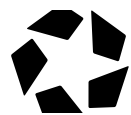


The CoStar Industrial Report

Third Quarter 2014

Asheville Industrial Market



CoStar Group™

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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 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property. The quoted rental rate is exclusive of the expense pass through associated with the rent.

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CoStar Group, Inc.

1331 L ST NW • Washington, DC 20005 • (800) 204-5960 • www.costar.com • NASDAQ: CSGP

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 certi-

cate 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: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

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.

Asheville Industrial Market

Overview

Asheville's Vacancy Stays at 7.3% Net Absorption Negative (797) SF in the Quarter

The Asheville Industrial market ended the third quarter 2014 with a vacancy rate of 7.3%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling negative (797) square feet in the third quarter. Vacant sublease space remained unchanged in the quarter, ending at 29,000 square feet. Rental rates ended the third quarter at \$4.43, an increase over the previous quarter. There was 10,250 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Asheville Industrial market was negative (797) square feet in the third quarter 2014. That compares to positive 61,898 square feet in the second quarter 2014, negative (15,112) square feet in the first quarter 2014, and positive 130,753 square feet in the fourth quarter 2013.

Tenants moving out of large blocks of space in 2014 include: Empire Distributors Of North Carolina Inc moving out of (37,500) square feet at 10 Walden Dr, AlSCO moving out of (11,040) square feet at 332 Rutledge Rd, and Asheville Urban Farms, LLC moving out of (10,855) square feet at 239 Amboy Rd.

Tenants moving into large blocks of space in 2014 include: Consolidated Metco, Inc. moving into 80,000 square feet at 60 Mills Gap Rd, New Peco, Inc. moving into 37,500 square feet at 10 Walden Dr, and Manna Food Bank moving into 22,788 square feet at 1070 Tunnel Rd.

The Flex building market recorded net absorption of positive 57,542 square feet in the third quarter 2014, compared to

negative (4,697) square feet in the second quarter 2014, negative (20,363) in the first quarter 2014, and positive 49,032 in the fourth quarter 2013.

The Warehouse building market recorded net absorption of negative (58,339) square feet in the third quarter 2014 compared to positive 66,595 square feet in the second quarter 2014, positive 5,251 in the first quarter 2014, and positive 81,721 in the fourth quarter 2013.

Vacancy

The Industrial vacancy rate in the Asheville market area remained at 7.3% at the end of the third quarter 2014. The vacancy rate was 7.3% at the end of the second quarter 2014, 7.6% at the end of the first quarter 2014, and 7.5% at the end of the fourth quarter 2013.

Flex projects reported a vacancy rate of 7.5% at the end of the third quarter 2014, 9.1% at the end of the second quarter 2014, 8.9% at the end of the first quarter 2014, and 8.4% at the end of the fourth quarter 2013.

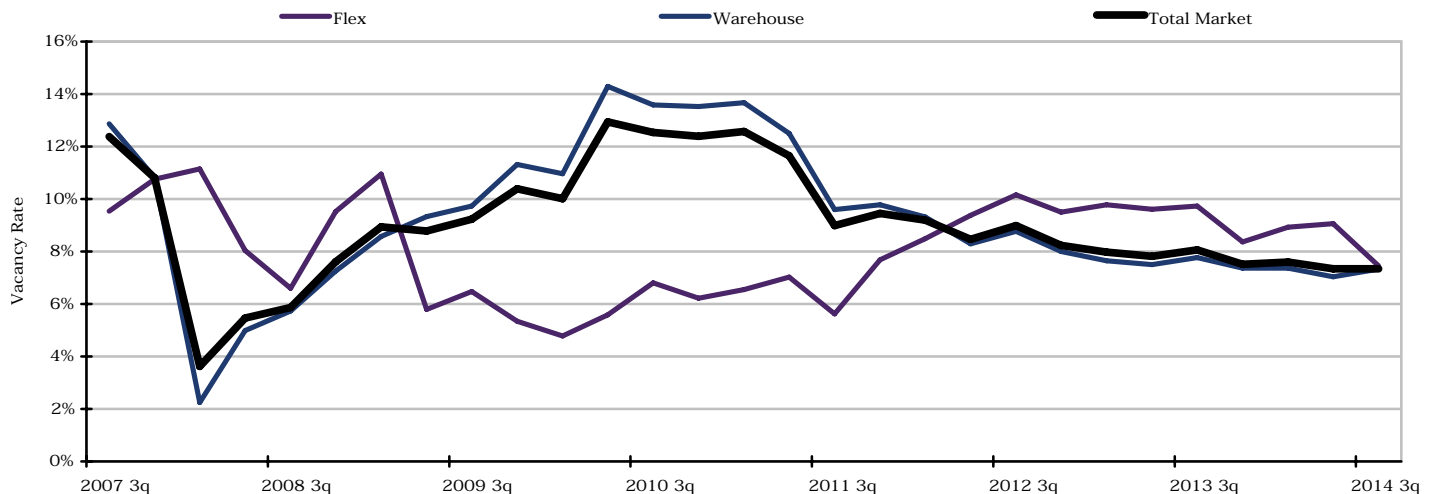
Warehouse projects reported a vacancy rate of 7.3% at the end of the third quarter 2014, 7.0% at the end of second quarter 2014, 7.4% at the end of the first quarter 2014, and 7.4% at the end of the fourth quarter 2013.

Largest Lease Signings

The largest lease signings occurring in 2014 included: the 80,000-square-foot lease signed by Consolidated Metco, Inc. at 60 Mills Gap Rd in the S Asheville/Royal Pines market; the 37,500-square-foot deal signed by New Peco, Inc. at 10 Walden Dr in the S Asheville/Royal Pines market; and the 16,502-

Vacancy Rates by Building Type

2007-2014



Source: CoStar Property®

square-foot lease signed by The Pool Company at 305 Airport Rd in the S Asheville/Royal Pines market.

Sublease Vacancy

The amount of vacant sublease space in the Asheville market stayed the same at 29,000 square feet by the end of the third quarter 2014, from 29,000 square feet at the end of the second quarter 2014. There was 9,000 square feet vacant at the end of the first quarter 2014 and 9,000 square feet at the end of the fourth quarter 2013.

Asheville's Flex projects reported vacant sublease space of zero square feet at the end of third quarter 2014, from the zero square feet reported at the end of the second quarter 2014. There were 9,000 square feet of sublease space vacant at the end of the first quarter 2014, and 9,000 square feet at the end of the fourth quarter 2013.

Warehouse projects reported no vacant sublease space from the second quarter 2014 to the third quarter 2014. Sublease vacancy went from 29,000 square feet to 29,000 square feet during that time. There was zero square feet at the end of the first quarter 2014, and zero square feet at the end of the fourth quarter 2013.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$4.43 per square foot per year at the end of the third quarter 2014 in the Asheville market area. This represented a 0.7% increase in quoted rental rates from the end of the second quarter 2014, when rents were reported at \$4.40 per square foot.

The average quoted rate within the Flex sector was \$8.62 per square foot at the end of the third quarter 2014, while

Warehouse rates stood at \$3.97. At the end of the second quarter 2014, Flex rates were \$8.81 per square foot, and Warehouse rates were \$3.99.

Deliveries and Construction

During the third quarter 2014, no new space was completed in the Asheville market area. This compares to 0 buildings totaling 0 square feet that were completed in the second quarter 2014, one building totaling 5,636 square feet completed in the first quarter 2014, and nothing completed in the fourth quarter 2013.

There were 10,250 square feet of Industrial space under construction at the end of the third quarter 2014.

The only delivery in 2014 has been 140 Glenn Bridge Rd, a 5,636-square-foot facility that delivered in first quarter 2014 and is now 100% occupied.

The only project under construction at the end of third quarter 2014 was 460 Weaverville Rd, a 10,250-square-foot building with 56% of its space pre-leased.

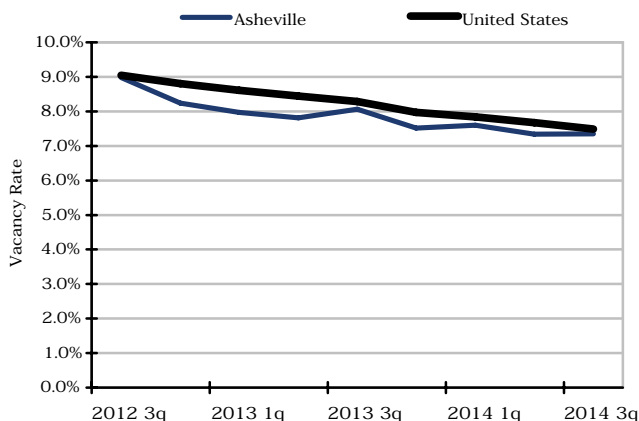
Inventory

Total Industrial inventory in the Asheville market area amounted to 23,829,225 square feet in 744 buildings as of the end of the third quarter 2014. The Flex sector consisted of 3,577,826 square feet in 247 projects. The Warehouse sector consisted of 20,251,399 square feet in 497 buildings. Within the Industrial market there were 31 owner-occupied buildings accounting for 3,961,594 square feet of Industrial space.

Reports compiled by: Troy Vigilance, Costar Research Manager, and the Asheville **research team**

U.S. Vacancy Comparison

Past 9 Quarters



Source: CoStar Property®

Asheville Industrial Market

Markets

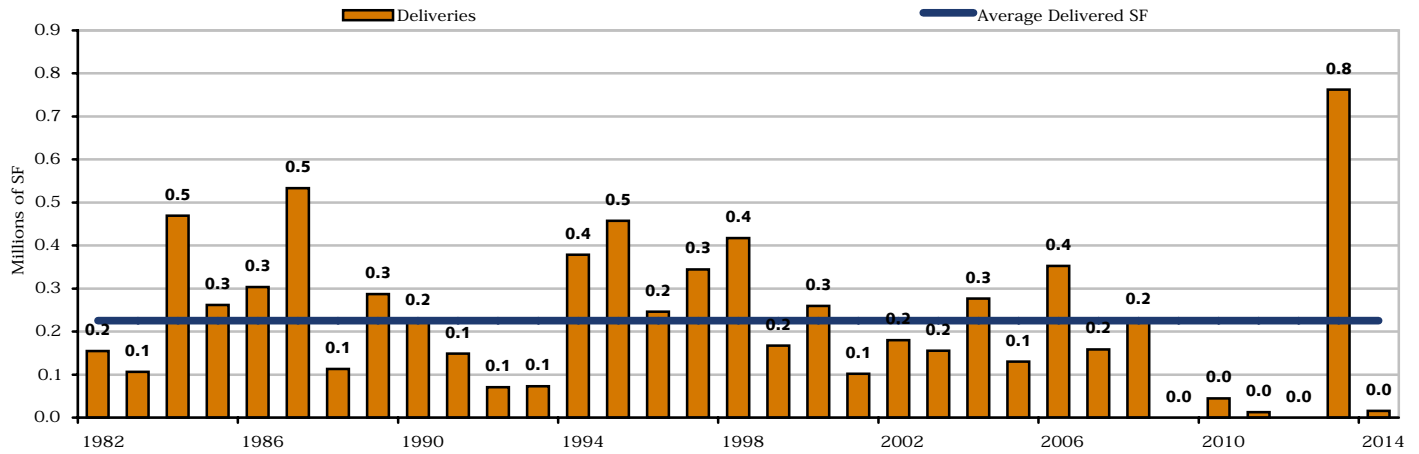
CoStar Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets 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. Markets are then divided into Submarket Clusters, 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.

Submarket Clusters
Buncombe County
Central Asheville
Downtown Asheville
East Asheville
Haywood County
Henderson County
Madison County
North Asheville
S Asheville/Royal Pines
West Asheville

Historical Deliveries

1982 - 2014



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

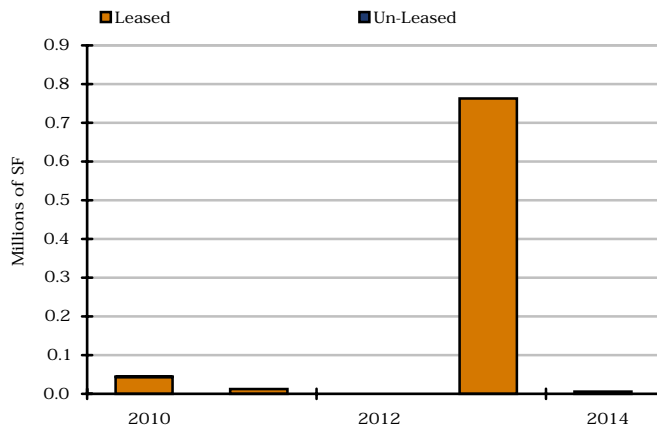
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Buncombe County	1	10,250	5,740	56.0%	54,478	10,250
Madison County	0	0	0	0.0%	40,764	0
Central Asheville	0	0	0	0.0%	20,210	0
Downtown Asheville	0	0	0	0.0%	2,624	0
East Asheville	0	0	0	0.0%	25,881	0
North Asheville	0	0	0	0.0%	13,526	0
S Asheville/Royal Pines	0	0	0	0.0%	31,776	0
West Asheville	0	0	0	0.0%	34,969	0
Haywood County	0	0	0	0.0%	19,224	0
Henderson County	0	0	0	0.0%	29,947	0
Totals	1	10,250	5,740	56.0%	32,029	10,250

Source: CoStar Property®

Recent Deliveries

Leased & Un-Leased SF in Deliveries Since 2010



Source: CoStar Property®

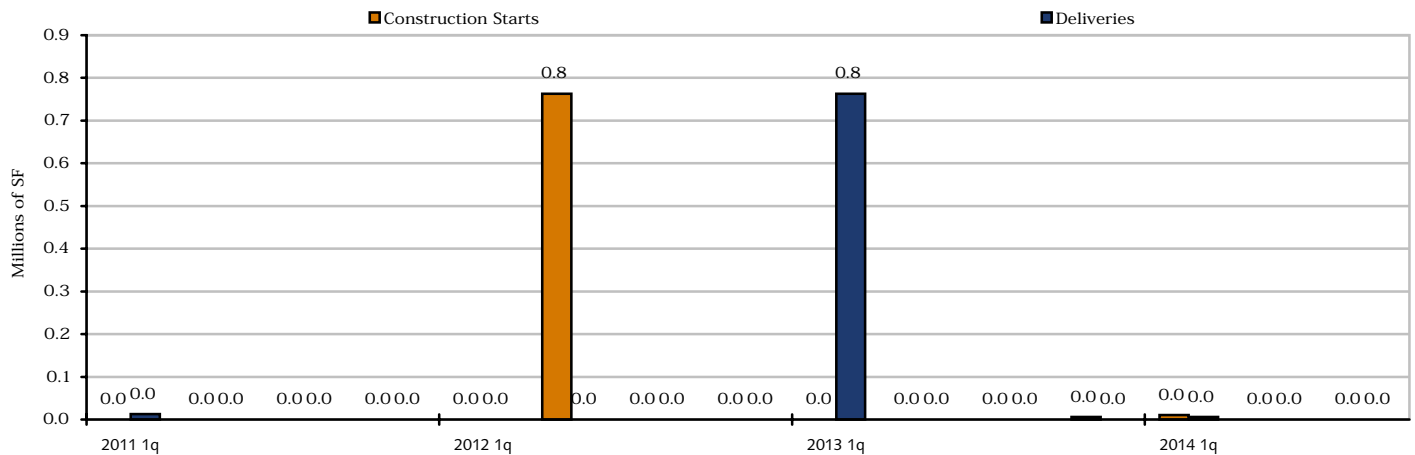
Asheville Industrial Market



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	1	5,636	5,636	100.0%	\$0.00	5,636	0
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

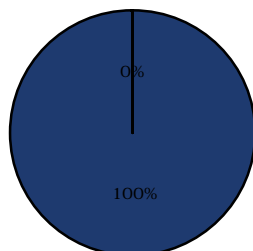
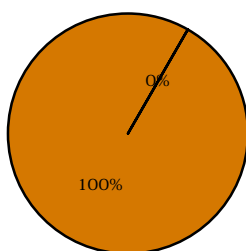
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2014 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

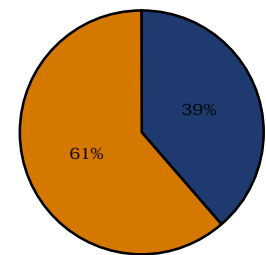
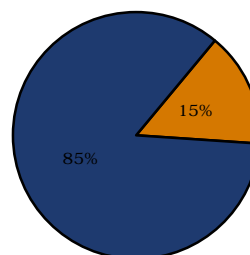
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 140 Glenn Bridge Rd

Submarket:	S Asheville/Royal Pines Industrial Market
RBA:	5,636
Occupied:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Fourth Quarter 2013
Deliv Date:	First Quarter 2014
Leasing Co:	N/A
Developer:	N/A

Select Top Under Construction Properties

Based on Project Square Footage

1. 460 Weaverville Rd

Submarket:	Buncombe County Industrial Market
RBA:	10,250
Preleased:	56%
Quoted Rate:	\$9.00
Grnd Brk Date:	First Quarter 2014
Deliv Date:	Fourth Quarter 2014
Leasing Co:	Eddie Dorf
Developer:	N/A

Asheville Industrial Market

Figures at a Glance

Flex Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Buncombe County	36	679,607	30,976	30,976	4.6%	19,896	0	10,250	\$8.09
Central Asheville	85	1,241,679	142,869	142,869	11.5%	(37,920)	0	0	\$8.64
Downtown Asheville	1	3,460	0	0	0.0%	0	0	0	\$0.00
East Asheville	13	189,793	3,459	3,459	1.8%	0	0	0	\$0.00
Haywood County	7	46,092	0	0	0.0%	0	0	0	\$0.00
Henderson County	17	224,929	6,000	6,000	2.7%	37,900	0	0	\$8.61
Madison County	0	0	0	0	0.0%	0	0	0	\$0.00
North Asheville	3	30,978	0	0	0.0%	0	0	0	\$0.00
S Asheville/Royal Pines	80	1,087,084	69,424	69,424	6.4%	12,606	0	0	\$9.07
West Asheville	5	74,204	13,932	13,932	18.8%	0	0	0	\$8.00
Totals	247	3,577,826	266,660	266,660	7.5%	32,482	0	10,250	\$8.62

Source: CoStar Property®

Warehouse Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Buncombe County	108	7,165,249	282,960	282,960	3.9%	14,800	0	0	\$4.36
Central Asheville	94	2,375,849	123,728	123,728	5.2%	69,893	0	0	\$3.16
Downtown Asheville	1	1,788	0	0	0.0%	0	0	0	\$0.00
East Asheville	7	327,836	0	29,000	8.8%	(6,212)	0	0	\$4.00
Haywood County	36	780,548	38,477	38,477	4.9%	8,200	0	0	\$6.53
Henderson County	128	4,117,416	386,259	386,259	9.4%	49,455	0	0	\$3.29
Madison County	4	163,055	121,260	121,260	74.4%	(113,345)	0	0	\$5.00
North Asheville	9	131,335	2,700	2,700	2.1%	6,496	0	0	\$4.95
S Asheville/Royal Pines	67	3,584,008	167,183	167,183	4.7%	(29,759)	5,636	0	\$6.24
West Asheville	43	1,604,315	332,000	332,000	20.7%	13,979	0	0	\$3.06
Totals	497	20,251,399	1,454,567	1,483,567	7.3%	13,507	5,636	0	\$3.97

Source: CoStar Property®

Total Industrial Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Buncombe County	144	7,844,856	313,936	313,936	4.0%	34,696	0	10,250	\$4.76
Central Asheville	179	3,617,528	266,597	266,597	7.4%	31,973	0	0	\$5.24
Downtown Asheville	2	5,248	0	0	0.0%	0	0	0	\$0.00
East Asheville	20	517,629	3,459	32,459	6.3%	(6,212)	0	0	\$4.00
Haywood County	43	826,640	38,477	38,477	4.7%	8,200	0	0	\$6.53
Henderson County	145	4,342,345	392,259	392,259	9.0%	87,355	0	0	\$3.48
Madison County	4	163,055	121,260	121,260	74.4%	(113,345)	0	0	\$5.00
North Asheville	12	162,313	2,700	2,700	1.7%	6,496	0	0	\$4.95
S Asheville/Royal Pines	147	4,671,092	236,607	236,607	5.1%	(17,153)	5,636	0	\$6.69
West Asheville	48	1,678,519	345,932	345,932	20.6%	13,979	0	0	\$3.22
Totals	744	23,829,225	1,721,227	1,750,227	7.3%	45,989	5,636	10,250	\$4.43

Source: CoStar Property®

Flex Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	247	3,577,826	266,660	266,660	7.5%	57,542	0	0	1	10,250	\$8.62
2014 2q	247	3,577,826	324,202	324,202	9.1%	(4,697)	0	0	1	10,250	\$8.81
2014 1q	247	3,577,826	310,505	319,505	8.9%	(20,363)	0	0	1	10,250	\$8.77
2013 4q	247	3,577,826	290,142	299,142	8.4%	49,032	0	0	0	0	\$8.56
2013 3q	247	3,577,826	339,174	348,174	9.7%	(4,530)	0	0	0	0	\$9.57
2013 2q	247	3,577,826	334,644	343,644	9.6%	6,244	0	0	0	0	\$9.33
2013 1q	247	3,577,826	340,888	349,888	9.8%	(10,015)	0	0	0	0	\$9.22
2012 4q	247	3,577,826	330,873	339,873	9.5%	23,785	0	0	0	0	\$9.73
2012 3q	247	3,577,826	354,658	363,658	10.2%	(28,147)	0	0	0	0	\$9.07
2012 2q	247	3,577,826	335,511	335,511	9.4%	(31,827)	0	0	0	0	\$8.82
2012 1q	247	3,577,826	303,684	303,684	8.5%	(28,931)	0	0	0	0	\$8.95
2011 4q	247	3,577,826	274,753	274,753	7.7%	(73,603)	0	0	0	0	\$9.32
2011 3q	247	3,577,826	201,150	201,150	5.6%	50,355	0	0	0	0	\$8.92
2011 2q	247	3,577,826	251,505	251,505	7.0%	(17,025)	0	0	0	0	\$7.67
2011 1q	247	3,577,826	234,480	234,480	6.6%	(81)	1	12,779	0	0	\$7.68
2010	246	3,565,047	221,620	221,620	6.2%	(31,349)	0	0	1	12,779	\$7.53

Source: CoStar Property®

Warehouse Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	497	20,251,399	1,454,567	1,483,567	7.3%	(58,339)	0	0	0	0	\$3.97
2014 2q	497	20,251,399	1,396,228	1,425,228	7.0%	66,595	0	0	0	0	\$3.99
2014 1q	497	20,251,399	1,491,823	1,491,823	7.4%	5,251	1	5,636	0	0	\$3.42
2013 4q	496	20,245,763	1,491,438	1,491,438	7.4%	81,721	0	0	1	5,636	\$3.47
2013 3q	496	20,245,763	1,573,159	1,573,159	7.8%	(55,912)	0	0	0	0	\$3.65
2013 2q	496	20,245,763	1,517,247	1,517,247	7.5%	32,008	0	0	0	0	\$3.57
2013 1q	496	20,245,763	1,549,255	1,549,255	7.7%	773,235	1	762,750	0	0	\$3.53
2012 4q	495	19,483,013	1,559,740	1,559,740	8.0%	148,640	0	0	1	762,750	\$3.40
2012 3q	495	19,483,013	1,705,980	1,708,380	8.8%	(92,625)	0	0	1	762,750	\$3.25
2012 2q	495	19,483,013	1,613,355	1,615,755	8.3%	200,328	0	0	1	762,750	\$3.60
2012 1q	495	19,483,013	1,814,083	1,816,083	9.3%	89,241	0	0	0	0	\$3.59
2011 4q	495	19,483,013	1,905,324	1,905,324	9.8%	(34,545)	0	0	0	0	\$3.76
2011 3q	495	19,483,013	1,870,779	1,870,779	9.6%	564,157	0	0	0	0	\$3.74
2011 2q	495	19,483,013	2,434,936	2,434,936	12.5%	229,010	0	0	0	0	\$3.53
2011 1q	495	19,483,013	2,661,546	2,663,946	13.7%	(28,575)	0	0	0	0	\$3.53
2010	495	19,483,013	2,635,371	2,635,371	13.5%	(391,111)	2	44,750	0	0	\$3.69

Source: CoStar Property®

Total Industrial Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	744	23,829,225	1,721,227	1,750,227	7.3%	(797)	0	0	1	10,250	\$4.43
2014 2q	744	23,829,225	1,720,430	1,749,430	7.3%	61,898	0	0	1	10,250	\$4.40
2014 1q	744	23,829,225	1,802,328	1,811,328	7.6%	(15,112)	1	5,636	1	10,250	\$3.86
2013 4q	743	23,823,589	1,781,580	1,790,580	7.5%	130,753	0	0	1	5,636	\$3.84
2013 3q	743	23,823,589	1,912,333	1,921,333	8.1%	(60,442)	0	0	0	0	\$4.11
2013 2q	743	23,823,589	1,851,891	1,860,891	7.8%	38,252	0	0	0	0	\$4.14
2013 1q	743	23,823,589	1,890,143	1,899,143	8.0%	763,220	1	762,750	0	0	\$4.08
2012 4q	742	23,060,839	1,890,613	1,899,613	8.2%	172,425	0	0	1	762,750	\$4.00
2012 3q	742	23,060,839	2,060,638	2,072,038	9.0%	(120,772)	0	0	1	762,750	\$3.72
2012 2q	742	23,060,839	1,948,866	1,951,266	8.5%	168,501	0	0	1	762,750	\$3.98
2012 1q	742	23,060,839	2,117,767	2,119,767	9.2%	60,310	0	0	0	0	\$4.03
2011 4q	742	23,060,839	2,180,077	2,180,077	9.5%	(108,148)	0	0	0	0	\$4.13
2011 3q	742	23,060,839	2,071,929	2,071,929	9.0%	614,512	0	0	0	0	\$4.07
2011 2q	742	23,060,839	2,686,441	2,686,441	11.6%	211,985	0	0	0	0	\$3.83
2011 1q	742	23,060,839	2,896,026	2,898,426	12.6%	(28,656)	1	12,779	0	0	\$3.82
2010	741	23,048,060	2,856,991	2,856,991	12.4%	(422,460)	2	44,750	1	12,779	\$3.96

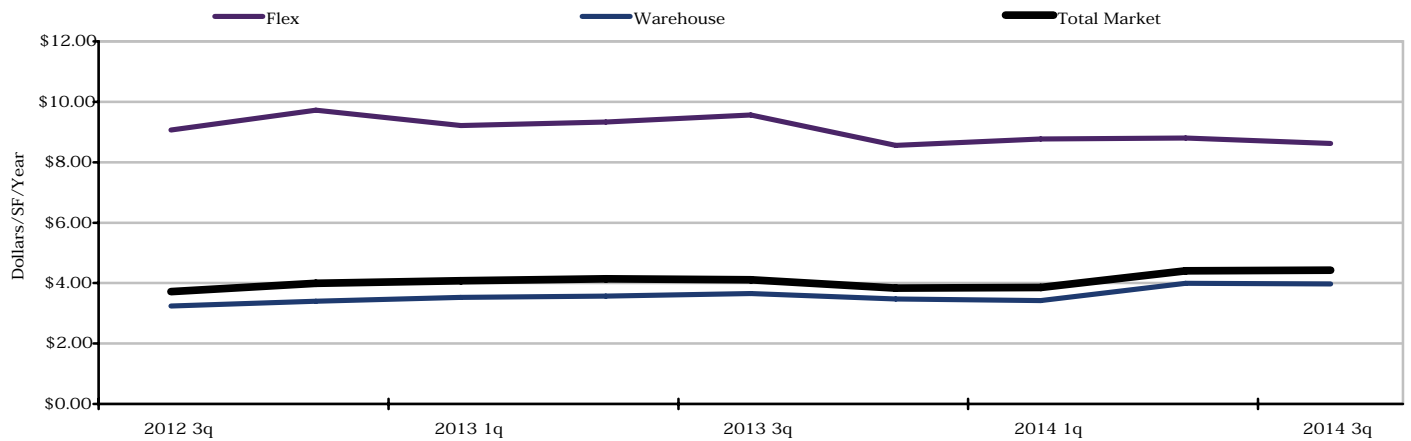
Source: CoStar Property®

Asheville Industrial Market

Leasing Activity

Historical Rental Rates

Based on Quoted Rental Rates

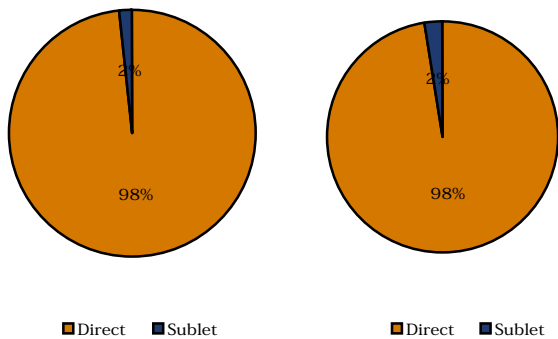


Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Asheville United States

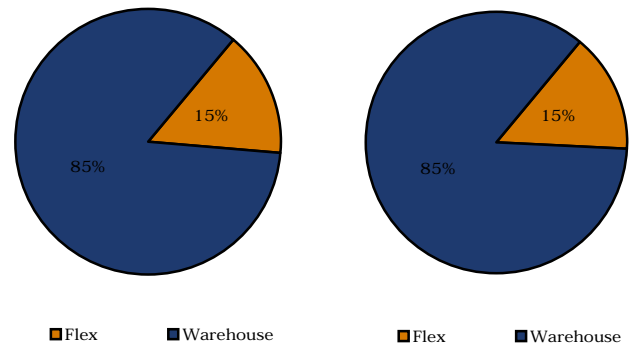


Source: CoStar Property®

Vacancy by Building Type

Percent of All Vacant Space by Building Type

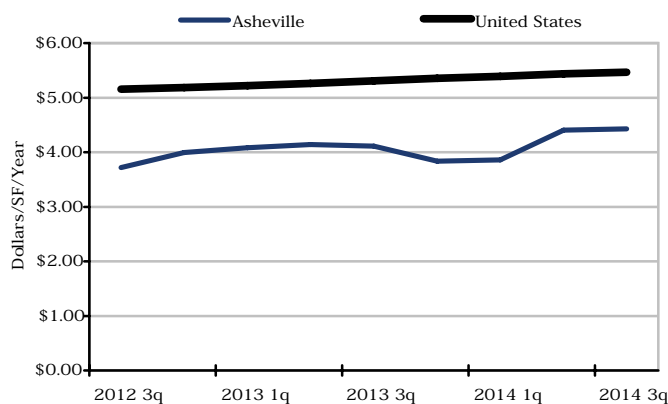
Asheville United States



Source: CoStar Property®

U.S. Rental Rate Comparison

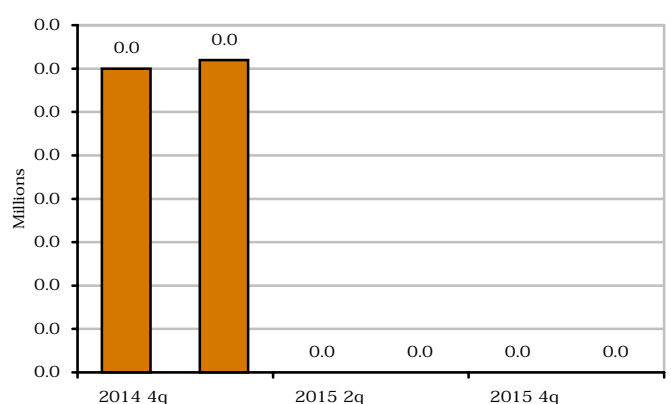
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

Select Top Industrial Leases Based on Leased Square Footage For Deals Signed in 2014

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 60 Mills Gap Rd	S Asheville/Royal Pines	80,000	2nd	Consolidated Metco, Inc.	NAI Beverly-Hanks Commercial	Pulliam Properties
2 10 Walden Dr	S Asheville/Royal Pines	37,500	1st	New Peco, Inc.	Whitney Commercial Real Estate Serv	Whitney Commercial Real Estate Serv
3 220 Continuum Dr	Henderson County	31,500	1st	N/A	Direct Deal	Mark Morris and Associates Inc.; Bo
4 2-A Huntsman Pl	Central Asheville	26,520	2nd	N/A	Direct Deal	CoveStar LLC
5 1070 Tunnel Rd	East Asheville	22,788	3rd	N/A	N/A	N/A
6 998 Pleasant Grove Rd	Henderson County	18,000	2nd	N/A	Direct Deal	Justin Fejfar
7 305 Airport Rd	S Asheville/Royal Pines	16,502	2nd	The Pool Company	Pulliam Properties	Pulliam Properties
8 998 Pleasant Grove Rd	Henderson County	16,000	2nd	N/A	Direct Deal	Justin Fejfar
9 9 National Ave*	Buncombe County	13,206	1st	Auralites Inc.	N/A	N/A
10 Elk Park Business Park	Buncombe County	12,000	2nd	N/A	N/A	Pulliam Properties
11 239 Amboy Rd	West Asheville	10,800	2nd	Brian Boggs Chairmakers, Inc.	Tessier Associates, Inc.	NAI Beverly-Hanks Commercial
12 32 Banks Ave	Central Asheville	9,455	3rd	Chai Pani Restaurant	N/A	Dewey Property Advisors
13 55 Sweeten Creek Rd	Central Asheville	7,434	2nd	Sherwin Williams	Direct Deal	Dewey Property Advisors
14 39 Dogwood Rd	West Asheville	6,500	2nd	Starr Electric/Hayes & Lunsford	NAI Beverly-Hanks Commercial	Dewey Property Advisors
15 9 W Chestnut Ridge Ave	North Asheville	6,496	2nd	Bean Werks Coffee and Tea	Cornerstone Real Estate Consultants	NAI Beverly-Hanks Commercial
16 Airport Business Center	Buncombe County	6,000	2nd	N/A	Whitney Commercial Real Estate Serv	Whitney Commercial Real Estate Serv
17 1238 Hendersonville Rd	S Asheville/Royal Pines	5,842	1st	Cross Fit Build More Force	N/A	RBI Commercial Properties
18 32 Banks Ave	Central Asheville	5,496	3rd	Catawba Valley Brewing Company	N/A	Dewey Property Advisors
19 33 Loop Rd	S Asheville/Royal Pines	4,410	3rd	Communications Unlimited LLC	N/A	Whitney Commercial Real Estate Serv
20 415 8th Ave E- Main Building	Henderson County	4,260	2nd	Break Training	N/A	Dunlap Construction
21 9 Reed St	Central Asheville	3,650	2nd	Bon Vivant Company, Inc.	Whitney Commercial Real Estate Serv	Whitney Commercial Real Estate Serv
22 55 Sweeten Creek Rd	Central Asheville	2,926	1st	Keller Williams Realty	N/A	Dewey Property Advisors
23 167 Haywood Rd	West Asheville	2,500	3rd	N/A	Direct Deal	Home Energy Partners
24 30 Rosscraggon Rd	S Asheville/Royal Pines	1,693	2nd	N/A	N/A	Morosani and Associates
25 55 Sweeten Creek Rd	Central Asheville	1,084	3rd	Old School Subs	N/A	Dewey Property Advisors
26 53 Shiloh Rd	S Asheville/Royal Pines	1,000	2nd	N/A	N/A	Morosani and Associates
27 33 London Rd	Central Asheville	600	1st	N/A	N/A	ROH LLC
28 5045 Hendersonville Rd	Henderson County	372	3rd	N/A	N/A	CoveStar LLC

Source: CoStar Property®

* Renewal

Asheville Industrial Market

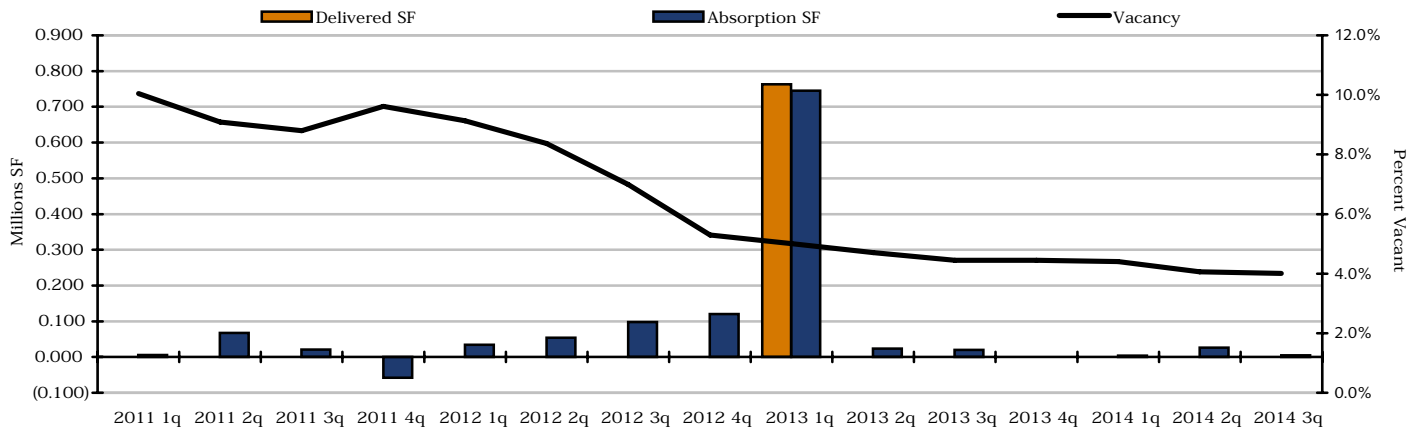


Buncombe County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

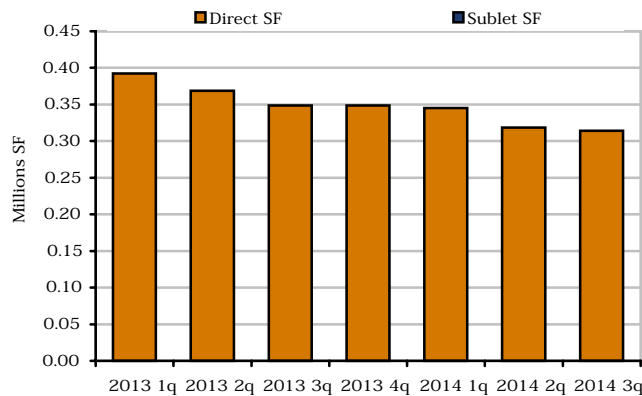
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

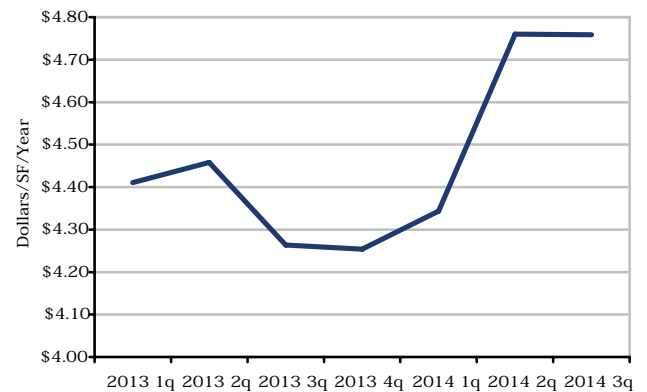
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



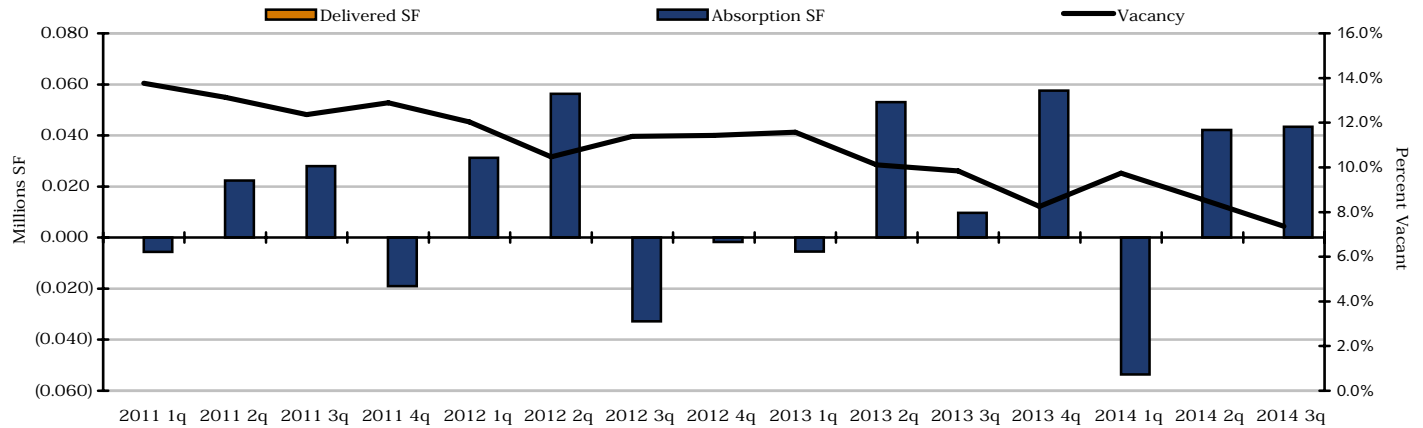
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	144	7,844,856	313,936	4.0%	4,646	0	0	1	10,250	\$4.76
2014 2q	144	7,844,856	318,582	4.1%	26,587	0	0	1	10,250	\$4.76
2014 1q	144	7,844,856	345,169	4.4%	3,463	0	0	1	10,250	\$4.34
2013 4q	144	7,844,856	348,632	4.4%	(100)	0	0	0	0	\$4.25
2013 3q	144	7,844,856	348,532	4.4%	20,194	0	0	0	0	\$4.26
2013 2q	144	7,844,856	368,726	4.7%	23,794	0	0	0	0	\$4.46
2013 1q	144	7,844,856	392,520	5.0%	745,236	1	762,750	0	0	\$4.41
2012 4q	143	7,082,106	375,006	5.3%	120,055	0	0	1	762,750	\$4.07
2012 3q	143	7,082,106	495,061	7.0%	97,740	0	0	1	762,750	\$3.66
2012 2q	143	7,082,106	592,801	8.4%	54,157	0	0	1	762,750	\$4.00
2012 1q	143	7,082,106	646,958	9.1%	33,968	0	0	0	0	\$4.04
2011 4q	143	7,082,106	680,926	9.6%	(57,870)	0	0	0	0	\$4.48
2011 3q	143	7,082,106	623,056	8.8%	20,606	0	0	0	0	\$4.58
2011 2q	143	7,082,106	643,662	9.1%	67,850	0	0	0	0	\$3.97
2011 1q	143	7,082,106	711,512	10.0%	5,410	0	0	0	0	\$4.40
2010 4q	143	7,082,106	716,922	10.1%	(13,594)	0	0	0	0	\$4.67

Source: CoStar Property®

Deliveries, Absorption & Vacancy

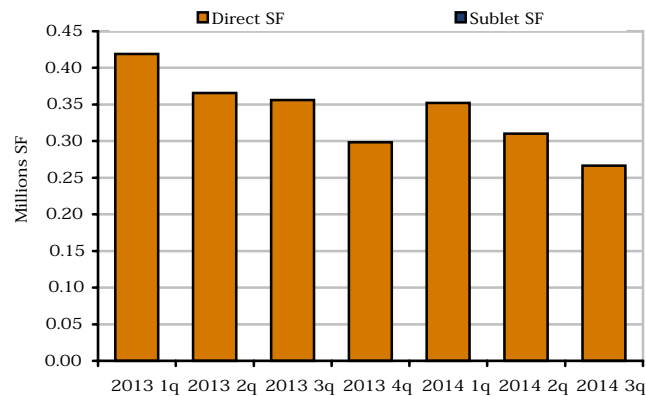
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

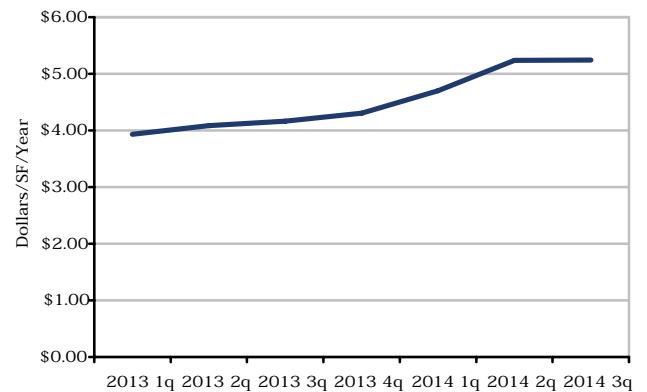
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	179	3,617,528	266,597	7.4%	43,400	0	0	0	0	\$5.24
2014 2q	179	3,617,528	309,997	8.6%	42,163	0	0	0	0	\$5.24
2014 1q	179	3,617,528	352,160	9.7%	(53,590)	0	0	0	0	\$4.70
2013 4q	179	3,617,528	298,570	8.3%	57,587	0	0	0	0	\$4.30
2013 3q	179	3,617,528	356,157	9.8%	9,696	0	0	0	0	\$4.17
2013 2q	179	3,617,528	365,853	10.1%	53,082	0	0	0	0	\$4.09
2013 1q	179	3,617,528	418,935	11.6%	(5,499)	0	0	0	0	\$3.93
2012 4q	179	3,617,528	413,436	11.4%	(1,735)	0	0	0	0	\$3.87
2012 3q	179	3,617,528	411,701	11.4%	(32,822)	0	0	0	0	\$3.37
2012 2q	179	3,617,528	378,879	10.5%	56,251	0	0	0	0	\$3.11
2012 1q	179	3,617,528	435,130	12.0%	31,220	0	0	0	0	\$3.13
2011 4q	179	3,617,528	466,350	12.9%	(18,990)	0	0	0	0	\$3.04
2011 3q	179	3,617,528	447,360	12.4%	28,044	0	0	0	0	\$3.06
2011 2q	179	3,617,528	475,404	13.1%	22,331	0	0	0	0	\$3.22
2011 1q	179	3,617,528	497,735	13.8%	(5,600)	0	0	0	0	\$3.35
2010 4q	179	3,617,528	492,135	13.6%	(25,990)	0	0	0	0	\$3.72

Source: CoStar Property®

Asheville Industrial Market

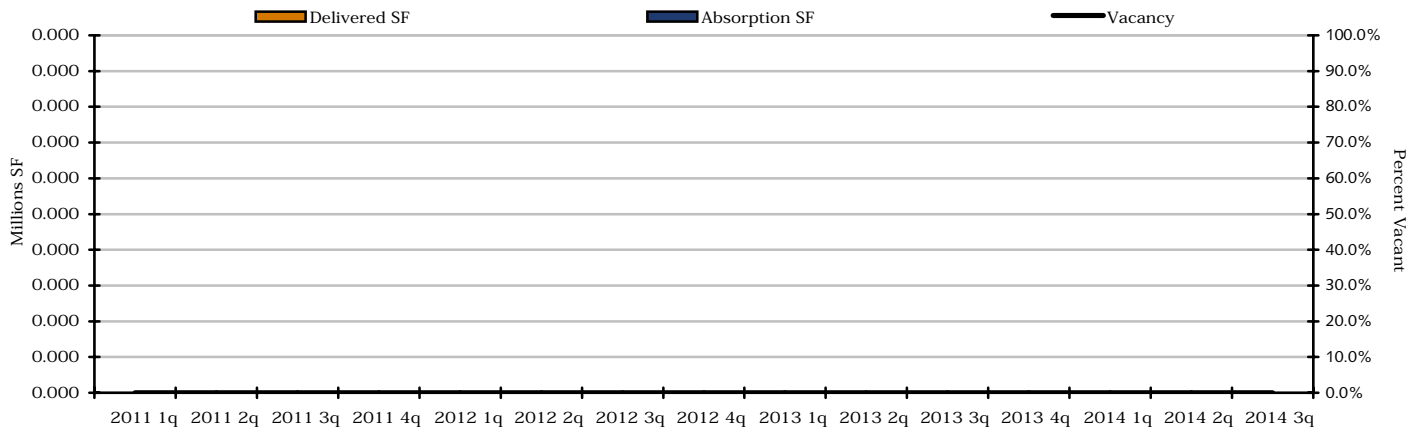


Downtown Asheville Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

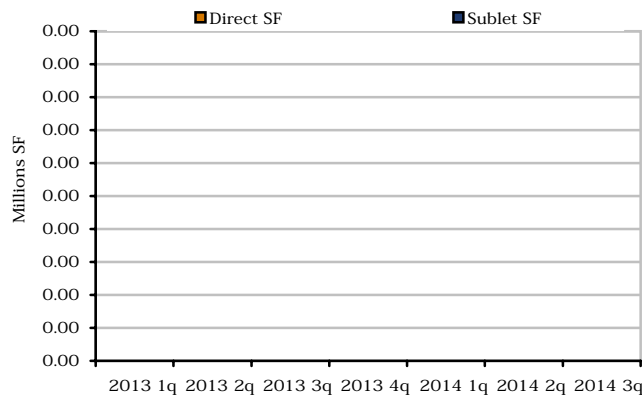
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

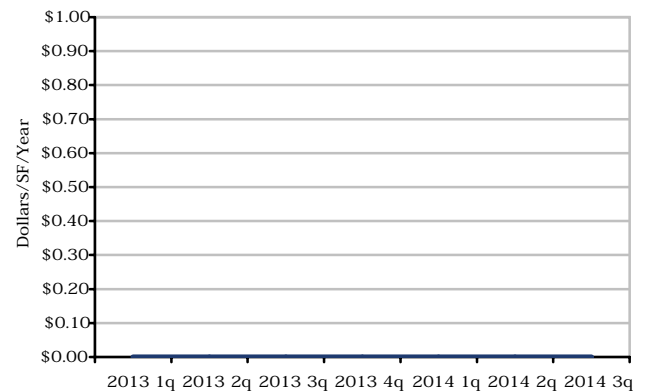
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



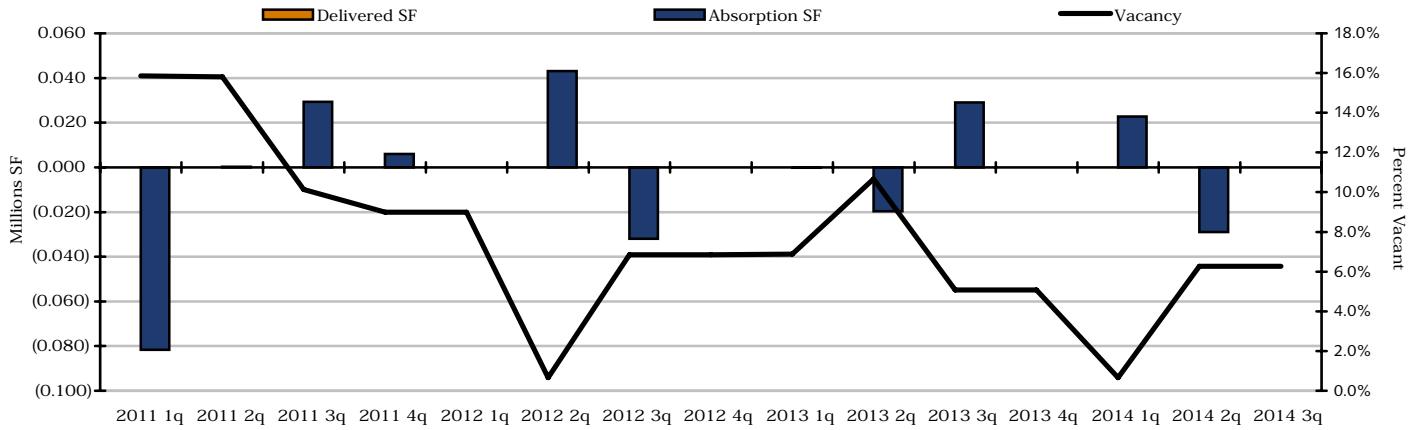
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2014 2q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2014 1q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2013 4q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2013 3q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2013 2q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2013 1q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2012 4q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2012 3q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2012 2q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2012 1q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2011 4q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2011 3q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2011 2q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2011 1q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
2010 4q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00

Source: CoStar Property®

Deliveries, Absorption & Vacancy

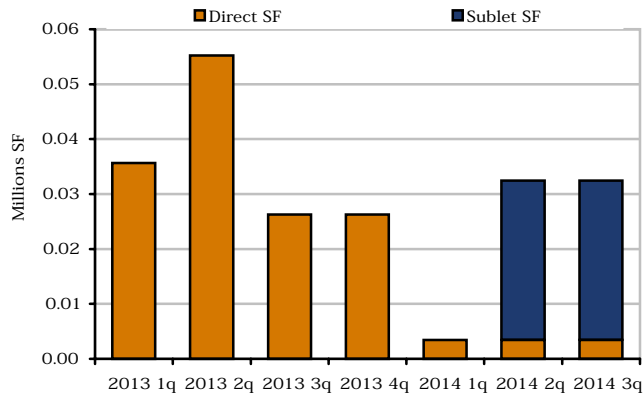
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

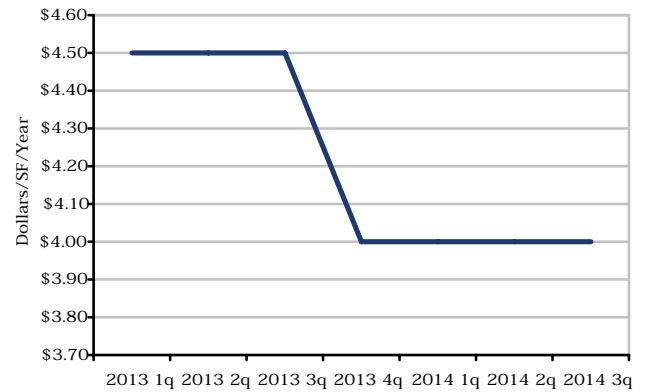
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	20	517,629	32,459	6.3%	0	0	0	0	0	\$4.00
2014 2q	20	517,629	32,459	6.3%	(29,000)	0	0	0	0	\$4.00
2014 1q	20	517,629	3,459	0.7%	22,788	0	0	0	0	\$4.00
2013 4q	20	517,629	26,247	5.1%	0	0	0	0	0	\$4.00
2013 3q	20	517,629	26,247	5.1%	29,000	0	0	0	0	\$4.50
2013 2q	20	517,629	55,247	10.7%	(19,588)	0	0	0	0	\$4.50
2013 1q	20	517,629	35,659	6.9%	(200)	0	0	0	0	\$4.50
2012 4q	20	517,629	35,459	6.9%	0	0	0	0	0	\$3.37
2012 3q	20	517,629	35,459	6.9%	(32,000)	0	0	0	0	\$3.37
2012 2q	20	517,629	3,459	0.7%	43,100	0	0	0	0	\$3.37
2012 1q	20	517,629	46,559	9.0%	0	0	0	0	0	\$3.37
2011 4q	20	517,629	46,559	9.0%	5,941	0	0	0	0	\$3.53
2011 3q	20	517,629	52,500	10.1%	29,300	0	0	0	0	\$3.51
2011 2q	20	517,629	81,800	15.8%	300	0	0	0	0	\$3.51
2011 1q	20	517,629	82,100	15.9%	(81,600)	0	0	0	0	\$3.66
2010 4q	20	517,629	500	0.1%	(500)	0	0	0	0	\$3.66

Source: CoStar Property®

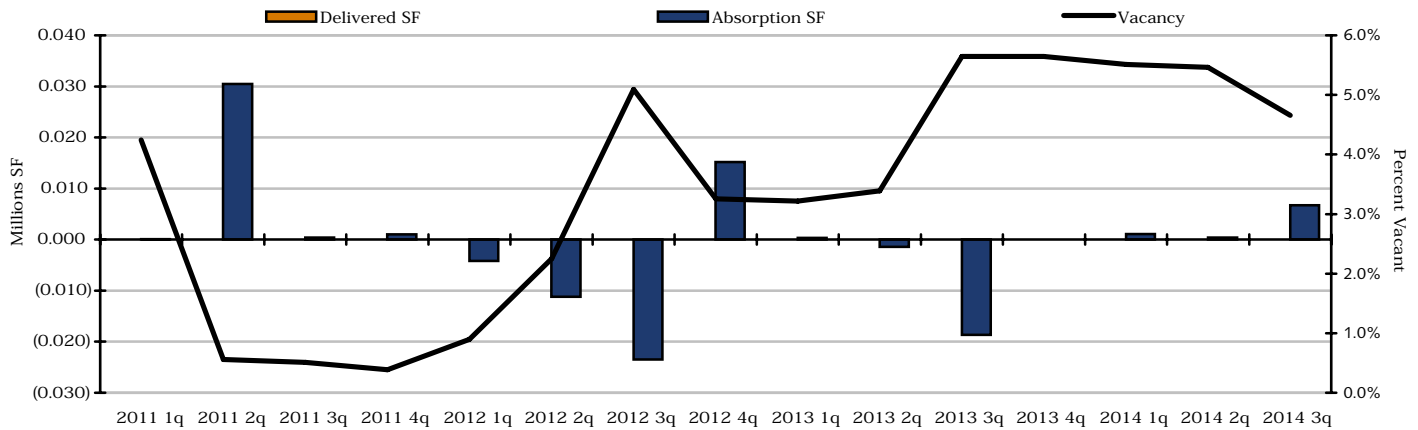
Asheville Industrial Market

Haywood County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

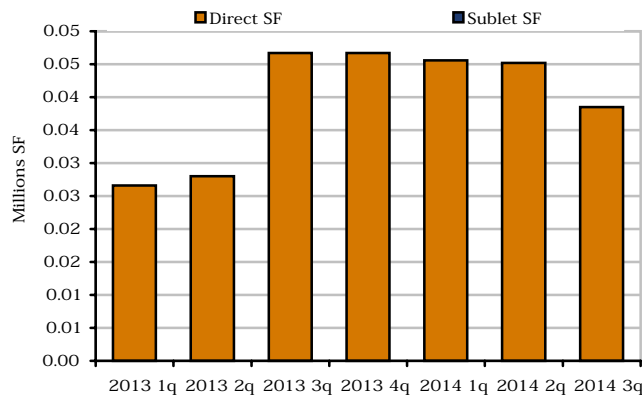
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

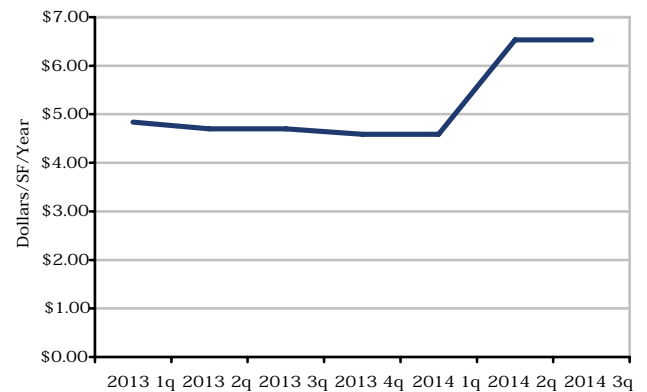
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



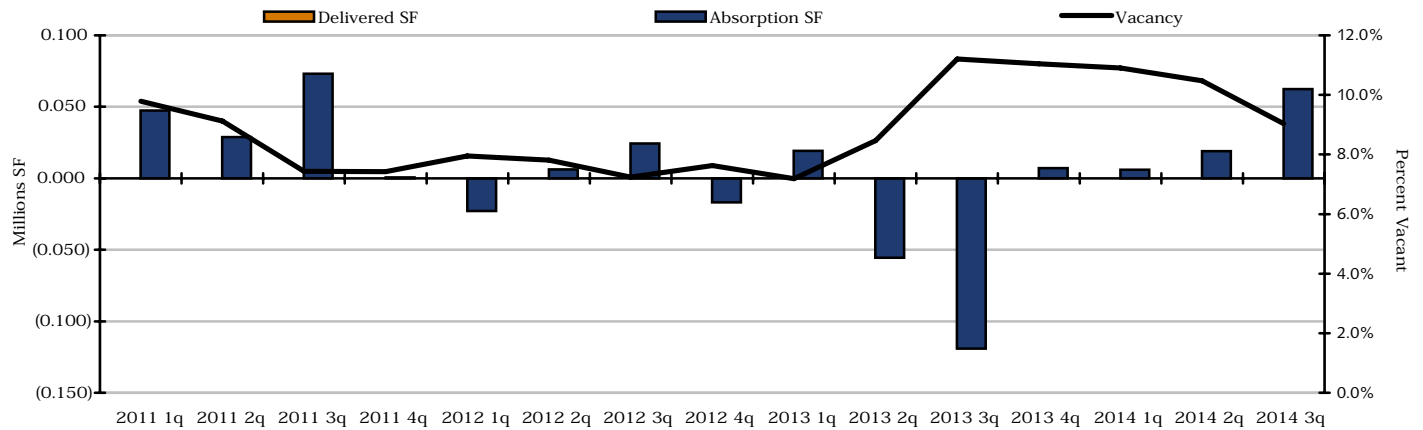
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	43	826,640	38,477	4.7%	6,700	0	0	0	0	\$6.53
2014 2q	43	826,640	45,177	5.5%	400	0	0	0	0	\$6.53
2014 1q	43	826,640	45,577	5.5%	1,100	0	0	0	0	\$4.59
2013 4q	43	826,640	46,677	5.6%	0	0	0	0	0	\$4.59
2013 3q	43	826,640	46,677	5.6%	(18,661)	0	0	0	0	\$4.70
2013 2q	43	826,640	28,016	3.4%	(1,420)	0	0	0	0	\$4.70
2013 1q	43	826,640	26,596	3.2%	312	0	0	0	0	\$4.84
2012 4q	43	826,640	26,908	3.3%	15,200	0	0	0	0	\$4.74
2012 3q	43	826,640	42,108	5.1%	(23,500)	0	0	0	0	\$4.71
2012 2q	43	826,640	18,608	2.3%	(11,200)	0	0	0	0	\$8.62
2012 1q	43	826,640	7,408	0.9%	(4,208)	0	0	0	0	\$6.94
2011 4q	43	826,640	3,200	0.4%	1,000	0	0	0	0	\$4.62
2011 3q	43	826,640	4,200	0.5%	400	0	0	0	0	\$4.62
2011 2q	43	826,640	4,600	0.6%	30,490	0	0	0	0	\$4.62
2011 1q	43	826,640	35,090	4.2%	100	0	0	0	0	\$4.89
2010 4q	43	826,640	35,190	4.3%	(3,890)	0	0	0	0	\$4.41

Source: CoStar Property®

Deliveries, Absorption & Vacancy

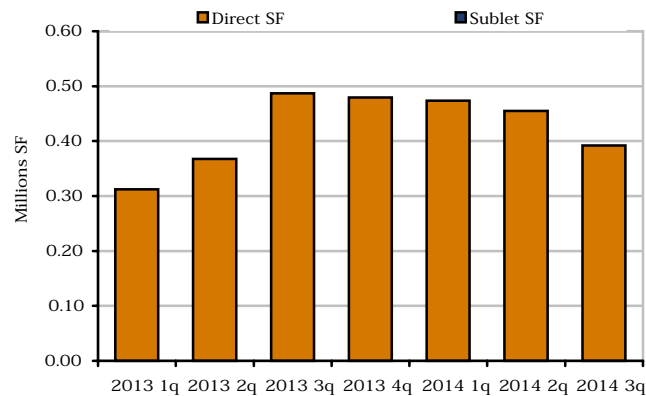
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

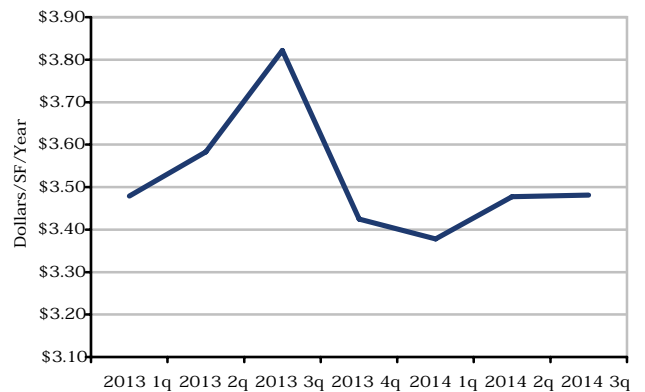
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	145	4,342,345	392,259	9.0%	62,418	0	0	0	0	\$3.48
2014 2q	145	4,342,345	454,677	10.5%	18,897	0	0	0	0	\$3.48
2014 1q	145	4,342,345	473,574	10.9%	6,040	0	0	0	0	\$3.38
2013 4q	145	4,342,345	479,614	11.0%	7,160	0	0	0	0	\$3.42
2013 3q	145	4,342,345	486,774	11.2%	(119,090)	0	0	0	0	\$3.82
2013 2q	145	4,342,345	367,684	8.5%	(55,646)	0	0	0	0	\$3.58
2013 1q	145	4,342,345	312,038	7.2%	19,257	0	0	0	0	\$3.48
2012 4q	145	4,342,345	331,295	7.6%	(16,762)	0	0	0	0	\$3.56
2012 3q	145	4,342,345	314,533	7.2%	24,421	0	0	0	0	\$3.36
2012 2q	145	4,342,345	338,954	7.8%	6,129	0	0	0	0	\$3.33
2012 1q	145	4,342,345	345,083	7.9%	(22,794)	0	0	0	0	\$3.55
2011 4q	145	4,342,345	322,289	7.4%	697	0	0	0	0	\$3.45
2011 3q	145	4,342,345	322,986	7.4%	73,204	0	0	0	0	\$3.45
2011 2q	145	4,342,345	396,190	9.1%	28,860	0	0	0	0	\$3.22
2011 1q	145	4,342,345	425,050	9.8%	47,500	0	0	0	0	\$3.06
2010 4q	145	4,342,345	472,550	10.9%	16,639	0	0	0	0	\$3.09

Source: CoStar Property®

Asheville Industrial Market

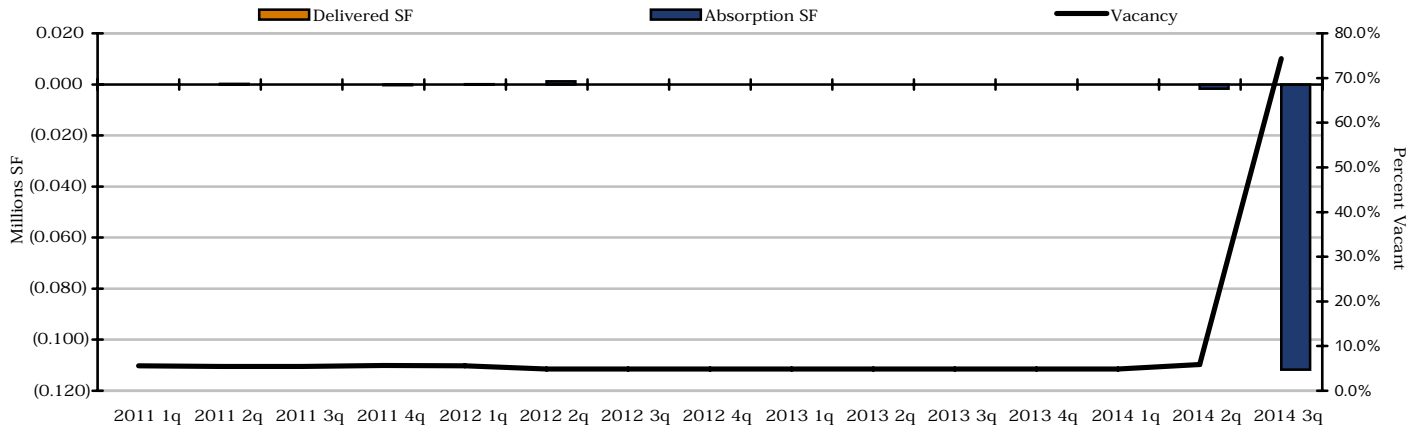


Madison County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

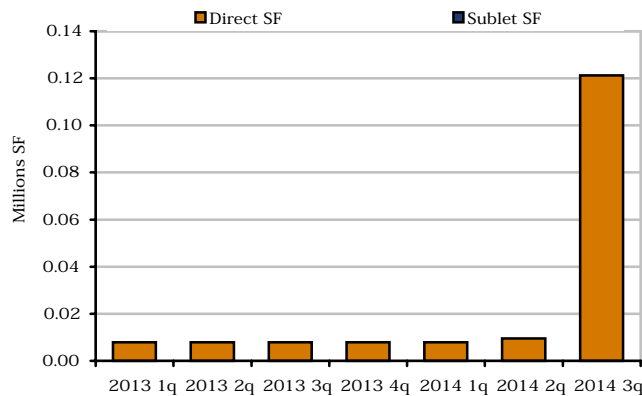
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

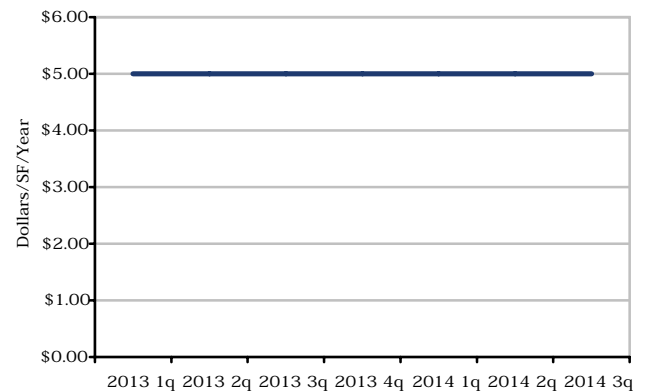
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



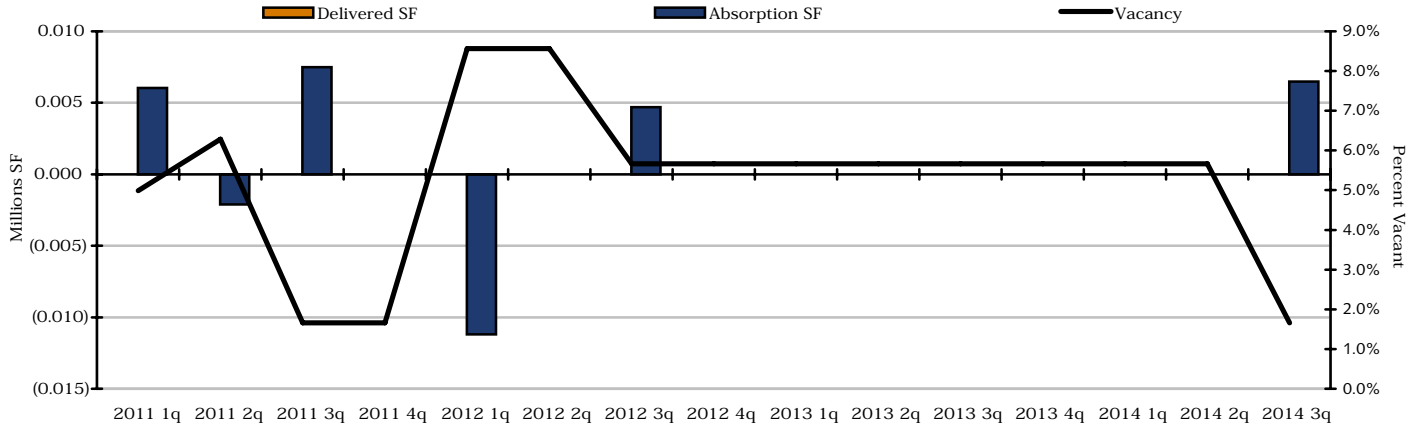
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	4	163,055	121,260	74.4%	(111,685)	0	0	0	0	\$5.00
2014 2q	4	163,055	9,575	5.9%	(1,660)	0	0	0	0	\$5.00
2014 1q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2013 4q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2013 3q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2013 2q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2013 1q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2012 4q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2012 3q	4	163,055	7,915	4.9%	0	0	0	0	0	\$5.00
2012 2q	4	163,055	7,915	4.9%	1,200	0	0	0	0	\$5.00
2012 1q	4	163,055	9,115	5.6%	100	0	0	0	0	\$0.00
2011 4q	4	163,055	9,215	5.7%	(300)	0	0	0	0	\$0.00
2011 3q	4	163,055	8,915	5.5%	0	0	0	0	0	\$0.00
2011 2q	4	163,055	8,915	5.5%	200	0	0	0	0	\$8.00
2011 1q	4	163,055	9,115	5.6%	0	0	0	0	0	\$8.00
2010 4q	4	163,055	9,115	5.6%	(100)	0	0	0	0	\$8.00

Source: CoStar Property®

Deliveries, Absorption & Vacancy

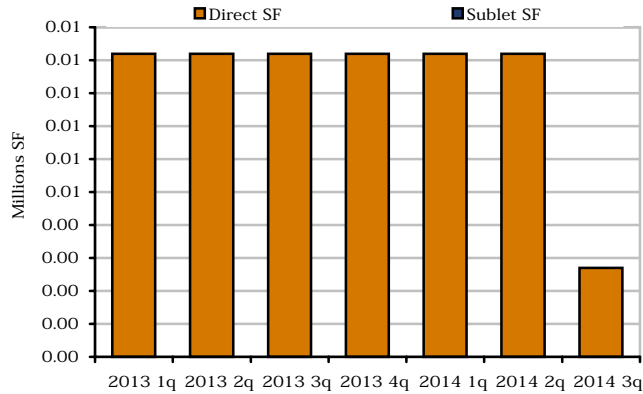
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

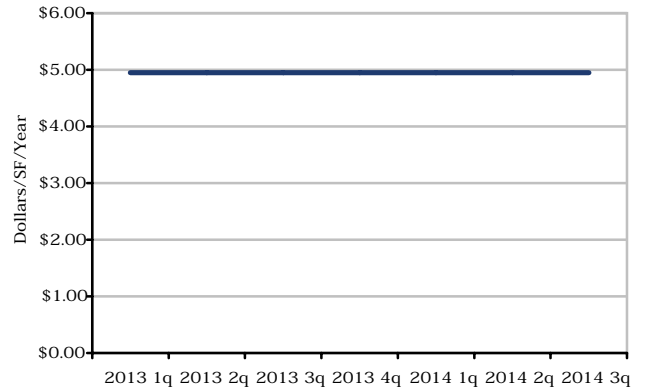
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	12	162,313	2,700	1.7%	6,496	0	0	0	0	\$4.95
2014 2q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2014 1q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2013 4q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2013 3q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2013 2q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2013 1q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2012 4q	12	162,313	9,196	5.7%	0	0	0	0	0	\$4.95
2012 3q	12	162,313	9,196	5.7%	4,700	0	0	0	0	\$4.95
2012 2q	12	162,313	13,896	8.6%	0	0	0	0	0	\$6.10
2012 1q	12	162,313	13,896	8.6%	(11,196)	0	0	0	0	\$6.10
2011 4q	12	162,313	2,700	1.7%	0	0	0	0	0	\$4.50
2011 3q	12	162,313	2,700	1.7%	7,500	0	0	0	0	\$6.35
2011 2q	12	162,313	10,200	6.3%	(2,100)	0	0	0	0	\$6.35
2011 1q	12	162,313	8,100	5.0%	6,040	0	0	0	0	\$6.35
2010 4q	12	162,313	14,140	8.7%	100	0	0	0	0	\$6.69

Source: CoStar Property®

Asheville Industrial Market

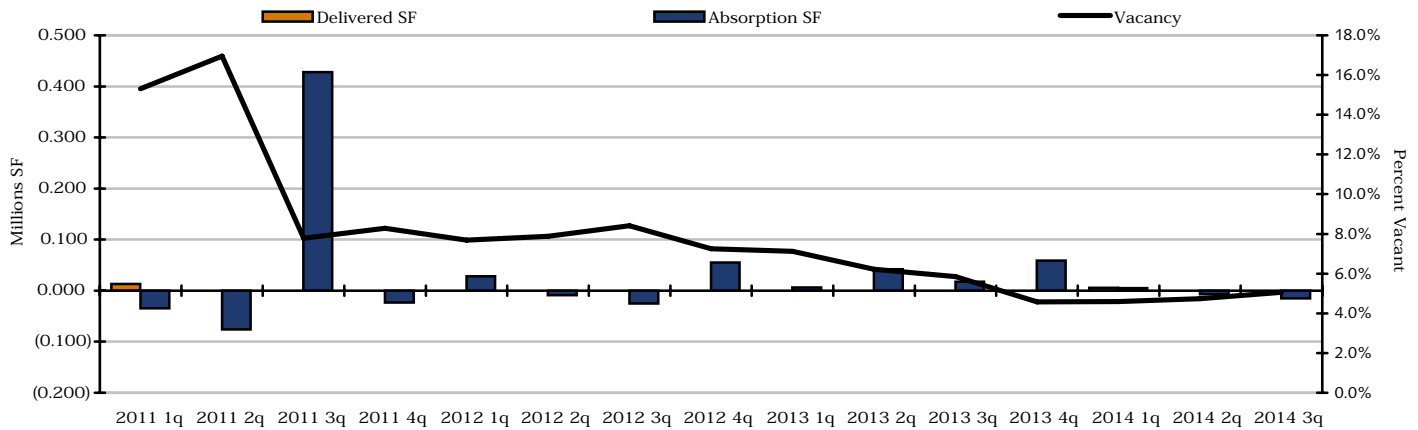


S Asheville / Royal Pines Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

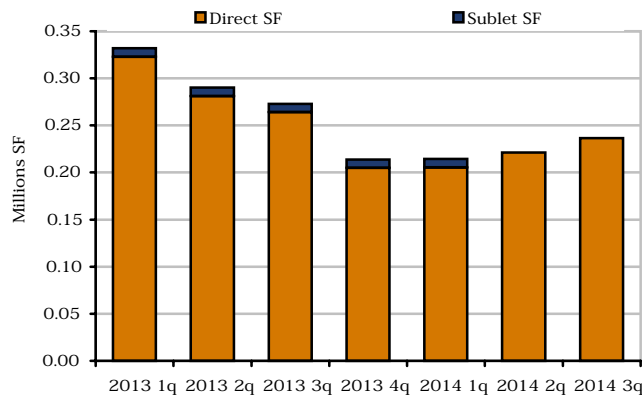
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

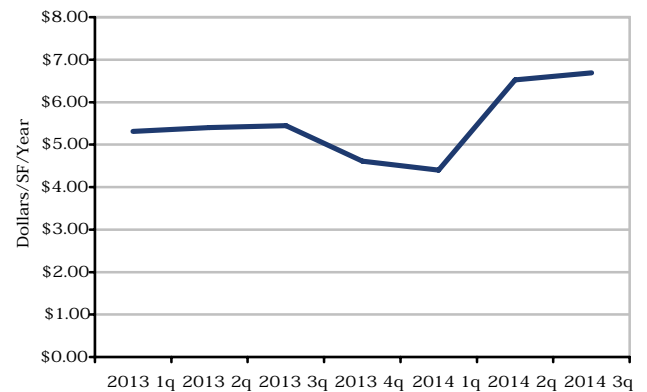
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



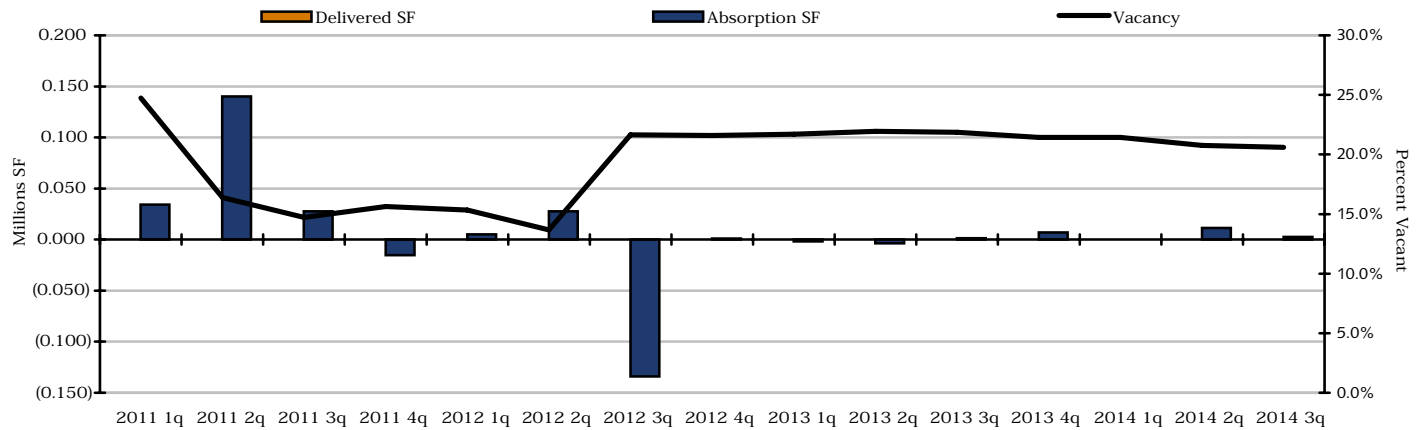
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	147	4,671,092	236,607	5.1%	(15,272)	0	0	0	0	\$6.69
2014 2q	147	4,671,092	221,335	4.7%	(6,968)	0	0	0	0	\$6.53
2014 1q	147	4,671,092	214,367	4.6%	5,087	1	5,636	0	0	\$4.40
2013 4q	146	4,665,456	213,818	4.6%	59,075	0	0	1	5,636	\$4.61
2013 3q	146	4,665,456	272,893	5.8%	17,219	0	0	0	0	\$5.45
2013 2q	146	4,665,456	290,112	6.2%	41,830	0	0	0	0	\$5.40
2013 1q	146	4,665,456	331,942	7.1%	6,014	0	0	0	0	\$5.31
2012 4q	146	4,665,456	337,956	7.2%	54,767	0	0	0	0	\$5.47
2012 3q	146	4,665,456	392,723	8.4%	(25,432)	0	0	0	0	\$5.34
2012 2q	146	4,665,456	367,291	7.9%	(8,953)	0	0	0	0	\$5.43
2012 1q	146	4,665,456	358,338	7.7%	28,051	0	0	0	0	\$5.69
2011 4q	146	4,665,456	386,389	8.3%	(23,426)	0	0	0	0	\$5.83
2011 3q	146	4,665,456	362,963	7.8%	427,658	0	0	0	0	\$5.08
2011 2q	146	4,665,456	790,621	16.9%	(76,191)	0	0	0	0	\$5.20
2011 1q	146	4,665,456	714,430	15.3%	(34,801)	1	12,779	0	0	\$5.21
2010 4q	145	4,652,677	666,850	14.3%	77,565	0	0	1	12,779	\$5.68

Source: CoStar Property®

Deliveries, Absorption & Vacancy

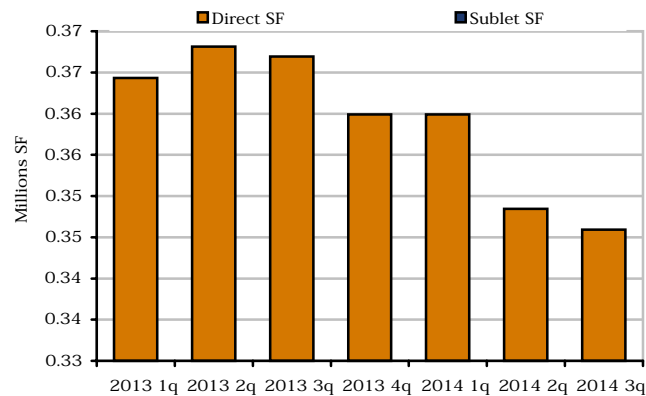
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

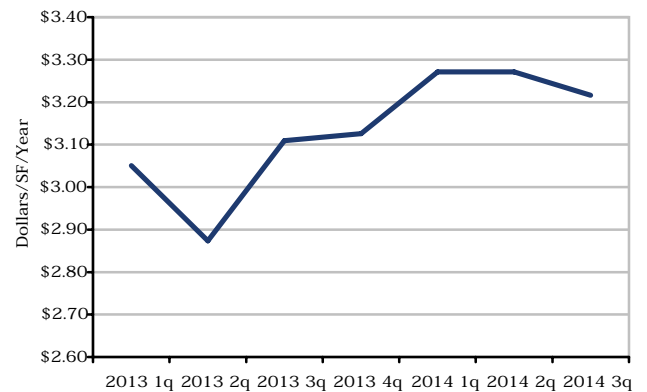
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	48	1,678,519	345,932	20.6%	2,500	0	0	0	0	\$3.22
2014 2q	48	1,678,519	348,432	20.8%	11,479	0	0	0	0	\$3.27
2014 1q	48	1,678,519	359,911	21.4%	0	0	0	0	0	\$3.27
2013 4q	48	1,678,519	359,911	21.4%	7,031	0	0	0	0	\$3.13
2013 3q	48	1,678,519	366,942	21.9%	1,200	0	0	0	0	\$3.11
2013 2q	48	1,678,519	368,142	21.9%	(3,800)	0	0	0	0	\$2.87
2013 1q	48	1,678,519	364,342	21.7%	(1,900)	0	0	0	0	\$3.05
2012 4q	48	1,678,519	362,442	21.6%	900	0	0	0	0	\$2.95
2012 3q	48	1,678,519	363,342	21.6%	(133,879)	0	0	0	0	\$3.00
2012 2q	48	1,678,519	229,463	13.7%	27,817	0	0	0	0	\$4.40
2012 1q	48	1,678,519	257,280	15.3%	5,169	0	0	0	0	\$4.40
2011 4q	48	1,678,519	262,449	15.6%	(15,200)	0	0	0	0	\$4.55
2011 3q	48	1,678,519	247,249	14.7%	27,800	0	0	0	0	\$4.48
2011 2q	48	1,678,519	275,049	16.4%	140,245	0	0	0	0	\$4.43
2011 1q	48	1,678,519	415,294	24.7%	34,295	0	0	0	0	\$4.48
2010 4q	48	1,678,519	449,589	26.8%	(17,572)	0	0	0	0	\$4.43

Source: CoStar Property®