

# Value Monitor

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# NATIONAL & REGIONAL PERFORMANCE

Third 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	\$218.90	7.4%	\$181.86	7.7%	\$48.96	8.2%	\$142.56	8.0%	\$117.60	6.9%	\$80.87	7.7%
Quarterly Change*	—	↓	—	—	↑	—	↑	—	↑	↓	↑	—
California	249.70	6.6	255.26	7.0	67.31	7.8	177.48	7.7	173.27	6.4	124.45	7.2
	—	↓	—	↓	↑	—	↑	↓	↑	↓	—	—
West	182.86	7.4	165.51	7.7	49.46	7.7	138.80	8.0	98.41	6.7	67.89	7.3
	—	↓	—	↓	—	↓	↑	↓	↑	↓	—	↑
Southwest	124.58	8.5	150.21	7.7	41.81	8.2	130.86	7.6	77.05	7.4	53.39	8.2
	—	—	—	—	↑	↓	↑	—	—	—	↑	↓
Southeast	125.84	8.4	133.57	8.1	35.95	8.3	122.17	8.0	77.66	7.2	53.12	8.1
	—	↓	—	—	—	—	↑	↓	↑	—	↑	↓
Florida	136.89	8.2	158.45	7.8	51.51	7.9	142.22	7.4	97.17	6.6	62.81	8.0
	—	—	—	—	↑	—	—	—	↑	—	↑	↓
Midwest	149.71	8.3	139.47	8.5	40.34	8.7	125.98	8.5	90.80	7.0	63.33	7.6
	—	—	—	—	↑	↓	↑	—	—	↓	↑	↓
Northeast	314.07	6.7	204.03	7.6	52.74	8.3	148.79	8.2	140.79	7.2	92.43	8.0
	—	↓	—	—	—	—	↑	—	↑	↓	↑	↓

\*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

Third 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
<b>LOS ANGELES</b>												
3 Q. '04	220.73	7.0	279.99	6.5	69.17	7.6	183.22	7.5	189.99	6.8	129.62	7.6
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
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
<b>OAKLAND</b>												
3 Q. '04	172.03	8.3	223.45	7.2	51.99	7.8	165.57	8.5	163.73	7.1	125.86	6.9
2 Q. '04	172.73	8.3	226.78	7.1	50.30	7.9	163.88	8.5	163.08	7.1	127.46	6.8
3 Q. '03	168.16	8.6	229.35	7.1	48.97	9.1	159.58	8.8	161.25	7.4	126.41	7.0
<b>ORANGE COUNTY<sup>a</sup></b>												
3 Q. '04	231.67	7.1	191.22	7.2	75.34	7.7	183.88	7.7	163.85	7.2	131.23	7.7
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
3 Q. '03	219.46	7.0	186.18	7.4	72.13	7.9	166.60	8.3	163.69	7.1	124.05	7.9
<b>RIVERSIDE-SAN BERNARDINO<sup>b</sup></b>												
3 Q. '04	148.00	8.5	147.46	7.2	55.99	7.6	143.17	7.2	121.32	7.9	73.92	9.4
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
3 Q. '03	139.61	9.1	143.38	7.4	51.68	8.0	130.34	7.8	107.53	8.5	68.71	9.5
<b>SACRAMENTO</b>												
3 Q. '04	204.52	7.9	178.47	8.0	46.47	7.8	148.89	8.0	103.22	7.8	76.62	7.6
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
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
<b>SAN DIEGO</b>												
3 Q. '04	240.94	6.2	245.78	7.4	69.04	7.7	173.28	7.7	169.47	7.1	120.86	7.4
2 Q. '04	233.93	6.4	234.19	7.7	67.84	7.8	170.77	7.8	170.11	7.0	119.44	7.4
3 Q. '03	204.01	7.2	224.68	8.1	63.56	8.3	157.69	8.3	169.10	6.8	113.75	7.7
<b>SAN FRANCISCO</b>												
3 Q. '04	336.62	6.8	305.48	7.1	72.11	8.1	204.01	7.5	188.80	6.2	148.51	6.3
2 Q. '04	335.18	6.8	302.32	7.2	72.07	8.1	200.22	7.6	187.60	6.2	145.57	6.4
3 Q. '03	314.44	7.3	281.14	7.8	69.65	8.5	190.28	8.0	182.27	6.5	138.10	6.8
<b>SAN JOSE</b>												
3 Q. '04	275.23	6.6	293.85	7.4	69.46	8.1	187.19	7.6	181.08	6.5	138.27	6.4
2 Q. '04	272.21	6.7	295.46	7.4	69.41	8.2	183.67	7.7	179.15	6.6	137.64	6.5
3 Q. '03	263.20	7.1	298.21	7.4	67.62	8.5	179.53	8.1	175.08	6.9	130.85	7.0
<b>HONOLULU</b>												
3 Q. '04	214.37	8.1	164.50	8.5	103.02	9.3	190.83	8.8	139.27	8.4	96.26	9.1
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
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

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

Third 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
<b>DENVER</b>												
3 Q. '04	149.33	8.3	164.00	7.4	47.61	8.0	137.68	8.1	111.80	6.9	75.37	6.6
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
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
<b>LAS VEGAS<sup>a</sup></b>												
3 Q. '04	179.05	8.6	158.33	7.7	55.72	7.3	158.88	7.7	78.69	8.1	55.16	8.5
2 Q. '04	177.11	8.7	156.57	7.8	54.65	7.5	156.49	7.8	75.03	8.4	54.40	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
<b>PORTLAND</b>												
3 Q. '04	162.88	8.1	162.63	7.7	51.33	7.7	143.81	8.0	81.69	7.5	57.11	8.3
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
3 Q. '03	161.75	8.2	159.92	8.1	49.76	8.0	135.46	8.4	83.86	7.2	56.80	8.4
<b>SALT LAKE CITY</b>												
3 Q. '04	119.41	8.8	104.70	9.2	36.06	8.1	105.77	8.4	77.92	7.6	47.87	9.2
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
3 Q. '03	117.64	9.1	109.15	9.0	34.87	8.5	95.48	8.1	69.60	8.5	46.49	9.6
<b>SEATTLE</b>												
3 Q. '04	242.96	7.5	189.76	7.6	54.98	7.5	152.41	7.9	110.96	7.1	79.30	7.5
2 Q. '04	240.24	7.6	186.62	7.8	54.37	7.6	148.22	8.1	109.63	7.2	78.83	7.5
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

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

# SOUTHWEST REGION

Third 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
<b>ALBUQUERQUE<sup>a</sup></b>												
3 Q. '04	100.26	9.8	89.50	9.6	34.61	8.8	95.56	8.5	74.82	8.0	47.06	8.8
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
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
<b>AUSTIN</b>												
3 Q. '04	141.79	8.0	147.67	9.3	40.45	8.6	137.47	8.0	81.69	6.9	62.25	7.2
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
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
<b>DALLAS-FORT WORTH<sup>b</sup></b>												
3 Q. '04	127.51	8.9	160.98	7.6	42.13	7.8	146.39	7.3	79.47	7.6	54.36	8.4
2 Q. '04	128.14	8.9	159.91	7.7	41.31	8.0	145.57	7.3	79.00	7.7	53.35	8.5
3 Q. '03	134.16	8.7	162.66	7.6	42.54	7.8	142.62	7.4	79.79	8.1	54.66	8.8
<b>EL PASO</b>												
3 Q. '04	73.68	9.9	84.75	9.6	29.16	9.3	80.33	9.0	55.34	9.2	37.92	10.0
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
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
<b>HOUSTON</b>												
3 Q. '04	129.65	9.3	144.97	7.4	42.31	8.8	127.27	7.6	72.36	8.0	49.71	8.9
2 Q. '04	130.34	9.3	144.04	7.5	41.86	8.9	124.36	7.7	73.15	7.9	48.89	9.2
3 Q. '03	132.23	9.4	130.86	8.4	40.12	9.1	118.99	8.0	73.58	7.9	50.54	9.4
<b>OKLAHOMA CITY</b>												
3 Q. '04	75.87	8.9	85.11	9.1	28.99	9.2	80.64	8.4	58.17	8.7	43.24	10.0
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
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
<b>PHOENIX</b>												
3 Q. '04	132.27	8.5	171.18	7.2	49.75	7.1	145.08	7.5	86.06	7.1	58.65	7.0
2 Q. '04	131.65	8.6	171.45	7.2	48.20	7.2	144.51	7.5	85.84	7.2	56.74	7.2
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
<b>SAN ANTONIO</b>												
3 Q. '04	102.51	9.2	115.03	9.1	33.27	8.8	102.98	8.3	74.39	7.6	51.31	8.5
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
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
<b>TULSA</b>												
3 Q. '04	73.69	9.6	80.95	9.5	24.42	9.5	72.09	8.7	53.46	8.9	37.13	10.2
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
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

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

Third 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
<b>ATLANTA</b>												
3 Q. '04	155.63	8.5	157.54	7.3	39.38	7.7	153.90	7.4	91.68	6.4	61.94	7.3
2 Q. '04	154.44	8.6	156.22	7.4	39.38	7.7	151.36	7.5	91.20	6.4	59.76	7.6
3 Q. '03	143.73	9.3	156.24	7.5	39.15	7.7	138.99	8.1	88.88	6.8	59.16	7.8
<b>BIRMINGHAM</b>												
3 Q. '04	101.65	9.7	112.11	8.6	30.70	8.8	99.60	8.5	60.18	8.4	45.13	9.1
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
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
<b>CHARLOTTE</b>												
3 Q. '04	156.17	8.0	136.56	8.1	37.22	8.0	125.09	7.6	72.71	7.3	46.17	8.6
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
3 Q. '03	149.08	8.4	126.89	8.8	35.76	8.5	112.57	8.4	67.61	8.2	46.64	8.8
<b>GREENSBORO/WINSTON-SALEM</b>												
3 Q. '04	108.84	9.1	109.82	9.1	28.27	9.3	99.02	9.0	59.39	8.0	41.44	9.1
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
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
<b>GREENVILLE-SPARTANBURG</b>												
3 Q. '04	100.85	9.4	88.23	9.2	27.87	9.8	96.48	8.6	51.78	8.4	37.75	9.6
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
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
<b>MEMPHIS</b>												
3 Q. '04	94.78	9.3	110.34	9.0	31.00	9.0	99.83	8.7	62.89	7.8	42.57	9.0
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
3 Q. '03	95.18	9.5	109.09	9.1	31.15	9.1	93.36	9.2	58.59	8.0	41.24	9.4
<b>NASHVILLE</b>												
3 Q. '04	111.83	9.4	123.44	8.7	33.93	8.7	109.12	8.3	73.00	7.6	49.91	9.2
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
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
<b>NEW ORLEANS</b>												
3 Q. '04	98.53	9.5	105.70	8.2	33.95	9.0	103.89	8.5	63.46	8.4	42.20	10.0
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
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
<b>NORFOLK</b>												
3 Q. '04	105.07	9.3	114.14	9.0	36.50	8.8	105.59	8.1	84.18	8.4	60.81	9.0
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
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
<b>RALEIGH-DURHAM</b>												
3 Q. '04	120.15	7.9	127.96	8.3	32.09	9.0	129.70	7.3	69.60	7.7	51.37	8.8
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
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
<b>RICHMOND</b>												
3 Q. '04	113.76	9.4	106.99	9.3	34.14	9.3	111.85	8.4	76.59	8.0	49.09	8.6
2 Q. '04	115.59	9.3	108.22	9.2	33.48	9.4	111.65	8.4	75.24	8.1	48.65	8.7
3 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

Third 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
<b>FT. LAUDERDALE</b>												
3 Q. '04	140.31	8.4	175.94	7.1	58.72	7.9	150.22	7.6	100.91	7.2	66.15	8.4
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
3 Q. '03	138.07	8.7	175.53	7.1	56.96	8.1	143.25	7.9	91.31	7.7	63.52	8.4
<b>JACKSONVILLE</b>												
3 Q. '04	98.60	9.2	109.92	8.9	36.23	8.1	112.72	7.7	76.54	7.9	50.75	8.1
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
3 Q. '03	98.51	9.4	110.98	9.0	33.15	8.7	99.94	8.6	71.98	8.2	47.38	8.5
<b>MIAMI</b>												
3 Q. '04	172.53	9.1	193.92	7.0	63.15	7.3	146.96	7.8	117.33	6.2	71.77	7.9
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
3 Q. '03	181.43	8.8	188.94	7.3	57.46	7.9	135.60	8.3	103.66	7.0	65.05	8.2
<b>ORLANDO</b>												
3 Q. '04	137.87	8.9	139.32	8.1	42.44	7.7	137.59	7.0	87.27	6.5	56.22	7.7
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
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
<b>TAMPA-ST. PETERSBURG<sup>a</sup></b>												
3 Q. '04	122.90	8.1	139.38	8.0	41.41	8.8	137.72	7.0	74.71	7.7	49.62	8.9
2 Q. '04	121.79	8.2	140.86	8.0	40.59	8.9	136.79	7.0	74.33	7.7	48.35	9.0
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
<b>WEST PALM BEACH</b>												
3 Q. '04	166.25	7.7	180.35	8.0	52.44	7.9	162.74	7.6	99.64	6.9	67.49	8.2
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
3 Q. '03	150.73	8.5	180.77	7.9	48.43	8.3	150.67	8.0	91.86	7.3	61.76	8.8

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

# MIDWEST REGION

Third 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
<b>CHICAGO</b>												
3 Q. '04	220.43	8.0	168.99	7.8	46.50	8.3	164.74	8.2	112.48	6.7	80.16	7.2
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
3 Q. '03	222.31	8.0	179.65	7.5	47.69	8.3	155.61	8.4	106.44	7.2	76.44	7.5
<b>CINCINNATI</b>												
3 Q. '04	110.77	9.2	108.26	8.8	38.01	8.0	100.36	8.6	64.86	8.5	45.93	8.3
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
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
<b>CLEVELAND</b>												
3 Q. '04	124.24	9.2	118.24	8.6	36.24	8.7	109.08	8.6	73.13	8.1	52.84	8.5
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
3 Q. '03	126.07	9.3	125.80	8.2	34.66	9.0	101.25	9.1	71.53	8.3	50.51	9.0
<b>COLUMBUS</b>												
3 Q. '04	113.67	9.6	109.17	9.5	32.25	8.4	98.66	8.3	71.56	7.3	47.60	8.6
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
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
<b>DETROIT</b>												
3 Q. '04	107.62	9.4	137.27	8.2	40.29	9.5	128.70	8.5	84.21	7.9	54.74	8.5
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
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
<b>INDIANAPOLIS</b>												
3 Q. '04	111.55	9.7	111.16	8.6	32.72	8.5	108.79	8.7	66.49	8.3	47.03	8.4
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
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
<b>KANSAS CITY</b>												
3 Q. '04	115.02	9.1	131.17	8.6	33.82	8.8	126.24	8.7	70.36	8.0	52.38	8.0
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
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
<b>MILWAUKEE</b>												
3 Q. '04	125.10	8.6	102.01	8.9	38.99	9.2	102.54	8.9	71.49	8.4	47.86	9.3
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
3 Q. '03	120.36	9.0	101.70	9.0	39.99	9.0	98.02	9.2	68.14	9.0	47.15	9.5
<b>MINNEAPOLIS/ST. PAUL<sup>a</sup></b>												
3 Q. '04	144.13	8.7	144.90	8.7	45.86	8.8	129.71	8.2	96.48	7.3	65.57	8.4
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
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
<b>ST. LOUIS</b>												
3 Q. '04	110.29	9.4	128.46	9.5	37.37	8.5	114.06	8.7	79.74	7.3	54.08	8.3
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
3 Q. '03	115.77	9.2	139.18	9.1	35.40	8.8	106.97	9.2	74.55	7.9	49.65	8.9

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



# NORTHEAST REGION

Third 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
<b>BALTIMORE</b>												
3 Q. '04	140.07	9.3	139.48	8.6	45.68	7.8	133.86	8.5	123.02	6.8	74.84	8.6
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
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
<b>BOSTON</b>												
3 Q. '04	316.37	6.6	186.39	9.0	56.43	8.6	147.04	8.5	165.77	8.0	115.04	8.1
2 Q. '04	313.27	6.7	187.23	9.0	56.78	8.6	144.61	8.6	165.01	8.0	114.08	8.1
3 Q. '03	299.68	7.9	203.07	8.5	57.24	8.6	139.83	8.8	158.28	8.4	110.84	8.5
<b>CENTRAL NEW JERSEY<sup>a</sup></b>												
3 Q. '04	187.76	7.7	184.49	7.4	57.42	8.5	151.70	7.9	129.99	7.5	87.83	8.4
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
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
<b>HARTFORD</b>												
3 Q. '04	104.07	9.6	104.70	9.3	31.57	9.4	109.73	8.9	90.96	8.2	60.58	9.3
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
3 Q. '03	109.49	9.4	101.02	9.8	31.33	9.6	104.40	9.0	86.69	8.7	58.71	9.6
<b>MANHATTAN DOWNTOWN<sup>b</sup></b>												
3 Q. '04	340.96	6.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Q. '04	339.31	6.3	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
<b>MANHATTAN MIDTOWN<sup>b</sup></b>												
3 Q. '04	509.30	6.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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
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
<b>NASSAU-SUFFOLK<sup>c</sup></b>												
3 Q. '04	161.95	7.8	150.93	7.7	58.01	7.6	162.90	7.7	144.28	8.2	92.96	8.5
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
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
<b>NORTHERN NEW JERSEY</b>												
3 Q. '04	146.33	8.8	196.96	7.7	57.61	8.6	163.02	7.9	144.98	8.2	88.09	9.1
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
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
<b>PHILADELPHIA</b>												
3 Q. '04	151.01	9.1	175.96	7.6	46.32	8.0	145.49	8.0	110.39	7.9	73.97	8.3
2 Q. '04	152.12	9.1	177.92	7.6	46.96	7.9	144.96	8.0	109.67	7.9	73.10	8.3
3 Q. '03	156.07	9.0	177.53	7.5	45.07	8.4	136.58	8.4	107.76	7.9	71.66	8.3
<b>PITTSBURGH</b>												
3 Q. '04	124.07	9.8	102.03	9.5	35.44	9.2	100.64	9.2	66.55	8.6	46.36	9.9
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
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
<b>STAMFORD-SOUTH CT</b>												
3 Q. '04	214.10	8.0	175.84	8.2	57.47	9.2	154.28	9.2	150.01	8.2	85.03	8.8
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
3 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
<b>WASHINGTON, DC</b>												
3 Q. '04	383.45	6.4	282.98	6.3	59.40	8.0	170.42	8.1	165.18	6.3	112.44	7.3
2 Q. '04	376.24	6.5	279.98	6.4	58.43	8.1	167.88	8.1	162.39	6.3	108.43	7.5
3 Q. '03	345.58	6.8	256.80	7.0	53.03	8.8	154.62	8.6	155.65	6.5	101.04	7.9

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

Third 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	\$119.69	BOSTON (CONTINUED)	Class D Suburban Office	\$37.75
	Class C Suburban Office	77.46		Class B Warehouse	43.67
	Class A Suburban Medical Office	170.28		Class C Warehouse	25.63
	Class B Warehouse	28.15		Class D Warehouse	11.22
	Class C Warehouse	19.37		Class B Flex/Business Campus	88.24
	Class D Warehouse	10.67		Class C Flex/Business Campus	64.00
	Class A Power Retail Center	173.17		Class A R&D	132.30
	Class B/C Power Retail Center	58.37		Class B/C R&D	73.47
	Class B Anchored Shopping Ctr.	105.51	BRISBANE, AUSTRALIA	Class A CBD Office	299.09
	Class A Unanchored "Strip" Ctr.	183.11		Class B CBD Office	195.64
	Class B/C Unanchored "Strip" Ctr.	63.51	BRUSSELS, BELGIUM	Class A CBD Office	407.09
	Class C Apartment	47.08			
	Class D Apartment	30.95	CENTRAL NJ	Class B Warehouse	40.92
	Class A Flex/Business Campus	99.83		Class C Warehouse	32.29
	Class B Flex/Business Campus	65.58		Class C Flex/Business Campus	52.60
AUSTIN	Class A Self-Storage	44.98	CHARLOTTE	Class C Warehouse	16.18
	Class A Unanchored "Strip" Ctr.	238.20	CHICAGO	Class C CBD Office	118.02
BALTIMORE	Class C Suburban Office	78.60		Class D CBD Office	70.08
	Class B Warehouse	29.54		Class B Suburban Office	122.94
	Class C Warehouse	19.17		Class C Suburban Office	99.40
	Class C Apartment	58.67		Class D Suburban Office	63.52
	Class A Flex/Business Campus	95.43		Class B Warehouse	34.19
	Class B Flex/Business Campus	60.26		Class C Warehouse	23.98
BIRMINGHAM	Class C Apartment	32.19		Class A Power Retail Center	151.31
				Class B/C Unanchored "Strip" Ctr.	83.32
BOSTON	Class B CBD Office	228.43		Class A Flex/Business Campus	108.56
	Class C CBD Office	176.63		Class B Flex/Business Campus	76.23
	Class D CBD Office	104.18		Class C Flex/Business Campus	59.15
	Class B Suburban Office	138.43			
	Class C Suburban Office	99.13			

The above figures reflect property transactions collected through the third 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.

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

Third Quarter 2004



## Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
CINCINNATI	Class B Warehouse	\$24.94	DETROIT	Class C Warehouse	\$22.81
	Class A Flex/Business Campus	90.40		Class B Flex/Business Campus	79.31
CLEVELAND	Class B Warehouse	29.58	FRESNO	Class A Suburban Office	136.41
	Class C Warehouse	19.92		Class A Warehouse	43.45
	Class C Apartment	36.77		Class B Warehouse	25.75
COLORADO SPRINGS	Class A Unanchored "Strip" Ctr.	158.73		Class A Apartment	74.60
				Class B Apartment	57.43
COLUMBUS	Class C Warehouse	15.42	FT. LAUDERDALE	Class B Suburban Office	114.60
				Class B/C Unanchored "Strip" Ctr.	72.58
DALLAS-F.W.	Class B Suburban Office Class C Suburban Office Class D Suburban Office Class B Warehouse Class C Warehouse Class A Unanchored "Strip" Ctr. Class B/C Unanchored "Strip" Ctr. Class C Apartment Class D Apartment Class B/C Flex/Business Campus	113.57 69.60 33.32 31.09 20.88 162.01 62.78 36.63 27.28 70.28		Class B Flex/Business Campus	81.46
				Class C Flex/Business Campus	64.10
			HOUSTON	Class B Suburban Office	97.66
				Class C Suburban Office	66.66
				Class D Suburban Office	43.91
				Class B Warehouse	29.83
				Class D Warehouse	14.34
				Class A Unanchored "Strip" Ctr.	188.88
				Class B/C Unanchored "Strip" Ctr.	66.69
				Class C Apartment	38.46
DENVER	Class B Suburban Office Class C Suburban Office Class B Warehouse Class C Warehouse Class A Power Retail Center Class A Unanchored "Strip" Ctr. Class B/C Unanchored "Strip" Ctr. Class C Apartment Class A Flex/Business Campus Class B Flex/Business Campus Class C Flex/Business Campus	112.19 76.68 37.56 24.96 138.55 185.98 98.01 58.85 101.79 75.08 52.76	JACKSONVILLE	Class A Unanchored "Strip" Ctr.	142.62
			KANSAS CITY	Class B Suburban Office Class B Warehouse	105.11 24.24
			LAS VEGAS	Class B CBD Office Class A Unanchored "Strip" Ctr.	127.69 226.84
			LONDON CITY	Class A CBD Office	1,061.51

The above figures reflect property transactions collected through the third 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.

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

Third Quarter 2004



## Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
<b>LONDON DOCKLANDS</b>	Class A CBD Office	\$1,127.58	<b>MANHATTAN MIDTOWN</b>	Class B CBD Office	\$328.69
				Class C CBD Office	219.21
<b>LOS ANGELES</b>	Class B CBD Office	148.60	<b>MIAMI</b>	Class B Suburban Office	128.70
	Class C CBD Office	106.51		Class C Suburban Office	86.88
	Class D CBD Office	53.26		Class B Warehouse	43.05
	Class B Suburban Office	190.85		Class C Warehouse	29.96
	Class C Suburban Office	140.52		Class A Flex/Business Campus	96.47
	Class D Suburban Office	72.45			
	Class A Suburban Medical Office	231.16	<b>MINNEAPOLIS-ST. PAUL</b>	Class B Suburban Office	117.38
	Class B Suburban Medical Office	145.94		Class C Suburban Office	79.13
	Class B Warehouse	46.84	<b>NASSAU-SUFFOLK</b>	Class B Suburban Office	111.27
	Class C Warehouse	35.60			
	Class A Self Storage	103.45	<b>NEWARK</b>	Class B Suburban Office	140.36
	Class B Anchored Shopping Ctr.	107.44		Class C Suburban Office	109.55
	Class C Anchored Shopping Ctr.	85.09		Class B Warehouse	41.30
	Class A Unanchored "Strip" Ctr.	204.58		Class C Warehouse	27.55
	Class B/C Unanchored "Strip" Ctr.	119.23			
	Class A Power Retail Center	213.74	<b>OAKLAND-EAST BAY</b>	Class C CBD Office	107.44
	Class C Apartment	93.93		Class B Suburban Office	169.21
	Class A Flex/Business Campus	133.35		Class C Suburban Office	114.07
	Class B Flex/Business Campus	91.68		Class B Warehouse	35.92
	Class C Flex/Business Campus	68.17		Class A Flex/Business Campus	130.73
	Class A R&D	154.91		Class B Flex/Business Campus	91.56
<b>LOUISVILLE</b>	Class A Apartment	68.41		Class B/C R&D	81.68
<b>MADRID, SPAIN</b>	Class A CBD Office	415.25	<b>OKLAHOMA CITY</b>	Class C Apartment	32.35
	Class C CBD Office	229.50		Class D Apartment	21.04
<b>MANHATTAN DOWNTOWN</b>	Class B CBD Office	214.73			
	Class C CBD Office	172.27			

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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

Third Quarter 2004



## Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
ORANGE COUNTY	Class B CBD Office	\$154.75	PHOENIX (CONTINUED)	Class B/C Self-Storage	\$33.87
	Class C CBD Office	115.84		Class A Power Retail Center	148.84
	Class B Suburban Office	141.47		Class A Unanchored "Strip" Ctr.	184.59
	Class C Suburban Office	100.99		Class B/C Unanchored "Strip" Ctr.	90.56
	Class B Warehouse	53.74		Class C Apartment	44.05
	Class C Apartment	102.89		Class D Apartment	33.34
	Class A Flex/Business Campus	128.40		Class A Flex/Business Campus	117.10
	Class B Flex/Business Campus	92.37		Class B Flex/Business Campus	79.18
ORLANDO	Class B Suburban Office	102.09		Class C Flex/Business Campus	49.46
	Class C Suburban Office	67.90	PORTLAND	Class B Warehouse	37.59
PARIS, FRANCE	Class A La Defense Office	781.35		Class A Flex/Business Campus	116.70
	Class A Suburban Office	496.22		Class B Flex/Business Campus	74.45
PHILADELPHIA	Class B Suburban Office	135.22	RENO	Class A Apartment	84.14
	Class C Suburban Office	89.30	RIVERSIDE- SAN BERNARDINO	Class B Warehouse	40.34
	Class D Suburban Office	46.24		Class A Self-Storage	64.10
	Class B Warehouse	34.28		Class B Anchored Shopping Ctr.	87.28
	Class C Warehouse	24.85		Class A Unanchored "Strip" Ctr.	181.54
	Class D Warehouse	10.08		Class B Unanchored "Strip" Ctr.	74.32
	Class C Apartment	51.22		Class A Flex/Business Campus	93.24
	Class A Flex/Business Campus	117.40		Class B Flex/Business Campus	62.78
	Class B Flex/Business Campus	74.94		Class C Flex/Business Campus	43.82
PHOENIX	Class A Urban Medical Office	147.86	SACRAMENTO	Class B Suburban Office	139.81
	Class B Urban Medical Office	81.82		Class C Suburban Office	94.86
	Class B Suburban Office	121.50		Class B Warehouse	30.20
	Class C Suburban Office	83.75		Class B Flex/Business Campus	85.42
	Class D Suburban Office	32.56		Class C Flex/Business Campus	58.29
	Class A Suburban Medical Office	139.32	SAN ANTONIO	Class A Power Retail Center	196.04
	Class B Warehouse	31.74			
	Class C Warehouse	24.40			

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# SUPPLEMENTAL VALUE MONITOR

Third Quarter 2004



## Other Property Sectors and Markets

MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF	MARKET	PROPERTY SECTOR	AVERAGE PRICE PER SF
SAN DIEGO	Class B Suburban Office	\$178.22	TAMPA- ST. PETERSBURG	Class B Suburban Office	\$103.80
	Class B Anchored Shopping Ctr.	105.59		Class B Warehouse	29.75
	Class A Unanchored "Strip" Ctr.	148.24		Class C Warehouse	24.30
	Class B/C Unanchored "Strip" Ctr.	94.82		Class C Apartment	36.76
	Class A Flex/Business Campus	136.44		Class B/C Unanchored "Strip" Ctr.	62.14
	Class B Flex/Business Campus	91.30		Class A Flex/Business Campus	79.94
	Class C Flex/Business Campus	68.39		Class B Flex/Business Campus	68.46
SAN FRANCISCO	Class B CBD Office	251.42	TUCSON	Class B Warehouse	28.38
	Class C CBD Office	176.79		Class A Self-Storage	49.29
	Class D CBD Office	78.72		Class B/C Unanchored "Strip" Ctr.	69.94
SAN JOSE	Class B Flex/Business Campus	120.02		Class A Apartment	68.68
	Class C Flex/Business Campus	90.01		Class B Apartment	50.42
	Class B/C R&D	62.06	VANCOUVER, CANADA	Class A Warehouse	58.16
SEATTLE	Class B Suburban Office	158.76		Class A Flex/Business Campus	106.38
	Class B Warehouse	37.77	VENTURA COUNTY	Class A Apartment	173.01
	Class A Self-Storage	80.30	WASHINGTON DC	Class B CBD Office	265.21
	Class A Unanchored "Strip" Ctr.	185.65		Class C CBD Office	199.30
	Class A Power Retail Center	172.00		Class B Suburban Office	173.80
	Class A Flex/Business Campus	116.10		Class C Suburban Office	123.47
	Class B Flex/Business Campus	85.82		Class D Suburban Office	74.40
SONOMA COUNTY	Class A Suburban Office	149.26		Class A Power Retail Center	258.24
	Class A Warehouse	49.54		Class C Apartment	80.48
STOCKTON- MODESTO	Class A Warehouse	40.85		Class D Apartment	53.75
	Class A Apartment	82.03		Class A Flex/Business Campus	133.49
TACOMA- OLYMPIA	Class A Suburban Office	159.03		Class B Flex/Business Campus	98.78
				Class C Flex/Business Campus	66.12
			W. PALM BEACH	Class A Flex/Business Campus	110.51
				Class B Flex/Business Campus	68.56

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# PRIMARY REAL ESTATE MARKET MAKERS Third 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.

**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)

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**Clarion Realty** (Atlanta, Denver, Houston, Minneapolis)

**Codina Realty** (Fort Lauderdale, Miami)

**Cohen Esrey New America** (Kansas City)

**Coldwell Banker** (Greenville, Oklahoma City)

**Colliers Dow & Condon** (Hartford, Sonoma County)

**Colliers International** (Atlanta, Cincinnati, Las Vegas, Sacramento, Salt Lake City, Seattle)

**Colliers Turley Martin Tucker** (Indianapolis, St. Louis)

**Colliers, Bennett & Kahnweiler** (Chicago)

**Colonial Properties** (Birmingham)

**Colton Company** (Orange County, Tucson)

**Columbus Commercial Realty** (Columbus)

**Cousins Properties** (Atlanta, Charlotte, Winston-Salem)

**Crescent Real Estate** (Austin, Dallas/Fort Worth, Houston)

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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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# MARKETS COVERED

Volume 77



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