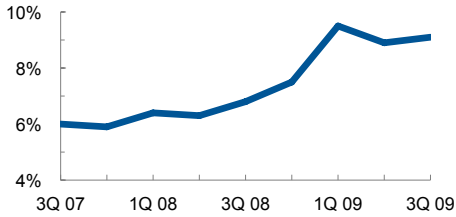


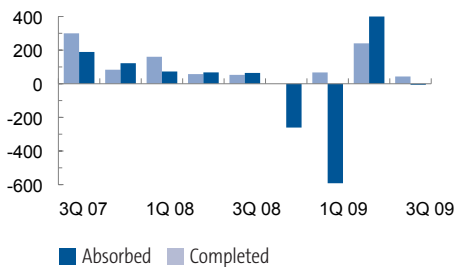
Vacancy Rate

Quarterly



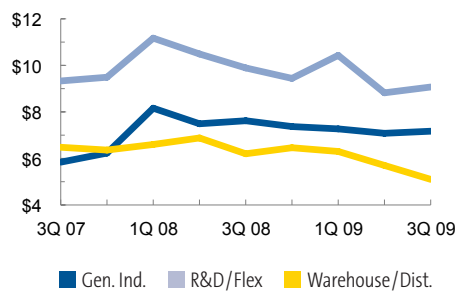
Completions vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

Quarterly (\$/SF/Yr. Full Service)



Low Rates Provide Hint of Opportunity

The market is going through a healing process shaking out weak hands. Sublease space has grown substantially compared to a year ago increasing by over 350,000 square feet. Of this, warehouse and distribution space accounted for the largest portion which added almost 275,000 square feet of vacant sublease space back into the leasing market. A lack of new construction in commercial and single family markets has contributed to a wide range of building suppliers and subcontractors deciding to close or downsize operations.

Growing vacancy levels are driving overall asking rates downward. Over the last year asking rates have fallen over 15 percent. This dramatic drop is being fueled by the disproportionate amount of sublease space on the market. Tenants who need to sublease their spaces are undercutting the market rates in an attempt to find replacement tenants. The result is a vicious cycle. In order to compete, properties with direct space available must lower their rates to be competitive with the sublease space.

On the positive side, falling rates are beginning to spur a small uptick in market activity. The window of opportunity to take advantage of low rates, abundant landlord concessions and a growing amount of vacant spaces has clearly opened. Landlords are beginning to see tenants aggressively shop for competitive bids in order to achieve better renewal rates. When moves are being made they are typically lateral or into smaller spaces.

FORECAST

- Rate concessions grow as landlords compete aggressively for tenants.
- The amount of sublease space on the market stabilizes.
- Tenants begin to look for growth opportunities

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
Goodwill Industries	Private Investors	1750 7th Street NW	14,500
Abasto Utility Locating Co.	Triad Group	104 Sin Nobre Ct. NE*	10,000
Air Management Services	Private Investors	4516 Anaheim NE	28,750
Owens & Minor	EJM Development	8000 Bluewater NW*	10,500

■ Leasing ■ Sales (R) = Renewal (S) = Sublease * Indicates Transaction Represented by Grubb & Ellis

Industrial Trends Report—Third Quarter 2009

Albuquerque, NM



By Submarket	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
Airport	844,176	78,840	9.3%	-	(3,235)	-	\$6.00	-
Downtown	3,345,673	551,055	16.5%	56,286	(79,169)	-	\$3.91	-
Far Northeast Heights	215,664	4,000	1.9%	-	(2,000)	-	-	-
Mesa Del Sol	639,334	-	-	-	225,000	-	-	-
North I-25	15,675,654	1,298,453	8.3%	(21,952)	(224,676)	93,686	\$5.49	\$9.36
North Valley	1,591,795	191,187	12.0%	(7,000)	34,251	-	\$4.19	-
Northeast Heights	358,801	71,232	19.9%	5,000	(6,451)	-	\$5.41	\$3.45
Rio Rancho	6,072,679	114,847	1.9%	17,516	41,925	-	-	\$10.01
South Valley	2,514,632	252,562	10.0%	(24,412)	(122,829)	-	\$4.47	-
Southeast Heights	1,492,713	280,364	18.8%	(8,560)	(10,256)	-	\$5.25	\$8.77
University	193,960	5,600	2.9%	4,800	4,800	-	\$3.00	-
West Mesa	3,873,253	487,150	12.6%	(27,690)	(48,045)	-	\$6.70	-
Totals	36,818,334	3,335,290	9.1%	(6,012)	(190,685)	93,686	\$5.10	\$9.07

By Property Type	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
General Industrial	18,007,955	1,202,268	6.7%	50,540	397,092	93,686	\$7.17	-
Incubator	12,000	-	-	-	-	-	-	-
R&D/Flex	4,145,802	648,032	15.6%	(42,224)	(112,062)	-	\$9.07	-
Warehouse/Distribution	14,652,577	1,484,990	10.1%	(14,328)	(475,715)	-	\$5.10	-
Totals	36,818,334	3,335,290	9.1%	(6,012)	(190,685)	93,686	\$6.68	

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INDUSTRIAL TERMS AND DEFINITIONS

Inventory: 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.