

THE CoSTAR INDUSTRIAL REPORT

MID-YEAR 2010

Phoenix Industrial Market



PHOENIX INDUSTRIAL MARKET



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METHODOLOGY

The CoStar Industrial Report calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex / research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 71.7 billion square feet of coverage in 3 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property.

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TERMS & DEFINITIONS

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

PHOENIX INDUSTRIAL MARKET



OVERVIEW

PHOENIX'S VACANCY DECREASES TO 16.6%

Net Absorption Positive 2,048,048 SF in the Quarter

The Phoenix Industrial market ended the second quarter 2010 with a vacancy rate of 16.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,048,048 square feet in the second quarter. Vacant sublease space increased in the quarter, ending the quarter at 2,115,532 square feet. Rental rates ended the second quarter at \$6.54, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 466,694 square feet, with 147,403 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Phoenix Industrial market was positive 2,048,048 square feet in the second quarter 2010. That compares to negative (774,924) square feet in the first quarter 2010, positive 396,480 square feet in the fourth quarter 2009, and negative (688,477) square feet in the third quarter 2009.

The Flex building market recorded net absorption of positive 89,271 square feet in the second quarter 2010, compared to negative (106,930) square feet in the first quarter 2010, positive 175,149 in the fourth quarter 2009, and negative (398,580) in the third quarter 2009.

The Warehouse building market recorded net absorption of positive 1,958,777 square feet in the second quarter 2010 compared to negative (667,994) square feet in the first quarter 2010, positive 221,331 in the fourth quarter 2009, and negative (289,897) in the third quarter 2009.

Vacancy

The Industrial vacancy rate in the Phoenix market area

decreased to 16.6% at the end of the second quarter 2010. The vacancy rate was 17.1% at the end of the first quarter 2010, 16.6% at the end of the fourth quarter 2009, and 16.4% at the end of the third quarter 2009.

Flex projects reported a vacancy rate of 20.9% at the end of the second quarter 2010, 21.2% at the end of the first quarter 2010, 20.9% at the end of the fourth quarter 2009, and 21.7% at the end of the third quarter 2009.

Warehouse projects reported a vacancy rate of 16.0% at the end of the second quarter 2010, 16.6% at the end of first quarter 2010, 16.1% at the end of the fourth quarter 2009, and 15.7% at the end of the third quarter 2009.

Largest Lease Signings

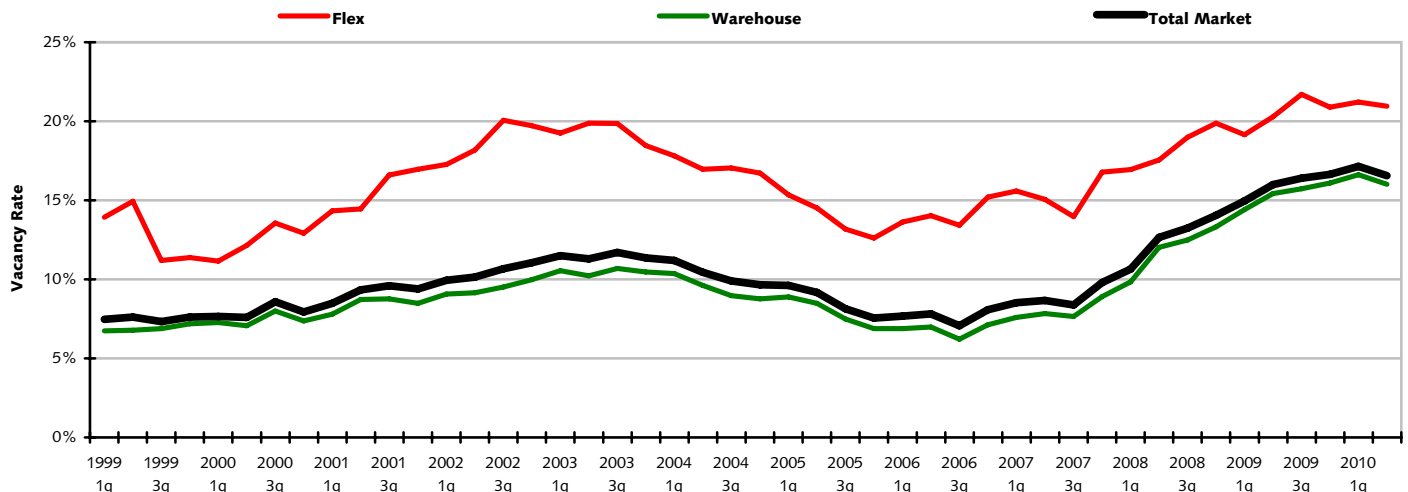
The largest lease signings occurring in 2010 included: the 460,000-square-foot lease signed by Tower Automotive at 17300 W Broadway Rd in the Southwest market; the 296,829-square-foot deal signed by Staples at 8602 W Buckeye Rd in the Southwest market; and the 216,845-square-foot lease signed by Philosophy, Inc. at 6913 W Buckeye Rd - Buckeye Logistics Center - Bldg 2 in the Southwest market.

Sublease Vacancy

The amount of vacant sublease space in the Phoenix market increased to 2,115,532 square feet by the end of the second quarter 2010, from 2,093,881 square feet at the end of the first quarter 2010. There were 2,093,271 square feet vacant at the end of the fourth quarter 2009 and 2,200,588 square feet at the end of the third quarter 2009.

Phoenix's Flex projects reported vacant sublease space of

VACANCY RATES BY BUILDING TYPE 1999-2010



Source: CoStar Property®

408,234 square feet at the end of second quarter 2010, up from the 303,974 square feet reported at the end of the first quarter 2010. There were 388,712 square feet of sublease space vacant at the end of the fourth quarter 2009, and 430,816 square feet at the end of the third quarter 2009.

Warehouse projects reported decreased vacant sublease space from the first quarter 2010 to the second quarter 2010. Sublease vacancy went from 1,789,907 square feet to 1,707,298 square feet during that time. There were 1,704,559 square feet at the end of the fourth quarter 2009, and 1,769,772 square feet at the end of the third quarter 2009.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$6.54 per square foot per year at the end of the second quarter 2010 in the Phoenix market area. This represented a 0.5% decrease in quoted rental rates from the end of the first quarter 2010, when rents were reported at \$6.57 per square foot.

The average quoted rate within the Flex sector was \$12.15 per square foot at the end of the second quarter 2010, while Warehouse rates stood at \$5.80. At the end of the first quarter 2010, Flex rates were \$12.50 per square foot, and Warehouse rates were \$5.83.

Deliveries and Construction

During the second quarter 2010, one building totaling 466,694 square feet was completed in the Phoenix market area. This compares to two buildings totaling 782,291 square feet that were completed in the first quarter 2010, two buildings totaling 1,411,110 square feet completed in the fourth quarter 2009, and 823,157 square feet in eight buildings completed in the third quarter 2009.

There were 147,403 square feet of Industrial space under construction at the end of the second quarter 2010.

Some of the notable 2010 deliveries include: 1755 S 75th

Ave, a 682,291-square-foot facility that delivered in first quarter 2010 and is now 0% occupied, and 9081 W Washington St - Home Depot Distribution, a 466,694-square-foot building that delivered in second quarter 2010 and is now 100% occupied.

The largest projects underway at the end of second quarter 2010 were: 1881 E University Dr - High Voltage, a 105,292-square-foot building with 100% of its space pre-leased, and 25820 S Arizona Ave, a 18,000-square-foot facility that is 100% pre-leased.

Inventory

Total Industrial inventory in the Phoenix market area amounted to 288,735,753 square feet in 9,596 buildings as of the end of the second quarter 2010. The Flex sector consisted of 32,502,477 square feet in 1,052 projects. The Warehouse sector consisted of 256,233,276 square feet in 8,544 buildings. Within the Industrial market there were 1,710 owner-occupied buildings accounting for 66,805,801 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Phoenix industrial sales figures fell during the first quarter 2010 in terms of dollar volume compared to the fourth quarter of 2009.

In the first quarter, 20 industrial transactions closed with a total volume of \$41,158,792. The 20 buildings totaled 821,916 square feet and the average price per square foot equated to \$50.08 per square foot. That compares to 27 transactions totaling \$140,969,147 in the fourth quarter. The total square footage was 2,836,923 for an average price per square foot of \$49.69.

Total year-to-date industrial building sales activity in 2010 is up compared to the previous year. In the first three months of 2010, the market saw 20 industrial sales transactions with a total volume of \$41,158,792. The price per square foot has averaged \$50.08 this year. In the first three months of 2009, the market posted 10 transactions with a total volume of \$29,000,569. The price per square foot averaged \$74.58.

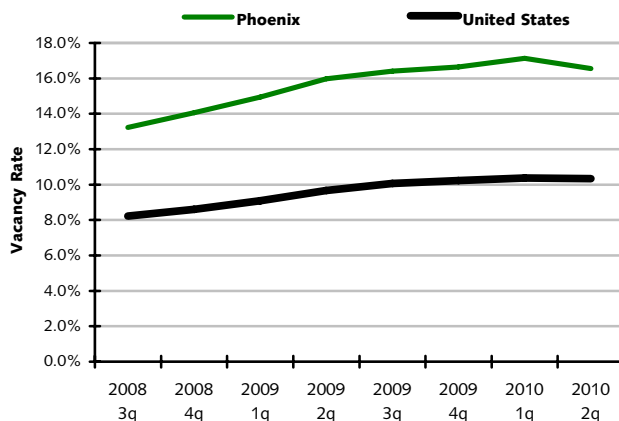
Cap rates have been lower in 2010, averaging 8.00%, compared to the first three months of last year when they averaged 8.50%.

One of the largest transactions that has occurred within the last four quarters in the Phoenix market is the sale of 1000-1100 E Bell Rd - Western Digital in Phoenix. This 545,000-square-foot industrial building sold for \$20,000,000, or \$36.70 per square foot. The property sold on 5/25/2010 and will be owner occupied.

Reports compiled by: Adam Jarrett, CoStar Property® Research Manager; Tom Summers, CoStar COMPS® Research Manager.

U.S. VACANCY COMPARISON

Past 8 Quarters



Source: CoStar Property®

PHOENIX INDUSTRIAL MARKET



MARKETS

CoSTAR MARKETS & SUBMARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets
Airport Ind	North Airport Ind S Airport N of Roeser Ind S Airport S of Roeser Ind SC N of Salt River Ind SC S of Salt River Ind
Northeast Ind	Central Phoenix Ind Scottsdale Airpark Ind Scottsdale/Salt River Ind
Northwest Ind	Deer Vly/Pinnacle Pk Ind Glendale Ind Grand Avenue Ind N Glendale/Sun City Ind North Black Canyon Ind W Phx N of Thomas Rd Ind W Phx S of Thomas Rd Ind
Southeast Ind	Chandler Airport Ind Chandler Ind Chandler N/Gilbert Ind Falcon Fld/Apache Jct Ind Mesa Ind Tempe East Ind Tempe Northwest Ind Tempe Southwest Ind
Southwest Ind	Goodyear Ind SW N of Buckeye Road Ind SW S of Buckeye Road Ind Tolleson Ind

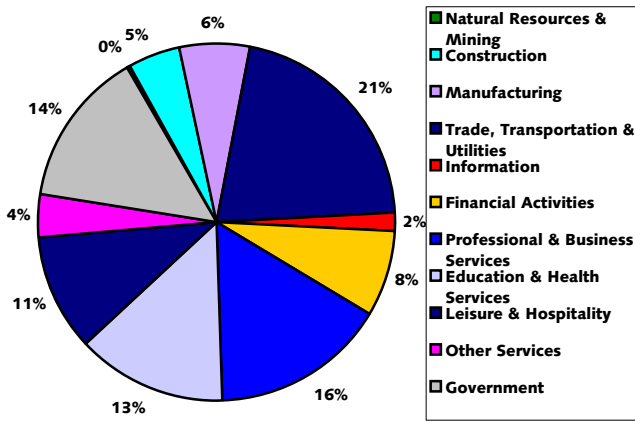


PHOENIX INDUSTRIAL MARKET

EMPLOYMENT AND TENANT

TOTAL EMPLOYMENT BY INDUSTRY

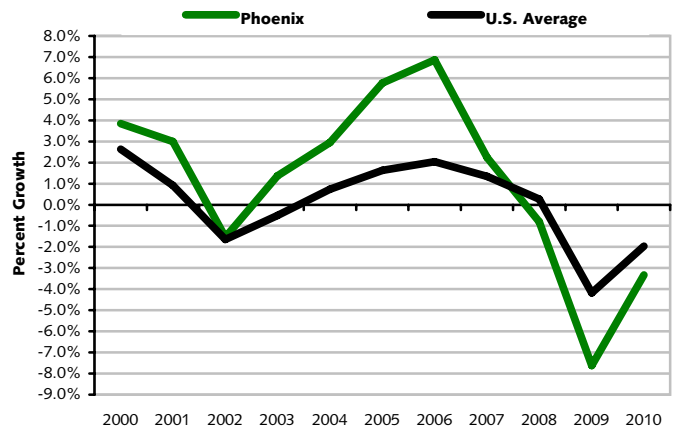
Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

TOTAL EMPLOYMENT GROWTH

Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

TOTAL EMPLOYMENT GROWTH

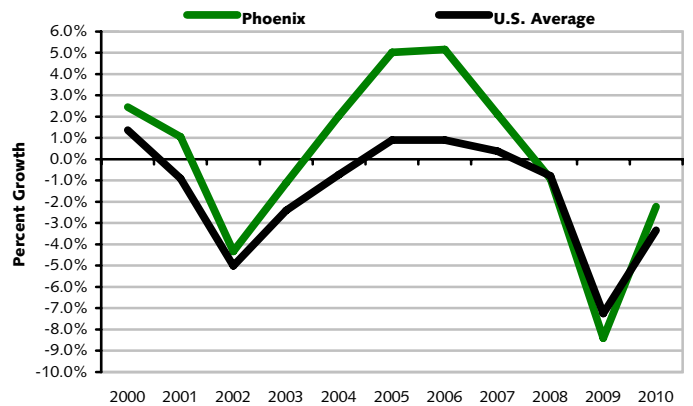
Cumulative Growth in Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	-5.00%	3.70%	-8.70%
Chicago	-4.10%	3.90%	-8.00%
Dallas/Ft Worth	2.40%	6.60%	-4.20%
Denver	-2.10%	3.20%	-5.30%
Detroit	-11.70%	0.80%	-12.50%
Houston	5.10%	6.30%	-1.20%
Inland Empire (California)	-8.40%	13.70%	-22.10%
Los Angeles	-6.40%	1.20%	-7.60%
Northern New Jersey	-3.70%	2.20%	-5.90%
Pittsburgh	-1.80%	1.80%	-3.60%
Phoenix	1.40%	10.50%	-9.10%

Source: Department of Labor, Bureau of Labor Statistics

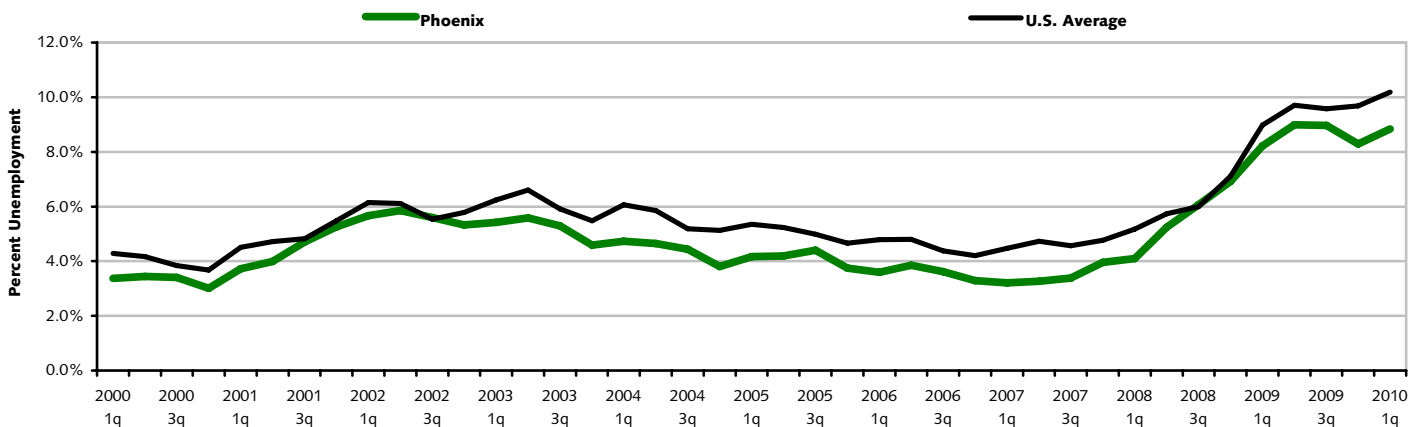
INDUSTRIAL* EMPLOYMENT GROWTH

Number of Industrial* Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics. * Industrial employment is defined as jobs in the Manufacturing, and Trade, Transportation & Utilities industries

HISTORICAL UNEMPLOYMENT RATES



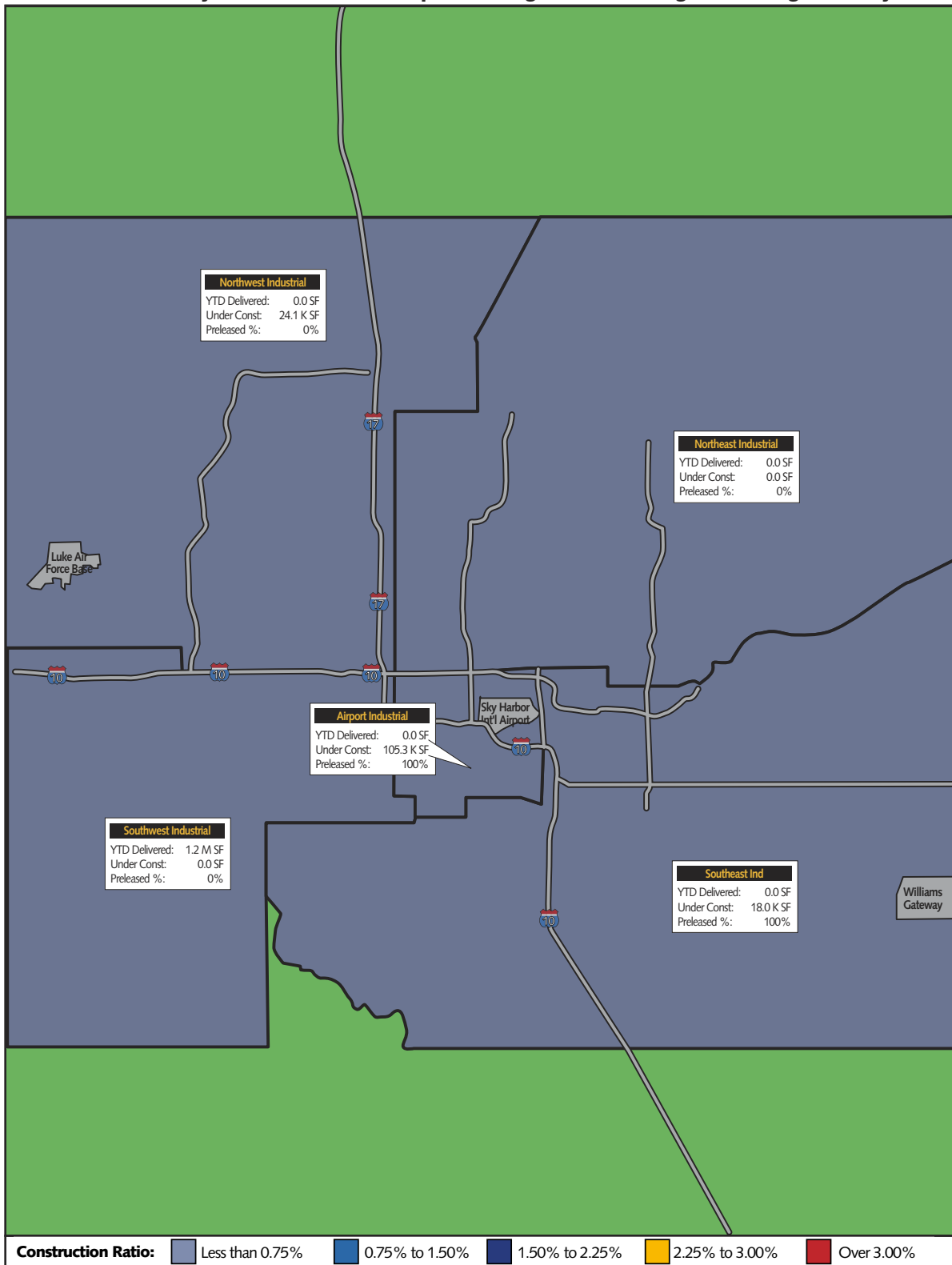
Source: Department of Labor, Bureau of Labor Statistics

PHOENIX INDUSTRIAL MARKET



INVENTORY & DEVELOPMENT

CONSTRUCTION HIGHLIGHTS IN SELECT CoSTAR MARKETS Color Coded by Under Construction Square Footage as a Percentage of Existing Inventory



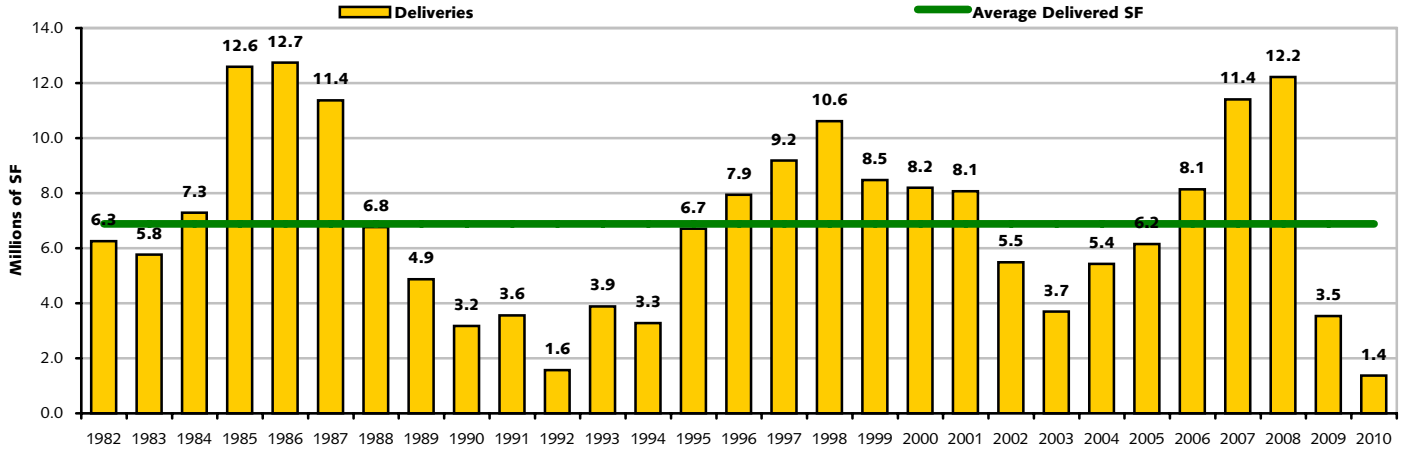
Source: CoStar Property®



PHOENIX INDUSTRIAL MARKET

INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1982 - 2010



Source: CoStar Property® * Future deliveries based on current under construction buildings.

CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Airport Ind	1	105,292	105,292	100.0%	25,816	105,292
Northwest Ind	1	24,111	0	0.0%	22,264	24,111
Southeast Ind	1	18,000	18,000	100.0%	27,947	18,000
Southwest Ind	0	0	0	0.0%	63,419	0
Northeast Ind	0	0	0	0.0%	20,897	0
Totals	3	147,403	123,292	83.6%	30,089	49,134

Source: CoStar Property®

RECENT DELIVERIES

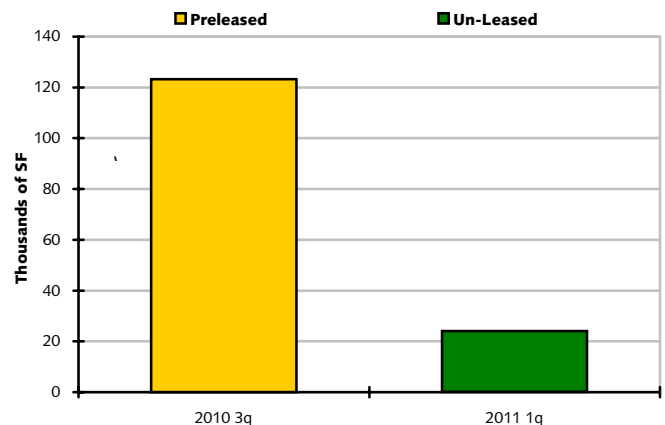
Leased & Un-Leased SF in Deliveries Since 2006



Source: CoStar Property®

FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

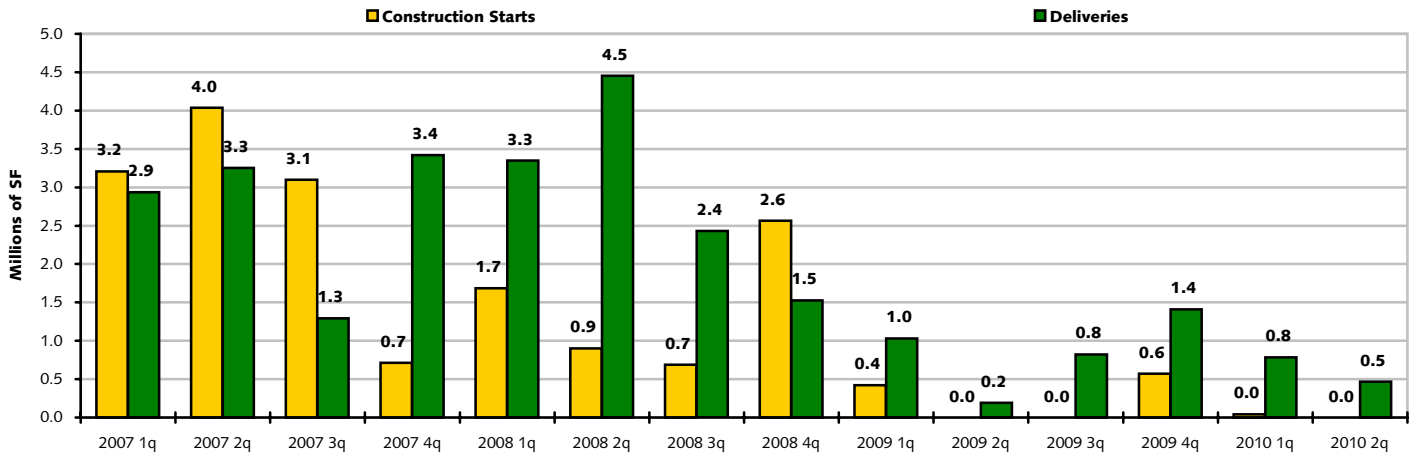
PHOENIX INDUSTRIAL MARKET



INVENTORY & DEVELOPMENT

HISTORICAL CONSTRUCTION STARTS & DELIVERIES

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	0	0	0	0.0%	\$0.00	0	0
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	1	100,000	100,000	100.0%	\$0.00	100,000	0
250,000 SF - 499,999 SF	1	466,694	466,694	100.0%	\$0.00	466,694	0
>= 500,000 SF	1	682,291	0	0.0%	\$4.56	0	682,291

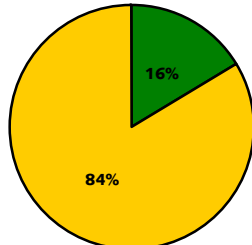
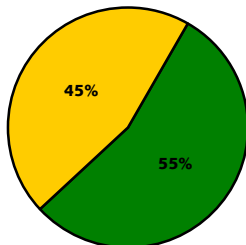
Source: CoStar Property®

RECENT DEVELOPMENT BY TENANCY

Based on RBA Developed for Single & Multi-Tenant Use

2010 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

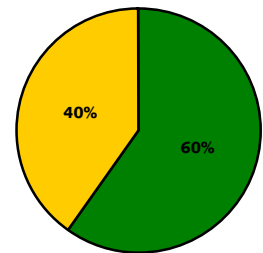
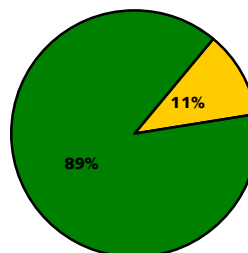
Source: CoStar Property®

EXISTING INVENTORY COMPARISON

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

<p>1. 1755 S 75th Ave</p> <hr/> Submarket: Southwest Industrial Market RBA: 682,291 Occupied: 0% Quoted Rate: \$4.56 Grnd Brk Date: Fourth Quarter 2008 Deliv Date: First Quarter 2010 Leasing Co: Buzz Oates Enterprises Developer: Wentworth Property Co. LLC	<p>2. 9081 W Washington St - Home Depot</p> <hr/> Submarket: Southwest Industrial Market RBA: 466,694 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2009 Deliv Date: Second Quarter 2010 Leasing Co: Seefried Properties, Inc. Developer: Seefried Properties, Inc.	<p>3. 5757 W Lower Buckeye Rd - Kraft Foods</p> <hr/> Submarket: Southwest Industrial Market RBA: 100,000 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2009 Deliv Date: First Quarter 2010 Leasing Co: Kraft Foods Developer: N/A
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SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

<p>1. 1881 E University Dr - High Voltage</p> <hr/> Submarket: Airport Industrial Market RBA: 105,292 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2009 Deliv Date: Third Quarter 2010 Leasing Co: Keller Electrical Industries, Inc. Developer: Sun State Builders	<p>2. 25820 S Arizona Ave</p> <hr/> Submarket: Southeast Industrial Market RBA: 18,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2010 Deliv Date: Third Quarter 2010 Leasing Co: Picture Properties #1 Developer: N/A
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PHOENIX INDUSTRIAL MARKET



FIGURES AT A GLANCE

FLEX MARKET STATISTICS

Mid-Year 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	141	5,267,246	943,386	993,748	18.9%	36,706	0	0	\$11.82
Northeast Ind	205	5,060,983	1,115,025	1,142,235	22.6%	(16,870)	0	0	\$13.08
Northwest Ind	245	5,643,588	1,343,993	1,364,493	24.2%	(14,335)	0	0	\$9.62
Southeast Ind	426	15,206,943	2,643,250	2,953,412	19.4%	(28,272)	0	0	\$13.14
Southwest Ind	35	1,323,717	354,524	354,524	26.8%	5,112	0	0	\$9.62
Totals	1,052	32,502,477	6,400,178	6,808,412	20.9%	(17,659)	0	0	\$12.15

Source: CoStar Property®

WAREHOUSE MARKET STATISTICS

Mid-Year 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	1,776	44,222,850	5,399,820	5,945,007	13.4%	19,701	0	105,292	\$6.13
Northeast Ind	597	11,698,651	1,377,882	1,542,254	13.2%	(89,686)	0	0	\$9.76
Northwest Ind	2,239	49,659,661	6,751,202	6,889,951	13.9%	(338,470)	0	24,111	\$6.08
Southeast Ind	2,715	72,575,235	9,600,656	10,014,999	13.8%	697,262	0	18,000	\$6.91
Southwest Ind	1,217	78,076,879	16,176,678	16,621,325	21.3%	1,001,976	1,248,985	0	\$4.23
Totals	8,544	256,233,276	39,306,238	41,013,536	16.0%	1,290,783	1,248,985	147,403	\$5.80

Source: CoStar Property®

TOTAL INDUSTRIAL MARKET STATISTICS

Mid-Year 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	1,917	49,490,096	6,343,206	6,938,755	14.0%	56,407	0	105,292	\$6.64
Northeast Ind	802	16,759,634	2,492,907	2,684,489	16.0%	(106,556)	0	0	\$10.96
Northwest Ind	2,484	55,303,249	8,095,195	8,254,444	14.9%	(352,805)	0	24,111	\$6.49
Southeast Ind	3,141	87,782,178	12,243,906	12,968,411	14.8%	668,990	0	18,000	\$8.14
Southwest Ind	1,252	79,400,596	16,531,202	16,975,849	21.4%	1,007,088	1,248,985	0	\$4.35
Totals	9,596	288,735,753	45,706,416	47,821,948	16.6%	1,273,124	1,248,985	147,403	\$6.54

Source: CoStar Property®

FLEX SUBMARKET STATISTICS

Mid-Year 2010

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Phoenix Ind	43	685,288	78,239	78,239	11.4%	(22,132)	0	0	\$11.60
Chandler Airport Ind	10	670,972	184,785	184,785	27.5%	30,941	0	0	\$15.07
Chandler Ind	63	3,186,224	771,015	920,757	28.9%	(27,026)	0	0	\$12.27
Chandler N/Gilbert Ind	92	2,417,346	525,610	525,610	21.7%	(62,845)	0	0	\$9.85
Deer Vly/Pinnacle Pk Ind	79	2,812,063	622,491	625,391	22.2%	(6,082)	0	0	\$10.15
Falcon Fld/Apache Jct Ind	27	484,117	233,410	233,410	48.2%	(10,903)	0	0	\$9.85
Glendale Ind	8	195,915	79,751	79,751	40.7%	18,000	0	0	\$11.81
Goodyear Ind	11	375,870	175,137	175,137	46.6%	5,005	0	0	\$9.66
Grand Avenue Ind	20	193,788	24,072	24,072	12.4%	0	0	0	\$9.00
Mesa Ind	34	322,020	3,226	3,226	1.0%	21,721	0	0	\$0.00
N Glendale/Sun City Ind	21	435,150	71,778	71,778	16.5%	12,557	0	0	\$9.95
North Airport Ind	41	2,001,508	427,275	442,275	22.1%	(12,275)	0	0	\$10.05
North Black Canyon Ind	59	1,128,781	336,240	353,840	31.3%	(47,226)	0	0	\$8.80
S Airport N of Roeser Ind	53	2,240,879	282,158	317,520	14.2%	48,981	0	0	\$11.14
S Airport S of Roeser Ind	8	100,665	7,568	7,568	7.5%	0	0	0	\$7.80
SC N of Salt River Ind	35	896,118	226,385	226,385	25.3%	0	0	0	\$15.66
SC S of Salt River Ind	4	28,076	0	0	0.0%	0	0	0	\$0.00
Scottsdale Airpark Ind	99	2,528,153	661,033	677,196	26.8%	(53,085)	0	0	\$13.54
Scottsdale/Salt River Ind	63	1,847,542	375,753	386,800	20.9%	58,347	0	0	\$12.73
SW N of Buckeye Road Ind	8	212,869	0	0	0.0%	0	0	0	\$0.00
SW S of Buckeye Road Ind	8	342,354	0	0	0.0%	0	0	0	\$9.60
Tempe East Ind	39	1,230,807	79,210	195,429	15.9%	(1,246)	0	0	\$17.11
Tempe Northwest Ind	68	2,418,669	311,508	337,909	14.0%	(23,911)	0	0	\$16.20
Tempe Southwest Ind	93	4,476,788	534,486	552,286	12.3%	44,997	0	0	\$11.36
Tolleson Ind	8	392,624	179,387	179,387	45.7%	107	0	0	\$9.60
W Phx N of Thomas Rd Ind	46	724,398	171,447	171,447	23.7%	18,074	0	0	\$7.01
W Phx S of Thomas Rd Ind	12	153,493	38,214	38,214	24.9%	(9,658)	0	0	\$8.16
Totals	1,052	32,502,477	6,400,178	6,808,412	20.9%	(17,659)	0	0	\$12.15

Source: CoStar Property®

WAREHOUSE SUBMARKET STATISTICS

Mid-Year 2010

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Phoenix Ind	227	3,151,571	309,156	309,156	9.8%	7,603	0	0	\$8.51
Chandler Airport Ind	54	1,251,860	381,294	381,294	30.5%	65,741	0	18,000	\$7.89
Chandler Ind	299	14,543,331	1,616,389	1,654,675	11.4%	(65,817)	0	0	\$7.93
Chandler N/Gilbert Ind	627	13,840,895	2,847,663	2,950,603	21.3%	101,622	0	0	\$6.84
Deer Vly/Pinnacle Pk Ind	527	12,672,411	1,737,736	1,770,979	14.0%	(501,508)	0	24,111	\$8.52
Falcon Fld/Apache Jct Ind	179	4,020,366	518,294	518,294	12.9%	99,694	0	0	\$7.89
Glendale Ind	82	3,383,543	846,585	846,585	25.0%	72,332	0	0	\$4.53
Goodyear Ind	106	7,920,572	2,069,140	2,069,140	26.1%	1,447	0	0	\$4.51
Grand Avenue Ind	573	12,836,049	1,370,081	1,420,144	11.1%	59,150	0	0	\$5.13
Mesa Ind	421	6,461,699	1,044,043	1,076,656	16.7%	246,503	0	0	\$6.76
N Glendale/Sun City Ind	117	2,898,684	951,153	963,153	33.2%	(20,915)	0	0	\$6.96
North Airport Ind	493	11,532,512	1,366,562	1,521,956	13.2%	48,908	0	0	\$6.64
North Black Canyon Ind	194	3,451,829	418,363	418,363	12.1%	(16,509)	0	0	\$6.41
S Airport N of Roeser Ind	436	11,719,638	1,355,847	1,609,523	13.7%	104,010	0	105,292	\$6.25
S Airport S of Roeser Ind	153	4,190,490	661,377	661,377	15.8%	(7,716)	0	0	\$7.29
SC N of Salt River Ind	597	15,010,260	1,874,351	2,010,468	13.4%	(151,587)	0	0	\$5.18
SC S of Salt River Ind	97	1,769,950	141,683	141,683	8.0%	26,086	0	0	\$5.36
Scottsdale Airpark Ind	275	4,905,782	852,290	894,662	18.2%	(141,118)	0	0	\$10.05
Scottsdale/Salt River Ind	95	3,641,298	216,436	338,436	9.3%	43,829	0	0	\$9.96
SW N of Buckeye Road Ind	646	30,554,355	4,988,291	5,254,011	17.2%	(158,253)	0	0	\$4.00
SW S of Buckeye Road Ind	263	13,155,716	2,915,777	3,044,277	23.1%	145,312	100,000	0	\$4.36
Tempe East Ind	343	5,695,923	538,463	542,763	9.5%	373	0	0	\$8.03
Tempe Northwest Ind	281	9,048,733	694,752	712,876	7.9%	72,090	0	0	\$6.76
Tempe Southwest Ind	511	17,712,428	1,959,758	2,177,838	12.3%	177,056	0	0	\$5.90
Tolleson Ind	202	26,446,236	6,203,470	6,253,897	23.6%	1,013,470	1,148,985	0	\$4.33
W Phx N of Thomas Rd Ind	443	7,897,765	802,399	802,399	10.2%	49,559	0	0	\$4.58
W Phx S of Thomas Rd Ind	303	6,519,380	624,885	668,328	10.3%	19,421	0	0	\$4.71
Totals	8,544	256,233,276	39,306,238	41,013,536	16.0%	1,290,783	1,248,985	147,403	\$5.80

Source: CoStar Property®

PHOENIX INDUSTRIAL MARKET



FIGURES AT A GLANCE

TOTAL INDUSTRIAL SUBMARKET STATISTICS

Mid-Year 2010

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Phoenix Ind	270	3,836,859	387,395	387,395	10.1%	(14,529)	0	0	\$9.22
Chandler Airport Ind	64	1,922,832	566,079	566,079	29.4%	96,682	0	18,000	\$9.56
Chandler Ind	362	17,729,555	2,387,404	2,575,432	14.5%	(92,843)	0	0	\$9.22
Chandler N/Gilbert Ind	719	16,258,241	3,373,273	3,476,213	21.4%	38,777	0	0	\$7.18
Deer Vly/Pinnacle Pk Ind	606	15,484,474	2,360,227	2,396,370	15.5%	(507,590)	0	24,111	\$8.85
Falcon Fld/Apache Jct Ind	206	4,504,483	751,704	751,704	16.7%	88,791	0	0	\$8.32
Glendale Ind	90	3,579,458	926,336	926,336	25.9%	90,332	0	0	\$4.87
Goodyear Ind	117	8,296,442	2,244,277	2,244,277	27.1%	6,452	0	0	\$4.74
Grand Avenue Ind	593	13,029,837	1,394,153	1,444,216	11.1%	59,150	0	0	\$5.13
Mesa Ind	455	6,783,719	1,047,269	1,079,882	15.9%	268,224	0	0	\$6.76
N Glendale/Sun City Ind	138	3,333,834	1,022,931	1,034,931	31.0%	(8,358)	0	0	\$7.15
North Airport Ind	534	13,534,020	1,793,837	1,964,231	14.5%	36,633	0	0	\$7.05
North Black Canyon Ind	253	4,580,610	754,603	772,203	16.9%	(63,735)	0	0	\$7.29
S Airport N of Roeser Ind	489	13,960,517	1,638,005	1,927,043	13.8%	152,991	0	105,292	\$6.79
S Airport S of Roeser Ind	161	4,291,155	668,945	668,945	15.6%	(7,716)	0	0	\$7.29
SC N of Salt River Ind	632	15,906,378	2,100,736	2,236,853	14.1%	(151,587)	0	0	\$5.94
SC S of Salt River Ind	101	1,798,026	141,683	141,683	7.9%	26,086	0	0	\$5.36
Scottsdale Airpark Ind	374	7,433,935	1,513,323	1,571,858	21.1%	(194,203)	0	0	\$11.29
Scottsdale/Salt River Ind	158	5,488,840	592,189	725,236	13.2%	102,176	0	0	\$11.17
SW N of Buckeye Road Ind	654	30,767,224	4,988,291	5,254,011	17.1%	(158,253)	0	0	\$4.00
SW S of Buckeye Road Ind	271	13,498,070	2,915,777	3,044,277	22.6%	145,312	100,000	0	\$4.70
Tempe East Ind	382	6,926,730	617,673	738,192	10.7%	(873)	0	0	\$10.65
Tempe Northwest Ind	349	11,467,402	1,006,260	1,050,785	9.2%	48,179	0	0	\$9.59
Tempe Southwest Ind	604	22,189,216	2,494,244	2,730,124	12.3%	222,053	0	0	\$6.87
Tolleson Ind	210	26,838,860	6,382,857	6,433,284	24.0%	1,013,577	1,148,985	0	\$4.40
W Phx N of Thomas Rd Ind	489	8,622,163	973,846	973,846	11.3%	67,633	0	0	\$4.76
W Phx S of Thomas Rd Ind	315	6,672,873	663,099	706,542	10.6%	9,763	0	0	\$4.82
Totals	9,596	288,735,753	45,706,416	47,821,948	16.6%	1,273,124	1,248,985	147,403	\$6.54

Source: CoStar Property®

FLEX MARKET STATISTICS

Mid-Year 2010

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2010 2q	1,052	32,502,477	6,400,178	6,808,412	20.9%	89,271	0	0	0	0	\$12.15
2010 1q	1,052	32,502,477	6,593,709	6,897,683	21.2%	(106,930)	0	0	0	0	\$12.50
2009 4q	1,052	32,502,477	6,402,041	6,790,753	20.9%	175,149	0	0	0	0	\$12.62
2009 3q	1,054	32,617,722	6,650,331	7,081,147	21.7%	(398,580)	5	82,180	0	0	\$12.87
2009 2q	1,049	32,535,542	6,242,800	6,600,387	20.3%	(368,896)	0	0	5	82,180	\$13.29
2009 1q	1,049	32,535,542	5,819,226	6,231,491	19.2%	578,665	9	428,949	5	82,180	\$13.15
2008	1,040	32,106,593	6,050,136	6,381,207	19.9%	(302,466)	25	833,051	13	497,616	\$13.01
2007	1,015	31,273,542	4,886,154	5,245,690	16.8%	(176,709)	26	876,077	17	788,787	\$13.66
2006	992	30,900,775	4,358,038	4,696,214	15.2%	407,377	54	1,384,035	19	612,802	\$13.07
2005	938	29,516,740	3,426,950	3,719,556	12.6%	2,362,788	35	1,374,774	40	906,268	\$11.74
2004	903	28,141,966	4,384,875	4,707,570	16.7%	1,045,884	27	681,871	27	1,140,648	\$10.64
2003	876	27,460,095	4,894,874	5,071,583	18.5%	1,090,526	17	929,935	20	574,338	\$10.12
2002	859	26,530,160	4,753,226	5,232,174	19.7%	11,623	21	897,893	8	765,744	\$11.66
2001	838	25,632,267	3,848,430	4,345,904	17.0%	249,554	32	1,475,063	18	752,686	\$10.97
2000	806	24,157,204	2,887,379	3,120,395	12.9%	808,023	24	1,344,798	30	1,414,254	\$10.19
1999	783	22,826,406	2,517,900	2,597,620	11.4%	1,078,973	44	1,814,168	12	660,362	\$10.31

Source: CoStar Property®

WAREHOUSE MARKET STATISTICS

Mid-Year 2010

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2010 2q	8,544	256,233,276	39,306,238	41,013,536	16.0%	1,958,777	1	466,694	3	147,403	\$5.80
2010 1q	8,543	255,766,582	40,715,712	42,505,619	16.6%	(667,994)	2	782,291	4	614,097	\$5.83
2009 4q	8,541	254,984,291	39,350,775	41,055,334	16.1%	221,331	2	1,411,110	4	1,354,277	\$5.96
2009 3q	8,539	253,573,181	38,095,783	39,865,555	15.7%	(289,897)	3	740,977	4	2,193,401	\$6.22
2009 2q	8,544	253,046,896	37,271,876	39,049,373	15.4%	(2,425,449)	6	193,323	7	2,934,378	\$6.41
2009 1q	8,539	252,862,813	34,668,034	36,439,841	14.4%	(2,257,227)	6	599,673	13	3,127,701	\$6.60
2008	8,533	252,263,140	32,345,368	33,582,941	13.3%	(1,242,100)	181	10,926,803	17	3,320,397	\$7.00
2007	8,354	241,415,267	20,949,581	21,492,968	8.9%	4,748,678	207	10,026,344	128	8,947,700	\$7.18
2006	8,150	231,678,570	15,529,515	16,504,949	7.1%	5,377,705	195	6,555,810	146	8,970,473	\$6.91
2005	7,958	225,323,150	14,685,445	15,527,234	6.9%	8,115,393	136	4,357,696	153	4,478,243	\$6.37
2004	7,827	221,056,395	18,726,994	19,375,872	8.8%	6,218,583	146	4,154,950	80	2,879,125	\$5.95
2003	7,687	218,297,285	21,464,243	22,835,345	10.5%	1,230,201	82	2,511,461	81	2,190,000	\$6.61
2002	7,605	215,785,824	19,546,797	21,554,085	10.0%	492,537	92	4,229,451	54	1,911,558	\$5.98
2001	7,520	211,674,110	16,463,647	17,934,908	8.5%	3,192,166	120	6,007,014	73	4,107,938	\$6.09
2000	7,403	205,683,796	14,379,083	15,136,760	7.4%	5,292,088	156	6,211,278	104	6,525,937	\$7.74
1999	7,254	199,585,470	13,326,394	14,330,522	7.2%	1,694,702	171	6,314,400	114	4,984,716	\$5.45

Source: CoStar Property®

TOTAL INDUSTRIAL MARKET STATISTICS

Mid-Year 2010

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2010 2q	9,596	288,735,753	45,706,416	47,821,948	16.6%	2,048,048	1	466,694	3	147,403	\$6.54
2010 1q	9,595	288,269,059	47,309,421	49,403,302	17.1%	(774,924)	2	782,291	4	614,097	\$6.57
2009 4q	9,593	287,486,768	45,752,816	47,846,087	16.6%	396,480	2	1,411,110	4	1,354,277	\$6.69
2009 3q	9,593	286,190,903	44,746,114	46,946,702	16.4%	(688,477)	8	823,157	4	2,193,401	\$6.93
2009 2q	9,593	285,582,438	43,514,676	45,649,760	16.0%	(2,794,345)	6	193,323	12	3,016,558	\$7.16
2009 1q	9,588	285,398,355	40,487,260	42,671,332	15.0%	(1,678,562)	15	1,028,622	18	3,209,881	\$7.35
2008	9,573	284,369,733	38,395,504	39,964,148	14.1%	(1,544,566)	206	11,759,854	30	3,818,013	\$7.74
2007	9,369	272,688,809	25,835,735	26,738,658	9.8%	4,571,969	233	10,902,421	145	9,736,487	\$8.12
2006	9,142	262,579,345	19,887,553	21,201,163	8.1%	5,785,082	249	7,939,845	165	9,583,275	\$7.81
2005	8,896	254,839,890	18,112,395	19,246,790	7.6%	10,478,181	171	5,732,470	193	5,384,511	\$7.23
2004	8,730	249,198,361	23,111,869	24,083,442	9.7%	7,264,467	173	4,836,821	107	4,019,773	\$6.88
2003	8,563	245,757,380	26,359,117	27,906,928	11.4%	2,320,727	99	3,441,396	101	2,764,338	\$7.29
2002	8,464	242,315,984	24,300,023	26,786,259	11.1%	504,160	113	5,127,344	62	2,677,302	\$6.48
2001	8,358	237,306,377	20,312,077	22,280,812	9.4%	3,441,720	152	7,482,077	91	4,860,624	\$6.56
2000	8,209	229,841,000	17,266,462	18,257,155	7.9%	6,100,111	180	7,556,076	134	7,940,191	\$8.02
1999	8,037	222,411,876	15,844,294	16,928,142	7.6%	2,773,675	215	8,128,568	126	5,645,078	\$5.92

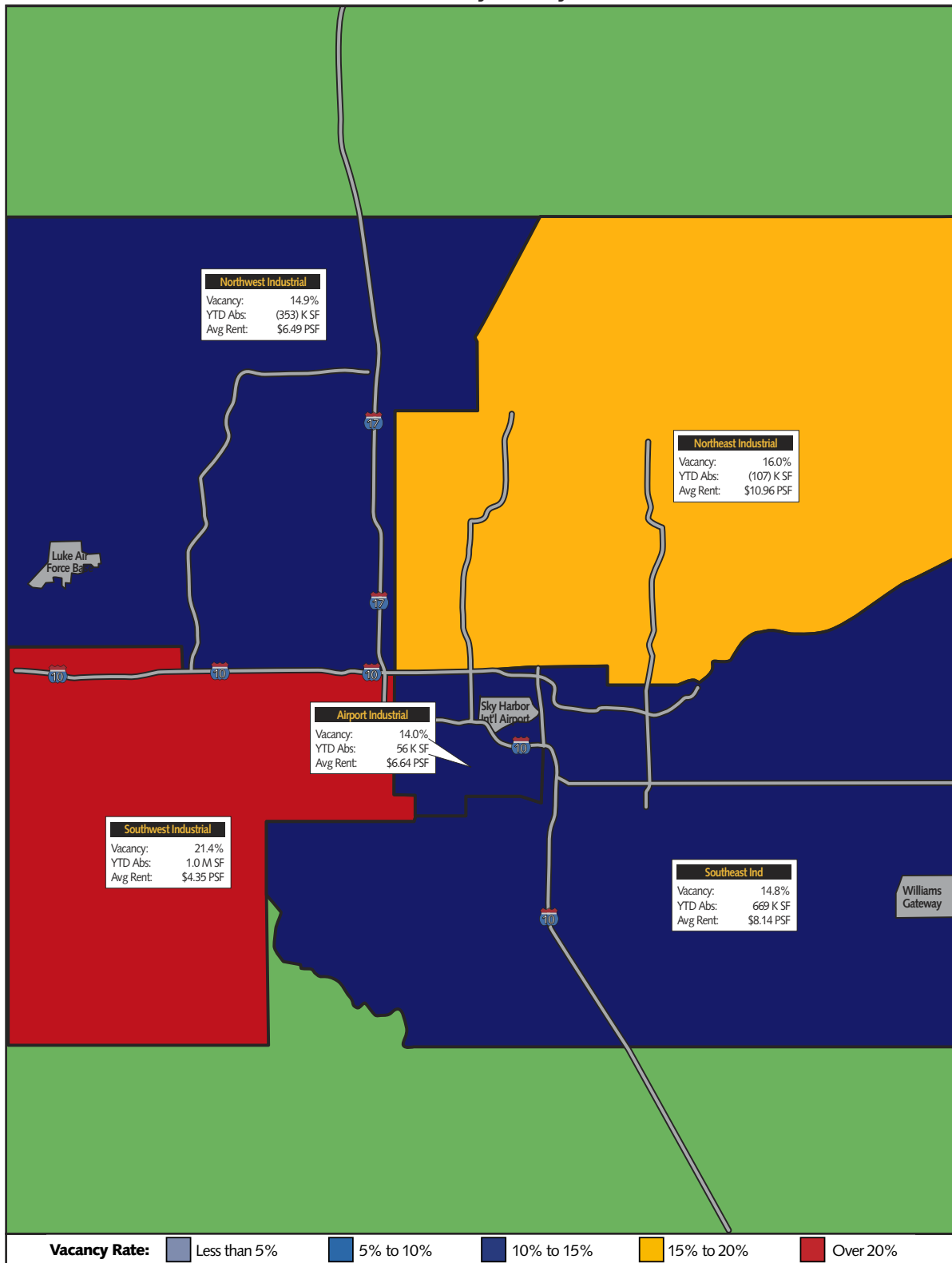
Source: CoStar Property®

PHOENIX INDUSTRIAL MARKET



LEASING ACTIVITY

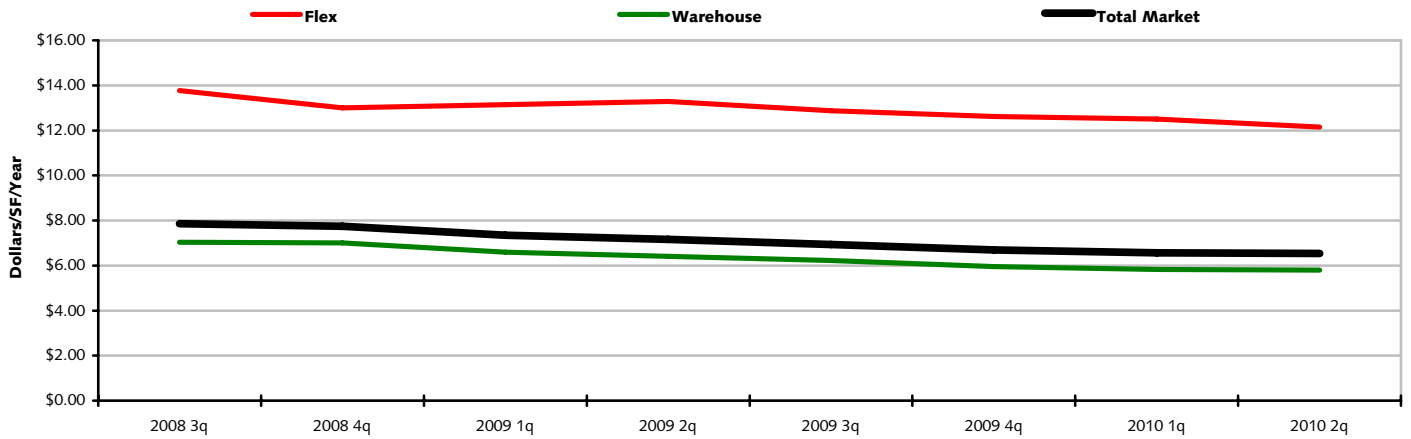
LEASING HIGHLIGHTS IN SELECT CoSTAR MARKETS Color Coded by Vacancy Rate



Source: CoStar Property®

HISTORICAL RENTAL RATES

Based on Quoted Rental Rates



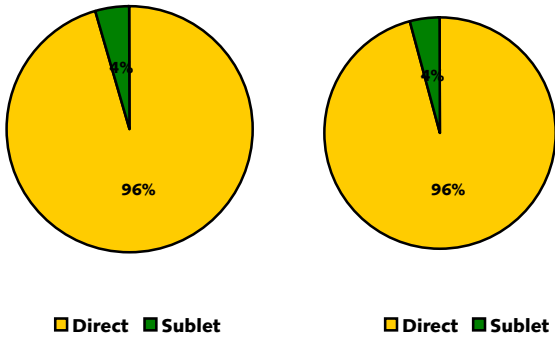
Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

Phoenix

United States



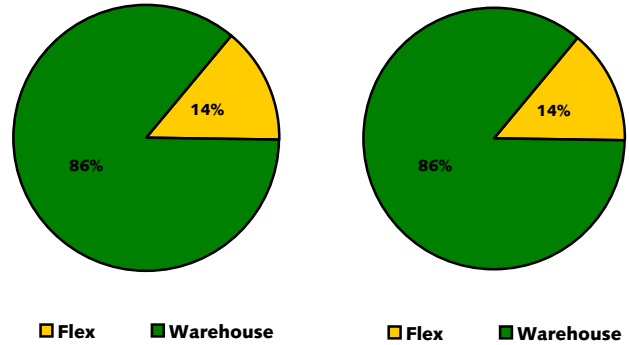
Source: CoStar Property®

VACANCY BY BUILDING TYPE

Percent of All Vacant Space by Building Type

Phoenix

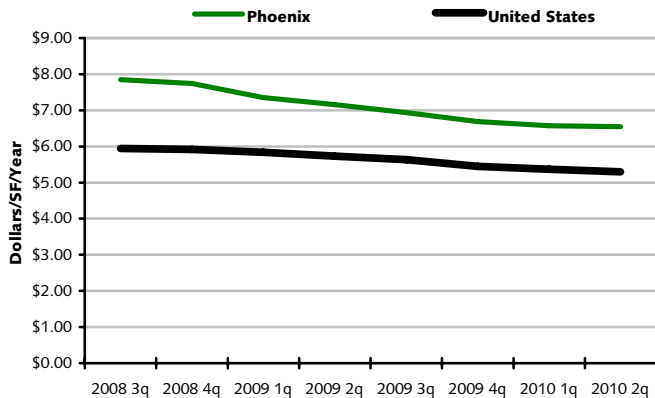
United States



Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

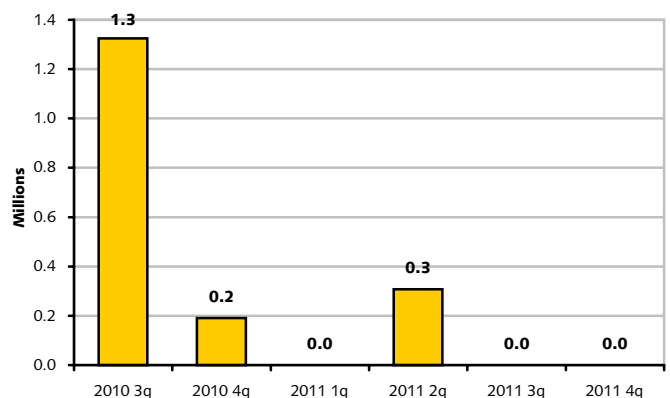
Based on Average Quoted Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

PHOENIX INDUSTRIAL MARKET



LEASING ACTIVITY

SELECT TOP INDUSTRIAL LEASES Based on Leased Square Footage For Deals Signed in 2010

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	17300 W Broadway Rd	Goodyear Ind	460,000	2nd	Tower Automotive	Binswanger	Binswanger
2	8602 W Buckeye Rd	Tolleson Ind	296,829	1st	Staples	CB Richard Ellis	Lee & Associates
3	6913 W Buckeye Rd	Tolleson Ind	216,845	1st	Philosophy, Inc.	Cushman & Wakefield, Inc.	Cushman & Wakefield, Inc.
4	8591 W Washington St*	Tolleson Ind	133,475	1st	International Bedding	Cushman & Wakefield, Inc.	Southwest Commercial Brokerage
5	435 S 59th Ave	SW N of Buckeye Road Ind	120,984	2nd	Closed Loop Refining & Recovery, Inc.	Lee & Associates	Harrison Properties
6	3801 S Cotton Ln	Goodyear Ind	117,853	1st	Suntech Power Holdings Co.	Commercial Properties, Inc.	CB Richard Ellis
7	2404 S Wilson St	Tempe Southwest Ind	93,366	1st	21st Century Healthcare	DAUM Commercial Real Estate	Lee & Associates
8	901 S 86th Ave	Tolleson Ind	81,413	1st	Wal-Mart	Lee & Associates	Lee & Associates
9	7676 N Glen Harbor Blvd	Glendale Ind	76,356	2nd	Linamar Solar Systems, Inc.	Colliers International	Cassidy Turley BRE Commercial
10	8313 W Pierce St	Tolleson Ind	74,718	2nd	Mobilation, Inc.	BGA Realty Partners	Cushman & Wakefield, Inc.
11	4410 W Mohave St*	SW S of Buckeye Road Ind	70,000	1st	Angelica Corporation	Direct Deal	Direct Deal
12	801 S 75th Ave	Tolleson Ind	64,931	1st	Bell Carter Foods	Lee & Associates	CB Richard Ellis
13	235 S Hibbert St	Mesa Ind	59,511	2nd	Walmart	Lee & Associates	Commercial Properties, Inc.
14	2300 S 51st Ave	SW S of Buckeye Road Ind	56,686	2nd	Nivel Parts & Manufacturing Co. LLC	Cushman & Wakefield, Inc.	Cushman & Wakefield, Inc.
15	2625 S Roosevelt St*	Tempe Southwest Ind	53,567	1st	Food Source International LLC	Ross Property Advisors	CB Richard Ellis
16	1555 W 10th Pl*	Tempe Northwest Ind	53,142	2nd	Neltec, Inc.	Direct Deal	Cushman & Wakefield, Inc.
17	8920 S McKemy St	Tempe Southwest Ind	50,623	2nd	Blue Media	Lee & Associates	Lee & Associates
18	8716 W Ludlow Dr	N Glendale/Sun City Ind	49,578	2nd	Watts Water Technologies	Mohr Partners International	Lee & Associates
19	480 N 54th St	Chandler Ind	47,433	2nd	B/E Aerospace, Inc.	Cushman & Wakefield, Inc.	Cushman & Wakefield, Inc.
20	2113 E Jackson St	North Airport Ind	47,250	1st	Off Site Sweeping	Lee & Associates	Lee & Associates
21	2200 E Germann Rd	Chandler Airport Ind	46,846	1st	Education Management Corp.	Cushman & Wakefield, Inc.	CB Richard Ellis
22	1901 W Fillmore St*	SW N of Buckeye Road Ind	42,444	1st	APEX Construction Systems, Inc.	N/A	N/A
23	4025 E Cotton Center Blvd*	S Airport N of Roeser Ind	42,215	2nd	First Health Group/Coventry Healthcare	Jones Lang LaSalle	LBA Realty
24	1150 W Grove Pky	Tempe Southwest Ind	41,664	1st	Grand Canyon University	N/A	Cushman & Wakefield, Inc.
25	10230 S 50th Pl*	Chandler Ind	40,650	2nd	US Food Service	Direct Deal	Direct Deal
26	145 S 79th St	Chandler Ind	38,146	1st	Innovations, City of Chandler	Cushman & Wakefield, Inc.	CB Richard Ellis
27	1439 S 40th Ave	SW S of Buckeye Road Ind	37,420	1st	Sullivan Moving & Storage	Ross Property Advisors	Cushman & Wakefield, Inc.
28	1895 S Los Feliz Dr*	Tempe East Ind	35,000	1st	TriMedica	Colliers International	Cushman & Wakefield, Inc.
29	107 S 41st Ave	SW N of Buckeye Road Ind	34,860	2nd	Marco Display Specialists	1st USA Commercial Properties LLC	Cushman & Wakefield, Inc.
30	596 E Germann Rd	Chandler Airport Ind	34,826	2nd	Sarnova HC LLC	CB Richard Ellis	Cushman & Wakefield, Inc.
31	4050 E Cotton Center Blvd*	S Airport N of Roeser Ind	30,603	2nd	EMCOR Group, Inc.	Colliers International	Commercial Properties, Inc.
32	1450 E Grant St	SC N of Salt River Ind	29,250	2nd	Pro EM	Direct Deal	Harrison Properties
33	3230 E Roeser Rd*	S Airport N of Roeser Ind	28,800	1st	Forest Designs	N/A	Cutler Commercial
34	4048 E Superior Ave	North Airport Ind	26,685	2nd	The Rental Store, Inc.	Industrial Property Specialist	DAUM Commercial Real Estate
35	914 S 52nd St	Tempe Northwest Ind	25,350	2nd	Tiny Prints, Inc.	Jones Lang LaSalle	Cushman & Wakefield, Inc.
36	2820 S 18th Pl	S Airport N of Roeser Ind	25,000	1st	DHL Express	Cushman & Wakefield, Inc.	CB Richard Ellis
37	4246 E Wood St*	S Airport N of Roeser Ind	24,796	1st	Triumph Group	N/A	Cutler Commercial
38	3702 W Buckeye Rd*	SW N of Buckeye Road Ind	24,500	1st	Glaz-Tech Industries	N/A	Cutler Commercial
39	2120 E Raymond St	S Airport N of Roeser Ind	24,154	2nd	Auto Glass Shop LLC	CB Richard Ellis	ProLogis
40	8399 W Van Buren St	Tolleson Ind	22,550	1st	Omnisolv	Cassidy Turley BRE Commercial	Cushman & Wakefield, Inc.

Source: CoStar Property®

* Renewal

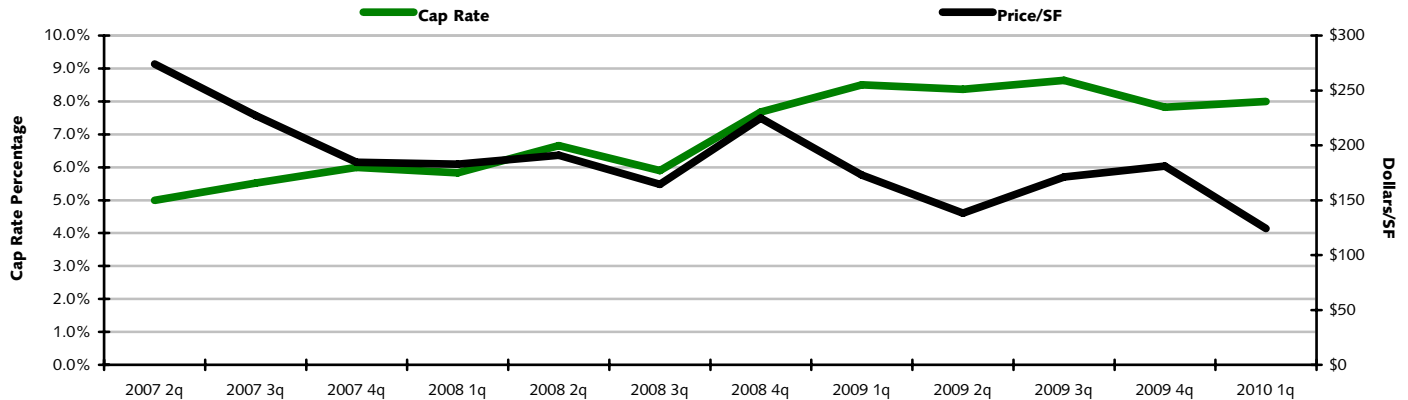


PHOENIX INDUSTRIAL MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

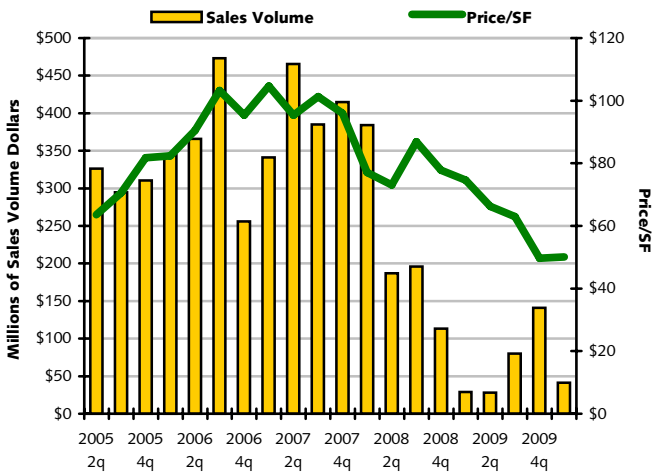
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

SALES VOLUME & PRICE

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

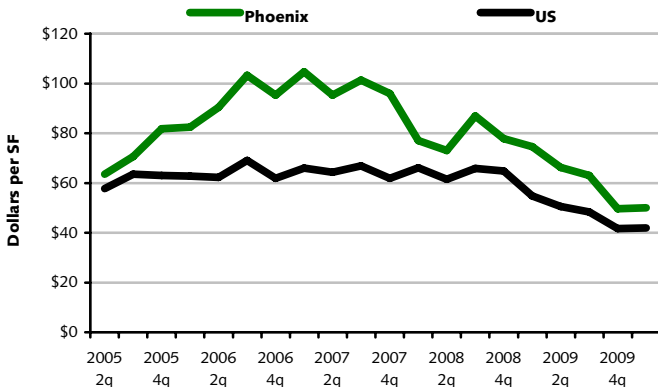
Based on Industrial Bldg Sales From April 2009 - March 2010

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	195	1,750,559	\$ 153,406,549	\$ 87.63	8.37%
25K-99K SF	33	1,439,673	\$ 93,393,326	\$ 64.87	8.40%
100K-249K SF	6	852,953	\$ 42,111,965	\$ 49.37	8.00%
>250K SF	5	2,352,935	\$ 101,516,600	\$ 43.14	8.30%

Source: CoStar COMPS®

U.S. PRICE/SF COMPARISON

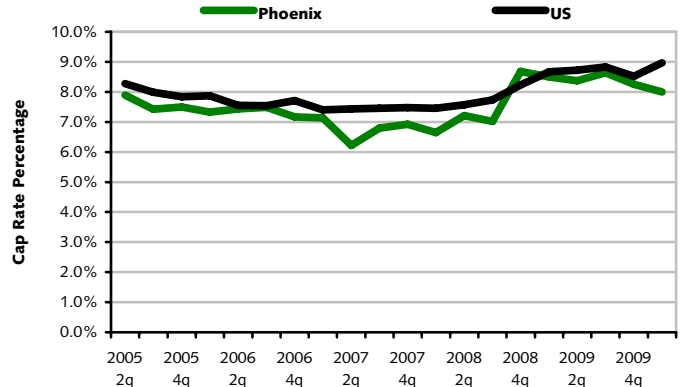
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. CAP RATE COMPARISON

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

PHOENIX INDUSTRIAL MARKET



SALES ACTIVITY

SELECT TOP SALES

Based on Sales from April 2009 Through June 2010

1. 1100 E Bell Rd - Western Digital



Phoenix

Price: \$20,000,000
 Price/SF: \$36.70
 Cap Rate: N/A
 RBA: 545,000
 Date: 5/25/2010
 Year Built: 1986
 Buyer: Western Digital Corporation
 Seller: STMicroelectronics

2. 520 S 67th Ave



Phoenix

Price: \$11,871,600
 Price/SF: \$39.00
 Cap Rate: N/A
 RBA: 304,400
 Date: 12/3/2009
 Year Built: 2008
 Buyer: Dunn-Edwards Corporation
 Seller: Duke Realty Corporation

3. 1721 W Elliot Rd - Orbital Science



Gilbert

Price: \$11,105,909
 Price/SF: \$89.42
 Cap Rate: N/A
 RBA: 124,200
 Date: 4/5/2010
 Year Built: 2004
 Buyer: Orbital Sciences Corporation
 Seller: General Dynamics Advanced Info.

4. 1002 S 63rd Ave



Phoenix

Price: \$8,756,147
 Price/SF: \$35.00
 Cap Rate: 9.36%
 RBA: 250,157
 Date: 4/5/2010
 Year Built: 1996
 Buyer: Duke Realty Corporation
 Seller: 1600 Broadway LLC

5. 3102 W Thomas Rd



Phoenix

Price: \$8,100,000
 Price/SF: \$31.26
 Cap Rate: 7.5%
 RBA: 259,089
 Date: 11/24/2009
 Year Built: 1978
 Buyer: Presson Corporation
 Seller: Michael A. Pollack Real Estate

6. 3902 E University Dr



Phoenix

Price: \$6,710,000
 Price/SF: \$61.18
 Cap Rate: N/A
 RBA: 109,684
 Date: 1/7/2010
 Year Built: 1988
 Buyer: Morgan Development Services LLC
 Seller: RREEF America REIT III Corp.

7. 402 N 37th Dr



Phoenix

Price: \$6,395,841
 Price/SF: \$26.69
 Cap Rate: 8%
 RBA: 239,628
 Date: 2/22/2010
 Year Built: 1986
 Buyer: Presson Corporation
 Seller: ProLogis

8. 749 W Ash Ave - Monsanto



Casa Grande

Price: \$4,000,000
 Price/SF: \$98.64
 Cap Rate: N/A
 RBA: 40,550
 Date: 3/26/2010
 Year Built: 2008
 Buyer: Monsanto Company
 Seller: Windsong LLC

9. 55 S 56th St



Chandler

Price: \$2,777,500
 Price/SF: \$149.81
 Cap Rate: N/A
 RBA: 18,540
 Date: 2/24/2010
 Year Built: 1995
 Buyer: F5 Equipment
 Seller: Vermeer Sales Southwest, Inc.



PHOENIX INDUSTRIAL MARKET

SALES ACTIVITY

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale

**5801 S 25th St**

Address: 5801 S 25th St
 City: Phoenix
 RBA: 33,000
 Year Built: 1985
 Tot \$ Return: \$1,515,000
 Tot % Return: 85%
 Ann.Return: 22%
 Months Held: 47

Most Recent Sale

Price: \$3,300,000
 Price/SF: \$100.00
 Cap Rate: N/A
 Date: 2/17/2009
 Buyer: Metal Magic
 Seller: 25th Street Industrial LLC
 Brokers: DAUM Commercial

Sale Prior to Most Recent Sale

Price: \$1,785,000
 Price/SF: \$54.09
 Cap Rate: N/A
 Date: 3/10/2005
 Buyer: 25th Street Industrial LLC
 Seller: 5801 South LLC
 Brokers: DAUM Commercial

**16066 N 77th St**

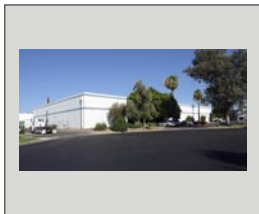
Address: 16066 N 77th St
 City: Scottsdale
 RBA: 14,904
 Year Built: 1998
 Tot \$ Return: \$575,000
 Tot % Return: 24%
 Ann.Return: 18%
 Months Held: 16

Most Recent Sale

Price: \$2,925,000
 Price/SF: \$196.26
 Cap Rate: N/A
 Date: 1/12/2009
 Buyer: Acera Developments, Inc.
 Seller: Print Fast Printing
 Brokers: N/A

Sale Prior to Most Recent Sale

Price: \$2,350,000
 Price/SF: \$157.68
 Cap Rate: N/A
 Date: 8/31/2007
 Buyer: Print Fast Printing
 Seller: Ronald J & M Shadowens
 Brokers: Shell Commercial

**3154 N 34th Dr**

Address: 3154 N 34th Dr
 City: Phoenix
 RBA: 27,350
 Year Built: 1978
 Tot \$ Return: \$446,495
 Tot % Return: 38%
 Ann.Return: 11%
 Months Held: 43

Most Recent Sale

Price: \$1,616,080
 Price/SF: \$59.09
 Cap Rate: N/A
 Date: 6/1/2010
 Buyer: Waste Management, Inc.
 Seller: Milum Textile Services Co.
 Brokers: N/A

Sale Prior to Most Recent Sale

Price: \$1,169,585
 Price/SF: \$42.76
 Cap Rate: N/A
 Date: 10/19/2006
 Buyer: Milum Textile Services Co.
 Seller: Bernard White and Sons
 Brokers: DAUM Commercial

Source: CoStar COMPS®

SELECT LAND SALES Based on Industrial Zoned Land Sales Occurring From April 2009 - June 2010

NE Sunshine Blvd & I-10 Fwy, Eloy

Sale Price: \$10,493,552
 Acres: 277.32
 Price/SF: \$0.87
 Closing Date: 11/30/2009
 Zoning: I-1
 Intended Use: Industrial Park
 Buyer: Walton International Group, Inc.
 Seller: Maldev, Inc.

NW Camelback Rd & Litchfield Rd, Goodyear

Sale Price: \$6,348,500
 Acres: 145.74
 Price/SF: \$1.00
 Closing Date: 11/25/2009
 Zoning: PAD, Goodyear
 Intended Use: Industrial
 Buyer: Southwest Solar Technologies, Inc.
 Seller: SunCor Development Company

SE University Dr & 48th St, Phoenix

Sale Price: \$5,160,000
 Acres: 13.09
 Price/SF: \$9.05
 Closing Date: 04/07/2010
 Zoning: I-1, Phoenix
 Intended Use: Parking Lot
 Buyer: Douglas Allred Company
 Seller: Angelo, Gordon & Co.

NE Buckeye Rd & 71st Ave, Phoenix

Sale Price: \$4,743,750
 Acres: 14.52
 Price/SF: \$7.50
 Closing Date: 12/31/2009
 Zoning: A-1, Phoenix
 Intended Use: Industrial
 Buyer: Hoolae Paoa
 Seller: Sun State Builders

SE Roosevelt St & 99th Ave, Tolleson

Sale Price: \$3,800,000
 Acres: 38.36
 Price/SF: \$2.27
 Closing Date: 04/14/2010
 Zoning: C-2, Tolleson
 Intended Use: Industrial
 Buyer: Freightliner, Sterling, Western Star of AZ
 Seller: Spiekerman Real Estate Group

SW Litchfield Rd & Maryland Ave, Litchfield Park

Sale Price: \$2,651,500
 Acres: 170.66
 Price/SF: \$0.36
 Closing Date: 11/25/2009
 Zoning: RU-43, County
 Intended Use: Industrial
 Buyer: Southwest Solar Technologies, Inc.
 Seller: SunCor Development Company

Source: CoStar COMPS®

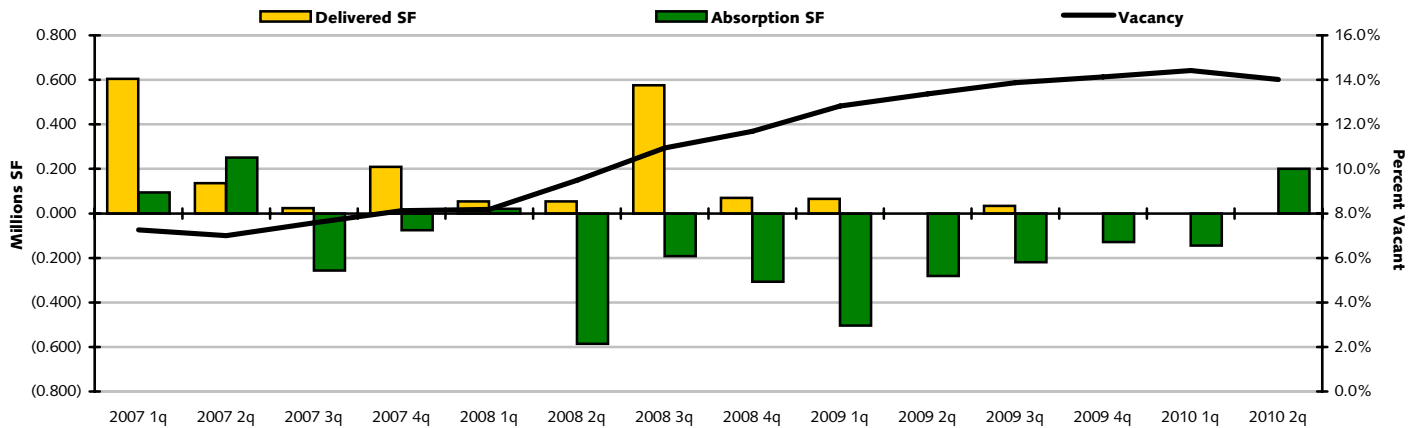
PHOENIX INDUSTRIAL MARKET



AIRPORT MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

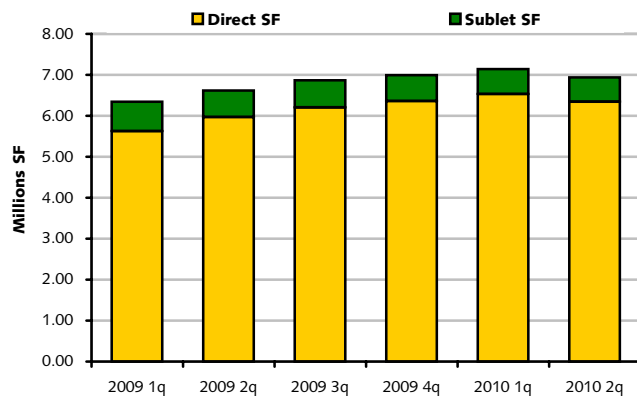
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

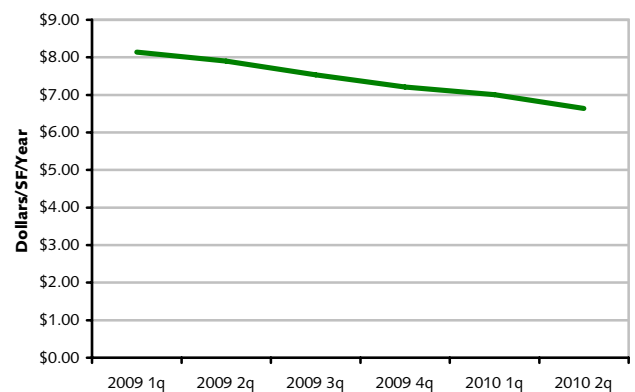
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2010 2q	1,917	49,490,096	6,938,755	14.0%	200,537	0	0	1	105,292	\$6.64
2010 1q	1,917	49,490,096	7,139,292	14.4%	(144,130)	0	0	1	105,292	\$7.00
2009 4q	1,917	49,490,096	6,995,162	14.1%	(128,642)	0	0	1	105,292	\$7.21
2009 3q	1,917	49,490,096	6,866,520	13.9%	(218,935)	1	34,000	0	0	\$7.53
2009 2q	1,916	49,456,096	6,613,585	13.4%	(281,681)	0	0	1	34,000	\$7.90
2009 1q	1,917	49,465,336	6,341,144	12.8%	(503,754)	1	66,112	1	34,000	\$8.14
2008 4q	1,916	49,399,224	5,771,278	11.7%	(307,186)	4	69,202	2	100,112	\$8.43
2008 3q	1,912	49,330,022	5,394,890	10.9%	(192,340)	11	575,751	5	135,314	\$8.76
2008 2q	1,901	48,754,271	4,626,799	9.5%	(586,479)	1	54,489	12	641,863	\$9.08
2008 1q	1,900	48,699,782	3,985,831	8.2%	20,392	3	53,920	13	696,352	\$9.46
2007 4q	1,897	48,645,862	3,952,303	8.1%	(75,579)	7	208,946	14	677,053	\$9.77
2007 3q	1,890	48,436,916	3,667,778	7.6%	(257,042)	3	23,529	19	802,310	\$9.53
2007 2q	1,887	48,413,387	3,387,207	7.0%	251,161	1	135,968	20	801,119	\$8.90
2007 1q	1,886	48,277,419	3,502,400	7.3%	93,789	7	604,285	11	368,443	\$9.15
2006 4q	1,879	47,673,134	2,991,904	6.3%	425,612	6	379,776	8	740,253	\$8.60
2006 3q	1,873	47,293,358	3,037,740	6.4%	229,019	4	154,107	14	1,120,029	\$8.22

Source: CoStar Property®

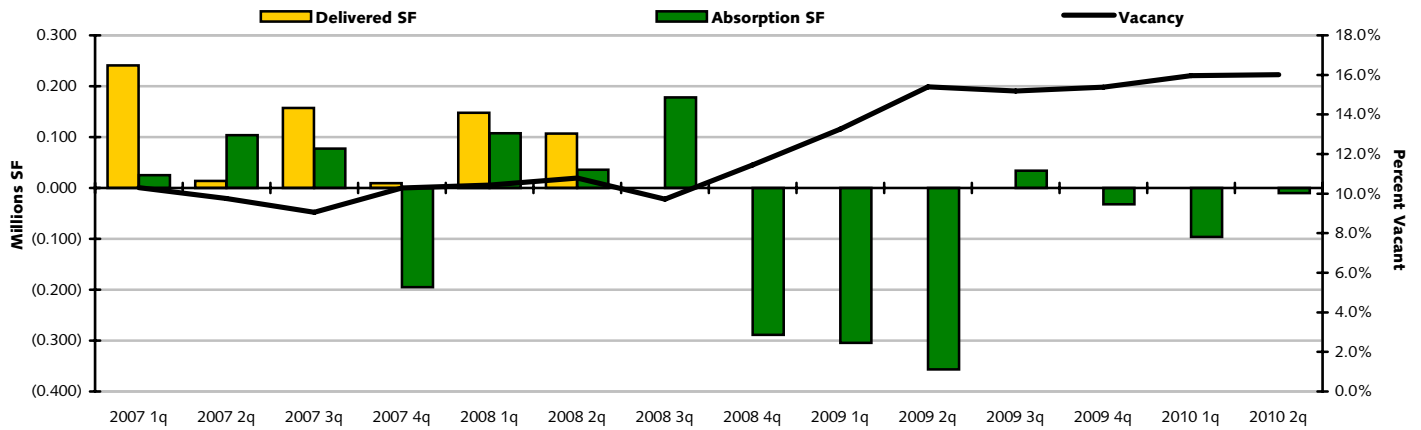


PHOENIX INDUSTRIAL MARKET

NORTHEAST MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

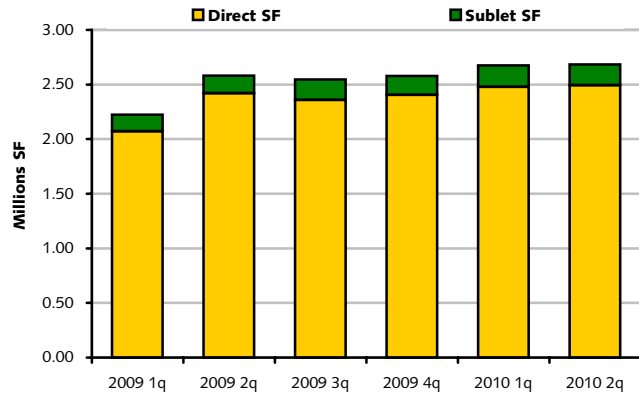
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

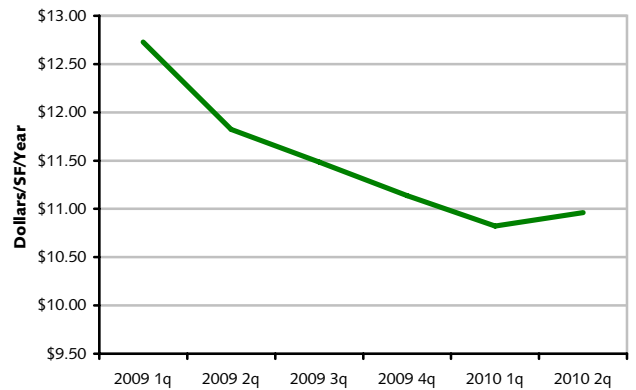
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2010 2q	802	16,759,634	2,684,489	16.0%	(10,068)	0	0	0	0	\$10.96
2010 1q	802	16,759,634	2,674,421	16.0%	(96,488)	0	0	0	0	\$10.82
2009 4q	802	16,759,634	2,577,933	15.4%	(31,765)	0	0	0	0	\$11.14
2009 3q	802	16,759,634	2,546,168	15.2%	34,033	0	0	0	0	\$11.48
2009 2q	802	16,759,634	2,580,201	15.4%	(356,518)	0	0	0	0	\$11.82
2009 1q	802	16,759,634	2,223,683	13.3%	(304,637)	0	0	0	0	\$12.73
2008 4q	802	16,759,634	1,919,046	11.5%	(288,811)	0	0	0	0	\$13.71
2008 3q	802	16,759,634	1,630,235	9.7%	177,750	0	0	0	0	\$14.69
2008 2q	802	16,759,634	1,807,985	10.8%	35,941	5	106,828	0	0	\$14.89
2008 1q	797	16,652,806	1,737,098	10.4%	107,328	5	147,567	5	106,828	\$14.61
2007 4q	792	16,505,239	1,696,859	10.3%	(194,701)	1	9,500	9	228,595	\$14.65
2007 3q	791	16,495,739	1,492,658	9.0%	77,477	5	157,446	10	238,095	\$14.65
2007 2q	787	16,538,293	1,612,689	9.8%	103,759	2	14,074	7	197,436	\$14.81
2007 1q	785	16,524,219	1,702,374	10.3%	25,193	11	240,982	7	171,520	\$14.85
2006 4q	774	16,283,237	1,486,585	9.1%	(80,558)	3	107,203	16	402,910	\$14.10
2006 3q	771	16,176,034	1,298,824	8.0%	219,759	7	148,712	15	355,580	\$13.82

Source: CoStar Property®

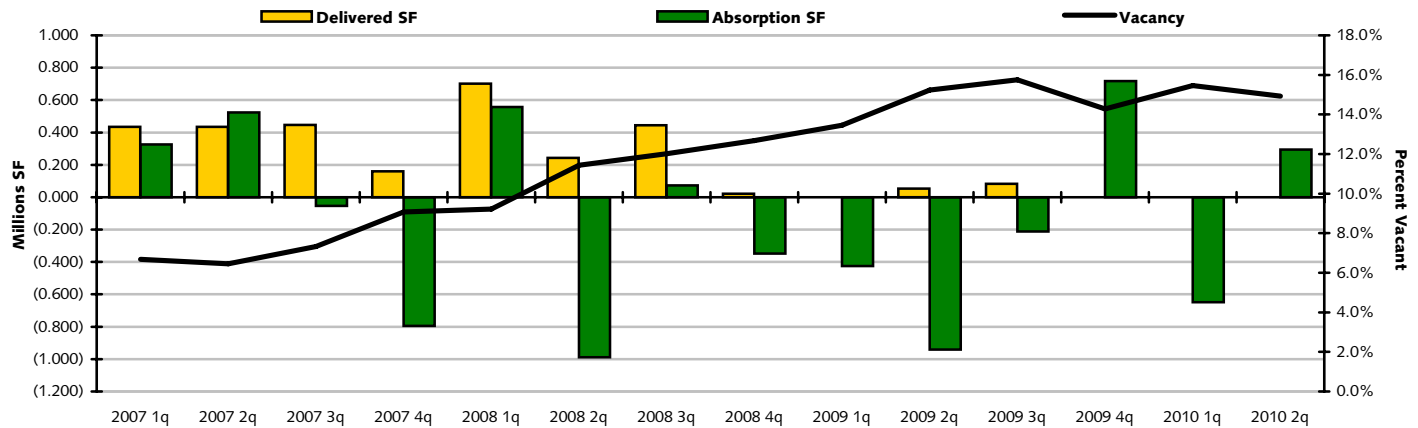
PHOENIX INDUSTRIAL MARKET

NORTHWEST MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE



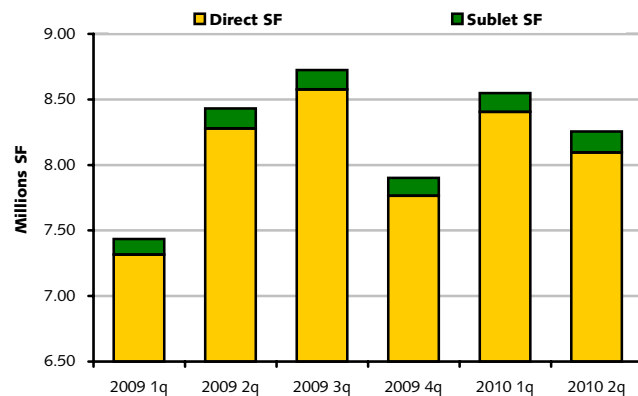
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

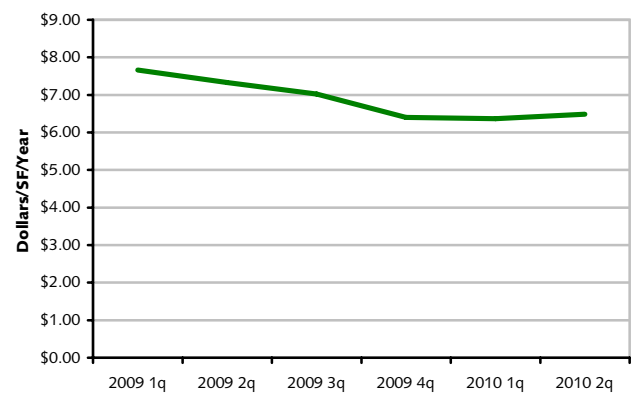
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2010 2q	2,484	55,303,249	8,254,444	14.9%	295,004	0	0	1	24,111	\$6.49
2010 1q	2,484	55,303,249	8,549,448	15.5%	(647,809)	0	0	1	24,111	\$6.36
2009 4q	2,484	55,303,249	7,901,639	14.3%	717,972	0	0	0	0	\$6.40
2009 3q	2,485	55,408,356	8,724,718	15.7%	(212,549)	5	82,180	0	0	\$7.03
2009 2q	2,480	55,326,176	8,429,989	15.2%	(941,870)	2	53,302	5	82,180	\$7.33
2009 1q	2,478	55,272,874	7,434,817	13.5%	(425,647)	0	0	7	135,482	\$7.66
2008 4q	2,478	55,272,874	7,009,170	12.7%	(348,633)	2	22,098	6	121,969	\$8.17
2008 3q	2,476	55,250,776	6,638,439	12.0%	72,186	9	445,506	2	22,098	\$8.24
2008 2q	2,467	54,805,270	6,265,119	11.4%	(988,855)	5	242,112	11	467,604	\$8.28
2008 1q	2,462	54,563,158	5,034,152	9.2%	556,500	11	700,554	14	687,618	\$8.64
2007 4q	2,451	53,862,604	4,890,098	9.1%	(793,838)	10	160,143	20	1,260,550	\$8.75
2007 3q	2,441	53,702,461	3,936,117	7.3%	(53,907)	11	446,549	27	1,390,366	\$8.94
2007 2q	2,430	53,255,912	3,435,661	6.5%	524,537	26	435,026	33	1,722,558	\$9.06
2007 1q	2,404	52,820,886	3,525,172	6.7%	326,177	12	434,956	47	1,294,914	\$9.29
2006 4q	2,392	52,385,930	3,416,393	6.5%	243,107	9	232,297	42	1,147,989	\$8.90
2006 3q	2,383	52,153,633	3,427,203	6.6%	471,464	17	434,953	47	1,324,375	\$8.59

Source: CoStar Property®

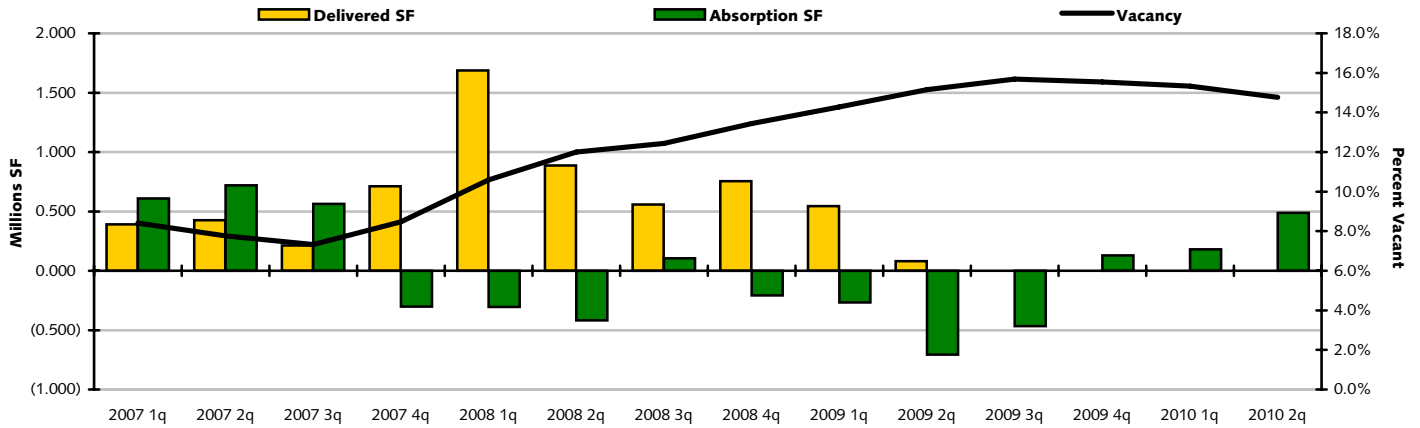


PHOENIX INDUSTRIAL MARKET

SOUTHEAST MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

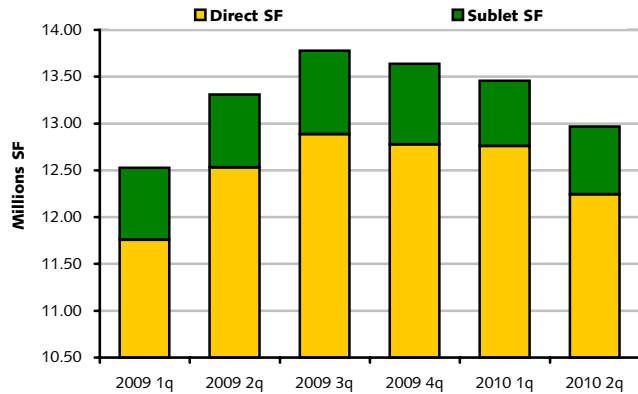
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

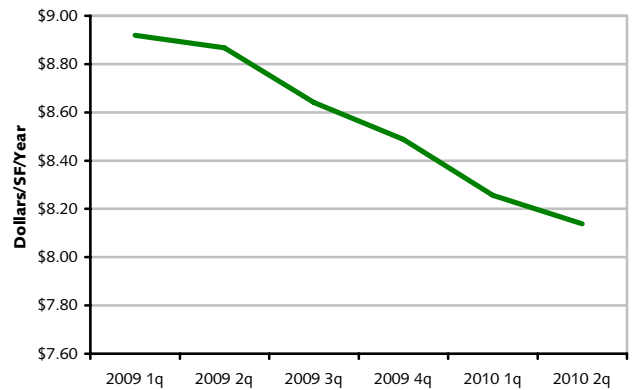
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2010 2q	3,141	87,782,178	12,968,411	14.8%	487,500	0	0	1	18,000	\$8.14
2010 1q	3,141	87,782,178	13,455,911	15.3%	181,490	0	0	1	18,000	\$8.26
2009 4q	3,141	87,782,178	13,637,401	15.5%	128,879	0	0	0	0	\$8.49
2009 3q	3,142	87,792,316	13,776,418	15.7%	(465,917)	0	0	0	0	\$8.64
2009 2q	3,142	87,792,316	13,310,501	15.2%	(705,101)	3	80,021	0	0	\$8.87
2009 1q	3,139	87,712,295	12,525,379	14.3%	(267,232)	13	544,910	3	80,021	\$8.92
2008 4q	3,126	87,167,385	11,713,237	13.4%	(206,339)	22	754,737	16	624,931	\$9.34
2008 3q	3,104	86,412,648	10,752,161	12.4%	105,436	22	557,408	36	1,319,853	\$9.69
2008 2q	3,082	85,855,240	10,300,189	12.0%	(417,041)	20	887,903	44	1,461,321	\$9.92
2008 1q	3,062	84,967,337	8,995,245	10.6%	(303,396)	42	1,687,709	52	1,920,913	\$9.85
2007 4q	3,021	83,340,497	7,065,009	8.5%	(300,703)	28	711,729	71	2,951,215	\$9.95
2007 3q	2,993	82,628,768	6,052,577	7.3%	563,881	14	213,534	93	3,515,025	\$9.90
2007 2q	2,979	82,415,234	6,402,924	7.8%	718,722	24	427,134	60	1,767,324	\$9.44
2007 1q	2,956	82,209,860	6,916,272	8.4%	610,349	21	391,790	66	1,774,142	\$9.21
2006 4q	2,938	82,108,267	7,425,028	9.0%	(443,571)	15	480,949	65	1,490,518	\$8.75
2006 3q	2,923	81,627,318	6,500,508	8.0%	1,023,017	17	414,124	55	1,327,902	\$8.67

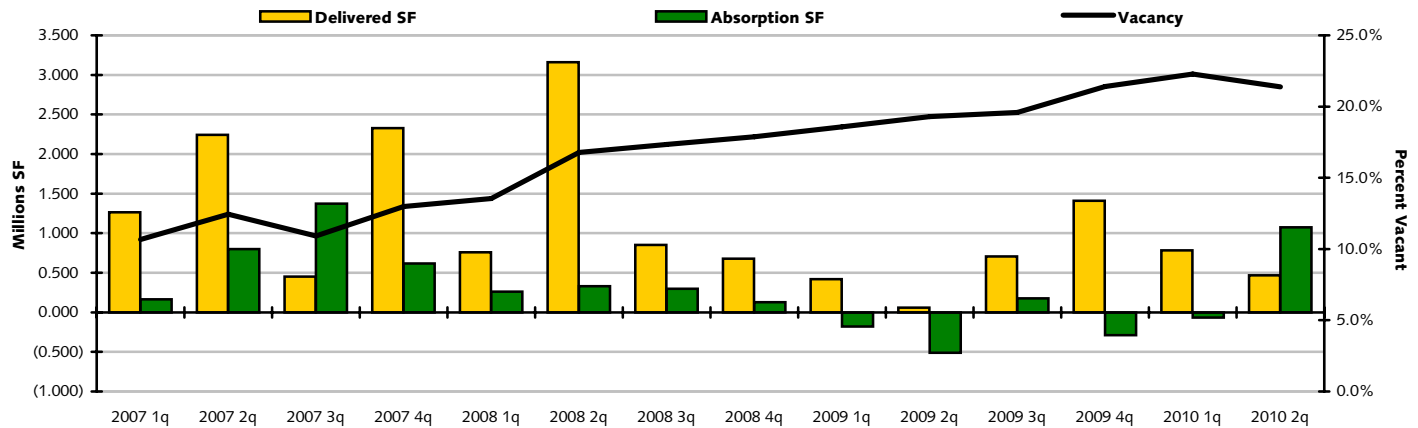
Source: CoStar Property®

PHOENIX INDUSTRIAL MARKET

SOUTHWEST MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

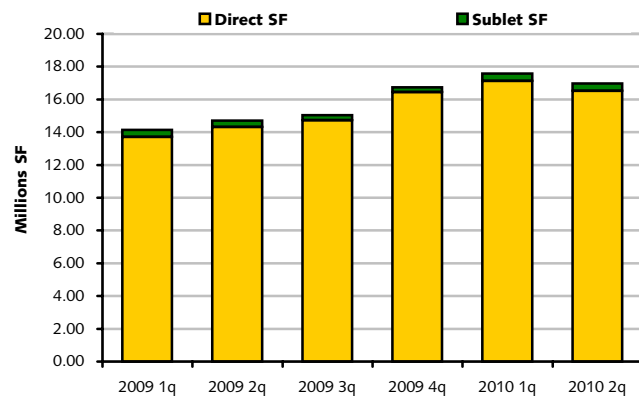
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

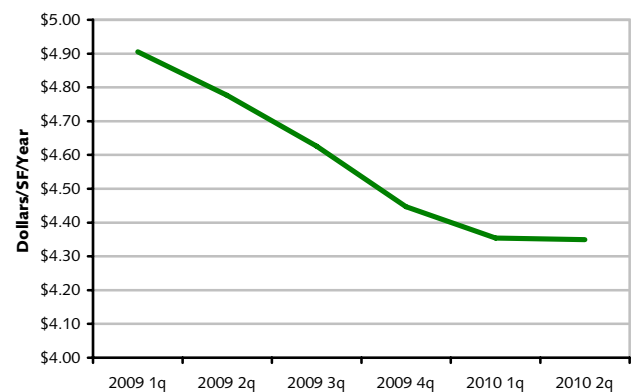
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2010 2q	1,252	79,400,596	16,975,849	21.4%	1,075,075	1	466,694	0	0	\$4.35
2010 1q	1,251	78,933,902	17,584,230	22.3%	(67,987)	2	782,291	1	466,694	\$4.35
2009 4q	1,249	78,151,611	16,733,952	21.4%	(289,964)	2	1,411,110	3	1,248,985	\$4.45
2009 3q	1,247	76,740,501	15,032,878	19.6%	174,891	2	706,977	4	2,193,401	\$4.63
2009 2q	1,253	76,248,216	14,715,484	19.3%	(509,175)	1	60,000	6	2,900,378	\$4.78
2009 1q	1,252	76,188,216	14,146,309	18.6%	(177,292)	1	417,600	7	2,960,378	\$4.90
2008 4q	1,251	75,770,616	13,551,417	17.9%	126,293	5	678,793	6	2,971,001	\$5.28
2008 3q	1,247	75,109,884	13,016,978	17.3%	299,116	9	853,455	8	1,300,393	\$5.21
2008 2q	1,238	74,256,429	12,462,639	16.8%	331,843	21	3,161,682	15	1,949,848	\$5.36
2008 1q	1,217	71,094,747	9,632,800	13.5%	261,729	9	760,140	34	4,661,041	\$5.35
2007 4q	1,208	70,334,607	9,134,389	13.0%	618,224	16	2,329,476	31	4,619,074	\$5.26
2007 3q	1,192	68,005,131	7,423,137	10.9%	1,371,497	9	452,009	42	6,496,733	\$5.28
2007 2q	1,184	67,634,122	8,423,625	12.5%	800,087	12	2,240,898	35	6,148,450	\$5.23
2007 1q	1,172	65,393,224	6,982,814	10.7%	162,886	13	1,264,447	32	6,246,121	\$5.40
2006 4q	1,159	64,128,777	5,881,253	9.2%	(280,976)	14	1,491,413	34	5,801,605	\$5.12
2006 3q	1,145	62,637,364	4,108,864	6.6%	1,065,667	4	55,709	38	4,142,976	\$5.12

Source: CoStar Property®