

Demographics & Economics				
Population		Unemployment Rate (June 2007)		
Phoenix MSA	4.2 million	Phoenix	3.0%	
Phoenix Growth ¹	3.62%	Arizona	3.6%	
National Growth ¹	1.30%	National	4.7%	
Household Income & Value				
Per Capita Income	\$32,534	2007 Households	1.5 million	
3-year Job Growth ²	12.00%	Household Growth	3.58%	
Net Migration	115,200	Median Home Price	\$243,400	
Major Employers				
Phoenix Sky Harbor International Airport				
Intermodal Transportaion Division				
Barrow Neurological Institute				
Honeywell Aerospace				
St. Joseph's Hospital and Medical Center				
Sources: Bureau of Labor Statistics August 9, 2007 report, Career InfoNet, NAR, STDB Online. "Home Price Analysis Report for Phoenix 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				
Paradise Village Office Park	5-07	\$64,100,000	269,091	\$238
Great American Tower	6-07	\$70,310,000	338,500	\$208
Industrial				
Buckeye One	6-07	\$27,500,000	604,678	\$45
4207 E. Cotton Center Blvd.	6-07	\$23,634,385	113,040	\$209
Retail				
8115 N. 19th Ave.	5-07	\$1,980,000	6,100	\$325
CVS	5-07	\$5,072,849	15,018	\$338
Apartment				
Broadstone Desert Sky	6-07	\$38,160,000	288	\$132,500
Saratoga Ridge	6-07	\$70,200,000	856	\$82,009
Hotel				
JW Marriott Desert Ridge Resort & Spa	4-07	\$705,819,919	950	\$742,968
Residence Inn Phoenix Airport	4-07	\$30,478,124	200	\$152,391
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.				

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	↑	↑
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		↑
Hotel		
vs. West Region		↑
vs. Nation		↑

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

Phoenix

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

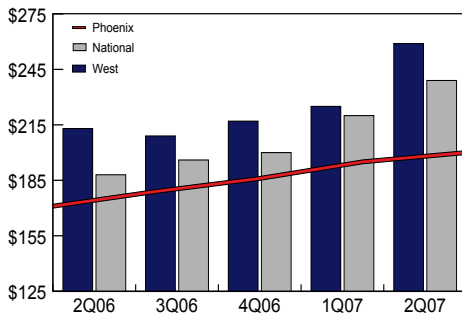
	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$367	\$614	\$456	\$229	–
Size-Weighted Avg.	\$122	\$90	\$183	\$53,418	–
Price-Weighted Avg.	\$163	\$115	\$249	\$61,140	–
Median	\$134	\$100	\$177	\$58,633	–
> \$5 Million					
Volume (Mil)	\$4,683	\$1,272	\$1,607	\$7,310	\$3,524
Size-Weighted Avg.	\$211	\$92	\$187	\$94,594	\$315,181
Price-Weighted Avg.	\$255	\$113	\$234	\$115,922	\$512,194
Median	\$197	\$101	\$207	\$82,615	\$104,310
All Transactions					
Volume (Mil)	\$5,051	\$1,886	\$2,063	\$7,539	\$3,528
Size-Weighted Avg.	\$200	\$92	\$186	\$92,433	\$312,553
Price-Weighted Avg.	\$248	\$114	\$237	\$114,261	\$511,659
Median	\$168	\$100	\$192	\$74,074	\$104,310
Capitalization Rates % (All Transactions)					
Weighted Average	6.4	7.3	6.5	5.6	8.8
Median	6.5	7.0	6.6	5.8	8.3
Source: RERC.					

Legend for All Graphs Below

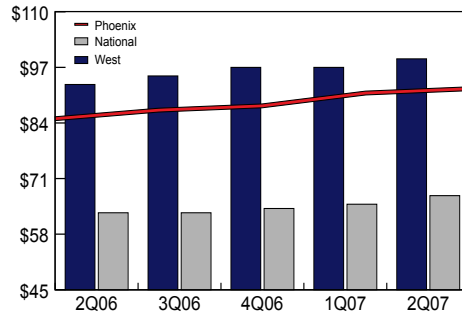
- Metro
- Region
- Nation

Source: RERC.

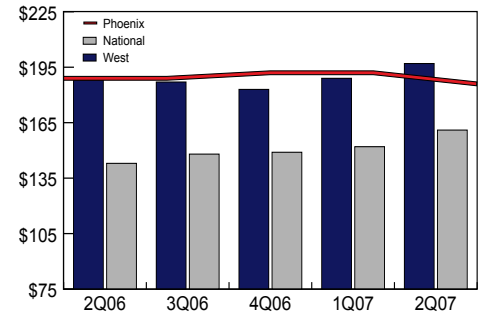
Historical Size-Weighted Average PPSF - OFFICE



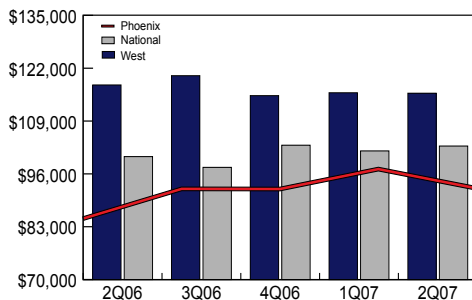
Historical Size-Weighted Average PPSF - INDUSTRIAL



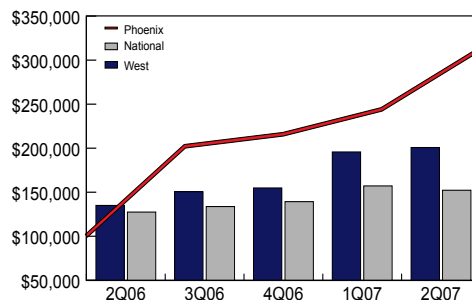
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 2Q 2007

