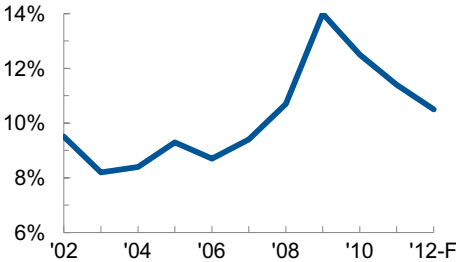


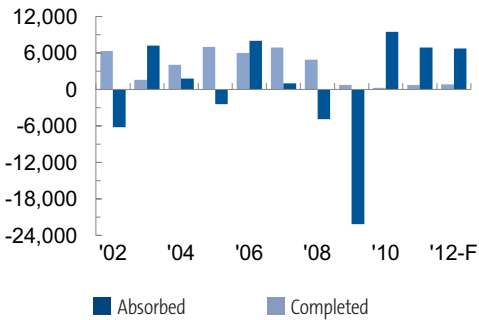
Availability Rate



Warehouse Demand Unleashes Positive Absorption

A growing appetite for warehouse space combined with the emptying of the construction pipeline led to more than 16.3 million square feet being absorbed in the Northern and Central New Jersey industrial market during the past two years. The overall industrial availability rate had subsequently declined to its lowest level since year-end 2008. Facilitating this absorption has been the Garden State's proximity between the New York and Philadelphia metropolitan regions, as well as its centralized location along the U.S. East Coast. New Jersey's maritime, rail, aviation and highway transportation network provides access to more than 100 million consumers within a one-day drive time. This geographic advantage is expected to keep the state on the radar screen for companies seeking a location capable of supporting their warehousing and logistics needs.

Completions vs. Absorption
(in Thousands of SF)

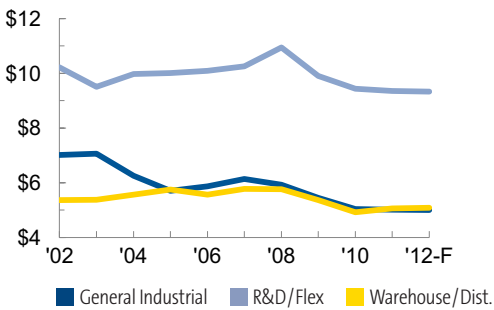


2011 REVIEW

After recording a staggering 22.2 million square feet of negative net absorption during 2009 in response to the turbulent wake generated by sluggish demand and surging availabilities, the Northern and Central New Jersey industrial market regained some of these losses during the next two years. A resurgence in demand for big-box warehouse space translated into more than 9.4 million square feet of positive net absorption in 2010, followed by an additional 6.9 million square feet absorbed during 2011. The Northern and Central New Jersey overall industrial availability rate retreated to 11.4 percent compared to 12.5 percent in 2010. Approximately 73 million square feet of direct and sublease space was available in 2011 compared to 80.4 million square feet marketed in 2010.

A significant portion of the positive absorption witnessed in the industrial market during the past year could be traced to Central New Jersey, where competitive warehouse rental

Asking Rental Rates
(\$/SF/Yr. Triple Net)



(CONTINUED ON PAGE 2)

KEY TRANSACTIONS FOR 2011

<p>Kenco leased 500,000 SF at 100 West Manor Way Robbinsville, NJ from Principal Financial Group</p>	<p>Seagis Property Group purchased 125 Delawanna Avenue Clifton, NJ from The Morris Companies for \$33.1 Million</p>	<p>SYNNEX Corporation leased 600,000 SF at 201 Middlesex Center Boulevard South Brunswick, NJ from Atlantic Realty Development</p>
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INDUSTRIAL MARKET REVIEW AND FORECAST

	2010	2011	2012 Forecast
Availability Rate	12.5%	11.4%	10.5%
General Industrial Rental Rate ¹	\$5.04	\$5.02	\$5.00
R&D/Flex Rental Rate ¹	\$9.43	\$9.35	\$9.33
Warehouse/Dist. Rental Rate ¹	\$4.92	\$5.06	\$5.09
Net Absorption	9,439,386	6,885,436	6,715,000
Space Completed	231,000	706,016	800,000

1. Asking rate per square foot per year triple net

(CONTINUED FROM PAGE 2)

rates encouraged companies to lock in financially favorable leases. Average asking rents for warehouse space ranged below \$4.25 per square foot at year-end 2011 compared to \$4.75 per square foot two years ago. More than 97 percent of the 6.9 million square feet of positive net absorption recorded in the industrial market during 2011 was concentrated in Central New Jersey. Furthermore, over 2.7 million square feet was absorbed in Central New Jersey during the final three months of 2011 alone. With the exception of the Hunterdon, Monmouth East, Monmouth West and Somerset/I-78 Corridor submarkets, the remaining 10 Central New Jersey submarkets registered positive absorption figures during the fourth quarter. The Central New Jersey industrial availability rate retreated to 12.4 percent at the end of 2011 compared to 14.6 percent one year ago.

With an overall industrial inventory base of more than 60.3 million square feet, the Exit 8A submarket represents the largest industrial market in Central New Jersey and was also among the most active regions in the state during the past year. Consistent demand for warehouse space led to positive absorption during each quarter of 2011. By year-end, more than 2.1 million square feet had been absorbed in this submarket. During the fourth quarter alone, nearly 1.3 million square feet was absorbed in the Exit 8A submarket, which represented the largest volume of positive absorption in Northern and Central New Jersey. One of the largest transactions completed in this submarket during the fourth quarter was Central Garden & Pet Company's lease of a 340,900-square-foot warehouse at 1100 Cranbury South River Road in South Brunswick. Also in South Brunswick, L'Oreal absorbed 120,500 square feet at 160 Herrod Boulevard. In Monroe Township, Cooper Electric Supply

(CONTINUED ON PAGE 3)

(CONTINUED FROM PAGE 2)

leased 259,400 square feet at 1 Matrix Drive, while Genera Corporation expanded into an additional 77,520 square feet at 5 Fitzgerald Avenue. Propack Data Corporation also subleased 225,200 square feet at 11 Commerce Court West in Cranbury. The Exit 8A overall industrial availability rate declined below 17 percent at year-end 2011 compared to more than 20 percent in 2010. The industrial availability rate is now at its lowest level since early 2008.

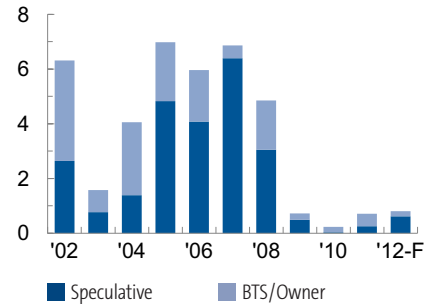
2012 FORECAST

Port New York/New Jersey will remain a vital component of the state’s economic engine and the warehouse/distribution market. After remaining flat for the past several years, 2010 cargo volume at the Port increased 16 percent from 2009 in response to rebounding global trade. Numerous infrastructure upgrades are underway to accommodate the larger container ships expected to begin arriving following the expansion of the Panama Canal, which is scheduled to be completed by 2014. One of the greatest challenges facing the Port had been the navigational limitations of the Bayonne Bridge’s 151-foot clearance. The Port Authority recently announced plans to raise the Bridge’s roadbed over the Kill Van Kull channel to accommodate the larger ships. The navigational limitations of the Bayonne Bridge would have likely resulted in the loss of shipping business to other East Coast ports and threaten the \$36 billion in annual economic activity generated by the Port.

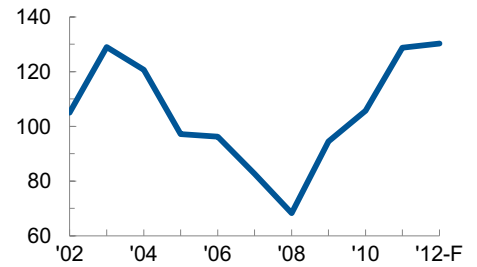
The shrinking supply of existing availabilities will challenge users seeking large blocks of modern distribution space and usher in the next round of new construction in 2012. Over the course of the past year, the volume of new construction underway in Northern and Central New Jersey more than doubled to 532,840 square feet. Additional projects are likely to be announced in the coming year as developers seek to satisfy the needs of expanding users.

Food manufacturers and distributors will have a healthy appetite for industrial product in 2012 as changing consumer tastes and the need to increase efficiencies drive activity. Furthermore, while consumers reduce discretionary purchases during a challenging economic climate, food expenditures remain consistent. During the past year, kosher food manufacturer Manischewitz expanded into Mount Olive, while relocating its headquarters from Secaucus to Newark. Damascus Bakery also moved its operations from Brooklyn and into an 117,420-square-foot building in Newark. Wakefern Food Corporation is replacing its existing building in Elizabeth with a new 524,000-square-foot warehouse and broke ground on an 180,000-square-foot distribution center in Newark. Goya Foods is also expected to ink a deal for a 600,000-square-foot build-to-suit facility in the Meadowlands.

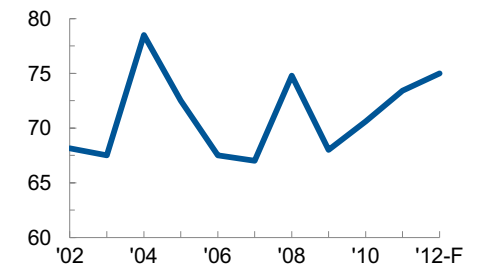
Completions by Construction Type
(in Millions of SF)



Average Industrial Lease Size
(in Thousands of SF)



Average Industrial Lease Term
(in Months)



Industrial Trends Report – Fourth Quarter 2011

Northern and Central New Jersey



By Submarket	Total SF	Available SF	Available %	NET ABSORPTION		Under Construction SF	ASKING RENT		
				Current	Year To Date		WH/Dist	R&D/Flex	
Northern NJ									
Central Bergen- East	14,296,583	1,329,971	9.3%	(118,638)	(65,464)	-	\$5.70	\$6.39	
Central Bergen- West	16,520,367	1,434,429	8.7%	129,761	354,460	-	\$5.35	\$8.85	
Hudson Waterfront	29,094,574	2,365,749	8.1%	93,908	65,127	-	\$5.91	-	
Meadowlands	77,821,490	10,405,303	13.4%	(565,245)	(9,466)	-	\$5.81	\$7.50	
Morris East	26,607,588	4,265,409	16.0%	(135,391)	974,560	-	\$5.50	\$9.59	
Morris West	17,073,985	2,383,968	14.0%	17,620	(181,105)	-	\$6.43	\$7.94	
Newark Region	62,624,173	4,943,988	7.9%	(443,453)	(1,428,087)	180,000	\$4.74	-	
Northern Bergen	17,561,195	2,348,990	13.4%	23,350	(247,223)	-	\$6.93	\$8.85	
Passaic/I-80/Route 3	54,494,807	3,532,953	6.5%	168,740	642,268	-	\$5.23	\$10.17	
West Essex	19,881,131	2,012,735	10.1%	130,858	68,860	-	\$6.71	\$12.75	
Northern NJ Subtotal	335,975,893	35,023,495	10.4%	(698,490)	173,930	180,000	\$5.46	\$8.91	
Central NJ									
Exit 10/Edison	56,520,970	3,978,514	7.0%	550,776	2,266,002	61,700	\$3.98	\$9.63	
Exit 12/Woodbridge	22,015,988	2,119,229	9.6%	16,722	662,304	-	\$5.01	-	
Exit 7A	5,932,093	1,834,609	30.9%	148,576	565,811	-	-	-	
Exit 8A	60,345,642	10,206,714	16.9%	1,258,419	2,143,997	-	\$3.75	\$11.46	
Exit 9/Brunswick	19,292,714	3,641,467	18.9%	177,023	(454,462)	-	\$3.63	\$10.25	
Hunterdon	4,909,415	1,649,920	33.6%	(66,700)	21,610	-	\$2.94	\$10.12	
Monmouth East	10,506,717	848,592	8.1%	(67,489)	86,121	-	\$6.28	\$9.58	
Monmouth West	7,095,794	603,756	8.5%	(16,900)	131,862	-	\$5.48	\$7.85	
Piscataway/I-287 South	41,534,171	4,965,450	12.0%	182,096	211,183	-	\$5.67	\$8.23	
Princeton/I-295	12,633,066	2,107,699	16.7%	63,172	(40,188)	-	\$4.90	\$9.23	
Route 22/Branchburg	9,279,611	728,742	7.9%	27,194	252,650	-	\$6.25	\$7.27	
Route 22/Plainfield	2,319,141	446,988	19.3%	-	(20,000)	-	\$2.50	-	
Somerset/I-78 Corridor	2,434,074	375,035	15.4%	(6,000)	(11,000)	-	\$4.25	-	
Union Area	51,579,146	4,506,551	8.7%	433,649	895,616	-	\$5.22	\$11.89	
Central NJ Subtotal	306,398,542	38,013,266	12.4%	2,710,538	6,711,506	61,700	\$4.35	\$9.70	
Totals	642,374,435	73,036,761	11.4%	2,012,048	6,885,436	241,700	\$5.06	\$9.35	
By Property Type							ASKING RENT		
General Industrial	247,170,230	20,971,246	8.5%	241,349	2,041,455	-	\$5.02		
R&D/Flex	29,499,274	5,136,334	17.4%	(199,973)	(429,065)	61,700	\$9.35		
Warehouse/Distribution	365,704,931	46,929,181	12.8%	1,970,672	5,273,046	180,000	\$5.06		
Totals	642,374,435	73,036,761	11.4%	2,012,048	6,885,436	241,700	\$5.35		

GRUBB & ELLIS NORTHERN AND CENTRAL NEW JERSEY OFFICE LOCATIONS

Fairfield Office
100 Passaic Avenue
Greenbrook Executive Center
Fairfield, NJ 07004
973.486.2500 main
973.486.2501 fax

Edison Office
105 Fieldcrest Avenue
Raritan Plaza III
Edison, NJ 08837
732.225.0433 main
732.225.6167 fax

INDUSTRIAL TERMS AND DEFINITIONS

Total SF: Industrial inventory includes all multi-tenant, single tenant and owner occupied buildings at least 10,000 square feet

Industrial Building Classifications: Industrial buildings are categorized as warehouse/distribution, general industrial, R&D/flex and incubator based on their physical characteristics including percent office build-out, clear height, typical bay depth, typical suite size, type of loading and typical uses.

Availability: The availability rate is the amount of available space divided by the inventory and includes direct and sublease.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Industrial rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis. The asking rent for each

building in the market is weighted by the amount of available space in the building.

** Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.*

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