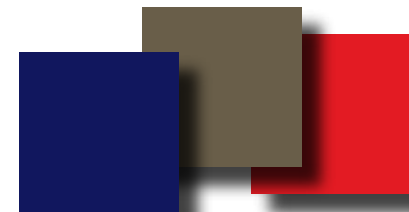


Demographics & Economics				
Population		Unemployment Rate (September 2007)		
Seattle MSA	3.3 million	Seattle	4.1%	
Seattle Growth ¹	1.20%	Washington	4.3%	
National Growth ¹	1.30%	National	4.5%	
Household Income & Value				
Per Capita Income	\$34,819	2007 Households	1.3 million	
1-year Job Growth	3.40%	Household Growth	1.24%	
1-year Job Additions	57,600	Median Home Price	\$365,552	
Major Employers				
University of Washington				
Seattle-Tacoma International Airport				
University of Washington OB/GYN				
South Seattle Community College				
Global Education SVC				
Sources: Bureau of Labor Statistics, NAR, STDB Online. "Home Price Analysis Report for Seattle 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				
Market Place I	8-07	\$53,503,260	84,390	\$634
World Trade Center	8-07	\$71,000,000	133,777	\$531
Industrial				
Esterline Korry Electronics	7-07	\$23,800,000	140,580	\$169
2901 Utah Ave. S	8-07	\$13,750,000	82,463	\$167
Retail				
Canlis Restaurant	7-07	\$5,200,000	12,052	\$431
1529 9th Ave.	9-07	\$8,600,000	8,000	\$1,075
Apartment				
Wall Street Tower	7-07	\$82,000,000	356	\$230,337
Watermark at West Seattle	9-07	\$13,244,240	72	\$183,948
Hotel				
Hotel Vintage Park	8-07	\$22,386,789	125	\$179,094
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
South Lake Union	Office	N	75,000	2011
2201 Westlake	Office	N	302,200	N/A
Grouphealth Headquarters	Office	N	278,000	N/A
UW Medicine Office Building	Office	N	96,000	N/A
Schnitzer West's 818 Stewart	Office	N	230,000	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. 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.		



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

	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$264	\$411	\$298	\$569	\$54
Size Weighted Avg.	\$166	\$101	\$162	\$103,651	\$54,276
Price Weighted Avg.	\$198	\$124	\$221	\$125,713	\$58,113
Median	\$179	\$118	\$156	\$110,218	\$51,705
> \$5 Million					
Volume (Mil)	\$8,948	\$2,121	\$1,003	\$3,353	\$871
Size Weighted Avg.	\$309	\$117	\$224	\$130,392	\$143,400
Price Weighted Avg.	\$353	\$150	\$297	\$160,801	\$212,731
Median	\$281	\$113	\$270	\$122,000	\$103,496
All Transactions					
Volume (Mil)	\$9,211	\$2,532	\$1,301	\$3,922	\$925
Size Weighted Avg.	\$302	\$114	\$206	\$125,688	\$130,765
Price Weighted Avg.	\$349	\$146	\$279	\$155,710	\$203,633
Median	\$216	\$115	\$179	\$114,815	\$102,112
Capitalization Rates (All Transactions)					
Weighted Average	5.4	5.8	6.2	5.2	-
Median	5.5	6.5	6.3	5.4	-
Source: RERC.					

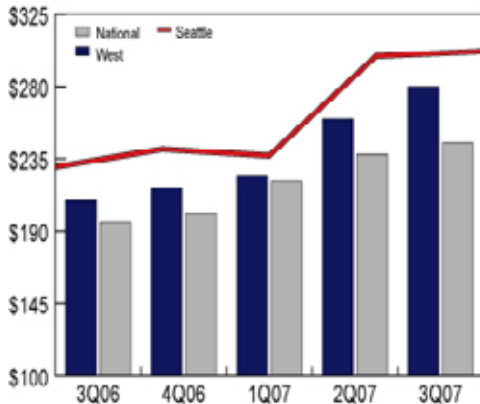
Seattle

Legend for All Graphs Below

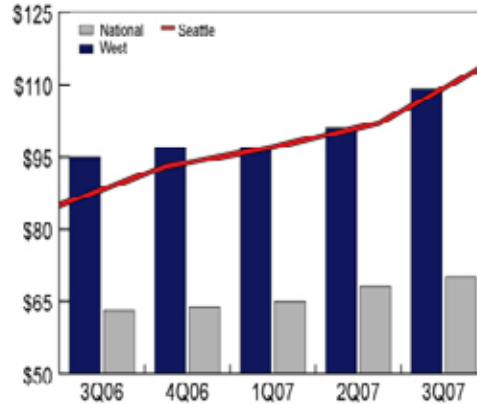
- Metro
- Region
- Nation

Source: RERC.

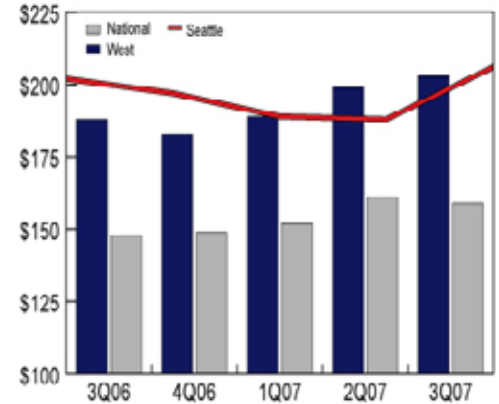
Historical Size-Weighted Average PPSF - OFFICE



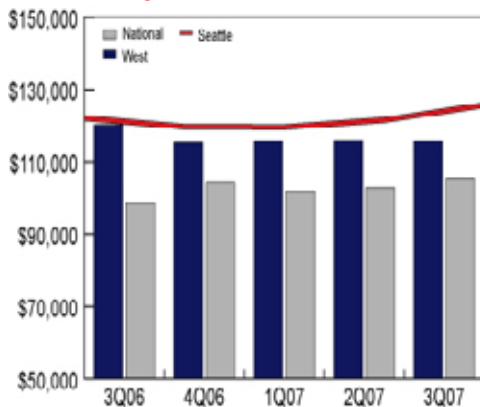
Historical Size-Weighted Average PPSF - INDUSTRIAL



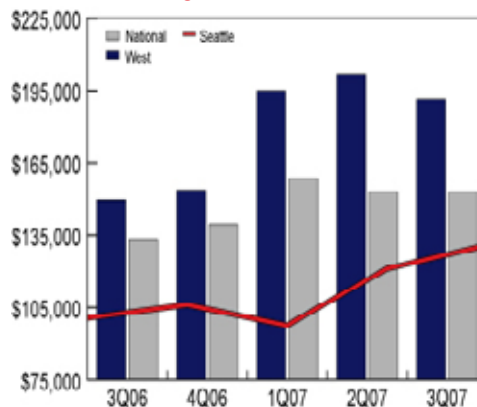
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 3Q 2007

