EXECUTIVE SUMMARY

- Vacancy rate finally below 10%
- Trend line: Steady drop over last five years
- Peninsula the star of 2013
- Question: Any ‘drivers’ out there for industrial?
EXECUTIVE SUMMARY
WORLD; U.S. INFLUENCES

- Panama Canal update: 2015 or later?
- National industrial demand: Supply Chain driven?
- Defense Spending / Sequestration
- World economy / Political uncertainty

National Historic Leasing Activity
TOP U.S. INDUSTRIAL MARKETS: 2013 LEASED

- Greater Los Angeles: 35,766,051 sf
- Chicago: 30,861,300 sf
- Inland Empire: 30,496,242 sf
- Dallas/Ft. Worth: 28,275,842 sf
- New York/ NJ: 25,695,080 sf

National Historic Absorption
HAMPTON ROADS REGIONAL NEWS

- Tolls and trucking
- Rt. 460 Improvement project
- Port of Virginia
- Institutional investing in Hampton Roads
LOCAL INDUSTRIAL RESULTS:

- Repositioning of industrial properties
- Good: Healthy Submarkets / small in demand
- Good: Quality rents/ rising rents
- Bad: Building pricing continues to fall
- Bad: Construction costs high / no spec
- Leasing activity and absorption holding steady

LEASING ACTIVITY VS. OVERALL NET ABSORPTION

- Leasing Activity
- Overall Net Absorption
2013 WINS

- Overseas: Grandwatt Electric / Smithfield
- Local: Hampton Farms, Southampton
- Huntington Ingalls
- Blackstone / IndCor investments
- Port advantage...commodities
2014: BIG THINGS AHEAD?

- Continued drop in vacancy rates
- Market rents strengthening
- Good submarkets will get better
- Another big box, please?

- It is getting better!