

Demographics & Economics			
Population		Unemployment Rate (June 2007)	
Memphis MSA	1.3 million	Memphis	5.0%
Memphis Growth ¹	1.14%	Tennessee	4.4%
National Growth ¹	1.30%	National	4.7%
Household Income & Value			
Per Capita Income	\$34,214	2007 Households	494,000
3-year Job Growth ²	1.90%	Household Growth	1.25%
Net Migration	3,200	Median Home Price	\$143,000
Major Employers			
Regions Bank			
Methodist Healthcare			
Baptist Memorial Hospital			
International Paper Co.			
Concord EFS, Inc.			
Sources: Bureau of Labor Statistics August 9, 2007 report, Career InfoNet, NAR, STDB Online. "Home Price Analysis Report for Memphis Region – July 2006" ©2006 NATIONAL ASSOCIATION OF REALTORS®. Used with permission. Reproduction, reprinting, or retransmission of this document in any form (electronic media included) is prohibited without written permission. ¹ Projected annual growth over 5 years (2006-2011). ² Total cumulative job creation of last 3 years.			

Noteworthy Transactions

	Sale Date	Sale Price	Sq. Ft./Units	PPSF/PPU
Office				
6525 Quail Hollow	6-07	\$17,500,000	96,100	\$182
135 N. Pauline St.	4-07	\$9,100,000	72,000	\$126
Industrial				
Stone Fort Distribution Center #1	4-07	\$12,085,000	500,000	\$24
Delp Distribution Center 2, 5, and 8	4-07	\$8,011,000	336,416	\$24
Retail				
1495 Union Ave.	5-07	\$5,150,000	43,795	\$118
5339 Elvis Presley Blvd.	6-07	\$3,050,000	19,844	\$154
Apartment				
Dogwood Creek	4-07	\$24,200,000	278	\$87,050
Hunters Trace	4-07	\$11,600,000	192	\$60,417
Hotel				
939 Ridge Lake Blvd.	5-07	\$45,000,000	395	\$113,924
Homewood Suites	5-07	\$11,100,000	140	\$79,286

Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.

MARKET CONSTRUCTION/REDEVELOPMENT ACTIVITY

	Property Type	New(N)/Refurbished(R)	Total SF/Units	Estimated Delivery
EMJ Corporate HQ	Office	N	76,000	2007

Sources: CBRE, RE Business.

Metro Trend Analysis	Last Quarter	Previous Year
Office		
Size-Weighted Average PPSF	↑	↑
Weighted Average Cap Rate	=	↓
Industrial		
Size-Weighted Average PPSF	↑	↓
Weighted Average Cap Rate	=	-
Retail		
Size-Weighted Average PPSF	=	↑
Weighted Average Cap Rate	=	↑
Apartment		
Size-Weighted Average PPU	↓	↓
Weighted Average Cap Rate	↑	↑
Hotel		
Size-Weighted Average PPU	↑	↑
Metro Cap Rate Comparison*		Current Quarter
Office		
vs. South Region		↑
vs. Nation		↑
Industrial		
vs. South Region		=
vs. Nation		↑
Retail		
vs. South Region		↑
vs. Nation		↑
Apartment		
vs. South Region		↑
vs. Nation		↑

*Comparison of current quarter rates to regional and national rates. Source: RERC.

Memphis Transaction Breakdown (7/1/06 - 6/30/07)

	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$39	\$91	\$101	\$80	\$10
Size-Weighted Avg.	\$79	\$31	\$93	\$21,233	\$22,189
Price-Weighted Avg.	\$137	\$38	\$175	\$26,779	\$22,920
Median	\$79	\$32	\$83	\$22,411	\$23,810
> \$5 Million					
Volume (Mil)	\$574	\$989	\$358	\$489	\$335
Size-Weighted Avg.	\$117	\$35	\$143	\$42,416	\$88,319
Price-Weighted Avg.	\$162	\$44	\$191	\$57,409	\$98,525
Median	\$133	\$39	\$188	\$40,886	\$104,232
All Transactions					
Volume (Mil)	\$614	\$1,081	\$460	\$569	\$345
Size-Weighted Avg.	\$114	\$35	\$128	\$37,204	\$81,318
Price-Weighted Avg.	\$160	\$43	\$188	\$53,108	\$96,341
Median	\$102	\$34	\$97	\$27,558	\$96,614
Capitalization Rates % (All Transactions)					
Weighted Average	7.6	7.0	7.8	7.8	-
Median	7.3	7.6	7.4	8.0	-

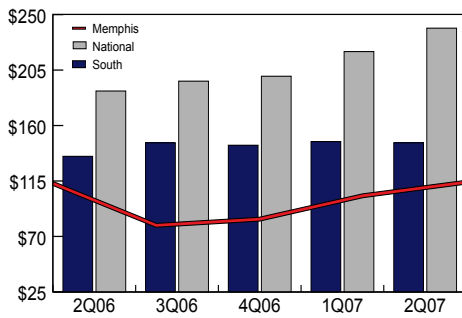
Source: RERC.

Legend for All Graphs Below

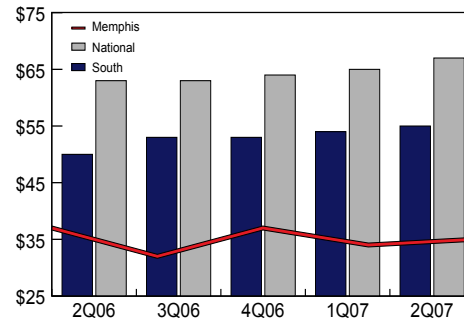
- Metro
- Region
- Nation

Source: RERC.

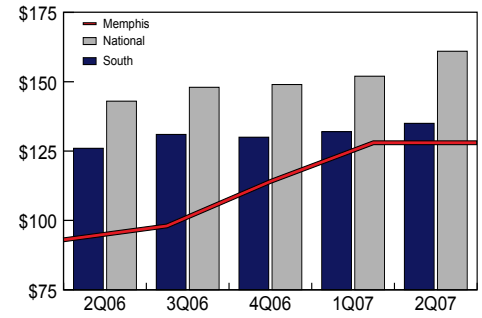
Historical Size-Weighted Average PPSF - OFFICE



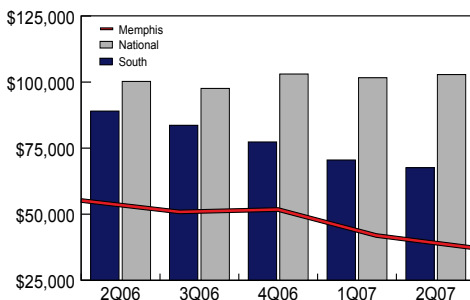
Historical Size-Weighted Average PPSF - INDUSTRIAL



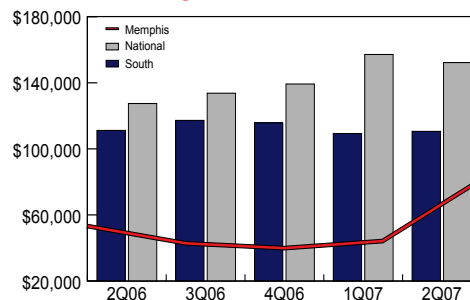
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 2Q 2007

