

## PROVIDENCE INDUSTRIAL

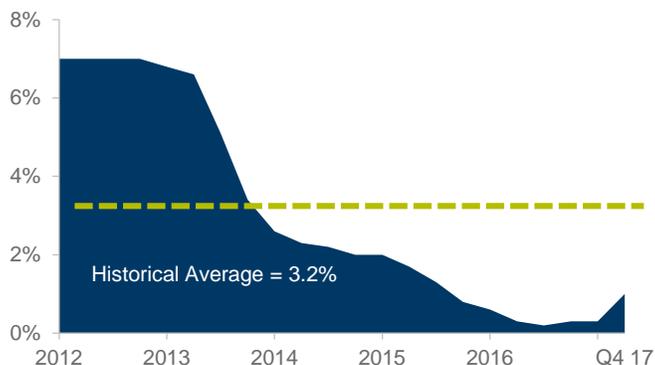
## Economic Indicators

|                         | Q4 16 | Q4 17  | 12-Month Forecast |
|-------------------------|-------|--------|-------------------|
| Providence Employment   | 724k  | 729.4k | ▲                 |
| Providence Unemployment | 4.8%  | 4.4%   | ▼                 |
| U.S. Unemployment       | 4.7%  | 4.1%   | ▼                 |

## Market Indicators (Overall, All Product Types)

|                     | Q4 16  | Q4 17  | 12-Month Forecast |
|---------------------|--------|--------|-------------------|
| Vacancy Rate        | 0.3%   | 0.1%   | ▼                 |
| Under Construction  | 0      | 0      | ■                 |
| Average Asking Rent | \$4.85 | \$4.85 | ■                 |

## Overall Vacancy



## Economy &amp; 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 Rhode Island industrial market does not have the large peaks and valleys that most primary markets experience with both good and bad economic times.

The Rhode Island 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 Q1 2018. 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 Q4 2017

| TENANT NAME  | SIZE      | LEASE RATE | PROPERTY TYPE |
|--------------|-----------|------------|---------------|
| Findlay Ltd. | 54,102 sf | \$4.50 NNN | Industrial    |

## Key Sales Transactions Q4 2017

| PROPERTY                       | SIZE      | PRICE       |
|--------------------------------|-----------|-------------|
| 586 Atwells Avenue, Providence | 7.0 acres | \$2,500,000 |
| 35 India Street, Pawtucket     | 46,751 sf | \$1,400,000 |

## Rental Rates

The Providence industrial market still maintains asking rental rates in the \$4.50 to \$6.50 per square foot (psf) triple net range for facilities in the 20,000- to 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- to 80,000-sf range tend to remain in the \$3.50 to \$4.25 psf triple net range. Buildings over 100,000 sf in size command rents in the mid to upper \$2.00 psf triple net 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 &amp; Wakefield

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