

The CoStar Industrial Report

Year-End 2014

Nassau and Suffolk County Industrial Market



Table of Contents

Table of Contents	A
Methodology	B
Terms & Definitions	C
Market Highlights & Overview	1
CoStar Markets & Submarkets	4
Inventory & Development Analysis	5
Inventory & Development Analysis	
Select Top Under Construction Properties	
Select Top Deliveries	
Figures at a Glance	8
Figures at a Glance by Building Type & Market	
Figures at a Glance by Building Type & Submarket	
Historical Figures at a Glance	
Leasing Activity Analysis	11
Select Top Lease Transactions	
Sales Activity Analysis	13
Sales Activity Analysis	
Select Top Sales Transactions	
Analysis of Individual CoStar Submarket Clusters	15
Central Suffolk Market	
Nassau Market	
Western Suffolk 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.

For information on subscribing to CoStar's other products and services, please contact us at 1-877-7COSTAR, or visit our web site at www.costar.com

© Copyright 2015 CoStar Group, Inc. All Rights Reserved. Although CoStar makes efforts to ensure the accuracy and reliability of the information contained herein, CoStar makes no guarantee, representation or warranty regarding the quality, accuracy, timeliness or completeness of the information. The publication is provided 'as is' and CoStar expressly disclaims any guarantees, representations or warranties of any kind, including those of MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

CoStar Group, Inc.

1331 L ST NW • Washington, DC 20005 • (800) 204-5960 • www.costar.com • NASDAQ: CSGP

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 certi-

cate 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's Vacancy Stays at 4.7% Net Absorption Negative (13,033) SF in the Quarter

The Nassau and Suffolk County Industrial market ended the fourth quarter 2014 with a vacancy rate of 4.7%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling negative (13,033) square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 260,073 square feet. Rental rates ended the fourth quarter at \$9.44, 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 negative (13,033) square feet in the fourth quarter 2014. That compares to positive 155,033 square feet in the third quarter 2014, negative (35,696) square feet in the second quarter 2014, and positive 89,247 square feet in the first quarter 2014.

Tenants moving out of large blocks of space in 2014 include: Wal-Mart moving out of (111,310) square feet at 230 Duffy Ave, U.S. Alliance Paper moving out of (75,000) square feet at 120 Wilshire Blvd, and Avon Electrical Supplies, Inc. moving out of (62,770) square feet at 60 Hoffman Ave.

Tenants moving into large blocks of space in 2014 include: FedEx Ground moving into 158,000 square feet at 100 Orville Dr, U.S. Alliance Paper moving into 150,000 square feet at 110 Wilshire Blvd, and Pole Position Raceway moving into 112,000 square feet at 40 Daniel St.

The Flex building market recorded net absorption of negative (124,764) square feet in the fourth quarter 2014, compared to positive 13,151 square feet in the third quarter 2014, positive

136,585 in the second quarter 2014, and positive 100,017 in the first quarter 2014.

The Warehouse building market recorded net absorption of positive 111,731 square feet in the fourth quarter 2014 compared to positive 141,882 square feet in the third quarter 2014, negative (172,281) in the second quarter 2014, and negative (10,770) in the first quarter 2014.

Vacancy

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

Flex projects reported a vacancy rate of 7.1% at the end of the fourth quarter 2014, 6.3% at the end of the third quarter 2014, 6.4% at the end of the second quarter 2014, and 7.2% at the end of the first quarter 2014.

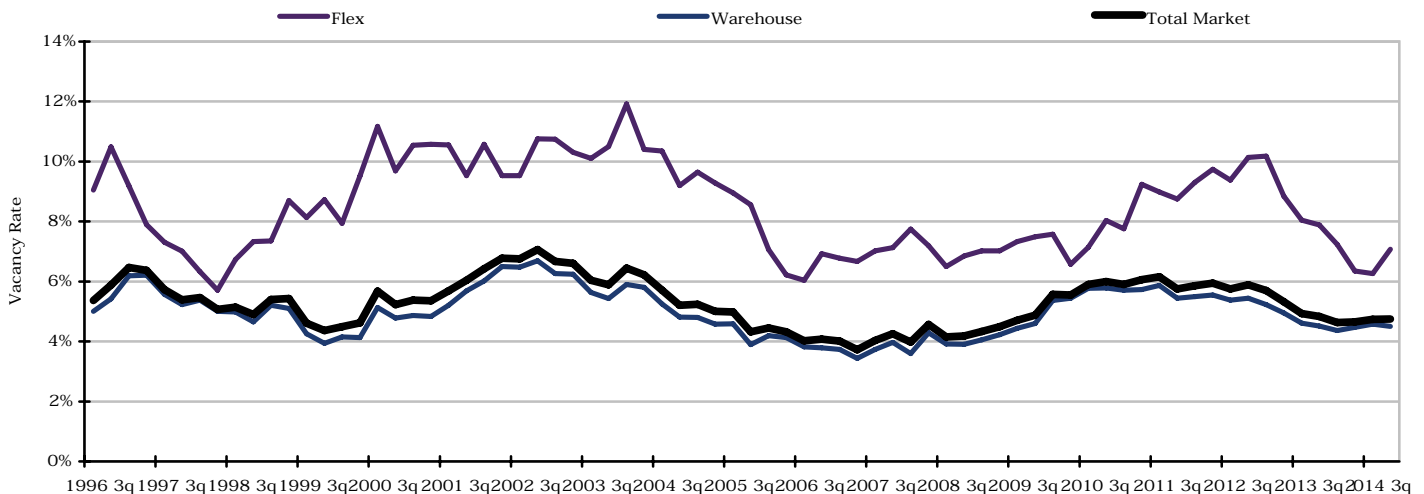
Warehouse projects reported a vacancy rate of 4.5% at the end of the fourth quarter 2014, 4.6% at the end of third quarter 2014, 4.5% at the end of the second quarter 2014, and 4.4% at the end of the first quarter 2014.

Largest Lease Signings

The largest lease signings occurring in 2014 included: the 542,300-square-foot lease signed by ELM Global Logistics at 50 Emjay Blvd in the Western Suffolk market; the 181,000-square-foot deal signed by Loop Loc Corp. at 390 Motor Pky in the Western Suffolk market; and the 150,000-square-foot lease signed by U.S. Alliance Paper at 110 Wilshire Blvd in the Western Suffolk market.

Vacancy Rates by Building Type

1996-2014



Source: CoStar Property®

Sublease Vacancy

The amount of vacant sublease space in the Nassau and Suffolk County market increased to 260,073 square feet by the end of the fourth quarter 2014, from 199,973 square feet at the end of the third quarter 2014. There was 153,826 square feet vacant at the end of the second quarter 2014 and 85,076 square feet at the end of the first quarter 2014.

Nassau and Suffolk County’s Flex projects reported vacant sublease space of 13,975 square feet at the end of the second, third and fourth quarters 2014. There were 4,975 square feet at the end of the first quarter 2014.

Warehouse projects reported increased vacant sublease space from the third quarter 2014 to the fourth quarter 2014. Sublease vacancy went from 185,998 square feet to 246,098 square feet during that time. There was 139,851 square feet at the end of the second quarter 2014, and 80,101 square feet at the end of the first quarter 2014.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$9.44 per square foot per year at the end of the fourth quarter 2014 in the Nassau and Suffolk County market area. This represented a 0.2% increase in quoted rental rates from the end of the third quarter 2014, when rents were reported at \$9.42 per square foot.

The average quoted rate within the Flex sector was \$12.78 per square foot at the end of the fourth quarter 2014, while Warehouse rates stood at \$9.12. At the end of the third quarter 2014, Flex rates were \$12.45 per square foot, and Warehouse rates were \$9.15.

Deliveries and Construction

During the 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 that were completed in the third quarter 2014, nothing completed

in the second quarter 2014, and nothing completed in the first quarter 2014.

There were 52,000 square feet of Industrial space under construction at the end of the fourth quarter 2014.

Some of the notable 2014 deliveries include: 100 Orville Dr, a 158,000-square-foot facility that delivered in third quarter 2014 and is now 100% occupied, and 110 Wilshire Blvd, a 150,000-square-foot building that delivered in third quarter 2014 and is now 100% occupied.

The largest projects underway at the end of fourth quarter 2014 were 17 N Belle Mead Rd, a 40,000-square-foot building with 100% of its space pre-leased, and 17 N Belle Mead Rd, a 12,000-square-foot facility that is 100% pre-leased.

Inventory

Total Industrial inventory in the Nassau and Suffolk County market area amounted to 163,599,343 square feet in 6,459 buildings as of the end of the fourth quarter 2014. The Flex sector consisted of 15,414,325 square feet in 428 projects. The Warehouse sector consisted of 148,185,018 square feet in 6,031 buildings. Within the Industrial market there were 1,110 owner-occupied buildings accounting for 35,863,569 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 rose during the third quarter 2014 in terms of dollar volume compared to the second quarter of 2014.

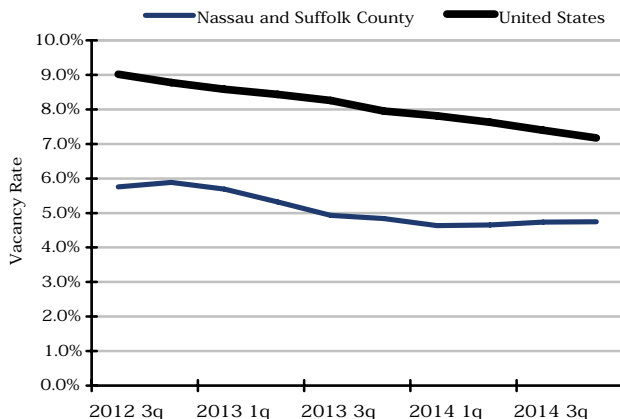
In the third quarter, 18 industrial transactions closed with a total volume of \$86,745,884. The 18 buildings totaled 893,246 square feet and the average price per square foot equated to \$97.11 per square foot. That compares to 17 transactions totaling \$53,930,955 in the second quarter. The total square footage was 713,486 for an average price per square foot of \$75.59.

Total year-to-date industrial building sales activity in 2014 is up compared to the previous year. In the first nine months of 2014, the market saw 60 industrial sales transactions with a total volume of \$239,826,939. The price per square foot has averaged \$77.80 this year. In the first nine months of 2013, the market posted 56 transactions with a total volume of \$163,809,780. The price per square foot averaged \$63.39.

Cap rates have been lower in 2014, averaging 7.86%, compared to the first nine months of last year when they averaged 8.90%.

U.S. Vacancy Comparison

Past 10 Quarters



Source: CoStar Property®

Nassau and Suffolk County Industrial Market



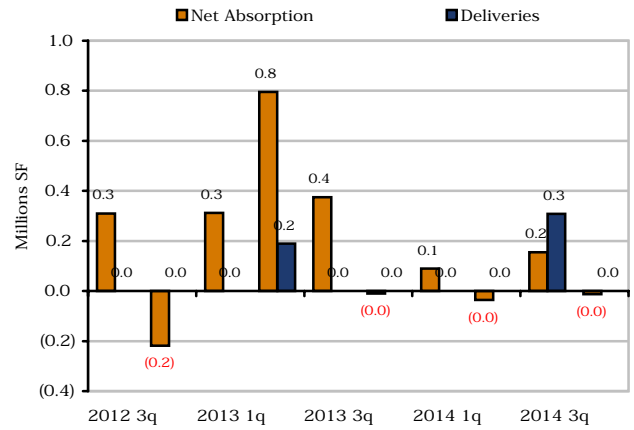
Overview

One of the largest transactions that has occurred within the last four quarters in the Nassau and Suffolk County market is the sale of 100 Orville Dr 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.

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

Absorption & Deliveries

Past 10 Quarters



Source: CoStar Property®

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

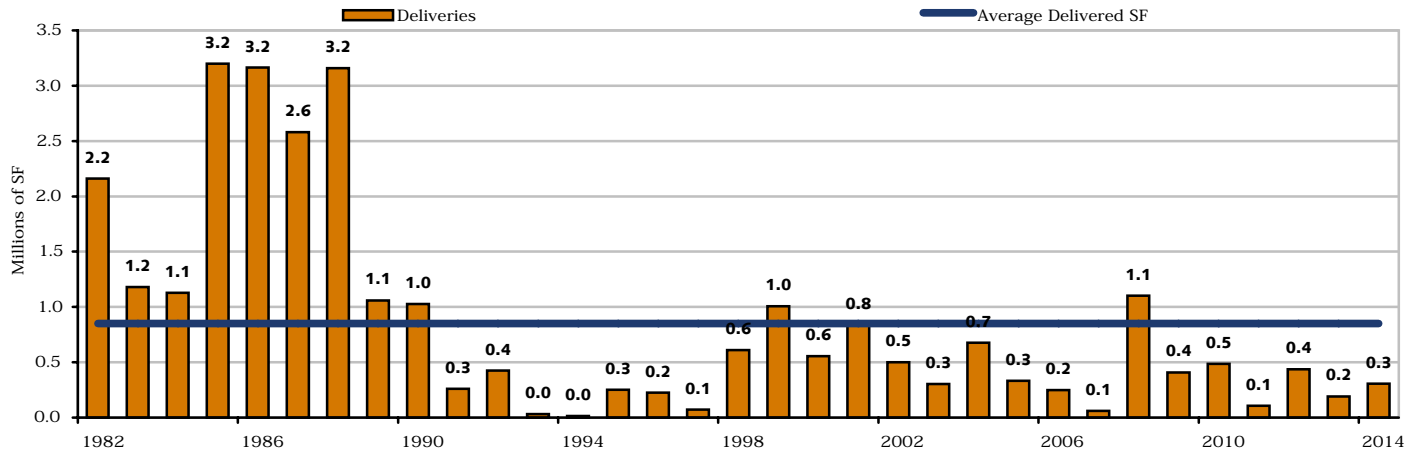
Nassau and Suffolk County Industrial Market



Inventory & development

Historical Deliveries

1982 - 2014



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

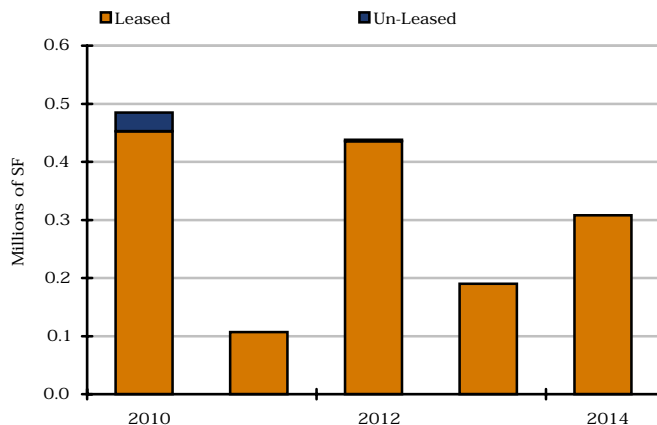
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

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%	23,934	26,000
Western Suffolk Ind	0	0	0	0.0%	27,169	0
Nassau Ind	0	0	0	0.0%	23,922	0
Totals	2	52,000	52,000	100.0%	25,329	26,000

Source: CoStar Property®

Recent Deliveries

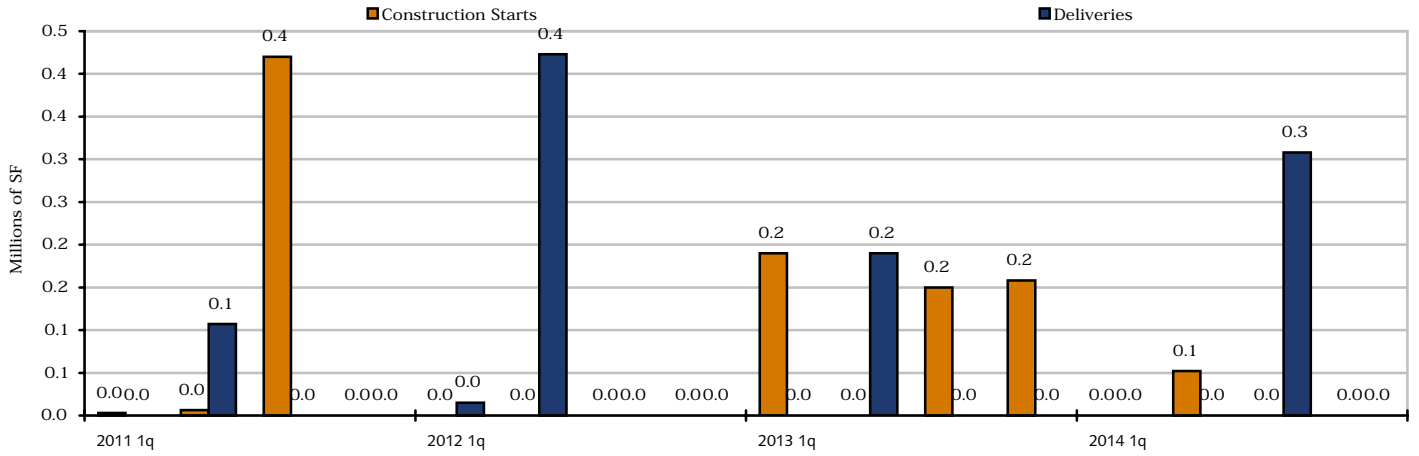
Leased & Un-Leased SF in Deliveries Since 2010



Source: CoStar Property®

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	2	308,000	308,000	100.0%	\$0.00	158,000	150,000
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

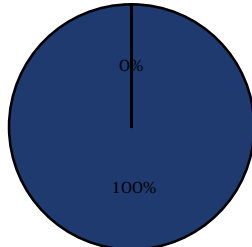
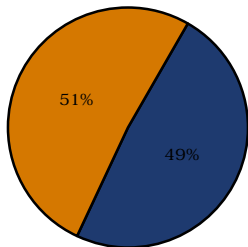
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2014 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

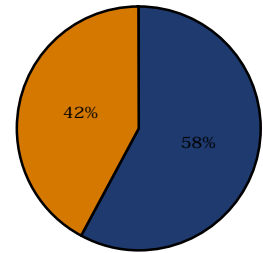
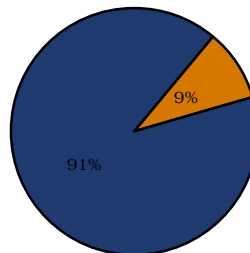
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

Nassau and Suffolk County Industrial Market

Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 100 Orville Dr <hr/> Submarket: Central Suffolk Industrial Market RBA: 158,000 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2013 Deliv Date: Third Quarter 2014 Leasing Co: N/A Developer: N/A	2. 110 Wilshire Blvd <hr/> Submarket: Western Suffolk Industrial Market RBA: 150,000 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Third Quarter 2013 Deliv Date: Third Quarter 2014 Leasing Co: Heartland Development Developer: N/A
---	---

Select Top Under Construction Properties

Based on Project Square Footage

1. 17 N Belle Mead Rd <hr/> Submarket: Central Suffolk Industrial Market RBA: 40,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2014 Deliv Date: First Quarter 2015 Leasing Co: N/A Developer: N/A	2. 17 N Belle Mead Rd <hr/> Submarket: Central Suffolk Industrial Market RBA: 12,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2014 Deliv Date: First Quarter 2015 Leasing Co: N/A Developer: N/A
---	---

Flex Market Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Suffolk Ind	82	2,891,984	282,605	282,605	9.8%	46,512	0	0	\$7.52
Nassau Ind	180	6,885,461	509,686	514,661	7.5%	(70,082)	0	0	\$17.11
Western Suffolk Ind	166	5,636,880	284,336	293,336	5.2%	148,559	0	0	\$14.38
Totals	428	15,414,325	1,076,627	1,090,602	7.1%	124,989	0	0	\$12.78

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Suffolk Ind	1,223	28,341,769	1,063,013	1,130,513	4.0%	(108,770)	158,000	52,000	\$8.55
Nassau Ind	2,180	49,570,668	3,026,355	3,118,630	6.3%	253,883	0	0	\$10.37
Western Suffolk Ind	2,628	70,272,581	2,337,358	2,423,681	3.4%	(74,551)	150,000	0	\$8.12
Totals	6,031	148,185,018	6,426,726	6,672,824	4.5%	70,562	308,000	52,000	\$9.12

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Suffolk Ind	1,305	31,233,753	1,345,618	1,413,118	4.5%	(62,258)	158,000	52,000	\$8.37
Nassau Ind	2,360	56,456,129	3,536,041	3,633,291	6.4%	183,801	0	0	\$10.85
Western Suffolk Ind	2,794	75,909,461	2,621,694	2,717,017	3.6%	74,008	150,000	0	\$8.54
Totals	6,459	163,599,343	7,503,353	7,763,426	4.7%	195,551	308,000	52,000	\$9.44

Source: CoStar Property®

Nassau and Suffolk County Industrial Market



Figures at a Glance

Flex Submarket Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Nassau Ind	39	1,108,955	53,657	53,657	4.8%	(2,786)	0	0	\$19.23
Deer Park Ind	18	296,888	0	0	0.0%	3,200	0	0	\$13.47
East Farmingdale Ind	47	2,025,349	123,591	132,591	6.5%	64,649	0	0	\$15.64
Eastern Nassau Ind	66	4,128,152	356,646	356,646	8.6%	(72,947)	0	0	\$15.95
Hauppauge Ind	54	2,220,337	119,045	119,045	5.4%	74,010	0	0	\$13.44
North Central Suffolk Ind	12	329,412	20,798	20,798	6.3%	8,000	0	0	\$13.36
Northern Nassau Ind	12	262,146	20,548	20,548	7.8%	(900)	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	145,182	145,182	7.1%	25,673	0	0	\$7.21
South Central Suffolk Ind	18	506,727	116,625	116,625	23.0%	12,839	0	0	\$10.86
Southeast Nassau Ind	1	6,700	0	0	0.0%	0	0	0	\$0.00
Southern Nassau Ind	32	402,122	32,000	32,000	8.0%	(10,470)	0	0	\$13.65
Southwest Suffolk Ind	30	735,872	41,700	41,700	5.7%	6,700	0	0	\$11.86
Western Nassau Ind	30	977,386	46,835	51,810	5.3%	17,021	0	0	\$19.96
Totals	428	15,414,325	1,076,627	1,090,602	7.1%	124,989	0	0	\$12.78

Source: CoStar Property®

Warehouse Submarket Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Nassau Ind	405	8,432,681	335,983	335,983	4.0%	(118,349)	0	0	\$10.52
Deer Park Ind	701	16,607,408	537,015	540,615	3.3%	53,413	150,000	0	\$7.97
East Farmingdale Ind	557	17,109,717	431,910	431,910	2.5%	59,079	0	0	\$8.67
Eastern Nassau Ind	644	20,127,244	1,255,676	1,287,191	6.4%	232,918	0	0	\$9.69
Hauppauge Ind	591	23,842,804	989,181	1,070,381	4.5%	(246,117)	0	0	\$7.95
North Central Suffolk Ind	182	2,904,687	61,876	61,876	2.1%	2,344	0	52,000	\$10.63
Northern Nassau Ind	94	2,257,730	484,100	484,100	21.4%	30,900	0	0	\$9.67
Northwest Suffolk Ind	204	2,950,438	137,281	137,281	4.7%	(3,930)	0	0	\$8.38
Ronkonkoma/Bohemia Ind	678	16,043,878	667,115	679,615	4.2%	(4,412)	158,000	0	\$8.59
South Central Suffolk Ind	363	9,393,204	334,022	389,022	4.1%	(106,702)	0	0	\$8.13
Southeast Nassau Ind	73	887,264	4,784	4,784	0.5%	33,087	0	0	\$13.37
Southern Nassau Ind	679	10,878,470	814,502	834,502	7.7%	(44,806)	0	0	\$10.56
Southwest Suffolk Ind	575	9,762,214	241,971	243,494	2.5%	63,004	0	0	\$7.93
Western Nassau Ind	285	6,987,279	131,310	172,070	2.5%	120,133	0	0	\$13.25
Totals	6,031	148,185,018	6,426,726	6,672,824	4.5%	70,562	308,000	52,000	\$9.12

Source: CoStar Property®

Total Industrial Submarket Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Nassau Ind	444	9,541,636	389,640	389,640	4.1%	(121,135)	0	0	\$11.52
Deer Park Ind	719	16,904,296	537,015	540,615	3.2%	56,613	150,000	0	\$7.98
East Farmingdale Ind	604	19,135,066	555,501	564,501	3.0%	123,728	0	0	\$9.60
Eastern Nassau Ind	710	24,255,396	1,612,322	1,643,837	6.8%	159,971	0	0	\$10.19
Hauppauge Ind	645	26,063,141	1,108,226	1,189,426	4.6%	(172,107)	0	0	\$8.31
North Central Suffolk Ind	194	3,234,099	82,674	82,674	2.6%	10,344	0	52,000	\$10.89
Northern Nassau Ind	106	2,519,876	504,648	504,648	20.0%	30,000	0	0	\$10.69
Northwest Suffolk Ind	221	3,308,872	137,281	137,281	4.1%	(3,930)	0	0	\$8.38
Ronkonkoma/Bohemia Ind	730	18,099,723	812,297	824,797	4.6%	21,261	158,000	0	\$8.29
South Central Suffolk Ind	381	9,899,931	450,647	505,647	5.1%	(93,863)	0	0	\$8.25
Southeast Nassau Ind	74	893,964	4,784	4,784	0.5%	33,087	0	0	\$13.37
Southern Nassau Ind	711	11,280,592	846,502	866,502	7.7%	(55,276)	0	0	\$10.58
Southwest Suffolk Ind	605	10,498,086	283,671	285,194	2.7%	69,704	0	0	\$8.13
Western Nassau Ind	315	7,964,665	178,145	223,880	2.8%	137,154	0	0	\$14.00
Totals	6,459	163,599,343	7,503,353	7,763,426	4.7%	195,551	308,000	52,000	\$9.44

Source: CoStar Property®

Flex Market Statistics

Year-End 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 4q	428	15,414,325	1,076,627	1,090,602	7.1%	(124,764)	0	0	0	0	\$12.78
2014 3q	428	15,414,325	951,863	965,838	6.3%	13,151	0	0	0	0	\$12.45
2014 2q	428	15,414,325	965,014	978,989	6.4%	136,585	0	0	0	0	\$12.59
2014 1q	428	15,414,325	1,110,599	1,115,574	7.2%	100,017	0	0	0	0	\$14.05
2013 4q	428	15,414,325	1,210,616	1,215,597	7.9%	24,351	0	0	0	0	\$14.04
2013 3q	428	15,414,325	1,234,967	1,239,942	8.0%	124,421	0	0	0	0	\$14.21
2013 2q	428	15,414,325	1,359,388	1,364,363	8.9%	204,578	0	0	0	0	\$14.41
2013 1q	428	15,414,325	1,563,966	1,568,941	10.2%	(6,779)	0	0	0	0	\$14.80
2012	428	15,414,325	1,557,187	1,562,162	10.1%	(212,735)	0	0	0	0	\$14.53
2011	428	15,414,325	1,344,452	1,349,427	8.8%	(12,048)	1	107,000	0	0	\$13.93
2010	427	15,307,325	1,196,179	1,230,379	8.0%	(5,234)	1	85,000	1	107,000	\$14.07
2009	426	15,222,325	1,062,645	1,140,145	7.5%	(96,874)	0	0	1	85,000	\$13.49
2008	426	15,222,325	985,891	1,043,271	6.9%	487,024	2	480,000	0	0	\$14.06
2007	424	14,742,325	1,027,600	1,050,295	7.1%	(28,726)	0	0	2	480,000	\$14.44
2006	424	14,742,325	991,148	1,021,569	6.9%	254,177	1	15,000	0	0	\$14.12
2005	423	14,727,325	1,197,327	1,260,746	8.6%	199,227	3	116,286	1	15,000	\$11.58

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 4q	6,031	148,185,013	6,426,726	6,672,824	4.5%	111,731	0	0	2	52,000	\$9.12
2014 3q	6,031	148,185,013	6,598,557	6,784,555	4.6%	141,882	2	308,000	2	52,000	\$9.15
2014 2q	6,029	147,877,013	6,478,586	6,618,437	4.5%	(172,281)	0	0	4	360,000	\$8.96
2014 1q	6,029	147,877,013	6,366,055	6,446,156	4.4%	(10,770)	0	0	2	308,000	\$8.75
2013 4q	6,030	148,132,013	6,595,335	6,690,386	4.5%	(33,895)	0	0	2	308,000	\$8.68
2013 3q	6,033	148,304,977	6,785,921	6,829,444	4.6%	250,088	0	0	1	150,000	\$8.59
2013 2q	6,035	148,584,866	7,283,867	7,359,422	5.0%	590,649	1	190,000	0	0	\$8.50
2013 1q	6,034	148,394,866	7,668,041	7,760,071	5.2%	318,518	0	0	1	190,000	\$8.39
2012	6,034	148,394,866	7,996,634	8,078,589	5.4%	404,977	4	438,135	0	0	\$8.33
2011	6,030	147,956,726	7,924,953	8,045,431	5.4%	452,872	0	0	4	438,135	\$8.16
2010	6,031	148,023,866	8,425,127	8,565,441	5.8%	(1,375,597)	6	400,003	1	8,804	\$8.35
2009	6,026	147,630,266	6,372,824	6,796,241	4.6%	(804,301)	8	408,466	4	113,774	\$8.57
2008	6,019	147,402,795	5,626,546	5,764,474	3.9%	672,089	12	623,463	7	334,186	\$9.43
2007	6,009	146,800,932	5,360,028	5,834,700	4.0%	(218,556)	3	59,300	9	556,095	\$9.12
2006	6,006	146,741,632	5,132,495	5,556,844	3.8%	364,251	9	234,095	2	47,400	\$9.17
2005	5,998	146,524,132	5,353,602	5,703,600	3.9%	1,526,824	6	214,913	8	222,395	\$8.42

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 4q	6,459	163,599,343	7,503,353	7,763,426	4.7%	(13,033)	0	0	2	52,000	\$9.44
2014 3q	6,459	163,599,343	7,550,420	7,750,393	4.7%	155,033	2	308,000	2	52,000	\$9.42
2014 2q	6,457	163,291,343	7,443,600	7,597,426	4.7%	(35,696)	0	0	4	360,000	\$9.29
2014 1q	6,457	163,291,343	7,476,654	7,561,730	4.6%	89,247	0	0	2	308,000	\$9.14
2013 4q	6,458	163,546,343	7,805,951	7,905,977	4.8%	(9,544)	0	0	2	308,000	\$9.07
2013 3q	6,461	163,719,295	8,020,888	8,069,386	4.9%	374,509	0	0	1	150,000	\$9.00
2013 2q	6,463	163,999,186	8,643,255	8,723,785	5.3%	795,227	1	190,000	0	0	\$8.97
2013 1q	6,462	163,809,186	9,232,007	9,329,012	5.7%	311,739	0	0	1	190,000	\$8.87
2012	6,462	163,809,186	9,553,821	9,640,751	5.9%	192,242	4	438,135	0	0	\$8.80
2011	6,458	163,371,051	9,269,405	9,394,858	5.8%	440,824	1	107,000	4	438,135	\$8.51
2010	6,458	163,331,189	9,621,306	9,795,820	6.0%	(1,380,831)	7	485,003	2	115,804	\$8.71
2009	6,452	162,852,586	7,435,469	7,936,386	4.9%	(901,175)	8	408,466	5	198,774	\$8.91
2008	6,445	162,625,120	6,612,437	6,807,745	4.2%	1,159,113	14	1,103,463	7	334,186	\$9.89
2007	6,433	161,543,257	6,387,628	6,884,995	4.3%	(247,282)	3	59,300	11	1,036,095	\$9.57
2006	6,430	161,483,957	6,123,643	6,578,413	4.1%	618,428	10	249,095	2	47,400	\$9.70
2005	6,421	161,251,462	6,550,929	6,964,346	4.3%	1,726,051	9	331,195	9	237,395	\$8.86

Source: CoStar Property®

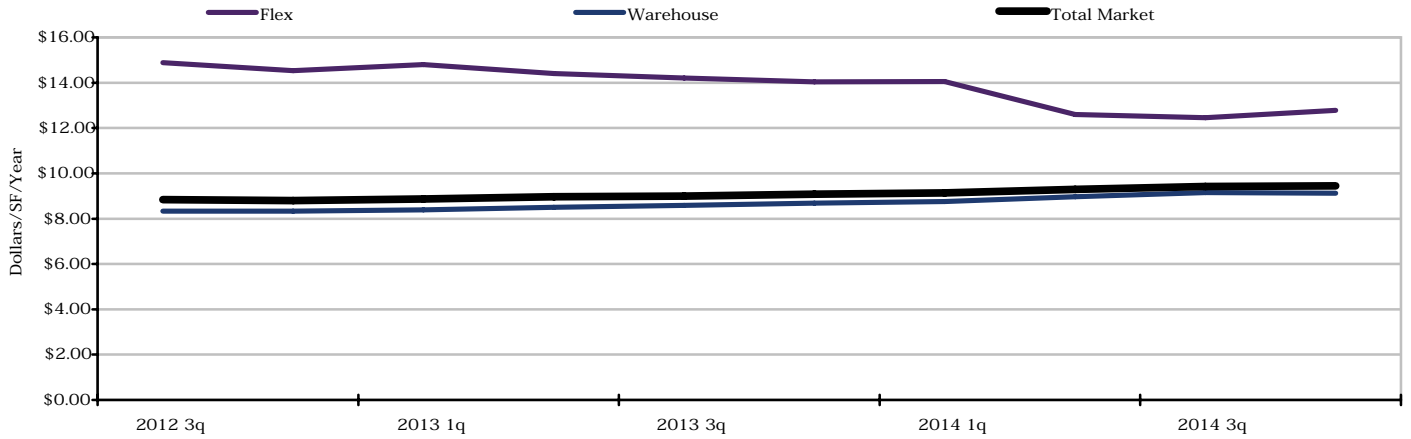
Nassau and Suffolk County Industrial Market



Leasing Activity

Historical Rental Rates

Based on Quoted Rental Rates

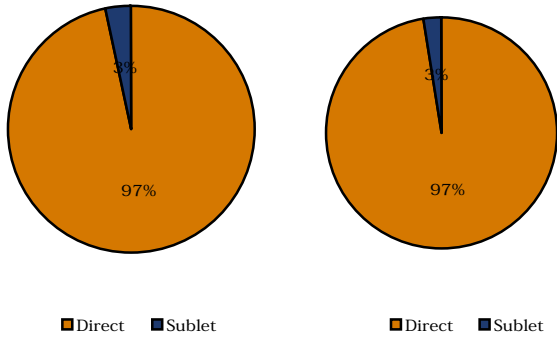


Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Nassau and Suffolk County United States

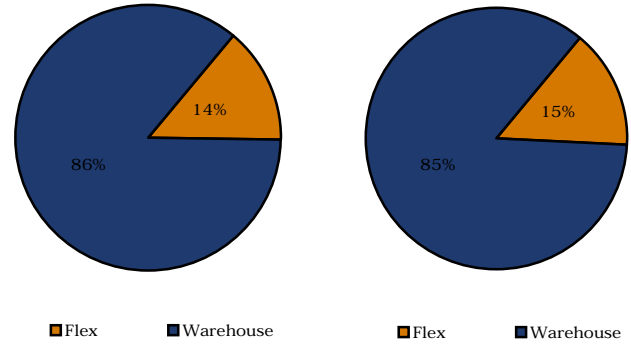


Source: CoStar Property®

Vacancy by Building Type

Percent of All Vacant Space by Building Type

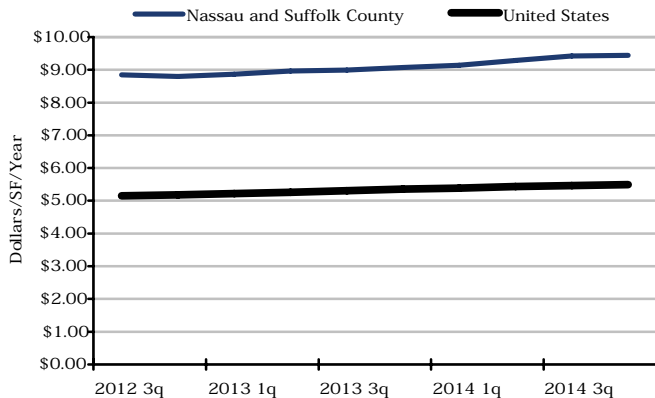
Nassau and Suffolk County United States



Source: CoStar Property®

U.S. Rental Rate Comparison

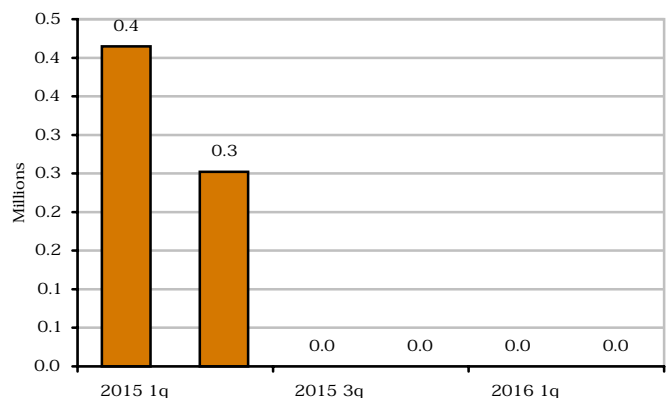
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

Select Top Industrial Leases Based on Leased Square Footage For Deals Signed in 2014

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	50 Emjay Blvd*	Hauppauge Ind	542,300	3rd	ELM Global Logistics	Ashlind Properties	N/A
2	390 Motor Pky*	Hauppauge Ind	181,000	3rd	Loop Loc Corp.	N/A	Rechler Equity Partners, LLC
3	110 Wilshire Blvd	Deer Park Ind	150,000	2nd	U.S. Alliance Paper	N/A	Heartland Development
4	300 Michael Dr	Eastern Nassau Ind	120,550	4th	Sub Zero	Cresa Long Island	Newmark Grubb Knight Frank
5	175 S Central Ave	Eastern Nassau Ind	78,000	2nd	N/A	N/A	Premier Commercial Real Estate
6	5 Inez Dr	Hauppauge Ind	75,000	4th	Ruby Has LLC	Ashlind Properties	Alliance Real Estate Corporation
7	Natures Bounty*	Ronkonkoma/Bohemia Ind	75,000	3rd	NBTY, Inc.	N/A	Ashlind Properties
8	35 Engel St	Eastern Nassau Ind	70,000	2nd	Arctic Glacier	Steel Equities	Colliers International
9	325 Duffy Ave*	Eastern Nassau Ind	60,041	1st	Chesapeake Pharma & Healthcare	N/A	N/A
10	5050 Veterans Memorial Hwy	Ronkonkoma/Bohemia Ind	51,500	3rd	Fashioncraft-Excello, Inc.	Direct Deal	Greiner-Maltz Co of Long Island
11	55 Marcus Dr	East Farmingdale Ind	51,351	1st	MEPPI	CBRE	Majestic Property Affiliates, Inc.
12	270 Oser Ave	Hauppauge Ind	40,000	2nd	Sterling North America	N/A	Heartland Development
13	5 Plant Ave	Hauppauge Ind	37,420	4th	Triple Crown Maffucci Storage Corp.	N/A	Thursday Morning Inc
14	151 Fulton Ave	Central Nassau Ind	35,200	3rd	Shiah Yih Industries Co Ltd	N/A	Floral Management Realty Corp.
15	180 Keyland Ct	Ronkonkoma/Bohemia Ind	34,143	3rd	Fabricade Fabrics	Ashlind Properties	Schacker Real Estate Corp.
16	300 Spagnoli Rd*	East Farmingdale Ind	27,155	1st	Miss Chocolate, Inc.	N/A	N/A
17	575 Underhill Blvd	Eastern Nassau Ind	25,400	2nd	101 Phones	N/A	Long Island Industrial Group
18	933 Motor Pky	Hauppauge Ind	23,608	4th	N/A	JLL	Rechler Equity Partners, LLC
19	71 E Industry Ct	Deer Park Ind	21,813	2nd	PSC Environmental Services	Colliers International	Hunt Corporate Services, Inc
20	Tech 110	East Farmingdale Ind	20,092	2nd	BeWild.com	Alliance Real Estate Corporation	Rechler Equity Partners, LLC
21	7 Terminal Rd	Central Nassau Ind	20,000	1st	Long Island Storm Baseball Academy	Colliers International	Colliers International
22	1305 Newbridge Rd	Southeast Nassau Ind	20,000	1st	N/A	N/A	N/A
23	155 Raynor Ave	Ronkonkoma/Bohemia Ind	20,000	4th	N/A	N/A	Greiner-Maltz Co of Long Island
24	73 Oser Ave*	Hauppauge Ind	20,000	2nd	Bactolac Pharmaceuticals	Rechler Equity Partners, LLC	Rechler Equity Partners, LLC
25	80 Orville Dr	Ronkonkoma/Bohemia Ind	18,950	3rd	Scientific Industries, Inc.	Corporate Commercial Realty, LLC	Rechler Equity Partners, LLC
26	73-77	Eastern Nassau Ind	18,420	3rd	S & K Farm	N/A	Racanelli Realty Services, Inc.
27	170 Michael Dr	Eastern Nassau Ind	17,500	3rd	Stark Carpet	N/A	Premier Commercial Real Estate
28	102 Buffalo Ave	Southern Nassau Ind	16,000	2nd	N/A	N/A	Keller Williams Realty
29	40 Melville Park Rd	East Farmingdale Ind	15,658	4th	N/A	N/A	Simone Development Company
30	1765 Expressway Dr N	Hauppauge Ind	13,500	4th	CCCP INC	Zere Real Estate Services Inc.	Greiner-Maltz Co of Long Island
31	1765 Expressway Dr N	Hauppauge Ind	13,500	1st	Bayshore Moving and Storage	Racanelli Realty Services, Inc.	Greiner-Maltz Co of Long Island
32	1329 Newbridge Rd	Southeast Nassau Ind	12,000	2nd	Bellmore General	Direct Deal	Great American Electronics
33	1436 Broadway	Southern Nassau Ind	12,000	1st	Mount Sinai Five Towns Medical Group	N/A	N/A
34	75 Rushmore St	Eastern Nassau Ind	11,100	1st	Wheels of America	Cushman & Wakefield, Inc.	JLL
35	611 Old Willets Path*	Hauppauge Ind	10,000	1st	Body In Balance Physical Therapy Pllc	N/A	Rechler Equity Partners, LLC
36	69 Alexander Ct	Ronkonkoma/Bohemia Ind	9,600	2nd	Global Freight	N/A	Coldwell Banker Commercial Island
37	2180 Fifth Ave	Ronkonkoma/Bohemia Ind	9,500	1st	Cleurette	N/A	O'Shea Properties
38	1172 Route 109	Southwest Suffolk Ind	9,200	1st	Eastern Moving Company	N/A	Howard Katz Realty & Construction
39	85 Hoffman Ln	Hauppauge Ind	8,988	3rd	Nutraceuticals	N/A	Brent Mako Real Estate

Source: CoStar Property®

* Renewal

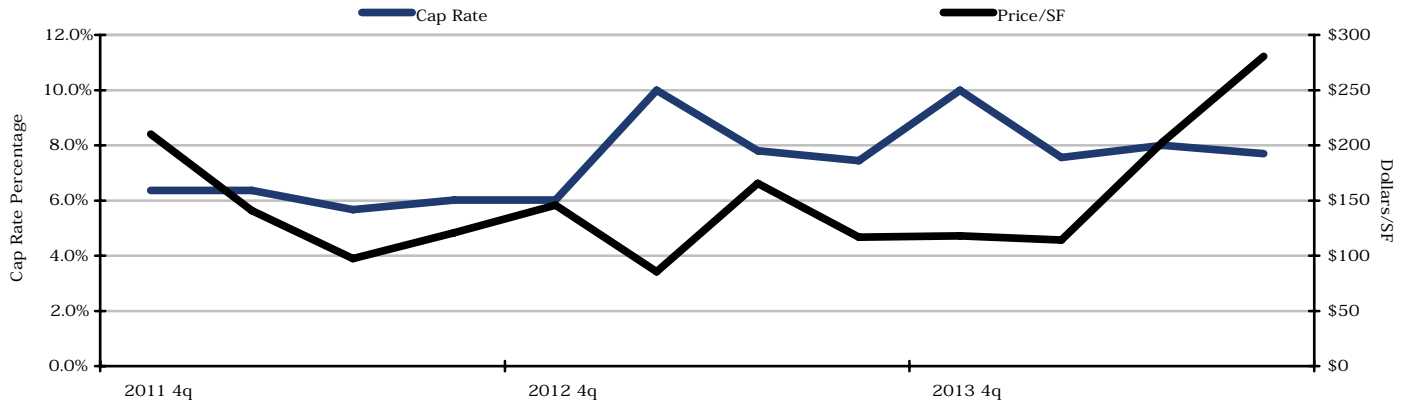
Nassau and Suffolk County Industrial Market



Sales Activity

The Optimist Sales Index

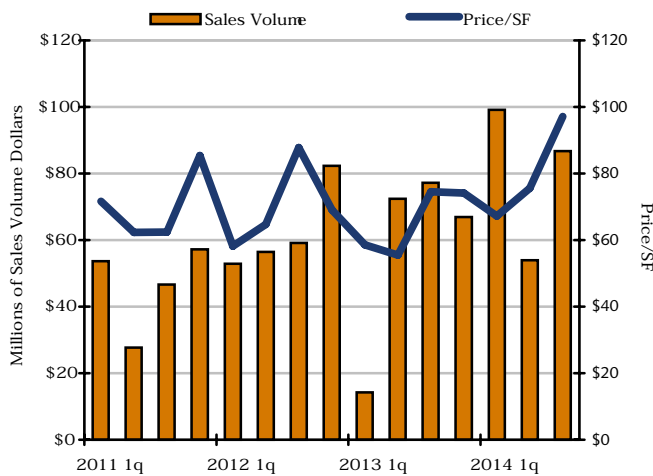
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



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

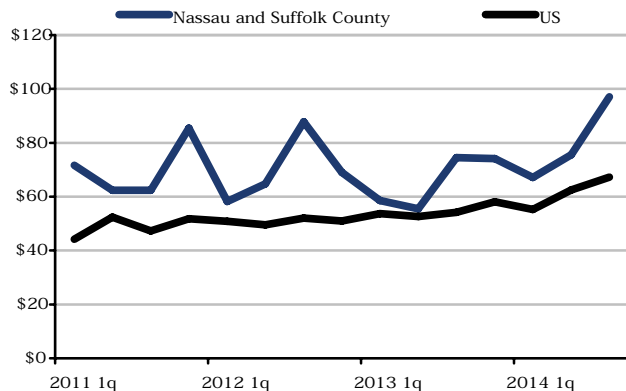
Based on Industrial Bldg Sales From Oct. 2013 - Sept. 2014

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	111	1,285,781	\$131,503,760	\$102.28	7.00%
25K-99K SF	36	1,659,130	\$123,652,610	\$ 74.53	8.50%
100K-249K SF	10	1,443,500	\$110,745,589	\$ 76.72	-
>250K SF	1	255,000	\$13,000,000	\$ 50.98	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

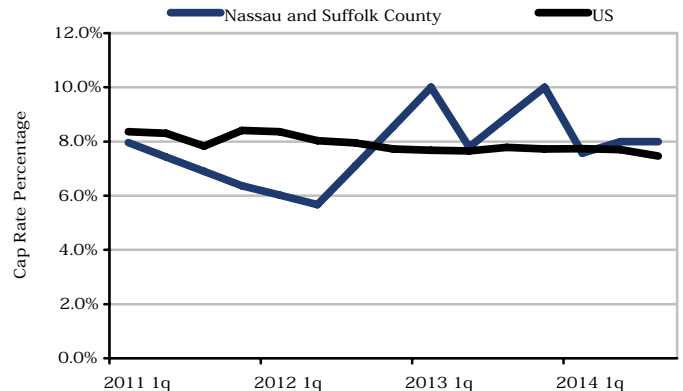
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

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



Source: CoStar COMPS®

Select Top Sales

Based on Sales from October 2013 Through December 2014

1. 100 Orville Dr



Bohemia

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

2. 550 New Horizons Blvd



Amityville

Price: **\$13,092,500**
 Price/SF: **\$65.46**
 Cap Rate: **N/A**
 RBA: **200,000**
 Date: **10/1/2013**
 Year Built: **1985**
 Buyer: **Pepsi Bottling Company**
 Seller: **Investment Property Exchange Services, 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. 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.**

6. 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**

7. 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**

8. 250 Duffy Ave



Hicksville

Price: **\$8,000,000**
 Price/SF: **\$79.75**
 Cap Rate: **N/A**
 RBA: **100,317**
 Date: **12/1/2013**
 Year Built: **1952**
 Buyer: **Designatronics Inc**
 Seller: **Pal Manufacturing**

9. 330 Prospect St



Inwood

Price: **\$7,100,000**
 Price/SF: **\$69.79**
 Cap Rate: **N/A**
 RBA: **101,740**
 Date: **10/1/2014**
 Year Built: **1950**
 Buyer: **Shulamith School For Girls**
 Seller: **Principal Financial Group**

Nassau and Suffolk County Industrial Market

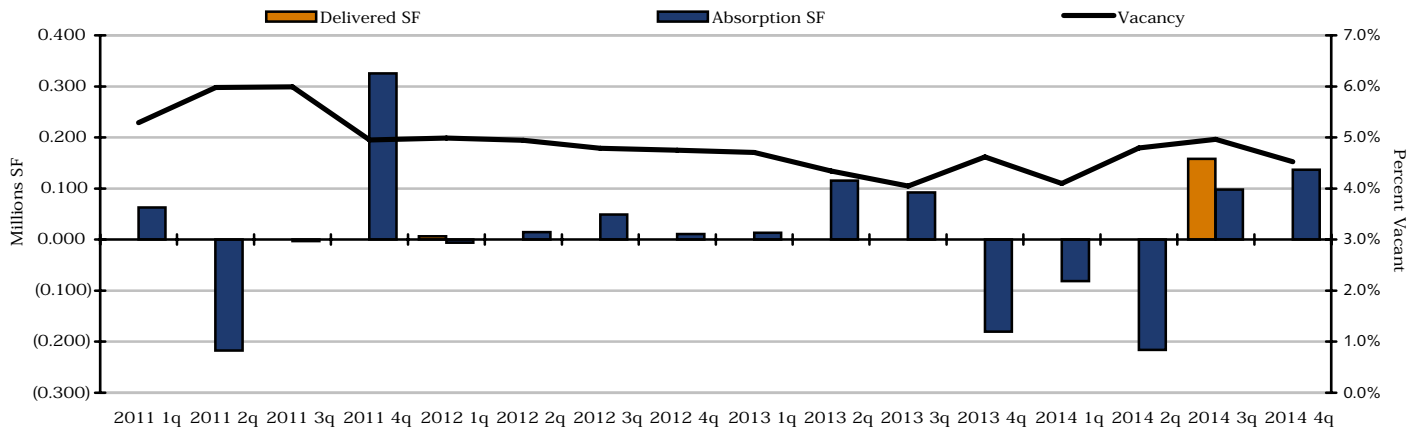


Central Suffolk Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

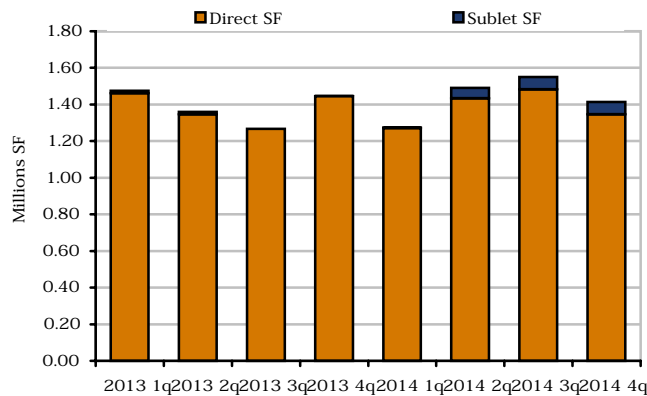
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



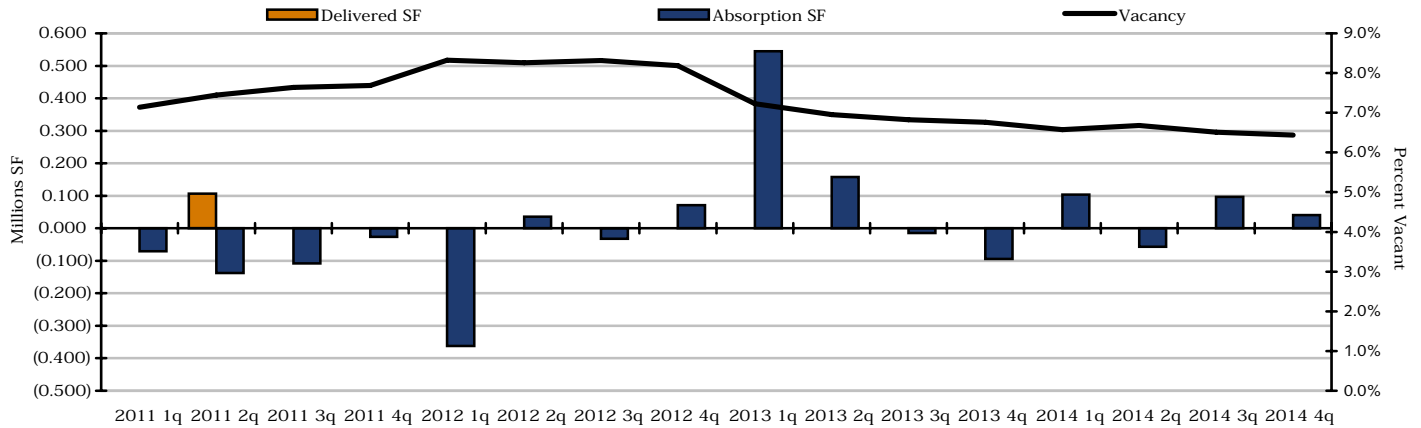
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 4q	1,305	31,233,753	1,413,118	4.5%	137,031	0	0	2	52,000	\$8.37
2014 3q	1,305	31,233,753	1,550,149	5.0%	98,113	1	158,000	2	52,000	\$8.32
2014 2q	1,304	31,075,753	1,490,262	4.8%	(215,952)	0	0	3	210,000	\$8.25
2014 1q	1,304	31,075,753	1,274,310	4.1%	(81,450)	0	0	1	158,000	\$8.47
2013 4q	1,305	31,330,753	1,447,860	4.6%	(180,094)	0	0	1	158,000	\$8.51
2013 3q	1,305	31,330,753	1,267,766	4.0%	92,445	0	0	0	0	\$8.23
2013 2q	1,305	31,330,753	1,360,211	4.3%	115,196	0	0	0	0	\$8.33
2013 1q	1,305	31,330,753	1,475,407	4.7%	13,223	0	0	0	0	\$8.34
2012 4q	1,305	31,330,753	1,488,630	4.8%	10,654	0	0	0	0	\$8.20
2012 3q	1,305	31,330,753	1,499,284	4.8%	48,945	0	0	0	0	\$8.20
2012 2q	1,305	31,330,753	1,548,229	4.9%	14,329	0	0	0	0	\$8.33
2012 1q	1,305	31,330,753	1,562,558	5.0%	(5,797)	1	6,270	0	0	\$8.20
2011 4q	1,304	31,324,483	1,550,491	4.9%	325,453	0	0	1	6,270	\$8.29
2011 3q	1,304	31,324,483	1,875,944	6.0%	(2,880)	0	0	1	6,270	\$8.28
2011 2q	1,304	31,324,483	1,873,064	6.0%	(217,240)	0	0	1	6,270	\$8.28
2011 1q	1,304	31,324,483	1,655,824	5.3%	62,956	0	0	0	0	\$8.24

Source: CoStar Property®

Deliveries, Absorption & Vacancy

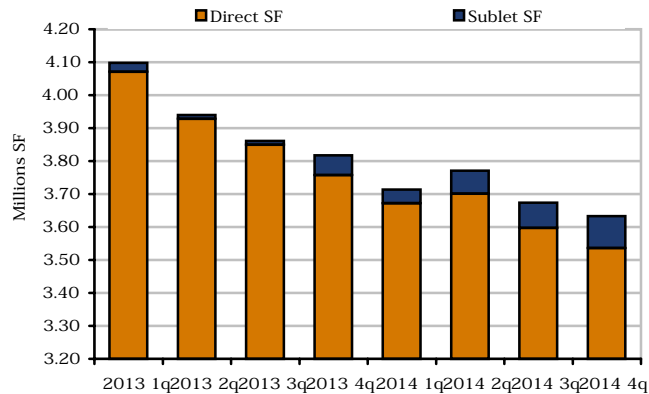
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

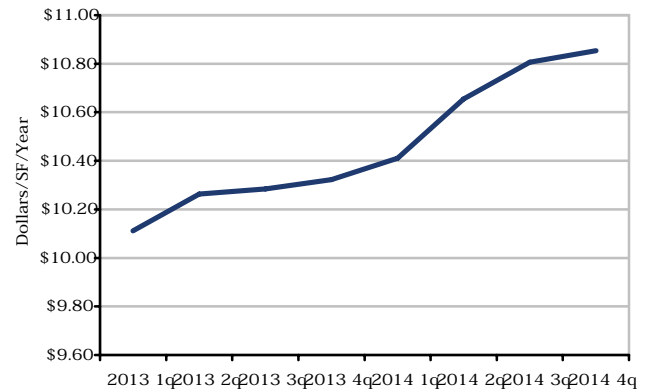
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 4q	2,360	56,456,129	3,633,291	6.4%	40,807	0	0	0	0	\$10.85
2014 3q	2,360	56,456,129	3,674,098	6.5%	96,373	0	0	0	0	\$10.81
2014 2q	2,360	56,456,129	3,770,471	6.7%	(56,953)	0	0	0	0	\$10.65
2014 1q	2,360	56,456,129	3,713,518	6.6%	103,574	0	0	0	0	\$10.41
2013 4q	2,360	56,456,129	3,817,092	6.8%	(94,363)	0	0	0	0	\$10.32
2013 3q	2,362	56,594,082	3,860,682	6.8%	(14,647)	0	0	0	0	\$10.28
2013 2q	2,363	56,687,824	3,939,777	6.9%	158,303	0	0	0	0	\$10.26
2013 1q	2,363	56,687,824	4,098,080	7.2%	544,681	0	0	0	0	\$10.11
2012 4q	2,363	56,687,824	4,642,761	8.2%	70,919	0	0	0	0	\$9.99
2012 3q	2,363	56,687,824	4,713,680	8.3%	(32,459)	0	0	0	0	\$10.11
2012 2q	2,363	56,687,824	4,681,221	8.3%	35,891	0	0	0	0	\$9.98
2012 1q	2,363	56,687,824	4,717,112	8.3%	(361,776)	0	0	0	0	\$9.69
2011 4q	2,363	56,687,824	4,355,336	7.7%	(26,667)	0	0	0	0	\$9.76
2011 3q	2,363	56,687,824	4,328,669	7.6%	(108,300)	0	0	0	0	\$9.80
2011 2q	2,363	56,687,824	4,220,369	7.4%	(137,829)	1	107,000	0	0	\$9.93
2011 1q	2,363	56,647,962	4,042,678	7.1%	(70,997)	0	0	1	107,000	\$9.83

Source: CoStar Property®

Nassau and Suffolk County Industrial Market

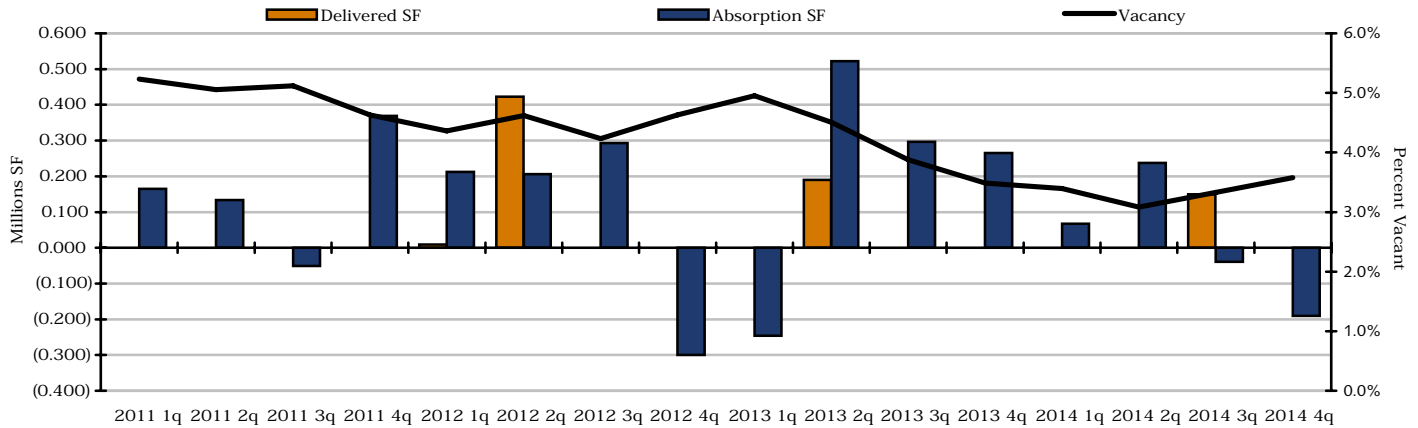


Western Suffolk Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

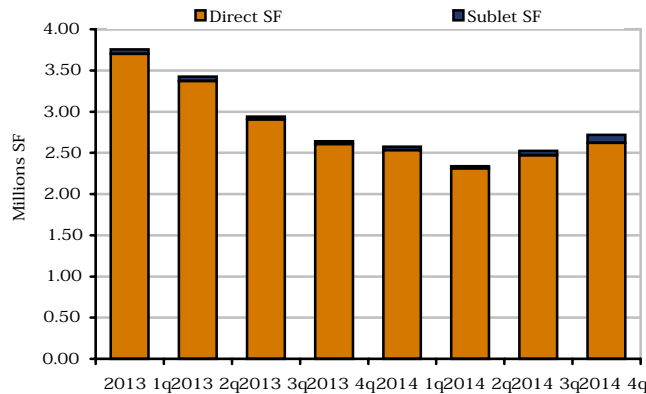
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

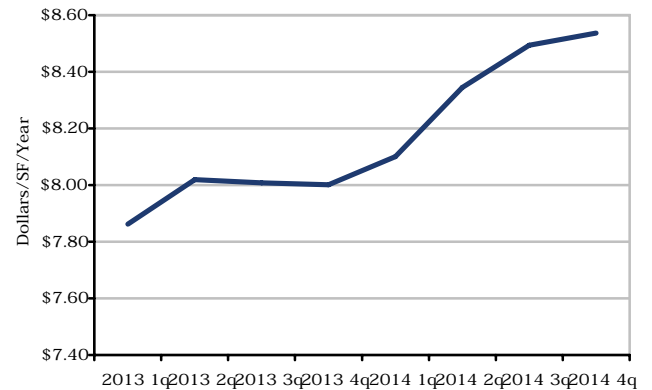
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 4q	2,794	75,909,461	2,717,017	3.6%	(190,871)	0	0	0	0	\$8.54
2014 3q	2,794	75,909,461	2,526,146	3.3%	(39,453)	1	150,000	0	0	\$8.49
2014 2q	2,793	75,759,461	2,336,693	3.1%	237,209	0	0	1	150,000	\$8.34
2014 1q	2,793	75,759,461	2,573,902	3.4%	67,123	0	0	1	150,000	\$8.10
2013 4q	2,793	75,759,461	2,641,025	3.5%	264,913	0	0	1	150,000	\$8.00
2013 3q	2,794	75,794,461	2,940,938	3.9%	296,711	0	0	1	150,000	\$8.01
2013 2q	2,795	75,980,609	3,423,797	4.5%	521,728	1	190,000	0	0	\$8.02
2013 1q	2,794	75,790,609	3,755,525	5.0%	(246,165)	0	0	1	190,000	\$7.86
2012 4q	2,794	75,790,609	3,509,360	4.6%	(299,894)	0	0	0	0	\$7.96
2012 3q	2,794	75,790,609	3,209,466	4.2%	293,366	0	0	0	0	\$7.92
2012 2q	2,794	75,790,609	3,502,832	4.6%	205,809	2	423,061	0	0	\$7.94
2012 1q	2,792	75,367,548	3,285,580	4.4%	212,255	1	8,804	2	423,061	\$7.77
2011 4q	2,791	75,358,744	3,489,031	4.6%	369,146	0	0	3	431,865	\$7.58
2011 3q	2,791	75,358,744	3,858,177	5.1%	(50,733)	0	0	3	431,865	\$7.59
2011 2q	2,791	75,358,744	3,807,444	5.1%	133,260	0	0	2	11,865	\$7.60
2011 1q	2,791	75,358,744	3,940,704	5.2%	164,655	0	0	2	11,865	\$7.66

Source: CoStar Property®