The CoStar Industrial Report

YEAR-END 2011

Philadelphia Industrial Market

CoStar Group

Stop Searching. Start Finding.

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 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.

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.

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: 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's Vacancy Decreases to 9.1%

Net Absorption Positive 2,586,424 SF in the Quarter

The Philadelphia Industrial market ended the fourth quarter 2011 with a vacancy rate of 9.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,586,424 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 2,925,157 square feet. Rental rates ended the fourth quarter at $4.47, an increase over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 131,060 square feet, with 986,061 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Philadelphia Industrial market was positive 2,586,424 square feet in the fourth quarter 2011. That compares to negative (40,297) square feet in the third quarter 2011, positive 1,945,725 square feet in the second quarter 2011, and positive 2,881,672 square feet in the first quarter 2011.

Tenants moving into large blocks of space in 2011 include: Philadelphia Regional Produce Center moving into 667,000 square feet at Philadelphia Regional Produce Market, Bay Valley Foods moving into 602,500 square feet at Key Distribution Center, and Amazon moving into 483,200 square feet at 650 Boulder Dr.

The Flex building market recorded net absorption of positive 357,862 square feet in the fourth quarter 2011, compared to negative (111,603) square feet in the third quarter 2011, positive 185,644 in the second quarter 2011, and positive 452,767 in the first quarter 2011.

The Warehouse building market recorded net absorption of positive 2,228,562 square feet in the fourth quarter 2011 compared to positive 71,306 square feet in the third quarter 2011, positive 1,760,081 in the second quarter 2011, and positive 2,428,905 in the first quarter 2011.

Vacancy

The Industrial vacancy rate in the Philadelphia market area decreased to 9.1% at the end of the fourth quarter 2011. The vacancy rate was 9.4% at the end of the third quarter 2011, 9.3% at the end of the second quarter 2011, and 9.4% at the end of the first quarter 2011.

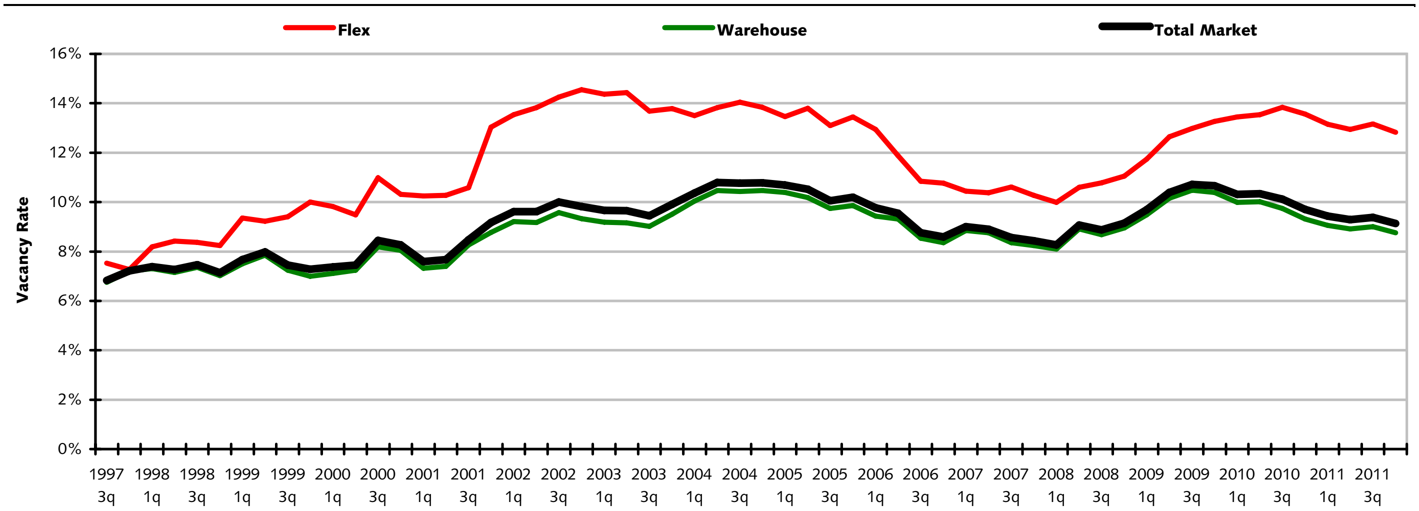
Flex projects reported a vacancy rate of 12.8% at the end of the fourth quarter 2011, 13.2% at the end of the third quarter 2011, 12.9% at the end of the second quarter 2011, and 13.1% at the end of the first quarter 2011.

Warehouse projects reported a vacancy rate of 8.8% at the end of the fourth quarter 2011, 9.0% at the end of third quarter 2011, 8.9% at the end of the second quarter 2011, and 9.1% at the end of the first quarter 2011.

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 558,700-square-foot deal signed by Amazon at 21 Roadway Dr in the Central Pennsylvania market; and the 380,000-square-foot lease signed by Ames True

Vacancy Rates by Building Type 1997-2011



Source: CoStar Property®

Philadelphia Industrial Market

OVERVIEW

Temper, Inc. at 465 Railroad Ave in the Central Pennsylvania market.

Sublease Vacancy

The amount of vacant sublease space in the Philadelphia market decreased to 2,925,157 square feet by the end of the fourth quarter 2011, from 3,155,908 square feet at the end of the third quarter 2011. There was 2,929,032 square feet vacant at the end of the second quarter 2011 and 2,848,555 square feet at the end of the first quarter 2011.

Philadelphia's Flex projects reported vacant sublease space of 675,188 square feet at the end of fourth quarter 2011, down from the 748,516 square feet reported at the end of the third quarter 2011. There were 613,697 square feet of sublease space vacant at the end of the second quarter 2011, and 622,430 square feet at the end of the first quarter 2011.

Warehouse projects reported decreased vacant sublease space from the third quarter 2011 to the fourth quarter 2011. Sublease vacancy went from 2,407,392 square feet to 2,249,969 square feet during that time. There was 2,315,335 square feet at the end of the second quarter 2011, and 2,226,125 square feet at the end of the first quarter 2011.

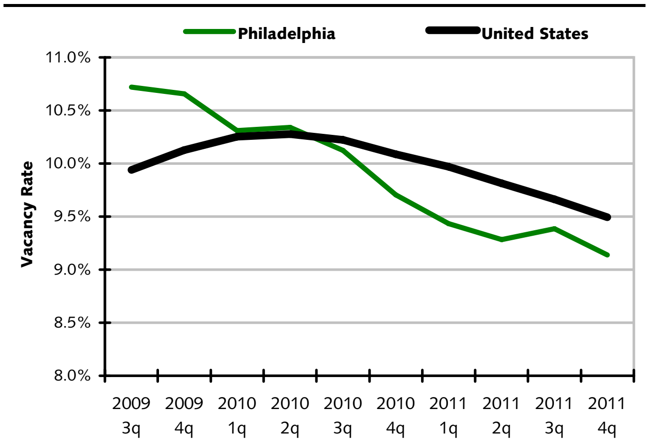
Rental Rates

The average quoted asking rental rate for available Industrial space was $4.47 per square foot per year at the end of the fourth quarter 2011 in the Philadelphia market area. This represented a 0.4% increase in quoted rental rates from the end of the third quarter 2011, when rents were reported at $4.45 per square foot.

The average quoted rate within the Flex sector was $8.54 per square foot at the end of the fourth quarter 2011, while Warehouse rates stood at $4.04. At the end of the third quarter 2011, Flex rates were $8.53 per square foot, and Warehouse rates were $4.04.

U.S. Vacancy Comparison

Past 10 Quarters



Source: CoStar Property•

Deliveries and Construction

During the fourth quarter 2011, four buildings totaling 131,060 square feet were completed in the Philadelphia market area. This compares to four buildings totaling 1,192,077 square feet that were completed in the third quarter 2011, three buildings totaling 860,856 square feet completed in the second quarter 2011, and 215,000 square feet in three buildings completed in the first quarter 2011.

There were 986,061 square feet of Industrial space under construction at the end of the fourth 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 fourth quarter 2011 were Lehigh Valley Trade Port Bldg 2, a 343,600-square-foot building with 12% of its space pre-leased, and 2251 Newlins Mill Rd, a 281,473-square-foot facility.

Inventory

Total Industrial inventory in the Philadelphia market area amounted to 994,558,015 square feet in 18,620 buildings as of the end of the fourth quarter 2011. The Flex sector consisted of 92,600,616 square feet in 3,470 projects. The Warehouse sector consisted of 901,957,399 square feet in 15,150 buildings. Within the Industrial market there were 2,245 owner-occupied buildings accounting for 209,867,576 square feet of Industrial space.

Sales Activity

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

In the third quarter, 58 industrial transactions closed with a total volume of $155,477,289. The 58 buildings totaled 6,504,833 square feet and the average price per square foot equated to $23.90 per square foot. That compares to 49 transactions totaling $152,983,051 in the second quarter. The total square footage was 4,396,918 for an average price per square foot of $34.79.

Total year-to-date industrial building sales activity in 2011 is down compared to the previous year. In the first nine months of 2011, the market saw 160 industrial sales transactions with a total volume of $502,638,610. The price per square foot has averaged $32.00 this year. In the first nine months of 2010, the market posted 147 transactions with a total volume of $678,387,294. The price per square foot averaged $42.46.

Cap rates have been lower in 2011, averaging 8.68%, compared to the first nine months of last year when they averaged 9.04%.

Philadelphia Industrial Market

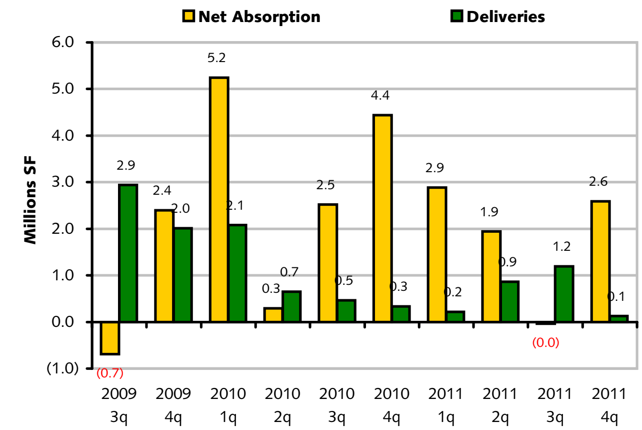
OVERVIEW

One of the largest transactions that occurred within the last four quarters in the Philadelphia market was the sale of 19 E Chocolate Ave in Hershey. This 2,069,261-square-foot industrial building sold for $50,000,000, or $24.16 per square foot. The property sold on 9/22/2011.

Reports compiled by Bill Baumgardner, Senior Research Manager.

Absorption & Deliveries

Past 10 Quarters



Source: CoStar Property•

CoStar Markets

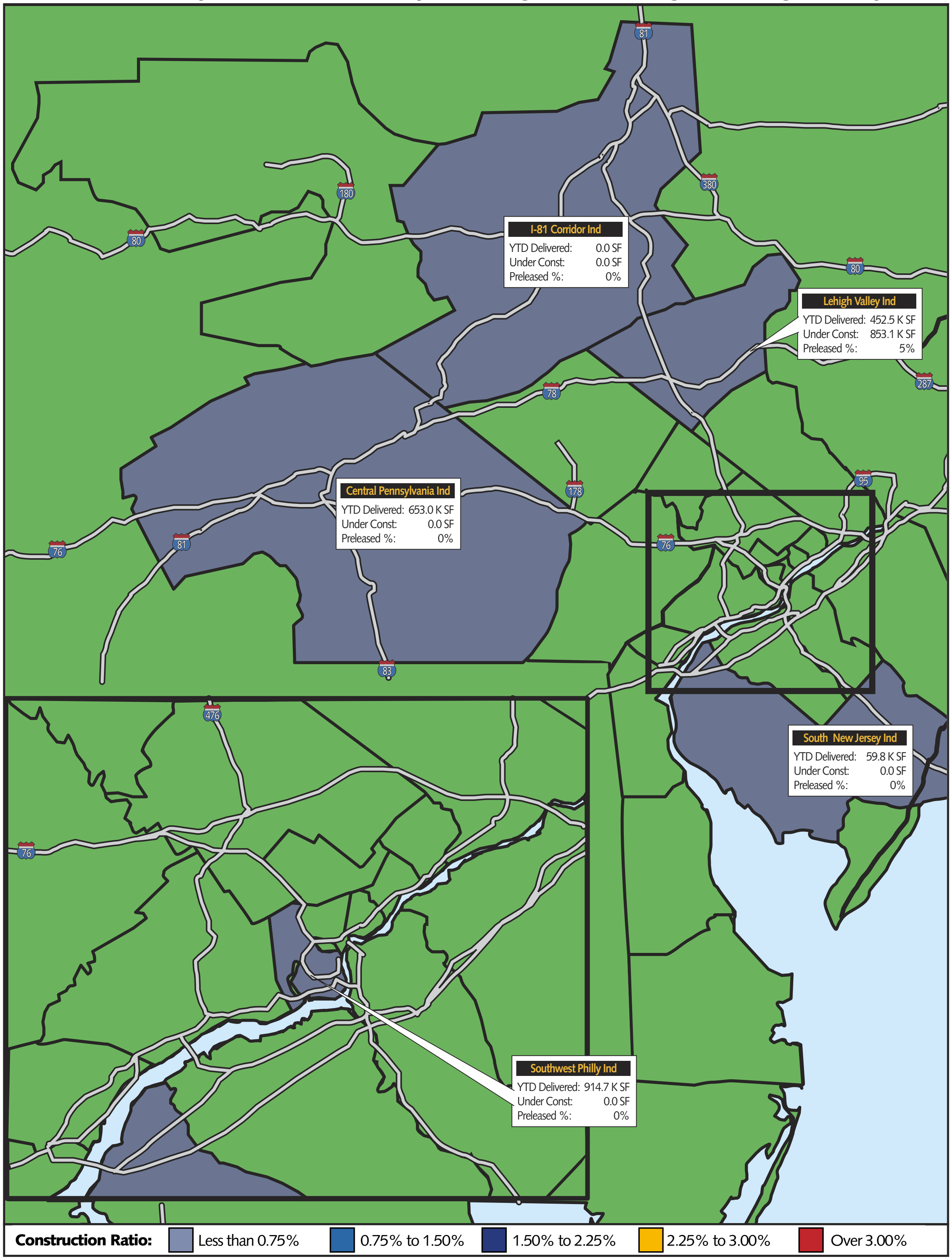
In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities 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

Construction Highlights in Select CoStar Markets

Color Coded by Under Construction Square Footage as a Percentage of Existing Inventory

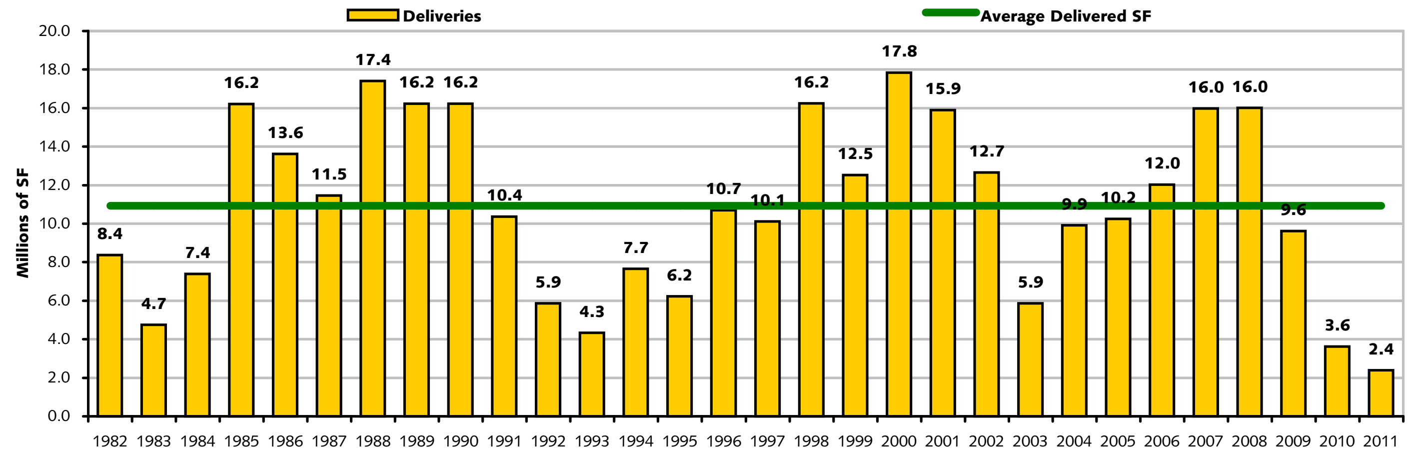


Source: CoStar Property®

Philadelphia Industrial Market

INVENTORY & DEVELOPMENT

Historical Deliveries 1982 - 2011



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

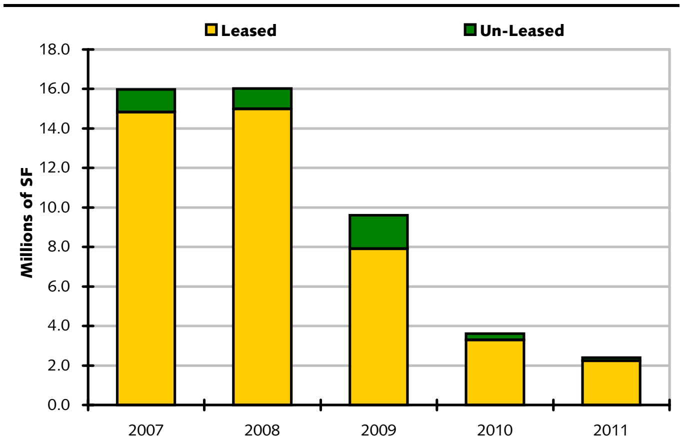
Construction Activity Markets Ranked by Under Construction RBA

	Under Construction Inventory				Average Bldg Size	
Market	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Lehigh Valley Ind	3	853,073	41,232	4.8%	59,138	284,358
Suburban Philadelphia Ind	3	63,988	57,904	90.5%	41,370	21,329
North Philadelphia Ind	1	44,000	0	0.0%	46,049	44,000
Delaware Ind	1	25,000	15,000	60.0%	41,190	25,000
Southwest Philly Ind	0	0	0	0.0%	55,037	0
Southern New Jersey Ind	0	0	0	0.0%	43,548	0
I-81 Corridor Ind	0	0	0	0.0%	81,911	0
Central Pennsylvania Ind	0	0	0	0.0%	77,942	0
Totals	**8**	**986,061**	**114,136**	**11.6%**	**53,413**	**123,258**

Source: CoStar Property®

Recent Deliveries

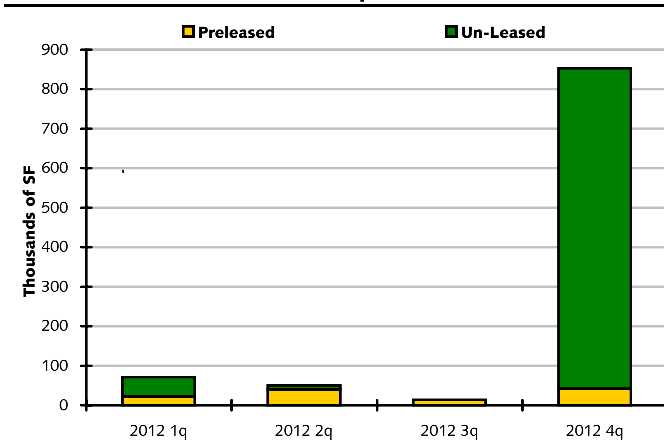
Leased & Un-Leased SF in Deliveries Since 2007



Source: CoStar Property®

Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



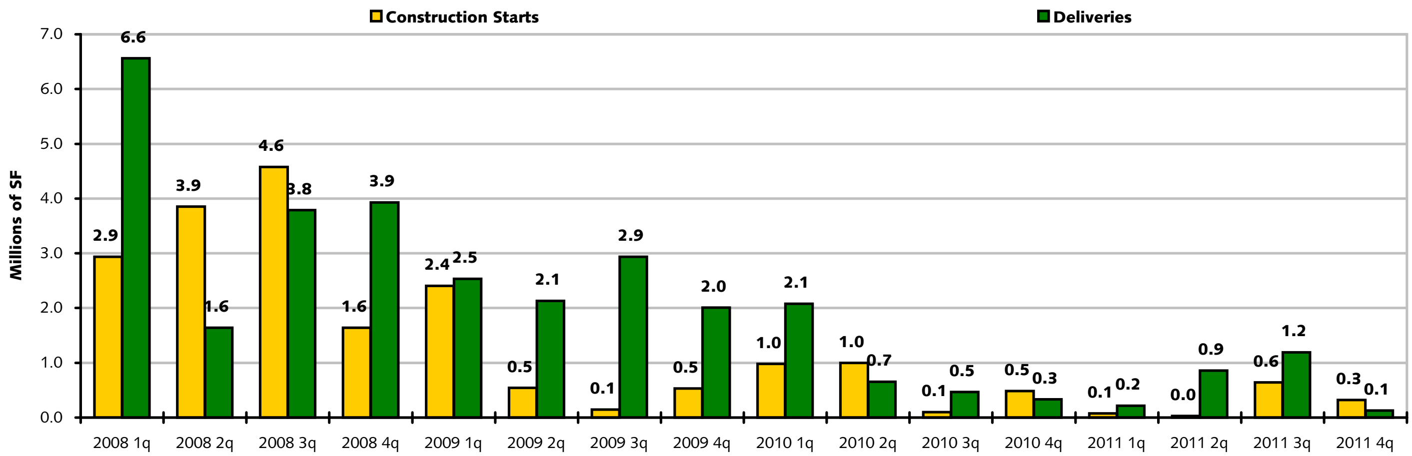
Source: CoStar Property®

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

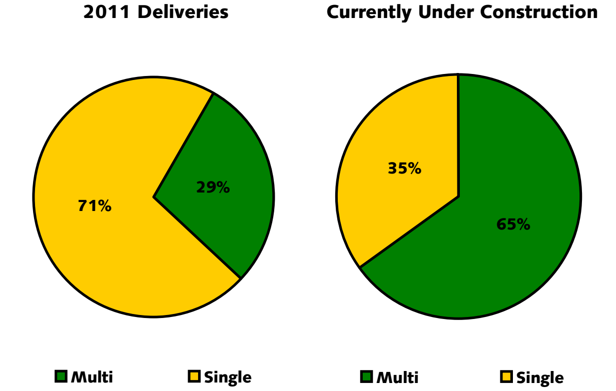
Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	5	93,820	59,800	63.7%	$6.09	48,000	45,820
50,000 SF - 99,999 SF	4	216,727	95,028	43.8%	$14.25	0	216,727
100,000 SF - 249,999 SF	1	139,610	139,610	100.0%	$0.00	139,610	0
250,000 SF - 499,999 SF	2	678,836	678,836	100.0%	$0.00	255,336	423,500
>= 500,000 SF	2	1,270,000	1,270,000	100.0%	$0.00	1,270,000	0

Source: CoStar Property®

Recent Development by Tenancy

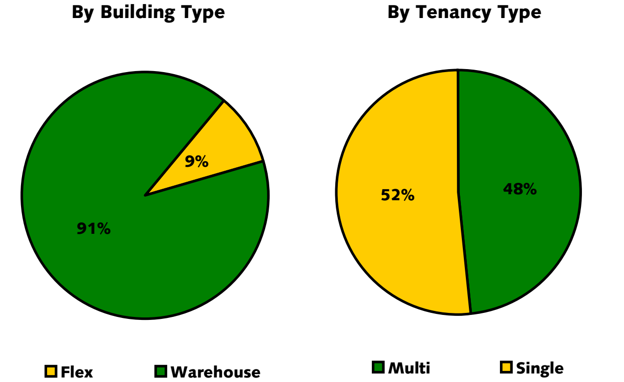
Based on RBA Developed for Single & Multi-Tenant Use



Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA



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. Arcadia East
   - Submarket: **Lehigh Valley Industrial Market**
   - RBA: **423,500**
   - Occupied: **100%**
   - Quoted Rate: **N/A**
   - Grnd Brk Date: **Fourth Quarter 2010**
   - Deliv Date: **Third Quarter 2011**
   - Leasing Co: **N/A**
   - Developer: **N/A**

4. Penn Jersey (PJP)
   - 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**

5. 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**

6. 10065 Sandmeyer Ln
   - Submarket: **North Philadelphia Industrial Market**
   - RBA: **58,590**
   - Occupied: **39%**
   - Quoted Rate: **$10.66**
   - Grnd Brk Date: **Third Quarter 2010**
   - Deliv Date: **First Quarter 2011**
   - Leasing Co: **V.I.V Association**
   - Developer: **N/A**

7. 4020 S 26th St
   - Submarket: **Southwest Philly Industrial Market**
   - RBA: **56,560**
   - Occupied: **0%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Fourth Quarter 2010**
   - Deliv Date: **Fourth Quarter 2011**
   - Leasing Co: **Liberty Property Trust**
   - Developer: **N/A**

8. 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**

9. 1147 Marshall Pike
   - Submarket: **Central Pennsylvania Industrial Market**
   - RBA: **50,000**
   - Occupied: **100%**
   - Quoted Rate: **$15.00**
   - Grnd Brk Date: **First Quarter 2010**
   - Deliv Date: **Third Quarter 2011**
   - Leasing Co: **N/A**
   - Developer: **Harrison & Grass**

10. 100 Cento Blvd
    - Submarket: **Southern New Jersey Industrial Market**
    - RBA: **43,000**
    - Occupied: **100%**
    - Quoted Rate: **N/A**
    - Grnd Brk Date: **Third Quarter 2010**
    - Deliv Date: **Fourth Quarter 2011**
    - Leasing Co: **Alanric Food Distb, Inc N J Corp**
    - Developer: **N/A**

11. 70 Hilton St
    - Submarket: **Lehigh Valley Industrial Market**
    - RBA: **26,500**
    - Occupied: **0%**
    - Quoted Rate: **$6.00**
    - Grnd Brk Date: **Second Quarter 2011**
    - Deliv Date: **Fourth Quarter 2011**
    - Leasing Co: **KW Commercial**
    - Developer: **N/A**

12. 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**

13. Venture Business Center
    - Submarket: **Delaware Industrial Market**
    - RBA: **5,000**
    - Occupied: **0%**
    - Quoted Rate: **Negotiable**
    - Grnd Brk Date: **Second Quarter 2011**
    - Deliv Date: **Fourth Quarter 2011**
    - Leasing Co: **Sperry Van Ness - Miller Commercial**
    - Developer: **N/A**

14. 298 N 1st St
    - Submarket: **Lehigh Valley Industrial Market**
    - RBA: **2,520**
    - Occupied: **0%**
    - Quoted Rate: **$7.02**
    - Grnd Brk Date: **Fourth Quarter 2010**
    - Deliv Date: **Second Quarter 2011**
    - Leasing Co: **Michael Baxter & Associates**
    - Developer: **N/A**

Source: CoStar Property®

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

1. **Lehigh Valley Trade Port Bldg 2**
   - Submarket: **Lehigh Valley Industrial Market**
   - RBA: **343,600**
   - Preleased: **12%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Third Quarter 2011**
   - Deliv Date: **Fourth Quarter 2012**
   - Leasing Co: **CBRE**
   - Developer: **Griffin Land**

2. **2251 Newlins Mill Rd**
   - Submarket: **Lehigh Valley Industrial Market**
   - RBA: **281,473**
   - Preleased: **0%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Fourth Quarter 2011**
   - Deliv Date: **Fourth Quarter 2012**
   - Leasing Co: **Exeter Property Group**
   - Developer: **N/A**

3. **Lehigh Valley Trade Port Bldg 1**
   - Submarket: **Lehigh Valley Industrial Market**
   - RBA: **228,000**
   - Preleased: **0%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Third Quarter 2011**
   - Deliv Date: **Fourth Quarter 2012**
   - Leasing Co: **CBRE**
   - Developer: **Griffin Land**

4. **10077 Sandmeyer Ln**
   - Submarket: **North Philadelphia Industrial Market**
   - RBA: **44,000**
   - Preleased: **0%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Third Quarter 2011**
   - Deliv Date: **First Quarter 2012**
   - Leasing Co: **Binswanger**
   - Developer: **N/A**

5. **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**

6. **500 Water St**
   - Submarket: **Delaware Industrial Market**
   - RBA: **25,000**
   - Preleased: **60%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Fourth Quarter 2011**
   - Deliv Date: **Second Quarter 2012**
   - Leasing Co: **Harvey Hanna & Associates, Inc.**
   - Developer: **N/A**

7. **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.**

8. **99 Runway Rd**
   - Submarket: **Suburban Philadelphia Industrial Market**
   - RBA: **13,778**
   - Preleased: **100%**
   - Quoted Rate: **N/A**
   - Grnd Brk Date: **Fourth Quarter 2011**
   - Deliv Date: **Third Quarter 2012**
   - Leasing Co: **N/A**
   - Developer: **N/A**

9. **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**

Source: CoStar Property®

Philadelphia Industrial Market

FIGURES AT A GLANCE

Flex Market Statistics

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Pennsylvania Ind	370	10,980,429	1,088,057	1,149,787	10.5%	177,493	50,000	0	$7.20
Delaware Ind	236	4,937,029	509,354	519,647	10.5%	84,226	0	0	$6.19
I-81 Corridor Ind	78	2,819,654	184,377	184,377	6.5%	79,297	0	0	$8.26
Lehigh Valley Ind	353	11,300,463	1,556,653	1,653,288	14.6%	132,678	0	0	$10.32
North Philadelphia Ind	158	3,078,482	388,247	388,247	12.6%	97,853	58,590	0	$9.49
Southern New Jersey Ind	975	20,618,850	2,154,699	2,174,299	10.5%	93,828	16,800	0	$7.70
Southwest Philly Ind	42	1,379,954	650,199	650,199	47.1%	81,933	108,137	0	$11.42
Suburban Philadelphia Ind	1,258	37,485,755	4,674,162	5,161,092	13.8%	137,362	0	0	$9.22
Totals	**3,470**	**92,600,616**	**11,205,748**	**11,880,936**	**12.8%**	**884,670**	**233,527**	**0**	**$8.54**

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Pennsylvania Ind	2,653	224,637,848	20,268,034	20,612,134	9.2%	(383,898)	603,000	0	$3.76
Delaware Ind	937	43,378,417	4,018,521	4,048,521	9.3%	237,857	5,000	25,000	$4.35
I-81 Corridor Ind	1,195	101,453,247	7,180,270	7,649,330	7.5%	1,135,111	0	0	$3.01
Lehigh Valley Ind	1,857	119,394,699	10,994,452	11,661,329	9.8%	2,553,581	452,520	853,073	$3.80
North Philadelphia Ind	1,806	87,362,498	9,754,310	9,780,210	11.2%	(294,704)	255,336	44,000	$4.12
Southern New Jersey Ind	2,267	120,562,672	9,926,938	10,401,182	8.6%	609,240	43,000	0	$3.89
Southwest Philly Ind	454	25,918,631	2,357,588	2,357,588	9.1%	739,074	806,610	0	$5.37
Suburban Philadelphia Ind	3,981	179,249,387	12,245,211	12,484,999	7.0%	1,892,593	0	63,988	$4.88
Totals	**15,150**	**901,957,399**	**76,745,324**	**78,995,293**	**8.8%**	**6,488,854**	**2,165,466**	**986,061**	**$4.04**

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2011

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Pennsylvania Ind	3,023	235,618,277	21,356,091	21,761,921	9.2%	(206,405)	653,000	0	$3.97
Delaware Ind	1,173	48,315,446	4,527,875	4,568,168	9.5%	322,083	5,000	25,000	$4.55
I-81 Corridor Ind	1,273	104,272,901	7,364,647	7,833,707	7.5%	1,214,408	0	0	$3.11
Lehigh Valley Ind	2,210	130,695,162	12,551,105	13,314,617	10.2%	2,686,259	452,520	853,073	$4.32
North Philadelphia Ind	1,964	90,440,980	10,142,557	10,168,457	11.2%	(196,851)	313,926	44,000	$4.27
Southern New Jersey Ind	3,242	141,181,522	12,081,637	12,575,481	8.9%	703,068	59,800	0	$4.30
Southwest Philly Ind	496	27,298,585	3,007,787	3,007,787	11.0%	821,007	914,747	0	$5.85
Suburban Philadelphia Ind	5,239	216,735,142	16,919,373	17,646,091	8.1%	2,029,955	0	63,988	$5.71
Totals	**18,620**	**994,558,015**	**87,951,072**	**90,876,229**	**9.1%**	**7,373,524**	**2,398,993**	**986,061**	**$4.47**

Source: CoStar Property®

Philadelphia Industrial Market

FIGURES AT A GLANCE

Flex Market Statistics

Year-End 2011

Period	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	Net Absorption	Deliveries # Blds	Deliveries Total RBA	UC Inventory # Blds	UC Inventory Total RBA	Quoted Rates
2011 4q	3,470	92,600,616	11,205,748	11,880,936	12.8%	357,862	1	56,560	0	0	$8.54
2011 3q	3,469	92,544,056	11,433,722	12,182,238	13.2%	(111,603)	2	101,577	1	56,560	$8.53
2011 2q	3,467	92,442,479	11,355,361	11,969,058	12.9%	185,644	0	0	3	158,137	$8.79
2011 1q	3,467	92,442,479	11,532,272	12,154,702	13.1%	452,767	2	75,390	3	158,137	$9.04
2010 4q	3,465	92,367,089	11,593,913	12,532,079	13.6%	254,878	1	1,400	4	181,950	$9.23
2010 3q	3,464	92,365,689	11,905,611	12,785,557	13.8%	(279,499)	0	0	4	126,790	$9.31
2010 2q	3,464	92,365,689	11,651,638	12,506,058	13.5%	(57,638)	2	33,000	3	68,200	$9.32
2010 1q	3,462	92,332,689	11,548,122	12,415,420	13.4%	(116,144)	4	62,043	4	99,800	$9.31
2009	3,458	92,270,646	11,437,922	12,237,233	13.3%	(820,073)	28	1,394,068	6	95,043	$9.65
2008	3,431	90,898,673	9,501,856	10,045,187	11.1%	(30,466)	22	750,375	20	918,848	$9.98
2007	3,409	90,148,298	8,868,676	9,264,346	10.3%	1,378,037	28	1,080,146	19	729,660	$9.64
2006	3,382	89,093,724	9,075,956	9,587,809	10.8%	3,183,777	33	1,132,590	24	856,069	$9.53
2005	3,350	88,178,335	11,409,024	11,856,197	13.4%	981,609	31	1,075,667	26	950,511	$8.93
2004	3,321	87,438,968	11,577,189	12,098,439	13.8%	710,282	30	1,044,585	22	805,400	$7.85
2003	3,296	86,559,898	11,201,529	11,929,651	13.8%	1,041,974	15	500,014	24	884,865	$8.40
2002	3,283	86,113,984	11,709,359	12,525,711	14.5%	288,797	42	1,890,677	14	558,414	$9.32

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2011

Period	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	Net Absorption	Deliveries # Blds	Deliveries Total RBA	UC Inventory # Blds	UC Inventory Total RBA	Quoted Rates
2011 4q	15,150	901,957,399	76,745,324	78,995,293	8.8%	2,228,562	3	74,500	8	986,061	$4.04
2011 3q	15,147	901,882,899	78,741,963	81,149,355	9.0%	71,306	2	1,090,500	8	740,310	$4.04
2011 2q	15,147	900,919,599	77,942,026	80,257,361	8.9%	1,760,081	3	860,856	6	1,190,352	$4.01
2011 1q	15,147	900,413,853	79,285,571	81,511,696	9.1%	2,428,905	1	139,610	7	2,019,708	$4.02
2010 4q	15,147	900,284,243	81,078,071	83,810,991	9.3%	4,184,707	2	331,600	7	2,133,966	$4.05
2010 3q	15,147	899,963,723	84,892,443	87,675,178	9.7%	2,798,811	1	465,000	7	2,039,546	$4.08
2010 2q	15,147	899,550,723	87,083,671	90,060,989	10.0%	352,464	3	620,568	7	2,461,546	$4.10
2010 1q	15,145	898,933,694	86,864,325	89,796,424	10.0%	5,362,768	14	2,018,849	7	2,084,168	$4.17
2009	15,133	896,957,404	90,274,196	93,182,902	10.4%	(5,533,890)	40	8,218,368	18	3,191,417	$4.18
2008	15,094	888,869,349	77,009,316	79,560,957	9.0%	7,021,064	84	15,170,744	31	8,359,421	$4.40
2007	15,020	874,308,559	71,020,604	72,021,231	8.2%	14,292,502	70	14,770,600	62	11,464,415	$4.44
2006	14,955	859,887,359	70,588,564	71,892,533	8.4%	21,224,104	75	10,466,041	58	13,110,207	$4.48
2005	14,908	850,652,759	82,502,684	83,882,037	9.9%	12,080,807	67	8,720,406	61	10,985,974	$4.44
2004	14,854	842,925,740	86,634,041	88,235,825	10.5%	(1,684,656)	73	8,402,747	59	6,569,690	$4.10
2003	14,794	835,906,371	77,418,266	79,531,800	9.5%	2,732,093	60	4,979,433	56	7,382,933	$4.05
2002	14,743	831,217,868	74,857,175	77,575,390	9.3%	4,188,204	69	9,998,996	46	5,084,213	$3.93

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2011

Period	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	Net Absorption	Deliveries # Blds	Deliveries Total RBA	UC Inventory # Blds	UC Inventory Total RBA	Quoted Rates
2011 4q	18,620	994,558,015	87,951,072	90,876,229	9.1%	2,586,424	4	131,060	8	986,061	$4.47
2011 3q	18,616	994,426,955	90,175,685	93,331,593	9.4%	(40,297)	4	1,192,077	9	796,870	$4.45
2011 2q	18,614	993,362,078	89,297,387	92,226,419	9.3%	1,945,725	3	860,856	9	1,348,489	$4.46
2011 1q	18,614	992,856,332	90,817,843	93,666,398	9.4%	2,881,672	3	215,000	10	2,177,845	$4.48
2010 4q	18,612	992,651,332	92,671,984	96,343,070	9.7%	4,439,585	3	333,000	11	2,315,916	$4.51
2010 3q	18,611	992,329,412	96,798,054	100,460,735	10.1%	2,519,312	1	465,000	11	2,166,336	$4.54
2010 2q	18,611	991,916,412	98,735,309	102,567,047	10.3%	294,826	5	653,568	10	2,529,746	$4.58
2010 1q	18,607	991,266,383	98,412,447	102,211,844	10.3%	5,246,624	18	2,080,892	11	2,183,968	$4.62
2009	18,591	989,228,050	101,712,118	105,420,135	10.7%	(6,353,963)	68	9,612,436	24	3,286,460	$4.68
2008	18,525	979,768,022	86,511,172	89,606,144	9.1%	6,990,598	106	15,921,119	51	9,278,269	$4.94
2007	18,429	964,456,857	79,889,280	81,285,577	8.4%	15,670,539	98	15,850,746	81	12,194,075	$4.98
2006	18,337	948,981,083	79,664,520	81,480,342	8.6%	24,407,881	108	11,598,631	82	13,966,276	$5.01
2005	18,258	938,831,094	93,911,708	95,738,234	10.2%	13,062,416	98	9,796,073	87	11,936,485	$5.02
2004	18,175	930,364,708	98,211,230	100,334,264	10.8%	(974,374)	103	9,447,332	81	7,375,090	$4.59
2003	18,090	922,466,269	88,619,795	91,461,451	9.9%	3,774,067	75	5,479,447	80	8,267,798	$4.65
2002	18,026	917,331,852	86,566,534	90,101,101	9.8%	4,477,001	111	11,889,673	60	5,642,627	$4.26

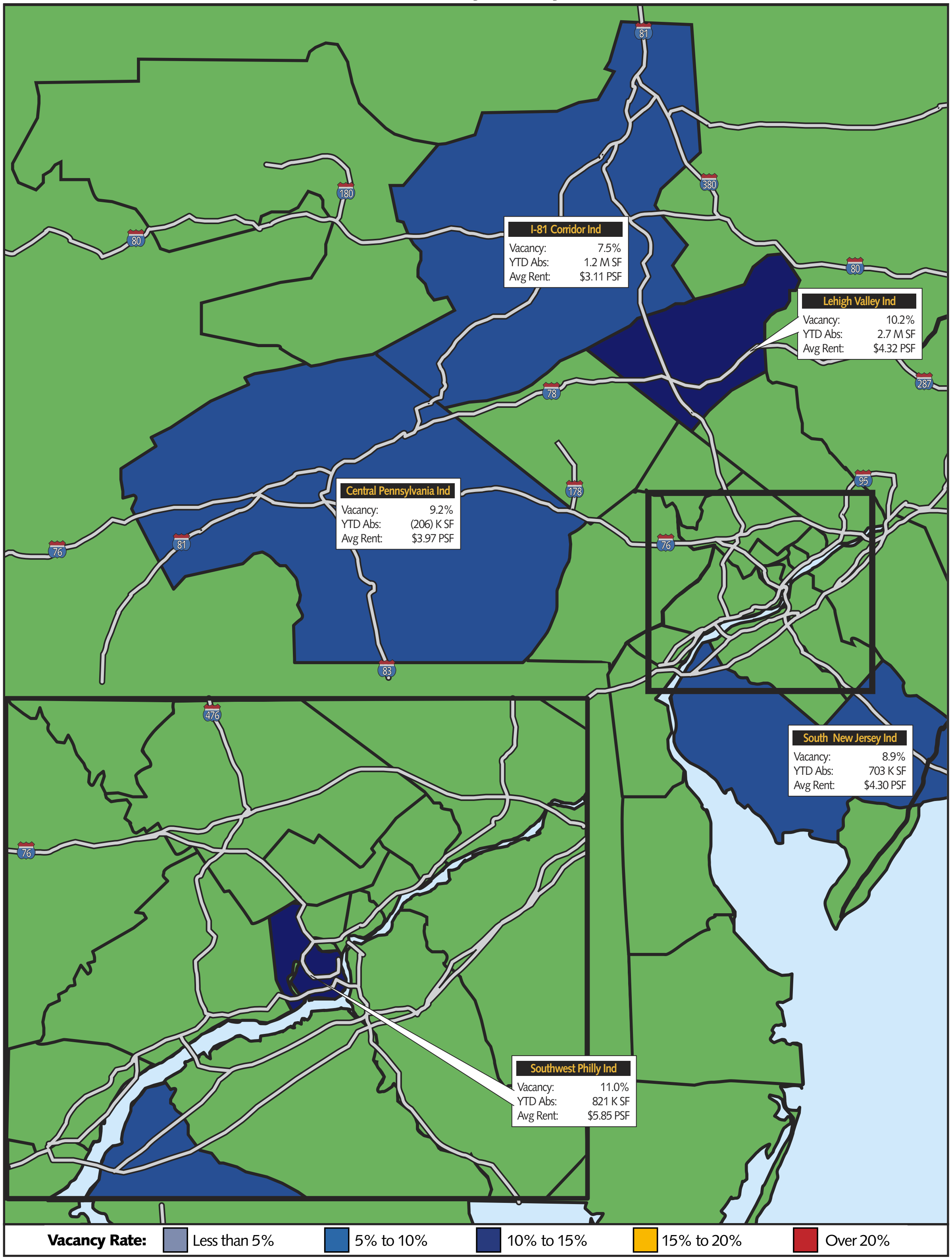
Source: CoStar Property®

Philadelphia Industrial Market

LEASING ACTIVITY

Leasing Highlights in Select CoStar Markets

Color Coded by Vacancy Rate

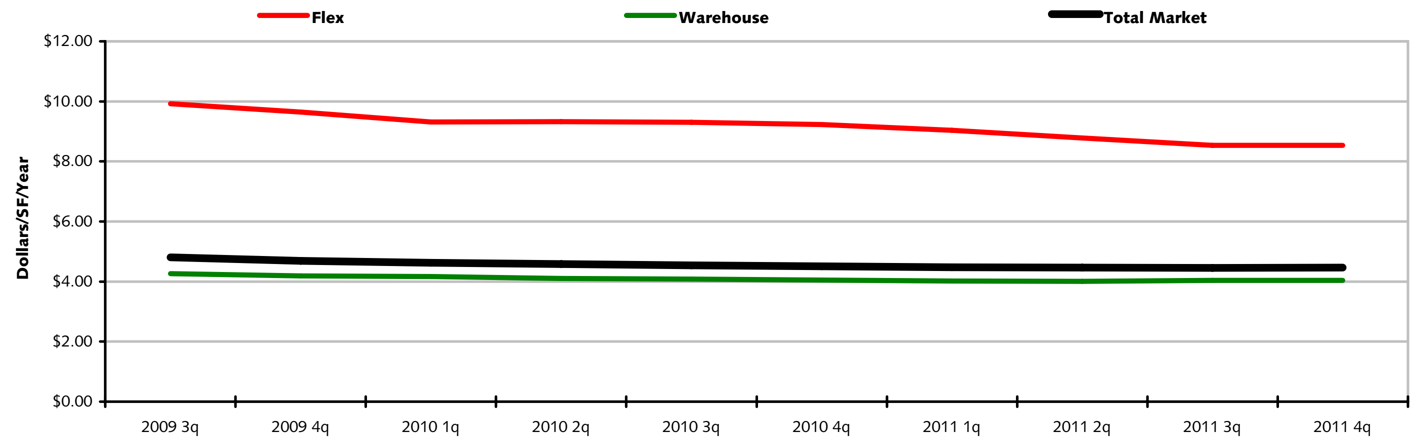


Source: CoStar Property®

Philadelphia Industrial Market

Historical Rental Rates

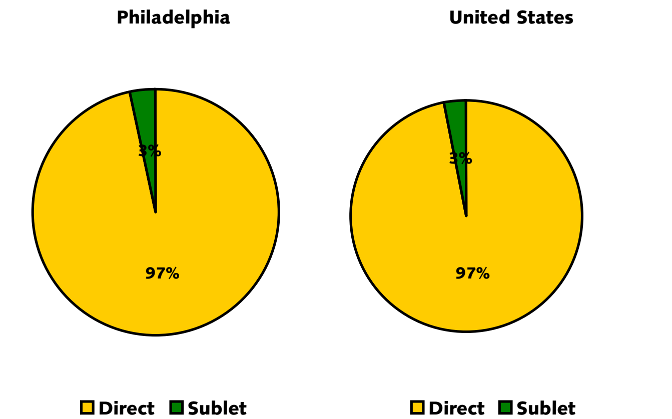
Based on Quoted Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

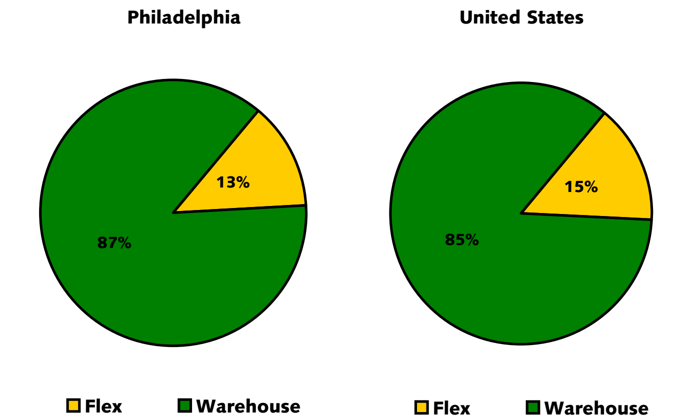
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Building Type

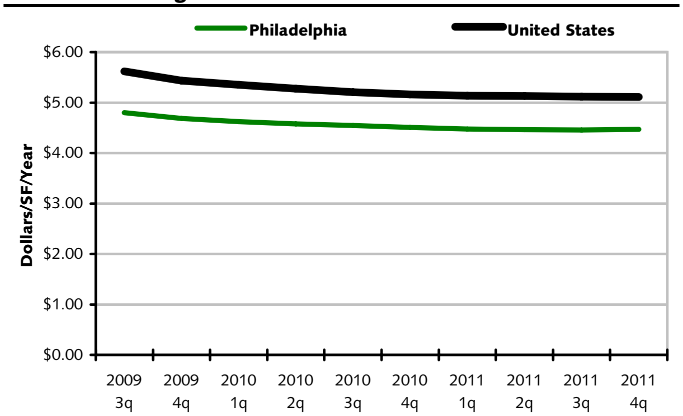
Percent of All Vacant Space by Building Type



Source: CoStar Property®

U.S. Rental Rate Comparison

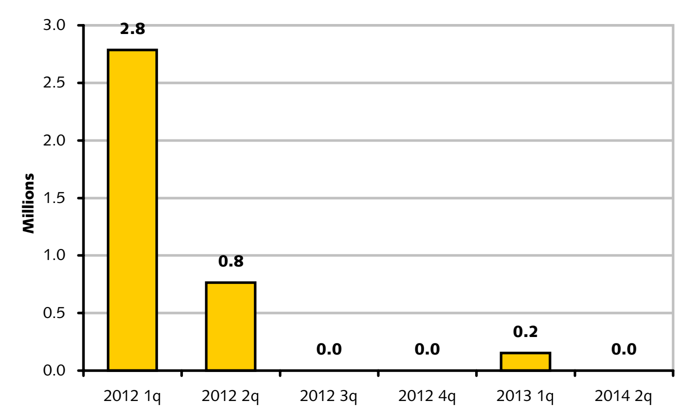
Based on Average Quoted Rental Rates



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	21 Roadway Dr	Harrisburg Area West Ind	558,700	4th	Amazon	N/A	Jones Lang LaSalle-Harrisburg Indus
3	465 Railroad Ave*	Harrisburg Area West Ind	380,000	4th	Ames True Temper, Inc.	N/A	N/A
4	I-81 Distribution Center - Bldg 1	Harrisburg Area West Ind	361,900	4th	N/A	N/A	CBRE
5	955 Oak Hill Rd*	I-81 Corridor Ind	352,500	3rd	Fabri-Kal	N/A	N/A
6	500 Independence Ave	Harrisburg Area West Ind	342,500	4th	N/A	N/A	Jones Lang LaSalle-Harrisburg Indus
7	7533 Industrial Park Way	Lehigh Valley Ind	337,500	2nd	Pratt Industries	Direct Deal	Liberty Property Trust
8	1055 Crossroads Blvd	Berks Ind	324,132	4th	Crossroad Beverages	N/A	NAI Keystone Commercial & Industria
9	200 W Stewart Huston Dr*	Chester Ind	314,521	2nd	Communications Test Design, Inc	Jackson Cross Partners	BPG Properties, Ltd.
10	16 E Cabot Blvd	Bucks Ind	299,000	1st	Domtar Paper	Jones Lang LaSalle	The Flynn Company
11	Barrington Business Center	Camden County Ind	279,675	3rd	Computer Science Corporation	Jones Lang LaSalle	Jackson Cross Partners
12	1002 Patriot Pky	Berks Ind	273,000	2nd	N/A	N/A	CBRE
13	62 Green Mountain Rd	I-81 Corridor Ind	270,000	2nd	Affinia	Cushman & Wakefield of Pennsylvania	Cushman & Wakefield of Pennsylvania
14	Fruehauf Bldg 5	Harrisburg Area East Ind	269,973	2nd	N/A	N/A	CBRE
15	Center Point Business Center	York County Ind	244,790	2nd	Graham Packaging Company, Inc.	Direct Deal	Kinsley Properties
16	250 Rittenhouse Cir	Bucks Ind	241,977	1st	Estee Lauder	CBRE	Binswanger
17	9775 Commerce Cir	Lehigh Valley Ind	226,000	4th	N/A	N/A	Jones Lang LaSalle
18	7248 Industrial Blvd	Lehigh Valley Ind	201,650	2nd	Uline	N/A	Gelcor Realty, Inc.
19	6111 Grayson Rd	Harrisburg Area East Ind	201,600	3rd	Menlo Logistics, Inc	NAI/CIR	Union Deposit Corp
20	7533 Industrial Park Way	Lehigh Valley Ind	197,500	3rd	N/A	N/A	Liberty Property Trust
21	1103 W Ridge Pike*	East Montgomery Cty Ind	172,500	1st	Steven F. Kempf Building Supplies	N/A	KOR Commercial Real Estate
22	35 Dauphin Dr	Harrisburg Area West Ind	171,890	4th	N/A	N/A	CBRE
23	13500 Roosevelt Blvd*	Greater Northeast Ind	164,880	2nd	SPD Electrical System	CBRE	Cushman & Wakefield, Inc.
24	Commerce Corner	Gloucester County Ind	159,627	2nd	Performance Food Group	Colliers International	CBRE
25	2279 Center Square Rd	Gloucester County Ind	155,360	4th	N/A	N/A	Liberty Property Trust
26	36 E Main St	Harrisburg Area West Ind	146,590	4th	Fry Communications	CBRE	Cushman & Wakefield, Inc.
27	1001 Trooper Rd	East Montgomery Cty Ind	137,388	3rd	N/A	N/A	CBRE
28	631 S Richland Ave	York County Ind	137,250	4th	N/A	N/A	Rock Commercial Real Estate
29	Northeast Distribution Center	I-81 Corridor Ind	135,890	3rd	N/A	N/A	Exeter Property Group
30	520 Lincoln Ave	Chester Ind	128,000	4th	Houston Wire & Cable Company	Direct Deal	J. Loew & Associates, Inc.
31	10 Industrial Hwy*	Delaware County Ind	125,969	2nd	Chempak	Beacon Commercial Real Estate	Berkshire Real Estate Advisors
32	Riverbridge Industrial Center - Bldg B-1	Delaware County Ind	125,000	4th	N/A	N/A	Industrial Investments, Inc.
33	105 Commerce Dr	Delaware County Ind	125,000	1st	National Fulfillment Services	The Flynn Company	The Flynn Company
34	111 Ikea Dr	Burlington Ind	112,414	1st	American Tire	CBRE	Dolan Contractors, Inc.
35	1499 Zeager Rd	Lancaster County Ind	111,000	2nd	MWI Veterinary Supply, Inc.	CBRE	Cushman & Wakefield, Inc.
36	Bristol Industrial Park - BB-22	Bucks Ind	111,000	3rd	N/A	N/A	F. Greek Development
37	1400 AIP Dr*	Harrisburg Area East Ind	109,800	1st	Gulf South Medical Supply	Direct Deal	NAI/CIR
38	275 Cross Farm Lane	York County Ind	108,160	1st	LKQ Corporation	CBRE	Exeter Property Group
39	442 Creamery Way*	Chester Ind	104,500	3rd	FedEx Ground Packaging System, Inc	N/A	Brandywine Realty Trust
40	2251 Cabot Blvd W*	Bucks Ind	104,074	1st	PSI Group, Inc.	Direct Deal	The Flynn Company

Source: CoStar Property®

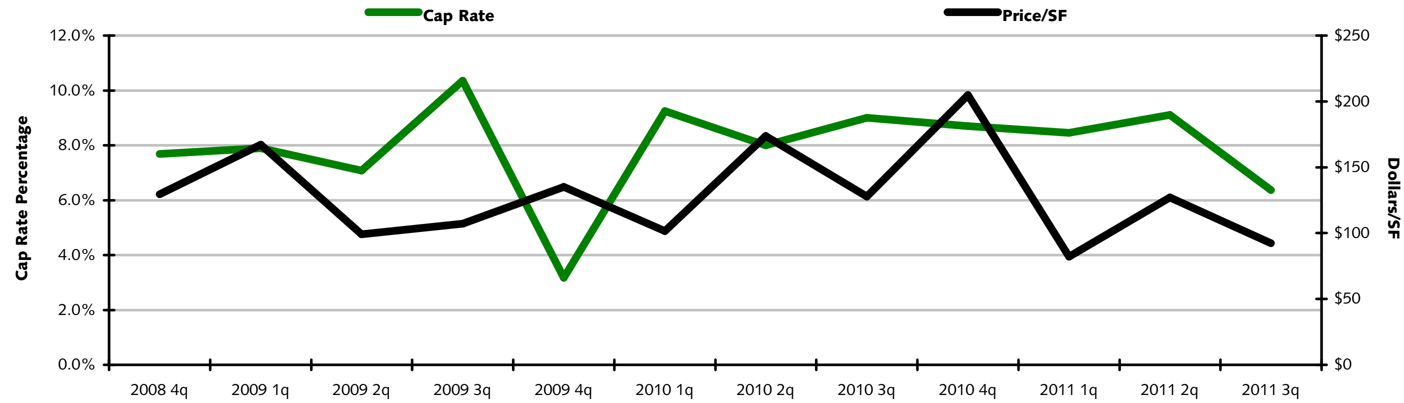
* Renewal

Philadelphia Industrial Market

SALES ACTIVITY

The Optimist Sales Index

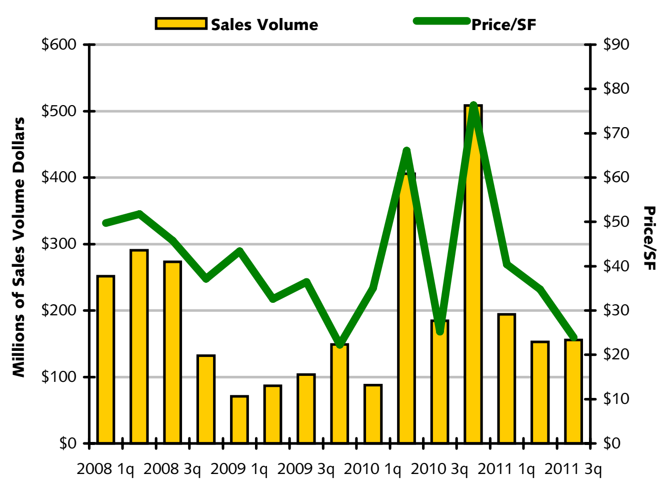
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



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

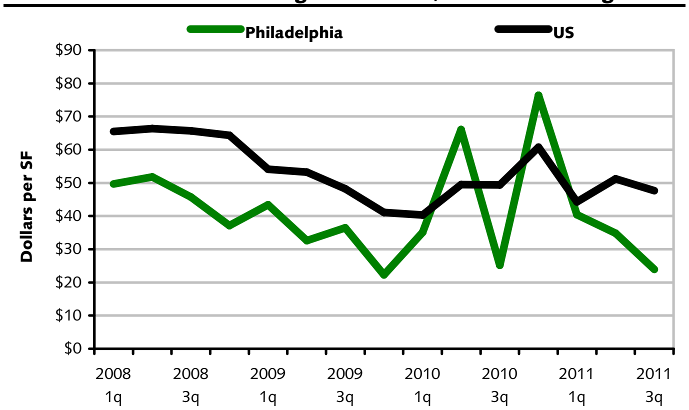
Based on Industrial Bldg Sales From Oct. 2010 - Sept. 2011

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate
< 25,000 SF	157	2,207,159	$ 159,885,947	$ 72.44	8.41%
25K-99K SF	111	5,165,268	$ 181,679,729	$ 35.17	9.11%
100K-249K SF	30	5,026,509	$ 111,685,555	$ 22.22	7.87%
>250K SF	17	10,803,253	$ 655,657,190	$ 60.69	8.53%

Source: CoStar COMPS®

U.S. Price/SF Comparison

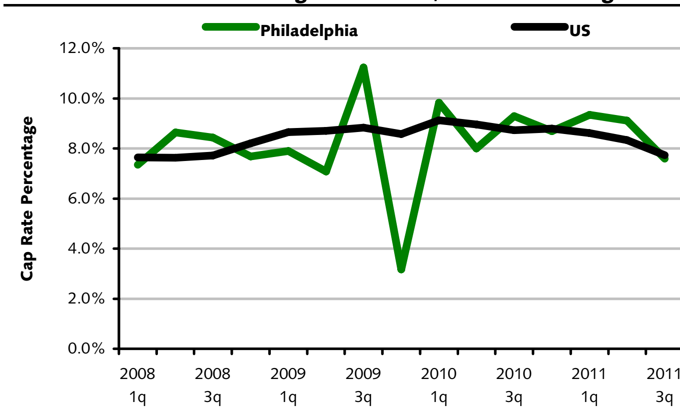
Based on Industrial Building Sales of 15,000 SF and Larger



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 October 2010 Through December 2011

1. 19 E Chocolate Ave

Hershey

Price:	$50,000,000
Price/SF:	$24.16
Cap Rate:	N/A
RBA:	2,069,261
Date:	9/22/2011
Year Built:	1905
Buyer:	Net Lease Capital Advisors
Seller:	The Hershey Company

2. 1150 Commerce Blvd

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 Ins
Seller:	Dermody Properties, Inc.

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 Co.

5. Mearns Park - Building 1

Warminster

Price:	$11,200,000
Price/SF:	$37.12
Cap Rate:	8%
RBA:	301,756
Date:	9/8/2011
Year Built:	1963
Buyer:	MIM-Hayden Real Estate Fund
Seller:	Bank Of America Corporation

6. Lehigh Consumer Products

Macungie

Price:	$11,100,000
Price/SF:	$41.11
Cap Rate:	9.6%
RBA:	270,000
Date:	3/9/2011
Year Built:	1997
Buyer:	Endurance Real Estate Group
Seller:	Wind River Holdings LP

7. 955 Oak Hill Rd

Mountain Top

Price:	$9,725,000
Price/SF:	$27.59
Cap Rate:	8.66%
RBA:	352,500
Date:	5/2/2011
Year Built:	1999
Buyer:	Baker Properties LP
Seller:	KT Holdings, Inc.

8. Commerce Corner

Logan Township

Price:	$9,096,850
Price/SF:	$35.00
Cap Rate:	N/A
RBA:	259,910
Date:	1/14/2011
Year Built:	1998
Buyer:	Dermody Properties, Inc.
Seller:	Lexington Realty Trust

9. Lehigh Valley Ind Park VI - Bldg A

Bethlehem

Price:	$9,000,000
Price/SF:	$64.29
Cap Rate:	N/A
RBA:	140,000
Date:	2/7/2011
Year Built:	2003
Buyer:	Daiichi Sankyo, Inc.
Seller:	Amcor Group

Source: CoStar COMPS®

Philadelphia Industrial Market

SALES ACTIVITY

Select Same Building Sales

Based On Recent Building Sales Compared to Prior Sale

2055 Richmond St

Address:	**2055 Richmond St**
City:	**Philadelphia**
RBA:	**76,034**
Year Built:	**1967**
Tot $ Return:	**-$450,000**
Tot % Return:	**-9%**
Ann.Return:	**-2%**
Months Held:	**50**

Most Recent Sale

Price:	**$4,300,000**
Price/SF:	**$56.55**
Cap Rate:	**N/A**
Date:	**9/23/2011**
Buyer:	**Columbus Boulevard Assoc**
Seller:	**ICS Corporation**
Brokers:	**CBRE**

Sale Prior to Most Recent Sale

Price:	**$4,750,000**
Price/SF:	**$62.47**
Cap Rate:	**N/A**
Date:	**7/23/2007**
Buyer:	**ICS Corporation**
Seller:	**Seymore Rubin Associates**
Brokers:	**Seymore Rubin Associates**

364 Valley Rd

Address:	**364 Valley Rd**
City:	**Warrington**
RBA:	**95,557**
Year Built:	**1967**
Tot $ Return:	**-$575,000**
Tot % Return:	**-16%**
Ann.Return:	**-5%**
Months Held:	**40**

Most Recent Sale

Price:	**$2,925,000**
Price/SF:	**$30.61**
Cap Rate:	**N/A**
Date:	**8/25/2011**
Buyer:	**Mnop, Inc.**
Seller:	**MH Warrington**
Brokers:	**Roddy, Inc.**

Sale Prior to Most Recent Sale

Price:	**$3,500,000**
Price/SF:	**$36.63**
Cap Rate:	**N/A**
Date:	**5/5/2008**
Buyer:	**MH Warrington**
Seller:	**Melvin B Herrin**
Brokers:	**N/A**

4518 Tacony St

Address:	**4518 Tacony St**
City:	**Philadelphia**
RBA:	**170,000**
Year Built:	**N/A**
Tot $ Return:	**$275,000**
Tot % Return:	**50%**
Ann.Return:	**35%**
Months Held:	**17**

Most Recent Sale

Price:	**$825,000**
Price/SF:	**$4.85**
Cap Rate:	**N/A**
Date:	**10/21/2011**
Buyer:	**First Philadelphia Charter**
Seller:	**BDDW**
Brokers:	**Binswanger**

Sale Prior to Most Recent Sale

Price:	**$550,000**
Price/SF:	**$3.24**
Cap Rate:	**N/A**
Date:	**5/25/2010**
Buyer:	**BDDW**
Seller:	**Glenn Segal**
Brokers:	**Binswanger**

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 Oct. 2010 - Dec. 2011

3000 S 56th St, Philadelphia

Sale Price:	**$3,200,000**
Acres:	**28.90**
Price/SF:	**$2.54**
Closing Date:	**11/23/2011**
Zoning:	**L2 & G2**
Intended Use:	**Industrial**
Buyer:	**Philadelphia Ind Development**
Seller:	**Westrum Development Co.**

2251 Newlins Mill Rd, Easton

Sale Price:	**$2,000,000**
Acres:	**19.63**
Price/SF:	**$2.34**
Closing Date:	**09/07/2011**
Zoning:	**PO/IP**
Intended Use:	**Warehouse**
Buyer:	**Exeter Property Group**
Seller:	**The Norwood Company, Inc.**

TecPort Dr & Chambers Hill Rd, 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, 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:	**Stellwag 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 & Nona Cunane**

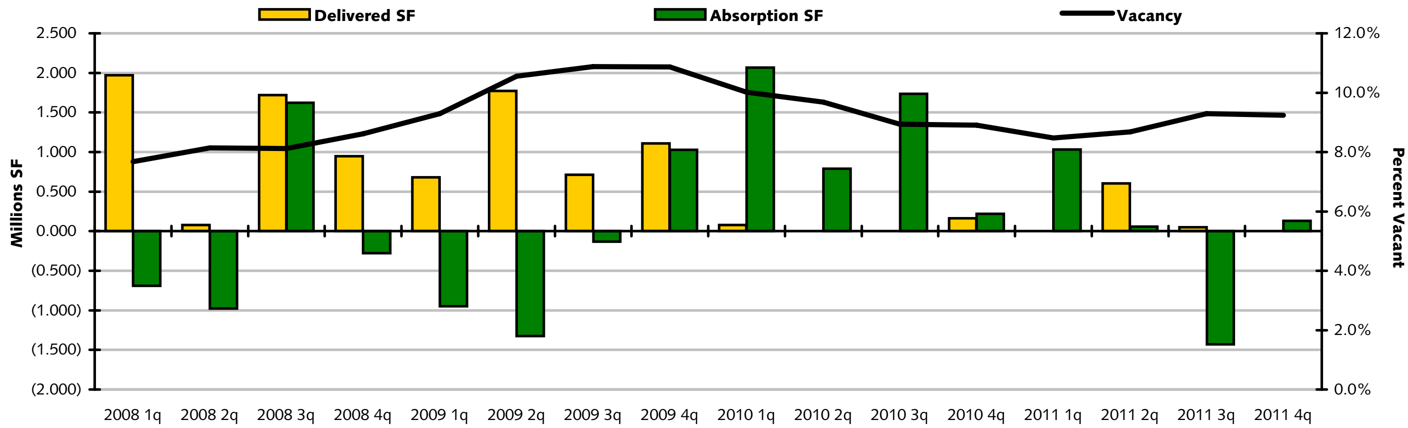
Source: CoStar COMPS®

Philadelphia Industrial Market

CENTRAL PENNSYLVANIA MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

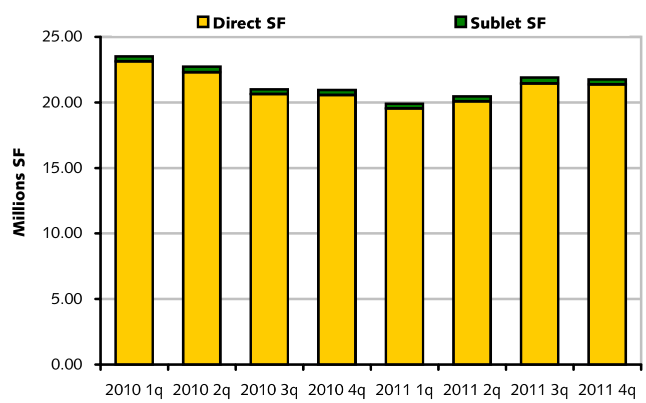
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

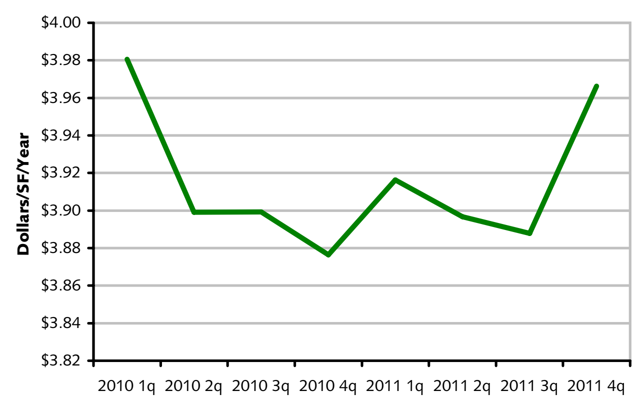
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	3,023	235,618,277	21,761,921	9.2%	132,620	0	0	0	0	$3.97
2011 3q	3,023	235,618,277	21,894,541	9.3%	(1,429,272)	1	50,000	0	0	$3.89
2011 2q	3,023	235,602,477	20,449,469	8.7%	58,840	1	603,000	1	50,000	$3.90
2011 1q	3,022	234,999,477	19,905,309	8.5%	1,031,407	0	0	2	653,000	$3.92
2010 4q	3,022	234,999,477	20,936,716	8.9%	218,668	1	165,000	2	653,000	$3.88
2010 3q	3,021	234,834,477	20,990,384	8.9%	1,735,709	0	0	3	818,000	$3.90
2010 2q	3,021	234,834,477	22,726,093	9.7%	790,459	0	0	3	818,000	$3.90
2010 1q	3,022	234,838,016	23,520,091	10.0%	2,068,755	3	77,600	2	215,000	$3.98
2009 4q	3,019	234,760,416	25,511,246	10.9%	1,027,256	2	1,109,360	3	77,600	$4.01
2009 3q	3,017	233,651,056	25,429,142	10.9%	(131,720)	2	713,100	5	1,186,960	$4.20
2009 2q	3,015	232,937,956	24,584,322	10.6%	(1,324,794)	4	1,771,650	6	1,860,060	$4.24
2009 1q	3,011	231,166,306	21,487,878	9.3%	(949,372)	5	681,735	8	3,596,750	$4.32
2008 4q	3,006	230,484,571	19,856,771	8.6%	(278,571)	4	947,000	11	4,258,385	$4.42
2008 3q	3,002	229,537,571	18,631,200	8.1%	1,622,488	8	1,718,418	13	5,178,735	$4.37
2008 2q	2,994	227,819,153	18,535,270	8.1%	(975,475)	1	79,500	15	4,063,278	$4.22
2008 1q	2,993	227,739,653	17,480,295	7.7%	(691,822)	7	1,968,879	11	1,907,918	$4.21

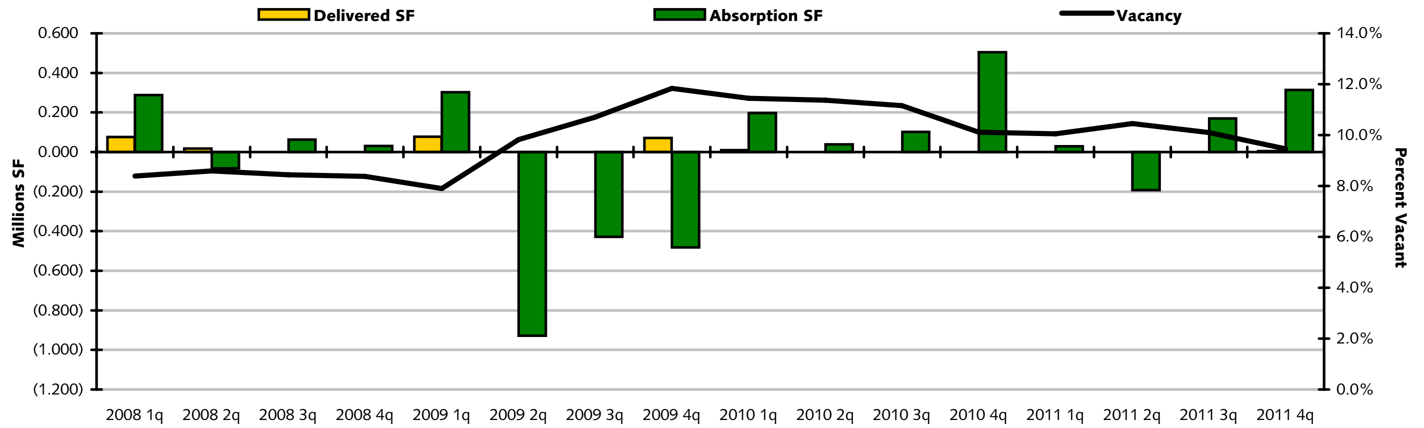
Source: CoStar Property®

Philadelphia Industrial Market

DELAWARE MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

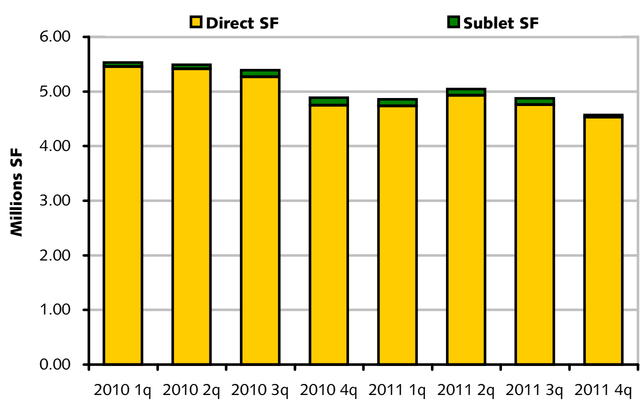
Deliveries, Absorption & Vacancy **Historical Analysis, Flex and Warehouse**



Source: CoStar Property®

Vacant Space

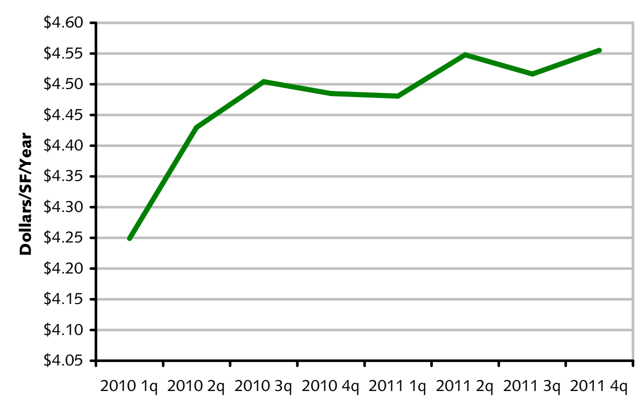
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	1,173	48,315,446	4,568,168	9.5%	314,541	1	5,000	1	25,000	$4.55
2011 3q	1,172	48,310,446	4,877,709	10.1%	169,381	0	0	1	5,000	$4.52
2011 2q	1,172	48,310,446	5,047,090	10.4%	(191,651)	0	0	1	5,000	$4.55
2011 1q	1,172	48,310,446	4,855,439	10.1%	29,812	0	0	0	0	$4.48
2010 4q	1,172	48,310,446	4,885,251	10.1%	505,035	0	0	0	0	$4.48
2010 3q	1,172	48,310,446	5,390,286	11.2%	102,281	0	0	0	0	$4.50
2010 2q	1,172	48,310,446	5,492,567	11.4%	39,186	0	0	0	0	$4.43
2010 1q	1,172	48,310,446	5,531,753	11.5%	196,911	1	9,900	0	0	$4.25
2009 4q	1,171	48,300,546	5,718,764	11.8%	(481,525)	2	71,960	1	9,900	$4.23
2009 3q	1,169	48,228,586	5,165,279	10.7%	(429,044)	0	0	3	81,860	$4.39
2009 2q	1,169	48,228,586	4,736,235	9.8%	(928,727)	0	0	2	71,960	$4.49
2009 1q	1,169	48,228,586	3,807,508	7.9%	302,895	1	77,000	0	0	$4.61
2008 4q	1,168	48,151,586	4,033,403	8.4%	31,049	0	0	1	77,000	$4.72
2008 3q	1,168	48,151,586	4,064,452	8.4%	63,615	0	0	1	77,000	$4.62
2008 2q	1,169	48,161,174	4,137,655	8.6%	(82,024)	1	17,000	1	77,000	$4.71
2008 1q	1,168	48,144,174	4,038,631	8.4%	288,461	3	76,100	1	17,000	$4.60

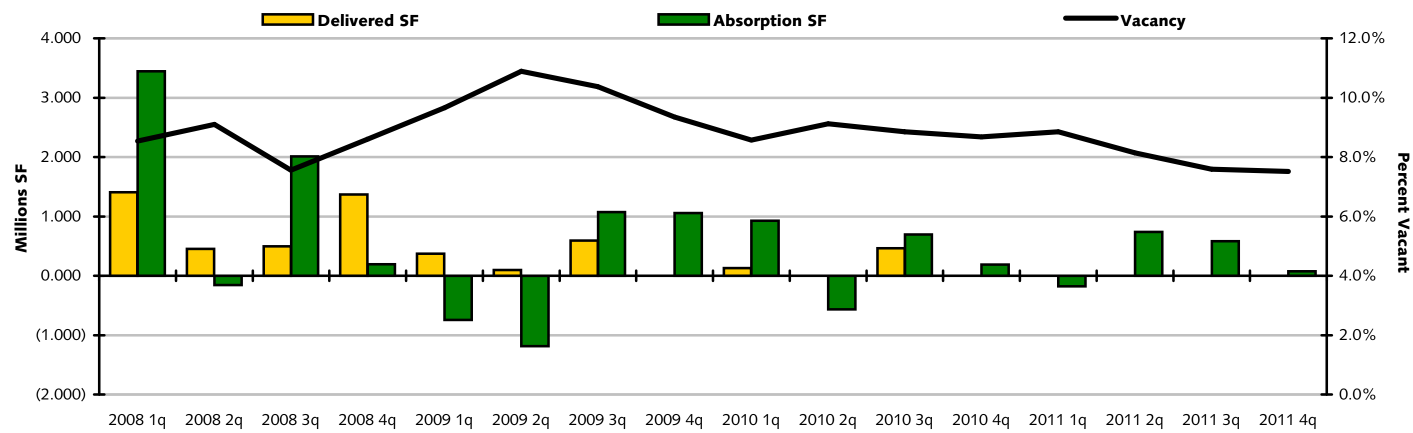
Source: CoStar Property®

Philadelphia Industrial Market

I-81 Corridor Market

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

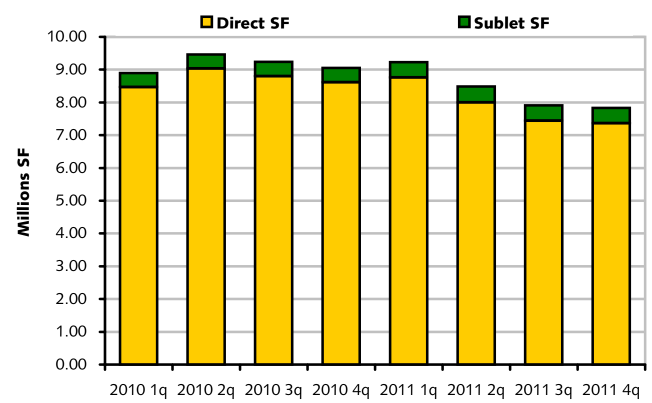
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

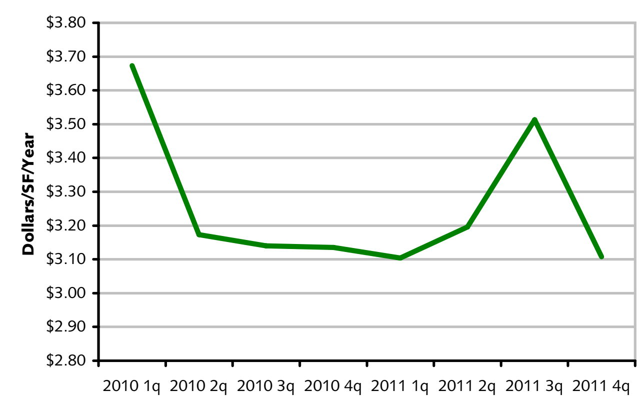
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	1,273	104,272,901	7,833,707	7.5%	76,450	0	0	0	0	$3.11
2011 3q	1,273	104,272,901	7,910,157	7.6%	580,921	0	0	0	0	$3.51
2011 2q	1,273	104,272,901	8,491,078	8.1%	735,990	0	0	0	0	$3.20
2011 1q	1,273	104,272,901	9,227,068	8.8%	(178,953)	0	0	0	0	$3.10
2010 4q	1,273	104,272,901	9,048,115	8.7%	186,350	0	0	0	0	$3.14
2010 3q	1,273	104,272,901	9,234,465	8.9%	696,332	1	465,000	0	0	$3.14
2010 2q	1,272	103,807,901	9,465,797	9.1%	(566,313)	0	0	1	465,000	$3.17
2010 1q	1,272	103,807,901	8,899,484	8.6%	925,871	1	130,000	1	465,000	$3.67
2009 4q	1,271	103,677,901	9,695,355	9.4%	1,056,654	0	0	2	595,000	$3.84
2009 3q	1,271	103,677,901	10,752,009	10.4%	1,073,016	2	595,200	1	130,000	$3.79
2009 2q	1,269	103,082,701	11,229,825	10.9%	(1,186,624)	1	98,000	3	725,200	$3.90
2009 1q	1,268	102,984,701	9,945,201	9.7%	(742,795)	3	373,200	4	823,200	$4.21
2008 4q	1,265	102,611,501	8,829,206	8.6%	195,226	2	1,371,750	5	968,400	$4.14
2008 3q	1,263	101,239,751	7,652,682	7.6%	2,012,934	2	494,000	5	1,744,950	$4.68
2008 2q	1,261	100,745,751	9,171,616	9.1%	(158,228)	5	453,087	6	2,194,150	$4.52
2008 1q	1,256	100,292,664	8,560,301	8.5%	3,444,986	3	1,406,080	10	2,448,837	$4.65

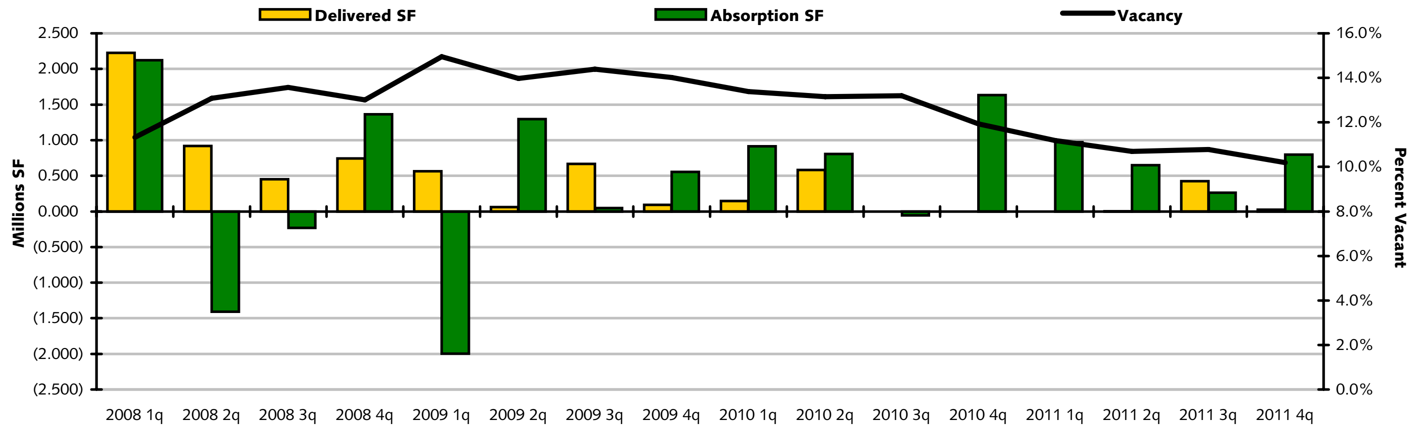
Source: CoStar Property®

Philadelphia Industrial Market

LEHIGH VALLEY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

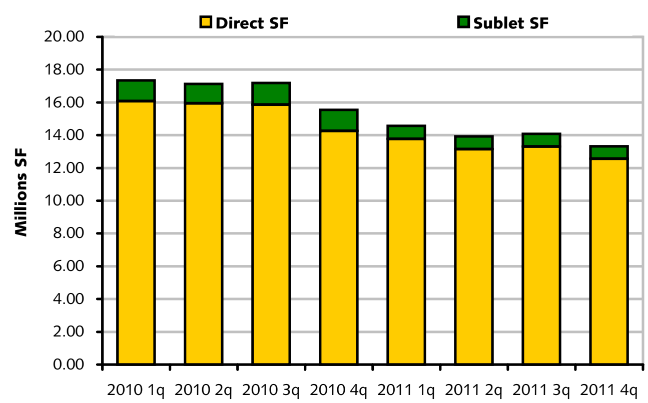
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

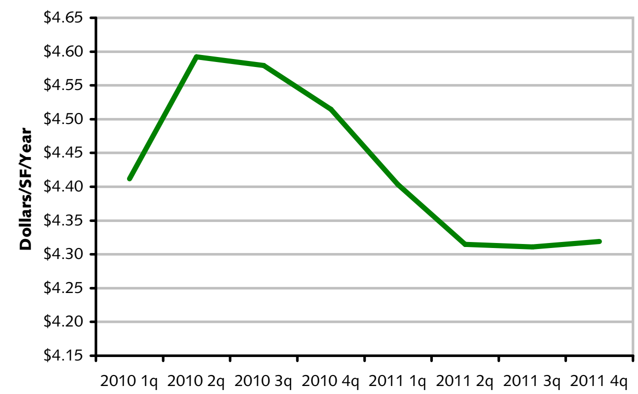
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	2,210	130,695,162	13,314,617	10.2%	799,345	1	26,500	3	853,073	$4.32
2011 3q	2,209	130,668,662	14,087,462	10.8%	263,818	1	423,500	3	598,100	$4.31
2011 2q	2,208	130,245,162	13,927,780	10.7%	648,327	1	2,520	2	450,000	$4.31
2011 1q	2,207	130,242,642	14,573,587	11.2%	974,769	0	0	2	426,020	$4.40
2010 4q	2,207	130,242,642	15,548,356	11.9%	1,633,031	0	0	2	426,020	$4.51
2010 3q	2,207	130,242,642	17,181,387	13.2%	(56,304)	0	0	0	0	$4.58
2010 2q	2,207	130,242,642	17,125,083	13.1%	806,359	1	580,000	0	0	$4.59
2010 1q	2,206	129,662,642	17,351,442	13.4%	914,124	3	146,103	1	580,000	$4.41
2009 4q	2,205	129,559,098	18,162,022	14.0%	554,786	1	93,472	3	146,103	$4.34
2009 3q	2,204	129,465,626	18,623,336	14.4%	45,576	2	669,321	4	239,575	$4.56
2009 2q	2,202	128,796,305	17,999,591	14.0%	1,298,053	1	60,000	5	904,096	$4.57
2009 1q	2,201	128,736,305	19,237,644	14.9%	(1,995,926)	2	566,000	5	830,413	$4.56
2008 4q	2,199	128,170,305	16,675,718	13.0%	1,364,598	3	743,375	5	1,295,321	$4.81
2008 3q	2,196	127,426,930	17,296,941	13.6%	(229,536)	1	451,600	7	1,908,696	$4.57
2008 2q	2,195	126,975,330	16,615,805	13.1%	(1,409,913)	1	920,400	6	1,760,975	$4.59
2008 1q	2,194	126,054,930	14,285,492	11.3%	2,122,689	7	2,227,859	6	2,215,375	$4.56

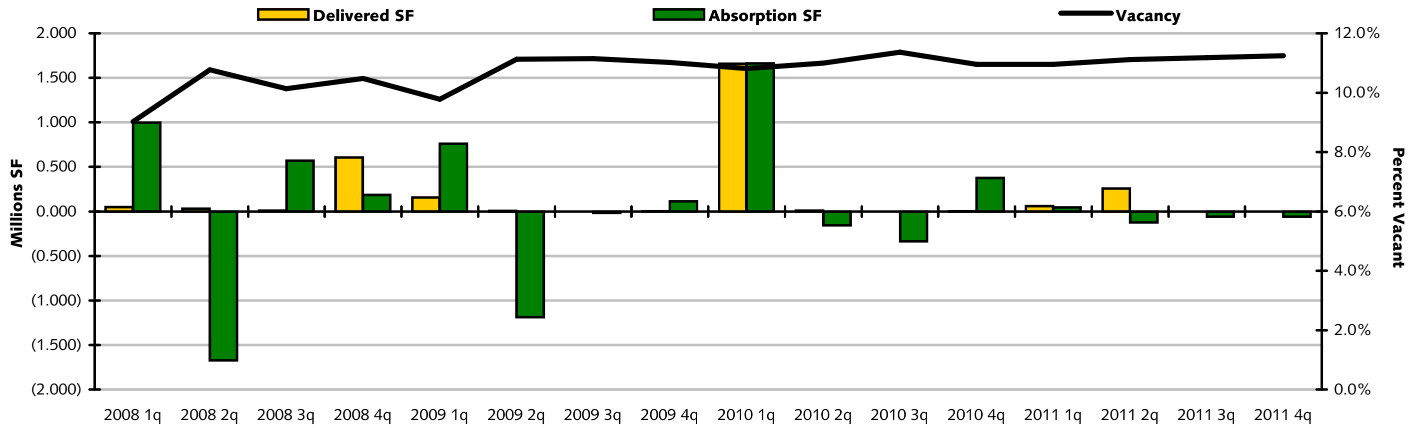
Source: CoStar Property®

Philadelphia Industrial Market

NORTH PHILADELPHIA MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

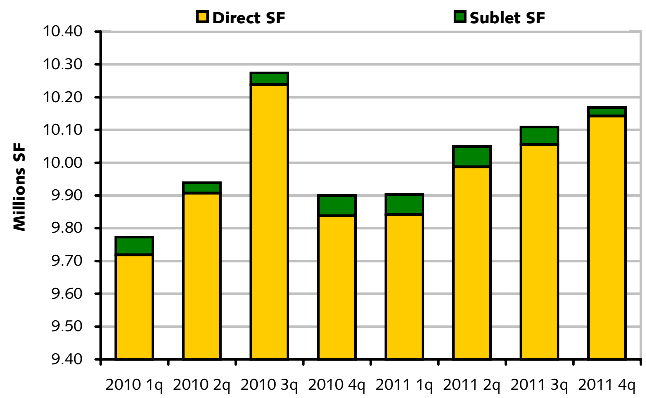
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

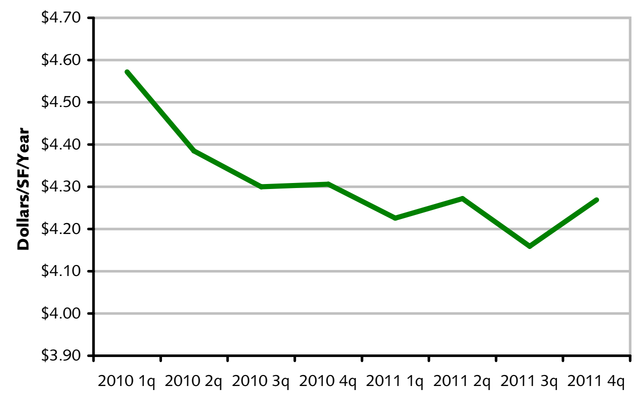
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
Period	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	1,964	90,440,980	10,168,457	11.2%	(59,698)	0	0	1	44,000	$4.27
2011 3q	1,964	90,440,980	10,108,759	11.2%	(59,633)	0	0	1	44,000	$4.16
2011 2q	1,964	90,440,980	10,049,126	11.1%	(122,448)	1	255,336	0	0	$4.27
2011 1q	1,964	90,417,644	9,903,342	11.0%	44,928	1	58,590	1	255,336	$4.23
2010 4q	1,964	90,369,054	9,899,680	11.0%	375,677	1	1,400	2	313,926	$4.31
2010 3q	1,963	90,367,654	10,273,957	11.4%	(334,642)	0	0	3	315,326	$4.30
2010 2q	1,963	90,367,654	9,939,315	11.0%	(157,299)	1	8,979	2	256,736	$4.38
2010 1q	1,962	90,358,675	9,773,037	10.8%	1,663,937	7	1,660,123	1	8,979	$4.57
2009 4q	1,955	88,698,552	9,776,851	11.0%	114,852	1	1,900	8	1,669,102	$4.57
2009 3q	1,954	88,696,652	9,889,803	11.2%	(17,768)	0	0	8	1,662,023	$4.31
2009 2q	1,954	88,696,652	9,872,035	11.1%	(1,189,198)	1	5,100	4	1,627,500	$4.11
2009 1q	1,953	88,691,552	8,677,737	9.8%	761,207	1	156,000	2	1,460,700	$4.19
2008 4q	1,952	88,535,552	9,282,944	10.5%	183,427	3	605,879	2	161,100	$4.18
2008 3q	1,950	87,981,673	8,912,492	10.1%	570,626	2	9,298	5	766,979	$4.55
2008 2q	1,948	87,972,375	9,473,820	10.8%	(1,673,193)	1	30,600	6	771,177	$4.29
2008 1q	1,948	88,120,264	7,948,516	9.0%	998,409	5	48,079	4	634,637	$4.17

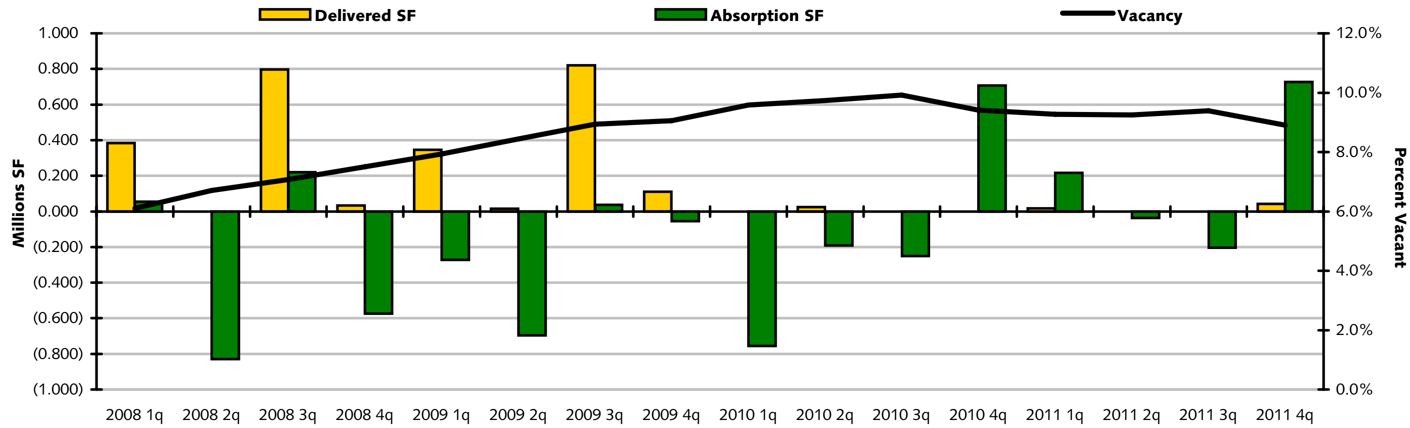
Source: CoStar Property®

Philadelphia Industrial Market

SOUTHERN NEW JERSEY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

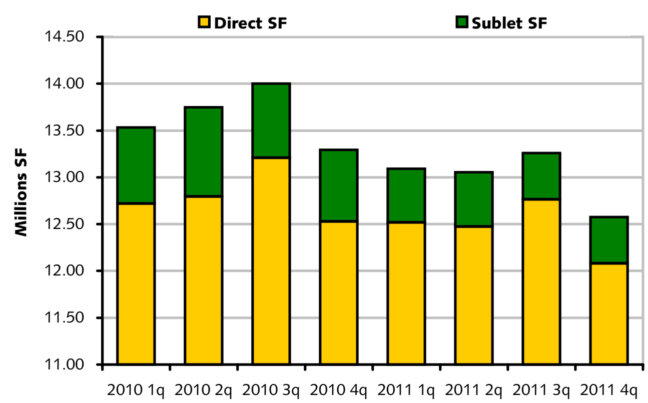
Deliveries, Absorption & Vacancy **Historical Analysis, Flex and Warehouse**



Source: CoStar Property®

Vacant Space

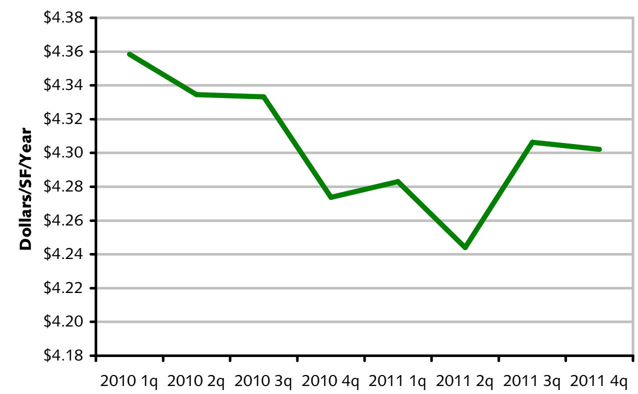
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	3,242	141,181,522	12,575,481	8.9%	726,963	1	43,000	0	0	$4.30
2011 3q	3,241	141,138,522	13,259,444	9.4%	(204,370)	0	0	1	43,000	$4.31
2011 2q	3,241	141,138,522	13,055,074	9.2%	(36,381)	0	0	1	43,000	$4.24
2011 1q	3,242	141,211,632	13,091,803	9.3%	216,856	1	16,800	1	43,000	$4.28
2010 4q	3,241	141,194,832	13,291,859	9.4%	707,620	0	0	2	59,800	$4.27
2010 3q	3,242	141,195,912	14,000,559	9.9%	(251,151)	0	0	2	59,800	$4.33
2010 2q	3,242	141,195,912	13,749,408	9.7%	(191,863)	1	24,000	1	16,800	$4.33
2010 1q	3,241	141,171,912	13,533,545	9.6%	(754,948)	0	0	2	40,800	$4.36
2009 4q	3,241	141,171,912	12,778,597	9.1%	(54,036)	1	110,000	1	24,000	$4.60
2009 3q	3,240	141,061,912	12,614,561	8.9%	37,371	5	819,794	1	110,000	$4.76
2009 2q	3,235	140,242,118	11,832,138	8.4%	(695,804)	1	14,400	6	929,794	$4.79
2009 1q	3,234	140,227,718	11,121,934	7.9%	(272,376)	5	346,783	7	944,194	$5.05
2008 4q	3,229	139,880,935	10,502,775	7.5%	(574,177)	1	33,200	9	1,258,977	$4.96
2008 3q	3,228	139,847,735	9,895,398	7.1%	219,564	2	797,030	8	582,677	$4.94
2008 2q	3,226	139,050,705	9,317,932	6.7%	(829,448)	0	0	6	1,137,513	$4.85
2008 1q	3,226	139,050,705	8,488,484	6.1%	54,697	7	383,478	2	462,052	$4.88

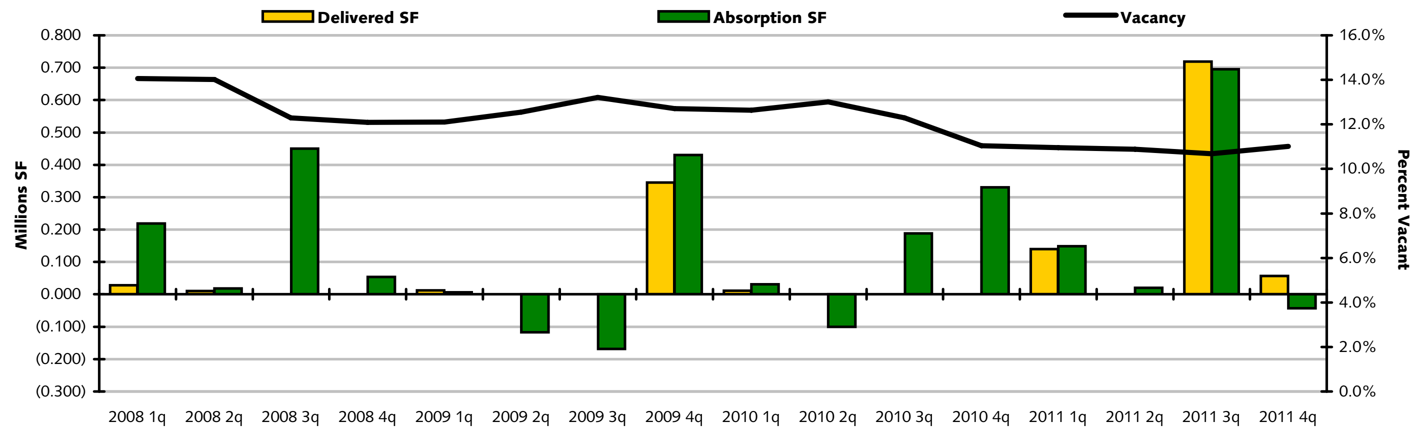
Source: CoStar Property®

Philadelphia Industrial Market

SOUTHWEST PHILLY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

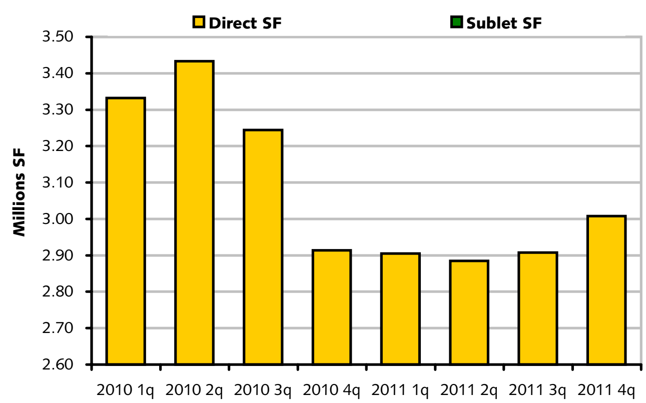
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

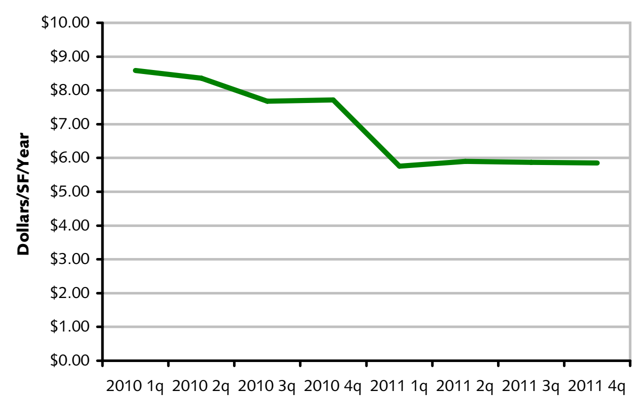
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	496	27,298,585	3,007,787	11.0%	(43,200)	1	56,560	0	0	$5.85
2011 3q	495	27,242,025	2,908,027	10.7%	695,600	2	718,577	1	56,560	$5.87
2011 2q	493	26,523,448	2,885,050	10.9%	20,209	0	0	3	775,137	$5.90
2011 1q	493	26,523,448	2,905,259	11.0%	148,398	1	139,610	3	775,137	$5.76
2010 4q	492	26,383,838	2,914,047	11.0%	330,530	0	0	3	863,170	$7.71
2010 3q	492	26,383,838	3,244,577	12.3%	188,217	0	0	2	806,610	$7.68
2010 2q	492	26,383,838	3,432,794	13.0%	(100,365)	0	0	2	806,610	$8.36
2010 1q	492	26,383,838	3,332,429	12.6%	31,036	2	11,166	1	667,000	$8.59
2009 4q	490	26,372,672	3,352,299	12.7%	430,025	1	345,500	3	678,166	$7.69
2009 3q	489	26,027,172	3,436,824	13.2%	(168,629)	0	0	4	1,023,666	$7.22
2009 2q	489	26,027,172	3,268,195	12.6%	(117,302)	0	0	2	1,012,500	$7.27
2009 1q	489	26,027,172	3,150,893	12.1%	6,274	1	12,406	2	1,012,500	$5.97
2008 4q	488	26,014,766	3,144,761	12.1%	53,616	0	0	2	679,406	$6.06
2008 3q	488	26,014,766	3,198,377	12.3%	449,667	0	0	2	679,406	$6.17
2008 2q	488	26,014,766	3,648,044	14.0%	17,914	1	9,862	0	0	$6.17
2008 1q	487	26,004,904	3,656,096	14.1%	218,675	2	28,615	1	9,862	$6.54

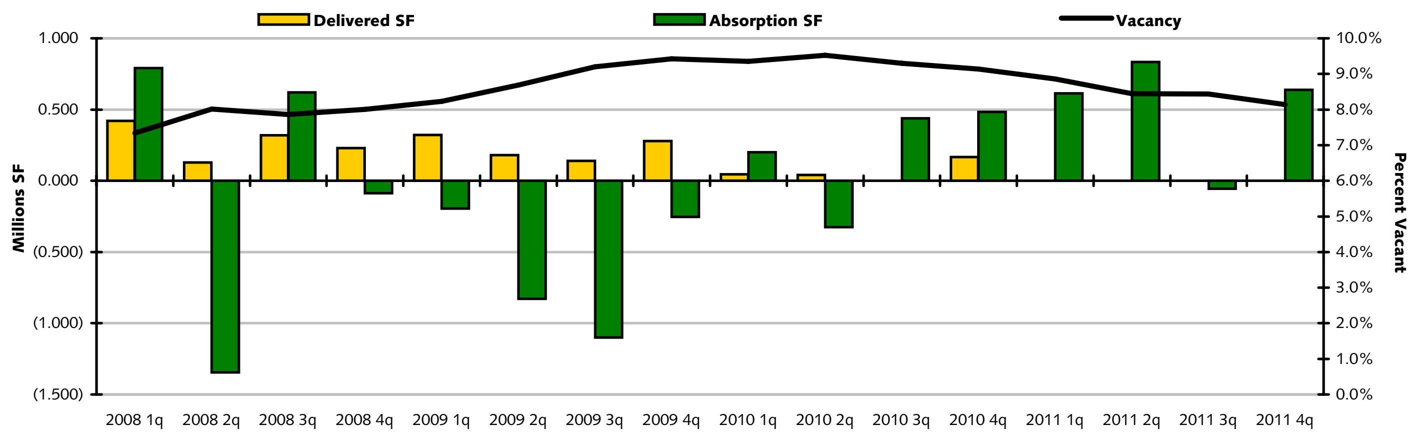
Source: CoStar Property®

Philadelphia Industrial Market

SUBURBAN PHILADELPHIA MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

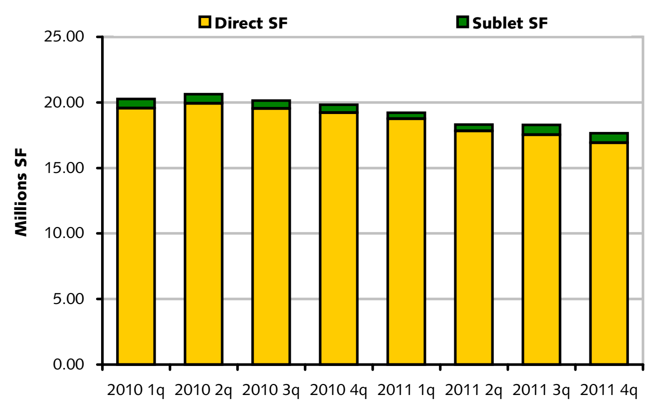
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

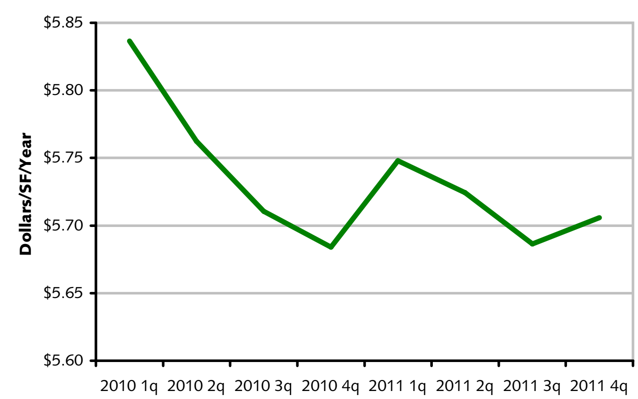
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2011 4q	5,239	216,735,142	17,646,091	8.1%	639,403	0	0	3	63,988	$5.71
2011 3q	5,239	216,735,142	18,285,494	8.4%	(56,742)	0	0	2	50,210	$5.69
2011 2q	5,240	216,828,142	18,321,752	8.4%	832,839	0	0	1	25,352	$5.72
2011 1q	5,241	216,878,142	19,204,591	8.9%	614,455	0	0	1	25,352	$5.75
2010 4q	5,241	216,878,142	19,819,046	9.1%	482,674	1	166,600	0	0	$5.68
2010 3q	5,241	216,721,542	20,145,120	9.3%	438,870	0	0	1	166,600	$5.71
2010 2q	5,242	216,773,542	20,635,990	9.5%	(325,338)	2	40,589	1	166,600	$5.76
2010 1q	5,240	216,732,953	20,270,063	9.4%	200,938	1	46,000	3	207,189	$5.84
2009 4q	5,239	216,686,953	20,425,001	9.4%	(254,013)	5	278,530	3	86,589	$5.89
2009 3q	5,235	216,430,518	19,914,553	9.2%	(1,100,151)	5	139,412	7	333,530	$6.19
2009 2q	5,231	216,421,419	18,805,303	8.7%	(827,394)	5	180,493	11	426,942	$6.14
2009 1q	5,226	216,240,926	17,797,416	8.2%	(194,730)	8	322,120	12	478,905	$6.19
2008 4q	5,218	215,918,806	17,280,566	8.0%	(86,399)	7	229,378	16	579,680	$6.18
2008 3q	5,211	215,689,428	16,964,789	7.9%	620,739	5	320,160	18	630,698	$6.15
2008 2q	5,206	215,369,268	17,265,368	8.0%	(1,345,339)	6	129,576	15	779,858	$6.07
2008 1q	5,200	215,239,692	15,790,453	7.3%	791,343	16	420,916	18	873,292	$6.33

Source: CoStar Property®