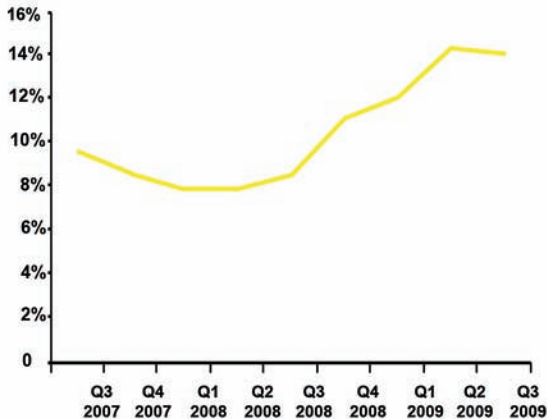


# Industrial Trends Report—Third Quarter 2009

## El Paso, Texas

**Vacancy Rate**  
Quarterly



News in the industrial real estate segment of the economy continued to be negative for El Paso. Vacancy in the industrial segment increased to 8.5 million square feet by the end of the third quarter of 2009.

Vacancy increased from 11.2 percent in the fourth quarter of 2008 to 14.9 percent in the third quarter of 2009, a 33 percent increase, however, vacancy slowed dramatically from last quarter to a .5 percent change.

Lease rates continued to fall as vacancy increased. As a result, tenants and tenant rep brokers started seeing opportunities to renew early and take advantage of the soft market conditions. Certain sub-markets had vacancy levels never before seen. For example, Butterfield Trail had 26.3 percent vacancy, Pan American Center for Industry 23.0 percent and Vista del Sol 20.1 percent.

The opening of the Foxxcon manufacturing plant in San Geronimo, Mexico, has buoyed Santa Teresa and Northwest Corporate Center. Santa Teresa had a low 7.2 percent vacancy while Northwest Corporate Center was at 2.0 percent.

Quality seems to matter; landlords with quality properties doing the hard work of maintaining their assets are out-performing the market. For example;

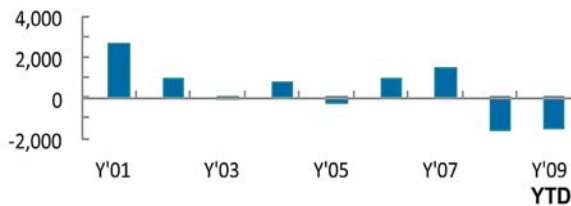
ProLogis	7.2% vacant
Northwestern Mutual Life	11.1% vacant
EastGroup Properties	12.6% vacant

Vacancy appeared to be balanced over the different size ranges: 10 to 25,000, 25,000 to 50,000 and 100,000 square feet and up. Lease rates continued to drop.

10 to 25,000	\$3.45 to \$3.65
25,000 to 50,000	\$3.25 to \$3.45
50,000 to 100,000	\$3.00 to \$3.40
100,000 square feet and up	\$3.00 to \$3.40

Significant Transactions in the market included the Ceva Logistics lease of 350,000 square feet from ProLogis and a portfolio of small flex/industrial buildings were purchased by Mimco. "Third Party Logistics" providers appear to be the most active segment of the industrial market. Many leases were renewed with landlords being able to keep a very high percentage of their existing tenants, though some renewals were done at lower rates than the previous lease terms.

**Net Absorption**  
YTD (in Thousands of SF)



# Industrial Trends Report—Third Quarter 2009

## El Paso, Texas

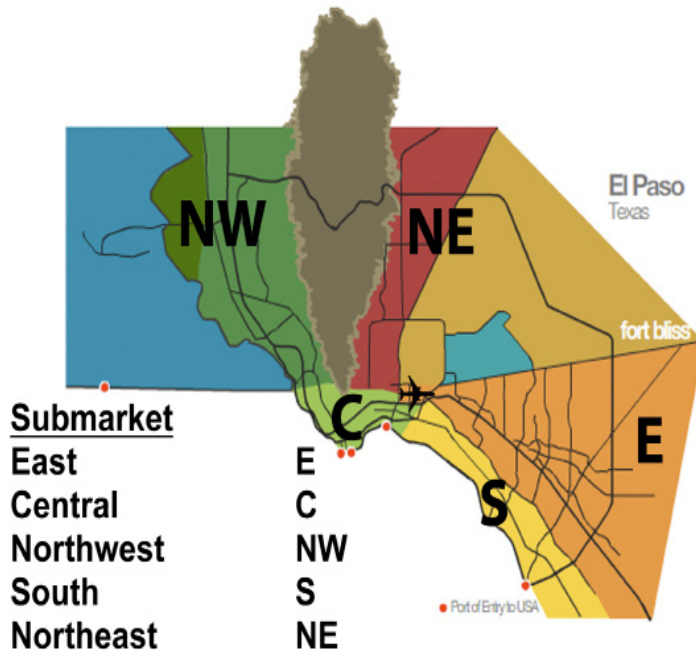


GRUBB & ELLIS | Best/White LLC  
From Insight to Results

By Submarket	Total SF	Vacant SF	VACANCY%	NET ABSORPTION		Under Construction SF	ASKING RENT
			Total	Current	YTD		WH/Dist
East	26,377,374	4,738,933	17.8%	(192,600)	(1,305,741)	-	\$3.72
Central	14,012,123	2,669,974	19.0%	46,341	(88,737)	-	\$3.62
Northwest	7,987,134	317,390	4.0%	229,439	178,439	-	\$3.70
South	6,118,879	300,452	4.9%	(162,454)	(162,454)	-	\$2.75
Northeast	2,481,780	450,496	18.2%	(172,000)	(172,000)	-	\$2.85
<b>Total</b>	<b>56,977,290</b>	<b>8,477,245</b>	<b>14.9%</b>	<b>(251,274)</b>	<b>(1,550,493)</b>		

### Product Type

Warehouse/District	54,104,866	8,053,732	14.9%	(104,433)	(1,379,314)	-	\$3.60
General Industrial	5,353,925	367,033	6.9%	(90,361)	(114,699)	-	\$3.00
<b>Total</b>	<b>59,458,791</b>	<b>8,420,765</b>	<b>14.2%</b>	<b>(194,794)</b>	<b>(194,794)</b>		



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Park	Total SF	Available SF	Available %	Vacant SF	Vacant %
Vista Del Sol	8,709,876	2,521,232	28.9%	2,299,404	26.40%
Butterfield Trail	6,829,521	1,717,385	25.1%	1,675,385	24.53%
Northwest Corp.	4,363,408	219,818	5.0%	91,818	2.10%
Pan American	2,702,974	612,644	22.7%	612,644	22.67%
Santa Teresa	2,451,907	310,582	12.7%	194,582	7.94%
Socorro	2,329,506	300,000	12.9%	0	0.00%
Pendale	618,019	5,681,661	919.3%	196,635	31.82%
Montana	179,500	0	0.0%	0	0.00%
<b>Total</b>	<b>28,184,711</b>	<b>11,363,322</b>	<b>40.3%</b>	<b>5,070,468</b>	<b>17.99%</b>

CLASS A & B SNAPSHOT