

The
KARNES™ | Report

Asheville Industrial | 3rd Quarter 2013



A S H E V I L L E

Vol. 13, No. 3

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INDUSTRIAL | Definitions and Methodology

Methodology

The Karnes Asheville Industrial Report calculates industrial statistics utilizing Karnes' entire database of existing for-lease industrial buildings containing at least 1,000 square feet within Buncombe County. The Asheville industrial market is further divided into the two major industrial components - warehouse and flex. These industrial components are defined further in this report. The Karnes Asheville Industrial Report also includes information on for-lease industrial buildings that are either under construction, as defined by having footers poured, or are proposed within Buncombe County. Information on properties under construction or proposed do not impact overall vacancy and absorption figures until completion, when a certificate of occupancy is issued. All rental rates averages are weighted based on square footage and utilize triple net (NNN) rent figures only.

This edition of the Karnes Asheville Industrial Report contains current figures as of date collected at the end of the third quarter of 2013.

Definitions and Terms

Industrial Types: Karnes maintains two major subcategories of for-lease industrial space which are defined as either Flex or Warehouse space. These buildings are greater than 1,000 square feet unless within an industrial park containing more than 1,000 square feet. Below are the definitions for each category.

Warehouse: Buildings containing 18- to 38-foot clear ceiling height unfinished warehouse space with dock height or drive-in loading. Additionally the warehouse category includes manufacturing space, which contains buildings with 10- to 16-foot clear ceiling height or sufficient height for overhead cranes. Loading for these buildings may also be dock height or drive-in.

Flex Space: A building providing its occupants the flexibility of utilizing the space. Usually provides a configuration allowing a flexible amount of office or showroom space in combination with manufacturing, laboratory, warehouse distribution, etc. Typically also provides the flexibility to relocate overhead doors. These properties are generally constructed with little or no common areas, load-bearing floors, loading dock facilities and high ceilings.

Certificate of Occupancy: Presented by city building department to landlord or tenant after completion of tenant improvements and satisfactory inspections by city building department inspectors.

Future Proposed Space: Space in a proposed commercial development which is not yet under construction (defined by the pouring of building footers). Future Proposed projects include all those projects waiting for a lead tenant, financing, zoning, approvals or any other event necessary to begin construction. Also may refer to the future phases of a multi-phase project not yet built.

Under Construction: When construction, as defined by the pouring of building footers, has started but the Certificate of Occupancy has not yet been issued. Site grading does not constitute the commencement of construction as many sites are graded, but not developed for many months or even years.

Completion: A building which has been issued a Certificate of Occupancy during the current period. Any leasing within the building will be attributed to the net absorption figure; however, vacant space

INDUSTRIAL | Definitions and Methodology

will not be counted against net absorption. Vacant space will be included in the total vacancy tabulation.

Inventory: The total amount of rentable square feet of multi-tenant properties greater than 1,000 square feet in a given category. Inventory refers to only existing or completed space within a certain market during a given period. Future space either under construction or proposed is not included in this total.

Net Absorption: The square feet leased in a specific geographic area over a fixed period-of-time after deducting space vacated in the same area during the same period. Absorption of space in new completions is also added to this total.

Vacancy Rate: The total amount of physically vacant space compared to the total inventory of space and expressed as a percentage. This is calculated by dividing the vacant space by the total inventory.

Vacant Space: Refers to existing unoccupied tenant space currently being marketed for lease. This excludes space available for sublease or occupied space currently being marketed for lease.

Available Space: Refers to all tenant space currently being marketed for lease. This includes space available for sublease and space in future developments (pre-leasing).

Sublease Space: Sublease space is offered on the market by the current tenant for sublease, regardless of whether the space is occupied or vacant. This space often competes with direct lease space (offered directly by the building owner or agent).

Contiguous Space: Multiple suites/spaces within the same building and on the same floor which can be combined and rented to a single tenant. Also, defined as a block of space located on multiple adjoining floors in a building (i.e., a tenant leases floors 6 through 12 in a building).

Gross Square Feet: Usually refers to gross area of a building by measuring from the outside of its exterior walls and including all vertical penetrations, such as elevator shafts. Also includes basement space.

Rentable Area: Denotes the number of square feet in a building deemed to be rentable. This may include a common area load factor or allowance for building amenities such as hallways and lavatories.

Base rent: The minimum monthly rent, computed on a per-square-foot-per-year basis, due under the lease. The base rent marketed can be provided as a range, for example \$18.75 to \$19.50 per square foot.

Gross Lease: Commonly specifies one rental amount inclusive of rent, taxes, utilities, maintenance, etc. associated with the property rental.

Effective Rent: The actual rental rate to be achieved by the landlord after deducting the value of concessions from the base rental rate paid by a tenant, usually expressed as an average rate over the term of the lease.

Full Service Rent: All costs of operation are paid by the landlord up to a base year or expense stop.

Triple Net (NNN) Rent: All costs of operation including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis.

Modified Gross Rent: Any arrangement whereby the tenant pays one or more of the expenses covered by the landlord in a Full Service lease, but not all of the expenses as in a Triple Net lease.

Net Lease: Structured such that a base rent for a rental property is paid to landlord. In addition, other charges such as utilities and building property taxes, insurance and maintenance are also payable by tenant. Sometimes referred to as triple net or absolute net lease.

Core Factor: Represents the percentage of Net Rentable Square Feet devoted to the building's common areas (lobbies, rest rooms, corridors, etc.). This factor can be computed for an entire building or a single floor of a building. Also known as a Loss Factor or Rentable/Usable (R/U) Factor, it is calculated by dividing the rentable square footage by the usable square footage."

Expense Stop: An agreed dollar amount of taxes and operating expense (expressed for the building as a whole or on a square foot basis) over which the tenant will pay its prorated share of increases. May be applied to specific expenses (e.g., property taxes or insurance).

Asheville Economic Overview

Asheville MSA* Seasonal Employment

Year	Employment in		Growth (%)	Sept. Unemployment Rate
	Sept.	Growth (Jobs)		
2007	199,918	-330	-0.2%	3.4%
2008	200,743	825	0.4%	5.0%
2009	192,705	-8,038	-4.0%	8.3%
2010	197,051	4,346	2.3%	8.0%
2011	198,183	1,132	0.6%	8.1%
2012	203,201	5,018	2.5%	7.1%
2013	205,403	2,202	1.1%	5.8%
Avg.	199,601	736	0.4%	6.5%

Chart Key

Employment in Sept. - reported employment at the end of September for each year.

Growth (Jobs) - the 12-month net change in number of jobs.

Growth (%) - the percentage change for the corresponding job growth/contraction.

Sept. Unemployment Rate - unemployment figures as of September

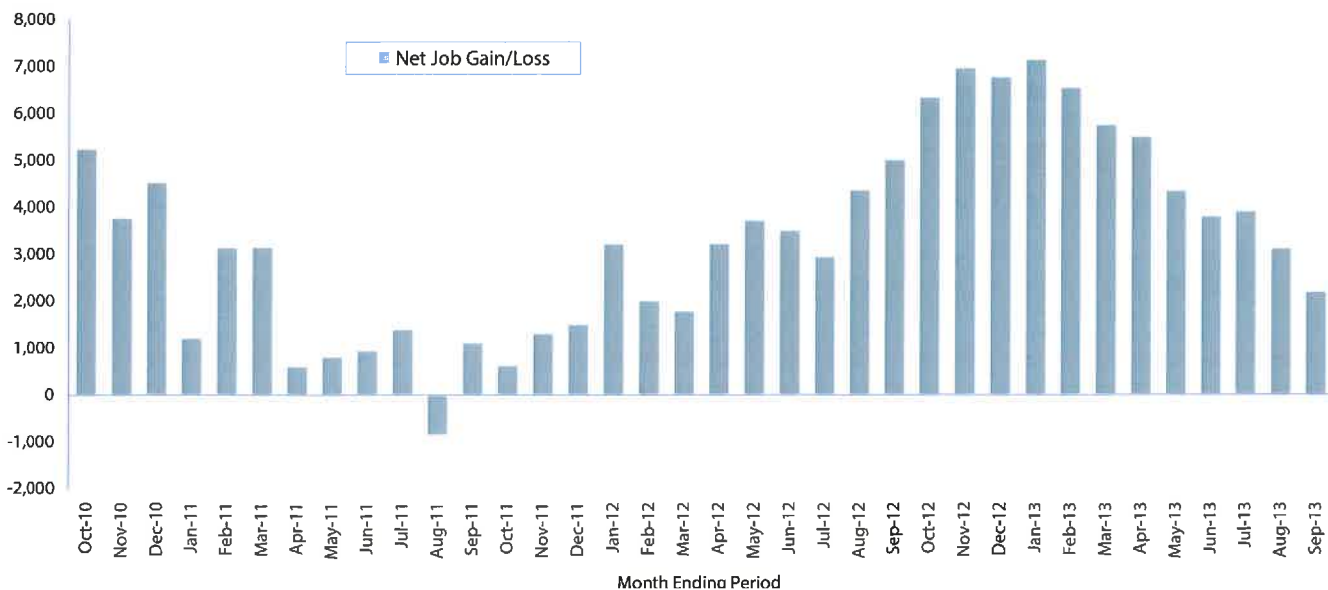
Note: The Asheville MSA includes Buncombe, Haywood, Henderson and Madison counties. These numbers were gathered from the Employment Security Commission of NC in December 2013. Totals for 2012 and 2013 will likely be revised. Averages are through 2013.

The federal government, responding to rapid growth throughout North Carolina, has defined Metropolitan Statistical Areas (MSA) throughout the state. In the Western North Carolina region, the MSA is defined as the Asheville MSA and contains the following counties: Buncombe, Haywood, Henderson, and Madison.

The Asheville MSA has added an average of 736 jobs per year (October to September) over the seven-year period ending in September 2013. After reporting a net contraction of 8,038 jobs during the 12-month period ending in September 2009, the Asheville MSA reported improvements in employment in each of the years following. During the 12-month period ending in September 2013, it was estimated that a total of 2,202 net jobs were added in the Asheville MSA. The growth in employment during the period ending in September 2013 was above the seven-year average, but below the 5,018 net jobs added in the 12-month period ending in September 2012.

At 5.8%, the September 2013 unemployment rate was 1.3 percentage points lower than the 7.1% reported in the same period a year prior and was also below the seven-year average of 6.5% for September periods.

Rolling Monthly Year-Over Employment Growth: Asheville MSA



INDUSTRIAL | Asheville Market Overview

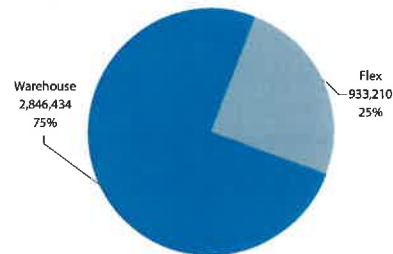
Asheville Industrial Overview

	Warehouse	Flex
Number of Buildings	67	61
Total Sq. Ft.	2,846,434	933,210
Total Sq. Ft. Vacant	310,522	71,808
Vacancy Rate	10.9%	7.7%
Average Rent	\$3.94	\$6.87
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	75,000
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	44,630 174,173	4,517 38,180

The Karnes Asheville industrial market comprises for-lease warehouse and flex buildings larger than 1,000 square feet located in Buncombe County. As of the third quarter of 2013, the Asheville industrial market contained 128 buildings totaling nearly 3.8 million square feet. The Asheville industrial market is further divided into the two major components - warehouse space and flex space. As of the third quarter of 2013, the warehouse inventory in the region totaled 2.8 million square feet, or 75%, of the total industrial inventory. Flex space accounted for the remaining 25%, or approximately 933,210 square feet.

A total of 310,522 square feet of warehouse space in the Asheville market was reported vacant during the third quarter of 2013, resulting in an average vacancy rate of 10.9%. This rate was down 1.7% points from the 12.6% reported in the second quarter as net absorption totaled 46,630 square feet. Only two Asheville warehouse submarkets reports net changes in occupancy during the third quarter, with both submarkets reporting net gains in occupancy. The South submarket reported the highest level of net absorption during the period with net demand totaling 42,130 square feet, while the North submarket reported 2,500 square feet of net absorption. A 31,830-square-foot absorption at 1100

Industrial Market Share By Type

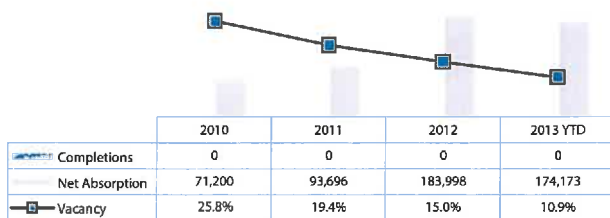


West Chapel Road, where the owner of the building utilized space, was the largest occupancy gain during the quarter. Other gains in the South submarket included an undisclosed tenant taking 7,000 square feet at 122 1/2 Sweeten Creek Road and Standafer & Sons taking 3,300 square feet at Arden Business Park.

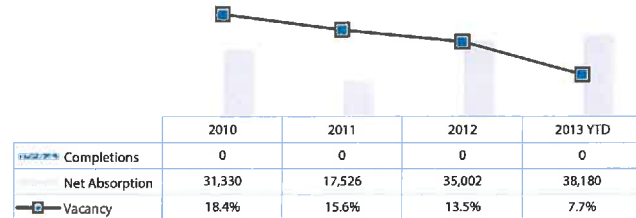
At the end of the third quarter of 2013, a total of 71,808 square feet of flex space was vacant in the Asheville market, resulting in a 7.7% regional vacancy rate. This rate was down 0.5% of a point from the 8.2% vacancy reported in the second quarter of 2013 as a result of net absorption totaling 4,517 square feet. While two flex submarkets reported contracting net demand during the quarter, positive net demand during in the Northwest submarket totaling 9,000 square feet outpaced losses in the North and South submarkets. New Generation Beer's occupancy at Westside Commerce Park accounted for all of the gains in the Northwest submarket during the quarter.

Average triple net (NNN) asking rental rates reported during the third quarter of 2013 were \$3.94 and \$6.87 per square foot for warehouse and flex markets, respectively. The warehouse average rate was down \$0.05 per square foot over the quarter, while the flex average was up \$0.10 per square foot.

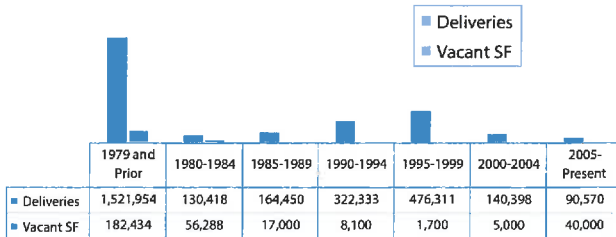
Warehouse Supply, Demand and Vacancy Trends



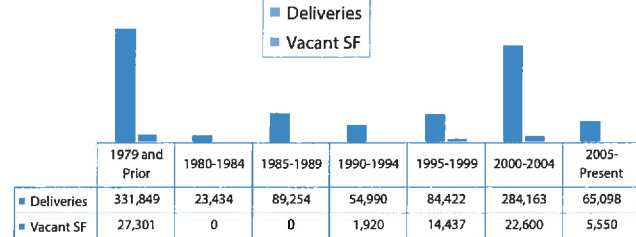
Flex Supply, Demand and Vacancy Trends



Warehouse Deliveries & Current Vacant Sq. Ft.



Flex Deliveries & Current Vacant Sq. Ft.



INDUSTRIAL | Asheville Submarket Overview

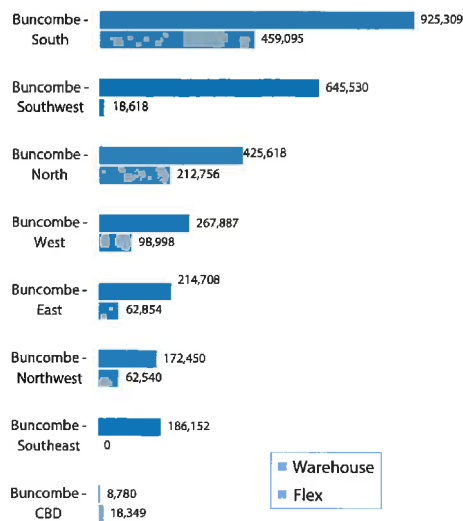
Asheville Net Absorption, Completion, and Vacancy Trends by Quarter - Warehouse

Submarket	Completions				Net Absorption				Vacancy			
	4Q12	1Q13	2Q13	3Q13	4Q12	1Q13	2Q13	3Q13	4Q12	1Q13	2Q13	3Q13
Buncombe - CBD	0	0	0	0	0	18,500	0	0	55.7%	0.0%	0.0%	0.0%
Buncombe - East	0	0	0	0	3,656	0	0	0	0.0%	25.4%	33.2%	33.2%
Buncombe - North	0	0	0	0	0	7,059	-6,406	2,500	12.4%	11.1%	11.6%	8.8%
Buncombe - Northwest	0	0	0	0	0	0	26,450	0	25.2%	25.2%	9.9%	9.9%
Buncombe - South	0	0	0	0	12,600	54,940	0	42,130	16.4%	10.1%	10.8%	6.3%
Buncombe - Southeast	0	0	0	0	0	29,000	0	0	20.5%	5.3%	5.4%	5.4%
Buncombe - Southwest	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Buncombe - West	0	0	0	0	-1,697	0	0	0	43.6%	43.6%	43.6%	43.6%
Buncombe	0	0	0	0	14,559	109,499	20,044	44,630	15.0%	12.6%	12.6%	10.9%
Total	0	0	0	0	14,559	109,499	20,044	44,630	15.0%	12.6%	12.6%	10.9%

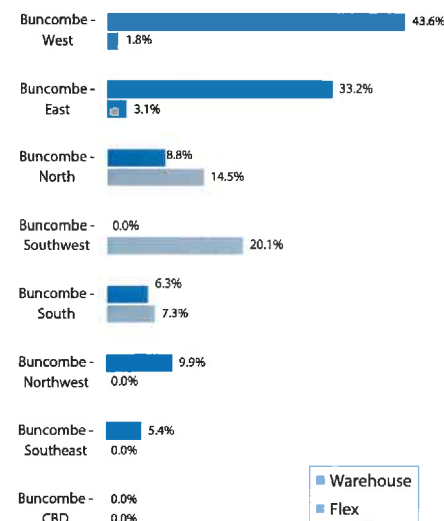
Asheville Net Absorption, Completion, and Vacancy Trends by Quarter - Flex

Submarket	Completions				Net Absorption				Vacancy			
	4Q12	1Q13	2Q13	3Q13	4Q12	1Q13	2Q13	3Q13	4Q12	1Q13	2Q13	3Q13
Buncombe - CBD	0	0	0	0	0	0	0	0	16.8%	16.8%	16.8%	0.0%
Buncombe - East	0	0	0	0	0	0	0	0	20.4%	20.4%	3.1%	3.1%
Buncombe - North	0	0	0	0	12,880	-12,000	-3,600	-1,160	5.6%	9.6%	13.9%	14.5%
Buncombe - Northwest	0	0	0	0	0	-4,500	0	9,000	15.1%	30.2%	12.8%	0.0%
Buncombe - South	0	0	0	0	16,540	2,263	9,000	-3,323	10.2%	8.5%	6.2%	7.3%
Buncombe - Southeast	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Buncombe - Southwest	0	0	0	0	0	4,000	3,500	0	38.5%	18.0%	13.7%	20.1%
Buncombe - West	0	0	0	0	0	21,500	13,500	0	23.2%	16.9%	2.0%	1.8%
Buncombe	0	0	0	0	29,420	11,263	22,400	4,517	13.5%	11.6%	8.2%	7.7%
Total	0	0	0	0	29,420	11,263	22,400	4,517	13.5%	11.6%	8.2%	7.7%

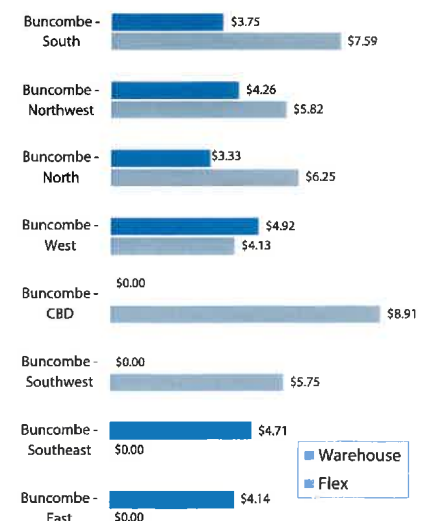
Asheville Industrial Inventory by Submarket



Asheville Industrial Vacancy by Submarket



Asheville Industrial Avg. Rents by Submarket



INDUSTRIAL | Buncombe County

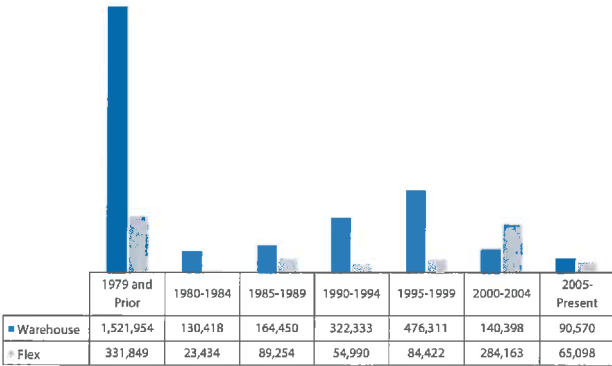
Buncombe County Snapshot

	Warehouse	Flex
Number of Buildings	67	61
Total Sq. Ft.	2,846,434	933,210
Total Sq. Ft. Vacant	310,522	71,808
Vacancy Rate	10.9%	7.7%
Average Rent	\$3.94	\$6.87
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	75,000
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	44,630 174,173	4,517 38,180

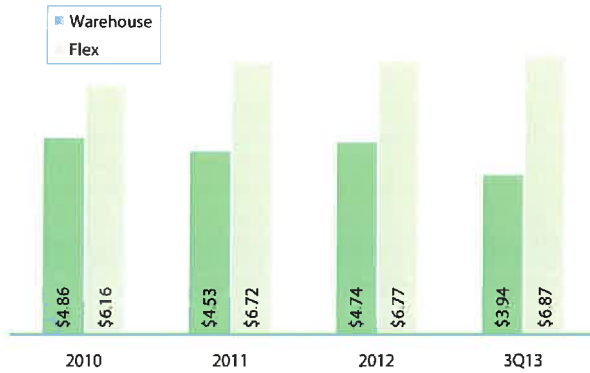
Buncombe County Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	19,008	0.0%	35,901	6.7%
5,000 to 9,999	34,940	37.5%	137,834	4.1%
10,000 to 19,999	218,097	15.9%	280,902	10.6%
20,000 to 49,999	745,785	18.7%	254,448	4.8%
50,000 and Greater	1,828,604	6.7%	224,125	9.7%
Total	2,846,434	10.9%	933,210	7.7%

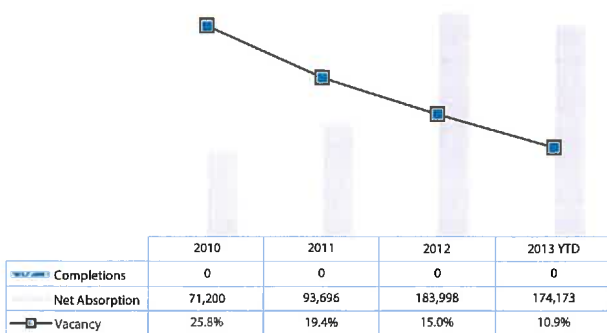
Historical Deliveries In Square Feet



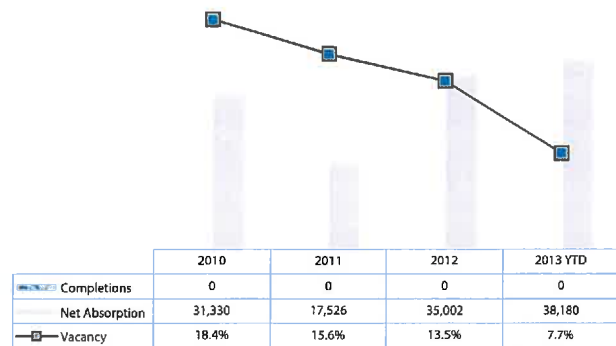
Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends



INDUSTRIAL | Buncombe - CBD

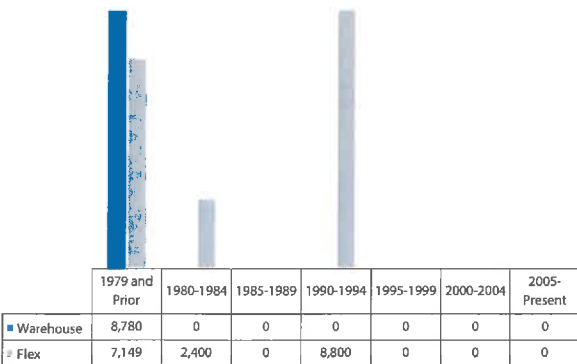
Buncombe - CBD Snapshot

	Warehouse	Flex
Number of Buildings	1	4
Total Sq. Ft.	8,780	18,349
Total Sq. Ft. Vacant	0	0
Vacancy Rate	0.0%	0.0%
Average Rent	\$0.00	\$8.91
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	0 18,500	0 0

Buncombe - CBD Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	0	0.0%	9,549	0.0%
5,000 to 9,999	8,780	0.0%	8,800	0.0%
10,000 to 19,999	0	0.0%	0	0.0%
20,000 to 49,999	0	0.0%	0	0.0%
50,000 and Greater	0	0.0%	0	0.0%
Total	8,780	0.0%	18,349	0.0%

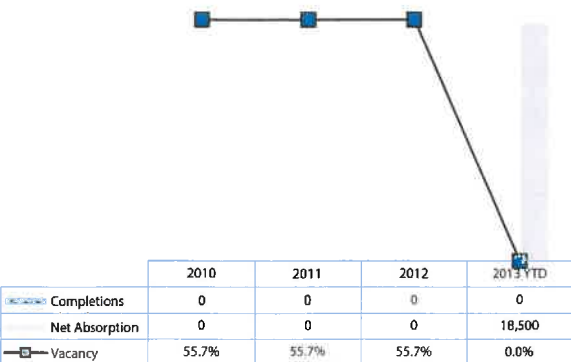
Historical Deliveries In Square Feet



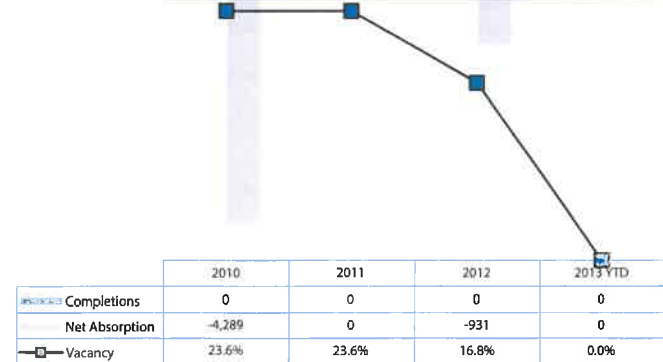
Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends



INDUSTRIAL | Buncombe - East

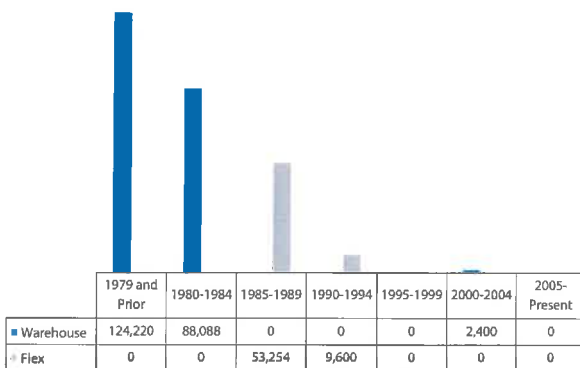
Buncombe - East Snapshot

	Warehouse	Flex
Number of Buildings	11	4
Total Sq. Ft.	214,708	62,854
Total Sq. Ft. Vacant	71,288	1,920
Vacancy Rate	33.2%	3.1%
Average Rent	\$4.14	\$0.00
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	0 0	0 0

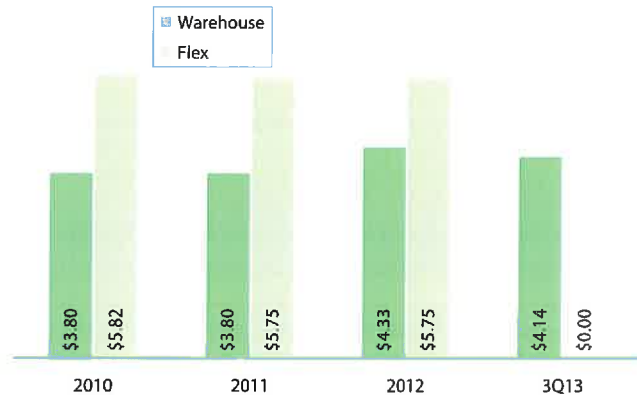
Buncombe - East Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	9,256	0.0%	0	0.0%
5,000 to 9,999	0	0.0%	14,600	13.2%
10,000 to 19,999	11,280	0.0%	0	0.0%
20,000 to 49,999	138,088	51.6%	48,254	0.0%
50,000 and Greater	56,084	0.0%	0	0.0%
Total	214,708	33.2%	62,854	3.1%

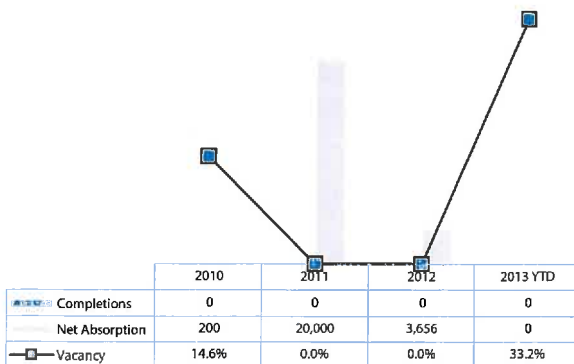
Historical Deliveries In Square Feet



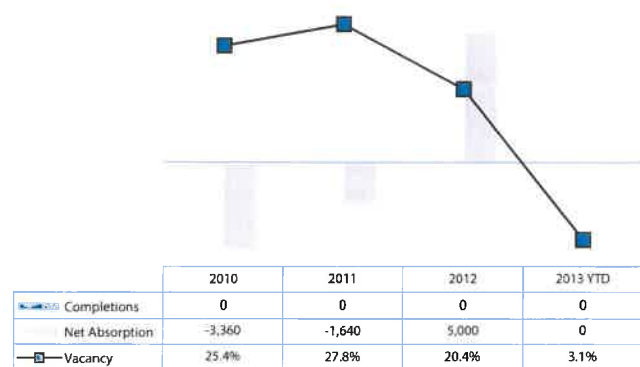
Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends

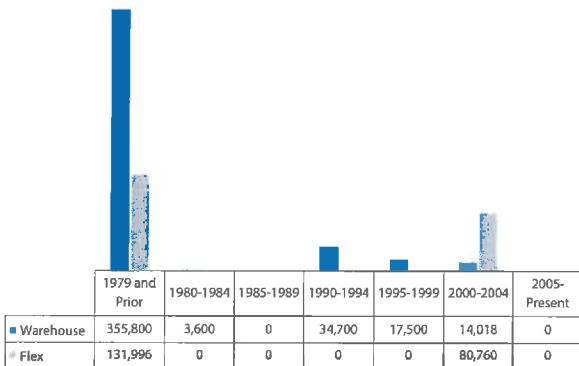


INDUSTRIAL | Buncombe - North

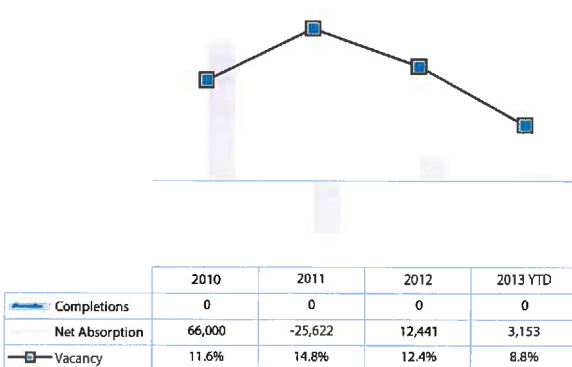
Buncombe - North Snapshot

	Warehouse	Flex
Number of Buildings	7	9
Total Sq. Ft.	425,618	212,756
Total Sq. Ft. Vacant	37,406	30,756
Vacancy Rate	8.8%	14.5%
Average Rent	\$3.33	\$6.25
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	2,500 3,153	-1,160 -16,760

Historical Deliveries In Square Feet



Warehouse Supply, Demand & Vacancy Trends



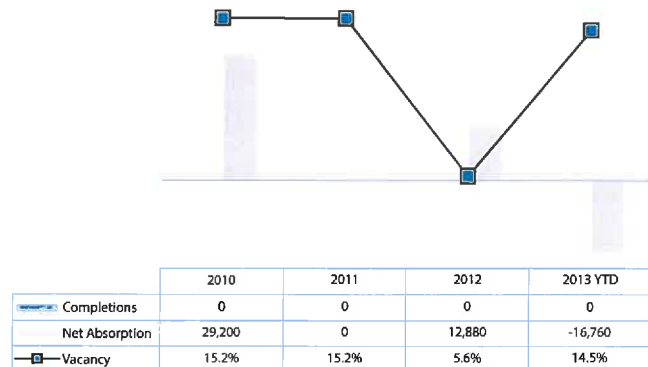
Buncombe - North Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	3,600	0.0%	10,360	11.2%
5,000 to 9,999	0	0.0%	0	0.0%
10,000 to 19,999	42,318	0.0%	39,176	25.8%
20,000 to 49,999	62,700	44.7%	0	0.0%
50,000 and Greater	317,000	3.0%	163,220	11.9%
Total	425,618	8.8%	212,756	14.5%

Avg. Rental Rate Trends (NNN)



Flex Supply, Demand & Vacancy Trends



INDUSTRIAL | Buncombe - Northwest

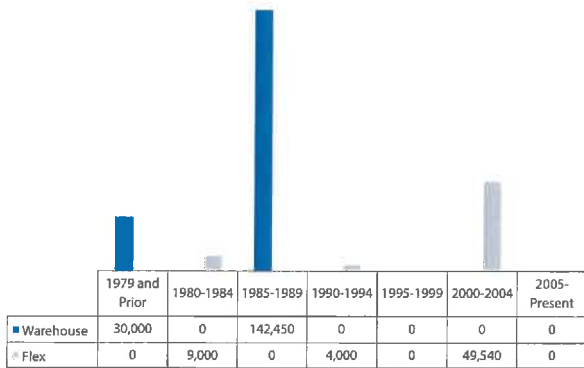
Buncombe - Northwest Snapshot

	Warehouse	Flex
Number of Buildings	2	4
Total Sq. Ft.	172,450	62,540
Total Sq. Ft. Vacant	17,000	0
Vacancy Rate	9.9%	0.0%
Average Rent	\$4.26	\$5.82
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	0 26,450	9,000 4,500

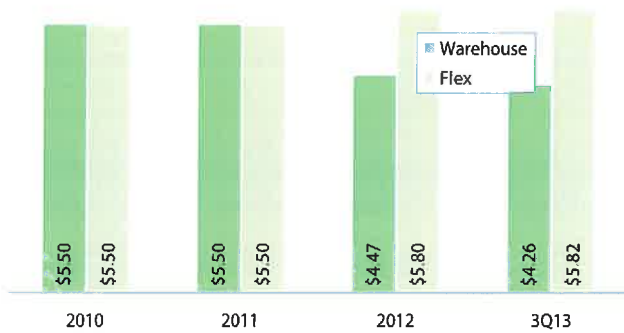
Buncombe - Northwest Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	0	0.0%	4,000	0.0%
5,000 to 9,999	0	0.0%	17,800	0.0%
10,000 to 19,999	0	0.0%	0	0.0%
20,000 to 49,999	30,000	0.0%	40,740	0.0%
50,000 and Greater	142,450	11.9%	0	0.0%
Total	172,450	9.9%	62,540	0.0%

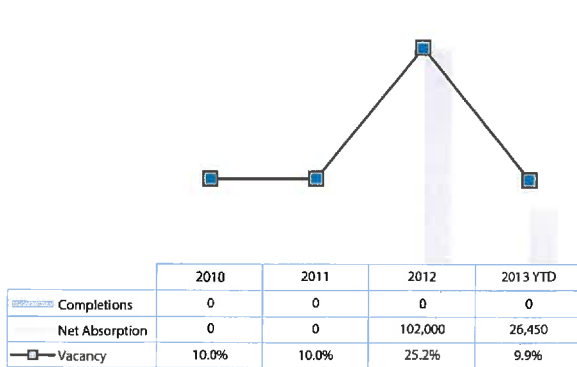
Historical Deliveries In Square Feet



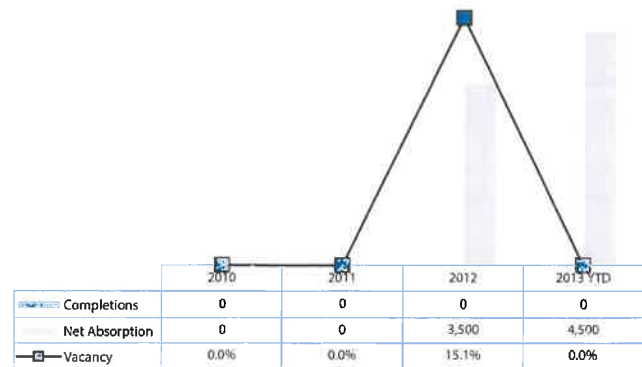
Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends

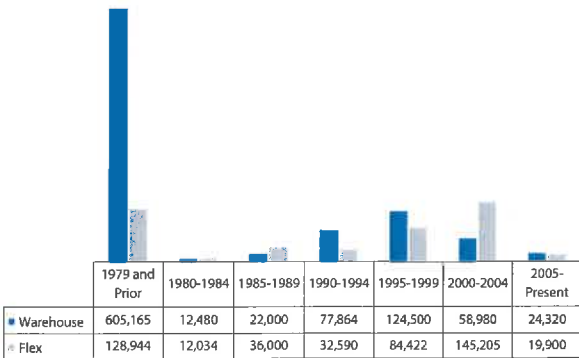


INDUSTRIAL | Buncombe - South

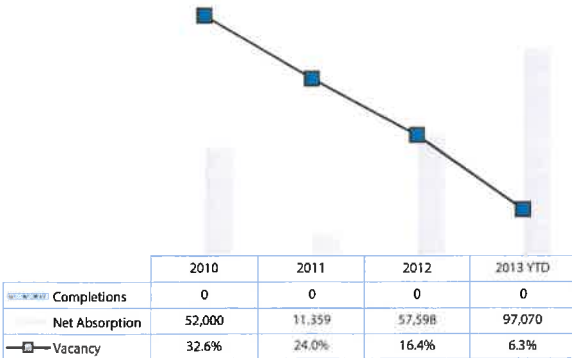
Buncombe - South Snapshot

	Warehouse	Flex
Number of Buildings	24	32
Total Sq. Ft.	925,309	459,095
Total Sq. Ft. Vacant	58,011	33,582
Vacancy Rate	6.3%	7.3%
Average Rent	\$3.75	\$7.59
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	42,130 97,070	-3,323 7,940

Historical Deliveries In Square Feet



Warehouse Supply, Demand & Vacancy Trends



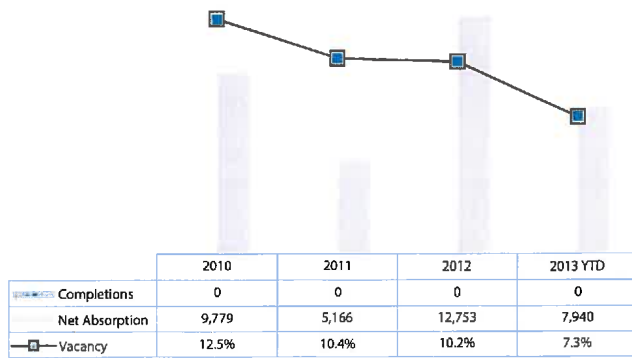
Buncombe - South Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	4,000	0.0%	11,992	10.5%
5,000 to 9,999	14,860	54.5%	72,658	0.0%
10,000 to 19,999	114,679	21.5%	185,346	9.7%
20,000 to 49,999	215,980	0.0%	128,194	9.5%
50,000 and Greater	575,790	4.4%	60,905	3.6%
Total	925,309	6.3%	459,095	7.3%

Avg. Rental Rate Trends (NNN)



Flex Supply, Demand & Vacancy Trends



INDUSTRIAL | Buncombe - Southeast

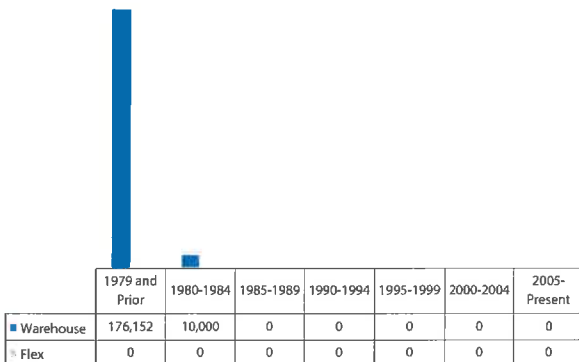
Buncombe - Southeast Snapshot

	Warehouse	Flex
Number of Buildings	3	0
Total Sq. Ft.	186,152	0
Total Sq. Ft. Vacant	10,000	0
Vacancy Rate	5.4%	0.0%
Average Rent	\$4.71	\$0.00
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	0 29,000	0 0

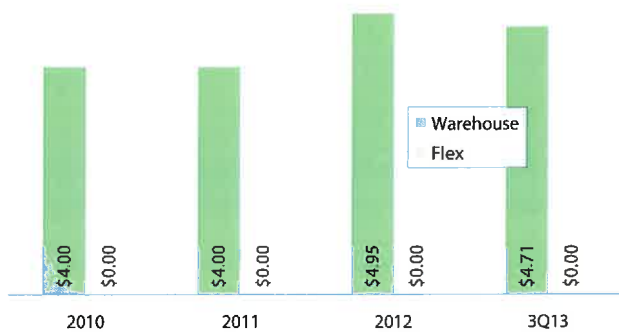
Buncombe - Southeast Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	2,152	0.0%	0	0.0%
5,000 to 9,999	0	0.0%	0	0.0%
10,000 to 19,999	10,000	100.0%	0	0.0%
20,000 to 49,999	0	0.0%	0	0.0%
50,000 and Greater	174,000	0.0%	0	0.0%
Total	186,152	5.4%	0	#DIV/0!

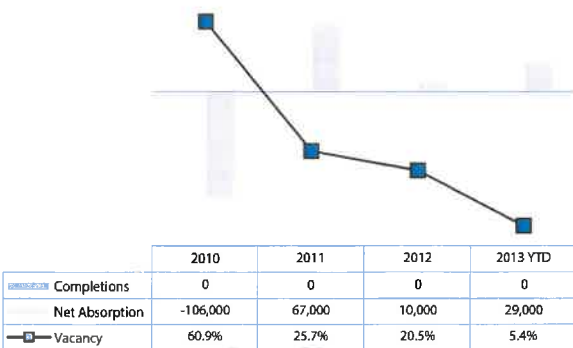
Historical Deliveries In Square Feet



Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends

	2010	2011	2012	2013 YTD
Completions	0	0	0	0
Net Absorption	0	0	0	0
Vacancy	0.0%	0.0%	0.0%	0.0%

INDUSTRIAL | Buncombe - Southwest

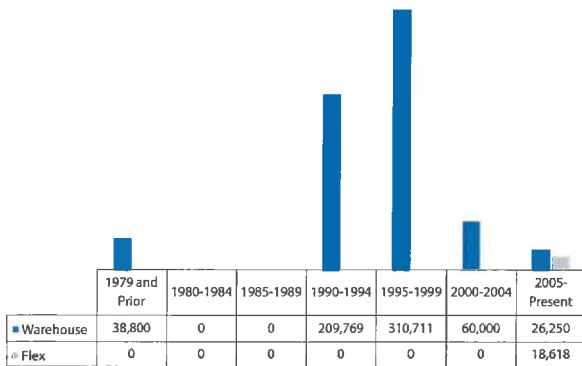
Buncombe - Southwest Snapshot

	Warehouse	Flex
Number of Buildings	10	2
Total Sq. Ft.	645,530	18,618
Total Sq. Ft. Vacant	0	3,750
Vacancy Rate	0.0%	20.1%
Average Rent	\$0.00	\$5.75
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	75,000
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	0 0	0 7,500

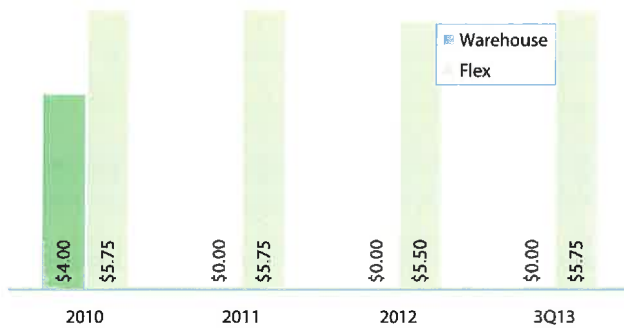
Buncombe - Southwest Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	0	0.0%	0	0.0%
5,000 to 9,999	6,300	0.0%	7,818	48.0%
10,000 to 19,999	10,370	0.0%	10,800	0.0%
20,000 to 49,999	135,700	0.0%	0	0.0%
50,000 and Greater	493,160	0.0%	0	0.0%
Total	645,530	0.0%	18,618	20.1%

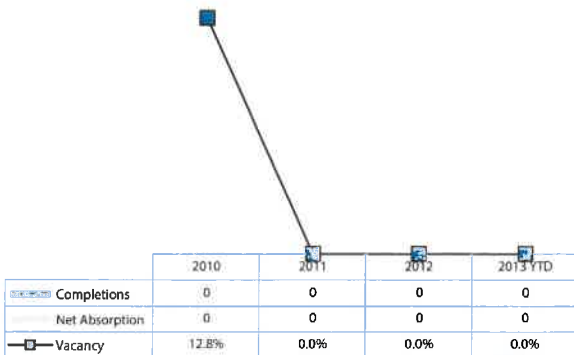
Historical Deliveries In Square Feet



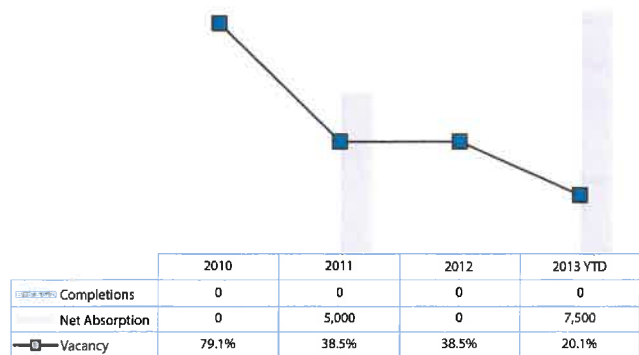
Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends



INDUSTRIAL | Buncombe - West

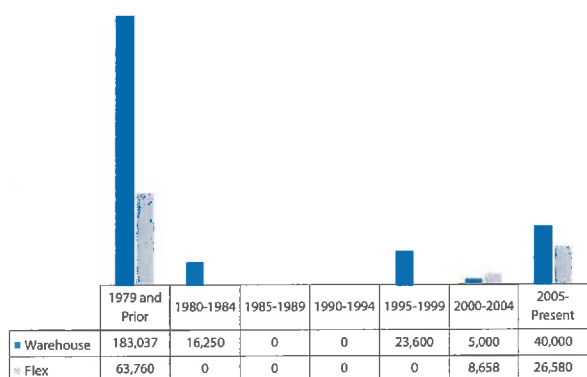
Buncombe - West Snapshot

	Warehouse	Flex
Number of Buildings	9	6
Total Sq. Ft.	267,887	98,998
Total Sq. Ft. Vacant	116,817	1,800
Vacancy Rate	43.6%	1.8%
Average Rent	\$4.92	\$4.13
Sq. Ft. Under Construction	0	0
Sq. Ft. Proposed	0	0
Completions (Qtr. YTD)	0 0	0 0
Net Absorption (Qtr. YTD)	0 0	0 35,000

Buncombe - West Snapshot by Building Size

Size Range (SF)	Warehouse		Flex	
	Inventory	Vacancy %	Inventory	Vacancy %
Less than 5,000	0	0.0%	0	0.0%
5,000 to 9,999	5,000	100.0%	16,158	0.0%
10,000 to 19,999	29,450	0.0%	45,580	3.9%
20,000 to 49,999	163,317	24.5%	37,260	0.0%
50,000 and Greater	70,120	102.4%	0	0.0%
Total	267,887	43.6%	98,998	1.8%

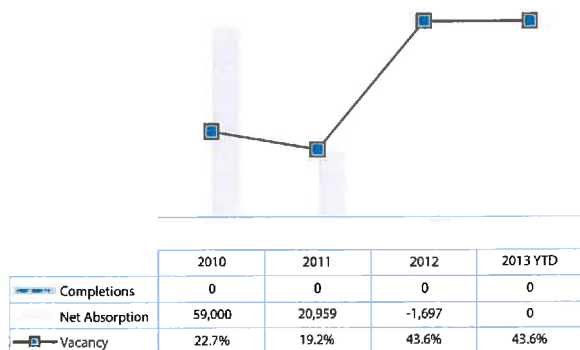
Historical Deliveries In Square Feet



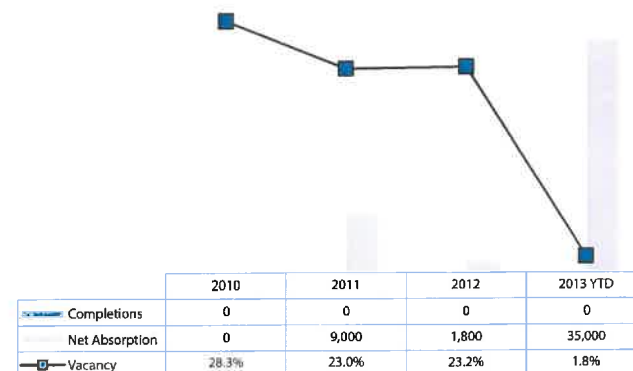
Avg. Rental Rate Trends (NNN)



Warehouse Supply, Demand & Vacancy Trends



Flex Supply, Demand & Vacancy Trends



INDUSTRIAL | Development Activity

3rd Quarter 2013 Industrial Completions

No industrial completions were reported during the current quarter.

Industrial Under Construction

No industrial buildings were reported under construction during the current quarter.

Industrial Proposed

Vista Business Park

Submarket	Buncombe - Southwest
Property Address	Vista Business Park off Brevard Rd
Type	Flex
Total Square Feet	75,000
Construction Status	Proposed

KARNES | expertise

At Karnes Research Company, we have built our reputation on the timely delivery of accurate market information. By utilizing our years of expertise in tracking and analyzing real estate markets, our clients are able to stay up to date on market trends as well as make informed decisions on current and future projects.

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