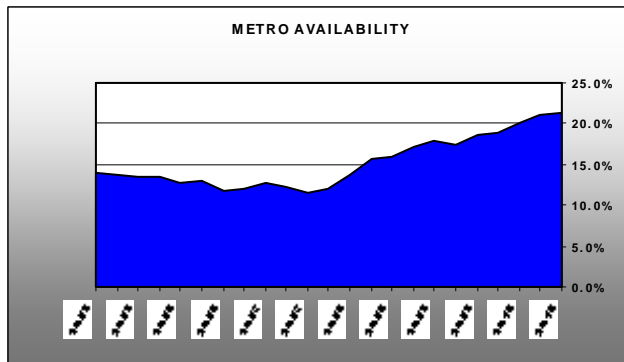


Jacksonville's Industrial just might be making the turn...

After seven straight quarters of bad news and statistics, Jacksonville industrial real estate showed improved signs and is hopefully pointing toward the road to recovery.

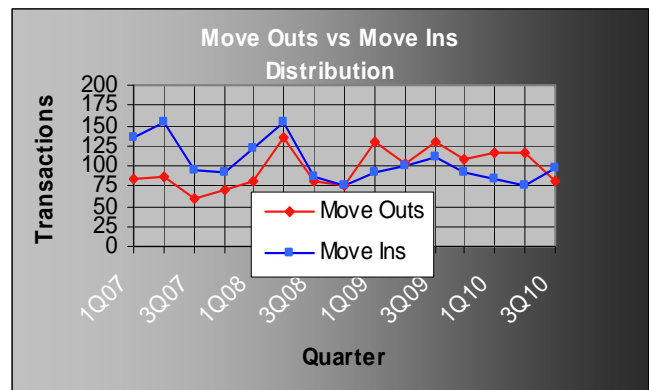
The big news for the third quarter 2010 is that move-ins exceeded move-outs for the first time since the 4Q08. From the beginning of July to the end of September, 98 available industrial spaces were occupied while only 82 occupied spaces were given back to the market. The number of move-outs are down almost 30% from the previous quarter.



There were other positive signs in the quarter, including increased velocity of deal flow, up 29% from the previous quarter and a much reduced negative absorption figure, down 64% from quarter to quarter.

Availability of industrial space rose slightly with 20.5 million square feet to 21.3% of the inventory actively being marketed. This is the smallest increase in availability in over a year. Space coming back on the market totaled al-

most 1.7 million square feet. Almost 63% of that total were spaces over 50,000 square feet. That is significant in that in previous quarters the majority of the move-outs were spaces under 10,000 square feet. Activity increased dramatically from the previous quarter registering just over 1.3 million square feet or a 64% increase.



While absorption for the quarter was negative again at (-345,376 square feet), it was only negative because of a couple of large spaces coming back to the market. It was the least amount of negative absorption for a single quarter in two years.

Deals of note included River Valley Paper Company, EZ Flo, Pitney Bowes Presort, Coastal International Logistics, Duett Windows, Falken Tire, Signature Offset and Spectrum Logistics.

In summary, one quarter does not constitute a trend, yet industry practitioners in the Jacksonville industrial market are relieved that the downward spiral from the previous two years appears to have found bottom.

Jeff L. Graham, SIOR
 President

904-720-1777

Total Market

	Total Inventory	Net Absorption	Total Availability	% Available	Total Activity	# of Deals	Avg SF Per Deal
Distribution	96,170,921	(345,376)	20,519,488	21.3%	1,328,215	98	15,164
Service Center	2,587,563	(10,128)	649,101	25.1%	30,014	12	2,501

Point of View