

# THE PORTER REPORT

Summary of the Richmond, Virginia Industrial Market

1st Quarter 2011

## MARKET ACTIVITY MODERATELY STRONG THROUGH 1ST QUARTER.

⇒ At the close of the 1st quarter, industrial occupancy has increased marginally for the fourth consecutive quarter, with the overall occupancy rate continuing to remain under 80%. Recent absorption has been offset by additional vacancies despite the sale of several large facilities since the 3rd quarter of 2010, with the majority of the transactions continuing to be the result of expansion/relocation by local companies. Looking forward, the industrial market will likely maintain a similar even trend for the balance of the year.

NOTE: Porter Realty Company Transactions Shown Below in Red.

### SELECTED SALE TRANSACTIONS.

⇒ 184,357 SF	SOLD at 5501 Corrugated Road	Henrico County
⇒ 130,560 SF	SOLD at 6062 Quality Way	Prince George County
⇒ 115,000 SF*	SOLD at 100 Haley Road	Hanover County
⇒ 42,300 SF*	SOLD at 3617 Nine Mile Road	City of Richmond
⇒ 15,910 SF*	SOLD at 2110 Tomlynn Street	Henrico County

### SELECTED LEASE TRANSACTIONS.

⇒ 126,639 SF*	LEASED at 2823 Bells Road	City of Richmond
⇒ 47,858 SF (Ste 100)*	LEASED at Airport Distribution Center	Henrico County
⇒ 47,858 SF (Ste 300)*	LEASED at Airport Distribution Center	Henrico County
⇒ 45,711 SF	LEASED at Fairgrounds Distribution Center	Henrico County
⇒ 16,000 SF*	LEASED at Interport Business Center	Henrico County

## MARKET OCCUPANCY: VACANT & INVESTOR-OWNED PRODUCT

CRITERIA: 40K SF MIN RBA (27MM SF IN 175 EXISTING BUILDINGS - CLASS A, B, C) EXCLUDES FLEX & OWNER-OCCUPIED PROPERTIES

↑ **1Q 2011:** The industrial **occupancy rate** has increased to 77.7% from 76.9% in the 4Q 2010. **Occupancy** by Building Class shows an increase overall: no change in Class A @ 89%, Class B ↑ @ 70%, Class C ↑ @ 76%.

⇒ **Net Absorption** from the 4Q 2010: ↑ +220,233 SF

⇒ **New Construction:** Construction on the next phase of development at Southpoint Business Park in Prince George County is slated to begin in the 2nd Quarter 2011, with estimated delivery of the 108,000 SF facility by the end of the 3rd quarter. Said project is located adjacent to Crosspoint Centre Industrial Park, where the new Rolls Royce aircraft engine manufacturing plant is situated.

## FEATURED PROPERTY

2250 Charles City Road • Richmond, VA

53,455 SF +/- Facility  
on ~2.6 Acres Includes ~2,436 SF Office

Zoned M-1... Outside Storage Allowed  
15 Docks & 1 Drive-In Door  
22' Ceilings • 25 Parking Spaces  
Airport Area Location... I-64 Access at  
Laburnum Avenue  
Adjacent 6.5 Acres Available...  
Priced Separately

Owner-User or Investor: Tenant Would  
Consider Extending Lease

Contact Exclusive Agent:  
Clifford B. Porter @ 804-521-1442



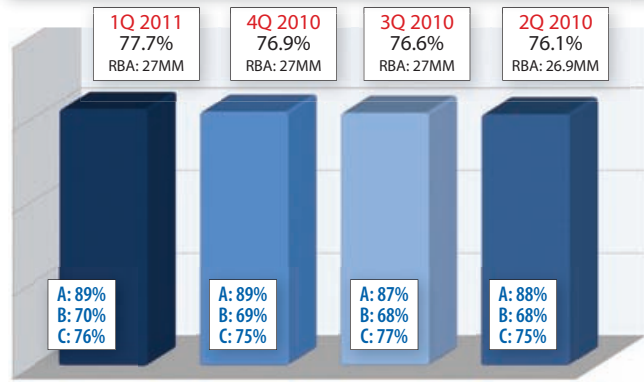
# INDUSTRIAL MARKET VACANCY

1st Quarter 2011

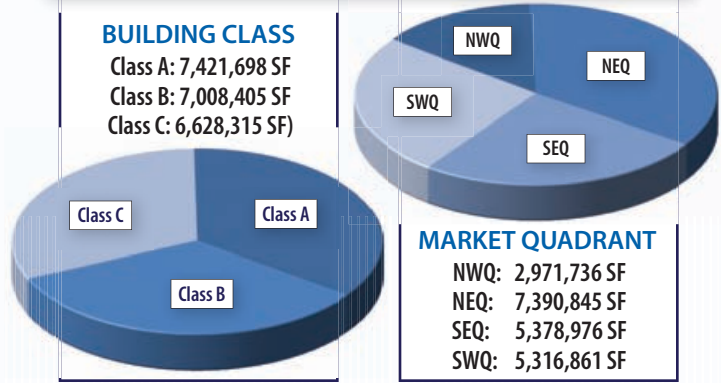
## VACANT & INVESTOR-OWNED PRODUCT 40K SF MIN RBA\* EXCLUDES FLEX & OWNER-OCCUPIED PROPERTIES

\*RBA Total: 27MM SF in 175 Existing Buildings (Class A, B, C)

### OCCUPANCY RATES & OCCUPANCY BY BUILDING CLASS



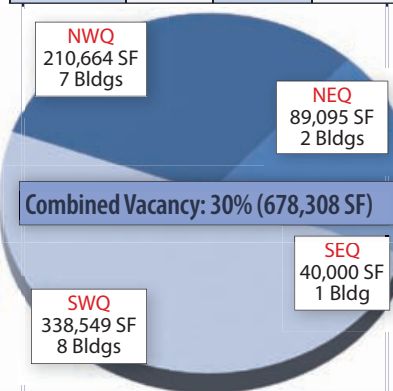
### OCCUPANCY BY BUILDING CLASS & QUADRANT



### 1ST QUARTER 2011

**Vacancy in Buildings 40k < 75k SF RBA**  
 RBA: 2.28MM SF (49 Buildings)

	Class A	Class B	Class C
Total Bldgs	5	24	20
Total RBA	220,184	1,082,563	981,474
Vacant SF	99,489	336,630	242,189
Vacancy Rate	45%	31%	25%

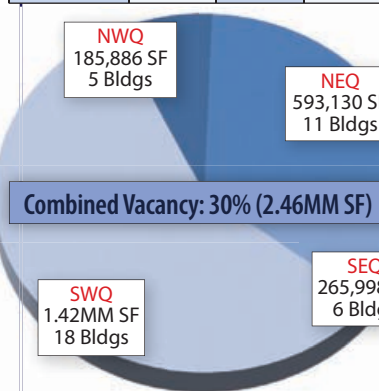


4th Quarter 2010 Comparison:  
 31% (640,174 SF) Vacant  
 RBA: 2.05MM SF (44 Bldgs)

### 1ST QUARTER 2011

**Vacancy in Buildings 75k < 150k SF RBA**  
 RBA: 8.1MM SF (74 Bldgs)

	Class A	Class B	Class C
Total Bldgs	17	33	24
Total RBA	2,058,178	3,567,329	2,470,958
Vacant SF	247,648	1,402,021	813,371
Vacancy Rate	12%	39%	33%

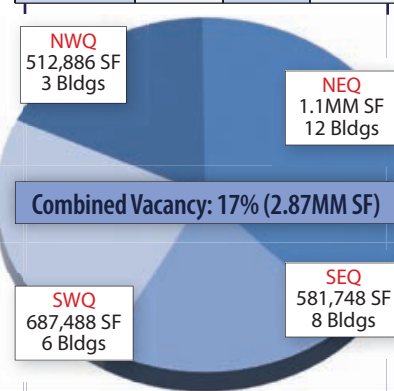


4th Quarter 2010 Comparison:  
 35% (2.85MM SF) Vacant  
 RBA: 8.13MM SF (74 Bldgs)

### 1ST QUARTER 2011

**Vacancy in Buildings 150k SF Min RBA**  
 RBA: 16.7MM SF (52 Bldgs)

	Class A	Class B	Class C
Total Bldgs	18	22	12
Total RBA	6,071,985	5,399,044	5,219,931
Vacant SF	581,512	1,301,880	988,488
Vacancy Rate	10%	24%	19%



4th Quarter 2010 Comparison:  
 16% (2.75MM SF) Vacant  
 RBA: 16.8MM SF (53 Bldgs)

20 Buildings with a minimum 100k SF vacant represent 51% of the total industrial market vacancy with 3,061,280 SF

**Vacancy by Bldg Class (Min 100k SF)**

	Class A	Class B	Class C
Total Bldgs	3	11	6
Total Vacant SF	347,488	1,496,144	1,217,648

**Vacancy by Quadrant (Min 100k SF)**

	NWQ	NEQ	SEQ	SWQ
Total Bldgs	1	7	4	8
Total Vacant SF	375,000	997,606	447,488	1,241,186

CoStar reports an industrial vacancy rate of 11%, showing no change from the 4th quarter of 2010, with a positive year-to-date net absorption of 524,655 SF. CoStar's reported vacancy rate is for ALL warehouse properties (excluding flex space) for a total of 107.2 million square feet in 2,617 existing buildings, which includes both owner-occupied and investor-owned properties.