

Value Monitor

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NATIONAL & REGIONAL PERFORMANCE

Fourth Quarter 2003



	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	\$211.73	7.6%	\$179.66	7.8%	\$46.92	8.4%	\$135.52	8.3%	\$113.99	7.2%	\$77.90	7.9%
Quarterly Change*	—	—	—	—	—	—	↑	↓	↑	↓	↑	↓
California	238.71	6.9	250.08	7.2	62.45	8.0	169.31	8.0	168.56	6.8	119.16	7.2
	—	—	—	—	—	—	↑	↓	↑	—	↑	↓
West	182.85	7.5	167.02	7.7	47.57	7.9	133.58	8.1	95.84	7.0	66.65	7.5
	—	—	—	—	—	—	↑	↓	—	—	—	↓
Southwest	127.14	8.5	147.70	8.0	40.83	8.3	127.54	7.8	78.14	7.3	53.48	8.3
	—	—	—	—	—	—	↑	↓	—	—	—	—
Southeast	119.10	8.8	130.93	8.3	34.95	8.4	115.17	8.4	75.55	7.3	51.12	8.5
	—	—	—	—	—	—	↑	↓	↑	↓	↑	↓
Florida	135.47	8.4	156.42	7.9	48.77	8.2	136.59	7.6	89.55	7.1	59.47	8.3
	—	—	—	↓	↑	↓	↑	↓	↑	↓	↑	—
Midwest	152.06	8.2	143.04	8.3	39.42	8.9	117.10	8.7	88.00	7.3	61.14	8.0
	—	—	↓	↑	—	—	↑	↓	↑	↓	↑	↓
Northeast	297.65	7.4	199.77	7.7	51.08	8.5	141.52	8.5	136.36	7.5	88.80	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.

Regional data are primarily indicative of direction and may or may not constitute a pure representation of value trends and activity in underlying local markets.

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

CALIFORNIA REGION

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
LOS ANGELES												
4 Q. '03	219.10	7.2	274.93	6.7	67.63	7.7	177.22	7.7	184.35	6.9	123.29	7.7
3 Q. '03	222.73	7.1	281.04	6.6	66.85	7.8	174.47	7.8	180.64	7.0	118.71	7.9
4 Q. '02	227.77	7.0	282.31	6.5	63.20	8.0	161.32	8.4	173.33	7.2	108.16	8.5
OAKLAND												
4 Q. '03	168.34	8.5	232.73	7.0	49.11	8.2	161.68	8.7	160.09	7.4	127.42	6.9
3 Q. '03	168.16	8.6	229.35	7.1	48.97	8.4	159.58	8.8	161.25	7.4	126.41	7.0
4 Q. '02	177.90	8.4	237.77	7.0	46.29	8.9	156.18	9.0	153.15	7.9	121.67	7.7
ORANGE COUNTY^a												
4 Q. '03	224.81	7.2	189.52	7.3	56.99	7.6	171.28	8.1	162.50	7.2	128.68	7.7
3 Q. '03	219.46	7.4	186.18	7.4	56.36	7.7	166.60	8.3	163.69	7.1	124.05	7.9
4 Q. '02	223.14	7.5	184.43	7.6	54.28	8.2	157.62	8.7	151.55	7.7	116.06	8.2
RIVERSIDE-SAN BERNARDINO^b												
4 Q. '03	140.42	9.0	141.55	7.5	52.04	8.1	134.64	7.6	111.59	8.3	69.42	9.6
3 Q. '03	139.61	9.1	141.13	7.5	51.68	8.0	130.34	7.8	107.53	8.5	68.71	9.5
4 Q. '02	140.50	9.1	134.75	7.9	49.63	8.2	121.18	8.4	102.11	8.6	66.70	9.4
SACRAMENTO												
4 Q. '03	211.68	7.7	186.24	7.7	45.10	7.9	143.85	8.2	102.29	8.0	73.73	8.1
3 Q. '03	209.94	7.8	186.45	7.6	45.37	7.9	139.90	8.4	101.04	8.1	72.70	8.2
4 Q. '02	196.20	8.4	160.66	8.0	41.75	8.4	129.09	9.1	91.29	9.1	66.54	8.9
SAN DIEGO												
4 Q. '03	213.77	7.0	226.40	8.0	64.25	8.2	159.87	8.2	169.38	6.9	114.79	7.7
3 Q. '03	204.01	7.2	230.16	7.9	63.56	8.3	157.69	8.3	169.10	6.8	113.75	7.7
4 Q. '02	205.75	7.4	234.81	7.8	61.21	8.6	147.80	8.8	159.88	7.2	104.68	8.2
SAN FRANCISCO												
4 Q. '03	314.56	7.2	283.48	7.7	69.27	8.4	192.16	7.9	182.79	7.4	139.13	6.7
3 Q. '03	314.44	7.3	281.14	7.8	69.65	8.5	190.28	8.0	182.27	7.5	138.10	6.8
4 Q. '02	301.39	8.1	284.86	8.1	68.23	9.1	179.26	8.9	178.84	8.2	136.00	7.2
SAN JOSE												
4 Q. '03	232.35	8.0	296.84	7.4	68.27	8.4	178.50	7.9	171.03	6.7	131.42	6.9
3 Q. '03	234.27	8.0	298.21	7.4	67.62	8.5	179.53	8.1	169.90	6.8	130.85	7.0
4 Q. '02	240.09	8.5	298.99	7.9	68.98	9.0	164.09	9.0	166.82	7.4	126.80	7.7
HONOLULU												
4 Q. '03	211.61	8.1	157.82	8.8	96.45	9.7	182.99	9.1	131.55	9.2	91.07	9.3
3 Q. '03	210.21	8.1	156.23	8.9	95.84	9.5	179.17	9.3	129.20	9.3	88.99	9.4
4 Q. '02	208.37	8.2	151.58	9.2	78.75	9.4	174.41	9.5	124.01	9.5	83.90	9.8

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

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
DENVER												
4 Q. '03	157.31	8.0	167.41	7.3	48.26	7.8	138.84	8.0	112.18	6.9	76.65	6.6
3 Q. '03	159.94	7.9	170.77	7.2	48.15	7.9	133.88	8.2	112.40	6.9	78.62	6.5
4 Q. '02	161.70	8.1	170.69	7.4	45.55	8.5	123.37	8.9	115.18	6.8	73.17	7.1
LAS VEGAS^a												
4 Q. '03	167.48	9.1	149.12	8.2	54.97	7.3	149.53	7.9	72.77	8.5	53.79	8.5
3 Q. '03	164.02	9.3	146.05	8.4	53.49	7.5	145.60	8.1	72.73	8.5	54.03	8.7
4 Q. '02	162.08	9.5	140.52	8.8	53.02	7.7	132.86	8.8	70.74	8.7	54.12	8.5
PORTLAND												
4 Q. '03	159.55	8.3	158.43	8.0	44.76	8.4	138.04	8.2	82.84	7.3	56.40	8.4
3 Q. '03	161.75	8.2	159.92	8.1	44.37	8.5	135.46	8.4	83.86	7.2	56.80	8.4
4 Q. '02	165.33	8.2	157.76	8.5	42.24	9.0	127.78	8.9	80.80	7.7	56.17	8.6
SALT LAKE CITY												
4 Q. '03	118.36	9.0	108.46	9.0	31.96	8.5	98.14	7.9	67.00	8.8	46.84	9.5
3 Q. '03	117.64	9.1	109.15	9.0	32.15	8.5	95.48	8.1	66.47	8.9	46.49	9.6
4 Q. '02	119.66	9.2	111.95	9.0	30.33	9.2	91.64	8.4	67.19	9.0	46.89	10.0
SEATTLE												
4 Q. '03	238.52	7.7	193.21	7.7	54.87	7.5	144.59	8.2	108.59	7.2	75.66	7.8
3 Q. '03	236.33	7.8	193.50	7.7	55.14	7.5	141.38	8.3	110.34	7.2	74.35	8.0
4 Q. '02	223.57	8.3	195.61	7.3	51.89	8.2	135.72	8.8	113.52	7.0	75.96	8.0

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

SOUTHWEST REGION

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
ALBUQUERQUE^a												
4 Q. '03	101.60	9.8	91.26	9.5	33.65	8.9	91.31	8.8	65.46	8.9	44.87	9.2
3 Q. '03	102.83	9.8	91.33	9.6	33.32	9.0	90.19	8.9	64.57	9.1	44.16	9.3
4 Q. '02	104.48	9.8	92.17	9.7	32.90	9.3	86.20	9.3	66.06	9.1	42.08	9.7
AUSTIN												
4 Q. '03	140.31	8.2	161.75	8.6	39.17	8.9	131.80	8.2	81.05	7.1	60.91	7.5
3 Q. '03	139.06	8.4	165.85	8.5	38.99	9.0	128.10	8.4	80.16	7.3	60.43	7.6
4 Q. '02	140.91	8.6	174.92	8.5	38.72	9.2	120.34	8.9	80.35	7.5	56.55	8.5
DALLAS-FORT WORTH^b												
4 Q. '03	133.35	8.7	162.20	7.6	42.31	7.9	146.06	7.2	78.69	8.0	54.62	8.3
3 Q. '03	134.16	8.7	165.36	7.5	42.54	7.8	142.62	7.4	79.79	8.0	54.66	8.4
4 Q. '02	133.86	9.0	171.68	7.4	39.75	8.6	134.00	8.0	75.44	8.8	54.64	8.8
EL PASO												
4 Q. '03	72.29	10.1	84.97	9.6	28.47	9.5	77.64	9.2	54.44	9.3	38.49	9.9
3 Q. '03	73.27	10.0	84.23	9.7	28.71	9.5	75.68	9.4	53.23	9.4	38.00	10.0
4 Q. '02	74.56	10.0	84.77	9.8	28.32	9.8	73.25	9.7	51.97	9.5	37.62	10.3
HOUSTON												
4 Q. '03	132.74	9.3	133.32	8.2	40.79	8.9	121.55	7.9	78.47	7.6	50.35	9.7
3 Q. '03	132.23	9.4	130.86	8.4	40.12	9.1	118.99	8.0	78.59	7.7	50.54	9.7
4 Q. '02	133.95	9.6	132.54	8.5	39.72	9.4	111.69	8.6	78.64	7.8	52.80	9.5
OKLAHOMA CITY												
4 Q. '03	77.76	8.9	86.89	9.0	28.05	9.5	77.18	8.7	56.57	9.0	42.64	10.0
3 Q. '03	79.36	8.8	88.12	8.9	28.12	9.5	76.42	8.8	56.44	9.1	42.58	10.0
4 Q. '02	80.56	9.0	92.27	8.7	28.88	9.4	74.14	9.0	56.26	9.3	43.36	10.2
PHOENIX												
4 Q. '03	130.28	8.8	175.78	7.1	46.39	7.4	141.35	7.6	84.74	7.4	58.34	7.0
3 Q. '03	129.29	8.9	181.50	6.9	45.96	7.5	139.31	7.7	84.38	7.5	59.52	7.0
4 Q. '02	131.19	9.1	183.11	7.0	43.59	8.0	125.16	8.6	84.27	7.6	57.59	7.6
SAN ANTONIO												
4 Q. '03	103.58	9.2	113.50	9.2	32.68	8.9	98.00	8.7	73.00	7.6	51.12	8.5
3 Q. '03	103.68	9.2	115.29	9.1	32.25	9.0	95.24	8.9	71.83	7.7	50.44	8.6
4 Q. '02	103.05	9.4	115.64	9.2	31.99	9.2	91.96	9.2	67.39	8.1	48.89	8.9
TULSA												
4 Q. '03	74.98	9.5	82.64	9.4	24.55	9.6	69.39	9.0	52.43	9.1	37.61	10.2
3 Q. '03	75.27	9.5	82.12	9.5	24.99	9.5	68.35	9.1	52.46	9.2	37.20	10.4
4 Q. '02	77.18	9.5	84.94	9.4	26.18	9.3	68.05	9.2	54.00	9.3	39.33	10.2

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

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
ATLANTA												
4 Q. '03	139.09	9.5	153.49	7.6	39.40	7.5	143.94	7.9	91.86	6.5	59.48	7.7
3 Q. '03	139.24	9.6	156.24	7.5	39.15	7.6	138.99	8.1	88.88	6.8	59.16	7.8
4 Q. '02	139.25	9.8	151.21	8.0	35.92	8.6	125.46	9.1	82.36	7.5	57.96	8.1
BIRMINGHAM												
4 Q. '03	104.03	9.5	110.87	8.7	30.09	8.9	94.72	8.8	57.13	8.5	41.61	9.5
3 Q. '03	104.51	9.5	109.69	8.8	29.79	9.0	92.38	9.0	55.41	8.6	40.81	9.6
4 Q. '02	104.86	9.6	109.26	9.0	29.07	9.3	90.06	9.3	55.69	8.7	39.50	9.8
CHARLOTTE												
4 Q. '03	151.59	8.3	128.25	8.7	33.14	8.4	115.70	8.2	67.33	8.2	46.17	8.7
3 Q. '03	149.08	8.4	126.89	8.8	33.02	8.5	112.57	8.4	67.61	8.2	46.64	8.8
4 Q. '02	149.55	8.5	121.49	9.4	31.24	9.0	105.31	9.0	71.15	8.1	45.82	9.1
GREENSBORO/WINSTON-SALEM												
4 Q. '03	98.03	9.4	103.16	9.5	27.68	9.6	95.31	9.3	56.56	8.5	40.51	9.4
3 Q. '03	98.10	9.4	103.33	9.5	27.92	9.6	93.89	9.4	56.04	8.6	40.03	9.5
4 Q. '02	96.41	9.8	101.98	9.8	28.10	9.5	91.54	9.7	54.93	9.0	39.52	9.7
GREENVILLE-SPARTANBURG												
4 Q. '03	98.92	9.7	86.68	9.5	28.10	9.9	92.48	8.9	53.81	8.0	38.00	9.7
3 Q. '03	98.40	9.8	86.64	9.6	28.82	9.8	90.74	9.1	52.87	8.2	38.25	9.8
4 Q. '02	100.56	9.8	87.50	9.8	29.98	9.6	88.28	9.4	52.42	8.5	38.52	10.1
MEMPHIS												
4 Q. '03	94.85	9.4	110.19	9.0	31.26	9.0	94.72	9.1	59.60	8.2	41.80	9.3
3 Q. '03	95.18	9.5	109.09	9.1	31.15	9.1	93.36	9.2	58.59	8.3	41.24	9.4
4 Q. '02	96.35	9.6	113.52	8.9	31.99	9.1	89.98	9.4	58.44	8.5	42.16	9.3
NASHVILLE												
4 Q. '03	110.60	9.5	123.07	8.8	32.75	9.0	104.94	8.6	70.29	7.8	47.86	9.4
3 Q. '03	110.97	9.5	122.80	8.9	33.03	8.9	102.33	8.8	68.50	8.0	47.49	9.5
4 Q. '02	110.87	9.7	122.98	9.0	32.96	9.0	97.69	9.2	68.04	8.1	46.34	9.7
NEW ORLEANS												
4 Q. '03	95.54	9.8	101.22	8.6	33.09	9.2	97.97	8.9	60.63	8.6	40.98	10.3
3 Q. '03	94.74	9.9	100.10	8.7	32.52	9.3	96.41	9.0	58.90	8.7	40.76	10.4
4 Q. '02	93.30	10.2	96.78	9.1	31.75	9.6	91.86	9.5	56.90	9.0	38.48	10.8
NORFOLK												
4 Q. '03	105.16	9.3	109.34	9.3	34.88	9.1	100.77	8.4	80.77	8.4	57.89	9.1
3 Q. '03	106.76	9.2	108.25	9.4	34.40	9.2	98.00	8.6	79.70	8.6	56.04	9.3
4 Q. '02	107.62	9.2	112.00	9.2	33.75	9.3	94.63	8.9	77.43	8.5	51.74	9.6
RALEIGH-DURHAM												
4 Q. '03	118.97	8.0	133.97	8.0	33.46	8.7	122.63	7.6	68.79	8.0	51.90	8.7
3 Q. '03	119.00	8.0	131.92	8.1	33.24	8.8	119.03	7.8	69.90	7.9	53.14	8.6
4 Q. '02	118.36	8.2	134.39	8.2	32.71	9.0	111.29	8.3	73.72	7.8	53.15	8.9

FLORIDA REGION

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
FT. LAUDERDALE												
4 Q. '03	138.69	8.6	159.32	7.8	57.31	8.0	148.95	7.6	93.51	7.5	63.01	8.6
3 Q. '03	138.07	8.7	161.85	7.7	56.96	8.1	143.25	7.9	91.31	7.7	63.52	8.4
4 Q. '02	136.86	9.2	168.79	7.5	53.78	8.6	128.99	8.7	83.44	8.4	61.37	8.7
JACKSONVILLE												
4 Q. '03	97.88	9.4	111.47	8.9	33.75	8.6	101.62	8.5	71.92	8.3	48.14	8.4
3 Q. '03	98.51	9.4	110.98	9.0	33.15	8.7	99.94	8.6	69.44	8.5	47.38	8.5
4 Q. '02	98.74	9.6	113.28	9.0	32.69	8.8	95.23	9.0	67.63	8.7	46.43	8.8
MIAMI												
4 Q. '03	180.48	8.8	194.25	7.0	60.34	7.5	139.01	8.1	104.04	7.0	66.98	8.1
3 Q. '03	181.43	8.8	188.94	7.3	57.46	7.9	135.60	8.3	101.87	7.1	65.05	8.2
4 Q. '02	195.98	8.3	179.32	8.0	54.99	8.4	121.05	9.1	90.62	7.9	59.86	8.8
ORLANDO												
4 Q. '03	134.27	9.1	145.35	7.9	39.29	8.1	130.49	7.3	75.22	7.3	52.51	8.2
3 Q. '03	136.21	9.0	145.92	7.9	38.32	8.3	124.97	7.6	73.51	7.5	50.34	8.6
4 Q. '02	137.75	9.0	152.98	7.7	35.04	9.1	112.53	8.5	68.84	8.3	47.46	9.1
TAMPA-ST. PETERSBURG^a												
4 Q. '03	113.20	8.9	134.82	8.3	37.84	9.3	136.45	7.0	72.73	7.9	48.07	9.2
3 Q. '03	112.73	9.0	135.65	8.3	39.07	9.0	134.32	7.1	71.65	7.9	47.24	9.3
4 Q. '02	112.90	9.2	133.29	8.6	38.15	9.1	115.24	8.2	69.24	8.1	46.78	9.3
WEST PALM BEACH												
4 Q. '03	145.02	8.8	185.10	7.7	49.38	8.1	153.21	7.6	94.88	7.1	63.96	8.6
3 Q. '03	143.96	8.9	180.77	7.9	48.43	8.3	143.82	8.1	91.86	7.3	61.76	8.8
4 Q. '02	143.95	9.1	169.50	8.5	47.26	8.5	127.00	9.1	84.48	7.8	58.11	9.3

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

MIDWEST REGION

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
CHICAGO												
4 Q. '03	221.66	8.0	173.00	7.7	46.02	8.5	143.02	8.2	108.27	7.0	77.39	7.4
3 Q. '03	222.31	8.0	179.65	7.5	47.69	8.3	140.44	8.3	106.44	7.2	76.44	7.5
4 Q. '02	240.67	7.6	182.06	7.7	46.27	8.6	128.95	9.0	100.89	7.7	72.09	8.2
CINCINNATI												
4 Q. '03	113.50	9.1	112.20	8.6	33.55	9.1	96.17	8.9	63.56	8.8	45.31	8.5
3 Q. '03	114.09	9.1	114.49	8.5	32.68	9.3	94.51	9.0	63.86	8.9	44.40	8.8
4 Q. '02	114.52	9.2	114.75	8.6	31.79	9.6	92.33	9.2	60.43	9.4	43.84	9.1
CLEVELAND												
4 Q. '03	124.99	9.3	126.79	8.1	34.74	9.0	103.62	8.9	71.59	8.2	51.07	8.9
3 Q. '03	126.07	9.3	128.97	8.0	34.66	9.0	101.25	9.1	71.53	8.3	50.51	9.0
4 Q. '02	127.44	9.4	131.44	8.0	34.86	9.0	97.18	9.5	70.29	8.5	46.44	9.9
COLUMBUS												
4 Q. '03	121.70	9.3	113.93	9.3	31.40	8.5	94.50	8.6	66.71	7.7	45.77	9.1
3 Q. '03	121.99	9.4	114.44	9.3	31.18	8.6	93.02	8.7	66.35	7.7	44.40	9.3
4 Q. '02	122.23	9.9	117.25	9.6	30.85	8.8	89.08	9.1	61.20	8.5	44.10	9.3
DETROIT												
4 Q. '03	112.99	9.1	142.47	8.0	40.84	9.4	123.88	8.8	84.16	8.0	56.70	8.4
3 Q. '03	112.41	9.2	144.69	7.9	40.96	9.4	121.48	9.0	83.04	8.1	55.77	8.6
4 Q. '02	111.31	9.6	142.74	8.2	41.03	9.6	117.53	9.3	81.58	8.2	52.35	9.2
INDIANAPOLIS												
4 Q. '03	116.11	9.4	111.41	8.7	30.44	9.0	104.20	9.0	64.64	8.5	44.25	9.0
3 Q. '03	116.62	9.4	112.88	8.6	30.53	9.1	102.47	9.1	64.00	8.7	43.95	9.1
4 Q. '02	119.02	9.4	113.69	8.8	30.36	9.3	98.31	9.4	64.35	9.0	43.62	9.6
KANSAS CITY												
4 Q. '03	119.28	9.0	127.71	8.9	33.26	9.0	119.28	9.0	71.27	8.0	48.11	8.6
3 Q. '03	121.76	8.9	130.13	8.8	33.19	9.1	117.91	9.1	70.40	8.1	47.25	8.8
4 Q. '02	123.58	9.1	129.18	9.2	33.29	9.4	114.36	9.3	69.67	8.4	45.21	9.4
MILWAUKEE												
4 Q. '03	121.30	8.9	102.44	8.9	39.91	9.0	97.05	9.0	68.84	8.8	47.00	9.4
3 Q. '03	120.36	9.0	101.70	9.0	39.99	9.0	95.47	9.1	68.14	9.0	47.15	9.5
4 Q. '02	120.37	9.2	101.67	9.2	40.45	9.0	92.70	9.3	66.49	9.3	46.65	9.8
MINNEAPOLIS/St. PAUL^a												
4 Q. '03	145.99	8.8	146.10	8.7	44.03	9.2	122.90	8.5	94.43	7.6	61.51	8.9
3 Q. '03	145.76	8.9	148.61	8.6	43.70	9.3	119.22	8.7	92.50	7.7	60.65	9.0
4 Q. '02	144.85	9.3	146.95	8.9	43.39	9.5	115.31	9.1	86.68	8.5	59.09	9.6
St. LOUIS												
4 Q. '03	114.72	9.2	137.28	9.2	35.44	9.0	109.60	9.0	74.16	7.9	49.01	9.0
3 Q. '03	115.77	9.2	139.18	9.1	35.40	9.0	106.97	9.2	73.62	8.0	48.56	9.1
4 Q. '02	118.30	9.2	145.36	8.9	35.23	9.3	103.55	9.5	70.54	8.3	47.08	9.4

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

NORTHEAST REGION

Fourth Quarter 2003



	CBD OFFICE Average		SUBURBAN OFFICE Average		WAREHOUSE Average		RETAIL Average		CLASS A APARTMENT Average		CLASS B APARTMENT 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
BALTIMORE												
4 Q. '03	140.10	9.4	142.26	8.4	43.60	8.0	131.06	8.6	110.41	7.3	72.26	8.7
3 Q. '03	142.33	9.3	141.07	8.5	42.75	8.2	127.82	8.8	107.87	7.5	71.45	8.7
4 Q. '02	148.59	9.1	136.69	8.9	40.28	8.8	121.53	9.2	101.08	7.9	70.79	8.9
BOSTON												
4 Q. '03	299.90	8.0	198.96	8.6	58.27	8.4	141.28	8.7	159.50	8.3	111.08	8.4
3 Q. '03	299.68	8.1	203.07	8.5	57.24	8.6	139.83	8.8	158.28	8.4	110.84	8.5
4 Q. '02	300.51	8.4	217.56	8.3	56.21	8.9	134.96	9.1	152.42	8.8	107.47	8.9
CENTRAL NEW JERSEY^a												
4 Q. '03	181.82	8.0	178.23	7.8	56.69	8.6	143.31	8.1	125.43	7.7	81.51	8.8
3 Q. '03	180.71	8.1	177.11	7.9	56.79	8.5	142.01	8.2	122.85	7.9	78.96	9.0
4 Q. '02	173.15	8.7	171.78	8.5	54.24	9.0	136.62	8.5	117.36	8.3	74.74	9.4
HARTFORD												
4 Q. '03	107.59	9.5	100.65	9.8	31.18	9.6	105.31	9.2	86.80	8.6	59.44	9.5
3 Q. '03	109.49	9.4	101.02	9.8	31.33	9.6	104.40	9.3	86.69	8.7	58.71	9.6
4 Q. '02	110.78	9.6	102.28	9.9	30.98	10.0	100.79	9.7	85.78	8.8	55.32	9.9
MANHATTAN DOWNTOWN^b												
4 Q. '03	297.76	7.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3 Q. '03	294.89	7.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4 Q. '02	283.28	7.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MANHATTAN MIDTOWN^b												
4 Q. '03	493.02	6.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3 Q. '03	499.10	6.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4 Q. '02	513.93	6.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NASSAU-SUFFOLK^c												
4 Q. '03	158.90	7.9	145.56	8.0	52.93	8.3	152.08	8.1	137.30	8.5	88.58	8.8
3 Q. '03	157.09	8.0	146.02	8.0	52.47	8.4	148.26	8.3	135.99	8.6	86.49	9.0
4 Q. '02	156.76	8.1	149.72	8.0	50.25	8.8	139.02	8.8	130.03	8.9	81.59	9.3
NORTHERN NEW JERSEY												
4 Q. '03	148.87	8.8	200.28	7.5	55.44	8.8	155.57	8.2	141.63	8.4	85.87	9.1
3 Q. '03	149.75	8.8	198.69	7.6	54.55	9.0	153.29	8.3	140.11	8.5	86.30	9.0
4 Q. '02	150.34	8.9	209.22	7.2	55.47	8.9	143.64	8.8	137.13	8.8	82.17	9.4
PHILADELPHIA												
4 Q. '03	155.42	9.0	180.67	7.4	46.20	8.1	137.40	8.4	108.94	7.9	73.20	8.2
3 Q. '03	156.07	9.0	177.53	7.5	45.07	8.4	134.98	8.5	107.76	7.9	71.66	8.3
4 Q. '02	155.00	9.3	183.11	7.4	43.17	8.9	127.89	8.9	101.79	8.4	68.66	8.7
PITTSBURGH												
4 Q. '03	126.52	9.7	103.67	9.5	35.36	9.3	98.11	9.4	63.89	8.9	46.47	9.9
3 Q. '03	125.47	9.8	105.97	9.4	35.02	9.4	96.65	9.5	63.13	9.0	46.49	10.0
4 Q. '02	129.58	9.7	106.93	9.5	34.76	9.6	93.46	9.8	61.22	9.2	46.36	10.1
WASHINGTON, DC												
4 Q. '03	351.17	7.7	261.00	6.9	54.12	8.6	159.10	8.4	162.28	6.2	103.83	7.7
3 Q. '03	345.58	7.8	256.80	7.0	53.03	8.8	154.62	8.6	155.65	6.5	101.04	7.9
4 Q. '02	361.82	7.6	238.26	7.5	51.41	9.1	149.68	8.9	138.62	7.0	100.12	7.8

- 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.

SUPPLEMENTAL VALUE MONITOR

Fourth Quarter 2003



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
ATLANTA	Class B Suburban Office	\$108.12	CHICAGO (cont.)	Class C Warehouse	\$25.22
	Class C Suburban Office	72.21		Class A Flex/Business Campus	99.51
	Class B Warehouse	25.55		Class B Flex/Business Campus	72.28
	Class C Warehouse	18.17	CINCINNATI	Class C Warehouse	19.08
	Class A Power Retail Center	155.17		Class A Flex/Business Campus	79.32
	Class B Anchored Shopping Ctr.	100.66	CLEVELAND	Class B Warehouse	26.02
	Class A Unanchored "Strip" Ctr.	174.22		Class C Warehouse	18.94
	Class B/C Unanchored "Strip" Ctr.	79.48		Class C Apartment	39.24
	Class C Apartment	44.20		Class B Flex/Business Campus	64.99
	Class D Apartment	30.00	COLORADO SPRINGS	Class B Apartment	71.19
	Class A Flex/Business Campus	98.88		Class C Apartment	54.85
	Class B Flex/Business Campus	74.43		Class B Flex/Business Campus	66.76
	Class C Flex/Business Campus	52.56	COLUMBUS	Class B Suburban Office	88.69
AUSTIN	Class A Flex/Business Campus	107.97		Class D Suburban Office	33.40
BALTIMORE	Class C Suburban Office	82.92		Class B Warehouse	22.06
	Class C Warehouse	18.53		Class C Warehouse	17.91
	Class A Flex/Business Campus	105.64		Class A Unanchored "Strip" Ctr.	162.76
	Class C Apartment	48.35		Class A Flex/Business Campus	79.81
BIRMINGHAM	Class B Anchored Shopping Ctr.	57.90	DALLAS-F.W.	Class B Suburban Office	116.30
BOSTON	Class B CBD Office	236.44		Class C Suburban Office	78.98
	Class C CBD Office	178.84		Class D Suburban Office	35.18
	Class B Suburban Office	126.22		Class B Warehouse	29.19
	Class C Suburban Office	104.00		Class C Warehouse	20.78
	Class D Suburban Office	50.21		Class C Apartment	38.71
CENTRAL NJ	Class B Warehouse	36.43		Class D Apartment	27.06
				Class A Flex/Business Campus	104.47
CHICAGO	Class C CBD Office	117.11		Class C Flex/Business Campus	53.96
	Class B Suburban Office	129.34	DENVER	Class C CBD Office	95.17
	Class D Suburban Office	66.54		Class B Suburban Office	115.47
	Class B Warehouse	34.66		Class C Suburban Office	88.89

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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.

SUPPLEMENTAL VALUE MONITOR

Fourth Quarter 2003



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
DENVER (cont.)	Class D Suburban Office	\$45.15	HOUSTON (cont.)	Class B Warehouse	\$29.65
	Class A Sub. Medical Office	159.45		Class C Warehouse	20.54
	Class B Warehouse	34.31		Class C Anchored Shopping Ctr.	59.33
	Class C Warehouse	24.50		Class C Apartment	39.33
	Class B Anchored Shopping Ctr.	98.86		Class D Apartment	22.20
	Class C Anchored Shopping Ctr.	66.28		Class B Flex/Business Campus	61.79
	Class A Unanchored "Strip" Ctr.	213.35	INDIANAPOLIS	Class C Apartment	31.47
	Class C Apartment	59.50		Class D Apartment	20.40
	Class A Flex/Business Campus	118.68	KANSAS CITY	Class B Warehouse	25.86
	Class C Flex/Business Campus	57.02		Class C Apartment	31.90
DETROIT	Class B Warehouse	32.10	LAS VEGAS	Class A Self Storage	76.69
	Class A Flex/Business Campus	90.72		Class A Flex/Business Campus	97.57
	Class B Flex/Business Campus	67.27		Class A Unanchored "Strip" Ctr.	217.34
FRESNO	Class A Unanchored "Strip" Ctr.	130.64		Class B Anchored Shopping Ctr.	98.60
	Class A Apartment	81.52		Class B Flex/Business Campus	70.97
	Class B Apartment	60.88	LISBON, PORTUGAL	Class A CBD Office	338.18
	Class C Apartment	43.07		Class A Office	948.84
FORT MYERS	Class A Apartment	78.44	LONDON CITY	Class A Office	1,165.98
FT. LAUDERDALE	Class B Suburban Office	113.17		Class A Office	105.92
	Class C Suburban Office	85.03	LONDON WEST END	Class D CBD Office	62.08
	Class B Warehouse	40.28		Class B Suburban Office	179.18
	Class A Power Retail Center	136.13		Class C Suburban Office	134.47
	Class C Anchored Shopping Ctr.	72.16	LOS ANGELES	Class B Warehouse	48.53
	Class C Apartment	48.85		Class C Warehouse	34.63
	Class A Flex/Business Campus	93.00			
	Class B Flex/Business Campus	64.78			
HOUSTON	Class B Suburban Office	95.08			
	Class C Suburban Office	70.16			
	Class D Suburban Office	44.16			

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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.

SUPPLEMENTAL VALUE MONITOR

Fourth Quarter 2003



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
LOS ANGELES (cont.)	Class D Warehouse	\$20.12	NEWARK (cont.)	Class C Warehouse	\$26.77
	Class B Anchored Shopping Ctr.	107.43		Class B Flex/Business Campus	77.98
	High-End/Stand-Alone Retail	475.81			
	Class C Apartment	89.65	OAKLAND -	Class B Suburban Office	160.13
	Class D Apartment	57.12	EAST BAY	Class B Warehouse	36.66
	Class A Flex/Business Campus	134.77		Class A Flex/Business Campus	119.31
	Class B Flex/Business Campus	98.43		Class B Flex/Business Campus	82.10
	Class C Flex/Business Campus	68.51			
LOUISVILLE	Class A Apartment	67.30	OKLAHOMA CITY	Class D Apartment	20.73
	Class C Apartment	36.10	ORANGE COUNTY	Class B CBD Office	159.03
	Class D Apartment	18.96		Class C CBD Office	121.27
MANHATTAN DOWNTOWN	Class B CBD Office	217.29		Class B Suburban Office	146.50
	Class C CBD Office	158.43		Class C Suburban Office	97.05
MADRID, SPAIN	Class A CBD Office	464.45		Class B Warehouse	44.44
	Class A Retail/Entertainment Ctr.	227.76		Class B Anchored Shopping Ctr.	122.13
MANHATTAN MIDTOWN	Class B CBD Office	287.93		Class A Unanchored "Strip" Ctr.	216.82
	Class C CBD Office	212.02		Class B/C Unanchored "Strip" Ctr.	120.57
MIAMI	Class B Suburban Office	123.14		Class A Flex/Business Campus	127.34
	Class C Suburban Office	91.17	ORLANDO	Class B Flex/Business Campus	90.42
	Class B Warehouse	39.09		Class C Flex/Business Campus	68.99
	Class C Warehouse	30.73			
	Class D Warehouse	17.32		Class B Suburban Office	108.25
	Class C Apartment	53.28		Class B Warehouse	27.42
	Class B Flex/Business Campus	72.05		Class B Anchored Shopping Ctr.	94.39
MINNEAPOLIS - ST. PAUL	Class C Warehouse	21.31		Class B Flex/Business Campus	67.71
	Class B Anchored Shopping Ctr.	72.60	PHILADELPHIA	Class B CBD Office	108.33
NEWARK	Class C Suburban Office	105.15		Class D CBD Office	54.73
	Class B Warehouse	42.38		Class B Suburban Office	137.83
				Class C Suburban Office	102.96
				Class B Warehouse	33.37
				Class C Warehouse	24.12
				Class C Apartment	50.68
				Class B Flex/Business Campus	78.91
				Class C Flex/Business Campus	53.66

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.

SUPPLEMENTAL VALUE MONITOR

Fourth Quarter 2003



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
PHOENIX	Class B Suburban Office	\$134.10	SACRAMENTO (cont.)	Class A Unanchored "Strip" Ctr.	\$220.19
	Class C Suburban Office	85.84		Class A Flex/Business Campus	107.89
	Class A Sub. Medical Office	156.71		Class B Flex/Business Campus	81.40
	Class B Warehouse	33.15		Class B Flex/Business Campus	58.84
	Class C Warehouse	24.51	SAN DIEGO	Class B Suburban Office	161.52
	Class B Anchored Shopping Ctr.	96.45		Class A Self-Storage	73.86
	Class C Anchored Shopping Ctr.	65.22		Class B Anchored Shopping Ctr.	114.19
	Class A Unanchored "Strip" Ctr.	210.90		Class A Power Retail Center	203.46
	Class B/C Unanchored "Strip" Ctr.	86.27		Class A Flex/Business Campus	124.00
	Class C Apartment	45.78		Class B Flex/Business Campus	90.40
	Class A Flex/Business Campus	112.71		Class C Flex/Business Campus	68.84
	Class B Flex/Business Campus	74.13	SAN FRANCISCO	Class B CBD Office	259.70
	Class C Flex/Business Campus	50.66		Class C CBD Office	191.03
	Class D Flex/Business Campus	31.38		Class D CBD Office	105.54
PORTLAND	Class B Suburban Office	114.76		Class A Flex/Business Campus	179.53
	Class B Warehouse	32.59	SAN JOSE	Class A Flex/Business Campus	157.22
	Class C Apartment	42.78		Class B Flex/Business Campus	114.02
	Class B Anchored Shopping Ctr.	86.53	SEATTLE	Class C CBD Office	114.84
	Class A Flex/Business Campus	105.93		Class B Suburban Office	157.12
	Class B Flex/Business Campus	73.41		Class C Suburban Office	105.00
RICHMOND	Class A Suburban Office	113.87		Class B Anchored Shopping Ctr.	97.64
	Class C Warehouse	28.30		Class C Apartment	54.66
RIVERSIDE- SAN BERNARDINO	Class B Warehouse	36.14		Class A Flex/Business Campus	116.34
	Class A Self-Storage	71.40		Class B Flex/Business Campus	85.95
	Class B Anchored Shopping Ctr.	93.47		Class C Flex/Business Campus	61.21
	Class A Power Center	159.84	STOCKTON- MODESTO	Class A Warehouse	31.82
	Class A Flex/Business Campus	92.12		Class B Warehouse	21.83
SACRAMENTO	Class B Flex/Business Campus	61.22		Class A Self-Storage	58.06
	Class B Suburban Office	117.65		Class A Apartment	85.82
	Class B Warehouse	30.31		Class B Apartment	53.78
	Class C Warehouse	22.12			
	Class C Anchored Shopping Ctr.	52.32			

The above figures reflect property transactions collected through the fourth 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.

SUPPLEMENTAL VALUE MONITOR

Fourth Quarter 2003



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
TACOMA/ OLYMPIA	Class B Suburban Office	\$98.26	W. PALM BEACH	Class B Warehouse	\$39.24
	Class A Warehouse	44.85		Class A Flex/Business Campus	101.75
	Class B Apartment	65.26		Class B Flex/Business Campus	72.47
	Class C Apartment	48.08			
TAMPA- ST. PETERSBURG	Class B Suburban Office	90.58			
	Class B Warehouse	29.62			
	Class B Flex/Business Campus	66.65			
	Class C Flex/Business Campus	52.15			
TULSA	Class C Warehouse	15.93			
TUCSON	Class A Warehouse	41.40			
	Class A Self-Storage	50.18			
	Class A Anchored Shopping Ctr.	95.84			
	Class A Apartment	70.81			
	Class B Apartment	52.31			
	Class C Apartment	38.78			
VALLEJO- FAIRFIELD-NAPA	Class B Warehouse	30.71			
	Class A Apartment	117.11			
	Class B Apartment	81.55			
	Class B Flex/Business Campus	75.29			
WASHINGTON DC	Class B CBD Office	252.13			
	Class C CBD Office	185.48			
	Class B Suburban Office	172.02			
	Class C Suburban Office	123.27			
	Class B Warehouse	41.95			
	Class C Apartment	67.34			
	Class A Flex/Business Campus	137.33			
	Class B Flex/Business Campus	101.14			
	Class C Flex/Business Campus	65.37			

The above figures reflect property transactions collected through the fourth 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 Fourth Quarter 2003

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.

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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)

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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 marketplaces. 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 Value 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, 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 25% 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. 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. Again, "power" retail centers, as well as 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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