

# Real Estate Risk Tools



**Bank of America.**



**Everett Allen Greer, MAI**

Senior Vice President

Director of Research

Real Estate Risk Assessment



Official Sponsor

Recycled Paper

Bank of America

CA9-706-10-40

555 S. Flower St., 10th Floor  
Los Angeles, CA 90071

Tel 213.345.1400

Fax 888.969.9172

[everett.a.greer@bankofamerica.com](mailto:everett.a.greer@bankofamerica.com)

**Bank of America**



**Glad to be Glad to be here!**



# Goals of Presentation

- **Identify Real Estate Data Sources**
- **Strengths/Weaknesses of each Source**
- **Demonstrate Key Sources (not on PPT)**
- **Interactive Discussion**

# Rent – Vacancy Data Sources

- **Torto-Wheaton Research**
- **REIS**
- **Property & Portfolio Research**
- **CoStar**
- **CB Commercial**
- **Grubb & Ellis**
- **Cushman Wakefield**
- **RealFacts (Apt Only)**

# **Rent/Vacancy – Who has Projections?**

- **Torto-Wheaton Research - YES**
- **REIS - YES**
- **Property & Portfolio Research - YES**
- **CoStar - NO**
- **CB Commercial - YES**
- **Grubb & Ellis - YES**
- **Cushman Wakefield – YES**
- **RealFacts (Apt Only) - NO**



# Sale Comps - Data Sources

- **CoStar Comps**
- **REIS**
- **Real Capital Analytics**
- **LoopNet**

# Expense - Data Sources

- IREM (Office, Retail, Apt)
- NAIOP
- CoStar Comps
- REIS
- Your Firm's Files!



# Cap Rate - Data Sources

- **Real Capital Analytics**
- **RERC Investor Survey**
- **CB National Investor Survey**
- **Cushman Wakefield**
- **Grubb & Ellis - Outlook**
- **Korpacz Report**
- **CoStar Comps**

# Rent Vacancy Sources – Strong Suits

**IREM (Office, Retail, Apt)**

**CoStar Comps**

**REIS**

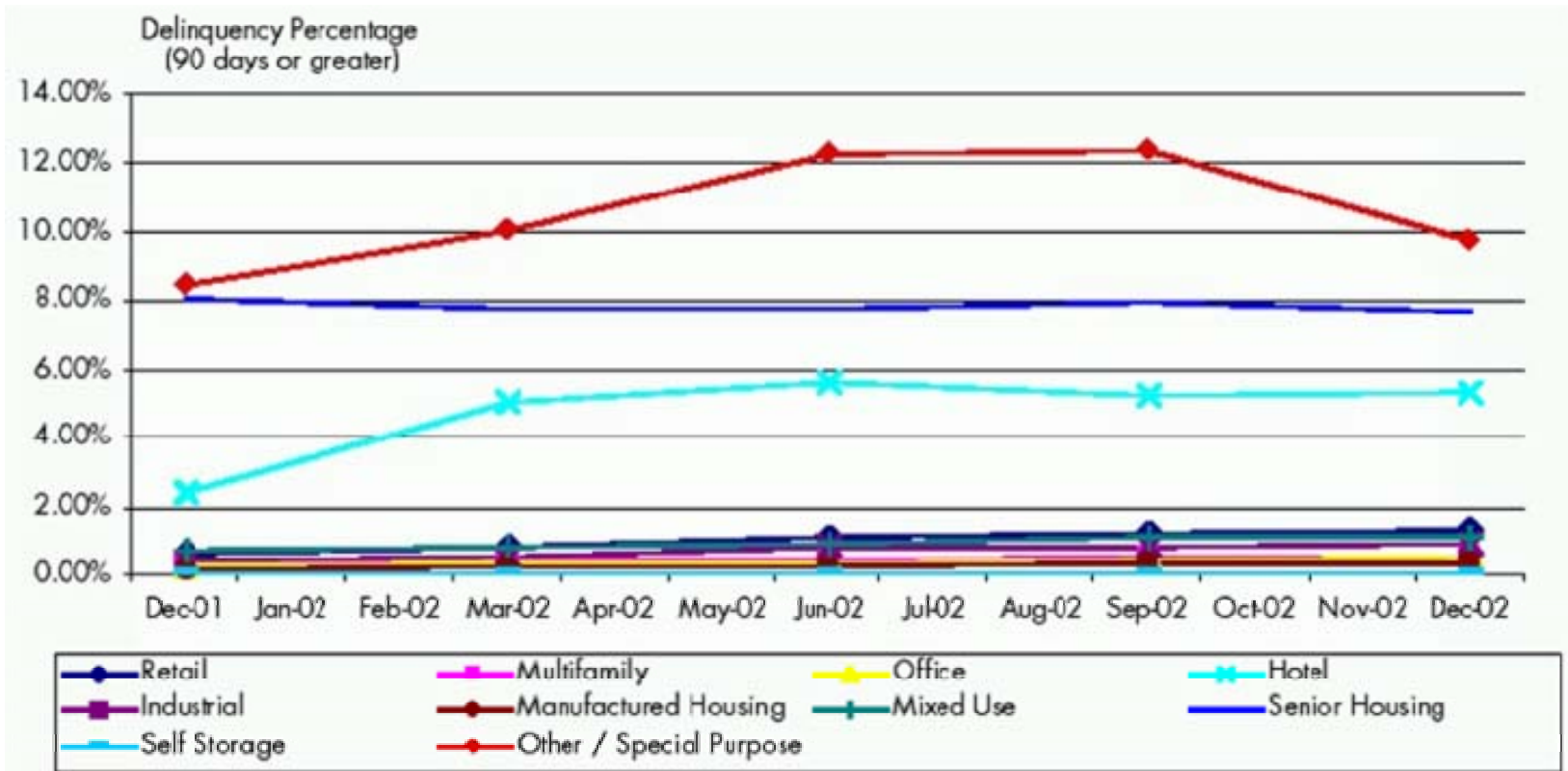
**Real Capital Analytics**



# Real Estate Loss - Data Sources

- **FDIC – Whole Portfolios Only**
- **Peer Groups Annual Reports**
- **Trepp – CMBS data**
- **Conquest – CMBS data**
- **Intex – CMBS data**

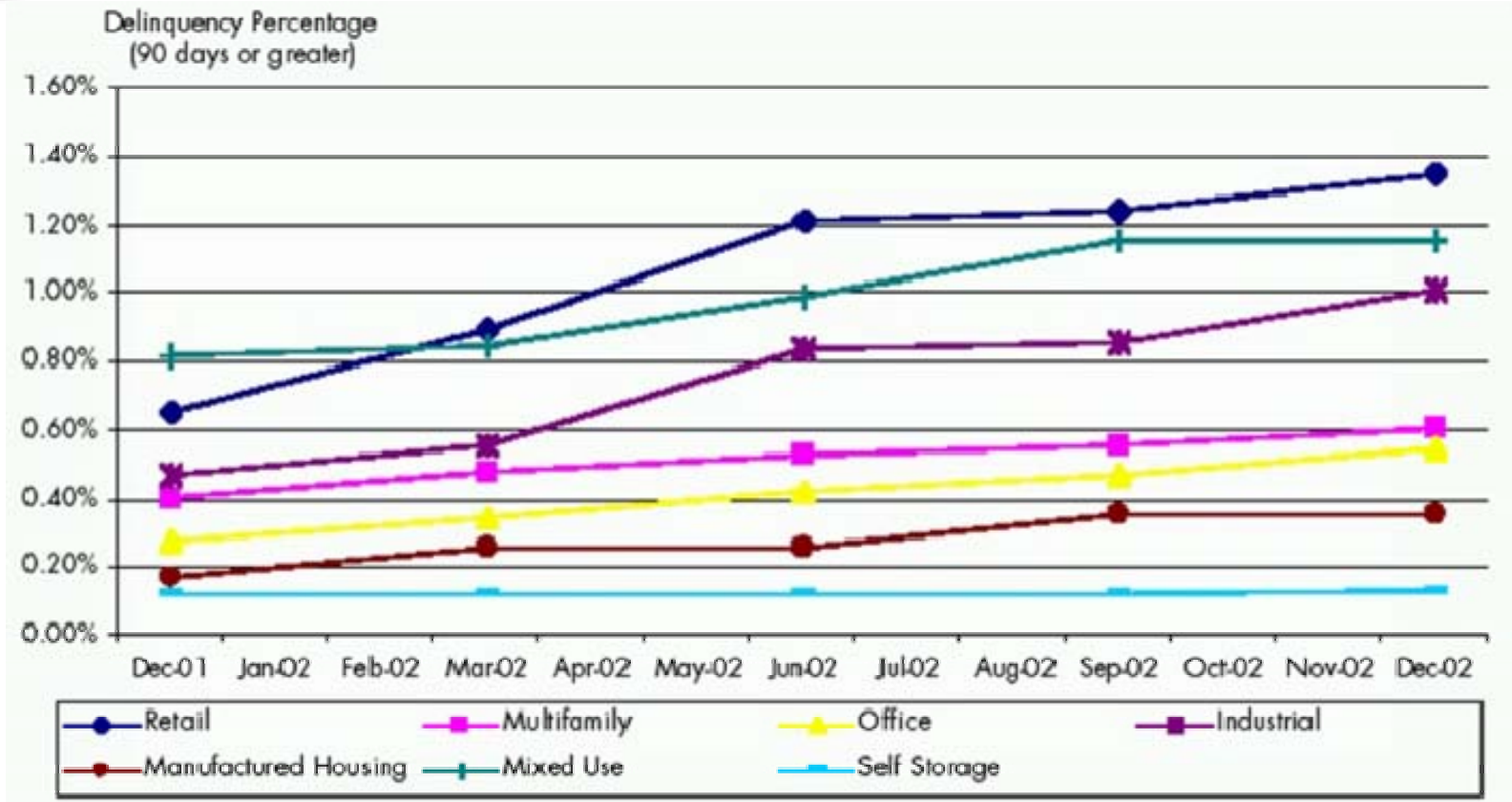
# Delinquencies by Property Type



Source: Intex, Bank of America



# Delinquencies by Property Type



Source: Intex, Bank of America



# Expense - Data Sources

**IREM (Office, Retail, Apt)**

**CoStar Comps**

**REIS**

**Real Capital Analytics**

**From this point on, the  
presentation is  $\frac{1}{2}$   
PowerPoint and  $\frac{1}{2}$  Web.**

**There is a live presentation  
of each data source.**

# Economy.com Preciis Metro Report

## Economic/Demographic data

### SAN DIEGO

**EMPLOYMENT GROWTH**  
2001-03  
**14**  
2001-06  
**33**

**29**  
COST OF DOING BUSINESS  
**107%**  
COST OF LIVING  
**115%**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
72.1	74.6	79.8	86.5	96.7	106.0	110.0	115.8	120.7	125.3	130.0	135.1				

**Relative Employment Performance (1991=100)**

**INDICATORS**

Indicator	2002	2003	2004	2005	2006
Gross Mfg Prod, CSB % Change	5.1	4.4	3.8	3.9	3.9
Total Employment (000) % Change	1,247.4	1,275.2	1,309.0	1,332.8	1,355.4
Unemployment Rate	4.0	3.9	3.6	3.6	3.4
Personal Income Growth	3.3	5.0	5.7	5.6	5.4
Population (000)	2,915.4	2,967.4	3,032.5	3,089.5	3,142.7
Single-Family Permits	9,126	9,406	9,620	9,746	9,889
Multi-Family Permits	5,385	6,168	6,185	6,326	6,341
Existing Home Price (\$Ths)	207.1	314.8	324.5	332.1	341.9
Mortgage Originations (\$Mil)	257.96	19,840	20,218	21,302	22,931
Net Migration (000)	25.8	26.6	39.1	30.0	25.4
Personal Bankruptcies	13,794	12,746	12,048	12,358	12,318

### STRENGTHS & WEAKNESSES

**STRENGTHS**

- Leading center of biotechnology research.
- Excellent quality of life factors.
- Business and housing costs are competitive with tech centers in Orange County and S.F. Bay Area.
- Diverse defense-related industries.

**WEAKNESSES**

- Congested airport.
- Uncertain power costs and looming long-term shortages of water.

**CURRENT EMPLOYMENT TRENDS**

March 2002 Employment Growth % Change Year Ago

**FORECAST RISKS**

SHORT TERM: LOW RISK  
LONG TERM: MODERATE RISK  
RISK ADJUSTED RETURN: 0.54%

**UPSIDE**

- Further consolidation of naval operations here.
- Expanded convention center draws more visitors.
- Expanded NAFTA territory benefits cross-border trade.

**DOWN SIDE**

### ANALYSIS

SAN this year. Thus, while the industry can only surface due to 9/11, it is recovering quickly.

**Mexican trade.** Cross-border trade also suffered following 9/11 but appears to have rebounded. The long lines to cross the border have nearly returned to normal due to improvements in the inspection process. The outlook for production at maquiladora plants on the Mexican side of the border remains good. Toyota's plan to open a parts factory in Tijuana is indicative of the durable goods production that is expanding south of the border. The same cannot be said for some of the nondurables produced at maquiladoras along the Rio Grande Valley that are at risk from rising wages and may move further afield to the Caribbean or Asia.

**Construction.** Homebuilding continues at a steady pace driven by healthy in-migration. The downturn in Silicon Valley has supported migration into SAN as a number of laid-off workers have returned to SAN looking work. The area's relatively low costs of living and doing business versus Silicon Valley gives us a strong competitive advantage for SAN. Office space is abundant. Nonresidential construction is slowing but lower office lease rates will help smaller firms to expand as the economy improves.

SAN's economy will improve in the near term. Defense spending will increase demand for skilled workers in telecom, electronics and aerospace. The possibility of further rises in electric utility rates does pose some near-term risk. Longer term, SAN's good quality-of-life factors such as climate and relatively affordable housing will continue to attract migrants. Research at local biotech and other higher education institutions will also boost economic growth.

### EMPLOYMENT & INDUSTRY

**TOP EMPLOYERS**

San Diego Naval Station	48,590
North Island Naval Air Station	24,971
University of California at San Diego	21,229
Sharp Health Care	11,194
Scopus Health	9,950
Pacific Bell	7,174
Qualcomm, Inc.	6,700
Kaiser Permanente	6,000
Naval Base Coronado	5,000
Scientific Applications International Corp.	4,599
San Diego Naval Medical Center	4,500
San Diego State University	3,943
Sempra Energy Corporation	3,800
Sony Electronics	3,000
Solar Turbines, Inc.	3,000
National Steel & Shipbuilding Company	2,925
Children's Hospital & Health Center	2,911
Palomar Peninsula Health Systems	2,901
The Scripps Research Institute	2,800
Jack in the Box, Inc.	2,662

**INDUSTRIAL DIVERSITY**  
Most Diverse (U.S.)  
SAN 0.62  
Least Diverse

**EMPLOYMENT VOLATILITY DUE TO U.S. FLUCTUATIONS**

**COMPARATIVE EMPLOYMENT AND INCOME**

Sector	% of Total Employment			Average Annual Earnings		
	SPN	CA	US	SPN	CA	US
Mining	0.0%	0.2%	0.4%	\$24,760	\$66,773	\$58,255
Construction	6.0%	5.2%	5.2%	\$37,958	\$42,444	\$36,225
Manufacturing	10.7%	13.0%	13.4%	\$49,280	\$54,602	\$47,142
Durable	71.8%	83.0%	80.1%	nd	\$62,444	\$49,141
Non-durable	28.2%	37.0%	30.9%	nd	\$41,605	\$46,150
Transport/Utilities	4.3%	5.1%	5.3%	\$71,352	\$65,650	\$48,598
Wholesale Trade	4.1%	5.5%	5.2%	\$43,511	\$48,489	\$47,153
Retail Trade	18.1%	17.2%	17.8%	\$21,124	\$22,184	\$18,474
Finance/Ins./Real Estate	5.8%	5.7%	5.8%	\$33,308	\$40,110	\$40,457
Services	33.5%	31.9%	31.0%	\$31,902	\$35,177	\$31,297
Minor Health Services	6.3%	6.5%	7.8%	nd	\$43,418	\$39,498
Government	17.5%	16.2%	15.8%	\$45,435	\$44,830	\$40,121

**HOUSE PRICES**

**LEADING INDUSTRIES**

SIC	Industry	Employees (000)
33	Military personnel	902
60	Total federal government - civilian	426
70	Hotels and motels	362
73	Computer and data processing systems	254
80	Research and development services	249
90	Management & technical services	226
81	Offices & clubs of medical doctors	227
78	Macrosystems software	216
130	Risk & some building construction	166
62	Real estate agents & managers	164
84	Management and public relations	155
84	Macrosystems software products	120
84	Club, social, & fraternal association	123
91	Telephone communications	120

### MIGRATION FLOWS

**Into San Diego**

City	Number of Migrants	Median Income
Los Angeles	11,562	25,537
Riverside	9,882	23,283
Orange County	7,273	32,167
Washington	3,004	38,432
Phoenix	2,063	25,829
San Jose	2,042	42,895
Oakland	2,879	29,599
Chicago	2,699	29,872
Seattle	2,441	29,427
San Francisco	2,307	37,274
Total Immigration	132,061	22,572

**From San Diego**

City	Number of Migrants	Median Income
Riverside	19,643	33,780
Los Angeles	9,191	22,367
Orange County	6,403	29,376
Las Vegas	3,809	23,854
Washington	3,200	22,666
Phoenix	3,254	25,061
Oakland	2,429	27,245
Norfolk	2,080	29,109
Seattle	1,064	27,117
Chicago	1,061	24,854
Total Outmigration	135,001	24,899

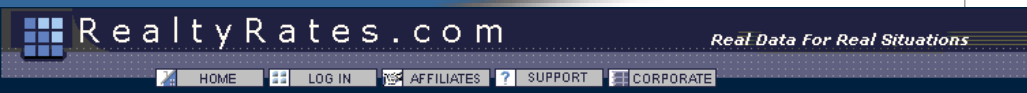
**Net Migration** -2,960 -2,327

Year	Domestic	Foreign	Total
1995	-22,502	16,181	-16,321
1996	-11,202	18,196	6,992
1997	519	20,421	20,940
1998	1,742	16,584	18,326
1999	-12,992	17,136	4,144

**PER CAPITA INCOME**



# RealtyRates.com Capitalization Rates



## Investor Survey - 4th Quarter, 2002



Note that all resources open in a new browser window and that the PDF version is best for printing multiple pages or the entire document, while the HTML version is best for copy and paste.

### PDF Version

To open the PDF version click the link below. To download the PDF version, either open the file then select the "Save Copy" icon (the diskette) in the Adobe Reader or right click on the link below and select "Save Target As..."

 [Investor Survey - 4th Quarter, 2002](#)

### HTML Version

#### Market Commentary

- Current and Historical Average Cap Rates

#### Financial Indicators

- Interest Rate Indices

#### Permanent Financing

- Mortgage Matrix
- Reserve Requirements
- Property Desirability Matrix

#### Interim Financing

- Construction
- Mini Perm

#### Investment Rates

- Discount Rates
- Equity Dividend Rates

#### SITE DIRECTORY

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#### ■ Apartments

- All Apartments
- Garden/Suburban Townhouse
- Hi-Rise/Urban Townhouse
- Student Housing

#### ■ Golf Courses & Country Clubs

- All Golf Courses & Country Clubs
- Public Daily Fee Courses
- Semi-Private Clubs
- Private Clubs

#### ■ Health Care & Senior Housing

- All Health Care & Senior Housing
- Acute Care
- Out-Patient Care
- Congregate Care
- Assisted Living

#### ■ Industrial

- All Industrial
- Warehouse/Distribution
- Flex/R&D
- Climate Controlled/Manufacturing

#### ■ Lodging Facilities

- All Lodging Facilities
- Full Service
- Limited Service
- Golf/Gaming/Resort

#### ■ RV/Campgrounds, MH Parks, Manufactured Housing

- All RV Parks/Campgrounds, Mobile Home Parks, Manufactured Housing
- RV Parks & Campgrounds
- Manufactured Housing
- Mobile Home Parks

#### ■ Office Buildings

- All Office Buildings
- CBD
- Suburban
- Medical

#### ■ Restaurants

- All Restaurants
- Full Service
- Fast Food

#### ■ Retail

- All Retail
- Anchored
- Un-Anchored

Bank of America



# RealtyRates.com

## Includes more class B & C than other surveys

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2002						
HEALTH CARE & SENIOR HOUSING - ALL TYPES						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	1.49%	<b>DCR Technique</b>	1.10	0.071021	0.85	<b>6.64</b>
Debt Coverage Ratio	1.10	<b>Band of Investment Technique</b>				
Interest Rate	6.32%	Mortgage	85%	0.071021	0.060368	
Amortization	35	Equity	15%	0.090000	0.013500	
Mortgage Constant	0.071021	OAR				<b>7.39</b>
Loan-to-Value Ratio	85%	<b>Surveyed Rates</b>				<b>7.46</b>
Equity Dividend Rate	9.00%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	4.65%	<b>DCR Technique</b>	1.90	0.125162	0.60	<b>14.27</b>
Debt Coverage Ratio	1.30	<b>Band of Investment Technique</b>				
Interest Rate	9.48%	Mortgage	60%	0.125162	0.075097	
Amortization	15	Equity	40%	0.178000	0.071200	
Mortgage Constant	0.125162	OAR				<b>14.63</b>
Loan-to-Value Ratio	60%	<b>Surveyed Rates</b>				<b>14.78</b>
Equity Dividend Rate	17.80%					
<b>Average</b>						
Spread Over 10-Year Treasury	2.87%	<b>DCR Technique</b>	1.42	0.089024	0.73	<b>9.29</b>
Debt Coverage Ratio	1.42	<b>Band of Investment Technique</b>				
Interest Rate	7.70%	Mortgage	73%	0.089024	0.065377	
Amortization	26	Equity	27%	0.129600	0.034425	
Mortgage Constant	0.089024	OAR				<b>9.98</b>
Loan-to-Value Ratio	73.4%	<b>Surveyed Rates</b>				<b>10.78</b>
Equity Dividend Rate	12.96%					

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RealtyRates.com MARKET SURVEY - 3rd Quarter, 2002					
Texas - Class A & B Apartments - 90+ Units					
	Austin	Dallas/Ft. Worth	Houston/Galveston Brazoria	San Antonio	Region
<b>Operating Data</b>					
<b>Income</b>					
Asking Rent	\$816	\$743	\$681	\$642	\$718
Effective Rent	\$748	\$681	\$624	\$589	\$658
Other Income	\$2	\$2	\$2	\$2	\$2
Total Income	\$750	\$683	\$626	\$590	\$660
Vacancy Rate	10.8%	7.6%	7.0%	6.1%	6.1%
EGI	\$669	\$631	\$582	\$554	\$620
<b>Expenses</b>					
Total Expenses	\$184	\$192	\$165	\$163	\$190
Expense Ratio	27.48%	30.40%	28.41%	29.33%	30.59%
<b>NOI</b>	\$485	\$439	\$417	\$392	\$430
<b>Investment Data</b>					
<b>Avg Sale Price</b>	\$63,996	\$56,687	\$54,371	\$51,089	\$56,122
<b>OAR</b>	9.1%	9.3%	9.2%	9.2%	9.2%
<b>GRM</b>	7.13	6.94	7.26	7.23	7.11
<b>EGIM</b>	7.97	7.48	7.78	7.68	7.54

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# RealtyRates.com – Survey Counts

## 312 for Investor and 366 for Developer

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter, 2002

Interim (Construction) Financing

PROPERTY TYPE	SPREAD OVER BASE (Prime)	INTEREST RATE	LOAN FEES	LOAN-TO-VALUE RATIO	LOAN-TO-COST RATIO	LOAN TERM (Mos.)	AMORTIZATION
<b>Residential Subdivisions &amp; PUDs</b>							
Minimum	1.50%	6.25%	1.00%	50.0%	70.0%	12.0	Interest Only
Maximum	8.00%	12.75%	3.00%	100.0%	100.0%	60.0	Interest Only
Average	3.73%	8.48%	3.25%	72.5%	85.0%	45.6	Interest Only
<b>Commercial/Industrial Subdivisions &amp; PUDs</b>							
Minimum	1.50%	6.25%	2.00%	60.0%	100.0%	12.0	Interest Only
Maximum	8.00%	12.75%	4.50%	90.0%	70.0%	36.0	Interest Only
Average	3.90%	8.65%	3.44%	75.0%	85.0%	28.8	Interest Only
<b>Residential Condominiums &amp; Co-Ops</b>							
Minimum	1.00%	5.75%	2.00%	65.0%	100.0%	12.0	Interest Only
Maximum	8.00%	12.75%	4.00%	80.0%	70.0%	36.0	Interest Only
Average	3.31%	8.06%	3.38%	72.5%	85.0%	28.8	Interest Only
<b>Commercial/Industrial Condominiums</b>							
Minimum	1.50%	6.25%	2.00%	60.0%	100.0%	12.0	Interest Only
Maximum	8.00%	12.75%	4.50%	80.0%	70.0%	24.0	Interest Only
Average	3.44%	8.19%	3.31%	70.0%	85.0%	20.4	Interest Only

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RealtyRates.com DEVELOPER SURVEY - 3rd Quarter, 2002

Mid-Atlantic - Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Site-Built Residential</b>						
- 100 Units	18.36%	42.46%	28.19%	17.63%	40.76%	27.06%
100-500 Units	18.82%	40.27%	28.36%	18.07%	38.66%	27.23%
500+ Units	19.28%	42.10%	28.85%	18.51%	40.41%	27.69%
Mixed Use	19.74%	42.46%	28.61%	18.95%	40.76%	27.47%
<b>Manufactured Housing</b>						
- 100 Units	18.47%	41.89%	28.01%	17.73%	40.22%	26.89%
100-500 Units	18.93%	40.07%	28.32%	18.17%	38.47%	27.19%
500+ Units	19.39%	41.89%	28.80%	18.62%	40.22%	27.65%
<b>Business Parks</b>						
- 100 Acres	18.57%	42.33%	28.26%	17.83%	40.64%	27.13%
100-500 Acres	18.57%	36.81%	27.14%	17.83%	35.34%	26.05%
500+ Acres	19.04%	40.49%	28.57%	18.28%	38.87%	27.43%
<b>Industrial Parks</b>						
- 100 Acres	19.50%	42.33%	29.06%	18.72%	40.64%	27.90%
100-500 Acres	18.57%	42.72%	28.43%	17.83%	41.01%	27.29%
500+ Acres	18.57%	37.15%	27.30%	17.83%	35.66%	26.21%
100-500 Acres	19.04%	40.86%	28.75%	18.28%	39.23%	27.60%
500+ Acres	19.50%	42.72%	29.24%	18.72%	41.01%	28.07%

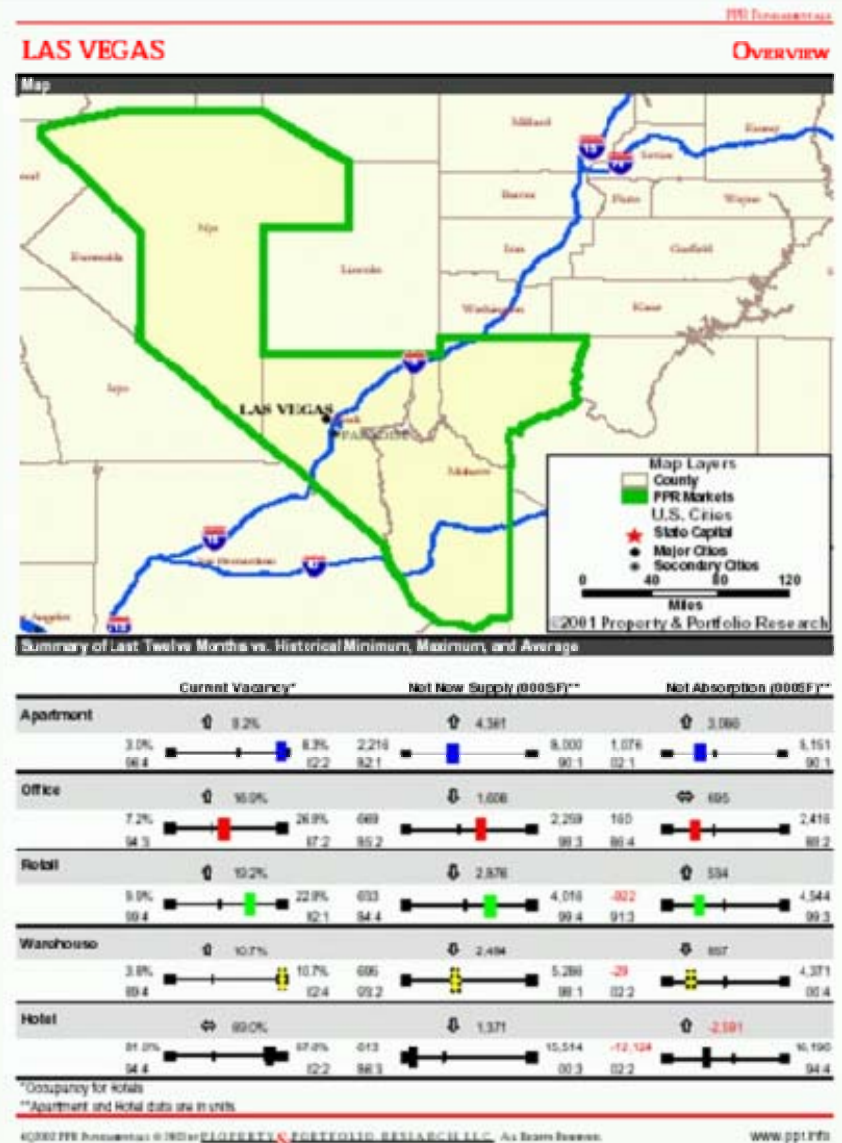
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# Property & Portfolio Research

## Rent Index, Vacancy, NREI data

Three major reports  
 Derived Market Return  
 Fundamentals  
 4-Pager



# REIS Metro Page – 80+ markets

## Supply, Rent, Vacancy, Absorption, Completions

### (up to 37 submarkets)

Metro Reports - Microsoft Internet Explorer

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**Reis** Subscriber Edition

May 07, 2002 Welcome Back (Change User)

Rent Comps Metro Reports Real Estate News Submarket Lookup National Page Admin Help

**Los Angeles Apartment**

Change Property Type:  Apartment  Office  Retail  Industrial

Metro & Property Type News

- Owner of Shopping, Residential Complex See ... 05/07/02
- Low-Income Housing ... 05/03/02
- Gmac Commercial Mortgage Arranges \$ 21.7 ... 05/01/02
- AvalonBay Communities Announces Constructi ... 04/29/02
- Long Beach, CALIF., Luxury Apartment Build ... 04/27/02
- Continental Enterprises of Cambridge, Mass ... 04/24/02
- [View all Metro/Property type stories...](#)

Vacancy Supply Inventory Rent

**Vacancy Trends**

Reis Metro Overview

- Metro Highlights
- 5 Year Forecast
- Regional & National Ranking
- Top Ranked Submarkets
- Top Submarkets for Construction
- [Vacancy Review - Secondary Sources](#)

**Metro Level Reports**

PROPERTY TYPE	View Map	METROTREND	METROTREND FUTURES	METROTREND CLASS CUTS	CONST. WORKS	REIS OBSERVER	SUBMARKET SNAPSHOT
Apartment		<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	n/a <a href="#">2002Q1.xls</a>	<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	<a href="#">2001Q3.pdf</a>	<a href="#">2002Q1.xls</a>

**Submarket Reports**

SUBMARKET NAME	VIEW MAPS	SUBTREND	SUBTREND FUTURES	SUBTREND CLASS CUTS
Chatsworth		<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	n/a <a href="#">2002Q1.xls</a>
Granada Hills		<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	<a href="#">2002Q1.pdf</a> <a href="#">2002Q1.xls</a>	n/a <a href="#">2002Q1.xls</a>
...		<a href="#">2002Q1.pdf</a>	<a href="#">2002Q1.pdf</a>	n/a

SUBMARKET NAME
West LA/Westwood
Mar Vista/Palms
Santa Monica
Marina Del Rey
Mid-City/W Adams
Inglewood/Crenshaw
Central LA
Hawthorne
El Segundo
West Torrance
Carson/San Pedro
West Long Beach
East Long Beach
N Long Beach
Paramount/Downey
Whittier
E LA/Alhambra
Arcadia/Duarte
Azusa/Covina
Claremont/Pomona
W Covina/La Puente
West LA/Westwood

TO USE THIS TABLE:

# REIS MetroTrend \*.xls

http://www.reis.com/subscriptions/getrpt.cfm/2002Q4FLOff6011.xls?y=2002&q=4&f=11&sct=Off&msa=FL - Microsoft Internet Explorer



Fort Lauderdale Office 4Q 2002 MetroTrend Futures																	
Year	Quarter	Inventory (SF/Units)	Completions	Vac %	Vacant Stock	Occupied Stock	Net Absorption	Asking Rent \$	Asking Rent % Chg	Eff Rent \$	Eff Rent % Chg	Constr/ Absorp	Abs/ Occ Stk %	Gr Rev/ Unit \$	Total Employment	Office Employment	
1990	Y	19,248,000	956,000	25.7	4,950,000	14,298,000	707,000	\$16.37	-8.5	\$13.35	0.2	1.4	4.9	\$12.16	513,980	149,514	
1991	Y	20,023,000	775,000	28.1	5,635,000	14,388,000	90,000	\$16.14	-1.4	\$13.14	-1.6	8.6	0.6	\$11.60	502,170	148,387	
1992	Y	20,066,000	43,000	22.0	4,406,000	15,660,000	1,272,000	\$15.13	-6.3	\$12.41	-5.6	0.0	8.1	\$11.81	524,860	153,948	
1993	Y	20,168,000	102,000	15.2	3,059,000	17,109,000	1,449,000	\$15.29	1.1	\$12.69	2.3	0.1	8.5	\$12.97	548,680	160,075	
1994	Y	20,168,000	0	13.6	2,735,000	17,433,000	324,000	\$15.88	3.9	\$13.63	7.4	0.0	1.9	\$13.73	572,600	167,607	
1995	Y	20,168,000	0	12.7	2,560,000	17,608,000	175,000	\$16.34	2.9	\$14.46	6.1	0.0	1.0	\$14.27	592,510	172,590	
1996	Y	20,535,000	367,000	10.0	2,050,000	18,485,000	877,000	\$17.09	4.6	\$15.77	9.1	0.4	4.7	\$15.38	614,350	179,550	
1997	Y	21,019,000	522,000	9.2	1,939,000	19,080,000	595,000	\$17.94	5.0	\$16.70	5.9	0.9	3.1	\$16.29	632,690	185,171	
1998	Y	21,520,000	501,000	9.6	2,068,000	19,452,000	372,000	\$18.99	5.9	\$17.32	3.7	1.3	1.9	\$17.17	646,350	189,663	
1999	1	21,855,000	335,000	9.3	2,037,000	19,818,000	366,000	\$19.48	2.6	\$17.78	2.7	0.9	1.8	\$17.66	649,640	191,046	
1999	2	22,370,000	515,000	10.6	2,361,000	20,009,000	191,000	\$19.40	-0.4	\$17.71	-0.4	2.7	1.0	\$17.35	650,660	191,449	
1999	3	23,073,000	703,000	8.8	2,037,000	21,036,000	1,027,000	\$20.02	3.2	\$18.21	2.8	0.7	4.9	\$18.25	651,400	191,928	
1999	4	24,093,000	1,020,000	9.3	2,246,000	21,847,000	811,000	\$20.17	0.7	\$18.43	1.2	1.3	3.7	\$18.29	658,960	193,884	
1999	Y	24,093,000	2,573,000	9.3	2,246,000	21,847,000	2,395,000	\$20.17	6.2	\$18.43	6.4	1.1	11.0	\$18.29	658,960	193,884	
2000	1	24,529,000	436,000	10.0	2,464,000	22,065,000	218,000	\$20.34	0.8	\$18.52	0.5	2.0	1.0	\$18.30	663,160	194,554	
2000	2	24,860,000	131,000	9.8	2,406,000	22,254,000	189,000	\$20.24	-0.5	\$18.40	-0.6	0.7	0.8	\$18.27	677,890	199,603	
2000	3	24,737,000	77,000	9.0	2,224,000	22,513,000	259,000	\$20.17	-0.3	\$18.33	-0.4	0.3	1.2	\$18.36	686,880	201,706	
2000	4	25,408,000	671,000	9.8	2,480,000	22,928,000	415,000	\$20.42	1.2	\$18.55	1.2	1.6	1.8	\$18.43	694,440	203,771	
2000	Y	25,408,000	1,315,000	9.8	2,480,000	22,928,000	1,081,000	\$20.42	1.2	\$18.55	0.7	1.2	4.7	\$18.43	694,440	203,771	
2001	1	26,042,000	634,000	10.0	2,615,000	23,427,000	499,000	\$20.50	0.4	\$18.62	0.4	1.3	2.1	\$18.44	700,530	205,522	
2001	2	26,240,000	232,000	12.2	3,200,000	23,040,000	-387,000	\$20.79	1.4	\$18.59	-0.2	-0.6	-1.7	\$18.25	703,030	206,369	
2001	3	26,433,000	216,000	12.2	3,218,000	23,215,000	175,000	\$20.99	1.0	\$18.65	0.3	1.2	0.8	\$18.43	703,750	207,083	
2001	4	27,170,000	737,000	15.6	4,251,000	22,919,000	-296,000	\$20.97	-0.1	\$18.05	-3.2	-2.5	-1.3	\$17.69	700,370	206,292	
2001	Y	27,170,000	1,819,000	15.6	4,251,000	22,919,000	-9,000	\$20.97	2.7	\$18.05	-2.7	-202.1	0.0	\$17.69	700,370	206,292	
2002	1	27,288,000	199,000	17.1	4,679,000	22,609,000	-310,000	\$20.74	-1.1	\$17.31	-4.1	-0.6	-1.4	\$17.18	699,430	206,164	
2002	2	27,365,000	87,000	18.0	4,932,000	22,433,000	-176,000	\$20.88	0.7	\$17.23	-0.5	-0.5	-0.8	\$17.12	701,160	206,878	
2002	3	27,365,000	0	18.2	4,994,000	22,371,000	-62,000	\$20.86	-0.1	\$17.39	0.9	0.0	-0.3	\$17.05	700,990	207,133	
2002	4	27,749,000	384,000	18.5	5,132,000	22,617,000	246,000	\$20.88	0.1	\$17.61	1.3	1.6	1.1	\$17.02	699,590	206,007	
2002	Y	27,749,000	670,000	18.5	5,132,000	22,617,000	-302,000	\$20.88	-0.4	\$17.61	-2.4	-2.2	-1.3	\$17.02	699,590	206,007	
2003	Y	28,182,000	433,000	18.3	5,169,000	23,013,000	396,000	\$21.04	0.8	\$17.69	0.5	1.1	1.7	\$17.18	710,570	209,461	
2004	Y	28,574,000	392,000	17.3	4,940,000	23,634,000	621,000	\$21.36	1.5	\$18.13	2.5	0.6	2.6	\$17.67	732,890	216,101	
2005	Y	28,704,000	130,000	15.1	4,328,000	24,376,000	742,000	\$21.91	2.6	\$18.74	3.4	0.2	3.0	\$18.61	750,460	221,243	



# REIS Rent Comps Query Results 2

PROPERTY	SUBMARKET	DISTANCE FROM SUBJECT	SIZE (NO. UNITS)	YEAR
Jefferson @ Bryan Place Phase II Allen St., Bryan St. Dallas CA, 75204	Oaklawn	--	301	2002
<input type="checkbox"/> THE WORTHINGTON @ STATE THOMAS 2808 MCKINNEY AVE 1. DALLAS TX 75204	Oaklawn	.92 mi.	332	1992
<input checked="" type="checkbox"/> UPTOWN VILLAGE 2121 ROUTH ST 2. DALLAS TX 75201	Oaklawn	.51 mi.	300	1999
<input checked="" type="checkbox"/> JEFFERSON AT BRYAN PLACE PH I 910 TEXAS ST 3. DALLAS TX 75204	East Dallas	.31 mi.	420	1999
<input checked="" type="checkbox"/> JEFFERSON @ GASTON YARD 2752 GASTON AVE 4. DALLAS TX 75226	East Dallas	.45 mi.	480	1997
<input checked="" type="checkbox"/> HEIGHTS OF STATE THOMAS I 3015 STATE ST 5. DALLAS TX 75204	Oaklawn	.80 mi.	196	1997
<input checked="" type="checkbox"/> THE HEIGHTS OF ST. THOMAS II 3015 STATE ST 6. DALLAS TX 75204	Oaklawn	.80 mi.	170	1999
<input checked="" type="checkbox"/> CAMDEN FARMER MARKET 2210 CANTON ST 7. DALLAS TX 75201	Oaklawn	.53 mi.	620	2001
<input type="checkbox"/> THE MERIDIAN / STATE THOMAS APTS. 2427 ALLEN ST 8. DALLAS TX 75204	Oaklawn	.77 mi.	132	1991
<input type="checkbox"/> PLANTATION HOUSE 2625 STATE ST 9. DALLAS TX 75204	Oaklawn	.68 mi.	12	
<input checked="" type="checkbox"/> JEFFERSON @ NORTH END 2323 FIELD ST 10. DALLAS TX 75201	Oaklawn	.77 mi.	54	
<input checked="" type="checkbox"/> LIVE OAK LOFTS 2502 LIVE OAK ST 11. DALLAS TX 75204	East Dallas	.15 mi.	11	
<input checked="" type="checkbox"/> POST BLOCK 588 3110 THOMAS AVE 12. DALLAS TX 75204	Oaklawn	.79 mi.	12	
<input checked="" type="checkbox"/> ADAM HATS BLDG 2700 CANTON ST 13. DALLAS TX 75226	East Dallas	.64 mi.	9	
<input checked="" type="checkbox"/> WILSON BLDG 1620 MAIN ST 14. DALLAS TX 75201	Oaklawn	.49 mi.	14	

Check off the desired comps

This search resulted in 17 comps.

Pre '99 & non-East Dallas dropped results to 12 comps

<input checked="" type="checkbox"/> WILSON BLDG 1620 MAIN ST 14. DALLAS TX 75201	Oaklawn	.49 mi.
<input type="checkbox"/> MAGNOLIA STATION PH I 1607 LYTE ST 15. DALLAS TX 75201	Oaklawn	.99 mi.
<input checked="" type="checkbox"/> KIRBY RESIDENCES 1509 MAIN ST 16. DALLAS TX 75201	Oaklawn	.54 mi.
<input type="checkbox"/> MANOR HOUSE 1222 COMMERCE ST 17. DALLAS TX 75202	Oaklawn	.68 mi.

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[View Comp Trend](#)

# REIS Rent Comps CompTrend



## COMPTREND

Jefferson @ Bryan Place Phase II, Allen St., Bryan St., Dallas, CA - 0423/02

### SUBJECT PROPERTY

#### Subject Property Location

Name	Jefferson @ Bryan Place Phase II
Address	Allen St., Bryan St.
City	Dallas
State	CA
Zip	75204
Metro	Dallas
Submarket	Oaklawm

#### Subject Property Stats

Property Type	Apartment
Year Built	2002
Size (units)	301
Latitude	32.787
Longitude	-96.794

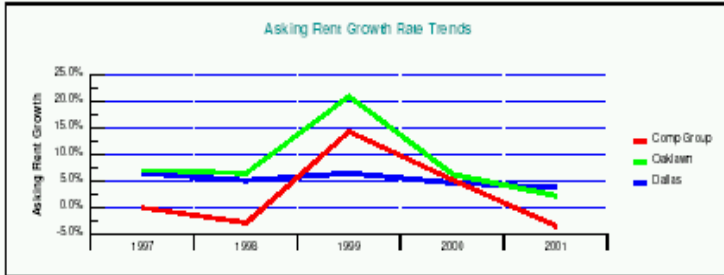
### RENT GROWTH COMPARISONS

#### Asking Rent Growth Rates

Comp Group	Quarterly			Annualized		
	4Q01	3Q01	YTD	1 Year	3 Year	5 Year
Comp Group	0.2%	1.2%	-0.8%	-3.3%	5.2%	***
Oaklawm	1.6%	3.9%	0.6%	2.4%	9.6%	8.4%
Dallas	0.4%	1.0%	0.9%	3.8%	5.0%	5.3%

1. Quarter ending 12/31/01 2. Quarter ending 9/30/01 3. Avg over period ending 12/31/01 4. Avg over period ending 12/31/01

#### Asking Rent Growth Rate Trends



Period ending 12/31/01



## COMPTREND

Jefferson @ Bryan Place Phase II, Allen St., Bryan St., Dallas, CA - 0423/02

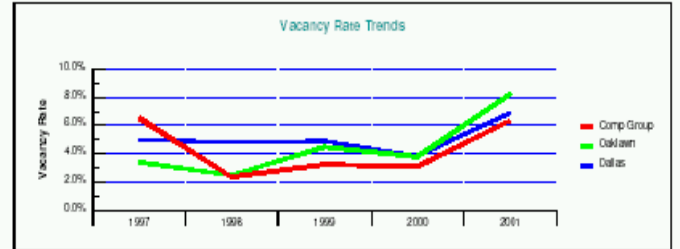
### VACANCY RATE COMPARISONS

#### Vacancy Rates

Comp Group	Quarterly			Annualized		
	4Q01	3Q01	YTD	1 Year	3 Year	5 Year
Comp Group	6.3%	4.8%	4.5%	4.9%	4.3%	4.5%
Oaklawm	8.2%	4.3%	4.2%	6.2%	5.2%	4.7%
Dallas	6.8%	5.1%	4.9%	5.4%	5.1%	5.3%

1. Quarter ending 12/31/01 2. Quarter ending 9/30/01 3. Avg over period ending 12/31/01 4. Avg over period ending 12/31/01

#### Vacancy Rate Trends



Period ending 12/31/01

### COMP GROUP TRENDS

Year	Qtr	Asking Size (units)	Asking Rent Pct. Change	Vacancy Rate	Vacancy Pct. Change
1997	4	\$1,127.74	***	6.5%	***
1998	4	\$1,096.06	-2.8%	2.3%	-4.2%
1999	4	\$1,252.39	14.3%	3.2%	0.9%
2000	4	\$1,318.35	5.3%	3.1%	-0.1%
2001	4	\$1,274.51	-3.3%	6.3%	3.2%
2000	1	\$1,253.73	0.1%	5.3%	2.1%
2000	2	\$1,302.31	3.9%	4.3%	-1.1%
2000	3	\$1,223.20	-6.1%	3.4%	-0.8%
2000	4	\$1,318.35	7.8%	3.1%	-0.3%
2001	1	\$1,224.10	-7.1%	3.1%	0.0%
2001	2	\$1,256.56	2.7%	3.4%	0.4%
2001	3	\$1,272.14	1.2%	4.8%	1.3%
2001	4	\$1,274.51	0.2%	6.3%	1.6%



# REIS Rent Comps CompQuote



## COMPQUOTE PLUS

My Building  
555 So. Flower, Los Angeles, CA-- 08/29/2002

### SUBJECT PROPERTY

#### Subject Property Location

Name	My Building
Address	555 So. Flower
City	Los Angeles
State	CA
Zip	90017
Metro	Los Angeles
Submarket	Downtown

#### Subject Property Stats

Property Type	Office
Year Built	1972
Size (sq. ft.)	2,180,000
Latitude	34.051
Longitude	-118.257

### COMP GROUP MARKET SUMMARY

#### Comp Group Summary Stats

	Low	Mean	Median	High
Current Asking Rent/SF	\$19.00	\$27.39	\$25.00	\$35.95
Current Vacancy Rate	1.0%	18.4%	11.3%	49.9%
Operating Expenses/SF	\$8.24	\$10.68	\$10.48	\$12.57
Real Estate Taxes/SF	\$1.06	\$2.06	\$1.94	\$3.38
Property Size (SF)	282,266	899,926	925,932	2,218,000
Year built	1955	1979	1981	1990

As of 8/30/02

### LEASE TERMS

#### Avg. Submarket Lease Terms

Contract Rent Discount	-5.5%
Free Rent (months/lease)	2.4
Lease Length (years)	6.3
Tenant Improvements/SF	\$19.32
Commissions	4.0%

As of 8/30/02

**Expense & Lease Term Information**



## COMPQUOTE PLUS

My Building  
555 So. Flower, Los Angeles, CA-- 08/29/2002

### COMP GROUP LISTING

1	Name	ARCO PLAZA/NORTH & S. TOWERS	Current Asking Rent/SF	\$24.00
	Address	555 S FLOWER ST	Current Vacancy Rate	37.6%
	City	LOS ANGELES	Distance from Subject (miles)	0.01
	State	CA	Property Size (SF)	2,218,000
	Zip	90071	Floors	52
	County	LOS ANGELES	Year Built	1972
	Submarket	Downtown	Class	A
	SubID	15	Data as of	8/30/02

2	Name	BP PLAZA	Current Asking Rent/SF	\$19.00
	Address	333 S HOPE ST	Current Vacancy Rate	12.0%
	City	LOS ANGELES	Distance from Subject (miles)	0.28
	State	CA	Property Size (SF)	1,267,368
	Zip	90071	Floors	55
	County	LOS ANGELES	Year Built	1974
	Submarket	Downtown	Class	A
	SubID	15	Data as of	8/30/02

3	Name	AON CENTER	Current Asking Rent/SF	\$23.51
	Address	707 WILSHIRE BLVD	Current Vacancy Rate	18.1%
	City	LOS ANGELES	Distance from Subject (miles)	0.15
	State	CA	Property Size (SF)	1,028,000
	Zip	90017	Floors	62
	County	LOS ANGELES	Year Built	1974
	Submarket	Downtown	Class	A
	SubID	15	Data as of	8/30/02

4	Name	AT&T CENTER	Current Asking Rent/SF	\$24.46
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# REIS Rent Comps CompQuote

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A54 = Comp Group Summary Stats

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
22	<b>Comparable Properties Data as</b>													
23	<b>of Q2 2002</b>													
24								Size					Vacancy	from S
25								(square feet)	Floors	Year built	Class	Rent PSF	Rate	Property
26	Property Name	Street Address	City	State	ZIP	County	Submarket							
27	ARCO PLAZA/NORTH &	555 S FLOWER ST	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	2,218,000	52	1972	A	24.00	37.6%	
28	BP PLAZA	333 S HOPE ST	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	1,267,368	55	1974	A	19.00	12.0%	
29	AON CENTER	707 WILSHIRE BLVD	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	1,028,000	62	1974	A	23.51	18.1%	
30	AT&T CENTER	611 W 6TH ST	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	832,049	42	1968	A	24.46	27.2%	
31	TRANSAMERICA	1150 S OLIVE ST	LOS ANGELES	CA	90015	LOS ANGELES	Downtown	1,000,000	32	1965	A	20.06	43.5%	
32	CITIBANK CENTER	444 S FLOWER ST	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	893,979	48	1981	A	25.00	7.8%	
33	WELLS FARGO TOWER	333 S GRAND AVE	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	1,256,365	54	1982	A	34.24	10.2%	
34	UNION BANK PLAZA	445 S FIGUEROA ST	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	619,988	40	1967	BC	24.57	5.0%	
35	MCI CENTER	700 S FLOWER ST	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	678,500	32	1973	A	25.37	21.0%	
36	IBM TOWER	355 S GRAND AVE	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	1,059,000	45	1983	A	33.95	2.2%	
37	ONE CALIFORNIA	300 S GRAND AVE	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	936,864	42	1985	A	30.84	4.6%	
38	ERNST & YOUNG	725 S FIGUEROA ST	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	915,000	41	1985	A	30.25	13.3%	
39	CITY NATIONAL BANK	606 S OLIVE ST	LOS ANGELES	CA	90014	LOS ANGELES	Downtown	305,000	25	1967	BC	20.45	6.4%	
40	CHASE PLAZA	801 S GRAND AVE	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	446,000	22	1980	BC	19.80	49.9%	
41	LIBRARY TOWER	633 W 5TH ST	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	1,313,700	73	1989	A	34.85	10.6%	
42	SANWA BANK PLAZA	601 S FIGUEROA ST	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	950,000	52	1990	A	36.95	10.5%	
43	777 TOWER/ CITICORP	777 S FIGUEROA ST	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	1,004,582	53	1990	A	36.00	6.7%	
44	911 WILSHIRE BLVD	911 WILSHIRE BLVD	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	376,212	22	1980	BC	25.00	24.2%	
45		1055 W 7TH ST	LOS ANGELES	CA	90017	LOS ANGELES	Downtown	615,647	32	1988	BC	19.50	43.6%	
46	400 S. HOPE ST.	400 S HOPE ST	LOS ANGELES	CA	90071	LOS ANGELES	Downtown	282,266	26	1982	A	25.86	1.0%	
47														
48	<b>Average Submarket Lease Terms</b>													
49														
50		Free Rent	Average	Tenan										
51	Contract Rent Discount	(months/lease)	Lease Term	Impro	Comm									
52	-5.5%	2.4	(years)	PSF	ssions									
53														
54	<b>Comp Group Summary Stats</b>													
55		Low	Mean	Media	High									
56	Current Asking Rent/SF	\$19.00	\$27.39	\$25.00	\$36.95									
57	Current Vacancy Rate	1.0%	18.4%		49.9%									
58	Operating Expenses/SF	\$8.24	\$10.68	\$10.48	\$12.57									


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# TWR Outlook

Four Major Sectors plus Hotel.

60 metro markets (+/-)

Typically 8-12 pages per report



**KANSAS CITY**

Torco Wheaton | Research

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Spring 2003

### KANSAS CITY - OVERVIEW

Kansas City is the 27th largest market tracked by TWR, with a total population of 2 million people. The average per capita personal income (according to recent data from Economy.com) is estimated to be \$34,027 - about 5% below the national average, with a cost of doing business that is 5% below the national average.

Key Statistic	Level	Rank
Personal Inc. (\$/1000)	42.3	29
Total Employment (mil.)	883.4	27
Total Inventory (mil)	226.9	19
Manufacturing	67.6	13
Warehouse	131.5	19
R & D	12.1	34
Availability Rate (%)	11.1	27
TW Rent Index (3/01)	\$4.54	35

1-Quarter Change	3-Month Chg	All 12 Mo
Total Employment Growth	👍	👍
Manufacturing Emp.	👍	👍
Distribution Emp.	👍	👍
Completion Rate	👍	👍
Under Construction	👍	👍
Absorption Rate	👍	👍
Availability Rate	👍	👍
TW Rent Inflation	👍	👍

### INDUSTRIAL MARKET FORECAST

The short-term forecast calls for overall positive growth in wholesale and transportation workers through year-end 2004. Total net absorption is forecasted to be a positive 795,000 square foot, lagging supply during the same period. By year-end 2004, the availability rate is expected to be 12.3% while rents are forecasted to decline - reaching \$4.45 compared to current market rents of \$4.54.

Kansas City - Forecast Summary

	Demand		Supply			Performance			
	Net Absorp. (\$/100)	Net Absorp. (\$/100)	Absorp. Rate (%)	Deliveries (\$/1000)	Comp. Rate (%)	Avail. Rate (%)	TW Rent (\$/SF)	Rent Chg (%)	
2002	-800	-1,000	-1,108	-2.5	1,683	0.6	11.9	4.54	-2.4
Q1	-300	600	-3,610	-1.8	230	0.1	10.1	4.63	-0.4
Q2	600	200	-389	-0.2	319	0.1	10.4	4.60	-0.6
Q3	1,000	500	-302	-0.2	86	0.0	10.6	4.67	-0.7
Q4	-1,200	-1,100	-717	-0.4	462	0.2	11.1	4.54	-0.7
2003F	800	0	600	-0.3	1,761	0.8	12.9	4.51	-0.7
2004F	800	2,000	1,385	0.7	2,102	0.9	12.3	4.45	-1.3


**Historical Performance (1990 - Present)**

	Min	Max	Avg	St. Dev.	Min	Max	Avg	St. Dev.
Net Absorp. (\$/100)	-14,000	-5,300	-11,260	6.4	508	0.3	1.6	1.96
Deliveries (\$/1000)	0,600	7,900	10,451	5.3	7,268	4.4	11.5	4.66
Availability Rate (%)	4.80	1,200	1,337	0.7	2,677	1.5	6.7	3.19

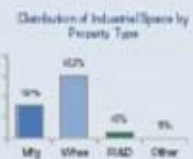
Historical minimum, maximum, and average values for each variable are provided to put current market performance in perspective. The time period from which these values are calculated is 1990 (or the earliest year of available data) to the current year. Net absorption is expected to remain below long term averages during the forecast, though demand will be positive.

### CURRENT MARKET OVERVIEW

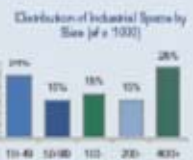
Distribution of Industrial Space by Tenant Type



Distribution of Industrial Space by Property Type



Distribution of Industrial Space by Size (\$/1000)



### Kansas City

The Kansas City, MO-KS MSA, consists of counties and cities in both Kansas and Missouri. The four counties in Kansas are Johnson, Lawrence, Miami, and Wyandotte and the central cities are Kansas, Olathe, and Lawrenceville. The seven counties in Missouri are Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray.

# TWR Outlook – New Outlook Tool

Microsoft Excel - O\_OUTLOOK\_XL.XLS

File Edit View Insert Format Tools Data Window Help

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**TWR Office Outlook** Main Menu Tools... About... Jump to...

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**Historical Data as of 3Q-2002**

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**History & Forecast as of 2Q-2002**

Single Market Analysis	Cross Market Analysis
<p><b><u>Market Snapshot</u></b> Snapshot of current performance by market/submarket. Rents, vacancies, absorption, stock, under const. ...</p> <p><b><u>Market Trends: History</u></b> HISTORICAL time-series of market variables w/ submarket detail. Rents, vacancies, absorption,</p>	<p><b><u>Office Market Snapshot</u></b> Compare current performance across metros. Rents, vacancies, absorption, stock, under const. ...</p>
<p><b><u>Forecast Summary</u></b> Snapshot of FORECAST by market/submarket. Rents, vacancies, absorption, stock, completions ...</p> <p><b><u>Market Trends: Forecast</u> ★</b> Full time-series of market variables (rents, vacancies, absorption, completions ...) by metro or submarket.</p> <p><b><u>Market Detail</u></b> Metro/Submarket statistical analysis by variable. Historical Avg, Min, Max, Std Dev ...</p> <p><b><u>Charts: Metro vs All Markets</u> ★</b> Six time-series graphs that can be modified by user. Includes metro vs US comparisons.</p>	<p><b><u>Office Market Detail</u></b> Compare stats (Historical Avg, Min, Max, Std Dev ...) by variable (rents, vacancies absorption ...) across metros.</p> <p><b><u>Market/Submarket Ranker</u></b> Advanced sorting and ranking tool. Identify metros or submarkets w/ user defined criteria.</p>

★ Includes Preliminary Winter 2003 Forecast!

Main Menu Mkt Snapshot Mkt Trends (H) Forecast Summary Mkt Trends (F) Mkt Detail (F) Charts X Mkt Snapshot X Mkt Detail (F) X Mkt Ranker

Working Offline

# Real Capital Analytics

Monthly reports for each of the four major sectors.

Each sector split into two sub-sectors (i.e. office – suburban versus CBD).

Offer/closed cap rates, price per SF (unit).

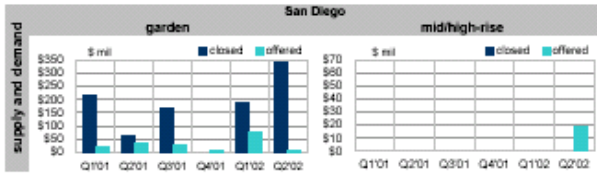
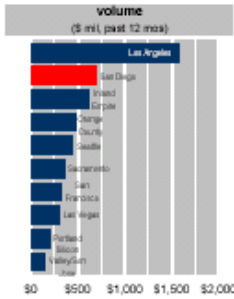




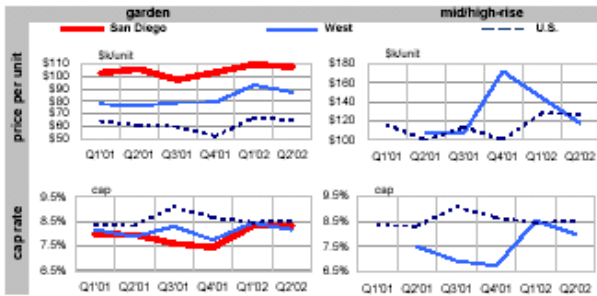
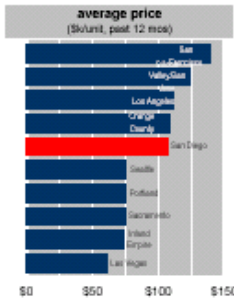
# Real Capital Analytics Metro/Sector-level Reports

data current through Q2 '12

## APARTMENT INVESTMENT TRENDS & TRADES

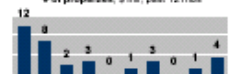


garden				midhigh-rise			
\$ mil	#	\$/unit	cap	\$ mil	#	\$/unit	cap
<b>closed past 12 mos</b>				<b>closed past 12 mos</b>			
\$691.2	35	\$106,504	8.2%	\$0.0	0	n/a	n/a
\$4,801.1	292	\$85,248	8.2%	\$716.7	29	\$143,135	8.2%
\$15,679.8	973	\$80,092	8.3%	\$3,014.9	113	\$115,288	8.2%
<b>offered past 12 mos</b>				<b>offered past 12 mos</b>			
\$138.8	10	\$108,593	7.2%	\$18.5	2	\$114,807	6.9%
\$2,492.7	176	\$80,891	7.9%	\$144.9	16	\$115,735	7.4%
\$5,960.5	597	\$59,948	8.4%	\$1,210.3	84	\$106,899	8.3%



- leading buyers**
- HG Fenton Co.
  - BBR Realty Advisors
  - AIMCO
  - Essex Property Trust
  - RREEF Funds
- leading sellers**
- Essex Property Trust
  - Casden Properties
  - Lend Lease RE Investments
  - Archon Group
  - Archstone Communities
- leading brokers**
- CB Richard Ellis
  - CNICOR
  - TGI Properties
  - Hendricks & Partners
  - Marcus & Millichap
- distribution by size**
- # of properties, 5 mil, past 12 mos

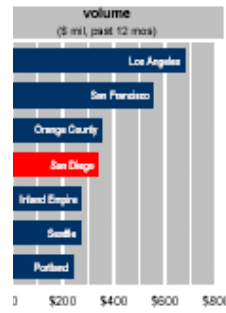
garden				midhigh-rise			
avg	high	low	age	avg	high	low	age
\$169	\$185	\$141	7.0%	7.0%	7.0%	0-5 yrs	n/a
\$128	\$170	\$68	7.6%	8.3%	6.9%	6-15 yrs	\$115
\$102	\$165	\$59	8.3%	9.4%	6.6%	16-30 yrs	n/a



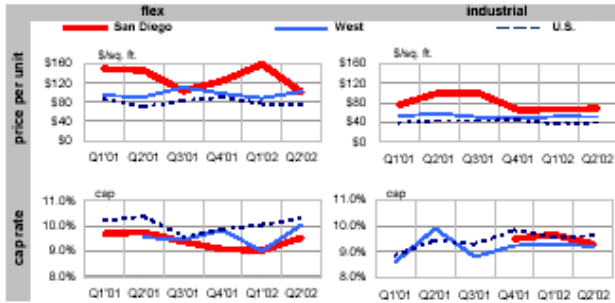
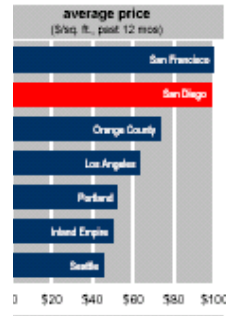
rank	property	location	price	buyer
1	Maritessa I & II	Chula Vista, CA	\$89,000,000	\$135 BBR Realty Advisors
2	Maritessa I & II	Chula Vista, CA	\$82,000,000	\$124 Essex Property Trust
3	Club River Run	Mission Valley, CA	\$40,500,000	\$135 HG Fenton Co.

current through Q2 '12

## FLEX/INDUSTRIAL INVESTMENT TRENDS & TRADES



flex				industrial			
\$ mil	#	\$/sq. ft.	cap	\$ mil	#	\$/sq. ft.	cap
<b>closed past 12 mos</b>				<b>closed past 12 mos</b>			
\$238.8	18	\$120	9.1%	\$60.5	10	\$65	9.3%
\$1,220.9	84	\$100	9.7%	\$1,749.9	135	\$50	9.2%
\$3,082.8	278	\$83	9.9%	\$7,825.0	516	\$42	9.6%
<b>offered past 12 mos</b>				<b>offered past 12 mos</b>			
\$41.9	5	\$111	9.3%	\$45.9	5	\$60	8.5%
\$851.9	72	\$60	9.0%	\$1,563.7	139	\$50	8.7%
\$2,410.0	232	\$58	9.8%	\$5,158.5	493	\$35	9.2%



- leading buyers**
- Slough Estates USA
  - Harsch Investment Properties
  - Alexandria RE Equities
  - NSD Associates
  - Auerbach Commercial Realty
- leading sellers**
- Equitable Life Assurance
  - RREEF Funds
  - Aid Association of Lutherans
  - Koel Development
  - Catelius Commercial Group
- leading brokers**
- Cushman & Wakefield
  - CB Richard Ellis
  - Burnham Real Estate Services
  - Colliers International
  - BRE Commercial / NAI

flex				industrial			
avg	high	low	age	avg	high	low	age
\$100	\$134	\$65	8.0%	9.0%	8.8%	0-5 yrs	\$61
\$106	\$125	\$63	8.0%	10.3%	8.0%	6-15 yrs	\$65
\$129	\$240	\$53	9.0%	9.7%	8.9%	16-30 yrs	\$82

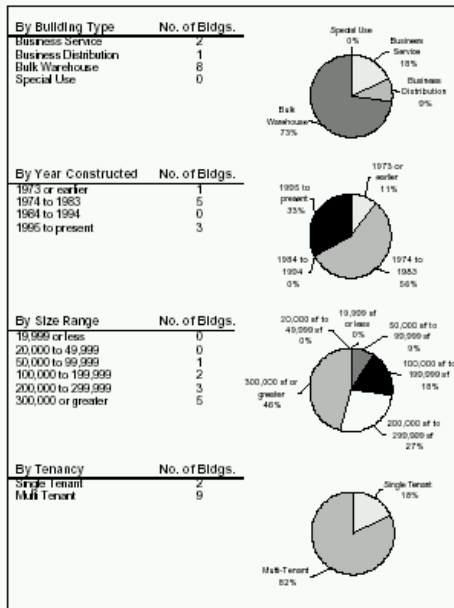


rank	property	location	price	buyer
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# NAIOP Expense Data – Industrial

## Seattle – Building Characteristics

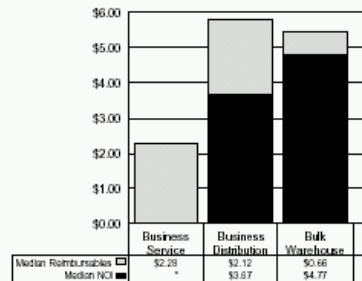


NAIOP Industrial Income and Expense Report: 2001-2002

## Seattle – Building Type

	Average Occupancy	Median Rentable SF	Multi Tenant	Single Tenant
Business Service	97.4%	198,570	100%	0%
Business Distribution	100.0%	69,683	100%	0%
Bulk Warehouse	96.6%	531,013	75%	25%
Special Use	*	*	*	*

## Seattle – Income and Expense Ratios



## Seattle – Income and Expense Statistics by Rentable Square Foot

	No. of Bldgs.	Low	High	Median
Income				
Rental Income	11	\$2.87	\$4.94	\$3.82
Reimbursements	11	\$1.08	\$10.45	\$3.87
Telcom	0	*	*	*
Miscellaneous	9	\$0.01	\$0.12	\$0.04
Total	11	\$4.77	\$19.09	\$5.80
Expense				
Common Area Maintenance	8	\$0.32	\$1.23	\$0.45
Water and Sewer	3	\$0.02	\$0.06	\$0.03
Repairs and Maintenance	4	\$0.00	\$0.32	\$0.05
Property Management	1	\$0.20	\$0.20	\$0.20
Real Estate Taxes	11	\$0.38	\$0.64	\$0.56
Insurance	11	\$0.01	\$0.04	\$0.04
Other	6	\$0.02	\$0.09	\$0.05
Total	11	\$0.61	\$2.12	\$0.70
Net Operating Income	11	\$4.05	\$16.84	\$5.23

## Seattle – Leasing and Tenant Improvement Statistics by Rentable Square Foot

	No. of Bldgs.	Low	High	Median
New Lease Commission	1	\$5.00	\$5.00	\$5.00
Renewal Commission	8	\$0.05	\$0.61	\$0.11
Tenant Improvement New Lease	0	*	*	*
Tenant Improvement Renewal	5	\$0.03	\$0.45	\$0.18

NAIOP Industrial Income and Expense Report: 2001-2002

## Seattle – Median Income Comparison By Rentable Square Foot



## Seattle – Median Expense Comparison By Rentable Square Foot





# Conclusions

**There are many data sources available today. Only “national sources were demonstrated. Certain market have excellent “local” data providers.**

**Several data sources were demonstrated in the web portion of this presentation that are not in these slides.**

**Information and the proper use of data is the key to making smart decisions.**

**The resources demonstrated today can help you avoid mistakes and concentrate resources in the most profitable metros/sectors.**

**Keep a list of available resources. Set up accounts with providers so you can quickly access the data when needed. People frequently spend more time and resources searching for “free” data than the cost of purchasing the data.**

