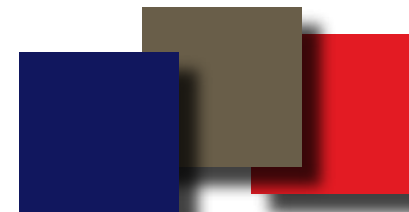


| Demographics & Economics   |               |                                    |                     |                    |
|--|---------------|------------------------------------|---------------------|--------------------|
| Population   |               | Unemployment Rate (September 2007) |                     |                    |
| Minneapolis MSA  | 3.3 million   | Minneapolis                        | 4.7%                |                    |
| Minneapolis Growth <sup>1</sup>  | 1.55%         | Minnesota                          | 4.7%                |                    |
| National Growth <sup>1</sup>   | 1.30%         | National                           | 4.5%                |                    |
| Household Income & Value   |               |                                    |                     |                    |
| Per Capita Income  | \$35,445      | 2007 Households                    | 1.3 million         |                    |
| 1-year Job Growth  | 0.90%         | Household Growth                   | 1.59%               |                    |
| 1-year Job Additions   | 15,700        | Median Home Price                  | \$242,442           |                    |
| Major Employers  |               |                                    |                     |                    |
| University of Minnesota  |               |                                    |                     |                    |
| Fairview University Medical Center   |               |                                    |                     |                    |
| Target Stores Inc.   |               |                                    |                     |                    |
| UPS  |               |                                    |                     |                    |
| Piper Breast Center  |               |                                    |                     |                    |
| Sources: Bureau of Labor Statistics, NAR, STDB Online.<br>"Home Price Analysis Report for Minneapolis Region – 2007" ©2007 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.<br><sup>1</sup> Projected annual growth over 5 years (2007-2012). |               |                                    |                     |                    |
| Noteworthy Transactions  |               |                                    |                     |                    |
|  | Sale Date     | Sale Price                         | Sq. Ft./Units       | PPSF/PPU           |
| Office   |               |                                    |                     |                    |
| Reliastar Complex  | 8-07          | \$120,000,000                      | 1,000,000           | \$120              |
| Fifth Street Towers  | 8-07          | \$173,333,333                      | 1,019,816           | \$170              |
| Industrial   |               |                                    |                     |                    |
| 4640 Lyndale Ave. N  | 8-07          | \$1,610,000                        | 5,802               | \$277              |
| 1013 Madeira Ave.  | 8-07          | \$6,000,000                        | 18,058              | \$332              |
| Retail   |               |                                    |                     |                    |
| Calhoun Square   | 8-07          | \$47,300,000                       | 221,000             | \$214              |
| 420 N 5th St.  | 9-07          | \$13,500,000                       | 314,215             | \$43               |
| Apartment  |               |                                    |                     |                    |
| 2611 Central Ave. Ne   | 9-07          | \$1,950,000                        | 41                  | \$47,561           |
| 2100 Bryant Ave. S   | 9-07          | \$3,665,000                        | 24                  | \$152,708          |
| Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.   |               |                                    |                     |                    |
| Market Construction/Redevelopment Activity   |               |                                    |                     |                    |
|  | Property Type | New(N)/Refurbished(R)              | Total Sq. Ft./Units | Estimated Delivery |
| The Manning Ave. Project   | Mixed Use     | N                                  | 25,264,486          | 2030               |
| 241 W. 7th St.   | Mixed Use     | N                                  | 80,000              | N/A                |
| Two Market Pointe  | Office        | N                                  | 250,000             | N/A                |
| Downtown Bloomington   | Hotel         | N                                  | 100,000             | 2010               |
| 8200 Tower   | Office        | N                                  | 274,000             | N/A                |
| 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. Midwest Region   | ↑            |                 |
| vs. Nation   | ↑            |                 |
| Industrial   |              |                 |
| vs. Midwest Region   | ↓            |                 |
| vs. Nation   | ↑            |                 |
| Retail   |              |                 |
| vs. Midwest Region   | ↓            |                 |
| vs. Nation   | ↓            |                 |
| Apartment  |              |                 |
| vs. Midwest Region   | ↑            |                 |
| vs. Nation   | ↑            |                 |
| *Comparison of current quarter weighted average capitalization rates.<br>Source: RERC. |              |                 |



## Minneapolis Transaction Breakdown (10/1/06 - 9/30/07)

|  | Office  | Industrial | Retail  | Apartment | Hotel     |
|--|---------|------------|---------|-----------|-----------|
| <b>&lt; \$5 Million</b>                        |         |            |         |           |           |
| Volume (Mil)                                   | \$99    | \$186      | \$167   | \$40      | –         |
| Size Weighted Avg.                             | \$93    | \$50       | \$86    | \$55,258  | –         |
| Price Weighted Avg.                            | \$118   | \$63       | \$139   | \$64,723  | –         |
| Median   | \$120   | \$57       | \$81    | \$51,250  | –         |
| <b>&gt; \$5 Million</b>                        |         |            |         |           |           |
| Volume (Mil)                                   | \$1,463 | \$441      | \$1,974 | \$520     | \$177     |
| Size Weighted Avg.                             | \$122   | \$61       | \$229   | \$85,099  | \$144,746 |
| Price Weighted Avg.                            | \$144   | \$73       | \$411   | \$97,606  | \$184,530 |
| Median   | \$113   | \$69       | \$180   | \$80,000  | \$135,334 |
| <b>All Transactions</b>                        |         |            |         |           |           |
| Volume (Mil)                                   | \$1,562 | \$626      | \$2,140 | \$560     | \$185     |
| Size Weighted Avg.                             | \$120   | \$57       | \$203   | \$81,974  | \$123,545 |
| Price Weighted Avg.                            | \$143   | \$70       | \$390   | \$95,285  | \$178,509 |
| Median   | \$114   | \$59       | \$94    | \$67,000  | \$81,315  |
| <b>Capitalization Rates (All Transactions)</b> |         |            |         |           |           |
| Weighted Average                               | 6.7     | 7.1        | 5.7     | 6.1       | –         |
| Median   | 7.6     | 7.4        | 6.8     | 6.0       | –         |
| Source: RERC.                                  |         |            |         |           |           |

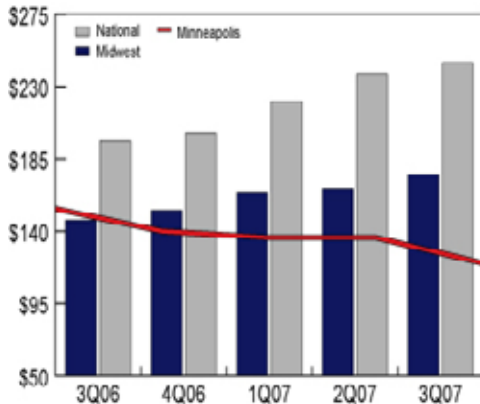
# Minneapolis

### Legend for All Graphs Below

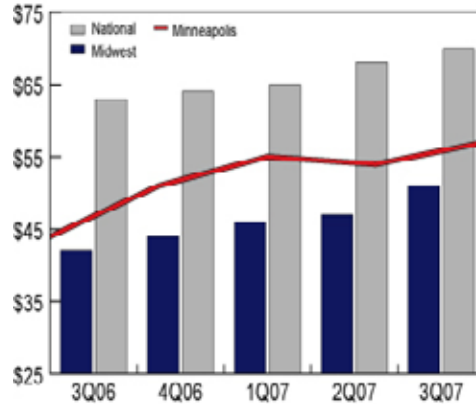
- Metro
- Region
- Nation

Source: RERC.

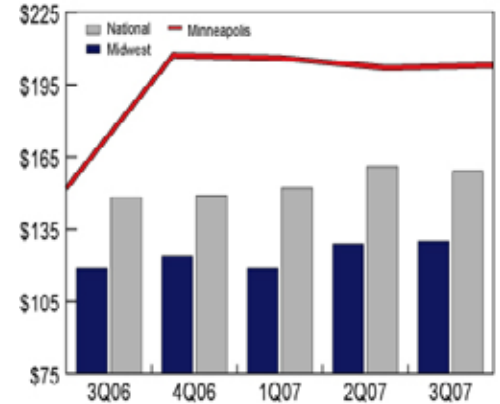
Historical Size-Weighted Average PPSF - OFFICE



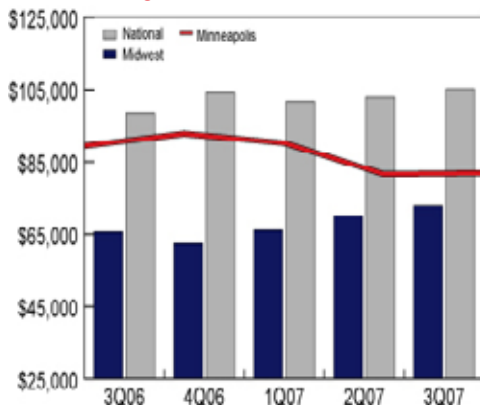
Historical Size-Weighted Average PPSF - INDUSTRIAL



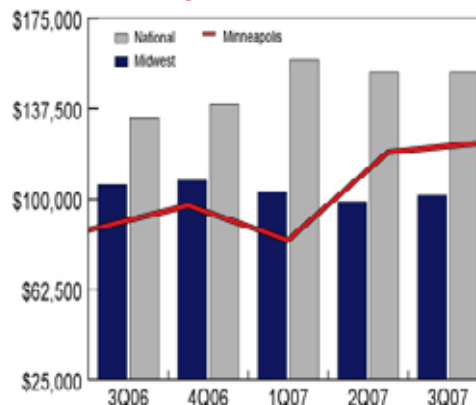
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 3Q 2007

