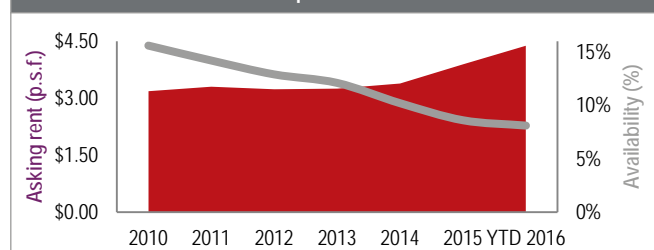


Music City soars to third in the world

3rd on the charts: Nashville's rent growth is ranked third in the world. According to *The Prologis Logistics Rent Index* released in March 2016, Nashville's rent growth is the third highest in the world. Year over year rent growth between Q2 2015 and Q2 2016 was 25.0 percent. Nashville's powerful rent growth has continued at full force this year. Overall industrial rent sits at \$4.38, up 4.6 percent from last quarter. Rents will continue to increase as vacancy continues to decrease. Vacancy dropped to 5.0 percent for the overall market, which is a 150 basis point decrease from one year ago. Warehouse and distribution space is even more competitive, ending the quarter with 4.6 percent vacancy.

Market rents vs. available space

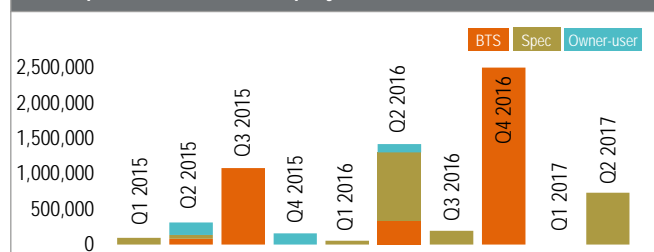


Source: JLL Research

Supply gap: 20,000-50,000 square foot users compete for very few options

Tenants are finding it increasingly difficult to find contiguous blocks of space that meet their needs and may continue to have difficulty locating space if preleasing activity continues to remain strong. In particular, space in the 20,000-50,000 square foot range is demanding premium rates because of their limited availability. In this size range, there are only 27 Class A and B warehouse and distribution options in the Tier 1 submarkets (IBD, North, East, Southeast, Southwest, West and Wilson County). 1.4 million square feet, 82.6 percent of which was preleased, have been delivered to the market year-to-date; and new construction is on track to grow the market's total inventory by 2.8 percent.

Development: historic and projected deliveries

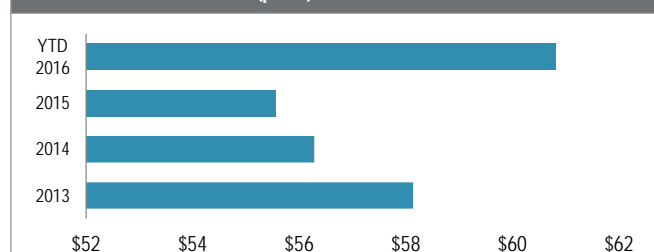


Source: JLL Research

Remarkable sale prices highlight the market's desirability

Nashville's sales prices continue to trend upward. Nashville's second largest flex park, Airpark Business Center (14 buildings and approximately 1.2 million square feet), sold for \$87.0 million in May of 2016 compared to its previous sale in August of 2013 for \$63.2 million. The price for this park increased by 37.7 percent in less than 3 years. This increase in building value is a function of increased rents and compressed cap rates.

Historical transactions (p.s.f.)

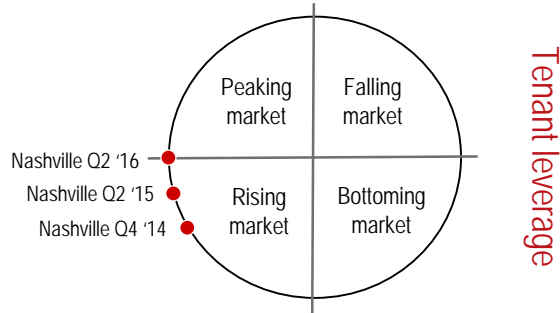


Source: JLL Research

199,861,200 Total inventory (s.f.)	\$4.38 Average total asking rent (\$ p.s.f.)	5.0% Total vacancy	4,914,100 Total under construction (s.f.)
3,514,919 YTD net absorption (s.f.)	+25.0% Asking rent Y/Y growth	-150 bps Vacancy is down from one year ago	64.5% Total preleased

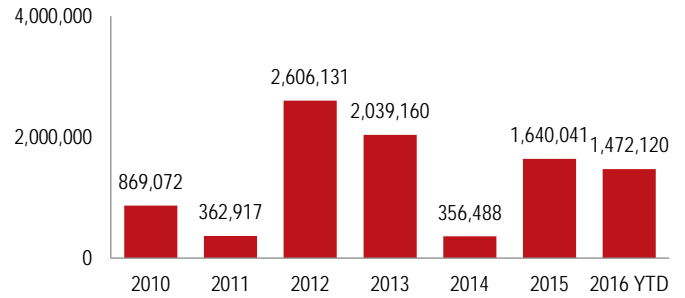
Industrial property clock

Landlord leverage



Source: JLL Research

New construction deliveries (s.f.)



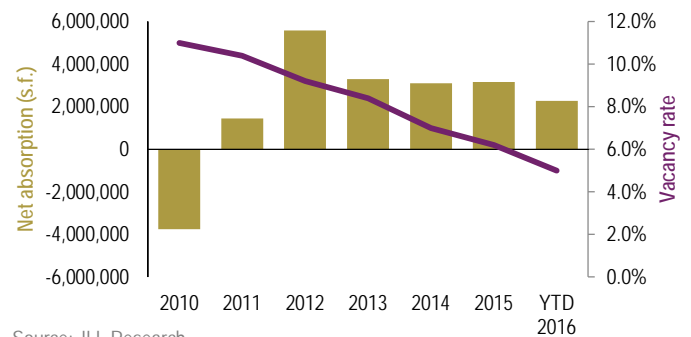
Source: JLL Research

Large block availabilities

Size range	EXISTING			UNDER CONSTRUCTION
	Class A	Class B	Class C	Class A
50-99 k.s.f.	14	16	8	2
100-249 k.s.f.	14	13	9	4
250-499 k.s.f.	4	2	1	1
500+ k.s.f.	3	0	0	1

Source: JLL Research

Net absorption & overall vacancy rate



Source: JLL Research

Notable sales in 2016

Property	Buyer	Bldg s.f.	\$ p.s.f.
1870 General George Patton Dr	Horn USA Inc	100,880	\$105.43
Airpark Center	Silverman Group	1,155,037	\$75.32
Forterra Pipe & Precast	WP Carey REIT	39,485	\$52.62
428 Harding Industrial Dr	Hawkins & Lackey Family Partnerships	100,000	\$44.50

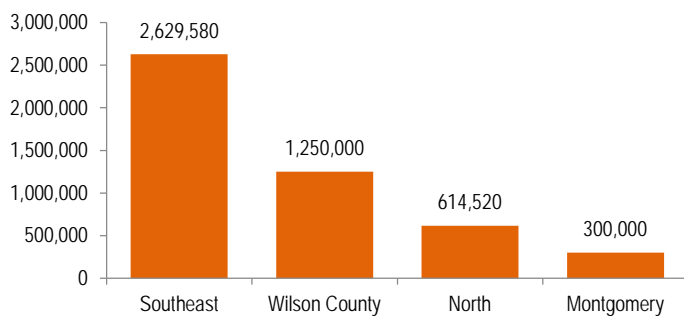
Source: JLL Research

Notable leases signed in the second quarter

Property	Submarket	Tenant	Leased s.f.
400 New Sandford	Southeast	Essex	518,667
CentrePointe 4	Southeast	Veritiv	151,200
104 Challenger Dr	North	Falken Tire	124,000
CentrePointe 3	Southeast	Interline Brands	98,700
3607 Trousdale Dr	Southwest	Cambria	67,197

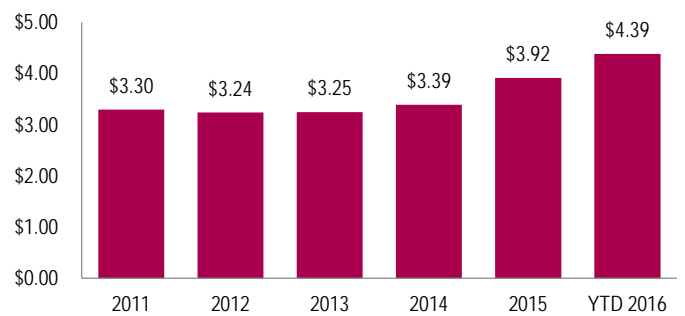
Source: JLL Research

Projects under construction by submarket (s.f.)



Source: JLL Research

Average total asking rent (\$ p.s.f.)



Source: JLL Research