



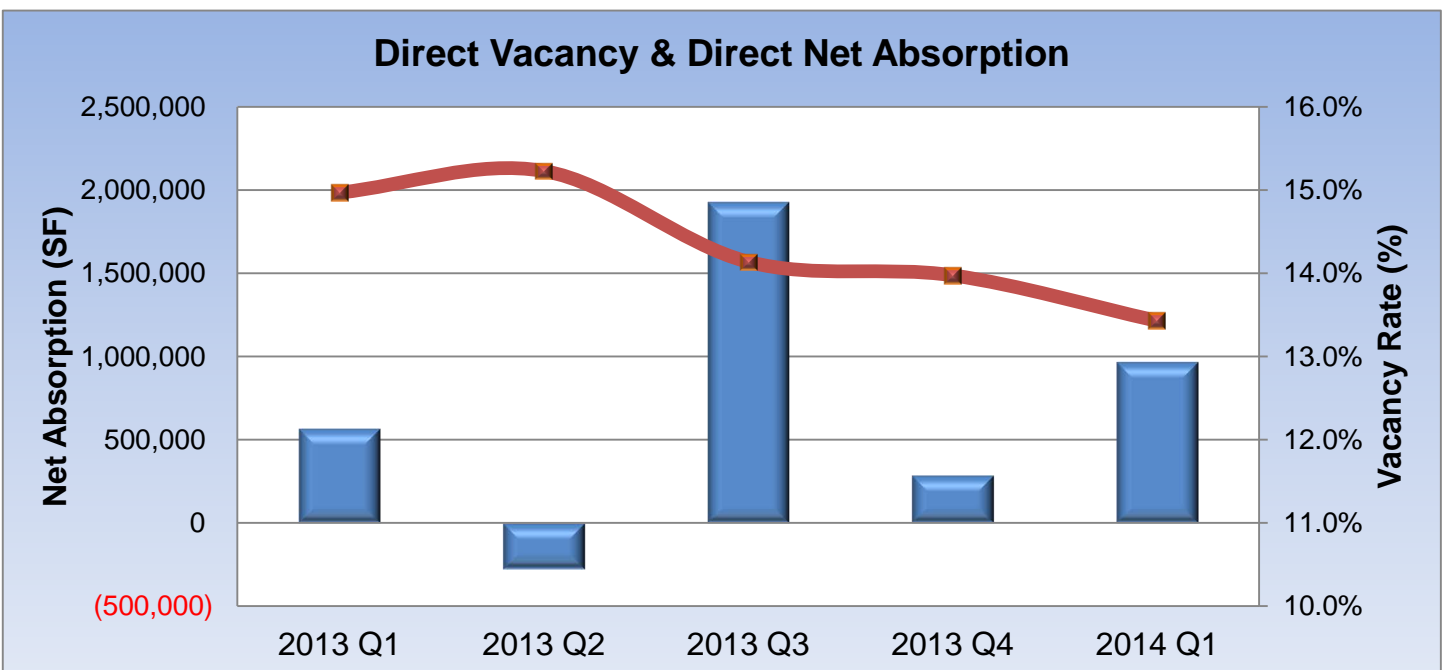
1st Quarter 2014

\$250

Market Highlights

- The Memphis Industrial market posted nearly 1 million SF of positive absorption for the quarter, bringing the overall vacancy to 13.4%.
- Construction on Jimco's 500k SF build-to-suit completed this quarter at 699 Research Dr.
- Exeter Property Group continued their buying power by picking up a total of 4.4 million SF in multiple cities. Memphis benefited from this spending spree as four buildings totaling over 2.1 million SF were purchased.
- Ozburn Hessey Logistics inked the largest lease, pulling in 200k SF at Tuggle Distribution Center.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Direct Net Absorption (SF)	YTD Direct Net Absorption (SF)
Bulk Warehouse	235	103,839,353	14,444,118	13,452,837	12,035,163	11.6%	991,281	(461,102)	(461,102)
Whse/Distribution	716	58,877,528	11,306,830	11,044,110	9,334,273	15.9%	262,720	1,461,139	1,461,139
Flex	345	14,265,832	2,664,793	2,622,672	2,396,351	16.8%	42,121	(32,197)	(32,197)
Grand Total	1,296	176,982,713	28,415,741	27,119,619	23,765,787	13.4%	1,296,122	967,840	967,840



Market Snapshot

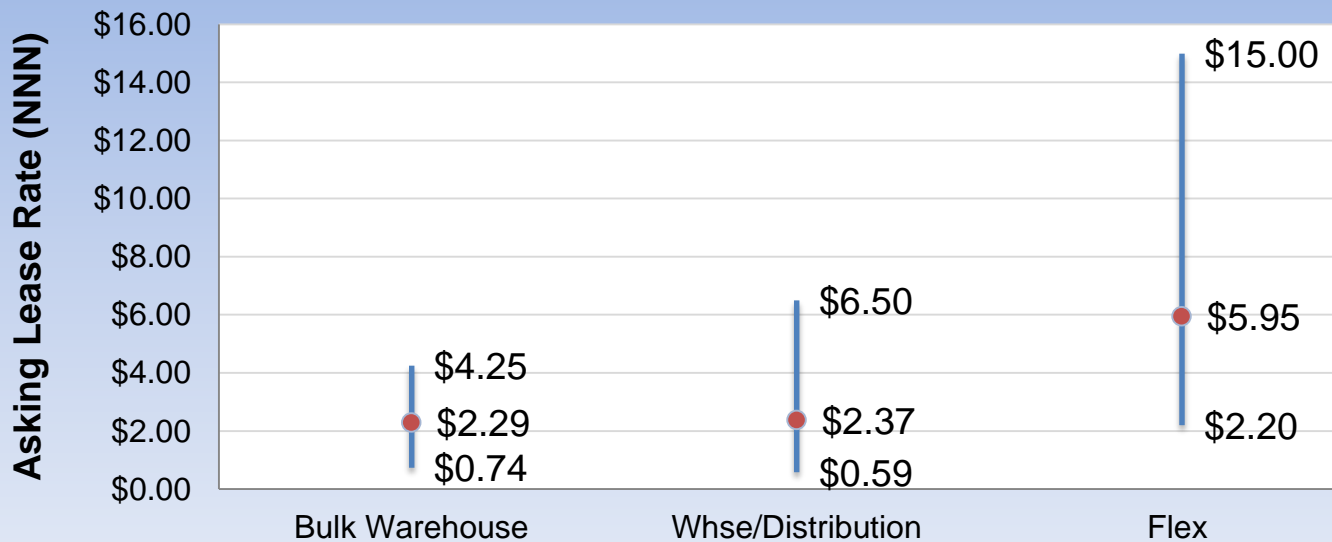
	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Direct Net Absorption (SF)	YTD Direct Net Absorption (SF)
Southeast	492	86,846,109	16,872,932	15,676,231	13,381,409	15.4%	1,196,701	60,407	60,407
Bulk Warehouse	123	56,931,039	10,457,625	9,466,344	8,586,324	15.1%	991,281	(348,075)	(348,075)
Whse/Distribution	292	26,342,097	5,269,086	5,097,366	3,788,197	14.4%	171,720	466,152	466,152
Flex	77	3,572,973	1,146,221	1,112,521	1,006,888	28.2%	33,700	(57,670)	(57,670)
Southwest	356	31,082,896	6,000,532	6,000,532	5,614,239	18.1%	0	144,256	144,256
Bulk Warehouse	42	11,500,520	2,121,299	2,121,299	1,951,999	17.0%	0	0	0
Whse/Distribution	184	14,464,750	2,984,185	2,984,185	2,807,480	19.4%	0	128,006	128,006
Flex	130	5,117,626	895,048	895,048	854,760	16.7%	0	16,250	16,250
Northwest	72	9,314,878	1,368,640	1,368,640	1,352,090	14.5%	0	0	0
Bulk Warehouse	10	4,341,053	351,397	351,397	351,397	8.1%	0	0	0
Whse/Distribution	52	4,568,474	991,531	991,531	974,981	21.3%	0	0	0
Flex	10	405,351	25,712	25,712	25,712	6.3%	0	0	0
Northeast	248	14,973,407	1,726,973	1,718,552	1,541,340	10.3%	8,421	153,858	153,858
Bulk Warehouse	8	3,524,138	328,342	328,342	251,660	7.1%	0	0	0
Whse/Distribution	116	6,554,287	800,819	800,819	780,689	11.9%	0	144,635	144,635
Flex	124	4,894,982	597,812	589,391	508,991	10.4%	8,421	9,223	9,223
DeSoto County	128	34,765,423	2,446,664	2,355,664	1,876,709	5.4%	91,000	609,319	609,319
Bulk Warehouse	52	27,542,603	1,185,455	1,185,455	893,783	3.2%	0	(113,027)	(113,027)
Whse/Distribution	72	6,947,920	1,261,209	1,170,209	982,926	14.1%	91,000	722,346	722,346
Flex	4	274,900	0	0	0	0.0%	0	0	0
Grand Total	1,296	176,982,713	28,415,741	27,119,619	23,765,787	13.4%	1,296,122	967,840	967,840

Historical Snapshot

	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
Southeast	14.92%	15.27%	14.93%	15.48%	15.41%	\$3.48	\$3.51	\$3.43	\$3.44	\$3.44
Bulk Warehouse	13.82%	14.23%	13.73%	14.47%	15.08%	\$2.45	\$2.51	\$2.47	\$2.56	\$2.47
Whse/Distribution	15.76%	16.02%	15.94%	16.15%	14.38%	\$2.78	\$2.79	\$2.62	\$2.64	\$2.69
Flex	26.33%	26.31%	26.41%	26.57%	28.18%	\$5.33	\$5.25	\$5.29	\$5.34	\$5.16
Southwest	18.06%	18.01%	18.86%	18.53%	18.06%	\$1.84	\$1.78	\$1.80	\$1.59	\$1.69
Bulk Warehouse	16.99%	16.81%	17.05%	17.05%	16.97%	\$1.29	\$1.19	\$1.14	\$1.14	\$1.23
Whse/Distribution	19.76%	19.52%	20.99%	20.22%	19.41%	\$1.41	\$1.33	\$1.36	\$1.38	\$1.45
Flex	15.67%	16.48%	16.91%	17.02%	16.70%	\$5.16	\$5.16	\$5.16	\$3.80	\$3.80
Northwest	13.49%	13.49%	14.52%	14.52%	14.52%	\$2.01	\$2.11	\$2.11	\$0.98	\$0.98
Bulk Warehouse	8.09%	8.09%	8.09%	8.09%	8.09%	\$8.88	\$8.88	\$8.88	\$0.74	\$0.74
Whse/Distribution	19.26%	19.26%	21.34%	21.34%	21.34%	\$1.52	\$1.59	\$1.59	\$1.00	\$1.00
Flex	6.34%	6.34%	6.34%	6.34%	6.34%	NA	NA	NA	NA	NA
Northeast	11.00%	11.61%	10.72%	11.32%	10.29%	\$5.74	\$5.84	\$5.33	\$5.42	\$5.50
Bulk Warehouse	4.64%	7.88%	7.14%	7.14%	7.14%	\$2.51	\$2.51	\$2.41	\$2.41	\$2.42
Whse/Distribution	12.68%	12.43%	12.38%	14.12%	11.91%	\$4.27	\$4.06	\$3.75	\$3.79	\$3.79
Flex	13.31%	13.20%	11.07%	10.59%	10.40%	\$7.18	\$7.58	\$7.09	\$7.24	\$7.44
DeSoto County	14.45%	14.67%	9.32%	7.15%	5.40%	\$2.98	\$2.96	\$2.87	\$2.76	\$2.65
Bulk Warehouse	11.84%	11.91%	5.26%	2.83%	3.25%	\$2.85	\$2.95	\$3.00	\$3.08	\$3.23
Whse/Distribution	25.46%	26.17%	25.79%	24.54%	14.15%	\$3.00	\$2.92	\$2.84	\$2.60	\$2.42
Flex	7.28%	0.00%	0.00%	0.00%	0.00%	\$3.25	\$3.25	NA	NA	NA
Grand Total	14.97%	15.23%	14.14%	13.98%	13.43%	\$3.44	\$3.52	\$3.47	\$3.40	\$3.40

Asking Average Lease Rates

Asking Lease Rate Range by Type (NNN)

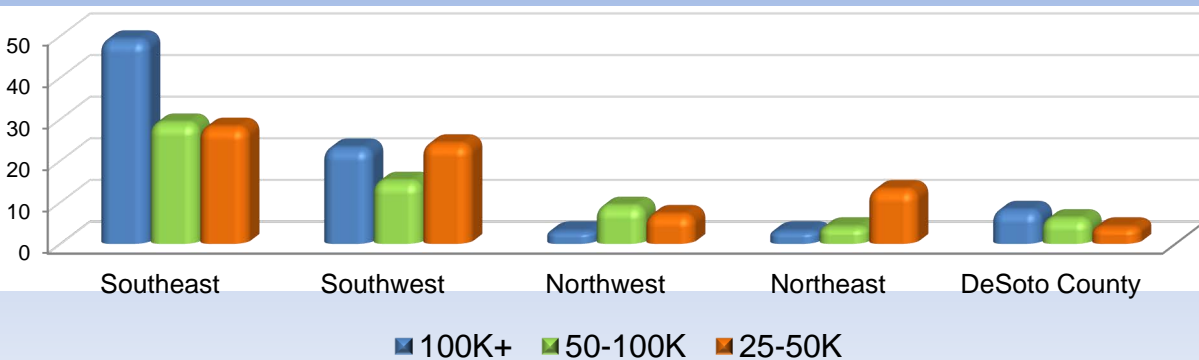


Largest Changes in Occupancy

Property Name	SF Occupied or Vacated	Company Name	Market	Type
699 Research Dr	514,980	Jimco Lamp & Manufacturing	DeSoto County	Warehouse/ Distribution
Tuggle Distribution Center	200,000	Ozburn Hessey Logistics	Southeast	Bulk Warehouse
4270 Chrysler Dr	180,000	Associated Wholesale Grocers/Value Merchandisers	Southeast	Warehouse/ Distribution
Oakhaven Warehouse	116,938	Easley Transportation	Southeast	Warehouse/ Distribution
Airport Distribution Center Bldg 2	-107,090	Grandview Gallery	Southeast	Bulk Warehouse
DeSoto Trade Center Bldg 3	-125,527	Home Décor	DeSoto County	Bulk Warehouse
Shelby Air Park Bldg 5	-165,000	Johnstone Supply	Southeast	Warehouse/ Distribution
ProLogis Park Memphis Building 100	-500,000	Technicolor	Southeast	Bulk Warehouse

Available Space by Size

Largest Blocks of Available Space



Available Space Historical Comparisons

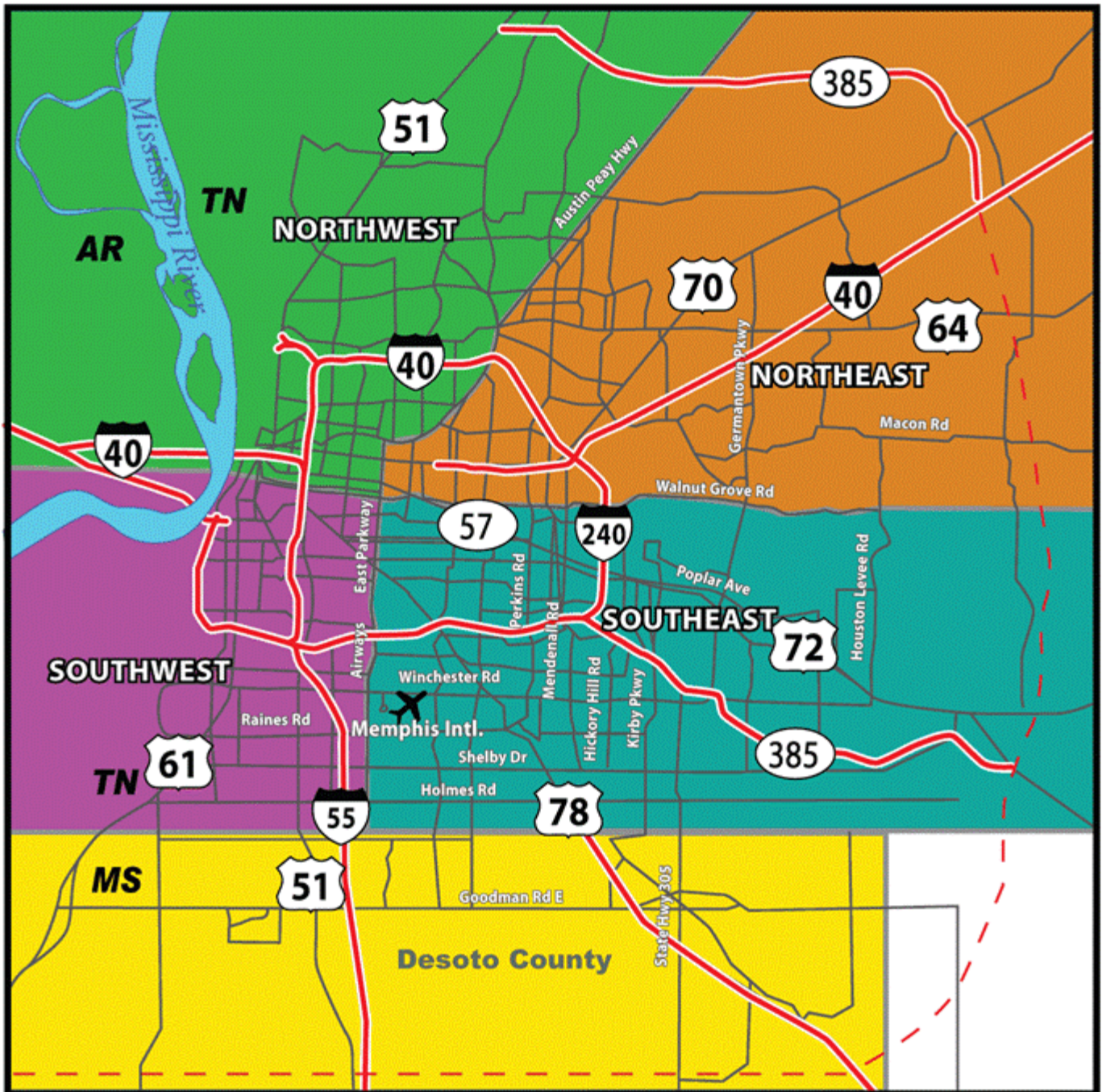
Quarter	100K+	50-100K	25-50K
2013 Q1	85	69	88
2013 Q2	85	70	84
2013 Q3	86	67	87
2013 Q4	90	67	83
2014 Q1	86	63	76

Notable Transactions

Property Name	SF Leased or Sold	Company Name	Market	Type	Lease/Sale
*Four property portfolio	\$62,800,000	Exeter Property Group	Southeast	Bulk Warehouse	Sale
699 Research Dr	514,980	Jimco Lamp & Manufacturing	DeSoto County	Warehouse/Distribution	Lease
Tuggle Distribution Center	200,000	Ozburn Hessey Logistics	Southeast	Bulk Warehouse	Lease
4270 Chrysler Dr	180,000	Associated Wholesale Grocers/Value Merchandisers	Southeast	Warehouse/Distribution	Lease
Oakhaven Warehouse	116,938	Easley Transportation	Southeast	Warehouse/Distribution	Lease
8760 Cypress Woods Ln	110,000	United Exchange Corp	DeSoto County	Warehouse/Distribution	Sale
Belz Industrial Park	93,300	Maco Transportation, LLC	Southwest	Warehouse/Distribution	Lease
Airport Distribution Center 5	75,000	City Gear	Southeast	Bulk Warehouse	Lease

*5200 Tradeport Dr., 6005 Freeport Dr., 3399 E Raines Rd., 4550 Swinnea Rd.

Market



Terminology

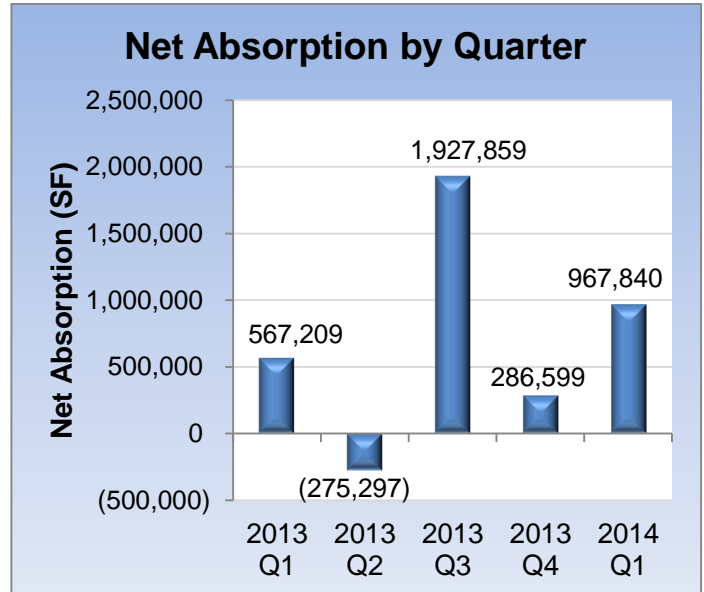
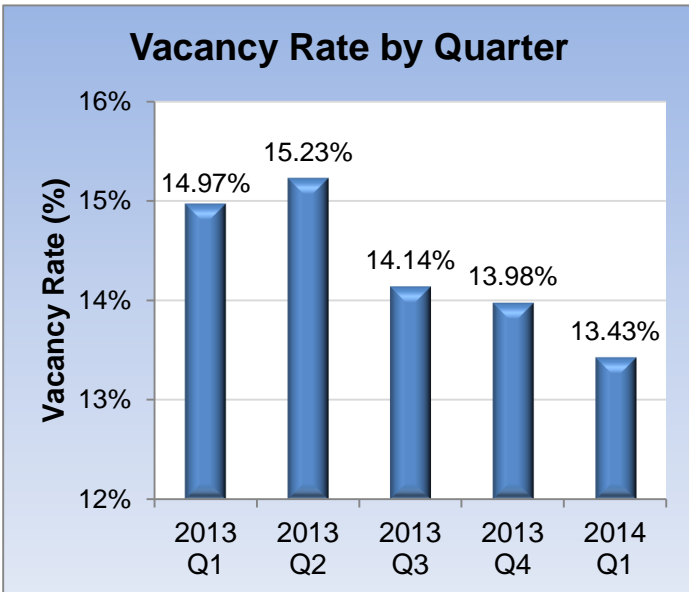
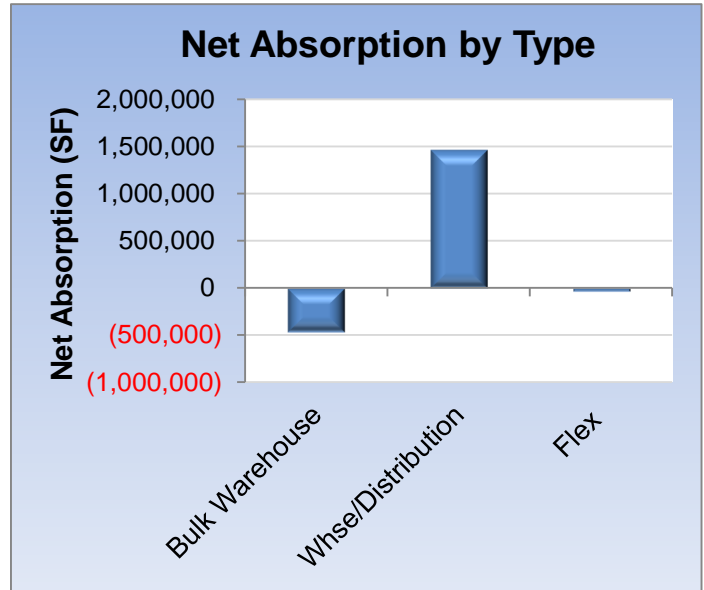
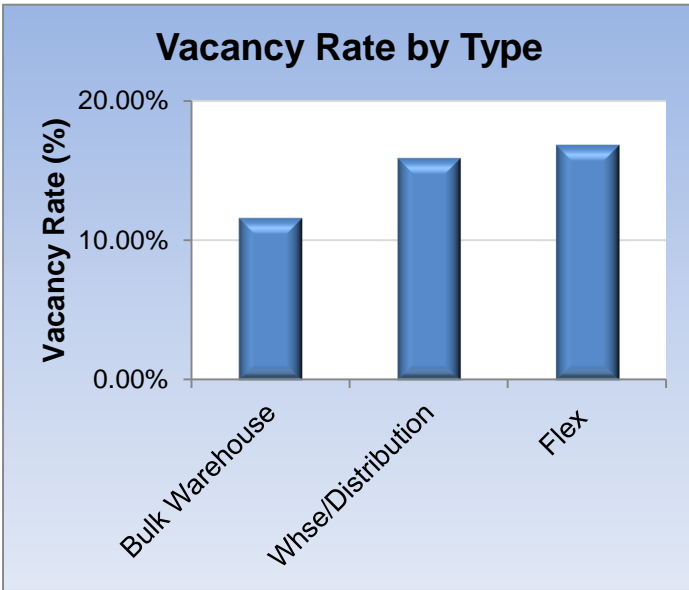
Total Building SF—All single & multi tenant industrial buildings above 20,000 SF

Available SF—Space currently being marketed for lease or sublease

Vacant SF—Space currently unoccupied in the market for lease either directly with the landlord or via a sublease

Net Absorption—Net change in physically occupied space between the current quarter and the previous quarter (direct space only)

Vacancy & Absorption Trends



This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.

For additional information about this report, to purchase reports in additional markets or discuss membership in Xceligent please contact

Liza Creech 901.481.9198 or lcreech@xceligent.com.

