOUSEHOLD MEDIAN INCOME
$52,261.00

UNEMPLOYMENT RATE OF MSA
3.0%

MARKET HIGHLIGHTS

• Aldi’s Super Market closed a 2.5-acre signalized-frontage property on W 192 and Irlo Bronson Boulevard in Clermont for $2.2 million. Four Corners—where Lake, Orange, Polk, and Osceola counties meet—is the fastest growth area of Orlando MSA.

• The entire state of Florida, especially Orlando and the I-4 corridor, is experiencing exceptional in-migration.

• The industrial, multi-family, and medical sectors continue to lead the new construction market.

• Single-family home prices have leveled off, due to the percentage of salaries going to housing costs.

• The cost of construction has increased in all aspects, causing a conservative effect on real estate investments.

INTERESTING FACT

Orlando and the I-4 corridor are now ranked as one of the busiest industrial markets nationally.
MONROE COUNTY MARATHON, FL

DEMOGRAPHICS

POPULATION OF MSA
79,077

HOUSEHOLDS IN MSA
30,318

HOUSEHOLD MEDIAN INCOME
$65,717.00

UNEMPLOYMENT RATE OF MSA
3%

MARKET HIGHLIGHTS

• Hospitality sales and new hotel openings are paving the way for growth of related businesses and services. Tourism has fully recovered from Hurricane Irma.
• Vacancy is falling as demand is increasing, and the supply of new residential, hotel, and commercial units is heavily regulated by the State of Florida.
• The cost of construction based on the limited workforce and higher cost of materials makes new construction difficult to be cost effective.
• The construction of new residential dwelling units is limited to about 250 annually from Key Largo to Key West.
• The market has been very stable since 2016, with stable inventory and sales numbers. Prices have increased at generally sustainable rates but have still not reached the peaks of 2005.

INTERESTING FACT

The Keys, a 120-mile-long string of islands starting in Key Largo and ending in Key West, were first connected by a railroad in 1912 by the father of modern tourism, Henry Flagler.
FORT MYERS
NAPLES, FL

DEMOGRAPHICS

POPULATION OF MSA
700,165

HOUSEHOLDS IN MSA
264,325

HOUSEHOLD MEDIAN INCOME
$52,052.00

UNEMPLOYMENT RATE OF MSA
3%

MARKET HIGHLIGHTS

- Whole Foods moved into 48,108 square feet of retail space. Suncoast Roofers moved into a 39,900-square-foot industrial building. Alta Resources moved into 34,013 square feet of office space.
- Vacancies are falling because the vibrant economy is rising faster than new construction.
- Residential construction continues to improve, driving new commercial and industrial construction.
- The residential market continues to rise in volume and pricing.
- There is not enough commercial and industrial product to sell and lease.

INTERESTING FACT

Thomas Edison, Henry Ford, and Charles Goodyear all owned homes in and enjoyed Fort Myers.
NAPLES, FL

DEMOGRAPHICS

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<th>POPULATION OF MSA</th>
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MARKET HIGHLIGHTS

- Notable transactions for 2018 include the following: Lucky’s Market moved into 29,349 square feet of retail space; Coastal Stone moved into 9,500 square feet of industrial space; and Naples Heart Rhythms moved into 10,292 square feet of office space.
- The rapidly growing economy is outpacing new construction.
- Loads of new construction is underway, primarily in the residential sector.
- The residential market is still expanding but at a slower pace.
- The market is maturing. The expectation is that growth will continue for a couple of years before sliding.

INTERESTING FACT

According to the Gallup-Sharecare State of American Well-Being Community Rankings, Naples is the happiest county in the nation. Residents of the Naples-Immokalee-Marco Island metro area also have the longest life spans in the country, according to 24/7 Wall St. Naples is home to some of the wealthiest ZIP codes in the United States.
CENTRAL FLORIDA
ORANGE CITY, FL

DEMOGRAPHICS

POPULATION OF MSA
2,390,859

HOUSEHOLDS IN MSA
837,022

HOUSEHOLD MEDIAN INCOME
$52,261.00

UNEMPLOYMENT RATE OF MSA
3.0%

MARKET HIGHLIGHTS

• AdventHealth Fish Memorial Hospital’s $100 million expansion added a patient tower and expanded emergency room facilities. The expansion will add 180,000 square feet to the hospital’s footprint, along with increasing services required by a growing community.

• Vacancy rates continue to drop due to the increase in population and lack of new construction during the past eight years.

• New construction has finally hit the high levels of the boom back in the early 2000s.

• The multi-family market continues to grow, both in number of units and monthly rents. Single-family construction is reaching an all-time high on monthly permits pulled.

• Growth continues to be strong, but most new construction is based on usage and not speculation, which was the problem in the prior boom in the early to mid 2000s, which caused the great recession.
ORLANDO, FL

DEMOGRAPHICS

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MARKET HIGHLIGHTS

• The Orlando Metro area continues to experience tremendous growth in all of the commercial real estate sectors, particularly hospitality and multi-family. The area leads the nation in job growth, so it can only continue to benefit investors banking on development opportunities and rental rates to increase.

• Area vacancies continue to be tight and stable, despite development growth across all the different sectors. While there is a large amount of vacant new smaller retail locations, we still see new development underway. Additionally, with so many well-funded investors charging into the area, cash flow is at a premium. The volume and velocity of deals will ultimately slow.

• New construction continues to increase across the region as the local economy hits new levels of growth, including the goal of breaking the 70 million visitor mark for the international airport and local theme parks.

• While the area has continued growth in the entire residential sector, affordable and workforce properties have become the new priority of local and regional governments.

• With the slowing of the extremely influential Chinese investors, several other investor groups have taken over in the area, especially Brazilian and other South American investors. Additionally, with all the investor interest in the new “Opportunity Zones,” we expect immigration-related investments to continue to grow over the next few years.

INTERESTING FACT
Walt Disney World, Universal Studios, Sea World, and many more theme parks have made Orlando and the metro area among the most sought-after travel destinations in Florida.
DAYTONA BEACH/ORMOND BEACH/ VOLUSIA COUNTY
ORMOND BEACH, FL

DEMOGRAPHICS

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MARKET HIGHLIGHTS

- The two largest interstates in Florida—I-95 and I-4—intersect at Daytona Beach International Airport, Daytona International Speedway, and Daytona Beach, one of the world’s most famous beaches. Five years of construction is just months away from being completed. The I-4 and I-95 intersection is Florida’s premier road system east-west Daytona to Tampa and north-south Miami to Jacksonville.

- Jimmy Buffet’s Latitude Margaritaville is officially open, with the new neighbors moving in daily into the 6,000-home community; 320 homes were sold in the first year. In addition, a 1,200 new home “full life” Mosaic community is selling homes today, which many are calling the “New Boom Town Boulevard” along I-95.

- B. Braun just completed a new 400,000-square-foot distribution center for its medical products, creating over 175 new high-paying jobs. Lucky’s will be opening two new grocery stores. The growth of the Tanger Outlet mall along the interstate continues to expand, with multiple outparcels like Dave & Buster’s and Sam’s Club. The Auto Mall continues to attract customers.

- Along I-95 between State Road 40 in Ormond Beach to the north and I-4 to the south, about 80 million people travel along the northbound and southbound lanes of I-95 per year, creating tremendous opportunities for developers for office, flex space, distribution centers, and retail opportunities.

- Brown and Brown Insurance is building a 10-story, $25 million corporate office for 600 additional employees in Daytona Beach. Security First Insurance is building a 133,000-square-foot corporate headquarters building at Ormond Crossings on the east side of I-95 for 750 additional employees. Other large corporations have shortlisted this area for their final selection process or are in the permitting process close to I-4 or I-95.

INTERESTING FACT

Dubbed the “World’s Most Famous Beach,” Daytona Beach is becoming more than just a vacation destination or a historic racing landmark, where the now world-famous Blue Bird set the fastest East Coast land speed record. Companies, developers, families, and visitors alike have all awoken to the fact that the millions of visitors who visit the city today are becoming our neighbors of tomorrow, creating unbelievable opportunities for all sectors.
PENSACOLA, FL

DEMOGRAPHICS

POPULATION OF MSA
476,702

HOUSEHOLDS IN MSA
178,443

HOUSEHOLD MEDIAN INCOME
$51,926.00

UNEMPLOYMENT RATE OF MSA
3.3%

MARKET HIGHLIGHTS

- This region continues to experience growth from the expansion of Navy Federal Credit Union’s growing campus as well as Aircraft MRO opportunities at Pensacola International Airport, tech firms and ship building in Panama City, and much more.

- The central portion of the Florida Panhandle suffered a major blow this past year due to a direct hit from Hurricane Michael. Port St. Joe, Mexico Beach, and Panama City were the worst hit. Many businesses are without usable buildings and are looking elsewhere in the region to find temporary space. This is affecting occupancy in Fort Walton, Crestview, Milton, and Pensacola.

- Much new office product has hit the Pensacola market this year and has adversely affected vacancy rates. Lease rates are holding steady, but there is downward pressure. Landlords are holding out in hopes that demand will catch up with supply fairly soon. There still exists an undersupply of industrial/warehouse/distribution space in all markets in Northwest Florida.

- The residential markets are reportedly strong, with a short supply of median-priced product. However, the large builders have been offering incentives lately, signaling a possible slowing. Builders and developers are actively looking for residential building lots, with a positive outlook for the next 18 months.

- The rebuilding of the Panama City metro area, including Tyndall AFB, will provide a serious influx of capital and jobs to the region for several years to come. As tragic as these events are, the ensuing growth may take many of these smaller communities to a higher level than before. Short term, the population of Bay County is expected to shrink by 25% this coming year.

INTERESTING FACT

Pensacola is the site of the first multi-year European settlement in North America. The sugar-white sand beaches in the Pensacola area communities attract visitors year-round. Local populations can double or triple during the summer months.
CHARLOTTE COUNTY/PUNTA GORDA  
SARASOTA, FL

DEMOGRAPHICS

<table>
<thead>
<tr>
<th>POPULATION OF MSA</th>
<th>173,236</th>
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</thead>
<tbody>
<tr>
<td>HOUSEHOLDS IN MSA</td>
<td>74,884</td>
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<tr>
<td>HOUSEHOLD MEDIAN INCOME</td>
<td>$46,511.00</td>
</tr>
<tr>
<td>UNEMPLOYMENT RATE OF MSA</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

MARKET HIGHLIGHTS

• The Sarasota market showed consistent and steady growth in 2018. Notable transactions include Burlington Coat Factory, Lucky Market, and Harbor Freight Tools.

• In the industrial sector, inventory vacancy is way down. There is high office space vacancy due to a change in office metrics. Retail is up, with national and regional demands for expansion.

• Industrial owner use is up; rental is nonexistent. Office owner use is up; rental is nonexistent. Activity in multi-family is also up.

• New development of The Sunseeker Hotel. Condo and retail has broken ground; developers are looking for new opportunities.

### Market Highlights Table

<table>
<thead>
<tr>
<th></th>
<th>Vacancy</th>
<th>Absorption</th>
<th>Rental Rates</th>
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</table>
MANATEE COUNTY
SARASOTA, FL

DEMOGRAPHICS

POPULATION OF MSA
768,381

HOUSEHOLDS IN MSA
318,253

HOUSEHOLD MEDIAN INCOME
$54,473.00

UNEMPLOYMENT RATE OF MSA
3.1%

MARKET HIGHLIGHTS

• Over 50,000 new homes have been permitted in Manatee County.
• Domestic migration has slowed down, but overseas migration has picked up.
• Over 150 miles of waterfront continues to buoy demand.
• Port Manatee offers nearly 5,000 acres of surrounding green space ripe for development.

INTERESTING FACT
The waterfront recreation area is drawing more locals and tourists to downtown Bradenton.

<table>
<thead>
<tr>
<th>VACANCY</th>
<th>ABSORPTION</th>
<th>RENTAL RATES</th>
</tr>
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<tbody>
<tr>
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<td>RETAIL</td>
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</table>
SARASOTA COUNTY
SARASOTA, FL

DEMOGRAPHICS

POPULATION OF MSA
768,381

HOUSEHOLDS IN MSA
318,253

HOUSEHOLD MEDIAN INCOME
$54,473.00

UNEMPLOYMENT RATE OF MSA
3.1%

MARKET HIGHLIGHTS

- Residential construction is still going strong throughout the county.
- Multi-family vacancy has increased due to all of the new construction.
- Red Tide effected the local hotel vacancy rates and tourism-related industries.
- Industrial vacancy has leveled off at 2%, but lease rates have not increased.
- New retailers are still locating to this area.

INTERESTING FACT

Sarasota is part of the “Culture Coast,” where art and history buffs have a range of museums, theaters, orchestras, gardens, and historic mansions to tour.
TAMPA, FL

DEMOGRAPHICS

POPULATION OF MSA
2,978,209

HOUSEHOLDS IN MSA
1,180,768

HOUSEHOLD MEDIAN INCOME
$50,567.00

UNEMPLOYMENT RATE OF MSA
3.2%

MARKET HIGHLIGHTS

- Tampa’s economy is booming, and all sectors of the commercial real estate market are experiencing growth. A strong focus on job growth in areas such as STEM, financial services, and health care has helped Tampa to be consistently ranked among the top 20 metros in the country. Job growth for 2018 increased by more than 2% in Tampa—16% faster than the 1.73% national average.

- Office demand is perpetually strong. Coupled with minimal office construction, it has driven Tampa’s office market vacancy levels into the single digits for the first time in a decade. Delivery of new office product is expected to increase in 2019, however, both in the Westshore submarket and downtown’s central business district.

- Downtown Tampa’s Water Street project has brought the central business district into the national spotlight due to the size and scope of new construction. The much-publicized $3 billion project is changing the skyline with its dynamic mix of office, multi-family, and retail development.

- Asking rents across all segments are up due to the near-historically low vacancy rates. Given the current scarcity of available new space and expected continued high demand, rent growth is likely to remain elevated.

- Tampa’s economy is historically driven by the office-using employment aggregate, primarily in financial activities, as well as professional and business services. Although Tampa has a well-earned reputation as home to a significant concentration of financial back-end operations and call centers, the majority of recent financial activities job creation has been focused on traditionally high-wage jobs.

INTERESTING FACT

Tampa has long been a tourist destination due to its favorable climate and popular theme park, Busch Gardens Tampa. Tampa International Airport served a record 21 million passengers in fiscal year 2018. Tampa’s increased sports visibility included hosting the 2018 NHL All-Star Game and being recently named the site for Super Bowl LV in 2021.
TROUP COUNTY
LAGRANGE, GA

DEMOGRAPHICS

POPULATION OF MSA
5,700,990

HOUSEHOLDS IN MSA
2,029,045

HOUSEHOLD MEDIAN INCOME
$61,733.00

UNEMPLOYMENT RATE OF MSA
3.6%

MARKET HIGHLIGHTS

• More than $1.3 billion of new investment has been announced in the city of LaGrange since 2016, including industrial, hospitality, recreation, and housing projects.

• LaGrange is home to two new state-of-the-art community recreational spaces. The Thread offers 29 miles of interconnected trails throughout the city. The non-motorized and eco-friendly pathways are slated to be completed by 2022. The second is a plaza-style skate park that opened in February 2019 with a mix of street and transition-style terrain designed with the help of pro skater and Santec design consultant Kanten Russell.

• Great Wolf Lodge opened a 500,000-square-foot multi-faceted resort in May 2018 in the heart of Troup County. LaGrange/Troup County and the entire western Georgia region have already benefited from the more than $150 million investment, over 600 new jobs, and an additional 500,000 annual visitors to the area.

• Troup County is home to an 18-mile stretch of I-85 known as “The Ray.” The Ray offers a vision of how highways could look and function in the future, serving as a living laboratory for environmentally smart, sustainable, and green transportation technology.

• WellStar West Georgia Medical Center has been named in the top five large hospitals in Georgia in 2015, 2016, 2017, and 2018 by Georgia Trend magazine. It has also been recognized as one of the nation’s top 100 hospitals and ranks in the top 10% of all hospitals for medical excellence in cardiac care and pulmonary care.

INTERESTING FACT

The Biblical History Center is in one of seven such museums in the world, and the only one in the Southeast that houses a collection of artifacts from the Israel Antiquities. The museum has 250 artifacts from as far back as 24,000 B.C., including stone age tools, pottery from the Iron Age, coins, oil lamps, and anchor, and weights used by fishermen around the Sea of Galilee.
BLOOMINGTON - NORMAL
BLOOMINGTON, IL

DEMOGRAPHICS

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<tr>
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<td>UNEMPLOYMENT RATE OF MSA</td>
<td>4.5%</td>
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</table>

MARKET HIGHLIGHTS

- The market outlook for Bloomington is positive, with a stable economy and major employment numbers.
- The retail market saw an increase in big box vacancy with moderate activity overall, including restaurants. Retail vacancy is 20%.
- The office sector is slow, with stable rents and a 15% vacancy rate.
- Industrial is very slow. Rents are stable or decreasing; vacancy is 25%.
- The multi-family sector had limited new construction, with rents stable and 8% to 10% vacancy. Investment sales were moderate.

INTERESTING FACT

Bloomington is home to State Farm Insurance, which employs 15,000 people. And the original Beer Nuts Factory is here.
MARKET HIGHLIGHTS

- Developers are progressing on a $200 million mixed-use development in downtown Champaign called “The Yards.” The proposed development would include an expansion of the Illinois Terminal, a 175-room hotel, convention space for 1,000 people, 100-plus apartments, 154,000 square feet of retail/office, and a 5,000-seat multi-purpose arena that could potentially house a D-1 hockey program at the University of Illinois.

- The University of Illinois at Urbana-Champaign is experiencing a record enrollment of 49,339 students for the 2018–2019 school year. The new Carle Illinois College of Medicine welcomed its first class in July 2018, and the University is currently ranked the No. 11 public university in the United States by Forbes.

- Luxury student housing continues to dominate locally with multiple significant projects currently under development, including OCTAVE (538 beds), SEVEN07 (548 beds), Hub on Campus (658 beds), the Retreat at Illinois (476 beds), and an unnamed project by Trinitas Ventures (1,100+ beds).

- Carle Foundation Hospital and Health Alliance moved 1,200 employees into its new $75 million, 340,000-square-foot administration building located in its 210-acre Carle at the Fields development in 2018. Included in the development is an 80-room Hampton Inn, a 27,000-square-foot SurgiCenter, 70,000-square-foot and 80,000-square-foot medical office buildings, two three-story mixed-use buildings with 56 luxury apartments and 23,000 square feet of retail space, and two four-story mixed-use buildings.

- Champaign County remains incredibly strong compared to the rest of Illinois and saw continued year-over-year population growth in 2018, low/decreasing unemployment (3.6%), and strong home sales (up 2%). The City of Champaign is the tenth largest city in the state of Illinois. The Village of Savoy was named the third-fastest growing city in the state based on its population growth from 2010 to 2018 (33.9%).
MARKET HIGHLIGHTS

• The Chicago industrial market continued to be very strong throughout 2018. Net absorption for the year was 14,230,124 square feet, with an overall vacancy rate of only 5.9%. The average rental rate increased to $6.02/square foot. A total of 14.5 million of new space was delivered to the market in 2018, with a lot more in the pipeline for 2019. The largest sale was a $1.7 million square foot portfolio, and the largest lease was 707,000 square feet to Kellogg’s.

• The Chicago office market ended the year with a vacancy of 11.9%. The market had a positive net absorption of 3,714,156 square feet for 2018. There were 3.2 million square feet of new construction in 2018, with another 7.5 million square feet scheduled to be delivered in 2019. The downtown market continues to be the strongest submarket. More than two-thirds of the absorption and two-thirds of the new construction were downtown.

• The Chicago retail market ended 2018 with a 6.0% vacancy. The net absorption was 1,333,560 square feet. The average rental rate for the market was $16.05/square foot. There were 2.7 million square feet of new construction in 2018, with another 2.0 million square feet scheduled to be delivered in 2019.

• The Chicago multi-family market continues to be very strong. There is still a large supply of new construction scheduled to come online in 2019. Much of the new construction will be in the downtown area, but there will also be a large new supply in the suburbs. Investors continue to look for opportunities, and deconversions of condominium buildings have become a popular alternative.

• Illinois is moving toward legalizing recreational marijuana, which could have a significant positive effect on the Chicago commercial real estate market.

INTERESTING FACT

Chicago’s nicknames are the Windy City, the City of Big Shoulders, the Second City, and the City That Works.
# CHICAGO LAND MARKET
## CHICAGO, IL

## DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Category</th>
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<td>Population of MSA</td>
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<td>Households in MSA</td>
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<td>Household Median Income</td>
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<td>Unemployment Rate of MSA</td>
<td>4%</td>
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</table>

## MARKET HIGHLIGHTS
- Rent control in Cook County
- Property taxes
- Interest rates

## INTERESTING FACT
Investors from New York and California are very motivated to invest in Chicago due to high returns and cap rates.

## RENTAL RATES

<table>
<thead>
<tr>
<th>Category</th>
<th>Vacancy</th>
<th>Absorption</th>
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Baton Rouge, LA

**DEMOGRAPHICS**

<table>
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<tr>
<td>UNEMPLOYMENT RATE OF MSA</td>
<td>3.9%</td>
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</tbody>
</table>

**MARKET HIGHLIGHTS**

- New industrial plants are booming. The Port of Baton Rouge is expanding due to the need for transporting LNG support products. IBM is continuing to hire. The Shell Chemical Project in Geismar, Louisiana, is adding jobs and a state-of-the-art $700 million alpha olefin production plant.
- The rate ceiling has been tested for retail and office, forcing vacancies to prevail.
- Exxon did not get funding to expand.
- Lots of new construction for office and retail is happening due to aging or lost inventory that resulted from the 2016 storm and flood. An onslaught of new fast casual food retailers and grocers has hit the market as well.
- Malls continue to suffer losses of large-box tenants. Newly opened Topgolf entertainment, a new Amazon distribution center, and the Celtic Movie Studio are employment draws. The new medical facilities opening will attract inbound patient and family traffic to support both residential and hotels, as well as new office tenants that want to be in proximity to Our Lady of the Lake Regional Medical Center’s new Children’s Hospital and Ochsner’s new medical complex.

**INTERESTING FACT**

Baton Rouge is the capital city of the state; it is also home to many grand plantation homes. Located on the west bank of the Mississippi River, it is a port city. Baton Rouge is also home to Louisiana State University, the highest rated public university in Louisiana.
NEW ORLEANS, LA

DEMOGRAPHICS

POPULATION OF MSA
1,260,660

HOUSEHOLDS IN MSA
480,817

HOUSEHOLD MEDIAN INCOME
$50,154.00

UNEMPLOYMENT RATE OF MSA
3.9%

MARKET HIGHLIGHTS

- Domain Companies broke ground on The Odeon, a $106 million development that will be the tallest building built in New Orleans in more than 30 years. Once complete, the 29-story building will be the latest addition to the half-billion dollar South Market District, developed by Domain Companies.

- Work has started on the $465 million renovation of the former World Trade Center building at the foot of Canal Street in downtown New Orleans. The building will reopen as a Four Seasons Hotel and Residences. The project includes 335 hotel rooms and 92 residences, which will occupy the upper 13 floors of the building, as well as more than 106,000 square feet of new construction.

- The 18-story Hard Rock Hotel, which broke ground in 2018, will have 350 hotel rooms and 62 residential units that will range between one and three bedrooms. Similar to other Hard Rock hotels, the lodging will have local music memorabilia. Other highlights include 12,000 square feet of event space, a rooftop bar, ground-floor lounge, and an additional lounge on its eighth floor.

- The Children’s Hospital of New Orleans began the first phase of its expansion and property renovation, expanding its pediatric care facilities. The $225 million project will be completed in three phases. Included in the expansion are a same-day surgery unit, a cardiac intensive care unit, a neonatal cardiac intensive care unit, a cancer center, a 400-car garage, and a newly designed entrance and lobby.

- New Orleans was ranked the No. 3 “Best City in the United States” by Conde Nast Traveler’s Readers’ Choice Awards.

INTERESTING FACT

After the New Orleans Saints, controversial loss during Super Bowl LIII playoffs, Saints fans filled the streets of New Orleans on Super Bowl Sunday with parties and parades. Many of the city’s bars showed a replay of the Saints’ 2010 Super Bowl win in lieu of the current Super Bowl.
WASHINGTON, DC
POTOMAC, MD

DEMOGRAPHICS

<table>
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<tr>
<th>POPULATION OF MSA</th>
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<tr>
<td>HOUSEHOLDS IN MSA</td>
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<td>UNEMPLOYMENT RATE OF MSA</td>
<td>2.9%</td>
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</table>

MARKET HIGHLIGHTS

- Amazon’s East Coast HQ2, slated for the Crystal City, Virginia, sub market (which includes Pentagon City and Potomac Yard), could exceed over 4 million square feet for HQ2 campus size as well as surrounding development for multi-family housing and other uses. This includes 500,000 square feet of existing space located within three buildings that developer JBG Smith has already allocated to Amazon’s use for HQ2. The campus will be renamed National Landing.

- Even before Amazon’s HQ2 announcement for the Washington, DC, MSA, the DC metro office market had been picking up in recent years. Absorption last year totaled less than 3 million square feet, However, even with absorption increasing, vacancy rates still remained high, which allowed office tenants leverage when negotiating new or existing space.

- Along with major developments planned for Amazon HQ2, JBG Smith announced a recent multi-family development to accommodate the workforce of an expected 25,000 employees with an average salary of $150,000. One of the first of many multi-family developments will be two mixed-use towers at National Landing, 25 and 26 stories tall, with an expected 790 multi-family units and 19,000 square feet of retail.

- Even before Amazon’s HQ2 announcement of National Landing, the Washington DC, MSA was one of the largest expanding multi-family sectors in the US, ranking only behind New York and Dallas Fort Worth MSA. With a high cost of home ownership in the Washington, DC, MSA and a strong workforce in the nation’s capital, multi-family vacancies remain low, and rental growth is strong due to high demand.

- Washington, DC, is well known as the capital of the United States. The Washington, DC, MSA comprises the District of Columbia, Northern Virginia, and suburban Maryland, including Montgomery and Prince Georges County. Not only is DC home to many federal government installations, but it also has one of the largest tech and data center hubs in the US, located in Loudoun County, Virginia.

INTERESTING FACT

Washington, DC, is a strong commercial real estate market not only for local investors, but also for syndication, institutions, foreign capital, sovereign wealth funds, and Real Estate Investment Trusts. The DC area is considered by many experts to be one of six Tier-1 cities in the United States (along with New York, Boston, Chicago, Los Angeles, and San Francisco).
YORK COUNTY
KENNEBUNK, ME

DEMOGRAPHICS

POPULATION OF MSA
525,776

HOUSEHOLDS IN MSA
217,941

HOUSEHOLD MEDIAN INCOME
$63,992.00

UNEMPLOYMENT RATE OF MSA
2.5%

MARKET HIGHLIGHTS

- Out-of-state investment is at its highest level ever.
- Vacancy rates are at historic lows, but moderating is likely this year.
- New construction is robust but limited by rising building costs.
- Residential prices are leveling, and inventories are expected to increase.
- Overall, the Southern Maine market is hitting the top and is likely to plateau for the foreseeable future.

INTERESTING FACT

Kennebunkport is now world-famous as the summer home of two American presidents, Bush 41 and Bush 43.
GREATER MANKATO MINNESOTA
MANKATO, MN

DEMOGRAPHICS

POPULATION OF MSA
99,244

HOUSEHOLDS IN MSA
38,220

HOUSEHOLD MEDIAN INCOME
$56,458.00

UNEMPLOYMENT RATE OF MSA
2.5%

MARKET HIGHLIGHTS

• Large big-box closures—Lowe’s, Herbergers, Sears, and former Gander Mountain/ Gordmans—are increasing real estate vacancies.

• There are few available small retail spaces (1,200 to 2,500 square feet); small-to-medium sized industrial properties are also hard to find. The warehouse market has rebounded with some expansions.

• The east-side bypass highway opening has sparked additional land sales and development.

• Large, higher market rate multi-family developments continue to come on the market, while affordable multi-family housing is still needed.

• Downtown revitalization and new developments have continued strong in 2018, with additional reinvestment and new developments planned through 2020.

INTERESTING FACT

Greater Mankato led every Minnesota metro in percentage of job growth in every month of 2018.
MISSISSIPPI GULF COAST
GULFPORT, MS

DEMOGRAPHICS

<table>
<thead>
<tr>
<th>POPULATION OF MSA</th>
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<tbody>
<tr>
<td>HOUSEHOLDS IN MSA</td>
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<tr>
<td>UNEMPLOYMENT RATE OF MSA</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

MARKET HIGHLIGHTS

- The Mississippi Gulf Coast is experiencing a dramatic increase in hotel-motel growth and entertainment facilities, such as Lux Theater and Finish Line Race Track. A $60 million urban renewal plan with 300 residential units and much more in downtown Biloxi is also in the works.
- The local market is also seeing an increase in the seniors, residential market with cottage-style small home construction and other planned vertical projects for seniors.
- There is a huge expansion at the State Port of Gulfport with tenants and USM Research Facility. Air freight facility has also expanded.

INTERESTING FACT

The Mississippi Gulf Coast is famous for its waterfront and Old South charm, historic sites, seafood, and more.
WILMINGTON, NC

DEMOGRAPHICS

POPULATION OF MSA
277,496

HOUSEHOLDS IN MSA
112,726

HOUSEHOLD MEDIAN INCOME
$51,137.00

UNEMPLOYMENT RATE OF MSA
3.8%

MARKET HIGHLIGHTS

• National Gypsum reopened its Wilmington plant, adding back jobs after closing due to the economic crisis. While Wilmington is home to entrepreneurs, fintech, pharma, and other “clean” industries, the area also has a legacy of manufacturing/warehousing that bounced back dramatically in 2018. Wilmington still has industrial parks shovel-ready for further investment.

• Vacancy in the Wilmington MSA continues to fall, triggering several new projects valued at upwards of $500 million—most of which are mixed-use commercial/residential. The only exception is that multi-family vacancy ticked up slightly in 2018. But because the area is still below the pre-recession peak of multi-family development, we believe there is still room to absorb additional product.

• The cost of construction has increased substantially, putting pressure on affordable residential property. But in the commercial arena, rental rates are keeping pace with this increased cost to deliver new office, retail, and industrial product.

• As raw land becomes less available, the area is finally seeing a focus on redevelopment. Some of the primary corridors have product far past its economic life. This is a shift in thinking for local developers but common in larger markets. These underutilized properties are perfect for mixed-use projects and can help address the region’s shortage of affordable housing.

• Hurricane Florence disrupted the area significantly in Q3, but the business sector has bounced back nicely for 2019. As tough as the hurricane was, the area still posted positive growth for 2018 as a whole.

INTERESTING FACT

The North Carolina Department of Transportation has funded several major transportation projects in the area to improve congestion and traffic flow, impacting every single major intersection in the county. In addition, a new highway/bypass is being built, and areas along the route are sure to become hot spots for commercial real estate, so 2019–2028 will be pivotal years in this regard.
MARKET HIGHLIGHTS

- The Northern New Jersey multi-family deal flow for stabilized assets (exceeding ten units) remains robust. Median cap rates range from 6% to 8%.
- Private investor demand for value-add portfolio opportunities consisting of small residential apartments (under ten units) continues to elevate.
- High demand for Class A/B warehouse and distribution facilities along highway corridors remains constant.
- There is also increased demand from private investors seeking buy or sell single tenant net lease (STNL) opportunities.
- State-sponsored economic incentives continue to fuel growth of new construction and repurposing adjacent to transit-oriented municipalities, with mixed-income and mid-rise/high-rise residential projects.

INTERESTING FACT

Newark has elevated its profile as a leading regional pioneer for its vastly improved high-tech infrastructure.
ATLANTIC COUNTY
VENTNOR, NJ

DEMOGRAPHICS

POPULATION OF MSA
272,926

HOUSEHOLDS IN MSA
100,660

HOUSEHOLD MEDIAN INCOME
$57,514.00

UNEMPLOYMENT RATE OF MSA
5.3%

MARKET HIGHLIGHTS

• The New Jersey shore commercial market and investor market strengthened in 2018 as supply decreased.
• Due to Atlantic City, there have been new casinos and colleges as well as new business growth.
• New construction as well as land development warehousing are in demand.
• The area has the best price per square foot for stunning ocean views. The Jersey Shore is still the best-kept secret. The tourism traffic in Atlantic City and local areas continues to climb.
• State grants and tax abatement are a continued draw.

INTERESTING FACT

Atlantic City is home to fictional mobster Nucky Thompson from HBO’s “Boardwalk Empire” as well as the Diving Horse at the Steel Pier legend. Just a few miles south of Atlantic City is Lucy the Elephant, the famous six-story elephant-shaped example of novelty architecture. And of course, who can forget the miles and miles of beautiful sandy beaches?
LONG ISLAND
ISLANDIA, NY

DEMOGRAPHICS

POPULATION OF MSA
20,192,042

HOUSEHOLDS IN MSA
7,168,027

HOUSEHOLD MEDIAN INCOME
$72,205.00

UNEMPLOYMENT RATE OF MSA
3.6%

MARKET HIGHLIGHTS

• The largest industrial transaction for 2018 was 50 Emjay Boulevard in Brentwood, a 550,000-square-foot building that sold for $59,425,000 or $108.05 per square feet.

• Long Island property owners are looking to transition office and retail spaces into multi-family residential properties that appeal to millennials.

• New office construction included 680 Central Avenue, a 9,000-square-foot building delivered in Q3 2018 that is now 100% occupied.

• With continued strong e-commerce demand, industrial property rents could overtake office rents.

• Long Island malls and outdoor shopping centers are in high demand, even as online sales change the appetite for brick-and-mortar retail.

INTERESTING FACT

Long Island is the largest and longest island in the continental United States, stretching 118 miles east from New York Harbor with a land area of 1,401 square miles.
CLEVELAND-ELYRIA MSA
BEACHWOOD, OH

DEMOGRAPHICS

POPULATION OF MSA
2,062,764

HOUSEHOLDS IN MSA
853,766

HOUSEHOLD MEDIAN INCOME
$52,446.00

UNEMPLOYMENT RATE OF MSA
4.9%

MARKET HIGHLIGHTS

• On the retail side, Menards is completing its initial rollout into Northeast Ohio with its fourth and fifth area stores under construction. Meanwhile, Meijer is just completing construction on its initial stores in the market, with many more on the drawing board.

• Store closures and retail bankruptcies continue to impact the retail real estate market, offering both opportunity and concern. Sears, Kmart, JC Penney, Macy’s, Toys R Us, Subway, Mattress Firm, and others are among them. As is the case throughout the country, the ability to quickly re-tenant and redevelop these properties for retail or other use will determine the strength of local markets for years to come.

• Two long-time family-owned and Cleveland-based corporations were sold to third parties. The Weiss family of American Greetings sold 60% of its interest to Clayton, Dubilier & Rice, a New York-based private investment firm. Forest City Realty Trust was sold to Toronto-based Brookfield Asset Management despite vigorous opposition by the founding Ratner family.

• Under the leadership of Bernie Moreno, a high-profile luxury car dealer, tech entrepreneur, and influential civic leader, Cleveland is attempting to become the central hub of blockchain technology innovation and applications that go far beyond cryptocurrencies. With partners, Moreno has established the Blockland Solutions Center and numerous activities related to the BSC.

• Development of downtown residential communities continued on pace throughout 2018 and will continue for the foreseeable future.

INTERESTING FACT

Mayfield Heights-based Progressive Corporation is the only Fortune 500 company with two women in its top leadership roles: CEO Tricia Griffith and, as of May 2018, Board Chair Lawton Fitt.
CINCINNATI, OH

DEMOGRAPHICS

POPULATION OF MSA
2,156,723

HOUSEHOLDS IN MSA
838,070

HOUSEHOLD MEDIAN INCOME
$59,478.00

UNEMPLOYMENT RATE OF MSA
4.0%

MARKET HIGHLIGHTS

• FC Cincinnati joined Major League Soccer as an expansion franchise. FC Cincinnati broke ground on its new $250 million soccer stadium after announcing plans to construct it only 18 months prior.

• The Cincinnati Zoo & Botanical Garden is planning a $150 million renovation that would provide space for more elephants and other animals, a beer garden, and a parking garage. In 2018, the zoo received a $50 million donation, its largest in history. The remaining $100 million will be raised by a capital campaign.

• Union Terminal has reopened since the completion of a $228 million restoration that was funded primarily by a temporary sales tax increase. A third of the project was outside, a third involved the mechanical systems, and a third involved the interior architecture. The building is now more environmentally friendly, and every single light bulb is now LED.

• The largest single property sale of the year in the Greater Cincinnati market was the $75.5 million sale of Atrium Two, containing 653,600 leasable square feet. With 94% of the building leased, major tenants include Cincinnati Bell, Kroger, Federal Home Loan Bank of Cincinnati, and the US Attorney’s Offices.

• Cincinnati received several national rankings in 2018, most notably an inclusion in the “Top 50 Best Places to Live” by U.S. News and World Report. The University of Cincinnati was also ranked among the “Best Colleges” by U.S. News and World Report. Cincinnati Children’s Hospital ranked No. 2 among “Best Children’s Hospitals.”

INTERESTING FACT

Cincinnati has more chili restaurants per capita than any other city in the nation or world.
COLUMBUS, OH

DEMOGRAPHICS

POPULATION OF MSA
2,023,695

HOUSEHOLDS IN MSA
775,065

HOUSEHOLD MEDIAN INCOME
$60,170.00

UNEMPLOYMENT RATE OF MSA
4.0%

MARKET HIGHLIGHTS

• In the office sector, Facebook’s $750 million and Google’s $600 million data centers are planned in New Albany. AEP is also proposing a $22.7 million service center complex in Gahanna. CoverMyMeds is planning a new $225 million headquarters in Franklinton. In addition, Bridge Park in Dublin is moving ahead with a planned 80,000-square-foot office building. And finally, Powell company is transforming a 10,000-square-foot Grandview warehouse into offices.

• In the retail mixed-use segment, noteworthy 2018 transactions include 800 N. High, a $54 million office, hotel, restaurant, and retail center; White Castle, a $65 million 80-unit apartment, HQ office, community center, and parking campus; 230 E. Long, a $40 million, 316,400-square-feet space with apartments, condos, and retail. New Albany’s Hamilton Quarter consists of 336 apartments, 700,000 square feet of office, and 125,000 square feet of retail, including Target. Evans Farm in Lewis Center is 1,250 acres with over 2,200 residences, shopping, parking, and a $20 million youth sports arena.

• In the industrial sector, there were several significant developments in 2018. Marysville’s first three buildings at the 206-acre 33 Innovation Park offer a combined 423,100 square foot of industrial. The 92-acre Creekside Industrial Park in Lewis Center broke ground for the Hoshizaki America 25,000-square-foot manufacturing center. PharmaForce’s $120-million expansion, the renovation at Hilliard and New Albany, and Clayco’s The Cubes at Etna Park 70, a 155-acre development that will have 2.4 million square feet in the first phase, all played a role in sustained growth for the area.

• A MORPC study calls for 30,000 additional new apartment units by 2030 to meet the area’s growing population. Columbus has more than two dozen multi-family projects on the drawing board, featuring 2,000 apartments and about 100 condominiums. Metro Development plans 120 apartments on nine acres in Reynoldsburg. The 107-acre Woodside Development’s first multi-family phase in Marysville has been given the go-ahead.

• In the medical arena, OSU Wexner Medical Center started a $26 million East Hospital expansion with plans for a 840-bed main campus tower. Fairfield Medical is constructing a $20 million center in Lancaster. Children’s Hospital continues a $730 million, 11-project expansion. OhioHealth is building a $89.8 million 270,000-square-foot headquarters. Construction is also nearing completion on a $355 million Mount Carmel Grove City Hospital and I-70 behavioral health hospital.
MEDFORD, OR

DEMOGRAPHICS

POPULATION OF MSA
212,070

HOUSEHOLDS IN MSA
86,195

HOUSEHOLD MEDIAN INCOME
$48,688.00

UNEMPLOYMENT RATE OF MSA
5%

MARKET HIGHLIGHTS

• Medford is a growing market with a business-friendly development code. Located at the northern boundary of California, the area features an outdoor lifestyle and low to moderate housing costs. The Medford area is in high demand with a diverse work pool.

• The low cost of land and the low cost of construction continue to be a boon for the local economy.

• Local residential housing offers high value.

• An increased labor pool is another bright spot for the local economy.

INTERESTING FACT

People flock to Medford for the outdoor lifestyle, community values, good schools, and low traffic congestion.
PHILADELPHIA, PA

DEMOGRAPHICS

POPULATION OF MSA
6,065,644

HOUSEHOLDS IN MSA
2,253,471

HOUSEHOLD MEDIAN INCOME
$66,285.00

UNEMPLOYMENT RATE OF MSA
3.7%

MARKET HIGHLIGHTS

• Now that medical marijuana is being prescribed in Philadelphia, retail and health-care spaces have seen an uptick in inquiries regarding this use. The zoning and legal requirements are challenging from a real estate perspective due to proximity restrictions to schools and daycares.

• Philadelphia has seen increased interest from foreign investors, specifically those based in Asia due to the potential returns in this market compared to other metros.

• Co-working and incubator spaces are thriving in Philadelphia, thanks to a strong tech scene and educated workforce. Over 500,000 square feet of new co-working and incubator space have been added to Center City within the past two years.

INTERESTING FACT

Vacancy rates are at 15-year historic lows.
GREENVILLE, SC

DEMOGRAPHICS

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MARKET HIGHLIGHTS

- Samsung Electronics America, Inc., in partnership with Alorica, one of the world’s leading platforms for customer interactions, announced plans to open a cutting-edge customer care center in Greenville County. The new Connected Customer Care Center will bring 400 additional jobs to the region by 2020.

- Lockheed Martin received a $1.2 billion contract from the US government to produce 16 new F-16 Block 70 aircraft to be built in Greenville and sold to the Royal Bahraini Air Force.

- EAS Change Systems, manufacturer of quick clamping and quick changing systems for plastic injection molding machines and metal stamping presses, has planned to open its North American and Central American corporate headquarters in Greenville.

- Green Cloud Technologies, a Greenville-based cloud technology solutions provider, recently opened the company’s new headquarters. The company’s $7.8 million investment is projected to create 50 new jobs over the next five years.

- Grace Hill, a market leader in online training for the property management industry, is expanding its existing operations by locating its corporate headquarters in Greenville County, creating 53 new jobs.

INTERESTING FACT

In the early 1900s, Greenville was known as “The Textile Center of the World” due to the sheer mass of textile development in the county. Today, Greenville has preserved its rich textile history by renovating the abandoned mill properties into mixed-use commercial and multi-family projects.
CHARLESTON
N. CHARLESTON, SC

DEMOGRAPHICS

POPULATION OF MSA
744,195

HOUSEHOLDS IN MSA
281,245

HOUSEHOLD MEDIAN INCOME
$57,666.00

UNEMPLOYMENT RATE OF MSA
2.8%

MARKET HIGHLIGHTS

• Volvo, Boeing, and Mercedes are all opening large production plants.
• Vacancies are falling due to high demand and high development costs slowing down supply.
• All sectors have large construction projects.
• There is demand for 2,500 additional new homes in the area.
• Development moratoriums are being implemented.

INTERESTING FACT

About 8 million tourists per year come to Charleston. A little known fact: it is the No. 1 wedding destination outside of Las Vegas.
SPARTANBURG, SC

DEMOGRAPHICS

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MARKET HIGHLIGHTS

- The Montgomery Building, newly renovated, will serve the downtown community as a mixed-use building. The ground floor will feature commercial space. The second and third floors will be offices topped by the seven floors of high-end residential apartments.
- The “Penny Tax” was passed to fund a new seven-story courthouse and joint city/county government facility.
- Renewable Properties, a leading developer in the residential, commercial, and utility-scale solar markets, is growing its solar farm portfolio to serve new solar facilities in Spartanburg County. The company is projected to invest a total of approximately $22.7 million in the projects.
- $200 million of investment has either been completed or is currently under construction in downtown.
- The area has nearly 275 existing multi-family units, with a 98% occupancy rate, and over 150 units under construction in the downtown area. More than 35 restaurants and bars are located within walking distance, and over 14,000 college students are in the downtown area.

INTERESTING FACT

Wofford College, with 1,800 students and a membership in the Southern Conference (SOCON), recently cracked the Associated Press’s Top 25 Poll for basketball teams for the first time in history. The team ranked No. 24. Also, the first airport in South Carolina was the Spartanburg Downtown Airport, which opened in 1927. Aviation heroes Amelia Earhart and Charles Lindbergh both flew into the airport.
SOUTHEAST TEXAS
BEAUMONT, TX

DEMOGRAPHICS

POPULATION OF MSA
6,636,208

HOUSEHOLDS IN MSA
2,271,561

HOUSEHOLD MEDIAN INCOME
$62,922.00

UNEMPLOYMENT RATE OF MSA
3.9%

MARKET HIGHLIGHTS

• $54 billion in industrial expansion projects have been announced.
• Sabine Neches Waterway is the No. 1 LNG exporter in the nation.
• Industrial construction will bring over 9,000 jobs to the area, creating a demand for housing, retail, and restaurants.
• The cost of living remains low, as housing prices have only increased marginally.
• A great climate and location for all outdoor sports, hunting, fishing, hiking, kayaking, skiing, sailing, and golf have made this region a desirable place to live and work.

INTERESTING FACT

In 1901, the Lucas gusher revealed the Spindletop oilfield and changed the energy industry forever. Texaco was originally founded here. The Port of Beaumont is the fifth-largest in the nation by tonnage and is home to two of the strategic military ports. The famous female athlete and Olympic gold medalist Babe Didrikson Zaharias was born here.
EL PASO COUNTY
EL PASO, TX

DEMOGRAPHICS

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MARKET HIGHLIGHTS

• El Paso’s downtown revitalization is in full swing, with over $300 million in development projects either underway or recently completed. This includes five hotel developments, the newly completed El Paso Street Car system, and the recent groundbreaking of the WestStar Tower, a 256,000-square-foot Class A office property.

• The planned multi-purpose arena recently approved by voters to be located in downtown El Paso will push downtown dollars invested to over a half-billion dollars.

• All commercial property sectors in El Paso performed well in 2018. Area retail developers are benefiting from healthy job growth, improved retail sales, and low vacancy, with new retail development mostly taking place in the northwest and far east submarkets.

• West Towne Marketplace is one of El Paso’s newest retail developments, consisting of 500,000 square feet. It has reached approximately 90% occupancy, with retailers like Cabela’s and Flix Brewhouse finding their first locations in El Paso. The developer, River Oaks Properties, has plans to start another 190,000 square feet in El Paso’s east side of town.

• El Paso is the largest city in the US on the US/Mexico border, with one of the largest manufacturing sectors in North America. With over $72 billion in international trade each year and an inventory of over 63 million square feet of warehouse space, the industrial sector has been red hot for the last 24 months, with market occupancy up to 93% and rental rates increasing by 6.5% this past year.

INTERESTING FACT

Despite concerns about the political climate related to the Trump Administration’s trade negotiations with Canada and Mexico, rental rates and demand have increased to a level that developers have broken ground on several new spec buildings for the first time in over 10 years.
LUBBOCK, TX

DEMOGRAPHICS

POPULATION OF MSA
309,722

HOUSEHOLDS IN MSA
114,486

HOUSEHOLD MEDIAN INCOME
$48,709.00

UNEMPLOYMENT RATE OF MSA
2.8%

MARKET HIGHLIGHTS

• Lubbock is the economic hub of the South Plains of west Texas and eastern New Mexico, with a vast 26-county trade area covering 40,000 square miles.
• The Lubbock MSA maintained historically low unemployment rates throughout 2018, ranging from 2.7% in October and November to 3.6% in June. Plus, the number of people employed in the Lubbock MSA reached a record high of more than 160,000 in 2018.
• The Texas Water Development Board projects Lubbock County’s population to reach 400,000 within the next 30 years.
• Dozens of notable commercial chains (including H&M, Cheesecake Factory, Panera Bread, P.F. Chang’s, Best Buy, H-E-B, Bed Bath & Beyond, Aloft Hotel, and Tru by Hilton) have all either recently opened or will soon open new locations in Lubbock.
• Lubbock’s average home sale price increased by 11.3% between 2017 and 2018, confirming that Lubbock real estate is a great investment.

INTERESTING FACT

For two years in a row, SmartAsset.com has recognized Lubbock among the top ten cities in the US with the best work-life balance, thanks to Lubbock’s short commute times and low unemployment rate.
LYNCHBURG
FOREST, VA

DEMOGRAPHICS

POPULATION OF MSA
258,995

HOUSEHOLDS IN MSA
99,743

HOUSEHOLD MEDIAN INCOME
$50,711.00

UNEMPLOYMENT RATE OF MSA
2.8%

MARKET HIGHLIGHTS

• Hobby Lobby will soon be in Lynchburg, taking over the majority of vacant K-Mart stores.

• Lynchburg is seeing a lot of bank branches starting to close. Most recently, BB&T and SunTrust closed their downtown Lynchburg locations. Wells Fargo also closed its Old Forest Road location.

• LCS Communications, formerly known as R.R. Donnelley, will be closing the Lynchburg plant, affecting nearly 400 jobs.

• ACE Hardware broke ground on its second location in this market. Completion is scheduled for late spring/early summer 2019.

• Several multi-family and single-family developments were approved in Lynchburg and surrounding counties over the last quarter. This sector continues to see tremendous growth.

INTERESTING FACT

Lynchburg is home to Liberty University, the largest Christian university in the United States, with 15,000 on-campus students and nearly 100,000 students enrolled online.
FREDERICKSBURG REGION
FREDERICKSBURG, VA

DEMOGRAPHICS

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MARKET HIGHLIGHTS

- In 2018, Amazon announced its new corporate headquarters (HQ2) in Arlington, Virginia, bringing 25,000 new jobs to the area. The Fredericksburg region, which is less than 50 miles from Arlington, will undoubtedly feel the effects.
- During the 2018 calendar year, 229 transactions were recorded by Costar Group, representing $225 million in transaction value, averaging out to $1.8 million per transaction, which is a slight improvement from 2017.
- There was an increase in the average dollar amount per transaction in 2018 compared with 2017. The increase in the average transaction value is due to the handful of large multi-family transactions with values in the $30 to $60 million range.
- Over the past year, the office market has been steady. In the retail market, the vacancy rates for the region have held firm with low vacancy. The average rental rates have decreased due to an increase in vacancy rates.
- Some major projects in the city and the region that should begin development include a minor-league baseball stadium at Celebrate Virginia South, the mixed-use Liberty Place, and Amelia Square projects in downtown Fredericksburg. Numerous multi-family projects as well as a good number of smaller in-fill projects are also in the pipeline.

INTERESTING FACT

Known for its colonial and Civil War history, Fredericksburg is home to the Fredericksburg and Spotsylvania National Military Park that preserves four major Civil War battlefields. In 1862, the Union forces suffered one of their greatest defeats here in the Battle of Fredericksburg. George Washington’s boyhood home is located here at Ferry Farm.
SOUTHEAST VIRGINIA
WILLIAMSBURG, VA

DEMOGRAPHICS

POPULATION OF MSA
1,717,708

HOUSEHOLDS IN MSA
638,027

HOUSEHOLD MEDIAN INCOME
$61,889.00

UNEMPLOYMENT RATE OF MSA
3.0%

MARKET HIGHLIGHTS

• Commercial revitalization is currently occurring in the downtown corridor to become a mixed-use area called Midtown Row, which will include retail, office, and multi-family housing.

• Vacancy is down and occupancy is up. This area is building new, soft modern commercial products to meet the needs of retail demands.

• New construction is occurring in both the downtown corridor and rural settings.

• The residential market is stable, with the number of units sold and average sales price holding steady. New residential construction is running about 25% of the total market.

• The market continues to see mild expansion across most real estate sectors, including commercial, multi-family, and residential.

INTERESTING FACT

Tourism and history abounds in the area, from Yorktown to Jamestown and Colonial Williamsburg. These towns are complemented by theme parks such as Busch Gardens, Water Country, and Great Wolf Lodge. The area’s mid-Atlantic location makes visits from the tri-city area a convenient drive for a weekend or weekday stay.
KING COUNTY
FEDERAL WAY, WA

DEMOGRAPHICS

POPULATION OF MSA
3,735,216

HOUSEHOLDS IN MSA
1,448,393

HOUSEHOLD MEDIAN INCOME
$77,269.00

UNEMPLOYMENT RATE OF MSA
4%

MARKET HIGHLIGHTS

• The tech sector continues to drive the market. Seattle’s office market vacancy rates are at all-time lows. Many smaller companies priced out of the Seattle/Bellevue market are looking south at Tacoma.

• Industrial space continues to be in high demand. Vacant land is scarce and expensive. Developers are considering locations outside of King County for better pricing and more desirable development sites.

• Multi-family development is starting to take a breather. Rising vacancy rates and construction costs have slowed the market. Most think this will rebound in two to three years.

• The mergers and acquisitions/business opportunities market has seen a significant increase in sales. Baby Boomers are reaching retirement and need experienced M&A brokers to handle these transactions.

INTERESTING FACT

The Seattle/Puget Sound area is one of the most coveted places in the United States to live and work. The surrounding environment lends itself to active lifestyles, with the Puget Sound and the Cascade Mountain Range within an hour’s drive.
JANESVILLE-BELOIT MSA
JANESVILLE, WI

DEMOGRAPHICS

POPULATION OF MSA
161,226

HOUSEHOLDS IN MSA
1,448,393

HOUSEHOLD MEDIAN INCOME
$53,410.00

UNEMPLOYMENT RATE OF MSA
2.8%

MARKET HIGHLIGHTS

• Several large retailers—including Boston Store, Elder Beerman, and Toys “R” Us—left the market, leaving almost 235,000 square feet of space vacant, with only around 23,000 square feet of that confirmed to be absorbed in 2019.

• Ground broke on two industrial buildings, totaling 267,000 square feet.

• CBL Properties sold the 600,000-square-foot Janesville Mall for $18 million—almost half of what it paid for it back in 1998.

• The City of Janesville modified its tax increment financing policy to include multi-family housing in an attempt to address its extremely low vacancy rate, but no new construction has started yet.

• Demolition began on the 4 million-square-foot former General Motors Assembly Plant in Janesville; the plant had been shuttered and on standby since 2008 until it was sold at the end of 2017.

INTERESTING FACT

Milton House, a former stop on the Underground Railroad, is believed to be the first grout building built in the US.
CASPER, WY

DEMOGRAPHICS

POPULATION OF MSA
81,023

HOUSEHOLDS IN MSA
32,984

HOUSEHOLD MEDIAN INCOME
$59,400

UNEMPLOYMENT RATE OF MSA
4%

MARKET HIGHLIGHTS

• Major tenants to move out of the retail space in Casper included Macy, Sears, and Kmart. In the industrial part of the market, companies such as Chesapeake Energy, Thru Tubing Solutions, and Element Technology Services are coming to Casper.

• Due to the increase in natural gas plants around Casper, it has become the hub for major oil and gas companies for the entire state. New industrial buildings and parks are being developed and leased back to companies from all around the country.

• The Casper housing market has always been affected by the economy. 2018 was a climb to a better market. The average sale price of homes was $225,202. Days on market was 97, and the list-to-sales price ratio was 97%.

• With rental rates rising and available units down, there has been a big increase in multi-unit complexes. One sale was a 72-unit complex, and a 175-unit complex that was built in late 2018 is gearing up for the 2019 rental market.

INTERESTING FACT

Casper is the regional petroleum industrial center for the state of Wyoming. Oil was first discovered in the famous Salt Creek Oil Field, and the first refinery in Casper was built in 1895.
CHEYENNE, WY

DEMOGRAPHICS

POPULATION OF MSA
97,031

HOUSEHOLDS IN MSA
38,447

HOUSEHOLD MEDIAN INCOME
$62,879

UNEMPLOYMENT RATE OF MSA
4%

MARKET HIGHLIGHTS

- Strong data center demand continued in 2018. Multi-year Microsoft (and other) new construction also continued at the intersection of I-80 and I-25.
- Industrial demand has re-emerged.
- Multi-family construction remains strong.
- The residential market remains strong, with increases in total annual sales.
- Historic downtown is undergoing redevelopment, with new businesses coming to the area.

INTERESTING FACT

Cheyenne comes alive during Cheyenne Frontier Days, the “World’s Largest Outdoor Rodeo and Western Celebration.” This annual event is held during the last two weeks of July and draws nearly 200,000 people each year.
CABÁ
BUENOS AIRES, ARGENTINA

DEMOGRAPHICS

POPULATION OF MSA
17,200,000

HOUSEHOLDS IN MSA
5,350,000

HOUSEHOLD MEDIAN INCOME
$1,800 USD

UNEMPLOYMENT RATE OF MSA
9%

MARKET HIGHLIGHTS

• The market in Argentina for A+ and A offices is 1,620,751 square meters.
• The average price for A+ and A offices is $26.90 USD per square meter.
• Some new A+ buildings that are under construction include: Worko (36,549m), Urquiza (3,620m), and Centro Empresarial Libertador (100,000m).

INTERESTING FACT

Argentina presents a great opportunity for investors due to its growth potential. The country offers an amazing opportunity to develop new A+ office buildings because there isn’t too much space available to buy or rent.
EDMONTON
ALBERTA, CANADA

DEMOGRAPHICS

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MARKET HIGHLIGHTS

- Edmonton’s office market saw the highest demand since 2012, thanks in large part to three trophy buildings.
- Demand for high-quality residential rental and industrial space helped fuel a record-breaking year in 2018.
- A $50 million dollar project is underway at the much-anticipated Raymond Block along Whyte Avenue. The project consists of 132,000 square feet of mid-rise, with residential, retail, and office properties.
- Retail trade on average was 3% higher, making Edmonton one of the most vibrant cities in Western Canada, with high disposable income and the youngest population in Canada.

INTERESTING FACT

With a median age of 36, Edmonton is the youngest major Canadian city and one of the few to see less grey hair. A strong economy and plentiful jobs are two of the major factors drawing young people to Edmonton.
MARKET HIGHLIGHTS

• Toyota North America has made a $1.4 billion investment in the community. The major expansion of Toyota Motor Manufacturing Canada, the largest manufacturing employer in Waterloo Region, is a tribute to the strength and innovation that anchors the automotive sector in the area.

• VanMar Developments purchased a 5.78-acre property at 607-641 King Street West in downtown Kitchener for $30 million. "The sale is a significant shot in the arm for Kitchener as a great place to invest," says Peter Benninger of Coldwell Banker Commercial Peter Benninger Realty. "This purchase shows a lot of confidence in the downtown market and what’s happening here."

• In 2018, Coldwell Banker Commercial PBR announced the sale of a half-acre redevelopment site in downtown Kitchener. Ground has broken for the construction of a 31-story condo building, the tallest in the city, that will include 300 residential units and 6,000 square feet of retail in an area that has seen a lot of development activity recently.

• The Boxwood Business Campus is the City of Cambridge’s newest business park. It encompasses more than 100 acres of industrial land, with quick access to Highway 401 and major markets from Toronto to the United States. The City of Cambridge has over 4,300 acres of land zoned for industrial use, which it develops and markets to a variety of manufacturing and service industries.

• Intermarket Properties is moving ahead with a 400-acre industrial park close to Highways 8 and 401. This is among the most significant parcels of development-ready lands to become available in the Toronto Waterloo Corridor. Intermarket retained the services of Coldwell Banker Commercial PBR for this land assembly of five farms. It is now zoned for industrial uses.

INTERESTING FACT
The median age in the Waterloo Region is 39.1 years of age.
MARKET HIGHLIGHTS

- An additional 544,500 square meters of supply entered the Jakarta office market during 2018. New supply was derived by Grade A office buildings in the Central Business District (CBD) Area. Tenant movement was mostly driven by major transactions from state-owned companies and e-commerce, followed by fintech and financial institutions. Co-working space also contributed significantly to leasing activities.

- Vacancy is rising by 3.65% due to new additional supplies that entered the market. Most of these new supply opportunities witness a low commitment level when they commence their operations. The office sector has remained sluggish over the last four years. The large new anticipated supply adds more pressure on occupancy levels.

- Commercial property growth during 2018 was influenced by ongoing construction (including MRT, LRT, and toll roads), particularly for apartment and office sectors. Several apartment projects in the middle-low to low market segments have begun the construction process.

- Demand absorption in the apartment sector was not as high as demand in 2017. Demand absorption continued to be dominated by transactions in the middle and middle-low market segments. However, market sentiment in the middle-upper to upper market has started to rise over 2018. The average asking prices remained stagnant.

- In the midst of modest demand in the commercial property market, the apartment sector has the best growth among other sectors. Accessibility and infrastructure developments are the key to unlocking new hotspots or growth areas. TOD concept has been widely introduced to promote the benefits of living in apartments with direct access to a massive transportation hub.

INTERESTING FACT

Jakarta is the center for Indonesia’s economics, culture, and politics. The Jakarta metropolitan area is also known as Jabodetabek. As a big city, Jakarta has numerous luxury shopping malls, which have become the city’s most popular hangout spots.
DUBLIN, IRELAND

DEMOGRAPHICS

POPULATION OF MSA
4,700,000

HOUSEHOLDS IN MSA
2,300,000

HOUSEHOLD MEDIAN INCOME
€38,000

UNEMPLOYMENT RATE OF MSA
Just over 5%

MARKET HIGHLIGHTS

• Office occupancy is the highest on record, with the TMT sector leading the way. About 70% of new construction has been pre-leased. Prime rental levels are €60 to €63 per square foot.
• Facebook’s 81,000 square meters lease at Bank Centre Ballsbridge in Dublin was not only the largest single lease of 2018, but it was also the largest ever on record.
• While residential development is increasing, it is still not sufficient to meet demand. New sources of finance for developers have been announced by the government.
• 2018 showed house price growth moderating, especially in Dublin, due to Central Bank lending constraints and more stock coming onstream. The outlook is for a 3% to 5% house inflation in Dublin. Demand, however, remains strong. Rental rates continue to rise.
• Retail rates remained steady despite an increase in online shopping. Industrial units gave the best return of any sector in 2018.

INTERESTING FACT

Filming of the final season of Game of Thrones is underway in Ireland.
ROME, ITALY

DEMOGRAPHICS

POPULATION OF MSA
60,391,000

HOUSEHOLDS IN MSA
16,648,000

HOUSEHOLD MEDIAN INCOME
€30,595

UNEMPLOYMENT RATE OF MSA
10.3%

MARKET HIGHLIGHTS

- Hotel openings in Milan, Rome, Venice, and Florence underscore market strength and growth.
- Interest by hospitality investors in secondary cities such as Naples, Turin, and all of Sicily characterized the 2018 market.
- Conversions from office space to hotels are rising in the main cities’ centers.
- Office vacancy is rising.
## MEXICO CITY, MEXICO

### DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population of MSA</td>
<td>25,210,000</td>
</tr>
<tr>
<td>Households in MSA</td>
<td>6,769,000</td>
</tr>
<tr>
<td>Household Median Income</td>
<td>23,600 MXN</td>
</tr>
<tr>
<td>Unemployment Rate of MSA</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

### MARKET HIGHLIGHTS

- To date, there is an existing inventory of 6.7 million square meters of class A+ and A buildings. In terms of supply, the million available square meters mark was reached at the end of 2018—a scenario that should not cause alarm, as it is evident that availability goes hand in hand with the increase in inventory. The availability rate closed at 15.3%, a figure similar to 2017.

- Demand slightly decreased compared with the end of 2017. This was seen in the last quarter of 2018 as pace somewhat slowed. About 750,000 square meters of A+ and A space was absorbed, of which 58% corresponds to net demand. Similarly, prices suffered a decline, especially in Polanco; the average lease price in Mexico City was $23.9 USD per square meters per month.

- As for activity under construction, the revision in construction permits caused by the change in the administration of Mexico City led many developers to reconsider the projects they had projected. At the end of 2018, there were 1.8 million square meters under construction and 780,000 square meters planned.

- The industrial market had a positive performance during the second half of the year. Over the last three years, demand has been high for industrial spaces above 1 million square meters. 2018 was no exception. The inventory of class A space grew 5.4% throughout the year, and it is estimated that, by the end of 2019, it will exceed 11 million square meters.

- This market activity is a reflection of the growth that Mexico City has experienced in recent years, as much-needed distribution centers for self-service chains, parcels, perishable goods, and department stores have expanded. The high demand for space in Mexico City has impacted rental prices. The average lease price showed an increase of 6% compared with the previous year.
MONTEVIDEO, URUGUAY

DEMOGRAPHICS

POPULATION OF MSA
3,397,000

HOUSEHOLDS IN MSA
1,387,666

HOUSEHOLD MEDIAN INCOME
$2,000 USD

UNEMPLOYMENT RATE OF MSA
56.4%

MARKET HIGHLIGHTS

• The major transaction of 2018 was again made in Punta Carretas Tower.
• The vacancy rate in A+ and A buildings is stable.
• The new LEED Gold building by architect Rafael Viñoly was finished.

INTERESTING FACT

Uruguay is a nice place to visit, with a culture of hospitality and kind, welcoming citizens. It’s also a safe place to live.
## INDEX

### US MARKETS

<table>
<thead>
<tr>
<th>Market Name</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antelope Valley, CA</td>
<td>6</td>
</tr>
<tr>
<td>Atlantic County, NJ</td>
<td>50</td>
</tr>
<tr>
<td>Baton Rouge MSA, LA</td>
<td>42</td>
</tr>
<tr>
<td>Bloomington-Normal, IL</td>
<td>38</td>
</tr>
<tr>
<td>Broward County, FL</td>
<td>20</td>
</tr>
<tr>
<td>Casper, WY</td>
<td>68</td>
</tr>
<tr>
<td>Central Florida, FL</td>
<td>29</td>
</tr>
<tr>
<td>Champaign, IL</td>
<td>39</td>
</tr>
<tr>
<td>Charleston, SC</td>
<td>58</td>
</tr>
<tr>
<td>Charlotte County/Punta Gorda MSA, FL</td>
<td>33</td>
</tr>
<tr>
<td>Cheyenne, WY</td>
<td>69</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>40</td>
</tr>
<tr>
<td>Chicago Land Market, IL</td>
<td>41</td>
</tr>
<tr>
<td>Cincinnati MSA, OH</td>
<td>53</td>
</tr>
<tr>
<td>Cleveland-Elyria MSA, OH</td>
<td>52</td>
</tr>
<tr>
<td>Columbus, OH</td>
<td>54</td>
</tr>
<tr>
<td>Daytona Beach/Ormond Beach/Volusia county, FL</td>
<td>31</td>
</tr>
<tr>
<td>El Paso County, TX</td>
<td>61</td>
</tr>
<tr>
<td>Fairfield County INDUSTRIAL, CT</td>
<td>13</td>
</tr>
<tr>
<td>Fairfield County OFFICE, CT</td>
<td>12</td>
</tr>
<tr>
<td>Fort Myers, FL</td>
<td>27</td>
</tr>
<tr>
<td>Fredericksburg Region, VA</td>
<td>64</td>
</tr>
<tr>
<td>Gainesville, FL</td>
<td>22</td>
</tr>
<tr>
<td>Grand Junction, CO</td>
<td>10</td>
</tr>
<tr>
<td>Greater Mankato Minnesota, MN</td>
<td>46</td>
</tr>
<tr>
<td>Greenville, SC</td>
<td>57</td>
</tr>
<tr>
<td>Huntsville, AL</td>
<td>4</td>
</tr>
<tr>
<td>Inland Empire, CA</td>
<td>9</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>24</td>
</tr>
<tr>
<td>Janesville-Beloit MSA, WI</td>
<td>67</td>
</tr>
<tr>
<td>King County, WA</td>
<td>66</td>
</tr>
<tr>
<td>Long Island, NY</td>
<td>51</td>
</tr>
<tr>
<td>Lubbock MSA, TX</td>
<td>62</td>
</tr>
<tr>
<td>Lynchburg, VA</td>
<td>63</td>
</tr>
<tr>
<td>Manatee County, FL</td>
<td>34</td>
</tr>
<tr>
<td>Medford, OR</td>
<td>55</td>
</tr>
<tr>
<td>Melbourne-Palm Bay MSA, FL</td>
<td>23</td>
</tr>
<tr>
<td>Miami/Dade County, FL</td>
<td>19</td>
</tr>
<tr>
<td>Mississippi Gulf Coast, MS</td>
<td>47</td>
</tr>
<tr>
<td>Monroe County, FL</td>
<td>26</td>
</tr>
<tr>
<td>Napa County, CA</td>
<td>7</td>
</tr>
<tr>
<td>Naples, FL</td>
<td>28</td>
</tr>
<tr>
<td>New Haven County INDUSTRIAL, CT</td>
<td>15</td>
</tr>
<tr>
<td>New Haven County OFFICE, CT</td>
<td>14</td>
</tr>
<tr>
<td>New Orleans MSA, LA</td>
<td>43</td>
</tr>
<tr>
<td>Northern NJ/ Greater Newark Metro, NJ</td>
<td>49</td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>25</td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>30</td>
</tr>
<tr>
<td>Palm Beach County, FL</td>
<td>18</td>
</tr>
<tr>
<td>Pensacola MSA, FL</td>
<td>32</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>56</td>
</tr>
<tr>
<td>Pinellas County, FL</td>
<td>17</td>
</tr>
<tr>
<td>San Diego and Riverside, CA</td>
<td>5</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>8</td>
</tr>
<tr>
<td>Sarasota County, FL</td>
<td>35</td>
</tr>
<tr>
<td>Southeast Texas, TX</td>
<td>60</td>
</tr>
</tbody>
</table>

### INTERNATIONAL MARKETS

<table>
<thead>
<tr>
<th>Market Name</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina-Buenos Aires, CABA</td>
<td>71</td>
</tr>
<tr>
<td>Buenos Aires, Argentina</td>
<td>71</td>
</tr>
<tr>
<td>Canada-Edmonton</td>
<td>72</td>
</tr>
<tr>
<td>Canada-Waterloo Region</td>
<td>73</td>
</tr>
<tr>
<td>Dublin, Ireland</td>
<td>75</td>
</tr>
<tr>
<td>Edmonton, Canada</td>
<td>72</td>
</tr>
<tr>
<td>Indonesia-Jakarta</td>
<td>74</td>
</tr>
<tr>
<td>Ireland-Dublin</td>
<td>75</td>
</tr>
<tr>
<td>Italy-Rome</td>
<td>76</td>
</tr>
<tr>
<td>Jakarta, Indonesia</td>
<td>74</td>
</tr>
<tr>
<td>Mexico City, Mexico</td>
<td>77</td>
</tr>
<tr>
<td>Mexico-Mexico City</td>
<td>77</td>
</tr>
<tr>
<td>Montevideo, Uruguay</td>
<td>78</td>
</tr>
<tr>
<td>Rome, Italy</td>
<td>76</td>
</tr>
<tr>
<td>Uruguay-Montevideo</td>
<td>78</td>
</tr>
<tr>
<td>Waterloo Region, Canada</td>
<td>73</td>
</tr>
</tbody>
</table>

Sources of Information & Disclaimer

Each market information comes from the CBC franchised affiliate listed as the contact. Information is deemed from sources considered reliable. Various sources of the data include but are not limited to CoStar, Reis, and LoopNet. Demographic information was accessed from United States Census Bureau. A Metropolitan Statistical Area (MSA) is a US geographic area defined by the Office of Management and Budget (OMB) based around an urban center of at least 10,000 people and adjacent areas that are socioeconomically tied to the urban center by commuting. Unemployment numbers were taken from Bureau of Labor Statistics.
When it comes to commercial real estate, nothing is given. The day goes to whoever works harder, goes the extra mile, rolls up their sleeves, and does whatever it takes to close the deal.

At Coldwell Banker Commercial, we are looking for leaders with drive. Individuals who take charge, to work with clients, and complete the transaction no matter the size or the obstacle in the way.