

## Signs of the Times...Devil is in the Details

The Jacksonville industrial market for the 3Q08 was inevitably impacted by the slowing economy and financial crisis. The deal count was down, total activity and net absorption were down and available space reached a new high. The real story was in the details...

The Jacksonville distribution market grew to almost 94 million square feet with about 14.9 million square feet currently being marketed. That equated to a 15.8% availability rate, the highest level seen—since we have been tracking the Jacksonville industrial market. The quarter recorded only 86 transactions, and a net absorption of only 25,202 square feet. Once again, the average size transaction far exceeded that of past quarters coming in at about 14,580 square feet

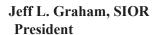
The details tell a much more telling story. This quarter is much like that of the 1st and 2nd quarters of 2008. In each of the last three quarters, a few very large deals saved the overall numbers.

Quarter	Company	Square Foot	% of Qtr's Activity	% of Qtr's Total Absorption
1Q08	Bridgestone Firestone	1,026,500 SF	43.2%	86.7%
2Q08	OHL Logistics	240,000 SF	11.1%	147.9%
3Q08	Dr. Pepper/Snapple	601,170 SF	47.9%	2,385%

Without those deals, the 1Q08 and 2Q08 results would have been very different. As for the 3Q08, without the Dr. Pepper / Snapple deal, the market would have realized a negative absorption of almost -576,000 square feet.

Shockingly six out of eleven of Jacksonville's core industrial submarkets recorded negative net absorption during the third quarter. Take the Dr. Pepper deal out and that would have been seven submarkets with negative net absorption.

Bottom line...availability is up dramatically, new construction is still underway and activity is down. The sale of existing industrial product is suffering due to the inability to get financing. These signs all point towards downward pressure on lease rates and sale prices in the times to come.



## Total Market



	Total Inventory	Net Absorption	Total Vacant	% Vacant	Total Activity		
Distribution	93,963,879	25,202	14,880,290	15.8%	1,253,843	86	14,580
Service Center	2,543,963	27,486	562,329	22.5%	59,985	14	4,285