INDUSTRIAL SECTOR

2005 Overview and Forecast for 2006

TRENDS
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  NAI Latter & Blum
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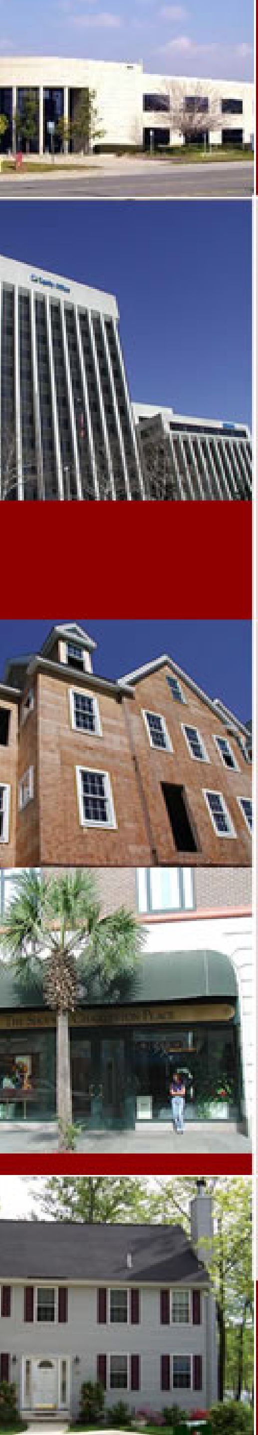
  Beau Box Commercial RE

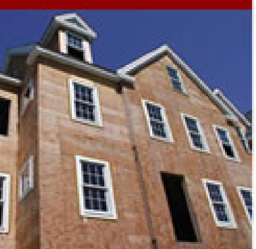
2006 Industrial Trends Committee



Industrial RE Market: 2005 Pre-Katrina

- Continued slight positive turnaround
- Petrochemical plants recovery continues despite high cost of natural gas
- Healthy Office/Warehouse leasing
- Industrial inventory stabilized





Noteworthy Industrial Developments 2005

- MIE Properties completes 100k sqft flex-facility
- Sealy & Co. completes 144k sqft bulk-facility
- Exxon-Mobil completes 500k sqft distribution center
- Shintech breaks ground on $1Billion PVC Plant
- DSM Elastomers plant in Addis demolished

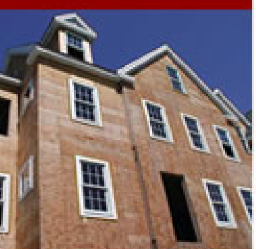
Industrial RE Market: 2005 Post-Katrina

- Massive influx of government agencies and displaced businesses
- Significant absorption market-wide – 2.16 million square feet net change in inventory (50% of absorption post-Katrina)

- Majority of displaced business seeking short-term leases, however, 20% signed lease terms of 5 years or more.

- Vacancy rates of 11% beginning 2005 and 6.48% end of 2005 – a 41% decrease





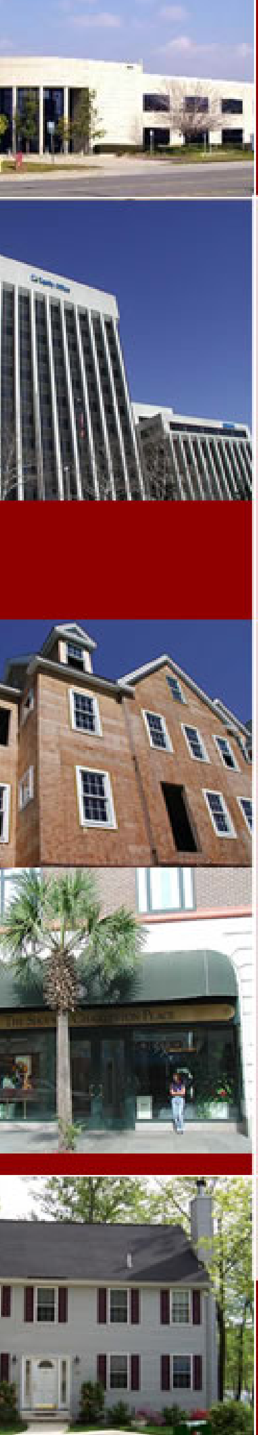
Noteworthy Post-Katrina Govt. Leases

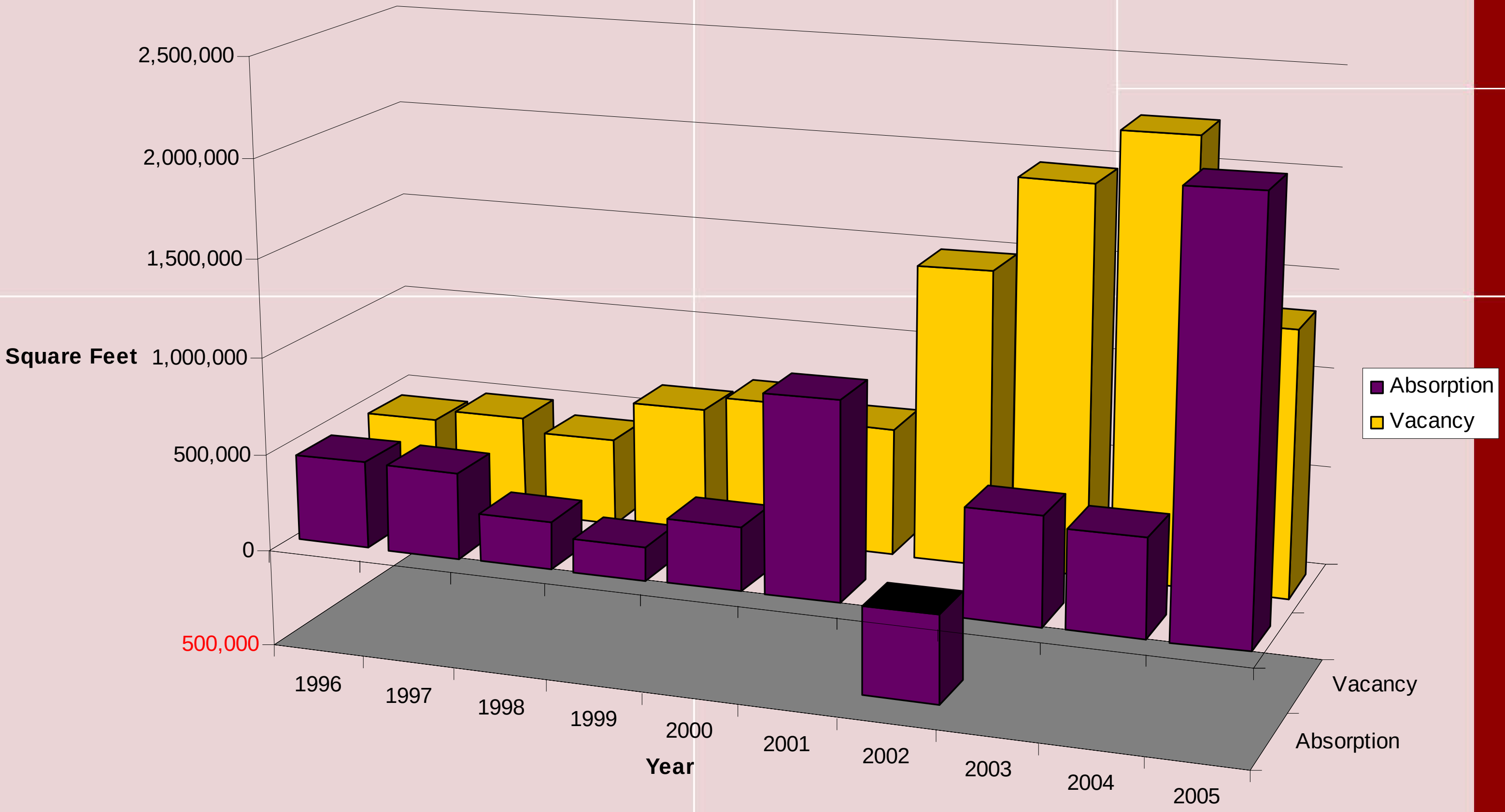
- USPS leases 253k sqft distribution center in Westport Commercial Park (WBR) and 67k sqft in Industriplex
- FEMA leased 115k sqft warehouse in St. Gabriel, approx. 100k sqft between the two former WalMart's in Baker and Gonzales and former Goudchaux's on Main St.
- US Govt. leased former Team Toyota on Florida Blvd.

Noteworthy Post-Katrina Developments

- MIE Properties plans 200k sqft bulk facility on I-10 in Ascension
- Sealy & Co. plans 160k sqft bulk facility off I-10 in Ascension
- HSA Commercial plans 500k sqft bulk facility in Westport Commercial Park (WBR)

Industrial Inventory – Vacancy & Absorption

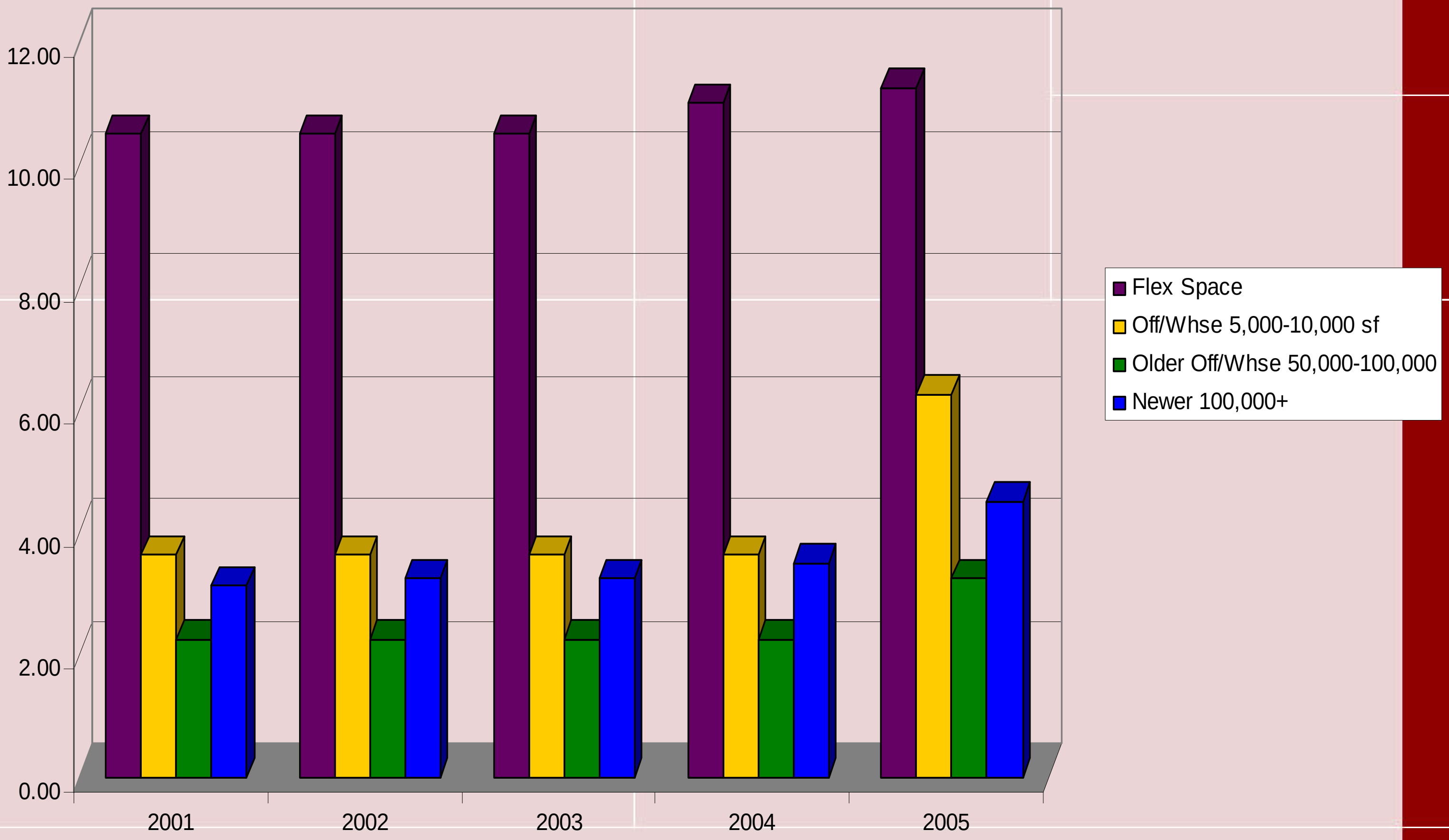


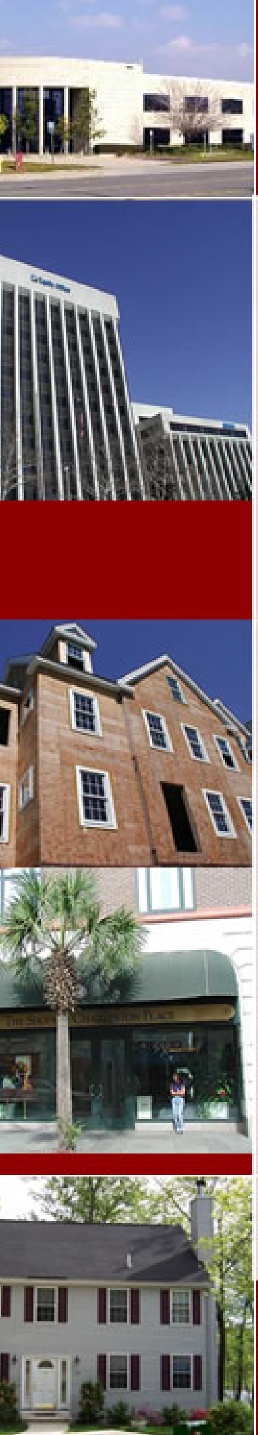


Industrial Lease Rates







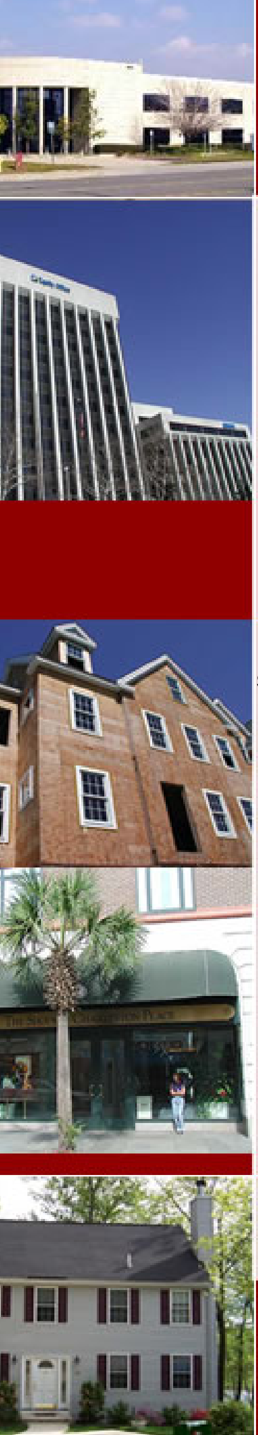


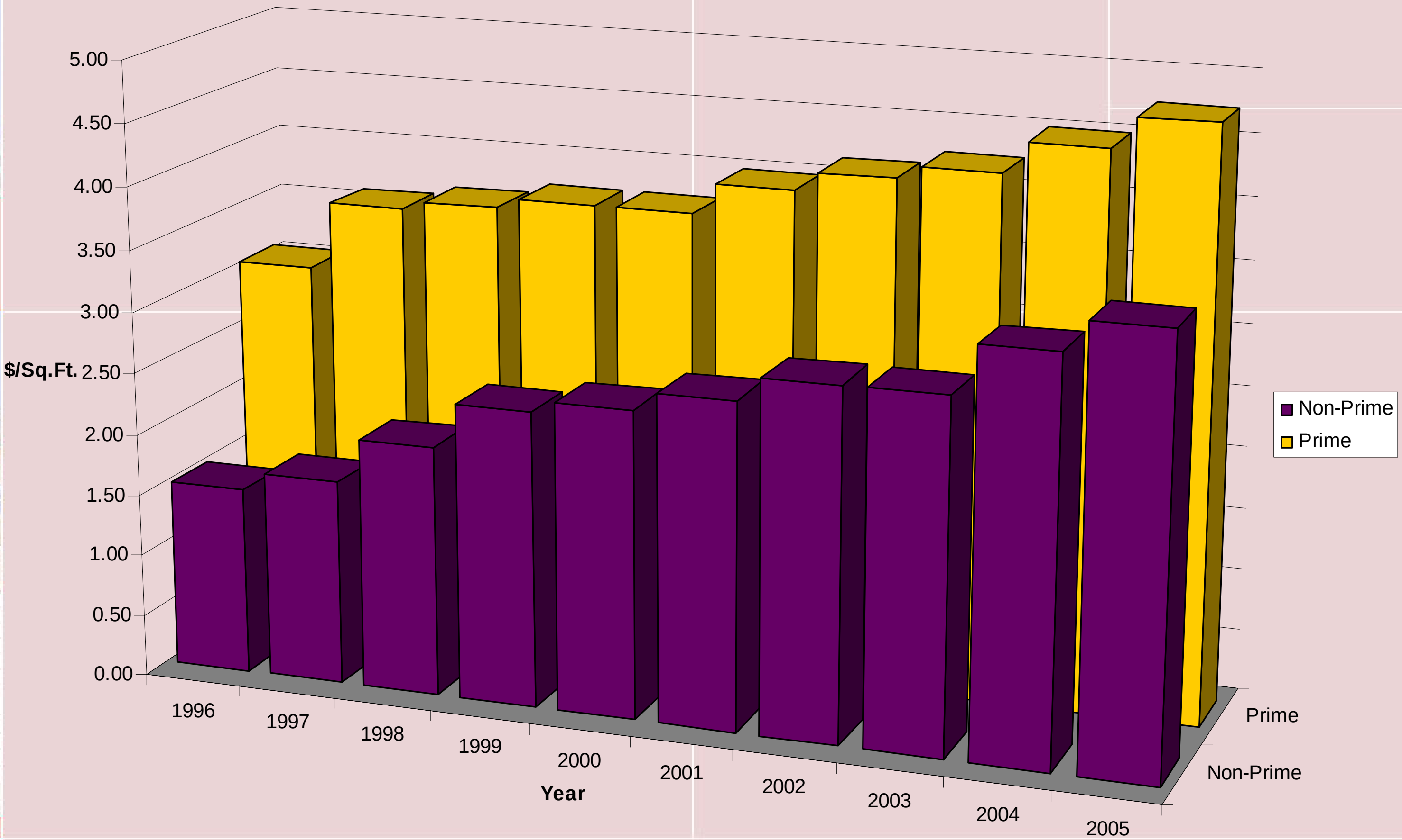
Construction Cost Economics Post-Katrina

TRADE	% CHANGE MATERIAL COSTS	% CHANGE LABOR CAPACITY
Insulation	15%	(10%)
Drywall	28%	(10%)
Painting	11%	(10%)
Electrical	10%	(25%)
Plumbing	15%	(30%)
Masonry	7%	(35%)
Steel (Including Erection)	62%	(70%)
Roofing	15%	No Change
Glass & Glazing	8%	No Change

Provided courtesy of Brice Building Company, Inc.

Prime & Non-Prime Land Values



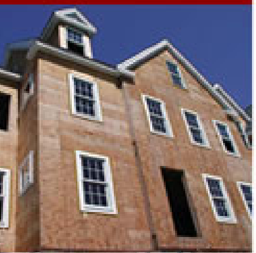


Shintech

Shintech

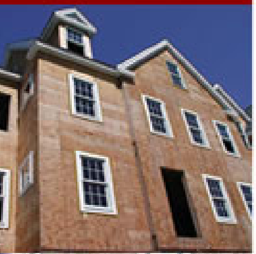




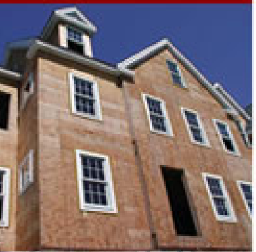


DSM Elastomers – 2004 Prior to Demolition

DSM Elastomers - 2006

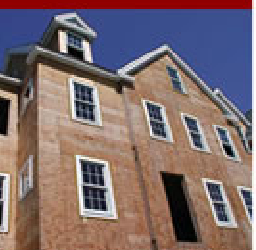



Barringer Foreman – 2005



Barringer Foreman – 2006


HSA Westport Expansion Site

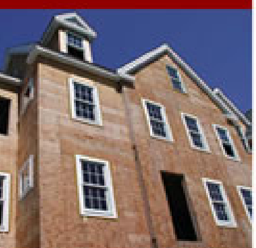




Industrial RE Market: 2006 Forecast

- Industrial market will remain strong
- Petrochemical production and profits should continue to increase
- Go-Zone Act incentives promote new construction
- High construction prices and increased Federal Reserve rates should help keep building in check
- Potential for continued activity based on extended resettlement & relocation to area





Conclusions