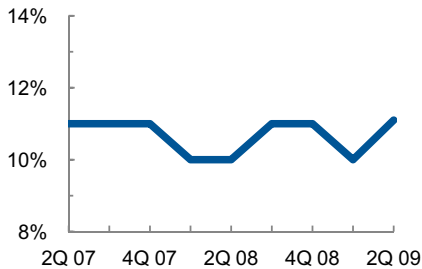


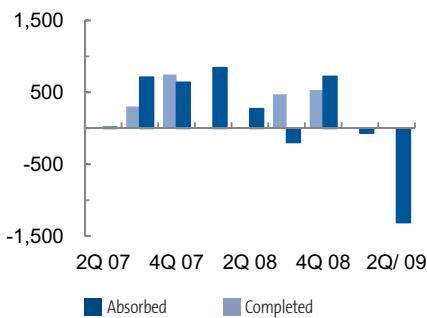
Vacancy Rate

Quarterly



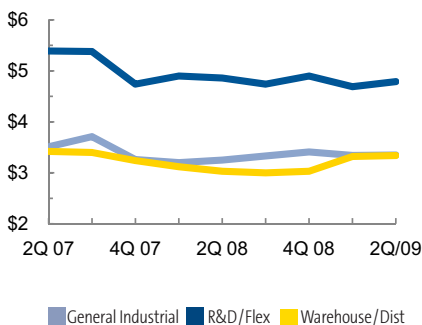
Completions vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

Quarterly (\$/SF/Yr. Triple Net)



The pendulum has swung towards the users and buyers and financially stable companies are taking advantage of opportunities presented by the current economic climate. Notwithstanding the upcoming 2010 loss of the Chrysler Stamping Plant in the Southeast submarket, an overall stabilization is expected to begin in the next six months.

Although financing is still the most significant challenge, leasing activity is on the upswing. Despite an increase in vacancy of 100 basis points, market velocity has increased in recent weeks as landlords recalibrate pricing expectations. Landlords are challenged by a stringent lending environment, as lenders are getting more involved in the leasing process, to assure their financial stake and performance of the property.

Sale transactions are down significantly from the same time last year; however some users and opportunistic buyers are capitalizing on the market conditions and an uptick in sales was realized in the second quarter, most notably in the 50,000-100,000-square-foot category.

New credit terms make it difficult to attain financing for new construction, investment and user sales. Loan-to-value requirements have been lowered significantly and over 30 percent equity is now required. In addition, stricter lending criteria has been delayed and – in some cases – have eliminated the short-term possibility of relocation or newly announced build-to-suits.

FORECAST

- Government sponsored loans such as SBA make financing for some more accessible.
- Sales will increase in the latter part of 2009, with users taking the lead.
- New construction projects will begin on a limited basis for owner-occupied facilities.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)
Novita Industries, LLC*	Emerson Electric Co.*	1255 Colorado	29,978
Novita Industries, LLC*	Emerson Electric Co.*	1522 Iowa	83,135
Stuertz Machinery, Inc.	Albrecht, Inc.*	1910 Summit Commerce Park	24,000

■ Leasing ■ Sales * Indicates Transactions Represented by Grubb & Ellis

By Submarket	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
Downtown	78,548,233	7,563,200	9.6%	(316,802)	(277,945)	-	\$2.07	\$2.16
Northeast	48,642,777	4,604,488	9.5%	23,629	(19,326)	-	\$3.29	\$3.85
Northwest	24,207,574	4,549,401	18.8%	(249,078)	(94,696)	-	\$2.62	\$5.32
Southcentral	34,447,574	3,704,570	10.8%	(322,112)	(315,185)	-	\$3.77	\$6.33
Southeast	79,403,631	8,840,943	11.1%	(211,482)	(422,685)	460,000	\$3.71	\$5.72
Southwest	34,121,409	3,963,561	11.6%	(233,996)	(246,402)	-	\$4.58	\$6.15
Totals	299,371,198	33,226,163	11.1%	(1,309,841)	(1,376,239)	460,000	\$3.34	\$4.79

By Property Type	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
General Industrial	185,108,565	17,422,921	9.4%	(403,561)	(100,988)	460,000	\$3.35	
Incubator	1,595,984	7,625	0.5%	-	22,613	-	-	-
R&D/Flex	22,497,021	3,923,044	17.4%	(169,831)	(320,129)	-	\$4.79	
Warehouse/Distribution	90,169,628	11,872,573	13.2%	(736,449)	(977,735)	-	\$3.34	
Totals	299,371,198	33,226,163	11.1%	(1,309,841)	(1,376,239)	460,000	\$3.52	

Grubb & Ellis—Cleveland Real Estate Advisors

Bob Nosal

Executive Vice President
 Managing Director
 216.453.3000
 bob.nosal@grubb-ellis.com

Terry Coyne, CCIM

Director - Industrial Group
 Senior Vice President
 216.453.3001
 terry.coyne@grubb-ellis.com

Bruce Asmus

Vice President
 216.453.3073
 bruce.asmus@grubb-ellis.com

Mike Petrigan

Senior Vice President
 216.453.3017
 mike.petrigan@grubb-ellis.com

George Stevens, CCIM

Senior Vice President
 216.453.3017
 george.stevens@grubb-ellis.com

Richard Bishop

Vice President
 216.453.3015
 rich.bishop@grubb-ellis.com

Joseph Fegen

Associate
 216.453.3027
 joe.fegen@grubb-ellis.com

Jeff Kennedy

Associate
 216.453.3070
 jeff.kennedy@grubb-ellis.com

INDUSTRIAL TERMS AND DEFINITIONS

Inventory: Industrial Inventory includes all multi-tenant, single tenant and owner-occupied buildings at least 20,000 square feet.

Industrial Product Types: Industrial buildings are categorized as warehouse/distribution, general industrial, R&D/flex and incubator based on their physical characteristics including percent office build-out, clear height, typical bay depth, typical suite size, type of loading and typical uses.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and in-

cludes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Industrial rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and

common area maintenance are borne by the tenant on a pro rata basis. The asking rent for each building in the market is weighted by the amount of available space in the building.

* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.