

DCN:6156

THE CoSTAR OFFICE REPORT

MID-YEAR 2004

Washington, D.C. Office Market



WASHINGTON, D.C. 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.

WASHINGTON, D.C. OFFICE MARKET



OVERVIEW

WASHINGTON, D.C. FORGES AHEAD

Job Growth Fuels Positive Net Absorption in the Quarter

The Washington metro area continued to add jobs in the second quarter fueling office leasing activity and decreasing the vacancy rate to 11.6%. The Washington economy fared better than most through the recession of 2001 and 2002 driven by the federal government, law firms and business and professional sector firms that service a robust housing market. The District of Columbia maintained single digit vacancy rates throughout the economic downturn and recovery is well underway in the outer suburban markets of Northern Virginia. The overall market sublease vacancy rate has dropped below two percent for the first time since first quarter 2001, average rents are increasing and concession packages are less plentiful. Construction activity remains strong with a total of 12 buildings delivering to the market in the second quarter totaling 1,015,187 square feet. Several mixed-use projects are site approved throughout the metro area in addition to the 12,447,672 square feet still under construction at the end of the quarter.

The Northern Virginia region, which includes the counties of Fairfax, Loudoun, Prince William, Arlington and Alexandria, continues to improve aided by government contractors and local companies that have regained their confidence and are now willing to expand. There is 3,663,762 square feet of sublease space as of second quarter, down 2,186,110 square feet from second quarter 2003. The amount of sublease space remained relatively unchanged for nearly two years before starting its decline in 2003 from a high of 7.6 million square feet. The U.S. Patent and Trademark Office continues its consolidation from multiple buildings in Crystal City to its new headquarters in Alexandria. Redevelopment of Crystal City has already begun with traffic

circulation improvements, new street level restaurants and businesses opening by fall to attract tenants.

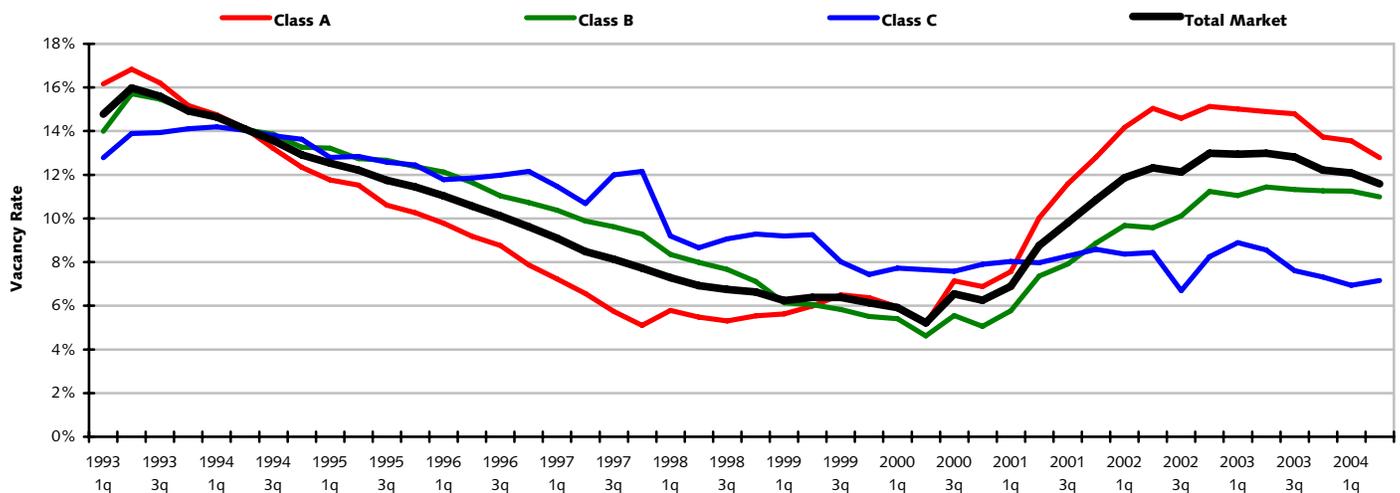
The Suburban Maryland region, which includes Montgomery, Prince George's and Frederick counties, delivered four buildings in second quarter 2004 representing 168,700 square feet. The majority of leasing activity remains in the 1,000-10,000 square foot range. The largest lease for the quarter was in the Bethesda/Chevy Chase submarket where The Mills Corporation signed a lease for 204,147 square feet at the Chevy Chase Center. Other projects include development of remaining acreage of the Rockville Town Center including the 170,000 square foot Metro Plaza project.

Absorption

Net absorption for the overall Washington office market was positive 2,688,708 square feet in the second quarter 2004 represented by 2,232,532 square feet in Northern Virginia, 196,960 square feet in Suburban Maryland and 259,216 square feet in the District of Columbia. Total market net absorption was positive 1,110,272 square feet in the first quarter 2004, positive 3,301,621 square feet in the fourth quarter 2003, and positive 1,367,747 square feet in the third quarter 2003.

Tenants moving out of large blocks of space in 2004 include: the U.S. Patent & Trademark Office moving out of 254,336 square feet at Crystal Plaza 4 to occupy the Remsen Building in Old Town Alexandria, part of their new 2.2 million square foot headquarters at Carlyle; Unisys Corporation moving out of 244,000 square feet at 8008 Westpark Dr; and Finnegan Henderson Farabow Garrett and Dunner LLP moving out of 236,000 square feet at Franklin Square.

VACANCY RATES BY CLASS 1993-2004



Source: CoStar Property®

Tenants moving into large blocks of space in 2004 include: Freddie Mac moving into 202,840 square feet at the Fairfax Bldg in Tysons Corner; Nextel Communications moving into 184,900 square feet at One Reston Crescent; and Unisys Corporation moving into 177,280 square feet at 11493 Sunset Hills Road in Reston.

The Class-A office market recorded net absorption of positive 2,254,952 square feet in the second quarter 2004, compared to positive 1,077,830 square feet in the first quarter 2004, positive 3,236,336 in the fourth quarter 2003, and positive 1,018,856 in the third quarter 2003. Northern Virginia led the region in net absorption at positive 1,865,943 square feet followed by the Suburban Maryland at positive 255,566 square feet and the District of Columbia at positive 133,443 square feet.

The Class-B office market recorded net absorption of positive 490,213 square feet in the second quarter 2004, compared to negative (34,601) square feet in the first quarter 2004, negative (30,678) in the fourth quarter 2003, and positive 266,925 in the third quarter 2003. Suburban Maryland and the District of Columbia both experienced negative net absorption in the second quarter 2004 at (61,159) square feet and (4,122) square feet while Northern Virginia recorded a positive 555,494 square feet in the quarter.

The Class-C office market recorded net absorption of negative (56,457) square feet in the second quarter 2004 compared to positive 67,043 square feet in the first quarter 2004, positive 95,963 in the fourth quarter 2003, and positive 81,966 in the third quarter 2003.

Net absorption for Washington's central business district was positive 259,216 square feet in the second quarter 2004. That compares to positive 221,886 square feet in the first quarter 2004, positive 951,973 in the fourth quarter 2003, and positive 616,435 in the third quarter 2003.

Net absorption for the suburban markets was positive 2,429,492 square feet in the second quarter 2004. That compares

to positive 888,386 square feet in first quarter 2004, positive 2,349,648 in the fourth quarter 2003, and positive 751,312 in the third quarter 2003.

Vacancy

The office vacancy rate in the Washington market area decreased to 11.6% at the end of the second quarter 2004. The vacancy rate was 12.1% at the end of the first quarter 2004, 12.2% at the end of the fourth quarter 2003, and 12.8% at the end of the third quarter 2003.

On a regional level, the District's overall vacancy rate was 8.4% (7.1% direct and 1.3% sublet) in second quarter 2004, down from 8.9% one year ago. Northern Virginia's overall vacancy rate was 13.9% (11.6% direct and 2.3% sublet), down from 16.4% one year ago. Suburban Maryland's overall vacancy rate was 11.6% (9.8% direct and 1.8% sublet) in second quarter 2004, down from 12.2% one year ago.

Class-A projects reported a vacancy rate of 12.8% at the end of the second quarter 2004, 13.6% at the end of the first quarter 2004, 13.7% at the end of the fourth quarter 2003, and 14.8% at the end of the third quarter 2003. The District's Class A vacancy rate increased to 8.8% in the second quarter 2004 due to new product delivery and is expected to rise incrementally as the remaining 4.7 million square feet of new construction delivers. Northern Virginia's Class A vacancy continues to decrease recording 15.4% in the second quarter 2004, down from 19% one year ago. Suburban Maryland recorded 12.6% of Class A vacancy in the second quarter 2004, down from 13.0% one year ago.

Class-B projects reported a vacancy rate of 11.0% at the end of the second quarter 2004, 11.3% at the end of the first quarter 2004, 11.3% at the end of the fourth quarter 2003, and 11.3% at the end of the third quarter 2003.

Class-C projects reported a vacancy rate of 7.2% at the end of the second quarter 2004, 6.9% at the end of first quarter 2004, 7.3% at the end of the fourth quarter 2003, and 7.6% at the end of the third quarter 2003.

The overall vacancy rate in Washington's central business district at the end of the second quarter 2004 increased to 8.4%. The vacancy rate was 8.3% at the end of the first quarter 2004, 8.3% at the end of the fourth quarter 2003, and 9.0% at the end of the third quarter 2003.

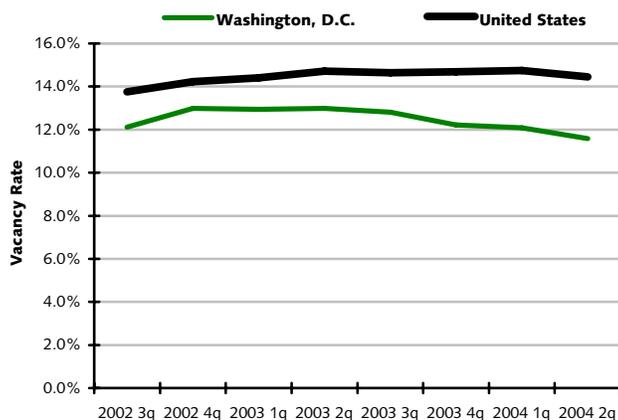
The vacancy rate in the suburban markets decreased to 13.1% in the second quarter 2004. The vacancy rate was 13.9% at the end of the first quarter 2004, 14.0% at the end of the fourth quarter 2003, and 14.6% at the end of the third quarter 2003.

Largest Lease Signings

The largest lease signings occurring in 2004 included: the 318,418 square foot lease signed by U.S. Environmental Protection Agency at One Potomac Yard - South Tower; the 242,000-square foot deal signed by Booz-Allen & Hamilton, Inc. at One Dulles Tower in Herndon; and the 233,616 square foot

U.S. VACANCY COMPARISON

Past 8 Quarters



Source: CoStar Property

WASHINGTON, D.C. OFFICE MARKET



OVERVIEW

lease signed by the United States Government Federal Supply at Crystal Plaza 4 in Crystal City.

Sublease Vacancy

The amount of vacant sublease space in the Washington market decreased to 6.6 million square feet by the end of the second quarter 2004 represented by 3.6 million square feet in Northern Virginia, 1.6 million square feet in Suburban Maryland and 1.4 million square feet in the District of Columbia. Total market sublease space is down from 7.4 million square feet at the end of the first quarter 2004 and 9.5 million square feet one year ago as law firms and the federal government and its contractors continue to take space.

On a regional level, Northern Virginia's sublease space remains concentrated in the Tysons Corner, Herndon, Reston and Fairfax submarkets. In Suburban Maryland, the majority of sublease space remains in the Gaithersburg, Rockville and Bethesda submarkets where sluggish demand has made absorption of sublease space slow over the last year. Sublease space in the District remains concentrated in the CBD and East End submarkets.

Washington's Class-A projects reported vacant sublease space of 4,531,013 square feet at the end of second quarter 2004, down from the 5,005,829 square feet reported at the end of the first quarter 2004. There were 5,017,183 square feet of sublease space vacant at the end of the fourth quarter 2003, and 5,787,482 square feet at the end of the third quarter 2003.

Class-B projects reported vacant sublease space of 2,021,084 square feet at the end of the second quarter 2004, down from the 2,245,468 square feet reported at the end of the first quarter 2004. At the end of the fourth quarter 2003 there were 2,599,506 square feet, and at the end of the third quarter 2003 there were 2,661,112 square feet vacant.

Class-C projects reported decreased vacant sublease space from the first quarter 2004 to the second quarter 2004. Sublease vacancy went from 107,906 square feet to 106,186 square feet during that time. There was 97,232 square feet at the end of the fourth quarter 2003, and 87,893 square feet at the end of the third quarter 2003.

Sublease vacancy in Washington's central business district stood at 1,426,296 square feet at the end of the second quarter 2004. It was 1,487,509 square feet at the end of the first quarter 2004, 1,611,209 square feet at the end of the fourth quarter 2003, and 1,665,667 square feet at the end of the third quarter 2003.

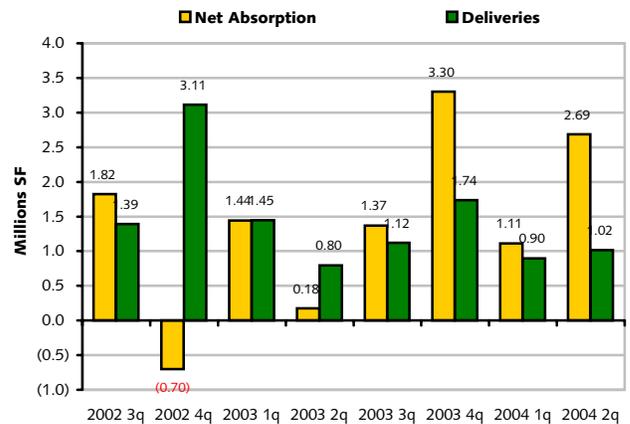
Sublease vacancy in the suburban markets ended the second quarter 2004 at 5,231,987 square feet. At the end of the first quarter 2004 sublease vacancy was 5,871,694 square feet, was 6,102,712 square feet at the end of the fourth quarter 2003, and was 6,870,820 square feet at the end of the third quarter 2003.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$29.05 per-square-foot per year at the end

ABSORPTION & DELIVERIES

Past 8 Quarters



Source: CoStar Property*

of the second quarter 2004 in the Washington market area. This represented a 1.1% increase in quoted rental rates from the end of the first quarter 2004, when rents were reported at \$28.73 per-square-foot.

On a regional level, the District average asking rent is a record \$40.23, up from \$39.86 in first quarter 2004 and \$39.26 one year ago. The East End and Southwest submarkets average rents are in the \$42-\$45 range with new trophy class buildings seeing premium rents over \$55 per square foot. Northern Virginia average asking rents remain in the mid-\$20's with rents inside the beltway in the \$30-\$32 per square foot range. Suburban Maryland average asking rent is \$23.81, down from \$24.20 in first quarter 2004 and \$24.42 one year ago.

The average quoted rate within the Class-A sector was \$31.14 at the end of the second quarter 2004, while Class-B rates stood at \$26.17, and Class-C rates at \$24.81. At the end of the first quarter 2004, Class-A rates were \$30.58 per-square-foot, Class-B rates were \$26.01, and Class-C rates were \$24.80.

The average quoted asking rental rate in Washington's CBD was \$40.23 at the end of the second quarter 2004, and \$24.80 in the suburban markets. In the first quarter 2004, quoted rates were \$39.86 in the CBD and \$24.43 in the suburbs.

Deliveries and Construction

During the second quarter 2004, 12 buildings totaling 1,015,187 square feet were completed in the Washington market area. This compares to 9 buildings totaling 895,629 square feet that were completed in the first quarter 2004, 12 buildings totaling 1,737,873 square feet completed in the fourth quarter 2003, and 1,121,348 square feet in 7 buildings completed in the third quarter 2003.

There were 12,447,672 square feet of office space under construction at the end of the second quarter 2004 represented by 4.8 million in the District, 1.6 million in Suburban Maryland and 6.0 million in Northern Virginia. While most area devel-

opers are securing lead tenants before starting construction of major projects, some have started office buildings and mixed-use developments in the hope that the market will be fully recovered enough by delivery to absorb the space. Such projects include 950 North Glebe in Northern Virginia's Ballston submarket, Bowie Corporate Center and Belcrest Center in Suburban Maryland.

Some of the notable 2004 deliveries include: 900 7th St NW, a 350,155-square-foot facility that delivered in second quarter 2004 and is now 35% leased to the International Brotherhood of Electricians, and the Jefferson Bldg, a 333,529-square-foot building that delivered in second quarter 2004 and is now 100% occupied by the U.S. Patent and Trademark Office.

The largest projects underway at the end of second quarter 2004 include the Patent and Trademark Office Headquarters Madison Bldg, a 1,074,565-square-foot building in Alexandria, Janelia Farm Blvd - Phase I - a 750,000-square-foot facility that is 100% pre-leased to the Howard Hughes Institute; and Arlington Gateway, a 325,460 square foot building in the Ballston submarket that is 70% pre-leased to Watson Wyatt Worldwide, ESI International and Nixon and Vanderhye, P.C.

Inventory

Total office inventory in the Washington market area amounted to 364,062,772 square feet in 5,489 buildings as of the end of the second quarter 2004. The Class-A office sector consisted of 194,595,324 square feet in 1,181 projects. There were 2,572 Class-B buildings totaling 135,703,271 square feet, and the Class-C sector consisted of 33,764,177 square feet in 1,736 buildings. Within the Office market there were 436 owner-occupied buildings accounting for 27,679,985 square feet of office space.

Sales Activity

Sales activity in the first quarter of 2004 slowed since the last quarter of 2003. Tallying office building sales of 15,000 square feet or larger, first quarter 2004 sales totaled 32 transactions with a volume of \$798,694,537. The 32 buildings totaled 3,645,696 square feet and the average price per square foot equated to \$219.08. That compares to 48 transactions totaling \$1,422,084,847 in the fourth quarter of 2003. The total square footage in the fourth quarter was 5,785,392 square feet with an average price per square foot of \$245.81. While overall interest in the Washington metropolitan office market is as strong as ever, the region has started to suffer somewhat from its own success. Vacancy rates have begun to decline and rental rates have begun to rise in the submarkets closest to DC. In addition, the overall value of office buildings has increased significantly. Assessment figures have risen nearly at the pace of the residential real estate

market.

This has created a seller's market. Buyers are placed at a disadvantage because as net income remains relatively steady, a higher price will drive cap rates lower. The recent increase in interest rates can only exacerbate this problem since the cost of borrowing will go up too. Sellers are trying to cash out the appreciated value of their buildings as quickly as they can. Buyers are seeking undervalued properties or buildings with significant tenant rollover. This trend has created a phenomenon where the owner's holding period has steadily declined, from ten years to less than three years. Prices are rising so quickly, that the rate of return on investment is being based more on asset appreciation than on rental income collection. The laws of supply and demand are also contributing to this phenomenon, as there are far more buyers than there are sellers. The market appears to be responding to this as cap rates of buildings over 15,000 square-feet has fallen to 9.04% for the first quarter of 2004. The same time last year cap rates were averaging 9.4%.

Also affecting the market has been the surge in residential development. The residential-building boom sweeping the region is behaving irrationally. Prices have skyrocketed over the past year, with the average sale price up nearly 15%. Developers are rushing to construct or complete nearly 122 apartment and condominium projects in Washington itself. Between the DC line and the Beltway, another 31 projects are in various stages of completion. Demand for housing remains at all-time highs, thanks again to historically low interest rates and the benefits of city living that many find appealing. As more and more formerly no-go neighborhoods get transformed into livable areas, prices can only go up.

One of the largest transactions that has occurred within the first quarter of 2004 is the sale of Edison Place in Washington. This 364,000 square-foot office building sold for \$167,100,000, or \$459.07 per square foot. The property sold on 3/23/2004, but previously sold on 9/30/2003. That sale price then was approximately \$151,000,000 or \$414.84 per square foot. This property appreciated 10% in value in less than six months. While an extreme example, it illustrates how market forces in Washington are behaving in an irrational manner. Prices will continue to climb in 2004 until such time as buyers can no longer afford the asking price or the supply of cheap capital runs out.

Reports compiled by: Elizabeth Sherrod, CoStar Property® Research Manager; Gregg Otten, CoStar COMPS® Lead Research Analyst.

WASHINGTON, D.C. OFFICE MARKET



MARKETS

CoSTAR MARKETS & SUBMARKETS

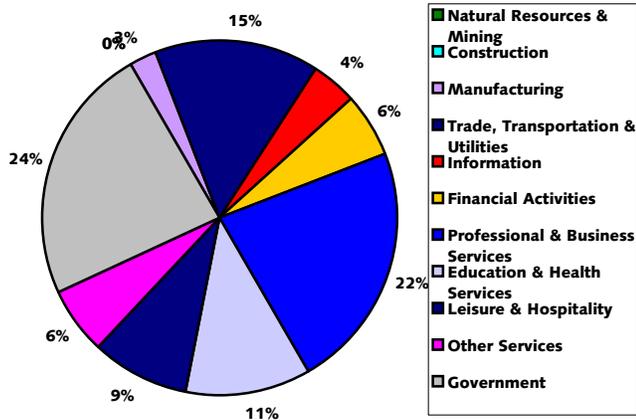
In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets			
Alexandria/I-395 Area	Crystal City Pentagon City	Eisenhower Ave Corridor	I-395 Corridor	Old Town Alexandria
Bethesda/Chevy Chase	Bethesda/Chevy Chase			
Capitol Hill Area	Capitol Hill*	Southwest*		
Downtown DC	CBD*	East End*	West End*	
Dulles Corridor	Great Falls Route 28 Corridor South	Hemdon	Reston	Route 28 Corridor North
E Prince Georges County	Bowie	Greater Upper Marlboro		
East Falls Church	East Falls Church			
Frederick	Frederick			
Georgetown/Uptown	Georgetown*	Uptown*		
Greater Fairfax County	Annandale McLean Vienna	Fairfax Center Merrifield	Fairfax City Oakton	Falls Church Tysons Corner
I-270 Corridor	Gaithersburg North Rockville	Germantown Rockville	I-270 Corridor North	North Bethesda/Potomac
Leesburg/Route 7 Corridor	Leesburg/West Loudoun	Route 7 Corridor		
Manassas/Route 29/I-66	Manassas			
Manassas/Route 29/I-66	Route 29/I-66 Corridor			
N Prince Georges County	Beltsville/Calverton Lanham	College Park Laurel	Greenbelt	Landover/Largo/Caplt Hts
Northeast/Southeast	Northeast*	Southeast*		
R-B Corridor	Ballston	Clarendon/Courthouse	Rosslyn	Virginia Square
S Prince Georges County	Branch Avenue Corridor	Oxon Hill/Ft Washington	Pennsylvania Ave Corridor	
SE Fairfax County	Huntington/Mt Vernon		Springfield/Burke	
SE Montgomery County	Kensington/Wheaton	North Silver Spring/Rt 29	Silver Spring	
Woodbridge/I-95 Corridor	Woodbridge/I-95 Corridor			

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

TOTAL EMPLOYMENT BY INDUSTRY

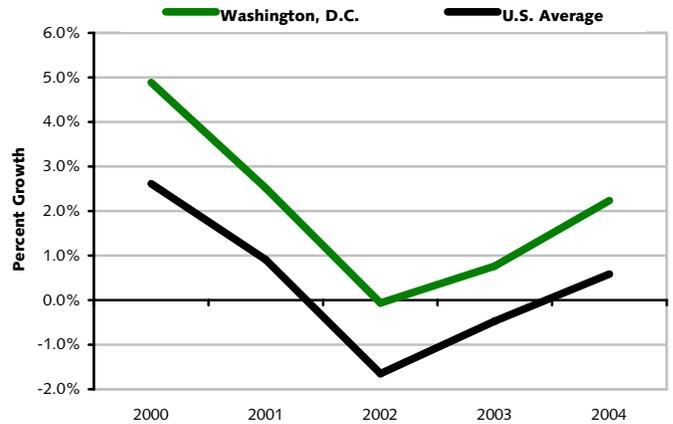
Percent of Total Employment by Industry



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

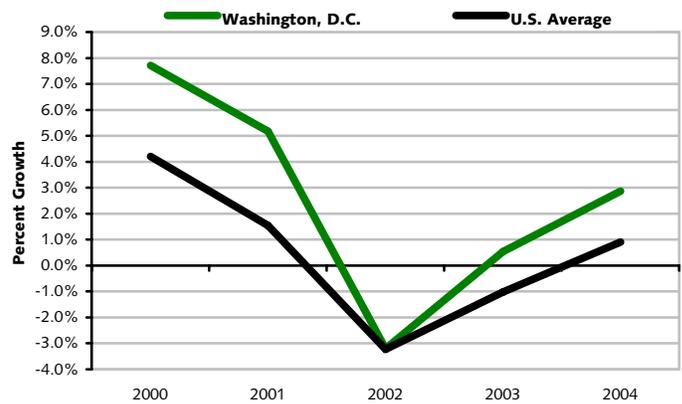
Cumulative Growth in Office* Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	-5.90%	9.80%	-15.70%
Boston	0.00%	6.30%	-6.30%
Chicago	-7.20%	5.10%	-12.30%
Dallas/Ft Worth	-7.00%	6.50%	-13.50%
Denver	-8.20%	9.50%	-17.70%
Los Angeles	-2.50%	2.60%	-5.10%
New York City	-8.10%	1.80%	-9.90%
Seattle/Puget Sound	-2.70%	8.30%	-11.00%
Miami-Dade County	4.30%	6.30%	-2.00%
Washington	5.30%	9.70%	-4.40%

Source: Department of Labor, Bureau of Labor Statistics

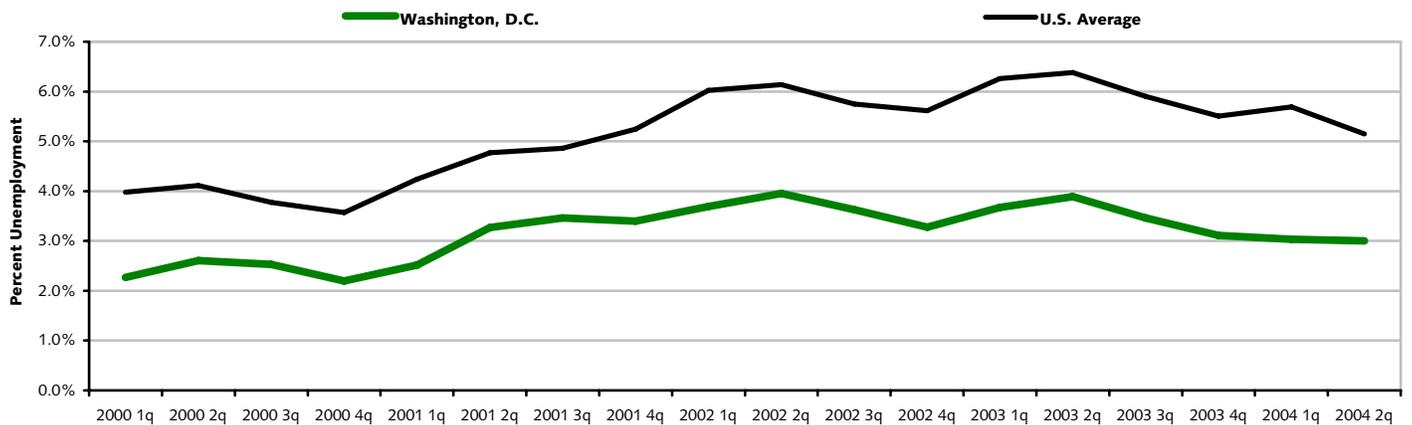
OFFICE* EMPLOYMENT GROWTH

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

HISTORICAL UNEMPLOYMENT RATES



Source: Department of Labor, Bureau of Labor Statistics.

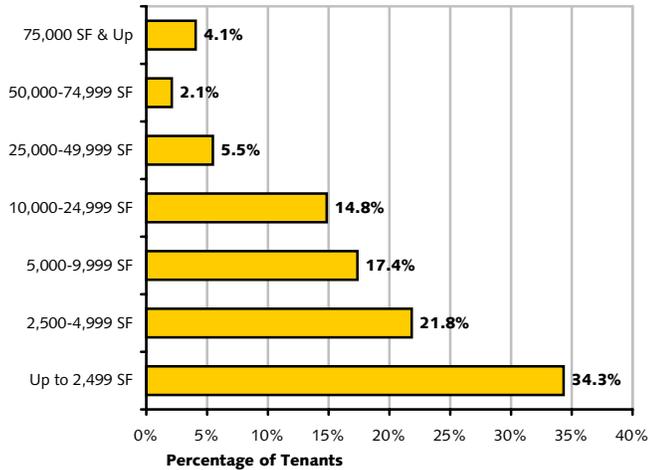
WASHINGTON, D.C. OFFICE MARKET



EMPLOYMENT AND TENANT

TENANT BY SIZE RANGE

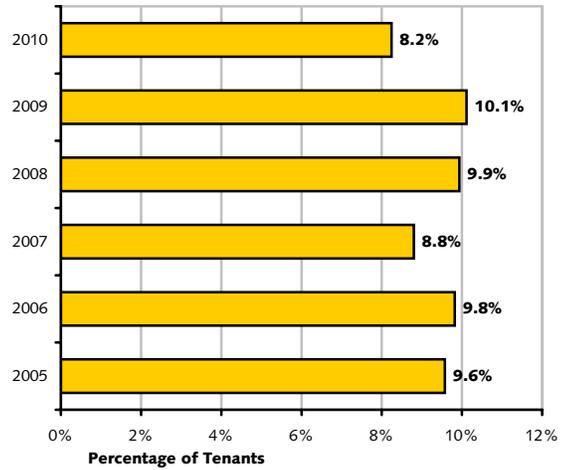
Based on Total Number of Tenants



Source: CoStar Tenant®

TENANTS BY LEASE EXPIRATION

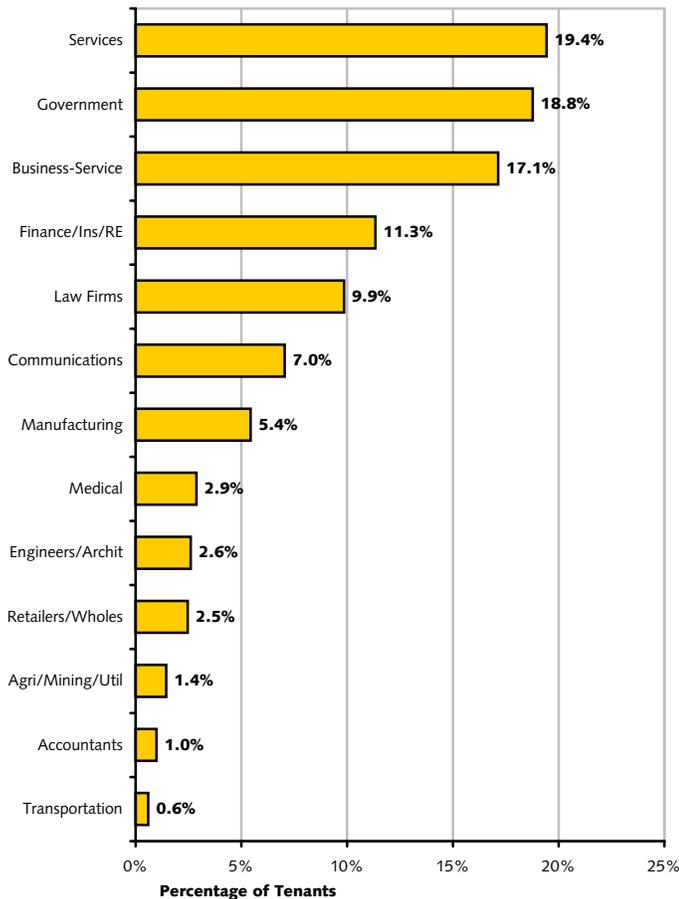
Based on Total Number of Tenants



Source: CoStar Tenant®

TENANTS BY INDUSTRY

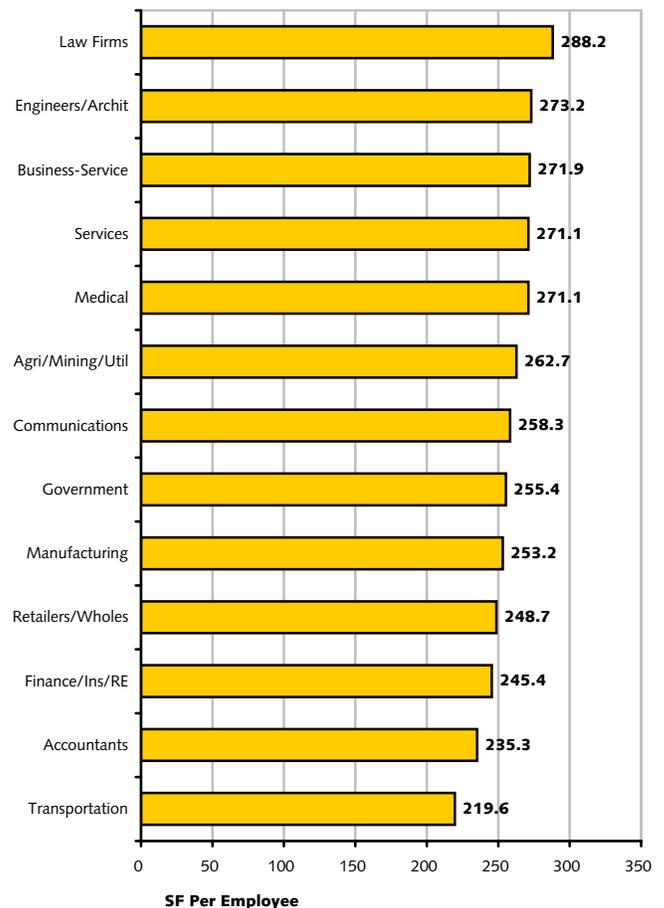
Based on Total Number of Tenants



Source: CoStar Tenant®

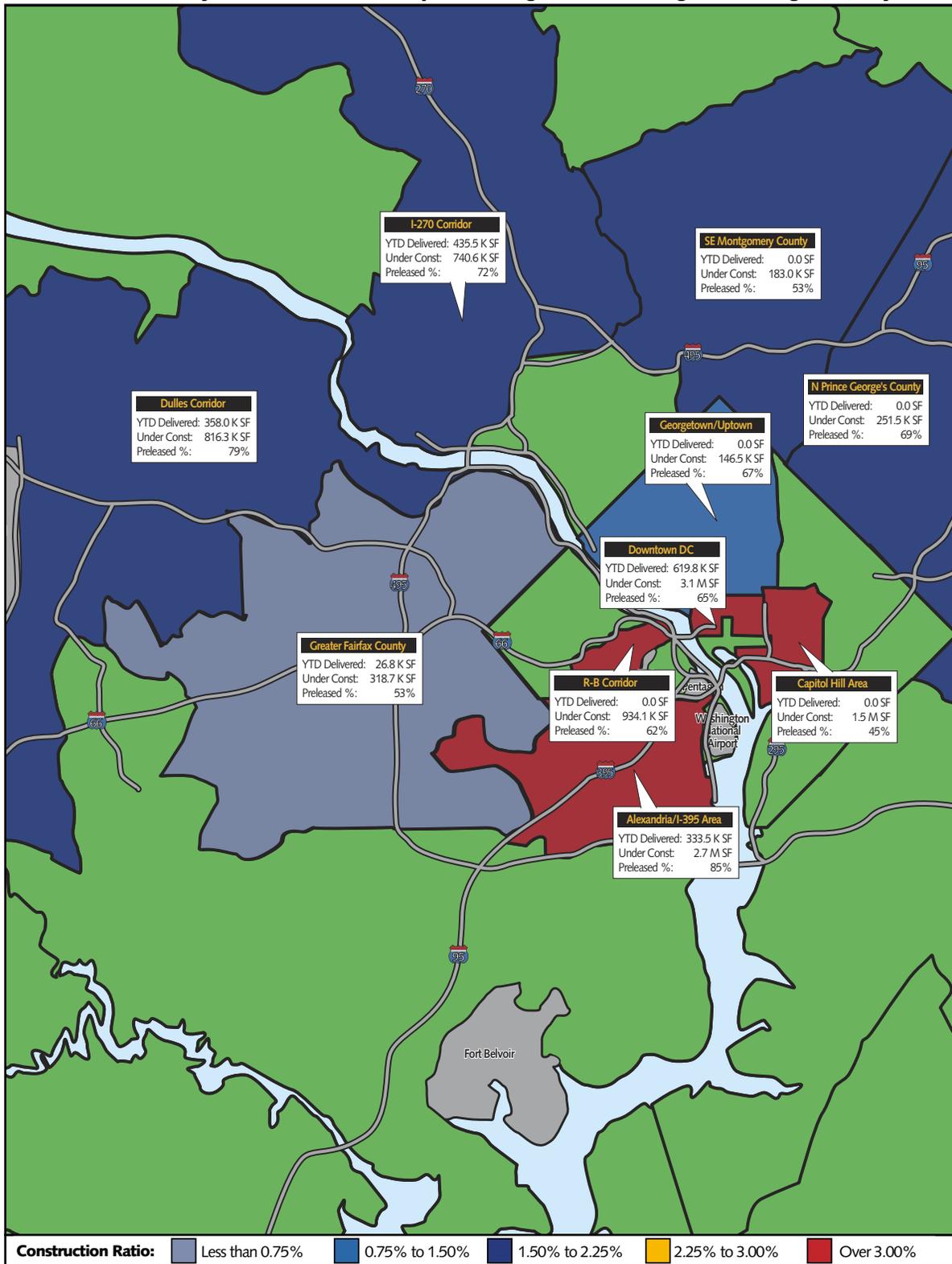
SF PER EMPLOYEE BY INDUSTRY

Based on Total Number of Tenants



Source: CoStar Tenant®

CONSTRUCTION HIGHLIGHTS IN SELECT CoSTAR MARKETS Color Coded by Under Construction Square Footage as a Percentage of Existing Inventory



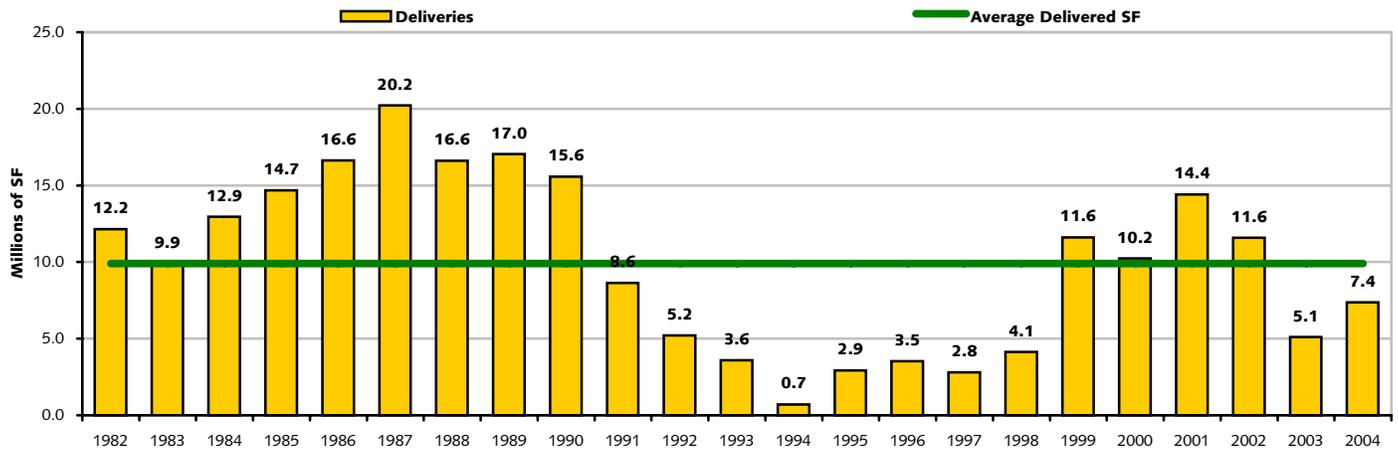
Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1982 - 2004



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

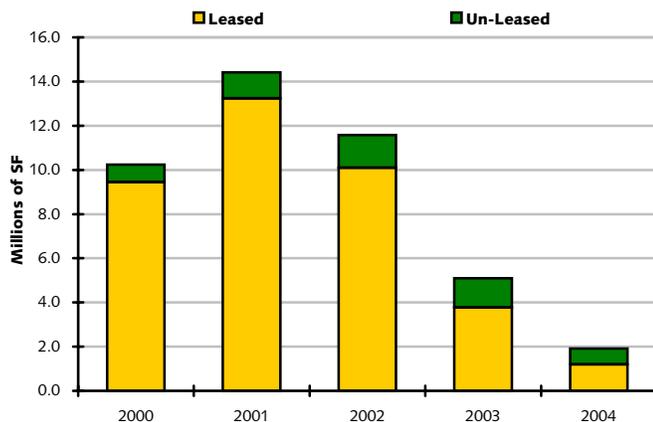
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Downtown DC	11	3,057,262	1,982,756	64.9%	123,039	277,933
Alexandria/I-395 Area	8	2,735,922	2,328,572	85.1%	59,554	341,990
Capitol Hill Area	4	1,542,469	692,536	44.9%	98,246	385,617
Leesburg/Route 7 Corridor	4	952,828	826,525	86.7%	20,149	238,207
R-B Corridor	4	934,083	578,062	61.9%	123,286	233,521
Dulles Corridor	9	816,280	647,014	79.3%	75,943	90,698
I-270 Corridor	11	740,626	533,914	72.1%	65,634	67,330
Bethesda/Chevy Chase	1	412,000	412,000	100.0%	62,357	412,000
Greater Fairfax County	1	318,714	168,918	53.0%	69,850	318,714
N Prince Georges County	3	251,537	173,143	68.8%	45,533	83,846
All Other	12	685,951	277,518	40.5%	34,179	57,163
Totals	68	12,447,672	8,620,958	69.3%	66,326	183,054

Source: CoStar Property®

RECENT DELIVERIES

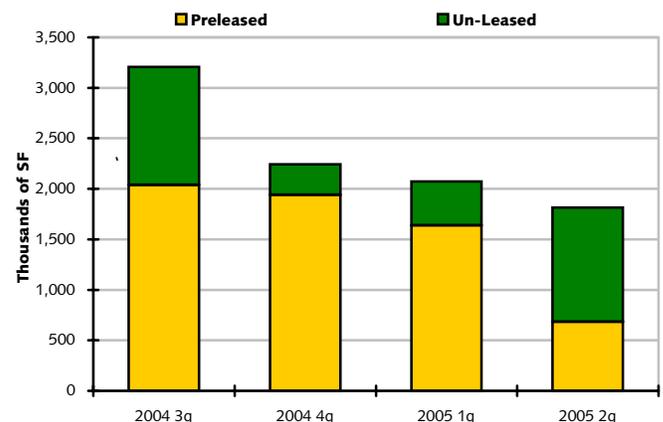
Leased & Un-Leased SF in Deliveries Since 2000



Source: CoStar Property®

FUTURE DELIVERIES

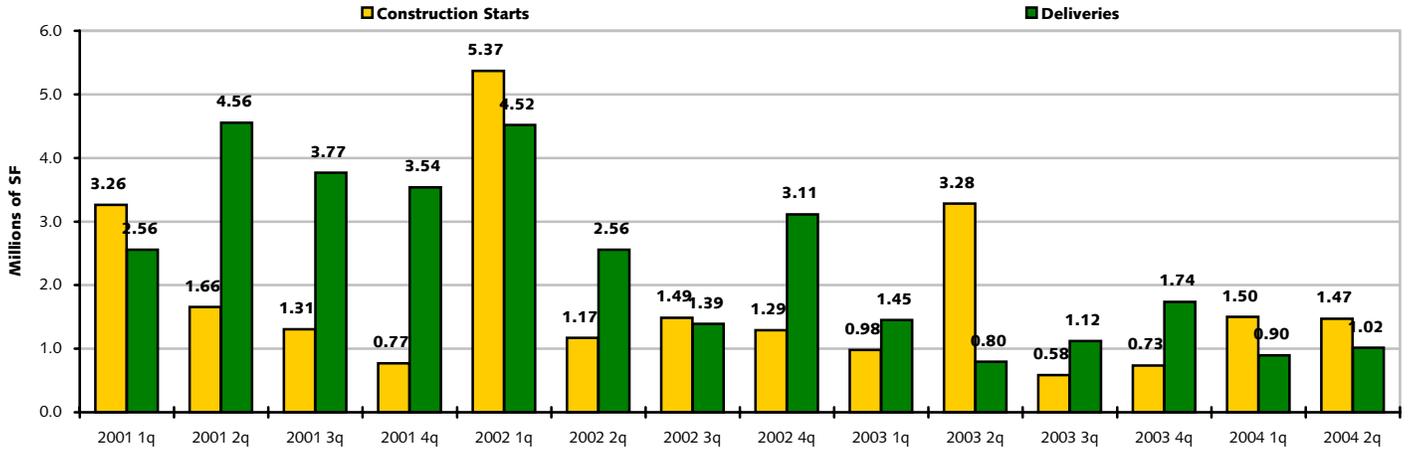
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

HISTORICAL CONSTRUCTION STARTS & DELIVERIES

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

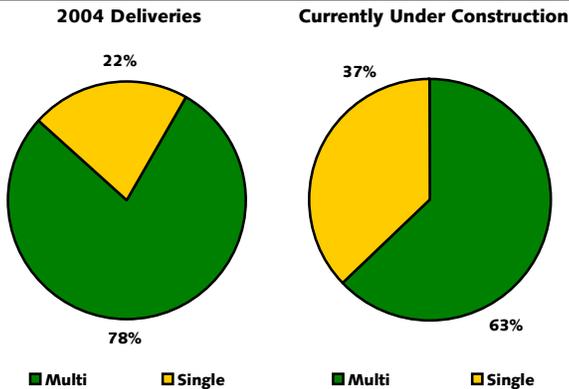
RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	13	381,542	284,090	74.5%	\$24.96	27,000	354,542
50,000 SF - 99,999 SF	3	181,000	145,060	80.1%	\$30.61	55,000	126,000
100,000 SF - 249,999 SF	2	394,963	281,798	71.3%	\$32.50	0	394,963
250,000 SF - 499,999 SF	3	953,311	491,099	51.5%	\$46.50	333,529	619,782
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

Source: CoStar Property®

RECENT DEVELOPMENT BY TENANCY

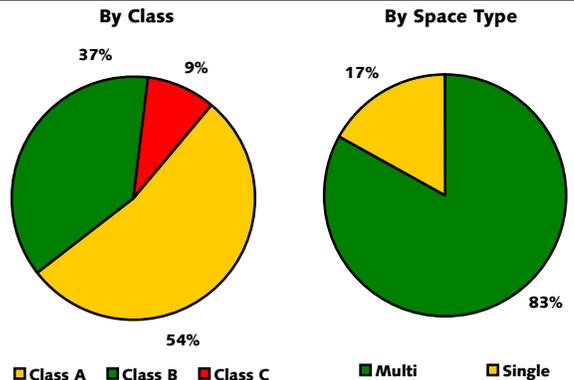
Based on RBA Developed for Single & Multi Tenant Use



Source: CoStar Property®

EXISTING INVENTORY COMPARISON

Based on Total RBA



Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



INVENTORY & DEVELOPMENT

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

1. Jefferson Bldg



Alexandria/I-395 Area Office Market

RBA: 333,529
 # Floors: 10
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: Second Quarter 2004
 Leasing Co: LCOR Inc.
 Developer: LCOR Alexandria, LLC
 Architect: Skidmore Owings & Merrill

2. Franklin Square North



Downtown DC Office Market

RBA: 269,626
 # Floors: 12
 Occupied: 0%
 Quoted Rate: \$34.00
 Deliv Date: First Quarter 2004
 Leasing Co: Monument Realty LLC
 Developer: Monument Realty LLC
 Architect: Davis, Carter, Scott P.C.

3. 5635 Fishers Ln



I-270 Corridor Office Market

RBA: 185,516
 # Floors: 6
 Occupied: 39%
 Quoted Rate: \$32.50
 Deliv Date: First Quarter 2004
 Leasing Co: The JBG Companies
 Developer: JBG/JER
 Architect: DNC Architects, Inc.

4. Woodglen 1



I-270 Corridor Office Market

RBA: 66,000
 # Floors: 3
 Occupied: 51%
 Quoted Rate: \$31.00
 Deliv Date: First Quarter 2004
 Leasing Co: CB Richard Ellis
 Developer: The JBG Companies
 Architect: Arium Inc.

5. 9650 Rockville Pike



I-270 Corridor Office Market

RBA: 55,000
 # Floors: 5
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: Second Quarter 2004
 Leasing Co: Federation of American Societies E
 Developer: Federation of American Societies E
 Architect: Barry Dunn & Associates Architects

6. Chantilly Professional Bldg



Dulles Corridor Office Market

RBA: 42,700
 # Floors: 3
 Occupied: 45%
 Quoted Rate: \$25.00
 Deliv Date: Second Quarter 2004
 Leasing Co: Lincoln Property Company
 Developer: N/A
 Architect: Rounds VanDuzer Associates

7. Potomac Falls Prof Ctr - Bldg 4



Dulles Corridor Office Market

RBA: 39,880
 # Floors: 4
 Occupied: 92%
 Quoted Rate: \$25.00
 Deliv Date: Second Quarter 2004
 Leasing Co: Tetra Partnerships
 Developer: Tetra Partnerships & Robert B. Jord
 Architect: Stan, Myer, Nowell

8. The Glen



Woodbridge/I-95 Corridor Office Market

RBA: 38,000
 # Floors: 4
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: Second Quarter 2004
 Leasing Co: Mike Garcia Homes
 Developer: N/A
 Architect: N/A

9. Parkway Medical Tower



Dulles Corridor Office Market

RBA: 35,000
 # Floors: 5
 Occupied: 100%
 Quoted Rate: N/A
 Deliv Date: First Quarter 2004
 Leasing Co: Centex Concord of Nashville, Tenn.,
 Developer: Centex Concord of Nashville, Tenn.,
 Architect: Earl Swinson & Associates

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

1. Janelia Farm Blvd - Phase I



Leesburg/Route 7 Corridor Office Market

RBA: 750,000
Floors: 3
Preleased: 100%
Quoted Rate: N/A
Deliv Date: First Quarter 2006
Leasing Co: The Mark Winkler Company
Developer: The Mark Winkler Company
Architect: Rafael Vinloy Architects

2. IMF Bldg



Downtown DC Office Market

RBA: 650,000
Floors: 12
Preleased: 98%
Quoted Rate: Negotiable
Deliv Date: First Quarter 2005
Leasing Co: Transwestern Commercial Services
Developer: CarrAmerica Urban Development, LLC
Architect: Pei, Cobb, Freed & Partners

3. Station Place Phase I



Capitol Hill Area Office Market

RBA: 650,000
Floors: 11
Preleased: 100%
Quoted Rate: N/A
Deliv Date: Fourth Quarter 2004
Leasing Co: Cushman & Wakefield, Inc.
Developer: Louis Dreyfus Property Group
Architect: Kevin Roche/John Dinkeloo

4. Potomac Center North



Capitol Hill Area Office Market

RBA: 520,000
Floors: 11
Preleased: 0%
Quoted Rate: Negotiable
Deliv Date: Second Quarter 2005
Leasing Co: The JBG Companies
Developer: The JBG Companies
Architect: Hickok Warner Cole Architects

5. 1700 K St



Downtown DC Office Market

RBA: 390,000
Floors: 12
Preleased: 59%
Quoted Rate: \$41.53
Deliv Date: First Quarter 2005
Leasing Co: Charles E. Smith Commercial Realty
Developer: Charles E. Smith Commercial Realty
Architect: Pei, Cobb, Freed & Partners

6. Randolph Bldg



Alexandria/I-395 Area Office Market

RBA: 358,845
Floors: 10
Preleased: 100%
Quoted Rate: N/A
Deliv Date: First Quarter 2005
Leasing Co: LCOR Inc.
Developer: LCOR Alexandria, LLC
Architect: Skidmore Owings & Merrill

7. Arlington Gateway



R-B Corridor Office Market

RBA: 325,460
Floors: 12
Preleased: 70%
Quoted Rate: \$34.50
Deliv Date: First Quarter 2005
Leasing Co: Jones Lang LaSalle Americas, Inc.
Developer: The JBG Companies
Architect: WDG Architecture, PLLC

8. 1800 Tysons Blvd



Greater Fairfax County Office Market

RBA: 318,714
Floors: 13
Preleased: 53%
Quoted Rate: \$42.00
Deliv Date: Fourth Quarter 2005
Leasing Co: Diamond Property Company
Developer: Lerner Enterprises
Architect: Kohn Pedersen Fox Associates P.C.

9. One Liberty Center



R-B Corridor Office Market

RBA: 316,000
Floors: 13
Preleased: 100%
Quoted Rate: N/A
Deliv Date: Second Quarter 2005
Leasing Co: The Shooshan Company
Developer: The Shooshan Company
Architect: SmithGroup

WASHINGTON, D.C. OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Alexandria/I-395 Area	91	14,779,769	1,285,114	1,475,561	10.0%	459,034	333,529	2,735,922	\$31.54
Bethesda/Chevy Chase	23	4,839,096	532,335	727,606	15.0%	(66,821)	0	412,000	\$31.88
Capitol Hill Area	41	11,813,689	656,059	743,897	6.3%	(81,608)	0	1,542,469	\$44.16
Downtown DC	187	45,069,040	3,634,963	4,469,761	9.9%	473,518	619,782	3,057,262	\$44.17
Dulles Corridor	271	33,124,300	4,840,482	5,954,644	18.0%	1,166,209	322,977	758,780	\$22.76
E Prince Georges County	7	405,561	7,500	7,500	1.8%	14,940	0	0	\$18.50
East Falls Church	0	0	0	0	0.0%	0	0	0	\$0.00
Frederick	21	2,165,017	190,640	190,640	8.8%	39,909	56,968	0	\$23.90
Georgetown/Uptown	22	3,897,819	94,971	150,311	3.9%	59,774	0	146,500	\$31.64
Greater Fairfax County	195	31,955,294	4,232,622	5,213,488	16.3%	45,158	26,821	318,714	\$25.63
I-270 Corridor	132	17,654,010	1,896,037	2,528,132	14.3%	389,236	348,516	699,440	\$27.15
Leesburg/Route 7 Corridor	15	983,270	86,852	91,195	9.3%	15,365	0	881,228	\$25.70
Manassas/Route 29/I-66	8	253,688	28,110	28,110	11.1%	(4,187)	0	45,000	\$20.82
N Prince Georges County	57	7,728,338	789,435	825,735	10.7%	155,787	0	251,537	\$21.37
Northeast/Southeast	0	0	0	0	0.0%	0	0	0	\$0.00
R-B Corridor	57	12,200,343	1,298,614	1,580,328	13.0%	632,106	0	934,083	\$31.74
S Prince Georges County	8	767,042	122,309	124,606	16.2%	27,308	0	0	\$17.25
SE Fairfax County	14	1,348,567	167,346	212,366	15.7%	(41,498)	0	150,000	\$25.70
SE Montgomery County	31	5,576,814	469,386	539,908	9.7%	48,552	0	183,000	\$25.66
Woodbridge/I-95 Corridor	1	33,667	0	0	0.0%	0	0	70,618	\$22.59
Class A Totals	1,181	194,595,324	20,332,775	24,863,788	12.8%	3,332,782	1,708,593	12,186,553	\$31.14

Source: CoStar Property®

CLASS B MARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Alexandria/I-395 Area	248	13,260,650	1,349,574	1,371,245	10.3%	82,816	0	0	\$27.95
Bethesda/Chevy Chase	77	5,436,599	713,650	893,032	16.4%	(55,238)	0	0	\$26.11
Capitol Hill Area	55	6,828,334	626,929	657,753	9.6%	7,745	0	0	\$29.68
Downtown DC	267	30,539,716	2,212,903	2,567,571	8.4%	(96,977)	0	0	\$36.03
Dulles Corridor	254	8,997,523	1,507,992	1,849,607	20.6%	225,250	35,000	57,500	\$19.02
E Prince Georges County	22	710,727	18,979	18,979	2.7%	2,676	0	24,000	\$18.50
East Falls Church	9	216,842	1,500	1,500	0.7%	0	0	0	\$11.00
Frederick	70	1,802,884	195,235	205,916	11.4%	(64,117)	0	8,000	\$18.28
Georgetown/Uptown	146	5,793,967	274,648	310,570	5.4%	(22,292)	0	0	\$28.17
Greater Fairfax County	418	19,103,649	2,506,161	3,010,732	15.8%	61,471	0	0	\$21.51
I-270 Corridor	291	15,806,629	1,382,211	1,663,682	10.5%	10,241	87,000	41,186	\$24.04
Leesburg/Route 7 Corridor	77	1,573,088	60,265	60,265	3.8%	13,492	0	71,600	\$27.94
Manassas/Route 29/I-66	68	1,933,733	174,899	199,048	10.3%	37,036	20,000	0	\$17.99
N Prince Georges County	183	6,617,347	800,892	912,053	13.8%	67,009	0	0	\$18.76
Northeast/Southeast	8	327,432	29,301	29,301	8.9%	(4,000)	0	25,000	\$36.14
R-B Corridor	46	5,147,773	338,278	368,819	7.2%	65,505	0	0	\$26.66
S Prince Georges County	50	1,516,574	112,124	112,124	7.4%	(39,914)	0	0	\$17.56
SE Fairfax County	119	4,292,102	257,493	321,881	7.5%	23,417	0	0	\$20.48
SE Montgomery County	107	4,415,178	289,216	316,108	7.2%	29,606	0	0	\$21.36
Woodbridge/I-95 Corridor	57	1,382,524	41,554	44,702	3.2%	111,886	44,098	33,833	\$18.84
Class B Totals	2,572	135,703,271	12,893,804	14,914,888	11.0%	455,612	186,098	261,119	\$26.17

Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET

FIGURES AT A GLANCE

CLASS C MARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Alexandria/I-395 Area	213	4,833,472	402,250	408,677	8.5%	(226,385)	0	0	\$29.44
Bethesda/Chevy Chase	83	1,135,623	39,196	45,966	4.0%	10,652	0	0	\$25.30
Capitol Hill Area	136	4,150,955	432,549	442,875	10.7%	114,214	0	0	\$28.98
Downtown DC	198	4,612,710	230,107	243,382	5.3%	4,500	0	0	\$27.72
Dulles Corridor	38	634,172	40,178	53,089	8.4%	50,411	0	0	\$18.71
E Prince Georges County	11	111,706	8,089	8,089	7.2%	(1,325)	0	0	\$23.45
East Falls Church	13	144,927	8,117	8,117	5.6%	(6,317)	0	0	\$23.19
Frederick	43	407,752	46,313	46,313	11.4%	(1,350)	0	0	\$20.69
Georgetown/Uptown	234	3,367,546	122,718	126,023	3.7%	49,714	0	0	\$30.87
Greater Fairfax County	149	2,167,133	101,991	102,841	4.7%	10,893	0	0	\$22.54
I-270 Corridor	135	3,163,396	282,817	287,284	9.1%	(403)	0	0	\$21.22
Leesburg/Route 7 Corridor	53	365,235	13,802	34,102	9.3%	(15,897)	0	0	\$23.66
Manassas/Route 29/I-66	27	254,768	15,709	15,709	6.2%	4,903	0	0	\$15.82
N Prince Georges County	122	2,137,199	124,991	124,991	5.8%	29,369	0	0	\$17.32
Northeast/Southeast	23	281,530	23,486	23,486	8.3%	(23,486)	0	0	\$26.64
R-B Corridor	56	2,254,400	73,348	85,348	3.8%	48,282	0	0	\$22.71
S Prince Georges County	53	1,177,677	164,387	164,387	14.0%	2,096	0	0	\$13.71
SE Fairfax County	31	585,353	27,809	27,809	4.8%	4,565	0	0	\$19.38
SE Montgomery County	100	1,669,370	124,938	135,854	8.1%	(32,850)	0	0	\$19.17
Woodbridge/I-95 Corridor	18	309,253	27,125	31,764	10.3%	(11,000)	16,125	0	\$21.93
Class C Totals	1,736	33,764,177	2,309,920	2,416,106	7.2%	10,586	16,125	0	\$24.81

Source: CoStar Property®

CLASS A,B&C MARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Market

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Alexandria/I-395 Area	552	32,873,891	3,036,938	3,255,483	9.9%	315,465	333,529	2,735,922	\$30.08
Bethesda/Chevy Chase	183	11,411,318	1,285,181	1,666,604	14.6%	(111,407)	0	412,000	\$28.22
Capitol Hill Area	232	22,792,978	1,715,537	1,844,525	8.1%	40,351	0	1,542,469	\$41.65
Downtown DC	652	80,221,466	6,077,973	7,280,714	9.1%	381,041	619,782	3,057,262	\$40.81
Dulles Corridor	563	42,755,995	6,388,652	7,857,340	18.4%	1,441,870	357,977	816,280	\$21.85
E Prince Georges County	40	1,227,994	34,568	34,568	2.8%	16,291	0	24,000	\$19.10
East Falls Church	22	361,769	9,617	9,617	2.7%	(6,317)	0	0	\$21.29
Frederick	134	4,375,653	432,188	442,869	10.1%	(25,558)	56,968	8,000	\$19.65
Georgetown/Uptown	402	13,059,332	492,337	586,904	4.5%	87,196	0	146,500	\$29.38
Greater Fairfax County	762	53,226,076	6,840,774	8,327,061	15.6%	117,522	26,821	318,714	\$24.08
I-270 Corridor	558	36,624,035	3,561,065	4,479,098	12.2%	399,074	435,516	740,626	\$25.57
Leesburg/Route 7 Corridor	145	2,921,593	160,919	185,562	6.4%	12,960	0	952,828	\$26.39
Manassas/Route 29/I-66	103	2,442,189	218,718	242,867	9.9%	37,752	20,000	45,000	\$18.51
N Prince Georges County	362	16,482,884	1,715,318	1,862,779	11.3%	252,165	0	251,537	\$20.05
Northeast/Southeast	31	608,962	52,787	52,787	8.7%	(27,486)	0	25,000	\$28.20
R-B Corridor	159	19,602,516	1,710,240	2,034,495	10.4%	745,893	0	934,083	\$30.26
S Prince Georges County	111	3,461,293	398,820	401,117	11.6%	(10,510)	0	0	\$15.84
SE Fairfax County	164	6,226,022	452,648	562,056	9.0%	(13,516)	0	150,000	\$22.74
SE Montgomery County	238	11,661,362	883,540	991,870	8.5%	45,308	0	183,000	\$23.60
Woodbridge/I-95 Corridor	76	1,725,444	68,679	76,466	4.4%	100,886	60,223	104,451	\$20.61
Class A,B&C Totals	5,489	364,062,772	35,536,499	42,194,782	11.6%	3,798,980	1,910,816	12,447,672	\$29.05

Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



FIGURES AT A GLANCE

CLASS A SUBMARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Submarket

Submarket	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Annandale	6	512,400	207,852	214,452	41.9%	2,639	0	0	\$25.28
Ballston	21	4,761,360	637,370	741,539	15.6%	290,658	0	641,460	\$32.75
Beltville/Calverton	8	922,494	135,608	139,939	15.2%	(12,464)	0	0	\$21.98
Bethesda/Chevy Chase	23	4,839,096	532,335	727,606	15.0%	(66,821)	0	412,000	\$31.88
Bowie	6	351,561	0	0	0.0%	14,940	0	0	\$0.00
Branch Avenue Corridor	1	36,000	0	0	0.0%	0	0	0	\$0.00
Capitol Hill	29	7,927,315	619,610	707,448	8.9%	(223,112)	0	742,469	\$41.43
CBD	84	17,445,190	850,594	1,275,187	7.3%	173,962	0	1,582,591	\$41.41
Clarendon/Courthouse	16	2,904,630	255,212	370,727	12.8%	116,631	0	292,623	\$30.57
College Park	7	1,908,252	205,122	205,122	10.7%	19,570	0	81,702	\$22.30
Crystal City	11	3,614,887	283,124	307,893	8.5%	(49,222)	0	629,159	\$34.26
East End	88	25,187,124	2,649,224	3,032,344	12.0%	364,710	619,782	1,474,671	\$45.95
East Falls Church	0	0	0	0	0.0%	0	0	0	\$0.00
Eisenhower Ave Corridor	2	263,707	0	0	0.0%	47,933	0	0	\$0.00
Fairfax Center	31	4,561,771	208,672	333,675	7.3%	71,779	0	0	\$23.45
Fairfax City	18	1,310,379	83,511	92,080	7.0%	(9,590)	0	0	\$23.11
Falls Church	6	261,057	17,962	17,962	6.9%	(15,173)	0	0	\$22.35
Frederick	21	2,165,017	190,640	190,640	8.8%	39,909	56,968	0	\$23.90
Gaithersburg	16	1,369,845	104,971	137,251	10.0%	12,071	0	0	\$24.32
Georgetown	8	1,298,845	9,368	27,256	2.1%	25,408	0	40,500	\$29.00
Germantown	11	1,012,413	236,548	299,226	29.6%	17,553	0	27,000	\$24.87
Great Falls	1	18,180	0	0	0.0%	0	0	0	\$0.00
Greater Upper Marlboro	1	54,000	7,500	7,500	13.9%	0	0	0	\$18.50
Greenbelt	16	1,835,852	234,462	248,620	13.5%	76,225	0	169,835	\$22.75
Herndon	64	8,443,530	1,646,535	2,271,058	26.9%	165,966	0	257,400	\$22.68
Huntington/Mt Vernon	2	187,488	36,968	36,968	19.7%	5,192	0	0	\$20.00
I-270 Corridor North	0	0	0	0	0.0%	0	0	0	\$0.00
I-395 Corridor	21	4,809,379	530,225	555,364	11.5%	197,833	0	0	\$24.98
Kensington/Wheaton	4	222,171	94,001	95,960	43.2%	(10,361)	0	0	\$29.19
Landover/Largo/Capitol Hts	10	1,357,492	132,376	135,642	10.0%	51,242	0	0	\$19.77
Lanham	7	750,504	23,013	23,013	3.1%	19,263	0	0	\$18.31
Laurel	9	953,744	58,854	73,399	7.7%	1,951	0	0	\$19.64
Leesburg/West Loudoun	5	253,300	56,300	56,300	22.2%	11,200	0	0	\$23.73
Manassas	4	152,000	20,102	20,102	13.2%	(9,715)	0	45,000	\$20.56
McLean	3	192,200	4,600	5,400	2.8%	2,070	0	0	\$28.92
Merrifield	35	6,127,833	847,897	972,701	15.9%	113,387	26,821	0	\$26.09
North Bethesda/Potomac	33	6,500,264	378,520	566,069	8.7%	39,331	66,000	0	\$28.15
North Rockville	53	6,280,538	686,276	916,160	14.6%	175,817	97,000	598,940	\$26.35
North Silver Spring/Rt 29	10	1,523,770	87,907	90,270	5.9%	(6,285)	0	0	\$23.02
Northeast	0	0	0	0	0.0%	0	0	0	\$0.00
Oakton	8	1,023,872	55,372	61,076	6.0%	(2,167)	0	0	\$22.89
Old Town Alexandria	54	5,411,723	471,765	587,397	10.9%	262,490	333,529	2,106,763	\$29.98
Oxon Hill/Ft Washington	4	412,332	115,941	118,238	28.7%	33,676	0	0	\$17.00
Pennsylvania Ave Corridor	3	318,710	6,368	6,368	2.0%	(6,368)	0	0	\$22.00
Pentagon City	3	680,073	0	24,907	3.7%	0	0	0	\$0.00
Reston	99	13,445,417	1,753,894	2,044,942	15.2%	420,948	0	240,000	\$24.30
Rockville	19	2,490,950	489,722	609,426	24.5%	144,464	185,516	73,500	\$29.16
Rosslyn	16	4,080,362	330,664	392,694	9.6%	172,139	0	0	\$31.27
Route 28 Corridor North	49	4,707,736	782,267	847,109	18.0%	96,797	70,830	53,070	\$20.50
Route 28 Corridor South	58	6,509,437	657,786	791,535	12.2%	482,498	252,147	208,310	\$20.78
Route 29/I-66 Corridor	4	101,688	8,008	8,008	7.9%	5,528	0	0	\$23.00
Route 7 Corridor	10	729,970	30,552	34,895	4.8%	4,165	0	881,228	\$27.34
Silver Spring	17	3,830,873	287,478	353,678	9.2%	65,198	0	183,000	\$25.55
Southeast	0	0	0	0	0.0%	0	0	0	\$0.00
Southwest	12	3,886,374	36,449	36,449	0.9%	141,504	0	800,000	\$46.57
Springfield/Burke	12	1,161,079	130,378	175,398	15.1%	(46,690)	0	150,000	\$26.21
Tysons Corner	85	17,553,182	2,803,202	3,463,421	19.7%	(83,620)	0	318,714	\$25.99
Uptown	14	2,598,974	85,603	123,055	4.7%	34,366	0	106,000	\$31.84
Vienna	3	412,600	3,554	52,721	12.8%	(34,167)	0	0	\$20.62
Virginia Square	4	453,991	75,368	75,368	16.6%	52,678	0	0	\$33.50
West End	15	2,436,726	135,145	162,230	6.7%	(65,154)	0	0	\$39.97
Woodbridge/I-95 Corridor	1	33,667	0	0	0.0%	0	0	70,618	\$22.59
Class A Totals	1,181	194,595,324	20,332,775	24,863,788	12.8%	3,332,782	1,708,593	12,186,553	\$31.14

Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET

FIGURES AT A GLANCE

CLASS B SUBMARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Submarket

Submarket	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Annandale	39	1,225,398	78,721	78,721	6.4%	18,677	0	0	\$21.62
Ballston	6	446,339	50,530	64,384	14.4%	7,920	0	0	\$22.43
Beltville/Calverton	12	627,009	89,650	89,650	14.3%	26,676	0	0	\$17.98
Bethesda/Chevy Chase	77	5,436,599	713,650	893,032	16.4%	(55,238)	0	0	\$26.11
Bowie	17	564,037	15,429	15,429	2.7%	2,626	0	24,000	\$18.59
Branch Avenue Corridor	27	1,073,858	55,245	55,245	5.1%	(15,370)	0	0	\$18.36
Capitol Hill	43	3,745,963	487,876	489,626	13.1%	25,385	0	0	\$28.89
CBD	170	19,803,125	1,308,862	1,556,642	7.9%	(36,002)	0	0	\$35.38
Clarendon/Courthouse	10	1,143,581	35,179	35,179	3.1%	(3,437)	0	0	\$28.50
College Park	34	1,047,318	124,376	127,376	12.2%	(18,991)	0	0	\$18.63
Crystal City	19	5,464,179	884,483	894,758	16.4%	(67,898)	0	0	\$31.24
East End	82	9,652,397	875,445	961,068	10.0%	(90,775)	0	0	\$36.96
East Falls Church	9	216,842	1,500	1,500	0.7%	0	0	0	\$11.00
Eisenhower Ave Corridor	22	1,113,979	77,182	77,182	6.9%	15,788	0	0	\$20.63
Fairfax Center	28	1,610,802	431,287	460,622	28.6%	8,713	0	0	\$21.17
Fairfax City	85	2,476,857	144,299	152,369	6.2%	28,857	0	0	\$21.36
Falls Church	36	1,402,262	74,665	74,665	5.3%	74,129	0	0	\$21.22
Frederick	70	1,802,884	195,235	205,916	11.4%	(64,117)	0	8,000	\$18.28
Gaithersburg	100	3,417,742	173,771	284,899	8.3%	(66,539)	0	0	\$21.62
Georgetown	43	1,637,006	59,441	71,382	4.4%	26,527	0	0	\$29.00
Germantown	29	1,466,956	315,061	335,635	22.9%	93,604	87,000	0	\$22.83
Great Falls	7	233,000	2,166	2,166	0.9%	1,034	0	0	\$25.08
Greater Upper Marlboro	5	146,690	3,550	3,550	2.4%	50	0	0	\$15.72
Greenbelt	38	1,456,364	187,789	189,955	13.0%	115,217	0	0	\$19.63
Herndon	69	2,299,699	360,181	404,227	17.6%	89,861	0	0	\$18.61
Huntington/Mt Vernon	23	970,692	94,061	94,061	9.7%	13,256	0	0	\$22.43
I-270 Corridor North	3	585,785	0	40,000	6.8%	0	0	41,186	\$0.00
I-395 Corridor	52	2,480,461	164,111	169,572	6.8%	132,200	0	0	\$23.04
Kensington/Wheaton	35	1,276,740	27,978	30,378	2.4%	11,693	0	0	\$23.41
Landover/Largo/Captl Hts	37	1,433,228	148,413	213,770	14.9%	(50,675)	0	0	\$19.27
Lanham	24	767,341	117,648	122,606	16.0%	14,087	0	0	\$19.03
Laurel	38	1,286,087	133,016	168,696	13.1%	(19,305)	0	0	\$16.79
Leesburg/West Loudoun	63	711,128	31,678	31,678	4.5%	(4,183)	0	0	\$23.25
Manassas	38	867,837	30,182	30,182	3.5%	5,634	0	0	\$15.68
McLean	39	1,186,060	45,711	49,643	4.2%	3,260	0	0	\$27.10
Merrifield	59	2,574,116	129,052	158,348	6.2%	(3,445)	0	0	\$24.29
North Bethesda/Potomac	51	3,028,097	444,287	482,584	15.9%	21,710	0	0	\$27.55
North Rockville	48	2,870,532	191,502	225,222	7.8%	58,266	0	0	\$22.38
North Silver Spring/Rt 29	30	1,371,167	53,523	66,165	4.8%	15,522	0	0	\$20.72
Northeast	4	175,132	29,301	29,301	16.7%	(4,000)	0	25,000	\$36.14
Oakton	6	155,688	9,570	9,570	6.1%	3,146	0	0	\$27.02
Old Town Alexandria	151	3,434,360	223,798	229,733	6.7%	2,726	0	0	\$23.19
Oxon Hill/Ft Washington	14	344,590	40,668	40,668	11.8%	(30,295)	0	0	\$16.99
Pennsylvania Ave Corridor	9	98,126	16,211	16,211	16.5%	5,751	0	0	\$17.13
Pentagon City	4	767,671	0	0	0.0%	0	0	0	\$0.00
Reston	71	2,656,135	399,262	468,806	17.6%	95,326	35,000	0	\$20.09
Rockville	60	4,437,517	257,590	295,342	6.7%	(96,800)	0	0	\$22.50
Rosslyn	20	3,185,822	210,930	218,856	6.9%	60,223	0	0	\$27.51
Route 28 Corridor North	58	2,052,109	426,946	501,018	24.4%	54,980	0	0	\$19.15
Route 28 Corridor South	49	1,756,580	319,437	473,390	26.9%	(15,951)	0	57,500	\$17.76
Route 29/I-66 Corridor	30	1,065,896	144,717	168,866	15.8%	31,402	20,000	0	\$18.52
Route 7 Corridor	14	861,960	28,587	28,587	3.3%	17,675	0	71,600	\$31.70
Silver Spring	42	1,767,271	207,715	219,565	12.4%	2,391	0	0	\$20.99
Southeast	4	152,300	0	0	0.0%	0	0	0	\$0.00
Southwest	12	3,082,371	139,053	168,127	5.5%	(17,640)	0	0	\$31.88
Springfield/Burke	96	3,321,410	163,432	227,820	6.9%	10,161	0	0	\$19.56
Tysons Corner	93	7,484,705	1,378,492	1,788,887	23.9%	(84,499)	0	0	\$20.78
Uptown	103	4,156,961	215,207	239,188	5.8%	(48,819)	0	0	\$27.93
Vienna	33	987,761	214,364	237,907	24.1%	12,633	0	0	\$23.54
Virginia Square	10	372,031	41,639	50,400	13.5%	799	0	0	\$26.16
West End	15	1,084,194	28,596	49,861	4.6%	29,800	0	0	\$27.38
Woodbridge/I-95 Corridor	57	1,382,524	41,554	44,702	3.2%	111,886	44,098	33,833	\$18.84
Class B Totals	2,572	135,703,271	12,893,804	14,914,888	11.0%	455,612	186,098	261,119	\$26.17

Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



FIGURES AT A GLANCE

CLASS C SUBMARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Submarket

Submarket	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Annandale	9	101,424	660	660	0.7%	(660)	0	0	\$20.98
Ballston	10	772,729	0	0	0.0%	2,900	0	0	\$0.00
Beltsville/Calverton	14	200,184	2,869	2,869	1.4%	0	0	0	\$0.00
Bethesda/Chevy Chase	83	1,135,623	39,196	45,966	4.0%	10,652	0	0	\$25.30
Bowie	4	79,335	3,824	3,824	4.8%	1,440	0	0	\$24.19
Branch Avenue Corridor	26	660,680	94,662	94,662	14.3%	(15,824)	0	0	\$13.96
Capitol Hill	128	1,310,240	51,479	61,805	4.7%	7,722	0	0	\$31.00
CBD	91	2,005,537	48,413	57,913	2.9%	(16,845)	0	0	\$30.05
Clarendon/Courthouse	26	506,612	33,425	45,425	9.0%	(7,810)	0	0	\$22.99
College Park	56	1,010,537	95,146	95,146	9.4%	(3,716)	0	0	\$17.17
Crystal City	10	1,498,372	265,288	266,035	17.8%	(250,682)	0	0	\$31.26
East End	97	2,063,281	169,671	171,246	8.3%	27,311	0	0	\$26.31
East Falls Church	13	144,927	8,117	8,117	5.6%	(6,317)	0	0	\$23.19
Eisenhower Ave Corridor	9	696,237	0	0	0.0%	1,300	0	0	\$0.00
Fairfax Center	4	78,500	10,915	11,765	15.0%	(850)	0	0	\$21.96
Fairfax City	28	313,796	14,418	14,418	4.6%	4,608	0	0	\$24.25
Falls Church	50	516,140	16,040	16,040	3.1%	(928)	0	0	\$20.84
Frederick	43	407,752	46,313	46,313	11.4%	(1,350)	0	0	\$20.69
Gaithersburg	46	818,444	42,245	42,245	5.2%	(28,159)	0	0	\$23.01
Georgetown	43	471,096	37,380	37,380	7.9%	(9,885)	0	0	\$37.34
Germantown	3	36,000	0	0	0.0%	0	0	0	\$0.00
Great Falls	1	5,000	0	0	0.0%	0	0	0	\$0.00
Greater Upper Marlboro	7	32,371	4,265	4,265	13.2%	(2,765)	0	0	\$22.19
Greenbelt	3	55,400	0	0	0.0%	0	0	0	\$0.00
Herndon	9	143,068	20,002	32,913	23.0%	38,963	0	0	\$19.62
Huntington/Mt Vernon	12	167,624	800	800	0.5%	4,238	0	0	\$19.50
I-270 Corridor North	0	0	0	0	0.0%	0	0	0	\$0.00
I-395 Corridor	41	1,609,571	51,061	51,061	3.2%	18,504	0	0	\$14.45
Kensington/Wheaton	30	413,546	31,768	33,268	8.0%	(11,014)	0	0	\$21.25
Landover/Largo/Capitol Hts	16	459,931	14,849	14,849	3.2%	7,755	0	0	\$18.50
Lanham	12	188,500	2,600	2,600	1.4%	19,496	0	0	\$16.50
Laurel	21	222,647	9,527	9,527	4.3%	5,834	0	0	\$18.38
Leesburg/West Loudoun	52	350,235	13,802	34,102	9.7%	(15,897)	0	0	\$23.66
Manassas	15	169,148	9,000	9,000	5.3%	1,500	0	0	\$16.34
McLean	15	212,728	0	0	0.0%	1,320	0	0	\$0.00
Merrifield	9	146,158	36,218	36,218	24.8%	0	0	0	\$24.00
North Bethesda/Potomac	28	802,974	58,737	58,737	7.3%	(21,454)	0	0	\$20.28
North Rockville	12	554,057	112,621	115,935	20.9%	46,667	0	0	\$20.85
North Silver Spring/Rt 29	8	105,187	0	0	0.0%	2,500	0	0	\$0.00
Northeast	11	136,082	15,548	15,548	11.4%	(15,548)	0	0	\$24.37
Oakton	1	30,000	0	0	0.0%	0	0	0	\$0.00
Old Town Alexandria	153	1,029,292	85,901	91,581	8.9%	4,493	0	0	\$24.15
Oxon Hill/Ft Washington	10	206,850	11,000	11,000	5.3%	15,950	0	0	\$15.97
Pennsylvania Ave Corridor	17	310,147	58,725	58,725	18.9%	1,970	0	0	\$13.00
Pentagon City	0	0	0	0	0.0%	0	0	0	\$0.00
Reston	8	215,284	13,488	13,488	6.3%	(266)	0	0	\$17.75
Rockville	46	951,921	69,214	70,367	7.4%	2,543	0	0	\$22.37
Rosslyn	10	833,337	39,923	39,923	4.8%	53,192	0	0	\$22.17
Route 28 Corridor North	13	167,003	1,682	1,682	1.0%	3,632	0	0	\$0.00
Route 28 Corridor South	7	103,817	5,006	5,006	4.8%	8,082	0	0	\$20.84
Route 29/I-66 Corridor	12	85,620	6,709	6,709	7.8%	3,403	0	0	\$15.18
Route 7 Corridor	1	15,000	0	0	0.0%	0	0	0	\$0.00
Silver Spring	62	1,150,637	93,170	102,586	8.9%	(24,336)	0	0	\$18.37
Southeast	12	145,448	7,938	7,938	5.5%	(7,938)	0	0	\$30.24
Southwest	8	2,840,715	381,070	381,070	13.4%	106,492	0	0	\$23.74
Springfield/Burke	19	417,729	27,009	27,009	6.5%	327	0	0	\$19.33
Tysons Corner	16	533,131	12,300	12,300	2.3%	9,968	0	0	\$19.50
Uptown	191	2,896,450	85,338	88,643	3.1%	59,599	0	0	\$29.51
Vienna	17	235,256	11,440	11,440	4.9%	(2,565)	0	0	\$27.14
Virginia Square	10	141,722	0	0	0.0%	0	0	0	\$0.00
West End	10	543,892	12,023	14,223	2.6%	(5,966)	0	0	\$24.00
Woodbridge/I-95 Corridor	18	309,253	27,125	31,764	10.3%	(11,000)	16,125	0	\$21.93
Class C Totals	1,736	33,764,177	2,309,920	2,416,106	7.2%	10,586	16,125	0	\$24.81

Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET

FIGURES AT A GLANCE

CLASS A,B&C SUBMARKET STATISTICS

Mid-Year 2004, Grouped by CoStar Submarket

Submarket	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Annandale	54	1,839,222	287,233	293,833	16.0%	20,656	0	0	\$24.22
Ballston	37	5,980,428	687,900	805,923	13.5%	301,478	0	641,460	\$31.99
Beltsville/Calverton	34	1,749,687	228,127	232,458	13.3%	14,212	0	0	\$20.92
Bethesda/Chevy Chase	183	11,411,318	1,285,181	1,666,604	14.6%	(111,407)	0	412,000	\$28.22
Bowie	27	994,933	19,253	19,253	1.9%	19,006	0	24,000	\$19.13
Branch Avenue Corridor	54	1,770,538	149,907	149,907	8.5%	(31,194)	0	0	\$15.06
Capitol Hill	200	12,983,518	1,158,965	1,258,879	9.7%	(190,005)	0	742,469	\$38.62
CBD	345	39,253,852	2,207,869	2,889,742	7.4%	121,115	0	1,582,591	\$38.17
Clarendon/Courthouse	52	4,554,823	323,816	451,331	9.9%	105,384	0	292,623	\$29.16
College Park	97	3,966,107	424,644	427,644	10.8%	(3,137)	0	81,702	\$19.97
Crystal City	40	10,577,438	1,432,895	1,468,686	13.9%	(367,802)	0	629,159	\$32.66
East End	267	36,902,802	3,694,340	4,164,658	11.3%	301,246	619,782	1,474,671	\$42.77
East Falls Church	22	361,769	9,617	9,617	2.7%	(6,317)	0	0	\$21.29
Eisenhower Ave Corridor	33	2,073,923	77,182	77,182	3.7%	65,021	0	0	\$20.63
Fairfax Center	63	6,251,073	650,874	806,062	12.9%	79,642	0	0	\$22.08
Fairfax City	131	4,101,032	242,228	258,867	6.3%	23,875	0	0	\$22.11
Falls Church	92	2,179,459	108,667	108,667	5.0%	58,028	0	0	\$21.23
Frederick	134	4,375,653	432,188	442,869	10.1%	(25,558)	56,968	8,000	\$19.65
Gaithersburg	162	5,606,031	320,987	464,395	8.3%	(82,627)	0	0	\$22.57
Georgetown	94	3,406,947	106,189	136,018	4.0%	42,050	0	40,500	\$30.41
Germantown	43	2,515,369	551,609	634,861	25.2%	111,157	87,000	27,000	\$23.81
Great Falls	9	256,180	2,166	2,166	0.8%	1,034	0	0	\$25.08
Greater Upper Marlboro	13	233,061	15,315	15,315	6.6%	(2,715)	0	0	\$18.97
Greenbelt	57	3,347,616	422,251	438,575	13.1%	191,442	0	169,835	\$21.56
Herndon	142	10,886,297	2,026,718	2,708,198	24.9%	294,790	0	257,400	\$22.09
Huntington/Mt Vernon	37	1,325,804	131,829	131,829	9.9%	22,686	0	0	\$21.88
I-270 Corridor North	3	585,785	0	40,000	6.8%	0	0	41,186	\$0.00
I-395 Corridor	114	8,899,411	745,397	775,997	8.7%	348,537	0	0	\$23.36
Kensington/Wheaton	69	1,912,457	153,747	159,606	8.3%	(9,682)	0	0	\$25.59
Landover/Largo/Captl Hts	63	3,250,651	295,638	364,261	11.2%	8,322	0	0	\$19.51
Lanham	43	1,706,345	143,261	148,219	8.7%	52,846	0	0	\$18.75
Laurel	68	2,462,478	201,397	251,622	10.2%	(11,520)	0	0	\$17.80
Leesburg/West Loudoun	120	1,314,663	101,780	122,080	9.3%	(8,880)	0	0	\$23.55
Manassas	57	1,188,985	59,284	59,284	5.0%	(2,581)	0	45,000	\$18.45
McLean	57	1,590,988	50,311	55,043	3.5%	6,650	0	0	\$27.66
Merrifield	103	8,848,107	1,013,167	1,167,267	13.2%	109,942	26,821	0	\$25.92
North Bethesda/Potomac	112	10,331,335	881,544	1,107,390	10.7%	39,587	66,000	0	\$27.56
North Rockville	113	9,705,127	990,399	1,257,317	13.0%	280,750	97,000	598,940	\$24.84
North Silver Spring/Rt 29	48	3,000,124	141,430	156,435	5.2%	11,737	0	0	\$21.92
Northeast	15	311,214	44,849	44,849	14.4%	(19,548)	0	25,000	\$27.22
Oakton	15	1,209,560	64,942	70,646	5.8%	979	0	0	\$24.02
Old Town Alexandria	358	9,875,375	781,464	908,711	9.2%	269,709	333,529	2,106,763	\$27.79
Oxon Hill/Ft Washington	28	963,772	167,609	169,906	17.6%	19,331	0	0	\$16.96
Pennsylvania Ave Corridor	29	726,983	81,304	81,304	11.2%	1,353	0	0	\$14.74
Pentagon City	7	1,447,744	0	24,907	1.7%	0	0	0	\$0.00
Reston	178	16,316,836	2,166,644	2,527,236	15.5%	516,008	35,000	240,000	\$23.33
Rockville	125	7,880,388	816,526	975,135	12.4%	50,207	185,516	73,500	\$26.35
Rosslyn	46	8,099,521	581,517	651,473	8.0%	285,554	0	0	\$29.56
Route 28 Corridor North	120	6,926,848	1,210,895	1,349,809	19.5%	155,409	70,830	53,070	\$19.98
Route 28 Corridor South	114	8,369,834	982,229	1,269,931	15.2%	474,629	252,147	265,810	\$19.51
Route 29/I-66 Corridor	46	1,253,204	159,434	183,583	14.6%	40,333	20,000	0	\$18.54
Route 7 Corridor	25	1,606,930	59,139	63,482	4.0%	21,840	0	952,828	\$29.27
Silver Spring	121	6,748,781	588,363	675,829	10.0%	43,253	0	183,000	\$23.51
Southeast	16	297,748	7,938	7,938	2.7%	(7,938)	0	0	\$30.24
Southwest	32	9,809,460	556,572	585,646	6.0%	230,356	0	800,000	\$44.85
Springfield/Burke	127	4,900,218	320,819	430,227	8.8%	(36,202)	0	150,000	\$22.98
Tysons Corner	194	25,571,018	4,193,994	5,264,608	20.6%	(158,151)	0	318,714	\$24.19
Uptown	308	9,652,385	386,148	450,886	4.7%	45,146	0	106,000	\$29.16
Vienna	53	1,635,617	229,358	302,068	18.5%	(24,099)	0	0	\$23.10
Virginia Square	24	967,744	117,007	125,768	13.0%	53,477	0	0	\$29.99
West End	40	4,064,812	175,764	226,314	5.6%	(41,320)	0	0	\$38.40
Woodbridge/I-95 Corridor	76	1,725,444	68,679	76,466	4.4%	100,886	60,223	104,451	\$20.61
Class A,B&C Totals	5,489	364,062,772	35,536,499	42,194,782	11.6%	3,798,980	1,910,816	12,447,672	\$29.05

Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 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	250	60,780,548	4,385,993	5,363,969	8.8%	451,684	619,782	4,746,231	\$43.92
Suburban	931	133,814,776	15,946,782	19,499,819	14.6%	2,881,098	1,088,811	7,440,322	\$26.20
Class A Totals	1,181	194,595,324	20,332,775	24,863,788	12.8%	3,332,782	1,708,593	12,186,553	\$31.14

Source: CoStar Property*

CLASS B MARKET STATISTICS

Mid-Year 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	476	43,489,449	3,143,781	3,565,195	8.2%	(115,524)	0	25,000	\$35.12
Suburban	2,096	92,213,822	9,750,023	11,349,693	12.3%	571,136	186,098	236,119	\$22.54
Class B Totals	2,572	135,703,271	12,893,804	14,914,888	11.0%	455,612	186,098	261,119	\$26.17

Source: CoStar Property*

CLASS C MARKET STATISTICS

Mid-Year 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	591	12,412,741	808,860	835,766	6.7%	144,942	0	0	\$28.95
Suburban	1,145	21,351,436	1,501,060	1,580,340	7.4%	(134,356)	16,125	0	\$24.05
Class C Totals	1,736	33,764,177	2,309,920	2,416,106	7.2%	10,586	16,125	0	\$24.81

Source: CoStar Property*

CLASS A&B MARKET STATISTICS

Mid-Year 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	726	104,269,997	7,529,774	8,929,164	8.6%	336,160	619,782	4,771,231	\$40.60
Suburban	3,027	226,028,598	25,696,805	30,849,512	13.6%	3,452,234	1,274,909	7,676,441	\$24.86
Class A&B Totals	3,753	330,298,595	33,226,579	39,778,676	12.0%	3,788,394	1,894,691	12,447,672	\$29.30

Source: CoStar Property*

CLASS A,B&C MARKET STATISTICS

Mid-Year 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	1,317	116,682,738	8,338,634	9,764,930	8.4%	481,102	619,782	4,771,231	\$40.23
Suburban	4,172	247,380,034	27,197,865	32,429,852	13.1%	3,317,878	1,291,034	7,676,441	\$24.80
Grand Totals	5,489	364,062,772	35,536,499	42,194,782	11.6%	3,798,980	1,910,816	12,447,672	\$29.05

Source: CoStar Property*

WASHINGTON, D.C. OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET HISTORICAL STATISTICS

Mid-Year 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 2q	1,181	194,595,324	20,332,775	24,863,788	12.8%	2,254,952	6	847,964	56	12,186,553	\$31.14
2004 1q	1,175	193,747,360	21,264,947	26,270,776	13.6%	1,077,830	8	860,629	50	11,639,887	\$30.58
2004 4q	1,167	192,886,731	21,470,794	26,487,977	13.7%	3,236,336	7	1,657,677	49	11,007,636	\$30.01
2003 3q	1,161	191,482,653	22,532,753	28,320,235	14.8%	1,018,856	4	971,848	52	11,963,042	\$29.92
2003 2q	1,157	190,510,805	22,059,069	28,367,243	14.9%	749,875	4	601,759	51	12,576,143	\$30.21
2003 1q	1,153	189,909,046	21,479,566	28,515,359	15.0%	1,409,315	8	1,420,882	37	10,042,884	\$30.70
2002	1,145	188,488,164	20,934,855	28,503,792	15.1%	5,125,495	66	10,876,976	40	10,568,203	\$30.17
2001	1,079	177,611,188	14,523,521	22,752,311	12.8%	1,709,695	81	13,208,433	72	12,518,194	\$31.17
2000	999	164,467,755	8,525,668	11,318,573	6.9%	8,094,209	72	9,540,831	107	19,429,322	\$32.71
1999	927	154,926,924	7,976,198	9,871,951	6.4%	9,030,212	76	10,977,872	100	17,338,859	\$29.39
1998	852	143,992,916	6,596,972	7,968,155	5.5%	2,973,166	38	3,813,659	85	13,947,482	\$28.48
1997	815	140,204,257	5,807,115	7,152,662	5.1%	6,189,765	14	2,499,839	45	6,412,190	\$25.99
1996	801	137,704,418	9,171,379	10,842,588	7.9%	6,332,548	14	3,396,818	16	2,734,225	\$22.98
1995	787	134,307,600	11,033,013	13,778,318	10.3%	5,232,701	11	2,769,275	19	4,233,548	\$22.34
1994	776	131,538,325	13,026,688	16,241,744	12.3%	4,181,716	4	557,720	16	4,231,285	\$21.07
1993	772	130,980,605	16,816,560	19,865,740	15.2%	2,880,700	13	3,242,187	9	2,388,450	\$21.82

Source: CoStar Property®

CLASS B MARKET HISTORICAL STATISTICS

Mid-Year 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 2q	2,572	135,703,271	12,893,804	14,914,888	11.0%	490,213	5	151,098	12	261,119	\$26.17
2004 1q	2,567	135,552,173	13,008,535	15,254,003	11.3%	(34,601)	1	35,000	12	337,531	\$26.01
2003 4q	2,567	135,611,503	12,679,226	15,278,732	11.3%	(30,678)	5	80,196	12	364,531	\$25.98
2003 3q	2,564	135,741,079	12,716,518	15,377,630	11.3%	266,925	2	127,500	14	412,531	\$25.85
2003 2q	2,562	135,613,579	12,353,913	15,517,055	11.4%	(363,720)	4	191,172	10	330,431	\$26.20
2003 1q	2,558	135,422,407	11,680,940	14,962,163	11.0%	267,096	1	26,000	10	372,103	\$26.83
2002	2,558	135,400,907	12,084,478	15,207,759	11.2%	(3,326,033)	26	628,790	6	314,172	\$26.28
2001	2,535	135,561,292	9,154,072	12,042,111	8.9%	(4,068,121)	71	1,173,402	24	614,910	\$27.52
2000	2,465	134,389,240	5,824,077	6,801,938	5.1%	1,196,462	24	694,339	68	1,146,629	\$27.27
1999	2,442	133,761,080	6,314,800	7,370,240	5.5%	2,582,065	16	581,944	19	521,532	\$24.36
1998	2,428	133,293,382	8,630,978	9,484,607	7.1%	3,061,114	11	298,047	16	584,187	\$23.44
1997	2,418	133,112,107	11,678,859	12,364,446	9.3%	2,114,995	10	298,926	10	255,730	\$20.48
1996	2,409	132,898,470	13,565,537	14,265,804	10.7%	2,160,922	7	107,865	9	292,142	\$18.55
1995	2,403	132,916,605	15,510,001	16,444,861	12.4%	1,186,345	6	112,213	6	220,911	\$18.37
1994	2,399	132,908,182	16,656,996	17,622,783	13.3%	2,308,521	3	111,070	7	268,259	\$18.29
1993	2,396	132,797,112	18,608,539	19,820,234	14.9%	(970,422)	9	356,132	2	102,070	\$18.04

Source: CoStar Property®

CLASS A,B&C MARKET HISTORICAL STATISTICS

Mid-Year 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 2q	5,489	364,062,772	35,536,499	42,194,782	11.6%	2,688,708	12	1,015,187	68	12,447,672	\$29.05
2004 1q	5,477	363,047,585	36,509,100	43,868,303	12.1%	1,110,272	9	895,629	63	11,993,543	\$28.73
2003 4q	5,471	362,311,755	36,528,824	44,242,745	12.2%	3,301,621	12	1,737,873	62	11,388,292	\$28.42
2003 3q	5,462	361,037,253	37,733,377	46,269,864	12.8%	1,367,747	7	1,121,348	67	12,391,698	\$28.35
2003 2q	5,458	360,201,225	37,254,197	46,801,583	13.0%	175,653	9	796,765	62	12,928,574	\$28.57
2003 1q	5,453	359,762,140	36,148,665	46,538,151	12.9%	1,443,306	10	1,448,842	49	10,440,821	\$29.05
2002	5,445	358,333,398	35,743,960	46,552,715	13.0%	1,745,693	100	11,581,121	49	10,910,169	\$28.60
2001	5,358	347,802,772	26,567,490	37,767,782	10.9%	(2,576,615)	154	14,416,462	102	13,175,344	\$29.68
2000	5,207	333,465,660	17,035,066	20,854,055	6.3%	8,902,512	97	10,242,170	176	20,593,183	\$30.45
1999	5,116	323,539,531	16,770,347	19,830,438	6.1%	11,637,871	97	11,604,536	120	17,867,391	\$27.41
1998	5,033	312,824,578	18,487,797	20,753,356	6.6%	6,937,632	50	4,124,670	106	14,576,389	\$26.08
1997	4,990	308,985,664	21,788,312	23,852,074	7.7%	7,707,546	25	2,807,265	56	6,680,884	\$23.14
1996	4,977	306,950,234	27,111,368	29,524,190	9.6%	8,597,219	24	3,522,526	26	3,034,867	\$20.62
1995	4,955	303,575,308	31,032,227	34,746,483	11.4%	6,379,144	20	2,918,705	28	4,472,302	\$20.25
1994	4,941	301,341,827	34,680,651	38,892,146	12.9%	6,326,646	10	699,990	26	4,536,761	\$19.55
1993	4,935	301,068,838	40,621,301	44,945,803	14.9%	1,417,347	22	3,598,319	14	2,521,720	\$19.82

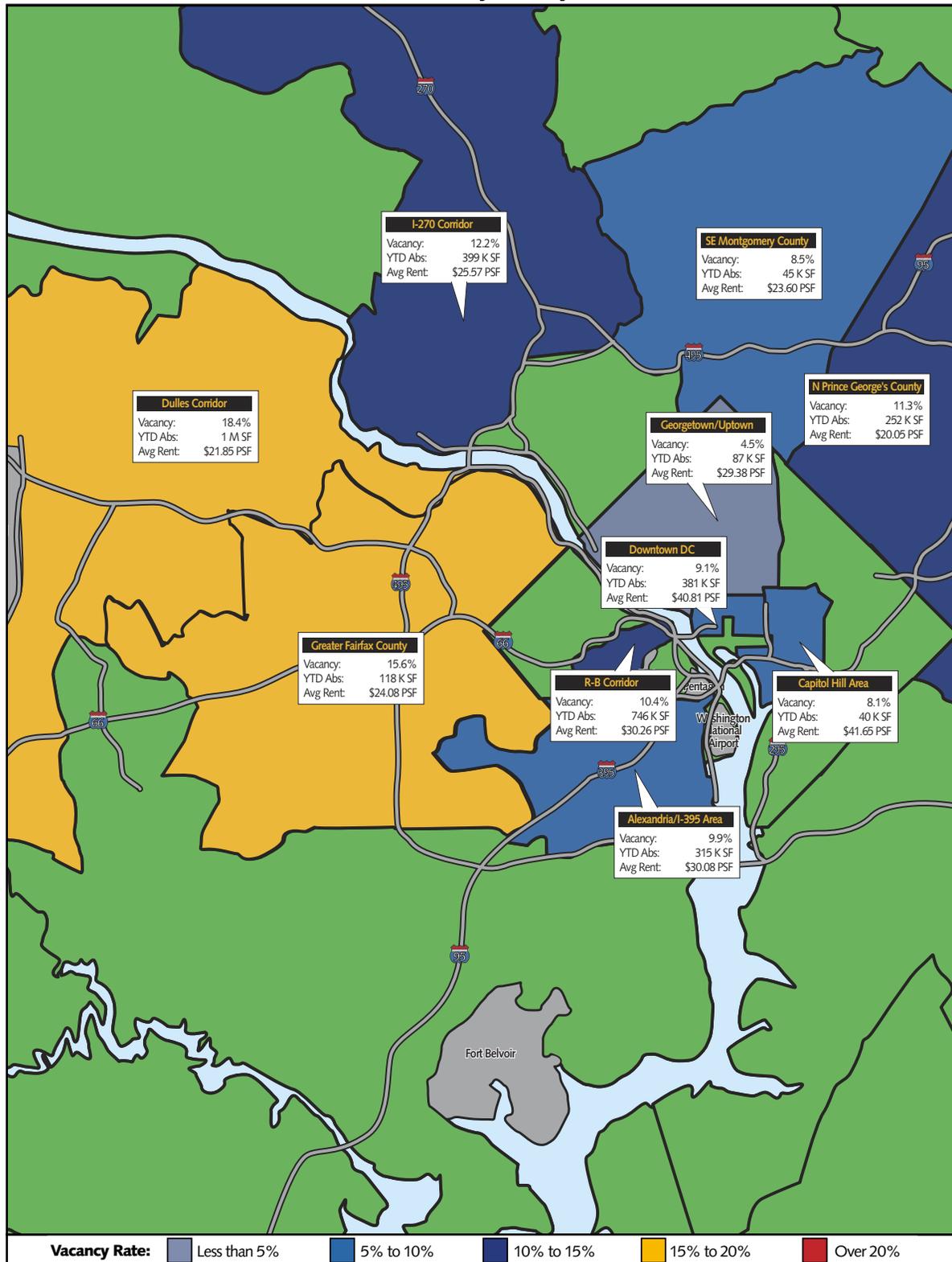
Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



LEASING ACTIVITY

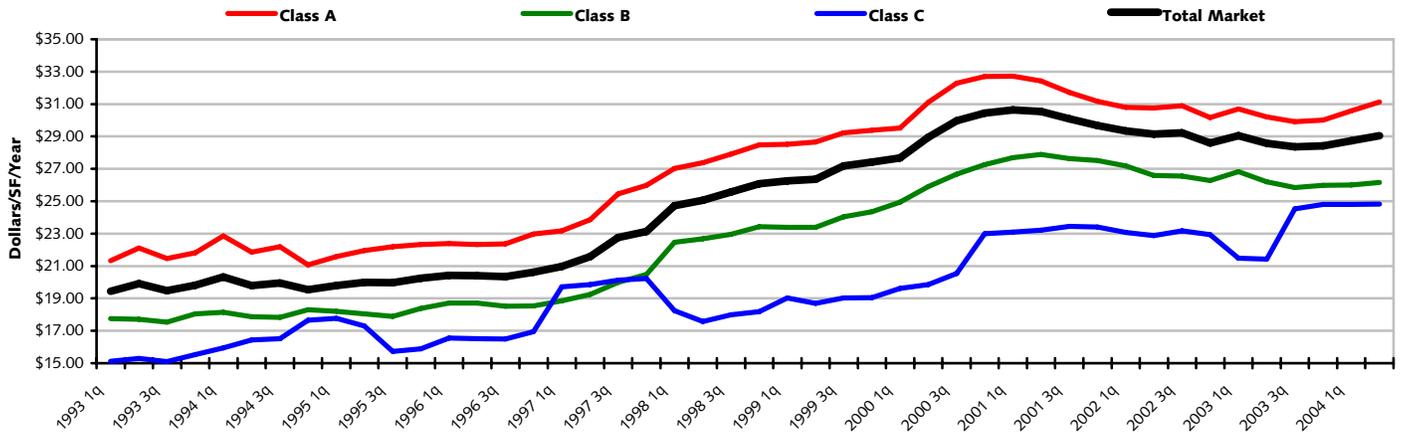
LEASING HIGHLIGHTS IN SELECT COSTAR MARKETS Color Coded by Vacancy Rate



Source: CoStar Property®

HISTORICAL RENTAL RATES

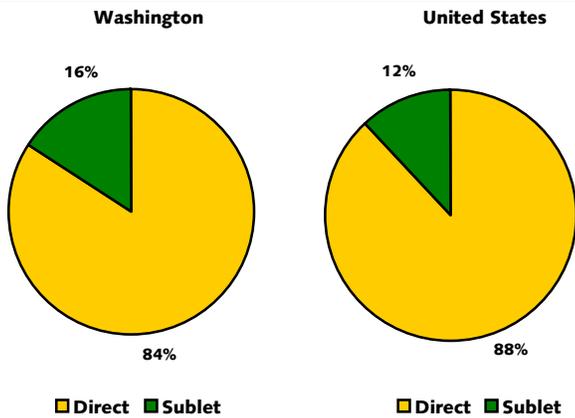
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

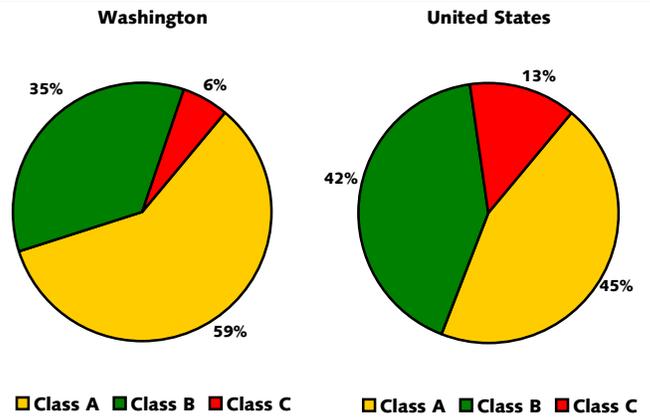
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

VACANCY BY CLASS

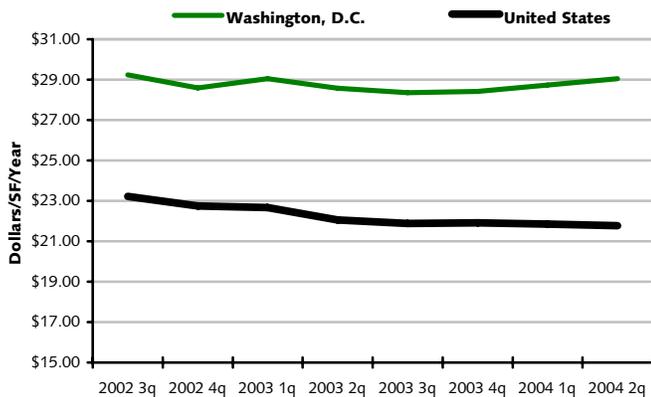
Percent of All Vacant Space by Class



Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

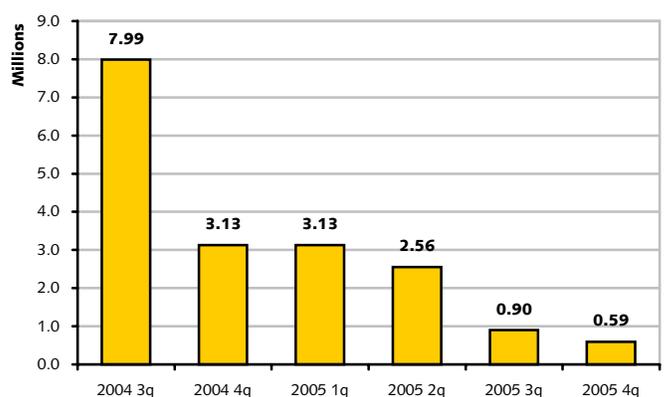
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET



LEASING ACTIVITY

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

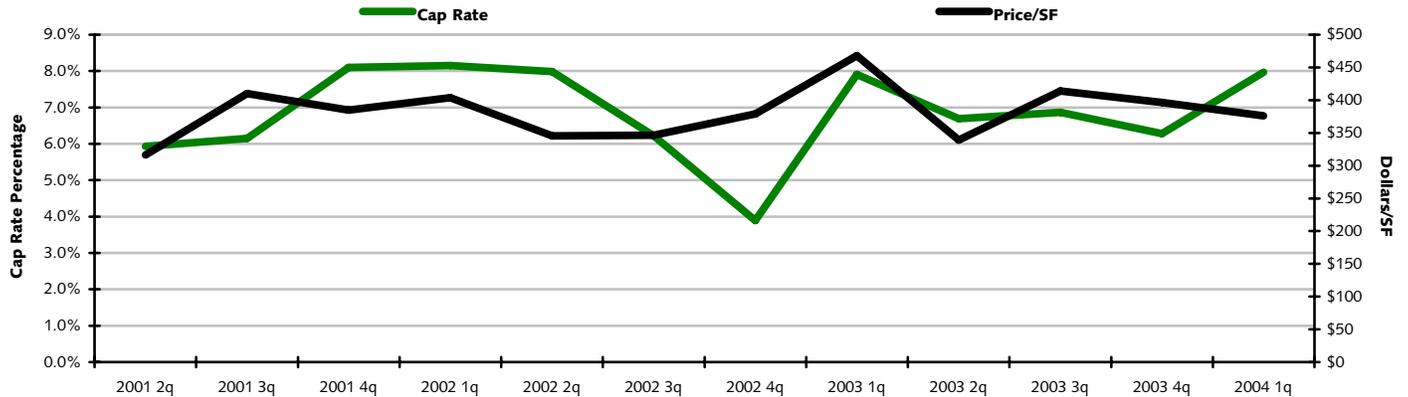
Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 One & Two Potomac Yard	Crystal City	405,108	2nd	United States Government - EPA	Spaulding & Slye Colliers	Millennium Realty Advisors, LLC
2 One Dulles Tower	Herndon	242,000	1st	Booz-Allen & Hamilton, Inc.	The Staubach Company	Jones Lang LaSalle Americas, Inc.
3 Crystal Plaza 4	Crystal City	233,616	2nd	United States Government - Federal Supply	Spaulding & Slye Colliers	Charles E. Smith Commercial Realty
4 Chevy Chase Center	Bethesda/Chevy Chase	204,147	1st	The Mills Corporation	Cushman & Wakefield of DC, Inc.	CB Richard Ellis
5 Fairfax Bldg	Tysons Corner	202,840	1st	Freddie Mac	Direct Deal	WEST*GROUP Management LLC
6 455 9th St NW	East End	200,000	2nd	Piper Rudnick, LLP	Jones Lang LaSalle Americas, Inc.	Boston Properties
7 Skyline City*	I-395 Corridor	153,000	1st	SAIC	The Staubach Company	Charles E. Smith Commercial Realty
8 Tycon Courthouse	Tysons Corner	135,566	1st	United States Government - Dept of Treasury	Capitol CREAG, LLC	Grubb & Ellis
9 1900 Half St SW	Southwest	129,115	2nd	United States Government - Coast Guard	GSA	Douglas Development Corporation
10 Arlington Gateway	Ballston	119,000	2nd	Watson Wyatt Worldwide	Equis Corporation	Jones Lang LaSalle Americas, Inc.
11 Metropolitan Square*	East End	118,000	1st	Miller & Chevalier Chartered	Trammell Crow Company	Boston Properties
12 One Metro Center	East End	117,129	2nd	White & Case, LLP	Spaulding & Slye Colliers	Tishman Speyer Properties
13 Washington Harbour West Bldg*	Georgetown	116,846	1st	Collier Shannon Scott, P.L.L.C.	Carr Real Estate Services	Jones Lang LaSalle Americas, Inc.
14 Fairchild Bldg	Southwest	110,843	1st	N/A		Marfair Joint Venture
15 Union Labor Life Bldg	Capitol Hill	109,971	1st	United States Government - INS	In-House	Douglas Development Corporation
16 1750 K St NW*	CBD	107,680	1st	Wiley, Rein & Fielding	Direct Deal	Advantis/GVA
17 1001 Pennsylvania Ave NW	East End	102,146	1st	Crowell & Moring, L.L.P.	Cushman & Wakefield, Inc.	Hines
18 Washington Technology Park	Route 28 Corridor South	101,679	1st	CSC	Direct Deal	Corporate Office Properties Trust
19 Two Ballston Plaza	Ballston	98,000	2nd	U.S. Government - Homeland Security	GSA	Trizec Properties, Inc.
20 2001 N Beaugard St	I-395 Corridor	95,000	2nd	Systems Planning & Analysis, Inc.	The Ezra Company	The Mark Winkler Company
21 WillowWood Plaza Bldg 3*	Fairfax City	92,992	1st	United States Government - Fed Tech Service	GSA - Real Estate Division	Republic Properties Corporation
22 James K. Polk Bldg	Crystal City	90,570	2nd	United States Government - Army	GSA - Real Estate Division	CB Richard Ellis
23 James K. Polk Bldg	Crystal City	87,586	1st	United States Government - Dept of Defense	GSA - Real Estate Division	Transwestern Commercial Services
24 Plaza America Tower 2	Reston	86,140	1st	STG, Inc.	Grubb & Ellis	CB Richard Ellis
25 Ballston Point	Ballston	83,500	1st	AES Corporation	Jones Lang LaSalle Americas, Inc.	Monument Realty LLC
26 Terrell Place	East End	82,263	2nd	AARP		Carr Real Estate Services
27 The Portrait Bldg	East End	80,292	1st	Thelen Reid & Priest LLP	Studley	Trammell Crow Company
28 1700 K St	CBD	77,000	1st	Morrison & Foerster LLP	CB Richard Ellis	Charles E. Smith Commercial Realty
29 Meadows 4	Route 28 Corridor South	76,837	2nd	Online Resources	The Staubach Company	Spaulding & Slye Colliers
30 Greensboro Corporate Center 2	Tysons Corner	70,881	2nd	N/A		Jones Lang LaSalle Americas, Inc.
31 Potomac Tower*	Rosslyn	69,526	2nd	Friedman, Billings, Ramsey Group, Inc.	CB Richard Ellis	Lincoln Property Company
32 1201 New York Ave NW	East End	67,500	2nd	Homeland Security	GSA	CB Richard Ellis
33 Hall of States Bldg*	Capitol Hill	67,085	1st	C-SPAN	CRESA Partners	Trammell Crow Company
34 1525 Wilson Blvd*	Rosslyn	67,002	2nd	United States Government	GSA	Direct Deal
35 Konterra At Sweitzer Lane Phase II	Laurel	64,900	2nd	Greenhorne & O'Mara, Inc.	Studley	Konterra Realty LLC
36 1300 N 17th St	Rosslyn	60,378	1st	BAE Systems	CRESA Partners/Washington DC	CB Richard Ellis
37 1800 M St NW	CBD	55,063	2nd	United States Government	GSA	Trammell Crow Company
38 The Portals Ph I	Southwest	55,000	2nd	N/A		Cassidy & Pinkard
39 Park Plaza I	North Rockville	52,176	2nd	Northrop Grumman Information Technology	CB Richard Ellis	CB Richard Ellis
40 Reston Sunrise Two	Reston	51,523	1st	Raytheon	Spaulding & Slye Colliers	Studley

Source: CoStar Property®

* Renewal

THE OPTIMIST SALES INDEX

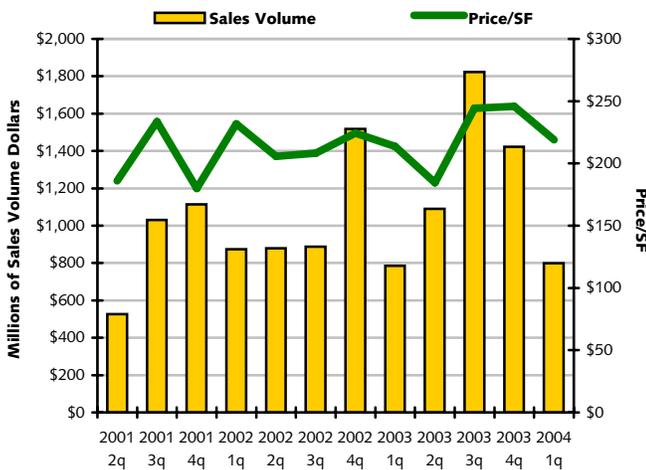
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

SALES VOLUME & PRICE

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



Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

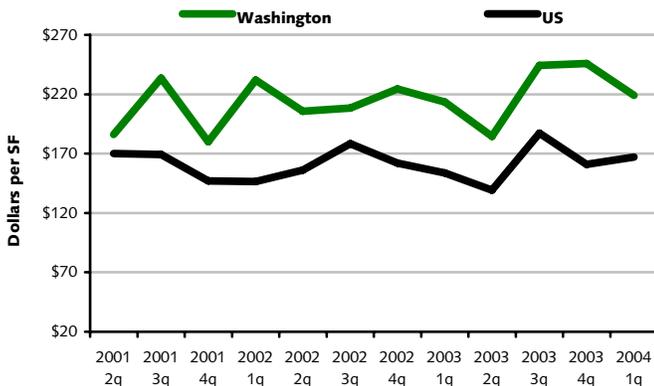
Based on Office Building Sales From April 2003 - March 2004

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	291	2,465,000	\$ 398,459,936	\$ 161.65	8.91%
50K-249K SF	79	10,707,186	\$ 2,373,763,037	\$ 221.70	8.43%
250K-499K SF	20	6,900,120	\$ 1,802,618,549	\$ 261.24	8.06%
>500K SF	6	3,640,260	\$ 742,750,000	\$ 204.04	8.54%

Source: CoStar COMPS®

U.S. PRICE/SF COMPARISON

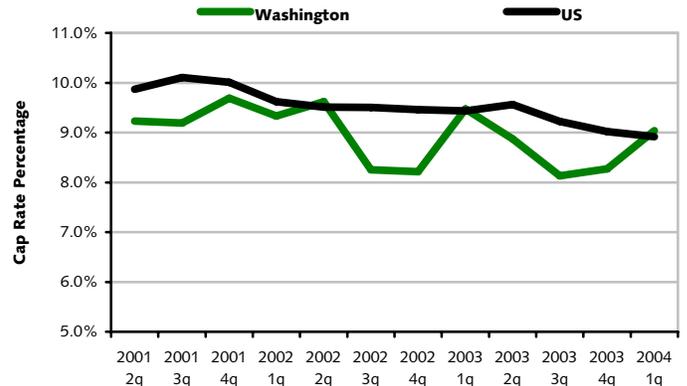
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. CAP RATE COMPARISON

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



Source: CoStar COMPS®

WASHINGTON, D.C. OFFICE MARKET



SALES ACTIVITY

SELECT TOP SALES

Based on Sales from April 2003 Through March 2004

1. Edison Place



Washington

Price: \$167,100,000
 Price/SF: \$459.07
 Cap Rate: N/A
 RBA: 364,000
 Date: 3/24/2004
 Year Built: 2001
 Buyer: Brookfield Properties Corporation
 Seller: PT-Edison DC LLC

2. 1615 L St NW



Washington

Price: \$123,750,000
 Price/SF: \$293.19
 Cap Rate: 8.2%
 RBA: 422,082
 Date: 3/18/2004
 Year Built: 1984
 Buyer: Beacon Capital Partners LLC
 Seller: Halle Enterprises & Cambridge Group

3. 2100-2106 M St NW



Washington

Price: \$95,000,000
 Price/SF: \$317.97
 Cap Rate: N/A
 RBA: 298,768
 Date: 2/3/2004
 Year Built: 1969
 Buyer: US Property Fund III GmbH & Co.KG
 Seller: Consortium Two 2100 M Street LLC

4. Transpoint Building



Washington

Price: \$90,500,000
 Price/SF: \$150.83
 Cap Rate: N/A
 RBA: 600,000
 Date: 2/2/2004
 Year Built: 1973
 Buyer: TBC Funding Corporation
 Seller: Laszlo N. Tauber & Associates, LLC

5. Time Life Building



Alexandria

Price: \$40,000,000
 Price/SF: \$256.21
 Cap Rate: N/A
 RBA: 156,123
 Date: 3/23/2004
 Year Built: 1997
 Buyer: Strategic Real Estate Advisors Ltd
 Seller: Carlyle Development Corporation

6. Crown Point Corporate Center



Gaithersburg

Price: \$22,400,000
 Price/SF: \$174.32
 Cap Rate: 10%
 RBA: 128,501
 Date: 3/8/2004
 Year Built: 2000
 Buyer: Corporate Office Properties Trust
 Seller: Transwestern-Robinson I LLC

7. 8609 Westwood Center Dr



Vienna

Price: \$21,000,000
 Price/SF: \$129.45
 Cap Rate: N/A
 RBA: 162,228
 Date: 1/22/2004
 Year Built: 1986
 Buyer: 8609 Westwood Holdings LLC
 Seller: Westwood 5 Associates LP

8. Eaton Place



Fairfax

Price: \$13,500,000
 Price/SF: \$130.85
 Cap Rate: 9%
 RBA: 103,173
 Date: 1/27/2004
 Year Built: 1979
 Buyer: Eaton Place Associates LLC
 Seller: Eaton Place

9. Park Building



Bethesda

Price: \$11,400,000
 Price/SF: \$152.97
 Cap Rate: 10.38%
 RBA: 74,524
 Date: 3/10/2004
 Year Built: 1971
 Buyer: Triumph Development
 Seller: 6400 Goldsboro LLC

WASHINGTON, D.C. OFFICE MARKET

SALES ACTIVITY

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale



Edison Place
 Address: 701 9th St NW
 City: Washington
 RBA: 364,000
 Year Built: 2001
 Tot \$ Return: \$16,100,000
 Tot % Return: 11%
 Ann.Return: 21%
 Months Held: 6

Most Recent Sale
 Price: \$167,100,000
 Price/SF: \$459.07
 Cap Rate: N/A
 Date: 3/24/2004
 Buyer: BFP 701 9th Co. LLC
 Seller: PT-Edison DC LLC
 Brokers: N/A

Sale Prior to Most Recent Sale
 Price: \$151,000,000
 Price/SF: \$414.84
 Cap Rate: N/A
 Date: 9/30/2003
 Buyer: PT-Edison DC LLC
 Seller: Edison Place LLC
 Brokers: Cassidy & Pinkard



2100 M St NW
 Address: 2100 M St NW
 City: Washington
 RBA: 298,768
 Year Built: 1969
 Tot \$ Return: \$38,367,000
 Tot % Return: 68%
 Ann.Return: 21%
 Months Held: 39

Most Recent Sale
 Price: \$95,000,000
 Price/SF: \$317.97
 Cap Rate: N/A
 Date: 2/3/2004
 Buyer: US Property Fund III GmbH & Consortium Two 2100 M Street
 Seller: Consortium Two 2100 M Street
 Brokers: Cassidy & Pinkard

Sale Prior to Most Recent Sale
 Price: \$56,633,000
 Price/SF: \$189.56
 Cap Rate: 4.83%
 Date: 11/17/2000
 Buyer: Consortium Two-2100 M Street
 Seller: 2100 M Street Holdings LP
 Brokers: N/A



Walker Building
 Address: 734 15th St NW
 City: Washington
 RBA: 80,000
 Year Built: 1930
 Tot \$ Return: \$10,239,000
 Tot % Return: 119%
 Ann.Return: 23%
 Months Held: 63

Most Recent Sale
 Price: \$18,839,000
 Price/SF: \$235.49
 Cap Rate: 8.1%
 Date: 1/29/2004
 Buyer: 734 Fifteenth Street, LLC
 Seller: Bonner Ventures LLC
 Brokers: Holliday Fenoglio Fowler, L.

Sale Prior to Most Recent Sale
 Price: \$8,600,000
 Price/SF: \$107.50
 Cap Rate: N/A
 Date: 11/12/1998
 Buyer: Bonner Ventures LLC
 Seller: EOP - Walker LLC
 Brokers: N/A

Source: CoStar COMPS®

SELECT LAND SALES

Based on Commercially Zoned Land Sales Occurring From April 2003 - March 2004

1001 12th St NW, Washington

Sale Price: \$22,323,388
 Acres: 0.64
 Price/SF: \$800.75
 Closing Date: 02/24/2004
 Zoning: C2C, Washington
 Intended Use: Hi Rise (9 + sty) Site
 Buyer: 1001 K LLC
 Seller: Potomac Electric Power Co.

2916 Gallows Rd, Falls Church

Sale Price: \$7,239,480
 Acres: 4.15
 Price/SF: \$40.01
 Closing Date: 01/09/2004
 Zoning: I-4, County
 Intended Use: Mixed Use Development Site
 Buyer: Merrifield Town Center LP
 Seller: Circle Properties LP

11140 Nokesville Rd, Manassas

Sale Price: \$5,000,000
 Acres: 30.20
 Price/SF: \$3.80
 Closing Date: 01/23/2004
 Zoning: PBD, County
 Intended Use: Neighborhood/Community Center Site
 Buyer: Innovation (E&A), LLC
 Seller: B.G. Sowder, Trustee

5230 Wellington Rd, Gainesville

Sale Price: \$4,250,000
 Acres: 6.00
 Price/SF: \$16.26
 Closing Date: 02/20/2004
 Zoning: B-1, County
 Intended Use: Retail Warehouse Site
 Buyer: Lowe's Home Centers, Inc.
 Seller: Conner Square Associates, LC

14326 Lee Hwy, Gainesville

Sale Price: \$2,790,205
 Acres: 2.33
 Price/SF: \$27.50
 Closing Date: 01/08/2004
 Zoning: B-2, County
 Intended Use: Bank Branch Site
 Buyer: Synergy One Federal Credit Union
 Seller: Charles V. Gardner

183 Kentlands Blvd, Gaithersburg

Sale Price: \$1,425,000
 Acres: 3.41
 Price/SF: \$9.59
 Closing Date: 01/27/2004
 Zoning: MXD, County
 Intended Use: Mixed Use Development Site
 Buyer: Kentlands Lot 1 LLC
 Seller: Great Seneca Development Corp.

Source: CoStar COMPS®

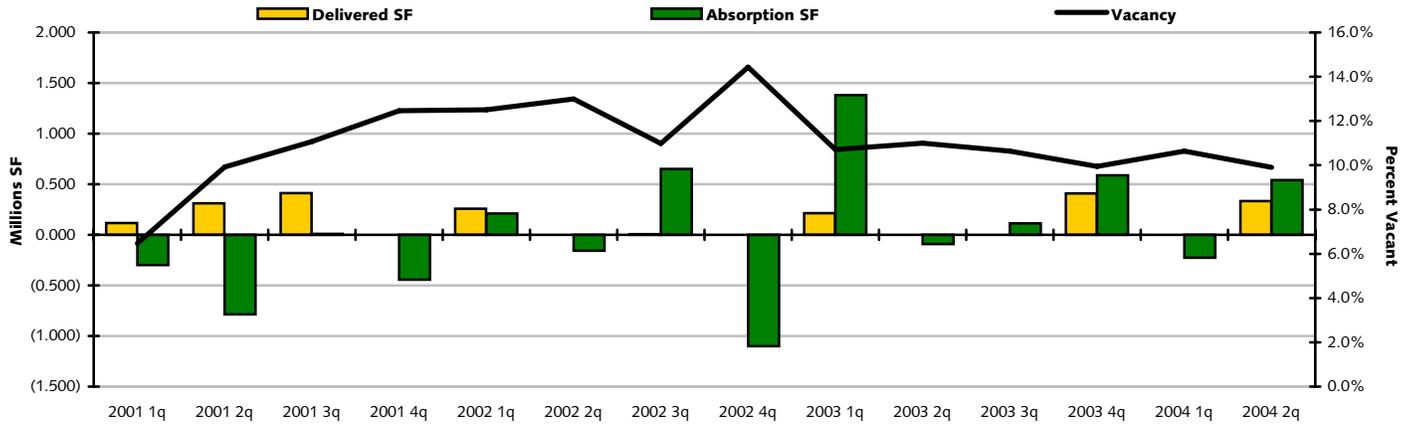
WASHINGTON, D.C. OFFICE MARKET

ALEXANDRIA / I - 395 AREA MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

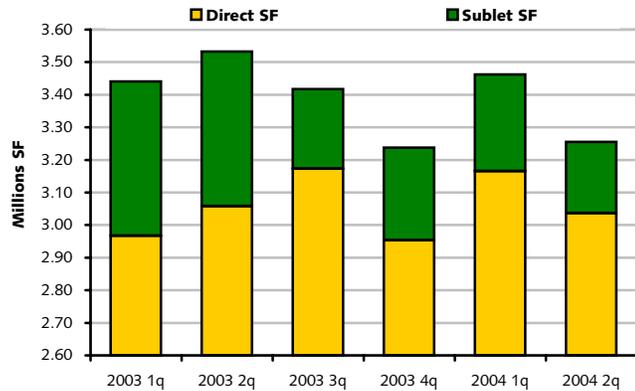


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



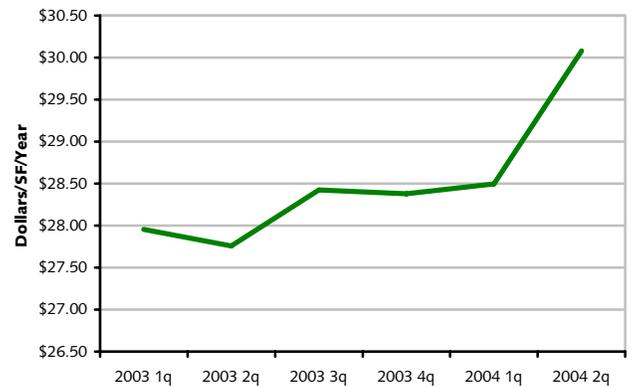
Source: CoStar Property®

VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	552	32,873,891	3,255,483	9.9%	540,580	1	333,529	8	2,735,922	\$30.08
2004 1q	551	32,540,362	3,462,534	10.6%	(225,115)	0	0	6	2,270,292	\$28.50
2003 4q	551	32,540,362	3,237,419	9.9%	588,202	2	408,142	5	2,239,662	\$28.38
2003 3q	549	32,132,220	3,417,479	10.6%	114,667	0	0	7	2,647,804	\$28.42
2003 2q	549	32,132,220	3,532,146	11.0%	(90,980)	0	0	7	2,647,804	\$27.76
2003 1q	549	32,132,220	3,441,166	10.7%	1,379,235	2	214,850	7	2,647,804	\$27.95
2002 4q	547	31,917,370	4,605,551	14.4%	(1,102,167)	0	0	8	2,847,892	\$27.39
2002 3q	547	31,917,370	3,503,384	11.0%	651,912	1	6,300	7	2,708,698	\$27.40
2002 2q	546	31,911,070	4,148,996	13.0%	(157,148)	0	0	8	2,714,998	\$26.50
2002 1q	546	31,911,070	3,991,848	12.5%	210,664	1	258,412	7	2,713,038	\$26.81
2001 4q	545	31,652,658	3,944,100	12.5%	(442,450)	0	0	3	477,602	\$26.90
2001 3q	545	31,652,658	3,501,650	11.1%	8,419	2	412,863	3	477,602	\$27.42
2001 2q	543	31,239,795	3,097,206	9.9%	(784,664)	2	312,000	4	884,165	\$27.77
2001 1q	541	30,927,795	2,000,542	6.5%	(298,271)	1	116,514	5	983,275	\$27.71
2000 4q	540	30,811,281	1,585,757	5.1%	561,421	1	215,176	5	701,650	\$27.77
2000 3q	539	30,596,105	1,932,002	6.3%	(583,808)	2	213,181	5	683,826	\$27.11

Source: CoStar Property®

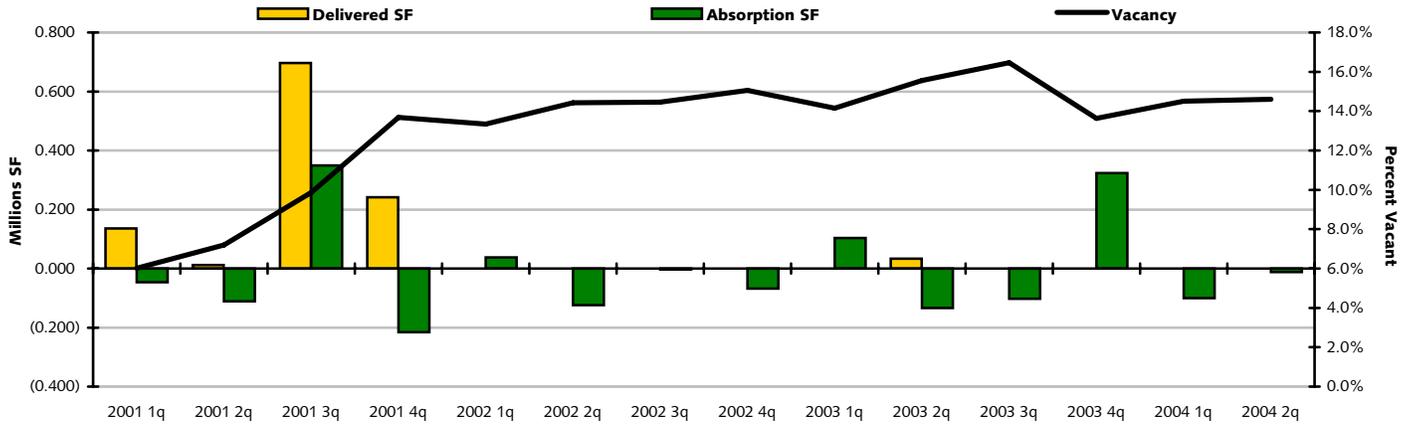


WASHINGTON, D.C. OFFICE MARKET

BETHESDA/CHEVY CHASE MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

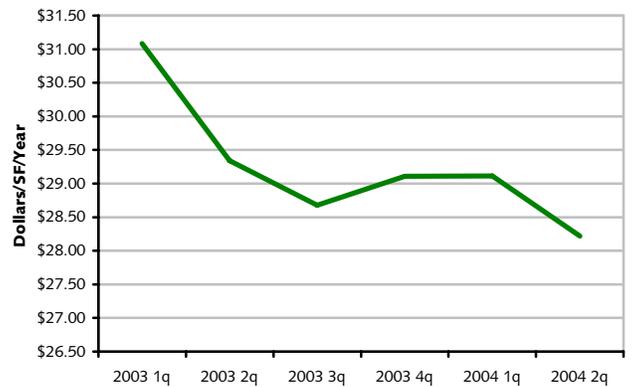
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	183	11,411,318	1,666,604	14.6%	(11,485)	0	0	1	412,000	\$28.22
2004 1q	183	11,411,318	1,655,119	14.5%	(99,922)	0	0	1	412,000	\$29.11
2003 4q	183	11,411,318	1,555,197	13.6%	323,219	0	0	0	0	\$29.11
2003 3q	183	11,411,318	1,878,416	16.5%	(102,466)	0	0	0	0	\$28.68
2003 2q	183	11,411,318	1,775,950	15.6%	(133,272)	1	33,000	0	0	\$29.34
2003 1q	182	11,378,318	1,609,678	14.1%	103,921	0	0	1	33,000	\$31.08
2002 4q	182	11,378,318	1,713,599	15.1%	(68,431)	0	0	1	33,000	\$30.40
2002 3q	182	11,378,318	1,645,168	14.5%	(2,977)	0	0	1	33,000	\$30.28
2002 2q	182	11,378,318	1,642,191	14.4%	(123,871)	0	0	1	33,000	\$30.89
2002 1q	182	11,378,318	1,518,320	13.3%	37,931	0	0	1	33,000	\$31.88
2001 4q	182	11,378,318	1,556,251	13.7%	(215,795)	1	241,223	1	33,000	\$31.73
2001 3q	181	11,137,095	1,099,233	9.9%	348,856	1	696,500	2	274,223	\$32.87
2001 2q	180	10,440,595	751,589	7.2%	(111,098)	1	12,360	2	937,723	\$34.04
2001 1q	179	10,428,235	628,131	6.0%	(46,554)	1	135,842	3	950,083	\$35.07
2000 4q	178	10,292,393	445,735	4.3%	68,342	1	197,017	4	1,085,925	\$34.33
2000 3q	177	10,095,376	317,060	3.1%	(47,511)	0	0	4	1,270,582	\$33.12

Source: CoStar Property®

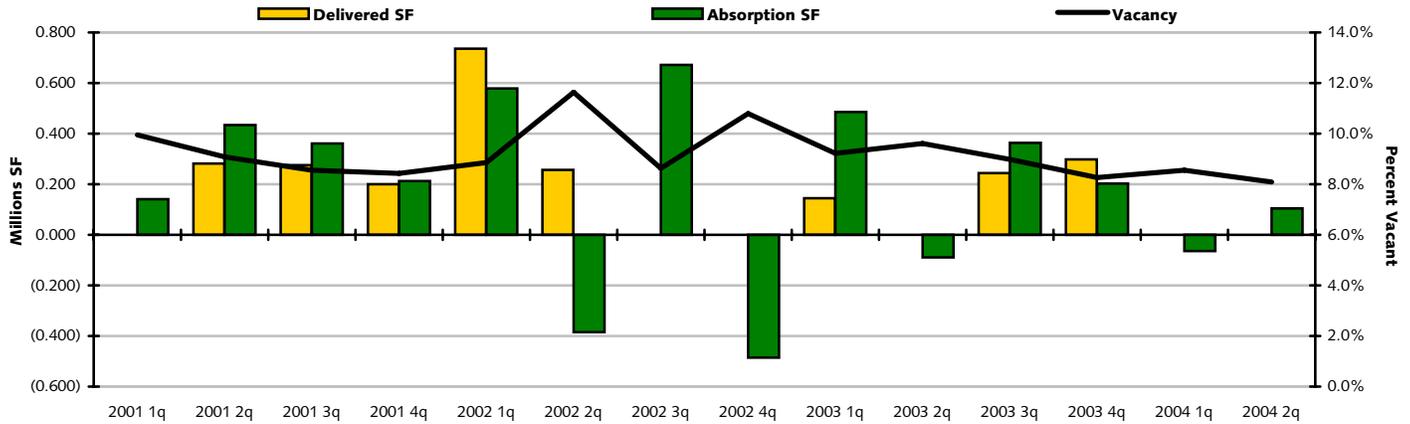
WASHINGTON, D.C. OFFICE MARKET



CAPITOL HILL AREA MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

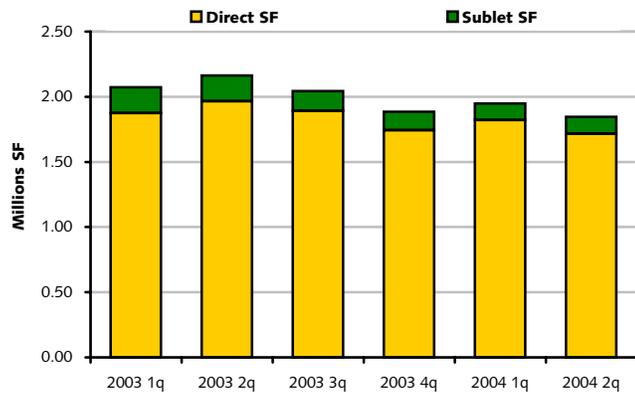
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

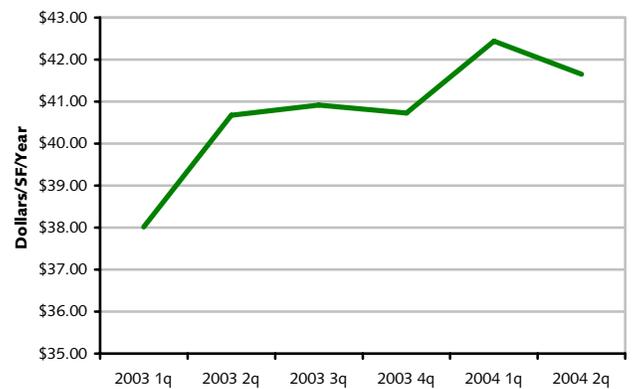
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	232	22,792,978	1,844,525	8.1%	104,861	0	0	4	1,542,469	\$41.65
2004 1q	232	22,792,978	1,949,386	8.6%	(64,510)	0	0	4	1,542,469	\$42.44
2003 4q	232	22,792,978	1,884,876	8.3%	202,714	1	297,922	4	1,542,469	\$40.73
2003 3q	232	22,748,655	2,043,267	9.0%	363,877	1	244,300	4	1,320,391	\$40.92
2003 2q	231	22,504,355	2,162,844	9.6%	(89,024)	0	0	5	1,564,691	\$40.68
2003 1q	231	22,504,355	2,073,820	9.2%	485,217	1	145,117	3	1,192,222	\$38.01
2002 4q	230	22,359,238	2,413,920	10.8%	(485,417)	0	0	4	1,337,339	\$36.05
2002 3q	230	22,359,238	1,928,503	8.6%	671,790	0	0	4	1,337,339	\$36.20
2002 2q	230	22,359,238	2,600,293	11.6%	(385,270)	1	256,931	3	1,093,039	\$35.91
2002 1q	229	22,102,307	1,958,092	8.9%	578,125	2	736,338	4	1,349,970	\$35.95
2001 4q	227	21,365,969	1,799,879	8.4%	211,990	1	200,593	4	1,138,386	\$35.53
2001 3q	226	21,165,376	1,811,276	8.6%	361,598	1	275,352	4	1,193,862	\$35.43
2001 2q	225	20,890,024	1,897,522	9.1%	433,892	1	281,296	5	1,469,214	\$35.01
2001 1q	224	20,608,728	2,050,118	9.9%	140,375	0	0	6	1,750,510	\$35.64
2000 4q	224	20,608,728	2,190,493	10.6%	(396,228)	0	0	6	1,750,510	\$35.42
2000 3q	224	20,608,728	1,794,265	8.7%	(137,266)	0	0	6	1,750,510	\$36.39

Source: CoStar Property®

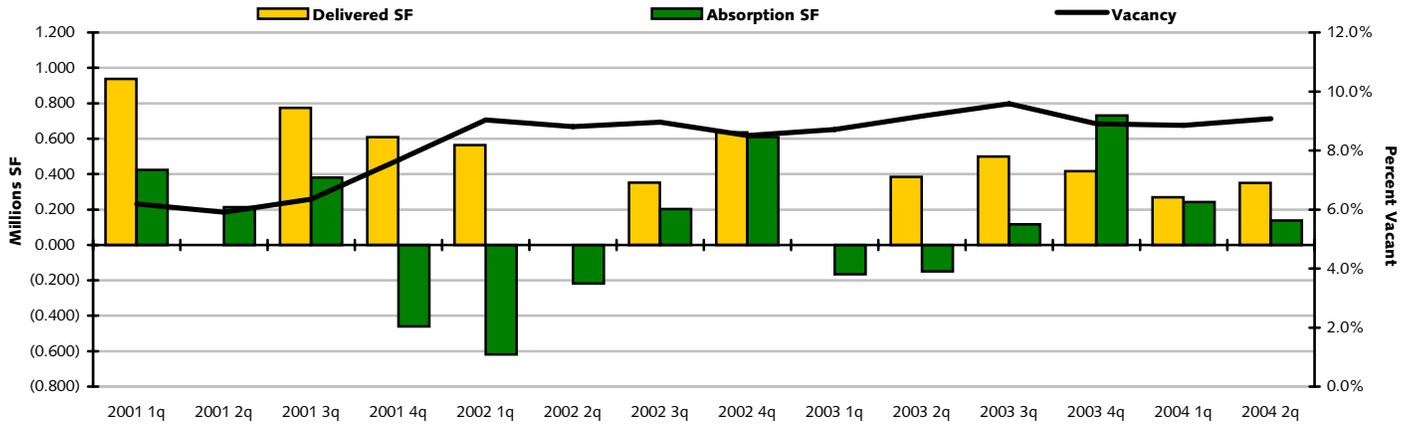


WASHINGTON, D.C. OFFICE MARKET

DOWNTOWN DC MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

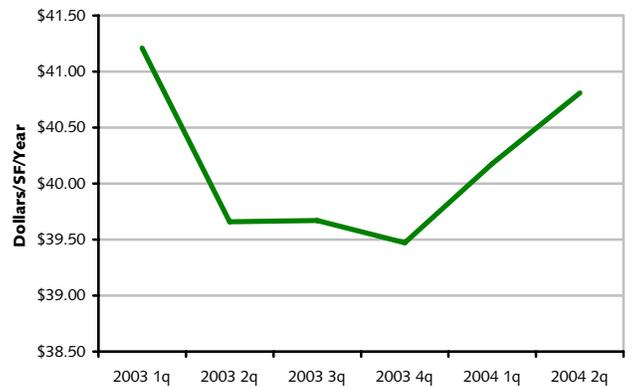
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	652	80,221,466	7,280,714	9.1%	138,670	1	350,155	11	3,057,262	\$40.81
2004 1q	651	79,871,311	7,069,229	8.9%	242,371	1	269,627	11	3,333,389	\$40.18
2003 4q	651	79,651,153	7,091,442	8.9%	730,982	1	416,014	10	3,036,674	\$39.47
2003 3q	652	79,444,911	7,616,182	9.6%	116,954	2	498,634	11	3,452,688	\$39.67
2003 2q	650	78,946,277	7,234,502	9.2%	(148,956)	1	384,259	13	3,951,322	\$39.66
2003 1q	651	78,719,318	6,858,587	8.7%	(165,554)	0	0	12	3,981,971	\$41.21
2002 4q	651	78,719,318	6,693,033	8.5%	609,225	3	635,510	10	3,491,630	\$40.30
2002 3q	650	78,441,983	7,024,923	9.0%	202,668	1	352,000	11	3,455,140	\$40.79
2002 2q	650	78,095,983	6,881,591	8.8%	(218,499)	0	0	10	3,040,449	\$40.07
2002 1q	651	78,526,983	7,094,092	9.0%	(618,444)	4	563,860	7	2,264,417	\$40.01
2001 4q	648	78,041,523	5,990,188	7.7%	(460,580)	3	609,193	10	2,412,263	\$39.86
2001 3q	645	77,432,330	4,920,415	6.4%	380,491	3	774,601	11	2,951,318	\$39.90
2001 2q	642	76,657,729	4,526,305	5.9%	213,968	0	0	13	3,249,285	\$39.35
2001 1q	642	76,657,729	4,740,273	6.2%	423,318	4	938,330	12	3,137,775	\$37.43
2000 4q	638	75,719,399	4,225,261	5.6%	979,875	1	113,000	15	3,614,105	\$37.97
2000 3q	637	75,606,399	5,092,136	6.7%	(568,252)	1	235,000	15	3,591,130	\$37.83

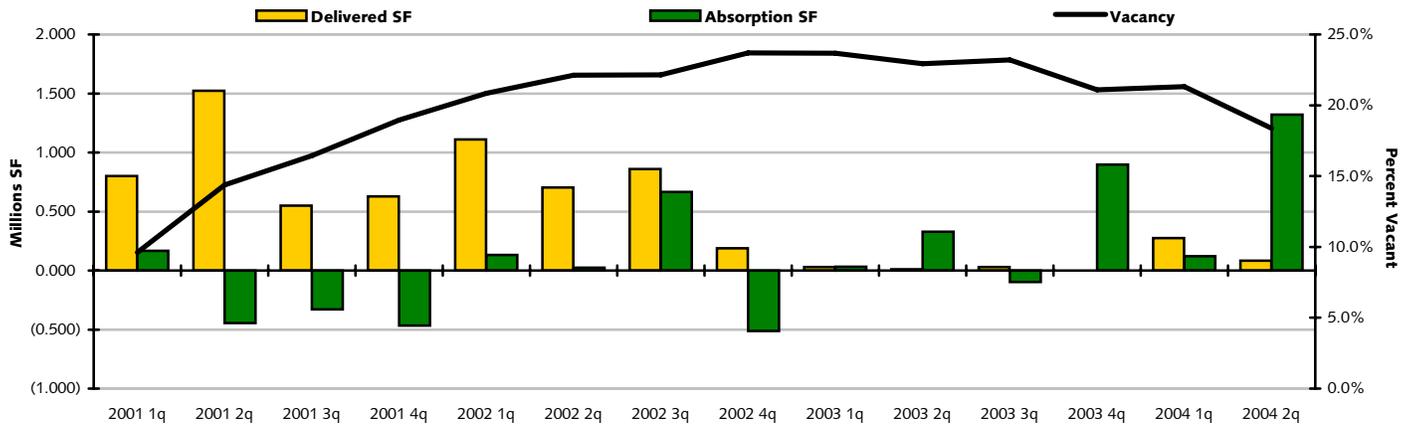
Source: CoStar Property®

WASHINGTON, D.C. OFFICE MARKET

DULLES CORRIDOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

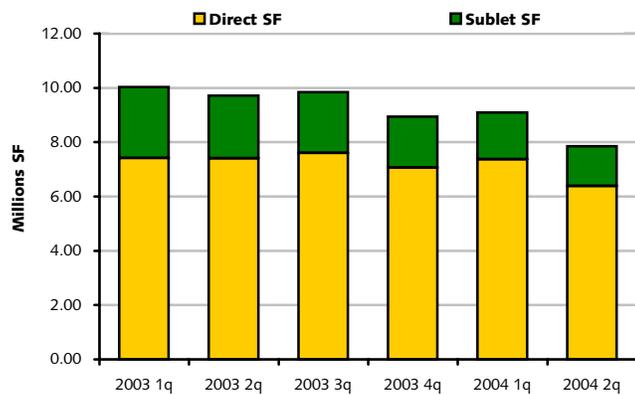
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

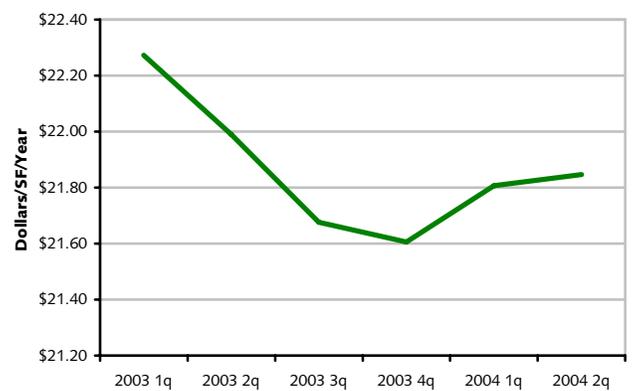
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	563	42,755,995	7,857,340	18.4%	1,321,284	2	82,580	9	816,280	\$21.85
2004 1q	561	42,673,415	9,096,044	21.3%	120,586	3	275,397	9	865,360	\$21.81
2003 4q	558	42,398,018	8,941,233	21.1%	898,462	0	0	10	1,033,181	\$21.61
2003 3q	558	42,398,018	9,839,695	23.2%	(96,768)	1	30,500	9	993,301	\$21.68
2003 2q	557	42,367,518	9,712,427	22.9%	328,575	1	12,000	7	827,297	\$21.99
2003 1q	556	42,355,518	10,029,002	23.7%	33,065	1	30,000	4	502,847	\$22.27
2002 4q	555	42,325,518	10,032,067	23.7%	(511,653)	3	189,640	4	508,847	\$22.64
2002 3q	552	42,135,878	9,330,774	22.1%	666,096	6	860,824	6	441,087	\$23.91
2002 2q	546	41,275,054	9,136,046	22.1%	23,407	6	704,408	10	1,076,744	\$24.32
2002 1q	540	40,570,646	8,455,045	20.8%	133,140	7	1,110,176	16	1,781,152	\$24.77
2001 4q	533	39,460,470	7,478,009	19.0%	(467,258)	8	627,409	21	2,861,933	\$25.57
2001 3q	525	38,833,061	6,383,342	16.4%	(329,266)	7	549,181	24	3,311,342	\$26.94
2001 2q	518	38,283,880	5,504,895	14.4%	(443,708)	19	1,524,254	29	3,518,603	\$28.62
2001 1q	499	36,759,626	3,536,933	9.6%	165,985	10	801,694	47	5,025,462	\$30.33
2000 4q	489	35,957,932	2,901,224	8.1%	1,190,834	8	1,209,447	49	4,966,635	\$29.54
2000 3q	481	34,748,485	2,882,611	8.3%	(49,577)	14	1,487,121	48	5,079,796	\$28.78

Source: CoStar Property®

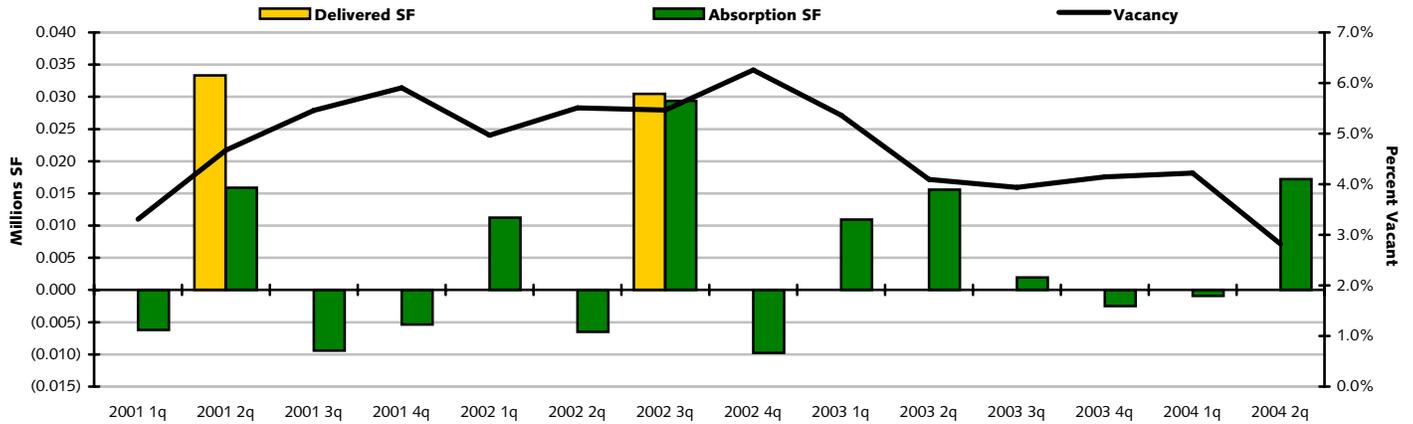


WASHINGTON, D.C. OFFICE MARKET

E PRINCE GEORGES COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

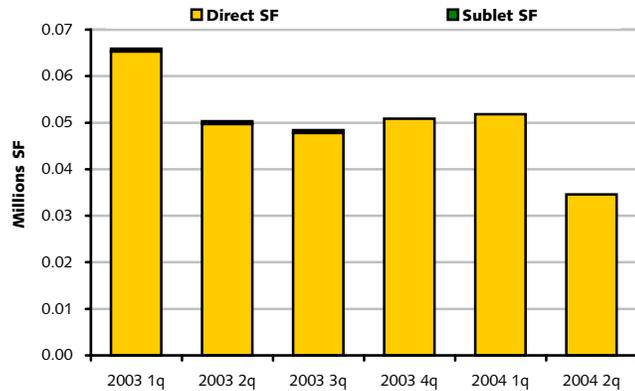
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	40	1,227,994	34,568	2.8%	17,225	0	0	1	24,000	\$19.10
2004 1q	40	1,227,994	51,793	4.2%	(934)	0	0	1	24,000	\$19.07
2003 4q	40	1,227,994	50,859	4.1%	(2,494)	0	0	1	24,000	\$19.01
2003 3q	40	1,227,994	48,365	3.9%	1,944	0	0	1	24,000	\$18.98
2003 2q	40	1,227,994	50,309	4.1%	15,588	0	0	1	24,000	\$18.26
2003 1q	40	1,227,994	65,897	5.4%	10,939	0	0	0	0	\$19.21
2002 4q	40	1,227,994	76,836	6.3%	(9,749)	0	0	0	0	\$19.64
2002 3q	40	1,227,994	67,087	5.5%	29,373	1	30,450	0	0	\$19.27
2002 2q	39	1,197,544	66,010	5.5%	(6,477)	0	0	1	30,450	\$19.09
2002 1q	39	1,197,544	59,533	5.0%	11,226	0	0	1	30,450	\$19.17
2001 4q	39	1,197,544	70,759	5.9%	(5,378)	0	0	1	30,450	\$18.76
2001 3q	39	1,197,544	65,381	5.5%	(9,394)	0	0	0	0	\$18.31
2001 2q	39	1,197,544	55,987	4.7%	15,877	1	33,340	0	0	\$20.08
2001 1q	38	1,164,204	38,524	3.3%	(6,201)	0	0	1	33,340	\$20.29
2000 4q	38	1,164,204	32,323	2.8%	12,106	0	0	1	33,340	\$20.26
2000 3q	38	1,164,204	44,429	3.8%	(1,380)	0	0	1	33,340	\$20.27

Source: CoStar Property®

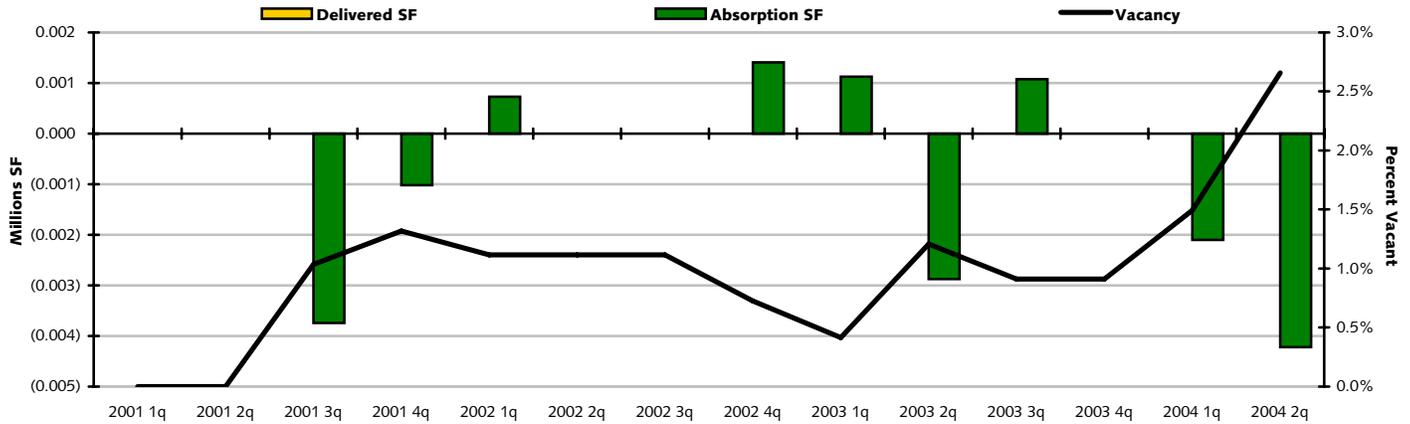
WASHINGTON, D.C. OFFICE MARKET



EAST FALLS CHURCH MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

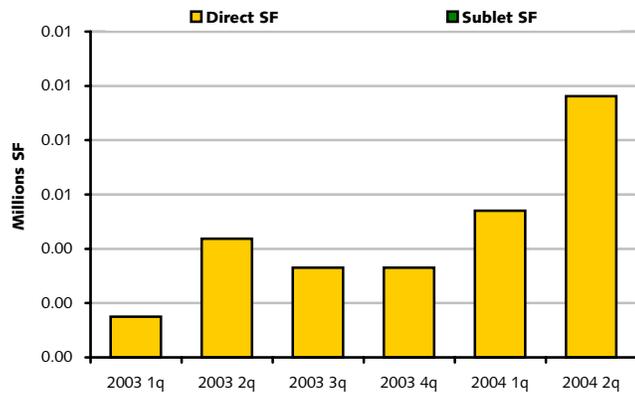
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

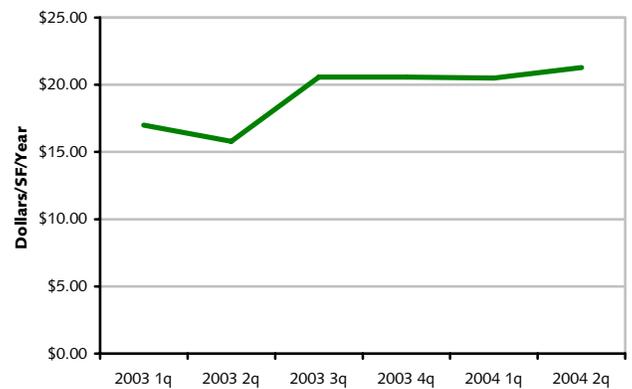
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	22	361,769	9,617	2.7%	(4,217)	0	0	0	0	\$21.29
2004 1q	22	361,769	5,400	1.5%	(2,100)	0	0	0	0	\$20.49
2003 4q	22	361,769	3,300	0.9%	0	0	0	0	0	\$20.58
2003 3q	22	361,769	3,300	0.9%	1,073	0	0	0	0	\$20.58
2003 2q	22	361,769	4,373	1.2%	(2,873)	0	0	0	0	\$15.80
2003 1q	22	361,769	1,500	0.4%	1,127	0	0	0	0	\$17.01
2002 4q	22	361,769	2,627	0.7%	1,408	0	0	0	0	\$17.01
2002 3q	22	361,769	4,035	1.1%	0	0	0	0	0	\$11.00
2002 2q	22	361,769	4,035	1.1%	0	0	0	0	0	\$11.00
2002 1q	22	361,769	4,035	1.1%	729	0	0	0	0	\$11.00
2001 4q	22	361,769	4,764	1.3%	(1,020)	0	0	0	0	\$17.81
2001 3q	22	361,769	3,744	1.0%	(3,744)	0	0	0	0	\$21.33
2001 2q	22	361,769	0	0.0%	0	0	0	0	0	\$21.33
2001 1q	22	361,769	0	0.0%	0	0	0	0	0	\$0.00
2000 4q	22	361,769	0	0.0%	2,400	0	0	0	0	\$0.00
2000 3q	22	361,769	2,400	0.7%	0	0	0	0	0	\$19.50

Source: CoStar Property®

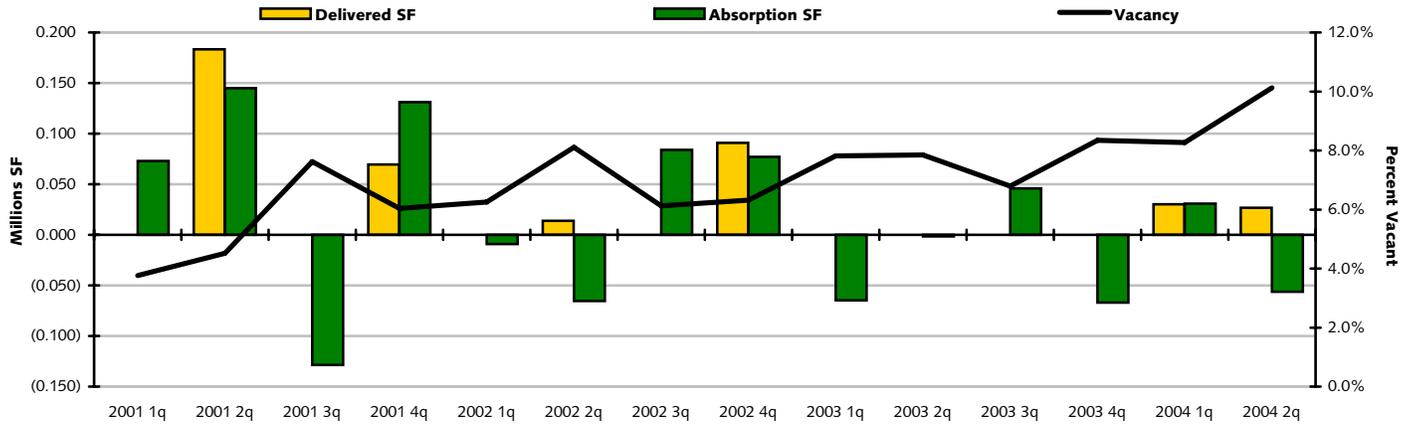


WASHINGTON, D.C. OFFICE MARKET

FREDERICK MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

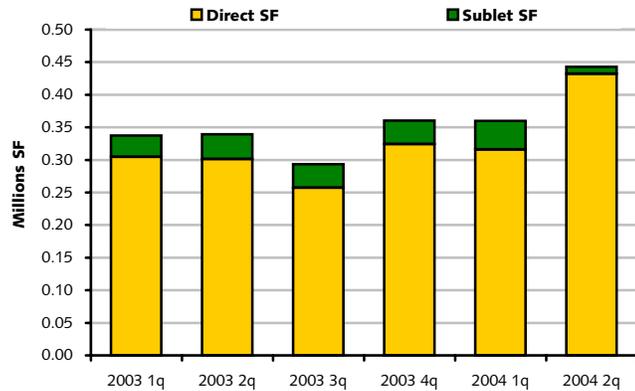
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

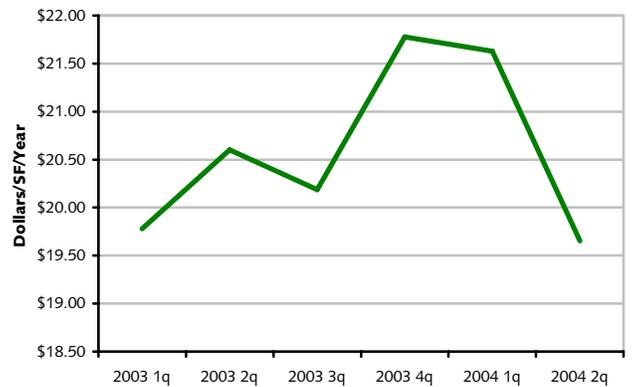
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	134	4,375,653	442,869	10.1%	(56,377)	1	26,700	1	8,000	\$19.65
2004 1q	133	4,348,953	359,792	8.3%	30,819	1	30,268	2	34,700	\$21.63
2003 4q	132	4,318,685	360,343	8.3%	(67,129)	0	0	2	56,968	\$21.78
2003 3q	132	4,318,685	293,214	6.8%	45,964	0	0	1	30,268	\$20.19
2003 2q	132	4,318,685	339,178	7.9%	(1,588)	0	0	1	30,268	\$20.60
2003 1q	132	4,318,685	337,590	7.8%	(64,773)	0	0	0	0	\$19.78
2002 4q	132	4,318,685	272,817	6.3%	77,084	3	91,000	0	0	\$20.93
2002 3q	129	4,227,685	258,901	6.1%	83,963	0	0	3	91,000	\$20.82
2002 2q	129	4,227,685	342,864	8.1%	(65,457)	1	13,800	3	91,000	\$20.98
2002 1q	128	4,213,885	263,607	6.3%	(9,069)	0	0	4	104,800	\$20.44
2001 4q	128	4,213,885	254,538	6.0%	131,140	2	69,600	3	21,800	\$20.94
2001 3q	126	4,144,285	316,078	7.6%	(128,661)	0	0	5	91,400	\$20.80
2001 2q	126	4,144,285	187,417	4.5%	144,959	5	183,276	5	91,400	\$20.90
2001 1q	121	3,961,009	149,100	3.8%	72,935	0	0	10	274,676	\$21.01
2000 4q	121	3,961,009	222,035	5.6%	(61,824)	0	0	6	202,876	\$21.34
2000 3q	121	3,961,009	160,211	4.0%	(81,677)	0	0	6	202,876	\$18.58

Source: CoStar Property®

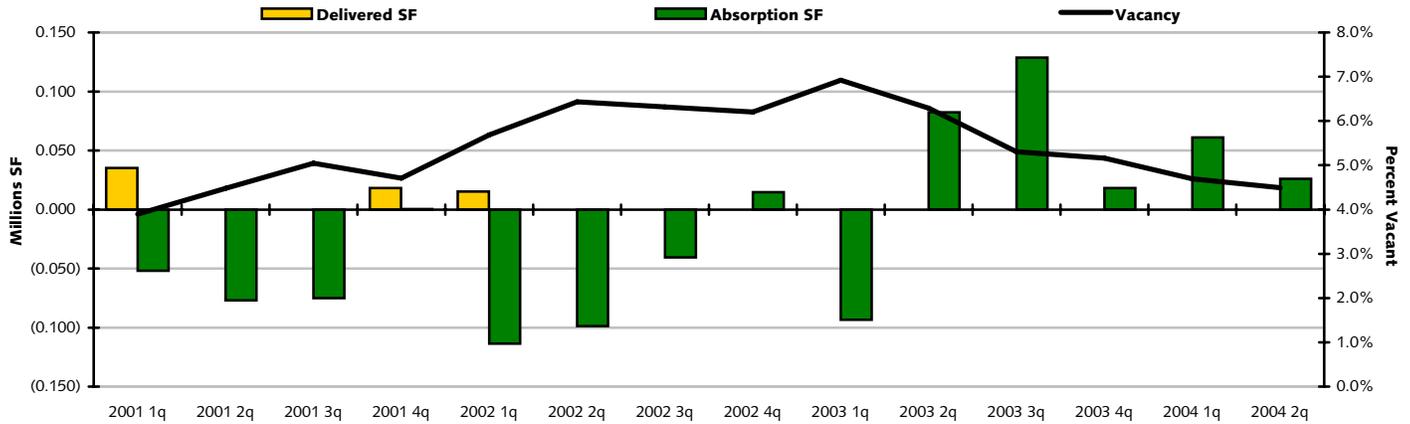
WASHINGTON, D.C. OFFICE MARKET

GEORGETOWN / UPTOWN MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

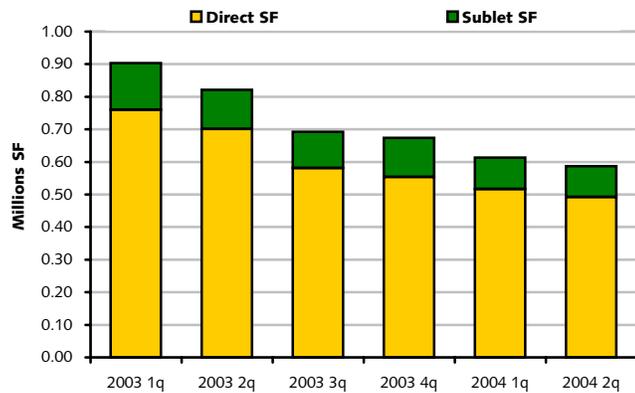


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



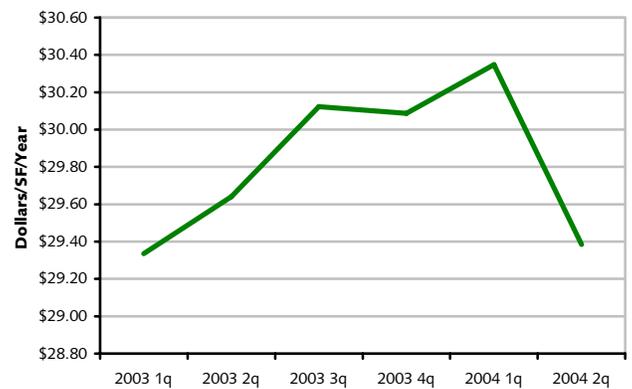
Source: CoStar Property®

VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	402	13,059,332	586,904	4.5%	26,121	0	0	2	146,500	\$29.38
2004 1q	402	13,059,332	613,025	4.7%	61,075	0	0	1	106,000	\$30.35
2003 4q	402	13,059,332	674,100	5.2%	18,277	0	0	1	106,000	\$30.09
2003 3q	402	13,059,332	692,377	5.3%	128,754	0	0	1	106,000	\$30.12
2003 2q	402	13,059,332	821,131	6.3%	82,428	0	0	1	106,000	\$29.64
2003 1q	402	13,059,332	903,559	6.9%	(93,304)	0	0	0	0	\$29.33
2002 4q	402	13,059,332	810,255	6.2%	14,577	0	0	0	0	\$30.61
2002 3q	402	13,059,332	824,832	6.3%	(40,440)	0	0	0	0	\$28.83
2002 2q	405	13,119,332	844,392	6.4%	(98,884)	0	0	0	0	\$28.66
2002 1q	405	13,119,332	745,508	5.7%	(113,686)	1	15,142	0	0	\$29.20
2001 4q	404	13,104,190	616,680	4.7%	419	1	18,120	1	15,142	\$30.57
2001 3q	404	13,151,070	663,979	5.0%	(75,043)	0	0	2	33,262	\$29.87
2001 2q	404	13,151,070	588,936	4.5%	(76,903)	0	0	2	33,262	\$30.15
2001 1q	404	13,151,070	512,033	3.9%	(51,943)	1	35,100	2	33,262	\$28.89
2000 4q	403	13,115,970	424,990	3.2%	430,658	0	0	2	53,220	\$29.24
2000 3q	403	13,115,970	855,648	6.5%	(47,657)	0	0	2	53,220	\$29.98

Source: CoStar Property®

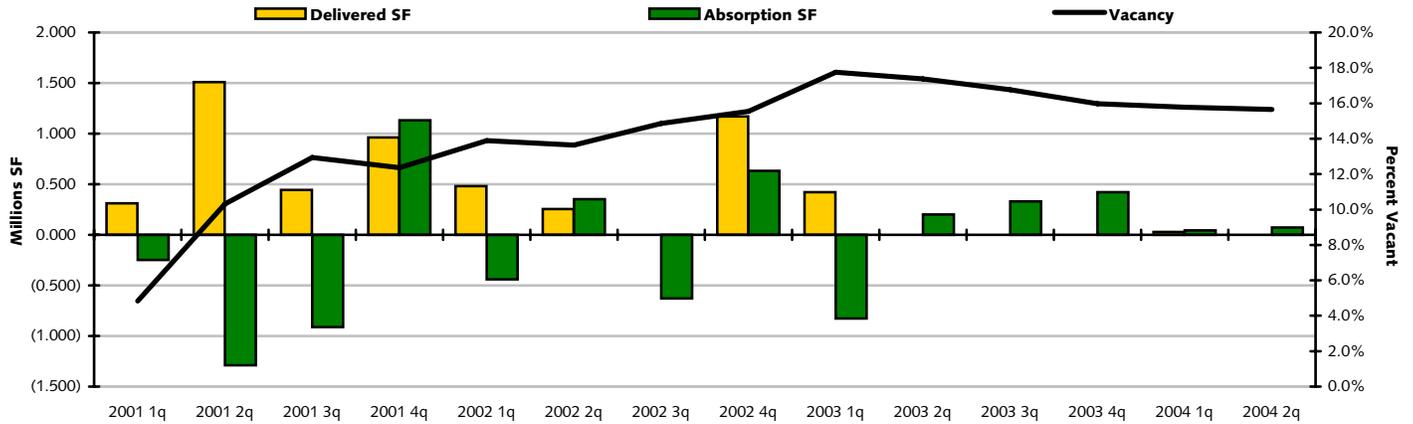


WASHINGTON, D.C. OFFICE MARKET

GREATER FAIRFAX COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

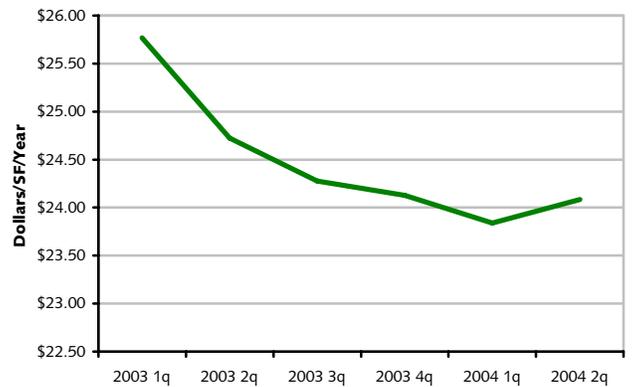
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	762	53,226,076	8,327,061	15.6%	73,771	0	0	1	318,714	\$24.08
2004 1q	762	53,226,076	8,400,832	15.8%	43,751	1	26,821	1	318,714	\$23.84
2003 4q	762	53,293,585	8,512,092	16.0%	422,685	0	0	1	26,821	\$24.13
2003 3q	762	53,293,585	8,934,777	16.8%	330,040	0	0	1	26,821	\$24.27
2003 2q	762	53,293,585	9,264,817	17.4%	200,707	0	0	1	26,821	\$24.72
2003 1q	762	53,293,585	9,465,524	17.8%	(827,825)	2	420,000	1	26,821	\$25.77
2002 4q	760	52,873,585	8,217,699	15.5%	631,171	3	1,169,423	3	446,821	\$25.79
2002 3q	757	51,704,162	7,679,447	14.9%	(628,105)	0	0	6	1,616,244	\$26.58
2002 2q	757	51,704,162	7,051,342	13.6%	353,109	2	254,707	6	1,616,244	\$27.33
2002 1q	755	51,449,455	7,149,744	13.9%	(441,462)	3	482,605	8	1,870,951	\$28.15
2001 4q	753	51,049,850	6,308,677	12.4%	1,131,688	6	962,309	7	1,346,735	\$28.81
2001 3q	747	50,087,541	6,478,056	12.9%	(913,107)	2	443,585	13	2,309,044	\$29.56
2001 2q	745	49,643,956	5,121,364	10.3%	(1,288,203)	5	1,509,717	15	2,752,629	\$31.11
2001 1q	740	48,134,239	2,323,444	4.8%	(248,030)	3	309,936	19	4,052,923	\$32.40
2000 4q	737	47,824,303	1,765,478	3.7%	124,528	4	499,067	18	4,012,182	\$31.53
2000 3q	733	47,325,236	1,390,939	2.9%	(398,208)	2	97,950	21	4,328,644	\$30.10

Source: CoStar Property®

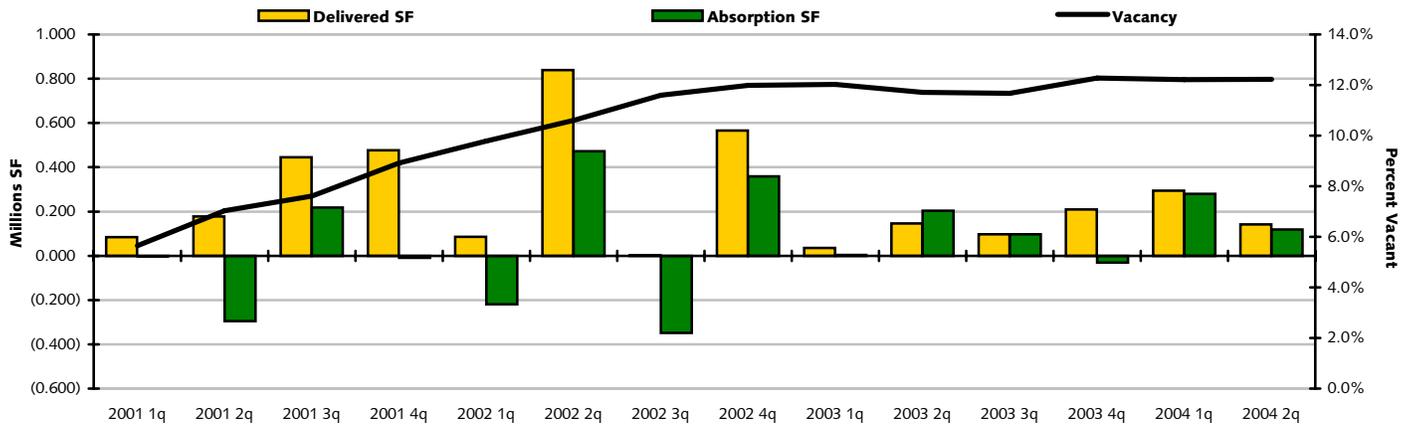
WASHINGTON, D.C. OFFICE MARKET



I - 270 CORRIDOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

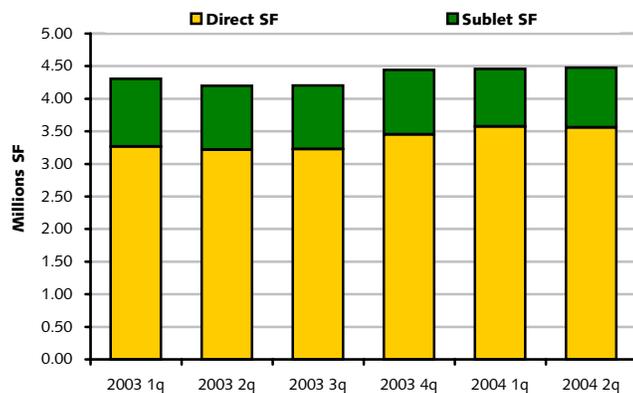
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

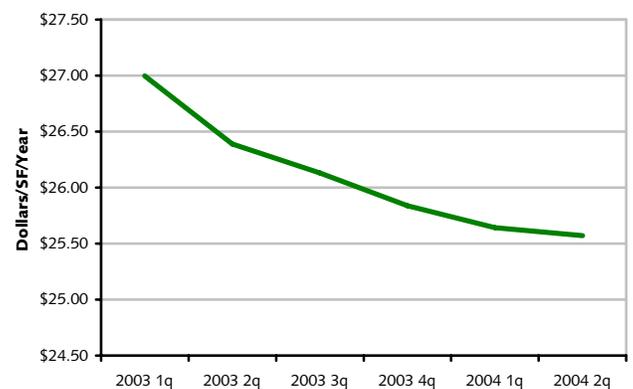
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	558	36,624,035	4,479,098	12.2%	119,485	3	142,000	11	740,626	\$25.57
2004 1q	555	36,482,035	4,456,583	12.2%	279,589	3	293,516	9	767,940	\$25.64
2003 4q	552	36,188,519	4,442,656	12.3%	(30,820)	1	210,000	11	1,034,456	\$25.84
2003 3q	551	35,978,519	4,201,836	11.7%	96,788	1	97,000	11	1,128,765	\$26.13
2003 2q	550	35,881,519	4,201,624	11.7%	204,236	2	146,334	11	1,198,765	\$26.39
2003 1q	549	35,780,307	4,304,648	12.0%	3,124	2	34,850	8	873,080	\$27.00
2002 4q	548	35,761,057	4,288,522	12.0%	358,819	6	566,529	10	907,930	\$26.72
2002 3q	542	35,194,528	4,080,812	11.6%	(348,826)	1	2,000	15	1,288,943	\$26.94
2002 2q	541	35,192,528	3,729,986	10.6%	472,113	13	838,682	12	1,081,879	\$27.17
2002 1q	528	34,353,846	3,363,417	9.8%	(219,287)	4	86,240	22	1,638,501	\$27.47
2001 4q	524	34,267,606	3,057,890	8.9%	(9,654)	5	476,275	23	1,524,361	\$27.89
2001 3q	519	33,791,331	2,571,961	7.6%	218,301	5	444,739	26	1,895,562	\$28.44
2001 2q	514	33,346,592	2,345,523	7.0%	(295,465)	1	178,216	24	2,131,264	\$28.36
2001 1q	513	33,168,376	1,871,842	5.6%	(1,363)	28	83,902	23	2,069,980	\$28.07
2000 4q	485	33,084,474	1,786,577	5.4%	364,850	4	442,374	43	1,617,361	\$27.52
2000 3q	481	32,642,100	1,709,053	5.2%	122,544	3	368,000	39	1,345,694	\$26.63

Source: CoStar Property®

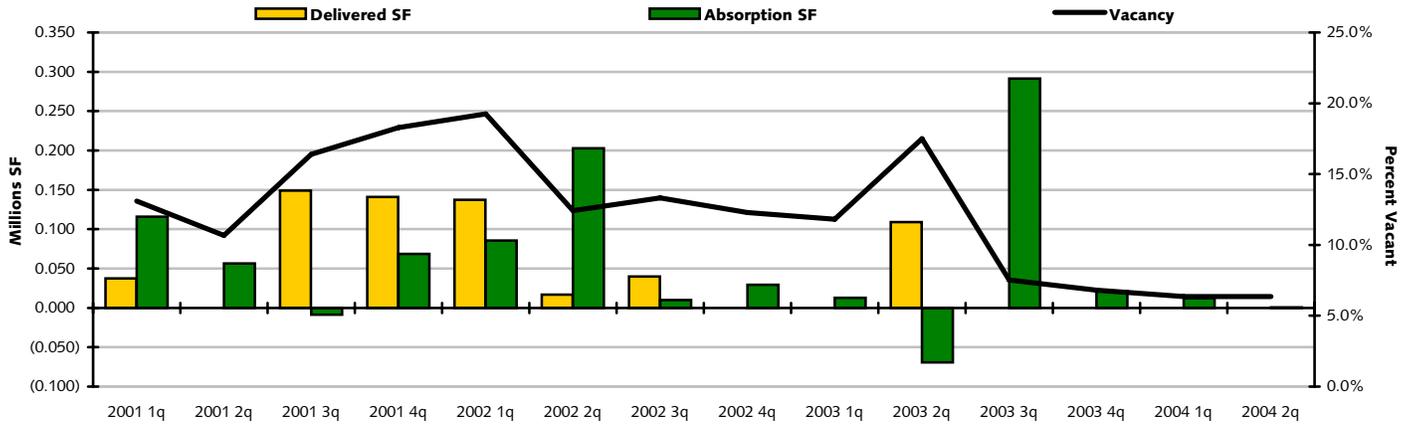


WASHINGTON, D.C. OFFICE MARKET

LEESBURG / ROUTE 7 CORRIDOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

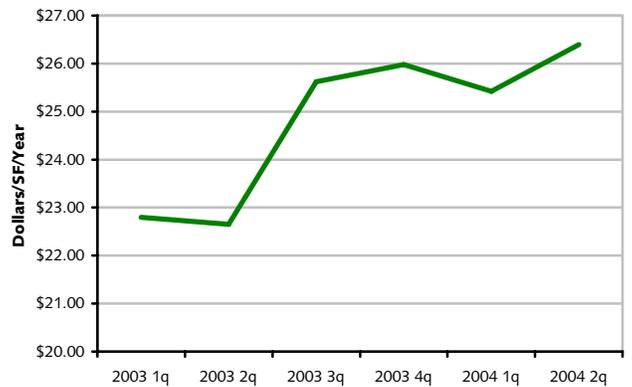
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	145	2,921,593	185,562	6.4%	475	0	0	4	952,828	\$26.39
2004 1q	145	2,921,593	186,037	6.4%	12,485	0	0	3	899,100	\$25.43
2003 4q	145	2,921,593	198,522	6.8%	21,324	0	0	3	899,100	\$25.98
2003 3q	145	2,921,593	219,846	7.5%	291,230	0	0	3	899,100	\$25.62
2003 2q	145	2,921,593	511,076	17.5%	(69,310)	2	109,172	1	750,000	\$22.65
2003 1q	143	2,812,421	332,594	11.8%	12,673	0	0	2	109,172	\$22.80
2002 4q	143	2,812,421	345,267	12.3%	29,355	0	0	2	109,172	\$22.64
2002 3q	143	2,812,421	374,622	13.3%	9,960	2	40,000	2	109,172	\$23.38
2002 2q	141	2,772,421	344,582	12.4%	202,964	1	17,000	3	107,172	\$23.33
2002 1q	140	2,755,421	530,546	19.3%	85,465	3	137,499	4	124,172	\$23.46
2001 4q	137	2,617,922	478,512	18.3%	68,628	3	140,900	6	194,499	\$23.01
2001 3q	134	2,477,022	406,240	16.4%	(8,700)	4	149,220	8	320,399	\$24.55
2001 2q	130	2,327,802	248,320	10.7%	56,273	0	0	11	444,619	\$24.60
2001 1q	130	2,327,802	304,593	13.1%	115,930	2	37,500	10	441,899	\$24.31
2000 4q	128	2,290,302	383,023	16.7%	(12,824)	0	0	5	165,800	\$25.38
2000 3q	128	2,290,302	370,199	16.2%	(7,494)	3	49,000	5	165,800	\$25.03

Source: CoStar Property®

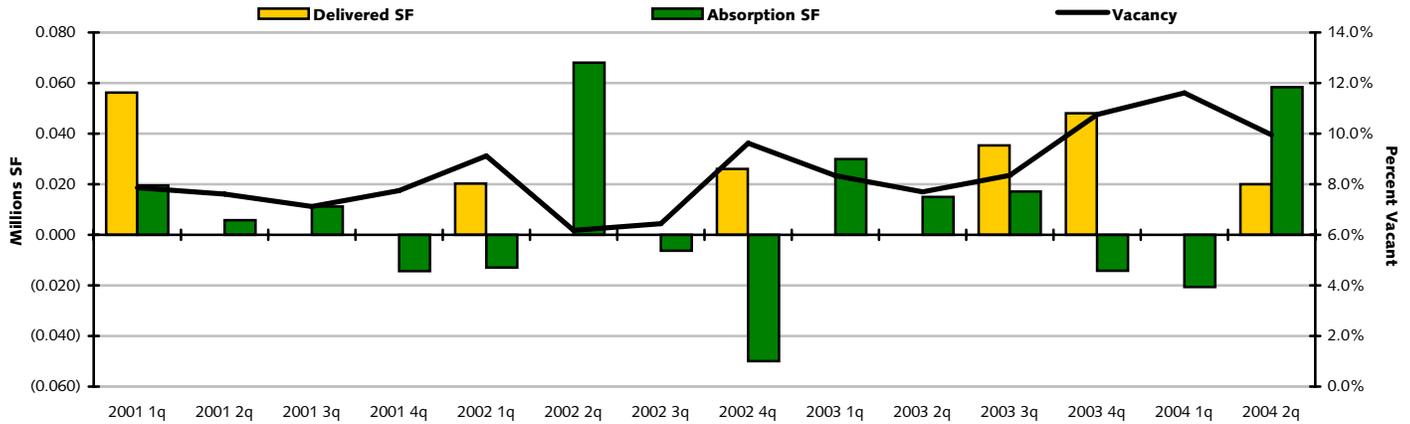
WASHINGTON, D.C. OFFICE MARKET

MANASSAS/ROUTE 29/I-66 MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

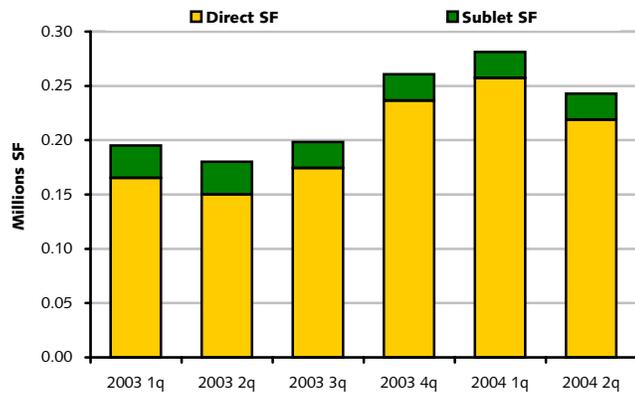


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



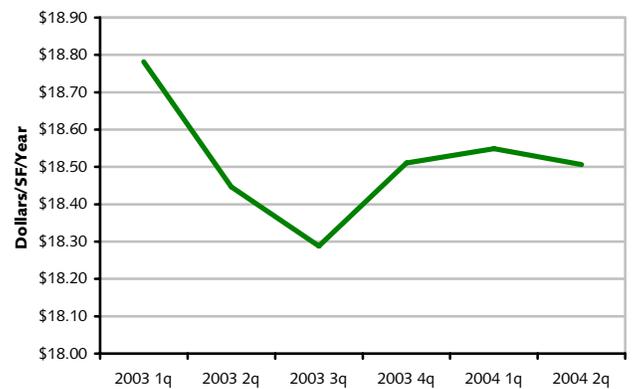
Source: CoStar Property®

VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	103	2,442,189	242,867	9.9%	58,375	1	20,000	1	45,000	\$18.51
2004 1q	102	2,422,189	281,242	11.6%	(20,623)	0	0	2	65,000	\$18.55
2003 4q	102	2,422,189	260,619	10.8%	(14,254)	2	48,000	2	65,000	\$18.51
2003 3q	100	2,374,189	198,365	8.4%	17,088	1	35,400	3	93,000	\$18.29
2003 2q	99	2,338,789	180,053	7.7%	15,022	0	0	2	80,400	\$18.45
2003 1q	99	2,338,789	195,075	8.3%	29,952	0	0	1	35,400	\$18.78
2002 4q	99	2,338,789	225,027	9.6%	(49,937)	1	26,000	1	35,400	\$19.36
2002 3q	98	2,312,789	149,090	6.4%	(6,342)	0	0	1	26,000	\$19.70
2002 2q	98	2,312,789	142,748	6.2%	68,105	0	0	1	26,000	\$19.45
2002 1q	98	2,312,789	210,853	9.1%	(13,005)	1	20,300	1	26,000	\$19.43
2001 4q	97	2,292,489	177,548	7.7%	(14,325)	0	0	2	46,300	\$20.04
2001 3q	97	2,292,489	163,223	7.1%	11,151	0	0	2	46,300	\$19.38
2001 2q	97	2,292,489	174,374	7.6%	5,787	0	0	2	46,300	\$19.29
2001 1q	97	2,292,489	180,161	7.9%	19,505	3	56,200	2	46,300	\$18.78
2000 4q	94	2,236,289	143,466	6.4%	9,321	1	25,600	4	76,500	\$18.52
2000 3q	93	2,210,689	127,187	5.8%	(9,936)	1	24,988	4	81,800	\$18.03

Source: CoStar Property®

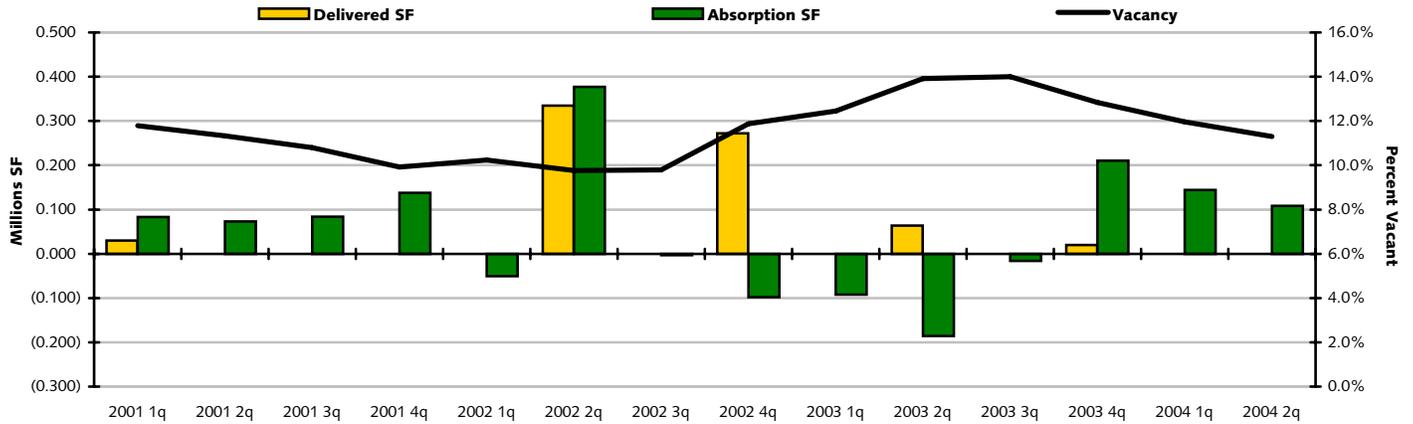


WASHINGTON, D.C. OFFICE MARKET

N PRINCE GEORGES COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

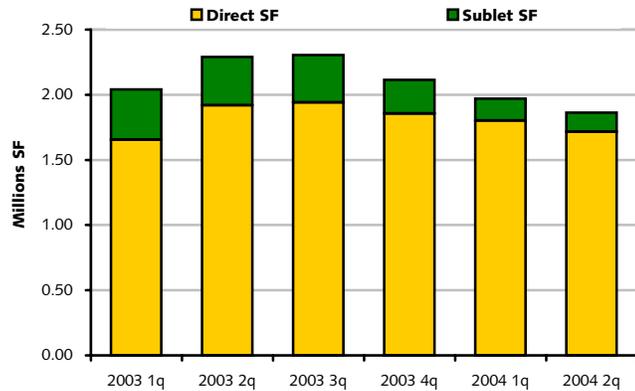
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

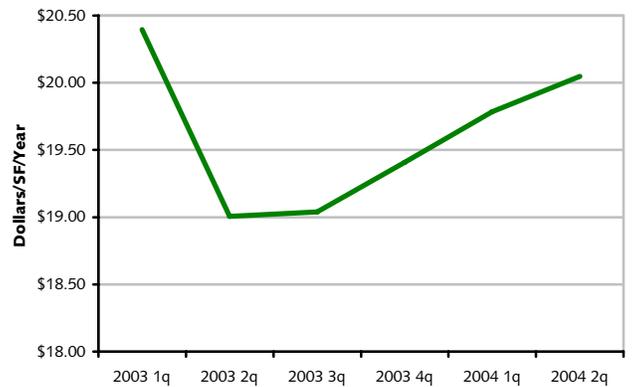
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	362	16,482,884	1,862,779	11.3%	108,079	0	0	3	251,537	\$20.05
2004 1q	362	16,482,884	1,970,858	12.0%	144,086	0	0	2	166,445	\$19.78
2003 4q	362	16,482,884	2,114,944	12.8%	210,677	1	20,000	2	166,445	\$19.41
2003 3q	361	16,462,884	2,305,621	14.0%	(15,778)	0	0	3	186,445	\$19.04
2003 2q	361	16,462,884	2,289,843	13.9%	(185,440)	1	64,000	2	101,702	\$19.01
2003 1q	360	16,398,884	2,040,403	12.4%	(92,585)	0	0	2	84,000	\$20.39
2002 4q	360	16,398,884	1,947,818	11.9%	(97,829)	2	272,035	1	64,000	\$19.80
2002 3q	358	16,126,849	1,577,954	9.8%	(2,964)	0	0	3	336,035	\$20.13
2002 2q	358	16,126,849	1,574,990	9.8%	377,182	2	335,000	3	336,035	\$20.38
2002 1q	356	15,791,849	1,617,172	10.2%	(50,777)	0	0	4	607,035	\$20.30
2001 4q	356	15,791,849	1,566,395	9.9%	137,832	0	0	3	513,450	\$19.71
2001 3q	356	15,791,849	1,704,227	10.8%	84,018	0	0	2	335,000	\$19.28
2001 2q	356	15,791,849	1,788,245	11.3%	73,183	0	0	2	335,000	\$18.96
2001 1q	356	15,791,849	1,861,428	11.8%	82,887	3	30,000	1	10,000	\$18.61
2000 4q	353	15,761,849	1,914,315	12.1%	123,443	0	0	3	30,000	\$18.90
2000 3q	353	15,761,849	2,037,758	12.9%	125,768	3	312,904	3	30,000	\$18.65

Source: CoStar Property®

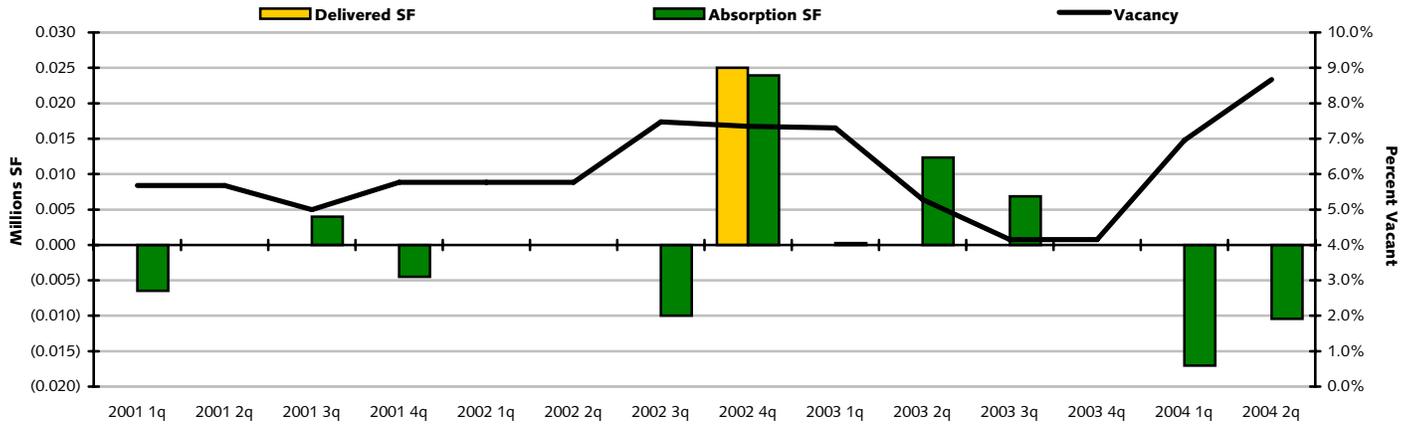
WASHINGTON, D.C. OFFICE MARKET

NORTHEAST/SOUTHEAST MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"



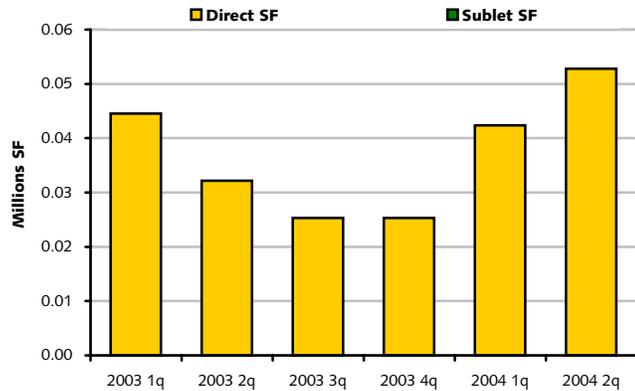
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	31	608,962	52,787	8.7%	(10,436)	0	0	1	25,000	\$28.20
2004 1q	31	608,962	42,351	7.0%	(17,050)	0	0	1	25,000	\$28.64
2003 4q	31	608,962	25,301	4.2%	0	0	0	1	25,000	\$0.00
2003 3q	31	608,962	25,301	4.2%	6,850	0	0	1	25,000	\$0.00
2003 2q	31	608,962	32,151	5.3%	12,356	0	0	0	0	\$31.38
2003 1q	31	608,962	44,507	7.3%	246	0	0	0	0	\$25.42
2002 4q	31	608,962	44,753	7.3%	23,919	1	25,000	0	0	\$23.49
2002 3q	30	583,962	43,672	7.5%	(10,000)	0	0	1	25,000	\$22.94
2002 2q	30	583,962	33,672	5.8%	0	0	0	1	25,000	\$19.54
2002 1q	30	583,962	33,672	5.8%	7	0	0	1	25,000	\$20.62
2001 4q	30	583,962	33,679	5.8%	(4,496)	0	0	0	0	\$20.91
2001 3q	30	583,962	29,183	5.0%	4,000	0	0	0	0	\$22.54
2001 2q	30	583,962	33,183	5.7%	0	0	0	0	0	\$21.59
2001 1q	30	583,962	33,183	5.7%	(6,500)	0	0	0	0	\$22.51
2000 4q	30	583,962	26,683	4.6%	0	0	0	0	0	\$23.12
2000 3q	30	583,962	26,683	4.6%	841	0	0	0	0	\$28.82

Source: CoStar Property®

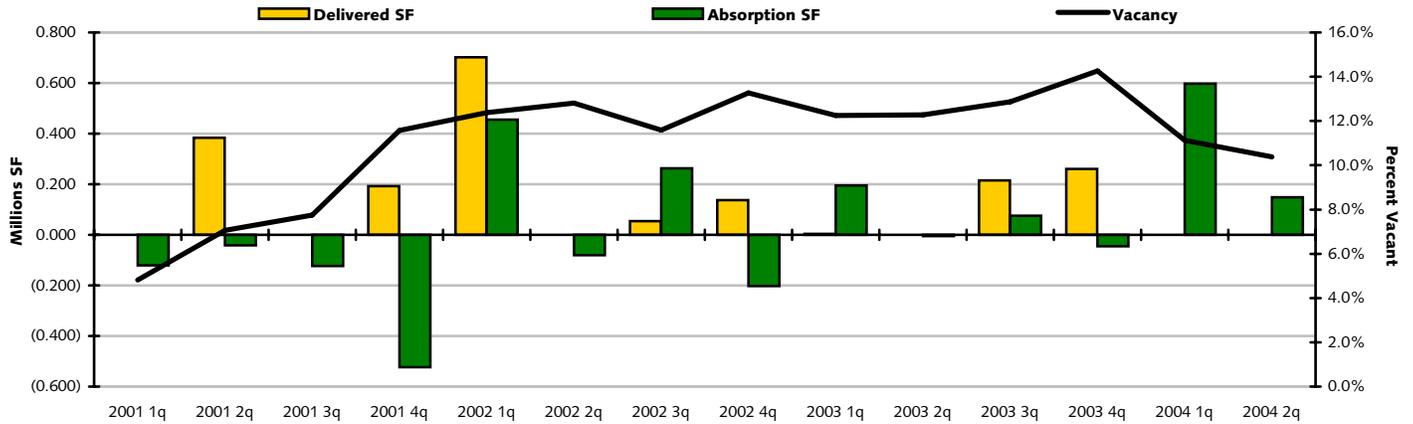


WASHINGTON, D.C. OFFICE MARKET

R - B CORRIDOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

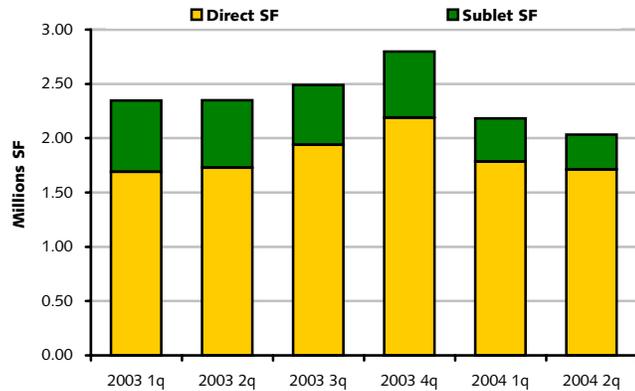
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

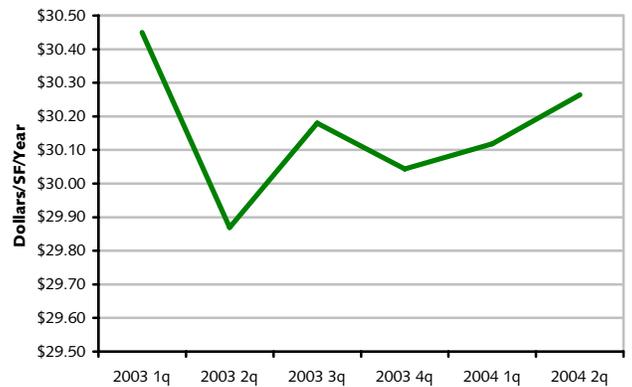
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	159	19,602,516	2,034,495	10.4%	147,803	0	0	4	934,083	\$30.26
2004 1q	159	19,602,516	2,182,298	11.1%	598,090	0	0	3	855,460	\$30.12
2003 4q	160	19,618,516	2,796,388	14.3%	(44,833)	1	260,599	3	855,460	\$30.04
2003 3q	159	19,357,917	2,490,956	12.9%	75,232	1	215,514	4	1,116,059	\$30.18
2003 2q	158	19,142,403	2,350,674	12.3%	(5,127)	0	0	5	1,331,573	\$29.87
2003 1q	158	19,142,403	2,345,547	12.3%	194,641	1	4,025	3	801,573	\$30.45
2002 4q	158	19,142,878	2,540,663	13.3%	(202,542)	1	136,688	3	480,138	\$29.81
2002 3q	157	19,006,190	2,201,433	11.6%	263,510	1	54,000	4	616,826	\$30.75
2002 2q	158	18,970,110	2,428,863	12.8%	(80,830)	0	0	5	670,826	\$30.75
2002 1q	158	18,970,110	2,348,033	12.4%	455,325	3	702,140	5	670,826	\$31.11
2001 4q	156	18,282,970	2,116,218	11.6%	(522,995)	1	191,881	7	1,368,941	\$31.07
2001 3q	155	18,091,089	1,401,342	7.7%	(123,108)	0	0	8	1,560,822	\$31.19
2001 2q	155	18,091,089	1,278,234	7.1%	(41,241)	2	383,055	7	1,345,308	\$31.54
2001 1q	153	17,708,034	853,938	4.8%	(120,356)	0	0	8	1,467,764	\$32.13
2000 4q	153	17,708,034	733,582	4.1%	229,123	1	248,580	6	1,277,076	\$31.25
2000 3q	152	17,459,454	714,125	4.1%	(209,025)	0	0	6	1,186,353	\$30.69

Source: CoStar Property®

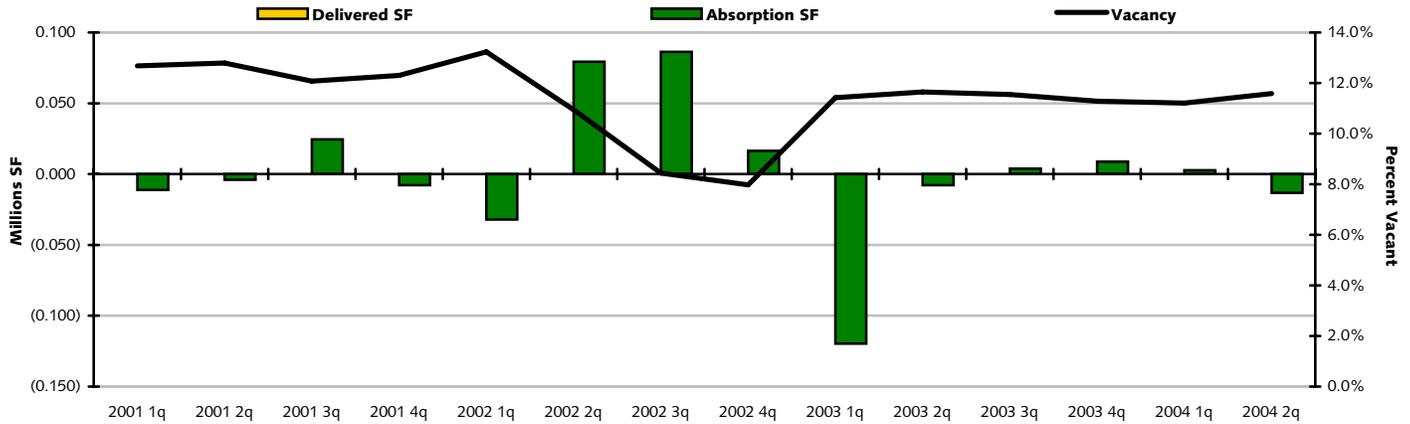
WASHINGTON, D.C. OFFICE MARKET

S PRINCE GEORGES COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

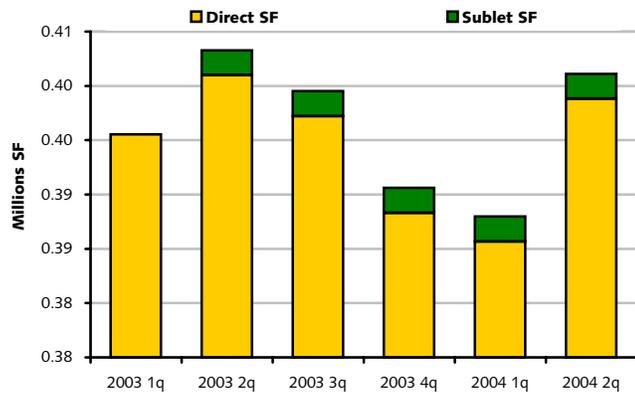


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



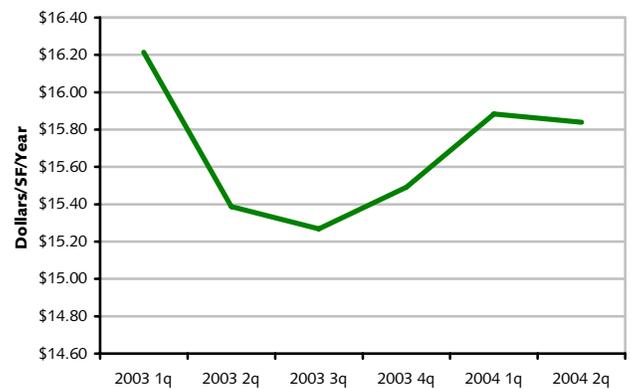
Source: CoStar Property®

VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	111	3,461,293	401,117	11.6%	(13,150)	0	0	0	0	\$15.84
2004 1q	111	3,461,293	387,967	11.2%	2,640	0	0	0	0	\$15.88
2003 4q	111	3,461,293	390,607	11.3%	8,909	0	0	0	0	\$15.49
2003 3q	111	3,461,293	399,516	11.5%	3,762	0	0	0	0	\$15.27
2003 2q	111	3,461,293	403,278	11.7%	(7,751)	0	0	0	0	\$15.39
2003 1q	111	3,461,293	395,527	11.4%	(119,629)	0	0	0	0	\$16.21
2002 4q	111	3,461,293	275,898	8.0%	16,441	0	0	0	0	\$15.20
2002 3q	111	3,461,293	292,339	8.4%	86,327	0	0	0	0	\$15.23
2002 2q	111	3,461,293	378,666	10.9%	79,321	0	0	0	0	\$15.10
2002 1q	111	3,461,293	457,987	13.2%	(32,118)	0	0	0	0	\$15.21
2001 4q	111	3,461,293	425,869	12.3%	(7,722)	0	0	0	0	\$16.25
2001 3q	111	3,461,293	418,147	12.1%	24,612	0	0	0	0	\$16.62
2001 2q	111	3,461,293	442,759	12.8%	(3,984)	0	0	0	0	\$16.65
2001 1q	111	3,461,293	438,775	12.7%	(11,274)	0	0	0	0	\$15.48
2000 4q	111	3,461,293	427,501	12.4%	40,832	0	0	0	0	\$15.09
2000 3q	111	3,461,293	468,333	13.5%	(1,325)	0	0	0	0	\$14.95

Source: CoStar Property®

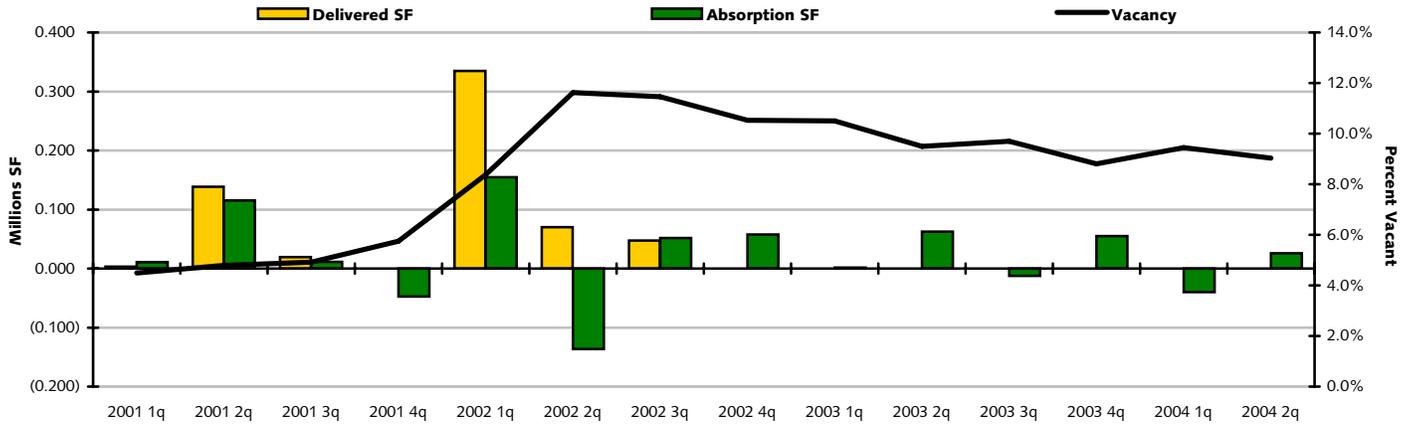


WASHINGTON, D.C. OFFICE MARKET

SE FAIRFAX COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

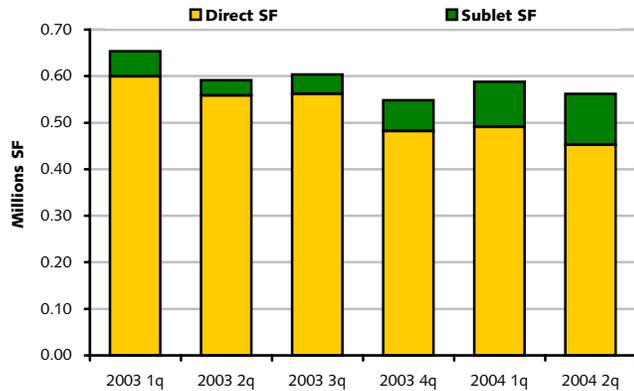
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

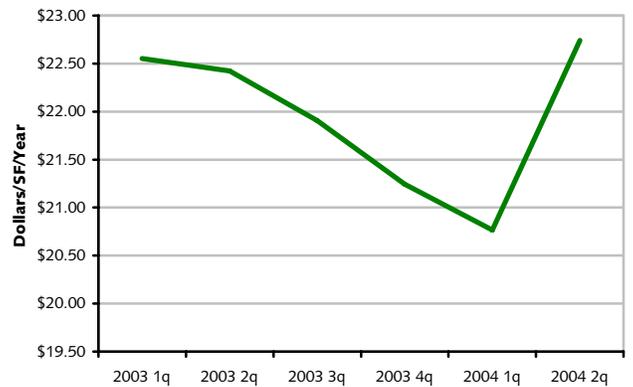
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	164	6,226,022	562,056	9.0%	26,109	0	0	1	150,000	\$22.74
2004 1q	164	6,226,022	588,165	9.4%	(39,625)	0	0	0	0	\$20.76
2003 4q	164	6,226,022	548,540	8.8%	55,200	0	0	0	0	\$21.24
2003 3q	164	6,226,022	603,740	9.7%	(12,518)	0	0	0	0	\$21.90
2003 2q	164	6,226,022	591,222	9.5%	62,594	0	0	0	0	\$22.42
2003 1q	164	6,226,022	653,816	10.5%	1,777	0	0	0	0	\$22.55
2002 4q	164	6,226,022	655,593	10.5%	57,799	0	0	0	0	\$23.46
2002 3q	164	6,226,022	713,392	11.5%	51,978	1	47,600	0	0	\$23.92
2002 2q	163	6,178,422	717,770	11.6%	(136,378)	2	69,897	1	47,600	\$24.04
2002 1q	161	6,108,525	511,495	8.4%	154,955	3	334,700	3	117,497	\$24.10
2001 4q	158	5,773,825	331,750	5.7%	(47,638)	0	0	6	452,197	\$24.17
2001 3q	158	5,773,825	284,112	4.9%	11,417	1	19,668	5	404,597	\$24.82
2001 2q	157	5,754,157	275,861	4.8%	115,113	2	138,673	6	424,265	\$24.78
2001 1q	155	5,615,484	252,301	4.5%	10,551	1	3,485	6	393,958	\$22.61
2000 4q	154	5,611,999	259,367	4.6%	22,606	0	0	7	397,443	\$20.94
2000 3q	154	5,611,999	281,973	5.0%	136,687	1	129,598	5	314,526	\$20.26

Source: CoStar Property®

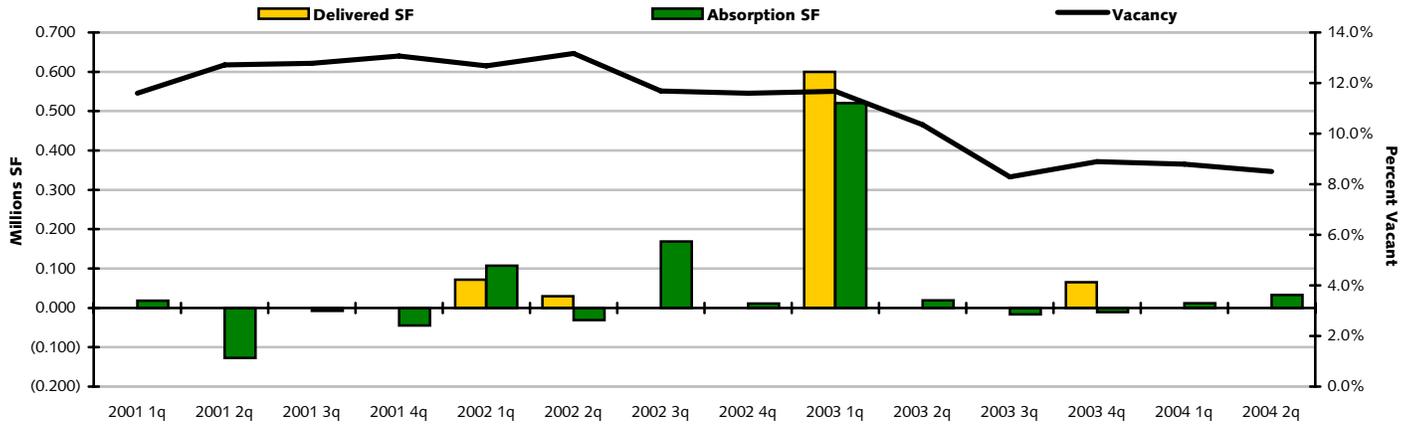
WASHINGTON, D.C. OFFICE MARKET

SE MONTGOMERY COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

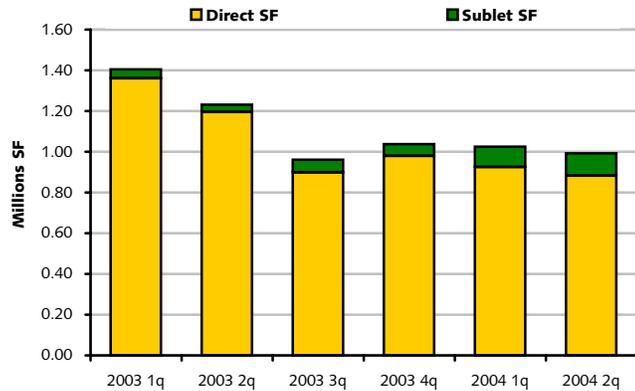


DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



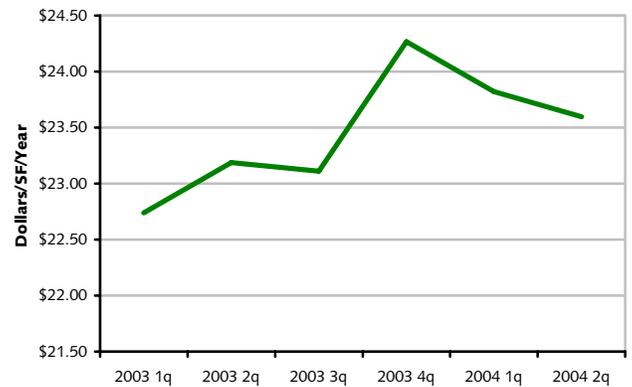
Source: CoStar Property®

VACANT SPACE Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	238	11,661,362	991,870	8.5%	33,183	0	0	1	183,000	\$23.60
2004 1q	238	11,661,362	1,025,053	8.8%	12,125	0	0	1	183,000	\$23.82
2003 4q	238	11,661,362	1,037,178	8.9%	(10,710)	1	65,000	1	183,000	\$24.27
2003 3q	237	11,596,362	961,468	8.3%	(16,052)	0	0	2	248,000	\$23.11
2003 2q	240	11,881,682	1,230,736	10.4%	18,932	0	0	2	248,000	\$23.19
2003 1q	241	12,036,940	1,404,926	11.7%	520,869	1	600,000	1	65,000	\$22.74
2002 4q	240	11,436,940	1,325,795	11.6%	11,287	0	0	1	600,000	\$22.03
2002 3q	240	11,436,940	1,337,082	11.7%	168,841	0	0	1	600,000	\$22.12
2002 2q	240	11,436,940	1,505,923	13.2%	(31,237)	1	29,785	1	600,000	\$22.49
2002 1q	240	11,408,155	1,445,901	12.7%	107,327	1	71,500	2	629,785	\$22.95
2001 4q	239	11,336,655	1,481,728	13.1%	(45,085)	0	0	3	701,285	\$23.09
2001 3q	241	11,351,005	1,450,993	12.8%	(7,862)	0	0	3	701,285	\$23.18
2001 2q	241	11,351,005	1,443,131	12.7%	(126,937)	0	0	3	701,285	\$23.16
2001 1q	241	11,351,005	1,316,194	11.6%	18,691	0	0	2	629,785	\$23.74
2000 4q	241	11,351,005	1,334,885	11.8%	104,309	1	71,500	1	600,000	\$23.44
2000 3q	240	11,279,505	1,367,694	12.1%	6,318	0	0	1	71,500	\$23.06

Source: CoStar Property®

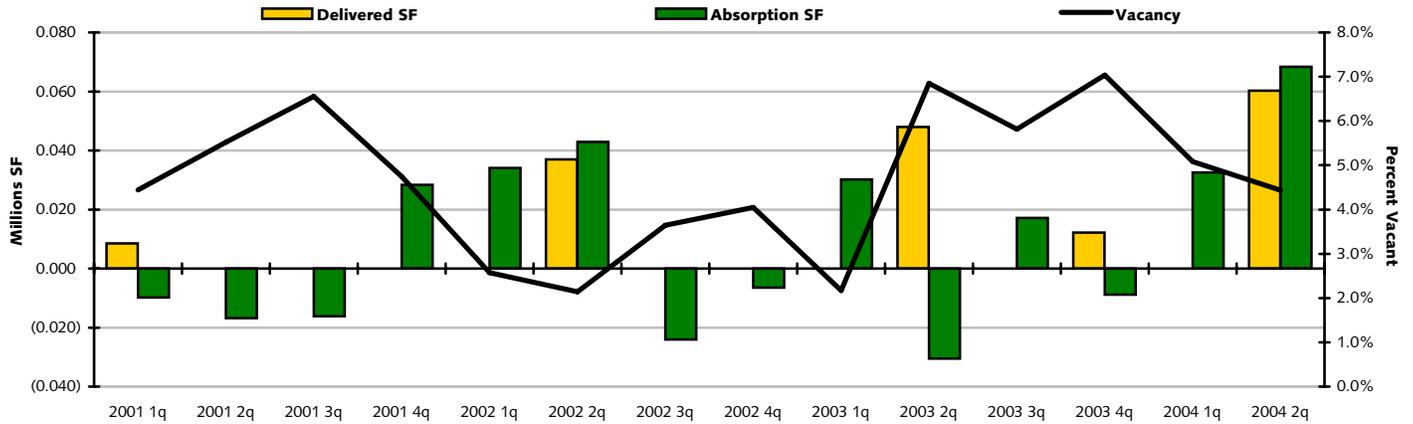


WASHINGTON, D.C. OFFICE MARKET

WOODBRIIDGE / I-95 CORRIDOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

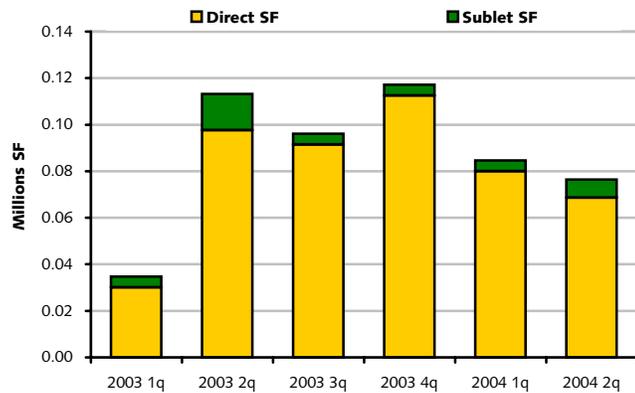
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

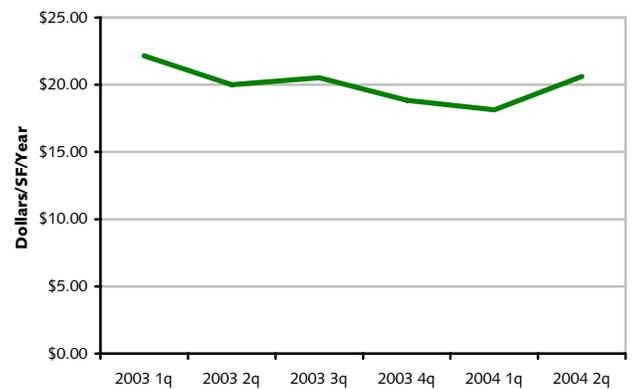
Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2004 2q	76	1,725,444	76,466	4.4%	68,352	3	60,223	4	104,451	\$20.61
2004 1q	73	1,665,221	84,595	5.1%	32,534	0	0	6	124,674	\$18.13
2003 4q	73	1,665,221	117,129	7.0%	(8,790)	2	12,196	5	94,056	\$18.85
2003 3q	71	1,653,025	96,143	5.8%	17,106	0	0	5	94,056	\$20.52
2003 2q	71	1,653,025	113,249	6.9%	(30,464)	1	48,000	3	39,931	\$20.00
2003 1q	70	1,605,025	34,785	2.2%	30,190	0	0	4	87,931	\$22.16
2002 4q	70	1,605,025	64,975	4.0%	(6,475)	0	0	1	48,000	\$22.24
2002 3q	70	1,605,025	58,500	3.6%	(24,065)	0	0	1	48,000	\$22.04
2002 2q	70	1,605,025	34,435	2.1%	42,864	1	37,000	1	48,000	\$19.69
2002 1q	69	1,568,025	40,299	2.6%	34,049	0	0	1	37,000	\$19.63
2001 4q	69	1,568,025	74,348	4.7%	28,402	0	0	1	37,000	\$20.39
2001 3q	69	1,568,025	102,750	6.6%	(16,216)	0	0	1	37,000	\$19.36
2001 2q	69	1,568,025	86,534	5.5%	(16,853)	0	0	1	37,000	\$18.99
2001 1q	69	1,568,025	69,681	4.4%	(9,761)	1	8,560	0	0	\$18.84
2000 4q	68	1,559,465	51,360	3.3%	(6,049)	0	0	1	8,560	\$16.55
2000 3q	68	1,559,465	45,311	2.9%	4,240	0	0	1	8,560	\$15.40

Source: CoStar Property®