



Sales of Commercially-Zoned Industrial Buildings

The below study shows Brooklyn industrial building sales for 2011, broken down into region and neighborhood. Considered data points include: total dollar volume, average sale price, average price per square foot, total square footage & total sales. The below data represents only commercially zoned industrial buildings and does not account for industrial zoned land or multiple building plus land sales.

| Region | Neighborhood | Dollar Volume | Avg. Sale | Avg. PPSF* | Total SF | Total Sales |
|---|--------------------------------|-----------------------|---------------------|----------------|------------------|-------------|
| Bed Stuy/Bushwick | Bedford Stuyvesant | \$ 70,064,000 | \$ 5,389,538 | \$ 194 | 773,316 | 13 |
| | Bushwick | \$ 5,437,500 | \$ 906,250 | \$ 185 | 34,425 | 6 |
| | Crown Heights | \$ 1,000,000 | \$ 1,000,000 | \$ 34 | 29,799 | 1 |
| | Bed Stuy/Bushwick Total | \$ 76,501,500 | \$ 3,825,075 | \$ 183 | 837,540 | 20 |
| East Brooklyn | Brownsville | \$ 10,130,000 | \$ 2,532,500 | \$ 131 | 91,617 | 4 |
| | Cypress Hill | \$ 2,582,000 | \$ 860,667 | \$ 165 | 14,771 | 3 |
| | East New York | \$ 46,547,000 | \$ 9,309,400 | \$ 158 | 194,256 | 5 |
| East Brooklyn Total | \$ 59,259,000 | \$ 4,938,250 | \$ 151 | 300,644 | 12 | |
| Greater Flatbush | Borough Park | \$ 4,570,000 | \$ 914,000 | \$ 209 | 23,486 | 5 |
| | East Flatbush | \$ 1,800,000 | \$ 900,000 | \$ 154 | 12,980 | 2 |
| | Flatbush | \$ 1,200,000 | \$ 1,200,000 | \$ 291 | 4,120 | 1 |
| | Midwood | \$ 1,270,000 | \$ 635,000 | \$ 212 | 5,700 | 2 |
| Greater Flatbush Total | \$ 8,840,000 | \$ 884,000 | \$ 207 | 46,286 | 10 | |
| Downtown Brooklyn & Park Slope | Brooklyn Heights | \$ 800,000 | \$ 800,000 | \$ 323 | 2,475 | 1 |
| | Carroll Gardens | \$ 800,000 | \$ 800,000 | \$ 137 | 5,850 | 1 |
| | Gowanus | \$ 9,000,000 | \$ 3,000,000 | \$ 158 | 78,581 | 3 |
| | Prospect Heights | \$ 855,000 | \$ 427,500 | \$ 239 | 3,800 | 2 |
| | Red Hook | \$ 2,250,000 | \$ 1,125,000 | \$ 260 | 9,500 | 2 |
| Downtown Brooklyn & Park Slope Total | \$ 13,705,000 | \$ 1,522,778 | \$ 215 | 100,206 | 9 | |
| South Brooklyn | Bergen Beach | \$ 972,000 | \$ 972,000 | \$ 88 | 11,025 | 1 |
| | Brighton Beach | \$ 1,700,000 | \$ 1,700,000 | \$ 170 | 10,000 | 1 |
| | Gravesend | \$ 45,757,000 | \$ 11,439,250 | \$ 188 | 141,182 | 4 |
| South Brooklyn Total | \$ 48,429,000 | \$ 8,071,500 | \$ 169 | 162,207 | 6 | |
| Williamsburg/Greenpoint | Greenpoint | \$ 20,575,000 | \$ 2,571,875 | \$ 181 | 121,580 | 8 |
| | Williamsburg | \$ 38,910,000 | \$ 2,993,077 | \$ 193 | 232,131 | 13 |
| Williamsburg/Greenpoint Total | \$ 59,485,000 | \$ 2,832,619 | \$ 188 | 353,711 | 21 | |
| West Brooklyn | Sunset Park | \$ 34,693,925 | \$ 3,854,881 | \$ 148 | 387,186 | 9 |
| West Brooklyn Total | \$ 34,693,925 | \$ 3,854,881 | \$ 148 | 387,186 | 9 | |
| Brooklyn Wide | | \$ 300,913,425 | \$ 3,458,775 | \$ 181 | 2,187,780 | 87 |

* Price per Square Foot

The table above shows 2011 recorded sales of commercially zoned industrial buildings in Brooklyn. In this asset class, we have verified transactions totaling over 2 million SF representing a consideration of over \$300M, an increase of over 212% in dollar volume from 2010. The average industrial transaction borough wide was approx. \$3.5M, up from \$2M in 2010 and the average price per SF was \$181, up from \$166 in 2010.

Bedford Stuyvesant & Williamsburg both had the highest number of industrial building sales with 13 total sales in each neighborhood. Bedford Stuyvesant had the highest total dollar volume of over \$70M with an average sale of approx. \$5.4M.

The largest industrial building sold in Brooklyn was Federal Building #2 at 850 3rd Avenue in Sunset Park with over 1.1M SF. The 8 story building was sold for approx. \$8/psf at approx. \$9M. The sale was not included in our report because the property was sold in an auction by the federal government in disrepair for the purpose of renovation/conversion into new manufacturing space.

Sales of residentially zoned industrial buildings were not included in this report and neither were building plus land sales.



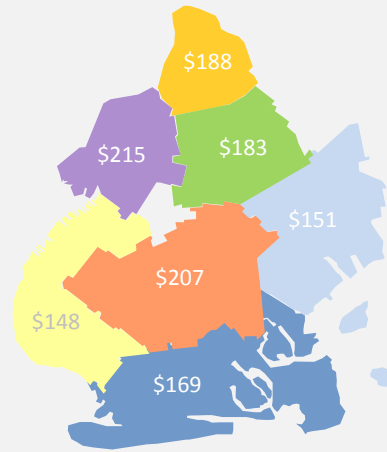


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Price Per Industrial SF

| Region | Avg. PPSF* |
|--------------------------------|------------|
| Bed Stuy/Bushwick | \$ 183 |
| East Brooklyn | \$ 151 |
| Greater Flatbush | \$ 207 |
| Downtown Brooklyn & Park Slope | \$ 215 |
| South Brooklyn | \$ 169 |
| Williamsburg/Greenpoint | \$ 188 |
| West Brooklyn | \$ 148 |
| Brooklyn Wide | \$ 181 |

* Price per Square Foot



The average price per square foot of commercially-zoned industrial building sales in Brooklyn was \$181, up from \$166 in 2010. The Downtown Brooklyn & Park Slope region achieved the highest price per square foot of any other region with an average of \$215 a square foot. The lowest was in the West Brooklyn region with an average of \$148 a square foot.

Industrial Transaction and Dollar Volume

| Region | Dollar Volume | Total SF | Total Sales |
|--------------------------------|----------------|-----------|-------------|
| Bed Stuy/Bushwick | \$ 76,501,500 | 837,540 | 20 |
| East Brooklyn | \$ 59,259,000 | 300,644 | 12 |
| Greater Flatbush | \$ 8,840,000 | 46,286 | 10 |
| Downtown Brooklyn & Park Slope | \$ 13,705,000 | 100,206 | 9 |
| South Brooklyn | \$ 48,429,000 | 162,207 | 6 |
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| West Brooklyn | \$ 34,693,925 | 387,186 | 9 |
| Brooklyn Wide | \$ 300,913,425 | 2,187,780 | 87 |

The highest priced commercially-zoned industrial building transaction was a 5 building portfolio sold by Storage Deluxe to CubeSmart, the 5 buildings totaled over 350,000 SF and sold for over \$123.9M

In 2011, there were a total of 87 sales of commercially-zoned industrial buildings in Brooklyn representing a total dollar volume of over \$300M. The Williamsburg/Greenpoint region had the most sales in Brooklyn with 21 industrial building transactions up from 15 transactions from 2010 and more than doubled in dollar volume to a total of over \$59.4M. The Bed Stuy/Bushwick region had the highest dollar volume with over \$76.5M and 20 sales.

Brooklyn