

# The CoStar Industrial Report

Third Quarter 2014

## Greensboro/Winston-Salem Industrial Market



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## Methodology

The CoStar Industrial Report calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex/research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property. The quoted rental rate is exclusive of the expense pass through associated with the rent.

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**CoStar Group, Inc.**

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## Terms & Definitions

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Build-to-Suit:** A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**CBD:** Abbreviation for Central Business District. (See also: Central Business District)

**Central Business District:** The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

**Class A:** A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

**Class B:** A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Class C:** A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Contiguous Blocks of Space:** Space within a building that is, or is able to be joined together into a single contiguous space.

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certi-

cate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Flex Building:** A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**Gross Absorption:** The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Industrial Building:** A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**Net Rental Rate:** A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Office Building:** A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Preleased Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Property Manager:** The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Suburban:** The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Time On Market:** A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

**Under Construction:** Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

## Greensboro/Winston-Salem's Vacancy Decreases to 7.6% Net Absorption Positive 2,073,646 SF in the Quarter

The Greensboro/Winston-Salem Industrial market ended the third quarter 2014 with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,073,646 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 104,510 square feet. Rental rates ended the third quarter at \$2.98, an increase over the previous quarter. There was 2,726,950 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall Greensboro/Winston-Salem Industrial market was positive 2,073,646 square feet in the third quarter 2014. That compares to positive 1,263,602 square feet in the second quarter 2014, negative (336,562) square feet in the first quarter 2014, and positive 541,522 square feet in the fourth quarter 2013.

Tenants moving out of large blocks of space in 2014 include: Vistar Corporation moving out of (90,676) square feet at 8320 Triad Dr, International Production Marketing, LLC moving out of (63,000) square feet at Universal Industrial Business Park - A, and Aeolus Filter Corporation moving out of (43,600) square feet at 2601 Greengate Dr.

Tenants moving into large blocks of space in 2014 include: United Furniture Industries moving into 800,000 square feet at 401 W Hanes Mill Rd, Vistar Carolina moving into 301,910 square feet at McConnell Center 2, and Sonoco Packaging moving into 240,000 square feet at 3928 Westpoint Blvd.

The Flex building market recorded net absorption of positive 17,810 square feet in the third quarter 2014, compared to

positive 93,919 square feet in the second quarter 2014, negative (45,669) in the first quarter 2014, and positive 134,286 in the fourth quarter 2013.

The Warehouse building market recorded net absorption of positive 2,055,836 square feet in the third quarter 2014 compared to positive 1,169,683 square feet in the second quarter 2014, negative (290,893) in the first quarter 2014, and positive 407,236 in the fourth quarter 2013.

### Vacancy

The Industrial vacancy rate in the Greensboro/Winston-Salem market area decreased to 7.6% at the end of the third quarter 2014. The vacancy rate was 8.4% at the end of the second quarter 2014, 8.8% at the end of the first quarter 2014, and 8.7% at the end of the fourth quarter 2013.

Flex projects reported a vacancy rate of 15.8% at the end of the third quarter 2014, 16.0% at the end of the second quarter 2014, 17.2% at the end of the first quarter 2014, and 16.6% at the end of the fourth quarter 2013.

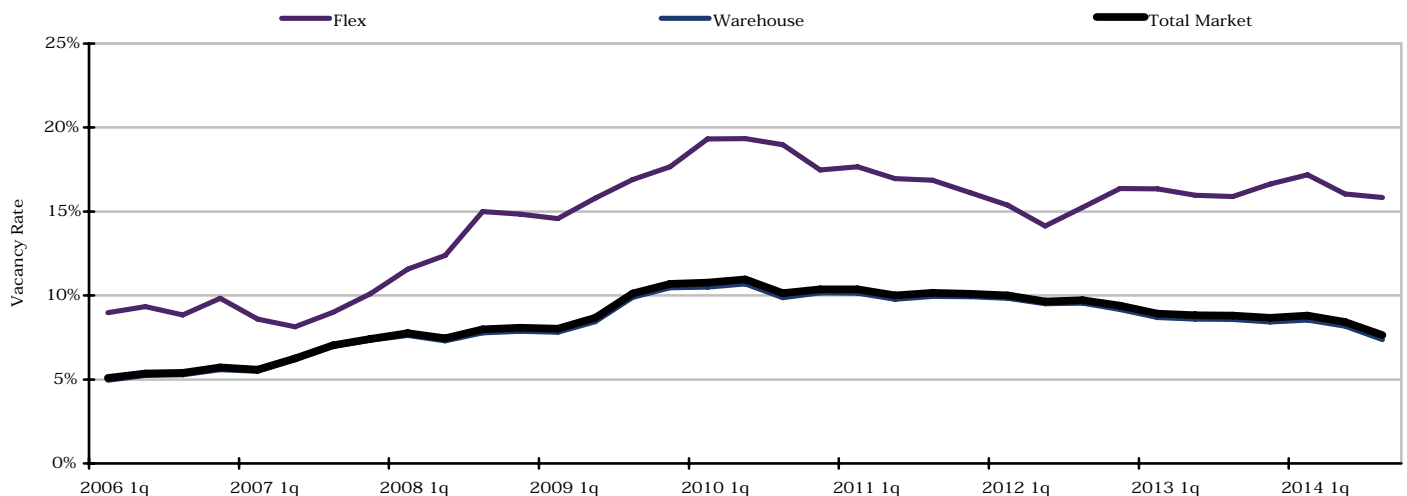
Warehouse projects reported a vacancy rate of 7.4% at the end of the third quarter 2014, 8.2% at the end of second quarter 2014, 8.5% at the end of the first quarter 2014, and 8.4% at the end of the fourth quarter 2013.

### Largest Lease Signings

The largest lease signings occurring in 2014 included: the 800,000-square-foot lease signed by United Furniture Industries at 401 W Hanes Mill Rd in the Forsyth County market; the 100,000-square-foot deal signed by Liberty Wholesale at Lexington Furniture Plant #12 in the Davidson County

## Vacancy Rates by Building Type

2006-2014



Source: CoStar Property®

market; and the 63,000-square-foot lease signed by PNB Manufacturing, Inc. at Universal Industrial Business Park - A in the Guilford County market.

### Sublease Vacancy

The amount of vacant sublease space in the Greensboro/Winston-Salem market decreased to 104,510 square feet by the end of the third quarter 2014, from 201,010 square feet at the end of the second quarter 2014. There was 201,010 square feet vacant at the end of the first quarter 2014 and 215,404 square feet at the end of the fourth quarter 2013.

Greensboro/Winston-Salem's Flex projects reported vacant sublease space of 1,240 square feet at the end of third quarter 2014, from the 1,240 square feet reported at the end of the second quarter 2014. There were 1,240 square feet of sublease space vacant at the end of the first quarter 2014, and 1,240 square feet at the end of the fourth quarter 2013.

Warehouse projects reported decreased vacant sublease space from the second quarter 2014 to the third quarter 2014. Sublease vacancy went from 199,770 square feet to 103,270 square feet during that time. There was 199,770 square feet at the end of the first quarter 2014, and 214,164 square feet at the end of the fourth quarter 2013.

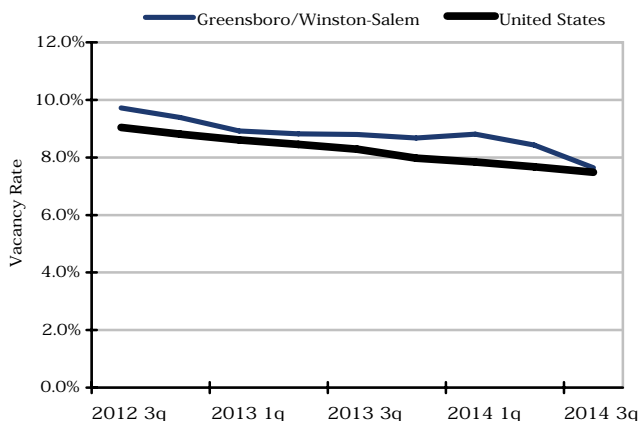
### Rental Rates

The average quoted asking rental rate for available Industrial space was \$2.98 per square foot per year at the end of the third quarter 2014 in the Greensboro/Winston-Salem market area. This represented a 0.3% increase in quoted rental rates from the end of the second quarter 2014, when rents were reported at \$2.97 per square foot.

The average quoted rate within the Flex sector was \$7.02 per square foot at the end of the third quarter 2014, while Warehouse rates stood at \$2.85. At the end of the second quarter 2014, Flex rates were \$6.92 per square foot, and Warehouse rates were \$2.84.

## U.S. Vacancy Comparison

Past 9 Quarters



Source: CoStar Property®

### Deliveries and Construction

During the third quarter 2014, no new space was completed in the Greensboro/Winston-Salem market area. This compares to one building totaling 301,910 square feet that were completed in the second quarter 2014, one building totaling 2,400 square feet completed in the first quarter 2014, and 232,000 square feet in one building completed in the fourth quarter 2013.

There were 2,726,950 square feet of Industrial space under construction at the end of the third quarter 2014.

Some of the notable 2014 deliveries include: McConnell Center 2, a 301,910-square-foot facility that delivered in second quarter 2014 and is now 100% occupied, and 105 Hillstone Dr, a 2,400-square-foot building that delivered in first quarter 2014 and is unoccupied.

The largest projects underway at the end of third quarter 2014 were 916 Baltimore Rd, a 1,500,000-square-foot building with 100% of its space pre-leased, a Ralph Lauren Distribution Center consisting of two buildings totaling 842,300 square feet and the Sheetz Distribution Center, a 250,000-square-foot facility that is 100% pre-leased.

### Inventory

Total Industrial inventory in the Greensboro/Winston-Salem market area amounted to 262,767,038 square feet in 6,335 buildings as of the end of the third quarter 2014. The Flex sector consisted of 8,262,500 square feet in 442 projects. The Warehouse sector consisted of 254,504,538 square feet in 5,893 buildings. Within the Industrial market there were 1,068 owner-occupied buildings accounting for 77,964,041 square feet of Industrial space.

### Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Greensboro/Winston-Salem industrial sales figures rose during the second quarter 2014 in terms of dollar volume compared to the first quarter of 2014.

In the second quarter, 18 industrial transactions closed with a total volume of \$68,326,600. The 18 buildings totaled 2,952,014 square feet and the average price per square foot equated to \$23.15 per square foot. That compares to 12 transactions totaling \$45,297,319 in the first quarter. The total square footage was 2,011,189 for an average price per square foot of \$22.52.

Total year-to-date industrial building sales activity in 2014 is up compared to the previous year. In the first six months of 2014, the market saw 30 industrial sales transactions with a total volume of \$113,623,919. The price per square foot has averaged \$22.89 this year. In the first six months of 2013, the market posted 29 transactions with a total volume of \$64,310,799. The price per square foot averaged \$20.31.

# Greensboro/Winston-Salem Industrial Market

Overview

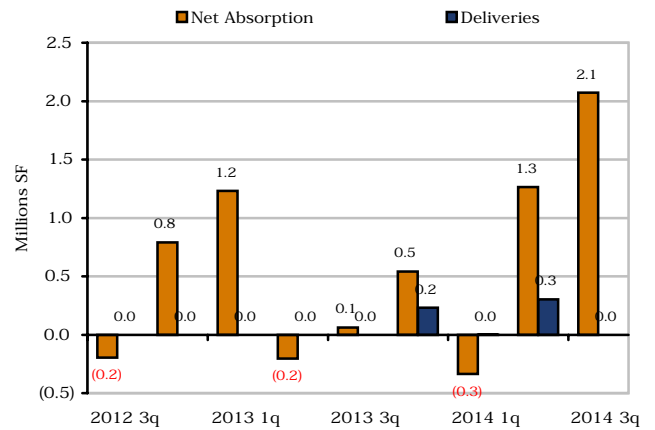
Cap rates have been lower in 2014, averaging 7.60%, compared to the first six months of last year when they averaged 7.69%.

One of the largest transactions that has occurred within the last four quarters in the Greensboro/Winston-Salem market is the sale of Rock Creek one in Whitsett. This 520,000-square-foot industrial building sold for \$21,550,000, or \$41.44 per square foot. The property sold on 5/7/2014, at an 8.00% cap rate.

Reports compiled by: *Melanie Pressley, CoStar Research Manager*

## Absorption & Deliveries

Past 9 Quarters



Source: CoStar Property®



## CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets			
Alamance County	Burlington CBD S Central Alamance County West Burlington/Airport	N Central Alamance County SE Alamance County	NE Alamance County South Burlington	NW Alamance County SW Alamance County
Davidson County	North Davidson County	South Davidson County		
Davie County	Davie County			
Forsyth County	Clemmons SE Forsyth County	Kernersville South Forsyth County	NE Forsyth County Western Forsyth County	NW Forsyth County Winston-Salem CBD
Guilford County	Airport/W Guilford County NE Guilford County West Greensboro	Central Guilford County NW Guilford County	Greensboro CBD SE Guilford County	High Point/SW Guilford Cty South Greensboro
Randolph County	Asheboro CBD Randleman	NE Randolph County SE Randolph County	North Asheboro SW Randolph County	NW Randolph Cnty/Archdale
Rockingham County	Rockingham County			
Stokes County	Stokes County			
Yadkin County	Yadkin County			

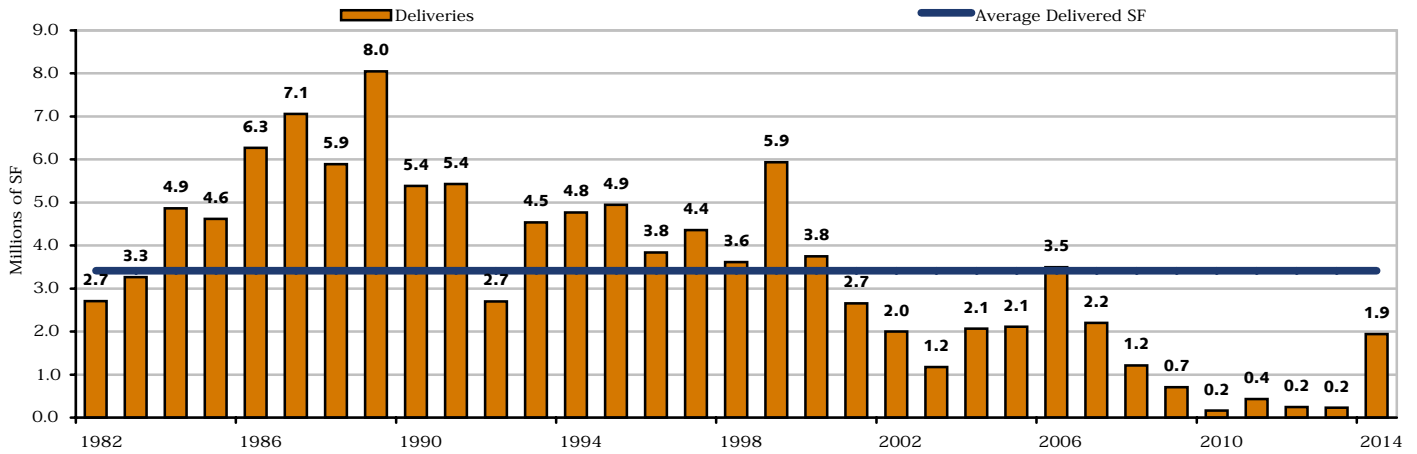
# Greensboro/Winston-Salem Industrial Market



Inventory & development

## Historical Deliveries

1982 - 2014



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

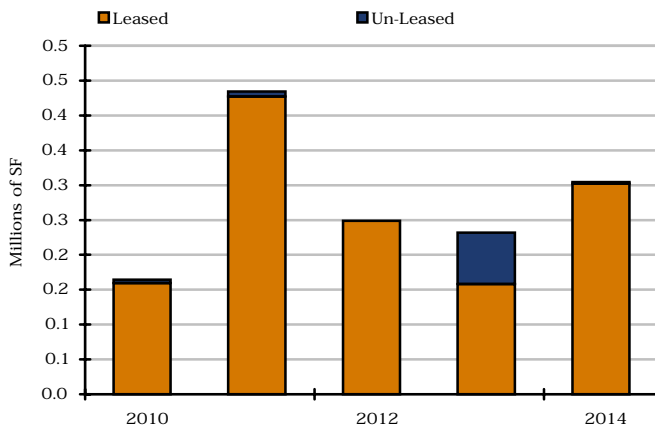
## CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Davie County	1	1,500,000	1,500,000	100.0%	82,609	1,500,000
Alamance County	2	384,650	250,000	65.0%	43,298	192,325
Yadkin County	0	0	0	0.0%	123,736	0
Davidson County	0	0	0	0.0%	40,181	0
Forsyth County	0	0	0	0.0%	41,256	0
Guilford County	0	0	0	0.0%	38,691	0
Randolph County	0	0	0	0.0%	37,736	0
Rockingham County	0	0	0	0.0%	92,882	0
Stokes County	0	0	0	0.0%	28,668	0
<b>Totals</b>	<b>3</b>	<b>1,884,650</b>	<b>1,750,000</b>	<b>92.9%</b>	<b>41,479</b>	<b>628,217</b>

Source: CoStar Property®

## Recent Deliveries

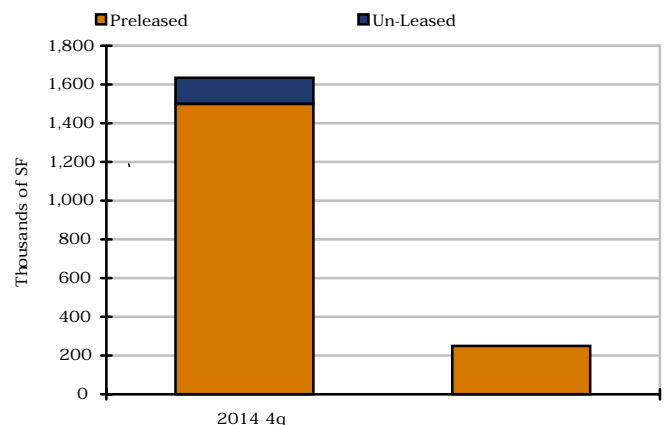
Leased & Un-Leased SF in Deliveries Since 2010



Source: CoStar Property®

## Future Deliveries

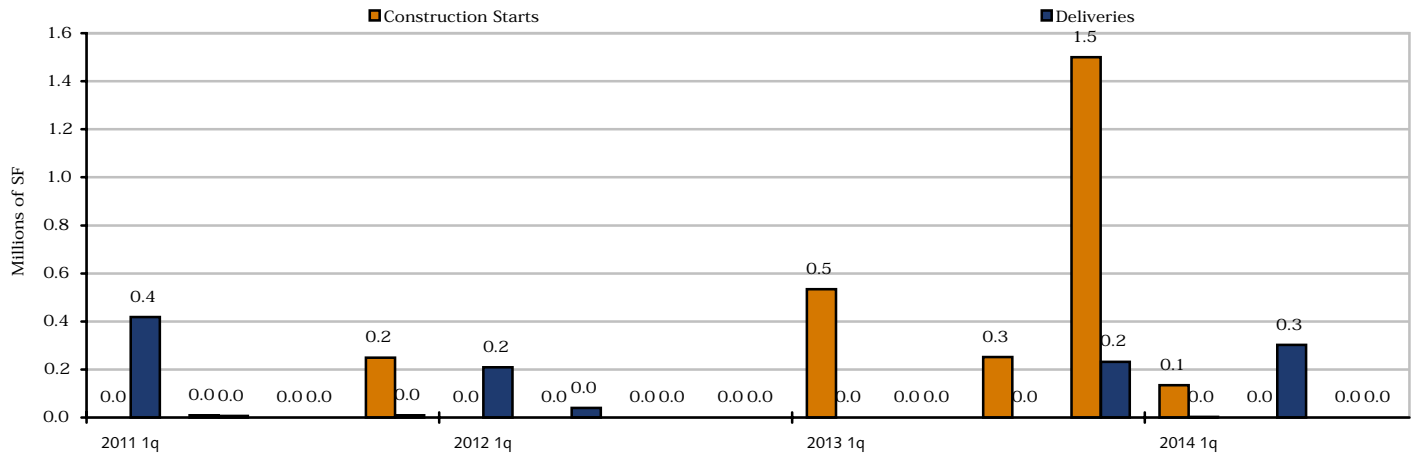
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

## Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

## RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	1	2,400	0	0.0%	\$0.00	0	2,400
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	1	301,910	301,910	100.0%	\$3.95	0	301,910
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

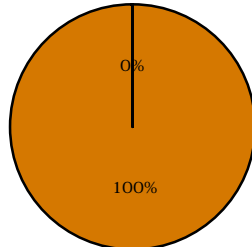
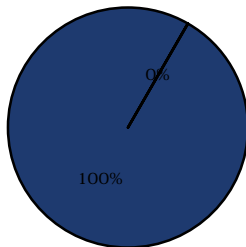
Source: CoStar Property®

## Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2014 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

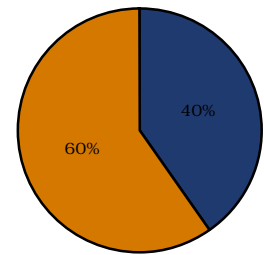
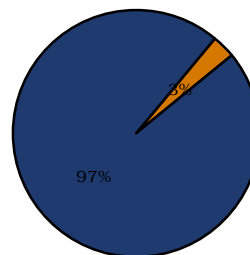
Source: CoStar Property®

## Existing Inventory Comparison

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

# Greensboro/Winston-Salem Industrial Market



Inventory &amp; development

## Select Year-to-Date Deliveries

Based on Project Square Footage

<b>1. McConnell Center 2</b> <hr/> Submarket: <b>Guilford County Industrial Market</b> RBA: <b>301,910</b> Occupied: <b>100%</b> Quoted Rate: <b>\$3.95</b> Grnd Brk Date: <b>First Quarter 2013</b> Deliv Date: <b>Second Quarter 2014</b> Leasing Co: <b>N/A</b> Developer: <b>N/A</b>	<b>2. 105 Hillstone Dr</b> <hr/> Submarket: <b>Guilford County Industrial Market</b> RBA: <b>2,400</b> Occupied: <b>0%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Third Quarter 2013</b> Deliv Date: <b>First Quarter 2014</b> Leasing Co: <b>N/A</b> Developer: <b>N/A</b>
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## Select Top Under Construction Properties

Based on Project Square Footage

<b>1. Ashley Furniture</b> <hr/> Submarket: <b>Davie County Industrial Market</b> RBA: <b>1,500,000</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Fourth Quarter 2013</b> Deliv Date: <b>Fourth Quarter 2014</b> Leasing Co: <b>Ashley Furniture Industries Inc.</b> Developer: <b>N/A</b>	<b>2. Ralph Lauren Distribution Center I</b> <hr/> Submarket: <b>Forsyth County Industrial Market</b> RBA: <b>442,300</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2014</b> Deliv Date: <b>First Quarter 2015</b> Leasing Co: <b>Carolina Investment Properties</b> Developer: <b>Carolina Investment Properties</b>	<b>3. Ralph Lauren Distribution Center II</b> <hr/> Submarket: <b>Forsyth County Industrial Market</b> RBA: <b>400,000</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2014</b> Deliv Date: <b>First Quarter 2015</b> Leasing Co: <b>Carolina Investment Properties</b> Developer: <b>Carolina Investment Properties</b>
<b>4. Sheetz Distribution Center</b> <hr/> Submarket: <b>Alamance County Industrial Market</b> RBA: <b>250,000</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2013</b> Deliv Date: <b>Third Quarter 2015</b> Leasing Co: <b>Sheetz</b> Developer: <b>Samet Corp</b>	<b>5. 1023 Corporate Park Dr</b> <hr/> Submarket: <b>Alamance County Industrial Market</b> RBA: <b>134,650</b> Preleased: <b>0%</b> Quoted Rate: <b>\$4.20</b> Grnd Brk Date: <b>First Quarter 2014</b> Deliv Date: <b>Fourth Quarter 2014</b> Leasing Co: <b>Samet Properties LLC</b> Developer: <b>N/A</b>	

## Flex Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	75	687,548	33,280	33,280	4.8%	(1,788)	0	0	\$9.19
Davidson County	8	104,677	14,600	14,600	13.9%	5,200	0	0	\$8.00
Davie County	2	23,000	0	0	0.0%	0	0	0	\$0.00
Forsyth County	63	2,150,271	371,230	371,230	17.3%	(9,717)	0	0	\$7.01
Guilford County	275	4,895,529	858,639	859,879	17.6%	79,265	0	0	\$6.95
Randolph County	9	168,943	25,000	25,000	14.8%	(9,900)	0	0	\$6.87
Rockingham County	5	209,308	4,000	4,000	1.9%	3,000	0	0	\$0.00
Stokes County	4	19,024	0	0	0.0%	0	0	0	\$0.00
Yadkin County	1	4,200	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>442</b>	<b>8,262,500</b>	<b>1,306,749</b>	<b>1,307,989</b>	<b>15.8%</b>	<b>66,060</b>	<b>0</b>	<b>0</b>	<b>\$7.02</b>

Source: CoStar Property®

## Warehouse Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	457	22,346,941	1,279,553	1,279,553	5.7%	116,014	0	384,650	\$2.80
Davidson County	590	23,923,621	1,770,939	1,770,939	7.4%	(234,041)	0	0	\$2.41
Davie County	73	6,172,638	704,990	704,990	11.4%	(13,236)	0	1,500,000	\$3.24
Forsyth County	1,295	53,875,450	2,451,005	2,499,005	4.6%	1,458,813	0	0	\$2.76
Guilford County	2,623	107,230,165	7,940,676	7,994,446	7.5%	841,650	304,310	0	\$3.45
Randolph County	702	26,661,442	1,472,183	1,472,183	5.5%	359,664	0	0	\$2.44
Rockingham County	107	10,193,528	2,557,134	2,557,134	25.1%	277,200	0	0	\$1.92
Stokes County	19	640,351	234,200	235,700	36.8%	(1,500)	0	0	\$5.10
Yadkin County	27	3,460,402	242,210	242,210	7.0%	130,062	0	0	\$2.30
<b>Totals</b>	<b>5,893</b>	<b>254,504,538</b>	<b>18,652,890</b>	<b>18,756,160</b>	<b>7.4%</b>	<b>2,934,626</b>	<b>304,310</b>	<b>1,884,650</b>	<b>\$2.85</b>

Source: CoStar Property®

## Total Industrial Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	532	23,034,489	1,312,833	1,312,833	5.7%	114,226	0	384,650	\$2.85
Davidson County	598	24,028,298	1,785,539	1,785,539	7.4%	(228,841)	0	0	\$2.45
Davie County	75	6,195,638	704,990	704,990	11.4%	(13,236)	0	1,500,000	\$3.24
Forsyth County	1,358	56,025,721	2,822,235	2,870,235	5.1%	1,449,096	0	0	\$2.87
Guilford County	2,898	112,125,694	8,799,315	8,854,325	7.9%	920,915	304,310	0	\$3.66
Randolph County	711	26,830,385	1,497,183	1,497,183	5.6%	349,764	0	0	\$2.60
Rockingham County	112	10,402,836	2,561,134	2,561,134	24.6%	280,200	0	0	\$1.92
Stokes County	23	659,375	234,200	235,700	35.7%	(1,500)	0	0	\$5.10
Yadkin County	28	3,464,602	242,210	242,210	7.0%	130,062	0	0	\$2.30
<b>Totals</b>	<b>6,335</b>	<b>262,767,038</b>	<b>19,959,639</b>	<b>20,064,149</b>	<b>7.6%</b>	<b>3,000,686</b>	<b>304,310</b>	<b>1,884,650</b>	<b>\$2.98</b>

Source: CoStar Property®

## Greensboro/Winston-Salem Industrial Market

Figures at a Glance

## Flex Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	47	1,129,781	188,916	188,916	16.7%	56,241	0	0	\$7.57
Asheboro CBD	1	54,639	25,000	25,000	45.8%	(25,000)	0	0	\$9.50
Burlington CBD	1	959	0	0	0.0%	0	0	0	\$0.00
Central Guilford Cou.	68	1,175,755	318,966	320,206	27.2%	28,425	0	0	\$8.27
Clemmons	2	40,503	0	0	0.0%	0	0	0	\$0.00
Davie County	2	23,000	0	0	0.0%	0	0	0	\$0.00
Greensboro CBD	5	285,026	0	0	0.0%	4,500	0	0	\$0.00
High Point/SW Guilfo.	37	577,408	57,594	57,594	10.0%	(1,447)	0	0	\$3.75
Kernersville	21	392,984	75,574	75,574	19.2%	(18,400)	0	0	\$7.01
N Central Alamance C.	23	238,133	15,150	15,150	6.4%	0	0	0	\$15.65
NE Alamance County	5	33,251	5,850	5,850	17.6%	(2,850)	0	0	\$6.46
NE Forsyth County	4	124,803	75,824	75,824	60.8%	(840)	0	0	\$0.00
NE Guilford County	35	451,486	35,228	35,228	7.8%	(6,839)	0	0	\$7.84
NE Randolph County	1	8,400	0	0	0.0%	0	0	0	\$0.00
North Asheboro	0	0	0	0	0.0%	0	0	0	\$0.00
North Davidson Count.	4	61,662	5,000	5,000	8.1%	(5,000)	0	0	\$0.00
NW Alamance County	1	12,619	0	0	0.0%	0	0	0	\$0.00
NW Forsyth County	16	593,470	49,761	49,761	8.4%	7,523	0	0	\$6.89
NW Guilford County	7	88,611	12,000	12,000	13.5%	(1,500)	0	0	\$8.40
NW Randolph Cnty/Arc.	4	79,802	0	0	0.0%	15,100	0	0	\$2.62
Randleman	1	11,058	0	0	0.0%	0	0	0	\$0.00
Rockingham County	5	209,308	4,000	4,000	1.9%	3,000	0	0	\$0.00
S Central Alamance C.	6	59,725	7,380	7,380	12.4%	0	0	0	\$0.00
SE Alamance County	11	144,748	0	0	0.0%	0	0	0	\$0.00
SE Forsyth County	3	54,653	0	0	0.0%	0	0	0	\$0.00
SE Guilford County	11	292,398	42,500	42,500	14.5%	16,400	0	0	\$6.00
SE Randolph County	2	15,044	0	0	0.0%	0	0	0	\$0.00
South Burlington	13	60,772	0	0	0.0%	0	0	0	\$0.00
South Davidson Count.	4	43,015	9,600	9,600	22.3%	10,200	0	0	\$8.00
South Forsyth County	10	181,944	0	0	0.0%	2,000	0	0	\$8.49
South Greensboro	58	833,599	196,565	196,565	23.6%	(19,005)	0	0	\$5.34
Stokes County	4	19,024	0	0	0.0%	0	0	0	\$0.00
SW Alamance County	5	25,733	2,300	2,300	8.9%	1,092	0	0	\$15.00
SW Randolph County	0	0	0	0	0.0%	0	0	0	\$0.00
West Burlington/Airp.	10	111,608	2,600	2,600	2.3%	(30)	0	0	\$8.25
West Greensboro	7	61,465	6,870	6,870	11.2%	2,490	0	0	\$7.16
Western Forsyth Coun.	0	0	0	0	0.0%	0	0	0	\$0.00
Winston-Salem CBD	7	761,914	170,071	170,071	22.3%	0	0	0	\$5.26
Yadkin County	1	4,200	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>442</b>	<b>8,262,500</b>	<b>1,306,749</b>	<b>1,307,989</b>	<b>15.8%</b>	<b>66,060</b>	<b>0</b>	<b>0</b>	<b>\$7.02</b>

Source: CoStar Property®

## Warehouse Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	484	28,853,646	1,394,943	1,399,347	4.8%	301,744	0	0	\$4.07
Asheboro CBD	49	1,416,494	0	0	0.0%	0	0	0	\$1.50
Burlington CBD	53	1,627,486	47,026	47,026	2.9%	0	0	0	\$3.75
Central Guilford Cou.	253	6,495,778	315,636	345,002	5.3%	131,346	0	0	\$4.28
Clemmons	64	1,963,485	30,730	30,730	1.6%	95,000	0	0	\$3.44
Davie County	73	6,172,638	704,990	704,990	11.4%	(13,236)	0	1,500,000	\$3.24
Greensboro CBD	85	1,453,244	103,237	103,237	7.1%	9,269	0	0	\$4.98
High Point/SW Guilfo.	983	37,474,236	2,457,514	2,457,514	6.6%	(50,639)	2,400	0	\$2.80
Kernersville	245	7,646,725	245,211	293,211	3.8%	137,802	0	0	\$2.77
N Central Alamance C.	75	5,822,187	302,061	302,061	5.2%	55,100	0	0	\$1.98
NE Alamance County	13	425,469	0	0	0.0%	0	0	0	\$0.00
NE Forsyth County	210	7,702,947	617,039	617,039	8.0%	(255,146)	0	0	\$2.29
NE Guilford County	344	14,432,828	915,341	915,341	6.3%	176,889	0	0	\$3.11
NE Randolph County	144	5,494,148	467,561	467,561	8.5%	62,088	0	0	\$2.18
North Asheboro	41	1,449,808	8,000	8,000	0.6%	170,626	0	0	\$2.60
North Davidson Count.	297	11,355,641	836,913	836,913	7.4%	(316,318)	0	0	\$2.66
NW Alamance County	48	2,050,774	41,250	41,250	2.0%	18,960	0	0	\$2.19
NW Forsyth County	152	14,256,091	617,524	617,524	4.3%	804,870	0	0	\$2.16
NW Guilford County	39	3,102,279	1,850,101	1,850,101	59.6%	0	0	0	\$2.77
NW Randolph Cnty/Arc	248	8,259,630	142,087	142,087	1.7%	125,700	0	0	\$2.84
Randleman	69	3,539,018	292,000	292,000	8.3%	6,250	0	0	\$2.81
Rockingham County	107	10,193,528	2,557,134	2,557,134	25.1%	277,200	0	0	\$1.92
S Central Alamance C.	48	1,616,840	257,753	257,753	15.9%	(9,549)	0	0	\$3.22
SE Alamance County	42	3,586,627	66,288	66,288	1.8%	0	0	134,650	\$3.71
SE Forsyth County	199	10,055,902	358,719	358,719	3.6%	10,513	0	0	\$3.50
SE Guilford County	80	5,941,330	417,101	417,101	7.0%	300,073	301,910	0	\$3.55
SE Randolph County	39	1,207,672	270,000	270,000	22.4%	0	0	0	\$2.59
South Burlington	79	2,706,315	87,890	87,890	3.2%	16,000	0	0	\$1.28
South Davidson Count.	293	12,567,980	934,026	934,026	7.4%	82,277	0	0	\$2.22
South Forsyth County	276	7,009,209	385,212	385,212	5.5%	602,486	0	0	\$3.20
South Greensboro	210	6,733,109	379,977	399,977	5.9%	(35,586)	0	0	\$3.86
Stokes County	19	640,351	234,200	235,700	36.8%	(1,500)	0	0	\$5.10
SW Alamance County	66	3,583,873	325,599	325,599	9.1%	9,208	0	250,000	\$3.11
SW Randolph County	112	5,294,672	292,535	292,535	5.5%	(5,000)	0	0	\$2.65
West Burlington/Airp.	33	927,370	151,686	151,686	16.4%	26,295	0	0	\$3.17
West Greensboro	145	2,743,715	106,826	106,826	3.9%	8,554	0	0	\$2.94
Western Forsyth Coun.	41	692,430	10,800	10,800	1.6%	51,288	0	0	\$4.68
Winston-Salem CBD	108	4,548,661	185,770	185,770	4.1%	12,000	0	0	\$2.50
Yadkin County	27	3,460,402	242,210	242,210	7.0%	130,062	0	0	\$2.30
<b>Totals</b>	<b>5,893</b>	<b>254,504,538</b>	<b>18,652,890</b>	<b>18,756,160</b>	<b>7.4%</b>	<b>2,934,626</b>	<b>304,310</b>	<b>1,884,650</b>	<b>\$2.85</b>

Source: CoStar Property®

## Greensboro/Winston-Salem Industrial Market



Figures at a Glance

## Total Industrial Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	531	29,983,427	1,583,859	1,588,263	5.3%	357,985	0	0	\$4.34
Asheboro CBD	50	1,471,133	25,000	25,000	1.7%	(25,000)	0	0	\$7.56
Burlington CBD	54	1,628,445	47,026	47,026	2.9%	0	0	0	\$3.75
Central Guilford Cou.	321	7,671,533	634,602	665,208	8.7%	159,771	0	0	\$5.11
Clemmons	66	2,003,988	30,730	30,730	1.5%	95,000	0	0	\$3.44
Davie County	75	6,195,638	704,990	704,990	11.4%	(13,236)	0	1,500,000	\$3.24
Greensboro CBD	90	1,738,270	103,237	103,237	5.9%	13,769	0	0	\$4.98
High Point/SW Guilfo.	1,020	38,051,644	2,515,108	2,515,108	6.6%	(52,086)	2,400	0	\$2.82
Kernersville	266	8,039,709	320,785	368,785	4.6%	119,402	0	0	\$3.07
N Central Alamance C.	98	6,060,320	317,211	317,211	5.2%	55,100	0	0	\$2.02
NE Alamance County	18	458,720	5,850	5,850	1.3%	(2,850)	0	0	\$6.46
NE Forsyth County	214	7,827,750	692,863	692,863	8.9%	(255,986)	0	0	\$2.29
NE Guilford County	379	14,884,314	950,569	950,569	6.4%	170,050	0	0	\$3.25
NE Randolph County	145	5,502,548	467,561	467,561	8.5%	62,088	0	0	\$2.18
North Asheboro	41	1,449,808	8,000	8,000	0.6%	170,626	0	0	\$2.60
North Davidson Count.	301	11,417,303	841,913	841,913	7.4%	(321,318)	0	0	\$2.66
NW Alamance County	49	2,063,393	41,250	41,250	2.0%	18,960	0	0	\$2.19
NW Forsyth County	168	14,849,561	667,285	667,285	4.5%	812,393	0	0	\$2.30
NW Guilford County	46	3,190,890	1,862,101	1,862,101	58.4%	(1,500)	0	0	\$3.10
NW Randolph Cnty/Arc	252	8,339,432	142,087	142,087	1.7%	140,800	0	0	\$2.82
Randleman	70	3,550,076	292,000	292,000	8.2%	6,250	0	0	\$2.81
Rockingham County	112	10,402,836	2,561,134	2,561,134	24.6%	280,200	0	0	\$1.92
S Central Alamance C.	54	1,676,565	265,133	265,133	15.8%	(9,549)	0	0	\$3.22
SE Alamance County	53	3,731,375	66,288	66,288	1.8%	0	0	134,650	\$3.71
SE Forsyth County	202	10,110,555	358,719	358,719	3.5%	10,513	0	0	\$3.50
SE Guilford County	91	6,233,728	459,601	459,601	7.4%	316,473	301,910	0	\$3.57
SE Randolph County	41	1,222,716	270,000	270,000	22.1%	0	0	0	\$2.59
South Burlington	92	2,767,087	87,890	87,890	3.2%	16,000	0	0	\$1.28
South Davidson Count.	297	12,610,995	943,626	943,626	7.5%	92,477	0	0	\$2.29
South Forsyth County	286	7,191,153	385,212	385,212	5.4%	604,486	0	0	\$3.33
South Greensboro	268	7,566,708	576,542	596,542	7.9%	(54,591)	0	0	\$4.02
Stokes County	23	659,375	234,200	235,700	35.7%	(1,500)	0	0	\$5.10
SW Alamance County	71	3,609,606	327,899	327,899	9.1%	10,300	0	250,000	\$3.19
SW Randolph County	112	5,294,672	292,535	292,535	5.5%	(5,000)	0	0	\$2.65
West Burlington/Airp.	43	1,038,978	154,286	154,286	14.8%	26,265	0	0	\$3.36
West Greensboro	152	2,805,180	113,696	113,696	4.1%	11,044	0	0	\$3.17
Western Forsyth Coun.	41	692,430	10,800	10,800	1.6%	51,288	0	0	\$4.68
Winston-Salem CBD	115	5,310,575	355,841	355,841	6.7%	12,000	0	0	\$2.69
Yadkin County	28	3,464,602	242,210	242,210	7.0%	130,062	0	0	\$2.30
<b>Totals</b>	<b>6,335</b>	<b>262,767,038</b>	<b>19,959,639</b>	<b>20,064,149</b>	<b>7.6%</b>	<b>3,000,686</b>	<b>304,310</b>	<b>1,884,650</b>	<b>\$2.98</b>

Source: CoStar Property®



## Flex Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	442	8,262,500	1,306,749	1,307,989	15.8%	17,810	0	0	0	0	\$7.02
2014 2q	442	8,262,500	1,324,559	1,325,799	16.0%	93,919	0	0	0	0	\$6.92
2014 1q	442	8,262,500	1,418,478	1,419,718	17.2%	(45,669)	0	0	0	0	\$7.13
2013 4q	442	8,262,500	1,372,809	1,374,049	16.6%	134,286	1	232,000	0	0	\$7.21
2013 3q	441	8,030,500	1,276,335	1,276,335	15.9%	6,227	0	0	1	232,000	\$7.16
2013 2q	441	8,030,500	1,282,562	1,282,562	16.0%	29,784	0	0	1	232,000	\$7.22
2013 1q	441	8,030,500	1,312,346	1,312,346	16.3%	2,484	0	0	1	232,000	\$7.16
2012 4q	441	8,030,500	1,314,830	1,314,830	16.4%	(90,528)	0	0	0	0	\$7.36
2012 3q	441	8,030,500	1,224,302	1,224,302	15.2%	(88,791)	0	0	0	0	\$7.35
2012 2q	441	8,030,500	1,135,511	1,135,511	14.1%	99,332	0	0	0	0	\$7.33
2012 1q	441	8,030,500	1,234,843	1,234,843	15.4%	60,212	0	0	0	0	\$7.66
2011	441	8,030,500	1,295,055	1,295,055	16.1%	125,863	2	21,849	0	0	\$7.79
2010	439	8,008,651	1,399,069	1,399,069	17.5%	28,839	2	15,629	1	12,749	\$6.86
2009	437	7,993,022	1,403,639	1,412,279	17.7%	(225,837)	0	0	1	2,400	\$7.08
2008	437	7,993,022	1,172,925	1,186,442	14.8%	(163,799)	6	239,261	0	0	\$7.21
2007	431	7,753,761	696,445	783,382	10.1%	38,950	4	66,143	3	187,029	\$7.57

Source: CoStar Property®

## Warehouse Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	5,893	254,504,538	18,652,890	18,756,160	7.4%	2,055,836	0	0	3	1,884,650	\$2.85
2014 2q	5,893	254,504,538	20,612,226	20,811,996	8.2%	1,169,683	1	301,910	3	1,884,650	\$2.84
2014 1q	5,893	254,210,843	21,488,214	21,687,984	8.5%	(290,893)	1	2,400	4	2,186,560	\$2.83
2013 4q	5,892	254,208,443	21,180,527	21,394,691	8.4%	407,236	0	0	4	2,054,310	\$2.86
2013 3q	5,892	254,208,443	21,587,763	21,801,927	8.6%	54,480	0	0	3	554,310	\$2.92
2013 2q	5,892	254,208,443	21,551,283	21,856,407	8.6%	(234,321)	0	0	1	301,910	\$2.91
2013 1q	5,894	254,703,443	21,907,326	22,117,086	8.7%	1,229,590	0	0	1	301,910	\$2.86
2012 4q	5,894	254,703,443	23,127,282	23,346,676	9.2%	879,623	0	0	0	0	\$2.82
2012 3q	5,895	254,813,443	24,066,545	24,336,299	9.6%	(108,447)	0	0	0	0	\$2.90
2012 2q	5,895	254,813,443	24,072,442	24,227,852	9.5%	872,197	1	40,000	0	0	\$2.90
2012 1q	5,894	254,773,443	24,904,639	25,060,049	9.8%	307,384	1	208,896	1	40,000	\$2.89
2011	5,894	254,664,547	25,103,127	25,258,537	9.9%	606,118	3	412,345	2	248,896	\$2.85
2010	5,892	254,652,202	25,640,413	25,852,310	10.2%	556,939	3	148,632	3	412,345	\$2.99
2009	5,892	254,934,273	26,168,833	26,691,322	10.5%	(6,005,250)	8	710,273	3	511,752	\$2.97
2008	5,886	254,239,597	19,415,762	19,991,394	7.9%	(444,018)	23	975,448	6	833,480	\$3.32
2007	5,863	253,264,149	18,180,956	18,571,923	7.3%	(2,419,414)	29	2,133,198	19	1,162,574	\$3.22

Source: CoStar Property®

## Total Industrial Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	6,335	262,767,038	19,959,639	20,064,149	7.6%	2,073,646	0	0	3	1,884,650	\$2.98
2014 2q	6,335	262,767,038	21,936,785	22,137,795	8.4%	1,263,602	1	301,910	3	1,884,650	\$2.97
2014 1q	6,335	262,473,343	22,906,692	23,107,702	8.8%	(336,562)	1	2,400	4	2,186,560	\$2.96
2013 4q	6,334	262,470,943	22,553,336	22,768,740	8.7%	541,522	1	232,000	4	2,054,310	\$2.99
2013 3q	6,333	262,238,943	22,864,098	23,078,262	8.8%	60,707	0	0	4	786,310	\$3.04
2013 2q	6,333	262,238,943	22,833,845	23,138,969	8.8%	(204,537)	0	0	2	533,910	\$3.03
2013 1q	6,335	262,733,943	23,219,672	23,429,432	8.9%	1,232,074	0	0	2	533,910	\$2.97
2012 4q	6,335	262,733,943	24,442,112	24,661,506	9.4%	789,095	0	0	0	0	\$2.94
2012 3q	6,336	262,843,943	25,290,847	25,560,601	9.7%	(197,238)	0	0	0	0	\$3.04
2012 2q	6,336	262,843,943	25,207,953	25,363,363	9.6%	971,529	1	40,000	0	0	\$3.05
2012 1q	6,335	262,803,943	26,139,482	26,294,892	10.0%	367,596	1	208,896	1	40,000	\$3.04
2011	6,335	262,695,047	26,398,182	26,553,592	10.1%	731,981	5	434,194	2	248,896	\$3.00
2010	6,331	262,660,853	27,039,482	27,251,379	10.4%	585,778	5	164,261	4	425,094	\$3.12
2009	6,329	262,927,297	27,572,472	28,103,601	10.7%	(6,231,087)	8	710,273	4	514,152	\$3.12
2008	6,323	262,232,619	20,588,687	21,177,836	8.1%	(607,817)	29	1,214,705	6	833,480	\$3.53
2007	6,294	261,017,910	18,877,401	19,355,310	7.4%	(2,380,464)	33	2,199,341	22	1,349,603	\$3.46

Source: CoStar Property®

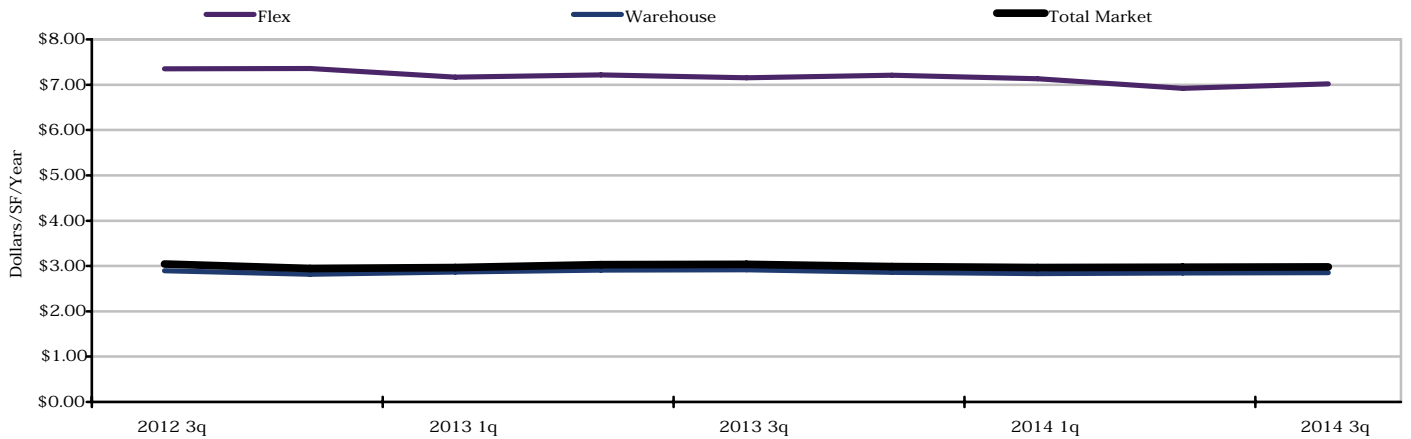
# Greensboro/Winston-Salem Industrial Market



Leasing Activity

## Historical Rental Rates

Based on Quoted Rental Rates

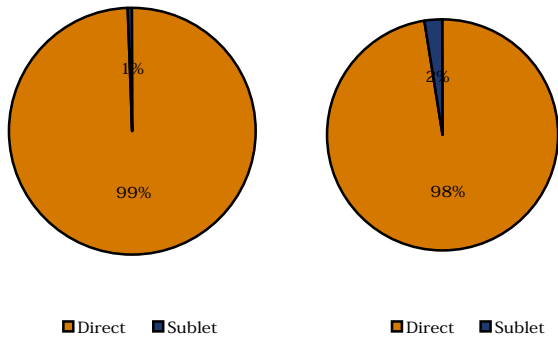


Source: CoStar Property®

## Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Greensboro/Winston-Salem      United States

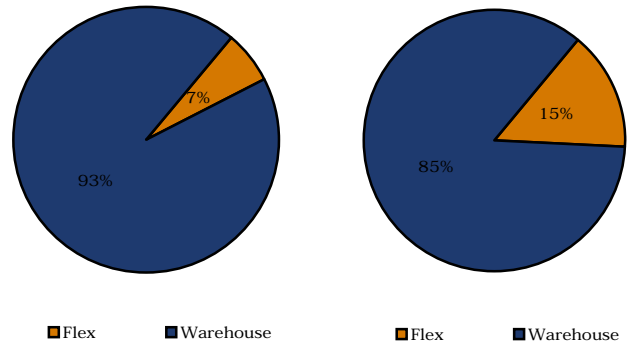


Source: CoStar Property®

## Vacancy by Building Type

Percent of All Vacant Space by Building Type

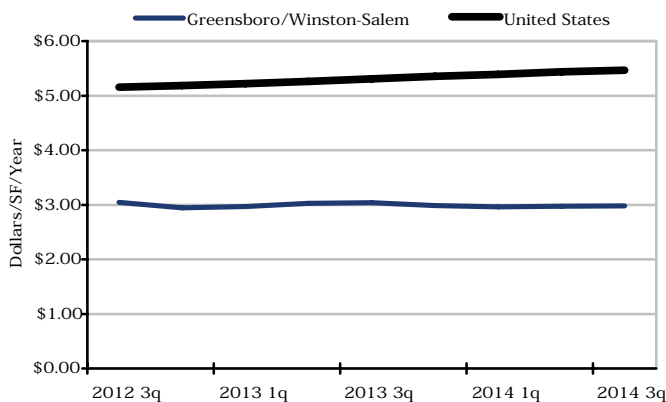
Greensboro/Winston-Salem      United States



Source: CoStar Property®

## U.S. Rental Rate Comparison

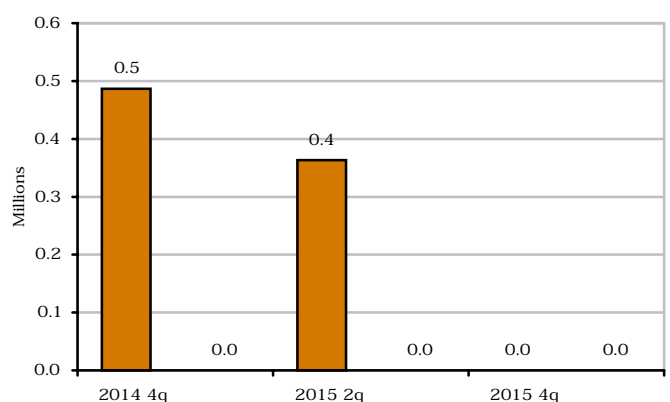
Based on Average Quoted Rental Rates



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*



Source: CoStar Property®

\* Includes Under Construction Space

## Select Top Industrial Leases Based on Leased Square Footage For Deals Signed in 2014

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	401 W Hanes Mill Rd	NW Forsyth County	800,000	2nd	United Furniture Industries	Coldwell Banker Commercial Triad Re	Concord Global Trading, Inc.
2	6105 Corporate Park Dr	NE Guilford County	225,037	1st	N/A	CBRE   Triad	Triad Commercial Properties
3	Lexington Furniture Plant #12	South Davidson County	100,000	3rd	Liberty Wholesale	Direct Deal	J & S Rentals & Wholesale
4	601 E Main St	Yadkin County	78,000	1st	N/A	N/A	Schwarz & Schwarz
5	2799 Hope Church Rd	South Forsyth County	68,400	2nd	N/A	N/A	Miller Hatcher Inc.
6	Universal Industrial Business Park - A	High Point/SW Guilford Ct	63,000	1st	PNB Manufacturing, Inc.	Direct Deal	Speckman Commercial Properties
7	Regency Two	Airport/W Guilford County	58,000	1st	N/A	N/A	Highwoods Properties, Inc.
8	1031 E Mountain St - Bldg 317*	Kernersville	54,000	1st	American Storage	N/A	Cameron Commercial
9	1031 E Mountain St - Bldg 316-1031 E Mounta	Kernersville	54,000	1st	N/A	N/A	Cameron Commercial
10	1031 E Mountain St - Bldg 319	Kernersville	51,200	1st	N/A	N/A	Cameron Commercial
11	4409 Providence Ln	NW Forsyth County	44,525	3rd	N/A	N/A	CBRE   Triad
12	1031 E Mountain St - Bldg 314-1031 E Mountai	Kernersville	38,000	1st	N/A	N/A	Cameron Commercial
13	239 Welcome Center Blvd	North Davidson County	36,880	3rd	Atrium Windows & Doors	N/A	Colliers International
14	600 Pegg Rd	Airport/W Guilford County	33,600	1st	N/A	N/A	Samet Properties LLC
15	Southbend	Airport/W Guilford County	30,697	1st	Safelite	N/A	CBRE   Triad
16	3948 West Point Blvd	South Forsyth County	29,000	1st	ICD Alloys & Metals Inc	N/A	N/A
17	1137 Foust Ave	High Point/SW Guilford Ct	26,700	1st	Opulence Home LLC	Direct Deal	Area Real Estate Advisors
18	Radar Road Industrial Park	Airport/W Guilford County	25,600	1st	N/A	N/A	Triad Commercial Properties
19	7004 Cessna Dr	Airport/W Guilford County	24,240	1st	N/A	N/A	Triad Commercial Properties
20	1033 Springfield Rd	High Point/SW Guilford Ct	22,000	1st	N/A	N/A	Schwarz & Schwarz
21	Interstate Commerce Park E	South Greensboro	20,000	3rd	N/A	N/A	Greensboro Economic Development All
22	214 E JJ Dr	South Greensboro	19,200	1st	N/A	CBRE   Triad	Koury Corporation
23	403 Burlington St	NW Alamance County	18,960	2nd	N/A	N/A	Richard Jones Real Estate
24	1410 Progress Ave	High Point/SW Guilford Ct	18,207	1st	Springfield Furniture	N/A	GRL Leasing Corp.
25	Warehouse III	Airport/W Guilford County	18,000	1st	N/A	N/A	Highwoods Properties, Inc.
26	1201 Baker Rd	High Point/SW Guilford Ct	17,353	2nd	Danzer Veneer	N/A	Samet Properties LLC
27	3520 US Highway 220 N	Rockingham County	17,180	3rd	Statewide Auto Sales	N/A	NAI Piedmont Triad
28	3005 Thurston Ave	South Greensboro	16,640	2nd	N/A	N/A	Triad Commercial Properties
29	Warehouse I - Airpark East	Airport/W Guilford County	16,120	1st	Grand Rental Station Greensboro	Samet Properties LLC	Highwoods Properties, Inc.
30	1721 Maple Ave	South Burlington	16,000	1st	WDS	Direct Deal	Richard Jones Real Estate
31	719-A Railroad St	North Davidson County	15,600	2nd	Printing Company	N/A	Wendy Hill Realty
32	317 S Hamilton St	High Point/SW Guilford Ct	15,500	2nd	N/A	N/A	Price Commercial Properties
33	105 Apache Dr	NW Randolph Crty/Archdale	15,500	1st	Red Bird Showroom	N/A	Lindsay Commercial Properties
34	1102 Dorris Ave	High Point/SW Guilford Ct	14,852	1st	SE Board	Direct Deal	W. Calvin Reynolds & Associates Inc
35	Warehouse IV	Airport/W Guilford County	14,400	1st	N/A	N/A	Highwoods Properties, Inc.
36	2009 Nuggett Rd	High Point/SW Guilford Ct	13,000	2nd	N/A	N/A	Lindsay Commercial Properties
37	910 W Ward Ave	High Point/SW Guilford Ct	12,859	1st	N/A	N/A	Price Commercial Properties
38	2001 Nuggett Rd	High Point/SW Guilford Ct	12,500	2nd	Superior Office Systems LLC	Direct Deal	Speckman Commercial Properties
39	1011 Freeway Dr	Rockingham County	12,500	2nd	John Keat Bodies	N/A	Brown Investment Properties
40	114 Industrial Ave	South Greensboro	12,100	1st	N/A	N/A	Carolina Commercial Realty, Inc

Source: CoStar Property®

\* Renewal

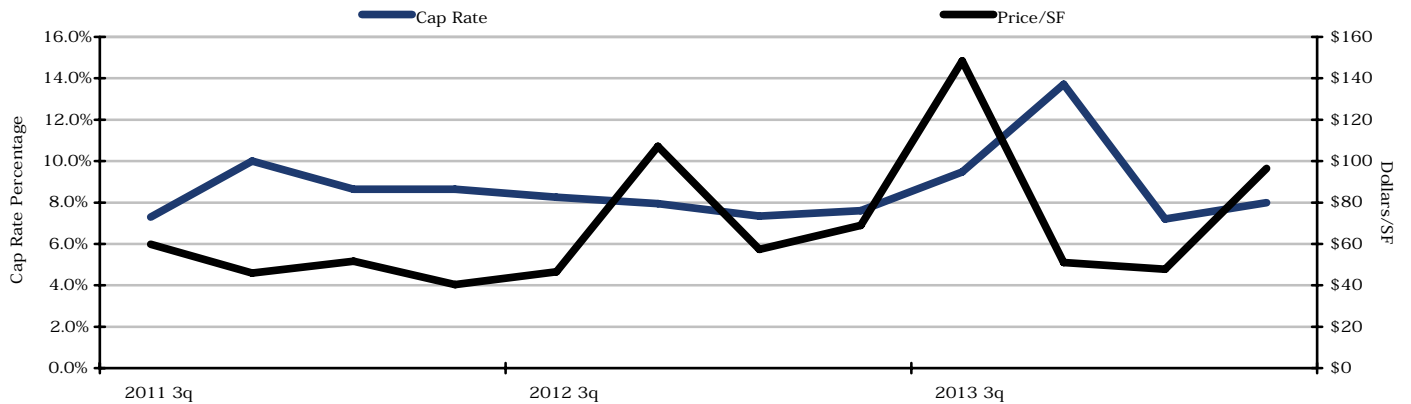
# Greensboro/Winston-Salem Industrial Market



Sales Activity

## The Optimist Sales Index

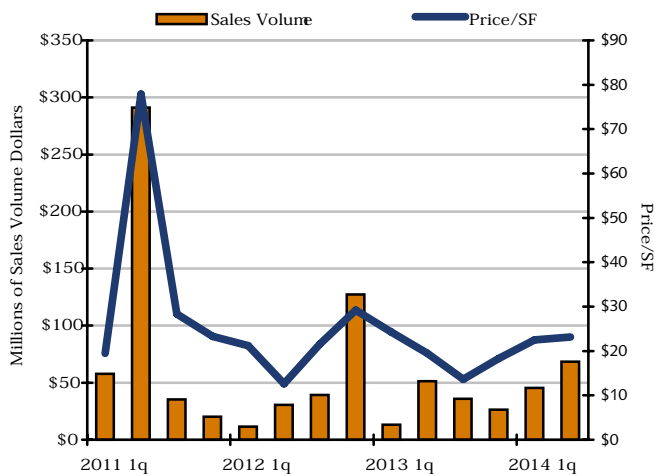
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

## Sales Volume & Price

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Sales Analysis by Building Size

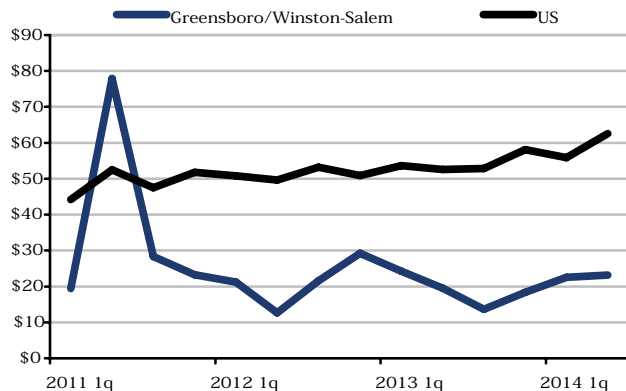
Based on Industrial Bldg Sales From July 2013 - June 2014

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	19	267,482	\$20,616,500	\$ 77.08	9.47%
25K-99K SF	26	1,348,709	\$34,452,280	\$ 25.54	-
100K-249K SF	17	2,610,795	\$25,671,874	\$ 9.83	13.71%
>250K SF	9	4,920,401	\$104,026,500	\$ 21.14	7.60%

Source: CoStar COMPS®

## U.S. Price/SF Comparison

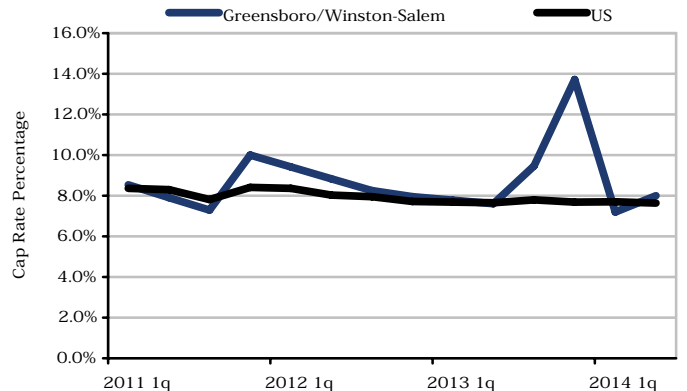
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. Cap Rate Comparison

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Select Top Sales

Based on Sales from July 2013 Through September 2014

## 1. Rock Creek 1



## Whitsett

Price: **\$21,550,000**  
 Price/SF: **\$41.44**  
 Cap Rate: **8%**  
 RBA: **520,000**  
 Date: **5/7/2014**  
 Year Built: **2004**  
 Buyer: **Beacon Partners**  
 Seller: **GE Commercial Finance Real Estate**

## 2. Airport Distribution Center



## Greensboro

Price: **\$19,150,000**  
 Price/SF: **\$25.05**  
 Cap Rate: **N/A**  
 RBA: **764,550**  
 Date: **3/11/2014**  
 Year Built: **1987**  
 Buyer: **Somerset Properties, Inc.**  
 Seller: **CIP Real Estate Property Services**

## 3. 100 S Swing Rd



## Greensboro

Price: **\$18,617,500**  
 Price/SF: **\$33.79**  
 Cap Rate: **N/A**  
 RBA: **551,008**  
 Date: **6/30/2014**  
 Year Built: **1966**  
 Buyer: **The Procter & Gamble Company**  
 Seller: **TEVA Pharmaceuticals USA, Inc.**

## 4. Rock Creek Center One



## Whitsett

Price: **\$14,300,000**  
 Price/SF: **\$52.57**  
 Cap Rate: **7.2%**  
 RBA: **272,000**  
 Date: **1/3/2014**  
 Year Built: **2007**  
 Buyer: **Industrial Commercial Properties**  
 Seller: **Brown Investment Properties**

## 5. Center Point Complex



## High Point

Price: **\$11,100,000**  
 Price/SF: **\$34.23**  
 Cap Rate: **N/A**  
 RBA: **324,262**  
 Date: **10/22/2013**  
 Year Built: **1916**  
 Buyer: **TGFWHP LLC**  
 Seller: **Davis Direct Furniture, Inc.**

## 6. 6012 High Point Rd



## Greensboro

Price: **\$8,300,000**  
 Price/SF: **\$32.81**  
 Cap Rate: **N/A**  
 RBA: **253,000**  
 Date: **8/29/2013**  
 Year Built: **1969**  
 Buyer: **Guilford Technical Community College**  
 Seller: **Samet Properties LLC**

## 7. Plant 64 (Demo'd see PID 9247548 fo



## Winston Salem

Price: **\$7,304,000**  
 Price/SF: **\$17.31**  
 Cap Rate: **N/A**  
 RBA: **422,000**  
 Date: **8/2/2013**  
 Year Built: **1923**  
 Buyer: **The C.A. Harrison Companies LLC**  
 Seller: **Hensel Wood Products**

## 8. Center Theatre Tower



## High Point

Price: **\$3,844,000**  
 Price/SF: **\$66.22**  
 Cap Rate: **N/A**  
 RBA: **58,045**  
 Date: **6/24/2014**  
 Year Built: **1993**  
 Buyer: **ACME Furniture Inc.**  
 Seller: **Glenn E Wakefield**

## 9. 302 Pine St



## Yadkinville

Price: **\$3,200,000**  
 Price/SF: **\$14.06**  
 Cap Rate: **N/A**  
 RBA: **227,600**  
 Date: **7/1/2014**  
 Year Built: **1988**  
 Buyer: **Winslow, Kyle**  
 Seller: **Bepco Inc.**

# Greensboro/Winston-Salem Industrial Market

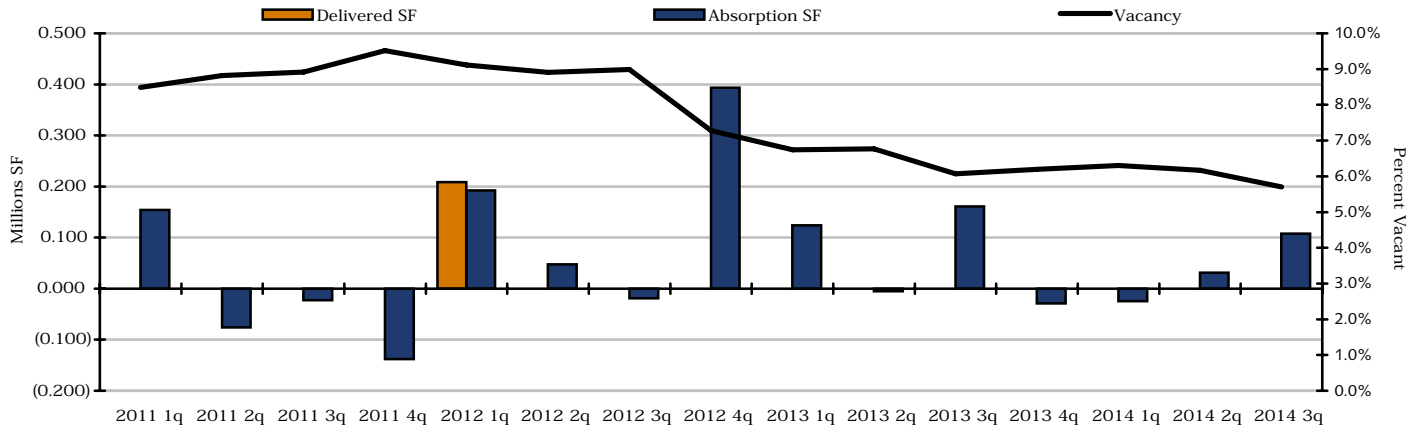


## Alamance County Market

### MARKET HIGHLIGHTS - Flex & Warehouse

## Deliveries, Absorption & Vacancy

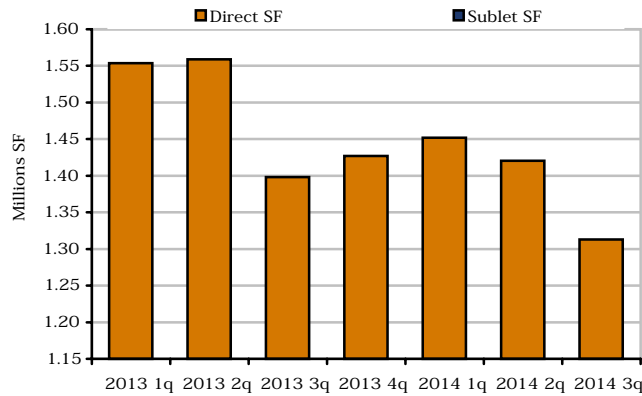
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

## Vacant Space

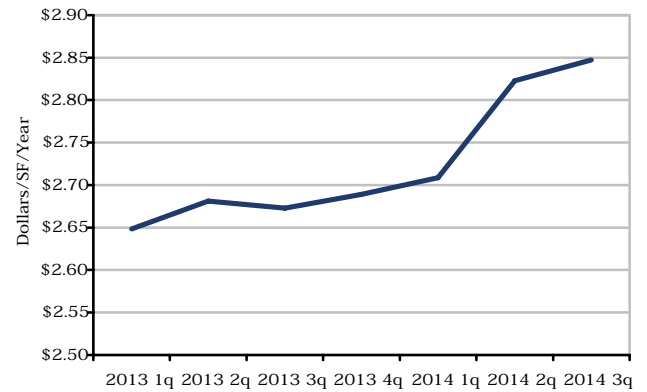
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

## Quoted Rental Rates

### Historical Analysis, Flex and Warehouse



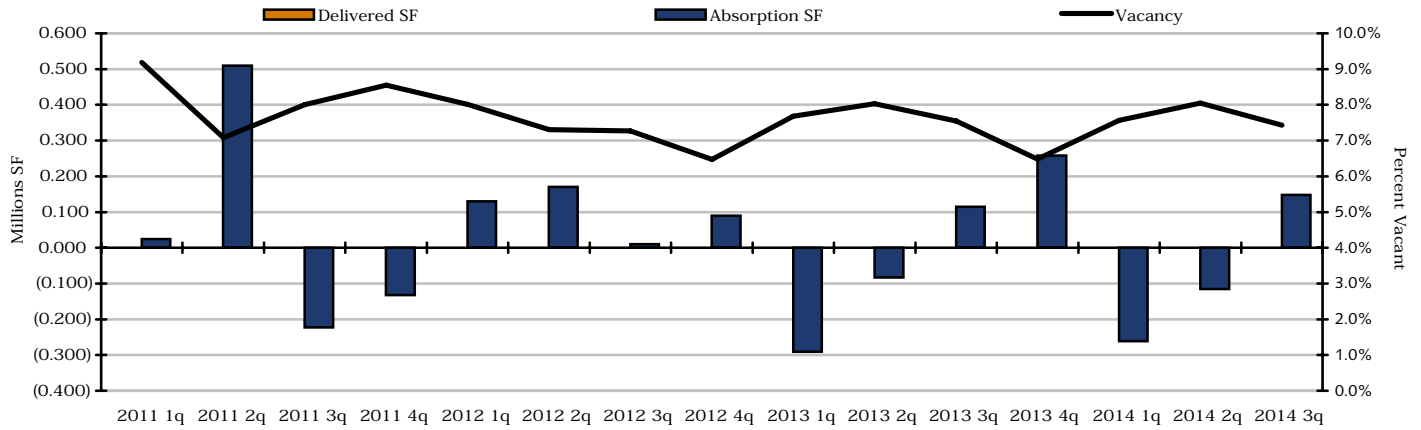
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	532	23,034,489	1,312,833	5.7%	107,730	0	0	2	384,650	\$2.85
2014 2q	532	23,034,489	1,420,563	6.2%	31,250	0	0	2	384,650	\$2.82
2014 1q	532	23,034,489	1,451,813	6.3%	(24,754)	0	0	2	384,650	\$2.71
2013 4q	532	23,034,489	1,427,059	6.2%	(28,938)	0	0	1	250,000	\$2.69
2013 3q	532	23,034,489	1,398,121	6.1%	160,747	0	0	1	250,000	\$2.67
2013 2q	532	23,034,489	1,558,868	6.8%	(5,372)	0	0	0	0	\$2.68
2013 1q	532	23,034,489	1,553,496	6.7%	123,758	0	0	0	0	\$2.65
2012 4q	532	23,034,489	1,677,254	7.3%	393,733	0	0	0	0	\$2.48
2012 3q	532	23,034,489	2,070,987	9.0%	(19,201)	0	0	0	0	\$2.53
2012 2q	532	23,034,489	2,051,786	8.9%	47,257	0	0	0	0	\$2.61
2012 1q	532	23,034,489	2,099,043	9.1%	192,298	1	208,896	0	0	\$2.63
2011 4q	532	22,925,593	2,182,445	9.5%	(138,221)	0	0	1	208,896	\$2.74
2011 3q	532	22,925,593	2,044,224	8.9%	(22,414)	0	0	0	0	\$2.87
2011 2q	532	22,925,593	2,021,810	8.8%	(75,811)	0	0	0	0	\$2.98
2011 1q	532	22,925,593	1,945,999	8.5%	153,860	0	0	0	0	\$2.91
2010 4q	532	22,925,593	2,099,859	9.2%	137,686	0	0	0	0	\$2.99

Source: CoStar Property®

### Deliveries, Absorption & Vacancy

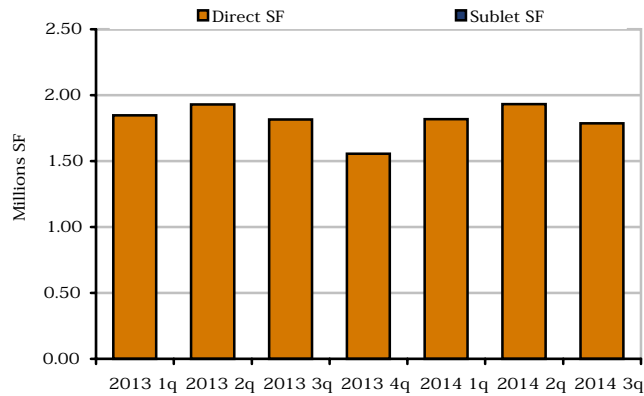
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

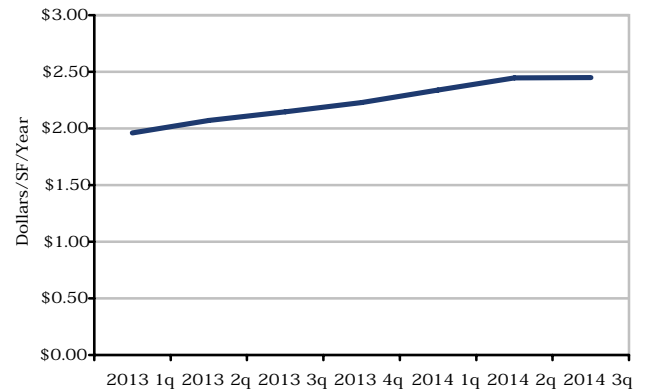
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	598	24,028,298	1,785,539	7.4%	147,540	0	0	0	0	\$2.45
2014 2q	598	24,028,298	1,933,079	8.0%	(115,336)	0	0	0	0	\$2.45
2014 1q	598	24,028,298	1,817,743	7.6%	(261,045)	0	0	0	0	\$2.34
2013 4q	598	24,028,298	1,556,698	6.5%	257,731	0	0	0	0	\$2.23
2013 3q	598	24,028,298	1,814,429	7.6%	114,529	0	0	0	0	\$2.15
2013 2q	598	24,028,298	1,928,958	8.0%	(82,800)	0	0	0	0	\$2.07
2013 1q	598	24,028,298	1,846,158	7.7%	(290,924)	0	0	0	0	\$1.96
2012 4q	598	24,028,298	1,555,234	6.5%	89,349	0	0	0	0	\$1.89
2012 3q	599	24,138,298	1,754,583	7.3%	9,803	0	0	0	0	\$1.88
2012 2q	599	24,138,298	1,764,386	7.3%	170,209	0	0	0	0	\$1.91
2012 1q	599	24,138,298	1,934,595	8.0%	129,756	0	0	0	0	\$1.94
2011 4q	599	24,138,298	2,064,351	8.6%	(132,759)	0	0	0	0	\$2.07
2011 3q	599	24,138,298	1,931,592	8.0%	(222,940)	0	0	0	0	\$2.07
2011 2q	599	24,138,298	1,708,652	7.1%	509,402	0	0	0	0	\$2.06
2011 1q	599	24,138,298	2,218,054	9.2%	24,323	0	0	0	0	\$2.19
2010 4q	599	24,138,298	2,242,377	9.3%	41,180	1	36,880	0	0	\$2.21

Source: CoStar Property®

# Greensboro/Winston-Salem Industrial Market

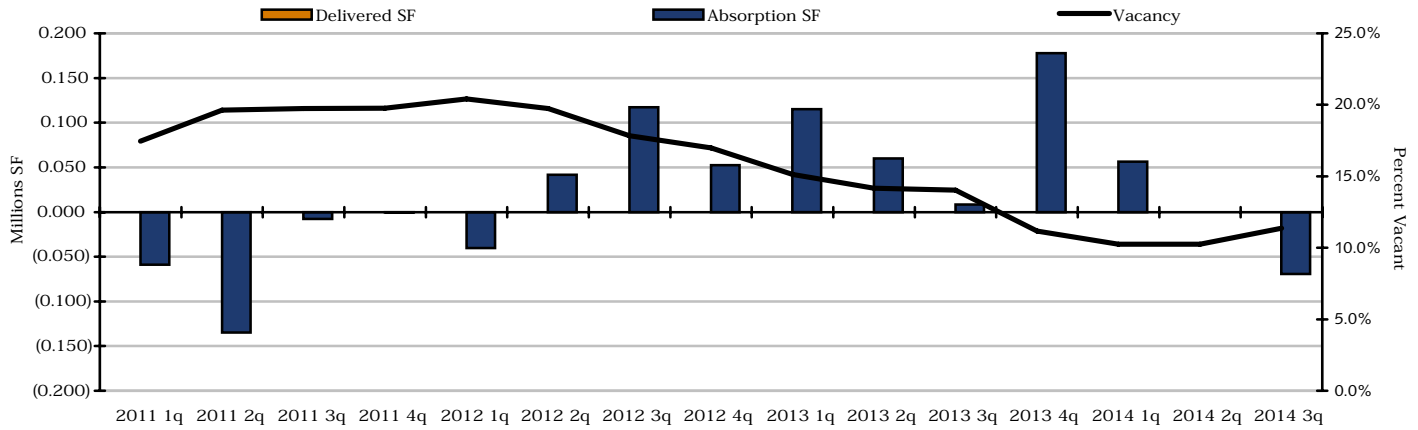


## Davie County Market

MARKET HIGHLIGHTS - Flex & Warehouse

### Deliveries, Absorption & Vacancy

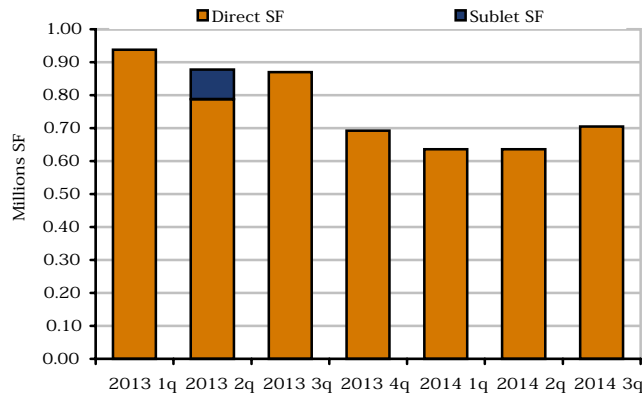
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

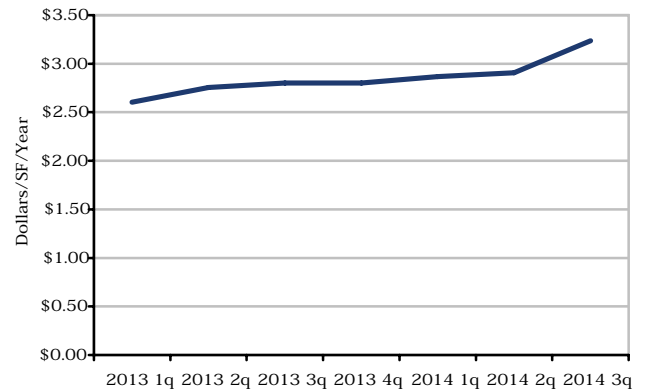
#### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

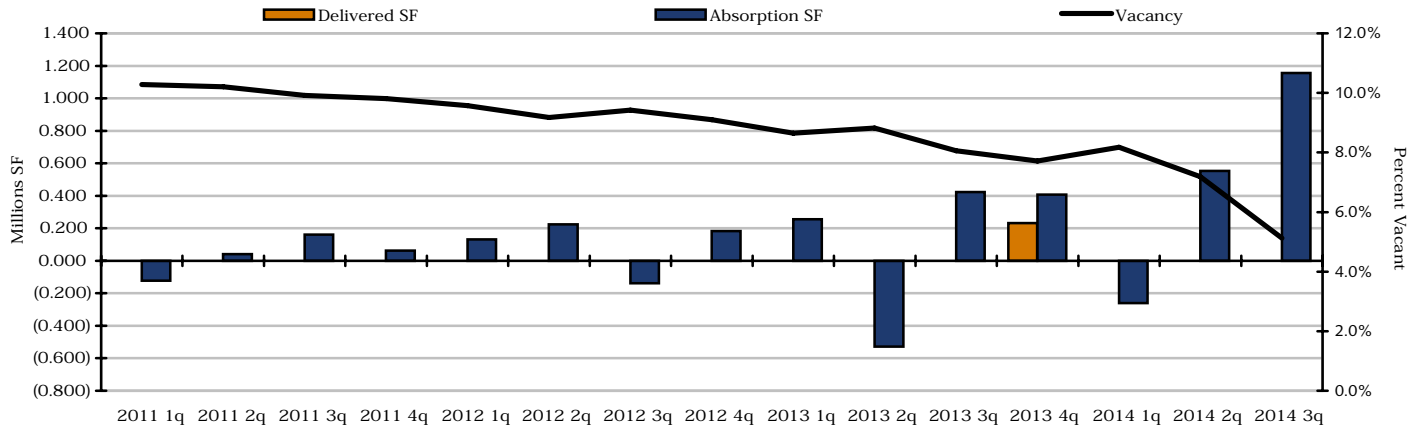
Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	75	6,195,638	704,990	11.4%	(69,250)	0	0	1	1,500,000	\$3.24
2014 2q	75	6,195,638	635,740	10.3%	(300)	0	0	1	1,500,000	\$2.91
2014 1q	75	6,195,638	635,440	10.3%	56,314	0	0	1	1,500,000	\$2.87
2013 4q	75	6,195,638	691,754	11.2%	177,700	0	0	1	1,500,000	\$2.80
2013 3q	75	6,195,638	869,454	14.0%	8,400	0	0	0	0	\$2.80
2013 2q	75	6,195,638	877,854	14.2%	60,050	0	0	0	0	\$2.75
2013 1q	75	6,195,638	937,904	15.1%	115,029	0	0	0	0	\$2.60
2012 4q	75	6,195,638	1,052,933	17.0%	52,455	0	0	0	0	\$2.60
2012 3q	75	6,195,638	1,105,388	17.8%	117,215	0	0	0	0	\$2.60
2012 2q	75	6,195,638	1,222,603	19.7%	41,847	0	0	0	0	\$2.71
2012 1q	75	6,195,638	1,264,450	20.4%	(40,247)	0	0	0	0	\$2.71
2011 4q	75	6,195,638	1,224,203	19.8%	(561)	0	0	0	0	\$2.73
2011 3q	75	6,195,638	1,223,642	19.8%	(7,700)	0	0	0	0	\$2.72
2011 2q	75	6,195,638	1,215,942	19.6%	(134,865)	0	0	0	0	\$2.82
2011 1q	75	6,195,638	1,081,077	17.4%	(59,068)	0	0	0	0	\$2.83
2010 4q	75	6,195,638	1,022,009	16.5%	(56,680)	0	0	0	0	\$2.85

Source: CoStar Property®



### Deliveries, Absorption & Vacancy

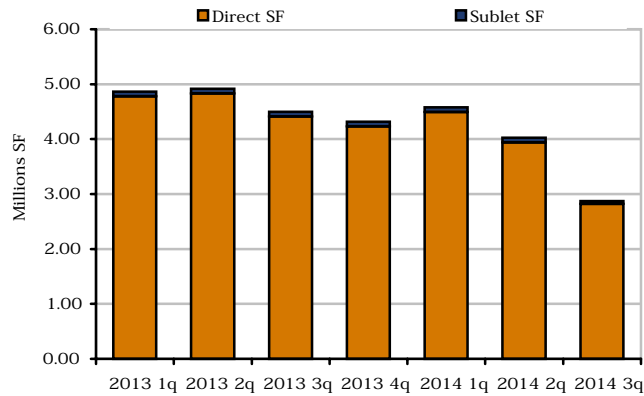
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

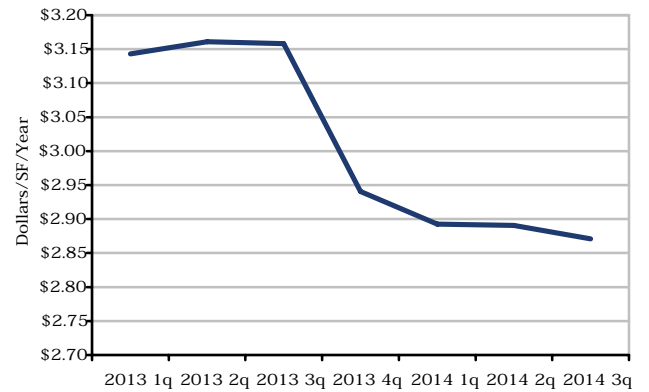
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	1,358	56,025,721	2,870,235	5.1%	1,154,951	0	0	0	0	\$2.87
2014 2q	1,358	56,025,721	4,025,186	7.2%	554,039	0	0	0	0	\$2.89
2014 1q	1,358	56,025,721	4,579,225	8.2%	(259,894)	0	0	0	0	\$2.89
2013 4q	1,358	56,025,721	4,319,331	7.7%	407,888	1	232,000	0	0	\$2.94
2013 3q	1,357	55,793,721	4,495,219	8.1%	423,472	0	0	1	232,000	\$3.16
2013 2q	1,357	55,793,721	4,918,691	8.8%	(527,592)	0	0	1	232,000	\$3.16
2013 1q	1,358	56,265,721	4,863,099	8.6%	254,740	0	0	1	232,000	\$3.14
2012 4q	1,358	56,265,721	5,117,839	9.1%	183,236	0	0	0	0	\$3.28
2012 3q	1,358	56,265,721	5,301,075	9.4%	(137,303)	0	0	0	0	\$3.38
2012 2q	1,358	56,265,721	5,163,772	9.2%	223,552	0	0	0	0	\$3.37
2012 1q	1,358	56,265,721	5,387,324	9.6%	131,667	0	0	0	0	\$3.36
2011 4q	1,358	56,265,721	5,518,991	9.8%	62,467	0	0	0	0	\$3.18
2011 3q	1,358	56,265,721	5,581,458	9.9%	161,984	0	0	0	0	\$3.20
2011 2q	1,358	56,265,721	5,743,442	10.2%	41,110	0	0	0	0	\$3.18
2011 1q	1,358	56,265,721	5,784,552	10.3%	(122,209)	0	0	0	0	\$3.27
2010 4q	1,358	56,265,721	5,662,343	10.1%	(626,166)	1	13,229	0	0	\$3.33

Source: CoStar Property®

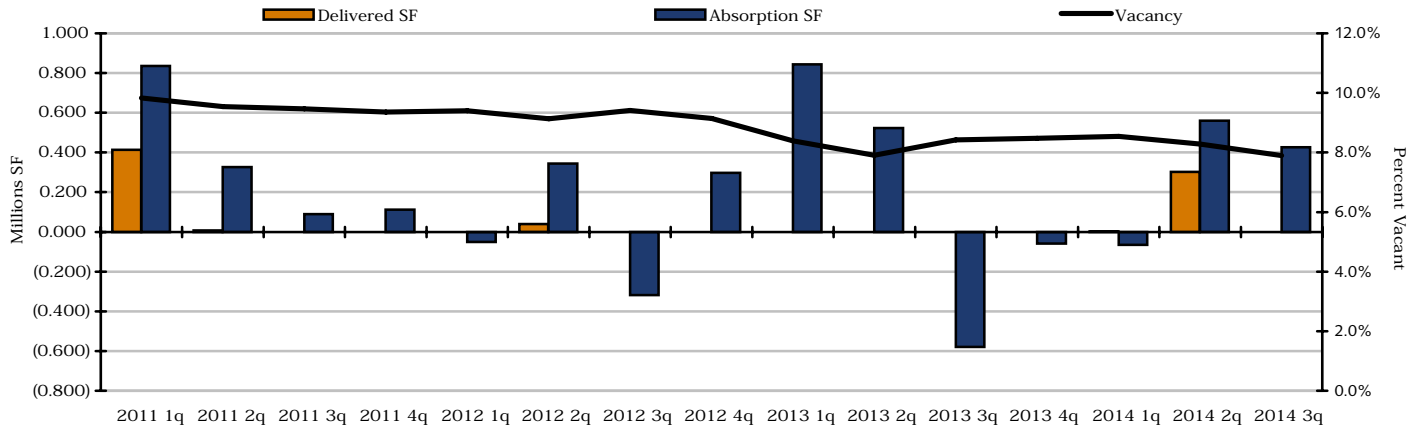
# Greensboro/Winston-Salem Industrial Market

## Guilford County Market

### MARKET HIGHLIGHTS - Flex & Warehouse

## Deliveries, Absorption & Vacancy

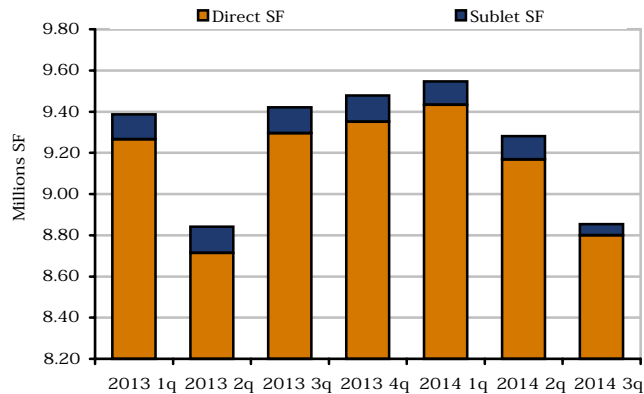
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

## Vacant Space

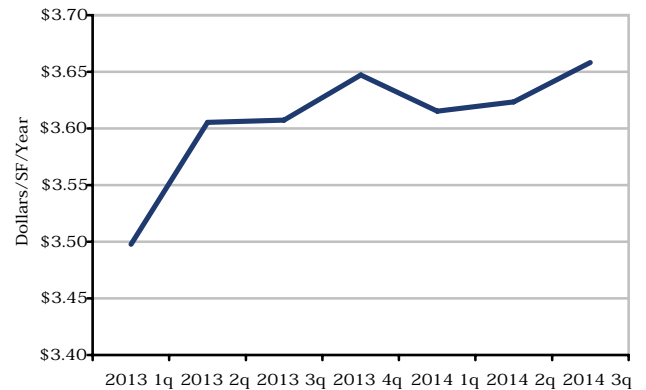
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

## Quoted Rental Rates

### Historical Analysis, Flex and Warehouse



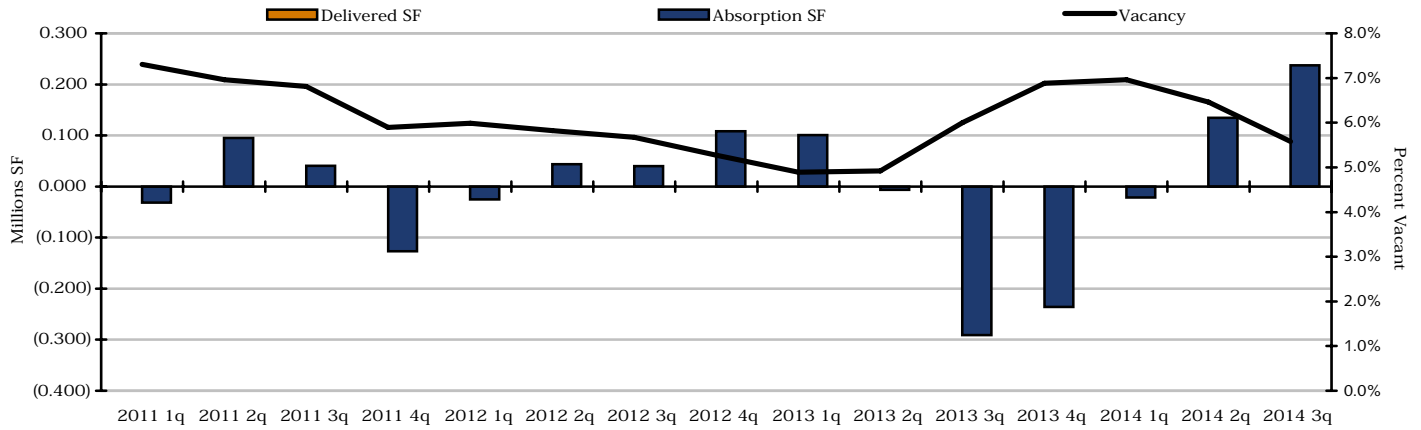
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	2,898	112,125,694	8,854,325	7.9%	427,021	0	0	0	0	\$3.66
2014 2q	2,898	112,125,694	9,281,346	8.3%	559,489	1	301,910	0	0	\$3.62
2014 1q	2,898	111,831,999	9,547,140	8.5%	(65,595)	1	2,400	1	301,910	\$3.62
2013 4q	2,897	111,829,599	9,479,145	8.5%	(58,264)	0	0	2	304,310	\$3.65
2013 3q	2,897	111,829,599	9,420,881	8.4%	(579,841)	0	0	2	304,310	\$3.61
2013 2q	2,897	111,829,599	8,841,040	7.9%	522,981	0	0	1	301,910	\$3.61
2013 1q	2,898	111,852,599	9,387,021	8.4%	843,663	0	0	1	301,910	\$3.50
2012 4q	2,898	111,852,599	10,230,684	9.1%	298,130	0	0	0	0	\$3.43
2012 3q	2,898	111,852,599	10,528,814	9.4%	(317,610)	0	0	0	0	\$3.45
2012 2q	2,898	111,852,599	10,211,204	9.1%	343,696	1	40,000	0	0	\$3.47
2012 1q	2,897	111,812,599	10,514,900	9.4%	(50,176)	0	0	1	40,000	\$3.43
2011 4q	2,897	111,812,599	10,464,724	9.4%	112,527	0	0	1	40,000	\$3.43
2011 3q	2,897	111,812,599	10,577,251	9.5%	90,202	0	0	0	0	\$3.42
2011 2q	2,897	111,812,599	10,667,453	9.5%	326,349	1	7,000	0	0	\$3.51
2011 1q	2,896	111,805,599	10,986,802	9.8%	835,227	2	412,749	1	7,000	\$3.45
2010 4q	2,894	111,392,850	11,409,280	10.2%	(376,259)	0	0	3	419,749	\$3.52

Source: CoStar Property®

### Deliveries, Absorption & Vacancy

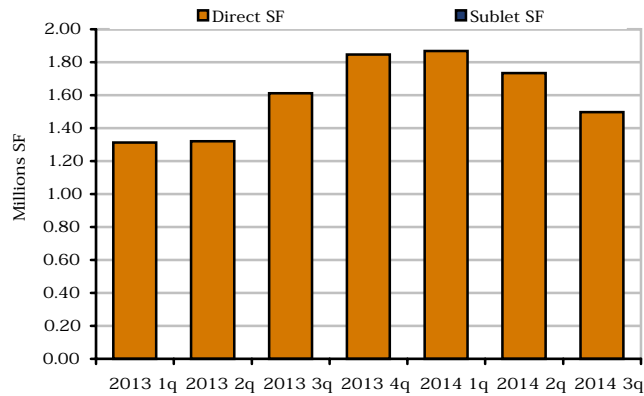
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

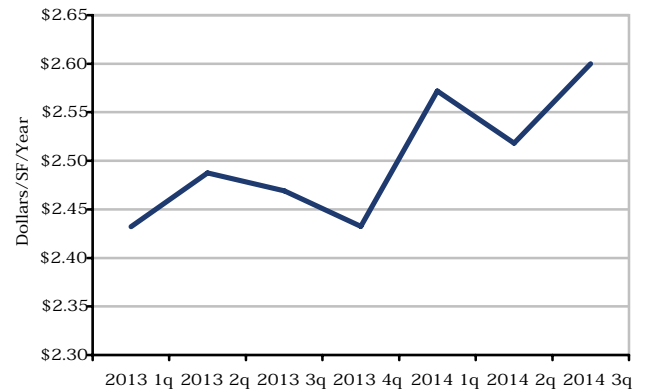
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	711	26,830,385	1,497,183	5.6%	237,054	0	0	0	0	\$2.60
2014 2q	711	26,830,385	1,734,237	6.5%	134,460	0	0	0	0	\$2.52
2014 1q	711	26,830,385	1,868,697	7.0%	(21,750)	0	0	0	0	\$2.57
2013 4q	711	26,830,385	1,846,947	6.9%	(236,113)	0	0	0	0	\$2.43
2013 3q	711	26,830,385	1,610,834	6.0%	(290,926)	0	0	0	0	\$2.47
2013 2q	711	26,830,385	1,319,908	4.9%	(6,720)	0	0	0	0	\$2.49
2013 1q	711	26,830,385	1,313,188	4.9%	100,820	0	0	0	0	\$2.43
2012 4q	711	26,830,385	1,414,008	5.3%	108,440	0	0	0	0	\$2.41
2012 3q	711	26,830,385	1,522,448	5.7%	40,050	0	0	0	0	\$2.39
2012 2q	711	26,830,385	1,562,498	5.8%	43,968	0	0	0	0	\$1.98
2012 1q	711	26,830,385	1,606,466	6.0%	(25,250)	0	0	0	0	\$2.23
2011 4q	711	26,830,385	1,581,216	5.9%	(126,935)	0	0	0	0	\$2.33
2011 3q	712	27,230,385	1,854,281	6.8%	40,650	0	0	0	0	\$2.52
2011 2q	712	27,230,385	1,894,931	7.0%	94,947	0	0	0	0	\$2.41
2011 1q	712	27,230,385	1,989,878	7.3%	(31,348)	0	0	0	0	\$2.37
2010 4q	712	27,230,385	1,958,530	7.2%	346,143	0	0	0	0	\$2.37

Source: CoStar Property®

# Greensboro/Winston-Salem Industrial Market

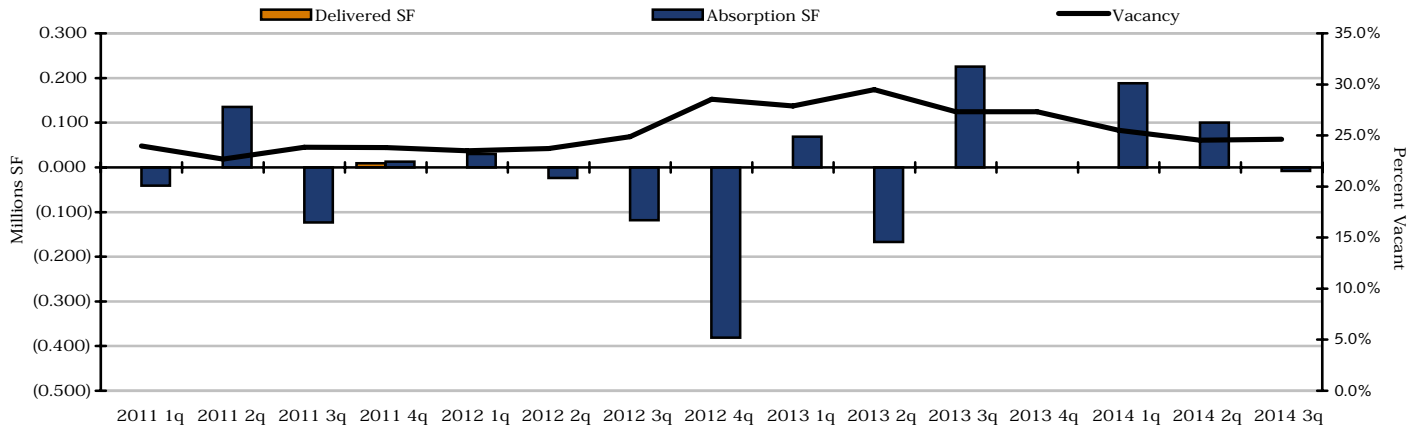


## Rockingham County Market

MARKET HIGHLIGHTS - Flex & Warehouse

### Deliveries, Absorption & Vacancy

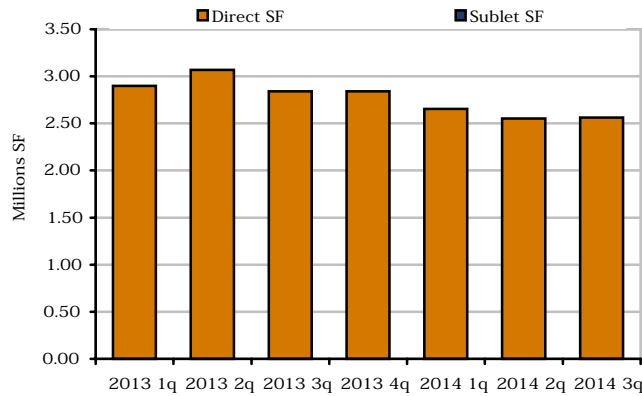
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

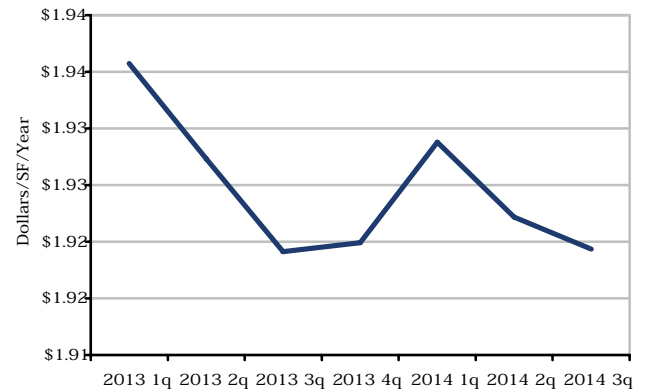
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, Flex and Warehouse



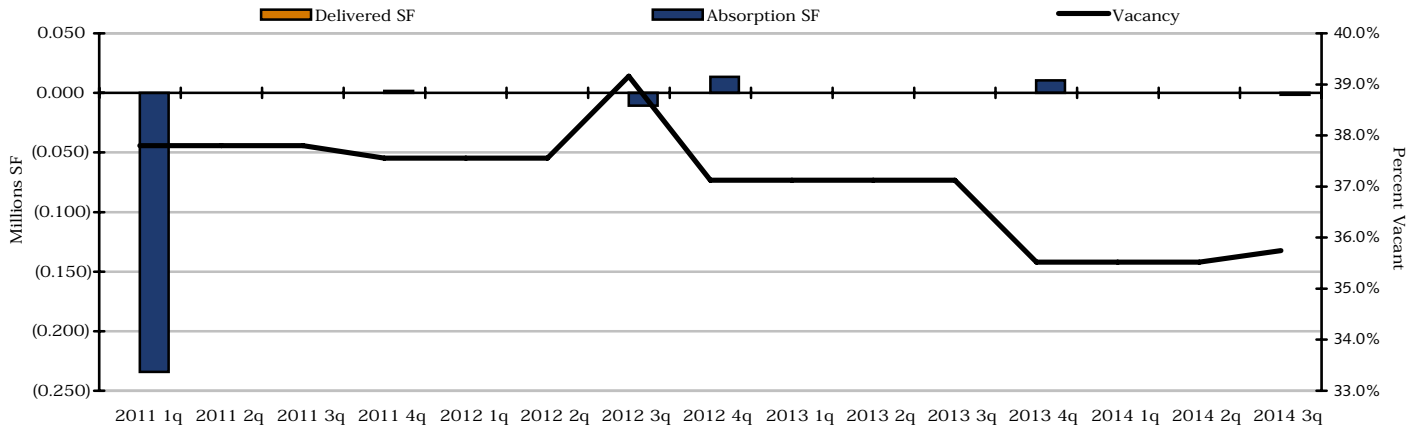
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	112	10,402,836	2,561,134	24.6%	(7,900)	0	0	0	0	\$1.92
2014 2q	112	10,402,836	2,553,234	24.5%	100,000	0	0	0	0	\$1.92
2014 1q	112	10,402,836	2,653,234	25.5%	188,100	0	0	0	0	\$1.93
2013 4q	112	10,402,836	2,841,334	27.3%	0	0	0	0	0	\$1.92
2013 3q	112	10,402,836	2,841,334	27.3%	225,588	0	0	0	0	\$1.92
2013 2q	112	10,402,836	3,066,922	29.5%	(166,984)	0	0	0	0	\$1.93
2013 1q	112	10,402,836	2,899,938	27.9%	68,588	0	0	0	0	\$1.94
2012 4q	112	10,402,836	2,968,526	28.5%	(381,188)	0	0	0	0	\$1.95
2012 3q	112	10,402,836	2,587,338	24.9%	(118,385)	0	0	0	0	\$2.41
2012 2q	112	10,402,836	2,468,953	23.7%	(23,400)	0	0	0	0	\$2.54
2012 1q	112	10,402,836	2,445,553	23.5%	30,248	0	0	0	0	\$2.53
2011 4q	112	10,402,836	2,475,801	23.8%	13,056	1	9,100	0	0	\$2.53
2011 3q	111	10,393,736	2,479,757	23.9%	(123,024)	0	0	1	9,100	\$2.56
2011 2q	111	10,393,736	2,356,733	22.7%	135,400	0	0	1	9,100	\$2.44
2011 1q	111	10,393,736	2,492,133	24.0%	(40,792)	0	0	0	0	\$2.40
2010 4q	111	10,393,736	2,451,341	23.6%	(320,243)	0	0	0	0	\$2.36

Source: CoStar Property®

### Deliveries, Absorption & Vacancy

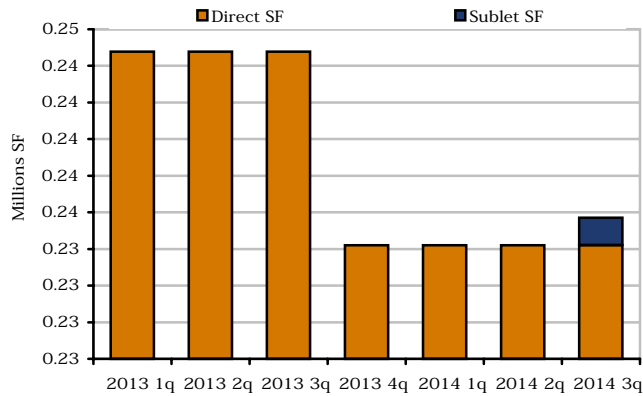
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

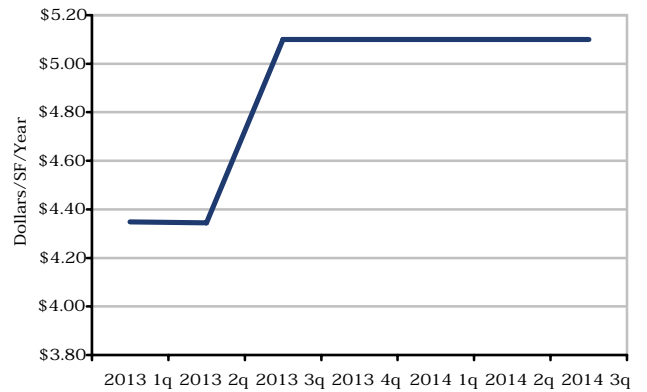
### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

### Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	23	659,375	235,700	35.7%	(1,500)	0	0	0	0	\$5.10
2014 2q	23	659,375	234,200	35.5%	0	0	0	0	0	\$5.10
2014 1q	23	659,375	234,200	35.5%	0	0	0	0	0	\$5.10
2013 4q	23	659,375	234,200	35.5%	10,578	0	0	0	0	\$5.10
2013 3q	23	659,375	244,778	37.1%	0	0	0	0	0	\$5.10
2013 2q	23	659,375	244,778	37.1%	0	0	0	0	0	\$4.34
2013 1q	23	659,375	244,778	37.1%	0	0	0	0	0	\$4.35
2012 4q	23	659,375	244,778	37.1%	13,440	0	0	0	0	\$4.35
2012 3q	23	659,375	258,218	39.2%	(10,578)	0	0	0	0	\$4.35
2012 2q	23	659,375	247,640	37.6%	0	0	0	0	0	\$3.84
2012 1q	23	659,375	247,640	37.6%	0	0	0	0	0	\$3.84
2011 4q	23	659,375	247,640	37.6%	1,600	0	0	0	0	\$3.84
2011 3q	23	659,375	249,240	37.8%	0	0	0	0	0	\$4.35
2011 2q	23	659,375	249,240	37.8%	0	0	0	0	0	\$4.12
2011 1q	23	659,375	249,240	37.8%	(234,200)	0	0	0	0	\$4.12
2010 4q	23	659,375	15,040	2.3%	15,000	0	0	0	0	\$4.52

Source: CoStar Property®

# Greensboro/Winston-Salem Industrial Market

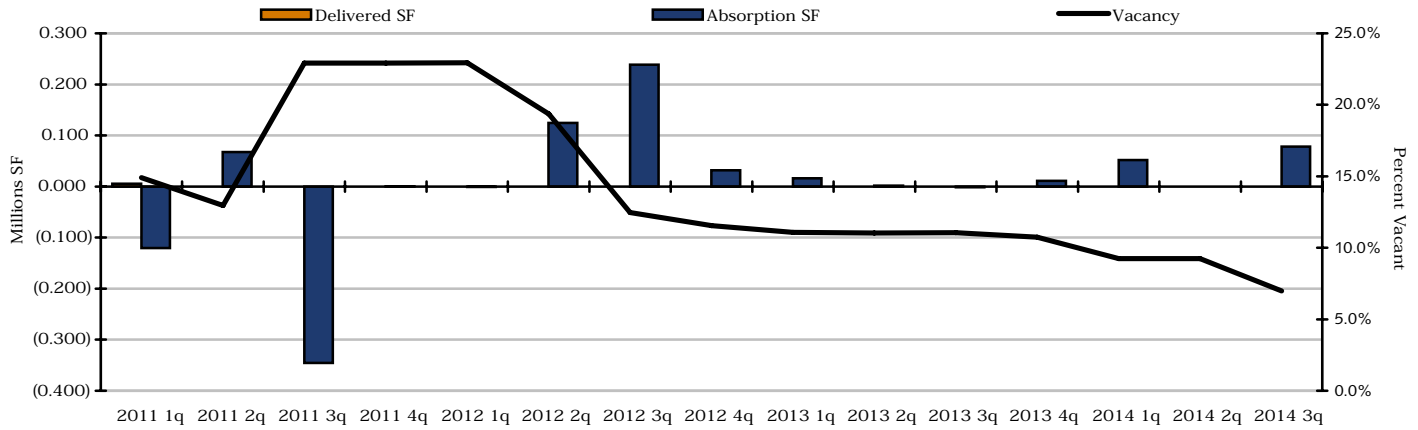


## Yadkin County Market

MARKET HIGHLIGHTS - Flex & Warehouse

### Deliveries, Absorption & Vacancy

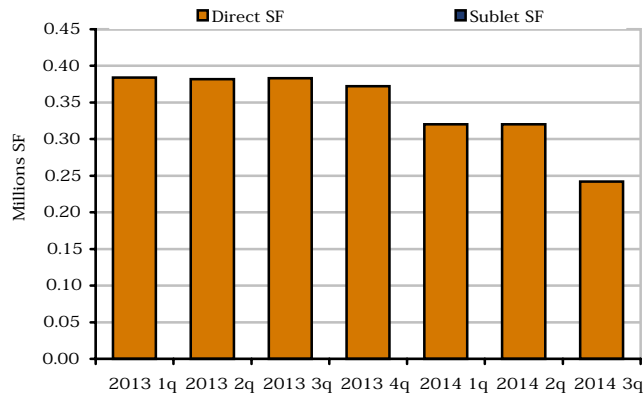
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Vacant Space

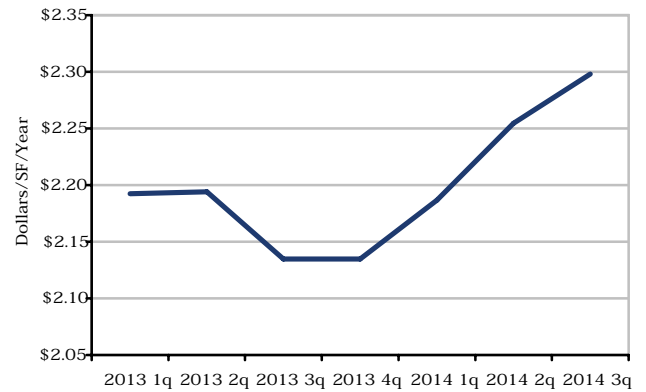
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

### Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	28	3,464,602	242,210	7.0%	78,000	0	0	0	0	\$2.30
2014 2q	28	3,464,602	320,210	9.2%	0	0	0	0	0	\$2.25
2014 1q	28	3,464,602	320,210	9.2%	52,062	0	0	0	0	\$2.19
2013 4q	28	3,464,602	372,272	10.7%	10,940	0	0	0	0	\$2.13
2013 3q	28	3,464,602	383,212	11.1%	(1,262)	0	0	0	0	\$2.13
2013 2q	28	3,464,602	381,950	11.0%	1,900	0	0	0	0	\$2.19
2013 1q	28	3,464,602	383,850	11.1%	16,400	0	0	0	0	\$2.19
2012 4q	28	3,464,602	400,250	11.6%	31,500	0	0	0	0	\$2.19
2012 3q	28	3,464,602	431,750	12.5%	238,771	0	0	0	0	\$2.18
2012 2q	28	3,464,602	670,521	19.4%	124,400	0	0	0	0	\$2.19
2012 1q	28	3,464,602	794,921	22.9%	(700)	0	0	0	0	\$2.14
2011 4q	28	3,464,602	794,221	22.9%	200	0	0	0	0	\$2.14
2011 3q	28	3,464,602	794,421	22.9%	(345,521)	0	0	0	0	\$2.15
2011 2q	28	3,464,602	448,900	13.0%	67,600	0	0	0	0	\$2.36
2011 1q	28	3,464,602	516,500	14.9%	(120,555)	1	5,345	0	0	\$2.41
2010 4q	27	3,459,257	390,600	11.3%	271,200	0	0	1	5,345	\$2.13

Source: CoStar Property®