

Market Overview

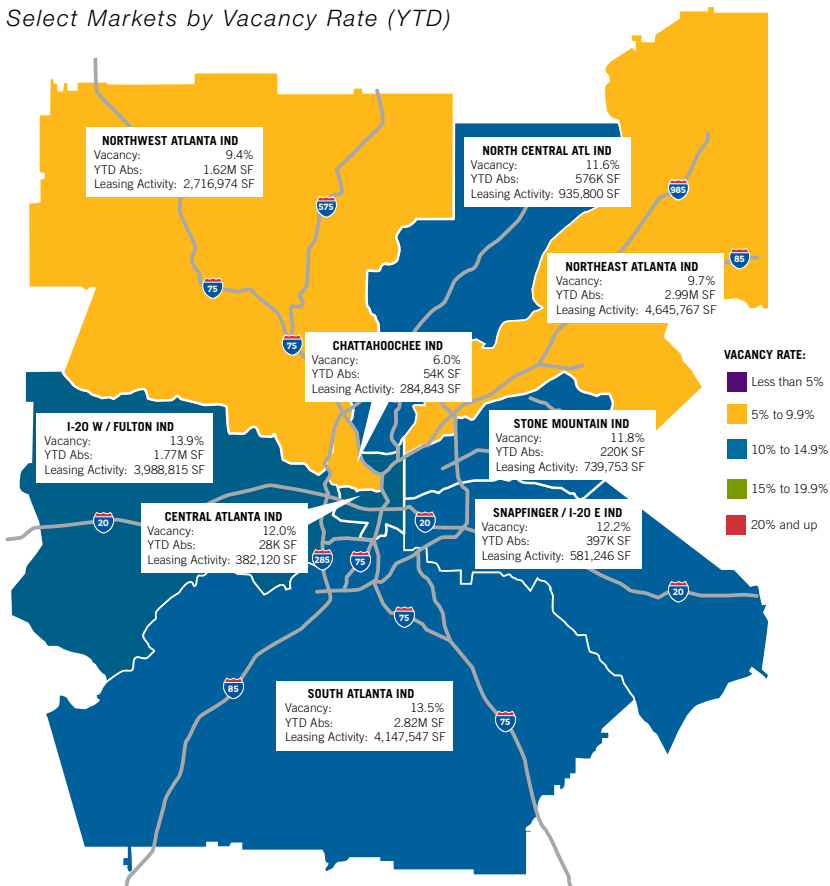
The Atlanta Industrial market ended the fourth quarter 2013 with a vacancy rate of 11.6%. This rate represents a decrease from the previous quarter rate of 11.8%. This decrease occurred in a quarter where Atlanta saw 1,697,394 SF in positive net absorption. Industrial rental rates ended the quarter at \$3.92 PSF, up from last quarter. Year-to-date net absorption in 2013 was 10,481,533 SF. There is currently 2,273,856 SF (4 buildings) under construction in the Atlanta Industrial Market. One building totaling 353,400 SF was delivered to the market this quarter.

Economic Overview

The US economy's growth had a slow start in 2013, but strengthened towards the end of the year. GDP growth was slower than forecasted; however incoming economic data appears positive in relation to US trade, manufacturing and housing. Retail sales grew by 0.7% in the fourth quarter and housing starts were at a six-year high. Investors kept a keen eye on the Labor Department's monthly jobs data as the unemployment rate dropped to 7.0%. The Fed's promise to maintain a low interest rate was likely the leading factor in the increased equity market activity. Consumer confidence is below projection, but is forecasted to rebound as the job market recovers.

LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)



4Q'13

Atlanta Industrial Market Report



MARKET SNAPSHOT

Market Indicators

	Current	Change from last	
		Qtr.	Yr.
Vacancy	11.6%	▼	▼
Net Absorption	1,697,394 SF	▼	▲
Construction	2,273,856 SF	▼	▼
Rental Rates	\$3.92 PSF	▲	▲

Economic Indicators

	4Q'13	4Q'12
Atlanta Employment	2.53M	2.50M
Atlanta Unemployment	7.0%	8.1%
Georgia Unemployment	7.7%	8.7%
U.S. Unemployment	7.0%	6.7%

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Vacancy

The overall vacancy rate at the end of the fourth quarter 2013 is 11.6%, down from the previous quarter. This rate represents over 67 million SF 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 down from the last quarter and sits at 2.25 million SF. The largest amount of sublease vacancy was found in the Warehouse sector of the South Atlanta submarket.

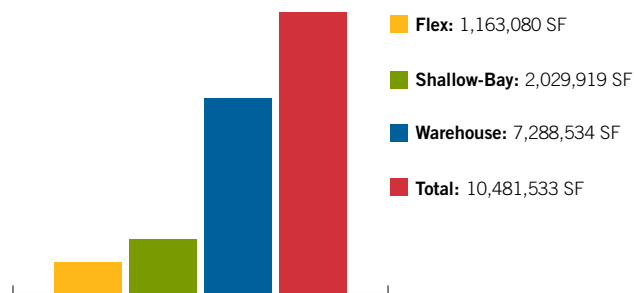
Net Absorption

At the close of the quarter, the market reported a net absorption of 1,697,394 SF, down from the previous quarter. This marks the 12th consecutive quarter of positive net absorption. Leasing activity was over 2.6 million SF ending the fourth quarter, down significantly from the previous quarter.

Construction Activity

During the fourth quarter 2013, one building totaling 353,400 SF was delivered to the market. There is 2,273,856 SF of new construction currently underway, the notable new construction starts are: Baxter Plant, a 1,000,000 SF building in the Snapfinger/I-20 East submarket and the Future McMaster-Carr Distribution Center, a 700,000 SF building in the 1-20/W Fulton submarket (both 100% preleased).

YTD NET ABSORPTIONS BY BUILDING TYPE



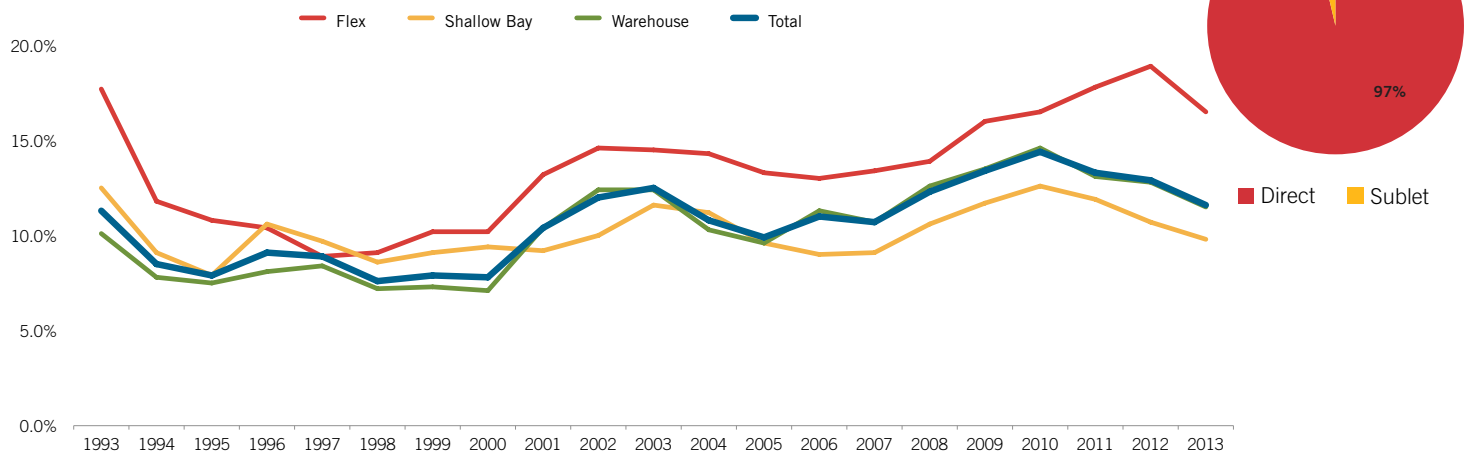
Average Quoted Rental Rates

The average quoted asking rental rate for available Distribution space was \$2.50-\$4.05 PSF at the close of the third quarter 2013.

Bulk Warehouse rates were reported at \$2.25-\$3.75 PSF.

The average quoted rate within the Flex sector was \$4.50-\$7.80 PSF.

VACANCY RATES BY BUILDING TYPE



Market Highlights

Significant Fourth Quarter 2013 Lease Transactions

Building	Submarket	Square Feet	Tenant Name
400 Princeton Blvd.	Kennesaw/Acworth	292,000	The Dixie Group
Shawnee Ridge – M-4	Duluth/Suwanee/Buford	176,250	Anixter, Inc.
Atlanta Beverage	Stone Mountain	136,250	Touch Stone Pictures
7775 The Bluffs	I-20 W/Douglasville	133,666	Southeast Pet

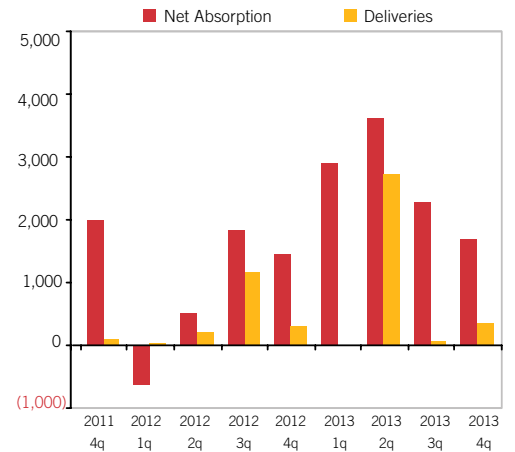
Significant Fourth Quarter 2013 Construction Deliveries

Building	Submarket	Square Feet	Occupied
7280 Oakley Industrial Blvd.	South Atlanta	353,400	0%

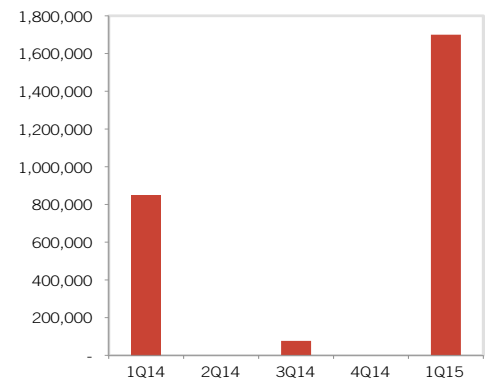
Significant Fourth Quarter 2013 Properties Under Construction

Building	Submarket	Square Feet	Delivery
Baxter Plant	Snapfinger / I-20 E	1,000,000	1Q 2015
Future McMaster-Carr Distr. Ctr.	I-20 W/Fulton	700,000	1Q 2015

ABSORPTION & DELIVERIES



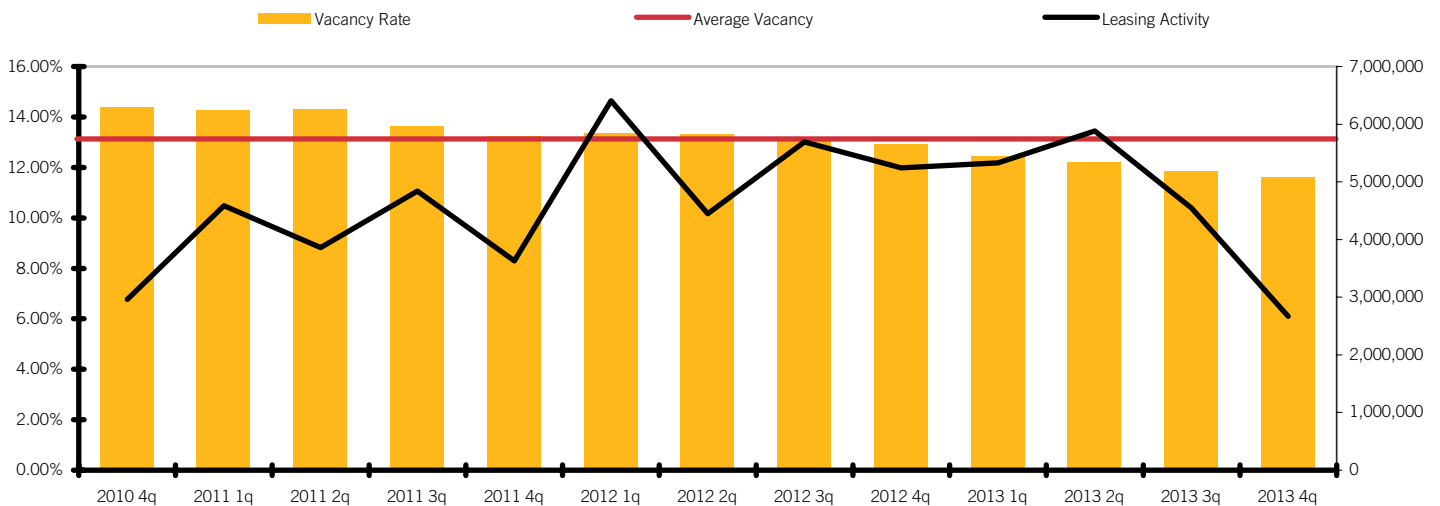
FUTURE DELIVERIES



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

Market	# Bldgs	Under Construction Inventory			Available SF
		Total RBA	Preleased SF	Preleased %	
Snapfinger / I-20 E	2	1,496,730	1,496,730	100.0%	0
I-20 W/Fulton	1	700,000	700,000	100.0%	0
Northeast Atlanta	1	77,126	0	0.0%	77,126
Central Atlanta	0	0	0	0.0%	0
Northwest Atlanta	0	0	0	0.0%	0
Chattahoochee Ind	0	0	0	0.0%	0
North Central Atlanta	0	0	0	0.0%	0
South Atlanta	0	0	0	0.0%	0
Stone Mountain	0	0	0	0.0%	0
Totals	4	2,273,856	2,196,730	96.6%	77,126

OVERALL VACANCY & QUOTED RATES



TOTAL ATLANTA INDUSTRIAL MARKET STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Central Atlanta Ind	291	14,271,028	1,714,541	0	1,714,541	12.0%	27,721	0	0	382,120
Chattahoochee Ind	408	19,560,921	1,174,334	5,500	1,179,834	6.0%	53,894	0	0	284,843
I-20 W/Fulton Ind	942	90,702,827	12,265,904	373,630	12,639,534	13.9%	1,772,699	653,484	700,000	3,988,815
North Central Atlanta Ind	506	25,542,643	2,821,589	140,417	2,962,006	11.6%	575,542	0	0	935,800
Northeast Atlanta Ind	2,127	155,249,905	14,778,600	267,747	15,046,347	9.7%	2,993,273	585,469	77,126	4,645,767
Northwest Atlanta Ind	995	60,314,666	5,546,760	148,408	5,695,168	9.4%	1,620,575	52,000	0	2,716,974
Snapfinger/I-20 East Ind	523	42,619,787	5,108,313	75,000	5,183,313	12.2%	397,171	0	1,496,730	581,246
South Atlanta Ind	1,312	151,698,672	19,244,092	1,233,258	20,477,350	13.5%	2,820,946	1,851,400	0	4,147,547
Stone Mountain Ind	469	25,367,505	2,988,218	10,360	2,998,578	11.8%	219,712	0	0	739,753
TOTALS	7,573	585,327,954	65,642,351	2,254,320	67,896,671	11.6%	10,481,533	3,142,353	2,273,856	18,422,865

FLEX MARKET STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Central Atlanta Ind	60	2,074,317	140,246	0	140,246	6.8%	50,403	0	0	69,368
Chattahoochee Ind	76	2,425,827	187,154	0	187,154	7.7%	14,512	0	0	77,019
I-20 W/Fulton Ind	61	2,787,437	296,384	0	296,384	10.6%	86,339	0	0	86,902
North Central Atlanta Ind	158	7,486,569	1,464,596	11,438	1,476,034	19.7%	376,687	0	0	277,829
Northeast Atlanta Ind	416	15,760,753	3,083,193	68,785	3,151,978	20.0%	447,976	0	0	649,619
Northwest Atlanta Ind	196	8,537,824	1,193,806	64,017	1,257,823	14.7%	156,914	0	0	343,369
Snapfinger/I-20 East Ind	67	2,341,410	189,729	0	189,729	8.1%	(33,190)	0	0	2,611
South Atlanta Ind	139	4,265,821	541,547	0	541,547	12.7%	57,156	0	0	125,493
Stone Mountain Ind	88	2,945,135	778,808	0	778,808	26.4%	6,283	0	0	82,056
TOTALS	1,261	48,625,093	7,875,463	144,240	8,019,703	16.5%	1,163,080	0	0	1,714,266

SHALLOW-BAY DISTRIBUTION MARKET STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Central Atlanta Ind	45	2,006,113	97,100	0	97,100	4.8%	9,990	0	0	0
Chattahoochee Ind	30	1,197,913	0	0	0	0.0%	0	0	0	0
I-20 W/Fulton Ind	245	15,252,205	1,705,985	73,225	1,779,210	11.7%	202,158	0	700,000	514,406
North Central Atlanta Ind	102	5,161,001	325,593	0	325,593	6.3%	39,779	0	0	224,536
Northeast Atlanta Ind	514	27,315,437	2,598,316	6,435	2,604,751	9.5%	289,681	0	0	962,838
Northwest Atlanta Ind	203	10,819,385	1,150,540	28,357	1,178,897	10.9%	45,039	0	0	362,032
Snapfinger/I-20 East Ind	109	6,499,592	678,853	75,000	753,853	11.6%	30,868	0	496,730	436,530
South Atlanta Ind	253	23,726,850	2,085,109	0	2,085,109	8.8%	1,620,759	1,287,000	0	387,986
Stone Mountain Ind	171	7,935,840	984,982	10,360	995,342	12.5%	(208,355)	0	0	385,922
TOTALS	1,672	99,914,336	9,626,478	193,377	9,819,855	9.8%	2,029,919	1,287,000	1,196,730	3,274,250

WAREHOUSE MARKET STATISTICS

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Central Atlanta Ind	186	10,190,598	1,477,195	0	1,477,195	14.5%	(32,672)	0	0	312,752
Chattahoochee Ind	302	15,937,181	987,180	5,500	992,680	6.2%	39,382	0	0	207,824
I-20 W/Fulton Ind	636	72,663,185	10,263,535	300,405	10,563,940	14.5%	1,484,202	653,484	0	3,387,507
North Central Atlanta Ind	246	12,895,073	1,031,400	128,979	1,160,379	9.0%	159,076	0	0	433,435
Northeast Atlanta Ind	1,197	112,173,715	9,097,091	192,527	9,289,618	8.3%	2,255,616	585,469	77,126	3,033,310
Northwest Atlanta Ind	596	40,957,457	3,202,414	56,034	3,258,448	8.0%	1,418,622	52,000	0	2,011,573
Snapfinger/I-20 East Ind	347	33,778,785	4,239,731	0	4,239,731	12.6%	399,493	0	1,000,000	142,105
South Atlanta Ind	920	123,706,001	16,617,436	1,233,258	17,850,694	14.4%	1,143,031	564,400	0	3,634,068
Stone Mountain Ind	210	14,486,530	1,224,428	0	1,224,428	8.5%	421,784	0	0	271,775
TOTALS	4,640	436,788,525	48,140,410	1,916,703	50,057,113	11.5%	7,288,534	1,855,353	1,077,126	13,434,349