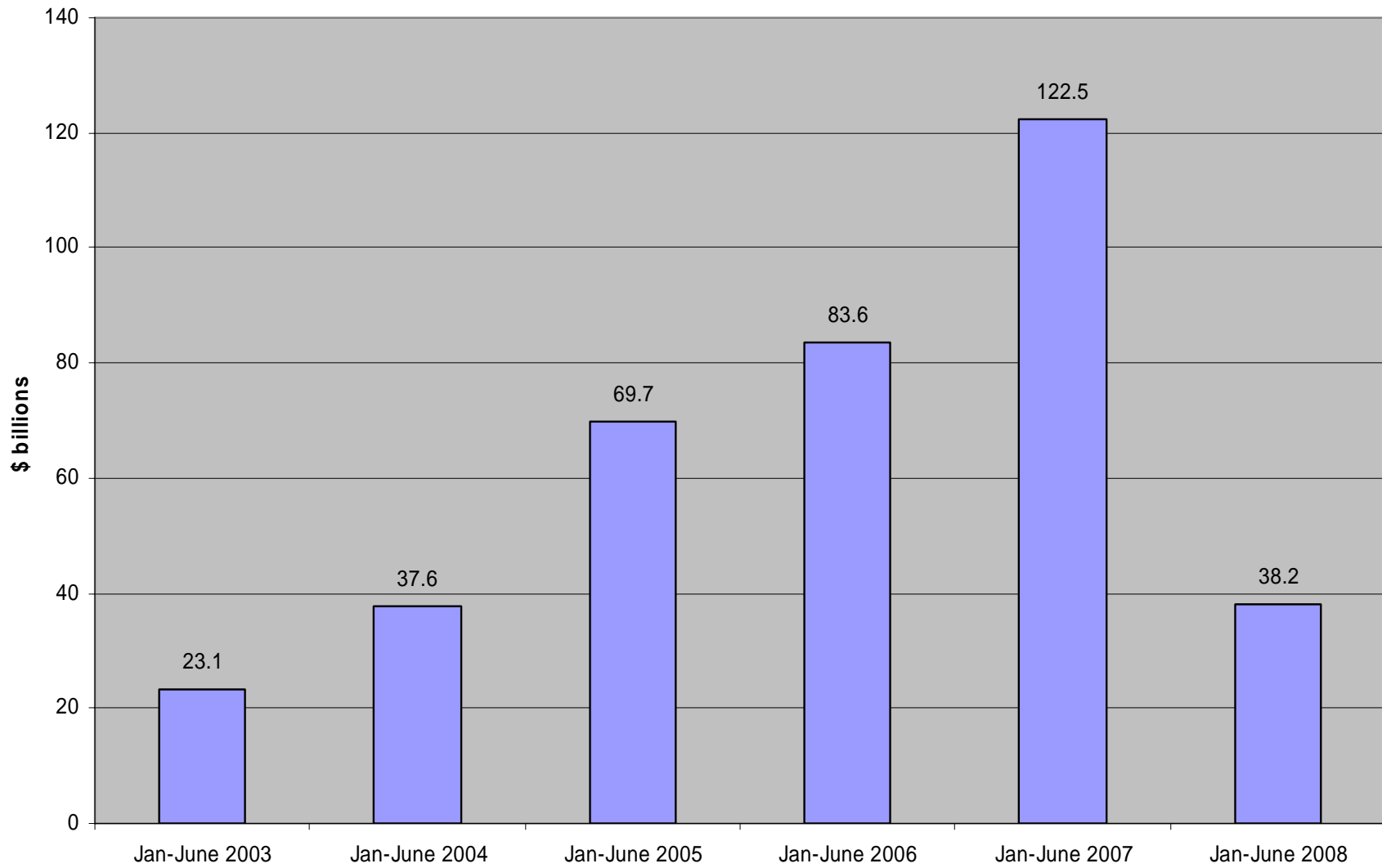


Where Are We Today?

Office

	Pre June 2007	Now (October 2008)
“Favored” Deal Size	<ul style="list-style-type: none"> •All levels very active •Bigger better •Portfolio premium 	<ul style="list-style-type: none"> • < \$75 million
Most Active Buyers	<ul style="list-style-type: none"> •REITs and pension funds •Private funds •Mid-high leveraged buyers 	<ul style="list-style-type: none"> •Pension Funds for Class A Assets Inside the Beltway •Low-mid leveraged buyers •Off-shore for trophy
Initial Yield	<ul style="list-style-type: none"> •A+: 5.0%-5.5% •A: 5.5%-6.0% •B: 5.75%-6.5% 	<ul style="list-style-type: none"> •A+: 5.75%-6.5% •A: 6.25%-7.5% •B: 7.0%-9.0%
Target IRRs	<ul style="list-style-type: none"> •A+: 6.75%-7.0% •A: 7.0%-7.5% •B: 8.0%-9.0% 	<ul style="list-style-type: none"> •A+: 7.0%-7.5% •A: 7.75%-8.5% •B: 9.0%-11.0%
Sale Process	<ul style="list-style-type: none"> •Multiple Bids •Debt is Not Favored •Quick Close 	<ul style="list-style-type: none"> •Few Bids •Huge Gap between Bid & Asking Price •Existing Debt Deals Favored •Seller Financing

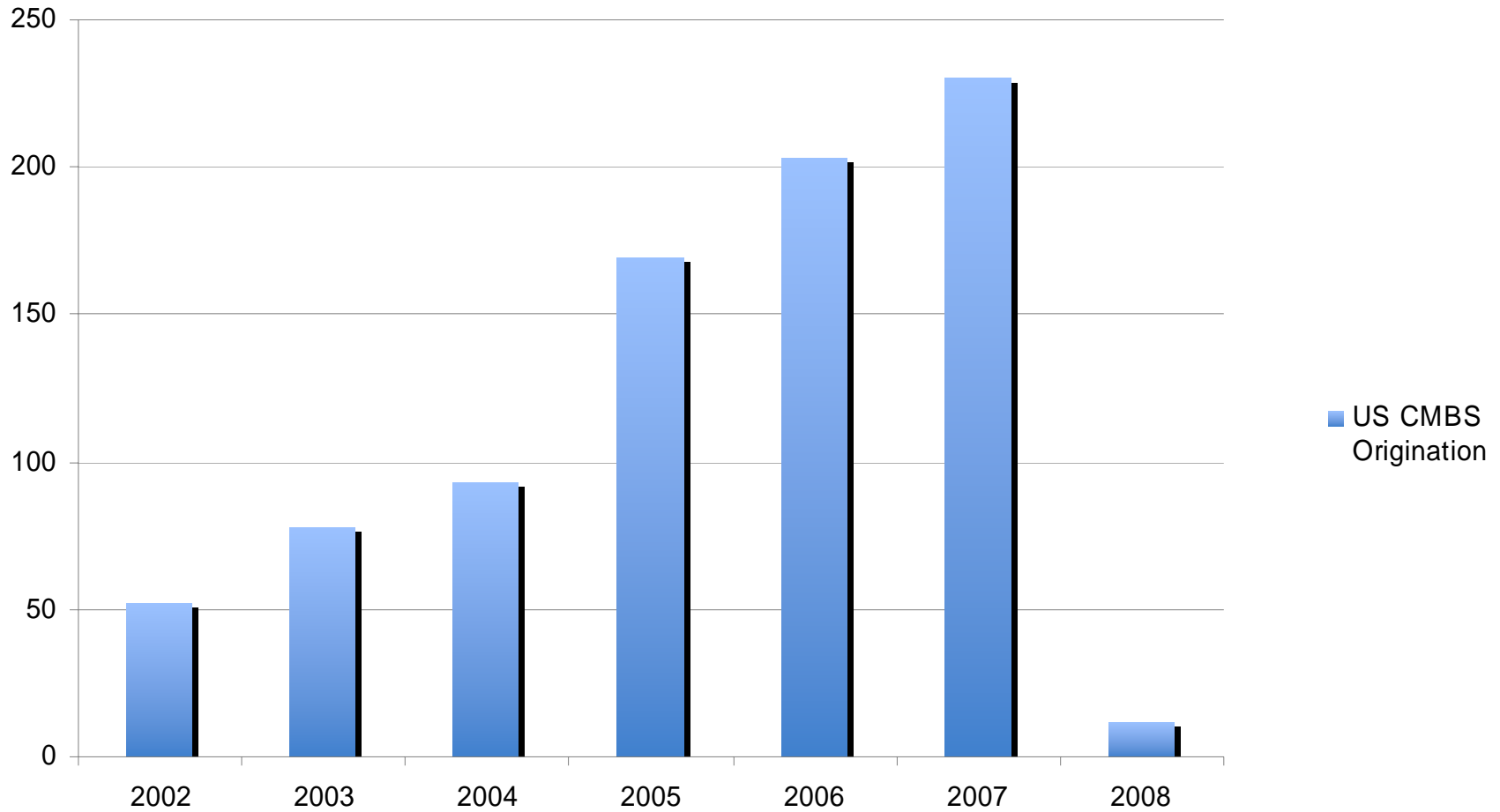
U.S. Sales Volume, Transactions \$25 - \$200mm First Six Months 2003 - 2008



Source: Real Capital Analytics



CMBS Origination



Source: Real Capital Analytics



2008 Washington, DC Office Sales

Past 12 months	Office - DC	Change vs. prior 12 months
Volume (\$ mil)	\$3,260	-60%
Properties Sold	42	-57%
Average Price Per Square Foot	\$496	1%
Weighted Average Cap Rate	5.6%	47 bps

Source: Real Capital Analytics

