

Memphis

4th Quarter 2014

INDUSTRIAL

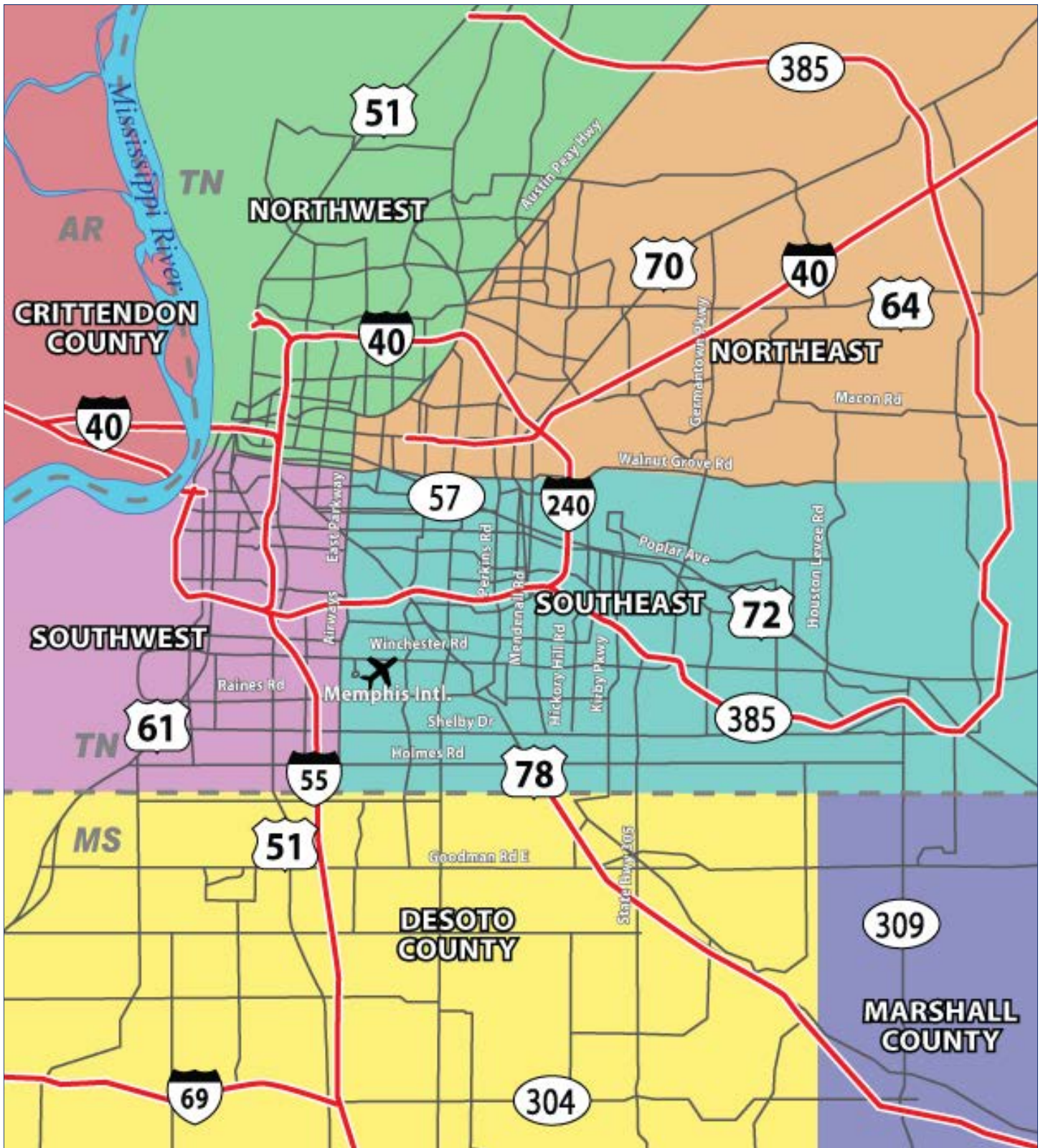
Market Trends



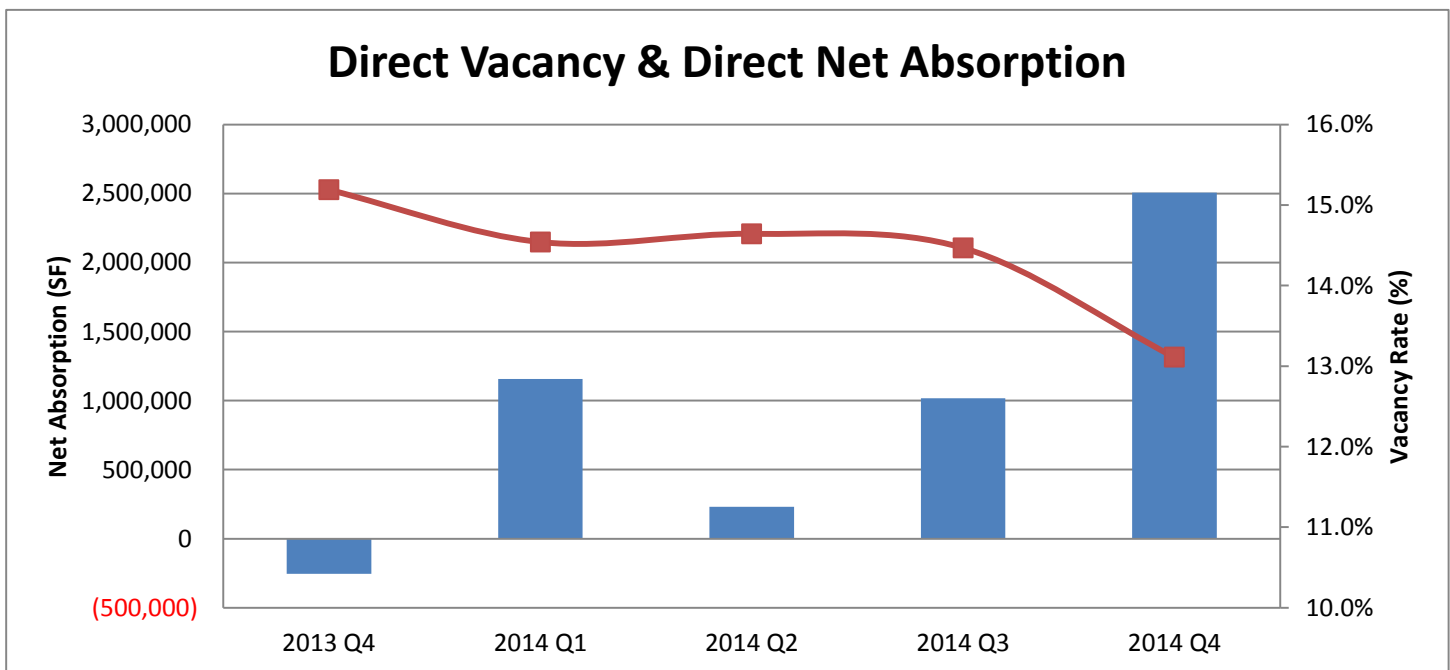
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The Memphis tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Tracked Inventory (Industrial)	The total square feet of all single and multi-tenant buildings greater than 10,000 SF. Airplane hangar space, government property, and obsolete/remediation properties are excluded.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Direct Vacant SF	The total of the direct vacant square footage in a building that is being marketed.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Note	This report reflects Direct Vacancy and Absorption, Sublease space is excluded



- The Memphis industrial market finished the year with a bang, pulling in over 2.5 million square feet for the quarter and rounding the year at an overwhelming 4.9 million square feet of positive absorption.
- Volvo's new 1,000,000 square foot distribution center completed in Marshall County, adding 250 jobs in the emerging market and anchoring the development of Gateway Global Logistics Center. The park is already underway on its next endeavor with Panattoni's 554,000 square foot spec building that's under construction and expected to complete in early 2015.
- ProLogis completed their 218,400 square foot spec building in DeSoto County, delivering it partially leased with Owens & Minor taking 62,000 square feet; while Hillwood, continuing the trend of spec projects, announced plans to break ground on Legacy Park, their 4 million square foot spec development in DeSoto County where the vacancy rate is hovering close to 10%.
- Memphis won the vote over Mississippi in Target's new online fulfillment center, leasing 900,000 square feet at 5461 Davidson Rd.



	# 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	248	105,869,642	14,859,484	12,860,080	10,144,456	9.6%	1,999,404	1,171,320	1,755,243
Flex	356	14,635,922	2,676,233	2,626,012	2,184,185	14.9%	50,221	50,008	137,487
Whse/Distribution	728	64,094,537	14,331,961	14,107,165	11,871,099	18.5%	224,796	1,284,700	3,019,233
Grand Total	1,332	184,600,101	31,867,678	29,593,257	24,199,740	13.1%	2,274,421	2,506,028	4,911,963

Overview by Submarket/Building Class

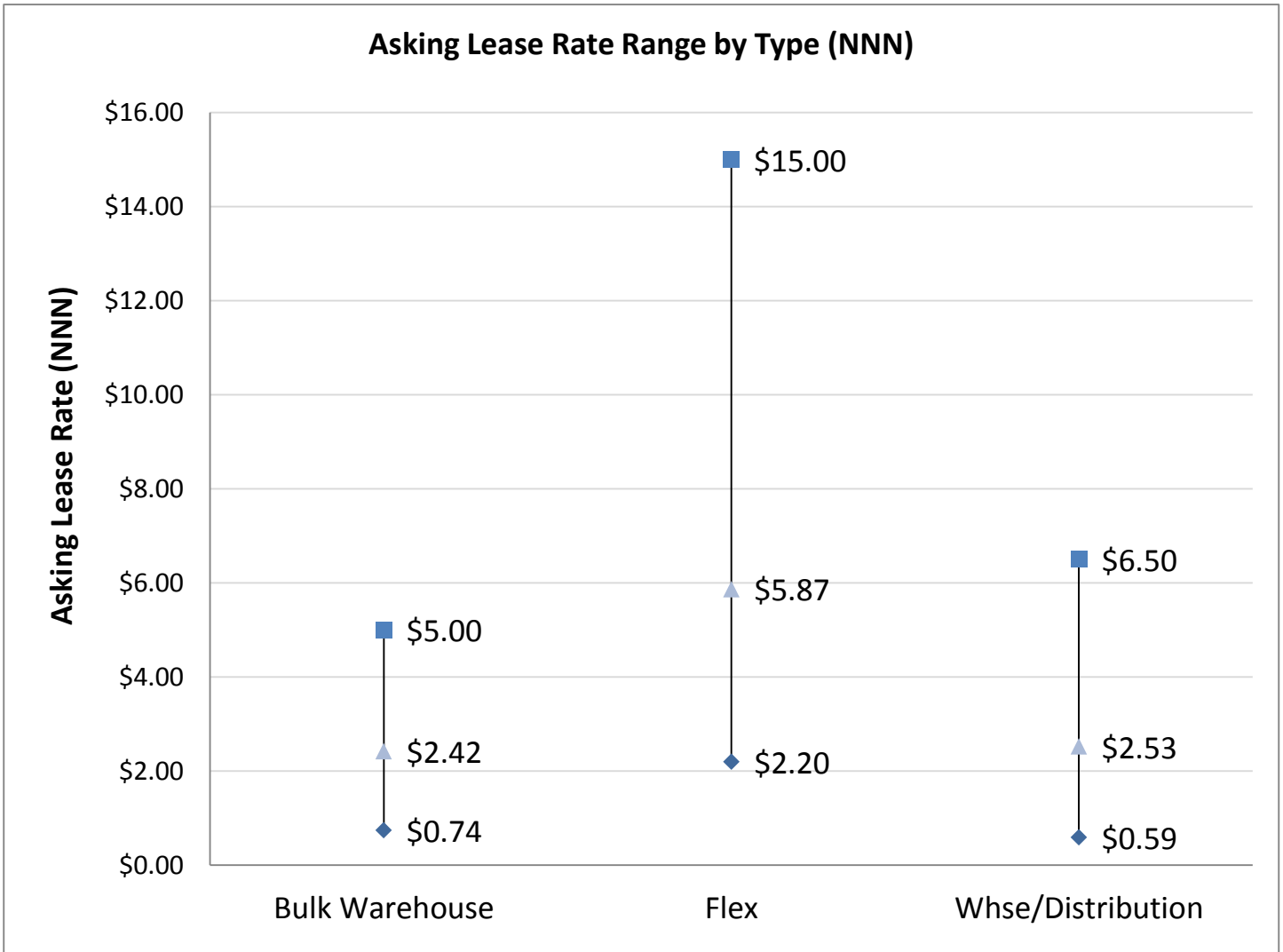


	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Direct Net Absorption (SF)	YTD Direct Net Absorption (SF)
Southeast	492	86,670,227	15,368,492	14,395,195	10,831,973	12.5%	973,297	806,492	2,644,083
Bulk Warehouse	123	56,760,982	9,156,982	8,395,701	6,480,651	11.4%	761,281	620,570	1,607,164
Flex	77	3,572,973	1,269,501	1,235,801	878,326	24.6%	33,700	55,702	95,970
Whse/ Distribution	292	26,336,272	4,942,009	4,763,693	3,472,996	13.2%	178,316	130,220	940,949
Southwest	356	31,094,012	6,621,694	6,610,714	5,729,142	18.4%	10,980	339,940	65,654
Bulk Warehouse	42	11,501,530	2,301,086	2,301,086	1,907,874	16.6%	0	188,710	44,125
Flex	130	5,127,406	820,675	820,675	776,761	15.1%	0	0	44,280
Whse/ Distribution	184	14,465,076	3,499,933	3,488,953	3,044,507	21.0%	10,980	151,230	(22,751)
Northwest	71	9,267,878	1,308,646	1,308,646	1,270,896	13.7%	0	750	81,194
Bulk Warehouse	10	4,341,053	351,397	351,397	351,397	8.1%	0	0	0
Flex	10	405,351	0	0	0	0.0%	0	0	25,712
Whse/ Distribution	51	4,521,474	957,249	957,249	919,499	20.3%	0	750	55,482
Northeast	249	15,008,531	1,761,196	1,709,175	1,336,765	8.9%	52,021	127,966	360,392
Bulk Warehouse	8	3,524,138	223,042	223,042	32,000	0.9%	0	131,160	185,660
Flex	124	4,892,025	586,057	569,536	529,098	10.8%	16,521	(5,694)	(28,475)
Whse/ Distribution	117	6,592,368	952,097	916,597	775,667	11.8%	35,500	2,500	203,207
DeSoto County	132	36,511,247	4,612,075	4,315,487	3,776,924	10.3%	296,588	230,880	760,640
Bulk Warehouse	53	27,761,003	1,885,442	1,588,854	1,372,534	4.9%	296,588	230,880	(81,706)
Flex	4	274,900	0	0	0	0.0%	0	0	0
Whse/ Distribution	75	8,475,344	2,726,633	2,726,633	2,404,390	28.4%	0	0	842,346
Marshall County	32	6,048,206	2,195,575	1,254,040	1,254,040	20.7%	941,535	1,000,000	1,000,000
Bulk Warehouse	12	1,980,936	941,535	0	0	0.0%	941,535	0	0
Flex	11	363,267	0	0	0	0.0%	0	0	0
Whse/ Distribution	9	3,704,003	1,254,040	1,254,040	1,254,040	33.9%	0	1,000,000	1,000,000
Grand Total	1,332	184,600,101	31,867,678	29,593,257	24,199,740	13.1%	2,274,421	2,506,028	4,911,963

Historical Vacancy and Rental Rates



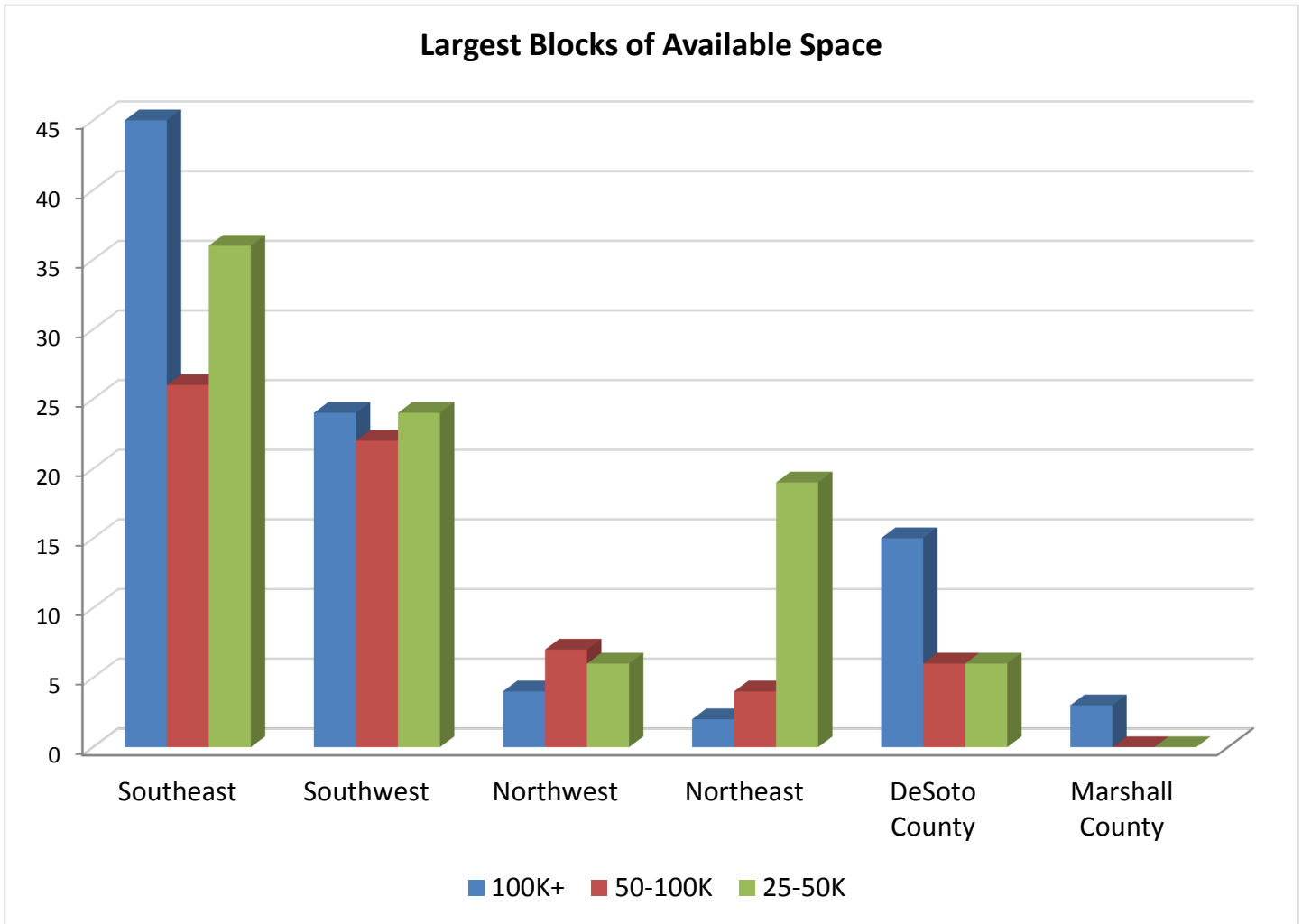
	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
Southeast	15.78%	15.60%	15.20%	13.43%	12.50%	\$3.44	\$3.44	\$3.68	\$3.64	\$3.52
Bulk Warehouse	14.28%	14.65%	15.36%	12.51%	11.42%	\$2.56	\$2.47	\$2.54	\$2.48	\$2.53
Flex	27.27%	28.88%	27.02%	26.14%	24.58%	\$5.34	\$5.16	\$5.42	\$5.37	\$5.50
Whse/Distribution	17.46%	15.84%	13.25%	13.68%	13.19%	\$2.64	\$2.69	\$2.81	\$2.81	\$2.72
Southwest	18.85%	18.44%	19.07%	19.52%	18.43%	\$1.59	\$1.69	\$1.66	\$1.68	\$1.82
Bulk Warehouse	17.05%	16.97%	18.23%	18.23%	16.59%	\$1.14	\$1.23	\$1.16	\$1.16	\$1.21
Flex	17.29%	16.97%	16.53%	15.15%	15.15%	\$3.80	\$3.80	\$3.80	\$3.80	\$3.50
Whse/Distribution	20.82%	20.13%	20.63%	22.09%	21.05%	\$1.38	\$1.45	\$1.44	\$1.43	\$1.56
Northwest	14.59%	13.74%	13.74%	13.72%	13.71%	\$0.98	\$0.98	\$0.93	\$0.93	\$0.93
Bulk Warehouse	8.09%	8.09%	8.09%	8.09%	8.09%	\$0.74	\$0.74	\$0.74	\$0.74	\$0.74
Flex	6.34%	6.34%	6.34%	0.00%	0.00%	NA	NA	NA	NA	NA
Whse/Distribution	21.56%	19.82%	19.82%	20.35%	20.34%	\$1.00	\$1.00	\$0.94	\$0.94	\$0.94
Northeast	11.31%	10.29%	10.24%	9.76%	8.91%	\$5.42	\$5.50	\$5.50	\$5.20	\$5.28
Bulk Warehouse	6.18%	6.18%	5.45%	4.63%	0.91%	\$2.41	\$2.42	\$2.42	\$2.56	\$2.67
Flex	10.23%	10.28%	10.35%	10.70%	10.82%	\$7.24	\$7.44	\$7.04	\$6.84	\$6.90
Whse/Distribution	14.85%	12.50%	12.72%	11.80%	11.77%	\$3.79	\$3.79	\$3.79	\$3.79	\$4.00
DeSoto County	12.42%	10.66%	9.96%	10.98%	10.34%	\$2.76	\$2.66	\$2.78	\$2.73	\$2.72
Bulk Warehouse	4.64%	5.05%	5.05%	5.78%	4.94%	\$3.08	\$3.23	\$3.23	\$3.06	\$3.13
Flex	0.00%	0.00%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Whse/Distribution	38.31%	29.40%	26.38%	28.37%	28.37%	\$2.60	\$2.47	\$2.60	\$2.47	\$2.47
Marshall County	0.00%	0.00%	97.90%	37.27%	20.73%	NA	NA	NA	\$3.05	\$3.05
Bulk Warehouse	0.00%	0.00%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Flex	0.00%	0.00%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Whse/Distribution	0.00%	0.00%	100.00%	60.85%	33.86%	NA	NA	NA	\$3.05	\$3.05
	15.19%	14.54%	14.64%	14.47%	13.11%	\$3.40	\$3.40	\$3.63	\$3.52	\$3.47



Biggest Absorption Changes



Property Name	SF Occupied or Vacated	Company Name	Market	Type
Volvo Bldg 1	1,000,000	Volvo	Marshall County	Whse/ Distribution
ProLogis Park Memphis Building 100	900,000	Target	Southeast	Bulk Warehouse
Summit Distribution Center III	220,635	FedEx Supply Chain	Southeast	Bulk Warehouse
Memphis Depot Industrial Park Bldg 670	208,010	Nickey Warehouse	Southwest	Bulk Warehouse
Shelby Oaks Industrial	-30,000	Butler Schein Animal Health Supply	Northeast	Whse/ Distribution
Shelby Distribution Park	-110,000	Team Sports America	Southeast	Whse/ Distribution
ACEE Business Center	-117,600	RPM	Southeast	Whse/ Distribution
265 W Trigg Ave	-129,300	American Recycling and Manufacturing	Southwest	Bulk Warehouse



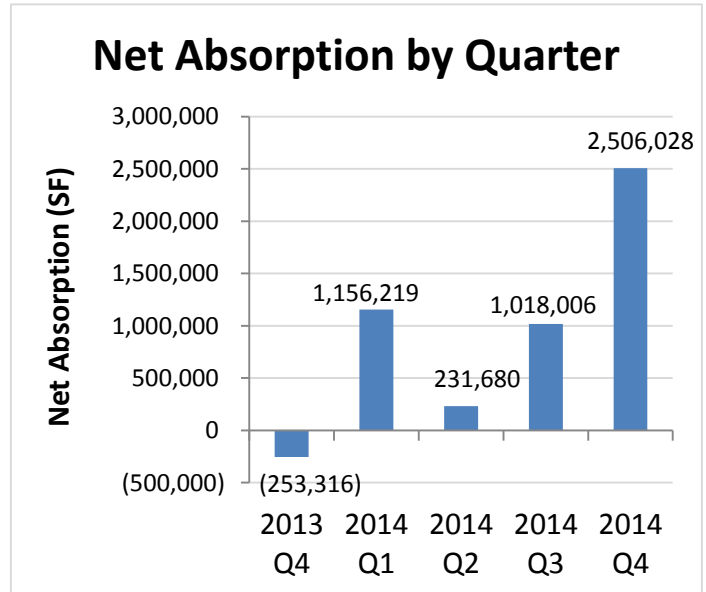
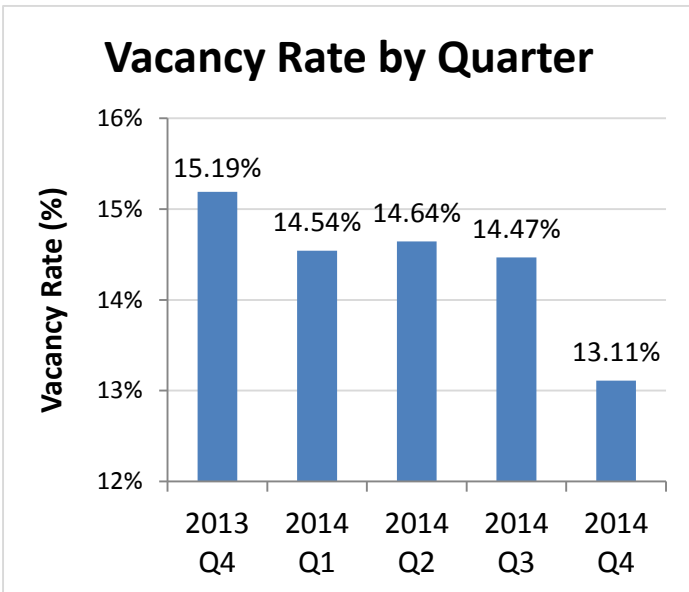
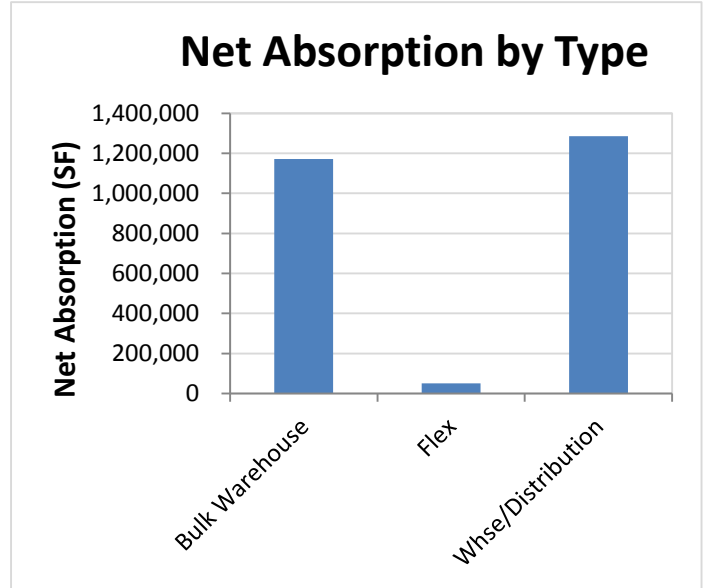
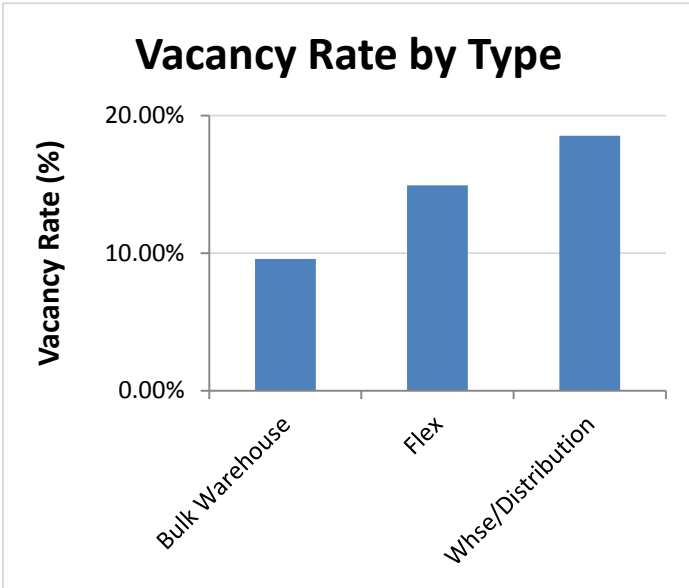
Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2013 Q4	94	69	85
2014 Q1	89	67	78
2014 Q2	93	66	88
2014 Q3	94	68	87
2014 Q4	93	65	91

Notable Transactions



Property Name	SF Leased	Company Name	Market	Type	Lease/ Sale
Memphis Oaks I	\$32,000,000	Exeter Property Group	Southeast	Bulk Warehouse	Sale
4836 Hickory Hill Rd	\$14,500,000	SIR Properties Trust	Southeast	Bulk Warehouse	Sale
Volvo Bldg 1	1,000,000	Volvo	Marshall County	Whse/ Distribution	Design Build
ProLogis Park Memphis Building 100	900,000	Target	Southeast	Bulk Warehouse	Lease
Summit Distribution Center III	220,635	FedEx Supply Chain	Southeast	Bulk Warehouse	Lease
Memphis Depot Industrial Park Bldg 670	208,010	Nickey Warehouse	Southwest	Bulk Warehouse	Lease
Crossroads Distribution Center Building G	168,480	Genco (expansion)	DeSoto County	Bulk Warehouse	Lease
Winchester Distribution Center	110,000	Nickey Warehouse	Southwest	Bulk Warehouse	Lease
Memphis Distribution Center Bldg B	100,000	Anixter	Southeast	Bulk Warehouse	Lease



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 more information, please contact :**

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The logo for Xceligent, featuring a stylized blue 'X' followed by the word 'celigent' in a bold, black, sans-serif font. A registered trademark symbol (®) is located at the end of the word.

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