SAVANNAH INDUSTRIAL MARKET SURVEY
MARCH 20, 2007

The Savannah area industrial market continues to grow at a very fast pace. While the Georgia Ports Authority announces record numbers for container movement, warehousing continues to grow accordingly.

Since our last report in July 2006, speculative warehouses, along with build-to-suit facilities, have helped to add 2,562,000 square feet to the market inventory.

Available first and second generation facilities are up to 2,483,000 square feet. New buildings make up 2,331,000 square feet of this available space. This new speculative space is up from previous reports.

Lowe's Home Improvement entered the distribution market with the purchase of a 491,000 square foot facility in the Crossroads Business Park. The building was purchased from Solution Property Group in the first quarter of 2007 with a sales price of reportedly $20,000,000.00.

More national and regional developers have announced their intentions of entering the Savannah market. DP Partners of Reno, NV, has closed on 72 acres located on Dean Forest Road. Their plans are to develop over one million square feet with the first building to be completed in December of 2007. The 680,000 square foot facility will be followed in the first quarter of 2008 by another 347,000 square feet (not included in the inventory).

Oakmont of Atlanta will be developing over 3 million square feet on what was previously known as the Morgan Tract. The first building should be completed in the first quarter of 2008.

Great things are happening in Savannah which is evidenced by the January 31, 2007 Savannah Morning News report that "2.16 million containers moved in 2006, firmly establishing the Port of Savannah as the second-largest container port on the US East Coast and fourth-largest in the nation - behind only the West Coast ports of Los Angeles and Long Beach and the East Coast Port of New York / New Jersey", and the finding that the Port experienced a 14% increase in container traffic over the previous year.

In addition, it was announced in the Savannah Business Report and Journal on March 19, 2007 that the states of Georgia and South Carolina will be joining forces to develop a

new container port on 1,800 acres just across the Savannah River in Jasper County, South Carolina.

Positive growth and a healthy economy in the Savannah area continue to dominate headlines as we head into the second quarter of 2007.

BEGINNING INVENTORY 7-06-06	39,925,325 SQ. FT.
NEW CONSTRUCTION ADDED TO INVENTORY	2,562,000 SQ. FT.
TOTAL INVENTORY 3-20-07 *	42,487,325 SQ. FT.
TOTAL INVENTORY AVAILABLE FOR SALES/ FOR LEASE 3-20-07	2,483,000 SQ, FT.

* MANUFACTURING COMPRISES 9,333,738 SQ. FT. OF THIS AMOUNT (22.0%)