

THE PORTER REPORT

Summary of the Richmond, Virginia Industrial Market

4th Quarter 2011

2011 YEAR END SUMMARY.

⇒ For vacant and investor-owned product (min. 40k SF RBA), the 2011 industrial market has closed with a positive year-end net absorption of ▲ 375,433 SF. The year end occupancy rate is 78.2% (5.86MM SF vacant of 26.9MM SF RBA), up from 76.9% (6.2MM SF vacant of 27MM SF RBA) at the end of 2010. Additional absorption activity has been offset as the former Mazda Distribution Center located near the Richmond International Airport has come back on the market in the 4th Quarter 2011, adding an additional 317,400 SF of space to the inventory available in the NE Quadrant.

AMAZON.COM ANNOUNCES PLANS FOR AREA DISTRIBUTION CENTERS.

amazon.com The online retail giant, Amazon.com, has announced plans to have a developer construct two distribution centers of 1.1MM square feet each in Chesterfield and Dinwiddie Counties, with a total investment of \$135MM and 1,350 new jobs.

The Chesterfield site is located in the Meadowville Technology Park in the eastern portion of the county proximate to I-95/I-295/Rt. 10, and the Dinwiddie Commerce Park site is at the NW corner of I-85 and Rt. 460.

NOTE: Porter Realty Company Transactions Shown Below in Red.

SELECTED INDUSTRIAL SALE TRANSACTIONS.

⇒ 250,096 SF	SOLD at 900 Terminal Place	City of Richmond
⇒ 129,400 SF	SOLD at 4500 Sarellen Road	Henrico County
⇒ 100,000 SF	SOLD at 3801 Carolina Avenue	Henrico County
⇒ 98,286 SF	SOLD at 2500 Deepwater Terminal Road	City of Richmond
⇒ 46,480 SF	SOLD at 3703 Carolina Avenue	Henrico County

SELECTED INDUSTRIAL LEASE TRANSACTIONS.

⇒ 50,500 SF	LEASED at 14174 N. Washington Highway	Hanover County
⇒ 37,263 SF	LEASED at 2120 Maywill Street	Henrico County
⇒ 37,180 SF	LEASED at 2522 Hermitage Road	City of Richmond
⇒ 27,000 SF	LEASED at Fairgrounds Distribution Center	Henrico County
⇒ 29,687 SF	LEASED at 1601 Sherwood Avenue	City of Richmond

FEATURED PROPERTY

8433 Erle Road • Hanover County, VA

Virtual Tour Available: www.porterinc.com/8433erle

Ellerson Industrial Park Location in Mechanicsville, VA: Minutes to I-95 & I-295

60,800 SF +/- Industrial Facility

+ 2nd Story Office/Mezzanine

- Substantive Electrical Service
- Loading: 5 Doors & 2 Drive-Ins
- ~3 Acres Site Zoned M-2 Industrial
- Majority Air Conditioned
- Recent Use: Refrigeration Equipment Manufacturing
- Located East of Downtown Richmond...
- ~3.3 Miles to I-295 & I-95
- Low Tax Locality: Hanover County, VA

★ Attractively Priced: <\$1MM!

Contact Exclusive Agents:

Richard W. Porter @ 804-521-1443

Kevin E. Cox @ 804-521-1468



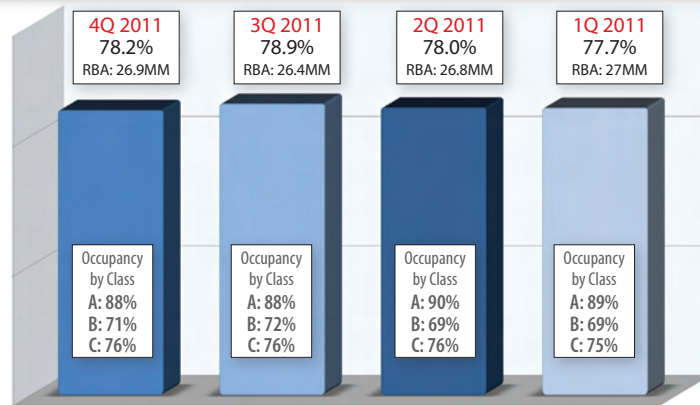
INDUSTRIAL MARKET VACANCY

4th Quarter 2011

VACANT & INVESTOR-OWNED PRODUCT 40K SF MIN RBA* EXCLUDES FLEX & OWNER-OCCUPIED PROPERTIES

*RBA Total: 26.876MM SF in 173 Existing Buildings (Class A, B, C)

YEAR END 2011: OCCUPANCY RATES & OCCUPANCY BY BUILDING CLASS



4Q 2011: The industrial occupancy rate has decreased to 78.2% (↓ from 78.9% in 3Q 2011).

Occupancy by Building Class:

Class A @ 88% (No Change from 3Q 2011)

Class B @ 71% (↓ from 72% in 3Q 2011)

Class C @ 76% (No Change from 3Q 2011)

Net Absorption from the 3Q 2011: ↓ -267,977 SF

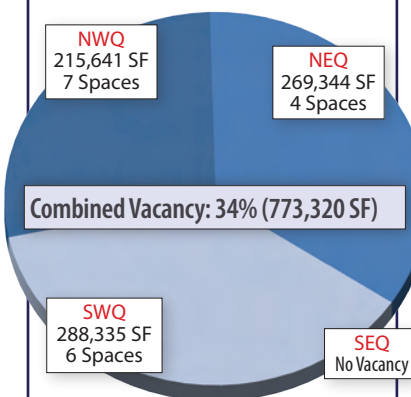
Net Absorption Year-End 2011: ↑ +375,433 SF

NOTE: CoStar (based on ALL industrial properties) reports a vacancy rate of 11%, showing no change from the 3rd quarter of 2011, based on a total 108 million square feet RBA in 2,647 existing warehouse properties (excluding flex space, but including both owner-occupied and investor-owned properties), with a positive year-end net absorption of 699,228 SF.

4TH QUARTER 2011

**Vacancy in Buildings
40k < 75k SF RBA**
RBA: 2.3MM SF (44 Buildings)

	Class A	Class B	Class C
Total Bldgs	3	21	20
Total RBA	179,455	1,061,933	1,060,205
Vacant SF	42,851	383,593	346,876
Vacancy Rate	24%	36%	33%

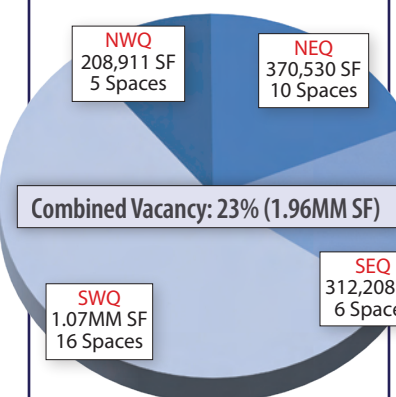


3rd Quarter 2011 Comparison:
32% (678,125 SF) Vacant
RBA: 2.13MM SF (41 Bldgs)

4TH QUARTER 2011

**Vacancy in Buildings
75k < 150k SF RBA**
RBA: 8.5MM SF (78 Bldgs)

	Class A	Class B	Class C
Total Bldgs	20	30	28
Total RBA	2,383,008	3,273,059	2,857,662
Vacant SF	237,355	997,728	726,706
Vacancy Rate	10%	30%	25%

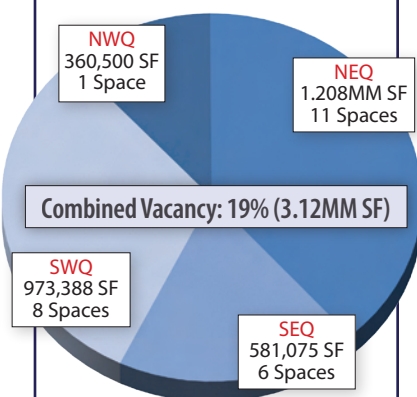


3rd Quarter 2011 Comparison:
24% (2.08MM SF) Vacant
RBA: 8.54MM SF (78 Bldgs)

4TH QUARTER 2011

**Vacancy in Buildings
150k SF Min RBA**
RBA: 16.06MM SF (51 Bldgs)

	Class A	Class B	Class C
Total Bldgs	18	20	13
Total RBA	6,071,985	4,535,709	5,453,420
Vacant SF	718,349	1,229,682	1,174,888
Vacancy Rate	12%	27%	22%



3rd Quarter 2011 Comparison:
18% (2.83MM SF) Vacant
RBA: 15.76MM SF (50 Bldgs)

15 Buildings with min 100k SF vacant (40k SF min RBA) represent 47% of the total industrial market vacancy with 2,762,055 SF

Vacancy by Bldg Class (Min 100k SF)	Class A	Class B	Class C
Total Bldgs	3	6	6
Total Vacant SF	528,663	1,005,744	1,227,648

Vacancy by Quadrant (Min 100k SF)	NWQ	NEQ	SEQ	SWQ
Total Bldgs	1	4	3	7
Total Vacant SF	360,500	828,068	439,801	1,133,686