



Location, Location, Location

The State of U.S. Property Markets

February 2007

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Reis

U.S. Apartment Market Quarterly Market Conditions



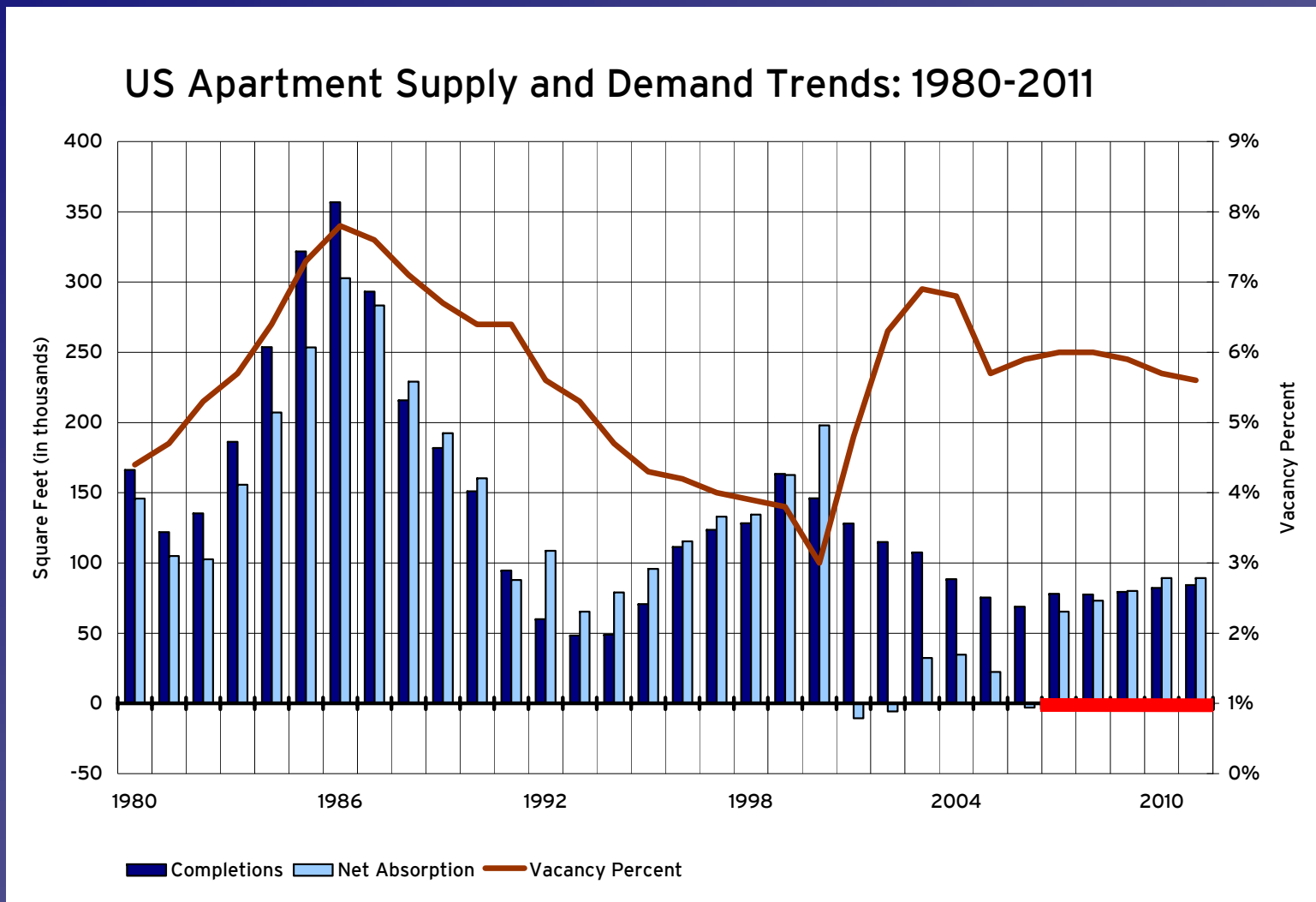
Year	Qtr	Net Absorption	Asking Rent	Percent Change	Effective Rent	Percent Change
2003	1	-28.7	\$892	0.3%	\$842	-0.2%
2003	2	35.6	\$895	0.3%	\$843	0.1%
2003	3	31.4	\$898	0.3%	\$846	0.4%
2003	4	-0.1	\$902	0.4%	\$848	0.2%
2004	1	-19.1	\$904	0.2%	\$848	0.0%
2004	2	37.1	\$910	0.7%	\$854	0.7%
2004	3	25.4	\$917	0.8%	\$862	0.9%
2004	4	-1.0	\$921	0.4%	\$866	0.5%
2005	1	0.7	\$925	0.4%	\$870	0.5%
2005	2	7.7	\$930	0.5%	\$874	0.5%
2005	3	23.4	\$939	1.0%	\$885	1.3%
2005	4	-4.4	\$945	0.6%	\$891	0.7%
2006	1	-28.9	\$952	0.7%	\$899	0.9%
2006	2	24.3	\$962	1.1%	\$909	1.1%
2006	3	21.4	\$975	1.4%	\$922	1.4%
2006	4	-19.1	\$983	0.8%	\$930	0.9%

Source: Reis

Year	Completions	Vacancy Percent	Effective Rent	Percent Change
2000	172.0	3.2%	\$842	8.1%
2001	147.8	4.7%	\$852	1.2%
2002	132.0	6.3%	\$844	-0.9%
2003	121.0	6.9%	\$848	0.5%
2004	99.3	6.7%	\$866	2.1%
2005	88.0	5.7%	\$891	2.9%
2006	80.2	5.9%	\$930	4.3%
2007	92.5	6.0%	\$964	3.7%
2008	90.2	6.0%	\$997	3.4%
2009	93.3	5.9%	\$1,030	3.3%
2010	97.0	5.8%	\$1,064	3.3%

Source: Reis

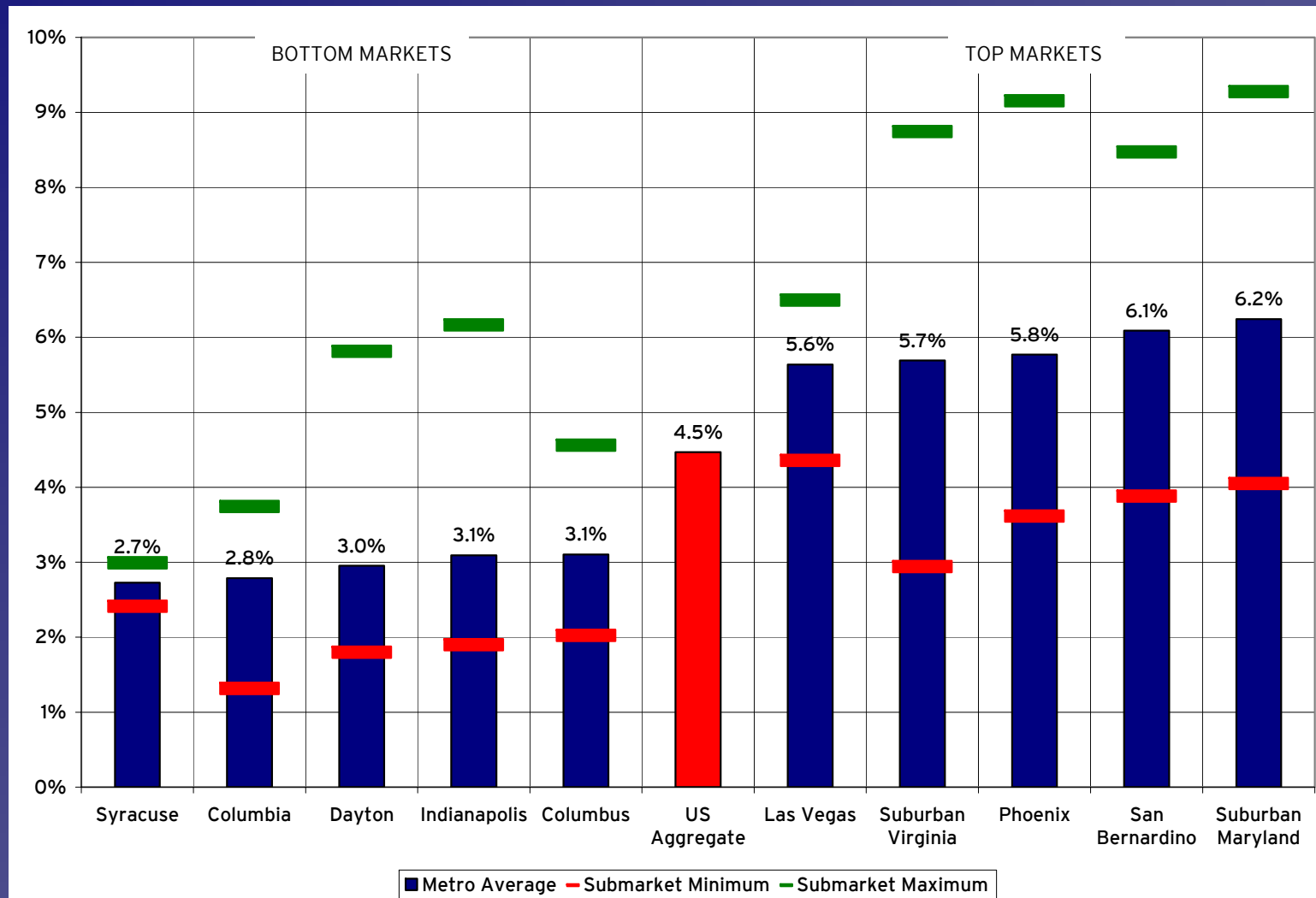
U.S. Apartment Market Supply and Demand Trends



Source: Reis

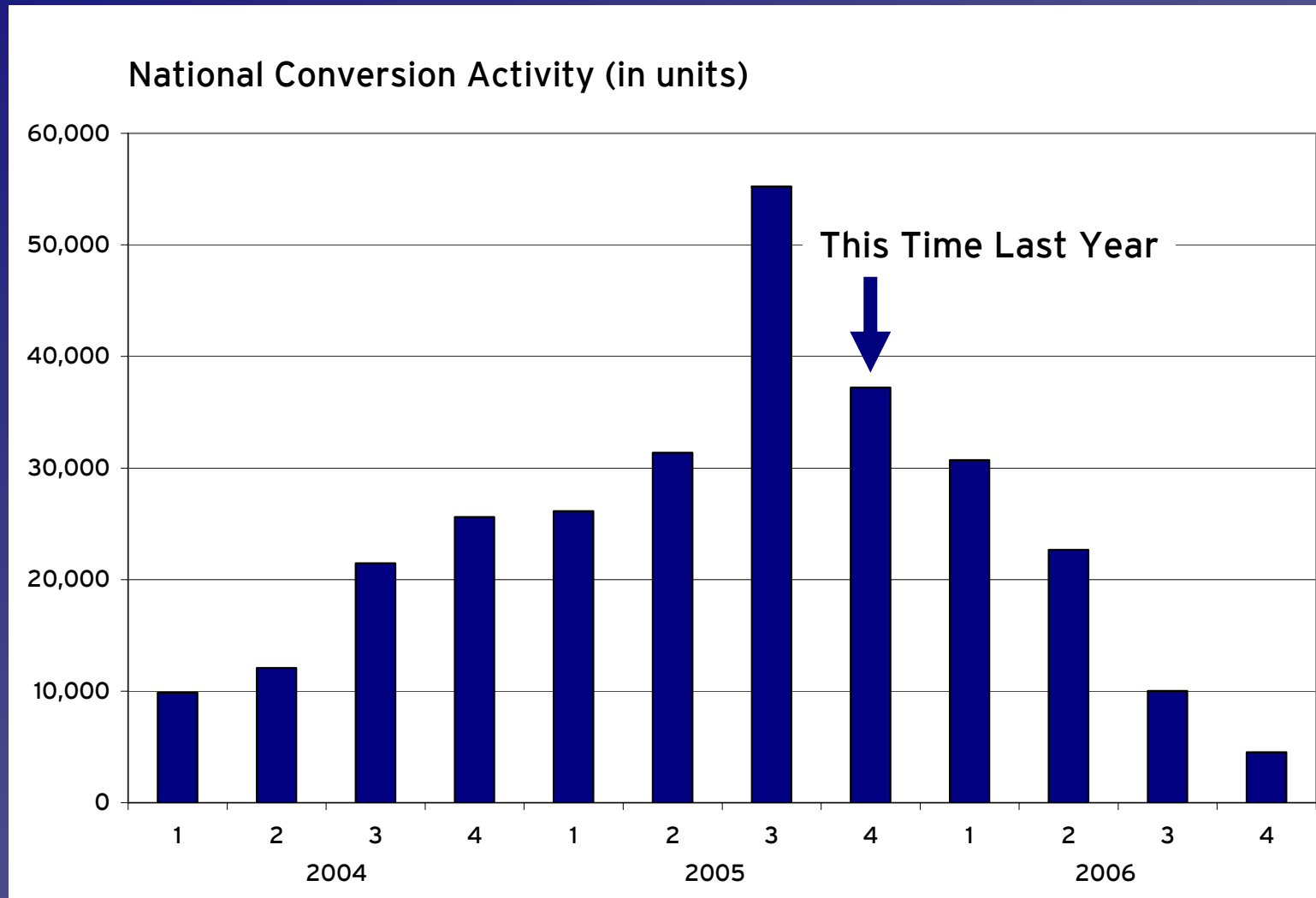
Top and Bottom Apartment Markets

Annualized Gross Revenue Growth (2006-2011)



Source: Reis

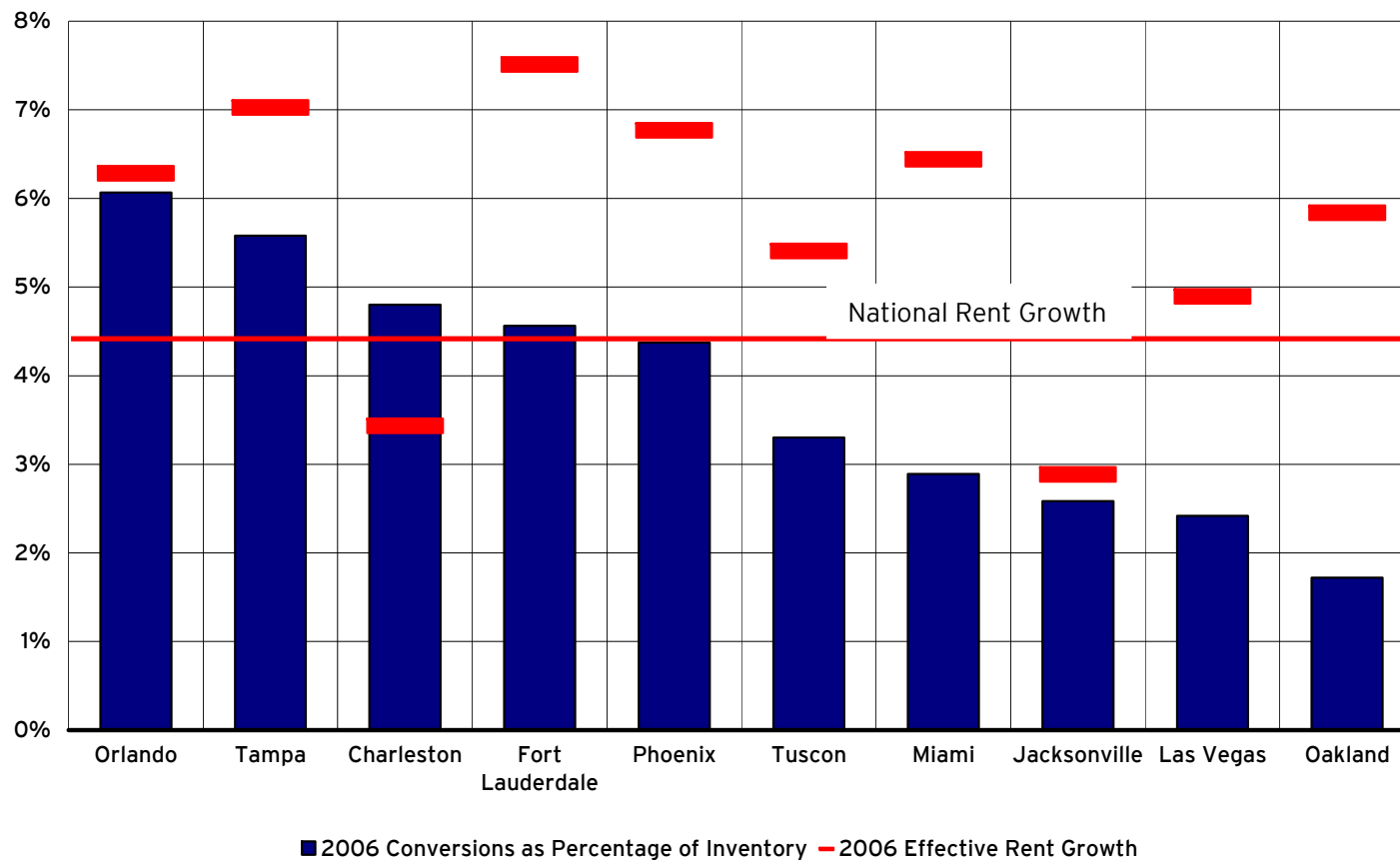
National Conversion Activity



Source: Reis

U.S. Apartment Market Leading Conversion Markets

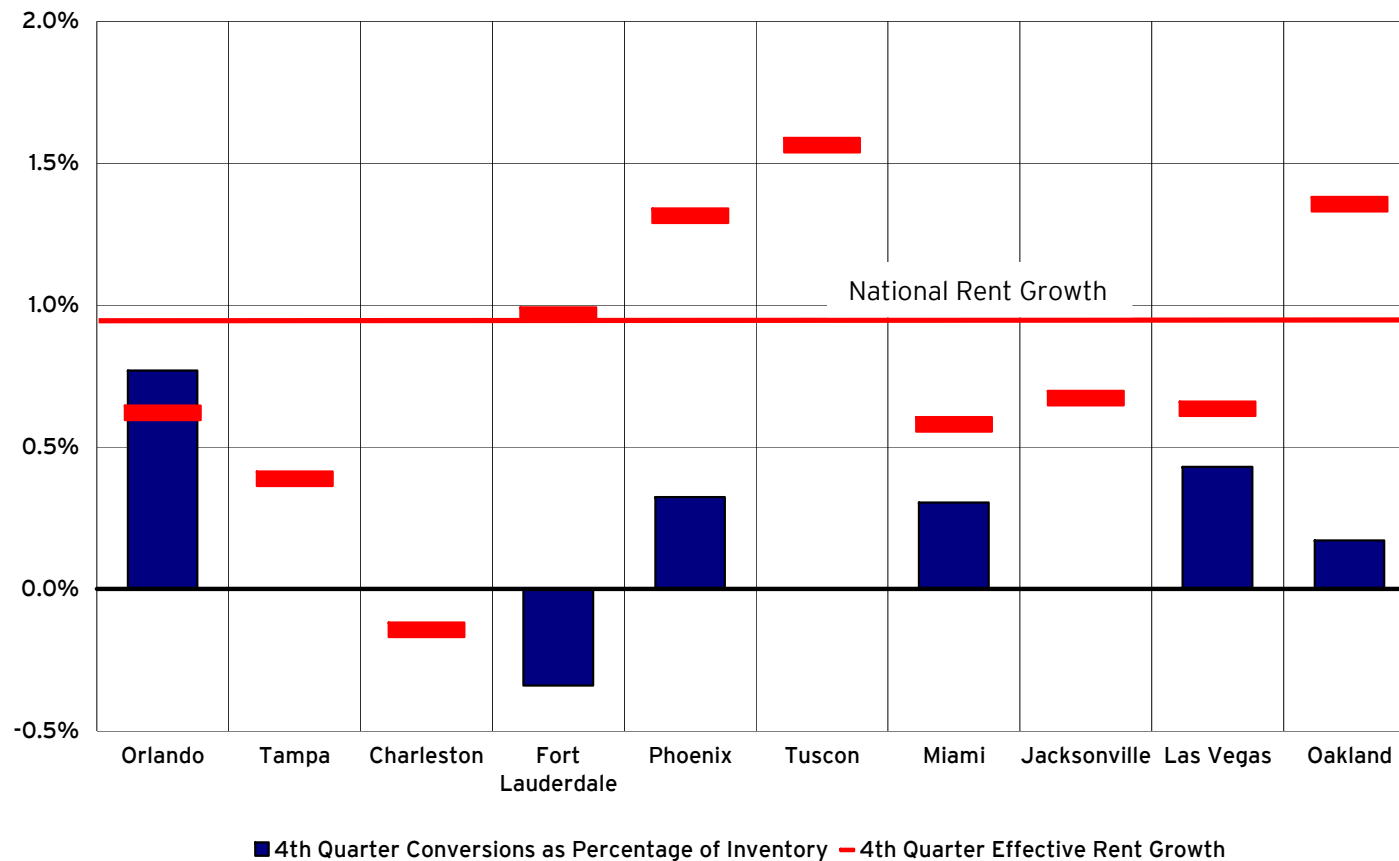
2006 Conversions and Rent Growth



Source: Reis

U.S. Apartment Market Leading Conversion Markets

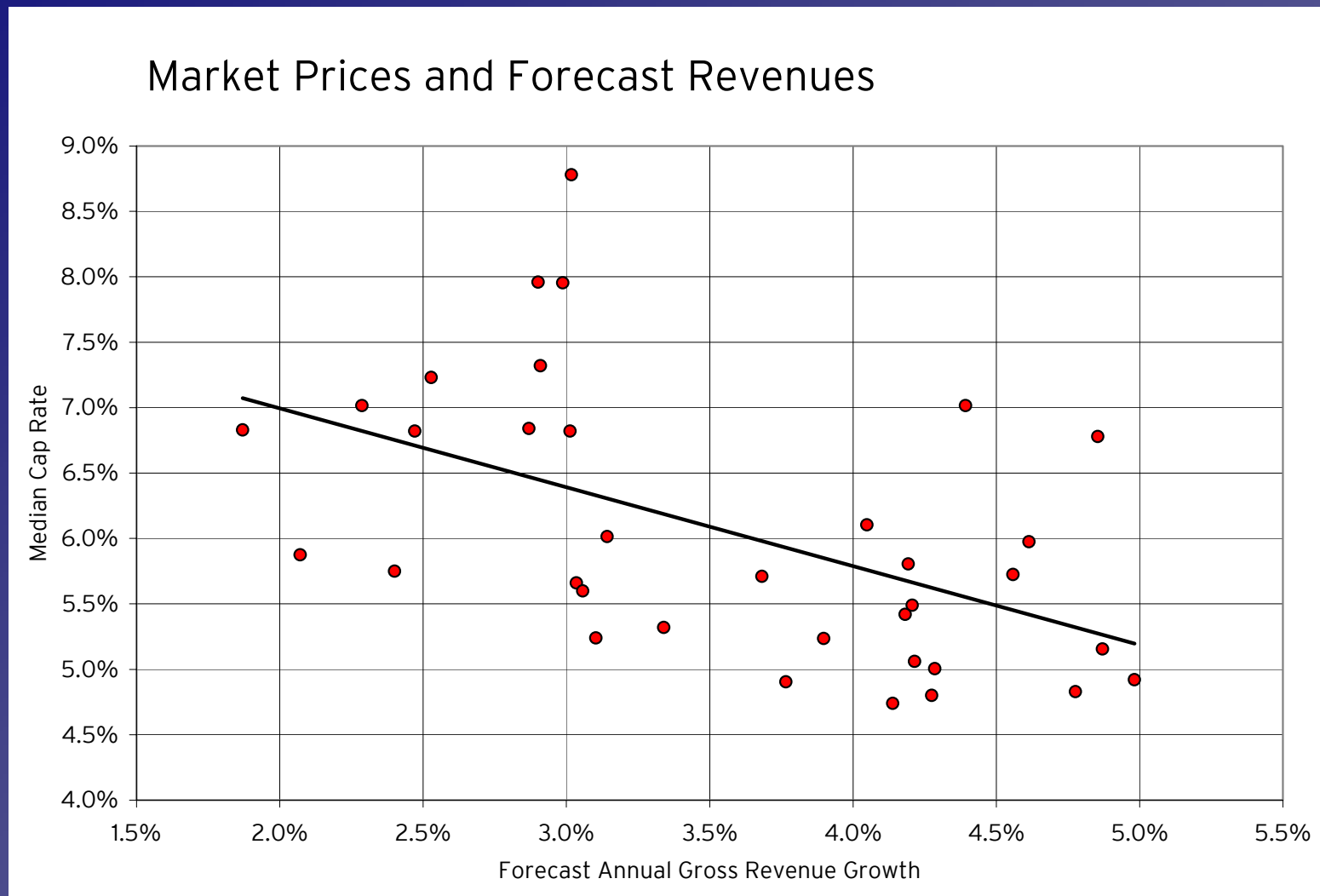
4th Quarter Conversions and Rent Growth



Source: Reis

U.S. Apartment Markets

Cap Rates vs. Forecast Revenue Growth



Source: Reis

U.S. Office Market

Quarterly Market Conditions



Year	Qtr	Net Absorption	Asking Rent	Percent Change	Effective Rent	Percent Change
2003	1	-7.7	\$24.47	-1.3%	\$20.73	-1.6%
2003	2	-5.1	\$24.18	-1.2%	\$20.35	-1.8%
2003	3	-4.6	\$24.02	-0.7%	\$20.15	-1.0%
2003	4	3.4	\$23.91	-0.5%	\$20.01	-0.7%
2004	1	1.1	\$23.78	-0.5%	\$19.87	-0.7%
2004	2	5.6	\$23.73	-0.2%	\$19.80	-0.4%
2004	3	10.5	\$23.72	0.0%	\$19.79	-0.1%
2004	4	20.7	\$23.73	0.0%	\$19.79	0.0%
2005	1	11.7	\$23.83	0.4%	\$19.90	0.6%
2005	2	21.1	\$23.97	0.6%	\$20.04	0.7%
2005	3	13.0	\$24.14	0.7%	\$20.22	0.9%
2005	4	17.1	\$24.33	0.8%	\$20.43	1.0%
2006	1	15.4	\$24.67	1.4%	\$20.83	2.0%
2006	2	16.0	\$25.06	1.6%	\$21.27	2.1%
2006	3	11.7	\$25.51	1.8%	\$21.76	2.3%
2006	4	7.7	\$26.05	2.1%	\$22.26	2.3%

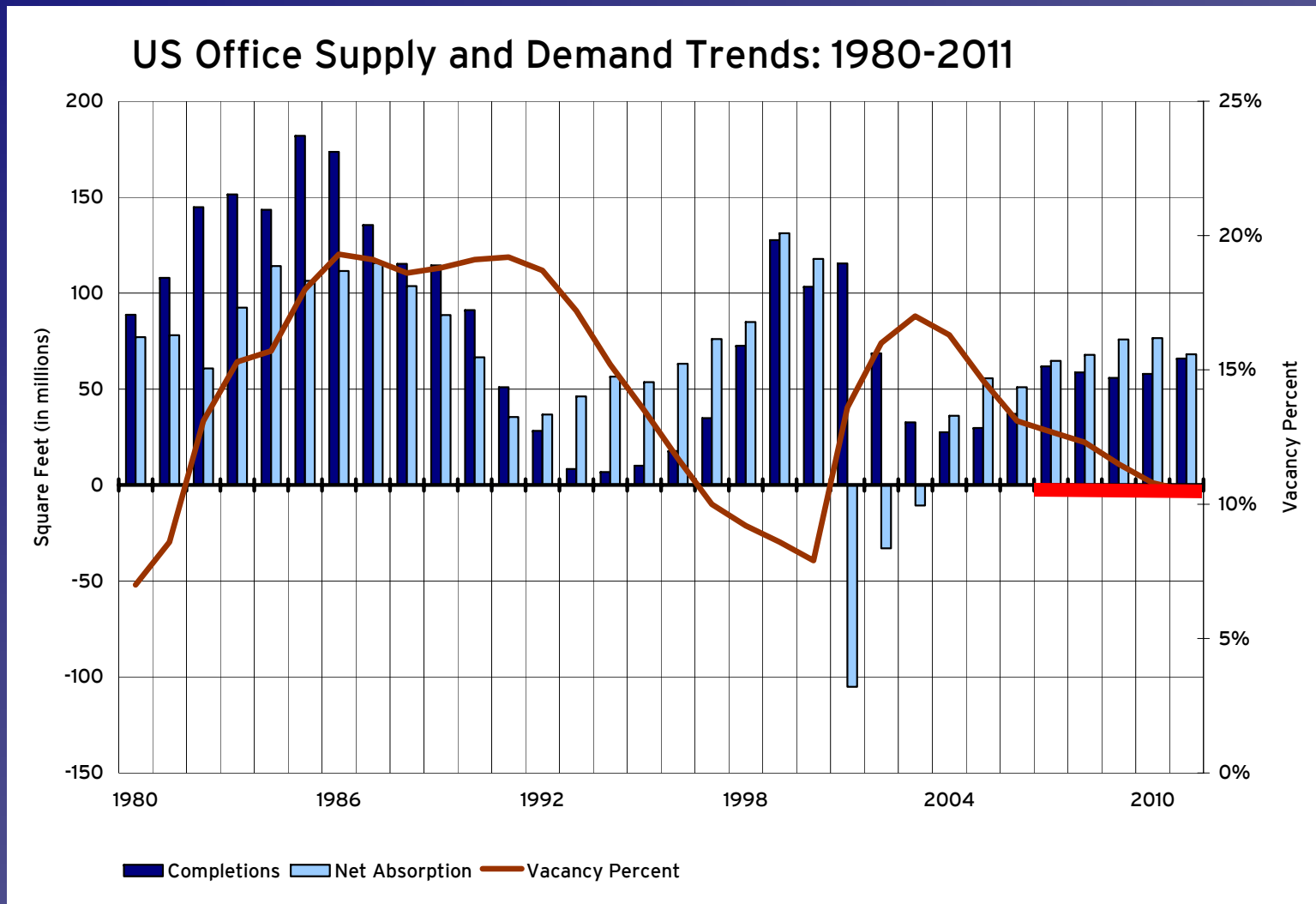
Source: Reis

Year	Completions	Vacancy Percent	Effective Rent	Percent Change
2000	112.0	8.3%	\$24.49	12.2%
2001	126.9	13.7%	\$22.70	-7.3%
2002	81.4	16.0%	\$21.07	-7.2%
2003	37.9	16.9%	\$20.01	-5.0%
2004	32.0	16.3%	\$19.79	-1.1%
2005	36.2	14.7%	\$20.43	3.2%
2006	42.8	13.3%	\$22.26	9.0%
2007	71.9	12.9%	\$23.36	4.9%
2008	66.2	12.4%	\$24.46	4.7%
2009	62.9	11.5%	\$25.55	4.5%
2010	68.7	10.8%	\$26.66	4.3%

Source: Reis

Supply and Demand Trends

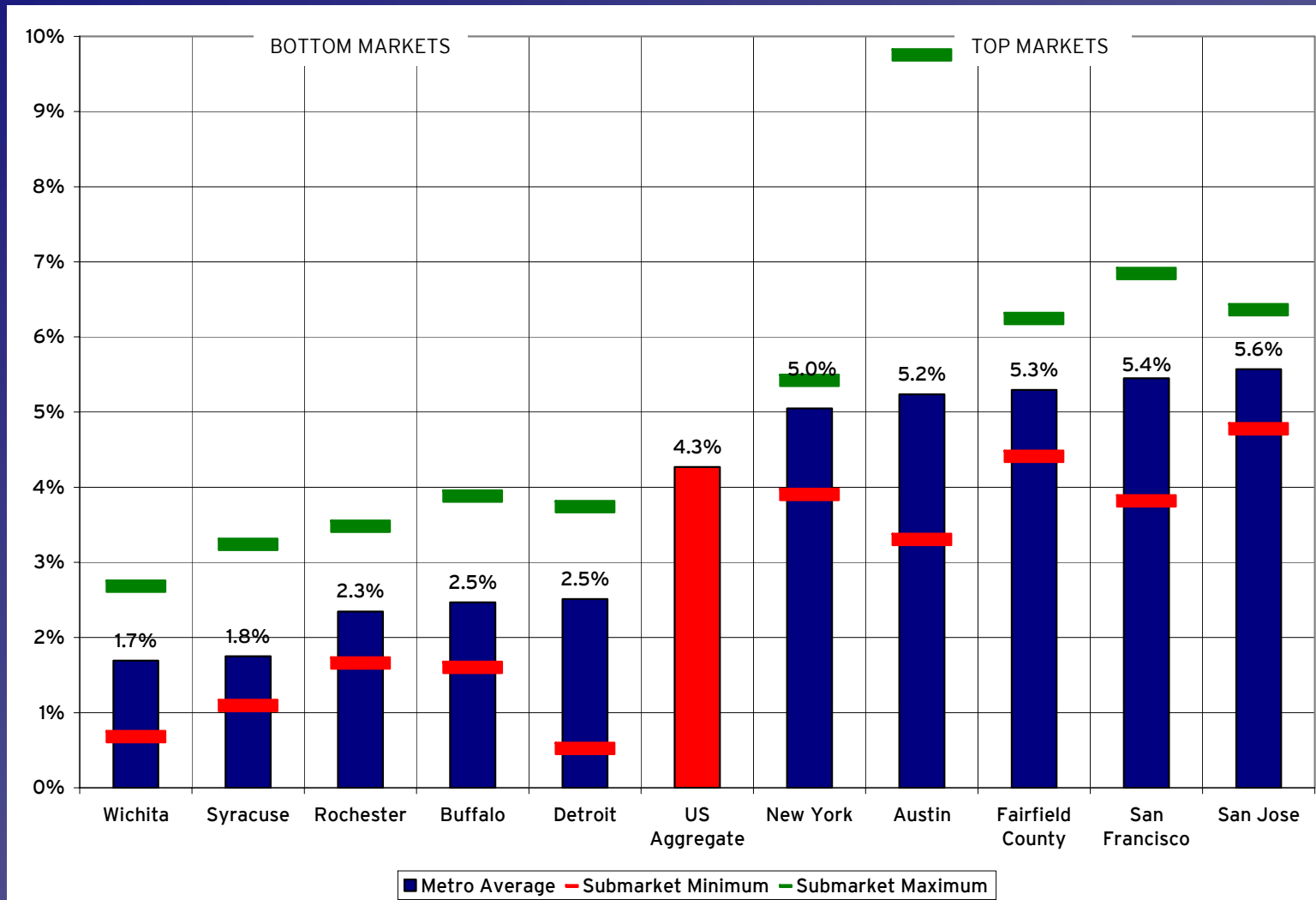
U.S. Office Markets



Source: Reis

Top and Bottom Office Markets

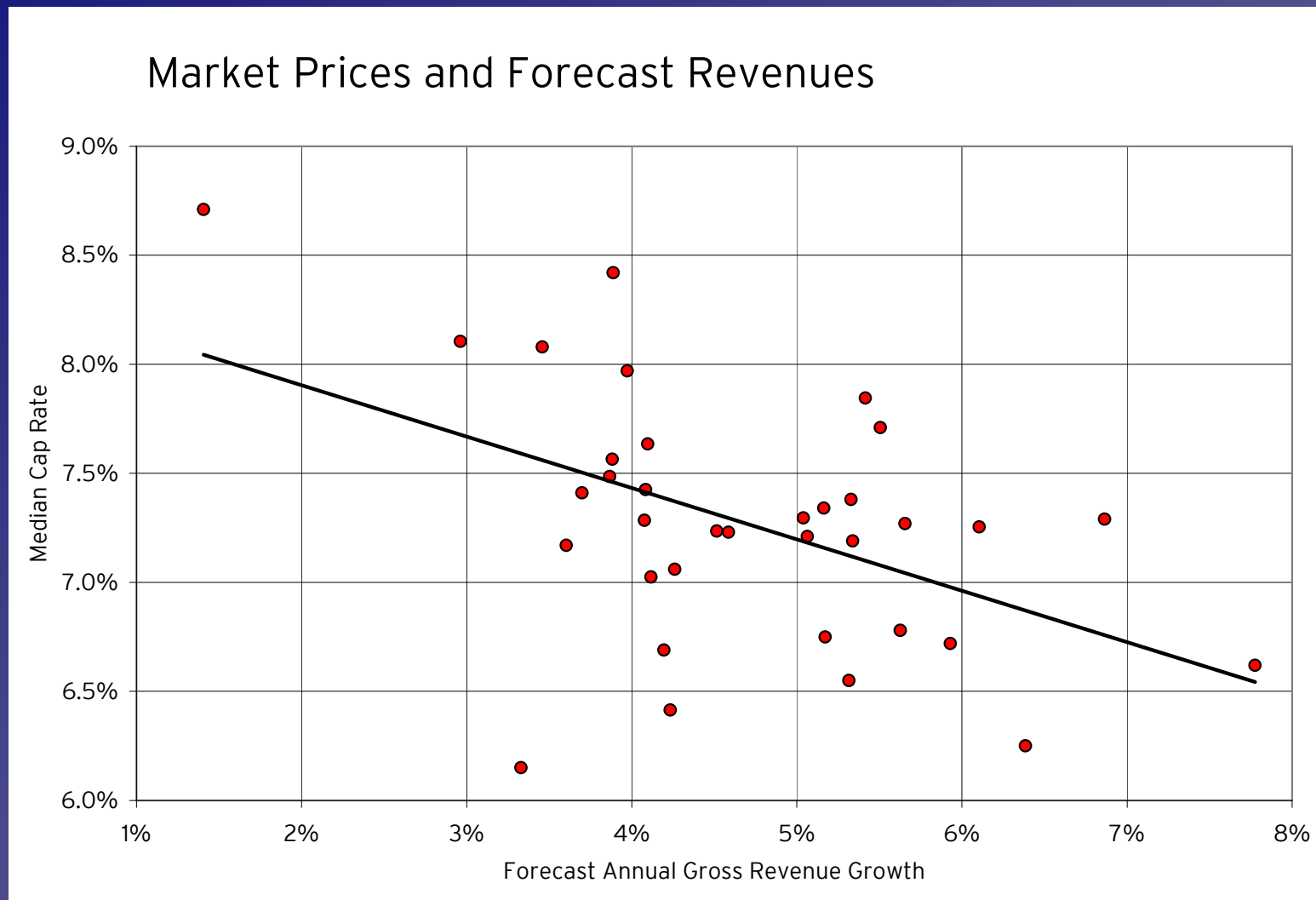
Annualized Gross Revenue Growth (2006-2011)



Source: Reis

U.S. Office Markets

Cap Rates vs. Forecast Revenue Growth



Source: Reis

U.S. Retail Market

Quarterly Market Conditions



Year	Qtr	Net Absorption	Asking Rent	Percent Change	Effective Rent	Percent Change
2003	1	6.2	\$16.74	0.5%	\$15.30	0.3%
2003	2	5.5	\$16.84	0.6%	\$15.35	0.3%
2003	3	4.0	\$16.96	0.7%	\$15.45	0.7%
2003	4	9.8	\$17.12	0.9%	\$15.61	1.0%
2004	1	3.5	\$17.21	0.5%	\$15.69	0.5%
2004	2	8.9	\$17.31	0.6%	\$15.80	0.7%
2004	3	8.0	\$17.47	0.9%	\$15.95	0.9%
2004	4	11.9	\$17.60	0.7%	\$16.06	0.7%
2005	1	5.9	\$17.71	0.6%	\$16.15	0.6%
2005	2	11.3	\$17.86	0.8%	\$16.28	0.8%
2005	3	7.6	\$18.03	1.0%	\$16.43	0.9%
2005	4	10.0	\$18.20	0.9%	\$16.58	0.9%
2006	1	4.9	\$18.33	0.7%	\$16.68	0.6%
2006	2	6.1	\$18.48	0.8%	\$16.82	0.8%
2006	3	3.8	\$18.70	1.2%	\$16.98	1.0%
2006	4	4.1	\$18.89	1.0%	\$17.13	0.9%

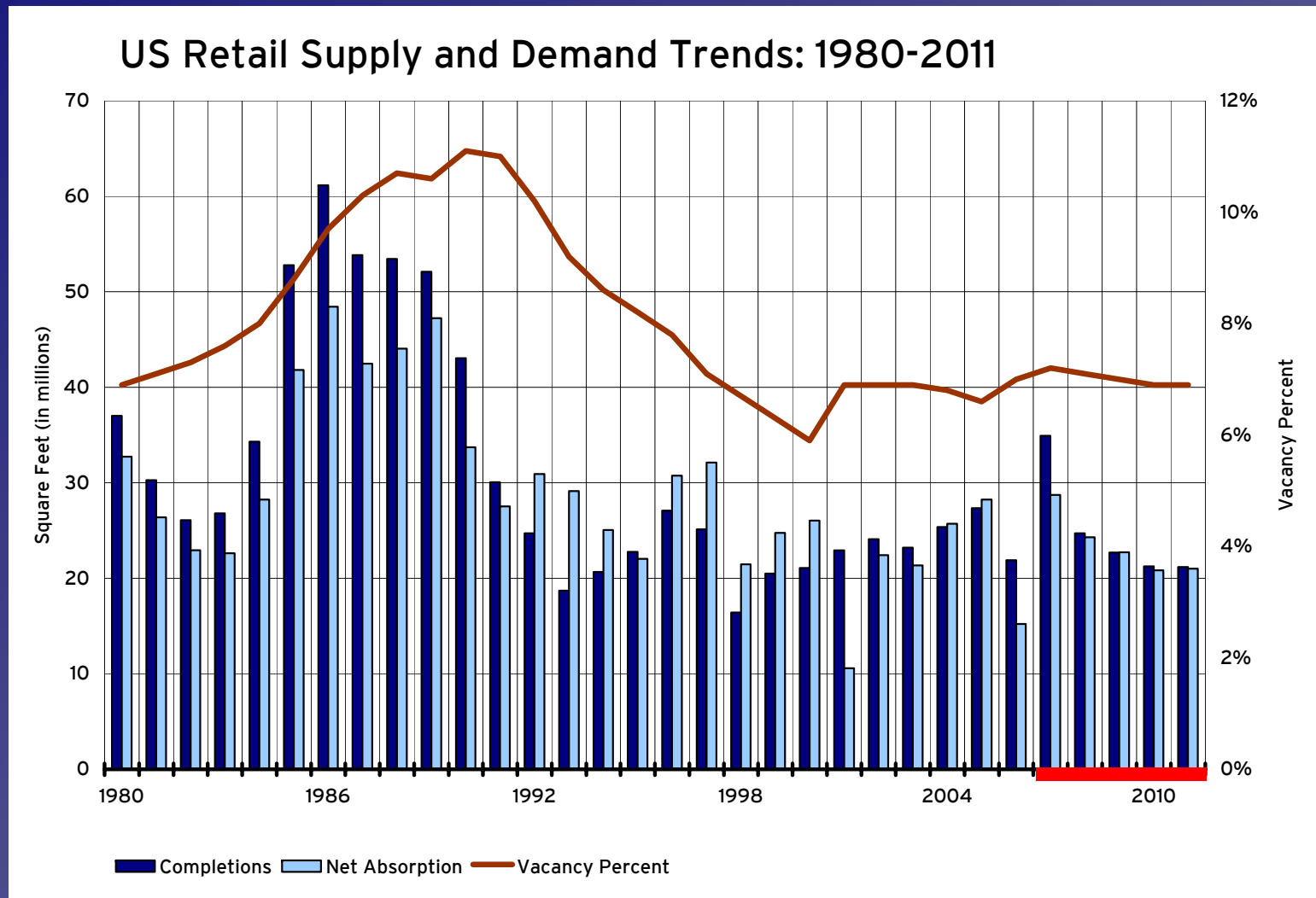
Source: Reis

Year	Completions	Vacancy Percent	Effective Rent	Percent Change
2000	24.5	6.3%	\$14.90	4.6%
2001	26.7	7.1%	\$15.08	1.2%
2002	29.3	7.2%	\$15.25	1.1%
2003	26.8	7.2%	\$15.61	2.4%
2004	31.2	7.0%	\$16.06	2.9%
2005	34.0	6.8%	\$16.58	3.2%
2006	26.8	7.2%	\$17.13	3.3%
2007	42.5	7.4%	\$17.73	3.5%
2008	29.9	7.3%	\$18.33	3.4%
2009	27.2	7.2%	\$18.93	3.3%
2010	25.8	7.1%	\$19.59	3.5%

Source: Reis

Supply and Demand Trends

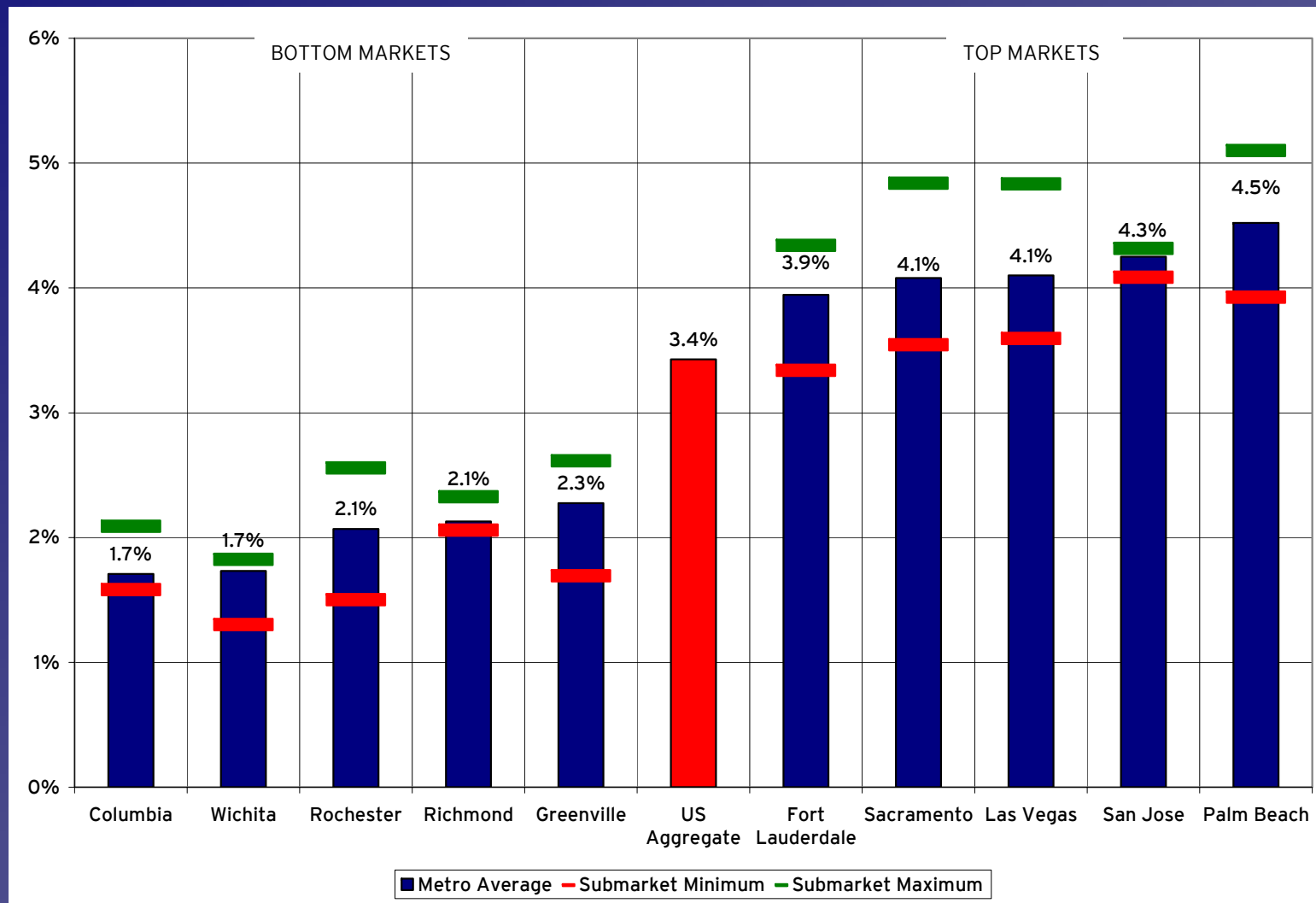
Top 50 Retail Markets



Source: Reis

Top and Bottom Retail Markets

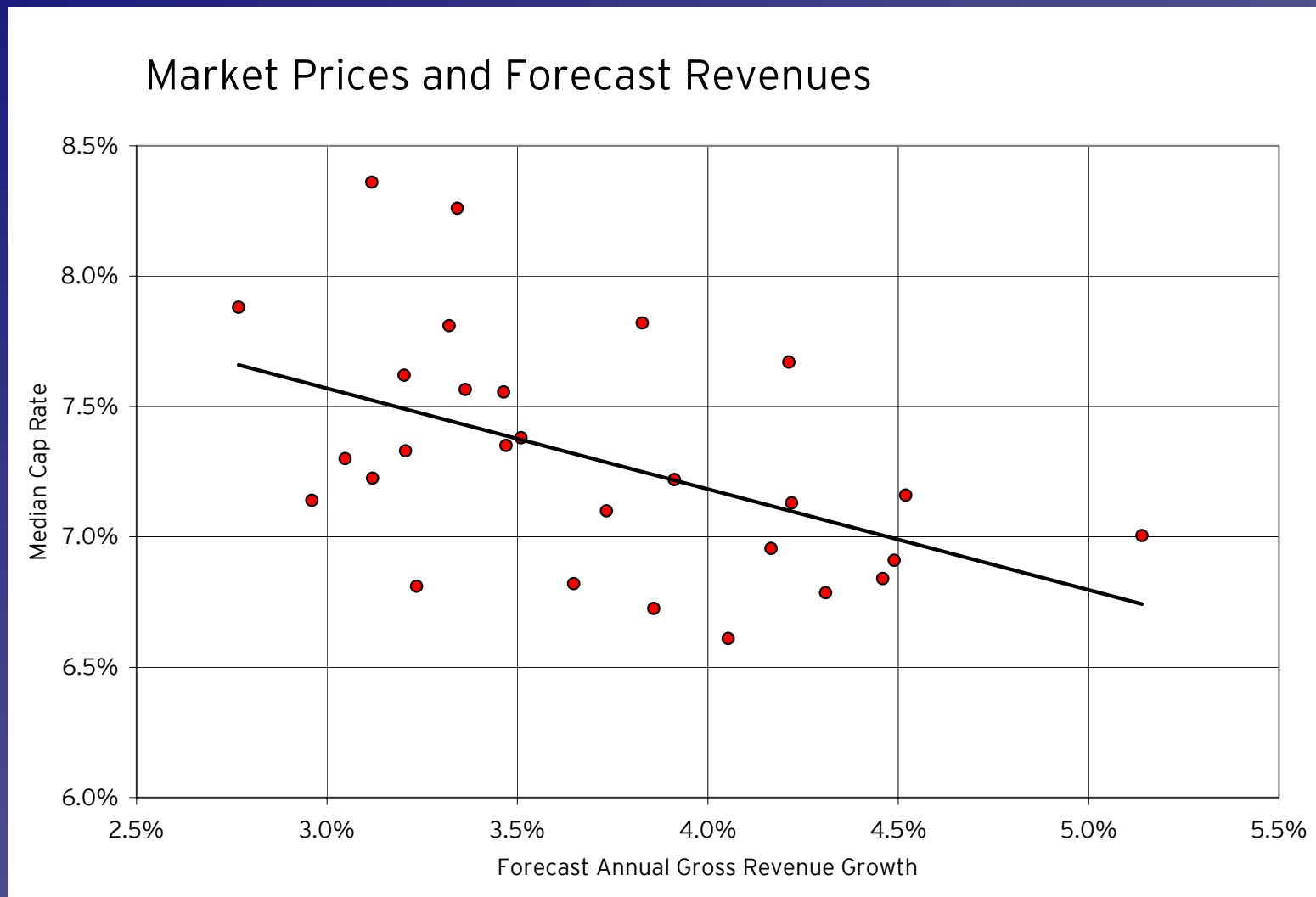
Annualized Gross Revenue Growth (2006-2011)



Source: Reis

U.S. Retail Markets

Cap Rates vs. Forecast Revenue Growth



Source: Reis

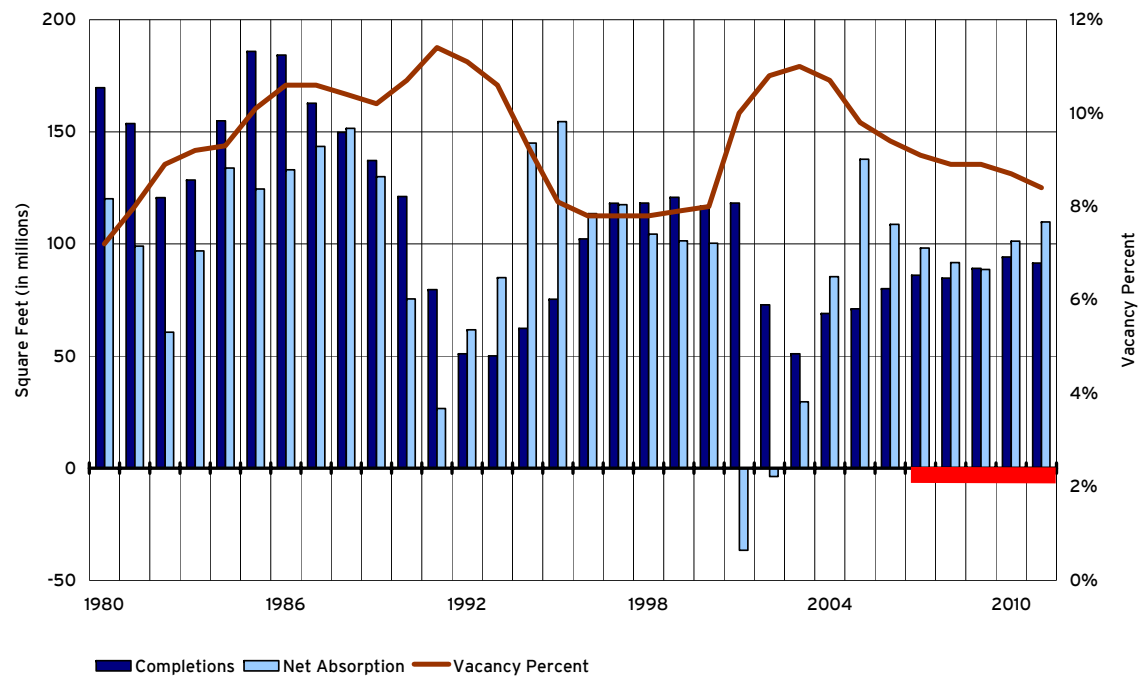
Supply and Demand Trends

U.S. Industrial Markets

Year	Completions	Vacancy Percent	Effective Rent	Percent Change
2000	116.7	8.0%	\$4.50	4.2%
2001	118.3	10.0%	\$4.37	-2.9%
2002	72.9	10.8%	\$4.32	-1.1%
2003	51.0	11.0%	\$4.27	-1.2%
2004	68.9	10.7%	\$4.29	0.5%
2005	71.1	9.8%	\$4.42	3.0%
2006	75.4	9.4%	\$4.56	3.2%
2007	86.1	9.2%	\$4.72	3.5%
2008	84.8	9.0%	\$4.89	3.6%
2009	89.4	8.8%	\$5.05	3.3%
2010	94.1	8.7%	\$5.23	3.6%

Source: Reis

US Industrial Supply and Demand Trends: 1980-2011



Source: Reis



Location, Location, Location

The State of U.S. Property Markets

The Reis Quarterly Briefing on market fundamentals and capital markets activity will be held on February 14.