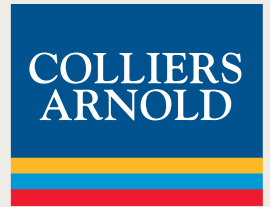




Market Overview

TAMPA BAY

INDUSTRIAL/FLEX | FOURTH QUARTER | 2009



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Insights on the Market

INDUSTRIAL/FLEX | FOURTH QUARTER | 2009

Challenges Continue for the Industrial Market

For the greater part of the year, the industrial real estate market in Tampa Bay experienced sluggish demand, reduced construction activity and declining prices. As the year progressed, tenants began to assess the market and landlords became aggressive with their terms. In the third quarter, a spike in leasing transactions was observed, however it was short lived as evidenced by a significant decline in transactions in the fourth quarter. Sales activity on industrial property over 10,000 square feet remained slow in 2009 with 104 transactions occurring in the market, down from 153 total deals in 2008. High quality assets on the market with well established tenants are in short supply and high demand. On the contrary, below average properties continue to experience a pricing disconnect between buyer and seller expectations. Financing still remains tight with underwriting requirements adjusting loan-to-value ratios higher and forcing recourse loans on all but the most institutional deals. With all things considered, transactions are still occurring in this challenging market.

A large portion of the activity witnessed in the past quarter was generated through renegotiations on existing leases. With sharp reductions in lease rates and added landlord incentives, some tenants have recognized the opportunity to lock in favorable terms for the foreseeable future. High credit tenants are valuable to landlords; however, even tenants that continue to struggle are finding landlords willing to cooperate to maintain occupancy. But not all tenants are staying put. Verizon Wireless occupied 229,000 square feet of space at 4406 Madison Industrial Lane in early November. Other large move-ins in 2009 include Precisionaire Corp; 225,000 square feet in the second quarter and American Tire Distributors ;147,197 square feet in the first quarter.

At the end of the year, the industrial market in Tampa Bay was experiencing a 10.9 percent vacancy rate. The current level has increased by 0.4 percent since the previous quarter, in response to just over one million square feet of negative absorption. With vacancy on the rise, it is unlikely new construction activity will occur in the first half of 2010. Over the past year, nearly 1.2 million square feet of construction activity was completed in the Tampa Bay industrial market. The largest delivery in 2009 was the 580,000 square foot Premiere Beverage building, located at 6031 Madison Avenue. Premiere Beverage vacated their 222,000 square foot space at Oak Creek Commerce Park I in the third quarter to expand into the current building.

Trends

- Sales activity remained slow throughout 2009, with 104 transactions occurring in the market, down from 153 total deals in 2008.
- A large portion of the activity in 2009 was through renegotiations of leases.
- Large transactions are still occurring as evidenced by Verizon Wireless (229,000 square feet) recent move to 4406 Madison Industrial Lane.

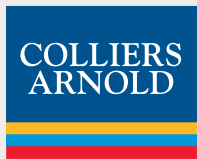


MARKET INDICATORS

TAMPA BAY INVENTORY
207,854,147 Sq. Ft.

	Q4	Q1*
OVERALL VACANCY 10.9%	↔↔	↔↔
DIRECT VACANCY 10.2%	↔↔	↔↔
ABSORPTION (1,014,771) s.f.	↔↔	↑
CONSTRUCTION 38,400 s.f.	↓	↔↔
NEW SUPPLY 16,500 s.f.	↓	↔↔
FLEX DIRECT AVG. LEASE RATE \$8.54	↓	↓
WHSE DIRECT AVG LEASE RATE \$4.84	↓	↓

*Projected, relative to prior period
Note: Directional arrows compare current quarter to previous quarter historically adjusted figures.



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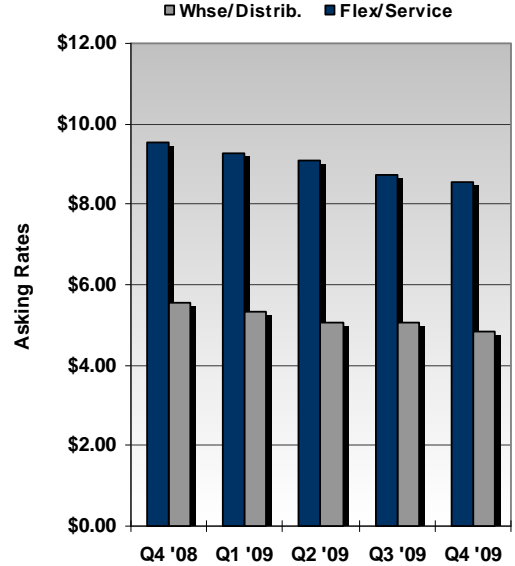
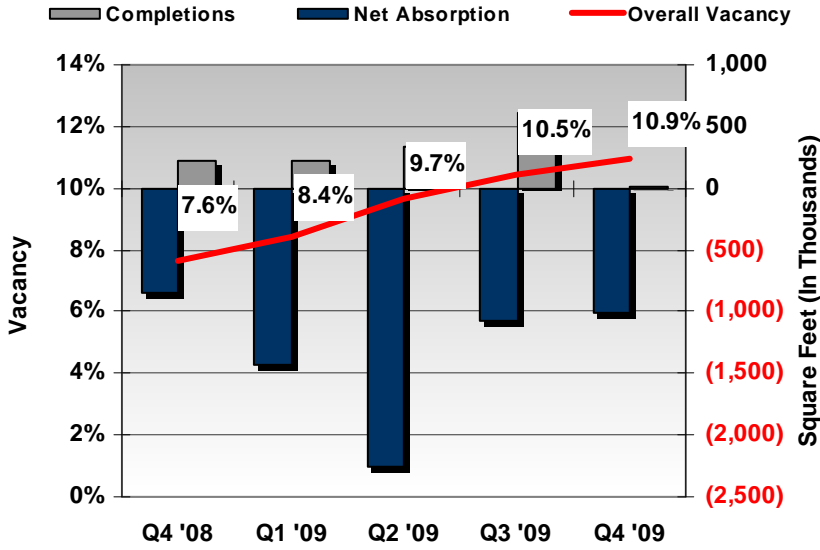
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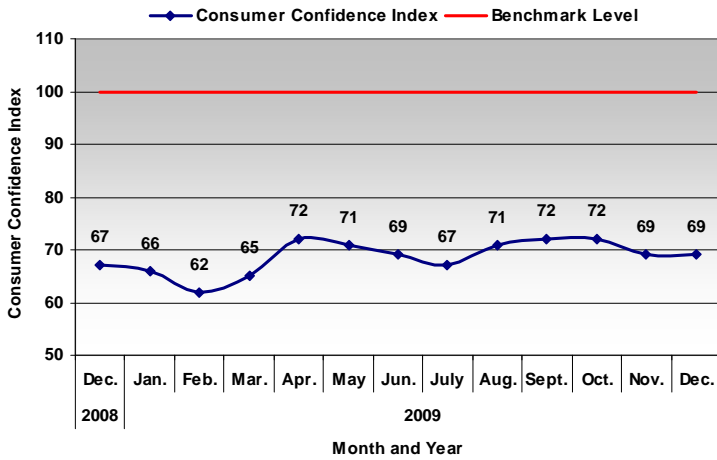
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OVERALL INDUSTRIAL/FLEX MARKET STATISTICS

RENTAL RATES BY BUILDING TYPE

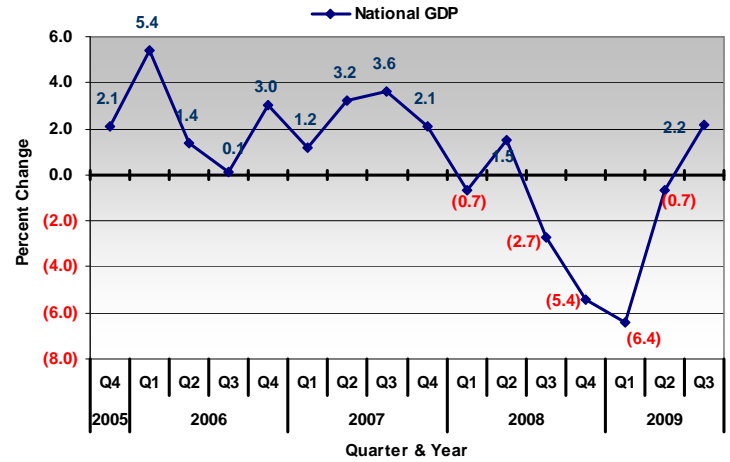


FLORIDA CONSUMER CONFIDENCE INDEX



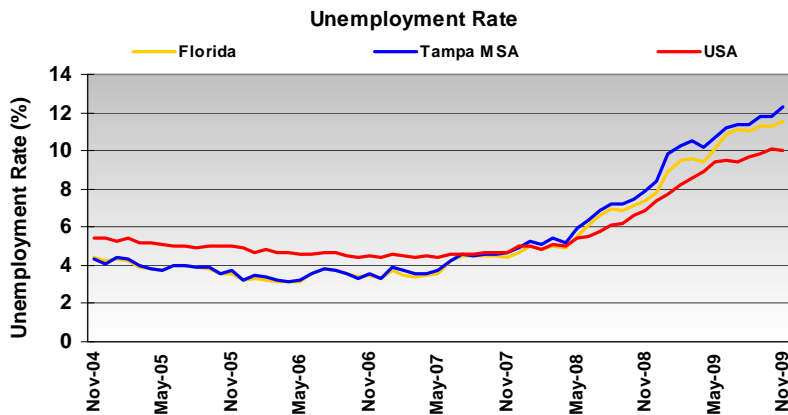
Source: Bureau of Economic and Business Research

NATIONAL GDP



Source: Bureau of Economic Analysis - U.S. Department of Commerce

UNEMPLOYMENT SNAPSHOT

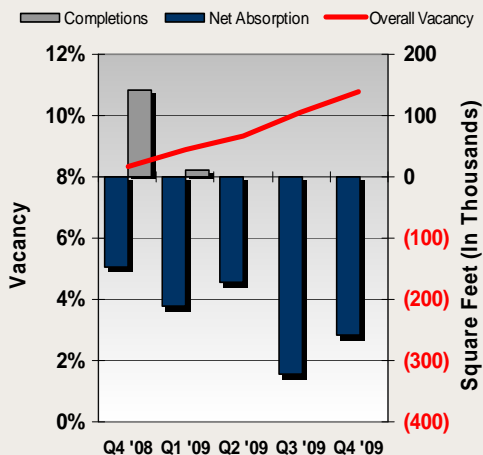


Source: Florida Research and Economic Database

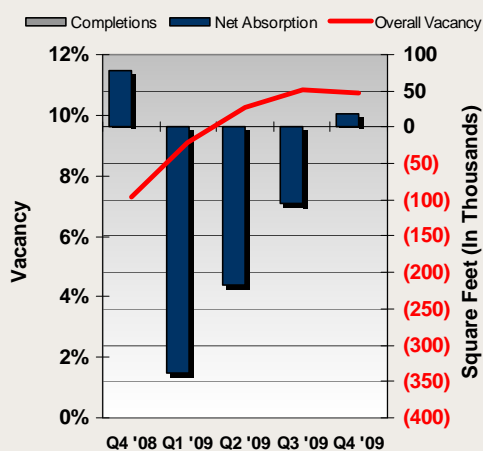
The unemployment rate for the Tampa Bay MSA was 12.3% for November 2009. This compares to the published rate of 7.9% for November 2008. The State of Florida rate was 11.5% for November 2009 which compares to 7.4% for November 2008. Both the local and state rates are higher than the national rate which now stands at 10.0%. The national rate in November 2008 was 6.9%. The detailed snapshot for the Tampa Bay area shows a net loss of 73,286 jobs from November 2008 to November 2009. All reported rates are non-seasonally adjusted.

SUBMARKET TRENDS

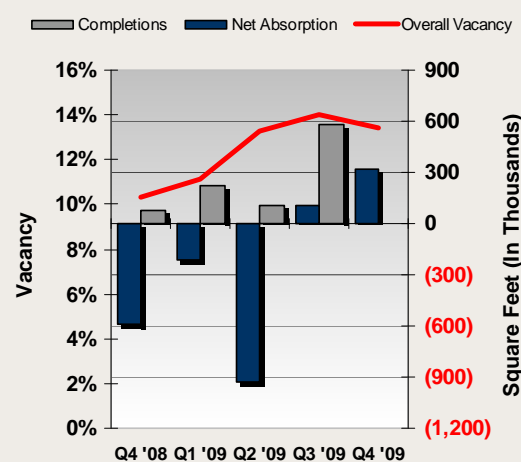
GATEWAY



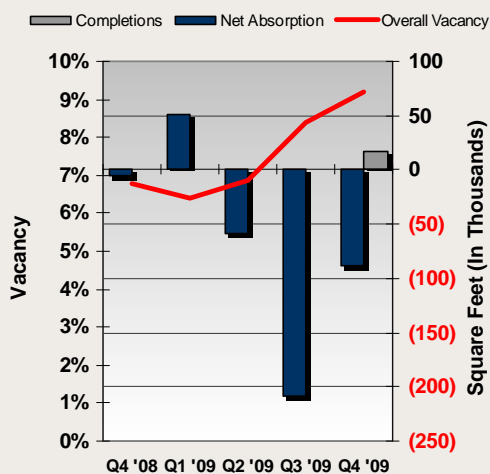
AIRPORT



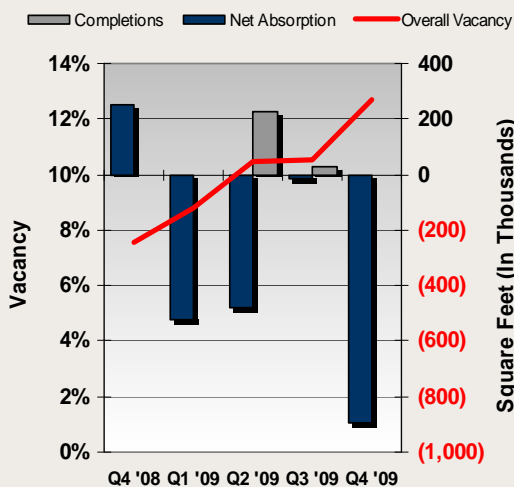
EAST TAMPA



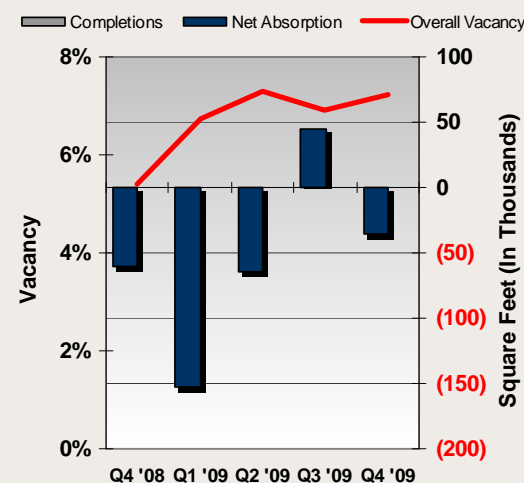
SOUTH PINELLAS



POLK COUNTY



NORTH PINELLAS



SUBMARKET OVERVIEW

The East Tampa and Airport submarkets were the only two submarkets to generate stable or growing occupancy rates in the fourth quarter. East Tampa registered a 13.4 percent vacancy at the end of the year, down from 14.0 percent in the third quarter. The Airport submarket posted a 10.7 percent vacancy rate, down slightly from the previous quarter level of 10.8 percent. The Polk County submarket experienced the largest increase in vacancy, climbing from 10.5 percent in the third quarter to 12.7 percent in the fourth quarter due to a negative 892,671 square feet of net absorption.

The construction pipeline in the overall market remains low with just over 38,000 square feet of industrial space under

construction. The two projects under construction are within the Polk County submarket and are expected to be completed in the first half of 2010. Construction activity has nearly diminished compared to the fourth quarter 2008 total of 1,107,525 square feet.

Landlords within the Gateway submarket are asking the highest overall rental rates in the Tampa Bay industrial market at \$6.32 per square foot triple net. Industrial (non-flex) space is asking on average \$5.67 per square foot and flex space is asking on average \$9.28 per square foot. Asking rental rates in the overall industrial market in Tampa Bay is currently averaging \$4.84 per square foot for non-flex industrial space while flex space is averaging \$8.54 per square foot.

TAMPA BAY MARKET STATISTICS

Sbmrkt & Prop. Type	Bldgs.	Total Inventory S.F.	Direct Vac. %	Total Vac. %	Net Absorp. Current Qtr. S.F.	Net Absorp. YTD S.F.	New Completions S.F.	Under Construc. S.F.	Avg. Direct Asking Rate NNN
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HIGHLIGHTED SUBMARKETS

Airport

Industrial	412	13,757,519	9.0%	9.2%	-3,956	-343,279	0	0	\$4.86
Flex	159	4,978,831	14.0%	14.9%	23,346	-296,468	0	0	\$7.75
Overall	571	18,736,350	10.3%	10.7%	19,390	-639,747	0	0	\$5.55

East Side Tampa

Industrial	820	44,442,180	11.9%	13.0%	328,223	-798,108	0	0	\$4.95
Flex	151	5,451,456	15.6%	16.3%	-5,562	85,496	0	0	\$9.48
Overall	971	49,893,636	12.3%	13.4%	322,661	-712,612	0	0	\$5.74

Polk County

Industrial	625	40,654,205	11.6%	12.3%	-873,581	-1,866,608	0	38,400	\$4.29
Flex	44	1,130,890	24.5%	24.5%	-19,090	-45,205	0	0	\$5.42
Overall	669	41,785,095	12.0%	12.7%	-892,671	-1,911,813	0	38,400	\$4.34

North Pinellas

Industrial	372	9,403,670	6.7%	7.1%	-20,754	-134,775	0	0	\$5.31
Flex	64	2,039,941	7.9%	7.9%	-15,225	-73,300	0	0	\$9.58
Overall	436	11,443,611	6.9%	7.2%	-35,979	-208,075	0	0	\$5.70

Gateway

Industrial	980	32,904,130	8.9%	9.4%	-108,117	-704,328	0	0	\$5.67
Flex	183	6,711,379	13.7%	17.6%	-150,094	-258,802	0	0	\$9.28
Overall	1,163	39,615,509	9.7%	10.8%	-258,211	-963,130	0	0	\$6.32

South Pinellas

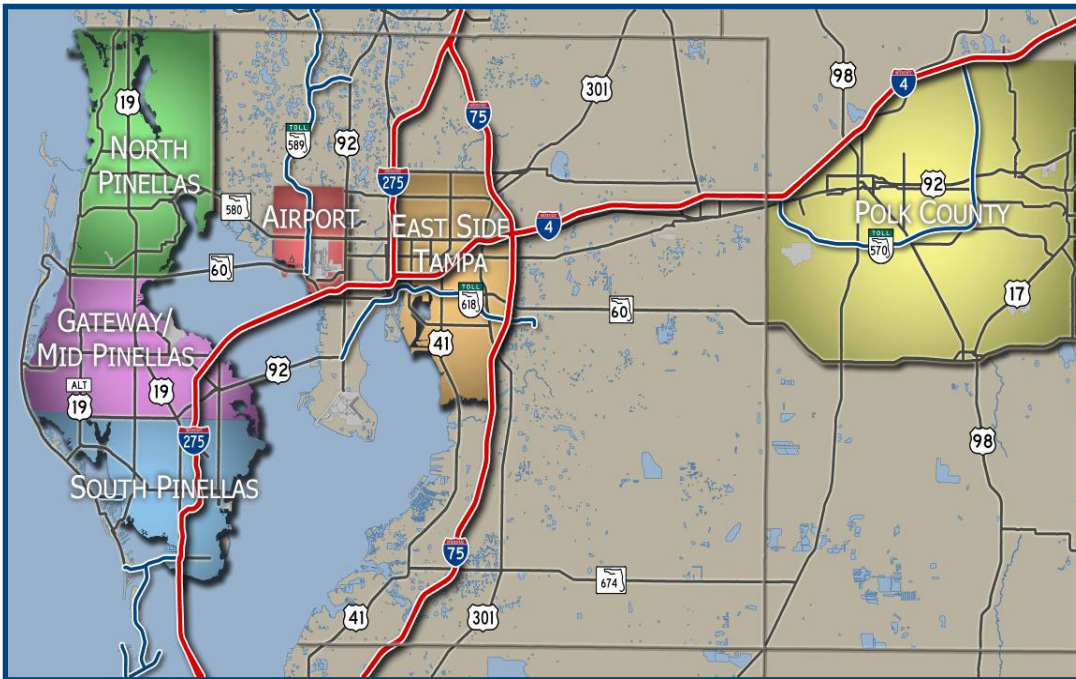
Industrial	410	12,239,463	6.9%	7.1%	-47,990	-200,355	16,500	0	\$4.33
Flex	36	1,106,248	29.4%	32.5%	-39,761	-103,759	0	0	\$6.76
Overall	446	13,345,711	8.8%	9.2%	-87,751	-304,114	16,500	0	\$4.54

Qtr. & Year	Bldgs.	Total Inventory S.F.	Direct Vac. %	Total Vac. %	Net Absorp. Current Qtr. S.F.	Net Absorp. YTD S.F.	New Completions S.F.	Under Construc. S.F.	Whse. Avg. Direct Asking Rate NNN	Flex Avg. Direct Asking Rate NNN
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TAMPA BAY OVERALL MARKET

2009 4Q	4,983	207,854,147	10.2%	10.9%	-1,014,771	-5,768,450	16,500	38,400	\$4.84	\$8.54
2009 3Q	4,982	207,837,647	10.0%	10.5%	-1,072,322	-4,753,679	606,400	54,900	\$5.04	\$8.72
2009 2Q	4,980	207,231,247	9.1%	9.7%	-2,252,407	-3,681,357	331,922	661,300	\$5.08	\$9.10
2009 1Q	4,977	206,899,325	7.9%	8.4%	-1,428,950	-1,428,950	229,803	954,822	\$5.31	\$9.27
2008 4Q	4,969	206,669,522	7.1%	7.6%	-853,502	-215,236	221,024	1,107,525	\$5.55	\$9.55
2008 3Q	4,963	206,448,498	6.6%	7.1%	473,344	638,266	1,090,468	748,549	\$5.62	\$9.90
2008 2Q	4,951	205,262,530	6.3%	6.8%	-704,949	164,922	1,029,495	1,481,670	\$5.68	\$9.58
2008 1Q	4,938	204,218,955	5.6%	6.0%	869,871	869,871	1,129,585	2,323,943	\$5.95	\$9.87
2007 4Q	4,926	203,179,950	5.4%	6.0%	-729	1,451,016	271,803	2,961,548	\$6.04	\$9.74

TAMPA BAY INDUSTRIAL HIGHLIGHTED SUBMARKETS



FOURTH QUARTER 2009 TRANSACTION HIGHLIGHTS

SALES ACTIVITY

BLDG NAME/ PROPERTY ADDRESS	TYPE	BUYER NAME	SIZE (SF)	SALES PRICE	SALES PRICE /SF	SUBMARKET
Vollmer Industrial Park 725 Stevens Avenue	Whse.	LCN Holding Company LLC	11,300	\$610,000	\$53.98	North Pinellas
Clearwater Industrial Park 2141-2151 Logan Street	Whse.	Logan Properties of Clearwater, LLC	20,000	\$1,000,000	\$50	North Pinellas
1702 Jim Johnson Road	Industrial	HCE Corporation	48,290	\$2,900,000	\$60.05	East Side
4220 Drane Field Road	Manu.	Intercit, Inc.	40,000	\$1,800,000	\$45.00	Polk County
1018 N Ward Street	Whse.	Haylon, LLC	15,456	\$1,050,000	\$67.93	Airport
5614 E Powhatan Avenue	Manu.	Vision Kitchen & Bath, Inc.	25,175	\$1,012,500	\$40.22	East Side

LEASING ACTIVITY

BLDG NAME/ PROPERTY ADDRESS	TYPE	TENANT NAME	SIZE (SF)	LEASE TYPE	SUBMARKET
Madison Business Center 4406 Madison Industrial Ln.	Dist.	Verizon Wireless	229,308	New/Direct	East Side
11441 US Highway 301	Dist.	Certified Auto Body Parts	25,712	New/Direct	East Side
Thompson Center Waters 5501 W Waters Ave.	Flex	National Credit Federation Corporation	2,650	New/Direct	Airport
3690 N 70 th Avenue	Manu.	Custom Manufacturing & Engineering, Inc.	49,000	New/Direct	South Pinellas
Tampa East Dist. Center 5120 E Adamo Drive	Dist.	Norcraft Companies	31,200	New/Direct	East Side

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FOR NATIONAL REPORTS VISIT – <http://www.colliers.com/Corporate/MarketReports/>

This Colliers Arnold market report includes owner and non-owner occupied industrial space 10,000 s.f. and greater in Hillsborough, Pinellas, and Polk Counties. Directional arrows compare current quarter numbers to previous quarter numbers. Arrows show change when there is a 10 cent or more change in lease rate or 0.5% or more change in vacancy rate. Due to continual updates and refinements in the historical database, some of the data in this report may not match data published in previous reports. Sources: CoStar Property and Colliers Arnold. Colliers Arnold is a member firm of Colliers International - a worldwide affiliation of independently owned and operated companies with over 294 offices throughout more than 61 countries. Questions should be directed to Colliers Arnold Research, 813/221-2290 or by e-mail at: research@colliersarnold.com. Report written by Daniel Rice, 407-843-1723 or by e-mail at: drice@colliersarnold.com. Information contained herein has been obtained from sources deemed reliable but not guaranteed. No representation is made as to the accuracy thereof. Data as of 1/07/2010.

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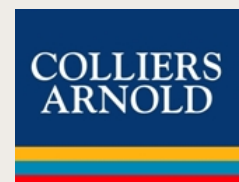
USA 94
 CANADA 22
 LATIN AMERICA 17
 ASIA PACIFIC 64
 EMEA 97

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