

Market Overview

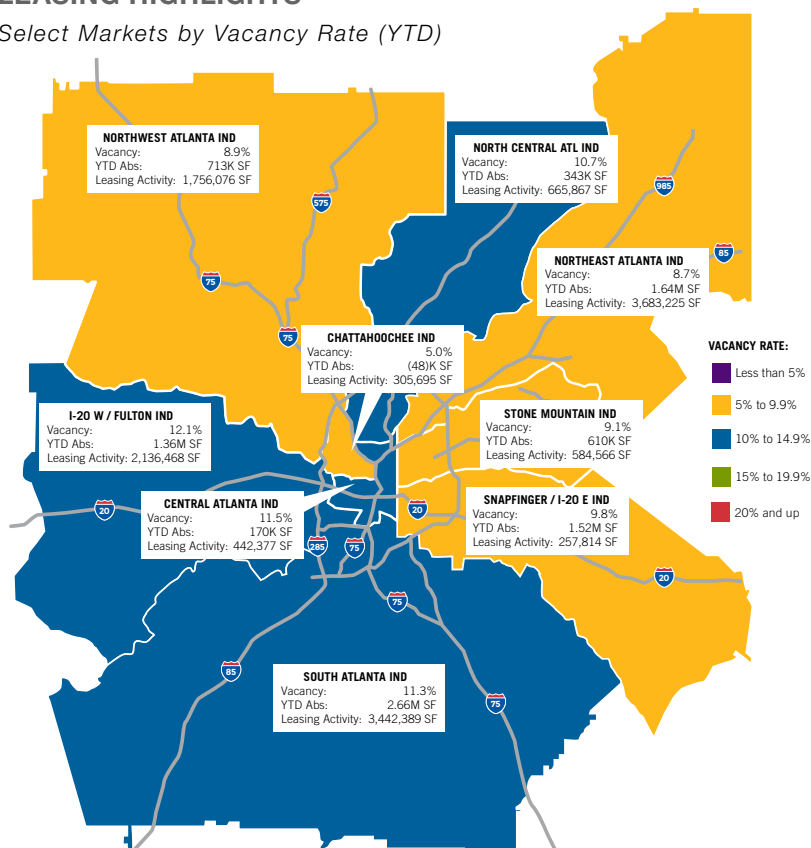
The Atlanta Industrial market ended the third quarter 2014 with a vacancy rate of 10.0%. This rate represents a decrease from the previous quarter rate of 10.4%. This decrease occurred in a quarter where Atlanta saw 1,505,193 SF in positive net absorption. Industrial rental rates ended the quarter at \$3.94 PSF, up from last quarter. There is currently 9,538,731 SF (19 buildings) under construction in the Atlanta Industrial Market. Three buildings totaling 510,500 SF were delivered to the market this quarter.

Economic Overview

The US economy performed better than projected with a GDP growth rate of 3.5%. The growth can be attributed to strong vehicle sales, business spending, exports and construction. Consumer confidence jumped to it's highest level since before the recession. Business confidence is also improving, as seen by a 13% hike in new orders for business equipment. The employment market is also heating up as exhibited in September's very low rate of initial unemployment claims and the highest number of new hires since 2000. While the housing market's performance sends a mixed message, pending home sales rose considerably and inventory remains low. Economists expect the Fed to hold off on raising short term interest rates for the remainder of this year.

LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)



3Q'14

Atlanta Industrial Market Report



MARKET SNAPSHOT

Market Indicators

	3Q'14	Change from last	
		Qtr.	Yr.
Vacancy	10.0%	▼	▼
Net Absorption	1,505,193 SF	▼	▼
Deliveries	510,500 SF	▲	▲
Rental Rates	\$3.94 PSF	▲	▲

Economic Indicators

	3Q'14	3Q'13
Atlanta Employment	2.52M	2.51M
Atlanta Unemployment	7.3%	7.6%
Georgia Unemployment	7.9%	8.0%
U.S. Unemployment	5.9%	7.2%

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

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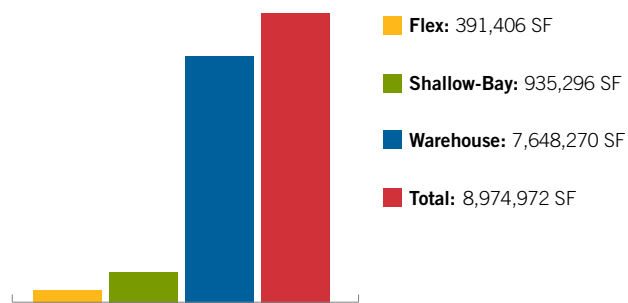
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Vacancy

The overall vacancy rate at the end of the third quarter 2014 is 10.0%, down from the previous quarter. This rate represents over 58 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 North Central Atlanta submarkets.

The amount of vacant sublease space is down from the last quarter and sits at 1.1 million SF. The largest amount of sublease vacancy was found in the Warehouse sector of the South Atlanta submarket.

YTD NET ABSORPTIONS BY BUILDING TYPE



Net Absorption

At the close of the quarter, the market reported a net absorption of 1,505,193 SF, down from the previous quarter. This marks the 14th consecutive quarter of positive net absorption. The YTD net absorption is 8,974,972 SF. Leasing activity was over 5.1 million SF ending the third quarter, up from the previous quarter.

Construction Activity

During the third quarter 2014, three buildings totaling 510,500 SF were delivered to the market. There is 9,538,731 SF of new construction currently underway. The notable new construction starts are: S. Fulton Parkway, Building 1, a 1,200,000 SF building in the I-20 W/Fulton submarket (0% pre-leased) and Surya Carpets, a 1,036,000 SF building in the Northwest Atlanta submarket (100% pre-leased.)

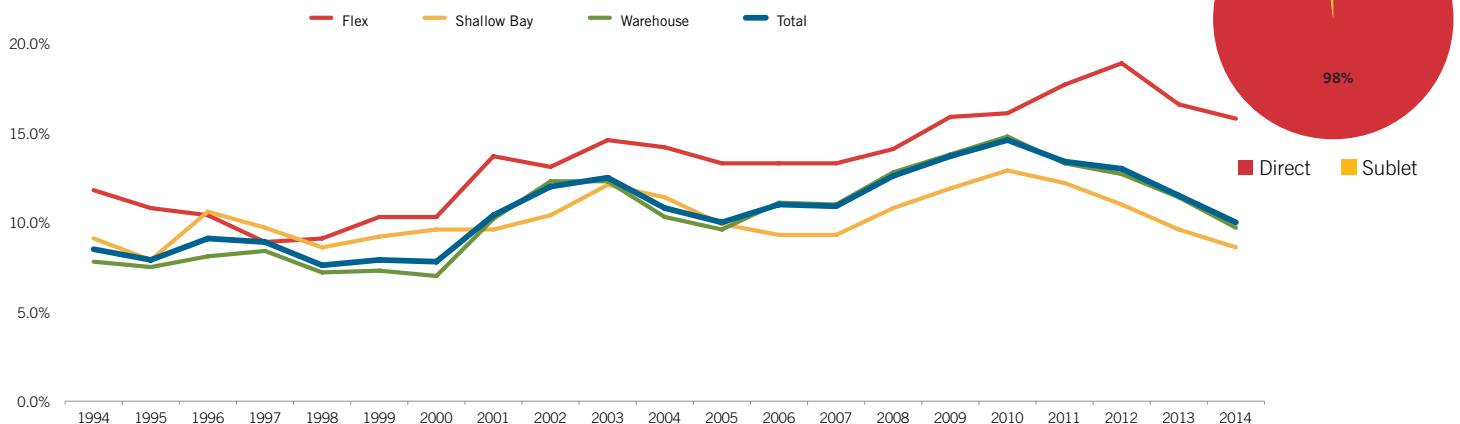
Average Quoted Rental Rates

The average quoted asking rental rate for available Distribution space was \$2.50-\$4.05 PSF at the close of the third quarter 2014.

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 Third Quarter 2014 Lease Transactions

Building	Submarket	Square Feet	Tenant Name
Majestic Airport Ctr III - Bldg 4	Airport/North Clayton	560,625	Menlo Logistics
Interstate S Ind Pk - Pks 1, Bldg 3	S Clayton/Henry County	440,000	Kuehne + Nagel, Inc.
1912 Montreal Rd	Stone Mountain	205,468	CSM Bakery Products

Significant Third Quarter 2014 Construction Deliveries

Building	Submarket	Square Feet	Occupied
H.H. Gregg	South Atlanta	402,500	100%
Inalfa Roof Systems	Northwest Atlanta	165,000	100%
5359 Royal Woods Pky	Stone Mountain	63,000	100%

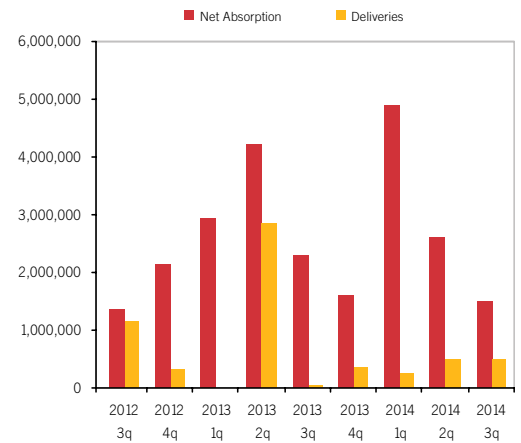
Significant Third Quarter 2014 Properties Under Construction

Building	Submarket	Square Feet	Delivery
S Fulton Pky - Bldg 1	I-20 W/Fulton	1,200,000	2Q 2015
Surya Carpets	Northwest Atlanta	1,036,000	3Q 2015
Majestic Airport Ctr III - Bldg 7	South Atlanta	1,001,790	4Q 2014
Baxter Plant	Snapfinger/I-20 E	1,000,000	1Q 2018

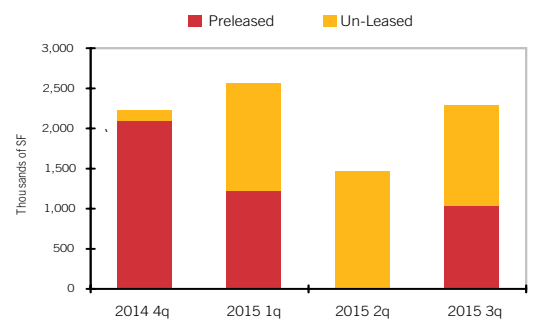
All Construction Activity (Markets Ranked by Under Construction Square Footage)

Market	Under Construction Inventory				Available SF
	# Bldgs	Total RBA	Preleased SF	Preleased %	
I-20 W/Fulton	6	3,954,800	965,000	24.4%	2,989,800
South Atlanta	7	2,596,115	2,346,115	90.4%	250,000
Northwest Atlanta	1	1,036,000	1,036,000	100.0%	0
Snapfinger/I-20 East	1	1,000,000	1,000,000	100.0%	0
Northeast Atlanta	4	951,816	0	0.0%	951,816
Central Atlanta	0	0	0	0.0%	0
North Central Atlanta	0	0	0	0.0%	0
Chattahoochee	0	0	0	0.0%	0
Stone Mountain	0	0	0	0.0%	0
Totals	19	9,538,731	5,347,115	56.1%	4,191,616

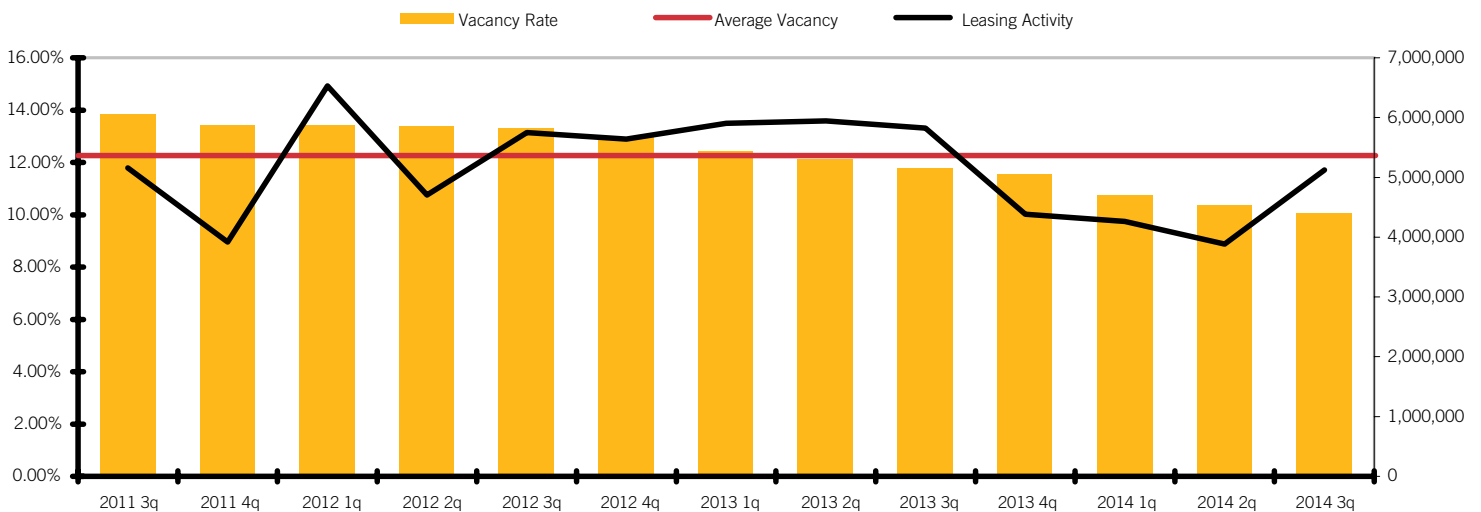
ABSORPTION & DELIVERIES



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	288	14,131,448	1,620,679	0	1,620,679	11.5%	169,855	0	0	442,377
Chattahoochee Ind	402	19,447,340	975,455	5,500	980,955	5.0%	(48,328)	0	0	305,695
I-20 W/Fulton Ind	948	90,713,591	10,909,667	102,006	11,011,673	12.1%	1,360,408	0	3,954,800	2,136,468
North Central Atlanta Ind	509	25,881,796	2,652,001	108,242	2,760,243	10.7%	343,439	75,222	0	665,867
Northeast Atlanta Ind	2,125	155,618,529	13,146,866	332,769	13,479,635	8.7%	1,641,165	0	951,816	3,683,225
Northwest Atlanta Ind	996	61,370,436	5,452,361	38,110	5,490,471	8.9%	712,840	210,000	1,036,000	1,756,076
Snapfinger/I-20 East Ind	528	43,451,226	4,179,498	75,000	4,254,498	9.8%	1,522,331	496,730	1,000,000	257,814
South Atlanta Ind	1,312	151,517,648	16,638,614	444,597	17,083,211	11.3%	2,663,680	402,500	2,596,115	3,442,389
Stone Mountain Ind	465	25,181,873	2,299,145	3,025	2,302,170	9.1%	609,582	63,000	0	584,566
TOTALS	7,573	587,313,887	57,874,286	1,109,249	58,983,535	10.0%	8,974,972	1,247,452	9,538,731	13,274,477

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	2,079,191	166,156	0	166,156	8.0%	(28,443)	0	0	37,165
Chattahoochee Ind	74	2,443,733	237,867	0	237,867	9.7%	13,180	0	0	47,185
I-20 W/Fulton Ind	61	2,785,338	468,380	0	468,380	16.8%	(87,843)	0	0	70,380
North Central Atlanta Ind	159	7,655,935	1,451,351	9,255	1,460,606	19.1%	11,862	0	0	136,129
Northeast Atlanta Ind	412	15,737,224	2,859,773	67,697	2,927,470	18.6%	182,120	0	0	414,893
Northwest Atlanta Ind	193	8,131,844	1,024,847	34,690	1,059,537	13.0%	63,964	0	0	265,225
Snapfinger/I-20 East Ind	67	2,318,367	164,392	0	164,392	7.1%	47,337	0	0	11,064
South Atlanta Ind	138	4,348,421	563,105	0	563,105	12.9%	94,302	0	0	20,811
Stone Mountain Ind	87	2,929,124	590,517	0	590,517	20.2%	94,927	0	0	48,393
TOTALS	1,251	48,429,177	7,526,388	111,642	7,638,030	15.8%	391,406	0	0	1,051,245

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	44	1,986,113	77,100	0	77,100	3.9%	0	0	0	13,600
Chattahoochee Ind	30	1,197,913	0	0	0	0.0%	0	0	0	0
I-20 W/Fulton Ind	245	15,246,248	1,670,103	0	1,670,103	11.0%	89,677	0	700,000	261,070
North Central Atlanta Ind	102	5,155,589	223,331	4,900	228,231	4.4%	84,162	0	0	67,200
Northeast Atlanta Ind	517	27,679,606	2,409,438	12,118	2,421,556	8.7%	360,897	0	0	875,637
Northwest Atlanta Ind	202	10,837,014	1,060,344	0	1,060,344	9.8%	140,477	0	1,036,000	134,510
Snapfinger/I-20 East Ind	111	6,552,670	345,879	75,000	420,879	6.4%	255,018	0	0	210,170
South Atlanta Ind	253	23,376,584	2,249,337	0	2,249,337	9.6%	(371,306)	0	527,100	89,423
Stone Mountain Ind	168	7,699,068	462,879	3,025	465,904	6.1%	376,371	0	0	104,602
TOTALS	1,672	99,730,805	8,498,411	95,043	8,593,454	8.6%	935,296	0	2,263,100	1,756,212

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	10,066,144	1,377,423	0	1,377,423	13.7%	198,298	0	0	391,612
Chattahoochee Ind	298	15,805,694	737,588	5,500	743,088	4.7%	(61,508)	0	0	258,510
I-20 W/Fulton Ind	642	72,682,005	8,771,184	102,006	8,873,190	12.2%	1,358,574	0	3,254,800	1,805,018
North Central Atlanta Ind	248	13,070,272	977,319	94,087	1,071,406	8.2%	247,415	75,222	0	462,538
Northeast Atlanta Ind	1,196	112,201,699	7,877,655	252,954	8,130,609	7.2%	1,098,148	0	951,816	2,392,695
Northwest Atlanta Ind	601	42,401,578	3,367,170	3,420	3,370,590	7.9%	508,399	210,000	0	1,356,341
Snapfinger/I-20 East Ind	350	34,580,189	3,669,227	0	3,669,227	10.6%	1,219,976	496,730	1,000,000	36,580
South Atlanta Ind	921	123,792,643	13,826,172	444,597	14,270,769	11.5%	2,940,684	402,500	2,069,015	3,332,155
Stone Mountain Ind	210	14,553,681	1,245,749	0	1,245,749	8.6%	138,284	63,000	0	431,571
TOTALS	4,650	439,153,905	41,849,487	902,564	42,752,051	9.7%	7,648,270	1,247,452	7,275,631	10,467,020