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Value Monitor

Volume 73

NATIONAL REAL ESTATE INDEX

Third Quarter 2003

National and Regional Prices and Cap Rates by Property Type

	CBD OFFICE		SUBURBAN OFFICE		WAREHOUSE		RETAIL		CLASS A APARTMENT		CLASS B APARTMENT	
REGIONS	Price S/F	Cap Rate	Price S/F	Cap Rate	Price S/F	Cap Rate	Price S/F	Cap Rate	Price S/F	Cap Rate	Price S/F	Cap Rate
National	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
Quarterly Change*	—	↓	—	↓	—	↓	↑	↓	↑	↓	↑	↓
California	238.75	6.9	250.89	7.2	58.18	8.2	164.58	8.0	165.35	6.8	115.46	7.4
	—	—	↓	↑	—	—	↑	↓	—	↓	↑	↓
West	180.04	7.5	170.78	7.5	46.86	8.1	127.29	8.2	96.52	7.0	66.10	7.6
	—	↓	—	↓	↑	↓	—	↓	—	↓	—	—
Southwest	126.55	8.5	146.77	8.1	39.42	8.6	124.28	7.8	78.29	7.3	53.95	8.3
	—	—	—	—	—	↓	↑	↓	↑	↓	—	—
Southeast	118.81	8.8	131.01	8.3	34.07	8.5	108.70	8.5	72.96	7.4	50.59	8.6
	—	↓	—	↓	↑	↓	↑	↓	↑	↓	↑	—
Florida	135.78	8.4	149.99	8.1	47.37	8.4	126.91	7.8	85.20	7.2	57.68	8.3
	↓	—	—	↓	—	—	↑	↓	↑	↓	↑	↓
Midwest	152.56	8.2	146.12	8.2	39.67	8.9	113.87	8.7	86.08	7.4	59.62	8.1
	—	—	—	↓	—	—	↑	↓	↑	↓	—	↓
Northeast	297.66	7.4	197.80	7.7	49.78	8.8	138.68	8.5	130.48	7.6	87.64	8.2
	—	—	—	—	—	—	↑	↓	↑	↓	↑	↓

* Arrows represent a change in value during the quarter of greater than or equal to 1.0%. For changes less than 1.0%, performance is considered to be flat.

The above figures reflect performance in 58 markets weighted by property inventory. Averages for all markets have been calculated using regional and local market property stock weights from reputable sources. The National and Regional numbers and percentages noted above are averages and may show variance due to rounding and weighting. For a listing of the markets included, see the last page of this report.

Reported values reflect Class A properties, with the exception of Class B apartments. Select other sectors are reported in the SUPPLEMENTAL VALUE MONITOR [not reflected in the regional and national averages above.] For suburban office, warehouse/distribution, retail, and apartment properties, the INDEX reports property transaction trends within metropolitan areas (Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas), generally as defined by the U.S. Census Bureau.

Reported prices are derived, first and foremost, from closed property sales. Consequently, there may be some disparity between property values reported herein and anecdotal reports of changing market conditions in certain local markets. Ultimately, however, changing values are reflected in the data reported. All data for the current quarter are preliminary and subject to further revision in subsequent publications.

For a complete description of the methodology employed, property type norms and an explanation of terms, please see the "Methodology" section.

CALIFORNIA REGION

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
CALIFORNIA	238.75	6.9	250.89	7.2	58.18	8.2	164.58	8.0	165.35	6.8	115.46	7.4
Los Angeles 3 Q. '03	227.70	6.9	281.53	6.6	63.99	8.0	172.26	7.9	180.64	7.0	118.76	7.9
2 Q. '03	225.02	7.0	289.64	6.4	63.77	8.0	167.92	8.1	178.52	7.0	116.24	8.0
3 Q. '02	229.18	7.0	286.53	6.4	60.74	8.4	158.46	8.5	172.84	7.4	108.82	8.5
Oakland	168.16	8.6	229.35	7.1	48.97	8.4	159.58	8.8	161.25	7.4	126.41	7.0
2 Q. '03	169.38	8.6	230.30	7.1	49.74	8.5	157.50	8.9	159.29	7.5	127.40	7.0
3 Q. '02	180.92	8.3	245.92	6.8	48.00	8.8	155.80	9.0	159.25	7.8	117.72	8.0
Orange County ^a	216.53	7.5	186.18	7.4	56.36	7.7	162.68	8.5	156.92	7.4	119.13	8.2
2 Q. '03	218.16	7.5	184.38	7.5	56.11	7.8	160.17	8.6	154.37	7.5	117.74	8.2
3 Q. '02	226.80	7.5	181.09	7.8	53.20	8.3	153.71	8.9	147.93	8.0	116.48	8.2
Riverside-San Bernardino ^b	139.01	9.1	141.13	7.5	49.65	8.2	128.69	7.9	107.15	8.5	68.72	9.5
2 Q. '03	140.19	9.1	138.50	7.7	48.31	8.4	125.72	8.1	105.90	8.5	69.50	9.3
3 Q. '02	140.78	9.1	131.71	8.0	50.38	8.1	119.24	8.5	96.74	9.0	65.96	9.4
Sacramento	209.94	7.8	167.87	7.5	44.48	8.0	136.65	8.6	101.17	8.1	72.70	8.2
2 Q. '03	206.04	8.0	171.20	7.4	44.08	8.1	134.58	8.7	98.44	8.3	71.54	8.3
3 Q. '02	199.50	8.3	156.94	8.2	41.07	8.5	125.79	9.3	92.23	9.1	65.71	9.1
San Diego	204.01	7.3	230.16	7.9	61.55	8.6	157.69	8.3	163.61	7.1	112.78	7.8
2 Q. '03	205.07	7.3	228.00	8.0	60.77	8.7	153.15	8.5	166.36	6.9	111.29	7.8
3 Q. '02	202.24	7.5	239.88	7.7	57.77	9.0	142.47	8.9	155.35	7.5	105.27	8.0
San Francisco	314.44	7.3	281.14	7.8	62.45	8.4	190.28	8.0	182.27	7.5	138.10	6.8
2 Q. '03	311.56	7.4	280.22	7.9	61.92	8.5	184.48	8.3	181.84	7.6	137.41	6.9
3 Q. '02	303.56	8.3	285.35	8.2	60.07	9.2	175.10	9.2	179.93	8.5	136.49	7.4
San Jose	234.27	8.0	298.21	7.4	56.06	8.7	174.53	8.1	169.90	6.8	127.22	7.2
2 Q. '03	235.71	8.0	298.16	7.5	56.59	8.8	172.54	8.2	167.45	7.0	126.60	7.4
3 Q. '02	248.51	8.7	304.37	7.9	58.65	8.9	163.19	9.1	166.76	7.5	126.71	7.8
Honolulu	210.21	8.1	156.23	8.9	64.82	9.4	179.17	9.3	129.20	9.3	88.99	9.4
2 Q. '03	208.24	8.2	154.62	9.0	64.75	9.4	176.91	9.4	127.49	9.4	86.55	9.6
3 Q. '02	207.47	8.3	150.16	9.3	63.70	9.5	168.17	9.6	123.14	9.5	81.58	10.0

^a For the **CBD office** sector, these figures represent mid- and high-rise properties in the Greater Airport submarket which includes Santa Ana, Irvine, Costa Mesa, and Newport Beach.

^b For the **CBD office** sector, these figures represent mid- and high-rise properties in Riverside County.

WEST REGION

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
WEST	180.04	7.5	170.78	7.5	46.86	8.1	127.29	8.2	96.52	7.0	66.10	7.6
Denver 3 Q. '03	159.94	7.9	175.65	7.0	48.15	7.9	130.69	8.4	112.30	6.9	75.68	6.8
2 Q. '03	159.12	8.0	174.13	7.1	47.12	8.1	128.83	8.5	114.39	6.8	75.38	6.9
3 Q. '02	161.87	8.2	172.99	7.5	42.88	8.7	122.08	9.0	113.01	7.1	68.99	7.6
Las Vegas^a	164.02	9.3	146.05	8.4	52.81	7.6	145.60	8.1	72.73	8.5	54.20	8.4
2 Q. '03	162.82	9.4	143.14	8.6	52.63	7.6	141.46	8.3	69.71	8.8	54.28	8.3
3 Q. '02	162.20	9.5	137.35	9.0	48.49	8.0	130.72	9.0	71.33	8.6	53.09	8.7
Portland	161.75	8.2	159.92	8.1	44.37	8.5	132.31	8.6	83.86	7.2	57.19	8.3
2 Q. '03	164.29	8.1	158.98	8.2	43.94	8.6	131.15	8.7	82.36	7.3	57.71	8.3
3 Q. '02	164.41	8.3	158.68	8.5	42.29	9.0	125.56	9.0	78.78	8.1	56.11	8.9
Salt Lake City	117.64	9.1	109.15	9.0	31.41	8.7	95.48	8.1	66.47	8.9	46.49	9.6
2 Q. '03	117.24	9.2	110.81	8.9	31.15	8.8	93.89	8.2	66.62	8.9	46.52	9.7
3 Q. '02	121.13	9.2	112.92	9.0	30.75	9.3	91.21	8.5	68.03	9.1	47.20	10.0
Seattle	227.91	7.9	193.50	7.3	53.71	7.7	136.45	8.6	110.34	7.2	74.35	8.0
2 Q. '03	224.32	8.1	192.36	7.4	53.44	7.8	137.19	8.6	112.79	7.0	74.40	8.1
3 Q. '02	224.78	8.4	196.56	7.5	49.18	8.6	136.44	8.8	115.50	7.0	76.14	8.0

^a For the **CBD office** sector, these figures represent mid- and high-rise office properties throughout Clark County.

SOUTHWEST REGION

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
SOUTHWEST	126.55	8.5	146.77	8.1	39.42	8.6	124.28	7.8	78.29	7.3	53.95	8.3
Albuquerque 3 Q. '03^a	102.83	9.8	91.33	9.6	33.32	9.0	89.19	9.0	64.57	9.1	44.16	9.3
2 Q. '03	103.37	9.8	91.03	9.7	33.03	9.1	87.73	9.1	65.09	9.0	43.16	9.4
3 Q. '02	104.18	9.8	92.55	9.7	32.81	9.4	85.66	9.4	65.77	9.2	42.44	9.8
Austin	137.42	8.5	167.83	8.4	38.99	9.0	128.10	8.4	80.16	7.3	59.65	7.7
2 Q. '03	138.88	8.5	169.67	8.4	38.77	9.1	124.88	8.6	80.34	7.3	58.69	7.9
3 Q. '02	142.46	8.8	176.22	8.5	38.88	9.2	118.08	9.1	78.46	7.8	55.87	8.5
Dallas-Fort Worth^a	134.16	8.7	165.36	7.5	40.32	8.3	142.62	7.4	81.33	7.8	55.68	8.6
2 Q. '03	133.89	8.8	165.50	7.6	40.30	8.4	140.43	7.5	80.48	8.0	55.03	8.7
3 Q. '02	134.80	9.0	168.24	7.6	39.84	8.6	131.32	8.2	76.17	8.7	55.36	8.8
El Paso	74.01	9.9	84.23	9.7	29.33	9.3	75.86	9.4	53.23	9.4	38.00	10.0
2 Q. '03	74.52	9.9	83.91	9.8	28.93	9.5	74.78	9.5	52.42	9.5	37.11	10.1
3 Q. '02	76.23	10.0	84.98	9.9	28.78	9.8	72.98	9.8	52.32	9.6	37.65	10.4
Houston	130.84	9.5	123.85	8.9	40.12	9.1	118.99	8.0	78.59	7.7	50.54	9.7
2 Q. '03	132.02	9.5	125.79	8.8	39.48	9.2	117.58	8.1	77.99	7.8	51.29	9.6
3 Q. '02	135.00	9.6	134.17	8.4	40.39	9.3	107.72	8.8	76.02	8.2	52.02	9.6
Oklahoma City	79.36	8.8	88.12	8.9	28.12	9.5	76.42	8.8	56.44	9.1	42.58	10.0
2 Q. '03	80.40	8.8	89.90	8.8	28.49	9.4	76.11	8.8	55.97	9.2	42.77	10.0
3 Q. '02	79.66	9.3	92.96	8.9	28.79	9.5	73.79	9.1	56.87	9.3	43.18	10.3
Phoenix	129.29	8.9	183.01	6.8	43.70	7.8	135.78	7.9	82.80	7.6	59.54	7.0
2 Q. '03	129.40	9.0	184.88	6.8	43.31	7.9	132.73	8.1	80.87	7.8	58.45	7.2
3 Q. '02	131.28	9.2	181.75	7.2	42.52	8.1	123.66	8.7	87.16	7.4	57.10	7.9
San Antonio	103.68	9.2	116.57	9.0	32.25	9.0	95.24	8.9	68.08	8.0	50.44	8.6
2 Q. '03	103.03	9.3	115.72	9.1	32.08	9.1	93.62	9.0	67.93	8.0	50.10	8.6
3 Q. '02	103.74	9.4	117.05	9.1	31.75	9.3	91.42	9.3	67.47	8.1	49.07	9.0
Tulsa	75.27	9.5	82.12	9.5	24.99	9.5	67.61	9.2	52.46	9.2	37.20	10.4
2 Q. '03	75.86	9.5	82.60	9.5	25.57	9.4	67.75	9.2	52.30	9.3	38.04	10.3
3 Q. '02	76.90	9.6	84.55	9.5	26.22	9.3	67.44	9.3	54.26	9.2	39.66	10.4

^a For the CBD office sector, these figures represent the "Downtown" and "Uptown" submarkets.

^b For the CBD office sector, these figures represent central Dallas.

SOUTHEAST REGION

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
SOUTHEAST	118.81	8.8	131.01	8.3	34.07	8.5	108.70	8.5	72.96	7.4	50.59	8.6
Atlanta 3 Q. '03	139.24	9.6	158.35	7.4	39.15	7.6	129.56	8.4	86.34	7.0	59.16	7.8
2 Q. '03	137.34	9.8	157.48	7.5	37.54	8.0	123.84	8.8	83.60	7.3	58.92	7.7
3 Q. '02	140.28	9.8	156.05	7.8	36.07	8.7	114.33	9.5	81.43	7.7	56.88	8.3
Birmingham	104.51	9.5	109.69	8.8	29.79	9.0	91.37	9.1	55.41	8.6	40.39	9.7
2 Q. '03	105.12	9.5	108.70	8.9	29.55	9.1	90.49	9.2	54.92	8.6	39.60	9.7
3 Q. '02	105.97	9.5	108.96	9.1	29.14	9.3	89.64	9.4	55.55	8.7	39.77	9.9
Charlotte	149.08	8.4	114.23	9.0	32.01	8.7	111.25	8.5	68.44	8.1	46.64	8.8
2 Q. '03	149.44	8.4	112.63	9.2	31.86	8.8	109.54	8.6	70.58	8.0	46.38	8.9
3 Q. '02	148.21	8.6	114.68	9.3	31.75	8.9	104.33	9.1	70.71	8.2	45.10	9.3
Greensboro/ Winston-Salem	98.10	9.4	103.33	9.5	27.92	9.4	93.89	9.4	56.04	8.6	40.03	9.5
2 Q. '03	98.80	9.4	102.84	9.6	28.04	9.4	93.16	9.5	55.54	8.7	40.16	9.5
3 Q. '02	95.78	9.9	102.43	9.8	28.37	9.5	91.63	9.7	55.61	9.1	40.28	9.8
Greenville-Spartanburg	98.40	9.8	86.64	9.6	29.74	9.5	89.75	9.2	52.87	8.2	38.25	9.8
2 Q. '03	99.13	9.8	86.22	9.7	29.59	9.6	88.58	9.3	52.78	8.3	38.16	9.9
3 Q. '02	100.73	9.9	88.58	9.7	30.39	9.5	87.15	9.5	52.31	8.5	38.76	10.2
Memphis	95.18	9.5	107.91	9.2	31.15	9.1	93.36	9.2	58.59	8.3	41.24	9.4
2 Q. '03	95.81	9.5	110.86	9.0	31.57	9.0	91.89	9.3	58.55	8.4	41.98	9.3
3 Q. '02	96.90	9.6	115.46	8.8	31.15	9.4	89.44	9.5	59.42	8.5	42.53	9.4
Nashville	110.97	9.5	122.80	8.9	33.03	8.9	101.18	8.9	68.50	8.0	47.49	9.5
2 Q. '03	111.56	9.5	123.41	8.9	33.16	8.9	99.94	9.0	68.20	8.0	47.36	9.6
3 Q. '02	111.22	9.7	119.02	9.3	32.02	9.2	96.75	9.3	66.93	8.4	45.81	9.8
New Orleans	94.74	9.9	101.26	8.6	27.73	9.1	96.41	9.0	58.90	8.7	40.76	10.4
2 Q. '03	94.41	10.0	99.33	8.8	27.40	9.2	95.40	9.1	58.11	8.8	39.95	10.6
3 Q. '02	93.33	10.3	96.26	9.2	27.04	9.4	90.84	9.6	56.65	9.1	38.22	10.9
Norfolk	106.76	9.2	108.25	9.4	34.40	9.2	98.00	8.6	79.70	8.5	56.04	9.3
2 Q. '03	107.10	9.2	108.51	9.4	34.10	9.3	96.75	8.7	79.17	8.5	54.58	9.4
3 Q. '02	108.40	9.3	111.22	9.3	33.86	9.4	92.99	9.0	76.21	8.6	50.72	9.7
Raleigh-Durham	119.00	8.0	131.92	8.1	33.24	8.8	119.03	7.8	69.83	7.9	53.77	8.5
2 Q. '03	119.72	8.0	132.85	8.1	33.07	8.9	116.28	8.0	70.81	7.8	53.71	8.6
3 Q. '02	118.89	8.2	133.59	8.3	32.75	9.0	108.26	8.5	73.64	7.9	52.70	9.0

FLORIDA REGION

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
FLORIDA	135.78	8.4	149.99	8.1	47.37	8.4	126.91	7.8	85.20	7.2	57.68	8.3
Ft. Lauderdale 3 Q. '03	138.07	8.7	161.85	7.7	56.27	8.2	141.46	8.0	91.31	7.7	63.52	8.4
2 Q. '03	137.01	8.8	164.37	7.6	57.61	8.0	139.17	8.1	91.66	7.6	63.54	8.3
3 Q. '02	136.66	9.3	171.95	7.4	52.68	8.8	126.75	8.8	82.03	8.6	60.00	8.9
Jacksonville	98.51	9.4	110.98	9.0	33.15	8.7	99.94	8.6	69.44	8.5	46.83	8.6
2 Q. '03	98.25	9.5	112.56	8.9	32.86	8.7	97.85	8.8	68.86	8.6	46.03	8.7
3 Q. '02	98.91	9.6	114.29	9.0	31.96	8.9	94.12	9.1	66.20	8.9	46.83	8.8
Miami	179.39	8.9	164.77	8.0	56.04	8.1	132.30	8.2	95.12	7.6	62.74	8.5
2 Q. '03	186.47	8.6	161.34	8.2	55.45	8.2	129.15	8.4	91.72	7.8	61.57	8.6
3 Q. '02	195.79	8.3	154.92	8.7	54.47	8.5	118.95	9.0	84.39	8.4	58.81	8.9
Orlando	139.31	8.8	147.79	7.8	38.32	8.3	123.35	7.7	72.54	7.6	50.34	8.6
2 Q. '03	137.98	8.9	148.56	7.8	37.64	8.5	120.18	7.9	70.11	7.8	48.94	8.8
3 Q. '02	138.10	9.1	152.40	7.8	35.11	9.1	111.08	8.6	68.62	8.5	47.35	9.2
Tampa-St. Petersburg^a	112.73	9.0	135.65	8.3	39.51	8.9	119.60	7.7	70.60	8.0	47.24	9.3
2 Q. '03	112.65	9.1	134.49	8.4	39.47	8.8	115.87	8.0	69.51	8.1	46.29	9.4
3 Q. '02	112.91	9.3	132.00	8.7	37.52	9.2	102.04	8.8	70.73	8.1	46.44	9.5
West Palm Beach	143.96	8.9	177.44	8.0	48.43	8.3	138.68	8.4	90.62	7.4	61.76	8.8
2 Q. '03	143.11	9.0	173.63	8.2	48.04	8.4	134.81	8.6	88.55	7.5	60.29	9.0
3 Q. '02	144.99	9.1	168.19	8.6	47.35	8.5	125.84	9.1	83.55	8.0	57.38	9.4

^a For the **CBD office** sector, these figures represent properties in downtown Tampa.

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
MIDWEST	152.56	8.2	146.12	8.2	39.67	8.9	113.87	8.7	86.08	7.4	59.62	8.1
Chicago 3 Q. '03	222.31	8.0	179.65	7.5	47.64	8.3	138.77	8.4	106.44	7.2	76.44	7.5
2 Q. '03	225.94	8.0	177.08	7.7	48.22	8.3	136.17	8.5	104.18	7.4	75.75	7.7
3 Q. '02	230.02	8.2	177.43	7.9	45.48	8.9	127.09	9.1	100.02	8.0	72.04	8.3
Cincinnati	114.09	9.1	114.49	8.5	32.68	9.3	93.47	9.1	63.86	8.9	43.90	8.9
2 Q. '03	114.53	9.1	113.82	8.6	32.87	9.3	92.64	9.2	62.92	9.1	44.02	9.0
3 Q. '02	114.95	9.2	114.76	8.7	32.81	9.5	91.55	9.3	60.49	9.5	43.49	9.2
Cleveland	126.07	9.3	128.97	8.0	34.66	8.9	100.15	9.2	71.53	8.3	49.61	9.1
2 Q. '03	126.70	9.3	128.31	8.1	34.83	8.9	99.05	9.3	71.32	8.3	48.87	9.3
3 Q. '02	127.09	9.5	130.97	8.1	34.43	9.2	95.79	9.7	70.67	8.6	46.64	10.0
Columbus	121.99	9.5	112.09	8.7	31.18	8.5	91.97	8.8	66.35	7.7	43.46	9.5
2 Q. '03	122.03	9.6	110.11	8.9	32.06	8.2	90.84	8.9	65.13	7.8	43.21	9.5
3 Q. '02	122.44	10.0	111.57	9.1	30.82	8.8	89.18	9.2	57.94	9.1	44.97	9.1
Detroit	112.41	9.2	144.69	7.9	40.96	9.4	121.48	9.0	80.08	8.4	52.38	9.0
2 Q. '03	112.13	9.3	144.32	8.0	41.20	9.4	120.30	9.1	79.70	8.4	52.38	9.1
3 Q. '02	114.19	9.5	143.98	8.2	41.24	9.7	116.50	9.4	79.87	8.5	52.06	9.3
Indianapolis	116.62	9.4	112.88	8.6	30.53	9.1	101.36	9.2	63.27	8.8	43.01	9.3
2 Q. '03	117.44	9.4	112.17	8.7	30.57	9.2	100.93	9.2	63.24	8.9	43.17	9.4
3 Q. '02	119.67	9.4	113.79	8.8	30.11	9.4	98.38	9.4	64.58	9.1	43.95	9.7
Kansas City	123.14	8.8	130.13	8.8	32.83	9.2	117.91	9.1	70.40	8.1	45.69	9.1
2 Q. '03	122.92	8.9	130.46	8.9	33.07	9.2	116.19	9.2	69.32	8.2	45.33	9.2
3 Q. '02	124.34	9.1	131.76	9.3	33.82	9.4	113.80	9.3	70.11	8.4	46.67	9.3
Milwaukee	119.04	9.1	100.58	9.1	39.99	9.0	95.47	9.1	68.14	9.0	47.15	9.5
2 Q. '03	120.74	9.0	101.02	9.1	40.70	8.9	94.54	9.2	67.67	9.1	47.00	9.6
3 Q. '02	120.16	9.3	102.27	9.2	40.13	9.1	92.88	9.3	66.55	9.4	46.71	9.9
Minneapolis/St. Paul ^a	145.76	8.9	148.61	8.6	43.24	9.4	117.98	8.8	90.16	7.9	60.65	9.0
2 Q. '03	145.03	9.0	147.66	8.7	43.15	9.5	116.91	8.9	89.43	8.1	59.96	9.2
3 Q. '02	146.47	9.3	148.73	8.9	43.68	9.6	113.91	9.2	87.12	8.5	57.97	9.7
St. Louis	115.77	9.2	139.18	9.1	35.40	9.0	105.82	9.3	71.82	8.2	48.03	9.2
2 Q. '03	116.66	9.2	140.76	9.1	35.30	9.1	104.93	9.4	71.11	8.3	47.71	9.3
3 Q. '02	119.21	9.3	145.46	9.0	35.35	9.3	103.36	9.5	70.67	8.5	47.26	9.6

^a For the CBD office sector, these figures represent properties in downtown Minneapolis.

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Market	CBD Office		Suburban Office		Warehouse		Retail		Class A Apartment		Class B Apartment	
	AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE		AVERAGE	
	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate	Price sf	Cap Rate
NATIONAL	\$211.55	7.6%	\$179.49	7.8%	\$45.46	8.5%	\$131.07	8.3%	\$111.01	7.3%	\$76.30	8.0%
NORTHEAST	297.66	7.1	197.80	7.7	49.78	8.8	138.68	8.5	130.48	7.6	87.64	8.2
Baltimore 3 Q. '03	145.46	9.1	141.07	8.5	41.73	8.4	126.38	8.9	103.38	7.8	71.45	8.7
2 Q. '03	146.46	9.1	139.91	8.6	41.92	8.4	124.21	9.0	105.62	7.6	72.76	8.5
3 Q. '02	149.05	9.1	135.63	9.0	38.27	9.2	120.17	9.3	100.89	8.0	69.10	9.0
Boston	299.68	8.1	203.07	8.5	56.58	8.7	139.83	8.8	152.82	8.7	109.55	8.6
2 Q. '03	301.18	8.2	207.76	8.5	56.27	8.8	138.20	8.9	151.86	8.8	109.78	8.7
3 Q. '02	301.80	8.4	218.32	8.6	54.95?	9.2	133.61	9.2	152.72	8.9	107.96	9.0
Central New Jersey^a	180.71	8.1	176.77	6.7	55.78	8.6	142.01	8.2	114.68	8.2	74.73	9.2
2 Q. '03	177.66	8.3	175.22	6.9	56.33	8.6	140.74	8.3	113.77	8.2	73.20	9.3
3 Q. '02	168.40	9.0	158.85	7.9	52.31	9.0	134.86	8.6	111.48	8.5	70.85	9.5
Hartford	109.48	9.4	101.02	9.8	31.33	9.2	103.29	9.4	85.71	8.8	58.71	9.6
2 Q. '03	109.32	9.5	100.52	9.9	31.18	9.3	102.18	9.5	85.84	8.8	57.82	9.7
3 Q. '02	111.86	9.7	102.15	10.0	31.03	9.6	100.00	9.8	84.82	8.9	55.60	9.9
Manhattan Downtown^b	294.89	7.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Q. '03	293.00	7.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3 Q. '02	284.18	8.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Manhattan Midtown^b	499.09	6.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Q. '03	504.84	6.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3 Q. '02	499.11	6.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nassau-Suffolk^c	157.09	8.0	146.02	8.0	51.85	8.5	148.26	8.3	134.43	8.7	86.49	9.0
2 Q. '03	157.66	8.0	148.39	7.9	51.33	8.6	144.69	8.5	132.08	8.8	84.31	9.1
3 Q. '02	158.80	8.1	147.59	8.2	49.66	8.9	137.76	8.9	127.59	9.0	80.57	9.4
Northern New Jersey	149.75	8.8	198.69	7.6	55.43	8.8	153.29	8.3	140.11	8.5	86.30	9.0
2 Q. '03	150.50	8.8	202.01	7.5	55.77	8.8	151.06	8.4	138.99	8.6	84.83	9.1
3 Q. '02	150.57	9.0	211.38	7.2	55.02	9.1	142.20	8.9	136.92	8.9	81.08	9.5
Philadelphia	156.07	7.5	177.53	7.5	42.87	8.8	134.98	8.5	107.76	7.9	71.66	8.3
2 Q. '03	155.11	7.5	178.59	7.5	41.98	9.0	133.00	8.6	107.00	8.0	70.49	8.4
3 Q. '02	153.51	9.4	184.50	7.4	40.54	9.2	125.10	9.1	97.68	8.8	67.70	8.8
Pittsburgh	128.08	9.6	105.97	9.4	35.02	9.4	96.65	9.5	63.13	9.0	46.49	10.0
2 Q. '03	127.50	9.7	106.71	9.4	34.84	9.5	95.76	9.6	62.72	9.1	46.71	10.0
3 Q. '02	129.60	9.8	106.12	9.6	34.51	9.7	92.13	9.9	61.39	9.2	45.38	10.2
Washington, DC	345.58	7.8	254.83	7.0	53.03	8.8	154.62	8.6	146.39	6.8	101.04	7.9
2 Q. '03	350.57	7.7	255.73	7.0	52.56	8.9	152.29	8.7	141.19	7.0	98.69	8.0
3 Q. '02	370.22	7.4	234.78	7.7	50.75	9.2	148.52	9.0	137.82	7.2	93.46	8.4

a For the CBD office sector, these figures represent mid-rise and high-rise space in the Princeton-Route 1 Corridor.

b Because of the lack of representative properties, the INDEX does not report garden-style apartment, neighborhood/community shopping center and modern warehouse sectors for New York City.

c For the CBD office sector, these figures represent mid-rise and high-rise space in the Central Nassau County submarket.

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Other Property Sectors and Markets

Market	Property Sector	Average Price Per SF	Market	Property Sector	Average Price Per SF
Atlanta	Class C Suburban Office	\$86.76	Chicago	Class B Suburban Office	\$123.26
	Class B Warehouse	25.90		Class C Suburban Office	100.23
	Class C Warehouse	17.22		Class D Suburban Office	65.25
	Class A Power Retail Center	154.21		Class B Warehouse	34.22
	Class B Anchored Shopping Ctr.	99.78		Class C Warehouse	24.65
	Class A Unanchored "Strip" Ctr.	157.57		Class B Anchored Shopping Ctr.	100.21
	Stand-Alone Franchise Drugstore	264.74		Stand-Alone Franchise Drugstore	337.32
	Class C Apartment	44.37		Class C Apartment	49.67
	Class D Apartment	26.90		Class A Flex/Business Campus	98.79
	Class A Flex/Business Campus	100.81		Class B Flex/Business Campus	70.61
	Class B Flex/Business Campus	76.52	Cincinnati	Class C Suburban Office	70.75
Austin	Class C Suburban Office	93.50		Class C Warehouse	18.59
	Class A Power Retail Center	135.56		Class C Apartment	35.81
Baltimore	Class C Suburban Office	79.00		Class A Flex/Business Campus	75.26
	Class B Warehouse	28.84		Class B Flex/Business Campus	57.81
	Class C Warehouse	16.68	Cleveland	Class C Apartment	39.42
	Class A Flex/Business Campus	103.99		Class B Flex/Business Campus	65.35
Birmingham	Class C Apartment	49.46		Auto Dealerships	87.45
	Class B Anchored Shopping Ctr.	57.90	Colorado Springs	Class B Apartment	71.19
				Class C Apartment	53.64
Boston	Class B CBD Office	236.44	Columbus	Class B Suburban Office	89.31
	Class C CBD Office	175.37		Class D Suburban Office	33.40
	Class C Suburban Office	105.06		Class B Warehouse	22.27
	Class D Suburban Office	59.25		Class C Warehouse	17.91
	Class B Warehouse	43.78		Class A Unanchored "Strip" Ctr.	160.08
	Class A Flex/Business Campus	122.23		Class A Flex/Business Campus	79.81
	Class B Flex/Business Campus	90.49	Dallas-F.W.	Class C Apartment	34.03
Brisbane, AUSTRALIA	Class C Flex/Business Campus	69.17		Class B Suburban Office	121.43
	Class A CBD Office	186.82		Class C Suburban Office	81.13
Central NJ	Class B CBD Office	110.87		Class D Suburban Office	42.26
	Class B Warehouse	37.12		Class B Warehouse	27.94
	Class B Flex/Business Campus	82.78		Class C Warehouse	21.09
	Class C Flex/Business Campus	61.70		Class A Unanchored "Strip" Ctr.	163.64
				Class C Apartment	38.90
				Class D Apartment	26.40

The above figures reflect property transactions collected through the third quarter 2003. Only average price data is reported. Data was not collected in all property categories in all markets. Any *foreign* market prices reported reflect average cost in U.S. dollars at the time of sale. Foreign properties may not have exactly the same physical dimensions or amenities as comparable-class properties in the U.S.

All property types and classes are defined using a combination of factors, including age, amenities, and location. Space configuration and tenancies are also important criteria in evaluating retail properties. While there generally is an important correlation between age and property class, other factors are often more important in determining property class, particularly in the retail, hospitality and CBD office sectors.

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Other Property Sectors and Markets

Market	Property Sector	Average Price Per SF	Market	Property Sector	Average Price Per SF
Dallas-F.W. (cont.)	Class C Flex/Business Campus	\$55.39	Houston (cont.)	Class C Apartment	\$38.78
	Economy Hotel (per room)	31,372		Class D Apartment	21.34
Denver	Class C CBD Office	96.38		Class A Flex/Business Campus	76.86
	Class C Suburban Office	76.16		Class B Flex/Business Campus	62.47
	Class D Suburban Office	54.01		Class C Flex/Business Campus	41.12
	Class A Sub. Medical Office	160.59	Lansing, MI	Class A Apartment	77.28
	Class B Warehouse	34.10			
	Class C Warehouse	22.93	Las Vegas	Class B Suburban Office	117.22
	Class B Anchored Shopping Ctr.	97.02		Class A Flex/Business Campus	97.24
	Class C Anchored Shopping Ctr.	66.31		Class A Unanchored "Strip" Ctr.	204.25
	Class A Unanchored "Strip" Ctr.	208.13		Class B Anchored Shopping Ctr.	95.74
	Class C Apartment	55.80		Class B Flex/Business Campus	71.31
	Class A Flex/Business Campus	113.78			
	Class B Flex/Business Campus	76.93	Lisbon, PORTUGAL	Class A CBD Office	338.18
	Class C Flex/Business Campus	58.78			
Detroit	Class B Warehouse	32.31	Los Angeles	Class C CBD Office	111.64
	Class A Flex/Business Campus	86.54		Class D CBD Office	61.91
	Class B Flex/Business Campus	65.28		Class B Suburban Office	184.51
Fresno	Class A Self-Storage	56.13		Class C Suburban Office	136.11
	Class A Unanchored "Strip" Ctr.	135.85		Class B Warehouse	46.32
	Class B/C Unanchored "Strip" Ctr.	77.50		Class C Warehouse	33.90
	Class A Apartment	82.13		Class B Anchored Shopping Ctr.	103.38
	Class B Apartment	61.99		Class A Unanchored "Strip" Ctr.	216.94
	Class C Apartment	42.67		High-End Stand-Alone Retail	465.41
Ft. Lauderdale	Class B Suburban Office	104.41		Class B Regional Mall	180.39
	Class B Warehouse	41.97		Stand-Alone Franchise Restaurant	561.12
	Class A Power Retail Center	136.13		Class C Apartment	86.52
	Class C Anchored Shopping Ctr.	72.24		Class D Apartment	55.78
	Class C Apartment	48.46		Class A Flex/Business Campus	137.49
	Class A Flex/Business Campus	91.48		Class B Flex/Business Campus	89.99
	Class B Flex/Business Campus	64.12		Class C Flex/Business Campus	68.61
Houston	Class B Suburban Office	92.75	Louisville	Class B Suburban Office	75.79
	Class C Suburban Office	73.97		Class C Apartment	37.46
	Class B Warehouse	29.86		Class D Apartment	18.96
	Class C Warehouse	21.77			

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All property types and classes are defined using a combination of factors, including age, amenities, and location. Space configuration and tenancies are also important criteria in evaluating retail properties. While there generally is an important correlation between age and property class, other factors are often more important in determining property class, particularly in the retail, hospitality and CBD office sectors.

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Other Property Sectors and Markets

Market	Property Sector	Average Price Per SF	Market	Property Sector	Average Price Per SF
Manhattan Downtown	Class B CBD Office	\$220.14	Orange County	Class B CBD Office	\$157.06
	Class C CBD Office	158.43		Class C CBD Office	117.59
	Class D CBD Office	81.76		Class B Suburban Office	143.30
Madrid, SPAIN	Class A Retail/Entertainment Ctr.	227.76		Class C Suburban Office	100.04
Manhattan Midtown	Class C CBD Office	231.11		Class B Warehouse	44.44
Memphis	Class B Warehouse	25.81		Class A Unanchored "Strip" Ctr.	217.32
	Class C Warehouse	18.85		Class B/C Unanchored "Strip" Ctr.	110.17
Miami	Class B CBD Office	123.22		Class A Flex/Business Campus	128.62
	Class B Warehouse	38.16		Class B Flex/Business Campus	89.65
	Class B Flex/Business Campus	75.58		Class C Flex/Business Campus	68.40
	Class B Anchored Shopping Ctr.	99.19	Orlando	Class B Suburban Office	104.60
Minneapolis- St. Paul	Class B Suburban Office	113.89		Class B Warehouse	26.76
	Class C Suburban Office	82.87		Class B Flex/Business Campus	65.68
	Class C Warehouse	20.47	Philadelphia	Class B CBD Office	101.26
Montreal, CANADA	Class A Anchored Shopping Ctr.	99.47		Class B Suburban Office	136.40
	Class B Flex/Business Campus	41.91		Class C Suburban Office	104.20
Newark	Class B Suburban Office	157.69		Class B Warehouse	34.86
	Class C Suburban Office	108.44		Class C Apartment	54.06
	Class B Warehouse	44.18		Class A Flex/Business Campus	109.63
	Class C Warehouse	28.18		Class B Flex/Business Campus	77.10
	Class A Flex/Business Campus	106.68		Class C Flex/Business Campus	52.03
	Class C Flex/Business Campus	59.97	Phoenix	Class B Suburban Office	134.31
Norfolk	Class B Suburban Office	79.43		Class C Suburban Office	83.78
Oakland- East Bay	Class B Suburban Office	167.57		Class B/C Sub. Medical Office	96.27
	Class A Unanchored "Strip" Ctr.	228.68		Class B Warehouse	33.72
	Class A Flex/Business Campus	124.43		Class C Warehouse	25.36
	Class B Flex/Business Campus	85.05		Class B Anchored Shopping Ctr.	89.60
				Class C Anchored Shopping Ctr.	62.40
				Class A Unanchored "Strip" Ctr.	211.98
				Class B/C Unanchored "Strip" Ctr.	83.93
				Franchise Restaurant	438.21
				Stand-Alone Drug Store	295.09
				Class C Apartment	45.48
				Class A Flex/Business Campus	108.83
				Class B Flex/Business Campus	72.09
				Class C Flex/Business Campus	50.66
				Class D Flex/Business Campus	30.45

The above figures reflect property transactions collected through the third quarter 2003. Only average price data is reported. Data was not collected in all property categories in all markets. Any *foreign* market prices reported reflect average cost in U.S. dollars at the time of sale. Foreign properties may not have exactly the same physical dimensions or amenities as comparable-class properties in the U.S.

All property types and classes are defined using a combination of factors, including age, amenities, and location. Space configuration and tenancies are also important criteria in evaluating retail properties. While there generally is an important correlation between age and property class, other factors are often more important in determining property class, particularly in the retail, hospitality and CBD office sectors.

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Other Property Sectors and Markets

Market	Property Sector	Average Price Per SF	Market	Property Sector	Average Price Per SF
Portland	Class B Suburban Office	\$136.72	San Francisco	Class C CBD Office	\$191.03
	Class B Warehouse	31.48		Class D CBD Office	114.09
	Class B Flex/Business Campus	68.64		Class B Suburban Office	228.41
	Class A Unanchored "Strip" Ctr.	213.34		Class A Flex/Business Campus	171.85
Richmond	Class A Suburban Office	113.87		Class B Flex/Business Campus	122.94
Riverside/SB	Class B Suburban Office	100.38	San Jose	Class B Suburban Office	196.34
	Class C Suburban Office	75.13		Class A Flex/Business Campus	154.35
	Class B Warehouse	36.00		Class B Flex/Business Campus	120.08
	Class A Self-Storage	73.08		Class C Flex/Business Campus	89.58
	Class B Anchored Shopping Ctr.	88.60	Seattle	Class C CBD Office	121.39
	Class A Power Center	166.00		Class B Suburban Office	154.87
	Class A Unanchored "Strip" Ctr.	167.42		Class C Suburban Office	113.18
	Class B/C Unanchored "Strip" Ctr.	77.22		Class A Unanchored "Strip" Ctr.	197.83
	Stand-Alone Franchise Restaurant	589.39		Class C Apartment	55.10
	Class C Apartment	51.72		Class A Flex/Business Campus	115.15
	Class A Flex/Business Campus	77.16		Class B Flex/Business Campus	89.77
	Class B Flex/Business Campus	59.59		Class C Flex/Business Campus	61.10
	Economy Hotel (per room)	76,316	Southeast PA	Class A Warehouse	40.58
Sacramento	Class B Suburban Office	122.62		Class B Warehouse	31.36
	Class C Suburban Office	89.84		Class C Apartment	32.51
	Class B Warehouse	30.31	Stockton-Modesto	Class A Warehouse	33.69
	Class C Warehouse	22.12		Class B Warehouse	22.15
	Class A Unanchored "Strip" Ctr.	224.96		Class A Apartment	85.82
	Class A Flex/Business Campus	97.27		Class B Apartment	50.92
San Diego	Class B Flex/Business Campus	73.98	Tacoma/Olympia	Class C CBD Office	86.77
	Class B Suburban Office	159.40		Class B Suburban Office	99.67
	Class B Warehouse	44.10		Class A Warehouse	43.78
	Class A Self-Storage	73.73		Class B Apartment	68.52
	Class B Anchored Shopping Ctr.	111.79		Class C Apartment	47.51
	Class C Anchored Shopping Ctr.	71.49	Tampa-St. Petersburg	Class B Suburban Office	91.38
	Class A Unanchored "Strip" Ctr.	222.01		Class B Flex/Business Campus	64.80
	Class B/C Unanchored "Strip" Ctr.	90.93		Class C Flex/Business Campus	50.92
	Class C Apartment	86.63			
	Class A Flex/Business Campus	133.00			
	Class B Flex/Business Campus	96.28			
	Class C Flex/Business Campus	69.67			

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All property types and classes are defined using a combination of factors, including age, amenities, and location. Space configuration and tenancies are also important criteria in evaluating retail properties. While there generally is an important correlation between age and property class, other factors are often more important in determining property class, particularly in the retail, hospitality and CBD office sectors.

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Other Property Sectors and Markets

Market	Property Sector	Average Price Per SF	Market	Property Sector	Average Price Per SF
Tulsa	Class B Warehouse	\$19.51	W. Palm Beach	Class B Suburban Office	\$132.76
	Class C Warehouse	15.21		Class B Warehouse	39.24
				Class B Anchored Shopping Ctr.	95.44
Tucson	Class A Suburban Office	150.88		Class A Flex/Business Campus	96.17
	Class A Self-Storage	50.86			
	Class A Anchored Shopping Ctr.	96.61			
	Class B Anchored Shopping Ctr.	67.43			
	Class C Anchored Shopping Ctr.	40.36			
	Class B/C Unanchored "Strip" Ctr.	67.32			
	Stand-Alone Franchise Drugstore	279.20			
	Class B Apartment	49.74			
	Class C Apartment	36.31			
	Class B Flex/Business Campus	58.15			
Vallejo-Fairfield-Napa	Class B Warehouse	30.71			
	Class A Apartment	112.72			
	Class B Apartment	74.21			
Vancouver, CANADA	Class A Warehouse	49.83			
	Class B Warehouse	33.59			
	Class A Flex/Business Campus	100.36			
	Class B Flex/Business Campus	71.02			
	Class C Flex/Business Campus	45.52			
Ventura County	Class A Suburban Office	151.27			
	Class B Apartment	140.92			
	Class A Flex/Business Campus	115.61			
	Class B Flex/Business Campus	72.60			
Washington DC	Class B CBD Office	259.40			
	Class C CBD Office	185.89			
	Class B Suburban Office	168.14			
	Class C Suburban Office	109.21			
	Class B Warehouse	42.95			
	Class C Anchored Shopping Ctr.	78.66			
	Class C Apartment	69.04			
	Class A Flex/Business Campus	143.89			
	Class B Flex/Business Campus	97.37			
	Class C Flex/Business Campus	64.74			

The above figures reflect property transactions collected through the third quarter 2003. Only average price data is reported. Data was not collected in all property categories in all markets. Any *foreign* market prices reported reflect average cost in U.S. dollars at the time of sale. Foreign properties may not have exactly the same physical dimensions or amenities as comparable-class properties in the U.S.

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Primary Real Estate Market Makers

Contributors of property-level data to the National Real Estate Index (INDEX) are major players in the real estate industry. In addition to CB Richard Ellis, the single largest contributor of property-level data, the following companies also provide data on their real estate activity in the markets indicated for compilation of INDEX composite statistics.

Advantis (Atlanta, Jacksonville, Norfolk, Orlando)
AEGON USA (Memphis, Nashville, Tampa Bay)
Belvedere Corporation (Cincinnati)
Birmingham Realty (Birmingham)
Broderick Group (Seattle)
Carter/ONCOR (Atlanta, Orlando, Tampa Bay)
CB Richard Ellis (Albuquerque, Atlanta, Austin, Boston, Central Jersey, Charlotte, Chicago, Cincinnati, Cleveland, Columbus, El Paso, Fort Lauderdale, Hartford, Honolulu, Jacksonville, Las Vegas, Los Angeles, Memphis, Miami, Milwaukee, Minneapolis, Nashville, Newark, Norfolk, NY Midtown, Oakland, Orange County, Orlando, Philadelphia, Phoenix, Pittsburgh, Portland, Raleigh-Durham, Riverside-San Bernardino, Sacramento, Salt Lake City, San Diego, San Francisco, San Jose, Seattle, Stamford, Tampa Bay, Tulsa, West Palm Beach)
CB Richard Ellis—former Insignia ESG offices (Atlanta, Boston, Chicago, Denver, Greenville, Los Angeles, Miami, Nassau/Suffolk, NY Midtown, Norfolk, Oakland, Philadelphia, Phoenix, Pittsburgh, San Jose, Tampa Bay)
Childress Klein (Atlanta, Charlotte)
Cincinnati Commercial (Cincinnati)
Clarion Realty (Atlanta, Denver, Houston, Minneapolis)
Codina Realty (Fort Lauderdale, Miami)
Cohen Esrey New America (Kansas City)
Coldwell Banker (Greenville, Oklahoma City)
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Colliers International (Atlanta, Cincinnati, Las Vegas, Sacramento, Salt Lake City, Seattle)
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Hilton Realty (Central Jersey)
Hines Management (Columbus, Detroit, Houston, Miami, Minneapolis, San Francisco, Washington DC)
Inland Companies (Milwaukee)
IRT Property (Atlanta, Fort Lauderdale, New Orleans, Tampa Bay, Winston-Salem)
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KLNB Realtors (Baltimore)
Koger Equity (Austin, Greenville, San Antonio, Tampa Bay)
Lat Purser & Associates (Jacksonville, Winston-Salem)
Liberty Property Trust (Detroit, Philadelphia)
Lincoln Equities (Central Jersey, Nassau/Suffolk, Newark)
Lincoln Property Company (Austin, Boston, Chicago, Houston, New Orleans)
Mack-Cali Realty (Central Jersey, New York, Newark, Philadelphia)
NAI Welsh (Columbus)
Pan Pacific Retail Property (Las Vegas, Los Angeles, Portland, Sacramento, San Jose)
PCS Developments (New Orleans)
Price Edwards (Oklahoma City)
Regency Centers (Denver, Oakland, Portland, Seattle, Tampa Bay)
RL Pratt (Los Angeles)
Rouse Company (Baltimore, Washington DC)
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Skinner & Broadbent (Indianapolis, Memphis)
Sororous Kaboli, Inc. (San Francisco)
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Methodology

The National Real Estate Index (INDEX) reports data on large income-producing properties leased, bought and sold nationwide. As in prior *Market Monitor* publications, the new INDEX *Value Monitor* compiles and reports average prices and capitalization rates for Class A properties in local and regional markets throughout the United States. Prices and capitalization ("cap") rates for the Class A CBD (i.e., "downtown") office, suburban office, warehouse/distribution, anchored enclosed shopping center, and apartment sectors are reported. In addition, Class B apartment values and cap rates are compiled in all markets as well. The specific market data reported in the *Value Monitor* are described below.

Value Monitor Property Prices: Generally, the average property prices that appear for each of the 58 regularly-reported local markets in the *Value Monitor* (and *Market History Report*) are derived from current or historical property sales transactions in the underlying local markets. Nationwide, the National Real Estate Index typically compiles more than 1,000 transactions of large improved properties each period, many of which are utilized to formulate local market benchmark prices. In any given period, a number of local market property prices are derived solely from property sales. Typically, in such cases, benchmark prices will reflect activity over more than one period (i.e., a "rolling quarter" average).

In those markets and property sectors where there is inadequate current investment activity to justify reporting a pure transaction-based price, the benchmark value is formulated based on historical sales data and current market factors, including the operating performance of "like-kind" properties within the respective market and property sector. We realize, of course, that this necessitates an element of "informed judgment" but disparities in local market size and liquidity over time sometimes dictate a modified, "hybrid" approach.

Value Monitor Cap Rates: Like the prices, the market benchmark capitalization rates are based on current or historical property sales. The cap rate data reported in the *Value Monitor* is intended to reflect recent operating income, rather than forward-looking (i.e., "pro forma") performance. Where the data are available, the cap rates incorporate property-level operating income on consummated sales within the respective market-places. However, in many instances, these data either are not available, or the "robustness" of the reported income data is questionable. In those cases, cap rates are derived from the average benchmark property price (which is based on current period or historical transactions) and a representative market-wide operating income proxy for that property type. Because of these data-based qualifications, the cap rates are the most volatile of the data reported by the INDEX and, therefore, are perhaps most useful in determining market directions and trends.

Supplemental Market Monitor: In addition to the benchmark prices and rents for the 58 regularly-reported markets and six property sectors, the *Value Monitor*, like its predecessor publication, also reports average prices for other property categories and classes of properties. These market benchmarks, which appear in the *Supplemental Value Monitor* section of this report, are compiled and formulated on an "ad hoc" basis. That is, average prices are reported only in those geographical markets and property sectors/classes in which the publisher believes a sufficient sample of actual sales transactions has occurred. In that sense, these values reflect pure transaction-based prices. Consequently, the markets and property sectors reported here will vary; no two successive issues will necessarily report the same geographical markets and property classes. Nevertheless, we believe that these data constitute an important component of our *Value Monitor*, especially in an investment environment as active as this one has been.

CBD Office: Class A Central Business District office properties are, generally, ten stories or greater in size, steel frame (or other high quality) construction, and possess a high quality, modern exterior finish and glass application. Properties are located in the CBD or, in a few markets (see the footnotes for each region), a submarket recognized as a primary office location. The age (i.e., year of construction) of Class A CBD office properties is often more variable across local markets than for other property types. Please see the *Supplemental Value Monitor* section for descriptions of other CBD office classes reported.

Suburban Office: Class A suburban office properties are generally multi-story and/or located in a premiere business park. Generally, transacted properties, regardless of configuration, are located in established suburban office submarkets or, in some instances, central city market areas outside of the recognized CBD submarket. Class A suburban office properties often were built more recently (generally in the past 15 years) than their urban "CBD" counterparts. Average Class B suburban office prices can be found for many markets in the *Supplemental Value Monitor*.

Warehouse/Distribution: In the Industrial sector, the INDEX emphasizes space originally designed and used for true warehouse/distribution or storage as the property norm. Typically, no more than 20% of the total space is office build-out, and most buildings contain a minimum of 50,000 square feet and are located in a quality industrial park or other superior location. Other industrial property transactions, however, may be used to supplement transaction samples. Please see the *Supplemental Value Monitor* section for descriptions of other warehouse classes, as well as the important flex/business campus sector.

Retail: A neighborhood or community center, rather than an enclosed mall, is the property norm for the Class A retail sector reported in the *Value Monitor*. The typical center is 75,000–250,000 square feet and contains at least one major anchor tenant, usually a high quality national or regional grocery/drug store. Properties are located in established neighborhoods, both urban and suburban. "Power" retail centers, and other retail space configurations are reported in the *Supplemental Value Monitor*.

Apartment: Generally, Class A transacted apartments contain at least 50 units and have amenities appropriate for the geographic region. Unless otherwise indicated (see the *Supplemental Value Monitor*), the property price and cap rate benchmarks reported in the *Value Monitor* reflect garden- or campus-style apartments. Class A apartment properties typically have been built or extensively rehabilitated in the past 15 years. Class B apartment properties sales compiled by the INDEX generally were built or extensively rehabilitated from 15 to 25 years ago. Once again, please see the *Supplemental Value Monitor* for other residential property classes.

Note: As for most statistical data services, previously-reported data is revised as needed to reflect the receipt of new data. We believe this approach helps assure the most reliable data over the long-term. In particular, all data reported in the current period should be considered preliminary.

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