Appendix

OFFICE MARKET | SECOND QUARTER | 2009

Table Summaries

TABLE 1

OFFICE AVAILABILITY, VACANCY, AND NET ABSORPTION, SECOND QUARTER 2009

	Total Inventory	New Space Available	Relet Space Available	Sublet Space Available	Total Space Available	Vacancy Rate (%)	New Space Absorption	Relet Space Absorption	Sublet Space Absorption	Total Absorption
CBD	37,182,825	1,226,211	1,979,967	586,391	3,792,569	10.2%	117,079	113,705	(63,848)	166,936
East End	38,818,935	916,890	2,117,814	720,156	3,754,860	9.7%	332,956	(329,181)	(358,978)	(355,203)
West End/ Georgetown	6,715,182	0	738,218	44,878	783,096	11.7%	0	7,375	(4,510)	2,865
Capitol Hill/ NoMa	13,325,683	870,312	153,733	64,151	1,088,196	8.2%	130,553	(23,003)	(43,650)	63,900
Southwest/ Southeast	13,172,612	1,074,246	178,281	13,970	1,266,497	9.6%	0	(11,589)	(2,474)	(14,063)
Uptown	6,538,236	0	365,335	72,495	437,830	6.7%	0	(76,917)	(18,451)	(95,368)
TOTAL	**115,753,473**	**4,087,659**	**5,533,348**	**1,502,041**	**11,123,048**	**9.6%**	**580,588**	**(319,610)**	**(491,911)**	**(230,933)**

TABLE 2
TRAILING 12-MONTH DATA

	Total Inventory				Vacancy Rate (%)				Total Absorption			
	3rd Qtr 2008	4th Qtr 2008	1sr Qtr 2009	2nd Qtr 2009	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009	3rd Qtr 2008	4th Qtr 2008	1st Qtr 2009	2nd Qtr 2009
CBD	36,239,690	36,315,147	36,747,534	37,182,825	8.2%	8.8%	9.7%	10.2%	31,815	(190,577)	221,629	166,936
East End	38,094,091	38,230,665	38,230,665	38,818,935	7.2%	7.3%	7.5%	9.7%	60,419	81,463	(124,359)	(355,203)
West End/ Georgetown	6,715,182	6,715,182	6,715,182	6,715,182	12.4%	12.5%	11.8%	11.7%	28,929	(5,379)	46,273	2,865
Capitol Hill NoMa	13,069,992	13,069,992	13,069,992	13,325,683	7.7%	6.3%	7.0%	8.2%	8,452	121,539	(82,205)	63,900
Southwest/ Southeast	12,653,822	12,653,822	12,898,348	13,172,612	7.9%	7.2%	7.7%	9.6%	77,097	76,965	131,396	(14,063)
Uptown	6,538,236	6,538,236	6,538,236	6,538,236	5.3%	5.1%	5.4%	6.7%	(32,343)	2,555	(18,407)	(95,368)
TOTAL	**113,311,013**	**113,523,044**	**114,199,957**	**115,753,473**	**7.8%**	**7.8%**	**8.3%**	**9.6%**	**174,369**	**86,566**	**174,327**	**(230,933)**

TABLE 3
HISTORICAL YEAR-END DATA

	Total Inventory				Vacancy Rate (%)				Total Annual Absorption			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
CBD	36,256,233	36,031,932	36,315,147	37,182,825	6.7%	7.2%	8.8%	10.2%	670,760	258,908	(205,080)	388,565
East End	36,624,601	37,398,628	38,230,665	38,818,935	8.0%	6.7%	7.3%	9.7%	1,014,774	1,093,528	527,073	(479,562)
West End/ Georgetown	6,692,743	6,710,123	6,715,182	6,715,182	8.4%	11.7%	12.5%	11.7%	(107,286)	(237,290)	(65,626)	49,138
Capitol Hill/ NoMa	12,538,317	12,841,195	13,069,992	13,325,683	5.4%	6.2%	6.3%	8.2%	712,269	186,623	195,043	(18,305)
Southwest/ Southeast	12,511,303	12,992,822	12,653,822	13,172,612	7.5%	10.1%	7.2%	9.6%	915,543	133,152	360,263	117,333
Uptown	6,727,936	6,538,236	6,538,236	6,538,236	5.1%	4.4%	5.1%	6.7%	7,312	54,444	(56,524)	(113,775)
TOTAL	**111,351,133**	**112,512,936**	**113,523,044**	**115,753,473**	**7.1%**	**7.4%**	**7.8%**	**9.6%**	**3,213,372**	**1,489,365**	**755,149**	**(56,606)**

TABLE 4
METRO WASHINGTON OFFICE MARKET SUMMARY: 2ND QUARTER 2009

	Total Inventory	Total Space Available	Vacancy Rate (%)	Total Absorption
Washington, DC	115,753,473	11,123,048	9.6%	(230,933)
Northern Virginia	150,396,886	20,578,639	13.7%	(664,642)
Suburban Maryland	74,101,315	10,312,605	13.9%	147,836
Regional Totals	**340,251,674**	**42,014,292**	**12.3%**	**(747,739)**

TABLE 5
METRO WASHINGTON EMPLOYMENT DATA

	Labor Force (5/2008)	Labor Force (5/2009)	Jobs Added	Percent Change
Washington, DC	705,000	703,400	-1,600	-0.2%
Northern Virginia	1,325,100	1,310,600	-14,500	-1.1%
Suburban Maryland	977,100	956,500	-20,600	-2.1%
Regional Totals	**3,008,000**	**2,970,500**	**-36,700**	**-1.2%**

SOURCE: U.S. Bureau of Labor Statistics (Not seasonally adjusted.)
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Survey of New Office Space by Submarket

Capitol Hill/NoMa

BUILDING ADDRESS	RENTAL RATE		OWNER/DEVELOPER	DELIVERY DATE	2007	2008	2009	2010	2011
Capitol Plaza 1200 1st St, NE	$44-$48	FS	Polinger Company / Apollo Real Estate Advisors	2Q07	**291,838** *242,524*				
ATF Headquarters 1st St & New York Ave, NE	N/A	N/A	Government Services Administration	3Q07	**422,000** *0*				
77 K St, NE	$30-$35	NNN	Brookfield Properties	3Q08		**326,030** *326,030*			
300 New Jersey Ave, NW	$75-$80	NNN	Dweck Properties	2Q09			**255,000** *161,292*		
1100 1st St, NE	$31-$34	NNN	Tishman Speyer	3Q09*			**347,608** *347,608*		
111 K St, NE	For Sale	N/A	J Street Development	3Q09*			**88,500** *25,000*		
Station Place III 700 2nd St, NE	$33-$39	NNN	Louis Dreyfus	4Q09*			**507,000** *411,000*		
20 F St, NW	$34-$45	NNN	American College of Surgeons / Boston Properties	1Q10*				**165,000** *141,500*	
440 1st St, NW	$48-$52	FS	Lenkin Company Management	2Q10*				**104,746** *104,746*	
One Constitution Square 1275 1st St, NE	$30-$35	NNN	StonebridgeCarras	2Q10*				**330,000** *330,000*	
Two Constitution Square 145 N St, NE	N/A	N/A	StonebridgeCarras	2Q10*				**590,000** *0*	
Sentinel Square Phase I 90 K Street, NE	$48-$52	FS	Trammell Crow Company	2Q10*				**412,660** *412,660*	
Total New Office Space as of 2Q09					**713,838**	**326,030**	**1,198,108**	**1,602,406**	-
Total Available Space as of 2Q09					*242,524*	*326,030*	*944,900*	*988,906*	-
Total Under Construction as of 2Q09					-	-	**943,108**	**1,602,406**	-

Rental Rate
N/A = Not Available
TBD = To Be Determined

Operating Expense and Real Estate Tax Base
FS = Full Service NN = Plus Electric & Char
N = Plus Electric NT = Plus Taxes
NNN = Net of all Operating Expenses and Taxes

Delivery Date
*Under Construction as of current quarter

Survey of New Office Space by Submarket

BUILDING ADDRESS	RENTAL RATE		OWNER/DEVELOPER	DELIVERY DATE	2007	2008	2009	2010	2011
CBD									
Columbia Center 1152 15th St, NW	$55-$59	FS	UBS Realty Investors / Monument Realty	3Q07	**393,000** *112,085*				
2101 L St, NW	$39-$42	NNN	Vornado / Charles E. Smith	4Q07	**379,400** *31,311*				
2121 K St, NW	$33-$44	NNN	ING Clarion Partners / Oliver Carr	1Q08		**52,000** *52,000*			
The Executive Building 1030 15th St, NW	$50-$60	FS	Invesco Institutional	2Q08		**328,000** *271,148*			
2021 L St, NW	For Sale	N/A	American Society of Hematology	4Q08		**75,457** *32,728*			
1129 20th St, NW	$30-$40	NNN	Liberty Property Trust	1Q09			**176,000** *150,790*		
1225 Connecticut Ave, NW	N/A	N/A	Brookfield Properties	1Q09			**243,000** *0*		
Lafayette Tower 801 17th St, NW	$55-$70	NNN	Louis Dreyfus	1Q09			**244,745** *216,675*		
1775 Pennsylvania Ave, NW	$44-$60	NNN	Tishman Speyer	2Q09			**153,000** *126,758*		
1200 19th St, NW	$42-$46	NNN	Hines Interests	2Q09			**308,394** *225,726*		
1999 K St, NW	N/A	N/A	Vornado / Charles E. Smith	3Q09*			**249,000** *0*		
Washington Park 2175 K St, NW	N/A	N/A	Minshall Stewart	1Q10*				**40,000** *0*	
PNC Place 800 17th St, NW	$50-$60	NNN	PNC Bank	3Q10*				**365,000** *230,769*	
Square 54 2200 Pennsylvania Ave, NW	$50-$60	NNN	Boston Properties	1Q11*					**432,900** *244,100*
Total New Office Space as of 2Q09					**772,400**	**455,457**	**1,374,139**	**405,000**	**432,900**
Total Available Space as of 2Q09					*143,396*	*355,876*	*719,949*	*230,769*	*244,100*
Total Under Construction as of 2Q09					**-**	**-**	**249,000**	**405,000**	**432,900**

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Survey of New Office Space by Submarket

East End

BUILDING ADDRESS	RENTAL RATE		OWNER/DEVELOPER	DELIVERY DATE	2007	2008	2009	2010	2011
Carroll Square 975 F St, NW	$44	NNN	Akridge	1Q07	**177,198** *5,842*				
Shakespeare Theater Building 620 F St, NW	N/A	N/A	International Union of Bricklayers	2Q07	**120,000** *0*				
777 6th St, NW	$53-$55	FS	Trammell Crow Company	3Q07	**192,000** *59,692*				
505 9th St, NW	N/A	N/A	Boston Properties	4Q07	**322,668** *0*				
Mount Vernon Place 251 H St, NW	N/A	N/A	AIPAC / Quadrangle Development	1Q08		**90,000** *0*			
455 Massachusetts Ave, NW	$51-$55	FS	ASB Capital Management	1Q08		**250,000** *208,663*			
1331 L St, NW	$55	FS	Mortgage Bankers Association	2Q08		**170,700** *75,513*			
1331-1333 G St, NW	$42-$46	FS	Second National Bank	2Q08		**50,411** *7,796*			
1099 New York Ave, NW	$40-$50	NNN	Tishman Speyer	2Q08		**177,506** *65,811*			
1050 K St, NW	$48-$52	NNN	The Lenkin Company	4Q08		**140,000** *51,764*			
1155 F St, NW	$48-$55	NNN	Douglas Development	2Q09			**250,000** *66,016*		
1510 H St, NW	For Sale	N/A	Lafayette Realty	2Q09			**50,750** *50,750*		
700 6th St, NW	$42-$49	NNN	Akridge	2Q09			**300,000** *214,979*		
901 K St, NW	$48-$54	NNN	Carr Properties	3Q09*			**260,000** *220,078*		
Gallery Square 801 7th St, NW	$55	FS	Riverdale International	1Q10*				**14,490** *14,490*	
Total New Office Space as of 2Q09					**811,866**	**878,617**	**860,750**	**14,490**	**-**
Total Available Space as of 2Q09					*65,534*	*409,547*	*551,823*	*14,490*	-
Total Under Construction as of 2Q09					**-**	**-**	**260,000**	**14,490**	**-**

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Survey of New Office Space by Submarket

Southwest/Southeast

BUILDING ADDRESS	RENTAL RATE		OWNER/DEVELOPER	DELIVERY DATE	2007	2008	2009	2010	2011
20 M St, SE	$44-$50	FS	Lerner Enterprises	1Q07	**190,038** *179,727*				
Capitol View 425 3rd St, SW	$45-$55	FS	Clark Enterprises	3Q07	**249,334** *181,067*				
Anacostia Gateway 1800 Martin Luther King Jr. Ave, SE	N/A	N/A	DC Government	4Q07	**63,000** *0*				
100 M St, SE	$34	NNN	Opus East	1Q09			**244,526** *147,840*		
55 M St, SE	$50-$54	FS	Monument Realty	2Q09			**274,000** *260,765*		
Patriots Plaza 355/375 E St, SW	$50	FS	Trammell Crow Development	3Q09*			**706,600** *706,600*		
Waterfront Phase I 4th & M Streets, SW	N/A	N/A	Forest City / The Kaempfer Company	4Q09*			**500,000** *0*		
1015 Half St, SW	$34	NNN	Opus East	2Q10*				**414,000** *414,000*	
Constitution Center 400 7th St, SW	$52-$55	FS	David Nassif Associates	3Q10*				**1,400,000** *1,400,000*	
Total New Office Space as of 2Q09					**502,372**	**-**	**1,725,126**	**1,814,000**	**-**
Total Available Space as of 2Q09					*360,794*	*-*	*1,115,205*	*1,814,000*	-
Total Under Construction as of 2Q09					**-**	**-**	**1,206,600**	**1,814,000**	**-**

Washington, DC Summary

	2007	2008	2009	2010	2011
Total New Office Space as of 2Q09	**2,800,476**	**1,660,104**	**5,158,123**	**3,835,896**	**432,900**
Total Available Space as of 2Q09	*812,248*	*1,091,453*	*3,331,877*	*3,048,165*	*244,100*
Total Under Construction as of 2Q09	**-**	-	**2,658,708**	**3,835,896**	**432,900**

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Disclaimer

The information contained in this report was obtained from sources deemed reliable, but no warranty or representation is made to the accuracy thereof. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

Methodology

Market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the typical Washington, DC office market. Generally, owner-occupied and federally-owned buildings are not included. Single-tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. Vacant space is defined as space that is available immediately or three months (90 days) after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space.

Explanation of Terms

Total Inventory: The total amount of office space (in buildings greater than 10,000 square feet) that can be rented by a third party.

New Space Available: First generation, never-occupied office space in newly constructed or substantially renovated buildings, being actively marketed by a landlord.

Relet Space Available: Second-generation, unoccupied office space being actively marketed by a landlord. (Space that is marketed but largely occupied is not counted as available space.)

Sublet Space Available: Second-generation, unoccupied space being actively marketed by a tenant. (Sublet space that is marketed but still occupied is not counted as available space.)

Total Space Available: The sums of new, relet, and sublet space that is unoccupied and being actively marketed.

Vacancy Rate: The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory. (Total Unoccupied Space divided by Total Inventory.)

Absorption: The net change in occupied space between two points in time. (Total occupied space in the previous quarter minus total occupied space in the present quarter, quoted on a net, not gross, basis.)

New Space Absorption: The net change in occupied new space between two quarters.

Relet/Sublet Absorption: The net change in occupied relet and sublet space between two quarters.

Total Absorption: The net change in total occupied (new, relet, and sublet) space between two quarters.

Submarket Boundaries

CBD: Bound by P Street to the North, Constitution and Pennsylvania Avenues to the South, 22nd Street, NW to the West, and 15th Street, NW to the East.

East End: Bound by P Street to the North, Constitution Avenue to the South, 15th Street, NW to the West, and 4th Street, NW to the East.

Capitol Hill/NoMa: Bound by P and Q Streets to the North, Independence Avenue to the South, 4th Street, NW to the West and 4th Street, NE to the East.

Southwest/Southeast: Bound by Independence Avenue to the North, Anacostia River to the South, Maine Avenue to the West, and Anacostia River to the East.

West End/Georgetown: Submarket includes the lower-density office areas from 22nd Street west to the Potomac River.

Uptown: Encompasses the scattered office development nodes from the northern edge of "downtown" to the Maryland border.