

HIGHLIGHTS



U.S. Industrial Markets Enjoy Robust Quarter

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The U.S. industrial market continued to be the commercial real estate universe's star performer this quarter. Solid demand for warehouse space in most markets coupled with minimal construction led to another modest decline in the national vacancy rate. Vacancies dropped in the majority of markets and every region reported a lower vacancy rate for the quarter. Despite a considerable increase in occupancy, warehouse rents registered a modest decrease, continuing a three and a half year trend.

The outlook for the rest of 2011 is not so sanguine. With the economy decelerating and continued unease concerning future tax and spending policies, many businesses are likely to delay expansion and reduce aggregate demand for warehouse space in the coming months. In spite of relatively robust exports (year-over-year growth of 17 percent) and considerable growth in manufacturing, the macro-economic environment has cooled significantly relative to the latter half of 2010. In recent months, consumer spending—including retail sales—has slowed, creating a further headwind for the industrial market. All indications are that the manufacturing sector will stay relatively robust, but will not be enough to sustain the growth in occupancy experienced over the last few quarters.

With the latest slowdown in the economy, a true rebound in the warehouse market is unlikely to occur before well into 2012. Warehouse construction, however, will remain at very low levels, so any incremental increase in occupancies will immediately translate into lower vacancy rates. Except for high-cube, high-efficiency space, rents are unlikely to increase in any meaningful way until the latter half of 2012—at the earliest. For most landlords and investors, the best that can be expected in the coming quarters is a modest increase in occupancies and the promise of a stronger economy in 2012.

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MARKET INDICATORS

Relative to prior period

	Q2 2011	Q3 2011*
VACANCY	↓	↓
NET ABSORPTION	↑	↔
CONSTRUCTION	↑	↓
RENTAL RATE	↓	↔

*Projected

U.S. INDUSTRIAL MARKET SUMMARY STATISTICS, Q2 2011

Vacancy Rate: **10.33%**
Change from Q1 2011: **-0.23**

Absorption:
35.2 Million Square Feet

New Construction:
10.4 Million Square Feet

Under Construction:
27.6 Million Square Feet

Asking Rents Per Square Foot Average Warehouse/
Distribution Center: **\$4.63**
Change from Q1 2011: **-0.2%**

U.S. INDUSTRIAL MARKET Q2 2009 – Q2 2011



U.S. industrial markets are very much back in the black, but with the economic recovery now in doubt, leasing markets are almost certain to disappoint in the coming months.

UNITED STATES | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2011	NEW CONSTRUCTION Q2 2011 (SF)	NEW CONSTRUCTION YTD 2011	CURRENTLY UNDER CONSTRUCTION (SF)
NORTHEAST				
Baltimore, MD	296,140,000	290,000	290,000	290,000
Boston, MA	155,629,000	0	0	170,000
Hartford, CT	96,975,000	0	0	122,000
Long Island, NY	167,131,000	107,000	107,000	0
New Jersey - Central	357,433,000	0	201,000	303,000
New Jersey - Northern	374,202,000	0	0	431,000
Philadelphia, PA	406,203,000	390,000	1,609,000	718,000
Pittsburgh, PA	162,111,000	150,000	237,000	80,000
Washington DC	208,121,000	383,000	525,000	798,000
NORTHEAST TOTAL	2,223,946,000	1,321,000	2,969,000	2,911,000
SOUTH				
Atlanta, GA	598,006,000	0	1,632,000	775,000
Charleston, SC	32,067,000	25,000	275,000	25,000
Charlotte, NC	287,364,000	30,000	45,000	783,000
Columbia, SC	35,640,000	0	0	1,000,000
Dallas-Ft. Worth, TX	707,091,000	1,020,000	1,200,000	612,000
Ft. Lauderdale-Broward, FL	109,284,000	10,000	10,000	116,000
Greenville/Spartanburg, SC	172,954,000	88,000	88,000	1,400,000
Houston, TX	501,945,000	550,000	736,000	980,000
Jacksonville, FL	122,417,000	0	545,000	235,000
Little Rock, AR	45,042,000	0	0	497,000
Louisville, KY	171,360,000	140,000	145,000	168,000
Memphis, TN	208,775,000	514,000	586,000	689,000
Miami, FL	225,086,000	0	12,000	20,000
Nashville, TN	159,163,000	229,000	404,000	1,704,000
Orlando, FL	144,774,000	0	0	0
Raleigh, NC	106,218,000	0	3,516,000	0
Savannah, GA	43,651,000	140,000	660,000	475,000
Tampa Bay, FL	216,907,000	0	0	0
West Palm Beach, FL	58,361,000	15,000	15,000	242,000
SOUTH TOTAL	3,946,104,000	6,278,000	9,868,000	9,721,000

UNITED STATES | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) JUNE. 30, 2011	NEW CONSTRUCTION Q2 2011 (SF)	NEW CONSTRUCTION YTD 2011	CURRENTLY UNDER CONSTRUCTION (SF)
MIDWEST				
Chicago, IL	1,304,496,000	776,000	1,096,000	3,374,000
Cincinnati, OH	257,960,000	200,000	200,000	613,000
Cleveland, OH	413,966,000	0	0	35,000
Columbus, OH	211,998,000	0	0	1,992,000
Detroit, MI	486,312,000	0	53,000	0
Grand Rapids, MI	112,485,000	0	0	0
Indianapolis, IN	278,277,000	62,000	147,000	523,000
Kansas City, MO-KS	238,893,000	33,000	50,000	392,000
Minneapolis, MN	118,329,000	0	0	0
Omaha, NE	67,912,000	0	20,000	0
St. Louis, MO	262,384,000	8,000	8,000	11,000
St. Paul, MN	24,709,000	0	0	60,000
MIDWEST TOTAL	3,777,722,000	1,079,000	1,574,000	7,000,000
WEST				
Bakersfield, CA	31,675,000	324,000	324,000	
Boise, ID	32,796,000	105,000	105,000	105,000
Denver, CO	278,456,000	92,000	148,000	210,000
Fairfield, CA	41,552,000	0	0	107,000
Fresno, CA	48,600,000	0	0	0
Honolulu, HI	38,576,000	0	0	0
Las Vegas, NV	107,792,000	0	22,000	156,000
Los Angeles - Inland Empire, CA	379,098,000	0	500,000	2,416,000
Los Angeles, CA	879,843,000	30,000	301,000	1,334,000
Oakland, CA	131,233,000	0	0	26,000
Orange County, CA	200,453,000	0	0	0
Phoenix, AZ	247,446,000	0	0	2,520,000
Pleasanton/Walnut Creek, CA	33,035,000	0	0	0
Portland, OR	192,696,000	474,000	474,000	474,000
Reno, NV	73,621,000	0	0	0
Sacramento, CA	186,424,000	36,000	44,000	0
San Diego, CA	188,338,000	0	0	202,000
San Francisco Peninsula, CA	40,808,000	0	0	0
San Jose/Silicon Valley, CA	253,941,000	0	609,000	0
Seattle/Puget Sound, WA	270,581,000	0	137,000	0
Stockton/San Joaquin County, CA	92,636,000	0	0	91,000
WEST TOTAL	3,774,460,000	1,561,000	2,664,000	7,945,000
U.S. TOTAL	13,722,233,000	10,413,000	12,884,000	27,578,000

UNITED STATES | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q2 2011 (SF)	ABSORPTION YTD 2011 (SF)	VACANCY RATE MAR. 31, 2011 (%)	VACANCY RATE JUNE. 30, 2011 (%)
NORTHEAST				
Baltimore, MD	757,000	734,000	10.90	10.63
Boston, MA	791,000	1,158,000	21.06	20.83
Hartford, CT	148,000	94,000	9.37	9.22
Long Island, NY	(135,000)	46,000	5.55	5.63
New Jersey - Central	4,006,000	(287,000)	10.91	9.79
New Jersey - Northern	(2,029,000)	(852,000)	7.63	8.18
Philadelphia, PA	1,279,000	2,663,000	9.76	9.53
Pittsburgh, PA	114,000	1,450,000	6.99	7.02
Washington DC	1,023,000	982,000	12.67	12.34
NORTHEAST TOTAL	5,954,000	5,989,000	10.27	10.05
SOUTH				
Atlanta, GA	(392,000)	2,138,000	14.03	14.10
Charleston, SC	737,000	1,147,000	12.43	10.83
Charlotte, NC	1,497,000	1,985,000	13.79	13.28
Columbia, SC	(451,000)	(221,000)	6.33	7.88
Dallas-Ft. Worth, TX	3,569,000	5,962,000	11.90	11.52
Ft. Lauderdale-Broward, FL	12,000	(449,000)	10.92	10.92
Greenville/Spartanburg, SC	438,000	276,000	10.16	9.96
Houston, TX	1,324,000	2,231,000	5.99	5.70
Jacksonville, FL	544,000	580,000	10.97	10.95
Little Rock, AR	391,000	(391,000)	15.81	14.89
Louisville, KY	1,216,000	1,356,000	11.88	11.24
Memphis, TN	839,000	1,563,000	12.53	12.34
Miami, FL	95,000	794,000	8.61	8.57
Nashville, TN	(116,000)	874,000	13.60	13.68
Orlando, FL	400,000	309,000	12.47	12.20
Raleigh, NC	(167,000)	(80,000)	12.44	12.25
Savannah, GA	510,000	1,436,000	16.44	15.22
Tampa Bay, FL	169,000	1,113,000	10.64	10.56
West Palm Beach, FL	82,000	194,000	9.88	9.76
SOUTH TOTAL	10,697,000	20,816,000	11.37	11.15

UNITED STATES | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q2 2011 (SF)	ABSORPTION YTD 2011 (SF)	VACANCY RATE MAR. 31, 2011 (%)	VACANCY RATE JUNE. 30, 2011 (%)
MIDWEST				
Chicago, IL	(2,793,000)	(3,542,000)	11.64	11.77
Cincinnati, OH	0	(647,000)	8.78	8.83
Cleveland, OH	139,000	221,000	9.73	9.69
Columbus, OH	2,103,000	1,641,000	13.38	12.30
Detroit, MI	2,120,000	4,463,000	14.41	13.95
Grand Rapids, MI	358,000	359,000	9.27	8.86
Indianapolis, IN	1,672,000	4,950,000	7.51	7.06
Kansas City, MO-KS	429,000	(105,000)	7.41	7.25
Minneapolis, MN	(120,000)	(120,000)	12.64	13.09
Omaha, NE	180,000	320,000	6.33	6.01
St. Louis, MO	(654,000)	(44,000)	8.23	8.48
St. Paul, MN	(165,000)	137,000	8.01	8.68
MIDWEST TOTAL	3,269,000	7,634,000	10.72	10.62
WEST				
Bakersfield, CA	446,000	339,000	10.00	9.51
Boise, ID	(65,000)	(177,000)	10.95	11.12
Denver, CO	1,000	(9,000)	7.74	7.71
Fairfield, CA	524,000	469,000	14.11	12.85
Fresno, CA	50,000	40,000	12.00	12.00
Honolulu, HI	(87,000)	(10,000)	4.52	4.74
Las Vegas, NV	406,000	208,000	16.63	16.25
Los Angeles - Inland Empire, CA	5,036,000	8,766,000	10.64	9.42
Los Angeles, CA	1,310,000	4,578,000	5.38	5.23
Oakland, CA	407,000	1,033,000	9.07	8.76
Orange County, CA	765,000	1,306,000	5.52	5.04
Phoenix, AZ	1,568,000	2,083,000	15.80	15.22
Pleasanton/Walnut Creek, CA	299,000	(126,000)	12.24	11.33
Portland, OR	532,000	805,000	9.35	9.08
Reno, NV	161,000	317,000	14.78	14.68
Sacramento, CA	613,000	309,000	13.38	13.07
San Diego, CA	(126,000)	(79,000)	11.13	11.45
San Francisco Peninsula, CA	179,000	298,000	9.37	8.94
San Jose/Silicon Valley, CA	1,761,000	696,000	13.82	13.14
Seattle/Puget Sound, WA	1,164,000	2,389,000	7.96	7.53
Stockton/San Joaquin County, CA	339,000	2,125,000	15.78	15.42
WEST TOTAL	15,285,000	25,360,000	9.72	9.35
U.S. TOTAL	35,204,000	59,800,000	10.56	10.33

UNITED STATES | INDUSTRIAL SURVEY | SALES PRICE AND CAP RATE AS OF JUNE 2011

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST 3 MONTHS
NORTHEAST					
Baltimore, MD	84.54	8.43	Down	Same	Same
Boston, MA	57.00	8.50	Down	Up	Same
Hartford, CT	38.00	8.50	Up	Down	Down
Long Island, NY	108.00	8.40	Up	Down	Same
New Jersey - Central	46.80	6.10	Same	Same	Same
New Jersey - Northern	39.62	-	Same	Same	Same
Philadelphia, PA	49.31	8.50	Down	Up	Same
Pittsburgh, PA	50.00	7.50	Down	Up	Up
NORTHEAST AVERAGE	59.16	7.99	-	-	-
SOUTH					
Atlanta, GA	25.85	8.99	Down	Up	Same
Charleston, SC	46.00	7.75	Down	Up	Up
Columbia, SC	-	-	Down	Up	Same
Dallas-Ft. Worth, TX	55.00	8.00	Down	Same	Same
Ft. Lauderdale-Broward, FL	81.05	-	Same	Same	Same
Greenville/Spartanburg, SC	33.00	10.30	Down	Up	Up
Houston, TX	54.00	9.50	Down	Up	Up
Jacksonville, FL	40.55	8.20	Same	Same	Same
Little Rock, AR	65.45	9.00	Same	Same	Same
Memphis, TN	18.50	9.75	Same	Same	Same
Miami, FL	63.72	-	Down	Up	Same
Nashville, TN	-	-	Down	Up	Same
Orlando, FL	65.22	8.25	Down	Same	Same
Raleigh, NC	38.00	8.25	Same	Same	Same
Savannah, GA	37.00	8.50	Same	Same	Same
Tampa Bay, FL	45.71	8.40	Down	Up	Same
West Palm Beach, FL	50.22	-	Same	Same	Same
SOUTH AVERAGE	47.95	8.74	-	-	-

UNITED STATES | INDUSTRIAL SURVEY | SALES PRICE AND CAP RATE AS OF JUNE 2011

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST 3 MONTHS
MIDWEST					
Chicago, IL	48.00	6.90	Down	Same	Same
Cincinnati, OH	32.00	8.00	Same	Same	Same
Columbus, OH	30.00	8.00	Same	Same	Same
Detroit, MI	24.11	-	Up	Down	Same
Grand Rapids, MI	28.00	10.00	Down	Up	Same
Indianapolis, IN	35.15	8.50	Down	Up	Up
Kansas City, MO-KS		8.75	Same	Same	Same
Minneapolis, MN	40.85	-	Down	Up	Same
Omaha, NE	-	-	Down	Up	Same
St. Paul, MN	-	-	Up	Up	Same
MIDWEST AVERAGE	34.02	8.36	-	-	-
WEST					
Bakersfield, CA	38.00	10.00	Down	Same	Same
Boise, ID	45.00	-	Down	Same	Same
Denver, CO	50.00	8.00	-	Up	Same
Fairfield, CA	55.17	6.10	Down	Same	Same
Fresno, CA	38.00	9.00	Down	Same	Same
Honolulu, HI	-	-	Same	Down	Same
Las Vegas, NV	82.97	-	Down	Up	Same
Los Angeles - Inland Empire, CA	55.00	5.25	Down	Up	Up
Los Angeles, CA	87.00	6.50	Same	Same	Same
Oakland, CA	43.97	7.00	Same	Up	Up
Orange County, CA	110.00	6.50	-	Same	Same
Phoenix, AZ	52.00	9.20	Same	Up	Same
Pleasanton/Walnut Creek, CA	70.00	6.00	Down	Same	Same
Portland, OR	63.38	-	Down	Same	Same
Reno, NV	50.65	-	Down	Up	Same
Sacramento, CA	47.39	-	Same	Down	Same
San Diego, CA	125.41	-	Same	Up	Up
San Francisco Peninsula, CA	175.00	7.00	Down	Same	Same
San Jose/Silicon Valley, CA	-	-	Same	Same	Same
Seattle/Puget Sound, WA	81.32	8.70	Down	Up	Same
Stockton/San Joaquin County, CA	59.00	7.00	Down	Up	Same
WEST AVERAGE	69.96	7.40	-	-	-
U.S. AVERAGE	56.32	8.08	-	-	-

U.S. Industrial Markets Enjoy Robust Quarter

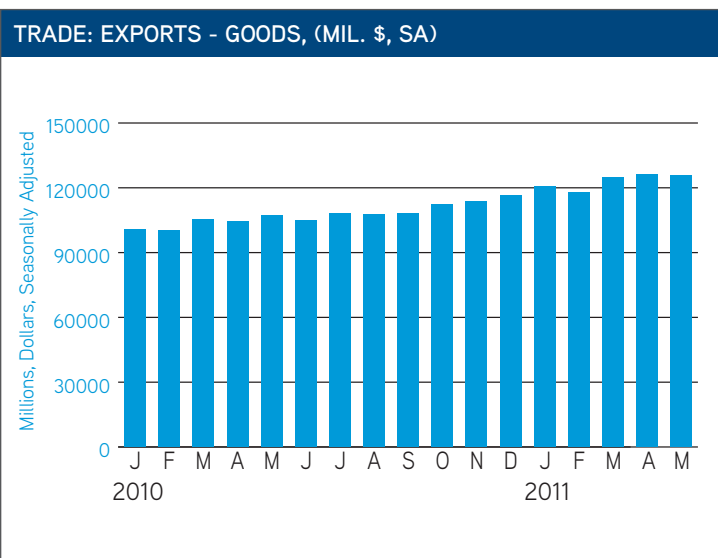
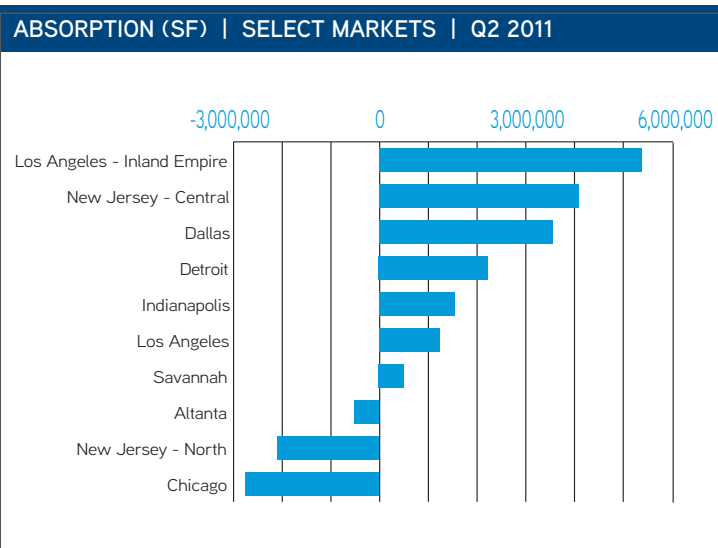
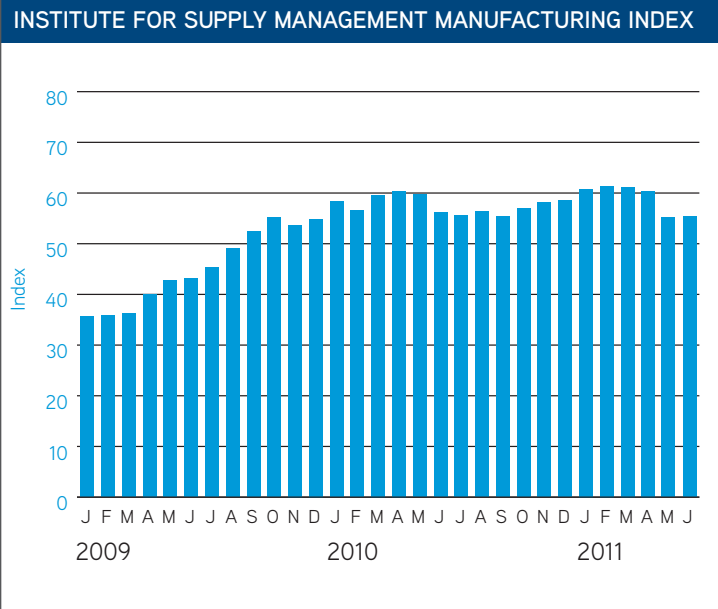
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Occupancies rise for fifth consecutive quarter. During the second quarter, net absorption totaled 35.2 million square feet (MSF)—a substantial increase from the first quarter, when occupied space increased by 24.6 MSF, and more than three-fold last year’s 10.4 MSF recorded in the second quarter of 2010. An increasing number of markets reported increases in occupied space. Of the 61 markets tracked in the U.S., 47 (77 percent vs. 68 percent in Q1 2011) reported positive absorption during the second quarter; however, the West and South accounted for the lion’s share of the country’s absorption, with occupied space increasing by 15.3 MSF and 10.7 MSF respectively. Canadian markets began the year in robust fashion with first quarter absorption reaching almost 7.4 MSF, considerably above the 6.0 MSF in Q1.

Warehouse construction drops back to first-half 2010 levels. Second quarter completions totaled 10.4 MSF, a significant increase from the first quarter when 2.5 MSF were delivered to market, and consistent with delivery levels registered in Q4 2010. Of the 10.4 MSF delivered, 52 percent was build-to-suit and the balance was classified as speculative (spec) construction. In contrast, last quarter’s build-to-suit deliveries accounted for 86 percent of completions. In the coming quarters most construction is anticipated to be build-to-suit once again, with only 18 percent under construction at the end of the second quarter classified as speculative. Quarter-end construction activity totaled 27.6 MSF, a modest decrease from the 29.4 MSF underway at the end of the first quarter, and well below the 124.0 MSF recorded three years ago. Canadian construction took a sharp jump with 3.7 MSF completed in Q2, bringing year-to-date construction to 4.1 MSF.

U.S. industrial vacancies drop 23 basis points. The U.S. industrial warehouse vacancy rate dropped 23 basis points during the second quarter to register 10.33 percent (100 basis points equals one percent). This latest decrease leaves the national vacancy rate 70 basis points lower than a year ago. Even more encouraging are the decreasing vacancy levels that the majority of markets are seeing. In Q2 2011, 48 of the 61 markets tracked registered a decrease in vacancy from Q1 2011. Canadian warehouse vacancies also dropped, falling by 35 basis points during the quarter to average 4.90 percent.

Industrial rents nearly flat for the quarter. After three years of consistently lower rents, industrial warehouse lease rates fell by just one cent during the second quarter. Warehouse rents registered \$4.63 per square foot at the end of the quarter and have fallen by \$1.23 per square foot since the fourth quarter of 2007—a decline of 20.9%. Bulk warehouse rents also fell during the quarter to average \$4.32 per square foot, while flex rents slipped \$0.02 and R&D rents increased \$0.51 per square foot. Canadian industrial warehouse rents by comparison were up during the quarter rising by C\$0.15 to average C\$7.14 per square foot.



UNITED STATES | INDUSTRIAL SURVEY | RENTS AS OF JUNE 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (USD PSF)	BULK SPACE (USD PSF)	FLEX/SERVICE SPACE (USD PSF)	TECH/R&D SPACE (USD PSF)
NORTHEAST				
Baltimore, MD	5.43	4.60	9.83	-
Boston, MA	4.50	4.75	8.50	18.22
Hartford, CT	4.05	4.28	6.50	6.50
Long Island, NY	8.06	14.25	13.29	8.88
New Jersey - Central	4.43	3.70	12.50	12.62
New Jersey - Northern	5.83	5.85	10.79	5.83
Philadelphia, PA	4.00	3.75	7.00	11.00
Pittsburgh, PA	4.29	3.75	12.02	12.02
Washington DC	7.64	-	12.41	-
NORTHEAST AVERAGE	5.36	5.62	10.32	10.72
SOUTH				
Atlanta, GA	3.21	2.84	7.29	10.43
Charleston, SC	3.85	4.20	6.25	16.25
Charlotte, NC	3.28	-	8.52	-
Columbia, SC	3.75	3.75	-	9.50
Dallas-Ft. Worth, TX	3.00	2.70	6.75	8.25
Ft. Lauderdale-Broward, FL	6.47	6.19	9.29	6.00
Greenville/Spartanburg, SC	2.90	2.95	6.85	-
Houston, TX	5.05	4.24	7.93	6.64
Jacksonville, FL	3.75	3.10	9.00	-
Little Rock, AR	2.68	2.74	7.35	-
Louisville, KY	3.34	-	7.81	-
Memphis, TN	3.01	2.48	5.63	10.00
Miami, FL	6.90	4.93	10.73	8.03
Nashville, TN	3.12	4.49	7.31	-
Orlando, FL	4.49	4.26	8.97	8.53
Raleigh, NC	3.63	3.83	8.69	-
Savannah, GA	3.95	3.75	7.00	10.00
Tampa Bay, FL	4.21	4.23	8.32	9.38
West Palm Beach, FL	6.76	6.35	10.99	15.00
SOUTH AVERAGE	4.07	3.94	8.04	9.83

UNITED STATES | INDUSTRIAL SURVEY | RENTS AS OF JUNE 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (USD PSF)	BULK SPACE (USD PSF)	FLEX/SERVICE SPACE (USD PSF)	TECH/R&D SPACE (USD PSF)
MIDWEST				
Chicago, IL	4.48	2.93	8.38	-
Cincinnati, OH	2.88	2.88	6.00	6.00
Cleveland, OH	3.42	-	7.94	-
Columbus, OH	2.56	2.19	4.88	4.88
Detroit, MI	3.92	3.69	8.08	-
Grand Rapids, MI	4.14	2.80	7.50	-
Indianapolis, IN	3.00	2.80	7.00	-
Kansas City, MO-KS	3.15	3.03	7.08	7.97
Minneapolis, MN	4.59	4.23	4.76	-
Omaha, NE	4.85	5.34	5.88	5.88
St. Louis, MO	3.88	-	9.47	-
St. Paul, MN	4.40	4.10	4.40	-
MIDWEST AVERAGE	3.77	3.40	6.78	6.18
WEST				
Bakersfield, CA	4.00	3.42	7.00	-
Boise, ID	4.50	4.50	6.30	6.30
Denver, CO	3.50	3.25	8.50	9.50
Fairfield, CA	5.62	5.71	8.52	10.32
Fresno, CA	2.40	2.28	4.00	5.50
Honolulu, HI	10.96	-	-	-
Las Vegas, NV	4.81	4.82	6.32	10.26
Los Angeles - Inland Empire, CA	3.84	3.72	6.66	7.75
Los Angeles, CA	5.64	5.52	9.75	12.50
Oakland, CA	4.56	3.16	4.92	7.68
Orange County, CA	6.72	5.52	12.50	13.50
Phoenix, AZ	5.17	4.08	10.41	10.48
Pleasanton/Walnut Creek, CA	5.04	3.87	11.15	11.15
Portland, OR	5.19	4.84	9.28	9.73
Reno, NV	3.60	3.20	8.76	9.84
Sacramento, CA	4.44	3.75	9.00	9.16
San Diego, CA	7.68	6.96	11.28	14.28
San Francisco Peninsula, CA	9.24	9.24	21.84	21.84
San Jose/Silicon Valley, CA	5.55	5.03	8.14	12.99
Seattle/Puget Sound, WA	5.60	4.92	10.00	NA
Stockton/San Joaquin County, CA	3.72	3.66	5.52	7.68
WEST AVERAGE	5.32	4.57	8.99	10.58
U.S. AVERAGE	4.63	(1.23)	8.45	9.96

CANADA | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) JUNE. 30, 2011	NEW CONSTRUCTION Q2 2011 (SF)	NEW CONSTRUCTION YTD 2011	CURRENTLY UNDER CONSTRUCTION (SF)
Calgary, AB	123,489,000	1,301,000	1,287,000	1,301,000
Edmonton, AB	77,154,000	0	83,000	920,000
Guelph, ON	19,726,000	0	0	118,000
Halifax, NS	7,160,000	81,000	81,000	0
Montreal, QC	347,771,000	0	0	500,000
Ottawa, ON	28,027,000	0	0	0
Regina, SK	16,195,000	20,000	45,000	670,000
Saskatoon, SK	19,915,000	250,000	340,000	390,000
Toronto, ON	760,748,000	416,000	416,000	2,213,000
Vancouver, BC	179,390,000	439,000	768,000	1,647,000
Victoria, BC	8,619,000	0	43,000	28,000
Waterloo Region, ON	60,694,000	29,000	109,000	0
CANADA TOTAL	1,648,887,000	2,537,000	3,171,000	7,787,000

CANADA | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q2 2011 (SF)	ABSORPTION YTD 2011 (SF)	VACANCY RATE MAR. 31, 2011 (%)	VACANCY RATE JUNE. 30, 2011 (%)
Calgary, AB	803,000	1,419,000	5.12	4.96
Edmonton, AB	192,000	603,000	3.95	3.41
Guelph, ON	(17,000)	382,000	5.67	3.53
Halifax, NS	10,000	(145,000)	4.82	6.92
Montreal, QC	213,000	2,338,000	5.98	5.45
Ottawa, ON	(224,000)	(362,000)	6.60	7.10
Regina, SK	106,000	90,000	0.81	0.91
Saskatoon, SK	114,000	(99,000)	2.13	4.02
Toronto, ON	4,294,000	8,244,000	5.44	4.97
Vancouver, BC	440,000	735,000	4.03	4.07
Victoria, BC	5,000	62,000	3.72	3.37
Waterloo Region, ON	70,000	148,000	6.07	6.01
CANADA TOTAL	5,935,000	13,415,000	5.25	4.90

CANADA | INDUSTRIAL SURVEY | SALES PRICE AND CAP RATE AS OF JUNE 2011

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST 3 MONTHS
Calgary, AB	110.00	7.00	Down	Up	Up
Edmonton, AB	80.00	6.70	Down	Up	Same
Guelph, ON	42.00	8.22	Same	Same	Same
Halifax, NS	87.00	7.75	Down	Up	Up
Montreal, QC	60.00	8.50	Down	Up	Up
Ottawa, ON	90.00	8.25	Up	Same	Same
Regina, SK	150.00	7.50	Up	Down	Same
Saskatoon, SK	120.00	7.50	Up	Up	Same
Toronto, ON	93.00	6.90	Down	Up	Up
Vancouver, BC	155.00	6.00	Down	Up	Same
Victoria, BC	175.00	6.66	Same	Up	Same
Waterloo Region, ON	54.00	8.22	Up	Down	Same
CANADA AVERAGE	101.33	7.43	-	-	-

CANADA | INDUSTRIAL SURVEY | RENTS AS OF JUNE 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (USD PSF)	BULK SPACE (USD PSF)	FLEX/SERVICE SPACE (USD PSF)	TECH/R&D SPACE (USD PSF)
Calgary, AB	7.75	6.25	9.75	10.50
Edmonton, AB	7.25	6.00	9.50	10.00
Guelph, ON	4.74	4.74	7.72	7.72
Halifax, NS	7.50	5.50	10.00	15.00
Montreal, QC	4.25	4.00	6.50	8.50
Ottawa, ON	7.50	6.50	9.00	11.50
Regina, SK	9.00	7.00	12.00	14.00
Saskatoon, SK	9.50	8.00	12.00	13.00
Toronto, ON	4.81	4.40	6.90	7.48
Vancouver, BC	7.40	-	-	-
Victoria, BC	12.00	11.00	13.50	13.50
Waterloo Region, ON	3.93	2.77	8.32	8.32
CANADA AVERAGE	7.14	6.01	9.56	10.87

Glossary

Absorption – Net change in leased space over a given period of time.

Bulk Space – 100,000 square feet or more with up to 10 percent office space, the balance being general warehouse space with 20 to 36 foot ceiling heights. All loading is dock-height.

Flex Space – Single-story buildings having 10- to 18-foot ceilings with both floor-height and dock-height loading. Includes wide variation in office space utilization, ranging from retail and personal service through distribution, light industrial and occasional heavy industrial use.

Inventory – Includes all existing multi or single tenant leased and owner-occupied industrial warehouse, light manufacturing, flex and R&D properties greater than or equal to 10,000 square feet.

New Construction – Includes completed speculative and build-to-suit construction. New construction quoted on a net basis after any demolitions or conversions.

Service Space – Single story (or mezzanine) with 10- to 16-foot ceilings with frontage treatment on one side and dock-height loading or grade level roll-up doors on the other. Less than 15% office.

Tech/R&D – One- and two- story, 10- to 15-foot ceiling heights with up to 50% office/dry lab space

(remainder in wet lab, workshop, storage and other support), with dock-height and floor-height loading.

Triple Net Rent – Includes rent payable to the landlord and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities. All industrial and high-tech/R&D rents in this report are quoted on an annual, triple net per square foot basis in U.S. dollars.

Vacancy Rate – Percentage of total inventory available (both vacant and occupied) as at the survey date including direct vacant and sublease space.

Warehouse – 50,000 square feet or more with up to 15 percent office space, the balance being general warehouse space with 18- to 30- foot ceiling heights. All loading is dock-height.

INDUSTRIAL VACANCY RATE RANKINGS

MARKET UNITED STATES	VACANCY RATE JUNE. 30, 2011 (%)
Boston, MA	20.8
Las Vegas, NV	16.3
Stockton/San Joaquin County, CA	15.4
Savannah, GA	15.2
Phoenix, AZ	15.2
Little Rock, AR	14.9
Reno, NV	14.7
Atlanta, GA	14.1
Detroit, MI	13.9
Nashville, TN	13.7
Charlotte, NC	13.3
San Jose/Silicon Valley, CA	13.1
Minneapolis, MN	13.1
Sacramento, CA	13.1
Fairfield, CA	12.8
Memphis, TN	12.3
Washington DC	12.3
Columbus, OH	12.3
Raleigh, NC	12.2
Orlando, FL	12.2
Fresno, California	12.0
Chicago, IL	11.8
Dallas-Ft. Worth, TX	11.5
San Diego, CA	11.4
Pleasanton/Walnut Creek, CA	11.3
Louisville, KY	11.2
Boise, ID	11.1
Jacksonville, FL	10.9
Ft. Lauderdale-Broward, FL	10.9
Charleston, SC	10.8
Baltimore, MD	10.6
Tampa Bay, FL	10.6
Greenville/Spartanburg, SC	10.0
New Jersey - Central	9.8
West Palm Beach, FL	9.8
Cleveland, OH	9.7
Philadelphia, PA	9.5
Bakersfield, CA	9.5
Los Angeles - Inland Empire, CA	9.4
Hartford, CT	9.2
Portland, OR	9.1
San Francisco Peninsula, CA	8.9
Grand Rapids, MI	8.9
Cincinnati, OH	8.8
Oakland, CA	8.8
St. Paul, MN	8.7
Miami, FL	8.6
St. Louis, MO	8.5
New Jersey - Northern	8.2
Columbia, SC	7.9
Denver, CO	7.7
Seattle/Puget Sound, WA	7.5
Kansas City, MO-KS	7.2
Indianapolis, IN	7.1
Pittsburgh, Pennsylvania	7.0
Omaha, NE	6.0
Houston, TX	5.7
Long Island, NY	5.6
Los Angeles, CA	5.2
Orange County, CA	5.0
Honolulu, HI	4.7

INDUSTRIAL VACANCY RATE RANKINGS

MARKET CANADA	VACANCY RATE JUNE. 30, 2011 (%)
Ottawa, ON	7.10
Halifax, NS	6.92
Waterloo Region, ON	6.01
Montreal, QC	5.45
Toronto, ON	4.97
Calgary, AB	4.96
Vancouver, BC	4.07
Saskatoon, SK	4.02
Guelph, ON	3.53
Edmonton, AB	3.41
Victoria, BC	3.37
Regina, SK	0.91



512 offices in
61 countries on
6 continents

United States: 125
Canada: 38
Latin America: 18
Asia Pacific: 214
EMEA: 117

- \$1.5 billion in annual revenue
- 979 million square feet under management
- Over 12,000 professionals

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