

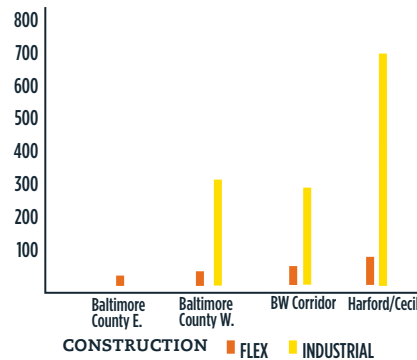
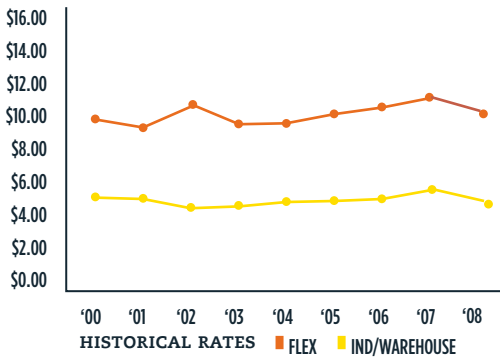
## INDUSTRIAL HIGHLIGHTS

The Baltimore Metropolitan Industrial market, located along the I-95 corridor extending to Cecil County to the north and Howard County to the south, comprises 176,750,120 sf of space. The market's superior infrastructure and close proximity to the Port of Baltimore and BWI Airport provide outstanding logistic opportunities to industrial users.

A decrease in demand has led to a rise in direct vacancy from 8.49% in 2007 to 9.57% in 2008. Overall vacancy, which includes sublet space, has followed suit climbing to 10.34% at year-end 2008 from the 2007 rate of 9.45%. The year ended with negative absorption of 504,947 sf, a substantial decrease from the 2007 positive absorption total of 3.2 msf. The 1st quarter of 2008 was the only quarter to achieve positive absorption.

While the supply of industrial space has been increasing steadily since 2005, new construction dropped considerably in 2008. 1.2 msf is presently under construction. As a result, the Baltimore Metropolitan Industrial market is not considered as overbuilt as it has been in the past.

## OVERVIEW 4TH Q



## NOTABLE INDUSTRIAL TRANSACTIONS | leasing

LOCATION	SUBMARKET	TENANT	AMOUNT LEASED (SF)
5003 HOLABIRD AVE	BALTIMORE CITY	BERRY PLASTICS	183,000
1025 AIRPORT 100 WAY	BW CORRIDOR	MICROS SYSTEMS (REN)	87,600
5901 HOLABIRD AVE	BALTIMORE CITY	AGILITY PROJECT LOGISTICS	58,800
1101 DESOTO RD	BALTIMORE CITY	DIAKON LOGISTICS	53,900
1325-1381 WESTERN AVE	BALTIMORE CITY	MYGRANT GLASS CO	42,200



BALTIMORE INDUSTRIAL SUBMARKET

### NOTABLE INDUSTRIAL TRANSACTIONS | sales

LOCATION	SUBMARKET	PRICE	PSF	BUILDING SIZE (SF)
7100 OLD NORTH POINT RD	BALTIMORE CO E.	\$8,220,000	\$52.75	155,820
4517 NORTH POINT BLVD	BALTIMORE CO E.	\$5,900,000	\$34.90	169,029
1006 MIDDLE RIVER RD	BALTIMORE CO E.	\$2,200,000	\$59.62	36,900

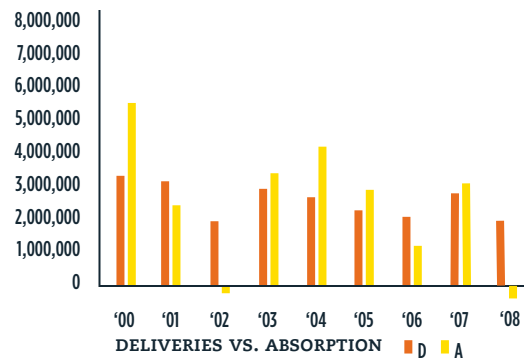
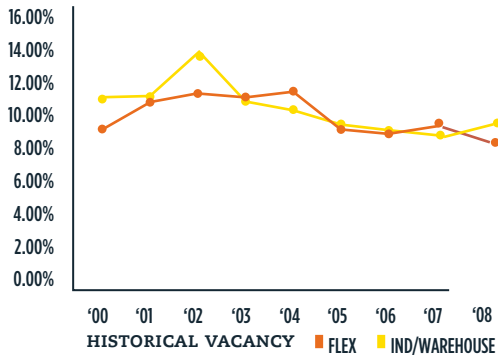
## INDUSTRIAL HIGHLIGHTS (CONTINUED)

Directly attributing to negative absorption was the vacancy created by the Sears lease termination in the 2nd quarter 2008 at 8901 Snowden River Parkway. Formerly a 1,016,800 sf distribution center, it represents the largest space returned to the market in 2008. In addition, Harford and Cecil Counties were heavy contributors to increasing vacancy with the return of 346,652 sf at 400 Old Post Road and 345,600 sf at 4 Center Drive.

Procter & Gamble's 468,648 sf lease at 4608 Appliance Drive and Prime Source Building Product's 205,030 sf lease at 600 Hickory Drive helped offset negative absorption in the Harford/Cecil County submarket. 4608 Appliance Drive was vacant for four years before Procter & Gamble moved in the 4th quarter 2008. The company has an option to lease the remaining space for future expansion needs.

## TOTALS

2,463
<b>BUILDINGS</b>
176,750,120
<b>MARKET SIZE (SF)</b>
9.57%
<b>DIRECT VACANCY</b>
10.34%
<b>VACANCY W/ SUBLET</b>
-479,650
<b>NET ABSORPTION (SF)</b>
\$5.57
<b>ASKING RENT</b>



## FLEX STATISTICS

SUBMARKET	BUILDING	MARKET SIZE (SF)	DIRECT VACANCY	VACANCY w/ sublet	NET ABSORPTION (SF)	ASKING RATE
ANNAPOLIS	32	1,113,785	3.62%	3.62%	-17,435	\$12.63
BW CORRIDOR	380	15,747,861	9.03%	9.85%	-37,466	\$10.86
BALTIMORE CITY	66	2,486,189	8.86%	14.07%	-18,070	\$8.92
BALTIMORE COUNTY E.	65	2,744,942	9.80%	9.80%	13,543	\$11.07
BALTIMORE COUNTY W.	122	5,187,261	8.86%	10.33%	11,140	\$8.67
HARFORD/CECIL	55	1,538,965	4.50%	4.89%	-14,695	\$7.26
ROUTE 83/TOWSON	77	3,607,440	7.53%	7.63%	-712	\$9.44
<b>FLEX TOTAL</b>	<b>797</b>	<b>32,426,443</b>	<b>8.49%</b>	<b>9.55%</b>	<b>-63,695</b>	<b>\$10.07</b>



### INDUSTRIAL WAREHOUSE STATISTICS

SUBMARKET	BUILDING	MARKET SIZE (SF)	DIRECT VACANCY	VACANCY w/ sublet	NET ABSORPTION (SF)	ASKING RATE
ANNAPOLIS	16	506,267	8.91%	8.91%	3,000	\$17.81
BW CORRIDOR	510	50,103,163	10.08%	11.73%	15,720	\$5.31
BALTIMORE CITY	630	38,110,416	6.80%	7.14%	105,559	\$4.55
BALTIMORE COUNTY E.	177	15,547,895	12.48%	12.83%	-115,694	\$4.52
BALTIMORE COUNTY W.	150	12,341,220	5.99%	5.99%	-81,760	\$5.26
HARFORD/CECIL	132	23,714,313	14.76%	14.82%	-341,380	\$4.37
ROUTE 83/TOWSON	51	4,000,403	7.19%	7.26%	-1,400	\$6.16
<b>WAREHOUSE TOTAL</b>	<b>1,666</b>	<b>144,323,677</b>	<b>9.81%</b>	<b>10.52%</b>	<b>-415,955</b>	<b>\$4.94</b>