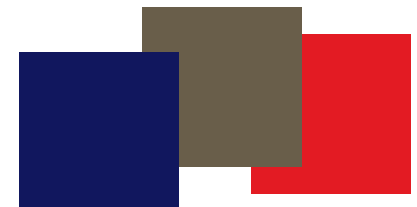


| Demographics & Economics | | | | |
|---|---------------|-----------------------|---------------------|--------------------|
| Population | | Unemployment Rate | | |
| Phoenix MSA | 4.4 million | Phoenix ² | 7.2% | |
| Phoenix Growth ¹ | 3.68% | Arizona ² | 7.7% | |
| National Growth ¹ | 1.23% | National ³ | 8.6% | |
| Household Income & Value | | | | |
| Per Capita Income | \$29,042 | 2008 Households | 1.6 million | |
| 1-year Job Growth | -4.50% | Household Growth | 3.60% | |
| 1-year Job Additions | -86,800 | Median Home Price | \$155,900 | |
| Major Employers | | | | |
| Phoenix Sky Harbor International Airport | | | | |
| Intermodal Transportation Division | | | | |
| Barrow Neurological Institute | | | | |
| Deer Valley Unified School District | | | | |
| Honeywell International | | | | |
| Sources: Bureau of Labor Statistics, NAR, STDB Online. "2008 Local Market Report" - Phoenix Region ©2008 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 (2008-2013). ² Rates are non-seasonally adjusted as of March 2009. ³ Rates are non-seasonally adjusted as of April 2009. | | | | |
| Noteworthy Transactions | | | | |
| | Sale Date | Sale Price | Sq. Ft./Units | PPSF/PPU |
| Office | | | | |
| 9023 E. Desert Cove Ave. | 1-09 | \$1,575,000 | 7,166 | \$220 |
| 2045 S. Vineyard | 1-09 | \$2,800,000 | 15,630 | \$179 |
| Industrial | | | | |
| 450 E. Elliot Road | 1-09 | \$8,500,000 | 22,172 | \$383 |
| PODs Distribution Center | 1-09 | \$7,100,000 | 85,000 | \$84 |
| Retail | | | | |
| 1320 W. Broadway Road | 2-09 | \$1,800,000 | 27,000 | \$67 |
| 6730 W. Camelback Road | 3-09 | \$19,800,000 | 96,767 | \$205 |
| Apartment | | | | |
| 10255 E. Via Linda | 3-09 | \$32,000,000 | 350 | \$91,429 |
| 650 S. Country Club Drive | 3-09 | \$8,500,000 | 151 | \$56,291 |
| 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 |
| Opus West | Retail | N | 170,000 | 2009 |
| Mesa Riverview | Mixed Use | N | 10,889,865 | 2015 |
| Tanger Factory Outlet Center | Retail | N | 330,000 | 2010 |
| CityScape Center | Mixed Use | N | 2,500,000 | 2009 - 2011 |
| Sources: CBRE, RE Business. | | | | |

| Metro Trend Analysis | Previous 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 | = | = |
| Metro Cap Rate Comparison* | | Current Quarter |
| Office | | |
| vs. West Region | ↑ | |
| vs. Nation | ↑ | |
| Industrial | | |
| vs. West Region | ↑ | |
| vs. Nation | = | |
| Retail | | |
| vs. West Region | ↑ | |
| vs. Nation | ↓ | |
| Apartment | | |
| vs. West Region | = | |
| vs. Nation | ↓ | |
| *Comparison of current quarter weighted average capitalization rates. Source: RERC, 1Q 2009. | | |



| Phoenix Transaction Breakdown 12-Month Trailing (04/01/08 - 03/31/09) | | | | | |
|--|--------|------------|--------|-----------|-------|
| | Office | Industrial | Retail | Apartment | Hotel |
| < \$5 Million | | | | | |
| Volume (Mil) | \$182 | \$253 | \$212 | \$57 | - |
| Size Weighted Avg. (\$ per sf/unit) | \$143 | \$90 | \$150 | \$47,125 | - |
| Price Weighted Avg. (\$ per sf/unit) | \$177 | \$122 | \$220 | \$64,695 | - |
| Median (\$ per sf/unit) | \$160 | \$102 | \$135 | \$53,125 | - |
| > \$5 Million | | | | | |
| Volume (Mil) | \$472 | \$417 | \$557 | \$417 | - |
| Size Weighted Avg. (\$ per sf/unit) | \$170 | \$86 | \$242 | \$95,001 | - |
| Price Weighted Avg. (\$ per sf/unit) | \$213 | \$104 | \$313 | \$104,930 | - |
| Median (\$ per sf/unit) | \$169 | \$91 | \$323 | \$91,678 | - |
| All Transactions | | | | | |
| Volume (Mil) | \$654 | \$670 | \$769 | \$474 | - |
| Size Weighted Avg. (\$ per sf/unit) | \$162 | \$87 | \$207 | \$84,710 | - |
| Price Weighted Avg. (\$ per sf/unit) | \$203 | \$111 | \$287 | \$100,119 | - |
| Median (\$ per sf/unit) | \$164 | \$100 | \$162 | \$56,775 | - |
| Capitalization Rates (All Transactions) | | | | | |
| Weighted Average (%) | 8.0 | 7.1 | 6.5 | 5.7 | - |
| Median (%) | 7.7 | 8.0 | 6.6 | 5.8 | - |
| Source: RERC. | | | | | |



| Phoenix Transaction Trends 12-Month Trailing (04/01/08 - 03/31/09) | | | | | |
|---|--------|------------|--------|-----------|-------|
| | Office | Industrial | Retail | Apartment | Hotel |
| Median Price | | | | | |
| % Change Quarter Ago | -1% | 1% | -5% | -14% | - |
| % Change Year Ago | -1% | -6% | -10% | -21% | - |
| Volume | | | | | |
| % Change Quarter Ago | -52% | -56% | -16% | -34% | - |
| % Change Year Ago | -86% | -78% | -53% | -86% | - |
| Source: RERC. | | | | | |