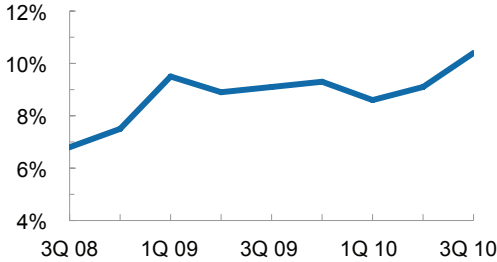


Vacancy Rate



Misleading Jump

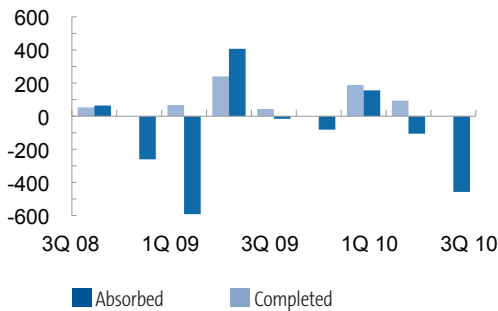
Sometimes looks can be deceiving. Normally a 130 basis point jump in vacancy is not a good sign. This quarter's increase, however, can be tied to a large manufacturing plant shutting down. GE Aviation has closed its 477,000-square-foot plant in the South Valley. Since this plant is over 40 years old and reportedly needs major environmental remediation work, it is likely to be torn down. Given this, the impact of this closure on the market is negligible.

Without this closure, vacancy would actually have remained virtually the same and absorption of space would be a positive 20,000 square feet. It appears there is really no rhyme or reason to the market. Tenants are willing to make lateral moves if the terms and functionality are acceptable. Landlords of older properties are much more willing to make deals but tenants, if they can make a move, generally want to upgrade into newer properties. Landlords of newer properties are not as motivated to give rate concessions.

Combined with economic uncertainty, existing landlords who are fighting to keep tenants, and a lack of new and existing tenants looking for growth opportunities, the net result appears to be market stagnation. To deal with the stagnation some landlords are also doing deals with non-traditional tenants such as charter schools and churches. These types of tenants are very rate sensitive and willing to taking advantage of the affordability industrial properties offer compared to most office and retail properties.

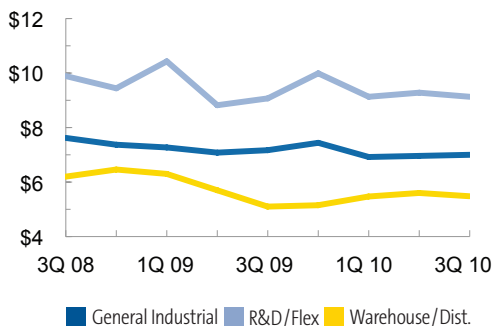
Completions vs. Absorption

(in Thousands of SF)



Asking Rental Rates

(\$/SF/Yr. Triple Net)



FORECAST

- Demand should increase slightly for newer properties.
- Tenants will become more realistic with concessions.
- Speculative construction expected to remain dormant.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
<ul style="list-style-type: none"> ■ The Ask Academy 	Valley View Office Park, LLC*	4311 Sara Rd SE	24,110
<ul style="list-style-type: none"> ■ Academy of Trade & Technology* 	Private Investors	2551 Karsten SE	20,771

■ Leasing ■ Sales

(R) = Renewal (S) = Sublease

* Indicates Transaction Represented by Grubb & Ellis

Industrial Trends Report—Third Quarter 2010

Albuquerque, NM



By Submarket	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current Qtr	Year To Date		WH/Dist	R&D/Flex
Airport	873,746	94,460	10.8%	15,883	13,545	-	\$4.92	\$11.25
Downtown	3,196,183	387,565	12.1%	37,932	138,757	-	\$4.00	-
Far Northeast Heights	215,664	2,000	0.9%	(2,000)	-	-	-	-
Mesa Del Sol	639,334	6,704	1.0%	(6,704)	(6,704)	-	-	-
North I-25	15,960,325	1,378,136	8.6%	(40,004)	77,001	-	\$6.16	\$9.54
North Valley	1,577,368	121,973	7.7%	-	12,854	-	\$4.63	\$6.12
Northeast Heights	359,059	41,227	11.5%	-	19,484	-	\$5.88	\$3.45
Rio Rancho	6,072,679	140,282	2.3%	13,875	(45,290)	-	\$4.50	\$6.50
South Valley	2,574,876	867,390	33.7%	(470,198)	(594,030)	-	\$4.59	-
Southeast Heights	1,483,861	256,364	17.3%	(6,000)	14,786	-	\$5.09	\$9.20
University	193,960	18,600	9.6%	-	(13,000)	-	\$3.00	-
West Mesa	3,831,913	515,441	13.5%	(134)	(24,269)	-	\$6.53	-
Totals	36,978,968	3,830,142	10.4%	(457,350)	(406,866)	-	\$5.48	\$9.13

By Property Type	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT
				Current Qtr	Year To Date		
General Industrial	18,249,856	1,662,157	9.1%	(446,217)	(221,288)	-	\$7.00
Incubator	12,000	-	-	-	-	-	-
R&D/Flex	4,105,103	615,066	15.0%	(4,371)	(65,546)	-	\$9.13
Warehouse/Distribution	14,612,009	1,552,919	10.6%	(6,762)	(120,032)	-	\$5.48
Totals	36,978,968	3,830,142	10.4%	(457,350)	(406,866)	-	\$6.57

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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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