

The background is an abstract composition of various shades of green, ranging from dark forest green to bright lime green. It features a complex pattern of overlapping, semi-transparent geometric shapes, primarily triangles and polygons, which create a sense of depth and movement. The lines between these shapes are thin and dark, contrasting with the lighter green areas.

CBRE

INDUSTRIAL STILL ROOM FOR GROWTH?

DECEMBER 5, 2016

“DARLING OF THE RECOVERY”

- 26 consecutive quarters of positive net absorption
- Vacancy down from a high of 7.9% (Q1 '10) to sub 5% for almost 4 years
- Lease rates at near record levels - \$7.17 psf NNN
- 10MSF of deliveries since 2010

E-COMMERCE HAS ARRIVED...

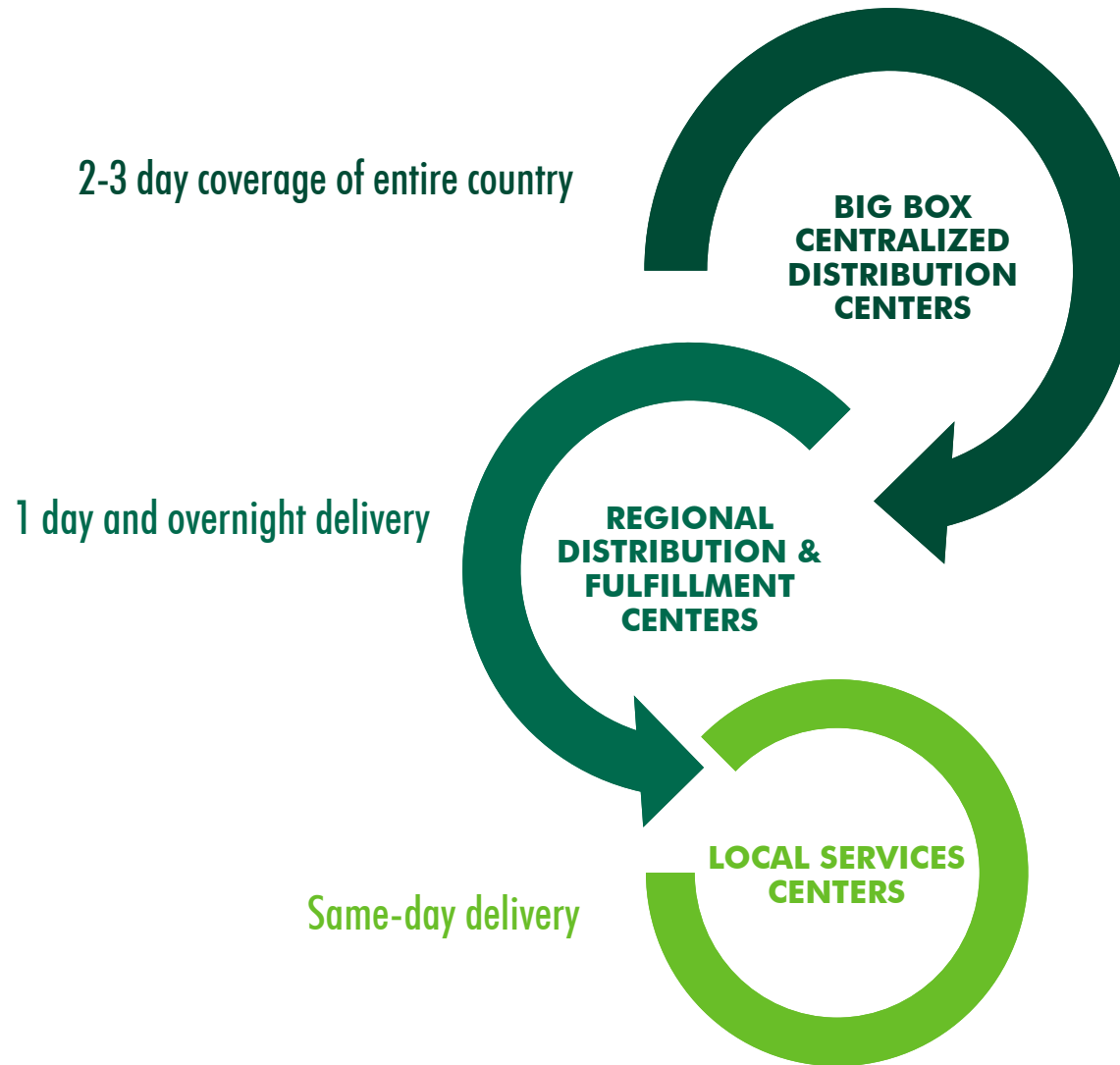
AND IT ISN'T DONE YET

- **E-commerce sales growing at 16% Y-O-Y vs. 4% in-store**
- **Black Friday sales up 21.6% from 2015**
- **65% of Millennials use computers to purchase items**
- **67.5% of Thanksgiving day sales were made on mobile devices**
- **8% of total retail sales 2016 YTD are e-commerce sales but <5% of total sales go to pure-play e-commerce retailers**
- **High expectation of convenience and delivery**



SUPPLY CHAIN CHANGES

RETHINKING THE SUPPLY CHAIN



A large pile of trash, including plastic bags, cardboard, and other debris, is shown in the foreground. Several seagulls are flying in the sky above the trash. The background shows a clear blue sky with some clouds.

E-COMMERCE...

THE OTHER SIDE OF THE COIN

RETURNS

2M TONS

(4 BN LBS) of retail returns sent to landfills
each year

\$260 BN

in lost revenue in 2014

PEOPLE AND JOBS

WYOMING

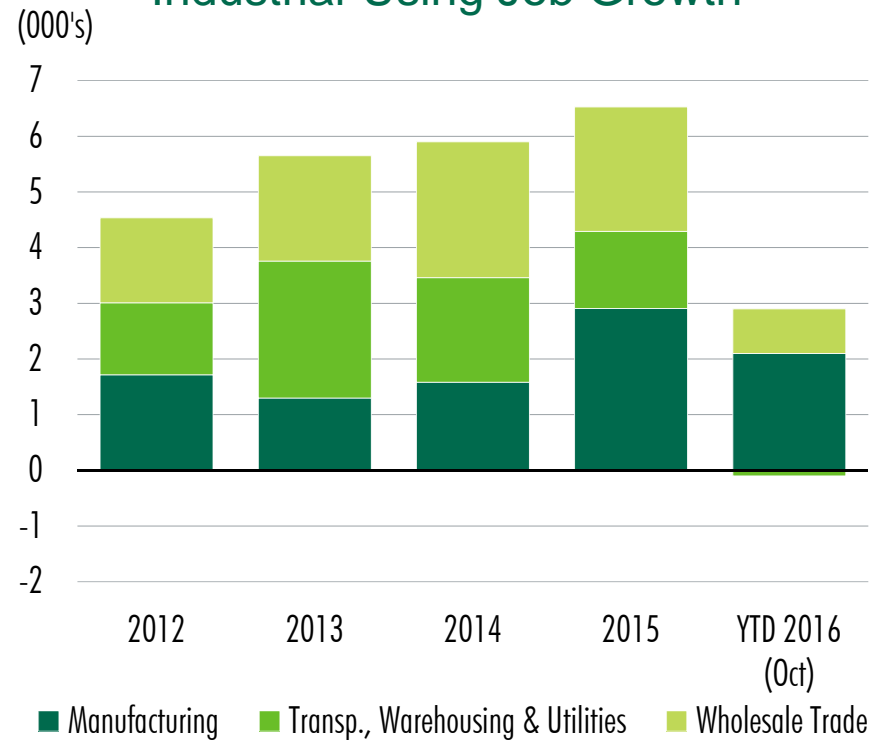
For every 1 increase in population,

35 SQ. FT.

of warehouse space is built

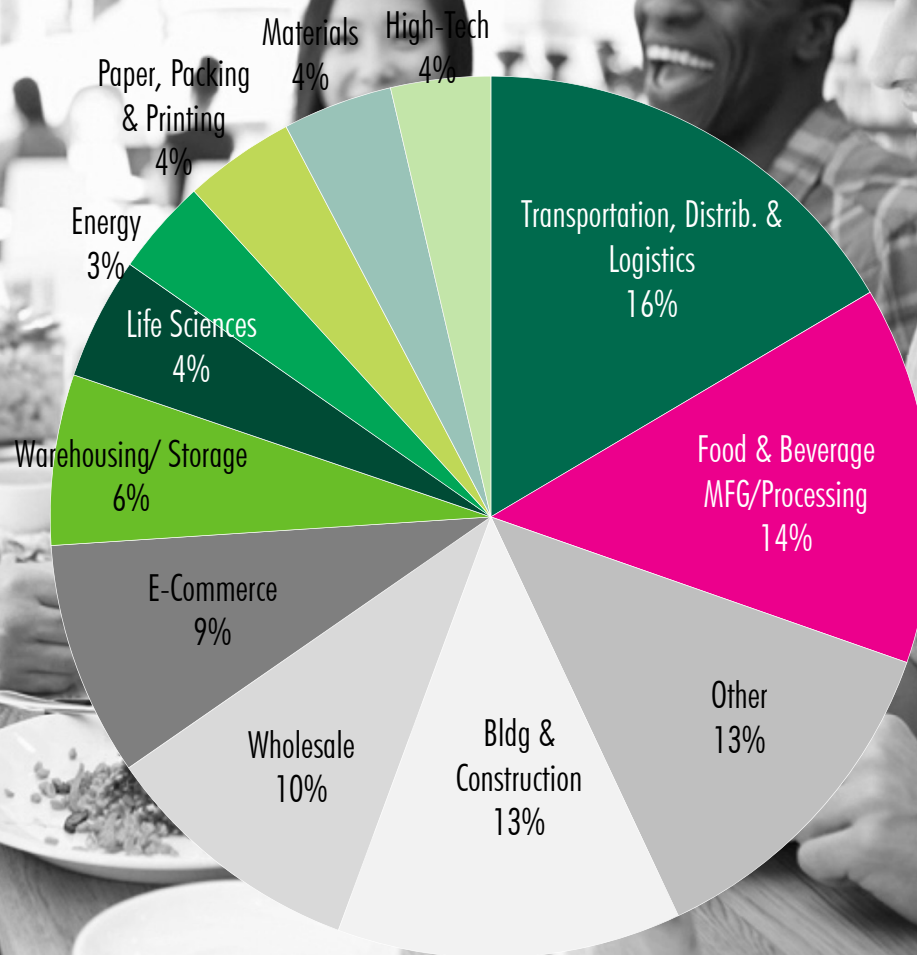
COLORADO

Industrial-Using Job Growth



FOOD & BEVERAGE USERS BOLSTER INDUSTRIAL DEMAND

Industrial Leasing Activity 2014 – Q3 2016 (Sq. Ft.)



Source: CBRE Research, Q3 2016.

LAND CONSTRAINED MARKET WITH BASE INVENTORY CHANGES DEMAND SHIFTING IN CENTRAL SUBMARKETS



Illustrative Master Plan



**YES, there is room
for growth BUT....**

Construction & land costs

Marijuana

Regional distribution

Economic & real estate cycles

CBRE

THANK YOU

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