

2019

LETTER TO STOCKHOLDERS
NOTICE OF ANNUAL MEETING
PROXY STATEMENT

2018

ANNUAL REPORT



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A Letter to Our Shareholders From the President and Chief Executive Officer

In 2018, the First Industrial team delivered excellent results across virtually all aspects of our business. The combination of the hard work of our talented teammates across the country with continued strong fundamentals in the industrial real estate sector, a vibrant economy, and further growth in e-commerce resulted in record year-end portfolio occupancy of 98.5%. You may recall from my comments last year that for 2017 we achieved a then record year-end occupancy of 97.3%, that's a 120 basis point pickup year-over-year. While we do not expect to maintain an occupancy level of 98.5%, we do expect our business to continue to exhibit strong rental rate and cash flow growth.

With occupancy so strong, our NOI growth opportunity comes primarily from built-in rental rate escalations in our long-term leases and from achieving higher rents upon rollover. Both of these drivers delivered significant growth to our bottom line in 2018. We grew cash rental rates on new and renewal leases by 8.1% and annual escalations averaged 2.7% on all of our leases longer than 12 months. These metrics, along with higher average occupancy and lower free rent, drove cash same store NOI up 5.8%. Early signs for 2019 rental rate growth are strong. As of the date of our fourth quarter earnings call, we had signed new leases on 64% of our leases expiring in 2019 at an average cash increase of 12.6%. This is the best result for this metric we have seen since the last recession and is being driven by strong demand, limited choices for tenants, and a supply picture that continues to be disciplined in most markets.

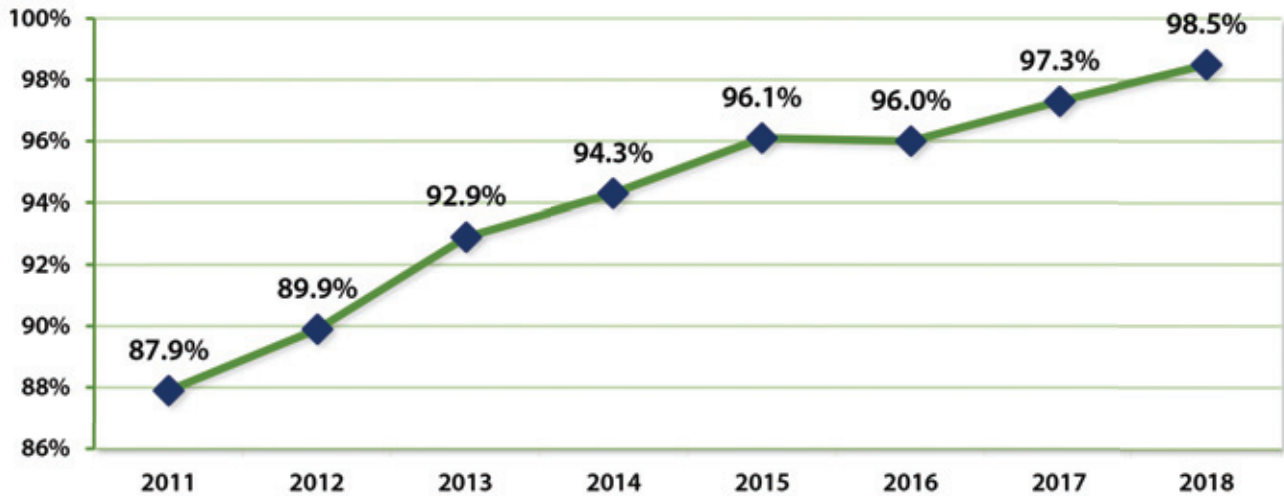
While your First Industrial team drove tremendous results in one of the best years in the company's history, significant short-term equity market volatility in the fourth quarter impacted our share price resulting in a negative total return to stockholders for 2018 of 5.6%. Continued stock market volatility in the early part of the year resulted in more than a full recovery of share prices across our sector. Through the date of this letter, our stock price has recovered by more than 21%⁽¹⁾ since December 31, 2018, establishing a new post-recession trading high. We can't control wild fluctuations in the capital markets, but we are laser focused on ensuring that we maintain a fortress-like balance sheet, access to many sources of liquidity, and a capital allocation strategy that drives cash flow growth and value creation through the cycle.

(1) As of March 27, 2019.

First 290 @ Guhn Rd | Houston



FR HISTORIC OCCUPANCY⁽²⁾ (YEAR END)



(2) In-Service Occupancy.

State of the Industrial Market

2018 was the sixth consecutive year where demand outpaced new supply. According to CBRE Econometric Advisors, net absorption totaled approximately 231 million square feet, meanwhile development continues to be measured with new deliveries totaling 204 million square feet during the year. Overall, the markets are in balance; however, we do see pockets of excess supply in select submarkets. We will be closely monitoring those submarkets as new deliveries and tenant activity evolve.

The biggest disruptor in the industrial business (and in several others) continues to be e-commerce, which is driving demand for facilities both large and small. These buildings include national distribution centers, regional warehouses and "last-mile" properties. We fully expect e-commerce sales to continue to take an increasing share of overall retail sales. Some industry practitioners suggest that e-commerce sales could grow from 9.7% to as much as 50% of retail sales over time. But growth in e-commerce isn't the only driver of demand. We continue to see very strong broad-based demand from traditional users of distribution space as their supply chains evolve to accommodate strong growth in their businesses. Low unemployment, strong wage growth, record consumption and solid GDP growth provide sound footing for further strong tenant demand in our sector.

Overall investment demand for industrial properties is very strong. Last year, over \$80 billion of industrial properties traded when accounting for sales over \$5 million according to Real Capital Analytics. This is up approximately 25% from the volume in 2017. Cap rates continued to compress modestly in 2018. On the west coast, class A assets are trading at cap rates in the high 3's to low 4's. On the east coast, similar trades are in the low to mid 4's, while in other primary markets, cap rates are 25 to 50 basis points higher. These premium valuations are at the heart of our strategy to focus primarily on development and select acquisitions in high barrier markets where we believe we can use our platform to its fullest potential and maximize risk-adjusted returns and shareholder value.

Profitable Growth

In addition to our strong overall operational results, we continued to execute on our portfolio growth and value creation strategy via a disciplined investment process. By far our biggest win in 2018 was our 1.4 million square-foot lease at the First Nandina Logistics Center in the Inland Empire of Southern California. The building was leased effectively simultaneous with the completion of construction at year-end. Including First Nandina, we placed in service \$227 million of developments which comprised 3.5 million square feet. Based on prevailing acquisition



First Nandina Logistics Center | Inland Empire

cap rates for comparably leased properties, our average margin from these developments exceeded 70% which translates into approximately \$1.35 per share of net asset value creation.

The strong development margins from our 2018 completions is not a new story for us, but it is one which deserves some additional discussion. For the past several years, our average margin on new development has exceeded 50%. This has been driven by the great work of our team in the field as well as by rental rate growth that in many cases exceeded our underwriting. Going forward, we acknowledge that maintaining these margins will be difficult, if not unlikely. Land prices continue to appreciate at a rapid pace in high barrier markets, competition for the best sites is intense, entitlements are taking longer and are more difficult, and construction costs continue to creep up. We will continue to target spreads of approximately 100 to 150 basis points above prevailing cap rates for comparably leased investments to compensate for the leasing risk inherent in any new speculative development.



The Ranch by First Industrial | Inland Empire

Through new investment - both development and select acquisitions - plus continued targeted sales, our portfolio continues to evolve. Over the past several years, we have steadily increased our investment in high barrier markets while paring down holdings in smaller, capital and tenant intensive buildings, as well as in lower barrier markets. One clear indicator of this strategy is the growth of our holdings in Southern California (our largest market), which stood at 16.7% of rental income at year-end. Pro-forma, accounting for the lease-up of our investments in process, that figure will grow to 19% over the next 12 months, all other things being equal. Recall that at December 31, 2009, Southern California represented 8.6% of our rental income, so our proportionate exposure to this high barrier market has more than doubled.

While our success in development has largely been via speculative construction, we were very pleased to capture two major build-to-suits during 2018. The first was First Park Fairburn in Atlanta for Post Holdings. This building totals 703,000 square feet with a \$40.4 million estimated investment. The second is First Mountain Creek Distribution Center in Dallas comprising 863,000 square feet and a \$52.5 million estimated investment. It is interesting to note that both of these buildings are in markets which have a fair amount of speculative supply. So we view these two wins as high-praise for the quality of our buildable sites. Build-to-suits generally come at lower margins, although we note that for these two buildings the combined expected average spread over prevailing market cap rates is over 100 basis points.



First Park Fairburn BTS | Atlanta

In addition to these accomplishments, our team:

1. Completed six developments, which are currently in lease-up, totaling 1.8 million square feet with an estimated total investment of \$129 million comprised of two buildings in Southern California, two buildings in Central Pennsylvania, and one each in Chicago and Houston;
2. Started five additional buildings totaling 1.2 million square feet with an estimated total investment of \$96.5 million comprised of two buildings in Dallas plus one each in Southern California, Denver and Seattle; and
3. Acquired ten buildings comprising 1.0 million square feet plus several development sites for a total of \$167.5 million, located in Southern California, New Jersey, Seattle, Denver, Houston, Dallas, Orlando and Miami.

The projected overall stabilized cash yield on these investments, excluding the development sites, is 6.4%. We are very pleased with the success of our investment program and will strive to increase the amounts invested - but not at the expense of quality or responsible risk management. As always, we will continue to value profitability over volume.

Our investment efforts in 2018 included the creation of a project-specific joint venture with Diamond Realty, the U.S. real estate investment arm of Mitsubishi Corporation. This venture acquired 532 net acres at the PV-303 business park in Phoenix. The total purchase price was \$49.0 million and First Industrial has a 49% interest in the venture. As we noted in the original announcement, we don't intend to be a serial creator of joint ventures. Rather, we wanted to capture an opportunity in what we believe is the best submarket in Phoenix, while being mindful of the potential oversized allocation we would have in Phoenix if we took on the entire project ourselves. Here again, discipline guided our thinking.

Conservative Capital Management to Support Long-Term Growth

The strength of our balance sheet was recognized via upgrades of our issuer default ratings to Baa2 from Moody's Investor Service and BBB from S&P Global Ratings. With \$146 million of proceeds from a common stock offering in May to support our previously mentioned investment efforts, along with cash flow growth, our Debt to EBITDA ratio stood at 4.7x at the end of the year. Given that our target for this ratio is 5 to 6 times, we have substantial dry powder to fund new investments.

FR DIVIDEND HISTORY



(3) Reflects 1Q19 dividend of \$0.23 annualized, subject to approval by the Company's Board of Directors.

As we have talked about for the past several years, we have in place a self-imposed speculative leasing cap which today stands at \$475 million. The cap applies to any new speculative development or acquisition with significant lease-up opportunity. Once leases are signed, the pro rata portion of that asset comes out of the cap, providing room for new investment exposure. We believe this tool provides investors with appropriate transparency regarding the level of speculative risk we have at any one time, is a useful governor on our overall risk exposure and complements our market research and diligence at the project level.

Our balance sheet strength and cash flow growth continue to support dividend growth. In 2018, we grew our dividend 3.6%. The Board declared a first quarter 2019 dividend of \$0.23 per share/unit or \$0.92 annualized, which represents growth of 5.7%. Our 2019 dividend reflects an AFFO⁽⁴⁾ payout ratio of approximately 64%, the lowest in our peer group. This provides additional free cash flow to redeploy into new investments and gives us ample room if the markets turn and become less accommodating.

The First Industrial Franchise and a Look Ahead

In addition to our industry-leading development margins, our team continues to embrace our long-standing focus on customer service. In 2018, our customer service scores again topped the independent Kingsley Index for owners that reported more than 30 million square feet of industrial space. We strive to provide our tenants with the most functional space in the marketplace in terms of location, access, clear height, and car and trailer parking. However, these qualities only go so far. It is our people maintaining, leasing and delivering this space that really make the difference. Our Kingsley Index results help us measure our all-important goal of high customer satisfaction which in turn keeps our occupancy high, leasing costs low and rents increasing.

All of our stakeholders benefit greatly from the tireless work ethic, experience and expertise of our teams on the ground and in our corporate office. My teammates around the country are the ones responsible for delivering the performance you all have come to expect. Please join me again in thanking all of them for their efforts.



Lastly, FR maintains a culture of winning, performance, accountability and teamwork that is reflected every day in our workplace. It also manifests itself in our commitment to the communities and environments in which we live and work. In 2018, our team participated in 24 charity events, donated their time and talents making good use of our paid time-off policy for volunteering, and raised money for many worthy charities on a local and national level. In our new development efforts, we are building assets which are sensitive to the environments in which they exist. This is evident in our buildings via construction materials and methods, landscaping, lighting and overall energy usage. We think this focus is both good social policy and a strong business practice.

Once again this year we want to thank our shareholders, financial partners and customers for entrusting your capital and business operations to First Industrial. We are mindful that you have alternatives and will continue



to work diligently to earn and retain your trust and confidence. I am incredibly proud of our people and what they are able to achieve year-in and year-out. They are vigilant stewards of capital and completely committed to being the best they can be. We also want to thank our talented Board of Directors for their wisdom and guidance as we continue to seek out and implement best practices, and to source prudent growth opportunities in a very competitive marketplace. We remain enthusiastic about the long-term prospects for our industry and our company. Our commitment to long-term cash flow growth and value creation, with appropriate risk management, remains the centerpiece of our business strategy.

(4) The definition of AFFO, and a reconciliation of Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities to AFFO, can be found in our press release dated February 13, 2019 that is furnished in our Form 8-K dated February 14, 2019.

In June, 2019 we will celebrate our 25th anniversary as a public company. Since our IPO, we have operated through the worst of times and the best of times, and learned valuable lessons along the way. First Industrial has been transformed through a commitment to operational excellence, teamwork, and perpetual improvement. The substantial tenure and experience of the First Industrial team is a significant and valuable asset to our stakeholders. Our company is stronger than it's ever been and is well positioned to succeed in this highly competitive marketplace. We look forward to leveraging our time-tested platform and portfolio to drive cash flow growth and shareholder value in the years to come.

Sincerely,



A handwritten signature in blue ink that reads "Peter E. Baccile". The signature is fluid and cursive.

Peter E. Baccile
President and Chief Executive Officer



FIRST INDUSTRIAL REALTY TRUST, INC.

One North Wacker Drive

Suite 4200

Chicago, Illinois 60606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 8, 2019

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders (the “Annual Meeting”) of First Industrial Realty Trust, Inc. (the “Company”) will be held on Wednesday, May 8, 2019 at 9:00 a.m. in the 2nd Floor Conference Center, One North Wacker Drive, Chicago, Illinois 60606 for the following purposes:

1. To elect eight directors to the Board of Directors to serve until the 2020 Annual Meeting of Stockholders, and until their successors are duly elected and qualified;
2. To approve, on an advisory (i.e. non-binding) basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement;
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2019; and
4. To consider and act upon any other matters that may properly be brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned, or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on March 15, 2019 as the record date for the Annual Meeting. Only stockholders of record of the Company’s common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

You are requested to fill in and sign the enclosed Proxy Card, which is being solicited by the Board of Directors, and to mail it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read 'DJHEMMER'.

Daniel J. Hemmer
General Counsel and Secretary

Chicago, Illinois
April 9, 2019

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED.



FIRST INDUSTRIAL REALTY TRUST, INC.

One North Wacker Drive

Suite 4200

Chicago, Illinois 60606

PROXY STATEMENT

FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 8, 2019

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of First Industrial Realty Trust, Inc. (“First Industrial” or the “Company”) for use at the 2019 Annual Meeting of Stockholders of the Company to be held on Wednesday, May 8, 2019, and at any adjournments or postponements thereof (the “Annual Meeting”). At the Annual Meeting, stockholders will be asked to vote (i) to elect eight directors to the Board of Directors to serve until the 2020 Annual Meeting of Stockholders, and until their successors are duly elected and qualified, (ii) to approve, on an advisory (i.e. non-binding) basis, the compensation of the Company’s named executive officers as disclosed in this Proxy Statement, (iii) to ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the current fiscal year and (iv) to act on any other matters properly brought before them.

This Proxy Statement and the accompanying Notice of Annual Meeting and Proxy Card are first being sent to stockholders on or about April 9, 2019. The Board of Directors has fixed the close of business on March 15, 2019 as the record date for the Annual Meeting (the “Record Date”). Only stockholders of record of our Common Stock at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 126,491,954 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. Holders of Common Stock outstanding as of the close of business on the Record Date will be entitled to one vote for each share held by them on each matter presented to the stockholders at the Annual Meeting.

Stockholders of the Company are requested to complete, sign, date and promptly return the accompanying Proxy Card in the enclosed postage-prepaid envelope. Shares represented by a properly executed Proxy Card received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the Proxy Card. If a properly executed Proxy Card is submitted and no instructions are given, the persons designated as proxy holders on the Proxy Card will vote (i) FOR the election of the eight nominees for director named in this Proxy Statement, (ii) FOR the approval, on an advisory basis, of the compensation of our named executive officers, (iii) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the current fiscal year and (iv) in their own discretion with respect to any other business that may properly come before the stockholders at the Annual Meeting or at any adjournments or postponements thereof. We have not received notice of any matters other than those set forth in this Proxy Statement and, accordingly, it is not anticipated that any other matters will be presented at the Annual Meeting.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required (i) for the election of directors, (ii) for the approval, on an advisory basis, of the compensation of our named executive officers and (iii) for the ratification of the appointment of the Company’s independent registered public accounting firm. Abstentions will not be counted as votes cast, and accordingly will have no effect on any of the Proposals presented in this Proxy Statement.

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A stockholder of record may revoke a proxy at any time before it has been exercised by filing a written revocation with the Secretary of the Company at the address of the Company set forth above, by filing a duly executed proxy bearing a later date, or by appearing in person and voting by ballot at the Annual Meeting. Any stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously given, but the presence (without further action) of a stockholder at the Annual Meeting will not constitute revocation of a previously given proxy. “Street name” stockholders who wish to vote in person will need to obtain a duly executed proxy form from the institution that holds their shares prior to the Annual Meeting.

Appendix A to this Proxy Statement contains the Company’s 2018 Annual Report, including the Company’s financial statements for the fiscal year ended December 31, 2018 and certain other information required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). However, the Company’s 2018 Annual Report is not part of the proxy solicitation material. See “Other Matters—Incorporation by Reference” herein.

BROKER NON-VOTES

Stockholders of the Company who have received this Proxy Statement from their broker or other fiduciary should have received instructions for directing how that broker or fiduciary should vote the stockholder’s shares. It will be the broker’s or fiduciary’s responsibility to vote the stockholder’s shares for the stockholder in the manner directed. The stockholder must complete, execute and return the voting instruction form in the envelope provided by the broker.

Under the rules of the New York Stock Exchange (the “NYSE”), brokers generally may vote on routine matters, such as the ratification of an independent public accounting firm, but may not vote on non-routine matters unless they have received voting instructions from the person for whom they are holding shares. If there is a non-routine matter presented to stockholders at a meeting and the stockholder’s broker or fiduciary does not receive instructions from the stockholder on how to vote on that matter, the broker or fiduciary will return the Proxy Card to the Company, indicating that he or she does not have the authority to vote on that matter. This is generally referred to as a “broker non-vote” and may affect the outcome of the voting on those matters, as discussed below.

The proposal described in this Proxy Statement for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2019 is considered a routine matter under the NYSE rules. Each of the other proposals is considered a non-routine matter under NYSE rules and could result in broker non-votes. Broker non-votes will not be counted as votes cast and, accordingly, will have no effect on the result of the vote for these non-routine matters. However, broker non-votes will be counted for quorum purposes. We therefore encourage stockholders to provide directions to their broker as to how the stockholder wants their shares voted on all matters to be brought before the Annual Meeting. The stockholder should do this by carefully following the instructions the broker gives the stockholder concerning its procedures. This ensures that the stockholder’s shares will be voted at the meeting.

PROPOSAL 1
ELECTION OF DIRECTORS

Pursuant to the Company's Charter, the maximum number of members allowed to serve on the Company's Board of Directors is twelve. The Board of Directors of the Company currently consists of eight seats. Each of the directors is serving for a term of one year and until such director's successor is duly elected and qualified. The Company's Nominating/Corporate Governance Committee identifies and recommends individuals for service on the Board of Directors, and the Board of Directors then either approves or rejects in whole all of such nominees.

The Board of Directors has nominated Peter E. Baccile, Matthew S. Dominski, Bruce W. Duncan, H. Patrick Hackett, Jr., Denise A. Olsen, John Rau, L. Peter Sharpe and W. Ed Tyler to serve as directors (the "Nominees"). All of the Nominees are currently serving as directors of the Company. Each of the Nominees has consented to be named as a nominee in this Proxy Statement. The Board of Directors anticipates that each of the Nominees will serve as a director if elected. However, if any person nominated by the Board of Directors is unable to accept election, the proxies will vote for the election of such other person or persons as the Board of Directors may recommend.

The Board of Directors recommends a vote FOR each of the Nominees.

INFORMATION REGARDING THE NOMINEES

The following biographical descriptions set forth certain information with respect to the eight Nominees for election as directors and certain executive officers, based on information furnished to the Company by such persons. The following information is as of the Record Date unless otherwise specified.

Peter E. Baccile

Director since 2016

Mr. Baccile, 56, has served as President of the Company since September 2016 and assumed the Chief Executive Officer position in December 2016. He brings more than 30 years of management, real estate and financial expertise to the Company. Prior to joining the Company, he served as Joint Global Head of the Real Estate, Lodging and Leisure Group within UBS Securities, LLC's investment banking division from June 2012 to September 2016. Prior to that, Mr. Baccile served in various senior leadership roles during his 26-year tenure at J.P. Morgan. Most recently, he was Vice Chairman of J.P. Morgan Securities Inc. He also served as Co-Head of the General Industries Investment Banking Coverage Group which encompassed Real Estate, Lodging, Gaming, Diversified Industrials, Paper Packing and Building Products, and Transportation. Before that he served as Global Head of J.P. Morgan's Real Estate, Lodging and Gaming Investment Banking group for 10 years. Mr. Baccile is a member of the National Association of Real Estate Investment Trusts (NAREIT), where he serves on the audit and investment committee, and The Real Estate Roundtable, where he was past Chairman of the Real Estate Capital Policy advisory committee. He is a past trustee of the International Council of Shopping Centers (ICSC) and the Urban Land Institute (ULI). Mr. Baccile's extensive experience in real estate management and finance is critical to his ability to lead the Company as its Chief Executive Officer, and is a valuable asset to the Board of Directors. Moreover, as the Company's Chief Executive Officer, Mr. Baccile brings to the Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position. Mr. Baccile's membership on the Board of Directors is critical to ensuring appropriate coordination and communication between the Company's executive officers and the Board of Directors.

Matthew S. Dominski

Director since 2010

Mr. Dominski, 64, has been a director of the Company since March 2010. He also presently serves as a director of CBL & Associates Properties, Inc., a shopping mall real estate investment trust in the United States. From 1993 through 2000, Mr. Dominski served as Chief Executive Officer of Urban Shopping Centers ("Urban"), formerly one of the largest regional mall property companies in the country and a publicly traded real

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estate investment trust. Following the purchase of Urban by Rodamco North America in 2000, Mr. Dominski served as Urban's President until 2002. In 2003, Mr. Dominski formed Polaris Capital, LLC, a Chicago, Illinois based real estate investment firm of which he was joint owner through 2013. From 1998 until 2004, Mr. Dominski served as a member of the Board of Trustees of the International Council of Shopping Centers. Mr. Dominski's extensive experience leading other public and private real estate companies, both as a senior executive and a director, is a valuable asset to the Board of Directors.

Bruce W. Duncan

Director since 2009

Mr. Duncan, 67, has been a director of the Company since January 2009 and the Chairman of the Board of Directors since January 2016. Mr. Duncan also served as the Company's President from January 2009 through September 2016, and its Chief Executive Officer from January 2009 through November 2016. Mr. Duncan presently serves as a director of Marriot International, Inc. (NASDAQ: MAR) and Boston Properties, Inc. (NYSE: BXP), an Independent Director of the T. Rowe Price Funds and, as of November 2018, a Senior Adviser to KKR & Co. Inc. He formerly served as Chairman of the Board of Starwood Hotels & Resorts Worldwide, Inc. ("Starwood") from 2005 to September 2016. From April 2007 to September 2007, Mr. Duncan served as Chief Executive Officer of Starwood on an interim basis. Mr. Duncan served as a director of Starwood from 1999 through September 2016 and as a trustee of the REIT subsidiary of Starwood from 1995 to 2006. He also was a senior advisor to Kohlberg Kravis & Roberts & Co. from July 2008 until January 2009. From May 2005 to December 2005, Mr. Duncan was Chief Executive Officer and Trustee of Equity Residential (NYSE: EQR) ("EQR"), a publicly traded apartment company. From January 2003 to May 2005, he was President, Chief Executive Officer and Trustee, and from April 2002 to December 2002, President and Trustee of EQR. From December 1995 until March 2000, Mr. Duncan served as Chairman, President and Chief Executive Officer of Cadillac Fairview Corporation, a real estate operating company. From January 1992 to October 1994, Mr. Duncan was President and Co-Chief Executive Officer of JMB Institutional Realty Corporation, providing advice and management for investments in real estate by tax-exempt investors, and from 1978 to 1992 he worked for JMB Realty Corporation, where he served in various capacities, ultimately serving as Executive Vice President and a member of the Board of Directors. Mr. Duncan currently serves on the Board of Governors and the Governing Council of the Investment Company Institute and the Board of Governors of the Independent Directors Counsel. Mr. Duncan's extensive experience leading other publicly traded real estate companies, both as a senior executive and a director, is a valuable asset to the Board of Directors. Moreover, as the Company's former Chief Executive Officer, Mr. Duncan brings to the Board of Directors his in-depth knowledge of our business, strategy, operations, competition and financial position.

H. Patrick Hackett, Jr.

Director since 2009

Mr. Hackett, 67, has been a director of the Company since December 2009. Mr. Hackett is the principal of HHS Co., an investment company located in the Chicago area. Previously, he served as the President and Chief Executive Officer of RREEF Capital, Inc. and as principal of The RREEF Funds, an international commercial real estate investment management firm. Mr. Hackett taught real estate finance at the Kellogg Graduate School of Management for many years when he also served on the real estate advisory boards of Kellogg and the Massachusetts Institute of Technology. He currently chairs the board of Wintrust Financial Corporation (NASDAQ: WTFC) and is a trustee of Northwestern University. Mr. Hackett provides the Board of Directors with valuable real estate investment and finance expertise. In addition, Mr. Hackett's financial expertise is valuable to the Company's Audit Committee, which he has chaired since June 2010, and we have determined him to be an "audit committee financial expert."

Denise A. Olsen

Director since 2017

Ms. Olsen, 53, has been a director of the Company since November 2017. Ms. Olsen has been employed by GEM Realty Capital, an integrated real estate investment firm that invests in private market assets and publicly traded securities, since 1996. She presently serves as senior managing director and a member of the investment committee of GEM Realty Capital, where she is also responsible for investor relations, reporting and communication. From 1994 to 1996, Ms. Olsen was vice president at EVEREN Securities, serving in their Real

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Estate Corporate Finance Group. From 1987 to 1994, Ms. Olsen served in various capacities at JMB Realty Corporation, including senior portfolio manager of corporate mixed-use developments and as a member of the acquisitions group. Ms. Olsen currently serves as an executive committee member of The Samuel Zell and Robert Lurie Real Estate Center at the Wharton School at the University of Pennsylvania and on the investment committee of The Harry and Jeanette Weinberg Foundation. Ms. Olsen's significant investment and operational experience in both the private and publicly traded real estate realms is a valuable asset to the Board of Director. Further, Ms. Olsen's financial expertise is valuable to the Company's Audit Committee, on which she currently serves.

John Rau

Director since 1994

Mr. Rau, 70, has been a director of the Company since June 1994 and Lead Independent Director since January 2016. Since December 2002, Mr. Rau has served as President and Chief Executive Officer and as a director of Miami Corporation, a private asset management firm. From January 1997 to March 2000, he was a director, President and Chief Executive Officer of Chicago Title Corporation, and its subsidiaries, Chicago Title and Trust Co., Chicago Title Insurance Co., Ticor Title Insurance Co. and Security Union Title Insurance Co. Mr. Rau was a director of BorgWarner, Inc. from 1997 to 2006, a director of William Wrigley Jr. Company from March 2005 until the company was sold to Mars, Inc. in September 2008 and a director of Nicor, Inc. from 1997 until it was sold to Southern Company Gas (formerly AGL Resources Inc.) in December 2011, and he continues as a director of Southern Company Gas. Mr. Rau is the Chairman of the board of directors of BMO Financial Corp. and served as a director of LaSalle Bank, N.A. until its 2007 sale to Bank of America. From July 1993 until November 1996, Mr. Rau was Dean of the Indiana University School of Business. From 1991 to 1993, Mr. Rau served as Chairman of the Illinois Economic Development Board and as special advisor to Illinois Governor Jim Edgar. From 1990 to 1993, he was Chairman of the Banking Research Center Board of Advisors and a Visiting Scholar at Northwestern University's J.L. Kellogg Graduate School of Management. During that time, he also served as Special Consultant to McKinsey & Company, a worldwide strategic consulting firm. From 1989 to 1991, Mr. Rau served as President and Chief Executive Officer of LaSalle National Bank. From 1979 to 1989, he was associated with The Exchange National Bank, serving as President from 1983 to 1989, at which time The Exchange National Bank merged with LaSalle National Bank. Prior to 1979, he was associated with First National Bank of Chicago. Mr. Rau's extensive experience in the banking and title insurance industries provides the Board of Directors with valuable insight into the matters of corporate and real estate finance, as well as financial services management and risk management. Moreover, Mr. Rau's financial expertise is valuable to the Company's Audit Committee, on which he currently serves.

L. Peter Sharpe

Director since 2010

Mr. Sharpe, 72, has been a director of the Company since November 2010. He served as President and Chief Executive Officer of Cadillac Fairview Corporation from March 2000 through December 2010. Prior to March 2000, Mr. Sharpe held various positions at Cadillac Fairview Corporation, including serving as its Executive Vice President of Operations from 1990 to 2000. Mr. Sharpe currently serves as a director of Postmedia Network Canada Corp., Morguard Corporation and Allied Properties Real Estate Investment Trust. From 2009 through 2010, Mr. Sharpe served as Chairman of the Board of Directors of the International Council of Shopping Centers, the global trade association of the shopping center industry. Previously, Mr. Sharpe served as a director on the boards of Legacy REIT, from 1997 to 2001, and Fairmont Hotels & Resorts, from 2001 to 2006. Mr. Sharpe's experience managing large real estate development companies, and serving on the boards of real estate investment trusts, has provided him with real estate knowledge and corporate organizational skills that benefit the Board of Directors. In addition to his executive experience, inclusive of managing a substantial real estate entity for an institutional ownership constituency, Mr. Sharpe has a substantial background in real estate investment leasing and operations. Moreover, Mr. Sharpe's financial expertise, and his experience serving on the audit committees of other publicly traded real estate companies, is valuable to the Company's Audit Committee.

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W. Ed Tyler

Director since 2000

Mr. Tyler, 66, has been a director of the Company since March 2000, served as Lead Director from October 2008 to January 2009 and served as non-executive Chairman of the Board of Directors from January 2009 to January 2016. Mr. Tyler also served as the Company's interim Chief Executive Officer from October 2008 to January 2009. Mr. Tyler is a director of Nanophase Technologies Corporation (OTCQB: NANX). Mr. Tyler was appointed Chief Executive Officer of Ideapoint Ventures in 2002. Ideapoint Ventures is an early stage venture fund that focuses on nanotechnologies. Prior to joining Ideapoint Ventures, Mr. Tyler served as Chief Executive Officer and a director of Moore Corporation Limited, a provider of data capture, information design, marketing services, digital communications and print solutions, from 1998 to 2000. Prior to joining Moore Corporation, Mr. Tyler served in various capacities at R.R. Donnelley & Sons Company, most recently as Executive Vice President and Chief Technology Officer, from 1997 to 1998, and as Executive Vice President and Sector President of Donnelley's Networked Services Sector, from 1995 to 1997. Mr. Tyler's extensive experience as a senior executive and director of other companies, both private and publicly traded, is valuable to the Board of Directors.

INFORMATION REGARDING EXECUTIVE OFFICERS

Scott A. Musil

Mr. Musil, 51, has been Chief Financial Officer of the Company since March 2011. He served as acting Chief Financial Officer of the Company from December 2008 to March 2011. Mr. Musil also has served as Senior Vice President of the Company since March 2001, Treasurer of the Company since May 2002 and Assistant Secretary of the Company since August 2014. Mr. Musil previously served as Controller of the Company from December 1995 to March 2012, Assistant Secretary of the Company from May 1996 to March 2012 and July 2012 to May 2014, Vice President of the Company from May 1998 to March 2001, Chief Accounting Officer from March 2006 to May 2013 and Secretary from March 2012 to July 2012 and May 2014 to August 2014. Prior to joining the Company, he served in various capacities with Arthur Andersen & Company. From May 2017 through March 2019, Mr. Musil served as a director and the chair of the audit committee of HC Government Realty Trust, Inc., a public real estate investment trust focused on federally-leased, single tenant properties. Mr. Musil is a non-practicing certified public accountant. His professional affiliations include the American Institute of Certified Public Accountants and NAREIT.

Johannson L. Yap

Mr. Yap, 56, has been the Chief Investment Officer of the Company since February 1997 and Executive Vice President—West Region since March 2009. From April 1994 to February 1997, he served as Senior Vice President—Acquisitions of the Company. Prior to joining the Company, Mr. Yap joined The Shidler Group, a former affiliate of the Company, in 1988 as an acquisitions associate, and became Vice President in 1991, with responsibility for acquisitions, property management, leasing, project financing, sales and construction management functions. His professional affiliations include Urban Land Institute, NAREIT and the Council of Logistics Management, and he serves as a member of both the Board of Advisors for the James Graaskamp Center for Real Estate at the University of Wisconsin and the Advisory Board of the Kelley School of Business of the University of Indiana, Center for Real Estate Studies.

David G. Harker

Mr. Harker, 60, has been Executive Vice President—Central Region of the Company since March 2009. From April 2005 to March 2009, he served as Executive Director—Investments of the Company. From 2002 to April 2005, he served as a Senior Regional Director of the Company and, from 1998 to 2002, he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Nashville, St. Louis, Louisville and Memphis. Prior to joining the Company, Mr. Harker was a Vice President of the Trammell Crow Company from 1992 to 1998.

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Peter O. Schultz

Mr. Schultz, 56, has been Executive Vice President—East Region of the Company since March 2009. From January 2009 to March 2009 he served as Senior Vice President—Portfolio Management of the Company. From November 2007 to December 2008, he served as a Managing Director of the Company, with responsibility for the Company's East Region. From September 2004 to November 2007, he served as a Vice President—Leasing of the Company, with responsibility for the Company's leasing team and asset management plan implementation in the East Region. From January 2001 to September 2004, he served as a Senior Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania and Southern New Jersey. From March 1998 to December 2000, he served as a Regional Director of the Company, with responsibility for the Company's portfolio in Eastern Pennsylvania. Prior to joining the Company, Mr. Schultz served as President and Managing Partner of PBS Properties, Inc. from November 1990 to March 1998, prior to which time he was Director of Marketing and Sales for the Pickering Group and Morgantown Properties. His professional affiliations include the National Association of Industrial and Office Properties.

THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The Board of Directors. The Board of Directors currently consists of eight seats. In considering the independence of its members, the Board of Directors applies the independence standards and tests set forth in Sections 303A.02(a) and (b) of the Listed Company Manual of the NYSE. Applying such standards, the Board of Directors has affirmatively determined that each of Messrs. Dominski, Hackett, Rau, Sharpe and Tyler and Ms. Olsen, who collectively constitute a majority of the members of the Board of Directors, are independent directors.

The Board of Directors held seven meetings and acted once by unanimous consent during 2018. Each of the directors serving in 2018 attended at least 75% of the total number of meetings of the Board of Directors and of the respective committees of the Board of Directors of which such director was a member, in each case held during the period for which he or she was serving as a director. Although the Company does not have a formal policy regarding director attendance at Annual Meetings of Stockholders, all of the directors then-serving attended the 2018 Annual Meeting of Stockholders. During 2018, Mr. Duncan, in his capacity as Chairman of the Board, presided at meetings of all of the directors and Mr. Rau, in his capacity as Lead Independent Director, presided at meetings of our independent directors.

The Board of Directors has adopted Corporate Governance Guidelines to reflect the principles by which it operates and has adopted a Code of Business Conduct and Ethics, which includes the principles by which the Company expects its employees, officers and directors to conduct Company business. The Corporate Governance Guidelines and Code of Business Conduct and Ethics, as well as the charters of the Audit Committee, Compensation Committee and Nominating/Corporate Governance Committee of the Board of Directors, are accessible at the investor relations page of the Company's website at www.firstindustrial.com and are available in print free of charge to any stockholder or other interested party who requests them. The Company intends to post on its website amendments to, or waivers from, any provision of the Company's Code of Business Conduct and Ethics. The Company also posts or otherwise makes available on its website from time to time other information that may be of interest to investors and other interested parties. However, none of the information provided on the Company's website is part of the proxy solicitation material. See "Other Matters—Incorporation by Reference" herein.

The Board of Directors has appointed an Audit Committee, a Compensation Committee, an Investment Committee and a Nominating/Corporate Governance Committee.

Audit Committee. The Audit Committee is directly responsible for the appointment and oversight of our independent registered public accounting firm. In connection with such responsibilities, the Audit Committee approves the engagement of independent public accountants, is directly involved in the selection of the independent public accounting firm's lead engagement partner, reviews with the independent public accountants the audit plan, the audit scope, and the results of the annual audit engagement, pre-approves audit and non-audit

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services and fees of the independent public accountants, reviews the independence of the independent public accountants and reviews the adequacy of the Company's internal control over financial reporting. In addition, the Audit Committee has responsibility for overseeing the Company's enterprise and risk management and for supervising and assessing the performance of the Company's internal audit department.

The Audit Committee currently consists of Messrs. Hackett, Sharpe and Rau and Ms. Olsen. Each of Messrs. Hackett, Sharpe and Rau and Ms. Olsen is, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE and the rules of the SEC. Also, in the judgment of the Company's Board of Directors, each member is financially literate as required by the listing standards of the NYSE. Further, in the judgment of the Company's Board of Directors, Mr. Hackett is an "audit committee financial expert," as such term is defined in the SEC rules, and has "accounting or related financial management expertise," as defined in the listing standards of the NYSE. See Mr. Hackett's biography on page 4. Mr. Hackett is also the current Chairman of the Audit Committee. In 2018, the Audit Committee met five times.

Compensation Committee. The Compensation Committee has overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee administers the First Industrial Realty Trust, Inc. 2014 Stock Incentive Plan (the "2014 Stock Plan"), and has the authority to grant awards under the 2014 Stock Plan. The Compensation Committee currently consists of Ms. Olsen, Mr. Sharpe and Mr. Tyler, each of whom are, in the judgment of the Company's Board of Directors, independent as required by the listing standards of the NYSE. Mr. Sharpe currently serves as the Chairman of the Compensation Committee. In 2018, the Compensation Committee met five times and acted once by unanimous consent.

Investment Committee. The Investment Committee provides oversight and discipline to the investment process. The Investment Committee oversees implementation of our investment strategy, within parameters set by the Board of Directors, reviews and approves specific transactions and keeps the Board of Directors regularly apprised of our progress and performance with respect to our investment strategy. Investment opportunities are described in written reports based on detailed research and analyses in a standardized format applying appropriate underwriting criteria, and the Investment Committee meets with the Company's investment personnel and reviews each submission thoroughly. The Investment Committee's charter details the required approval authority for various types of transactions, with the level of approval required varying depending on the type of transaction and the dollar amount involved, and the Investment Committee oversees the implementation of such approval requirements. The membership of the Investment Committee currently consists of Messrs. Hackett, Baccile, Dominski and Duncan, with Mr. Duncan currently serving as the Investment Committee's Chairman. In 2018, the Investment Committee met seven times.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends individuals for election as directors at the Annual Meeting of Stockholders of the Company and in connection with any vacancy that may occur on the Board of Directors. In turn, the Board of Directors either approves by a majority vote all of the nominations so recommended by the Nominating/Corporate Governance Committee or rejects all of the nominations, in each case in whole, but not in part. In the event that the Board of Directors rejects the recommended nominations, the Nominating/Corporate Governance Committee develops a new recommendation. In addition, the Nominating/Corporate Governance Committee develops and oversees the Company's corporate governance policies. The membership of the Nominating/Corporate Governance Committee currently consists of Messrs. Dominski, Hackett and Rau, each of whom, in the judgment of the Board of Directors, is independent as required by the listing standards of the NYSE. Mr. Rau is the current Chairman of the Nominating/Corporate Governance Committee. In 2018, the Nominating/Corporate Governance Committee met once. The Nominating/Corporate Governance Committee also met in February 2019 to determine its nominations included in this Proxy Statement.

The Nominating/Corporate Governance Committee will consider nominees recommended by stockholders of the Company. In order for a stockholder to nominate a candidate for election as a director at an Annual Meeting, proper notice must be given in accordance with the Company's Bylaws and applicable SEC regulations to the

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Secretary of the Company. Pursuant to the Company's Bylaws and applicable SEC regulations, such notice of a director nominee must be provided to the Secretary of the Company not more than 150 days and not less than 120 days prior to the first anniversary of the date the Company's proxy statement for the prior year's Annual Meeting of Stockholders was released to stockholders. The fact that the Company may not insist upon compliance with these requirements should not be construed as a waiver by the Company of its right to do so at any time in the future.

In general, it is the Nominating/Corporate Governance Committee's policy that, in its judgment, its recommended nominees for election as members of the Board of Directors of the Company must, at a minimum, have business experience of a breadth, and at a level of complexity, sufficient to understand all aspects of the Company's business and, through either experience or education, have acquired such knowledge as is sufficient to qualify as financially literate. In addition, recommended nominees must be persons of integrity and be committed to devoting the time and attention necessary to fulfill their duties to the Company. While the Nominating/Corporate Governance Committee has not adopted a formal diversity policy, the Company values diversity, in its broadest sense, reflecting, but not limited to, profession, geography, gender, ethnicity, skills and experience. As part of the nomination process, the Company endeavors to have a diverse Board of Directors representing a range of experiences in areas that are relevant to the Company's business and the needs of the Board of Directors from time-to-time, and the Nominating/Corporate Governance Committee and the Board of Directors considers highly qualified candidates, including women and minorities.

The Nominating/Corporate Governance Committee may identify nominees for election as members of the Board of Directors through its own sources (including through nominations by stockholders made in accordance with the Company's Bylaws), through sources of other directors of the Company, and through the use of third-party search firms. Subject to the foregoing minimum standards, the Nominating/Corporate Governance Committee will evaluate each nominee on a case-by-case basis, assessing each nominee's judgment, experience, independence, understanding of the Company's business or that of other related industries, and such other factors as the Nominating/Corporate Governance Committee concludes are pertinent in light of the current needs of the Company's Board of Directors.

Board Leadership Structure and Lead Independent Director. Our Board of Directors recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide effective management oversight and a fully engaged, highly functioning Board of Directors. Our key objective in establishing the structure of the Board of Directors is to strengthen the independence and general role of the Board of Directors with appropriate checks and balances on the power, actions and performance of our Chief Executive Officer. Because Mr. Duncan, our Chairman of the Board, formerly served as our Chief Executive Officer, the Board of Directors determined upon his appointment as Chairman in 2016 to create a Lead Independent Director position to provide leadership to our independent directors and liaise on their behalf with our Chief Executive Officer and Chairman as may be appropriate. The Board of Directors has chosen Mr. Rau, the Chairman of its Nominating/Corporate Governance Committee, to serve as Lead Independent Director. Mr. Rau, as Lead Independent Director, chairs any executive sessions of our independent directors and is empowered to call meetings of such independent directors. The Lead Independent Director also has the authority to approve information sent to the Board of Directors, as well as meeting agendas and schedules.

Corporate Responsibility and Sustainability Initiatives. The Company and its Board of Directors is focused on building and maintaining a socially responsible and sustainable business that succeeds by delivering long-term value for our stockholders. We continuously look for new and better ways to foster a diverse and inclusive work environment, improve employee health and safety, engage our surrounding communities and minimize the environmental impact of the Company and our tenants, all while creating value for our stockholders. In furtherance of this goal, in 2018 we formed a committee consisting of our General Counsel, our Vice President—Investor Relations and Marketing and representatives from our operations and environmental teams, responsible for advising our Board of Directors and consulting with and generally advising management on various matters related to corporate social responsibility, including sustainability, diversity and inclusion, philanthropy and community involvement, good corporate citizenship, health and wellness, and other non-financial issues that are of significance to the Company and its stockholders.

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Because we primarily net lease the properties in our portfolio to our tenants and each tenant is ultimately responsible for maintaining its properties, one of our key corporate responsibility priorities is to engage with and positively influence our tenants to implement environmentally sustainable practices. Additionally, as we add developed and undeveloped properties to our portfolio, environmental sustainability is a key focus of our efforts to improve or develop such properties.

Board Oversight of Risk Management. The Board of Directors oversees the business of the Company and our stockholders' interests in the long-term financial strength and overall success of the Company's business. In this respect, the Board of Directors is responsible for overseeing the Company's risk management. The Board of Directors delegates many of these functions to the Board's committees. Each committee of the Board of Directors is responsible for reviewing the risk exposure of the Company related to the committees' areas of responsibility and providing input to the Board of Directors on such risks. The Board of Directors and its committees regularly review material strategic, operational, financial, compensation and compliance risks with management.

For example, under its charter, the Audit Committee is required to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the stockholders, the systems of internal controls that management and the Board of Directors have established and the audit process. The Audit Committee is responsible for facilitating communication between the Company's independent auditors and the Board of Directors and management, and for reviewing with the independent auditors the adequacy of the Company's internal controls. The Audit Committee also reviews with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies and the Company's cyber-security risk exposure and mitigation efforts.

Similarly, the Compensation Committee strives to adopt compensation incentives that encourage appropriate risk-taking behavior consistent with the Company's long-term business strategy. We do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on the Company. The Compensation Committee has focused on aligning our compensation policies with our stockholders' long-term interests and avoiding short-term rewards for management or awards that encourage excessive or unnecessary risk-taking. For example, a substantial amount of compensation provided to the Company's executive officers is in the form of equity awards for which the ultimate value of the award is tied to the Company's stock price, and which awards are subject to long-term vesting schedules, thereby aligning the Company's executive officers' interests with those of our stockholders. In addition, annual cash and equity bonuses provided to management under the 2018 Employee Bonus Plan (as defined on page 17) were contingent, among other factors, upon the Company's satisfaction of prescribed levels of funds from operations ("FFO"), same store net operating income growth and fixed charge coverage ratio. Because these awards are directly tied to increased financial performance and stock price, in line with our stockholders' interests, we believe that none of these types of awards contribute to excessive or unnecessary risk-taking.

Communications by Stockholders and Other Interested Parties. Stockholders of the Company and other interested parties may send communications to the Board of Directors as a whole, to its individual members, to its committees or to its independent members as a group. Communications to the Board of Directors as a whole should be addressed to "The Board of Directors;" communications to any individual member of the Board of Directors should be addressed to such individual member; communications to any committee of the Board of Directors should be addressed to the chairman of such committee; and communications to independent members of the Board of Directors as a group should be addressed to the Lead Independent Director. In each case, communications should be further addressed "c/o First Industrial Realty Trust, Inc., One North Wacker Drive, Suite 4200, Chicago, Illinois 60606." All communications will be forwarded to their respective addressees and, if a stockholder marks his or her communication "Confidential," will be forwarded directly to the addressee.

DIRECTOR COMPENSATION

Compensation of non-employee directors is periodically reviewed by the Compensation Committee of the Board of Directors, which makes any recommendations of compensation changes to the entire Board of Directors. Non-employee directors are not entitled to retirement benefits, incentive compensation or perquisites for their service, although they are reimbursed for their out-of-pocket expenses for meeting attendance.

The Company provided the following compensation to our non-employee directors in 2018:

- annual cash fees of \$70,000 and annual grants of restricted common stock with a grant date fair value of approximately \$70,000;
- annual cash fees of \$25,000 and \$50,000 for service as the Lead Independent Director and as the Chairman of the Board of Directors, respectively; and
- annual supplemental fee for chair and committee service as set forth in the following table:

<u>Committee</u>	<u>Annual Fee</u>	
	<u>Chair (\$)</u>	<u>Member (\$)</u>
Audit Committee	30,000	9,000
Compensation Committee	20,000	7,500
Nominating/Corporate Governance Committee	15,000	6,000
Investment Committee	—	7,500

The Company does not pay additional compensation to directors who are also employees of the Company, such as Mr. Baccile, our Chief Executive Officer. Additionally, no fees are paid for attendance at in-person or telephonic meetings of the Board of Directors and its committees. Mr. Duncan, the Chairman of our Board of Directors, does not receive any non-chair service fees for committee service in addition to the fee he receives for service as Chairman of the Board of Directors. All cash fees payable to our non-employee directors are paid in quarterly installments.

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DIRECTOR COMPENSATION TABLE

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards⁽¹⁾⁽²⁾ (\$)</u>	<u>Total Compensation (\$)</u>
Matthew S. Dominski	83,500	70,000	153,500
Bruce W. Duncan	120,000	70,000	190,000
H. Patrick Hackett, Jr.	113,500	70,000	183,500
Denise A. Olsen	85,271	70,000	155,271
John Rau	119,000	70,000	189,000
L. Peter Sharpe	99,000	70,000	169,000
W. Ed Tyler	77,500	70,000	147,500

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- (1) Represents 2,167 shares of restricted Common Stock granted to each director during May 2018, all of which vest on the earlier of the first anniversary of the grant date or the Company’s next annual shareholder meeting. Amounts reflect the aggregate grant date fair value of each award as determined under the Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation (“FASB ASC Topic 718”). See note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of the assumptions used in valuing such awards.
- (2) Other than the 2018 restricted Common Stock grants listed above, the only stock awards held by non-employee directors that were not vested as of the end of fiscal year 2018 are 67,347 shares of restricted Common Stock held by Mr. Duncan.

COMPENSATION DISCUSSION AND ANALYSIS

2018 ACCOMPLISHMENTS

2018 was a successful year for the Company, marked by continued execution of our strategy: driving long-term cash flow growth and value for stockholders through leasing, enhancing our portfolio through developing, acquiring and selling select properties and maintaining our strong balance sheet.

Decisions by the Board of Directors on executive compensation are reflective of the Company's strong performance during the year, including:

- Growing occupancy for our in-service portfolio by 120 basis points, ending the year at a Company-record 98.5%;
- Growing cash same store net operating income by 5.8%;
- Growing cash rental rates on new and renewal leases by 8.1%;
- Growing our Common Stock dividend by 3.6%;
- Placing in service eight 100% leased developments totaling 3.5 million square feet and an estimated total investment of \$227 million, comprised of six buildings in Southern California and one building in each of Phoenix and Chicago;
- Completing six additional developments in lease-up totaling 1.8 million square feet and an estimated total investment of \$129 million, comprised of two buildings in Southern California, two buildings in Central Pennsylvania and one building in each of Chicago and Houston;
- Starting seven new buildings totaling 2.8 million square feet and an estimated total investment of \$189 million, comprised of three buildings in Dallas, including an 863,000 square-foot build-to-suit, a 703,000 square foot build-to-suit in Atlanta and one building in each of Denver, Seattle and Southern California;
- Acquiring ten buildings comprising 1.0 million square feet plus several development sites for a total of \$168 million. Four of the acquired buildings were in Southern California, two were in Seattle, two were in Houston, and one was located in each of New Jersey and Orlando. Land sites were located in Southern California, New Jersey, Miami, Denver and Seattle;
- Selling 52 industrial properties totaling 2.6 million square feet and six land parcels for a total of \$192 million; and
- Obtaining upgrades of our issuer default rating to Baa2 from Moody's Investors Service and to BBB from S&P Global Ratings.

OBJECTIVES AND DESIGN OF COMPENSATION PROGRAM

The Company maintains the philosophy that compensation of its executive officers and other employees should serve the best interests of the Company's stockholders. Accordingly, the Company believes that its executive compensation program should not only serve to attract and retain talented and capable individuals, but should also provide them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate executive officers for their contributions during the year, and to reward them for achievements that lead to increased Company performance and increases in stockholder value over the long term.

THE EXECUTIVE COMPENSATION PROCESS AND THE ROLE OF EXECUTIVE OFFICERS IN COMPENSATION DECISIONS

The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") has the overall responsibility for approving and evaluating the compensation plans, policies and programs relating to the executive officers of the Company. The Compensation Committee typically formulates compensation beginning in December of the prior fiscal year and continuing through the first quarter of the applicable fiscal year, by setting that year's salary and, if applicable, maximum cash and equity bonuses for the Company's employees, including those named executive officers listed in the Summary Compensation Table on page 24 (the "Named Executive Officers"). Also, typically in the first quarter of the applicable fiscal year, the Compensation Committee adopts, and the full Board of Directors ratifies, the performance criteria to be used for that year in determining the incentive compensation of the Company's employees, including the Named Executive Officers, other than those covered by separate plans or agreements. Then, after the end of the applicable fiscal year, the Compensation Committee meets to determine incentive compensation to be paid to the Company's employees, including the Named Executive Officers, with respect to the year just ended, pursuant to the performance criteria or, as applicable, pursuant to separate plans or agreements. Per such determination, the Committee approves cash bonuses and restricted Common Stock awards, typically in February or March.

Historically, the Company's Chief Executive Officer and Chief Financial Officer have participated in meetings with the Compensation Committee at various times throughout the year. During the first quarter of the applicable fiscal year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to the applicable fiscal year's salaries and maximum cash and equity bonuses for the Named Executive Officers, other than themselves. Also, in the first quarter of each year, they typically meet with the Compensation Committee to present and discuss recommendations with respect to incentive compensation for the year just ended. In addition, they traditionally meet with the Compensation Committee regarding employment agreements that the Company has entered into (if any) and, if a compensation consultant has been engaged by the Compensation Committee to evaluate the Company's compensation programs, assist the Compensation Committee in providing compensation information to such consultant. However, neither our Chief Executive Officer nor our Chief Financial Officer participates in any decisions or determinations with respect to their own compensation.

Periodically, although not every year, the Company and the Compensation Committee engage the services of outside consultants to evaluate the Company's executive compensation program. Consistent with SEC rules, prior to any such engagement, the Company will assess any potential conflicts of interest the advisor may have that may negatively impact their independence to determine whether the retention of any compensation consultant to advise the Compensation Committee on executive compensation matters will create a conflict of interest. In 2018, the Compensation Committee engaged FPL Associates, L.P. ("FPL"), a nationally-recognized compensation consultant firm specializing in the real estate industry, to review the appropriateness of the amount and structure of our compensation program, including modifying our equity compensation program to provide executives with the alternative of accepting equity awards in the form of LTIP units ("LTIP Units") in our operating partnership, First Industrial, L.P. The Compensation Committee retains the discretion to work again with FPL or an alternative compensation consultant to review our executive compensation program. Consistent with SEC rules, the Company assessed whether the work of FPL raised any conflict of interest and determined that the retention of FPL to advise the Compensation Committee concerning executive compensation matters did not create a conflict of interest. Neither the Compensation Committee nor the Company has any other professional relationship with FPL, although an affiliate of FPL periodically provides executive recruitment services to the Company.

The Compensation Committee directed FPL to, among other things: (1) assist the Compensation Committee in applying our compensation philosophy to certain executive officers, including the Named Executive Officers; (2) evaluate pay by individual and in the aggregate across the team, further measured against company size and performance; (3) identify the appropriate mix between compensation components (base salary, annual incentive, and long-term incentive) for each position under study; (4) examine specific plan design parameters, focusing on

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the long-term incentive component, to better understand how the Company's existing programs compare to market practices and industry trends; and (5) compile data on the prevalence of certain employment policies and practices among the Company's peers.

As part of its review, FPL surveyed the compensation programs of 12 real estate companies, focusing on companies of similar size and by asset class to position FR near the market median of such comparisons. This peer group, which was referenced primarily to gauge the general appropriateness of the Company's overall executive compensation structure, included the following companies, with First Industrial at the 45th percentile of the peer group by market capitalization:

Brandywine Realty Trust	CyrusOne Inc.	Liberty Property Trust
CoreSite Realty Corporation	DCT Industrial Trust, Inc.	Physicians Realty Trust
Corporate Office Properties Trust	Duke Realty Corporation	PS Business Parks, Inc.
Cousins Properties Incorporated	Highwoods Properties, Inc.	STAG Industrial, Inc.

The Compensation Committee used the peer group data provided in connection with FPL's survey not as a benchmark per se, but rather as a reference point to gauge generally the appropriateness of the Company's executive compensation programs.

EXECUTIVE COMPENSATION COMPONENTS

The components of the Company's executive compensation program are base salary, cash and equity incentive bonuses, long-term performance awards, benefits and perquisites. Each component of the Company's executive compensation program is intended to attract and retain talented, capable individuals to the Company's executive ranks.

Base salary, benefits and perquisites are intended to provide a level of fixed compensation to the Named Executive Officers for services rendered during the year. Increases to base salary are typically a function of individual performance and general economic conditions. Benefits and perquisites that are generally available to the Company's employees, including the Named Executive Officers, currently include: premiums paid on term life, short-term and long-term disability insurance; standard health insurance; and 401(k) matching contributions. Car allowances are offered to select employees of the Company, including some of the Named Executive Officers.

Incentive bonuses, by contrast, are linked to, and are a function of, the achievement of performance criteria that are designed with the intention of incentivizing the Named Executive Officers to maximize the Company's overall performance. Incentive bonuses are awarded as cash or equity or a combination thereof. The Compensation Committee does not have a specific policy regarding the mix of cash and non-cash compensation awarded to the Named Executive Officers. Although the exact percentages vary among individuals, equity comprises approximately 40-50% of the potential incentive bonuses for the Named Executive Officers as a group. For our Chief Executive Officer, the mix of cash and equity compensation he is entitled to receive as an annual incentive bonus is set forth in his employment agreement, and it is expected that the portion paid in equity will be proportionate to the equity incentive compensation received by the Company's executive officers generally.

Historically, base salary, benefits and perquisites have made up approximately 20-30% of a Named Executive Officer's total compensation in a typical year, while cash and equity incentive compensation has comprised the remaining portion. Although this mix may vary from year to year, the Compensation Committee strives to ensure that the Named Executive Officers' compensation is largely performance-based. All equity awards have a performance feature. Annual equity bonus awards are granted based upon prior year performance metrics, while our Long-Term Performance Awards (as defined on page 19) are earned based upon performance metrics for future periods.

The Compensation Committee believes equity awards play an important role in aligning management's interests with those of the Company's stockholders because these equity awards derive their value from our Common Stock. For this reason, equity awards are a significant part of executive compensation.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

We have determined that our stockholders should vote on a say-on-pay proposal each year, consistent with the preference expressed by our stockholders at our 2017 Annual Meeting of Stockholders. While the results of each of these votes is non-binding, we believe that presenting this matter to our stockholders annually is an important means of obtaining investor feedback on our compensation policies.

At our 2018 Annual Meeting of Stockholders, more than 96% of the votes cast in the vote on the compensation of our Named Executive Officers as disclosed in the proxy statement for that meeting were in favor of such compensation and, as a result, the compensation of our Named Executive Officers was approved by our stockholders on an advisory basis. The Compensation Committee believes that these votes reflect our stockholders' affirmation of our compensation philosophy and the manner in which we compensate our executives. The Board of Directors and Compensation Committee elected not to make any changes to our executive compensation policies at this time other than offering eligible equity award recipients the alternative of accepting equity awards in the form of LTIP Units.

To the extent that the advisory vote conducted at our 2019 Annual Meeting indicates a lack of support for the compensation of our Named Executive Officers as disclosed in this Proxy Statement, we plan to consider our stockholders' concerns and expect that the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

SETTING EXECUTIVE COMPENSATION

Base Salary

The Company provides the Named Executive Officers with base salary to compensate them for services rendered during the fiscal year. The base salaries of the Named Executive Officers are a function of either the minimum base salaries specified in their employment agreements or the base salary negotiated at the time of an executive's initial employment, and any subsequent changes to such base salaries approved by the Compensation Committee. In determining changes to such base salaries for any year, the Compensation Committee considers individual performance of the Named Executive Officers in the most recently completed year, including organizational and management development, and leadership exhibited from year-to-year. The Compensation Committee also considers, but does not specifically benchmark compensation to, peer information provided by compensation consultants. The Compensation Committee also considers general economic conditions prevailing at the end of the most recently completed year, when the changes for the following year are typically determined. The Company does not guarantee annual base salary increases to anyone. In September 2016, the Company entered into an employment agreement with Mr. Baccile that provides, among other things, for a minimum annual base salary of \$750,000. For 2018, the base salaries paid to the other Named Executive Officers remained unchanged as reflected in the Summary Compensation Table of this Proxy Statement.

Annual Performance-Based Bonuses

The Company provides its senior executives with annual incentive compensation based on individual and company performance, which currently includes cash and equity components. The equity portion includes either restricted Common Stock awards or, beginning in 2019 and at the election of eligible employees, awards issued in the form of restricted Common Stock or LTIP Units with equivalent vesting conditions.

The Company does not guarantee annual bonuses to anyone. We believe that including equity awards as a part of an executive's annual bonus provides good alignment with our stockholders by fully reflecting the total return we provide to our stockholders, including dividends or other distributions as well as potential future increases or decreases in our stock price.

2018 Employee Bonus Plan

For 2018, each Named Executive Officer participated in the incentive compensation plan generally available to the Company’s employees (the “2018 Employee Bonus Plan”), which plan was recommended by the Compensation Committee and adopted by the Board of Directors on March 1, 2018.

Under the 2018 Employee Bonus Plan, a “bonus pool” was funded based on the achievement by the Company of certain identified thresholds of four performance categories. For 2018, these categories were (i) FFO per share (as described below), (ii) same store NOI (“SS NOI”) growth (as described below), (iii) fixed charge coverage ratio (as described below) and (iv) discretionary financial and non-financial objectives determined by the Company’s Chief Executive Officer. The Compensation Committee believes that FFO per share is an important measure of the Company’s performance because, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment charges (reversals) recorded on depreciable real estate, FFO captures the operating results of the long-term assets that form the core of the Company’s business and makes comparison of the Company’s operating results with those of other REITs more meaningful. The Compensation Committee believes that, because our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants, SS NOI is also an important measure of the Company’s performance. Finally, the Compensation Committee believes that fixed charge coverage ratio is an important measure of the Company’s performance because it is critical to maintaining and improving the rating on the Company’s unsecured debt.

Each of these performance categories may be adjusted by the Compensation Committee in its discretion to exclude the effects of certain items. The Compensation Committee assigned weighting factors to each of the performance categories, such that performance in certain categories had a more pronounced impact on the bonus pool under the 2018 Employee Bonus Plan than did performance in other categories. The weighting factors were as follows:

<u>Category</u>	<u>Weighting Factor</u>
FFO ⁽¹⁾ per share	65%
SS NOI ⁽²⁾ growth	10%
Fixed charge coverage ratio ⁽³⁾	10%
Discretionary objectives	15%

(1) FFO is a non-GAAP financial measure created by NAREIT as a supplemental measure of REIT operating performance that excludes certain items from net income determined in accordance with GAAP. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies. Please see the reconciliation of FFO to net income available to common stockholders contained in our Annual Report on Form 10-K filed on February 20, 2019.

(2) SS NOI is a non-GAAP financial measure that provides a measure of rental operations and, as calculated by the Company, does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, impairment charges, equity in income and loss from joint venture, income tax benefit and expense, gains and losses on retirement of debt, gains and losses on the sale of real estate and settlement gain on derivative instruments. The Company defines SS NOI as revenues minus property expenses such as real estate taxes, repairs and maintenance, property management, utilities, insurance and other expenses, minus the net operating income of properties that are not same store properties and minus the impact of straight-line rent, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or net operating income differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recovery increases or decreases. Please see the reconciliation of same store revenues and property expenses to SS NOI contained in our Annual Report on Form 10-K filed on February 20, 2019.

PROXY STATEMENT

- (3) The Company is a party to certain lending arrangements that require the Company to maintain a specified fixed charge coverage ratio. For purposes of the 2018 Employee Bonus Plan, the Company defined fixed charge coverage ratio in accordance with that certain Third Amended and Restated Unsecured Revolving Credit Agreement, dated as of October 31, 2017, a copy of which was filed with our Current Report on Form 8-K filed on November 2, 2017.

The Compensation Committee established performance targets relating to each performance category for the 2018 Employee Bonus Plan. At target performance, the bonus pool is funded at the aggregate 75% level of achievement. At maximum performance, the bonus pool is funded at the aggregate 125% level of achievement. The Company’s 2018 performance in the identified performance categories resulted in the following funding of the bonus pool associated with that performance category:

<u>Category</u>	<u>Performance Target</u>	<u>Actual Result</u>	<u>Bonus Pool Funding%</u>
FFO per share	\$1.63 ⁽¹⁾	\$1.69 ⁽¹⁾	125%
SS NOI growth	4.25% ⁽²⁾	5.8% ⁽²⁾	125%
Fixed charge coverage ratio	3.87x	4.01x ⁽³⁾	125%

- (1) Amount excludes accruals for cash bonuses and certain other items.
- (2) The Compensation Committee calculates SS NOI growth using a cumulative quarterly average as opposed to the methodology traditionally utilized in our financial reporting, which measures the year-over-year growth of our properties.
- (3) Excludes the impact of casualty gain recognized in 2018 in connection with insurance proceeds received related to two properties that were damaged by fire.

The Compensation Committee determined that the funding percentage for the bonus pool with respect to the discretionary objectives should be 80% based on the Company’s overall performance in 2018, as described in greater detail on page 13 under “2018 Accomplishments.” Although the Company’s 2018 performance in the identified performance categories allowed for an aggregate bonus pool funding percentage of up to the 118.25% level of achievement, the Compensation Committee authorized an aggregate bonus pool available under the 2018 Employee Bonus Plan at the aggregate 100.5% level of achievement for cash and equity bonuses of all eligible employees, including the Named Executive Officers. After determining the aggregate bonus pool available under the 2018 Employee Bonus Plan, the Compensation Committee and our Chief Executive Officer allocated individual awards based on the individual award recipients’ performance.

The bonuses for the Named Executive Officers at the 100% level of achievement for purposes of the 2018 Employee Bonus Plan were as follows:

<u>Executive Officer</u>	<u>100% Achievement Cash Bonus (% of Base Salary)</u>	<u>100% Achievement Equity Bonus (% of Base Salary)</u>
Peter E. Baccile	225%	200%
Scott A. Musil	150%	100%
Johannson L. Yap	200%	140%
David G. Harker	150%	100%
Peter O. Schultz	150%	100%

PROXY STATEMENT

The actual percentage of cash and equity bonuses (the “Individual Cash Percentage” and the “Individual Equity Percentage”) awarded to the Named Executive Officers were determined as described below.

The actual individual bonuses paid to the Named Executive Officers (other than Mr. Baccile) from the bonus pool were determined by the Compensation Committee, after recommendations from our Chief Executive Officer, based upon the respective officer’s achievement of the following individual performance objectives that were approved by the Board of Directors and communicated to the officer:

<u>Executive Officer</u>	<u>Individual Performance Objectives</u>
Scott A. Musil	Progress with respect to leverage and fixed charge coverage ratios, execution of the Company’s equity offering and private placement debt offering, rating agency upgrades and overall investor relations
Johannson L. Yap	Progress with respect to investments and divestitures, completing and leasing developments and overall performance of the West Region of the Company
David G. Harker	Progress with respect to investments, completing and leasing developments and overall performance of the Central Region of the Company
Peter O. Schultz	Progress with respect to investments, completing and leasing developments and overall performance of the East Region of the Company

The actual individual bonus paid to Mr. Baccile from the bonus pool was determined by the Compensation Committee based upon its assessment of the Company’s overall performance and the Company’s achievement of the corporate performance goals under the 2018 Employee Bonus Plan.

The cash bonus payments and equity grants made in the first quarter of 2019 to each of our Named Executive Officers in settlement of awards under the 2018 Employee Bonus Plan, together with the applicable Individual Cash Percentage and Individual Equity Percentage, are reflected in the following table:

<u>Executive Officer</u>	<u>Individual Cash Percentage (%)⁽¹⁾</u>	<u>Cash Bonus Paid (\$)</u>	<u>Individual Equity Percentage (%)⁽¹⁾</u>	<u>Number of Equity Awards⁽²⁾</u>	<u>Grant Date Fair Value of Award (\$)</u>
Peter E. Baccile	93%	1,570,000	104%	46,308	1,555,023
Scott A. Musil	96%	380,000	119%	9,381	315,014
Johannson L. Yap	93%	705,000	121%	19,089	641,009
David G. Harker	100%	360,000	125%	8,934	300,004
Peter O. Schultz	96%	360,000	96%	7,149	240,063

(1) The Individual Cash Percentage and Individual Equity Percentage each reflect the actual cash bonus or equity issuance as a percentage of the respective 100% level of achievement amount for each individual.

(2) All equity awards were issued in the form of LTIP Units at the election of the award recipient. The number of LTIP Units approved by the Compensation Committee was determined based on the \$33.58 closing price of the Common Stock on February 12, 2019, which was the date the Compensation Committee approved these awards under the 2018 Employee Bonus Plan.

For 2016 and 2017, the Named Executive Officers then employed by the Company participated in an incentive compensation plan similar to the 2018 Employee Bonus Plan.

Long-Term Performance Awards

In addition to providing equity to our executives as part of our annual bonus program, we have, since 2013, provided long term equity to our executives on an annual basis that vests only if the Company achieves certain total return thresholds in comparison to our peers (the “Long-Term Performance Awards”). The purpose of the Long-Term Performance Awards is to provide incentives for the achievement of longer-term sustained value creation and retention by focusing on longer-term fundamentals and aligning our executives’ interests with our stockholders’ interests.

PROXY STATEMENT

In 2018, the Company modified its long-term equity program to provide its executives with the alternative of accepting Long-Term Performance Awards in the form of performance units (“Performance Units”) or LTIP Units (such LTIP Units, “Performance LTIP Units”). Long-Term Performance Awards are determined based on anticipated dollar value of the award and then issued, at the grantee’s option, in a number of Performance Units or Performance LTIP Units corresponding to the appropriate dollar value.

Each Long-Term Performance Award vests based upon the relative annualized total stockholder return of our Common Stock as compared to the MSCI U.S. REIT Index (RMS G), and the NAREIT Industrial Index (FNINDTR), over the pre-established performance measurement period, as follows:

	Total Company Stockholder Return for Performance Period Relative to Total Return for Performance Period of Index	Vesting Percentage
Threshold	Index minus 2%	25%
Target	Index plus 1%	40%
Stretch	Index plus 4%	85%
Maximum	Index plus 7%	100%

Effective January 1, 2017, January 1, 2018 and January 1, 2019, the Board of Directors authorized grants of Long-Term Performance Awards under the 2014 Stock Incentive Plan to certain employees of the Company, including each Named Executive Officer. No other Long-Term Performance Awards remain unvested. These unvested Long-Term Performance Awards are summarized in the table below:

Executive Officer	Date of Grant	Form of Award	Units Awarded	Performance Period
Peter E. Baccile	1/1/2017	Performance Units	16,922	1/1/2017 – 12/31/2019
	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LTIP Units	16,916	1/1/2019 – 12/31/2021
Scott A. Musil	1/1/2017	Performance Units	16,922	1/1/2017 – 12/31/2019
	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LTIP Units	16,916	1/1/2019 – 12/31/2021
Johannson L. Yap	1/1/2017	Performance Units	16,922	1/1/2017 – 12/31/2019
	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LTIP Units	16,916	1/1/2019 – 12/31/2021
David G. Harker	1/1/2017	Performance Units	16,922	1/1/2017 – 12/31/2019
	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LTIP Units	16,916	1/1/2019 – 12/31/2021
Peter O. Schultz	1/1/2017	Performance Units	16,922	1/1/2017 – 12/31/2019
	1/1/2018	Performance Units	15,240	1/1/2018 – 12/31/2020
	1/1/2019	Performance LTIP Units	16,916	1/1/2019 – 12/31/2021

Each Performance Unit represents the right to receive, upon vesting, one share of Common Stock plus dividend equivalents representing any dividends that accrued with respect to such share after the issuance of the Performance Unit and prior to the date of vesting, which dividend equivalents are subject to the same restrictions as the underlying unit award and will only be issued upon vesting. Other than the performance periods, each Performance Unit has identical performance and time vesting criteria.

If a Long-Term Performance Award is granted in the form of Performance LTIP Units, additional Performance LTIP Units are conditionally awarded to represent anticipated dividends, and such additional Performance LTIP Units are subject to the same restrictions as the underlying Performance LTIP Units and are subject to forfeiture upon vesting to the extent of dividends actually received with respect to the applicable Performance LTIP Units during the performance period. The number of Performance LTIP Units reflected as issued on January 1, 2019 to each Named Executive Officer in the table above is exclusive of such additional Performance LTIP Units conditionally awarded to represent anticipated dividends. If applicable vesting conditions and any other restrictions are not satisfied, recipients will forfeit their Performance LTIP Units.

PROXY STATEMENT

During the applicable performance period, each Performance LTIP Unit entitles the holder to receive dividends equal to one-tenth of any dividends otherwise payable with respect to LTIP Units.

Upon the consummation of a change in control of the Company, each grantee of a Long-Term Performance Award would become vested in a portion of the award based on the level of achievement of the applicable performance targets through the date of the change in control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata portion of the Long-Term Performance Award based on the level of achievement of the relevant performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro rata portion of the Long-Term Performance Award based on the level of achievement of the relevant performance targets through the end of the original performance period.

LTIP Units

In 2018, the Company modified its equity compensation program to provide its executives with the alternative of accepting equity awards in the form of, in the case of annual bonus awards, restricted Common Stock awards or LTIP Units or, in the case of Long-Term Performance Awards, Performance Units or Performance LTIP Units. An LTIP Unit is a class of partnership interest of our operating partnership, First Industrial, L.P., that is structured as a "profits interest" for U.S. federal income tax purposes. Generally, LTIP Units entitle the holder to receive distributions from our operating partnership that are equivalent to the dividends and distributions that would be made with respect to the number of shares of our Common Stock underlying such LTIP Units, though receipt of such distributions may be delayed or made contingent on vesting. Once an LTIP Unit has vested and received allocations of book income sufficient to increase the book capital account balance associated with such LTIP Unit (which will initially be zero) to equal, on a per-unit basis, the book capital account balance associated with a "common" partnership unit of First Industrial, L.P., it automatically becomes a common partnership unit that is convertible by the holder into one share of Common Stock or a cash equivalent, at the Company's option. LTIP Units are designed to offer executives the same long-term incentive as stock-based awards, while allowing them to enjoy the more favorable U.S. federal income tax treatment available for profits interests. Because of the trade-offs between increased tax efficiency and incremental economic risks involved in LTIP Units as compared to stock-based awards, we allow eligible executives the alternative of receiving their equity awards in the form of LTIP Units.

Broad-Based Benefits

All full-time employees are eligible to participate in our health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance and our 401(k) plan.

Termination and Change in Control Triggers

Mr. Baccile is the only Named Executive Officer with an employment agreement. His agreement, along with the separate agreements with respect to his restricted Common Stock and Long-Term Performance Awards granted pursuant to the Company's 2014 Stock Plan, specify events, including change in control, that trigger the payment of cash and, as discussed above, vesting in restricted Common Stock and his Long-Term Performance Awards. Each of the other Named Executive Officers that is currently employed by the Company has an agreement with respect to each of his restricted Common Stock and Long-Term Performance Awards granted pursuant to the Company's 2014 Stock Plan that specify events, including change in control, that trigger the vesting of such awards. The Company believes having such events as triggers for the payment of cash and/or vesting in restricted Common Stock and Long-Term Performance Awards promotes stability and continuity of management. See "Potential Payments Upon Termination or Change in Control" starting on page 29 for more information on the payments triggered by such events.

Stock Ownership Guidelines

The stock ownership guidelines for the Company’s directors and senior executive officers are as follows:

<u>Position</u>	<u>Retainer/ Base Salary Multiple</u>
Directors	3x
Chief Executive Officer	5x
Chief Financial Officer, Chief Investment Officer and Executive Vice Presidents	4x

The stock ownership goal for each person subject to the ownership guidelines is determined on an individual basis, using each such person’s current retainers or base salaries and the greater of (i) the market price on the date of purchase or grant of such Common Stock (or equity valued by reference to Common Stock) or (ii) the market price of such Common Stock (or equity valued by reference to Common Stock) as of the date compliance with the stock ownership guidelines is measured. For persons assuming a director or senior executive officer level position, the stock ownership goal must be achieved within five years after the date they assume such position. A copy of the Stock Ownership Guidelines can be found on the Investor Relations/Corporate Governance section of the Company’s website at www.firstindustrial.com. All of our directors and Named Executive Officers are currently in compliance with the guidelines.

Until the directors and senior executive officers reach their respective stock ownership goal, they will be required to retain (i) shares that are owned on the date they became subject to the Stock Ownership Guidelines and (ii) at least seventy-five percent (75%) of “net shares” or net-after-tax shares delivered through the Company’s executive compensation plans. If the director or senior executive officer transfers an award to a family member, the transferee becomes subject to the same retention requirements. Until the director and senior executive officer stock ownership goals have been met, shares may be disposed of only for one or more of the excluded purposes set forth in the Company’s Stock Ownership Guidelines.

Hedging and Pledging Prohibition

The Company’s insider trading policy prohibits, among other things, its directors and employees from entering into hedging or monetization transactions with respect to the Company’s securities and from holding the Company’s securities in margin accounts or otherwise pledging such securities as collateral for loans.

Tax Implications

Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), generally limits the deductible amount of annual compensation paid by a public company to a “covered employee” (the chief executive officer, the chief financial officer and the three other most highly compensated executive officers of the company required to be included in the summary compensation table) to no more than \$1 million. For future years, a “covered employee” will also include any individual who was considered a covered employee for the 2018 taxable year or any taxable year thereafter. The Company does not believe that Section 162(m) of the Code is applicable to its current arrangements with its executive officers.

PROXY STATEMENT

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of the Company has reviewed, and discussed with management, the Compensation Discussion and Analysis included in this Proxy Statement. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in this Proxy Statement and, through incorporation by reference from this Proxy Statement, the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2018.

Submitted by the Compensation Committee:

L. Peter Sharpe, Chairman

Denise A. Olsen

W. Ed Tyler

SUMMARY COMPENSATION TABLE

The Summary Compensation Table below sets forth the aggregate compensation for Peter E. Baccile, the Company’s President and Chief Executive Officer; Scott A. Musil, the Company’s Chief Financial Officer; and certain of the Company’s other highly compensated executive officers as required by SEC rules. The 2018 Grants of Plan-Based Awards table following the Summary Compensation Table provides additional information regarding incentive compensation granted by the Company to these officers in 2018.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Peter E. Baccile	2018	750,000	—	1,702,456 ⁽⁵⁾	1,570,000	22,306	4,044,762
President and Chief Executive Officer	2017	750,000	—	502,535	1,499,000	107,475	2,859,010
	2016	187,500	325,533	—	—	48,017	561,050
Scott A. Musil	2018	265,000	—	497,419 ⁽⁵⁾	380,000	12,706	1,155,125
Chief Financial Officer	2017	265,000	—	523,594	390,000	10,000	1,188,594
	2016	265,000	—	521,162	385,000	9,867	1,181,029
Johannson L. Yap	2018	379,000	—	777,421 ⁽⁵⁾	705,000	22,306	1,883,727
Chief Investment Officer and Executive Vice President – West Region	2017	379,000	—	788,597	636,000	19,600	1,823,197
	2016	379,000	—	796,133	601,000	19,467	1,795,600
David G. Harker	2018	240,000	—	467,444 ⁽⁵⁾	360,000	19,906	1,087,350
Executive Vice President – Central Region	2017	240,000	—	528,562	345,000	17,200	1,130,762
	2016	240,000	—	521,162	365,000	17,067	1,143,229
Peter O. Schultz	2018	250,000	—	492,438 ⁽⁵⁾	360,000	21,106	1,123,544
Executive Vice President – East Region	2017	250,000	—	508,608	365,000	18,400	1,142,008
	2016	250,000	—	501,160	350,000	18,267	1,119,427

- (1) Amount reflects a pro-rated cash bonus paid to Mr. Baccile in March 2017 for 2016 service pursuant to his employment agreement.
- (2) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718. See note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of the assumptions used in valuing the 2018 awards. Amounts reflected were not actually received in the year reported and do not necessarily reflect the amounts that will actually be realized under the respective awards.
- (3) Amounts for 2018 reflect cash awards paid in February 2019 under the 2018 Employee Bonus Plan. The material terms of awards under the 2018 Employee Bonus Plan are described in the Compensation Discussion and Analysis under “2018 Employee Bonus Plan.”
- (4) For 2018, includes car allowances paid on behalf of Messrs. Baccile, Yap, Harker and Schultz and a term life insurance premium, short-term and long-term disability insurance premiums and 401(k) matching contributions paid on behalf of each Named Executive Officer.
- (5) Amount reflects (a) awards of 52,395, 10,305, 20,085, 9,258, and 10,131 shares of service-based restricted Common Stock granted to Messrs. Baccile, Musil, Yap, Harker and Schultz, respectively, in 2018 in connection with the 2017 Employee Bonus Plan, valued at \$28.63 per share under FASB ASC Topic 718 and (b) awards of 15,240 Performance Units (assuming maximum performance) with a 36-month performance period granted in 2018 to each of Messrs. Baccile, Musil, Yap, Harker and Schultz valued at \$13.28 per unit under FASB ASC Topic 718. If the grant date price of Common Stock (\$31.17 – the closing price of the Common Stock on January 2, 2018, the first trading day following the grant date of January 1, 2018) was used to value the 15,240 Performance Units, the value of the Performance Units would be \$475,031 rather than the \$202,387 value reflected in the above table.

PAY RATIO DISCLOSURE

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted a rule requiring annual disclosure of the ratio of the median employee's annual total compensation to the annual total compensation of the principal executive officer. Set forth below is the annual total compensation of our median employee, the annual total compensation of Mr. Baccile, our CEO, and the ratio of those two values:

- The 2018 annual total compensation of our median employee (other than our CEO) was \$96,789;
- The 2018 annual total compensation of Mr. Baccile, our CEO, was \$4,044,762; and
- For 2018, the ratio of the annual total compensation of Mr. Baccile to the median of the annual total compensation of all our employees was 42 to 1.

Background

As disclosed in our 2017 proxy statement, we previously identified our median employee from a list of all full-time and part-time employees, exclusive of Mr. Baccile, that was prepared based on active employees included in the Company's payroll system as of December 31, 2017. Salaries and wages were annualized for those employees that were not employed for the full year of 2017 and were further adjusted to include the annual bonus at the payout level made to employees generally for those not employed on the bonus payment date. The Company believes this compensation measure was consistently applied to all employees. Salaries and wages were ranked from lowest to highest and the median employee was selected from the list. The total annual compensation of the median employee was then calculated in the same manner as the total compensation disclosed for Mr. Baccile in the Summary Compensation Table shown above.

Our median employee from 2017 terminated their employment during 2018. However, there have been no significant changes in our overall employee population or in our employee compensation arrangements that we believe would significantly impact our pay ratio disclosure. Therefore, as permitted by SEC rules, we calculated the 2018 pay ratio set forth above using a substitute median employee that had similar compensation to the 2017 median employee.

The pay ratio reflected above is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

2018 GRANTS OF PLAN-BASED AWARDS

Name	Grant Date ⁽¹⁾	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽⁴⁾			All Other Stock Awards: Number of Shares or Units ⁽⁵⁾	Grant Date Fair Value of Stock and Option Awards ⁽⁶⁾
		Threshold (\$)	Target ⁽²⁾ (\$)	Maximum ⁽³⁾ (\$)	Threshold (#)	Target (#)	Maximum (#)		
Peter E. Baccile	1/1/2018	—	—	—	3,810	6,096	15,240	—	202,387
	2/13/2018	—	1,267,500	1,687,500	—	—	—	—	—
	2/13/2018	—	—	—	—	—	—	52,395	1,500,069
Scott A. Musil	1/1/2018	—	—	—	3,810	6,096	15,240	—	202,387
	2/13/2018	—	—	397,500	—	—	—	—	—
	2/13/2018	—	—	—	—	—	—	10,305	295,032
Johannson L. Yap	1/1/2018	—	—	—	3,810	6,096	15,240	—	202,387
	2/13/2018	—	—	758,000	—	—	—	—	—
	2/13/2018	—	—	—	—	—	—	20,085	575,034
David G. Harker	1/1/2018	—	—	—	3,810	6,096	15,240	—	202,387
	2/13/2018	—	—	360,000	—	—	—	—	—
	2/13/2018	—	—	—	—	—	—	9,258	265,057
Peter O. Schultz	1/1/2018	—	—	—	3,810	6,096	15,240	—	202,387
	2/13/2018	—	—	375,000	—	—	—	—	—
	2/13/2018	—	—	—	—	—	—	10,131	290,051

- (1) Reflects the date such awards were made effective by the Compensation Committee or the Board of Directors, as applicable.
- (2) For Mr. Baccile, amount reflects the target annual cash incentive bonus to which he is entitled pursuant to the terms of his employment agreement. No threshold or target amounts were established with respect to awards under the 2018 Employee Bonus Plan for the other Named Executive Officers.
- (3) Amounts reflect the 100% level of achievement cash incentive bonus that could become payable to the recipient under the 2018 Employee Bonus Plan. The material terms of awards under the 2018 Employee Bonus Plan are described in the Compensation Discussion and Analysis under “2018 Employee Bonus Plan.”
- (4) Reflects Performance Units granted under our Long-Term Incentive Program, the material terms of which are described in the Compensation Discussion and Analysis under “Long-Term Incentive Program.” The amounts actually earned with respect to the Long-Term Performance Awards issued in 2018, if any, would not be earned until the end of the applicable performance period.
- (5) Amounts reflect the shares of restricted Common Stock granted in 2018 for performance in 2017 under the 2017 Employee Bonus Plan. Such restricted Common Stock awards vest ratably over a period of three years.
- (6) Amounts reflect the aggregate grant date fair value of each award as determined under FASB ASC Topic 718. Amounts reflected were not actually received in 2018 and do not necessarily reflect the amounts that will actually be realized with respect to such restricted Common Stock awards or Long-Term Performance Awards.

Employment Agreement with Mr. Baccile

On August 2, 2016, Mr. Baccile entered into an employment agreement with the Company and its operating partnership, First Industrial L.P. The agreement has an initial term expiring on December 31, 2019, unless otherwise terminated. The agreement will automatically extend for up to two one-year periods provided that neither Mr. Baccile nor the Company provides notice of intent to not renew to the other at least six months prior to the expiration of the initial term or any subsequent renewal term.

Mr. Baccile's employment agreement provides for a minimum annual base salary of \$750,000. Under the employment agreement, Mr. Baccile is eligible for annual cash performance bonuses under the Company's incentive bonus plan, based on the satisfaction of performance goals established by the Company's Compensation Committee in accordance with the terms of such plan, with a target annual cash bonus of 169% of Mr. Baccile's annual base salary and a maximum annual cash bonus of 225% of his annual base salary. Mr. Baccile is entitled to participate in all long-term cash and equity incentive plans generally available to the senior executives of the Company. Mr. Baccile has a target annual equity award of 150% of his base salary and a maximum annual equity award of 200% of his base salary (the "Annual Awards"). Mr. Baccile is also entitled to participate in the same manner as other senior executives of the Company in any awards issued under the Company's LTIP program. The Annual Awards and Long-Term Performance Awards may receive continued or additional vesting in certain circumstances described in the employment agreement. Mr. Baccile is entitled to participate in all executive and employee benefit plans and programs of the Company. Mr. Baccile's employment agreement also provides for a monthly automobile allowance of \$800.

Mr. Baccile's employment agreement also provides for payments and benefits to Mr. Baccile by the Company in some circumstances in the event of a termination of employment or a change in control (which payments and benefits are described starting on page 29 under "Potential Payments Upon Termination or Change in Control").

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018

Name	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) ⁽²⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾
Peter E. Baccile	59,723 ⁽³⁾	1,723,606	21,850	630,591
Scott A. Musil	23,267 ⁽⁴⁾	671,486	21,850	630,591
Johannson L. Yap	44,441 ⁽⁵⁾	1,282,567	21,850	630,591
David G. Harker	22,346 ⁽⁶⁾	644,906	21,850	630,591
Peter O. Schultz	22,373 ⁽⁷⁾	645,685	21,850	630,591

- (1) These amounts were calculated based upon the closing price of our Common Stock as reported by the NYSE for December 31, 2018 (\$28.86), the last trading day of the year.
- (2) Amounts reflect unvested Performance Units granted in 2017 and 2018 and dividend equivalents accrued through December 31, 2018 with respect to such Performance Units. The vesting and other material terms of such Long-Term Performance Awards are described in the Compensation Discussion and Analysis under “Long-Term Incentive Plan.” The number of unvested Performance Units and related accrued dividend equivalents reflected for the Performance Units granted in 2017, amounting to 17,925 for each Named Executive Officer, is based on the achievement of the maximum performance measures, as the Company achieved maximum performance through December 31, 2018. The number of unvested Performance Units and related accrued dividend equivalents reflected for the Performance Units granted in 2018, amounting to 3,925 for each Named Executive Officer, is based on the achievement of the threshold performance measures, as the Company achieved less than threshold performance through December 31, 2018. The Long-Term Performance Awards granted in 2017 will vest on December 31, 2019 and the Long-Term Performance Awards granted in 2018 will vest on December 31, 2020, in each case subject to satisfaction of performance criteria.
- (3) Of the shares of restricted Common Stock reported here, 21,129 vested in January 2019, 21,129 vest in January 2020 and 17,465 vest in January 2021.
- (4) Of the shares of restricted Common Stock reported here, 12,466 vested in January 2019, 7,366 vest in January 2020 and 3,435 vest in January 2021.
- (5) Of the shares of restricted Common Stock reported here, 23,760 vested in January 2019, 13,986 vest in January 2020 and 6,695 vest in January 2021.
- (6) Of the shares of restricted Common Stock reported here, 12,180 vested in January 2019, 7,080 vest in January 2020 and 3,086 vest in January 2021.
- (7) Of the shares of restricted Common Stock reported here, 11,878 vested in January 2019, 7,118 vest in January 2020 and 3,377 vest in January 2021.

PROXY STATEMENT

2018 OPTION EXERCISES AND STOCK VESTED

As of December 31, 2018, the Company had no outstanding options to acquire Common Stock. In 2018, Performance Units (inclusive of accrued dividend equivalents related thereto) and shares of restricted Common Stock held by the Named Executive Officers vested as described more fully in the table below.

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares Acquired on Vesting (#)⁽¹⁾</u>	<u>Value Realized on Vesting (\$)</u>
Peter E. Baccile	3,664	114,207
Scott A. Musil	36,787	1,091,407
Johannson L. Yap	47,125	1,413,643
David G. Harker	36,773	1,090,971
Peter O. Schultz	36,180	1,072,487

- (1) The number of shares reported herein were acquired as a result of: (a) the vesting of restricted Common Stock on January 1, 2018 (consisting of 3,664, 12,872, 23,210, 12,858 and 12,265 shares for Messrs. Baccile, Musil, Yap, Harker and Schultz, respectively), the value of which is based on the closing price of Common Stock as reported by the NYSE for January 2, 2018 (\$31.17), the first trading day following the date of vesting of such award and (b) the vesting of Performance Units granted in 2016 and related accrued dividend equivalents on December 31, 2018 (consisting of 23,915 Performance Units for Messrs. Musil, Yap, Harker and Schultz), the value of which is based on the closing price of Common Stock as reported by the NYSE for December 31, 2018 (\$28.86). The value realized on vesting for both the restricted Common Stock and the Performance Units is before payment of any applicable withholding tax.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Employment Agreement with Mr. Baccile

The Company has entered into a written employment agreement with Mr. Baccile that provides for certain lump sum payments, post-termination payments and post-termination benefits to Mr. Baccile by the Company in some circumstances in the event of a termination of employment or a change in control.

In addition to the events of termination of employment identified in the following table, Mr. Baccile’s employment agreement provides for payments in the event of his death or disability. Upon death or disability, Mr. Baccile is entitled to (i) his base salary and vacation pay accrued through the date of his death or disability, (ii) his accrued bonus for the fiscal year prior to the year of his death or disability, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date of his death or disability and (iv) any other benefits he may be eligible for under the Company’s plans, policies or practices.

In the event Mr. Baccile’s employment agreement expires by its terms without renewal, Mr. Baccile is also entitled to (i) his base salary and vacation pay accrued through the date the employment period ends, (ii) his accrued bonus for the fiscal year prior to the year of the date the employment period ends, to the extent not paid, (iii) his unreimbursed business expenses incurred through the date the employment period ends, (iv) any other benefits he may be eligible for under the Company’s plans, policies or practices and (v) his regular annual bonus for the fiscal year ending on the date the employment period ends, determined and paid in the ordinary course. He would not be eligible for severance benefits or any additional vesting of any Annual Awards or Long-Term Performance Awards. If the employment agreement is not renewed by action of the Company prior to December 31, 2021, Mr. Baccile will continue to vest in his restricted Common Stock following his termination, provided that he executes a release in favor of the Company and complies with certain restrictive covenants.

PROXY STATEMENT

Mr. Baccile's employment agreement also contains important non-financial provisions that apply in the event of a termination of employment or a change in control. Mr. Baccile has agreed to a one-year covenant not to compete or solicit customers and a two-year covenant not to solicit Company employees after his termination. His employment agreement does not provide for a gross-up payment in the event of any excise tax.

Stock Incentive Plans

Under the 2014 Stock Plan, restricted Common Stock vests in the event of a change in control. In addition, such Stock Plans empower the Compensation Committee to determine other vesting events in the individual restricted Common Stock awards, including vesting events such as involuntary termination of employment without cause and termination due to disability or death. Currently outstanding award agreements provide for accelerated vesting on a termination due to the participant's disability or death. Assuming that the triggering event occurred on December 31, 2018, each Named Executive Officer would have vested in restricted Common Stock having the respective values set forth in the table under "Termination and Change in Control Payments" below.

With respect to the Long-Term Performance Awards issued January 1, 2017, January 1, 2018 and January 1, 2019, upon the consummation of a change in control of the Company, each grantee would become vested in a number of Long-Term Performance Awards based on the level of achievement of the applicable performance targets through the date of the change in control. In the event of a termination of a grantee's employment due to death or disability, the grantee would become vested in a pro rata number of Long-Term Performance Awards based on the level of achievement of the applicable performance targets through the date of death or disability. In the event of termination of a grantee's employment due to voluntary retirement, the grantee would become vested in a pro-rated number of Long-Term Performance Awards based on the level of achievement of the applicable performance targets through the end of the original performance period.

Life Insurance

In addition to the events of termination of employment identified in the following table and above, each Named Executive Officer is covered by a Company-provided life insurance policy generally available to the Company's employees. Such policy would entitle the respective Named Executive Officer's beneficiary to a payment of \$400,000 in the event of such Named Executive Officer's death.

PROXY STATEMENT

Termination and Change in Control Payments

The following table includes estimated payments owed and benefits required to be provided to our Named Executive Officers under the employment agreement and Stock Plans described above, exclusive of benefits available on a non-discriminatory basis generally, in each case assuming that the triggering event described in the table occurred on December 31, 2018.

<u>Name</u>	<u>Triggering Event</u>	<u>Severance (\$)</u>	<u>Accelerated Equity Awards (\$)⁽¹⁾</u>	<u>Medical Insurance Premiums (\$)⁽²⁾</u>
Peter E. Baccile	Change in Control ⁽³⁾	—	2,122,162	—
	Termination Following Change in Control	6,613,750	—	36,710
	Termination w/o cause ⁽⁴⁾	5,605,000	—	36,710
	Death or Disability ⁽⁶⁾	—	1,956,987	—
Scott A. Musil ⁽⁵⁾	Change in Control ⁽³⁾	—	1,070,042	—
	Termination w/o Cause	—	—	—
	Death or Disability ⁽⁶⁾	—	904,867	—
Johannson L. Yap ⁽⁵⁾	Change in Control ⁽³⁾	—	1,681,124	—
	Termination w/o Cause	—	—	—
	Death or Disability ⁽⁶⁾	—	1,515,948	—
David G. Harker ⁽⁵⁾	Change in Control ⁽³⁾	—	1,043,462	—
	Termination w/o Cause	—	—	—
	Death or Disability ⁽⁶⁾	—	878,287	—
Peter O. Schultz ⁽⁵⁾	Change in Control ⁽³⁾	—	1,044,241	—
	Termination w/o Cause	—	—	—
	Death or Disability ⁽⁶⁾	—	879,066	—

- (1) For purposes of estimating the value of awards of restricted Common Stock which vest, the Company has assumed a price per share of its Common Stock of \$28.86, which was the closing price of the Common Stock on December 31, 2018, the last trading day of the year.
- (2) Amount reflects 24 months of continued family coverage under our group health plan at active employee rates and is calculated using the monthly premium for the year ended December 31, 2018, less the current minimum contribution required by Mr. Baccile.
- (3) Upon a change in control of the Company, the vesting of any restricted Common Stock held by the officer will accelerate, and the Performance Units granted in 2017 and 2018 will vest based on the level of achievement of the applicable performance targets through the date of the change in control. The amounts reflected in this table for the unvested Performance Units granted in 2017 and 2018 are based on the actual level of achievement of the applicable performance targets of 58.3% and 21.9%, respectively, and include accrued dividend equivalents through December 31, 2018.
- (4) Includes constructive discharge under the terms of Mr. Baccile’s employment agreement.
- (5) None of Messrs. Musil, Yap, Harker or Schultz was a party to an employment agreement with the Company as of December 31, 2018. As such, the amounts disclosed in this table relate only to awards of restricted Common Stock and Performance Units granted to Messrs. Musil, Yap, Harker and Schultz under the 2014 Stock Plan.
- (6) On a termination due to death or disability the Named Executive Officers are entitled to accelerated vesting of all restricted Common Stock and prorated vesting of Performance Units based on attainment of performance metrics through the date of death or disability. Through December 31, 2018, the Company achieved 58.3% and 21.9% of the performance metrics related to the Performance Units granted in 2017 and 2018, respectively.

PROXY STATEMENT

EQUITY COMPENSATION PLANS

The following table sets forth information regarding the Company’s equity compensation plans as of December 31, 2018.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans</u>
Equity Compensation Plans Approved by Security Holders	595,383	\$—	1,570,543
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	<u>585,383</u>	<u>\$—</u>	<u>1,570,543</u>

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2018, Ms. Olsen, Mr. Sharpe and Mr. Tyler, who served as the Company’s interim Chief Executive Officer from October 22, 2008 until January 9, 2009, served on the compensation committee. Except for Ms. Olsen’s, Mr. Tyler’s and Mr. Sharpe’s services as directors, none of Ms. Olsen, Mr. Sharpe or Mr. Tyler had any other business relationship or affiliation with the Company in 2018 requiring disclosure by the Company under Item 404 of Regulation S-K.

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

Transactions involving the Company and its executive officers and directors that are reportable under Item 404(a) of Regulation S-K are required by the Company’s written policies to be reported to and approved by the Nominating/Corporate Governance Committee of the Board of Directors. The Nominating/Corporate Governance Committee addresses such transactions on a case-by-case basis, after considering the relevant facts and circumstances.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (as amended, the “Exchange Act”) requires the Company’s officers and directors, and persons who own more than ten percent of a registered class of the Company’s equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE. Officers, directors and “greater than ten-percent” stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms so filed.

Based solely on review of the copies of such forms furnished to the Company for 2018, all of the Company’s officers, directors and “greater than ten-percent” stockholders timely filed all reports required to be filed by Section 16(a) of the Exchange Act during 2018, except that on February 21, 2018, late Form 4 filings were filed by each of Peter E. Baccile, Scott A. Musil, Johannson L. Yap, David G. Harker and Peter O. Schultz with respect to 52,395, 10,305, 20,085, 9,258 and 10,131 restricted shares of common stock of the Company, respectively, granted under the 2014 Stock Incentive Plan on February 13, 2018.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with the independent registered public accounting firm the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by Auditing Standard No. 1301, *Communications with Audit Committees*; and (iii) received written confirmation from PricewaterhouseCoopers LLP that it is independent and written disclosures as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with PricewaterhouseCoopers LLP its independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended December 31, 2018.

Submitted by the Audit Committee:

H. Patrick Hackett, Jr., Chairman

Denise A. Olsen

John Rau

L. Peter Sharpe

PROXY STATEMENT

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table presents information concerning the ownership of Common Stock of the Company and limited partnership units (“Units”) of First Industrial, L.P. (which generally are redeemable for Common Stock on a one-for-one basis or cash at the option of the Company) by:

- all directors named and nominees named in this Proxy Statement (the “named directors”);
- all Named Executive Officers identified in the Summary Compensation Table;
- all named directors and Named Executive Officers of the Company as a group; and
- persons and entities known to the Company to be beneficial owners of more than 5% of the Company’s Common Stock.

The information is presented as of the Record Date, unless otherwise indicated, and is based on representations of officers and directors of the Company and filings received by the Company on Schedule 13G under the Exchange Act. As of the Record Date, there were 126,491,954 shares of Common Stock and 2,911,153 Units outstanding.

<u>Names and Addresses of 5% Stockholders</u>	Common Stock/Units Beneficially Owned	
	Number	Percent of Class
BlackRock, Inc. ⁽¹⁾ 55 East 52 nd Street New York, NY 10022	19,254,434	15.22%
The Vanguard Group ⁽²⁾ 100 Vanguard Blvd. Malvern, PA 19355	18,717,966	14.80%
<u>Names and Addresses of Directors and Officers*</u>		
Peter E. Baccile ⁽³⁾	98,193	**
Bruce W. Duncan ⁽⁴⁾	506,479	**
Matthew S. Dominski ⁽⁵⁾	31,804	**
H. Patrick Hackett, Jr. ⁽⁶⁾	37,577	**
Denise A. Olsen ⁽⁵⁾	2,167	**
John Rau ⁽⁵⁾	62,296	**
L. Peter Sharpe ⁽⁵⁾	64,904	**
W. Ed Tyler ⁽⁵⁾	97,136	**
Scott A. Musil ⁽⁷⁾	113,676	**
Johannson L. Yap ⁽⁸⁾	287,561	**
David G. Harker ⁽⁹⁾	130,891	**
Peter O. Schultz ⁽¹⁰⁾	116,308	**
All named directors and currently-serving executive officers as a group (12 persons) ⁽¹¹⁾	1,548,992	1.22%

* The business address for each of the directors and Named Executive Officers of the Company is One North Wacker Drive, Suite 4200, Chicago, Illinois 60606.

** Less than 1%

(1) Pursuant to a Schedule 13G/A filed January 28, 2019 of Blackrock, Inc. (“Blackrock”). Blackrock has the sole power to vote 18,521,161 shares and sole power to dispose of all 19,254,434 shares.

PROXY STATEMENT

- (2) Pursuant to a Schedule 13G/A filed February 11, 2019 of The Vanguard Group (“Vanguard Group”). Of the shares reported, Vanguard Group has the sole power to vote 262,811 shares, the shared power to vote 143,652 shares, the sole power to dispose of 18,434,177 shares and the shared power to dispose of 283,789 shares.
- (3) Includes 38,594 shares of restricted Common Stock and 46,308 LTIP Units subject to service-based vesting, in each case issued under the 2014 Stock Plan.
- (4) Includes 69,514 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (5) Includes 2,167 shares of restricted Common Stock issued under the 2014 Stock Plan.
- (6) Includes 2,167 shares of restricted Common Stock issued under the 2014 Stock Plan. Of the shares of Common Stock reported, 22,050 are held jointly with his spouse.
- (7) Includes 10,801 shares of restricted Common Stock and 9,381 LTIP Units subject to service-based vesting, in each case issued under the 2014 Stock Plan.
- (8) Includes 1,680 Units. Also includes 20,681 shares of restricted Common Stock and 19,089 LTIP Units subject to service-based vesting, in each case issued under the 2014 Stock Plan.
- (9) Includes 10,166 shares of restricted Common Stock and 8,934 LTIP Units subject to service-based vesting, in each case issued under the 2014 Stock Plan.
- (10) Includes 10,495 shares of restricted Common Stock and 7,149 LTIP Units subject to service-based vesting, in each case issued under the 2014 Stock Plan. Of the shares of Common Stock reported, 97,454 are held jointly with his spouse.
- (11) Includes 1,680 Units. Also includes 173,253 shares of restricted Common Stock, and 90,861 LTIP Units subject to service-based vesting, in each case issued under the 2014 Stock Plan.

PROPOSAL 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, our stockholders are entitled to vote to approve, on an advisory or non-binding basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with SEC rules.

The Board of Directors believes that its executive compensation program serves the best interests of the Company's stockholders by not only attracting and retaining talented, capable individuals, but also providing them with proper incentives linked to performance criteria that are designed to maximize the Company's overall performance. To this end, the Company's compensation program consists of a mix of compensation that is intended to compensate the Named Executive Officers for their contributions during the year and to reward them for achievements that lead to increased Company performance and increases in stockholder value. Please refer to "Compensation Discussion and Analysis" for a discussion of the compensation of our Named Executive Officers.

We are asking for stockholder approval of the compensation of our Named Executive Officers as disclosed in this Proxy Statement in accordance with SEC rules, which disclosures include the disclosures under "Compensation Discussion and Analysis" and the compensation tables and the narrative discussion following the compensation tables. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the policies and practices described in this Proxy Statement.

This vote is advisory and therefore not binding on the Company, the Compensation Committee or the Board of Directors. The Board of Directors and the Compensation Committee value the opinions of the Company's stockholders and to the extent there is any significant vote against the compensation of our Named Executive Officers as disclosed in this Proxy Statement, we will consider those stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Accordingly, we ask our stockholders to vote on the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission under 'Compensation Discussion and Analysis' and the compensation tables and the narrative discussion following the compensation tables."

The affirmative vote of the holders of a majority of the votes cast with a quorum present at the Annual Meeting is required for advisory approval of this proposal.

The Board of Directors recommends an advisory vote FOR the approval of the compensation of the Named Executive Officers as disclosed in this Proxy Statement.

PROPOSAL 3
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

The accounting firm of PricewaterhouseCoopers LLP served as the Company’s independent auditors in 2018, and our management believes that they are knowledgeable about our operations and accounting practices and are well qualified to act as our independent registered public accounting firm. Therefore, the Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the 2019 fiscal year. We expect that a representative of PricewaterhouseCoopers LLP will be present at the Annual Meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Our Charter and Bylaws do not require that our stockholders ratify the appointment of our independent registered certified public accounting firm. We are doing so because we believe it is a matter of good corporate practice. If our stockholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP but may still retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that a change in registered certified public accounting firm would be in the best interests of the Company and its stockholders.

FEES

During 2018 and 2017, the aggregate fees for services provided by PricewaterhouseCoopers LLP in the following categories and amounts are:

	2018	2017
Audit Fees ⁽¹⁾	\$1,134,500	\$1,123,000
Audit-Related Fees ⁽²⁾	40,000	—
Tax Fees	—	—
All Other Fees ⁽³⁾	102,943	142,862
Total Fees	\$1,277,443	\$1,265,862

- (1) Audit Fees consisted primarily of fees for audits of our annual financial statements, the reviews of our quarterly financial statements and other services that are normally provided by the auditor in connection with statutory and regulatory filings. For 2018 and 2017, this includes \$54,000 and \$70,000, respectively, for comfort letter procedures and auditor consents.
- (2) Audit-Related Fees consisted of fees related to a joint venture audit.
- (3) All Other Fees include amounts related to software licensing fees for technical research tools and \$100,000 and \$140,000 paid in 2018 and 2017, respectively, for consulting services related to operating procedures improvements.

PRE-APPROVAL OF SERVICES

The Audit Committee pre-approves all audit and permissible non-audit services proposed to be provided by the Company’s independent registered public accounting firm. These services may include audit services, audit related services, tax services and other services. Consideration and approval of such services, including the maximum amount of fees payable for such services, generally occur at the Audit Committee’s regularly scheduled meetings. In situations where it is impractical to wait until the next regularly scheduled meeting, the Audit Committee has delegated the authority to approve the audit and permissible non-audit services, including the maximum amount of fees payable for such services, to each of its individual members. Approvals of audit and permissible non-audit services pursuant to the above-described delegation of authority are reported to the full Audit Committee.

The Board of Directors recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for fiscal year 2019.

OTHER MATTERS

SOLICITATION OF PROXIES

The cost of solicitation of proxies in the form enclosed herewith will be borne by the Company. In addition to the solicitation of proxies by mail, the directors, officers and employees of the Company may also solicit proxies personally or by telephone without additional compensation for such activities. The Company will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners. The Company will reimburse such holders for their reasonable expenses.

Georgeson Shareholder Services, Inc. acts as the Company's proxy solicitor at a cost of \$8,500, plus reasonable out of pocket expenses.

STOCKHOLDER PROPOSALS

Under applicable SEC rules, stockholder proposals intended to be presented at the 2020 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 11, 2019, in order to be considered for inclusion in the proxy statement and on the proxy card that will be solicited by the Board of Directors in connection with such meeting. Additionally, under our Bylaws, stockholder proposals intended to be presented at the 2020 Annual Meeting of Stockholders must be received by the Secretary of the Company no later than December 11, 2019, and no earlier than November 11, 2019, in order to be considered timely and must comply with certain additional requirements contained in our Bylaws in order to be proper.

INCORPORATION BY REFERENCE

Appendix A to this Proxy Statement is the Company's 2018 Annual Report, which includes its consolidated financial statements and management's discussion and analysis of financial condition and results of operations, as well as certain other financial and other information required by the rules and regulations of the SEC. Information contained in Appendix A to this Proxy Statement shall not be deemed to be "filed" or "soliciting material," or subject to liability for purposes of Section 18 of the Exchange Act to the maximum extent permitted under the Exchange Act.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 8, 2019

The Proxy Statement, Notice of Annual Meeting, Proxy Card and the Company's 2018 Annual Report are available on the "Proxy Statement" tab of the Investor Relations page on the Company's website, at www.firstindustrial.com.

For directions to attend the Annual Meeting in person, please contact Arthur J. Harmon, the Company's Vice President of Investor Relations and Marketing, at (312) 344-4320.

OTHER MATTERS

The Board of Directors does not know of any matters other than those described in this Proxy Statement that will be presented for action at the Annual Meeting. If other matters are presented, it is the intention of the persons named as proxies in the accompanying Proxy Card to vote in their discretion all shares represented by validly executed proxies.

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, YOUR VOTE IS IMPORTANT TO THE COMPANY. PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY CARD TODAY.

APPENDIX A
2018 ANNUAL REPORT
EXPLANATORY NOTE

This 2018 Annual Report discusses the financial performance and results of operations of both First Industrial Realty Trust, Inc., a Maryland corporation (the “Company”), and the operating partnership of which the Company serves as a general partner, First Industrial, L.P., a Delaware limited partnership (the “Operating Partnership”).

At December 31, 2018, the Company owned an approximate 98.0% common general partnership interest in the Operating Partnership. The remaining approximate 2.0% common limited partnership interests in the Operating Partnership are owned by certain limited partners. As the sole general partner of the Operating Partnership, the Company exercises exclusive and complete discretion over the Operating Partnership’s day-to-day management and control and can cause it to enter into certain major transactions, including acquisitions, dispositions and refinancings.

We have chosen to discuss the financial performance results of operations of both the Company and the Operating Partnership in this 2018 Annual Report. To help you understand the differences between the Company and the Operating Partnership, this 2018 Annual Report provides the following separate disclosures for each of the Company and the Operating Partnership:

- consolidated financial statements;
- a single set of consolidated notes to such financial statements that includes separate discussions of each entity’s stockholders’ equity or partners’ capital, as applicable; and
- a combined Management’s Discussion and Analysis of Financial Condition and Results of Operations section that includes distinct information related to each entity.

The main areas of differences between the consolidated financial statements of the Company and those of the Operating Partnership, as well as the benefits of combined reporting, are further explained in the Company’s and the Operating Partnership’s Form 10-K for the period ended December 31, 2018 filed with the Securities and Exchange Commission on February 20, 2019, a copy of which may be obtained by following the procedures set forth on page A-103 of this 2018 Annual Report.

Unless stated otherwise in this 2018 Annual Report or the context otherwise requires, the terms “we,” “our” and “us” refer to the Company and its subsidiaries, including the Operating Partnership and its consolidated subsidiaries.

SELECTED FINANCIAL DATA

The following tables set forth the selected financial and operating data for the Company and the Operating Partnership on a consolidated basis. The following selected consolidated financial data should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this 2018 Annual Report.

The Company

	Year Ended 12/31/18	Year Ended 12/31/17	Year Ended 12/31/16	Year Ended 12/31/15	Year Ended 12/31/14
(In thousands, except per share data)					
Statement of Operations Data:					
Total Revenues	\$ 403,954	\$ 396,402	\$ 378,020	\$ 365,823	\$ 346,709
Income from Continuing Operations	167,334	208,301	125,684	76,705	23,182
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	163,239	201,456	121,232	73,802	46,629
Basic Per Share Data:					
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 1.31	\$ 1.70	\$ 1.05	\$ 0.67	\$ 0.18
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	1.31	1.70	1.05	0.67	0.42
Diluted Per Share Data:					
Income from Continuing Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 1.31	\$ 1.69	\$ 1.05	\$ 0.66	\$ 0.18
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	1.31	1.69	1.05	0.66	0.42
Dividends/Distributions Per Share	\$ 0.87	\$ 0.84	\$ 0.76	\$ 0.51	\$ 0.41
Basic Weighted Average Shares	123,804	118,272	115,030	110,352	109,922
Diluted Weighted Average Shares	124,191	118,787	115,370	110,781	110,325
Balance Sheet Data (End of Period):					
Real Estate, Before Accumulated Depreciation	\$3,673,644	\$3,495,745	\$3,384,914	\$3,293,968	\$3,183,369
Total Assets	3,142,691	2,941,062	2,793,263	2,709,808	2,574,911
Indebtedness	1,297,783	1,296,997	1,347,092	1,434,168	1,342,762
Total Equity	1,679,911	1,475,877	1,284,625	1,115,135	1,090,827
Cash Flow Data:					
Cash Flow From Operating Activities	\$ 210,495	\$ 192,562	\$ 173,889	\$ 162,149	\$ 137,609
Cash Flow From Investing Activities	(223,398)	(82,495)	(122,395)	(175,898)	(67,240)
Cash Flow From Financing Activities	16,794	(85,046)	(57,025)	29,426	(66,599)
Other Data:					
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities (A)	\$ 199,391	\$ 186,496	\$ 167,811	\$ 140,841	\$ 127,890

(A) Funds from operations ("FFO") is a non-GAAP measure used in the real estate industry. See definition and a complete reconciliation of FFO to Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities under the caption "Supplemental Earnings Measure" starting within the "Management's Discussion and Analysis of Financial Condition and Results of Operations" starting on page A-18 of this 2018 Annual Report.

SELECTED FINANCIAL DATA

The Operating Partnership

	<u>Year Ended</u> <u>12/31/18</u>	<u>Year Ended</u> <u>12/31/17</u>	<u>Year Ended</u> <u>12/31/16</u>	<u>Year Ended</u> <u>12/31/15</u>	<u>Year Ended</u> <u>12/31/14</u>
	(In thousands, except per Unit data)				
Statement of Operations Data:					
Total Revenues	\$ 403,954	\$ 396,402	\$ 378,020	\$ 365,823	\$ 346,709
Income from Continuing Operations	167,334	208,301	125,684	76,820	23,434
Net Income Available to Unitholders and Participating Securities	167,246	208,158	125,547	76,682	48,704
Basic Per Unit Data:					
Income from Continuing Operations Available to Unitholders	\$ 1.31	\$ 1.70	\$ 1.05	\$ 0.67	\$ 0.18
Net Income Available to Unitholders	1.31	1.70	1.05	0.67	0.42
Diluted Per Unit Data:					
Income from Continuing Operations Available to Unitholders	\$ 1.31	\$ 1.69	\$ 1.05	\$ 0.66	\$ 0.18
Net Income Available to Unitholders	1.31	1.69	1.05	0.66	0.42
Distributions Per Unit	\$ 0.87	\$ 0.84	\$ 0.76	\$ 0.51	\$ 0.41
Basic Weighted Average Units	126,921	122,306	119,274	114,709	114,388
Diluted Weighted Average Units	127,308	122,821	119,614	115,138	114,791
Balance Sheet Data (End of Period):					
Real Estate, Before Accumulated Depreciation	\$3,673,644	\$3,495,745	\$3,384,914	\$3,293,968	\$3,183,369
Total Assets	3,152,799	2,951,180	2,803,701	2,720,523	2,585,624
Indebtedness	1,297,783	1,296,997	1,347,092	1,434,168	1,342,762
Total Partners' Capital	1,690,019	1,485,995	1,295,063	1,125,850	1,101,590
Cash Flow Data:					
Cash Flow From Operating Activities	\$ 210,505	\$ 192,881	\$ 174,166	\$ 162,286	\$ 138,352
Cash Flow From Investing Activities	(223,398)	(82,494)	(122,395)	(175,898)	(67,895)
Cash Flow From Financing Activities	16,784	(85,366)	(57,302)	29,304	(66,687)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto appearing elsewhere in this 2018 Annual Report.

In addition, the following discussion may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on certain assumptions and describe our future plans, strategies and expectations, and are generally identifiable by use of the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "project," "seek," "target," "potential," "focus," "may," "will," "should" or similar words. Although we believe the expectations reflected in forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. Factors which could have a materially adverse effect on our operations and future prospects include, but are not limited to:

- changes in national, international, regional and local economic conditions generally and real estate markets specifically;
- changes in legislation/regulation (including changes to laws governing the taxation of real estate investment trusts) and actions of regulatory authorities;
- our ability to qualify and maintain our status as a real estate investment trust;
- the availability and attractiveness of financing (including both public and private capital) and changes in interest rates;
- the availability and attractiveness of terms of additional debt repurchases;
- changes in our credit agency ratings;
- our ability to comply with applicable financial covenants;
- our competitive environment;
- changes in supply, demand and valuation of industrial properties and land in our current and potential market areas;
- difficulties in identifying and consummating acquisitions and dispositions;
- our ability to manage the integration of properties we acquire;
- potential liability relating to environmental matters;
- defaults on or non-renewal of leases by our tenants;
- decreased rental rates or increased vacancy rates;
- higher-than-expected real estate construction costs and delays in development or lease-up schedules;
- changes in general accounting principles, policies and guidelines applicable to real estate investment trusts; and
- other risks and uncertainties described in "Risk Factors" and elsewhere in this report as well as those risks and uncertainties discussed from time to time in our other Exchange Act reports and in our other public filings with the Securities and Exchange Commission (the "SEC").

We caution you not to place undue reliance on forward-looking statements, which reflect our outlook only and speak only as of the date of this 2018 Annual Report. We assume no obligation to update or supplement forward-looking statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Overview

The Company is a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops and redevelops industrial real estate. The Company is a Maryland corporation organized on August 10, 1993 and a real estate investment trust as defined in the Code.

We believe our financial condition and results of operations are, primarily, a function of our performance in four key areas: leasing of industrial properties, acquisition and development of additional industrial properties, disposition of industrial properties and access to external capital.

We generate revenue primarily from rental income and tenant recoveries from operating leases of our industrial properties. Such revenue is offset by certain property specific operating expenses, such as real estate taxes, repairs and maintenance, property management, utilities and insurance expenses, along with certain other costs and expenses, such as depreciation and amortization costs and general and administrative and interest expenses. Our revenue growth is dependent, in part, on our ability to: (i) increase rental income, through increasing either or both occupancy rates and rental rates at our properties; (ii) maximize tenant recoveries; and (iii) minimize operating and certain other expenses. Revenues generated from rental income and tenant recoveries are a significant source of funds, in addition to income generated from gains on the sale of our properties (as discussed below), for our liquidity. The leasing of property, in general, and occupancy rates, rental rates, operating expenses and certain non-operating expenses, in particular, are impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The leasing of property also entails various risks, including the risk of tenant default. If we were unable to maintain or increase occupancy rates and rental rates at our properties or to maintain tenant recoveries and operating and certain other expenses consistent with historical levels and proportions, our revenue would decline. Further, if a significant number of our tenants were unable to pay rent (including tenant recoveries) or if we were unable to rent our properties on favorable terms, our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units would be adversely affected.

Our revenue growth is also dependent, in part, on our ability to acquire existing, and develop new industrial properties on favorable terms. We seek to identify opportunities to acquire existing industrial properties on favorable terms, and, when conditions permit, also seek to acquire and develop new industrial properties on favorable terms. Existing properties, as they are acquired, and acquired and developed properties, as they are leased, generate revenue from rental income, tenant recoveries and fees, income from which, as discussed above, is a source of funds for our distributions to our stockholders and Unitholders. The acquisition and development of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The acquisition and development of properties also entails various risks, including the risk that our investments may not perform as expected. For example, acquired existing and acquired and developed new properties may not sustain and/or achieve anticipated occupancy and rental rate levels. With respect to acquired and developed new properties, we may not be able to complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties. Also, we face significant competition for attractive acquisition and development opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. Further, as discussed below, we may not be able to finance the acquisition and development opportunities we identify. If we were unable to acquire and develop sufficient additional properties on favorable terms, or if such investments did not perform as expected, our revenue growth would be limited and our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units would be adversely affected.

We also generate income from the sale of our properties (including existing buildings, buildings which we have developed or re-developed on a merchant basis and land). The gain or loss on, and fees from, the sale of

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

such properties are included in our income and can be a significant source of funds, in addition to revenues generated from rental income and tenant recoveries. Proceeds from sales are used to repay outstanding debt and, market conditions permitting, may be used to fund the acquisition of existing industrial properties, and the acquisition and development of new industrial properties. The sale of properties is impacted, variously, by property specific, market specific, general economic and other conditions, many of which are beyond our control. The sale of properties also entails various risks, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. Further, our ability to sell properties is limited by safe harbor rules applying to REITs under the Code which relate to the number of properties that may be disposed of in a year, their tax bases and the cost of improvements made to the properties, along with other tests which enable a REIT to avoid punitive taxation on the sale of assets. If we are unable to sell properties on favorable terms, our income growth would be limited and our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

We utilize a portion of the net sales proceeds from property sales, borrowings under our Unsecured Credit Facility and proceeds from the issuance, when and as warranted, of additional debt and equity securities to refinance debt and finance future acquisitions and developments. Access to external capital on favorable terms plays a key role in our financial condition and results of operations, as it impacts our cost of capital and our ability and cost to refinance existing indebtedness as it matures and our ability to fund acquisitions and developments. Our ability to access external capital on favorable terms is dependent on various factors, including general market conditions, interest rates, credit ratings on our debt, the market's perception of our growth potential, our current and potential future earnings and cash distributions and the market price of the Company's common stock. If we were unable to access external capital on favorable terms, our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

Summary of Significant Transactions During 2018

During 2018, we completed the following significant transactions and financing activities:

- We acquired 10 industrial properties comprised of approximately 1.0 million square feet of GLA located in our Seattle, Orlando, Southern California, New Jersey and Houston markets for an aggregate purchase price of \$124.9 million.
- We acquired 271.7 acres of land for development located in our Dallas, Denver, Seattle, Southern California, New Jersey and Miami markets for an aggregate purchase price of \$42.6 million.
- We developed, placed in-service and leased at 100%, 8 industrial properties comprising approximately 3.5 million square feet of GLA located in Southern California, Chicago and Phoenix at an estimated total cost of \$226.6 million.
- We sold 53 industrial properties comprised of approximately 2.6 million square feet of GLA and several land parcels for total gross sales proceeds of \$192.0 million.
- We entered into the Joint Venture with a third party and acquired, for a purchase price of \$49.0 million, approximately 532 net developable acres of land located in Phoenix for the purpose of developing, selling, leasing and operating industrial properties.
- We issued \$150.0 million of ten-year private placement notes at a rate of 3.86% and \$150.0 million of twelve-year private placement notes at a rate of 3.96%.
- We issued 4,800,000 shares of the Company's common stock in an underwritten public offering. Proceeds to the Company, net of the underwriter's discount, were \$145.6 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

- We paid off \$157.8 million in mortgage loans payable.
- We declared an annual cash dividend of \$0.87 per common share or Unit, an increase of 3.6% from 2017.

Results of Operations

Comparison of Year Ended December 31, 2018 to Year Ended December 31, 2017

Our net income was \$167.3 million and \$208.3 million for the years ended December 31, 2018 and 2017, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2018 and 2017. Same store properties are properties owned prior to January 1, 2017 and held as an in-service property through December 31, 2018 and developments and redevelopments that were placed in service prior to January 1, 2017 or were substantially completed for the 12 months prior to January 1, 2017. Properties which are at least 75% occupied at acquisition are placed in service, unless we anticipate the tenants to move out within the first two years of ownership. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Acquired properties with occupancy greater than 75% at acquisition, but with tenants that we anticipate will move out in the first year of ownership, will be placed in service upon the earlier of reaching 90% occupancy or twelve months after move out. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2016 and held as an operating property through December 31, 2018. Sold properties are properties that were sold subsequent to December 31, 2016. (Re)Developments include developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2017; or b) stabilized prior to January 1, 2017. Other revenues are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company and other miscellaneous revenues. Other property expenses are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company, vacant land expenses and other miscellaneous regional expenses.

During the year ended December 31, 2018, one industrial property, comprising approximately 0.1 million square feet of GLA, was taken out of service for redevelopment. As a result of taking this industrial property out of service, the results of operations were reclassified from the same store property classification to the re(development) classification. During the year ended December 31, 2018, we completed the redevelopment of this property and the property is 100% occupied. This property will return to the same store classification in the first quarter 2020.

During the year ended December 31, 2017, one industrial property, comprising approximately 0.1 million square feet of GLA, was taken out of service due to a fire which caused major damage to the building. During the year ended December 31, 2018, we recognized \$1.3 million of insurance proceeds, inclusive of business interruption proceeds, within other income. Also, during the year ended December 31, 2018, we sold the remaining property and as such, the results of this property are included in the sold classification.

During the year ended December 31, 2016, one industrial property, comprising approximately 28 thousand square feet of GLA, was taken out of service due to a fire which caused complete destruction of the building. The results of this property are included in the (re) development classification. We anticipate the rebuild of this property will be complete during the first quarter 2019 and as of December 31, 2018, the property is 100% pre-leased. This property will return to the same store classification in the first quarter 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition, (re)development and sale of properties. Our future revenues and expenses may vary materially from historical rates.

For the years ended December 31, 2018 and 2017, the average occupancy rates of our same store properties were 97.5% and 96.2%, respectively.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
	(In thousands)			
REVENUES				
Same Store Properties	\$365,873	\$349,196	\$ 16,677	4.8%
Acquired Properties	12,462	4,243	8,219	193.7%
Sold Properties	11,354	36,484	(25,130)	(68.9)%
(Re) Developments	11,393	4,626	6,767	146.3%
Other	2,872	1,853	1,019	55.0%
Total Revenues	<u>\$403,954</u>	<u>\$396,402</u>	<u>\$ 7,552</u>	<u>1.9%</u>

Revenues from same store properties increased \$16.7 million due primarily to an increase in occupancy and rental rates as well as tenant recoveries. Revenues from acquired properties increased \$8.2 million due to the 18 industrial properties acquired subsequent to December 31, 2016 totaling approximately 2.1 million square feet of GLA. Revenues from sold properties decreased \$25.1 million due to the 113 industrial properties sold subsequent to December 31, 2016 totaling approximately 7.2 million square feet of GLA. Revenues from (re)developments increased \$6.8 million due to an increase in occupancy. Revenues from other increased \$1.0 million primarily due to an increase in interest income earned on our cash equivalents, as well as an increase in occupancy related to one property acquired in 2016 and placed in service during 2017.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
	(In thousands)			
PROPERTY EXPENSES				
Same Store Properties	\$ 97,053	\$ 91,417	\$ 5,636	6.2%
Acquired Properties	3,850	1,105	2,745	248.4%
Sold Properties	3,461	11,695	(8,234)	(70.4)%
(Re) Developments	4,090	1,392	2,698	193.8%
Other	8,400	7,885	515	6.5%
Total Property Expenses	<u>\$116,854</u>	<u>\$113,494</u>	<u>\$ 3,360</u>	<u>3.0%</u>

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$5.6 million primarily due to an increase in real estate taxes, snow removal costs, and insurance expense. Property expenses from acquired properties increased \$2.7 million due to properties acquired subsequent to December 31, 2016. Property expenses from sold properties decreased \$8.2 million due to properties sold subsequent to December 31, 2016. Property expenses from (re)developments increased \$2.7 million primarily due to the substantial completion of developments. Property expenses from other increased \$0.5 million due to an increase in real estate taxes.

General and administrative expense remained relatively unchanged. However, during the three months ended March 31, 2018, we incurred \$1.3 million of severance expense. The increase in severance expense is

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

offset by an increase in the capitalization of compensation of certain development personnel due to an increase in development activities as well as a decrease in amortization of restricted stock, which decrease is primarily due to immediate recognition of \$1.6 million of expense related to the issuance of restricted stock to our former CEO during the three months ended March 31, 2017.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
	(In thousands)			
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$100,525	\$101,770	\$(1,245)	(1.2)%
Acquired Properties	7,293	2,476	4,817	194.5%
Sold Properties	2,703	9,388	(6,685)	(71.2)%
(Re) Developments	4,571	1,582	2,989	188.9%
Corporate Furniture, Fixtures and Equipment and Other	<u>1,367</u>	<u>1,148</u>	<u>219</u>	19.1%
Total Depreciation and Other Amortization	<u>\$116,459</u>	<u>\$116,364</u>	<u>\$ 95</u>	0.1%

Depreciation and other amortization from same store properties decreased by \$1.2 million due to certain leasing intangibles becoming fully amortized during the year ended December 31, 2017 partially offset by accelerated depreciation and amortization taken during the year ended December 31, 2018 attributable to certain tenants who terminated their leases early. Depreciation and other amortization from acquired properties increased \$4.8 million due to properties acquired subsequent to December 31, 2016. Depreciation and other amortization from sold properties decreased \$6.7 million due to properties sold subsequent to December 31, 2016. Depreciation and other amortization from (re)developments increased \$3.0 million primarily due to an increase in depreciation and amortization related to completed developments. Depreciation from corporate furniture, fixtures and equipment and other increased \$0.2 million primarily due to capital expenditures incurred at one property that was acquired in 2016 and placed in service in 2017.

The impairment charge for the year ended December 31, 2018 of \$2.8 million was due to marketing a property and a land parcel for sale and our assessment of the likelihood of potential sales transaction. The property and the land parcel for which impairment was recorded were sold later during the year ended December 31, 2018.

For the year ended December 31, 2018, we recognized \$81.6 million of gain on sale of real estate related to the sale of 53 industrial properties comprising approximately 2.6 million square feet of GLA and several land parcels. For the year ended December 31, 2017, we recognized \$131.3 million of gain on sale of real estate related to the sale of 60 industrial properties comprising approximately 4.6 million square feet of GLA and one land parcel.

Interest expense decreased \$6.4 million, or 11.2%, primarily due to a decrease in the weighted average debt balance outstanding for the year ended December 31, 2018 (\$1,334.8 million) as compared to the year ended December 31, 2017 (\$1,392.2 million), a decrease in the weighted average interest rate for the year ended December 31, 2018 (4.24%) as compared to the year ended December 31, 2017 (4.42%), and an increase in capitalized interest of \$1.5 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017 due to an increase in development activities.

Amortization of debt issuance costs increased \$0.2 million, or 7.7%, primarily due to additional amortization from fees incurred related to the amendment to our credit facility and term loans in October 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

and the issuance of the 2028 and 2030 Private Placement Notes in February 2018, offset by less amortization due to the payoffs of the 2017 Notes, the 2017 II Notes and certain mortgage loans.

During the year ended December 31, 2017, we recorded \$1.9 million of settlement gain on derivative instruments. In September 2017, we entered into treasury locks (the "2017 Treasury Locks") in order to fix the interest rate on an anticipated unsecured debt offering. The 2017 Treasury Locks were settled during the fourth quarter of 2017. We did not elect to designate the Treasury Locks as hedges and, as such, we recorded the full change in the fair value of the 2017 Treasury Locks within the consolidated statement of operations.

For the year ended December 31, 2017, we recognized a loss from retirement of debt of \$1.8 million due to prepayment penalties related to the early payoff of certain mortgage loans and the write-off of unamortized debt issuance costs on these mortgage loans as well as the write-off of unamortized debt issuance costs related to an exiting lender on our revolving line of credit and one of our unsecured term loans.

Equity in loss of Joint Venture was not significant.

For the year ended December 31, 2018, the income tax benefit was not significant. For the year ended December 31, 2017, we recognized a tax provision of \$1.2 million primarily related to taxable gain from the sale of real estate from one of our TRSs.

Comparison of Year Ended December 31, 2017 to Year Ended December 31, 2016

The Company's net income was \$208.3 million and \$125.7 million for the years ended December 31, 2017 and 2016, respectively.

The tables below summarize our revenues, property expenses and depreciation and other amortization by various categories for the years ended December 31, 2017 and 2016. Same store properties are properties owned prior to January 1, 2016 and held as an in-service property through December 31, 2017 and developments and redevelopments that were placed in service prior to January 1, 2016 or were substantially completed for the 12 months prior to January 1, 2016. Properties which are at least 75% occupied at acquisition are placed in service, unless we anticipate the tenants to move out within the first two years of ownership. Acquisitions that are less than 75% occupied at the date of acquisition, developments and redevelopments are placed in service as they reach the earlier of a) stabilized occupancy (generally defined as 90% occupied), or b) one year subsequent to acquisition or development/redevelopment construction completion. Acquired properties with occupancy greater than 75% at acquisition, but with tenants that we anticipate will move out in the first year of ownership, will be placed in service upon the earlier of reaching 90% occupancy or twelve months after move out. Properties are moved from the same store classification to the redevelopment classification when capital expenditures for a project are estimated to exceed 25% of the undepreciated gross book value of the property. Acquired properties are properties that were acquired subsequent to December 31, 2015 and held as an operating property through December 31, 2017. Sold properties are properties that were sold subsequent to December 31, 2015. (Re)Developments include developments and redevelopments that were not: a) substantially complete 12 months prior to January 1, 2016; or b) stabilized prior to January 1, 2016. Other revenues are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company and other miscellaneous revenues. Other property expenses are derived from the operations of properties not placed in service under one of the categories discussed above, the operations of our maintenance company, vacant land expenses and other miscellaneous regional expenses.

During the year ended December 31, 2016, one industrial property, comprising approximately 28 thousand square feet of GLA, was taken out of service due to a fire which caused complete destruction of the building. The results of this property are included in the (re) development classification. We anticipate the rebuild of this property will be complete during the first quarter 2019 and as of December 31, 2018, the property is 100% pre-leased. This property will return to the same store classification in the first quarter 2021.

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During the year ended December 31, 2017, one industrial property, comprising approximately 0.1 million square feet of GLA, was taken out of service due to a fire which caused major damage to the building. The results of this property are included in the (re) development classification. During the year ended December 31, 2018, we sold the remaining land parcel.

Our future financial condition and results of operations, including rental revenues, may be impacted by the future acquisition, (re)development and sale of properties. Our future revenues and expenses may vary materially from historical rates.

For the years ended December 31, 2017 and 2016, the average occupancy rates of our same store properties were 96.2% and 96.4%, respectively.

	2017	2016	\$ Change	% Change
	(In thousands)			
REVENUES				
Same Store Properties	\$339,403	\$329,704	\$ 9,699	2.9%
Acquired Properties	9,021	2,409	6,612	274.5%
Sold Properties	17,010	33,260	(16,250)	(48.9)%
(Re) Developments	26,850	10,036	16,814	167.5%
Other	4,118	2,611	1,507	57.7%
Total Revenues	\$396,402	\$378,020	\$ 18,382	4.9%

Revenues from same store properties increased \$9.7 million due primarily to an increase in rental rates and tenant recoveries, slightly offset by a decrease in occupancy. Revenues from acquired properties increased \$6.6 million due to the 14 industrial properties acquired subsequent to December 31, 2015 totaling approximately 1.8 million square feet of GLA. Revenues from sold properties decreased \$16.3 million due to the 123 industrial properties sold subsequent to December 31, 2015 totaling approximately 8.6 million square feet of GLA. Revenues from (re)developments increased \$16.8 million due to an increase in occupancy. Revenues from other increased \$1.5 million primarily due to an increase in occupancy related to three properties acquired in the year ended December 31, 2015 that were placed in service during the year ended December 31, 2016.

	2017	2016	\$ Change	% Change
	(In thousands)			
PROPERTY EXPENSES				
Same Store Properties	\$ 90,755	\$ 88,218	\$ 2,537	2.9%
Acquired Properties	2,462	600	1,862	310.3%
Sold Properties	5,527	11,684	(6,157)	(52.7)%
(Re) Developments	5,797	2,449	3,348	136.7%
Other	8,953	9,373	(420)	(4.5)%
Total Property Expenses	\$113,494	\$112,324	\$ 1,170	1.0%

Property expenses include real estate taxes, repairs and maintenance, property management, utilities, insurance and other property related expenses. Property expenses from same store properties increased \$2.5 million primarily due to an increase in real estate tax expense caused by higher assessed values on our properties and real estate tax abatements expiring. Property expenses from acquired properties increased \$1.9 million due to properties acquired subsequent to December 31, 2015. Property expenses from sold

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properties decreased \$6.2 million due to properties sold subsequent to December 31, 2015. Property expenses from (re)developments increased \$3.3 million primarily due to the substantial completion of developments. Property expenses from other decreased \$0.4 million due to a decrease in certain miscellaneous expenses.

General and administrative expense increased \$1.4 million, or 5.2%, primarily due to an increase in incentive compensation during the year ended December 31, 2017 as compared to the year ended December 31, 2016.

As discussed in Note 2 to the Consolidated Financial Statements, on January 1, 2017 we adopted a new accounting standard relating to the definition of a business. As a result of this adoption, our acquisitions of real estate during the year ended December 31, 2017 did not meet the definition of a business combination and thus the closing costs, which historically have been expensed, were capitalized as part of the basis of the real estate assets acquired. For the year ended December 31, 2016, we recognized \$0.5 million of expenses related to costs associated with acquiring industrial properties from third parties.

	2017	2016	\$ Change	% Change
	(In thousands)			
DEPRECIATION AND OTHER AMORTIZATION				
Same Store Properties	\$ 97,516	\$ 98,909	\$(1,393)	(1.4)%
Acquired Properties	4,874	1,358	3,516	258.9%
Sold Properties	4,305	9,352	(5,047)	(54.0)%
(Re) Developments	7,223	5,404	1,819	33.7%
Corporate Furniture, Fixtures and Equipment and Other	2,446	2,259	187	8.3%
Total Depreciation and Other Amortization	<u>\$116,364</u>	<u>\$117,282</u>	<u>\$ (918)</u>	<u>(0.8)%</u>

Depreciation and other amortization from same store properties decreased by \$1.4 million due to accelerated depreciation and amortization taken during the year ended December 31, 2016 attributable to certain tenants who terminated their leases early. Depreciation and other amortization from acquired properties increased \$3.5 million due to properties acquired subsequent to December 31, 2015. Depreciation and other amortization from sold properties decreased \$5.0 million due to properties sold subsequent to December 31, 2015. Depreciation and other amortization from (re)developments increased \$1.8 million primarily due to an increase in depreciation and amortization related to completed developments offset by accelerated depreciation on one property in Rancho Dominguez, CA which was razed during the year ended December 31, 2016. Depreciation from corporate furniture, fixtures and equipment and other increased \$0.2 million due to higher depreciation related to incurred leasing costs at three properties acquired in the year ended December 31, 2015 that were placed in service during the year ended December 31, 2016.

For the year ended December 31, 2017, we recognized \$131.3 million of gain on sale of real estate related to the sale of 60 industrial properties comprising approximately 4.6 million square feet of GLA and one land parcel. For the year ended December 31, 2016, we recognized \$68.2 million of gain on sale of real estate related to the sale of 63 industrial properties comprising approximately 3.9 million square feet of GLA and several land parcels.

Interest expense decreased \$2.2 million, or 3.8%, primarily due to a decrease in the weighted average interest rate for the year ended December 31, 2017 (4.42%) as compared to the year ended December 31, 2016 (4.50%), a decrease in the weighted average debt balance outstanding for the year ended December 31, 2017 (\$1,392.2 million) as compared to the year ended December 31, 2016 (\$1,400.5 million) and an increase in

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capitalized interest of \$0.8 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016 due to an increase in development activities.

Amortization of debt issuance costs remained relatively unchanged.

During the year ended December 31, 2017, we recorded \$1.9 million of settlement gain on derivative instruments. In September 2017, we entered into the 2017 Treasury Locks in order to fix the interest rate on an anticipated unsecured debt offering. The 2017 Treasury Locks were settled during the fourth quarter of 2017.

For the year ended December 31, 2017, we recognized a loss from retirement of debt of \$1.8 million due to prepayment penalties related to the early payoff of certain mortgage loans and the write-off of unamortized debt issuance costs on these mortgage loans as well as the write-off of unamortized debt issuance costs related to an exiting lender on our revolving line of credit and one of our unsecured term loans.

The income tax provision remained relatively unchanged.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in more detail in Note 2 to the Consolidated Financial Statements. We believe the following critical accounting policies relate to the more significant judgments and estimates used in the preparation of our consolidated financial statements.

- *Acquisitions of Real Estate Assets:* We allocate the purchase price of acquired real estate, including real estate acquired as a portfolio, to the fair value of tangible assets (land, building, and improvements) by valuing the real estate as if it were vacant. The determination of fair value includes estimates such as discount rates, terminal capitalization rates and market rent assumptions. Above-market and below-market lease and below market ground lease obligation values are recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) our estimate of fair market lease rents for each corresponding in-place lease. The purchase price is further allocated to leasing commissions, in-place lease and tenant relationship values based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value allocated to tenant relationships is amortized to depreciation and amortization expense over the expected term of the relationship, which includes an estimate of the probability of lease renewal and its estimated term.
- *Impairment of Real Estate Assets:* We review our real estate assets for possible impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The judgments regarding the existence of indicators of impairment are based on the operating performance, market conditions, as well as our ability to hold and our intent with regard to each property. The judgments regarding whether the carrying amounts of these assets may not be recoverable are based on estimates of future undiscounted cash flows from properties which include estimates of future operating performance and market conditions. If any real estate investment is considered impaired, a loss is recorded to reduce the carrying value of the property to its estimated fair value.

Liquidity and Capital Resources

At December 31, 2018, our cash and cash equivalents and restricted cash were approximately \$43.1 million and \$7.3 million, respectively. Restricted cash is comprised of gross proceeds from the sales of certain industrial properties. These sale proceeds will be disbursed as we exchange industrial properties under Section 1031 of the Code. We also had \$720.6 million available for additional borrowings under our Unsecured Credit Facility as of December 31, 2018.

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We have considered our short-term (through December 31, 2019) liquidity needs and the adequacy of our estimated cash flow from operations and other expected liquidity sources to meet these needs. We have \$107.9 million in mortgage loans payable outstanding at December 31, 2018 that we anticipate prepaying prior to December 31, 2019. Historically, we have utilized various sources of capital to satisfy similar payment obligations, including borrowings under our Unsecured Credit Facility and issuances of debt and equity securities, and we expect to satisfy these payment obligations on or prior to the maturity dates using one or more of these sources of capital. With the exception of these payment obligations, we believe that our principal short-term liquidity needs are to fund normal recurring expenses, property acquisitions, developments, renovations, expansions and other nonrecurring capital improvements, debt service requirements, the minimum distributions required to maintain the Company's REIT qualification under the Code and distributions approved by the Company's Board of Directors. We anticipate that these needs will be met with cash flows provided by operating activities as well as the disposition of select assets. These needs may also be met by the issuance of additional equity or debt securities or long-term unsecured indebtedness, subject to market conditions and contractual restrictions or borrowings under our Unsecured Credit Facility.

We expect to meet long-term (after December 31, 2019) liquidity requirements such as property acquisitions, developments, scheduled debt maturities, major renovations, expansions and other nonrecurring capital improvements through the disposition of select assets, long-term unsecured and secured indebtedness and the issuance of additional equity or debt securities, subject to market conditions.

As of February 15, 2019 we had approximately \$713.4 million available for additional borrowings under our Unsecured Credit Facility. Our Unsecured Credit Facility contains certain financial covenants including limitations on incurrence of debt and debt service coverage. Our access to borrowings may be limited if we fail to meet any of these covenants. We believe that we were in compliance with our financial covenants as of December 31, 2018, and we anticipate that we will be able to operate in compliance with our financial covenants in 2019.

As of December 31, 2018, our senior unsecured notes have been assigned credit ratings from Standard & Poor's, Moody's and Fitch Ratings of BBB/Stable, Baa2/Stable and BBB/Stable, respectively. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization. In the event of a downgrade, we believe we would continue to have access to sufficient capital; however, our cost of borrowing would increase and our ability to access certain financial markets may be limited.

Cash Flow Activity

The following table summarizes our cash flow activity for the Company for the years ended December 31, 2018 and 2017:

	Year Ended December 31,	
	2018	2017
	(In thousands)	
Net cash provided by operating activities	\$ 210,495	\$192,562
Net cash used in investing activities	(223,398)	(82,495)
Net cash provided by (used in) financing activities	16,794	(85,046)

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The following table summarizes our cash flow activity for the Operating Partnership for the years ended December 31, 2018 and 2017:

	Year Ended December 31,	
	2018	2017
	(In thousands)	
Net cash provided by operating activities	\$ 210,505	\$192,881
Net cash used in investing activities	(223,398)	(82,494)
Net cash provided by (used in) financing activities	16,784	(85,366)

Changes in cash flow for the year ended December 31, 2018, compared to the prior year are described as follows:

Operating Activities: Cash provided by operating activities increased \$17.9 million for the Company (increased by \$17.6 million for the Operating Partnership), primarily due to the following:

- Decrease in interest expense of \$6.4 million;
- Increase in cash NOI from same store properties, acquired properties, and recently developed properties offset by decreases in cash NOI due to building disposals for a net total increase of approximately \$6.8 million;
- Increase in accounts payable, accrued expenses and other liabilities as well as a decrease in other assets due to timing of cash payments and cash receipts.

Investing Activities: Cash used in investing activities increased \$140.9 million, primarily due to the following:

- Increase in cash used of \$78.5 million related to non-acquisition additions and improvements to real estate primarily due to an increase in development expenditures in 2018;
- Increase in cash used of \$23.4 million related to our net contributions to the Joint Venture in 2018;
- Decrease in cash received of \$43.3 million related to the disposition of real estate in 2018;
- Decrease in cash received of \$9.2 million related to insurance proceeds on casualty losses;

Offset by:

- Decrease in cash used to acquire real estate in 2018 of \$17.5 million.

Financing Activities: Cash provided by financing activities increased \$101.8 million for the Company (increased \$102.2 million for the Operating Partnership), primarily due to the following:

- Increase in cash provided of \$100.0 million related to the issuance of unsecured notes in a private placement in 2018;
- Increase in cash provided of \$70.7 million related to the proceeds received from the issuance of common stock in an underwritten public offering in 2018 compared to 2017;
- The payoff of senior unsecured notes during 2017 in the amount of \$156.9 million;

Offset by:

- Increase in repayments of mortgage loans payable of \$118.8 million;

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- Increase in net repayments of our Unsecured Credit Facility of \$99.5 million; and
- Increase in dividend and unit distributions of \$9.1 million primarily due to the Company raising the dividend rate in 2018.

Contractual Obligations and Commitments

The following table lists our contractual obligations and commitments as of December 31, 2018:

	Total	Payments Due by Period (In thousands)			
		Less Than 1 Year	1-3 Years	3-5 Years	Over 5 Years
Operating and Ground Leases(A)	\$ 36,322	\$ 1,464	\$ 3,039	\$ 2,794	\$ 29,025
Real Estate Development Costs(A)(B) . . .	140,300	140,300	—	—	—
Long Term Debt	1,306,181	79,600	326,159	341,873	558,549
Interest Expense on Long Term Debt(A)(C)	309,800	52,505	84,322	56,460	116,513
Unsecured Credit Facility(D)	3,118	1,103	2,015	—	—
Total	<u>\$1,795,721</u>	<u>\$274,972</u>	<u>\$415,535</u>	<u>\$401,127</u>	<u>\$704,087</u>

(A) Not on balance sheet.

(B) Represents estimated remaining costs on the completion of development projects under construction. Estimated remaining costs include costs for leasing the building and could extend beyond one year.

(C) Includes interest expense on our unsecured term loans, inclusive of the impact of interest rate swaps which effectively swap the variable interest rate to a fixed interest rate. Excludes interest expense on our Unsecured Credit Facility.

(D) Represents fees on our Unsecured Credit Facility which has a contractual maturity in October 2021.

Off-Balance Sheet Arrangements

At December 31, 2018, we had letters of credit and performance bonds outstanding amounting to \$18.6 million in the aggregate. The letters of credit and performance bonds are not reflected as liabilities on our balance sheet. We have no other off-balance sheet arrangements, as defined in Item 303 of Regulation S-K, other than those disclosed on the Contractual Obligations and Commitments table above that have or are reasonably likely to have a current or future effect on our financial condition, results of operation or liquidity and capital resources.

Environmental

We paid approximately \$0.4 million and \$0.4 million during the years ended December 31, 2018 and 2017, respectively, related to environmental expenditures. We estimate 2019 expenditures of approximately \$0.3 million. We estimate that the aggregate expenditures which need to be expended in 2019 and beyond with regard to currently identified environmental issues will not exceed approximately \$0.9 million.

Inflation

For the last several years, inflation has not had a significant impact on us because of the relatively low inflation rates in our markets of operation. Most of our leases require the tenants to pay their share of operating

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expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, our leases have a weighted average lease length of 6.8 years which may enable us to replace existing leases with new leases at higher base rentals if rents of existing leases are below the then-existing market rate.

Market Risk

The following discussion about our risk-management activities includes “forward-looking statements” that involve risk and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. Our business subjects us to market risk from interest rates, as described below.

Interest Rate Risk

The following analysis presents the hypothetical gain or loss in earnings, cash flows or fair value of the financial instruments and derivative instruments which are held by us at December 31, 2018 that are sensitive to changes in interest rates. While this analysis may have some use as a benchmark, it should not be viewed as a forecast.

In the normal course of business, we also face risks that are either non-financial or non-quantifiable. Such risks principally include credit risk and legal risk and are not represented in the following analysis.

At December 31, 2018, 100.0% of our total debt was fixed rate debt. This includes \$460.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of derivative instruments. At December 31, 2017, \$1,160.3 million or 88.9% of our total debt, excluding unamortized debt issuance costs, was fixed rate debt. This includes \$460.0 million of variable-rate debt that has been effectively swapped to a fixed rate through the use of derivative instruments. As of the same date, \$144.5 million or 11.1% of our total debt, excluding unamortized debt issuance costs, was variable rate debt.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt, but not our earnings or cash flows. Conversely, for variable rate debt, changes in the base interest rate used to calculate the all-in interest rate generally do not impact the fair value of the debt, but would affect our future earnings and cash flows. The interest rate risk and changes in fair market value of fixed rate debt generally do not have a significant impact on us until we are required to refinance such debt. See Note 4 to the Consolidated Financial Statements for a discussion of the maturity dates of our various fixed rate debt.

Our variable rate debt is subject to risk based upon prevailing market interest rates. If the LIBOR rates relevant to our variable rate debt were to have increased 10%, we estimate that our interest expense during the years ended December 31, 2018 and 2017 would have increased by approximately \$0.07 million and \$0.26 million, respectively, based on our average outstanding floating-rate debt during the years ended December 31, 2018 and 2017. Additionally, if weighted average interest rates on our fixed rate debt were to have increased by 10% due to refinancing, interest expense would have increased by approximately \$5.6 million and \$5.8 million during the years ended December 31, 2018 and 2017.

As of December 31, 2018 and 2017, the estimated fair value of our debt was approximately \$1,312.4 million and \$1,341.5 million, respectively, based on our estimate of the then-current market interest rates.

The use of derivative financial instruments allows us to manage risks of increases in interest rates with respect to the effect these fluctuations would have on our earnings and cash flows. As of December 31, 2018 and 2017, we had derivative instruments with a notional aggregate amount outstanding of \$460.0 million which

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mitigate our exposure to our unsecured term loans' variable interest rates, which are based upon LIBOR ("Term Loan Swaps"). Additionally, during December 2018 in anticipation of issuing long term debt in the future, we entered into two treasury locks with an aggregate notional value of \$100.0 million to manage our exposure to changes in the ten year U.S. Treasury rate (the "2018 Treasury Locks"). The 2018 Treasury Locks fix the ten year U.S. Treasury rate at a weighted average of 2.93% and cash settle on or before April 30, 2019. We designated both the Term Loan Swaps and the 2018 Treasury Locks as cash flow hedges. During the year ended December 31, 2017, we settled certain derivative instruments, which were entered into in September 2017, to maintain our flexibility to pursue an offering of unsecured debt ("2017 Treasury Locks"). We did not designate the 2017 Treasury Locks as cash flow hedges. We received a settlement payment of \$1.9 million from our derivative counterparties and recognized such payment as settlement gain on derivative instruments. See Note 12 to the Consolidated Financial Statements for a more detailed discussion of these derivative instruments. Currently, we do not enter into financial instruments for trading or other speculative purposes.

Supplemental Earnings Measure

Investors in and industry analysts following the real estate industry utilize funds from operations ("FFO") and net operating income ("NOI") as supplemental operating performance measures of an equity REIT. Historical cost accounting for real estate assets in accordance with accounting principles generally accepted in the United States of America ("GAAP") implicitly assumes that the value of real estate assets diminishes predictably over time through depreciation. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors prefer to supplement operating results that use historical cost accounting with measures such as FFO and NOI, among others. We provide information related to FFO and same store NOI ("SS NOI") both because such industry analysts are interested in such information, and because our management believes FFO and SS NOI are important performance measures. FFO and SS NOI are factors used by management in measuring our performance, including for purposes of determining the compensation of our executive officers under our 2018 incentive compensation plan.

Neither FFO nor SS NOI should be considered as a substitute for net income, or any other measures derived in accordance with GAAP. Neither FFO nor SS NOI represents cash generated from operating activities in accordance with GAAP and neither should be considered as an alternative to cash flow from operating activities as a measure of our liquidity, nor is either indicative of funds available for our cash needs, including our ability to make cash distributions.

Funds From Operations

The National Association of Real Estate Investment Trusts ("NAREIT") has recognized and defined for the real estate industry a supplemental measure of REIT operating performance, FFO, that excludes historical cost depreciation, among other items, from net income determined in accordance with GAAP. FFO is a non-GAAP financial measure. FFO is calculated by us in accordance with the definition adopted by the Board of Governors of NAREIT and therefore may not be comparable to other similarly titled measures of other companies.

Management believes that the use of FFO available to common stockholders and participating securities, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets, real estate asset depreciation and amortization and impairment of depreciable real estate, investors and analysts are able to identify the operating results of the long-term assets that form the core of a REIT's activity and use these operating results for assistance in comparing these operating results between periods or to those of different companies.

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The following table shows a reconciliation of net income available to common stockholders and participating securities to the calculation of FFO available to common stockholders and participating securities for the years ended December 31, 2018, 2017, 2016, 2015, and 2014.

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(In thousands)				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$163,239	\$ 201,456	\$121,232	\$ 73,802	\$ 46,629
Adjustments:					
Depreciation and Other Amortization of Real Estate	115,659	115,617	116,506	113,126	111,371
Depreciation and Other Amortization of Real Estate Included in Discontinued Operations	—	—	—	—	2,388
Equity in Depreciation and Other Amortization of Joint Ventures	—	—	—	17	117
Impairment of Depreciable Real Estate	2,285	—	—	626	—
Gain on Sale of Depreciable Real Estate	(80,909)	(131,058)	(68,202)	(44,022)	(25,988)
Gain on Sale of Depreciable Real Estate from Joint Ventures	—	—	—	(63)	(3,346)
Noncontrolling Interest Share of Adjustments	(883)	481	(1,725)	(2,645)	(3,281)
Funds from Operations Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	<u>\$199,391</u>	<u>\$ 186,496</u>	<u>\$167,811</u>	<u>\$140,841</u>	<u>\$127,890</u>

In December 2018, NAREIT issued a white paper restating the definition of FFO. The purpose of the restatement was not to change the fundamental definition of FFO, but to clarify existing NAREIT guidance. The restated definition of FFO is as follows: Net Income (calculated in accordance with GAAP), excluding: (i) Depreciation and amortization related to real estate, (ii) Gains and losses from the sale of certain real estate assets, (iii) Gain and losses from change in control, and (iv) Impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. This restated definition provides an option to include or exclude gains and losses as well as impairment of non-depreciable real estate if the sales are deemed incidental. We currently include gains and losses on sales and impairment of our non-depreciable real estate in our calculation of NAREIT FFO. Commencing on January 1, 2019 we will adopt the restated definition of NAREIT FFO on a prospective basis and will exclude gains and losses on sales and impairment of our non-depreciable real estate that we deem incidental.

Same Store Net Operating Income

SS NOI is a non-GAAP financial measure that provides a measure of rental operations and, as calculated by us, that does not factor in depreciation and amortization, general and administrative expense, acquisition costs, interest expense, impairment charges, equity in income and loss from joint venture, income tax benefit and expense, gains and losses on retirement of debt, gains and losses on the sale of real estate and settlement gain on derivative instruments. We define SS NOI as revenues minus property expenses such as real estate taxes, repairs

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and maintenance, property management, utilities, insurance and other expenses, minus the NOI of properties that are not same store properties and minus the impact of straight-line rent, the amortization of lease inducements, the amortization of above/below market rent and lease termination fees. As so defined, SS NOI may not be comparable to same store net operating income or similar measures reported by other REITs that define same store properties or NOI differently. The major factors influencing SS NOI are occupancy levels, rental rate increases or decreases and tenant recoveries increases or decreases. Our success depends largely upon our ability to lease space and to recover the operating costs associated with those leases from our tenants.

The following table shows a reconciliation of the same store revenues and property expenses disclosed in the results of operations (and reconciled to revenues and expenses reflected on the statements of operations) to SS NOI for the years ended December 31, 2018 and 2017.

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
	(In thousands)	
Same Store Revenues	\$365,873	\$349,196
Same Store Property Expenses	<u>97,053</u>	<u>91,417</u>
Same Store Net Operating Income Before Same Store Adjustments	\$268,820	\$257,779
Same Store Adjustments:		
Straight-line Rent	1,020	(2,971)
Above / Below Market Rent Amortization	(817)	(988)
Lease Termination Fees	<u>(1,213)</u>	<u>(773)</u>
Same Store Net Operating Income	<u>\$267,810</u>	<u>\$253,047</u>

Subsequent Events

On January 25, 2019 we acquired one land parcel for a purchase price of \$1.8 million, excluding costs incurred in conjunction with the acquisition.

On February 4, 2019 we acquired one industrial property for a purchase price of \$12.3 million, excluding costs incurred in conjunction with the acquisition.

RISK FACTORS

Our operations involve various risks that could adversely affect our business, including our financial condition, our results of operations, our cash flow, our liquidity, our ability to make distributions to holders of the Company's common stock and the Operating Partnership's Units, the market price of the Company's common stock and the market value of the Units. These risks, among others contained in our other filings with the SEC, include:

Disruptions in the financial markets could affect our ability to obtain financing and may negatively impact our liquidity, financial condition and operating results.

A significant amount of our existing indebtedness was issued through capital markets transactions. We anticipate that the capital markets could be a source of refinancing of our existing indebtedness in the future. This source of refinancing may not be available if volatility in or disruption of the capital markets occurs. From time to time, the capital and credit markets in the United States and other countries experience significant price volatility, dislocations and liquidity disruptions, which can cause the market prices of many securities and the spreads on prospective debt financings to fluctuate substantially. These circumstances can materially impact liquidity in the financial markets, making terms for certain financings less attractive, and in some cases result in the unavailability of financing. Furthermore, we could potentially lose access to available liquidity under our Unsecured Credit Facility if one or more participating lenders were to default on their commitments. If our ability to issue additional debt or equity securities or to borrow money under our Unsecured Credit Facility were to be impaired by volatility in or disruption of the capital markets, it could have a material adverse effect on our liquidity and financial condition.

In addition, price volatility in the capital and credit markets could make the valuation of our properties more difficult. There may be significant uncertainty in the valuation, or in the stability of the value, of our properties that could result in a substantial decrease in the value of our properties. As a result, we may not be able to recover the carrying amount of our properties, which may require us to recognize an impairment loss in earnings.

Real estate investments fluctuate in value depending on conditions in the general economy and the real estate industry. These conditions may limit our revenues and available cash.

The factors that affect the value of our real estate and the revenues we derive from our properties include, among other things:

- general economic conditions;
- local, regional, national and international economic conditions and other events and occurrences that affect the markets in which we own properties;
- local conditions such as oversupply or a reduction in demand in an area;
- increasing labor and material costs;
- the ability to collect on a timely basis all rents from tenants;
- changes in tenant operations, real estate needs and credit;
- changes in interest rates and in the availability, cost and terms of mortgage funding;
- zoning or other regulatory restrictions;
- competition from other available real estate;
- operating costs, including maintenance, insurance premiums and real estate taxes; and
- other factors that are beyond our control.

RISK FACTORS

Our investments in real estate assets are concentrated in the industrial sector, and the demand for industrial space in the United States is related to the level of economic output. Accordingly, reduced economic output may lead to lower occupancy rates for our properties. In addition, if any of our tenants experiences a downturn in its business that weakens its financial condition, delays lease commencement, fails to make rental payments when due, becomes insolvent or declares bankruptcy, the result could be a termination of the tenant's lease, which could adversely affect our cash flow from operations. These factors may be amplified by a disruption of financial markets or more general economic conditions.

Many real estate costs are fixed, even if income from properties decreases.

Our financial results depend on leasing space to tenants on terms favorable to us. Our income and funds available for distribution to our stockholders and Unitholders will decrease if a significant number of our tenants cannot pay their rent or we are unable to lease properties on favorable terms. In addition, if a tenant does not pay its rent, we may not be able to enforce our rights as landlord without delays and we may incur substantial legal costs. Costs associated with real property, such as real estate taxes and maintenance costs, generally are not reduced when circumstances cause a reduction in income from the property.

We may be unable to acquire properties on advantageous terms or acquisitions may not perform as we expect.

We have routinely acquired properties from third parties as conditions warrant and, as part of our business, we intend to continue to do so. The acquisition of properties entails various risks, including risks that our investments may not perform as expected and that our cost estimates for bringing an acquired property up to market standards, if necessary, may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including publicly-traded REITs and private investors. This competition increases as investments in real estate become attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties and purchase prices may increase. In addition, we expect to finance future acquisitions through a combination of borrowings under the Unsecured Credit Facility, proceeds from equity or debt offerings and debt originations and proceeds from property sales, which may not be available. Any of the above risks could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may obtain only limited warranties when we purchase a property and would have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

We may be unable to sell properties when appropriate or at all because real estate investments are not as liquid as certain other types of assets.

Real estate investments generally cannot be sold quickly, which could limit our ability to adjust our property portfolio in response to changes in economic conditions or in the performance of the portfolio. This could adversely affect our financial condition and our ability to service debt and make distributions to our stockholders and Unitholders. In addition, like other companies qualifying as REITs under the Code, our ability to sell assets may be restricted by tax laws that potentially result in punitive taxation on asset sales that fail to meet certain safe harbor rules or other criteria established under case law.

RISK FACTORS

We may be unable to sell properties on advantageous terms.

We have routinely sold properties to third parties as conditions warrant and, as part of our business, we intend to continue to do so. However, our ability to sell properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers. If we are unable to sell properties on favorable terms or to redeploy the proceeds in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected. Further, if we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our operations and financial condition.

We may be unable to complete development and re-development projects on advantageous terms.

As part of our business, we develop new properties and re-develop existing properties as conditions warrant. This part of our business involves significant risks, including the following:

- we may not be able to obtain financing for these projects on favorable terms;
- we may not complete construction on schedule or within budget;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;
- contractor and subcontractor disputes, strikes, labor disputes or supply chain disruptions may occur; and
- properties may perform below anticipated levels, producing cash flow below budgeted amounts, which may result in us paying too much for a property, cause the property to not be profitable and limit our ability to sell such properties to third parties.

To the extent these risks result in increased debt service expense, construction costs and delays in budgeted leasing, they could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may be unable to renew leases or find other lessees on advantageous terms or at all.

We are subject to the risks that, upon expiration, leases may not be renewed, the space subject to such leases may not be relet or the terms of renewal or reletting, including the cost of required renovations, may be less favorable than the expiring lease terms. If we were unable to promptly renew a significant number of expiring leases or to promptly relet the spaces covered by such leases, or if the rental rates upon renewal or reletting were significantly lower than the current rates, our financial condition, results of operation, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

The Company might fail to qualify as a REIT under existing laws and/or federal income tax laws could change.

The Company intends to operate so as to qualify as a REIT under the Code, and we believe that the Company is organized and will operate in a manner that allows us to continue to do so. However, qualification as a REIT involves the satisfaction of numerous requirements, some of which must be met on a recurring basis. These requirements are established under highly technical and complex Code provisions. There are only limited judicial and administrative interpretations of these provisions, and they involve the determination of various factual matters and circumstances not entirely within our control.

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If the Company were to fail to qualify as a REIT in any taxable year, the Company would be subject to federal income tax at corporate rates. This could result in a discontinuation or substantial reduction in distributions to our stockholders and Unitholders and could reduce the cash available to pay interest and principal on debt securities that we issue. Unless entitled to relief under certain statutory provisions, the Company would be disqualified from electing treatment as a REIT for the four taxable years following the year during which the Company failed to qualify.

The act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 commonly known as Tax Cuts and Jobs Act (the “TCJ Act”), which generally took effect for taxable years beginning on or after January 1, 2018 (subject to certain exceptions), made many significant changes to the U.S. federal income tax laws that profoundly impacted the taxation of individuals and corporations (including both regular C corporations and corporations that have elected to be taxed as REITs). Among other changes, the TCJ Act permanently reduced the generally applicable corporate tax rate, generally reduced the tax rate applicable to individuals and other non-corporate taxpayers for tax years beginning on or after January 1, 2018 and before January 1, 2026, eliminated or modified certain previously allowed deductions (including substantially limiting interest deductibility and, for individuals, the deduction for non-business state and local taxes), and, for taxable years beginning on or after January 1, 2018 and before January 1, 2026, provides for preferential rates of taxation through a deduction of up to 20% (subject to certain limitations) on most ordinary REIT dividends and certain trade or business income of non-corporate taxpayers. The TCJ Act also imposed new limitations on the deduction of net operating losses, which may result in the Company having to make additional taxable distributions to our stockholders in order to comply with REIT distribution requirements and avoid taxes on retained income and gains. A number of changes that affect noncorporate taxpayers will expire at the end of 2025 unless Congress acts to extend them. These changes will impact us and our shareholders in various ways, some of which are adverse or potentially adverse compared to prior law. To date, the IRS has issued only limited guidance with respect to certain of the new provisions, and there are numerous interpretive issues that will require guidance. It is highly likely that technical corrections legislation will be needed to clarify certain aspects of the new law and give proper effect to Congressional intent. There can be no assurance, however, that technical clarifications or changes needed to prevent unintended or unforeseen tax consequences will be enacted by Congress in the near future.

Additionally, since the IRS, the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or to what extent new federal laws, regulations, interpretations or rulings will be adopted. Additional changes to tax laws are likely to continue to occur in the future and any such legislative action may prospectively or retroactively modify the Company’s tax treatment and therefore, may adversely affect taxation of us and/or our stockholders and Unitholders. Any such changes could have an adverse effect on an investment in shares or on the market value or the resale potential of our properties. Stockholders and Unitholders are urged to consult with their own tax advisor with respect to the impact of recent legislation, the status of legislative, regulatory, or administrative developments and proposals, and their potential effect on ownership of our shares.

Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on the gain attributable to the transaction.

As part of our business, we sell properties to third parties as opportunities arise. Under the Code, a 100% penalty tax could be assessed on the tax gain recognized from sales of properties that are deemed to be prohibited transactions. The question of what constitutes a prohibited transaction is based on the facts and circumstances surrounding each transaction. The IRS could contend that certain sales of properties by us are prohibited transactions. While we have implemented controls to avoid prohibited transactions, if a dispute were to arise that was successfully argued by the IRS, the 100% penalty tax could be assessed against the Company’s profits from these transactions.

RISK FACTORS

The REIT distribution requirements may limit our ability to retain capital and require us to turn to external financing sources.

As a REIT, the Company must distribute to its stockholders at least 90% of its taxable income each year. The Company could, in certain instances, have taxable income without sufficient cash to enable it to meet this requirement. In that situation, we could be required to borrow funds or sell properties on adverse terms in order to do so. The distribution requirement could also limit our ability to accumulate capital to provide capital resources for our ongoing business, and to satisfy our debt repayment obligations and other liquidity needs, we may be more dependent on outside sources of financing, such as debt financing or issuances of additional capital stock, which may or may not be available on favorable terms. Additional debt financings may substantially increase our leverage and additional equity offerings may result in substantial dilution of stockholders' and Unitholders' interests.

We face possible state and local tax audits.

Because the Company is organized and qualifies as a REIT, we are generally not subject to federal income taxes, but we are subject to certain state and local taxes. In the normal course of business, certain entities through which we own real estate have undergone tax audits. Collectively, tax deficiency notices received to date from the jurisdictions conducting previous audits have not been material. However, there can be no assurance that future audits will not occur with increased frequency or that the ultimate result of such audits will not have a material adverse effect on our results of operations.

Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

Subject to maintaining the Company's qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest cap agreements, interest rate swap agreements and treasury locks. These agreements may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the amount of income that a REIT may earn from hedging transactions (other than through taxable REIT subsidiaries) is limited by U.S. federal tax provisions governing REITs;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay;
- we could incur significant costs associated with the settlement of the agreements;
- the underlying transactions could fail to qualify as highly-effective cash flow hedges under generally accepted accounting practices; and
- a court could rule that such an agreement is not legally enforceable.

We have adopted a practice relating to the use of derivative financial instruments to hedge interest rate risks related to our borrowings. This practice requires the Company's Board of Directors to authorize our use of derivative financial instruments to fix the interest rate on anticipated offerings of unsecured debt and to manage the interest rates on our variable rate borrowings. Our practice is that we do not use derivatives for speculative or

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trading purposes and intend only to enter into contracts with major financial institutions based on their credit rating and other factors, but the Company's Board of Directors may choose to change these practices in the future. Hedging may reduce the overall returns on our investments, which could reduce our cash available for distribution to our stockholders and Unitholders. Failure to hedge effectively against interest rate changes may materially adversely affect our financial condition, results of operations and cash flow.

Debt financing, the degree of leverage and rising interest rates could reduce our cash flow.

We use debt to increase the rate of return to our stockholders and Unitholders and to allow us to make more investments than we otherwise could. Our use of leverage presents an additional element of risk in the event that the cash flow from our properties is insufficient to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code. In addition, rising interest rates would reduce our cash flow by increasing the amount of interest due on our floating rate debt and on our fixed rate debt as it matures and is refinanced. Certain of our variable rate debt, including our revolving credit facility, currently uses LIBOR as a benchmark for establishing the interest rate. LIBOR is the subject of recent proposals for reform. Any changes to the methods by which LIBOR is determined, or any other reforms to LIBOR which may be enacted in the United Kingdom, the European Union or elsewhere may result in, among other things, a sudden or prolonged increase or decrease in LIBOR, a delay in the publication of LIBOR, and changes in the rules or methodologies in LIBOR, which may discourage market participants from continuing to administer or to participate in LIBOR's determination, and, in certain situations, could result in LIBOR no longer being determined and published. If a published U.S. dollar LIBOR rate becomes unavailable for any reason, the interest rates on our debt which is indexed to LIBOR would be determined using various alternative methods, any of which may result in interest obligations which are more than or do not otherwise correlate over time with the payments that would have been made on such debt if U.S. dollar LIBOR was available in its current form. Further, the same costs and risks that may lead to the discontinuation or unavailability of U.S. dollar LIBOR may make one or more of the alternative methods impossible or impracticable to determine. Any of these proposals or consequences could have a material adverse effect on our financing costs. Our organizational documents do not contain any limitation on the amount or percentage of indebtedness we may incur.

Failure to comply with covenants in our debt agreements could adversely affect our financial condition.

The terms of our agreements governing our indebtedness require that we comply with a number of financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. Complying with such covenants may limit our operational flexibility. Our failure to comply with these covenants could cause a default under the applicable debt agreement even if we have satisfied our payment obligations. Consistent with our prior practice, we will continue to interpret and certify our performance under these covenants in a good faith manner that we deem reasonable and appropriate. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by the noteholders or lenders in a manner that could impose and cause us to incur material costs. Our ability to meet our financial covenants may be adversely affected if economic and credit market conditions limit our ability to reduce our debt levels consistent with, or result in net operating income below, our current expectations. Under our Unsecured Credit Facility, an event of default can also occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred that could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreement.

Upon the occurrence of an event of default, we would be subject to higher finance costs and fees, and the lenders under our Unsecured Credit Facility will not be required to lend any additional amounts to us. In addition, our indebtedness, together with accrued and unpaid interest and fees, could be accelerated and declared to be immediately due and payable. Furthermore, our Unsecured Credit Facility, our unsecured term loans and the indentures governing our senior unsecured notes contain certain cross-default provisions that may be

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triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure our Unsecured Credit Facility, our unsecured term loans or our senior unsecured notes (which includes our private placement notes), depending on which is in default, and such restructuring could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units. If repayment of any of our indebtedness is accelerated, we cannot provide assurance that we would be able to borrow sufficient funds to refinance such indebtedness or that we would be able to sell sufficient assets to repay such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

Cross-collateralization of mortgage loans could result in foreclosure on a significant portion of our properties if we are unable to service its indebtedness.

Certain of our mortgages were issued on a cross-collateralized basis. Cross-collateralization makes all of the subject properties available to the lender in order to satisfy the debt. To the extent indebtedness is cross-collateralized, lenders may seek to foreclose upon properties that do not comprise the primary collateral for a loan, which may, in turn, result in acceleration of other indebtedness collateralized by such properties. Foreclosure of properties would result in a loss of income and asset value to us, making it difficult for us to meet both debt payment obligations and the distribution requirements of the REIT provisions of the Code.

We may have to make lump-sum payments on our existing indebtedness.

We are required to make lump-sum or "balloon" payments under the terms of some of our indebtedness. Our ability to make required payments of principal on outstanding indebtedness, whether at maturity or otherwise, may depend on our ability to refinance the applicable indebtedness or to sell properties. Currently, we have no commitments to refinance any of our indebtedness.

Our mortgages may impact our ability to sell encumbered properties on advantageous terms or at all.

Certain of our mortgages contain, and some future mortgages may contain, substantial prepayment premiums that we would have to pay upon the sale of a property, thereby reducing the net proceeds to us from the sale of any such property. As a result, our willingness to sell certain properties and the price at which we may desire to sell a property may be impacted. If we are unable to sell properties on favorable terms or redeploy the proceeds of property sales in accordance with our business strategy, then our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units could be adversely affected.

Adverse market and economic conditions could cause us to recognize impairment charges.

We regularly review our real estate assets for impairment indicators, such as a decline in a property's occupancy rate, decline in general market conditions or a change in the expected hold period of an asset. If we determine that indicators of impairment are present, we review the properties affected by these indicators to determine whether an impairment charge is required. As a result, we may be required to recognize asset impairment, which could materially and adversely affect our business, financial condition and results of operations. We use considerable judgment in making determinations about impairments, from analyzing whether there are indicators of impairment, to the assumptions used in calculating the fair value of the investment. Accordingly, our subjective estimates and evaluations may not be accurate, and such estimates and evaluations are subject to change or revision.

RISK FACTORS

Earnings and cash dividends, asset value and market interest rates affect the price of the Company's common stock.

The market value of the Company's common stock is based in large part upon the market's perception of the growth potential of the Company's earnings and cash dividends. The market value of the Company's common stock is also based upon the value of the Company's underlying real estate assets. For this reason, shares of the Company's common stock may trade at prices that are higher or lower than the Company's net asset value per share. To the extent that the Company retains operating cash flow for investment purposes, working capital reserves, or other purposes, these retained funds, while increasing the value of the Company's underlying assets, may not correspondingly increase the market price of the Company's common stock. The Company's failure to meet the market's expectations with regard to future earnings and the payment of cash dividends/distributions likely would adversely affect the market price of the Company's common stock. Further, the distribution yield on the common stock (as a percentage of the price of the common stock) relative to market interest rates may also influence the market price of the Company's common stock. An increase in market interest rates might lead prospective purchasers of the Company's common stock to expect a higher distribution yield, which would adversely affect the market price of the Company's common stock. Any reduction in the market price of the Company's common stock would, in turn, reduce the market value of the Units.

We may become subject to litigation.

We may become subject to litigation, including claims relating to our operations, offerings, and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Resolution of these types of matters could adversely impact our financial condition, results of operations and cash flow. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors.

We may incur unanticipated costs and liabilities due to environmental problems.

Under various federal, state and local laws, ordinances and regulations, we may, as an owner or operator of real estate, be liable for the costs of clean-up of certain conditions relating to the presence of hazardous or toxic materials on, in or emanating from a property and any related damages to natural resources. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous or toxic materials. The presence of such materials, or the failure to address those conditions properly, may adversely affect our ability to rent or sell a property or to borrow using a property as collateral. The disposal or treatment of hazardous or toxic materials, or the arrangement of such disposal or treatment, may cause us to be liable for the costs of clean-up of such materials or for related natural resource damages occurring at or emanating from an off-site disposal or treatment facility, whether or not the facility is owned or operated by us. No assurance can be given that existing environmental assessments with respect to any of our properties reveal all environmental liabilities, that any prior owner or operator of any of our properties did not create any material environmental condition not known to us or that a material environmental condition does not otherwise exist as to any of our properties. Moreover, there can be no assurance that (i) changes to existing laws, ordinances or regulations to address, among other things, climate change, will not impose any material environmental liability or (ii) the current environmental condition of our properties will not be affected by customers, by the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third-parties unrelated to us.

All of our properties were subject to a Phase I or similar environmental assessment by independent environmental consultants at the time of acquisition. Phase I assessments are intended to discover and evaluate

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information regarding the environmental condition of the surveyed property and surrounding properties. Phase I assessments generally include a historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report, but do not include soil sampling or subsurface investigations and typically do not include an asbestos survey. While some of these assessments have led to further investigation and sampling, none of our environmental assessments of our properties have revealed an environmental liability that we believe would have a material adverse effect on our business, financial condition or results of operations taken as a whole. However, we cannot give any assurance that such conditions do not exist or may not arise in the future. Material environmental conditions, liabilities or compliance concerns may arise after the environmental assessment has been completed.

Environmental laws in the U.S. also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third-parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties may contain asbestos-containing building materials.

We invest in properties historically used for industrial, manufacturing and commercial purposes. Some of these properties contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. All of these operations create a potential for the release of petroleum products or other hazardous or toxic substances. Some of our properties are adjacent to or near other properties that may have contained or currently contain underground storage tanks used to store petroleum products, or other hazardous or toxic substances. In addition, previous or current occupants of our properties and adjacent properties may have engaged, or may in the future engage, in activities that may release petroleum products or other hazardous or toxic substances.

We have a portfolio environmental insurance policy that provides coverage for potential environmental liabilities, subject to the policy's coverage conditions and limitations, for most of our properties. From time to time, we may acquire properties or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In such an instance, we underwrite the costs of environmental investigation, clean-up and monitoring into the cost. Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

Our insurance coverage does not include all potential losses.

Real property is subject to casualty risk including damage, destruction, or loss resulting from events that are unusual, sudden and unexpected. Some of our properties are located in areas where casualty risk is higher due to earthquake, wind and/or flood risk. We carry comprehensive insurance coverage to mitigate our casualty risk, in amounts and of a kind that we believe are appropriate for the markets where each of our properties and their business operations are located. Among other coverage, we carry property, boiler and machinery, general liability, cyber liability, fire, flood, terrorism, earthquake, extended coverage and rental loss insurance. Our coverage includes policy specifications and limits customarily carried for similar properties and business activities. We evaluate our level of insurance coverage and deductibles using analysis and modeling, as is customary in our industry. However, we do not insure against all types of casualty, and we may not fully insure against certain perils such as earthquake and cyber risk, either because coverage is not available or because we do not deem it to be economically feasible or prudent to do so. As a result, we could experience a significant loss of capital or revenues, and be exposed to obligations under recourse debt associated with a property. This could

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occur due to an uninsured or high deductible loss, a loss in excess of insured limits, or a loss not paid due to insurer insolvency.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties and, in particular, costs associated with complying with regulations such as the Americans with Disabilities Act of 1990 (the “ADA”) may result in unanticipated expenses.

The properties in our portfolio are subject to various covenants and U.S. federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulation will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations and cash flow.

In addition, under the ADA, all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. Noncompliance with the ADA could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. We do not conduct audits or investigations of all of these properties to determine their compliance and we cannot predict the ultimate cost of compliance with the ADA, or other legislation. If one or more of our properties in which we invest is not in compliance with the ADA, or other legislation, then we would be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with the ADA or other legislation, our financial condition, results of operations, cash flow, our ability to satisfy debt service obligations and to make distributions to our stockholders and Unitholders, the market price of the Company’s common stock and the market value of the Units could be adversely affected.

Terrorist attacks and other acts of violence or war may affect the market for the Company’s common stock, the industry in which we conduct our operations and our profitability.

Acts of violence, including terrorist attacks could occur in the localities in which we conduct business. More generally, these events could cause consumer confidence and spending to decrease or result in increased volatility in the worldwide financial markets and economy. These attacks or armed conflicts may adversely impact our operations or financial condition. In addition, losses resulting from these types of events may be uninsurable.

We face risks relating to cybersecurity attacks that could cause loss of confidential information and other business disruptions.

We rely extensively on computer systems to manage our business, and our business is at risk from and may be impacted by cybersecurity attacks and security breaches. These could include attempts to gain unauthorized access to our data and computer systems through malware, computer viruses, attachments to e-mails, persons inside our Company or persons with access to systems inside our Company, and other significant disruptions of our information technology networks and related systems.

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The risk of a cybersecurity breach or disruption, particularly through a cyber incident, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Although we employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password change events, firewall detection systems, frequent backups, a redundant data system for core applications and annual penetration testing, even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed to not be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

Moreover, although we maintain some of our own critical information technology systems, we also depend on third parties to provide important information technology services relating to, for instance, payroll, electronic communications and certain finance functions. The security measures employed by such third party service providers may prove to be ineffective at preventing breaches of their systems.

A successful cybersecurity attack could, among other things:

- compromise the confidential information of our employees, tenants and vendors;
- disrupt the proper functioning of our networks and systems, and therefore our operations and/or those of certain of our tenants;
- result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- result in misstated financial reports, violations of loan covenants and/or missed reporting deadlines;
- result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT;
- require significant management attention and resources to remedy any damages that result;
- subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or
- damage our reputation among our tenants, investors and associates.

Adverse changes in our credit ratings could negatively affect our liquidity and business operations.

The credit ratings of our senior unsecured notes are based on our operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses. Our credit ratings can affect the availability, terms and pricing of any indebtedness we may incur or preferred stock that we might issue going forward. There can be no assurance that we will be able to maintain any credit rating and, in the event any credit rating is downgraded, we could incur higher borrowing costs or may be unable to access certain or any capital markets.

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management will continue to

RISK FACTORS

review the effectiveness of our disclosure controls and procedures and internal control over financial reporting, there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weakness, in our internal control over financial reporting which may occur could result in misstatements of our results of operations, restatements of our financial statements, a decline in the price/value of our securities, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

The Company is authorized to issue preferred stock. The issuance of preferred stock could adversely affect the holders of the Company's common stock issued pursuant to its public offerings.

Our declaration of trust authorizes the Company to issue 225,000,000 shares, of which 10,000,000 shares are designated as preferred stock. Subject to approval by the Company's Board of Directors, the Company may issue preferred stock with rights, preferences and privileges that are more beneficial than the rights, preferences and privileges of its common stock. Holders of the Company's common stock do not have preemptive rights to acquire any shares issued by the Company in the future. If the Company ever creates and issues preferred stock with a distribution preference over common stock, payment of any distribution preferences on outstanding preferred stock would reduce the amount of funds available for the payment of distributions to our common stockholders and Unitholders. In addition, holders of preferred stock are normally entitled to receive a preference payment in the event of liquidation, dissolution or winding up before any payment is made to our common stockholders, which would reduce the amount our common stockholders and Unitholders, might otherwise receive upon such an occurrence. Also, under certain circumstances, the issuance of preferred stock may have the effect of delaying or preventing a change in control of the Company.

The Company's Board of Directors may change its strategies, policies or procedures without stockholder approval, which may subject us to different and more significant risks in the future.

Our investment, financing, leverage and distribution policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, are determined by the Company's Board of Directors. These policies may be amended or revised at any time and from time to time at the discretion of the Company's Board of Directors without notice to or a vote of its stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies. Under these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business and growth. In addition, the Company's Board of Directors may change its governance policies provided that such changes are consistent with applicable legal requirements. A change in these policies could have an adverse effect on our financial condition, results of operations, cash flow, ability to satisfy our principal and interest obligations, ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

We may be unable to retain and attract key management personnel.

We may be unable to retain and attract talented executives. In the event of the loss of key management personnel or upon unexpected death, disability or retirement, we may not be able to find replacements with comparable skill, ability and industry expertise. Until suitable replacements are identified and retained, if at all, our operating results and financial condition could be materially and adversely affected.

We could be subject to risks and liabilities in connection with joint venture arrangements.

Our organizational documents do not limit the amount of available funds that we may invest in joint ventures. We have in the past and may in the future selectively acquire, own and/or develop properties through

RISK FACTORS

joint ventures with other persons or entities when we deem such transactions are warranted by the circumstances. Joint venture investments, in general, involve certain risks not present where we act alone, including:

- joint venturers may share certain approval rights over major decisions, which might (i) significantly delay or make impossible actions and decisions we believe are necessary or advisable with respect to properties owned through a joint venture, and/or (ii) adversely affect our ability to develop, finance, lease or sell properties owned through a joint venture at the most advantageous time for us, if at all;
- joint venturers might become bankrupt or otherwise fail to fund their share of any required capital contributions;
- joint venturers might have economic or other business interests or goals that are competitive or inconsistent with our business interests or goals that would affect our ability to develop, finance, lease, operate, manage or sell any properties owned by the applicable joint venture;
- joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining the Company's qualification as a REIT;
- joint venture agreements often restrict the transfer of a member's or joint venturer's interest or may otherwise restrict our ability to sell our interest when we would like to or on advantageous terms;
- disputes between us and our joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and subject the properties owned by the applicable joint venture to additional risk; and
- we may in certain circumstances be liable for the actions of our joint venturers.

The occurrence of one or more of the events described above could adversely affect our financial condition, results of operations, cash flow and ability to make distributions to our stockholders and Unitholders, the market price of the Company's common stock and the market value of the Units.

CONTROLS AND PROCEDURES

First Industrial Realty Trust, Inc.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

The Company carried out an evaluation, under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, the Company's principal executive officer and principal financial officer concluded that its disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that, as of December 31, 2018, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2018 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein starting on page A-36. See Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the fourth quarter of 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

CONTROLS AND PROCEDURES

First Industrial, L.P.

Evaluation of Disclosure Controls and Procedures

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its periodic reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, as appropriate, to allow timely decisions regarding required financial disclosure.

The Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon this evaluation, the Company's principal executive officer and principal financial officer, on behalf of the Company in its capacity as the general partner of the Operating Partnership, concluded that the Operating Partnership's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Operating Partnership's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management has assessed the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2018. In making its assessment of internal control over financial reporting, management used the *Internal Control-Integrated Framework (2013)* set forth by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that, as of December 31, 2018, the Operating Partnership's internal control over financial reporting was effective.

The effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2018 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein starting on page A-38. See Report of Independent Registered Public Accounting Firm.

Changes in Internal Control Over Financial Reporting

There has been no change in the Operating Partnership's internal control over financial reporting that occurred during the fourth quarter of 2018 that has materially affected, or is reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
First Industrial Realty Trust, Inc.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of First Industrial Realty Trust, Inc. and its subsidiaries (the “Company”) as of December 31, 2018 and 2017, and the related consolidated statements of operations, of comprehensive income, of changes in stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2018, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) of the Company’s Form 10-K for the year ended December 31, 2018 (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing on page A-34. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Chicago, Illinois
February 19, 2019

We have served as the Company's auditor since 1993.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
First Industrial, L.P.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of First Industrial, L.P. and its subsidiaries (the “Operating Partnership”) as of December 31, 2018 and 2017 and the related consolidated statements of operations, of comprehensive income, of changes in partners’ capital and of cash flows for each of the three years in the period ended December 31, 2018, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) of the Operating Partnership’s Form 10-K for the year ended December 31, 2018 (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Operating Partnership as of December 31, 2018 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Operating Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Operating Partnership’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing on page A-35. Our responsibility is to express opinions on the Operating Partnership’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Chicago, Illinois
February 19, 2019

We have served as the Operating Partnership's auditor since 1996.

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
ASSETS		
Assets:		
Investment in Real Estate:		
Land	\$ 909,318	\$ 864,813
Buildings and Improvements	2,704,850	2,521,457
Construction in Progress	59,476	109,475
Less: Accumulated Depreciation	<u>(811,784)</u>	<u>(789,919)</u>
Net Investment in Real Estate	<u>2,861,860</u>	<u>2,705,826</u>
Cash and Cash Equivalents	43,102	21,146
Restricted Cash	7,271	25,336
Tenant Accounts Receivable, Net	5,185	4,873
Investment in Joint Venture	23,326	—
Deferred Rent Receivable, Net	71,079	70,254
Deferred Leasing Intangibles, Net	29,678	30,481
Prepaid Expenses and Other Assets, Net	<u>101,190</u>	<u>83,146</u>
Total Assets	<u>\$3,142,691</u>	<u>\$2,941,062</u>
LIABILITIES AND EQUITY		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net	\$ 296,470	\$ 450,056
Senior Unsecured Notes, Net	544,504	246,673
Unsecured Term Loans, Net	456,809	455,768
Unsecured Credit Facility	—	144,500
Accounts Payable, Accrued Expenses and Other Liabilities	78,665	86,532
Deferred Leasing Intangibles, Net	9,560	10,355
Rents Received in Advance and Security Deposits	47,927	44,285
Dividends and Distributions Payable	<u>28,845</u>	<u>27,016</u>
Total Liabilities	<u>1,462,780</u>	<u>1,465,185</u>
Commitments and Contingencies	—	—
Equity:		
First Industrial Realty Trust Inc.'s Stockholders' Equity:		
Common Stock (\$0.01 par value, 225,000,000 shares authorized and 126,307,431 and 119,883,180 shares issued and outstanding)	1,263	1,199
Additional Paid-in-Capital	2,131,556	1,967,110
Distributions in Excess of Accumulated Earnings	(490,807)	(541,847)
Accumulated Other Comprehensive Income	<u>3,502</u>	<u>1,338</u>
Total First Industrial Realty Trust, Inc.'s Stockholders' Equity	<u>1,645,514</u>	<u>1,427,800</u>
Noncontrolling Interest	<u>34,397</u>	<u>48,077</u>
Total Equity	<u>1,679,911</u>	<u>1,475,877</u>
Total Liabilities and Equity	<u>\$3,142,691</u>	<u>\$2,941,062</u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
(In thousands, except per share data)			
Revenues:			
Rental Income	\$306,406	\$303,874	\$289,858
Tenant Recoveries and Other Income	97,548	92,528	88,162
Total Revenues	403,954	396,402	378,020
Expenses:			
Property Expenses	116,854	113,494	112,324
General and Administrative	27,749	28,079	26,703
Depreciation and Other Amortization	116,459	116,364	117,282
Impairment of Real Estate	2,756	—	—
Acquisition Costs	—	—	491
Total Expenses	263,818	257,937	256,800
Other Income (Expense):			
Gain on Sale of Real Estate	81,600	131,269	68,202
Interest Expense	(50,775)	(57,199)	(59,430)
Amortization of Debt Issuance Costs	(3,404)	(3,162)	(3,219)
Settlement Gain on Derivative Instruments	—	1,896	—
Loss from Retirement of Debt	(39)	(1,775)	—
Total Other Income (Expense)	27,382	71,029	5,553
Income from Operations Before Equity in Loss of Joint Venture and Income Tax Provision	167,518	209,494	126,773
Equity in Loss of Joint Venture	(276)	—	—
Income Tax Benefit (Provision)	92	(1,193)	(1,089)
Net Income	167,334	208,301	125,684
Less: Net Income Attributable to the Noncontrolling Interest	(4,095)	(6,845)	(4,452)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	163,239	201,456	121,232
Basic Earnings Per Share:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 1.31	\$ 1.70	\$ 1.05
Diluted Earnings Per Share:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 1.31	\$ 1.69	\$ 1.05
Dividends/Distributions Per Share	\$ 0.87	\$ 0.84	\$ 0.76
Weighted Average Shares Outstanding - Basic	123,804	118,272	115,030
Weighted Average Shares Outstanding - Diluted	124,191	118,787	115,370

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
		(In thousands)	
Net Income	\$167,334	\$208,301	\$125,684
Mark-to-Market Gain on Derivative Instruments	2,096	5,981	4,849
Amortization of Derivative Instruments	<u>96</u>	<u>205</u>	<u>390</u>
Comprehensive Income	169,526	214,487	130,923
Comprehensive Income Attributable to Noncontrolling Interest	<u>(4,149)</u>	<u>(6,642)</u>	<u>(4,638)</u>
Comprehensive Income Attributable to First Industrial Realty Trust, Inc.	<u>\$165,377</u>	<u>\$207,845</u>	<u>\$126,285</u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	<u>Common Stock</u>	<u>Additional Paid-in- Capital</u>	<u>Distributions in Excess of Accumulated Earnings</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance as of December 31, 2015	\$1,111	\$1,756,415	\$(674,759)	\$(9,667)	\$ 42,035	\$1,115,135
Net Income	—	—	121,232	—	4,452	125,684
Other Comprehensive Income	—	—	—	5,053	186	5,239
Issuance of Common Stock, Net of Issuance Costs	56	124,528	—	—	—	124,584
Stock Based Compensation Activity	2	5,516	(217)	—	—	5,301
Common Stock Dividends and Unit Distributions	—	—	(88,115)	—	(3,203)	(91,318)
Conversion of Limited Partner Units to Common Stock	3	2,859	—	—	(2,862)	—
Reallocation—Additional Paid-in-Capital	—	(2,547)	—	—	2,547	—
Reallocation—Other Comprehensive Income ..	—	—	—	(29)	29	—
Balance as of December 31, 2016	<u>\$1,172</u>	<u>\$1,886,771</u>	<u>\$(641,859)</u>	<u>\$(4,643)</u>	<u>\$ 43,184</u>	<u>\$1,284,625</u>
Net Income	—	—	201,456	—	6,845	208,301
Other Comprehensive Income	—	—	—	6,389	(203)	6,186
Issuance of Common Stock, Net of Issuance Costs	25	74,636	—	—	—	74,661
Stock Based Compensation Activity	2	6,932	(724)	—	—	6,210
Common Stock Dividends and Unit Distributions	—	—	(100,720)	—	(3,386)	(104,106)
Conversion of Limited Partner Units to Common Stock	—	364	—	—	(364)	—
Reallocation—Additional Paid-in-Capital	—	(1,593)	—	—	1,593	—
Reallocation—Other Comprehensive Income ..	—	—	—	(408)	408	—
Balance as of December 31, 2017	<u>\$1,199</u>	<u>\$1,967,110</u>	<u>\$(541,847)</u>	<u>\$ 1,338</u>	<u>\$ 48,077</u>	<u>\$1,475,877</u>
Net Income	—	—	163,239	—	4,095	167,334
Other Comprehensive Income	—	—	—	2,138	54	2,192
Issuance of Common Stock, Net of Issuance Costs	48	145,360	—	—	—	145,408
Stock Based Compensation Activity	3	4,791	(3,282)	—	—	1,512
Common Stock Dividends and Unit Distributions	—	—	(108,917)	—	(2,561)	(111,478)
Conversion of Limited Partner Units to Common Stock	13	16,592	—	—	(16,605)	—
Retirement of Limited Partner Units	—	—	—	—	(934)	(934)
Reallocation—Additional Paid-in-Capital	—	(2,297)	—	—	2,297	—
Reallocation—Other Comprehensive Income ..	—	—	—	26	(26)	—
Balance as of December 31, 2018	<u><u>\$1,263</u></u>	<u><u>\$2,131,556</u></u>	<u><u>\$(490,807)</u></u>	<u><u>\$ 3,502</u></u>	<u><u>\$ 34,397</u></u>	<u><u>\$1,679,911</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 167,334	\$ 208,301	\$ 125,684
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	94,626	94,078	95,514
Amortization of Debt Issuance Costs	3,404	3,162	3,219
Other Amortization, including Stock Based Compensation	26,976	29,252	28,403
Impairment of Real Estate	2,756	—	—
Provision for Bad Debt	350	177	563
Equity in Loss of Joint Venture	276	—	—
Gain on Sale of Real Estate	(81,600)	(131,269)	(68,202)
Loss from Retirement of Debt	39	1,775	—
Gain on Casualty and Involuntary Conversion	(392)	(1,321)	—
(Increase) Decrease in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(4,199)	(5,829)	965
Increase in Deferred Rent Receivable, Net	(2,165)	(5,299)	(6,602)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	3,090	(465)	(5,655)
Net Cash Provided by Operating Activities	210,495	192,562	173,889
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Real Estate	(157,787)	(175,303)	(107,484)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(224,466)	(146,003)	(179,994)
Net Proceeds from Sales of Investments in Real Estate	184,783	228,102	163,435
Proceeds from Casualty and Involuntary Conversion	906	10,094	—
Contributions to and Investments in Joint Venture	(25,190)	—	—
Distributions from Joint Venture	1,829	—	—
Other Investing Activity	(3,473)	615	1,648
Net Cash Used in Investing Activities	(223,398)	(82,495)	(122,395)

FIRST INDUSTRIAL REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
	<u>(In thousands)</u>		
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt and Equity Issuance Costs	(2,975)	(6,864)	(375)
Proceeds from the Issuance of Common Stock, Net of Underwriter's Discount	145,584	74,880	124,936
Repurchase and Retirement of Restricted Stock	(6,020)	(2,401)	(5,242)
Common Stock Dividends and Unit Distributions Paid	(109,649)	(100,524)	(82,696)
Repayments on Mortgage Loans Payable	(165,646)	(46,832)	(70,969)
Prepayments of Penalties Associated with Retirement of Debt	—	(1,453)	(554)
Proceeds from Senior Unsecured Notes	300,000	200,000	—
Repayments of Senior Unsecured Notes	—	(156,852)	(159,125)
Proceeds from Unsecured Credit Facility	237,000	429,000	442,000
Repayments on Unsecured Credit Facility	(381,500)	(474,000)	(305,000)
Net Cash Provided by (Used in) Financing Activities	<u>16,794</u>	<u>(85,046)</u>	<u>(57,025)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash ...	3,891	25,021	(5,531)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	46,482	21,461	26,992
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 50,373</u>	<u>\$ 46,482</u>	<u>\$ 21,461</u>
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:			
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	<u>\$ 47,408</u>	<u>\$ 56,844</u>	<u>\$ 63,600</u>
Interest Expense Capitalized in Connection with Development Activity ...	<u>\$ 5,869</u>	<u>\$ 4,353</u>	<u>\$ 3,523</u>
Income Taxes Paid	<u>\$ 457</u>	<u>\$ 769</u>	<u>\$ 1,358</u>
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
Common Stock Dividends and Unit Distributions Payable	<u>\$ 28,845</u>	<u>\$ 27,016</u>	<u>\$ 23,434</u>
Exchange of Limited Partnership Units for Common Stock:			
Noncontrolling Interest	\$ (16,605)	\$ (364)	\$ (2,862)
Common Stock	13	—	3
Additional Paid-in-Capital	16,592	364	2,859
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate	<u>\$ 11,878</u>	<u>\$ 1,269</u>	<u>\$ 5,405</u>
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	<u>\$ 31,545</u>	<u>\$ 38,597</u>	<u>\$ 32,712</u>
Write-off of Fully Depreciated Assets	<u>\$ (43,654)</u>	<u>\$ (35,560)</u>	<u>\$ (44,080)</u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL, L.P.
CONSOLIDATED BALANCE SHEETS

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
ASSETS		
(In thousands, except Unit data)		
Assets:		
Investment in Real Estate:		
Land	\$ 909,318	\$ 864,813
Buildings and Improvements	2,704,850	2,521,457
Construction in Progress	59,476	109,475
Less: Accumulated Depreciation	<u>(811,784)</u>	<u>(789,919)</u>
Net Investment in Real Estate (including \$260,528 and \$270,708 related to consolidated variable interest entities, see Note 5)	<u>2,861,860</u>	<u>2,705,826</u>
Cash and Cash Equivalents	43,102	21,146
Restricted Cash	7,271	25,336
Tenant Accounts Receivable, Net	5,185	4,873
Investment in Joint Venture	23,326	—
Deferred Rent Receivable, Net	71,079	70,254
Deferred Leasing Intangibles, Net	29,678	30,481
Prepaid Expenses and Other Assets, Net	<u>111,298</u>	<u>93,264</u>
Total Assets	<u><u>\$3,152,799</u></u>	<u><u>\$2,951,180</u></u>
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Indebtedness:		
Mortgage Loans Payable, Net (including \$20,497 and \$61,256 related to consolidated variable interest entities, see Note 5)	\$ 296,470	\$ 450,056
Senior Unsecured Notes, Net	544,504	246,673
Unsecured Term Loans, Net	456,809	455,768
Unsecured Credit Facility	—	144,500
Accounts Payable, Accrued Expenses and Other Liabilities	78,665	86,532
Deferred Leasing Intangibles, Net	9,560	10,355
Rents Received in Advance and Security Deposits	47,927	44,285
Distributions Payable	<u>28,845</u>	<u>27,016</u>
Total Liabilities	<u>1,462,780</u>	<u>1,465,185</u>
Commitments and Contingencies	—	—
Partners' Capital:		
First Industrial L.P.'s Partners' Capital:		
General Partner Units (126,307,431 and 119,883,180 units outstanding)	1,619,342	1,401,583
Limited Partners Units (2,624,167 and 4,008,221 units outstanding)	66,246	82,251
Accumulated Other Comprehensive Income	<u>3,574</u>	<u>1,382</u>
Total First Industrial L.P.'s Partners' Capital	<u>1,689,162</u>	<u>1,485,216</u>
Noncontrolling Interest	<u>857</u>	<u>779</u>
Total Partners' Capital	<u>1,690,019</u>	<u>1,485,995</u>
Total Liabilities and Partners' Capital	<u><u>\$3,152,799</u></u>	<u><u>\$2,951,180</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
	(In thousands, except per Unit data)		
Revenues:			
Rental Income	\$306,406	\$303,874	\$289,858
Tenant Recoveries and Other Income	97,548	92,528	88,162
Total Revenues	<u>403,954</u>	<u>396,402</u>	<u>378,020</u>
Expenses:			
Property Expenses	116,854	113,494	112,324
General and Administrative	27,749	28,079	26,703
Depreciation and Other Amortization	116,459	116,364	117,282
Impairment of Real Estate	2,756	—	—
Acquisition Costs	—	—	491
Total Expenses	<u>263,818</u>	<u>257,937</u>	<u>256,800</u>
Other Income (Expense):			
Gain on Sale of Real Estate	81,600	131,269	68,202
Interest Expense	(50,775)	(57,199)	(59,430)
Amortization of Debt Issuance Costs	(3,404)	(3,162)	(3,219)
Settlement Gain on Derivative Instruments	—	1,896	—
Loss from Retirement of Debt	(39)	(1,775)	—
Total Other Income (Expense)	<u>27,382</u>	<u>71,029</u>	<u>5,553</u>
Income from Operations Before Equity in Loss of Joint Venture and Income Tax Provision	167,518	209,494	126,773
Equity in Loss of Joint Ventures	(276)	—	—
Income Tax Benefit (Provision)	92	(1,193)	(1,089)
Net Income	167,334	208,301	125,684
Less: Net Income Attributable to the Noncontrolling Interest	(88)	(143)	(137)
Net Income Available to Unitholders and Participating Securities	<u>\$167,246</u>	<u>\$208,158</u>	<u>\$125,547</u>
Basic Earnings Per Unit:			
Net Income Available to Unitholders	<u>\$ 1.31</u>	<u>\$ 1.70</u>	<u>\$ 1.05</u>
Diluted Earnings Per Unit:			
Net Income Available to Unitholders	<u>\$ 1.31</u>	<u>\$ 1.69</u>	<u>\$ 1.05</u>
Distributions Per Unit	<u>\$ 0.87</u>	<u>\$ 0.84</u>	<u>\$ 0.76</u>
Weighted Average Units Outstanding - Basic	<u>126,921</u>	<u>122,306</u>	<u>119,274</u>
Weighted Average Units Outstanding - Diluted	<u>127,308</u>	<u>122,821</u>	<u>119,614</u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
		(In thousands)	
Net Income	\$167,334	\$208,301	\$125,684
Mark-to-Market Gain on Derivative Instruments	2,096	5,981	4,849
Amortization of Derivative Instruments	<u>96</u>	<u>205</u>	<u>390</u>
Comprehensive Income	\$169,526	\$214,487	\$130,923
Comprehensive Income Attributable to Noncontrolling Interest	<u>(88)</u>	<u>(143)</u>	<u>(137)</u>
Comprehensive Income Attributable to Unitholders	<u><u>\$169,438</u></u>	<u><u>\$214,344</u></u>	<u><u>\$130,786</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL, L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

	<u>General Partner Units</u>	<u>Limited Partner Units</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance as of December 31, 2015	\$1,054,028	\$ 80,769	\$(10,043)	\$1,096	\$1,125,850
Net Income	121,095	4,452	—	137	125,684
Other Comprehensive Income	—	—	5,239	—	5,239
Contribution of General Partner Units, Net of Issuance Costs	124,584	—	—	—	124,584
Stock Based Compensation Activity . . .	5,301	—	—	—	5,301
Unit Distributions	(88,115)	(3,203)	—	—	(91,318)
Conversion of Limited Partner Units to General Partner Units	2,862	(2,862)	—	—	—
Contributions from Noncontrolling Interest	—	—	—	123	123
Distributions to Noncontrolling Interest	—	—	—	(400)	(400)
Balance as of December 31, 2016	\$1,219,755	\$ 79,156	\$ (4,804)	\$ 956	\$1,295,063
Net Income	201,313	6,845	—	143	208,301
Other Comprehensive Income	—	—	6,186	—	6,186
Contribution of General Partner Units, Net of Issuance Costs	74,661	—	—	—	74,661
Stock Based Compensation Activity . . .	6,210	—	—	—	6,210
Unit Distributions	(100,720)	(3,386)	—	—	(104,106)
Conversion of Limited Partner Units to General Partner Units	364	(364)	—	—	—
Contributions from Noncontrolling Interest	—	—	—	40	40
Distributions to Noncontrolling Interest	—	—	—	(360)	(360)
Balance as of December 31, 2017	\$1,401,583	\$ 82,251	\$ 1,382	\$ 779	\$1,485,995
Net Income	163,151	4,095	—	88	167,334
Other Comprehensive Income	—	—	2,192	—	2,192
Contribution of General Partner Units, Net of Issuance Costs	145,408	—	—	—	145,408
Stock Based Compensation Activity . . .	1,512	—	—	—	1,512
Unit Distributions	(108,917)	(2,561)	—	—	(111,478)
Conversion of Limited Partner Units to General Partner Units	16,605	(16,605)	—	—	—
Retirement of Limited Partner Units	—	(934)	—	—	(934)
Contributions from Noncontrolling Interest	—	—	—	126	126
Distributions to Noncontrolling Interest	—	—	—	(136)	(136)
Balance as of December 31, 2018	<u>\$1,619,342</u>	<u>\$ 66,246</u>	<u>\$ 3,574</u>	<u>\$ 857</u>	<u>\$1,690,019</u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 167,334	\$ 208,301	\$ 125,684
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	94,626	94,078	95,514
Amortization of Debt Issuance Costs	3,404	3,162	3,219
Other Amortization, including Stock Based Compensation	26,976	29,252	28,403
Impairment of Real Estate	2,756	—	—
Provision for Bad Debt	350	177	563
Equity in Loss of Joint Venture	276	—	—
Gain on Sale of Real Estate	(81,600)	(131,269)	(68,202)
Loss from Retirement of Debt	39	1,775	—
Gain on Casualty and Involuntary Conversion	(392)	(1,321)	—
(Increase) Decrease in Tenant Accounts Receivable, Prepaid Expenses and Other Assets, Net	(4,189)	(5,510)	1,242
Increase in Deferred Rent Receivable, Net	(2,165)	(5,299)	(6,602)
Increase (Decrease) in Accounts Payable, Accrued Expenses, Other Liabilities, Rents Received in Advance and Security Deposits	3,090	(465)	(5,655)
Net Cash Provided by Operating Activities	<u>210,505</u>	<u>192,881</u>	<u>174,166</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Real Estate	(157,787)	(175,303)	(107,484)
Additions to Investment in Real Estate and Non-Acquisition Tenant Improvements and Lease Costs	(224,466)	(146,003)	(179,994)
Net Proceeds from Sales of Investments in Real Estate	184,783	228,102	163,435
Proceeds from Casualty and Involuntary Conversion	906	10,094	—
Contributions to and Investments in Joint Venture	(25,190)	—	—
Distributions from Joint Venture	1,829	—	—
Other Investing Activity	(3,473)	616	1,648
Net Cash Used in Investing Activities	<u>(223,398)</u>	<u>(82,494)</u>	<u>(122,395)</u>

FIRST INDUSTRIAL, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
	(In thousands)		
CASH FLOWS FROM FINANCING ACTIVITIES:			
Debt and Equity Issuance Costs	(2,975)	(6,864)	(375)
Contribution of General Partner Units	145,584	74,880	124,936
Repurchase and Retirement of Restricted Units	(6,020)	(2,401)	(5,242)
Unit Distributions Paid	(109,649)	(100,524)	(82,696)
Contributions from Noncontrolling Interests	126	40	123
Distributions to Noncontrolling Interests	(136)	(360)	(400)
Repayments on Mortgage Loans Payable	(165,646)	(46,832)	(70,969)
Prepayments of Penalties Associated with Retirement of Debt	—	(1,453)	(554)
Proceeds from Senior Unsecured Notes	300,000	200,000	—
Repayments of Senior Unsecured Notes	—	(156,852)	(159,125)
Proceeds from Unsecured Credit Facility	237,000	429,000	442,000
Repayments on Unsecured Credit Facility	<u>(381,500)</u>	<u>(474,000)</u>	<u>(305,000)</u>
Net Cash Provided by (Used in) Financing Activities	<u>16,784</u>	<u>(85,366)</u>	<u>(57,302)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted			
Cash	3,891	25,021	(5,531)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	<u>46,482</u>	<u>21,461</u>	<u>26,992</u>
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 50,373</u>	<u>\$ 46,482</u>	<u>\$ 21,461</u>
SUPPLEMENTAL INFORMATION TO STATEMENTS OF CASH FLOWS:			
Interest Paid, Net of Interest Expense Capitalized in Connection with Development Activity	<u>\$ 47,408</u>	<u>\$ 56,844</u>	<u>\$ 63,600</u>
Interest Expense Capitalized in Connection with Development Activity	<u>\$ 5,869</u>	<u>\$ 4,353</u>	<u>\$ 3,523</u>
Income Taxes Paid	<u>\$ 457</u>	<u>\$ 769</u>	<u>\$ 1,358</u>
Supplemental Schedule of Non-Cash Investing and Financing Activities:			
General and Limited Partner Unit Distributions Payable	<u>\$ 28,845</u>	<u>\$ 27,016</u>	<u>\$ 23,434</u>
Exchange of Limited Partner Units for General Partner Units:			
Limited Partner Units	<u>\$ (16,605)</u>	<u>\$ (364)</u>	<u>\$ (2,862)</u>
General Partner Units	<u>16,605</u>	<u>364</u>	<u>2,862</u>
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Assumption of Indebtedness and Other Liabilities in Connection with the Acquisition of Real Estate	<u>\$ 11,878</u>	<u>\$ 1,269</u>	<u>\$ 5,405</u>
Accounts Payable Related to Construction in Progress and Additions to Investment in Real Estate	<u>\$ 31,545</u>	<u>\$ 38,597</u>	<u>\$ 32,712</u>
Write-off of Fully Depreciated Assets	<u>\$ (43,654)</u>	<u>\$ (35,560)</u>	<u>\$ (44,080)</u>

The accompanying notes are an integral part of the consolidated financial statements.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share and Unit data)

1. Organization

First Industrial Realty Trust, Inc. (the “Company”) is a self-administered and fully integrated real estate company which owns, manages, acquires, sells, develops and redevelops industrial real estate. The Company is a Maryland corporation organized on August 10, 1993 and a real estate investment trust (“REIT”) as defined in the Internal Revenue Code of 1986 (the “Code”). Unless stated otherwise or the context otherwise requires, the terms “we,” “our” and “us” refer to the Company and its subsidiaries, including its operating partnership, First Industrial, L.P. (the “Operating Partnership”), and its consolidated subsidiaries.

We began operations on July 1, 1994. The Company’s operations are conducted primarily through the Operating Partnership, of which the Company is the sole general partner (the “General Partner”), with an approximate 98.0% and 96.8% ownership interest (“General Partner Units”) at December 31, 2018 and 2017, respectively. The Operating Partnership also conducts operations through eight other limited partnerships (the “Other Real Estate Partnerships”), numerous limited liability companies (“LLCs”) and certain taxable REIT subsidiaries (“TRSs”), the operating data of which, together with that of the Operating Partnership, is consolidated with that of the Company as presented herein. The Operating Partnership holds at least a 99% limited partnership interest in each of the Other Real Estate Partnerships. The general partners of the Other Real Estate Partnerships are separate corporations, wholly-owned by the Company, each with at least a .01% general partnership interest in the Other Real Estate Partnerships. The Company does not have any significant assets or liabilities other than its investment in the Operating Partnership and its 100% ownership interest in the general partners of the Other Real Estate Partnerships. Noncontrolling interest in the Operating Partnership of approximately 2.0% and 3.2% at December 31, 2018 and 2017, respectively, represents the aggregate partnership interest held by the limited partners thereof (“Limited Partner Units” and together with the General Partner Units, the “Units”).

We also own a 49% equity interest in, and provide various services to, a joint venture (the “Joint Venture”) through a wholly owned subsidiary of the Operating Partnership. The Joint Venture is accounted for under the equity method of accounting. The operating data of the Joint Venture is not consolidated with that of the Company or the Operating Partnership as presented herein.

Profits, losses and distributions of the Operating Partnership, the LLCs, the Other Real Estate Partnerships and the TRSs are allocated to the general partner and the limited partners, the members or the shareholders, as applicable, of such entities in accordance with the provisions contained within their respective organizational documents.

As of December 31, 2018, we owned 458 industrial properties located in 21 states, containing an aggregate of approximately 63.1 million square feet of gross leasable area (“GLA”). Of the 458 properties owned on a consolidated basis, none of them are directly owned by the Company.

Any references to the number of industrial properties and square footage in the financial statement footnotes are unaudited.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements at December 31, 2018 and 2017 and for each of the years ended December 31, 2018, 2017 and 2016 include the accounts and operating results of the Company and the Operating Partnership. All intercompany transactions have been eliminated in consolidation.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Use of Estimates

In order to conform with generally accepted accounting principles (“GAAP”), in preparation of our consolidated financial statements we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 2018 and 2017, and the reported amounts of revenues and expenses for each of the years ended December 31, 2018, 2017 and 2016. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash and liquid investments with an initial maturity of three months or less. The carrying amount approximates fair value due to the short term maturity of these investments.

Restricted Cash

Restricted cash includes cash held in escrow in connection with gross proceeds from the sales of certain industrial properties. These sales proceeds will be disbursed as we exchange into properties under Section 1031 of the Code. The carrying amount approximates fair value due to the short term maturity of these investments. For purposes of our consolidated statements of cash flows, changes in restricted cash are aggregated with cash and cash equivalents.

Investment in Real Estate and Depreciation

Investment in real estate is carried at cost, less accumulated depreciation and amortization. We review our properties on a quarterly basis for impairment and provide a provision if impairments exist. To determine if an impairment may exist, we review our properties and identify those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy, a decline in general market conditions or a change in the expected hold period of an asset or asset group). If further assessment of recoverability is needed, we estimate the future net cash flows expected to result from the use of the property and its eventual disposition. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property or group of properties, we will recognize an impairment loss based upon the estimated fair value of the property or group of properties. For properties we consider held for sale, we cease depreciating the properties and value the properties at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, we decide not to sell a property or group of properties previously classified as held for sale, we will reclassify the properties as held and used. Properties are measured at the lower of their carrying amounts (adjusted for any depreciation and amortization expense that would have been recognized had the properties been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. We classify properties as held for sale when all criteria within the Financial Accounting Standards Board’s (the “FASB”) guidance on the impairment or disposal of long-lived assets are met.

Interest costs, real estate taxes, compensation costs of development personnel and other directly related costs incurred during construction periods are capitalized and depreciated commencing with the date the property is substantially completed. Upon substantial completion, we reclassify construction in progress to building, tenant improvements and leasing commissions. Such costs begin to be capitalized to the development projects from the point we are undergoing necessary activities to get the development ready for its intended use and cease when the development projects are substantially completed and held available for occupancy. Interest is capitalized using the weighted average borrowing rate during the period.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Depreciation expense is computed using the straight-line method based on the following useful lives:

	<u>Years</u>
Buildings and Improvements	7 to 50
Land Improvements	5 to 20
Furniture, Fixtures and Equipment	3 to 10
Tenant Improvements	Lease Term

Construction expenditures for tenant improvements, leasehold improvements and leasing commissions (inclusive of compensation costs of personnel attributable to leasing) are capitalized and amortized over the terms of each specific lease. Capitalized compensation costs of personnel attributable to leasing relate to time directly attributable to originating leases with tenants that result directly from and are essential to originating those leases and would not have been incurred had these leasing transactions not occurred. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

Upon acquisition of a property, we allocate the purchase price of the property based upon the fair value of the assets acquired and liabilities assumed, which generally consists of land, buildings, tenant improvements, leasing commissions and intangible assets including in-place leases, above market and below market leases, below market ground lease obligations and tenant relationships. We allocate the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases and below market ground lease obligations are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and below market ground lease obligations, and the initial term plus the term of any below market fixed rate renewal options for below market leases. The above market lease values are amortized as a reduction of rental revenue over the remaining term of the respective leases, and the below market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below market fixed rate renewal options of the respective leases.

The purchase price is further allocated to in-place lease values and tenant relationships based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the respective tenant. The value of in-place lease intangibles and tenant relationships, which are included in the line item *Deferred Leasing Intangibles, Net* are amortized over the remaining lease term (and expected renewal periods of the respective lease for tenant relationships) as adjustments to depreciation and other amortization expense. If a tenant terminates its lease early, the unamortized portion of the tenant improvements, leasing commissions, above and below market leases, the in-place lease value and tenant relationships is immediately accelerated and fully amortized on the date of the termination.

As defined by GAAP, a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. We expect most acquisitions to be treated as asset acquisitions rather than business combinations as our typical acquisitions consist of properties whereby substantially all the fair value of gross assets acquired is concentrated in a single asset (land, building, and in-place leases), which is treated as an asset acquisition. Commencing January 1, 2017, acquisition costs related to asset acquisitions are capitalized to the basis of the acquired asset.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Deferred leasing intangibles, net of accumulated amortization, included in our total assets and total liabilities consist of the following:

	December 31, 2018	December 31, 2017
In-Place Leases	\$19,971	\$19,921
Above Market Leases	2,569	2,298
Below Market Ground Lease Obligation	1,643	1,688
Tenant Relationships	5,495	6,574
Total Included in Total Assets, Net of \$26,337 and \$29,604 of Accumulated Amortization	\$29,678	\$30,481
Below Market Leases	\$ 9,560	\$10,355
Total Included in Total Liabilities, Net of \$11,356 and \$10,578 of Accumulated Amortization	\$ 9,560	\$10,355

Amortization expense related to in-place leases and tenant relationships was \$6,267, \$6,648 and \$6,717 for the years ended December 31, 2018, 2017 and 2016, respectively. Rental revenues increased by \$1,095, \$1,116 and \$996 related to net amortization of above and below market leases. We will recognize net amortization expense related to deferred leasing intangibles over the next five years, for properties owned as of December 31, 2018 as follows:

	Estimated Amortization of In-Place Leases and Tenant Relationships	Estimated Net Increase to Rental Revenues Related to Above and Below Market Leases
2019	\$5,779	\$1,048
2020	\$4,988	\$ 943
2021	\$3,391	\$ 808
2022	\$3,013	\$ 784
2023	\$2,615	\$ 533

Debt Issuance Costs

Debt issuance costs include fees and costs incurred to obtain long-term financing. These fees and costs are being amortized over the terms of the respective loans. Unamortized debt issuance costs are written-off when debt is retired before the maturity date. Debt issuance costs are presented as a direct deduction from the carrying amount of the respective debt liability, consistent with debt discounts. The debt issuance costs related to the unsecured credit facility are included in the line item *Prepaid Expenses and Other Assets, Net* on the consolidated balance sheets.

Investment in Joint Venture

Investment in joint venture represents a noncontrolling equity interest in one joint venture. We account for our investment in this joint venture under the equity method of accounting, as we did not have a majority voting interest, operational control or financial control. Control is determined using accounting standards related to the consolidation of joint ventures and variable interest entities (“VIEs”). Under the equity method of accounting, our share of earnings or losses of a joint venture is reflected in income as earned and contributions or distributions increase or decrease our investment in joint venture as paid or received, respectively. Differences

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

between our carrying value of our investment in this joint venture and our underlying equity in such joint venture are amortized and included as an adjustment to our equity in income (loss).

On a periodic basis, management assesses whether there are any indicators that the value of our investment in this joint venture may be impaired. An investment is impaired only if our estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying value of the investment over the value of the investment.

Limited Partner Units

Limited Partner Units are reported within Partners' Capital in the Operating Partnership's balance sheet as of December 31, 2018 and 2017 because they are not redeemable for cash or other assets (a) at a fixed or determinable date, (b) at the option of the Unitholder or (c) upon the occurrence of an event that is not solely within the control of the Operating Partnership. Redemption can be effectuated, as determined by the General Partner, either by exchanging the Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares.

The Operating Partnership is the only significant asset of the Company and economic, fiduciary and contractual means align the interests of the Company and the Operating Partnership. The Company's Board of Directors and officers of the Company direct the Company to act when acting in its capacity as sole general partner of the Operating Partnership. Because of this, the Operating Partnership is deemed to have effective control of the form of redemption consideration. As of December 31, 2018, all criteria were met for the Operating Partnership to control the actions or events necessary to issue the maximum number of the Company's common shares required to be delivered upon redemption of all remaining Limited Partner Units.

Stock Based Compensation

We measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense over the service period for awards expected to vest.

Net income is allocated to common stockholders or Unitholders and participating securities based upon their proportionate share of weighted average shares or Units plus weighted average participating securities. Participating securities are unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents. Restricted stock or restricted Unit awards granted to employees and directors are considered participating securities as they receive non-forfeitable dividend or dividend equivalents at the same rate as common stock or Units.

Revenue Recognition

Rental income is recognized on a straight-line method under which contractual rent increases are recognized evenly over the lease term. Tenant recovery income includes payments from tenants for real estate taxes, insurance and other property operating expenses and is recognized as revenue in the same period the related expenses are incurred by us.

If the lease provides for tenant improvements, we determine whether the tenant improvements are owned by the tenant or us. When we are the owner of the tenant improvements, any tenant improvements funded by the tenant are treated as lease payments which are deferred and amortized into income over the lease term. When the tenant is the owner of the tenant improvements, we record any tenant improvement allowance funded as a lease inducement and amortize it as a reduction of revenue over the lease term.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Revenue is generally recognized on payments received from tenants for early lease terminations upon the effective termination of a tenant's lease and when we have no further obligations under the lease.

We provide an allowance for doubtful accounts against the portion of tenant accounts receivable including deferred rent receivable, which is estimated to be uncollectible. The *Tenant Accounts Receivable* line item is shown net of an allowance for doubtful accounts of \$545 and \$310 as of December 31, 2018 and 2017, respectively. The *Deferred Rent Receivable* line item is shown net of an allowance for doubtful accounts of \$1,444 and \$1,557 as of December 31, 2018 and 2017, respectively. For accounts receivable we deem uncollectible, we use the direct write-off method.

Gain on Sale of Real Estate

Asset sales are generally recognized when control of the asset being sold is transferred to the buyer. As the assets are sold, their costs and related accumulated depreciation, if any, are derecognized with resulting gains or losses reflected in net income. Estimated future costs to be incurred by us after completion of each sale are accrued and included in the determination of the gain on sales.

Income Taxes

The Company has elected to be taxed as a REIT under the Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of its adjusted taxable income to its stockholders. Management intends to continue to adhere to these requirements and to maintain the Company's REIT status. As a REIT, the Company is entitled to a tax deduction for some or all of the dividends it pays to shareholders. Accordingly, the Company generally will not be subject to federal income taxes as long as it currently distributes to shareholders an amount equal to or in excess of the Company's taxable income. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes and may not be able to qualify as a REIT for four subsequent taxable years.

REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, certain activities that we undertake may be conducted by entities which have elected to be treated as a TRS. TRSs are subject to both federal and state income taxes.

We may also be subject to certain federal excise and franchise taxes if we engage in certain types of transactions. A benefit or provision has been made for federal, state and local income taxes in the accompanying consolidated financial statements. The provision for excise and franchise taxes has been reflected in general and administrative expense in the consolidated statements of operations and has not been separately stated due to its insignificance.

In accordance with partnership taxation, each of the partners of the Operating Partnership is responsible for reporting their share of taxable income or loss.

Earnings Per Share and Earnings Per Unit ("EPS" and "EPU")

Basic net income per common share or Unit is computed by dividing net income available to common shareholders or Unitholders by the weighted average number of common shares or Units outstanding for the period.

Diluted net income per common share or Unit is computed by dividing net income available to common shareholders or Unitholders by the sum of the weighted average number of common shares or Units outstanding and any dilutive non-participating securities for the period.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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Derivative Financial Instruments

During the normal course of business, we have used derivative instruments for the purpose of managing interest rate risk on anticipated offerings of long term debt. Receipts or payments that result from the settlement of derivative instruments used to fix the interest rate on anticipated offerings of senior unsecured notes are amortized over the life of the derivative or the life of the debt and is included in interest expense. Receipts or payments resulting from derivative instruments used to convert floating rate debt to fixed rate debt are recognized as a component of interest expense.

To qualify for hedge accounting, derivative instruments used for risk management purposes must effectively reduce the risk exposure that they are designed to hedge. In addition, at inception of a qualifying cash flow hedging relationship, the underlying transaction or transactions, must be, and are expected to remain, probable of occurring in accordance with our related assertions. We recognize all derivative instruments in the line items *Prepaid Expenses and Other Assets, Net* or *Accounts Payable, Accrued Expenses and Other Liabilities* at fair value. Changes in fair value of derivative instruments that are not designated in hedging relationships or that do not meet the criteria of hedge accounting are recognized in earnings. For derivative instruments designated in qualifying cash flow hedging relationships, changes in fair value related to the effective portion of the derivative instruments are recognized in accumulated other comprehensive income (loss), whereas changes in fair value of the ineffective portion are recognized in earnings. If it is determined that a derivative instrument ceases to be highly effective as a hedge, or that it is probable the underlying forecasted transaction will not occur, we discontinue its cash flow hedge accounting prospectively and records the appropriate adjustment to earnings based on the current fair value of the derivative instrument. The credit risks associated with derivative instruments are controlled through the evaluation and monitoring of the creditworthiness of the counterparty. In the event that the counterparty fails to meet the terms of the derivative instruments, our exposure is limited to the fair value of agreements, not the notional amounts.

Fair Value

GAAP establishes a framework for measuring fair value and requires disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants. The guidance establishes a hierarchy for inputs used in measuring fair value based on observable and unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our assumptions of pricing the asset or liability based on the best information available in the circumstances. We estimate fair value using available market information and valuation methodologies we believe to be appropriate for these purposes. The fair value hierarchy consists of the following three broad levels:

- Level 1 — quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — inputs other than quoted prices within Level 1 that are either directly or indirectly observable for the asset or liability; and
- Level 3 — unobservable inputs in which little or no market data exists for the asset or liability.

Our assets and liabilities that are measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Considerable judgment and a high degree of subjectivity are involved in developing these estimates and, accordingly, they are not necessarily indicative of amounts that we would realize on disposition.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Discontinued Operations and Assets Held for Sale

We report results of operations from real estate assets that are sold or classified as held for sale as discontinued operations provided the disposal represents a strategic shift that has (or will have) a major effect on our operations and financial results.

We generally classify certain properties and related assets and liabilities as held for sale when the sale of an asset has been duly approved by management, a legally enforceable contract has been executed and the buyer's due diligence period, if any, has expired. At such time, the respective assets and liabilities are presented separately on the consolidated balance sheets. Assets held for sale are reported at the lower of carrying value or estimated fair value less estimated costs to sell.

Segment Reporting

Management views the Company, inclusive of the Operating Partnership, as a single segment based on its method of internal reporting.

Recent Accounting Pronouncements

New Accounting Standards Adopted

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 requires entities to recognize revenue when they transfer promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for annual periods beginning after December 15, 2017. We adopted the new standard effective January 1, 2018. The adoption of the standard did not impact our financial position or results of operations.

In August 2016 and November 2016, the FASB issued new ASUs impacting the statement of cash flows. ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" intends to reduce the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" requires restricted cash be added to cash and cash equivalents on the consolidated statements of cash flows. We adopted both standards on January 1, 2018 on a retrospective basis. For the years ended December 31, 2017 and 2016, \$25,336 and \$11,602 of restricted cash was included in "Cash, Cash Equivalents and Restricted Cash" in our Consolidated Statements of Cash Flows. Also, we reclassified \$1,453 of prepayment penalties relating to the payoff of certain mortgage loans from operating activities to financing activities for the year ended December 31, 2017.

The following table presents a reconciliation of cash, cash equivalents and restricted cash reported within our Consolidated Balance Sheets to amounts reported within our Consolidated Statements of Cash Flows for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$43,102	\$21,146
Restricted Cash	<u>7,271</u>	<u>25,336</u>
Total Cash, Cash Equivalents and Restricted Cash	<u>\$50,373</u>	<u>\$46,482</u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

New Accounting Standards Issued but not yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, “Leases” (“ASU 2016-02”), which amends the existing accounting standards for lease accounting. ASU 2016-02 will require lessees, at lease commencement to record a right-of-use asset and a lease liability for all leases with terms longer than twelve months. We are a lessee on a limited number of ground and office leases. The expense pattern for these leases will be consistent with that of our historical recognition. The accounting for lessors will remain largely unchanged from existing GAAP standards with the underlying leased asset being reported and recognized as a real estate asset and rental income being recognized on a straight line basis over the lease term. However, ASU 2016-02 requires lessors to expense certain initial direct costs that are not incremental in negotiating a lease as incurred. We anticipate this change will reduce our EPS/EPU on an annual basis by approximately \$0.01.

ASU 2016-02 is effective for us on January 1, 2019. We expect to adopt the practical expedients available for implementation under the standard. By adopting these practical expedients, we will not be required to reassess (1) whether an expired or existing contract meets the definition of a lease; (2) the lease classification for expired or existing leases; or (3) costs previously capitalized as initial direct costs. Furthermore, the FASB finalized an amendment to ASU 2016-02 which will allow us an optional election to not separate non-lease components from related lease components that otherwise would have been accounted for separately under the new standard. Upon adoption of ASU 2016-02, we will be required to recognize a right-of-use asset and a lease liability on our consolidated balance sheets equal to the present value of the minimum lease payments required under our ground and office leases, which we believe will be approximately \$12,500. We are finalizing our discount rate analysis which is a key determinant in the measurement of the right-of-use asset and lease liability. Details of our future minimum rental payments under ground and office leases at December 31, 2018 are disclosed in Note 14. We plan to implement this guidance on a prospective basis.

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeting Improvements to Accounting for Hedging Activities” (“ASU 2017-12”). ASU 2017-12 eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item when the hedged item affects earnings. ASU 2017-12 is required to be adopted in 2019 using a modified retrospective approach. We do not expect the adoption of ASU 2017-12 to have a material impact on our financial condition or results of operations.

3. Investment in Real Estate

Acquisitions

The following table summarizes our acquisition of industrial properties from third parties for the years ended December 31, 2018, 2017 and 2016. The revenue and net income associated with the acquisition of the industrial properties, since their respective acquisition dates, are not significant for years ended December 31, 2018, 2017 or 2016.

	Year Ended December 31,		
	2018	2017	2016
Number of Industrial Properties Acquired	10	8	6
GLA (in millions)	1.0	1.1	0.7
Purchase Price (A)	\$167,546	\$174,209	\$111,130

(A) Purchase price includes the acquisition of several land parcels for the years ended December 31, 2018, 2017 and 2016 and excludes closing costs incurred with the acquisition of the industrial properties and land parcels.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the fair value of amounts recognized for each major class of asset and liability for the industrial properties and land parcels acquired during the years ended December 31, 2018 and 2017:

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 79,347	\$ 92,810
Building and Improvements	81,747	73,028
Other Assets	1,225	1,659
In-Place Leases	5,302	7,905
Above Market Leases	662	227
Below Market Leases	<u>(737)</u>	<u>(1,420)</u>
Total Purchase Price	\$167,546	\$174,209
Assumed Mortgage Loan (See Note 4)	<u>(11,654)</u>	<u>—</u>
Total Net Assets Acquired	<u><u>\$155,892</u></u>	<u><u>\$174,209</u></u>

Sales

The following table summarizes our property dispositions for the years ended December 31, 2018, 2017 and 2016:

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Number of Industrial Properties Sold (A)	53	60	63
GLA (in millions)	2.6	4.6	3.9
Gross Proceeds from the Sale of Real Estate (B)	\$192,047	\$236,059	\$169,911
Gain on Sale of Real Estate (B)	\$ 81,600	\$131,269	\$ 68,202

(A) The year ended December 31, 2018 includes a partial sale of a 0.1 million square-foot industrial property.

(B) Gross proceeds and gain on sale of real estate include the sale of several land parcels for the years ended December 31, 2018, 2017 and 2016.

Impairment Charges

The impairment charges of \$2,756 recorded during the year ended December 31, 2018 were due to marketing one industrial property and one land parcel for sale and our assessment of the likelihood and timing of a potential sale transaction. The fair market values were determined using third party offers. Valuations based on third party offers included bona fide contract prices and letter of intent amounts that we believe were indicative of fair value and fall into Level 3 of the fair value hierarchy. The property and the land parcel for which impairment was recorded were sold later during the year ended December 31, 2018.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. Indebtedness

The following table discloses certain information regarding our indebtedness:

	<u>Outstanding Balance at</u>		<u>Interest</u>	<u>Effective</u>	<u>Maturity</u>
	<u>December 31,</u>	<u>December 31,</u>	<u>Rate at</u>	<u>Interest</u>	<u>Date</u>
	<u>2018</u>	<u>2017</u>	<u>December 31,</u>	<u>Rate at</u>	
			<u>2018</u>	<u>Issuance</u>	
Mortgage Loans					July 2019 –
Payable, Gross	\$297,610	\$451,602	4.03% – 8.26%	3.82% – 8.26%	August 2028
<i>Unamortized Debt Issuance Costs</i>	(1,246)	(1,806)			
<i>Unamortized Premiums</i>	106	260			
Mortgage Loans Payable, Net	<u>\$296,470</u>	<u>\$450,056</u>			
Senior Unsecured Notes, Gross					
2027 Notes	6,070	6,070	7.15%	7.11%	5/15/2027
2028 Notes	31,901	31,901	7.60%	8.13%	7/15/2028
2032 Notes	10,600	10,600	7.75%	7.87%	4/15/2032
2027 Private Placement Notes	125,000	125,000	4.30%	4.30%	4/20/2027
2028 Private Placement Notes	150,000	—	3.86%	3.86%	2/15/2028
2029 Private Placement Notes	75,000	75,000	4.40%	4.40%	4/20/2029
2030 Private Placement Notes	150,000	—	3.96%	3.96%	2/15/2030
Subtotal	\$548,571	\$248,571			
<i>Unamortized Debt Issuance Costs</i>	(3,990)	(1,814)			
<i>Unamortized Discounts</i>	(77)	(84)			
Senior Unsecured Notes, Net	<u>\$544,504</u>	<u>\$246,673</u>			
Unsecured Term Loans, Gross					
2014 Unsecured Term Loan (A)	\$200,000	\$200,000	3.39%	N/A	1/29/2021
2015 Unsecured Term Loan (A)	260,000	260,000	2.89%	N/A	9/12/2022
Subtotal	\$460,000	\$460,000			
<i>Unamortized Debt Issuance Costs</i>	(3,191)	(4,232)			
Unsecured Term Loans, Net	<u>\$456,809</u>	<u>\$455,768</u>			
Unsecured Credit Facility (B)	<u>\$ —</u>	<u>\$144,500</u>	N/A	N/A	10/29/2021

(A) During the year ended December 31, 2018, pursuant to the agreements for our unsecured term loans entered into in 2014 and 2015 (collectively, the “Unsecured Term Loans”), we elected to have the interest spread calculated based on our investment grade rating resulting in a 10 basis point reduction in the credit spread compared to the prior rate. The interest rate at December 31, 2018 also reflects the derivative instruments we entered into to effectively convert the variable rate to a fixed rate. See Note 12.

(B) The maturity date may be extended an additional year at our election, subject to certain restrictions. Amounts exclude unamortized debt issuance costs of \$3,554 and \$4,781 as of December 31, 2018 and 2017, respectively, which are included in the line item *Prepaid Expenses and Other Assets, Net*.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Mortgage Loans Payable, Net

During the years ended December 31, 2018 and 2017, we paid off mortgage loans in the amount of \$157,782 and \$36,108, respectively. In connection with the mortgage loans paid off during the years ended December 31, 2018 and 2017, we recognized \$39 and \$1,653 within the line item *Loss from Retirement of Debt* representing the write-off of unamortized debt issuance costs offset by the write off of an unamortized premium.

During the year ended December 31, 2018, we assumed a mortgage loan in the amount of \$11,654 in conjunction with the acquisition of three industrial properties, totaling approximately 0.2 million square feet of GLA. The mortgage loan bears interest at a fixed rate of 4.17%, principal payments are amortized over 30 years and the loan matures in August 2028.

As of December 31, 2018, mortgage loans payable are collateralized, and in some instances cross-collateralized, by industrial properties with a net carrying value of \$459,225. We believe the Operating Partnership and the Company were in compliance with all covenants relating to mortgage loans as of December 31, 2018.

Senior Unsecured Notes, Net

During the year ended December 31, 2018, the Operating Partnership issued \$150,000 of 3.86% Series C Guaranteed Senior Notes due February 15, 2028 (the “2028 Private Placement Notes”) and \$150,000 of 3.96% Series D Guaranteed Senior Notes due February 15, 2030 (the “2030 Private Placement Notes”) in a private placement pursuant to a Note and Guaranty Agreement dated December 12, 2017.

During the year ended December 31, 2017, the Operating Partnership issued \$125,000 of 4.30% Series A Guaranteed Senior Notes due April 20, 2027 (the “2027 Private Placement Notes”) and \$75,000 of 4.40% Series B Guaranteed Senior Notes due April 20, 2029 (the “2029 Private Placement Notes”) in private placement pursuant to a Note and Guaranty Agreement dated February 21, 2017.

The 2028 Private Placement Notes, the 2030 Private Placement Notes, the 2027 Private Placement Notes and the 2029 Private Placement Notes (collectively, the “Private Placement Notes”) are unsecured obligations of the Operating Partnership that are fully and unconditionally guaranteed by the Company and require semi-annual interest payments.

During the year ended December 31, 2017, we paid off and retired our 2017 II and 2017 Notes, at maturity, in the amounts of \$101,871 and \$54,981, respectively.

Unsecured Term Loans, Net

On January 29, 2014, we entered into a seven-year, \$200,000 unsecured loan (the “2014 Unsecured Term Loan”) with a syndicate of financial institutions. At December 31, 2018, the 2014 Unsecured Term Loan requires interest only payments and bears interest at a variable rate based on LIBOR plus 110 basis points. During the year ended December 31, 2017, we recognized \$51 within the line item *Loss from Retirement of Debt* related to the write-off of unamortized debt issuance costs related to a lender that opted out of its position and whose position was replaced by other lenders.

On September 11, 2015, we entered into a seven-year, \$260,000 unsecured loan (the “2015 Unsecured Term Loan”; together with the 2014 Unsecured Term Loan, the “Unsecured Term Loans”) with a syndicate of financial institutions. At December 31, 2018, the 2015 Unsecured Term Loan requires interest only payments and bears

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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interest at a variable rate based on LIBOR plus 110 basis points. The interest rates on the Unsecured Term Loans vary based on the Company’s leverage ratio or, at our election, the Company’s credit ratings.

Unsecured Credit Facility

On October 31, 2017, we amended and restated our \$625,000 revolving credit agreement (the “Old Credit Facility”) with a new \$725,000 revolving credit agreement (as amended and restated, the “Unsecured Credit Facility”). We may request that the borrowing capacity under the Unsecured Credit Facility be increased to \$1,000,000, subject to certain restrictions. The Unsecured Credit Facility matures on October 29, 2021, with an option to extend an additional one year at our election, subject to certain restrictions. At December 31, 2017, the Unsecured Credit Facility provides for interest only payments at LIBOR plus 110 basis points. The interest rate on the Unsecured Credit Facility varies based on our leverage ratio. During the year ended December 31, 2017, in connection with the amendment, we recognized \$71 within the line item *Loss from Retirement of Debt* related to the write-off of unamortized debt issuance costs related to a lender that opted out of its position and whose position was replaced by other lenders.

Indebtedness

The following is a schedule of the stated maturities and scheduled principal payments of our indebtedness, exclusive of premiums, discounts and debt issuance costs, for the next five years as of December 31, and thereafter:

	Amount
2019	\$ 79,600
2020	59,046
2021	267,113
2022	341,552
2023	321
Thereafter	558,549
Total	\$1,306,181

The Unsecured Credit Facility, the Unsecured Term Loans, the Private Placement Notes and the indentures governing our senior unsecured notes contain certain financial covenants, including limitations on incurrence of debt and debt service coverage. Under the Unsecured Credit Facility and the Unsecured Term Loans, an event of default can occur if the lenders, in their good faith judgment, determine that a material adverse change has occurred which could prevent timely repayment or materially impair our ability to perform our obligations under the loan agreements. We believe that the Operating Partnership and the Company were in compliance with all covenants relating to the Unsecured Credit Facility, the Unsecured Term Loans, the Private Placement Notes and indentures governing our senior unsecured notes as of December 31, 2018. However, these financial covenants are complex and there can be no assurance that these provisions would not be interpreted by our lenders and noteholders in a manner that could impose and cause us to incur material costs.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fair Value

At December 31, 2018 and 2017, the fair value of our indebtedness was as follows:

	December 31, 2018		December 31, 2017	
	Carrying Amount ^(A)	Fair Value	Carrying Amount (A)	Fair Value
Mortgage Loans Payable, Net	\$ 297,716	\$ 304,508	\$ 451,862	\$ 467,303
Senior Unsecured Notes, Net	548,494	546,607	248,487	269,731
Unsecured Term Loans	460,000	461,317	460,000	460,000
Unsecured Credit Facility	—	—	144,500	144,500
Total	\$1,306,210	\$1,312,432	\$1,304,849	\$1,341,534

(A) The carrying amounts include unamortized premiums and discounts and exclude unamortized debt issuance costs.

The fair values of our mortgage loans payable were determined by discounting the future cash flows using the current rates at which similar loans would be made based upon similar remaining maturities. The current market rates we utilized were internally estimated. The fair value of the senior unsecured notes were determined by using rates, as advised by our bankers, that are based upon recent trades within the same series of the senior unsecured notes, recent trades for senior unsecured notes with comparable maturities, recent trades for fixed rate unsecured notes from companies with profiles similar to ours, as well as overall economic conditions. The fair value of the Unsecured Credit Facility and the Unsecured Term Loans was determined by discounting the future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining term, assuming no repayment until maturity. We have concluded that our determination of fair value for each of our mortgage loans payable, senior unsecured notes, the Unsecured Term Loans and the Unsecured Credit Facility was primarily based upon Level 3 inputs.

5. Variable Interest Entities

The Other Real Estate Partnerships are VIEs of the Operating Partnership and the Operating Partnership is the primary beneficiary, thus causing the Other Real Estate Partnerships to be consolidated by the Operating Partnership. In addition, the Operating Partnership is a VIE of the Company and the Company is the primary beneficiary.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the assets and liabilities of the Other Real Estate Partnerships included in our consolidated balance sheets:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Assets:		
Net Investment in Real Estate	\$260,528	\$270,708
Other Assets, Net	<u>25,059</u>	<u>23,530</u>
Total Assets	<u>\$285,587</u>	<u>\$294,238</u>
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Mortgage Loans Payable, Net	\$ 20,497	\$ 61,256
Other Liabilities, Net	9,045	9,283
Partners' Capital	<u>256,045</u>	<u>223,699</u>
Total Liabilities and Partners' Capital	<u>\$285,587</u>	<u>\$294,238</u>

Joint Venture

During the second quarter of 2018, we entered into the Joint Venture with a third party partner for the purpose of developing, leasing, operating and potentially selling approximately 532 net developable acres of land located in the Phoenix, Arizona metropolitan area. The purchase price for the land was \$49,000, which amount was funded by the Joint Venture via cash equity contributions from us and our joint venture partner. Through a wholly-owned subsidiary of the Operating Partnership, we own a 49% interest in the Joint Venture.

Under the Joint Venture's operating agreement, we act as the managing member of the Joint Venture and are entitled to receive fees for providing management, leasing, development, construction supervision, disposition and asset management services to the Joint Venture. In addition, the Joint Venture's operating agreement provides us the ability to earn an incentive fee based on the ultimate financial performance of the Joint Venture.

As part of our assessment of the appropriate accounting treatment for the Joint Venture, we reviewed the operating agreement of the Joint Venture in order to determine our rights and the rights of our joint venture partner, including whether those rights are protective or participating. The operating agreement contains certain protective rights, such as the requirement of member approval to sell, finance or refinance the property and to pay capital expenditures and operating expenditures outside of the approved budget. However, we and our Joint Venture partner jointly (i) approve the annual budget, (ii) approve certain expenditures, (iii) review and approve the Joint Venture's tax return before filing and (iv) approve each lease at a developed property. We consider the latter rights substantive participation rights that result in shared, joint power over the activities that most significantly impact the performance of the Joint Venture. As such, we concluded to account for our investment in the Joint Venture under the equity method of accounting.

6. Stockholders' Equity of the Company and Partners' Capital of the Operating Partnership

Operating Partnership Units

The Operating Partnership has issued General Partner Units, Limited Partner Units and preferred general partnership Units. The General Partner Units resulted from capital contributions from the Company. The Limited

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Partner Units are issued in conjunction with the acquisition of certain properties. Subject to certain lock-up periods, holders of Limited Partner Units can redeem their Units by providing written notification to the General Partner. Unless the General Partner provides notice of a redemption restriction to the holder, redemption must be made within seven business days after receipt of the holder's notice. The redemption can be effectuated, as determined by the General Partner, either by exchanging the Limited Partner Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares. Prior requests for redemption have generally been fulfilled with shares of common stock of the Company, and the Operating Partnership intends to continue this practice. If each Limited Partner Unit of the Operating Partnership were redeemed as of December 31, 2018, the Operating Partnership could satisfy its redemption obligations by making an aggregate cash payment of approximately \$75,733 or by issuing 2,624,167 shares of the Company's common stock.

Preferred Stock or General Partner Preferred Units

The Company has 10,000,000 shares of preferred stock authorized. As of December 31, 2018 and 2017, there were no preferred shares or general partner preferred Units outstanding.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Shares of Common Stock or Unit Contributions

The following table is a roll-forward of the Company's shares of common stock outstanding and the Operating Partnership's Units outstanding, including unvested restricted stock or restricted Unit awards (see Note 11), for the three years ended December 31, 2018:

	<u>Shares of Common Stock Outstanding</u>	<u>General Partner and Limited Partner Units Outstanding</u>
Balance at December 31, 2015	111,027,225	115,332,932
Issuance of Common Stock/Contribution of General Partner Units (A)	5,600,000	5,600,000
Issuance of Restricted Stock/Restricted Unit Awards	322,833	322,833
Repurchase and Retirement of Restricted Stock/Restricted Unit Awards	(108,644)	(108,644)
Conversion of Limited Partner Units (B)	266,332	—
Balance at December 31, 2016	<u>117,107,746</u>	<u>121,147,121</u>
Issuance of Common Stock/Contribution of General Partner Units (A)	2,560,000	2,560,000
Issuance of Restricted Stock/Restricted Unit Awards	275,793	275,793
Repurchase and Retirement of Restricted Stock/Restricted Unit Awards	(91,513)	(91,513)
Conversion of Limited Partner Units (B)	31,154	—
Balance at December 31, 2017	<u>119,883,180</u>	<u>123,891,401</u>
Issuance of Common Stock/Contribution of General Partner Units (A)	4,800,000	4,800,000
Issuance of Restricted Stock/Restricted Unit Awards	227,059	227,059
Vesting of LTIP Unit Awards (as defined in Note 11)	150,772	150,772
Repurchase and Retirement of Restricted Stock/Restricted Unit Awards	(104,301)	(104,301)
Conversion of Limited Partner Units (B)	1,350,721	—
Retirement of Limited Partner Units (C)	—	(33,333)
Balance at December 31, 2018	<u><u>126,307,431</u></u>	<u><u>128,931,598</u></u>

(A) During the years ended December 31, 2018, 2017 and 2016, the Company issued 4,800,000, 2,560,000, and 5,600,000 shares of the Company's common stock in an underwritten public offering. Proceeds to the Company, net of the underwriter's discount, were \$145,584, \$74,880, and \$124,936. The proceeds were contributed to the Operating Partnership in exchange for General Partner Units and are reflected in the Operating Partnership's financial statements as a general partner contribution.

(B) For the years ended December 31, 2018, 2017 and 2016, 1,350,721, 31,154 and 266,332 Limited Partner Units, respectively, were converted into an equivalent number of shares of common stock of the Company, resulting in a reclassification of \$16,605, \$364 and \$2,862, respectively, of noncontrolling interest to the Company's stockholders' equity.

(C) During the twelve months ended December 31, 2018, 33,333 Limited Partner Units were forfeited by a unitholder and were retired by the Operating Partnership.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

ATM Program

On March 13, 2014, we entered into distribution agreements with sales agents to sell up to 13,300,000 shares of the Company’s common stock, for up to \$200,000 aggregate gross sales proceeds, from time to time in “at-the-market” offerings (the “2014 ATM Program”). The distribution agreements entered into with respect to the 2014 ATM Program expired by their terms on March 13, 2017 and, on March 16, 2017, we entered into distribution agreements with sales agents to sell up to 8,000,000 shares of the Company’s common stock, for up to \$200,000 aggregate gross sales proceeds, from time to time in “at-the-market” offerings (the “2017 ATM Program”). Under the terms of the 2014 ATM Program and the 2017 ATM Program, sales were or are to be made primarily in transactions that are deemed to be “at-the-market” offerings, including sales made directly on the New York Stock Exchange or sales made through a market maker other than on an exchange or by privately negotiated transactions. During the years ended December 31, 2018, 2017 and 2016, the Company did not issue any shares of common stock under the 2014 ATM Program or the 2017 ATM Program.

Dividends/Distributions

The following table summarizes dividends/distributions accrued during the past three years:

	<u>2018 Total Dividend/ Distribution</u>	<u>2017 Total Dividend/ Distribution</u>	<u>2016 Total Dividend/ Distribution</u>
Common Stock/Operating Partnership Units	\$111,478	\$104,106	\$91,318

7. Accumulated Other Comprehensive Income

The following table summarizes the changes in accumulated other comprehensive income by component for the years ended December 31, 2018 and 2017:

	<u>Derivative Instruments</u>	<u>Total for Operating Partnership</u>	<u>Comprehensive Loss (Income) Attributable to Noncontrolling Interest</u>	<u>Total for Company</u>
Balance as of December 31, 2016	\$(4,804)	\$(4,804)	\$ 161	\$(4,643)
Other Comprehensive Income Before Reclassifications	1,645	1,645	(205)	1,440
Amounts Reclassified from Accumulated Other Comprehensive Income	4,541	4,541	—	4,541
Net Current Period Other Comprehensive Income	6,186	6,186	(205)	5,981
Balance as of December 31, 2017	<u>\$ 1,382</u>	<u>\$ 1,382</u>	<u>\$ (44)</u>	<u>\$ 1,338</u>
Other Comprehensive Income Before Reclassifications	1,987	1,987	(28)	1,959
Amounts Reclassified from Accumulated Other Comprehensive Income	205	205	—	205
Net Current Period Other Comprehensive Income	2,192	2,192	(28)	2,164
Balance as of December 31, 2018	<u>\$ 3,574</u>	<u>\$ 3,574</u>	<u>\$ (72)</u>	<u>\$ 3,502</u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the reclassifications out of accumulated other comprehensive income for the years ended December 31, 2018, 2017 and 2016:

<u>Accumulated Other Comprehensive Loss Components</u>	<u>Amount Reclassified from Accumulated Other Comprehensive Loss (Income)</u>			<u>Affected Line Items in the Consolidated Statements of Operations</u>
	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>	
Derivative Instruments:				
Amortization of Previously Settled Derivative Instruments	96	205	390	Interest Expense
Net Settlement Payments to our Counterparties	<u>109</u>	<u>4,336</u>	<u>7,123</u>	Interest Expense
	<u>\$205</u>	<u>\$4,541</u>	<u>\$7,513</u>	Total

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in other comprehensive income and is subsequently reclassified to earnings through interest expense over the life of the derivative or over the life of the debt. In the next 12 months, we expect to amortize approximately \$96 into net income by increasing interest expense for derivative instruments we settled in previous periods. Additionally, recurring settlement payments or receipts related to the 2014 Swaps and 2015 Swaps (as defined in Note 12) will also be reclassified to interest expense. See Note 12 for more information about our derivatives.

8. Earnings Per Share and Earnings Per Unit (EPS/EPU)

The computation of basic and diluted EPS of the Company is presented below:

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
Numerator:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$163,239	\$201,456	\$121,232
Net Income Allocable to Participating Securities	<u>(513)</u>	<u>(646)</u>	<u>(411)</u>
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$162,726</u>	<u>\$200,810</u>	<u>\$120,821</u>
Denominator (In Thousands):			
Weighted Average Shares - Basic	123,804	118,272	115,030
Effect of Dilutive Securities:			
LTIP Unit Awards (as defined in Note 11)	<u>387</u>	<u>515</u>	<u>340</u>
Weighted Average Shares - Diluted	<u>124,191</u>	<u>118,787</u>	<u>115,370</u>
Basic EPS:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 1.31</u>	<u>\$ 1.70</u>	<u>\$ 1.05</u>
Diluted EPS:			
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	<u>\$ 1.31</u>	<u>\$ 1.69</u>	<u>\$ 1.05</u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The computation of basic and diluted EPU of the Operating Partnership is presented below:

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
Numerator:			
Net Income Available to Unitholders and Participating Securities	167,246	208,158	125,547
Net Income Allocable to Participating Securities	<u>(513)</u>	<u>(646)</u>	<u>(410)</u>
Net Income Available to Unitholders	<u>\$166,733</u>	<u>\$207,512</u>	<u>\$125,137</u>
Denominator (In Thousands):			
Weighted Average Units - Basic	126,921	122,306	119,274
Effect of Dilutive Securities that Result in the Issuance of General Partner Units:			
LTIP Unit Awards (as defined in Note 11)	<u>387</u>	<u>515</u>	<u>340</u>
Weighted Average Units - Diluted	<u>127,308</u>	<u>122,821</u>	<u>119,614</u>
Basic EPS:			
Net Income Available to Unitholders	<u>\$ 1.31</u>	<u>\$ 1.70</u>	<u>\$ 1.05</u>
Diluted EPU:			
Net Income Available to Unitholders	<u>\$ 1.31</u>	<u>\$ 1.69</u>	<u>\$ 1.05</u>

Participating securities include 405,436, 408,248 and 406,855 of unvested restricted stock or restricted Unit awards outstanding at December 31, 2018, 2017 and 2016, respectively, which participate in non-forfeitable distributions. Under the two class method, participating security holders are allocated income, in proportion to total weighted average shares or Units outstanding, based upon the greater of net income or common stock dividends or Unit distributions declared.

9. Income Taxes

Our Consolidated Financial Statements include the operations of our TRSs, which are not entitled to the dividends paid deduction and are subject to federal, state and local income taxes on its taxable income. During the years ended December 31, 2018, 2017 and 2016, the Company qualified as a REIT and incurred no federal income tax expense; accordingly, the only federal income taxes included in the accompanying Consolidated Financial Statements relate to activities of our TRSs.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The components of the income tax benefit (provision) for the years ended December 31, 2018, 2017 and 2016 are comprised of the following:

	Year Ended December 31,		
	2018	2017	2016
Current:			
Federal	\$ 22	\$ (859)	\$ (656)
State	(310)	(344)	(251)
Deferred:			
Federal	400	—	—
State	(20)	10	(182)
Total Income Tax Benefit (Provision)	\$ 92	\$(1,193)	\$(1,089)

Deferred income taxes represent the tax effect of the temporary differences between the book and tax basis of assets and liabilities. Deferred income tax assets and liabilities include the following as of December 31, 2018 and 2017:

	Year Ended December 31,	
	2018	2017
Impairment of Real Estate	\$1,107	\$1,267
Other - Temporary Differences	584	233
Valuation Allowance	(840)	(984)
Total Deferred Income Tax Assets, Net of Allowance	\$ 851	\$ 516
Straight-line Rent	\$ (39)	\$ (40)
Basis Difference - Real Estate Properties	(424)	(488)
Other - Temporary Differences	(192)	(172)
Total Deferred Income Tax Liabilities	\$ (655)	\$ (700)
Total Net Deferred Income Tax Assets (Liabilities)	\$ 196	\$ (184)

A valuation allowance is recorded if we believe it is more likely than not that all or some portion of our deferred income tax assets will not be realized. We do not have projections of future taxable income or other sources of taxable income in one of the TRSs significant enough to allow us to believe it is more likely than not that we will realize our deferred income tax assets. Therefore, we have recorded a valuation allowance against the deferred income tax assets within that TRS. An increase or decrease in the valuation allowance that results from a change in circumstances, and which causes a change in our judgment about the realizability of the related deferred income tax assets, is included in the current income tax provision.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The income tax benefit (provision) pertaining to income before taxes of the TRSs differs from the amounts computed by applying the applicable federal statutory rate as follows for the years ended December 31, 2018, 2017 and 2016:

	Year Ended December 31,		
	2018	2017	2016
Tax Benefit (Provision) at Federal Rate	\$ 436	\$(1,416)	\$(1,764)
Change in Federal Tax Rate	—	(609)	—
State Tax Provision, Net of Federal Benefit	(417)	(376)	(462)
Change in Valuation Allowance	144	1,197	1,256
Other	(71)	11	(119)
Net Income Tax Benefit (Provision)	<u>\$ 92</u>	<u>\$(1,193)</u>	<u>\$(1,089)</u>

We evaluate tax positions taken in the financial statements on a quarterly basis under the interpretation for accounting for uncertainty in income taxes. As a result of this evaluation, we may recognize a tax benefit from an uncertain tax position only if it is “more-likely-than-not” that the tax position will be sustained on examination by taxing authorities. As of December 31, 2018, we do not have any unrecognized tax benefits.

We file income tax returns in the U.S. and various states. The statute of limitations for income tax returns is generally three years. As such, our tax returns that are subject to examination would be primarily from 2015 and thereafter.

Federal Income Tax Treatment of Common Dividends

For the years ended December 31, 2018, 2017 and 2016, the dividends paid to the Company’s common shareholders per common share for income tax purposes were characterized as follows:

	As a Percentage of		As a Percentage of		As a Percentage of	
	2018	Distributions	2017	Distributions	2016	Distributions
Ordinary Income (A)	\$0.6858	78.83%	\$0.6552	74.23%	\$0.6935	82.53%
Unrecaptured Section 1250 Gain	0.1497	17.21%	0.1627	18.43%	0.1130	13.45%
Capital Gain	0.0330	3.79%	0.0648	7.34%	0.0066	0.78%
Qualified Dividend	0.0015	0.17%	—	0.00%	—	0.00%
Return of Capital	—	0.00%	—	0.00%	0.0272	3.24%
	<u>\$0.8700</u>	<u>100.00%</u>	<u>\$0.8827</u>	<u>100.00%</u>	<u>\$0.8403</u>	<u>100.00%</u>

(A) For the year ended December 31, 2018, the Code Section 199A dividend is equal to the total ordinary income dividend.

The income tax characterization of dividends to common shareholders is based on the calculation of Taxable Earnings and Profits, as defined in the Code. Taxable Earnings and Profits differ from regular taxable income due primarily to differences in the estimated useful lives and methods used to compute depreciation and in the recognition of gains and losses on the sale of real estate assets.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

10. Future Rental Revenues

Our properties are leased to tenants under net and semi-net operating leases. Future minimum rental receipts, excluding tenant reimbursements of expenses, under non-cancelable operating leases executed as of December 31, 2018 are approximately as follows:

2019	\$ 305,689
2020	288,817
2021	244,743
2022	205,097
2023	169,243
Thereafter	<u>451,151</u>
Total	<u><u>\$1,664,740</u></u>

11. Benefit Plans

Stock Based Compensation

The Company maintains a stock incentive plan (the “Stock Incentive Plan”), which is administered by the Compensation Committee of the Board of Directors. Officers, certain employees and the Company’s independent directors generally are eligible to participate in the Stock Incentive Plan. Awards made under the Stock Incentive Plan can be in the form of restricted stock awards, restricted stock unit awards, performance share awards, dividend equivalent rights, non-statutory stock options and stock appreciation rights. Special provisions apply to awards granted under the Stock Incentive Plan in the event of a change in control in the Company. As of December 31, 2018, awards covering 1.6 million shares of common stock were available to be granted under the Stock Incentive Plan.

Restricted Stock or Restricted Unit Awards

For the years ended December 31, 2018, 2017 and 2016, the Company awarded 211,890, 260,685 and 308,373 shares, respectively, of restricted stock awards to certain employees, which had a fair value of \$6,068, \$6,871 and \$6,047 on the date such awards were approved by either the Compensation Committee of the Board of Directors or the Company’s stockholders of the Stock Incentive Plan, as the case may be. These restricted stock awards were granted based upon the achievement of certain corporate performance goals and generally vest over a period of three years. Additionally, during the years ended December 31, 2018, 2017 and 2016, the Company awarded 15,169, 15,108 and 14,460 shares, respectively, of restricted stock to non-employee members of the Board of Directors, which had a fair value of \$490, \$420 and \$350 on the date of approval. These restricted stock awards vest over a one-year period. The Operating Partnership issued restricted Unit awards to the Company in the same amount for both restricted stock awards.

Compensation expense is charged to earnings over the vesting periods for the restricted stock or restricted Unit awards expected to vest except if the recipient is not required to provide future service in exchange for vesting of such restricted stock or restricted Unit awards. If vesting of a recipient’s restricted stock or restricted Unit awards is not contingent upon future service, the expense is recognized immediately at the date of grant. During the years ended December 31, 2017 and 2016, we recognized \$1,590 and \$1,710, respectively, of compensation expense related to restricted stock or restricted Unit awards granted to our former Chief Executive Officer for which future service was not required.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

LTIP Unit Awards

For the years ended December 31, 2018 and 2017, the Company granted to certain employees 179,288 and 195,951 Long-Term Incentive Program (“LTIP”) performance units (“LTIP Unit Awards”), which had a fair value of \$2,381 and \$2,473 on the grant date. The LTIP Unit Awards vest based upon the relative total shareholder return (“TSR”) of the Company’s common stock compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index over a performance period of three years. Compensation expense is charged to earnings on a straight-line basis over the respective performance periods. At the end of the respective performance periods each participant will be issued shares of the Company’s common stock equal to the maximum shares issuable to the participant for the performance period multiplied by a percentage, ranging from 0% to 100%, based on the Company’s TSR as compared to the TSRs of the MSCI US REIT Index and the NAREIT Industrial Index. The participant is also entitled to dividend equivalents for shares issued pursuant to vested LTIP Unit Awards. The Operating Partnership issues General Partner Units to the Company in the same amounts for vested LTIP Unit Awards.

The fair values of the LTIP Unit Awards at issuance were determined by a lattice-binomial option-pricing model based on Monte Carlo simulations using the following assumptions:

	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
Expected dividend yield	2.67%	2.71%
Expected volatility - range used	15.83% - 17.87%	21.50% - 21.80%
Expected volatility - weighted average	17.02%	21.68%
Risk-free interest rate	1.57% - 2.04%	0.66% - 1.58%

Outstanding Restricted Stock or Restricted Unit Awards and LTIP Unit Awards

For the years ended December 31, 2018, 2017 and 2016, we recognized \$7,586, \$8,611 and \$7,371, respectively, in amortization related to restricted stock or restricted Unit awards and LTIP Unit Awards. Restricted stock or restricted Unit award and LTIP Unit Award amortization capitalized in connection with development activities was \$472 for the year ended December 31, 2018 and was not significant for the years ended December 31, 2017 and 2016. At December 31, 2018, we had \$8,306 in unrecognized compensation related to unvested restricted stock or restricted Unit awards and LTIP Unit Awards. The weighted average period that the unrecognized compensation is expected to be recognized is 0.88 years.

Restricted stock or restricted Unit award and LTIP Unit Award transactions for the year ended December 31, 2018 are summarized as follows:

	<u>Awards</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at December 31, 2017	1,112,828	\$15.31
Issued	406,347	\$22.00
Forfeited	(48,823)	\$17.47
Vested	<u>(469,533)</u>	\$15.55
Outstanding at December 31, 2018	<u>1,000,819</u>	\$17.81

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

401(k)/Profit Sharing Plan

Under the Company's 401(k)/Profit Sharing Plan, all eligible employees may participate by making voluntary contributions and the Company may make, but is not required to make, matching contributions, which are funded by the Operating Partnership. For the years ended December 31, 2018, 2017 and 2016, total expense related to matching contributions was \$688, \$518 and \$509, respectively.

12. Derivative Instruments

Our objectives in using derivatives are to add stability to interest expense and to manage our cash flow volatility and exposure to interest rate movements. To accomplish this objective, we primarily use derivative instruments as part of our interest rate risk management strategy. Derivative instruments designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

During December 2018, in anticipation of issuing long-term debt in the future, we entered into two treasury locks with an aggregate notional value of \$100,000 to manage our exposure to changes in the ten year U.S. Treasury rate (the "2018 Treasury Locks"). The 2018 Treasury Locks fix the ten year U.S. Treasury rate at a weighted average of 2.93% and cash settle on or before April 30, 2019. We designated the 2018 Treasury Locks as cash flow hedges.

In connection with the originations of the Unsecured Term Loans (see Note 4), we entered into interest rate swaps to manage our exposure to changes in the one month LIBOR rate. The four interest rate swaps, which fix the variable rate of the 2014 Unsecured Term Loan, have an aggregate notional value of \$200,000, mature on January 29, 2021 and fix the LIBOR rate at a weighted average rate of 2.29% (the "2014 Swaps"). The six interest rate swaps, which fix the variable rate of the 2015 Unsecured Term Loan, have an aggregate notional value of \$260,000, mature on September 12, 2022 and fix the LIBOR rate at a weighted average rate of 1.79% (the "2015 Swaps"). We designated the 2014 Swaps and 2015 Swaps as cash flow hedges.

In September 2017, we entered into two treasury locks (the "2017 Treasury Locks"), with an aggregate notional value of \$100,000, in order to fix the interest rate on an anticipated unsecured debt offering. The Treasury Locks fixed the ten year U.S. Treasury rate at a weighted average rate of approximately 2.18%. Since we did not designate the 2017 Treasury Locks as hedges the change in the fair value of the 2017 Treasury Locks was recorded within the consolidated statement of operations. During the year ended December 31, 2017 we settled the 2017 Treasury Locks and recognized \$1,896 in the line item *Settlement Gain on Derivative Instruments*.

Our agreements with our derivative counterparties contain provisions where if we default on any of our indebtedness, then we could also be declared in default on our derivative obligations subject to certain thresholds. As of December 31, 2018, we had not posted any collateral related to these agreements and were not in breach of any of the provisions of these agreements. If we had breached these agreements, we could have been required to settle our obligations under the agreements at their termination value.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table sets forth our financial assets and liabilities related to the 2014 Swaps, the 2015 Swaps and the 2018 Treasury Locks, which are included in the line items *Prepaid Expenses and Other Assets, Net or Accounts Payable, Accrued Expenses and Other Liabilities* and are accounted for at fair value on a recurring basis as of December 31, 2018:

<u>Description</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Derivatives designated as a hedging instrument:				
Assets:				
2014 Swaps	\$ 751	—	\$ 751	—
2015 Swaps	\$ 5,893	—	\$ 5,893	—
Liabilities:				
2018 Treasury Locks	\$(2,162)	—	\$(2,162)	—

There was no ineffectiveness recorded on the 2014 Swaps, the 2015 Swaps and the 2018 Treasury Locks during the year ended December 31, 2018.

The estimated fair value of the 2014 Swaps, the 2015 Swaps and the 2018 Treasury Locks was determined using the market standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments are incorporated in the fair value to account for potential non-performance risk, including our own non-performance risk and the respective counterparty's non-performance risk. We determined that the significant inputs used to value the 2014 Swaps, the 2015 Swaps and the 2018 Treasury Locks fell within Level 2 of the fair value hierarchy.

13. Related Party Transactions

During the year ended December 31, 2018, we recognized fees of \$113 from the Joint Venture related to asset management services provided to the Joint Venture. At December 31, 2018, we had a receivable from the Joint Venture of \$38.

At December 31, 2018 and 2017, the Operating Partnership had receivable balances of \$10,118 and \$10,129, respectively, from a direct wholly-owned subsidiary of the Company.

14. Commitments and Contingencies

In the normal course of business, we are involved in legal actions arising from the ownership of our industrial properties. In our opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a materially adverse effect on our consolidated financial position, operations or liquidity.

Five properties have leases granting the tenants options to purchase the property. Such options are exercisable at various times at appraised fair market value or at a fixed purchase price. None of the tenant purchase options have been exercised.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

At December 31, 2018, we had outstanding letters of credit and performance bonds in the aggregate amount of \$18,573.

In conjunction with the development of industrial properties, we have entered into agreements with general contractors for the construction of industrial properties. At December 31, 2018, we had seven industrial properties totaling approximately 2.8 million square feet of GLA under construction. The estimated total investment as of December 31, 2018 is approximately \$189,400 (unaudited). Of this amount, approximately \$140,300 (unaudited) remains to be funded. There can be no assurance that the actual completion cost will not exceed the estimated total investment.

Ground and Operating Lease Commitments

For the years ended December 31, 2018, 2017 and 2016, we recognized \$1,566, \$1,419 and \$1,380, respectively, in operating and ground lease expense.

Future minimum rental payments under the terms of all non-cancelable ground and operating leases under which we are the lessee as of December 31, 2018 are as follows:

2019	\$ 1,464
2020	1,536
2021	1,503
2022	1,465
2023	1,329
Thereafter	<u>29,025</u>
Total	<u><u>\$36,322</u></u>

15. Subsequent Events

On January 25, 2019 we acquired one land parcel for a purchase price of \$1,760, excluding costs incurred in conjunction with the acquisition.

On February 4, 2019 we acquired one industrial property for a purchase price of \$12,258, excluding costs incurred in conjunction with the acquisition.

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

16. Quarterly Financial Information (unaudited)

The following tables summarize the Company's unaudited quarterly financial information for each of the years ended December 31, 2018 and 2017.

	Year Ended December 31, 2018			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 99,771	\$ 98,845	\$100,256	\$105,082
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 36,292	\$ 45,209	\$ 30,911	\$ 50,827
Net Income Allocable to Participating Securities	(97)	(151)	(101)	(164)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 36,195	\$ 45,058	\$ 30,810	\$ 50,663
Basic EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.30	\$ 0.36	\$ 0.24	\$ 0.40
Diluted EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.30	\$ 0.36	\$ 0.24	\$ 0.40
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares - Basic	119,846	123,616	125,768	125,897
Weighted Average Shares - Diluted	120,211	124,085	126,130	126,249
	Year Ended December 31, 2017			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 97,383	\$ 97,579	\$ 99,310	\$102,130
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders and Participating Securities	\$ 22,709	\$ 37,562	\$ 43,198	\$ 97,987
Net Income Allocable to Participating Securities	(67)	(129)	(145)	(331)
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 22,642	\$ 37,433	\$ 43,053	\$ 97,656
Basic EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.19	\$ 0.32	\$ 0.36	\$ 0.82
Diluted EPS:				
Net Income Available to First Industrial Realty Trust, Inc.'s Common Stockholders	\$ 0.19	\$ 0.32	\$ 0.36	\$ 0.81
Weighted Average Shares Basic/Diluted (In Thousands):				
Weighted Average Shares - Basic	116,837	117,299	119,446	119,462
Weighted Average Shares - Diluted	117,261	117,779	119,990	120,076

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following tables summarize the Operating Partnership's unaudited quarterly financial information for each of the years ended December 31, 2018 and 2017.

	Year Ended December 31, 2018			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 99,771	\$ 98,845	\$ 100,256	\$ 105,082
Net Income Available to Unitholders and Participating Securities	\$ 37,443	\$ 46,382	\$ 31,508	\$ 51,913
Net Income Allocable to Participating Securities	(97)	(151)	(101)	(164)
Net Income Available to Unitholders	<u>\$ 37,346</u>	<u>\$ 46,231</u>	<u>\$ 31,407</u>	<u>\$ 51,749</u>
Basic EPU:				
Net Income Available to Unitholders	<u>\$ 0.30</u>	<u>\$ 0.36</u>	<u>\$ 0.24</u>	<u>\$ 0.40</u>
Diluted EPU:				
Net Income Available to Unitholders	<u>\$ 0.30</u>	<u>\$ 0.36</u>	<u>\$ 0.24</u>	<u>\$ 0.40</u>
Weighted Average Units Basic/Diluted (In Thousands):				
Weighted Average Units - Basic	<u>123,729</u>	<u>126,832</u>	<u>128,526</u>	<u>128,526</u>
Weighted Average Units - Diluted	<u>124,094</u>	<u>127,301</u>	<u>128,888</u>	<u>128,878</u>
	Year Ended December 31, 2017			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total Revenues	\$ 97,383	\$ 97,579	\$ 99,310	\$ 102,130
Net Income Available to Unitholders and Participating Securities	\$ 23,464	\$ 38,827	\$ 44,613	\$ 101,254
Net Income Allocable to Participating Securities	(66)	(129)	(145)	(331)
Net Income Available to Unitholders	<u>\$ 23,398</u>	<u>\$ 38,698</u>	<u>\$ 44,468</u>	<u>\$ 100,923</u>
Basic EPU:				
Net Income Available to Unitholders	<u>\$ 0.19</u>	<u>\$ 0.32</u>	<u>\$ 0.36</u>	<u>\$ 0.82</u>
Diluted EPU:				
Net Income Available to Unitholders	<u>\$ 0.19</u>	<u>\$ 0.32</u>	<u>\$ 0.36</u>	<u>\$ 0.81</u>
Weighted Average Units Basic/Diluted (In Thousands):				
Weighted Average Units - Basic	<u>120,877</u>	<u>121,339</u>	<u>123,483</u>	<u>123,483</u>
Weighted Average Units - Diluted	<u>121,301</u>	<u>121,819</u>	<u>124,027</u>	<u>124,097</u>

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2018

Building Address Properties (b)	Location (City/State)	(a) Encumbrances	Initial Cost		Costs			Accumulated Depreciation 12/31/2018	Year Acquired/ Constructed	
			Land	Buildings and Improvements	Capitalized Subsequent to Acquisition or Completion Provision	Gross Amount Carried At Close of Period 12/31/18				
						Land	Buildings and Improvements			Land
(In thousands)										
Atlanta										
1650 Highway 155	McDonough, GA	—	779	4,544	(669)	345	4,309	4,654	2,573	1994
4051 Southmeadow Parkway	Atlanta, GA	—	726	4,130	1,666	726	5,796	6,522	3,072	1994
4071 Southmeadow Parkway	Atlanta, GA	—	750	4,460	1,929	828	6,311	7,139	3,522	1994
4081 Southmeadow Parkway	Atlanta, GA	—	1,012	5,918	2,088	1,157	7,861	9,018	4,320	1994
5570 Tulane Drive	Atlanta, GA	2,055	527	2,984	1,255	546	4,220	4,766	2,114	1996
955 Cobb Place	Kennesaw, GA	2,688	780	4,420	1,032	804	5,428	6,232	2,783	1997
1005 Sigmans Road	Conyers, GA	2,125	566	3,134	1,226	574	4,352	4,926	1,804	1999
2050 East Park Drive	Conyers, GA	—	452	2,504	860	459	3,357	3,816	1,476	1999
3060 South Park Blvd	Ellenwood, GA	—	1,600	12,464	3,202	1,604	15,662	17,266	5,925	2003
175 Greenwood Industrial Parkway	McDonough, GA	3,987	1,550	—	7,695	1,550	7,695	9,245	2,824	2004
5095 Phillip Lee Drive	Atlanta, GA	—	735	3,627	447	740	4,069	4,809	3,405	2005
6514 Warren Drive	Norcross, GA	—	510	1,250	127	513	1,374	1,887	610	2005
6544 Warren Drive	Norcross, GA	—	711	2,310	332	715	2,638	3,353	1,309	2005
5356 E. Ponce De Leon	Stone Mountain, GA	—	604	3,888	572	610	4,454	5,064	2,515	2005
5390 E. Ponce De Leon	Stone Mountain, GA	—	397	1,791	529	402	2,315	2,717	1,053	2005
1755 Enterprise Drive	Buford, GA	1,127	712	2,118	(217)	716	1,897	2,613	890	2006
4555 Atwater Court	Buford, GA	1,980	881	3,550	161	885	3,707	4,592	1,517	2006
80 Liberty Industrial Parkway	McDonough, GA	—	756	3,695	(1,560)	467	2,424	2,891	1,037	2007
596 Bonnie Valentine	Pendergrass, GA	—	2,580	21,730	2,890	2,594	24,606	27,200	7,718	2007
11415 Old Roswell Road	Alpharetta, GA	—	2,403	1,912	808	2,428	2,695	5,123	1,032	2008
1281 Highway 155 S.	McDonough, GA	—	2,501	—	17,056	2,502	17,055	19,557	1,149	2016
Baltimore										
22520 Randolph Drive	Dulles, VA	—	3,200	8,187	187	3,208	8,366	11,574	2,466	2004
22630 Dulles Summit Court	Dulles, VA	—	2,200	9,346	(903)	2,206	8,437	10,643	2,723	2004
11204 McCormick Road	Hunt Valley, MD	—	1,017	3,132	195	1,038	3,306	4,344	1,776	2005
11110 Pepper Road	Hunt Valley, MD	—	918	2,529	476	938	2,985	3,923	1,470	2005
11100-11120 Gilroy Road	Hunt Valley, MD	—	901	1,455	67	919	1,504	2,423	762	2005
10709 Gilroy Road	Hunt Valley, MD	1,777	913	2,705	(86)	913	2,619	3,532	1,740	2005
10707 Gilroy Road	Hunt Valley, MD	—	1,111	3,819	795	1,136	4,589	5,725	2,402	2005

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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REAL ESTATE AND ACCUMULATED DEPRECIATION
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Building Address	Location (City/State)	(a) Encumbrances	Initial Cost		Buildings and Improvements	Costs Capitalized Subsequent to Acquisition or Completion and Valuation Provision	Gross Amount Carried At Close of Period 12/31/18		Accumulated Depreciation 12/31/2018	Year Acquired/ Constructed	
			Land	Buildings and Improvements			Land	Buildings and Improvements			Total
			(In thousands)								
38 Loveton Circle	Sparks, MD	—	1,648	2,151	—	(192)	1,690	1,917	3,607	1,051	2005
1225 Bengies Road	Baltimore, MD	—	2,640	270	—	13,331	2,823	13,418	16,241	4,486	2008
400 Old Post Road	Aberdeen, MD	—	3,411	17,144	—	1,514	3,411	18,658	22,069	2,614	2015
500 Old Post Road	Aberdeen, MD	—	5,959	30,533	—	146	5,959	30,679	36,638	3,926	2015
Central/Eastern Pennsylvania											
1214-B Freedom Road	Cranberry Township, PA	—	31	994	—	613	200	1,438	1,638	1,385	1994
401 Russell Drive	Middletown, PA	—	262	857	—	1,829	287	2,661	2,948	2,243	1994
2700 Commerce Drive	Middletown, PA	—	196	997	—	800	206	1,787	1,993	1,587	1994
2701 Commerce Drive	Middletown, PA	—	141	859	—	1,399	164	2,235	2,399	1,692	1994
2780 Commerce Drive	Middletown, PA	—	113	743	—	1,209	209	1,856	2,065	1,604	1994
350 Old Silver Spring Road	Mechanicsburg, PA	—	510	2,890	—	879	541	8,795	9,336	4,223	1997
16522 Hunters Green Parkway	Hagerstown, MD	—	1,390	13,104	—	5,656	1,863	18,287	20,150	6,151	2003
18212 Shawley Drive	Hagerstown, MD	—	1,000	5,847	—	2,800	1,016	8,631	9,647	2,544	2004
37 Valley View Drive	Jessup, PA	—	542	—	—	3,205	532	3,215	3,747	1,099	2004
14 McFadden Road	Palmer, PA	—	600	1,349	—	(274)	625	1,050	1,675	401	2004
431 Railroad Avenue	Shiremanstown, PA	—	1,293	7,164	—	2,035	1,341	9,151	10,492	5,281	2005
6951 Allentown Blvd	Harrisburg, PA	—	585	3,176	—	(27)	601	3,133	3,734	1,324	2005
320 Reliance Road	Washington, PA	—	201	1,819	—	(348)	178	1,494	1,672	943	2005
2801 Red Lion Road	Philadelphia, PA	—	950	5,916	—	7	964	5,909	6,873	3,168	2005
1351 Eisenhower Blvd., Bldg. 1	Harrisburg, PA	—	382	2,343	—	3	387	2,341	2,728	855	2006
1351 Eisenhower Blvd., Bldg. 2	Harrisburg, PA	—	436	1,587	—	(233)	443	1,347	1,790	513	2006
200 Cascade Drive, Bldg. 1	Allentown, PA	—	2,133	17,562	—	338	2,769	17,264	20,033	7,704	2007
200 Cascade Drive, Bldg. 2	Allentown, PA	—	310	2,268	—	68	316	2,330	2,646	907	2007
1490 Dennison Circle	Carlisle, PA	—	1,500	—	—	13,198	2,341	12,357	14,698	3,816	2008
298 First Avenue	Covington Twp, PA	—	7,022	—	—	57,053	7,019	57,056	64,075	14,712	2008
225 Cross Farm Lane	York, PA	—	4,718	—	—	23,163	4,715	23,166	27,881	6,520	2008
6300 Bristol Pike	Levittown, PA	—	1,074	2,642	—	(110)	964	2,642	3,606	2,276	2008
2455 Boulevard of Generals	Norristown, PA	2,997	1,200	4,800	—	950	1,226	5,724	6,950	2,370	2008
105 Steamboat Blvd	Manchester, PA	—	4,085	14,464	—	11	4,070	14,490	18,560	4,034	2012

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Building Address	Location (City/State)	(a) Encumbrances	Initial Cost		Buildings and Improvements	Completion and Valuation Provision	Costs Capitalized Subsequent to Acquisition or			Gross Amount Carried At Close of Period 12/31/18	Accumulated Depreciation 12/31/2018	Year Acquired/ Constructed
			Land	Buildings and Improvements			Land	Buildings and Improvements	Land			
20 Leo Lane	York County, PA	—	6,884	—	27,480	6,889	27,475	34,364	3,411	2013		
3895 Eastgate Blvd, Bldg. A	Easton, PA	—	4,855	—	17,824	4,388	18,291	22,679	1,637	2015		
3895 Eastgate Blvd, Bldg. B	Easton, PA	—	3,459	—	13,818	3,128	14,149	17,277	1,419	2015		
112 Bordersville Road	Jonestown, PA	—	13,702	—	30,341	13,724	30,319	44,043	179	2018		
122 Bordersville Road	Jonestown, PA	—	3,165	—	10,937	3,171	10,931	14,102	—	2018		
Chicago												
720-730 Landwehr Drive	Northbrook, IL	—	521	2,982	911	521	3,893	4,414	2,201	1994		
1385 101st Street	Lemont, IL	3,465	967	5,554	1,513	968	7,066	8,034	3,907	1994		
2300 Windsor Court	Addison, IL	—	688	3,943	761	696	4,696	5,392	2,660	1994		
305-311 Era Drive	Northbrook, IL	—	200	1,154	1,299	205	2,448	2,653	1,128	1994		
800 Business Drive	Mount Prospect, IL	—	631	3,493	328	666	3,786	4,452	1,720	2000		
580 Slawin Court	Mount Prospect, IL	716	233	1,292	(27)	162	1,336	1,498	735	2000		
1005 101st Street	Lemont, IL	4,761	1,200	6,643	1,619	1,220	8,242	9,462	3,321	2001		
175 Wall Street	Glendale Heights, IL	1,509	427	2,363	709	433	3,066	3,499	1,113	2002		
251 Airport Road	North Aurora, IL	3,491	983	—	6,403	983	6,403	7,386	2,485	2002		
400 Crossroads Pkwy	Bolingbrook, IL	5,108	1,178	9,453	1,212	1,181	10,662	11,843	4,568	2005		
7801 W. Industrial Drive	Forest Park, IL	—	1,215	3,020	1,314	1,220	4,329	5,549	2,061	2005		
725 Kimberly Drive	Carol Stream, IL	—	793	1,395	255	801	1,642	2,443	894	2005		
17001 S. Vincennes	Thornton, IL	—	497	504	3	513	491	1,004	417	2005		
2900 W. 166th Street	Markham, IL	—	1,132	4,293	(881)	1,134	3,410	4,544	1,275	2007		
555 W. Algonquin Road	Arlington Heights, IL	1,849	574	741	1,951	579	2,687	3,266	1,086	2007		
1501 Oakton Street	Elk Grove Village, IL	4,843	3,369	6,121	134	3,482	6,142	9,624	2,128	2008		
16500 W. 103rd Street	Woodridge, IL	—	744	2,458	487	762	2,927	3,689	1,089	2008		
8505 50th Street	Kenosha, WI	—	3,212	—	32,956	3,212	32,956	36,168	9,086	2008		
4100 Rock Creek Blvd	Joliet, IL	—	4,476	16,061	807	4,476	16,868	21,344	3,744	2013		
10100 58th Place	Kenosha, WI	—	4,201	17,604	74	4,201	17,678	21,879	3,836	2013		
401 Airport Road	North Aurora, IL	—	534	1,957	12	534	1,969	2,503	381	2014		
3737 84th Avenue	Somers, WI	—	1,943	—	24,116	1,943	24,116	26,059	1,652	2016		
81 Paragon Drive	Romeoville, IL	—	1,787	7,252	1,340	1,787	8,592	10,379	678	2016		
10680 88th Avenue	Pleasant Prairie, WI	—	1,376	4,757	—	1,376	4,757	6,133	234	2017		

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
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Building Address	Location (City/State)	(a) Encumbrances	Initial Cost		Completion Provision	Gross Amount Carried At Close of Period 12/31/18		Accumulated Depreciation 12/31/2018	Year Acquired/ Constructed	
			Buildings and Improvements	Land		Buildings and Improvements	Land			
			(In thousands)							
8725 31st Street	Somers, WI	—	2,133	—	26,451	2,134	26,450	1,467	2017	
3500 Channahon Road	Joliet, IL	—	2,595	—	16,729	2,598	16,726	141	2018	
Cincinnati										
4700-4750 Creek Road	Blue Ash, OH	—	1,080	6,118	1,508	1,109	7,597	3,954	1996	
4436 Muhlhauer Road	Hamilton, OH	—	630	—	5,294	630	5,294	2,102	2002	
4438 Muhlhauer Road	Hamilton, OH	—	779	—	6,407	779	6,407	2,606	2002	
420 Wards Corner Road	Loveland, OH	—	600	1,083	1,165	606	2,242	944	2003	
422 Wards Corner Road	Loveland, OH	—	600	1,811	443	592	2,262	2,854	2003	
4663 Dues Drive	Westchester, OH	—	858	2,273	606	875	2,862	3,737	2005	
9345 Princeton-Glendale Road	Westchester, OH	1,228	818	1,648	380	840	2,006	2,846	2006	
9525 Glades Drive	Westchester, OH	—	347	1,323	240	355	1,555	669	2007	
9774-9792 Windisch Road	Westchester, OH	—	392	1,744	163	394	1,905	534	2007	
9808-9830 Windisch Road	Westchester, OH	—	395	2,541	447	397	2,986	3,383	2007	
9842-9862 Windisch Road	Westchester, OH	—	506	3,148	202	508	3,348	3,856	2007	
9872-9898 Windisch Road	Westchester, OH	—	546	3,039	285	548	3,322	1,254	2007	
9902-9922 Windisch Road	Westchester, OH	—	623	4,003	1,104	627	5,103	2,408	2007	
Cleveland										
30311 Emerald Valley Parkway	Glenwillow, OH	6,203	681	11,838	603	691	12,431	5,315	2006	
30333 Emerald Valley Parkway	Glenwillow, OH	—	466	5,447	(615)	475	4,823	1,898	2006	
7800 Cochran Road	Glenwillow, OH	3,598	972	7,033	338	991	7,352	3,145	2006	
7900 Cochran Road	Glenwillow, OH	3,382	775	6,244	137	792	6,364	2,789	2006	
7905 Cochran Road	Glenwillow, OH	3,627	920	6,174	114	922	6,286	2,464	2006	
8181 Darrow Road	Twinsburg, OH	—	2,478	6,791	465	2,496	7,238	3,825	2008	
Dallas/Ft. Worth										
2406-2416 Walnut Ridge	Dallas, TX	—	178	1,006	1,140	172	2,152	743	1997	
2401-2419 Walnut Ridge	Dallas, TX	—	148	839	416	142	1,261	615	1997	
900-906 Great Southwest Parkway	Arlington, TX	—	237	1,342	479	270	1,788	893	1997	
3000 West Commerce	Dallas, TX	—	456	2,584	1,156	469	3,727	1,959	1997	
405-407 113th	Arlington, TX	—	181	1,026	456	185	1,478	717	1997	
816 111th Street	Arlington, TX	—	251	1,421	172	258	1,586	796	1997	

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			Land	Buildings and Improvements	Completion Provision	Land	Buildings and Improvements	Total		
1602-1654 Terre Colony	Dallas, TX	—	458	2,596	864	468	3,450	3,918	1,559	2000
2220 Merritt Drive	Garland, TX	—	352	1,993	407	316	2,436	2,752	987	2000
2485-2505 Merritt Drive	Garland, TX	—	431	2,440	546	443	2,974	3,417	1,282	2000
2110 Hutton Drive	Carrollton, TX	—	374	2,117	404	255	2,640	2,895	1,312	2001
2025 McKenzie Drive	Carrollton, TX	—	437	2,478	568	442	3,041	3,483	1,238	2001
2019 McKenzie Drive	Carrollton, TX	—	502	2,843	625	507	3,463	3,970	1,372	2001
2029-2035 McKenzie Drive	Carrollton, TX	—	306	1,870	356	306	2,226	2,532	928	2001
2015 McKenzie Drive	Carrollton, TX	1,830	510	2,891	471	516	3,356	3,872	1,497	2001
2009 McKenzie Drive	Carrollton, TX	1,734	476	2,699	494	481	3,188	3,669	1,389	2001
900-1100 Avenue S	Grand Prairie, TX	—	623	3,528	1,118	629	4,640	5,269	1,749	2002
Plano Crossing Bus. Park	Plano, TX	6,682	1,961	11,112	1,062	1,981	12,154	14,135	4,912	2002
825-827 Avenue H	Arlington, TX	2,012	600	3,006	393	604	3,395	3,999	1,703	2004
1013-31 Avenue M	Grand Prairie, TX	—	300	1,504	257	302	1,759	2,061	811	2004
1172-84 113th Street	Grand Prairie, TX	—	700	3,509	(40)	704	3,465	4,169	1,393	2004
1200-16 Avenue H	Arlington, TX	—	600	2,846	852	604	3,694	4,298	1,412	2004
1322-66 W. North Carrier Parkway	Grand Prairie, TX	3,776	1,000	5,012	1,491	1,006	6,497	7,503	2,662	2004
2401-2407 Centennial Drive	Arlington, TX	1,781	600	2,534	634	604	3,164	3,768	1,485	2004
3111 West Commerce Street	Dallas, TX	3,111	1,000	3,364	1,818	1,011	5,171	6,182	2,483	2004
13800 Senlac Drive	Farmers Branch, TX	2,416	823	4,042	(63)	825	3,977	4,802	2,003	2005
801-831 S Great Southwest Parkway	Grand Prairie, TX	—	2,581	16,556	367	2,586	16,918	19,504	11,279	2005
801 Heinz Way	Grand Prairie, TX	—	599	3,327	339	601	3,664	4,265	1,901	2005
901-937 Heinz Way	Grand Prairie, TX	—	493	2,758	56	481	2,826	3,307	1,628	2005
3301 Century Circle	Irving, TX	—	760	3,856	(142)	771	3,703	4,474	1,260	2007
3901 W Miller Road	Garland, TX	—	1,912	—	15,135	1,947	15,100	17,047	4,926	2008
1251 North Cockrell Hill Road	Dallas, TX	—	2,064	—	13,553	1,073	14,544	15,617	1,625	2015
1171 North Cockrell Hill Road	Dallas, TX	—	1,215	—	10,972	632	11,555	12,187	1,171	2015
3996 Scientific Drive	Arlington, TX	—	1,301	—	8,082	1,349	8,034	9,383	1,147	2015
750 Gateway Boulevard	Coppell, TX	—	1,452	4,679	80	1,452	4,759	6,211	556	2015
2250 East Bardin Road	Arlington, TX	—	1,603	—	10,465	1,603	10,465	12,068	1,041	2016

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			Land	Buildings and Improvements		Land Improvements	Buildings and Improvements			
			Total	Total		Total	Total			
(In thousands)										
Denver										
4785 Elati	Denver, CO	—	173	981	396	175	1,375	1,550	586	1997
4770 Fox Street	Denver, CO	—	132	750	321	134	1,069	1,203	492	1997
3851-3871 Revere	Denver, CO	—	361	2,047	483	368	2,523	2,891	1,291	1997
4570 Ivy Street	Denver, CO	—	219	1,239	111	220	1,349	1,569	702	1997
5855 Stapleton Drive North	Denver, CO	—	288	1,630	183	290	1,811	2,101	952	1997
5885 Stapleton Drive North	Denver, CO	—	376	2,129	327	380	2,452	2,832	1,285	1997
5977 North Broadway	Denver, CO	—	268	1,518	518	271	2,033	2,304	1,005	1997
5952-5978 North Broadway	Denver, CO	—	414	2,346	704	422	3,042	3,464	1,552	1997
4721 Ironton Street	Denver, CO	—	232	1,313	352	236	1,661	1,897	831	1997
7003 E.47th Ave Drive	Denver, CO	—	441	2,689	19	441	2,708	3,149	1,472	1997
9500 West 49th Street—A	Wheatridge, CO	992	283	1,625	189	287	1,810	2,097	947	1997
9500 West 49th Street—B	Wheatridge, CO	822	225	1,272	241	227	1,511	1,738	739	1997
9500 West 49th Street—C	Wheatridge, CO	2,131	600	3,409	498	601	3,906	4,507	2,022	1997
9500 West 49th Street—D	Wheatridge, CO	1,029	246	1,537	394	247	1,930	2,177	1,013	1997
451-591 East 124th Avenue	Thornton, CO	—	383	2,145	392	383	2,537	2,920	1,371	1997
6547 South Racine Circle	Centennial, CO	2,614	739	4,241	486	739	4,727	5,466	2,384	1997
11701 East 53rd Avenue	Denver, CO	—	416	2,355	297	422	2,646	3,068	1,372	1997
5401 Oswego	Denver, CO	—	273	1,547	234	278	1,776	2,054	942	1997
445 Bryant Street	Denver, CO	7,511	1,829	10,219	2,878	1,829	13,097	14,926	6,083	1998
12055 E. 49th Ave/4955 Peoria	Denver, CO	—	298	1,688	505	305	2,186	2,491	1,066	1998
4940-4950 Paris	Denver, CO	—	152	861	260	156	1,117	1,273	529	1998
7367 South Revere Parkway	Centennial, CO	—	926	5,124	1,196	934	6,312	7,246	3,114	1998
8200 East Park Meadows Drive	Lone Tree, CO	4,955	1,297	7,348	1,202	1,304	8,543	9,847	3,682	2000
3250 Quentin Street	Aurora, CO	—	1,220	6,911	897	1,230	7,798	9,028	3,445	2000
8020 Southpark Circle	Littleton, CO	—	739	—	3,170	781	3,128	3,909	1,276	2000
8810 W. 116th Circle	Broomfield, CO	—	312	—	1,789	370	1,731	2,101	718	2001
8820 W. 116th Circle	Broomfield, CO	—	338	1,918	343	372	2,227	2,599	887	2003
8835 W. 116th Circle	Broomfield, CO	—	1,151	6,523	1,139	1,304	7,509	8,813	3,081	2003
18150 E. 32nd Place	Aurora, CO	—	563	3,188	175	572	3,354	3,926	1,401	2004

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			Land	Buildings and Improvements	Buildings and and Valuation Provision	Land Improvements	Buildings and Improvements	Total		
			(In thousands)							
3400 Fraser Street	Aurora, CO	1,948	616	3,593	(134)	620	3,455	4,075	1,439	2005
7005 E. 46th Avenue Drive	Denver, CO	1,323	512	2,025	229	517	2,249	2,766	830	2005
4001 Salazar Way	Frederick, CO	3,340	1,271	6,508	(713)	1,276	5,790	7,066	1,996	2006
5909-5915 N. Broadway	Denver, CO	—	495	1,268	129	500	1,392	1,892	856	2006
21301 E. 33rd Drive	Aurora, CO	6,526	2,860	8,202	924	2,859	9,127	11,986	821	2017
Detroit										
47461 Clipper	Plymouth Township, MI	—	122	723	159	122	882	1,004	498	1994
449 Executive Drive	Troy, MI	—	125	425	984	218	1,316	1,534	1,220	1994
1416 Meijer Drive	Troy, MI	—	94	394	477	121	844	965	725	1994
1624 Meijer Drive	Troy, MI	—	236	1,406	1,093	373	2,362	2,735	2,241	1994
1972 Meijer Drive	Troy, MI	—	315	1,301	787	372	2,031	2,403	1,859	1994
1707 Northwood Drive	Troy, MI	—	95	262	1,409	239	1,527	1,766	1,352	1994
1826 Northwood Drive	Troy, MI	—	55	208	472	103	632	735	566	1994
1864 Northwood Drive	Troy, MI	—	57	190	489	107	629	736	580	1994
2730 Research Drive	Rochester Hills, MI	—	903	4,215	831	903	5,046	5,949	4,707	1994
2791 Research Drive	Rochester Hills, MI	—	557	2,731	687	560	3,415	3,975	2,810	1994
2871 Research Drive	Rochester Hills, MI	—	324	1,487	412	327	1,896	2,223	1,610	1994
2870 Technology Drive	Rochester Hills, MI	—	275	1,262	356	279	1,614	1,893	1,488	1994
2900 Technology Drive	Rochester Hills, MI	—	214	977	723	219	1,695	1,914	1,153	1994
2930 Technology Drive	Rochester Hills, MI	—	131	594	432	138	1,019	1,157	802	1994
2950 Technology Drive	Rochester Hills, MI	—	178	819	368	185	1,180	1,365	986	1994
23014 Commerce Drive	Farmington Hills, MI	—	39	203	189	56	375	431	346	1994
23035 Commerce Drive	Farmington Hills, MI	—	71	355	291	93	624	717	544	1994
23093 Commerce Drive	Farmington Hills, MI	—	211	1,024	1,337	295	2,277	2,572	1,982	1994
23135 Commerce Drive	Farmington Hills, MI	—	146	701	312	158	1,001	1,159	936	1994
23163 Commerce Drive	Farmington Hills, MI	—	111	513	393	138	879	1,017	819	1994
23177 Commerce Drive	Farmington Hills, MI	—	175	1,007	689	254	1,617	1,871	1,496	1994
4400 Purks Drive	Auburn Hills, MI	—	602	3,410	3,774	612	7,174	7,786	3,730	1995

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			Land	Buildings and Improvements				Land	Buildings and Improvements
12707 Eckles Road	Plymouth Township, MI	—	255	1,445	241	1,674	1,941	896	1996
32975 Capitol Avenue	Livonia, MI	—	135	748	(65)	741	818	362	1998
11923 Brookfield Avenue	Livonia, MI	—	120	665	(306)	447	479	305	1998
47711 Clipper Street	Plymouth Township, MI	—	539	2,983	579	3,526	4,101	1,733	1998
12874 Westmore Avenue	Livonia, MI	—	137	761	(234)	606	664	369	1998
1775 Bellingham	Troy, MI	—	344	1,902	439	2,318	2,685	1,119	1998
1785 East Maple	Troy, MI	—	92	507	210	711	809	341	1998
980 Chicago Road	Troy, MI	—	206	1,141	333	1,460	1,680	706	1998
1885 Enterprise Drive	Rochester Hills, MI	—	209	1,158	589	1,733	1,956	945	1998
1935-55 Enterprise Drive	Rochester Hills, MI	—	1,285	7,144	1,342	8,400	9,771	4,244	1998
5500 Enterprise Court	Warren, MI	—	675	3,737	772	4,463	5,184	2,227	1998
750 Chicago Road	Troy, MI	—	323	1,790	404	2,172	2,517	1,107	1998
800 Chicago Road	Troy, MI	—	283	1,567	380	1,928	2,230	963	1998
850 Chicago Road	Troy, MI	—	183	1,016	279	1,282	1,478	623	1998
4872 S. Lapeer Road	Lake Orion Twsp, MI	—	1,342	5,441	481	5,852	7,264	2,884	1999
1400 Allen Drive	Troy, MI	—	209	1,154	393	1,544	1,756	658	2000
1408 Allen Drive	Troy, MI	—	151	834	104	936	1,089	416	2000
28435 Automation Blvd	Wixom, MI	—	621	—	3,661	3,654	4,282	1,284	2004
32200 North Avis Drive	Madison Heights, MI	—	503	3,367	(921)	195	2,949	917	2005
100 Kay Industrial Drive	Orion Township, MI	—	677	2,018	175	2,185	2,870	1,263	2005
42555 Merrill Road	Sterling Heights, MI	—	1,080	2,300	3,415	5,705	6,795	2,842	2006
200 Northpointe Drive	Orion Township, MI	—	723	2,063	(456)	1,596	2,330	748	2006
Houston									
3351 Rauch Street	Houston, TX	—	272	1,541	641	2,176	2,454	1,019	1997
3801-3851 Yale Street	Houston, TX	—	413	2,343	1,499	3,830	4,255	1,603	1997
3337-3347 Rauch Street	Houston, TX	—	227	1,287	444	1,725	1,958	813	1997

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		(a) Encumbrances	Land	Buildings and Improvements	Buildings and Valuation Provision	Land Improvements	Buildings and Improvements	Total	Total			
										(In thousands)		
8505 North Loop East	Houston, TX	—	439	2,489	613	449	3,092	3,541	1,535	1997		
4749-4799 Eastpark Drive	Houston, TX	—	594	3,368	1,220	611	4,571	5,182	2,317	1997		
4851 Homestead Road	Houston, TX	2,198	491	2,782	1,377	504	4,146	4,650	2,055	1997		
3365-3385 Rauch Street	Houston, TX	—	284	1,611	486	290	2,091	2,381	999	1997		
5050 Campbell Road	Houston, TX	—	461	2,610	1,078	470	3,679	4,149	1,790	1997		
4300 Pine Timbers	Houston, TX	2,235	489	2,769	1,183	499	3,942	4,441	1,844	1997		
2500-2530 Fairway Park Drive	Houston, TX	—	766	4,342	2,200	792	6,516	7,308	2,866	1997		
6550 Longpointe	Houston, TX	—	362	2,050	924	370	2,966	3,336	1,399	1997		
1815 Turning Basin Drive	Houston, TX	—	487	2,761	2,105	531	4,822	5,353	2,106	1997		
1819 Turning Basin Drive	Houston, TX	—	231	1,308	899	251	2,187	2,438	1,007	1997		
1805 Turning Basin Drive	Houston, TX	—	564	3,197	2,699	616	5,844	6,460	2,698	1997		
11505 State Highway 225	La Porte, TX	—	940	4,675	10	940	4,685	5,625	1,785	2005		
1500 East Main Street	La Porte, TX	—	201	1,328	(91)	204	1,234	1,438	1,147	2005		
7230-7238 Wynnwood	Houston, TX	—	254	764	249	259	1,008	1,267	602	2007		
7240-7248 Wynnwood	Houston, TX	—	271	726	333	276	1,054	1,330	556	2007		
7250-7260 Wynnwood	Houston, TX	—	200	481	1,501	203	1,979	2,182	690	2007		
6400 Long Point	Houston, TX	—	188	898	132	188	1,030	1,218	475	2007		
7967 Blankenship	Houston, TX	—	307	1,166	374	307	1,540	1,847	676	2010		
8800 City Park Loop East	Houston, TX	—	3,717	19,237	(535)	3,717	18,702	22,419	5,561	2011		
4800 West Greens Road	Houston, TX	—	3,350	—	16,757	3,312	16,795	20,107	2,497	2014		
611 East Sam Houston Parkway S	Pasadena, TX	—	1,970	7,431	1,313	2,013	8,701	10,714	824	2015		
619 East Sam Houston Parkway S	Pasadena, TX	—	2,879	11,713	778	2,876	12,494	15,370	1,203	2015		
6913 Guhn Road	Houston, TX	—	1,367	—	6,301	1,367	6,301	7,668	—	2018		
607 East Sam Houston Parkway	Pasadena, TX	—	2,076	11,674	—	2,076	11,674	13,750	2	2018		
615 East Sam Houston Parkway	Pasadena, TX	—	4,265	11,983	—	4,265	11,983	16,248	—	2018		
Indianapolis												
2900 North Shadeland Avenue	Indianapolis, IN	—	2,057	13,565	7,351	2,057	20,916	22,973	10,005	1996		

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			Land	Buildings and Improvements		Land	Buildings and Improvements				Total
			(In thousands)								
1445 Brookville Way	Indianapolis, IN	—	459	2,603	1,421	476	4,007	4,483	1,978	1996	
1440 Brookville Way	Indianapolis, IN	—	665	3,770	956	685	4,706	5,391	2,454	1996	
1240 Brookville Way	Indianapolis, IN	—	247	1,402	465	258	1,856	2,114	952	1996	
1345 Brookville Way	Indianapolis, IN	—	586	3,321	1,718	601	5,024	5,625	2,584	1996	
1350 Brookville Way	Indianapolis, IN	—	205	1,161	513	212	1,667	1,879	791	1996	
1335 Sadtler Circle East	Indianapolis, IN	—	81	460	244	86	699	785	341	1996	
6951 East 30th Street	Indianapolis, IN	—	256	1,449	507	265	1,947	2,212	962	1996	
6701 East 30th Street	Indianapolis, IN	—	78	443	98	82	537	619	301	1996	
6737 East 30th Street	Indianapolis, IN	—	385	2,181	669	398	2,837	3,235	1,455	1996	
6555 East 30th Street	Indianapolis, IN	—	484	4,760	2,699	484	7,459	7,943	3,530	1996	
7901 West 21st Street	Indianapolis, IN	—	1,048	6,027	426	1,048	6,453	7,501	3,358	1997	
1225 Brookville Way	Indianapolis, IN	—	60	—	432	68	424	492	218	1997	
6751 East 30th Street	Indianapolis, IN	—	728	2,837	457	741	3,281	4,022	1,716	1997	
6575 East 30th Street	Indianapolis, IN	—	118	—	2,160	128	2,150	2,278	980	1998	
6585 East 30th Street	Indianapolis, IN	—	196	—	3,223	196	3,223	3,419	1,618	1998	
14425 Bergen Blvd	Noblesville, IN	—	647	—	3,595	743	3,499	4,242	1,094	2007	
6635 East 30th Street	Indianapolis, IN	—	466	3,093	82	466	3,175	3,641	352	2016	
Miami											
4700 NW 15th Avenue	Ft. Lauderdale, FL	—	908	1,883	207	912	2,086	2,998	823	2007	
4710 NW 15th Avenue	Ft. Lauderdale, FL	—	830	2,722	27	834	2,745	3,579	910	2007	
4720 NW 15th Avenue	Ft. Lauderdale, FL	—	937	2,455	255	942	2,705	3,647	999	2007	
4740 NW 15th Avenue	Ft. Lauderdale, FL	—	1,107	3,111	50	1,112	3,156	4,268	1,064	2007	
4750 NW 15th Avenue	Ft. Lauderdale, FL	—	947	3,079	359	951	3,434	4,385	1,108	2007	
4800 NW 15th Avenue	Ft. Lauderdale, FL	—	1,092	3,308	60	1,097	3,363	4,460	1,046	2007	
6891 NW 74th Street	Medley, FL	—	857	3,428	3,874	864	7,295	8,159	2,729	2007	
12601 & 12605 NW 115th Avenue	Medley, FL	—	2,039	—	344	674	1,709	2,383	421	2008	
1351 NW 78th Avenue	Doral, FL	—	3,111	4,634	10	3,111	4,644	7,755	512	2016	
2500 NW 19th Street	Pompano Beach, FL	—	8,824	11,660	229	8,824	11,889	20,713	939	2017	

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			Buildings and Improvements	Land		Buildings and Improvements	Land			
			(In thousands)							
Milwaukee										
5355 South Westridge Drive	New Berlin, WI	4,135	1,630	7,058	(39)	1,646	7,003	8,649	2,293	2004
17005 West Ryerson Road	New Berlin, WI	2,247	403	3,647	415	405	4,060	4,465	2,383	2005
1500 Peebles Drive	Richland Center, WI	—	1,577	1,018	(441)	1,528	626	2,154	567	2005
16600 West Glendale Avenue	New Berlin, WI	1,577	704	1,923	710	715	2,622	3,337	2,031	2006
N58W15380 Shawn Circle	Menomonee Falls, WI	—	1,188	—	17,020	1,204	17,004	18,208	5,186	2008
Minneapolis/St. Paul										
6201 West 111th Street	Bloomington, MN	1,645	1,358	8,622	13,263	1,519	21,724	23,243	13,901	1994
1030 Lone Oak Road	Eagan, MN	1,877	456	2,703	813	456	3,516	3,972	2,025	1994
1060 Lone Oak Road	Eagan, MN	2,438	624	3,700	834	624	4,534	5,158	2,608	1994
5400 Nathan Lane	Plymouth, MN	—	749	4,461	869	757	5,322	6,079	3,038	1994
6655 Wedgewood Road	Maple Grove, MN	—	1,466	8,342	6,232	1,466	14,574	16,040	7,621	1994
10120 West 76th Street	Eden Prairie, MN	—	315	1,804	1,043	315	2,847	3,162	1,554	1995
12155 Nicollet Avenue	Burnsville, MN	—	286	—	1,957	288	1,955	2,243	1,037	1995
5775 12th Avenue	Shakopee, MN	3,251	590	—	5,871	590	5,871	6,461	2,176	1998
1157 Valley Park Drive	Shakopee, MN	4,061	760	—	7,734	888	7,606	8,494	3,203	1999
9600 West 76th Street	Eden Prairie, MN	1,918	1,000	2,450	67	1,034	2,483	3,517	893	2004
9700 West 76th Street	Eden Prairie, MN	2,223	1,000	2,709	368	1,038	3,039	4,077	995	2004
7600 69th Avenue	Greenfield, MN	—	1,500	8,328	(468)	1,510	7,850	9,360	2,322	2004
5017 Boone Avenue North	New Hope, MN	—	1,000	1,599	600	1,009	2,190	3,199	1,400	2005
1087 Park Place	Shakopee, MN	2,939	1,195	4,891	(246)	1,198	4,642	5,840	1,646	2005
5391 12th Avenue SE	Shakopee, MN	—	1,392	8,149	13	1,395	8,159	9,554	2,660	2005
4701 Valley Industrial Blvd S	Shakopee, MN	4,167	1,296	7,157	(172)	1,299	6,982	8,281	3,733	2005
6455 City West Parkway	Eden Prairie, MN	—	659	3,189	1,273	665	4,456	5,121	2,102	2006
7035 Winnetka Avenue North	Brooklyn Park, MN	4,218	1,275	—	7,545	1,343	7,477	8,820	2,305	2007
139 Eva Street	St. Paul, MN	—	2,132	3,105	(286)	2,175	2,776	4,951	914	2008
21900 Dodd Boulevard	Lakeville, MN	—	2,289	7,952	—	2,289	7,952	10,241	3,062	2010
375 Rivertown Drive	Woodbury, MN	6,993	2,635	8,157	1,224	2,635	9,381	12,016	2,184	2014

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		Encumbrances	Land	Buildings and Improvements	Land		Buildings and Improvements	Total		
935 Aldrin Drive	Eagan, MN	5,188	2,096	7,884	439	2,096	8,323	10,419	1,652	2014
7050 Winnetka Avenue North	Brooklyn Park, MN	—	1,623	—	7,567	1,634	7,556	9,190	818	2014
7051 West Broadway	Brooklyn Park, MN	3,358	1,275	—	5,828	1,279	5,824	7,103	592	2014
Nashville										
1931 Air Lane Drive	Nashville, TN	—	489	2,785	635	493	3,416	3,909	1,649	1997
4640 Cummings Park	Nashville, TN	—	360	2,040	689	365	2,724	3,089	1,197	1999
1740 River Hills Drive	Nashville, TN	2,537	848	4,383	652	888	4,995	5,883	2,669	2005
211 Ellery Court	Nashville, TN	1,658	606	3,192	(289)	616	2,893	3,509	1,052	2007
130 Maddox Road	Mount Juliet, TN	—	1,778	—	23,914	1,778	23,914	25,692	5,963	2008
New Jersey										
14 World's Fair Drive	Franklin, NJ	—	483	2,735	858	503	3,573	4,076	1,682	1997
12 World's Fair Drive	Franklin, NJ	—	572	3,240	838	593	4,057	4,650	2,032	1997
22 World's Fair Drive	Franklin, NJ	—	364	2,064	582	375	2,635	3,010	1,270	1997
26 World's Fair Drive	Franklin, NJ	—	361	2,048	606	377	2,638	3,015	1,314	1997
24 World's Fair Drive	Franklin, NJ	—	347	1,968	530	362	2,483	2,845	1,252	1997
20 World's Fair Drive Lot 13	Somerset, NJ	—	9	—	2,630	691	1,948	2,639	847	1999
45 Route 46	Pine Brook, NJ	—	969	5,491	1,032	978	6,514	7,492	2,799	2000
43 Route 46	Pine Brook, NJ	—	474	2,686	472	479	3,153	3,632	1,409	2000
39 Route 46	Pine Brook, NJ	—	260	1,471	256	262	1,725	1,987	765	2000
26 Chapin Road	Pine Brook, NJ	—	956	5,415	519	965	5,925	6,890	2,635	2000
30 Chapin Road	Pine Brook, NJ	—	960	5,440	514	970	5,944	6,914	2,638	2000
20 Hook Mountain Road	Pine Brook, NJ	—	1,507	8,542	1,401	1,534	9,916	11,450	4,442	2000
30 Hook Mountain Road	Pine Brook, NJ	—	389	2,206	317	396	2,516	2,912	1,113	2000
16 Chapin Road	Pine Brook, NJ	—	885	5,015	659	901	5,658	6,559	2,491	2000
20 Chapin Road	Pine Brook, NJ	—	1,134	6,426	692	1,154	7,098	8,252	3,106	2000
2500 Main Street	Sayreville, NJ	—	944	—	4,475	944	4,475	5,419	1,768	2002
2400 Main Street	Sayreville, NJ	—	996	—	5,435	996	5,435	6,431	1,940	2003

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			Land	Buildings and Improvements		Land	Buildings and Improvements		
7851 Airport Highway	Pennsauken, NJ	—	160	508	328	162	834	429	2003
309-313 Pierce Street	Somerset, NJ	2,818	1,300	4,628	606	1,309	5,225	2,005	2004
400 Cedar Lane	Florence Township, NJ	—	9,730	—	26,209	9,730	26,209	35,939	2016
301 Bordentown Hedding Road	Bordentown, NJ	—	3,983	15,881	9	3,984	15,889	19,873	2017
302 Bordentown Hedding Road	Bordentown, NJ	—	2,738	8,190	—	2,738	8,190	10,928	2018
Orlando									
6301 Hazeltine National Drive	Orlando, FL	—	909	4,613	237	920	4,839	5,759	2005
8751 Skinner Court	Orlando, FL	4,243	1,691	7,249	(5)	1,692	7,243	8,935	2016
4473 Shader Road	Orlando, FL	—	2,094	10,444	56	2,094	10,500	12,594	2016
550 Gills Drive	Orlando, FL	—	1,321	6,176	4	1,321	6,180	7,501	2017
450 Gills Drive	Orlando, FL	—	1,031	6,406	—	1,031	6,406	7,437	2017
4401 Shader Road	Orlando, FL	—	1,037	7,116	4	1,037	7,120	8,157	2018
Phoenix									
1045 South Edward Drive	Tempe, AZ	—	390	2,160	627	396	2,781	3,177	1999
50 South 56th Street	Chandler, AZ	—	1,206	3,218	1,379	1,252	4,551	5,803	2004
245 West Lodge	Tempe, AZ	—	898	3,066	(2,153)	362	1,449	1,811	2007
1590 East Riverview Drive	Phoenix, AZ	—	1,293	5,950	(267)	1,292	5,684	6,976	2008
14131 N. Rio Vista Boulevard	Peoria, AZ	5,439	2,563	9,388	(445)	2,563	8,943	11,506	2008
8716 West Ludlow Drive	Peoria, AZ	6,721	2,709	10,970	540	2,709	11,510	14,219	2008
3815 W. Washington Street	Phoenix, AZ	—	1,675	4,514	316	1,719	4,786	6,505	2008
9180 W. Buckeye Road	Tolleson, AZ	—	1,904	6,805	3,124	1,923	9,910	11,833	2008
8644 West Ludlow Drive	Peoria, AZ	—	1,726	7,216	—	1,726	7,216	8,942	2014
8606 West Ludlow Drive	Peoria, AZ	—	956	2,668	123	956	2,791	3,747	2014
8679 West Ludlow Drive	Peoria, AZ	—	672	2,791	—	672	2,791	3,463	2014
94th Avenue & Buckeye Road	Tolleson, AZ	—	4,315	—	16,645	4,315	16,645	20,960	2015
16601 West Sells Drive	Goodyear, AZ	—	24,743	—	19,087	24,803	19,027	43,830	2017
16560 West Sells Drive	Goodyear, AZ	—	6,259	—	23,287	6,269	23,277	29,546	2018

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			Land	Buildings and Improvements				Land	Buildings and Improvements	
(In thousands)										
Seattle										
1901 Raymond Ave SW	Renton, WA	—	4,458	2,659	532	4,594	3,055	7,649	1,074	2008
19014 64th Avenue South	Kent, WA	2,770	1,990	3,979	456	2,042	4,383	6,425	1,820	2008
18640 68th Avenue South	Kent, WA	—	1,218	1,950	310	1,258	2,220	3,478	995	2008
6407 S 210th Street	Kent, WA	—	1,737	3,508	—	1,737	3,508	5,245	128	2018
1402 Puyallup Street	Sumner, WA	—	3,766	4,457	—	3,766	4,457	8,223	—	2018
Southern California										
1944 Vista Bella Way	Rancho Dominguez, CA	2,697	1,746	3,148	465	1,822	3,537	5,359	1,861	2005
2000 Vista Bella Way	Rancho Dominguez, CA	1,174	817	1,673	232	853	1,869	2,722	996	2005
2835 East Ana Street	Rancho Dominguez, CA	2,288	1,682	2,750	409	1,772	3,069	4,841	1,674	2005
665 N. Baldwin Park Boulevard	City of Industry, CA	4,263	2,124	5,219	2,542	2,143	7,742	9,885	2,100	2006
27801 Avenue Scott	Santa Clarita, CA	5,086	2,890	7,020	196	2,902	7,204	10,106	2,889	2006
2610 & 2660 Columbia Street	Torrance, CA	3,927	3,008	5,826	271	3,031	6,074	9,105	2,376	2006
433 Alaska Avenue	Torrance, CA	—	681	168	3	684	168	852	111	2006
6305 El Camino Real	Carlsbad, CA	—	1,590	6,360	7,730	1,590	14,090	15,680	5,239	2006
2325 Camino Vida Roble	Carlsbad, CA	1,785	1,441	1,239	594	1,446	1,828	3,274	692	2006
2335 Camino Vida Roble	Carlsbad, CA	979	817	762	216	821	974	1,795	448	2006
2345 Camino Vida Roble	Carlsbad, CA	637	562	456	151	565	604	1,169	270	2006
2355 Camino Vida Roble	Carlsbad, CA	556	481	365	174	483	537	1,020	287	2006
2365 Camino Vida Roble	Carlsbad, CA	1,022	1,098	630	146	1,102	772	1,874	418	2006
2375 Camino Vida Roble	Carlsbad, CA	1,213	1,210	874	140	1,214	1,010	2,224	458	2006
6451 El Camino Real	Carlsbad, CA	—	2,885	1,931	733	2,895	2,654	5,549	1,075	2006
13100 Gregg Street	Poway, CA	2,889	1,040	4,160	913	1,073	5,040	6,113	2,344	2007
21730-21748 Marilla Street	Chatsworth, CA	2,518	2,585	3,210	44	2,608	3,231	5,839	1,374	2007
8015 Paramount	Pico Rivera, CA	—	3,616	3,902	(510)	3,657	3,351	7,008	1,444	2007
3365 E. Slauson	Vernon, CA	—	2,367	3,243	(559)	2,396	2,655	5,051	1,144	2007
3015 East Ana	Rancho Dominguez, CA	—	19,678	9,321	6,305	20,144	15,160	35,304	5,539	2007

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			Buildings and Improvements	Land		Buildings and Improvements	Total			
			(In thousands)							
1250 Rancho Conejo Boulevard	Thousand Oaks, CA	—	1,435	779	45	1,441	818	2,259	364	2007
1260 Rancho Conejo Boulevard	Thousand Oaks, CA	—	1,353	722	(722)	675	678	1,353	272	2007
1270 Rancho Conejo Boulevard	Thousand Oaks, CA	—	1,224	716	(2)	1,229	709	1,938	315	2007
1280 Rancho Conejo Boulevard	Thousand Oaks, CA	2,326	2,043	3,408	(59)	2,051	3,341	5,392	894	2007
1290 Rancho Conejo Boulevard	Thousand Oaks, CA	1,957	1,754	2,949	(165)	1,761	2,777	4,538	746	2007
100 West Sinclair Street	Perris, CA	—	4,894	3,481	(5,233)	1,819	1,323	3,142	721	2007
14050 Day Street	Moreno Valley, CA	—	2,538	2,538	574	2,565	3,084	5,649	1,244	2008
12925 Marlay Avenue	Fontana, CA	—	6,072	7,891	303	6,090	8,176	14,266	4,319	2008
18201-18291 Santa Fe	Rancho Dominguez, CA	—	6,720	—	9,457	6,897	9,280	16,177	2,523	2008
1011 Rancho Conejo	Thousand Oaks, CA	4,341	7,717	2,518	(169)	7,752	2,313	10,065	1,109	2008
20700 Denker Avenue	Torrance, CA	5,290	5,767	2,538	1,397	5,964	3,739	9,703	2,384	2008
18408 Laurel Park Road	Rancho Dominguez, CA	—	2,850	2,850	913	2,874	3,739	6,613	1,426	2008
19021 S. Reyes Avenue	Rancho Dominguez, CA	—	8,183	7,501	233	8,545	7,372	15,917	1,745	2008
24870 Nandina Avenue	Moreno Valley, CA	—	13,543	—	21,277	6,482	28,338	34,820	4,772	2012
6185 Kimball Avenue	Chino, CA	—	6,385	—	12,343	6,382	12,346	18,728	2,789	2013
5553 Bandini Boulevard	Bell, CA	—	32,536	—	21,620	32,540	21,616	54,156	2,925	2013
16875 Heacock Street	Moreno Valley, CA	—	—	6,831	(58)	—	6,773	6,773	1,577	2014
4710 Guasti Road	Ontario, CA	5,072	2,846	6,564	213	2,846	6,777	9,623	1,020	2014
17100 Perris Boulevard	Moreno Valley, CA	—	6,388	—	25,810	6,395	25,803	32,198	3,379	2014
13414 S. Figueroa	Los Angeles, CA	3,914	1,701	—	6,580	1,887	6,394	8,281	727	2014
3841 Ocean Ranch Boulevard	Oceanside, CA	—	4,400	—	8,040	4,400	8,040	12,440	1,014	2015
3831 Ocean Ranch Boulevard	Oceanside, CA	—	2,693	—	4,584	2,694	4,583	7,277	560	2015
3821 Ocean Ranch Boulevard	Oceanside, CA	—	2,792	—	4,469	2,792	4,469	7,261	528	2015
145 West 134th Street	Los Angeles, CA	—	2,901	2,285	173	2,901	2,458	5,359	397	2015
6150 Sycamore Canyon Boulevard	Riverside, CA	—	3,182	10,643	1	3,182	10,644	13,826	1,257	2015
17825 Indian Street	Moreno Valley, CA	—	5,034	22,095	54	5,034	22,149	27,183	2,433	2015
24901 San Michele Road	Moreno Valley, CA	—	1,274	—	11,556	1,274	11,556	12,830	826	2016

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		Encumbrances	Land	Buildings and Improvements			Land	Buildings and Improvements				Total	
				Land	Improvements			Land					Improvements
1445 Engineer Street	Vista, CA	—	6,816	4,417	6,816	3	4,420	4,420	11,236	600	2016		
19067 Reyes Avenue	Rancho Dominguez, CA	—	9,281	3,920	9,381	3,474	7,294	7,294	16,675	446	2016		
10586 Tamarind Avenue	Fontana, CA	—	4,275	8,275	4,275	228	8,503	8,503	12,778	424	2017		
2777 Loker Avenue West	Carlsbad, CA	11,028	7,599	13,267	7,599	122	13,389	13,389	20,988	822	2017		
7105 Old 215 Frontage Road	Riverside, CA	—	4,900	—	4,900	12,742	12,742	12,742	17,642	540	2017		
28545 Livingston Avenue	Valencia, CA	—	9,813	10,954	9,813	644	11,598	11,598	21,411	335	2018		
3801 Ocean Ranch Boulevard	Oceanside, CA	3,046	2,907	6,151	2,909	1	6,150	6,150	9,059	174	2018		
3809 Ocean Ranch Boulevard	Oceanside, CA	3,279	3,140	6,964	3,140	(2)	6,961	6,961	10,102	180	2018		
3817 Ocean Ranch Boulevard	Oceanside, CA	5,132	5,438	10,278	5,438	209	10,483	10,483	15,925	281	2018		
24385 Nandina Avenue	Moreno Valley, CA	—	17,023	—	17,023	57,083	57,040	57,040	74,106	237	2018		
14999 Summit Drive	Eastvale, CA	—	1,508	—	1,508	3,120	3,120	3,120	4,628	51	2018		
14969 Summit Drive	Eastvale, CA	—	3,847	—	3,847	11,211	11,211	11,211	15,058	299	2018		
14939 Summit Drive	Eastvale, CA	—	3,107	—	3,107	8,273	8,273	8,273	11,380	138	2018		
14909 Summit Drive	Eastvale, CA	—	7,099	—	7,099	19,177	19,177	19,177	26,276	317	2018		
14940 Summit Drive	Eastvale, CA	—	5,423	—	5,423	13,334	13,334	13,334	18,757	194	2018		
14910 Summit Drive	Eastvale, CA	—	1,873	—	1,873	5,290	5,290	5,290	7,163	77	2018		
St. Louis													
6821-6857 Hazelwood Avenue	Berkeley, MO	4,289	985	6,205	985	1,333	7,538	7,538	8,523	3,075	2003		
13701 Rider Trail North	Earth City, MO	—	800	2,099	804	552	2,647	2,647	3,451	1,154	2003		
1908-2000 Innerbelt	Overland, MO	6,587	1,590	9,026	1,591	1,464	10,489	10,489	12,080	5,236	2004		
21-25 Gateway Commerce Center	Edwardsville, IL	—	1,874	31,958	1,921	378	32,289	32,289	34,210	10,970	2006		
Tampa													
5525 Johns Road	Tampa, FL	—	192	1,086	200	274	1,352	1,352	1,552	719	1997		
5709 Johns Road	Tampa, FL	—	192	1,086	200	207	1,285	1,285	1,485	664	1997		
5711 Johns Road	Tampa, FL	—	243	1,376	255	184	1,548	1,548	1,803	796	1997		
5455 W Waters Avenue	Tampa, FL	—	307	1,742	326	370	2,093	2,093	2,419	1,056	1997		
5553 W Waters Avenue	Tampa, FL	—	307	1,742	326	310	2,033	2,033	2,359	1,037	1997		

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		Encumbrances	Land Improvements		Buildings and Improvements	Capitalized Subsequent to Acquisition or Completion and Valuation Provision			Land Improvements	Total
5501 W Waters Avenue	Tampa, FL	—	215	871	403	242	1,247	1,489	587	1997
5503 W Waters Avenue	Tampa, FL	—	98	402	197	110	587	697	291	1997
5555 W Waters Avenue	Tampa, FL	—	213	1,206	552	221	1,750	1,971	761	1997
5557 W Waters Avenue	Tampa, FL	—	59	335	51	62	383	445	197	1997
5463 W Waters Avenue	Tampa, FL	—	497	2,751	1,462	560	4,150	4,710	1,892	1998
5461 W Waters Avenue	Tampa, FL	—	261	—	1,322	265	1,318	1,583	662	1998
5481 W Waters Avenue	Tampa, FL	—	558	—	3,570	561	3,567	4,128	1,161	1999
4908 Tampa West Boulevard	Tampa, FL	—	2,622	8,643	(814)	2,635	7,816	10,451	3,924	2005
Other										
1815-1957 South 4650 West	Salt Lake City, UT	6,045	1,707	10,873	62	1,713	10,929	12,642	3,980	2006
3200 Pond Station	Jefferson County, KY	—	2,074	—	9,681	2,120	9,635	11,755	2,822	2007
581 Welltown Road/Tyson Boulevard	Winchester, VA	—	2,320	—	11,109	2,401	11,028	13,429	3,158	2007
7501 NW 106th Terrace	Kansas City, MO	—	4,152	—	13,697	4,228	13,621	17,849	3,481	2008
600 Greene Drive	Greenville, KY	—	294	8,570	(727)	296	7,841	8,137	6,453	2008
Developments in Process										
First Park Fairburn	Fairburn, GA	—	3,650	—	5,284	3,650	5,284	8,934	—	2014
First Perry Logistics Center	Perris, CA	—	1,780	—	4,550	1,788	4,542	6,330	—	2016
First Mountain Creek Distribution Center	Dallas, TX	—	4,675	—	7,468	4,779	7,364	12,143	—	2015
First Park 121 Building I	Lewisville, TX	—	3,963	—	3,421	3,963	3,421	7,384	—	2018
First Park 121 Building II	Lewisville, TX	—	2,243	—	1,938	2,243	1,938	4,181	—	2018
First Aurora Commerce Center Bldg D	Aurora, CO	—	4,881	—	8,021	4,886	8,016	12,902	—	2018
First Glacier Logistics Center	Sumner, WA	—	2,643	—	4,023	2,643	4,023	6,666	—	2018
Land Parcels										
Land Parcels		2,473	167,785	3,225	33,539	163,868	40,681	204,549	4,341	—
Total		297,716	919,414	1,526,633	1,227,597	909,318	2,764,326	3,673,644	811,784	

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2018

NOTES:

- (a) See description of encumbrances in Note 4 of the Notes to Consolidated Financial Statements. For purposes of this schedule the total principal balance of a mortgage loan payable that is collateralized by a pool of properties is allocated among the properties in the pool based on each property's carrying balance.
- (b) Depreciation is computed based upon the following estimated lives:
- | | |
|----------------------------------|---------------|
| Buildings and Improvements | 7 to 50 years |
| Land Improvements | 5 to 20 years |
| Tenant Improvements | Lease Term |

At December 31, 2018, the aggregate cost of land and buildings and equipment for federal income tax purpose was approximately \$3.5 billion (excluding construction in progress).

The changes in investment in real estate for the three years ended December 31, are as follows:

	2018	2017	2016
	(In thousands)		
Balance, Beginning of Year	\$3,495,745	\$3,388,611	\$3,297,649
Acquisition of Real Estate Assets	162,769	168,517	108,538
Construction Costs and Improvements	190,383	137,361	167,342
Disposition of Real Estate Assets	(148,408)	(170,928)	(153,364)
Impairment of Real Estate	(2,756)	—	—
Write-off of Fully Depreciated and Other Assets	(24,089)	(27,816)	(31,554)
Balance, End of Year Including Real Estate Held for Sale	\$3,673,644	\$3,495,745	\$3,388,611
Real Estate Held for Sale	—	—	(3,697)
Balance, End of Year Excluding Real Estate Held for Sale	\$3,673,644	\$3,495,745	\$3,384,914

FIRST INDUSTRIAL REALTY TRUST, INC. AND FIRST INDUSTRIAL, L.P.
SCHEDULE III:
REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2018

The changes in accumulated depreciation for the three years ended December 31, are as follows:

	2018	2017 (In thousands)	2016
Balance, Beginning of Year	\$789,919	\$797,919	\$792,501
Depreciation for Year	94,626	94,078	95,514
Disposition of Real Estate Assets	(49,144)	(78,844)	(62,634)
Write-off of Fully Depreciated and Other Assets	(23,617)	(23,234)	(27,462)
Balance, End of Year Including Real Estate Held for Sale	\$811,784	\$789,919	\$797,919
Real Estate Held for Sale	—	—	(1,427)
Balance, End of Year Excluding Real Estate Held for Sale	\$811,784	\$789,919	\$796,492

PART II
MARKET INFORMATION

The following table sets forth, for the periods indicated, the high and low closing prices per share of the Company's common stock, which trades on the New York Stock Exchange under the trading symbol "FR" and the dividends declared per share for the Company's common stock and the distributions declared per Unit for the Operating Partnership's Units. There is no established public trading market for the Units.

<u>Quarter Ended</u>	<u>Closing High</u>	<u>Closing Low</u>	<u>Dividend/Distribution Declared</u>
December 31, 2018	\$32.40	\$27.60	\$0.2175
September 30, 2018	\$33.87	\$30.78	\$0.2175
June 30, 2018	\$33.67	\$28.58	\$0.2175
March 31, 2018	\$31.17	\$27.75	\$0.2175
December 31, 2017	\$32.82	\$30.49	\$0.2100
September 30, 2017	\$31.74	\$28.21	\$0.2100
June 30, 2017	\$30.04	\$26.88	\$0.2100
March 31, 2017	\$28.66	\$25.35	\$0.2100

As of February 15, 2019, the Company had 397 common stockholders of record. The number of holders does not include individuals or entities who beneficially own shares but whose shares are held of record by a broker or clearing agency, but does include each such broker or clearing agency as one record holder. The Operating Partnership had 117 holders of record of Units registered with our transfer agent.

In order to comply with the REIT requirements of the Code, the Company is generally required to make common share distributions and preferred share distributions (other than capital gain distributions) to its shareholders in amounts that together at least equal i) the sum of a) 90% of the Company's "REIT taxable income" computed without regard to the dividends paid deduction and net capital gains and b) 90% of net income (after tax), if any, from foreclosure property, minus ii) certain excess non-cash income.

Our dividend/distribution policy is determined by the Company's Board of Directors and is dependent on multiple factors, including cash flow and capital expenditure requirements, as well as ensuring that the Company meets the minimum distribution requirements set forth in the Code. The Company met the minimum distribution requirements with respect to 2018.

Holders of Units are entitled to receive distributions when, as and if declared by the Company's Board of Directors, after the priority distributions required under the Operating Partnership's partnership agreement have been made with respect to preferred partnership interests in the Operating Partnership out of any funds legally available for that purpose.

During the year ended December 31, 2018, the Operating Partnership did not issue any Limited Partner Units.

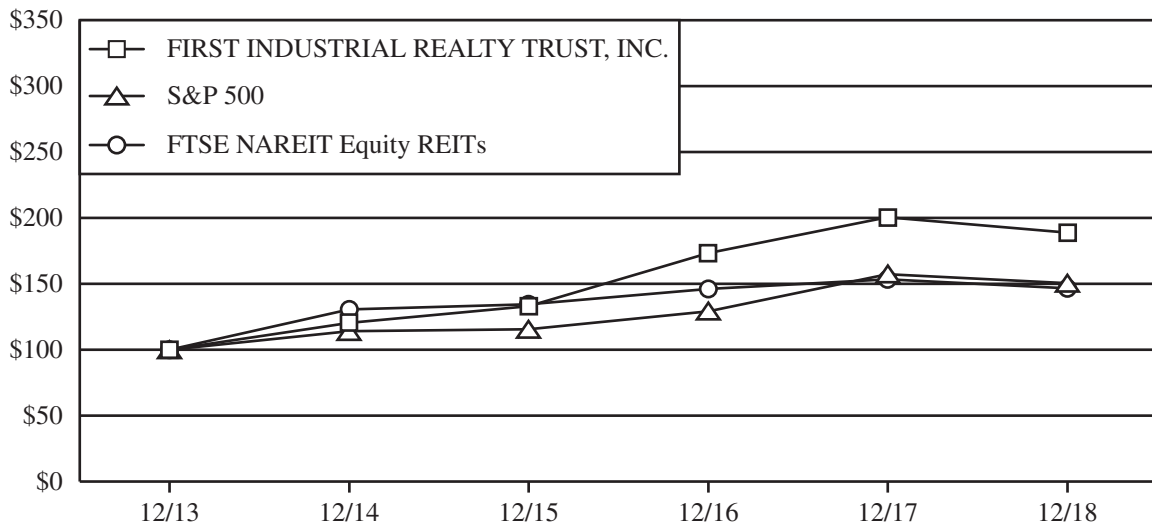
Subject to certain lock-up periods, holders of Limited Partner Units can redeem their Units by providing written notification to the General Partner of the Operating Partnership. Unless the General Partner provides notice of a redemption restriction to the holder, redemption must be made within seven business days after receipt of the holder's notice. The redemption can be effectuated, as determined by the General Partner, either by exchanging the Limited Partner Units for shares of common stock of the Company on a one-for-one basis, subject to adjustment, or by paying cash equal to the fair market value of such shares. Prior requests for redemption have generally been fulfilled with shares of common stock of the Company, and the Operating Partnership intends to continue this practice. If each Limited Partner Unit of the Operating Partnership were

redeemed as of December 31, 2018, the Operating Partnership could satisfy its redemption obligations by making an aggregate cash payment of approximately \$75.7 million or by issuing 2,624,167 shares of the Company's common stock.

Performance Graph

The following graph provides a comparison of the cumulative total stockholder return among the Company, the FTSE NAREIT Equity REIT Total Return Index (the "NAREIT Index") and the Standard & Poor's 500 Index ("S&P 500"). The NAREIT Index represents the performance of our publicly traded industrial REIT peers. The historical information set forth below is not necessarily indicative of future performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among First Industrial Realty Trust, Inc., the S&P 500 Index, and the FTSE NAREIT Equity REITs Index



* \$100 invested on 12/31/13 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

	<u>12/13</u>	<u>12/14</u>	<u>12/15</u>	<u>12/16</u>	<u>12/17</u>	<u>12/18</u>
FIRST INDUSTRIAL REALTY TRUST, INC.	\$100.00	\$120.39	\$132.80	\$173.25	\$200.06	\$188.79
S&P 500	\$100.00	\$113.69	\$115.26	\$129.05	\$157.22	\$150.33
FTSE NAREIT Equity REITs	\$100.00	\$130.14	\$134.30	\$145.74	\$153.36	\$146.27

* The information provided in this performance graph shall not be deemed to be "soliciting material," to be "filed" or to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 unless specifically treated as such.

CORPORATE MANAGEMENT AND DIRECTORS

CORPORATE MANAGEMENT

Peter E. Baccile

Director, President and Chief Executive Officer

Scott A. Musil

Chief Financial Officer,

Treasurer and Assistant Secretary

Johannson L. Yap

Chief Investment Officer and

Executive Vice President — West Region

David G. Harker

Executive Vice President — Central Region

Peter O. Schultz

Executive Vice President — East Region

Christopher M. Schneider

Chief Information Officer and Senior Vice President —

Operations

Donald R. Stoffle

Executive Director — Dispositions

Robert J. Walter

Senior Vice President — Capital Markets

Daniel J. Hemmer

General Counsel and Secretary

Arthur J. Harmon

Vice President — Investor Relations and Marketing

Sara Niemiec

Chief Accounting Officer

DIRECTORS

Bruce W. Duncan‡

Chairman

First Industrial Realty Trust, Inc.

Director

Boston Properties, Inc.

Marriot International, Inc.

T. Rowe Price Funds

Senior Adviser

KKR & Co. Inc.

Peter E. Baccile‡

Director, President and Chief Executive Officer

First Industrial Realty Trust, Inc.

Matthew S. Dominski‡§

Director

CBL & Associates Properties, Inc.

H. Patrick Hackett, Jr.*‡§

Principal

HHS Co.

Director

Wintrust Financial Corporation

Denise A. Olsen*†

Senior Managing Director

GEM Realty Capital

John Rau*§

Lead Independent Director

First Industrial Realty Trust, Inc.

President, Chief Executive Officer and Director

Miami Corporation

Chairman

BMO Financial Corp.

Director

AGL Resources Inc.

L. Peter Sharpe*†

Former President and Chief Executive Officer

Cadillac Fairview Corporation

Director

Postmedia Network Canada Corp.

Morguard Corporation

Allied Properties Real Estate Investment Trust

W. Ed Tyler†

Chief Executive Officer

Ideapoint Ventures

Director

Nanophase Technologies Corporation

Committee Membership Legend

* Audit Committee

† Compensation Committee

‡ Investment Committee

§ Nominating/Corporate

Governance Committee

CORPORATE AND STOCKHOLDER INFORMATION

Executive Office

First Industrial Realty Trust, Inc.
One North Wacker Drive, Suite 4200
Chicago, IL 60606
Phone: 312.344.4300
Fax: 312.922.6320
www.firstindustrial.com
info@firstindustrial.com

Stock Exchange Listing

New York Stock Exchange
Symbol: FR

Registrar and Transfer Agent

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
Phone: 800.446.2617

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Chicago, Illinois

Corporate Counsel

Barack Ferrazzano Kirschbaum &
Nagelberg LLP
Chicago, Illinois

10-K Report

A copy of the Company's Form 10-K as filed with the Securities and Exchange Commission is available on the Company's website and may also be obtained free of charge by contacting our Vice President — Investor Relations and Marketing. Please address any communications to our Vice President — Investor Relations and Marketing "c/o First Industrial Realty Trust, Inc., One North Wacker Drive, Suite 4200, Chicago, IL 60606." Included in such report were the certifications required by Section 302 of the Sarbanes-Oxley Act.

Annual Meeting

The Annual Meeting of Stockholders of First Industrial Realty Trust, Inc., will be held on Wednesday, May 8, 2019, at 9:00 A.M. CDT at the 2nd Floor Conference Center, One North Wacker Drive, Chicago, Illinois.

To contact First Industrial's Audit Committee:

Chairman of the Audit Committee
c/o First Industrial Realty Trust, Inc.
One North Wacker Drive, Suite 4200
Chicago, IL 60606

To contact First Industrial's Nominating/Corporate Governance Committee:

Chairman of the Nominating/Corporate Governance Committee
c/o First Industrial Realty Trust, Inc.
One North Wacker Drive, Suite 4200
Chicago, IL 60606

To contact First Industrial's Lead Independent Director:

Lead Independent Director
c/o First Industrial Realty Trust, Inc.
One North Wacker Drive, Suite 4200
Chicago, IL 60606

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