

Clay County Industrial Properties Mid-Year 2007

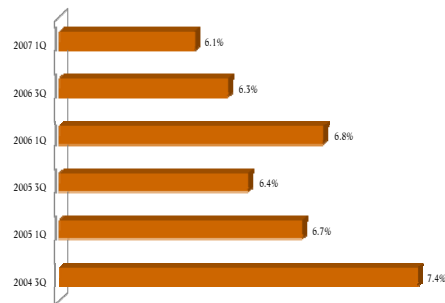
Market Update

Vacancy & Absorption

Clay County consists of 36,415,599 sq.ft. of industrial space in 595 properties. At mid-year 2007, the vacancy rate stood at 6.6%. We track 'vacant and available space' within this figure, including sublease vacancy. This rate is significantly better than the mid-year 2006 vacancy of 8.4%, and represents a four-year historical low for the County.

Year-to-date absorption in 2007 is a positive 1,251,094 square feet. This is well above the pace of the 434,403 sq.ft. in negative net absorption we saw in 2006, and significantly above the 3-year average of 136,495 sq.ft. annually. There are ten (10) blocks of space available 100,000 sq.ft. or greater.

Historical Vacancy



Notable Transactions



Furniture distributor 24/7 Express recently completed a lease for 46,760 sq.ft. in the Paseo Industrial Park at 1600 Vernon. The 195,000 sq.ft. building was acquired in 2006 by a local developer, who repositioned the property by improving the loading areas.

Minnesota-based Conklin Company has acquired the former Fresh Express facility at 3951 NE Kimball in the Northland Park. The 54,040 sq.ft. building was constructed in 2000, and will house Conklin's building and roofing products operations.

New Construction

Panattoni Development out of California completed a 702,000 sq.ft. build-to-suit project for Musician's Friend. Located on 210-Highway, the Class 'A' distribution facility represents a tripling in size for the company, which sells musical equipment via catalog and the internet.

Nearby, FedEx Ground recently completed their 215,000 sq.ft. facility, also located in the Northland Park. The building will serve as a consolidation of two smaller facilities around the metro area.



Forecast through 2007

We project absorption in Clay County to cool slightly through the final two quarters of 2007, finishing the year in the range of 1.5 million sq.ft. of positive net absorption. Vacancy rates should end the year in the 7-7.5% range. We expect no new speculative development to be announced, with small build-to-suit activity along the 210-Hwy. corridor.

Wyandotte County Industrial Properties Mid-Year 2007

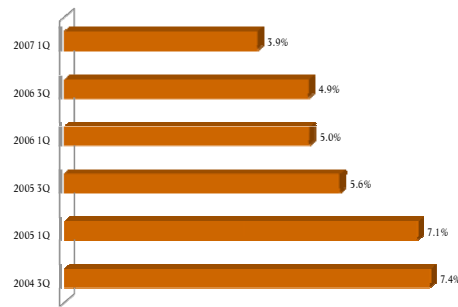
Market Update

Vacancy & Absorption

Wyandotte County consists of 39,622,850 sq.ft. of industrial space in 788 properties. At mid-year 2007, the vacancy rate stood at 4.4%. We track 'vacant and available space' within this figure, including sublease vacancy. This rate is below the mid-year 2006 vacancy of 5.1%, and well below the recent high of 7.5% in mid-year 2005.

Year-to-date absorption in 2007 is a negative 103,226 square feet. This is well off the pace of 912,639 sq.ft. in average net positive absorption we saw in 2005 and 2006. There are currently seven (7) blocks of space greater than 100,000 square feet, including the 513,000 sq.ft. former Fleming Foods facility on Kansas Avenue.

Historical Vacancy



Notable Transactions



DCT Industrial Trust recently purchased a 225,000 sq.ft. distribution facility in MidPoint Corporate Center in Edwardsville, KS. The facility was built in 2006 by Rapid-Built Partners and was leased to LaGasse Inc. and MWI Veterinary Supply.

California-based Glenborough, LLC, represented by Harbinger Property Group, sold the former CNH America distribution facility at 800 Sunshine. The 200,000 sq.ft. building was built in 1951 for International Harvester, and was purchased by a local investment group. It included 12.7 acres of land.

New Construction

Local developer Prime Investments is currently under construction with a 150,000 sq.ft. Class 'A' distribution facility in Kansas City, KS. The building at 301 S. 55th Street will feature 32'-36' clear heights, 60'x60' column spacing and immediate access to I-70/I-670. This infill site was formerly a Union Pacific freight facility, which was leveled by the developer with the help of some tax incentives.



Forecast through 2007

We project absorption in Wyandotte County to pick up through the final two quarters of 2007, finishing the year in the range of 500,000 sq.ft. of positive net absorption. We anticipate the vacancy rate to hold in the range of 4-5%, with some new industrial development announced in the western portion of the County.

Platte County Industrial Properties Mid-Year 2007

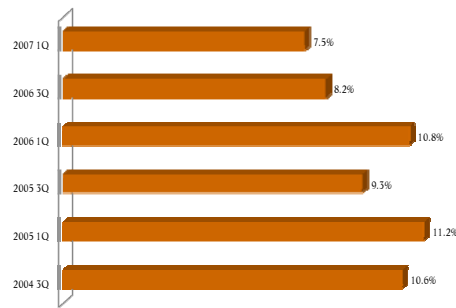
Market Update

Vacancy & Absorption

Platte County consists of 7,116,933 sq.ft. of industrial space in 165 properties. At mid-year 2007, the vacancy rate stood at 8.1%. We track 'vacant and available space' within this figure, including sublease vacancy. This rate is nearly unchanged from the mid-year 2006 vacancy of 8.2%, but well below the four-year high of 14.6% at mid-year 2003.

Year-to-date absorption in 2007 is a positive 86,374 square feet. This is ahead of the pace of the 84,444 sq.ft. in positive net absorption we saw in 2006, but roughly on par with the 3-year average of 140,134 sq.ft. annually. There are only six (6) blocks of space available in the range of 20,000 to 50,000 sq.ft.

Historical Vacancy



Notable Transactions



The City of Riverside, with great interstate access and proximity to Downtown Kansas City, is attempting to sell roughly 373 acres of vacant ground to a developer. Known as Horizons Industrial Park, the area flooded in 1993 but was protected with a \$120 million levee in 2005. The project is zoned for 4.4 million sq.ft. of industrial space, and should attract developers from across the country for bidding.

New Construction

The Kansas City Aviation Department has entered into a development agreement with Trammell Crow for the development of 800 acres adjacent to KCI Airport. Phase I of the KCI Intermodal Center will include 2.7 million sq.ft. of industrial space conducive for warehousing, distribution and manufacturing. It's scheduled to begin in late 2007.



Forecast through 2007

We project absorption in Platte County to remain steady through the final two quarters of 2007, finishing the year in the range of 125,000 sq.ft. of positive net absorption. Vacancy rates should end the year in the 8-8.5% range. We expect new development announcements by late 2007 for the Riverside area, as well as the KCI submarket.

Johnson County Industrial Properties Mid-Year 2007

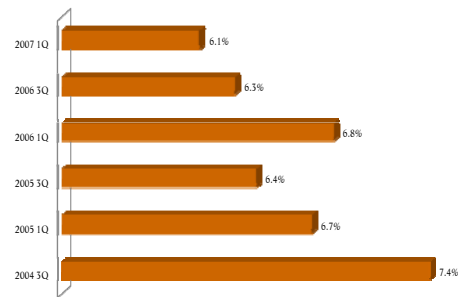
Market Update

Vacancy & Absorption

Johnson County consists of 50,671,321 sq.ft. of industrial space in 1,385 properties. At mid-year 2007, the vacancy rate stood at 6.2%. We track 'vacant and available space' within this figure, including sublease vacancy. This rate is nearly unchanged from the mid-year 2006 vacancy of 6.4%, but well below the four-year high of 12.5% at the end of 3rd Qtr. 2003.

Year-to-date absorption in 2007 is a positive 1,082,231 square feet. This is well above the pace of the 323,387 sq.ft. in negative net absorption we saw in 2006, and already above the 3-year average of 744,490 sq.ft. annually. There are only two (2) blocks of above-grade space greater than 100,000 square feet available.

Historical Vacancy



Notable Transactions



Apparel distributor Ash City leased 120,000 sq.ft. in the Renner Business Center at 116th & Renner in Lenexa, KS. The 238,000 sq.ft. distribution facility was formerly occupied by North Face, and the remaining space is leased to Silpada Designs.

Nations Holding Company, a real estate information company, purchased the former Arrow Electronics facility at 9801 Legler in Lenexa, KS. The 62,500 sq.ft. facility, built in 1991, was located in the Kansas Commerce Center.

New Construction

California-based Pacific Sunwear completed a 440,000 sq.ft. Class 'A' distribution facility in the 2nd Quarter of 2007. Located at 167th & Lone Elm in Olathe, the building is likely the first of many large projects to hit south Johnson County, a likely result of the BNSF Intermodal Facility planned for nearby Gardner, KS.



Block & Company, a local developer and real estate firm, is scheduled to complete four more buildings at the College Crossings Park in Lenexa, KS by 4th Quarter 2007. The structures will be office/warehouse and 'flex' in nature, totaling 197,927 square feet.

Forecast through 2007

We project absorption in Johnson County to cool off through the final two quarters of 2007, finishing the year in the range of 1.5 million sq.ft. of positive net absorption. Vacancy rates should end the year in the 6-6.5% range. We expect new speculative industrial development to be announced in the south Johnson County submarkets of Olathe and New Century AirCenter.

Jackson County Industrial Properties Mid-Year 2007

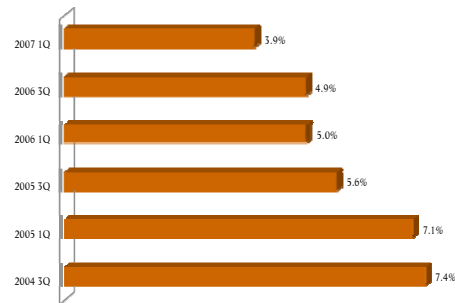
Market Update

Vacancy & Absorption

Jackson County consists of 105,704,761 sq.ft. of industrial space in 2,237 properties. At mid-year 2007, the vacancy rate stood at 7.7%. We track 'vacant and available space' within this figure, including sublease vacancy. This rate is below the mid-year 2006 vacancy of 8.6%, and well below the four-year high of 9.9% at year-end 2003.

Year-to-date absorption in 2007 is a positive 427,267 square feet. This is off the pace of the 1,462,209 sq.ft. in net positive absorption we saw in 2006, but on pace with the 3-year average of 1,024,717 sq.ft. annually. There are currently fourteen (14) blocks of single-story space greater than 100,000 square feet available.

Historical Vacancy



Notable Transactions



Lee's Summit-based GENESYS Manufacturing, represented by Harbinger Property Group, acquired the former John Deere Parts Facility at 3210 E. 85th Street in Kansas City, Missouri. The 218,000 sq.ft. facility included two buildings on roughly 20 acres of land.

Colony Realty Partners, a private investment group out of Boston, purchased the 833,600 sq.ft. former House of Lloyd distribution facility on Botts Road in Grandview, Missouri.

New Construction

CertiFit Auto Body Parts has completed a 60,164 sq.ft. build-to-suit distribution facility at 1550 Universal in the Executive Park area. They are occupying half of the new structure and offering the other half to lease for other distributors at \$5.25 psf on a Net shell basis.



Local developer DM Enterprises is offering a 52,500 sq.ft. distribution facility at the Stadium Industrial Park, overlooking the I-435/ I-70 interchange. Divisible to 8,750 sf bays, they are quoting \$4.50 psf on a Net shell basis.

Forecast through 2007

We project absorption in Jackson County to hold pace through the final two quarters of 2007, finishing the year in the range of one million sq.ft. of positive net absorption. Vacancy rates should end the year in the 8-8.5% range. We expect some new development announcements in the Northeast and Lee's Summit submarkets, but totaling less than 500,000 sq.ft.