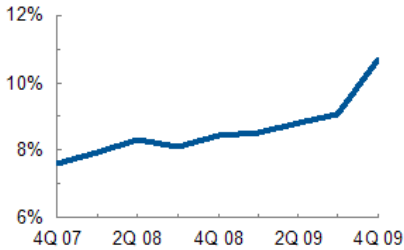


Vacancy Rate

Quarterly



Tenants Still in the Driver's Seat

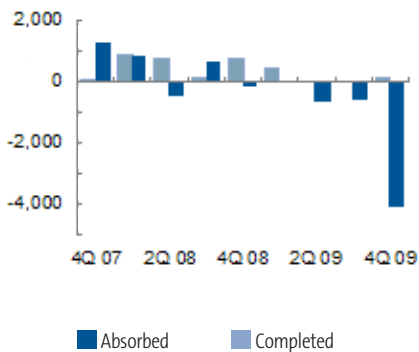
The trend continues from 2009 as tenants remain in charge. The overall vacancy rate for industrial space in the St. Louis region has increase from 8.5 percent at the beginning of the year to 10.7 percent at year-end. There was negative absorption of 5.2 million square feet in 2009 with most of that attributable to the closure of the Chrysler Plant in Fenton. Rental rates are near bottom and are not likely to reduce much further but vacancy rates will continue to drop further in 2010 as tenants shed unused space. In addition, speculative build-to-suit development remains on hold.

One bright spot is manufacturing, which improved-in the second half of 2009 as consumers grew more confident in the economy resulting in an increase of products.

There are still many questions about the future of the shuttered Chrysler Plant in Fenton and the ripple effect on suppliers who occupy nearby industrial space in the Fenton submarket.

Completions vs. Absorption

Quarterly (in Thousands of SF)

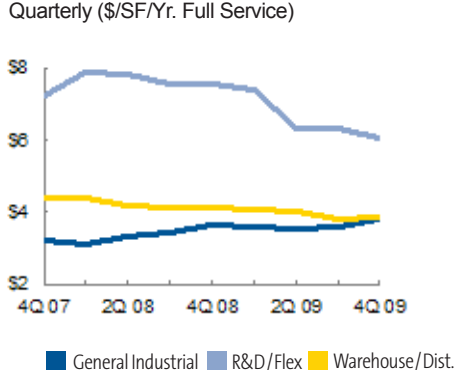


FORECAST

- The first half of 2010 will remain sluggish with landlord's doing-what-it-takes to retain tenants, including short term renewals.
- Capital for tenant and capital improvements will remain tight.
- Foreclosures are not expected to be as wide spread as originally thought as banks are slowly beginning to ease up on property owners. They will be content to "pretend and extend" but it will still be painful for property owners who are successful in extending their loans as terms will increase.

Asking Rental Rates

Quarterly (\$/SF/Yr. Full Service)



KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)
■ Air Products & Chemicals, Inc.	New Construction	3850 Millstone Parkway	98,047
■ Cioni, Inc.	Firestone Tire & Rubber	5928 N. Lindbergh Blvd.	80,960
■ Gallery Motors	1419-1423 Strassner LLC	1419 Strassner Dr.	25,624

■ Leasing ■ Sales (R) = Renewal (S) = Sublease *Indicates Transaction Represented by Grubb & Ellis

Industrial Trends Report—Fourth Quarter 2009

St. Louis, MO



By Submarket	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
Earth City	19,984,694	2,088,138	10.4%	(117,210)	(1,014,661)	-	\$3.44	\$6.79
Fenton	12,926,026	5,540,516	42.9%	(4,501,784)	(4,722,575)	-	\$4.72	\$5.71
Hanley Industrial	6,537,980	362,085	5.5%	11,493	36,914	-	\$5.36	\$8.25
Illinois	26,067,883	2,456,959	9.4%	20,049	104,994	-	\$3.78	\$2.63
Innerbelt East	9,163,954	1,258,538	13.7%	(16,234)	(98,459)	-	\$3.04	\$3.50
Innerbelt West	10,179,759	897,514	8.8%	87,119	(121,744)	-	\$5.01	\$7.56
Jefferson County	2,735,736	26,067	1.0%	-	-	-	\$7.63	-
North County	20,402,919	2,338,576	11.5%	89,649	208,734	-	\$4.02	\$2.95
South County	6,267,142	542,983	8.7%	(3,924)	118,222	-	\$5.41	\$6.39
St Charles County	23,505,980	1,012,210	4.3%	114,687	256,509	-	\$3.82	\$6.84
St Louis City North	42,600,897	3,194,973	7.5%	31,467	23,476	-	\$2.85	\$8.39
St Louis City South	36,432,461	3,680,409	10.1%	41,812	195,264	-	\$3.20	\$7.35
West County	8,728,515	530,628	6.1%	206,376	27,080	-	\$9.40	\$10.92
Westport	14,202,592	1,701,454	12.0%	(7,826)	(243,918)	-	\$4.58	\$6.95
Totals	239,736,538	25,631,050	10.7%	(4,044,326)	(5,230,164)	-	\$3.88	\$6.06

By Property Type	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
General Industrial	70,223,286	9,193,999	13.1%	(4,178,399)	(3,969,753)	-	\$3.84	
R&D/Flex	18,767,676	1,647,004	8.8%	104,488	(90,926)	-	\$6.06	
Warehouse/Distribution	150,745,576	14,790,047	9.8%	29,585	(1,169,485)	-	\$3.88	
Totals	239,736,538	25,631,050	10.7%	(4,044,326)	(5,230,164)	-	\$4.05	

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INDUSTRIAL TERMS AND DEFINITIONS

Inventory: Industrial inventory includes all multi-tenant, single tenant and owner occupied buildings at least 20,000 square feet.

Industrial Buildings Classifications: Industrial buildings are categorized as warehouse/distribution, general industrial, R&D/flex and incubator based on their physical characteristics including percent office build-out, clear height, typical bay depth, typical suite size, type of loading and typical uses.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country, and dollars per square foot per month in areas of California and selected other markets. Industrial rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis. The asking rent for each building in the market is weighed by the amount of available space in the building.

* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.