

8 Main Topics

- National Overview
- Supply/Demand
- Searching For Yield
- Ecommerce
- State of Infill
- Private vs. Public vs. Fund
- Data and Metrics
- What Can Disrupt the Cycle



Big Industrial Markets

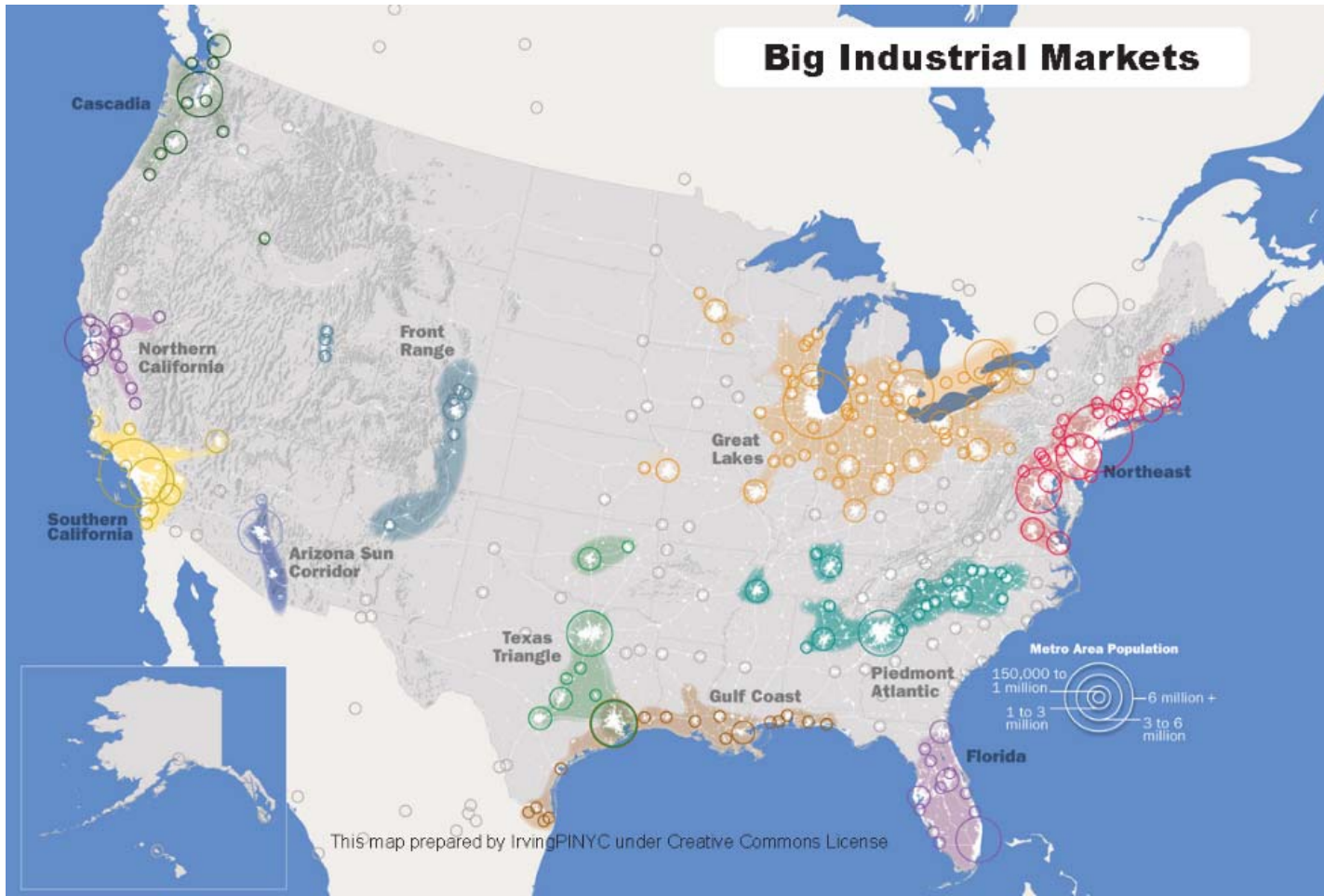
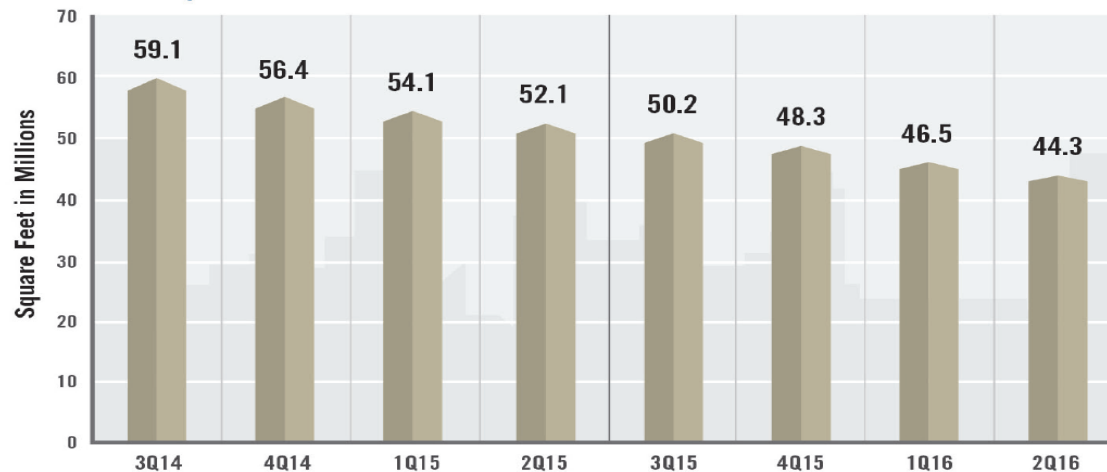


TABLE 1

The NAIOP Industrial Space Demand Forecast U.S. Markets, Quarterly Net Absorption

Forecast Square Feet

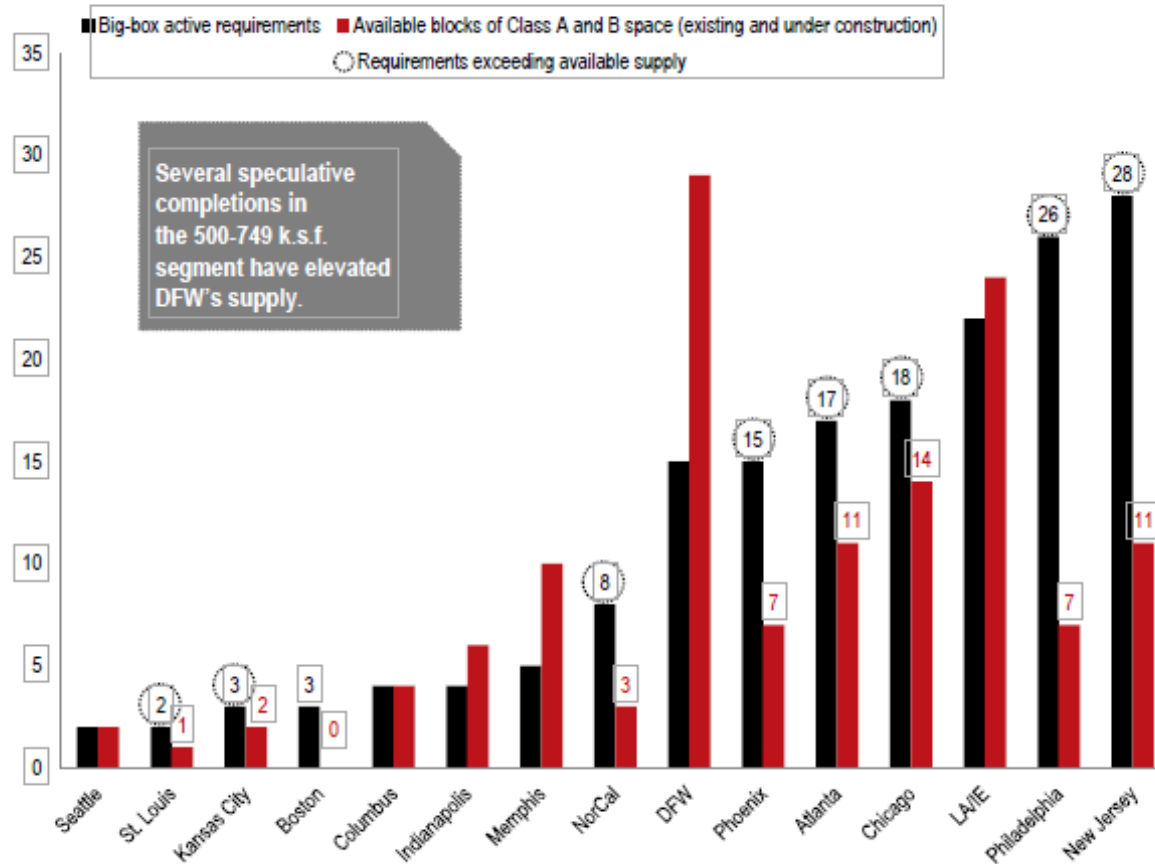
Third Quarter 2014



“The reason for the slightly tempered forecast is twofold. First, we believe that some of the growth in demand experienced in 2013 and 2014 was a result of pent-up demand that followed the periods of low growth after the last recession; we believe that this effect likely will exhaust itself by the end of 2014. Secondly, the levels of GDP growth forecast by the Federal Reserve and other economists have been revised downward; these inputs feed into the model and thus largely determine the forecast levels,” said Harris. (Dr. Joshua Harris, University of Central Florida, and Dr. Hany Guirguis, Manhattan College)

Where is new big-box construction likely?

Active requirements vs available blocks over 500,000 square feet, by market

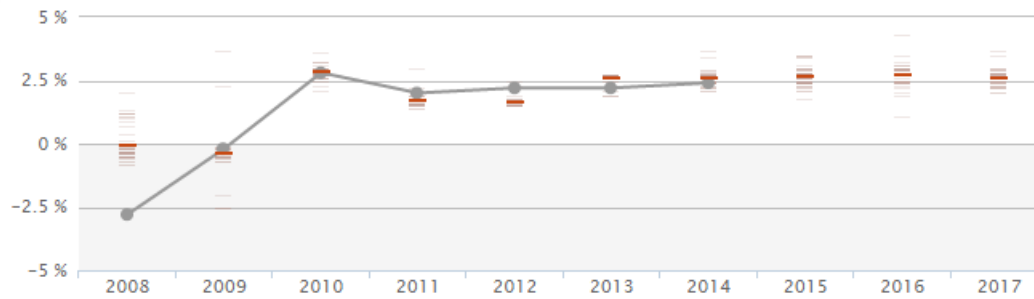


JLL - Big Box Outlook - Winter 2014/2015



GDP (annual)

Actual Estimates 10 yr. 5 yr.



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GDP (annual)

Actual (Jan. 2014)

2.4%

Projected: Jan. 2015

2.7% ▲

Projected: Jan. 2016

2.7%

Projected: Jan. 2017

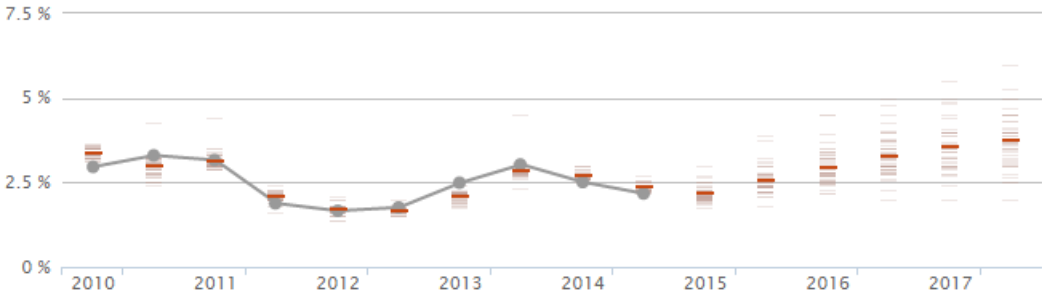
2.6%

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10 Year Note

Actual
 Estimates
 12 yr.
 8 yr.
 4 yr.



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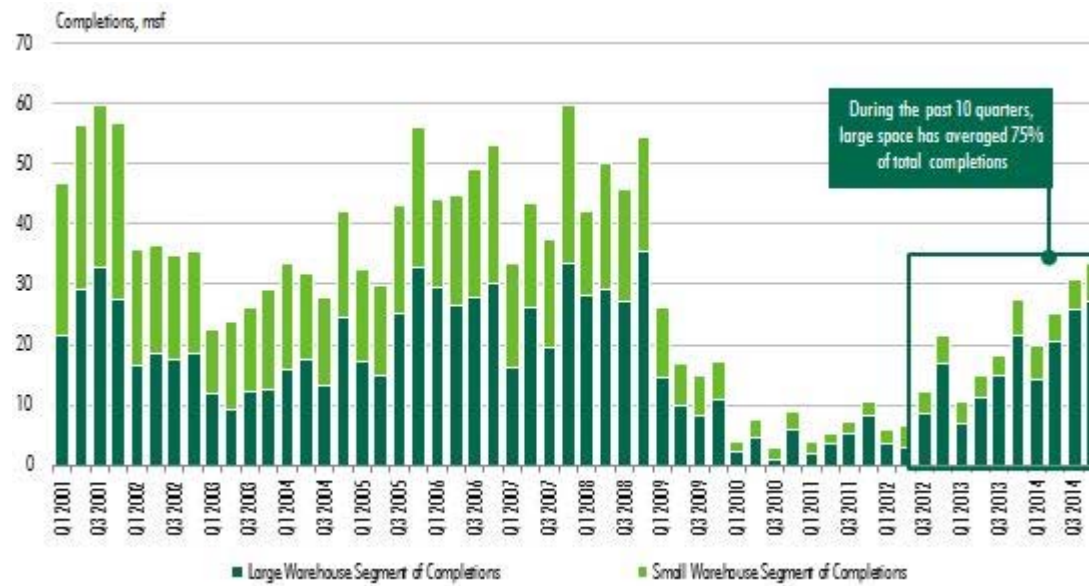
10 Year Note



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Small vs. Large Completions



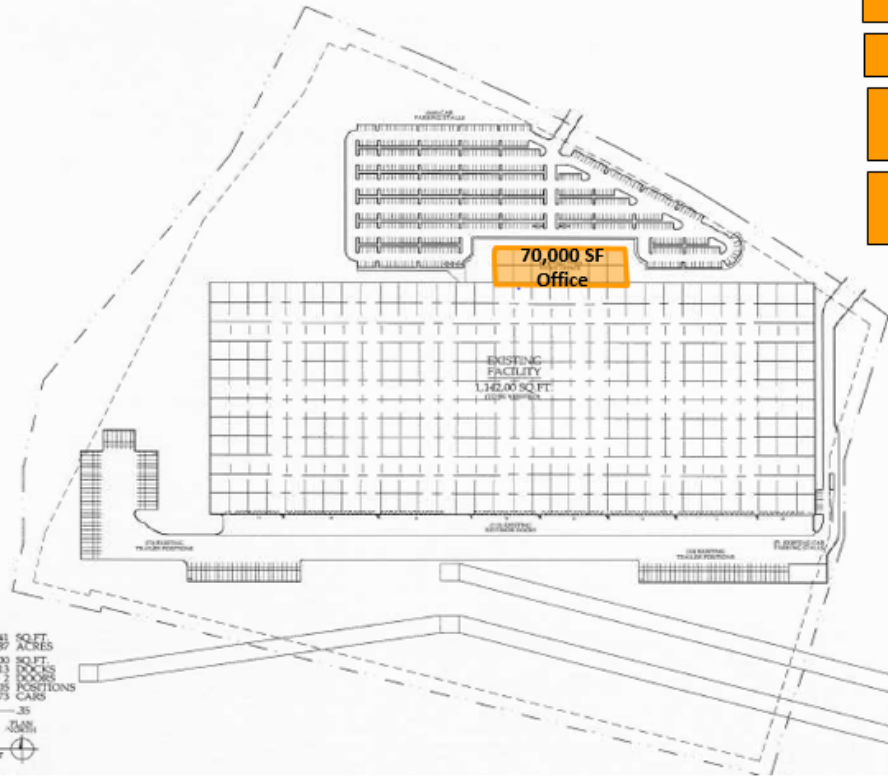
Site Plan

Rectangular



- Large land site
- 675 car parking (expandable to 1600 cars)
- Flexible re-use
- 120 trailer parking (expandable)
- Possible multi-tenant scenario
- 39' Clear

- 115 exterior doors (expandable)
- Heavy power
- Major FedEx hub located 1 mile away
- 1/3 population reachable in 10 hours



DATA:

SITE AREA	3,261,541 SQ.FT.	74.87 ACRES
BUILDING AREA (GROSS)	1,142,000 SQ.FT.	
EXTERIOR DOORS	113 DOORS	
DRIVING DOORS	113 DOORS	
TRAILER POSITIONS	105 POSITIONS	
CAR PARKING	675 CARS	
F.A.R.	.35	

SITE PLAN

CenterPoint Properties
©CORNERSTONE ARCHITECTS LTD. 2012

The Promise of E-commerce Impacts on Retail and Industrial Real Estate

MARCH 2015 | WHITE PAPER

Curtis D. Spencer
President
MS Worden

Steve Schellenberg
Vice President
MS Worden

**FedEx Freight® Priority Shipping From
Lehigh Valley, Pennsylvania**



FedEx Freight® Priority Shipping From Atlanta



**FedEx Freight® Priority Shipping From
Fort Worth, Texas**



FedEx Freight® Priority Shipping From Phoenix



SERVICE STANDARDS

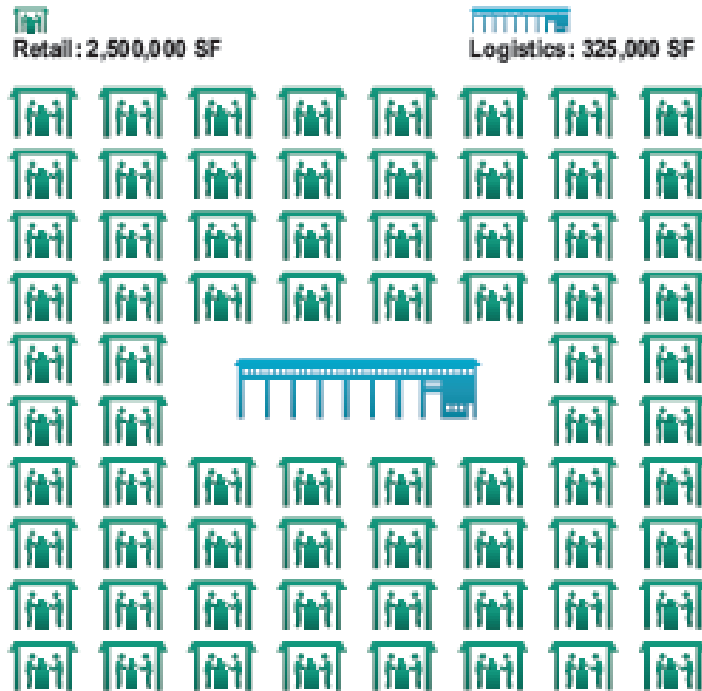
- 1 Day
- 2 Days
- 3 Days
- 4 Days
- 5 Days
- Contact Customer Service for service to Alaska, Hawaii and Puerto Rico

Source: FedEx Service Maps, January 2015 Ground



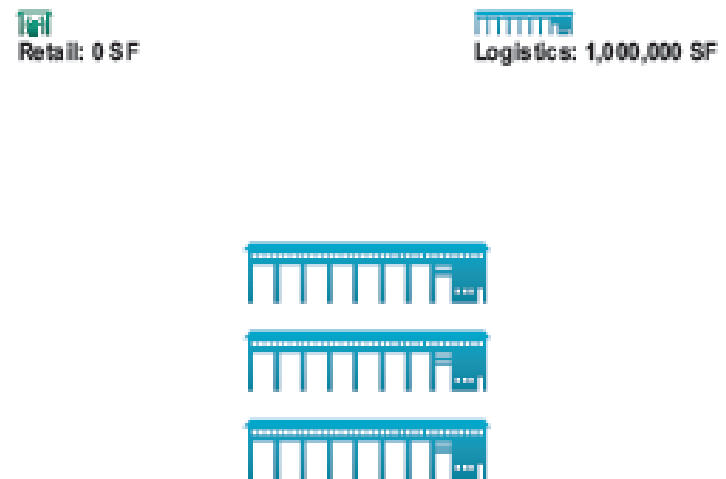
How Much Real Estate Does a \$1B Retailer Need?

Brick & Mortar Real Estate Footprint: 2.8 MSF



Source: Prologis Research

E-commerce Real Estate Footprint: 1.0 MSF





Hutchins, TX – 1.1MM SF – Cross Dock



Low Interest Rate Regime

“In the short run, ultra-low interest rates will raise the price of long lived assets, particularly real estate. In the longer run, a savings glut will generate “secular stagnation” – a situation where in which the long term interest rate is negative” Martin Wolf from The Shifts and the Shocks

