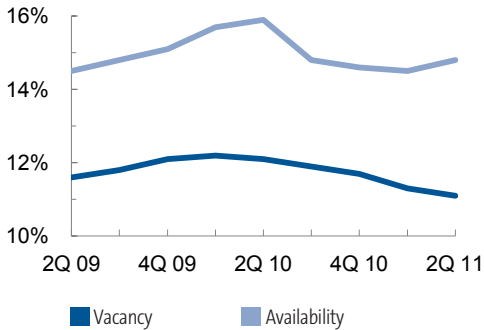
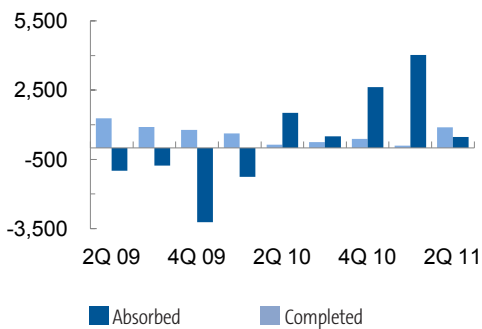


Vacancy & Availability Rates



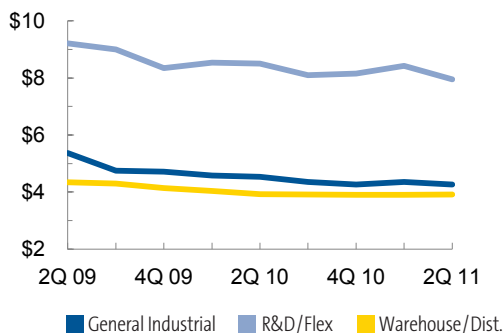
Completions vs. Absorption

(in Thousands of SF)



Asking Rental Rates

(\$/SF/Yr./Triple Net)



Filling Up Vacancies

Vacancy dropped once again by 20 basis points to 11.1 percent, further indicating positive growth for the Chicago metro industrial market. Net absorption for the quarter posted 466,092 square feet, bringing total year-to-date net absorption to just over 4.3 million square feet. Rental rates reflected an increase, reporting at \$3.91 per square foot net.

Several markets are witnessing a resurgence of filling unoccupied spaces. In the Fox Valley market, over 250,000 square feet were leased to Caterpillar Logistics Services Inc. The 463,600-square-foot building stood vacant for a year and a half after it had completed construction in 2009. The warehouse, located at 900 Bilter Road in Aurora, is now 100 percent occupied with Optimum Nutrition leasing the other half of the facility in April of this year. Another long-time vacant building in the South City market, once in use by a failed automotive parts manufacturer, will be gaining a new tenant. Appliance parts distributor, C. E. Sundberg Company, will be expanding into its new building at 5852 W 51st Street in Chicago. Fuel costs and improved expressway access were two components that propelled the company's move. The fact that retailers are positioning themselves for future expansions is a definite sign that the economy is recovering. HHGregg, a home appliance and electronics retailer, will be leasing 247,400 square feet of space at 2176 Diehl Road in Aurora. The move signifies the company's growth plans to locate a distribution center in close proximity to its Midwest retail stores. (Continued on next page)

FORECAST

- Lease renewals will rise as landlords are agreeing to provide tenant improvement allowances, as well as upgrades and attractive rent structures to existing tenants.
- While a small number of large investment portfolio deals are on the market, institutions are now releasing an influx of B class, middle-market type of industrial buildings for sale.
- Fluctuating high gas prices will continue to push demand for rail-served warehouse and manufacturing facilities.

KEY TRANSACTIONS

<p>Samsung leased 650,000 SF at 160 Southcreek Pkwy, Romeoville, IL from The Pizzuti Companies</p>	<p>Follett Higher Education leased 551,200 SF at 2805 Duke Pkwy, Aurora, IL from Duke Realty</p>	<p>James Campbell Company purchased 2-building portfolio Des Plaines, IL from ProLogis Inc for \$31.1 Million</p>
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* Indicates Transaction Represented by Grubb & Ellis

Industrial Trends Report—Second Quarter 2011

Chicago, IL



By Submarket	Total SF	Vacant SF	Vacancy %	Available %	NET ABSORPTION		Under Construction SF	ASKING RENT	
					Current Qtr	Year To Date		WH/Dist	R&D/Flex
Central Will	57,590,676	10,077,184	17.5%	22.2%	419,820	957,497	1,687,600	\$3.22	\$7.44
Far North	95,131,136	12,002,600	12.6%	14.2%	(513,367)	(360,066)	214,745	\$4.43	\$9.01
Fox Valley	77,615,985	7,815,898	10.1%	14.9%	1,554,425	1,798,520	35,000	\$3.72	\$8.26
I-39 Corridor	30,538,784	3,643,772	11.9%	18.8%	807,344	885,664	-	\$3.29	\$4.88
I-55 Corridor	72,505,700	6,683,657	9.2%	13.7%	184,401	1,846,967	-	\$3.70	\$10.71
I-88/South DuPage	8,126,988	742,200	9.1%	13.1%	75,569	42,388	-	\$4.05	\$11.15
McHenry	18,163,591	2,487,878	13.7%	14.8%	(19,095)	(19,729)	-	\$4.04	\$6.88
Near North	54,908,981	4,587,036	8.4%	11.0%	(33,430)	39,070	54,000	\$4.21	\$8.36
North City	83,821,097	8,324,511	9.9%	10.8%	256,378	288,422	-	\$4.78	\$5.72
North DuPage	85,174,799	8,995,632	10.6%	15.2%	(251,718)	338,980	-	\$3.96	\$9.17
North Kane	25,544,053	3,033,509	11.9%	16.1%	(401,026)	(185,546)	-	\$4.94	\$10.69
Northwest	38,090,833	3,961,748	10.4%	15.0%	(43,268)	6,821	-	\$4.17	\$7.88
NW Indiana	22,909,679	3,162,126	13.8%	18.4%	(257,558)	(258,558)	-	\$2.95	\$6.24
O'Hare	98,110,337	10,778,795	11.0%	15.0%	1,795	(110,832)	-	\$4.36	\$7.43
South City	109,512,977	9,834,561	9.0%	13.3%	(667,485)	(753,518)	-	\$4.21	\$5.74
South Cook	72,791,907	8,716,359	12.0%	15.4%	(215,773)	373,458	-	\$3.34	\$7.81
West Cook I	58,099,705	7,056,193	12.1%	14.3%	(313,173)	(416,459)	-	\$3.55	\$8.45
West Cook II	30,574,785	3,622,420	11.8%	17.0%	(117,747)	(104,269)	-	\$4.38	\$6.93
Totals	1,039,212,013	115,526,079	11.1%	14.8%	466,092	4,368,810	1,991,345	\$3.91	\$7.95

By Property Type	Total SF	Vacant SF	Vacancy %	Available %	Current Qtr	Year To Date	Under Construction SF	ASKING RENT	
								WH/Dist	R&D/Flex
General Industrial	359,060,216	34,224,525	9.5%	13.3%	(384,974)	526,139	-	\$4.26	
Incubator	43,704,163	1,646,903	3.8%	5.2%	(180,443)	(113,631)	-	\$6.40	
R&D/Flex	60,287,847	9,091,351	15.1%	17.5%	(320,751)	34,402	89,000	\$7.95	
Warehouse/Distribution	576,159,787	70,563,300	12.2%	16.1%	1,352,260	3,921,900	1,902,345	\$3.91	
Totals	1,039,212,013	115,526,079	11.1%	14.8%	466,092	4,368,810	1,991,345	\$4.33	

(Continued from front) Buildings obtaining LEED status remain attractive to tenants in the market as a way of reducing expenses. For instance, Samsung, the electronics company, signed a long-term lease in a 650,000-square-foot warehouse at 160 Southcreek Parkway in Romeoville. The speculative building achieved LEED Gold status. In another sizeable deal, Ozburn-Hessey Logistics, LLC completed a 270,000-square-foot lease at 1150 115th Street in Bolingbrook. The LEED certified facility includes: cross-docks, 130,000 square feet of temperature/humidity controlled space, a new roof system and skylights.

Overall, the industrial market is expected to further progress in the final quarters of 2011. While the U.S. unemployment rate did rise slightly in June to 9.2 percent, Illinois unemployment is holding at 8.9 percent, a significant drop from one year prior when the rate was 10.5 percent. Manufacturing activity has greatly aided in the economy's recovery over the last two years. The automotive industry has made a positive turnaround with auto sales expected to increase by 25 percent since 2009. This boost fuels the need for added auto manufacturing jobs. More deals for mid-sized distribution space are anticipated to appear in coming quarters. In particular, with many consumers shifting to online shopping, retailer demand for warehouse and distribution space has been on the rise.

INDUSTRIAL TERMS AND DEFINITIONS

Total SF: Industrial inventory includes all multi-tenant, single tenant and owner occupied buildings at least 10,000 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.*

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