NATIONAL REAL ESTATE Investor®
www.nreionline.com
First Quarter 2015

DIGITAL RESEARCH REPORT

Spotlight on INDUSTRIAL

Industry pros remain bullish about investment, leasing and development in all corners of the country.

Powered by Penton

In partnership with SIOR®

Industrial Real Estate Sector Poised for Continued Boom

Exclusive SIOR/NREI research shows industry pros remain bullish about investment, financing, leasing and development in all corners of the country.

By David Bodamer

Like the other core commercial real estate sectors, industrial real estate has enjoyed a resurgence in recent years. Fueled by low interest rates, declining unemployment and broader economic growth, fundamentals within the sector have improved dramatically since the Great Recession.

What's next for this asset class? To find out, *NREI* teamed up with the Society of Industrial and Office Realtors (SIOR) to conduct a research survey measuring industry pros' sentiments on the sector going forward.

The survey found that industrial real estate professionals continue to feel overwhelmingly bullish about the sector and its prospects. Across the board—whether it comes to cap rates, occupancy rates or rents—our survey respondents expect continued improvement. Very few see red flags or think the up cycle is close to running its course.

Overall sentiments

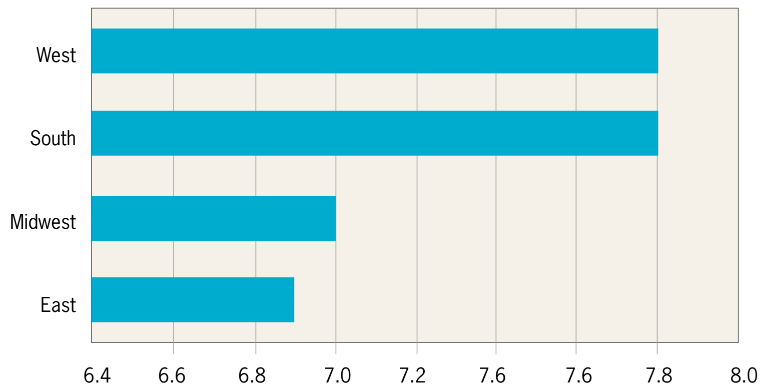
Respondents were asked to rank the relative strength of their region. The South and West each ranked 7.8 on a scale of 10. The Midwest scored 7.0 and the East came in at 6.9.

"The Southeast had been depressed for some time, even before recession. Atlanta, in particular, has had a resurgence as corporate America focuses on their supply chain and where it makes sense to have distribution centers. By pure math, this area was poised to recover exponentially over any other," says Lynn Reich, SIOR, CCIM, an executive vice president with Colliers Inc.'s logistics and transportation solutions group in Chicago. "The West is always first to recover in the U.S., due to the population centers around L.A. And it is L.A. and Long Beach port activity that drives an enormous amount of product into the U.S."

Jason M. Crimmins, SIOR, CCIM, president of the Blau & Berg Co. in Short Hills, N.J., sees a simple explanation as to why the East lags other regions. "Long Beach has a vacancy of just over

Regional Strengths

On a scale of 10, respondents rated all four regions between 6.9 to 7.8. The South and West are seen as being somewhat stronger than the Midwest and East.



3 percent compared to our 7.9 percent," he says.

Most respondents also believe the industrial real estate sector is still on the upswing. All told, 74 percent said they estimated we are in either a "recovery or expansion" phase. An additional 12 percent said the market has reached peak conditions. Only 6 percent think the sector is in a "recession" phase and just 3 percent think the market is at its bottom.

"A general sense of optimism continues to influence the Southern California industrial market, and there are no signs of abatement within any of the key drivers currently propelling us forward," says Robert G. Thornburgh, SIOR, CCIM, president of Heger Industrial. "Businesses both large and small have become increasingly more confident about their growth prospects and current demand reflects their attempts to capitalize on new opportunities in the marketplace."

One of the biggest factors affecting commercial real estate investment is the low interest rate environment that has persisted since the Great Recession. The benchmark 10-year Treasury Rate remains below 2.0 percent.

Looking ahead, the majority of respondents do expect interest rates to rise in the next 12 months, but not dramatically. Nearly two-thirds of respondents (64 percent) say that rates will rise in the next year. Only 3 percent expect them to fall. Another 33 percent say they will remain flat. But on average, respondents only expect interest rates to rise between 10 and 20 basis points in the next year.

Investment and finance

Respondents estimated current cap rates to be about 7.0 percent for all industrial properties. That matches the latest estimates from research firm Real Capital Analytics (RCA), on sales completed through January 2015. On a more granular level, RCA said the average cap rates were 6.9 percent for the warehouse sector and 7.3 percent for flex space.

But that's a blended average. SIOR experts that NREI interviewed in markets across the country observed that cap rates for prime assets are in the 4 percent to 5 percent range, depending on the market.

"Cap rates for your class-A core product are now 5.5 percent" in South Florida, says Michael Silver, SIOR, a first vice president with CBRE in Miami. "We expect, because of the activity levels and because of the expansion of the Panama Canal and the Miami International Airport, that cap rates will continue to compress and may go down another 50 basis points."

Steve Kapp, SIOR, a senior vice president with Newmark Cornish & Carey in Hayward, Calif., adds that cap rates for top properties in the Bay Area industrial market are below 5 percent.

"We're one of the best markets in the country right now," Kapp says. "At the most aggressive end, cap rates are 4.75 percent down to 4.50 percent for the class-A, long-term, net-leased, warehouse product. At the upper end, properties are ranging in 7.0 to 7.5 range."

Sentiments are mixed on where cap rates will go. On balance, respondents don't expect cap rates to move dramatically in the next year. Roughly 37 percent of respondents expect cap rates to

Research Methodology

The 2015 digital research report on the industrial real estate sector was completed via online surveys distributed to readers of National Real Estate Investor and members of the Society of Industrial and Office Realtors in February and March. The survey yielded 215 responses. Recipients were asked what regions they operated in (and were allowed to select multiple regions. Overall, 38 percent said they operated in the South, followed by the West (34 percent), East (32 percent) and Midwest (29 percent). Approximately half of respondents are investors and developers and about 45 percent are brokers.

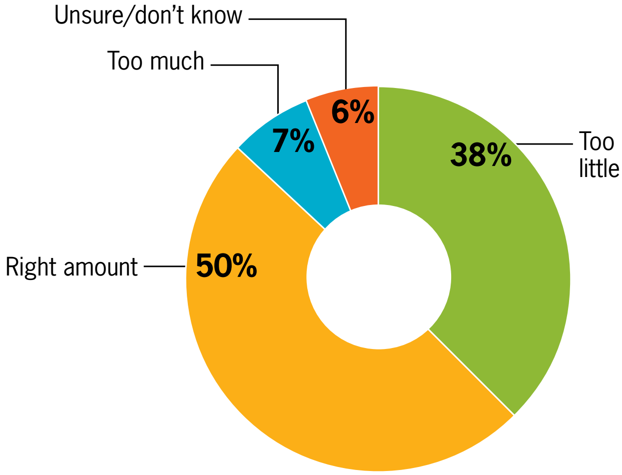
Ranking Methodology

The rankings of the top 25 owners and developers of industrial real estate were completed via online surveys distributed to readers of National Real Estate Investor. Information for some firms was also gathered from company websites and SEC filings. Firms are ranked on the amount of space owned and under development globally as of Dec. 31, 2014.

Just Right

Respondents feel comfortable with the level of development. Overall, 88 percent said there is the right amount or too little. Only 7 percent think there is too much development occurring in their region.

How would you characterize the current level of development in the industrial sector in your region?



Philadelphia boasts the second-greatest volume of activity with 16.7 million sq. ft. currently under construction. Atlanta, California's Inland Empire and Chicago round out CoStar's top five.

decrease in the next 12 months. Another 33 percent said cap rates will remain flat and 30 percent said they will rise.

Diving deeper into those results, of the 30 percent that see cap rates rising, half expect cap rates to move by only 10 or 20 basis points. A minority of respondents—10 percent overall—see cap rates rising by 50 or more basis points.

Of those respondents that expect cap rates to fall, 58 percent expect cap rates to drop by 10 or 20 basis points. Fewer than 10 percent of all respondents expect cap rates to move by 50 or more basis points.

"I don't know if I see cap rates on the ones that are selling at 4.75 percent to 4.50 percent going down much more," Kapp says. "I do think there will be some cap rate compression for the properties at the higher cap rates."

The outlook meshes with the latest results from the NREI/Marcus & Millichap Investor Sentiment Survey. The study measures sentiments across all commercial real estate types. The latest survey, from the first quarter of this year, found investors remain confident in their outlook for industrial properties.

Overall, 68 percent of industrial investors expect the value of their properties to increase. A 4.4 percent increase in property values is anticipated. Given that backdrop, over half of industrial investors (51 percent) consider now a good time to buy more. An additional 35 percent prefer to hold, and 14 percent believe it is better to sell.

Last year, the industrial real estate sector saw $53.1 billion in deals, according to RCA. That marked a 10.7 percent increase over 2013's volume of $47.96 billion and was within range of the industry's peak between 2005 and 2007, when annual investment volume averaged $56.37 billion per year.

Last year was a big year for equity funds in the industrial sector. Volume from that class of buyers was up 90 percent compared to 2013, according to RCA. Overall, equity funds completed $8.07 billion in acquisitions. However, transaction volume from public (-55 percent) and cross-border (-39 percent) investors dropped. On balance, private investors, at $23.96 billion, accounted for 46 percent of activity in 2014, RCA reported.

On the capital markets side, 63 percent of respondents said that capital is more widely available in the industrial sector than 12 months ago. An additional 29 percent of respondents said the availability of capital is unchanged. Only 5 percent said that capital is less available than it was a year ago.

When it comes to lending, respondents expect a stable environment. Just under three-fifths of respondents (59 percent) say loan terms will remain unchanged in the next year. An additional 36 percent expect them to loosen. Only 5 percent said that loan terms will tighten in the next 12 months.

In terms of loan-to-value (LTV) ratios, 55 percent of respondents expect them to remain flat. About one-quarter of respondents (28 percent) think LTV ratios will increase between 1 percent and 5 percent and 11 percent think LTV ratios will rise between 6 percent and 10 percent. Only 6 percent of all respondents think LTV ratios will decrease in the next year.

Development

Fundamentals remain strong in the industrial sector and respondents expect them to continue to improve in the year ahead.

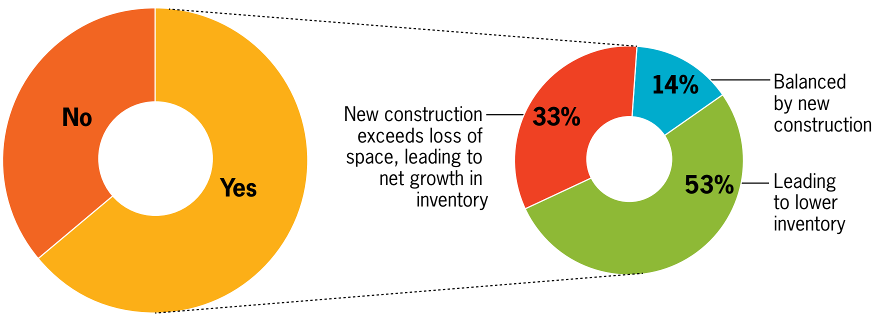
In terms of development, there is little danger of overbuilding, according to the survey. Half of respondents say there is the "right amount" of development occurring, while another 38 percent say there is "too little." Only 7 percent of respondents answered that there is "too much" development occurring in their region.

Research firm CoStar Group estimates that 240 buildings were delivered to the market in the fourth quarter of 2014, totaling 41.8 million sq. ft. It also says that 164.7 million sq. ft. of

Reuse of Space

Nearly two-thirds of respondents (64 percent) say they have seen old industrial inventory converted to other uses in their region. Of those, respondents, 53 percent say it's leading to lower inventory in their market, 33 percent say its balanced by new construction and 14 percent think new construction is outpacing the loss of older inventory.

Has your market experienced removal of inventory through conversion of old space into other uses?



"Traditional retailers like Walmart and Target are signing huge leases across the country as they continue to spend billions to build out their omni-channel retail operations. ... This is a trend that does not look to be abating anytime soon."

industrial space remained under construction at the end of the quarter. That figure topped the 37.3 million sq. ft. delivered in the third quarter. For the year, that puts the amount of space delivered at 147.1 million sq. ft. The figures represent the highest level of new construction since the recession started, but about 70 million sq. ft. below the historical average for the sector going back to 1983. CoStar projects deliveries to rise to 159.1 million sq. ft. in 2015.

Construction starts amounted to 35.0 million sq. ft. in the quarter, according to CoStar. That's a drop from 47.7 million sq. ft. in the third quarter. The firm has measured more than 30 million sq. ft. in starts in seven consecutive quarters.

The Dallas/Ft. Worth region in Texas tops the country in terms of current development. Overall, there are 63 buildings under construction containing 17.4 million sq. ft., according to CoStar.

"We've had a lot of building in the last 24 months. However, the leasing seems to be keeping pace to the point where we are seeing continued increase in occupancy rates," says Allan Gump, SIOR, CCIM, executive vice president of Colliers Inc.'s industrial division in Dallas and global president-elect of SIOR.

Philadelphia boasts the second-greatest volume of activity with 16.7 million sq. ft. currently under construction. "We have had tours requested by large users (200,000 sq. ft. or grater) where there is literally one option to show for a large requirement," ays Kevin McGowan SIOR, CCIM, McGowan Corporate Real Estate Advisors in Allentown, Pa. "We look forward to the completion of some of these larger projects."

Atlanta, California's Inland Empire and Chicago round out CoStar's top five. Notably, in both Dallas (38.8 percent) and the Inland Empire (18.6 percent), less than half of the space under development is pre-leased. The national average is 46.8 percent, according to CoStar.

"Typically, within six to nine months the buildings are getting leased," Gump says. "The North Texas region is extremely strong. Texas is now considered one of the locations where you can have a distribution center, even if you're only having a few distribution centers."

"Spec development is occurring mostly in 500,00 sq. ft. and below market [in Chicago]," Reich adds. "The absorption has been okay, but Atlanta, Dallas and Southern California are ahead of Chicago in that regard. We probably have the right amount at this point."

In the Northeast, Crimmins thinks spec development may be too aggressive and the level of overall development "moderate." The net result of this is "the amount of new deliveries will flatten the vacancy rate," he says.

In Miami, an unusual factor is driving development: new regulations allowing for the import and storage of perishables. In the past, certain perishables from Latin American countries were required by law to go to facilities in Philadelphia to prevent potential spread of medflies. Recently, the Port of Miami and Miami International Airport conducted successful pilots of cold treatment plants.

"This will allow the containers from Peru, Chile and Argentina to bring grapes, pears and other fruits and vegetables into South Florida," CBRE's Silver says. "This will cause a huge increase in containers that are coming in to the port. The bottom line is that the market needs millions of square feet more of warehouse space to accommodate additional fruits and vegetables and produce, and many buildings will require refrigeration and cooling to house these foods."

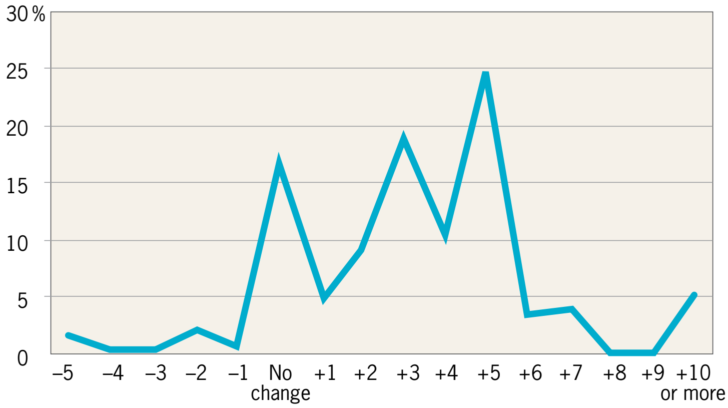
Another driver of development is the need for state-of-the-art buildings meeting modern design and efficiency requirements.

"From a physical construction standpoint, you're looking at buildings that are more seismically sound, which in California is a big deal," Kapp says. "There are also bigger clear height requirements—you need 32 ft. minimum, up to 35 ft. And there are more energy-efficient systems and larger truck court and staging areas."

As far as overall capacity, 35 percent

Getting More Expensive

The overwhelming majority of respondents think rents will increase in the next 12 months in their region. On average, respondents expect rental rates to grow 3.3 percent.



Percentage rent increase/decrease in the next 12 months?

of respondents said the market could absorb additional supply equal to 5 percent to 9 percent of current inventory. And 28 percent said their markets could absorb additional supply equal to 10 to 14 percent of current inventory.

An additional factor affecting supply in some markets is the conversion of old industrial boxes into other uses. Overall, 64 percent of respondents said that this activity is taking place in their markets. The net effect of this activity varies.

Of respondents that said this activity is occurring, 53 percent believe it's leading to a lower inventory of available space in their market. One-third of respondents said the removal of old space is being balanced by new construction. Additionally, 14 percent said that new construction is outpacing the removal of old space, leading to a net growth of inventory in their market.

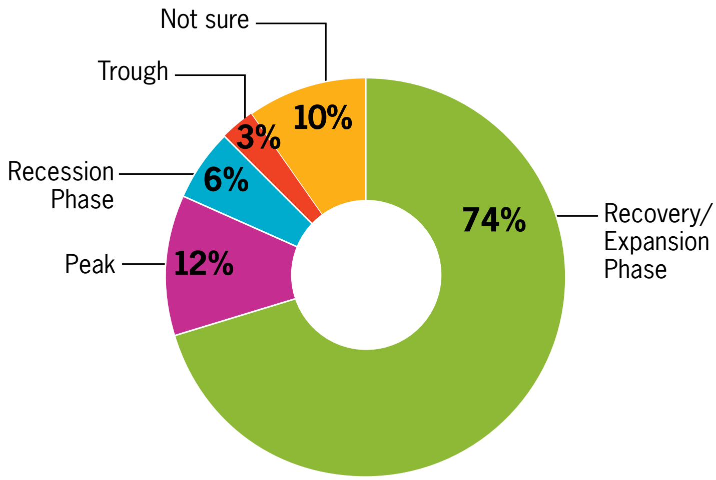
Leasing and absorption

The sentiments match recent reports on market activity. Both net absorption and construction trended upward in the fourth quarter of 2014, either nearing or surpassing post-recession highs, according to real estate research firm Reis Inc. Net absorption totaled 25.8 million sq. ft. during the most recent quarter in the 47 markets Reis tracks, the highest level

Room to Grow

About three-fourths of respondents say they estimate we are still in the recovery / expansion phase of the industrial real estate cycle.

What stage of the industrial real estate cycle do you estimate we are in?



the firm has measured since the fourth quarter of 2012. That brought the annual tally for the sector to 87.5 million sq. ft. in those markets, the highest annual total since the Great Recession.

CoStar Group, meanwhile, estimates net absorption totaled 81.0 million sq. ft. in the fourth quarter in the markets it tracks.

That has resulted in the national vacancy rate falling to 7.2 percent. The vacancy rate stood at 7.8 percent at the end of the first quarter.

Altogether, 61 percent of respondents to the *NREI*/SIOR survey think occupancy rates will increase in their region in the next 12 months. Seventeen percent say occupancies will stay flat. Only 23 percent expect occupancy rates to decline. The majority of respondents expecting an increase think occupancies will rise by 50 basis points or less.

In the Bay Area, Newmark Cornish & Carey's Kapp doesn't see much room for improvement. "In some submarkets it's gotten so low, the vacancy rate can't decrease further," Kapp says. "For the whole market, we're at a 6.5 percent vacancy rate. But within some cities, it's down [to] as low as 2 percent. ... We're at a point where we can't get a whole lot lower."

In the Dallas/Ft. Worth region, meanwhile, Colliers' Gump thinks demand is so strong that even with the large amount of space under development, vacancy rates should remain stable.

"Even with the amount of building we've got, we're at historically low vacancy rates," he says. "It would seem to me that we can continue building at this pace for some period of time."

According to Reis, the national vacancy rate stood at 11.2 percent at the end of the fourth quarter of 2014. It has declined by 300 basis points since its cyclical peak in the third quarter of 2010.

"There is still a good deal of room for further vacancy compression, but the pace of decline is unlikely to pick up in the near future," Bradley Doremus, associate with Reis, wrote in the firm's most recent report on the sector.

A major driver for activity in the sector remains demand for large, modern distribution centers. "E-commerce-only firms like Amazon are not the only ones gobbling up space," Doremus wrote. "Traditional retailers like Wal-mart and Target are signing huge leases across the country as they continue to spend billions to build out their omni-channel retail operations. ... This is a trend that does not look to be abating anytime soon."

Outlook for rents

With development in check and occupancies rising, respondents are understandably bullish on the outlook for rents. The majority of respondents (79 percent) said they expect rents to rise in their region in the next 12 months. Only 4 percent said they think rents will decline. And 17 percent said they will remain flat. On balance, respondents expect rental rates to rise 3.3 percent in the next 12 months.

In the fourth quarter, asking rents increased by 0.6 percent and effective rents rose by 0.9 percent, according to Reis. That marked a slight uptick in the pace of rent growth. Overall, in 2014, "annual rent growth reached post-recession highs for both asking (+2.3 percent) and effective (+2.8 percent) rents in the latest quarter. This is the widest gap between these two figures since early 2013, demonstrating that concessions are burning off as demand strengthens," according to Reis.

"Less than 10 percent of the available land in the city of Los Angeles [is] zoned for industrial usage," Heger Industrial's Thornburgh says. "Whether via assemblage or within the envelope of an existing site, the redevelopment of older buildings is required in order to meet today's supply issues. We expect demand to continue to outpace new supply in the coming year, benefiting landlords as lease rates continue to rise."

Good times ahead

What it all adds up to is more salad days for the sector. While some may be worried about the market becoming a little frothy, most observers think those dangers remain far in the distance.

"I think we're still on the upswing," CBRE's Silver says. "Certain brokers and developers are saying prices are near a bubble. But you always get that. At this moment, prices are still on the upswing."

Gump concurs. "We're at a high-water mark, but that's not to say that it's not going to continue," he says. "I don't think we're at the point [where] we're crossing over a line." ■

Top of the Heap

The top owners and developers of industrial real estate space.

ProLogis tops our annual look at the top owners and developers of industrial real estate space.

The rankings of the top 25 owners and developers of industrial real estate were completed via online surveys distributed to readers of *National Real Estate Investor*. Information for some firms was also gathered from company web sites and SEC filings. Firms are ranked on the amount of space owned and under development globally as of Dec. 31, 2014.

If your firm should be added to the online version of the list, please send a message to david.bodamer@penton.com.

Top 25 Industrial **Owners**

The top industrial owners survey includes industrial space owned globally as of Dec. 31, 2014.

1. ProLogis
Pier 1, Bay 1
San Francisco, CA 94111
www.prologis.com
415.394.9000
Officers: Hamid R. Moghadam, Chairman & CEO; Michael S. Curless, Chief Investment Officer; Edward S. Nekritz, Chief Legal Officer
Industrial Space Owned:
542,982,000 sq. ft.

2. Duke Realty Corp.
600 East 96th St., Ste. 100
Indianapolis, IN 46240
www.dukerealty.com
317.808.6000
Officers: Dennis D. Oklak, Chairman & CEO; James B. Connor, COO; Mark A. Denien, CFO
Industrial Space Owned:
130,383,052 sq. ft.

3. Clarion Partners
230 Park Ave.
New York, NY 10169

www.clarionpartners.com
212.883.2500
Officers: Stephen J. Furnary, Chairman & CEO; David Gilbert, President; Hugh MacDonnell, Managing Director
Industrial Space Owned:
100,000,000 sq. ft.

4. Liberty Property Trust
500 Chesterfield Pkwy.
Malvern, PA 19355
www.libertyproperty.com
610.648.1700
Officers: William P. Hankowsky, Chairman, President & CEO; George J. Alburger, EVP & CFO; Michael T. Hagan, EVP & Chief Investment Officer
Industrial Space Owned:
87,508,412 sq. ft.

5. DCT Industrial Trust
518 17th St., 8th Fl.
Denver, CO 80202
www.dctindustrial.com
303.597.2400
Officers: Thomas G. Wattles, Executive Chairman; Philip L. Hawkins, CEO; Jeffrey F. Phelan, President
Industrial Space Owned:
72,300,000 sq. ft.

6. Majestic Realty Co.
13191 Crossroads Pkwy. North, 6th Fl.
City of Industry, CA 91746
www.majesticrealty.com
562.948.4381
Officers: Edward P. Roski Jr., President & Chairman of the Board; Gail Kiralla, SVP, Corporate Operations; Michael Durham, CFO
Industrial Space Owned:
67,960,843 sq. ft.

7. First Industrial Realty Trust
311 S. Wacker Dr., Ste. 3900
Chicago, IL 60606
www.firstindustrial.com
312.344.4300
Officers: Bruce W. Duncan, President & CEO; Johannson Yap, Chief Investment Officer
Industrial Space Owned:
62,396,977 sq. ft.

8. IDI Gazeley
1100 Peachtree St., NE, Ste. 1100
Atlanta, GA 30309
www.brookfieldlogisticsproperties.com
404.479.4000
Officers: Jay Cornforth, Managing Partner, Global Head of Industrial; Linda Booker, EVP & CFO
Industrial Space Owned:
60,000,000 sq. ft.

9. Industrial Income Trust
518 17th St., 17th Fl.
Denver, CO 80202
www.industrialincome.com
303.645.4500
Officers: Dwight L. Merriman, CEO; Thomas G. McGonagle, CFO & Treasurer; Scott Recknor, SVP, Asset Management
Industrial Space Owned:
57,600,000 sq. ft.

10. STAG Industrial
1 Federal St.
Boston, MA 02110
www.stagindustrial.com
617.574.4777
Officers: Benjamin S. Butcher, CEO; Stephen C Mecke, COO; Geoffrey G. Jervis, CFO
Industrial Space Owned:
47,000,000 sq. ft.

11. CenterPoint Properties
1808 Swift Dr.
Oak Brook, IL 60523
www.centerpoint.com
630.586.8000
Officers: Robert M. Chapman, CEO; James N. Clewlow, Chief Investment Officer; Michael P. Murphy, Chief Development Officer
Industrial Space Owned:
45,000,000 sq. ft.

12. Americold
10 Glenlake Pkwy.
Atlanta, GA 30328
www.americold.com
678.441.1400
Officers: Fred Boehler, President & COO; Allison Aden, EVP & CFO; Keith Goldsmith, EVP & Chief Commercial Officer
Industrial Space Owned:
40,700,000 sq. ft.

13. USAA Real Estate Co.
9830 Colonnade Blvd., Ste. 600
San Antonio, TX 78230
www.usrealco.com
800.531.8182
Officers: Len O'Donnell, President & CEO; Jim Hime, CFO; David Buck, Executive Managing Director, Industrial Development
Industrial Space Owned:
37,201,102 sq. ft.

14. EastGroup Properties
190 East Capitol St., Ste. 400
Jackson, MS 39201-2152
www.eastgroup.net
601.354.3555
Officers: David H. Hoster II, CEO; Marshall A. Loeb, COO; N. Keith McKey, CPA, CFO
Industrial Space Owned:
35,408,000 sq. ft.

15. W. P. Carey
50 Rockefeller Plaza
New York, NY 10020
www.wpcarey.com
212.492.1100
Officers: Trevor Bond, CEO; Katy Rice, CFO; Thomas Zacharias, COO
Industrial Space Owned:
34,192,000 sq. ft.

16. MetLife Real Estate Investors
10 Park Ave.
Morristown, NJ 07960
www.metlife.com
Officers: Robert R. Merck, Head of Real Estate Investors; Mark H. Wilsmann, Head of Real Estate Equity Strategies; Gary N. Otten, Head of Real Estate Debt Strategies
Industrial Space Owned:
32,400,000 sq. ft.

17. Chambers Street Properties
47 Hulfish St.
Princeton, NJ 08540
www.chambersstreet.com
609.683.4900
Officers: Jack Cuneo, President & CEO; Martin Reid, EVP & CFO; Phil Kianka, EVP & COO
Industrial Space Owned:
29,600,000 sq. ft.

18. Ivanhoe Cambridge
1001, rue du Square-Victoria, Ste. C-500
Montreal, Quebec H2Z 2B5
www.ivanhoecambridge.com
514.841.7600
Officers: Daniel Fournier, Chairman & CEO; Bill Tresham, President; Mario D. Morroni, EVP, Strategy and Capital Allocation
Industrial Space Owned:
28,547,758 sq. ft.

19. TIAA-CREF
P.O. Box 1259
Charlotte, NC 28201
www.tiaa-cref.org
800.824.2733
Officers: Thomas Garbutt, Senior Managing Director & Head of Global Real Estate; Chris McGibbon, Managing Director, Global Real Estate; Derek Landry, Senior Director, Global Real Estate
Industrial Space Owned:
28,400,000 sq. ft.

20. Hartz Mountain Industries
400 Plaza Dr.
Secaucus, NJ 07094
www.hartzmountain.com
201.272.5207
Officers: Constantino T. Milano, President; Lawrence Garb, EVP & Managing Director ; Phillip R. Patton, EVP & General Counsel
Industrial Space Owned:
23,000,000 sq. ft.

21. Ashley Capital
60 E. 42nd St., Ste. 4530
New York, NY 10165
www.ashleycapital.com
212.755.1900
Officers: Paul Rubacha, Principal; Richard Morton, Principal
Industrial Space Owned:
22,700,000 sq. ft.

22. Westcore Properties
4435 Eastgate Mall, #300
San Diego, CA 92121
www.westcore.net
858.625.4100
Officers: Don Ankeny, CEO; Matthew Bateman, COO
Industrial Space Owned:
20,000,000 sq. ft.

23. Panattoni Development Co.
20411 SW Birch St. Ste. 200
Newport Beach, CA 92660
www.panattoni.com
949.474.7830
Officers: Carl Panattoni, Chairman; Adon Panattoni, CEO; Dudley Mitchell, Director
Industrial Space Owned:
19,300,000 sq. ft.

24. The Buzz Oates Group of Cos.
8615 Elder Creek Rd.
Sacramento, CA 95828
www.buzzoates.com
916.381.3600
Officers: Larry Allbaugh, CEO; Kevin Ramos, Chief Investment Officer; Michael Stodden, CFO
Industrial Space Owned:
18,500,000 sq. ft.

25. Brennan Investment Group
9450 W Bryn Mawr Ave, Ste. 750
Rosemont, IL 60018
www.brennanllc.com
847.257.8800
Officer: Michael Brennan, Chairman & Managing Principal
Industrial Space Owned:
17,610,512 sq. ft.

Top 25 Industrial Developers

Rankings for the top industrial developers survey are based on the volume of activity globally during 2014. Results include both completed development during the year and new construction under way as of Dec. 31, 2014.

1. ProLogis
Pier 1, Bay 1
San Francisco, CA 94111
www.prologis.com
415.394.9000
Officers: Hamid R. Moghadam, Chairman & CEO; Michael S. Curless, Chief Investment Officer; Edward S. Nekritz, Chief Legal Officer
Industrial Space Developed:
30,292,000 sq. ft.

2. Clarion Partners
230 Park Ave.
New York, NY 10169

DIGITAL RESEARCH REPORT

www.clarionpartners.com
212.883.2500
Officers: Stephen J. Furnary, Chairman & CEO; David Gilbert, President; Hugh MacDonnell, Managing Director
Industrial Space Developed:
16,500,000 sq. ft.

3. Duke Realty Corp.
600 East 96th St., Ste. 100
Indianapolis, IN 46240
www.dukerealty.com
317.808.6000
Officers: Dennis D. Oklak, Chairman & CEO; James B. Connor, COO; Mark A. Denien, CFO
Industrial Space Developed:
11,377,000 sq. ft.

4. Panattoni Development Co.
20411 SW Birch St., Ste. 200
Newport Beach, CA 92660
www.panattoni.com
949.474.7830
Officers: Carl Panattoni, Chairman; Adon Panattoni, CEO; Dudley Mitchell, Director
Industrial Space Developed:
11,200,000 sq. ft.

5. Trammell Crow Co.
2100 McKinney Ave, Ste. 800
Dallas, TX 75201
www.trammellcrow.com
214.863.4101
Officers: Danny Queenan, CEO; Michael S. Duffy, COO; Craig Cheney, Chief Investment Officer
Industrial Space Developed:
10,796,652 sq. ft.

6. Liberty Property Trust
500 Chesterfield Pkwy.
Malvern, PA 19355
www.libertyproperty.com
610.648.1700
Officers: William P Hankowsky, Chairman, President & CEO; George J Alburger, EVP & CFO; Michael T Hagan, EVP & Chief Investment Officer
Industrial Space Developed:
8,851,963 sq. ft.

7. Majestic Realty Co.
13191 Crossroads Pkwy. North, 6th Fl.
City of Industry, CA 91746
www.majesticrealty.com
562.948.4381
Officers: Edward P Roski Jr., President & Chairman of the Board; Gail Kiralla, SVP, Corporate Operations; Michael Durham, CFO
Industrial Space Developed:
6,961,901 sq. ft.

8. DCT Industrial Trust
518 17th St., 8th Fl.
Denver, CO 80202
www.dctindustrial.com
303.597.2400
Officers: Thomas G. Wattles, Executive Chairman; Philip L. Hawkins, CEO; Jeffrey F. Phelan, President
Industrial Space Developed:
6,300,000 sq. ft.

9. McDonald Development Co.
3715 Northside Pkwy., NW, Bldg 200, Ste. 700
Atlanta, GA 30327
404.239.0885
John R. McDonald, President; Robert McLeod, CFO; J. Austin McDonald, COO
Industrial Space Developed:
5,233,000 sq. ft.

10. USAA Real Estate Co.
9830 Colonnade Blvd., Ste. 600
San Antonio, TX 78230
www.usrealco.com
800.531.8182
Officers: Len O'Donnell, President & CEO; Jim Hime, CFO; David Buck, Executive Managing Director, Industrial Development
Industrial Space Developed:
4,250,778 sq. ft.

11. First Industrial Realty Trust
311 S. Wacker Dr., Ste. 3900
Chicago, IL 60606
www.firstindustrial.com
312.344.4300
Officers: Bruce W. Duncan, President & CEO; Johannson Yap, Chief Investment Officer
Industrial Space Developed:
3,972,538 sq. ft.

12. Transwestern Development Co.
1900 West Loop South, Ste. 1300
Houston, TX 77027
www.transwesterndevelopment.com
713.270.7700
Officer: Carleton Riser, President
Industrial Space Developed:
3,927,000 sq. ft.

13. EastGroup Properties
190 East Capitol St., Ste. 400
Jackson, MS 39201-2152
www.eastgroup.net
601.354.3555
Officers: David H. Hoster II, CEO; Marshall A. Loeb, COO; N. Keith McKey, CPA, CFO
Industrial Space Developed:
2,750,000 sq. ft.

14. Equus Capital Partners
1500 Market St.
Philadelphia, PA 19102
www.equuspartners.com
215.496.0400
Officers: Daniel M. DiLella, President & CEO; Arthur P. Pasquarella, EVP & COO; Barry Howard, EVP
Industrial Space Developed:
2,346,455 sq. ft.

15. The Buzz Oates Group of Cos.
Elder Creek Rd.
Sacramento, CA 95828
www.buzzoates.com
916.381.3600
Officers: Larry Allbaugh, CEO; Kevin Ramos, Chief Investment Officer; Michael Stodden, CFO
Industrial Space Developed:
1,500,000 sq. ft.

16. Hartz Mountain Industries
400 Plaza Dr.
Secaucus, NJ 07094
www.hartzmountain.com
201.272.5207
Officers: Constantino T. Milano, President; Lawrence Garb, EVP &

Managing Director; Phillip R. Patton, EVP& General Counsel
Industrial Space Developed:
1,400,000 sq. ft.

17. Westcore Properties
4435 Eastgate Mall, #300
San Diego, CA 92121
www.westcore.net
858.625.4100
Officers: Don Ankeny, CEO; Matthew Bateman, COO
Industrial Space Developed:
1,200,000 sq. ft.

18. Clay Development & Construction
5599 San Felip, Ste. 1440
Houston, TX 77056
www.claydevelopment.com
713.789.2529
Officers: Robert H. Clay, Owner; Albert W. Clay, III, Owner
Industrial Space Developed:
974,030 sq. ft.

19. Square Lake Capital Management
One Penn Plaza, Ste. 3900
New York, NY 10119
www.squarelakecap.com
Officer: Adam Sullivan, Managing Principal
Industrial Space Developed:
800,000 sq. ft.

20. SAFEBOX-selftstorage. Gmbh
Hoch Strasse 12-17
Duisburg, Germany 47228
www.safebox.du.de
20.65.839.5444
Officers: Jacobus Bor, Owner & Partner; Arie Bor, Owner & Partner
Industrial Space Developed:
800,000 sq. ft.

21. HSA Commercial Real Estate
233 S Wacker Dr., Ste. 350
Chicago, IL 60606
www.hsacommercial.com
312.332.3555
Officers: Jack Shaffer, Chairman & Founder; Robert E. Smietana, Vice Chairman & CEO; Daniel Miranda, President
Industrial Space Developed:
668,980 sq. ft.

22. The Rockefeller Group
1221 Avenue of the Americas
New York, NY 10020
www.rockefellergroup.com
212.282.2000
Officers: Atsushi Nakajima, President & CEO; Vincent E. Silvestri, SVP & COO; Tetsuya Masuda, SVP & Chief Investment Officer
Industrial Space Developed:
650,000 sq. ft.

23. M. E. Johnson & Associates
116 Cottage Grove Rd., Ste. 209
Bloomfield, CT 06002
www.mejohnsonassoc.com
800.450.1880
Industrial Space Developed:
250,000 sq. ft.

24. Brennan Investment Group
9450 W. Bryn Mawr Ave., Ste. 750
Rosemont, IL 60018
www.brennanllc.com
847.257.8800
Officers: Michael Brennan, Chairman & Managing Principal
Industrial Space Developed:
247,425 sq. ft.

25. American Realty Advisors
801 N. Brand Blvd., Ste. 800
Glendale, CA 91203
www.americanreal.com
818.545.1152
Officers: Stanley Iezman, Chairman & CEO; Scott Darling, President/ Executive Managing Director, Portfolio Management Director; Kirk V. Helgeson, EVP & Executive Managing Director Investments
Industrial Space Developed:
244,569 sq. ft. ■