

VAUGHT | HURRELL INDUSTRIAL TEAM

2019 YEAR-IN-REVIEW



2019 YEAR-IN-REVIEW

AN UNFORGETTABLE YEAR

Ryan Vaught and Robyn Hurrell have been working together for almost four years, starting their partnership at their previous firm, JLL. With an opportunity to expand their platform and client base, the Central Florida duo joined the Colliers International platform in October of 2018 and have since grown their team by an additional three individuals; Debi Stolberg, Oliver de la Croix Vaubois, and L.B. Sierra. With a goal of further developing the firm's collaborative environment and unified efforts across both Central Florida markets and the greater State of Florida, Ryan works intimately with local Market Leader, Danny Rice, and President of the Southeast Region, Ryan Kratz, to grow the Colliers International platform.

Bringing a well-rounded and unique perspective to the industrial service line, the Central Florida team's platform consists of three key pillars: **landlord leasing, tenant representation and investment sales**. Utilizing his prior experience in the private equity world and immediate involvement with some of Central Florida's largest development projects, Ryan employs his ownership mindset to work with both local and national investors on their strategy for Central Florida relating to both bulk leasing and investment sales.

Complementing Ryan's skillset and brokerage focus, Robyn integrates a partnership mindset in working with occupiers of industrial/flex space in the Central Florida region through subject matter expertise, market knowledge, and consulting efforts on the real estate process. While building the team's tenant representation client base, Robyn simultaneously spearheads the management of the team's flex/high-tenant count portfolios – currently in excess of 1M square feet.

“Looking back on our first full 12 months under the Colliers International roof, our team has grown both internally via new team members and as an overall platform with new clients and landlord portfolios throughout the Central Florida region. To both long-standing clients and those whose relationship with our team is just beginning, we thank you and look forward to continued success in 2020.”

- Ryan Vaught & Robyn Hurrell

2019 TRANSACTION HIGHLIGHTS



55

Landlord Leasing
Transactions



13

Tenant Representation
Transactions



\$186M+

Total Dispositions

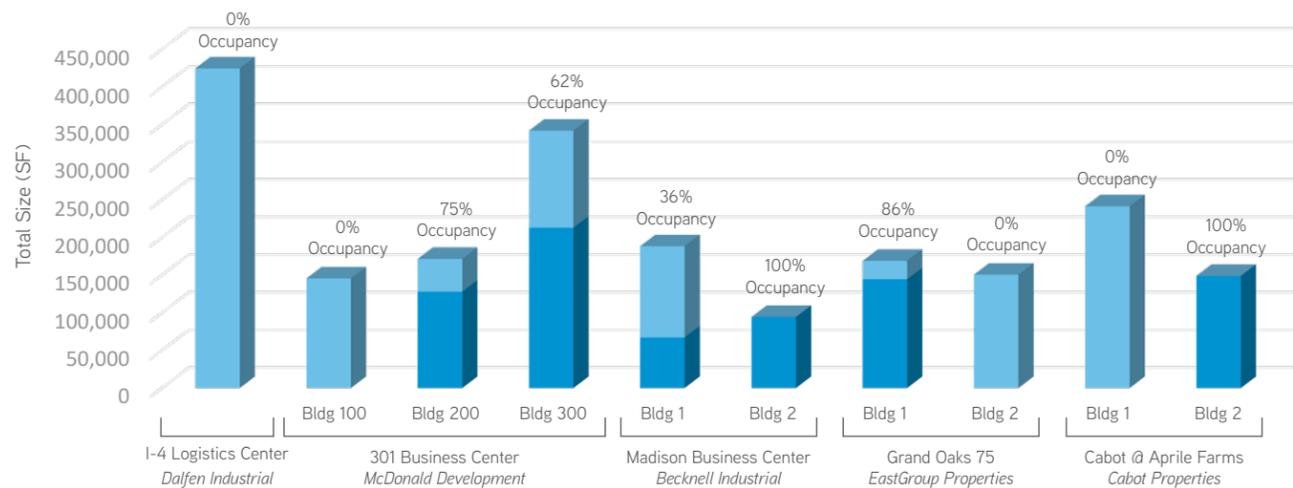
MARKET COMMENTARY

Development has been the leading story line in the Central Florida market over the past couple of years, both on the light industrial and bulk forefronts. In our 2018 Year-End Review, we dove into the new sources of capital and new developers that were flooding to the market that historically had not had an investment foothold in the region.

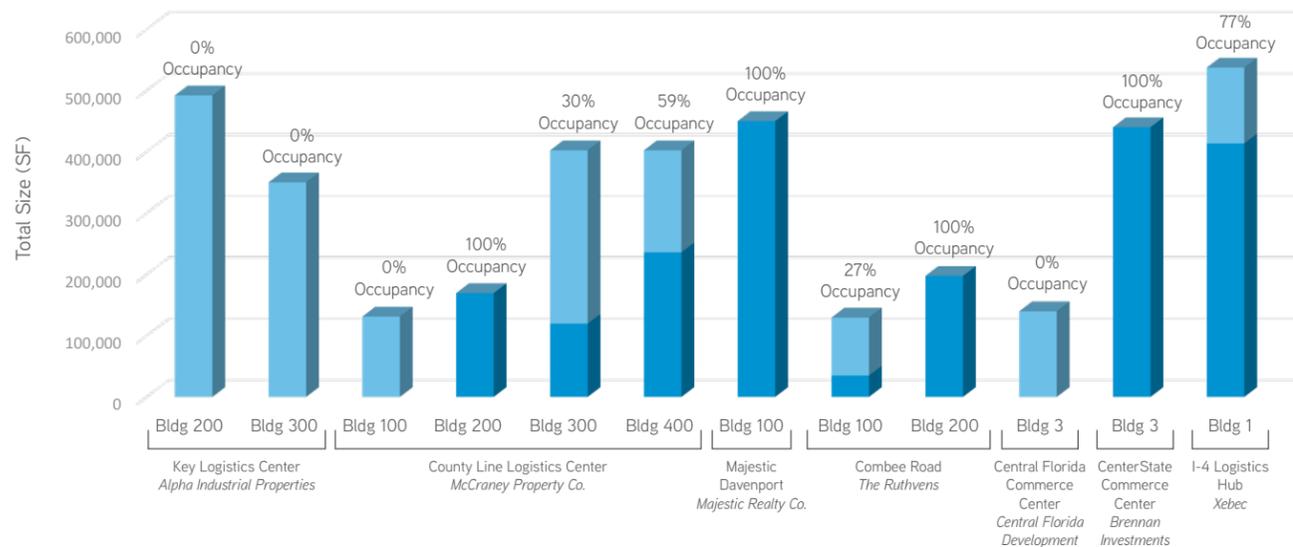
Entering 2019 and throughout the duration of the calendar year, there were constant naysayers about how the quantity of newly supplied or under-construction buildings outweighed the historical average annual absorption by three-fold.

Members of the CRE industry are notorious about claiming that there is not a crystal ball to predict the future but luckily the past is always seen in 20/20. Below is a summary on how speculative projects turned out in 2019.

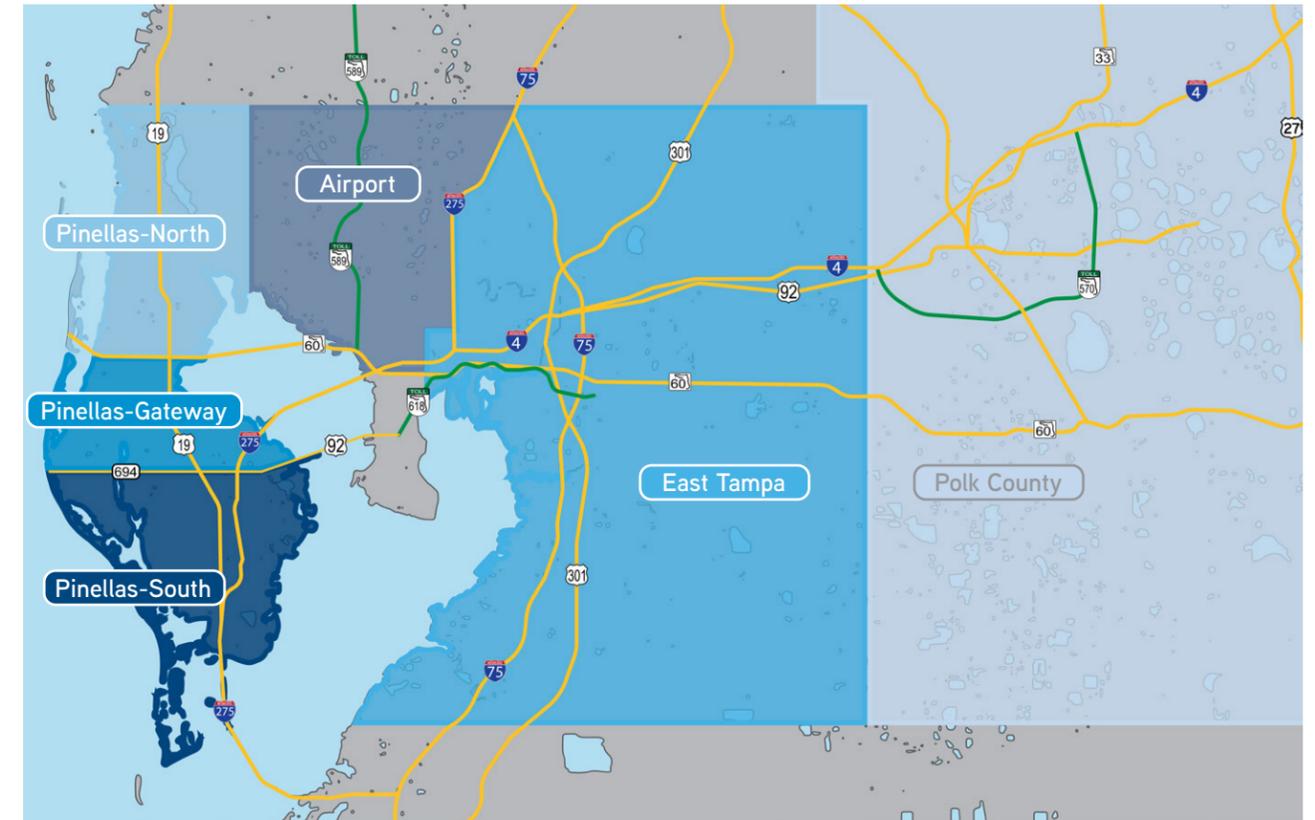
EAST TAMPA



POLK COUNTY



SUBMARKET OVERVIEW



Submarket	Total Inventory (SF)	Under Construction (SF)	YTD Net Absorption (SF)	Vacancy Rate
Polk County	62,678,268	1,158,218	2,020,749	6.3%
East Tampa	46,469,463	542,912	1,172,034	5.3%
Airport	11,906,401	67,000	-121,482	2.2%
Pinellas - North	9,132,746	0	13,608	0.7%
Pinellas - Gateway	32,224,551	15,250	-24,861	5.0%
Pinellas - South	10,568,392	0	108,927	3.4%
Totals	172,979,821	1,783,380	3,168,975	

2020 FORECAST

2020 is tee'd up to be another banner year within the Central Florida region. Occupier demand continues to strengthen, investor interest has never been higher, the Fed has kept monetary policy favorable for real estate investment, and it feels as though the region makes national headlines on a weekly basis. Below is our team's forecast for the year to come and why Central Florida will continue to be a hotbed for activity in the year to come.

1. CONTINUED CAPITAL SOURCE EXPANSION

The trailing twenty-four months has seen countless sources of new capital enter the region via both operating partners and equity partners, and this trend will absolutely continue into 2020. In 2019, we witnessed operating groups such as GID, Dogwood Capital, and Biscayne Atlantic enter into the market via acquisitions along with equity partners such as AIG, KKR, and Greenfield Partners joint-venture with select partners to expand their capital deployment into the region.



2. DEVELOPMENT SUPPLY DECREASING

Expectation for 2020 is that construction deliveries will be below the record numbers that 2019 accomplished. Some may say this is a result of investor demand cooling, but our view is that this is a result of publicly marketed land positions dwindling, lack of pad ready sites available, and overall cyclical nature to the prolonged development timeline. New supply will certainly exist in select parts of the region but will be below that of 2019.

3. UPTICK IN BTS

Although historically the region has not seen build-to-suit (BTS) activity on par with some of Central Florida's national competitors, we do not believe the future will hold the same trend. As occupier material handling equipment (MHE) requirements become more programmatic on a national or international basis, we forecast this will cause more occupiers to be proactive in their real estate decision making process and require the occupier to strongly favor BTS in favor of speculatively built or second generation facilities. 2019 witnessed occupiers such as Home Depot and Amazon partner with Blue Steel Development and Prologis, respectively, on BTS projects in Polk County.



4. UPTICK IN PRICING

Record high pricing from both a yield and price-per-square-foot (\$/SF) were accomplished in 2019 and there is no expectation that this trend does not continue into 2020. As rental rates continue to appreciate to new record highs and construction costs continue to rise, it is intuitive that the per square foot costs of acquisitions will break through historical artificial ceilings.



Bryan Dairy East
281,214 SF | \$104.55/SF



Ferguson Distribution Center
78,560 SF | \$103.00/SF

5. CONSOLIDATION OF INVESTOR GROUPS

During our attendance at the 2019 Colliers' National Industrial Conference, a panel of five occupiers were asked what their biggest concerns were over the course of the next five years. Three out of the five occupiers stated that the consolidation of investor groups is a legitimate concern when they are considering relocation within an existing market where their current landlord is the only (or one of the few) with available blocks of space. 2019 was the year of M&A within the industry as Prologis announced the acquisitions of Liberty Property Trust and IPT while Link Industrial acquired GLP and Colony Industrial. Rumors are all over the street on who will be acquired next but do not expect this M&A activity to slow in 2020.



6. REPURPOSE OF SITES

Central Florida has not seen a tremendous amount of redevelopment projects – meaning converting older warehouses to creative loft offices or transitioning malls into warehouses – but repurposing land sites from one use to industrial is taking place. Blue Steel Development is currently on construction repurposing what was historically the Axley Brothers Saw Mill into a two-building light industrial project in mid-Pinellas County with a second confidential developer with a site under-contract for another repurpose project in a different part of the region.

7. EXPANSION OF NORMALIZED BOUNDARIES

Referring back to the aforementioned limited land sites available, developers are starting to pioneer outside of the previously accepted “boundaries” of certain submarkets. In Polk County, the rule of thumb was that a new bulk development needed to be within two miles of a full east-west interchange, but occupiers are now showing an acceptance of up to three to four miles. Closer to the urban core, surrounding counties such as Sarasota and Pasco are seeing new projects being planned by the likes of Benderson, Harrod Properties, and Rooker. With a population base that continues to sprawl to the suburbs, 2020 and beyond will see light industrial projects continuing to take place in what may be considered pioneering locations today, but in the near-term future will be a common practice.



8. NATIONAL HEADLINES

Whether it is being number one in 2019 for top growth state according to U-haul, press on the \$3 billion Water Street development in the Tampa CBD led by Jeff Vinik, or the 475-acre SunTrax autonomous vehicle innovation center in Polk County, the state of Florida and the region of Central Florida more specifically will continue to be ever present in the national headlines. With a super friendly business climate, affordable cost of living, and year round sunshine, it is no secret as to why the state of Florida's population is growing at over 1,000 people per day which transcends into the need for more occupiers to have expanded warehouse capacity within their supply chain network here in the Sunshine State.

GET TO KNOW THE VAUGHT | HURRELL TEAM

2019 NEWS HIGHLIGHTS



CoStar

Local Developer Brings CDS Logistics to Tampa With New Lease

[FULL STORY >](#)



Commercial Property Executive

Tampa Industrial Park Sells for \$16M

[FULL STORY >](#)



Tampa Bay Business Journal

Dallas investors pay \$29 million for newly built speculative warehouse on I-4

[FULL STORY >](#)



Tampa Bay Business Journal

Investors buy former Southern Glazer's Wine and Spirits warehouse in Tampa

[FULL STORY >](#)



Business Observer

Key Logistics Center building sells - again

[FULL STORY >](#)



Business Observer

NAIOP awards its annual "Best of the Best"

[FULL STORY >](#)



Tampa Bay Business Journal

Developer wants to build massive warehouse on Plant City strawberry field

[FULL STORY >](#)



Tampa Bay Business Journal

3 questions with the dealmaker behind the latest warehouse sale in the I-4 corridor

[FULL STORY >](#)

View additional industry articles at: www.centralfindustrial.com

WE ADDED TWO MORE INDIVIDUALS TO OUR TEAM!

L.B. SIERRA

With more than eight years in commercial real estate, L.B. joins Colliers after spending four years at Cardinal Point Management as the Director of Brokerage and Leasing. In that role, he handled the leasing of over 2.2 million square feet of product throughout the Tampa Bay area. L.B. began his career with Avison Young in Tampa as an Associate, working with the industrial and office teams for nearly three years.

Fun Fact: Tried out for the Detroit Tigers and Kansas City Royals.

College/University: University of Central Florida
Undergraduate Degree: B.S. in Business Management
NFL Team: Tampa Bay Buccaneers
Dream Car: "1965 Fast Back Mustang"
Bucket List Vacation Spot: Fiji
Drink of Choice: Makers Mark

OLIVER DE LA CROIX-VAUBOIS

Prior to joining Colliers International, Oliver was a Corporate Trainer with Credico, an outsource marketing and sales organization for numerous Fortune 500 companies throughout the world. While at Credico, Oliver supported various roles including business development/sales, as well as corporate training for new hires through workshops and in-field training sessions in their Dallas and Manhattan offices. He was consistently ranked as one of the Top 10 sales representatives in the nation.

Fun Fact: Oliver has skydived over the Slovenian Alps.

College/University: Clemson University
Undergraduate Degree: B.S. Marketing, Minor in Communication Studies
NFL Team: Dallas Cowboys
Dream Car: Tesla Roadster
Bucket List Vacation Spot: Australia/New Zealand combo trip
Drink of Choice: Gin & Tonic



Robyn Hurrell

Ryan Vaught

L.B. Sierra

Oliver de la Croix-Vaubois

Debi Stolberg

AGENCY LEASING

CURRENT INVESTOR PARTNERSHIPS



Our team's success would not be possible without the tenacious efforts and success of our clients. While we believe all our clients have had a successful year in the Central Florida region, the below serves to highlight a few of our most active clients from 2019.



In Q3 2019, Becknell Industrial completed Phase I of their first Tampa development project, Becknell at Madison Industrial. Phase I consists of two, tilt-wall, 32' clear buildings; Building 100 totaling 188,316 square feet and Building 200 totaling 94,395 square feet. Within 90 days of the certificate of completion, the Vaught Hurrell duo successfully leased 100% of Building 200 and 35% of Building 100. With only 121,108 square feet left, Becknell is now evaluating beginning Phase II which involves the development of a third, 110,970 square foot building.

<https://www.becknellindustrial.com/>



Acquiring their first asset in Tampa in December of 2017, Birtcher Anderson had grown their Tampa Bay footprint to over 900,000 square feet at the start of 2019. With unprecedented leasing success, completing over 100 transactions throughout 2018 and 2019, Birtcher Anderson and the Vaught Hurrell duo successfully completed the disposition of over 750,000 square feet with sales volume in excess of \$60M. With only five buildings remaining in their Tampa Bay portfolio, Birtcher Anderson are actively seeking new opportunities.

<https://birtcheranderson.com/>



Blue Steel Development has emerged as one of the regions most active industrial developers, completing in excess of 2.5M square feet throughout the past couple of years. Highlighting their successes in 2019, Blue Steel successfully delivered I-4 Logistics Center (424,500 SF) and Key Logistics Center (841,849 SF between two buildings). Partnering with the Vaught Hurrell duo, the group successfully traded both developments (to Dalfen Industrial and Alpha Industrial, respectively) and two other projects (Crossroads, Building 200 and Key Logistics Center, Building 100), to yield over \$105M in sales volume.

<https://bluesteeldevelopment.com/>

TENANT REPRESENTATION

2019 OCCUPIER PARTNERS



Trusting in our team, the three occupiers highlighted below partnered with our team to evaluate their business' projected growth and associated Tampa Bay real estate footprint.



Headquartered in Tampa, Valpro Commercial Refrigeration is a division of Allied Manufacturing, Inc. (parent entity that makes machined components and plastic parts for applications from aerospace to sporting goods) that manufactures commercial refrigerators/freezers and commercial ice making machines all in a variety sizes and configurations. Our team successfully relocated their headquarters to a more centralized location with the East Group Properties portfolio, growing from 16,000 square feet to 35,500 square feet while simultaneously achieving over a 20% saving on a per square foot basis.
<https://allied1.com/>



Exemplis, the fastest growing contract made-to-order seating manufacturer, manufactures custom work chairs and lounges for tasks, conference rooms and lobbies. Initially expanding their Tampa footprint in mid-2018, we secured this Client a short-term sublease totaling 29,097 square feet. With an expiration approaching in Q1 2020, our team began strategizing with the Exemplis team in mid-2019 and concluded a near 50% growth in their footprint was the optimal size to accommodate for projected company growth. Successfully relocated as of December, Exemplis is now operating out of a Class A facility totaling 54,500 square feet within the East Group Properties portfolio.
<http://www.exemplis.com/>



Founded in 1989, O'Laker's Moving & Storage has since been providing fast and efficient moving and storage solutions for customers throughout the Tampa Bay area. With an existing 11,000 square foot location struggling to accommodate for the company's growth, O'Laker's were seeking growth upon expiration but required 28'+ clear height and sufficient parking for fleet vehicles. After a unique to market opportunity arose (due to separately completed lease that left this smaller unit available), our team secured the perfect location at Becknell Industrial's Tampa development for 23,826 square feet that offered above-market trailer parking and 32' clear height.
<https://www.249move.com/>

INVESTMENT SALES



\$186M+

Total Transaction Volume in 2019

2019 INVESTMENT SALES HIGHLIGHTS



KEY LOGISTICS CENTER - BLDGS 2 & 3

5300 Allen K. Breed Highway
Lakeland, FL 33811
841,849 SF | \$60.6M



I-4 LOGISTICS CENTER

1003 N. Taylor Rd.
Seffner, FL 33584
424,500 SF | \$29.5M



FERGUSON DISTRIBUTION CENTER

4330 Williams Rd.
Tampa, FL 33610
78,560 SF | \$8.1M



PARK 6

11902-12402 Race Track Rd.
Tampa, FL 33626
184,500 SF | \$15.8M



TRI COUNTY BUSINESS PARK

13300 McCormick Dr.
Tampa, FL 33626
492,235 SF | \$36.9M



CROSSROADS COMMERCE CENTER

10840 Crossroads Commerce Blvd.
Tampa, FL 33610
215,123 SF | \$15.7M

Our investment sales platform, coupled with our intimate market knowledge, allowed us to assist our clients in a variety of disposition assignments in the past year:

Spec Forwards

Multi-Tenant Value Add

STNL Core Assets

User Sales

CENTRAL FLORIDA INDUSTRIAL SUMMIT 2019

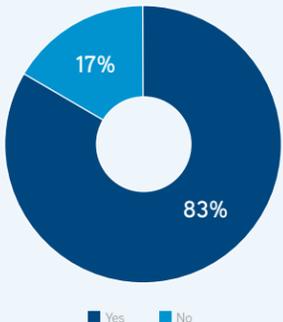
On April 25th and 26th, Colliers International Central Florida hosted the 2019 Central Florida Industrial Summit, bringing together more than 75 of the premier industrial owners and landlord representatives from across the region for a two-day event of peer-to-peer discussions/networking and an owner's forum highlighting the recent activity and upward trends in the Central Florida industrial real estate market. Select active owners and developers shared their perspective on local market conditions, regional trends, and unique experiences through panel discussions. In between panel discussions and throughout the conference, live polling provided real-time responses from attendees on a variety of topics.

2019 CFIS ATTENDEES

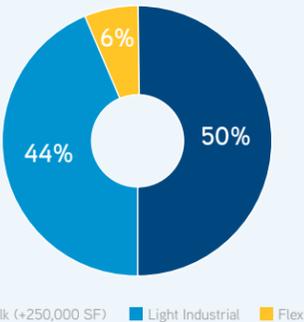


POLL RESULTS

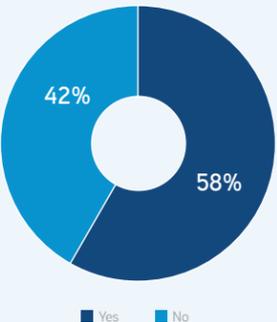
Do you currently own property and/or land in Central Florida?



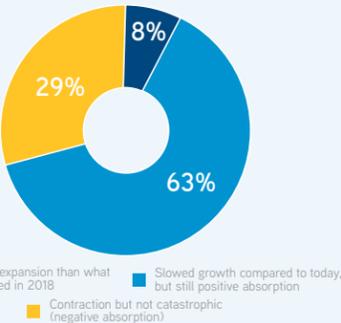
Which asset class is your investment philosophy primarily focused on within the region?



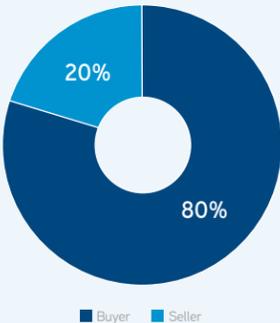
Did your firm own industrial real estate in the Central Florida region 10 years ago?



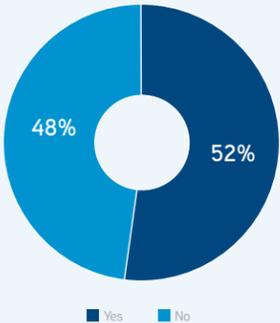
Regarding macroeconomics, where do you believe the market will be 24 months from now?



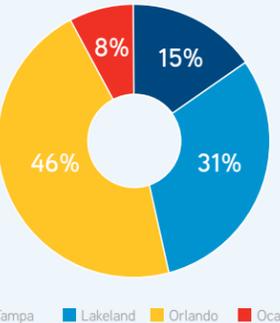
Within the region, is your firm a buyer or seller in the next 24 months?



Are you concerned about oversupply in the CFL region as a result of new development?



If you could only invest in one market within CFL over the next 5 years, which would it be?



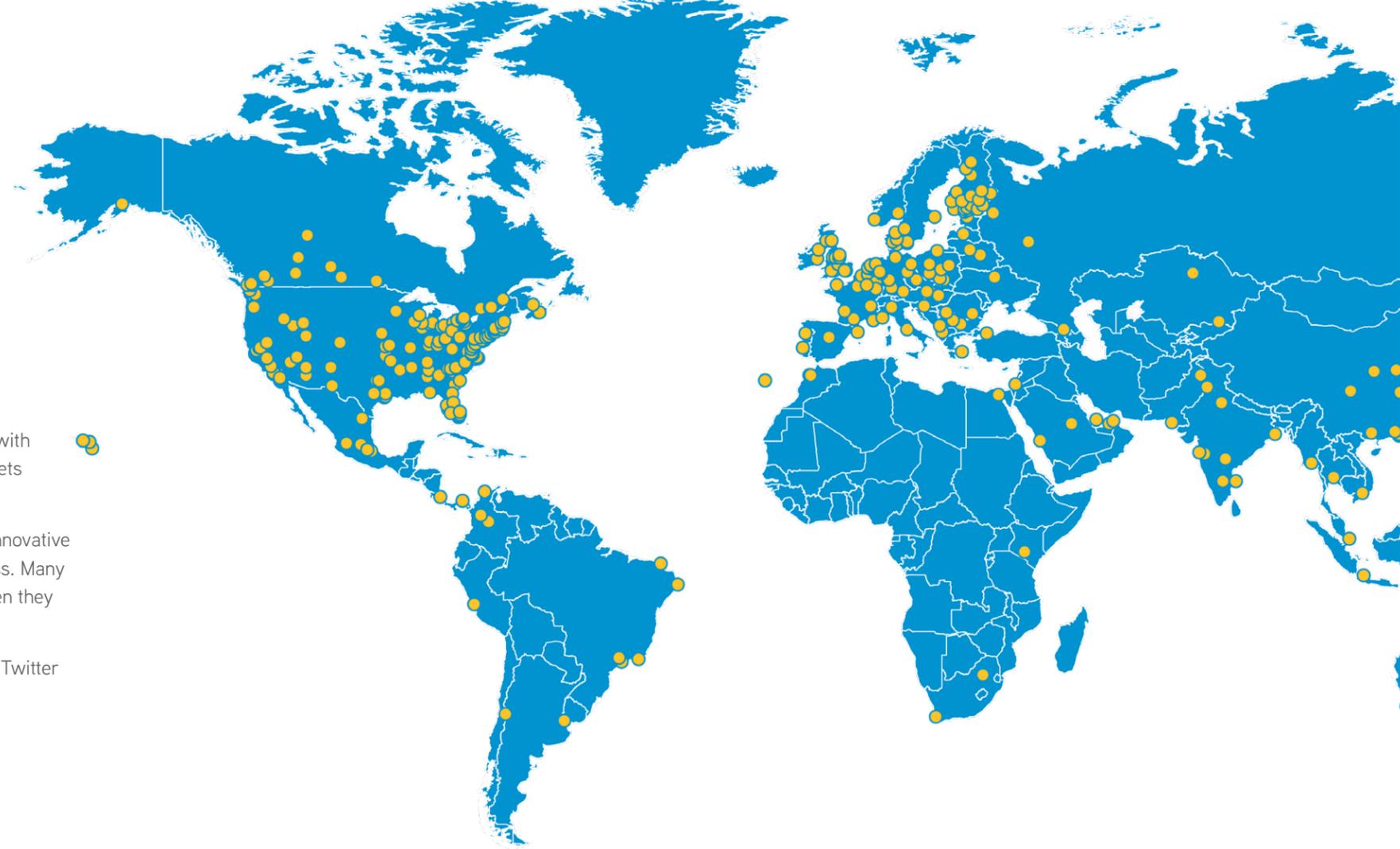
COLLIERS INTERNATIONAL

OUR DIFFERENCE

We are enterprising. As an industry-leading global real estate company with more than 17,000 skilled professionals operating in 68 countries, what sets Colliers International apart is not what we do, but how we do it.

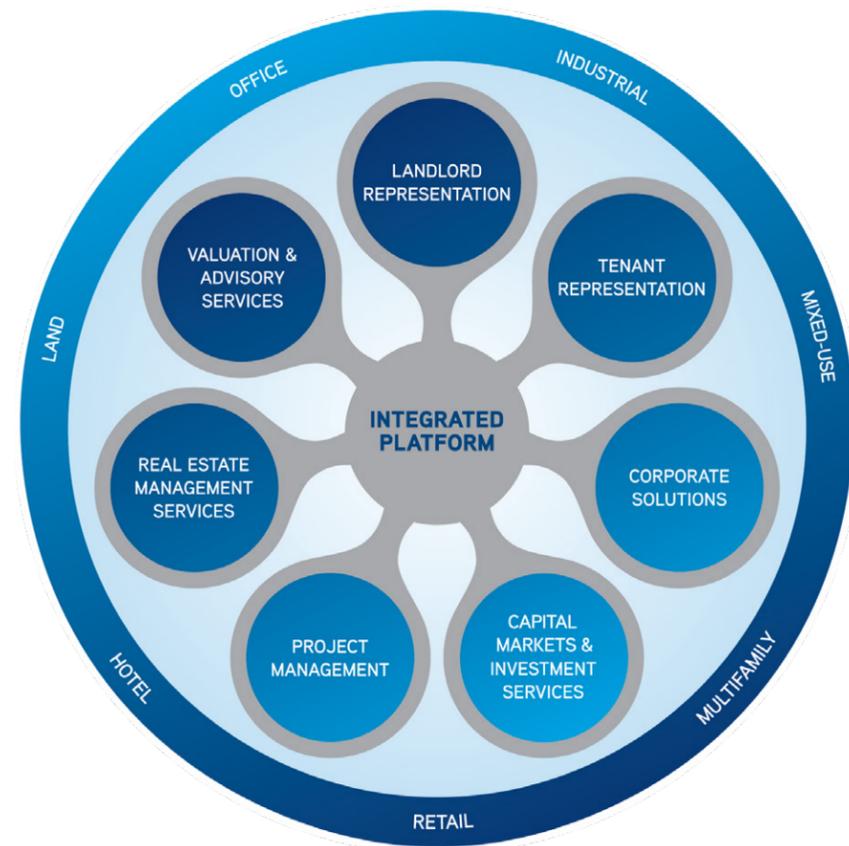
Our unique culture encourages our people to think differently, to share innovative ideas and to create effective solutions that accelerate our clients' success. Many of the world's most innovative and successful companies choose us when they need trusted, expert advice.

Learn more about how we accelerate success at corporate.colliers.com, Twitter [@Colliers](https://twitter.com/Colliers) and [LinkedIn](https://www.linkedin.com/company/colliers).



MORE
SIOR
MEMBERS
THAN ANY OTHER
FIRM IN THE U.S.

OVER
500
INDUSTRIAL
PROFESSIONALS
IN THE U.S.

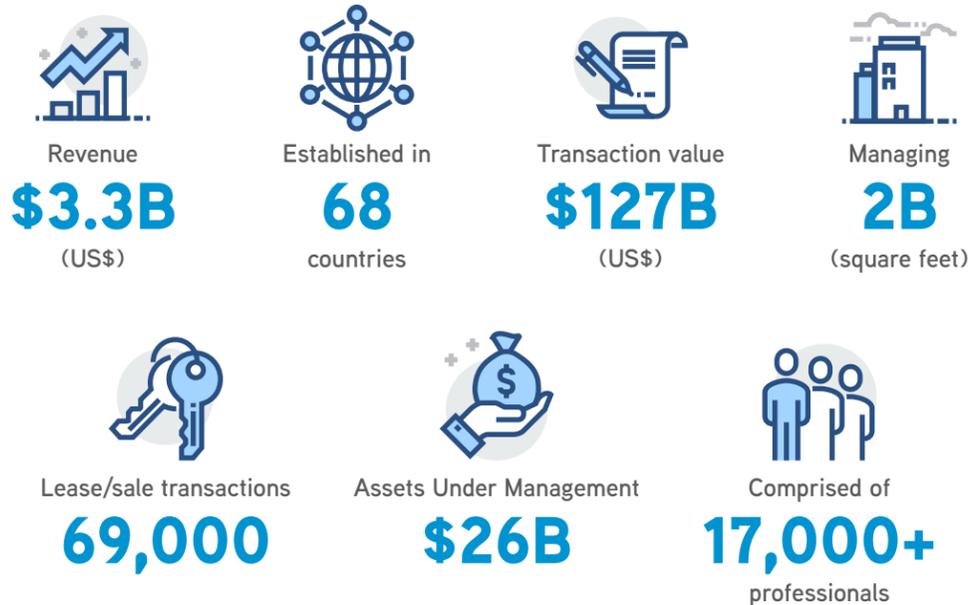


OUR SERVICES

The foundation of our service is the strength and depth of our specialists. Our clients depend on our ability to draw on years of direct experience in their local markets. Our professionals know their communities and the industry inside and out. Whether you are a local firm or global organization, we provide creative solutions for all of your real estate needs.

We deliver a comprehensive portfolio of real estate services to occupiers, owners and investors across all sectors worldwide. In addition to these sectors, we provide our clients with a deep level of knowledge in specialized industries and product types including law, technology and logistics.

COLLIERS INTERNATIONAL AT A GLANCE



All statistics are for 2018, are in U.S. dollars and include affiliates.



Founding member of the World Green Building Council



Recognized and ranked 13 consecutive years, more than any other real estate firm

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