The CoStar Industrial Report

YEAR-END 2009

Seattle/Puget Sound Industrial Market

CoStar Group

Stop Searching. Start Finding.™

Seattle/Puget Sound Industrial Market

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Seattle/Puget Sound Industrial Market

Methodology

The CoStar Industrial Report calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex / research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 69.1 billion square feet of coverage in 2.8 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property.

CoStar Group, Inc.

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Seattle/Puget Sound Industrial Market

Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Seattle/Puget Sound's Vacancy Increases to 7.9%

Net Absorption Negative (1,129,561) SF in the Quarter

The Seattle/Puget Sound Industrial market ended the fourth quarter 2009 with a vacancy rate of 7.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,129,561) square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 2,406,909 square feet. Rental rates ended the fourth quarter at $7.39, a decrease over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 11,700 square feet, with 324,110 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Seattle/Puget Sound Industrial market was negative (1,129,561) square feet in the fourth quarter 2009. That compares to positive 100,401 square feet in the third quarter 2009, negative (3,011,855) square feet in the second quarter 2009, and negative (1,297,533) square feet in the first quarter 2009.

Tenants moving out of large blocks of space in 2009 include: Whirpool/Maytag moving out of (422,721) square feet at Valley Distribution Center, Whirlpool/Maytag moving out of (516,748) square feet at East Valley Warehouse, and Starbuck's moving out of (215,189) square feet at Springbrook 188.

Tenants moving into large blocks of space in 2009 include: Whirlpool moving into 893,600 square feet at Whirlpool Distribution Center, Kimberly Clark moving into 516,748 square feet at East Valley Warehouse, and Esterline Electronics moving into 258,000 square feet at Esterline.

The Flex building market recorded net absorption of negative (171,555) square feet in the fourth quarter 2009, compared to negative (232,171) square feet in the third quarter 2009, negative (209,315) in the second quarter 2009, and negative (169,676) in the first quarter 2009.

The Warehouse building market recorded net absorption of negative (958,006) square feet in the fourth quarter 2009 compared to positive 332,572 square feet in the third quarter 2009, negative (2,802,540) in the second quarter 2009, and negative (1,127,857) in the first quarter 2009.

Vacancy

The Industrial vacancy rate in the Seattle/Puget Sound market area increased to 7.9% at the end of the fourth quarter 2009. The vacancy rate was 7.6% at the end of the third quarter 2009, 7.3% at the end of the second quarter 2009, and 6.1% at the end of the first quarter 2009.

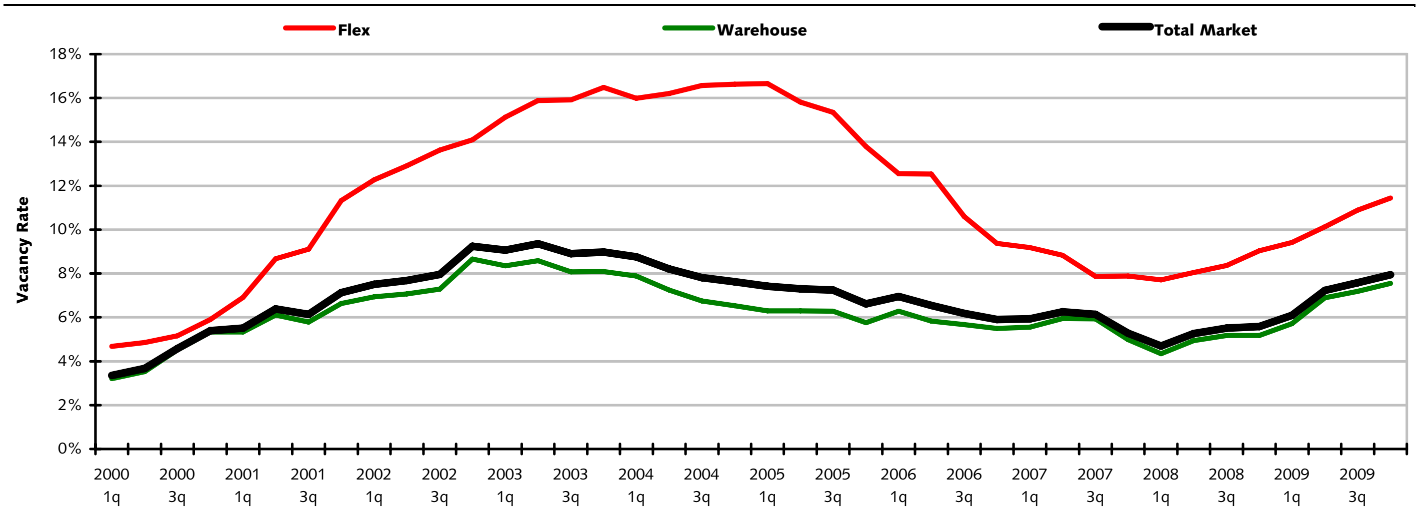
Flex projects reported a vacancy rate of 11.4% at the end of the fourth quarter 2009, 10.9% at the end of the third quarter 2009, 10.1% at the end of the second quarter 2009, and 9.4% at the end of the first quarter 2009.

Warehouse projects reported a vacancy rate of 7.5% at the end of the fourth quarter 2009, 7.2% at the end of third quarter 2009, 6.9% at the end of the second quarter 2009, and 5.7% at the end of the first quarter 2009.

Largest Lease Signings

The largest lease signings occurring in 2009 included: the 516,748-square-foot lease signed by Kimberly Clark at East Valley Warehouse in the Southend market; the 223,550-square-foot deal signed by Mitco Ltd at Sumner Central in the Tacoma market; and the 204,804-square-foot lease signed by United

Vacancy Rates by Building Type 2000-2009



Source: CoStar Property®

Natural Foods, Inc at Valley Centre Bldg two in the Southend market.

Sublease Vacancy

The amount of vacant sublease space in the Seattle/Puget Sound market increased to 2,406,909 square feet by the end of the fourth quarter 2009, from 1,790,341 square feet at the end of the third quarter 2009. There was 1,609,563 square feet vacant at the end of the second quarter 2009 and 1,024,319 square feet at the end of the first quarter 2009.

Seattle/Puget Sound's Flex projects reported vacant sublease space of 285,384 square feet at the end of fourth quarter 2009, up from the 246,797 square feet reported at the end of the third quarter 2009. There were 215,004 square feet of sublease space vacant at the end of the second quarter 2009, and 217,762 square feet at the end of the first quarter 2009.

Warehouse projects reported increased vacant sublease space from the third quarter 2009 to the fourth quarter 2009. Sublease vacancy went from 1,543,544 square feet to 2,121,525 square feet during that time. There was 1,394,559 square feet at the end of the second quarter 2009, and 806,557 square feet at the end of the first quarter 2009.

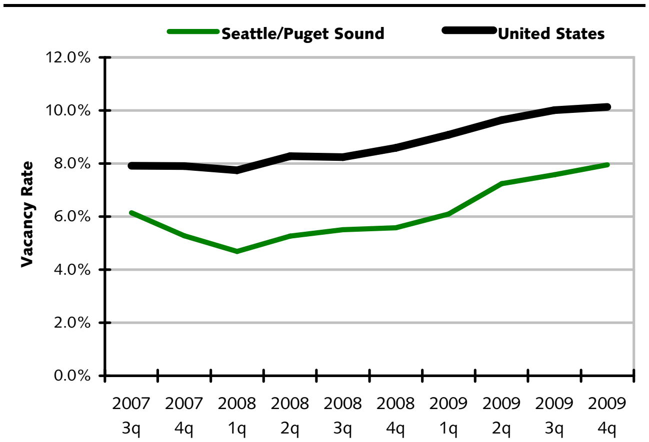
Rental Rates

The average quoted asking rental rate for available Industrial space was $7.39 per square foot per year at the end of the fourth quarter 2009 in the Seattle/Puget Sound market area. This represented a 0.5% decrease in quoted rental rates from the end of the third quarter 2009, when rents were reported at $7.43 per square foot.

The average quoted rate within the Flex sector was $15.46 per square foot at the end of the fourth quarter 2009, while Warehouse rates stood at $6.21. At the end of the third quarter 2009, Flex rates were $15.00 per square foot, and Warehouse rates were $6.42.

U.S. Vacancy Comparison

Past 10 Quarters



Source: CoStar Property•

Deliveries and Construction

During the fourth quarter 2009, two buildings totaling 11,700 square feet were completed in the Seattle/Puget Sound market area. This compares to five buildings totaling 1,217,619 square feet that were completed in the third quarter 2009, seven buildings totaling 539,202 square feet completed in the second quarter 2009, and 420,055 square feet in 18 buildings completed in the first quarter 2009.

There were 324,110 square feet of Industrial space under construction at the end of the fourth quarter 2009.

Some of the notable 2009 deliveries include: Whirlpool Distribution Center, an 893,600-square-foot facility that delivered in third quarter 2009 and is now 100% occupied, and Esterline, a 258,000-square-foot building that delivered in third quarter 2009 and is now 100% occupied.

The largest projects underway at the end of fourth quarter 2009 were American Fast Freight, a 90,626-square-foot building with 100% of its space pre-leased, and Resturant Depot, a 60,000-square-foot facility that is 100% pre-leased.

Inventory

Total Industrial inventory in the Seattle/Puget Sound market area amounted to 304,880,926 square feet in 7,751 buildings as of the end of the fourth quarter 2009. The Flex sector consisted of 31,392,250 square feet in 994 projects. The Warehouse sector consisted of 273,488,676 square feet in 6,757 buildings. Within the Industrial market there were 1,022 owner-occupied buildings accounting for 76,282,073 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Seattle/Puget Sound industrial sales figures fell during the third quarter 2009 in terms of dollar volume compared to the second quarter of 2009.

In the third quarter, 10 industrial transactions closed with a total volume of $33,598,040. The 10 buildings totaled 396,728 square feet and the average price per square foot equated to $84.69 per square foot. That compares to 11 transactions totaling $52,699,100 in the second quarter. The total square footage was 555,189 for an average price per square foot of $94.92.

Total year-to-date industrial building sales activity in 2009 is down compared to the previous year. In the first nine months of 2009, the market saw 33 industrial sales transactions with a total volume of $172,367,140. The price per square foot has averaged $89.86 this year. In the first nine months of 2008, the market posted 88 transactions with a total volume of $561,923,317. The price per square foot averaged $105.48.

Cap rates have been higher in 2009, averaging 8.11%, compared to the first nine months of last year when they averaged 6.54%.

One of the largest transactions that has occurred within the last four quarters in the Seattle/Puget Sound market is the sale

Seattle/Puget Sound Industrial Market

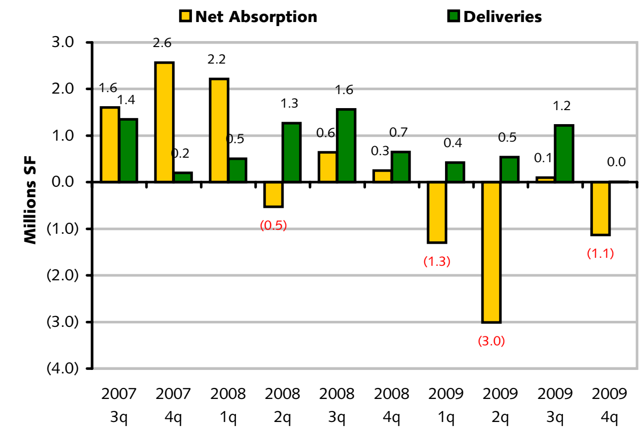
OVERVIEW

of 1602 Industrial Park Way - Bldg A in Puyallup. This 388,000 square foot industrial building sold for $27,265,000, or $70.27 per square foot. The property sold on 3/20/2009.

Reports compiled by: Michael Clemen CoStar Research Manager.

Absorption & Deliveries

Past 10 Quarters



Source: CoStar Property•

CoStar Markets & Submarkets

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

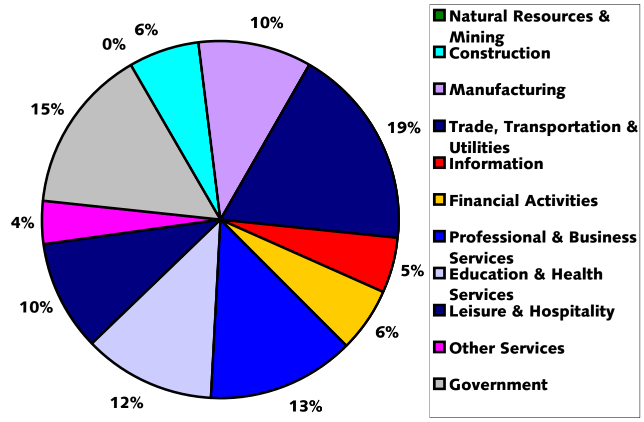
Markets	Submarkets			
Downtown Ind	Ballard Ind	Belltwn/Denny Regrade Ind	Capitol Hill/Ctrl Dist In	Greenwood/Fremont Ind
	Gtown/Duwamish N Ind	Gtown/Duwamish S Ind	Lake Union Ind	Magnolia Ind
	Queen Anne Ind	Rainier/Beacon Hill Ind	Seattle CBD Ind	SoDo Ind
	U. District/Ravenna Ind	W Seattle Ind	Waterfront Ind	
Eastside Ind	520 Corridor Ind	Bellevue Ind	E King County Ind	Kirkland Ind
	Newport/Issaquah Ind	Redmond Ind		
Northend Ind	Bothell/Kenmore Ind	Edmonds/Lynnwood Ind	Everett CBD Ind	Mill Creek/N Creek Ind
	N Snohomish County Ind	Northgate/N Seattle Ind	S Everett/Harbor Pt Ind	S Snohomish County Ind
	Woodinville Ind			
Southend Ind	Auburn Ind	Federal Way Ind	Kent Valley N Ind	Kent Valley S Ind
	Renton Ind	Seatac/Burien Ind	Tukwila Ind	Vashon/Maury Isl Ind
Tacoma Ind	Dupont Ind	E Pierce County Ind	E Tacoma Ind	Fort Lewis Ind
	Gig Harbor/W Pierce Ind	Lakewood Ind	North End Tacoma Ind	Parkland/Spanaway Ind
	Port of Tacoma/Fife Ind	Puyallup/S Hill Ind	Tacoma CBD Ind	University Place Ind

Seattle/Puget Sound Industrial Market

EMPLOYMENT AND TENANT

Total Employment by Industry

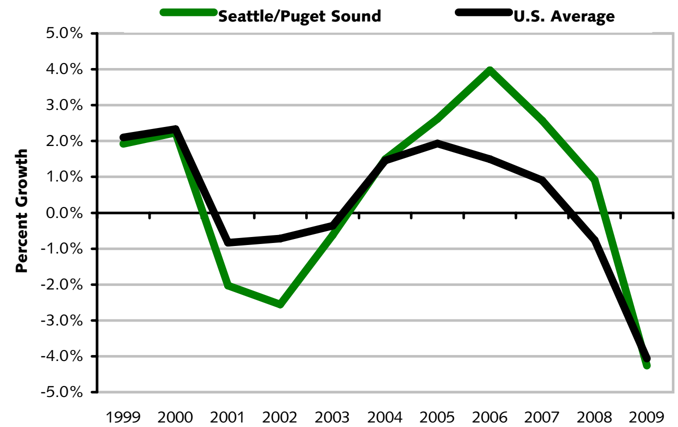
Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

Total Employment Growth

Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

Total Employment Growth

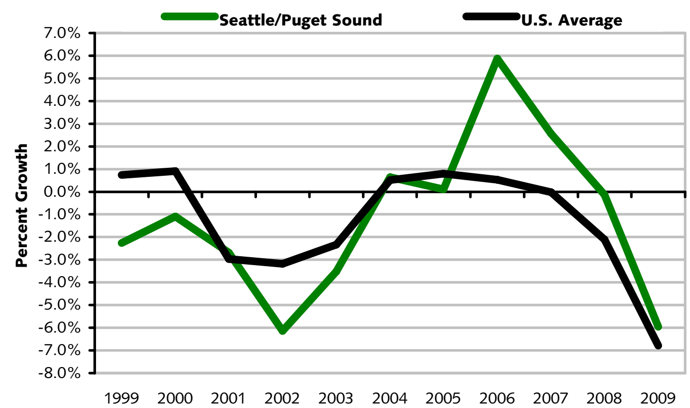
Cumulative Growth in Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	-3.30%	6.80%	-10.10%
Chicago	-2.20%	5.40%	-7.60%
Dallas/Ft Worth	3.10%	8.40%	-5.30%
Denver	0.00%	4.00%	-4.00%
Detroit	-15.40%	1.20%	-16.60%
Houston	4.90%	7.50%	-2.60%
Inland Empire (California)	-6.20%	21.90%	-28.10%
Los Angeles	-6.20%	1.90%	-8.10%
Northern New Jersey	-2.20%	2.80%	-5.00%
Pittsburgh	-2.00%	1.70%	-3.70%
Seattle/Puget Sound	5.90%	6.30%	-0.40%

Source: Department of Labor, Bureau of Labor Statistics

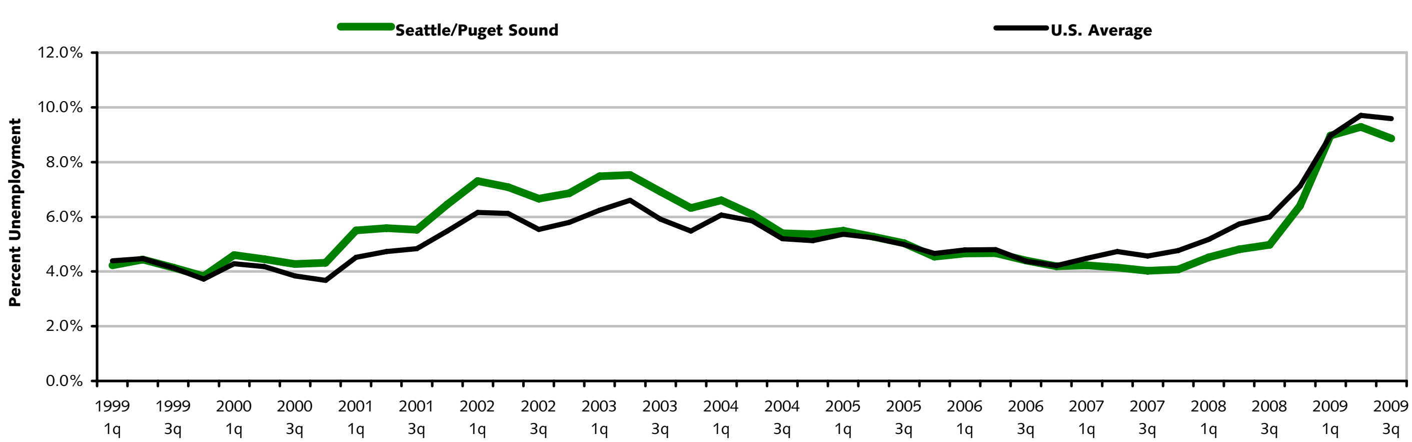
Industrial* Employment Growth

Number of Industrial* Jobs Added Per Year



*Source: Department of Labor, Bureau of Labor Statistics. * Industrial employment is defined as jobs in the Manufacturing, and Trade, Transportation & Utilities industries*

Historical Unemployment Rates



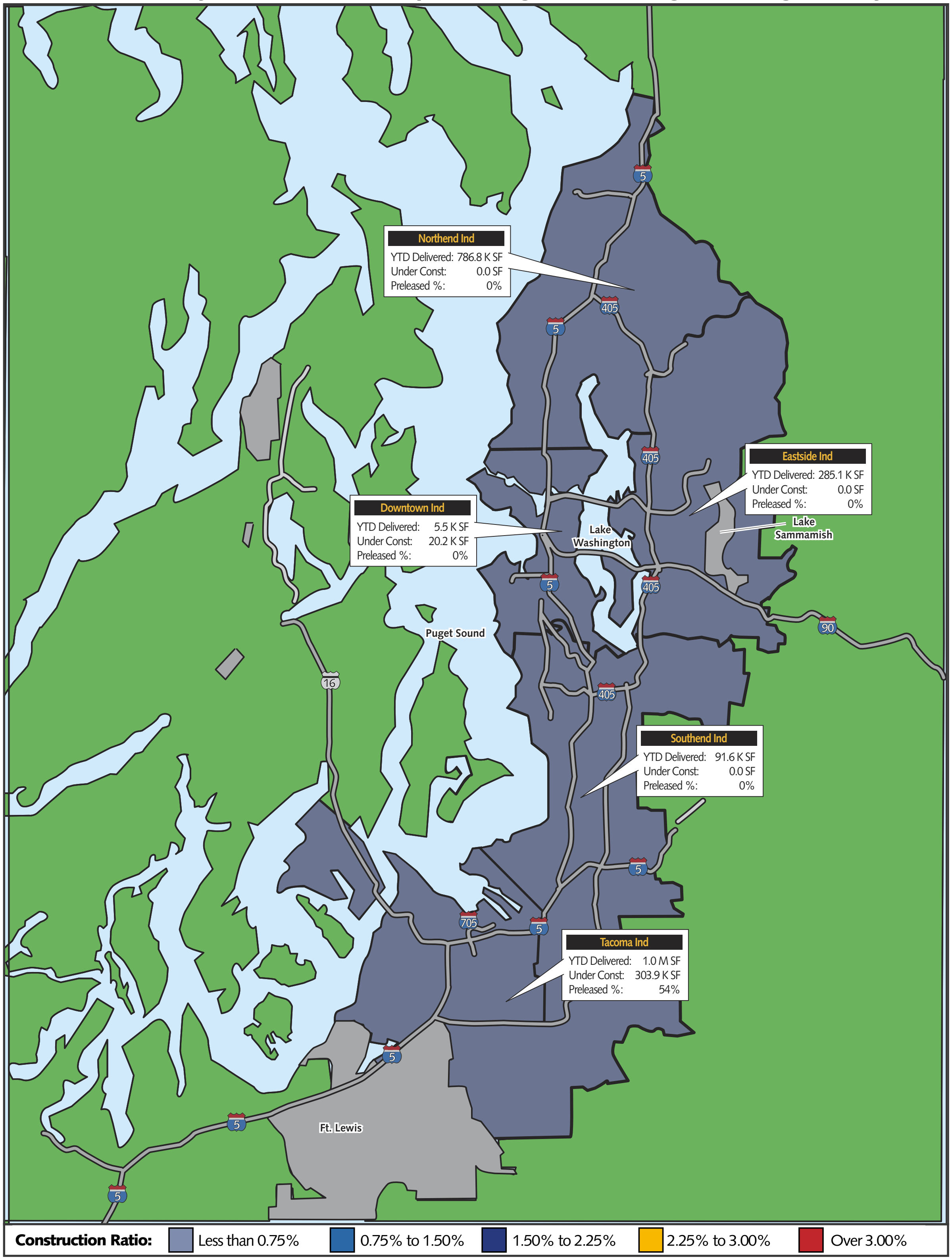
Source: Department of Labor, Bureau of Labor Statistics

Seattle/Puget Sound Industrial Market

INVENTORY & DEVELOPMENT

Construction Highlights in Select CoStar Markets

Color Coded by Under Construction Square Footage as a Percentage of Existing Inventory

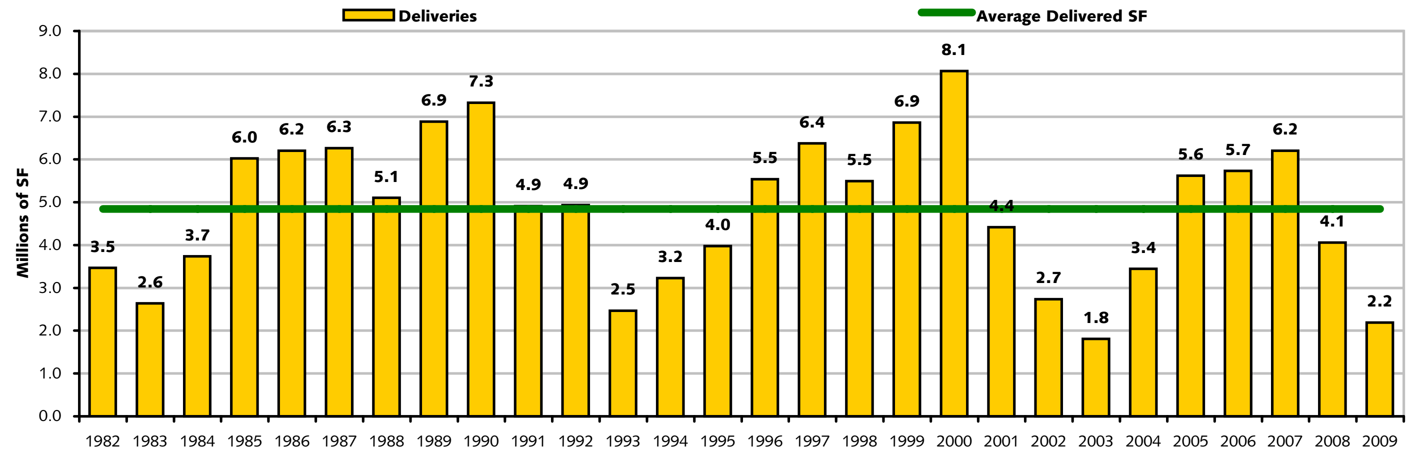


Source: CoStar Property®

Seattle/Puget Sound Industrial Market

INVENTORY & DEVELOPMENT

Historical Deliveries 1982 - 2009



Source: CoStar Property® ** Future deliveries based on current under construction buildings.*

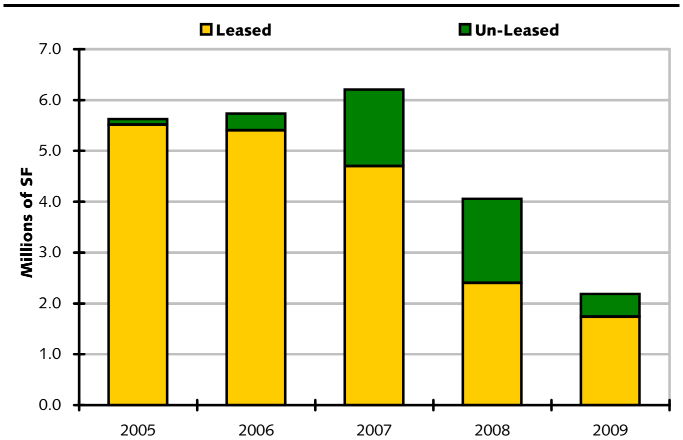
Construction Activity Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Tacoma Ind	8	303,910	163,106	53.7%	36,574	37,989
Downtown Ind	2	20,200	0	0.0%	27,526	10,100
Eastside Ind	0	0	0	0.0%	30,105	0
Northend Ind	0	0	0	0.0%	38,229	0
Southend Ind	0	0	0	0.0%	58,981	0
Totals	**10**	**324,110**	**163,106**	**50.3%**	**39,334**	**32,411**

Source: CoStar Property®

Recent Deliveries

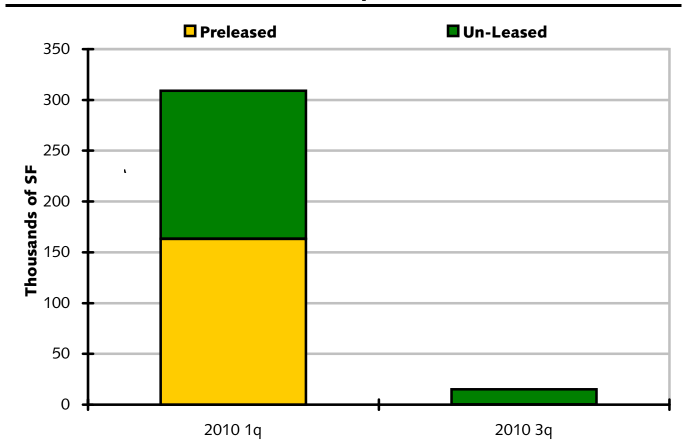
Leased & Un-Leased SF in Deliveries Since 2005



Source: CoStar Property®

Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



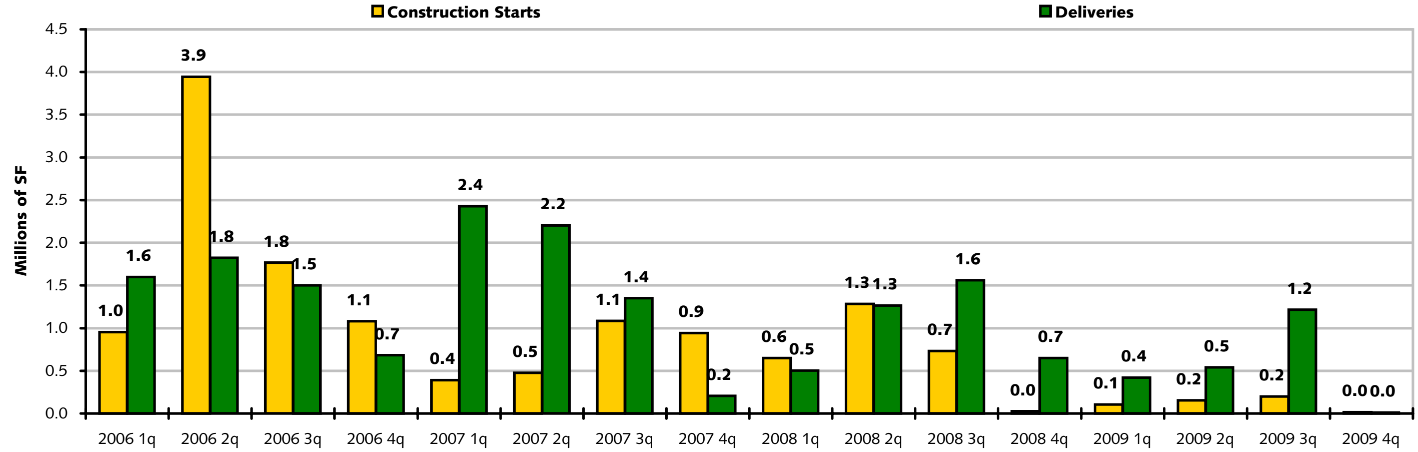
Source: CoStar Property®

Seattle/Puget Sound Industrial Market

INVENTORY & DEVELOPMENT

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

Recent Deliveries by Project Size

Breakdown of Year-to-Date Development Based on RBA of Project

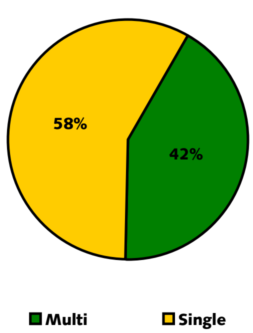
Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	22	345,100	157,370	45.6%	$7.36	56,288	288,812
50,000 SF - 99,999 SF	6	383,704	120,517	31.4%	$9.22	65,511	318,193
100,000 SF - 249,999 SF	2	308,172	308,172	100.0%	$7.80	0	308,172
250,000 SF - 499,999 SF	1	258,000	258,000	100.0%	$0.00	258,000	0
>= 500,000 SF	1	893,600	893,600	100.0%	$0.00	893,600	0

Source: CoStar Property®

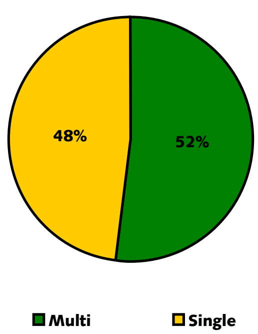
Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2009 Deliveries



Currently Under Construction

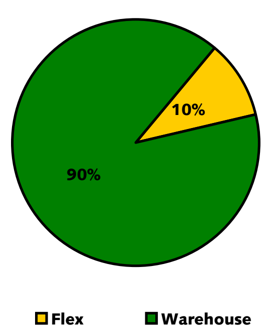


Source: CoStar Property®

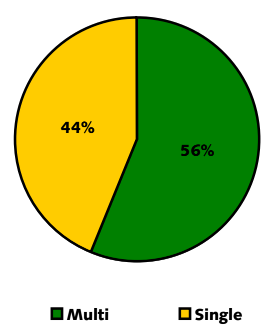
Existing Inventory Comparison

Based on Total RBA

By Building Type



By Tenancy Type



Source: CoStar Property®

Seattle/Puget Sound Industrial Market

INVENTORY & DEVELOPMENT

Select Year-to-Date Deliveries

Based on Project Square Footage

1. Whirlpool Distribution Center
   - Submarket: **Tacoma Industrial Market**
   - RBA: **893,600**
   - Occupied: **100%**
   - Quoted Rate: **N/A**
   - Grnd Brk Date: **Second Quarter 2008**
   - Deliv Date: **Third Quarter 2009**
   - Leasing Co: **N/A**
   - Developer: **N/A**

2. Esterline
   - Submarket: **Northend Industrial Market**
   - RBA: **258,000**
   - Occupied: **100%**
   - Quoted Rate: **N/A**
   - Grnd Brk Date: **Third Quarter 2008**
   - Deliv Date: **Third Quarter 2009**
   - Leasing Co: **Snohomish County Property Managemen**
   - Developer: **Capstone Partners, LLC**

3. Middle Fork Business Park
   - Submarket: **Eastside Industrial Market**
   - RBA: **200,000**
   - Occupied: **100%**
   - Quoted Rate: **N/A**
   - Grnd Brk Date: **Second Quarter 2008**
   - Deliv Date: **Second Quarter 2009**
   - Leasing Co: **Cushman & Wakefield, Inc.**
   - Developer: **Sea Con LLC**

4. Casino Road Corporate Park
   - Submarket: **Northend Industrial Market**
   - RBA: **108,172**
   - Occupied: **100%**
   - Quoted Rate: **$7.80**
   - Grnd Brk Date: **Third Quarter 2008**
   - Deliv Date: **Second Quarter 2009**
   - Leasing Co: **Broderick Group, Inc.**
   - Developer: **Panattoni Development Company**

5. Wellington Hills Business Campus - Bldg B
   - Submarket: **Northend Industrial Market**
   - RBA: **92,757**
   - Occupied: **0%**
   - Quoted Rate: **$12.66**
   - Grnd Brk Date: **Fourth Quarter 2007**
   - Deliv Date: **Second Quarter 2009**
   - Leasing Co: **Broderick Group, Inc.**
   - Developer: **Veritas Development Co. LLC**

6. STO Bldg
   - Submarket: **Eastside Industrial Market**
   - RBA: **68,737**
   - Occupied: **71%**
   - Quoted Rate: **$5.40**
   - Grnd Brk Date: **First Quarter 2009**
   - Deliv Date: **Second Quarter 2009**
   - Leasing Co: **Pacific Real Estate Partners, Inc.**
   - Developer: **JLD Properties LLC**

7. Electroimpact Inc
   - Submarket: **Northend Industrial Market**
   - RBA: **65,511**
   - Occupied: **100%**
   - Quoted Rate: **N/A**
   - Grnd Brk Date: **Second Quarter 2008**
   - Deliv Date: **First Quarter 2009**
   - Leasing Co: **N/A**
   - Developer: **N/A**

8. Auburn Commerce Center
   - Submarket: **Southend Industrial Market**
   - RBA: **53,636**
   - Occupied: **0%**
   - Quoted Rate: **Negotiable**
   - Grnd Brk Date: **Third Quarter 2008**
   - Deliv Date: **Second Quarter 2009**
   - Leasing Co: **GVA Kidder Mathews**
   - Developer: **Western Realty Advisors**

9. Monroe Corporate Park - Bldg A
   - Submarket: **Northend Industrial Market**
   - RBA: **51,688**
   - Occupied: **12%**
   - Quoted Rate: **$5.93**
   - Grnd Brk Date: **Third Quarter 2008**
   - Deliv Date: **First Quarter 2009**
   - Leasing Co: **GVA Kidder Mathews**
   - Developer: **Panattoni Development Company**

10. Sound View Center - Bldg A
    - Submarket: **Northend Industrial Market**
    - RBA: **51,375**
    - Occupied: **0%**
    - Quoted Rate: **$7.80**
    - Grnd Brk Date: **Third Quarter 2008**
    - Deliv Date: **First Quarter 2009**
    - Leasing Co: **NAI Puget Sound Properties Inc.**
    - Developer: **Edward Backus**

11. Center Plaza Bldg 3
    - Submarket: **Tacoma Industrial Market**
    - RBA: **30,379**
    - Occupied: **100%**
    - Quoted Rate: **$8.40**
    - Grnd Brk Date: **First Quarter 2009**
    - Deliv Date: **Third Quarter 2009**
    - Leasing Co: **CB Richard Ellis**
    - Developer: **Davis Property & Investment, LLC**

12. Monroe Corporate Park - Bldg B
    - Submarket: **Northend Industrial Market**
    - RBA: **29,996**
    - Occupied: **0%**
    - Quoted Rate: **$6.00**
    - Grnd Brk Date: **Third Quarter 2008**
    - Deliv Date: **First Quarter 2009**
    - Leasing Co: **GVA Kidder Mathews**
    - Developer: **Panattoni Development Company**

13. B St NW
    - Submarket: **Southend Industrial Market**
    - RBA: **29,640**
    - Occupied: **100%**
    - Quoted Rate: **N/A**
    - Grnd Brk Date: **Second Quarter 2009**
    - Deliv Date: **Third Quarter 2009**
    - Leasing Co: **A & G Machine**
    - Developer: **N/A**

14. Casino Business Center
    - Submarket: **Northend Industrial Market**
    - RBA: **29,230**
    - Occupied: **100%**
    - Quoted Rate: **$12.30**
    - Grnd Brk Date: **Second Quarter 2008**
    - Deliv Date: **First Quarter 2009**
    - Leasing Co: **NAI Puget Sound Properties Inc.**
    - Developer: **David Flake**

15. 1122 Industry Ave
    - Submarket: **Northend Industrial Market**
    - RBA: **25,457**
    - Occupied: **0%**
    - Quoted Rate: **$7.98**
    - Grnd Brk Date: **Third Quarter 2008**
    - Deliv Date: **First Quarter 2009**
    - Leasing Co: **Cushman & Wakefield, Inc.**
    - Developer: **N/A**

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

INVENTORY & DEVELOPMENT

Select Top Under Construction Properties

Based on Project Square Footage

1. American Fast Freight

Submarket: **Tacoma Industrial Market**
RBA: **90,626**
Preleased: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Second Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **American Fast Freight**
Developer: **N/A**

2. Resturant Depot

Submarket: **Tacoma Industrial Market**
RBA: **60,000**
Preleased: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Third Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **Restaurant Depot**
Developer: **N/A**

3. Fife Portal Industrial Park - Bldg A

Submarket: **Tacoma Industrial Market**
RBA: **56,764**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **NAI Puget Sound Properties Inc.**
Developer: **Michael J Goldfarb Enterprises LLC**

4. Fife Portal Industrial Park - Bldg C

Submarket: **Tacoma Industrial Market**
RBA: **34,880**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **NAI Puget Sound Properties Inc.**
Developer: **Michael J Goldfarb Enterprises LLC**

5. Fife Portal Industrial Park - Bldg D

Submarket: **Tacoma Industrial Market**
RBA: **21,040**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **NAI Puget Sound Properties Inc.**
Developer: **Michael J Goldfarb Enterprises LLC**

6. 6313 20th St E

Submarket: **Tacoma Industrial Market**
RBA: **16,000**
Preleased: **78%**
Quoted Rate: **$18.00**
Grnd Brk Date: **Fourth Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **CB Richard Ellis**
Developer: **N/A**

7. Holgate Square - Bldg 1

Submarket: **Downtown Industrial Market**
RBA: **15,000**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Second Quarter 2009**
Deliv Date: **Third Quarter 2010**
Leasing Co: **N/A**
Developer: **N/A**

8. Fife Portal Industrial Park - Bldg E

Submarket: **Tacoma Industrial Market**
RBA: **12,300**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **NAI Puget Sound Properties Inc.**
Developer: **Michael J Goldfarb Enterprises LLC**

9. Fife Portal Industrial Park - Bldg F

Submarket: **Tacoma Industrial Market**
RBA: **12,300**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **NAI Puget Sound Properties Inc.**
Developer: **Michael J Goldfarb Enterprises LLC**

10. Holgate Square - Bldg 3

Submarket: **Downtown Industrial Market**
RBA: **5,200**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Second Quarter 2009**
Deliv Date: **First Quarter 2010**
Leasing Co: **The Andover Company, Inc.**
Developer: **N/A**

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

FIGURES AT A GLANCE

Flex Market Statistics

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Downtown Ind	182	7,634,651	468,450	468,450	6.1%	(80,856)	5,500	5,200	$17.57
Eastside Ind	299	8,555,819	995,224	1,085,931	12.7%	(442,284)	16,400	0	$15.87
Northend Ind	233	7,738,784	1,038,000	1,158,870	15.0%	(107,970)	0	0	$16.21
Southend Ind	196	5,890,709	654,645	718,952	12.2%	(117,764)	0	0	$11.52
Tacoma Ind	84	1,572,287	148,891	158,391	10.1%	(33,843)	0	16,000	$11.83
Totals	**994**	**31,392,250**	**3,305,210**	**3,590,594**	**11.4%**	**(782,717)**	**21,900**	**21,200**	**$15.46**

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Downtown Ind	1,882	49,179,107	2,708,085	2,764,560	5.6%	(1,197,552)	0	15,000	$8.59
Eastside Ind	415	12,939,031	863,907	954,469	7.4%	(243,593)	268,737	0	$9.04
Northend Ind	1,181	46,316,507	3,362,369	3,584,872	7.7%	(585,283)	786,845	0	$7.01
Southend Ind	1,694	105,583,617	5,487,586	6,934,847	6.6%	(3,233,559)	91,594	0	$5.42
Tacoma Ind	1,585	59,470,414	6,094,702	6,399,426	10.8%	704,156	1,019,500	287,910	$5.37
Totals	**6,757**	**273,488,676**	**18,516,649**	**20,638,174**	**7.5%**	**(4,555,831)**	**2,166,676**	**302,910**	**$6.21**

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Downtown Ind	2,064	56,813,758	3,176,535	3,233,010	5.7%	(1,278,408)	5,500	20,200	$10.47
Eastside Ind	714	21,494,850	1,859,131	2,040,400	9.5%	(685,877)	285,137	0	$12.51
Northend Ind	1,414	54,055,291	4,400,369	4,743,742	8.8%	(693,253)	786,845	0	$8.73
Southend Ind	1,890	111,474,326	6,142,231	7,653,799	6.9%	(3,351,323)	91,594	0	$5.82
Tacoma Ind	1,669	61,042,701	6,243,593	6,557,817	10.7%	670,313	1,019,500	303,910	$5.47
Totals	**7,751**	**304,880,926**	**21,821,859**	**24,228,768**	**7.9%**	**(5,338,548)**	**2,188,576**	**324,110**	**$7.39**

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

FIGURES AT A GLANCE

Flex Submarket Statistics

Year-End 2009

	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
Market	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
520 Corridor Ind	48	1,121,165	83,698	106,183	9.5%	(7,227)	0	0	$15.75
Auburn Ind	24	638,624	24,786	24,786	3.9%	(17,786)	0	0	$13.20
Ballard Ind	23	309,956	11,363	11,363	3.7%	0	0	0	$15.61
Bellevue Ind	44	991,370	201,625	209,074	21.1%	(134,363)	0	0	$21.65
Belltwn/Denny Regrade Inc	7	328,101	0	0	0.0%	0	0	0	$0.00
Bothell/Kenmore Ind	66	3,193,015	684,333	805,203	25.2%	(74,499)	0	0	$17.18
Capitol Hill/Ctrl Dist In	9	287,140	13,050	13,050	4.5%	(13,050)	0	0	$12.00
Dupont Ind	0	0	0	0	0.0%	0	0	0	$0.00
E King County Ind	10	327,377	74,975	74,975	22.9%	(19,301)	0	0	$18.00
E Pierce County Ind	1	9,500	0	9,500	100.0%	(9,500)	0	0	$12.48
E Tacoma Ind	2	40,626	0	0	0.0%	0	0	0	$0.00
Edmonds/Lynnwood Ind	41	644,504	57,151	57,151	8.9%	(23,427)	0	0	$11.41
Everett CBD Ind	12	218,147	27,400	27,400	12.6%	(22,900)	0	0	$14.46
Federal Way Ind	13	481,719	47,691	47,691	9.9%	(7,953)	0	0	$10.08
Fort Lewis Ind	0	0	0	0	0.0%	0	0	0	$0.00
Gig Harbor/W Pierce Ind	4	54,964	37,415	37,415	68.1%	(8,410)	0	0	$16.52
Greenwood/Fremont Ind	12	94,589	1,185	1,185	1.3%	4,315	5,500	0	$23.69
Gtown/Duwamish N Ind	16	661,940	59,930	59,930	9.1%	(24,369)	0	0	$12.25
Gtown/Duwamish S Ind	18	591,960	13,030	13,030	2.2%	(3,184)	0	0	$20.31
Kent Valley N Ind	23	764,669	57,524	65,524	8.6%	(24,987)	0	0	$11.71
Kent Valley S Ind	58	1,011,139	82,565	82,565	8.2%	(18,927)	0	0	$11.31
Kirkland Ind	53	1,269,447	224,174	233,010	18.4%	(90,600)	0	0	$13.67
Lake Union Ind	27	936,621	117,266	117,266	12.5%	(14,523)	0	0	$29.14
Lakewood Ind	14	136,443	35,702	35,702	26.2%	(22,246)	0	0	$11.85
Magnolia Ind	15	319,147	26,110	26,110	8.2%	(634)	0	0	$18.61
Mill Creek/N Creek Ind	6	96,763	12,625	12,625	13.0%	(300)	0	0	$15.16
N Snohomish County Ind	18	348,165	15,600	15,600	4.5%	5,400	0	0	$0.00
Newport/Issaquah Ind	21	536,255	82,264	97,264	18.1%	(26,030)	16,400	0	$14.96
North End Tacoma Ind	7	284,677	0	0	0.0%	0	0	0	$0.00
Northgate/N Seattle Ind	16	119,196	7,177	7,177	6.0%	2,476	0	0	$18.00
Parkland/Spanaway Ind	12	158,345	17,646	17,646	11.1%	34,254	0	0	$8.88
Port of Tacoma/Fife Ind	10	216,178	22,026	22,026	10.2%	(9,122)	0	16,000	$12.46
Puyallup/S Hill Ind	14	172,942	5,649	5,649	3.3%	(1,149)	0	0	$10.63
Queen Anne Ind	8	887,889	18,322	18,322	2.1%	(17,222)	0	0	$11.57
Rainier/Beacon Hill Ind	13	136,615	30,000	30,000	22.0%	21,944	0	0	$7.40
Redmond Ind	123	4,310,205	328,488	365,425	8.5%	(164,763)	0	0	$14.08
Renton Ind	15	264,953	58,483	63,125	23.8%	43,762	0	0	$9.19
S Everett/Harbor Pt Ind	44	2,194,608	122,468	122,468	5.6%	18,766	0	0	$12.66
S Snohomish County Ind	9	231,888	22,149	22,149	9.6%	(20,949)	0	0	$16.71
Seatac/Burien Ind	9	180,274	34,147	35,264	19.6%	(6,782)	0	0	$14.00
Seattle CBD Ind	0	0	0	0	0.0%	0	0	0	$0.00
SoDo Ind	21	2,703,368	175,436	175,436	6.5%	(42,064)	0	5,200	$15.66
Tacoma CBD Ind	4	147,540	16,900	16,900	11.5%	(6,200)	0	0	$13.40
Tukwila Ind	54	2,549,331	349,449	399,997	15.7%	(85,091)	0	0	$12.52
U. District/Ravenna Ind	4	173,384	0	0	0.0%	0	0	0	$0.00
University Place Ind	16	351,072	13,553	13,553	3.9%	(11,470)	0	0	$9.63
Vashon/Maury Isl Ind	0	0	0	0	0.0%	0	0	0	$0.00
W Seattle Ind	5	75,193	2,758	2,758	3.7%	3,733	0	0	$15.00
Waterfront Ind	4	128,748	0	0	0.0%	4,198	0	0	$11.21
Woodinville Ind	21	692,498	89,097	89,097	12.9%	7,463	0	0	$12.22
Totals	**994**	**31,392,250**	**3,305,210**	**3,590,594**	**11.4%**	**(782,717)**	**21,900**	**21,200**	**$15.46**

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

FIGURES AT A GLANCE

Warehouse Submarket Statistics

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
520 Corridor Ind	27	580,684	10,076	10,076	1.7%	(10,076)	0	0	$10.00
Auburn Ind	369	23,407,064	974,043	1,140,949	4.9%	(159,522)	84,894	0	$5.39
Ballard Ind	200	2,473,562	94,413	94,413	3.8%	(57,473)	0	0	$8.63
Bellevue Ind	79	2,835,247	198,637	219,108	7.7%	(92,435)	0	0	$10.16
Belltwn/Denny Regrade Inc	14	259,251	14,599	14,599	5.6%	(11,779)	0	0	$9.00
Bothell/Kenmore Ind	72	1,947,420	40,828	42,277	2.2%	(26,938)	0	0	$9.07
Capitol Hill/Ctrl Dist In	43	790,137	59,809	59,809	7.6%	(7,955)	0	0	$10.38
Dupont Ind	6	747,173	12,542	12,542	1.7%	150,137	30,379	0	$5.51
E King County Ind	62	1,917,551	151,073	151,073	7.9%	198,689	268,737	0	$11.35
E Pierce County Ind	30	293,990	26,500	26,500	9.0%	(1,900)	0	0	$6.07
E Tacoma Ind	203	3,113,436	141,556	141,556	4.5%	19,963	0	0	$5.39
Edmonds/Lynnwood Ind	115	2,756,591	262,705	262,705	9.5%	(174,783)	0	0	$6.46
Everett CBD Ind	88	2,134,254	517,788	626,308	29.3%	(163,130)	0	0	$4.28
Federal Way Ind	45	1,101,119	22,966	22,966	2.1%	(895)	0	0	$6.21
Fort Lewis Ind	12	185,411	10,500	15,708	8.5%	(5,708)	0	0	$7.51
Gig Harbor/W Pierce Ind	18	295,045	30,986	30,986	10.5%	(2,076)	0	0	$8.23
Greenwood/Fremont Ind	121	1,378,206	18,514	20,314	1.5%	(3,377)	0	0	$10.33
Gtown/Duwamish N Ind	345	14,404,301	1,300,753	1,347,422	9.4%	(523,897)	0	0	$7.50
Gtown/Duwamish S Ind	219	4,450,461	274,579	274,579	6.2%	(90,451)	0	0	$6.72
Kent Valley N Ind	384	28,436,125	2,153,580	2,571,928	9.0%	(1,200,336)	6,700	0	$4.70
Kent Valley S Ind	385	20,141,703	886,093	983,828	4.9%	(553,062)	0	0	$5.75
Kirkland Ind	57	1,601,521	156,275	183,815	11.5%	(128,561)	0	0	$9.30
Lake Union Ind	149	2,914,618	343,726	348,578	12.0%	(225,440)	0	0	$11.41
Lakewood Ind	133	4,720,455	442,326	452,326	9.6%	(16,032)	0	0	$6.30
Magnolia Ind	140	2,702,155	15,829	15,829	0.6%	(8,014)	0	0	$7.44
Mill Creek/N Creek Ind	51	1,452,199	15,100	46,700	3.2%	(20,948)	0	0	$10.04
N Snohomish County Ind	192	4,633,205	474,358	474,358	10.2%	(48,043)	43,450	0	$6.45
Newport/Issaquah Ind	54	1,770,490	19,168	19,168	1.1%	34,193	0	0	$10.81
North End Tacoma Ind	87	1,885,880	91,663	91,663	4.9%	(47,759)	0	0	$9.92
Northgate/N Seattle Ind	130	1,549,509	35,594	35,594	2.3%	24,775	20,909	0	$10.02
Parkland/Spanaway Ind	83	2,470,171	192,994	192,994	7.8%	997,797	928,681	0	$5.55
Port of Tacoma/Fife Ind	344	18,055,374	1,899,135	1,912,775	10.6%	(257,376)	0	60,000	$5.60
Puyallup/S Hill Ind	397	21,340,083	2,757,748	3,033,624	14.2%	103,786	60,440	227,910	$5.11
Queen Anne Ind	94	1,684,380	47,961	47,961	2.8%	(31,169)	0	0	$11.10
Rainier/Beacon Hill Ind	116	3,657,027	208,094	210,048	5.7%	(103,023)	0	0	$6.31
Redmond Ind	136	4,233,538	328,678	371,229	8.8%	(245,403)	0	0	$7.53
Renton Ind	148	12,399,525	331,804	990,571	8.0%	(859,017)	0	0	$5.19
S Everett/Harbor Pt Ind	259	23,375,540	1,037,889	1,066,374	4.6%	257,772	548,045	0	$7.31
S Snohomish County Ind	89	2,503,159	375,589	387,278	15.5%	(164,267)	81,684	0	$7.02
Seatac/Burien Ind	98	3,206,120	472,955	506,757	15.8%	(93,628)	0	0	$6.75
Seattle CBD Ind	4	27,910	5,670	5,670	20.3%	(5,670)	0	0	$12.00
SoDo Ind	283	9,242,170	201,135	201,135	2.2%	10,204	0	15,000	$9.67
Tacoma CBD Ind	66	1,599,564	130,779	130,779	8.2%	(57,197)	0	0	$4.43
Tukwila Ind	261	16,834,211	646,145	717,848	4.3%	(367,099)	0	0	$6.81
U. District/Ravenna Ind	29	563,505	0	0	0.0%	1,485	0	0	$6.00
University Place Ind	206	4,763,832	357,973	357,973	7.5%	(179,479)	0	0	$5.25
Vashon/Maury Isl Ind	4	57,750	0	0	0.0%	0	0	0	$0.00
W Seattle Ind	91	3,363,642	53,907	55,107	1.6%	(44,127)	0	0	$12.82
Waterfront Ind	34	1,267,782	69,096	69,096	5.5%	(96,866)	0	0	$9.12
Woodinville Ind	185	5,964,630	602,518	643,278	10.8%	(269,721)	92,757	0	$9.53
Totals	**6,757**	**273,488,676**	**18,516,649**	**20,638,174**	**7.5%**	**(4,555,831)**	**2,166,676**	**302,910**	**$6.21**

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

FIGURES AT A GLANCE

Total Industrial Submarket Statistics

Year-End 2009

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
520 Corridor Ind	75	1,701,849	93,774	116,259	6.8%	(17,303)	0	0	$15.75
Auburn Ind	393	24,045,688	998,829	1,165,735	4.8%	(177,308)	84,894	0	$5.43
Ballard Ind	223	2,783,518	105,776	105,776	3.8%	(57,473)	0	0	$9.37
Bellevue Ind	123	3,826,617	400,262	428,182	11.2%	(226,798)	0	0	$16.60
Belltwn/Denny Regrade Inc	21	587,352	14,599	14,599	2.5%	(11,779)	0	0	$9.00
Bothell/Kenmore Ind	138	5,140,435	725,161	847,480	16.5%	(101,437)	0	0	$16.54
Capitol Hill/Ctrl Dist In	52	1,077,277	72,859	72,859	6.8%	(21,005)	0	0	$10.55
Dupont Ind	6	747,173	12,542	12,542	1.7%	150,137	30,379	0	$5.51
E King County Ind	72	2,244,928	226,048	226,048	10.1%	179,388	268,737	0	$12.82
E Pierce County Ind	31	303,490	26,500	36,000	11.9%	(11,400)	0	0	$8.16
E Tacoma Ind	205	3,154,062	141,556	141,556	4.5%	19,963	0	0	$5.39
Edmonds/Lynnwood Ind	156	3,401,095	319,856	319,856	9.4%	(198,210)	0	0	$7.45
Everett CBD Ind	100	2,352,401	545,188	653,708	27.8%	(186,030)	0	0	$4.39
Federal Way Ind	58	1,582,838	70,657	70,657	4.5%	(8,848)	0	0	$7.27
Fort Lewis Ind	12	185,411	10,500	15,708	8.5%	(5,708)	0	0	$7.51
Gig Harbor/W Pierce Ind	22	350,009	68,401	68,401	19.5%	(10,486)	0	0	$10.32
Greenwood/Fremont Ind	133	1,472,795	19,699	21,499	1.5%	938	5,500	0	$11.79
Gtown/Duwamish N Ind	361	15,066,241	1,360,683	1,407,352	9.3%	(548,266)	0	0	$8.09
Gtown/Duwamish S Ind	237	5,042,421	287,609	287,609	5.7%	(93,635)	0	0	$7.87
Kent Valley N Ind	407	29,200,794	2,211,104	2,637,452	9.0%	(1,225,323)	6,700	0	$4.86
Kent Valley S Ind	443	21,152,842	968,658	1,066,393	5.0%	(571,989)	0	0	$5.91
Kirkland Ind	110	2,870,968	380,449	416,825	14.5%	(219,161)	0	0	$10.85
Lake Union Ind	176	3,851,239	460,992	465,844	12.1%	(239,963)	0	0	$17.23
Lakewood Ind	147	4,856,898	478,028	488,028	10.0%	(38,278)	0	0	$6.53
Magnolia Ind	155	3,021,302	41,939	41,939	1.4%	(8,648)	0	0	$11.88
Mill Creek/N Creek Ind	57	1,548,962	27,725	59,325	3.8%	(21,248)	0	0	$10.97
N Snohomish County Ind	210	4,981,370	489,958	489,958	9.8%	(42,643)	43,450	0	$6.45
Newport/Issaquah Ind	75	2,306,745	101,432	116,432	5.0%	8,163	16,400	0	$13.61
North End Tacoma Ind	94	2,170,557	91,663	91,663	4.2%	(47,759)	0	0	$9.92
Northgate/N Seattle Ind	146	1,668,705	42,771	42,771	2.6%	27,251	20,909	0	$11.17
Parkland/Spanaway Ind	95	2,628,516	210,640	210,640	8.0%	1,032,051	928,681	0	$5.90
Port of Tacoma/Fife Ind	354	18,271,552	1,921,161	1,934,801	10.6%	(266,498)	0	76,000	$5.67
Puyallup/S Hill Ind	411	21,513,025	2,763,397	3,039,273	14.1%	102,637	60,440	227,910	$5.12
Queen Anne Ind	102	2,572,269	66,283	66,283	2.6%	(48,391)	0	0	$11.31
Rainier/Beacon Hill Ind	129	3,793,642	238,094	240,048	6.3%	(81,079)	0	0	$6.51
Redmond Ind	259	8,543,743	657,166	736,654	8.6%	(410,166)	0	0	$10.79
Renton Ind	163	12,664,478	390,287	1,053,696	8.3%	(815,255)	0	0	$5.85
S Everett/Harbor Pt Ind	303	25,570,148	1,160,357	1,188,842	4.6%	276,538	548,045	0	$7.66
S Snohomish County Ind	98	2,735,047	397,738	409,427	15.0%	(185,216)	81,684	0	$7.09
Seatac/Burien Ind	107	3,386,394	507,102	542,021	16.0%	(100,410)	0	0	$7.03
Seattle CBD Ind	4	27,910	5,670	5,670	20.3%	(5,670)	0	0	$12.00
SoDo Ind	304	11,945,538	376,571	376,571	3.2%	(31,860)	0	20,200	$11.85
Tacoma CBD Ind	70	1,747,104	147,679	147,679	8.5%	(63,397)	0	0	$5.36
Tukwila Ind	315	19,383,542	995,594	1,117,845	5.8%	(452,190)	0	0	$8.01
U. District/Ravenna Ind	33	736,889	0	0	0.0%	1,485	0	0	$6.00
University Place Ind	222	5,114,904	371,526	371,526	7.3%	(190,949)	0	0	$5.34
Vashon/Maury Isl Ind	4	57,750	0	0	0.0%	0	0	0	$0.00
W Seattle Ind	96	3,438,835	56,665	57,865	1.7%	(40,394)	0	0	$12.88
Waterfront Ind	38	1,396,530	69,096	69,096	4.9%	(92,668)	0	0	$9.23
Woodinville Ind	206	6,657,128	691,615	732,375	11.0%	(262,258)	92,757	0	$9.70
Totals	**7,751**	**304,880,926**	**21,821,859**	**24,228,768**	**7.9%**	**(5,338,548)**	**2,188,576**	**324,110**	**$7.39**

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

FIGURES AT A GLANCE

Flex Market Statistics

Year-End 2009

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2009 4q	994	31,392,250	3,305,210	3,590,594	11.4%	(171,555)	0	0	2	21,200	$15.46
2009 3q	994	31,392,250	3,172,242	3,419,039	10.9%	(232,171)	1	6,000	1	5,200	$15.00
2009 2q	993	31,386,250	2,965,864	3,180,868	10.1%	(209,315)	2	15,900	2	11,200	$15.30
2009 1q	991	31,370,350	2,737,891	2,955,653	9.4%	(169,676)	0	0	3	21,900	$15.85
2008 4q	994	31,425,054	2,640,248	2,840,681	9.0%	(189,098)	3	22,300	2	15,900	$16.44
2008 3q	991	31,402,754	2,371,269	2,629,283	8.4%	49,273	4	163,654	4	27,800	$16.69
2008 2q	987	31,239,100	2,303,596	2,514,902	8.1%	(91,821)	2	16,572	7	185,954	$15.65
2008 1q	985	31,222,528	2,237,673	2,406,509	7.7%	217,155	7	175,868	8	192,526	$15.99
2007	979	31,048,631	2,351,025	2,449,767	7.9%	570,202	11	164,081	11	297,628	$14.96
2006	970	30,926,740	2,707,033	2,898,078	9.4%	1,618,313	9	295,098	5	165,142	$13.02
2005	961	30,631,642	3,941,975	4,221,293	13.8%	935,217	3	76,026	8	291,965	$11.51
2004	958	30,555,616	4,695,489	5,080,484	16.6%	649,837	6	831,461	2	58,946	$11.62
2003	952	29,724,155	4,176,719	4,898,860	16.5%	(554,865)	6	193,421	3	753,376	$11.38
2002	947	29,543,694	3,575,355	4,163,534	14.1%	(656,514)	7	202,550	3	788,761	$11.21
2001	941	29,361,944	2,686,889	3,325,270	11.3%	(738,255)	14	907,271	6	864,582	$14.27
2000	927	28,454,673	1,542,898	1,679,744	5.9%	134,694	17	944,246	13	889,027	$11.24

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2009

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2009 4q	6,757	273,488,676	18,516,649	20,638,174	7.5%	(958,006)	2	11,700	8	302,910	$6.21
2009 3q	6,755	273,476,976	18,124,924	19,668,468	7.2%	332,572	4	1,211,619	10	314,610	$6.42
2009 2q	6,751	272,265,357	17,394,862	18,789,421	6.9%	(2,802,540)	5	523,302	8	1,328,945	$6.43
2009 1q	6,748	271,806,239	14,721,206	15,527,763	5.7%	(1,127,857)	18	420,055	8	1,705,281	$6.36
2008 4q	6,733	271,465,072	13,417,002	14,058,739	5.2%	439,840	9	628,230	24	2,026,220	$6.61
2008 3q	6,726	270,998,122	13,453,042	14,031,629	5.2%	592,144	15	1,398,309	32	2,640,200	$6.61
2008 2q	6,719	269,703,741	12,641,266	13,329,392	4.9%	(432,747)	15	1,249,808	32	3,312,493	$6.61
2008 1q	6,705	268,459,433	10,702,083	11,652,337	4.3%	1,999,030	12	326,699	37	3,287,162	$6.39
2007	6,695	268,159,536	12,457,487	13,351,470	5.0%	6,723,847	65	6,025,108	39	3,034,659	$6.31
2006	6,641	262,492,815	13,651,737	14,408,596	5.5%	4,950,140	90	5,314,144	51	6,465,162	$6.17
2005	6,561	257,997,110	13,572,112	14,863,031	5.8%	6,704,066	52	5,440,811	57	4,196,597	$6.14
2004	6,519	252,951,093	15,351,333	16,521,080	6.5%	6,020,409	40	2,611,933	39	5,153,150	$5.77
2003	6,496	250,701,017	18,407,128	20,291,413	8.1%	1,654,851	36	1,441,045	28	3,125,437	$5.29
2002	6,480	250,453,214	19,100,963	21,698,461	8.7%	(3,961,849)	42	2,268,483	27	1,117,434	$5.30
2001	6,461	249,257,633	13,701,858	16,541,031	6.6%	(905,002)	63	3,039,066	37	1,960,823	$5.41
2000	6,413	246,782,423	11,032,543	13,160,819	5.3%	(2,247,126)	102	6,648,516	49	2,580,861	$5.35

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2009

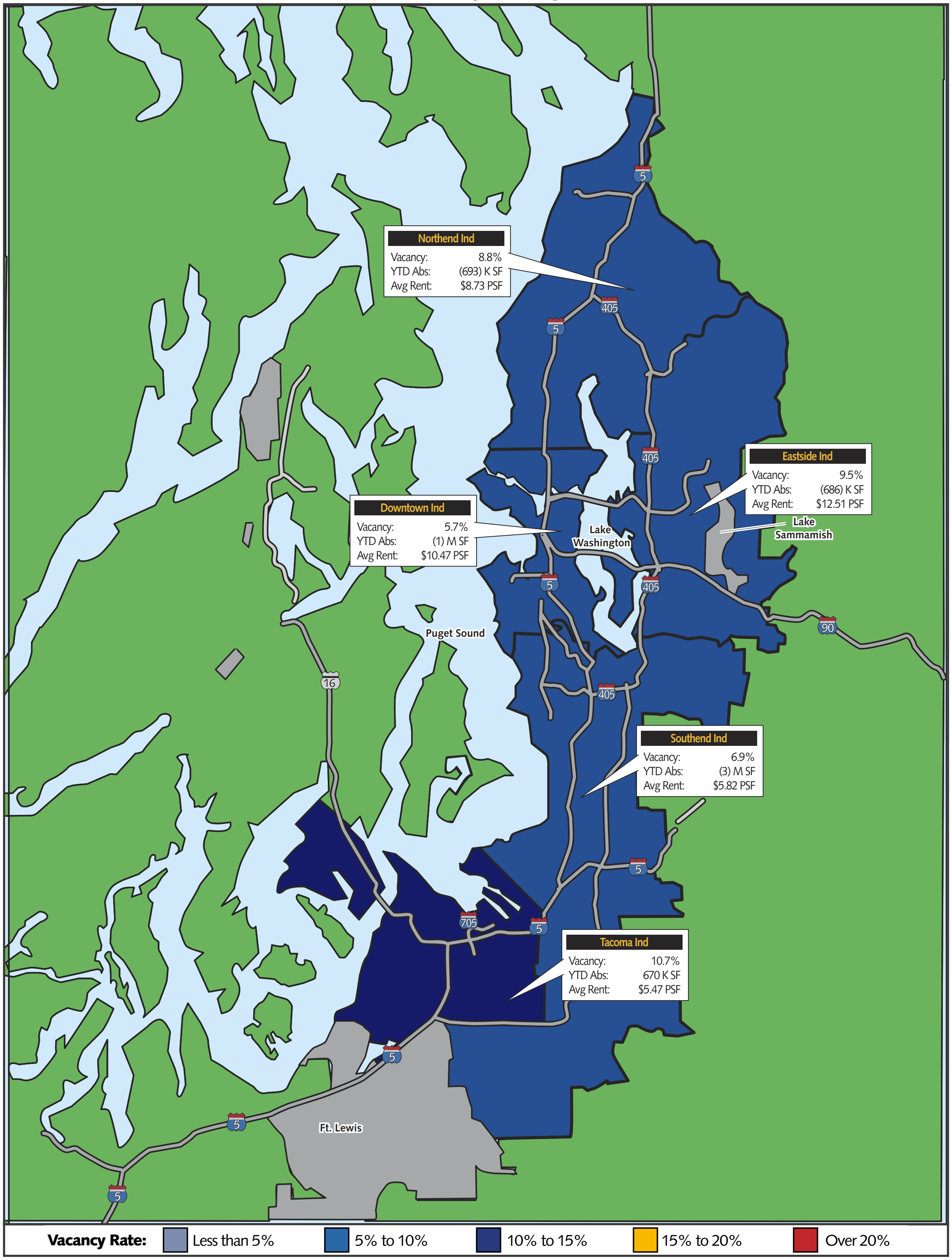
	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2009 4q	7,751	304,880,926	21,821,859	24,228,768	7.9%	(1,129,561)	2	11,700	10	324,110	$7.39
2009 3q	7,749	304,869,226	21,297,166	23,087,507	7.6%	100,401	5	1,217,619	11	319,810	$7.43
2009 2q	7,744	303,651,607	20,360,726	21,970,289	7.2%	(3,011,855)	7	539,202	10	1,340,145	$7.53
2009 1q	7,739	303,176,589	17,459,097	18,483,416	6.1%	(1,297,533)	18	420,055	11	1,727,181	$7.48
2008 4q	7,727	302,890,126	16,057,250	16,899,420	5.6%	250,742	12	650,530	26	2,042,120	$7.84
2008 3q	7,717	302,400,876	15,824,311	16,660,912	5.5%	641,417	19	1,561,963	36	2,668,000	$7.92
2008 2q	7,706	300,942,841	14,944,862	15,844,294	5.3%	(524,568)	17	1,266,380	39	3,498,447	$7.70
2008 1q	7,690	299,681,961	12,939,756	14,058,846	4.7%	2,216,185	19	502,567	45	3,479,688	$7.66
2007	7,674	299,208,167	14,808,512	15,801,237	5.3%	7,294,049	76	6,189,189	50	3,332,287	$7.47
2006	7,611	293,419,555	16,358,770	17,306,674	5.9%	6,568,453	99	5,609,242	56	6,630,304	$7.06
2005	7,522	288,628,752	17,514,087	19,084,324	6.6%	7,639,283	55	5,516,837	65	4,488,562	$7.17
2004	7,477	283,506,709	20,046,822	21,601,564	7.6%	6,670,246	46	3,443,394	41	5,212,096	$7.32
2003	7,448	280,425,172	22,583,847	25,190,273	9.0%	1,099,986	42	1,634,466	31	3,878,813	$6.96
2002	7,427	279,996,908	22,676,318	25,861,995	9.2%	(4,618,363)	49	2,471,033	30	1,906,195	$5.82
2001	7,402	278,619,577	16,388,747	19,866,301	7.1%	(1,643,257)	77	3,946,337	43	2,825,405	$6.28
2000	7,340	275,237,096	12,575,441	14,840,563	5.4%	(2,112,432)	119	7,592,762	62	3,469,888	$6.20

Source: CoStar Property®

Seattle/Puget Sound Industrial Market

Leasing Highlights in Select CoStar Markets

Color Coded by Vacancy Rate



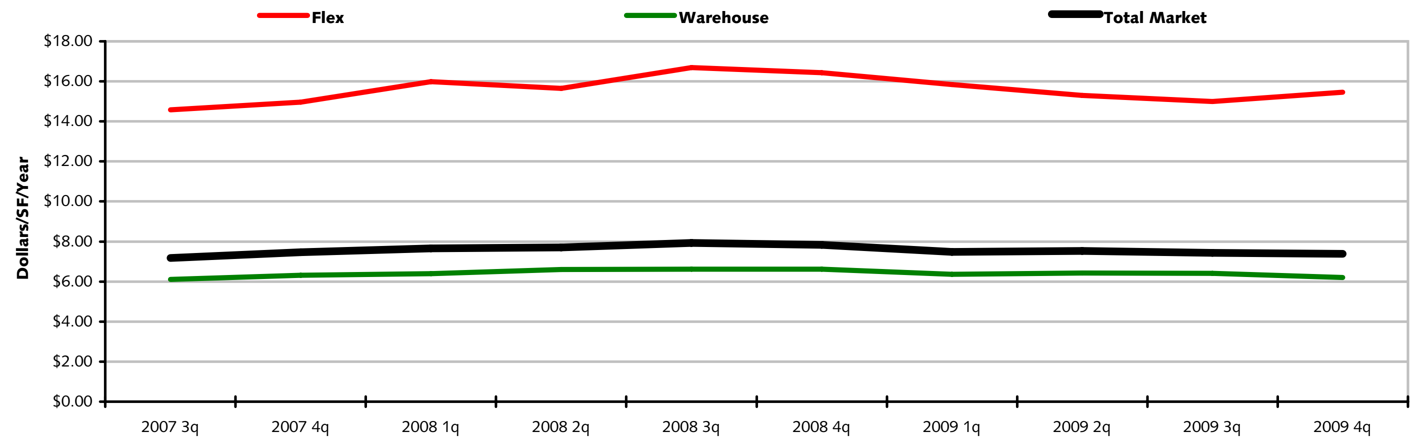
Source: CoStar Property®

Seattle/Puget Sound Industrial Market

LEASING ACTIVITY

Historical Rental Rates

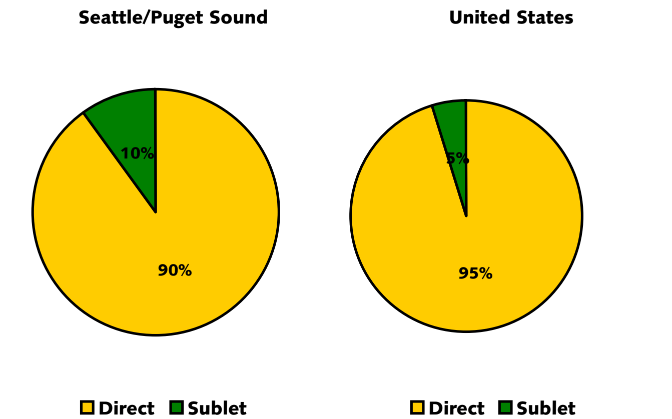
Based on Quoted Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

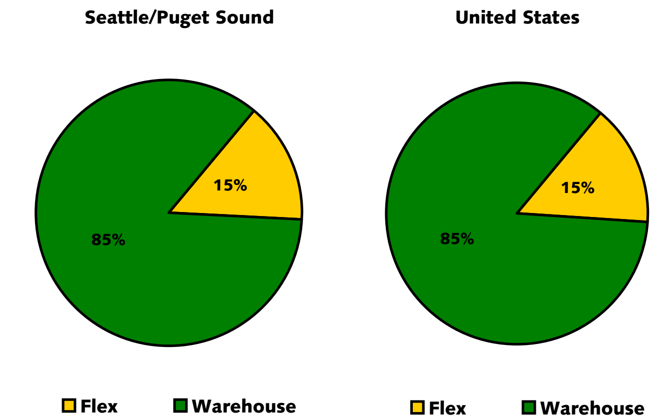
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Building Type

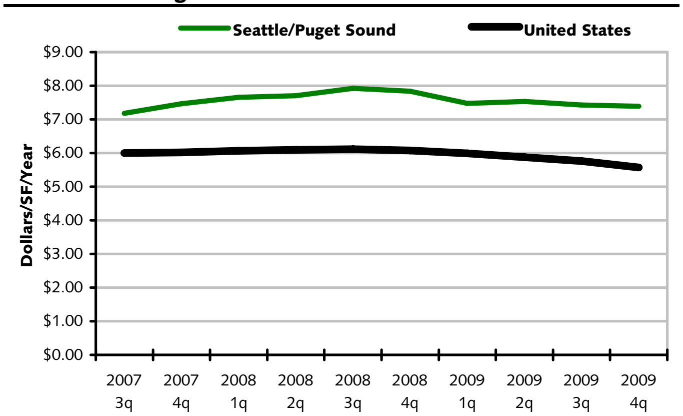
Percent of All Vacant Space by Building Type



Source: CoStar Property®

U.S. Rental Rate Comparison

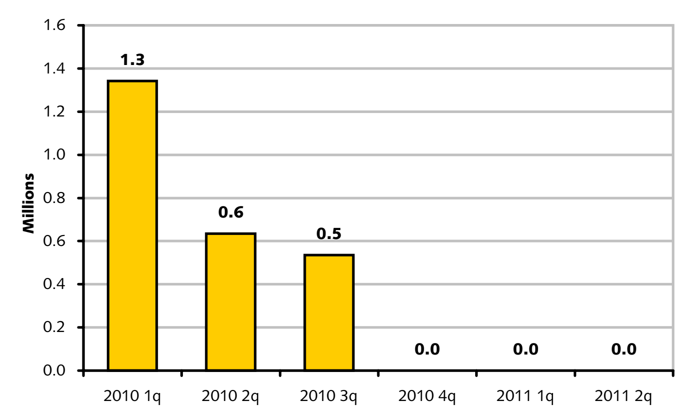
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

** Includes Under Construction Space*

Seattle/Puget Sound Industrial Market

LEASING ACTIVITY

Select Top Industrial Leases Based on Leased Square Footage For Deals Signed in 2009

	Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1	East Valley Warehouse	Kent Valley S Ind	516,748	1st	Kimberly Clark	N/A	Colliers International
2	Sumner Central*	Puyallup/S Hill Ind	223,550	4th	Mitco Ltd	Colliers International	CB Richard Ellis
3	Valley Centre Bldg 2*	Auburn Ind	204,804	2nd	United Natural Foods, Inc	NAI Brannen Goddard	KG Investment Management, LLC
4	White River Building	Puyallup/S Hill Ind	197,800	3rd	Green Mountain Coffee Roasters	N/A	Investco Management Services
5	Goodyear Regional Distribution Facility	Auburn Ind	188,764	1st	Electrolux	Colliers International	Colliers International
6	Valley Centre Bldg 2	Auburn Ind	154,128	2nd	United Natural Foods, Inc	NAI Brannen Goddard	KG Investment Management, LLC
7	Ashley Furniture Distribution Center	Tukwila Ind	153,007	3rd	Ashley Furniture	Pacific Real Estate Partners, Inc.	Acadia Realty Trust
8	Frederickson Industrial Park - Bldg 4-6	Parkland/Spanaway Ind	134,997	2nd	James Hardie	NAI Puget Sound Properties Inc.	Colliers International
9	IDX Bldg	Puyallup/S Hill Ind	108,644	1st	Saint Gobain	NAI Puget Sound Properties Inc.	Sandorffy & Company
10	Casino Road Corporate Park	S Everett/Harbor Pt Ind	108,172	1st	Goodwill Industries	N/A	Broderick Group, Inc.
11	Van Doren's West - Bldg C*	Kent Valley S Ind	102,400	1st	United States Postal Services	JRT Realty Group	GVA Kidder Mathews
12	Valley Centre Bldg 1	Auburn Ind	100,625	3rd	FedEX	N/A	NAI Puget Sound Properties Inc.
13	Bellevue Distribution Center - Bldg 1	Bellevue Ind	100,000	4th	Advanced H2O, Inc.	GVA Kidder Mathews	GVA Kidder Mathews
14	1613 132nd Ave E	Puyallup/S Hill Ind	86,059	1st	Pacific Paper Company	Direct Deal	Neil Walter Company
15	Lakewood Industrial Park - Bldg 9	Lakewood Ind	75,000	4th	Atlas Columbia Warehouse	N/A	Neil Walter Company
16	Rainier CP East-Bldg A*	Port of Tacoma/Fife Ind	72,372	3rd	Animal Supply Company	Cornish & Carey Commercial - ONCOR	GVA Kidder Mathews
17	Teledesic Bldg	Bellevue Ind	71,639	4th	Clearwire	Colliers International	CB Richard Ellis
18	Cabot @ S. 216th St.	Kent Valley S Ind	62,150	3rd	Metropolitan Hardwood Floors Inc.	The Andover Company, Inc.	NAI Puget Sound Properties Inc.
19	Fred Tebb & Sons	E Tacoma Ind	61,382	4th	Fred Tebb & Sons	NAI Puget Sound Properties Inc.	GVA Kidder Mathews
20	Underwood Gartland 140*	Woodinville Ind	60,660	4th	Sunrise Identity	N/A	Pacific Real Estate Partners, Inc.
21	Freeway Jam Building	Port of Tacoma/Fife Ind	60,000	4th	N/A	N/A	Neil Walter Company
22	Eland Bldg	Tukwila Ind	59,832	3rd	N/A	N/A	Cushman & Wakefield, Inc.
23	Kent North Corporate Park - Bldg B	Kent Valley N Ind	59,783	2nd	N/A	N/A	Cushman & Wakefield, Inc.
24	Auburn Park 167 Bldg B*	Auburn Ind	59,395	3rd	LagasseSweet	Jones Lang LaSalle	GVA Kidder Mathews
25	Creekside @ S 188th	Kent Valley N Ind	52,600	1st	Outrageous, Inc	CB Richard Ellis	CB Richard Ellis
26	O'Brien Business Park*	Kent Valley N Ind	50,934	4th	Barclay Dean Environments	GVA Kidder Mathews	NAI Puget Sound Properties Inc.
27	4810 D St NW	Auburn Ind	49,885	2nd	Pacific Cascade	N/A	The Andover Company, Inc.
28	Sea-Pac Bldg*	Kent Valley S Ind	48,981	4th	EB Bradley	N/A	NAI Puget Sound Properties Inc.
29	Rainier CP East-Bldg A	Port of Tacoma/Fife Ind	48,328	3rd	Animal Supply Company	Cornish & Carey Commercial - ONCOR	GVA Kidder Mathews
30	Frederickson Industrial Park - Bldg 8	Parkland/Spanaway Ind	48,324	2nd	N/A	NAI Puget Sound Properties Inc.	Colliers International
31	NW Corporate Park Kent - Bldg O*	Kent Valley N Ind	48,000	1st	Service Paper Company	The Andover Company, Inc.	Cushman & Wakefield, Inc.
32	212th Business Park - Building E	Kent Valley N Ind	48,000	3rd	Veolia Transportation	The Andover Company, Inc.	CB Richard Ellis
33	Seattle Distribution Ctr - Bldg A*	Gtown/Duwamish S Ind	47,615	3rd	Rosella's Fruit & Produce Co., Inc.	GVA Kidder Mathews	GVA Kidder Mathews
34	Franke Bldg	Gtown/Duwamish N Ind	46,669	3rd	The Essential Baking Company	Neil Walter Company	Russak Companies
35	Redmond Ridge Corporate Center - Bldg 20	E King County Ind	45,625	1st	Microsoft Corp	N/A	Pacific Real Estate Partners, Inc.
36	Underwood Gartland 216 Bldg A	Woodinville Ind	44,625	1st	Bio-Rad Laboratories	N/A	Broderick Group, Inc.
37	Global Gateway Bldg	Auburn Ind	42,140	2nd	CTC Warehousing	N/A	N/A
38	Trussco Bldg A	Puyallup/S Hill Ind	41,600	1st	Girard Wood Products Inc	N/A	Investco Management Services
39	Teledesic Bldg	Bellevue Ind	40,314	1st	Sky High Sports	Colliers International	CB Richard Ellis
40	Underwood Gartland 216 Bldg B	Woodinville Ind	38,910	2nd	Source Northwest	N/A	Broderick Group, Inc.

Source: CoStar Property®

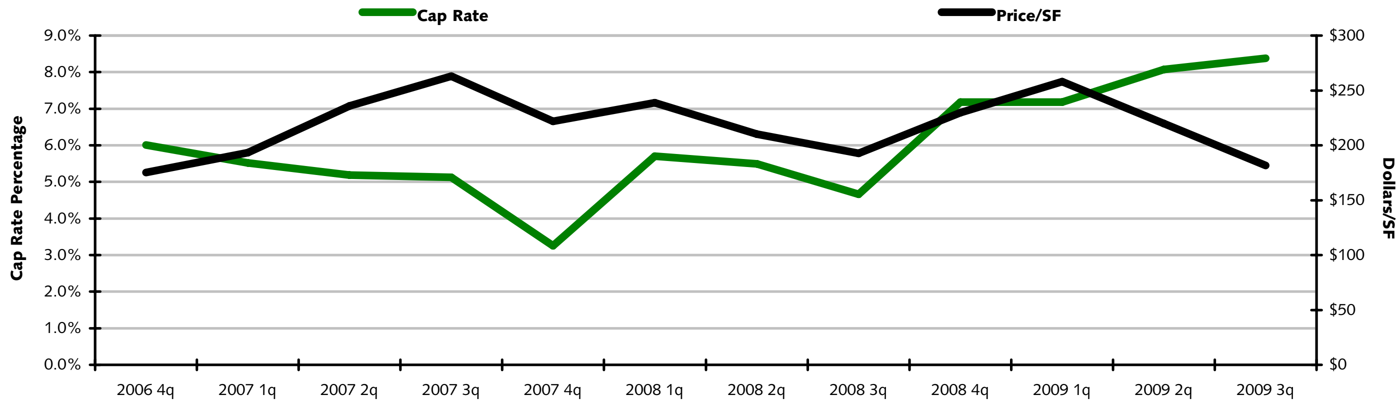
* Renewal

Seattle/Puget Sound Industrial Market

SALES ACTIVITY

The Optimist Sales Index

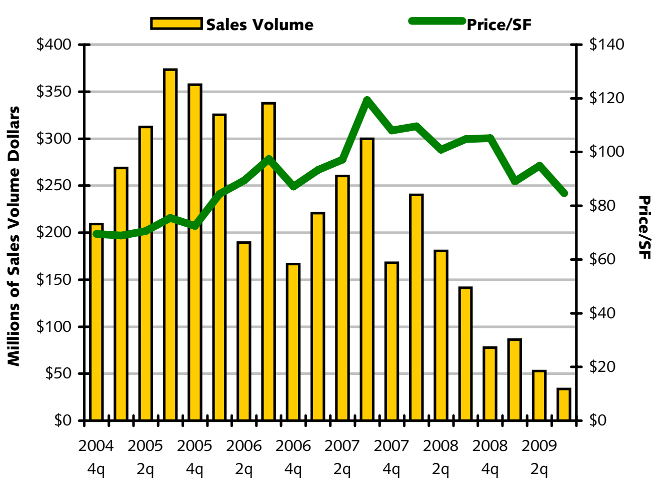
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

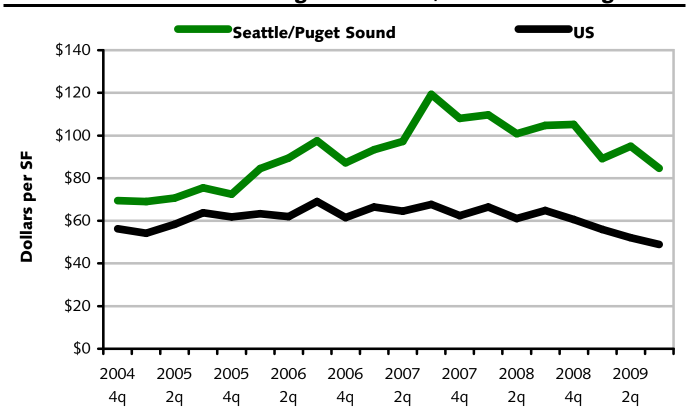
Based on Industrial Bldg Sales From Oct. 2008 - Sept. 2009

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate
< 25,000 SF	78	725,853	$ 104,212,289	$ 143.57	6.66%
25K-99K SF	28	1,170,037	$ 128,332,703	$ 109.68	7.45%
100K-249K SF	5	808,712	$ 54,833,000	$ 67.80	9.02%
>250K SF	1	388,000	$ 27,265,000	$ 70.27	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

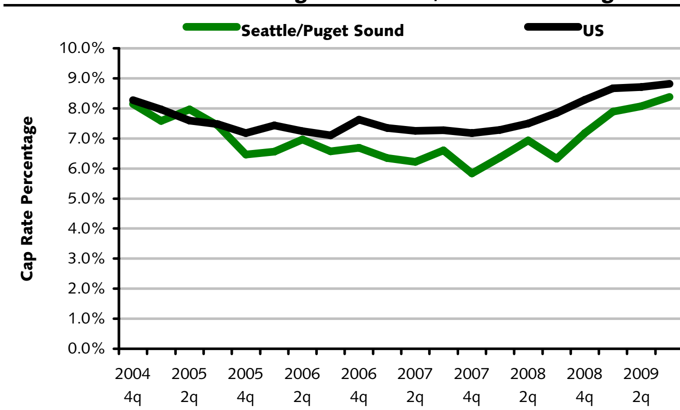
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Seattle/Puget Sound Industrial Market

SALES ACTIVITY

Select Top Sales

Based on Sales from October 2008 Through December 2009

1. 1602 Industrial Park Way - Bldg A

Puyallup

Price:	$27,265,000
Price/SF:	$70.27
Cap Rate:	N/A
RBA:	388,000
Date:	3/20/2009
Year Built:	2008
Buyer:	O'Reilly Automotive, Inc.
Seller:	AMB Property Corporation

2. Roadway Express

Seattle

Price:	$16,600,000
Price/SF:	$357.37
Cap Rate:	N/A
RBA:	46,450
Date:	1/7/2009
Year Built:	2001
Buyer:	Old Dominion Freight Line, Inc.
Seller:	Roadway Express, Inc.

3. Former Safeway Dist. Facility

Tacoma

Price:	$11,750,000
Price/SF:	$117.79
Cap Rate:	N/A
RBA:	99,750
Date:	1/9/2009
Year Built:	1998
Buyer:	Port of Tacoma
Seller:	Rangar West, Inc.

4. Renton Commerce Center

Renton

Price:	$11,350,000
Price/SF:	$99.56
Cap Rate:	9.1%
RBA:	114,000
Date:	8/6/2009
Year Built:	2002
Buyer:	Bertch Company
Seller:	AFL-CIO Building Investment Trust

5. Tharco

Algona

Price:	$11,000,000
Price/SF:	$50.66
Cap Rate:	8.64%
RBA:	217,131
Date:	6/12/2009
Year Built:	1985
Buyer:	Hill-Raaum-Pietromonaco
Seller:	TA Associates Realty

6. Emerald CP-Bldg C

Auburn

Price:	$10,850,000
Price/SF:	$53.32
Cap Rate:	9.32%
RBA:	203,497
Date:	2/17/2009
Year Built:	2001
Buyer:	Norpatsu Company
Seller:	Winlock W. Miller Trust

7. Diadora's Corporate HQ

Kent

Price:	$7,723,000
Price/SF:	$66.87
Cap Rate:	N/A
RBA:	115,495
Date:	12/22/2009
Year Built:	2004
Buyer:	Exotic Metals Forming Company
Seller:	Tarragon LLC

8. USF Reddaway

Tacoma

Price:	$5,600,000
Price/SF:	$228.57
Cap Rate:	N/A
RBA:	24,500
Date:	6/29/2009
Year Built:	2002
Buyer:	Estes Express Lines
Seller:	USF Reddaway, Inc.

9. Hillstrom Cabinets Bldg

Puyallup

Price:	$5,550,000
Price/SF:	$88.80
Cap Rate:	N/A
RBA:	62,500
Date:	6/8/2009
Year Built:	2003
Buyer:	Pinion LLC
Seller:	Raymond Hillstrom

Source: CoStar COMPS®

Seattle/Puget Sound Industrial Market

SALES ACTIVITY

Select Same Building Sales

Based On Recent Building Sales Compared to Prior Sale

Port of Tacoma Distribution		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	2000 Taylor Way	Price:	$11,750,000	Price:	$6,550,000
City:	Tacoma	Price/SF:	$117.79	Price/SF:	$65.66
RBA:	99,750	Cap Rate:	N/A	Cap Rate:	N/A
Year Built:	1998	Date:	1/9/2009	Date:	12/16/2005
Tot $ Return:	$5,200,000	Buyer:	Port of Tacoma	Buyer:	Rangar West, Inc.
Tot % Return:	79%	Seller:	Rangar West, Inc.	Seller:	Taylor Properties, Inc.
Ann.Return:	26%	Brokers:	GVA Kidder Mathews	Brokers:	GVA Kidder Mathews
Months Held:	37				

IDX Bldg		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	507 N Levee Rd	Price:	$7,633,000	Price:	$6,225,000
City:	Puyallup	Price/SF:	$70.26	Price/SF:	$57.30
RBA:	108,644	Cap Rate:	N/A	Cap Rate:	N/A
Year Built:	1997	Date:	12/3/2008	Date:	12/24/2005
Tot $ Return:	$1,408,000	Buyer:	Sandorffy & Company	Buyer:	NBS Real Estate Capital
Tot % Return:	23%	Seller:	NBS Real Estate Capital	Seller:	Pacifix LLC
Ann.Return:	8%	Brokers:	NAI Puget Sound Properties I	Brokers:	N/A
Months Held:	35		GVA Kidder Mathews		

130th Center Warehouse		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	1606-1628 130th Ave NE	Price:	$3,700,000	Price:	$2,500,000
City:	Bellevue	Price/SF:	$158.88	Price/SF:	$107.35
RBA:	23,288	Cap Rate:	6.36%	Cap Rate:	N/A
Year Built:	1962	Date:	2/18/2009	Date:	2/18/2005
Tot $ Return:	$1,200,000	Buyer:	ELUFA LLC	Buyer:	Les Real Estate Holdings LLC
Tot % Return:	48%	Seller:	Les Real Estate Holdings LLC	Seller:	SGB LLC
Ann.Return:	12%	Brokers:	Coldwell Banker Bain Commerc	Brokers:	N/A
Months Held:	48		Ramaley Properties Inc.		

C&G Building		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	2502-2504 S Jefferson Ave	Price:	$2,000,000	Price:	$1,200,000
City:	Tacoma	Price/SF:	$100.00	Price/SF:	$60.00
RBA:	20,000	Cap Rate:	N/A	Cap Rate:	N/A
Year Built:	1934	Date:	1/2/2009	Date:	11/3/2006
Tot $ Return:	$800,000	Buyer:	25th & Jefferson, LLC	Buyer:	CRC Properties, LLC
Tot % Return:	67%	Seller:	CRC Properties, LLC	Seller:	Lloyd Ross Norberg
Ann.Return:	31%	Brokers:	Summit Properties	Brokers:	CB Richard Ellis
Months Held:	26		CB Richard Ellis		

Select Land Sales

Based on Industrial Zoned Land Sales Occurring From Oct. 2008 - Dec. 2009

2800 104th Ct S, Tacoma		1401 130th Ave NE, Bellevue		17th St SE e/o M St SE, Auburn	
Sale Price:	$23,550,000	Sale Price:	$6,300,010	Sale Price:	$5,735,545
Acres:	52.68	Acres:	8.13	Acres:	11.97
Price/SF:	$10.26	Price/SF:	$17.79	Price/SF:	$11.00
Closing Date:	10/30/2009	Closing Date:	09/16/2009	Closing Date:	09/18/2009
Zoning:	LKWD	Zoning:	BRCR, Bel Red	Zoning:	M2, Auburn
Intended Use:	Cement/Gravel Plant	Intended Use:	Parks/Utilities/Transportation Site	Intended Use:	M2 Zoned Acreage
Buyer:	Miles Sand & Gravel Company,Inc.	Buyer:	City of Bellevue	Buyer:	Muckleshoot Indian Tribe
Seller:	Woodworth & Co., Inc.	Seller:	Safeway, Inc.	Seller:	Frank & Jean Miles

SE 140th St w/o 468th Ave SE, North Bend		12811 NE 178th St, Woodinville		515 E Marine View Dr, Everett	
Sale Price:	$4,100,000	Sale Price:	$2,800,000	Sale Price:	$1,823,697
Acres:	16.96	Acres:	3.02	Acres:	5.21
Price/SF:	$5.55	Price/SF:	$21.28	Price/SF:	$8.04
Closing Date:	12/18/2008	Closing Date:	06/30/2009	Closing Date:	08/10/2009
Zoning:	URSO	Zoning:	I, Woodinville	Zoning:	M2, Everett
Intended Use:	900,000 SF Development Site	Intended Use:	I Zoned Acreage	Intended Use:	Industrial Service Facility Site
Buyer:	Sea Con LLC	Buyer:	Lawrence B Stone Prop. 03 LLC	Buyer:	Marshall & Katherine Cymbaluk Famil
Seller:	Puget Western, Inc.	Seller:	Bluelinx	Seller:	Port of Everett

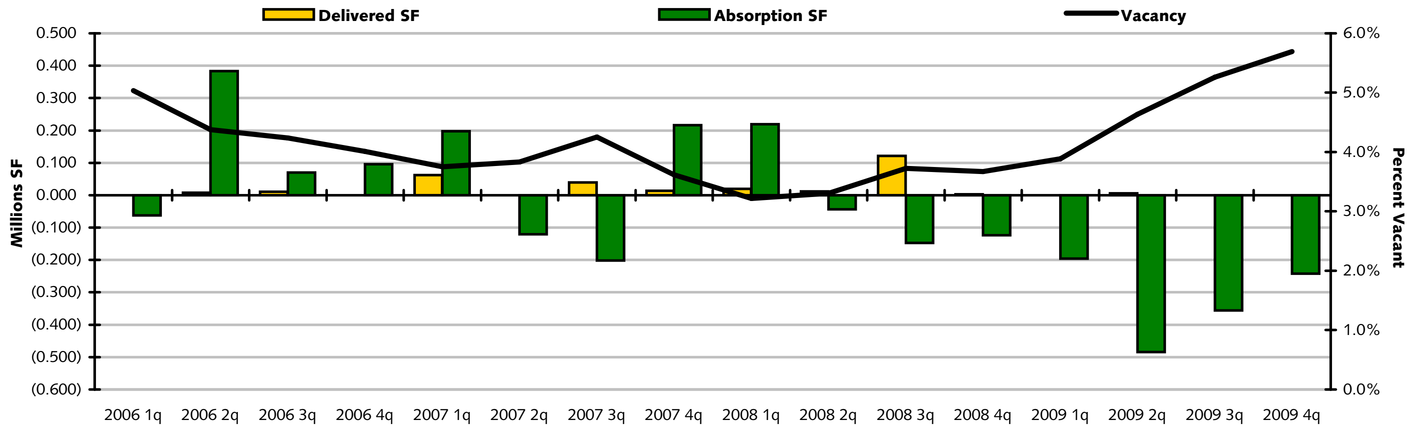
Source: CoStar COMPS®

Seattle/Puget Sound Industrial Market

DOWNTOWN MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

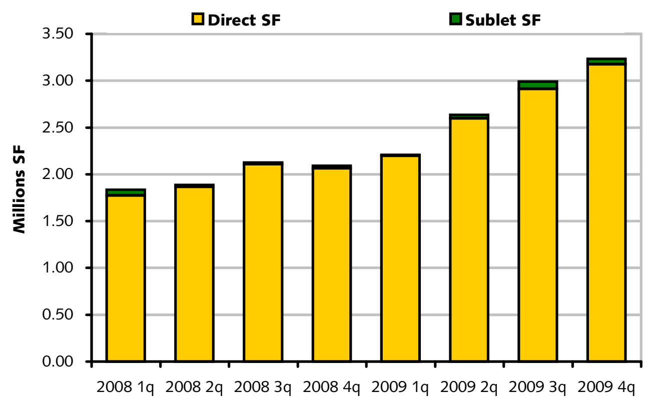
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

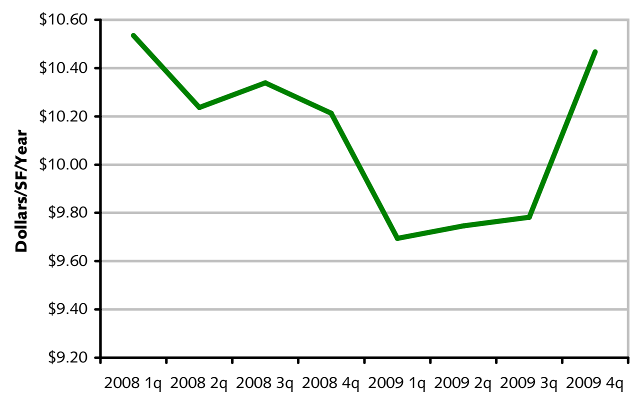
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2009 4q	2,064	56,813,758	3,233,010	5.7%	(242,577)	0	0	2	20,200	$10.47
2009 3q	2,064	56,813,758	2,990,433	5.3%	(355,700)	0	0	2	20,200	$9.78
2009 2q	2,064	56,813,758	2,634,733	4.6%	(484,190)	1	5,500	2	20,200	$9.75
2009 1q	2,065	56,872,442	2,209,227	3.9%	(195,941)	0	0	1	5,500	$9.69
2008 4q	2,068	56,951,330	2,092,174	3.7%	(123,650)	1	3,300	1	5,500	$10.21
2008 3q	2,069	57,109,310	2,126,504	3.7%	(147,567)	3	121,904	2	8,800	$10.34
2008 2q	2,067	57,015,934	1,885,561	3.3%	(43,393)	1	12,156	4	125,204	$10.24
2008 1q	2,067	57,009,278	1,835,512	3.2%	219,032	2	19,333	5	137,360	$10.53
2007 4q	2,067	57,016,747	2,062,013	3.6%	216,057	1	13,778	4	127,677	$9.97
2007 3q	2,068	57,169,900	2,431,223	4.3%	(201,822)	1	38,965	5	141,455	$9.83
2007 2q	2,067	57,130,935	2,190,436	3.8%	(120,462)	0	0	5	173,243	$9.31
2007 1q	2,069	57,208,170	2,147,209	3.8%	197,412	1	62,000	2	135,153	$8.77
2006 4q	2,070	57,154,876	2,291,327	4.0%	95,492	0	0	3	197,153	$8.84
2006 3q	2,073	57,191,211	2,423,154	4.2%	69,844	1	10,690	3	197,153	$7.91
2006 2q	2,073	57,201,249	2,503,036	4.4%	383,337	1	8,172	2	72,690	$7.38
2006 1q	2,072	57,193,077	2,878,201	5.0%	(62,213)	0	0	2	18,862	$7.07

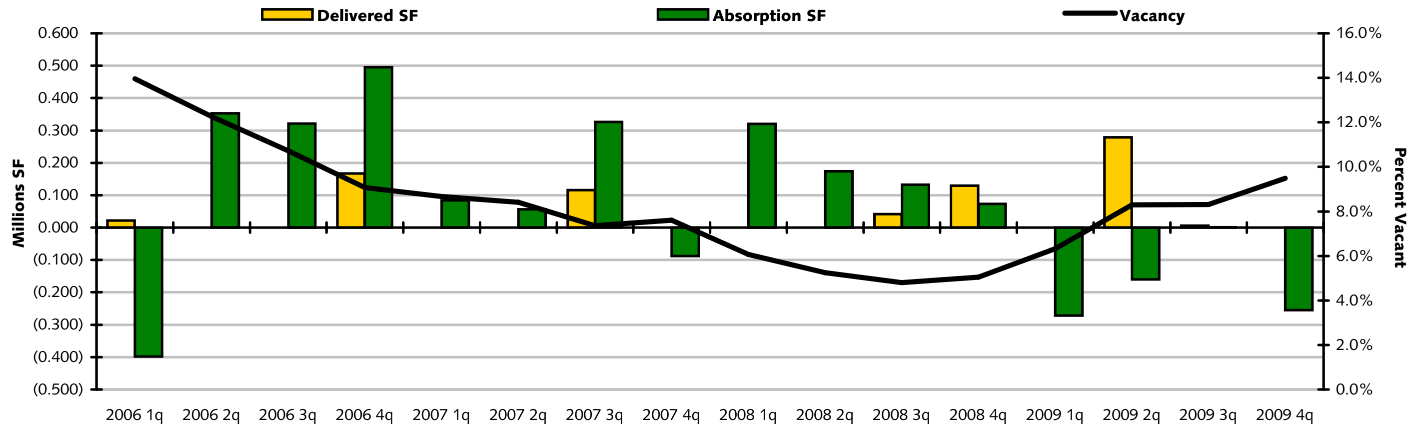
Source: CoStar Property®

Seattle/Puget Sound Industrial Market

EASTSIDE MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

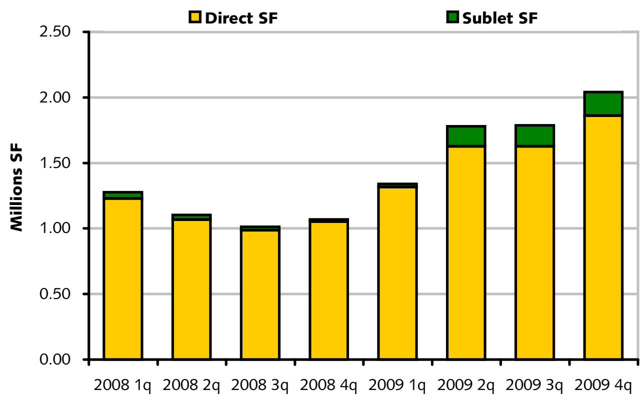
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

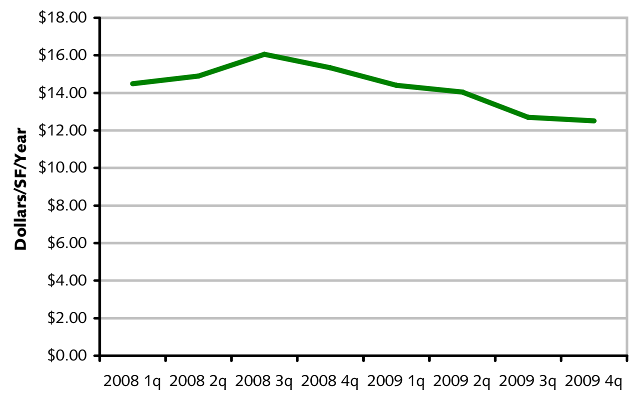
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2009 4q	714	21,494,850	2,040,400	9.5%	(254,441)	0	0	0	0	$12.51
2009 3q	714	21,494,850	1,785,959	8.3%	973	1	6,000	0	0	$12.70
2009 2q	713	21,488,850	1,780,932	8.3%	(160,395)	3	279,137	1	6,000	$14.04
2009 1q	710	21,209,713	1,341,400	6.3%	(272,014)	0	0	4	285,137	$14.41
2008 4q	710	21,209,713	1,069,386	5.0%	73,519	1	129,850	2	210,400	$15.35
2008 3q	709	21,079,863	1,013,055	4.8%	132,614	1	41,750	2	329,850	$16.05
2008 2q	708	21,038,113	1,103,919	5.2%	173,560	0	0	3	371,600	$14.90
2008 1q	708	21,038,113	1,277,479	6.1%	320,068	0	0	2	171,600	$14.49
2007 4q	709	21,040,084	1,599,518	7.6%	(87,895)	0	0	0	0	$13.14
2007 3q	710	21,080,424	1,551,963	7.4%	325,835	6	116,214	0	0	$12.23
2007 2q	704	20,964,210	1,761,584	8.4%	56,065	0	0	6	116,214	$12.04
2007 1q	704	20,964,210	1,817,649	8.7%	83,878	0	0	6	116,214	$11.92
2006 4q	704	20,964,210	1,901,527	9.1%	495,242	3	166,793	0	0	$11.91
2006 3q	701	20,797,417	2,229,976	10.7%	320,848	0	0	3	166,793	$11.92
2006 2q	701	20,797,417	2,550,824	12.3%	353,126	0	0	3	166,793	$11.93
2006 1q	701	20,797,417	2,903,950	14.0%	(398,557)	1	21,346	3	166,793	$11.90

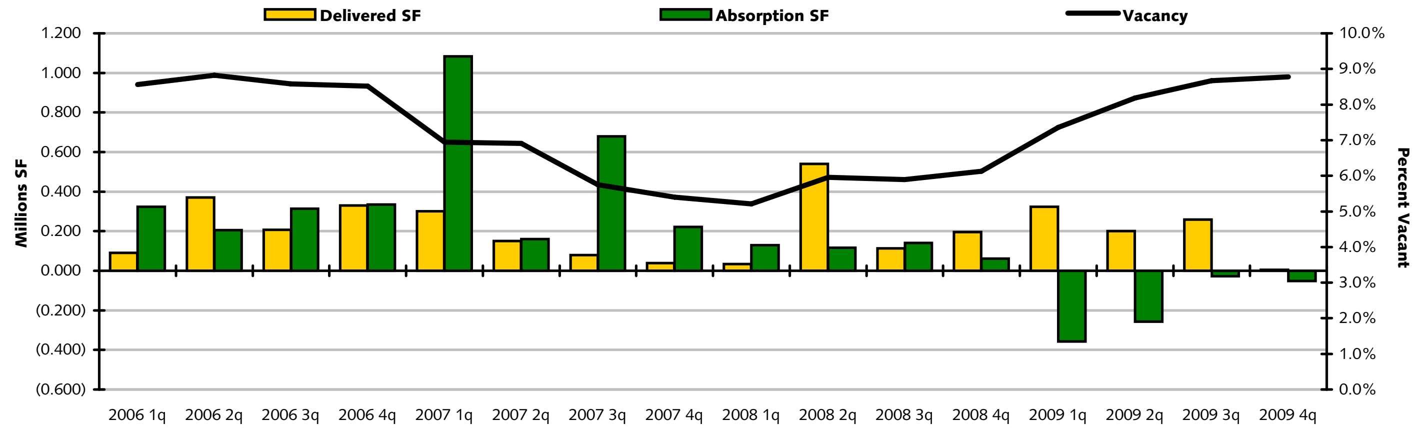
Source: CoStar Property®

Seattle/Puget Sound Industrial Market

NORTHEND MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

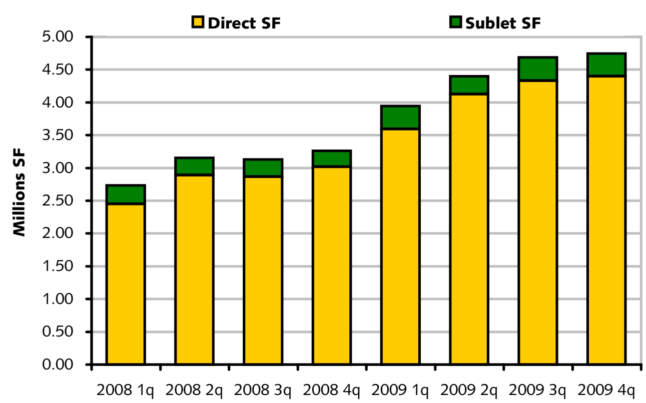
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

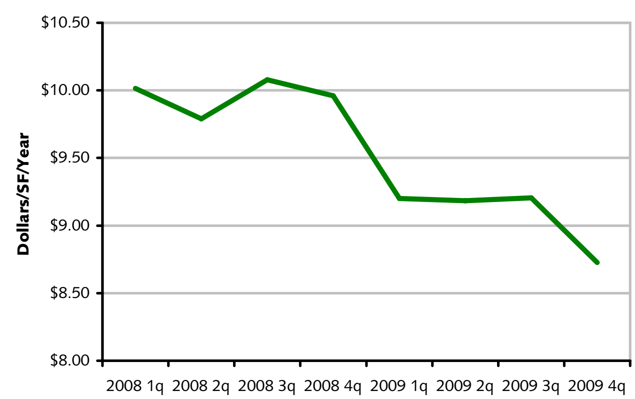
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2009 4q	1,414	54,055,291	4,743,742	8.8%	(51,367)	1	5,000	0	0	$8.73
2009 3q	1,413	54,050,291	4,687,375	8.7%	(27,967)	1	258,000	1	5,000	$9.20
2009 2q	1,412	53,792,291	4,401,408	8.2%	(256,662)	2	200,929	2	263,000	$9.18
2009 1q	1,410	53,591,362	3,943,817	7.4%	(357,257)	11	322,916	3	458,929	$9.20
2008 4q	1,399	53,268,446	3,263,644	6.1%	61,260	4	196,148	14	781,845	$9.96
2008 3q	1,395	53,072,298	3,128,756	5.9%	140,768	5	113,587	17	963,743	$10.08
2008 2q	1,390	52,958,711	3,155,937	6.0%	116,828	11	540,691	11	449,008	$9.79
2008 1q	1,379	52,418,020	2,732,074	5.2%	128,770	4	33,441	16	828,110	$10.01
2007 4q	1,375	52,384,579	2,827,403	5.4%	220,956	3	39,132	17	770,812	$9.30
2007 3q	1,372	52,345,447	3,009,227	5.7%	678,815	3	79,966	15	554,298	$9.07
2007 2q	1,370	52,267,331	3,609,926	6.9%	159,734	10	150,437	7	106,864	$8.45
2007 1q	1,360	52,116,894	3,619,223	6.9%	1,084,254	9	301,266	14	234,819	$8.25
2006 4q	1,352	51,825,595	4,412,178	8.5%	335,193	2	330,582	19	432,685	$8.25
2006 3q	1,350	51,495,013	4,416,789	8.6%	313,837	14	206,675	13	685,214	$8.40
2006 2q	1,336	51,288,338	4,523,951	8.8%	205,776	7	370,448	20	756,118	$8.10
2006 1q	1,329	50,917,890	4,359,279	8.6%	323,163	5	90,899	22	876,823	$7.75

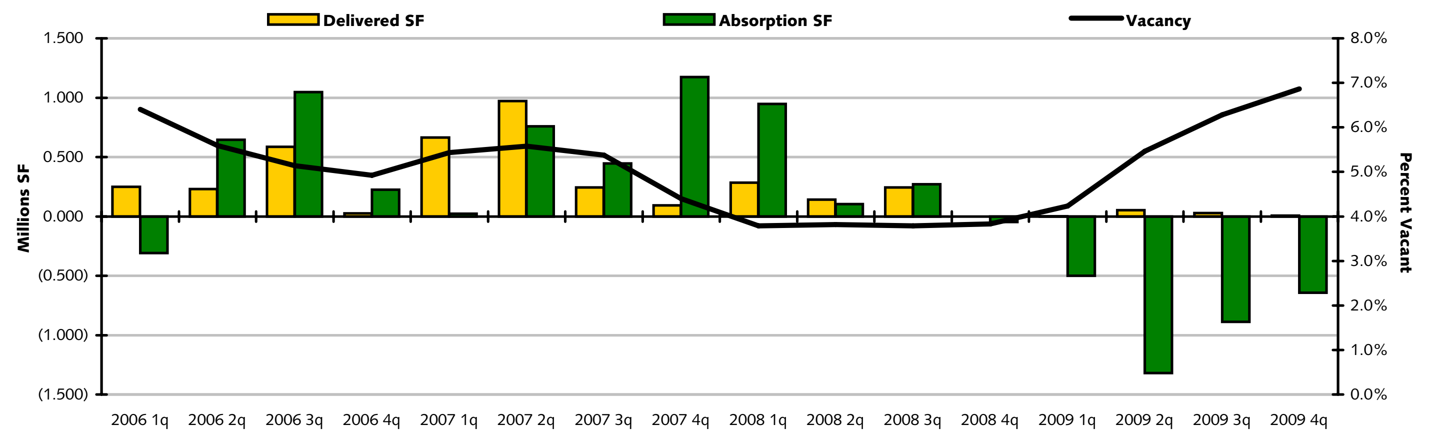
Source: CoStar Property®

Seattle/Puget Sound Industrial Market

SOUTHEND MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

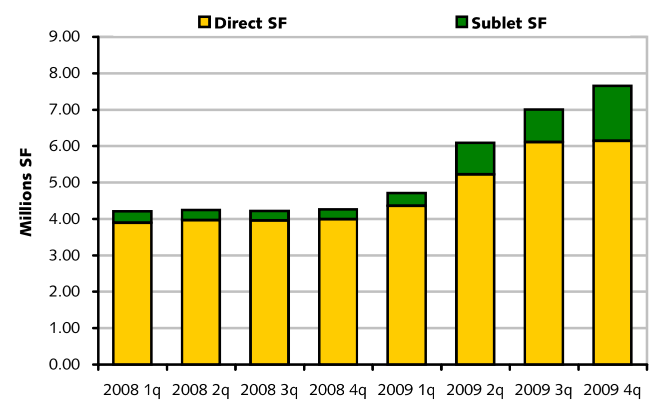
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

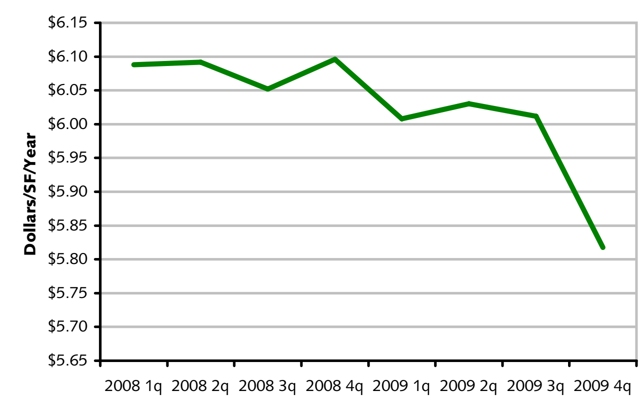
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2009 4q	1,890	111,474,326	7,653,799	6.9%	(641,806)	1	6,700	0	0	$5.82
2009 3q	1,889	111,467,626	7,005,293	6.3%	(888,182)	1	29,640	1	6,700	$6.01
2009 2q	1,888	111,437,986	6,087,471	5.5%	(1,320,331)	1	53,636	2	36,340	$6.03
2009 1q	1,887	111,384,350	4,713,504	4.2%	(501,004)	1	1,618	1	53,636	$6.01
2008 4q	1,889	111,437,436	4,265,586	3.8%	(46,946)	0	0	2	55,254	$6.10
2008 3q	1,889	111,437,436	4,218,640	3.8%	272,170	2	244,800	2	55,254	$6.05
2008 2q	1,887	111,192,636	4,246,010	3.8%	105,089	1	141,970	2	244,800	$6.09
2008 1q	1,886	111,050,666	4,209,129	3.8%	946,164	7	283,399	3	386,770	$6.09
2007 4q	1,879	110,767,267	4,871,894	4.4%	1,174,465	4	93,269	10	670,169	$6.23
2007 3q	1,875	110,673,998	5,953,090	5.4%	445,849	2	244,357	13	621,468	$5.96
2007 2q	1,874	110,433,641	6,158,582	5.6%	759,647	5	972,467	11	565,109	$6.00
2007 1q	1,869	109,461,174	5,945,762	5.4%	23,306	4	663,402	7	1,216,824	$5.83
2006 4q	1,867	108,853,151	5,361,045	4.9%	225,165	2	25,605	10	1,840,327	$6.06
2006 3q	1,866	108,863,606	5,596,665	5.1%	1,048,397	9	586,478	11	1,834,215	$6.08
2006 2q	1,857	108,277,128	6,058,584	5.6%	645,962	12	230,646	19	2,377,843	$6.06
2006 1q	1,846	108,521,482	6,948,900	6.4%	(308,053)	9	249,512	21	817,124	$6.01

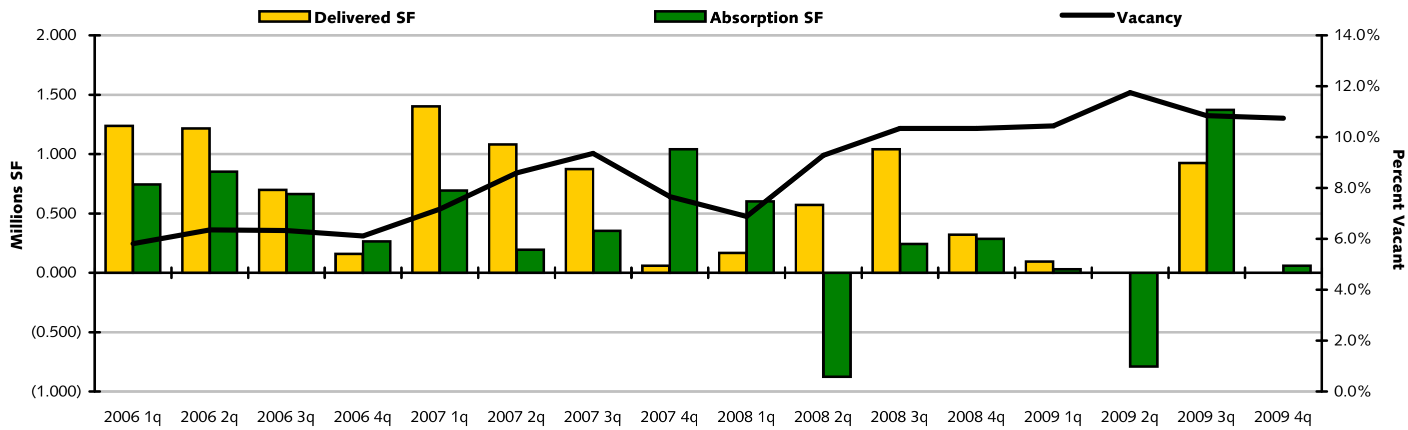
Source: CoStar Property®

Seattle/Puget Sound Industrial Market

TACOMA MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

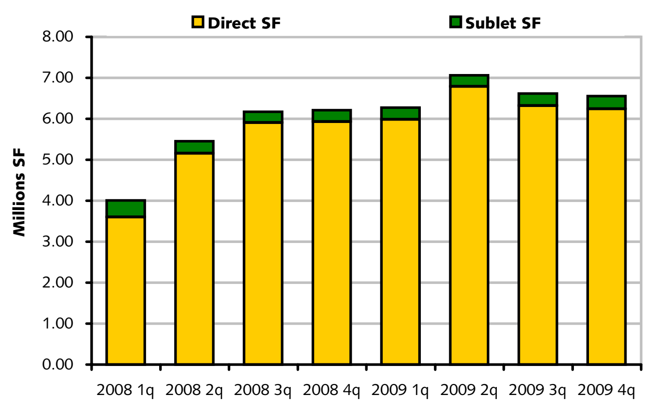
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

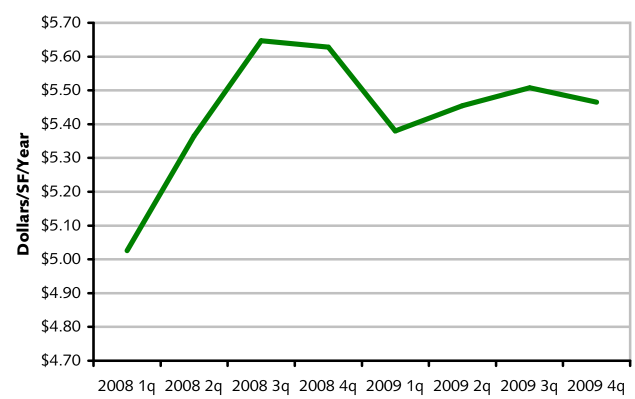
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2009 4q	1,669	61,042,701	6,557,817	10.7%	60,630	0	0	8	303,910	$5.47
2009 3q	1,669	61,042,701	6,618,447	10.8%	1,371,277	2	923,979	7	287,910	$5.51
2009 2q	1,667	60,118,722	7,065,745	11.8%	(790,277)	0	0	3	1,014,605	$5.45
2009 1q	1,667	60,118,722	6,275,468	10.4%	28,683	6	95,521	2	923,979	$5.38
2008 4q	1,661	60,023,201	6,208,630	10.3%	286,559	6	321,232	7	989,121	$5.63
2008 3q	1,655	59,701,969	6,173,957	10.3%	243,432	8	1,039,922	13	1,310,353	$5.65
2008 2q	1,654	58,737,447	5,452,867	9.3%	(876,652)	4	571,563	19	2,307,835	$5.36
2008 1q	1,650	58,165,884	4,004,652	6.9%	602,151	6	166,394	19	1,955,848	$5.03
2007 4q	1,644	57,999,490	4,440,409	7.7%	1,040,036	4	58,532	19	1,763,629	$4.97
2007 3q	1,640	57,940,958	5,421,913	9.4%	352,559	8	872,329	19	1,277,226	$5.06
2007 2q	1,632	57,068,629	4,902,143	8.6%	193,799	5	1,081,662	15	1,900,082	$5.26
2007 1q	1,627	55,986,967	4,014,280	7.2%	691,561	10	1,401,413	16	2,888,270	$5.33
2006 4q	1,618	54,621,723	3,340,597	6.1%	263,054	5	160,065	24	4,160,139	$5.44
2006 3q	1,613	54,461,658	3,443,586	6.3%	663,875	8	699,020	20	3,347,927	$5.38
2006 2q	1,606	53,773,038	3,418,841	6.4%	850,744	10	1,214,906	21	2,591,237	$5.19
2006 1q	1,596	52,558,132	3,054,679	5.8%	744,221	10	1,237,405	19	1,964,789	$5.36

Source: CoStar Property®

