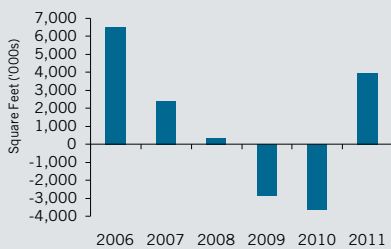


NASHVILLE INDUSTRIAL

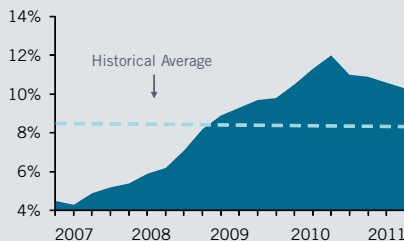
Economic Indicators

	Q4 10	Q4 11
Nashville Employment	757,842	778,134
Nashville Unemployment	8.0%	7.7%
US CCI	57.05	53.53
US Unemployment Rate	9.6%	8.6%

Net Absorption



Vacancy Rate



Market Tracker

*Arrows =
From previous quarter

▼ Vacancy
10.3%

▼ Net Absorption
456,068 SF

▼ Deliveries
0 SF

▲ Asking Rent
\$3.48

A Banner Rebound

This year has been a vast improvement for the industrial market. Middle Tennessee received confirmation that online retail giant Amazon.com will build two new fulfillment centers that are due to break ground next month. This announcement, coupled with the current two large-scale, multi-year projects underway (Hemlock Semiconductor Plant and Nissan Battery Plant), represent a large influx of capital investment and speak to the strength and resilience of the local economy along with the ability to attract new business and bring new jobs to the region.

Over 20 transactions of 100,000 SF and above were completed this year, pushing vacancy rates down to 10.3%. Two of the larger deals to note this year are Griffin Technology's lease for 518,400 SF at 1706 Heil Quaker Blvd and Amazon.com inking 453,000 SF at Park 840. Although vacancy is above historic levels, this is a quick improvement from the 12% reported at year end 2010. Sublease space has diminished and only represents 0.8% of additional available space in the market.

Positive absorption of over 3.9 million SF for the year is the strongest number the industrial market has seen since 2006, when absorption was over 6.0 million SF. This comes off the heels of a bleak 2009 and 2010, when the market took a nosedive and posted a combined total of negative 6.5 million SF. The Southeast submarket continues to be the best performer with over 1.9 million SF of positive absorption for the year, accounting for almost half the total market.

The largest investment sale the market has seen since 2006 occurred this quarter. Crow Holdings, a Dallas based real estate investment group, bought a six building portfolio comprised of 1,778,400 SF for \$56.7 million from JP Morgan. We look back on 2011 as a much improved year with leasing velocity and absorption finishing strong. With an election year ahead, we expect the industrial market to see more of the same in the immediate future.

Forecast

- Institutional investment activity on the rise
- Asking rates and landlord concessions should begin to stabilize
- Auto manufacturing will continue to have a positive impact on the region
- Continued positive absorption

Cassidy Turley Industrial Market Snapshot

Nashville • Fourth Quarter • 2011

SUBMARKET	TOTAL BLDGS	INVENTORY	DIRECT VACANT	DIRECT VACANCY	SUBLET AVAILABLE	OVERALL VACANCY	YTD NET ABSORPTION	YTD CONSTRUCTION COMPLETIONS	BA	BB	M	W	F
65-South	231	12,388,927	676,667	5.5%	28,875	5.7%	114,515	0	-	\$2.45	\$3.25	\$5.87	\$8.38
East	183	20,975,515	3,969,066	18.9%	0	18.9%	750,695	12,000	\$3.18	\$2.25	\$2.75	\$2.59	\$7.67
ICBD	1,007	50,144,816	3,022,571	6.0%	439,951	6.9%	-198,325	164,420	\$3.75	\$2.27	\$2.52	\$4.83	\$8.09
North	506	44,084,593	3,465,838	7.9%	731,112	9.5%	1,258,560	435,134	\$3.05	\$2.87	\$2.32	\$3.38	\$4.46
Southeast	476	52,697,010	7,920,987	15.0%	247,390	15.5%	1,973,637	168,000	\$2.95	\$3.18	\$2.43	\$3.42	\$7.84
West	203	16,436,186	1,270,804	7.7%	0	7.7%	51,820	0	\$2.75	\$2.25	\$5.00	\$5.02	\$5.00
BY PROPERTY TYPE													
Bulk - Class A	89	32,640,307	5,335,970	16.3%	447,562	17.7%	2,409,731	374,000	\$3.09				
Bulk - Class B	100	26,247,652	3,877,687	14.8%	669,601	17.3%	450,522	0		\$2.75			
Manufacturing	368	56,969,857	4,486,630	7.9%	50,650	8.0%	168,577	108,000			\$1.74		
Warehouse	1,813	69,493,929	4,884,089	7.0%	267,515	7.4%	963,570	256,134				\$4.01	
Flex/R&D	236	11,375,302	1,741,557	15.3%	12,000	15.4%	-41,498	41,420					\$7.72
TOTAL	2,606	196,727,047	20,325,933	10.3%	1,447,328	11.1%	3,950,902	779,554	\$3.09	\$2.75	\$1.74	\$4.01	\$7.72

BA = Bulk - Class A BB = Bulk - Class B M = Manufacturing W = Warehouse F = Flex/Research & Development

Key Lease Transactions 4Q 11

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
501 Mason Road	105,600	LKQ Corporation	New	Southeast
1211 Heil Quaker Blvd.	87,450	Singer Sewing Company, Inc.	New	Southeast
1260 Heil Quaker Blvd.	65,100	Ingram Publisher Services	Renewal	Southeast
5270 Harding Place	51,960	Sky High Sports	New	Southeast

Bold Text = Cassidy Turley Transactions

Key Sale Transactions 4Q 11

PROPERTY	SF	SELLER / BUYER	PRICE	SUBMARKET
Southpark / Centrepointe Portfolio	1,778,400	JP Morgan / Crow Holdings	\$56,700,000	Southeast
Commerce Farms 3	456,500	JP Morgan / PanCal	\$9,583,600	East
1901 Columbia Ave	20,458	Pierce Hardy LP / City of Franklin	\$2,300,000	Southeast

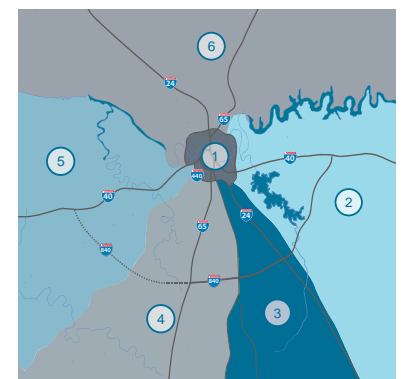
Bold Text = Cassidy Turley Transactions

About Cassidy Turley

Cassidy Turley is a leading commercial real estate services provider with more than 3,400 professionals in more than 60 offices nationwide. The company represents a wide range of clients—from small businesses to Fortune 500 companies, from local non-profits to major institutions. The firm completed transactions valued at \$18 billion in 2010, manages 455 million square feet on behalf of private, institutional and corporate clients and supports more than 25,000 domestic corporate services locations. Cassidy Turley serves owners, investors and occupiers with a full spectrum of integrated commercial real estate services—including capital markets, tenant representation, corporate services, project leasing, property management, project and development services, and research and consulting. In 2010, the firm enhanced its global service delivery outside of North America through its partnership with GVA. Please visit www.cassidyurley.com for more information about Cassidy Turley.

Industrial Submarkets

Nashville



1. ICBD
2. East
3. Southeast
4. 65-South
5. West
6. North

Cassidy Turley

5250 Virginia Way
Suite 100
Brentwood, TN 37027
Tel: 615.301.2800
Fax: 615.301.2958

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