CORFAC International

King

King Industrial Realty, Inc.

Atlanta Industrial Market

Third Quarter 2015

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The Atlanta Distribution Market

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The Atlanta Industrial Market

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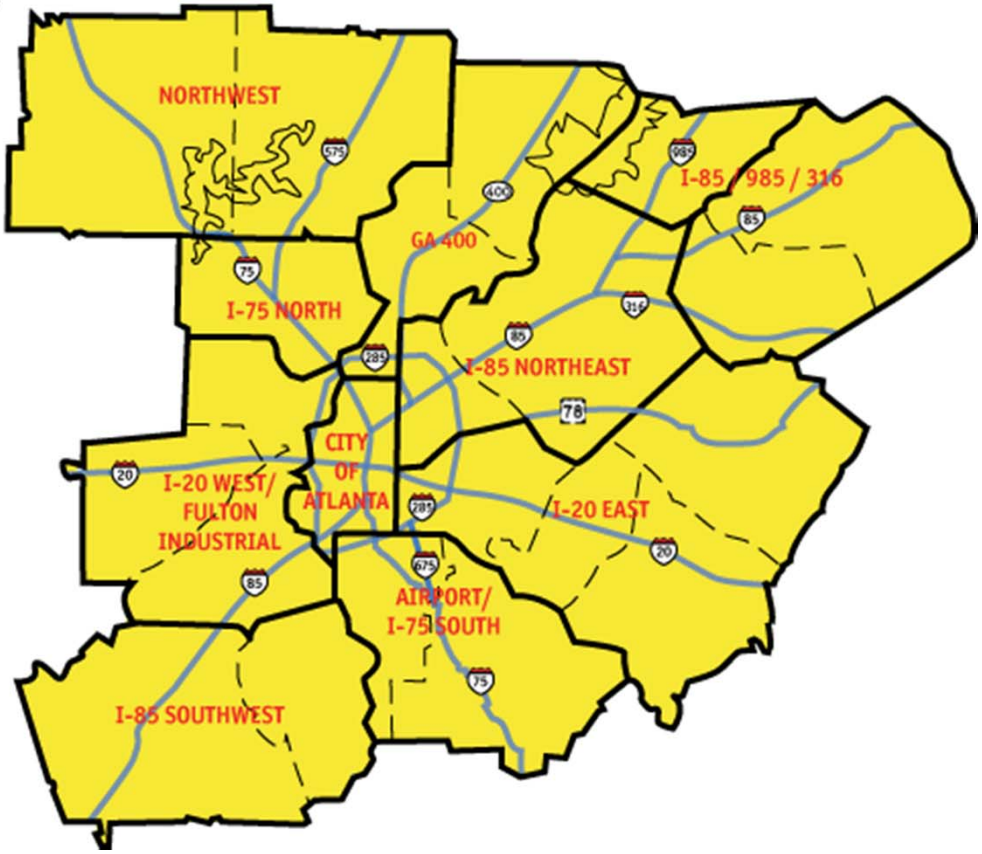
PinPoint^{sm} Technology

– 10 Regions

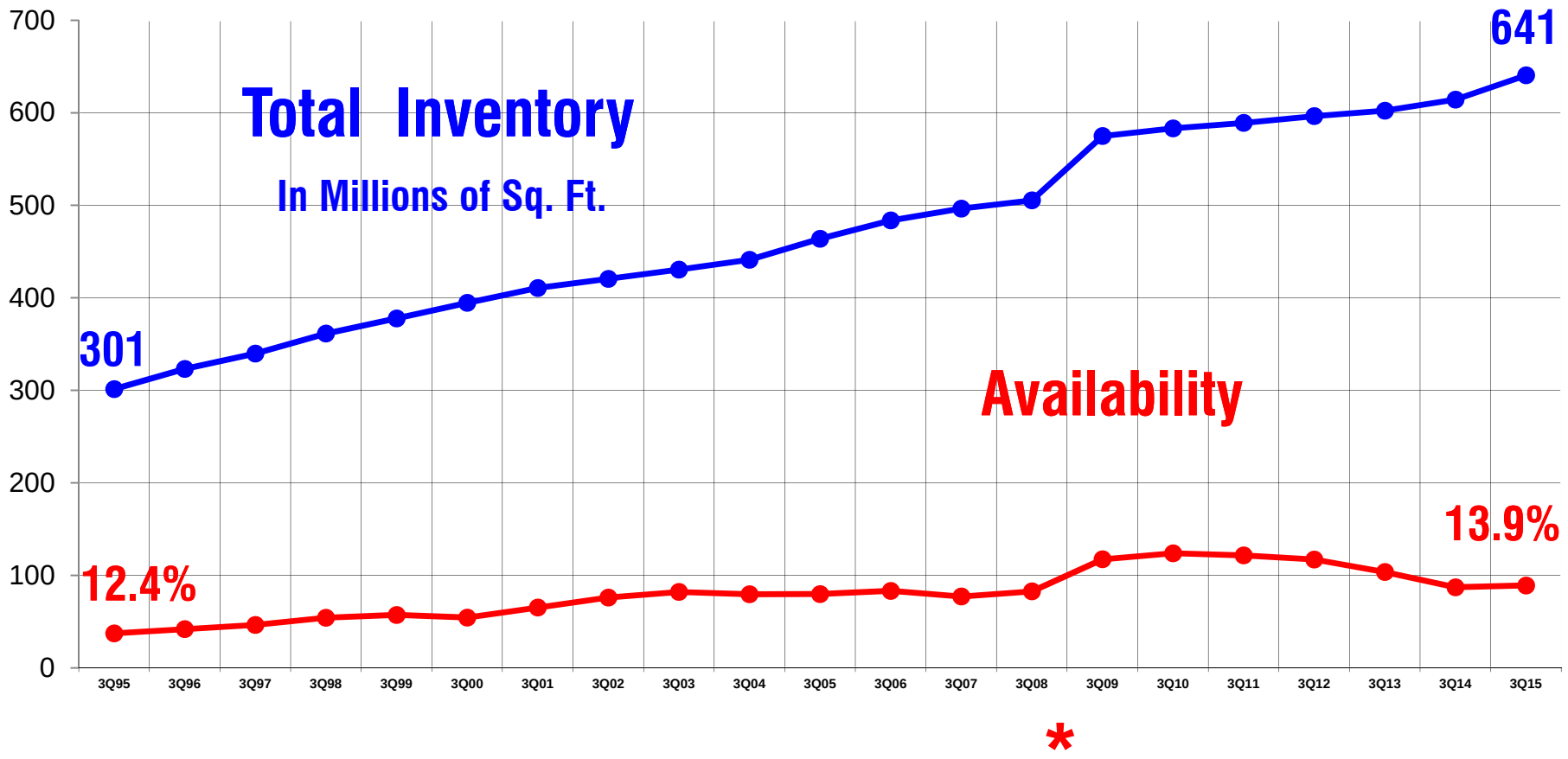
(distribution & service)

- 665 million sq. ft.
- 13,856 buildings
- 23,044 businesses



Source data compiled from PinPoint^{sm}, a proprietary database owned by King Industrial Realty, Inc. Every effort has been made to provide accurate information, but no liability is assumed for errors and omissions.

Distribution Inventory: 1995-2015



*Analysis expanded to include 8 additional counties.

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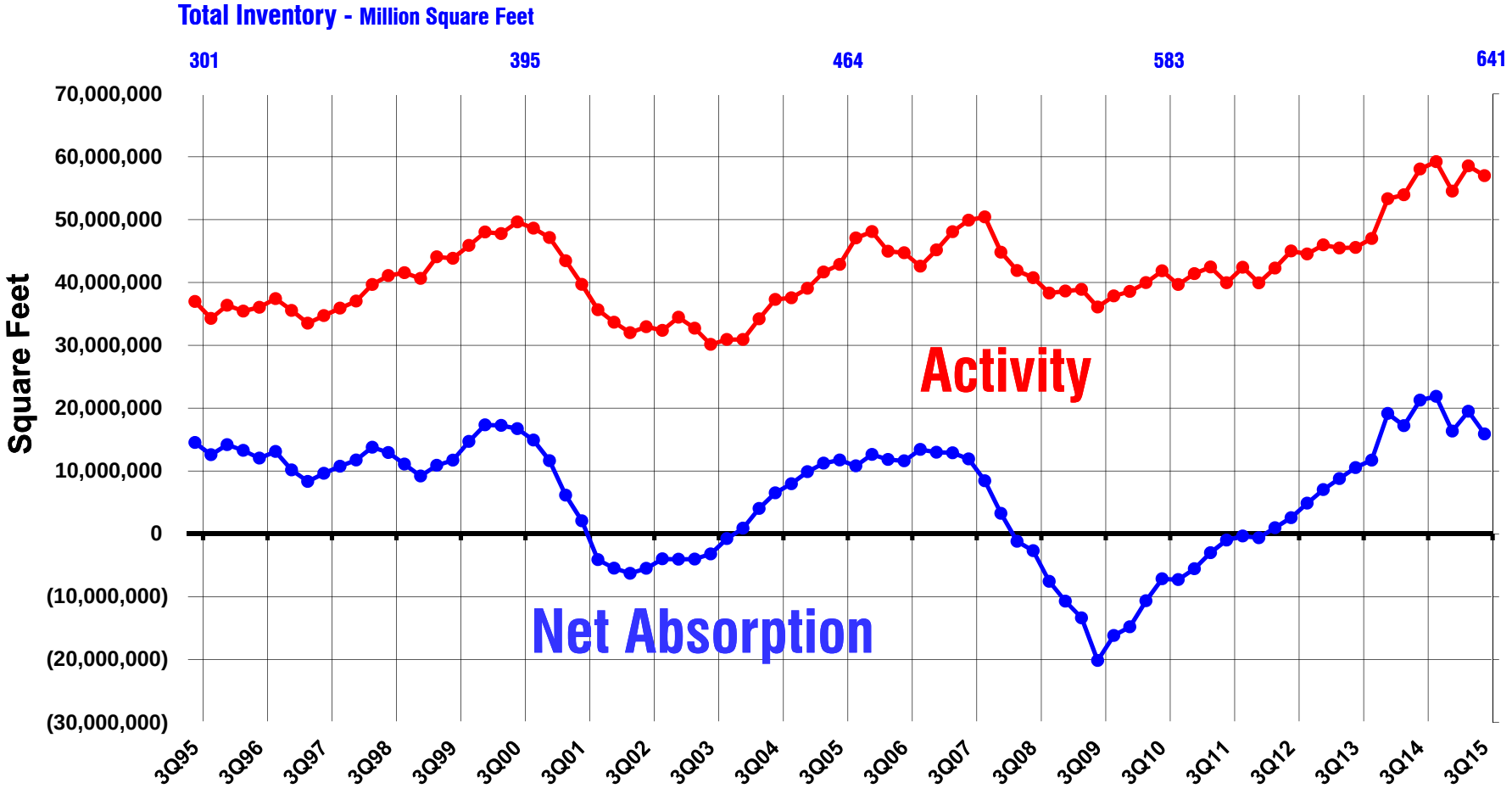
Absorption and Activity



Numbers represent four rolling quarters. * Analysis expanded to include 8 additional counties.

*

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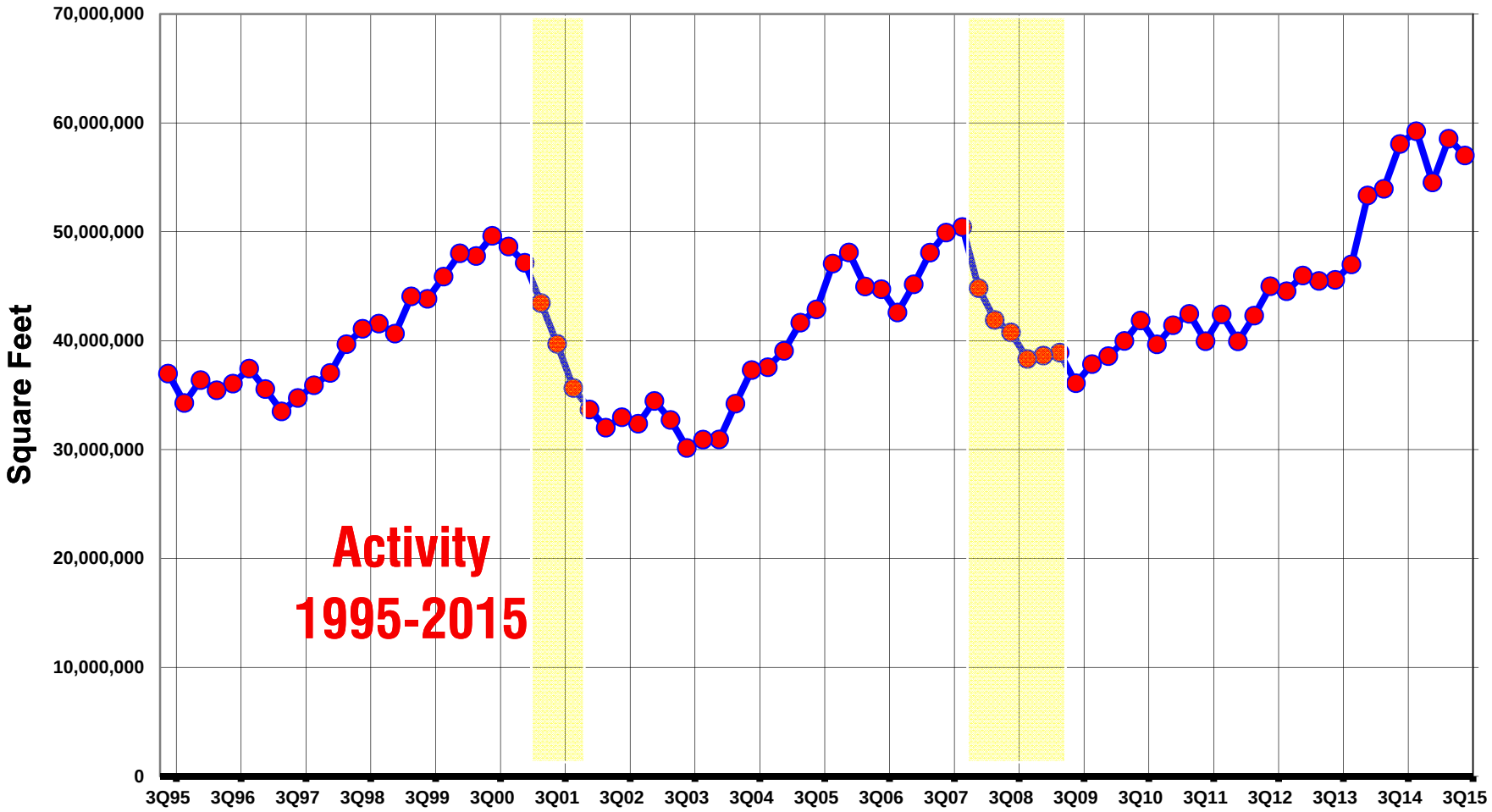
Activity



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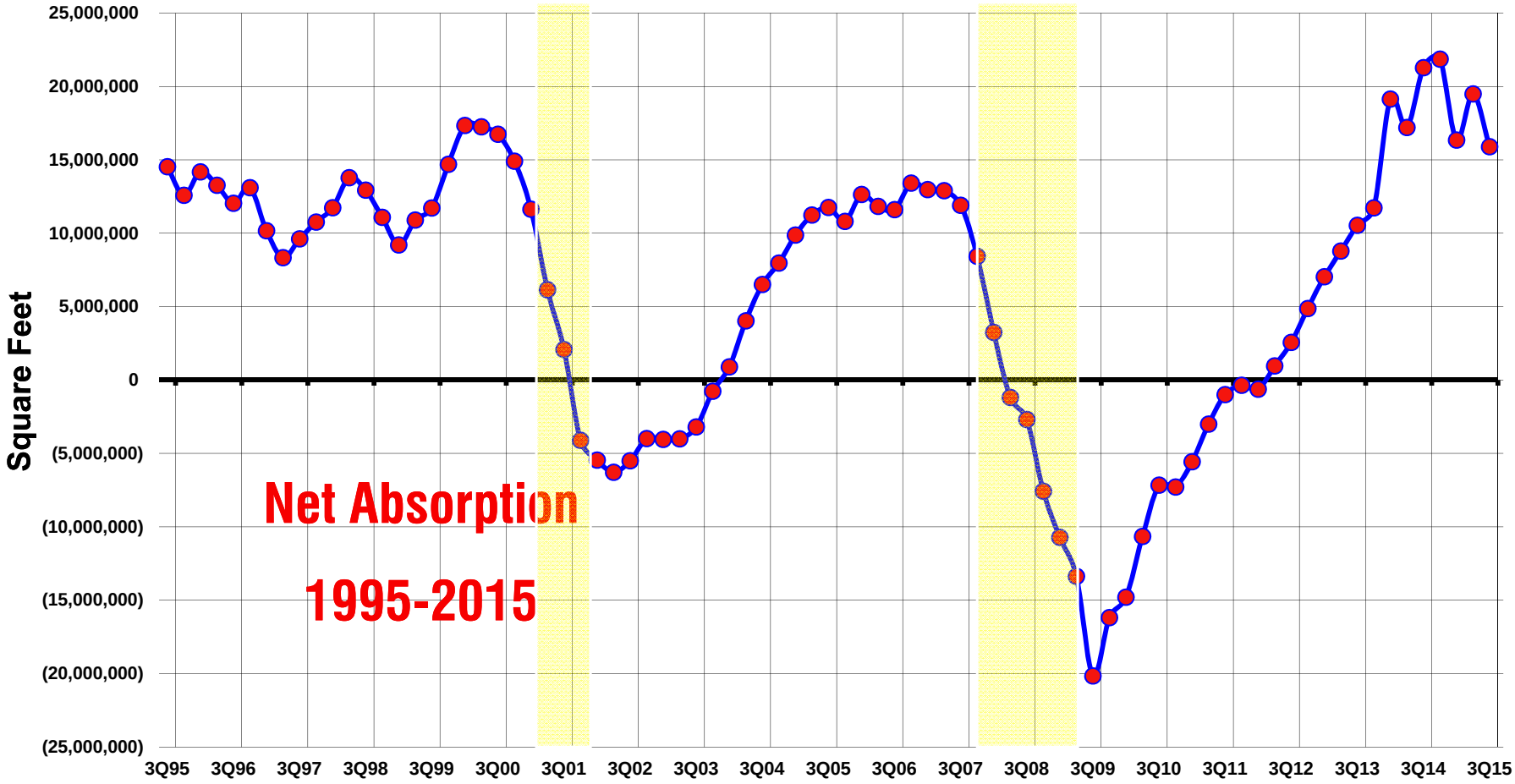
* = US Recessions

Absorption



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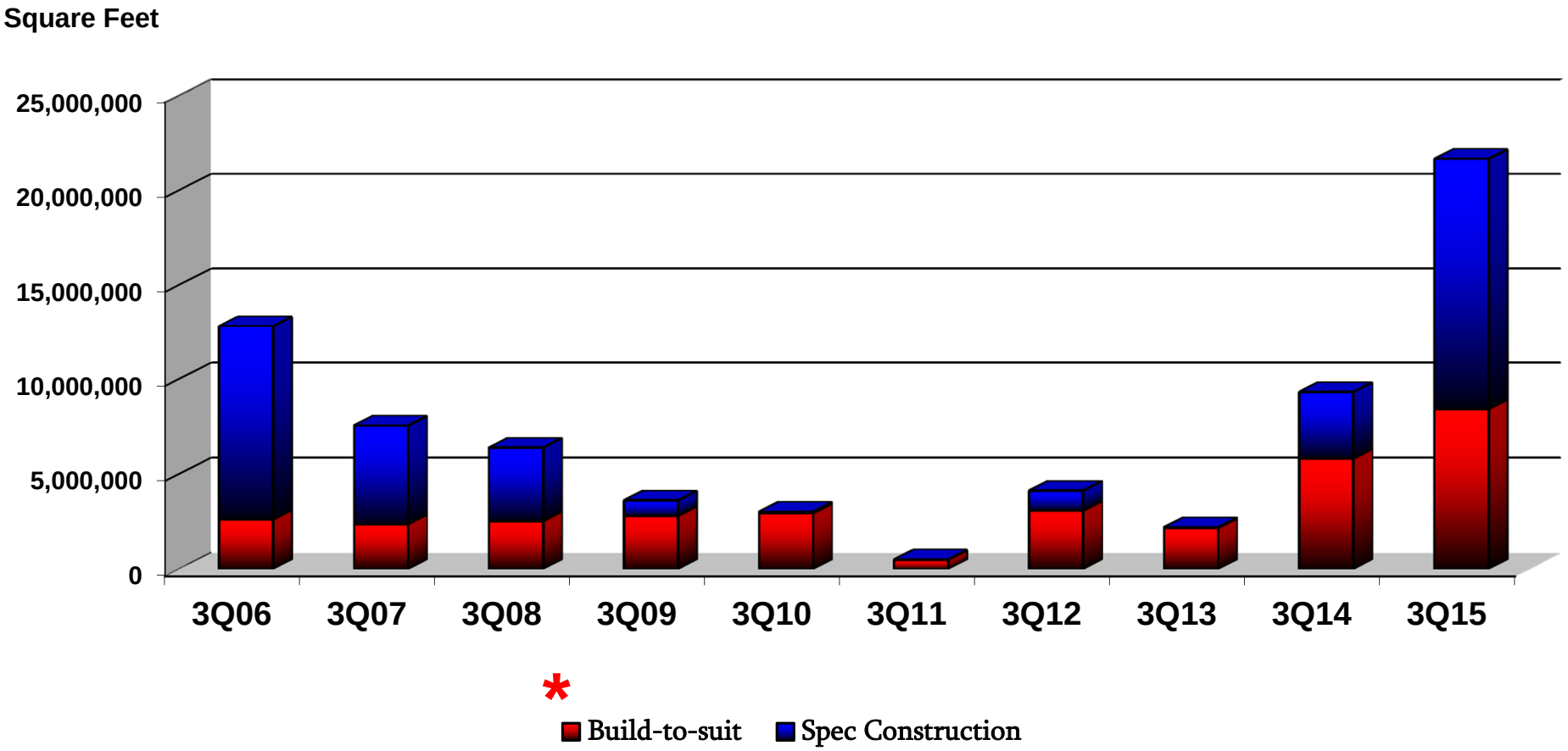
* = US Recessions

New Construction: 2006-2015



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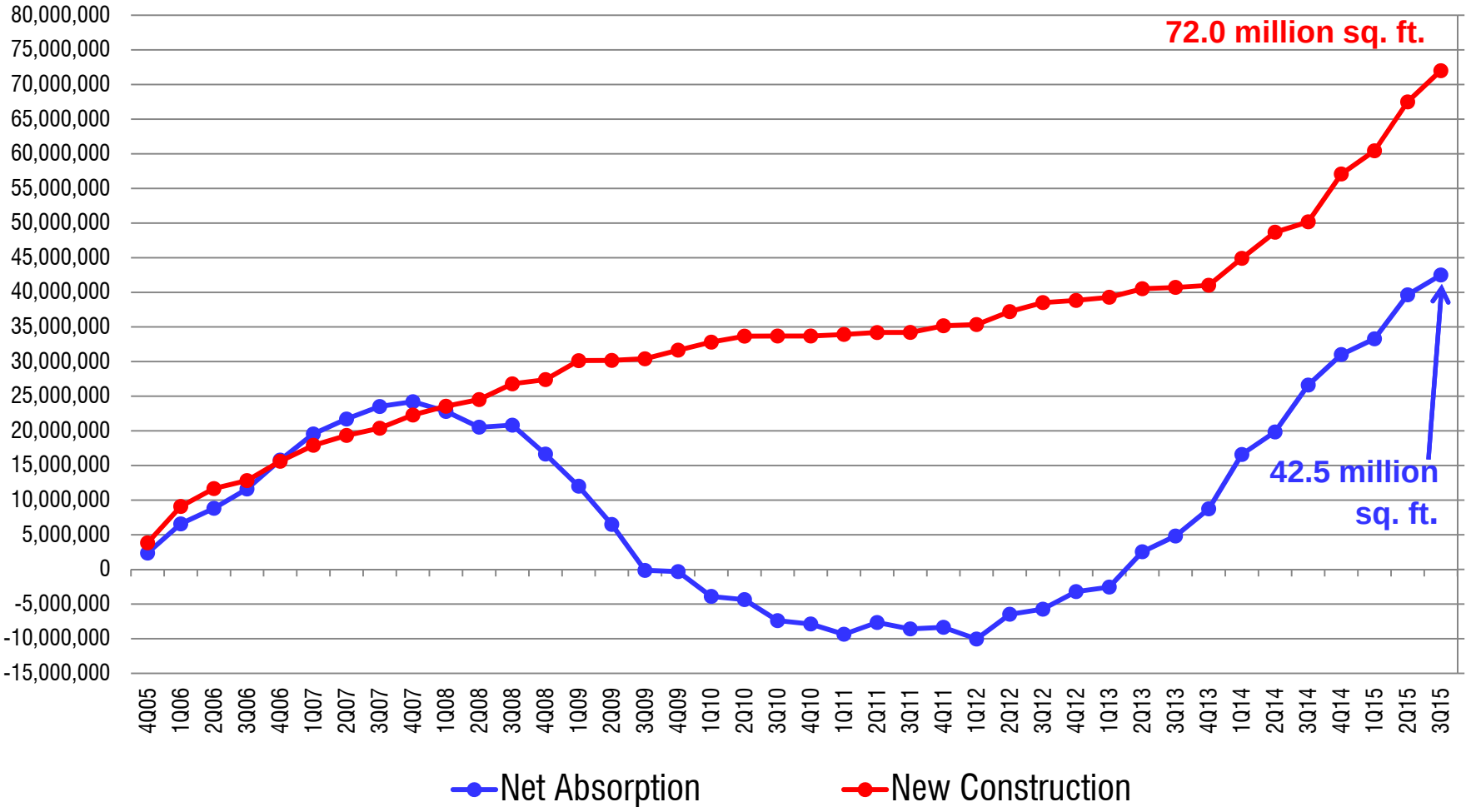
10 Year Cumulative Net Absorption vs. Construction



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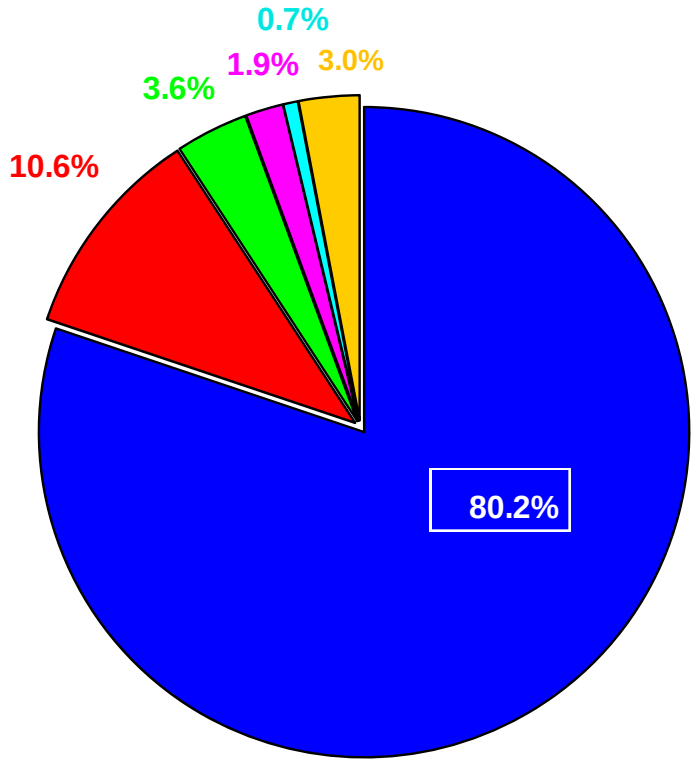
Deals Completed



- Under 19,999 SF — 2,316 Deals
- 20,000-39,999 SF — 307 Deals
- 40,000-59,999 SF — 104 Deals
- 60,000-79,999 SF — 54 Deals
- 80,000-99,999 SF — 21 Deals
- 100,000 & up — 87 Deals

Numbers represent four rolling quarters as of 3Q 2015.

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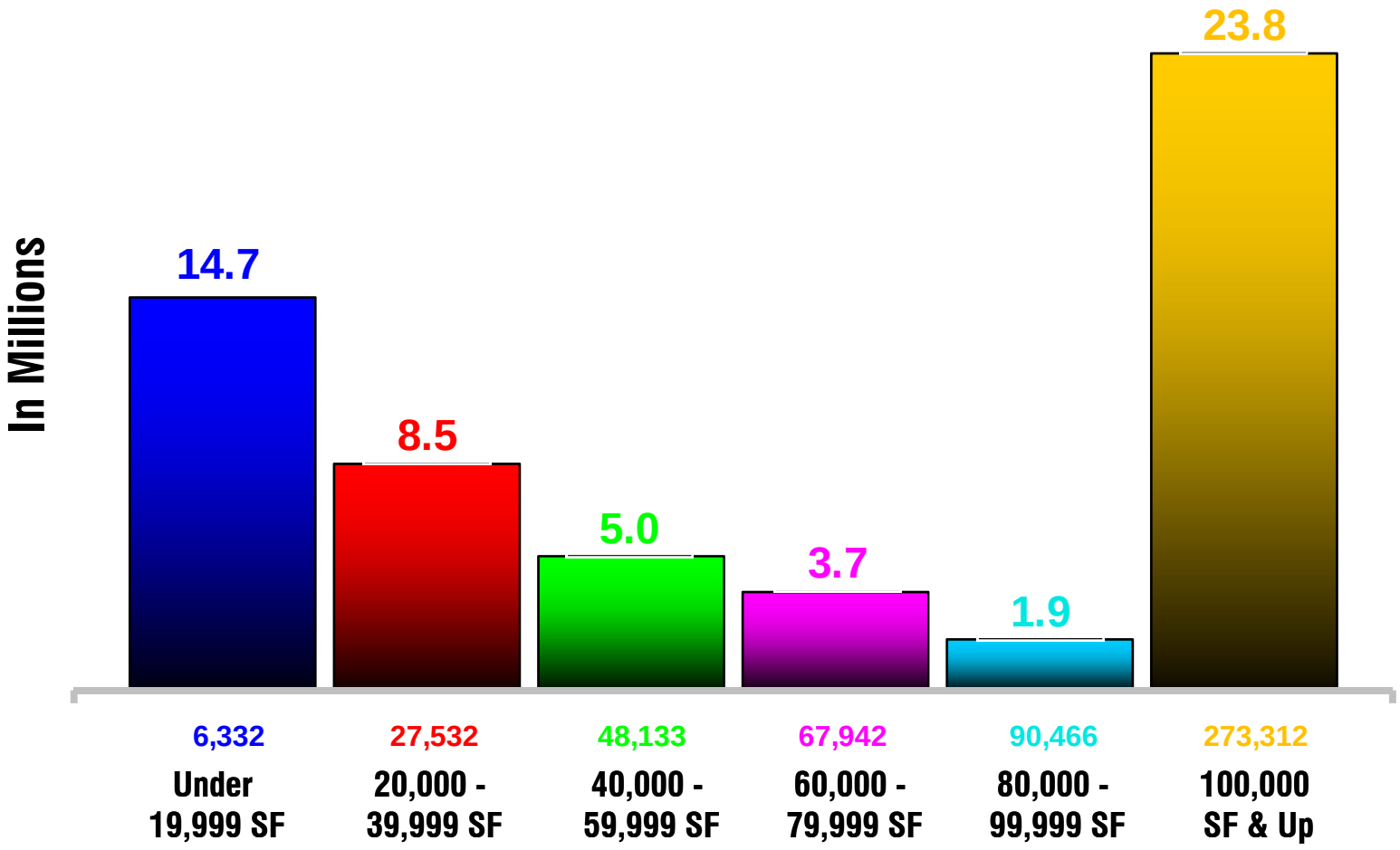
Square Feet Leased



Numbers represent four rolling quarters as of 3Q 2015.

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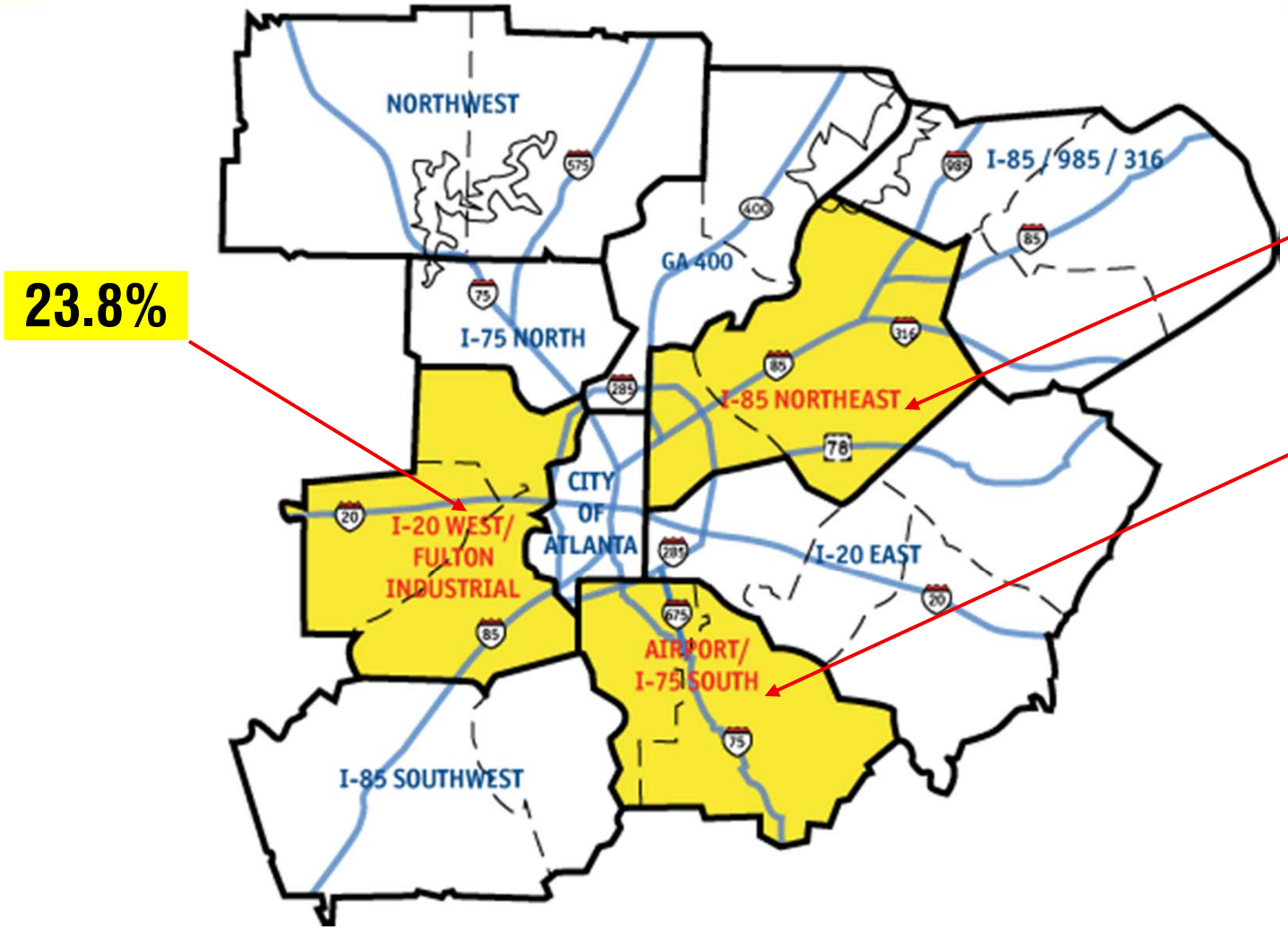
Distribution Hot Markets

2015 Activity



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Distribution Hot Markets

2015 Absorption

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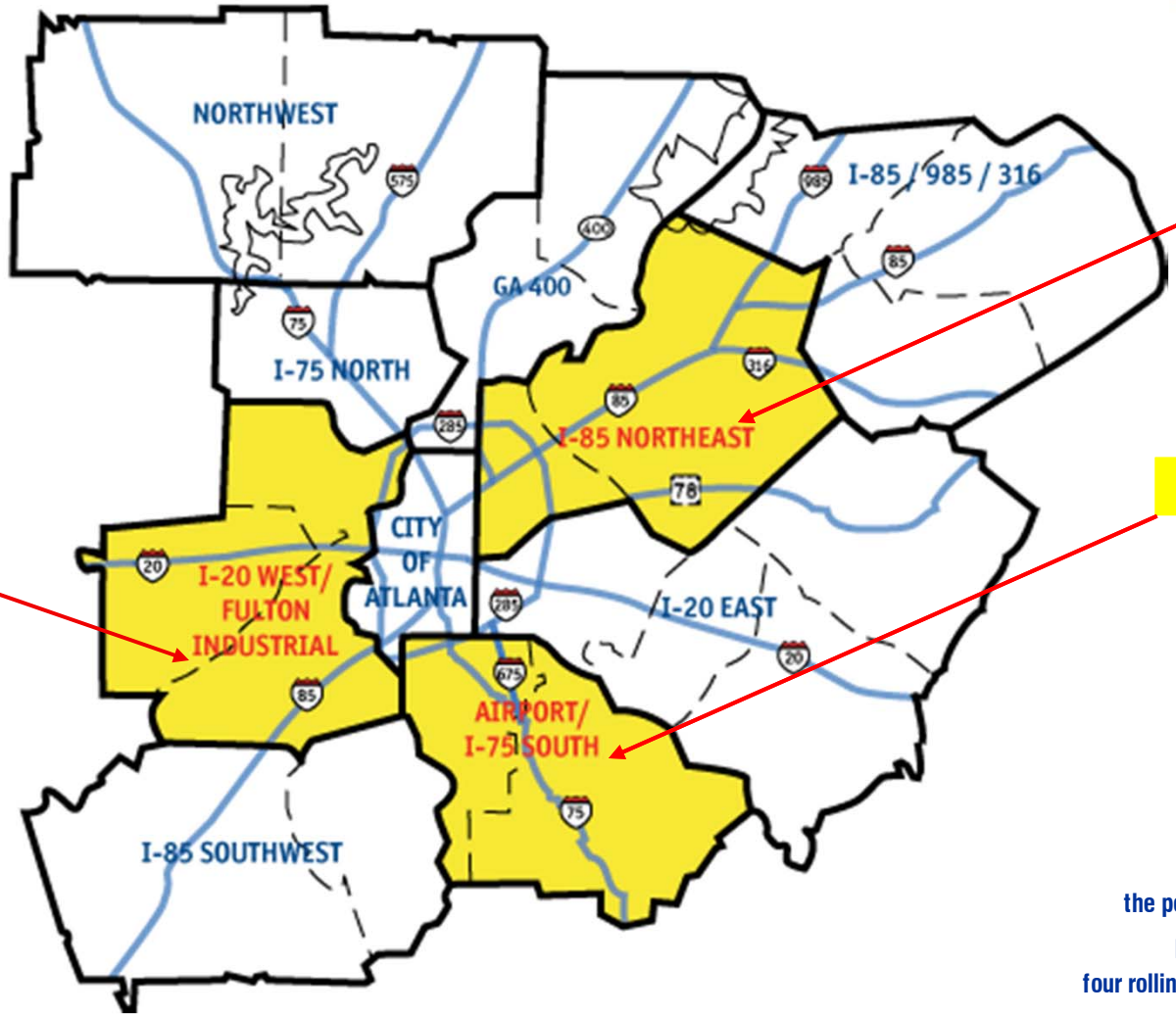
The I-85 Southwest, I-75 North & Georgia 400 regions reported negative absorption for the 4 rolling quarters.



23.4%

19.9%

34.5%

Numbers represent the percentage of the market's positive net absorption for four rolling quarters as of 3Q 2015.

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Conclusion

If You Build It, They Will Come!

- 57.0 million sf of activity, 4th highest on record
- 15.9 million sf of positive net absorption, 14th consecutive quarter of positive net absorption
- 21.7 million sf of construction, a record number – **61% Spec, 39% BTS**
- Sublease space fell (0.3%) to 4.2% of all available space
- Lending environment is business friendly
- Declining unemployment rates – Atlanta ↓5.7%, Georgia ↓5.9%, US ↓5.1%
  (August report US Bureau of Labor Statistics)
- Housing market continues to improve, still room for improvement
- National and international uncertainty still persists
  (taxes, health care, IRS, border crisis, issues with the Euro-Zone & the Middle East)

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Q & A

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