

Demographics & Economics			
Population		Unemployment Rate (June 2007)	
San Diego MSA	3.1 million	San Diego	4.6%
San Diego Growth ¹	0.82%	California	5.2%
National Growth ¹	1.30%	National	4.7%
Household Income & Value			
Per Capita Income	\$39,673	2007 Households	1.1 million
3-year Job Growth ²	4.20%	Household Growth	0.80%
Net Migration	-26,500	Median Home Price	\$603,000
Major Employers			
University of California			
City of San Diego			
County of San Diego			
Sharp Healthcare			
Scripps Health			
Sources: Bureau of Labor Statistics August 9, 2007 report, Career InfoNet, NAR, STDB Online. "Home Price Analysis Report for San Diego 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				
Bridge Pointe Corporate Centre	4-07	\$259,335,500	447,653	\$579
The Plaza at La Jolla	4-07	\$299,080,500	825,000	\$363
Industrial				
6122-6126 Nancy Ridge Dr.	5-07	\$37,280,880	59,176	\$630
7180-90 Miramar Rd.	6-07	\$70,000,000	115,598	\$606
Retail				
Black Mountain Village	5-07	\$22,971,429	75,000	\$306
Rolando Plaza	4-07	\$14,000,000	72,427	\$193
Apartment				
Bahia Jewell Apartments	6-07	\$9,100,000	45	\$202,222
The Palms of Carmel Valley	6-07	\$49,300,000	168	\$293,452
Hotel				
Spring Hill Suites	5-07	\$22,940,469	137	\$167,449

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
La Jolla Commons	Office	N	350,000	2008
Gateway at Torrey Hills	Office	N	200,000	2007
La Terraza Plaza	Office	N	80,000	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	↓	↑
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.

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

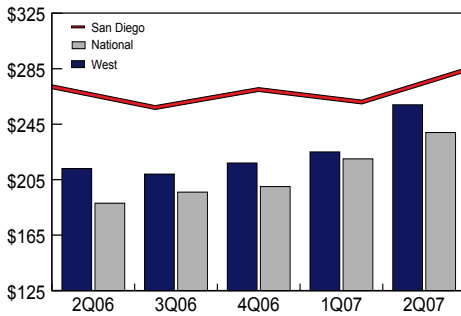
	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$228	\$377	\$224	\$446	\$27
Size-Weighted Avg.	\$199	\$86	\$186	\$120,650	\$78,216
Price-Weighted Avg.	\$224	\$163	\$260	\$144,159	\$84,835
Median	\$202	\$154	\$197	\$116,429	\$71,429
> \$5 Million					
Volume (Mil)	\$4,239	\$1,653	\$1,104	\$2,046	\$1,209
Size-Weighted Avg.	\$290	\$147	\$270	\$186,140	\$212,995
Price-Weighted Avg.	\$356	\$199	\$337	\$220,583	\$371,056
Median	\$261	\$147	\$279	\$131,794	\$129,186
All Transactions					
Volume (Mil)	\$4,467	\$2,029	\$1,328	\$2,491	\$1,235
Size-Weighted Avg.	\$284	\$130	\$251	\$169,670	\$205,333
Price-Weighted Avg.	\$350	\$192	\$324	\$206,916	\$364,858
Median	\$237	\$150	\$234	\$119,444	\$104,310
Capitalization Rates % (All Transactions)					
Weighted Average	6.4	6.5	6.1	5.5	7.2
Median	6.2	6.4	6.1	5.5	8.7
Source: RERC.					

Legend for All Graphs Below

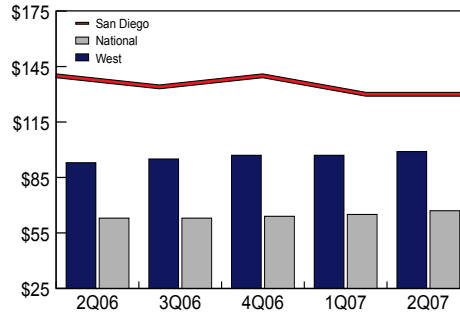
- Metro
- Region
- Nation

Source: RERC.

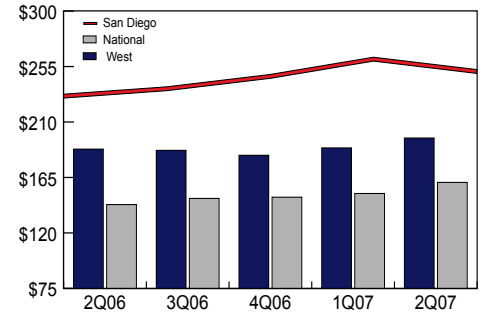
Historical Size-Weighted Average PPSF - OFFICE



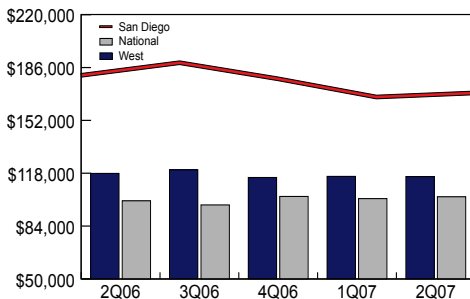
Historical Size-Weighted Average PPSF - INDUSTRIAL



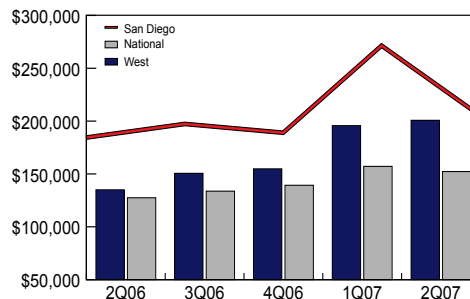
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 2Q 2007

