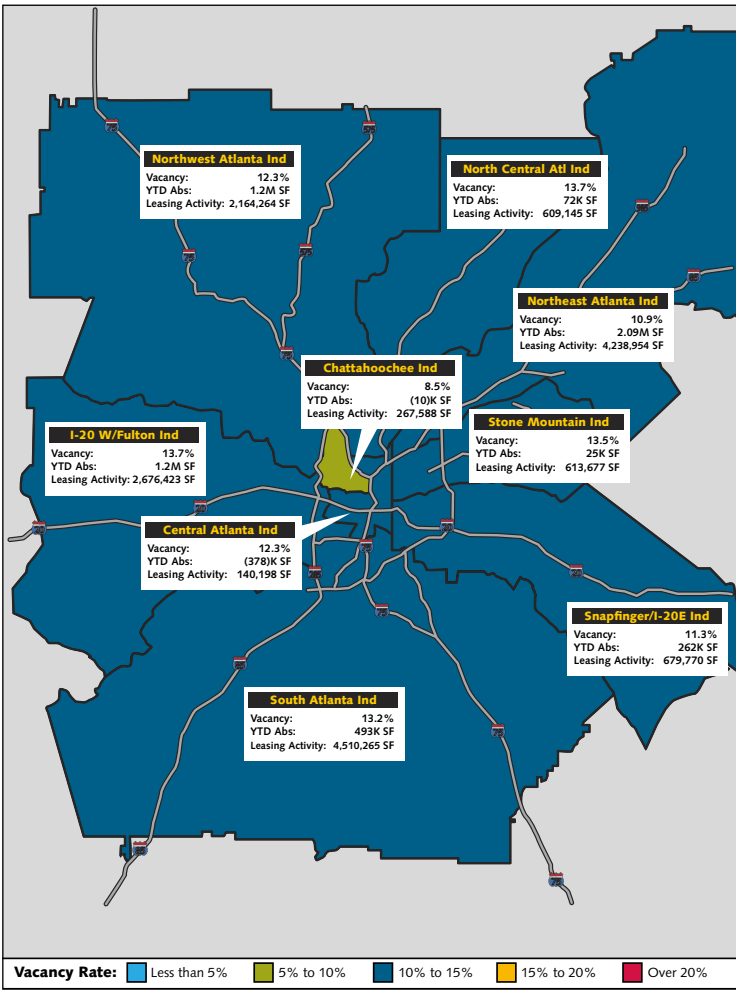


# 4Q'12 ATLANTA INDUSTRIAL MARKET



## LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)

## MARKET OVERVIEW

The Atlanta Industrial market ended the fourth quarter 2012 with a vacancy rate of 12.3%. This rate represents a slight decrease from the previous quarter of 12.6%. Net absorption is reported at 1,937,155 SF (YTD absorption is 4,877,455 SF) and one building delivered to the market totaling 8,500 SF this quarter. Overall industrial rental rates ended the quarter at \$3.80 PSF, up from last quarter. There is currently 1,598,581 SF (5 buildings) of Industrial space under construction.

## ECONOMIC OVERVIEW

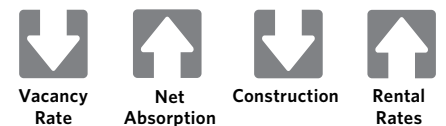
Despite the uncertainty leading up to the election and the fiscal cliff looming, the U.S. economy picked up slightly at the end of the year. Holiday shopping, strong auto sales and a recovering housing market helped boost the economy from the middle of November through early January. Job growth remains modest but steady. Economists are predicting continued growth for 2013.

### UNEMPLOYMENT RATE DEC 2012

National	7.7%
Georgia	8.5%
Atlanta MSA	8.4%

The healthcare, education, telecommunications/call center, entertainment and supply chain/distribution industries continue to grow for Atlanta, as our business climate, location to major transportation hubs, technology, quality of life and highly educated talent pool remain favorable for corporate relocations.

## MARKET INDICATORS



Commercial Real Estate Services, Worldwide.

404 812 4000 | fax 404 816 3939 | www.naibg.com  
 Suite 1100 | 5555 Glenridge Connector | Atlanta GA 30342

Information is deemed from reliable sources. No warranty is made as to its accuracy.

**VACANCY**

The overall vacancy rate at the end of the fourth quarter 2012 is 12.3%, down slightly from the previous quarter. This rate represents over 71 million square feet of vacant space throughout the Metropolitan Atlanta Industrial market. Vacancy rates were the highest in the Flex market sector of the Stone Mountain and North Central Atlanta submarkets.

The amount of vacant sublease space is down from the last quarter and sits at 2.9 million square feet. The largest amount of sublease vacancy was found in the Warehouse sector of the South Atlanta submarket.

**NET ABSORPTION**

At the close of the quarter, the market reported a net absorption of 1,937,155 SF, up significantly from the previous quarter. Leasing activity was over 3.8 million square feet ending the fourth quarter, up from the previous quarter.

**YTD NET ABSORPTIONS BY BUILDING TYPE**

» FLEX	(396,026) SF
» SHALLOW-BAY	1,022,116 SF
» WAREHOUSE	4,251,365 SF
» YTD	<b>4,877,455 SF</b>

**CONSTRUCTION ACTIVITY**

During the fourth quarter 2012, one building totaling 8,500 SF was delivered to the market, this is down considerably from the previous quarter of 1,155,640 SF. This compares to 114,769 SF in deliveries this time last year.

There is currently 1,598,581 SF of new construction currently underway, the notable new construction starts are: Riverside Business Center, a 653,484 SF facility in the I-20 West submarket and 1340 Satellite Boulevard, a 559,407 SF BTS.

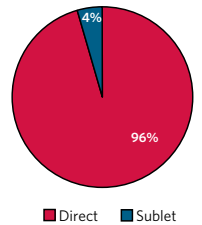
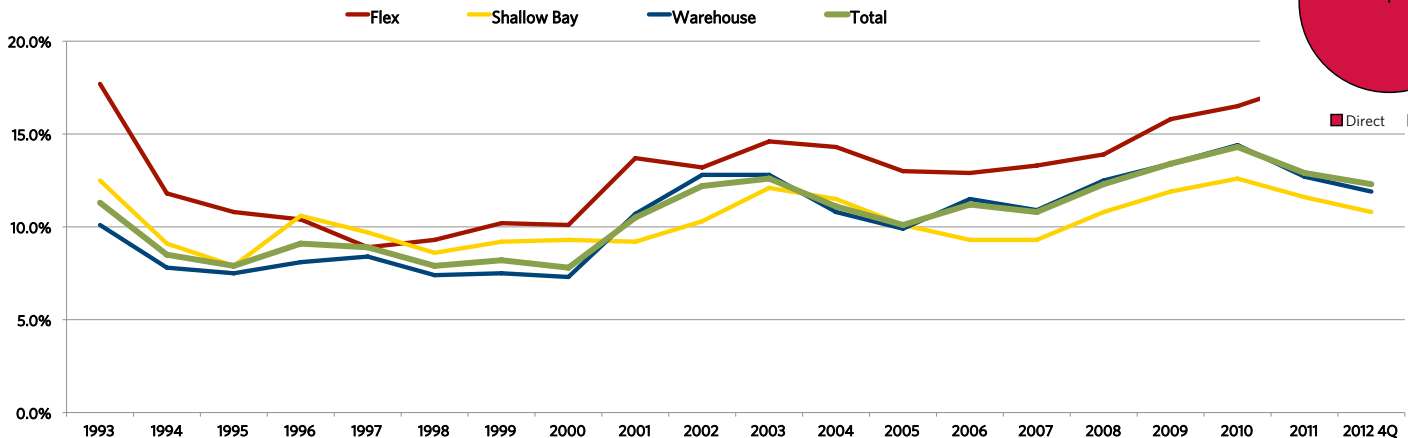
**AVERAGE QUOTED RENTAL RATES**

The average quoted asking rental rate for available Distribution space was \$2.91-\$4.94 per square foot per year at the close of the fourth quarter 2012.

Bulk Warehouse rates were reported at \$2.84-\$4.33 per square foot.

The average quoted rate within the Flex sector was \$6.50-\$7.80 per square foot.

**VACANCY RATES BY BUILDING TYPE**



## MARKET HIGHLIGHTS

### Significant Fourth Quarter 2012 Lease Transactions (New & Renewal)

Building	Submarket	Square Feet	Tenant Name
6021 Greensboro Drive	Fulton District	332,214	Liberty Furniture
757 Douglas Hill Road	I-20 W/Douglasville	295,768	N/A
3060 South Park Boulevard	S Clayton/Henry	251,807	Jacobson
660 Campbell Court	I-20 W/Douglasville	223,968	AGC Glass
2500 Sullivan Road	Airport/N Clayton	205,130	Network Global Logistics

### Significant Fourth Quarter 2012 Construction Deliveries

Building	Submarket	Square Feet	Occupied
4995 Powder Springs Dallas Road	1-20 West/Fulton	8,500	0%

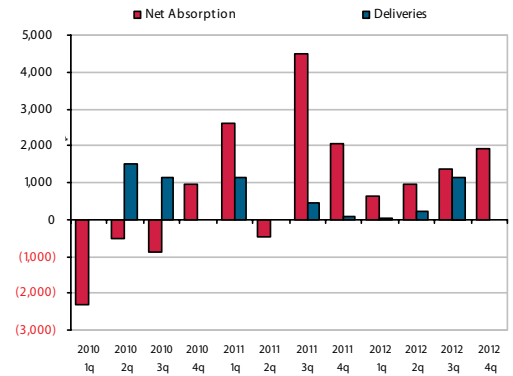
### Significant Fourth Quarter 2012 Properties Under Construction

Building	Submarket	Square Feet	Delivery
600 Riverside Parkway	1-20 West/Fulton	653,484	4Q 2013
1340 Satellite Boulevard	Northeast Atlanta	559,407	1Q 2013
7795 A Spence Road	South Atlanta	285,600	1Q 2013
1845 New Harvest Road	Northeast Atlanta	77,126	1Q 2013

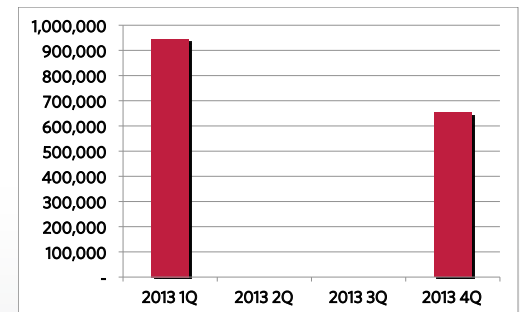
### All Construction Activity (Markets Ranked by Under Construction Square Footage)

Market	Under Construction Inventory				Available SF
	# Bldgs	Total RBA	Preleased SF	Preleased %	
Northeast Atlanta	3	659,497	582,371	88.3%	77,126
I-20 West/Fulton	1	653,484	0	0.0%	653,484
South Atlanta	1	285,600	0	0.0%	285,600
Central Atlanta	0	0	0	0.0%	0
Northwest Atlanta	0	0	0	0.0%	0
Chattahoochee	0	0	0	0.0%	0
North Central	0	0	0	0.0%	0
Snapfinger/I-20 East	0	0	0	0.0%	0
Stone Mountain	0	0	0	0.0%	0
<b>Totals</b>	<b>5</b>	<b>1,598,581</b>	<b>582,371</b>	<b>36.4%</b>	<b>1,016,210</b>

## ABSORPTION & DELIVERIES

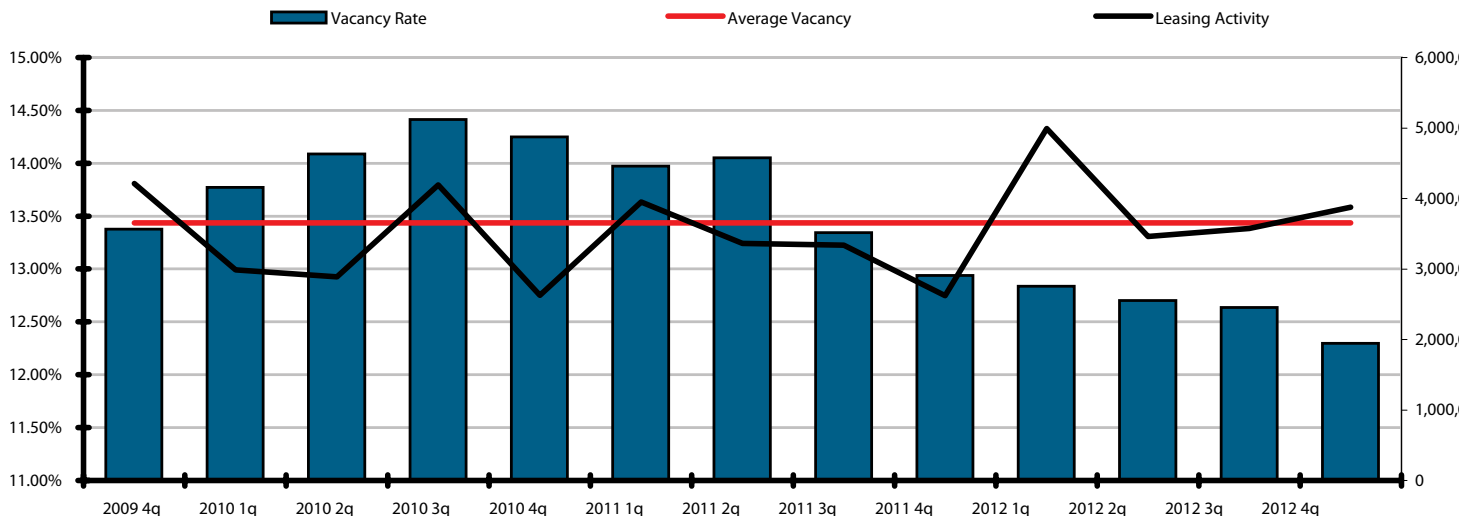


## DELIVERIES



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## OVERALL VACANCY & LEASING ACTIVITY



# TOTAL ATLANTA INDUSTRIAL MARKET STATISTICS

FOURTH QUARTER 2012

Market	Existing Inventory		Vacancy				YTD Net Absorp	YTD Deliveries	Under Const SF	Leasing Activity
	#Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac %				
Central Atlanta Ind	293	14,565,279	1,784,028	2,821	1,786,849	12.3%	(378,133)	0	0	140,198
Chattahoochee Ind	410	20,171,085	1,671,435	53,000	1,724,435	8.5%	(10,185)	0	0	267,588
I-20 W/Fulton Ind	922	89,265,098	12,022,631	213,048	12,235,679	13.7%	1,204,480	0	653,484	2,676,423
North Central Atlanta Ind	505	25,345,684	3,478,972	5,770	3,484,742	13.7%	72,050	0	0	609,145
Northeast Atlanta Ind	2,083	153,032,648	16,311,553	373,159	16,684,712	10.9%	2,089,427	337,502	659,497	4,238,954
Northwest Atlanta Ind	988	59,574,402	7,178,546	158,527	7,337,073	12.3%	1,119,836	0	0	2,164,264
Snapfinger/I-20 East Ind	519	43,014,022	4,850,509	0	4,850,509	11.3%	261,779	0	0	679,770
South Atlanta Ind	1,303	149,281,560	17,604,634	2,164,088	19,768,722	13.2%	492,997	1,060,640	285,600	4,510,265
Stone Mountain Ind	467	24,955,184	3,337,730	19,424	3,357,154	13.5%	25,204	0	0	613,677
<b>TOTALS</b>	<b>7,490</b>	<b>579,204,962</b>	<b>68,240,038</b>	<b>2,989,837</b>	<b>71,229,875</b>	<b>12.3%</b>	<b>4,877,455</b>	<b>1,398,142</b>	<b>1,598,581</b>	<b>15,900,284</b>

## FLEX STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorp	YTD Deliveries	Under Const SF	Leasing Activity
	#Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac %				
Central Atlanta Ind	66	2,487,105	285,930	2,821	288,751	11.6%	(48,003)	0	0	45,943
Chattahoochee Ind	78	2,305,333	250,449	0	250,449	10.9%	(4,228)	0	0	87,707
I-20 W/Fulton Ind	55	2,554,976	359,898	0	359,898	14.1%	52,852	0	0	48,560
North Central Atlanta Ind	156	7,356,358	1,754,990	5,770	1,760,760	23.9%	(29,724)	0	0	215,239
Northeast Atlanta Ind	411	15,450,335	3,376,273	132,939	3,509,212	22.7%	(71,245)	27,502	0	477,713
Northwest Atlanta Ind	194	8,606,453	1,296,255	102,077	1,398,332	16.2%	(157,235)	0	0	326,521
Snapfinger/I-20 East Ind	67	2,317,915	138,247	0	138,247	6.0%	19,518	0	0	21,298
South Atlanta Ind	135	4,191,632	518,835	0	518,835	12.4%	(156,714)	0	0	34,659
Stone Mountain Ind	88	2,872,052	701,025	19,424	720,449	25.1%	(1,247)	0	0	33,447
<b>TOTALS</b>	<b>1,250</b>	<b>48,142,159</b>	<b>8,681,902</b>	<b>263,031</b>	<b>8,944,933</b>	<b>18.6%</b>	<b>(396,026)</b>	<b>27,502</b>	<b>0</b>	<b>1,291,087</b>

## WAREHOUSE STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorp	YTD Deliveries	Under Const SF	Leasing Activity
	#Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac %				
Central Atlanta Ind	182	10,074,331	1,376,008	0	1,376,008	13.7%	(317,350)	0	0	94,255
Chattahoochee Ind	303	16,739,894	1,400,986	53,000	1,453,986	8.7%	(98,827)	0	0	179,881
I-20 W/Fulton Ind	617	70,907,363	9,727,131	205,048	9,932,179	14.0%	1,250,307	0	653,484	1,990,222
North Central Atlanta Ind	248	12,822,685	1,304,320	0	1,304,320	10.2%	149,399	0	0	218,969
Northeast Atlanta Ind	1,146	110,091,013	10,012,085	207,495	10,219,580	9.3%	1,769,290	95,000	659,497	2,813,155
Northwest Atlanta Ind	589	39,982,859	4,702,408	56,450	4,758,858	11.9%	1,071,448	0	0	1,339,847
Snapfinger/I-20 East Ind	344	34,441,262	4,239,099	0	4,239,099	12.3%	46,081	0	0	391,926
South Atlanta Ind	912	123,188,240	14,566,343	2,164,088	16,730,431	13.6%	378,072	1,060,640	285,600	4,170,434
Stone Mountain Ind	204	14,236,802	1,664,473	0	1,664,473	11.7%	2,945	0	0	171,164
<b>TOTALS</b>	<b>4,545</b>	<b>432,484,449</b>	<b>48,992,853</b>	<b>2,686,081</b>	<b>51,678,934</b>	<b>11.9%</b>	<b>4,251,365</b>	<b>1,155,640</b>	<b>1,598,581</b>	<b>11,369,853</b>

## SHALLOW-BAY DISTRIBUTION STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorp	YTD Deliveries	Under Const SF	Leasing Activity
	#Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac %				
Central Atlanta Ind	45	2,003,843	122,090	0	122,090	6.1%	(12,780)	0	0	0
Chattahoochee Ind	29	1,125,858	20,000	0	20,000	1.8%	92,870	0	0	0
I-20 W/Fulton Ind	250	15,802,759	1,935,602	8,000	1,943,602	12.3%	(98,679)	0	0	637,641
North Central Atlanta Ind	101	5,166,641	419,662	0	419,662	8.1%	(47,625)	0	0	174,937
Northeast Atlanta Ind	526	27,491,300	2,923,195	32,725	2,955,920	10.8%	391,382	215,000	0	948,086
Northwest Atlanta Ind	205	10,985,090	1,179,883	0	1,179,883	10.7%	205,623	0	0	497,896
Snapfinger/I-20 East Ind	108	6,254,845	473,163	0	473,163	7.6%	196,180	0	0	266,546
South Atlanta Ind	256	21,901,688	2,519,456	0	2,519,456	11.5%	271,639	0	0	305,172
Stone Mountain Ind	175	7,846,330	972,232	0	972,232	12.4%	23,506	0	0	409,066
<b>TOTALS</b>	<b>1,695</b>	<b>98,578,354</b>	<b>10,565,283</b>	<b>40,725</b>	<b>10,606,008</b>	<b>10.8%</b>	<b>1,022,116</b>	<b>215,000</b>	<b>0</b>	<b>3,239,344</b>

Source: CoStar Group, Inc.