

HIGHLIGHTS



U.S. Industrial Markets Showing More Signs of Strength

ROSS J. MOORE Chief Economist | USA

The U.S. industrial market racked up another good quarter marked by rising occupancies and a decidedly lower vacancy rate. Vacancies dropped in the majority of markets, and—with the exception of the Northeast—every region reported a lower vacancy rate for the quarter. Despite another considerable gain in occupancies, warehouse rents registered a further decrease, continuing an almost four-year trend.

With the economy registering modest growth in the third quarter, and similar expansion anticipated in the coming quarters, demand for warehouse space is expected to remain at currently levels. The continued health of the manufacturing sector and a corresponding growth in exports remain key demand driver the nation's industrial markets. As demonstrated by the Institute for Supply Management (ISM) index, manufacturing is off from the highs experienced in the spring, but remains in expansion territory. For October the ISM manufacturing index registered 50.8 (50 indicating expansion), with a few sub-indexes such as new orders increasing significantly from the previous month. Over the next few quarters, the industrial market is expected to continue its slow crawl back to a more even balance between supply and demand but no sharp snap back is anticipated.

With the latest slowdown in the global 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 vacancies. The rent picture is unlikely to change soon, with vacancies still too high to give landlords any form of pricing power.

continued on page 6

MARKET INDICATORS

Relative to prior period

	Q3 2011	Q4 2011*
VACANCY	↓	↓
NET ABSORPTION	↓	↔
CONSTRUCTION	↑	↓
RENTAL RATE	↓	↔

*Projected

U.S. INDUSTRIAL MARKET SUMMARY STATISTICS, Q3 2011

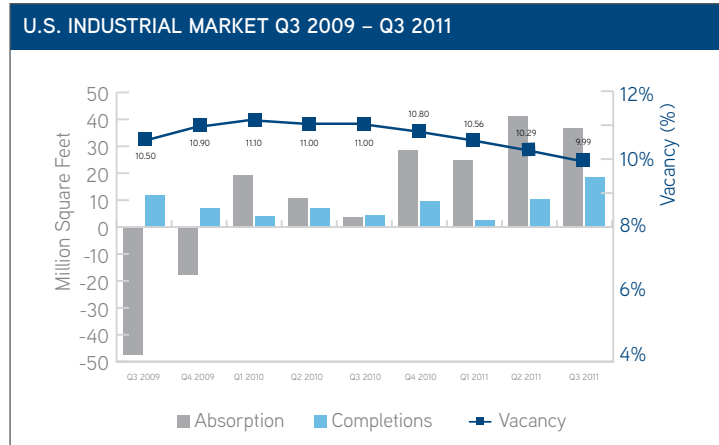
Vacancy Rate: **9.99%**
Change from Q2 2011: **-0.30%**

Absorption:
36.5 Million Square Feet

New Construction:
18.4 Million Square Feet

Under Construction:
28.5 Million Square Feet

Asking Rents Per Square Foot
Average Warehouse/
Distribution Center: **\$4.53**
Change from Q2 2011: **-2.7%**



Look for the U.S. industrial market to surprise on the upside – the demand for quality warehouse space is quickly pushing availabilities lower and talk of speculative construction is beginning to be heard in select markets.

UNITED STATES | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) SEPT 30, 2011	NEW CONSTRUCTION Q3 2011 (SF)	NEW CONSTRUCTION YTD 2011	CURRENTLY UNDER CONSTRUCTION (SF)
NORTHEAST				
Baltimore, MD	296,297,000	212,000	334,000	212,000
Boston, MA	154,942,000	0	0	170,000
Hartford, CT	96,975,000	0	122,000	122,000
Long Island, NY	165,078,000	0	107,000	0
New Jersey - Central	357,591,000	268,000	469,000	62,000
New Jersey - Northern	375,556,000	67,000	67,000	543,000
Philadelphia, PA	403,511,000	150,000	1,759,000	568,000
Pittsburgh, PA	163,530,000	250,000	485,000	240,000
Washington DC	270,248,000	128,000	848,000	1,248,000
NORTHEAST TOTAL	2,283,727,000	1,074,000	4,190,000	3,164,000
SOUTH				
Atlanta, GA	600,801,000	470,000	2,102,000	354,000
Charleston, SC	32,067,000	10,000	285,000	10,000
Charlotte, NC	288,983,000	700,000	745,000	0
Columbia, SC	35,640,000	0	0	1,000,000
Dallas-Ft. Worth, TX	706,629,000	1,200,000	1,200,000	612,000
Ft. Lauderdale-Broward, FL	107,878,000	61,000	61,000	65,000
Greenville/Spartanburg, SC	174,267,000	90,000	1,078,000	950,000
Houston, TX	502,043,000	758,000	1,494,000	951,000
Jacksonville, FL	122,156,000	0	545,000	235,000
Little Rock, AR	45,048,000	0	0	497,000
Louisville, KY	175,819,000	167,000	312,000	76,000
Memphis, TN	209,109,000	0	586,000	921,000
Miami, FL	220,530,000	0	338,000	0
Nashville, TN	159,220,000	4,424,000	5,013,000	4,424,000
Orlando, FL	144,740,000	0	0	0
Raleigh, NC	110,433,000	720,000	932,000	228,000
Savannah, GA	44,126,000	475,000	1,135,000	270,000
Tampa Bay, FL	212,568,000	0	0	0
West Palm Beach, FL	58,890,000	24,000	39,000	218,000
SOUTH TOTAL	3,950,948,000	9,098,000	15,864,000	10,812,000
MIDWEST				
Chicago, IL	1,306,267,000	1,084,000	1,843,000	3,798,000
Cincinnati, OH	257,981,000	0	200,000	613,000

UNITED STATES | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) SEPT 30, 2011	NEW CONSTRUCTION Q3 2011 (SF)	NEW CONSTRUCTION YTD 2011	CURRENTLY UNDER CONSTRUCTION (SF)
Cleveland, OH	415,823,000	89,000	89,000	0
Columbus, OH	213,803,000	1,800,000	1,800,000	1,003,000
Detroit, MI	493,998,000	0	0	0
Grand Rapids, MI	112,298,000	0	0	0
Indianapolis, IN	279,780,000	136,000	642,000	387,000
Kansas City, MO-KS	242,425,000	342,000	392,000	400,000
Minneapolis/St. Paul, MN	262,516,000	0	0	0
Omaha, NE	67,886,000	0	20,000	0
St. Louis, MO	262,272,000	29,000	37,000	139,000
MIDWEST TOTAL	3,915,048,000	3,481,000	5,023,000	6,340,000
WEST				
Bakersfield, CA	32,176,000	178,000	501,000	382,000
Boise, ID	35,595,000	0	0	210,000
Denver, CO	209,505,000	140,000	218,000	11,000
Fairfield, CA	41,621,000	0	0	149,000
Fresno, CA	48,600,000	0	0	0
Honolulu, HI	38,896,000	0	0	0
Las Vegas, NV	107,935,000	25,000	47,000	131,000
Los Angeles - Inland Empire, CA	382,014,000	2,456,000	2,963,000	2,200,000
Los Angeles, CA	880,796,000	1,193,000	1,494,000	609,000
Oakland, CA	131,233,000	0	0	0
Orange County, CA	200,453,000	0	0	26,000
Phoenix, AZ	270,050,000	0	244,000	3,566,000
Pleasanton/Walnut Creek, CA	33,035,000	0	0	0
Portland, OR	193,328,000	485,000	71,000	267,000
Reno, NV	73,911,000	0	0	80,000
Sacramento, CA	185,745,000	0	44,000	200,000
San Diego, CA	188,548,000	202,000	202,000	253,000
San Francisco Peninsula, CA	40,807,000	0	0	0
San Jose/Silicon Valley, CA	253,921,000	0	609,000	0
Seattle/Puget Sound, WA	270,188,000	18,000	155,000	46,000
Stockton/San Joaquin County, CA	92,734,000	69,000	69,000	22,000
WEST TOTAL	3,711,093,000	4,766,000	6,618,000	8,152,000
U.S. TOTAL	13,860,815,000	18,418,000	31,696,000	28,469,000

UNITED STATES | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q3 2011 (SF)	ABSORPTION YTD 2011	VACANCY RATE JUNE 30, 2011 (%)	VACANCY RATE SEPT. 30, 2011 (%)
NORTHEAST				
Baltimore, MD	341,000	403,000	10.84	10.69
Boston, MA	(240,000)	856,000	20.61	20.70
Hartford, CT	168,000	257,000	9.22	9.05
Long Island, NY	93,000	(146,000)	5.87	5.82
New Jersey - Central	(1,102,000)	2,904,000	9.79	10.09
New Jersey - Northern	(1,588,000)	(3,617,000)	8.15	8.57
Philadelphia, PA	1,241,000	3,874,000	9.60	9.32
Pittsburgh, PA	(688,000)	996,000	6.97	7.37
Washington DC	408,000	2,323,000	11.89	11.76
NORTHEAST TOTAL	(1,367,000)	7,851,000	10.09	10.15
SOUTH				
Atlanta, GA	3,864,000	6,291,000	14.41	13.83
Charleston, SC	500,000	1,237,000	10.83	10.40
Charlotte, NC	2,248,000	4,233,000	13.20	12.79
Columbia, SC	112,000	(109,000)	7.88	8.09
Dallas-Ft. Worth, TX	2,831,000	8,718,000	11.44	11.03
Ft. Lauderdale-Broward, FL	12,000	(410,000)	9.04	9.08
Greenville/Spartanburg, SC	1,118,000	1,386,000	10.08	9.50
Houston, TX	982,000	3,213,000	5.71	5.57
Jacksonville, FL	602,000	992,000	10.97	10.52
Little Rock, AR	290,000	(89,000)	14.18	14.18
Louisville, KY	384,000	1,947,000	10.96	10.56
Memphis, TN	(853,000)	1,625,000	11.98	12.39
Miami, FL	467,000	1,352,000	8.53	8.47
Nashville, TN	811,000	774,000	14.42	12.96
Orlando, FL	584,000	999,000	12.24	11.83
Raleigh, NC	1,063,000	1,003,000	12.23	11.84
Savannah, GA	863,000	2,299,000	15.22	14.18
Tampa Bay, FL	643,000	1,867,000	10.73	10.43
West Palm Beach, FL	80,000	244,000	9.58	9.48
SOUTH TOTAL	16,600,000	37,572,000	11.14	10.78
MIDWEST				
Chicago, IL	4,983,000	1,452,000	11.76	11.28
Cincinnati, OH	(398,000)	1,045,000	8.77	8.98

UNITED STATES | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q3 2011 (SF)	ABSORPTION YTD 2011	VACANCY RATE JUNE 30, 2011 (%)	VACANCY RATE SEPT. 30, 2011 (%)
Cleveland, OH	(469,000)	(248,000)	9.65	9.82
Columbus, OH	1,828,000	3,553,000	12.51	11.55
Detroit, MI	1,839,000	6,302,000	13.73	13.48
Grand Rapids, MI	191,000	534,000	8.89	8.65
Indianapolis, IN	477,000	5,871,000	6.80	6.64
Kansas City, MO-KS	1,100,000	859,000	7.19	6.86
Minneapolis/St. Paul, MN	442,000	459,000	8.70	8.51
Omaha, NE	156,000	447,000	6.11	5.88
St. Louis, MO	(1,064,000)	(1,108,000)	8.49	8.83
MIDWEST TOTAL	9,085,000	19,166,000	10.39	10.14
WEST				
Bakersfield, CA	185,000	524,000	9.51	9.44
Boise, ID	101,000	(76,000)	10.24	9.96
Denver, CO	765,000	156,000	7.90	7.52
Fairfield, CA	0	682,000	13.33	12.88
Fresno, CA	132,000	172,000	12.00	11.73
Honolulu, HI	9,000	(1,000)	4.73	4.70
Las Vegas, NV	(23,000)	320,000	16.09	16.13
Los Angeles - Inland Empire, CA	4,521,000	13,374,000	9.42	7.18
Los Angeles, CA	2,218,000	6,884,000	5.23	5.00
Oakland, CA	(667,000)	366,000	8.76	9.26
Orange County, CA	370,000	1,710,000	5.04	4.78
Phoenix, AZ	1,618,000	3,558,000	15.25	14.65
Pleasanton/Walnut Creek, CA	(371,000)	(497,000)	11.33	12.45
Portland, OR	909,000	1,795,000	9.01	8.52
Reno, NV	151,000	653,000	15.14	14.94
Sacramento, CA	564,000	938,000	13.08	12.77
San Diego, CA	353,000	185,000	11.44	11.51
San Francisco Peninsula, CA	(85,000)	213,000	8.94	9.14
San Jose/Silicon Valley, CA	(236,000)	504,000	13.14	12.15
Seattle/Puget Sound, WA	1,323,000	3,788,000	7.64	7.15
Stockton/San Joaquin County, CA	348,000	2,278,000	15.62	15.31
WEST TOTAL	12,185,000	37,527,000	9.40	8.91
U.S. TOTAL	36,503,000	102,116,000	10.29	9.99

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

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST 3 MONTHS
NORTHEAST					
Baltimore, MD	60.63	7.95	Same	Same	Bottoming
Boston, MA			Same	Same	Bottoming
Hartford, CT	38.00	8.50	Up	Same	Declining
Long Island, NY	118.00	8.40	Same	Same	Declining
New Jersey - Central	56.95	7.90	Up	Down	Bottoming
New Jersey - Northern	65.04		Up	Down	Bottoming
Philadelphia, PA	51.36	8.50	Down	Up	No clear direction
Pittsburgh, PA	50.00	7.75	Same	Up	Increasing
Washington DC	98.00	6.50	Down	Up	No clear direction
NORTHEAST AVERAGE	67.25	7.93	-	-	-
SOUTH					
Atlanta, GA	37.24	8.70	Down	Down	Same
Charleston, SC	46.00	7.75	Down	Same	Up
Columbia, SC			Down	Up	Up
Dallas-Ft. Worth, TX	50.00	7.80	Down	Same	Same
Ft. Lauderdale-Broward, FL	63.75	5.75	Same	Up	Same
Greenville/Spartanburg, SC	26.75	9.50	Down	Up	Up
Houston, TX	64.00	7.90	Down	Up	Up
Jacksonville, FL		8.00	Down	Down	Same
Little Rock, AR	65.45	9.00	Same	Same	Same
Memphis, TN	30.00	8.90	Down	Up	Same
Miami, FL	67.93		Same	Up	Up
Nashville, TN	4.51	6.00	Down	Down	Up
Orlando, FL	61.00		Down	Same	Same
Raleigh, NC	41.85	8.64	Down	Up	Same
Savannah, GA	37.00	8.50	Same	Same	Same
Tampa Bay, FL	39.17	8.50	Down	Up	Same
West Palm Beach, FL	36.75		Same	Up	Down
SOUTH AVERAGE	44.76	8.07	-	-	-
MIDWEST					
Chicago, IL	49.00	6.75	Same	Down	Same
Cincinnati, OH	32.00	8.00	Same	Same	Same
Columbus, OH	25.00		Down	Up	Same

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

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST 3 MONTHS
Detroit, MI	21.65		Same	Same	Down
Grand Rapids, MI	25.00	13.00	Down	Up	Up
Indianapolis, IN	44.12	8.00	Down	Up	Up
Kansas City, MO-KS		8.75	Same	Same	Same
Minneapolis/St. Paul, MN	38.97	10.00	Down	Same	Same
Omaha, NE	42.50	9.00	Down	Up	Same
MIDWEST AVERAGE	34.78	9.07	-	-	-
WEST					
Bakersfield, CA	38.00	10.00	Same	Same	Same
Boise, ID	45.00		Same	Same	Same
Denver, CO	58.00	8.25	Down	Up	Same
Fairfield, CA			Same	Same	Down
Fresno, CA	38.00	9.00	Same	Same	Same
Honolulu, HI			Up	Down	Same
Las Vegas, NV	33.92		Up	Up	Down
Los Angeles - Inland Empire, CA	58.00	5.50	Down	Up	Up
Los Angeles, CA	86.00	6.50	Same	Same	Same
Oakland, CA	68.97	8.00	Down	Up	Up
Orange County, CA	94.00	6.50	Same	Same	Same
Phoenix, AZ	49.00	8.00	Down	Same	Same
Pleasanton/Walnut Creek, CA	59.00	6.50	Same	Same	Same
Portland, OR	63.54		Same	Same	Same
Reno, NV			Down	Same	Same
Sacramento, CA	44.88	8.07	Same	Same	Same
San Diego, CA	79.97	8.00	Down	Same	Same
San Francisco Peninsula, CA	250.00	6.50	Same	Same	Same
San Jose/Silicon Valley, CA			Up	Same	Same
Seattle/Puget Sound, WA	72.14	8.44	Down	Up	Same
Stockton/San Joaquin County, CA	60.00	7.00	Down	Up	Same
WEST AVERAGE	70.50	7.59	-	-	-
U.S. AVERAGE	55.96	8.05	-	-	-

U.S. Industrial Markets Showing More Signs of Strength

Continued from page 1

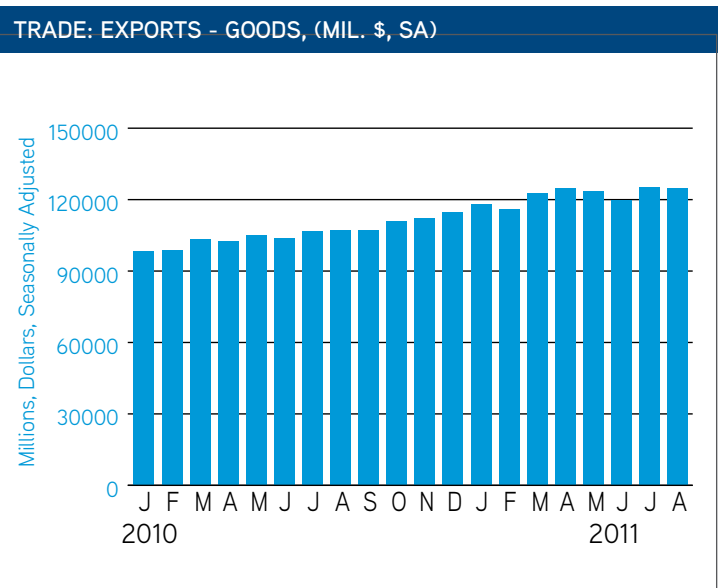
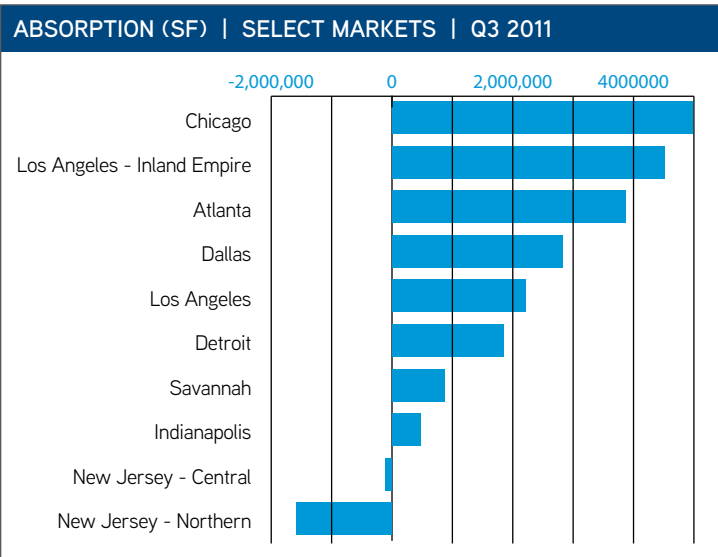
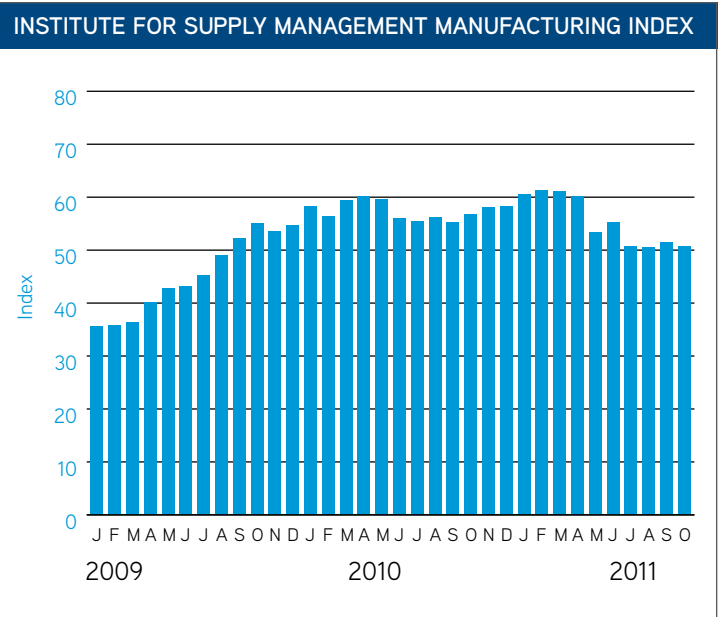
Beginning in 2012, however, select markets should begin to see rents hold firm and even post modest increases in certain submarkets, but widespread increases are doubtful until 2013.

Occupancies rise for sixth consecutive quarter. During the third quarter, net absorption totaled 36.5 million square feet (MSF)—a mild drop from the second quarter, when occupied space increased by 41.0 MSF, but sufficient to bring year-to-date absorption to 102.1 MSF. Over the past six quarters occupied space has increased by 145 MSF. The South accounted for 45 percent of the nation’s absorption followed by the West at 33 percent and the Midwest at 22 percent. Of all four regions, the Northeast was the strongest drag on overall absorption, returning 1.4 MSF of vacant space to the market. Of the 60 markets tracked in the U.S., 47 (78 percent vs. 77 percent in Q2 2011) reported positive absorption during the third quarter. Canadian industrial markets posted disappointing results, with third quarter absorption totaling just 1.9 MSF, considerably below the 6.0 MSF recorded in both Q1 and Q2.

Warehouse construction hits two and a half year high. Third quarter completions totaled 18.4 MSF, a significant increase from the second quarter when 10.4 MSF were delivered to market, and the highest level since the first quarter of 2009. Of the 18.4 MSF delivered, 71 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 52 percent of completions. In the coming quarters the majority of construction is anticipated to remain build-to-suit, with only 30 percent under construction at the end of the third quarter classified as speculative. Quarter-end construction activity totaled 28.5 MSF, little changed from the 27.6 MSF underway at the end of the second quarter, and well below the 124.0 MSF recorded three years ago. Canadian construction took a modest jump with 5.0 MSF completed in Q3, bringing year-to-date construction to 8.7 MSF.

U.S. industrial vacancy rate falls below ten percent. The U.S. industrial warehouse vacancy rate dropped 30 basis points during the third quarter to register 9.99 percent (100 basis points equals one percent). This latest decrease brings the national vacancy rate back to levels last experienced in the first quarter of 2009. It is even more encouraging that most markets are now experiencing sequential drops in vacancy. In the third quarter, 44 of 60 markets registered a decrease in vacancy from the prior quarter, with a handful of markets seeing their respective vacancy rates fall by a full percentage point. By contrast, Canadian warehouse vacancies dropped by just 1 basis point to end the third quarter at 4.89 percent.

Industrial rents resume downward trend. After brief flattening of rents, industrial warehouse lease rates fell by 2.2 percent during the third quarter to average \$4.53 per square foot. Over the past year warehouse rents have fallen by 4.8% and—since peaking in the fourth quarter of 2007—rents have dropped 22.7 percent. Bulk warehouse rents, however, posted a modest increase, rising 1.6 percent to average \$4.39 per square foot, while flex rents slipped \$0.09 and R&D rents decreased \$0.30 per square foot. Canadian industrial warehouse rents by comparison were up during the quarter rising by CAD\$0.11 to average CAD\$7.25 per square foot.



UNITED STATES | INDUSTRIAL SURVEY | RENTS AS OF SEPTEMBER 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	5.45	4.59	9.64	
Boston, MA	4.50	4.75	8.50	12.00
Hartford, CT	4.04	4.28	6.50	6.50
Long Island, NY	8.34	13.90	13.40	9.13
New Jersey - Central	4.42	3.81	11.79	12.81
New Jersey - Northern	6.09	5.95	10.61	9.89
Philadelphia, PA	4.00	3.75	7.00	11.00
Pittsburgh, PA	4.29	3.75	12.02	12.02
Washington DC	6.49	5.31	11.59	15.10
NORTHEAST AVERAGE	5.29	5.57	10.12	11.06
SOUTH				
Atlanta, GA	3.26	2.84	7.29	10.37
Charleston, SC	3.75	4.20	6.25	16.25
Charlotte, NC	3.28		7.98	
Columbia, SC	3.75	3.75		9.50
Dallas-Ft. Worth, TX	3.00	2.65	6.70	8.20
Ft. Lauderdale-Broward, FL	6.45	6.08	8.88	6.00
Greenville/Spartanburg, SC	2.90	2.95	6.75	
Houston, TX	5.18	4.26	7.04	8.59
Jacksonville, FL	3.75	3.10	9.00	
Little Rock, AR	2.68	2.74	7.35	
Louisville, KY	3.37		7.72	
Memphis, TN	2.43	2.42	5.45	9.00
Miami, FL	6.92	4.19	10.72	7.97
Nashville, TN	4.06	3.80	7.24	7.24
Orlando, FL	4.49	4.24	8.77	
Raleigh, NC	3.73	4.50	9.21	9.21
Savannah, GA	3.95	3.75	7.00	10.00
Tampa Bay, FL	4.21	4.22	8.30	9.34
West Palm Beach, FL	6.70	6.35	10.97	15.00
SOUTH AVERAGE	4.10	3.88	7.92	9.68
MIDWEST				
Chicago, IL	4.23	2.54	8.51	
Cincinnati, OH	2.87	2.87	6.06	6.06

UNITED STATES | INDUSTRIAL SURVEY | RENTS AS OF SEPTEMBER 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (USD PSF)	BULK SPACE (USD PSF)	FLEX/SERVICE SPACE (USD PSF)	TECH/R&D SPACE (USD PSF)
Cleveland, OH	3.37		8.10	
Columbus, OH	2.70	2.58	4.28	4.28
Detroit, MI	3.87	3.55	7.90	
Grand Rapids, MI	3.05	3.00	4.50	6.50
Indianapolis, IN	3.25	3.08	7.50	
Kansas City, MO-KS	3.00	3.12	7.15	6.68
Minneapolis/St. Paul, MN	4.57	4.21	4.67	
Omaha, NE	5.17	5.98	5.73	3.71
St. Louis, MO	3.86		8.95	
MIDWEST AVERAGE	3.63	3.44	6.67	5.45
WEST				
Bakersfield, CA	4.00	3.42	8.00	
Boise, ID	4.50	4.50	6.20	6.30
Denver, CO	3.50	3.25	8.50	9.50
Fairfield, CA	5.48	5.38	8.45	8.76
Fresno, CA	2.40	2.28	4.00	5.50
Las Vegas, NV	4.82	4.68	6.04	9.52
Los Angeles - Inland Empire, CA	3.91	3.79	6.75	7.75
Los Angeles, CA	5.74	5.62	9.75	12.50
Oakland, CA	4.37	4.22	4.62	7.67
Orange County, CA	6.73	5.53	12.55	13.59
Phoenix, AZ	5.21	4.01	10.63	10.52
Pleasanton/Walnut Creek, CA	5.04	4.20	10.32	10.32
Portland, OR	5.21	4.76	9.44	9.69
Reno, NV	3.84	4.12	5.64	8.40
Sacramento, CA	4.29	3.75	8.13	8.72
San Diego, CA	8.04	7.44	11.16	14.04
San Francisco Peninsula, CA	9.24	9.24	21.00	21.00
San Jose/Silicon Valley, CA	5.53	5.15	8.45	13.56
Seattle/Puget Sound, WA	5.90	5.18	12.60	
Stockton/San Joaquin County, CA	3.84	3.66	5.44	7.44
WEST AVERAGE	5.08	4.71	8.88	10.27
US AVERAGE	4.53	4.39	8.63	9.66
U.S. QUARTERLY CHANGE	-2.3%	1.6%	-1.1%	-3.0%

CANADA | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) SEPT 30, 2011	NEW CONSTRUCTION Q3 2011 (SF)	NEW CONSTRUCTION YTD 2011	CURRENTLY UNDER CONSTRUCTION (SF)
Calgary, AB	124,042,000	2,257,000	2,257,000	2,257,000
Edmonton, AB	77,154,000	0	83,000	920,000
Guelph, ON	19,940,000	200,000	200,000	169,000
Halifax, NS	7,157,000	0	81,000	85,000
Montreal, QC	347,771,000	0	0	500,000
Ottawa, ON	28,027,000	0	0	0
Regina, SK	16,195,000	0	632,000	199,000
Saskatoon, SK	20,105,000	160,000	400,000	400,000
Toronto, ON	761,519,000	771,000	1,187,000	1,895,000
Vancouver, BC	179,632,000	1,600,000	1,600,000	1,600,000
Victoria, BC	8,619,000	0	43,000	28,000
Waterloo Region, ON	60,701,000	9,000	119,000	55,000
CANADA TOTAL	1,650,862,000	4,997,000	6,601,000	8,108,000

CANADA | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q3 2011 (SF)	ABSORPTION YTD 2011	VACANCY RATE JUNE 30, 2011 (%)	VACANCY RATE SEPT. 30, 2011 (%)
Calgary, AB	1,165,000	2,584,000	5.03	4.31
Edmonton, AB	172,000	565,000	3.41	3.46
Guelph, ON	209,000	565,000	3.65	3.56
Halifax, NS	57,000	(97,000)	6.93	6.13
Montreal, QC	(1,275,000)	(778,000)	5.45	5.81
Ottawa, ON	196,000	(168,000)	7.10	6.40
Regina, SK	(40,000)	50,000	0.91	1.16
Saskatoon, SK	41,000	300,000	2.70	3.27
Toronto, ON	1,324,000	9,567,000	4.97	4.89
Vancouver, BC	201,000	1,318,000	4.10	4.09
Victoria, BC	0	62,000	3.37	3.37
Waterloo Region, ON	(180,000)	(44,000)	6.10	6.31
CANADA TOTAL	1,869,000	13,924,000	4.90	4.89

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

MARKET	SALES PRICE (CAD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST 3 MONTHS
Calgary, AB	115.00	6.75	Down	Up	Increasing
Edmonton, AB	82.40	7.44	Up	Down	Bottoming
Guelph, ON	48.00	8.22	Same	Same	No clear direction
Halifax, NS	90.00	7.75	Down	Up	Increasing
Montreal, QC	60.00	8.25	Same	Same	No clear direction
Ottawa, ON	100.00	8.00	Down	Up	No clear direction
Regina, SK	135.00	7.00	Same	Same	Peaking
Saskatoon, SK	130.00	7.50	Same	Same	Peaking
Toronto, ON	78.11	6.70	Down	Up	Bottoming
Vancouver, BC	180.00	6.85	Same	Same	Bottoming
Victoria, BC	175.00	6.67	Down	Up	Bottoming
Waterloo Region, ON	63.00	8.22	Same	Same	No clear direction
CANADA AVERAGE	104.71	7.45	-	-	-

CANADA | INDUSTRIAL SURVEY | RENTS AS OF SEPTEMBER 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (CAD PSF)	BULK SPACE (CAD PSF)	FLEX/SERVICE SPACE (CAD PSF)	TECH/R&D SPACE (CAD PSF)
Calgary, AB	8.00	6.25	10.00	10.50
Edmonton, AB	7.75	6.00	9.50	10.00
Guelph, ON	4.41	4.41	7.67	7.67
Halifax, NS	7.75	6.00	10.00	15.00
Montreal, QC	4.75	4.50	6.50	8.50
Ottawa, ON	7.50	7.00	8.50	12.00
Regina, SK	9.00	7.00	12.00	14.00
Saskatoon, SK	9.50	8.00	11.00	13.00
Toronto, ON	4.90	4.48	7.04	7.62
Vancouver, BC	7.44	7.50	8.00	9.00
Victoria, BC	12.00	11.00	13.50	13.50
Waterloo Region, ON	4.03	3.41	8.16	8.16
CANADA AVERAGE	7.25	6.30	9.32	10.75
CANADA QUARTERLY CHANGE	1.6%	2.5%	-1.1%	0.3%

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 SEPT. 30, 2011 (%)
Honolulu, HI	4.70
Orange County, CA	4.78
Los Angeles, CA	5.00
Houston, TX	5.57
Long Island, NY	5.82
Omaha, NE	5.88
Indianapolis, IN	6.64
Kansas City, MO-KS	6.86
Seattle/Puget Sound, WA	7.15
Los Angeles - Inland Empire, CA	7.18
Pittsburgh, PA	7.37
Denver, CO	7.52
Columbia, SC	8.09
Miami, FL	8.47
Minneapolis/St. Paul, MN	8.51
Portland, OR	8.52
New Jersey - Northern	8.57
Grand Rapids, MI	8.65
St. Louis, MO	8.83
Cincinnati, OH	8.98
Hartford, CT	9.05
Ft. Lauderdale-Broward, FL	9.08
San Francisco Peninsula, CA	9.14
Oakland, CA	9.26
Philadelphia, PA	9.32
Bakersfield, CA	9.44
West Palm Beach, FL	9.48
Greenville/Spartanburg, SC	9.50
Cleveland, OH	9.82
Boise, ID	9.96
New Jersey - Central	10.09
Charleston, SC	10.40
Tampa Bay, FL	10.43
Jacksonville, FL	10.52
Louisville, KY	10.56
Baltimore, MD	10.69
Dallas-Ft. Worth, TX	11.03
Chicago, IL	11.28
San Diego, CA	11.51
Columbus, OH	11.55
Fresno, California	11.73
Washington DC	11.76
Orlando, FL	11.83
Raleigh, NC	11.84
San Jose/Silicon Valley, CA	12.15
Memphis, TN	12.39
Pleasanton/Walnut Creek, CA	12.45
Sacramento, CA	12.77
Charlotte, NC	12.79
Fairfield, CA	12.88
Nashville, TN	12.96
Detroit, MI	13.48
Atlanta, GA	13.83
Little Rock, AR	14.18
Savannah, GA	14.18
Phoenix, AZ	14.65
Reno, NV	14.94
Stockton/San Joaquin County, CA	15.31
Las Vegas, NV	16.13
Boston, MA	20.70

INDUSTRIAL VACANCY RATE RANKINGS

MARKET CANADA	VACANCY RATE SEPT. 30, 2011 (%)
Regina, SK	1.16
Saskatoon, SK	3.27
Victoria, BC	3.37
Edmonton, AB	3.46
Guelph, ON	3.56
Vancouver, BC	4.09
Calgary, AB	4.31
Toronto, ON	4.89
Montreal, QC	5.81
Halifax, NS	6.13
Waterloo Region, ON	6.31
Ottawa, ON	6.40



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

COLLIERS INTERNATIONAL

601 Union Street, Suite 4800
Seattle, WA 98101
TEL +1 206 695 4200

FOR MORE INFORMATION

Ross J. Moore
Chief Economist | USA
TEL +1 617 722 0221
EMAIL ross.moore@colliers.com

Copyright © 2011 Colliers International.

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.