

The CoStar Industrial Report

Year-End 2014

Asheville Industrial Market



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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.

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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's Vacancy Increases to 7.1% Net Absorption Negative (58,558) SF in the Quarter

The Asheville Industrial market ended the fourth quarter 2014 with a vacancy rate of 7.1%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (58,558) square feet in the fourth quarter. Vacant sublease space remained unchanged in the quarter, ending at 29,000 square feet. Rental rates ended the fourth quarter at \$4.41, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 10,250 square feet, with no properties under construction at the end of the quarter.

Absorption

Net absorption for the overall Asheville Industrial market was negative (58,558) square feet in the fourth quarter 2014. That compares to positive 403 square feet in the third quarter 2014, positive 163,509 square feet in the second quarter 2014, and negative (15,212) square feet in the first quarter 2014.

Tenants moving out of large blocks of space in 2014 include: GE Aviation moving out of (70,699) square feet at 401 Sweeten Creek Industrial Park, Empire Distributors Of North Carolina, Inc. moving out of (37,500) square feet at 10 Walden Drive, and AlSCO moving out of (11,040) square feet at 332 Rutledge Road.

Tenants moving into large blocks of space in 2014 include: Consolidated Metco, Inc. moving into 80,600 square feet at 60 Mills Gap Road, Great Western Grain moving into 60,000 square feet at Fletcher Business Park, and FedEx Ground Package System, Inc. moving into 54,000 square feet at Fletcher Business Park.

The Flex building market recorded net absorption of positive 35,630 square feet in the fourth quarter 2014, compared to positive 57,542 square feet in the third quarter 2014, negative (4,697) in the second quarter 2014, and negative (20,363) in the first quarter 2014.

The Warehouse building market recorded net absorption of negative (94,188) square feet in the fourth quarter 2014 compared to negative (57,139) square feet in the third quarter 2014, positive 168,206 in the second quarter 2014, and positive 5,151 in the first quarter 2014.

Vacancy

The Industrial vacancy rate in the Asheville market area increased to 7.1% at the end of the fourth quarter 2014. The vacancy rate was 6.8% at the end of the third quarter 2014, 6.8% at the end of the second quarter 2014, and 7.5% at the end of the first quarter 2014.

Flex projects reported a vacancy rate of 6.7% at the end of the fourth quarter 2014, 7.5% at the end of the third quarter 2014, 9.1% at the end of the second quarter 2014, and 8.9% at the end of the first quarter 2014.

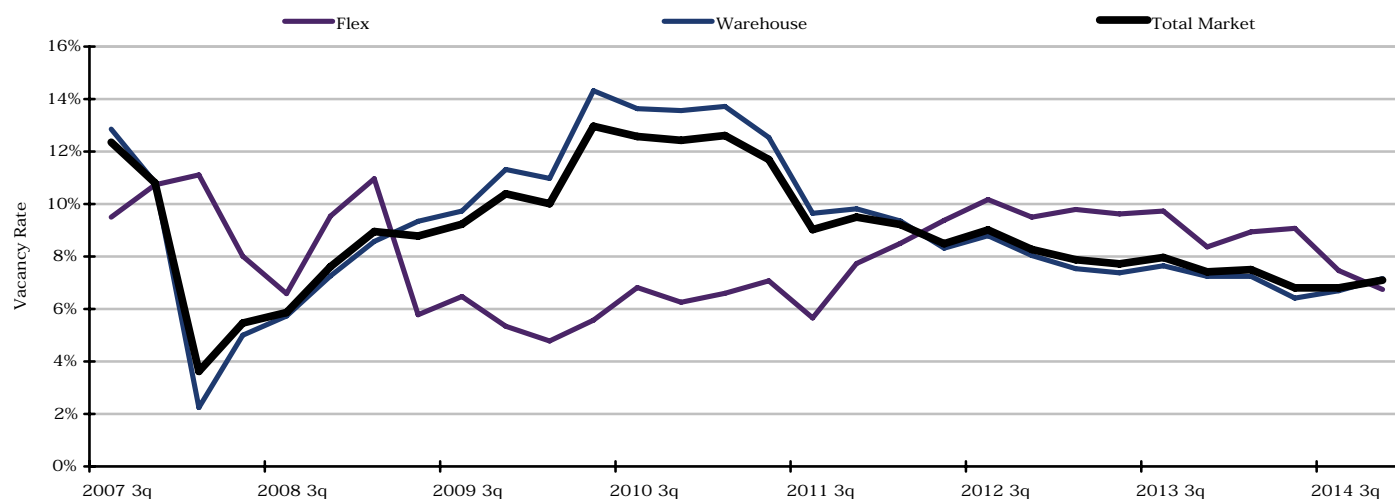
Warehouse projects reported a vacancy rate of 7.2% at the end of the fourth quarter 2014, 6.7% at the end of third quarter 2014, 6.4% at the end of the second quarter 2014, and 7.2% at the end of the first quarter 2014.

Largest Lease Signings

The largest lease signings occurring in 2014 included: the 80,600-square-foot lease signed by Consolidated Metco, Inc. at 60 Mills Gap Road in the S Asheville/Royal Pines market;

Vacancy Rates by Building Type

2007-2014



Source: CoStar Property®

the 60,000 square foot deal signed by Great Western Grain at Fletcher Business Park in the Henderson County market; and the 54,000 square foot lease signed by FedEx Ground Package System, Inc. at Fletcher Business Park in the Henderson County 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 fourth quarter 2014, from 29,000 square feet at the end of the third quarter 2014. There was 29,000 square feet vacant at the end of the second quarter 2014 and 9,000 square feet at the end of the first quarter 2014.

Asheville's Flex projects reported no sublease space for the second, third and fourth quarters of 2014. There were 9,000 square feet reported first quarter 2014.

Warehouse projects reported no vacant sublease space from the third quarter 2014 to the fourth quarter 2014. Sublease vacancy went from 29,000 square feet to 29,000 square feet during that time. There was 29,000 square feet at the end of the second quarter 2014, and 0 square feet at the end of the first quarter 2014.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$4.41 per square foot per year at the end of the fourth quarter 2014 in the Asheville market area. This represented a 0.5% decrease in quoted rental rates from the end of the third quarter 2014, when rents were reported at \$4.43 per square foot.

The average quoted rate within the Flex sector was \$8.63 per square foot at the end of the fourth quarter 2014, while Warehouse rates stood at \$3.99. At the end of the third quarter 2014, Flex rates were \$8.62 per square foot, and Warehouse rates were \$3.97.

Deliveries and Construction

The Asheville market delivered 15,886 square feet in 2014; consisting of 5,636 square feet completed in first quarter 2014 and 10,250 square feet completed in the fourth quarter 2014.

There was no Industrial space under construction at the end of the fourth quarter 2014.

Some of the notable 2014 deliveries include: 460 Weaverville Road, a 10,250-square-foot facility that delivered in fourth quarter 2014 and is now 69% occupied, and 140 Glenn Bridge Road, a 5,636-square-foot building that delivered in first quarter 2014 and is now 100% occupied.

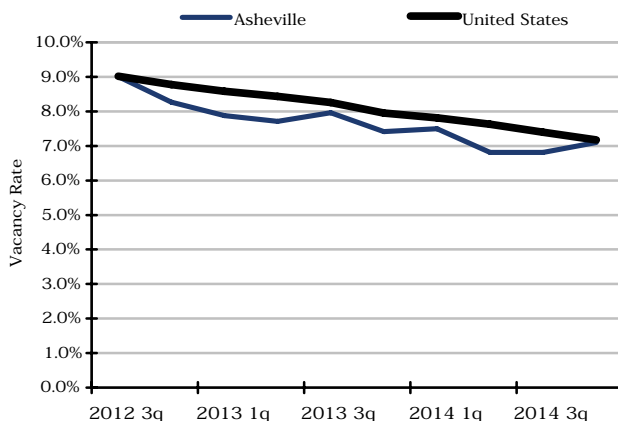
Inventory

Total Industrial inventory in the Asheville market area amounted to 23,860,833 square feet in 753 buildings as of the end of the fourth quarter 2014. The Flex sector consisted of 3,598,514 square feet in 249 projects. The Warehouse sector consisted of 20,262,319 square feet in 504 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 10 Quarters



Source: CoStar Property®

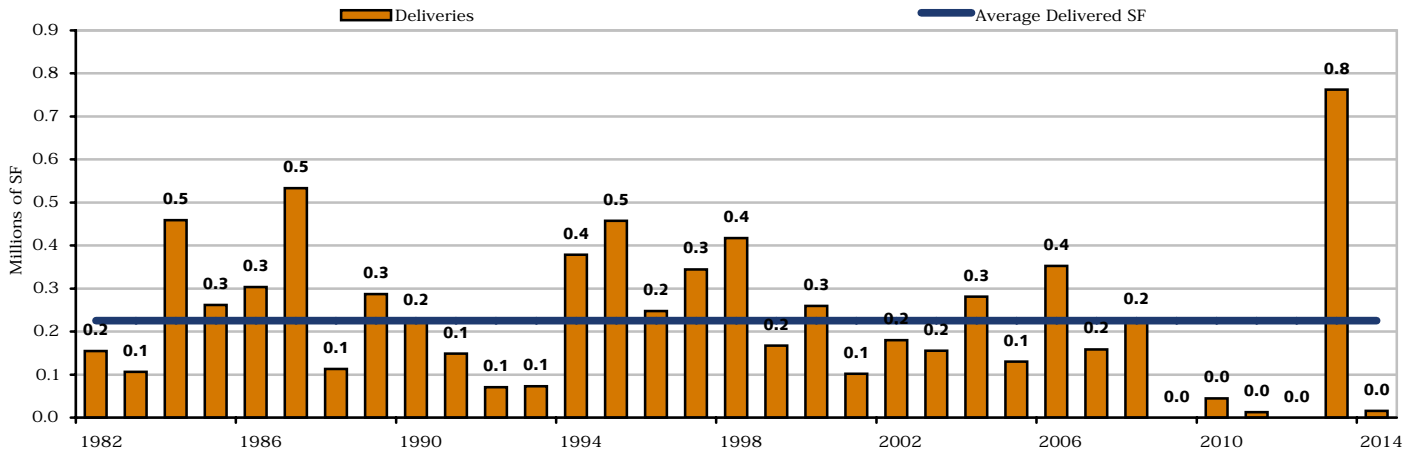
CoStar Submarkets

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.

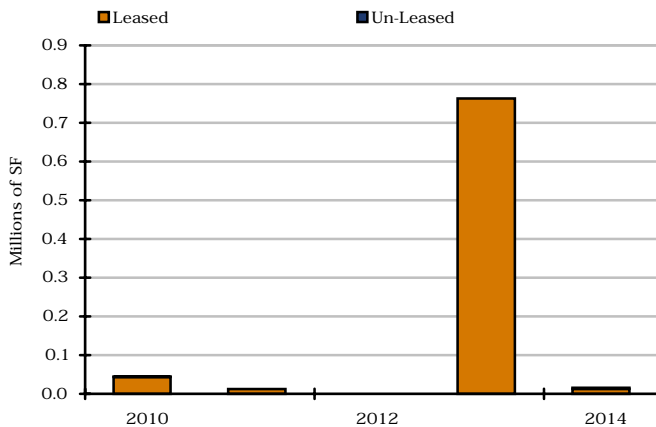
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Madison County	0	0	0	0.0%	31,779	0
Buncombe County	0	0	0	0.0%	54,173	0
Central Asheville	0	0	0	0.0%	19,729	0
Downtown Asheville	0	0	0	0.0%	2,624	0
East Asheville	0	0	0	0.0%	24,792	0
North Asheville	0	0	0	0.0%	12,150	0
S Asheville/Royal Pines	0	0	0	0.0%	31,804	0
West Asheville	0	0	0	0.0%	34,071	0
Haywood County	0	0	0	0.0%	19,175	0
Henderson County	0	0	0	0.0%	29,947	0
Totals	0	0	0	0.0%	31,688	0

Source: CoStar Property®

Recent Deliveries

Leased & Un-Leased SF in Deliveries Since 2010



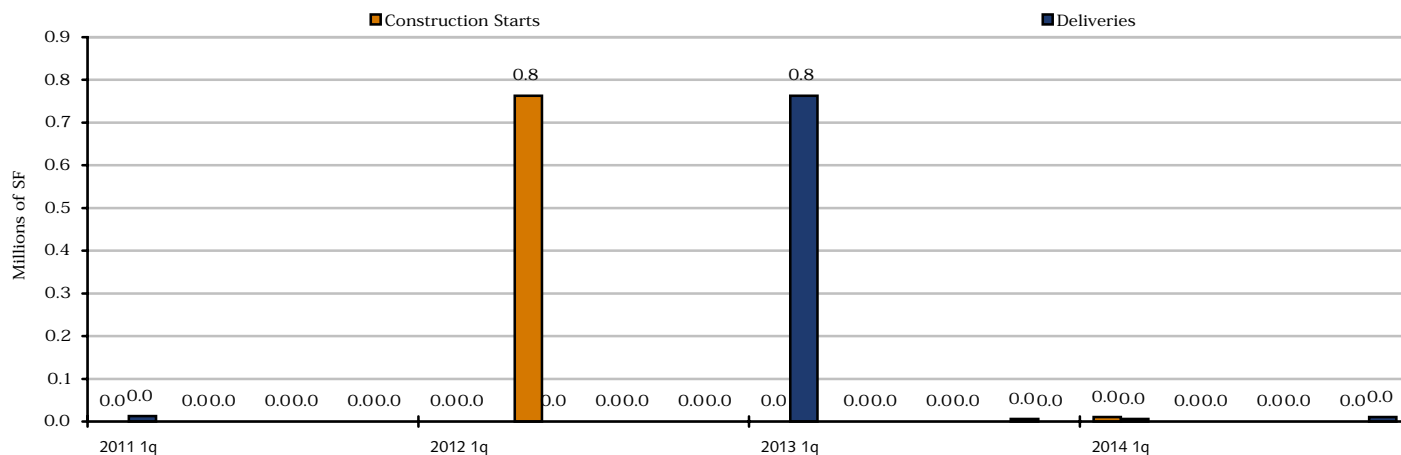
Source: CoStar Property®

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

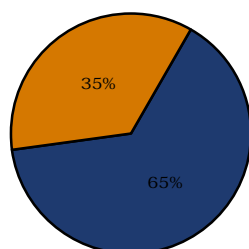
Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	2	15,886	12,708	80.0%	\$10.33	5,636	10,250
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2014 Deliveries No Properties Under Construction



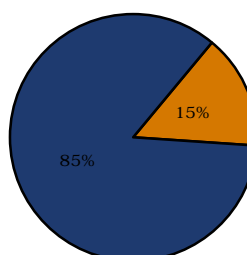
■ Multi ■ Single

Source: CoStar Property®

Existing Inventory Comparison

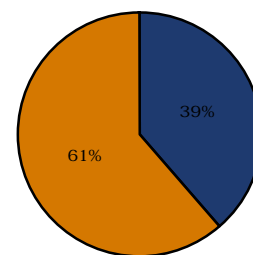
Based on Total RBA

By Building Type By Tenancy Type



■ Flex ■ Warehouse

Source: CoStar Property®



■ Multi ■ Single

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 460 Weaverville Rd

Submarket: **Buncombe County Industrial Market**
 RBA: **10,250**
 Occupied: **69%**
 Quoted Rate: **\$10.33**
 Grnd Brk Date: **First Quarter 2014**
 Deliv Date: **Fourth Quarter 2014**
 Leasing Co: **Eddie Dorf**
 Developer: **Eddie Dorf**

2. 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: **Dwayne Leik**
 Developer: **Dwayne Leik**

Asheville Industrial Market

Figures at a Glance

Flex Market Statistics

Year-End 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	37	689,857	34,176	34,176	5.0%	26,946	10,250	0	\$7.76
Central Asheville	85	1,241,679	116,349	116,349	9.4%	(11,400)	0	0	\$8.59
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	\$8.82
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	1,091,222	68,564	68,564	6.3%	13,466	0	0	\$9.21
West Asheville	6	80,504	13,932	13,932	17.3%	1,200	0	0	\$8.00
Totals	249	3,598,514	242,480	242,480	6.7%	68,112	10,250	0	\$8.63

Source: CoStar Property®

Warehouse Market Statistics

Year-End 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	280,060	280,060	3.9%	17,700	0	0	\$4.47
Central Asheville	97	2,349,019	194,995	194,995	8.3%	2,526	0	0	\$3.54
Downtown Asheville	1	1,788	0	0	0.0%	0	0	0	\$0.00
East Asheville	8	330,836	0	29,000	8.8%	(5,712)	0	0	\$4.66
Haywood County	37	797,594	59,537	59,537	7.5%	(12,360)	0	0	\$5.13
Henderson County	128	4,117,430	249,630	249,630	6.1%	156,484	0	0	\$3.23
Madison County	6	190,674	121,260	121,260	63.6%	(113,345)	0	0	\$0.00
North Asheville	8	102,676	2,700	2,700	2.6%	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	\$6.55
West Asheville	44	1,623,045	345,979	345,979	21.3%	0	0	0	\$3.36
Totals	504	20,262,319	1,421,344	1,450,344	7.2%	22,030	5,636	0	\$3.99

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 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	145	7,855,106	314,236	314,236	4.0%	44,646	10,250	0	\$4.78
Central Asheville	182	3,590,698	311,344	311,344	8.7%	(8,874)	0	0	\$4.92
Downtown Asheville	2	5,248	0	0	0.0%	0	0	0	\$0.00
East Asheville	21	520,629	3,459	32,459	6.2%	(5,712)	0	0	\$4.66
Haywood County	44	843,686	59,537	59,537	7.1%	(12,360)	0	0	\$5.13
Henderson County	145	4,342,359	255,630	255,630	5.9%	194,384	0	0	\$3.40
Madison County	6	190,674	121,260	121,260	63.6%	(113,345)	0	0	\$0.00
North Asheville	11	133,654	2,700	2,700	2.0%	6,496	0	0	\$4.95
S Asheville/Royal Pines	147	4,675,230	235,747	235,747	5.0%	(16,293)	5,636	0	\$7.01
West Asheville	50	1,703,549	359,911	359,911	21.1%	1,200	0	0	\$3.50
Totals	753	23,860,833	1,663,824	1,692,824	7.1%	90,142	15,886	0	\$4.41

Source: CoStar Property®

Flex Market Statistics

Year-End 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 4q	249	3,598,514	242,480	242,480	6.7%	35,630	1	10,250	0	0	\$8.63
2014 3q	248	3,588,264	267,860	267,860	7.5%	57,542	0	0	1	10,250	\$8.62
2014 2q	248	3,588,264	325,402	325,402	9.1%	(4,697)	0	0	1	10,250	\$8.81
2014 1q	248	3,588,264	311,705	320,705	8.9%	(20,363)	0	0	1	10,250	\$8.77
2013 4q	248	3,588,264	291,342	300,342	8.4%	49,032	0	0	0	0	\$8.56
2013 3q	248	3,588,264	340,374	349,374	9.7%	(4,330)	0	0	0	0	\$9.57
2013 2q	248	3,588,264	336,044	345,044	9.6%	6,344	0	0	0	0	\$9.33
2013 1q	248	3,588,264	342,388	351,388	9.8%	(10,315)	0	0	0	0	\$9.22
2012 4q	248	3,588,264	332,073	341,073	9.5%	23,785	0	0	0	0	\$9.73
2012 3q	248	3,588,264	355,858	364,858	10.2%	(28,147)	0	0	0	0	\$9.07
2012 2q	248	3,588,264	336,711	336,711	9.4%	(31,827)	0	0	0	0	\$8.82
2012 1q	248	3,588,264	304,884	304,884	8.5%	(27,431)	0	0	0	0	\$8.95
2011	248	3,588,264	277,453	277,453	7.7%	(40,954)	1	12,779	0	0	\$9.32
2010	247	3,575,485	223,720	223,720	6.3%	(32,949)	0	0	1	12,779	\$7.53
2009	247	3,575,485	190,771	190,771	5.3%	150,358	0	0	0	0	\$6.96
2008	247	3,575,485	332,129	341,129	9.5%	112,217	3	78,209	0	0	\$7.37

Source: CoStar Property®

Warehouse Market Statistics

Year-End 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 4q	504	20,262,319	1,421,344	1,450,344	7.2%	(94,188)	0	0	0	0	\$3.99
2014 3q	504	20,262,319	1,327,156	1,356,156	6.7%	(57,139)	0	0	0	0	\$3.97
2014 2q	504	20,262,319	1,270,017	1,299,017	6.4%	168,206	0	0	0	0	\$3.99
2014 1q	504	20,262,319	1,467,223	1,467,223	7.2%	5,151	1	5,636	0	0	\$3.42
2013 4q	503	20,256,683	1,466,738	1,466,738	7.2%	82,121	0	0	1	5,636	\$3.47
2013 3q	503	20,256,683	1,548,859	1,548,859	7.6%	(54,512)	0	0	0	0	\$3.65
2013 2q	503	20,256,683	1,494,347	1,494,347	7.4%	32,008	0	0	0	0	\$3.57
2013 1q	503	20,256,683	1,526,355	1,526,355	7.5%	802,635	1	762,750	0	0	\$3.53
2012 4q	502	19,493,933	1,566,240	1,566,240	8.0%	148,740	0	0	1	762,750	\$3.40
2012 3q	502	19,493,933	1,712,580	1,714,980	8.8%	(93,625)	0	0	1	762,750	\$3.25
2012 2q	502	19,493,933	1,618,955	1,621,355	8.3%	202,828	0	0	1	762,750	\$3.60
2012 1q	502	19,493,933	1,822,183	1,824,183	9.4%	90,441	0	0	0	0	\$3.59
2011	502	19,493,933	1,914,624	1,914,624	9.8%	729,447	0	0	0	0	\$3.76
2010	502	19,493,933	2,644,071	2,644,071	13.6%	(398,811)	2	44,750	0	0	\$3.69
2009	500	19,449,183	2,200,510	2,200,510	11.3%	(788,302)	0	0	1	31,250	\$4.02
2008	500	19,449,183	1,412,208	1,412,208	7.3%	823,007	6	147,909	0	0	\$4.22

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 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 4q	753	23,860,833	1,663,824	1,692,824	7.1%	(58,558)	1	10,250	0	0	\$4.41
2014 3q	752	23,850,583	1,595,016	1,624,016	6.8%	403	0	0	1	10,250	\$4.43
2014 2q	752	23,850,583	1,595,419	1,624,419	6.8%	163,509	0	0	1	10,250	\$4.40
2014 1q	752	23,850,583	1,778,928	1,787,928	7.5%	(15,212)	1	5,636	1	10,250	\$3.86
2013 4q	751	23,844,947	1,758,080	1,767,080	7.4%	131,153	0	0	1	5,636	\$3.84
2013 3q	751	23,844,947	1,889,233	1,898,233	8.0%	(58,842)	0	0	0	0	\$4.11
2013 2q	751	23,844,947	1,830,391	1,839,391	7.7%	38,352	0	0	0	0	\$4.14
2013 1q	751	23,844,947	1,868,743	1,877,743	7.9%	792,320	1	762,750	0	0	\$4.08
2012 4q	750	23,082,197	1,898,313	1,907,313	8.3%	172,525	0	0	1	762,750	\$4.00
2012 3q	750	23,082,197	2,068,438	2,079,838	9.0%	(121,772)	0	0	1	762,750	\$3.72
2012 2q	750	23,082,197	1,955,666	1,958,066	8.5%	171,001	0	0	1	762,750	\$3.98
2012 1q	750	23,082,197	2,127,067	2,129,067	9.2%	63,010	0	0	0	0	\$4.03
2011	750	23,082,197	2,192,077	2,192,077	9.5%	688,493	1	12,779	0	0	\$4.13
2010	749	23,069,418	2,867,791	2,867,791	12.4%	(431,760)	2	44,750	1	12,779	\$3.96
2009	747	23,024,668	2,391,281	2,391,281	10.4%	(637,944)	0	0	1	31,250	\$4.24
2008	747	23,024,668	1,744,337	1,753,337	7.6%	935,224	9	226,118	0	0	\$4.60

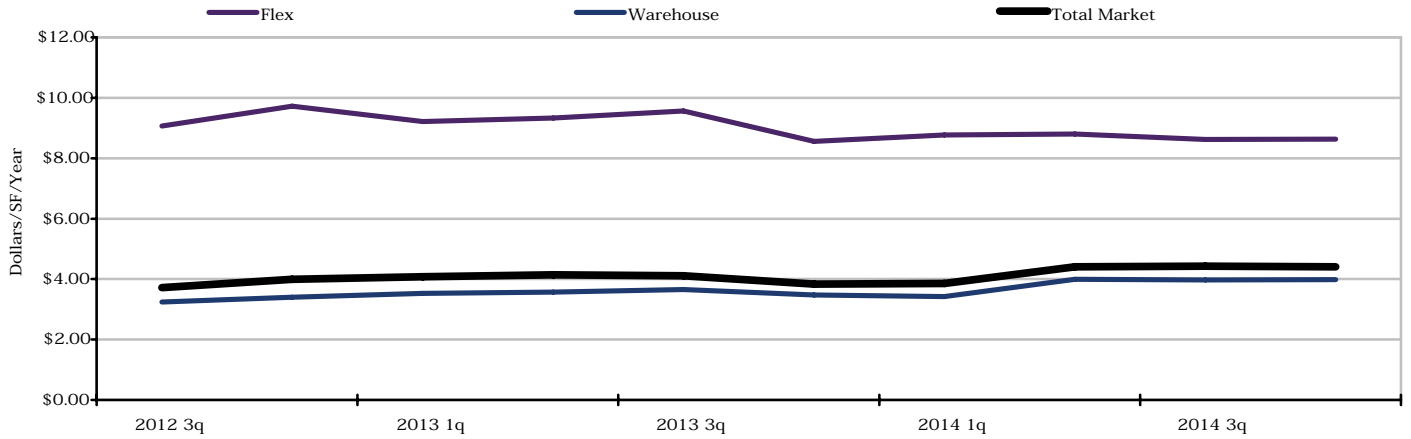
Source: CoStar Property®

Asheville Industrial Market

Leasing Activity

Historical Rental Rates

Based on Quoted Rental Rates

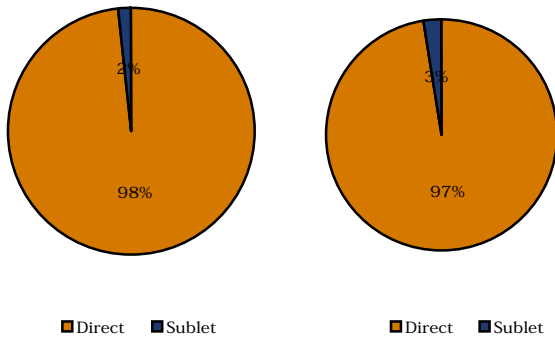


Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Asheville United States

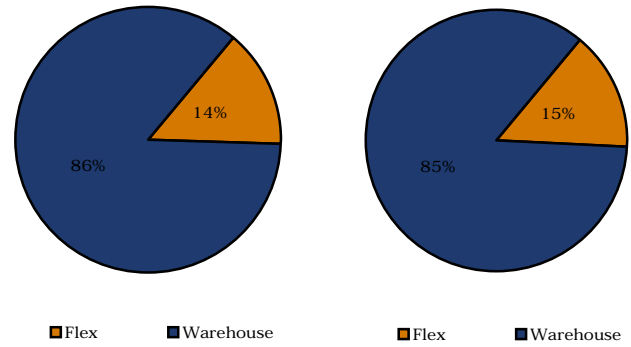


Source: CoStar Property®

Vacancy by Building Type

Percent of All Vacant Space by Building Type

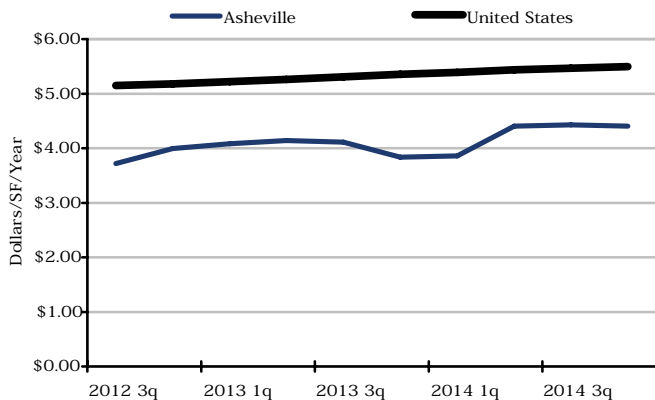
Asheville United States



Source: CoStar Property®

U.S. Rental Rate Comparison

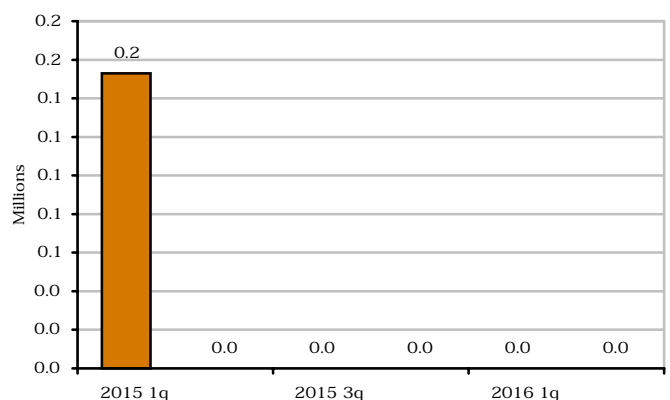
Based on Average Quoted Rental Rates



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	80,600	2nd	Consolidated Metco, Inc.	NAI Beverly-Hanks Commercial	Pulliam Properties
2	Fletcher Business Park	Henderson County	60,000	1st	Great Western Grain	N/A	Pulliam Properties
3	Fletcher Business Park	Henderson County	54,000	3rd	FedEx Ground Package System, Inc.	NAI Beverly-Hanks Commercial	Pulliam Properties
4	10 Walden Dr	S Asheville/Royal Pines	37,500	1st	New Peco, Inc.	Whitney Commercial Real Estate	Whitney Commercial Real Estate
5	Fletcher Business Park	Henderson County	35,200	1st	Wilson Art	N/A	Pulliam Properties
6	526 Crest Rd	Henderson County	35,000	1st	American Pride	N/A	Whitney Commercial Real Estate
7	220 Continuum Dr	Henderson County	31,500	1st	Earth Fare	Direct Deal	Mark Morris and Associates, Inc.
8	2-A Huntsman Pl	Central Asheville	26,520	2nd	N/A	Direct Deal	CoveStar LLC
9	1070 Tunnel Rd	East Asheville	22,788	3rd	Blue Ridge Pharmacy	N/A	Whitney Commercial Real Estate
10	998 Pleasant Grove Rd	Henderson County	18,000	2nd	N/A	Direct Deal	Justin Fejfar
11	305 Airport Rd	S Asheville/Royal Pines	16,502	2nd	The Pool Company	Pulliam Properties	Pulliam Properties
12	998 Pleasant Grove Rd	Henderson County	16,000	2nd	N/A	Direct Deal	Justin Fejfar
13	9 National Ave*	Buncombe County	13,206	1st	Auralites, Inc.	N/A	N/A
14	Elk Park Business Park	Buncombe County	12,000	2nd	N/A	N/A	Pulliam Properties
15	239 Amboy Rd	West Asheville	10,800	2nd	Brian Boggs Chairmakers, Inc.	Tessier Associates, Inc.	NAI Beverly-Hanks Commercial
16	32 Banks Ave	Central Asheville	9,455	3rd	Chai Pani Restaurant	N/A	Dewey Property Advisors
17	2131 US Highway 70	Buncombe County	9,044	4th	N/A	N/A	CoveStar LLC
18	55 Sweeten Creek Rd	Central Asheville	7,434	2nd	Sherwin Williams	Direct Deal	Dewey Property Advisors
19	39 Dogwood Rd	West Asheville	6,500	2nd	Starr Electric/Hayes & Lunsford	NAI Beverly-Hanks Commercial	Dewey Property Advisors
20	9 W Chestnut Ridge Ave	North Asheville	6,496	2nd	Bean Werks Coffee and Tea	Cornerstone Real Estate Consultants	NAI Beverly-Hanks Commercial
21	Airport Business Center	Buncombe County	6,000	2nd	N/A	Whitney Commercial Real Estate	Whitney Commercial Real Estate
22	Fletcher Business Park	Henderson County	5,911	2nd	RHA Health Services	N/A	Pulliam Properties
23	1238 Hendersonville Rd	S Asheville/Royal Pines	5,842	1st	Cross Fit Build More Force	N/A	RBI Commercial Properties
24	32 Banks Ave	Central Asheville	5,496	3rd	Catawba Valley Brewing Company	N/A	Dewey Property Advisors
25	4 Mulvaney St	Central Asheville	4,500	4th	N/A	N/A	CoveStar LLC
26	33 Loop Rd	S Asheville/Royal Pines	4,410	3rd	Communications Unlimited LLC	N/A	Whitney Commercial Real Estate
27	415 8th Ave E- Main Building	Henderson County	4,260	2nd	Break Training	N/A	Dunlap Construction
28	9 Reed St	Central Asheville	3,650	2nd	Bon Vivant Company, Inc.	Whitney Commercial Real Estate	Whitney Commercial Real Estate
29	15 Glenn Bridge Rd	S Asheville/Royal Pines	3,300	2nd	Michael Blankenship and Nick VanDyke	N/A	NAI Beverly-Hanks Commercial
30	55 Sweeten Creek Rd	Central Asheville	2,926	1st	Keller Williams Realty	N/A	Dewey Property Advisors
31	167 Haywood Rd	West Asheville	2,500	3rd	N/A	Direct Deal	Home Energy Partners
32	15 Glenn Bridge Rd	S Asheville/Royal Pines	2,000	4th	Michael Blankenship and Nick VanDyke	NAI Beverly-Hanks Commercial	NAI Beverly-Hanks Commercial
33	30 Rosscraggon Rd	S Asheville/Royal Pines	1,693	2nd	N/A	N/A	Morosani and Associates
34	460 Weaverville Rd	Buncombe County	1,600	4th	Domino's Pizza	Direct Deal	Eddie Dorf
35	33 Loop Rd	S Asheville/Royal Pines	1,350	4th	John B Flyshops	Whitney Commercial Real Estate	Whitney Commercial Real Estate
36	203 Duncan Hill Rd	Henderson County	1,344	4th	CSC Service Works	Spake Real Estate	NAI Beverly-Hanks Commercial
37	55 Sweeten Creek Rd	Central Asheville	1,084	3rd	Old School Subs	N/A	Dewey Property Advisors
38	53 Shiloh Rd	S Asheville/Royal Pines	1,000	2nd	N/A	N/A	Morosani and Associates
39	33 London Rd	Central Asheville	600	1st	N/A	N/A	ROH LLC

Source: CoStar Property®

* Renewal

Asheville Industrial Market

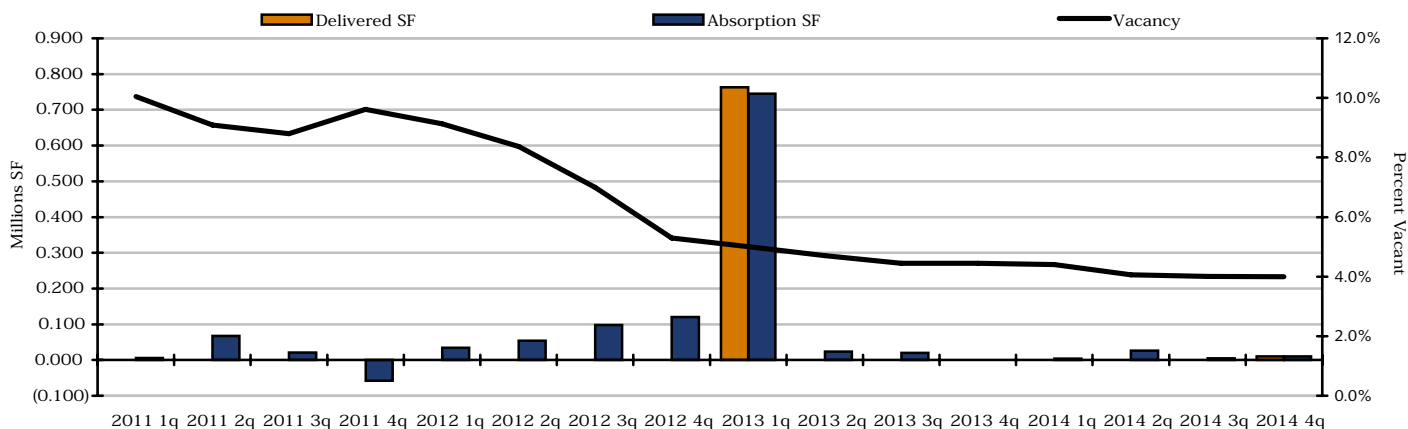


Buncombe County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

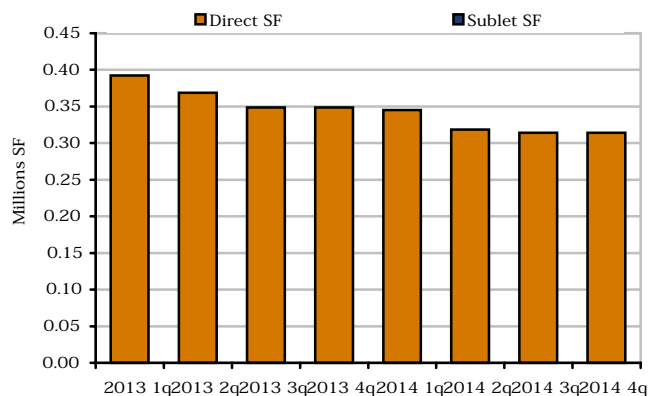
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

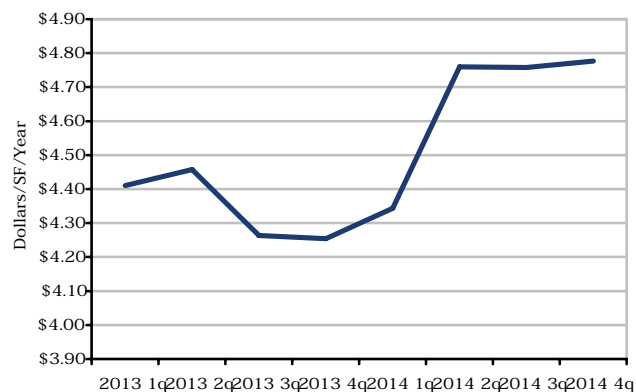
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



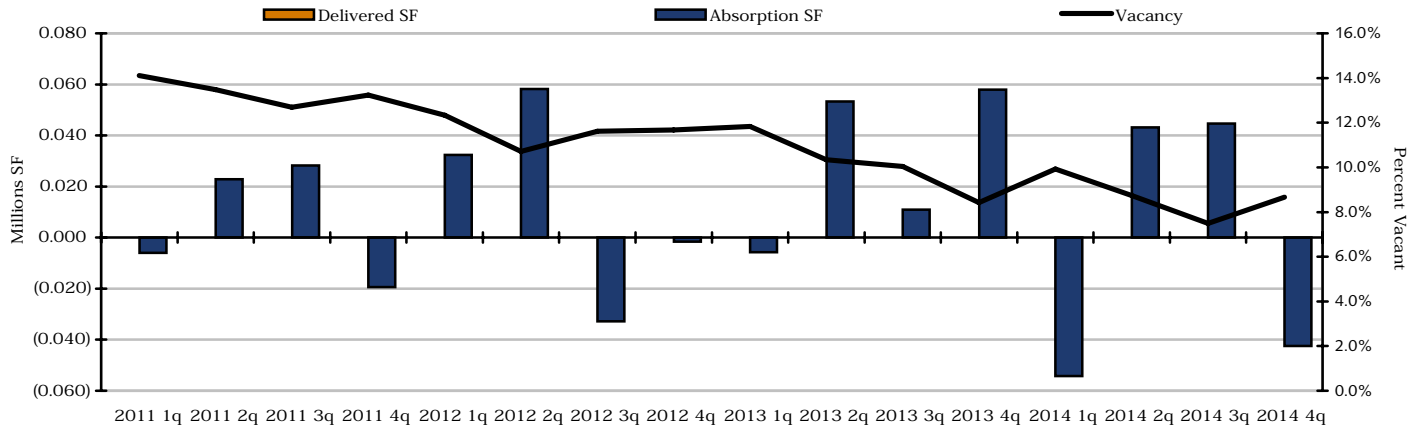
Source: CoStar Property®

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 4q	145	7,855,106	314,236	4.0%	9,950	1	10,250	0	0	\$4.78
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

Source: CoStar Property®

Deliveries, Absorption & Vacancy

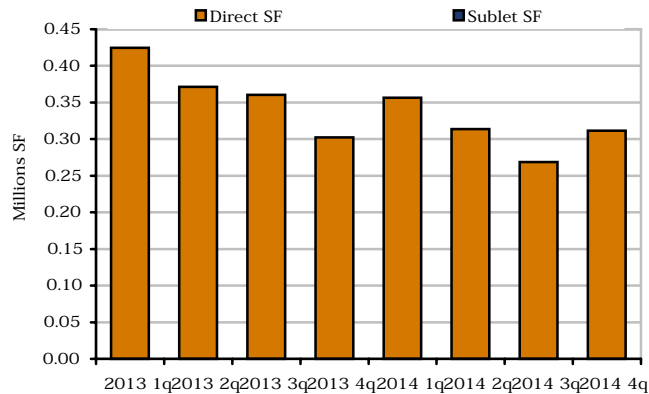
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

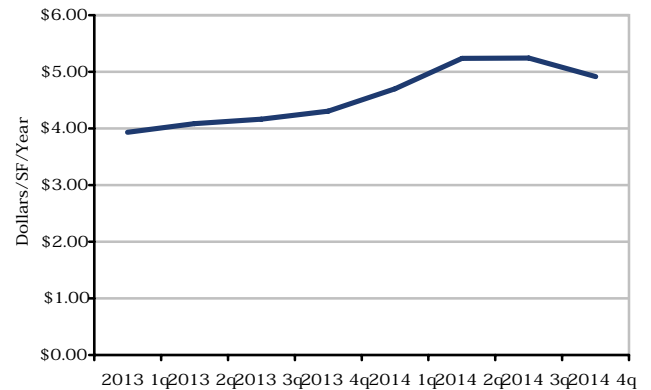
Historical Analysis, Flex and Warehouse



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 4q	182	3,590,698	311,344	8.7%	(42,447)	0	0	0	0	\$4.92
2014 3q	182	3,590,698	268,897	7.5%	44,600	0	0	0	0	\$5.24
2014 2q	182	3,590,698	313,497	8.7%	43,163	0	0	0	0	\$5.24
2014 1q	182	3,590,698	356,660	9.9%	(54,190)	0	0	0	0	\$4.70
2013 4q	182	3,590,698	302,470	8.4%	57,987	0	0	0	0	\$4.30
2013 3q	182	3,590,698	360,457	10.0%	10,896	0	0	0	0	\$4.17
2013 2q	182	3,590,698	371,353	10.3%	53,282	0	0	0	0	\$4.09
2013 1q	182	3,590,698	424,635	11.8%	(5,699)	0	0	0	0	\$3.93
2012 4q	182	3,590,698	418,936	11.7%	(1,635)	0	0	0	0	\$3.87
2012 3q	182	3,590,698	417,301	11.6%	(32,822)	0	0	0	0	\$3.37
2012 2q	182	3,590,698	384,479	10.7%	58,251	0	0	0	0	\$3.11
2012 1q	182	3,590,698	442,730	12.3%	32,420	0	0	0	0	\$3.13
2011 4q	182	3,590,698	475,150	13.2%	(19,390)	0	0	0	0	\$3.04
2011 3q	182	3,590,698	455,760	12.7%	28,244	0	0	0	0	\$3.06
2011 2q	182	3,590,698	484,004	13.5%	22,831	0	0	0	0	\$3.22
2011 1q	182	3,590,698	506,835	14.1%	(6,000)	0	0	0	0	\$3.35

Source: CoStar Property®

Asheville Industrial Market

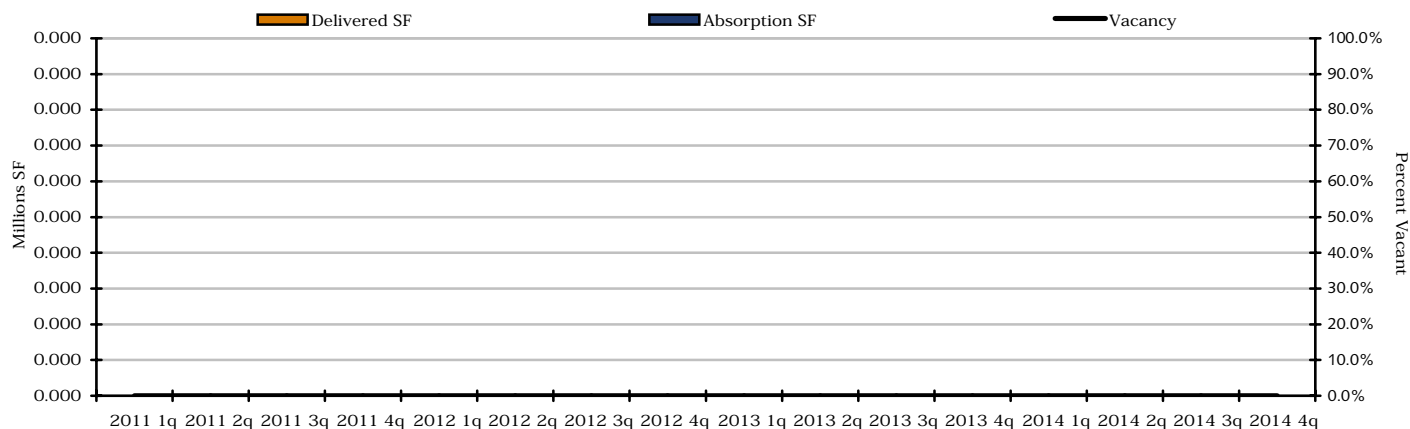


Downtown Asheville Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

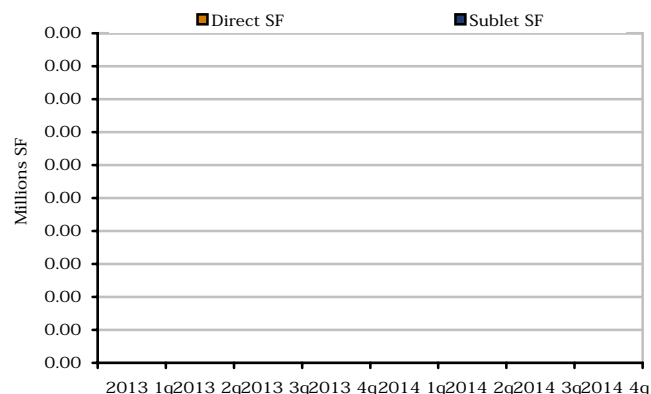
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

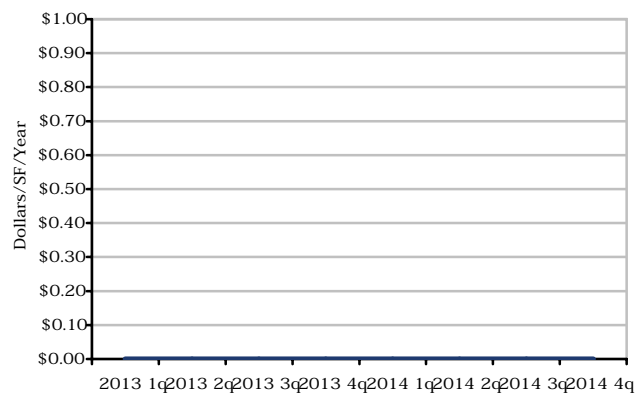
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



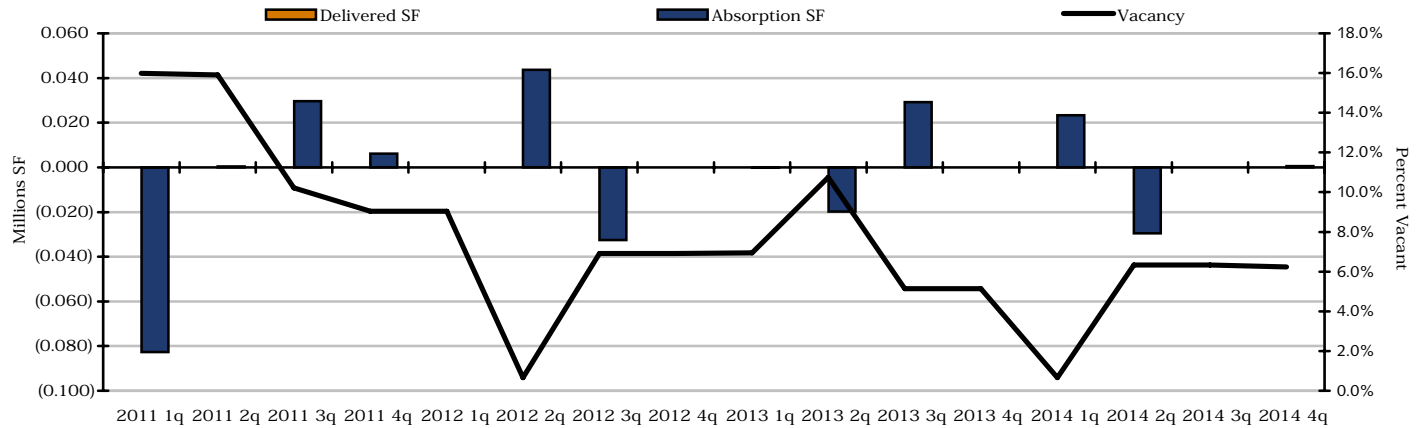
Source: CoStar Property®

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 4q	2	5,248	0	0.0%	0	0	0	0	0	\$0.00
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

Source: CoStar Property®

Deliveries, Absorption & Vacancy

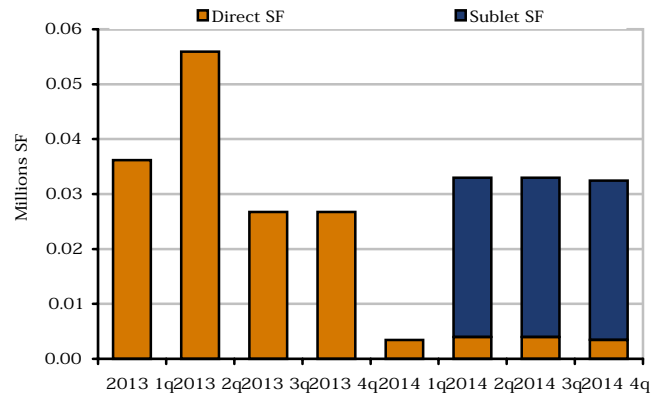
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

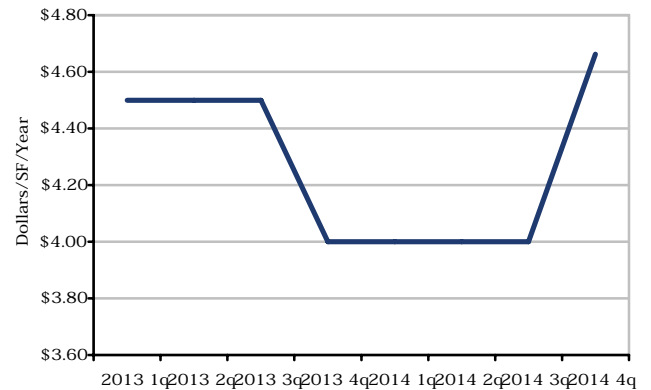
Historical Analysis, Flex and Warehouse



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 4q	21	520,629	32,459	6.2%	500	0	0	0	0	\$4.66
2014 3q	21	520,629	32,959	6.3%	0	0	0	0	0	\$4.00
2014 2q	21	520,629	32,959	6.3%	(29,500)	0	0	0	0	\$4.00
2014 1q	21	520,629	3,459	0.7%	23,288	0	0	0	0	\$4.00
2013 4q	21	520,629	26,747	5.1%	0	0	0	0	0	\$4.00
2013 3q	21	520,629	26,747	5.1%	29,200	0	0	0	0	\$4.50
2013 2q	21	520,629	55,947	10.7%	(19,788)	0	0	0	0	\$4.50
2013 1q	21	520,629	36,159	6.9%	(200)	0	0	0	0	\$4.50
2012 4q	21	520,629	35,959	6.9%	0	0	0	0	0	\$3.37
2012 3q	21	520,629	35,959	6.9%	(32,500)	0	0	0	0	\$3.37
2012 2q	21	520,629	3,459	0.7%	43,600	0	0	0	0	\$3.37
2012 1q	21	520,629	47,059	9.0%	0	0	0	0	0	\$3.37
2011 4q	21	520,629	47,059	9.0%	6,141	0	0	0	0	\$3.53
2011 3q	21	520,629	53,200	10.2%	29,600	0	0	0	0	\$3.51
2011 2q	21	520,629	82,800	15.9%	400	0	0	0	0	\$3.51
2011 1q	21	520,629	83,200	16.0%	(82,700)	0	0	0	0	\$3.66

Source: CoStar Property®

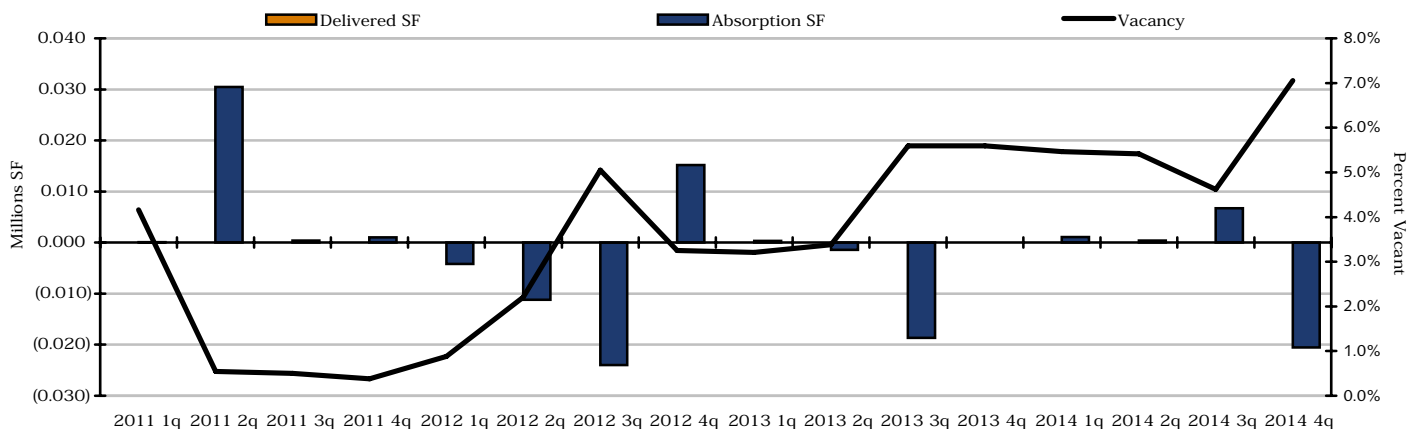
Asheville Industrial Market

Haywood County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

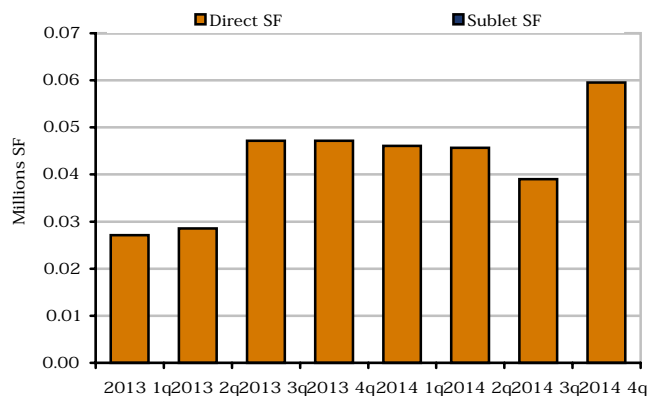
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

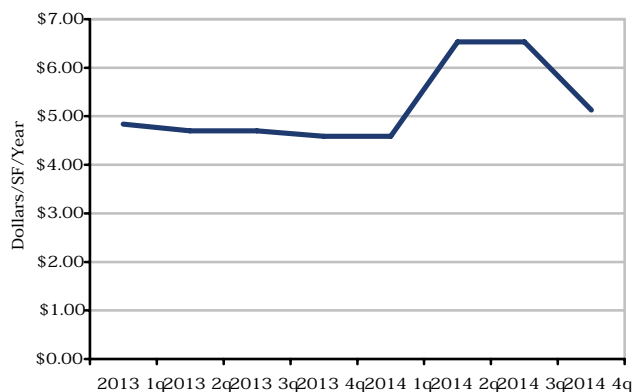
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



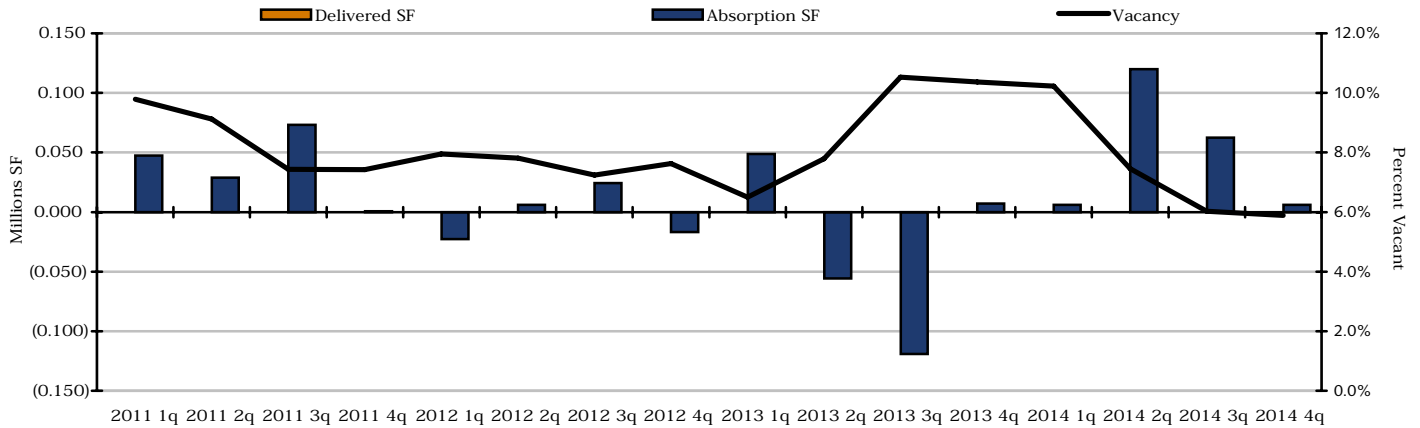
Source: CoStar Property®

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 4q	44	843,686	59,537	7.1%	(20,560)	0	0	0	0	\$5.13
2014 3q	44	843,686	38,977	4.6%	6,700	0	0	0	0	\$6.53
2014 2q	44	843,686	45,677	5.4%	400	0	0	0	0	\$6.53
2014 1q	44	843,686	46,077	5.5%	1,100	0	0	0	0	\$4.59
2013 4q	44	843,686	47,177	5.6%	0	0	0	0	0	\$4.59
2013 3q	44	843,686	47,177	5.6%	(18,661)	0	0	0	0	\$4.70
2013 2q	44	843,686	28,516	3.4%	(1,420)	0	0	0	0	\$4.70
2013 1q	44	843,686	27,096	3.2%	312	0	0	0	0	\$4.84
2012 4q	44	843,686	27,408	3.2%	15,200	0	0	0	0	\$4.74
2012 3q	44	843,686	42,608	5.1%	(24,000)	0	0	0	0	\$4.71
2012 2q	44	843,686	18,608	2.2%	(11,200)	0	0	0	0	\$8.62
2012 1q	44	843,686	7,408	0.9%	(4,208)	0	0	0	0	\$6.94
2011 4q	44	843,686	3,200	0.4%	1,000	0	0	0	0	\$4.62
2011 3q	44	843,686	4,200	0.5%	400	0	0	0	0	\$4.62
2011 2q	44	843,686	4,600	0.5%	30,490	0	0	0	0	\$4.62
2011 1q	44	843,686	35,090	4.2%	100	0	0	0	0	\$4.89

Source: CoStar Property®

Deliveries, Absorption & Vacancy

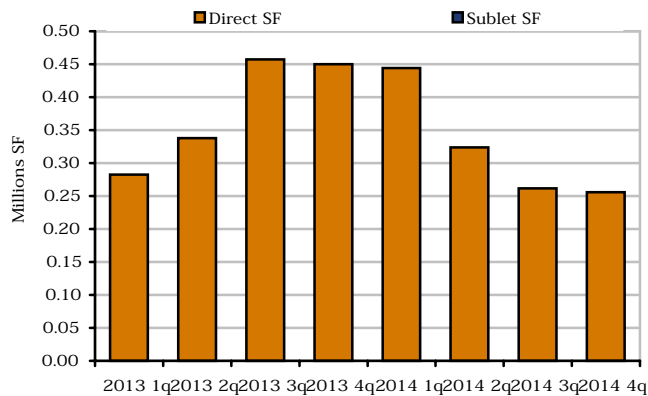
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

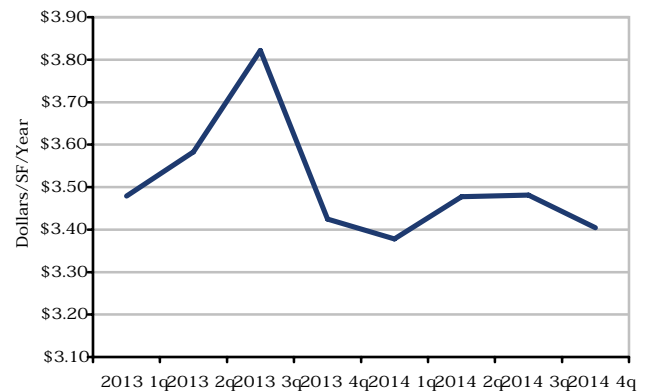
Historical Analysis, Flex and Warehouse



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 4q	145	4,342,359	255,630	5.9%	5,918	0	0	0	0	\$3.40
2014 3q	145	4,342,359	261,548	6.0%	62,418	0	0	0	0	\$3.48
2014 2q	145	4,342,359	323,966	7.5%	120,008	0	0	0	0	\$3.48
2014 1q	145	4,342,359	443,974	10.2%	6,040	0	0	0	0	\$3.38
2013 4q	145	4,342,359	450,014	10.4%	7,160	0	0	0	0	\$3.42
2013 3q	145	4,342,359	457,174	10.5%	(119,090)	0	0	0	0	\$3.82
2013 2q	145	4,342,359	338,084	7.8%	(55,646)	0	0	0	0	\$3.58
2013 1q	145	4,342,359	282,438	6.5%	48,857	0	0	0	0	\$3.48
2012 4q	145	4,342,359	331,295	7.6%	(16,762)	0	0	0	0	\$3.56
2012 3q	145	4,342,359	314,533	7.2%	24,421	0	0	0	0	\$3.36
2012 2q	145	4,342,359	338,954	7.8%	6,129	0	0	0	0	\$3.33
2012 1q	145	4,342,359	345,083	7.9%	(22,794)	0	0	0	0	\$3.55
2011 4q	145	4,342,359	322,289	7.4%	697	0	0	0	0	\$3.45
2011 3q	145	4,342,359	322,986	7.4%	73,204	0	0	0	0	\$3.45
2011 2q	145	4,342,359	396,190	9.1%	28,860	0	0	0	0	\$3.22
2011 1q	145	4,342,359	425,050	9.8%	47,500	0	0	0	0	\$3.06

Source: CoStar Property®

Asheville Industrial Market

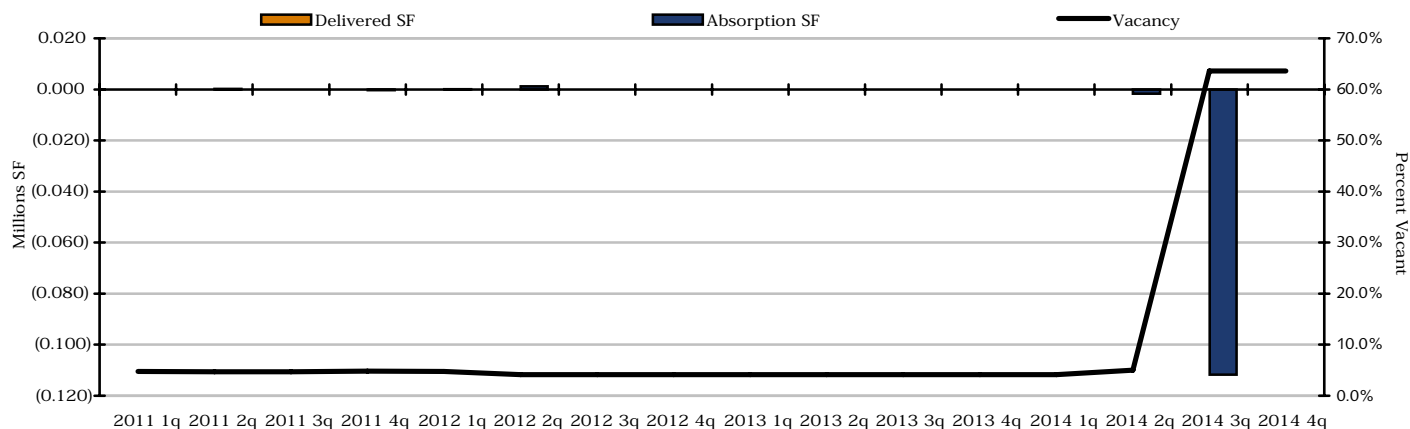


Madison County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

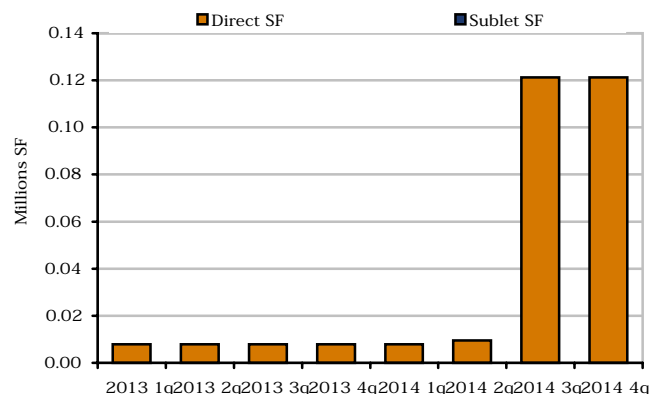
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

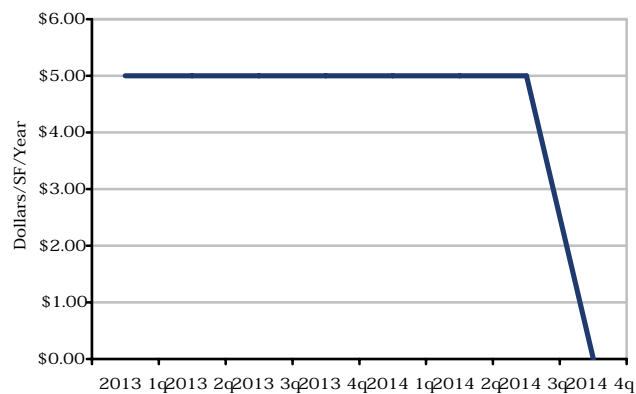
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



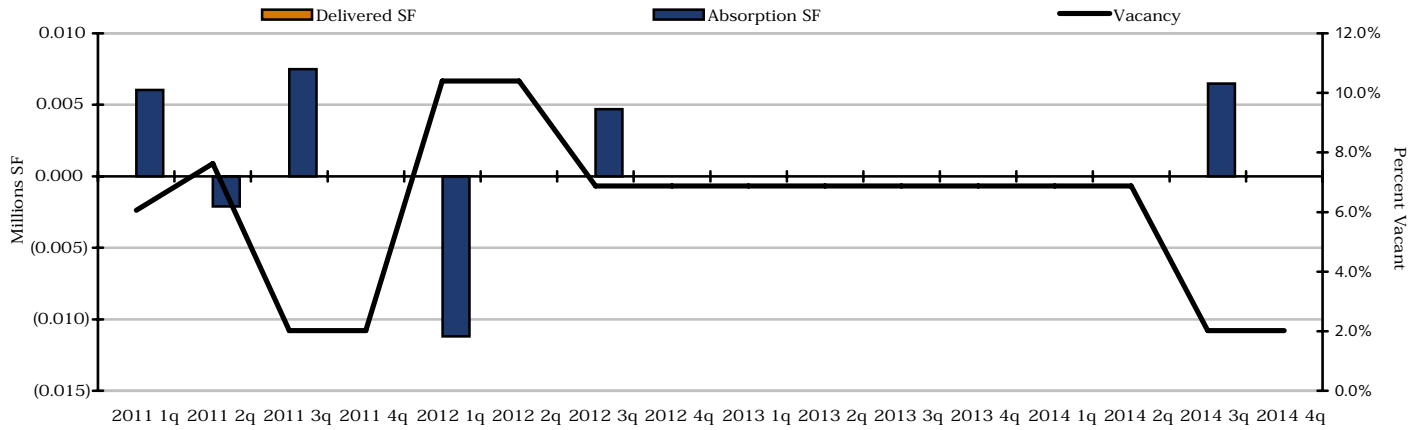
Source: CoStar Property®

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 4q	6	190,674	121,260	63.6%	0	0	0	0	0	\$0.00
2014 3q	6	190,674	121,260	63.6%	(111,685)	0	0	0	0	\$5.00
2014 2q	6	190,674	9,575	5.0%	(1,660)	0	0	0	0	\$5.00
2014 1q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2013 4q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2013 3q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2013 2q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2013 1q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2012 4q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2012 3q	6	190,674	7,915	4.2%	0	0	0	0	0	\$5.00
2012 2q	6	190,674	7,915	4.2%	1,200	0	0	0	0	\$5.00
2012 1q	6	190,674	9,115	4.8%	100	0	0	0	0	\$0.00
2011 4q	6	190,674	9,215	4.8%	(300)	0	0	0	0	\$0.00
2011 3q	6	190,674	8,915	4.7%	0	0	0	0	0	\$0.00
2011 2q	6	190,674	8,915	4.7%	200	0	0	0	0	\$8.00
2011 1q	6	190,674	9,115	4.8%	0	0	0	0	0	\$8.00

Source: CoStar Property®

Deliveries, Absorption & Vacancy

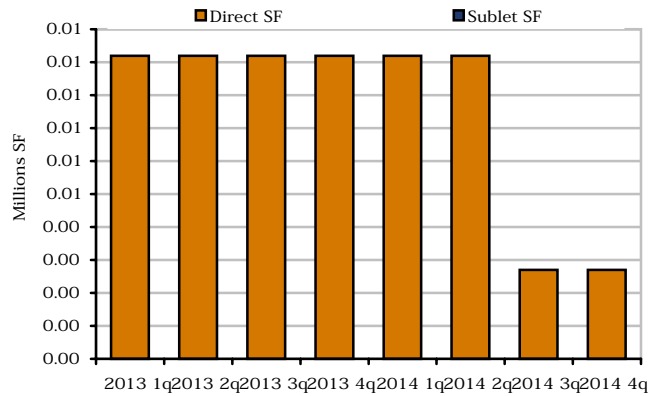
Historical Analysis, Flex and Warehouse



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 4q	11	133,654	2,700	2.0%	0	0	0	0	0	\$4.95
2014 3q	11	133,654	2,700	2.0%	6,496	0	0	0	0	\$4.95
2014 2q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2014 1q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2013 4q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2013 3q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2013 2q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2013 1q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2012 4q	11	133,654	9,196	6.9%	0	0	0	0	0	\$4.95
2012 3q	11	133,654	9,196	6.9%	4,700	0	0	0	0	\$4.95
2012 2q	11	133,654	13,896	10.4%	0	0	0	0	0	\$6.10
2012 1q	11	133,654	13,896	10.4%	(11,196)	0	0	0	0	\$6.10
2011 4q	11	133,654	2,700	2.0%	0	0	0	0	0	\$4.50
2011 3q	11	133,654	2,700	2.0%	7,500	0	0	0	0	\$6.35
2011 2q	11	133,654	10,200	7.6%	(2,100)	0	0	0	0	\$6.35
2011 1q	11	133,654	8,100	6.1%	6,040	0	0	0	0	\$6.35

Source: CoStar Property®

Asheville Industrial Market

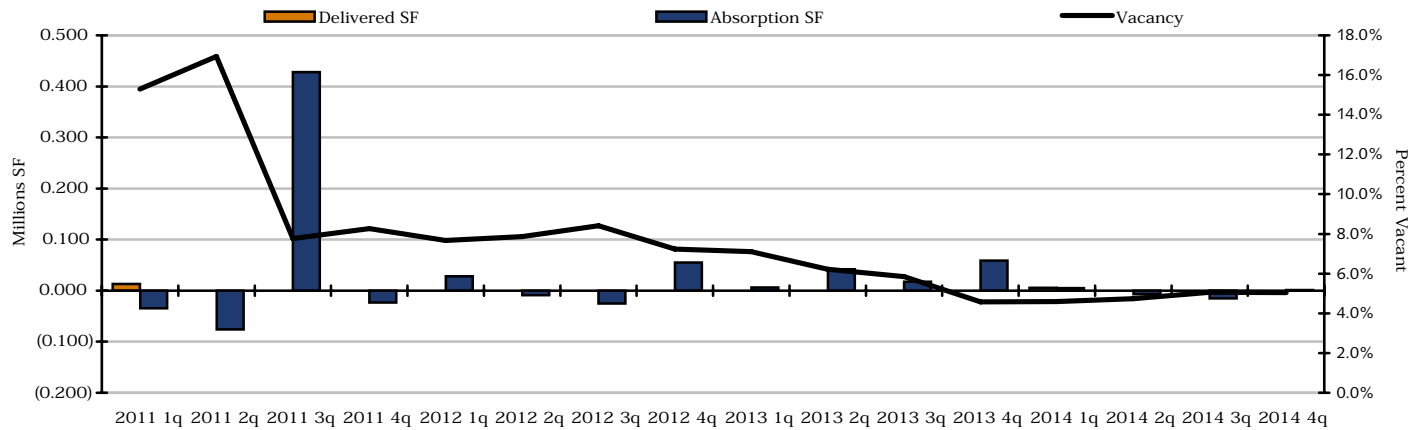


S Asheville / Royal Pines Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

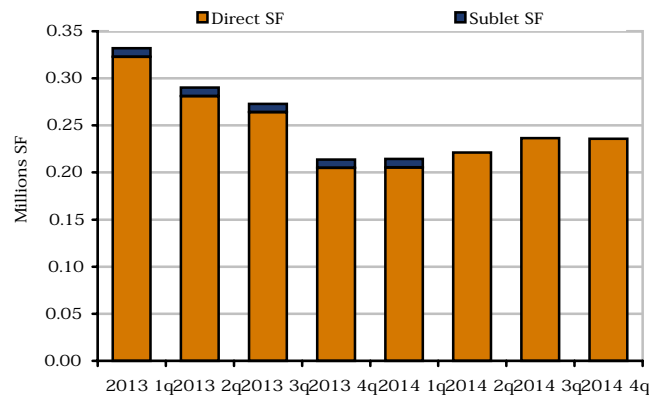
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

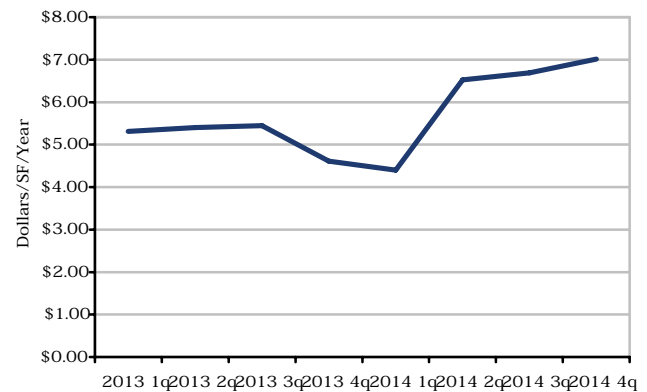
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



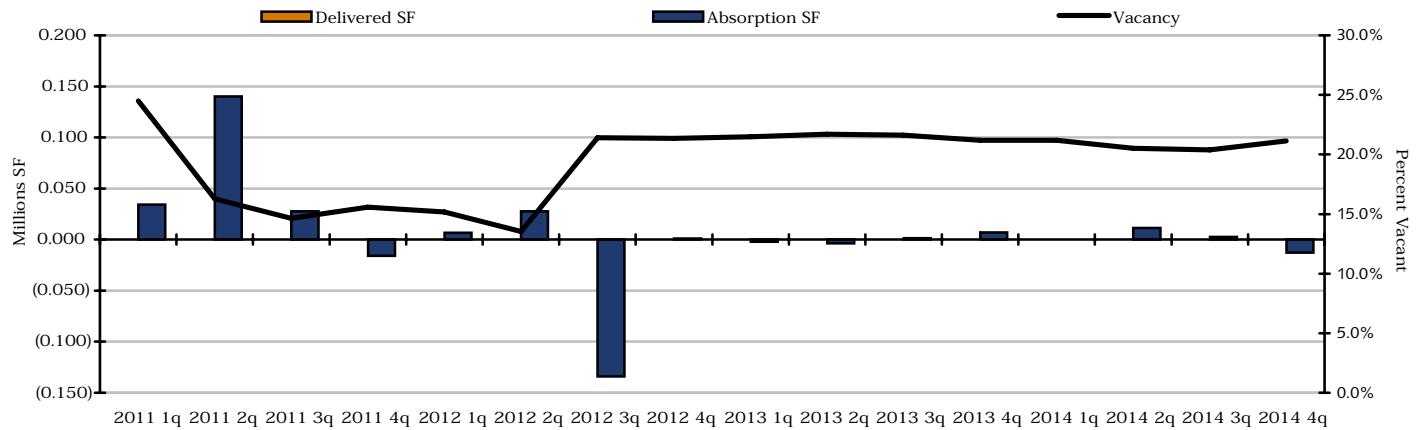
Source: CoStar Property®

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 4q	147	4,675,230	235,747	5.0%	860	0	0	0	0	\$7.01
2014 3q	147	4,675,230	236,607	5.1%	(15,272)	0	0	0	0	\$6.69
2014 2q	147	4,675,230	221,335	4.7%	(6,968)	0	0	0	0	\$6.53
2014 1q	147	4,675,230	214,367	4.6%	5,087	1	5,636	0	0	\$4.40
2013 4q	146	4,669,594	213,818	4.6%	59,075	0	0	1	5,636	\$4.61
2013 3q	146	4,669,594	272,893	5.8%	17,219	0	0	0	0	\$5.45
2013 2q	146	4,669,594	290,112	6.2%	41,830	0	0	0	0	\$5.40
2013 1q	146	4,669,594	331,942	7.1%	6,014	0	0	0	0	\$5.31
2012 4q	146	4,669,594	337,956	7.2%	54,767	0	0	0	0	\$5.47
2012 3q	146	4,669,594	392,723	8.4%	(25,432)	0	0	0	0	\$5.34
2012 2q	146	4,669,594	367,291	7.9%	(8,953)	0	0	0	0	\$5.43
2012 1q	146	4,669,594	358,338	7.7%	28,051	0	0	0	0	\$5.69
2011 4q	146	4,669,594	386,389	8.3%	(23,426)	0	0	0	0	\$5.83
2011 3q	146	4,669,594	362,963	7.8%	427,658	0	0	0	0	\$5.08
2011 2q	146	4,669,594	790,621	16.9%	(76,191)	0	0	0	0	\$5.20
2011 1q	146	4,669,594	714,430	15.3%	(34,801)	1	12,779	0	0	\$5.21

Source: CoStar Property®

Deliveries, Absorption & Vacancy

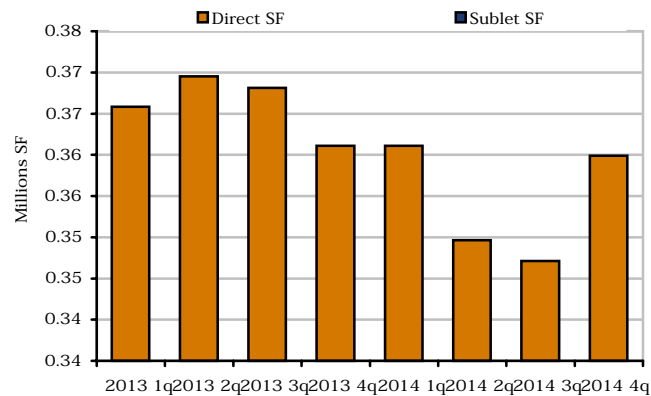
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

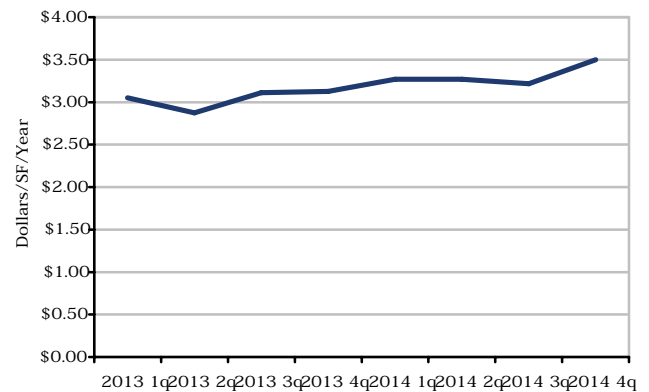
Historical Analysis, Flex and Warehouse



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 4q	50	1,703,549	359,911	21.1%	(12,779)	0	0	0	0	\$3.50
2014 3q	50	1,703,549	347,132	20.4%	2,500	0	0	0	0	\$3.22
2014 2q	50	1,703,549	349,632	20.5%	11,479	0	0	0	0	\$3.27
2014 1q	50	1,703,549	361,111	21.2%	0	0	0	0	0	\$3.27
2013 4q	50	1,703,549	361,111	21.2%	7,031	0	0	0	0	\$3.13
2013 3q	50	1,703,549	368,142	21.6%	1,400	0	0	0	0	\$3.11
2013 2q	50	1,703,549	369,542	21.7%	(3,700)	0	0	0	0	\$2.87
2013 1q	50	1,703,549	365,842	21.5%	(2,200)	0	0	0	0	\$3.05
2012 4q	50	1,703,549	363,642	21.3%	900	0	0	0	0	\$2.95
2012 3q	50	1,703,549	364,542	21.4%	(133,879)	0	0	0	0	\$3.00
2012 2q	50	1,703,549	230,663	13.5%	27,817	0	0	0	0	\$4.40
2012 1q	50	1,703,549	258,480	15.2%	6,669	0	0	0	0	\$4.40
2011 4q	50	1,703,549	265,149	15.6%	(15,800)	0	0	0	0	\$4.55
2011 3q	50	1,703,549	249,349	14.6%	27,800	0	0	0	0	\$4.48
2011 2q	50	1,703,549	277,149	16.3%	140,245	0	0	0	0	\$4.43
2011 1q	50	1,703,549	417,394	24.5%	34,295	0	0	0	0	\$4.48

Source: CoStar Property®