



2018 YEAR IN REVIEW

VAUGHT | HURRELL INDUSTRIAL TEAM

Accelerating success.



With a combined deal volume of over 150 transactions in the past 24 months, the Colliers Industrial duo - Ryan Vaught and Robyn Hurrell - bring a unique approach to their industrial real estate platform. Servicing both local and national clients, Ryan and Robyn continue to expand their services in Tampa Bay's core counties (Hillsborough, Pinellas, Pasco and Polk) and grow their three-pillar platform: landlord leasing, tenant representation, and capital markets.

Focusing predominately on big-box industrial, Ryan continues to leverage his background in private equity to create tactical solutions based on a historical knowledge of trends throughout the region. Utilizing his hands-on experience from over 2.5M square feet of development projects in the past two years, Ryan is able to better understand the pain points and unique requirements of large occupiers. Focusing on the growth of the tenant representation pillar, Robyn works with both local and national occupiers varying in size from 2,500 to 400,000 square feet. Pulling from her prior experience and intimate involvement on the leasing of high-tenant flex parks, Robyn is able to manage high-volume portfolios while still maintaining the ability to leverage the most tenant-favorable terms through lease negotiations. Combing their collective experience in investment sales, the duo continues to demonstrate their ability underwrite, transact and push pricing to achieve new high-water marks in the Tampa Bay market.

Drawing from their dynamic mix of credentials, Ryan and Robyn are uniquely positioned to help achieve clients' short and long-term ambitions by evaluating market activity against a long history of experience, discussing economic and industry trends on both local and global scale, and ensuring a diverse perspective is present at the strategy table.



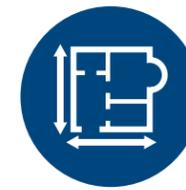
2018 TRANSACTION HIGHLIGHTS



66
Landlord Leasing
Transactions



20
Tenant Representation
Transactions



2.0M+
Square Feet in Total
development projects



\$184.5M
In Dispositions

Q1

- \$30M sale of the Lakeland/Winter Haven Portfolio totaling 425,000 SF spread across 4 buildings
- \$20.3M sale of 8800 Adamo Drive on behalf of Exeter Property Group for 383,615 SF
- Vaught receives 2017 CoStar Power Broker Award in addition to the Top Gun Award for being in the top 10% of producers throughout the country

Q2

- Forward commit sale totaling \$6.2M for the fourth building at Crossroads Commerce Center
- Full building lease completed with Ferguson Enterprises totaling 78,560 SF
- Represented CNC Associates in their site identification and lease negotiations in Central Florida for 110,789 SF

Q3

- Facilitated purchase of 37 acres on I-4; subsequently broke ground on a 424,500 SF distribution center on a speculative basis
- Full building lease completed with American Metals Supply for 215,000 SF
- Assisted Birtcher Anderson with the \$19.5MM acquisition of Center Point Business Park

Q4

- Joined Colliers International
- IKEA/DHL Distribution Center Sale at Key Logistics Center totaling \$42.5M
- Completed 46 transactions totaling 169,574 SF through the first 11 months of the year at Tri County Business Park



KEY LOGISTICS CENTER

After a three year pursuit working with the previous occupier (Key Safety Systems), our Key Logistics Center development project finally commenced. Breaking ground on a speculative basis at the turn of the calendar year, the ownership team elected to develop a 520,000 SF cross-dock facility as the initial building in the park (which will ultimately total over 1.3 MSF). Before the slab was fully poured, DHL committed to the entire building to service the statewide e-commerce operation for IKEA. As a result of phase 1 being fully committed, we are now proudly underway on the speculative construction of phase 2 of Key Logistics Center. Phase 2 encompasses two facilities, Building 200 (491,920 SF) and Building 300 (349,929 SF), both of which will deliver in the Spring of 2019.

MARKET COMMENTARY

In last year's version of the look back, we answered three questions that were routinely asked of us as 2017 closed out:

1. **What's next in the pipeline from a developments standpoint?**
 - > An overview of 3.5M SF of development was provided
2. **Does the hour glass the represents this economic recovery have enough sand left in it?**
 - > Our team stated there was plenty of runway left which activity levels in 2018 proved that to be true
3. **Will the market become over saturated with so much new product coming online?**
 - > Our belief was "no"

As 2018 closes out, we want to highlight what we perceive to be one of the bigger story lines over the past year - the new sources of capital entering the Central Florida market. Historically, from an institutional standpoint, the majority of the product has been controlled by a handful of entities – Cabot Properties, Clarion, DRA, Duke Realty, EastGroup, GLP, High Street Realty Co., Ivanhoe Capital, Liberty Property Trust, The Ruthvens – to name a few. The catalyst for new capital sources entering the Central Florida market largely comes as a result of the new development taking place. The new faces on the block vary among both sponsors of the deal and their respective equity partners.

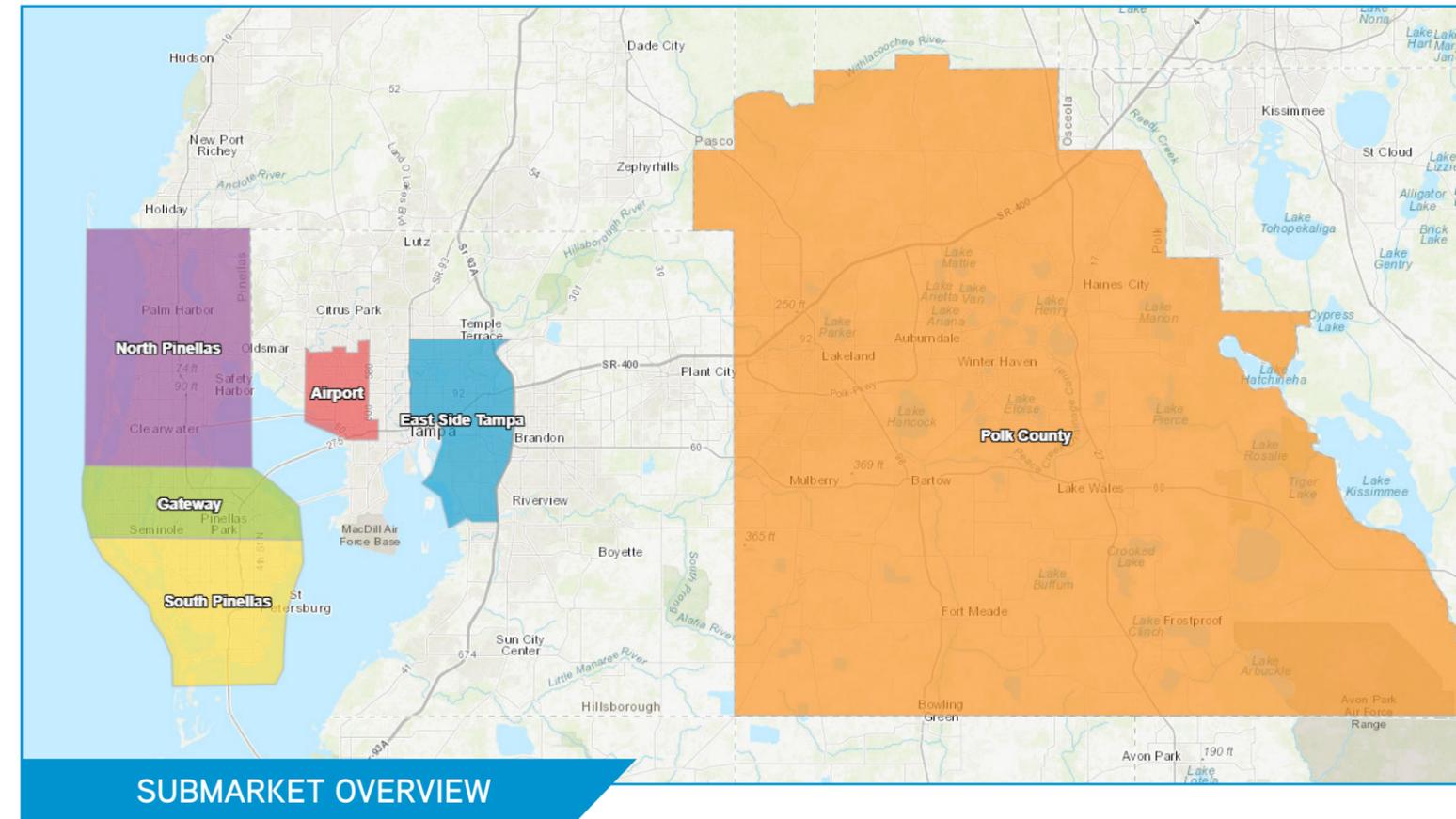
Each of the below projects highlights at least one new capital source to the region:

SPONSOR	PROJECT	EQUITY PARTNER
Ackerman & Co.	Dragstrip Logistics Center	—
BECKNELL INDUSTRIAL	Madison Business Center	UBS
BLUE STEEL DEVELOPMENT	Key Logistics Center	PCCP PACIFIC COAST CAPITAL PARTNERS LLC
BRENNAN INVESTMENT GROUP	CenterState Logistics Park	GREENFIELD PARTNERS
GRIFFIN CAPITAL guardians of wealth	PepsiCo Distribution Center	—
McCRANEY PROPERTY COMPANY	County Line Logistics Center	Northwestern Mutual
MCDONALD DEVELOPMENT	301 Business Center	TH Real Estate a nuveen company
RIDGE DEVELOPMENT a Transwestern Company	University Park at Bridgewater	CROW HOLDINGS
XEBEC	I-4 Logistics Hub	DRA · ADVISORS LLC

The “why?” behind this influx of capital is debatable, but a few common attributes for the interest in the region are focused around two common themes:

1. **Population Growth** – Over 1,000 people per day moving to the state of Florida.
2. **Reconfiguration of the Supply Chain** – Florida is being treated more and more as an independent “region” compared to just being a part of the Southeast.

Looking forward to the next twelve months, we envision capital sources to continue to evolve and expand throughout the region.



	Inventory (mSF)	Under Construction (SF)	YTD Net Absorption (SF) Q1-Q3	Vacancy Rate
Polk County	55.9	3,330,249	3,091,304	5.4%
East Side Tampa	44.8	1,700,595	636,215	5.9%
Airport	11.6	0	179,460	3.4%
Pinellas – North	9.1	0	-34,433	1.3%
Pinellas – Gateway	32.0	75,450	103,282	4.6%
Pinellas – South	10.5	0	-293,747	5.6%

Due to the longevity of this economic recovery, what keeps you up at night looking towards 2019?

BLUE STEEL
DEVELOPMENT
Austin Jones
Principal

"Oversupply due to the amount of capital chasing industrial, which leads to rent compression which leads to poor returns."

Dalfen
INDUSTRIAL
Jerry Benson
Market Officer

"The size of the slowdown, it will happen the question is how much will the economy slow down. The stock market dropped significantly this week, the interest rates are inching higher and the erratic WADC environment is making it hard for businesses to make long term decisions on investments. Hopefully the economy just slows down and does not come to a dramatic stop like last time. It seems the fundamentals are better this time as opposed to 2007, but my crystal ball is fuzzy."

BirtcherAnderson
Bob Anderson
Co-Chairman & CEO

"There is so much pent-up pressure to raise interest rates that any effort to do so gets overreacted to by the real estate financial community- and this seems highly likely due to so many of the biggest players being so involved in the global capital markets. And this overreaction will disrupt valuations and thus investment activity. Mitigation is that real estate fundamentals (e.g., demand and supply relative to economic activity/business formation/job creation) remain strong."

BECKNELL
INDUSTRIAL
Dan Fogarty
Senior Vice President

"I am kept awake by the uneasy feeling that I am missing opportunities. I believe there is some decent runway (2-3 years) left in many of the "secondary" markets that we are currently thriving in. I am anxious to build as many buildings as possible while the sun of this economy continues to shine on us. If we are currently building 20 buildings I'd like to push that to 30 or 40 or 50 as quickly as possible, before the lull comes along."

HILLWOOD
A PEROT COMPANY
Amy Curry
Senior Vice President,
Acquisitions & Joint Ventures

"Hillwood's platform is nimble and ready to adapt to changing market fundamentals. We are constantly monitoring industrial supply/demand, the changing political landscape and evolving economic conditions to stay ahead of the cyclical nature of our business."

HIGH STREET
REALTY COMPANY, LLC
A Real Estate Investment Company
David O'Reilly
Managing Director,
Acquisitions

"Finding new acquisition opportunities."

Ownership Specific Questions

? You have proven to be one of the most active developers throughout Central Florida this economic cycle. What compels you to continue to take additional land positions in this region and what does the future look like for Blue Steel Development?

"We are very cautious on taking land positions due to the amount of product hitting the market. I think some of the rent projections that non-local developers are underwriting aren't attainable. Due to their rent projections, they are paying 40% more for land than we ever would... We have seen this movie before and it didn't end very well. We will continue to be focused on great real estate and we will take land down at the right price in the right location."

? Over the past 12 months, Dalfen Industrial has purchased or is under-contract on nearly 900,000 SF of both bulk and light industrial warehouses along the I-4 Corridor. Does there remain interest to continue to grow your footprint in Central Florida and why?

"Yes, we believe in the growth of the importance of the CFL market for last mile industrial, the population growth continues in FL and the need for immediate delivery is getting more important as the economy shifts from a shopping economy to a clicking economy, in both consumer and business users."

? Prior to 2018, Birtcher Anderson was not an investor in the state of Florida. Over the past 12 months, you have acquired two business parks totaling over 1M SF. Why such a focus on the greater Tampa Bay market?

"We like the real estate fundamentals in Tampa, particularly for this flex industrial product type. With the strong economic growth, including healthy housing market, the near-term future for this product type is very bright."

? Becknell Industrial continues to expand throughout the state of Florida with your firm currently under-construction in all four of the major markets throughout Florida. Specifically relating to Tampa, what intrigued you to build on a speculative basis for your project "Becknell at Madison"?

"The same thing that compels us to build on a speculative basis in several markets throughout the country - an obvious supply demand imbalance. It was clear and easy to see there were (and still are) many more companies seeking class A industrial space, than there are buildings to accommodate them. From there, we simply needed to find a good development location available at a price that fit within a project budget supported by market rents and values - Madison fit that description and we are lucky to have won the bidding for it."

? Transitioning to Hillwood during 2018, is there a new focus from Hillwood on Central Florida due to your historical involvement in this region?

"Hillwood has a strong interest in growing its platform in Central Florida. We are focused on value-add acquisitions, development and joint venture investment throughout the region. Colliers is a tremendous resource to our team across the country and we look forward to the possibility of working together on opportunities in the future."

? As head of acquisitions for High Street Realty Co. in the Southeast, how is Central Florida positioned against other markets throughout the geographic region you are responsible for from a yield and transaction volume standpoint?

"We are focused on demand drivers. The Southeast, continues to benefit from population growth, especially in central FL (Orlando via Tampa). We expect that to remain strong for the foreseeable future we believe there is future and increasing demand for industrial within these markets. Building and tenant sizes in the 50-200K SF range continue to be our focus when sourcing new acquisition opportunities within these markets. I would expect industrial transaction volume to be and remain "light" especially for quality and functional product as most groups are net holders. Expect yield in 2019 to be similar as 2018."



RYAN VAUGHT



ROBYN HURRELL, MCR

Birthplace: Dayton, OH
Alma Mater: University of San Diego
Degree: Economics & Mathematics

Newcastle Upon Tyne, UK
 The University of Tampa
 Accounting

If you had to live in a different state, what would it be?

Colorado

Arizona

What 3 famous people, living or dead, would you want at your fantasy dinner party?

Elon Musk, Osama Bin Laden, and Thomas Jefferson

Ellen DeGeneres, Princess Diana, and Ricky Gervais

If you could travel anywhere in the world, where would it be?

Antarctica

Thailand

Did you know?

- Both team members are actively involved in youth soccer coaching – Ryan coaches a competitive league through Florida Premier FC and Robyn coaches seasonal teams through a local group, i9 Sports
- Robyn is the youngest CoreNet Global MCR (Masters in Corporate Real Estate) graduate, achieving her designation at 22 years old
- Ryan welcomed a new member to his family early in 2018, Kiwi the goldendoodle
- Ryan was selected to be included in the 2018 Business Observer's '40 Under 40'

2018 AWARDS

- Winner - Best Development of the Year – Key Logistics Center (CREW)
- Finalist - Best Sale Transaction of the Year – IKEA/DHL Distribution Center (CREW)
- Finalist - Best Development Project – Crossroads Commerce Center (NAIOP)
- Finalist - Best Lease of the Year – Crossroads Commerce Center (NAIOP)

IN THE NEWS HIGHLIGHTS



Logistics giant closes on Lakeland warehouse that will house IKEA fulfillment center

Logistics giant DHL Supply Chain has closed on a Lakeland warehouse that it will operate as an ecommerce fulfillment center for Swedish housewares giant IKEA... [Click here to read the full article.](#)



Colliers International Tampa Bay hires prominent industrial broker team

Colliers has seen several big personnel moves in 2018... [Click here to read the full article.](#)



FDOT slowly moving ahead on Westshore purchases

State transportation officials made a big splash in early 2016 when they purchased the Doubletree by Hilton Tampa Airport Hotel and an adjacent restaurant near the Tampa International Airport... [Click here to read the full article.](#)



Vaught/Hurrell team to lease 236K SF Tampa Complex

Center Point Business Park is a six-building, flex/light-industrial facility that California-based Birtcher Anderson Realty recently purchased for almost \$20 million... [Click here to read the full article.](#)



Dalfen Industrial Buys \$29M Industrial Portfolio

The portfolio includes four properties totaling 426,000 square feet, located in Lakeland and Winter Haven, Fla. JLL arranged the transaction on behalf of the seller, Parkway Partners... [Click here to read the full article.](#)



New JV Acquires Lakeland Site for 1.4M SF Industrial Development

PCCP LLC and Blue Steel Development have formed a joint venture to acquire a 154-acre site in Lakeland, where they plan to develop a 1.4M SF industrial project called Key Logistics Center... [Click here to read the full article.](#)

GLOBAL REACH, LOCAL ROOTS

Colliers International is a full service commercial real estate firm dedicated to providing exceptional service to our clients. Our roots and history in the Florida markets can be traced back to more than four decades ago. Today, with offices in Palm Beach, Fort Lauderdale, Miami, Fort Myers, Sarasota, Tampa, Clearwater, Orlando, and Jacksonville, we offer first-class commercial real estate services to virtually every Florida market.

FLORIDA MARKET LEADERS

The Colliers International Florida offices have been market leaders in transaction volume and client satisfaction. With this, we led the frontier in the early 1970's when we opened as the first exclusively commercial real estate firm in Pinellas County, later expanding throughout the state.

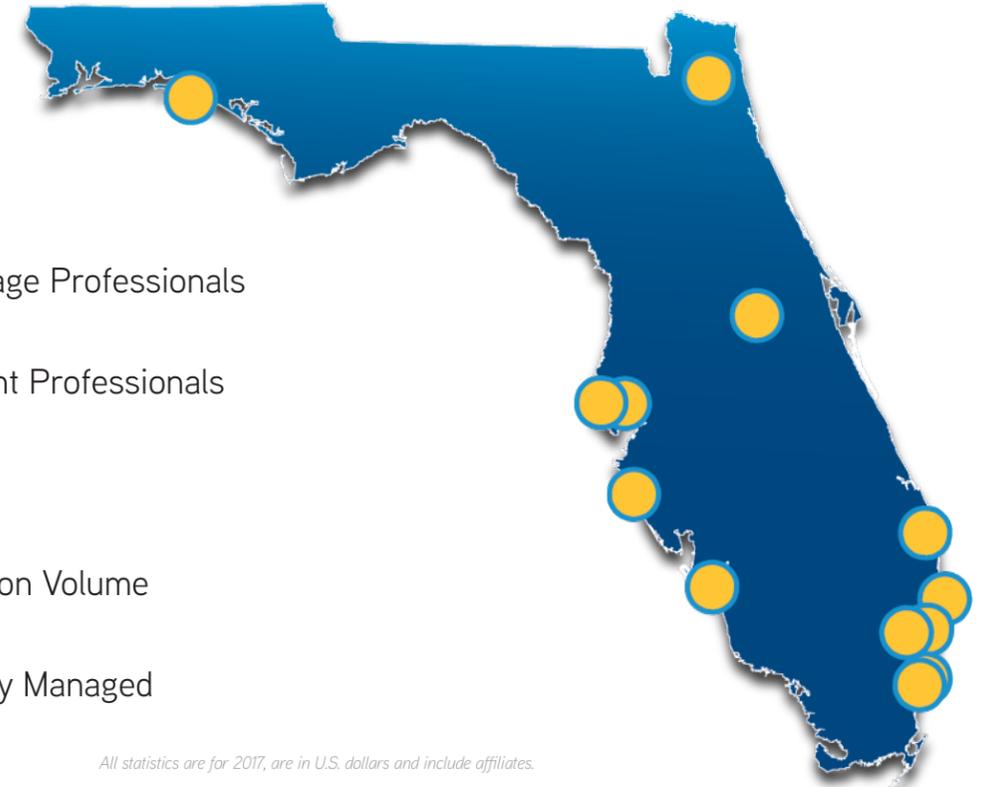
Over the course of the past 40 years, we've guided our clients through the cyclical ebbs and flows of the real estate industry. We continue to drive sale and lease transactions, finding creative solutions to complex real estate situations. Our innovative strategies and in-depth local market knowledge give us the advantage over competitors and enable us to accelerate the success of our clients.

OUR DIFFERENCE

What sets us apart is not what we do, but how we do it. Our enterprising culture encourages Colliers People to think differently, share great ideas and create effective solutions that help clients accelerate their success. Colliers International is the advisor of choice for many of the world's most innovative and successful companies.

COLLIERS FLORIDA | AT A GLANCE

- > **272** Professionals
- > **148** Real Estate Brokerage Professionals
- > **66** Property Management Professionals
- > **2,400** Transactions
- > **\$2.6+** Billion Transaction Volume
- > **22+** Million SF Currently Managed



All statistics are for 2017, are in U.S. dollars and include affiliates.

MEET YOUR CENTRAL FLORIDA INDUSTRIAL TEAM



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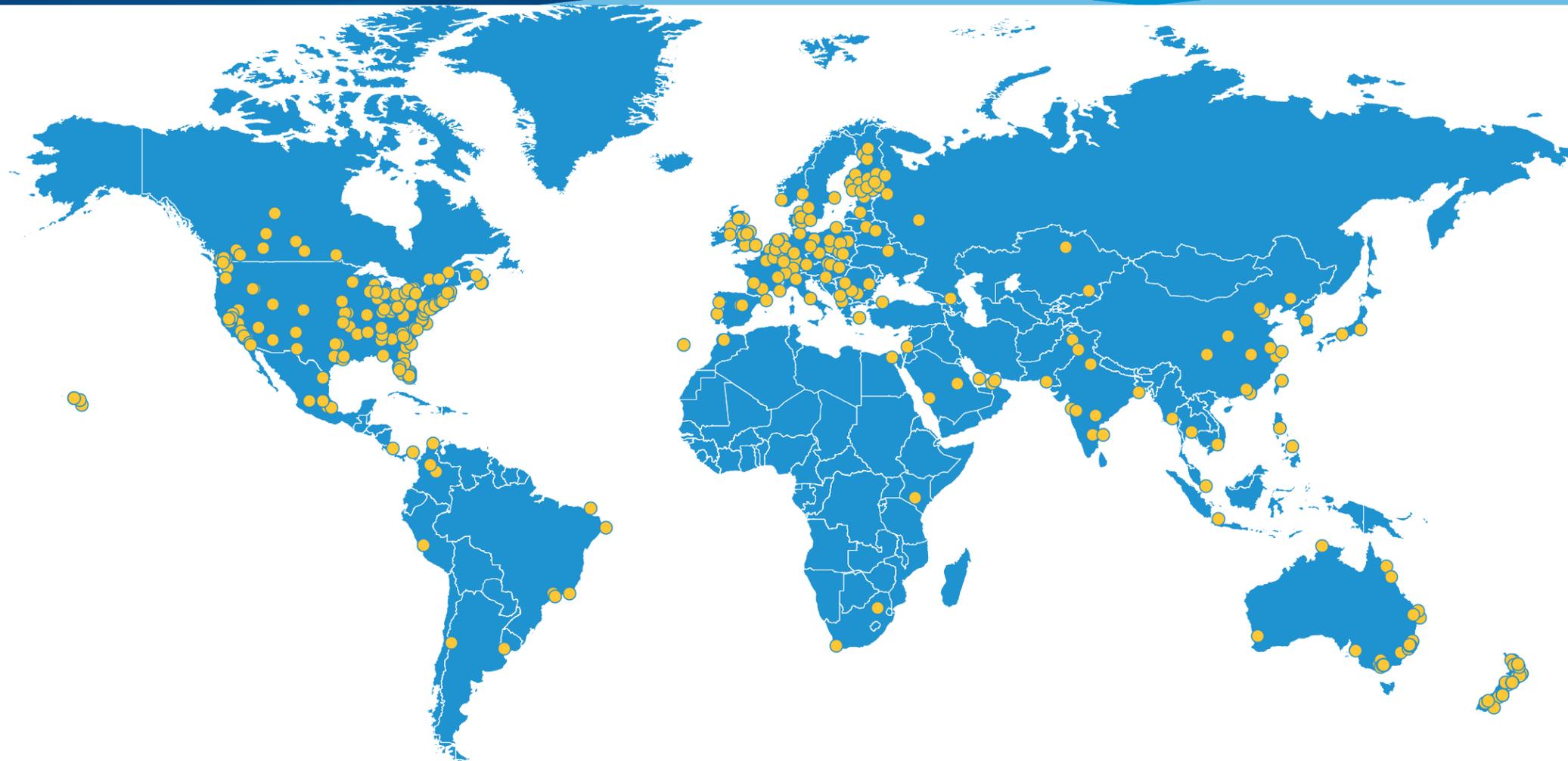
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ABOUT US

Colliers International Group Inc. (NASDAQ: CIGI) (TSX: CIGI) is a top tier global real estate services and investment management company operating in 69 countries with a workforce of more than 13,000 professionals. Colliers is the fastest-growing publicly listed global real estate services and investment management company, with 2017 corporate revenues of \$2.3 billion (\$2.7 billion including affiliates). With an enterprising culture and significant employee ownership and control, Colliers professionals provide a full range of services to real estate occupiers, owners and investors worldwide, and through its investment management services platform, has more than \$25 billion of assets under management from the world's most respected institutional real estate investors.

Colliers professionals think differently, share great ideas and offer thoughtful and innovative advice to accelerate the success of its clients. Colliers has been ranked among the top 100 global outsourcing firms by the International Association of Outsourcing Professionals for 13 consecutive years, more than any other real estate services firm. Colliers is ranked the number one property manager in the world by Commercial Property Executive for two years in a row.

Colliers is led by an experienced leadership team with significant equity ownership and a proven record of delivering more than 20% annualized returns for shareholders, over more than 20 years.



AT A GLANCE



Comprised of
15,400
professionals



Revenue
\$2.7B
(US\$)



Managing
2B
(square feet)



Established in
69
countries



Lease/sale transactions
68,000



Transaction value
\$116B
(US\$)

All statistics are for 2017, are in U.S. dollars and include affiliates.

COLLIERS SERVICE LINES



We offer a complete range of services to owners, investors and occupiers on a local, regional, national and international basis. The foundation of our service is the strength and depth of our local specialists. Our clients depend on our ability to draw on years of direct local market experience.

In addition to these sectors, we provide our clients with a deep level of knowledge in specialized industries and product types, such as law, technical facilities, and healthcare.

Colliers International is a leader in global real estate services, defined by our spirit of enterprise. Through a culture of service excellence and a shared sense of initiative, we integrate the resources of real estate specialists worldwide to accelerate the success of our partners—our clients, professionals and communities.



Accelerating success.

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