

THE CoSTAR OFFICE REPORT

M I D - Y E A R 2 0 0 7

National Office Market



NATIONAL OFFICE MARKET



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METHODOLOGY

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 33.6 billion square feet of coverage in 1.2 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

CoStar regularly opens new markets to expand its geographic coverage which results in varying start dates for historical data. Due to differences in market start dates, the following markets are excluded where noted from historical charts and tables: Portland, Birmingham, Greensboro/Winston-Salem, Greenville/Spartanburg, Hampton Roads, Hartford, Las Vegas, Madison, Milwaukee, Minneapolis, Oklahoma City, Providence, Richmond VA, Salt Lake City, San Antonio, Southwest Florida, Toledo, Tucson, Tulsa, and West Michigan. When ever possible these markets are included to provide as broad as possible national coverage. The Market Highlights and Overview narrative includes all markets.

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TERMS & DEFINITIONS

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

NATIONAL OFFICE MARKET



OVERVIEW

U.S.'s VACANCY DECREASES TO 11.2%

Net Absorption Positive 26,415,193 SF in the Quarter

The U.S. Office market ended the second quarter 2007 with a vacancy rate of 11.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 26,415,193 square feet in the second quarter. Vacant sublease space increased in the quarter, ending the quarter at 65,092,324 square feet. Rental rates ended the second quarter at \$23.35, an increase over the previous quarter. A total of 837 buildings delivered to the market in the quarter totaling 23,482,437 square feet, with 171,907,489 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall U.S. office market was positive 26,415,193 square feet in the second quarter 2007. That compares to positive 12,691,883 square feet in the first quarter 2007, positive 26,170,784 square feet in the fourth quarter 2006, and positive 32,358,934 square feet in the third quarter 2006.

The Class-A office market recorded net absorption of positive 17,306,435 square feet in the second quarter 2007, compared to positive 13,975,413 square feet in the first quarter 2007, positive 17,615,587 in the fourth quarter 2006, and positive 14,799,186 in the third quarter 2006.

The Class-B office market recorded net absorption of positive 7,791,205 square feet in the second quarter 2007, compared to positive 2,204,885 square feet in the first quarter 2007, positive 11,404,859 in the fourth quarter 2006, and positive 14,856,129 in the third quarter 2006.

The Class-C office market recorded net absorption of positive 1,317,553 square feet in the second quarter 2007 compared to negative (3,488,415) square feet in the first quarter 2007,

negative (2,849,662) in the fourth quarter 2006, and positive 2,703,619 in the third quarter 2006.

Net absorption for U.S.'s central business district was positive 7,699,600 square feet in the second quarter 2007. That compares to positive 3,198,766 square feet in the first quarter 2007, positive 7,931,623 in the fourth quarter 2006, and positive 5,437,254 in the third quarter 2006.

Net absorption for the suburban markets was positive 18,715,593 square feet in the second quarter 2007. That compares to positive 9,493,117 square feet in first quarter 2007, positive 18,239,161 in the fourth quarter 2006, and positive 26,921,680 in the third quarter 2006.

Vacancy

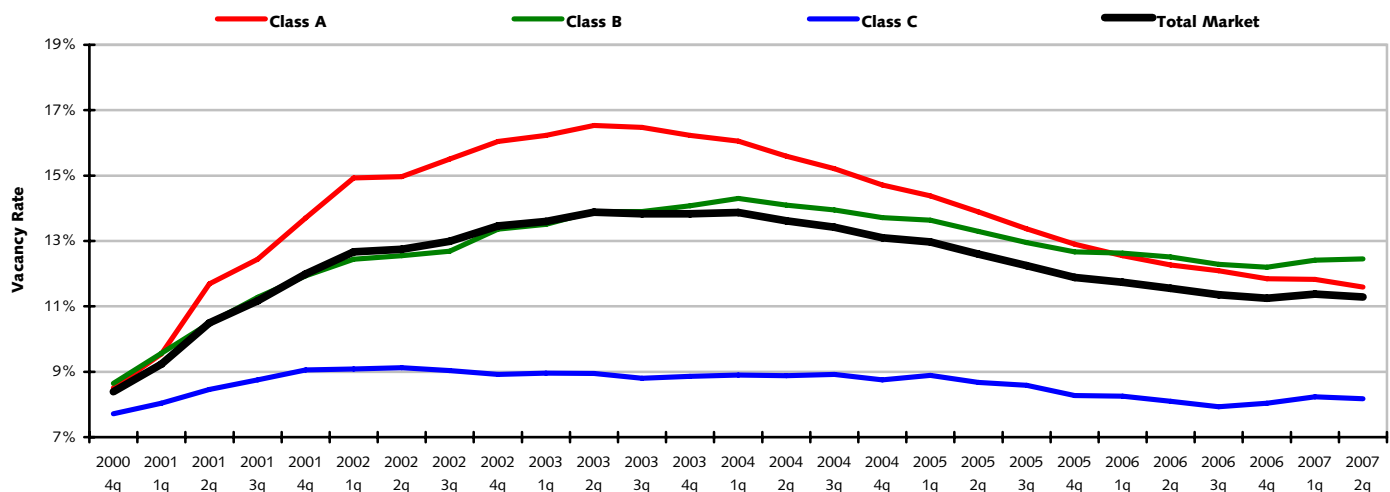
The office vacancy rate in the U.S. market area decreased to 11.2% at the end of the second quarter 2007. The vacancy rate was 11.3% at the end of the first quarter 2007, 11.2% at the end of the fourth quarter 2006, and 11.2% at the end of the third quarter 2006.

Class-A projects reported a vacancy rate of 11.6% at the end of the second quarter 2007, 11.8% at the end of the first quarter 2007, 11.8% at the end of the fourth quarter 2006, and 12.0% at the end of the third quarter 2006.

Class-B projects reported a vacancy rate of 12.3% at the end of the second quarter 2007, 12.2% at the end of the first quarter 2007, 12.0% at the end of the fourth quarter 2006, and 12.1% at the end of the third quarter 2006.

Class-C projects reported a vacancy rate of 8.3% at the end of the second quarter 2007, 8.4% at the end of first quarter 2007, 8.2% at the end of the fourth quarter 2006, and 8.0% at

VACANCY RATES BY CLASS* 2000-2007



Source: CoStar Property® * Excludes markets - see Methodology page.

the end of the third quarter 2006.

The overall vacancy rate in U.S.'s central business district at the end of the second quarter 2007 decreased to 9.9%. The vacancy rate was 10.3% at the end of the first quarter 2007, 10.4% at the end of the fourth quarter 2006, and 10.6% at the end of the third quarter 2006.

The vacancy rate in the suburban markets changed to 11.7% in the second quarter 2007. The vacancy rate was 11.7% at the end of the first quarter 2007, 11.4% at the end of the fourth quarter 2006, and 11.4% at the end of the third quarter 2006.

Largest Lease Signings

The largest lease signings occurring in 2007 included: the 497,000-square-foot lease signed by Microsoft at The Bravern - Bldg 2 in the Seattle/Puget Sound market; the 425,374-square-foot deal signed by Lehman Brothers at the Time & Life Bldg in the New York City market; and the 403,210-square-foot lease signed by Legg Mason at Legg Mason Tower in the Baltimore market.

Sublease Vacancy

The amount of vacant sublease space in the U.S. market increased to 65,092,324 square feet by the end of the second quarter 2007, from 63,888,884 square feet at the end of the first quarter 2007. There was 63,743,273 square feet vacant at the end of the fourth quarter 2006 and 64,577,255 square feet at the end of the third quarter 2006.

U.S.'s Class-A projects reported vacant sublease space of 38,719,812 square feet at the end of second quarter 2007, up from the 38,541,247 square feet reported at the end of the first quarter 2007. There were 39,314,391 square feet of sublease space vacant at the end of the fourth quarter 2006, and 40,192,876 square feet at the end of the third quarter 2006.

Class-B projects reported vacant sublease space of 22,481,153 square feet at the end of the second quarter 2007, up from the 21,896,698 square feet reported at the end of the first quarter 2007. At the end of the fourth quarter 2006 there were 20,967,027 square feet, and at the end of the third quarter 2006 there were 21,333,524 square feet vacant.

Class-C projects reported increased vacant sublease space from the first quarter 2007 to the second quarter 2007. Sublease vacancy went from 3,450,939 square feet to 3,891,359 square feet during that time. There was 3,461,855 square feet at the end of the fourth quarter 2006, and 3,050,855 square feet at the end of the third quarter 2006.

Sublease vacancy in U.S.'s central business district stood at 15,671,096 square feet at the end of the second quarter 2007. It was 16,277,600 square feet at the end of the first quarter 2007, 16,758,873 square feet at the end of the fourth quarter 2006, and 17,836,769 square feet at the end of the third quarter 2006.

Sublease vacancy in the suburban markets ended the second quarter 2007 at 49,421,228 square feet. At the end of the first

quarter 2007 sublease vacancy was 47,611,284 square feet, was 46,984,400 square feet at the end of the fourth quarter 2006, and was 46,740,486 square feet at the end of the third quarter 2006.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$23.35 per-square-foot per year at the end of the second quarter 2007 in the U.S. market area. This represented a 1.0% increase in quoted rental rates from the end of the first quarter 2007, when rents were reported at \$23.13 per-square-foot.

The average quoted rate within the Class-A sector was \$27.97 at the end of the second quarter 2007, while Class-B rates stood at \$20.93, and Class-C rates at \$17.48. At the end of the first quarter 2007, Class-A rates were \$27.56 per-square-foot, Class-B rates were \$20.71, and Class-C rates were \$17.46.

The average quoted asking rental rate in U.S.'s CBD was \$28.02 at the end of the second quarter 2007, and \$22.20 in the suburban markets. In the first quarter 2007, quoted rates were \$27.51 in the CBD and \$22.03 in the suburbs.

Deliveries and Construction

During the second quarter 2007, 837 buildings totaling 23,482,437 square feet were completed in the U.S. market area. This compares to 921 buildings totaling 27,258,464 square feet that were completed in the first quarter 2007, 867 buildings totaling 26,183,293 square feet completed in the fourth quarter 2006, and 23,178,441 square feet in 854 buildings completed in the third quarter 2006.

There were 171,907,489 square feet of office space under construction at the end of the second quarter 2007.

Some of the notable 2007 deliveries include: 2000 Avenue of the Stars in New York City, a 775,541-square-foot facility that delivered in first quarter 2007 and is now 64% occupied, and Terminus 100 in Atlanta, a 581,874-square-foot building that delivered in second quarter 2007 and is now 89% occupied.

The largest projects underway at the end of second quarter 2007 were Freedom Tower in New York City, a 2,600,000-square-foot building with 100% of its space pre-leased, and Campus El Segundo in Los Angeles, a 2,175,000-square-foot facility that is 0% pre-leased.

Sales Activity

Tallying office building sales of 15,000 square feet or larger, U.S. office sales figures fell during the first quarter 2007 in terms of dollar volume compared to the fourth quarter of 2006.

In the first quarter, 675 office transactions closed with a total volume of \$25.4-billion. The 675 buildings totaled 86,333,946 square feet and the average price per square foot equated to \$293.86 per square foot. That compares to 792 transactions totaling \$26.0-billion in the fourth quarter 2006. The total square footage in the fourth quarter was 111,249,664 square feet for an average price per square foot of \$233.95.

NATIONAL OFFICE MARKET



OVERVIEW

Total office building sales activity in 2007 was up compared to 2006. In the first three months of 2007, the market saw 675 office sales transactions with a total volume of \$25.4-billion. The price per square foot averaged \$293.86. In the same first three months of 2006, the market posted 840 transactions with a total volume of \$18.2-billion. The price per square foot averaged \$205.85.

Cap rates have been higher in 2007, averaging 7.64% compared to the same period in 2006 when they averaged 7.35%.

One of the largest transactions that has occurred within the last 4 quarters in the U.S. market is the sale of 666 Fifth Ave in New York. This 1,469,245 square foot office building sold for \$1.8-billion, or \$1,225.12 per square foot. The property sold on 1/11/2007.

Inventory

Total office inventory in the U.S. market area amounted to 7,435,797,320 square feet in 248,906 buildings as of the end of the second quarter 2007. The Class-A office sector consisted of 2,707,013,606 square feet in 15,376 projects. There were 99,183 Class-B buildings totaling 3,223,707,287 square feet, and the Class-C sector consisted of 1,505,076,427 square feet in 134,347 buildings. Within the Office market there were 15,675 owner-occupied buildings accounting for 629,445,862 square feet of office space.

Atlanta

The Atlanta office market ended the quarter with a vacancy rate of 14.1%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 945,181 square feet. Vacant sublease space increased to 2,742,810 square feet. Rental rates ended the second quarter at \$19.36, an increase over the previous quarter. A total of 27 buildings with 1,478,698 square feet of space delivered to the market, with 6,216,521 square feet still under construction at the end of the quarter.

Austin

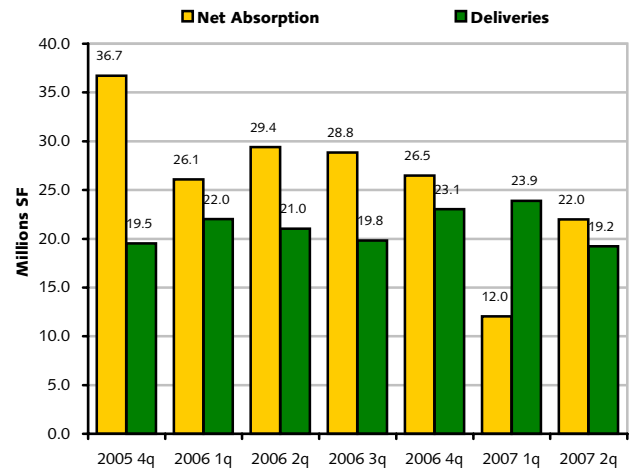
The Austin office market ended the quarter with a vacancy rate of 11.8%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 89,987 square feet. Vacant sublease space decreased to 578,146 square feet. Rental rates ended the second quarter at \$24.38, an increase over the previous quarter. A total of 9 buildings with 694,505 square feet of space delivered to the market, with 4,453,527 square feet still under construction at the end of the quarter.

Baltimore

The Baltimore office market ended the quarter with a vacancy rate of 11.9%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 132,273 square feet. Vacant sublease space increased to 850,415 square feet. Rental rates ended the second quarter at \$22.16, an increase over the previous quarter. A total of 4 buildings with 382,266 square feet

ABSORPTION & DELIVERIES*

Past 8 Quarters



Source: CoStar Property® * Excludes markets - see Methodology page.

of space delivered to the market, with 2,786,242 square feet still under construction at the end of the quarter.

Birmingham

The Birmingham office market ended the quarter with a vacancy rate of 9.1%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 14,297 square feet. Vacant sublease space increased to 96,660 square feet. Rental rates ended the second quarter at \$16.67, a decrease over the previous quarter. A total of 5 buildings with 58,600 square feet of space delivered to the market, with 351,671 square feet still under construction at the end of the quarter.

Boston

The Boston office market ended the quarter with a vacancy rate of 11.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 588,109 square feet. Vacant sublease space increased to 4,177,581 square feet. Rental rates ended the second quarter at \$23.66, an increase over the previous quarter. A total of 9 buildings with 306,392 square feet of space delivered to the market, with 3,760,792 square feet still under construction at the end of the quarter.

Broward County

The Broward County office market ended the quarter with a vacancy rate of 8.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 549,423 square feet. Vacant sublease space increased to 324,568 square feet. Rental rates ended the second quarter at \$25.61, an increase over the previous quarter. A total of 22 buildings with 555,254 square feet of space delivered to the market, with 1,856,417 square feet still under construction at the end of the quarter.

Charlotte

The Charlotte office market ended the quarter with a vacan-

cy rate of 10.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 627,463 square feet. Vacant sublease space increased to 262,077 square feet. Rental rates ended the second quarter at \$18.63, an increase over the previous quarter. A total of 6 buildings with 118,593 square feet of space delivered to the market, with 3,998,080 square feet still under construction at the end of the quarter.

Chicago

The Chicago office market ended the quarter with a vacancy rate of 13.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,845,252 square feet. Vacant sublease space increased to 4,944,141 square feet. Rental rates ended the second quarter at \$23.76, an increase over the previous quarter. A total of 10 buildings with 524,853 square feet of space delivered to the market, with 7,802,970 square feet still under construction at the end of the quarter.

Cincinnati

The Cincinnati office market ended the quarter with a vacancy rate of 15.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 649,316 square feet. Vacant sublease space decreased to 785,128 square feet. Rental rates ended the second quarter at \$16.52, a decrease over the previous quarter. A total of 9 buildings with 485,716 square feet of space delivered to the market, with 1,598,529 square feet still under construction at the end of the quarter.

Cleveland

The Cleveland office market ended the quarter with a vacancy rate of 13.8%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 41,905 square feet. Vacant sublease space increased to 1,237,281 square feet. Rental rates ended the second quarter at \$17.23, a decrease over the previous quarter. A total of 3 buildings with 99,849 square feet of space delivered to the market, with 899,605 square feet still under construction at the end of the quarter.

Columbus

The Columbus office market ended the quarter with a vacancy rate of 13.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 606,273 square feet. Vacant sublease space increased to 301,492 square feet. Rental rates ended the second quarter at \$16.07, an increase over the previous quarter. A total of 12 buildings with 103,415 square feet of space delivered to the market, with 906,674 square feet still under construction at the end of the quarter.

Dallas/Ft Worth

The Dallas/Ft Worth office market ended the quarter with a vacancy rate of 17.6%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (977,584) square feet. Vacant sublease space increased to 2,982,778 square feet. Rental rates ended the second quarter at \$19.73, an increase

over the previous quarter. A total of 25 buildings with 1,175,168 square feet of space delivered to the market, with 6,495,822 square feet still under construction at the end of the quarter.

Dayton

The Dayton office market ended the quarter with a vacancy rate of 12.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 279,539 square feet. Vacant sublease space decreased to 108,076 square feet. Rental rates ended the second quarter at \$14.53, an increase over the previous quarter. A total of 1 buildings with 48,000 square feet of space delivered to the market, with 334,251 square feet still under construction at the end of the quarter.

Denver

The Denver office market ended the quarter with a vacancy rate of 12.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,505,325 square feet. Vacant sublease space decreased to 1,587,662 square feet. Rental rates ended the second quarter at \$19.92, an increase over the previous quarter. A total of 16 buildings with 436,399 square feet of space delivered to the market, with 2,319,486 square feet still under construction at the end of the quarter.

Detroit

The Detroit office market ended the quarter with a vacancy rate of 17.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 198,593 square feet. Vacant sublease space increased to 1,360,064 square feet. Rental rates ended the second quarter at \$20.22, a decrease over the previous quarter. A total of 10 buildings with 152,059 square feet of space delivered to the market, with 916,508 square feet still under construction at the end of the quarter.

East Bay/Oakland

With no new office space being delivered to the market, and positive 240,809 square feet of net absorption, East Bay/Oakland's vacancy rate went from 11.6% to 11.4% in the quarter. Rental rates went from \$23.00 to \$23.13 during that time. At the end of the quarter, there was 697,064 square feet underway for future delivery.

Greensboro/Winston-Salem

The Greensboro/Winston-Salem office market ended the quarter with a vacancy rate of 13.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (41,896) square feet. Vacant sublease space increased to 133,143 square feet. Rental rates ended the second quarter at \$14.02, a decrease over the previous quarter. A total of 3 buildings with 77,380 square feet of space delivered to the market, with 321,061 square feet still under construction at the end of the quarter.

Greenville/Spartanburg

The Greenville/Spartanburg office market ended the quarter

NATIONAL OFFICE MARKET



OVERVIEW

with a vacancy rate of 11.6%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 17,995 square feet. Vacant sublease space decreased to 73,330 square feet. Rental rates ended the second quarter at \$13.69, a decrease over the previous quarter. A total of 1 buildings with 82,524 square feet of space delivered to the market, with 69,310 square feet still under construction at the end of the quarter.

Hampton Roads

The Hampton Roads office market ended the quarter with a vacancy rate of 7.6%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 207,835 square feet. Vacant sublease space decreased to 176,930 square feet. Rental rates ended the second quarter at \$17.06, a decrease over the previous quarter. A total of 13 buildings with 254,523 square feet of space delivered to the market, with 1,039,972 square feet still under construction at the end of the quarter.

Hartford

The Hartford office market saw vacancies fall and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.7%, from 10.1% in the previous quarter. Rental rates ended the quarter at \$18.88 per square foot, from \$18.85 in the previous quarter. There was a total of 142,875 square feet that delivered in the quarter, with 176,079 square feet still under construction at the end of the quarter.

Houston

The Houston office market ended the quarter with a vacancy rate of 12.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,671,353 square feet. Vacant sublease space increased to 2,316,259 square feet. Rental rates ended the second quarter at \$21.09, an increase over the previous quarter. A total of 19 buildings with 645,348 square feet of space delivered to the market, with 5,130,909 square feet still under construction at the end of the quarter.

Indianapolis

The Indianapolis office market ended the quarter with a vacancy rate of 12.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 548,169 square feet. Vacant sublease space decreased to 247,186 square feet. Rental rates ended the second quarter at \$17.03, an increase over the previous quarter. A total of 6 buildings with 286,396 square feet of space delivered to the market, with 709,976 square feet still under construction at the end of the quarter.

Inland Empire (California)

The Inland Empire (California) office market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.4%, from 9.2% in the previous quarter. Rental rates ended the quarter at \$25.34 per square foot, from \$25.20 in the previous

quarter. There was a total of 617,514 square feet that delivered in the quarter, with 6,585,345 square feet still under construction at the end of the quarter.

Jacksonville (Florida)

The Jacksonville (Florida) office market ended the quarter with a vacancy rate of 12.0%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 110,718 square feet. Vacant sublease space decreased to 263,587 square feet. Rental rates ended the second quarter at \$18.79, an increase over the previous quarter. A total of 12 buildings with 185,733 square feet of space delivered to the market, with 1,238,479 square feet still under construction at the end of the quarter.

Kansas City

The Kansas City office market ended the quarter with a vacancy rate of 13.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 580,253 square feet. Vacant sublease space decreased to 427,533 square feet. Rental rates ended the second quarter at \$17.37, an increase over the previous quarter. A total of 3 buildings with 47,480 square feet of space delivered to the market, with 2,715,715 square feet still under construction at the end of the quarter.

Las Vegas

The Las Vegas office market ended the quarter with a vacancy rate of 12.3%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 348,797 square feet. Vacant sublease space increased to 181,765 square feet. Rental rates ended the second quarter at \$23.55, an increase over the previous quarter. A total of 38 buildings with 803,208 square feet of space delivered to the market, with 3,186,808 square feet still under construction at the end of the quarter.

Long Island (New York)

The Long Island (New York) office market saw vacancies fall and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.5%, from 9.7% in the previous quarter. Rental rates ended the quarter at \$26.71 per square foot, from \$28.51 in the previous quarter. There was a total of 65,000 square feet that delivered in the quarter, with 1,135,929 square feet still under construction at the end of the quarter.

Los Angeles

The Los Angeles office market ended the quarter with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,068,144 square feet. Vacant sublease space decreased to 2,616,337 square feet. Rental rates ended the second quarter at \$29.51, an increase over the previous quarter. A total of 24 buildings with 408,273 square feet of space delivered to the market, with 6,735,115 square feet still under construction at the end of the quarter.

Madison

The Madison office market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.3%, from 8.5% in the previous quarter. Rental rates ended the quarter at \$14.75 per square foot, from \$14.68 in the previous quarter. There was a total of 517,679 square feet that delivered in the quarter, with 195,100 square feet still under construction at the end of the quarter.

Memphis

The Memphis office market ended the quarter with a vacancy rate of 16.1%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (40,479) square feet. Vacant sublease space increased to 466,159 square feet. Rental rates ended the second quarter at \$16.46, a decrease over the previous quarter. A total of 5 buildings with 36,830 square feet of space delivered to the market, with 258,975 square feet still under construction at the end of the quarter.

Miami-Dade County

The Miami-Dade County office market ended the quarter with a vacancy rate of 7.5%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 18,319 square feet. Vacant sublease space increased to 305,705 square feet. Rental rates ended the second quarter at \$28.50, an increase over the previous quarter. A total of 10 buildings with 274,497 square feet of space delivered to the market, with 4,945,117 square feet still under construction at the end of the quarter.

Milwaukee

The Milwaukee office market ended the quarter with a vacancy rate of 11.0%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 49,260 square feet. Vacant sublease space decreased to 198,495 square feet. Rental rates ended the second quarter at \$15.01, a decrease over the previous quarter. A total of 3 buildings with 112,574 square feet of space delivered to the market, with 86,361 square feet still under construction at the end of the quarter.

Minneapolis

The Minneapolis office market ended the quarter with a vacancy rate of 11.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 458,499 square feet. Vacant sublease space increased to 931,158 square feet. Rental rates ended the second quarter at \$15.20, an increase over the previous quarter. A total of 15 buildings with 443,584 square feet of space delivered to the market, with 1,418,537 square feet still under construction at the end of the quarter.

Nashville

The Nashville office market ended the quarter with a vacancy rate of 9.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 438,203 square feet.

Vacant sublease space decreased to 379,119 square feet. Rental rates ended the second quarter at \$19.20, an increase over the previous quarter. A total of 8 buildings with 175,797 square feet of space delivered to the market, with 3,136,780 square feet still under construction at the end of the quarter.

New York City

The New York City office market ended the quarter with a vacancy rate of 5.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,127,108 square feet. Vacant sublease space decreased to 3,578,322 square feet. Rental rates ended the second quarter at \$55.91, an increase over the previous quarter. A total of 2 buildings with 90,250 square feet of space delivered to the market, with 10,472,764 square feet still under construction at the end of the quarter.

Northern New Jersey

The Northern New Jersey office market saw vacancies rise and rental rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 12.6%, from 12.5% in the previous quarter. Rental rates ended the quarter at \$25.59 per square foot, from \$25.60 in the previous quarter. There was a total of 484,768 square feet that delivered in the quarter, with 3,241,466 square feet still under construction at the end of the quarter.

Oklahoma City

The Oklahoma City office market ended the quarter with a vacancy rate of 9.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (144,397) square feet. Vacant sublease space decreased to 80,726 square feet. Rental rates ended the second quarter at \$13.20, a decrease over the previous quarter. A total of 3 buildings with 28,013 square feet of space delivered to the market, with 544,912 square feet still under construction at the end of the quarter.

Orange (California)

The Orange (California) office market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.4%, from 7.6% in the previous quarter. Rental rates ended the quarter at \$31.47 per square foot, from \$31.11 in the previous quarter. There was a total of 949,519 square feet that delivered in the quarter, with 4,163,313 square feet still under construction at the end of the quarter.

Orlando

The Orlando office market ended the quarter with a vacancy rate of 8.8%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 248,335 square feet. Vacant sublease space decreased to 463,914 square feet. Rental rates ended the second quarter at \$21.69, an increase over the previous quarter. A total of 17 buildings with 556,128 square feet of space delivered to the market, with 2,495,518 square feet still under

construction at the end of the quarter.

Palm Beach County

The Palm Beach County office market ended the quarter with a vacancy rate of 11.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (408,395) square feet. Vacant sublease space increased to 222,986 square feet. Rental rates ended the second quarter at \$28.96, a decrease over the previous quarter. A total of 6 buildings with 268,454 square feet of space delivered to the market, with 2,757,169 square feet still under construction at the end of the quarter.

Philadelphia

The Philadelphia office market ended the quarter with a vacancy rate of 13.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,537,025 square feet. Vacant sublease space decreased to 2,027,238 square feet. Rental rates ended the second quarter at \$21.79, an increase over the previous quarter. A total of 20 buildings with 645,626 square feet of space delivered to the market, with 4,321,832 square feet still under construction at the end of the quarter.

Phoenix

The Phoenix office market ended the quarter with a vacancy rate of 13.0%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 861,319 square feet. Vacant sublease space decreased to 953,898 square feet. Rental rates ended the second quarter at \$25.40, an increase over the previous quarter. A total of 102 buildings with 1,780,412 square feet of space delivered to the market, with 8,965,853 square feet still under construction at the end of the quarter.

Pittsburgh

The Pittsburgh office market ended the quarter with a vacancy rate of 14.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 642,996 square feet. Vacant sublease space decreased to 250,582 square feet. Rental rates ended the second quarter at \$18.39, a decrease over the previous quarter. A total of 5 buildings with 119,134 square feet of space delivered to the market, with 497,127 square feet still under construction at the end of the quarter.

Portland

The Portland office market ended the quarter with a vacancy rate of 10.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 930,652 square feet. Vacant sublease space decreased to 596,037 square feet. Rental rates ended the second quarter at \$19.39, an increase over the previous quarter. A total of 6 buildings with 100,187 square feet of space delivered to the market, with 990,680 square feet still under construction at the end of the quarter.

Providence

The Providence office market saw vacancies fall and rental

rates decrease from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 9.0%, from 9.1% in the previous quarter. Rental rates ended the quarter at \$16.85 per square foot, from \$17.06 in the previous quarter. There was a total of 216,500 square feet that delivered in the quarter, with 267,100 square feet still under construction at the end of the quarter.

Raleigh/Durham

The vacancy rate remained unchanged in Raleigh/Durham in the second quarter. With 244,380 square feet in deliveries, and positive 212,321 square feet in net absorption, the vacancy rate held at 13.5%, the same rate reported in the previous quarter. The market had 2,740,106 square feet under construction at the end of the quarter, and rental rates stood at \$18.75 per square foot.

Richmond VA

The Richmond VA office market ended the quarter with a vacancy rate of 9.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 267,571 square feet. Vacant sublease space decreased to 368,445 square feet. Rental rates ended the second quarter at \$16.52, an increase over the previous quarter. A total of 1 buildings with 11,000 square feet of space delivered to the market, with 976,426 square feet still under construction at the end of the quarter.

Sacramento

The Sacramento office market ended the quarter with a vacancy rate of 13.5%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 169,815 square feet. Vacant sublease space increased to 722,965 square feet. Rental rates ended the second quarter at \$23.65, an increase over the previous quarter. A total of 55 buildings with 545,415 square feet of space delivered to the market, with 3,475,656 square feet still under construction at the end of the quarter.

Salt Lake City

The Salt Lake City office market ended the quarter with a vacancy rate of 8.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 735,476 square feet. Vacant sublease space increased to 380,189 square feet. Rental rates ended the second quarter at \$16.95, an increase over the previous quarter. A total of 10 buildings with 619,536 square feet of space delivered to the market, with 3,175,921 square feet still under construction at the end of the quarter.

San Antonio

The San Antonio office market ended the quarter with a vacancy rate of 11.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 553,189 square feet. Vacant sublease space decreased to 94,605 square feet. Rental rates ended the second quarter at \$17.25, a decrease over the previous quarter. A total of 15 buildings with 525,291

square feet of space delivered to the market, with 1,473,753 square feet still under construction at the end of the quarter.

San Diego

The San Diego office market ended the quarter with a vacancy rate of 10.9%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 589,875 square feet. Vacant sublease space decreased to 1,051,088 square feet. Rental rates ended the second quarter at \$31.95, an increase over the previous quarter. A total of 27 buildings with 763,399 square feet of space delivered to the market, with 4,397,028 square feet still under construction at the end of the quarter.

San Francisco

With no new office space being delivered to the market, and positive 121,949 square feet of net absorption, San Francisco's vacancy rate went from 10.7% to 10.6% in the quarter. Rental rates went from \$31.21 to \$32.40 during that time. At the end of the quarter, there was 2,429,812 square feet underway for future delivery.

Seattle/Puget Sound

The vacancy rate remained unchanged in Seattle/Puget Sound in the second quarter. With 1,116,628 square feet in deliveries, and positive 970,461 square feet in net absorption, the vacancy rate held at 9.1%, the same rate reported in the previous quarter. The market had 5,852,752 square feet under construction at the end of the quarter, and rental rates stood at \$26.56 per square foot.

South Bay/San Jose

The South Bay/San Jose office market ended the quarter with a vacancy rate of 10.1%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (209,909) square feet. Vacant sublease space decreased to 1,057,951 square feet. Rental rates ended the second quarter at \$23.74, an increase over the previous quarter. A total of 1 buildings with 6,100 square feet of space delivered to the market, with 1,574,701 square feet still under construction at the end of the quarter.

Southwest Florida

The vacancy rate remained unchanged in Southwest Florida in the second quarter. With 160,637 square feet in deliveries, and positive 138,384 square feet in net absorption, the vacancy rate held at 7.9%, the same rate reported in the previous quarter. The market had 1,204,343 square feet under construction at the end of the quarter, and rental rates stood at \$20.87 per square foot.

St. Louis

The St. Louis office market ended the quarter with a vacancy rate of 10.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 146,527 square feet. Vacant sublease space increased to 290,273 square feet. Rental rates ended the second quarter at \$18.00, a decrease over the pre-

vious quarter. A total of 4 buildings with 58,540 square feet of space delivered to the market, with 833,357 square feet still under construction at the end of the quarter.

Tampa/St Petersburg

The Tampa/St Petersburg office market ended the quarter with a vacancy rate of 8.8%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 198,066 square feet. Vacant sublease space increased to 931,320 square feet. Rental rates ended the second quarter at \$20.99, an increase over the previous quarter. A total of 69 buildings with 796,113 square feet of space delivered to the market, with 2,076,061 square feet still under construction at the end of the quarter.

Toledo

The Toledo office market ended the quarter with a vacancy rate of 11.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 102,247 square feet. Vacant sublease space decreased to 64,023 square feet. Rental rates ended the second quarter at \$13.97, an increase over the previous quarter. A total of 1 buildings with 6,000 square feet of space delivered to the market, with 10,122 square feet still under construction at the end of the quarter.

Tucson

The Tucson office market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 8.3%, from 8.1% in the previous quarter. Rental rates ended the quarter at \$18.85 per square foot, from \$18.71 in the previous quarter. There was a total of 66,044 square feet that delivered in the quarter, with 770,920 square feet still under construction at the end of the quarter.

Tulsa

With no new office space being delivered to the market, and positive 54,197 square feet of net absorption, Tulsa's vacancy rate went from 14.5% to 14.3% in the quarter. Rental rates went from \$11.72 to \$11.72 during that time. At the end of the quarter, there was 147,952 square feet underway for future delivery.

Washington

The vacancy rate remained unchanged in Washington in the second quarter. With 1,497,681 square feet in deliveries, and positive 1,600,985 square feet in net absorption, the vacancy rate held at 9.9%, the same rate reported in the previous quarter. The market had 15,692,238 square feet under construction at the end of the quarter, and rental rates stood at \$33.43 per square foot.

West Michigan

The West Michigan office market saw vacancies rise and rental rates increase from the first quarter 2007 to the second quarter 2007. The overall vacancy rate currently sits at 15.6%, from 15.1% in the previous quarter. Rental rates ended the

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quarter at \$13.23 per square foot, from \$13.14 in the previous quarter. There was a total of 29,700 square feet that delivered in the quarter, with 651,286 square feet still under construction at the end of the quarter.

Westchester/So Connecticut

With no new office space being delivered to the market, and positive 814,001 square feet of net absorption, Westchester/So Connecticut's vacancy rate went from 11.2% to 10.6% in the quarter. Rental rates went from \$27.92 to \$26.94 during that time. At the end of the quarter, there was 1,227,594 square feet underway for future delivery.

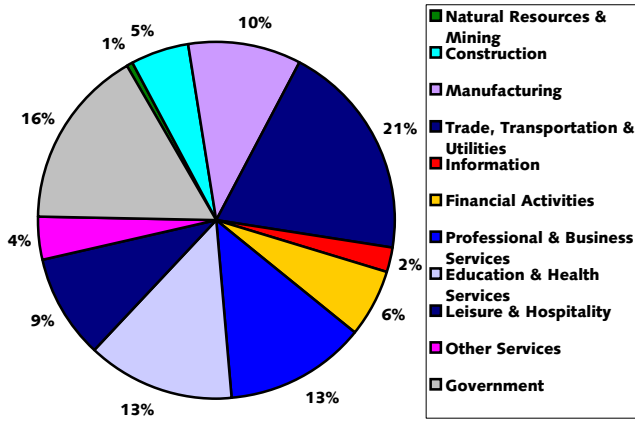


NATIONAL OFFICE MARKET

EMPLOYMENT AND TENANT

TOTAL EMPLOYMENT BY INDUSTRY

Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

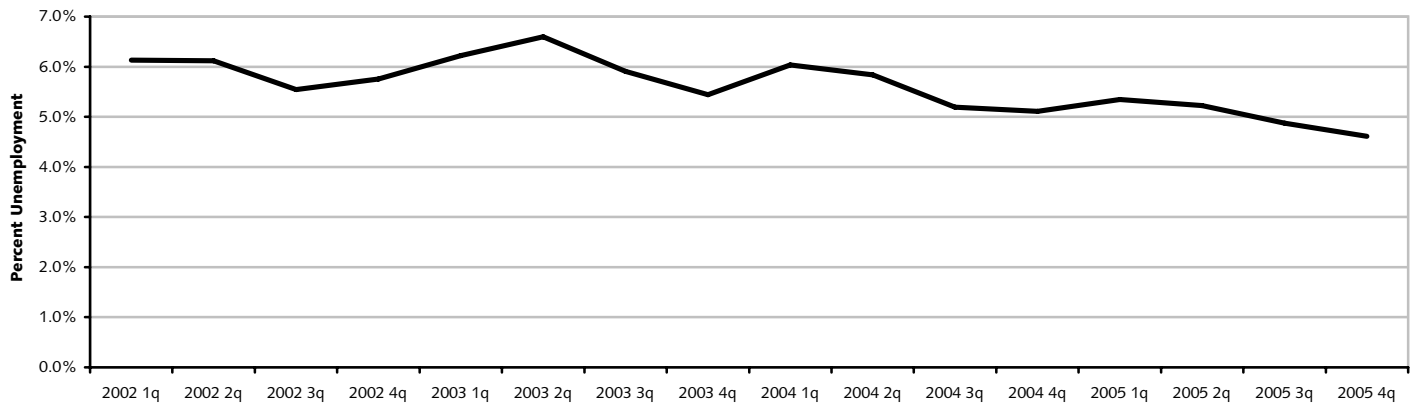
OFFICE* EMPLOYMENT GROWTH

Cumulative Growth in Office* Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	6.40%	5.70%	0.70%
Boston	2.70%	3.00%	-0.30%
Chicago	5.60%	4.50%	1.10%
Dallas/Ft Worth	12.90%	5.70%	7.20%
Denver	5.50%	4.10%	1.40%
Los Angeles	5.40%	1.70%	3.70%
New York City	4.10%	1.90%	2.20%
Seattle/Puget Sound	11.50%	3.10%	8.40%
Tampa/St Petersburg	22.00%	7.00%	15.00%
Washington	14.10%	8.40%	5.70%

Source: Department of Labor, Bureau of Labor Statistics. * Office employment is defined as jobs in the Information, Financial Activities, and Professional & Business Services industries

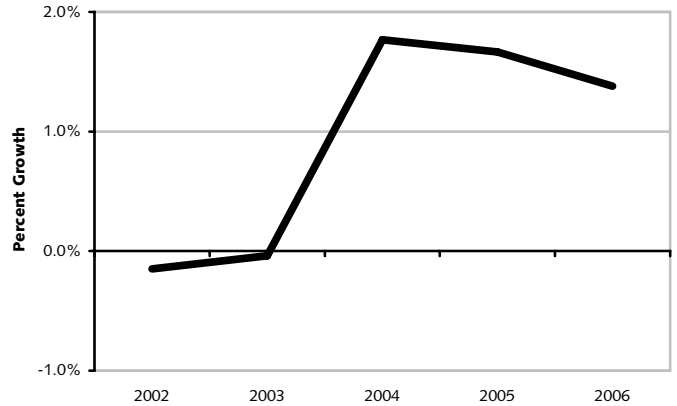
HISTORICAL UNEMPLOYMENT RATES



Source: Department of Labor, Bureau of Labor Statistics.

TOTAL EMPLOYMENT GROWTH

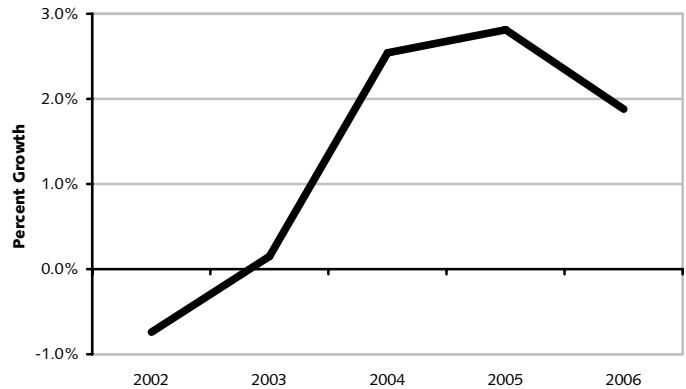
Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

OFFICE* EMPLOYMENT GROWTH

Number of Office* Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics. * Office employment is defined as jobs in the Information, Financial Activities, and Professional & Business Services industries

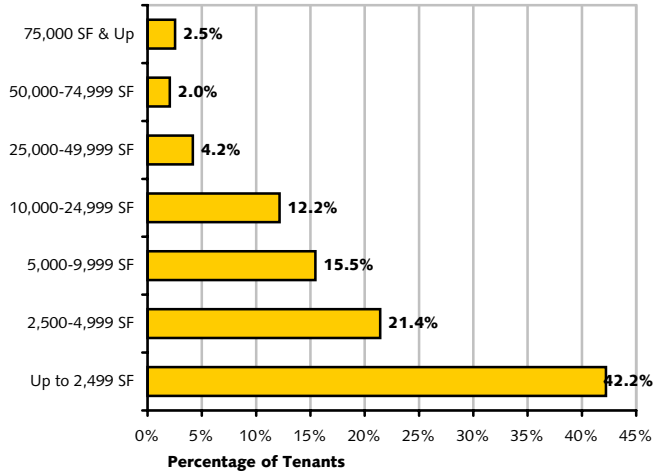
NATIONAL OFFICE MARKET



EMPLOYMENT AND TENANT

TENANT BY SIZE RANGE

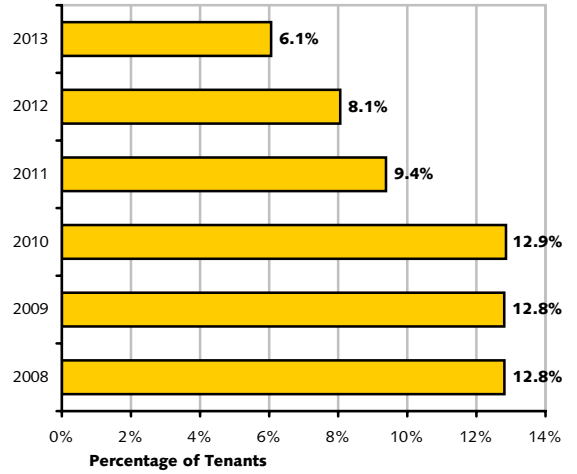
Based on Total Number of Tenants



Source: CoStar Tenant®

TENANTS BY LEASE EXPIRATION

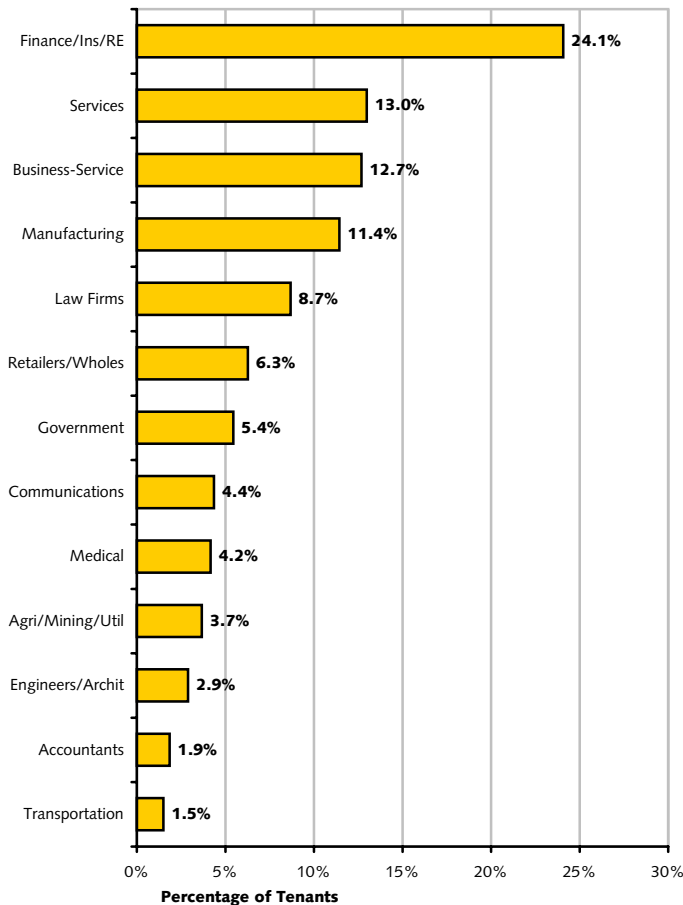
Based on Total Square Footage of Tenants



Source: CoStar Tenant®

TENANTS BY INDUSTRY

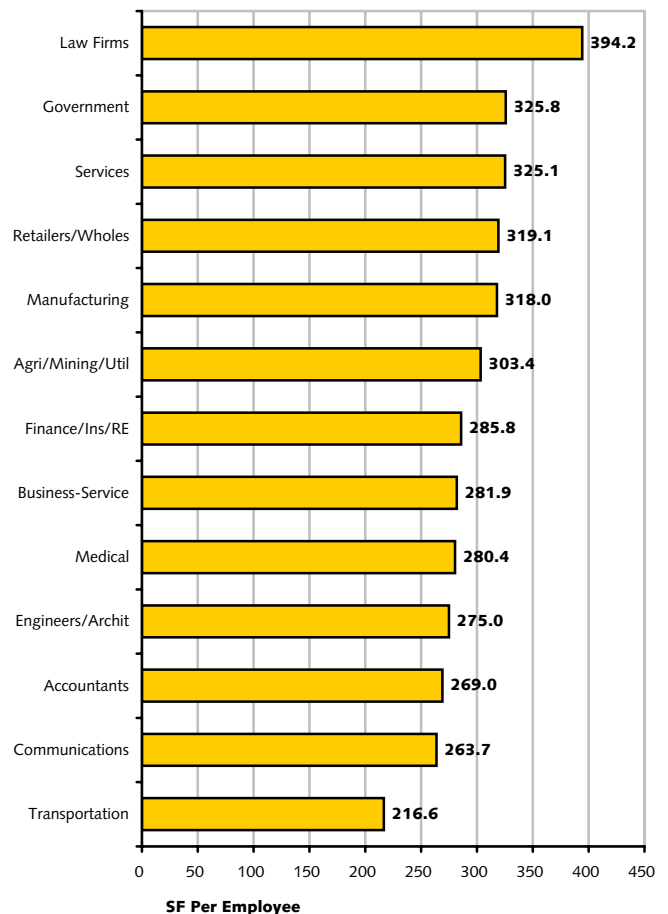
Based on Total Square Footage of Tenants



Source: CoStar Tenant®

SF PER EMPLOYEE BY INDUSTRY

Based on All Tenants



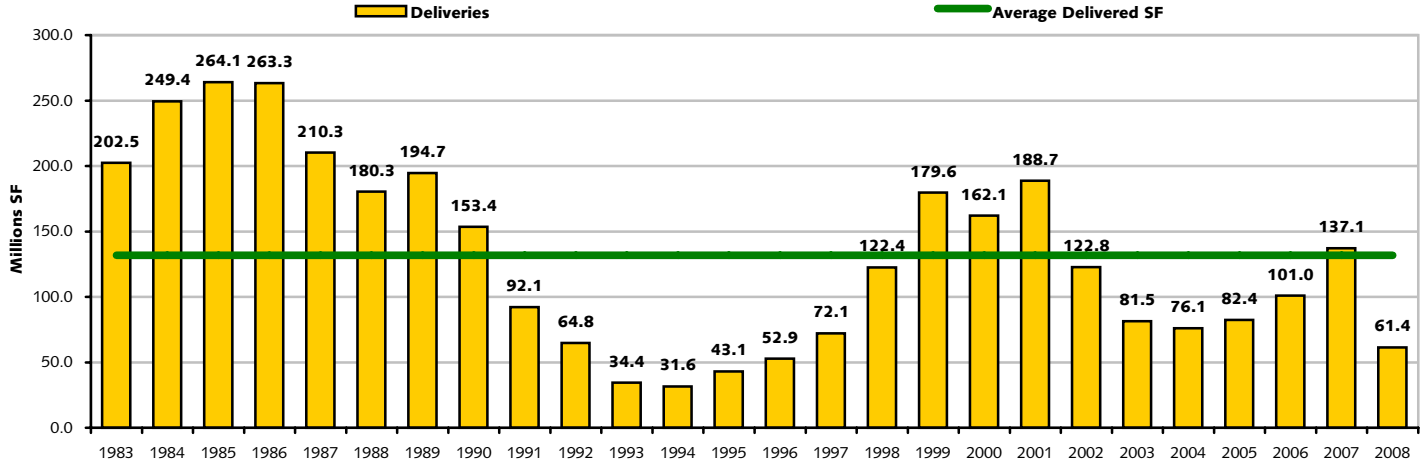
Source: CoStar Tenant®



NATIONAL OFFICE MARKET

INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1983 - 2008



Source: CoStar Property® * Future deliveries based on current under construction buildings.

CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Washington	114	15,692,238	4,269,805	27.2%	59,283	137,651
New York City	12	10,472,764	9,245,007	88.3%	153,751	872,730
Phoenix	314	8,965,853	3,641,051	40.6%	20,151	28,554
Chicago	73	7,802,970	4,440,478	56.9%	43,910	106,890
Los Angeles	110	6,735,115	1,189,368	17.7%	30,234	61,228
Inland Empire (California)	287	6,585,345	2,040,459	31.0%	13,730	22,945
Dallas/Ft Worth	128	6,495,822	2,975,125	45.8%	47,373	50,749
Atlanta	151	6,216,521	2,579,417	41.5%	29,057	41,169
Seattle/Puget Sound	57	5,852,752	1,865,444	31.9%	28,706	102,680
Houston	74	5,130,909	1,271,310	24.8%	62,457	69,337
Miami-Dade County	60	4,945,117	3,011,784	60.9%	25,980	82,419
Austin	74	4,453,527	804,749	18.1%	28,764	60,183
San Diego	116	4,397,028	1,530,045	34.8%	22,461	37,905
Philadelphia	84	4,321,832	2,371,292	54.9%	28,046	51,450
Orange (California)	115	4,163,313	1,726,282	41.5%	28,623	36,203
Charlotte	28	3,998,080	2,098,380	52.5%	33,434	142,789
Boston	48	3,760,792	1,668,942	44.4%	38,369	78,350
Sacramento	141	3,475,656	1,171,047	33.7%	21,797	24,650
Northern New Jersey	101	3,241,466	993,080	30.6%	34,003	32,094
Las Vegas	98	3,186,808	1,608,274	50.5%	15,206	32,518
Salt Lake City	43	3,175,921	866,955	27.3%	21,807	73,859
Nashville	45	3,136,780	1,582,215	50.4%	22,398	69,706
Baltimore	33	2,786,242	1,257,075	45.1%	29,634	84,432
Palm Beach County	38	2,757,169	1,577,776	57.2%	23,500	72,557
Raleigh/Durham	61	2,740,106	1,091,037	39.8%	28,420	44,920
Kansas City	33	2,715,715	1,210,803	44.6%	32,027	82,294
Orlando	78	2,495,518	1,188,428	47.6%	16,660	31,994
San Francisco	12	2,429,812	862,107	35.5%	44,084	202,484
Denver	95	2,319,486	583,763	25.2%	28,899	24,416
Tampa/St Petersburg	139	2,076,061	994,688	47.9%	14,617	14,936
Broward County	32	1,856,417	1,027,747	55.4%	21,667	58,013
Cincinnati	32	1,598,529	352,947	22.1%	27,790	49,954
South Bay/San Jose	15	1,574,701	233,829	14.8%	25,679	104,980
San Antonio	47	1,473,753	397,942	27.0%	22,705	31,356
Minneapolis	23	1,418,537	894,859	63.1%	33,866	61,676
Jacksonville (Florida)	40	1,238,479	980,685	79.2%	21,351	30,962
Westchester/So Connecticut	24	1,227,594	192,161	15.7%	29,906	51,150
Southwest Florida	65	1,204,343	416,637	34.6%	11,199	18,528
Long Island (New York)	23	1,135,929	638,448	56.2%	29,641	49,388
Hampton Roads	28	1,039,972	420,622	40.4%	16,893	37,142
Portland	25	990,680	472,213	47.7%	25,087	39,627
Richmond VA	19	976,426	904,830	92.7%	19,534	51,391
Detroit	32	916,508	412,213	45.0%	31,120	28,641
Columbus	21	906,674	488,019	53.8%	27,890	43,175
Totals	3,441	171,907,489	73,094,919	42.5%	29,874	49,959

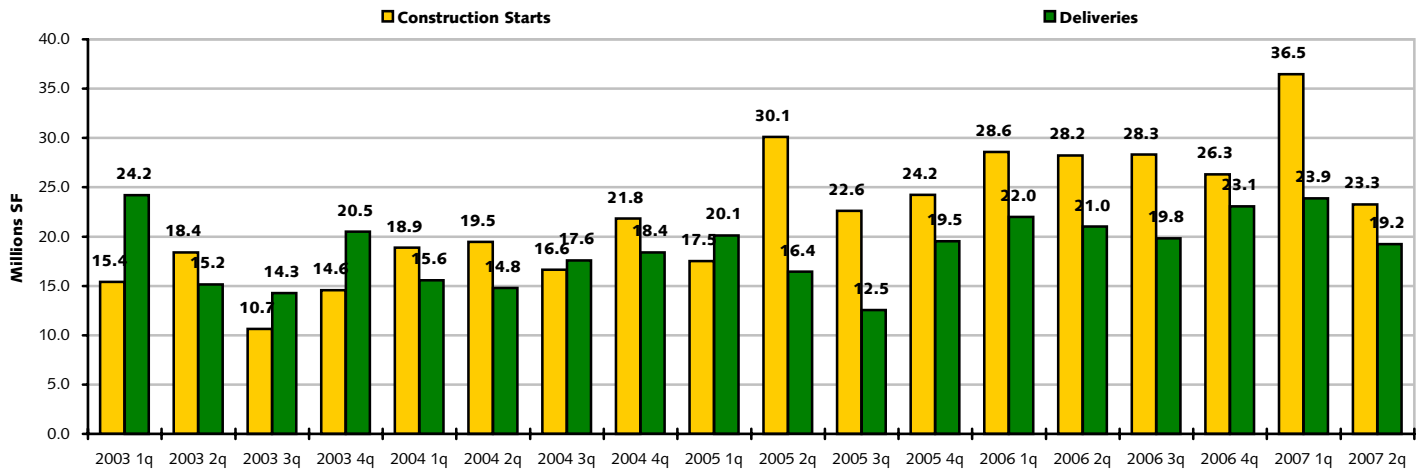
Source: CoStar Property®

NATIONAL OFFICE MARKET



INVENTORY & DEVELOPMENT

HISTORICAL CONSTRUCTION STARTS & DELIVERIES* Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property® * Excludes markets - see Methodology page.

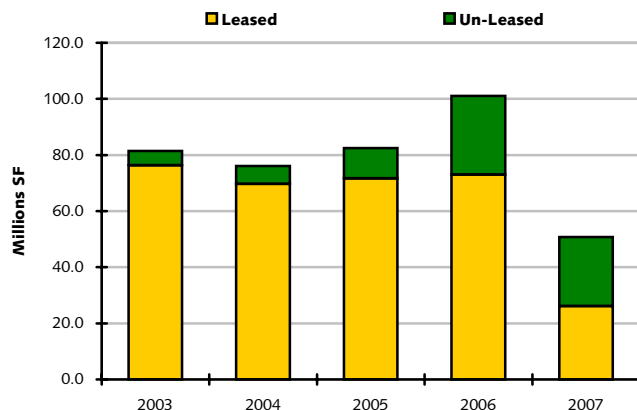
RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single Tenant	Multi-Tenant
< 50,000 SF	1,485	19,026,392	8,899,452	46.8%	\$25.47	2,550,766	16,475,626
50,000 SF - 99,999 SF	162	11,346,606	6,084,781	53.6%	\$27.24	1,636,554	9,710,052
100,000 SF - 249,999 SF	93	13,493,106	6,706,421	49.7%	\$29.78	2,235,720	11,257,386
250,000 SF - 499,999 SF	14	4,466,001	2,643,169	59.2%	\$33.88	709,000	3,757,001
>= 500,000 SF	4	2,408,796	1,794,807	74.5%	\$26.90	0	2,408,796

Source: CoStar Property®

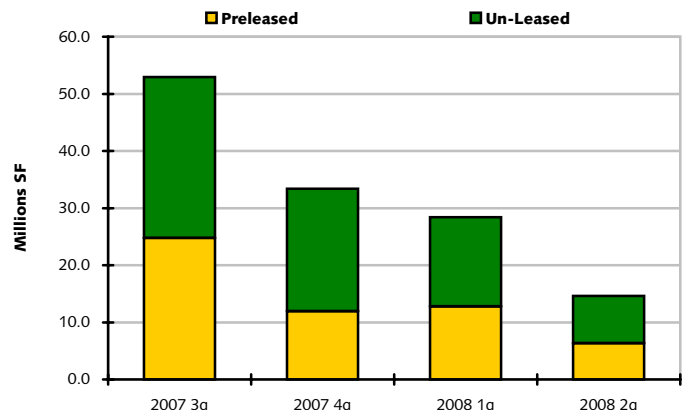
RECENT DELIVERIES

Leased & Un-Leased SF in Deliveries Last 5 Years



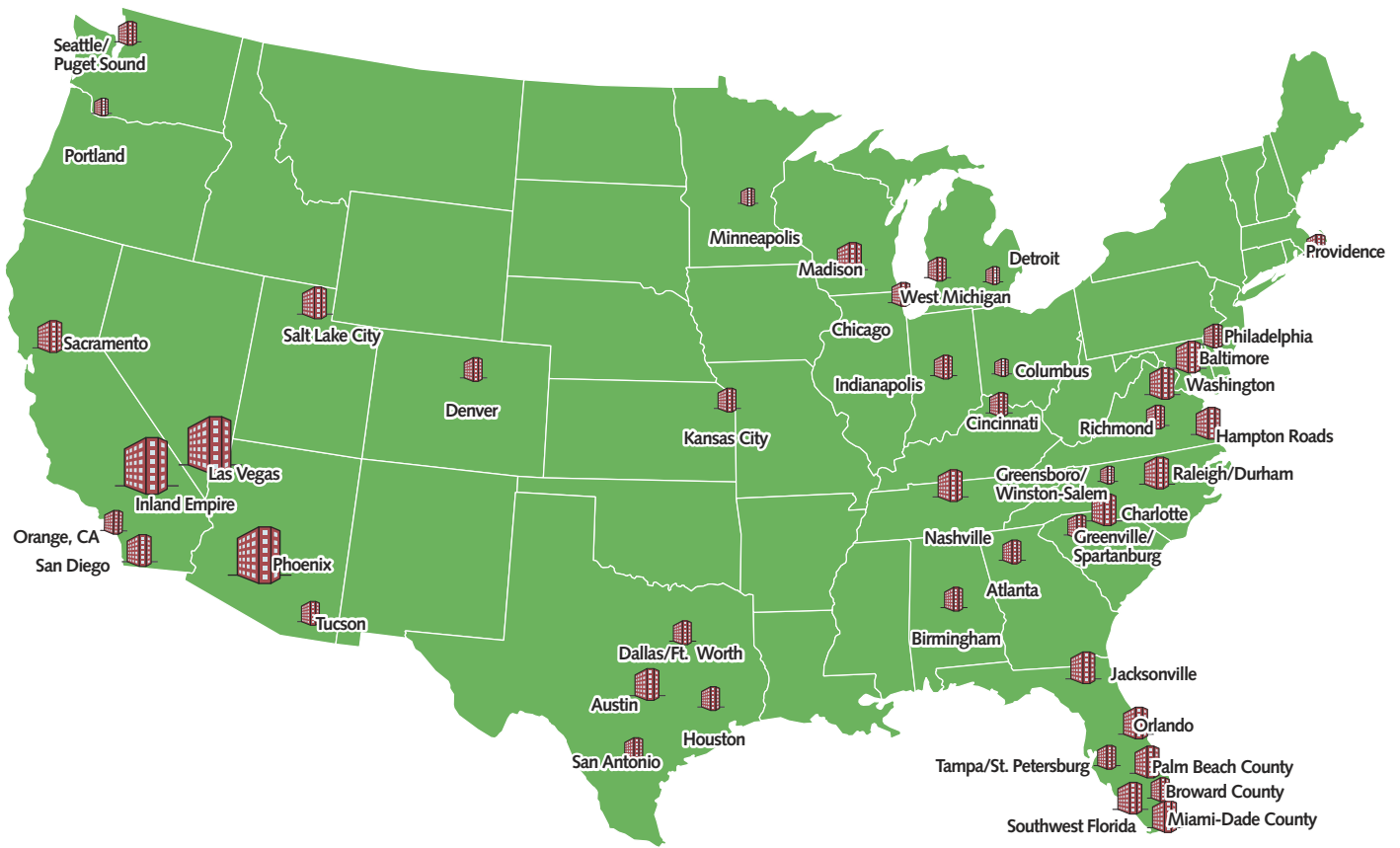
FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver



GROWTH IN INVENTORY LAST 5 YEARS - SELECT REGIONS

Based on Percentage Growth in Inventory From Mid Year 2002 Through Mid Year 2007 Including Current Under Construction Square Footage



Percent Growth:

0% to 4.9%

5.0% to 9.9%

10.0% to 14.9%

15.0% to 19.9%

Over 20.0%

Rank	Region	2nd Qtr 2007				2nd Qtr 2002		Increase in Inventory		
		# Bldgs	Existing RBA	U/C RBA	Total RBA	# Bldgs	Total RBA	# Bldgs	Total RBA	%
1	Las Vegas	2,999	45,603,520	3,186,808	48,790,328	2,335	36,275,010	664	12,515,318	35%
2	Inland Empire (California)	3,626	49,785,491	6,585,345	56,370,836	3,160	42,013,879	466	14,356,957	34%
3	Phoenix	6,567	132,329,133	8,965,853	141,294,986	5,340	113,802,643	1,227	27,492,343	24%
4	Southwest Florida	2,037	22,811,403	1,204,343	24,015,746	1,911	20,984,972	126	3,030,774	14%
5	Palm Beach County	1,915	45,001,915	2,757,169	47,759,084	1,801	41,945,130	114	5,813,954	14%
6	Raleigh/Durham	2,048	58,204,883	2,740,106	60,944,989	1,932	53,658,156	116	7,286,833	14%
7	Sacramento	3,966	86,447,128	3,475,656	89,922,784	3,590	79,180,223	376	10,742,561	14%
8	San Diego	4,445	99,838,822	4,397,028	104,235,850	4,286	92,037,646	159	12,198,204	13%
9	Nashville	2,361	52,881,530	3,136,780	56,018,310	2,238	49,617,130	123	6,401,180	13%
10	Orlando	4,681	77,984,870	2,495,518	80,480,388	4,374	71,502,878	307	8,977,510	13%
11	Charlotte	2,017	67,436,776	3,998,080	71,434,856	1,896	63,606,798	121	7,828,058	12%
12	Austin	2,189	62,964,877	4,453,527	67,418,404	2,085	60,069,469	104	7,348,935	12%
13	Baltimore	3,421	101,378,222	2,786,242	104,164,464	3,262	92,866,492	159	11,297,972	12%
14	Washington	6,825	404,604,137	15,692,238	420,296,375	6,536	375,090,666	289	45,205,709	12%
15	Jacksonville (Florida)	2,281	48,702,493	1,238,479	49,940,972	2,078	44,621,588	203	5,319,384	12%

NATIONAL OFFICE MARKET



INVENTORY & DEVELOPMENT

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. 2000 Avenue of the Stars</p> <hr/> Market: Los Angeles
RBA: 775,541
Floors: 12
Class: A
Occupied: 64%
Quoted Rate: \$54.00
Grnd Brk Date: Fourth Quarter 2004
Deliv Date: First Quarter 2007
Leasing Co: CB Richard Ellis
Developer: Trammell Crow Company
Architect: Gensler & Assoc Architects | <p>2. Terminus 100</p> <hr/> Market: Atlanta
RBA: 581,874
Floors: 31
Class: A
Occupied: 89%
Quoted Rate: \$23.59
Grnd Brk Date: Second Quarter 2005
Deliv Date: Second Quarter 2007
Leasing Co: Cousins Properties Incorporated
Developer: Cousins Properties Incorporated
Architect: Duda-Paine Architects | <p>3. Lincoln Square - Office Tower</p> <hr/> Market: Seattle/Puget Sound
RBA: 540,000
Floors: 27
Class: A
Occupied: 91%
Quoted Rate: \$34.08
Grnd Brk Date: First Quarter 2003
Deliv Date: Second Quarter 2007
Leasing Co: Broderick Group, Inc.
Developer: Kemper Development Co.
Architect: Sclater Partners Architects |
| <p>4. Memorial Hermann Medical Plaza</p> <hr/> Market: Houston
RBA: 511,381
Floors: 28
Class: A
Occupied: 52%
Quoted Rate: \$27.50
Grnd Brk Date: Fourth Quarter 2004
Deliv Date: First Quarter 2007
Leasing Co: Mischer Healthcare Services
Developer: Mischer Healthcare Services
Architect: Kirksey & Partners Architects | <p>5. MetroNexus Off & Tech Ctr - Bldg 1 (High Rise)</p> <hr/> Market: Northern New Jersey
RBA: 472,500
Floors: 8
Class: B
Occupied: 0%
Quoted Rate: \$20.31
Grnd Brk Date: Third Quarter 2006
Deliv Date: First Quarter 2007
Leasing Co: Newmark Knight Frank
Developer: ACC Tower 1A, LLC
Architect: N/A | <p>6. Qualcomm Towers</p> <hr/> Market: San Diego
RBA: 450,000
Floors: 10
Class: A
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Third Quarter 2004
Deliv Date: First Quarter 2007
Leasing Co: Qualcomm, Inc.
Developer: Qualcomm, Inc.
Architect: Architects Delawie, Wilkes |
| <p>7. 55 Allen Plaza</p> <hr/> Market: Atlanta
RBA: 348,658
Floors: 14
Class: A
Occupied: 54%
Quoted Rate: \$29.50
Grnd Brk Date: Second Quarter 2005
Deliv Date: Second Quarter 2007
Leasing Co: Cushman & Wakefield of Georgia, Inc
Developer: Barry Real Estate Companies
Architect: Pickard Chilton Architects | <p>8. University Sq Ph 2 & 3</p> <hr/> Market: Northern New Jersey
RBA: 313,046
Floors: 5
Class: A
Occupied: 0%
Quoted Rate: \$39.00
Grnd Brk Date: Second Quarter 2005
Deliv Date: First Quarter 2007
Leasing Co: RexCorp Realty
Developer: RexCorp Realty
Architect: Gwathmey Siegel & Associates Archit | <p>9. DiamondView Tower</p> <hr/> Market: San Diego
RBA: 306,750
Floors: 14
Class: A
Occupied: 86%
Quoted Rate: \$41.15
Grnd Brk Date: Second Quarter 2005
Deliv Date: First Quarter 2007
Leasing Co: CB Richard Ellis
Developer: Cisterra Partners
Architect: Carrier Johnson |
| <p>10. Hayden Ferry Lakeside - Phase II</p> <hr/> Market: Phoenix
RBA: 300,000
Floors: 12
Class: A
Occupied: 52%
Quoted Rate: \$34.41
Grnd Brk Date: Third Quarter 2005
Deliv Date: First Quarter 2007
Leasing Co: Lee & Associates
Developer: SunCor Development Company
Architect: DFD CornoyerHedrick | <p>11. Riverside Corp. Park - Phase I</p> <hr/> Market: Washington
RBA: 297,606
Floors: 3
Class: A
Occupied: 100%
Quoted Rate: \$26.39
Grnd Brk Date: Second Quarter 2006
Deliv Date: First Quarter 2007
Leasing Co: Matan Realty
Developer: Matan Development
Architect: N/A | <p>12. Capitol Plaza I</p> <hr/> Market: Washington
RBA: 291,838
Floors: 12
Class: A
Occupied: 0%
Quoted Rate: \$43.75
Grnd Brk Date: First Quarter 2005
Deliv Date: First Quarter 2007
Leasing Co: CB Richard Ellis
Developer: Stephen A. Goldberg Company
Architect: Shalom Baranes Associates, PC |
| <p>13. 2211 Michelson Ave</p> <hr/> Market: Orange (California)
RBA: 266,603
Floors: 12
Class: A
Occupied: 27%
Quoted Rate: \$40.99
Grnd Brk Date: First Quarter 2006
Deliv Date: Second Quarter 2007
Leasing Co: Orion Property Partners, Inc.
Developer: Hines/Crescent Real Estate Equities
Architect: DMJM Engineers & Constuctors | <p>14. The Quorum</p> <hr/> Market: Raleigh/Durham
RBA: 266,000
Floors: 14
Class: A
Occupied: 100%
Quoted Rate: \$25.00
Grnd Brk Date: First Quarter 2006
Deliv Date: First Quarter 2007
Leasing Co: Corporate Realty Advisors
Developer: Clancy & Theys Construction Company
Architect: N/A | <p>15. RE/MAX International HQ</p> <hr/> Market: Denver
RBA: 259,000
Floors: 14
Class: A
Occupied: 100%
Quoted Rate: N/A
Grnd Brk Date: Second Quarter 2005
Deliv Date: First Quarter 2007
Leasing Co: N/A
Developer: RE/MAX International, Inc.
Architect: Barber Architecture |



SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

- 1. Freedom Tower**

Market: **New York City**
 RBA: **2,600,000**
 # Floors: **69**
 Class: **A**
 Preleased: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2006**
 Deliv Date: **First Quarter 2011**
 Leasing Co: **Silverstein Properties Inc.**
 Developer: **Silverstein Properties Inc.**
 Architect: **Skidmore Owings & Merrill, LLP**
- 2. Campus El Segundo**

Market: **Los Angeles**
 RBA: **2,175,000**
 # Floors: **1**
 Class: **A**
 Preleased: **0%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2007**
 Deliv Date: **Second Quarter 2009**
 Leasing Co: **CB Richard Ellis**
 Developer: **N/A**
 Architect: **N/A**
- 3. Bank of America Tower**

Market: **New York City**
 RBA: **2,118,441**
 # Floors: **52**
 Class: **A**
 Preleased: **97%**
 Quoted Rate: **\$152.03**
 Grnd Brk Date: **Third Quarter 2004**
 Deliv Date: **First Quarter 2008**
 Leasing Co: **The Durst Organization**
 Developer: **The Durst Organization/Bank of Amer**
 Architect: **Cook + Fox Architects**
- 4. Goldman Sachs Headquarters**

Market: **New York City**
 RBA: **2,000,000**
 # Floors: **43**
 Class: **A**
 Preleased: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Fourth Quarter 2005**
 Deliv Date: **First Quarter 2009**
 Leasing Co: **N/A**
 Developer: **Goldman Sachs**
 Architect: **Pei Cobb Freed & Partners Architect**
- 5. New York Times Bldg**

Market: **New York City**
 RBA: **1,500,000**
 # Floors: **52**
 Class: **A**
 Preleased: **87%**
 Quoted Rate: **\$88.32**
 Grnd Brk Date: **Second Quarter 2004**
 Deliv Date: **Third Quarter 2007**
 Leasing Co: **CB Richard Ellis**
 Developer: **Forest City Ratner Companies**
 Architect: **Renzo Piano/ Fox & Fowle/ Gensler**
- 6. 300 N LaSalle St**

Market: **Chicago**
 RBA: **1,350,000**
 # Floors: **65**
 Class: **A**
 Preleased: **59%**
 Quoted Rate: **\$43.37**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **First Quarter 2009**
 Leasing Co: **Hines**
 Developer: **Hines**
 Architect: **Pickard Chilton Architects**
- 7. Wachovia First Street Project**

Market: **Charlotte**
 RBA: **1,300,000**
 # Floors: **46**
 Class: **A**
 Preleased: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **First Quarter 2006**
 Deliv Date: **Fourth Quarter 2009**
 Leasing Co: **Childress Klein Properties**
 Developer: **Childress Klein Properties**
 Architect: **Thompson, Ventulett, Stainback and**
- 8. Comcast Center**

Market: **Philadelphia**
 RBA: **1,253,223**
 # Floors: **57**
 Class: **A**
 Preleased: **96%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Fourth Quarter 2005**
 Deliv Date: **Third Quarter 2007**
 Leasing Co: **Liberty Property Trust**
 Developer: **Liberty Property Trust**
 Architect: **Robert A.M. Stern Architects**
- 9. 353 N Clark St**

Market: **Chicago**
 RBA: **1,173,643**
 # Floors: **47**
 Class: **A**
 Preleased: **68%**
 Quoted Rate: **\$43.19**
 Grnd Brk Date: **Fourth Quarter 2006**
 Deliv Date: **Fourth Quarter 2009**
 Leasing Co: **Jones Lang LaSalle Americas, Inc.**
 Developer: **Mesirow Financial Real Estate**
 Architect: **Lohan Anderson, LLC**
- 10. 155 N Wacker Dr**

Market: **Chicago**
 RBA: **1,123,330**
 # Floors: **46**
 Class: **A**
 Preleased: **18%**
 Quoted Rate: **\$29.05**
 Grnd Brk Date: **Second Quarter 2007**
 Deliv Date: **Third Quarter 2009**
 Leasing Co: **The John Buck Company**
 Developer: **The John Buck Company**
 Architect: **Goettsch Partners Inc**
- 11. Times Square Plaza**

Market: **New York City**
 RBA: **1,100,000**
 # Floors: **35**
 Class: **A**
 Preleased: **95%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Second Quarter 2007**
 Deliv Date: **First Quarter 2009**
 Leasing Co: **N/A**
 Developer: **SJP Properties**
 Architect: **FXFWLE ARCHITECTS, PC**
- 12. University of Phoenix Campus**

Market: **Phoenix**
 RBA: **900,000**
 # Floors: **1**
 Class: **B**
 Preleased: **99%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Fourth Quarter 2005**
 Deliv Date: **Third Quarter 2007**
 Leasing Co: **Phoenix Commercial Advisors**
 Developer: **N/A**
 Architect: **N/A**
- 13. Metropolitan Miami - Met 2**

Market: **South Florida**
 RBA: **750,000**
 # Floors: **47**
 Class: **A**
 Preleased: **1%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Third Quarter 2006**
 Deliv Date: **Fourth Quarter 2009**
 Leasing Co: **Flagler Real Estate Services, Inc.**
 Developer: **MDM Development Company, LLC**
 Architect: **N/A**
- 14. Center for Life Science Boston**

Market: **Boston**
 RBA: **702,940**
 # Floors: **18**
 Class: **A**
 Preleased: **64%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Third Quarter 2005**
 Deliv Date: **Third Quarter 2007**
 Leasing Co: **Cushman & Wakefield, Inc.**
 Developer: **Lyme Properties**
 Architect: **Tsoi/Kobus & Associates, Inc.**
- 15. Bank of America-New Tower**

Market: **Charlotte**
 RBA: **700,000**
 # Floors: **32**
 Class: **A**
 Preleased: **71%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **Second Quarter 2007**
 Deliv Date: **First Quarter 2010**
 Leasing Co: **Lincoln Harris**
 Developer: **N/A**
 Architect: **N/A**

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Atlanta	473	102,881,358	14,105,125	15,758,599	15.3%	1,480,096	1,444,898	3,771,658	\$21.97
Austin	168	24,010,357	2,560,690	2,914,028	12.1%	(96,828)	398,658	2,404,864	\$28.25
Baltimore	448	41,179,813	4,929,348	5,576,991	13.5%	703,982	1,225,046	2,589,374	\$24.28
Birmingham	74	10,262,608	1,099,115	1,181,874	11.5%	236,064	15,000	335,979	\$20.52
Boston	766	137,422,196	12,649,820	15,695,924	11.4%	1,115,354	442,620	2,933,479	\$29.45
Broward County	108	13,713,698	1,395,186	1,476,161	10.8%	340,188	267,884	1,259,375	\$30.82
Charlotte	289	34,508,831	2,968,184	3,162,583	9.2%	1,005,061	294,820	3,933,753	\$20.66
Chicago	471	148,433,327	18,752,821	21,353,684	14.4%	1,821,694	160,000	5,617,535	\$28.04
Cincinnati	172	23,436,158	4,150,505	4,556,915	19.4%	621,300	368,216	1,243,432	\$18.63
Cleveland	149	19,352,261	2,327,133	2,685,477	13.9%	324,434	119,665	434,941	\$20.70
Columbus	169	24,724,029	3,240,292	3,416,309	13.8%	331,900	0	428,883	\$17.68
Dallas/Ft Worth	421	112,592,074	16,259,386	18,098,898	16.1%	(380,943)	998,038	4,861,302	\$22.51
Dayton	64	4,504,534	644,832	669,721	14.9%	116,708	265,692	334,251	\$19.34
Denver	280	52,026,751	5,267,408	6,152,724	11.8%	1,194,897	578,510	1,096,444	\$23.40
Detroit	227	45,924,597	6,750,376	7,413,549	16.1%	43,180	485,991	400,918	\$23.93
East Bay/Oakland	192	33,118,933	3,266,338	3,995,576	12.1%	199,012	0	460,000	\$27.95
Greensboro/Winston-Sale	61	7,009,287	1,272,957	1,314,604	18.8%	120,874	47,700	221,800	\$17.65
Greenville/Spartanburg	59	5,820,624	442,844	442,844	7.6%	38,196	142,422	19,360	\$17.88
Hampton Roads	138	10,846,963	710,361	766,957	7.1%	447,655	224,847	839,440	\$21.13
Hartford	95	17,843,929	1,657,362	1,826,711	10.2%	337,338	99,600	89,041	\$21.29
Houston	280	92,820,919	7,341,896	8,609,451	9.3%	2,835,906	1,057,184	1,879,525	\$26.09
Indianapolis	161	24,320,410	3,183,888	3,338,887	13.7%	281,872	507,458	572,299	\$19.25
Inland Empire (California)	163	5,745,884	1,095,167	1,198,199	20.9%	337,058	748,573	3,789,700	\$28.56
Jacksonville (Florida)	92	16,146,617	1,821,351	1,960,251	12.1%	144,444	366,627	735,140	\$20.26
Kansas City	119	18,609,773	2,806,087	3,016,371	16.2%	30,260	82,428	1,259,795	\$21.15
Las Vegas	59	5,493,230	827,275	836,567	15.2%	275,555	575,665	1,439,142	\$27.34
Long Island (New York)	241	40,192,003	4,061,107	4,726,220	11.8%	523,418	423,571	893,670	\$31.58
Los Angeles	1,052	177,270,948	16,210,572	17,663,700	10.0%	956,151	1,230,230	5,498,260	\$32.11
Madison	51	5,339,614	530,549	584,503	10.9%	372,610	557,043	165,800	\$16.06
Memphis	81	9,737,353	850,261	1,171,270	12.0%	(60,639)	0	229,259	\$19.18
Miami-Dade County	103	18,708,870	1,273,341	1,413,654	7.6%	323,973	138,000	3,501,456	\$33.01
Milwaukee	105	11,627,060	1,331,941	1,428,398	12.3%	99,547	6,200	24,000	\$16.74
Minneapolis	158	35,969,914	3,614,145	4,235,304	11.8%	222,725	285,157	437,750	\$18.26
Nashville	152	17,208,750	1,620,141	1,823,418	10.6%	417,881	369,710	2,524,633	\$21.90
New York City	481	289,234,599	13,213,896	15,646,611	5.4%	3,067,163	215,528	10,311,941	\$66.67
Northern New Jersey	894	152,320,803	19,312,508	23,940,417	15.7%	546,964	1,223,531	1,853,456	\$28.03
Oklahoma City	24	4,672,500	283,653	298,192	6.4%	57,875	11,531	277,677	\$17.67
Orange (California)	358	47,077,189	3,877,040	4,605,484	9.8%	224,157	839,361	2,738,457	\$35.50
Orlando	139	19,513,830	1,836,372	2,071,648	10.6%	170,108	284,469	1,764,301	\$24.40
Palm Beach County	101	11,817,532	1,664,128	1,750,294	14.8%	41,853	287,625	1,809,583	\$32.71
Philadelphia	1,094	119,120,849	13,751,129	15,121,969	12.7%	1,496,591	1,366,950	3,030,299	\$24.90
Phoenix	265	38,839,766	4,567,184	5,083,715	13.1%	454,672	2,124,980	3,734,226	\$28.33
Pittsburgh	216	31,832,793	4,682,446	4,854,767	15.3%	321,431	94,000	497,127	\$21.93
Portland	148	24,526,443	1,533,384	1,908,473	7.8%	48,027	97,511	250,465	\$23.20
Providence	30	5,108,969	563,694	563,694	11.0%	(13,099)	30,000	0	\$26.30
Raleigh/Durham	242	23,279,808	2,845,773	3,233,737	13.9%	812,229	748,424	2,343,799	\$21.09
Richmond VA	149	17,763,944	1,606,126	1,845,982	10.4%	198,797	95,000	695,325	\$18.60
Sacramento	190	23,409,365	2,512,227	2,816,485	12.0%	147,826	222,740	1,620,754	\$27.26
Salt Lake City	119	13,587,220	822,569	906,369	6.7%	511,092	539,336	2,359,122	\$22.27
San Antonio	47	7,771,278	1,108,756	1,114,321	14.3%	97,559	375,676	416,200	\$20.68
San Diego	210	25,964,833	3,646,022	4,234,167	16.3%	787,656	1,322,324	2,949,640	\$37.00
San Francisco	297	66,546,081	6,170,787	7,813,236	11.7%	578,933	0	2,345,552	\$36.06
Seattle/Puget Sound	251	49,833,290	3,402,308	4,280,833	8.6%	234,717	646,045	3,605,807	\$31.52
South Bay/San Jose	168	24,157,951	2,189,892	2,558,639	10.6%	782,114	0	1,109,368	\$26.86
Southwest Florida	74	3,094,686	563,235	570,135	18.4%	(40,947)	126,000	395,000	\$22.32
St. Louis	215	30,518,973	3,069,751	3,232,666	10.6%	(9,239)	254,964	501,800	\$21.75
Tampa/St Petersburg	182	28,066,169	2,337,348	2,689,796	9.6%	225,607	441,725	843,287	\$23.78
Toledo	21	3,039,720	454,701	482,979	15.9%	(45,145)	0	10,122	\$18.65
Tucson	43	3,628,872	218,188	249,188	6.9%	46,248	14,264	124,420	\$22.32
Tulsa	20	7,314,718	1,131,471	1,133,746	15.5%	18,588	0	95,882	\$15.78
Washington	1,208	214,693,999	18,315,801	20,986,509	9.8%	3,184,010	2,795,275	14,905,303	\$36.27
West Michigan	132	8,589,055	1,399,334	1,421,479	16.5%	179,277	116,194	308,686	\$16.24
Westchester/So Connecti	417	62,884,698	5,875,788	6,811,274	10.8%	395,861	0	925,833	\$31.69
Totals	15,376	2,707,013,606	273,973,315	312,693,127	11.6%	31,281,848	28,200,906	118,049,690	\$27.97

Source: CoStar Property®



NATIONAL OFFICE MARKET

FIGURES AT A GLANCE

CLASS B MARKET STATISTICS

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Atlanta	3,396	107,676,373	13,671,884	14,607,677	13.6%	(143,175)	611,377	2,338,941	\$17.18
Austin	1,011	29,202,182	3,658,125	3,868,335	13.2%	222,125	511,020	2,048,663	\$22.67
Baltimore	1,636	43,239,004	4,882,262	5,071,608	11.7%	(200,384)	138,604	178,768	\$20.21
Birmingham	398	15,863,404	1,276,122	1,285,533	8.1%	110,829	43,600	7,165	\$16.34
Boston	2,965	115,596,419	13,570,907	14,531,416	12.6%	(605,582)	317,466	763,101	\$20.49
Broward County	965	28,732,836	2,440,788	2,659,055	9.3%	201,976	421,111	572,898	\$23.16
Charlotte	827	23,490,366	2,874,224	2,940,302	12.5%	475,312	133,274	64,327	\$16.88
Chicago	3,623	163,997,551	22,149,055	24,364,129	14.9%	(17,960)	895,287	2,134,550	\$20.68
Cincinnati	744	28,851,565	4,763,341	5,120,069	17.7%	(15,997)	259,136	355,097	\$15.39
Cleveland	1,335	58,882,345	8,033,317	8,653,709	14.7%	(50,772)	58,782	464,664	\$16.93
Columbus	922	29,466,478	4,361,673	4,457,585	15.1%	115,198	140,493	439,772	\$15.80
Dallas/Ft Worth	2,888	136,319,328	26,280,792	27,390,469	20.1%	162,156	1,090,758	1,486,634	\$18.12
Dayton	292	9,476,203	1,238,464	1,320,253	13.9%	160,438	30,573	0	\$14.20
Denver	3,068	90,774,379	11,954,307	12,614,920	13.9%	761,375	398,882	1,223,042	\$18.53
Detroit	2,551	89,576,388	16,359,850	16,999,813	19.0%	258,478	228,381	474,000	\$19.27
East Bay/Oakland	1,525	46,243,429	5,357,811	6,144,162	13.3%	465,656	0	179,832	\$21.12
Greensboro/Winston-Sale	571	21,040,826	2,968,625	3,043,711	14.5%	(244,394)	35,380	99,261	\$13.36
Greenville/Spartanburg	1,252	15,848,895	2,042,472	2,084,170	13.2%	15,185	0	42,300	\$13.73
Hampton Roads	1,086	19,329,241	1,484,074	1,588,436	8.2%	(71,429)	209,211	200,532	\$15.51
Hartford	861	28,860,310	3,142,993	3,251,717	11.3%	143,712	107,775	77,038	\$18.16
Houston	1,465	98,839,147	13,677,776	14,579,537	14.8%	603,274	784,059	3,248,764	\$18.97
Indianapolis	1,231	31,628,385	3,991,701	4,059,523	12.8%	377,490	82,430	137,677	\$16.58
Inland Empire (California)	2,303	33,020,404	2,670,965	2,864,425	8.7%	330,413	748,144	2,783,663	\$24.39
Jacksonville (Florida)	972	19,715,507	2,402,292	2,518,465	12.8%	322,637	169,184	501,039	\$18.97
Kansas City	1,357	55,369,045	6,627,455	6,823,958	12.3%	655,822	112,980	1,446,220	\$16.81
Las Vegas	1,646	33,737,876	4,157,586	4,327,059	12.8%	126,544	1,001,886	1,747,666	\$22.76
Long Island (New York)	1,324	48,120,257	4,398,208	4,545,128	9.4%	258,885	65,000	234,204	\$24.49
Los Angeles	4,770	139,645,362	8,780,512	9,727,662	7.0%	174,427	535,054	1,065,186	\$26.38
Madison	695	17,484,667	1,476,822	1,514,361	8.7%	64,346	90,900	29,300	\$14.59
Memphis	615	18,904,111	2,980,404	3,037,353	16.1%	(134,887)	65,027	29,716	\$16.71
Miami-Dade County	903	38,086,564	3,331,205	3,454,539	9.1%	177,438	419,140	1,342,521	\$25.85
Milwaukee	1,205	40,504,049	4,268,988	4,366,952	10.8%	33,154	112,574	56,361	\$14.75
Minneapolis	1,600	74,763,910	8,173,909	8,424,149	11.3%	307,389	623,391	965,618	\$14.28
Nashville	760	22,418,470	2,091,573	2,261,545	10.1%	125,121	106,654	583,461	\$17.13
New York City	1,127	139,051,784	6,809,649	7,644,158	5.5%	193,836	90,250	145,523	\$47.65
Northern New Jersey	2,987	95,457,625	9,984,800	10,635,628	11.1%	(105,534)	715,585	1,340,347	\$22.59
Oklahoma City	589	19,622,890	1,512,091	1,547,349	7.9%	(46,828)	42,200	197,962	\$13.84
Orange (California)	2,599	69,712,363	5,461,592	6,111,254	8.8%	319,484	1,576,511	1,424,856	\$28.49
Orlando	1,715	35,813,184	3,282,706	3,475,397	9.7%	(35,836)	602,065	659,017	\$20.81
Palm Beach County	793	23,036,013	2,522,941	2,639,456	11.5%	(456,234)	301,660	947,586	\$26.45
Philadelphia	4,351	118,605,349	16,580,060	17,104,091	14.4%	248,823	257,946	1,223,033	\$19.56
Phoenix	3,304	72,077,466	10,103,130	10,507,902	14.6%	868,734	1,895,399	5,205,857	\$24.36
Pittsburgh	1,550	54,508,710	7,595,100	7,665,361	14.1%	643,203	59,992	0	\$16.63
Portland	999	32,626,771	3,879,765	4,051,276	12.4%	743,774	344,472	735,408	\$19.18
Providence	357	10,245,955	1,075,243	1,101,231	10.7%	224,474	209,285	235,100	\$16.68
Raleigh/Durham	1,135	27,819,652	3,853,539	4,027,396	14.5%	(105,530)	204,564	396,307	\$17.00
Richmond VA	809	19,403,099	1,755,012	1,877,893	9.7%	572,685	91,541	275,101	\$16.20
Sacramento	1,232	32,638,514	5,086,317	5,361,253	16.4%	270,606	718,345	1,834,119	\$24.50
Salt Lake City	1,886	45,808,181	3,487,052	3,727,912	8.1%	198,732	305,308	816,799	\$15.05
San Antonio	756	24,460,424	2,853,599	2,898,646	11.9%	428,711	330,748	1,045,791	\$17.28
San Diego	1,473	47,428,073	4,741,607	5,132,264	10.8%	176,519	476,204	1,447,388	\$30.31
San Francisco	1,362	66,922,212	6,741,286	7,502,535	11.2%	(216,845)	33,885	84,260	\$28.89
Seattle/Puget Sound	2,297	73,130,753	6,675,725	7,494,114	10.2%	538,712	633,919	1,999,830	\$24.71
South Bay/San Jose	1,612	51,057,973	5,024,033	5,597,194	11.0%	311,027	38,100	465,333	\$22.81
Southwest Florida	1,097	12,722,427	943,205	950,238	7.5%	116,377	206,479	754,339	\$20.71
St. Louis	1,359	46,176,373	5,801,517	5,908,090	12.8%	(382,180)	92,470	331,557	\$16.61
Tampa/St Petersburg	3,175	55,058,063	5,085,905	5,494,109	10.0%	307,000	828,234	1,205,332	\$20.59
Toledo	388	9,178,963	1,111,993	1,135,671	12.4%	20,648	6,000	0	\$14.15
Tucson	763	9,436,778	876,278	963,703	10.2%	69,207	113,681	641,550	\$19.20
Tulsa	430	22,417,522	3,320,680	3,373,309	15.0%	33,240	90,266	52,070	\$10.70
Washington	3,282	155,629,289	14,096,841	15,665,877	10.1%	(29,779)	861,694	786,935	\$29.49
West Michigan	1,590	31,443,077	5,503,827	5,574,137	17.7%	(706,916)	175,670	331,678	\$13.22
Westchester/So Connecti	1,404	47,512,528	5,781,129	5,899,088	12.4%	631,180	40,000	237,443	\$23.30
Totals	99,183	3,223,707,287	373,087,104	395,568,257	12.3%	9,996,090	21,890,006	52,142,502	\$20.93

Source: CoStar Property®

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

CLASS C MARKET STATISTICS

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Atlanta	4,641	36,716,424	4,252,496	4,406,039	12.0%	(299,237)	42,600	105,922	\$14.91
Austin	1,010	9,752,338	643,620	658,218	6.7%	28,521	0	0	\$17.20
Baltimore	1,337	16,959,405	1,355,722	1,369,148	8.1%	(251,245)	0	18,100	\$18.81
Birmingham	1,417	14,312,298	1,197,470	1,201,960	8.4%	(82,528)	21,470	8,527	\$12.75
Boston	4,476	61,874,678	4,244,343	4,415,311	7.1%	202,385	14,500	64,212	\$17.97
Broward County	1,674	17,072,755	911,947	937,273	5.5%	(236,701)	0	24,144	\$20.76
Charlotte	901	9,437,579	650,718	652,318	6.9%	98,016	7,579	0	\$15.57
Chicago	4,781	77,272,121	6,393,093	6,521,297	8.4%	59,309	0	50,885	\$17.51
Cincinnati	1,855	24,717,543	2,151,350	2,173,340	8.8%	24,660	24,500	0	\$13.42
Cleveland	2,047	27,817,152	3,021,077	3,279,622	11.8%	6,658	0	0	\$14.13
Columbus	1,798	26,382,398	2,646,974	2,676,537	10.1%	35,669	50,181	38,019	\$14.49
Dallas/Ft Worth	2,705	35,991,956	4,575,222	4,608,811	12.8%	(164,425)	64,948	147,886	\$15.22
Dayton	1,241	12,769,323	1,458,761	1,460,159	11.4%	(102,537)	0	0	\$12.20
Denver	2,300	20,421,498	1,930,808	1,972,541	9.7%	2,899	6,000	0	\$14.63
Detroit	2,526	29,557,551	3,632,061	3,688,989	12.5%	(13,106)	34,371	41,590	\$17.00
East Bay/Oakland	2,578	24,376,022	1,553,596	1,649,584	6.8%	(74,777)	0	57,232	\$19.03
Greensboro/Winston-Sale	2,235	15,051,754	1,367,812	1,384,222	9.2%	(54,918)	0	0	\$12.00
Greenville/Spartanburg	1,351	6,840,421	736,211	767,843	11.2%	22,280	0	7,650	\$10.91
Hampton Roads	1,037	8,019,712	527,156	543,128	6.8%	(60,030)	0	0	\$12.36
Hartford	2,470	20,343,549	1,395,831	1,417,668	7.0%	(61,354)	0	10,000	\$16.45
Houston	1,984	41,240,902	5,068,898	5,215,841	12.6%	(156,955)	25,000	2,620	\$14.49
Indianapolis	2,054	19,378,676	1,798,103	1,822,468	9.4%	158,142	0	0	\$13.29
Inland Empire (California)	1,160	11,019,203	590,370	604,908	5.5%	40,418	0	11,982	\$18.72
Jacksonville (Florida)	1,217	12,840,369	1,371,011	1,379,525	10.7%	(11,393)	82,327	2,300	\$16.14
Kansas City	1,389	17,777,418	2,211,608	2,232,354	12.6%	47,731	5,380	9,700	\$13.35
Las Vegas	1,294	6,372,414	426,162	429,162	6.7%	46,667	31,000	0	\$20.09
Long Island (New York)	2,601	35,172,698	2,087,474	2,463,899	7.0%	(519,955)	0	8,055	\$21.40
Los Angeles	7,315	80,267,937	2,434,583	2,650,642	3.3%	(125,832)	16,613	171,669	\$24.43
Madison	249	2,118,779	204,589	217,949	10.3%	9,914	0	0	\$10.44
Memphis	553	7,755,128	1,575,371	1,663,572	21.5%	(101,210)	0	0	\$12.91
Miami-Dade County	2,255	27,925,496	1,473,890	1,515,948	5.4%	(284,028)	0	101,140	\$26.15
Milwaukee	1,250	12,184,844	1,271,018	1,275,092	10.5%	(120,440)	14,000	6,000	\$13.13
Minneapolis	2,434	31,233,234	3,331,423	3,391,182	10.9%	(135,943)	29,491	15,169	\$13.44
Nashville	1,449	13,254,310	880,148	886,018	6.7%	101,543	18,200	28,686	\$14.96
New York City	1,687	78,323,155	3,293,945	3,605,043	4.6%	746,594	0	15,300	\$36.56
Northern New Jersey	5,243	62,461,454	4,562,920	4,622,690	7.4%	(284,050)	35,500	47,663	\$21.03
Oklahoma City	1,499	14,515,496	1,984,556	2,015,485	13.9%	(54,893)	10,013	69,273	\$11.41
Orange (California)	1,813	19,742,460	727,598	781,678	4.0%	(95,087)	3,000	0	\$23.02
Orlando	2,827	22,657,856	1,255,810	1,291,757	5.7%	(39,323)	4,000	72,200	\$18.05
Palm Beach County	1,021	10,148,370	521,870	542,175	5.3%	(83,600)	0	0	\$23.26
Philadelphia	5,418	66,933,759	7,400,498	7,532,865	11.3%	269,283	7,000	68,500	\$18.44
Phoenix	2,998	21,411,901	1,540,467	1,573,062	7.3%	(164,267)	0	25,770	\$19.15
Pittsburgh	2,315	16,773,001	1,929,387	1,937,387	11.6%	(121,819)	0	0	\$13.61
Portland	1,795	16,652,150	1,481,852	1,531,289	9.2%	225,883	0	4,807	\$15.08
Providence	1,280	11,949,300	780,353	782,613	6.5%	41,686	14,428	32,000	\$12.90
Raleigh/Durham	671	7,105,423	588,392	589,087	8.3%	71,548	15,749	0	\$14.11
Richmond VA	1,533	11,492,510	705,710	711,418	6.2%	19,330	0	6,000	\$12.44
Sacramento	2,544	30,399,249	3,388,787	3,532,558	11.6%	257,209	4,500	20,783	\$18.09
Salt Lake City	1,183	10,124,881	840,600	896,129	8.9%	1,842	0	0	\$12.47
San Antonio	1,257	14,540,394	1,132,607	1,176,600	8.1%	210	0	11,762	\$15.18
San Diego	2,762	26,445,916	1,436,687	1,508,973	5.7%	24,248	9,903	0	\$22.11
San Francisco	1,845	21,002,433	1,013,971	1,056,529	5.0%	237,156	0	0	\$26.69
Seattle/Puget Sound	2,457	20,710,241	1,234,875	1,272,352	6.1%	(61,402)	17,500	247,115	\$19.95
South Bay/San Jose	2,096	24,314,217	1,821,435	1,937,478	8.0%	87,911	0	0	\$20.29
Southwest Florida	866	6,994,290	263,519	283,145	4.0%	(4,903)	0	55,004	\$17.61
St. Louis	2,183	29,325,598	2,146,379	2,167,164	7.4%	37,910	0	0	\$14.63
Tampa/St Petersburg	4,796	36,046,503	2,084,495	2,255,163	6.3%	369,080	23,036	27,442	\$18.32
Toledo	1,334	11,722,353	1,160,859	1,172,926	10.0%	77,104	14,700	0	\$10.74
Tucson	925	4,002,331	195,950	201,139	5.0%	1,503	0	4,950	\$15.08
Tulsa	941	5,956,884	604,533	604,533	10.1%	(6,656)	0	0	\$10.44
Washington	2,335	34,280,849	3,228,636	3,331,199	9.7%	(1,481,882)	0	0	\$25.83
West Michigan	2,176	22,140,967	2,667,473	2,695,213	12.2%	(125,983)	2,500	10,922	\$11.54
Westchester/So Connecti	2,963	32,674,601	2,313,174	2,429,395	7.4%	(143,692)	0	64,318	\$21.17
Totals	134,347	1,505,076,427	121,678,254	125,569,613	8.3%	(2,170,862)	649,989	1,715,297	\$17.48

Source: CoStar Property®



NATIONAL OFFICE MARKET

FIGURES AT A GLANCE

TOTAL OFFICE MARKET STATISTICS

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Atlanta	8,510	247,274,155	32,029,505	34,772,315	14.1%	1,037,684	2,098,875	6,216,521	\$19.36
Austin	2,189	62,964,877	6,862,435	7,440,581	11.8%	153,818	909,678	4,453,527	\$24.38
Baltimore	3,421	101,378,222	11,167,332	12,017,747	11.9%	252,353	1,363,650	2,786,242	\$22.16
Birmingham	1,889	40,438,310	3,572,707	3,669,367	9.1%	264,365	80,070	351,671	\$16.67
Boston	8,207	314,893,293	30,465,070	34,642,651	11.0%	712,157	774,586	3,760,792	\$23.66
Broward County	2,747	59,519,289	4,747,921	5,072,489	8.5%	305,463	688,995	1,856,417	\$25.61
Charlotte	2,017	67,436,776	6,493,126	6,755,203	10.0%	1,578,389	435,673	3,998,080	\$18.63
Chicago	8,875	389,702,999	47,294,969	52,239,110	13.4%	1,863,043	1,055,287	7,802,970	\$23.76
Cincinnati	2,771	77,005,266	11,065,196	11,850,324	15.4%	629,963	651,852	1,598,529	\$16.52
Cleveland	3,531	106,051,758	13,381,527	14,618,808	13.8%	280,320	178,447	899,605	\$17.23
Columbus	2,889	80,572,905	10,248,939	10,550,431	13.1%	482,767	190,674	906,674	\$16.07
Dallas/Ft Worth	6,014	284,903,358	47,115,400	50,098,178	17.6%	(383,212)	2,153,744	6,495,822	\$19.73
Dayton	1,597	26,750,060	3,342,057	3,450,133	12.9%	174,609	296,265	334,251	\$14.53
Denver	5,648	163,222,628	19,152,523	20,740,185	12.7%	1,959,171	983,392	2,319,486	\$19.92
Detroit	5,304	165,058,536	26,742,287	28,102,351	17.0%	288,552	748,743	916,508	\$20.22
East Bay/Oakland	4,295	103,738,384	10,177,745	11,789,322	11.4%	589,891	0	697,064	\$23.13
Greensboro/Winston-Sale	2,867	43,101,867	5,609,394	5,742,537	13.3%	(178,438)	83,080	321,061	\$14.02
Greenville/Spartanburg	2,662	28,509,940	3,221,527	3,294,857	11.6%	75,661	142,422	69,310	\$13.69
Hampton Roads	2,261	38,195,916	2,721,591	2,898,521	7.6%	316,196	434,058	1,039,972	\$17.06
Hartford	3,426	67,047,788	6,196,186	6,496,096	9.7%	419,696	207,375	176,079	\$18.88
Houston	3,729	232,900,968	26,088,570	28,404,829	12.2%	3,282,225	1,866,243	5,130,909	\$21.09
Indianapolis	3,446	75,327,471	8,973,692	9,220,878	12.2%	817,504	589,888	709,976	\$17.03
Inland Empire (California)	3,626	49,785,491	4,356,502	4,667,532	9.4%	707,889	1,496,717	6,585,345	\$25.34
Jacksonville (Florida)	2,281	48,702,493	5,594,654	5,858,241	12.0%	455,688	618,138	1,238,479	\$18.79
Kansas City	2,865	91,756,236	11,645,150	12,072,683	13.2%	733,813	200,788	2,715,715	\$17.37
Las Vegas	2,999	45,603,520	5,411,023	5,592,788	12.3%	448,766	1,608,551	3,186,808	\$23.55
Long Island (New York)	4,166	123,484,958	10,546,789	11,735,247	9.5%	262,348	488,571	1,135,929	\$26.71
Los Angeles	13,137	397,184,247	27,425,667	30,042,004	7.6%	1,004,746	1,781,897	6,735,115	\$29.51
Madison	995	24,943,060	2,211,960	2,316,813	9.3%	446,870	647,943	195,100	\$14.75
Memphis	1,249	36,396,592	5,406,036	5,872,195	16.1%	(296,736)	65,027	258,975	\$16.46
Miami-Dade County	3,261	84,720,930	6,078,436	6,384,141	7.5%	217,383	557,140	4,945,117	\$28.50
Milwaukee	2,560	64,315,953	6,871,947	7,070,442	11.0%	12,261	132,774	86,361	\$15.01
Minneapolis	4,192	141,967,058	15,119,477	16,050,635	11.3%	394,171	938,039	1,418,537	\$15.20
Nashville	2,361	52,881,530	4,591,862	4,970,981	9.4%	644,545	494,564	3,136,780	\$19.20
New York City	3,295	506,609,538	23,317,490	26,895,812	5.3%	4,007,593	305,778	10,472,764	\$55.91
Northern New Jersey	9,124	310,239,882	33,860,228	39,198,735	12.6%	157,380	1,974,616	3,241,466	\$25.59
Oklahoma City	2,112	38,810,886	3,780,300	3,861,026	9.9%	(43,846)	63,744	544,912	\$13.20
Orange (California)	4,770	136,532,012	10,066,230	11,498,416	8.4%	448,554	2,418,872	4,163,313	\$31.47
Orlando	4,681	77,984,870	6,374,888	6,838,802	8.8%	94,949	890,534	2,495,518	\$21.69
Palm Beach County	1,915	45,001,915	4,708,939	4,931,925	11.0%	(497,981)	589,285	2,757,169	\$28.96
Philadelphia	10,863	304,659,957	37,731,687	39,758,925	13.1%	2,014,697	1,631,896	4,321,832	\$21.79
Phoenix	6,567	132,329,133	16,210,781	17,164,679	13.0%	1,159,139	4,020,379	8,965,853	\$25.40
Pittsburgh	4,081	103,114,504	14,206,933	14,457,515	14.0%	842,815	153,992	497,127	\$18.39
Portland	2,942	73,805,364	6,895,001	7,491,038	10.1%	1,017,684	441,983	990,680	\$19.39
Providence	1,667	27,304,224	2,419,290	2,447,538	9.0%	253,061	253,713	267,100	\$16.85
Raleigh/Durham	2,048	58,204,883	7,287,704	7,850,220	13.5%	778,247	968,737	2,740,106	\$18.75
Richmond VA	2,491	48,659,553	4,066,848	4,435,293	9.1%	790,812	186,541	976,426	\$16.52
Sacramento	3,966	86,447,128	10,987,331	11,710,296	13.5%	675,641	945,585	3,475,656	\$23.65
Salt Lake City	3,188	69,520,282	5,150,221	5,530,410	8.0%	711,666	844,644	3,175,921	\$16.95
San Antonio	2,060	46,772,096	5,094,962	5,189,567	11.1%	526,480	706,424	1,473,753	\$17.25
San Diego	4,445	99,838,822	9,824,316	10,875,404	10.9%	988,423	1,808,431	4,397,028	\$31.95
San Francisco	3,504	154,470,726	13,926,044	16,372,300	10.6%	599,244	33,885	2,429,812	\$32.40
Seattle/Puget Sound	5,005	143,674,284	11,312,908	13,047,299	9.1%	712,027	1,297,464	5,852,752	\$26.56
South Bay/San Jose	3,876	99,530,141	9,035,360	10,093,311	10.1%	1,181,052	38,100	1,574,701	\$23.74
Southwest Florida	2,037	22,811,403	1,769,959	1,803,518	7.9%	70,527	332,479	1,204,343	\$20.87
St. Louis	3,757	106,020,944	11,017,647	11,307,920	10.7%	(353,509)	347,434	833,357	\$18.00
Tampa/St Petersburg	8,153	119,170,735	9,507,748	10,439,068	8.8%	901,687	1,292,995	2,076,061	\$20.99
Toledo	1,743	23,941,036	2,727,553	2,791,576	11.7%	52,607	20,700	10,122	\$13.97
Tucson	1,731	17,067,981	1,290,416	1,414,030	8.3%	116,958	127,945	770,920	\$18.85
Tulsa	1,391	35,689,124	5,056,684	5,111,588	14.3%	45,172	90,266	147,952	\$11.72
Washington	6,825	404,604,137	35,641,278	39,983,585	9.9%	1,672,349	3,656,969	15,692,238	\$33.43
West Michigan	3,898	62,173,099	9,570,634	9,690,829	15.6%	(653,622)	294,364	651,286	\$13.23
Westchester/So Connecti	4,784	143,071,827	13,970,091	15,139,757	10.6%	883,349	40,000	1,227,594	\$26.94
Totals	248,906	7,435,797,320	768,738,673	833,830,997	11.2%	39,107,076	50,740,901	171,907,489	\$23.35

Source: CoStar Property®

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 2007, Grouped by CBD vs Suburban

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
CBD	2,188	966,698,036	81,370,649	92,606,766	9.6%	11,905,372	2,612,968	33,533,249	\$32.40
Suburban	13,188	1,740,315,570	192,602,666	220,086,361	12.6%	19,376,476	25,587,938	84,516,441	\$26.38
Class A Totals	15,376	2,707,013,606	273,973,315	312,693,127	11.6%	31,281,848	28,200,906	118,049,690	\$27.97

Source: CoStar Property*

CLASS B MARKET STATISTICS

Mid-Year 2007, Grouped by CBD vs Suburban

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
CBD	7,415	639,059,091	66,510,413	70,243,645	11.0%	(354,571)	353,962	1,124,593	\$23.58
Suburban	91,768	2,584,648,196	306,576,691	325,324,612	12.6%	10,350,661	21,536,044	51,017,909	\$20.45
Class B Totals	99,183	3,223,707,287	373,087,104	395,568,257	12.3%	9,996,090	21,890,006	52,142,502	\$20.93

Source: CoStar Property*

CLASS C MARKET STATISTICS

Mid-Year 2007, Grouped by CBD vs Suburban

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
CBD	11,415	287,856,698	23,710,472	24,412,219	8.5%	(652,435)	0	15,300	\$19.92
Suburban	122,932	1,217,219,729	97,967,782	101,157,394	8.3%	(1,518,427)	649,989	1,699,997	\$17.05
Class C Totals	134,347	1,505,076,427	121,678,254	125,569,613	8.3%	(2,170,862)	649,989	1,715,297	\$17.48

Source: CoStar Property*

CLASS A&B MARKET STATISTICS

Mid-Year 2007, Grouped by CBD vs Suburban

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
CBD	9,603	1,605,757,127	147,881,062	162,850,411	10.1%	11,550,801	2,966,930	34,657,842	\$28.86
Suburban	104,956	4,324,963,766	499,179,357	545,410,973	12.6%	29,727,137	47,123,982	135,534,350	\$22.99
Class A&B Totals	114,559	5,930,720,893	647,060,419	708,261,384	11.9%	41,277,938	50,090,912	170,192,192	\$24.19

Source: CoStar Property*

CLASS A,B&C MARKET STATISTICS

Mid-Year 2007, Grouped by CBD vs Suburban

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
CBD	21,018	1,893,613,825	171,591,534	187,262,630	9.9%	10,898,366	2,966,930	34,673,142	\$28.02
Suburban	227,888	5,542,183,495	597,147,139	646,568,367	11.7%	28,208,710	47,773,971	137,234,347	\$22.20
Grand Totals	248,906	7,435,797,320	768,738,673	833,830,997	11.2%	39,107,076	50,740,901	171,907,489	\$23.35

Source: CoStar Property*



NATIONAL OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS*

Mid-Year 2007

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2007 2q	13,769	2,497,702,972	252,801,655	289,580,807	11.6%	14,847,519	127	10,273,582	833	109,544,479	\$28.55
2007 1q	13,643	2,487,525,390	257,666,561	294,250,744	11.8%	13,225,493	174	14,568,178	832	104,924,882	\$28.02
2006 4q	13,469	2,472,957,212	255,366,113	292,908,059	11.8%	17,183,440	122	12,748,543	781	98,284,045	\$27.44
2006 3q	13,349	2,460,349,456	259,134,085	297,483,743	12.1%	13,950,055	124	11,213,928	744	92,745,534	\$27.11
2006 2q	13,226	2,449,245,328	261,239,018	300,329,670	12.3%	17,930,717	114	12,452,906	685	86,554,558	\$26.66
2006 1q	13,112	2,436,792,422	265,993,189	305,807,481	12.5%	18,089,569	133	11,093,699	633	80,622,837	\$26.18
2005 4q	12,982	2,426,007,514	271,026,669	313,112,142	12.9%	20,310,386	93	10,796,714	563	73,958,343	\$25.89
2005 3q	12,890	2,415,608,800	279,200,823	323,023,814	13.4%	16,285,386	60	4,696,229	528	69,183,484	\$25.87
2005 2q	12,832	2,411,102,571	289,668,650	334,802,971	13.9%	19,221,891	80	8,660,092	453	61,793,042	\$25.84
2005 1q	12,752	2,402,442,479	295,466,693	345,364,770	14.4%	16,480,956	88	9,919,506	357	55,209,981	\$25.78
2004 4q	12,664	2,392,522,973	298,295,177	351,926,220	14.7%	20,723,227	77	10,379,030	348	56,195,139	\$25.45
2004 3q	12,587	2,382,143,943	305,705,017	362,270,417	15.2%	18,064,479	68	10,807,255	329	53,642,043	\$25.26
2004 2q	12,520	2,371,704,747	309,919,035	369,895,700	15.6%	17,879,695	59	8,351,610	329	56,410,452	\$25.29
2004 1q	12,461	2,363,353,137	314,918,575	379,423,785	16.1%	8,766,394	61	6,389,123	305	55,203,049	\$25.16
2003	12,403	2,357,750,268	314,951,332	382,587,310	16.2%	32,721,346	254	45,726,050	282	51,409,020	\$25.20
2002	12,153	2,313,564,489	283,348,955	371,122,877	16.0%	8,547,602	451	73,108,062	294	66,094,216	\$26.13

Source: CoStar Property® *Excludes markets - see Methodology page.

CLASS B MARKET STATISTICS*

Mid-Year 2007

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2007 2q	80,205	2,718,908,022	317,776,768	338,480,804	12.4%	6,336,507	549	8,710,689	1,998	43,831,463	\$21.70
2007 1q	79,661	2,710,567,667	316,280,413	336,476,956	12.4%	1,520,143	513	9,038,950	2,192	44,581,561	\$21.40
2006 4q	79,157	2,702,180,615	310,395,945	329,610,047	12.2%	10,625,462	536	10,107,659	2,086	39,131,060	\$21.00
2006 3q	78,630	2,692,779,280	311,327,319	330,834,174	12.3%	12,698,626	519	8,366,979	2,225	41,407,917	\$20.74
2006 2q	78,120	2,685,221,692	315,456,472	335,975,212	12.5%	9,845,649	551	8,260,071	2,082	39,084,331	\$20.50
2006 1q	77,577	2,677,561,574	316,980,141	338,160,743	12.6%	7,814,463	615	10,450,576	2,007	37,720,977	\$20.33
2005 4q	76,981	2,669,667,285	317,041,605	338,080,917	12.7%	13,781,026	518	8,047,584	1,981	37,671,579	\$20.02
2005 3q	76,474	2,662,672,930	322,602,724	344,867,588	13.0%	14,683,929	438	7,600,253	1,981	37,303,822	\$20.03
2005 2q	76,051	2,656,265,409	330,001,133	353,143,996	13.3%	15,302,240	495	7,485,329	1,852	34,790,995	\$19.78
2005 1q	75,566	2,649,144,269	336,354,778	361,325,096	13.6%	9,120,010	585	9,609,659	1,580	27,808,999	\$19.52
2004 4q	74,995	2,640,823,812	335,848,078	362,124,649	13.7%	12,469,144	411	7,658,166	1,643	29,195,489	\$19.47
2004 3q	74,597	2,633,630,182	338,548,723	367,400,163	14.0%	8,628,047	441	6,402,338	1,543	28,295,327	\$19.36
2004 2q	74,167	2,627,966,932	339,120,522	370,364,960	14.1%	9,435,473	375	6,172,295	1,465	26,375,530	\$19.37
2004 1q	73,807	2,623,217,841	340,721,102	375,051,342	14.3%	(388,396)	488	7,897,984	1,251	23,484,603	\$19.32
2003	73,334	2,616,863,813	332,005,501	368,308,918	14.1%	1,792,100	1,437	26,495,164	1,258	23,040,503	\$19.41
2002	71,930	2,593,285,991	300,931,966	346,523,196	13.4%	(9,561,849)	1,498	34,707,383	1,098	23,363,238	\$20.46

Source: CoStar Property® *Excludes markets - see Methodology page.

TOTAL OFFICE MARKET STATISTICS*

Mid-Year 2007

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2007 2q	199,795	6,475,118,860	669,980,993	730,932,528	11.3%	21,993,270	694	19,226,582	2,925	154,849,175	\$24.21
2007 1q	199,117	6,456,488,748	674,414,816	734,295,686	11.4%	12,026,759	716	23,877,204	3,110	150,823,971	\$23.86
2006 4q	198,420	6,433,873,327	663,858,866	723,707,024	11.2%	26,489,963	687	23,050,499	2,938	138,235,702	\$23.42
2006 3q	197,754	6,411,762,396	667,509,761	728,086,056	11.4%	28,842,648	674	19,828,950	3,053	134,983,561	\$23.13
2006 2q	197,100	6,393,012,551	675,690,490	738,178,859	11.5%	29,404,828	697	21,036,948	2,864	126,502,677	\$22.83
2006 1q	196,427	6,373,263,956	684,063,753	747,835,092	11.7%	26,094,540	807	22,005,947	2,744	119,312,078	\$22.49
2005 4q	195,669	6,354,717,292	689,594,281	755,382,968	11.9%	36,728,012	652	19,522,655	2,669	112,738,621	\$22.22
2005 3q	195,065	6,338,757,714	707,243,659	776,151,402	12.2%	31,783,321	537	12,544,456	2,648	108,027,172	\$22.25
2005 2q	194,560	6,328,116,419	726,143,241	797,293,428	12.6%	37,015,267	615	16,434,355	2,445	97,970,917	\$22.14
2005 1q	193,980	6,312,652,528	740,574,126	818,844,804	13.0%	23,656,658	729	20,103,333	2,058	84,300,338	\$21.95
2004 4q	193,288	6,294,555,206	740,786,025	824,404,140	13.1%	34,967,367	527	18,397,236	2,123	86,889,232	\$21.79
2004 3q	192,798	6,277,381,287	752,799,855	842,197,588	13.4%	25,775,136	550	17,588,172	2,003	83,446,755	\$21.68
2004 2q	192,283	6,261,779,691	756,788,187	852,371,128	13.6%	26,888,843	462	14,794,507	1,928	84,397,449	\$21.70
2004 1q	191,866	6,249,375,502	763,364,095	866,855,782	13.9%	7,506,595	623	15,561,771	1,661	79,719,986	\$21.76
2003	191,308	6,237,771,675	754,158,346	862,758,550	13.8%	33,272,850	1,906	74,123,468	1,678	76,396,684	\$21.85
2002	189,566	6,172,225,246	691,080,745	830,484,971	13.5%	(582,138)	2,227	110,291,911	1,570	91,524,652	\$22.67

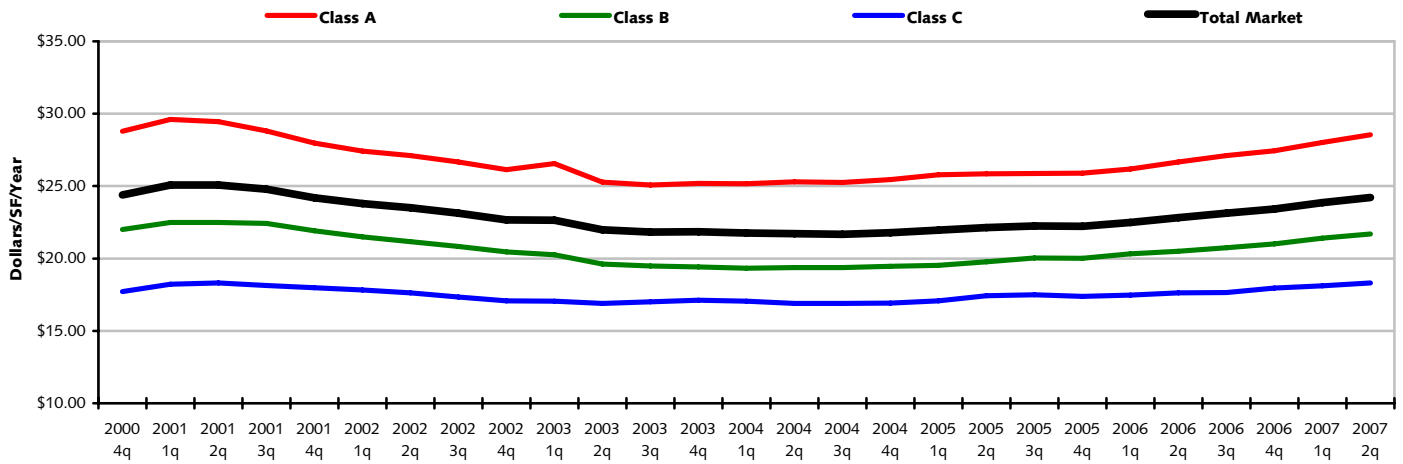
Source: CoStar Property® *Excludes markets - see Methodology page.

NATIONAL OFFICE MARKET



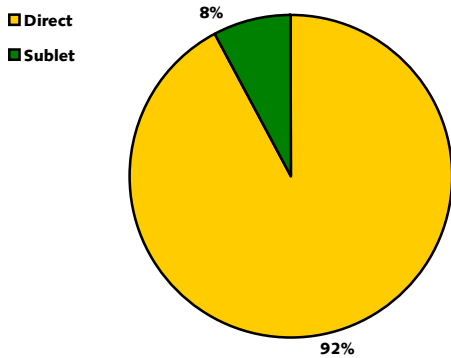
LEASING ACTIVITY

HISTORICAL RENTAL RATES* Based on Full-Service Equivalent Rental Rates



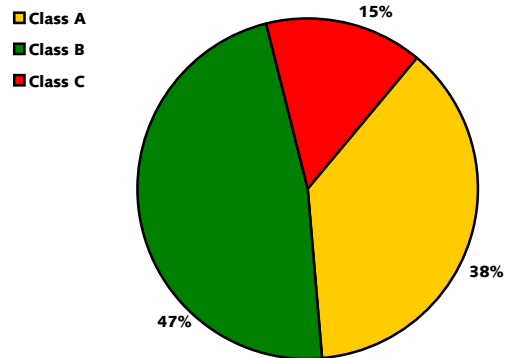
Source: CoStar Property® * Excludes markets - see Methodology page.

VACANCY BY AVAILABLE SPACE TYPE Percent of All Vacant Space in Direct vs. Sublet



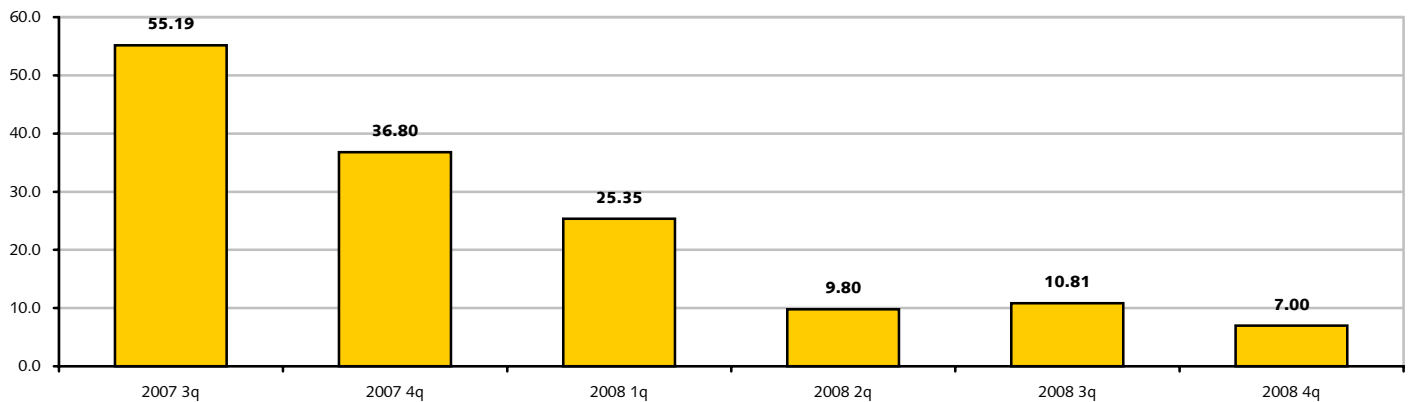
Source: CoStar Property®

VACANCY BY CLASS Percent of All Vacant Space by Class



Source: CoStar Property®

FUTURE SPACE AVAILABLE Space Scheduled to be Available for Occupancy in the Future*



* includes Under Construction Spaces Source: CoStar Property®



NATIONAL OFFICE MARKET

LEASING ACTIVITY

SELECT TOP OFFICE LEASES Based on Leased Square Footage For Deals Signed in 2007

Building	Market	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 The Bravern - Bldg 2	Seattle/Puget Sound	497,000	2nd	Microsoft	N/A	Pacific Real Estate Partners
2 Time & Life Bldg	New York City	425,374	2nd	Lehman Brothers	CB Richard Ellis	Studley
3 Legg Mason Tower	Baltimore	403,210	1st	Legg Mason, Inc.	Colliers Pinkard	Colliers Pinkard
4 345 Hudson St	New York City	394,314	2nd	Viacom International, Inc	CB Richard Ellis	Trinity Church
5 Advanta Office Commons at I-90 - Bldg A & B	Seattle/Puget Sound	392,000	2nd	Microsoft	CB Richard Ellis	Pacific Real Estate Partners
6 488 Almaden Blvd	South Bay/San Jose	379,984	2nd	BEA Systems, Inc.	N/A	Sobrato Development Companies
7 Express Scripts*	Minneapolis	324,996	2nd	Express Scripts, Inc.	Liberty Property Trust	CB Richard Ellis
8 Heritage Plaza	Houston	284,082	1st	Deloitte & Touche	Finkelstein Associates	Cousins Properties Inc
9 Simon & Schuster Bldg*	New York City	263,255	1st	Simon & Schuster	CB Richard Ellis	Tishman Speyer
10 The Prudential Building*	Hartford	257,000	1st	Prudential Retirement	Jones Lang LaSalle Americas, Inc.	Colliers Dow & Condon
11 3055 Oak Rd	East Bay/Oakland	255,000	2nd	California State Automobile Association	The Staubach Company	Equity Office Properties Trust
12 Alton Corporate Center - Bldg 1	Orange (California)	234,820	1st	N/A	Mattox Properties	The Irvine Company
13 Advanta Office Commons at I-90 - Bldg C	Seattle/Puget Sound	232,000	2nd	Microsoft	CB Richard Ellis	Pacific Real Estate Partners
14 Bridge Pointe Corporate Centre	San Diego	220,092	1st	Amylin Pharmaceuticals, Inc.	Bioscience Properties, Inc.	Cushman & Wakefield of San Diego
15 New York Times Bldg	New York City	216,926	2nd	Goodwin Procter LLP	Studley	CB Richard Ellis
16 Mitsui Bldg*	New York City	210,000	2nd	The Bank of Tokyo-Mitsubishi, Ltd.	Cushman & Wakefield, Inc.	Newmark Knight Frank
17 345 Spear St	San Francisco	210,000	1st	Google	Cornish & Carey Commercial - ONCOR	N/A
18 2880 Scott Blvd*	South Bay/San Jose	200,000	2nd	NEC Electronics America	Cornish & Carey Commercial - ONCOR	Mission West Properties
19 155 N Wacker Dr	Chicago	190,689	1st	Skadden, Arps, Slate, Meagher & Flom	Jones Lang LaSalle Americas, Inc.	The John Buck Company
20 Metro Center*	Hartford	190,000	1st	Lincoln National Life Insurance Co.	Cushman & Wakefield Inc.	Cushman & Wakefield Inc.
21 US Steel Tower	Pittsburgh	185,000	2nd	UPMC	N/A	CB Richard Ellis
22 Transamerica Pyramid*	San Francisco	182,665	1st	Bank of America Securities	Jones Lang LaSalle Americas, Inc.	Cushman & Wakefield of California
23 Discovery Business Center	Orange (California)	169,254	2nd	Fluor Corp.	Cushman & Wakefield Inc.	The Irvine Company
24 Energy Plaza	Dallas/Ft Worth	169,187	1st	FDIC	N/A	GVA Cawley
25 Pacific Center I & III	San Diego	168,066	2nd	QUALCOMM	The Staubach Company	Grubb & Ellis/BRE Commercial
26 277 Park Ave	New York City	166,667	1st	AIG	CB Richard Ellis	CB Richard Ellis
27 The Pinnacle at Symphony Place	Nashville	161,367	2nd	Bass, Berry & Sims	N/A	Nashville Commercial
28 Wisconsin Place (Office)	Washington	161,000	2nd	CapitalSource, Inc.	Cassidy & Pinkard Colliers	Boston Properties
29 Convergence Bldg 1	Dallas/Ft Worth	160,661	1st	Fidelity Investments	Trammell Crow Company	CAPSTAR Commercial Real Estate Svcs
30 9100 E Mineral Cir	Denver	160,572	1st	United Launch Alliance	Colliers Bennett & Kahnweiler	Frederick Ross Company/ONCOR Int'l
31 100 Kimball Dr	Northern New Jersey	160,047	2nd	Deloitte & Touche LLP	Finkelstein Associates	Gale Real Estate Services Company
32 Parkway Business Center - Phase I - Bldg A	San Diego	155,076	2nd	General Atomics	N/A	Burnham Real Estate
33 Gateway 4*	Northern New Jersey	155,050	2nd	McCarter & English, L.L.P.	CB Richard Ellis	Heritage Management Company LLC
34 One Letterman Dr	San Francisco	155,009	1st	Babcock & Brown	Studley	Jones Lang LaSalle Americas, Inc.
35 Albion Crossing	Providence	154,489	1st	A T Cross Company	CB Richard Ellis/New England	Albion Crossing LLC
36 One Ravinia Drive	Atlanta	152,000	1st	T-Mobile	CB Richard Ellis	Hines
37 Comcast Center	Philadelphia	151,645	1st	Comcast	Binswanger	Liberty Property Trust
38 2 Hilton Ct*	Northern New Jersey	151,356	2nd	Daichii Sankyo ,Inc	N/A	Mack-Cali/SJP Joint Venture
39 Stonebridge II	Atlanta	150,000	2nd	Verizon	N/A	Jones Lang LaSalle Americas, Inc.
40 Conerstone at Cantera II*	Chicago	146,000	2nd	Exelon Corp.	Studley	Jones Lang LaSalle Americas, Inc.

Source: CoStar Property®

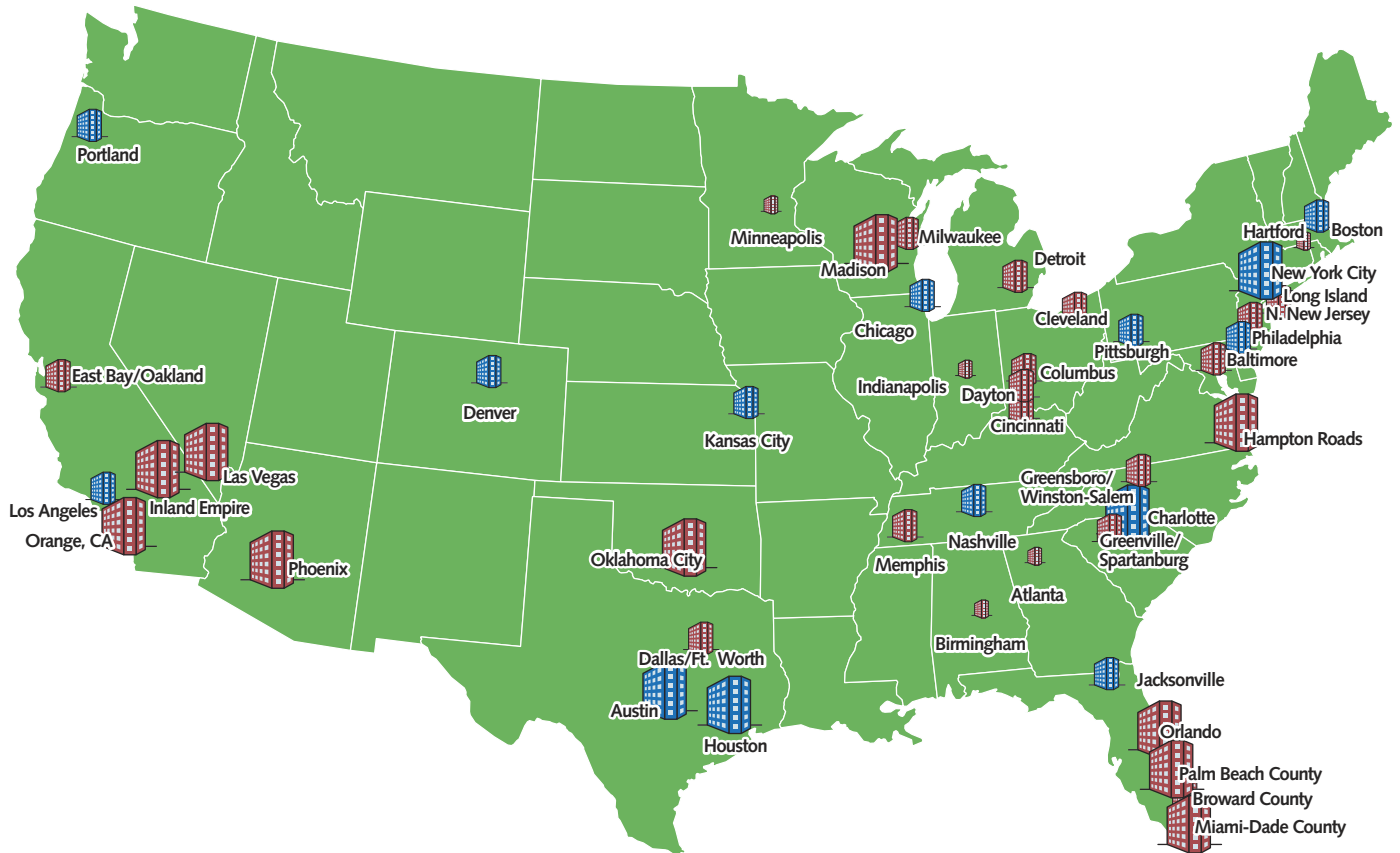
* Renewal

NATIONAL OFFICE MARKET



LEASING ACTIVITY

CHANGE IN VACANT SQUARE FOOTAGE LAST 12 MONTHS Mid Year 2006 to Mid Year 2007



Percent Change:



Less than -10.0%



-9.9% to -2.0%



-1.9% to 1.9%



2.0% to 9.9%



Over 10.0%

Rank	Region	2006 2q	2007 2q	Diff
1	Palm Beach County	3,610,467	4,931,925	36.6%
2	Las Vegas	4,245,374	5,592,788	31.7%
3	Orlando	5,644,063	6,838,802	21.2%
4	Orange (California)	9,525,598	11,498,416	20.7%
5	Phoenix	14,244,647	17,164,679	20.5%
6	Madison	1,940,599	2,316,813	19.4%
7	Hampton Roads	2,454,472	2,898,521	18.1%
8	Inland Empire (California)	4,064,936	4,667,532	14.8%
9	Miami-Dade County	5,561,253	6,384,141	14.8%
10	Oklahoma City	3,424,875	3,861,026	12.7%
11	Dayton	3,144,609	3,450,133	9.7%
12	Broward County	4,629,910	5,072,489	9.6%
13	East Bay/Oakland	10,766,084	11,789,322	9.5%
14	Cincinnati	10,913,632	11,850,324	8.6%
15	Greensboro/Winston-Salem	5,325,988	5,742,537	7.8%
16	Memphis	5,524,374	5,872,195	6.3%
17	Greenville/Spartanburg	3,104,082	3,294,857	6.1%
18	Long Island (New York)	11,060,013	11,735,247	6.1%
19	Baltimore	11,344,615	12,017,747	5.9%
20	Milwaukee	6,702,124	7,070,442	5.5%
21	Northern New Jersey	37,359,246	39,198,735	4.9%

Rank	Region	2006 2q	2007 2q	Diff
22	Detroit	27,048,792	28,102,351	3.9%
23	Cleveland	14,225,453	14,618,808	2.8%
24	Columbus	10,315,071	10,550,431	2.3%
25	Dallas/Ft Worth	49,030,418	50,098,178	2.2%
26	Birmingham	3,613,330	3,669,367	1.6%
27	Atlanta	34,246,247	34,772,315	1.5%
28	Minneapolis	16,158,013	16,050,635	-0.7%
29	Hartford	6,543,877	6,496,096	-0.7%
30	Indianapolis	9,388,008	9,220,878	-1.8%
31	Philadelphia	40,537,841	39,758,925	-1.9%
32	Kansas City	12,451,220	12,072,683	-3.0%
33	Los Angeles	31,171,545	30,042,004	-3.6%
34	Portland	7,799,680	7,491,038	-4.0%
35	Chicago	54,958,768	52,239,110	-4.9%
36	Pittsburgh	15,260,992	14,457,515	-5.3%
37	Boston	36,752,359	34,642,651	-5.7%
38	Nashville	5,284,839	4,970,981	-5.9%
39	Jacksonville (Florida)	6,281,777	5,858,241	-6.7%
40	Denver	22,524,506	20,740,185	-7.9%
41	Austin	8,302,022	7,440,581	-10.4%
42	Houston	32,478,524	28,404,829	-12.5%
43	Charlotte	7,969,156	6,755,203	-15.2%

Source: CoStar Property®

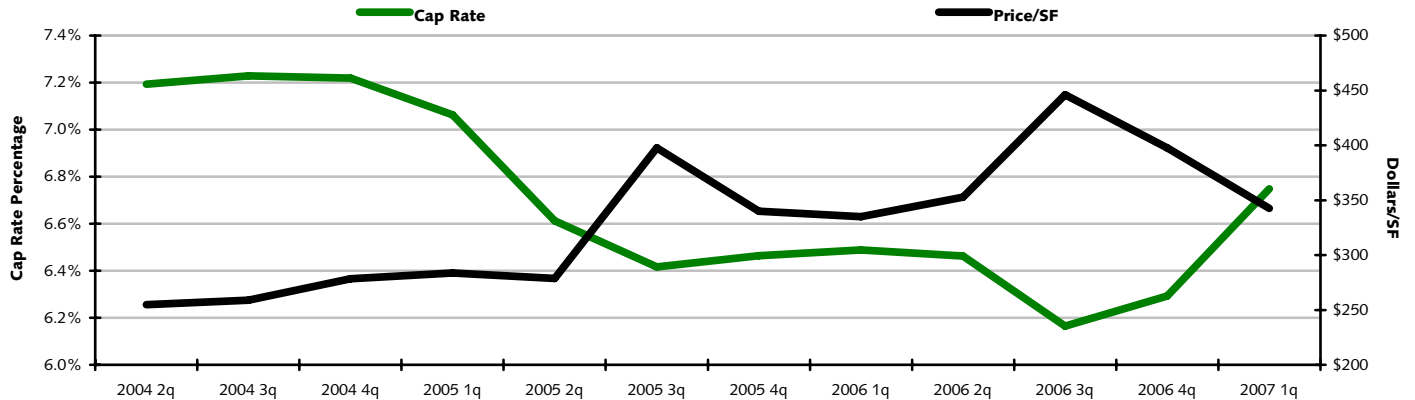


NATIONAL OFFICE MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

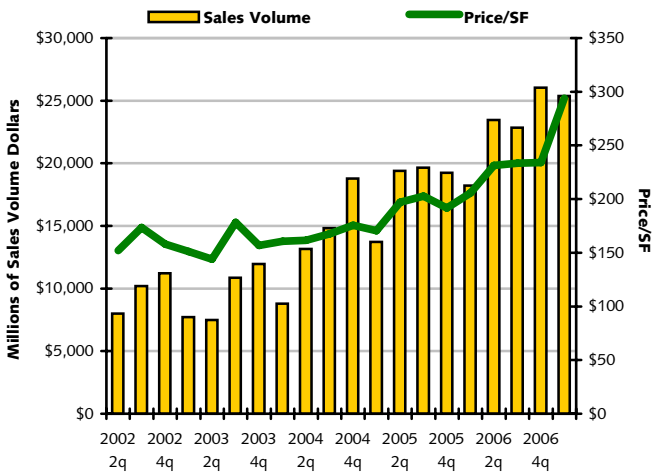
Average of Two Highest Price/SF's and Two Lowest Cap Rates From Each Region



Source: CoStar COMPS®

SALES VOLUME & PRICE

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

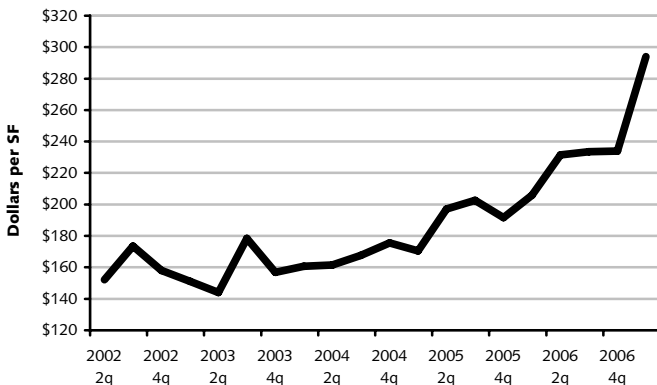
Based on Office Building Sales From April 2006 - March 2007

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	6,401	69,403,270	\$ 14,343,207,360	\$ 206.66	6.97%
50K-249K SF	1,243	150,868,021	\$ 35,107,917,097	\$ 232.71	6.98%
250K-499K SF	202	70,992,527	\$ 16,561,531,147	\$ 233.29	6.85%
>500K SF	147	132,375,262	\$ 38,659,842,453	\$ 292.05	6.18%

Source: CoStar COMPS®

HISTORICAL PRICE/SF AVERAGE

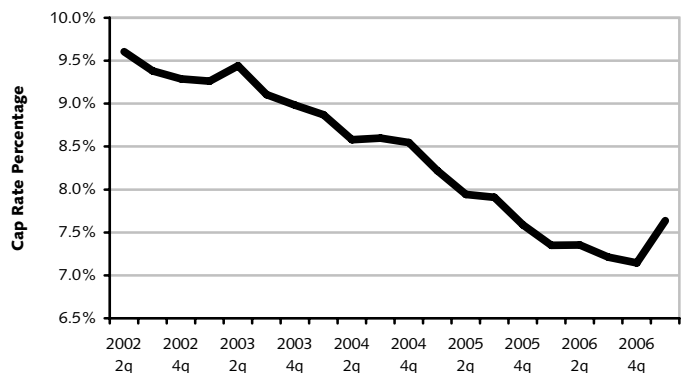
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

HISTORICAL CAP RATE AVERAGE

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

NATIONAL OFFICE MARKET



SALES ACTIVITY

SELECT TOP SALES

Based on Sales from April 2006 Through March 2007

1. 666 Fifth Ave



New York City

Price: \$1,800,000,000
 Price/SF: \$1,225.12
 Cap Rate: N/A
 RBA: 1,469,245
 Date: 1/11/2007
 Year Built: 1957
 Buyer: 666 Fifth Associates LLC
 Seller: TST/TMW 666 Fifth, LP

2. Callahan Capital Partners Portfolio



Denver

Price: \$770,000,000
 Price/SF: \$283.73
 Cap Rate: N/A
 RBA: 2,713,895
 Date: 3/29/2007
 Year Built: 1986
 Buyer: Callahan Capital Partners
 Seller: The Blackstone Group

3. 600 West



Chicago

Price: \$288,900,000
 Price/SF: \$178.14
 Cap Rate: N/A
 RBA: 1,621,745
 Date: 3/12/2007
 Year Built: 1988
 Buyer: 600 West Chicago Riverwalk, LLC
 Seller: Eport 600 Riverwalk Owner, LLC

4. 265 Franklin St



Boston

Price: \$170,000,000
 Price/SF: \$489.62
 Cap Rate: 6%
 RBA: 347,211
 Date: 9/15/2006
 Year Built: 1984
 Buyer: 265 Franklin Street Associates LLC
 Seller: BP/CRF 265 Franklin Street LLC

5. World Trade Center



Los Angeles

Price: \$149,000,000
 Price/SF: \$259.90
 Cap Rate: 5.1%
 RBA: 573,300
 Date: 3/28/2007
 Year Built: 1988
 Buyer: Legacy Partners Realty Fund II LLC
 Seller: GREIT-One World Trade Center LP

6. Four Westlake Park



Houston

Price: \$122,000,000
 Price/SF: \$217.44
 Cap Rate: 5.25%
 RBA: 561,065
 Date: 9/26/2006
 Year Built: 1992
 Buyer: Westlake Four Owner Corp
 Seller: Houston PT Four Westlake Office LP

7. 12275 El Camino Real



San Diego

Price: \$120,000,000
 Price/SF: \$517.16
 Cap Rate: 4%
 RBA: 232,035
 Date: 12/14/2006
 Year Built: 2006
 Buyer: Paseo Del Mar CA LLC
 Seller: Crescent-JMIR Paseo Del Mar LLC

8. Renaissance Center



Tampa/St Petersburg

Price: \$103,600,000
 Price/SF: \$195.61
 Cap Rate: 6%
 RBA: 529,618
 Date: 10/18/2006
 Year Built: 2001
 Buyer: Liberty Property Trust
 Seller: ACP/UTAH Renaissance LLC

9. Chiquita Center



Cincinnati

Price: \$93,000,000
 Price/SF: \$173.06
 Cap Rate: 7.5%
 RBA: 537,400
 Date: 10/25/2006
 Year Built: 1984
 Buyer: Triple Net Properties, LLC
 Seller: TAG 250 Cincinnati, LLC

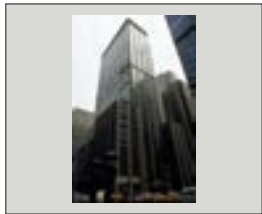


NATIONAL OFFICE MARKET

SALES ACTIVITY

SELECT SAME BUILDING SALES

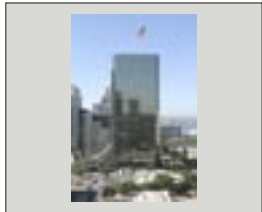
Based On Recent Building Sales Compared to Prior Sale



AXA Financial Center
 Address: 1290 Avenue of the Americas
 City: New York City
 RBA: 1,964,036
 Year Built: 1963
 Tot \$ Return: \$560,550,000
 Tot % Return: 45%
 Ann.Return: 42%
 Months Held: 13

Most Recent Sale
 Price: \$1,807,000,000
 Price/SF: \$920.04
 Cap Rate: N/A
 Date: 5/24/2007
 Buyer: Vornado Realty Trust
 Seller: HWA 1290 III LLC
 Brokers: N/A

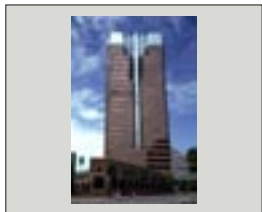
Sale Prior to Most Recent Sale
 Price: \$1,246,450,000
 Price/SF: \$634.64
 Cap Rate: N/A
 Date: 4/26/2006
 Buyer: HWA 1290 III LLC
 Seller: Jamestown 1290 LP
 Brokers: CB Richard Ellis



401 W A St
 Address: 401 W A St
 City: San Diego
 RBA: 553,715
 Year Built: 1983
 Tot \$ Return: \$14,000,000
 Tot % Return: 8%
 Ann.Return: 6%
 Months Held: 18

Most Recent Sale
 Price: \$181,000,000
 Price/SF: \$326.88
 Cap Rate: N/A
 Date: 3/7/2007
 Buyer: 401 West A Street SD PT LLC
 Seller: PGREF II FNBC GP LLC
 Brokers: Eastdil Secured

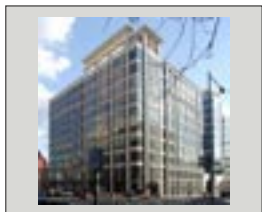
Sale Prior to Most Recent Sale
 Price: \$167,000,000
 Price/SF: \$301.60
 Cap Rate: 5%
 Date: 9/8/2005
 Buyer: PGREF II FNBC LP
 Seller: DL FNBC LP
 Brokers: N/A



World Trade Center
 Address: 1 World Trade Ctr
 City: Los Angeles
 RBA: 573,300
 Year Built: 1988
 Tot \$ Return: \$35,352,000
 Tot % Return: 31%
 Ann.Return: 9%
 Months Held: 40

Most Recent Sale
 Price: \$149,000,000
 Price/SF: \$259.90
 Cap Rate: 5.1%
 Date: 3/28/2007
 Buyer: Legacy Partners Realty Fund
 Seller: GREIT-One World Trade Center
 Brokers: Jones Lang LaSalle Americas

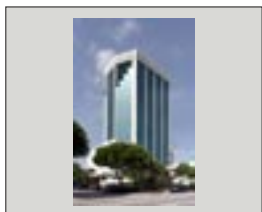
Sale Prior to Most Recent Sale
 Price: \$113,648,000
 Price/SF: \$198.23
 Cap Rate: N/A
 Date: 12/8/2003
 Buyer: GREIT-One World Trade Center
 Seller: LBWTC Real Estate Partners
 Brokers: Triple Net Properties, LLC
 CB Richard Ellis



799 9th St NW
 Address: 799 9th St NW
 City: Washington
 RBA: 201,462
 Year Built: 2001
 Tot \$ Return: \$50,050,000
 Tot % Return: 65%
 Ann.Return: 17%
 Months Held: 47

Most Recent Sale
 Price: \$127,050,000
 Price/SF: \$630.64
 Cap Rate: N/A
 Date: 9/29/2006
 Buyer: A-799 Ninth ST. LLC
 Seller: US Office Holdings, LP
 Brokers: AEW Capital Management, L.P.
 Cushman & Wakefield, Inc.

Sale Prior to Most Recent Sale
 Price: \$77,000,000
 Price/SF: \$382.21
 Cap Rate: 7.9%
 Date: 11/8/2002
 Buyer: US Office Holdings
 Seller: 799 Ninth Street
 Brokers: Lacy Limited



Brickell Bayview Centre
 Address: 80 SW 8th St
 City: Miami-Dade County
 RBA: 286,341
 Year Built: 1986
 Tot \$ Return: \$31,700,000
 Tot % Return: 63%
 Ann.Return: 29%
 Months Held: 26

Most Recent Sale
 Price: \$81,900,000
 Price/SF: \$286.02
 Cap Rate: N/A
 Date: 5/25/2007
 Buyer: CRP-2 Brickell LLC
 Seller: ACP/Utah Bayview LLC
 Brokers: CB Richard Ellis

Sale Prior to Most Recent Sale
 Price: \$50,200,000
 Price/SF: \$175.32
 Cap Rate: 7.09%
 Date: 3/30/2005
 Buyer: ACP/Utah Bayview LLC
 Seller: Brookwood Bayview Investors
 Brokers: CB Richard Ellis



One Westchase Center
 Address: 10777 Westheimer Rd
 City: Houston
 RBA: 466,025
 Year Built: 1982
 Tot \$ Return: \$25,750,000
 Tot % Return: 58%
 Ann.Return: 24%
 Months Held: 29

Most Recent Sale
 Price: \$70,000,000
 Price/SF: \$150.21
 Cap Rate: N/A
 Date: 1/23/2007
 Buyer: Walton Street Capital, LLC
 Seller: Granite Properties
 Brokers: HFF

Sale Prior to Most Recent Sale
 Price: \$44,250,000
 Price/SF: \$94.95
 Cap Rate: 8.5%
 Date: 8/23/2004
 Buyer: Granite One West, Ltd
 Seller: Prentiss Properties
 Brokers: N/A



Gainey Center II
 Address: 8501 N Scottsdale Rd
 City: Phoenix
 RBA: 146,770
 Year Built: 2001
 Tot \$ Return: \$12,850,000
 Tot % Return: 34%
 Ann.Return: 16%
 Months Held: 25

Most Recent Sale
 Price: \$50,600,000
 Price/SF: \$344.76
 Cap Rate: 5.8%
 Date: 1/12/2007
 Buyer: Gainey Center II, LLC
 Seller: TR Gainey Center II Corp
 Brokers: CB Richard Ellis

Sale Prior to Most Recent Sale
 Price: \$37,750,000
 Price/SF: \$257.21
 Cap Rate: 7.7%
 Date: 12/21/2004
 Buyer: TR Gainey Center II Corp
 Seller: MSB Gainey Center LLC
 Brokers: CB Richard Ellis

Source: CoStar COMPS®

THE CoSTAR MARKET REPORT ORDER FORM

Name: _____
 Title: _____
 Company: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____
 Phone: () _____ Email: _____

My check for \$_____ is enclosed.
 (Please add local sales tax.)

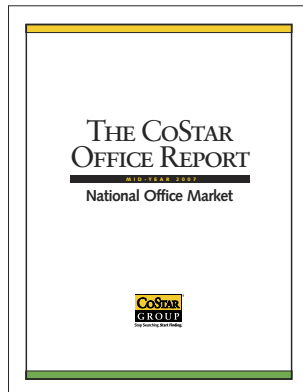
Charge to my:
 Visa Master Card American Express

Credit Card No: _____
 Exp (xx/xxx): _____
 Signature: _____

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Cincinnati				
Cleveland				
Columbus				
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Detroit				
Dayton				
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Houston				
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* South Florida Report included at no cost with purchase of Broward County, Miami-Dade County, or Palm Beach County Report of the same building type.
 ** National Report included at no cost with purchase of any Market Report of the same building type.

Mail to: CoStar Group
 Attn: Sales
 2 Bethesda Metro Center
 Bethesda, MD 20814
Fax to: (800) 494-0052

Subtotal: _____
Discount: _____
Tax: _____
Total: _____