

Market Overview

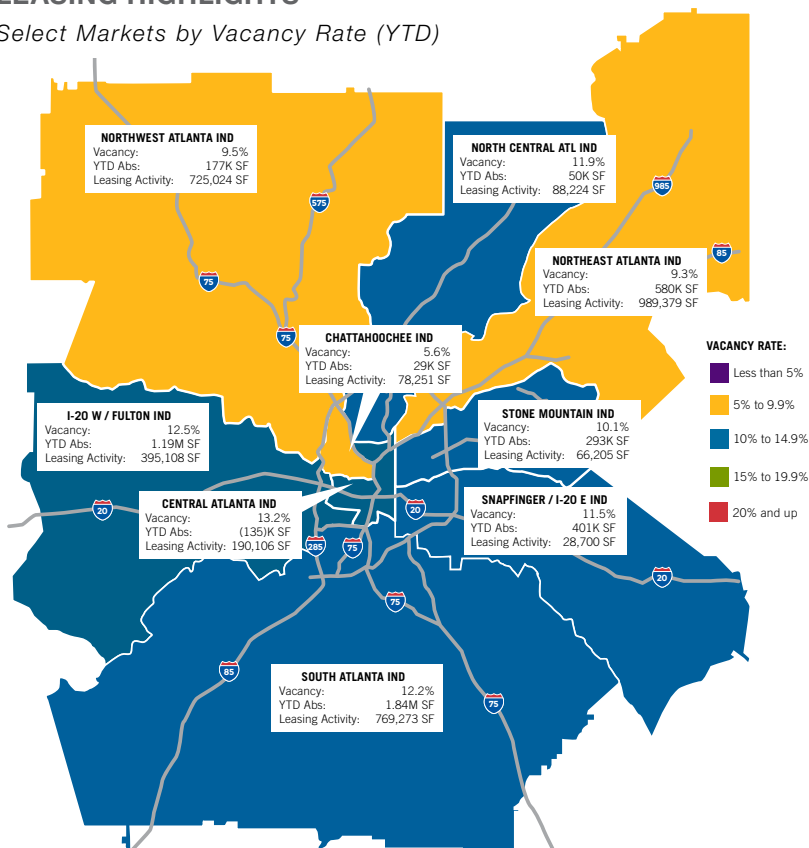
The Atlanta Industrial market ended the first quarter 2014 with a vacancy rate of 10.8%. This rate represents a decrease from the previous quarter rate of 11.6%. This decrease occurred in a quarter where Atlanta saw 4,428,562 SF in positive net absorption. Industrial rental rates ended the quarter at \$3.94 PSF, up from last quarter. There is currently 4,276,846 SF (9 buildings) under construction in the Atlanta Industrial Market. Two buildings totaling 177,000 SF were delivered to the market this quarter.

Economic Overview

The economy in the first quarter 2014 was off to a slow start for GDP growth due to severe weather; however, the latest data from the U.S. Department of Labor shows private sector job openings as the highest level since pre-recession 2008. The positive hiring numbers in addition to a reduction in layoffs may be indicative of the trajectory of current and future demand for space. The poor weather conditions are to blame for a slip in the construction of new homes, but the Mortgage Purchase Index recovered in March, indicating that an increase in housing sales and new starts due to tight inventory are in the future. Inflation remains slight, below the Fed's 2% target, but market fears should be relieved by The Fed's insistence that short-term rates will remain low.

LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)



1Q'14

Atlanta Industrial Market Report



MARKET SNAPSHOT

Market Indicators

	Current	Change from last	
		Qtr.	Yr.
Vacancy	10.8%	▼	▼
Net Absorption	4,428,562 SF	▲	▲
Construction	4,276,846 SF	▲	▼
Rental Rates	\$3.94 PSF	▲	▲

Economic Indicators

	1Q'14	1Q'13
Atlanta Employment	2.53M	2.48M
Atlanta Unemployment	6.9%	8.4%
Georgia Unemployment	7.1%	8.5%
U.S. Unemployment	6.7%	7.7%

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Vacancy

The overall vacancy rate at the end of the first quarter 2014 is 10.8%, down from the previous quarter. This rate represents over 63 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 2.13 million SF. The largest amount of sublease vacancy was found in the Warehouse sector of the South Atlanta submarket.

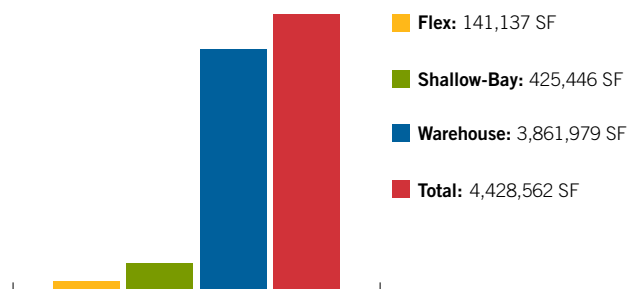
Net Absorption

At the close of the quarter, the market reported a net absorption of 4,428,562 SF up from the previous quarter. This marks the 13th consecutive quarter of positive net absorption. Leasing activity was over 3.3 million SF ending the first quarter, up from the previous quarter.

Construction Activity

During the first quarter 2014, two buildings totaling 177,000 SF were delivered to the market. There is 4,276,846 SF of new construction currently underway, the notable new construction starts are: 6270 Oakley Industrial (Procter & Gamble), a 1,001,790 SF building in the South Atlanta submarket and the Baxter Plant, a 1,000,000 SF building in the Snapfinger/I-20 E submarket (both 100% preleased).

YTD NET ABSORPTIONS BY BUILDING TYPE



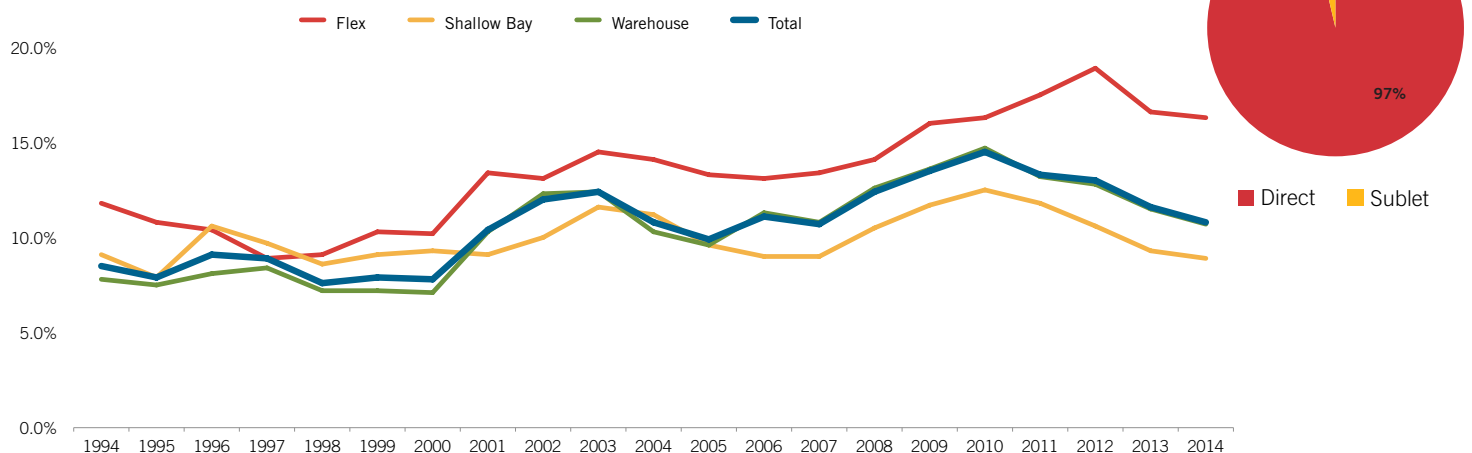
Average Quoted Rental Rates

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 First Quarter 2014 Lease Transactions

Building	Submarket	Square Feet	Tenant Name
4795 Coates Dr	Airport/North Clayton	339,362	Exel Logistics
3200 Shawnee Industrial Way	Duluth/Suwanee/Buford	256,700	Millenium Mat Co.
2100 Evergreen Blvd	Duluth/Suwanee/Buford	182,200	AVNET
1591 Murphy Ave SW	Central Atlanta	170,000	KACHWA Food Group
1000 Cherokee Pky	Kennesaw/Acworth	165,000	Inalfa Roof Systems

Significant Fourth Quarter 2013 Construction Deliveries

Building	Submarket	Square Feet	Occupied
1000 Cherokee Pky	Northwest Atlanta	165,000	100%
5293 Palmero Ct	Northeast Atlanta	12,000	39%

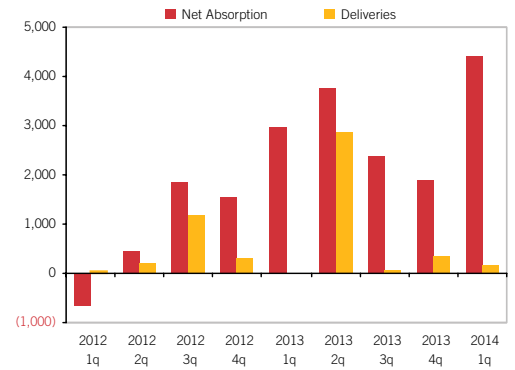
Significant Fourth Quarter 2013 Properties Under Construction

Building	Submarket	Square Feet	Delivery
6720 Oakley Industrial Blvd	South Atlanta	1,001,790	3Q 2014
Baxter Plant	Snapfinger/I-20 East	1,000,000	2Q 2015
McMaster Carr Distrib.	I-20 W/Fulton	700,000	1Q 2015
Rockdale Regional Distrib.	Snapfinger/I-20 East	496,730	2Q 2014

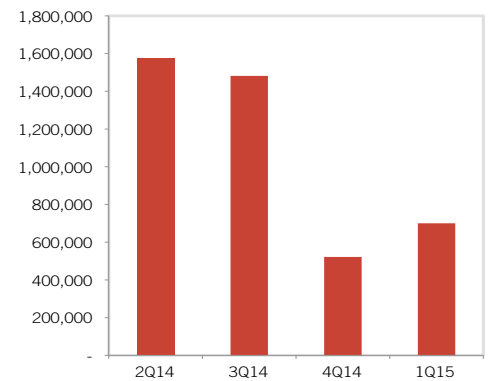
All Construction Activity (Markets Ranked by Under Construction Square Footage)

Market	# Bldgs	Under Construction Inventory			Available SF
		Total RBA	Preleased SF	Preleased %	
South Atlanta	4	1,737,990	1,737,990	100.0%	0
Snapfinger/I-20 East	2	1,496,730	1,496,730	100.0%	0
I-20 W/Fulton	2	965,000	965,000	100.0%	0
Northeast Atlanta	1	77,126	0	0.0%	77,126
Central Atlanta	0	0	0	0.0%	0
Chattahoochee Ind	0	0	0	0.0%	0
North Central Atlanta	0	0	0	0.0%	0
Northwest Atlanta	0	0	0	0.0%	0
Stone Mountain	0	0	0	0.0%	0
Totals	9	4,276,846	4,199,720	98.2%	77,126

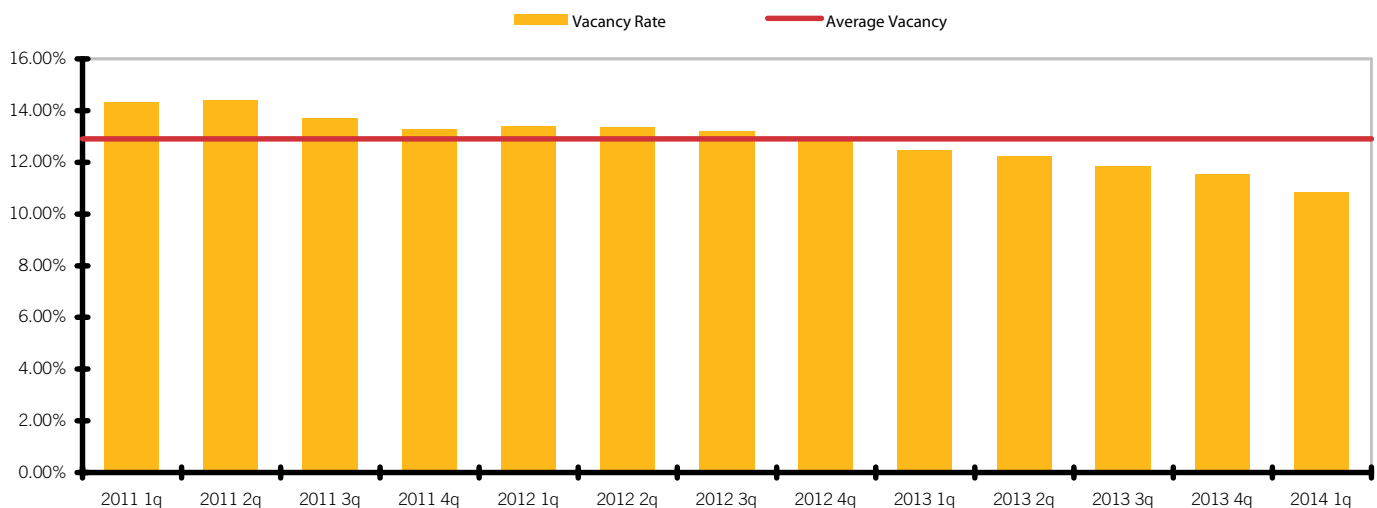
ABSORPTION & DELIVERIES



FUTURE DELIVERIES



OVERALL VACANCY



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	290	14,255,941	1,886,376	0	1,886,376	13.2%	(134,935)	0	0	190,106
Chattahoochee Ind	408	19,563,594	1,098,749	5,500	1,104,249	5.6%	28,703	0	0	78,251
I-20 W/Fulton Ind	942	90,709,151	10,982,143	373,630	11,355,773	12.5%	1,189,303	0	700,000	395,108
North Central Atlanta Ind	507	25,611,772	2,894,149	145,317	3,039,466	11.9%	50,288	0	0	88,224
Northeast Atlanta Ind	2,118	155,031,761	14,097,264	286,379	14,383,643	9.3%	579,989	0	77,126	989,379
Northwest Atlanta Ind	997	61,479,004	5,704,800	163,408	5,868,208	9.5%	177,192	165,000	0	725,024
Snapfinger/I-20 East Ind	524	42,654,854	4,812,552	75,000	4,887,552	11.5%	401,184	0	1,496,730	28,700
South Atlanta Ind	1,309	151,189,117	17,310,072	1,082,383	18,392,455	12.2%	1,843,761	0	1,078,890	769,273
Stone Mountain Ind	469	25,336,412	2,557,780	0	2,557,780	10.1%	293,077	0	0	66,205
TOTALS	7,564	585,831,606	61,343,885	2,131,617	63,475,502	10.8%	4,428,562	165,000	3,352,746	3,330,270

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	61	2,097,877	159,796	0	159,796	7.6%	(19,550)	0	0	14,806
Chattahoochee Ind	77	2,543,733	264,649	0	264,649	10.4%	6,387	0	0	14,429
I-20 W/Fulton Ind	61	2,787,437	289,797	0	289,797	10.4%	(5,227)	0	0	0
North Central Atlanta Ind	158	7,485,885	1,484,830	11,438	1,496,268	20.0%	3,766	0	0	39,676
Northeast Atlanta Ind	410	15,515,657	2,940,010	68,785	3,008,795	19.4%	93,470	0	0	30,448
Northwest Atlanta Ind	197	8,397,480	1,293,396	64,017	1,357,413	16.2%	(46,051)	0	0	33,984
Snapfinger/I-20 East Ind	67	2,350,375	178,912	0	178,912	7.6%	10,817	0	0	0
South Atlanta Ind	140	4,377,916	512,067	0	512,067	11.7%	29,480	0	0	10,811
Stone Mountain Ind	89	2,965,898	622,839	0	622,839	21.0%	68,045	0	0	19,831
TOTALS	1,260	48,522,258	7,746,296	144,240	7,890,536	16.3%	141,137	0	0	163,985

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%	0	0	0	0
Chattahoochee Ind	30	1,197,913	0	0	0	0.0%	0	0	0	0
I-20 W/Fulton Ind	245	15,249,822	1,714,991	73,225	1,788,216	11.7%	(24,796)	0	700,000	76,522
North Central Atlanta Ind	102	5,155,589	296,466	4,900	301,366	5.8%	16,227	0	0	6,700
Northeast Atlanta Ind	512	27,382,780	2,540,321	15,330	2,555,651	9.3%	39,998	0	0	192,486
Northwest Atlanta Ind	202	10,840,294	1,135,754	28,357	1,164,111	10.7%	12,321	0	0	32,482
Snapfinger/I-20 East Ind	110	6,517,592	590,180	75,000	665,180	10.2%	23,464	0	496,730	17,700
South Atlanta Ind	253	23,673,062	1,805,922	0	1,805,922	7.6%	53,028	0	77,100	10,600
Stone Mountain Ind	170	7,914,068	532,386	0	532,386	6.7%	305,204	0	0	29,474
TOTALS	1,669	99,937,233	8,713,120	196,812	8,909,932	8.9%	425,446	0	1,273,830	365,964

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	184	10,151,951	1,629,480	0	1,629,480	16.1%	(115,385)	0	0	175,300
Chattahoochee Ind	301	15,821,948	834,100	5,500	839,600	5.3%	22,316	0	0	63,822
I-20 W/Fulton Ind	636	72,671,892	8,977,355	300,405	9,277,760	12.8%	1,219,326	0	0	318,586
North Central Atlanta Ind	247	12,970,298	1,112,853	128,979	1,241,832	9.6%	30,295	0	0	41,848
Northeast Atlanta Ind	1,196	112,133,324	8,616,933	202,264	8,819,197	7.9%	446,521	0	77,126	766,445
Northwest Atlanta Ind	598	42,241,230	3,275,650	71,034	3,346,684	7.9%	210,922	165,000	0	658,558
Snapfinger/I-20 East Ind	347	33,786,887	4,043,460	0	4,043,460	12.0%	366,903	0	1,000,000	11,000
South Atlanta Ind	916	123,138,139	14,992,083	1,082,383	16,074,466	13.1%	1,761,253	0	1,001,790	747,862
Stone Mountain Ind	210	14,456,446	1,402,555	0	1,402,555	9.7%	(80,172)	0	0	16,900
TOTALS	4,635	437,372,115	44,884,469	1,790,565	46,675,034	10.7%	3,861,979	165,000	2,078,916	2,800,321