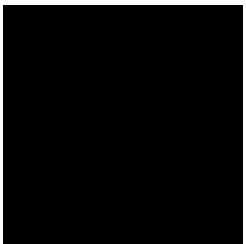
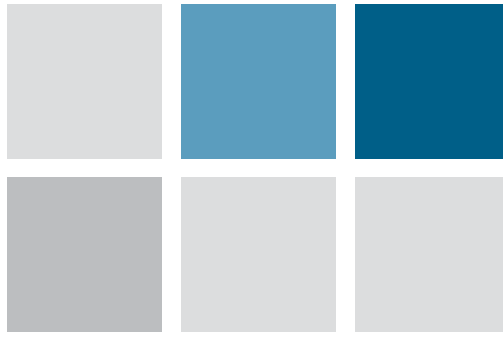


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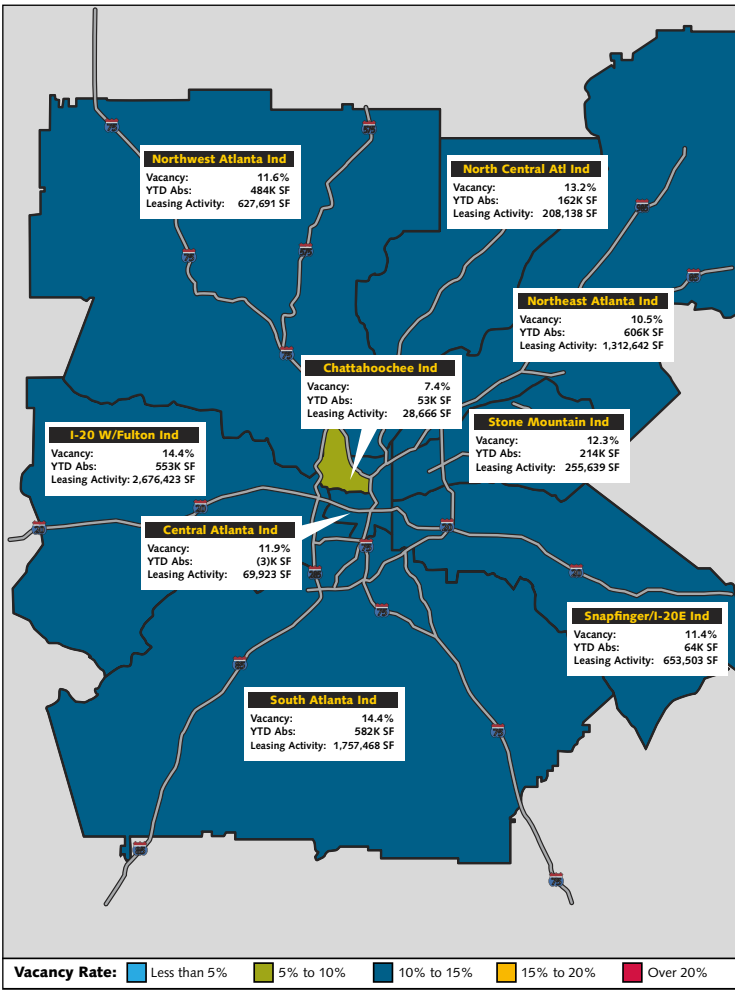
Atlanta Industrial Report | First Quarter 2013





1Q'13

ATLANTA INDUSTRIAL MARKET



MARKET OVERVIEW

The Atlanta Industrial market ended the first quarter 2013 with a vacancy rate of 12.4%, a decrease over the previous quarter. This decrease in vacancy rate occurred in a quarter where Atlanta saw 2,713,906 SF in positive net absorption. Overall industrial rental rates ended the quarter at \$3.85 PSF, up slightly from last quarter. There is currently 2,851,093 SF (5 buildings) under construction in the Atlanta Industrial market.

ECONOMIC OVERVIEW

The sprint in growth at the start of the year has turned into a slouch, and gains will remain subpar until late in the year, according to economists. A sense of uncertainty

UNEMPLOYMENT RATE MAR 2013

National	7.6%
Georgia	8.4%
Atlanta MSA	7.6%

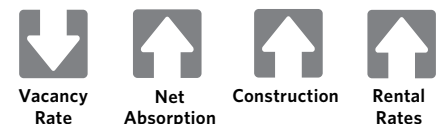
stemming from higher taxes, ongoing budget uncertainties and questions about the impact of forced government spending cuts is making businesses and consumers cautious. But, there are sound reasons to expect momentum to rebuild by fall, when improving consumer spending and business investment, along with increased construction activity and a better housing market, will add some punch to expansion.

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.

LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)

MARKET INDICATORS



NAI Brannen Goddard

Commercial Real Estate Services, Worldwide.

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

VACANCY

The overall vacancy rate at the end of the first quarter 2013 is 12.4%, down from the previous quarter. This rate represents over 72 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 Northeast Atlanta submarkets.

The amount of vacant sublease space is up significantly from the last quarter and sits at 4.1 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 2,713,906 SF, up significantly from the previous quarter. This marks the ninth consecutive quarter of positive net absorption. Leasing activity was over 5.4 million square feet ending the first quarter, up from the previous quarter.

YTD NET ABSORPTIONS BY BUILDING TYPE

» FLEX	307,588 SF
» SHALLOW-BAY	159,877 SF
» WAREHOUSE	2,246,441 SF
» YTD	2,713,906 SF

CONSTRUCTION ACTIVITY

During the first quarter 2013, one building totaling 10,000 SF was delivered to the market. However, there is currently 2,851,093 SF of new construction currently underway, the notable new construction starts are: Greenwood Industrial Park, a 1,118,508 SF build to suit for Home Depot and 600 Riverside Parkway, a 653,484 SF speculative facility located in the I-20 West/Fulton submarket.

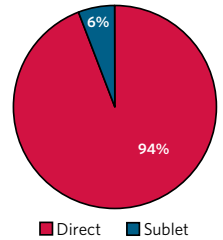
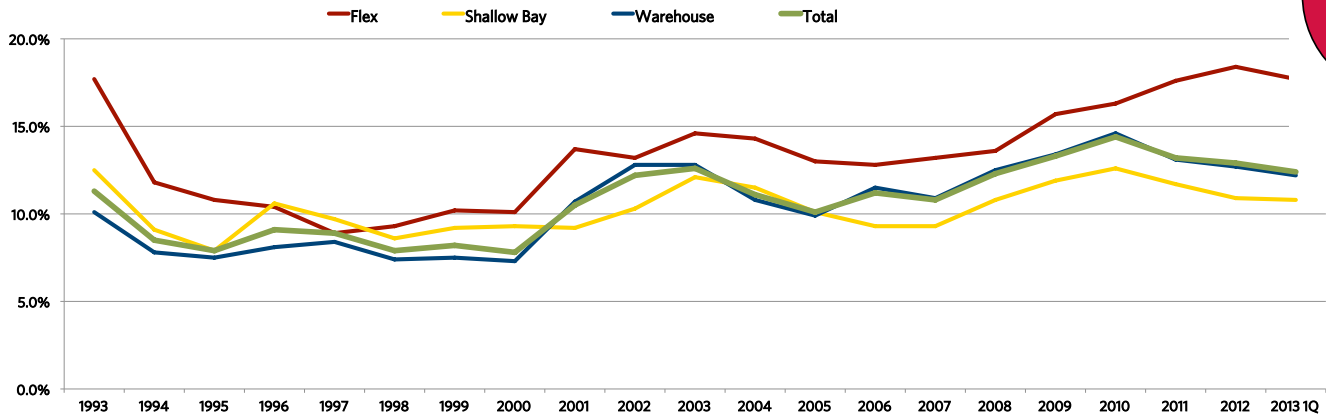
AVERAGE QUOTED RENTAL RATES

The average quoted asking rental rate for available Distribution space was \$2.50-\$4.05 per square foot per year at the close of the first quarter 2013.

Bulk Warehouse rates were reported at \$2.25-\$3.75 per square foot.

The average quoted rate within the Flex sector was \$4.50-\$7.80 per square foot.

VACANCY RATES BY BUILDING TYPE



MARKET HIGHLIGHTS

Significant First Quarter 2013 Lease Transactions (New & Renewal)

Building	Submarket	Square Feet	Tenant Name
Greenwood Industrial Park Bldg 100	South Atlanta	1,118,508	Home Depot
Rockdale Regional Distribution Ctr	Rockdale/Newton	496,730	Hill Phoenix
4370 Old Dixie Road	Airport/N Clayton	246,200	Towne Air Freight
46 Kent Drive	Kennesaw/Acworth	100,000	Gateway Computers
Kirby Risk Service Center	S Clayton/Henry	93,439	Kirby Risk

Significant First Quarter 2013 Construction Deliveries

Building	Submarket	Square Feet	Occupied
813 Tucker Court	Northeast Atlanta	10,000	100%

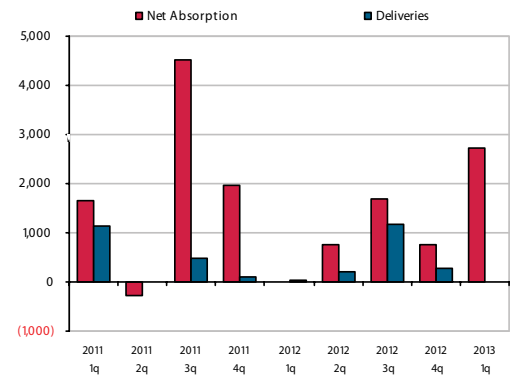
Significant First Quarter 2013 Properties Under Construction

Building	Submarket	Square Feet	Delivery
Greenwood Industrial Park Bldg 100	South Atlanta	1,118,508	2Q 2013
600 Riverside Parkway	I-20 West/Fulton	653,484	2Q 2013
1340 Satellite Boulevard	Northeast Atlanta	559,407	2Q 2013
2016 Gees Mill Road	Snapfinger/I-20 E	496,730	4Q 2013

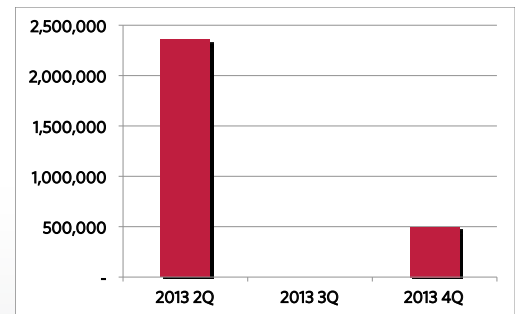
All Construction Activity (Markets Ranked by Under Construction Square Footage)

Market	Under Construction Inventory				Available SF
	# Bldgs	Total RBA	Preleased SF	Preleased %	
South Atlanta	1	1,118,508	1,118,508	100%	0
I-20 West/Fulton	1	653,484	0	0.0%	653,484
Northeast Atlanta	2	582,371	582,371	100%	0
Snapfinger/I-20 East	1	496,730	496,730	100%	0
Central Atlanta	0	0	0	0.0%	0
Chattahoochee	0	0	0	0.0%	0
North Central	0	0	0	0.0%	0
Northwest Atlanta	0	0	0	0.0%	0
Stone Mountain	0	0	0	0.0%	0
Totals	5	2,851,093	2,197,609	77.1%	653,484

ABSORPTION & DELIVERIES

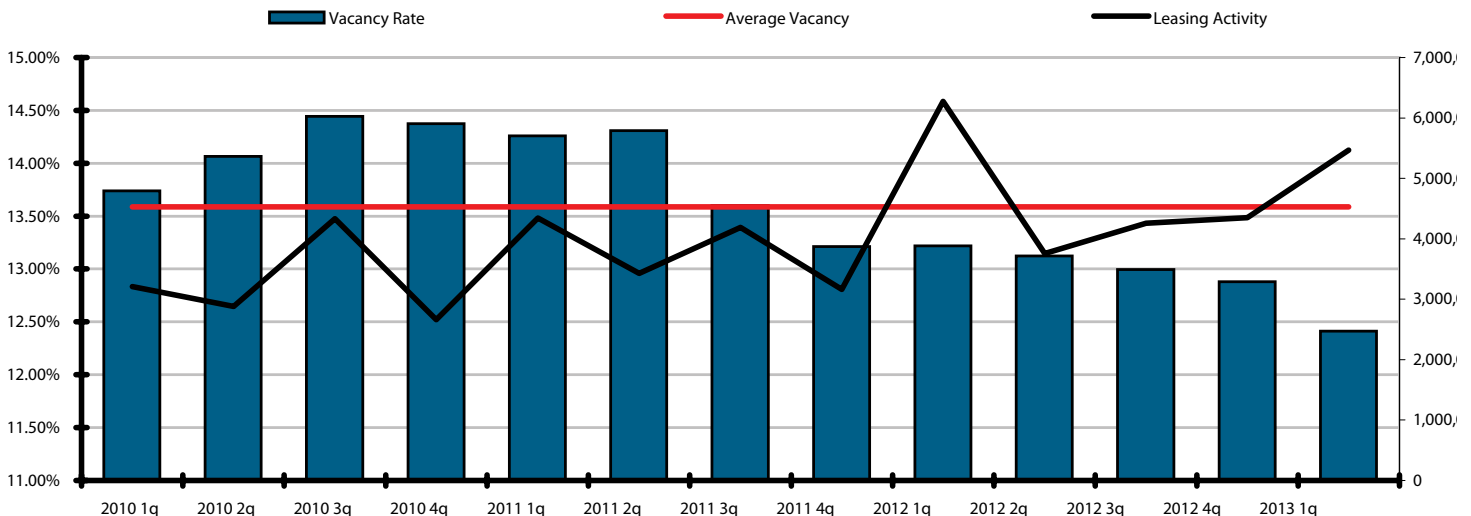


DELIVERIES



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OVERALL VACANCY & LEASING ACTIVITY



TOTAL ATLANTA INDUSTRIAL MARKET STATISTICS

FIRST QUARTER 2013

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	292	14,365,249	1,709,748	2,821	1,712,569	11.9%	(3,287)	0	0	69,923
Chattahoochee Ind	413	20,435,760	1,499,636	5,500	1,505,136	7.4%	53,389	0	0	28,666
I-20 W/Fulton Ind	932	89,691,930	12,664,640	213,048	12,877,688	14.4%	552,504	0	653,484	553,043
North Central Atlanta Ind	504	25,506,155	3,349,684	5,770	3,355,454	13.2%	161,861	0	0	208,138
Northeast Atlanta Ind	2,101	153,299,120	15,735,958	338,853	16,074,811	10.5%	606,354	0	582,371	1,312,642
Northwest Atlanta Ind	994	59,960,540	6,774,205	193,979	6,968,184	11.6%	484,030	0	0	627,691
Snapfinger/I-20 East Ind	519	42,536,629	4,868,273	0	4,868,273	11.4%	63,547	0	496,730	653,503
South Atlanta Ind	1,302	149,879,279	18,259,765	3,378,538	21,638,303	14.4%	581,570	0	1,118,508	1,757,468
Stone Mountain Ind	467	25,035,885	3,064,060	19,424	3,083,484	12.3%	213,938	0	0	255,639
TOTALS	7,524	580,710,547	67,925,969	4,157,933	72,083,902	12.4%	2,713,906	0	2,851,093	5,466,713

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	65	2,421,105	186,468	2,821	189,289	7.8%	12,395	0	0	2,483
Chattahoochee Ind	80	2,537,981	236,543	0	236,543	9.3%	13,906	0	0	24,050
I-20 W/Fulton Ind	58	2,615,872	330,602	0	330,602	12.6%	27,215	0	0	37,360
North Central Atlanta Ind	156	7,370,973	1,531,967	5,770	1,537,737	20.9%	220,623	0	0	41,825
Northeast Atlanta Ind	414	15,645,317	3,589,469	128,856	3,718,325	23.8%	(114,462)	0	0	232,957
Northwest Atlanta Ind	196	8,666,753	1,230,143	92,487	1,322,630	15.3%	85,433	0	0	79,729
Snapfinger/I-20 East Ind	67	2,317,915	135,247	0	135,247	5.8%	3,000	0	0	0
South Atlanta Ind	137	4,220,785	429,867	0	429,867	10.2%	54,127	0	0	54,218
Stone Mountain Ind	88	2,900,395	717,628	19,424	737,052	25.4%	5,351	0	0	28,482
TOTALS	1,261	48,697,096	8,387,934	249,358	8,637,292	17.7%	307,588	0	0	501,104

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	9,938,031	1,401,190	0	1,401,190	14.1%	(15,682)	0	0	67,440
Chattahoochee Ind	304	16,771,358	1,243,093	5,500	1,248,593	7.4%	39,483	0	0	4,616
I-20 W/Fulton Ind	625	71,396,135	10,479,016	205,048	10,684,064	15.0%	400,889	0	653,484	321,995
North Central Atlanta Ind	247	12,968,541	1,393,767	0	1,393,767	10.7%	(29,254)	0	0	124,213
Northeast Atlanta Ind	1,164	110,360,783	9,381,172	195,575	9,576,747	8.7%	603,970	0	582,371	880,804
Northwest Atlanta Ind	592	40,288,763	4,274,299	82,292	4,356,591	10.8%	444,403	0	0	496,479
Snapfinger/I-20 East Ind	344	33,913,869	4,177,542	0	4,177,542	12.3%	92,510	0	0	39,620
South Atlanta Ind	913	124,437,871	15,206,714	3,378,538	18,585,252	14.9%	565,322	0	1,118,508	1,580,066
Stone Mountain Ind	204	14,076,269	1,473,087	0	1,473,087	10.5%	144,800	0	0	84,002
TOTALS	4,575	434,151,620	49,029,880	3,866,953	52,896,833	12.2%	2,246,441	0	2,354,363	3,599,235

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	2,006,113	122,090	0	122,090	6.1%	0	0	0	0
Chattahoochee Ind	29	1,126,421	20,000	0	20,000	1.8%	0	0	0	0
I-20 W/Fulton Ind	249	15,679,923	1,855,022	8,000	1,863,022	11.9%	124,400	0	0	193,688
North Central Atlanta Ind	101	5,166,641	423,950	0	423,950	8.2%	(29,508)	0	0	42,100
Northeast Atlanta Ind	523	27,293,020	2,765,317	14,422	2,779,739	10.2%	116,846	0	0	198,881
Northwest Atlanta Ind	206	11,005,024	1,269,763	19,200	1,288,963	11.7%	(45,806)	0	0	51,483
Snapfinger/I-20 East Ind	108	6,304,845	555,484	0	555,484	8.8%	(31,963)	0	496,730	613,883
South Atlanta Ind	252	21,220,623	2,623,184	0	2,623,184	12.4%	(37,879)	0	0	123,184
Stone Mountain Ind	175	8,059,221	873,345	0	873,345	10.8%	63,787	0	0	143,155
TOTALS	1,688	97,861,831	10,508,155	41,622	10,549,777	10.8%	159,877	0	496,730	1,366,374

Source: CoStar Group, Inc.