

THE CoSTAR INDUSTRIAL REPORT

MID-YEAR 2007

National Industrial Market



NATIONAL INDUSTRIAL MARKET



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METHODOLOGY

The CoStar Industrial Report calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex / research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 33.6 billion square feet of coverage in 1.2 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property.

CoStar regularly opens new markets to expand its geographic coverage which results in varying start dates for historical data. Due to differences in market start dates, the following markets are excluded where noted from historical charts and tables: Portland, Birmingham, Greensboro/Winston-Salem, Greenville/Spartanburg, Hampton Roads, Hartford, Las Vegas, Madison, Milwaukee, Minneapolis, Oklahoma City, Providence, Richmond VA, Salt Lake City, San Antonio, Southwest Florida, Toledo, Tucson, Tulsa, and West Michigan. When ever possible these markets are included to provide as broad as possible national coverage. The Market Highlights and Overview narrative includes all markets.

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TERMS & DEFINITIONS

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

U.S.'s VACANCY REMAINS UNCHANGED AT 8.7%

Net Absorption Positive 37,624,831 SF in the Quarter

The U.S. Industrial market ended the second quarter 2007 with a vacancy rate of 8.7%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 37,624,831 square feet in the second quarter. Vacant sublease space increased in the quarter, ending the quarter at 64,293,177 square feet. Rental rates ended the second quarter at \$5.91, an increase over the previous quarter. A total of 681 buildings delivered to the market in the quarter totaling 45,264,278 square feet, with 170,765,491 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall U.S. Industrial market was positive 37,624,831 square feet in the second quarter 2007. That compares to positive 32,626,237 square feet in the first quarter 2007, positive 41,282,144 square feet in the fourth quarter 2006, and positive 70,570,374 square feet in the third quarter 2006.

The Flex building market recorded net absorption of positive 8,185,437 square feet in the second quarter 2007, compared to negative (81,545) square feet in the first quarter 2007, positive 4,736,486 in the fourth quarter 2006, and positive 8,881,790 in the third quarter 2006.

The Warehouse building market recorded net absorption of positive 29,439,394 square feet in the second quarter 2007 compared to positive 32,707,782 square feet in the first quarter 2007, positive 36,545,658 in the fourth quarter 2006, and positive 61,688,584 in the third quarter 2006.

Vacancy

The Industrial vacancy rate in the U.S. market area was

unchanged at 8.7% at the end of the second quarter 2007. The vacancy rate was 8.7% at the end of the first quarter 2007, 8.6% at the end of the fourth quarter 2006, and 8.6% at the end of the third quarter 2006.

Flex projects reported a vacancy rate of 12.2% at the end of the second quarter 2007, 12.5% at the end of the first quarter 2007, 12.3% at the end of the fourth quarter 2006, and 12.4% at the end of the third quarter 2006.

Warehouse projects reported a vacancy rate of 8.2% at the end of the second quarter 2007, 8.1% at the end of first quarter 2007, 8.1% at the end of the fourth quarter 2006, and 8.1% at the end of the third quarter 2006.

Largest Lease Signings

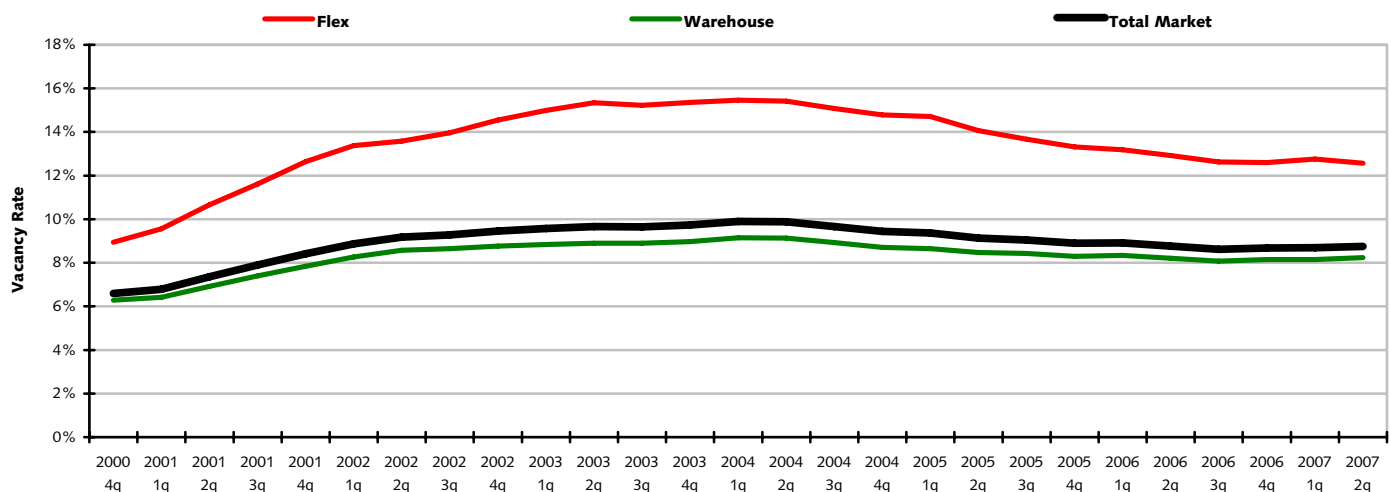
The largest lease signings occurring in 2007 included: the 1,500,596-square-foot lease signed by Academy Sports and Outdoors, Ltd. at 1800 N Mason Rd in the Houston market; the 1,101,840-square-foot deal signed by Galleria at Sierra Business Park - Bldg 6 in the Inland Empire market; and the 1,000,000-square-foot lease signed by The New York Times Company at 3003 Woodbridge Ave in the Northern New Jersey market.

Sublease Vacancy

The amount of vacant sublease space in the U.S. market increased to 64,293,177 square feet by the end of the second quarter 2007, from 62,614,899 square feet at the end of the first quarter 2007. There was 59,833,378 square feet vacant at the end of the fourth quarter 2006 and 61,388,912 square feet at the end of the third quarter 2006.

U.S.'s Flex projects reported vacant sublease space of

VACANCY RATES BY BUILDING TYPE* 2000-2007



Source: CoStar Property® *Excludes markets - see Methodology page.

15,186,038 square feet at the end of second quarter 2007, down from the 16,155,914 square feet reported at the end of the first quarter 2007. There were 15,402,680 square feet of sublease space vacant at the end of the fourth quarter 2006, and 16,850,002 square feet at the end of the third quarter 2006.

Warehouse projects reported increased vacant sublease space from the first quarter 2007 to the second quarter 2007. Sublease vacancy went from 46,458,985 square feet to 49,107,139 square feet during that time. There was 44,430,698 square feet at the end of the fourth quarter 2006, and 44,538,910 square feet at the end of the third quarter 2006.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$5.91 per square foot per year at the end of the second quarter 2007 in the U.S. market area. This represented a 0.2% increase in quoted rental rates from the end of the first quarter 2007, when rents were reported at \$5.90 per square foot.

The average quoted rate within the Flex sector was \$10.97 per square foot at the end of the second quarter 2007, while Warehouse rates stood at \$5.13. At the end of the first quarter 2007, Flex rates were \$10.81 per square foot, and Warehouse rates were \$5.12.

Deliveries and Construction

During the second quarter 2007, 681 buildings totaling 45,264,278 square feet were completed in the U.S. market area. This compares to 793 buildings totaling 39,627,753 square feet that were completed in the first quarter 2007, 729 buildings totaling 56,416,902 square feet completed in the fourth quarter 2006, and 51,882,937 square feet in 778 buildings completed in the third quarter 2006.

There were 170,765,491 square feet of Industrial space under construction at the end of the second quarter 2007.

Some of the notable 2007 deliveries include: Samsung Austin Semiconductor - Building Two, a 1,200,000-square-foot facility in the Austin market that delivered in second quarter 2007 and is now 100% occupied, and 310 S Tiptecanoe Ave in the Inland Empire (California) market, a 1,140,720-square-foot building that delivered in second quarter 2007 and is now 53% occupied.

The largest projects underway at the end of second quarter 2007 were Perris Distribution Center in the Inland Empire (California) market, a 1,686,590-square-foot building with 0% of its space pre-leased, and AMB Redlands Commerce Center - Bldg 1 also in the Inland Empire (California) market, a 1,313,470-square-foot facility that is 0% pre-leased.

Inventory

Total Industrial inventory in the U.S. market area amounted to 15,787,516,356 square feet in 396,082 buildings as of the end of the second quarter 2007. The Flex sector consisted of 1,868,715,791 square feet in 61,998 projects. The Warehouse sector consisted of 13,918,800,565 square feet in 334,084 build-

ings. Within the Industrial market there were 68,584 owner-occupied buildings accounting for 3,596,301,991 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, U.S. industrial sales figures fell during the first quarter 2007 in terms of dollar volume compared to the fourth quarter of 2006.

In the first quarter, 1,302 industrial transactions closed with a total volume of \$6,841,811,853. The 1,302 buildings totaled 100,306,559 square feet and the average price per square foot equated to \$68.21 per square foot. That compares to 1,416 transactions totaling \$7,286,009,902 in the fourth quarter. The total square footage was 117,494,465 for an average price per square foot of \$62.01.

Total year-to-date industrial building sales activity in 2007 is down compared to the previous year. In the first three months of 2007, the market saw 1,302 industrial sales transactions with a total volume of \$6,841,811,853. The price per square foot has averaged \$68.21 this year. In the first three months of 2006, the market posted 1,568 transactions with a total volume of \$7,634,961,069. The price per square foot averaged \$65.85.

Cap rates have been lower in 2007, averaging 7.48%, compared to the first three months of last year when they averaged 7.62%.

One of the largest transactions that has occurred within the last 4 quarters in the U.S. market is the sale of Academy Sports HQ in Houston. This 1,454,563 square foot industrial building sold for \$102,000,000, or \$70.12 per square foot. The property sold on 1/18/2007.

Atlanta

The Atlanta industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 11.2%, from 11.1% in the previous quarter. Rental rates ended the quarter at \$4.26 per square foot, from \$4.22 in the previous quarter. There was a total of 2,256,448 square feet that delivered in the quarter, with 5,683,964 square feet still under construction at the end of the quarter.

Austin

The Austin industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 10.3%, from 10.8% in the previous quarter. Rental rates ended the quarter at \$7.02 per square foot, from \$7.09 in the previous quarter. There was a total of 1,570,700 square feet that delivered in the quarter, with 1,819,920 square feet still under construction at the end of the quarter.

Baltimore

The Baltimore industrial market saw vacancies rise and

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OVERVIEW

rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 12.3%, from 12.2% in the previous quarter. Rental rates ended the quarter at \$5.93 per square foot, from \$5.98 in the previous quarter. There was a total of 620,938 square feet that delivered in the quarter, with 2,223,118 square feet still under construction at the end of the quarter.

Birmingham

The Birmingham industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.3%, from 9.8% in the previous quarter. Rental rates ended the quarter at \$3.32 per square foot, from \$3.36 in the previous quarter. There was a total of 66,500 square feet that delivered in the quarter, with 235,300 square feet still under construction at the end of the quarter.

Boston

The vacancy rate remained unchanged in Boston in the second quarter. With 245,079 square feet in deliveries, and positive 108,194 square feet in net absorption, the vacancy rate held at 13.8%, the same rate reported in the previous quarter. The market had 1,242,642 square feet under construction at the end of the quarter, and rental rates stood at \$6.73 per square foot.

Broward County

The Broward County industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 4.8%, from 4.1% in the previous quarter. Rental rates ended the quarter at \$8.88 per square foot, from \$8.69 in the previous quarter. There was a total of 160,082 square feet that delivered in the quarter, with 2,591,894 square feet still under construction at the end of the quarter.

Charlotte

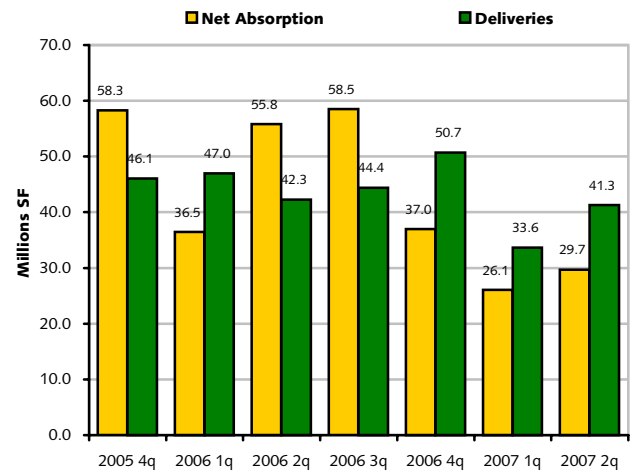
The Charlotte industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 11.5%, from 11.3% in the previous quarter. Rental rates ended the quarter at \$4.09 per square foot, from \$4.08 in the previous quarter. There was a total of 134,084 square feet that delivered in the quarter, with 1,476,624 square feet still under construction at the end of the quarter.

Chicago

The Chicago industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 10.0%, from 10.1% in the previous quarter. Rental rates ended the quarter at \$5.22 per square foot, from \$5.19 in the previous quarter. There was a total of 2,201,401 square feet that delivered in the quarter, with 8,537,976 square feet still under construction at the end of

ABSORPTION & DELIVERIES*

Past 8 Quarters



Source: CoStar Property® *Excludes markets - see Methodology page.

the quarter.

Cincinnati

The Cincinnati industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.6%, from 9.3% in the previous quarter. Rental rates ended the quarter at \$4.01 per square foot, from \$4.16 in the previous quarter. There was a total of 207,200 square feet that delivered in the quarter, with 1,511,841 square feet still under construction at the end of the quarter.

Cleveland

The Cleveland industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.2%, from 9.5% in the previous quarter. Rental rates ended the quarter at \$4.00 per square foot, from \$4.20 in the previous quarter. There was a total of 125,439 square feet that delivered in the quarter, with 468,630 square feet still under construction at the end of the quarter.

Columbus

The Columbus industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 11.8%, from 12.1% in the previous quarter. Rental rates ended the quarter at \$3.21 per square foot, from \$3.25 in the previous quarter. There was a total of 108,410 square feet that delivered in the quarter, with 3,357,090 square feet still under construction at the end of the quarter.

Dallas/Ft Worth

The Dallas/Ft Worth industrial market saw vacancies rise

and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.9%, from 9.8% in the previous quarter. Rental rates ended the quarter at \$4.72 per square foot, from \$4.74 in the previous quarter. There was a total of 3,352,305 square feet that delivered in the quarter, with 12,851,651 square feet still under construction at the end of the quarter.

Dayton

With no new office space being delivered to the market, and positive 744,527 square feet of net absorption, Dayton's vacancy rate went from 11.9% to 10.9% in the quarter. Rental rates went from \$4.07 to \$4.08 during that time. At the end of the quarter, there was 3,151 square feet underway for future delivery.

Denver

The Denver industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.1%, from 8.2% in the previous quarter. Rental rates ended the quarter at \$6.00 per square foot, from \$6.03 in the previous quarter. There was a total of 693,200 square feet that delivered in the quarter, with 2,040,681 square feet still under construction at the end of the quarter.

Detroit

The Detroit industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 12.8%, from 12.7% in the previous quarter. Rental rates ended the quarter at \$5.05 per square foot, from \$5.27 in the previous quarter. There was a total of 205,206 square feet that delivered in the quarter, with 957,829 square feet still under construction at the end of the quarter.

East Bay/Oakland

The East Bay/Oakland industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.5%, from 8.9% in the previous quarter. Rental rates ended the quarter at \$8.94 per square foot, from \$8.86 in the previous quarter. There was a total of 83,776 square feet that delivered in the quarter, with 394,638 square feet still under construction at the end of the quarter.

Greensboro/Winston-Salem

With no new office space being delivered to the market, and negative (1,944,403) square feet of net absorption, Greensboro/Winston-Salem's vacancy rate went from 6.9% to 7.8% in the quarter. Rental rates went from \$3.40 to \$3.70 during that time. At the end of the quarter, there was 486,700 square feet underway for future delivery.

Greenville/Spartanburg

The Greenville/Spartanburg industrial market saw vacancies

fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 11.4%, from 12.7% in the previous quarter. Rental rates ended the quarter at \$3.24 per square foot, from \$3.22 in the previous quarter. There was a total of 37,750 square feet that delivered in the quarter, with 505,830 square feet still under construction at the end of the quarter.

Hampton Roads

The Hampton Roads industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.7%, from 6.4% in the previous quarter. Rental rates ended the quarter at \$6.12 per square foot, from \$5.97 in the previous quarter. There was a total of 44,051 square feet that delivered in the quarter, with 2,358,002 square feet still under construction at the end of the quarter.

Hartford

The Hartford industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 10.5%, from 10.9% in the previous quarter. Rental rates ended the quarter at \$5.20 per square foot, from \$5.08 in the previous quarter. There was a total of 42,800 square feet that delivered in the quarter, with 353,568 square feet still under construction at the end of the quarter.

Houston

The Houston industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.0%, from 7.2% in the previous quarter. Rental rates ended the quarter at \$5.31 per square foot, from \$5.19 in the previous quarter. There was a total of 2,388,077 square feet that delivered in the quarter, with 7,725,181 square feet still under construction at the end of the quarter.

Indianapolis

The Indianapolis industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.3%, from 9.5% in the previous quarter. Rental rates ended the quarter at \$4.01 per square foot, from \$4.06 in the previous quarter. There was a total of 621,600 square feet that delivered in the quarter, with 3,527,091 square feet still under construction at the end of the quarter.

Inland Empire (California)

The Inland Empire (California) industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.8%, from 7.7% in the previous quarter. Rental rates ended the quarter at \$6.39 per square foot, from \$6.21 in the previous quarter. There was a total of 6,437,314 square feet that delivered

NATIONAL INDUSTRIAL MARKET



OVERVIEW

in the quarter, with 31,142,884 square feet still under construction at the end of the quarter.

Jacksonville (Florida)

The Jacksonville (Florida) industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 5.5%, from 5.1% in the previous quarter. Rental rates ended the quarter at \$4.77 per square foot, from \$4.65 in the previous quarter. There was a total of 438,910 square feet that delivered in the quarter, with 2,164,816 square feet still under construction at the end of the quarter.

Kansas City

The Kansas City industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.2%, from 7.5% in the previous quarter. Rental rates ended the quarter at \$4.45 per square foot, from \$4.31 in the previous quarter. There was a total of 546,096 square feet that delivered in the quarter, with 643,079 square feet still under construction at the end of the quarter.

Las Vegas

The Las Vegas industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.2%, from 6.1% in the previous quarter. Rental rates ended the quarter at \$9.07 per square foot, from \$8.93 in the previous quarter. There was a total of 1,213,486 square feet that delivered in the quarter, with 4,288,458 square feet still under construction at the end of the quarter.

Long Island (New York)

The Long Island (New York) industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 4.7%, from 4.9% in the previous quarter. Rental rates ended the quarter at \$10.21 per square foot, from \$10.39 in the previous quarter. There was a total of 40,000 square feet that delivered in the quarter, with 267,000 square feet still under construction at the end of the quarter.

Los Angeles

The Los Angeles industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 3.0%, from 2.7% in the previous quarter. Rental rates ended the quarter at \$8.61 per square foot, from \$8.46 in the previous quarter. There was a total of 717,040 square feet that delivered in the quarter, with 3,199,751 square feet still under construction at the end of the quarter.

Madison

With no new office space being delivered to the market, and

positive 232,956 square feet of net absorption, Madison's vacancy rate went from 6.7% to 6.4% in the quarter. Rental rates went from \$4.58 to \$4.62 during that time. At the end of the quarter, there was 114,536 square feet underway for future delivery.

Memphis

The Memphis industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 15.9%, from 15.4% in the previous quarter. Rental rates ended the quarter at \$2.87 per square foot, from \$2.75 in the previous quarter. There was a total of 1,467,136 square feet that delivered in the quarter, with 2,773,640 square feet still under construction at the end of the quarter.

Miami-Dade County

The Miami-Dade County industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 4.8%, from 4.5% in the previous quarter. Rental rates ended the quarter at \$8.36 per square foot, from \$8.10 in the previous quarter. There was a total of 784,272 square feet that delivered in the quarter, with 3,674,538 square feet still under construction at the end of the quarter.

Milwaukee

The Milwaukee industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.9%, from 8.3% in the previous quarter. Rental rates ended the quarter at \$4.33 per square foot, from \$4.31 in the previous quarter. There was a total of 219,337 square feet that delivered in the quarter, with 478,848 square feet still under construction at the end of the quarter.

Minneapolis

The Minneapolis industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.0%, from 8.4% in the previous quarter. Rental rates ended the quarter at \$6.15 per square foot, from \$6.16 in the previous quarter. There was a total of 147,184 square feet that delivered in the quarter, with 493,936 square feet still under construction at the end of the quarter.

Nashville

The Nashville industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.3%, from 8.2% in the previous quarter. Rental rates ended the quarter at \$4.00 per square foot, from \$4.02 in the previous quarter. There was a total of 700,147 square feet that delivered in the quarter, with 2,609,006 square feet still under construction at the end of the quarter.

Northern New Jersey

The Northern New Jersey industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.2%, from 7.9% in the previous quarter. Rental rates ended the quarter at \$6.23 per square foot, from \$6.17 in the previous quarter. There was a total of 1,744,886 square feet that delivered in the quarter, with 9,009,948 square feet still under construction at the end of the quarter.

Oklahoma City

The Oklahoma City industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.6%, from 7.9% in the previous quarter. Rental rates ended the quarter at \$3.73 per square foot, from \$3.68 in the previous quarter. There was a total of 7,680 square feet that delivered in the quarter, with 110,373 square feet still under construction at the end of the quarter.

Orange (California)

The Orange (California) industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 3.8%, from 4.0% in the previous quarter. Rental rates ended the quarter at \$10.47 per square foot, from \$10.19 in the previous quarter. There was a total of 352,723 square feet that delivered in the quarter, with 806,424 square feet still under construction at the end of the quarter.

Orlando

The Orlando industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.2%, from 6.0% in the previous quarter. Rental rates ended the quarter at \$7.29 per square foot, from \$7.15 in the previous quarter. There was a total of 489,096 square feet that delivered in the quarter, with 3,402,159 square feet still under construction at the end of the quarter.

Palm Beach County

The Palm Beach County industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.3%, from 5.4% in the previous quarter. Rental rates ended the quarter at \$10.35 per square foot, from \$10.28 in the previous quarter. There was a total of 289,243 square feet that delivered in the quarter, with 749,104 square feet still under construction at the end of the quarter.

Philadelphia

The Philadelphia industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 10.7%,

from 10.5% in the previous quarter. Rental rates ended the quarter at \$4.93 per square foot, from \$5.02 in the previous quarter. There was a total of 3,163,392 square feet that delivered in the quarter, with 9,159,996 square feet still under construction at the end of the quarter.

Phoenix

The Phoenix industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.9%, from 8.8% in the previous quarter. Rental rates ended the quarter at \$7.98 per square foot, from \$8.18 in the previous quarter. There was a total of 2,595,859 square feet that delivered in the quarter, with 7,668,434 square feet still under construction at the end of the quarter.

Pittsburgh

The Pittsburgh industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 14.6%, from 14.9% in the previous quarter. Rental rates ended the quarter at \$4.42 per square foot, from \$4.54 in the previous quarter. There was a total of 48,500 square feet that delivered in the quarter, with 253,800 square feet still under construction at the end of the quarter.

Portland

The Portland industrial market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.9%, from 7.9% in the previous quarter. Rental rates ended the quarter at \$6.43 per square foot, from \$6.65 in the previous quarter. There was a total of 272,437 square feet that delivered in the quarter, with 2,305,714 square feet still under construction at the end of the quarter.

Providence

The Providence industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.1%, from 8.4% in the previous quarter. Rental rates ended the quarter at \$5.07 per square foot, from \$5.03 in the previous quarter. There was a total of 7,500 square feet that delivered in the quarter, with 23,500 square feet still under construction at the end of the quarter.

Raleigh/Durham

The Raleigh/Durham industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 13.0%, from 11.7% in the previous quarter. Rental rates ended the quarter at \$6.28 per square foot, from \$6.48 in the previous quarter. There was a total of 8,230 square feet that delivered in the quarter, with 469,484 square feet still under construction at

the end of the quarter.

Richmond VA

The Richmond VA industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.9%, from 7.5% in the previous quarter. Rental rates ended the quarter at \$4.43 per square foot, from \$4.35 in the previous quarter. There was a total of 139,374 square feet that delivered in the quarter, with 267,308 square feet still under construction at the end of the quarter.

Sacramento

The Sacramento industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 12.0%, from 12.3% in the previous quarter. Rental rates ended the quarter at \$6.64 per square foot, from \$6.29 in the previous quarter. There was a total of 619,205 square feet that delivered in the quarter, with 1,225,644 square feet still under construction at the end of the quarter.

Salt Lake City

The Salt Lake City industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 5.0%, from 4.8% in the previous quarter. Rental rates ended the quarter at \$4.83 per square foot, from \$5.09 in the previous quarter. There was a total of 1,283,157 square feet that delivered in the quarter, with 1,406,291 square feet still under construction at the end of the quarter.

San Antonio

The San Antonio industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.6%, from 9.1% in the previous quarter. Rental rates ended the quarter at \$5.32 per square foot, from \$5.07 in the previous quarter. There was a total of 260,850 square feet that delivered in the quarter, with 2,126,344 square feet still under construction at the end of the quarter.

San Diego

The San Diego industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 7.7%, from 7.5% in the previous quarter. Rental rates ended the quarter at \$11.89 per square foot, from \$11.86 in the previous quarter. There was a total of 822,680 square feet that delivered in the quarter, with 1,543,694 square feet still under construction at the end of the quarter.

San Francisco

The San Francisco industrial market saw vacancies fall and

rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 4.8%, from 5.3% in the previous quarter. Rental rates ended the quarter at \$13.07 per square foot, from \$12.88 in the previous quarter. There was a total of 25,000 square feet that delivered in the quarter, with 560,311 square feet still under construction at the end of the quarter.

Seattle/Puget Sound

The Seattle/Puget Sound industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.7%, from 6.2% in the previous quarter. Rental rates ended the quarter at \$7.33 per square foot, from \$7.11 in the previous quarter. There was a total of 1,960,142 square feet that delivered in the quarter, with 2,457,227 square feet still under construction at the end of the quarter.

South Bay/San Jose

The South Bay/San Jose industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 10.5%, from 11.4% in the previous quarter. Rental rates ended the quarter at \$12.50 per square foot, from \$11.90 in the previous quarter. There was a total of 10,080 square feet that delivered in the quarter, with 102,096 square feet still under construction at the end of the quarter.

Southwest Florida

The vacancy rate remained unchanged in Southwest Florida in the second quarter. With 34,225 square feet in deliveries, and positive 14,185 square feet in net absorption, the vacancy rate held at 4.4%, the same rate reported in the previous quarter. The market had 681,956 square feet under construction at the end of the quarter, and rental rates stood at \$9.31 per square foot.

St. Louis

The St. Louis industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.1%, from 7.7% in the previous quarter. Rental rates ended the quarter at \$4.89 per square foot, from \$4.95 in the previous quarter. There was a total of 718,802 square feet that delivered in the quarter, with 2,424,118 square feet still under construction at the end of the quarter.

Tampa/St Petersburg

The Tampa/St Petersburg industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 5.3%, from 5.1% in the previous quarter. Rental rates ended the quarter at \$6.67 per square foot, from \$6.52 in the previous quarter. There was a total of 1,446,690 square feet that delivered in the quarter, with 4,096,153 square feet still under construction

at the end of the quarter.

Toledo

The Toledo industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.6%, from 10.1% in the previous quarter. Rental rates ended the quarter at \$3.11 per square foot, from \$3.03 in the previous quarter. There was a total of 76,000 square feet that delivered in the quarter, with 618,000 square feet still under construction at the end of the quarter.

Tucson

The Tucson industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 6.2%, from 4.5% in the previous quarter. Rental rates ended the quarter at \$7.38 per square foot, from \$7.34 in the previous quarter. There was a total of 27,000 square feet that delivered in the quarter, with 683,271 square feet still under construction at the end of the quarter.

Tulsa

The Tulsa industrial market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 10.6%, from 11.3% in the previous quarter. Rental rates ended the quarter at \$3.79 per square foot, from \$3.68 in the previous quarter. There was a total of 31,450 square feet that delivered in the quarter, with 215,138 square feet still under construction at the end of the quarter.

Washington

The vacancy rate remained unchanged in Washington in the second quarter. With 717,300 square feet in deliveries, and positive 645,449 square feet in net absorption, the vacancy rate held at 9.4%, the same rate reported in the previous quarter. The market had 4,926,411 square feet under construction at the end of the quarter, and rental rates stood at \$10.19 per square foot.

West Michigan

The West Michigan industrial market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 11.0%, from 10.3% in the previous quarter. Rental rates ended the quarter at \$3.46 per square foot, from \$3.62 in the previous quarter. There was a total of 65,300 square feet that delivered in the quarter, with 112,000 square feet still under construction at the end of the quarter.

Westchester/So Connecticut

The Westchester/So Connecticut industrial market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently

sits at 11.2%, from 10.7% in the previous quarter. Rental rates ended the quarter at \$7.64 per square foot, from \$7.49 in the previous quarter. There was a total of 171,509 square feet that delivered in the quarter, with 1,156,780 square feet still under construction at the end of the quarter.

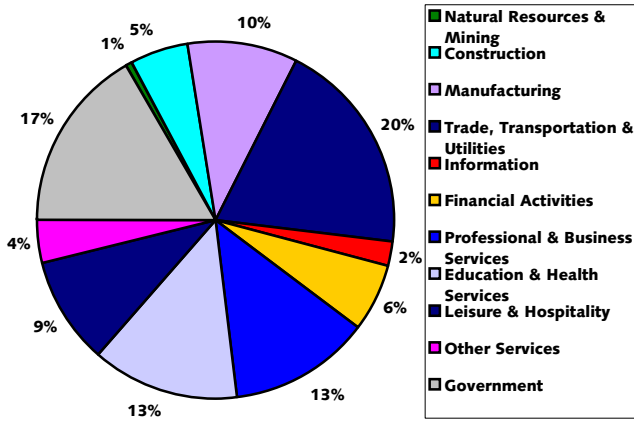
NATIONAL INDUSTRIAL MARKET



EMPLOYMENT ANALYSIS

TOTAL EMPLOYMENT BY INDUSTRY

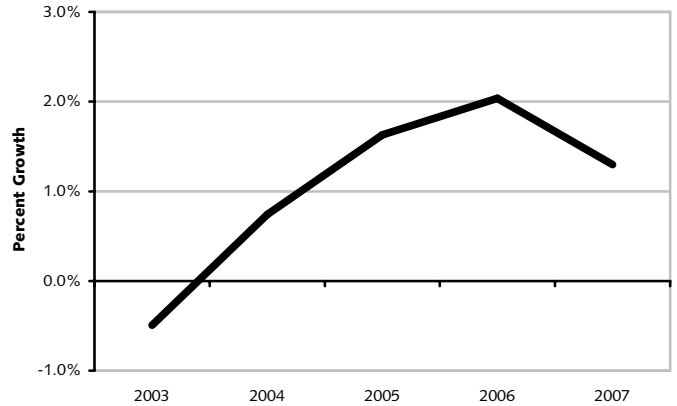
Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

TOTAL EMPLOYMENT GROWTH

Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

TOTAL EMPLOYMENT GROWTH

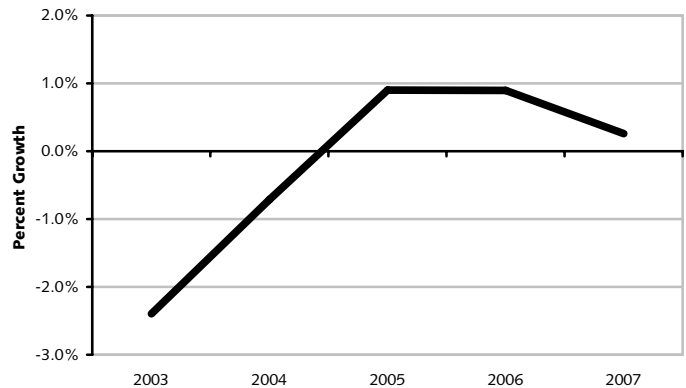
Cumulative Growth in Jobs Over the Past 5 Years

| Market | Employment Growth | Inventory Growth | Difference |
|----------------------------|-------------------|------------------|------------|
| Atlanta | 11.90% | 8.50% | 3.40% |
| Chicago | 6.60% | 5.20% | 1.40% |
| Dallas/Ft Worth | 9.40% | 5.70% | 3.70% |
| Denver | 10.10% | 3.10% | 7.00% |
| Detroit | -1.30% | 1.80% | -3.10% |
| Houston | 9.30% | 5.50% | 3.80% |
| Inland Empire (California) | 17.10% | 21.40% | -4.30% |
| Los Angeles | 3.70% | 2.30% | 1.40% |
| Northern New Jersey | 4.80% | 2.70% | 2.10% |
| Pittsburgh | 0.60% | 1.80% | -1.20% |

Source: Department of Labor, Bureau of Labor Statistics

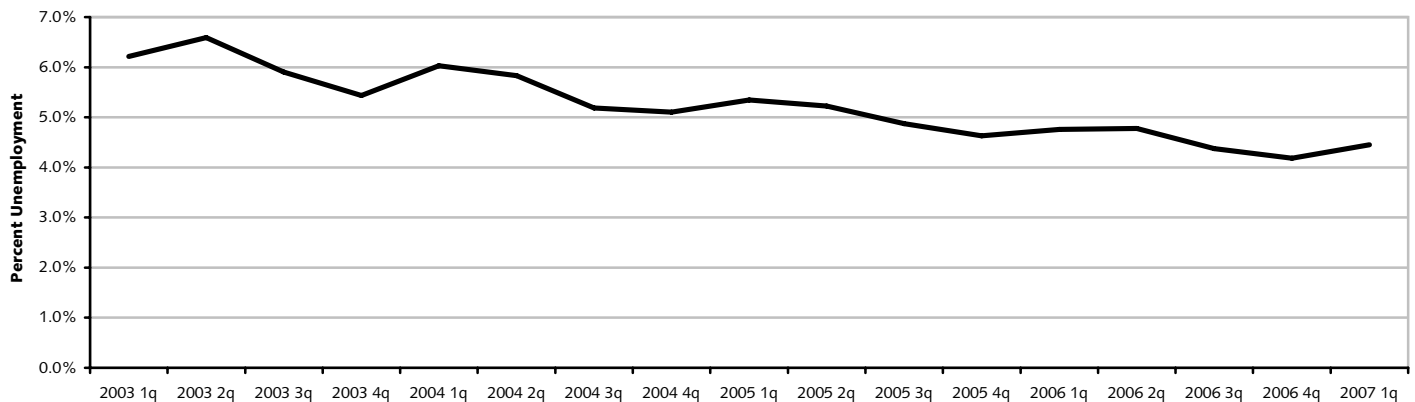
INDUSTRIAL* EMPLOYMENT GROWTH

Number of Industrial* Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics. * Industrial employment is defined as jobs in the Manufacturing, and Trade, Transportation & Utilities industries

HISTORICAL UNEMPLOYMENT RATES



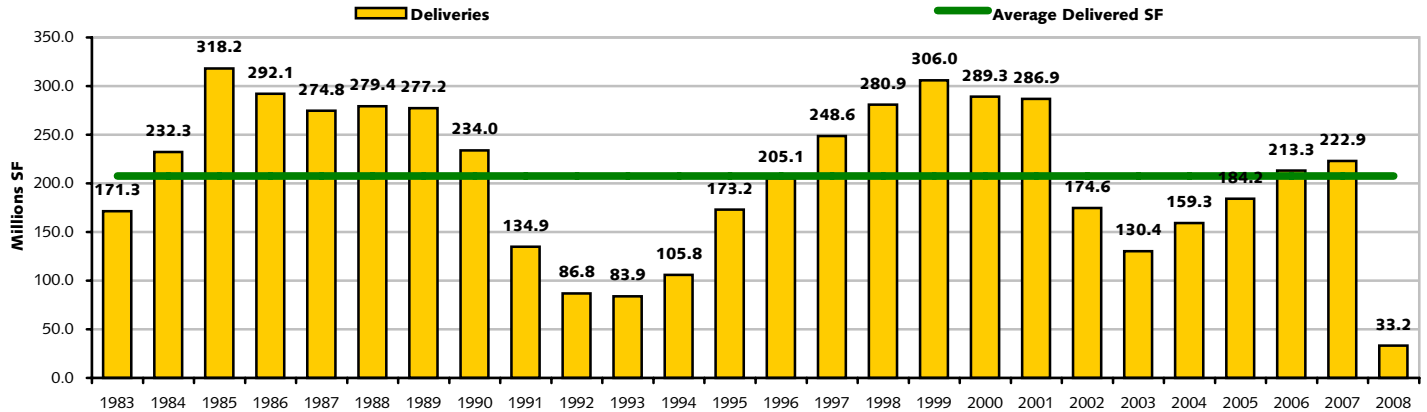
Source: Department of Labor, Bureau of Labor Statistics



NATIONAL INDUSTRIAL MARKET

INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1983 - 2008



Source: CoStar Property® * Future deliveries based on current under construction buildings.

CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

| Market | Under Construction Inventory | | | | Average Bldg Size | |
|----------------------------|------------------------------|--------------------|-------------------|--------------|-------------------|---------------|
| | # Bldgs | Total RBA | Preleased SF | Preleased % | All Existing | U/C |
| Inland Empire (California) | 394 | 31,142,884 | 5,870,995 | 18.9% | 41,467 | 79,043 |
| Dallas/Ft Worth | 68 | 12,851,651 | 1,754,000 | 13.6% | 44,567 | 188,995 |
| Philadelphia | 45 | 9,159,996 | 2,956,401 | 32.3% | 60,018 | 203,555 |
| Northern New Jersey | 51 | 9,009,948 | 965,802 | 10.7% | 59,517 | 176,666 |
| Chicago | 66 | 8,537,976 | 827,958 | 9.7% | 59,182 | 129,363 |
| Houston | 98 | 7,725,181 | 1,135,079 | 14.7% | 38,172 | 78,828 |
| Phoenix | 129 | 7,668,434 | 1,208,260 | 15.8% | 29,774 | 59,445 |
| Atlanta | 62 | 5,683,964 | 1,925,973 | 33.9% | 53,500 | 91,677 |
| Washington | 79 | 4,926,411 | 1,973,733 | 40.1% | 41,160 | 62,360 |
| Las Vegas | 88 | 4,288,458 | 1,367,214 | 31.9% | 29,582 | 48,732 |
| Tampa/St Petersburg | 73 | 4,096,153 | 1,471,198 | 35.9% | 26,515 | 56,112 |
| Miami-Dade County | 84 | 3,674,538 | 2,767,047 | 75.3% | 29,885 | 43,744 |
| Indianapolis | 13 | 3,527,091 | 143,774 | 4.1% | 53,561 | 271,315 |
| Orlando | 84 | 3,402,159 | 1,274,309 | 37.5% | 29,381 | 40,502 |
| Columbus | 13 | 3,357,090 | 239,465 | 7.1% | 70,068 | 258,238 |
| Los Angeles | 64 | 3,199,751 | 1,790,326 | 56.0% | 32,266 | 49,996 |
| Memphis | 7 | 2,773,640 | 0 | 0.0% | 99,282 | 396,234 |
| Nashville | 7 | 2,609,006 | 12,375 | 0.5% | 58,633 | 372,715 |
| Broward County | 40 | 2,591,894 | 1,456,340 | 56.2% | 23,610 | 64,797 |
| Seattle/Puget Sound | 30 | 2,457,227 | 543,573 | 22.1% | 42,243 | 81,908 |
| St. Louis | 8 | 2,424,118 | 121,800 | 5.0% | 48,496 | 303,015 |
| Hampton Roads | 31 | 2,358,002 | 1,286,208 | 54.5% | 35,383 | 76,065 |
| Portland | 28 | 2,305,714 | 381,588 | 16.5% | 39,116 | 82,347 |
| Baltimore | 23 | 2,223,118 | 179,420 | 8.1% | 58,861 | 96,657 |
| Jacksonville (Florida) | 19 | 2,164,816 | 1,054,525 | 48.7% | 38,309 | 113,938 |
| San Antonio | 26 | 2,126,344 | 720,543 | 33.9% | 27,323 | 81,782 |
| Denver | 29 | 2,040,681 | 418,503 | 20.5% | 32,472 | 70,368 |
| Austin | 18 | 1,819,920 | 89,980 | 4.9% | 35,933 | 101,107 |
| San Diego | 109 | 1,543,694 | 590,500 | 38.3% | 23,266 | 14,162 |
| Cincinnati | 7 | 1,511,841 | 420,204 | 27.8% | 51,564 | 215,977 |
| Charlotte | 33 | 1,476,624 | 28,250 | 1.9% | 44,821 | 44,746 |
| Salt Lake City | 19 | 1,406,291 | 324,539 | 23.1% | 26,743 | 74,015 |
| Boston | 27 | 1,242,642 | 274,340 | 22.1% | 51,355 | 46,024 |
| Sacramento | 75 | 1,225,644 | 122,208 | 10.0% | 34,329 | 16,342 |
| Westchester/So Connecticut | 16 | 1,156,780 | 772,346 | 66.8% | 35,997 | 72,299 |
| Detroit | 21 | 957,829 | 213,219 | 22.3% | 35,271 | 45,611 |
| Orange (California) | 42 | 806,424 | 323,365 | 40.1% | 26,433 | 19,201 |
| Palm Beach County | 25 | 749,104 | 269,443 | 36.0% | 21,289 | 29,964 |
| Tucson | 23 | 683,271 | 202,710 | 29.7% | 16,108 | 29,707 |
| Southwest Florida | 35 | 681,956 | 439,618 | 64.5% | 13,692 | 19,484 |
| Kansas City | 27 | 643,079 | 57,664 | 9.0% | 45,699 | 23,818 |
| Toledo | 4 | 618,000 | 241,080 | 39.0% | 46,324 | 154,500 |
| San Francisco | 6 | 560,311 | 560,311 | 100.0% | 22,138 | 93,385 |
| Totals | 2,294 | 170,765,491 | 40,750,535 | 23.9% | 39,859 | 74,440 |

Source: CoStar Property®

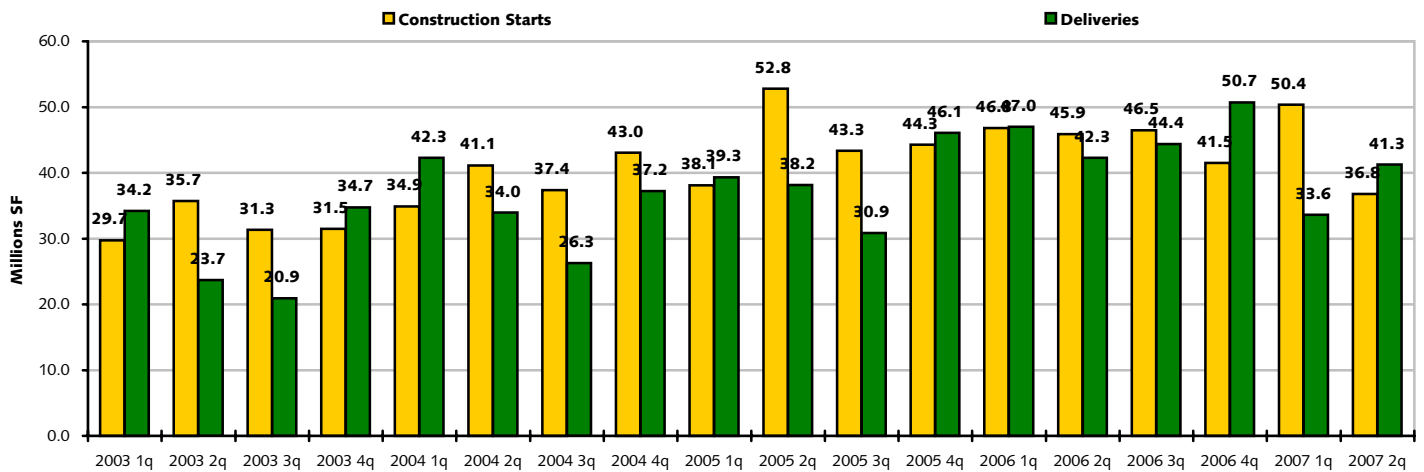
NATIONAL INDUSTRIAL MARKET



INVENTORY & DEVELOPMENT

HISTORICAL CONSTRUCTION STARTS & DELIVERIES*

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property® * Excludes markets - see Methodology page.

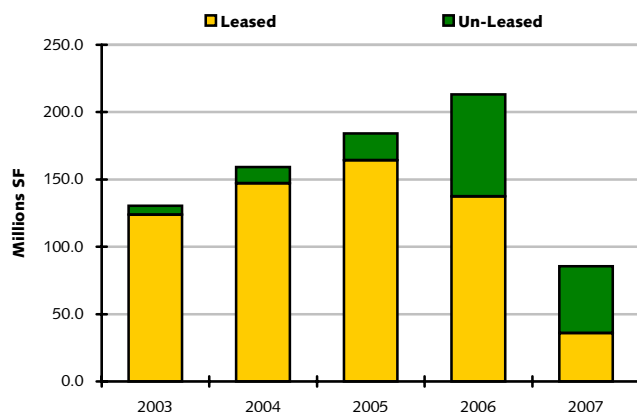
RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

| Building Size | # Bldgs | RBA | SF Leased | % Leased | Avg Rate | Single Tenant | Multi-Tenant |
|-------------------------|---------|------------|------------|----------|----------|---------------|--------------|
| < 50,000 SF | 1,123 | 18,088,529 | 7,503,626 | 41.5% | \$9.53 | 3,786,114 | 14,302,415 |
| 50,000 SF - 99,999 SF | 171 | 11,730,872 | 5,455,112 | 46.5% | \$8.60 | 1,760,523 | 9,970,349 |
| 100,000 SF - 249,999 SF | 123 | 18,375,856 | 6,245,989 | 34.0% | \$6.03 | 3,717,796 | 14,658,060 |
| 250,000 SF - 499,999 SF | 45 | 16,608,471 | 5,948,571 | 35.8% | \$4.50 | 4,461,036 | 12,147,435 |
| >= 500,000 SF | 30 | 20,802,427 | 10,671,537 | 51.3% | \$3.92 | 2,565,672 | 18,236,755 |

Source: CoStar Property®

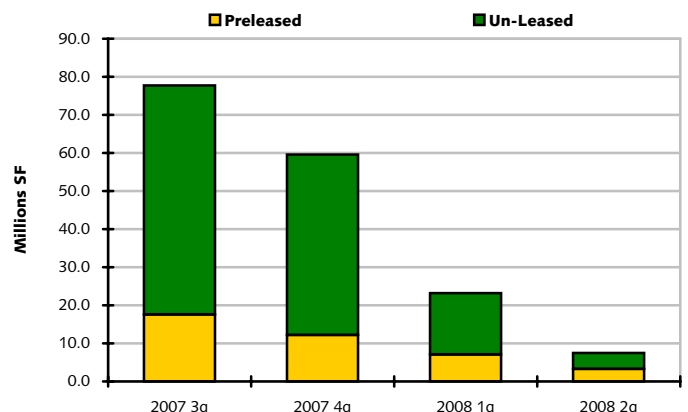
RECENT DELIVERIES

Leased & Un-Leased SF in Deliveries Last 5 Years



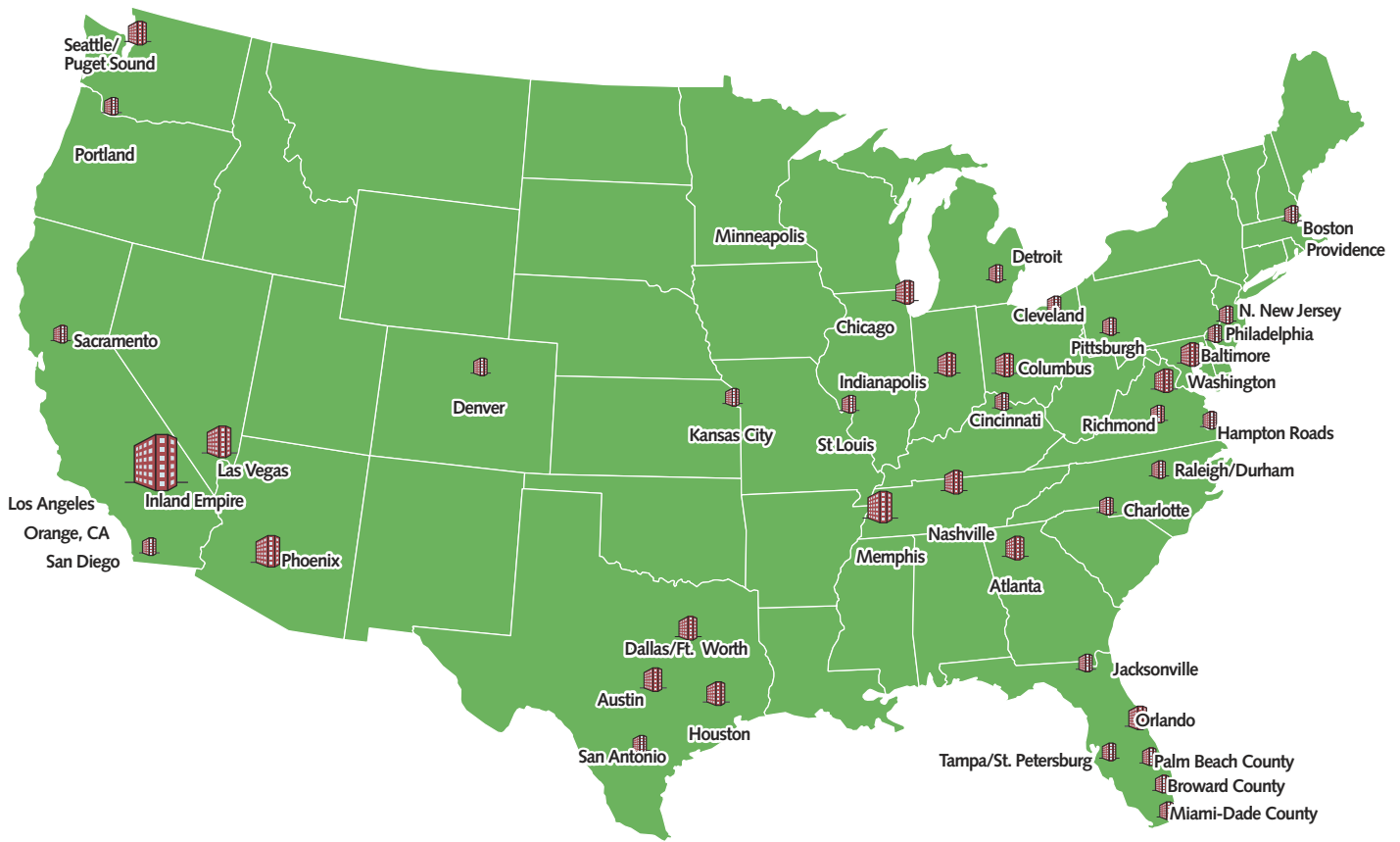
FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver



GROWTH IN INVENTORY LAST 5 YEARS - SELECT REGIONS

Based on Percentage Growth in Inventory From Mid Year 2002 Through Mid Year 2007 Including Current Under Construction Square Footage



Percent Growth:

0% to 4.9%

5.0% to 9.9%

10.0% to 14.9%

15.0% to 19.9%

Over 20.0%

| Rank | Region | 2nd Qtr 2007 | | | | 2nd Qtr 2002 | | Increase in Inventory | | |
|------|----------------------------|--------------|---------------|------------|---------------|--------------|-------------|-----------------------|------------|-----|
| | | # Bldgs | Existing RBA | U/C RBA | Total RBA | # Bldgs | Total RBA | # Bldgs | Total RBA | % |
| 1 | Inland Empire (California) | 10,317 | 427,817,307 | 31,142,884 | 458,960,191 | 9,222 | 361,747,202 | 1,095 | 97,212,989 | 27% |
| 2 | Las Vegas | 3,237 | 95,755,466 | 4,288,458 | 100,043,924 | 2,957 | 90,063,070 | 280 | 9,980,854 | 11% |
| 3 | Memphis | 1,607 | 159,546,370 | 2,773,640 | 162,320,010 | 1,573 | 146,505,510 | 34 | 15,814,500 | 11% |
| 4 | Phoenix | 8,566 | 255,041,013 | 7,668,434 | 262,709,447 | 8,050 | 238,102,785 | 516 | 24,606,662 | 10% |
| 5 | Indianapolis | 4,805 | 257,361,722 | 3,527,091 | 260,888,813 | 4,739 | 239,559,234 | 66 | 21,329,579 | 9% |
| 6 | Nashville | 2,344 | 137,435,517 | 2,609,006 | 140,044,523 | 2,283 | 129,416,229 | 61 | 10,628,294 | 8% |
| 7 | Atlanta | 10,852 | 580,586,982 | 5,683,964 | 586,270,946 | 10,630 | 544,361,394 | 222 | 41,909,552 | 8% |
| 8 | Dallas/Ft Worth | 15,458 | 688,909,219 | 12,851,651 | 701,760,870 | 15,316 | 659,809,682 | 142 | 41,951,188 | 6% |
| 9 | Orlando | 5,483 | 161,094,238 | 3,402,159 | 164,496,397 | 5,395 | 154,696,514 | 88 | 9,799,883 | 6% |
| 10 | Washington | 4,488 | 184,724,949 | 4,926,411 | 189,651,360 | 4,379 | 178,365,176 | 109 | 11,286,184 | 6% |
| 11 | Houston | 11,555 | 441,077,461 | 7,725,181 | 448,802,642 | 11,275 | 423,375,278 | 280 | 25,427,364 | 6% |
| 12 | Austin | 1,993 | 71,615,013 | 1,819,920 | 73,434,933 | 1,938 | 69,382,082 | 55 | 4,052,851 | 6% |
| 13 | Seattle/Puget Sound | 7,079 | 299,037,435 | 2,457,227 | 301,494,662 | 6,993 | 285,860,685 | 86 | 15,633,977 | 5% |
| 14 | Chicago | 17,252 | 1,021,000,409 | 8,537,976 | 1,029,538,385 | 17,055 | 976,944,714 | 197 | 52,593,671 | 5% |
| 15 | Columbus | 3,337 | 233,816,004 | 3,357,090 | 237,173,094 | 3,305 | 225,184,558 | 32 | 11,988,536 | 5% |

NATIONAL INDUSTRIAL MARKET



INVENTORY & DEVELOPMENT

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

- 1. Samsung Austin Semiconductor - Building Two**

Market: **Austin**
 RBA: **1,200,000**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **N/A**
 Developer: **Samsung Electronics America Inc**
- 2. 310 S Tipecanoe Ave**

Market: **Inland Empire (California)**
 RBA: **1,140,720**
 Occupied: **53%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **Colliers International**
 Developer: **Hillwood**
- 3. Ridgeway Church Rd**

Market: **Atlanta**
 RBA: **962,280**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **N/A**
 Developer: **John W. Rooker and Associates, Inc.**
- 4. PetSmart**

Market: **Atlanta**
 RBA: **877,000**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **First Quarter 2007**
 Leasing Co: **N/A**
 Developer: **Seefried Properties, Inc.**
- 5. I-81 Distribution Center - Bldg 1**

Market: **Philadelphia**
 RBA: **837,540**
 Occupied: **0%**
 Quoted Rate: **\$4.25**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **CB Richard Ellis**
 Developer: **Liberty Property Trust**
- 6. Windham Southwest II**

Market: **Chicago**
 RBA: **814,848**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **CB Richard Ellis**
 Developer: **Panattoni Development Company, LLC**
- 7. LogistiCenter at Carlisle - Phase I**

Market: **Philadelphia**
 RBA: **811,200**
 Occupied: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **DP Partners**
 Developer: **DP Partners**
- 8. 141 W Manor Way**

Market: **Northern New Jersey**
 RBA: **800,311**
 Occupied: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **Matrix Development Group**
 Developer: **N/A**
- 9. AMB Valley Distribution Center**

Market: **Seattle/Puget Sound**
 RBA: **766,245**
 Occupied: **36%**
 Quoted Rate: **\$4.32**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **Colliers International**
 Developer: **AMB Property Corporation**
- 10. Lakeside Ranch Business Park - Bldg 20**

Market: **Dallas/Ft Worth**
 RBA: **750,000**
 Occupied: **47%**
 Quoted Rate: **\$3.35**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **First Quarter 2007**
 Leasing Co: **Seefried Properties, Inc.**
 Developer: **Seefried Properties, Inc.**
- 11. Staline F**

Market: **Memphis**
 RBA: **740,844**
 Occupied: **80%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Fourth Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **IDI**
 Developer: **IDI**
- 12. Musician's Friend Distribution Center**

Market: **Kansas City**
 RBA: **702,000**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **First Quarter 2007**
 Leasing Co: **CB Richard Ellis**
 Developer: **Panattoni Development Company**
- 13. Prologis Park 20/35 - Building # 1**

Market: **Dallas/Ft Worth**
 RBA: **656,105**
 Occupied: **64%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **ProLogis**
 Developer: **ProLogis**
- 14. CornerStone One - Bldg 4**

Market: **Dallas/Ft Worth**
 RBA: **650,886**
 Occupied: **0%**
 Quoted Rate: **\$3.25**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **Second Quarter 2007**
 Leasing Co: **CB Richard Ellis**
 Developer: **N/A**
- 15. Walgreen's Distribution Center**

Market: **Greenville/Spartanburg**
 RBA: **650,000**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **First Quarter 2006**
 Deliv Date: **First Quarter 2007**
 Leasing Co: **N/A**
 Developer: **N/A**

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

- | | | |
|--|---|--|
| <p>1. Perris Distribution Center</p> <hr/> Market: Inland Empire (California) RBA: 1,686,590 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Third Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: Cushman & Wakefield, Inc. Developer: IDS Real Estate Group | <p>2. AMB Redlands Commerce Center - Bldg 1</p> <hr/> Market: Inland Empire (California) RBA: 1,313,470 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Third Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: Lee & Associates Developer: AMB Property Corporation | <p>3. Import Distribution Center 2</p> <hr/> Market: Chicago RBA: 1,260,000 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2006 Deliv Date: Fourth Quarter 2007 Leasing Co: NAI Hiffman Developer: CenterPoint Properties Trust |
| <p>4. Riverside Ind. Center - Phase II</p> <hr/> Market: Phoenix RBA: 1,206,048 Preleased: 0% Quoted Rate: \$4.44 Grnd Brk Date: Fourth Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: Grubb & Ellis/BRE Commercial, LLC Developer: Tratt Properties, LLC | <p>5. I-Port 12 - Bldg A</p> <hr/> Market: Northern New Jersey RBA: 1,064,515 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Third Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: CB Richard Ellis Developer: Panattoni Development Company | <p>6. 255 Logistics Center</p> <hr/> Market: St. Louis RBA: 1,005,000 Preleased: 0% Quoted Rate: \$3.50 Grnd Brk Date: Second Quarter 2007 Deliv Date: Fourth Quarter 2007 Leasing Co: Balke Brown Associates Developer: N/A |
| <p>7. Jackson 85 Distribution Center - Building E</p> <hr/> Market: Atlanta RBA: 1,000,200 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: CB Richard Ellis Developer: Raco General Contractors | <p>8. Bridgestone Firestone Blvd</p> <hr/> Market: Jacksonville (Florida) RBA: 1,000,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: N/A Developer: The Conlan Company | <p>9. Covington Industrial Park</p> <hr/> Market: Philadelphia RBA: 1,000,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2007 Deliv Date: First Quarter 2008 Leasing Co: First Realty Trust Developer: N/A |
| <p>10. Alovats North</p> <hr/> Market: Northern New Jersey RBA: 983,320 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2006 Deliv Date: Fourth Quarter 2007 Leasing Co: Cushman & Wakefield of New Jersey, Developer: N/A | <p>11. 825 E Central Ave - Gateway South - Bldg 1</p> <hr/> Market: Inland Empire (California) RBA: 969,456 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2007 Deliv Date: First Quarter 2008 Leasing Co: Colliers International Developer: Hillwood | <p>12. Grand Crossing - Bldg 22</p> <hr/> Market: Los Angeles RBA: 950,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2006 Deliv Date: Third Quarter 2007 Leasing Co: Majestic Realty Co. Developer: Majestic Realty Co. |
| <p>13. ProLogis Park 33 - Bldg 1</p> <hr/> Market: Philadelphia RBA: 930,000 Preleased: 0% Quoted Rate: \$4.75 Grnd Brk Date: First Quarter 2007 Deliv Date: Fourth Quarter 2007 Leasing Co: ProLogis Developer: N/A | <p>14. 100 W Manor Way</p> <hr/> Market: Northern New Jersey RBA: 905,000 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2007 Deliv Date: Third Quarter 2007 Leasing Co: Lee & Klatskin Associates Developer: N/A | <p>15. Riverbluff Business Center - Alabama St</p> <hr/> Market: Inland Empire (California) RBA: 884,125 Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2007 Deliv Date: First Quarter 2008 Leasing Co: CB Richard Ellis Developer: IDI |

NATIONAL INDUSTRIAL MARKET



FIGURES AT A GLANCE

FLEX MARKET STATISTICS

Mid-Year 2007

| Market | Existing Inventory | | Vacancy | | | YTD Net | YTD | Under | Quoted |
|----------------------------|--------------------|----------------------|--------------------|--------------------|--------------|------------------|------------------|-------------------|----------------|
| | # Bldgs | Total RBA | Direct SF | Total SF | Vac % | Absorption | Deliveries | Const SF | Rates |
| Atlanta | 2,629 | 56,396,353 | 6,276,972 | 6,720,301 | 11.9% | 147,225 | 87,335 | 606,611 | \$8.91 |
| Austin | 388 | 18,721,855 | 2,865,956 | 2,894,773 | 15.5% | 768,981 | 88,562 | 523,050 | \$8.81 |
| Baltimore | 1,059 | 40,356,543 | 4,533,310 | 4,806,941 | 11.9% | 195,273 | 528,980 | 305,918 | \$10.91 |
| Birmingham | 449 | 8,404,180 | 526,925 | 534,796 | 6.4% | 39,782 | 0 | 0 | \$6.45 |
| Boston | 2,285 | 117,961,723 | 17,830,452 | 19,265,847 | 16.3% | 365,617 | 79,500 | 292,396 | \$9.73 |
| Broward County | 906 | 19,935,267 | 1,127,860 | 1,200,115 | 6.0% | (212,290) | 0 | 269,655 | \$10.63 |
| Charlotte | 872 | 27,038,928 | 3,518,830 | 3,705,597 | 13.7% | 298,792 | 227,466 | 364,925 | \$8.32 |
| Chicago | 1,769 | 68,471,633 | 7,591,938 | 7,886,156 | 11.5% | 88,815 | 54,163 | 158,660 | \$10.58 |
| Cincinnati | 251 | 7,046,293 | 1,195,865 | 1,227,437 | 17.4% | (208,523) | 0 | 20,200 | \$7.65 |
| Cleveland | 541 | 18,245,510 | 3,478,175 | 3,569,673 | 19.6% | (341,913) | 49,908 | 142,312 | \$8.16 |
| Columbus | 262 | 8,661,747 | 1,057,341 | 1,076,100 | 12.4% | 162,294 | 0 | 50,884 | \$7.21 |
| Dallas/Ft Worth | 6,074 | 139,001,911 | 15,794,236 | 17,091,865 | 12.3% | 220,033 | 317,224 | 622,164 | \$7.83 |
| Dayton | 144 | 3,474,043 | 699,241 | 735,134 | 21.2% | (37,473) | 0 | 3,151 | \$8.91 |
| Denver | 1,496 | 42,805,704 | 5,886,496 | 6,247,203 | 14.6% | 659,327 | 182,157 | 152,314 | \$9.13 |
| Detroit | 1,085 | 36,940,063 | 7,167,634 | 7,321,602 | 19.8% | 151,750 | 101,268 | 190,964 | \$9.65 |
| East Bay/Oakland | 1,478 | 55,794,594 | 8,006,336 | 8,934,865 | 16.0% | 356,621 | 46,093 | 203,471 | \$13.39 |
| Greensboro/Winston-Salem | 494 | 11,225,804 | 937,267 | 1,024,407 | 9.1% | 171,974 | 16,000 | 44,000 | \$7.71 |
| Greenville/Spartanburg | 519 | 7,896,250 | 1,580,654 | 1,596,654 | 20.2% | 31,002 | 22,000 | 25,200 | \$7.25 |
| Hampton Roads | 653 | 13,369,355 | 1,094,558 | 1,104,047 | 8.3% | (79,757) | 73,140 | 264,552 | \$10.83 |
| Hartford | 1,053 | 23,575,165 | 2,333,523 | 2,427,549 | 10.3% | 30,971 | 0 | 27,800 | \$9.90 |
| Houston | 1,219 | 36,483,515 | 5,037,863 | 5,859,937 | 16.1% | (70,020) | 229,434 | 336,473 | \$7.76 |
| Indianapolis | 758 | 21,630,291 | 3,162,098 | 3,312,951 | 15.3% | (252,620) | 125,300 | 0 | \$7.94 |
| Inland Empire (California) | 719 | 15,065,178 | 1,052,142 | 1,115,340 | 7.4% | 53,041 | 162,488 | 414,229 | \$14.18 |
| Jacksonville (Florida) | 244 | 6,861,710 | 669,133 | 669,133 | 9.8% | 113,062 | 48,348 | 93,900 | \$10.07 |
| Kansas City | 407 | 11,551,614 | 1,717,699 | 1,731,449 | 15.0% | (34,050) | 20,650 | 386,078 | \$8.53 |
| Las Vegas | 817 | 16,803,623 | 1,532,445 | 1,564,915 | 9.3% | (173,290) | 432,596 | 443,946 | \$13.09 |
| Long Island (New York) | 551 | 22,071,059 | 2,463,510 | 2,575,710 | 11.7% | (441,432) | 0 | 10,500 | \$14.86 |
| Los Angeles | 2,815 | 73,090,925 | 3,544,726 | 4,008,610 | 5.5% | (617,153) | 232,687 | 152,202 | \$15.53 |
| Madison | 215 | 6,390,314 | 625,081 | 637,710 | 10.0% | 377,009 | 0 | 32,000 | \$8.12 |
| Memphis | 279 | 7,374,402 | 1,679,775 | 1,712,786 | 23.2% | (99,584) | 83,320 | 93,900 | \$8.31 |
| Miami-Dade County | 554 | 20,669,934 | 1,393,975 | 1,457,115 | 7.0% | 128,717 | 328,446 | 444,036 | \$16.05 |
| Milwaukee | 1,411 | 51,859,530 | 3,036,299 | 3,087,954 | 6.0% | 572,787 | 19,997 | 119,975 | \$7.12 |
| Minneapolis | 1,972 | 75,597,611 | 8,295,266 | 8,571,367 | 11.3% | 1,033,506 | 257,318 | 233,456 | \$7.95 |
| Nashville | 306 | 11,500,345 | 1,610,290 | 1,747,913 | 15.2% | (87,606) | 67,617 | 30,000 | \$7.93 |
| Northern New Jersey | 1,030 | 45,867,946 | 4,516,882 | 4,864,837 | 10.6% | 115,667 | 125,101 | 764,380 | \$12.67 |
| Oklahoma City | 157 | 3,398,772 | 532,120 | 532,120 | 15.7% | 51,005 | 3,000 | 0 | \$6.30 |
| Orange (California) | 3,061 | 70,395,497 | 2,738,443 | 3,025,553 | 4.3% | 416,271 | 143,820 | 58,504 | \$15.09 |
| Orlando | 1,350 | 30,129,519 | 2,175,889 | 2,313,350 | 7.7% | (195,127) | 212,132 | 525,385 | \$12.02 |
| Palm Beach County | 484 | 12,204,516 | 1,025,982 | 1,036,692 | 8.5% | (253,556) | 122,223 | 86,752 | \$12.16 |
| Philadelphia | 2,357 | 77,004,685 | 9,648,505 | 10,176,452 | 13.2% | 283,235 | 727,243 | 177,553 | \$9.97 |
| Phoenix | 1,050 | 30,168,146 | 4,026,497 | 4,346,350 | 14.4% | 739,685 | 413,682 | 512,899 | \$13.21 |
| Pittsburgh | 603 | 17,345,816 | 2,211,315 | 2,296,668 | 13.2% | 21,804 | 148,500 | 0 | \$10.00 |
| Portland | 661 | 19,598,776 | 2,181,293 | 2,374,589 | 12.1% | 485,353 | 167,577 | 60,000 | \$10.57 |
| Providence | 91 | 2,481,682 | 189,602 | 189,602 | 7.6% | 66,751 | 0 | 0 | \$8.97 |
| Raleigh/Durham | 681 | 19,817,553 | 2,661,878 | 3,136,192 | 15.8% | (439,857) | 28,630 | 285,434 | \$10.40 |
| Richmond VA | 381 | 10,163,480 | 824,895 | 842,860 | 8.3% | 243,429 | 74,747 | 89,401 | \$9.17 |
| Sacramento | 854 | 20,571,395 | 3,026,848 | 3,071,568 | 14.9% | (40,431) | 83,025 | 180,129 | \$11.91 |
| Salt Lake City | 764 | 15,359,862 | 1,448,035 | 1,510,299 | 9.8% | 46,818 | 229,342 | 199,399 | \$7.99 |
| San Antonio | 578 | 10,918,759 | 1,182,538 | 1,203,229 | 11.0% | 99,848 | 6,000 | 51,300 | \$8.70 |
| San Diego | 1,563 | 40,302,391 | 4,016,501 | 4,456,941 | 11.1% | 97,414 | 338,902 | 344,133 | \$17.31 |
| San Francisco | 811 | 22,076,382 | 1,676,571 | 2,039,635 | 9.2% | 600,772 | 0 | 560,311 | \$18.38 |
| Seattle/Puget Sound | 868 | 30,920,603 | 2,686,013 | 3,052,372 | 9.9% | 136,637 | 0 | 39,364 | \$14.08 |
| South Bay/San Jose | 2,757 | 126,284,218 | 16,962,502 | 19,535,664 | 15.5% | 2,196,552 | 0 | 0 | \$13.98 |
| Southwest Florida | 197 | 3,256,109 | 536,312 | 538,812 | 16.5% | 247,294 | 150,387 | 276,861 | \$10.64 |
| St. Louis | 397 | 12,629,506 | 1,977,462 | 1,984,542 | 15.7% | (151,305) | 0 | 0 | \$8.22 |
| Tampa/St Petersburg | 1,165 | 28,448,444 | 2,738,524 | 2,849,036 | 10.0% | 128,699 | 209,702 | 591,453 | \$10.33 |
| Toledo | 335 | 6,438,108 | 693,751 | 693,751 | 10.8% | 138,274 | 0 | 0 | \$5.19 |
| Tucson | 436 | 7,601,656 | 522,621 | 586,482 | 7.7% | (53,496) | 0 | 195,161 | \$8.72 |
| Tulsa | 393 | 7,508,299 | 699,230 | 707,480 | 9.4% | (38,705) | 0 | 0 | \$5.95 |
| Washington | 1,420 | 62,428,991 | 7,249,257 | 7,761,439 | 12.4% | 454,821 | 485,344 | 2,106,727 | \$13.46 |
| West Michigan | 213 | 8,888,127 | 2,110,779 | 2,140,779 | 24.1% | (359,361) | 56,500 | 100,000 | \$6.35 |
| Westchester/So Connecticut | 667 | 24,233,581 | 2,903,360 | 2,982,268 | 12.3% | (245,467) | 87,960 | 503,520 | \$12.57 |
| Totals | 61,998 | 1,868,715,791 | 212,487,476 | 227,673,514 | 12.2% | 8,103,892 | 7,695,814 | 14,767,588 | \$10.97 |

Source: CoStar Property®



NATIONAL INDUSTRIAL MARKET

FIGURES AT A GLANCE

WAREHOUSE MARKET STATISTICS

Mid-Year 2007

| Market | Existing Inventory | | Vacancy | | | YTD Net | YTD | Under | Quoted |
|----------------------------|--------------------|-----------------------|----------------------|----------------------|-------------|-------------------|-------------------|--------------------|---------------|
| | # Bldgs | Total RBA | Direct SF | Total SF | Vac % | Absorption | Deliveries | Const SF | Rates |
| Atlanta | 8,223 | 524,190,629 | 55,696,950 | 58,141,196 | 11.1% | 5,812,220 | 4,927,995 | 5,077,353 | \$3.79 |
| Austin | 1,605 | 52,893,158 | 4,326,762 | 4,491,301 | 8.5% | 1,214,437 | 1,562,500 | 1,296,870 | \$6.11 |
| Baltimore | 2,402 | 163,362,607 | 19,207,031 | 20,215,074 | 12.4% | 733,753 | 1,500,444 | 1,917,200 | \$5.09 |
| Birmingham | 2,202 | 90,416,488 | 8,125,280 | 8,692,992 | 9.6% | 837,824 | 272,300 | 235,300 | \$3.04 |
| Boston | 5,945 | 304,692,640 | 36,880,052 | 39,168,700 | 12.9% | (732,070) | 378,489 | 950,246 | \$5.75 |
| Broward County | 4,310 | 103,213,540 | 4,299,353 | 4,655,122 | 4.5% | (396,134) | 675,485 | 2,322,239 | \$8.49 |
| Charlotte | 4,005 | 191,553,870 | 21,180,576 | 21,433,294 | 11.2% | 296,690 | 799,225 | 1,111,699 | \$3.55 |
| Chicago | 15,483 | 952,528,776 | 88,514,770 | 93,773,781 | 9.8% | 4,341,516 | 4,500,194 | 8,379,316 | \$4.91 |
| Cincinnati | 5,382 | 283,412,095 | 24,715,477 | 26,746,314 | 9.4% | (1,693,155) | 793,220 | 1,491,641 | \$3.85 |
| Cleveland | 7,498 | 359,463,310 | 30,951,920 | 31,337,134 | 8.7% | 2,292,357 | 140,300 | 326,318 | \$3.68 |
| Columbus | 3,075 | 225,154,257 | 25,144,292 | 26,532,956 | 11.8% | 1,665,191 | 1,197,510 | 3,306,206 | \$3.10 |
| Dallas/Ft Worth | 9,384 | 549,907,308 | 47,218,504 | 51,038,916 | 9.3% | 5,472,476 | 6,158,055 | 12,229,487 | \$3.88 |
| Dayton | 1,740 | 72,858,474 | 7,431,881 | 7,612,021 | 10.4% | 1,642,468 | 0 | 0 | \$3.78 |
| Denver | 6,638 | 221,319,105 | 14,255,921 | 15,099,161 | 6.8% | 1,526,448 | 675,088 | 1,888,367 | \$5.04 |
| Detroit | 13,292 | 470,145,401 | 56,836,482 | 57,511,850 | 12.2% | 425,696 | 512,233 | 766,865 | \$4.56 |
| East Bay/Oakland | 6,294 | 224,316,811 | 13,320,669 | 15,009,533 | 6.7% | 1,750,531 | 87,089 | 191,167 | \$7.01 |
| Greensboro/Winston-Salem | 4,829 | 212,473,098 | 16,177,648 | 16,325,173 | 7.7% | (2,616,944) | 156,000 | 442,700 | \$3.49 |
| Greenville/Spartanburg | 2,674 | 135,836,883 | 14,675,972 | 14,754,996 | 10.9% | 2,921,079 | 682,550 | 480,630 | \$2.89 |
| Hampton Roads | 2,000 | 80,501,897 | 4,869,925 | 5,230,501 | 6.5% | (313,186) | 614,517 | 2,093,450 | \$5.39 |
| Hartford | 3,626 | 132,892,848 | 13,877,403 | 14,005,098 | 10.5% | 668,937 | 85,300 | 325,768 | \$4.45 |
| Houston | 10,336 | 404,593,946 | 24,686,878 | 25,200,374 | 6.2% | 2,326,344 | 4,774,939 | 7,388,708 | \$4.90 |
| Indianapolis | 4,047 | 235,731,431 | 19,676,765 | 20,663,635 | 8.8% | 4,925,558 | 574,080 | 3,527,091 | \$3.62 |
| Inland Empire (California) | 9,598 | 412,752,129 | 30,502,584 | 32,363,481 | 7.8% | 10,524,478 | 9,609,717 | 30,728,655 | \$6.12 |
| Jacksonville (Florida) | 2,407 | 94,694,270 | 4,926,310 | 4,950,445 | 5.2% | 445,121 | 633,661 | 2,070,916 | \$4.28 |
| Kansas City | 4,837 | 228,091,700 | 15,125,005 | 15,614,375 | 6.8% | 2,690,206 | 1,420,582 | 257,001 | \$3.92 |
| Las Vegas | 2,420 | 78,951,843 | 4,190,370 | 4,379,164 | 5.5% | 1,814,081 | 2,009,392 | 3,844,512 | \$8.12 |
| Long Island (New York) | 9,834 | 292,474,057 | 11,619,687 | 12,137,889 | 4.2% | (631,152) | 40,000 | 256,500 | \$9.64 |
| Los Angeles | 30,604 | 1,005,199,880 | 25,783,437 | 28,710,220 | 2.9% | (3,562,214) | 1,527,129 | 3,047,549 | \$8.02 |
| Madison | 1,471 | 54,701,292 | 3,037,327 | 3,245,502 | 5.9% | 762,647 | 205,200 | 82,536 | \$4.05 |
| Memphis | 1,328 | 152,171,968 | 23,071,695 | 23,672,030 | 15.6% | 794,642 | 1,422,816 | 2,679,740 | \$2.66 |
| Miami-Dade County | 7,063 | 206,962,037 | 9,317,869 | 9,484,024 | 4.6% | 280,799 | 1,034,192 | 3,230,502 | \$7.87 |
| Milwaukee | 5,046 | 218,564,409 | 17,780,615 | 18,219,466 | 8.3% | 1,408,009 | 346,553 | 358,873 | \$4.04 |
| Minneapolis | 5,273 | 239,755,772 | 16,394,667 | 16,788,862 | 7.0% | 1,620,000 | 141,796 | 260,480 | \$5.45 |
| Nashville | 2,038 | 125,935,172 | 9,239,853 | 9,707,438 | 7.7% | 1,486,597 | 1,468,950 | 2,579,006 | \$3.60 |
| Northern New Jersey | 12,175 | 740,054,768 | 56,394,610 | 59,662,063 | 8.1% | (2,144,910) | 1,826,636 | 8,245,568 | \$5.80 |
| Oklahoma City | 4,369 | 90,562,636 | 6,503,122 | 6,609,753 | 7.3% | 346,680 | 4,680 | 110,373 | \$3.55 |
| Orange (California) | 8,506 | 235,353,775 | 7,494,400 | 8,491,841 | 3.6% | 503,946 | 533,898 | 747,920 | \$9.06 |
| Orlando | 4,133 | 130,964,719 | 7,284,788 | 7,639,009 | 5.8% | 902,874 | 985,234 | 2,876,774 | \$6.07 |
| Palm Beach County | 2,069 | 42,147,207 | 2,214,562 | 2,383,122 | 5.7% | (566,165) | 265,101 | 662,352 | \$9.88 |
| Philadelphia | 10,968 | 722,739,183 | 73,418,035 | 75,000,978 | 10.4% | 87,695 | 4,435,643 | 8,982,443 | \$4.48 |
| Phoenix | 7,516 | 224,872,867 | 17,390,867 | 18,237,340 | 8.1% | 1,924,374 | 4,162,317 | 7,155,535 | \$7.17 |
| Pittsburgh | 2,258 | 92,917,748 | 13,376,538 | 13,767,308 | 14.8% | 774,958 | 256,500 | 253,800 | \$3.86 |
| Portland | 3,017 | 124,268,972 | 7,283,224 | 7,572,327 | 6.1% | 2,602,681 | 766,002 | 2,245,714 | \$5.41 |
| Providence | 1,670 | 58,961,640 | 4,123,289 | 4,146,594 | 7.0% | 879,936 | 7,500 | 23,500 | \$4.96 |
| Raleigh/Durham | 749 | 40,430,317 | 4,565,542 | 4,666,777 | 11.5% | 526,383 | 395,718 | 184,050 | \$4.37 |
| Richmond VA | 2,269 | 92,129,928 | 6,020,048 | 6,185,007 | 6.7% | 1,355,409 | 390,078 | 177,907 | \$3.92 |
| Sacramento | 5,128 | 184,784,372 | 21,139,365 | 21,635,142 | 11.7% | 1,661,339 | 908,944 | 1,045,515 | \$5.89 |
| Salt Lake City | 5,400 | 149,486,204 | 6,553,446 | 6,764,059 | 4.5% | 1,867,921 | 1,419,702 | 1,206,892 | \$4.31 |
| San Antonio | 2,572 | 75,147,141 | 5,857,702 | 6,229,406 | 8.3% | 1,095,553 | 641,222 | 2,075,044 | \$4.76 |
| San Diego | 6,512 | 147,570,500 | 9,232,716 | 9,998,231 | 6.8% | (206,653) | 1,048,691 | 1,199,561 | \$9.86 |
| San Francisco | 3,960 | 83,545,261 | 2,814,452 | 3,066,263 | 3.7% | 692,590 | 25,000 | 0 | \$10.37 |
| Seattle/Puget Sound | 6,211 | 268,116,832 | 15,944,214 | 17,007,074 | 6.3% | 880,828 | 3,871,257 | 2,417,863 | \$6.37 |
| South Bay/San Jose | 3,474 | 111,840,077 | 5,051,257 | 5,489,050 | 4.9% | 1,367,613 | 10,080 | 102,096 | \$8.41 |
| Southwest Florida | 2,604 | 35,095,199 | 1,116,941 | 1,161,311 | 3.3% | (251,394) | 39,100 | 405,095 | \$8.73 |
| St. Louis | 4,869 | 242,749,330 | 18,236,641 | 18,745,368 | 7.7% | (850,875) | 1,068,802 | 2,424,118 | \$4.64 |
| Tampa/St Petersburg | 7,757 | 208,116,294 | 9,154,329 | 9,649,219 | 4.6% | 1,874,129 | 1,814,408 | 3,504,700 | \$5.89 |
| Toledo | 2,122 | 107,378,802 | 9,731,904 | 10,216,773 | 9.5% | 267,039 | 76,000 | 618,000 | \$2.99 |
| Tucson | 1,564 | 24,614,644 | 1,255,087 | 1,396,507 | 5.7% | (321,674) | 146,668 | 488,110 | \$6.93 |
| Tulsa | 1,573 | 42,793,798 | 4,588,075 | 4,644,382 | 10.9% | 629,990 | 32,650 | 215,138 | \$3.57 |
| Washington | 3,068 | 122,295,958 | 8,937,351 | 9,543,375 | 7.8% | 89,038 | 528,984 | 2,819,684 | \$8.38 |
| West Michigan | 6,613 | 272,621,414 | 28,528,042 | 28,946,587 | 10.6% | (3,998,532) | 418,984 | 12,000 | \$3.33 |
| Westchester/So Connecticut | 4,049 | 145,527,878 | 15,470,477 | 16,081,209 | 11.1% | (582,147) | 188,917 | 653,260 | \$6.71 |
| Totals | 334,084 | 13,918,800,565 | 1,092,740,954 | 1,141,848,093 | 8.2% | 62,143,876 | 77,196,217 | 155,997,903 | \$5.13 |

Source: CoStar Property®

NATIONAL INDUSTRIAL MARKET



FIGURES AT A GLANCE

TOTAL INDUSTRIAL MARKET STATISTICS

Mid-Year 2007

| Market | Existing Inventory | | Vacancy | | | YTD Net | YTD | Under | Quoted |
|----------------------------|--------------------|-----------------------|----------------------|----------------------|-------------|-------------------|-------------------|--------------------|---------------|
| | # Bldgs | Total RBA | Direct SF | Total SF | Vac % | Absorption | Deliveries | Const SF | Rates |
| Atlanta | 10,852 | 580,586,982 | 61,973,922 | 64,861,497 | 11.2% | 5,959,445 | 5,015,330 | 5,683,964 | \$4.26 |
| Austin | 1,993 | 71,615,013 | 7,192,718 | 7,386,074 | 10.3% | 1,983,418 | 1,651,062 | 1,819,920 | \$7.02 |
| Baltimore | 3,461 | 203,719,150 | 23,740,341 | 25,022,015 | 12.3% | 929,026 | 2,029,424 | 2,223,118 | \$5.93 |
| Birmingham | 2,651 | 98,820,668 | 8,652,205 | 9,227,788 | 9.3% | 877,606 | 272,300 | 235,300 | \$3.32 |
| Boston | 8,230 | 422,654,363 | 54,710,504 | 58,434,547 | 13.8% | (366,453) | 457,989 | 1,242,642 | \$6.73 |
| Broward County | 5,216 | 123,148,807 | 5,427,213 | 5,855,237 | 4.8% | (608,424) | 675,485 | 2,591,894 | \$8.88 |
| Charlotte | 4,877 | 218,592,798 | 24,699,406 | 25,138,891 | 11.5% | 595,482 | 1,026,691 | 1,476,624 | \$4.09 |
| Chicago | 17,252 | 1,021,000,409 | 96,106,708 | 101,659,937 | 10.0% | 4,430,331 | 4,554,357 | 8,537,976 | \$5.22 |
| Cincinnati | 5,633 | 290,458,388 | 25,911,342 | 27,973,751 | 9.6% | (1,901,678) | 793,220 | 1,511,841 | \$4.01 |
| Cleveland | 8,039 | 377,708,820 | 34,430,095 | 34,906,807 | 9.2% | 1,950,444 | 190,208 | 468,630 | \$4.00 |
| Columbus | 3,337 | 233,816,004 | 26,201,633 | 27,609,056 | 11.8% | 1,827,485 | 1,197,510 | 3,357,090 | \$3.21 |
| Dallas/Ft Worth | 15,458 | 688,909,219 | 63,012,740 | 68,130,781 | 9.9% | 5,692,509 | 6,475,279 | 12,851,651 | \$4.72 |
| Dayton | 1,884 | 76,332,517 | 8,131,122 | 8,347,155 | 10.9% | 1,604,995 | 0 | 3,151 | \$4.08 |
| Denver | 8,134 | 264,124,809 | 20,142,417 | 21,346,364 | 8.1% | 2,185,775 | 857,245 | 2,040,681 | \$6.00 |
| Detroit | 14,377 | 507,085,464 | 64,004,116 | 64,833,452 | 12.8% | 577,446 | 613,501 | 957,829 | \$5.05 |
| East Bay/Oakland | 7,772 | 280,111,405 | 21,327,005 | 23,944,398 | 8.5% | 2,107,152 | 133,182 | 394,638 | \$8.94 |
| Greensboro/Winston-Salem | 5,323 | 223,698,902 | 17,114,915 | 17,349,580 | 7.8% | (2,444,970) | 172,000 | 486,700 | \$3.70 |
| Greenville/Spartanburg | 3,193 | 143,733,133 | 16,256,626 | 16,351,650 | 11.4% | 2,952,081 | 704,550 | 505,830 | \$3.24 |
| Hampton Roads | 2,653 | 93,871,252 | 5,964,483 | 6,334,548 | 6.7% | (392,943) | 687,657 | 2,358,002 | \$6.12 |
| Hartford | 4,679 | 156,468,013 | 16,210,926 | 16,432,647 | 10.5% | 699,908 | 85,300 | 353,568 | \$5.20 |
| Houston | 11,555 | 441,077,461 | 29,724,741 | 31,060,311 | 7.0% | 2,256,324 | 5,004,373 | 7,725,181 | \$5.31 |
| Indianapolis | 4,805 | 257,361,722 | 22,838,863 | 23,976,586 | 9.3% | 4,672,938 | 699,380 | 3,527,091 | \$4.01 |
| Inland Empire (California) | 10,317 | 427,817,307 | 31,554,726 | 33,478,821 | 7.8% | 10,577,519 | 9,772,205 | 31,142,884 | \$6.39 |
| Jacksonville (Florida) | 2,651 | 101,555,980 | 5,595,443 | 5,619,578 | 5.5% | 558,183 | 682,009 | 2,164,816 | \$4.77 |
| Kansas City | 5,244 | 239,643,314 | 16,842,704 | 17,345,824 | 7.2% | 2,656,156 | 1,441,232 | 643,079 | \$4.45 |
| Las Vegas | 3,237 | 95,755,466 | 5,722,815 | 5,944,079 | 6.2% | 1,640,791 | 2,441,988 | 4,288,458 | \$9.07 |
| Long Island (New York) | 10,385 | 314,545,116 | 14,083,197 | 14,713,599 | 4.7% | (1,072,584) | 40,000 | 267,000 | \$10.21 |
| Los Angeles | 33,419 | 1,078,290,805 | 29,328,163 | 32,718,830 | 3.0% | (4,179,367) | 1,759,816 | 3,199,751 | \$8.61 |
| Madison | 1,686 | 61,091,606 | 3,662,408 | 3,883,212 | 6.4% | 1,139,656 | 205,200 | 114,536 | \$4.62 |
| Memphis | 1,607 | 159,546,370 | 24,751,470 | 25,384,816 | 15.9% | 695,058 | 1,506,136 | 2,773,640 | \$2.87 |
| Miami-Dade County | 7,617 | 227,631,971 | 10,711,844 | 10,941,139 | 4.8% | 409,516 | 1,362,638 | 3,674,538 | \$8.36 |
| Milwaukee | 6,457 | 270,423,939 | 20,816,914 | 21,307,420 | 7.9% | 1,980,796 | 366,550 | 478,848 | \$4.33 |
| Minneapolis | 7,245 | 315,353,383 | 24,689,933 | 25,360,229 | 8.0% | 2,653,506 | 399,114 | 493,936 | \$6.15 |
| Nashville | 2,344 | 137,435,517 | 10,850,143 | 11,455,351 | 8.3% | 1,398,991 | 1,536,567 | 2,609,006 | \$4.00 |
| Northern New Jersey | 13,205 | 785,922,714 | 60,911,492 | 64,526,900 | 8.2% | (2,029,243) | 1,951,737 | 9,009,948 | \$6.23 |
| Oklahoma City | 4,526 | 93,961,408 | 7,035,242 | 7,141,873 | 7.6% | 397,685 | 7,680 | 110,373 | \$3.73 |
| Orange (California) | 11,567 | 305,749,272 | 10,232,843 | 11,517,394 | 3.8% | 920,217 | 677,718 | 806,424 | \$10.47 |
| Orlando | 5,483 | 161,094,238 | 9,460,677 | 9,952,359 | 6.2% | 707,747 | 1,197,366 | 3,402,159 | \$7.29 |
| Palm Beach County | 2,553 | 54,351,723 | 3,240,544 | 3,419,814 | 6.3% | (819,721) | 387,324 | 749,104 | \$10.35 |
| Philadelphia | 13,325 | 799,743,868 | 83,066,540 | 85,177,430 | 10.7% | 370,930 | 5,162,886 | 9,159,996 | \$4.93 |
| Phoenix | 8,566 | 255,041,013 | 21,417,364 | 22,583,690 | 8.9% | 2,664,059 | 4,575,999 | 7,668,434 | \$7.98 |
| Pittsburgh | 2,861 | 110,263,564 | 15,587,853 | 16,063,976 | 14.6% | 796,762 | 405,000 | 253,800 | \$4.42 |
| Portland | 3,678 | 143,867,748 | 9,464,517 | 9,946,916 | 6.9% | 3,088,034 | 933,579 | 2,305,714 | \$6.43 |
| Providence | 1,761 | 61,443,322 | 4,312,891 | 4,336,196 | 7.1% | 946,687 | 7,500 | 23,500 | \$5.07 |
| Raleigh/Durham | 1,430 | 60,247,870 | 7,227,420 | 7,802,969 | 13.0% | 86,526 | 424,348 | 469,484 | \$6.28 |
| Richmond VA | 2,650 | 102,293,408 | 6,844,943 | 7,027,867 | 6.9% | 1,598,838 | 464,825 | 267,308 | \$4.43 |
| Sacramento | 5,982 | 205,355,767 | 24,166,213 | 24,706,710 | 12.0% | 1,620,908 | 991,969 | 1,225,644 | \$6.64 |
| Salt Lake City | 6,164 | 164,846,066 | 8,001,481 | 8,274,358 | 5.0% | 1,914,739 | 1,649,044 | 1,406,291 | \$4.83 |
| San Antonio | 3,150 | 86,065,900 | 7,040,240 | 7,432,635 | 8.6% | 1,195,401 | 647,222 | 2,126,344 | \$5.32 |
| San Diego | 8,075 | 187,872,891 | 13,249,217 | 14,455,172 | 7.7% | (109,239) | 1,387,593 | 1,543,694 | \$11.89 |
| San Francisco | 4,771 | 105,621,643 | 4,491,023 | 5,105,898 | 4.8% | 1,293,362 | 25,000 | 560,311 | \$13.07 |
| Seattle/Puget Sound | 7,079 | 299,037,435 | 18,630,227 | 20,059,446 | 6.7% | 1,017,465 | 3,871,257 | 2,457,227 | \$7.33 |
| South Bay/San Jose | 6,231 | 238,124,295 | 22,013,759 | 25,024,714 | 10.5% | 3,564,165 | 10,080 | 102,096 | \$12.50 |
| Southwest Florida | 2,801 | 38,351,308 | 1,653,253 | 1,700,123 | 4.4% | (4,100) | 189,487 | 681,956 | \$9.31 |
| St. Louis | 5,266 | 255,378,836 | 20,214,103 | 20,729,910 | 8.1% | (1,002,180) | 1,068,802 | 2,424,118 | \$4.89 |
| Tampa/St Petersburg | 8,922 | 236,564,738 | 11,892,853 | 12,498,255 | 5.3% | 2,002,828 | 2,024,110 | 4,096,153 | \$6.67 |
| Toledo | 2,457 | 113,816,910 | 10,425,655 | 10,910,524 | 9.6% | 405,313 | 76,000 | 618,000 | \$3.11 |
| Tucson | 2,000 | 32,216,300 | 1,777,708 | 1,982,989 | 6.2% | (375,170) | 146,668 | 683,271 | \$7.38 |
| Tulsa | 1,966 | 50,302,097 | 5,287,305 | 5,351,862 | 10.6% | 591,285 | 32,650 | 215,138 | \$3.79 |
| Washington | 4,488 | 184,724,949 | 16,186,608 | 17,304,814 | 9.4% | 543,859 | 1,014,328 | 4,926,411 | \$10.19 |
| West Michigan | 6,826 | 281,509,541 | 30,638,821 | 31,087,366 | 11.0% | (4,357,893) | 475,484 | 112,000 | \$3.46 |
| Westchester/So Connecticut | 4,716 | 169,761,459 | 18,373,837 | 19,063,477 | 11.2% | (827,614) | 276,877 | 1,156,780 | \$7.64 |
| Totals | 396,082 | 15,787,516,356 | 1,305,228,430 | 1,369,521,607 | 8.7% | 70,247,768 | 84,892,031 | 170,765,491 | \$5.91 |

Source: CoStar Property®



NATIONAL INDUSTRIAL MARKET

FIGURES AT A GLANCE

FLEX MARKET STATISTICS*

Mid-Year 2007

| Period | Existing Inventory | | Vacancy | | | Net Absorption | Deliveries | | UC Inventory | | Quoted Rates |
|---------|--------------------|---------------|-------------|-------------|-------|----------------|------------|------------|--------------|------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | # Blds | Total RBA | # Blds | Total RBA | |
| 2007 2q | 50,209 | 1,557,980,329 | 181,604,282 | 195,804,112 | 12.6% | 5,554,652 | 94 | 3,221,276 | 403 | 12,604,537 | \$11.37 |
| 2007 1q | 50,116 | 1,554,980,813 | 183,372,542 | 198,359,248 | 12.8% | (381,954) | 109 | 2,965,934 | 356 | 11,287,977 | \$11.19 |
| 2006 4q | 50,010 | 1,552,680,629 | 181,516,522 | 195,677,110 | 12.6% | 3,376,541 | 110 | 3,665,152 | 296 | 10,354,499 | \$11.03 |
| 2006 3q | 49,904 | 1,549,151,484 | 179,900,811 | 195,524,506 | 12.6% | 8,058,280 | 148 | 4,004,408 | 322 | 11,130,843 | \$10.77 |
| 2006 2q | 49,758 | 1,545,220,392 | 182,797,075 | 199,651,694 | 12.9% | 7,572,127 | 167 | 4,315,826 | 363 | 11,759,174 | \$10.64 |
| 2006 1q | 49,596 | 1,541,240,140 | 186,963,593 | 203,243,569 | 13.2% | 5,204,563 | 147 | 3,925,992 | 423 | 12,687,812 | \$10.39 |
| 2005 4q | 49,462 | 1,537,647,915 | 187,911,115 | 204,855,907 | 13.3% | 9,271,438 | 132 | 4,919,730 | 427 | 12,361,792 | \$10.04 |
| 2005 3q | 49,337 | 1,533,051,001 | 190,991,425 | 209,530,431 | 13.7% | 8,904,035 | 117 | 3,620,399 | 446 | 13,652,838 | \$9.97 |
| 2005 2q | 49,223 | 1,529,762,279 | 195,981,505 | 215,145,744 | 14.1% | 12,468,743 | 110 | 3,528,120 | 400 | 13,419,527 | \$9.87 |
| 2005 1q | 49,117 | 1,526,644,459 | 204,250,211 | 224,496,667 | 14.7% | 5,021,195 | 196 | 4,761,950 | 335 | 11,539,786 | \$9.64 |
| 2004 4q | 48,930 | 1,522,121,373 | 202,656,842 | 224,994,776 | 14.8% | 7,748,612 | 141 | 4,263,412 | 407 | 12,465,108 | \$9.67 |
| 2004 3q | 48,794 | 1,518,209,854 | 205,371,951 | 228,831,869 | 15.1% | 7,766,914 | 124 | 3,154,164 | 438 | 13,251,583 | \$9.71 |
| 2004 2q | 48,677 | 1,515,253,893 | 208,552,829 | 233,642,822 | 15.4% | 3,746,418 | 105 | 3,696,069 | 387 | 11,612,964 | \$9.83 |
| 2004 1q | 48,573 | 1,511,572,824 | 207,232,131 | 233,708,171 | 15.5% | 2,259,279 | 118 | 5,096,764 | 362 | 11,611,604 | \$9.86 |
| 2003 | 48,471 | 1,507,149,814 | 202,789,062 | 231,544,440 | 15.4% | (2,064,553) | 437 | 13,453,299 | 341 | 12,807,132 | \$10.02 |
| 2002 | 48,063 | 1,495,270,703 | 186,243,161 | 217,600,776 | 14.6% | (9,248,882) | 594 | 22,911,202 | 298 | 11,282,447 | \$10.61 |

Source: CoStar Property® * Excludes markets - see Methodology page.

WAREHOUSE MARKET STATISTICS*

Mid-Year 2007

| Period | Existing Inventory | | Vacancy | | | Net Absorption | Deliveries | | UC Inventory | | Quoted Rates |
|---------|--------------------|----------------|-------------|---------------|-------|----------------|------------|-------------|--------------|-------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | # Blds | Total RBA | # Blds | Total RBA | |
| 2007 2q | 270,770 | 11,601,645,657 | 912,050,867 | 956,333,633 | 8.2% | 24,122,555 | 461 | 38,066,921 | 1,552 | 140,295,881 | \$5.29 |
| 2007 1q | 270,319 | 11,563,873,272 | 900,608,050 | 942,669,088 | 8.2% | 26,448,565 | 507 | 30,673,102 | 1,693 | 146,098,320 | \$5.28 |
| 2006 4q | 269,827 | 11,534,036,140 | 898,846,203 | 939,280,521 | 8.1% | 33,630,548 | 493 | 47,027,026 | 1,476 | 130,286,369 | \$5.17 |
| 2006 3q | 269,366 | 11,489,424,949 | 887,364,936 | 928,299,878 | 8.1% | 50,449,660 | 503 | 40,362,734 | 1,573 | 138,702,449 | \$5.11 |
| 2006 2q | 268,883 | 11,450,579,138 | 900,311,964 | 939,903,727 | 8.2% | 48,244,793 | 537 | 37,976,334 | 1,579 | 135,954,118 | \$5.04 |
| 2006 1q | 268,363 | 11,414,393,144 | 912,272,422 | 951,962,526 | 8.3% | 31,266,956 | 555 | 43,073,506 | 1,640 | 131,427,312 | \$5.00 |
| 2005 4q | 267,876 | 11,375,592,442 | 905,674,148 | 944,428,780 | 8.3% | 49,008,120 | 483 | 41,158,917 | 1,569 | 131,922,117 | \$4.96 |
| 2005 3q | 267,441 | 11,337,150,414 | 915,834,550 | 954,994,872 | 8.4% | 28,231,675 | 491 | 27,245,511 | 1,606 | 132,409,794 | \$4.90 |
| 2005 2q | 266,970 | 11,311,804,957 | 914,420,677 | 957,881,090 | 8.5% | 48,477,232 | 503 | 34,645,174 | 1,504 | 120,163,749 | \$4.85 |
| 2005 1q | 266,495 | 11,280,750,543 | 928,083,694 | 975,303,908 | 8.6% | 34,272,808 | 553 | 34,574,200 | 1,426 | 107,426,946 | \$4.82 |
| 2004 4q | 265,998 | 11,251,293,408 | 931,798,024 | 980,119,581 | 8.7% | 49,396,417 | 495 | 32,950,589 | 1,484 | 107,751,770 | \$4.76 |
| 2004 3q | 265,570 | 11,223,411,810 | 951,802,857 | 1,001,634,400 | 8.9% | 38,090,187 | 396 | 23,146,873 | 1,490 | 101,132,641 | \$4.73 |
| 2004 2q | 265,237 | 11,207,458,541 | 970,599,087 | 1,023,771,318 | 9.1% | 26,261,207 | 476 | 30,278,023 | 1,274 | 91,711,067 | \$4.78 |
| 2004 1q | 264,805 | 11,179,505,398 | 967,967,581 | 1,022,079,382 | 9.1% | 7,330,619 | 601 | 37,196,915 | 1,253 | 84,575,976 | \$4.72 |
| 2003 | 264,305 | 11,150,120,952 | 944,313,050 | 1,000,025,555 | 9.0% | 57,193,024 | 1,739 | 100,169,514 | 1,313 | 90,776,436 | \$4.72 |
| 2002 | 262,774 | 11,062,964,141 | 894,314,825 | 970,061,768 | 8.8% | 2,026,052 | 1,983 | 130,467,728 | 1,204 | 77,686,055 | \$4.92 |

Source: CoStar Property® * Excludes markets - see Methodology page.

TOTAL INDUSTRIAL MARKET STATISTICS*

Mid-Year 2007

| Period | Existing Inventory | | Vacancy | | | Net Absorption | Deliveries | | UC Inventory | | Quoted Rates |
|---------|--------------------|----------------|---------------|---------------|-------|----------------|------------|-------------|--------------|-------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | # Blds | Total RBA | # Blds | Total RBA | |
| 2007 2q | 320,979 | 13,159,625,986 | 1,093,655,149 | 1,152,137,745 | 8.8% | 29,677,207 | 555 | 41,288,197 | 1,955 | 152,900,418 | \$6.11 |
| 2007 1q | 320,435 | 13,118,854,085 | 1,083,980,592 | 1,141,028,336 | 8.7% | 26,066,611 | 616 | 33,639,036 | 2,049 | 157,386,297 | \$6.10 |
| 2006 4q | 319,837 | 13,086,716,769 | 1,080,362,725 | 1,134,957,631 | 8.7% | 37,007,089 | 603 | 50,692,178 | 1,772 | 140,640,868 | \$5.98 |
| 2006 3q | 319,270 | 13,038,576,433 | 1,067,265,747 | 1,123,824,384 | 8.6% | 58,507,940 | 651 | 44,367,142 | 1,895 | 149,833,292 | \$5.91 |
| 2006 2q | 318,641 | 12,995,799,530 | 1,083,109,039 | 1,139,555,421 | 8.8% | 55,816,920 | 704 | 42,292,160 | 1,942 | 147,713,292 | \$5.84 |
| 2006 1q | 317,959 | 12,955,633,284 | 1,099,236,015 | 1,155,206,095 | 8.9% | 36,471,519 | 702 | 46,999,498 | 2,063 | 144,115,124 | \$5.79 |
| 2005 4q | 317,338 | 12,913,240,357 | 1,093,585,263 | 1,149,284,687 | 8.9% | 58,279,558 | 615 | 46,078,647 | 1,996 | 144,283,909 | \$5.76 |
| 2005 3q | 316,778 | 12,870,201,415 | 1,106,825,975 | 1,164,525,303 | 9.0% | 37,135,710 | 608 | 30,865,910 | 2,052 | 146,062,632 | \$5.72 |
| 2005 2q | 316,193 | 12,841,567,236 | 1,110,402,182 | 1,173,026,834 | 9.1% | 60,945,975 | 613 | 38,173,294 | 1,904 | 133,583,276 | \$5.71 |
| 2005 1q | 315,612 | 12,807,395,002 | 1,132,333,905 | 1,199,800,575 | 9.4% | 39,294,003 | 749 | 39,336,150 | 1,761 | 118,966,732 | \$5.69 |
| 2004 4q | 314,928 | 12,773,414,781 | 1,134,454,866 | 1,205,114,357 | 9.4% | 57,145,029 | 636 | 37,214,001 | 1,891 | 120,216,878 | \$5.64 |
| 2004 3q | 314,364 | 12,741,621,664 | 1,157,174,808 | 1,230,466,269 | 9.7% | 45,857,101 | 520 | 26,301,037 | 1,928 | 114,384,224 | \$5.62 |
| 2004 2q | 313,914 | 12,722,712,434 | 1,179,151,916 | 1,257,414,140 | 9.9% | 30,007,625 | 581 | 33,974,092 | 1,661 | 103,324,031 | \$5.68 |
| 2004 1q | 313,378 | 12,691,078,222 | 1,175,199,712 | 1,255,787,553 | 9.9% | 9,589,898 | 719 | 42,293,679 | 1,615 | 96,187,580 | \$5.65 |
| 2003 | 312,776 | 12,657,270,766 | 1,147,102,112 | 1,231,569,995 | 9.7% | 55,128,471 | 2,176 | 113,622,813 | 1,654 | 103,583,568 | \$5.71 |
| 2002 | 310,837 | 12,558,234,844 | 1,080,557,986 | 1,187,662,544 | 9.5% | (7,222,830) | 2,577 | 153,378,930 | 1,502 | 88,968,502 | \$5.30 |

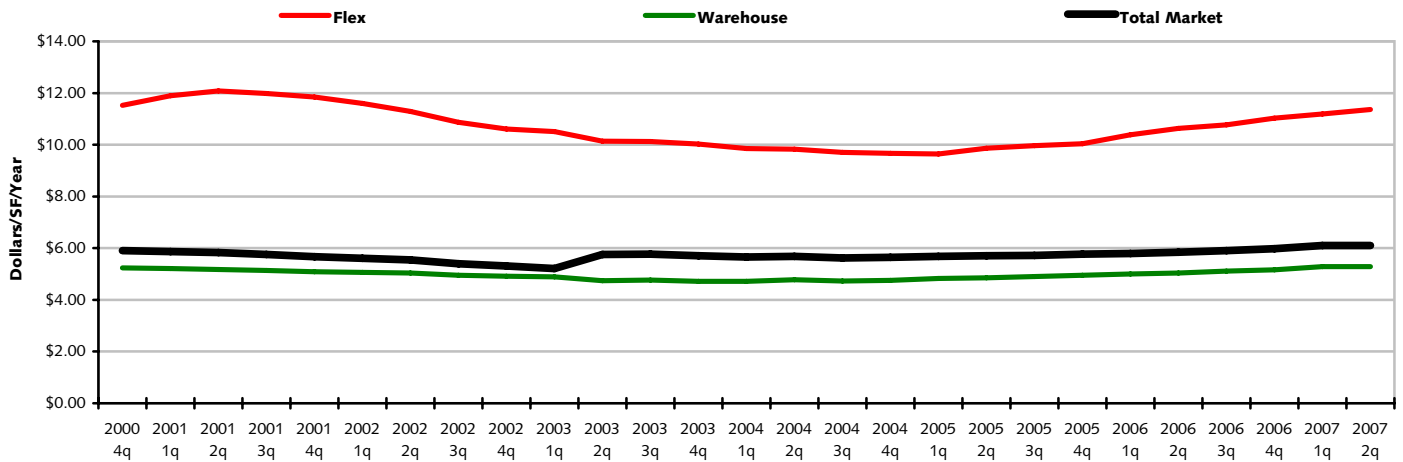
Source: CoStar Property® * Excludes markets - see Methodology page.

NATIONAL INDUSTRIAL MARKET



LEASING ACTIVITY

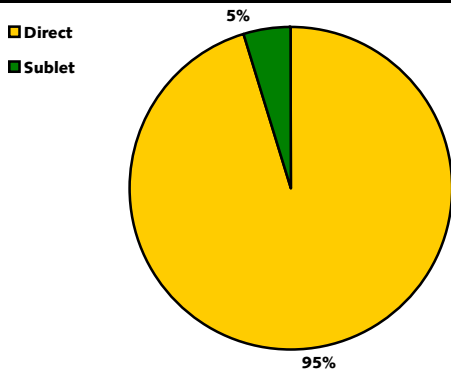
HISTORICAL RENTAL RATES*



Source: CoStar Property® *Excludes markets - see Methodology page.

VACANCY BY AVAILABLE SPACE TYPE

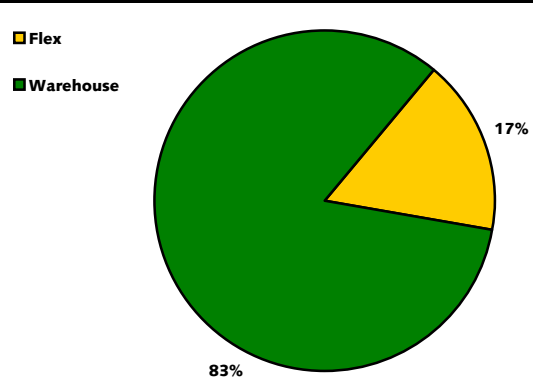
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

VACANCY BY BUILDING TYPE

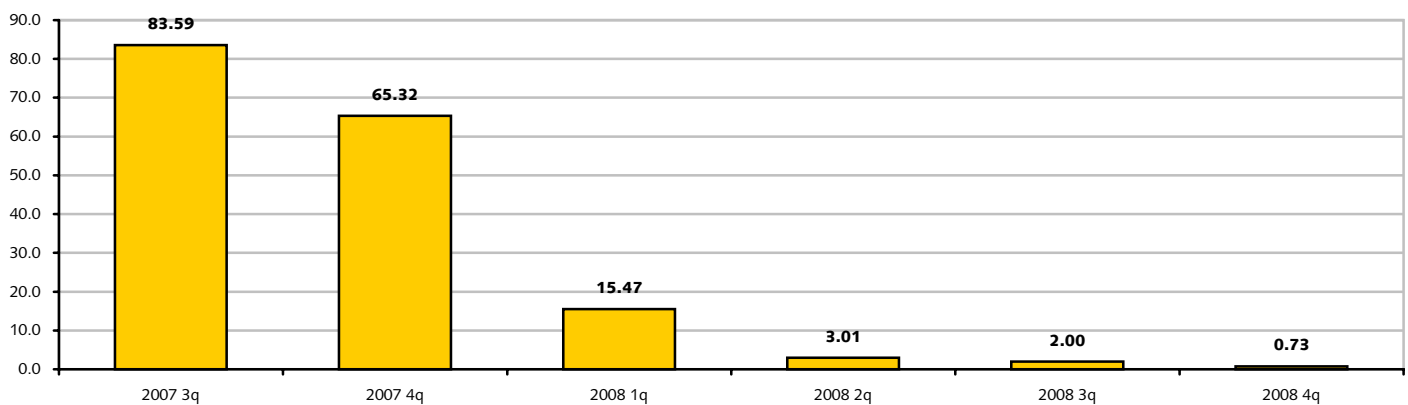
Percent of All Vacant Space by Building Type



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy in the Future*



* includes Under Construction Spaces Source: CoStar Property®

SELECT TOP INDUSTRIAL LEASES Based on Leased Square Footage For Deals Signed in 2007

| Building | Market | SF | Qtr | Tenant Name | Tenant Rep Company | Landlord Rep Company | |
|----------|---|----------------------------|-----------|-------------|-----------------------------------|------------------------------------|-------------------------------------|
| 1 | Academy Sports HQ | Houston | 1,500,596 | 1st | Academy Sports and Outdoors, Ltd. | N/A | Stan Johnson Company |
| 2 | Sierra Business Park - Bldg 6 | Inland Empire (California) | 1,101,840 | 1st | Galleria | Direct Deal | Lee & Associates |
| 3 | 3003 Woodbridge Ave | Northern New Jersey | 1,000,000 | 2nd | The New York Times Company | The New York Times Company | KTR Capital Partners, LP |
| 4 | Covington Industrial Park | Philadelphia | 1,000,000 | 1st | Sears Holding Corp | Cushman & Wakefield, Inc. | First Realty Trust |
| 5 | Grand Crossing - Bldg 22 | Los Angeles | 950,000 | 2nd | N/A | N/A | Majestic Realty Co. |
| 6 | ProLogis Park 80 Building #1 | Chicago | 806,400 | 2nd | Kraft Foods Inc. | Cushman & Wakefield, Inc. | Champion Realty Advisors, LLC |
| 7 | Jackson 85 Distribution Center - Building F | Atlanta | 772,800 | 1st | Sears Logistics | N/A | CB Richard Ellis |
| 8 | Hofer Ranch Bldg 1 | Inland Empire (California) | 750,000 | 2nd | N/A | N/A | Majestic Realty Co. |
| 9 | Redlands Distribution Center - Bldg 5 | Inland Empire (California) | 699,350 | 1st | Kimberly Clark | N/A | Lee & Associates |
| 10 | 3909 N Commerce Dr | Atlanta | 657,200 | 2nd | N/A | N/A | Duke Realty Corporation |
| 11 | 6600 River Rd | Chicago | 630,410 | 1st | APL Logistics | N/A | N/A |
| 12 | Brownstown Business Ctr - Bldg 10 | Detroit | 618,930 | 1st | Comprehensive Logistics Co. Inc. | N/A | Grubb & Ellis |
| 13 | Greenwood Industrial Building #400 | Atlanta | 611,930 | 2nd | LG Electronics | CB Richard Ellis | ProLogis - Atlanta South |
| 14 | 12215 Holly St | Inland Empire (California) | 598,714 | 2nd | N/A | N/A | CB Richard Ellis |
| 15 | Turnpike Dist Ctr 29 | Dallas/Ft Worth | 594,000 | 1st | Cadbury Schweppes | Holt Lunsford Commercial, Inc. | Holt Lunsford Commercial, Inc. |
| 16 | Stateline F | Memphis | 592,956 | 2nd | ScanSource | N/A | IDI |
| 17 | Liberty Business Center 5 | Chicago | 592,672 | 2nd | UTI Integrated Logistics Inc. | Berco Realty | NAI Hiffman |
| 18 | 11500 80th Ave | Chicago | 534,384 | 2nd | Sonopress | UGL Equis | Colliers Bennett & Kahnweiler |
| 19 | 2040 N Union St* | Philadelphia | 507,000 | 2nd | Sears | Industrial Properties Group at NAI | ProLogis |
| 20 | 1900 S Rochester Ave | Inland Empire (California) | 506,436 | 1st | Toyo Tire Corporation | The Everest Group, Inc. | CB Richard Ellis |
| 21 | Walgreens Distribution | Houston | 500,000 | 2nd | Walgreen Co. | The Staubach Company | Simpkins Group |
| 22 | Ontario Dist Center* | Inland Empire (California) | 480,567 | 1st | The Home Depot | N/A | CB Richard Ellis |
| 23 | 359 Old Underwood Rd | Houston | 450,000 | 1st | Wilson Industries Inc. | Colliers International | Clay Development Construction |
| 24 | Pinnacle VII | Chicago | 444,096 | 2nd | N/A | N/A | CB Richard Ellis |
| 25 | 1109 E Lake St | Chicago | 443,529 | 1st | Duraco Products | Lynch Realty Group LLC | Princeton Advisors PC |
| 26 | 5145 Mary Ingles Hwy | Cincinnati | 435,000 | 2nd | LaFarge North American Drywall | N/A | N/A |
| 27 | 1601 Fairfax Tfwy | Kansas City | 431,000 | 1st | N/A | N/A | N/A |
| 28 | 10016 Porter Rd | Houston | 423,700 | 1st | Packwell | CB Richard Ellis | Clay Development Construction |
| 29 | Washington iCenter | Washington | 421,017 | 2nd | Metropolitan Police Department | Direct Deal | M.L. Clark Real Estate |
| 30 | GSW Distribution Center #47* | Dallas/Ft Worth | 420,000 | 1st | APL | CB Richard Ellis | ProLogis |
| 31 | Prologis Park 20/35 - Building # 1 | Dallas/Ft Worth | 419,758 | 2nd | Service Craft Logistics | NAI Huff Partners | ProLogis |
| 32 | Humboldt Industrial Park - Parcel 63 | Philadelphia | 416,000 | 2nd | N/A | N/A | Mericle Commercial Real Estate Svcs |
| 33 | 15913 Mountain Ave | Inland Empire (California) | 413,773 | 2nd | N/A | N/A | CB Richard Ellis |
| 34 | 600 Industrial Dr | Philadelphia | 412,500 | 1st | Broder Brothers | N/A | Liberty Property Trust |
| 35 | 3625 Jurupa St - Bldg 1* | Inland Empire (California) | 410,515 | 2nd | Dal-Tile International | Lee & Associates | Lee & Associates |
| 36 | Park 88 - 3M | Chicago | 410,400 | 1st | 3M | Direct Deal | Venture One Real Estate |
| 37 | Tasman/Alder/Mccarthy | South Bay/San Jose | 410,000 | 2nd | Cisco Systems, Inc. | Jones Lang LaSalle Americas, Inc. | Peery-Arrillaga |
| 38 | Legacy Bldg 817 | Inland Empire (California) | 409,588 | 1st | Nature's Best | Cushman & Wakefield Inc. | Colliers International |
| 39 | SCLA - Phase I | Inland Empire (California) | 407,612 | 1st | Newell Rubbermaid | Cushman & Wakefield, Inc. | CB Richard Ellis |
| 40 | 3501 E Terra Ln | St. Louis | 402,192 | 1st | True Manufacturing Co. | CB Richard Ellis | NAI DESCO |

Source: CoStar Property®

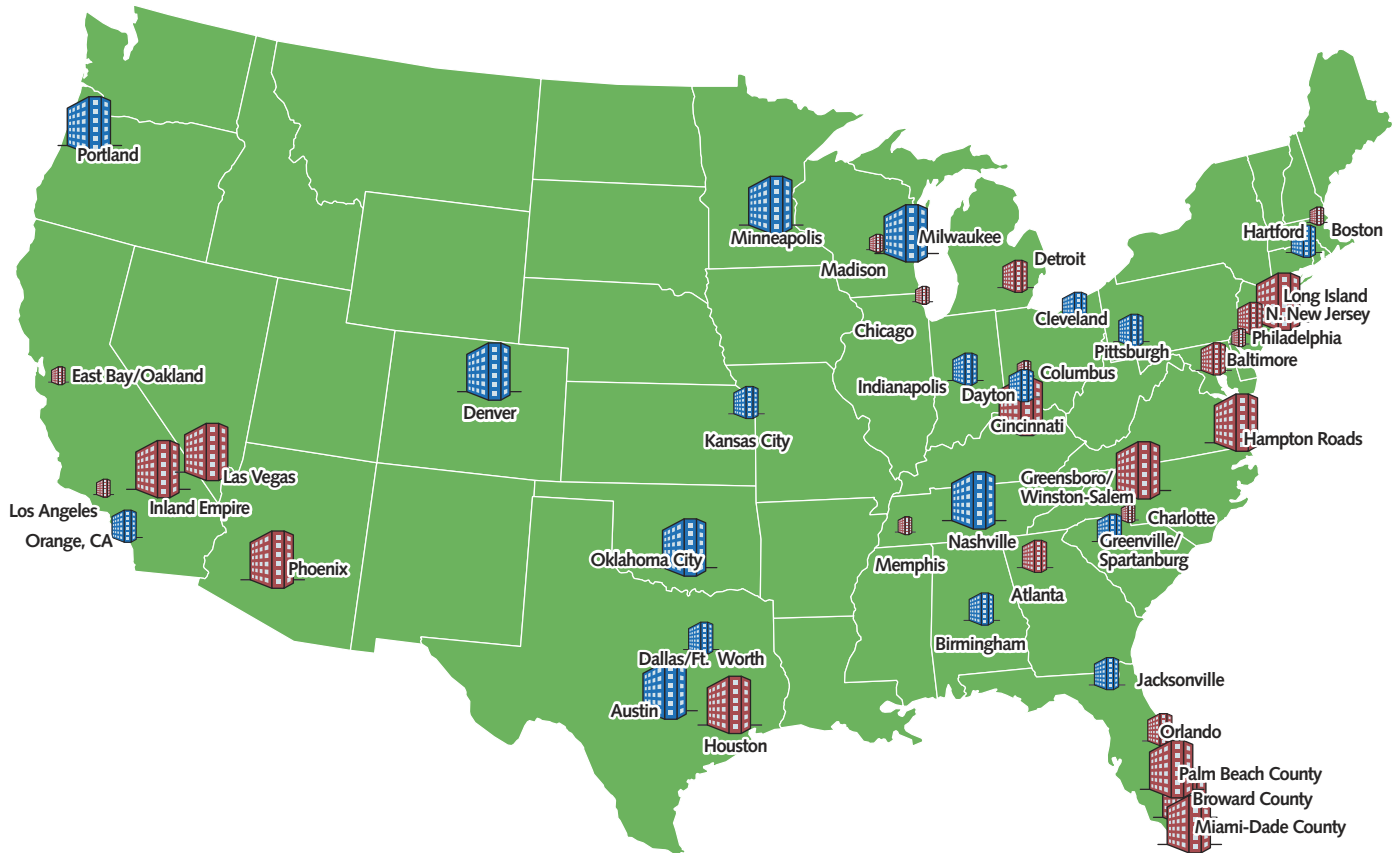
* Renewal

NATIONAL INDUSTRIAL MARKET



LEASING ACTIVITY

CHANGE IN VACANT SQUARE FOOTAGE LAST 12 MONTHS Mid Year 2006 to Mid Year 2007



Percent Change:



Less than -10.0%



-9.9% to -2.0%



-1.9% to 1.9%



2.0% to 9.9%



Over 10.0%

| Rank | Region | 2006 2q | 2007 2q | Diff |
|------|----------------------------|------------|------------|--------|
| 1 | Palm Beach County | 1,688,444 | 3,419,814 | 102.5% |
| 2 | Las Vegas | 3,792,430 | 5,944,079 | 56.7% |
| 3 | Hampton Roads | 4,462,936 | 6,334,548 | 41.9% |
| 4 | Broward County | 4,357,534 | 5,855,237 | 34.4% |
| 5 | Greensboro/Winston-Salem | 13,494,337 | 17,349,580 | 28.6% |
| 6 | Cincinnati | 21,898,957 | 27,973,751 | 27.7% |
| 7 | Inland Empire (California) | 27,512,163 | 33,478,821 | 21.7% |
| 8 | Miami-Dade County | 9,062,353 | 10,941,139 | 20.7% |
| 9 | Long Island (New York) | 12,678,550 | 14,713,599 | 16.1% |
| 10 | Phoenix | 19,742,249 | 22,583,690 | 14.4% |
| 11 | Houston | 28,058,919 | 31,060,311 | 10.7% |
| 12 | Detroit | 59,008,580 | 64,833,452 | 9.9% |
| 13 | Baltimore | 23,352,270 | 25,022,015 | 7.2% |
| 14 | Northern New Jersey | 62,145,634 | 64,526,900 | 3.8% |
| 15 | Orlando | 9,607,090 | 9,952,359 | 3.6% |
| 16 | Atlanta | 62,897,876 | 64,861,497 | 3.1% |
| 17 | Boston | 57,549,782 | 58,434,547 | 1.5% |
| 18 | Philadelphia | 85,036,737 | 85,177,430 | 0.2% |
| 19 | Memphis | 25,398,936 | 25,384,816 | -0.1% |
| 20 | Los Angeles | 32,788,431 | 32,718,830 | -0.2% |
| 21 | East Bay/Oakland | 24,026,261 | 23,944,398 | -0.3% |

| Rank | Region | 2006 2q | 2007 2q | Diff |
|------|------------------------|-------------|-------------|--------|
| 22 | Charlotte | 25,262,646 | 25,138,891 | -0.5% |
| 23 | Columbus | 27,805,790 | 27,609,056 | -0.7% |
| 24 | Madison | 3,915,965 | 3,883,212 | -0.8% |
| 25 | Chicago | 103,100,253 | 101,659,937 | -1.4% |
| 26 | Dallas/Ft Worth | 70,708,598 | 68,130,781 | -3.6% |
| 27 | Hartford | 17,074,790 | 16,432,647 | -3.8% |
| 28 | Pittsburgh | 16,710,458 | 16,063,976 | -3.9% |
| 29 | Birmingham | 9,612,207 | 9,227,788 | -4.0% |
| 30 | Orange (California) | 12,097,318 | 11,517,394 | -4.8% |
| 31 | Cleveland | 36,944,919 | 34,906,807 | -5.5% |
| 32 | Kansas City | 18,586,987 | 17,345,824 | -6.7% |
| 33 | Jacksonville (Florida) | 6,101,903 | 5,619,578 | -7.9% |
| 34 | Indianapolis | 26,194,629 | 23,976,586 | -8.5% |
| 35 | Dayton | 9,192,425 | 8,347,155 | -9.2% |
| 36 | Greenville/Spartanburg | 18,136,524 | 16,351,650 | -9.8% |
| 37 | Minneapolis | 28,199,091 | 25,360,229 | -10.1% |
| 38 | Denver | 23,860,223 | 21,346,364 | -10.5% |
| 39 | Oklahoma City | 8,259,545 | 7,141,873 | -13.5% |
| 40 | Austin | 8,574,379 | 7,386,074 | -13.9% |
| 41 | Nashville | 13,609,411 | 11,455,351 | -15.8% |
| 42 | Milwaukee | 27,358,784 | 21,307,420 | -22.1% |
| 43 | Portland | 13,712,107 | 9,946,916 | -27.5% |

Source: CoStar Property®

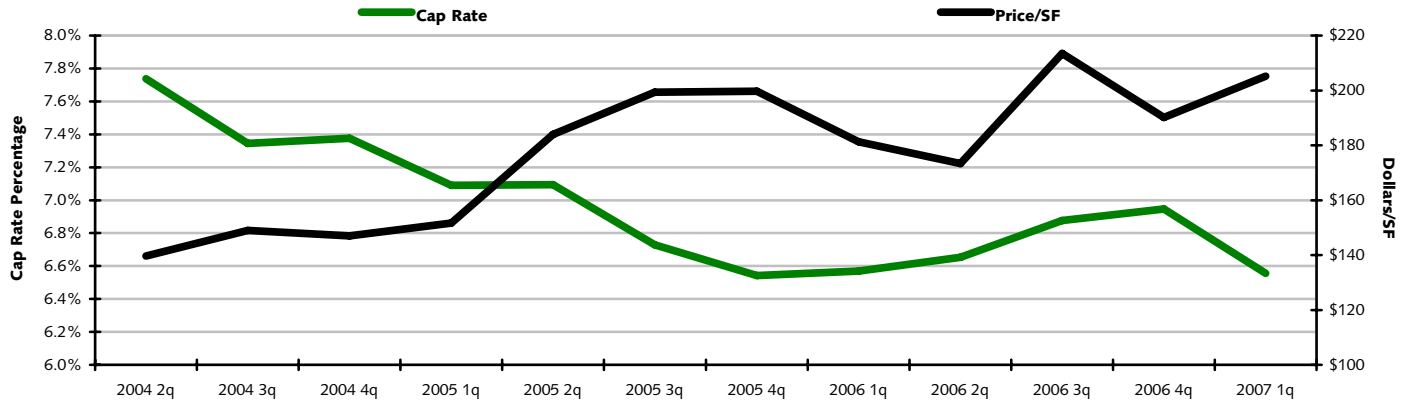


NATIONAL INDUSTRIAL MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

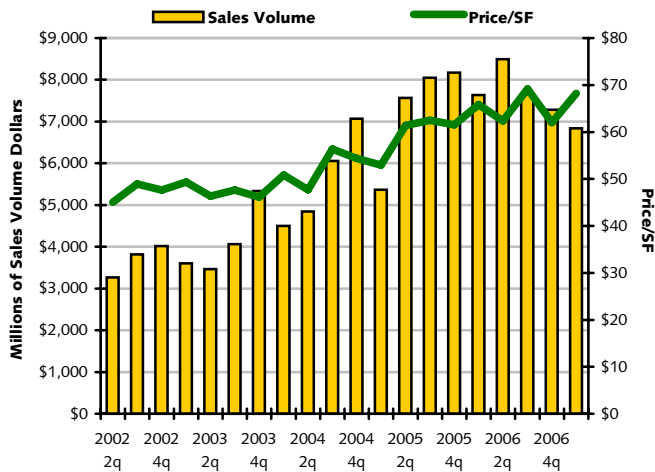
Average of Two Highest Price/SF's and Two Lowest Cap Rates From Each Region



Source: CoStar COMPS®

SALES VOLUME & PRICE

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

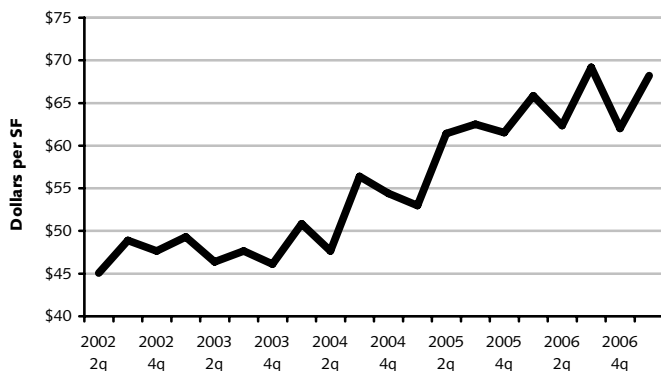
Based on Industrial Bldg Sales From April 2006 - March 2007

| Bldg Size | # | RBA | \$ Volume | Price/SF | Cap Rate |
|--------------|-------|-------------|-------------------|-----------|----------|
| < 25,000 SF | 6,123 | 67,412,352 | \$ 8,229,317,425 | \$ 122.07 | 6.93% |
| 25K-99K SF | 2,985 | 148,983,643 | \$ 11,274,379,945 | \$ 75.68 | 7.19% |
| 100K-249K SF | 844 | 127,522,274 | \$ 7,859,308,754 | \$ 61.63 | 7.13% |
| >250K SF | 327 | 154,336,001 | \$ 7,917,780,676 | \$ 51.30 | 7.75% |

Source: CoStar COMPS®

HISTORICAL PRICE/SF AVERAGE

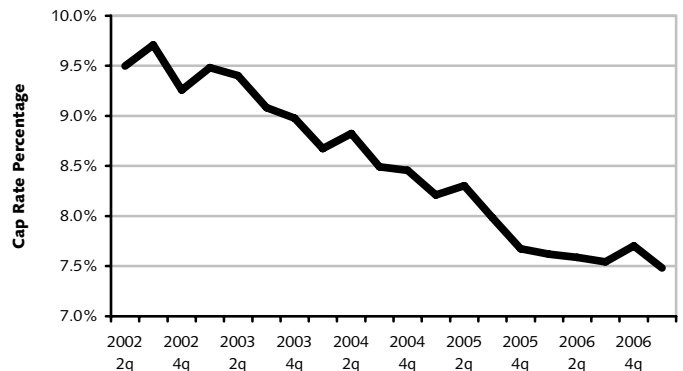
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

HISTORICAL CAP RATE AVERAGE

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

NATIONAL INDUSTRIAL MARKET



SALES ACTIVITY

SELECT TOP SALES

Based on Sales from April 2006 Through March 2007

1. Academy Sports HQ



Houston

Price: \$102,000,000
 Price/SF: \$70.12
 Cap Rate: N/A
 RBA: 1,454,563
 Date: 1/18/2007
 Year Built: 1976
 Buyer: Cole AS Katy TX Lp
 Seller: 44.385 Acres Ltd

2. Ontario Ridge Comm Ctr-Bldgs 1 & 3



Inland Empire (California)

Price: \$73,400,000
 Price/SF: \$85.86
 Cap Rate: 4.5%
 RBA: 854,856
 Date: 3/13/2007
 Year Built: 2006
 Buyer: CF Capital LLC
 Seller: Kensington-Ridge Ontario 1 LLC

3. Cold Storage Industrial



Chicago

Price: \$63,300,000
 Price/SF: \$122.23
 Cap Rate: 7.5%
 RBA: 517,887
 Date: 1/4/2007
 Year Built: 2004
 Buyer: BVSEF University Park Cold Storage, LLC
 Seller: University Park Cold Storage, LLC

4. Westfax Business Center F



Washington

Price: \$59,500,000
 Price/SF: \$120.29
 Cap Rate: 6.8%
 RBA: 494,647
 Date: 1/11/2007
 Year Built: 1997
 Buyer: Steuart-Westfax A, LLC
 Seller: Watch Holdings, LLC

5. Oakesdale Business Campus



Seattle/Puget Sound

Price: \$56,000,000
 Price/SF: \$94.27
 Cap Rate: N/A
 RBA: 594,035
 Date: 1/16/2007
 Year Built: 2000
 Buyer: Oakesdale Business Park LLC
 Seller: Zelman Renton LLC

6. General Foods Building



Atlanta

Price: \$45,000,000
 Price/SF: \$52.94
 Cap Rate: N/A
 RBA: 850,000
 Date: 2/8/2007
 Year Built: 1985
 Buyer: NORD (GA) QRS 16-98, Inc
 Seller: Nordic Cold Storage, LLC

7. Preferred Freezer



Los Angeles

Price: \$41,380,000
 Price/SF: \$224.56
 Cap Rate: 7.17%
 RBA: 184,273
 Date: 1/30/2007
 Year Built: 2006
 Buyer: Kinross Holding LLC
 Seller: Dynamic Builders, Inc.

8. 3101 S 3rd St



Philadelphia

Price: \$32,800,000
 Price/SF: \$239.42
 Cap Rate: 6.95%
 RBA: 137,000
 Date: 3/30/2007
 Year Built: 1965
 Buyer: Merchant Equities Capital Corp
 Seller: Liberty Bear LLC

9. 192 Mansfield Ave



Boston

Price: \$24,250,000
 Price/SF: \$69.78
 Cap Rate: 7%
 RBA: 347,500
 Date: 1/26/2007
 Year Built: 1998
 Buyer: GNLP 06B LLC
 Seller: Campanelli Investment Properties



NATIONAL INDUSTRIAL MARKET

SALES ACTIVITY

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale



SC Johnson Wax Distribution

Address: 2030 Hanson Way
 City: Sacramento
 RBA: 396,000
 Year Built: 2002
 Tot \$ Return: \$7,143,000
 Tot % Return: 40%
 Ann.Return: 10%
 Months Held: 47

Most Recent Sale

Price: \$24,800,000
 Price/SF: \$62.63
 Cap Rate: N/A
 Date: 11/30/2006
 Buyer: TRT-DCT Hanson Way L.P
 Seller: ARI-HDC LLC
 Brokers: TRI Commercial/CORFAC Int'l

Sale Prior to Most Recent Sale

Price: \$17,657,000
 Price/SF: \$44.59
 Cap Rate: 9.8%
 Date: 12/19/2002
 Buyer: ARI-Hanson LLC
 Seller: Wispark
 Brokers: Cornish & Carey Commercial
 TRI Commercial/CORFAC Int'l



211 Grove St

Address: 211 Grove St
 City: Northern New Jersey
 RBA: 100,000
 Year Built: N/A
 Tot \$ Return: \$9,072,500
 Tot % Return: 77%
 Ann.Return: 26%
 Months Held: 36

Most Recent Sale

Price: \$20,822,500
 Price/SF: \$208.22
 Cap Rate: N/A
 Date: 1/24/2007
 Buyer: Ss Bloomfield Llc
 Seller: BC Bloomfield Storage
 Brokers: N/A

Sale Prior to Most Recent Sale

Price: \$11,750,000
 Price/SF: \$117.50
 Cap Rate: N/A
 Date: 1/29/2004
 Buyer: BC Bloomfield Storage
 Seller: ED Bloomfield, LLC
 Brokers: N/A



The Channell Bldg

Address: 26090 Ynez Rd
 City: Inland Empire (California)
 RBA: 102,566
 Year Built: 1997
 Tot \$ Return: \$3,506,000
 Tot % Return: 53%
 Ann.Return: 11%
 Months Held: 57

Most Recent Sale

Price: \$10,120,000
 Price/SF: \$98.67
 Cap Rate: 7%
 Date: 3/20/2007
 Buyer: See Myun and Ock Ja Kymm
 Seller: Ynez Street Ltd.
 Brokers: Grubb & Ellis
 Lee & Associates

Sale Prior to Most Recent Sale

Price: \$6,614,000
 Price/SF: \$64.49
 Cap Rate: N/A
 Date: 6/27/2002
 Buyer: Ynez Street Ltd.
 Seller: CC Holdings Inc.
 Brokers: Lee & Associates
 Grubb & Ellis



Technology Park/Atlanta

Address: 180 Technology Pky
 City: Atlanta
 RBA: 69,000
 Year Built: 1971
 Tot \$ Return: \$1,800,000
 Tot % Return: 23%
 Ann.Return: 15%
 Months Held: 18

Most Recent Sale

Price: \$9,800,000
 Price/SF: \$142.03
 Cap Rate: 7.43%
 Date: 6/30/2006
 Buyer: AWR1, LLC
 Seller: HEG Norcross, LLC
 Brokers: Sperry Van Ness
 Marcus & Millichap

Sale Prior to Most Recent Sale

Price: \$8,000,000
 Price/SF: \$115.94
 Cap Rate: 8%
 Date: 12/22/2004
 Buyer: HEG Norcross, LLC
 Seller: Southeast Office Partners
 Brokers: Resource Real Estate Partner



Cotton Club Bottling

Address: 4922 E 49th St
 City: Cleveland
 RBA: 296,544
 Year Built: 1955
 Tot \$ Return: \$5,320,000
 Tot % Return: 120%
 Ann.Return: 24%
 Months Held: 61

Most Recent Sale

Price: \$9,750,000
 Price/SF: \$32.88
 Cap Rate: N/A
 Date: 5/15/2007
 Buyer: Robin Cuyahoga LLC
 Seller: Cuyahoga Heights Commerce
 Brokers: N/A

Sale Prior to Most Recent Sale

Price: \$4,430,000
 Price/SF: \$14.94
 Cap Rate: N/A
 Date: 4/25/2002
 Buyer: Cuyahoga Heights Commerce
 Seller: American Bottle Company
 Brokers: Grubb & Ellis
 CB Richard Ellis



Kelsey Creek Industrial Bldg

Address: 1919-1925 120th Ave NE
 City: Seattle/Puget Sound
 RBA: 53,585
 Year Built: 1979
 Tot \$ Return: \$2,594,206
 Tot % Return: 52%
 Ann.Return: 13%
 Months Held: 49

Most Recent Sale

Price: \$7,615,000
 Price/SF: \$142.11
 Cap Rate: N/A
 Date: 2/23/2007
 Buyer: Legacy Kelsey Creek LLC
 Seller: IME Kelsey Creek
 Brokers: Southcenter Associates
 Raskin Partners

Sale Prior to Most Recent Sale

Price: \$5,020,794
 Price/SF: \$93.70
 Cap Rate: 9.46%
 Date: 2/5/2003
 Buyer: IME Kelsey Creek
 Seller: Zions Bank
 Brokers: N/A



6002 Donoho St

Address: 6002 Donoho St
 City: Houston
 RBA: 265,000
 Year Built: 1968
 Tot \$ Return: \$2,500,000
 Tot % Return: 100%
 Ann.Return: 22%
 Months Held: 54

Most Recent Sale

Price: \$5,000,000
 Price/SF: \$18.87
 Cap Rate: 10.03%
 Date: 5/8/2007
 Buyer: AAM Partnership LP
 Seller: Valley Plaza-Donoho LLC
 Brokers: Cushman & Wakefield of Texas
 NAI Houston

Sale Prior to Most Recent Sale

Price: \$2,500,000
 Price/SF: \$9.43
 Cap Rate: N/A
 Date: 10/31/2002
 Buyer: Valley Plaza Corporation
 Seller: Speckel
 Brokers: The National Realty Group
 Michael Hill Properties

Source: CoStar COMPS®

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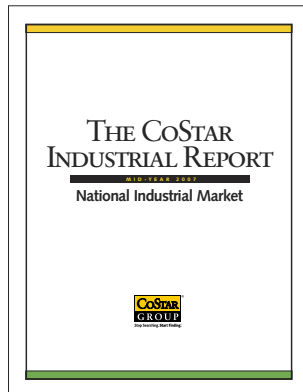
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| National Overview** | | | | |
| Atlanta | | | | |
| Austin | | | | |
| Baltimore | | | | |
| Boston | | | | |
| Broward County | | | | |
| Charlotte | | | | |
| Chicago | | | | |
| Cincinnati | | | | |
| Cleveland | | | | |
| Columbus | | | | |
| Dallas/Ft. Worth | | | | |
| Denver | | | | |
| Detroit | | | | |
| Dayton | | | | |
| East Bay/Oakland | | | | |
| Houston | | | | |
| Indianapolis | | | | |
| Inland Empire | | | | |
| Jacksonville | | | | |
| Kansas City | | | | |
| Long Island | | | | |
| Los Angeles | | | | |
| Memphis | | | | |
| Miami-Dade County | | | | |
| Nashville | | | | |
| New York City | | | | |
| Northern New Jersey | | | | |
| Orange County, CA | | | | |
| Orlando | | | | |
| Palm Beach County | | | | |
| Philadelphia | | | | |
| Phoenix | | | | |
| Pittsburgh | | | | |
| Portland | | | | |
| Raleigh/Durham | | | | |
| Sacramento | | | | |
| San Diego | | | | |
| San Francisco | | | | |
| Seattle/Puget Sound | | | | |
| South Bay/San Jose | | | | |
| South Florida* | | | | |
| St. Louis | | | | |
| Tampa/St. Petersburg | | | | |
| Washington | | | | |
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