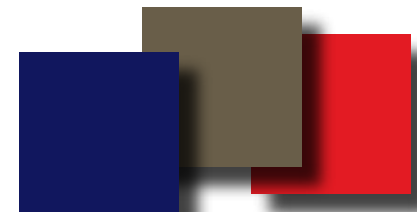


San Francisco

Demographics & Economics				
Population		Unemployment Rate (September 2007)		
San Francisco MSA	4.3 million	San Francisco	4.6%	
San Francisco Growth ¹	0.55%	California	5.4%	
National Growth ¹	1.30%	National	4.5%	
Household Income & Value				
Per Capita Income	\$42,085	2007 Households	1.6 million	
1-year Job Growth	1.60%	Household Growth	0.47%	
1-year Job Additions	31,700	Median Home Price	\$750,208	
Major Employers				
Pacific Telesis Group				
UPS Supply Chain Solutions				
California State Auto Association				
UCSF Medical Center				
San Francisco General Hospital				
Sources: Bureau of Labor Statistics, NAR, STDB Online. "Home Price Analysis Report for San Francisco Region – 2007" ©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 (2007-2012).				
Noteworthy Transactions				
	Sale Date	Sale Price	Sq. Ft./Units	PPSF/PPU
Office				
Pacific Telephone Bldg.	7-07	\$117,000,000	360,000	\$325
Spear & Stuart Tower	7-07	\$1,446,666,667	1,458,808	\$992
Industrial				
72 Townsend St.	7-07	\$9,200,000	25,381	\$362
915-941 Cayuga Ave.	7-07	\$8,235,000	55,073	\$150
Retail				
San Francisco Giftcenter and Jewelmart	7-07	\$95,000,000	388,324	\$245
800 Van Ness Ave.	8-07	\$2,550,000	8,190	\$311
Apartment				
701 Taylor St.	8-07	\$13,500,000	56	\$241,071
1036 Mission St.	7-07	\$5,500,000	78	\$70,513
Hotel				
Hotel Palomar	8-07	\$34,800,000	195	\$178,462
San Francisco Residence Club	7-07	\$10,000,000	84	\$119,048
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
One Rincon Hill	Multifamily	N	376	2008
Millennium Tower	Multifamily	N	unknown	2009
Radiance at Mission Bay	Multifamily	N	417	2008
690 Folsom Street	Office	R	450,000	N/A
680 Folsom Street	Office	R	33000	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	↓	↓
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 weighted average capitalization rates. Source: RERC.		



San Francisco Transaction Breakdown (10/1/06 - 9/30/07)

	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$394	\$698	\$328	\$1,119	\$51
Size Weighted Avg.	\$206	\$117	\$198	\$155,644	\$66,950
Price Weighted Avg.	\$266	\$145	\$266	\$193,812	\$119,572
Median	\$227	\$138	\$206	\$156,077	\$70,140
> \$5 Million					
Volume (Mil)	\$25,816	\$2,593	\$2,102	\$2,972	\$3,150
Size Weighted Avg.	\$368	\$127	\$244	\$199,679	\$178,823
Price Weighted Avg.	\$497	\$184	\$507	\$235,016	\$247,999
Median	\$279	\$117	\$334	\$175,338	\$121,212
All Transactions					
Volume (Mil)	\$26,210	\$3,290	\$2,430	\$4,091	\$3,201
Size Weighted Avg.	\$363	\$124	\$237	\$185,334	\$174,178
Price Weighted Avg.	\$493	\$176	\$475	\$223,743	\$245,950
Median	\$264	\$132	\$230	\$158,333	\$114,909
Capitalization Rates (All Transactions)					
Weighted Average	5.0	5.9	5.3	4.8	6.2
Median	5.9	6.6	6.0	4.7	6.3
Source: RERC.					

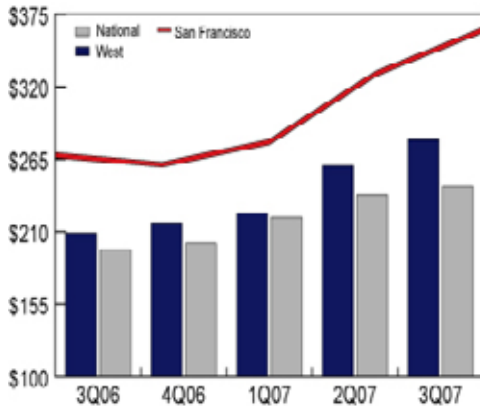
San Francisco

Legend for All Graphs Below

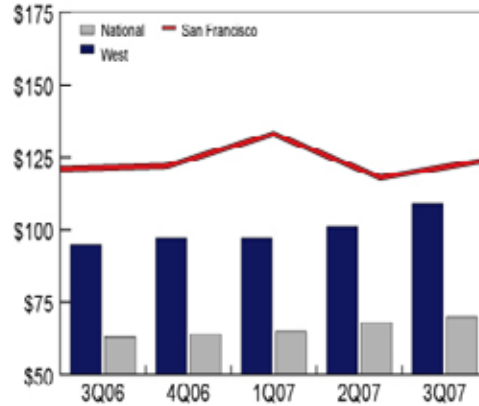
- Metro
- Region
- Nation

Source: RERC.

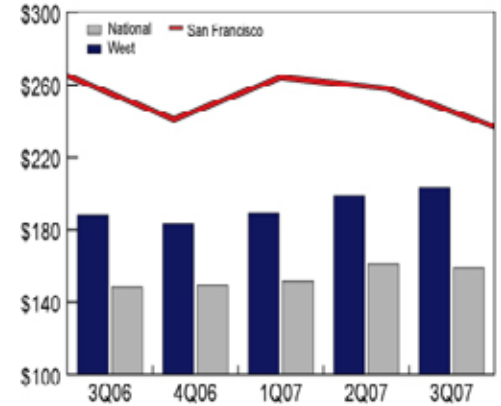
Historical Size-Weighted Average PPSF - OFFICE



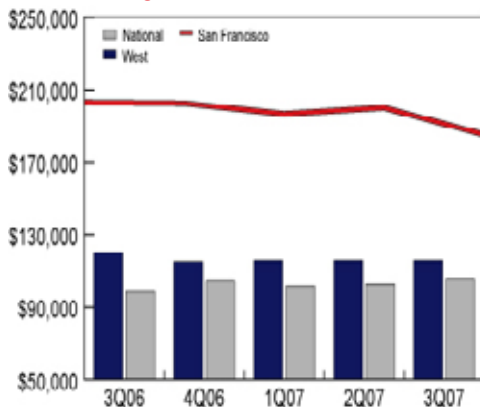
Historical Size-Weighted Average PPSF - INDUSTRIAL



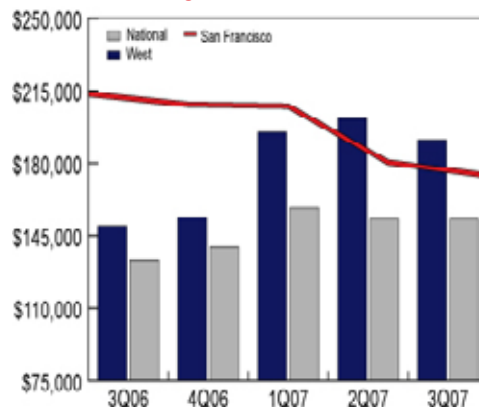
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 3Q 2007

