

HIGHLIGHTS



In Slow(ing) Motion

K.C. CONWAY, MAI, CRE EMD | Market Analytics

The Bottom Line

- ICEE (Intellectual Capital, Energy and Education) markets continue to generate a disproportionate share of office absorption. Nine of the ten highest absorption numbers are in ICEE markets.
- Office transaction activity is slowing. According to Real Capital Analytics, office sales are down 21 percent in the first half of 2012 compared to the second half of 2011. May was the first month in 2012 to register a year-over-year decline in office building sales.
- Monthly delinquency rates for CMBS loans collateralized by office properties continue to set all-time records. July saw another all-time high—the fifth straight month in which the delinquency rate has increased.
- The average office vacancy rate for North America is improving, but at a slower pace than in 2011. The rate declined a modest 13 basis points to 14.29 percent.
- U.S. new supply continues to come online at approximately the same pace as the trailing five-quarter average. With 38.4 million square feet of new construction still underway, additions to supply will impede improvement in occupancy or rental rates over the next 4 to 8 quarters.

MARKET INDICATORS

Relative to prior period

U.S.	Q2 2012	Q3 2012*
VACANCY	↓	↔
NET ABSORPTION	↑	↔
CONSTRUCTION	↓	↔
RENTAL RATE	↑	↔

*Projected

U.S. AND CANADA OFFICE MARKET

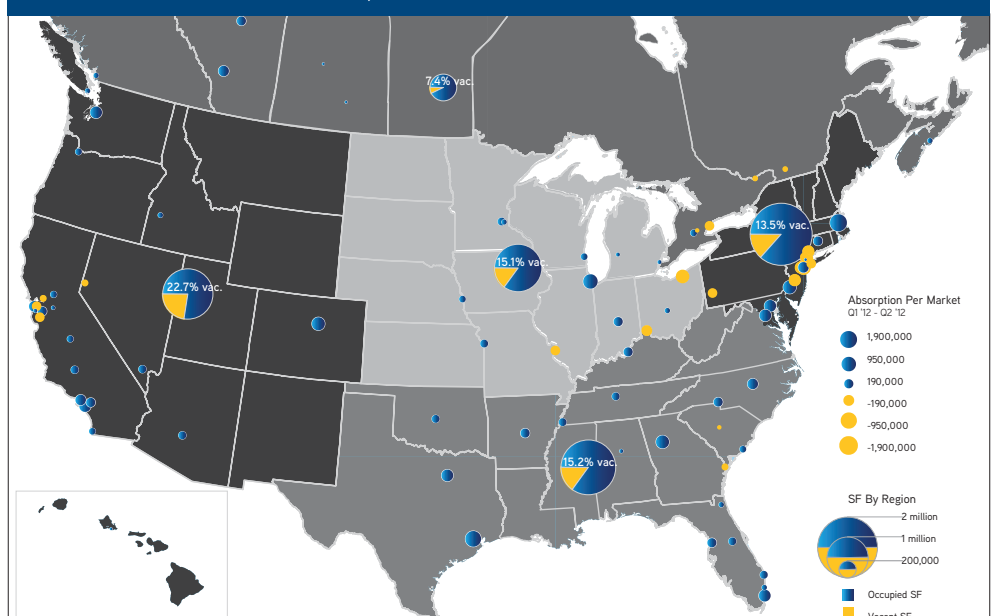
Summary Statistics, Q2 2012

	US	CA	NA
VACANCY RATE	14.78	7.38	14.29
% Change From Q1 2012	-0.15	0.03	-0.13
ABSORPTION (M-SF)	11.1	0.6	11.7
NEW CONSTRUCTION (M-SF)	4.7	0.7	5.4
UNDER CONSTRUCTION (M-SF)	38.4	12.2	50.6

ASKING RENTS PER SF (USD/CAD)

Downtown Class A	41.17	50.95	—
% Change from Q1 2012	0.93	1.63	—
Suburban Class A	25.78	32.38	—
% Change from Q1 2012	-0.31	0.40	—

NORTH AMERICAN OFFICE VACANCY, INVENTORY AND ABSORPTION – Q2 2012

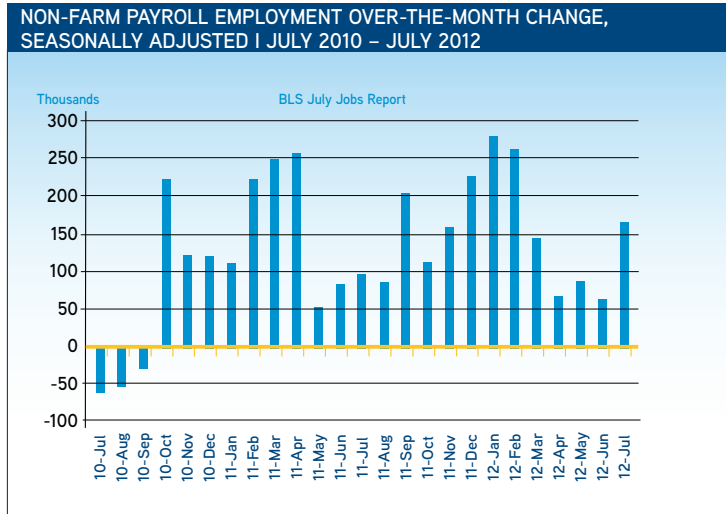


Office Market Exposed to Harmful UV (Uncertainty and Volatility) Rays

The key metrics of market health such as absorption, vacancy and sales volume showed positive growth in Q2. However, that growth has slowed. We believe this slowing is due to this summer’s harmful UV (uncertainty and volatility) rays. As any parent will tell you, prolonged exposure to UV carries the potential for damage.

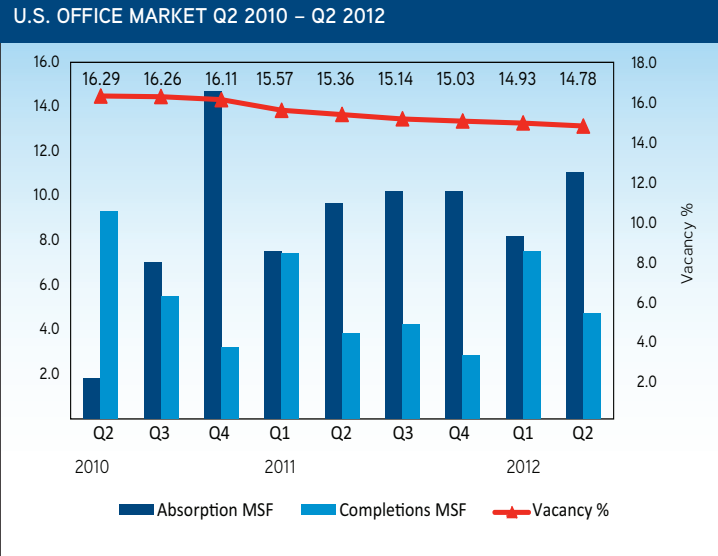
UV sources are both home and abroad:

- Europe’s unresolved debt crisis
- Uncertainty around U.S. national elections
- Erratic monthly employment numbers—a drop to 64,000 new jobs in June followed by an increase to 163,000 in July
- Corporate earnings without top-line revenue growth
- Rising, record-high CMBS loan delinquencies



These UV rays have dampened investor enthusiasm for office properties and are holding down transaction volume. Year-over-year total office transactions are down 10 percent from \$16.4 billion in Q2 2011 to \$14.8 billion this quarter, based on figures from Real Capital Analytics. This transaction drop is even more pronounced when the first half of 2012 is compared to the previous year, revealing a twenty-one percent decrease. The current decline is especially noteworthy given that commercial property transaction levels were already low from the impact of the U.S. debt downgrade in August of last year.

Market watchers in search of strong UV protection are holding out hope for consistent significant employment growth, an improved global GDP, congressional action concerning the “fiscal cliff” of expiring Bush-era tax cuts, and the passing of the U.S. national elections. In the meantime, investors will hibernate in liquid investments like U.S. Treasuries, driving yields to unprecedented lows. We would not be surprised to see the yield on the 10-year treasury and the growth rate of U.S. GDP converge near 1 percent at some point this year—an oddity representative of our times.



Houston, Boston, Atlanta and Chicago Lead Demand in Biggest Markets

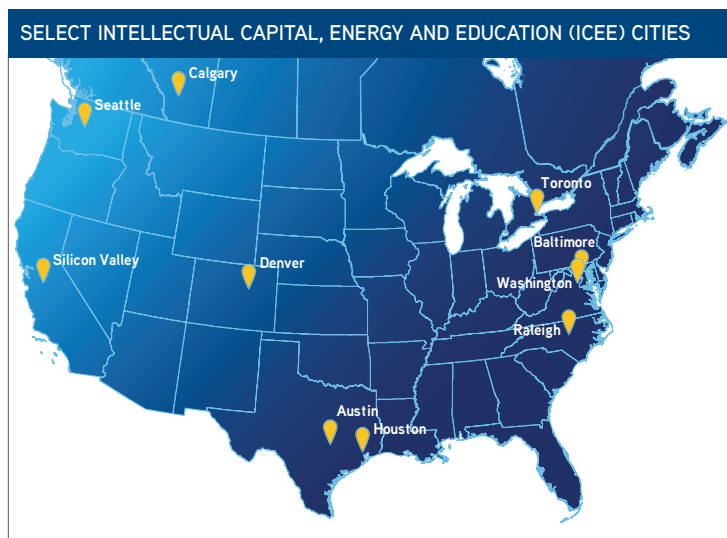
Colliers monitors eighty-three North American office markets, totaling 6.4 billion square feet of inventory. Of these, the twenty-five largest markets constitute approximately sixty-five percent of the 6.4 billion square feet of office space. These 25 markets account for 56 percent of the 25 million square feet of year-to-date net absorption, yet only fourteen have a vacancy rate below the Q2 average of 14.78 percent.

- The top 10 office markets account for 40 percent of Q2 2012 vacant office space. Among these, only Washington, D.C., New York and Houston have vacancy rates below 14.78%, the U.S. average.
- The top 10 markets account for 36 percent of year-to-date net absorption, approximately 9 million square feet. Houston, Boston, Atlanta and Chicago lead the pack, with each market recording more than 1 million square feet of net absorption year-to-date.



ICEE Markets Still Hot

In our last North America Highlights report, we introduced the concept of ICEE (Intellectual Capital, Energy and Education) markets, which are defined by the predominance of employment demand drivers linked to technology, energy and higher education. Markets such as Houston, Seattle and Silicon Valley fall into the ICEE category.



Employment growth in energy, technology and knowledge industries has caused office demand to improve the most in ICEE markets. This trend continued in Q2 2012, as ICEE office markets captured a disproportionate share of absorption. Nine of the ten markets with the highest absorption fall into the ICEE category, led by Houston, Oklahoma City and Boston.

We compared the absorption and vacancy statistics of the biggest ICEE and FIRE (Finance, Insurance and Real Estate) markets.

- Although the largest 8 ICEE and FIRE markets each contain approximately the same amount of office space, the ICEE markets have nearly double the amount of year-to-date absorption.
- The average vacancy rate is 140 basis points lower in the ICEE markets.

ICEE MARKET	INVENTORY (SF)	VACANCY	YTD ABSORPTION
Houston, TX	198,034,320	14.5%	2,444,573
Oklahoma City, OK	41,891,987	10.4%	1,730,066
Boston, MA	170,547,635	17.6%	1,567,493
Calgary, AB	62,646,626	5.4%	1,553,573
Philadelphia, PA	153,037,785	13.9%	1,266,608
Denver, CO	138,667,945	13.6%	1,153,444
Seattle/Puget Sound, WA	129,083,066	12.7%	1,133,302
Dallas/Fort Worth, TX	304,948,553	16.9%	875,267
TOTAL FOR LARGEST 8	1,198,857,917	14.6%	11,724,326

Offices Absorption Positive, but Shrinking

Office absorption also appears to be slowing: North American offices absorbed 19.2 million square feet in the first half of 2012, down six percent from the second half of 2011. In addition, demand is weaker for office than other commercial property types. For example, office absorption in the first half of 2012 is just 30 percent of the 63.3 million square feet of industrial absorption.

CBD office buildings are outperforming the suburbs as companies consolidate operations into the central core of MSAs. Large spaces are in stronger demand as a result of this consolidation. Landlords are finding they are able to increase rents for large space users at lease renewal.

Despite the UV rays of inconsistent unemployment growth, there is a bright spot for office leasing to be found in recent employment reports: A consistent upward trend in professional and business services hiring. Employment in professional and business services increased by 49,000 in July. This was the most of all industry categories and it accounted for 30 percent of the 163,000 gain in total non-farm employment. This trend was also evident in Q2 ADP private employment reports. We believe that increasing professional and business services employment foretells stronger office leasing activity, especially as UV rays dissipate later in the year.

U.S. Office Vacancy Dips Below 15%

For the first time in nearly five years, U.S. office vacancy rate dropped below 15 percent in Q1 of this year. This downward trend continued in Q2. This accomplishment was due in large part to strong absorption in ICEE markets such as Houston, Seattle, Calgary, Toronto and Boston. The ten largest office markets account for 40 percent of the 915 million square feet of vacant office space in North America.

Office Markets with the Most Vacant Square Feet

	Inventory (SF)	Vacancy Rate		Inventory (SF)	Vacancy Rate
New York	59.4	11.8%	Houston	28.7	14.5%
Washington, DC	56.6 MSF	13.5%	Los Angeles	36.0 MSF	18.0%
Dallas/Fort Worth	51.4	16.9%	Detroit	34.6	18.8%
Chicago	48.7	15.5%	Boston	30.1	17.6%
Atlanta	38.6	17.4%	Philadelphia	21.3	13.9%

FIRE MARKET	INVENTORY (SF)	VACANCY	YTD ABSORPTION
Atlanta, GA	221,833,381	17.4%	1,342,776
Chicago, IL	315,239,889	15.5%	1,133,819
Miami-Dade, FL	80,594,493	15.4%	774,686
Orange County, CA	80,477,400	17.7%	608,400
Minneapolis, MN	115,785,768	14.1%	579,164
Los Angeles, CA	200,433,500	18.0%	480,100
Charlotte, NC	96,836,008	12.8%	448,139
Orlando, FL	68,739,861	14.2%	394,197
TOTAL FOR LARGEST 8	1,179,940,300	16.0%	5,761,281

Note: New York and San Francisco each contain strong ICEE and FIRE concentrations. Compelling arguments could be made for inclusion of each city in either category. For this reason, we've omitted both from this table.

When Will Vacancy Drop Below 14%?

Professional and business service employment now accounts for approximately one-third of the 150,000 average monthly job growth. Yet, the fate of the office vacancy rate does not merely depend upon an increase in office workers; new construction also plays a role in the calculation. Unfortunately, the drop below 15 percent may not be outshined by a drop below 14 percent any time soon.

Look for only modest improvement in office vacancy rates over the next two years. This quarter, additions to new supply totaled 4.7 million square feet, approximately the same amount as the trailing five-quarter average. While this equates to just 0.3% of existing inventory, an additional 38.4 million square feet is under construction. Completion of this inventory over the next 4–6 quarters means that an additional 0.6% of existing inventory will come online by the end of 2013. Assuming that absorption can sustain a pace of 11 million square feet per quarter, vacancy will only drop to around 14.5 percent.

CMBS: Can More Buildings Succumb to Delinquency?

As the delinquency rate for CMBS loans collateralized by office properties continues to skyrocket, we wonder if CMBS actually stands for “Can More Buildings Succumb?” According to data provided by Trepp, the third quarter commenced with another all-time high CMBS delinquency rate, up 18 basis points in July to 10.36 percent. This marks the fifth straight month in which the rate has increased.

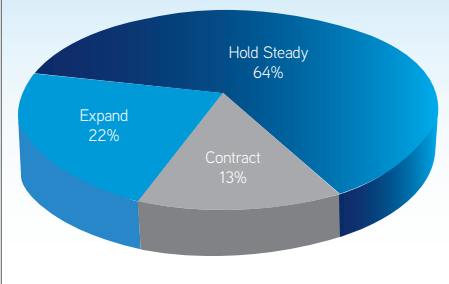
Many CMBS borrowers are now confronted with a property value far below the mortgage balance at maturity. Without equity infusion into an already over-leveraged asset, a maturity default and loss is inevitable. The 12-month moving average for losses on these types of matured and delinquent loans is in the range of 40% to 45%. At the end of Q2 2012, \$59.5 billion in CMBS were delinquent.

Delinquency Rates

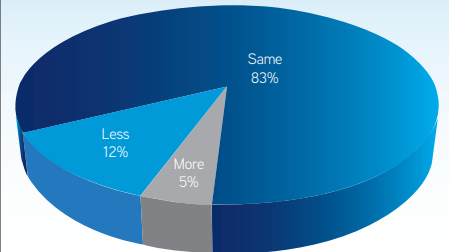
PROPERTY TYPES - % 30 DAYS +						
	JUL - 12	JUN - 12	MAY - 12	3 - MO	6 - MO	1 - YR
Industrial	11.72	11.54	12.82	12.36	12.14	11.09
Lodging	13.06	12.95	12.27	10.55	12.09	15.04
Multifamily	15.69	15.17	15.17	15.18	15.39	16.94
Office	10.69	10.45	10.26	10.23	8.90	8.17
Retail	8.03	8.17	8.07	7.98	7.88	7.85
Overall	10.34	10.16	10.04	9.80	9.52	9.88

Source: Trepp

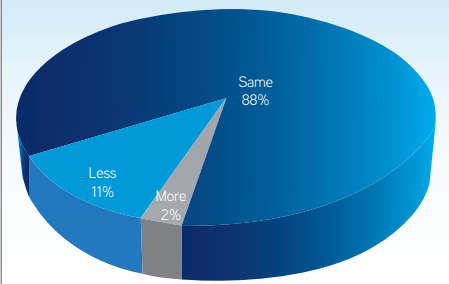
Excluding renewals, of the leases signed this quarter in your CBD/downtown, did most tenants:



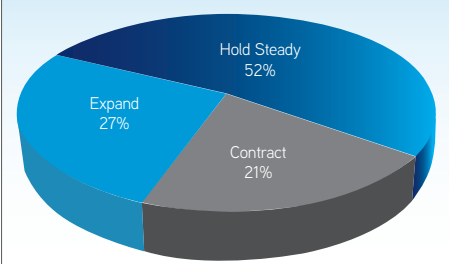
What was the trend in free rent (in months) offered by CBD landlords this quarter?



What was the trend for tenant improvement allowances offered by CBD landlords this quarter?



Excluding renewals, of the leases signed this quarter in your CBD/downtown, did most tenants:



UNITED STATES | DOWNTOWN OFFICE | ALL INVENTORY

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	NEW SUPPLY Q2 2012 (SF)	UNDER CONSTRUCTION (SF)	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)
NORTHEAST						
Baltimore, MD	29,619,980	-	-	15.5%	14.6%	267,797
Boston, MA	61,100,797	-	2,323,000	15.4%	14.5%	535,691
Hartford, CT	9,753,215	-	-	20.8%	20.5%	30,673
New York, NY – Downtown Manhattan	110,942,138	-	5,200,000	16.0%	16.6%	(704,295)
New York, NY – Midtown Manhattan	227,532,283	-	1,052,150	11.7%	11.9%	(482,682)
New York, NY – Midtown South Manhattan	165,368,697	-	850,000	8.6%	8.4%	419,084
Philadelphia, PA	43,083,670	-	-	11.6%	11.1%	220,876
Pittsburgh, PA	32,029,558	-	-	9.8%	9.9%	(152,154)
Stamford, CT	19,161,595	-	-	18.7%	19.6%	(91,836)
Washington, DC	141,428,834	385,791	1,859,251	10.3%	10.3%	327,896
White Plains, NY	7,793,594	-	-	14.8%	14.8%	1,715
Northeast Total	847,814,361	385,791	11,284,401	12.0%	12.0%	372,765
SOUTH						
Atlanta, GA	50,058,800	-	450,000	17.4%	17.1%	136,766
Birmingham, AL	4,078,312	-	-	21.2%	19.0%	10,896
Charleston, SC	2,068,469	-	52,000	9.1%	8.5%	12,499
Charlotte, NC	22,548,471	-	-	11.3%	12.7%	(247,307)
Columbia, SC	4,954,095	-	-	23.8%	23.9%	(5,553)
Dallas/Fort Worth, TX	45,198,638	-	154,801	24.3%	24.0%	137,252
Ft. Lauderdale-Broward, FL	8,022,996	-	-	16.1%	16.7%	(26,269)
Houston, TX	37,898,052	-	-	14.4%	14.4%	95,470
Jacksonville, FL	15,902,019	-	-	14.5%	14.7%	(28,189)
Little Rock, AR	6,525,315	-	-	14.5%	13.6%	112,932
Louisville, KY	43,260,784	-	-	12.0%	11.4%	229,283
Memphis, TN	6,392,399	-	-	14.5%	14.4%	3,592
Miami-Dade, FL	17,784,691	-	-	20.5%	19.1%	214,314
Nashville, TN	12,012,368	83,923	20,000	15.3%	14.6%	66,504
Oklahoma City, OK	11,277,649	-	-	15.0%	14.4%	64,713
Orlando, FL	12,632,862	-	-	11.6%	11.4%	22,607
Raleigh/Durham/Chapel Hill, NC	13,613,840	165,044	-	6.2%	6.1%	159,226
Savannah, GA	746,548	-	72,000	15.1%	15.2%	(1,414)
Tampa Bay, FL	8,511,259	-	-	13.9%	13.6%	22,705
West Palm Beach/Palm Beach County, FL	10,083,575	-	-	18.5%	18.0%	35,885
South Total	333,571,142	248,967	748,801	15.9%	15.7%	1,015,912

UNITED STATES | DOWNTOWN OFFICE | ALL INVENTORY (continued)

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	NEW SUPPLY Q2 2012 (SF)	UNDER CONSTRUCTION (SF)	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)
MIDWEST						
Chicago, IL	159,405,948	-	-	13.9%	13.9%	(59,570)
Cincinnati, OH	18,008,286	-	-	17.8%	17.8%	4,626
Cleveland, OH	34,210,959	-	475,000	18.4%	19.6%	(442,193)
Columbus, OH	19,358,350	-	251,000	10.9%	10.6%	48,968
Detroit, MI	26,057,470	-	-	20.5%	23.4%	(396,830)
Grand Rapids, MI	5,461,588	52,000	-	24.7%	23.9%	44,219
Indianapolis, IN	23,453,317	-	-	13.8%	13.8%	8,379
Kansas City, MO	32,238,028	-	215,000	15.1%	15.7%	(186,907)
Milwaukee, WI	23,391,878	30,000	-	13.6%	13.4%	79,406
Minneapolis, MN	32,249,757	62,000	-	15.2%	15.0%	43,951
Omaha, NE	6,381,717	-	-	5.9%	5.8%	4,210
St. Louis, MO	27,493,907	-	-	19.2%	18.7%	134,751
St. Paul, MN	13,636,281	-	-	13.8%	13.5%	47,488
Midwest Total	421,347,486	144,000	941,000	15.3%	15.5%	(669,502)
WEST						
Bakersfield, CA	3,009,769	-	-	10.1%	8.6%	44,614
Boise, ID	3,696,563	-	260,000	11.6%	11.4%	5,219
Denver, CO	34,226,903	-	382,000	11.9%	11.0%	290,405
Fresno, CA	3,284,713	-	-	12.0%	12.0%	1,470
Honolulu, HI	7,119,083	-	-	14.1%	14.5%	(26,780)
Las Vegas, NV	4,175,428	-	-	13.3%	12.9%	15,638
Los Angeles, CA	31,942,700	-	257,300	17.8%	18.2%	(147,900)
Oakland, CA	16,891,513	-	-	13.5%	13.5%	5,420
Phoenix, AZ	20,019,837	-	-	23.4%	22.2%	95,886
Portland, OR	34,136,998	133,260	-	9.1%	9.7%	(76,811)
Reno, NV	3,996,380	-	-	14.9%	15.6%	(25,428)
Sacramento, CA	18,943,435	-	-	9.7%	9.9%	(33,183)
San Diego, CA	10,149,972	-	-	20.0%	20.5%	(41,848)
San Francisco, CA	87,755,078	285,434	1,622,147	12.2%	11.6%	426,066
San Jose/Silicon Valley	7,601,845	-	-	24.6%	24.8%	(27,569)
Seattle/Puget Sound, WA	56,058,909	163,344	847,981	13.0%	12.3%	508,343
Stockton, CA	8,199,807	-	-	19.7%	19.5%	18,163
Walnut Creek/Pleasanton, CA	12,648,620	-	-	17.4%	16.7%	85,931
West Total	363,857,553	582,038	3,369,428	13.9%	13.6%	1,117,636
U.S. TOTALS	1,966,590,542	1,360,796	16,343,630	13.8%	13.7%	1,836,811

UNITED STATES | DOWNTOWN OFFICE | CLASS A

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	VACANCY RATE (%) MAR 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)	AVG ANNUAL QUOTED RENT (USD) JUNE 30, 2012	QUARTERLY CHANGE IN RENT (%)	ANNUAL CHANGE IN RENT (%)
NORTHEAST							
Baltimore, MD	14,292,134	17.3%	16.3%	144,867	\$23.22	-0.5%	-4.4%
Boston, MA	41,333,537	15.0%	13.8%	513,092	\$45.63	-0.4%	0.1%
Hartford, CT	6,651,365	23.2%	22.4%	50,853	\$22.90	0.2%	-0.4%
New York, NY – Downtown Manhattan	77,672,777	18.3%	19.3%	(751,512)	\$47.62	-1.4%	26.3%
New York, NY – Midtown Manhattan	192,290,701	12.5%	12.7%	(410,780)	\$70.34	2.5%	9.2%
New York, NY – Midtown South Manhattan	32,865,338	8.1%	8.6%	(166,224)	\$47.26	-4.0%	-1.3%
Philadelphia, PA	32,830,457	11.2%	10.7%	176,909	\$26.50	0.4%	1.5%
Pittsburgh, PA	17,962,521	8.2%	8.1%	31,074	\$22.61	-0.1%	4.2%
Stamford, CT	13,368,368	20.0%	20.6%	(71,106)	\$38.84	-0.4%	3.3%
Washington DC	85,924,922	12.1%	11.9%	443,739	\$53.19	0.8%	0.9%
White Plains, NY	4,962,442	17.3%	17.0%	16,016	\$32.06	1.4%	6.2%
Northeast Total	520,154,562	13.5%	13.6%	(23,072)	\$53.20	0.9%	7.8%
SOUTH							
Atlanta, GA	30,035,271	19.4%	19.1%	101,038	\$22.99	0.3%	2.6%
Birmingham, AL	3,212,719	19.0%	10.4%	10,078	\$20.92	-0.9%	-4.4%
Charleston, SC	1,043,494	5.3%	5.2%	1,080	\$30.09	0.4%	3.8%
Charlotte, NC	16,063,309	13.6%	15.5%	(284,139)	\$23.80	1.3%	-1.7%
Columbia, SC	1,929,606	13.6%	13.9%	(5,957)	\$19.39	-0.1%	-0.6%
Dallas/Fort Worth, TX	28,511,754	21.9%	21.5%	95,749	\$25.00	0.0%	-1.2%
Ft. Lauderdale-Broward, FL	4,454,238	22.4%	22.7%	(15,560)	\$31.08	-0.9%	-2.3%
Houston, TX	26,094,764	11.3%	10.9%	85,266	\$36.80	1.0%	7.6%
Jacksonville, FL	6,830,482	19.5%	19.5%	-	\$19.44	0.4%	-1.8%
Little Rock, AR	2,636,353	10.2%	9.7%	12,871	\$15.59	-0.6%	0.6%
Louisville, KY	10,304,980	11.9%	11.5%	38,350	\$19.06	-1.4%	-7.1%
Memphis, TN	1,966,542	18.0%	17.9%	2,360	\$16.71	-1.2%	-0.1%
Miami-Dade, FL	9,388,588	24.6%	22.9%	136,356	\$40.23	-0.4%	-2.4%
Nashville, TN	3,953,423	21.4%	19.2%	70,572	\$21.77	0.0%	-1.9%
Oklahoma City, OK	3,828,053	15.9%	15.9%	(947)	\$17.78	4.6%	1.5%
Orlando, FL	5,760,213	15.4%	15.7%	(19,241)	\$24.23	2.2%	1.5%
Raleigh/Durham/Chapel Hill, NC	5,559,971	8.1%	7.8%	165,137	\$23.41	-0.2%	-0.8%
Savannah, GA	570,394	12.2%	12.9%	(4,970)	\$19.15	0.0%	1.3%
Tampa Bay, FL	4,799,966	15.4%	15.4%	867	\$23.15	0.2%	2.5%
West Palm Beach/Palm Beach County, FL	3,316,979	20.9%	21.8%	(32,580)	\$37.25	0.4%	0.1%
South Total	170,261,099	17.0%	16.7%	356,330	\$26.26	0.4%	0.6%

UNITED STATES | DOWNTOWN OFFICE | CLASS A (continued)

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	VACANCY RATE (%) MAR 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)	AVG ANNUAL QUOTED RENT (USD) JUNE 30, 2012	QUARTERLY CHANGE IN RENT (%)	ANNUAL CHANGE IN RENT (%)
MIDWEST							
Chicago, IL	60,767,076	14.8%	15.0%	(159,541)	\$37.35	0.2%	-0.7%
Cincinnati, OH	8,815,068	20.1%	19.9%	16,292	\$23.22	-0.1%	0.1%
Cleveland, OH	9,728,269	12.1%	13.5%	(135,290)	\$22.00	1.6%	6.3%
Columbus, OH	8,106,210	11.2%	10.6%	48,400	\$19.89	1.3%	4.7%
Detroit, MI	9,135,621	19.1%	20.3%	(405,742)	\$23.63	5.0%	4.6%
Grand Rapids, MI	1,542,050	23.6%	22.3%	19,669	\$19.33	-7.5%	-2.9%
Indianapolis, IN	9,928,804	19.1%	19.2%	(2,490)	\$19.05	-2.7%	-2.2%
Kansas City, MO	10,509,523	19.5%	19.2%	31,916	\$19.04	-0.2%	-1.7%
Milwaukee, WI	5,607,884	12.1%	12.2%	(3,259)	\$19.60	-2.6%	-3.4%
Minneapolis, MN	13,618,828	13.0%	12.7%	23,348	\$15.25	0.0%	0.0%
Omaha, NE	3,417,878	3.6%	3.5%	924	\$19.88	0.1%	5.7%
St. Louis, MO	10,678,000	16.9%	16.7%	30,827	\$17.47	-0.3%	-2.9%
St. Paul, MN	3,123,449	10.7%	10.5%	23,348	\$13.17	0.0%	0.0%
Midwest Total	154,978,660	15.3%	15.3%	(511,598)	\$26.44	0.4%	0.2%
WEST							
Bakersfield, CA	669,798	5.0%	4.1%	5,711	\$17.40	0.0%	0.0%
Boise, ID	2,056,629	8.2%	7.2%	19,986	\$20.71	8.5%	15.1%
Denver, CO	20,967,814	11.4%	10.4%	196,009	\$29.56	1.3%	3.3%
Fresno, CA	1,058,046	12.4%	12.4%	-	\$24.00	0.0%	-2.4%
Honolulu, HI	4,966,720	14.0%	14.0%	191	\$35.16	0.0%	-0.7%
Las Vegas, NV	807,588	11.2%	12.0%	(6,077)	\$30.84	0.8%	-4.5%
Los Angeles, CA	17,749,600	15.2%	15.8%	(107,900)	\$36.36	-5.3%	-5.6%
Oakland, CA	10,198,245	11.7%	10.6%	102,405	\$31.80	0.8%	3.6%
Phoenix, AZ	9,459,620	19.6%	19.5%	14,609	\$23.70	1.0%	-0.8%
Portland, OR	13,205,838	7.9%	9.3%	(194,892)	\$24.74	-1.3%	-0.2%
Reno, NV	666,643	19.2%	19.3%	(152)	\$21.73	-1.5%	2.7%
Sacramento, CA	9,062,694	8.7%	8.6%	997	\$32.64	1.1%	0.7%
San Diego, CA	7,254,266	17.7%	17.9%	(11,541)	\$28.68	1.7%	-0.1%
San Francisco, CA	54,861,223	12.0%	11.8%	507,067	\$44.81	3.0%	21.4%
San Jose/Silicon Valley	3,365,127	29.2%	28.9%	8,628	\$33.11	4.1%	3.8%
Seattle/Puget Sound, WA	32,284,117	15.5%	14.7%	405,153	\$30.63	1.7%	3.1%
Stockton, CA	2,768,532	29.8%	28.4%	27,690	\$20.64	1.2%	-4.4%
Walnut Creek/Pleasanton, CA	8,233,222	15.2%	15.9%	(57,111)	\$27.60	0.0%	5.3%
West Total	199,635,722	13.6%	13.4%	910,773	\$33.97	1.4%	7.7%
US Totals	1,045,030,043	14.4%	14.3%	732,433	\$41.17	0.9%	6.1%

UNITED STATES | SUBURBAN OFFICE | ALL INVENTORY

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	NEW SUPPLY Q2 2012 (SF)	UNDER CONSTRUCTION (SF)	VACANCY RATE (%) MAR. 31,2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)
NORTHEAST						
Baltimore, MD	78,547,805	289,085	1,316,234	13.5%	13.5%	299,382
Boston, MA	109,446,838	-	827,355	20.5%	19.4%	1,320,634
Fairfield County, CT	41,383,710	-	-	11.2%	12.4%	(421,934)
Hartford, CT	12,247,885	-	-	17.7%	16.4%	166,012
Long Island, NY	71,220,175	-	96,000	10.3%	10.7%	(150,367)
New Jersey – Central	103,593,744	-	-	16.7%	17.1%	(388,823)
New Jersey – Northern	138,217,072	-	-	15.5%	15.8%	(421,912)
Philadelphia, PA	109,954,115	-	654,000	15.5%	15.0%	558,415
Pittsburgh, PA	93,151,677	33,157	230,075	7.9%	8.0%	(36,274)
Washington, DC	276,314,249	-	4,206,751	15.3%	15.2%	265,025
Westchester County, NY	37,924,148	-	-	12.8%	13.1%	(120,087)
Northeast Total	1,072,001,418	322,242	7,330,415	14.7%	14.6%	1,070,071
SOUTH						
Atlanta, GA	171,774,581	353,822	701,126	17.7%	17.5%	627,504
Birmingham, AL	14,294,639	-	-	17.0%	17.3%	(560)
Charleston, SC	9,379,515	-	75,000	16.2%	15.3%	95,009
Charlotte, NC	74,287,537	43,900	613,282	13.4%	12.8%	461,025
Columbia, SC	5,019,643	-	-	25.8%	25.8%	1,431
Dallas/Fort Worth, TX	259,749,915	93,000	1,090,680	15.7%	15.6%	360,231
Ft. Lauderdale-Broward, FL	43,448,799	-	-	13.9%	13.7%	76,879
Houston, TX	160,136,268	48,270	2,586,502	14.7%	14.5%	1,274,610
Jacksonville, FL	43,490,399	6,285	35,607	13.8%	13.7%	68,256
Little Rock, AR	7,434,547	1,464	232,000	13.5%	12.4%	91,227
Memphis, TN	26,882,118	-	10,242	14.7%	14.0%	172,803
Miami-Dade, FL	62,809,802	228,185	141,078	14.5%	14.3%	309,120
Nashville, TN	14,399,793	-	223,020	6.1%	5.7%	65,336
Oklahoma City, OK	30,614,338	320,000	-	8.1%	8.9%	56,810
Orlando, FL	56,106,999	151,900	299,710	14.9%	14.9%	132,953
Raleigh/Durham/Chapel Hill, NC	64,743,308	30,000	-	14.7%	14.5%	183,417
Savannah, GA	1,554,208	-	-	22.2%	25.0%	(43,405)
Tampa Bay, FL	70,756,110	15,302	374,000	16.4%	16.2%	181,149
West Palm Beach/Palm Beach County, FL	28,394,785	-	-	20.0%	19.5%	99,723
South Total	1,164,977,000	1,531,000	6,702,000	15.2	15.2	2,266,000

UNITED STATES | SUBURBAN OFFICE | ALL INVENTORY (continued)

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	NEW SUPPLY Q2 2012 (SF)	UNDER CONSTRUCTION (SF)	VACANCY RATE (%) MAR. 31,2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)
MIDWEST						
Chicago, IL	155,833,941	416,270	-	17.5%	17.0%	1,045,880
Cincinnati, OH	35,273,149	-	244,798	19.1%	19.8%	(212,246)
Cleveland, OH	111,017,484	356,644	1,373,500	10.4%	10.4%	(226,573)
Columbus, OH	43,693,312	-	50,000	12.5%	12.6%	(16,223)
Detroit, MI	157,945,259	80,000	-	20.5%	18.0%	420,041
Grand Rapids, MI	11,557,283	-	382,000	23.1%	23.3%	(25,139)
Indianapolis, IN	45,730,597	-	75,000	14.2%	13.7%	185,760
Kansas City, MO	66,748,058	-	593,740	12.9%	12.4%	322,735
Milwaukee, WI	35,868,780	-	-	11.4%	11.4%	13,433
Minneapolis, MN	83,536,011	66,000	726,000	13.9%	13.8%	144,141
Omaha, NE	20,393,779	-	735,748	12.3%	11.8%	54,090
St. Louis, MO	55,244,405	-	-	10.8%	11.4%	(297,232)
Midwest Total	822,842,058	918,914	4,180,786	14.9%	14.7%	1,408,667
WEST						
Bakersfield, CA	5,994,232	18,777	26,000	7.8%	7.0%	65,627
Boise, ID	10,883,269	-	-	19.2%	18.9%	34,432
Denver, CO	104,441,042	-	310,000	14.9%	14.5%	492,191
Fairfield, CA	4,872,493	-	-	24.4%	25.4%	(51,378)
Fresno, CA	17,992,713	12,200	10,000	13.2%	12.7%	96,584
Honolulu, HI	7,507,311	-	-	13.1%	12.6%	34,437
Las Vegas, NV	35,137,556	4,500	67,692	26.3%	25.8%	172,737
Los Angeles/Inland Empire, CA	21,626,300	141,100	-	23.3%	22.6%	239,300
Los Angeles, CA	168,490,800	40,800	1,400,500	18.3%	17.9%	562,900
Oakland, CA	16,165,151	99,000	-	18.6%	20.3%	(188,285)
Orange County, CA	80,477,400	-	380,000	18.6%	17.7%	608,400
Phoenix, AZ	110,325,647	-	236,210	22.1%	21.7%	33,143
Portland, OR	44,464,386	194,130	293,024	11.9%	12.0%	144,553
Reno, NV	9,373,423	-	-	16.5%	16.8%	(27,964)
Sacramento, CA	72,773,372	-	452,608	19.5%	19.3%	113,570
San Diego, CA	68,108,125	-	-	14.3%	14.1%	122,842
San Francisco Peninsula	35,123,418	-	-	12.5%	12.5%	15,236
San Jose/Silicon Valley	54,389,344	306,000	937,087	13.9%	14.2%	(90,203)
Seattle/Puget Sound, WA	73,024,157	-	55,000	12.9%	13.0%	(23,958)
Walnut Creek/Pleasanton, CA	33,007,299	-	-	14.6%	13.8%	195,575
West Total	974,177,438	816,507	4,168,121	17.2%	16.9%	2,549,739
U.S. TOTALS	4,014,298,218	3,349,791	22,061,569	15.5%	15.3%	9,241,995

UNITED STATES | SUBURBAN OFFICE | CLASS A

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)	AVERAGE ANNUAL QUOTED RENT (USD PSF) JUNE 30, 2012	QUARTERLY CHANGE IN RENT (%)	ANNUAL CHANGE IN RENT (%)
NORTHEAST							
Baltimore, MD	27,953,227	15.4%	15.1%	291,489	\$25.48	1.2%	0.7%
Boston, MA	45,953,515	18.2%	17.0%	528,883	\$25.92	-0.5%	0.1%
Fairfield County, CT	17,469,135	12.0%	13.0%	(183,111)	\$37.28	-1.5%	7.7%
Hartford, CT	7,865,657	16.2%	16.2%	5,305	\$20.66	-0.1%	0.5%
Long Island, NY	23,149,823	11.6%	12.1%	(12,424)	\$30.02	0.0%	0.4%
New Jersey – Central	60,412,122	17.9%	18.2%	(111,693)	\$22.77	-0.8%	-1.3%
New Jersey – Northern	84,371,119	14.3%	15.2%	(757,427)	\$23.38	0.0%	-2.4%
Philadelphia, PA	67,304,273	14.9%	14.3%	420,912	\$24.50	0.7%	1.9%
Pittsburgh, PA	17,409,489	7.6%	7.0%	64,610	\$21.64	-4.6%	-0.2%
Washington, DC	129,495,191	15.3%	15.0%	402,118	\$29.32	0.5%	2.5%
Westchester County, NY	18,286,188	16.4%	16.4%	(2,479)	\$26.94	-0.4%	-2.4%
Northeast Total	499,669,739	15.2%	15.1%	646,183	\$26.17	-0.1%	-0.1%
SOUTH							
Atlanta, GA	79,190,873	17.4%	16.8%	715,195	\$22.04	-0.1%	-1.2%
Birmingham, AL	8,942,736	16.5%	16.0%	48,785	\$21.15	-0.3%	-0.9%
Charleston, SC	3,942,925	11.5%	11.1%	18,208	\$23.09	-0.2%	0.0%
Charlotte, NC	18,617,462	15.6%	14.5%	181,105	\$21.64	0.0%	6.5%
Columbia, SC	976,050	12.0%	12.8%	(7,283)	\$16.90	-3.2%	0.5%
Dallas/Fort Worth, TX	92,408,987	17.0%	16.8%	220,220	\$25.00	0.0%	1.0%
Ft. Lauderdale-Broward, FL	10,979,840	19.1%	19.1%	(15,029)	\$27.85	0.6%	-2.3%
Houston, TX	67,651,729	12.4%	12.3%	924,290	\$27.81	-3.6%	4.4%
Jacksonville, FL	9,203,633	10.4%	9.8%	53,250	\$19.50	-2.4%	-4.3%
Little Rock, AR	2,846,861	19.1%	19.0%	2,137	\$19.42	1.5%	5.0%
Memphis, TN	7,975,880	8.6%	7.9%	61,052	\$21.60	-0.3%	2.2%
Miami-Dade, FL	15,841,668	20.0%	20.4%	173,370	\$30.55	-3.0%	-3.7%
Nashville, TN	7,016,156	4.7%	3.9%	51,084	\$22.78	0.9%	0.9%
Oklahoma City, OK	3,234,116	10.1%	16.6%	78,469	\$19.87	-0.1%	-1.5%
Orlando, FL	17,059,754	19.1%	20.3%	(75,804)	\$21.81	-0.8%	-1.8%
Raleigh/Durham/Chapel Hill, NC	24,530,392	15.9%	15.0%	229,879	\$20.85	-1.0%	-0.9%
Savannah, GA	490,035	22.6%	30.4%	(52,452)	\$22.66	0.2%	1.6%
Tampa Bay, FL	23,403,801	17.5%	16.2%	306,774	\$22.90	-0.7%	-0.7%
West Palm Beach/Palm Beach County, FL	9,169,027	19.1%	19.0%	12,427	\$30.07	-0.2%	-0.1%
South Total	403,481,925	15.9%	15.6%	2,925,677	\$24.20	-1.0%	0.6%

UNITED STATES | SUBURBAN OFFICE | CLASS A

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)	AVERAGE ANNUAL QUOTED RENT (USD PSF) JUNE 30, 2012	QUARTERLY CHANGE IN RENT (%)	ANNUAL CHANGE IN RENT (%)
MIDWEST							
Chicago, IL	76,336,349	18.3%	17.8%	727,251	\$27.14	-0.6%	0.5%
Cincinnati, OH	15,073,115	19.2%	20.6%	(165,810)	\$20.41	0.2%	-4.9%
Cleveland, OH	13,200,373	10.5%	10.1%	290,381	\$21.62	1.8%	0.4%
Columbus, OH	17,976,571	10.7%	11.1%	(61,912)	\$18.55	1.3%	1.3%
Detroit, MI	28,465,645	19.1%	17.3%	223,916	\$20.64	-3.2%	-4.8%
Grand Rapids, MI	2,206,876	28.4%	28.1%	(2,500)	\$19.31	-0.1%	0.5%
Indianapolis, IN	12,403,471	18.5%	18.1%	44,819	\$18.27	0.9%	-1.4%
Kansas City, MO	15,592,617	13.6%	11.8%	272,716	\$20.61	-0.8%	-0.5%
Milwaukee, WI	6,515,804	10.0%	10.0%	5,294	\$20.28	0.0%	0.5%
Minneapolis, MN	25,658,170	15.5%	15.2%	100,892	\$13.26	0.0%	0.0%
Omaha, NE	4,297,123	5.3%	4.9%	18,544	\$25.82	0.3%	0.0%
St. Louis, MO	25,996,388	10.0%	10.7%	(172,664)	\$21.94	-0.3%	-1.1%
Midwest Total	243,722,502	15.6%	15.3%	1,280,927	\$21.87	-0.4%	-2.3%
WEST							
Bakersfield, CA	2,697,867	4.8%	4.8%	(341)	\$24.00	0.0%	0.0%
Boise, ID	4,636,294	21.2%	21.0%	6,455	\$17.15	0.3%	-4.7%
Denver, CO	34,040,026	12.7%	12.2%	170,896	\$23.33	2.4%	4.9%
Fairfield, CA	1,917,086	22.7%	26.0%	(64,078)	\$25.55	-2.0%	1.9%
Fresno, CA	3,943,106	20.2%	18.7%	58,436	\$25.20	0.0%	0.0%
Las Vegas, NV	5,078,624	35.0%	34.8%	7,998	\$29.16	-0.7%	-5.0%
Los Angeles/Inland Empire, CA	5,194,800	27.2%	28.3%	41,200	\$23.16	0.5%	-1.0%
Los Angeles, CA	102,115,100	18.1%	17.7%	322,300	\$32.52	-2.9%	-4.9%
Oakland, CA	3,870,228	22.7%	27.0%	(87,689)	\$27.72	5.5%	5.0%
Orange County, CA	32,834,800	20.2%	19.1%	358,500	\$25.68	-0.5%	-0.5%
Phoenix, AZ	30,236,439	24.7%	23.9%	30,814	\$22.65	-1.0%	-4.4%
Portland, OR	10,982,963	14.5%	13.6%	219,363	\$21.63	0.0%	-8.6%
Reno, NV	917,122	18.5%	17.0%	14,003	\$18.31	-0.5%	-1.9%
Sacramento, CA	16,049,530	23.5%	22.8%	104,057	\$22.44	0.3%	-3.4%
San Diego, CA	23,725,293	12.4%	11.7%	125,951	\$32.40	2.3%	4.2%
San Francisco Peninsula	22,262,248	11.5%	11.3%	48,157	\$41.76	-0.3%	20.0%
San Jose/Silicon Valley	26,701,508	14.3%	15.3%	(37,314)	\$39.84	7.8%	13.3%
Seattle/Puget Sound, WA	26,835,320	14.8%	15.4%	(14,070)	\$31.91	1.4%	19.3%
Walnut Creek/Pleasanton, CA	15,979,480	12.8%	11.5%	202,214	\$24.36	2.5%	-5.1%
West Total	370,017,834	17.3%	17.0%	1,506,852	\$29.55	0.3%	2.0%
U.S. TOTALS	1,516,892,000	16.0%	15.7%	6,359,639	\$25.78	-0.3%	0.2%

CANADA | DOWNTOWN OFFICE | ALL INVENTORY

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	NEW SUPPLY Q2 2012 (SF)	UNDER CONSTRUCTION SF	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)
Calgary, AB	38,597,994	-	2,631,000	4.2%	3.5%	279,455
Edmonton, AB	11,260,840	-	-	10.7%	8.9%	204,611
Guelph, ON	383,244	-	11,714	10.8%	11.3%	(1,858)
Halifax, NS	4,695,722	3,165	100,000	13.2%	13.0%	11,694
Montréal, QC	49,428,581	-	304,000	5.4%	5.6%	(44,978)
Ottawa, ON	15,526,942	-	360,000	6.2%	6.2%	679
Regina, SK	3,462,435	-	332,000	1.7%	1.5%	8,815
Saskatoon, SK	2,155,665	-	230,000	1.8%	1.9%	4,000
Toronto, ON	69,506,163	-	2,452,500	5.4%	5.5%	1,853
Vancouver, BC	24,408,488	24,676	1,249,310	3.8%	3.5%	88,994
Victoria, BC*	4,952,849	-	-	7.7%	7.8%	(4,496)
Waterloo Region, ON	3,770,922	147,850	44,075	11.5%	15.0%	(1,845)
Canada Total	228,149,845	175,691	7,714,599	5.6%	5.5%	546,924

CANADA | DOWNTOWN OFFICE | CLASS A

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)	AVG ANNUAL QUOTED RENT (CAD PSF) JUNE 30, 2012	QUARTERLY CHANGE IN RENT (%)	ANNUAL CHANGE IN RENT (%)
Calgary, AB	25,757,389	1.9%	1.4%	127,605	\$62.00	6.9%	29.2%
Edmonton, AB	9,074,913	8.7%	8.5%	213,784	\$41.44	0.0%	5.7%
Guelph, ON	202,846	0.0%	0.0%	-	\$23.10	0.0%	-11.2%
Halifax, NS	1,933,746	10.3%	9.2%	20,089	\$32.36	0.0%	-0.1%
Montréal, QC	23,075,596	5.1%	5.1%	7,341	\$42.00	0.0%	10.5%
Ottawa, ON	9,535,830	5.8%	5.3%	56,689	\$49.30	1.9%	1.4%
Regina, SK	874,911	1.9%	1.0%	8,054	\$40.40	3.9%	8.9%
Saskatoon, SK	491,596	0.9%	1.0%	(420)	\$38.00	2.7%	11.8%
Toronto, ON	37,306,612	5.5%	5.7%	(94,949)	\$53.44	-0.4%	2.0%
Vancouver, BC	10,029,234	2.4%	2.0%	73,792	\$55.00	0.0%	2.2%
Victoria, BC*	820,748	7.5%	9.4%	(16,041)	\$36.00	-4.7%	-4.8%
Waterloo Region, ON	1,559,429	4.7%	13.2%	(7,492)	\$25.28	-2.5%	-1.8%
Canada Total	120,662,850	4.7%	4.7%	388,452	\$50.95	1.6%	9.5%

* Victoria, BC, year end is Q3

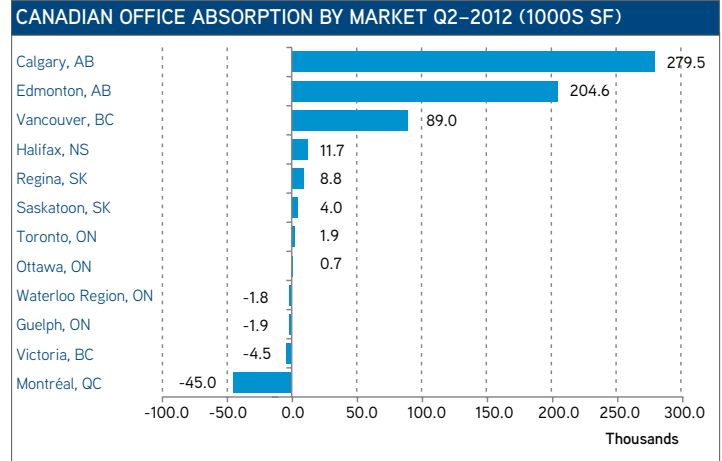
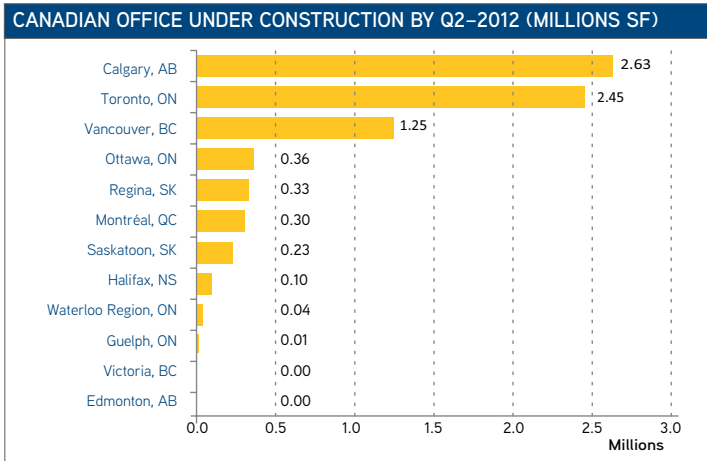
CANADA | SUBURBAN OFFICE | ALL INVENTORY

MARKET	EXISTING INVENTORY (SF) JUNE, 2012	NEW SUPPLY Q2 2012 (SF)	UNDER CONSTRUCTION (SF)	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)
Calgary, AB	24,048,632	160,968	1,214,280	8.3%	8.5%	78,471
Edmonton, AB	8,993,180	-	278,884	11.9%	11.8%	10,454
Guelph, ON	1,383,251	-	-	4.7%	4.6%	1,633
Halifax, NS	6,757,789	89,690	73,500	11.9%	13.2%	28,813
Montréal, QC	23,699,550	-	298,304	8.6%	8.5%	33,385
Ottawa, ON	21,008,158	-	122,450	8.5%	8.6%	(16,740)
Regina, SK	720,541	-	40,000	0.1%	0.6%	(3,620)
Vancouver, BC	27,677,931	-	1,346,142	11.2%	11.2%	(38,124)
Victoria, BC*	3,620,978	28,000	83,000	9.1%	8.5%	45,098
Waterloo Region, ON	7,121,961	79,305	144,793	11.4%	11.3%	79,780
Toronto, ON	68,464,517	180,359	842,810	9.1%	9.6%	(143,285)
CANADA TOTALS	193,496,488	538,322	4,444,163	9.4%	9.7%	75,865

CANADA | SUBURBAN OFFICE | CLASS A

MARKET	EXISTING INVENTORY (SF) JUNE 30, 2012	VACANCY RATE (%) MAR. 31, 2012	VACANCY RATE (%) JUNE 30, 2012	ABSORPTION Q2 2012 (SF)	AVG ANNUAL QUOTED RENT (CAD PSF) JUNE 30, 2012	QUARTERLY CHANGE IN RENT (%)	ANNUAL CHANGE IN RENT (%)
Calgary, AB	11,220,334	6.7%	5.9%	235,576	\$43.00	2.4%	13.2%
Guelph, ON	847,518	4.0%	3.8%	1,633	\$26.45	1.9%	8.8%
Halifax, NS	2,905,780	9.2%	13.1%	(89,665)	\$29.23	-0.8%	4.4%
Montréal, QC	13,336,192	7.1%	6.9%	34,538	\$27.00	-3.6%	-10.0%
Ottawa, ON	11,944,116	8.6%	8.2%	54,570	\$31.46	0.6%	5.0%
Regina, SK	448,343	0.0%	0.0%	-	\$28.50	0.0%	0.0%
Vancouver, BC	13,426,379	12.2%	11.1%	123,833	\$36.25	0.0%	-5.2%
Victoria, BC*	817,488	8.7%	8.4%	2,191	\$36.00	-10.0%	-10.0%
Waterloo Region, ON	3,405,714	15.3%	14.5%	93,405	\$24.29	0.5%	11.0%
Toronto, ON	30,892,647	9.6%	10.6%	(135,837)	\$30.82	1.4%	1.1%
CANADA TOTALS	89,244,511	9.4%	9.7%	320,244	\$32.38	0.4%	0.7%

* Victoria, BC, year end is Q3



UNITED STATES | OFFICE INVESTMENT

MARKET	CBD SALES PRICE (USD PSF)	CBD CAP RATE (%)	SUBURBAN SALES PRICE (USD PSF)	SUBURBAN CAP RATE (%)
Atlanta, GA	\$135.00	7.80	\$120.00	9.20
Baltimore, MD			\$80.77	8.50
Boston, MA	\$249.00	6.00	\$194.50	7.13
Charleston, SC	\$250.00	8.00	\$135.00	11.00
Chicago, IL	\$350.00	6.50	\$225.00	7.25
Cincinnati, OH	\$125.00	9.75	\$137.50	9.50
Columbus, OH				8.80
Dallas/Fort Worth, TX			\$115.00	8.00
Denver, CO	\$189.00	6.50	\$159.00	7.10
Detroit, MI	\$84.23	12.00	\$28.67	12.86
Fairfield County, CT			\$190.00	7.30
Fresno, CA	\$125.00	9.00	\$175.00	8.50
Ft. Lauderdale-Broward, FL			\$71.96	
Grand Rapids, MI	\$123.50	9.25	\$115.00	8.75
Hartford, CT			\$36.08	11.00
Houston, TX			\$140.00	6.80
Indianapolis, IN	\$176.00	8.00	\$160.00	8.00
Las Vegas, NV	\$23.36		\$57.98	
Little Rock, AR	\$88.00	9.50	\$110.00	9.25
Long Island, NY			\$191.88	7.84
Los Angeles – Inland Empire, CA			\$175.00	8.00
Los Angeles, CA	\$230.00	6.90	\$210.00	8.80
Memphis, TN			\$54.10	
Miami-Dade, FL	\$331.00		\$205.00	8.65
Minneapolis, MN			\$66.50	
Nashville, TN	\$115.00	6.50	\$230.00	6.80
New Jersey – Central			\$106.61	6.90
New Jersey – Northern			\$75.89	6.56
New York, NY – Downtown Manhattan	\$281.00	5.00		
New York, NY – Midtown Manhattan	\$741.00	4.70		
New York, NY – Midtown South Manhattan	\$570.00	4.90		
Oakland, CA		7.50	\$111.69	8.50
Orange County, CA			\$325.00	6.50
Orlando, FL	\$170.00	8.50	\$165.00	7.50
Philadelphia, PA	\$135.00	8.00	\$162.00	8.00
Phoenix, AZ			\$78.00	7.80
Pittsburgh, PA	\$120.00	8.26	\$110.00	8.25
Portland, OR			\$107.11	
Sacramento, CA	\$80.42		\$79.65	
San Diego, CA			\$113.27	
San Francisco Peninsula			\$250.00	7.00
San Francisco, CA	\$586.75	5.60		
San Jose/Silicon Valley			\$350.00	6.00

UNITED STATES | OFFICE INVESTMENT (continued)

MARKET	CBD SALES PRICE (USD PSF)	CBD CAP RATE (%)	SUBURBAN SALES PRICE (USD PSF)	SUBURBAN CAP RATE (%)
Savannah, GA	\$150.00	9.50	\$120.00	9.75
Seattle/Puget Sound, WA	\$282.00	6.20	\$362.00	
St. Louis, MO	\$85.00	9.75	\$130.00	8.50
Stamford, CT	\$236.00	8.00		
Stockton, CA	\$138.00	8.50		
Tampa Bay, FL	\$42.78	8.00	\$127.98	9.50
Walnut Creek/Pleasanton, CA	\$120.00	8.00	\$90.00	8.50
Washington, DC	\$700.00	5.75	\$200.00	7.50
West Palm Beach/Palm Beach County, FL	\$162.00	8.50	\$88.65	
Westchester County, NY			\$85.00	8.00
White Plains, NY	\$117.00	8.00		

CANADA | OFFICE INVESTMENT

MARKET	CBD SALES PRICE (CAD PSF)	CBD CAP RATE (%)	SUBURBAN SALES PRICE (CAD PSF)	SUBURBAN CAP RATE (%)
Calgary, AB	\$550.00	5.50	\$440.00	6.00
Guelph, ON	\$140.00	7.25	\$150.00	7.50
Halifax, NS			\$123.70	7.50
Montréal, QC	\$275.00	6.50	\$190.00	7.25
Ottawa, ON	\$300.00	6.95	\$150.00	7.50
Regina, SK	\$124.00	7.00		
Saskatoon, SK	\$240.00	7.00		
Vancouver, BC	\$500.00	4.75	\$350.00	6.50
Victoria, BC	\$330.00	6.00	\$330.00	6.15
Waterloo Region, ON	\$140.00	7.25	\$150.00	7.50

Glossary

Inventory — Includes all existing multi- or single-tenant leased and owner-occupied office properties greater than or equal to 10,000 square feet (net rentable area). In some larger markets this minimum size threshold may vary up to 50,000 square feet. Does not include medical or government buildings.

Vacancy Rate — Percentage of total inventory physically vacant as of the survey date, including direct vacant and sublease space.

Absorption — Net change in physically occupied space over a given period of time.

New Supply — Includes completed speculative and build-to-suit construction. New supply quoted on a net basis after any demolitions or conversions.

Annual Quoted Rent — Includes all costs associated with occupying a full floor in the mid-rise portion of a Class A building, inclusive of taxes, insurance, maintenance, janitorial and utilities (electricity surcharges added where applicable). All office rents in this report are quoted on an annual, gross per square foot basis. Rent calculations do not include sublease space.

Cap Rate — (Or **going-in cap rate**) Capitalization rates in this survey are based on multi-tenant institutional grade buildings fully leased at market rents. Cap rates are calculated by dividing net operating income (NOI) by purchase price.

Note: **SF** = square feet
MSF = million square feet
PSF = per square foot
CBD = central business district

522 offices in
62 countries on
6 continents

United States: 147
 Canada: 37
 Latin America: 19
 Asia Pacific: 201
 EMEA: 118

- \$1.8 billion in annual revenue
- 1.25 billion square feet under management
- Over 12,300 professionals

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