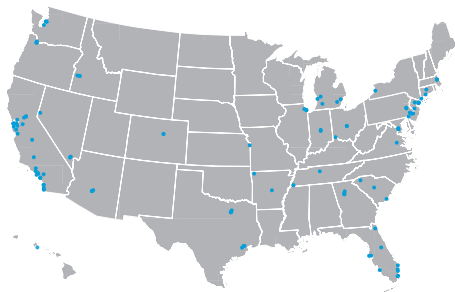


CENTRAL FLORIDA INDUSTRIAL RESEARCH REPORT



Positive Absorption, Declining Vacancy

EXECUTIVE SUMMARY

Overall activity across the Central Florida industrial market remained fairly upbeat during the third quarter of 2011. Modest growth was experienced throughout the majority of the submarkets as tenants continued to capitalize on discounted rents and favorable concessions. New deals remained limited as existing tenants are merely trading spaces in the current market. Flight to quality continues to be the common interest with class A quality space achieving what was once class B rates. Investment activity, although showing signs of increased interest, remained slow in terms of transaction volume and lack of available product. However, a few significant sales did occur throughout the third quarter. As the fourth quarter begins and the 2011 year soon concludes, expect market activity to remain consistent with the third quarter results - modest to strong tenant activity and slow investment acquisitions.

- EastGroup Properties began construction on a 72,000 square foot building located in the Southwest Orange submarket, approximately 75 percent pre-leased.
- Select Landlords continued to “buy” new deals to increase occupancy within their asset.
- Short term deals remain favorable by landlords as they hedge against a hopeful market recovery to occur.
- Well located and positioned sites may be favorable for build-to-suit opportunities in early 2012.
- The September reading of the ISM manufacturing index reflects continued growth in this sector of the economy with the overall index rising by one percentage point to 51.6.

MARKET INDICATORS

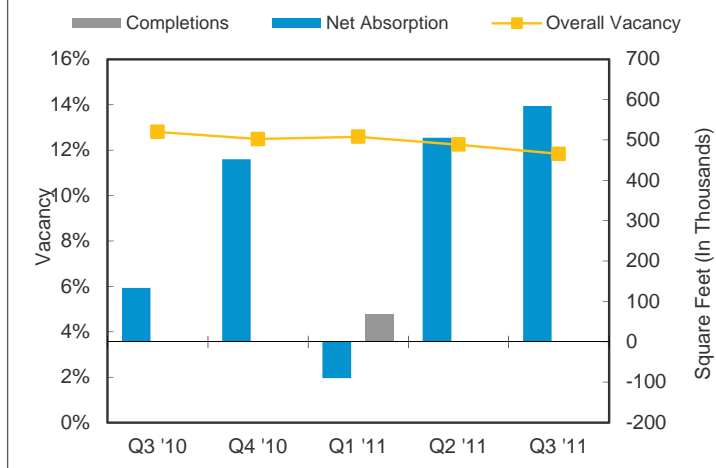
	Q3 2011	Q4 2011*
VACANCY	↓	↓
NET ABSORPTION	↑	↔
CONSTRUCTION	↑	↔
FLEX RENTAL RATE	↓	↓
INDUSTRIAL RENTAL RATE	↓	↓

*Relative to prior period. Note: Arrows compare current quarter to the previous quarter historically adjusted figures.

OVERALL INDUSTRIAL/FLEX MARKET SUMMARY STATISTICS, Q3 2011

CURRENT VACANCY RATE:	11.8%
PREV. QTR. VACANCY RATE:	12.2%
YEAR AGO VACANCY RATE:	12.8%
NET ABSORPTION:	584,092 sf
UNDER CONSTRUCTION:	76,000 sf
CURRENT AVG. ASKING RATE:	\$5.07 / NNN
PREV. QTR. AVG. ASKING RATE:	\$5.12 / NNN
YEAR AGO AVG. ASKING RATE:	\$5.21 / NNN

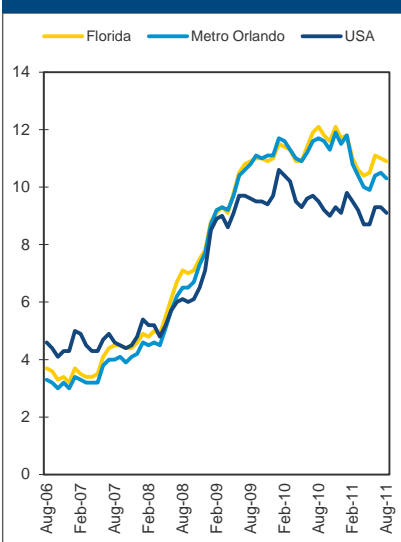
COMPLETIONS, ABSORPTION AND VACANCY RATES



STEADY GROWTH

Continued growth in net absorption has resulted in a steady, slow decline in overall vacancy.

UNEMPLOYMENT TRENDS



The Metro Orlando MSA is currently experiencing a 10.3 percent unemployment rate for the month of August 2011, down from 10.5 percent in July 2011. The state of Florida is currently experiencing an 10.9 percent unemployment rate, up from 11.0 percent in the previous month. These rates can be compared to the national rate of 9.1 percent in the month of August 2011, down 0.2 percent from 9.3 percent observed in July 2011.

Source: Florida Research & Economic Database

VACANCY & ABSORPTION

Overall vacancy continued with a general downward trend during the third quarter of 2011. This trend, which started in first quarter of 2010, is hovering around 11.8 percent at the end of the third quarter, down 0.3 percent from the previous quarter. Flex space continued to remain relatively high at 15.5 percent, while industrial only space is currently averaging 11.2 percent. Tenant activity pushed overall net absorption slightly higher than the previous quarter, registering 584,092 square feet of positive absorption. Year-to-date, absorption has nearly topped one million square feet in the first three quarters, a number that has not been reached since the height of the market in 2007.

Four of the six submarkets for the second consecutive quarter registered overall positive net absorption, with the Southeast Orange submarket posting the highest absorption of 422,775 square feet. Activity within the Southeast Orange submarket remains highly active primarily due to the sheer size of available industrial properties as well as exceptional access to major road networks.

RENTS

Asking rental rates throughout the market continued a downward trend during the third

quarter of 2011. Overall asking rates averaged \$5.07 per square foot triple net, down from \$5.12 per square in the previous quarter. Rates have declined nearly 30 percent from the recent high experienced during third quarter 2007 figures of \$7.12 per square foot. Flex space in the overall market is currently experiencing an average asking lease rate of \$8.75 per square foot triple net, while industrial (non-flex) space is averaging \$4.42 per square foot.

SALES ACTIVITY

Four significantly sized sales transactions, valued over \$7 million each, occurred during the third quarter of 2011, hinting to signs that investor confidence is beginning to return. The highest priced transaction was the DCT Industrial Trust acquisition of 417,880 square foot Longridge Portfolio consisting of three-buildings throughout Southeast Orlando for \$17.06 million (\$40.80/sf) from GE Capital Corporation. The largest sized building transaction was the purchase of the 565,927 square foot industrial building in Lake Mary located at 2452 Lake Emma Drive. This REO property was purchased by American Real Estate Partners, LLC for \$9 million from Regions Bank at a per square foot value of \$15.90.

TRANSACTION UPDATE

SALES ACTIVITY

PROPERTY ADDRESS	PROPERTY TYPE	BUYER NAME	SIZE (SF)	SALES PRICE	SUBMARKET
Longridge Portfolio Sale	Warehouse	DCT Industrial Trust	417,880	\$17,058,920 (\$40.80/SF)	SE Orange
2452 Lake Emma Drive	Warehouse	American Real Estate Partners, LLC	565,927	\$9,000,000 (\$15.90/SF)	Seminole
1150 Emma Oaks Trail	Flex/Distribution	Rosh Chodesh Realty Ada	120,504	\$7,189,400 (\$59.66/SF)	Seminole
2216 Directors Row	Distribution	Brown Distribution Company	118,500	\$2,924,590 (\$24.68/SF)	SW Orange
400 Technology Park	Flex/Distribution	AutoPower Corporation	20,351	\$1,420,000 (\$69.78/SF)	Seminole
4600 34th Street	Warehouse	Senme Imports	27,000	\$1,325,000 (\$49.07/SF)	SW Orange
6433-6633 Pinycastle Blvd	Warehouse	Paul R Straubinger Llc	37,800	\$1,525,000 (\$40.24/SF)	SE Orange

LEASING ACTIVITY

PROPERTY ADDRESS	PROPERTY TYPE	TENANT NAME	SIZE (SF)	LEASE TYPE	SUBMARKET
7520 Chancellor Drive	Distribution	Taylor Farms	68,395	New/Direct	SW Orange
7503 Exchange Drive	Flex	Oceaneering	52,260	New/Direct	SW Orange
1255 La Quinta Drive	Distribution	Freeman	34,400	New/Direct	SE Orange
9603 Satellite Boulevard	Warehouse	So Cool Events	22,793	New/Direct	SE Orange
1150 Emma Oaks Trail	Flex	Lancer Sales USA	19,355	New/Direct	Seminole
901 Central Florida Pkwy	Warehouse	MS Liquidators of Arizona, LLC	15,000	New/Direct	SE Orange
2815 Directors Row	Flex	Trade Show Specialists	11,100	New/Direct	SW Orange

UPDATE SUBMARKET COMPARISONS

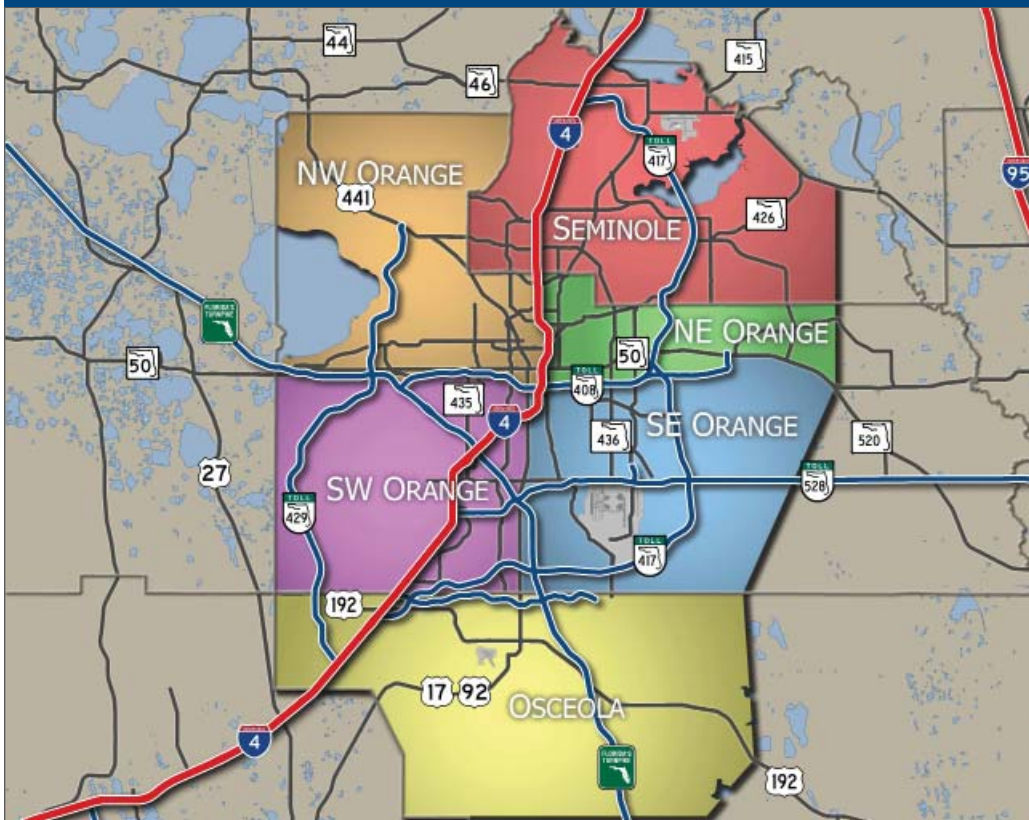
SUBMARKET BREAKDOWN

Sbmrkt & Prop. Type	Bldgs.	Total Inventory S.F.	Direct Vac. %	Total Vac. %	Net Absorp. Current Qtr. S.F.	Net Absorp. YTD S.F.	New Completions S.F.	Under Construc. S.F.	Avg. Direct Asking Rate NNN
Southwest Orange									
Industrial	752	36,980,451	8.2%	8.3%	73,640	20,549	0	76,000	\$4.40/nnn
Flex	226	7,716,511	15.5%	15.6%	-106,409	-94,734	0	0	\$9.18/nnn
Overall	978	44,696,962	9.5%	9.6%	-32,769	-74,185	0	76,000	\$5.18/nnn
Southeast Orange									
Industrial	472	29,578,777	15.0%	16.8%	441,986	489,027	0	0	\$4.42/nnn
Flex	95	3,182,151	20.7%	20.7%	-19,211	-54,372	0	0	\$8.74/nnn
Overall	567	32,760,928	15.5%	17.2%	422,775	434,655	0	0	\$4.81/nnn
Osceola County									
Industrial	152	6,613,828	12.0%	12.0%	14,066	188,597	0	0	\$4.10/nnn
Flex	20	332,072	31.3%	31.3%	-13,120	-11,980	0	0	\$6.40/nnn
Overall	172	6,945,900	12.9%	12.9%	946	176,617	0	0	\$4.29/nnn
Northwest Orange									
Industrial	507	23,085,710	9.5%	9.7%	27,560	112,707	0	0	\$4.02/nnn
Flex	95	2,527,668	12.1%	12.1%	-1,681	65,160	0	0	\$7.58/nnn
Overall	602	25,613,378	9.8%	10.0%	25,879	177,867	0	0	\$4.24/nnn
Northeast Orange									
Industrial	193	6,932,148	3.6%	3.6%	30,877	82,434	0	0	\$6.31/nnn
Flex	81	2,187,209	12.1%	12.1%	9,767	75,147	0	0	\$11.10/nnn
Overall	274	9,119,357	5.7%	5.7%	40,644	157,581	0	0	\$8.46/nnn
Seminole County									
Industrial	648	20,159,698	12.4%	12.4%	-48,267	-1,825	0	0	\$4.84/nnn
Flex	213	5,493,094	14.0%	14.3%	-2,724	92,950	0	0	\$7.73/nnn
Overall	861	25,652,792	12.7%	12.8%	-50,991	91,125	0	0	\$5.54/nnn

CENTRAL FLORIDA OVERALL MARKET

Qtr. & Year	Bldgs.	Total Inventory S.F.	Direct Vac. %	Total Vac. %	Net Absorp. Current Qtr. S.F.	Net Absorp. YTD S.F.	New Completions S.F.	Under Construc. S.F.	Whse. Avg. Direct Asking Rate NNN	Flex Avg. Direct Asking Rate NNN
2011 3Q	3,443	144,739,574	11.4%	11.8%	584,092	998,693	0	76,000	\$4.45/nnn	\$8.74/nnn
2011 2Q	3,443	144,739,574	11.8%	12.2%	505,047	414,601	0	0	\$4.49/nnn	\$8.77/nnn
2011 1Q	3,443	144,739,574	12.1%	12.6%	-90,446	-90,446	67,135	0	\$4.49/nnn	\$8.97/nnn
2010 4Q	3,442	144,672,439	11.9%	12.5%	452,264	1,016,937	0	67,135	\$4.53/nnn	\$8.72/nnn
2010 3Q	3,442	144,672,439	12.2%	12.8%	133,281	564,673	0	67,135	\$4.55/nnn	\$8.67/nnn
2010 2Q	3,442	144,672,439	12.2%	12.9%	413,268	431,392	0	67,135	\$4.67/nnn	\$8.74/nnn
2010 1Q	3,442	144,672,439	12.5%	13.2%	18,124	18,124	0	0	\$4.82/nnn	\$9.12/nnn
2009 4Q	3,442	144,672,439	12.3%	13.2%	-152,691	-4,225,819	121,500	0	\$5.05/nnn	\$9.68/nnn
2009 3Q	3,440	144,550,939	12.2%	13.0%	-660,761	-4,073,128	532,596	121,500	\$5.27/nnn	\$9.23/nnn

SUBMARKET MAP



512 offices in
61 countries on
6 continents

United States: 125
Canada: 38
Latin America: 18
Asia Pacific: 214
EMEA: 117

- \$1.5 billion in annual revenue
- 979 million square feet under management
- Over 12,500 professionals

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This report includes owner and non-owner occupied space 10,000 square feet and greater. Directional arrows compare current quarter to previous quarter numbers. Arrows show change when there is a 10 cent or more change in lease rate or 0.5 percent or more change in vacancy rate. Due to continual updates and refinements in the historical database, some of the data in this report may not match data published in previous quarters. Sources: Costar Property and Colliers International Central Florida.