

Atlanta Industrial

INVESTMENT REPORT | YEAR-END | 2007

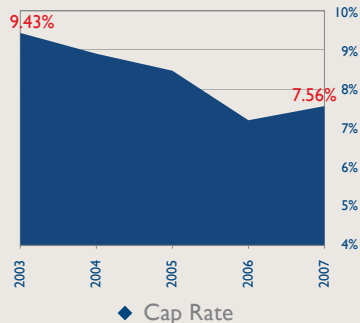


MARKET INDICATORS

2007 NEXT YEAR

| | | |
|---------------|---|---|
| CAP RATES | ↑ | ↑ |
| VOLUME (\$) | ↓ | ↓ |
| PRICE PER SF | ↓ | ↓ |
| TOTAL SF SOLD | ↓ | ↓ |

UPDATE ATLANTA INDUSTRIAL CAP RATES



Outlook for Investment Sales Market

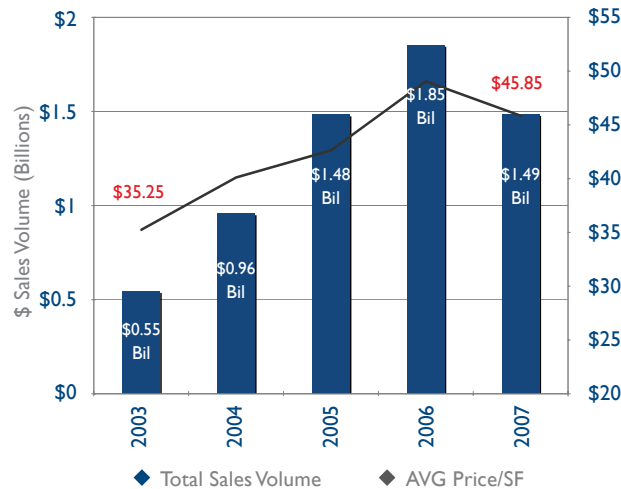
Colliers Investment Services Group (CISG) recently surveyed a number of active investors to gauge their appetite for acquisitions (and dispositions), list key issues, and address when the market might return to normal. It was confirmed repeatedly by respondents that ample capital (equity) exists and is searching for a home. According to the survey:

- Investors on average plan to acquire three times as much property as they anticipate to sell in the next twelve months.
- Underwriting standards are to be tightened; higher residual exit cap rates are at the top of the list.
- A significant majority believed credit markets will return to normal after a temporary hiatus.
- Most investors feel prices will stabilize during the second half of 2008/first half of 2009.
- Twin challenges of a possible recession and further “credit rationing” by banks will keep market participants on the sidelines in the interim.

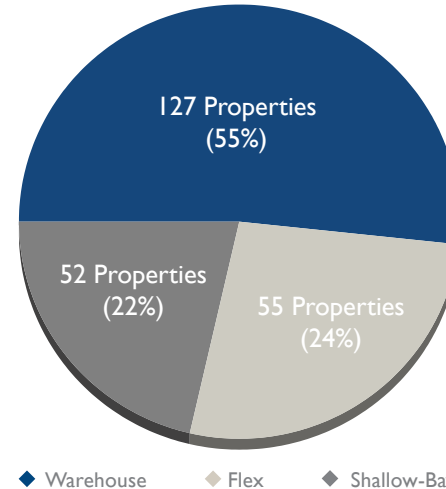
Outlook for Atlanta Industrial Investment

- Prices will show a continued reduction. The aggregate dollar volume is expected to dip more than 10% from 2007’s amount.
- Atlanta remains one of the most desirable industrial markets to invest as can be seen in recent announcements by Whirlpool and Rubbermaid.
- Despite a down market, Atlanta will continue to see investor demand for industrial property because of its regional location and affordability.

YEAR-END 2007
SALES VOLUME (\$) AND AVG PRICE PER SF (\$)



YEAR-END 2007
SALES BY PRODUCT TYPE



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