NAI Brannen Goddard

4Q'15

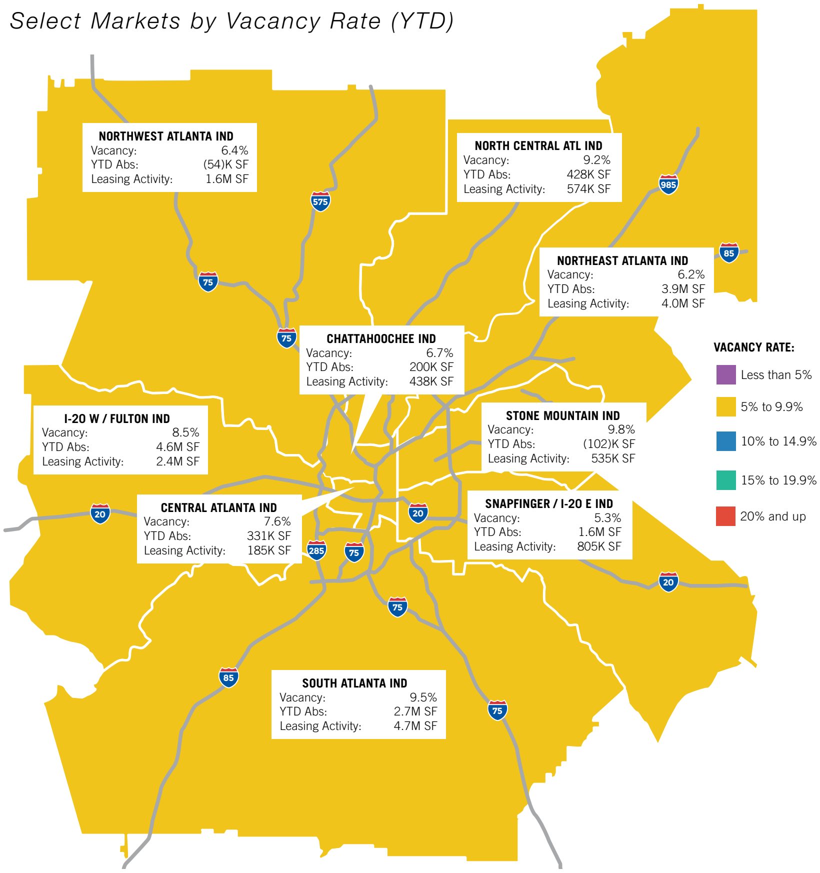
Atlanta Industrial
Market Review

Atlanta's Vacancy Decreases to 7.7%

Net Absorption Positive 3.8 Million SF this Quarter

LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)



Industrial Market Overview

The Atlanta Industrial market ended the fourth quarter 2015 with a vacancy rate of 7.7%. This rate represents a decrease from the previous quarter rate of 8.3%. This quarter, Atlanta saw nearly 3.8 million SF in positive net absorption. Industrial average rental rates ended the quarter at $4.24 PSF, up slightly from last quarter. There is currently over 16.8 million SF (35 buildings) under construction in the Atlanta Industrial Market. Three buildings totaling 632,084 SF were delivered to the market this quarter.

Market Indicators

	4Q'15	Change from last Qtr.	Change from last Yr.
Vacancy	7.7%	▼	▼
Net Absorption	3,794,445 SF	▲	▼
Deliveries	632,084 SF	▼	▼
Avg. Rental Rates	$4.24 PSF	▲	▲

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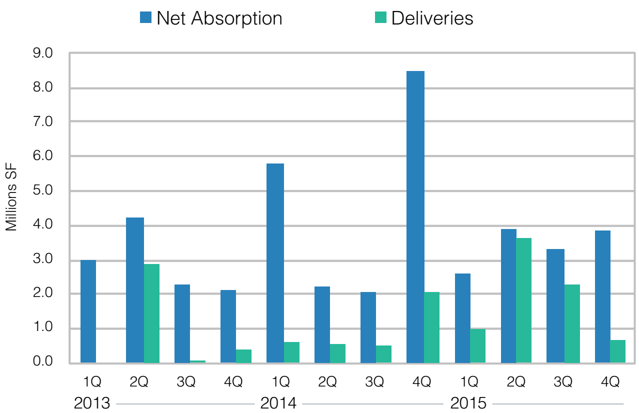
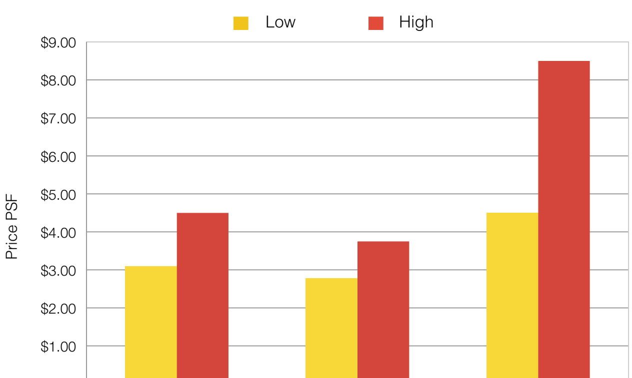
FOURTH QUARTER 2015

Absorption vs. Deliveries



Asking Rates



	Distribution	Bulk Warehouse	Flex
Low	$3.10	$2.75	$4.50
High	$4.50	$3.75	$8.50

Vacancy

The overall vacancy rate was 7.7% at the end of the fourth quarter 2015, down from the previous quarter. This rate represents over 46 million SF of vacant space. Vacancy rates were the highest in the Flex market sectors of the Chattahoochee and Stone Mountain submarkets. The amount of vacant sublease space is up from the last quarter and sits at nearly 2.1 million SF.

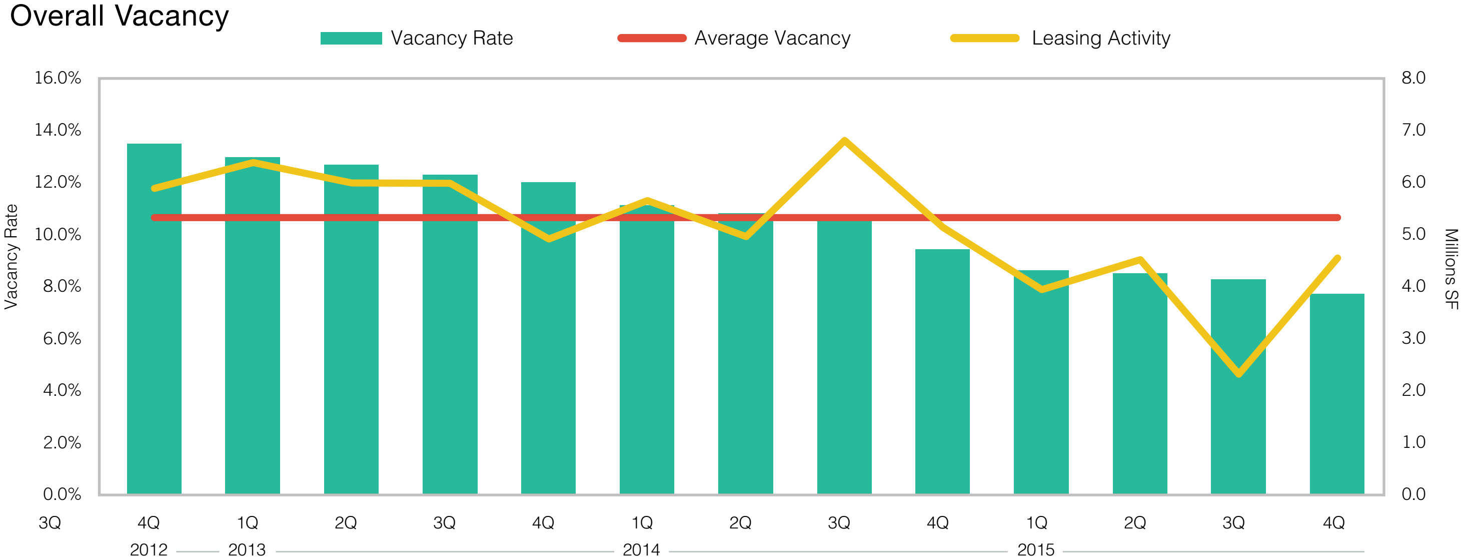
Net Absorption

At the close of the quarter, the market reported a net absorption of nearly 3.8 million SF, up from the previous quarter. This marks the 19th consecutive quarter of positive net absorption. The YTD net absorption is over 13.5 million SF. Leasing activity was over 15.2 million SF ending the fourth quarter, up about 3.8 million SF from the previous quarter.

Construction Activity

During the fourth quarter 2015, three buildings totaling 632,084 SF were delivered to the market. There is currently over 16.8 million SF of new construction underway.

Overall Vacancy



FOURTH QUARTER 2015

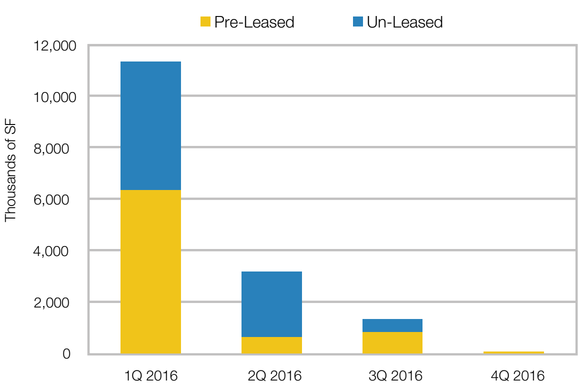
Notable New Construction

Medline - 1500 Medline Place
1,287,000 SF | South Atlanta Ind
61% Pre-Leased | Delivers 3Q'16

Google, Inc - Fairburn Logistics Center
1,129,750 SF | South Atlanta Ind
100% Pre-leased | Delivers 1Q'16

Surya Carpets - 1095 Cass White Road
1,036,000 SF | Northwest Atlanta Ind
52% Pre-leased | Delivers 1Q'16

Future Deliveries



Significant Industrial Transactions

LEASE

Union Station Business Center

Submarket: Airport/North Clayton Ind
Size: 987,840 SF
Tenant: Exel Logistics
Tenant Rep: JLL
Landlord Rep: Colliers International

LEASE

Buford Logistics Center II - Bldg B

Submarket: Duluth/Suwanee/Buford Ind
Size: 461,700 SF
Tenant: Best Buy
Tenant Rep: Direct Deal
Landlord Rep: CBRE

SALE

Gwinnett Regional Distribution Center

Size: 1,054,500 SF
Date: 10/09/2015
Buyer: Glen Una Investments
Seller: High Street Realty Company
Price: $31,700,000

SALE

4175 Royal Drive

Size: 422,780 SF
Date: 10/10/2015
Buyer: The Principal Financial Group
Seller: Los Angeles County Employees Retirement Association
Price: $25,050,000

ALL CONSTRUCTION ACTIVITY *(Markets Ranked by Under Construction SF)*

	Under Construction Inventory				
Market	**# Bldgs**	**Total RBA**	**Pre-leased SF**	**Pre-leased %**	**Available SF**
South Atlanta	14	9,984,285	4,973,588	49.8%	5,010,697
Northwest Atlanta	8	3,080,200	2,134,982	69.3%	945,218
Northeast Atlanta	6	1,524,613	732,565	48.0%	792,048
Snapfinger/I-20 East	2	1,175,000	1,000,000	85.1%	175,000
I-20 W/Fulton	2	763,028	0	0.0%	763,028
North Central Atlanta	3	342,891	0	0.0%	342,891
Central Atlanta	0	0	0	0.0%	0
Chattahoochee	0	0	0	0.0%	0
Stone Mountain	0	0	0	0.0%	0
Totals	**35**	**16,870,017**	**8,841,135**	**52.4%**	**8,028,882**

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FOURTH QUARTER 2015

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	275	13,672,010	1,038,340	0	1,038,340	7.6%	331,290	0	0	184,877
Chattahoochee Ind	401	20,369,669	1,359,009	3,000	1,362,009	6.7%	200,434	0	0	438,062
I-20 W/Fulton Ind	957	95,496,400	8,049,264	75,218	8,124,482	8.5%	4,563,300	4,332,932	763,028	2,387,133
North Central Atlanta Ind	509	26,132,840	2,318,178	81,704	2,399,882	9.2%	427,754	0	342,891	573,593
Northeast Atlanta Ind	2,120	154,287,367	9,375,412	180,574	9,555,986	6.2%	3,877,649	1,053,068	1,524,613	4,047,917
Northwest Atlanta Ind	1,000	61,347,039	3,771,519	159,897	3,931,416	6.4%	(53,947)	0	3,080,200	1,624,178
Snapfinger/I-20 East Ind	527	44,291,033	2,267,942	75,000	2,342,942	5.3%	1,615,731	0	1,175,000	805,382
South Atlanta Ind	1,331	156,201,101	13,301,394	1,513,516	14,814,910	9.5%	2,666,326	2,044,112	8,854,535	4,683,661
Stone Mountain Ind	468	25,375,805	2,472,751	9,360	2,482,111	9.8%	(102,413)	0	0	535,463
Totals	**7,588**	**597,173,264**	**43,953,809**	**2,098,269**	**46,052,078**	**7.7%**	**13,526,124**	**7,430,112**	**15,740,267**	**15,280,266**

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	56	1,945,130	38,581	0	38,581	2.0%	35,628	0	0	51,246
Chattahoochee Ind	74	3,353,877	744,145	0	744,145	22.2%	9,247	0	0	76,154
I-20 W/Fulton Ind	61	3,243,238	211,993	16,800	228,793	7.1%	121,411	0	0	22,188
North Central Atlanta Ind	157	7,563,039	1,095,329	0	1,095,329	14.5%	310,673	0	0	263,781
Northeast Atlanta Ind	412	15,688,578	2,488,603	52,620	2,541,223	16.2%	166,841	0	0	337,142
Northwest Atlanta Ind	184	7,693,442	829,890	5,477	835,367	10.9%	89,542	0	0	197,891
Snapfinger/I-20 East Ind	64	1,920,898	234,658	0	234,658	12.2%	(14,293)	0	0	4,844
South Atlanta Ind	138	4,246,966	488,787	4,464	493,251	11.6%	34,956	0	0	30,147
Stone Mountain Ind	86	2,878,472	520,498	0	520,498	18.1%	92,625	0	0	38,360
TOTALS	**1,232**	**48,533,640**	**6,652,484**	**79,361**	**6,731,845**	**13.9%**	**846,630**	**0**	**0**	**1,021,753**

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	41	1,885,512	14,700	0	14,700	0.8%	8,208	0	0	4,000
Chattahoochee Ind	31	1,229,917	0	0	0	0.0%	0	0	0	0
I-20 W/Fulton Ind	247	16,028,402	1,040,604	20,000	1,060,604	6.6%	877,767	700,000	0	128,785
North Central Atlanta Ind	100	5,036,638	265,285	0	265,285	5.3%	(45,416)	0	102,720	49,689
Northeast Atlanta Ind	516	27,494,656	2,058,727	11,600	2,070,327	7.5%	307,527	0	270,865	1,005,974
Northwest Atlanta Ind	206	10,983,991	776,437	0	776,437	7.1%	(80,453)	0	0	471,364
Snapfinger/I-20 East Ind	111	6,620,553	261,178	75,000	336,178	5.1%	147,722	0	0	112,493
South Atlanta Ind	257	25,006,229	3,443,109	0	3,443,109	13.8%	(149,852)	1,668,352	700,000	426,354
Stone Mountain Ind	168	7,731,249	594,061	9,360	603,421	7.8%	(112,652)	0	0	230,352
TOTALS	**1,677**	**102,017,147**	**8,454,101**	**115,960**	**8,570,061**	**8.4%**	**952,851**	**2,368,352**	**1,073,585**	**2,429,011**

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	178	9,841,368	985,059	0	985,059	10.0%	287,454	0	0	129,631
Chattahoochee Ind	296	15,785,875	614,864	3,000	617,864	3.9%	191,187	0	0	361,908
I-20 W/Fulton Ind	649	76,224,760	6,796,667	38,418	6,835,085	9.0%	3,564,122	3,632,932	763,028	2,236,160
North Central Atlanta Ind	252	13,533,163	957,564	81,704	1,039,268	7.7%	162,497	0	240,171	260,123
Northeast Atlanta Ind	1,192	111,104,133	4,828,082	116,354	4,944,436	4.5%	3,403,281	1,053,068	1,253,748	2,704,801
Northwest Atlanta Ind	610	42,669,606	2,165,192	154,420	2,319,612	5.4%	(63,036)	0	3,080,200	954,923
Snapfinger/I-20 East Ind	352	35,749,582	1,772,106	0	1,772,106	5.0%	1,482,302	0	1,175,000	688,045
South Atlanta Ind	936	126,947,906	9,369,498	1,509,052	10,878,550	8.6%	2,781,222	375,760	8,154,535	4,227,160
Stone Mountain Ind	214	14,766,084	1,358,192	0	1,358,192	9.2%	(82,386)	0	0	266,751
TOTALS	**4,679**	**446,622,477**	**28,847,224**	**1,902,948**	**30,750,172**	**6.9%**	**11,726,643**	**5,061,760**	**14,666,682**	**11,829,502**