The CoStar Industrial Report

First Quarter 2015

Nassau and Suffolk County Industrial Market

CoStar™
The knowledge market

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CoStar™ **Nassau and Suffolk County** Industrial Market

Methodology

The CoStar Industrial Report calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex/research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property. The quoted rental rate is exclusive of the expense pass through associated with the rent.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Nassau and Suffolk County Industrial Market

Overview

Nassau and Suffolk County's Vacancy Stays at 4.6%

Net Absorption Positive 5,304 SF in the Quarter

The Nassau and Suffolk County Industrial market ended the first quarter 2015 with a vacancy rate of 4.6%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 5,304 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 221,340 square feet. Rental rates ended the first quarter at $9.84, an increase over the previous quarter. There was 52,000 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Nassau and Suffolk County Industrial market was positive 5,304 square feet in the first quarter 2015. That compares to positive 182,000 square feet in the fourth quarter 2014, positive 193,833 square feet in the third quarter 2014, and negative (15,473) square feet in the second quarter 2014.

Tenants moving out of large blocks of space in 2015 include: Design Works Crafts Inc. moving out of (25,493) square feet at 170 Wilbur Pl, and Custom Bandag moving out of (5,000) square feet at 1601 Artic Ave.

Tenants moving into large blocks of space in 2015 include: Sub Zero moving into 120,550 square feet at 300 Michael Dr, Ruby Has LLC moving into 75,000 square feet at 5 Inez Dr, and Kangaroo Pak Inc. moving into 46,946 square feet at 335 New South Rd.

The Flex building market recorded net absorption of negative (42,605) square feet in the first quarter 2015, compared to negative (136,514) square feet in the fourth quarter 2014, positive 19,451 in the third quarter 2014, and positive 142,860 in the second quarter 2014.

The Warehouse building market recorded net absorption of positive 47,909 square feet in the first quarter 2015 compared to positive 318,514 square feet in the fourth quarter 2014, positive 174,382 in the third quarter 2014, and negative (158,333) in the second quarter 2014.

Vacancy

The Industrial vacancy rate in the Nassau and Suffolk County market area remained at 4.6% at the end of the first quarter 2015. The vacancy rate was 4.6% at the end of the fourth quarter 2014, 4.7% at the end of the third quarter 2014, and 4.6% at the end of the second quarter 2014.

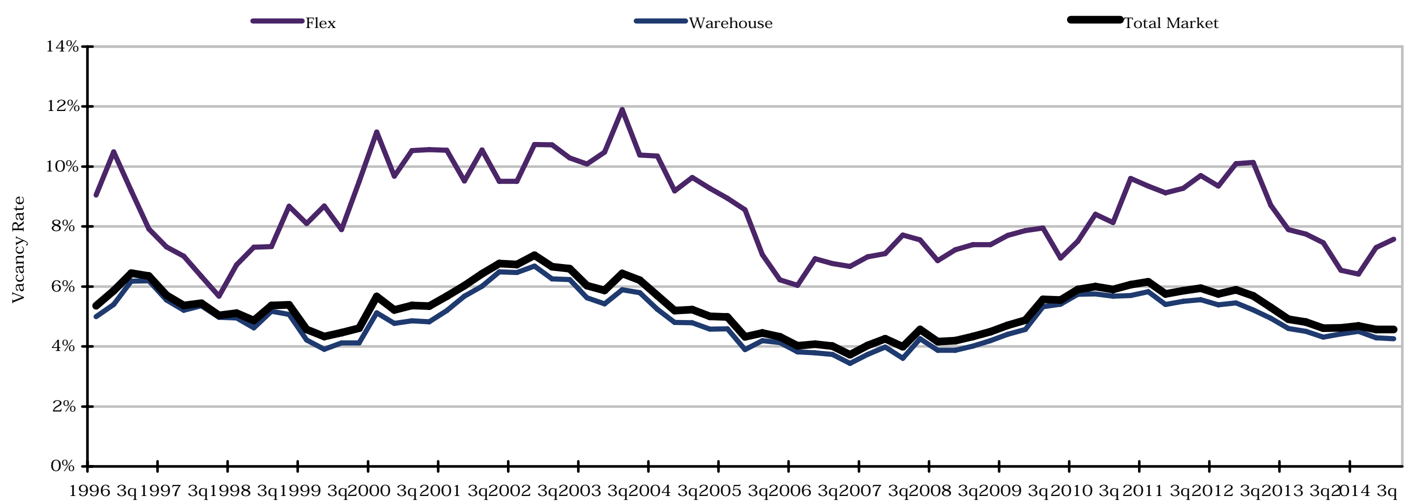
Flex projects reported a vacancy rate of 7.6% at the end of the first quarter 2015, 7.3% at the end of the fourth quarter 2014, 6.4% at the end of the third quarter 2014, and 6.5% at the end of the second quarter 2014.

Warehouse projects reported a vacancy rate of 4.3% at the end of the first quarter 2015 and fourth quarter 2014, 4.5% at the end of the third quarter 2014, and 4.4% at the end of the second quarter 2014.

Largest Lease Signings

The largest lease signings occurring in 2015 included: the 260,000-square-foot lease signed by InvaGen Pharmaceuticals Inc at 275 Carleton Ave in the Western Suffolk market; the 149,870-square-foot deal signed by L-3 Communications Narda Satellite Networks at 435 Moreland Rd in the Western Suffolk market; and the 80,000-square-foot lease signed by

Vacancy Rates by Building Type 1996-2015



Source: CoStar Property®

Nassau and Suffolk County Industrial Market

Alphamed Bottles Inc. at 275A Carleton Ave in the Western Suffolk market.

Sublease Vacancy

The amount of vacant sublease space in the Nassau and Suffolk County market decreased to 221,340 square feet by the end of the first quarter 2015, from 236,798 square feet at the end of the fourth quarter 2014. There was 196,698 square feet vacant at the end of the third quarter 2014 and 150,551 square feet at the end of the second quarter 2014.

Nassau and Suffolk County's Flex projects reported vacant sublease space of 10,700 square feet for the last four quarters.

Warehouse projects reported decreased vacant sublease space from the fourth quarter 2014 to the first quarter 2015. Sublease vacancy went from 226,098 square feet to 210,640 square feet during that time. There was 185,998 square feet at the end of the third quarter 2014, and 139,851 square feet at the end of the second quarter 2014.

Rental Rates

The average quoted asking rental rate for available Industrial space was $9.84 per square foot per year at the end of the first quarter 2015 in the Nassau and Suffolk County market area. This represented a 4.2% increase in quoted rental rates from the end of the fourth quarter 2014, when rents were reported at $9.44 per square foot.

The average quoted rate within the Flex sector was $13.06 per square foot at the end of the first quarter 2015, while Warehouse rates stood at $9.51. At the end of the fourth quarter 2014, Flex rates were $12.78 per square foot, and Warehouse rates were $9.11.

Deliveries and Construction

During the first quarter 2015 and fourth quarter 2014, no new space was completed in the Nassau and Suffolk County market area. This compares to two buildings totaling 308,000 square feet completed in the third quarter 2014, and nothing completed in the second quarter 2014.

There were 52,000 square feet of Industrial space under construction at the end of the first quarter 2015.

The project underway at the end of first quarter 2015 was 17 N Belle Mead Rd – Bldgs 1 & 2, a 40,000-square-foot building and a 12,000 square-foot building respectively. All of the space in both buildings is pre-leased.

Inventory

Total Industrial inventory in the Nassau and Suffolk County market area amounted to 163,998,372 square feet in 6,469 buildings as of the end of the first quarter 2015. The Flex sector consisted of 15,469,021 square feet in 428 projects. The Warehouse sector consisted of 148,529,351 square feet in 6,041 buildings. Within the Industrial market there were 1,114 owner-occupied buildings accounting for 35,832,567 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Nassau and Suffolk County industrial sales figures fell during the fourth quarter 2014 in terms of dollar volume compared to the third quarter of 2014.

In the fourth quarter, 20 industrial transactions closed with a total volume of $75,905,610. The 20 buildings totaled 850,358 square feet and the average price per square foot equated to $89.26 per square foot. That compares to 20 transactions totaling $93,770,881 in the third quarter. The total square footage was 1,043,246 for an average price per square foot of $89.88.

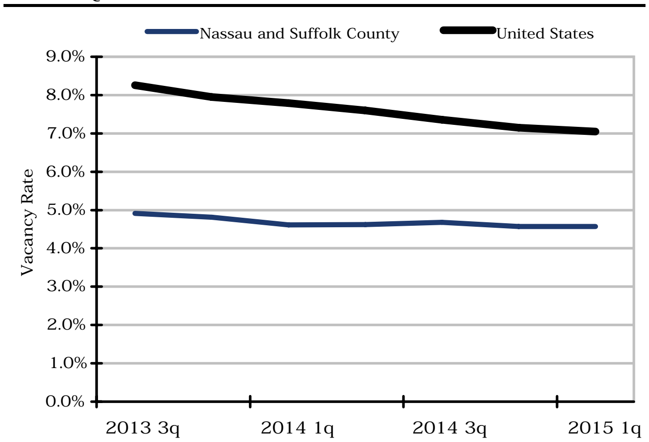
Total year-to-date industrial building sales activity in 2014 is up compared to the previous year. In the twelve months of 2014, the market saw 83 industrial sales transactions with a total volume of $324,907,546. The price per square foot has averaged $79.16 this year. In the twelve months of 2013, the market posted 77 transactions with a total volume of $230,718,450. The price per square foot averaged $66.17.

Cap rates have been lower in 2014, averaging 8.03%, compared to the twelve months of last year when they averaged 9.18%.

One of the largest transactions that occurred within the last four quarters in the Nassau and Suffolk County market is the sale of FedEx Ground in Bohemia. This 158,000 square foot industrial building sold for $29,976,954, or $189.73 per square foot. The property sold on 9/19/2014.

U.S. Vacancy Comparison

Past 7 Quarters



Source: CoStar Property®

Reports compiled by: Ashumi Lee and Raymond Hill, CoStar Research Managers.

CoStar Submarket Clusters & Submarkets

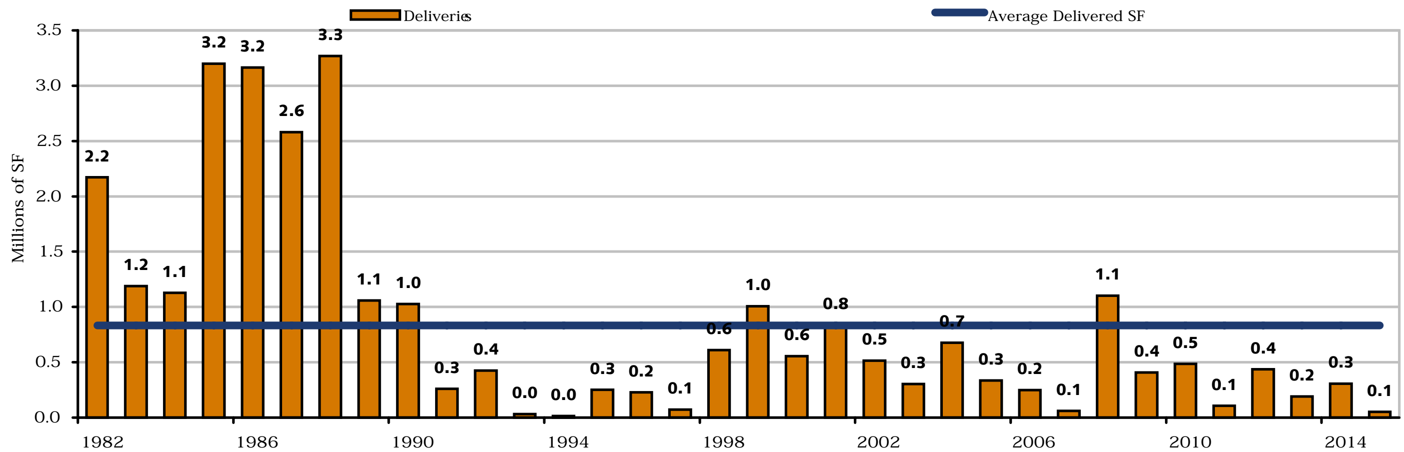
In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets
Central Suffolk Ind	North Central Suffolk Ind Ronkonkoma/Bohemia Ind South Central Suffolk Ind
Nassau Ind	Central Nassau Ind Eastern Nassau Ind Northern Nassau Ind Southeast Nassau Ind Southern Nassau Ind Western Nassau Ind
Western Suffolk Ind	Deer Park Ind East Farmingdale Ind Hauppauge Ind Northwest Suffolk Ind Southwest Suffolk Ind

Nassau and Suffolk County Industrial Market

Inventory & development

Historical Deliveries 1982 - 2015



Source: CoStar Property®   * Future deliveries based on current under construction buildings.

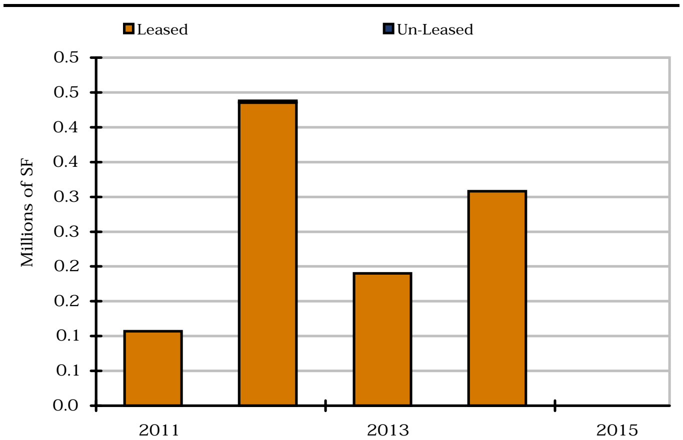
Construction Activity Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Central Suffolk Ind	2	52,000	52,000	100.0%	23,906	26,000
Western Suffolk Ind	0	0	0	0.0%	27,250	0
Nassau Ind	0	0	0	0.0%	23,909	0
Totals	2	52,000	52,000	100.0%	25,351	26,000

Source: CoStar Property®

Recent Deliveries

Leased & Un-Leased SF in Deliveries Since 2011



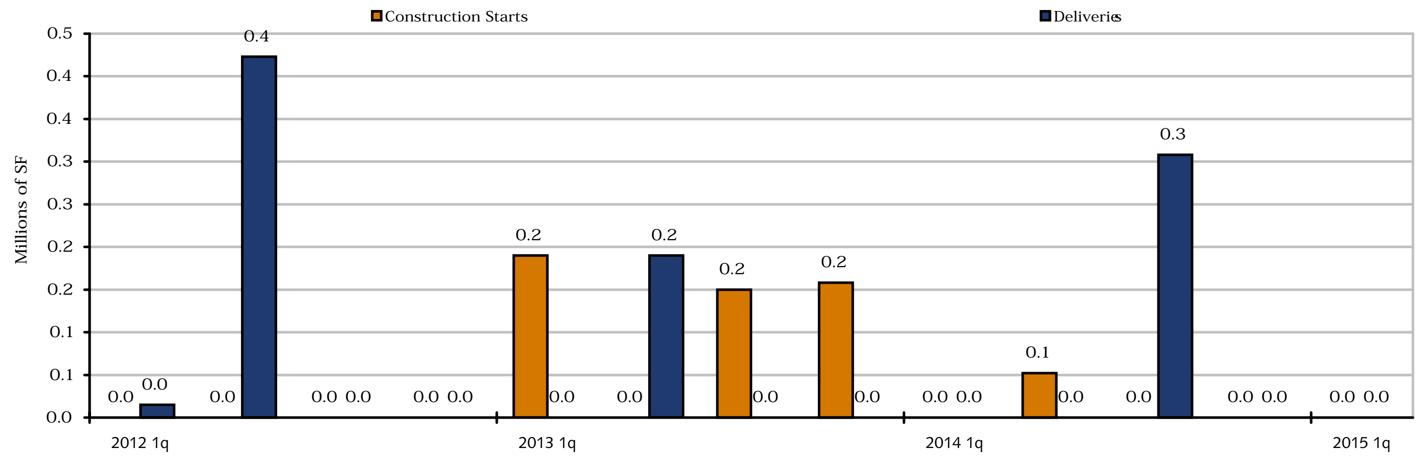
Source: CoStar Property®

Nassau and Suffolk County Industrial Market

Inventory & development

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

Recent Deliveries by Project Size **Breakdown of Year-to-Date Development Based on RBA of Project**

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	0	0	0	0.0%	$0.00	0	0
50,000 SF - 99,999 SF	0	0	0	0.0%	$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	$0.00	0	0

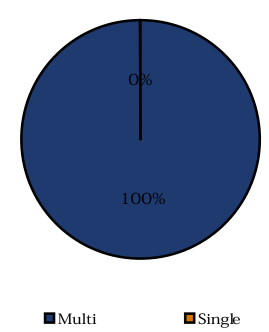
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

No 2015 Deliveries

Currently Under Construction

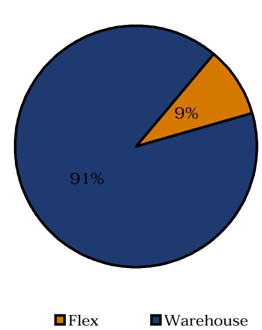


Source: CoStar Property®

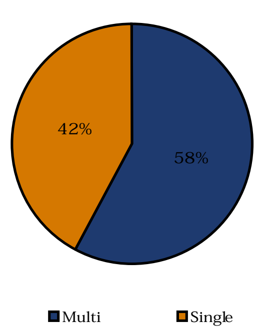
Existing Inventory Comparison

Based on Total RBA

By Building Type



By Tenancy Type



Source: CoStar Property®

Select Top Under Construction Properties

Based on Project Square Footage

1. 17 N Belle Mead Rd - Bldg 1

Submarket:	**Central Suffolk Industrial Market**
RBA:	**40,000**
Preleased:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**Second Quarter 2014**
Deliv Date:	**Second Quarter 2015**
Leasing Co:	**Islandaire**
Developer:	**N/A**

2. 17 N Belle Mead Rd - Bldg 2

Submarket:	**Central Suffolk Industrial Market**
RBA:	**12,000**
Preleased:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**Second Quarter 2014**
Deliv Date:	**Second Quarter 2015**
Leasing Co:	**Fedders Islandaire**
Developer:	**N/A**

Source: CoStar Property®

Nassau and Suffolk County Industrial Market

Figures at a Glance

Flex Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Suffolk Ind	82	2,891,984	383,372	383,372	13.3%	(110,967)	0	0	$7.61
Nassau Ind	180	6,892,496	439,574	441,274	6.4%	60,862	0	0	$17.13
Western Suffolk Ind	166	5,684,541	337,636	346,636	6.1%	7,500	0	0	$13.86
Totals	428	15,469,021	1,160,582	1,171,282	7.6%	(42,605)	0	0	$13.06

Source: CoStar Property®

Warehouse Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Suffolk Ind	1,225	28,353,024	985,371	1,052,938	3.7%	41,184	0	52,000	$8.79
Nassau Ind	2,188	49,725,193	3,029,216	3,093,966	6.2%	(100,595)	0	0	$10.49
Western Suffolk Ind	2,628	70,451,134	2,094,370	2,172,693	3.1%	107,320	0	0	$8.86
Totals	6,041	148,529,351	6,108,957	6,319,597	4.3%	47,909	0	52,000	$9.51

Source: CoStar Property®

Total Industrial Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Suffolk Ind	1,307	31,245,008	1,368,743	1,436,310	4.6%	(69,783)	0	52,000	$8.60
Nassau Ind	2,368	56,617,689	3,468,790	3,535,240	6.2%	(39,733)	0	0	$11.04
Western Suffolk Ind	2,794	76,135,675	2,432,006	2,519,329	3.3%	114,820	0	0	$9.21
Totals	6,469	163,998,372	7,269,539	7,490,879	4.6%	5,304	0	52,000	$9.84

Source: CoStar Property®

Nassau and Suffolk County Industrial Market

Figures at a Glance

Flex Submarket Statistics

First Quarter 2015

	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
Market	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Nassau Ind	40	1,131,990	50,657	50,657	4.5%	3,000	0	0	$19.90
Deer Park Ind	18	296,888	0	0	0.0%	0	0	0	$13.47
East Farmingdale Ind	47	2,072,878	179,691	188,691	9.1%	4,700	0	0	$14.74
Eastern Nassau Ind	66	4,128,152	276,786	276,786	6.7%	73,610	0	0	$15.98
Hauppauge Ind	54	2,220,469	116,245	116,245	5.2%	2,800	0	0	$13.16
North Central Suffolk Ind	12	329,412	20,798	20,798	6.3%	0	0	0	$13.36
Northern Nassau Ind	12	262,146	20,548	20,548	7.8%	0	0	0	$14.49
Northwest Suffolk Ind	17	358,434	0	0	0.0%	0	0	0	$0.00
Ronkonkoma/Bohemia Ind	52	2,055,845	245,949	245,949	12.0%	(110,967)	0	0	$7.27
South Central Suffolk Ind	18	506,727	116,625	116,625	23.0%	0	0	0	$10.86
Southeast Nassau Ind	1	6,700	0	0	0.0%	0	0	0	$0.00
Southern Nassau Ind	31	386,122	32,000	32,000	8.3%	0	0	0	$15.43
Southwest Suffolk Ind	30	735,872	41,700	41,700	5.7%	0	0	0	$11.86
Western Nassau Ind	30	977,386	59,583	61,283	6.3%	(15,748)	0	0	$18.88
Totals	428	15,469,021	1,160,582	1,171,282	7.6%	(42,605)	0	0	$13.06

Source: CoStar Property®

Warehouse Submarket Statistics

First Quarter 2015

	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
Market	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Nassau Ind	405	8,432,579	330,483	330,483	3.9%	(500)	0	0	$10.32
Deer Park Ind	702	16,910,023	425,850	429,450	2.5%	84,665	0	0	$8.04
East Farmingdale Ind	559	17,011,281	394,572	394,572	2.3%	(27,110)	0	0	$8.83
Eastern Nassau Ind	646	20,128,956	1,292,214	1,316,204	6.5%	(101,090)	0	0	$9.91
Hauppauge Ind	590	23,834,841	882,615	955,815	4.0%	67,146	0	0	$8.18
North Central Suffolk Ind	182	2,905,267	64,451	64,451	2.2%	(2,575)	0	52,000	$10.55
Northern Nassau Ind	94	2,257,730	484,100	484,100	21.4%	0	0	0	$9.67
Northwest Suffolk Ind	204	2,950,857	134,011	134,011	4.5%	3,270	0	0	$13.45
Ronkonkoma/Bohemia Ind	678	16,045,280	623,912	636,479	4.0%	34,630	0	0	$8.89
South Central Suffolk Ind	365	9,402,477	297,008	352,008	3.7%	9,129	0	0	$8.26
Southeast Nassau Ind	75	890,038	4,784	4,784	0.5%	1,000	0	0	$14.28
Southern Nassau Ind	682	11,022,384	813,550	813,550	7.4%	(2,230)	0	0	$10.71
Southwest Suffolk Ind	573	9,744,132	257,322	258,845	2.7%	(20,651)	0	0	$8.23
Western Nassau Ind	286	6,993,506	104,085	144,845	2.1%	2,225	0	0	$13.76
Totals	6,041	148,529,351	6,108,957	6,319,597	4.3%	47,909	0	52,000	$9.51

Source: CoStar Property®

Total Industrial Submarket Statistics

First Quarter 2015

	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
Market	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Central Nassau Ind	445	9,564,569	381,140	381,140	4.0%	2,500	0	0	$11.47
Deer Park Ind	720	17,206,911	425,850	429,450	2.5%	84,665	0	0	$8.05
East Farmingdale Ind	606	19,084,159	574,263	583,263	3.1%	(22,410)	0	0	$9.91
Eastern Nassau Ind	712	24,257,108	1,569,000	1,592,990	6.6%	(27,480)	0	0	$10.46
Hauppauge Ind	644	26,055,310	998,860	1,072,060	4.1%	69,946	0	0	$8.53
North Central Suffolk Ind	194	3,234,679	85,249	85,249	2.6%	(2,575)	0	52,000	$10.80
Northern Nassau Ind	106	2,519,876	504,648	504,648	20.0%	0	0	0	$10.69
Northwest Suffolk Ind	221	3,309,291	134,011	134,011	4.0%	3,270	0	0	$13.45
Ronkonkoma/Bohemia Ind	730	18,101,125	869,861	882,428	4.9%	(76,337)	0	0	$8.56
South Central Suffolk Ind	383	9,909,204	413,633	468,633	4.7%	9,129	0	0	$8.37
Southeast Nassau Ind	76	896,738	4,784	4,784	0.5%	1,000	0	0	$14.28
Southern Nassau Ind	713	11,408,506	845,550	845,550	7.4%	(2,230)	0	0	$10.77
Southwest Suffolk Ind	603	10,480,004	299,022	300,545	2.9%	(20,651)	0	0	$8.45
Western Nassau Ind	316	7,970,892	163,668	206,128	2.6%	(13,523)	0	0	$14.49
Totals	6,469	163,998,372	7,269,539	7,490,879	4.6%	5,304	0	52,000	$9.84

Source: CoStar Property®

Nassau and Suffolk County Industrial Market

CoStar™

Figures at a Glance

Flex Market Statistics

First Quarter 2015

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2015 1q	428	15,469,021	1,160,582	1,171,282	7.6%	(42,605)	0	0	0	0	$13.06
2014 4q	428	15,469,021	1,117,977	1,128,677	7.3%	(136,514)	0	0	0	0	$12.78
2014 3q	428	15,469,021	981,463	992,163	6.4%	19,451	0	0	0	0	$12.45
2014 2q	428	15,469,021	1,000,914	1,011,614	6.5%	142,860	0	0	0	0	$12.59
2014 1q	428	15,469,021	1,149,499	1,154,474	7.5%	43,117	0	0	0	0	$14.05
2013	428	15,469,021	1,192,616	1,197,591	7.7%	364,571	0	0	0	0	$14.04
2012	428	15,469,021	1,557,187	1,562,162	10.1%	(151,626)	0	0	0	0	$14.53
2011	428	15,469,021	1,405,561	1,410,536	9.1%	(12,048)	1	107,000	0	0	$13.93
2010	427	15,362,021	1,257,288	1,291,488	8.4%	(5,234)	1	85,000	1	107,000	$14.07
2009	426	15,277,021	1,123,754	1,201,254	7.9%	(96,874)	0	0	1	85,000	$13.49
2008	426	15,277,021	1,047,000	1,104,380	7.2%	425,915	2	480,000	0	0	$15.17
2007	424	14,797,021	1,027,600	1,050,295	7.1%	(25,026)	0	0	2	480,000	$14.44
2006	424	14,797,021	994,848	1,025,269	6.9%	253,977	1	15,000	0	0	$14.12
2005	423	14,782,021	1,200,827	1,264,246	8.6%	199,827	3	116,286	1	15,000	$11.58
2004	420	14,665,735	1,153,440	1,347,787	9.2%	329,489	5	157,754	2	95,886	$11.28
2003	415	14,507,981	1,315,368	1,519,522	10.5%	68,142	2	33,200	3	124,754	$10.55

Source: CoStar Property®

Warehouse Market Statistics

First Quarter 2015

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2015 1q	6,041	148,529,351	6,108,957	6,319,597	4.3%	47,909	0	0	2	52,000	$9.51
2014 4q	6,041	148,529,351	6,141,408	6,367,506	4.3%	318,514	0	0	2	52,000	$9.11
2014 3q	6,041	148,529,351	6,500,022	6,686,020	4.5%	174,382	2	308,000	2	52,000	$9.14
2014 2q	6,039	148,221,351	6,412,551	6,552,402	4.4%	(158,333)	0	0	4	360,000	$8.96
2014 1q	6,039	148,221,351	6,313,968	6,394,069	4.3%	44,630	0	0	2	308,000	$8.75
2013	6,040	148,476,351	6,598,648	6,693,699	4.5%	1,151,839	1	190,000	2	308,000	$8.68
2012	6,044	148,739,194	8,026,426	8,108,381	5.5%	342,676	4	438,135	0	0	$8.33
2011	6,040	148,301,059	7,892,444	8,012,922	5.4%	449,372	0	0	4	438,135	$8.16
2010	6,041	148,368,197	8,389,118	8,529,432	5.7%	(1,378,397)	6	400,003	1	8,804	$8.35
2009	6,036	147,974,594	6,334,015	6,757,432	4.6%	(806,401)	8	408,466	4	113,774	$8.57
2008	6,029	147,747,128	5,585,637	5,723,565	3.9%	728,898	12	623,463	7	334,186	$9.26
2007	6,019	147,145,265	5,375,928	5,850,600	4.0%	(220,056)	3	59,300	9	556,095	$9.12
2006	6,016	147,085,965	5,146,895	5,571,244	3.8%	362,351	9	234,095	2	47,400	$9.17
2005	6,008	146,868,470	5,366,102	5,716,100	3.9%	1,518,172	7	219,913	8	222,395	$8.42
2004	6,003	146,673,557	6,583,186	7,039,359	4.8%	1,314,192	10	518,136	7	212,613	$8.05
2003	5,995	146,242,139	7,444,781	7,922,133	5.4%	2,052,299	13	270,564	9	390,636	$7.72

Source: CoStar Property®

Total Industrial Market Statistics

First Quarter 2015

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2015 1q	6,469	163,998,372	7,269,539	7,490,879	4.6%	5,304	0	0	2	52,000	$9.84
2014 4q	6,469	163,998,372	7,259,385	7,496,183	4.6%	182,000	0	0	2	52,000	$9.44
2014 3q	6,469	163,998,372	7,481,485	7,678,183	4.7%	193,833	2	308,000	2	52,000	$9.42
2014 2q	6,467	163,690,372	7,413,465	7,564,016	4.6%	(15,473)	0	0	4	360,000	$9.28
2014 1q	6,467	163,690,372	7,463,467	7,548,543	4.6%	87,747	0	0	2	308,000	$9.14
2013	6,468	163,945,372	7,791,264	7,891,290	4.8%	1,516,410	1	190,000	2	308,000	$9.07
2012	6,472	164,208,215	9,583,613	9,670,543	5.9%	191,050	4	438,135	0	0	$8.80
2011	6,468	163,770,080	9,298,005	9,423,458	5.8%	437,324	1	107,000	4	438,135	$8.51
2010	6,468	163,730,218	9,646,406	9,820,920	6.0%	(1,383,631)	7	485,003	2	115,804	$8.71
2009	6,462	163,251,615	7,457,769	7,958,686	4.9%	(903,275)	8	408,466	5	198,774	$8.91
2008	6,455	163,024,149	6,632,637	6,827,945	4.2%	1,154,813	14	1,103,463	7	334,186	$9.89
2007	6,443	161,942,286	6,403,528	6,900,895	4.3%	(245,082)	3	59,300	11	1,036,095	$9.57
2006	6,440	161,882,986	6,141,743	6,596,513	4.1%	616,328	10	249,095	2	47,400	$9.70
2005	6,431	161,650,491	6,566,929	6,980,346	4.3%	1,717,999	10	336,199	9	237,395	$8.86
2004	6,423	161,339,292	7,736,626	8,387,146	5.2%	1,643,681	15	675,890	9	308,499	$8.56
2003	6,410	160,750,120	8,760,149	9,441,655	5.9%	2,120,441	15	303,764	12	515,390	$8.25

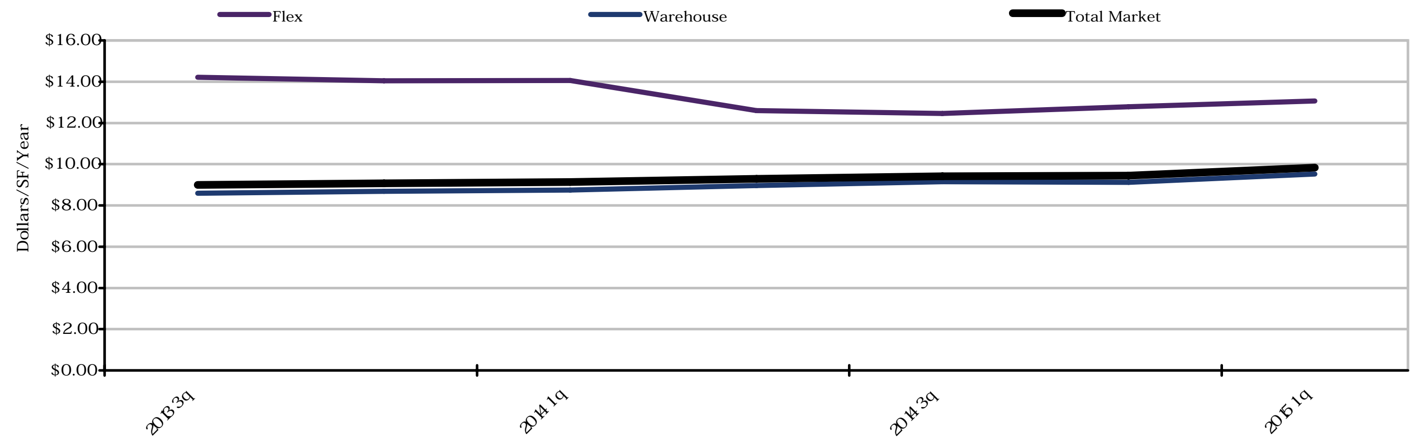
Source: CoStar Property®

Nassau and Suffolk County Industrial Market

Leasing Activity

Historical Rental Rates

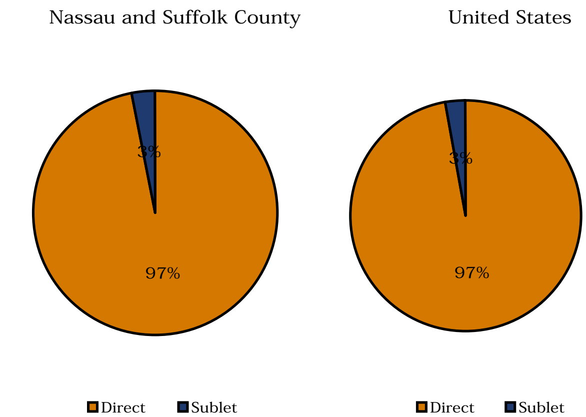
Based on Quoted Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

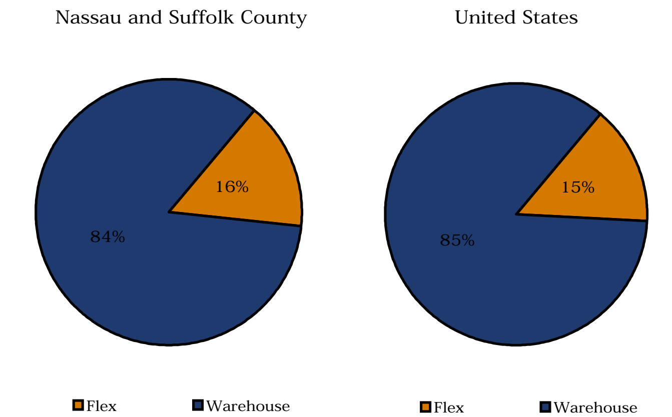
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Building Type

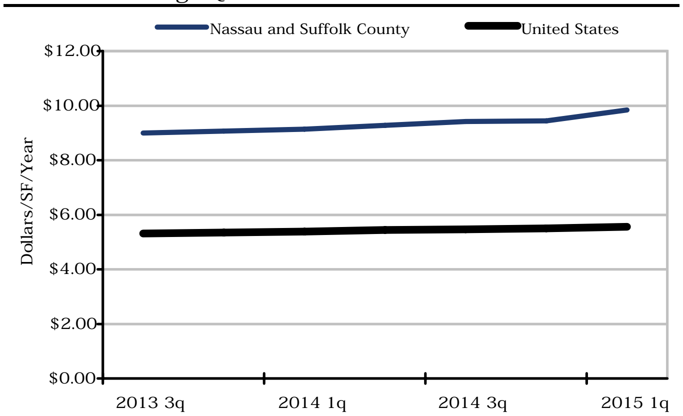
Percent of All Vacant Space by Building Type



Source: CoStar Property®

U.S. Rental Rate Comparison

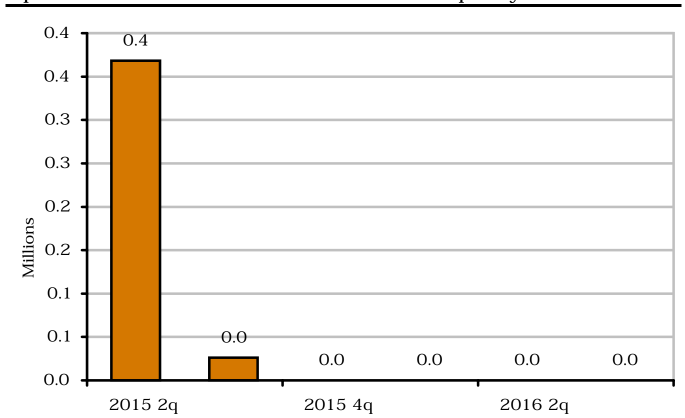
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

Nassau and Suffolk County Industrial Market

Leasing Activity

Select Top Industrial Leases

Based on Leased Square Footage For Deals Signed in 2015

	Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1	275 Carleton Ave	Hauppauge Ind	260,000	1st	InvaGen Pharmaceuticals Inc	N/A	Town of Islip
2	435 Moreland Rd*	Hauppauge Ind	149,870	1st	L-3 Communications Narda Satellite Networks	CBRE	Premier Commercial Real Estate
3	275A Carleton Ave	Hauppauge Ind	80,000	1st	Alphamed Bottles Inc.	N/A	Town of Islip
4	65 Orville Dr	Ronkonkoma/Bohemia Ind	32,000	1st	GMG Transportation	N/A	Rechler Equity Partners, LLC
5	135 Fell Ct	Hauppauge Ind	30,124	1st	Vicon Industries inc	Newmark Grubb Knight Frank	Rechler Equity Partners, LLC
6	327 New South Rd	Eastern Nassau Ind	15,000	1st	Level Solar	N/A	Steel Equities
7	55 Herricks Rd	Central Nassau Ind	12,554	1st	N/A	N/A	Chemicolloid Laboratories
8	151 E 2nd St	Northwest Suffolk Ind	11,260	1st	N/A	N/A	Long Island Industrial Group
9	931 Conklin St*	East Farmingdale Ind	10,066	1st	Performance Factory Inc	N/A	Brent Mako Real Estate
10	600 Prime Pl	Hauppauge Ind	10,000	1st	N/A	N/A	Coldwell Banker Commercial Island
11	Seaview Commerce Center	Western Nassau Ind	8,900	1st	N/A	N/A	Hunt Corporate Services, Inc.
12	Equi-Park Bldg #7	Ronkonkoma/Bohemia Ind	8,000	1st	N/A	N/A	Long Island Industrial Group
13	80 Engineers Dr*	Eastern Nassau Ind	7,500	1st	Summit Instrument Corp	Direct Deal	Simone Development Company
14	1 W Beech St	Southwest Suffolk Ind	6,000	1st	Savvy Custom Stone	N/A	Metro Realty Services, LLC
15	950 S 2nd St	Ronkonkoma/Bohemia Ind	6,000	1st	N/A	N/A	Zere Real Estate Services Inc.
16	211 Knickerbocker Ave	Ronkonkoma/Bohemia Ind	6,000	1st	N/A	N/A	Zere Real Estate Services Inc.
17	79 Gazza Blvd*	East Farmingdale Ind	6,000	1st	Promotional Solutions inc	N/A	Industry One Realty Corp.
18	1710 Church St	Ronkonkoma/Bohemia Ind	5,600	1st	N/A	N/A	Coldwell Banker Commercial Island
19	100 Eads St	Deer Park Ind	5,500	1st	N/A	N/A	Park Place Realty Group, LLC
20	1601 Lakeland Ave	Ronkonkoma/Bohemia Ind	5,500	1st	N/A	N/A	Zere Real Estate Services Inc.
21	99 Quentin-Roosevelt Blvd	Central Nassau Ind	5,490	1st	N/A	N/A	CBRE
22	195 Central Ave	East Farmingdale Ind	5,360	1st	NUCO Inc	N/A	Brent Mako Real Estate
23	575 Underhill Blvd	Eastern Nassau Ind	5,170	1st	N/A	N/A	Long Island Industrial Group
24	35 Central Dr	East Farmingdale Ind	5,100	1st	N/A	N/A	Industry One Realty Corp.
25	50 Brook Ave	Deer Park Ind	5,000	1st	Bayonet USA	N/A	O'Shea Properties
26	950 S 2nd St	Ronkonkoma/Bohemia Ind	5,000	1st	N/A	N/A	Zere Real Estate Services Inc.
27	Commerce Centre	Hauppauge Ind	5,000	1st	N/A	N/A	United Realty
28	1 Neil Ct	Southern Nassau Ind	5,000	1st	N/A	N/A	South Shore Redevelopment
29	95 Hoffman Ln	Hauppauge Ind	5,000	1st	Direct Merchandising Corp	Brent Mako Real Estate	Brent Mako Real Estate
30	420 Doughty Blvd	Southern Nassau Ind	4,860	1st	N/A	N/A	Prime Realty Properties
31	170 Central Ave	East Farmingdale Ind	4,500	1st	N/A	N/A	Finch Realty
32	Equi-Park Bldg #2	Ronkonkoma/Bohemia Ind	4,140	1st	N/A	N/A	Long Island Industrial Group
33	485 S Broadway	Eastern Nassau Ind	4,100	1st	N/A	N/A	Irace Realty Associates
34	100 Nancy St	Deer Park Ind	3,500	1st	N/A	N/A	Racanelli Realty Services, Inc.
35	95 Hoffman Ln	Hauppauge Ind	3,500	1st	Sterling Cabinets	N/A	Brent Mako Real Estate
36	80 Engineers Dr	Eastern Nassau Ind	3,400	1st	N/A	N/A	Simone Development Company
37	1600 N Ocean Ave	South Central Suffolk Ind	3,200	1st	N/A	N/A	Phil Page Real Estate Services
38	JHP Bldg.	East Farmingdale Ind	3,200	1st	N/A	N/A	JHP Realty, LLC
39	Hauppauge Center for Light Industry	Hauppauge Ind	3,200	1st	N/A	N/A	Cain Realty Management Corp.
40	1170 Lincoln Ave	Ronkonkoma/Bohemia Ind	3,200	1st	N/A	N/A	O'Shea Properties

Source: CoStar Property®

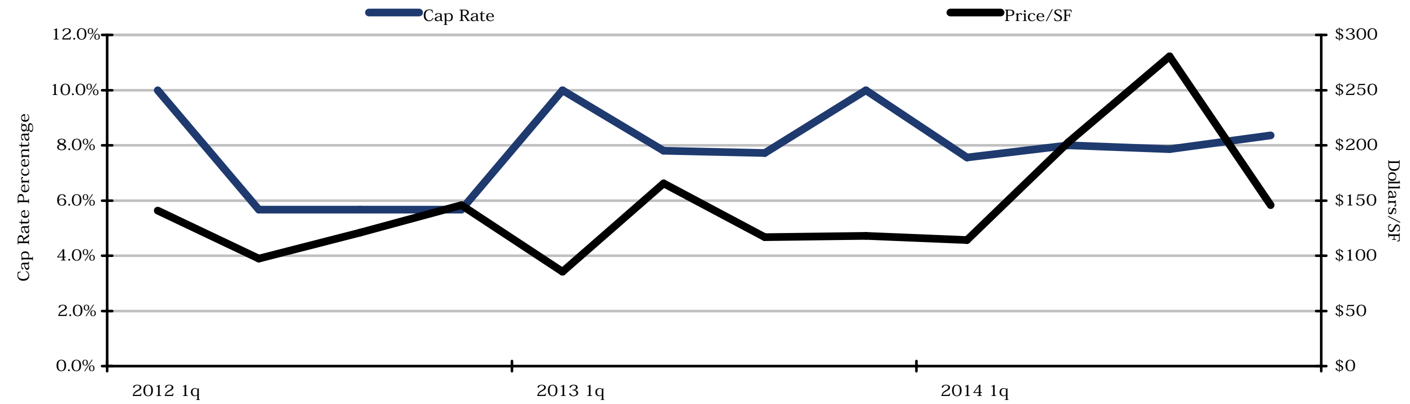
* Renewal

CoStar™ **Nassau and Suffolk County Industrial Market**

Sales Activity

The Optimist Sales Index

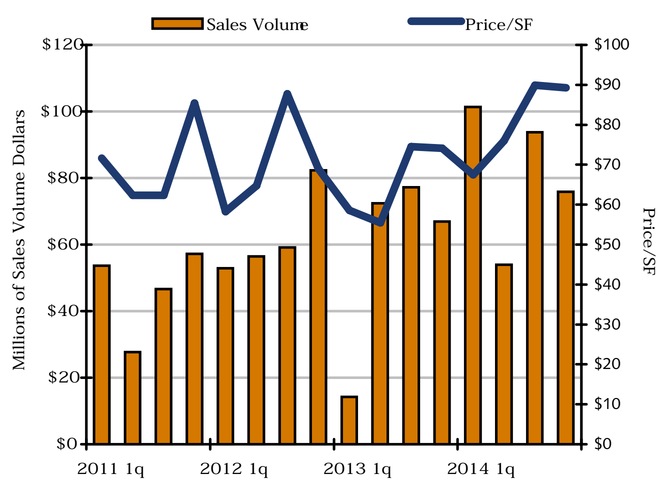
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

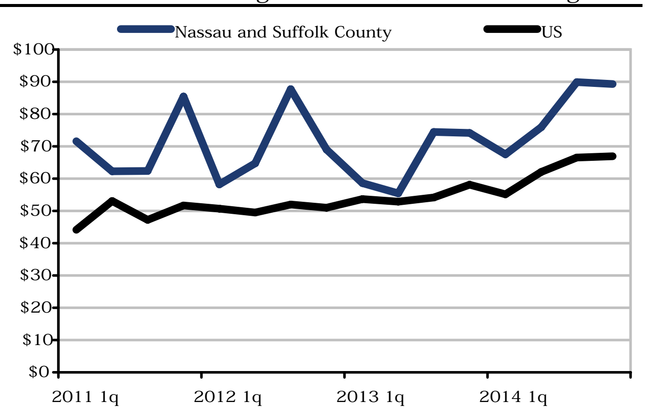
Based on Industrial Bldg Sales From Jan. 2014 - Dec. 2014

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate
< 25,000 SF	115	1,266,557	$131,052,220	$103.47	8.07%
25K-99K SF	41	1,791,383	$144,188,587	$ 80.49	7.91%
100K-249K SF	11	1,492,965	$114,403,089	$ 76.63	-
>250K SF	1	255,000	$13,000,000	$ 50.98	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

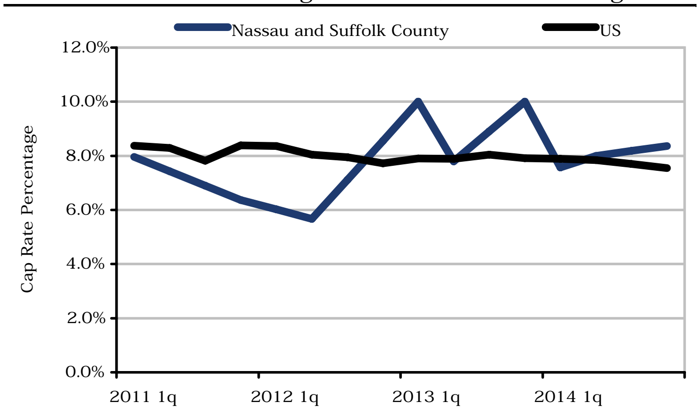
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Nassau and Suffolk County Industrial Market

Sales Activity

Select Top Sales

Based on Sales from January 2014 Through March 2015

1. FedEx Ground

Bohemia

Price:	**$29,976,954**
Price/SF:	**$189.73**
Cap Rate:	**N/A**
RBA:	**158,000**
Date:	**9/19/2014**
Year Built:	**2014**
Buyer:	**American Realty Capital Properties, Inc.**
Seller:	**SunCap Property Group**

2. 500 Commack Rd

Commack

Price:	**$25,000,000**
Price/SF:	**$59.68**
Cap Rate:	**N/A**
RBA:	**418,910**
Date:	**1/5/2015**
Year Built:	**1960**
Buyer:	**Steel Equities**
Seller:	**Forest Laboratories, Inc.**

3. 300 Duffy Ave

Hicksville

Price:	**$13,000,000**
Price/SF:	**$102.17**
Cap Rate:	**N/A**
RBA:	**127,245**
Date:	**1/30/2014**
Year Built:	**1999**
Buyer:	**Nassau Candy Distributors, Inc.**
Seller:	**Carriage Hill Developers, Inc.**

4. 100 Orville Dr

Bohemia

Price:	**$13,000,000**
Price/SF:	**$50.98**
Cap Rate:	**N/A**
RBA:	**255,000**
Date:	**1/8/2014**
Year Built:	**1980**
Buyer:	**SunCap Property Group**
Seller:	**Rite Aid Corporation**

5. 350 Wireless Blvd

Hauppauge

Price:	**$12,600,000**
Price/SF:	**$106.74**
Cap Rate:	**N/A**
RBA:	**118,042**
Date:	**12/23/2014**
Year Built:	**1987**
Buyer:	**A&Z Pharmaceutical, Inc.**
Seller:	**Reliance Communications**

6. 215 Daniel St

Farmingdale

Price:	**$11,500,000**
Price/SF:	**$88.71**
Cap Rate:	**N/A**
RBA:	**129,635**
Date:	**9/15/2014**
Year Built:	**1963**
Buyer:	**Calvert Family Holdings LLC**
Seller:	**Jeanne Pierre Originals, Inc.**

7. 50 Carnation Ave

Floral Park

Price:	**$11,250,100**
Price/SF:	**$49.16**
Cap Rate:	**N/A**
RBA:	**228,852**
Date:	**2/25/2014**
Year Built:	**1918**
Buyer:	**Men On The Move**
Seller:	**Kermit Enterprises**

8. Halbro Bldg

Farmingdale

Price:	**$8,300,100**
Price/SF:	**$218.42**
Cap Rate:	**N/A**
RBA:	**38,000**
Date:	**5/23/2014**
Year Built:	**N/A**
Buyer:	**Js 2090 Broadhollow Realty Llc**
Seller:	**2090 Route 110 Realty Llc**

9. 330 Prospect St

Inwood

Price:	**$7,150,000**
Price/SF:	**$70.28**
Cap Rate:	**N/A**
RBA:	**101,740**
Date:	**10/1/2014**
Year Built:	**1950**
Buyer:	**Shulamith School For Girls**
Seller:	**Principal Financial Group**

Source: CoStar COMPS®

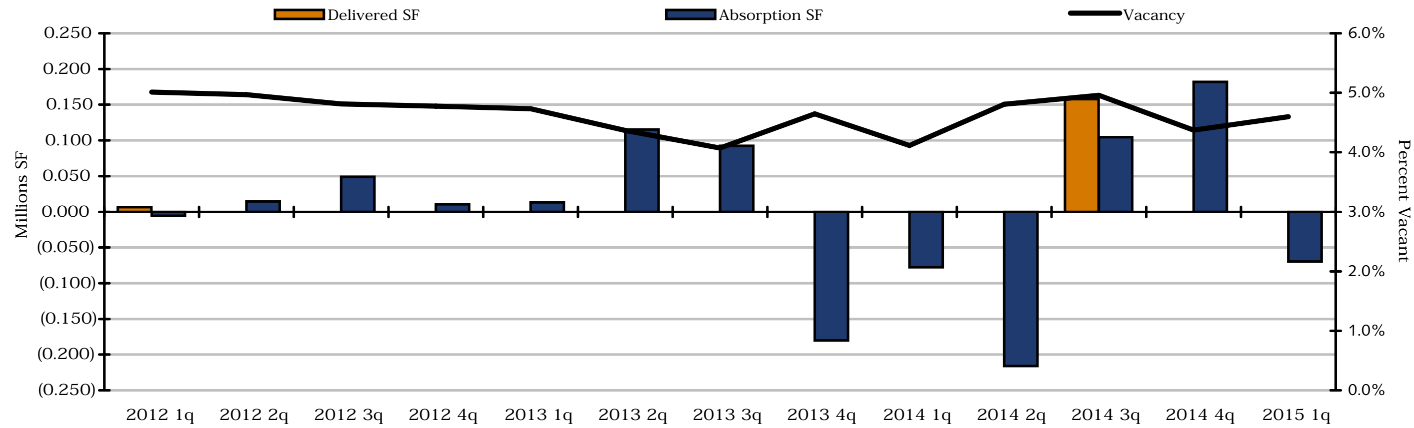
Nassau and Suffolk County Industrial Market

Central Suffolk Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

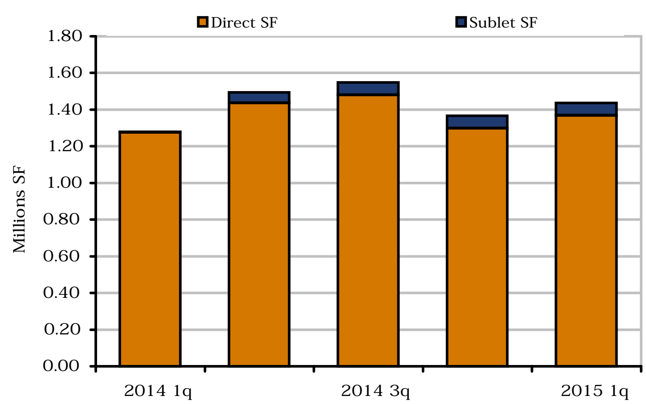
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

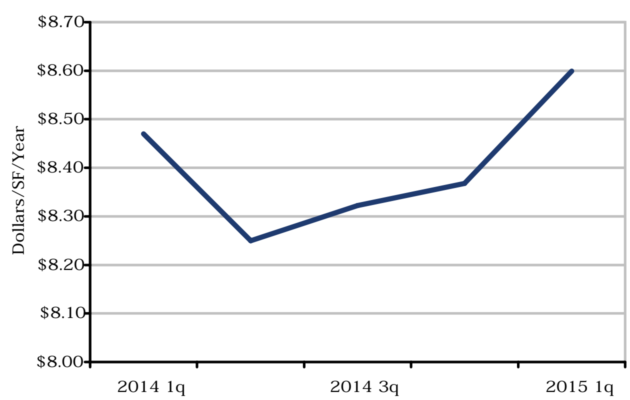
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

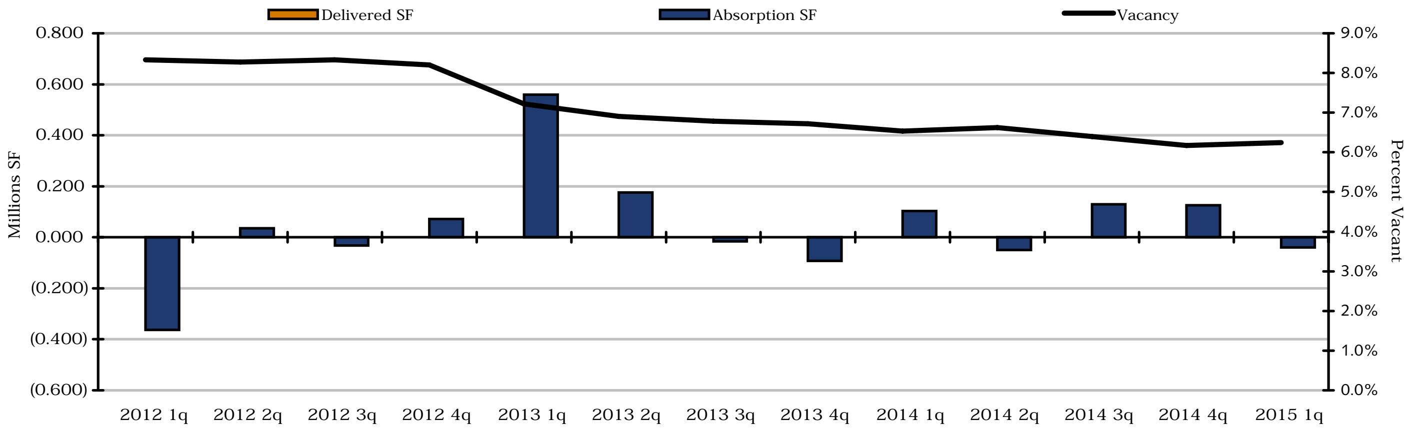
Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2015 1q	1,307	31,245,008	1,436,310	4.6%	(69,783)	0	0	2	52,000	$8.60
2014 4q	1,307	31,245,008	1,366,527	4.4%	181,922	0	0	2	52,000	$8.37
2014 3q	1,307	31,245,008	1,548,449	5.0%	104,413	1	158,000	2	52,000	$8.32
2014 2q	1,306	31,087,008	1,494,862	4.8%	(215,952)	0	0	3	210,000	$8.25
2014 1q	1,306	31,087,008	1,278,910	4.1%	(77,550)	0	0	1	158,000	$8.47
2013 4q	1,307	31,342,008	1,456,360	4.6%	(180,094)	0	0	1	158,000	$8.51
2013 3q	1,307	31,342,008	1,276,266	4.1%	92,445	0	0	0	0	$8.23
2013 2q	1,307	31,342,008	1,368,711	4.4%	115,196	0	0	0	0	$8.33
2013 1q	1,307	31,342,008	1,483,907	4.7%	13,223	0	0	0	0	$8.35
2012 4q	1,307	31,342,008	1,497,130	4.8%	10,654	0	0	0	0	$8.21
2012 3q	1,307	31,342,008	1,507,784	4.8%	48,945	0	0	0	0	$8.21
2012 2q	1,307	31,342,008	1,556,729	5.0%	14,329	0	0	0	0	$8.33
2012 1q	1,307	31,342,008	1,571,058	5.0%	(5,797)	1	6,270	0	0	$8.20
2011 4q	1,306	31,335,738	1,558,991	5.0%	325,453	0	0	1	6,270	$8.29
2011 3q	1,306	31,335,738	1,884,444	6.0%	(2,880)	0	0	1	6,270	$8.28
2011 2q	1,306	31,335,738	1,881,564	6.0%	(217,240)	0	0	1	6,270	$8.28

Source: CoStar Property®

Nassau and Suffolk County Industrial Market

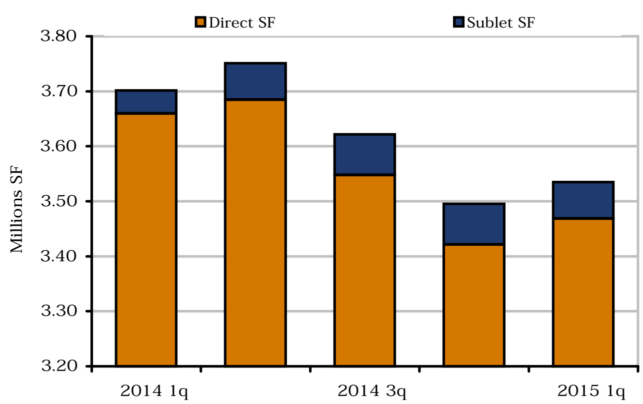
Nassau Market
MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy
Historical Analysis, Flex and Warehouse



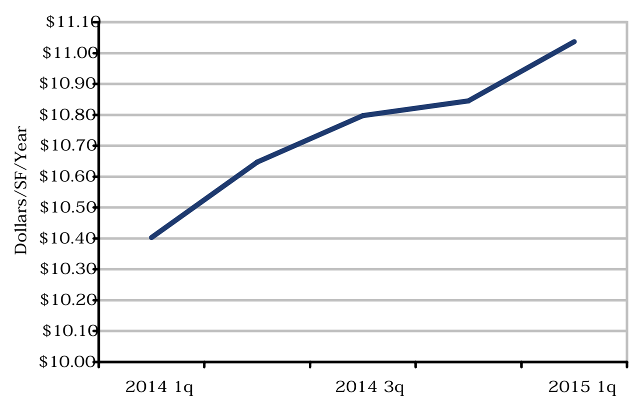
Source: CoStar Property®

Vacant Space
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
Period	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2015 1q	2,368	56,617,689	3,535,240	6.2%	(39,733)	0	0	0	0	$11.04
2014 4q	2,368	56,617,689	3,495,507	6.2%	126,189	0	0	0	0	$10.84
2014 3q	2,368	56,617,689	3,621,696	6.4%	129,573	0	0	0	0	$10.80
2014 2q	2,368	56,617,689	3,751,269	6.6%	(49,881)	0	0	0	0	$10.65
2014 1q	2,368	56,617,689	3,701,388	6.5%	103,174	0	0	0	0	$10.40
2013 4q	2,368	56,617,689	3,804,562	6.7%	(92,763)	0	0	0	0	$10.32
2013 3q	2,370	56,755,642	3,849,752	6.8%	(15,847)	0	0	0	0	$10.28
2013 2q	2,371	56,849,384	3,927,647	6.9%	175,303	0	0	0	0	$10.26
2013 1q	2,371	56,849,384	4,102,950	7.2%	559,911	0	0	0	0	$10.11
2012 4q	2,371	56,849,384	4,662,861	8.2%	71,819	0	0	0	0	$9.99
2012 3q	2,371	56,849,384	4,734,680	8.3%	(32,259)	0	0	0	0	$10.11
2012 2q	2,371	56,849,384	4,702,421	8.3%	35,091	0	0	0	0	$9.98
2012 1q	2,371	56,849,384	4,737,512	8.3%	(363,376)	0	0	0	0	$9.69
2011 4q	2,371	56,849,384	4,374,136	7.7%	(27,967)	0	0	0	0	$9.76
2011 3q	2,371	56,849,384	4,346,169	7.6%	(108,000)	0	0	0	0	$9.80
2011 2q	2,371	56,849,384	4,238,169	7.5%	(140,229)	1	107,000	0	0	$9.93

Source: CoStar Property®

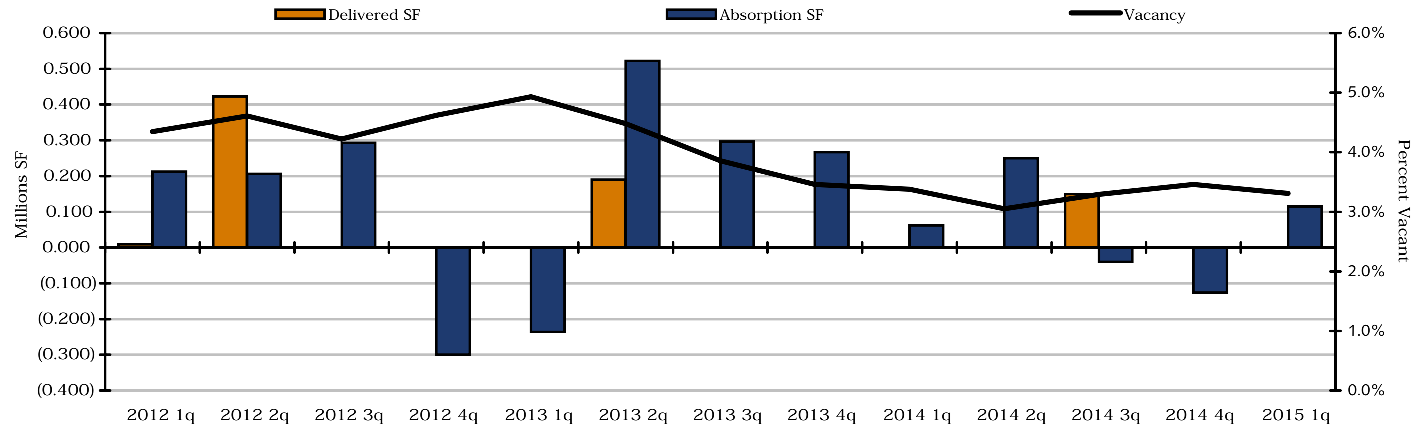
CoStar™ **Nassau and Suffolk County Industrial Market**

Western Suffolk Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

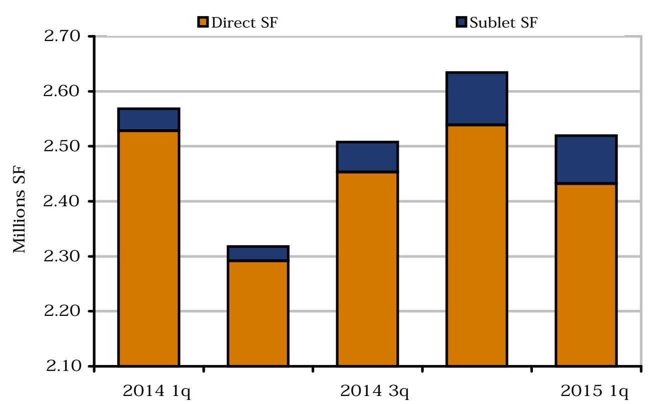
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

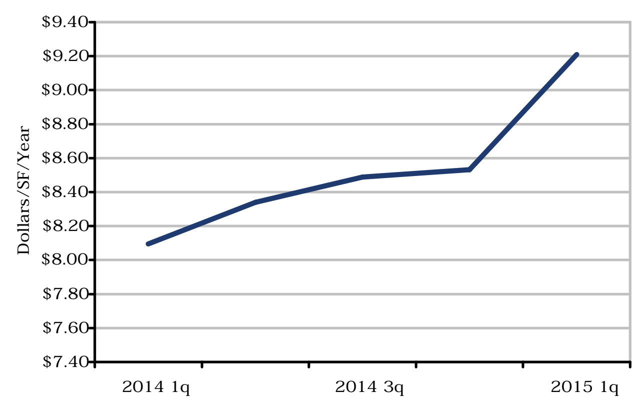
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory # Bldgs	Existing Inventory Total RBA	Vacancy Vacant SF	Vacancy Vacancy %	Net Absorption	Delivered Inventory # Bldgs	Delivered Inventory Total RBA	UC Inventory # Bldgs	UC Inventory Total RBA	Quoted Rates
2015 1q	2,794	76,135,675	2,519,329	3.3%	114,820	0	0	0	0	$9.21
2014 4q	2,794	76,135,675	2,634,149	3.5%	(126,111)	0	0	0	0	$8.53
2014 3q	2,794	76,135,675	2,508,038	3.3%	(40,153)	1	150,000	0	0	$8.49
2014 2q	2,793	75,985,675	2,317,885	3.1%	250,360	0	0	1	150,000	$8.34
2014 1q	2,793	75,985,675	2,568,245	3.4%	62,123	0	0	1	150,000	$8.10
2013 4q	2,793	75,985,675	2,630,368	3.5%	266,922	0	0	1	150,000	$8.00
2013 3q	2,794	76,020,675	2,932,290	3.9%	296,711	0	0	1	150,000	$8.00
2013 2q	2,795	76,206,823	3,415,149	4.5%	521,728	1	190,000	0	0	$8.01
2013 1q	2,794	76,016,823	3,746,877	4.9%	(236,325)	0	0	1	190,000	$7.86
2012 4q	2,794	76,016,823	3,510,552	4.6%	(299,894)	0	0	0	0	$7.96
2012 3q	2,794	76,016,823	3,210,658	4.2%	293,366	0	0	0	0	$7.92
2012 2q	2,794	76,016,823	3,504,024	4.6%	205,917	2	423,061	0	0	$7.94
2012 1q	2,792	75,593,762	3,286,880	4.3%	212,255	1	8,804	2	423,061	$7.77
2011 4q	2,791	75,584,958	3,490,331	4.6%	369,146	0	0	3	431,865	$7.58
2011 3q	2,791	75,584,958	3,859,477	5.1%	(50,733)	0	0	3	431,865	$7.59
2011 2q	2,791	75,584,958	3,808,744	5.0%	133,260	0	0	2	11,865	$7.60

Source: CoStar Property®

