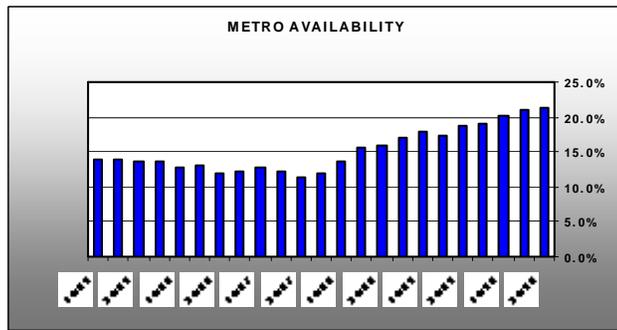


# Jacksonville's Industrial just might be making the turn...

After seven straight quarters of bad news and statistics, Jacksonville industrial real estate showed improved signs and may be on the road to recovery.

I'm not ready to jump for joy just yet, however, much of the data showed improved signs including increased velocity of deal flow, a much reduced negative absorption figure and for the first time in two years, move-ins exceeded move-outs.

Availability of industrial space rose slightly with 20.5 million square feet or 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 almost 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. In addition, total number of move-ins were also up by 17%. The big news for this quarter is that move-ins exceeded move-outs for the first time since the 4Q08. Spaces taken off market totaled 98 while 82



were given back.

Absorption, even though this is the eight straight quarter with negative absorption, logging in at -345,376 square feet, had it not been for a couple of large spaces coming back on the market, the negative trend would have broken and gone positive.

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. What this quarter has done is reverse a downward spiral that has occurred over the last two years. Lets hope that this continues...

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