

MARKETBEAT

UNITED STATES INDUSTRIAL REPORT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION



4Q09

OVERVIEW

Overall vacancy for industrial product across the U.S. reached 10.4% at year-end, the highest rate reported since 1994. While all industrial markets tracked by Cushman & Wakefield measured a higher overall vacancy rate at year-end 2009 compared to the same time last year, many markets experienced a decline in this rate during the past quarter, evidence of returning demand. In addition, vacancies were added to markets at a much slower pace as the year progressed.

Leasing activity totaled 230.8 million square feet (msf) during the past twelve months, well below the ten-year annual average of 293.5 msf. All but five markets reported a decline in leasing from 2008 to 2009. Oakland led the country with a 1.1 msf increase in activity year-over-year while its neighboring industrial market to the southeast, the Silicon Valley, reported one of the greatest declines in annual leases of nearly 3.3 msf. Tampa, Palm Beach, San Francisco Peninsula, and Long Island were the other markets that posted an increase in annual leasing, while nearly half of the other markets reported a decline in lease transactions in excess of 1.0 msf over the year. Many industrial users remained hesitant to secure long-term leases, and continued to sign short-term renewals instead. Those tenants who took advantage of the market capitalized on lower rents and favorable lease incentives such as free rent.

Fourth quarter reported one of the lowest quarterly totals of construction deliveries ever recorded with only 13.5 msf of space completed. Over 61.9 msf of new industrial product was delivered throughout the year, well below the ten-year average of 98.8 msf. The amount of projects delivered on a build-to-suit basis during the past twelve months remained relatively consistent with completions from 2008 while speculative activity fell 65.7% compared to last year's total. In addition, projects under construction amounted to a minimal 13.4 msf at year-end, one of the lowest quarterly totals ever on record. Developers will not break ground on new projects until tenant demand improves and the current supply of vacant space is absorbed.

Investor sales totaled nearly 60.5 msf during 2009, the lowest annual amount recorded since 1991. These transactions represented a significant drop from the ten-year average of 124.8 msf. Only seven markets nationally reported an increase in investor acquisitions year-over-year, while Chicago reported the greatest decline of nearly 16.3 msf since last year. Equity became more available as the year progressed but sellers still did not want to transact at the current market prices.

FORECAST

The lack of new supply and the slow return of demand in a small number of markets are driving factors that will help begin to stabilize fundamentals in the national industrial market. Leasing activity is expected to pick up toward the end of 2010 as companies continue to seek operational cost savings and take advantage of lower rental rates. In addition, investment activity will remain limited but these transactions will slowly begin to rebound as investors capitalize on distressed properties in the market and the pricing expectations between seller and buyer are compromised. Overall, tenant demand needs to improve and absorb the existing vacant inventory in order for market fundamentals to begin to tighten. On a positive note, the industrial sector entered this downturn with low levels of new construction, which bodes well for recovery when demand strengthens.

ECONOMIC INDICATORS

National	2008	2009F	2010F
GDP Growth	0.4%	-2.4%	2.3%
CPI Growth	3.8%	-0.3%	1.7%
Unemployment	5.8%	9.3%	10.4%
Employment Growth	-0.4%	-3.7%	-0.7%

Source: Moody's | Economy.com

MARKET FORECAST

LEASING ACTIVITY should increase marginally as industrial users start to determine future space needs due to positive signs in the U.S. economy.



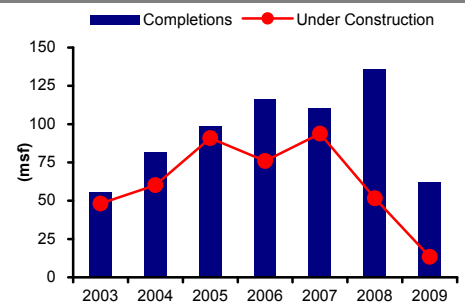
ABSORPTION is expected to slowly post positive results in more and more markets across the country.



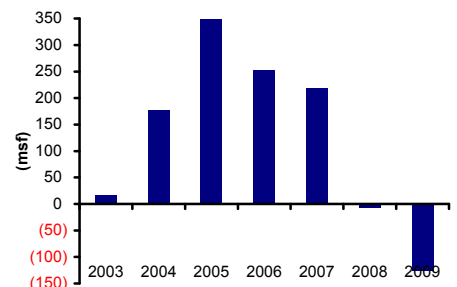
CONSTRUCTION activity will remain at an all-time low until tenant demand improves and the current supply of vacant space is absorbed.



CONSTRUCTION ACTIVITY



OVERALL ABSORPTION



ATLANTA, GA Industrial space users sought operational cost savings through consolidation in 2009, as Atlanta's industrial market reported a 25.0% decrease in leasing activity and 2.8 msf of negative overall absorption. Speculative development activity remained limited, even as continued expansion in industrial indices will result in increased leasing activity in 2010, especially among distribution facilities attracting headquarters relocation activity.

AUSTIN, TX The industrial market reported positive absorption for the second straight quarter, bringing the year-end total to 30,745 sf of negative absorption. With vacancy rates decreasing to 17.7% and development ceasing at the conclusion of 2009, leasing activity will slow and increase as the Austin market regains traction in 2010.

BALTIMORE, MD The Baltimore industrial market continued to report significant blocks of bulk availability with limited new tenant activity. Tenants took advantage of market conditions and looked to relocate or explore early renewals.

BELLEVUE, WA After weathering the economic storm relatively well in 2008, fundamentals for Bellevue's industrial market caught up with the rest of the region in 2009. Vacancy rates were up and negative absorption was recorded in nearly every sector of the market. Leasing activity was down 36% over the year with 1.9 msf recorded. Positive employment is projected in the second half of 2010 and as a result, demand for industrial space in the southern half of the market is expected to follow, although it will be a pace much slower than witnessed these past two years.

BINGHAMPTON, NY Activity continued to be extremely sluggish in the fourth quarter due to high unemployment, a slowly recovering housing market and exceptionally low consumer confidence. Several large tenants with lease expirations chose to remain in place and negotiated favorable renewals.

BIRMINGHAM, AL Activity throughout 2009 was very modest with a continued drop in occupancy levels in each of Birmingham's submarkets. Despite these challenges, activity will slowly increase in 2010 as the local economy begins to recover.

BOSTON, MA Demand in the market remained weak. Continued negative absorption and the global impact to trade and distribution have taken its toll on the warehousing sector. Demand for flex space was weak, driven by smaller requirements. The market was not burdened by new construction deliveries as virtually nothing will be delivered or scheduled to deliver for the foreseeable future.

BUFFALO, NY In 2009, vacancy rose and rental rates declined in the industrial and manufacturing sector. The same trends are expected to continue in 2010 due to the local business climate and the continuing uncertainty in the industrial and manufacturing sector.

CENTRAL NJ Firms looking to take advantage of dwindling market rates and seal in long-term agreements catalyzed an unexpected surge in leasing activity to end the year; with new activity accounting for 91.0% of the 2008 total. When compared to previous years, overall construction activity declined, but might prove to be advantageous as tenants continue to absorb the oversupply of inventory, eventually decreasing vacancy rates.

CHARLOTTE, NC The energy sector with firms such as Siemens, Pass & Seymour LeGrand, CoaLogix, and Duke Energy expanded operations in Charlotte as well as projects such as Apple's \$1-billion data center, Google's 500,000-sf data center, and Target opening their newest 1.2-msf distribution center. The outlook for 2010 remains positive as Charlotte offers a lower cost of operation than many of the surrounding states and the ability to serve the southeast well within the Hours of Service Rules of 2008 for trucking firms.

CHICAGO, IL The lack of new supply in the market has maintained the overall vacancy rate at 11.4% at year-end, unchanged from third quarter, signifying that the end of the economic downturn may be in sight. With no scheduled construction starts to take place in 2010, and a mere 1.5 msf of projects currently under construction, build-to suit construction and renovation of existing facilities may be the only opportunities for construction in the coming year.

CLEVELAND, OH The Cleveland industrial market has sustained the economic downturn better than most other major cities. The vacancy rate ended the year at 8.1%, which represents an 11% increase from year-end 2008, however this rate was still far less than the 9.9% experienced at year-end 2006.

COLUMBUS, OH First quarter exhibited signs of improvement yet the market experienced poor activity in the second and third quarters. Fourth quarter ended with positive absorption, a sign of tightening. In addition, new construction should be relatively flat.

CONTRA COSTA, CA Vacancy dropped slightly at year-end to 14.6%. Building owners are doing their best to retain existing tenants and generate new activity by providing greater incentives. However, new leasing activity was still slow in 2009 and negative net absorption is expected to increase until employment improves.

DALLAS/FT. WORTH, TX The industrial market will remain weak into 2010, however with little to no new construction and a moderately improved business environment, absorption is expected to stabilize with a corresponding reduction in vacancy. The good news in this market is that asking rents were extremely low resulting in the best tenant market in more than 20 years to lock into low occupancy costs. Users are expected to take advantage of the opportunity and secure longer lease terms.

DENVER, CO The industrial market took a beating in 2009 as capital constraints and weakened demand forced area businesses to drastically re-gear operations. Yet, by the end of fourth quarter, overall market conditions appeared to be stabilizing.

DETROIT, MI The downward pressure placed on both lease rates and sale prices created some outstanding opportunities for both tenants and purchasers, including several out of state firms entering the market for the first time. With a more stable OEM automotive market, suppliers are finding new lower priced real estate solutions that are helping them cope. The continued growth of the emerging alternative energy and renewal energy sectors is helping to diversify Michigan's economy.

FREDERICKSBURG, VA Fourth quarter absorption numbers in the industrial sector were slightly positive, although absorption numbers for the year were still down about 250,000 sf. New construction was non-existent, leaving property owners optimistic about opportunities to fill existing vacant spaces.

FT. LAUDERDALE, FL Leasing activity picked up during the second half of the year as the market began to respond to new lower pricing strategies. Broward's industrial market is poised for increased activity in 2010 as competitive pricing will continue to spark momentum as signs of an economic recovery begin to show.

FT. MYERS, FL Leasing activity increased significantly as larger transactions were signed by companies who survived the real estate melt-down and started to reposition themselves for the next wave of growth. Slightly positive population growth and some of the country's lowest housing prices will continue to attract a new wave of buyers.

HAMPTON ROADS, VA The overall vacancy rate declined slightly during the fourth quarter to 10.1%. Tenants renewing to secure the current market's favorable terms made up a large share of the year's 2.7 msf of leasing activity.

HARTFORD, CT The fourth quarter of 2009 was marked by the strongest leasing activity reported in more than a year. This uptick was a promising sign that both the economy and the Central Connecticut industrial market are starting to recover from the worst impact of the recession.

HOUSTON, TX Houston's industrial market has followed the same trends as the economy as a whole. Direct vacancy citywide increased to 9.1% compared to 7.9% in 2008, with increases consistent across all product types. The industrial market will follow the same trajectory as the general economy. The large losses seen during 2009 are not likely to continue, but little real growth is likely until 2011. Strong oil prices and international ties through the Port of Houston will help the region in 2010.

INDIANAPOLIS, IN Compared to other U.S. markets, which have experienced 5% - 10% vacancy increases, Indianapolis vacancy sat at 10.6%, an increase of 1.4 percentage point from year-end 2008. Continued forecasts of job expansion in the transportation and distribution industries will lead to a boost in the second half of 2010, which should translate into increased demand for industrial real estate.

INLAND EMPIRE CA The lower amounts of new vacant space to hit the market during fourth quarter, combined with another strong quarter of user sales activity, lead to the second straight quarter of positive net absorption. However, the first half of 2009 was weak and the year ended with negative 1.7 msf of net absorption and an overall vacancy rate of 12.4%. As new construction was non-existent and landlords remain willing to execute aggressive deals, the amount of vacant product on the market should continue to decline leading to further quarters of positive absorption in the coming year.

JACKSONVILLE, FL Employment growth at the end of the year helped bolster tenant demand and led to positive 5,762 sf of overall absorption in the fourth quarter of 2009 and a stabilized vacancy rate of 11.9% from mid-year through year-end 2009. However, leasing activity was just one-third the 2008 total, posting 2.3 msf in 2009 and sales activity remained weak, totaling 1.3 msf over the last year, less than half of the activity recorded in 2008. If the employment growth experienced in the final months of 2009 continues, the Jacksonville industrial market is poised to rebound within the next twelve months.

KANSAS CITY, MO The Kansas City market clearly experienced a slowdown in demand from the buyer/tenant side. The lack of supply, mainly as a result to the limited speculative construction from 2006 through 2008, helped keep the market relatively healthy considering the overall economy.

LAKELAND, FL Tenant demand remained weak over the last twelve months, pushing vacancy up to 7.3% at the close of the fourth quarter, an increase of 2.0 percentage points over year-end 2008. Fortunately, more and more prospective tenants and existing tenants whose leases are expiring within the next 12 to 18 months, have become increasingly active in the market as they try to take advantage of the favorable lease terms currently available.

LAS VEGAS, NV The industrial market should experience a faster recovery than the office and retail market due to the limited number of building completions expected in the next few years.

LONG ISLAND NY The overall vacancy rate increased and asking rents declined, but new leasing activity was up 29% from 2008. The overall vacancy rate is expected to rise but at a lower rate than reported in the two previous years. Lower asking rents continue to provide incentives for tenants looking for new space.

LOS ANGELES, CA By year-end, the market suffered an occupancy loss of 19.3 msf, increasing the overall vacancy to 5.2%, the highest level since 2001. The lack of demand created a competitive environment and the average overall asking rate dropped 15.9%, wiping out the gains experienced during 2006 and 2007. The supply of new space has not increased significantly as it did in 2000 to 2001, which bodes well for a quick recovery when the economy and industrial demand improves.

LOUISVILLE, KY Louisville's industrial net absorption fell dramatically from 4.3 msf in 2008 to only 732,175 sf in 2009, the lowest level reported since 2001. However, absorption is expected to increase in 2010 as the leading economic indicators for the industrial sector appear to have turned positive.

MEMPHIS, TN For the first time in more than ten years the market experienced negative absorption. Most of this decline can be attributed to a nearly 3.0-msf vacancy left by Hewlett Packard. However, the market showed a fair level of leasing activity considering the current economic downturn. In 2010, the market is set to remain soft as companies show extreme caution in making major real estate decisions in an effort to wait out the current economic situation. Some activity is expected due to Memphis' central location and its growing position as America's Aerotropolis.

MIAMI, FL The small amount of leasing activity witnessed during 2009 consisted mostly of short-term deals at drastically reduced rates. However, tenant demand may improve in the next year as the region is expected to lose fewer jobs in 2010.

MILWAUKEE, WI Industrial rates continued to remain relatively stable in the market as a result of limited speculative construction in the preceding years. Activity is expected to improve entering 2010, and the region is better positioned for recovery.

MINNEAPOLIS, MN Declining orders, profits and production restrained business expansion and, in many cases, triggered contraction, negatively impacting occupancy in the local industrial real estate market in 2009. While tenant demand will be far from robust, the local industrial real estate market will experience a modest recovery through 2010 with increased leasing demand as corporations gradually seek opportunities to improve their local real estate holdings.

NASHVILLE, TN Overall vacancy rates remain in single digits at 9.3% despite negative absorption. Leasing activity posted 4.6 msf for the year keeping rental rates steady across the board.

NORTHERN NJ The overall vacancy rate increased 1.6 percentage point over the year and leasing activity represented nearly 67.0% of 2008 totals. With a decline in construction activity and an abundance of available space, leasing activity is expected to remain consistently higher in the Meadowlands area.

NORTHERN VA Vacancy shot up in 2009 due to slowed tenant demand and a slew of new deliveries (854,145 sf), of which 710,847 sf was vacant. Both asking and taking rents were down 10.0%-20.0% from their 2007 peaks as landlords offered favorable concession packages to lure and keep tenants. Soft market conditions are expected to continue in 2010 with an anticipated bump in sales activity as users take advantage of low pricing.

OAKLAND, CA Overall vacancy rates inched up minimally at year-end to 9.2%. While demand remained sluggish, more than half of that cumulative negative absorption occurred in the first quarter, underscoring the resiliency of the market over the course of 2009. Export container traffic at the Port of Oakland rebounded significantly over the latter half of 2009, with year-over-year gains of 40% in monthly volume during November and December. Fueled by the nascent recoveries taking hold in Asia and parts of Europe, an upswing in inventories and export demand have the potential to translate into trade-related jobs in the East Bay.

ORANGE COUNTY CA The market continued to report rising vacancies and declining rental rates driven by ever softening demand. The overall vacancy climbed to 7.1%, the highest rate since 2003. Net absorption totaled negative 7.4 msf, the third consecutive year of negative growth. Asking rental rates ended the year at 2005 levels and down 29% from the peak of 2007. Rising vacancies and a significant slowdown in demand serve as strong indicators that the market will remain weak in 2010.

ORLANDO, FL The severe economic downturn over the last two years translated into a further weakening of the industrial market in the final quarter of 2009. Overall vacancy rose to 13.9%, overall absorption totaled nearly negative 1.8 msf over the last twelve months, and leasing activity declined by 14.8% over the year to 2.9 msf. However, job losses are leveling off and employment growth is set to resume within the next year, which will boost tenant demand and market fundamentals toward the end of 2010.

PALM BEACH, FL Despite the lack of new job growth, tenants have restructured existing lease terms, downsized, and moved horizontally within the county which kept the market active in key regions. New quality bulk distribution space along with improved ties to rail and sea are necessary in order for Palm Beach County to become more competitive with counties to the south.

PENNSYLVANIA I-81/I-78 DISTRIBUTION CORRIDOR The market had a difficult first half of the year, however strong fourth quarter leasing of 2.7 msf of new deals closed, marking the best quarter of 2009. Success in 2010 will depend on company production in the region, which, if improved, could boost the demand for industrial space.

PHILADELPHIA, PA The Philadelphia industrial market struggled throughout 2009. Leasing activity totaled 3.4 msf, the lowest year-end total since 2004.

PHOENIX, AZ Phoenix industrial absorption turned positive, tenant leasing activity was strong, and investment sales activity skyrocketed in the fourth quarter but ended the year down from 2008 levels. Nominal absorption is forecasted for next year and following the delivery of remaining speculative warehouse projects, no new starts are expected for several years.

PITTSBURGH, PA Demand for large blocks of quality warehouse space continued to grow in the market throughout 2009 but the economic recession inhibited the development of new speculative product. Lack of available financing will continue to challenge developers in the market throughout 2010.

PORTLAND, OR Fundamentals in the industrial market exhibited signs of rebounding. After increasing for seven consecutive quarters to a five-year high, the overall vacancy rate declined slightly to 8.7% at year-end. Portland's reputation as one of the greenest cities in the U.S. and its aggressive courting of clean technology firms appears to be reaping rewards, cementing this sector as key growth driver over the next several years.

RALEIGH/DURHAM, NC Most industries held tight to their current space through consolidations of business lines and renewals within current locations during the past year. A notable increase in activity at year-end was notable as firms began to move forward after months of economic uncertainty.

RICHMOND, VA The massive amount of space that was vacated throughout the year represented a substantial correction to the market and created abundant opportunities for companies seeking industrial space. With considerable supply available, there will be very little new construction in 2010.

ROANOKE, VA The local trend for the past year revolved around the decline in the automotive industry nationwide. However, overall vacancy remained at a manageable 11.7%.

ROCHESTER, NY The vacancy rate remained relatively stable around 11% during 2009. However, recent sale activity within the market has provided optimism for a stronger 2010.

SALT LAKE CITY, UT Vacancy increased only slightly in 2009. The industrial sector weathered the economic challenges of the past year relatively well, sidestepping the huge leaps in vacancy reported in many other major markets. A lack of new construction played a major role in moderating vacancy levels.

SAN ANTONIO, TX Annual absorption for the year totaled 154,762 sf, which moved overall occupancy marginally. The warehouse/distribution sector remained healthy, while the office service/flex sector was relatively flat. New construction for speculative development was non-existent.

SAN DIEGO, CA The diversified industrial product continued to attract top prospects from the strong medical, life science, telecommunications, and defense industries, particularly in areas with an oversupply of new construction and larger space options. Landlords offered reduced rental rates and increased concessions, and tenants capitalized on this opportune time to upgrade their workspace while reducing overhead costs.

SAN FRANCISCO PENINSULA CA With a third of the total industrial inventory, warehouse/distribution space vacancy stood at 6.7%, almost doubling the vacancy reported last year. Leasing activity for this space type will need to increase before the market can stabilize. Unless industrial users take advantage of current market conditions, rental rates will continue to decline as vacancy increases and absorption remains negative.

SAVANNAH, GA The market is well positioned to attract new businesses and warehouse users in 2010 by offering recently constructed facilities, suited for a wide range of uses within close proximity to Savannah's deepwater container port. The Port's unmatched and strategically positioned infrastructure will help attract the growing number of export oriented firms and users that require buildings with access to state of the art intermodal facilities.

SEATTLE, WA Real estate trends mirrored the general slump in the economy in 2009. The overall vacancy rate climbed to 9.3% by year-end, the highest rate reported since 2004. The market logged an unprecedented 2.8 msf of negative absorption, compared to 1.2 msf of positive absorption in 2008. The real estate market is expected to remain weak in 2010 with leasing conditions continuing to favor tenants. However, with a lack of new construction and a modest rebound in the business environment, these trends in real estate fundamentals will start to level off.

SILICON VALLEY CA Lease renewal activity was the major theme in 2009 as tenants sought lower rents by negotiating renewals for their current space and the trend is expected to continue into 2010. Rental rates will decline further, vacancy is expected to rise and absorption will remain in negative territory.

ST. LOUIS, MO Users in selected industry sectors are growing, in many cases beginning to benefit from their customers' suppression of inventories in 2009. Property owners who remain solvent are accelerating efforts to entice these users to expand or relocate and transactions are expected to increase as a result.

ST. PETERSBERG/CLEARWATER, FL Market fundamentals deteriorated further at year-end, largely due to the continued decrease in industrial-related jobs and the prolonged shortage of demand from tenants looking to lease or buy space. Though the effects of the prolonged slump in the economy will continue to have a negative impact on the market well into 2010, current fundamentals favor tenants willing to make commitments.

STOCKTON/TRACY CA Vacancy fell since mid-year to 15.0%. Absorption was positive due to build-to-suit delivery and a handful of sizeable transactions from General Mills, O'Reilly Auto, and Whirlpool. However, leasing activity was not sustained throughout the year and asking rents were at least 40% below the level needed to support speculative construction activity.

SUBURBAN MD Vacancy rates were significantly higher than year-end 2008 levels. Leasing activity fell as tenants continued to weather difficult economic circumstances and asking rents fell 4.9% from year-ago levels as landlords attempted to lure and retain tenants. Activity will remain sluggish through mid- 2010.

SYRACUSE, NY The market continued to contract at year-end 2009. Despite current economic conditions, industrial market rates remained stable even as leasing activity slowed in 2009 and the overall vacancy increased to 13.5%.

TAMPA, FL Tampa's industrial market continued to feel the downward pressure from the national recession as evidenced by the market-wide increase in vacancy rates. With a surplus of vacant space and the competition between landlords to fill occupancies in their properties, leasing activity is expected to steadily increase and absorption levels will stabilize over the next few quarters.

TUCSON, AZ The market lost about 3% of its occupancy in 2009, less than expected due to minimal speculative construction in recent years, and strong federal government spending, with almost no foreclosure activity on multi-tenant and owner-occupied properties. Occupancy should remain steady in 2010 with limited absorption of space, as well as flat building and land sale activity.

Market	Inventory	Overall	YTD	Under Construction	YTD	YTD	Direct Weighted Average Asking Triple Net Rental Rate*		
		Vacancy Rate	Leasing Activity		Construction Completions	Overall Absorption	Flex	MF	WD
Atlanta, GA	502,380,711	10.6%	11,601,567	642,223	1,991,840	(2,869,566)	\$8.70	\$3.71	\$3.52
Austin, TX***	43,736,299	17.7%	N/A	0	713,387	(70,610)	\$8.76	\$4.92	\$5.88
Baltimore, MD	195,706,550	12.5%	5,354,754	283,894	262,180	(172,816)	\$10.98	N/A	\$5.11
Bellevue, WA	58,980,207	11.9%	1,914,362	275,250	1,006,855	(1,708,229)	\$14.52	\$7.41	\$8.20
Binghamton, NY***	19,653,654	13.0%	203,200	N/A	N/A	(152,199)	\$12.08	\$3.74	\$4.61
Birmingham, AL***	14,321,491	23.5%	N/A	0	232,750	(338,293)	\$6.63	N/A	\$4.08
Boston, MA	171,713,947	18.0%	3,860,830	0	145,000	(7,922,572)	\$9.51	\$5.69	\$5.35
Central NJ**	400,681,307	9.5%	8,530,407	216,000	1,520,883	(4,229,093)	\$14.17	\$4.49	\$4.72
Chicago, IL	1,144,543,350	11.4%	24,460,576	1,521,457	9,596,844	(18,015,898)	\$8.79	\$4.15	\$4.14
Cincinnati, OH***	52,343,883	25.8%	2,431,819	N/A	720,135	(1,951,875)	N/A	N/A	\$3.01
Cleveland, OH***	417,459,370	8.1%	2,536,855	152,700	1,101,500	(3,125,040)	N/A	N/A	\$3.50
Columbus, OH***	254,892,320	14.3%	5,046,958	N/A	N/A	(183,589)	\$4.62	\$3.31	\$2.87
Contra Costa, CA	36,131,911	17.7%	941,453	135,976	0	(2,832,717)	\$8.04	\$12.00	\$4.92
Dallas/Ft. Worth TX	507,678,405	12.5%	18,249,722	626,130	7,951,559	(1,841,374)	\$7.98	\$3.36	\$3.58
Denver, CO	198,567,948	8.1%	8,093,062	831,748	815,427	(1,026,388)	\$8.57	\$4.33	\$4.21
Detroit, MI***	329,230,805	19.5%	N/A	296,000	160,389	(11,078,299)	\$7.71	\$4.04	\$4.51
Fredericksburg, VA***	9,163,287	22.3%	259,667	0	62,900	(78,425)	\$8.58	\$5.75	\$6.59
Ft. Lauderdale, FL	95,112,521	9.4%	3,011,532	95,678	571,388	(3,336,504)	\$9.60	\$7.55	\$6.67
Hampton Roads, VA***	111,715,526	10.1%	2,717,412	115,435	1,086,159	(385,851)	\$10.60	\$5.23	\$4.71
Hartford, CT	87,251,228	13.7%	1,027,338	145,000	304,000	(1,882,809)	\$7.04	\$4.32	\$4.75
Houston, TX	338,943,851	9.7%	12,726,781	92,250	5,131,064	(3,716,480)	\$7.22	\$4.48	\$4.66
Indianapolis, IN***	208,952,580	10.6%	4,429,955	154,915	5,184,437	1,234,172	\$6.07	\$1.85	\$3.00
Inland Empire CA	400,877,419	13.4%	16,174,231	1,017,822	3,724,375	(1,671,157)	\$10.00	\$4.65	\$3.98
Jacksonville, FL	98,229,758	11.9%	2,261,111	460,361	2,005,383	(528,742)	\$8.19	\$2.83	\$3.66
Kansas City, MO***	187,998,918	7.0%	4,501,242	0	1,910,118	491,776	\$8.71	\$5.12	\$4.22
Lakeland, FL	26,412,627	7.3%	305,712	0	539,800	50,752	\$5.01	\$3.27	\$4.45
Las Vegas, NV***	100,903,764	14.0%	5,722,647	967,973	1,750,875	(5,842,108)	\$8.16	\$8.10	\$5.88
Long Island NY	126,195,121	10.4%	2,757,985	255,426	0	(1,115,287)	\$8.27	\$8.21	\$7.12
Los Angeles, CA	614,124,269	5.0%	16,134,417	0	1,555,175	(11,446,260)	\$12.58	\$5.65	\$5.76
Los Angeles-North, CA	220,863,419	5.1%	3,985,998	42,160	597,330	(4,507,932)	\$10.27	\$7.28	\$7.52
Los Angeles-South, CA	230,574,943	5.7%	8,525,398	0	1,111,472	(3,356,222)	\$10.69	\$5.76	\$6.50
Louisville, KY***	125,431,744	9.0%	3,957,760	745,000	1,390,110	732,175	\$5.61	\$3.03	\$3.49
Memphis, TN***	145,956,959	15.7%	6,429,585	N/A	100,000	(1,737,228)	\$6.95	N/A	\$2.48
Miami, FL	169,892,746	8.6%	5,286,637	165,000	738,842	(3,937,977)	\$11.31	\$4.29	\$6.87
Milwaukee, WI***	276,745,300	9.4%	2,079,500	125,200	567,160	(1,348,074)	\$5.20	\$4.25	\$3.88
Minneapolis, MN	85,203,686	12.5%	N/A	0	494,260	(1,161,059)	\$7.35	\$5.23	\$4.70
Nashville, TN***	169,923,549	9.3%	4,665,313	837,000	2,169,552	(501,232)	\$8.79	N/A	\$3.47
Northern NJ**	374,518,381	7.4%	5,091,261	0	42,248	(9,257,622)	\$10.11	\$5.01	\$6.20
Northern VA	44,837,934	16.1%	1,514,494	117,000	854,145	(1,820,478)	\$11.61	N/A	\$8.78
Oakland, CA	140,778,618	9.2%	5,702,188	73,260	71,616	(2,889,506)	\$9.16	\$6.06	\$4.67
Orange County, CA	272,203,182	7.1%	8,779,706	666,852	0	(7,382,250)	\$11.27	\$7.07	\$7.03
Orlando, FL	105,105,461	13.9%	2,946,485	0	1,267,650	(1,776,007)	\$9.97	\$5.17	\$4.85
Palm Beach, FL	45,755,550	8.8%	1,362,389	0	384,000	(1,614,137)	\$9.85	\$7.16	\$7.52
PA I-81/I-78 Distribution Corridor	210,899,895	14.6%	8,048,818	1,825,000	5,643,832	(1,047,299)	\$3.72	\$3.45	\$3.99
Philadelphia, PA	280,636,879	9.0%	3,433,675	711,000	1,598,509	(4,019,777)	\$8.96	\$3.82	\$4.71
Phoenix, AZ	264,692,813	15.9%	6,615,499	1,148,991	3,637,026	(2,812,578)	\$10.86	\$6.52	\$5.71
Pittsburgh, PA***	81,194,056	10.5%	2,554,507	534,039	804,388	688,445	\$8.72	\$3.66	\$5.23
Portland, OR	176,024,643	8.7%	1,025,932	520,000	611,849	(2,580,408)	\$10.11	\$4.80	\$5.64
Raleigh/Durham, NC***	29,623,746	13.5%	N/A	0	576,104	(417,983)	\$9.95	N/A	\$4.78
Richmond, VA***	105,249,098	10.9%	4,470,040	28,500	174,992	(3,481,426)	\$7.19	\$3.68	\$5.32
Roanoke, VA***	25,681,243	11.7%	N/A	N/A	5,257	(476,100)	\$6.60	\$6.09	\$3.18
Rochester, NY***	72,515,534	11.1%	N/A	N/A	N/A	N/A	\$7.25	\$5.50	\$3.00
Salt Lake City, UT***	104,762,089	7.6%	2,985,628	315,966	1,845,132	(548,064)	\$7.11	\$3.92	\$4.83
San Antonio, TX***	30,650,023	13.6%	1,888,099	1,125,000	315,000	227,981	\$8.46	N/A	\$4.44
San Diego, CA	188,969,452	10.9%	7,407,368	257,004	1,064,876	(4,298,571)	\$15.12	\$8.04	\$7.80
San Francisco Peninsula, CA	63,237,278	8.1%	2,230,103	333,311	102,000	(1,450,883)	\$19.98	\$10.19	\$10.12
Savannah, GA***	44,038,938	19.9%	508,000	60,000	935,590	N/A	\$8.01	N/A	\$3.89
Seattle, WA	129,247,974	9.3%	4,448,690	293,366	1,209,518	(2,765,927)	\$11.73	\$6.19	\$4.88
Silicon Valley, CA	241,440,193	13.6%	9,082,238	694,000	450,000	(6,200,370)	\$12.60	\$8.50	\$5.87
St. Louis, MO***	224,666,833	8.3%	5,321,740	0	706,738	(289,519)	\$6.82	\$3.82	\$3.92
St. Petersburg/Clearwater, FL	50,869,469	7.3%	760,959	0	0	(1,174,720)	\$8.52	\$5.10	\$5.74
Stockton/Tracy CA	45,527,410	15.0%	3,365,561	0	3,756,860	3,965,584	N/A	\$3.23	\$3.65
Suburban MD	47,434,542	13.6%	1,348,132	0	272,850	(420,542)	\$12.55	N/A	\$7.88
Syracuse, NY***	47,701,439	13.6%	397,976	90,000	100,000	(1,207,587)	\$7.04	\$3.35	\$3.75
Tampa, FL	78,379,379	9.2%	2,393,665	0	890,200	(435,368)	\$9.25	\$3.55	\$4.64
Tucson, AZ***	37,413,914	10.8%	1,526,705	64,400	1,499,571	1,296,824	\$7.47	\$5.25	\$4.20
TOTAL- ALL MARKETS:	11,742,551,339	10.8%	295,395,644	19,058,287	86,033,100	(153,781,318)	\$9.94	\$4.87	\$4.52
TOTAL- C&W MARKETS:	8,470,624,977	10.4%	230,761,036	13,446,159	61,920,856	(125,209,189)	\$10.81	\$5.24	\$4.84

* Rental rates reflect asking \$psf/year

** Based on estimated inventory

*** Alliance market

MF = Manufacturing WD = Warehouse/Distribution

Significant 2009 New Lease Transactions

Market	Building	Tenant	Square Feet
Central NJ	Middlesex Center Building I	Williams-Sonoma, Inc.	1,351,000
Dallas	Grand Lakes II	Farley & Sathers Candy Company	1,060,075
Atlanta	Majestic Airport Center III	Kraft Global Foods, Inc.	969,150
PA I-81/I-78 Industrial Corridor	Covington Industrial Park	Diapers.com	811,350
Stockton/Tracy	Opus Logistics Center	General Mills	735,980
Dallas	CornerStone One	Kohler Company	651,518
Inland Empire	Wineville CenterPoint South	IDS Transportation	645,311
Inland Empire	Empire Business Center I	ACT Fulfillment	606,925
Dallas	161 Distribution Center	Solo Cup Operating Corporation	603,354
PA I-81/I-78 Industrial Corridor	Key Logistics Park- Building C	Office Depot	600,000
PA I-81/I-78 Industrial Corridor	Logisticenter at Logan	Kimberly-Clark	599,500
Chicago	900 Knell Road	Suncast Corporation	597,055
Dallas	ProLogis Park 20	United Natural Foods	589,870
Central NJ	140 Docks Corner Road	GIII Apparel Group, Ltd.	583,376

Significant 2009 Sale Transactions

Market	Building	Buyer	SF/Price (Mil)
Inland Empire	Sierra Business Park, Building 6	Peng Cheng Aluminum (user)	1,101,900 / \$49.6
Chicago	701 Ferguson Boulevard	W.W. Grainger (user)	1,000,743 / \$26.5
Dallas	121 Lakepointe Crossing	PCCP LLC (investor)	950,678 / \$29.9
Seattle	Whirlpool Distribution Center	Dexus Frederickson WA LLC (investor)	891,600 / \$64.6
Chicago	Windgate Distribution Center	Molto Capital LLC (investor)	658,060 / \$21.8
Stockton/Tracy	1400 Pescadero Avenue	USAA/Home Depot (investor)	657,600 / \$46.0
Inland Empire	Converse Building	KTR Capital Partners (investor)	656,040 / \$34.4
Inland Empire	Jasmine Distribution Center	KTR Capital Partners (investor)	651,235 / \$29.9
Dallas	Frankford Trade Center Building 7	Hillwood Corporation (investor)	650,000 / \$12.5
Phoenix	7811 North Glen Harbor Boulevard	Conair Corporation (user)	619,000 / \$17.4
Inland Empire	Newcastle Business Center	Hillwood Corporation (investor)	609,499 / \$12.8

Significant 2009 Construction Completions

Market	Building	Major Tenant	Square Feet
Phoenix	800 North 75th Avenue	Speculative	1,267,110
PA I-81/I-78 Industrial Corridor	260 Hidden Lane	Church & Dwight Co. Inc.	1,200,000
PA I-81/I-78 Industrial Corridor	Key Logistics Park Building C	Office Depot	1,170,000
Chicago	Cherry Hill Business Park	Central Grocers	934,490
Settle	19700 38th Avenue East	Whirlpool	891,600
Jacksonville	Northport Logistics Center	Speculative	872,627
Tracy/Stockton	1705 North Chrisman Road	Crate & Barrel	827,280
Dallas	Pioneer 360 Business Center	Speculative	815,820
Atlanta	Majestic King Mill Commerce Center I	Whirlpool	750,000
Atlanta	Majestic King Mill Commerce Center 2	Whirlpool	750,000
Tracy/Stockton	Opus Logistics Center	Tesco	750,000

Significant Projects Under Construction

Market	Building	Major Tenant	Square Feet
Atlanta	East Hightower Trail	General Mills	1,300,000
Chicago	Pleasant Prairie, Wisconsin	Uline Inc.	1,271,000
Denver	Weld County Road 6 at Crown Prince Blvd.	Vestas Americas	818,308
Phoenix	Fowler Distribution Center 3	Speculative	682,291
Philadelphia	Philadelphia Regional Produce Market	Speculative	667,000
Silicon Valley	Solyndra Fab 2	Speculative	609,000
PA I-81/I-78 Industrial Corridor	Lehigh Valley Macungie Crossings	Speculative	580,000

