



3Q14 JACKSONVILLE INDUSTRIAL MARKET

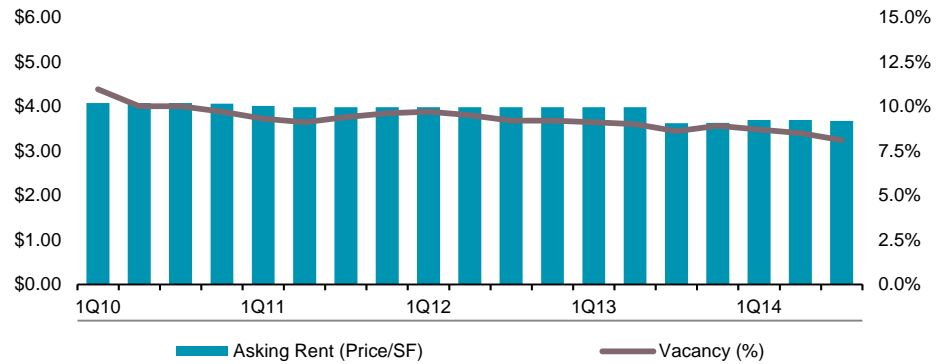
Newmark Grubb
Phoenix Realty Group

INDUSTRIAL MARKET ENERGIZED

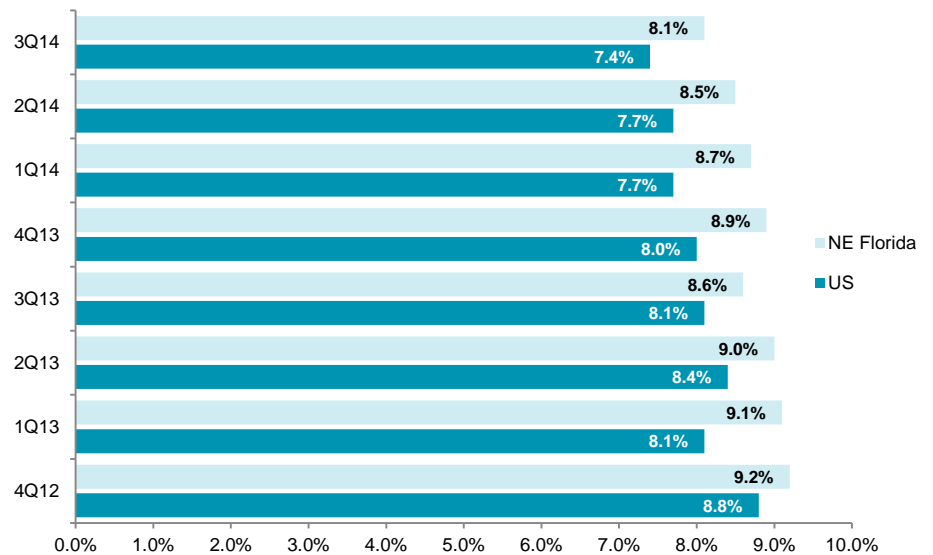
Industrial leasing in the NE Florida market was consistent through the 3rd Quarter, however, the announcement of GE Oil & Gas leasing 510,000 sq. ft. on Jacksonville's Westside is great news for NE Florida. The announcement by Governor Scott and Mayor Brown means the creation of up to 500 jobs for the Jacksonville area and provides our market with international exposure. GE will manufacture control valves for the oil and gas industry from this new facility.

Institutional private investors are still showing interest in NE Florida, as cap rate compression continues in Miami, Orlando and Tampa. One sale of note was Thackeray Partners acquisition of Creekside in Tradeport, a three-building, Class-A, 334,930 sq. ft. industrial development. The project was 96% leased at the time of the sale. There are several other Class-B&C industrial investments on the market, which are expected to close in the first quarter of 2015.

Asking Rent and Vacancy



US and NE FL Vacancy Rates



Key Indicators

Total Inventory (SF)	102,677,955		
	3Q14	2Q14	3Q13
Asking Rent (Price/SF)	\$3.67	\$3.69	\$3.62
Vacancy Rate (%)	8.1%	8.5%	8.6%
Under Construction (SF)	933,700	933,700	400,000

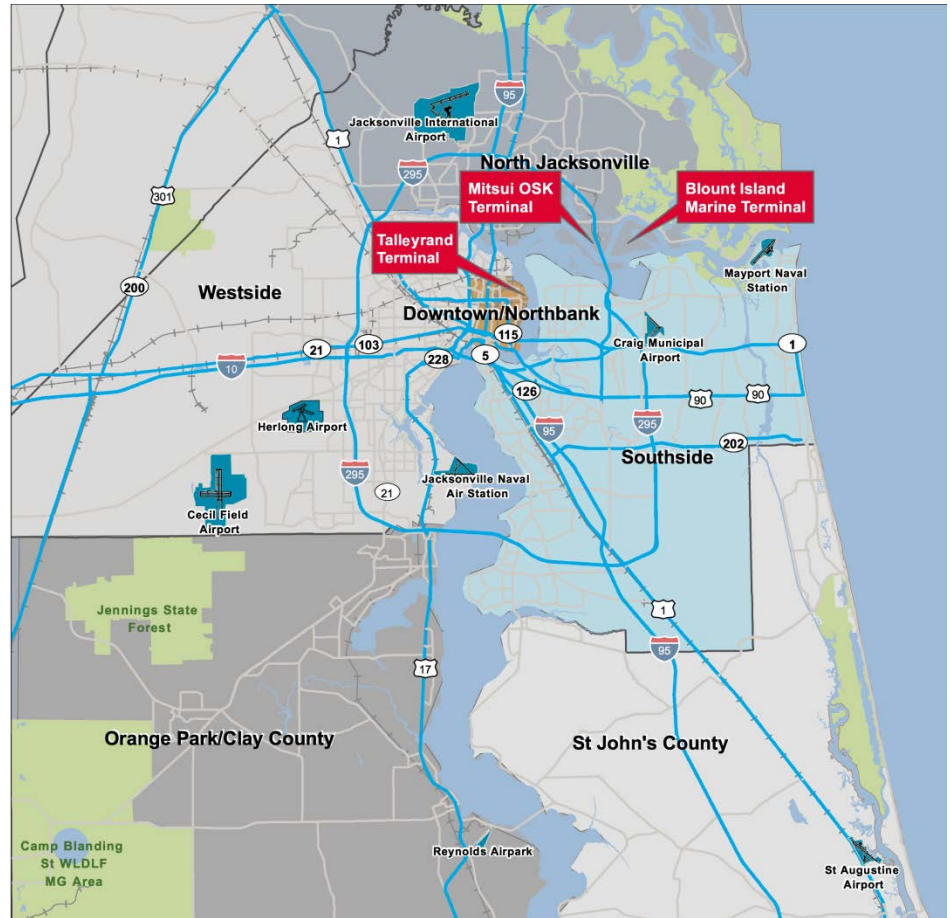
3Q14 JACKSONVILLE INDUSTRIAL MARKET



Other leases include Mercedes Benz USA taking an additional 129,000 sq. ft. in Majestic Tradeport, Fanatics leasing approximately 200,000 sq. ft. in Westside Industrial Park and Building Component Supply leasing 125,000 sq. ft. at 4627 JP Hall Blvd. (NE Florida Industrial Center) in Green Cove Springs.

With infrastructure capacity in the Jacksonville, Savannah and Charleston markets, analysts are predicting continued industrial growth and jobs for these Southeast port markets. We have seen some developer interest in industrial land positions in our area, which will hopefully take place in 2015, as leasing for new and expanding companies continues. "The rising dollar will make imports cheaper, boosting port-related industrial markets," according to Robert Bach, Director of Research for Newmark Grubb Knight Frank.

Jacksonville Industrial
Submarket Map



Submarket Statistics						
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy (SF)	Vacancy Rate %	Average Whse Rate (Price/SF)	Average Flex Rate (Price/SF)
Downtown	8,021,719	0	586,620	6.5	\$1.88	0
Northside	22,192,318	29,000	2,684,514	12.5	\$3.95	\$6.49
Westside	43,003,870	904,700	2,102,929	5.6	\$3.47	\$7.96
Southside	23,103,287	0	2,204,156	9.7	\$4.31	\$8.51
Orange Park / Clay	3,738,681	0	358,576	13.0	\$3.80	\$9.60
St. Johns	2,618,080	0	349,197	13.3	\$4.60	\$9.50
Total	102,677,955	933,700	8,285,992	8.1	\$3.67	\$8.41

3Q14 JACKSONVILLE INDUSTRIAL MARKET



Q3 Leases

Company	Address	Submarket	Square Footage
GE Oil & Gas	Cecil Commerce Center	Westside	510,000
Building Components Supply	4627 JP Hall Blvd.	Orange Park/Clay	128,505
Fanatics	4300 Bulls Bay Hwy.	Westside	210,000
Mercedes-Benz USA	13470 International Pkwy.	Northside	129,897
Sy-Klone	4390 Imeson Rd.	Westside	62,587
Niles Building Products	2000 Lewis Industrial Dr.	Westside	35,000
Lacrosse Warehouse	6852 Philips Pkwy. Dr. S.	Southside	22,800

Q3 Sales

Seller	Buyer	Square Footage	Sales Price	Price/SF
Jackson Shaw	Thackeray Partners	334,930	\$20,749,510	\$61.95
408 Stevens, LLC	Florida Hardware, LLC	54,000	\$615,000	\$11.39
CW Capital	Elite Stor Western Way Jax, LLC	60,000	\$1,007,300	\$16.79
Southeastern Freight Line	Estes Express Line, Inc.	34,550/15 Acres	\$5,000,000	\$144.72



Jacksonville

10739 Deerwood Park Blvd
Suite 310
Jacksonville, FL 32256
904.399.5222

John Richardson- SIOR

President / Principal
904.224.5429
jrichardson@phoenixrealty.net

Bryan Bartlett- SIOR

Senior VP / Principal
904.421.4383
bbartlett@phoenixrealty.net

Ladson Montgomery

Senior VP / Principal
904.224.5425
bbartlett@phoenixrealty.net

Dan Stover

First Vice President
904.224.5433
dstover@phoenixrealty.net

Kyle Harding

Industrial Specialist
904.421.4384
khardingr@phoenixrealty.net

Doug Wendell

Industrial & Investment
Properties
904.504.0992
dwendell@phoenixrealty.net

Glossary of Terms

Absorption

A measure of the change in occupied space

Availability

Space marketed for lease regardless of when the space will be available or whether the space is vacant or occupied

Deliveries

The total RBA of properties added to the inventory once construction has been completed

Direct Space

Available space offered for lease by the building owner, landlord, or owner representative

Leasing Activity

The volume of leases signed including new leases, direct and sublet leases, extensions and renewals, and leases signed in proposed or under construction buildings

Occupancy

Any space physically occupied by a tenant, regardless of lease status of the space

Rentable Building Area (RBA)

A measurement of the total square feet in a building including the tenant and common areas such as the lobby and hallways

Sublet Space

Available space offered for lease by a building tenant seeking a subtenant to fulfill the remaining lease obligation

Under Construction

Buildings under construction are defined by the time the foundation is poured through the time the building is certified for occupancy

Vacancy

Space not physically occupied by a tenant, regardless of the lease status or availability of space

Weighted Average Rent

The asking dollar amount for the use of available space, weighted by size--the average does not include negotiable or unpublished rates and is reported as full service including operating costs

Independently owned and operated

Newmark Grubb Phoenix Realty Group Research Reports are also available at

<http://phoenixrealty.net/market-insights>

www.ngkf.com/research

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark Grubb Phoenix Realty Group (NGPRG) has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of NGPRG. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication, and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial, and tax aspects and implications.

Any recipient of this publication may not, without the prior written approval of NGPRG, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.



Please recycle,
whenever possible