

THE CoSTAR INDUSTRIAL REPORT

THIRD QUARTER 2011

Philadelphia 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 71.7 billion square feet of coverage in 3 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 certificate 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.

Released 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: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

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.

PHILADELPHIA INDUSTRIAL MARKET



OVERVIEW

PHILADELPHIA'S VACANCY INCREASES TO 9.4%

Net Absorption Negative (302,960) SF in the Quarter

The Philadelphia Industrial market ended the third quarter 2011 with a vacancy rate of 9.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (302,960) square feet in the third quarter. Vacant sublease space increased in the quarter, ending the quarter at 3,621,608 square feet. Rental rates ended the third quarter at \$4.44, a decrease over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 768,577 square feet, with 145,770 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Philadelphia Industrial market was negative (302,960) square feet in the third quarter 2011. That compares to positive 2,543,393 square feet in the second quarter 2011, positive 2,904,288 square feet in the first quarter 2011, and positive 4,341,062 square feet in the fourth quarter 2010.

Tenants moving out of large blocks of space in 2011 include: RR Donnelley & Sons Company moving out of (686,000) square feet at York Business Center, Borders Distribution Center moving out of (598,474) square feet at 1501 Distribution Dr, and Allen Distribution moving out of (535,000) square feet at 7533 Industrial Park Way.

Tenants moving into large blocks of space in 2011 include: IAC Carlisle, LLC moving into 887,645 square feet at Lear Corporation, Philadelphia Regional Produce Center moving into 667,000 square feet at Philadelphia Regional Produce Market, and Bay Valley Foods moving into 602,500 square feet at Key Distribution Center.

The Flex building market recorded net absorption of negative (115,890) square feet in the third quarter 2011, compared to positive 172,113 square feet in the second quarter 2011, positive 465,681 in the first quarter 2011, and positive 263,363 in the fourth quarter 2010.

The Warehouse building market recorded net absorption of negative (187,070) square feet in the third quarter 2011 compared to positive 2,371,280 square feet in the second quarter 2011, positive 2,438,607 in the first quarter 2011, and positive 4,077,699 in the fourth quarter 2010.

Vacancy

The Industrial vacancy rate in the Philadelphia market area increased to 9.4% at the end of the third quarter 2011. The vacancy rate was 9.3% at the end of the second quarter 2011, 9.5% at the end of the first quarter 2011, and 9.8% at the end of the fourth quarter 2010.

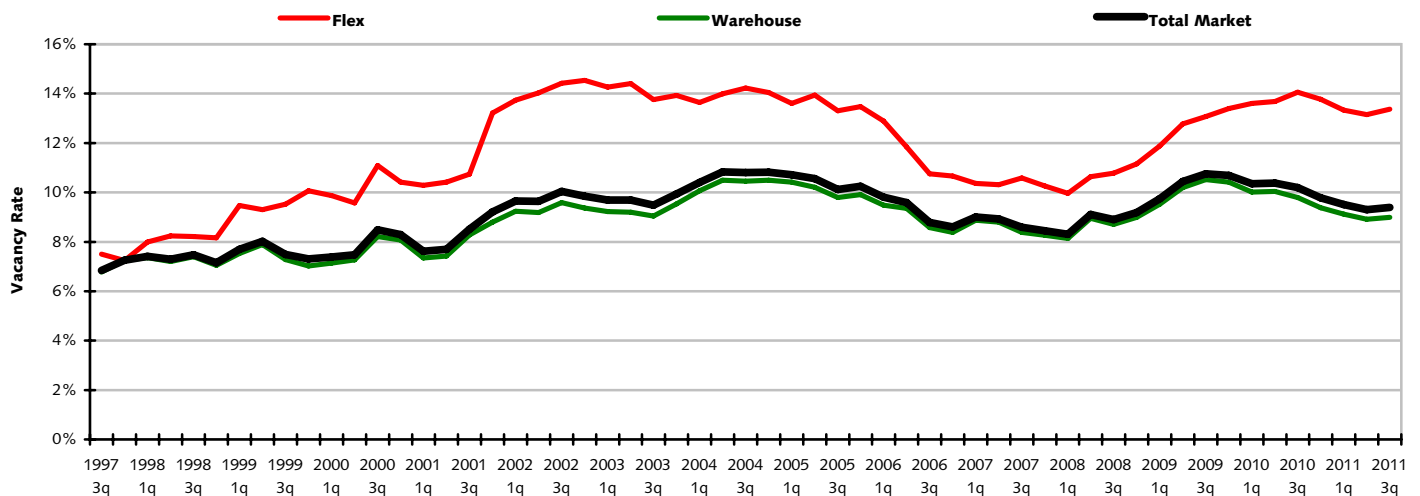
Flex projects reported a vacancy rate of 13.4% at the end of the third quarter 2011, 13.1% at the end of the second quarter 2011, 13.3% at the end of the first quarter 2011, and 13.8% at the end of the fourth quarter 2010.

Warehouse projects reported a vacancy rate of 9.0% at the end of the third quarter 2011, 8.9% at the end of second quarter 2011, 9.1% at the end of the first quarter 2011, and 9.4% at the end of the fourth quarter 2010.

Largest Lease Signings

The largest lease signings occurring in 2011 included: the 1,279,350-square-foot lease signed by Diapers.com at 600 First Ave in the I-81 Corridor market; the 337,500-square-foot deal

VACANCY RATES BY BUILDING TYPE 1997-2011



Source: CoStar Property®

signed by Pratt Industries at 7533 Industrial Park Way in the Lehigh Valley market; and the 314,521-square-foot lease signed by Communications Test Design, Inc at 200 W Stewart Huston Dr in the Suburban Philadelphia market.

Sublease Vacancy

The amount of vacant sublease space in the Philadelphia market increased to 3,621,608 square feet by the end of the third quarter 2011, from 3,056,532 square feet at the end of the second quarter 2011. There was 2,976,055 square feet vacant at the end of the first quarter 2011 and 3,671,086 square feet at the end of the fourth quarter 2010.

Philadelphia's Flex projects reported vacant sublease space of 748,516 square feet at the end of third quarter 2011, up from the 613,697 square feet reported at the end of the second quarter 2011. There were 622,430 square feet of sublease space vacant at the end of the first quarter 2011, and 938,166 square feet at the end of the fourth quarter 2010.

Warehouse projects reported increased vacant sublease space from the second quarter 2011 to the third quarter 2011. Sublease vacancy went from 2,442,835 square feet to 2,873,092 square feet during that time. There was 2,353,625 square feet at the end of the first quarter 2011, and 2,732,920 square feet at the end of the fourth quarter 2010.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$4.44 per square foot per year at the end of the third quarter 2011 in the Philadelphia market area. This represented a 0.2% decrease in quoted rental rates from the end of the second quarter 2011, when rents were reported at \$4.45 per square foot.

The average quoted rate within the Flex sector was \$8.49 per square foot at the end of the third quarter 2011, while Warehouse rates stood at \$4.03. At the end of the second quarter

2011, Flex rates were \$8.76 per square foot, and Warehouse rates were \$4.00.

Deliveries and Construction

During the third quarter 2011, three buildings totaling 768,577 square feet were completed in the Philadelphia market area. This compares to two buildings totaling 858,336 square feet that were completed in the second quarter 2011, three buildings totaling 215,000 square feet completed in the first quarter 2011, and 333,000 square feet in three buildings completed in the fourth quarter 2010.

There were 145,770 square feet of Industrial space under construction at the end of the third quarter 2011.

Some of the notable 2011 deliveries include: Philadelphia Regional Produce Market, a 667,000-square-foot facility that delivered in third quarter 2011 and is now 100% occupied, and Ollie's Bargain Outlet Distribution Center, a 603,000-square-foot building that delivered in second quarter 2011 and is now 100% occupied.

The largest projects underway at the end of third quarter 2011 were 4020 S 26th St, a 51,560-square-foot building with 0% of its space pre-leased, and 10077 Sandmeyer Ln, a 44,000-square-foot facility that is 0% pre-leased.

Inventory

Total Industrial inventory in the Philadelphia market area amounted to 989,415,948 square feet in 18,372 buildings as of the end of the third quarter 2011. The Flex sector consisted of 91,381,997 square feet in 3,451 projects. The Warehouse sector consisted of 898,033,951 square feet in 14,921 buildings. Within the Industrial market there were 2,216 owner-occupied buildings accounting for 208,538,788 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Philadelphia industrial sales figures fell during the second quarter 2011 in terms of dollar volume compared to the first quarter of 2011.

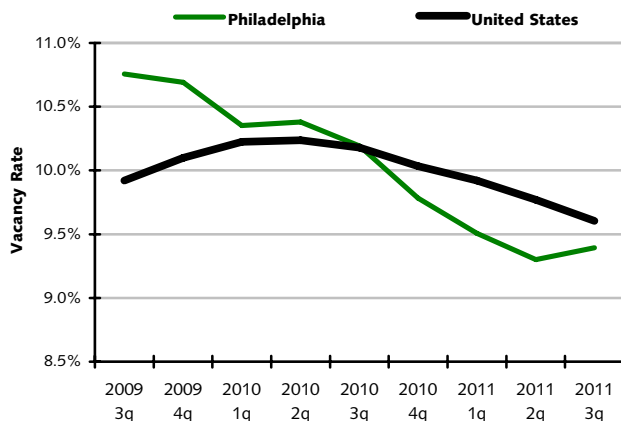
In the second quarter, 47 industrial transactions closed with a total volume of \$149,933,051. The 47 buildings totaled 4,331,801 square feet and the average price per square foot equated to \$34.61 per square foot. That compares to 51 transactions totaling \$189,318,270 in the first quarter. The total square footage was 4,684,349 for an average price per square foot of \$40.42.

Total year-to-date industrial building sales activity in 2011 is down compared to the previous year. In the first six months of 2011, the market saw 98 industrial sales transactions with a total volume of \$339,251,321. The price per square foot has averaged \$37.63 this year. In the first six months of 2010, the market posted 89 transactions with a total volume of \$493,003,245. The price per square foot averaged \$57.20.

Cap rates have been higher in 2011, averaging 9.22%,

U.S. VACANCY COMPARISON

Past 9 Quarters



Source: CoStar Property*

PHILADELPHIA INDUSTRIAL MARKET



OVERVIEW

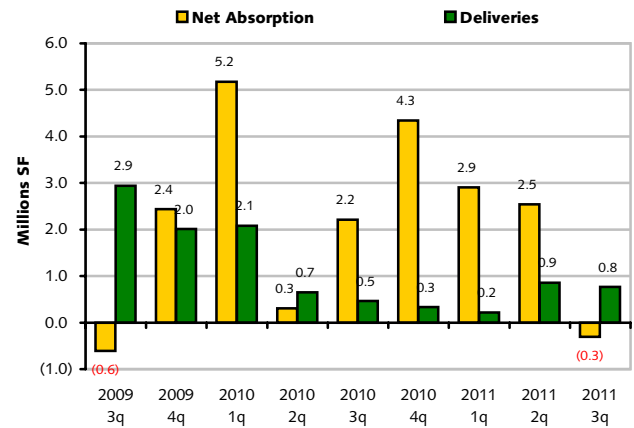
compared to the first six months of last year when they averaged 8.92%.

One of the largest transactions that has occurred within the last four quarters in the Philadelphia market is the sale of 800 Billingsport Rd in Paulsboro. This 1,020,000-square-foot industrial building sold for \$340,000,000, or \$333.33 per square foot. The property sold on 12/20/2010.

Reports compiled by Bill Baumgardner, Senior Research Manager.

ABSORPTION & DELIVERIES

Past 9 Quarters



Source: CoStar Property•

CoSTAR MARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions 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. Regions are then divided into Markets, 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.

Markets
Central Pennsylvania Ind
Delaware Ind
I-81 Corridor Ind
Lehigh Valley Ind
North Philadelphia Ind
Southern New Jersey Ind
Southwest Philly Ind
Suburban Philadelphia Ind

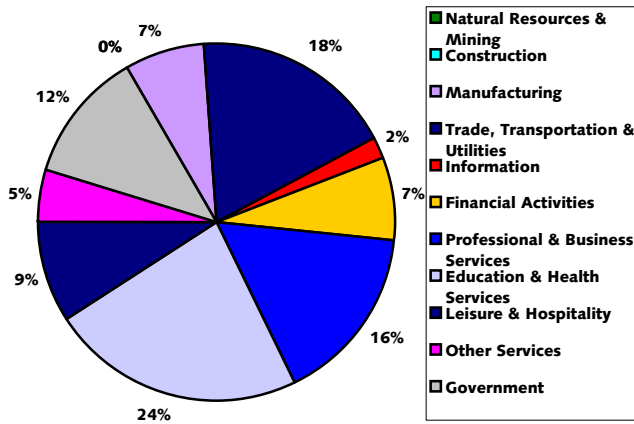
PHILADELPHIA INDUSTRIAL MARKET



EMPLOYMENT AND TENANT

TOTAL EMPLOYMENT BY INDUSTRY

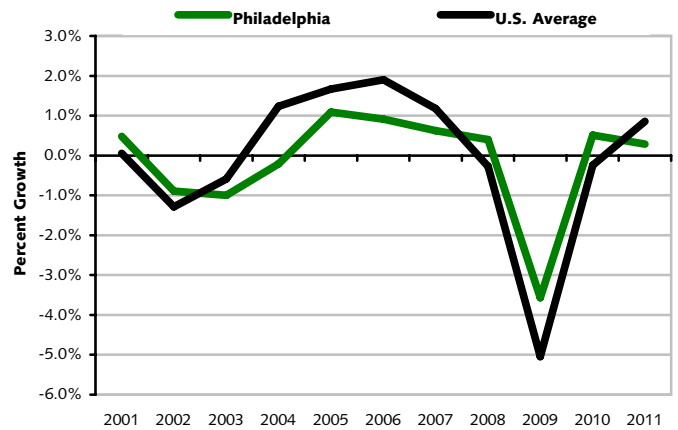
Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

TOTAL EMPLOYMENT GROWTH

Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

TOTAL EMPLOYMENT GROWTH

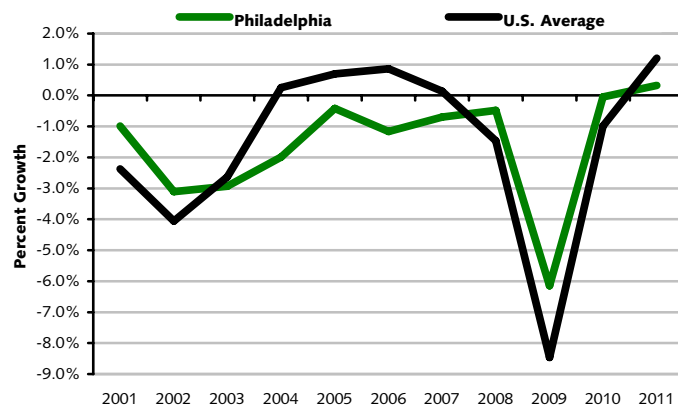
Cumulative Growth in Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	-7.30%	2.50%	-9.80%
Chicago	-6.00%	2.80%	-8.80%
Dallas/Ft Worth	1.20%	5.10%	-3.90%
Denver	-5.60%	2.50%	-8.10%
Detroit	-11.40%	0.50%	-11.90%
Houston	3.50%	5.30%	-1.80%
Inland Empire (California)	-10.30%	7.70%	-18.00%
Los Angeles	-8.00%	0.90%	-8.90%
Northern New Jersey	-5.40%	1.20%	-6.60%
Pittsburgh	-2.20%	1.40%	-3.60%
Philadelphia	-4.80%	3.30%	-8.10%

Source: Department of Labor, Bureau of Labor Statistics

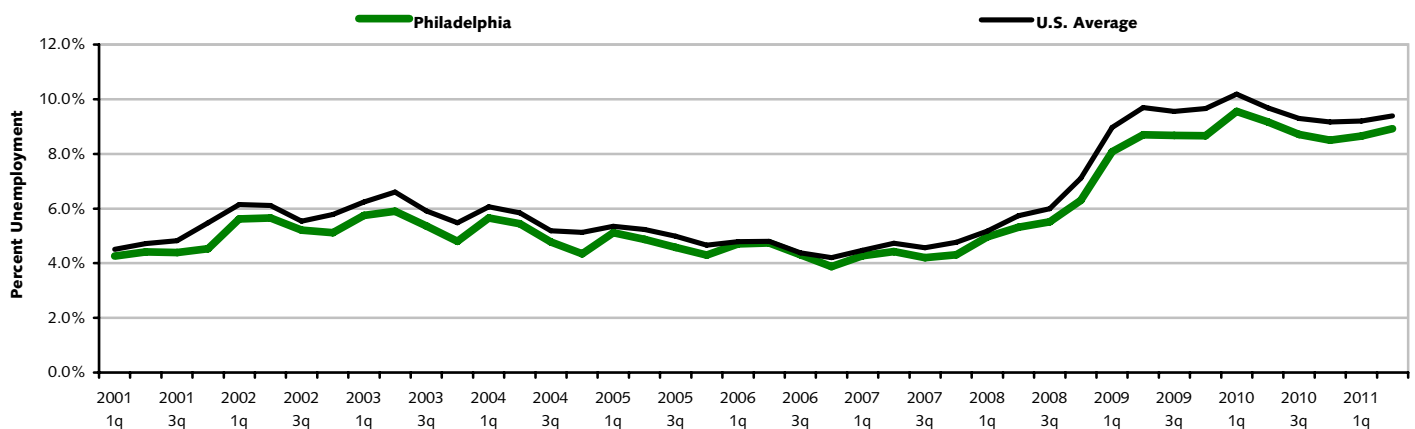
INDUSTRIAL* EMPLOYMENT GROWTH

Number of Industrial* Jobs Added Per Year



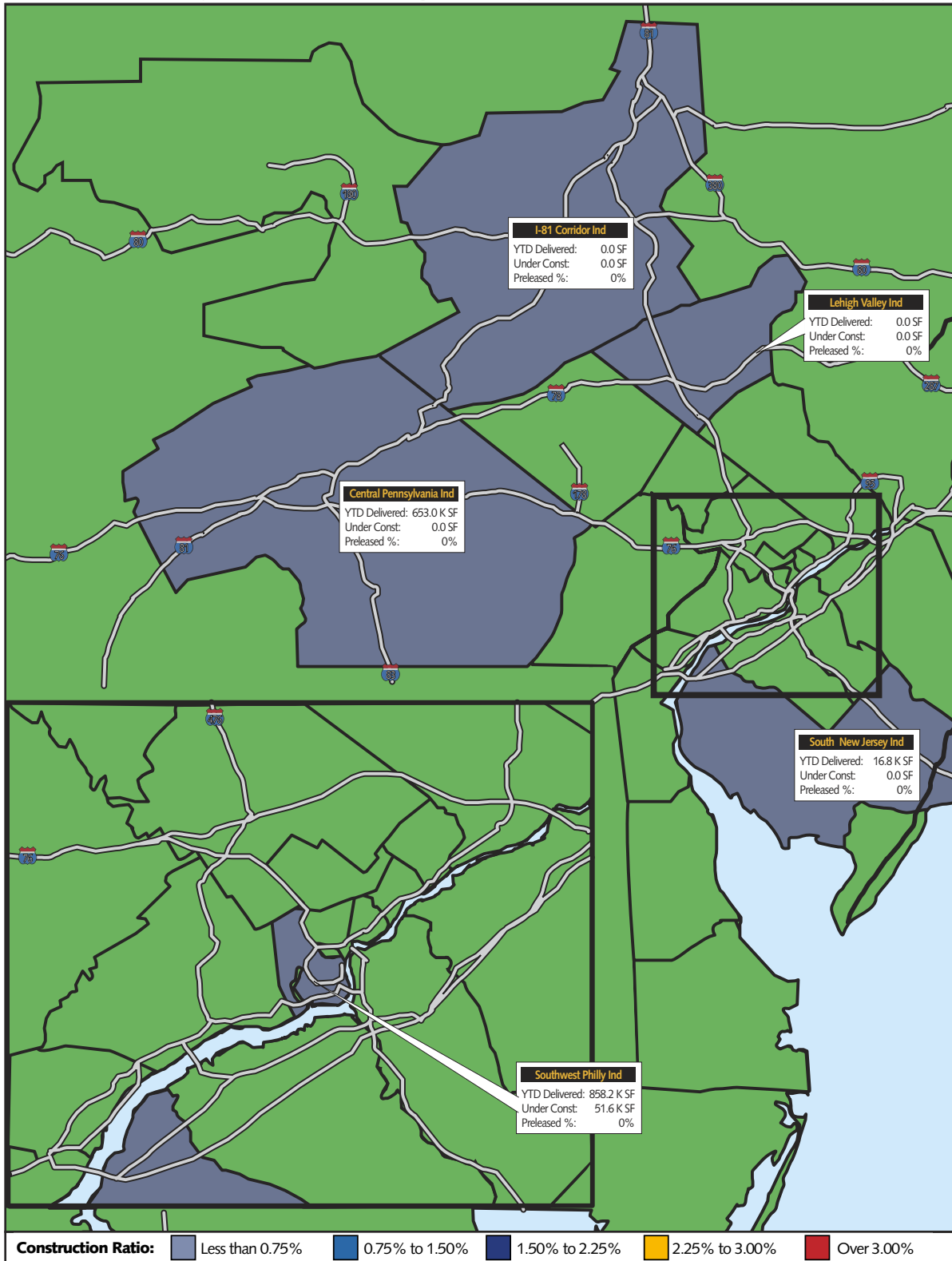
Source: Department of Labor, Bureau of Labor Statistics. * Industrial employment is defined as jobs in the Manufacturing, and Trade, Transportation & Utilities industries

HISTORICAL UNEMPLOYMENT RATES



Source: Department of Labor, Bureau of Labor Statistics

CONSTRUCTION HIGHLIGHTS IN SELECT CoSTAR MARKETS Color Coded by Under Construction Square Footage as a Percentage of Existing Inventory



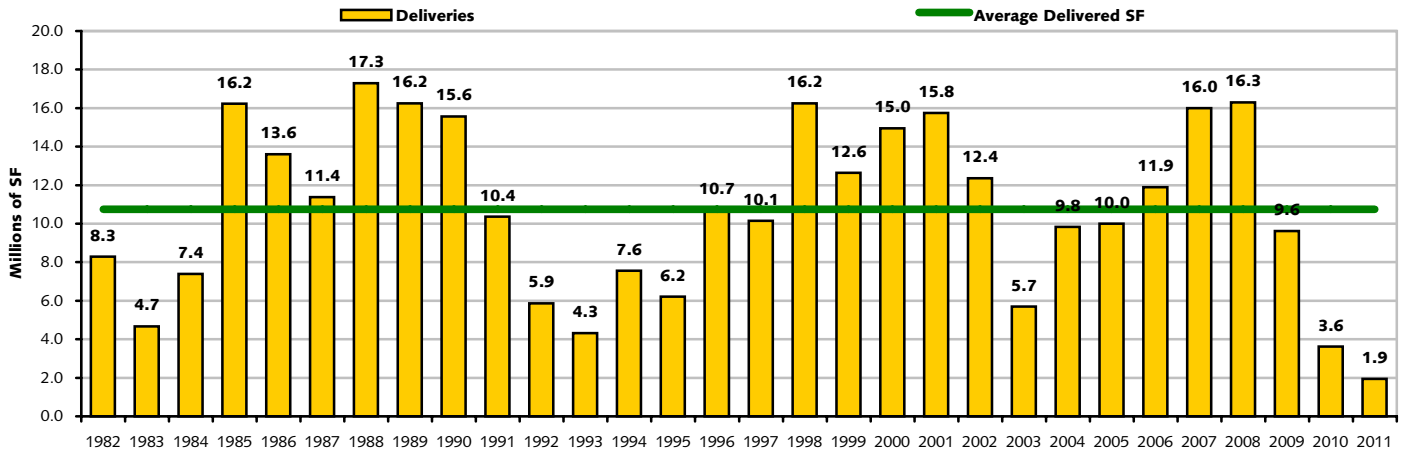
Source: CoStar Property®

PHILADELPHIA INDUSTRIAL MARKET



INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1982 - 2011



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

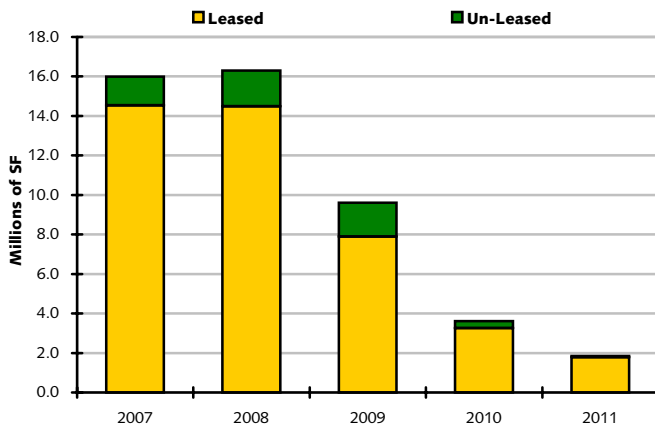
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Southwest Philly Ind	1	51,560	0	0.0%	55,330	51,560
Suburban Philadelphia Ind	2	50,210	44,126	87.9%	41,436	25,105
North Philadelphia Ind	1	44,000	0	0.0%	46,260	44,000
Delaware Ind	0	0	0	0.0%	41,167	0
Lehigh Valley Ind	0	0	0	0.0%	59,524	0
Southern New Jersey Ind	0	0	0	0.0%	44,098	0
I-81 Corridor Ind	0	0	0	0.0%	83,450	0
Central Pennsylvania Ind	0	0	0	0.0%	79,174	0
Totals	4	145,770	44,126	30.3%	53,855	36,442

Source: CoStar Property®

RECENT DELIVERIES

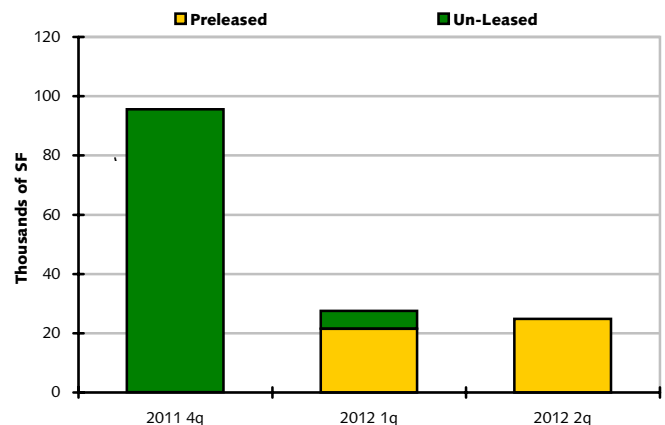
Leased & Un-Leased SF in Deliveries Since 2007



Source: CoStar Property®

FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

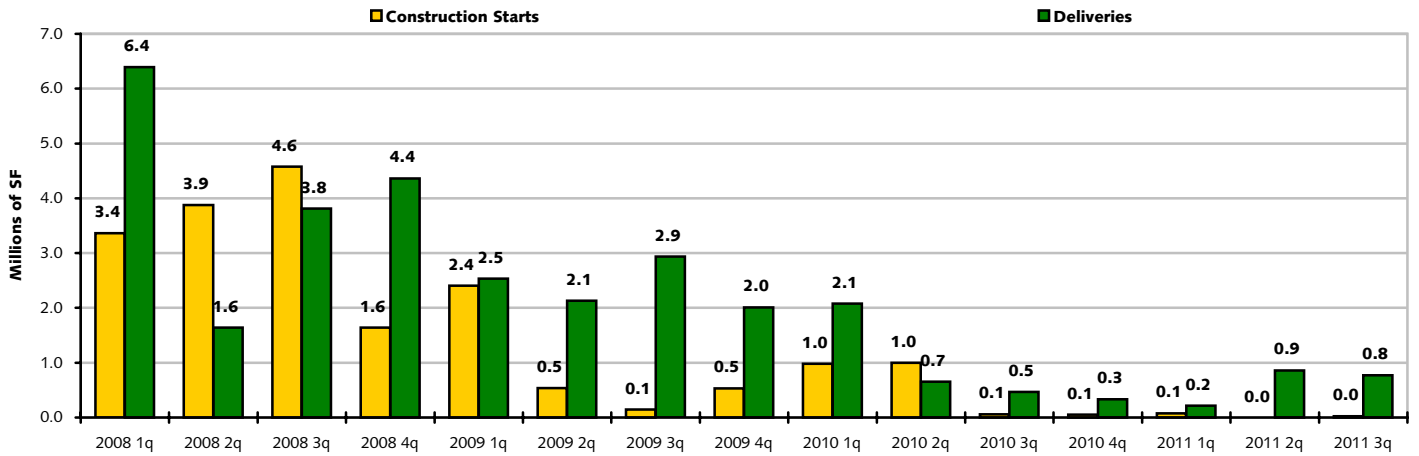


PHILADELPHIA INDUSTRIAL MARKET

INVENTORY & DEVELOPMENT

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	16,800	16,800	100.0%	\$0.00	0	16,800
50,000 SF - 99,999 SF	3	160,167	95,614	59.7%	\$14.38	0	160,167
100,000 SF - 249,999 SF	1	139,610	139,610	100.0%	\$0.00	139,610	0
250,000 SF - 499,999 SF	1	255,336	255,336	100.0%	\$0.00	255,336	0
>= 500,000 SF	2	1,270,000	1,270,000	100.0%	\$0.00	603,000	667,000

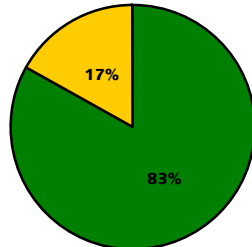
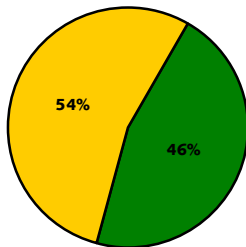
Source: CoStar Property®

RECENT DEVELOPMENT BY TENANCY

Based on RBA Developed for Single & Multi-Tenant Use

2011 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

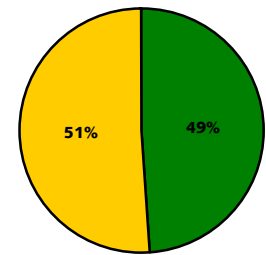
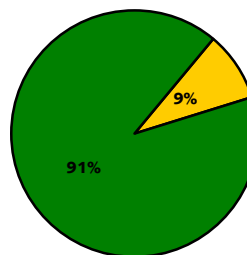
Source: CoStar Property®

EXISTING INVENTORY COMPARISON

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

PHILADELPHIA INDUSTRIAL MARKET



INVENTORY & DEVELOPMENT

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

1. **Philadelphia Regional Produce Market**
 Submarket: **Southwest Philly Industrial Market**
 RBA: **667,000**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Third Quarter 2008**
 Deliv Date: **Third Quarter 2011**
 Leasing Co: **Essington Avenue Partners, LP**
 Developer: **O'Neill Properties Group, L.P.**
2. **Ollie's Bargain Outlet Distribution Center**
 Submarket: **Central Pennsylvania Industrial Market**
 RBA: **603,000**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2010**
 Deliv Date: **Second Quarter 2011**
 Leasing Co: **Kinsley Properties**
 Developer: **Kinsley Properties**
3. **9355 Blue Grass Rd**
 Submarket: **North Philadelphia Industrial Market**
 RBA: **255,336**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2010**
 Deliv Date: **Second Quarter 2011**
 Leasing Co: **N/A**
 Developer: **N/A**
4. **600 Packer Ave**
 Submarket: **Southwest Philly Industrial Market**
 RBA: **139,610**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2010**
 Deliv Date: **First Quarter 2011**
 Leasing Co: **Sysco Philadelphia, LLC**
 Developer: **N/A**
5. **10065 Sandmeyer Ln**
 Submarket: **North Philadelphia Industrial Market**
 RBA: **58,590**
 Occupied: **40%**
 Quoted Rate: **\$10.74**
 Grnd Brk Date: **Third Quarter 2010**
 Deliv Date: **First Quarter 2011**
 Leasing Co: **V.I.V Association**
 Developer: **N/A**
6. **4050 S 26th St**
 Submarket: **Southwest Philly Industrial Market**
 RBA: **51,577**
 Occupied: **43%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2011**
 Deliv Date: **Third Quarter 2011**
 Leasing Co: **Liberty Property Trust**
 Developer: **N/A**
7. **2501 Fernwood Ave**
 Submarket: **Southern New Jersey Industrial Market**
 RBA: **16,800**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **First Quarter 2010**
 Deliv Date: **First Quarter 2011**
 Leasing Co: **N/A**
 Developer: **N/A**

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

1. **4020 S 26th St**
 Submarket: **Southwest Philly Industrial Market**
 RBA: **51,560**
 Preleased: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Fourth Quarter 2010**
 Deliv Date: **Fourth Quarter 2011**
 Leasing Co: **Liberty Property Trust**
 Developer: **N/A**
2. **10077 Sandmeyer Ln**
 Submarket: **North Philadelphia Industrial Market**
 RBA: **44,000**
 Preleased: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Third Quarter 2007**
 Deliv Date: **Fourth Quarter 2011**
 Leasing Co: **Binswanger**
 Developer: **N/A**
3. **401 Camars Dr**
 Submarket: **Suburban Philadelphia Industrial Market**
 RBA: **25,352**
 Preleased: **76%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2011**
 Deliv Date: **First Quarter 2012**
 Leasing Co: **Glen Meadows Group**
 Developer: **N/A**
4. **101 Cheshire Ct**
 Submarket: **Suburban Philadelphia Industrial Market**
 RBA: **24,858**
 Preleased: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Third Quarter 2011**
 Deliv Date: **Second Quarter 2012**
 Leasing Co: **High Associates Ltd.**
 Developer: **High Associates Ltd.**
5. **286 Mantua Grove Rd - Building 2**
 Submarket: **Southern New Jersey Industrial Market**
 RBA: **2,208**
 Preleased: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Third Quarter 2011**
 Deliv Date: **First Quarter 2012**
 Leasing Co: **N/A**
 Developer: **N/A**

PHILADELPHIA INDUSTRIAL MARKET

FIGURES AT A GLANCE

FLEX MARKET STATISTICS

Third Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Pennsylvania Ind	363	10,718,954	1,108,235	1,228,365	11.5%	108,993	50,000	0	\$7.18
Delaware Ind	241	4,925,504	659,272	669,565	13.6%	(50,292)	0	0	\$6.27
I-81 Corridor Ind	76	2,800,154	210,808	210,808	7.5%	50,866	0	0	\$7.91
Lehigh Valley Ind	352	11,293,727	1,706,105	1,812,740	16.1%	59,534	0	0	\$9.98
North Philadelphia Ind	158	3,078,482	393,564	393,564	12.8%	92,536	58,590	0	\$9.36
Southern New Jersey Ind	969	20,338,109	2,222,721	2,248,621	11.1%	(20,098)	16,800	0	\$7.72
Southwest Philly Ind	42	1,332,962	575,639	575,639	43.2%	99,933	51,577	51,560	\$11.53
Suburban Philadelphia Ind	1,250	36,894,105	4,590,438	5,075,996	13.8%	180,432	0	0	\$9.23
Totals	3,451	91,381,997	11,466,782	12,215,298	13.4%	521,904	176,967	51,560	\$8.49

Source: CoStar Property®

WAREHOUSE MARKET STATISTICS

Third Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Pennsylvania Ind	2,593	223,319,335	20,154,032	20,963,832	9.4%	(578,945)	603,000	0	\$3.68
Delaware Ind	892	41,717,180	4,059,078	4,170,844	10.0%	56,634	0	0	\$4.30
I-81 Corridor Ind	1,176	101,678,758	7,236,928	7,705,988	7.6%	1,107,854	0	0	\$3.43
Lehigh Valley Ind	1,831	118,647,913	11,166,392	11,849,910	10.0%	1,898,380	0	0	\$3.82
North Philadelphia Ind	1,795	87,266,604	9,653,709	9,706,965	11.1%	(206,229)	255,336	44,000	\$4.01
Southern New Jersey Ind	2,246	121,437,717	10,421,527	10,889,771	9.0%	361,941	0	0	\$3.86
Southwest Philly Ind	450	25,889,467	2,329,888	2,329,888	9.0%	764,174	806,610	0	\$5.36
Suburban Philadelphia Ind	3,938	178,076,977	12,830,338	13,107,786	7.4%	1,219,008	0	50,210	\$4.88
Totals	14,921	898,033,951	77,851,892	80,724,984	9.0%	4,622,817	1,664,946	94,210	\$4.03

Source: CoStar Property®

TOTAL INDUSTRIAL MARKET STATISTICS

Third Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Pennsylvania Ind	2,956	234,038,289	21,262,267	22,192,197	9.5%	(469,952)	653,000	0	\$3.88
Delaware Ind	1,133	46,642,684	4,718,350	4,840,409	10.4%	6,342	0	0	\$4.52
I-81 Corridor Ind	1,252	104,478,912	7,447,736	7,916,796	7.6%	1,158,720	0	0	\$3.51
Lehigh Valley Ind	2,183	129,941,640	12,872,497	13,662,650	10.5%	1,957,914	0	0	\$4.31
North Philadelphia Ind	1,953	90,345,086	10,047,273	10,100,529	11.2%	(113,693)	313,926	44,000	\$4.16
Southern New Jersey Ind	3,215	141,775,826	12,644,248	13,138,392	9.3%	341,843	16,800	0	\$4.28
Southwest Philly Ind	492	27,222,429	2,905,527	2,905,527	10.7%	864,107	858,187	51,560	\$5.87
Suburban Philadelphia Ind	5,188	214,971,082	17,420,776	18,183,782	8.5%	1,399,440	0	50,210	\$5.65
Totals	18,372	989,415,948	89,318,674	92,940,282	9.4%	5,144,721	1,841,913	145,770	\$4.44

Source: CoStar Property®

PHILADELPHIA INDUSTRIAL MARKET



FIGURES AT A GLANCE

FLEX MARKET STATISTICS

Third Quarter 2011

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	
2011 3q	3,451	91,381,997	11,466,782	12,215,298	13.4%	(115,890)	2	101,577	1	51,560	\$8.49
2011 2q	3,449	91,280,420	11,384,134	11,997,831	13.1%	172,113	0	0	3	153,137	\$8.76
2011 1q	3,449	91,280,420	11,547,514	12,169,944	13.3%	465,681	2	75,390	3	153,137	\$9.03
2010 4q	3,447	91,205,030	11,622,069	12,560,235	13.8%	263,363	1	1,400	4	176,950	\$9.21
2010 3q	3,446	91,203,630	11,942,252	12,822,198	14.1%	(349,996)	0	0	4	126,790	\$9.28
2010 2q	3,446	91,203,630	11,617,782	12,472,202	13.7%	(35,923)	2	33,000	3	68,200	\$9.30
2010 1q	3,444	91,170,630	11,535,981	12,403,279	13.6%	(140,598)	4	62,043	4	99,800	\$9.29
2009	3,440	91,108,587	11,401,327	12,200,638	13.4%	(797,444)	28	1,395,167	6	95,043	\$9.62
2008	3,412	89,713,420	9,464,696	10,008,027	11.2%	(126,031)	22	750,375	20	919,947	\$9.87
2007	3,390	88,963,045	8,735,951	9,131,621	10.3%	1,281,114	27	1,062,146	19	730,660	\$9.51
2006	3,364	87,926,471	8,864,308	9,376,161	10.7%	3,204,237	31	1,068,490	23	838,069	\$9.40
2005	3,334	87,075,182	11,281,936	11,729,109	13.5%	1,179,579	32	1,133,267	24	886,411	\$8.82
2004	3,304	86,278,215	11,590,471	12,111,721	14.0%	667,755	32	1,052,094	22	805,400	\$7.85
2003	3,277	85,391,636	11,181,415	11,892,897	13.9%	900,970	15	499,867	25	890,274	\$8.40
2002	3,264	84,945,869	11,531,748	12,348,100	14.5%	380,508	43	1,788,877	14	558,267	\$9.42
2001	3,222	83,213,342	10,295,231	10,996,081	13.2%	(1,352,273)	30	1,092,952	36	1,589,063	\$7.90

Source: CoStar Property®

WAREHOUSE MARKET STATISTICS

Third Quarter 2011

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	
2011 3q	14,921	898,033,951	77,851,892	80,724,984	9.0%	(187,070)	1	667,000	3	94,210	\$4.03
2011 2q	14,921	897,459,951	77,521,079	79,963,914	8.9%	2,371,280	2	858,336	3	736,352	\$4.00
2011 1q	14,921	896,906,725	79,428,343	81,781,968	9.1%	2,438,607	1	139,610	5	1,594,688	\$4.01
2010 4q	14,921	896,777,115	81,358,045	84,090,965	9.4%	4,077,699	2	331,600	5	1,708,946	\$4.04
2010 3q	14,921	896,456,595	85,065,409	87,848,144	9.8%	2,561,522	1	465,000	7	2,040,546	\$4.07
2010 2q	14,921	896,043,595	87,019,348	89,996,666	10.0%	344,464	3	620,568	8	2,505,546	\$4.10
2010 1q	14,919	895,426,566	86,792,002	89,724,101	10.0%	5,314,456	14	2,018,849	8	2,128,168	\$4.17
2009	14,907	893,450,276	90,153,561	93,062,267	10.4%	(5,388,307)	39	8,216,468	19	3,235,417	\$4.18
2008	14,869	885,364,121	77,036,164	79,587,805	9.0%	7,201,712	83	15,455,913	32	8,403,421	\$4.41
2007	14,797	870,528,162	70,952,931	71,953,558	8.3%	14,284,941	69	14,810,124	59	11,343,584	\$4.44
2006	14,733	856,067,438	70,473,806	71,777,775	8.4%	21,347,940	73	10,390,755	57	13,101,047	\$4.48
2005	14,687	846,892,124	82,571,048	83,950,401	9.9%	11,540,405	64	8,416,695	59	10,906,228	\$4.43
2004	14,636	839,468,816	86,465,714	88,067,498	10.5%	(1,666,378)	72	8,437,558	56	6,265,979	\$4.10
2003	14,577	832,414,636	77,233,406	79,346,940	9.5%	2,799,781	57	4,881,944	55	7,417,744	\$4.05
2002	14,529	827,823,622	74,837,492	77,555,707	9.4%	4,026,341	77	9,943,696	45	5,077,832	\$3.93
2001	14,456	818,224,926	69,117,388	71,983,352	8.8%	6,007,024	101	14,070,243	61	10,790,312	\$4.04

Source: CoStar Property®

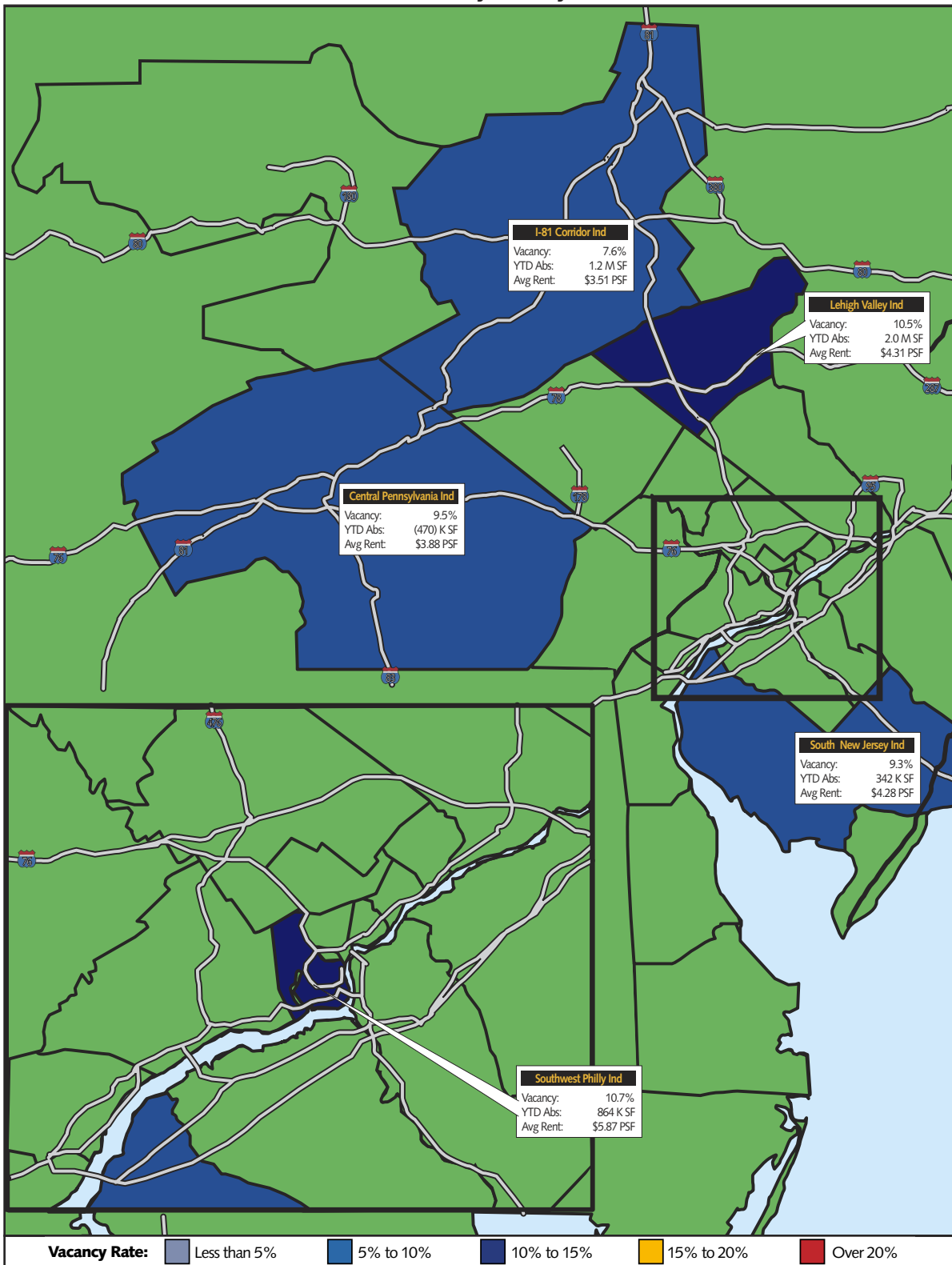
TOTAL INDUSTRIAL MARKET STATISTICS

Third Quarter 2011

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	
2011 3q	18,372	989,415,948	89,318,674	92,940,282	9.4%	(302,960)	3	768,577	4	145,770	\$4.44
2011 2q	18,370	988,740,371	88,905,213	91,961,745	9.3%	2,543,393	2	858,336	6	889,489	\$4.45
2011 1q	18,370	988,187,145	90,975,857	93,951,912	9.5%	2,904,288	3	215,000	8	1,747,825	\$4.47
2010 4q	18,368	987,982,145	92,980,114	96,651,200	9.8%	4,341,062	3	333,000	9	1,885,896	\$4.50
2010 3q	18,367	987,660,225	97,007,661	100,670,342	10.2%	2,211,526	1	465,000	11	2,167,336	\$4.53
2010 2q	18,367	987,247,225	98,637,130	102,468,868	10.4%	308,541	5	653,568	11	2,573,746	\$4.57
2010 1q	18,363	986,597,196	98,327,983	102,127,380	10.4%	5,173,858	18	2,080,892	12	2,227,968	\$4.62
2009	18,347	984,558,863	101,554,888	105,262,905	10.7%	(6,185,751)	67	9,611,635	25	3,330,460	\$4.68
2008	18,281	975,077,541	86,500,860	89,595,832	9.2%	7,075,681	105	16,206,288	52	9,323,368	\$4.93
2007	18,187	959,491,207	79,688,882	81,085,179	8.5%	15,566,055	96	15,872,270	78	12,074,244	\$4.97
2006	18,097	943,993,909	79,338,114	81,153,936	8.6%	24,552,177	104	11,459,245	80	13,939,116	\$4.98
2005	18,021	933,967,306	93,852,984	95,679,510	10.2%	12,719,984	96	9,549,962	83	11,792,639	\$4.98
2004	17,940	925,747,031	98,056,185	100,179,219	10.8%	(998,623)	104	9,489,652	78	7,071,379	\$4.59
2003	17,854	917,806,272	88,414,821	91,239,837	9.9%	3,700,751	72	5,381,811	80	8,308,018	\$4.65
2002	17,793	912,769,491	86,369,240	89,903,807	9.8%	4,406,849	120	11,732,573	59	5,636,099	\$4.26
2001	17,678	901,438,268	79,412,619	82,979,433	9.2%	4,654,751	131	15,163,195	97	12,379,375	\$4.32

Source: CoStar Property®

LEASING HIGHLIGHTS IN SELECT COSTAR MARKETS Color Coded by Vacancy Rate



Source: CoStar Property®

PHILADELPHIA INDUSTRIAL MARKET



LEASING ACTIVITY

HISTORICAL RENTAL RATES

Based on Quoted Rental Rates



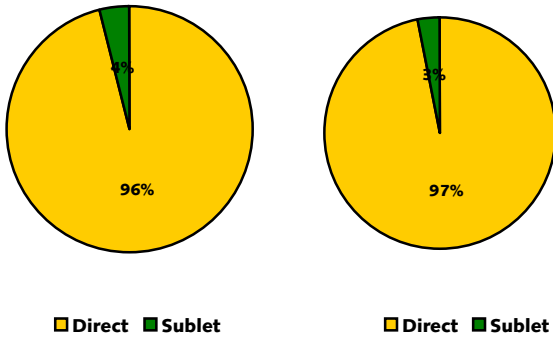
Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

Philadelphia

United States



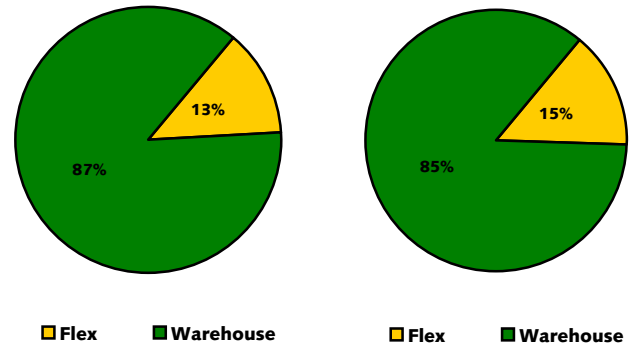
Source: CoStar Property®

VACANCY BY BUILDING TYPE

Percent of All Vacant Space by Building Type

Philadelphia

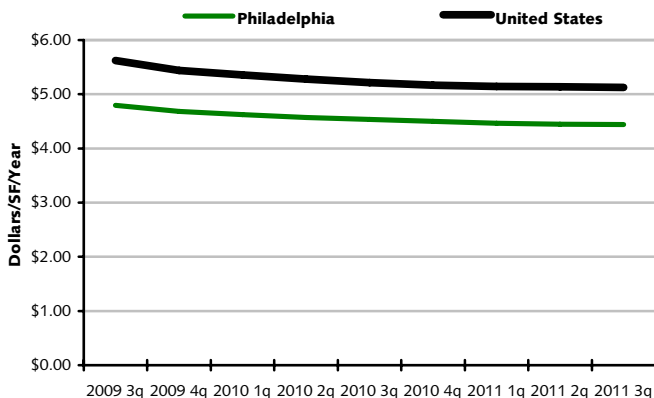
United States



Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

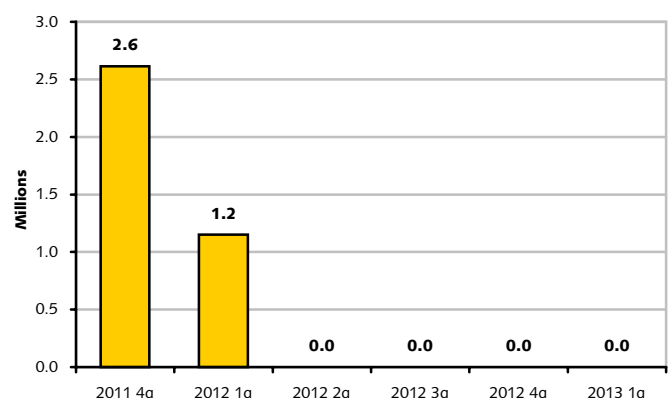
Based on Average Quoted Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space



PHILADELPHIA INDUSTRIAL MARKET

LEASING ACTIVITY

SELECT TOP INDUSTRIAL LEASES Based on Leased Square Footage For Deals Signed in 2011

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 600 First Ave*	I-81 Corridor Ind	1,279,350	2nd	Diapers.com	N/A	Cushman & Wakefield of Pennsylvania
2 7533 Industrial Park Way	Lehigh Valley Ind	337,500	2nd	Pratt Industries	Direct Deal	Liberty Property Trust
3 200 W Stewart Huston Dr*	Chester Ind	314,521	2nd	Communications Test Design, Inc	Jackson Cross Partners	BPG Properties, Ltd.
4 16 E Cabot Blvd	Bucks Ind	299,000	1st	Domtar Paper	Jones Lang LaSalle	The Flynn Company
5 Barrington Business Center	Camden County Ind	279,675	3rd	Computer Science Corporation	Jones Lang LaSalle	Jackson Cross Partners
6 1002 Patriot Pky	Berks Ind	273,000	2nd	N/A	N/A	CB Richard Ellis
7 62 Green Mountain Rd	I-81 Corridor Ind	270,000	2nd	Affinia	Cushman & Wakefield of Pennsylvania	Cushman & Wakefield of Pennsylvania
8 250 Rittenhouse Cir	Bucks Ind	241,977	1st	Estee Lauder	CB Richard Ellis	Binswanger
9 7248 Industrial Blvd	Lehigh Valley Ind	201,650	2nd	Uline	N/A	Gelcor Realty, Inc.
10 7533 Industrial Park Way	Lehigh Valley Ind	197,500	3rd	N/A	N/A	Liberty Property Trust
11 1103 W Ridge Pike*	East Montgomery Cty Ind	172,500	1st	Steven F. Kempf Building Supplies	N/A	KOR Commercial Real Estate
12 13500 Roosevelt Blvd*	Greater Northeast Ind	164,880	2nd	SPD Electrical System	CB Richard Ellis	Cushman & Wakefield, Inc.
13 Commerce Corner	Gloucester County Ind	159,627	2nd	N/A	N/A	CB Richard Ellis
14 Lehigh Valley South Distribution Center	Lehigh Valley Ind	157,500	1st	N/A	N/A	CB Richard Ellis
15 1001 Trooper Rd	East Montgomery Cty Ind	137,388	3rd	N/A	N/A	CB Richard Ellis
16 Northeast Distribution Center	I-81 Corridor Ind	135,890	3rd	N/A	N/A	Exeter Property Group
17 10 Industrial Hwy*	Delaware County Ind	125,969	2nd	Chempak	Beacon Commercial Real Estate	Berkshire Real Estate Advisors
18 105 Commerce Dr	Delaware County Ind	125,000	1st	National Fulfillment Services	The Flynn Company	The Flynn Company
19 111 Ikea Dr	Burlington Ind	112,414	1st	American Tire	CB Richard Ellis	Dolan Contractors, Inc.
20 1510 Gehman Rd	West Montgomery Cty Ind	112,305	1st	N/A	N/A	The Flynn Company
21 Bristol Industrial Park - BB-22	Bucks Ind	111,000	3rd	N/A	N/A	F. Greek Development
22 1499 Zeager Rd	Lancaster County Ind	111,000	2nd	MWI Veterinary Supply, Inc.	CB Richard Ellis	Cushman & Wakefield, Inc.
23 1400 AIP Dr*	Harrisburg Area East Ind	109,800	1st	Gulf South Medical Supply	Direct Deal	NAI/CIR
24 275 Cross Farm Lane	York County Ind	108,160	1st	LKQ Corporation	CB Richard Ellis	Exeter Property Group
25 442 Creamery Way*	Chester Ind	104,500	3rd	FedEx Ground Packaging System, Inc	N/A	Brandywine Realty Trust
26 2251 Cabot Blvd W*	Bucks Ind	104,074	1st	PSI Group, Inc.	Direct Deal	The Flynn Company
27 Cascade Drive Industrial Complex	Lehigh Valley Ind	100,000	1st	Crayola Crayon Factory	Colliers International	Sperry Van Ness Imperial Realty
28 Cascade Drive Industrial Complex	Lehigh Valley Ind	100,000	3rd	FMI	CB Richard Ellis	Hayden Real Estate Investments, LLC
29 2001 Gehman Rd	East Montgomery Cty Ind	97,200	3rd	Centurion Medical Products	Newmark Knight Frank Smith Mack	Newmark Knight Frank Smith Mack
30 1001 New Ford Mill Rd	Bucks Ind	91,200	3rd	N/A	N/A	NAI Mertz
31 Cumberland Valley B.P. - Bldg 55	Harrisburg Area West Ind	90,000	3rd	N/A	N/A	Quadrelle Realty Services
32 550 S Henderson Rd	East Montgomery Cty Ind	82,750	3rd	Lyon, Conklin & Co. Inc.	Swope Lees Commercial Real Estate,	Jones Lang LaSalle
33 Mearns Park - Building 1*	Bucks Ind	82,000	3rd	SP Industries, Inc.	Grubb & Ellis	MIM-Hayden Real Estate Fund
34 730 Stockton Dr*	Chester Ind	78,264	1st	ViroPharma Incorporated	N/A	N/A
35 Welsh Valley Ind Ctr - Bldg 12	East Montgomery Cty Ind	73,500	3rd	N/A	N/A	Nappen & Associates
36 520 Lincoln Ave	Chester Ind	72,000	2nd	N/A	N/A	J. Loew & Associates, Inc.
37 3400 Industrial Rd	Harrisburg Area East Ind	71,433	1st	N/A	N/A	Exeter Property Group
38 601 E Market St	I-81 Corridor Ind	70,000	2nd	N/A	N/A	MBC Development, L.P.
39 5 Elmwood Rd	I-81 Corridor Ind	69,847	1st	N/A	N/A	Mericle Commercial Real Estate Serv
40 Berkeley Commons Phase I	Gloucester County Ind	67,525	2nd	N/A	Direct Deal	CB Richard Ellis

Source: CoStar Property®

* Renewal

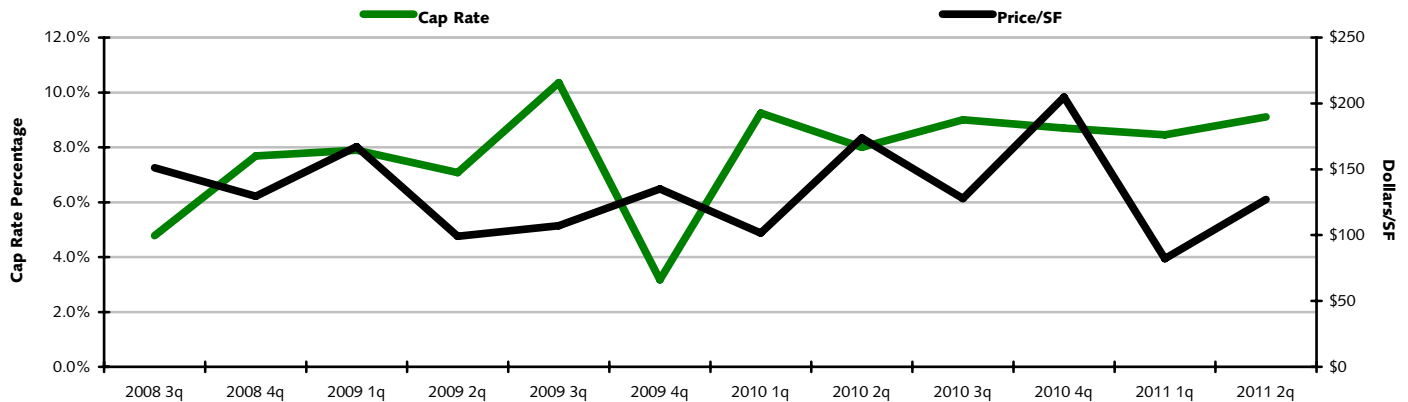
PHILADELPHIA INDUSTRIAL MARKET



SALES ACTIVITY

THE OPTIMIST SALES INDEX

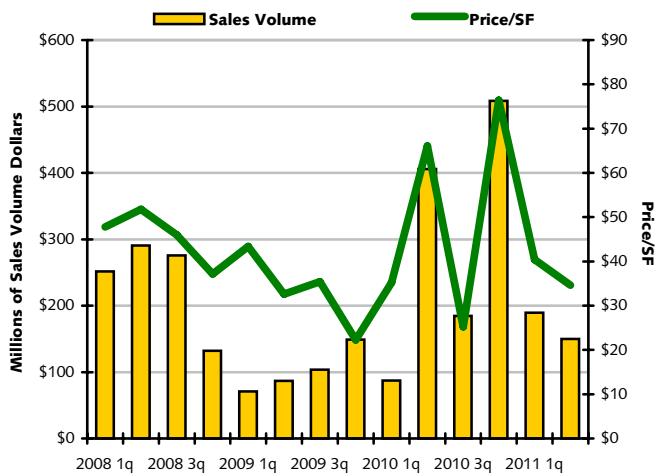
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



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

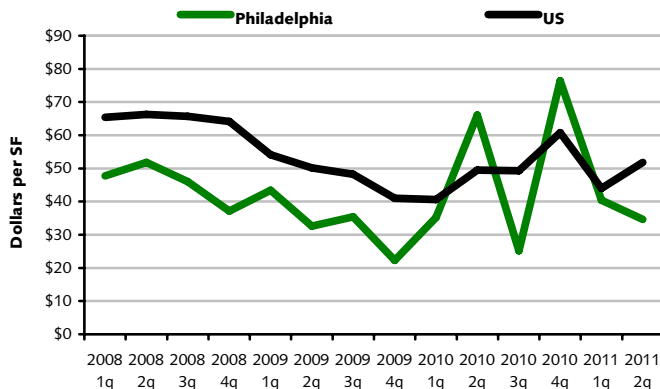
Based on Industrial Bldg Sales From July 2010 - June 2011

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	156	2,227,319	\$ 142,600,184	\$ 64.02	8.70%
25K-99K SF	107	5,073,163	\$ 184,996,600	\$ 36.47	9.71%
100K-249K SF	30	4,745,001	\$ 148,314,079	\$ 31.26	-
>250K SF	16	11,783,678	\$ 633,257,190	\$ 53.74	8.66%

Source: CoStar COMPS®

U.S. PRICE/SF COMPARISON

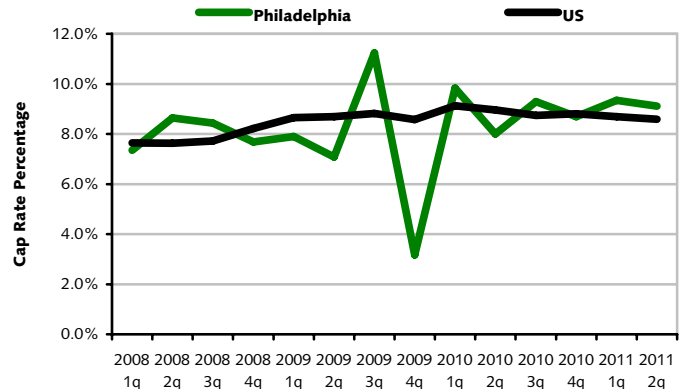
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. CAP RATE COMPARISON

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



Source: CoStar COMPS®



PHILADELPHIA INDUSTRIAL MARKET

SALES ACTIVITY

SELECT TOP SALES

Based on Sales from July 2010 Through September 2011

1. Kimberly Clark



Logan Township

Price: \$35,500,000
 Price/SF: \$59.22
 Cap Rate: 7.39%
 RBA: 599,500
 Date: 11/30/2010
 Year Built: 2009
 Buyer: Northwestern Mutual Life Insurance Company
 Seller: Dermody Properties, Inc.

2. Keystone Foods LLC Distribution Cen



Coatesville

Price: \$26,050,000
 Price/SF: \$173.67
 Cap Rate: N/A
 RBA: 150,000
 Date: 7/13/2010
 Year Built: 2008
 Buyer: Irwin Rubin
 Seller: SunTrust Equity Funding, LLC

3. 7533 Industrial Park Way



Macungie

Price: \$24,075,000
 Price/SF: \$45.00
 Cap Rate: N/A
 RBA: 535,000
 Date: 6/16/2011
 Year Built: 2008
 Buyer: Liberty Property Trust
 Seller: Seagis Property Group LP

4. 3041 Schoeneck Rd



Macungie

Price: \$22,000,000
 Price/SF: \$37.93
 Cap Rate: N/A
 RBA: 580,000
 Date: 6/3/2011
 Year Built: 2010
 Buyer: Allen Distribution
 Seller: Panattoni Development Company

5. Wilmington Assembly Plant



Wilmington

Price: \$20,000,000
 Price/SF: \$6.25
 Cap Rate: N/A
 RBA: 3,200,000
 Date: 7/19/2010
 Year Built: 1947
 Buyer: Fisker Automotive, Inc.
 Seller: Motors Liquidation Company

6. Arcadia West Industrial Park - Lot



New Smithville

Price: \$15,900,000
 Price/SF: \$41.33
 Cap Rate: N/A
 RBA: 384,695
 Date: 8/6/2010
 Year Built: 2007
 Buyer: Endurance Real Estate Group, LLC
 Seller: Higgins Development Partners

7. Mearns Park - Building 1



Warminster

Price: \$11,200,000
 Price/SF: \$36.72
 Cap Rate: 8%
 RBA: 305,000
 Date: 9/8/2011
 Year Built: 1963
 Buyer: MIM-Hayden Real Estate Fund
 Seller: Bank Of America Corporation

8. Lehigh Consumer Products



Macungie

Price: \$11,100,000
 Price/SF: \$41.11
 Cap Rate: 9.6%
 RBA: 270,000
 Date: 3/15/2011
 Year Built: 1997
 Buyer: Endurance Real Estate Group, LLC
 Seller: Wind River Investments LLC

9. 1175 Manheim Pike



Lancaster

Price: \$9,750,000
 Price/SF: \$60.56
 Cap Rate: N/A
 RBA: 161,000
 Date: 9/28/2010
 Year Built: 1989
 Buyer: Shadow Lawn
 Seller: Thermal Solutions Products LLC

PHILADELPHIA INDUSTRIAL MARKET



SALES ACTIVITY

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale

**6120 Easton Rd**

Address: 6120 Easton Rd
 City: Plumsteadville
 RBA: 79,034
 Year Built: 1965
 Tot \$ Return: -\$1,085,000
 Tot % Return: -31%
 Ann.Return: -12%
 Months Held: 32

Most Recent Sale

Price: \$2,415,000
 Price/SF: \$30.56
 Cap Rate: N/A
 Date: 10/21/2010
 Buyer: Tyndale Company
 Seller: The Closet Works, Inc
 Brokers: Hart Corporation

Sale Prior to Most Recent Sale

Price: \$3,500,000
 Price/SF: \$44.28
 Cap Rate: N/A
 Date: 2/8/2008
 Buyer: The Closet Works, Inc
 Seller: Hughes Relocation Services, Inc
 Brokers: Hart Corporation
 Gelcor Realty, Inc.

**1601 Schlumberger Dr**

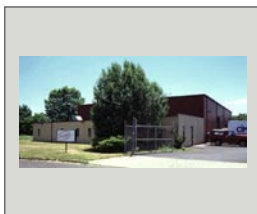
Address: 1601 Schlumberger Dr
 City: Moorestown
 RBA: 78,475
 Year Built: 1982
 Tot \$ Return: -\$800,000
 Tot % Return: -29%
 Ann.Return: -7%
 Months Held: 52

Most Recent Sale

Price: \$2,000,000
 Price/SF: \$25.49
 Cap Rate: N/A
 Date: 9/9/2011
 Buyer: EMSL Analytical, Inc.
 Seller: First Industrial Realty Trus
 Brokers: Colliers International
 Binswanger

Sale Prior to Most Recent Sale

Price: \$2,800,000
 Price/SF: \$35.68
 Cap Rate: N/A
 Date: 5/3/2007
 Buyer: First Industrial Realty Trus
 Seller: LaSalle National Bank, Inc
 Brokers: Colliers International
 CB Richard Ellis

**Quality Dairy Products**

Address: 10098 Sandmeyer Ln
 City: Philadelphia
 RBA: 14,400
 Year Built: 1986
 Tot \$ Return: \$165,000
 Tot % Return: 17%
 Ann.Return: 6%
 Months Held: 33

Most Recent Sale

Price: \$1,125,000
 Price/SF: \$78.13
 Cap Rate: N/A
 Date: 11/15/2010
 Buyer: J.G. Petrucci Co., Inc.
 Seller: Howard Klayman
 Brokers: Jones Lang LaSalle
 Binswanger

Sale Prior to Most Recent Sale

Price: \$960,000
 Price/SF: \$66.67
 Cap Rate: N/A
 Date: 2/27/2008
 Buyer: Howard Klayman
 Seller: Mario Colbi
 Brokers: Benjamin Jacobson & Associat

**1036-1038 Industrial Dr**

Address: 1036-1038 Industrial D
 City: West Berlin
 RBA: 12,000
 Year Built: 1978
 Tot \$ Return: -\$205,000
 Tot % Return: -26%
 Ann.Return: -6%
 Months Held: 48

Most Recent Sale

Price: \$595,000
 Price/SF: \$49.58
 Cap Rate: N/A
 Date: 6/23/2011
 Buyer: Tactical Properties LLC
 Seller: Eric Schepps
 Brokers: CENTURY 21 Reilly Realtors

Sale Prior to Most Recent Sale

Price: \$800,000
 Price/SF: \$66.67
 Cap Rate: N/A
 Date: 6/15/2007
 Buyer: Eric Schepps
 Seller: Townsend Press Inc
 Brokers: N/A

SELECT LAND SALES Based on Industrial Zoned Land Sales Occurring From July 2010 - Sept. 2011

Philmont Ave, Huntingdon Valley

Sale Price: \$1,410,000
 Acres: 27.22
 Price/SF: \$1.19
 Closing Date: 11/19/2010
 Zoning: O;Lower Moreland Twp
 Intended Use: Hold for Development
 Buyer: Lower Moreland Township
 Seller: Pennypack Ecological R Trust

919 Irving Ave, Bridgeton

Sale Price: \$1,350,000
 Acres: 199.00
 Price/SF: \$0.16
 Closing Date: 01/24/2011
 Zoning: A
 Intended Use: Hold for Development
 Buyer: N/A
 Seller: Farm Service Agency USDA

TecPort Dr, Harrisburg

Sale Price: \$1,250,000
 Acres: 9.70
 Price/SF: \$2.96
 Closing Date: 01/20/2011
 Zoning: ML
 Intended Use: Warehouse
 Buyer: JST Sales America, Inc.
 Seller: Crossgates Inc.

349 S Nulton Ave, Easton

Sale Price: \$880,000
 Acres: 6.00
 Price/SF: \$3.30
 Closing Date: 12/20/2010
 Zoning: 24LI
 Intended Use: Commercial
 Buyer: Skyview Llc
 Seller: George V Seiple & Son Co Inc

3244 Marne Hwy, Mount Laurel

Sale Price: \$850,000
 Acres: 30.00
 Price/SF: \$0.65
 Closing Date: 04/07/2011
 Zoning: Industrial
 Intended Use: Warehouse
 Buyer: Lichtin Corporation
 Seller: Stellweg Farms Llc

1280 Porter Rd, Bear

Sale Price: \$800,000
 Acres: 6.40
 Price/SF: \$2.87
 Closing Date: 10/26/2010
 Zoning: I
 Intended Use: Contractor Storage Yard
 Buyer: Brian Johnson
 Seller: Joseph Jr & Nona J Cunane

Source: CoStar COMPS®

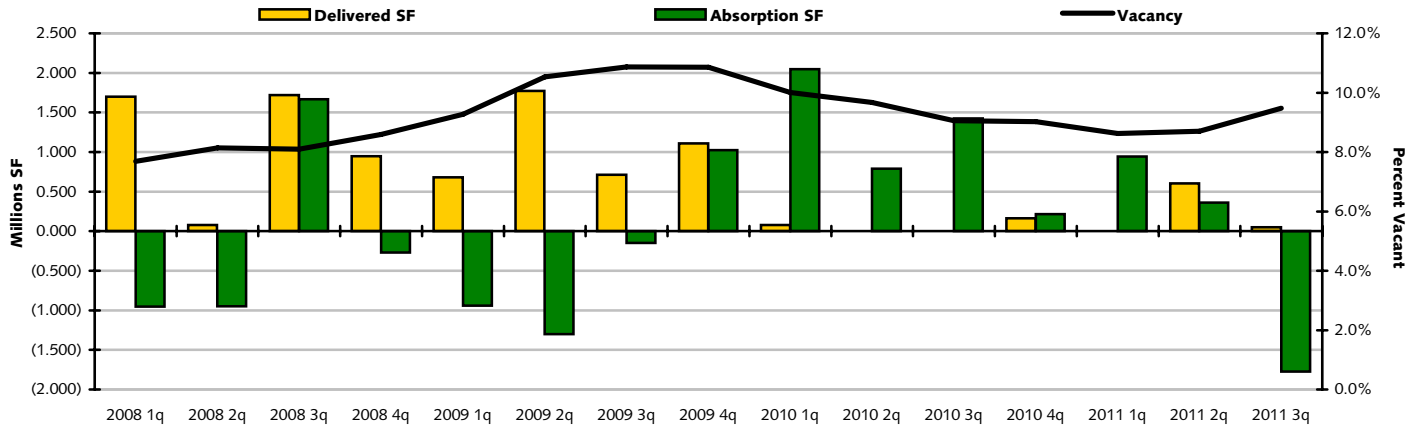


PHILADELPHIA INDUSTRIAL MARKET

CENTRAL PENNSYLVANIA MARKET

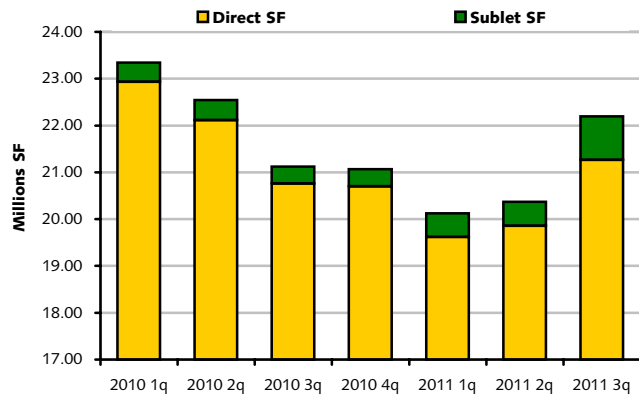
MARKET HIGHLIGHTS - FLEX & WAREHOUSE

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



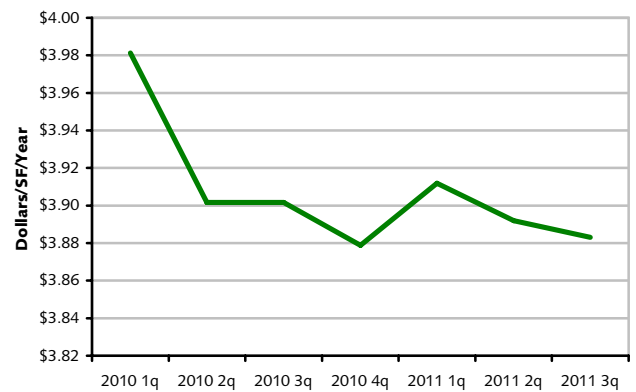
Source: CoStar Property®

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	
2011 3q	2,956	234,038,289	22,192,197	9.5%	(1,774,311)	1	50,000	0	0	\$3.88
2011 2q	2,955	233,988,289	20,367,886	8.7%	362,413	1	603,000	1	50,000	\$3.89
2011 1q	2,954	233,385,289	20,127,299	8.6%	941,946	0	0	2	653,000	\$3.91
2010 4q	2,954	233,385,289	21,069,245	9.0%	216,368	1	165,000	2	653,000	\$3.88
2010 3q	2,953	233,220,289	21,120,613	9.1%	1,425,905	0	0	3	818,000	\$3.90
2010 2q	2,953	233,220,289	22,546,518	9.7%	791,260	0	0	3	818,000	\$3.90
2010 1q	2,954	233,223,828	23,341,317	10.0%	2,047,055	3	77,600	2	215,000	\$3.98
2009 4q	2,951	233,146,228	25,310,772	10.9%	1,022,806	2	1,109,360	3	77,600	\$4.01
2009 3q	2,949	232,036,868	25,224,218	10.9%	(146,961)	2	713,100	5	1,186,960	\$4.20
2009 2q	2,947	231,323,768	24,364,157	10.5%	(1,300,353)	4	1,771,650	6	1,860,060	\$4.24
2009 1q	2,943	229,552,118	21,292,154	9.3%	(940,572)	5	681,735	8	3,596,750	\$4.32
2008 4q	2,938	228,870,383	19,669,847	8.6%	(269,411)	4	947,000	11	4,258,385	\$4.42
2008 3q	2,934	227,923,383	18,453,436	8.1%	1,667,834	8	1,718,418	13	5,178,735	\$4.37
2008 2q	2,926	226,204,965	18,402,852	8.1%	(949,655)	1	79,500	15	4,063,278	\$4.22
2008 1q	2,925	226,125,465	17,373,697	7.7%	(953,560)	4	1,699,851	11	1,907,918	\$4.21
2007 4q	2,923	224,559,647	14,854,319	6.6%	1,258,544	4	750,125	9	2,640,326	\$4.21

Source: CoStar Property®

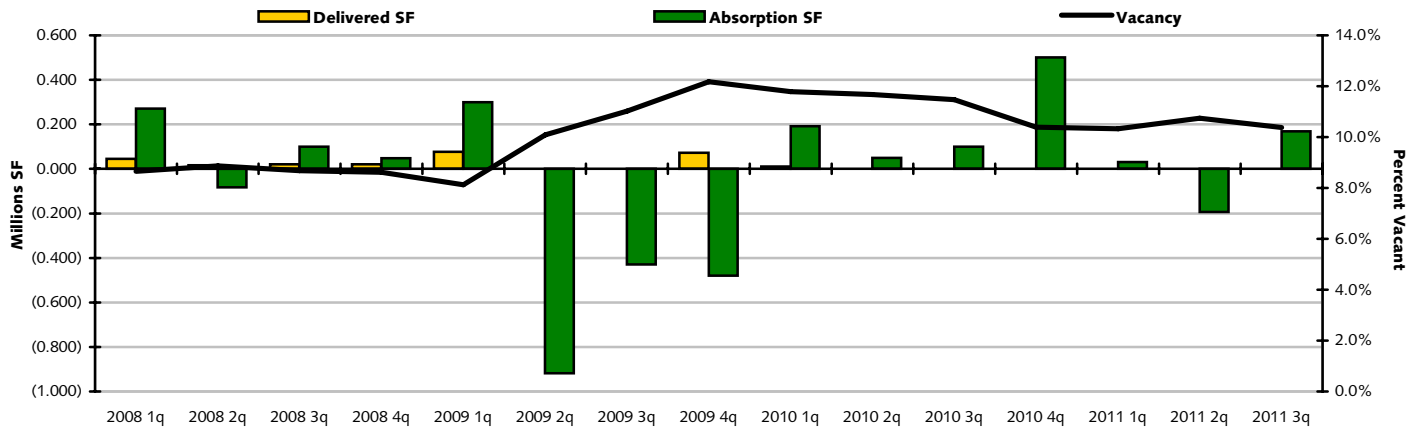
PHILADELPHIA INDUSTRIAL MARKET



DELAWARE MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

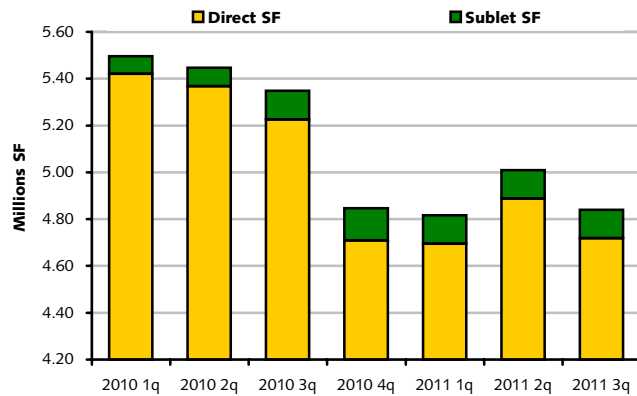
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

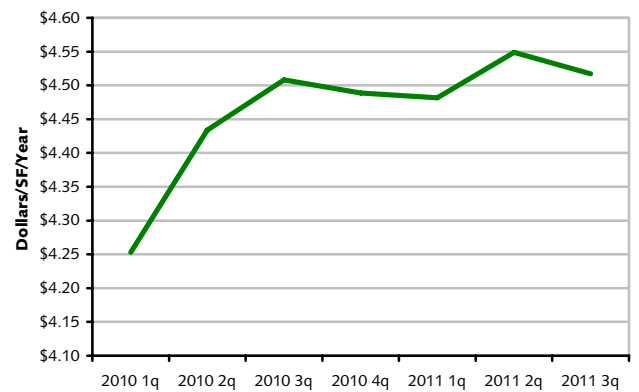
Historical Analysis, Flex and Warehouse



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	
2011 3q	1,133	46,642,684	4,840,409	10.4%	169,281	0	0	0	0	\$4.52
2011 2q	1,133	46,642,684	5,009,690	10.7%	(193,251)	0	0	0	0	\$4.55
2011 1q	1,133	46,642,684	4,816,439	10.3%	30,312	0	0	0	0	\$4.48
2010 4q	1,133	46,642,684	4,846,751	10.4%	501,135	0	0	0	0	\$4.49
2010 3q	1,133	46,642,684	5,347,886	11.5%	99,281	0	0	0	0	\$4.51
2010 2q	1,133	46,642,684	5,447,167	11.7%	49,186	0	0	0	0	\$4.43
2010 1q	1,133	46,642,684	5,496,353	11.8%	192,211	1	9,900	0	0	\$4.25
2009 4q	1,132	46,632,784	5,678,664	12.2%	(479,025)	2	71,960	1	9,900	\$4.26
2009 3q	1,130	46,560,824	5,127,679	11.0%	(428,644)	0	0	3	81,860	\$4.41
2009 2q	1,130	46,560,824	4,699,035	10.1%	(918,327)	0	0	2	71,960	\$4.52
2009 1q	1,130	46,560,824	3,780,708	8.1%	299,195	1	77,000	0	0	\$4.64
2008 4q	1,129	46,483,824	4,002,903	8.6%	47,549	1	20,000	1	77,000	\$4.72
2008 3q	1,128	46,463,824	4,030,452	8.7%	99,415	1	20,000	2	97,000	\$4.62
2008 2q	1,128	46,453,412	4,119,455	8.9%	(83,524)	1	17,000	3	117,000	\$4.70
2008 1q	1,127	46,436,412	4,018,931	8.7%	270,311	2	45,600	2	37,000	\$4.60
2007 4q	1,125	46,390,812	4,243,642	9.1%	(54,543)	1	52,430	3	62,600	\$4.64

Source: CoStar Property®

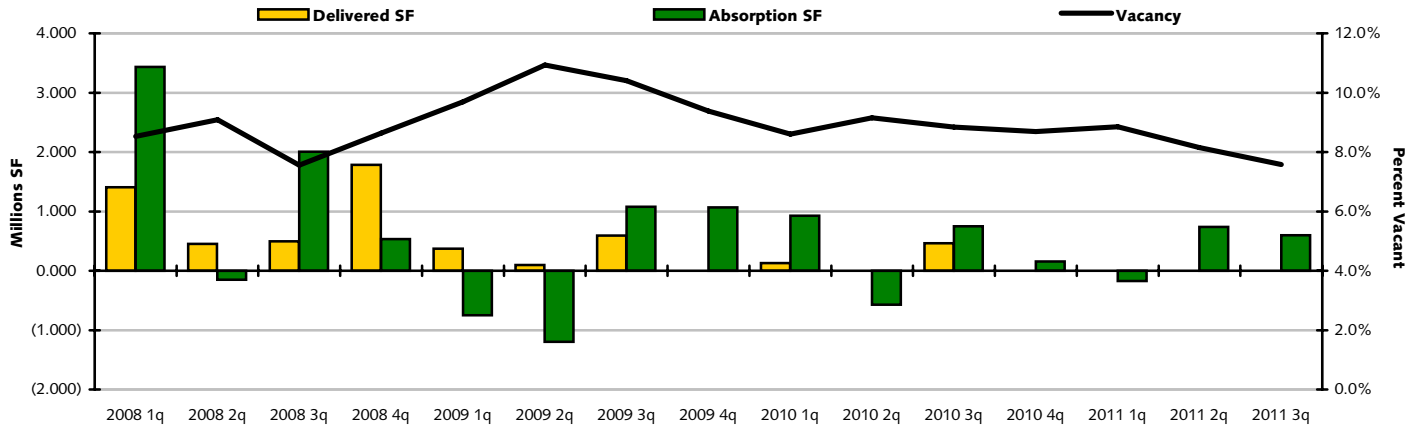


PHILADELPHIA INDUSTRIAL MARKET

I - 81 CORRIDOR MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

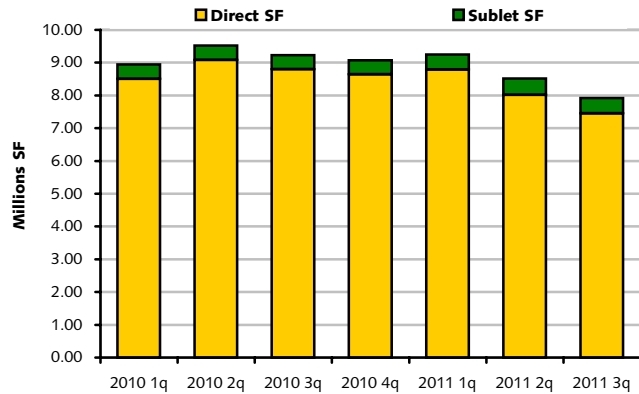
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

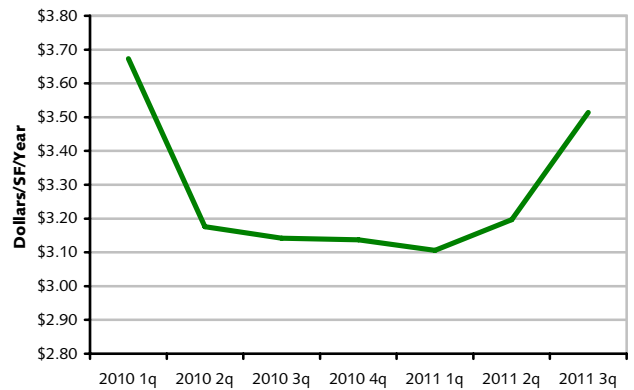
Historical Analysis, Flex and Warehouse



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	
2011 3q	1,252	104,478,912	7,916,796	7.6%	596,383	0	0	0	0	\$3.51
2011 2q	1,252	104,478,912	8,513,179	8.1%	736,390	0	0	0	0	\$3.20
2011 1q	1,252	104,478,912	9,249,569	8.9%	(174,053)	0	0	0	0	\$3.11
2010 4q	1,252	104,478,912	9,075,516	8.7%	157,211	0	0	0	0	\$3.14
2010 3q	1,252	104,478,912	9,232,727	8.8%	749,132	1	465,000	0	0	\$3.14
2010 2q	1,251	104,013,912	9,516,859	9.1%	(572,113)	0	0	1	465,000	\$3.18
2010 1q	1,251	104,013,912	8,944,746	8.6%	928,209	1	130,000	1	465,000	\$3.67
2009 4q	1,250	103,883,912	9,742,955	9.4%	1,068,654	0	0	2	595,000	\$3.84
2009 3q	1,250	103,883,912	10,811,609	10.4%	1,075,616	2	595,200	1	130,000	\$3.79
2009 2q	1,248	103,288,712	11,292,025	10.9%	(1,194,224)	1	98,000	3	725,200	\$3.90
2009 1q	1,247	103,190,712	9,999,801	9.7%	(747,095)	3	373,200	4	823,200	\$4.21
2008 4q	1,244	102,817,512	8,879,506	8.6%	534,726	3	1,781,750	5	968,400	\$4.14
2008 3q	1,241	101,035,762	7,632,482	7.6%	2,003,334	2	494,000	6	2,154,950	\$4.68
2008 2q	1,239	100,541,762	9,141,816	9.1%	(148,828)	5	453,087	7	2,604,150	\$4.52
2008 1q	1,234	100,088,675	8,539,901	8.5%	3,433,686	3	1,406,080	11	2,858,837	\$4.65
2007 4q	1,231	98,682,595	10,567,507	10.7%	758,547	2	1,280,200	11	3,738,517	\$4.85

Source: CoStar Property®

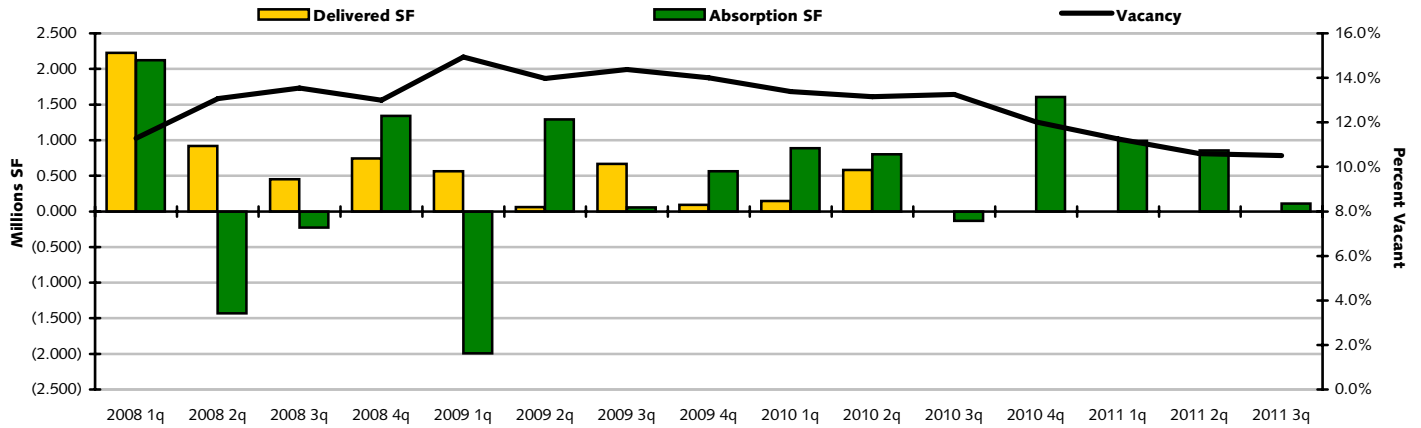
PHILADELPHIA INDUSTRIAL MARKET

LEHIGH VALLEY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE



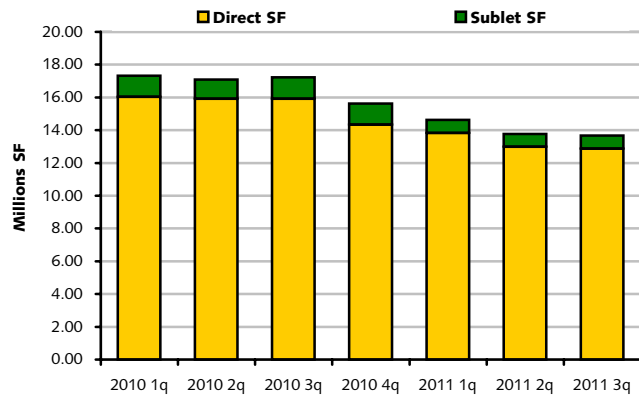
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



Source: CoStar Property®

VACANT SPACE

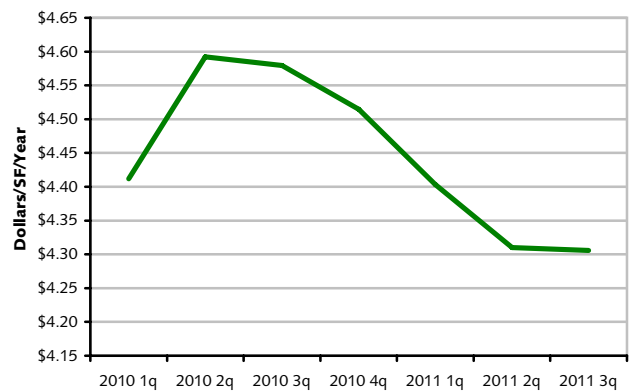
Historical Analysis, Flex and Warehouse



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	
2011 3q	2,183	129,941,640	13,662,650	10.5%	110,558	0	0	0	0	\$4.31
2011 2q	2,183	129,941,640	13,773,208	10.6%	854,587	0	0	0	0	\$4.31
2011 1q	2,183	129,941,640	14,627,795	11.3%	992,769	0	0	0	0	\$4.40
2010 4q	2,183	129,941,640	15,620,564	12.0%	1,605,831	0	0	0	0	\$4.51
2010 3q	2,183	129,941,640	17,226,395	13.3%	(134,604)	0	0	0	0	\$4.58
2010 2q	2,183	129,941,640	17,091,791	13.2%	803,459	1	580,000	0	0	\$4.59
2010 1q	2,182	129,361,640	17,315,250	13.4%	886,024	3	146,103	1	580,000	\$4.41
2009 4q	2,181	129,258,096	18,097,730	14.0%	563,286	1	93,472	3	146,103	\$4.34
2009 3q	2,180	129,164,624	18,567,544	14.4%	58,076	2	669,321	4	239,575	\$4.56
2009 2q	2,178	128,495,303	17,956,299	14.0%	1,289,453	1	60,000	5	904,096	\$4.57
2009 1q	2,177	128,435,303	19,185,752	14.9%	(1,993,826)	2	566,000	5	830,413	\$4.56
2008 4q	2,175	127,869,303	16,625,926	13.0%	1,340,598	3	743,375	5	1,295,321	\$4.81
2008 3q	2,172	127,125,928	17,223,149	13.5%	(225,336)	1	451,600	7	1,908,696	\$4.57
2008 2q	2,171	126,674,328	16,546,213	13.1%	(1,432,121)	1	920,400	6	1,760,975	\$4.59
2008 1q	2,170	125,753,928	14,193,692	11.3%	2,124,789	7	2,227,859	6	2,215,375	\$4.56
2007 4q	2,166	123,684,521	14,249,074	11.5%	667,318	3	219,075	9	3,248,259	\$4.63

Source: CoStar Property®

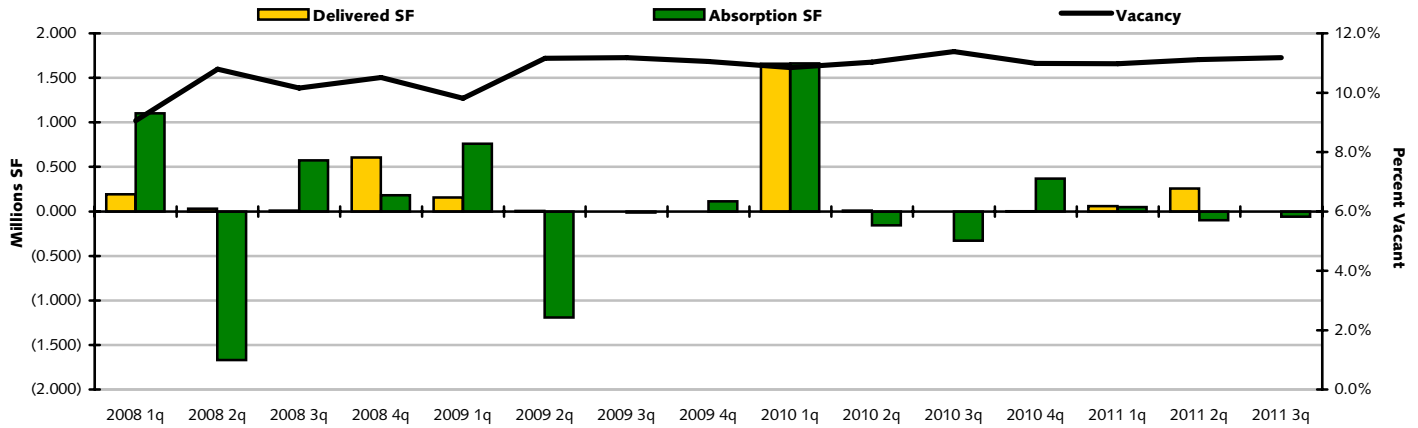


PHILADELPHIA INDUSTRIAL MARKET

NORTH PHILADELPHIA MARKET

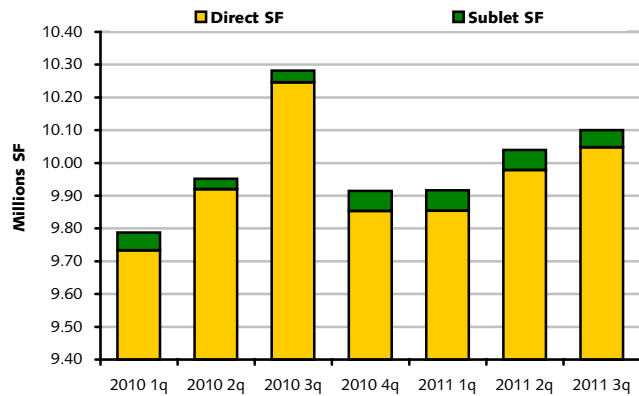
MARKET HIGHLIGHTS - FLEX & WAREHOUSE

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



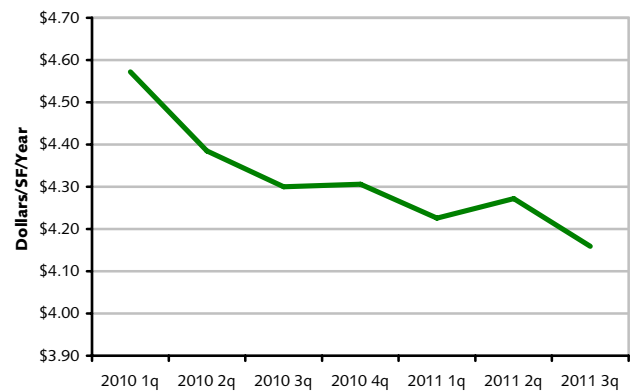
Source: CoStar Property®

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	
2011 3q	1,953	90,345,086	10,100,529	11.2%	(60,833)	0	0	1	44,000	\$4.16
2011 2q	1,953	90,345,086	10,039,696	11.1%	(99,988)	1	255,336	1	44,000	\$4.27
2011 1q	1,953	90,321,750	9,916,372	11.0%	47,128	1	58,590	2	299,336	\$4.23
2010 4q	1,953	90,273,160	9,914,910	11.0%	368,547	1	1,400	3	357,926	\$4.31
2010 3q	1,952	90,271,760	10,282,057	11.4%	(330,042)	0	0	4	359,326	\$4.30
2010 2q	1,952	90,271,760	9,952,015	11.0%	(155,599)	1	8,979	3	300,736	\$4.38
2010 1q	1,951	90,262,781	9,787,437	10.8%	1,662,637	7	1,660,123	2	52,979	\$4.57
2009 4q	1,944	88,602,658	9,789,951	11.0%	112,952	0	0	9	1,713,102	\$4.57
2009 3q	1,944	88,602,658	9,902,903	11.2%	(14,168)	0	0	8	1,704,123	\$4.31
2009 2q	1,944	88,602,658	9,888,735	11.2%	(1,191,198)	1	5,100	4	1,669,600	\$4.11
2009 1q	1,943	88,597,558	8,692,437	9.8%	761,107	1	156,000	3	1,504,700	\$4.19
2008 4q	1,942	88,441,558	9,297,544	10.5%	181,527	3	605,879	3	205,100	\$4.18
2008 3q	1,940	87,887,679	8,925,192	10.2%	572,626	2	9,298	6	810,979	\$4.55
2008 2q	1,938	87,878,381	9,488,520	10.8%	(1,668,593)	1	30,600	7	815,177	\$4.29
2008 1q	1,938	88,026,270	7,967,816	9.1%	1,100,706	6	191,176	5	678,637	\$4.17
2007 4q	1,933	87,892,094	8,934,346	10.2%	209,703	1	31,000	9	860,515	\$4.10

Source: CoStar Property®

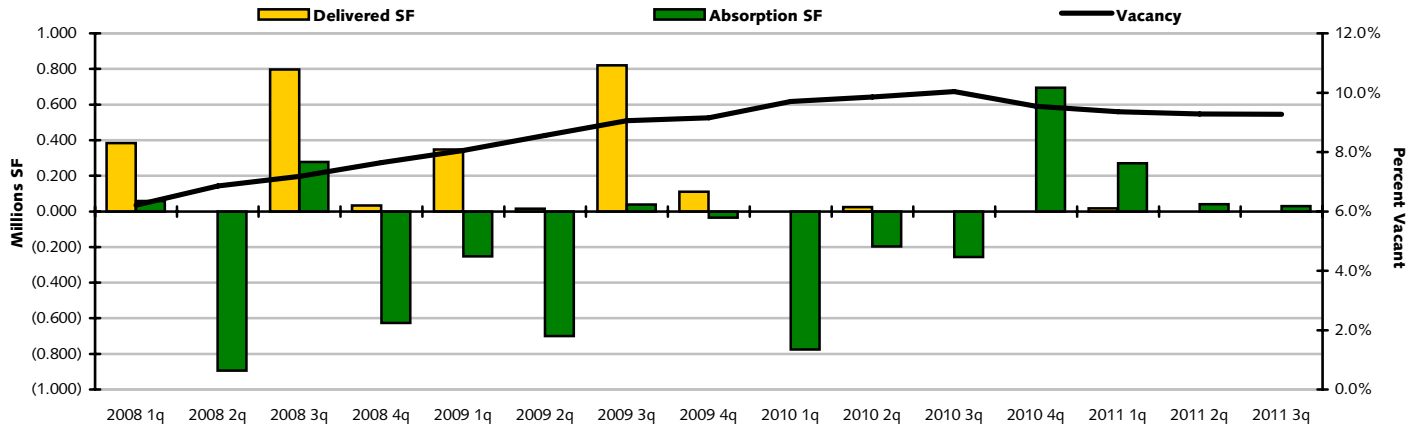
PHILADELPHIA INDUSTRIAL MARKET

SOUTHERN NEW JERSEY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

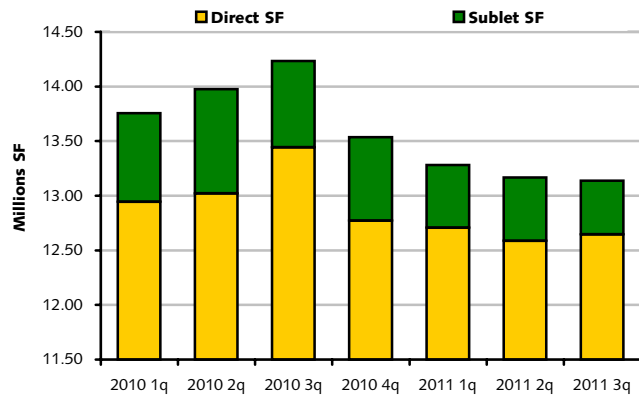


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



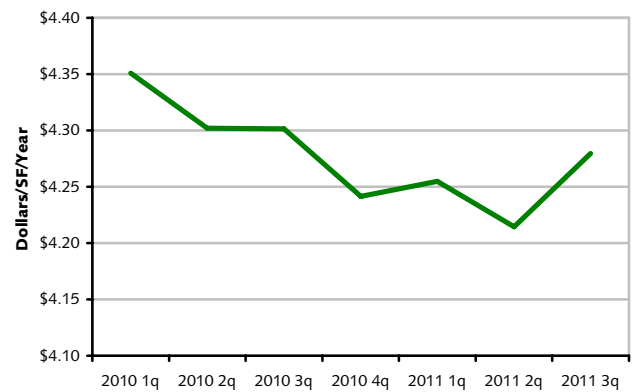
Source: CoStar Property®

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	
2011 3q	3,215	141,775,826	13,138,392	9.3%	29,625	0	0	0	0	\$4.28
2011 2q	3,215	141,775,826	13,168,017	9.3%	41,119	0	0	0	0	\$4.21
2011 1q	3,216	141,848,936	13,282,246	9.4%	271,099	1	16,800	0	0	\$4.25
2010 4q	3,215	141,832,136	13,536,545	9.5%	695,120	0	0	1	16,800	\$4.24
2010 3q	3,216	141,833,216	14,232,745	10.0%	(255,746)	0	0	1	16,800	\$4.30
2010 2q	3,216	141,833,216	13,976,999	9.9%	(196,949)	1	24,000	1	16,800	\$4.30
2010 1q	3,215	141,809,216	13,756,050	9.7%	(775,448)	0	0	2	40,800	\$4.35
2009 4q	3,215	141,809,216	12,980,602	9.2%	(34,536)	1	110,000	1	24,000	\$4.59
2009 3q	3,214	141,699,216	12,836,066	9.1%	37,976	5	819,794	1	110,000	\$4.71
2009 2q	3,209	140,879,422	12,054,248	8.6%	(699,804)	1	14,400	6	929,794	\$4.74
2009 1q	3,208	140,865,022	11,340,044	8.1%	(253,077)	5	346,882	7	944,194	\$4.99
2008 4q	3,203	140,518,140	10,740,085	7.6%	(626,267)	1	33,200	9	1,259,076	\$4.91
2008 3q	3,202	140,484,940	10,080,618	7.2%	278,354	2	797,030	8	582,776	\$4.87
2008 2q	3,201	139,697,910	9,571,942	6.9%	(893,758)	0	0	6	1,137,612	\$4.78
2008 1q	3,201	139,697,910	8,678,184	6.2%	58,597	7	383,478	2	462,052	\$4.80
2007 4q	3,195	139,334,824	8,373,695	6.0%	1,249,561	1	721,000	7	383,478	\$4.89

Source: CoStar Property®

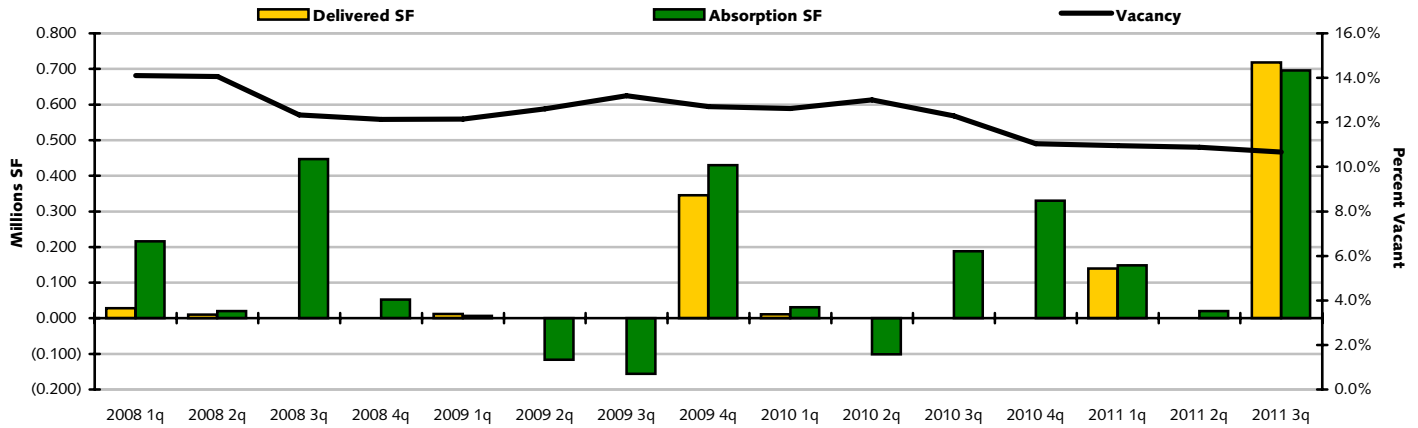


PHILADELPHIA INDUSTRIAL MARKET

SOUTHWEST PHILLY MARKET

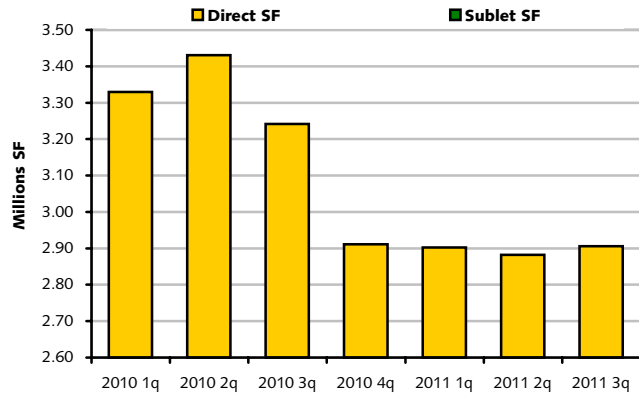
MARKET HIGHLIGHTS - FLEX & WAREHOUSE

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



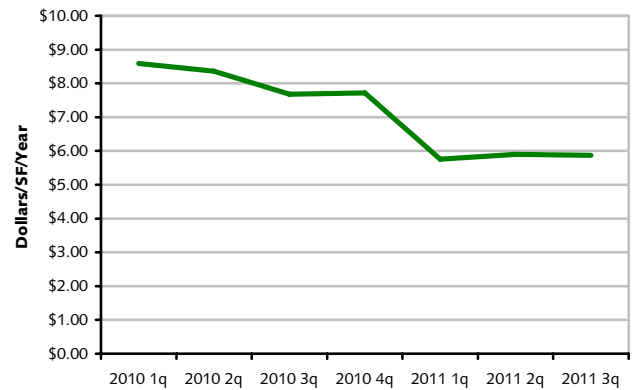
Source: CoStar Property®

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	
2011 3q	492	27,222,429	2,905,527	10.7%	695,500	2	718,577	1	51,560	\$5.87
2011 2q	490	26,503,852	2,882,450	10.9%	20,109	0	0	3	770,137	\$5.90
2011 1q	490	26,503,852	2,902,559	11.0%	148,498	1	139,610	3	770,137	\$5.76
2010 4q	489	26,364,242	2,911,447	11.0%	330,430	0	0	3	858,170	\$7.71
2010 3q	489	26,364,242	3,241,877	12.3%	188,317	0	0	2	806,610	\$7.68
2010 2q	489	26,364,242	3,430,194	13.0%	(101,065)	0	0	2	806,610	\$8.36
2010 1q	489	26,364,242	3,329,129	12.6%	30,836	2	11,166	1	667,000	\$8.59
2009 4q	487	26,353,076	3,348,799	12.7%	430,125	1	345,500	3	678,166	\$7.69
2009 3q	486	26,007,576	3,433,424	13.2%	(155,829)	0	0	4	1,023,666	\$7.22
2009 2q	486	26,007,576	3,277,595	12.6%	(116,602)	0	0	2	1,012,500	\$7.27
2009 1q	486	26,007,576	3,160,993	12.2%	6,274	1	12,406	2	1,012,500	\$5.97
2008 4q	485	25,995,170	3,154,861	12.1%	52,416	0	0	2	679,406	\$6.06
2008 3q	485	25,995,170	3,207,277	12.3%	447,267	0	0	2	679,406	\$6.17
2008 2q	485	25,995,170	3,654,544	14.1%	20,114	1	9,862	0	0	\$6.17
2008 1q	484	25,985,308	3,664,796	14.1%	216,075	2	28,615	1	9,862	\$6.54
2007 4q	482	25,956,693	3,852,256	14.8%	(359,115)	0	0	3	38,477	\$7.03

Source: CoStar Property®

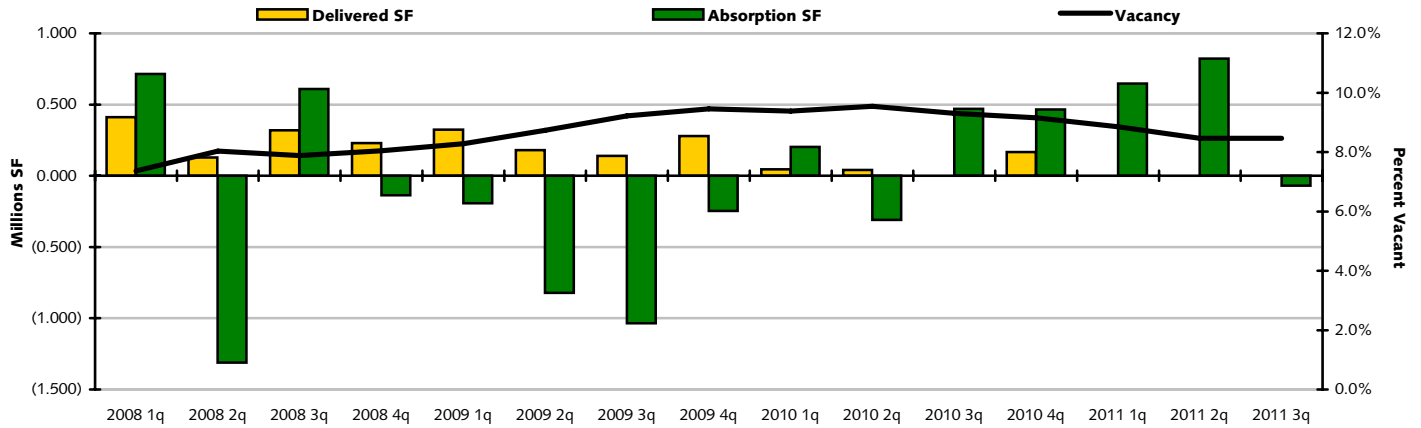
PHILADELPHIA INDUSTRIAL MARKET

SUBURBAN PHILADELPHIA MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

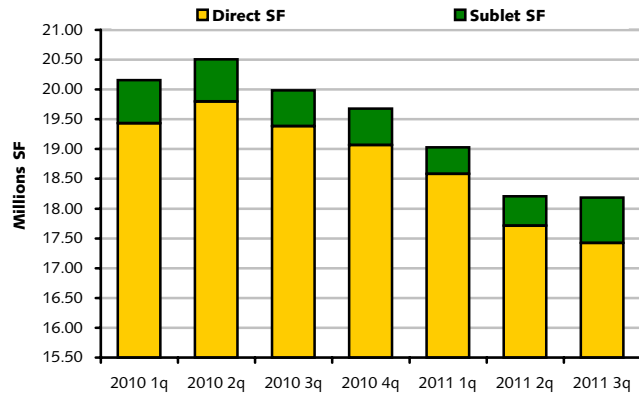


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, Flex and Warehouse



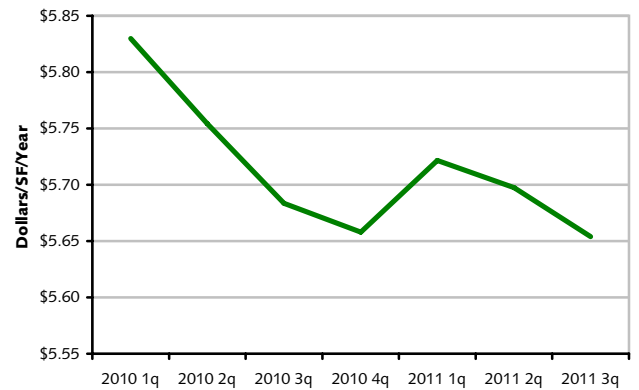
Source: CoStar Property®

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	
2011 3q	5,188	214,971,082	18,183,782	8.5%	(69,163)	0	0	2	50,210	\$5.65
2011 2q	5,189	215,064,082	18,207,619	8.5%	822,014	0	0	1	25,352	\$5.70
2011 1q	5,189	215,064,082	19,029,633	8.8%	646,589	0	0	1	25,352	\$5.72
2010 4q	5,189	215,064,082	19,676,222	9.1%	466,420	1	166,600	0	0	\$5.66
2010 3q	5,189	214,907,482	19,986,042	9.3%	469,283	0	0	1	166,600	\$5.68
2010 2q	5,190	214,959,482	20,507,325	9.5%	(309,638)	2	40,589	1	166,600	\$5.75
2010 1q	5,188	214,918,893	20,157,098	9.4%	202,334	1	46,000	3	207,189	\$5.83
2009 4q	5,187	214,872,893	20,313,432	9.5%	(246,150)	5	278,530	3	86,589	\$5.89
2009 3q	5,182	214,594,363	19,788,752	9.2%	(1,035,206)	5	139,412	7	333,530	\$6.17
2009 2q	5,178	214,585,264	18,744,447	8.7%	(821,994)	5	180,493	11	426,942	\$6.13
2009 1q	5,173	214,404,771	17,741,960	8.3%	(193,680)	8	323,120	12	478,905	\$6.17
2008 4q	5,165	214,081,651	17,225,160	8.0%	(136,839)	7	229,378	16	580,680	\$6.16
2008 3q	5,158	213,852,273	16,858,943	7.9%	608,384	5	320,160	18	631,698	\$6.13
2008 2q	5,153	213,532,113	17,147,167	8.0%	(1,310,578)	6	129,576	15	780,858	\$6.06
2008 1q	5,147	213,402,537	15,707,013	7.4%	715,843	15	412,516	18	874,292	\$6.31
2007 4q	5,132	212,990,021	16,010,340	7.5%	310,638	4	114,500	27	1,102,072	\$6.20

Source: CoStar Property®