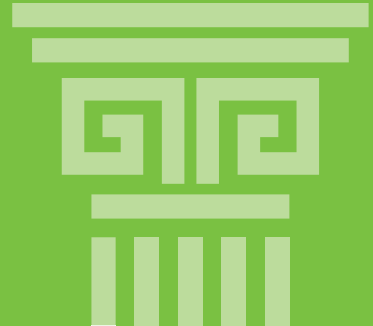




Savannah Industrial Market Survey Q1 2010



This past year (2009) was more of the same leftover from 2008. The national economy, along with the local area economy, continued in the doldrums.

Activity at the Georgia Ports Authority continued to slow. Business did pick up in the last quarter of 2009. This compared favorably to the same months of 2008. As business with the Georgia Ports Authority accelerates, the demand for warehouse storage should grow.

In my last report dated February 9, 2009, I stated that Center Pointe and Commonwealth Properties were developing new speculative warehouses. Only Commonwealth actually came through with a new facility. It (250,000 sq. ft.) was added to the inventory in the last reporting period. Two (2) buildings proposed by Center Pointe were added (720,000 sq. ft.), but will be removed from the inventory on this report.

For the first time since I have prepared this report (Spring of 2000), no new construction occurred during the reporting period. There is no sign of this trend reversing any time soon.

Rental rates have shown a tendency to be decreasing. Until a portion of the outstanding inventory is absorbed, this trend will also continue.

Vacancy has hit an all time high in the Savannah area industrial market. Over seven (7) million square feet represent a vacancy rate of 15.4%. There are 22 buildings over 100,000 sq. ft. now available "For Sale" or "For Lease" in the Savannah market.



The early months of 2010 have shown an increase in activity. It is a great situation for companies whose lease(s) expire during the year. The present situation also creates a very favorable climate for new companies moving into the market.

| | |
|---|--------------------|
| BEGINNING INVENTORY 2-10-09 | 47,687,621 SQ. FT. |
| NEW CONSTRUCTION ADDED TO INVENTORY | NONE |
| ADJUSTMENT FOR MISCALCUATION | <720,000> SQ. FT. |
| ADJUSTED BEGINNING INVENTORY 2-10-09* | 46,967,621 SQ. FT. |
| TOTAL INVENTORY AVAILABLE FOR SALE/ FOR LEASE 3-03-10 | 7,209,560 SQ. FT. |
| <i>*MANUFACTURING COMPRISES 9,333,738 SQ. FT. OF THIS AMOUNT (19.9 %)</i> | |