

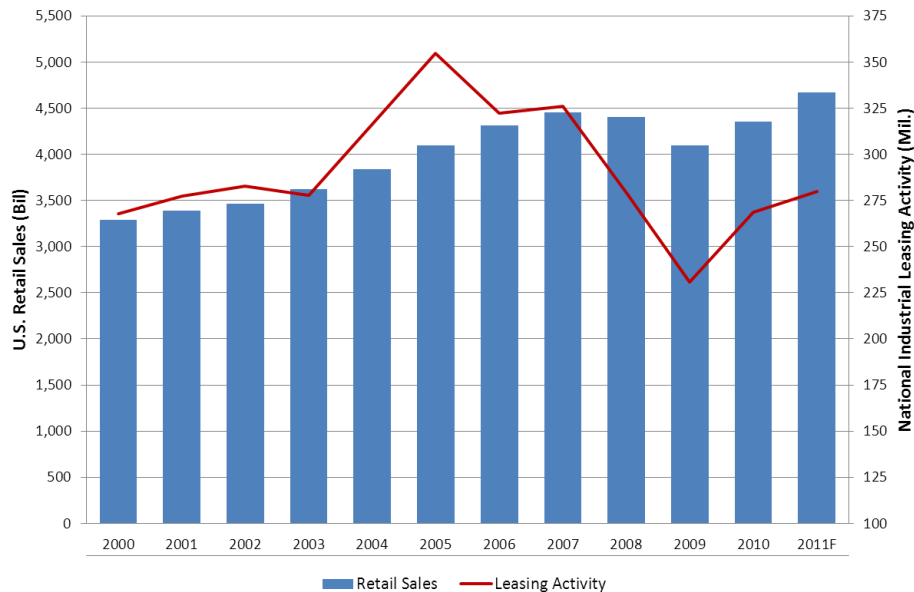


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## INDUSTRIAL RESEARCH FACT OF THE WEEK

### U.S. Industrial Leasing Activity vs. Retail Sales



Source: C&W Research Services, Moody's Analytics. NOTE: Only markets tracked by Cushman & Wakefield offices are included in this analysis.

- In 2010 and through the first half of 2011, growth in retail sales and positive gains in trade volume resulted in increased demand for industrial space. Leasing activity totaled 144.8 msf through the first six months of 2011, its highest mid-year total since 2007.
- However at the start of the second half, virtually all of the demand drivers have trended down in sync with the faltering U.S. economy. Consumers have become increasingly pessimistic as weak job growth and the nation's fiscal woes eroded most of the optimism that had emerged at the beginning of the year. Consumer confidence deteriorated in August and reached its lowest level since April 2009.
- Much of the continued demand for industrial space is dependent on the rebounding economy and growth in the GDP. Therefore, demand is projected to slowdown in the second half of the year and should pick up as consumer confidence and retail spending improve. However, due to a very strong first half, leasing activity is on track to surpass 2010 levels.

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