

THE PORTER REPORT

Summary of the Richmond, Virginia Industrial Market

4th Quarter 2010

STATE OF THE MARKET... YEAR END 2010.

⇒ Activity in the 4th quarter included several significant industrial facilities sold to owner/users as well as movement from prospective buyers/tenants in the 100k SF+ range. Whereas interest and velocity has not yet returned to normal market levels, price revisions have occurred to mirror and attract recent buyer interest, resulting specifically in an uptick in activity for buildings in the 100k SF range. Most of this interest has been generated from local operations expanding and looking to take advantage of this repositioning opportunity. This upturn at year's end 2010 suggests a positive 1st Quarter for 2011.

NOTE: Porter Realty Company Transactions Shown Below in Red.

SELECTED SALE TRANSACTIONS.

⇒ 83,247 SF*	SOLD at 4801 Audubon Drive	Henrico County
⇒ 59,800 SF*	SOLD at 1101 East Laburnum Avenue	Henrico County
⇒ 57,500 SF	SOLD at 7421 Ranco Road	Henrico County
⇒ 43,679 SF	SOLD at 1801-11 Chamberlayne Avenue	City of Richmond
⇒ 42,000 SF*	SOLD at 11111 Leadbetter Road	Henrico County
⇒ 27,000 SF	SOLD at 1400 Commerce Road	City of Richmond

SELECTED LEASE TRANSACTIONS.

⇒ 78,232 SF*	LEASED at Interport Business Center	Henrico County
⇒ 53,440 SF	SUBLEASED at 520 Eastpark Court	Henrico County
⇒ 51,874 SF	LEASED at Woodlands II	Henrico County
⇒ 30,690 SF	LEASED at 2200 Station Road	City of Richmond
⇒ 22,300 SF	LEASED at 7500-16 Whitepine Road	Chesterfield County

⇒ INVESTMENT: The Pro-Logis Facility at 3900 Technology Court in Henrico County (815,896 SF on 93.42 Acres) also transferred in the 4th Quarter, as part of a 180-property portfolio sale, containing 23MM SF sold at a total price of ~\$1+ Billion.

MARKET OCCUPANCY: VACANT & INVESTOR-OWNED PRODUCT

CRITERIA: 40K SF MIN RBA (27MM SF IN 171 EXISTING BUILDINGS - CLASS A, B, C) EXCLUDES FLEX & OWNER-OCCUPIED PROPERTIES



4Q 2010: The industrial occupancy rate has increased slightly from 76.6% in the 3Q 2010 to 76.9% and has increased almost 2% from 75% at year's end 2009.

⇒ Occupancy by Building Class is as follows: Class A @ 89%, Class B @ 69%, and Class C @ 75%.

⇒ Net Absorption from the 3Q 2010: +101,131 SF

⇒ Net Absorption Year End 2010: +35,339 SF (Excludes ~342k SF vacancy in a Class C complex with limited loading/lighting and no utilities)

FEATURED PROPERTY

2201-2203 Dabney Road • Richmond, VA

53,597 SF +/- Office/Showroom & Warehouse Complex on ~4.38 Acres (Zoned M-1)

2201 Dabney Rd: ~45,597 SF with 3 Docks & 1 Drive-In Access + Mezzanine Space

2203 Dabney Rd: ~8,000 SF + 3 Drive-Ins

Near West End Location...

Immediate I-195 & I-64/I-95 Access!

For Sale: Call for Information

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



INDUSTRIAL MARKET VACANCY

4th Quarter 2010

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

*RBA Total: 27MM SF in 171 Existing Buildings (Class A, B, C)

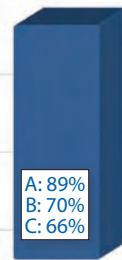
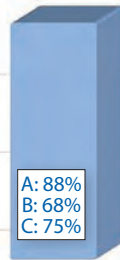
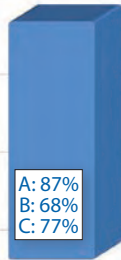
OCCUPANCY RATES & OCCUPANCY BY BUILDING CLASS

4Q 2010
76.9%
RBA: 27MM

3Q 2010
76.6%
RBA: 27MM

2Q 2010
76.1%
RBA: 26.9MM

1Q 2010
75.5%
RBA: 23.8MM

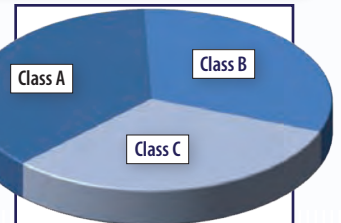
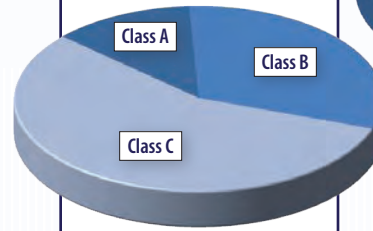


2010 REPORTED DEAL VELOCITY

OWNER/OCCUPANT TRANSACTIONS (20k SF MIN)

INDUSTRIAL SALES

Class A: 113,452 SF (2 Bldgs)
Class B: 452,872 SF (5 Bldgs)
Class C: 653,943 SF (9 Bldgs)



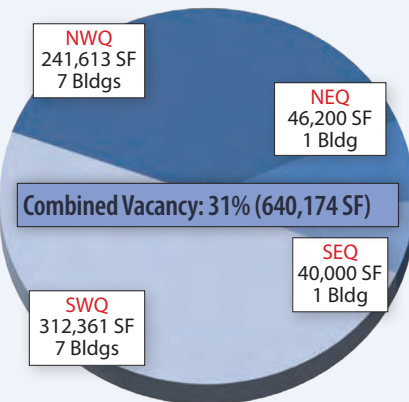
INDUSTRIAL LEASES

Class A: 288,019 SF (7 Deals)
Class B: 342,132 SF (6 Deals)
Class C: 245,940 SF (6 Deals)

Vacancy in Buildings 40k < 75k SF RBA

RBA: 2.05MM SF (44 Buildings)

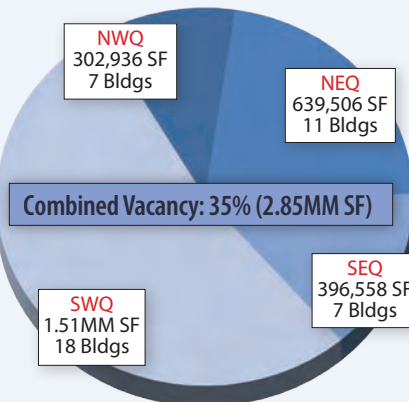
	Class A	Class B	Class C
Total Bldgs	5	20	19
Total RBA	220,184	908,091	886,325
Vacant SF	56,594	336,630	246,950
Vacancy Rate	26%	37%	28%



Vacancy in Buildings 75k < 150k SF RBA

RBA: 8.13MM SF (74 Bldgs)

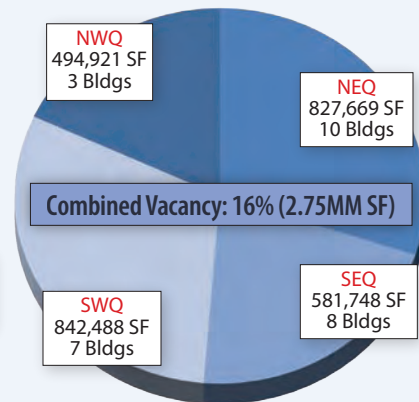
	Class A	Class B	Class C
Total Bldgs	18	32	24
Total RBA	2,188,738	3,473,369	2,470,958
Vacant SF	418,066	1,664,449	763,946
Vacancy Rate	19%	48%	31%



Vacancy in Buildings 150k SF Min RBA

RBA: 16.8MM SF (53 Bldgs)

	Class A	Class B	Class C
Total Bldgs	17	24	12
Total RBA	5,845,176	5,707,122	5,219,931
Vacant SF	471,888	1,131,450	1,143,488
Vacancy Rate	8%	20%	22%



4th
Q
U
A
R
T
E
R
2
0
1
0

4th
Q
U
A
R
T
E
R
2
0
1
0

3Q
'10

3rd Quarter 2010 Comparison:
33% (710,912 SF) Vacant
RBA: 2.14MM SF (45 Bldgs)

3rd Quarter 2010 Comparison:
34% (2.77MM SF) Vacant
RBA: 8.12MM SF (74 Bldgs)

3rd Quarter 2010 Comparison:
17% (2.86MM SF) Vacant
RBA: 16.8MM SF (53 Bldgs)

3Q
'10

21 Buildings with a minimum 100k SF vacant represent 51% of the total industrial market vacancy with 3,166,401 SF

Vacancy by Bldg Class (Min 100k SF)	Class A	Class B	Class C
Total Bldgs	3	11	7
Total Vacant SF	368,424	1,425,329	1,372,648

Vacancy by Quadrant (Min 100k SF)	NWQ	NEQ	SEQ	SWQ
Total Bldgs	1	5	5	10
Total Vacant SF	375,000	688,517	578,048	1,524,836

CoStar reports an industrial vacancy rate of 11%, showing no change from the 3rd quarter of 2010, with a negative year-to-date net absorption of 376,771 SF. CoStar's reported vacancy rate is for ALL warehouse properties (excluding flex space) for a total of 106.85 million square feet in 2,602 existing buildings, which includes both owner-occupied and investor-owned properties.