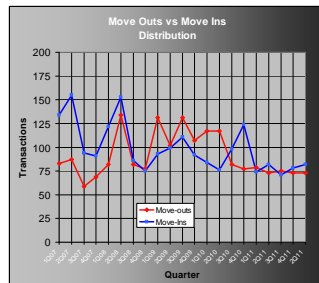
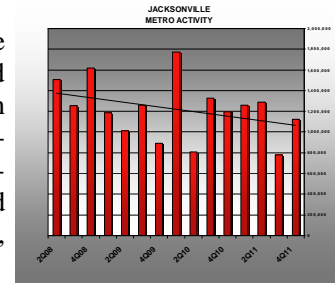


Jacksonville's 2011 Industrial Market Ends in Positive Territory...

The industrial market slogged thru 2011 just as expected and despite a dismal third quarter, ended in positive territory for the year.

After a troubling 3Q, all indicators in the 4Q11 appeared to be back to more normal levels. Activity for the quarter returned above the one million mark with 1,125,077 square feet taken off the market. Those numbers are much better than the previous quarter, but still below the five year average of 1.4 million square feet per quarter. Transactions or move-ins totaled 78, up slightly from the previous quarter. The average deal, also up, came in at just over 14,500 square feet.

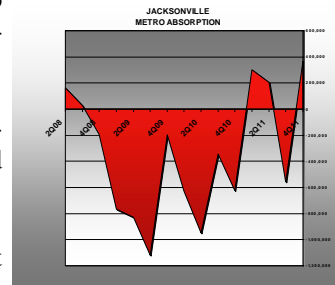


For the first time in many quarters, only two spaces over 50,000 were returned to the market, the largest being 68,000 square feet. The move-outs for the quarter were 73 spaces, totaling about 750,000 square feet. Of those 73 spaces given back, 88% of those where fewer than 20,000 square feet.

With activity up and move-outs ebbing, the absorption numbers for the quarter were better than any quarter since the beginning of 2008. Jacksonville yielded more than 367,000 square feet in positive net absorption in the 4Q11. With a swing of over 800,000 square feet from the previous quarter, Jacksonville ended in positive territory with approximately 315,000 square feet positive net absorption for the year. Availability of industrial space fell in the fourth quarter to 20.5%. Keep in mind that "availability" is defined as inventory that is actively being marketed.

Deals of note over 80,000 square feet included Johns Manville, Main Recycling and Nivel. Others over 30,000 included Spirit Delivery, DynereX, Platoon Airsoft and Camp Force.

Overall, 2011 was a stronger year for the industrial market than any since 2008 with positive net absorption in three out of the four quarters. Even so, move-ins during 2011 lagged behind the five-year average by 23%. Looking ahead, there are concerns that the market may suffer from lack of demand, which could translate into modest leasing volatility in the first half of the year. However, if the economic recovery in the U.S. continues on its current pace, the second half of 2012 may pleasantly surprise some people.



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Total Market							
	Total Inventory	Net Absorption	Total Availability	% Available	Total Activity	# of Deals	Avg SF Per Deal
Distribution	96,684,709	367,449	19,784,888	20.5%	1,125,077	78	14,424
Service Center	2,548,341	-15,282	672,950	26.4%	38,140	10	3,814