

News Release

FOR IMMEDIATE RELEASE
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AUSTIN, Texas – The semi-annual survey recently conducted by NAI Austin of industrial real estate absorption and vacancy reveals that, during the first half of 2008, just over 1,000,000 square feet were added to the industrial investment market. During the same period, 253,000 square feet were absorbed. The vacancy rate rose from 11 to 14 percent, with a total of 5,000,000 square feet available for lease in a market of over 35,000,000 square feet of investment grade properties.

The survey breaks down the industrial market into warehouse/industrial and flex/R&D. Flex/R&D has a higher building finish-out and can be used as low-cost office space. Warehouse/industrial has very little office space and is used for storage or manufacturing. Of the 35,000,000 square feet in the market, 65 percent is warehouse/industrial and 35 percent is flex/R&D. When separated, the flex/R&D is 12,788,227 square feet of the total market with a current vacancy rate of 15 percent. Warehouse/industrial comprises 22,771,151 square feet of the market, and its current vacancy is 14 percent.

In the last half of 2008, a total of 1,200,000 square feet of space should be delivered to the market. While some of this space is pre-leased, it is still likely that the vacancy rate will climb by the end of the year. This may be partially offset by an increase in the rate of absorption that has taken place historically in the third and fourth quarters for the past five years.

NAI Austin's Industrial Group consists of Mark Milstead, Cheryl Morse, Phillip Bible, Jerry Heare, Royce Lacey, David Barber, Rob Eaves and Frank Niendorff. These brokers are involved in industrial real estate brokerage, landlord, tenant and buyer representation; consulting and site location. NAI Austin is one of the most respected and successful commercial real estate service providers of the Austin area and is a partner of NAI Global, the world's largest provider of commercial real estate services with 5,000 professionals and 325 offices in 55 countries throughout the world.

The NAI Austin Source - The Austin Metro Area Commercial Real Estate Market Report can be found at www.austinsource.com or NAI Austin's homepage www.naiatx.com.

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