

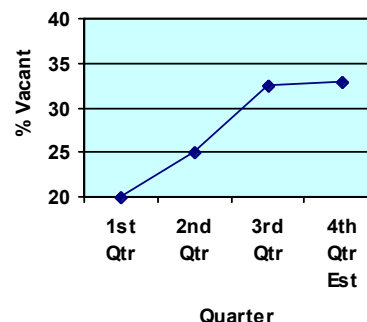


Chicago's I-80 Corridor Industrial Market 3rd Quarter 2008 Update

"Build-to-Suits Take Sting Out Of Slow Market"

Build-to-Suit ("BTS") activity in the I-80 Corridor is heating up just in time to keep the entire leasing market from completely tanking. Earlier this year we reported Bissell Corporation entering into an agreement for a 500,000 SF BTS with CenterPoint in the expansion of CenterPoint's Deer Run Park in Elwood. In the 3rd Quarter Central Grocers announced an agreement for a BTS with Northern Builders at Cherry Hill in New Lenox for a 934,490 SF dry/cooler-freezer distribution building. Finally, market sources indicate there is an RFP circulating in the Minooka area only, for a 1, 000, 0000 SF BTS. This good news on the build-to-suit front along with the leasing of over 500,000 SF of spec space in the 3rd Quarter are doing little however, to ease the growing unease of landlords sitting on almost 14 million SF of mostly Class A vacant warehouse/distribution space.

2008 Vacancy I-80



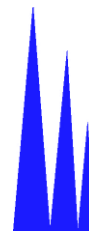
Transactions

The largest announced transaction of the 3rd Quarter was the 934,490 SF build-to-suit between Central Grocers and Northern Builders at the Cherry Hill Park in New Lenox/Joliet. The new facility will have a ceiling height of 36', 45,000 SF of office space, 340,000 SF of freezer and cooler space and approximately 550,000 SF of dry storage. Total cost of this build-to-suit is estimated to be \$75 to \$80 per SF.



Central Grocers BTS in Cherry Hill





The largest spec lease transaction of the 3rd Quarter was TCB Development's 575,024 SF deal with DSC at 5401 West University Parkway in University Park. Market sources indicated the 30' clear spec building was leased for a 7 year period with a staged takedown of the space over the first 4



CenterPoint 1.2M SF Elwood Spec Largest Available

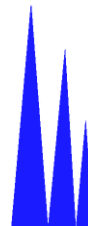
years. The TI package included approximately 3500 SF of office, 85 trailer parking spots, 57 docks and heavy power for cooling equipment (which was to be provided by the tenant). The base rate was reported to be \$3.50/SF/YR although we have not have enough information to accurately estimate the net effective rent for the deal.

Inventory

As was the case in the I-55 Corridor, there has been a massive increase in the Class A vacancy rate in the I-80 Corridor. Vacancy has increased from approximately 20% in the 1st Quarter to 32.47% at the end of the 3rd Quarter of 2008. Some 13.7 million SF of space remains vacant as of October 1, 2008. There are presently five buildings that can deliver over 900,000 SF of distribution space. There are 11 buildings available that can deliver up to 500,000 SF of distribution space. Only one building remains under construction (431,000 SF at Bailey Ridge in Monee).

Users in the Market

The user market has contracted substantially since we reported earlier this year that 9.6 million SF of users were looking for space in the market. As of October 1, 2009 we are tracking only 3.9 million SF of user deals in the market. Companies such as European retailer Tesco (800K SF) and Ozburn-Hessey Logistics (1M SF) have shelved their requirements until 2009 or 2010. Other companies like Central Grocers (934,490 SF) and Bissell (500,000 SF) have settled on build-to-suits. Cypress Medical (400,000 to 450,000 SF) is rumored to be close to signing a lease with CenterPoint in their 1.2M SF spec in Elwood. Of the seven user deals in the market we expect that 25% to 33% will end up as build-to-suit situations, which is unusual considering the amount of high quality distribution space available in the market.



Summary

We expect 4th Quarter leasing activity to remain weak. Effective rents should continue to trend downward in the 4th Quarter for all sizes of industrial space. We don't expect vacancy to increase much, if any, unless current I-80 tenants begin giving space back. Bulk land sales remain stalled. While energy prices have fallen considerably, other turbulence in the World Markets and dropping consumer demand continue to be a drag on industrial absorption, which we project will continue through most of 2009.

Champion professionals continue to uncover new and profitable opportunities for our clients in the I-80 Corridor of Chicago. For more information on current Champion projects including Ridge Property Trust's RidgePort Logistics Center-Chicago a 2000 acre multi-modal development along I-55 south of Joliet or ProLogis' Park 80 Project in Morris, IL or any of the other land sites and buildings we represent please log onto our web site www.championre.com or call us at 630-598-1001.



J.D. Salazar, SIOR
Managing Principal
jd@championre.com

I-80 Available Industrial Bldgs > 250,000 SF

Name Address	Total SF	Available SF	Acreage	Divisible To	Lease Rate	Clear Height	Dock Doors	Cross Dock	Rail	Trailer Spaces	Developer Owner	Office SF	Comment
CenterPont Import DC Elwood Walter Strawn Dr.	1,182,500	1,182,500	63	500,000	Negotiable	32'	155 ext	Yes	AVA	750	CenterPoint	to suit	Walls going up and roof going on - Estimate May 08 completion
Heartland Corp Center Blding B Shorewood	1,080,000	1,080,000	52.19	250,000	Negotiable	30'	150 ext	YES	NO	200	ING	To Suit	Owned by ING
AMB Minooka Distribution Center	1,000,599	1,000,599	68	200,000	negotiable	32'	148 ext	YES	no	275 expandable	AMB	to suit	Completed
Minooka Ridge #2 - Minooka	965,183	965,183	52.44	200,000	\$2.95/NNN	32'	162 ext	Yes	no	292 expandable	Opus	to suit	Can add 62 more docks, 68 more cars and 191 trailers - May/June 08 completion
First Industrial Tinley Park Project	915,643	915,643	60	250,000	Negotiable	32'	Up to 211	Yes	No	244	First Industrial	to suit	Completed
ING/Exel Laraway Spec #1 Joliet	736,780	736,780	???	150,000	Negotiable	32'	Up to 165	Yes	no	125 expandable	ING and Exel	to suit	Completed
Catipillar Facility - McDonough Joliet	612,000	488,000	40.62	100,000	\$2.50/NNN	20'-28'	9 int / 6 ext	No	no	150	Higgins Development	to suit	Old MFG/Dist facility in poor shape - Not ESFR - leased most of office to Solideal in 2007
Joliet Crossing Blg #1 Route 53 South of Laraway Rd	575,024	575,024	33.92	150,000	Negotiable	30'	68 ext	YES	NO	315 proposed	TCB Development	To Suit	85 acre site south of Chicago Motor Speedway - no expansion - Pre sold to JP Morgan
Midpoint USA DC Portage IN	574,249	574,249	31	200,000	Negotiable	32'	up to 133	Yes	Yes	146	TCB Development and Kevin Tobin	to suit	Completed
Phase II Cherry Hill Spec 6 New Lenox	522,520	522,520	320	522,520	\$3.35/NNN	20'-30'	60 ext	Yes	no	60 expandable	Northern Builders	to suit	Expandable to 900K SF
Logistics Center Saulk Village	496,260	496,260	24	150,000	Negotiable	32'	Up to 120	Yes	Yes	59 expandable	DP Partners	to suit	May/June 2008
Crest Hill Building #1 Crest Hill	420,000	420,000	18.92	100,000	\$3.25- \$3.95/NNN	32'	100 ext	NO	Yes	40	Trammell Crow	to suit	New Construction ready for occupancy - no expansion EJ&E Rail to the site
Commerce Center University Park	696,540	402,990	31.31	402,900	\$3.15/NNN	30'	70 ext	Yes	no	90 expandable	USAA	to suit	Solo wants to sublease their 293K SF so entire bld can be available