

HIGHLIGHTS



U.S. Industrial Vacancy Will Drop Gradually Through 2012

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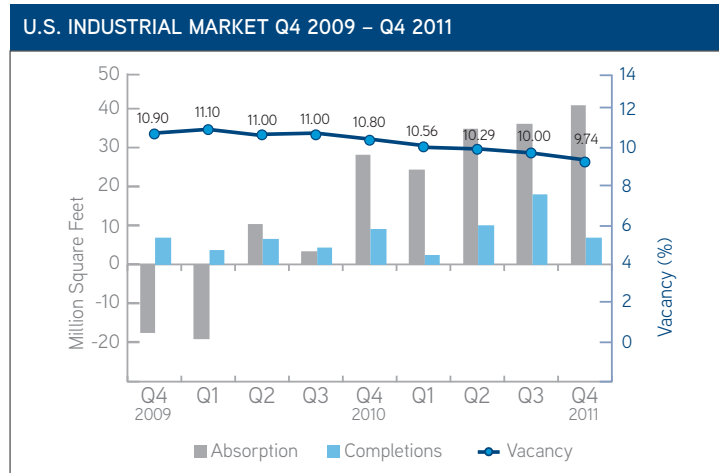
U.S. Industrial Trend Forecast

- U.S. industrial demand will continue the gradual recovery that began in Q4 2010. Absorption in Q4 2011 was the highest recorded since the recovery started: 41.3 million square feet.
- Speculative construction will gain momentum in primary and select secondary markets. Newly delivered inventory in 2011 was 38.5 million square feet, 14.1 million more than in the previous year.
- We forecast a U.S. vacancy rate to drop to below 8.9% in Q4 2012.
- Average rental rates will remain flat; however core modern industrial in high-demand markets will be able to garner above-average rental rates.
- Warehouse space will receive increased investor focus in 2012. Expect growing warehouse rents and declining landlord concessions for modern warehouse space in major markets.

Expect U.S. Vacancy Rate to Drop Below 8.9% in 2012

The U.S. economy has recovered in fits and starts, but despite uneven quarterly GDP growth, occupiers of industrial property have expressed a growing demand. Beginning in the second quarter of 2010, this demand reached a new cyclical high of 41.3 million square feet of absorption in Q4 2011. We expect U.S. GDP growth will stay around 2% in 2012 and reach 3% in the following year. Current absorption rates should hold steady through 2012. Assuming low levels of new construction, we are forecasting the U.S. vacancy rate to drop from 9.7% in Q4 2011 to below 8.9% in Q4 2012.

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U.S. industrial absorption in Q4 2011 was the highest recorded since the recovery started. Colliers forecasts the U.S. vacancy rate to drop to below 8.9% in Q4 2012.

MARKET INDICATORS

Relative to prior period

	Q4 2011	Q1 2012*
VACANCY	↓	↓
NET ABSORPTION	↑	↑
CONSTRUCTION	↓	↑
RENTAL RATE	↑	↔

*Projected

U.S. INDUSTRIAL MARKET SUMMARY STATISTICS, Q4 2011

Vacancy Rate: **9.74%**
Change from Q3 2011: **-0.26**

Absorption:
41.3 Million Square Feet

New Construction:
7.2 Million Square Feet

Under Construction:
34.0 Million Square Feet

Asking Rents Per Square Foot
Average Warehouse/
Distribution Center: **\$4.70**
Change from Q4 2010: **0.05%**

UNITED STATES | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) DEC. 31, 2011	NEW CONSTRUCTION Q4 2011 (SF)	NEW CONSTRUCTION YTD 2011 (SF)	CURRENTLY UNDER CONSTRUCTION (SF)
NORTHEAST				
Baltimore, MD	298,183,000	0	195,160	0
Boston, MA	154,841,000	0	347,350	0
Hartford, CT	96,975,000	0	0	122,480
Long Island, NY	164,939,000	0	107,000	0
New Jersey – Central	356,759,000	0	467,682	61,700
New Jersey – Northern	376,686,000	261,000	332,816	524,350
Philadelphia, PA	404,293,000	945,000	2,314,085	1,709,473
Pittsburgh, PA	165,530,000	190,000	405,000	190,000
Washington, DC	273,752,000	577,000	1,612,977	784,201
NORTHEAST TOTAL/AVERAGE	2,291,958,000	1,973,000	5,782,070	3,392,204
SOUTH				
Atlanta, GA	600,294,000	115,000	2,216,998	204,250
Charleston, SC	32,523,000	0	265,000	380,000
Charlotte, NC	290,392,000	0	930,719	498,460
Columbia, SC	35,640,000	0	0	1,000,000
Dallas-Ft. Worth, TX	705,430,000	0	1,887,536	649,590
Ft. Lauderdale-Broward, FL	124,740,000	0	73,952	65,000
Greenville/Spartanburg, SC	174,148,000	0	128,000	950,000
Houston, TX	508,775,000	177,000	1,670,619	2,942,666
Jacksonville, FL	121,817,000	235,000	779,659	0
Little Rock, AR	45,054,000	0	0	497,443
Louisville, KY	175,046,000	0	313,419	25,868
Memphis, TN	209,762,000	44,000	1,274,734	284,660
Miami, FL	220,819,000	0	0	0
Nashville, TN	158,955,000	0	1,500,000	1,624,000
Orlando, FL	147,549,000	0	0	0
Raleigh, NC	111,632,000	66,000	2,106,714	65,793
Savannah, GA	44,126,000	0	1,135,000	295,000
Tampa Bay, FL	215,408,000	0	0	0
West Palm Beach, FL	60,939,000	218,000	257,000	0
SOUTH TOTAL/AVERAGE	3,983,049,000	855,000	14,539,350	9,482,730
MIDWEST				
Chicago, IL	1,308,706,000	2,515,000	4,755,287	3,175,730
Cincinnati, OH	258,113,000	0	0	1,166,338
Cleveland, OH	472,765,000	0	497,131	9,038

UNITED STATES | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) DEC. 31, 2011	NEW CONSTRUCTION Q4 2011 (SF)	NEW CONSTRUCTION YTD 2011 (SF)	CURRENTLY UNDER CONSTRUCTION (SF)
Columbus, OH	213,908,000	105,000	1,905,000	6,253,000
Detroit, MI	493,732,000	0	53,000	0
Grand Rapids, MI	112,216,000	0	145,300	20,000
Indianapolis, IN	278,995,000	99,000	741,517	113,488
Kansas City, MO-KS	235,217,000	67,000	480,813	350,000
Minneapolis/St. Paul, MN	261,814,000	0	0	0
Omaha, NE	67,818,000	0	0	0
St. Louis, MO	261,887,000	0	46,000	139,000
MIDWEST TOTAL/AVERAGE	3,965,171,000	2,786,000	8,624,048	11,226,594
WEST				
Bakersfield, CA	322,244,000	67,000	568,459	605,018
Boise, ID	32,774,000	0	0	0
Denver, CO	210,044,000	11,000	228,875	10,875
Fairfield, CA	42,131,000	0	0	149,424
Fresno, CA	48,600,000	0	0	0
Honolulu, HI	38,896,000	0	0	0
Las Vegas, NV	108,327,000	131,000	228,154	0
Los Angeles, CA – Inland Empire	382,014,000	0	5,926,000	3,575,600
Los Angeles, CA	880,902,000	106,000	1,600,400	598,800
Oakland, CA	131,233,000	0	0	25,650
Orange County, CA	200,453,000	0	0	645,000
Phoenix, AZ	269,389,000	603,000	1,006,767	2,815,245
Pleasanton/Walnut Creek, CA	33,035,000	0	0	0
Portland, OR	196,362,000	437,000	508,423	736,823
Reno, NV	73,995,000		46,000	139,000
Sacramento, CA	186,709,000	10,000	36,010	200,000
San Diego, CA	188,338,000	0	202,340	253,245
San Francisco Peninsula, CA	40,807,000	0	0	0
San Jose/Silicon Valley, CA	253,675,000	0	609,000	0
Seattle/Puget Sound, WA	270,252,000	45,000	200,568	129,135
Stockton/San Joaquin County, CA	92,734,000	22,000	90,982	0
WEST TOTAL/AVERAGE	4,002,914,000	1,432,000	11,251,978	9,883,815
U.S. TOTAL/AVERAGE	14,243,092,000	7,046,000	40,197,446	33,985,343

UNITED STATES | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q4 2011 (SF)	ABSORPTION YTD 2011 (SF)	VACANCY RATE SEP. 30, 2011 (%)	VACANCY RATE DEC. 31, 2011 (%)
NORTHEAST				
Baltimore, MD	710,000	646,000	10.83	10.59
Boston, MA	916,000	1,791,000	20.74	20.00
Hartford, CT	(440,000)	(182,000)	9.05	9.50
Long Island, NY	969,000	821,000	5.86	5.27
New Jersey – Central	540,000	3,445,000	10.11	9.96
New Jersey – Northern	(316,000)	(3,933,000)	8.55	8.63
Philadelphia, PA	589,000	3,048,000	9.70	9.76
Pittsburgh, PA	(100,000)	1,295,000	7.29	7.34
Washington, DC	(143,000)	1,967,000	11.65	11.95
NORTHEAST TOTAL/AVERAGE	2,725,000	8,898,000	10.22	10.16
SOUTH				
Atlanta, GA	2,424,000	9,021,000	13.99	13.61
Charleston, SC	330,000	905,000	9.85	10.64
Charlotte, NC	812,000	4,842,000	12.74	12.63
Columbia, SC	136,000	27,000	8.09	7.71
Dallas-Ft. Worth, TX	2,902,000	11,976,000	10.93	10.61
Ft. Lauderdale-Broward, FL	282,000	(30,000)	9.73	9.50
Greenville/Spartanburg, SC	904,000	424,000	9.50	9.73
Houston, TX	1,542,000	4,379,000	5.17	5.04
Jacksonville, FL	382,000	1,537,000	11.03	10.70
Little Rock, AR	305,000	216,000	14.17	13.50
Louisville, KY	571,000	2,453,000	10.61	10.28
Memphis, TN	147,000	1,657,000	13.24	13.19
Miami, FL	792,000	2,498,000	8.22	7.86
Nashville, TN	462,000	1,477,000	12.98	12.68
Orlando, FL	706,000	1,616,000	11.64	11.16
Raleigh, NC	685,000	1,864,000	11.66	11.11
Savannah, GA	(59,000)	2,240,000	14.18	14.31
Tampa Bay, FL	119,000	1,827,000	10.30	10.27
West Palm Beach, FL	477,000	619,000	9.24	8.78
SOUTH TOTAL/AVERAGE	13,919,000	49,548,000	10.75	10.51
MIDWEST				
Chicago, IL	9,245,000	10,717,000	11.28	10.63
Cincinnati, OH	1,165,000	121,000	8.98	9.26

UNITED STATES | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q4 2011 (SF)	ABSORPTION YTD 2011 (SF)	VACANCY RATE SEP. 30, 2011 (%)	VACANCY RATE DEC. 31, 2011 (%)
Cleveland, OH	244,000	912,000	9.71	9.67
Columbus, OH	204,000	3,057,000	11.86	11.76
Detroit, MI	2,861,000	9,163,000	13.49	13.19
Grand Rapids, MI	(127,000)	423,000	8.66	8.85
Indianapolis, IN	1,498,000	6,041,000	6.66	6.48
Kansas City, MO-KS	20,000	798,000	7.15	7.16
Minneapolis/St. Paul, MN	803,000	1,263,000	7.95	7.64
Omaha, NE	(225,000)	168,000	5.80	6.13
St. Louis, MO	389,000	(843,000)	9.15	9.00
MIDWEST TOTAL/AVERAGE	16,077,000	31,820,000	10.15	9.88
WEST				
Bakersfield, CA	544,000	1,068,000	9.43	7.95
Boise, ID	(7,000)	(83,000)	10.90	10.88
Denver, CO	(129,000)	36,000	7.60	7.61
Fairfield, CA	(60,000)	571,000	12.49	12.64
Fresno, CA	80,000	212,000	12.00	11.83
Honolulu, HI	(31,000)	(32,000)	4.70	4.78
Las Vegas, NV	(170,000)	418,000	15.87	16.13
Los Angeles, CA – Inland Empire	1,630,000	15,005,000	7.20	6.57
Los Angeles, CA	1,182,000	8,043,000	5.00	4.85
Oakland, CA	212,000	579,000	9.26	8.03
Orange County, CA	62,000	1,750,000	4.72	4.75
Phoenix, AZ	2,996,000	6,731,000	14.75	13.83
Pleasanton/Walnut Creek, CA	(218,000)	(938,000)	13.13	13.79
Portland, OR	1,080,000	3,013,000	8.29	7.94
Reno, NV	213,000	815,000	14.92	14.64
Sacramento, CA	(239,000)	773,000	12.97	13.10
San Diego, CA	180,000	236,000	11.62	11.53
San Francisco Peninsula, CA	156,000	369,000	9.14	8.76
San Jose/Silicon Valley, CA	979,000	1,483,000	12.16	11.57
Seattle/Puget Sound, WA	(144,000)	3,602,000	7.25	7.31
Stockton/San Joaquin County, CA	297,000	2,496,000	15.37	15.07
WEST TOTAL/AVERAGE	8,613,000	46,147,000	8.97	8.61
U.S. TOTAL/AVERAGE	41,334,000	136,413,000	10.00	9.74

UNITED STATES | INDUSTRIAL SURVEY | SALES PRICE AND CAP RATE AS OF DECEMBER 2011

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST (3 MONTHS)
NORTHEAST					
Baltimore, MD	76.78	7.80	Down	Up	Same
Boston, MA	51.00	-	Down	Same	Same
Hartford, CT	38.00	8.50	Same	Same	Down
Long Island, NY	140.00	8.63	Same	Same	Same
New Jersey – Central	42.53	8.40	Same	Same	Up
New Jersey – Northern	62.78	7.20	Same	Same	Same
Philadelphia, PA	50.93	8.20	Down	Up	Same
Pittsburgh, PA	50.00	8.00	Down	Up	Up
Washington, DC	116.00	6.90	Down	Up	Same
NORTHEAST TOTAL/AVERAGE	69.78	7.95	-	-	-
SOUTH					
Atlanta, GA	40.37	8.40	Down	Down	Same
Charleston, SC	46.00	7.75	Down	Up	Up
Dallas-Ft. Worth, TX	55.00	7.60	Down	Same	Same
Ft. Lauderdale-Broward, FL	77.15	-	Same	Same	Same
Greenville/Spartanburg, SC	28.50	9.00	Down	Up	Up
Houston, TX	59.50	7.60	Down	Up	Up
Jacksonville, FL	31.50	8.20	Down	Same	Same
Little Rock, AR	65.45	9.00	Same	Same	Same
Memphis, TN	30.00	8.63	Same	Same	Same
Miami, FL	74.74	7.15	Down	Up	Up
Orlando, FL	53.00	8.00	Down	Up	Same
Raleigh, NC	40.03	8.38	Same	Same	Same
Savannah, GA	37.00	8.50	Same	Same	Same
Tampa Bay, FL	34.24	9.00	Down	Up	Same
West Palm Beach, FL	69.00	-	Down	Up	Same
SOUTH TOTAL/AVERAGE	49.43	8.25	-	-	-
MIDWEST					
Chicago, IL	49.00	6.50	Same	Down	Same
Cincinnati, OH	37.50	8.25	Same	Same	Same
Columbus, OH	25.00	9.00	Same	Same	Same
Detroit, MI	24.30	-	Up	Same	Down

UNITED STATES | INDUSTRIAL SURVEY | SALES PRICE AND CAP RATE AS OF DECEMBER 2011

MARKET	SALES PRICE (USD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST (3 MONTHS)
Grand Rapids, MI	42.50	8.25	Down	Up	Up
Indianapolis, IN	35.00	8.50	Down	Up	Up
Minneapolis/St. Paul, MN	43.65	7.29	Down	Up	Same
MIDWEST TOTAL/AVERAGE	36.71	7.97	-	-	-
WEST					
Bakersfield, CA	38.00	10.00	Same	Same	Same
Boise, ID	55.00	-	Down	Same	Same
Denver, CO	53.00	8.00	Down	Up	Same
Fresno, California	38.00	9.00	Down	Up	Same
Las Vegas, NV	74.44	8.00	Down	Up	Same
Los Angeles, CA – Inland Empire	61.00	6.50	Down	Up	Up
Los Angeles, CA	85.00	5.50	Same	Same	Up
Oakland, CA	98.11	6.50	Down	Up	Same
Orange County, CA	111.00	6.20	Same	Same	Up
Phoenix, AZ	53.00	8.20	Down	Down	Same
Pleasanton/Walnut Creek, CA	87.50	8.75	Same	Same	Same
Portland, OR	53.81	8.55	Down	Down	Same
Reno, NV	47.19	-	Down	Same	Same
Sacramento, CA	42.38	-	Down	Up	Same
San Diego, CA	108.01	6.54	Down	Same	Up
San Francisco Peninsula, CA	250.00	6.50	Same	Same	Same
Seattle/Puget Sound, WA	87.43	6.73	Down	Up	Up
Stockton/San Joaquin County, CA	60.00	7.00	Down	Up	Same
WEST TOTAL/AVERAGE	77.94	7.46	-	-	-
U.S. TOTAL/AVERAGE	61.82	7.87	-	-	-

U.S. Market Starts the Year with a Flourish

Continued from page 1

We expect a dip in economic activity in Europe that will be countered by the strengthening U.S. domestic economy. Some impact on industrial property may be felt in Northeast markets, where there is greater import/export exposure to the Eurozone. Many businesses which have held off on capital expenditures during the downturn will finally make those purchases in 2012, which should bolster demand for warehouse and manufacturing space.

Absorption Will Outpace New Construction

Growth in the manufacturing and distribution industry has kept the U.S. vacancy rate dropping in a mostly regular fashion since its peak of 11.10% in Q1 2010. Vacancy dropped by 26 basis points from 9.98% in Q3 2011 to 9.72% in Q4 2011. Construction is still proceeding at low levels, with 38.5 million square feet of industrial space completed in 2011. With 34 million square feet under construction, we expect construction rates to accelerate moderately.

Los Angeles Sees Consistent, Growing Demand

A handful of big markets made up the bulk of 2011's positive absorption. Greater Los Angeles alone accounted for 17.4% of the year's positive absorption, while representing only 9.1 % of the national industrial inventory. This consistent demand has meant the return of speculative construction to the region. In the East Inland Empire, rental demand has spurred on the construction of four speculative properties totaling 2.8 million square feet.

Bulk Distribution Leasing Focuses on Midwest

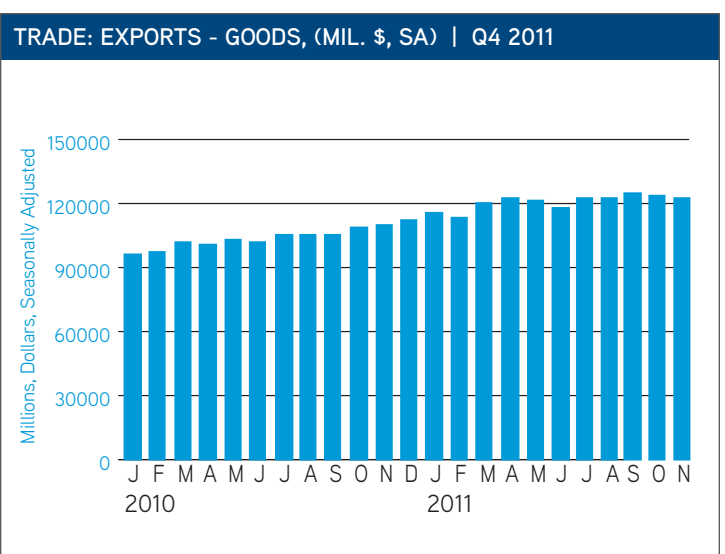
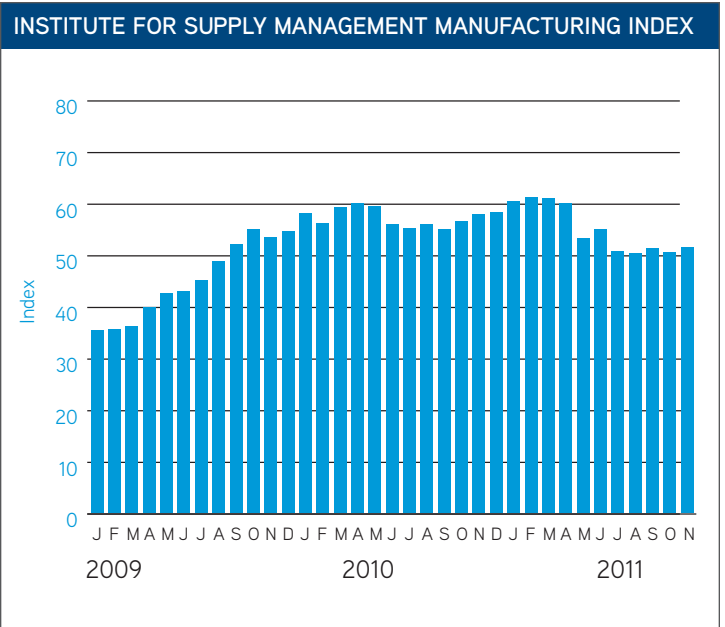
The Midwest is the locus of Bulk/Distribution demand. 42.7 percent of Q4 Bulk/Distribution absorption occurred in Midwestern markets, which make up only 22 percent of total tracked inventory. The Chicago market represents 9.5% of the total industrial inventory we track, but accounted for 23.3% of total industrial absorption in 2011. Chicago will see the return of construction of speculative warehouse space in 2012 and rents for modern space in core submarkets will continue to rise.

Northeast Industrial Heading in a Positive Direction

Of the 47 markets that we track, only six experienced negative net absorption in 2011. The bulk of that negative absorption came out of Northern New Jersey, which saw 3.9 million square feet of negative absorption in 2011. Much of this negative activity occurred in properties away from the New Jersey Turnpike, the key regional artery. But we expect Northern New Jersey to head in a positive direction in 2012. Growth in global emerging markets will increase the flow of trade through area ports, boosting the need for complementary industrial product. In addition, exposure to the European recession shouldn't be a major concern. China—by far the biggest contributor to area port trade volume—will see strong economic growth in 2012.

Industrial Properties Will See Increased Investor Interest

We expect warehouse space to catch the attention of new investor capital in the coming year. While buyers have focused on apartment and core office properties, industrial space has quietly recovered below the radar. Low construction levels will help to intensify growing occupier demand. Furthermore, industrial properties, with average Q4 2011 national capitalization rates of 7.87 percent, have yet to see the kind of rate compression found in other property types.



UNITED STATES | INDUSTRIAL SURVEY | RENTS AS OF DECEMBER 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (USD PSF)	BULK SPACE (USD PSF)	FLEX/SERVICE SPACE (USD PSF)	TECH/R&D SPACE (USD PSF)
NORTHEAST				
Baltimore, MD	5.45	4.63	9.66	-
Boston, MA	6.00	5.10	7.60	10.55
Hartford, CT	4.03	3.50	6.50	6.50
Long Island, NY	8.23	13.66	13.59	9.17
New Jersey – Central	4.41	3.72	11.68	11.85
New Jersey – Northern	6.11	5.97	10.33	10.29
Philadelphia, PA	4.00	3.85	7.00	11.00
Pittsburgh, PA	4.25	3.75	11.39	11.39
Washington, DC	6.61	5.69	10.92	14.82
NORTHEAST TOTAL/AVERAGE	5.45	5.54	9.85	10.70
SOUTH				
Atlanta, GA	3.23	2.89	7.29	11.50
Charleston, SC	3.75	4.30	6.25	16.25
Charlotte, NC	3.26	-	8.52	-
Columbia, SC	3.75	3.75	9.50	9.50
Dallas-Ft. Worth, TX	3.05	2.65	6.70	8.20
Ft. Lauderdale-Broward, FL	6.52	5.48	8.93	6.00
Greenville/Spartanburg, SC	2.90	2.95	6.75	-
Houston, TX	5.17	4.19	6.36	7.13
Jacksonville, FL	3.75	3.10	8.93	-
Little Rock, AR	2.68	2.74	7.35	-
Louisville, KY	3.39	-	7.51	-
Memphis, TN	2.41	2.43	5.10	9.00
Miami, FL	7.21	5.39	10.83	10.93
Nashville, TN	3.91	3.12	7.49	-
Orlando, FL	4.47	4.34	8.76	9.40
Raleigh, NC	3.75	4.95	9.21	9.20
Savannah, GA	3.95	3.75	7.00	10.00
Tampa Bay, FL	4.20	4.19	8.32	9.45
West Palm Beach, FL	6.72	6.10	11.18	15.00
SOUTH TOTAL/AVERAGE	4.11	3.90	8.00	10.12

UNITED STATES | INDUSTRIAL SURVEY | RENTS AS OF DECEMBER 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (USD PSF)	BULK SPACE (USD PSF)	FLEX/SERVICE SPACE (USD PSF)	TECH/R&D SPACE (USD PSF)
MIDWEST				
Chicago, IL	4.33	2.85	8.51	-
Cincinnati, OH	2.88	2.88	6.17	6.17
Cleveland, OH	3.28	-	7.97	-
Columbus, OH	4.66	2.58	4.66	4.66
Detroit, MI	4.18	3.59	7.90	-
Grand Rapids, MI	3.07	2.77	3.16	4.52
Indianapolis, IN	3.25	3.15	6.95	-
Kansas City, MO-KS	2.98	3.04	7.06	8.13
Minneapolis/St. Paul, MN	4.67	4.21	4.57	-
Omaha, NE	4.25	3.50	5.92	3.94
St. Louis, MO	3.86	-	8.92	-
MIDWEST TOTAL/AVERAGE	3.76	3.17	6.53	5.48
WEST				
Bakersfield, CA	4.00	3.42	8.00	-
Boise, ID	4.75	4.25	5.30	5.30
Denver, CO	4.45	3.25	8.40	9.50
Fairfield, CA	5.39	5.40	8.48	9.10
Fresno, CA	2.40	2.28	4.00	5.50
Honolulu, HI	11.04	-	-	-
Las Vegas, NV	4.71	4.76	5.99	9.87
Los Angeles, CA – Inland Empire	3.96	3.84	6.75	7.75
Los Angeles, CA	5.76	5.52	9.75	12.50
Oakland, CA	4.68	4.51	5.40	7.92
Orange County, CA	6.72	5.65	12.45	13.25
Phoenix, AZ	5.07	4.06	10.57	10.88
Pleasanton/Walnut Creek, CA	4.85	4.16	12.59	12.59
Portland, OR	5.17	4.65	9.67	9.64
Reno, NV	3.72	3.64	5.04	8.52
Sacramento, CA	4.08	3.77	8.13	8.33
San Diego, CA	7.92	7.32	12.00	14.04
San Francisco Peninsula, CA	9.24	9.24	23.36	23.36
San Jose/Silicon Valley, CA	5.54	5.08	8.58	13.76
Seattle/Puget Sound, WA	5.79	5.19	12.94	-
Stockton/San Joaquin County, CA	3.90	3.66	5.40	7.44
WEST TOTAL/AVERAGE	5.39	4.68	9.14	10.51
U.S. TOTAL/AVERAGE	4.70	4.33	8.39	9.86
U.S. QUARTERLY CHANGE IN RENT	3.6%	-1.3%	-2.7%	2.1%

CANADA | INDUSTRIAL SURVEY

MARKET	EXISTING INVENTORY (SF) DEC. 31, 2011	NEW CONSTRUCTION Q4 2011 (SF)	NEW CONSTRUCTION YTD 2011 (SF)	CURRENTLY UNDER CONSTRUCTION (SF)
Calgary, AB	120,827,000	757,000	1,701,824	1,426,768
Edmonton, AB	77,711,000	556,000	638,920	1,195,410
Guelph, ON	19,962,000	0	199,525	168,754
Halifax, NS	7,155,000	0	81,057	91,500
Montreal, QC	347,771,000	0	0	500,000
Ottawa, ON	28,027,000	0	0	25,000
Saskatoon, SK	20,177,000	72,000	754,000	328,000
Toronto, ON	762,070,000	551,000	1,737,978	1,290,536
Vancouver, BC	177,245,000	327,000	1,337,501	1,256,281
Victoria, BC	8,619,000	0	42,500	28,000
Waterloo Region, ON	60,697,000	130,000	248,826	209,025
CANADA TOTAL/AVERAGE	1,630,261,000	2,393,000	6,742,131	6,519,274

CANADA | INDUSTRIAL SURVEY

MARKET	ABSORPTION Q4 2011 (SF)	ABSORPTION YTD 2011 (SF)	VACANCY RATE SEP. 30, 2011 (%)	VACANCY RATE DEC. 31, 2011 (%)
Calgary, AB	(39,000)	2,546,000	4.46	4.80
Edmonton, AB	172,000	946,000	3.46	3.50
Guelph, ON	(6,000)	558,000	3.67	3.70
Halifax, NS	17,000	(80,000)	6.13	5.89
Montreal, QC	1,484,000	2,680,376	5.81	5.39
Ottawa, ON	78,000	90,000	6.40	6.12
Saskatoon, SK	(297,000)	12,000	3.27	4.94
Toronto, ON	3,817,000	13,704,000	4.89	4.46
Vancouver, BC	931,000	2,301,000	3.98	3.63
Victoria, BC	0	62,000	3.37	3.37
Waterloo Region, ON	(553,000)	(599,000)	6.33	7.23
CANADA TOTAL/AVERAGE	5,604,000	22,220,376	4.93	4.68

CANADA | INDUSTRIAL SURVEY | SALES PRICE AND CAP RATE AS OF DECEMBER 2011

MARKET	SALES PRICE (CAD PSF)	CAP RATE (%)	VACANCY FORECAST (3 MONTHS)	ABSORPTION FORECAST (3 MONTHS)	RENT FORECAST (3 MONTHS)
Calgary, AB	115.00	6.75	Down	Up	Up
Edmonton, AB	N/A	N/A	Down	Up	Same
Guelph, ON	42.00	8.22	Up	Down	Same
Halifax, NS	90.00	7.75	Down	Up	Up
Montreal, QC	60.00	8.25	Same	Same	Same
Ottawa, ON	104.00	8.00	Down	Up	Up
Saskatoon, SK	130.00	7.50	Down	Up	Same
Toronto, ON	85.00	6.25	Same	Down	Same
Vancouver, BC	175.00	7.00	Down	Up	Same
Victoria, BC	175.00	6.50	Down	Up	Same
Waterloo Region, ON	60.00	8.20	Down	Up	Same
CANADA TOTAL/AVERAGE	103.60	7.44	-	-	-

CANADA | INDUSTRIAL SURVEY | RENTS AS OF DECEMBER 2011

MARKET	WAREHOUSE/DISTRIBUTION SPACE (CAD PSF)	BULK SPACE (CAD PSF)	FLEX/SERVICE SPACE (CAD PSF)	TECH/R&D SPACE (CAD PSF)
Calgary, AB	8.00	6.50	10.50	10.50
Edmonton, AB	7.75	6.00	-	-
Guelph, ON	4.34	4.34	8.04	8.04
Halifax, NS	7.75	6.25	10.00	15.00
Montreal, QC	4.75	4.50	6.50	8.50
Ottawa, ON	7.75	7.00	8.50	12.00
Saskatoon, SK	9.50	8.00	11.00	13.00
Toronto, ON	5.15	4.50	7.00	7.62
Vancouver, BC	8.12	6.50	9.50	14.00
Victoria, BC	12.00	11.00	13.50	13.50
Waterloo Region, ON	3.75	2.68	8.10	8.10
CANADA TOTAL/AVERAGE	7.17	6.12	9.26	11.03
CANADA QUARTERLY CHANGE IN RENT	-1.1%	-2.9%	-0.6%	2.6%

Glossary

Absorption – Net change in leased space over a given period of time.

Bulk Space – 100,000 square feet or more, with up to 10 percent office space, the balance being general warehouse space with 20- to 36 foot ceiling heights. All loading is dock-height.

Flex Space – Single-story buildings having 10- to 18-foot ceilings with both floor-height and dock-height loading. Includes wide variation in office space utilization, ranging from retail and personal service, to distribution, light industrial and occasional heavy industrial use.

Inventory – Includes all existing multi- or single-tenant leased and owner-occupied industrial warehouse, light manufacturing, flex and R&D properties greater than or equal to 10,000 square feet.

New Construction – Includes completed speculative and build-to-suit construction. New construction quoted on a net basis after any demolitions or conversions.

Service Space – Single story (or mezzanine) with 10- to 16-foot ceilings with frontage treatment on one side and dock-height loading or grade-level roll-up doors on the other. Less than 15% office.

Tech/R&D – One- and two-story, 10- to 15-foot ceiling heights with up to 50% office/dry lab space

(remainder in wet lab, workshop, storage and other support), with dock-height and floor-height loading.

Triple Net Rent – Includes rent payable to the landlord, and does not include additional expenses such as taxes, insurance, maintenance, janitorial and utilities. All industrial and high-tech/R&D rents in this report are quoted on an annual, triple net per square foot basis in U.S. and Canadian dollars.

Vacancy Rate – Percentage of total inventory available (both vacant and occupied) as at the survey date including direct vacant and sublease space.

Warehouse – 50,000 square feet or more with up to 15 percent office space, the balance being general warehouse space with 18- to 30-foot ceiling heights. All loading is dock-height.

INDUSTRIAL VACANCY RATE RANKINGS

MARKET UNITED STATES	VACANCY RATE DEC. 31, 2011 (%)
Orange County, CA	4.75
Honolulu, HI	4.78
Los Angeles, CA	4.85
Houston, TX	5.04
Long Island, NY	5.27
Omaha, NE	6.13
Indianapolis, IN	6.48
Los Angeles, CA - Inland	6.57
Kansas City, MO-KS	7.16
Seattle/Puget Sound, WA	7.31
Pittsburgh, PA	7.34
Denver, CO	7.61
Minneapolis/St. Paul, MN	7.64
Columbia, SC	7.71
Miami, FL	7.86
Portland, OR	7.94
Bakersfield, CA	7.95
Oakland, CA	8.03
New Jersey - Northern	8.63
San Francisco Peninsula, CA	8.76
West Palm Beach, FL	8.78
Grand Rapids, MI	8.85
St. Louis, MO	9.00
Cincinnati, OH	9.26
Hartford, CT	9.50
Ft. Lauderdale-Broward, FL	9.50
Cleveland, OH	9.67
Greenville/Spartanburg, SC	9.73
Philadelphia, PA	9.76
New Jersey - Central	9.96
Tampa Bay, FL	10.27
Louisville, KY	10.28
Baltimore, MD	10.59
Dallas-Ft. Worth, TX	10.61
Chicago, IL	10.63
Charleston, SC	10.64
Jacksonville, FL	10.70
Boise, ID	10.88
Raleigh, NC	11.11
Orlando, FL	11.16
San Diego, CA	11.53
San Jose/Silicon Valley, CA	11.57
Columbus, OH	11.76
Fresno, California	11.83
Washington, DC	11.95
Charlotte, NC	12.63
Fairfield, CA	12.64
Nashville, TN	12.68
Sacramento, CA	13.10
Memphis, TN	13.19
Detroit, MI	13.19
Little Rock, AR	13.50
Atlanta, GA	13.61
Pleasanton/Walnut Creek, CA	13.79
Phoenix, AZ	13.83
Savannah, GA	14.31
Reno, NV	14.64
Stockton/San Joaquin County, CA	15.07
Las Vegas, NV	16.13
Boston, MA	20.00

INDUSTRIAL VACANCY RATE RANKINGS

MARKET CANADA	VACANCY RATE DEC. 31, 2011 (%)
Victoria, BC	3.37
Edmonton, AB	3.50
Vancouver, BC	3.63
Guelph, ON	3.70
Toronto, ON	4.46
Calgary, AB	4.80
Saskatoon, SK	4.94
Montreal, QC	5.39
Halifax, NS	5.89
Ottawa, ON	6.12
Waterloo Region, ON	7.23

512 offices in
61 countries on
6 continents

United States: 125
Canada: 38
Latin America: 18
Asia Pacific: 214
EMEA: 117

- \$1.5 billion in annual revenue
- 979 million square feet under management
- Over 12,500 professionals

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