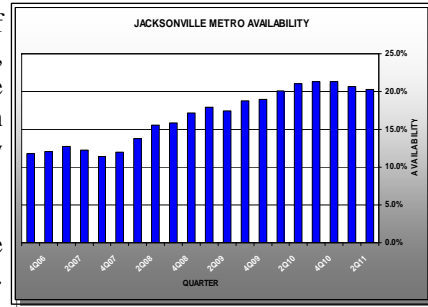


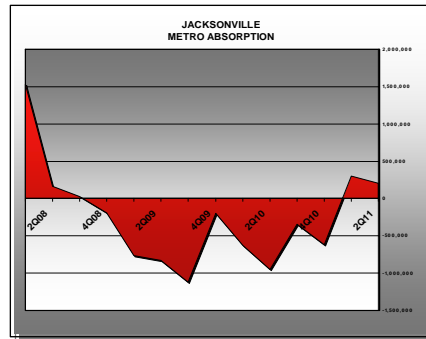
Jacksonville's Industrial Market continues to be positive...are you?

For the second consecutive quarter, the Jacksonville industrial real estate sector showed positive signs in all statistical areas. From activity and absorption to availability, the slow climb out of the trough continues, but could it be slipping?

With no new developments underway, availability of industrial space fell for the second straight quarter, dropping almost 2% to 20.3%. This is something the market has not experienced since 2006. Keep in mind that "availability" is defined as the inventory actively being marketed.



Activity for the quarter, the total square footage leased or sold, was almost 1.3 million square feet. That is right in line with the last four quarters average of 1,268,190 square feet. Transactions totaled 82, which is up slightly from the first quarter. Average size deal was about 15,732 square feet, which is slightly above the five year average of 14,800. Larger deals were still active with 4 deals totaling almost 590,000 square feet or almost half of the total square feet taken off the market. In the second quarter, 79 spaces totaling almost 1.1 million square feet were given back to the market. Of those 79 spaces given back, 85% of those were fewer than 20,000 square feet.



The net absorption numbers are in the positive zone for the second straight quarter as well. This quarter, the industrial market yielded positive net absorption of almost 204,000 square feet, a slight slip compared to almost 301,000 square feet in the first quarter.

Deals over 40,000 square feet included KAMAN Aerospace, Saddle Creek Corporation, Wagner Enterprises, Coca Cola Enterprises, Snyder's- Lance Foods, AWS LLC and Recall.

The bottom line on the big picture, the Jacksonville industrial market had two consecutive quarters of positive news and appears to be somewhat stabilized. We are not experiencing a greater number of move-outs vs. number of move-ins as experienced during the height of the recession. Landlords are still competing vigorously with concessions still available. So, are we going to continue to climb out or will there be slips that cause us concerns? With negative headlines and surveys all around us, you might have some doubts. I'm a firm believer that "Attitudes", positive or negative, are contagious...so I'm sticking with a "PMA"...Positive Mental Attitude, how about you???

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Total Market							
	Total Inventory	Net Absorption	Total Availability	% Available	Total Activity	# of Deals	Avg SF Per Deal
Distribution	96,566,305	203,694	19,643,854	20.3%	1,290,042	82	15,732
Service Center	2,552,155	26,810	547,096	25.5%	47,448	11	4,313