

Value Monitor

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SECOND QUARTER 2004

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NATIONAL & REGIONAL PERFORMANCE

Second Quarter 2004



	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	\$216.77	7.5%	\$181.06	7.8%	\$48.48	8.4%	\$140.65	8.1%	\$116.45	7.0%	\$79.83	7.7%
Quarterly Change*	—	↓	—	—	—	↑	↑	↓	↑	↓	↑	↓
California	248.05	6.7	253.19	7.1	66.51	7.8	174.29	7.8	170.59	6.6	123.46	7.2
	↑	↓	—	—	↑	—	—	—	↑	↓	↑	↓
West	182.24	7.5	164.76	7.7	49.05	7.8	136.65	8.1	96.81	6.8	67.68	7.3
	—	—	—	—	—	—	↑	—	—	↓	↑	↓
Southwest	124.96	8.5	149.67	7.8	40.87	8.4	129.40	7.7	79.36	7.2	53.05	8.3
	—	—	—	↓	↑	—	↑	—	—	—	↓	↑
Southeast	125.10	8.5	132.93	8.2	36.39	8.3	120.19	8.1	76.86	7.2	51.81	8.3
	↑	↓	↑	↓	—	—	↑	↓	—	—	↑	↓
Florida	136.99	8.2	159.55	7.7	50.74	8.0	141.30	7.4	96.04	6.6	61.74	8.1
	—	↓	—	—	↑	—	↑	↓	↑	↓	↑	↓
Midwest	149.93	8.3	138.59	8.5	39.88	8.8	124.47	8.5	89.97	7.1	62.30	7.7
	—	—	↓	—	↑	—	↑	↓	↑	↓	—	—
Northeast	308.59	6.9	203.49	7.7	52.51	8.3	147.01	8.3	139.06	7.3	90.86	8.1
	↑	↓	—	—	—	—	↑	—	—	↓	↑	↓

*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 60 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

Second Quarter 2004



	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												
2 Q. '04	221.57	7.0	278.03	6.6	68.27	7.6	179.56	7.6	184.70	6.9	129.44	7.5
1 Q. '04	222.99	7.0	274.76	6.7	67.53	7.7	181.58	7.5	181.91	7.0	126.73	7.6
2 Q. '03	225.02	7.0	289.61	6.4	65.72	7.9	170.02	8.0	178.52	7.0	116.24	8.0
OAKLAND												
2 Q. '04	172.73	8.3	230.02	7.0	50.30	8.3	163.88	8.5	163.08	7.1	127.46	6.8
1 Q. '04	168.91	8.4	232.56	7.0	49.67	8.4	163.68	8.6	162.31	7.2	129.19	6.8
2 Q. '03	169.38	8.6	230.30	7.1	49.74	9.2	157.50	8.9	159.29	7.5	157.40	7.0
ORANGE COUNTY^a												
2 Q. '04	229.90	7.1	191.31	7.2	74.66	7.8	180.56	7.8	162.66	7.2	129.61	7.7
1 Q. '04	233.65	7.0	191.14	7.2	73.89	7.8	175.13	8.0	162.51	7.2	129.88	7.6
2 Q. '03	218.16	7.5	184.38	7.5	71.57	8.1	160.17	8.6	158.70	7.3	124.16	7.8
RIVERSIDE-SAN BERNARDINO^b												
2 Q. '04	146.50	8.6	145.08	7.3	55.63	7.6	140.38	7.3	119.93	7.9	72.02	9.5
1 Q. '04	143.08	8.8	144.48	7.3	54.58	7.7	136.57	7.5	117.64	7.9	70.71	9.5
2 Q. '03	140.11	9.0	138.50	7.7	48.31	8.4	125.72	8.1	105.90	8.5	69.50	9.3
SACRAMENTO												
2 Q. '04	207.67	7.8	181.11	7.9	45.93	7.8	146.61	8.1	103.62	7.8	75.85	7.7
1 Q. '04	208.69	7.8	183.91	7.8	45.81	7.8	145.76	8.1	102.55	7.9	75.84	7.8
2 Q. '03	206.04	8.0	186.27	7.7	44.08	8.1	134.58	8.7	98.44	8.3	71.54	8.3
SAN DIEGO												
2 Q. '04	222.56	6.7	228.52	7.9	67.84	7.8	170.77	7.8	170.11	7.0	119.44	7.4
1 Q. '04	215.71	6.9	228.11	7.9	67.49	7.8	167.16	7.9	166.77	7.0	117.78	7.5
2 Q. '03	205.07	7.3	228.00	8.0	62.49	8.5	153.15	8.5	166.36	6.9	111.29	7.8
SAN FRANCISCO												
2 Q. '04	335.18	6.8	302.32	7.2	72.07	8.1	200.22	7.6	187.60	6.2	145.54	6.4
1 Q. '04	324.80	7.0	298.85	7.3	71.15	8.2	195.48	7.8	184.84	6.3	142.89	6.5
2 Q. '03	311.56	7.4	280.22	7.9	68.49	8.7	184.48	8.3	181.84	6.6	137.41	6.9
SAN JOSE												
2 Q. '04	272.21	6.7	295.46	7.4	69.41	8.2	183.67	7.7	179.15	6.6	133.53	6.7
1 Q. '04	268.94	6.8	295.29	7.4	69.49	8.2	181.88	7.8	178.33	6.7	132.50	6.8
2 Q. '03	261.25	7.3	298.16	7.5	67.67	8.7	172.54	8.2	172.37	7.1	126.60	7.4
HONOLULU												
2 Q. '04	212.13	8.2	162.31	8.6	101.33	9.4	187.10	8.9	136.76	9.0	94.39	9.2
1 Q. '04	210.70	8.2	160.02	8.7	99.55	9.5	185.84	9.0	133.89	9.1	92.53	9.2
2 Q. '03	208.24	8.2	154.62	9.2	90.95	9.5	176.91	9.4	127.49	9.4	86.55	9.6

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

Second Quarter 2004



	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												
2 Q. '04	151.46	8.2	164.75	7.4	47.86	8.0	137.44	8.1	110.78	6.9	77.04	6.5
1 Q. '04	154.91	8.1	164.99	7.4	47.53	8.0	137.24	8.1	112.08	6.9	75.80	6.6
2 Q. '03	159.12	8.0	174.13	7.1	47.12	8.1	128.83	8.5	114.39	6.8	78.70	6.7
LAS VEGAS^a												
2 Q. '04	177.11	8.7	156.57	7.8	53.93	7.6	156.49	7.8	72.86	8.7	54.40	8.5
1 Q. '04	174.59	8.8	154.47	7.9	53.48	7.6	153.31	7.9	73.16	8.6	54.78	8.4
2 Q. '03	162.82	9.4	143.15	8.6	53.33	7.5	141.46	8.3	69.71	8.8	54.28	8.3
PORTLAND												
2 Q. '04	161.00	8.2	161.35	7.8	50.78	7.8	141.57	8.1	82.72	7.4	56.95	8.3
1 Q. '04	159.01	8.3	159.93	7.9	50.44	7.9	140.55	8.1	82.99	7.3	56.46	8.4
2 Q. '03	164.29	8.1	158.98	8.2	49.01	8.2	131.15	8.7	82.36	7.3	57.71	8.3
SALT LAKE CITY												
2 Q. '04	120.04	8.8	105.28	9.2	35.72	8.2	104.19	8.5	76.25	7.7	47.53	9.2
1 Q. '04	120.27	8.8	106.77	9.1	35.20	8.3	103.36	8.5	74.69	7.9	47.22	9.3
2 Q. '03	117.25	9.2	110.81	8.9	34.37	8.8	93.89	8.2	66.62	8.9	46.52	9.7
SEATTLE												
2 Q. '04	240.24	7.6	186.62	7.8	54.37	7.6	148.22	8.1	109.63	7.2	77.79	7.6
1 Q. '04	239.25	7.7	188.26	7.9	54.48	7.6	145.22	8.2	107.32	7.3	76.96	7.7
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

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

SOUTHWEST REGION

Second Quarter 2004



	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												
2 Q. '04	100.99	9.8	90.96	9.5	34.53	8.8	93.99	8.6	72.95	8.1	46.98	8.9
1 Q. '04	101.39	9.8	90.08	9.6	33.72	8.9	92.71	8.7	70.54	8.3	45.78	9.1
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
AUSTIN												
2 Q. '04	141.60	8.1	150.03	9.2	40.10	8.7	136.49	8.0	82.22	6.9	61.84	7.3
1 Q. '04	142.05	8.1	154.27	9.0	39.50	8.8	134.13	8.1	81.78	7.0	61.80	7.4
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
DALLAS-FORT WORTH^b												
2 Q. '04	128.14	8.9	159.91	7.7	40.80	8.1	145.57	7.3	79.00	7.7	53.35	8.5
1 Q. '04	130.18	8.8	158.36	7.8	41.25	8.1	144.77	7.3	79.69	7.6	54.56	8.4
2 Q. '03	133.89	8.8	165.50	7.6	41.03	8.0	140.43	7.5	80.48	8.1	55.03	8.7
EL PASO												
2 Q. '04	73.63	9.9	84.84	9.6	28.73	9.4	79.69	9.0	54.17	9.3	38.37	9.9
1 Q. '04	72.50	10.0	84.91	9.6	28.60	9.4	78.59	9.1	53.66	9.4	38.22	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
HOUSTON												
2 Q. '04	130.34	9.3	144.04	7.5	41.86	8.9	124.36	7.7	80.52	7.4	51.05	9.5
1 Q. '04	129.40	9.4	141.35	7.7	40.59	9.0	122.67	7.8	80.33	7.4	51.22	9.5
2 Q. '03	132.02	9.5	129.32	8.5	39.98	9.2	117.58	8.1	77.99	7.8	51.29	9.6
OKLAHOMA CITY												
2 Q. '04	76.35	8.9	85.35	9.1	28.72	9.3	79.11	8.5	57.23	8.8	42.63	10.1
1 Q. '04	77.09	8.9	85.46	9.1	28.27	9.4	77.96	8.6	56.56	8.9	43.00	9.9
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
PHOENIX												
2 Q. '04	131.65	8.6	171.45	7.2	48.20	7.2	144.51	7.5	86.51	7.1	56.74	7.2
1 Q. '04	131.22	8.7	173.07	7.2	47.27	7.3	142.31	7.6	87.08	7.1	57.61	7.2
2 Q. '03	129.40	9.0	184.88	6.8	45.32	7.6	132.73	8.1	80.87	7.8	58.45	7.2
SAN ANTONIO												
2 Q. '04	102.67	9.2	115.95	9.1	32.93	8.9	101.62	8.4	74.22	7.5	51.18	8.5
1 Q. '04	103.42	9.2	116.12	9.1	32.50	9.0	100.29	8.5	73.27	7.6	51.07	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
TULSA												
2 Q. '04	74.68	9.5	81.01	9.5	24.23	9.6	71.16	8.8	53.53	8.9	37.25	10.2
1 Q. '04	74.04	9.6	81.04	9.5	24.60	9.5	70.46	8.9	52.80	9.0	37.07	10.2
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

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

Second Quarter 2004



	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												
2 Q. '04	154.44	8.6	156.22	7.4	41.06	7.5	151.36	7.5	91.20	6.4	58.98	7.7
1 Q. '04	151.41	8.8	152.38	7.6	41.41	7.4	146.39	7.7	92.44	6.4	58.35	7.9
2 Q. '03	141.68	9.5	157.48	7.5	38.32	8.1	135.48	8.4	85.91	7.1	58.92	7.7
BIRMINGHAM												
2 Q. '04	102.70	9.6	111.23	8.7	30.51	8.8	98.13	8.6	59.53	8.4	44.33	9.1
1 Q. '04	104.14	9.5	110.84	8.7	30.35	8.8	96.66	8.7	58.13	8.5	42.23	9.3
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
CHARLOTTE												
2 Q. '04	154.33	8.1	135.46	8.2	36.67	8.1	122.89	7.7	71.65	7.4	46.30	8.6
1 Q. '04	152.81	8.2	133.02	8.4	37.28	8.0	118.38	8.0	70.28	7.7	45.97	8.7
2 Q. '03	149.44	8.4	123.33	8.9	35.00	8.8	109.54	8.6	70.58	8.0	46.38	8.9
GREENSBORO/WINSTON-SALEM												
2 Q. '04	107.88	9.2	109.09	9.2	28.06	9.4	97.48	9.1	59.09	8.1	41.19	9.2
1 Q. '04	106.99	9.3	108.09	9.3	27.80	9.5	96.37	9.2	58.52	8.2	40.81	9.3
2 Q. '03	98.81	9.4	102.84	9.6	28.04	9.4	93.16	9.5	55.54	8.7	40.16	9.5
GREENVILLE-SPARTANBURG												
2 Q. '04	100.13	9.5	87.32	9.3	27.99	9.8	95.64	8.7	51.91	8.4	38.27	9.6
1 Q. '04	98.92	9.6	87.04	9.4	28.15	9.8	94.23	8.8	50.91	8.5	38.12	9.7
2 Q. '03	99.13	9.8	86.22	9.7	29.28	9.7	88.58	9.3	52.78	8.3	38.15	9.9
MEMPHIS												
2 Q. '04	95.19	9.3	110.55	9.0	31.10	9.0	97.99	8.8	62.19	7.8	42.17	9.1
1 Q. '04	95.71	9.3	109.89	9.0	31.00	9.0	96.97	8.9	61.20	8.0	42.07	9.2
2 Q. '03	95.81	9.5	110.96	9.0	31.57	9.0	91.89	9.3	58.55	8.4	41.98	9.3
NASHVILLE												
2 Q. '04	111.92	9.4	123.73	8.7	33.51	8.8	107.77	8.4	72.48	7.7	49.70	9.3
1 Q. '04	112.20	9.4	124.22	8.7	32.98	8.9	106.34	8.5	71.62	7.7	49.00	9.3
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
NEW ORLEANS												
2 Q. '04	97.64	9.6	104.55	8.3	34.04	9.0	101.96	8.6	62.52	8.5	41.96	10.0
1 Q. '04	96.26	9.7	103.46	8.4	33.54	9.1	100.87	8.7	61.80	8.5	41.54	10.2
2 Q. '03	94.42	10.0	99.33	8.8	32.43	9.3	95.40	9.1	58.11	8.8	39.95	10.6
NORFOLK												
2 Q. '04	104.80	9.3	112.42	9.1	35.91	8.9	103.92	8.2	82.37	8.4	59.63	9.0
1 Q. '04	105.10	9.3	110.91	9.2	35.41	9.0	102.36	8.3	81.64	8.4	58.73	9.1
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
RALEIGH-DURHAM												
2 Q. '04	120.46	7.9	129.93	8.2	32.50	8.9	127.41	7.4	70.78	7.7	51.65	8.8
1 Q. '04	120.21	7.9	132.21	8.1	32.95	8.8	125.25	7.5	70.35	7.8	51.51	8.8
2 Q. '03	119.72	8.0	132.84	8.1	33.07	8.9	116.26	8.0	70.81	7.8	53.71	8.6
RICHMOND												
2 Q. '04	115.59	9.3	108.22	9.2	33.48	9.4	111.65	8.4	75.24	8.1	46.51	9.1
1 Q. '04	115.84	9.3	106.86	9.3	33.01	9.5	110.12	8.5	73.26	8.3	46.17	9.2
2 Q. '03	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

FLORIDA REGION

Second Quarter 2004



	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												
2 Q. '04	140.79	8.4	178.84	7.0	58.38	8.0	151.27	7.5	99.51	7.2	65.50	8.4
1 Q. '04	139.84	8.5	178.83	7.0	57.78	8.0	150.50	7.5	98.57	7.2	63.96	8.5
2 Q. '03	137.01	8.8	171.12	7.3	55.53	8.3	139.17	8.1	91.66	7.6	63.54	8.3
JACKSONVILLE												
2 Q. '04	99.28	9.2	110.47	8.9	35.70	8.2	111.14	7.8	75.35	7.9	50.03	8.1
1 Q. '04	98.53	9.3	110.09	9.0	35.06	8.3	107.91	8.0	75.18	8.0	49.71	8.2
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
MIAMI												
2 Q. '04	173.73	9.1	193.60	7.0	62.22	7.3	145.54	7.8	115.89	6.2	69.79	8.0
1 Q. '04	174.00	9.1	193.93	7.0	62.04	7.3	143.18	7.9	115.71	6.2	69.23	8.0
2 Q. '03	186.47	8.6	185.03	7.5	55.45	8.2	129.15	8.6	96.74	7.4	61.57	8.6
ORLANDO												
2 Q. '04	136.54	9.0	139.73	8.1	41.47	7.8	134.39	7.1	85.38	6.6	56.07	7.7
1 Q. '04	135.68	9.0	136.73	8.3	40.98	7.8	132.14	7.2	83.12	6.7	54.80	7.8
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
TAMPA-ST. PETERSBURG^a												
2 Q. '04	121.71	8.2	140.86	8.0	40.59	8.9	136.79	7.0	74.33	7.7	48.35	9.0
1 Q. '04	121.15	8.3	138.65	8.1	39.64	8.9	134.35	7.1	72.17	8.0	47.61	9.3
2 Q. '03	112.65	9.1	134.49	8.4	39.47	8.8	125.55	7.7	69.51	8.1	46.29	9.4
WEST PALM BEACH												
2 Q. '04	164.43	7.8	182.11	7.9	51.43	7.9	163.21	7.5	98.86	6.9	66.87	8.2
1 Q. '04	159.46	8.0	183.83	7.8	50.58	7.9	162.91	7.5	98.33	6.9	65.72	8.4
2 Q. '03	143.44	9.0	173.63	8.2	48.04	8.4	145.44	8.2	88.55	7.5	60.29	9.0

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

MIDWEST REGION

Second Quarter 2004



	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												
2 Q. '04	220.20	8.0	165.76	8.0	45.54	8.5	163.76	8.2	111.19	6.8	78.06	7.3
1 Q. '04	220.15	8.0	169.27	7.9	45.13	8.6	160.52	8.3	109.27	6.9	77.98	7.3
2 Q. '03	225.94	8.0	177.08	7.7	48.22	8.3	151.66	8.5	104.18	7.4	75.75	7.7
CINCINNATI												
2 Q. '04	111.42	9.2	107.42	8.9	36.97	8.2	99.29	8.7	64.26	8.6	45.39	8.4
1 Q. '04	113.33	9.1	109.06	8.8	37.28	8.2	97.82	8.8	63.66	8.7	45.71	8.4
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
CLEVELAND												
2 Q. '04	123.20	9.3	117.19	8.7	35.89	8.7	107.68	8.6	72.09	8.1	52.49	8.6
1 Q. '04	122.75	9.4	119.09	8.6	35.22	8.8	105.61	8.7	72.03	8.2	51.96	8.7
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
COLUMBUS												
2 Q. '04	115.10	9.6	110.20	9.5	32.72	8.3	97.04	8.4	69.47	7.4	47.05	8.7
1 Q. '04	118.35	9.5	112.00	9.4	31.41	8.5	96.81	8.4	68.98	7.4	46.41	8.9
2 Q. '03	122.03	9.6	115.34	9.4	31.39	8.2	90.84	8.9	65.13	7.8	43.21	9.5
DETROIT												
2 Q. '04	109.00	9.3	137.69	8.2	40.44	9.5	126.69	8.6	84.67	7.9	55.35	8.5
1 Q. '04	111.23	9.2	140.03	8.1	40.33	9.5	125.14	8.7	83.17	8.0	55.62	8.5
2 Q. '03	112.13	9.3	144.32	8.0	41.20	9.4	120.30	9.1	81.64	8.2	54.15	8.8
INDIANAPOLIS												
2 Q. '04	112.95	9.6	110.72	8.7	32.63	8.5	106.95	8.8	66.01	8.4	46.42	8.5
1 Q. '04	114.43	9.5	109.61	8.8	32.14	8.6	105.09	8.9	65.17	8.4	46.02	8.6
2 Q. '03	117.43	9.4	112.17	8.7	30.57	9.2	100.93	9.2	63.24	8.9	43.17	9.4
KANSAS CITY												
2 Q. '04	115.62	9.1	129.88	8.7	33.48	8.9	124.71	8.8	70.13	8.0	52.23	8.0
1 Q. '04	116.84	9.1	128.91	8.8	33.22	8.9	122.33	8.9	70.40	8.0	51.23	8.1
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
MILWAUKEE												
2 Q. '04	123.62	8.7	102.17	8.9	38.41	9.3	101.08	9.0	70.09	8.5	48.21	9.3
1 Q. '04	122.38	8.8	102.35	8.9	38.91	9.2	100.09	9.1	69.92	8.6	47.97	9.3
2 Q. '03	120.73	9.0	101.02	9.1	40.70	8.9	97.18	9.3	67.67	9.1	47.00	9.6
MINNEAPOLIS/ST. PAUL^a												
2 Q. '04	144.56	8.7	145.72	8.7	45.09	8.9	127.62	8.3	95.86	7.4	64.03	8.5
1 Q. '04	145.85	8.7	144.22	8.8	43.98	9.1	125.29	8.4	95.01	7.5	63.29	8.6
2 Q. '03	145.03	9.0	147.66	8.7	43.15	9.5	118.23	8.8	89.43	8.1	59.96	9.2
ST. LOUIS												
2 Q. '04	111.93	9.3	129.04	9.5	37.29	8.6	112.40	8.8	79.49	7.4	52.90	8.4
1 Q. '04	113.04	9.3	131.27	9.4	36.63	8.8	110.95	8.9	77.16	7.5	52.14	8.5
2 Q. '03	116.66	9.2	140.76	9.1	35.30	9.1	104.93	9.4	71.11	8.3	48.75	9.1

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

NORTHEAST REGION

Second Quarter 2004



	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												
2 Q. '04	141.83	9.2	138.75	8.6	45.39	7.8	133.45	8.5	122.30	6.8	73.14	8.7
1 Q. '04	139.55	9.4	139.82	8.5	45.23	7.7	132.92	8.5	121.38	6.8	72.80	8.7
2 Q. '03	144.67	9.2	139.91	8.6	41.92	8.4	124.21	9.0	105.62	7.6	72.76	8.5
BOSTON												
2 Q. '04	313.27	6.7	187.23	9.0	56.48	8.6	144.61	8.6	165.01	8.0	114.08	8.1
1 Q. '04	306.40	6.9	193.05	8.8	56.00	8.7	142.20	8.7	162.13	8.2	112.91	8.2
2 Q. '03	301.18	7.7	207.76	8.5	56.27	8.8	138.21	8.9	155.39	8.6	109.78	8.7
CENTRAL NEW JERSEY^a												
2 Q. '04	185.90	7.8	183.60	7.5	56.45	8.7	149.50	7.9	128.49	7.5	86.11	8.5
1 Q. '04	183.98	7.9	182.14	7.6	55.66	8.8	146.23	8.0	126.36	7.6	84.24	8.6
2 Q. '03	177.66	8.3	175.22	8.2	56.33	8.6	140.74	8.3	120.36	8.0	77.32	9.1
HARTFORD												
2 Q. '04	104.56	9.6	104.76	9.3	31.54	9.4	108.34	9.0	89.80	8.3	59.47	9.4
1 Q. '04	105.50	9.6	104.07	9.4	31.36	9.5	106.78	9.1	88.02	8.5	59.56	9.5
2 Q. '03	109.32	9.5	100.52	9.9	31.18	9.7	102.18	9.5	85.84	8.8	57.82	9.7
MANHATTAN DOWNTOWN^b												
2 Q. '04	320.35	6.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 Q. '04	304.62	7.1	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
MANHATTAN MIDTOWN^b												
2 Q. '04	507.16	6.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 Q. '04	504.93	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
NASSAU-SUFFOLK^c												
2 Q. '04	161.43	7.8	149.12	7.8	56.39	7.8	159.81	7.8	142.50	8.3	92.07	8.5
1 Q. '04	159.35	7.9	147.16	7.9	54.93	8.0	156.65	7.9	139.32	8.4	90.83	8.6
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
NORTHERN NEW JERSEY												
2 Q. '04	146.96	8.8	197.18	7.7	57.14	8.6	160.19	8.0	142.16	8.3	87.16	9.1
1 Q. '04	148.12	8.8	197.98	7.6	57.43	8.5	159.67	8.0	141.19	8.4	86.64	9.1
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
PHILADELPHIA												
2 Q. '04	152.12	9.1	179.23	7.5	46.96	7.9	144.96	8.0	109.67	7.9	73.10	8.3
1 Q. '04	153.41	9.1	181.42	7.4	46.28	8.0	142.49	8.1	109.16	7.9	72.44	8.3
2 Q. '03	155.11	9.1	178.59	7.5	44.14	8.6	133.00	8.6	107.00	8.0	70.49	8.4
PITTSBURGH												
2 Q. '04	124.54	9.8	102.65	9.5	35.48	9.2	100.41	9.2	66.02	8.7	46.25	9.9
1 Q. '04	124.63	9.8	103.17	9.5	35.63	9.2	99.08	9.3	65.38	8.7	46.42	9.9
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
STAMFORD-SOUTH CT												
2 Q. '04	214.97	8.0	173.42	8.3	57.56	9.2	153.34	9.2	148.02	8.3	83.91	8.8
1 Q. '04	216.38	8.0	171.84	8.4	57.68	9.2	151.17	9.3	145.05	8.4	82.54	8.9
2 Q. '03	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WASHINGTON, DC												
2 Q. '04	370.78	6.6	279.99	6.4	58.43	8.1	167.88	8.1	162.39	6.3	108.43	7.5
1 Q. '04	364.13	6.7	277.28	6.5	56.82	8.2	163.20	8.2	162.22	6.2	105.30	7.7
2 Q. '03	350.57	6.8	255.73	7.0	52.56	8.9	152.79	8.7	141.19	7.0	98.69	8.0

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

Second Quarter 2004



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
ATLANTA	Class B Suburban Office	\$119.41	BRISBANE, AUSTRALIA	Class A CBD Office	\$299.09
	Class C Suburban Office	75.79		Class B CBD Office	189.23
	Class B Warehouse	27.96		Class B Warehouse	37.61
	Class C Warehouse	19.93	BUDAPEST, HUNGARY	Class A CBD Office	215.33
	Class D Warehouse	10.43		Class B CBD Office	157.47
	Class A Power Retail Center	172.60	CENTRAL NJ	Class B Warehouse	40.64
	Class B Anchored Shopping Ctr.	103.39		Class C Warehouse	30.61
	Class A Unanchored "Strip" Ctr.	193.41		Class B/C R&D	57.26
	Class B/C Unanchored "Strip" Ctr.	66.24		Class C Flex/Business Campus	53.79
	Class C Apartment	45.20	CHARLOTTE	Class C Warehouse	16.80
	Class A Flex/Business Campus	99.97			
	Class B Flex/Business Campus	68.43	CHICAGO	Class B Suburban Office	124.41
AUSTIN	Class B Suburban Office	81.84		Class C Suburban Office	101.74
				Class D Suburban Office	58.46
BALTIMORE	Class B Suburban Office	92.30		Class B Warehouse	34.75
	Class C Suburban Office	78.18		Class C Warehouse	24.28
	Class B Warehouse	31.04		Class A Power Retail Center	156.58
	Class C Warehouse	18.55		Class B/C Unanchored "Strip" Ctr.	79.63
	Class A Flex/Business Campus	101.86		Class A Flex/Business Campus	103.89
BIRMINGHAM	Class C Apartment	30.40		Class B Flex/Business Campus	77.66
			CINCINNATI	Class B Warehouse	25.26
BOSTON	Class B CBD Office	232.62		Class C Warehouse	18.14
	Class C CBD Office	186.71		Class C Anchored Shopping Ctr.	54.16
	Class B Suburban Office	140.57		Class A Flex/Business Campus	89.58
	Class C Suburban Office	101.12		Class B Flex/Business Campus	58.14
	Class B Warehouse	43.15			
	Class B Anchored Shopping Ctr.	95.13			
	Class B Flex/Business Campus	91.86			
	Class C Flex/Business Campus	60.76			
	Class B/C R&D	72.97			

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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

Second Quarter 2004



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
CLEVELAND	Class B Warehouse	\$29.01	DETROIT	Class B Suburban Office	\$106.60
	Class C Warehouse	18.98		Class B Warehouse	33.30
	Class C Apartment	37.95		Class C Warehouse	22.03
	Class B Flex/Business Campus	76.06		Class A Flex/Business Campus	98.17
COLORADO SPRINGS	Class C CBD Office	67.00		Class B Flex/Business Campus	78.38
	Class A Suburban Office	117.22	FRESNO	Class A Suburban Office	132.21
COLUMBUS	Class C Warehouse	17.47		Class B Warehouse	24.87
	Class A Unanchored "Strip" Ctr.	171.11		Class B Apartment	59.37
DALLAS-F.W.	Class B Suburban Office	112.65	FT. LAUDERDALE	Class B Suburban Office	113.18
	Class C Suburban Office	65.59		Class C Suburban Office	77.24
	Class D Suburban Office	31.41		Class C Anchored Shopping Ctr.	67.64
	Class B Warehouse	31.36		Class B/C Unanchored "Strip" Ctr.	72.56
	Class C Warehouse	20.00		Class C Apartment	48.54
	Class B Anchored Shopping Ctr.	94.14		Class B Flex/Business Campus	81.71
	Class B/C Unanchored "Strip" Ctr.	61.08	HOUSTON	Class C Flex/Business Campus	66.22
	Class C Apartment	36.78		Class B Suburban Office	93.13
	Class D Apartment	26.56		Class C Suburban Office	66.63
	Class A Flex/Business Campus	109.96		Class D Suburban Office	46.36
DENVER	Class B Suburban Office	110.60		Class B Warehouse	29.08
	Class C Suburban Office	74.21		Class D Warehouse	14.84
	Class B Warehouse	36.65		Class B/C Self-Storage	29.62
	Class C Warehouse	24.51		Class C Anchored Shopping Ctr.	57.85
	Class A Power Retail Center	137.19		Class B/C Unanchored "Strip" Ctr.	63.45
	Class A Unanchored "Strip" Ctr.	185.41		Class C Apartment	40.37
	Class C Apartment	58.83	INDIANAPOLIS	Class C Apartment	32.38
	Class A Flex/Business Campus	108.70		Class D Apartment	20.02
	Class B Flex/Business Campus	75.50			
	Class C Flex/Business Campus	50.94			

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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

Second Quarter 2004



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
JACKSONVILLE	Class B Anchored Shopping Ctr.	\$81.82	LOS ANGELES	Class A Power Retail Center	\$212.53
LAS VEGAS	Class B CBD Office	125.18	(CONTINUED)	Class C Apartment	91.95
	Class C CBD Office	80.61		Class D Apartment	56.19
	Class C Warehouse	23.96		Class A Flex/Business Campus	129.35
	Class A Unanchored "Strip" Ctr.	237.65		Class B Flex/Business Campus	93.29
	Class B/C Unanchored "Strip" Ctr.	89.64		Class C Flex/Business Campus	69.12
	Class B Anchored Shopping Ctr.	97.12		Class A R&D	149.44
	Class A Flex/Business Campus	98.70		Class B/C R&D	91.95
	Class B Flex/Business Campus	73.18	LOUISVILLE	Class A Apartment	67.89
LONDON CITY	Class A Office	970.29	MADRID, SPAIN	Class A CBD Office	413.09
	Class B Office	549.65		Class C CBD Office	229.50
LONDON WEST END	Class A Office	1,114.00	MANHATTAN DOWNTOWN	Class B CBD Office	214.66
				Class C CBD Office	165.72
LOS ANGELES	Class B CBD Office	150.99	MANHATTAN MIDTOWN	Class B CBD Office	326.37
	Class C CBD Office	105.71		Class C CBD Office	222.21
	Class D CBD Office	56.55	MIAMI	Class B Suburban Office	124.20
	Class B Suburban Office	186.69		Class C Suburban Office	89.10
	Class C Suburban Office	137.33		Class B Warehouse	43.69
	Class D Suburban Office	73.26		Class C Warehouse	29.53
	Class A Suburban Medical Office	228.01		Class D Warehouse	18.11
	Class B Suburban Medical Office	141.85	MINNEAPOLIS-ST. PAUL	Class B Suburban Office	112.95
	Class B Warehouse	48.20		Class C Suburban Office	82.01
	Class C Warehouse	34.91	NASSAU-SUFFOLK	Class B Suburban Office	117.33
	Class A Self Storage	99.31		Class B/C Warehouse	32.56
	Class B Anchored Shopping Ctr.	112.37			
	Class C Anchored Shopping Ctr.	81.11			
	Class B/C Unanchored "Strip" Ctr.	128.66			

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SUPPLEMENTAL VALUE MONITOR

Second Quarter 2004



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
NEWARK	Class C Suburban Office	\$110.31	PHILADELPHIA	Class B CBD Office	\$113.00
	Class B Warehouse	41.31		Class C CBD Office	66.41
	Class C Warehouse	27.43		Class D CBD Office	47.61
	Class B Flex/Business Campus	94.97		Class C Suburban Office	99.44
	Class C Flex/Business Campus	70.99		Class B Warehouse	33.86
OAKLAND-EAST BAY	Class C CBD Office	98.51		Class C Warehouse	23.51
	Class B Suburban Office	164.72		Class C Apartment	48.88
	Class C Suburban Office	116.03		Class B Flex/Business Campus	77.54
	Class B Warehouse	36.48		Class C Flex/Business Campus	53.90
	Class A Flex/Business Campus	127.81	PHOENIX	Class A Urban Medical Office	138.49
OKLAHOMA CITY	Class B Flex/Business Campus	83.87		Class B Suburban Office	124.43
	Class C Apartment	32.27		Class C Suburban Office	78.57
	Class D Apartment	21.27		Class B Warehouse	32.52
ORANGE COUNTY	Class B CBD Office	160.98		Class C Warehouse	23.50
	Class C CBD Office	117.34		Class B/C Self-Storage	33.43
	Class B Suburban Office	139.55		Class B Anchored Shopping Ctr.	99.30
	Class C Suburban Office	98.35		Class A Power Retail Center	155.05
	Class A Suburban Medical Office	244.05		Class A Unanchored "Strip" Ctr.	186.59
	Class B Warehouse	51.01		Class B/C Unanchored "Strip" Ctr.	90.26
	Class A Self Storage	95.93		Class C Apartment	44.33
	Class B Anchored Shopping Ctr.	117.82		Class A Flex/Business Campus	117.07
	Class A Flex/Business Campus	125.80		Class B Flex/Business Campus	76.36
	Class B Flex/Business Campus	90.32		Class C Flex/Business Campus	49.65
ORLANDO	Class B Suburban Office	105.35		Franchised Fitness Club	186.46
	Class C Suburban Office	64.71		Cinema Multiplexes	196.50
			PORTLAND	Class C Apartment	43.77
PARIS, FRANCE	Class A CBD Office	1,036.69		Class B Warehouse	36.35
	Class A Suburban Office	519.85		Class A Flex/Business Campus	110.39
				Class B Flex/Business Campus	74.03
			PROVIDENCE, RI	Class A Warehouse	36.07

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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

Second Quarter 2004



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
RENO	Class A Apartment	\$89.49	SAN FRANCISCO	Class B CBD Office	\$256.94
RICHMOND	Class B Warehouse	25.74		Class D CBD Office	81.69
	Class B Anchored Shopping Ctr.	84.02		Class A Flex/Business Campus	156.88
RIVERSIDE- SAN BERNARDINO	Class B Suburban Office	110.31		Class B Flex/Business Campus	124.84
	Class B Warehouse	38.10	SAN JOSE	Class C Flex/Business Campus	97.99
	Class B/C Self-Storage	42.31		Class B Flex/Business Campus	119.29
	Class B Anchored Shopping Ctr.	84.64		Class C Flex/Business Campus	88.16
	Class A Unanchored "Strip" Ctr.	178.11	SEATTLE	Class B CBD Office	156.08
	Class B Unanchored "Strip" Ctr.	75.74		Class B Suburban Office	154.32
	Class A Power Retail Center	156.43		Class B Warehouse	37.93
	Class A Flex/Business Campus	91.98		Class C Apartment	55.83
	Class B Flex/Business Campus	67.63		Class A Unanchored "Strip" Ctr.	184.68
SACRAMENTO	Class B Suburban Office	136.07		Class B/C Unanchored "Strip" Ctr.	79.63
	Class B Warehouse	29.57		Class A Flex/Business Campus	118.08
	Class B Anchored Shopping Ctr.	91.04	SINGAPORE	Class B Flex/Business Campus	85.14
	Class A Unanchored "Strip" Ctr.	219.28		Class A Warehouse	92.57
	Class B/C Unanchored "Strip" Ctr.	89.22		Class A Flex/Business Campus	92.41
	Class B Flex/Business Campus	86.90	STATE OF FL	Class A Anchored Shopping Ctr.	141.05
SAN ANTONIO	Class C CBD Office	43.28	STOCKTON- MODESTO	Class A Warehouse	37.83
SAN DIEGO	Class B Suburban Office	176.18		Class B Warehouse	23.23
	Class A Self-Storage	76.97		Class A Self-Storage	61.24
	Class B Anchored Shopping Ctr.	107.81	TAMPA- ST. PETERSBURG	Class B Suburban Office	103.48
	Class A Unanchored "Strip" Ctr.	153.03		Class B Warehouse	29.73
	Class B/C Unanchored "Strip" Ctr.	91.40		Class C Apartment	36.76
	Class A Flex/Business Campus	128.76		Class A Unanchored "Strip" Ctr.	167.13
	Class B Flex/Business Campus	92.43		Class B/C Unanchored "Strip" Ctr.	63.39
	Class C Flex/Business Campus	67.41		Class A Flex/Business Campus	80.46
				Class B Flex/Business Campus	68.65

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SUPPLEMENTAL VALUE MONITOR

Second Quarter 2004



Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF			
TUCSON	Class A Warehouse	\$44.50	W. PALM BEACH	Class A Self-Storage	\$51.43
	Class B Warehouse	29.66		Class A Flex/Business Campus	107.39
	Class A Self-Storage	48.88		Class B Flex/Business Campus	68.85
	Class A Unanchored "Strip" Ctr.	118.07	WILMINGTON		
	Class B/C Unanchored "Strip" Ctr.	67.60		Class A CBD Office	164.87
	Class A Apartment	68.01			
	Class B Apartment	51.73			
	Class C Apartment	35.42			
VALLEJO/ FAIRFIELD	Class A Apartment	124.55			
	Class B Apartment	93.25			
VANCOUVER, CANADA	Class A Warehouse	57.17			
	Class A Flex/Business Campus	106.38			
VENTURA COUNTY	Class A Suburban Office	214.41			
	Class A Apartment	177.56			
	Class B Apartment	116.16			
	Class A Flex/Business Campus	117.87			
WASHINGTON DC	Class B CBD Office	269.92			
	Class C CBD Office	203.16			
	Class B Suburban Office	178.78			
	Class C Suburban Office	127.59			
	Class D Suburban Office	72.99			
	Class B Warehouse	41.37			
	Class A Power Retail Center	261.55			
	Class C Apartment	78.03			
	Class D Apartment	50.16			
	Class A Flex/Business Campus	130.81			
	Class B Flex/Business Campus	100.82			
	Class C Flex/Business Campus	67.05			

The above figures reflect property transactions collected through the second quarter 2004. 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

Second Quarter 2004

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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Hilton Realty (Central Jersey)

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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)

Pan Pacific Retail Property (Las Vegas, Los Angeles, Portland, Sacramento, San Jose)

PCS Developments (New Orleans)

Price Edwards (Oklahoma City)

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RL Pratt (Los Angeles)

Rouse Company (Baltimore, Washington DC)

Rubinstein Real Estate (Kansas City)

Schnitzer Northwest (Seattle)

Skinner & Broadbent (Indianapolis, Memphis)

Soroush Kaboli, Inc. (San Francisco)

Stream Realty (Dallas/Fort Worth)

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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 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.

VALUE MONITOR

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The underlying data and information used as a basis for presentation in this publication has been obtained from third party sources considered to be reliable, but who are not required to make representations as to the accuracy of the data and information. Further, this and other information derived from independent market research is interpreted by INDEX staff in order to draw certain conclusions and estimates regarding U.S. and individual market trends and conditions. The amount of data and information may vary from period to period, depending on the number of transactions compiled or survey property rents reported to us by contributors, as well as the overall level of market activity. Thus, the sample size and comparisons vary from quarter to quarter. Therefore, the INDEX does not guarantee the accuracy of the information.

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