

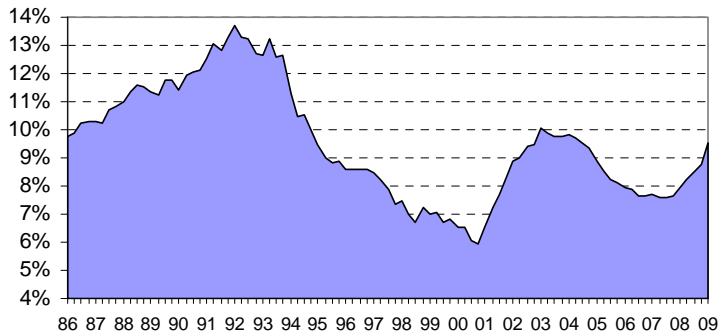
INDUSTRIAL MARKET TRENDS JACKSONVILLE, FL

Grubb & Ellis Research | First Quarter 2009



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U.S. INDUSTRIAL VACANCY RATE ALL PRODUCT TYPES



PRIMED FOR ABSORPTION

Leasing activity across the Jacksonville Market slowed significantly in the 4th Quarter of 2008, and has, for the most part, continued that trend in the 1st Quarter of 2009. With vacancy rates on the rise we are seeing the corresponding decrease in rental rates across the board. This type of climate has generated some tenant activity recently, despite the affects of the downturn in the economy.

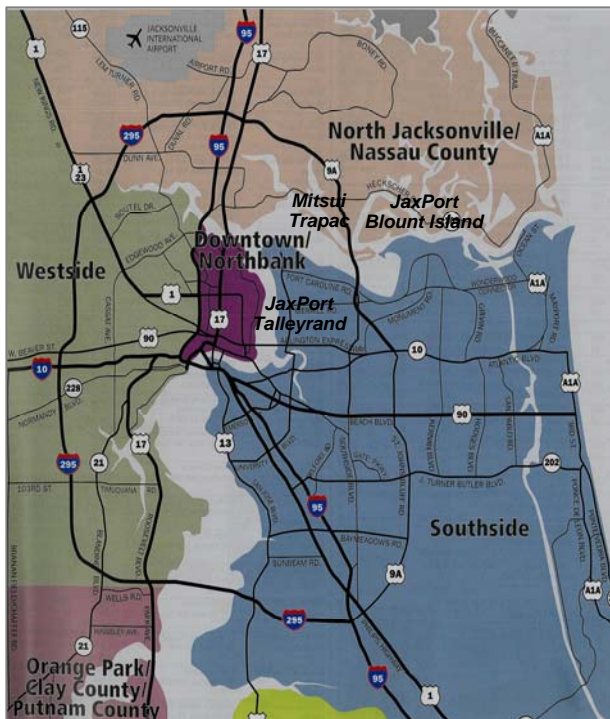
At 11.75%, the vacancy rate on the Northside is the highest of any of the Industrial Sub Markets, compared to the total market vacancy rate of 8.94% in Jacksonville. This is primarily driven by the new, speculative construction being built near the Mitsui O.S.K Terminal. Three of these construction projects are Northport Logistics Center, a facility by Oakmont Industrial Group, Alta Lakes Commerce Center, a Cabot Properties, Inc. Development, and Port Jax Trade Center, a Group IV Development. In addition, Northpoint Industrial Park, by Pattillo Construction also has first and second generation space available.

Northport Logistics Center, located at 11530 New Berlin Road, is currently under construction and is set to be completed sometime in the 3rd Quarter of this year. The facility is an 872,627 Square Foot Cross Dock building, boasting 369 Trailer Storage spaces, and is located within 2.5 miles of the Port.

Alta Lakes Commerce Center has completed Phase One of the development, which consists of four buildings totaling 569,000 Square Feet. In addition Cabot has the ability to deliver an additional 300,000 Square Feet in Phase Two. Located on Blasius Road, the park is within 2 miles of the Mitsui O.S.K terminal, and has ample trailer storage, ideal for Port users. AJC Logistics, LLC recently signed a 20 year lease for 52,500 square feet in Building Four.

The operation of the Mitsui Terminal was the major driver for these developments and with their container traffic this year being approximately 60% less than anticipated, it caused a collective pause for the leasing activity over the past 6 months. Despite this recent lull, the Jacksonville Industrial Market remains stable. Even though the amount of containers coming through the terminals have not met projections, the simple fact that Mitsui O.S.K is here, and operating, makes Jacksonville a player on the Global Market.

INDUSTRIAL SUBMARKET MAP



Jacksonville Industrial Market Trends

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Industrial Market Snapshot NE Florida First Quarter 2009

Submarket	Total SF	Vacant SF	Vacancy Rate	SF Under Construction	Average Asking Rate
Downtown	11,823,618	693,127	5.9%	0	Whse: \$2.92 Flex: \$8.53
Northside	17,533,252	2,536,068	14.5%	1,152,136	Whse: \$4.36 Flex: \$7.48
Westside	45,250,438	3,057,911	6.75%	126,056	Whse: \$3.66 Flex: \$8.81
Southside	26,054,982	2,588,397	9.9%	45,000	Whse: \$6.03 Flex: \$9.89
Orange Park/Clay	5,136,051	566,046	10.7%		Whse: \$6.51 Flex: \$9.50
St. Johns	5,019,969	536,250	10.7%	17,456	Whse: \$6.51 Flex: \$9.50
Nassau	3,576,825	81,143	2.3%	0	Whse: \$5.38 Flex: \$7.43
Total	114,395,135	10,226,925	8.94%	1,340,648	Whse: \$4.46 Flex: \$10.21
All Submarkets					
Whse/Distribution	106,855,950	9,392,638	8.79%	1,278,192	\$4.36
R&D/Flex	7,539,185	911,947	12.0%	62,456	\$10.21
Total	114,395,135	10,226,925	8.94%	1,340,648	Whse: \$4.46 Flex: \$10.21

*(Original numbers obtained from CoStar and adjusted by Grubb & Ellis|Phoenix Realty Group for the individual submarkets)

Market Highlights:

1. Mercedes leased ±400,000 SF at Majestic International Tradeport
2. AJC Logistics leased ±52,500 SF at Alta Lakes Commerce Center
3. Invacare leased ±79,000 SF at 8000 Forshee Drive in Westside Industrial Park
4. Oakmont is under construction with a ±872,627 SF speculative development, NorthPort Logistics Center, in the Northside submarket, which is scheduled to deliver July, 2009.
5. Republic Property Co. will deliver the first of four buildings planned at Crossroads Distribution Center on the Westside in July, 2009. This will be ±126,056 SF.

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