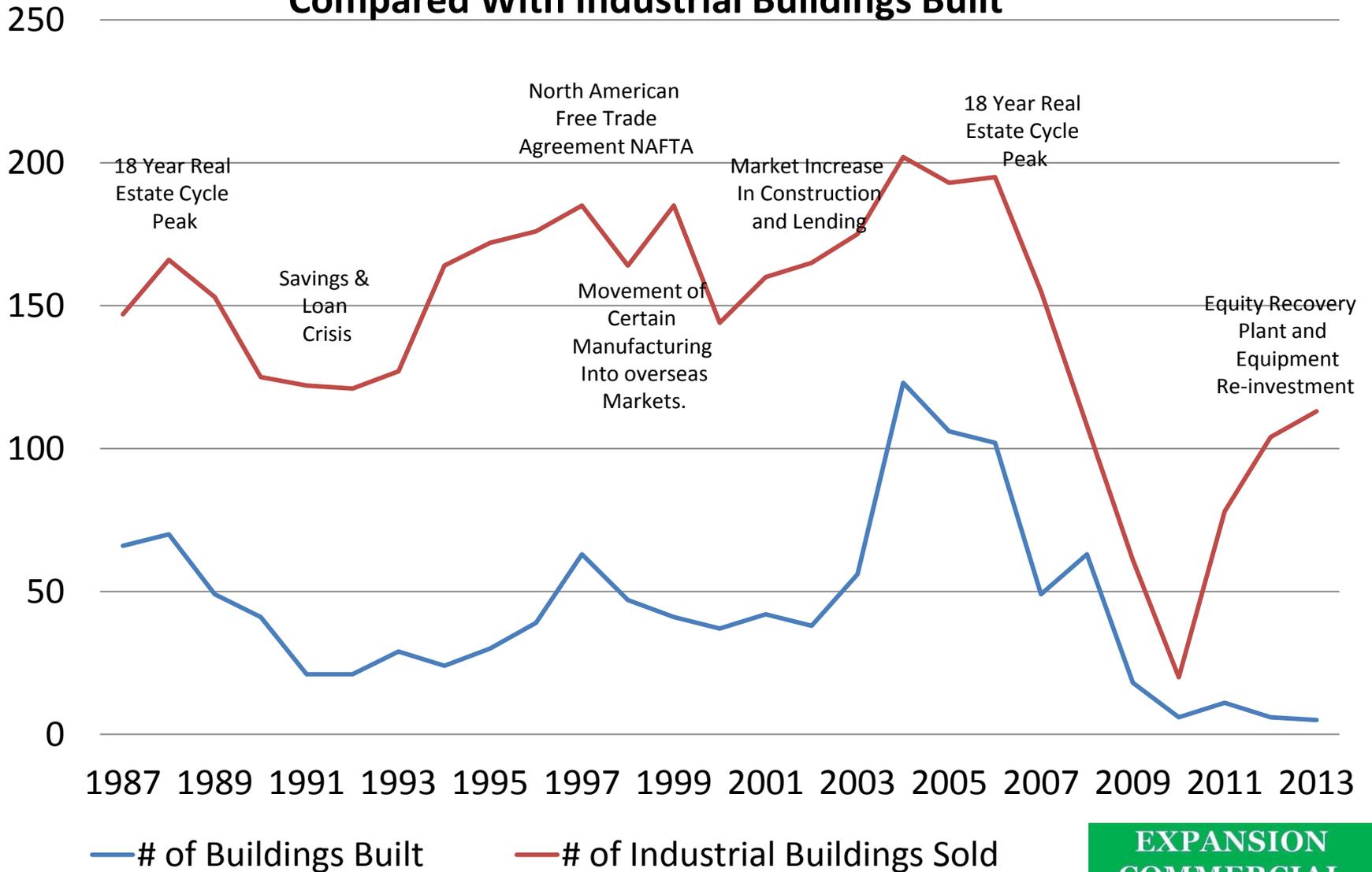


Duval County 1987 – 2013 Industrial Buildings Sold Compared With Industrial Buildings Built



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The Quantity Sold versus Quantity Constructed graph reveals that the recovery of the Duval County Industrial Market is a recovery in the secondary pre built building market. The number of buildings constructed, is at a 30 year low in quantity built.

The median number of sales transactions in a healthy market is 150 properties sold. The deficit in industrial sales transfers in 2010 is due to a reluctance of institutional bank lenders to back industrial loans and projects after the recession. As the effect of the decreased credit market, quantity demanded decreased as defaulted Collateralized Commercial Mortgage Obligations were still unwinding. This effect has created a buyer's market for Industrial Property, and it has also increased the interest of Owners that can benefit from interest income of seller financing.

When comparing the effect of the Savings and Loan Crisis beginning in 1989, we can see that Construction on Industrial property peaked in 1987, and slowed from 1989 to breakthrough to a new peak in construction quantity demanded in 2004.

When comparing the construction trough after the S&L crisis, to the construction trough from 2009, the construction deficit indicates that there may be continuing challenges in the commercial land market, in which buyers of land are at an advantage if they can hold their Land until the construction/land cycle returns.

Our office will continue to update these graphs annually, however the land market may remain challenged until 2017, as demand for industrial build to suits will be required, owners may benefit from land leasing until the construction market turns more favorable.

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