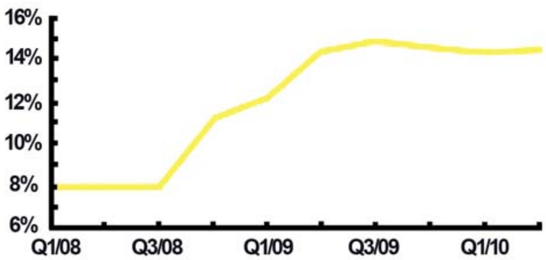
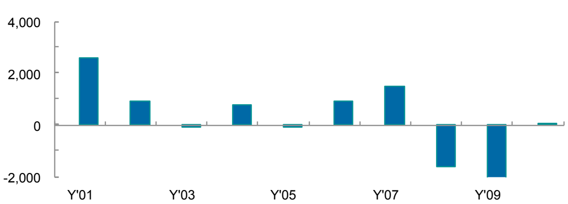
Industrial Trends Report - Second Quarter 2010
El Paso, Texas

GRUBB & ELLIS. | Best/White LLC
From Insight to Results

Vacancy Rate
Quarterly



Net Absorption
YTD (in Thousands of SF)



Stability in Occupancy

No change in vacancy is good news. Given the turbulent times, the fact the market held its ground is impressive. This bodes well for the third quarter, as this is a time of the year when we generally see leases signed. The same has not been true of sales, as we have seen sales of smaller freestanding properties take place but few if any portfolio sales. The capital markets and the looming crisis in commercial loans continue to be problematic.

The violence in Mexico has not proven to be a deterrent to business in El Paso. The FBI believes that the maquila worker is not the target.

Sub-lease space has NOT affected vacancy, yet. The chance is that it will, but it has not and may not. Sub-lease space is always more difficult proposition for a tenant to deal with. A very high percentage of leases that we deal with are being renewed; consistent with years past.

The quality of vacant space still affects occupancy. The landlords that are taking better care of their facilities have the highest occupancy. The same is true for industrial parks; the parks that are in better shape have the lowest vacancy. For example, Butterfield Trail Industrial Park and Pendale Industrial areas have the highest vacancy in the city.

The trucking industry is seeing something of a recovery. In our conversations with regional and national trucking firms, we see enthusiasm for the future of their business. Third party logistics firms are also seeing new business opportunities. However, direct leases with new tenants and landlords have been scarce.

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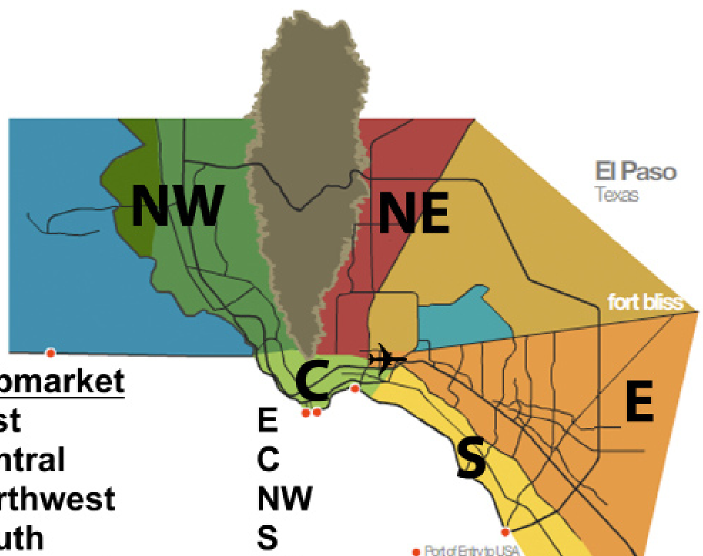
By Submarket	Total SF	Vacant SF	VACANCY % Total	NET ABSORPTION Current	NET ABSORPTION YTD	Under Construction SF	ASKING RENT WH/Dist
East	26,720,826	4,236,186	15.9%	(244,017)	125,732	-	$3.40
Central	13,964,086	2,747,863	19.7%	169,101	183,001	-	$3.25
Northwest	7,987,134	322,217	4.0%	43,271	74,813	-	$3.40
South	6,066,113	515,789	8.5%	(32,000)	(204,850)	-	$2.75
Northeast	2,477,370	472,086	19.1%	0	(130,000)	-	$2.85
Total	**57,215,529**	**8,294,141**	**14.5%**	**(63,645)**	**48,696**	-	

Product Type							
Warehouse/District	52,205,153	8,119,476	15.6%	(100,590)	18,261	-	$3.35
General Industrial	5,010,376	174,665	3.5%	36,945	30,435	-	$3.00
Total	**57,215,529**	**8,294,141**	**14.5%**	**(63,645)**	**48,696**	-	



Submarket

East	E
Central	C
Northwest	NW
South	S
Northeast	NE

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CLASS A & B SNAPSHOT

Park	Total SF	Available SF	Available %	Vacant SF	Vacant %
Vista Del Sol	13,454,929	2,597,570	19.3%	2,399,650	17.9%
Butterfield Trail	6,917,551	2,172,745	31.4%	2,006,245	29.0%
Northwest Corp.	4,363,408	239,776	5.5%	111,776	2.6%
Pan American	2,886,421	482,045	16.7%	448,045	15.5%
Santa Teresa	2,621,907	290,222	11.1%	194,222	7.4%
Socorro	2,329,506	860,506	36.9%	0	0%
Pendale	618,184	226,333	36.6%	198,100	32.0%
Montana	179,500	0	0.0%	0	0.0%
Total	**33,371,406**	**6,869,197**	**20.6%**	**5,684,530**	**17.0%**