

National Logistics Review

A Look Into Network Positioning, Capacity & Real Estate Markets



National Warehouse and Distribution Center Lease and Sale Transactions

300,000 Square Feet and Larger (April 2006 to Present)

Company	City	State	Size (SF)
Kimberly Clark	McDonough	GA	1,300,000
PetSmart	Newnan	GA	877,550
Whirlpool Corp.	Fort Worth	TX	852,000
The Clorox Company	Minooka	IL	850,000
Kimberly Clark	Romeoville	IL	805,912
Michellan Tire	Rialto	CA	703,176
Ventura Foods	Ontario	CA	675,000
Amazon.com	Irving	TX	630,800
Sears Logistics	Middletown	PA	507,000
Roomstore	Dallas	TX	500,000
Pepsi	Mountaintop	PA	500,000
Google	Atlanta	GA	482,220
Solo Cup Co.	Dallas	TX	454,948
Young's Market	Chino	CA	442,000
Sherwin-Williams Co.	Waco	TX	432,660
Levy Home Entertainment	Romeoville	IL	427,979
Broder Brothers	Bolingbrook	IL	425,442
Middle Atlantic Products	Fairfield	NJ	417,744
Iron Mountain	Desoto County	MS	416,000
GENCO	Lemoyne	PA	412,000
Kumho Tire	McDonough	GA	410,000
Madison Warehouse	Joliet	IL	393,095
Newegg.com	Edison	NJ	374,148
Arnold Logistics	Joliet	IL	374,000
Commodity Logistics West	Rialto	CA	370,333
Comcast	Woodridge	IL	365,904
Best Buy	Woodridge	IL	365,000
DelMonte	Rochelle	IL	364,755
Sony Music Entertainment	Bolingbrook	IL	350,000
WOW Logistics	Aurora	IL	344,681
Versacold	Gouldsboro	PA	340,600
Dann Dee Display	Bolingbrook	IL	340,505
Falkin Tire	Fontana	CA	334,800
American Sporting Goods	Fontana	CA	320,990
Prime Distribution	Stockton	CA	311,000
Hosley International Trading	Portage	IN	305,500
Gill Apparel Group	South Brunswick	NJ	305,447
Weber Distribution	Fontana	CA	302,622
Franklin Sports	Memphis	TN	300,000
Men's Wearhouse	East Pittston	PA	300,000

Global Network Positioning or Re-Positioning

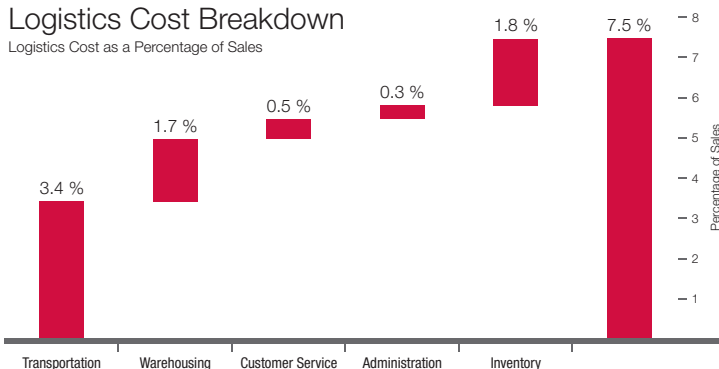
A quick consideration of cost, capacity, and service...

As import volume continues to grow exponentially, North America's infrastructure limitations become more evident. The projection of US bound containers appears insurmountable and quite honestly incorrect in sheer number. The capacity concern has fueled the corporate focus on logistics costs, import DC's (both coastal and inland), and service.

Logistics costs represent approximately 7.5% of sales. As the below graph demonstrates, transportation is by far the dominant portion of the Logistics Cost Breakdown and return, a critical point of focus.

Logistics Cost Breakdown

Logistics Cost as a Percentage of Sales



Source: Data taken from "Logistics Cost and Service 2005", copyright ©2005, Herbert W. Davis and Company/Establish, Inc.

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Survey of Available Warehouse & Distribution Centers Around the Country



Northern New Jersey Area

City	State	Square Footage	Sale Price/Lease Rate
South Brunswick	NJ	1,351,200	\$4.50 psf NNN
South Brunswick	NJ	751,000	\$4.95 psf NNN
Cranbury	NJ	682,846	\$5.25 psf NNN
Perth Amboy*	NJ	614,000	\$6.50 psf NNN
Hamilton	NJ	585,510	\$4.25 psf NNN



Mid Atlantic Region

City	State	Square Footage	Sale Price/Lease Rate
Belcamp	MD	800,000	\$4.00 psf NNN
Allentown	PA	726,000	\$4.50 psf NNN
Chambersburg	PA	511,600	\$4.75 psf NNN
Hazleton	PA	400,260	\$4.25 psf NNN
Mechanicsburg*	PA	342,500	\$4.25 psf NNN



Chicago Metropolitan Area

City	State	Square Footage	Sale Price/Lease Rate
Elwood	IL	1,200,000	Subject to Offer
Aurora*	IL	592,672	\$3.65 psf NNN
St. Charles	IL	238,401	\$3.50 psf Gross
Romeoville	IL	230,081	\$3.50 psf NNN
Itasca	IL	109,450	\$4.25 psf NNN

Survey of Available Warehouse & Distribution Centers Around the Country



Memphis Metropolitan Area

City	State	Square Footage	Sale Price/Lease Rate
West Memphis*	AR	1,200,000	\$3.96 psf Gross
South Haven	MS	200,000	\$2.95 psf NN
Memphis	TN	230,000	\$2.10 psf Net
Memphis	TN	90,000	\$2.50 psf Gross
Memphis	TN	70,000	\$3.65 psf Net



Atlanta Metropolitan Area

City	State	Square Footage	Sale Price/Lease Rate
Atlanta	GA	1,000,000	\$2.75 psf NNN
Jefferson	GA	850,413	\$2.95 psf NNN
Fairburn	GA	798,296	\$2.85 psf NNN
Union City	GA	744,000	\$2.85 psf NNN
Morrow*	GA	292,800	\$2.85 psf NNN



Southern Region

City	State	Square Footage	Sale Price/Lease Rate
Dallas	TX	850,000	\$3.25 psf NNN
Desoto	TX	750,000	\$3.35 psf NNN
Fort Worth	TX	650,000	\$3.25 psf NNN
Coppell*	TX	604,800	\$3.35 psf NNN
Fort Worth	TX	600,000	\$3.35 psf NNN



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Logistics

All information is subject to verification and no liability for errors or omissions is assumed. Prices are subject to change and listings may be withdrawn without notice. * Property Pictured



Southern California / Inland Empire

City	State	Square Footage	Sale Price/Lease Rate
Ontario	CA	500,000	\$4.62 psf NNN
Fontana	CA	591,020	To be determined
Mira Loma	CA	424,380	\$4.32 psf NNN - \$4.56 psf NNN
Rialto	CA	592,634	\$4.32 psf NNN - \$4.56 psf NNN
Ontario*	CA	302,202	\$4.44 psf NNN



Northern California

City	State	Square Footage	Sale Price/Lease Rate
Stockton	CA	500,200	\$4.08 psf NNN
Tracy	CA	436,098	\$4.08 psf NNN
Kent	WA	318,750	\$3.96 psf NNN
Fresno	CA	208,300	\$2.76 psf NNN
Union City*	CA	130,140	\$5.04 psf NNN

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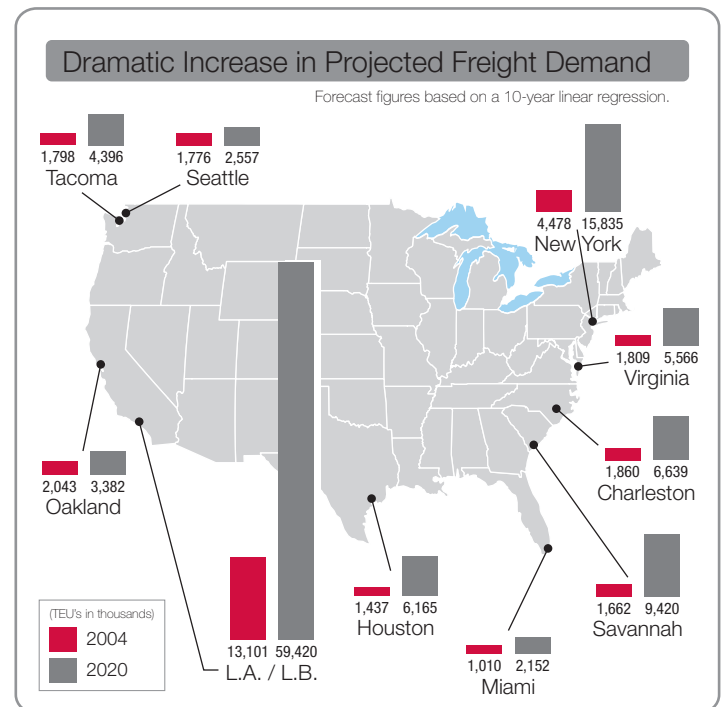
As alternative port sites develop in importance for our country's throughput, transportation lanes will evolve simultaneously. Truckload capacity will continue to be a challenge as the driver labor pool is in decline. This amplifies the importance of site selection and positioning for networks that project a large amount of import volume. Import DC's, dray cost, and Foreign Trade Zone's become more critical to remain competitive.

The below chart shows the substantial port growth from 2002-2005.

U.S. Port Activity (2005)			
Container Imports	TEU's (000's)	% of Total	'02 - '05 Growth
Los Angeles	7,485	20%	23%
Long Beach	6,710	18%	48%
New York / NJ	4,800	14%	28%
Oakland	2,270	6%	33%
Seattle	2,088	6%	45%
Tacoma	2,066	5%	40%
Norfolk	1,982	5%	38%
Charleston	1,980	5%	24%
Savannah	1,901	5%	43%
Houston	1,582	4%	36%
Port Everglades	797	2%	44%
Totals*	37,579	100%	29%

Totals include all U.S. Ports > 100,000 TEU's. Source Containerization International.

Now the bombshell. The following illustrates the dramatic increase in projected freight demand. A global company has to consider how this will affect their supply chain.



Source: This figure was first made available by representatives of the US Dept. of Transportation at the Metrans National Urban Freight Conference, February, 2006.

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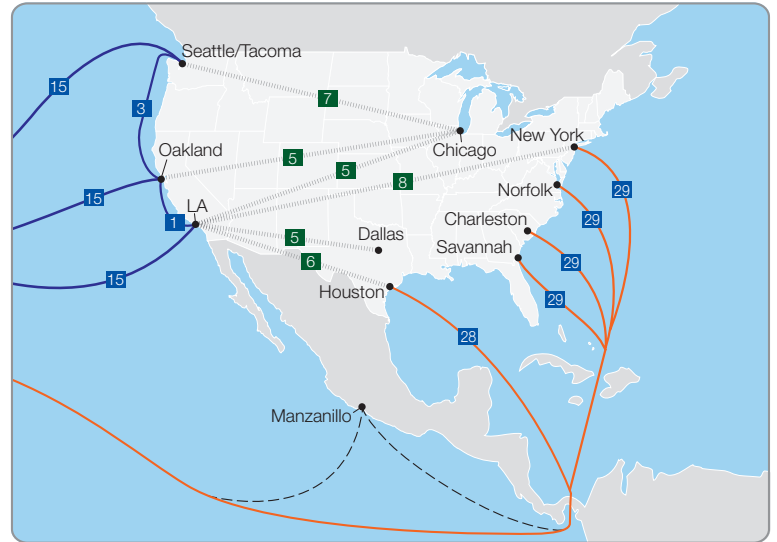
Global Network Positioning or Re-Positioning - Continued

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If these estimates prove accurate and a network is repositioned in order to position itself for access to capacity, how will this affect service and demand planning?

As the global supply chain continues to evolve and North America addresses their infrastructure limitations, consider how corporations will be affected. With today's speed of business, it's no longer company versus company but supply chain versus supply chain. ♦

An example with Shanghai as the origin:



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Commercial Real Estate Services, Worldwide.

Logistics

NAI Global Logistics, a specialty practice within NAI Global, the world's leading managed network of commercial real estate firms, with 3,500+ real estate experts in over 300 markets in 40 countries worldwide. The NAI Global Logistics team provides real estate and supply chain solutions to warehouse and distribution companies whose warehouse, pick-and-pack, distribution and cross-dock facilities are critical to their success. NAI Global Logistics clients receive dedicated team service with single-point-of-contact accountability so that their needs are thoroughly assessed and understood, and strategic plans are well developed and executed. Active involvement in local and national commercial real estate, warehouse and distribution trade associations, enables NAI Global Logistics to remain apprised of trends, technological innovations and legal issues, impacting the marketplace. To learn more about NAI Global Logistics and NAI Global, visit our websites at www.naigloballogistics.com and www.naiglobal.com

Building Optimization

- Size Analysis
- Pallet Optimization
- Efficiency Calculation
- Labor Analysis

Site Search

- Site Selection Criteria
- Development
- Analysis
- Selection
- Environmental and Wetland Guidance
- Due Diligence
- Acquisition
- Annexation and Zoning

Financial Analysis of Alternatives

- Comparing Alternative Proposals
- Purchase vs. Lease Analysis
- Existing Building Search
- Locally
- Nationally
- Internationally

Sale-Leaseback

- Institutional Investors
- Private Investors

Build-To-Suit

- For Lease
- For Sale
- Facility Specification
- Comprehensive Bidding and Design Build Construction
- Expansion Planning
- Future Marketability Analysis

Disposition of Existing Building

- Locally
- Nationally
- Internationally

Fair Market Value Analysis

- Valuation of Land
- Valuation of Buildings and Other Improvements

Retrofit-Expansion-Division of Existing Building

- Inspection Services
- Specification Development
- Competitive Bidding of Required Work
- Construction and Improvement Supervision

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Individual Member



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Individual Member of the SOCIETY OF INDUSTRIAL AND OFFICE REALTORS



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