

PROVIDENCE INDUSTRIAL

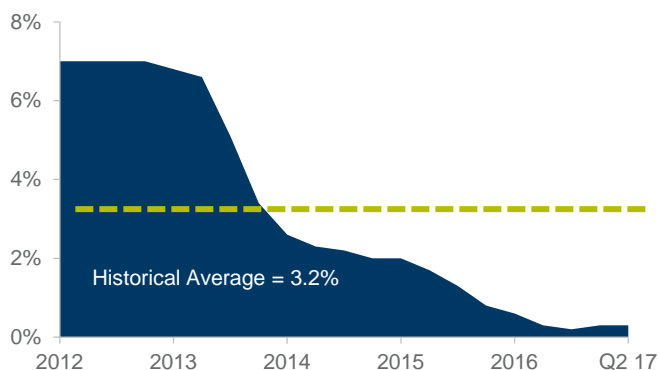
Economic Indicators

	Q2 16	Q2 17	12-Month Forecast
Providence Employment	721k	728k	▲
Providence Unemployment	5.3%	4.5%	▼
U.S. Unemployment	4.9%	4.5%	■

Market Indicators (Overall, All Product Types)

	Q2 16	Q2 17	12-Month Forecast
Vacancy Rate	0.3%	0.2%	▼
Under Construction	0	0	■
Average Asking Rent	\$4.85	\$4.85	■

Overall Vacancy



Economy & Market Overview

As always, there is a supply and demand issue in the Rhode Island industrial market. There have been few quality facilities that have come on to the market in the second quarter and activity has been brisk. Although some properties were leased or sold, others remain on the market. Activity will continue especially if new product comes to market. The RI industrial market does not have the large peaks and valleys that most primary markets experience with both good and bad economic times.

The RI market remains quite active, especially on the sales side. There is a low supply of single-story well located facilities with acceptable ceiling heights. Demand for these types of facilities seems to be increasing and will continue to into Q3 2017. Companies that are looking to grow are leasing short-term until they can find a facility that will serve their needs long-term.

Key Lease Transactions Q2 2017

PROPERTY	SF	PSF	PROPERTY TYPE
1 Carding Lane, Johnston	76,020	\$4.00 NNN	Industrial

Key Sales Transactions Q2 2017

PROPERTY	SF	PRICE / \$ PSF
1372 Main Street, Coventry	142,000	\$1,400,000
30 Kenney Drive, Cranston	54,500	\$3,400,000

Rental Rates

The Providence industrial market still maintains asking rental rates in the \$4.50 - \$6.50 NNN per square foot (psf) range for facilities in the 20,000-50,000 square foot (sf) range 'as is'. Now landlords are achieving higher rents due to the lack of product and increased activity. Asking rent for facilities in the 60,000-80,000 sf range tend to remain in the \$3.50 - \$4.25 NNN psf range. Buildings over 100,000 sf in size command rents in the mid to upper \$2.00 NNN psf range.

Outlook

The outlook remains optimistic with the hope that more quality, well-located properties will continue to become available for sale or lease.

About Cushman & Wakefield