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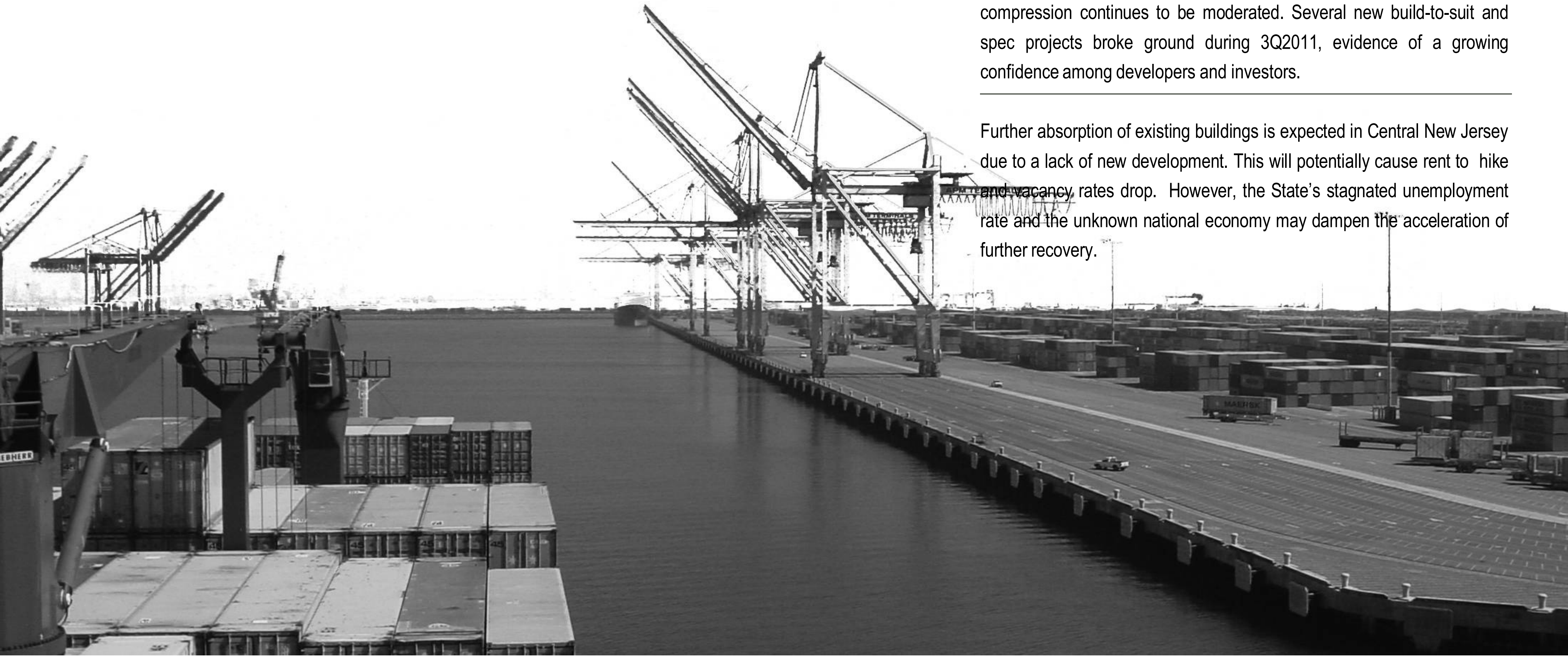
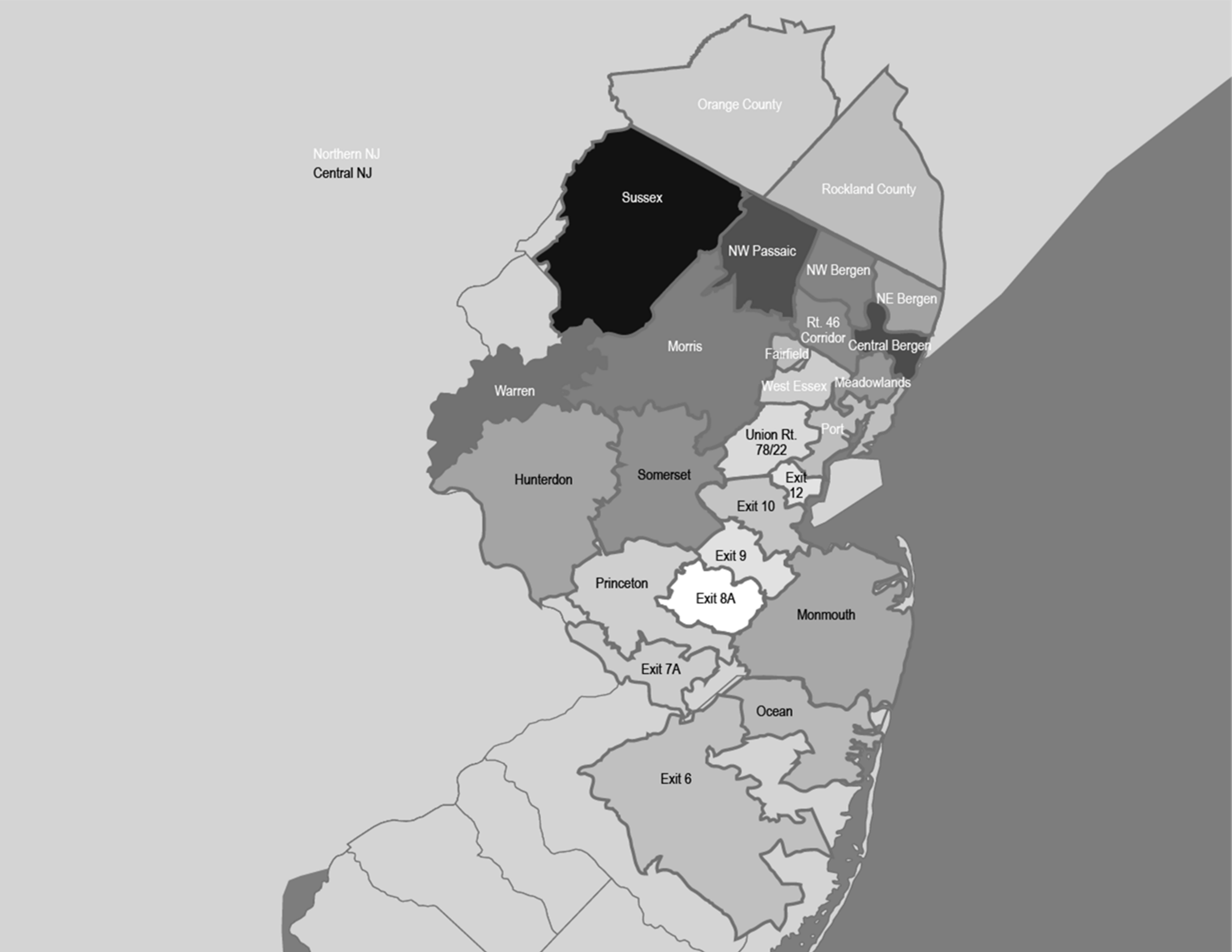
New Jersey . Industrial Outlook . Q3 2011

Modest recovery with visible signs of improvement.

Recovery continues at a modest pace. Leasing activity is improving in Northern New Jersey but slowing in Central New Jersey market. However, the overall conditions are stabilizing as the pace of rent compression continues to be moderated. Several new build-to-suit and spec projects broke ground during 3Q2011, evidence of a growing confidence among developers and investors.

Further absorption of existing buildings is expected in Central New Jersey due to a lack of new development. This will potentially cause rent to hike and vacancy rates drop. However, the State's stagnated unemployment rate and the unknown national economy may dampen the acceleration of further recovery.




Northern NJ
Central NJ
Orange County
Rockland County
Sussex
NW Passaic
NW Bergen
NE Bergen
Rt. 46 Corridor
Central Bergen
Fairfield
Morris
Warren
West Essex
Meadowlands
Port
Union Rt. 78/22
Exit 12
Hunterdon
Somerset
Exit 10
Exit 9
Princeton
Exit 8A
Monmouth
Exit 7A
Ocean
Exit 6

New Jersey industrial overview

Economy

New Jersey's unemployment rate dropped by 0.1 % to 9.4 % in August from June and July, however, it still exceeds that of the nation's rate of 9.1 % in August. It is still higher by 0.1 % at the same month a year ago. Considering 9.8 % recorded in January 2010, the uptrend in employment is still evident but at a slower pace. The toll hike for the bridges and tunnels in to New York City took effect by the Port Authority of New York and New Jersey in September. Some tolls are pushed as high as 50 %, and are scheduled to be raised by 182 % by 2015. The major impact is heavily on commuters to New York City, however, there will be significant burden on shipping and trucking industries. Overall negative impact by this toll hike may slow the economic recovery of the region.

Northern New Jersey Market Conditions

Northern New Jersey industrial market continues to experience negative net absorption, totaling 330,000 square feet for the quarter. The Meadowlands submarket moved into positive territory with 32,612 square feet of absorption. Leasing activity in the market exceeded 3.5 million square feet and outpaced the two previous quarters.

The most notable deals of the 3Q2011 in Northern New Jersey market included a 260,000 square foot lease in Kearny by Carville, a 240,000 square foot lease in Secaucus by National Retail Transportation, and a 177,359 square feet lease in Kearny by Continental Terminal.

Several large new construction projects broke ground during 3Q 2011 in the Northern New Jersey market. The majority of which are build-to-suit projects, however, over 500,000 square feet of new construction is also being developed on spec. This is an indication that there is rising demand for quality warehouse spaces in the Northern New Jersey market.

Apparel companies and retailers are looking to consolidate multiple warehouses in Northern New Jersey to modern facilities under one roof. The lack of large available blocks of space in modern facilities in Northern New Jersey has caused companies to search and relocate to the Central New Jersey market where such spaces are abundant at lower occupancy costs.

Future leasing activity from primarily the food and beverage industry, is expected to absorb the vacant space created by retailers and apparel companies. This absorption has begun and should continue in earnest in upcoming quarters.

The Port activity continued to grow at steady pace. Total TEUs increased by 6.1 % between January and September 2011 from the same period last year. However, TEUs for July and August 2011 experienced negative growth compared to these two months in 2010, and improved in September with 11 % positive growth from the same month in 2010.

Trend spotlight…

- Negative absorption persists but leasing activity outpaced the two previous quarters.
- Several large scale construction projects commenced.
- Future leasing activity by the food and beverage industry is anticipated.
- Increasing investor interest.
- Port activity continues to grow at a steady pace.

Northern New Jersey total industrial market (owner occupied included)

	Supply	Construction	Vacancy		Availability		Demand	Pricing
	Total stock (s.f.)	Under construction (s.f.)	Rate	Trend	Rate	Trend	Q3 2011 net absorption (s.f.)	Average rental rate (nnn)
Total industrial market	**349,033,328**	**1,800,871**	**8.5%**		**12.2 %**		**23,071**	**$5.59**
Warehouse/distribution	267,342,098	1,800,871	9.2%		13.1%		56,525	$5.72
Manufacturing	81,691,230	0	7.4%		10.5%		-33,454	$5.46

New Jersey industrial overview, cont.

Central New Jersey market conditions

Witnessing a continuing trend from the most recent reporting period of 2Q2011, QTD net absorption was positive, exceeding 1.8 million square feet. Although leasing activity for the quarter was the lowest recorded in the last 10 years, a lack of new development, coupled with several large new lease transactions, helped vacancy rates remain the lowest they have been in 24 months. A precipitous 80 basis point drop in the vacancy rate was largely caused by the 1.1 million square foot transaction Wakefern Food Corporation completed at iPort 12 in Carteret.

Following several consecutive quarterly decreases, average asking rents remained unchanged from the previous quarter. However, they are expected to slowly increase as the positive net absorption trend continues, albeit at a protracted pace.

The largest deals 3Q2011 in Central New Jersey included a 600,000 square foot lease in South Brunswick by a global IT and logistics company Synnex Corp., a 305,000 square foot lease in South Brunswick by Victory Packaging Inc, and a 114,000 square foot lease in Carteret by Restoration Hardware.

Despite no significant portfolio trades or purchases of existing buildings by investors during 3Q2011, interest in quality product continued to grow in the Central New Jersey industrial market. J.G. Petrucci Company has commenced development on a state of the art 570,000-square foot warehouse distribution center in Edison. It is one of the first industrial speculative developments in New Jersey since the advent of the recession's nascent recovery.

Additional new construction projects including both build-to-suit, as well as speculative, are anticipated to be announced in the coming quarters.

Trend spotlight…

- Positive net absorption continued despite the slowing leasing activity.
- Average asking rents remained unchanged from the previous quarter.
- Rents are expected to increase as the positive net absorption trend continues.
- Large spec project broke ground.
- Additional new construction is anticipate to be announced.

Central New Jersey total industrial market (owner occupied included)

	Supply	Construction	Vacancy		Availability		Demand	Pricing
	Total stock (s.f.)	Under construction (s.f.)	Rate	Trend	Rate	Trend	Q1 2011 net absorption (s.f.)	Average rental rate (nnn)
Total industrial market	**281,729,055**	**770,000**	**9.6 %**		**14.5%**		**1,742,168**	**$5.18**
Warehouse/distribution	223,049,366	770,000	11.7%		16.1 %		1,398,372	$5.35
Manufacturing	58,679,689	0	5.8%		11.7 %		331,543	$5.01

New Jersey total industrial market (owner occupied included)

	Supply	Construction	Vacancy		Availability		Demand	Pricing
	Total stock (s.f.)	Under construction (s.f.)	Rate	Trend	Rate	Trend	Q1 2011 net absorption (s.f.)	Average rental rate (nnn)
Total industrial market	**630,762,383**	**2,570,871**	**8.9%**		**12.4%**		**2,142,474**	**$5.45**
Warehouse/distribution	490,391,464	2,570,871	10.8%		15.2%		1,844,385	$5.54
Manufacturing	140,370,919	0	7.0%		11.05%		298,089	$5.24

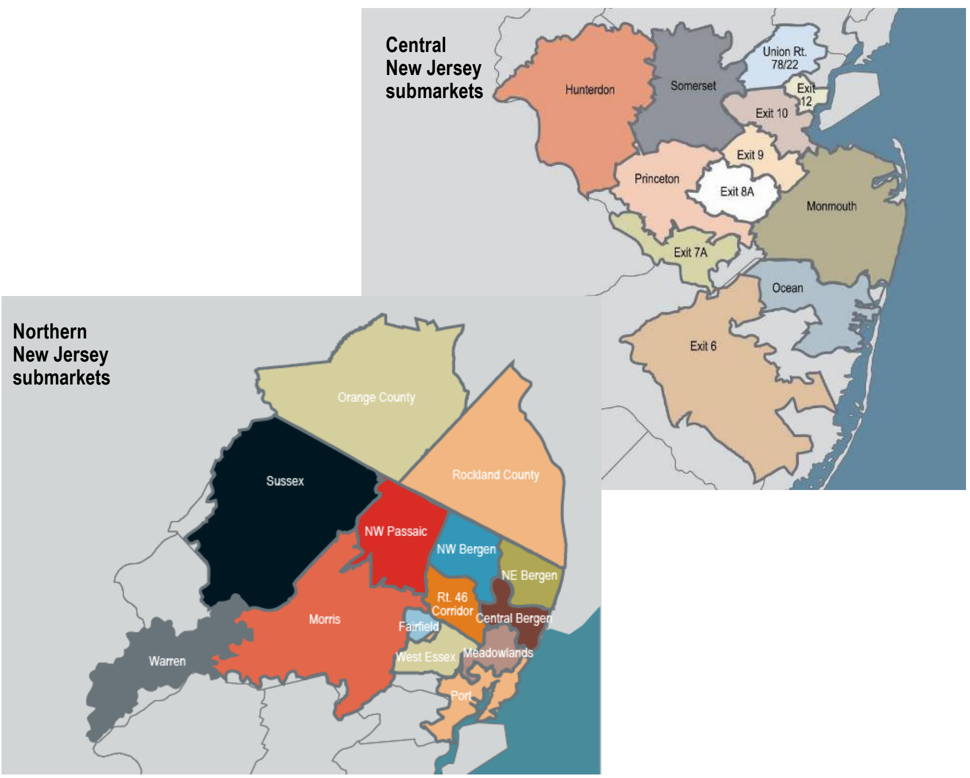
New Jersey industrial overview, cont.

Northern New Jersey outlook

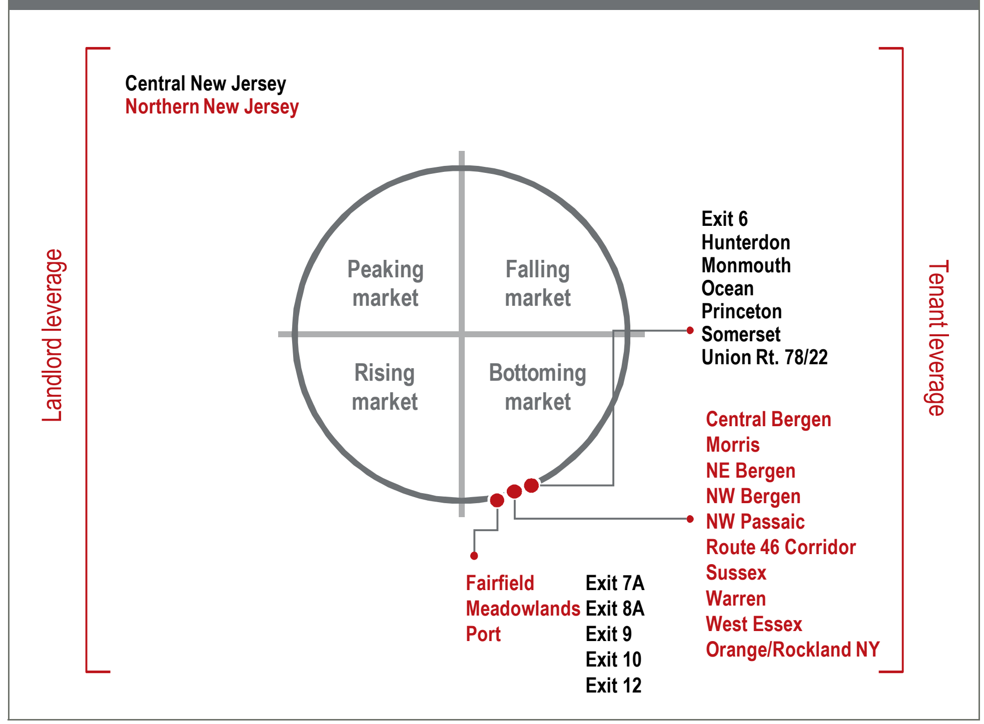
Despite the continuing negative absorption, leasing activity in major submarkets has been outpacing that of the last two quarters. No anticipated acceleration is expected for the pace of recovery; however, there is a clear sign of increasing demand by users, especially those with requirements to be in close proximity to the Port and New York City population base. The negative impact by the recent toll hike on tunnels and bridges into NYC by the Port Authority of NY/NJ on shipping and tracking industries is a concern as well as the uncertainty in the national economy and slow job growth.

Central New Jersey outlook

As overall demand continues to improve, the lingering prospect for flight to quality at costs beneficial to tenants is expected to see dwindling opportunity; with the potential of decreasing vacancy rates and a long term outlook for gradual rental growth. As demand continue to improve, the on-going “window opportunity” where low occupancy cost is available for the tenant, is expected to end soon with potential vacancy drop and rent hikes.

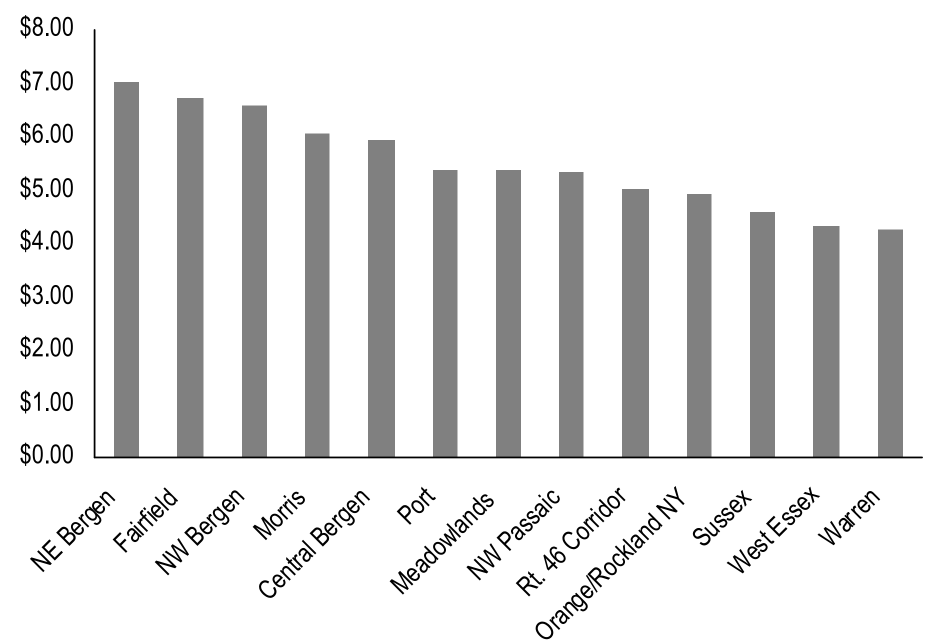


New Jersey property clock

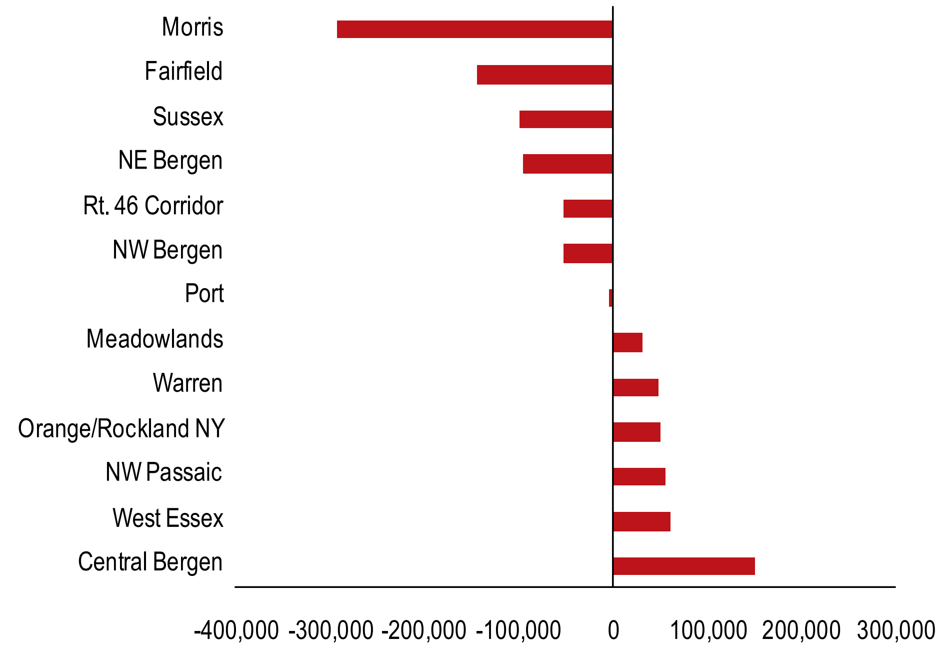


Northern New Jersey industrial overview

Average rental rate



YTD net absorption



Pricing trends

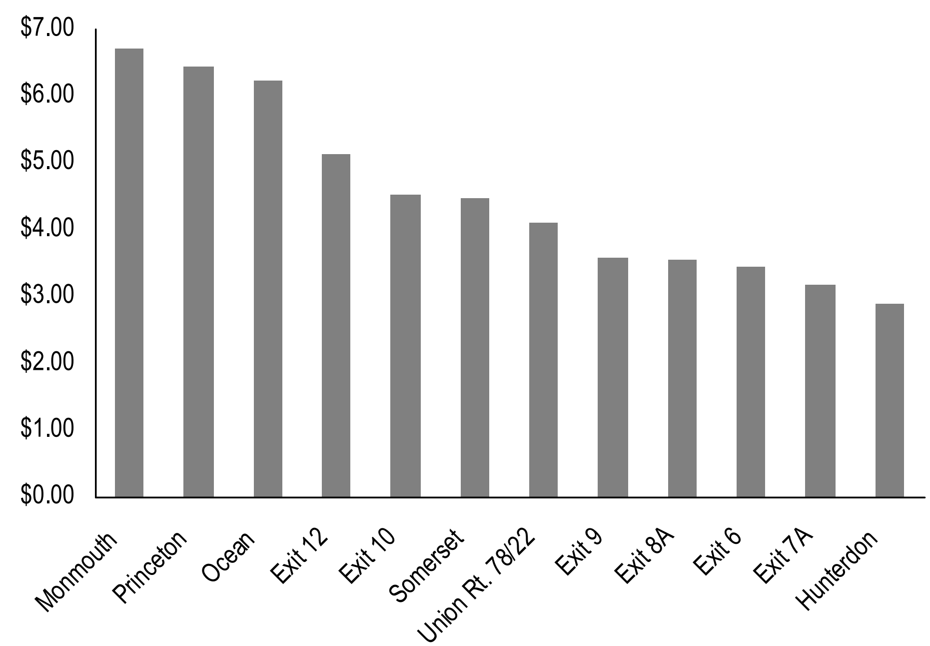
- Overall average asking rents continued be lower than their peak from several quarters ago but are showing some improvement and stability, as illustrated by a quarter-to-quarter comparison in which rents decreased by -0.59 % versus a year-over-year decrease of -5.46 %.
- As the number of available sublease spaces diminishes, overall rental rates are expected to climb.
- The Port submarket's rental rate has continued to rise as available spaces continue to be absorbed.
- The Fairfield submarket is experiencing stabilized and unwavering asking rents.

Demand trends

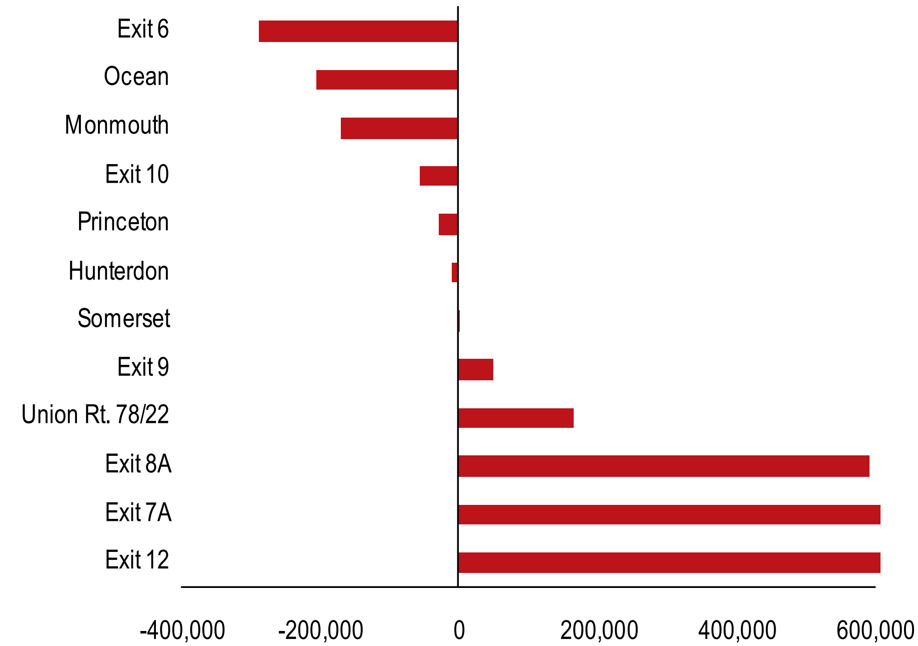
- Demand continues to improve in submarkets closest to the Port and New York City with improving leasing activity.
- The Meadowlands leasing activity outpaced the previous two quarters.
- The Morris submarket experienced negative absorption due to some new availabilities with slow leasing activities.
- Overall demand is expected to rise and will lead absorption into positive territory in coming quarters as the overall economy continues moving towards a sustained recovery.

Central New Jersey industrial overview

Average rental rate



YTD net absorption



Pricing trends

- The pace of rent compression continues to be moderated and moving towards stability, as illustrated by a quarter-to-quarter comparison in which rents decreased -0.40 % versus a year-over-year decrease of -3.36%.
- Rents in the Exit 9 submarket dropped over -6 % in a quarter-to-quarter comparison.
- Rents in the Exit 7A and 8A submarkets dropped over -12.12 % and -7.8% respectively.
- Rents in the Exit 6 submarket are climbing: increasing by 10.9% from last quarter and by 5.81% from a year ago..

Demand trends

- Demand was strong in the Exit 12, 8A and 7A submarkets where large new leases were signed by national/regional tenants.
- Submarkets with immediate access to the NJ Turnpike, including Exit 6, 7A, 8A, 9 and 11 continue to attract tenants, and are expected to further absorb existing spaces due to the absence of new construction.
- Tenant interests and showings continue to be active.

New Jersey leased industrial market *[excluding owner occupied facilities]*

Methodology…

The leased industrial sector excludes owner occupied product from the market's data set, and provides a rental equivalent perspective for industrial buildings that are leased by tenants. Buildings can move into and out of this data set based upon being purchased or sold by a particular user.

Northern New Jersey sector trends…

- Availability rate for the warehouse/distribution sector dropped by 3.2 % from the previous quarter.
- The Manufacturing sector experienced negative absorption.
- Net absorption swung into negative territory for the warehouse/distribution sectors with slowing leasing activity.
- Overall average asking rent is unwavering from the previous quarters.

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Central New Jersey sector trends…

- Net absorption continued to be positive for warehouse/distribution and manufacturing sectors.
- Availability rate dropped due to the Wakefern's 1 million square foot occupancy at iPort.
- National tenants with large occupancy requirements are active players in the market
- 3PL companies and the food distributors are active players in the market and contributed towards the positive absorption in this quarter.

Recent lease transactions

Tenant name	Location	Submarket	Deal type	Size (s.f.)
Synnex Corporation	201 Middlesex Center Boulevard	Exit 8A	New	600,000
National Retail Services	2400 83rd Street	Meadowlands	New	224,935
Walong Marketing	99 Caven Point Road	Port	Renewal	180,308
Continental Terminal	40 Western Road	Port	New	177,359

Tenants in the market

Tenant name	Submarket concentration	Size requirement (s.f.)
Food Company	Central New Jersey	600,000
Consumer Product	Orange/Rockland NY	600,000
Food Distributor	Exit 10/8A	400,000
3PL/Logistic Company	Central New Jersey	200,000
Medical/Personal Products	Meadowlands	100,000

Total leased industrial market (excluding owner occupied facilities)

	Supply total stock (s.f.)	Vacancy rate	Availability rate	Demand Q3 2011 net absorption (s.f.)	Pricing Average rental rate (nnn)
NJ total leased industrial market	**434,757,656**	**13.6%**	**17.8%**	**1,705,259**	**$5.12**
Warehouse/distribution	357,323,806	15.4%	18.1%	1,899,506	$5.24
Manufacturing	77,433,850	11.8%	17.4%	-194,247	$5.00
Northern NJ total leased industrial market	**235,525,631**	**12.3%**	**17.4%**	**-44,178**	**$5.65**
Warehouse/distribution	190,521,177	11.5%	13.1%	77,101	$5.63
Manufacturing	45,004,454	12.4%	15.4%	-121,279	$5.67
Central NJ total leased industrial market	**199,232,025**	**12.9%**	**19.4%**	**2,137,931**	**$4.59**
Warehouse/distribution	166,802,629	14.5%	19.5%	1,822,405	$4.85
Manufacturing	32,429,396	11.2%	19.3%	315,526	$4.32

New Jersey industrial capital markets overview

Although investor activity appeared to be moderated during 3Q 2011 compared to the two previous quarters, their interest continued to be visible in Northern and Central New Jersey. The largest transaction during the 3Q 2011 was Woodmont Properties acquisition of a 730,000 square foot building on 111 Cokesbury Road in Clinton. The building was purchased vacant and currently for lease.

Users were actively seeking the quality properties in New Jersey industrial market during 3Q 2011. In the Meadowlands submarket, a 100,000 square foot building at 903 Castle Road in Secaucus was purchased for $6,500,000 ($55.55 p.s.f.) by an apparel user, David &Young. In the same submarket, a 105,000 square foot at 7500 West Side Avenue in North Bergen was purchased by Ridge Auto Group at $6,930,000 ($66.00 p.s.f.).

In the Exit 10 submarket, 7 Parkway Place in Edison was acquired by Futai USA for its occupancy. It was traded for $3,8,000,000 ($76.00 p.s.f.).

Notable investment purchase in the Northern New Jersey industrial market during 3Q 2011 was the acquisition of a 251, 835 square foot building on 300 International Drive in Mount Olive by IIT Acquisition. It was purchased for $9.6 million ($38.12 p.s.f.) It is expected that investment activity remain strong in Northern and Central industrial markets remaining of the year.

New Jersey select sales

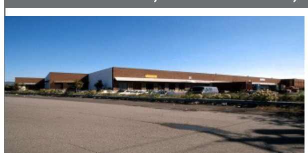
Hunterdon *111 Cokesbury Road, Clinton*

RBA	730,000 s.f.
Buyer	Woodmont Properties
Seller	Wrightwood Capital
Price (p.s.f.)	N/A
Date sold	September 2011

Morris, *300 International Dr., Mount Olive*

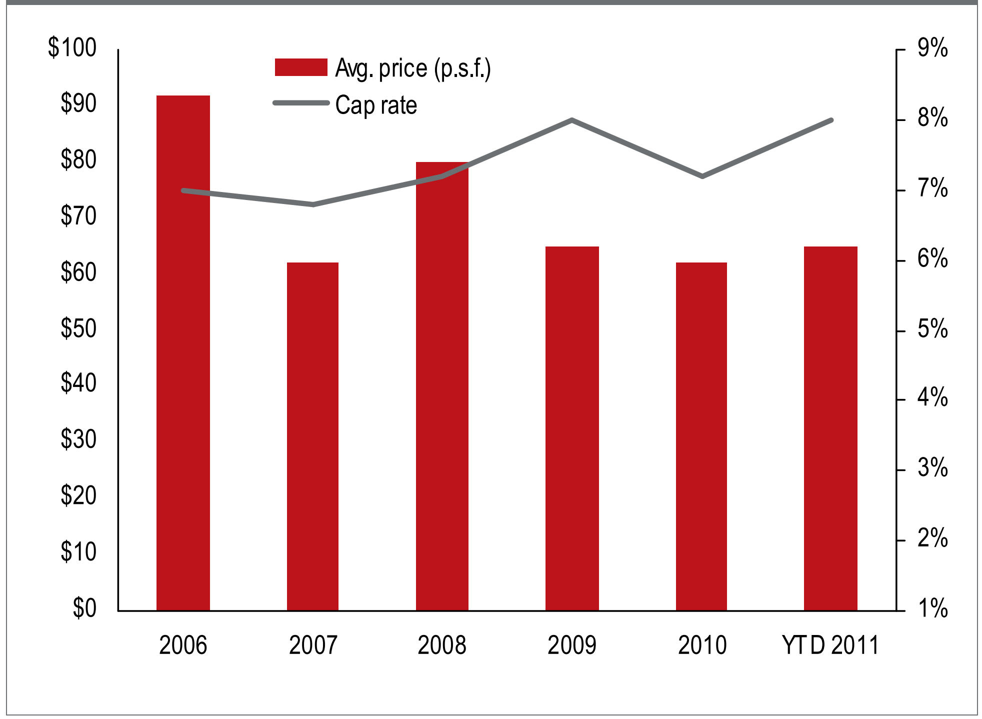
RBA	251, 835 s.f.
Buyer	IIT Acquisition
Seller	Prologis
Price (p.s.f.)	$38.12
Date sold	August 2011

Meadowlands, 901 Castle Rd, Secaucus

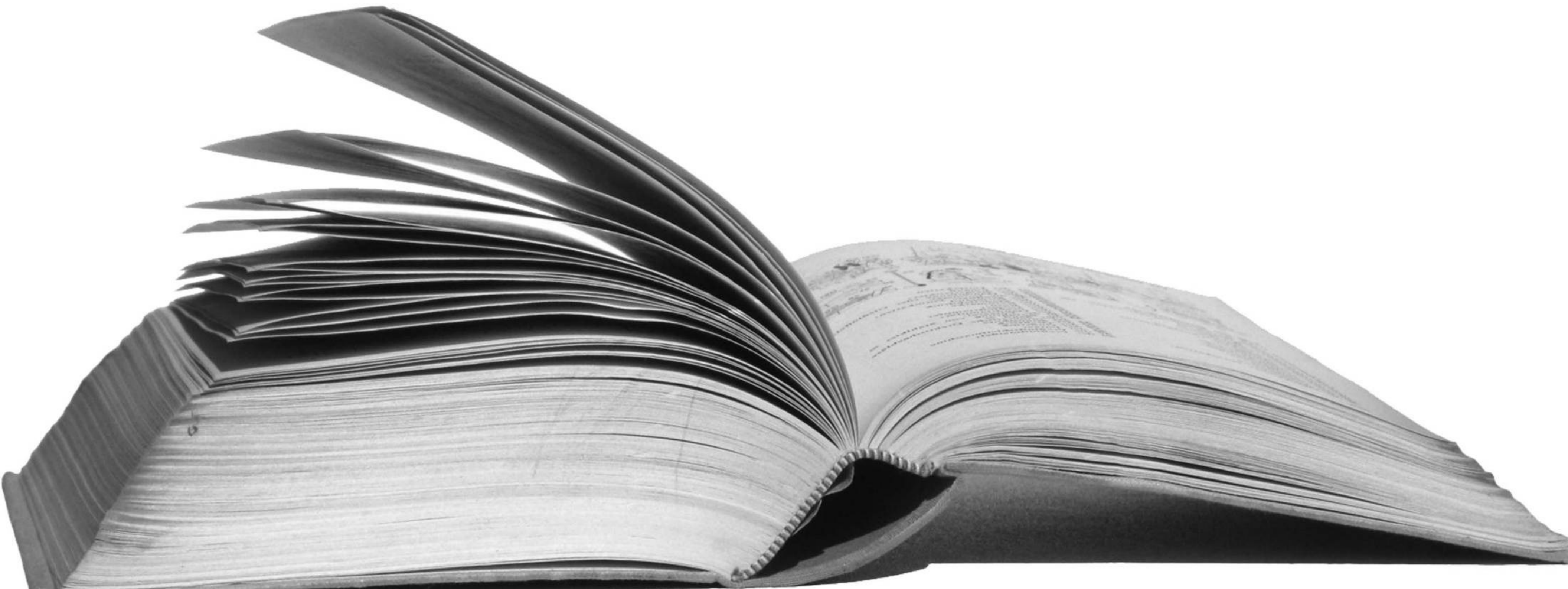


RBA	100,000 s.f.
Buyer	David & Young
Seller	Maita Starr & Brody Co.
Price (p.s.f.)	$55.55
Date sold	August 2011

Average sales price (p.s.f.) and cap rates



Appendix



Northern New Jersey industrial market statistics

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
Central Bergen													
Warehouse / Distribution	10,734,616	9.49%	9.64%	12.93%	13.20%	293,631	-6,180	293,599	-16,680	$5.60	$5.67	0	0
Manufacturing	4,198,813	12.56%	14.53%	14.12%	16.08%	-112,529	-147,648	-112,529	-147,648	$6.79	$6.44	0	0
Total industrial	**14,933,429**	**11.03%**	**12.09%**	**13.53%**	**14.64%**	**181,102**	**-153,828**	**181,070**	**-164,328**	**$6.20**	**$6.06**	**0**	**0**
Fairfield													
Warehouse / Distribution	6,775,437	10.00%	10.39%	16.36%	16.75%	-114,578	412,489	-130,027	396,807	$6.68	$6.67	0	68,000
Manufacturing	1,331,117	3.24%	3.24%	9.22%	9.22%	-12,803	25,875	-12,803	25,875	$7.16	$6.69	0	0
Total industrial	**8,106,554**	**6.62%**	**6.82%**	**12.79%**	**12.99%**	**-127,381**	**438,364**	**-142,830**	**422,682**	**$6.92**	**$6.68**	**0**	**68,000**
Meadowlands													
Warehouse / Distribution	44,740,337	13.24%	14.31%	13.81%	15.37%	-160,721	-226,295	-160,721	-312,282	$5.75	$5.75	416,826	0
Manufacturing	8,674,094	14.60%	13.11%	23.46%	24.48%	103,660	188,130	103,660	158,780	$5.71	$5.60	0	0
Total industrial	**53,414,431**	**13.92%**	**13.71%**	**18.64%**	**19.93%**	**-57,061**	**-38,165**	**-57,061**	**-153,502**	**$5.73**	**$5.68**	**416,826**	**0**
Morris													
Warehouse / Distribution	18,857,172	14.82%	17.07%	24.46%	27.10%	-448,404	-451,452	-460,954	-449,727	$6.15	$6.15	0	0
Manufacturing	4,156,379	14.81%	14.81%	19.60%	20.14%	48,104	-193,904	48,104	-193,904	$5.39	$5.75	0	0
Total industrial	**23,013,551**	**14.82%**	**15.94%**	**22.03%**	**23.62%**	**-400,300**	**-645,356**	**-412,850**	**-643,631**	**$5.77**	**$5.95**	**0**	**0**

Vacancy: Physically vacant space. Total Vacancy includes both direct and sublease space.
Availability: Space being marketed for lease by owner or sublessor, regardless of occupancy. Total Availability includes both direct and sublease space.
Net Absorption: The net change in occupancy over a measured period of time.
Average Asking Rent: Direct monthly values presented on a NNN basis, then weighted by the amount of direct available space in a building.
Statistics reflect the total industrial market, including owner occupied facilities

Northern New Jersey industrial market statistics, cont.

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
NE Bergen													
Warehouse / Distribution	2,570,651	15.40%	15.40%	25.56%	25.56%	-56,635	-140,639	-56,635	-140,639	$6.74	$6.74	0	0
Manufacturing	1,049,050	14.87%	14.87%	16.62%	16.62%	0	3,894	0	-11,806	$6.74	$6.82	0	0
Total industrial	**3,619,701**	**15.14%**	**15.14%**	**21.09%**	**21.09%**	**-56,635**	**-136,745**	**-56,635**	**-152,445**	**$6.74**	**$6.78**	**0**	**0**
NW Bergen													
Warehouse / Distribution	6,683,802	9.48%	9.49%	13.13%	13.14%	-80,173	-192,807	-80,173	-190,307	$7.17	$7.17	0	0
Manufacturing	2,322,960	8.80%	8.80%	14.42%	14.45%	23,301	-36,423	23,301	-36,423	$7.49	$5.79	0	0
Total industrial	**9,006,762**	**9.14%**	**9.15%**	**13.78%**	**13.80%**	**-56,872**	**-229,230**	**-56,872**	**-226,730**	**$7.33**	**$6.48**	**0**	**0**
NW Passaic													
Warehouse / Distribution	822,017	10.30%	10.30%	13.00%	13.00%	-1,304	-10,804	-1,304	-9,500	$7.33	$7.33	0	0
Manufacturing	393,737	2.35%	2.35%	2.35%	2.35%	0	-250	0	-250	-	-	0	0
Total industrial	**1,215,754**	**6.33%**	**6.33%**	**7.68%**	**7.68%**	**-1,304**	**-11,054**	**-1,304**	**-9,750**	**$7.33**	**$7.33**	**0**	**0**
Port													
Warehouse / Distribution	57,986,005	8.35%	8.37%	10.63%	10.82%	39,516	40,500	62,516	-3,930	$5.26	$5.29	1,384,045	150,826
Manufacturing	7,585,361	7.11%	7.11%	8.94%	8.94%	135,898	240,630	135,898	240,630	$5.18	$5.13	0	0
Total industrial	**65,571,366**	**7.73%**	**7.74%**	**9.79%**	**9.88%**	**175,414**	**281,130**	**198,414**	**236,700**	**$5.22**	**$5.21**	**1,384,045**	**150,826**

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Rt. 46 Corridor													
Warehouse / Distribution	19,927,565	7.63%	7.75%	10.35%	12.06%	385,110	298,839	390,310	284,039	$4.81	$4.81	0	0
Manufacturing	8,719,734	12..19%	12.19%	13.57%	13.57%	-305,800	-452,210	-305,800	-452,210	$4.97	$5.05	0	0
Total industrial	**28,647,299**	**9.91%**	**9.97%**	**11.96%**	**12.82%**	**79,310**	**-153,371**	**84,510**	**-168,171**	**$4.89**	**$4.93**	**0**	**0**
Sussex													
Warehouse / Distribution	890,903	32.46%	32.46%	48.14%	48.14%	0	-34,740	0	-34,740	$4.34	$4.34	0	0
Manufacturing	299,340	16.58%	16.58%	16.58%	16.58%	0	-49,621	0	-49,621	$3.62	-	0	0
Total industrial	**1,190,243**	**24.52%**	**24.52%**	**32.36%**	**32.36%**	**0**	**-84,361**	**0**	**-84,361**	**$3.98**	**$4.34**	**0**	**0**
Warren													
Warehouse / Distribution	1,475,920	11.34%	23.67%	24.09%	37.08%	15,128	52,211	15,128	-129,789	$3.69	$4.24	0	0
Manufacturing	406,851	12.47%	12.47%	16.80%	16.80%	0	-31,700	0	-31,700	$5.00	$5.02	0	0
Total industrial	**1,882,771**	**11.91%**	**18.07%**	**20.46%**	**26.94%**	**15,128**	**20,511**	**15,128**	**-161,489**	**$4.35**	**$4.64**	**0**	**0**
West Essex													
Warehouse / Distribution	5,235,381	12.08%	12.08%	17.62%	17.62%	74,912	109,496	74,912	104,496	$3.85	$3.85	0	0
Manufacturing	2,668,303	4.52%	4.52%	5.49%	5.49%	-14,528	48,972	-14,528	48,972	$4.49	$4.97	0	0
Total industrial	**7,903,684**	**8.30%**	**8.30%**	**11.56%**	**11.56%**	**60,384**	**158,468**	**60,384**	**153,468**	**$4.17**	**$4.41**	**0**	**0**

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Net Absorption: The net change in occupancy over a measured period of time.
Average Asking Rent: Direct monthly values presented on a NNN basis, then weighted by the amount of direct available space in a building.
Statistics reflect the total industrial market, including owner occupied facilities

Northern New Jersey industrial market statistics, cont.

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
Orange/Rockland NY													
Warehouse / Distribution	13,821,371	12.29%	12.48%	22.07%	22.21%	130,450	-241,994	130,450	-316,906	$5.18	$5.19	0	0
Manufacturing	3,198,715	12.29%	12.29%	17.72%	17.72%	13,418	79,325	13,418	106,825	$5.53	$5.13	0	0
Total industrial	**17,020,086**	**12.29%**	**12.39%**	**19.90%**	**19.97%**	**143,868**	**-162,669**	**143,868**	**-210,081**	**$5.36**	**$5.16**	**0**	**0**
Total market													
Warehouse / Distribution	190,521,177	12.84%	14.11%	19.40%	20.93%	76,932	-391,376	77,101	-819,158	$5.58	$5.63	1,800,871	218,826
Manufacturing	45,004,454	10.49%	10.53%	13.76%	14.03%	-121,279	-324,930	-121,279	-342,480	$5.67	$5.67	0	0
Total industrial	**235,525,631**	**11.66%**	**12.32%**	**16.58%**	**17.48%**	**-44,347**	**-716,306**	**-44,178**	**-1,161,638**	**$5.63**	**$5.65**	**1,800,871**	**218,826**

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Central New Jersey industrial market statistics

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
Exit 6													
Warehouse / Distribution	15,107,519	10.95%	13.94%	20.44%	23.79%	-226,401	202,113	-204,401	224,113	$3.42	$3.60	0	0
Manufacturing	1,115,522	29.36%	29.36%	47.95%	47.95%	13,019	13,019	13,019	13,019	$1.41	$1.23	0	0
Total industrial	**16,223,041**	**20.16%**	**21.65%**	**34.20%**	**35.87%**	**-213,382**	**215,132**	**-191,382**	**237,132**	**$2.42**	**$2.42**	**0**	**0**
Exit 7A													
Warehouse / Distribution	12,108,941	32.37%	32.37%	30.01%	30.01%	584,515	509,646	584,515	509,646	$3.37	$3.37	0	0
Manufacturing	1,406,761	24.60%	24.60%	23.95%	20.95%	39,600	9,600	39,600	9,600	$2.87	$2.87	0	0
Total industrial	**13,515,702**	**28.49%**	**28.49%**	**26.98%**	**26.98%**	**624,115**	**519,246**	**624,115**	**519,246**	**$3.12**	**$3.12**	**0**	**0**
Exit 8A													
Warehouse / Distribution	41,870,579	14.23%	14.88%	18.24%	20.29%	569,276	768,202	589,276	651,770	$3.39	$3.61	0	227,000
Manufacturing	1,199,242	8.22%	8.22%	19.98%	19.98%	-9,600	-12,200	-9,600	-12,200	$2.40	$2.88	0	0
Total industrial	**43,069,821**	**11.23%**	**11.55%**	**19.11%**	**20.14%**	**559,676**	**756,002**	**579,676**	**639,570**	**$2.90**	**$3.25**	**0**	**227,000**
Exit 9													
Warehouse / Distribution	10,920,923	19.22%	23.11%	24.07%	31.42%	49,186	-101,348	49,186	-526,348	$3.50	$3.50	0	0
Manufacturing	3,019,910	4.74%	4.74%	7.57%	7.57%	-22,050	-17,975	-22,050	-17,975	$4.21	$4.40	0	0
Total industrial	**13,940,833**	**11.98%**	**13.93%**	**15.82%**	**19.50%**	**27,136**	**-119,323**	**27,136**	**-544,323**	**$3.86**	**$3.95**	**0**	**0**

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Central New Jersey industrial market statistics, cont.

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
Exit 10													
Warehouse / Distribution	41,624,659	7.77%	8.47%	12.34%	13.21%	192,598	414,599	116,598	553,170	$4.58	$4.53	570,000	0
Manufacturing	5,554,375	3.66%	4.73%	33.83%	36.50%	-108,688	76,614	-168,260	17,042	$7.50	$3.78	0	0
Total industrial	**47,179,034**	**5.72%**	**6.60%**	**23.09%**	**24.86%**	**83,910**	**491,213**	**-51,662**	**570,212**	**$6.04**	**$4.16**	**570,000**	**0**
Exit 12													
Warehouse / Distribution	13,087,897	9.77%	12.51%	13.05%	16.07%	1,138,527	826,757	780,286	468,516	$5.08	$5.07	200,000	0
Manufacturing	2,685,499	0%	0%	0%	0%	390,000	392,000	390,000	392,000	$0.00	$5.95	0	0
Total industrial	**15,773,396**	**4.89%**	**6.26%**	**6.53%**	**8.04%**	**1,528,527**	**1,218,757**	**1,170,286**	**860,516**	**$2.54**	**$5.51**	**200,000**	**0**
Hunterdon													
Warehouse / Distribution	1,648,831	45.59%	45.59%	46.30%	46.30%	-11,700	-11,700	-11,700	-11,700	$6.50	$6.50	0	0
Manufacturing	5,502,465	26.56%	26.56%	26.78%	26.78%	-11,700	17,100	-11,700	17,100	$2.93	$2.84	0	0
Total industrial	**7,151,296**	**36.08%**	**36.08%**	**36.54%**	**36.54%**	**-23,400**	**5,400**	**-23,400**	**5,400**	**$4.72**	**$4.72**	**0**	**0**
Monmouth													
Warehouse / Distribution	4,672,778	12.63%	12.63%	15.10%	15.10%	30,254	138,912	30,254	138,912	$6.40	$6.40	0	0
Manufacturing	3,342,774	7.80%	7.80%	10.19%	10.19%	50,017	141,140	50,017	141,140	$5.96	$5.77	0	0
Total industrial	**8,015,552**	**10.22%**	**10.22%**	**12.65%**	**12.64%**	**80,271**	**280,052**	**80,271**	**280,052**	**$6.18**	**$6.09**	**0**	**0**

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Central New Jersey industrial market statistics, cont.

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
Ocean													
Warehouse / Distribution	5,247,547	12.40%	12.40%	15.54%	15.54%	-117,198	65,507	-116,198	65,507	$5.61	$5.61	0	0
Manufacturing	1,131,340	2.00%	2.00%	2.22%	2.22%	10,000	11,400	10,000	11,400	$5.50	$5.25	0	0
Total industrial	**6,378,887**	**7.20%**	**7.20%**	**8.88%**	**8.88%**	**-107,198**	**76,907**	**-106,198**	**76,907**	**$5.56**	**$5.43**	**0**	**0**
Princeton													
Warehouse / Distribution	606,323	17.74%	17.74%	14.70%	14.70%	-30,000	-33,629	-30,000	-33,629	$6.83	$6.83	0	0
Manufacturing	781,896	1.97%	1.97%	1.97%	1.97%	0	0	0	0	$5.75	$8.89	0	0
Total industrial	**1,388,219**	**9.86%**	**9.86%**	**8.34%**	**8.34%**	**-30,000**	**-33,629**	**-30,000**	**-33,629**	**$6.29**	**$7.86**	**0**	**0**
Somerset													
Warehouse / Distribution	11,624,328	11.53%	11.53%	14.15%	14.15%	-88,311	43,013	70,689	333,937	$4.51	$4.51	0	0
Manufacturing	3,202,912	3.25%	4.17%	7.17%	8.09%	-54,000	-25,332	-54,000	-25,332	$6.22	$6.04	0	0
Total industrial	**14,827,240**	**7.39%**	**7.85%**	**10.66%**	**11.12%**	**-142,311**	**17,681**	**16,689**	**308,605**	**$5.37**	**$5.28**	**0**	**0**

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Central New Jersey industrial market statistics, cont.

Submarket	Total inventory (s.f.)	Direct vacancy (%)	Total vacancy (%)	Direct availability (%)	Total availability (%)	Q3 direct net absorption (s.f.)	YTD 2011direct net absorption (s.f.)	Q3 total net absorption (s.f.)	YTD 2011 total net absorption (s.f.)	Average direct asking rent ($ p.s.f.)	Average total asking rent ($ p.s.f.)	Under construction (s.f.)	YTD completions (s.f.)
Union Rt. 78/22													
Warehouse / Distribution	8,282,304	11.08%	11.08%	21.09%	21.09%	23,900	70,719	23,900	-96,113	$4.64	$4.64	0	0
Manufacturing	3,486,700	16.39%	16.39%	22.75%	22.75%	78,500	76,000	78,500	76,000	$3.74	$3.77	0	0
Total industrial	**11,769,004**	**13.74%**	**13.74%**	**21.92%**	**21.92%**	**102,400**	**146,719**	**102,400**	**-20,113**	**$4.19**	**$4.21**	**0**	**0**
Total market													
Warehouse / Distribution	166,802,629	17.11%	18.02%	20.42%	21.81%	2,114,646	2,892,791	1,882,405	2,277,781	$4.82	$4.85	770,000	227,000
Manufacturing	32,429,396	10.71%	10.88%	17.03%	17.33%	375,098	681,366	315,526	621,794	$4.04	$4.48	0	0
Total industrial	**199,232,025**	**13.91%**	**14.45%**	**18.72%**	**19.57%**	**2,489,744**	**3,574,157**	**2,197,931**	**2,899,575**	**$4.43**	**$4.66**	**770,000**	**227,000**

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Northern New Jersey industrial buildings with large block availabilities

Submarket with no large block availabilities

Central Bergen	**Meadowlands**	**Morris**	**Port**
Fairfield	***4 Blocks***	***1 Block***	***3 Blocks***
NE Bergen	***1,925,424 SF***	***400,581 SF***	***1,245,000 SF***
NW Bergen			
NW Passaic	1 Passaic St – (W) – 745,772 SF	1881 Route 46 – (W) – 400,581 SF	340 S Stiles St (W) – 525,000 SF
Sussex	50-100 Meadowlands Pkwy – (W) -629,386 SF		2 N Hackensack Ave (W) – 420,000 SF
Warren	2 Emerson Lane– (W) – 283,215 SF		84 Lockwood St (W) – 300,000 SF
West Essex	400 Commerce Blvd-(W)– 267,051 SF		

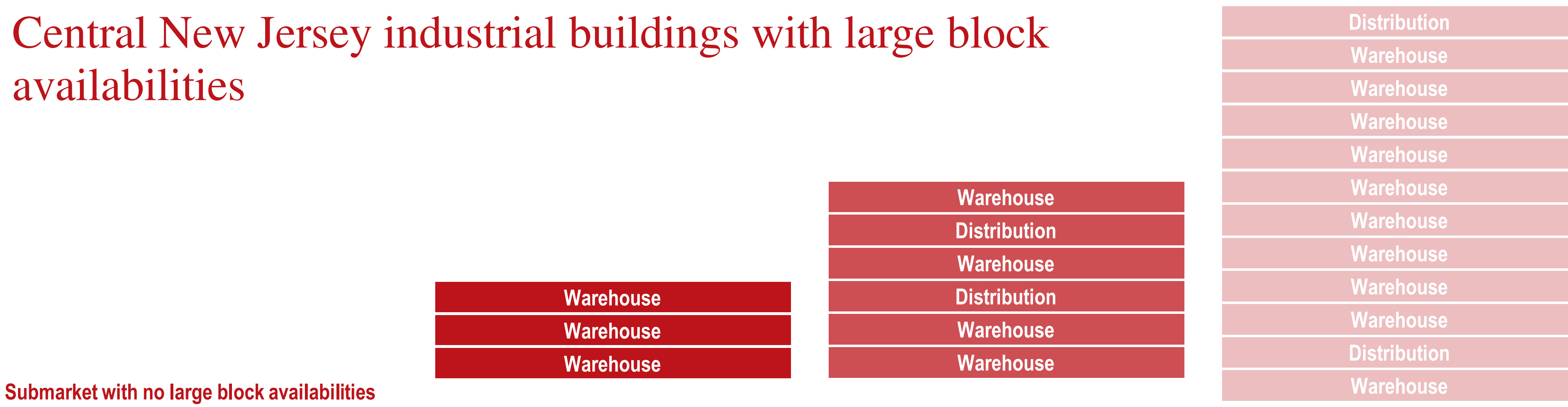
Contiguous blocks greater than 250,000 square feet; (M): Manufacturing; (D): Distribution; (F): Flex; (W): Warehouse

Northern New Jersey industrial buildings with large block availabilities, cont.

Manufacturing	Warehouse
	Warehouse
Route 46 Corridor	**Orange/Rockland NY**
1Blocks	***2 Blocks***
271,800 SF	***1,179,729 SF***
701 Union Blvd—(M) 271,800 SF	30 Dunningan Dr – (W) – 892,943 SF 32 Leone Ln– (W) –286,786 SF

Contiguous blocks greater than 250,000 square feet; (M): Manufacturing; (D): Distribution; (F): Flex; (W): Warehouse

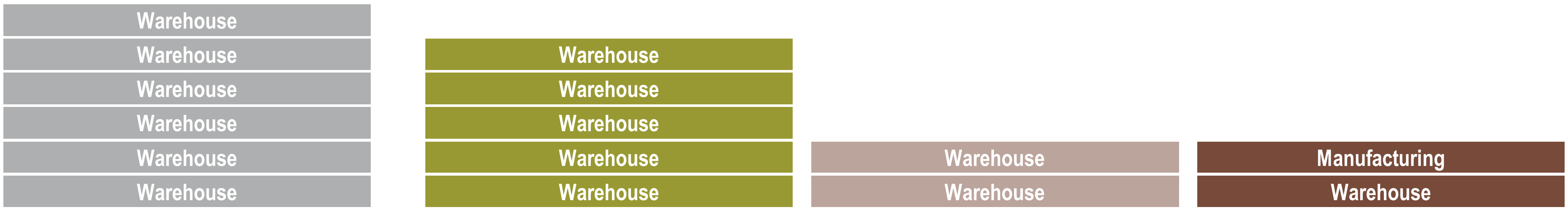
Central New Jersey industrial buildings with large block availabilities



Monmouth	Exit 6	Exit 7A	Exit 8A
Ocean	*3 Blocks*	*6 Blocks*	*12Blocks*
Somerset	*1,251,168 SF*	*2,457,479 SF*	*5,014,398 SF*
Union Rt.78/22			
Warren	1001 Taylors Lane– (W) – 564,424 SF	24 Applegate Drive – (W) – 1,000,749 SF	257 Prospect Plains Road – (D) – 781,300 SF
West Essex	280 Daniels Way– (W) – 416,744 SF	100 West Manor Way – (D) – 400,714 SF	1 Costco Way – (W) – 611,320 SF
	800 Coopertown Road – (M) – 270,000 SF	141 West Manor Way – (D) – 397,440 SF	200 Docks Corner Road – (W) – 576,921 SF
		400 Cabot Dr – (W) – 396,510 SF	2520 Route 130 –(W) –509,245 SF
		16 Applegate Drive– (W) – 378,576 SF	200 Liberty Way – (W) – 443,421 SF
		200 Kelsey Avenue – (W) – 280,000 SF	1100 Cranbury South River Rd– (W) –340,900 SF
			26 Englehard Dr– (W) – 324,540 SF
			283 Prospect Plains Rd– (W) –309,000 SF
			231 Herrod Boulevard –(W) - 300,000 SF
			1 Jebara Way –(W) – 293,420 SF
			200-290 Heller Park Ct – (D) – 264,962 SF
			1 Matrix Dr – (W)– 259,369 SF

Contiguous blocks greater than 250,000 square feet; (M): Manufacturing; (D): Distribution; (F): Flex; (W): Warehouse

Central New Jersey industrial buildings with large block availabilities, cont.



Exit 9

6 Blocks

2,465,144 SF

1635-1665 Jersey Avenue– (W) – 524,518 SF

2300 Route 1 – (W) – 515,000 SF

2801 Route 130 – (W) – 425,000 SF

1735 Jersey Avenue – (W) – 360,000 SF

1600 N Route 1 – (W) – 339,000 SF

571 Jersey Ave– (W)– 301,626 SF

Exit 10

5 Blocks

2,484,001SF

4000 Bordentown Ave– (W)– 902,000 SF

200 Helen Street – (W) – 721,815 SF

1050 State Street – (W) – 300,000 SF

21 Constitution Ave– (W) – 288,115 SF

2100-21100 Route 27 – (W) – 272,071 SF

Exit 12

2 Blocks

642,742 SF

1500 Rahway Ave – (W) –326,742 SF

100 Middlesex Ave – (W) – 316,000 SF

Hunterdon

2 Blocks

1,459,000 SF

1200 Route 523 – (M) – 730,000 SF

111 Cokesbury Road – (W) – 729,000 SF

Contiguous blocks greater than 250,000 square feet; (M): Manufacturing; (D): Distribution; (F): Flex; (W): Warehouse

Central New Jersey industrial buildings with large block availabilities, cont.

Warehouse

Princeton

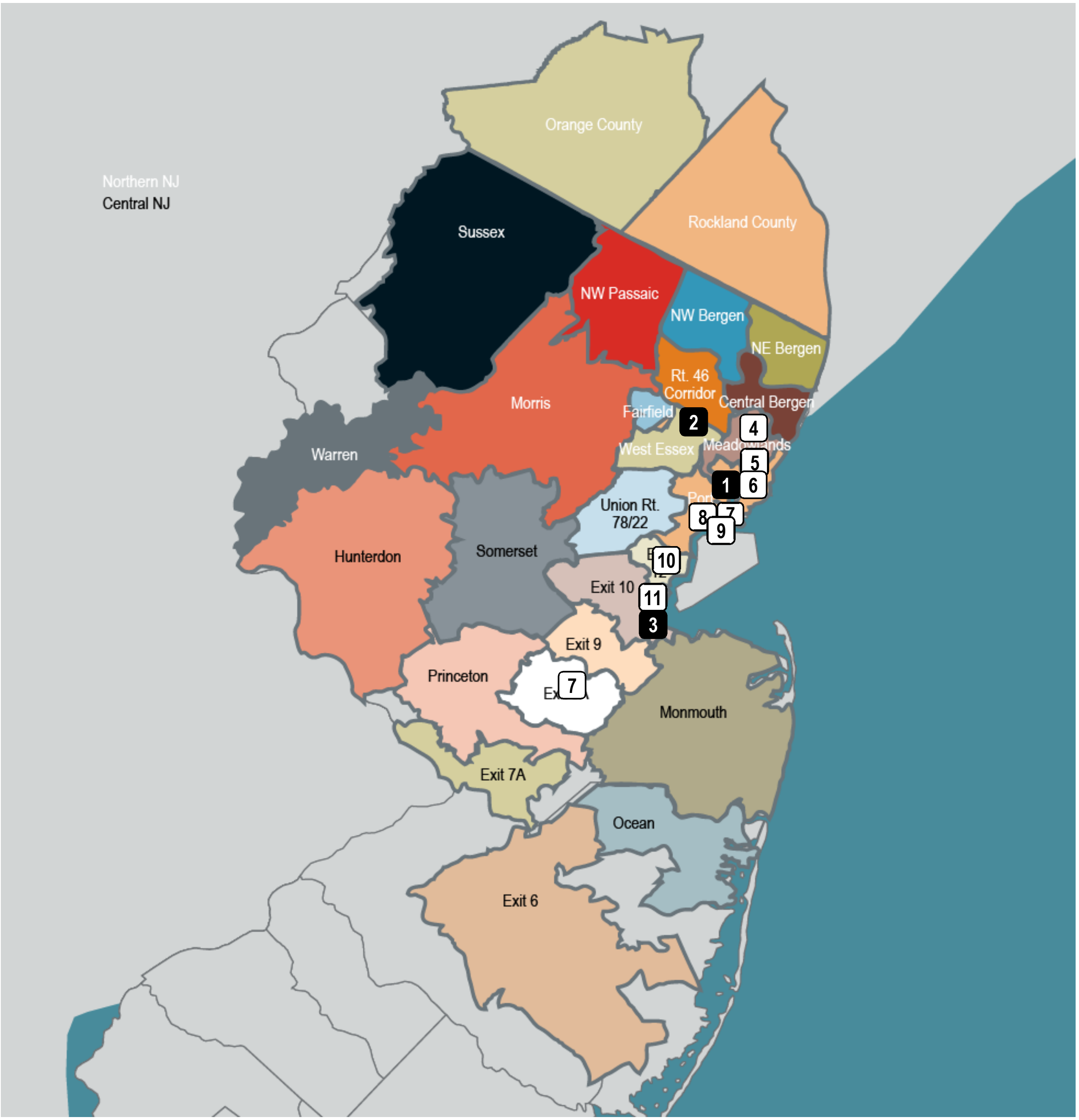
1 Block

324,048 SF

480 Mercer St– (W) – 324,048 SF

Contiguous blocks greater than 250,000 square feet; (M): Manufacturing; (D): Distribution; (F): Flex; (W): Warehouse

New Jersey construction map



Construction completed – year to date

1. 200 Bay way Ave, Elizabeth (150,826 SF) delivered Q1 2011
2. 165 Clinton Rd, West Caldwell (68,000 SF), delivered 3Q 2011
3. 60 Deans Rhode Hall Rd, South Brunswick (226,802 SF), delivered 3Q 2011

Construction in progress

4. 140 State St, Moonachie (71,476 SF). Est. delivery Q4 2011
5. 1 N. Enterprise Ave, Secaucus (345,350 SF), Est. Delivery Q4 2011
6. 120 Central Ave, Kearny (189,540 SF). Est. delivery Q4 2011
7. York Street, Elizabeth (600,000 SF). Est. delivery TBD
8. 670-708 Dowd Ave, Elizabeth (214,505 SF) Est. delivery TBD
9. 52-62 Cornelia St,, Newark (180,000 SF) Est. delivery 3Q 2012
10. Roosevelt Ave, Carteret (200,000 SF) Est. delivery 1Q 2012
11. Mill Rd, Edison (570,000 SF). Est. delivery 2Q 2013

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