

U.S. INDUSTRIAL VACANCY INCREASES TO 9.2%

Net Absorption Negative (53,688,461) SF in the Quarter

The U.S. Industrial market ended the first quarter 2009 with a vacancy rate of 9.2%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (53,688,461) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 74,140,574 square feet. Rental rates ended the first quarter at \$5.98, a decrease over the previous quarter. A total of 434 buildings delivered to the market in the quarter totaling 26,971,433 square feet, with 43,888,708 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall U.S. Industrial market was negative (53,688,461) square feet in the first quarter 2009. That compares to negative (5,078,934) square feet in the fourth quarter 2008, positive 32,887,877 square feet in the third quarter 2008, and negative (20,290,698) square feet in the second quarter 2008.

The Flex building market recorded net absorption of negative (5,451,407) square feet in the first quarter 2009, compared to positive 201,285 square feet in the fourth quarter 2008, negative (831,689) in the third quarter 2008, and negative (682,131) in the second quarter 2008.

The Warehouse building market recorded net absorption of negative (48,237,054) square feet in the first quarter 2009 compared to negative (5,280,219) square feet in the fourth quarter 2008, positive 33,719,566 in the third quarter 2008, and negative (19,608,567) in the second quarter 2008.

Vacancy

The U.S. Industrial vacancy rate increased to 9.2% at the

end of the first quarter 2009. The vacancy rate was 8.7% at the end of the fourth quarter 2008, 8.4% at the end of the third quarter 2008, and 8.4% at the end of the second quarter 2008.

Flex projects reported a vacancy rate of 12.3% at the end of the first quarter 2009, 11.9% at the end of the fourth quarter 2008, 11.7% at the end of the third quarter 2008, and 11.5% at the end of the second quarter 2008.

Warehouse projects reported a vacancy rate of 8.8% at the end of the first quarter 2009, 8.3% at the end of fourth quarter 2008, and 8.0% at the end of the second and third quarter 2008.

Largest Lease Signings

The largest lease signings occurring in 2009 included: the 701,808-square-foot deal signed by Kenco Logistic Services at 5235 West Pointe Dr in the Columbus market; the 667,964-square-foot renewal signed by Maumee Authority Stamping at 920 Illinois Ave in the Toledo market; and the 6497,77-square-foot renewal signed by Coca-Cola Bottling Co. Consolidated at Snyder Production Center in the Charlotte market.

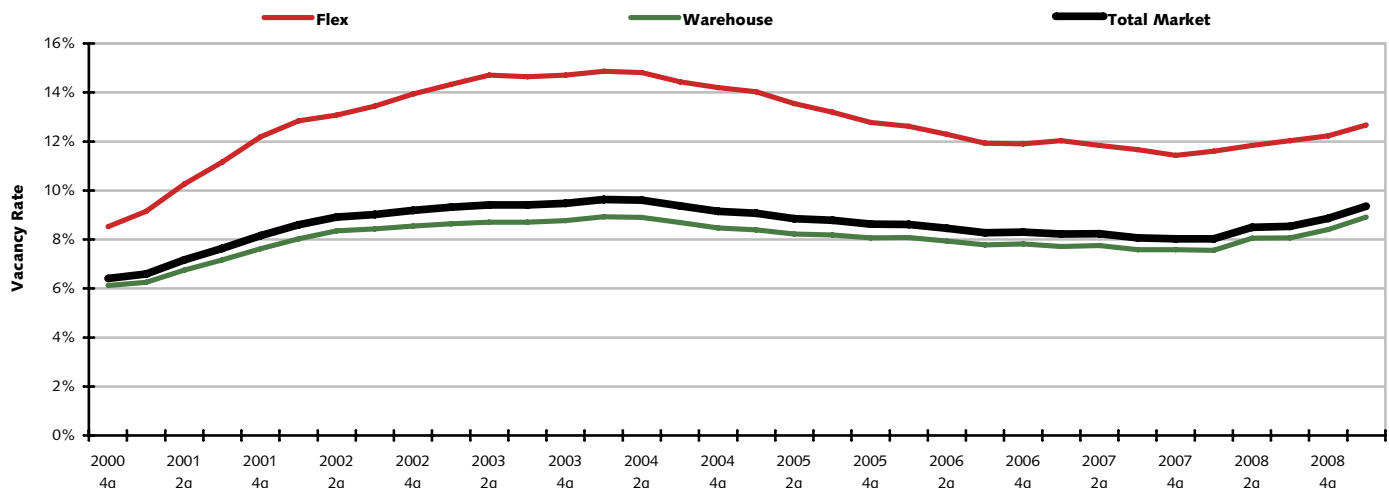
Sublease Vacancy

The amount of vacant sublease space in the U.S. market increased to 74,140,574 square feet by the end of the first quarter 2009, from 68,819,370 square feet at the end of the fourth quarter 2008. There was 64,339,739 square feet vacant at the end of the third quarter 2008 and 61,160,385 square feet at the end of the second quarter 2008.

US's Flex projects reported vacant sublease space of 14,031,708 square feet at the end of first quarter 2009, up from the 12,884,720 square feet reported at the end of the fourth quarter

VACANCY RATES BY BUILDING TYPE*

2000-2009



Source: CoStar Property® *Excludes markets - see Methodology page.



ter 2008. There were 12,009,650 square feet of sublease space vacant at the end of the third quarter 2008, and 11,888,860 square feet at the end of the second quarter 2008.

Warehouse projects reported increased vacant sublease space from the fourth quarter 2008 to the first quarter 2009. Sublease vacancy went from 55,934,650 square feet to 60,108,866 square feet during that time. There was 52,330,089 square feet at the end of the third quarter 2008, and 49,271,525 square feet at the end of the second quarter 2008.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$5.98 per square foot per year at the end of the first quarter 2009 in the U.S. market area. This represented a 1.5% decrease in quoted rental rates from the end of the fourth quarter 2008, when rents were reported at \$6.07 per square foot.

The average quoted rate within the Flex sector was \$11.47 per square foot at the end of the first quarter 2009, while Warehouse rates stood at \$5.23. At the end of the fourth quarter 2008, Flex rates were \$11.69 per square foot, and Warehouse rates were \$5.29.

Deliveries and Construction

During the first quarter 2009, 434 buildings totaling 26,971,433 square feet were completed in the U.S. market area. This compares to 583 buildings totaling 50,398,720 square feet that were completed in the fourth quarter 2008, 704 buildings totaling 49,000,501 square feet completed in the third quarter 2008, and 55,395,919 square feet in 719 buildings completed in the second quarter 2008.

There were 43,888,708 square feet of Industrial space in 504 projects under construction at the end of the first quarter 2009.

Some of the notable 2009 deliveries include: I-20 Distribution Center - Bldg 2 in the Dallas/Ft Worth market, a 888,000-square-foot facility that delivered in first quarter 2009 and is now 0% occupied, and Interport II in the Houston market, a 734,448-square-foot building that delivered in first quarter 2009 and is now 0% occupied.

The largest projects underway at the end of first quarter 2009 were Fowler Distribution Center - Bldg 2 in the Phoenix market, a 1,267,110-square-foot building with 0% of its space pre-leased, and Key Logistics Park - Bldg 1 in the Philadelphia market, a 1,170,000-square-foot facility that is 0% pre-leased.

Inventory

Total Industrial inventory in the U.S. market area amounted to 16,980,079,443 square feet in 446,240 buildings as of the end of the first quarter 2009. The Flex sector consisted of 1,987,009,775 square feet in 69,525 projects. The Warehouse sector consisted of 14,993,069,668 square feet in 376,715 buildings.

Sales Activity

Tallying industrial building sales of 15,000 square feet or

larger, U.S. industrial sales figures fell during the fourth quarter 2008 in terms of dollar volume compared to the third quarter of 2008.

In the fourth quarter, 844 industrial transactions closed with a total volume of \$3,208,764,829. The 844 buildings totaled 59,547,687 square feet and the average price per square foot equated to \$53.89 per square foot. That compares to 1,069 transactions totaling \$4,974,271,488 in the third quarter. The total square footage was 79,342,117 for an average price per square foot of \$62.69.

Total year-to-date industrial building sales activity in 2008 is down compared to the previous year. In the twelve months of 2008, the market saw 4,271 industrial sales transactions with a total volume of \$19,691,491,623. The price per square foot has averaged \$61.28 this year. In the twelve months of 2007, the market posted 6,313 transactions with a total volume of \$32,630,025,076. The price per square foot averaged \$64.72.

Cap rates have been higher in 2008, averaging 7.81%, compared to the twelve months of last year when they averaged 7.47%.

One of the largest transactions that occurred within the last four quarters in is the sale of AMB River Front Industrial Park in Puyallup. This 388,000 square foot industrial building sold for \$27,265,000, or \$70.27 per square foot. The property sold on 3/20/2009.

Atlanta

At the end of the first quarter 2009 the Atlanta Industrial market the vacancy rate stood at 12.4% with a total of 75.8-million square feet of vacant industrial space. The vacancy rate was up over the previous quarter when stood at 11.9%, with net absorption totaling negative (1,985,183) square feet in the first quarter. Atlanta's negative net absorption was the fourth largest after Chicago, Los Angeles, and Orlando. The market's largest lease was the 556,800 Suckers lease at 1525 Oakley Industrial Blvd in Fairburn GA. Rental rates ended the first quarter at \$4.33, a decrease over the previous quarter. A total of 1,197,710 square feet delivered to the market in the quarter, with only 98,380 square feet still under construction at the end of the quarter.

Austin

The Austin Industrial market ended the first quarter 2009 with a vacancy rate of 11.9%, up from 11.7%. Net absorption totaling positive 162,800 square feet in the first quarter, this positive absorption was the fifth largest nationally. Rental rates ended the first quarter at \$7.35, a decrease over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 348,907 square feet, with 129,883 square feet still under construction at the end of the quarter.

Baltimore

The Baltimore Industrial market ended the first quarter 2009 with a vacancy rate of 11.1%. The vacancy rate was up

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over the previous quarter, with net absorption totaling negative (718,417) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,346,518 square feet. Rental rates ended the first quarter at \$5.63, a decrease over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 191,585 square feet, with 109,100 square feet still under construction at the end of the quarter.

Birmingham

The Birmingham Industrial market ended the first quarter 2009 with a vacancy rate of 8.5%. The vacancy rate was up one percentage point over the previous quarter, with net absorption totaling negative (1,128,525) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 212,908 square feet. Rental rates ended the first quarter at \$3.66, a decrease over the previous quarter. There was 207,000 square feet still under construction at the end of the quarter.

Boston

The Boston Industrial market ended the first quarter 2009 with a vacancy rate of 11.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,295,080) square feet in the first quarter. Vacant sublease space in Boston ending the quarter at 2,603,589 square feet after experiencing a decrease of 424,142 square feet from the previous quarter. Rental rates ended the first quarter at \$6.94, a decrease over the previous quarter. A total of seven buildings delivered to the market in the quarter totaling 186,436 square feet, with 857,955 square feet still under construction at the end of the quarter.

Broward County

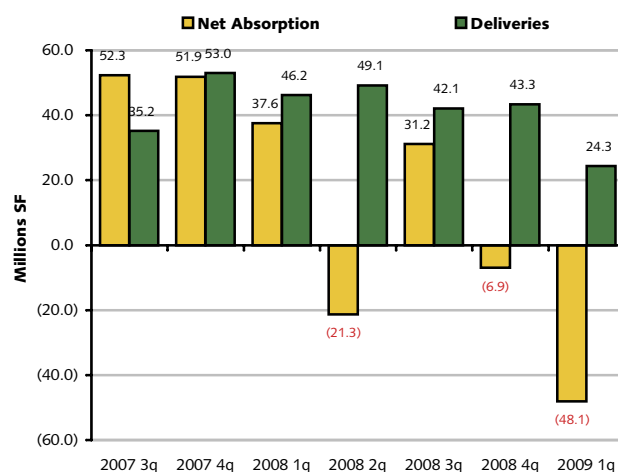
The Broward County Industrial market ended the first quarter 2009 with a vacancy rate of 8.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (892,698) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 862,626 square feet. Rental rates ended the first quarter at \$8.74, a decrease over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 102,461 square feet, with 1,051,747 square feet still under construction at the end of the quarter.

Charlotte

The Charlotte Industrial market ended the first quarter 2009 with a vacancy rate of 10.4%. The market had the third largest lease in the nation, a 649,777 square foot renewal signed by Coca-Cola Bottling Co. Consolidated at the Snyder Production Center in Charlotte, NC. The vacancy rate was up over the previous quarter, with net absorption totaling negative (686,831) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 617,549 square feet. Rental rates ended the first quarter at \$4.52, a decrease over the previous quarter. A total of five buildings delivered to the market in the quarter totaling 196,883 square feet, with 87,827 square feet still under construction at the end of the quarter.

ABSORPTION & DELIVERIES*

Past 7 Quarters



Source: CoStar Property® *Excludes markets - see Methodology page.

Chicago

The largest industrial market in the nation with 1.13-billion square feet of inventory ended the first quarter 2009 with a vacancy rate of 11.1%. The market experienced the highest amount of negative net absorption in the country in first quarter, negative (7,935,956) square feet. The market saw the fifth largest lease in the nation with the 595,000 square foot lease by Cinram at 948 Meridian Lake Dr in Aurora, IL. During the quarter of 10 buildings delivered to the market in the quarter totaling 1,599,525 square feet, with 1,306,702 square feet still under construction at the end of the quarter. Rental rates ended the first quarter at \$5.15, a decrease over the previous quarter.

Cincinnati

The Cincinnati Industrial market ended the first quarter 2009 with a vacancy rate of 7.1%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (962,298) square feet in the first quarter due to many significant move outs. Vacant sublease space increased in the quarter, ending the quarter at 1,299,968 square feet. Rental rates ended the first quarter at \$3.77, a 0.5% increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 20,180 square feet, with 861,005 square feet still under construction at the end of the quarter.

Cleveland

The Cleveland Industrial market ended the first quarter 2009 with a vacancy rate of 7.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,278,357) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 218,377 square feet. Rental rates ended the first quarter at \$3.99, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 28,500 square feet, with 0 square feet still under construction at the end of the quarter.

Columbus

The Columbus Industrial market ended the first quarter 2009 with a vacancy rate of 12.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (643,505) square feet in the first quarter. The 701,808 square foot lease by Kenco Logistic Services at 5235 West Pointe Dr in Groveport, OH was the largest lease in the nation for first quarter 2009. Rental rates ended the first quarter at \$3.32, a change over the previous quarter. There was 693,834 square feet still under construction at the end of the quarter.

Dallas/Ft Worth

The Dallas/Ft. Worth Industrial market ended the first quarter 2009 with a vacancy rate of 10.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (969,495) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 4,351,155 square feet. Rental rates ended the first quarter at \$4.63, a decrease over the previous quarter. A total of 30 buildings delivered to the market in the quarter totaling 4,853,676 square feet, including the two largest delivery year to date in the nation, the 888,000 square foot I-20 Distribution Center - Bldg 2 in Dallas, TX and the 815,820 square foot Pioneer 360 Business Center - Building 300 in Arlington TX. Both buildings delivered with no preleasing. At the end of the quarter there was still 5,785,029 square feet still under construction.

Dayton

The Dayton Industrial market ended the first quarter 2009 with a vacancy rate of 8.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (159,559) square feet in the first quarter. Vacant sublease space remained unchanged in the quarter, ending at 127,287 square feet. Rental rates ended the first quarter at \$3.80, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 125,000 square feet. There were no buildings under construction at the end of the quarter.

Denver

The Denver Industrial market ended the first quarter 2009 with a vacancy rate of 8.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (891,414) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,046,189 square feet. Rental rates ended the first quarter at \$6.37, a decrease over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 188,624 square feet, with 280,778 square feet still under construction at the end of the quarter.

Detroit

The Detroit Industrial market ended the first quarter 2009 with a vacancy rate of 12.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (887,434)

square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 2,427,210 square feet. Rental rates ended the first quarter at \$5.02, a decrease over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 235,000 square feet, with 221,986 square feet still under construction at the end of the quarter.

East Bay/Oakland

The East Bay/Oakland Industrial market ended the first quarter 2009 with a vacancy rate of 8.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,757,209) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,314,210 square feet. Rental rates ended the first quarter at \$8.62, a decrease over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 63,149 square feet, with 496,110 square feet still under construction at the end of the quarter.

Greensboro/Winston-Salem

The Greensboro/Winston-Salem Industrial market ended the first quarter 2009 with a vacancy rate of 8.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 460,598 square feet in the first quarter. Vacant sublease space decreased from 722,448 square feet to end the quarter at 489,846 square feet. Rental rates ended the first quarter at \$3.44, a decrease over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 70,021 square feet.

Greenville/Spartanburg

The Greenville/Spartanburg Industrial market ended the first quarter 2009 with a vacancy rate of 12.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (768,918) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 427,530 square feet. Rental rates ended the first quarter at \$3.35, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 13,400 square feet, with 822,500 square feet still under construction at the end of the quarter.

Hampton Roads

The Hampton Roads Industrial market ended the first quarter 2009 with a vacancy rate of 9.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 513,334 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,187,532 square feet. Rental rates ended the first quarter at \$5.76, an increase over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 40,288 square feet, with 273,054 square feet still under construction at the end of the quarter.

Hartford

The Hartford Industrial market ended the first quarter 2009 with a vacancy rate of 10.4%. The vacancy rate was up over

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the previous quarter, with net absorption totaling positive 42,646 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 462,195 square feet. Rental rates ended the first quarter at \$4.86, a decrease over the previous quarter. A total of five buildings delivered to the market in the quarter totaling 132,885 square feet, with 463,076 square feet still under construction at the end of the quarter.

Houston

The Houston Industrial market ended the first quarter 2009 with a vacancy rate of 6.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (628,949) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,161,080 square feet. Rental rates ended the first quarter at \$5.70, a decrease over the previous quarter. A total of 37 buildings delivered to the market in the quarter totaling 3,484,036 square feet, with 3,680,606 square feet still under construction at the end of the quarter. Houston featured the third largest delivery of the year, the 734,448 square foot Interport II property that delivered with no preleasing (the number one and two delivery were both in the Dallas/Ft Wroth market).

Indianapolis

The Indianapolis Industrial market ended the first quarter 2009 with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,343,049 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 815,061 square feet. Rental rates ended the first quarter at \$3.92, a change over the previous quarter. A total of one building delivered to the market in the quarter totaling 380,000 square feet, with 1,866,520 square feet still under construction at the end of the quarter.

Inland Empire (California)

The Inland Empire Industrial market ended the first quarter 2009 with a vacancy rate of 12.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,479,164) square feet in the first quarter. The largest lease for the quarter was the 528,320 square foot renewal by Dorel Juvenile Group Vacant at 9950 Calabash Ave in Redlands, CA. Vacant sublease space increased by 463,049 square feet in the quarter, ending the quarter at 2,537,408 square feet. Rental rates ended the first quarter at \$5.81, a decrease over the previous quarter. A total of 52 buildings delivered to the market in the quarter totaling 3,273,800 square feet. The markets deliveries including the fourth largest delivery in the nation, the 609,499 square foot speculative property at 7776 Tippecanoe Ave in San Bernardino, CA, and the largest preleased property in the nation the 517,346 square foot Watson Commerce Center Redlands - Bldg 86 in Redlands, CA preleased to Kenco Logistic Services, LLC. There was 1,577,205 square feet still under construction at the end of the quarter.

Jacksonville (Florida)

The Jacksonville Industrial market ended the first quarter 2009 with a vacancy rate of 9.4%. The vacancy rate was up 1.2 percentage points over the previous quarter, with net absorption totaling negative (122,761) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 385,146 square feet. Rental rates ended the first quarter at \$4.80, a decrease over the previous quarter. A total of 11 buildings delivered to the market in the quarter totaling 1,378,679 square feet. A significant portion of the delivered square footage was comprised of the 532,000 square foot property at 10940 New Kings Rd in Jacksonville, FL, which delivered with 63% of its space preleased. The quarter ended with 342,330 square feet still under construction at the end of the quarter.

Kansas City

The Kansas City Industrial market ended the first quarter 2009 with a vacancy rate of 6.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (773,443) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 599,159 square feet. Rental rates ended the first quarter at \$4.44, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 85,352 square feet, with 1,113,716 square feet still under construction at the end of the quarter.

Las Vegas

The Las Vegas Industrial market ended the first quarter 2009 with a vacancy rate of 11.4%. The vacancy rate was up over 1.3 percentage points the previous quarter, with net absorption totaling negative (1,058,880) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 539,043 square feet. Rental rates ended the first quarter at \$8.88, a decrease over the previous quarter. A total of seven buildings delivered to the market in the quarter totaling 379,540 square feet, with 332,133 square feet still under construction at the end of the quarter.

Long Island (New York)

The Long Island Industrial market ended the first quarter 2009 with a vacancy rate of 4.2%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (310,046) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 844,081 square feet. Rental rates ended the first quarter at \$10.63, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 18,500 square feet, with 602,394 square feet still under construction at the end of the quarter.

Los Angeles

The Los Angeles Industrial market ended the first quarter 2009 with a vacancy rate of 4.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative



(5,829,045) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 5,317,159 square feet. Rental rates ended the first quarter at \$8.35, a decrease over the previous quarter. A total of 27 buildings delivered to the market in the quarter totaling 1,109,215 square feet, with 1,282,378 square feet still under construction at the end of the quarter.

Madison

With no deliveries and no space under construction the Madison Industrial market ended the first quarter 2009 with a vacancy rate of 5.3% after (36,997) square feet of negative net absorption. The vacancy rate was up over the previous quarter. Rental rates ended the first quarter at \$4.25, a decrease of 18 cents over the previous quarter. There was 150,000 square feet still under construction at the end of the quarter.

Memphis

The Memphis Industrial market ended the first quarter 2009 with a vacancy rate of 13.8%. Jabil Circuit signed a 629,086 square foot renewal at Memphis Tradecenter II; this lease was the fourth largest in the nation for first quarter. The vacancy rate was up over the previous quarter, with net absorption totaling negative (804,821) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,157,341 square feet. Rental rates ended the first quarter at \$2.90, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 100,000 square feet, with 421,262 square feet still under construction at the end of the quarter.

Miami-Dade County

The Miami-Dade County Industrial market ended the first quarter 2009 with a vacancy rate of 8.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,577,027) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 851,994 square feet. Rental rates ended the first quarter at \$8.30, a decrease over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 386,588 square feet, with 125,380 square feet still under construction at the end of the quarter.

Milwaukee

The Milwaukee Industrial market ended the first quarter 2009 with a vacancy rate of 6.0%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 56,342 square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 205,174 square feet. Rental rates ended the first quarter at \$4.30, a decrease over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 39,080 square feet, with 853,000 square feet still under construction at the end of the quarter.

Minneapolis

The Minneapolis Industrial market ended the first quarter 2009 with a vacancy rate of 7.3%. The vacancy rate was up

over the previous quarter, with net absorption totaling negative (263,559) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 738,691 square feet. Rental rates ended the first quarter at \$6.38, a decrease over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 448,596 square feet, with 84,755 square feet still under construction at the end of the quarter.

Nashville

The Nashville Industrial market ended the first quarter 2009 with a vacancy rate of 8.2%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (115,880) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,026,223 square feet. Rental rates ended the first quarter at \$4.28, an increase over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 154,792 square feet, with 1,482,300 square feet still under construction at the end of the quarter.

Northern New Jersey

The Northern New Jersey Industrial market ended the first quarter 2009 with a vacancy rate of 8.6%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,549,580) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 3,900,590 square feet. Rental rates ended the first quarter at \$6.18, a decrease over the previous quarter. A total of eight buildings delivered to the market in the quarter totaling 284,155 square feet, with 1,594,635 square feet still under construction at the end of the quarter.

Oklahoma City

The Oklahoma City Industrial market ended the first quarter 2009 with a vacancy rate of 7.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (81,982) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 65,757 square feet. Rental rates ended the first quarter at \$3.67, an increase over the previous quarter. A total of 12 buildings delivered to the market in the quarter totaling 122,643 square feet, with 239,286 square feet still under construction at the end of the quarter.

Orange (California)

With no deliveries and negative (1,820,811) square feet of net absorption the Orange County Industrial market ended the first quarter 2009 with a vacancy rate of 5.4%. The vacancy rate was 0.6% up over the previous quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,224,957 square feet. Rental rates ended the first quarter at \$9.87, a decrease of 47 cents over the previous quarter.

Orlando

The Orlando Industrial market ended the first quarter 2009 with a vacancy rate of 11.1%. The vacancy rate was up 1.4 percentage points over the previous quarter, with net absorption

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totaling negative 2,154,851 square feet in the first quarter. Vacant sublease space decreased in the quarter from 1,002,997 square feet to end the quarter at 651,858 square feet. Rental rates ended the first quarter at \$6.85, a decrease over the previous quarter. A total of 17 buildings delivered to the market in the quarter totaling 239,340 square feet, with 53,678 square feet still under construction at the end of the quarter.

Palm Beach County

The Palm Beach County Industrial market ended the first quarter 2009 with a vacancy rate of 10.9%. The vacancy rate was up 1.7 percentage points over the previous quarter, with net absorption totaling negative (972,257) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 425,789 square feet. Rental rates ended the first quarter at \$9.46, a decrease of 41 centers per square foot over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 22,200 square feet, with 125,500 square feet still under construction at the end of the quarter.

Philadelphia

The Philadelphia Industrial market ended the first quarter 2009 with a vacancy rate of 10.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,819,796) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 3,789,329 square feet. Rental rates ended the first quarter at \$4.86, a decrease over the previous quarter. A total of 12 buildings delivered to the market in the quarter totaling 1,079,477 square feet, with 6,491,901 square feet still under construction at the end of the quarter.

Phoenix

The Phoenix Industrial market ended the first quarter 2009 with a vacancy rate of 14.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,823,194) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,933,423 square feet. Rental rates ended the first quarter at \$7.32, a decrease over the previous quarter. A total of 10 buildings delivered to the market in the quarter totaling 508,660 square feet, with 1,494,260 square feet still under construction at the end of the quarter. A majority of the under construction inventory is the 1,267,110 square foot speculative Fowler Distribution Center - Bldg 2 project in Phoenix.

Pittsburgh

With no new deliveries and negative (1,091,898) square feet of net absorption the Pittsburgh Industrial market ended the first quarter 2009 with a vacancy rate of 9.5%. The vacancy rate was up 0.7 percentage points over the previous quarter. Vacant sublease space decreased in the quarter, ending the quarter at 238,401 square feet. Rental rates ended the first quarter at \$4.77, an increase of 16 cents over the previous quarter. There was 247,030 square feet still under construction at the end of the quarter.

Portland

The Portland Industrial market ended the first quarter 2009 with a vacancy rate of 7.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (836,691) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 675,905 square feet. Rental rates ended the first quarter at \$6.49, a decrease over the previous quarter. A total of 14 buildings delivered to the market in the quarter totaling 461,290 square feet, with 472,669 square feet still under construction at the end of the quarter.

Providence

The Providence Industrial market ended the first quarter 2009 with a vacancy rate of 8.9%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 77,513 square feet in the first quarter. Vacant sublease space remained unchanged in the quarter, ending at 50,705 square feet. Rental rates ended the first quarter at \$5.03, a decrease over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 215,000 square feet, with 45,000 square feet still under construction at the end of the quarter.

Raleigh/Durham

The Raleigh/Durham Industrial market ended the first quarter 2009 with a vacancy rate of 11.8%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 20,470 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,096,949 square feet. Rental rates ended the first quarter at \$6.02, a decrease over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 23,980 square feet, with 281,626 square feet still under construction at the end of the quarter.

Richmond VA

The Richmond VA Industrial market ended the first quarter 2009 with a vacancy rate of 8.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,233,856) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 326,856 square feet. Rental rates ended the first quarter at \$4.46, a decrease over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 79,392 square feet, with 105,941 square feet still under construction at the end of the quarter.

Sacramento

The Sacramento Industrial market ended the first quarter 2009 with a vacancy rate of 11.4% with no deliveries during the quarter. The vacancy rate was up over the previous quarter, with net absorption totaling negative (784,309) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,039,922 square feet. Rental rates ended the first quarter at \$6.25, a decrease over the previous quarter. There was 45,787 square feet still under construction at the end of the quarter.



Salt Lake City

The Salt Lake City Industrial market ended the first quarter 2009 with a vacancy rate of 4.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (267,254) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 119,163 square feet. Rental rates ended the first quarter at \$5.49, a decrease over the previous quarter. A total of 11 buildings delivered to the market in the quarter totaling 237,186 square feet, with 723,427 square feet still under construction at the end of the quarter.

San Antonio

The San Antonio Industrial market ended the first quarter 2009 with a vacancy rate of 8.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 130,962 square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 260,072 square feet. Rental rates ended the first quarter at \$5.72, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 50,970 square feet, with 306,400 square feet still under construction at the end of the quarter.

San Diego

The San Diego Industrial market ended the first quarter 2009 with a vacancy rate of 9.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (706,194) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,613,017 square feet. Rental rates ended the first quarter at \$11.75, a decrease over the previous quarter. A total of 18 buildings delivered to the market in the quarter totaling 774,961 square feet, with 67,144 square feet still under construction at the end of the quarter.

San Francisco

The San Francisco Industrial market ended the first quarter 2009 with a vacancy rate of 4.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (398,839) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 453,138 square feet. Rental rates ended the first quarter at \$14.75, an increase over the previous quarter.

Seattle/Puget Sound

The Seattle/Puget Sound Industrial market ended the first quarter 2009 with a vacancy rate of 5.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,019,427) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 970,937 square feet. Rental rates ended the first quarter at \$7.56, a decrease over the previous quarter. A total of 14 buildings delivered to the market in the quarter totaling 306,120 square feet, with 584,820 square feet still under construction at the end of the quarter.

South Bay/San Jose

The South Bay/San Jose Industrial market ended the first quarter 2009 with a vacancy rate of 10.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (987,449) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 2,803,528 square feet. Rental rates ended the first quarter at \$13.49, a decrease of 82 cents over the previous quarter. There was 26,000 square feet still under construction at the end of the quarter.

Southwest Florida

The Southwest Florida Industrial market ended the first quarter 2009 with a vacancy rate of 11.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (349,918) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 169,894 square feet. Rental rates ended the first quarter at \$7.10, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 10,800 square feet, with 129,860 square feet still under construction at the end of the quarter.

St. Louis

The St. Louis Industrial market ended the first quarter 2009 with a vacancy rate of 8.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (717,906) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 645,078 square feet. Rental rates ended the first quarter at \$4.36, an increase over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 386,219 square feet, with 23,800 square feet still under construction at the end of the quarter.

Tampa/St Petersburg

The Tampa/St Petersburg Industrial market ended the first quarter 2009 with a vacancy rate of 8.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative 1,024,431 square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,427,871 square feet. Rental rates ended the first quarter at \$6.52, a decrease of 24 cents over the previous quarter. A total of eight buildings delivered to the market in the quarter totaling 407,502 square feet, with 922,485 square feet still under construction at the end of the quarter.

Toledo

The Toledo Industrial market ended the first quarter 2009 with a vacancy rate of 9.9%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 120,232 square feet in the first quarter. The market had the second largest lease of first quarter 2009, the Maumee Authority Stamping renewal of 667,964 at 920 Illinois Ave in Maumee, OH. Vacant sublease space remained unchanged in the quarter, ending at 445,620 square feet. Rental rates ended the first quar-

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ter at \$2.98, an increase over the previous quarter. One building delivered to the market in the quarter totaling 69,950 square feet, with 161,449 square feet still under construction at the end of the quarter.

Tucson

The Tucson Industrial market ended the first quarter 2009 with a vacancy rate of 10.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (847,901) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 386,537 square feet. Rental rates ended the first quarter at \$7.88, a decrease over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 89,735 square feet, with 134,533 square feet still under construction at the end of the quarter.

Tulsa

The Tulsa Industrial market ended the first quarter 2009 with a vacancy rate of 8.6%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (391,559) square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 10,153 square feet. Rental rates ended the first quarter at \$4.12, a decrease over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 157,150 square feet, with 130,242 square feet still under construction at the end of the quarter.

Washington

The Washington Industrial market ended the first quarter 2009 with a vacancy rate of 12.2%. The vacancy rate was up over the previous quarter, with net absorption totaling negative

(1,155,583) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 2,015,066 square feet. Rental rates ended the first quarter at \$10.21, a decrease over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 306,603 square feet, with 1,442,290 square feet still under construction at the end of the quarter.

West Michigan

The West Michigan Industrial market ended the first quarter 2009 with a vacancy rate of 8.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 244,087 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 347,605 square feet. Rental rates ended the first quarter at \$3.42, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 21,000 square feet, with no space under construction at the end of the quarter.

Westchester/So Connecticut

The Westchester Industrial market ended the first quarter 2009 with a vacancy rate of 8.7%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 136,643 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 454,049 square feet. Rental rates ended the first quarter at \$7.85, an increase over the previous quarter. A total of five buildings delivered to the market in the quarter totaling 231,785 square feet, with 295,000 square feet still under construction at the end of the quarter.