

DCN:6155

THE CoSTAR OFFICE REPORT

THIRD QUARTER 2004

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 27 billion square feet of coverage in 1.1 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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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)

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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.

Released 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 each rental rate to the square footage associated with all rental rates, multiplying the rental rate by that ratio, and then adding together all the resulting numbers.

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.

U.S. OFFICE MARKET REBOUND CONTINUES

Net Absorption Picks Up Strength; Vacant Direct Space Begins To Recede

The U.S. office market ended the third quarter 2004 with a vacancy rate of 14.1%. The vacancy rate was down three-tenths of a percentage point compared to the previous quarter.

Net absorption totaled 29.96 million square feet in the third quarter up from 24.95 million in the second quarter. The U.S. hasn't seen that strong of back-to-back net absorption since the first two quarters of 2000.

Rental rates ended the second quarter at \$21.62 per square foot, a decrease of 6 cents from the previous quarter.

Vacancy

The office vacancy rate in the U.S. office market decreased to 14.1% at the end of the third quarter 2004. The vacancy rate was 14.4% at the end of the second quarter 2004 and 14.6% a year ago.

Improving conditions extended to more markets across the country in the third quarter. Thirty-one of 44 markets for which CoStar publishes quarterly office reports posted declines in total vacancy from the second quarter of 2004. That compares to only 22 markets that have shown improvement year to year.

Portland posted the largest drop in vacancy in the quarter, going from 15.7% to 14.2%. Memphis and Dayton each saw their vacancy rates shoot up more than 15% in the quarter.

Year to year, Orange County showed the largest drop in its vacancy rate going from 13.3% to 10.4%.

Another positive national trend is that for the second quarter in a row, the office market posted a decrease in the amount of direct vacant space. Sublet vacant space has been declining since the first quarter of 2002, but direct vacancy has only come down

in the last two quarters.

That was not the case in all local markets. In Baltimore, Boston, Dallas/Fort Worth and Phoenix, there was an increase in direct vacancy, which was primarily the result of significant amounts of newly delivered space.

The amount of direct vacant space also increased in Charlotte, Chicago, Columbus, Detroit, Indianapolis, Kansas City, Pittsburgh and Sacramento. In those markets, the amount of vacant sublet space continued to decline either through absorption or the conversion of the space to direct space.

Class-A projects reported a vacancy rate of 15.4% at the end of the third quarter 2004, 15.8% at the end of the second quarter 2004, 16.3% at the end of the first quarter 2004, and 16.5% at the end of the fourth quarter 2003.

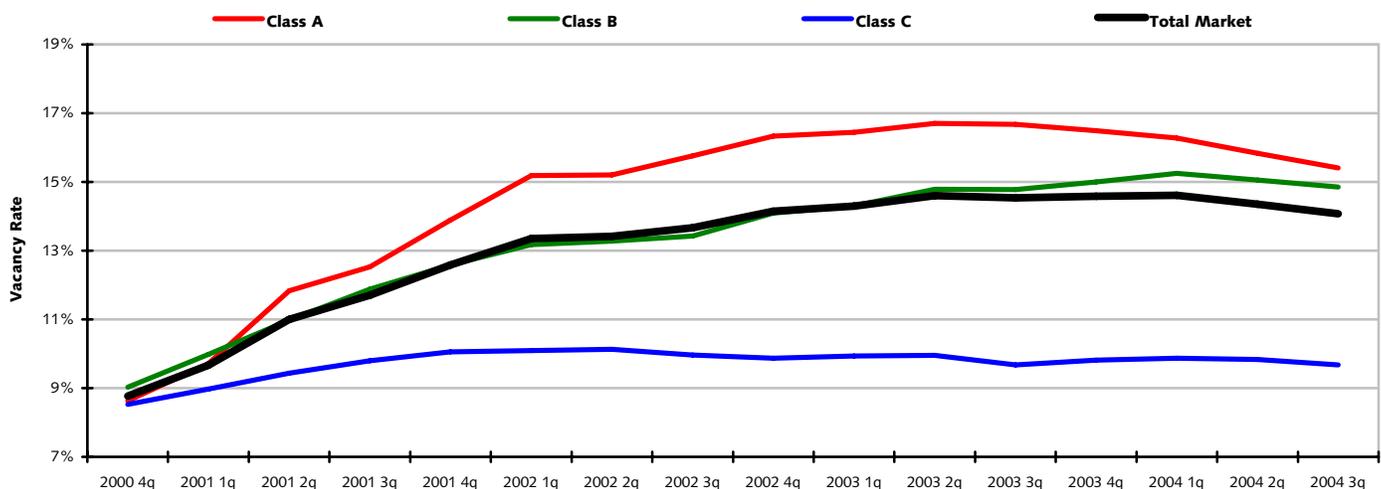
Class-B projects reported a vacancy rate of 14.9% at the end of the third quarter 2004, 15.1% at the end of the second quarter 2004, 15.3% at the end of the first quarter 2004, and 15.0% at the end of the fourth quarter 2003.

Class-C projects reported a vacancy rate of 9.7% at the end of the third quarter 2004, and 9.9% since the end of the fourth quarter 2003.

The overall vacancy rate in the combined central business districts at the end of the third quarter 2004 decreased to 13.3%. The vacancy rate was 13.5% at the end of the second quarter 2004, and 13.7% since end of the fourth quarter 2003.

The vacancy rate in the suburban markets decreased to 14.4% in the third quarter 2004. The vacancy rate was 14.7% at the end of the second quarter 2004, 15.0% at the end of the first quarter 2004, and 14.9% at the end of the fourth quarter 2003.

VACANCY RATES BY CLASS* 2000-2004



Source: CoStar Property® * Excludes Portland



Absorption

Thirty-seven of 44 markets for which CoStar publishes quarterly office reports posted positive net absorption for the quarter. Of those, 10 posted more than 1 million square feet of positive absorption each. Washington, DC, was the absorption leader posting approximately 5.4 million square feet with 75% of that occurring in its Northern Virginia region.

Boston was the largest market in the country to post negative net absorption -- a negative (65,000) square feet in the quarter. There was more than 1 million square feet of new office space delivered in the market, the notable delivery was 33 Arch St., a 603,309-square-foot facility that delivered 56% occupied.

The Class-A office market recorded net absorption of positive 19,662,287 square feet in the third quarter 2004, compared to positive 17,975,699 square feet in the second quarter 2004, positive 10,476,488 in the first quarter 2004, and positive 15,529,692 in the fourth quarter 2003.

The Class-B office market recorded net absorption of positive 9,479,261 square feet in the third quarter 2004, compared to positive 7,316,268 square feet in the second quarter 2004, negative (2,835,816) in the first quarter 2004, and negative (320,201) in the fourth quarter 2003.

The Class-C office market recorded net absorption of positive 819,980 square feet in the third quarter 2004 compared to negative (338,214) square feet in the second quarter 2004, negative (1,847,818) in the first quarter 2004, and negative (1,628,931) in the fourth quarter 2003.

Net absorption for the combined central business districts was positive 4,996,297 square feet in the third quarter 2004. That compares to positive 4,201,188 square feet in the second quarter 2004, negative (396,856) in the first quarter 2004, and positive 3,614,131 in the fourth quarter 2003.

Net absorption for the suburban markets was positive 24,965,231 square feet in the third quarter 2004. That compares

to positive 20,752,565 square feet in second quarter 2004, positive 6,189,710 in the first quarter 2004, and positive 9,966,429 in the fourth quarter 2003.

Deliveries and Construction

Despite two strong quarters of net absorption, there appears to be no rush to development. The amount of new office space started in the third quarter was just slightly more than 11.5 million square feet. That is less than average of 13.3 million per quarter going back three years.

There were notable increases in new project starts in some markets. In New York City, 2.17 million square feet of new office space construction was started in the quarter, which was in addition to the 1.6 million square feet started in the first quarter of 2004. The three-year average has been about 700,000 square feet per quarter.

The amount of new starts was nearly double or more the three-year average in Charlotte, Denver, Long Island, Philadelphia and Westchester County/Southern Connecticut.

In Washington, DC, only 493,000 square feet of new office space started construction. This was well off the pace of 1.64 million square feet started on average in the 11 previous quarters. DC still leads the country in the amount of new office space under construction with 9.87 million square feet. However, there were 11 newly proposed office buildings added to the DC database in the quarter with a total of 2.87 million square feet.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$21.62 per-square-foot per year at the end of the third quarter 2004 in the United States market area. This represented a 0.3% decrease in quoted rental rates from the end of the second quarter 2004, when rents were reported at \$21.68 per-square-foot.

The average quoted rate within the Class-A sector was \$25.11 at the end of the third quarter 2004, while Class-B rates stood at \$19.43, and Class-C rates at \$17.24. At the end of the second quarter 2004, Class-A rates were \$25.18 per-square-foot, Class-B rates were \$19.47, and Class-C rates were \$17.21.

The average quoted asking rental rate in the combined U.S. central business districts was \$25.62 at the end of the third quarter 2004, and \$20.37 in the suburban markets. In the second quarter 2004, quoted rates were \$25.64 in the CBD and \$20.45 in the suburbs.

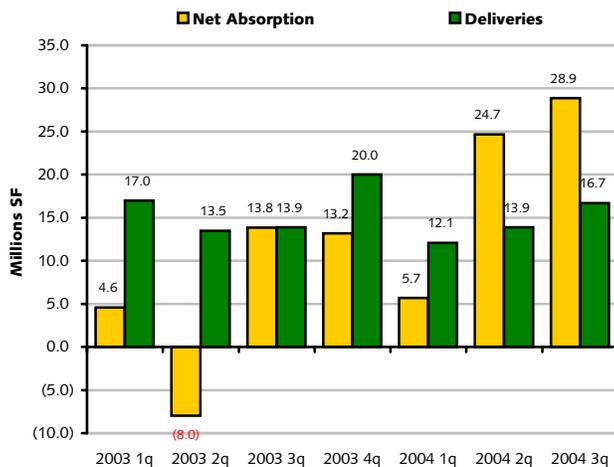
Sales Activity

Tallying office building sales of 15,000 square feet or larger, U.S. office sales figures rose during the second quarter 2004 in terms of dollar volume compared to the first quarter of 2004.

In the second quarter, 634 office transactions closed with a total volume of \$12.0 billion. The 634 buildings totaled 69.9 million square feet and the average price per square foot equated to \$171.89 per square foot. That compares to 576 transactions

ABSORPTION & DELIVERIES*

Past 9 Quarters



Source: CoStar Property® * Excludes Portland

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OVERVIEW

totaling \$9.4 billion in the first quarter 2004. The total square footage in the first quarter was 57.0 million square feet for an average price per square foot of \$164.61.

Total office building sales activity in 2004 was up compared to 2003. In the first six months of 2004, the market saw 1,210 office sales transactions with a total volume of \$21.4 billion. The price per square foot averaged \$168.62. In the same first six months of 2003, the market posted 1,059 transactions with a total volume of \$15.9 billion. The price per square foot averaged

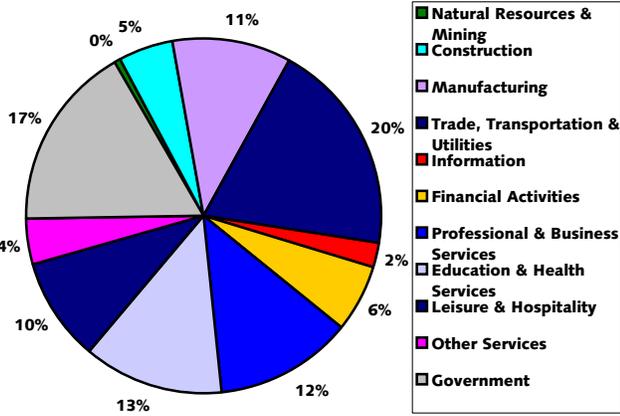
\$146.91.

Cap rates have been lower in 2004, averaging 8.58% compared to the first six months of last year when they averaged 9.29%.

One of the largest transactions that has occurred within the last 4 quarters is the sale of Sears Tower in Chicago. This 3,810,000 square foot office building sold for \$840 million, or \$220.47 per square foot. The property sold on 4/26/2004, at a 7.75% cap rate.

TOTAL EMPLOYMENT BY INDUSTRY

Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

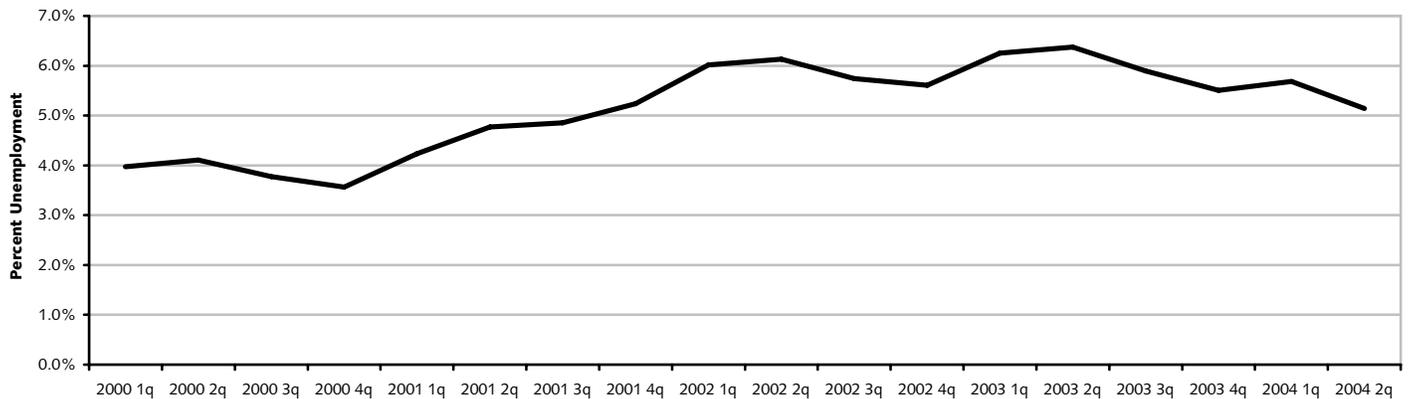
OFFICE* EMPLOYMENT GROWTH

Cumulative Growth in Office* Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	-6.80%	10.30%	-17.10%
Boston	-0.40%	6.30%	-6.70%
Chicago	-8.30%	5.20%	-13.50%
Dallas/Ft Worth	-9.30%	6.60%	-15.90%
Denver	-8.30%	9.80%	-18.10%
Los Angeles	-2.90%	2.70%	-5.60%
New York City	-10.00%	2.30%	-12.30%
Seattle/Puget Sound	-3.30%	8.50%	-11.80%
Miami-Dade County	3.30%	6.50%	-3.20%
Washington	3.50%	9.90%	-6.40%

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

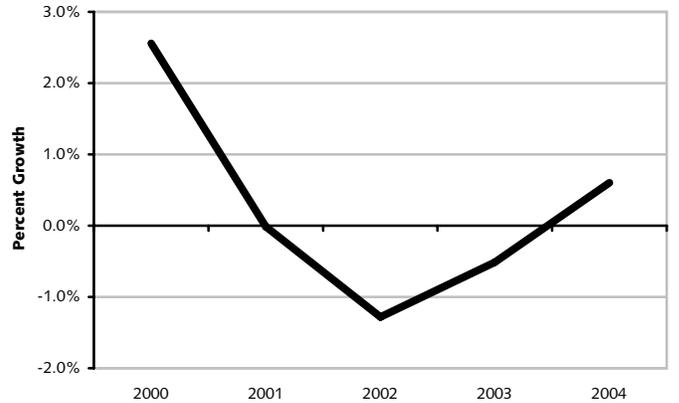
HISTORICAL UNEMPLOYMENT RATES



Source: Department of Labor, Bureau of Labor Statistics.

TOTAL EMPLOYMENT GROWTH

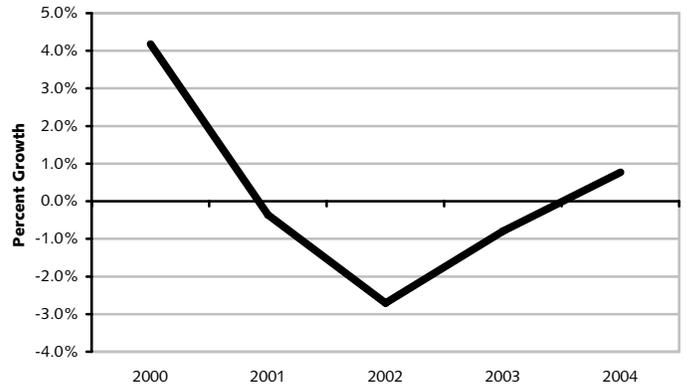
Total Number of Jobs Added Per Year



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

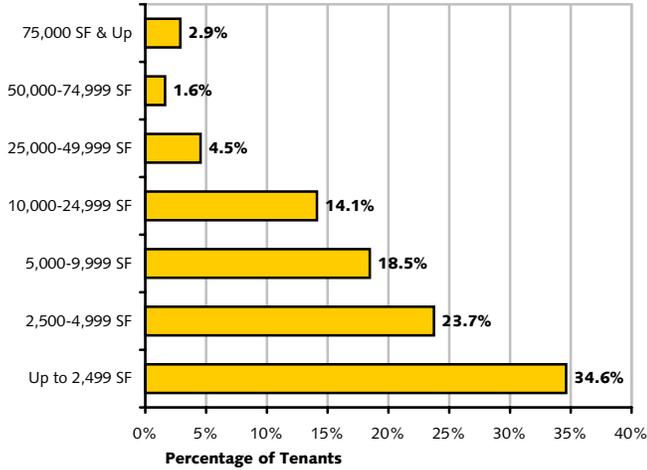
NATIONAL OFFICE MARKET



EMPLOYMENT AND TENANT

TENANT BY SIZE RANGE

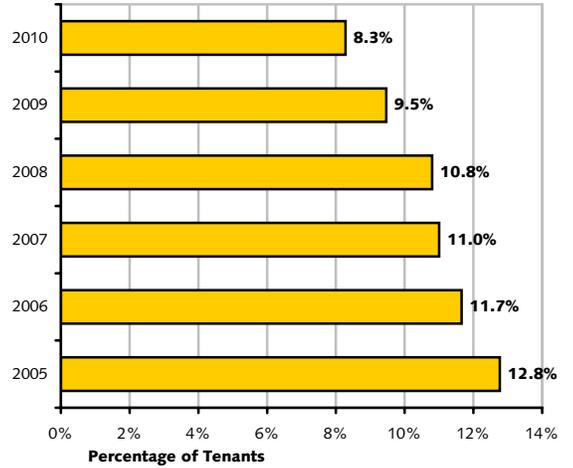
Based on Total Number of Tenants



Source: CoStar Tenant®

TENANTS BY LEASE EXPIRATION

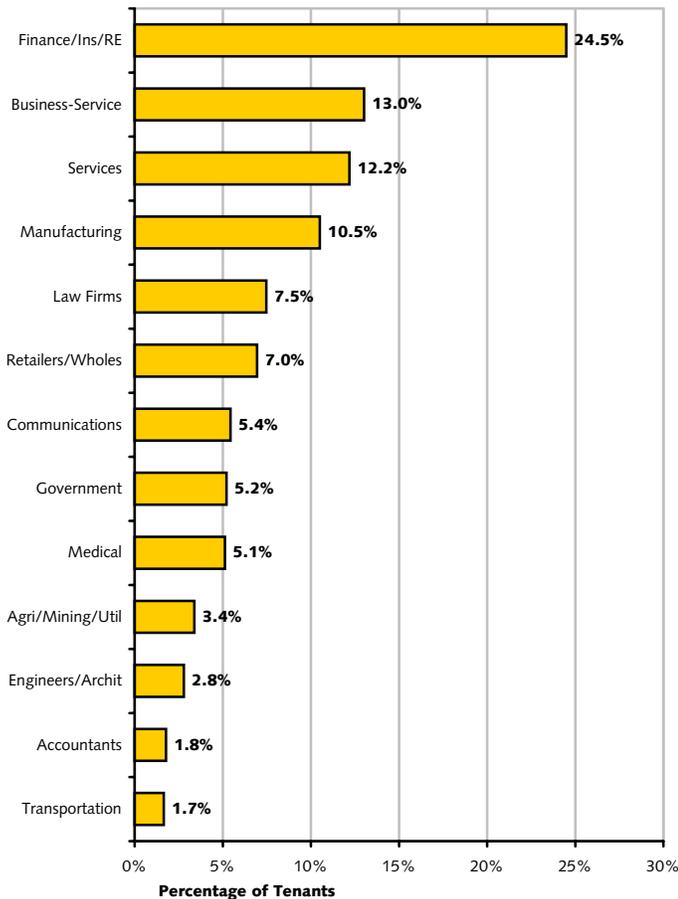
Based on Total Number of Tenants



Source: CoStar Tenant®

TENANTS BY INDUSTRY

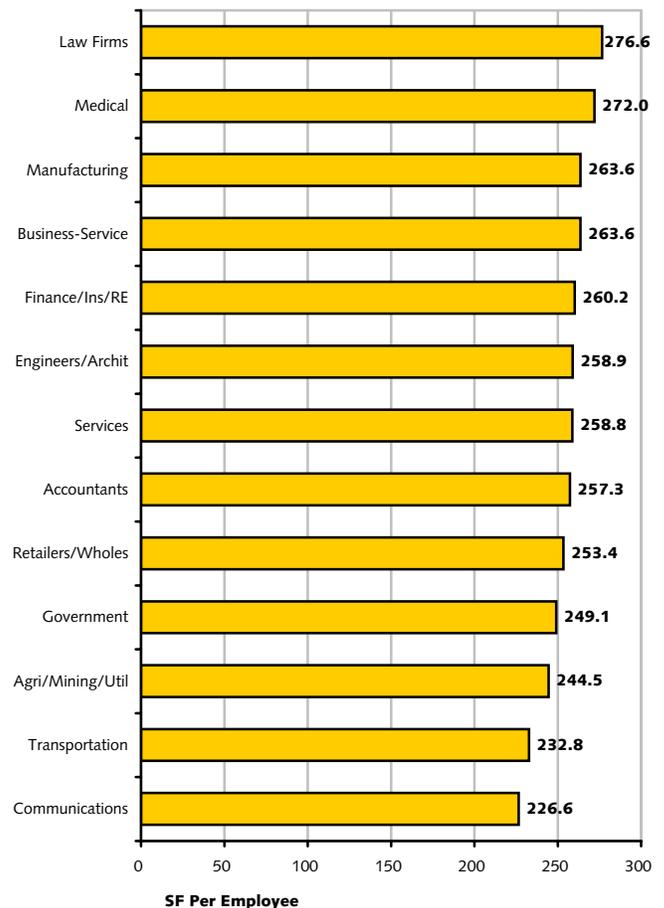
Based on Total Number of Tenants



Source: CoStar Tenant®

SF PER EMPLOYEE BY INDUSTRY

Based on Total Number of Tenants



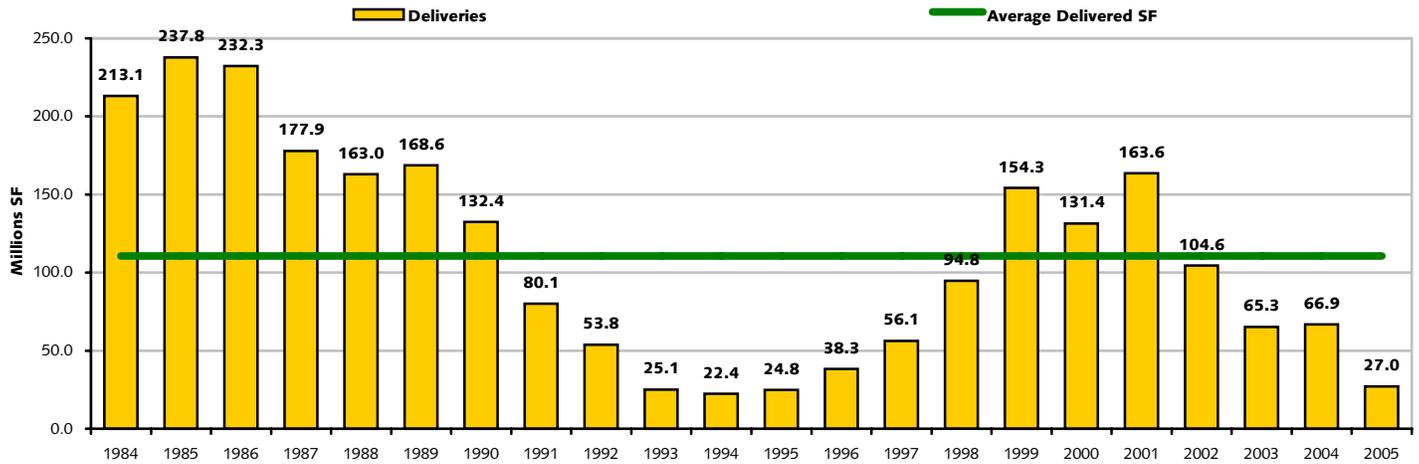
Source: CoStar Tenant®



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INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1984 - 2005



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	48	10,218,855	6,903,628	67.6%	66,324	212,893
New York City	10	7,982,695	3,525,600	44.2%	153,439	798,269
Chicago	38	4,821,003	2,861,243	59.3%	49,040	126,868
Phoenix	191	3,107,972	1,304,761	42.0%	21,538	16,272
Dallas/Ft Worth	33	2,507,137	2,078,583	82.9%	57,458	75,974
San Diego	32	2,303,553	1,074,239	46.6%	25,187	71,986
Atlanta	45	2,278,219	1,286,691	56.5%	35,676	50,627
Philadelphia	33	2,155,928	960,258	44.5%	33,345	65,331
Westchester/So Connecticut	15	1,910,380	417,035	21.8%	33,540	127,359
Boston	17	1,780,705	1,464,108	82.2%	43,811	104,747
Tampa/St Petersburg	30	1,679,337	1,144,245	68.1%	23,656	55,978
Sacramento	58	1,588,249	732,765	46.1%	22,386	27,384
Inland Empire (California)	68	1,571,427	313,637	20.0%	17,324	23,109
Orlando	38	1,484,091	689,499	46.5%	20,079	39,055
Detroit	27	1,317,703	581,485	44.1%	36,728	48,804
Baltimore	22	1,283,224	613,008	47.8%	32,643	58,328
Los Angeles	38	1,119,211	131,417	11.7%	35,050	29,453
Kansas City	31	1,097,410	656,107	59.8%	35,252	35,400
Jacksonville (Florida)	19	1,066,338	652,100	61.2%	35,600	56,123
Pittsburgh	12	1,017,503	579,840	57.0%	30,418	84,792
Houston	13	905,234	368,467	40.7%	71,049	69,633
Charlotte	21	896,200	207,380	23.1%	36,154	42,676
Denver	30	894,708	614,942	68.7%	32,873	29,824
San Francisco	5	875,000	702,950	80.3%	52,830	175,000
Indianapolis	10	835,697	761,791	91.2%	23,521	83,570
St. Louis	21	790,368	519,925	65.8%	31,762	37,637
Orange (California)	33	698,643	451,908	64.7%	31,004	21,171
Miami-Dade County	13	659,971	463,150	70.2%	35,683	50,767
Long Island (New York)	13	588,759	59,400	10.1%	35,333	45,289
Nashville	17	588,320	0	0.0%	25,674	34,607
Broward County	17	553,628	278,483	50.3%	27,028	32,566
Northern New Jersey	32	534,669	119,320	22.3%	40,537	16,708
Columbus	13	468,994	289,890	61.8%	32,333	36,076
Palm Beach County	17	466,479	272,897	58.5%	28,481	27,440
Cincinnati	8	436,349	221,000	50.6%	29,090	54,544
Austin	8	417,497	349,094	83.6%	31,543	52,187
Cleveland	10	372,632	163,492	43.9%	33,967	37,263
Portland	12	363,784	160,637	44.2%	30,535	30,315
Raleigh/Durham	10	357,834	52,096	14.6%	33,535	35,783
Seattle/Puget Sound	13	338,618	116,685	34.5%	32,272	26,048
Memphis	1	64,486	0	0.0%	56,509	64,486
East Bay/Oakland	3	25,627	11,495	44.9%	30,354	8,542
Dayton	1,127	64,440,973	34,160,519	53.0%	38,302	57,179

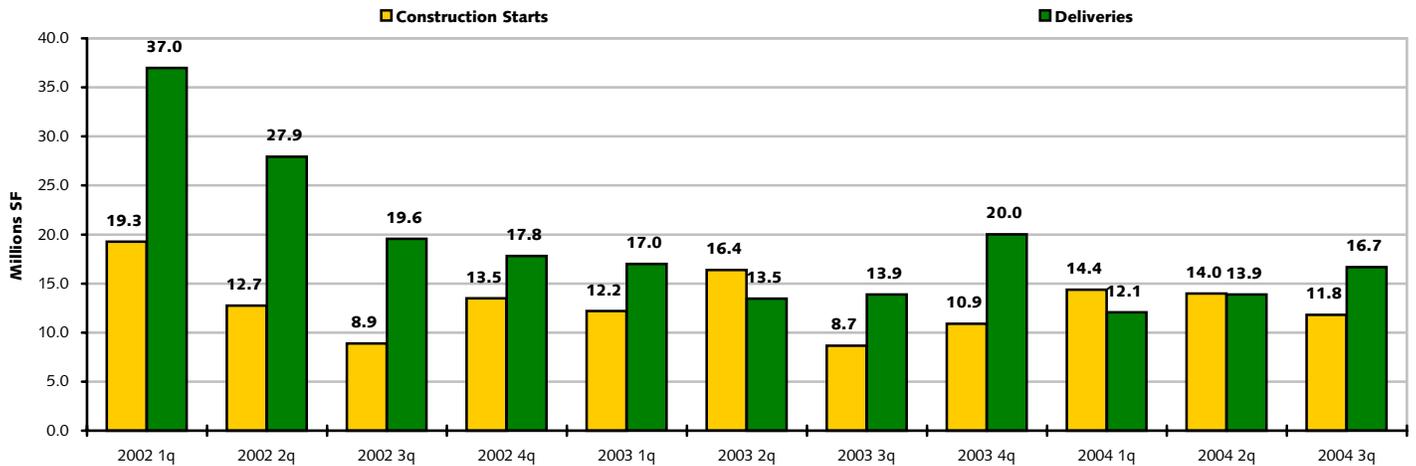
South Bay/Silicon Valley

NATIONAL OFFICE MARKET



INVENTORY & DEVELOPMENT

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



Source: CoStar Property®

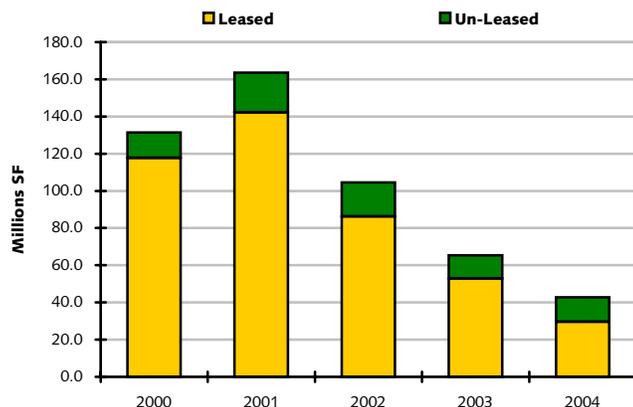
RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single Tenant	Multi-Tenant
< 50,000 SF	1,029	13,759,115	8,015,422	58.3%	\$22.90	1,458,698	12,300,417
50,000 SF - 99,999 SF	85	5,657,908	3,441,609	60.8%	\$24.17	1,045,960	4,611,948
100,000 SF - 249,999 SF	53	7,678,648	5,563,590	72.5%	\$26.90	2,027,537	5,651,111
250,000 SF - 499,999 SF	21	6,738,836	4,622,932	68.6%	\$32.97	3,072,880	3,665,956
>= 500,000 SF	10	9,017,875	8,032,004	89.1%	\$40.11	4,035,619	4,982,256

Source: CoStar Property®

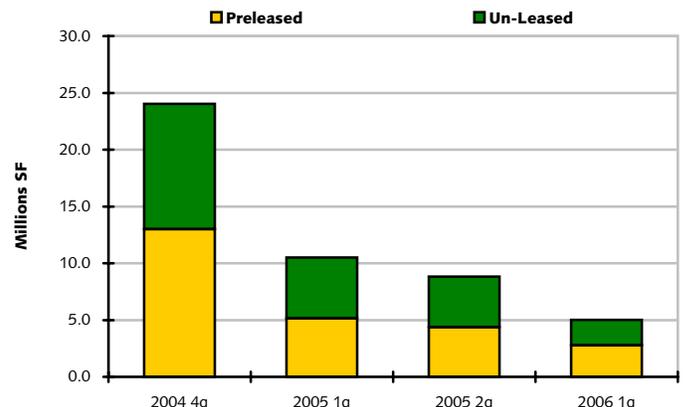
RECENT DELIVERIES

Leased & Un-Leased SF in Deliveries Last 5 Years



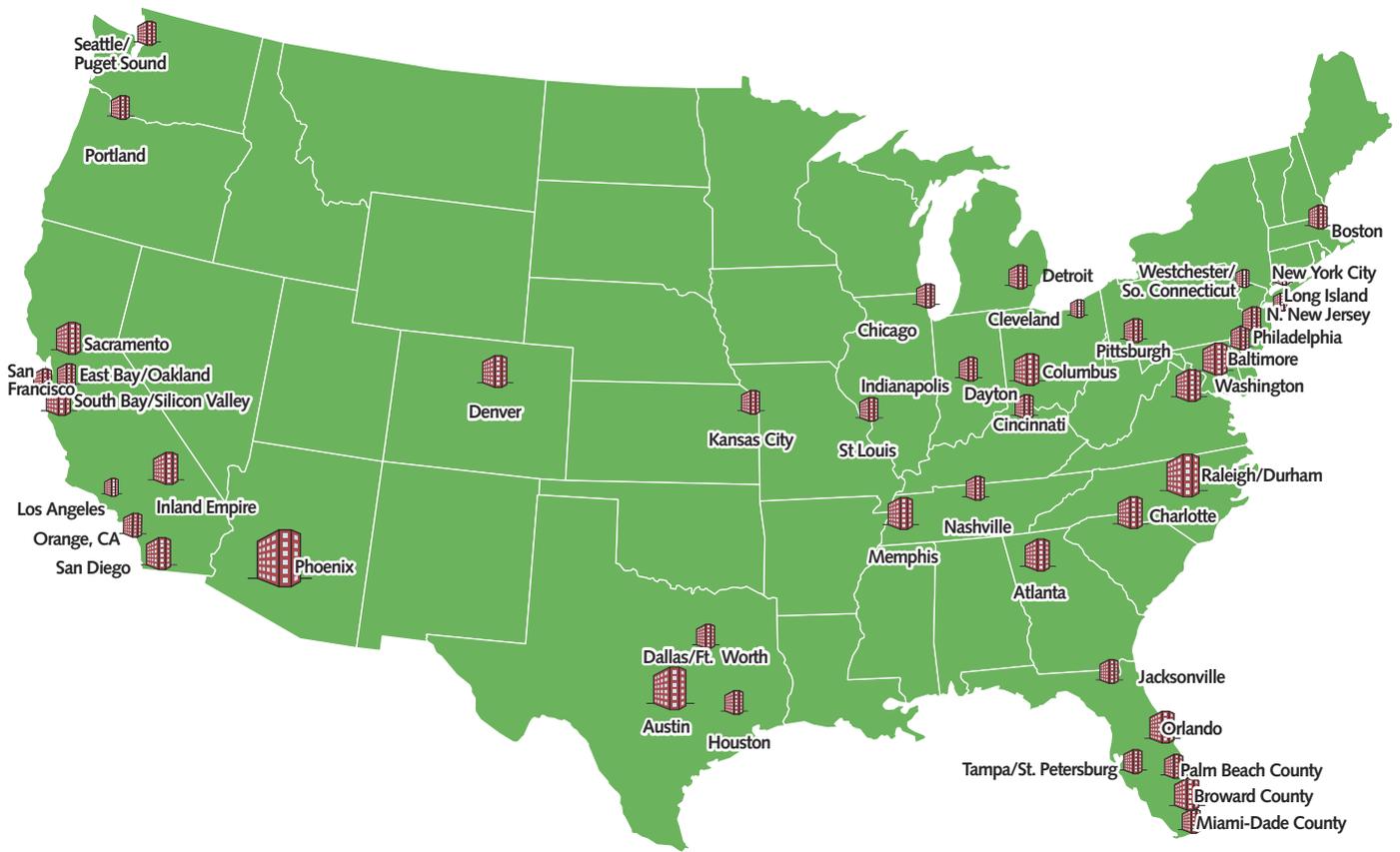
FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver



GROWTH IN INVENTORY LAST 5 YEARS - SELECT REGIONS

Based on Percentage Growth in Inventory From Third Quarter 1999 Through Third Quarter 2004
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	3rd Qtr 2004				3rd Qtr 1999		Increase in Inventory		
		# Bldgs	Existing RBA	U/C RBA	Total RBA	# Bldgs	Total RBA	# Bldgs	Total RBA	%
1	Phoenix	5,197	111,932,671	3,107,972	115,040,643	4,456	95,129,106	741	19,911,537	21%
2	Raleigh/Durham	1,434	48,088,601	357,834	48,446,435	1,282	41,790,228	152	6,656,207	16%
3	Austin	1,872	59,048,961	417,497	59,466,458	1,741	51,663,187	131	7,803,271	15%
4	Washington	5,538	367,301,050	10,218,855	377,519,905	5,204	330,749,385	334	46,770,520	14%
5	South Bay/Silicon Valley	4,039	117,971,192	6,000	117,977,192	3,894	104,198,581	145	13,778,611	13%
6	Orlando	3,172	63,690,010	1,484,091	65,174,101	2,931	57,635,258	241	7,538,843	13%
7	Broward County	1,873	50,622,631	553,628	51,176,259	1,731	45,265,127	142	5,911,132	13%
8	Sacramento	3,478	77,860,072	1,588,249	79,448,321	3,232	70,486,241	246	8,962,080	13%
9	San Diego	3,349	84,351,268	2,303,553	86,654,821	3,188	76,928,679	161	9,726,142	13%
10	Memphis	454	25,655,171	64,486	25,719,657	409	22,882,856	45	2,836,801	12%
11	Charlotte	1,637	59,184,201	896,200	60,080,401	1,499	53,657,639	138	6,422,762	12%
12	Inland Empire (California)	2,026	35,099,375	1,571,427	36,670,802	1,926	32,871,031	100	3,799,771	12%
13	Atlanta	6,223	222,013,397	2,278,219	224,291,616	5,704	201,477,250	519	22,814,366	11%
14	Denver	4,687	154,077,127	894,708	154,971,835	4,354	140,106,828	333	14,865,007	11%
15	Columbus	2,291	74,074,729	468,994	74,543,723	2,186	67,705,739	105	6,837,984	10%

NATIONAL OFFICE MARKET



INVENTORY & DEVELOPMENT

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

1. Goldman Sachs



Northern New Jersey

RBA: 1,500,000
 # Floors: 42
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: Second Quarter 2004
 Leasing Co: Goldman Sachs & Co.
 Developer: Hines
 Architect: Cesar Pelli & Associates

2. Times Square Tower



New York City

RBA: 1,226,927
 # Floors: 48
 Occupied: 76%
 Quoted Rate: \$51.80
 Deliv Date: Second Quarter 2004
 Leasing Co: CB Richard Ellis
 Developer: Boston Properties
 Architect: Skidmore Owings & Merrill

3. Madison Bldg



Washington

RBA: 1,074,565
 # Floors: 16
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: Third Quarter 2004
 Leasing Co: LCOR Inc.
 Developer: LCOR Alexandria, LLC
 Architect: Skidmore Owings & Merrill

4. 12 Metrotech Ctr



Long Island (New York)

RBA: 1,044,556
 # Floors: 31
 Occupied: 83%
 Quoted Rate: Negotiable
 Deliv Date: Third Quarter 2004
 Leasing Co: CB Richard Ellis
 Developer: Forest City Ratner Companies
 Architect: Skidmore Owings & Merrill

5. Amgen



Seattle/Puget Sound

RBA: 850,000
 # Floors: 4
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: First Quarter 2004
 Leasing Co: Amgen
 Developer: Amgen
 Architect: Flad & Assoc./Koetter Kim & Assoc.

6. USAA-Bldg 1A1



Phoenix

RBA: 611,054
 # Floors: 3
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: First Quarter 2004
 Leasing Co: USAA Realty Company
 Developer: USAA Realty Company
 Architect: HOK Los Angeles

7. 33 Arch St



Boston

RBA: 603,309
 # Floors: 33
 Occupied: 56%
 Quoted Rate: \$46.00
 Deliv Date: Third Quarter 2004
 Leasing Co: CB Richard Ellis - NE Partners, LP
 Developer: Congress Group Ventures, Inc.
 Architect: Elkus/Manfredi Architects

8. The 171 Bldg



Atlanta

RBA: 513,314
 # Floors: 22
 Occupied: 74%
 Quoted Rate: \$19.00
 Deliv Date: Second Quarter 2004
 Leasing Co: CARTER
 Developer: N/A
 Architect: Skidmore Owings & Merrill

9. Pier 1 Imports Headquarters



Dallas/Ft Worth

RBA: 440,000
 # Floors: 20
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: Third Quarter 2004
 Leasing Co: Pier 1 Imports
 Developer: Pier 1 Imports
 Architect: Duda-Paine Architects

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

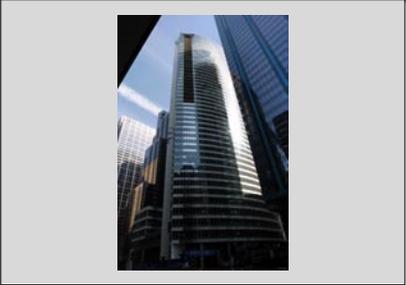
1. Bank of America Tower



New York City

RBA: 2,100,000
Floors: 52
Preleased: 52%
Quoted Rate: **Negotiable**
Deliv Date: **First Quarter 2008**
Leasing Co: **The Durst Organization, Inc.**
Developer: **The Durst Organization/Bank of Amer**
Architect: **Cook + Fox**

2. The Hyatt Center



Chicago

RBA: 1,502,800
Floors: 47
Preleased: 70%
Quoted Rate: **\$28.00**
Deliv Date: **Fourth Quarter 2004**
Leasing Co: **J.F. McKinney & Associates**
Developer: **Higgins Development Partners LLC**
Architect: **Pei Cobb Freed & Partners**

3. Southeast Federal Center



Washington

RBA: 1,350,000
Floors: 11
Preleased: 100%
Quoted Rate: **N/A**
Deliv Date: **Fourth Quarter 2006**
Leasing Co: **The JBG Companies**
Developer: **The JBG Companies**
Architect: **Michael Graves, Architect**

4. RadioShack Riverfront Campus



Dallas/Ft Worth

RBA: 900,000
Floors: 6
Preleased: 100%
Quoted Rate: **N/A**
Deliv Date: **Fourth Quarter 2004**
Leasing Co: **The Staubach Company**
Developer: **N/A**
Architect: **HKS Architects**

5. Cira Centre



Philadelphia

RBA: 727,725
Floors: 28
Preleased: 63%
Quoted Rate: **Negotiable**
Deliv Date: **Fourth Quarter 2005**
Leasing Co: **Brandywine Realty Trust**
Developer: **Brandywine Realty Trust**
Architect: **Cesar Pelli & Associates**

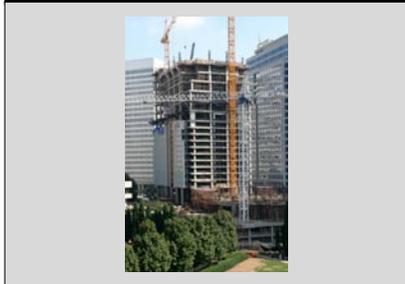
6. Clarian North Medical Center



Indianapolis

RBA: 680,000
Floors: 5
Preleased: 100%
Quoted Rate: **N/A**
Deliv Date: **Fourth Quarter 2005**
Leasing Co: **N/A**
Developer: **Pepper Construction Co. of Indiana**
Architect: **HKS Architects**

7. 1180 Peachtree



Atlanta

RBA: 665,000
Floors: 41
Preleased: 66%
Quoted Rate: **Negotiable**
Deliv Date: **First Quarter 2006**
Leasing Co: **Hines**
Developer: **Hines**
Architect: **Pickard Chilton Architects**

8. R Street Project



Sacramento

RBA: 550,000
Floors: 6
Preleased: 100%
Quoted Rate: **N/A**
Deliv Date: **Second Quarter 2005**
Leasing Co: **CalPERS**
Developer: **CalPERS**
Architect: **Kendall/Heaton/Architects**

9. 601 Congress Street



Boston

RBA: 420,000
Floors: 14
Preleased: 100%
Quoted Rate: **N/A**
Deliv Date: **Fourth Quarter 2004**
Leasing Co: **Manulife Financial**
Developer: **Manulife Financial**
Architect: **Skidmore Owings & Merrill**

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Third Quarter 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Atlanta	416	96,214,291	15,167,836	17,721,631	18.4%	2,735,374	527,314	1,267,153	\$20.65
Austin	184	24,417,185	4,137,232	4,782,594	19.6%	1,213,039	143,250	280,000	\$20.61
Baltimore	395	37,916,948	5,058,436	5,636,833	14.9%	1,426,909	1,038,928	1,172,149	\$22.10
Boston	709	128,294,281	18,186,570	23,725,081	18.5%	596,116	1,413,309	1,548,663	\$26.12
Broward County	104	13,441,677	1,990,366	2,203,600	16.4%	461,647	291,430	229,875	\$24.98
Charlotte	220	30,178,028	3,742,002	4,215,154	14.0%	618,411	549,568	635,000	\$19.63
Chicago	565	138,093,200	21,343,880	25,004,399	18.1%	3,170,938	263,637	4,034,471	\$28.18
Cincinnati	110	20,401,742	3,275,304	3,782,335	18.5%	716,901	415,900	350,000	\$18.35
Cleveland	139	24,925,890	3,389,172	3,861,231	15.5%	589,198	151,000	102,272	\$20.99
Columbus	143	22,880,228	3,338,547	3,642,599	15.9%	372,567	179,500	269,500	\$18.64
Dallas/Ft Worth	360	104,140,518	17,939,952	20,599,238	19.8%	1,240,647	966,986	1,619,791	\$20.07
Dayton	23	3,241,772	422,650	488,023	15.1%	(32,647)	0	0	\$17.59
Denver	245	47,381,631	7,110,308	8,460,908	17.9%	1,011,329	306,000	0	\$19.00
Detroit	166	40,638,780	4,998,455	5,560,080	13.7%	146,585	303,784	740,498	\$23.50
East Bay/Oakland	234	36,147,784	4,011,598	5,446,147	15.1%	109,177	50,025	0	\$23.50
Houston	254	88,865,617	13,791,814	16,246,448	18.3%	(618,506)	434,522	288,929	\$20.20
Indianapolis	125	20,227,680	2,526,644	2,679,857	13.2%	355,328	210,000	680,000	\$19.21
Inland Empire (California)	41	3,517,154	339,251	359,808	10.2%	64,273	46,409	895,311	\$24.30
Jacksonville (Florida)	71	13,191,900	1,701,805	1,847,937	14.0%	18,010	45,000	928,244	\$19.08
Kansas City	85	15,924,783	2,332,516	2,914,935	18.3%	(42,323)	46,666	320,000	\$19.15
Long Island (New York)	188	36,774,434	3,601,540	4,384,022	11.9%	1,609,736	1,529,756	520,909	\$28.28
Los Angeles	1,066	177,421,929	24,144,789	26,778,942	15.1%	3,181,872	595,837	692,845	\$25.78
Memphis	68	8,629,763	1,134,610	1,240,384	14.4%	340,548	342,789	64,486	\$19.16
Miami-Dade County	106	18,762,560	3,137,546	3,349,476	17.9%	879,103	871,242	166,000	\$28.62
Nashville	104	14,083,964	1,253,565	1,480,559	10.5%	444,670	30,000	323,233	\$18.76
New York City	461	282,428,938	21,224,516	28,614,118	10.1%	3,516,823	2,433,527	6,894,695	\$47.79
Northern New Jersey	820	146,422,865	19,961,545	25,282,354	17.3%	3,630,511	2,182,522	96,500	\$26.48
Orange (California)	410	50,181,801	4,858,388	5,696,598	11.4%	1,498,697	131,065	220,000	\$25.36
Orlando	123	17,936,699	2,524,552	2,805,971	15.6%	717,627	168,449	1,047,647	\$21.21
Palm Beach County	104	11,313,501	1,703,303	1,865,321	16.5%	437,041	92,351	70,000	\$25.33
Philadelphia	879	107,429,286	15,404,058	17,857,303	16.6%	1,560,188	827,584	1,802,443	\$23.38
Phoenix	211	33,285,411	4,894,981	5,590,288	16.8%	945,238	1,246,944	1,262,226	\$21.65
Pittsburgh	176	28,580,570	4,334,095	4,776,385	16.7%	307,966	878,287	740,502	\$22.16
Portland	167	25,233,296	2,571,217	2,985,680	11.8%	544,328	159,918	162,147	\$20.60
Raleigh/Durham	189	19,282,115	3,446,969	3,633,366	18.8%	564,346	961,403	231,500	\$18.10
Sacramento	175	18,851,127	2,744,960	3,089,270	16.4%	416,044	533,450	1,047,860	\$24.89
San Diego	182	21,451,810	2,324,862	2,776,728	12.9%	936,621	200,000	1,695,669	\$31.05
San Francisco	152	48,399,854	7,590,905	9,283,652	19.2%	744,901	0	850,000	\$25.82
Seattle/Puget Sound	282	50,190,715	5,800,939	7,010,743	14.0%	1,171,448	1,313,060	141,922	\$24.46
South Bay/Silicon Valley	304	38,941,407	5,735,015	7,373,216	18.9%	1,405,566	0	0	\$26.51
St. Louis	172	27,021,491	3,174,135	3,366,423	12.5%	167,962	109,860	327,400	\$22.09
Tampa/St Petersburg	161	26,897,044	3,873,894	4,200,614	15.6%	730,244	647,000	1,382,536	\$20.65
Washington	1,176	196,470,542	19,253,630	23,545,627	12.0%	7,388,094	5,143,611	10,010,945	\$31.47
Westchester/So Connecticut	373	60,033,215	6,387,443	9,066,795	15.1%	821,927	0	1,133,700	\$28.48
Class A Totals	12,638	2,376,065,426	305,885,795	365,232,673	15.4%	48,114,474	27,781,883	46,247,021	\$25.11

Source: CoStar Property®

CLASS B MARKET STATISTICS

Third Quarter 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Atlanta	2,400	98,619,376	13,841,129	15,181,391	15.4%	163,792	812,903	998,066	\$16.16
Austin	744	25,047,200	3,580,647	3,748,012	15.0%	326,782	243,694	137,497	\$17.27
Baltimore	1,314	36,277,937	4,738,849	4,958,405	13.7%	256,347	401,410	111,075	\$18.13
Boston	2,470	108,774,900	12,361,894	14,739,724	13.6%	1,173,442	327,817	222,442	\$18.75
Broward County	649	21,492,887	2,804,767	2,973,953	13.8%	483,029	345,971	308,153	\$21.09
Charlotte	656	19,957,411	3,542,809	3,726,111	18.7%	(193,103)	181,804	97,200	\$15.98
Chicago	2,586	137,813,067	22,050,250	24,847,425	18.0%	(917,459)	348,928	783,332	\$20.94
Cincinnati	510	24,502,880	3,870,926	4,248,140	17.3%	(642,779)	224,181	77,349	\$14.79
Cleveland	996	42,252,687	7,084,224	7,273,910	17.2%	83,015	143,279	258,800	\$17.60
Columbus	767	27,621,526	4,472,909	4,756,968	17.2%	284,444	250,533	199,494	\$15.84
Dallas/Ft Worth	2,076	120,971,297	24,072,575	25,507,083	21.1%	863,840	714,082	887,346	\$15.99
Dayton	146	7,110,673	1,071,327	1,172,335	16.5%	(47,736)	0	10,536	\$14.46
Denver	2,581	87,145,819	14,069,228	15,710,847	18.0%	76,344	797,798	894,708	\$15.71
Detroit	1,895	80,760,358	13,198,695	13,980,246	17.3%	908,408	377,186	577,205	\$20.24
East Bay/Oakland	1,160	33,177,905	4,147,662	4,581,205	13.8%	74,719	211,884	25,627	\$21.15
Houston	1,016	87,356,688	13,990,816	15,450,046	17.7%	653,826	310,400	616,305	\$15.89
Indianapolis	759	25,280,261	3,957,239	4,221,323	16.7%	(144,519)	226,112	142,641	\$15.33
Inland Empire (California)	1,149	21,470,336	1,988,998	2,040,034	9.5%	581,967	696,373	676,116	\$18.80
Jacksonville (Florida)	369	14,786,882	2,408,490	2,463,877	16.7%	(198,317)	300,376	138,094	\$16.74
Kansas City	1,050	49,556,420	7,196,958	7,425,823	15.0%	(163,400)	318,102	777,410	\$17.04
Long Island (New York)	955	43,219,636	4,041,023	4,371,019	10.1%	419,851	38,496	67,850	\$21.85
Los Angeles	3,911	123,688,050	12,026,352	12,939,891	10.5%	69,528	222,326	426,366	\$21.59
Memphis	233	12,761,868	2,617,832	2,756,270	21.6%	(440,991)	98,716	0	\$15.10
Miami-Dade County	705	34,115,576	3,706,687	3,792,239	11.1%	258,443	280,700	482,471	\$21.05
Nashville	530	19,503,976	2,660,747	2,710,943	13.9%	(14,464)	38,260	265,087	\$14.88
New York City	1,054	130,193,750	10,372,667	12,355,604	9.5%	1,827,970	97,728	1,088,000	\$33.40
Northern New Jersey	2,232	84,390,113	9,622,583	10,471,492	12.4%	(335,616)	384,585	438,169	\$21.04
Orange (California)	2,104	58,506,083	6,369,333	6,824,254	11.7%	1,121,593	460,958	478,643	\$22.62
Orlando	808	23,974,165	2,948,815	3,064,890	12.8%	415,561	524,226	408,444	\$17.98
Palm Beach County	544	19,750,534	1,935,845	1,980,960	10.0%	581,810	260,900	378,379	\$22.73
Philadelphia	3,225	98,007,668	14,657,367	15,418,742	15.7%	45,435	455,482	353,485	\$18.72
Phoenix	2,080	57,735,415	9,922,210	10,695,984	18.5%	505,836	1,614,612	1,845,746	\$19.77
Pittsburgh	1,187	50,217,374	7,815,934	8,275,433	16.5%	101,137	113,076	273,001	\$16.33
Portland	682	22,963,990	3,394,887	3,760,271	16.4%	749,521	74,250	201,637	\$16.03
Raleigh/Durham	805	23,028,528	4,107,887	4,213,497	18.3%	(235,533)	35,225	126,334	\$15.90
Sacramento	828	26,953,175	4,363,902	4,720,636	17.5%	(65,369)	737,546	540,389	\$20.07
San Diego	1,081	39,467,818	3,980,651	4,536,825	11.5%	813,325	481,545	607,884	\$25.49
San Francisco	765	44,799,919	5,540,674	6,995,424	15.6%	1,001,083	10,110	25,000	\$21.09
Seattle/Puget Sound	1,829	61,950,803	7,678,685	8,511,942	13.7%	(534,520)	217,350	196,696	\$20.10
South Bay/Silicon Valley	1,559	55,488,185	9,325,355	11,747,682	21.2%	1,203,922	32,558	6,000	\$23.48
St. Louis	1,063	43,466,752	6,469,165	6,673,922	15.4%	(33,308)	236,407	462,968	\$16.26
Tampa/St Petersburg	1,101	33,434,344	4,071,443	4,247,339	12.7%	452,647	479,950	296,801	\$17.21
Washington	2,617	137,344,007	12,328,710	14,335,186	10.4%	1,735,765	312,745	207,910	\$26.48
Westchester/So Connecticut	1,208	43,378,268	5,572,821	6,188,111	14.3%	693,445	169,832	776,680	\$23.33
Class B Totals	58,399	2,358,316,507	319,981,967	350,595,414	14.9%	13,959,713	14,610,416	17,893,336	\$19.43

Source: CoStar Property®

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

CLASS C MARKET STATISTICS

Third Quarter 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Atlanta	3,407	27,179,730	3,154,006	3,271,559	12.0%	(77,779)	26,320	13,000	\$14.51
Austin	944	9,584,576	926,206	960,119	10.0%	219,965	0	0	\$15.75
Baltimore	1,079	16,814,544	1,372,557	1,530,594	9.1%	53,663	6,644	0	\$17.12
Boston	3,396	50,986,163	3,152,631	3,396,339	6.7%	(229,191)	5,000	9,600	\$16.79
Broward County	1,120	15,688,067	1,135,101	1,260,873	8.0%	(136,997)	19,244	15,600	\$18.46
Charlotte	761	9,048,762	879,677	909,334	10.0%	(38,194)	10,000	164,000	\$14.85
Chicago	4,000	74,781,425	8,427,069	8,733,001	11.7%	9,276	77,600	3,200	\$17.49
Cincinnati	1,590	19,384,685	1,588,579	1,596,311	8.2%	248,670	31,000	9,000	\$12.88
Cleveland	1,581	25,075,368	3,280,983	3,358,746	13.4%	(199,309)	8,800	11,560	\$14.34
Columbus	1,381	23,572,975	1,974,703	2,033,803	8.6%	(150,368)	8,084	0	\$13.91
Dallas/Ft Worth	2,107	35,919,844	7,159,745	7,369,184	20.5%	(60,614)	20,100	0	\$14.68
Dayton	879	10,920,436	1,081,449	1,121,715	10.3%	(455,359)	0	0	\$12.89
Denver	1,861	19,549,677	1,725,234	1,782,258	9.1%	(16,969)	0	0	\$13.43
Detroit	1,918	24,742,579	3,393,409	3,518,307	14.2%	(221,252)	59,289	0	\$17.36
East Bay/Oakland	1,563	20,430,154	1,254,846	1,521,899	7.4%	(128,972)	4,500	0	\$19.24
Houston	1,805	42,253,812	5,787,023	5,885,981	13.9%	(83,327)	0	0	\$13.37
Indianapolis	1,846	18,705,259	1,688,172	1,703,791	9.1%	124,181	31,050	13,056	\$12.54
Inland Empire (California)	836	10,111,885	935,270	940,220	9.3%	(54,894)	0	0	\$15.68
Jacksonville (Florida)	617	9,650,936	1,209,870	1,213,680	12.6%	(96,821)	0	0	\$14.70
Kansas City	1,229	17,854,471	2,411,983	2,436,603	13.6%	193,928	0	0	\$13.45
Long Island (New York)	1,959	29,608,230	1,957,473	2,057,831	7.0%	150,302	21,827	0	\$19.56
Los Angeles	5,635	70,844,611	3,131,471	3,317,733	4.7%	116,369	0	0	\$20.06
Memphis	153	4,263,540	1,104,219	1,104,219	25.9%	(99,649)	0	0	\$11.47
Miami-Dade County	1,283	21,842,697	1,897,698	1,910,198	8.7%	126,198	4,500	11,500	\$21.46
Nashville	1,076	10,314,402	851,013	852,425	8.3%	(312,580)	0	0	\$12.67
New York City	1,674	76,693,437	5,444,494	6,079,568	7.9%	931,618	0	0	\$27.10
Northern New Jersey	3,978	54,162,892	3,848,964	4,077,797	7.5%	(351,738)	13,000	0	\$19.62
Orange (California)	1,570	17,934,314	608,155	659,402	3.7%	69,641	0	0	\$20.12
Orlando	2,241	21,779,146	1,720,854	1,777,680	8.2%	249,302	58,000	28,000	\$15.82
Palm Beach County	794	10,005,010	393,658	405,558	4.1%	87,185	10,000	18,100	\$19.94
Philadelphia	3,775	57,286,598	6,892,105	7,179,134	12.5%	(751,053)	0	0	\$18.21
Phoenix	2,906	20,911,845	1,947,144	2,020,992	9.7%	(79,341)	0	0	\$15.40
Pittsburgh	1,652	12,913,557	1,695,303	1,724,753	13.4%	(81,408)	0	4,000	\$13.21
Portland	1,126	12,110,216	1,763,527	1,793,714	14.8%	57,991	0	0	\$14.25
Raleigh/Durham	440	5,777,958	665,038	676,863	11.7%	(68,786)	0	0	\$13.41
Sacramento	2,475	32,055,770	4,348,892	4,463,613	13.9%	(75,751)	0	0	\$16.07
San Diego	2,086	23,431,640	1,527,896	1,623,217	6.9%	(191,627)	0	0	\$21.40
San Francisco	1,252	21,387,628	1,708,531	1,797,157	8.4%	(215,556)	0	0	\$17.96
Seattle/Puget Sound	1,926	18,139,661	1,406,650	1,444,488	8.0%	65,862	0	0	\$17.70
South Bay/Silicon Valley	2,176	23,541,600	2,269,860	2,618,578	11.1%	56,803	0	0	\$22.05
St. Louis	1,868	28,069,620	1,849,662	1,863,974	6.6%	51,633	16,000	0	\$12.33
Tampa/St Petersburg	2,281	23,482,922	1,685,474	1,792,485	7.6%	(89,393)	0	0	\$14.54
Washington	1,745	33,486,501	2,352,910	2,470,634	7.4%	(96,392)	16,125	0	\$25.38
Westchester/So Connecticut	2,440	31,451,383	2,965,041	3,026,901	9.6%	184,681	21,000	0	\$19.29
Class C Totals	82,431	1,143,750,526	106,574,545	111,283,231	9.7%	(1,366,052)	468,083	300,616	\$17.24

Source: CoStar Property®

CLASS A,B&C MARKET STATISTICS

Third Quarter 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Atlanta	6,223	222,013,397	32,162,971	36,174,581	16.3%	2,821,387	1,366,537	2,278,219	\$18.34
Austin	1,872	59,048,961	8,644,085	9,490,725	16.1%	1,759,786	386,944	417,497	\$18.75
Baltimore	2,788	91,009,429	11,169,842	12,125,832	13.3%	1,736,919	1,446,982	1,283,224	\$19.97
Boston	6,575	288,055,344	33,701,095	41,861,144	14.5%	1,540,367	1,746,126	1,780,705	\$22.56
Broward County	1,873	50,622,631	5,930,234	6,438,426	12.7%	807,679	656,645	553,628	\$22.08
Charlotte	1,637	59,184,201	8,164,488	8,850,599	15.0%	387,114	741,372	896,200	\$17.87
Chicago	7,151	350,687,692	51,821,199	58,584,825	16.7%	2,262,755	690,165	4,821,003	\$23.68
Cincinnati	2,210	64,289,307	8,734,809	9,626,786	15.0%	322,792	671,081	436,349	\$15.97
Cleveland	2,716	92,253,945	13,754,379	14,493,887	15.7%	472,904	303,079	372,632	\$17.84
Columbus	2,291	74,074,729	9,786,159	10,433,370	14.1%	506,643	438,117	468,994	\$16.40
Dallas/Ft Worth	4,543	261,031,659	49,172,272	53,475,505	20.5%	2,043,873	1,701,168	2,507,137	\$17.47
Dayton	1,048	21,272,881	2,575,426	2,782,073	13.1%	(535,742)	0	10,536	\$14.39
Denver	4,687	154,077,127	22,904,770	25,954,013	16.8%	1,070,704	1,103,798	894,708	\$16.61
Detroit	3,979	146,141,717	21,590,559	23,058,633	15.8%	833,741	740,259	1,317,703	\$20.65
East Bay/Oakland	2,957	89,755,843	9,414,106	11,549,251	12.9%	54,924	266,409	25,627	\$21.74
Houston	3,075	218,476,117	33,569,653	37,582,475	17.2%	(48,007)	744,922	905,234	\$17.45
Indianapolis	2,730	64,213,200	8,172,055	8,604,971	13.4%	334,990	467,162	835,697	\$16.04
Inland Empire (California)	2,026	35,099,375	3,263,519	3,340,062	9.5%	591,346	742,782	1,571,427	\$19.95
Jacksonville (Florida)	1,057	37,629,718	5,320,165	5,525,494	14.7%	(277,128)	345,376	1,066,338	\$17.35
Kansas City	2,364	83,335,674	11,941,457	12,777,361	15.3%	(11,795)	364,768	1,097,410	\$17.01
Long Island (New York)	3,102	109,602,300	9,600,036	10,812,872	9.9%	2,179,889	1,590,079	588,759	\$23.24
Los Angeles	10,612	371,954,590	39,302,612	43,036,566	11.6%	3,367,769	818,163	1,119,211	\$23.98
Memphis	454	25,655,171	4,856,661	5,100,873	19.9%	(200,092)	441,505	64,486	\$15.45
Miami-Dade County	2,094	74,720,833	8,741,931	9,051,913	12.1%	1,263,744	1,156,442	659,971	\$23.96
Nashville	1,710	43,902,342	4,765,325	5,043,927	11.5%	117,626	68,260	588,320	\$15.78
New York City	3,189	489,316,125	37,041,677	47,049,290	9.6%	6,276,411	2,531,255	7,982,695	\$39.34
Northern New Jersey	7,030	284,975,870	33,433,092	39,831,643	14.0%	2,943,157	2,580,107	534,669	\$24.18
Orange (California)	4,084	126,622,198	11,835,876	13,180,254	10.4%	2,689,931	592,023	698,643	\$23.71
Orlando	3,172	63,690,010	7,194,221	7,648,541	12.0%	1,382,490	750,675	1,484,091	\$18.73
Palm Beach County	1,442	41,069,045	4,032,806	4,251,839	10.4%	1,106,036	363,251	466,479	\$23.52
Philadelphia	7,879	262,723,552	36,953,530	40,455,179	15.4%	854,570	1,283,066	2,155,928	\$21.00
Phoenix	5,197	111,932,671	16,764,335	18,307,264	16.4%	1,371,733	2,861,556	3,107,972	\$19.93
Pittsburgh	3,015	91,711,501	13,845,332	14,776,571	16.1%	327,695	991,363	1,017,503	\$18.06
Portland	1,975	60,307,502	7,729,631	8,539,665	14.2%	1,351,840	234,168	363,784	\$17.37
Raleigh/Durham	1,434	48,088,601	8,219,894	8,523,726	17.7%	260,027	996,628	357,834	\$16.80
Sacramento	3,478	77,860,072	11,457,754	12,273,519	15.8%	274,924	1,270,996	1,588,249	\$20.19
San Diego	3,349	84,351,268	7,833,409	8,936,770	10.6%	1,558,319	681,545	2,303,553	\$26.69
San Francisco	2,169	114,587,401	14,840,110	18,076,233	15.8%	1,530,428	10,110	875,000	\$22.58
Seattle/Puget Sound	4,037	130,281,179	14,886,274	16,967,173	13.0%	702,790	1,530,410	338,618	\$21.73
South Bay/Silicon Valley	4,039	117,971,192	17,330,230	21,739,476	18.4%	2,666,291	32,558	6,000	\$24.37
St. Louis	3,103	98,557,863	11,492,962	11,904,319	12.1%	186,287	362,267	790,368	\$17.73
Tampa/St Petersburg	3,543	83,814,310	9,630,811	10,240,438	12.2%	1,093,498	1,126,950	1,679,337	\$18.00
Washington	5,538	367,301,050	33,935,250	40,351,447	11.0%	9,027,467	5,472,481	10,218,855	\$29.36
Westchester/So Connecticut	4,021	134,862,866	14,925,305	18,281,807	13.6%	1,700,053	190,832	1,910,380	\$24.95
Class A,B&C Totals	153,468	5,878,132,459	732,442,307	827,111,318	14.1%	60,708,135	42,860,382	64,440,973	\$21.62

Source: CoStar Property®

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Third Quarter 2004, 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	1,915	859,534,940	97,620,084	117,484,334	13.7%	7,070,983	5,726,020	20,383,046	\$29.65
Suburban	10,723	1,516,530,486	208,265,711	247,748,339	16.3%	41,043,491	22,055,863	25,863,975	\$23.26
Class A Totals	12,638	2,376,065,426	305,885,795	365,232,673	15.4%	48,114,474	27,781,883	46,247,021	\$25.11

Source: CoStar Property*

CLASS B MARKET STATISTICS

Third Quarter 2004, 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	5,551	526,825,231	66,592,205	72,646,984	13.8%	1,145,982	177,361	1,991,876	\$21.84
Suburban	52,848	1,831,491,276	253,389,762	277,948,430	15.2%	12,813,731	14,433,055	15,901,460	\$18.87
Class B Totals	58,399	2,358,316,507	319,981,967	350,595,414	14.9%	13,959,713	14,610,416	17,893,336	\$19.43

Source: CoStar Property*

CLASS C MARKET STATISTICS

Third Quarter 2004, 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	8,596	262,234,831	27,948,130	29,202,790	11.1%	583,664	0	4,000	\$19.03
Suburban	73,835	881,515,695	78,626,415	82,080,441	9.3%	(1,949,716)	468,083	296,616	\$16.72
Class C Totals	82,431	1,143,750,526	106,574,545	111,283,231	9.7%	(1,366,052)	468,083	300,616	\$17.24

Source: CoStar Property*

CLASS A&B MARKET STATISTICS

Third Quarter 2004, 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	7,466	1,386,360,171	164,212,289	190,131,318	13.7%	8,216,965	5,903,381	22,374,922	\$26.50
Suburban	63,571	3,348,021,762	461,655,473	525,696,769	15.7%	53,857,222	36,488,918	41,765,435	\$20.89
Class A&B Totals	71,037	4,734,381,933	625,867,762	715,828,087	15.1%	62,074,187	42,392,299	64,140,357	\$22.24

Source: CoStar Property*

CLASS A,B&C MARKET STATISTICS

Third Quarter 2004, 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	16,062	1,648,595,002	192,160,419	219,334,108	13.3%	8,800,629	5,903,381	22,378,922	\$25.62
Suburban	137,406	4,229,537,457	540,281,888	607,777,210	14.4%	51,907,506	36,957,001	42,062,051	\$20.37
Grand Totals	153,468	5,878,132,459	732,442,307	827,111,318	14.1%	60,708,135	42,860,382	64,440,973	\$21.62

Source: CoStar Property*



NATIONAL OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET HISTORICAL STATISTICS*

Third Quarter 2004

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	
2004 3q	12,471	2,350,832,130	303,314,578	362,246,993	15.4%	19,274,622	76	11,368,375	285	46,084,874	\$25.16
2004 2q	12,396	2,339,831,814	308,284,510	370,521,466	15.8%	17,832,977	56	8,871,984	305	50,882,239	\$25.23
2004 1q	12,340	2,330,959,830	312,895,311	379,477,284	16.3%	10,462,547	58	7,381,606	284	50,676,693	\$25.14
2003 4q	12,285	2,324,364,478	313,515,642	383,354,479	16.5%	15,275,640	70	13,766,007	265	49,855,965	\$25.17
2003 3q	12,217	2,311,202,005	309,887,322	385,467,646	16.7%	8,532,063	60	9,919,721	278	57,445,054	\$25.07
2003 2q	12,158	2,301,735,191	303,243,629	384,551,182	16.7%	648,941	55	8,073,979	293	63,489,655	\$25.26
2003 1q	12,103	2,293,661,212	293,554,907	377,107,857	16.4%	6,755,931	81	11,111,359	284	60,120,032	\$26.53
2002 4q	12,022	2,282,549,853	283,365,500	372,752,419	16.3%	(3,259,016)	83	11,894,952	307	64,675,643	\$26.12
2002 3q	11,942	2,270,937,174	266,587,701	357,880,734	15.8%	(250,523)	94	14,597,973	333	67,379,417	\$26.66
2002 2q	11,849	2,256,454,201	251,607,126	343,147,238	15.2%	16,325,504	126	19,999,005	375	76,792,344	\$27.11
2002 1q	11,724	2,236,563,196	245,654,855	339,581,737	15.2%	(7,009,213)	153	25,761,170	431	89,270,118	\$27.43
2001 4q	11,572	2,211,027,775	222,778,571	307,036,563	13.9%	(5,142,023)	208	28,489,776	504	102,850,757	\$27.98
2001 3q	11,365	2,182,602,999	198,077,189	273,469,764	12.5%	(5,984,174)	191	25,539,392	654	123,272,972	\$28.82
2001 2q	11,182	2,172,248,739	192,435,051	257,131,330	11.8%	(18,738,324)	203	30,306,702	777	138,278,448	\$29.43
2001 1q	10,979	2,141,942,037	158,419,128	208,086,304	9.7%	98,354	181	25,596,651	886	150,850,630	\$29.62
2000 4q	10,799	2,116,389,600	149,582,283	182,632,221	8.6%	15,266,683	186	24,986,509	870	148,649,498	\$28.70

Source: CoStar Property® *Excludes Portland

CLASS B MARKET HISTORICAL STATISTICS*

Third Quarter 2004

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	
2004 3q	57,717	2,335,352,517	316,587,080	346,835,143	14.9%	9,006,321	340	5,193,594	811	17,691,699	\$19.47
2004 2q	57,384	2,330,413,156	318,868,984	350,905,137	15.1%	7,125,314	312	4,859,009	883	17,832,002	\$19.52
2004 1q	57,087	2,327,407,607	320,697,964	355,023,868	15.3%	(2,921,443)	299	4,483,563	917	17,843,365	\$19.49
2003 4q	56,799	2,323,821,487	311,863,176	348,516,305	15.0%	(498,073)	345	6,099,672	870	16,273,735	\$19.56
2003 3q	56,463	2,318,323,525	303,599,228	342,520,270	14.8%	2,788,959	208	3,806,821	873	17,758,732	\$19.63
2003 2q	56,265	2,315,444,535	301,594,564	342,429,397	14.8%	(7,108,414)	267	5,268,738	791	16,935,882	\$19.79
2003 1q	56,008	2,310,782,393	287,611,772	330,659,683	14.3%	(969,223)	341	5,498,065	818	17,348,619	\$20.28
2002 4q	55,673	2,306,036,296	279,582,350	324,944,363	14.1%	(10,922,094)	255	5,621,703	852	17,342,172	\$20.52
2002 3q	55,423	2,300,914,068	262,781,238	308,900,041	13.4%	459,055	259	4,789,512	881	18,861,575	\$20.89
2002 2q	55,172	2,296,413,356	257,311,512	304,858,384	13.3%	3,604,724	297	7,756,192	922	20,090,939	\$21.24
2002 1q	54,887	2,289,565,319	253,709,989	301,615,071	13.2%	(5,282,082)	487	10,386,700	922	22,934,225	\$21.57
2001 4q	54,411	2,280,234,304	240,110,914	287,001,974	12.6%	(6,315,655)	389	11,577,774	1,104	26,591,283	\$22.02
2001 3q	54,033	2,269,065,544	226,019,341	269,517,559	11.9%	(10,149,928)	406	12,133,102	1,305	33,595,381	\$22.55
2001 2q	53,635	2,257,688,936	212,298,105	247,991,023	11.0%	(13,410,591)	343	10,851,231	1,542	41,533,571	\$22.67
2001 1q	53,297	2,247,437,640	195,043,554	224,329,136	10.0%	(8,199,725)	603	14,860,204	1,625	46,025,317	\$22.60
2000 4q	52,705	2,232,913,585	181,476,071	201,605,356	9.0%	(1,679,634)	307	9,566,381	1,538	46,199,399	\$22.11

Source: CoStar Property® *Excludes Portland

CLASS A,B&C MARKET HISTORICAL STATISTICS*

Third Quarter 2004

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	
2004 3q	151,493	5,817,824,957	724,712,676	818,571,653	14.1%	29,012,956	433	16,676,374	1,115	64,077,189	\$21.67
2004 2q	151,087	5,803,040,535	733,383,586	832,803,388	14.4%	24,653,070	379	13,878,118	1,220	68,934,002	\$21.73
2004 1q	150,751	5,791,977,417	740,180,902	846,387,131	14.6%	5,690,269	381	12,071,722	1,233	68,822,673	\$21.81
2003 4q	150,419	5,783,195,052	731,653,250	843,305,035	14.6%	13,168,537	432	20,011,407	1,180	66,537,168	\$21.88
2003 3q	150,014	5,764,586,493	717,716,531	837,865,013	14.5%	13,733,205	286	13,878,116	1,199	75,636,732	\$21.86
2003 2q	149,773	5,753,060,251	711,816,924	840,089,421	14.6%	(7,951,710)	335	13,472,451	1,135	80,845,221	\$22.03
2003 1q	149,484	5,741,708,940	687,785,442	820,768,955	14.3%	4,576,086	469	16,993,833	1,151	77,932,167	\$22.63
2002 4q	149,058	5,726,356,530	668,543,577	809,992,621	14.1%	(13,392,249)	373	17,806,516	1,236	82,723,832	\$22.67
2002 3q	148,721	5,709,947,746	635,165,216	780,191,598	13.7%	1,283,873	380	19,567,896	1,307	87,042,736	\$23.14
2002 2q	148,369	5,691,870,781	616,408,946	763,398,506	13.4%	19,025,025	442	27,929,590	1,399	97,719,710	\$23.50
2002 1q	147,965	5,665,627,607	606,214,356	756,180,357	13.3%	(12,978,564)	713	36,998,751	1,428	112,915,105	\$23.80
2001 4q	147,298	5,631,122,458	569,520,465	708,696,104	12.6%	(15,441,340)	655	40,546,919	1,727	130,651,489	\$24.20
2001 3q	146,689	5,592,581,508	528,161,801	654,713,814	11.7%	(20,230,525)	650	38,023,672	2,115	158,428,820	\$24.79
2001 2q	146,070	5,570,897,871	506,005,908	612,799,652	11.0%	(37,493,604)	611	41,622,539	2,511	181,576,322	\$25.08
2001 1q	145,484	5,530,356,085	450,341,353	534,764,262	9.7%	(12,632,831)	915	41,830,657	2,728	198,605,091	\$25.06
2000 4q	144,596	5,489,660,624	424,103,138	481,435,970	8.8%	11,419,410	549	35,112,360	2,669	197,228,271	\$24.33

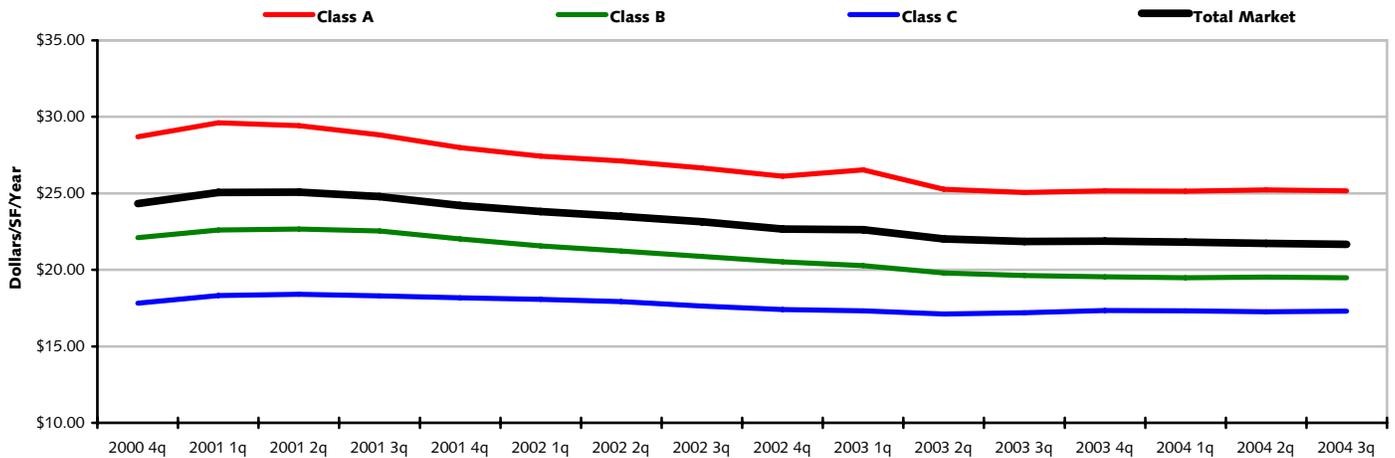
Source: CoStar Property® *Excludes Portland

NATIONAL OFFICE MARKET



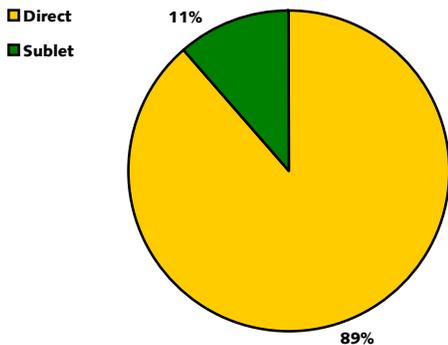
LEASING ACTIVITY

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



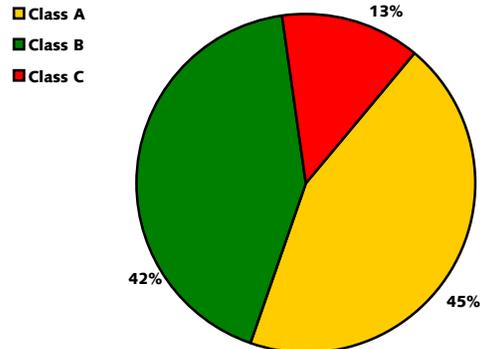
Source: CoStar Property® * Excludes Portland

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



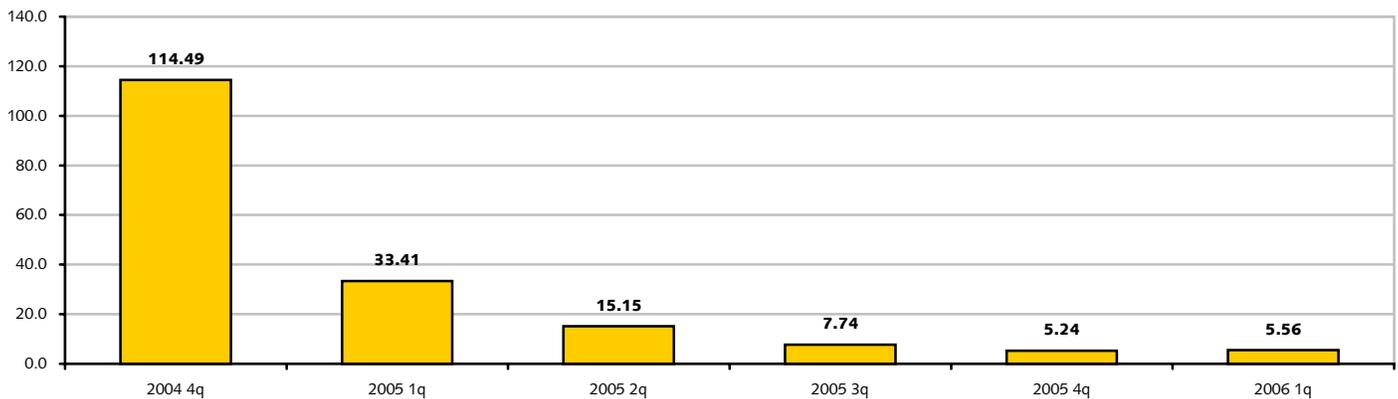
Source: CoStar Property®

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®

SELECT TOP OFFICE LEASES Based on Leased Square Footage For Deals Signed in 2004

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 Bank of America Tower	New York City	1,100,000	1st	Bank of America Corporation	Jones Lang LaSalle Americas, Inc.	The Durst Organization, Inc.
2 Kemble Plaza 1 & 2	Northern New Jersey	862,100	2nd	AT&T Corporation		Mack-Cali Realty Corporation
3 300 Madison Ave	New York City	789,243	1st	PricewaterhouseCoopers	CLW Real Estate/ CB Richard Ellis	Brookfield Properties
4 Warren Corporate Center	Northern New Jersey	758,250	3rd	Citigroup	CB Richard Ellis	SJP Properties
5 World Financial Center - Tower A	New York City	456,101	1st	Cadwalader, Wickersham & Taft LLP	Studley	Brookfield Financial Properties/CB
6 One & Two Potomac Yard	Washington	405,108	2nd	U.S. Environmental Protection Agency	Spaulding & Slye Colliers	Millennium Realty Advisors, LLC
7 Met Life Bldg*	New York City	370,000	2nd	Dreyfus Service Corporation	Cushman & Wakefield, Inc.	CB Richard Ellis
8 Seventh Avenue Center*	New York City	365,000	2nd	Morgan Stanley	Jones Lang LaSalle Americas, Inc.	Hines Interests LP
9 Two Progress Plaza	Raleigh/Durham	365,000	3rd	Progress Energy	Progress Energy	Carter
10 One Main Place*	Dallas/Ft Worth	338,035	2nd	Bank of America	Trammell Crow Company	CB Richard Ellis
11 1200 K St NW*	Washington	336,081	3rd	Pension Benefit Guaranty Corporation	Cassidy & Pinkard	Spaulding & Slye Colliers
12 Denver Newspaper Agency Bldg	Denver	308,000	2nd	The Denver Newspaper Agency	Direct Deal	Direct Deal
13 30 Knightsbridge Rd	Northern New Jersey	300,318	2nd	AT&T Global Data Speed Services		Mack-Cali Realty Corporation
14 Ryder Bldg*	Miami-Dade County	300,000	2nd	Ryder System, Inc.		Cushman & Wakefield of Florida, Inc
15 Times Square Tower	New York City	297,305	3rd	Ann Taylor Retail, Inc.	Studley	CB Richard Ellis
16 Sempra Energy Bldg*	San Diego	297,122	2nd	Sempra Energy Solutions	Irving Hughes	Direct Deal
17 Towers at Merritt River	Westchester/SoConnecticut	290,000	1st	Diageo	CLW Real Estate Services Group	Building & Land Technology
18 50 Fremont Center*	San Francisco	285,000	1st	Deloitte & Touche LLP	Finkelstein Associates	Hines
19 Americas Tower	New York City	283,000	1st	Kramer Levin Naftalis & Frankel, LLP	Newmark	Newmark
20 Riata Crossing 2	Austin	274,354	2nd	Apple Computer	Swearingen Realty Group, L.L.C.	CarrAmerica Real Estate Services
21 28 & 40 W 23rd St	New York City	271,000	2nd	Ecko Unltd	Lerner Group, Inc.	GVA Williams
22 Hiro Plaza*	New York City	266,603	2nd	Pfizer, Inc.	Cushman & Wakefield, Inc.	CB Richard Ellis
23 One Capital City Plaza*	Atlanta	265,446	1st	Blue Cross Blue Shield of Georgia	Jones Lang LaSalle Americas, Inc.	Rubenstein Brokerage Group LLC
24 110 William St*	New York City	262,500	1st	City of New York	In-House	Trizec Properties, Inc.
25 750 Third Ave	New York City	261,260	1st	Fairchild Publications	CB Richard Ellis	Colliers ABR, Inc.
26 New Dominion Tech Center - Phase 2	Washington	255,506	3rd	GSA	In-House	Boston Properties
27 Federal Office Bldg	New York City	250,268	2nd	State of New York	The Staubach Company	Boston Properties
28 Eldridge Green - Aspen Tech	Houston	249,158	2nd	Citgo Petroleum Corporation	CBRE/Trione & Gordon	Newmark
29 One Dulles Tower	Washington	242,000	1st	Booz-Allen & Hamilton, Inc.	The Staubach Company	Jones Lang LaSalle Americas, Inc.
30 Transamerica Center Tower	Los Angeles	235,929	2nd	SBC Communications Inc		New Pacific Realty Holdings/Canyon-
31 Crystal Plaza 4	Washington	233,616	2nd	Federal Supply	Spaulding & Slye Colliers	Charles E. Smith Commercial Realty
32 Met Life Bldg*	New York City	232,096	1st	Greenberg Traurig, L.L.P.	CB Richard Ellis	CB Richard Ellis
33 Ryder Systems	Miami-Dade County	230,000	1st	Ryder System, Inc.		
34 13013 Northwest Fwy	Houston	228,853	2nd	Harris County Appraisal District	Yancey-Hausman & Associates	Yancey-Hausman & Associates
35 5500 Great America Pky	South Bay/Silicon Valley	219,721	2nd	Hyperion Solutions Corporation	Cornish & Carey Commercial	Cushman & Wakefield of CA
36 Rainier Plaza	Seattle/Puget Sound	218,351	3rd	Symetra Life Insurance Co.	Flinn Ferguson Corporate R.E.	Broderick Group, Inc.
37 CYTC Corporation	Boston	216,215	1st	Cytc Corporation	Cushman & Wakefield of MA, Inc.	Lincoln Property Company
38 Citigroup Center*	New York City	212,000	3rd	Kirkland & Ellis	Studley	Jones Lang LaSalle Americas, Inc.
39 Chevy Chase Center	Washington	204,147	1st	The Mills Corporation	Cushman & Wakefield of DC, Inc.	CB Richard Ellis
40 Fairfax Bldg	Washington	202,840	1st	Freddie Mac	Direct Deal	WEST*GROUP Management LLC

Source: CoStar Property®

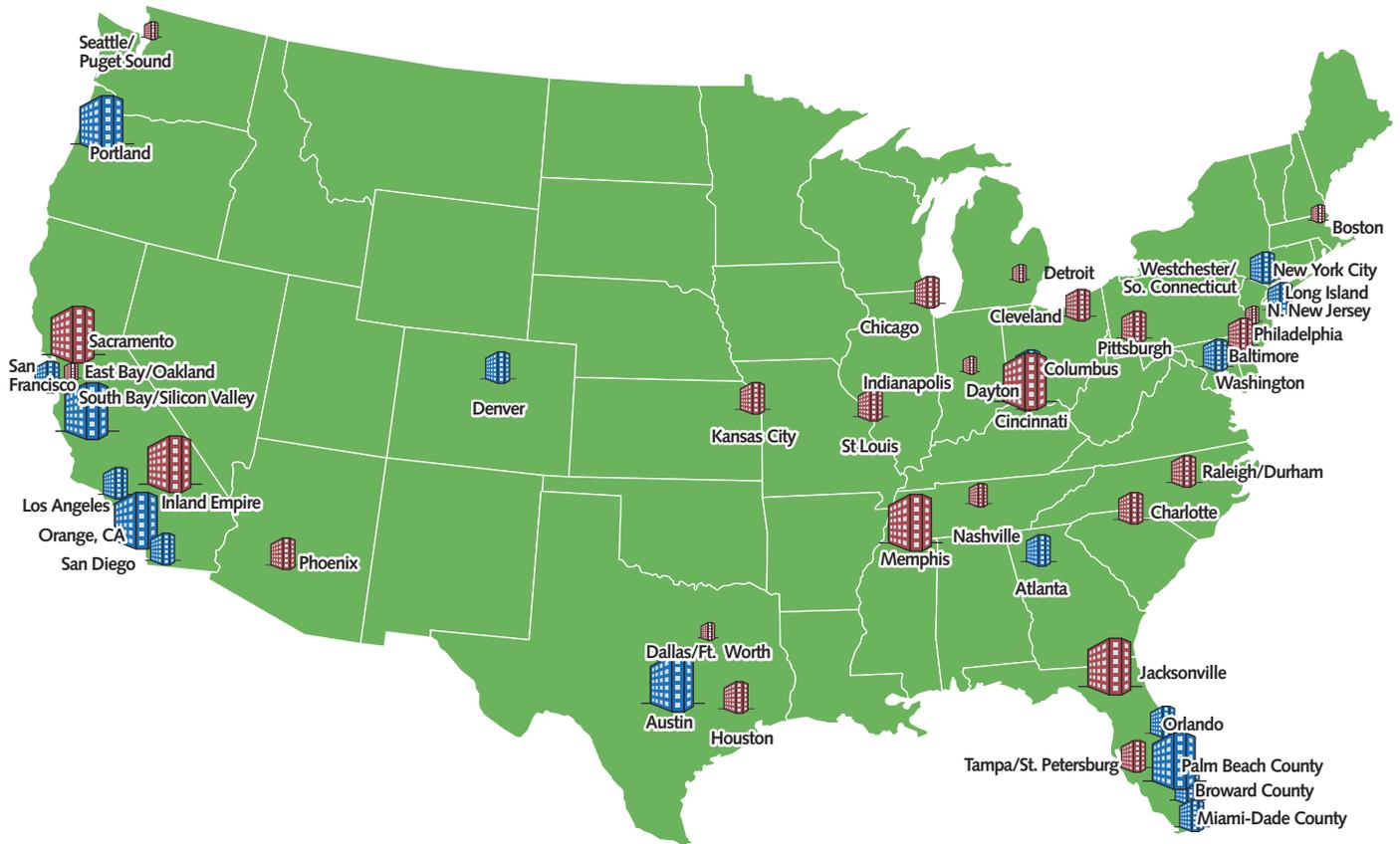
* Renewal

NATIONAL OFFICE MARKET



LEASING ACTIVITY

CHANGE IN VACANT SQUARE FOOTAGE LAST 12 MONTHS Third Quarter 2003 to Third Quarter 2004



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	2003 3q	2004 3q	Diff	Rank	Region	2003 3q	2004 3q	Diff
1	Dayton	2,106,433	2,782,073	32.1%	22	Boston	41,949,735	41,861,144	-0.2%
2	Jacksonville (Florida)	4,716,673	5,525,494	17.1%	23	East Bay/Oakland	11,639,390	11,549,251	-0.8%
3	Memphis	4,384,380	5,100,873	16.3%	24	Dallas/Ft Worth	54,171,890	53,475,505	-1.3%
4	Inland Empire (California)	3,020,408	3,340,062	10.6%	25	Denver	26,734,833	25,954,013	-2.9%
5	Sacramento	11,149,451	12,273,519	10.1%	26	Miami-Dade County	9,327,386	9,051,913	-3.0%
6	Pittsburgh	13,647,622	14,776,571	8.3%	27	Columbus	10,776,514	10,433,370	-3.2%
7	Charlotte	8,185,671	8,850,599	8.1%	28	Baltimore	12,581,629	12,125,832	-3.6%
8	Raleigh/Durham	7,983,015	8,523,726	6.8%	29	Atlanta	37,674,682	36,174,581	-4.0%
9	Houston	35,366,441	37,582,475	6.3%	30	Long Island (New York)	11,519,426	10,812,872	-6.1%
10	Phoenix	17,391,093	18,307,264	5.3%	31	Broward County	6,864,394	6,438,426	-6.2%
11	Philadelphia	38,843,546	40,455,179	4.1%	32	Nashville	5,381,234	5,043,927	-6.3%
12	Cleveland	13,995,593	14,493,887	3.6%	33	Orlando	8,207,618	7,648,541	-6.8%
13	Kansas City	12,404,034	12,777,361	3.0%	34	San Francisco	19,408,330	18,076,233	-6.9%
14	St. Louis	11,572,796	11,904,319	2.9%	35	San Diego	9,746,754	8,936,770	-8.3%
15	Chicago	57,107,250	58,584,825	2.6%	36	Los Angeles	47,147,472	43,036,566	-8.7%
16	Tampa/St Petersburg	10,028,072	10,240,438	2.1%	37	New York City	52,119,539	47,049,290	-9.7%
17	Cincinnati	9,494,150	9,626,786	1.4%	38	Palm Beach County	4,820,108	4,251,839	-11.8%
18	Indianapolis	8,511,213	8,604,971	1.1%	39	South Bay/Silicon Valley	24,654,979	21,739,476	-11.8%
19	Northern New Jersey	39,502,428	39,831,643	0.8%	40	Austin	10,779,529	9,490,725	-12.0%
20	Detroit	22,920,181	23,058,633	0.6%	41	Portland	9,730,025	8,539,665	-12.2%
21	Seattle/Puget Sound	16,908,055	16,967,173	0.3%	42	Orange (California)	16,646,529	13,180,254	-20.8%

Source: CoStar Property®

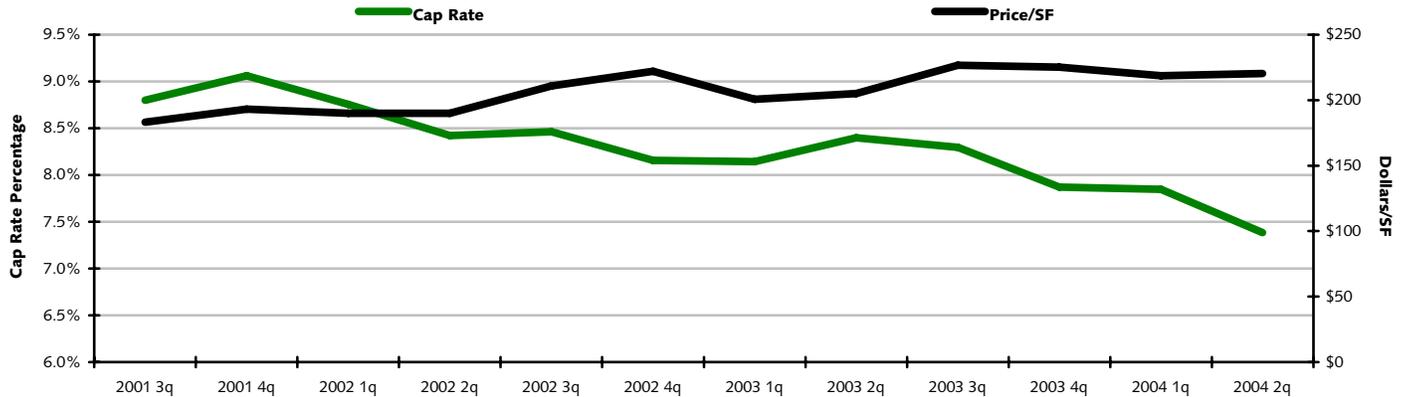


NATIONAL OFFICE MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

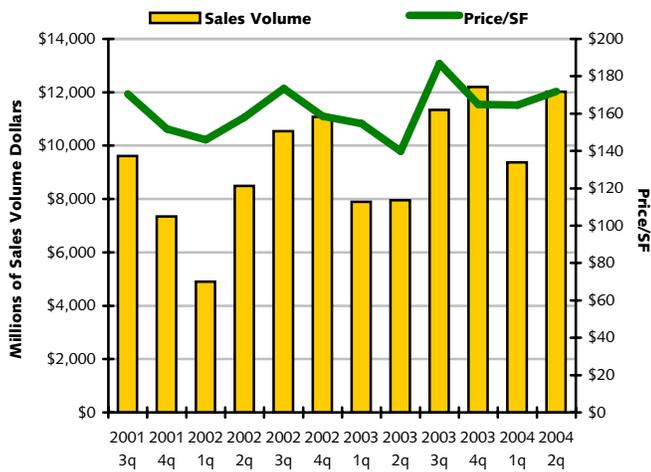
Average of Two Highest Price/SF's and Two Lowest Cap Rates From Each Region



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

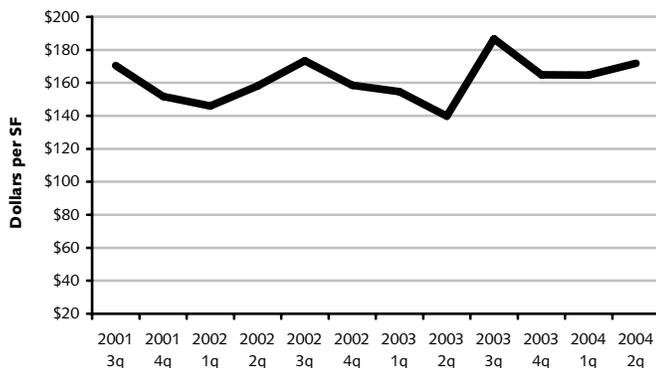
Based on Office Building Sales From July 2003 - June 2004

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	6,806	68,946,728	\$ 9,040,601,796	\$ 131.12	8.37%
50K-249K SF	894	100,617,080	\$ 14,373,518,802	\$ 142.85	8.68%
250K-499K SF	172	60,096,673	\$ 10,647,120,554	\$ 177.17	8.05%
>500K SF	70	69,083,775	\$ 15,129,691,286	\$ 219.00	8.08%

Source: CoStar COMPS®

HISTORICAL PRICE/SF AVERAGE

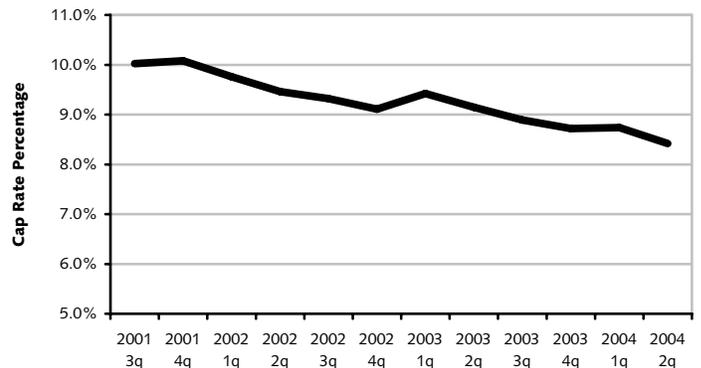
Based on Office Building Sales of 15,000 SF and Larger



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 July 2003 Through June 2004

1. Sears Tower



Chicago

Price: \$840,000,000
 Price/SF: \$220.47
 Cap Rate: 7.75%
 RBA: 3,810,000
 Date: 4/26/2004
 Year Built: 1973
 Buyer: 233 S. Wacker, LLC
 Seller: Chicago Title Land Trust Company

2. Marine Midland Bank Bldg



New York City

Price: \$455,600,000
 Price/SF: \$379.67
 Cap Rate: 6.85%
 RBA: 1,200,000
 Date: 4/20/2004
 Year Built: 1967
 Buyer: 140 BW LLC
 Seller: 140 Broadway Property, LLC

3. 777 Tower + Excess Land



Los Angeles

Price: \$250,000,000
 Price/SF: \$248.87
 Cap Rate: 6.96%
 RBA: 1,004,522
 Date: 6/30/2004
 Year Built: 1991
 Buyer: 777 South Fig LLC
 Seller: 777 Tower Associates GP

4. Golden Eagle Plaza/Comerica Bldg



San Diego

Price: \$173,500,000
 Price/SF: \$227.08
 Cap Rate: 6.8%
 RBA: 764,037
 Date: 6/14/2004
 Year Built: 1974
 Buyer: GREIT-525 & 600 B Street, LP
 Seller: 400 W Broadway, LLC

5. Charles Schwab Building



San Francisco

Price: \$137,500,000
 Price/SF: \$368.14
 Cap Rate: 7.24%
 RBA: 373,500
 Date: 6/24/2004
 Year Built: 1928
 Buyer: First States Investors 229
 Seller: US Bank National Assoc

6. Commonwealth Tower



Washington

Price: \$131,200,000
 Price/SF: \$380.81
 Cap Rate: 6.98%
 RBA: 344,533
 Date: 6/23/2004
 Year Built: 1995
 Buyer: CarrAmerica Commonwealth Tower LLC
 Seller: Kan Am Commonwealth Tower, LP

7. Cityplace Center East



Dallas/Ft Worth

Price: \$124,000,000
 Price/SF: \$101.22
 Cap Rate: 7%
 RBA: 1,225,000
 Date: 4/21/2004
 Year Built: 1988
 Buyer: Saltbush Acquisitions, Inc.
 Seller: Cityplace Center East, LP

8. Atlantic Center Plaza



Atlanta

Price: \$117,700,000
 Price/SF: \$235.68
 Cap Rate: N/A
 RBA: 499,407
 Date: 1/28/2004
 Year Built: 2001
 Buyer: Koger ACP, LLC
 Seller: Atlantic Center Plaza, LLC

9. Thomson Portfolio



Boston

Price: \$92,000,000
 Price/SF: \$243.00
 Cap Rate: 6.3%
 RBA: 378,600
 Date: 6/30/2004
 Year Built: 1907
 Buyer: TF Boston Funding Co., Inc.
 Seller: Boston Wharf Co., GPS



NATIONAL OFFICE MARKET

SALES ACTIVITY

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale



Park Place Office Campus
 Address: 3333-3355 Michelson Dr
 City: Orange (California)
 RBA: 1,748,593
 Year Built: 1972
 Tot \$ Return: \$62,000,000
 Tot % Return: 31%
 Ann.Return: 22%
 Months Held: 17

Most Recent Sale
 Price: \$260,000,000
 Price/SF: \$148.69
 Cap Rate: 7.64%
 Date: 2/10/2004
 Buyer: Maguire Properties
 Seller: Blackstone Real Estate
 Brokers: Secured Capital Corp
 CB Richard Ellis

Sale Prior to Most Recent Sale
 Price: \$198,000,000
 Price/SF: \$113.23
 Cap Rate: N/A
 Date: 9/18/2002
 Buyer: Blackstone Real Estate
 Seller: Jamboree LLC
 Brokers: Insignia/ESG



Navy Yard Metro Center
 Address: 80 M St SE
 City: Washington
 RBA: 275,352
 Year Built: 2001
 Tot \$ Return: \$36,950,000
 Tot % Return: 54%
 Ann.Return: 21%
 Months Held: 31

Most Recent Sale
 Price: \$105,000,000
 Price/SF: \$381.33
 Cap Rate: N/A
 Date: 6/30/2004
 Buyer: Wells REIT II - 80 M Street
 Seller: CH Realty II/Navy Yards, LP
 Brokers: Holliday Fenoglio Fowler

Sale Prior to Most Recent Sale
 Price: \$68,050,000
 Price/SF: \$247.14
 Cap Rate: 9.45%
 Date: 11/30/2001
 Buyer: CH Realty II/Navy Yards LP
 Seller: Spaulding & Slye Navy Yard
 Brokers: Spaulding & Slye Colliers



Arboretum Gateway
 Address: 2220 Colorado Ave
 City: Los Angeles
 RBA: 201,000
 Year Built: 1999
 Tot \$ Return: \$15,300,000
 Tot % Return: 19%
 Ann.Return: 6%
 Months Held: 39

Most Recent Sale
 Price: \$98,000,000
 Price/SF: \$487.56
 Cap Rate: N/A
 Date: 6/24/2004
 Buyer: CLPF-Arboretum LP
 Seller: Commonwealth Atlantc-Arboretum
 Brokers: N/A

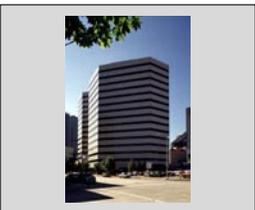
Sale Prior to Most Recent Sale
 Price: \$82,700,000
 Price/SF: \$411.44
 Cap Rate: 9.13%
 Date: 3/26/2001
 Buyer: Commonwealth Atlantc-Arboretum
 Seller: Arboretum Gateway LLC
 Brokers: Insignia/ESG



The Fashion Atrium
 Address: 481-489 7th Ave
 City: New York City
 RBA: 235,450
 Year Built: 1906
 Tot \$ Return: \$17,350,000
 Tot % Return: 55%
 Ann.Return: 14%
 Months Held: 47

Most Recent Sale
 Price: \$48,850,000
 Price/SF: \$207.48
 Cap Rate: N/A
 Date: 4/30/2004
 Buyer: Gedula 26, LLC
 Seller: 485 Seventh Avenue, LLC
 Brokers: N/A

Sale Prior to Most Recent Sale
 Price: \$31,500,000
 Price/SF: \$133.79
 Cap Rate: N/A
 Date: 5/26/2000
 Buyer: 485 Seventh Avenue LLC
 Seller: 485 Seventh Equities LLC
 Brokers: Eastern Consolidated Props.,



Blanchard Plaza Hi Rise
 Address: 2201-2221 6th Ave
 City: Seattle/Puget Sound
 RBA: 237,162
 Year Built: 1983
 Tot \$ Return: \$6,900,000
 Tot % Return: 26%
 Ann.Return: 3%
 Months Held: 91

Most Recent Sale
 Price: \$33,000,000
 Price/SF: \$139.15
 Cap Rate: 9.48%
 Date: 5/15/2004
 Buyer: Blanchard Plaza LLC
 Seller: Boxwood Properties Assoc LP
 Brokers: Washington Partners Corp RE

Sale Prior to Most Recent Sale
 Price: \$26,100,000
 Price/SF: \$110.05
 Cap Rate: 9%
 Date: 10/17/1996
 Buyer: Boxwood Properties Assoc LP
 Seller: Plaza/Seattle LP
 Brokers: Unico Properties



Valley Corporate Center
 Address: 591 Camino De La Reina
 City: San Diego
 RBA: 171,391
 Year Built: 1972
 Tot \$ Return: \$6,710,000
 Tot % Return: 28%
 Ann.Return: 18%
 Months Held: 18

Most Recent Sale
 Price: \$30,950,000
 Price/SF: \$180.58
 Cap Rate: 8%
 Date: 2/23/2004
 Buyer: THC Valley Corporate Center
 Seller: VCC Investors LP
 Brokers: Intercon West Realty Advisor
 BRE Commercial/NAI

Sale Prior to Most Recent Sale
 Price: \$24,240,000
 Price/SF: \$141.43
 Cap Rate: 9.2%
 Date: 8/15/2002
 Buyer: VCC Investors LP
 Seller: AGBRI Mission LLC
 Brokers: BRE Commercial/ NAI



Maitland 200
 Address: 2301 Maitland Center Pkwy
 City: Orlando
 RBA: 206,057
 Year Built: 1982
 Tot \$ Return: \$5,294,500
 Tot % Return: 25%
 Ann.Return: 5%
 Months Held: 64

Most Recent Sale
 Price: \$26,294,500
 Price/SF: \$127.61
 Cap Rate: 9%
 Date: 1/28/2004
 Buyer: Parkway Properties LP
 Seller: ASP WT LLC
 Brokers: Trammell Crow Company

Sale Prior to Most Recent Sale
 Price: \$21,000,000
 Price/SF: \$101.91
 Cap Rate: N/A
 Date: 9/23/1998
 Buyer: ASP WT LLC
 Seller: All State Insurance Co.
 Brokers: N/A

Source: CoStar COMPS®