



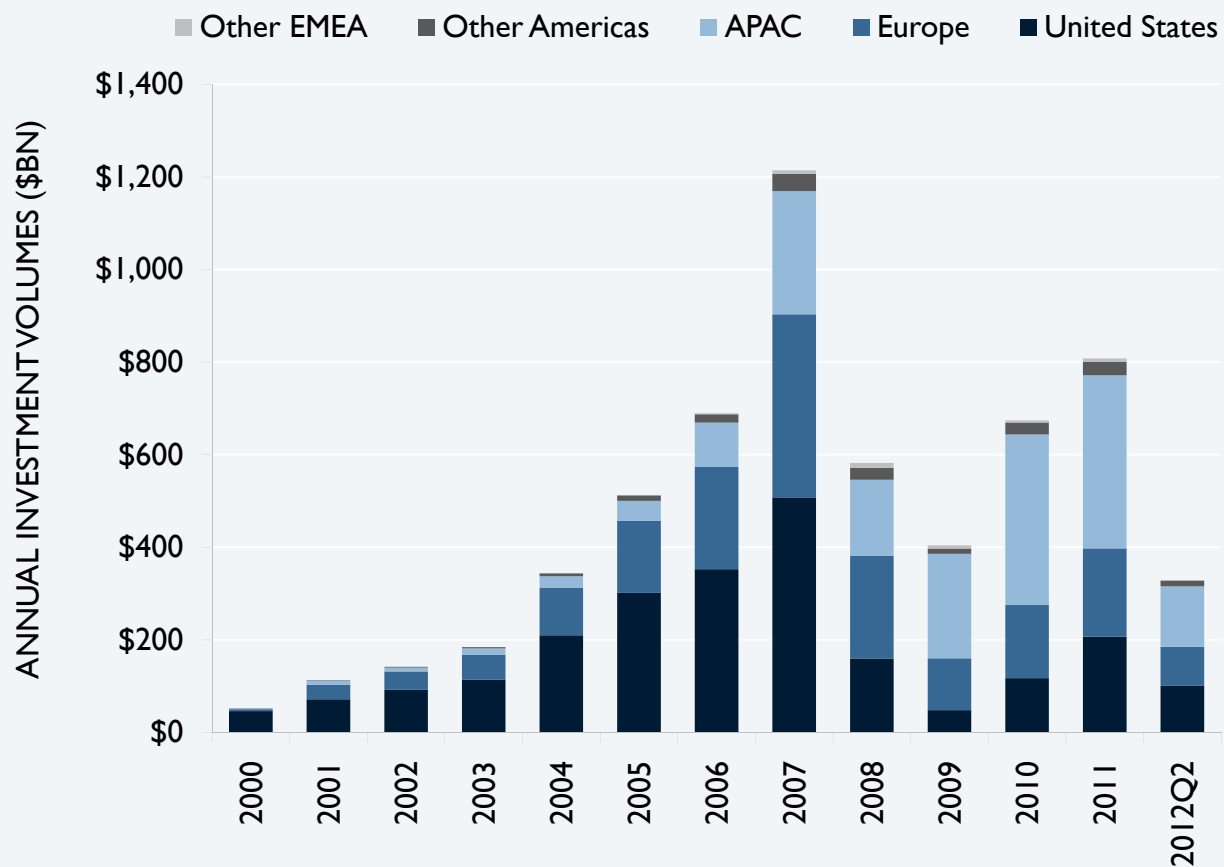
OVERVIEW OF  
THE COMMERCIAL REAL ESTATE MARKETS

PRESENTED BY  
JANICE STANTON  
CUSHMAN & WAKEFIELD CAPITAL MARKETS

2012 OUTLOOK

## GLOBAL MARKET

## GLOBAL INVESTMENT VOLUME



## HISTORICAL INVESTMENT SALES VOLUME BY PROPERTY TYPE 2001-2012Q2

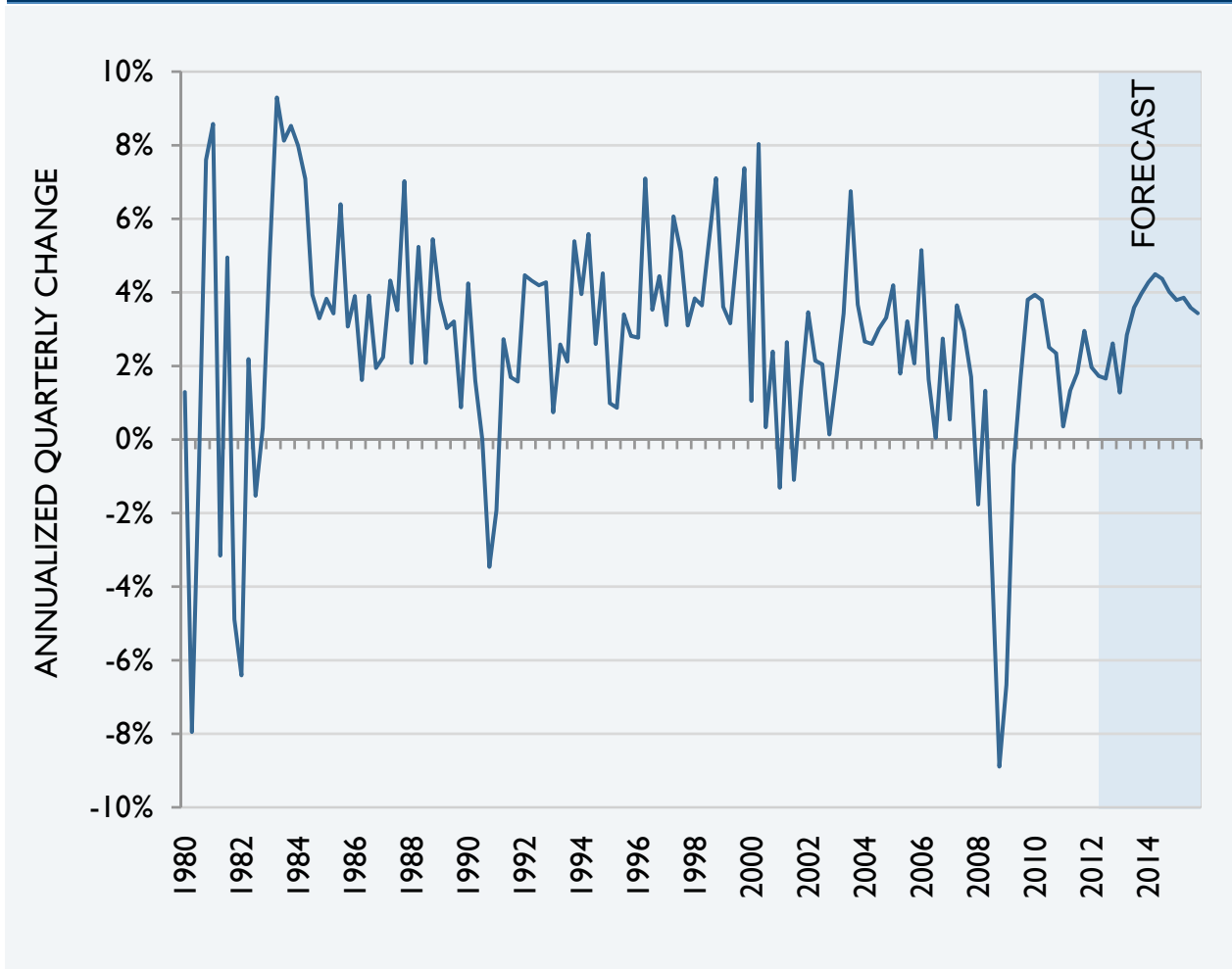
	2007	2008	2009	2010	2011	2012	2012F	% DROP PEAK TO TROUGH	2010 VOLUME AS % OF PEAK	2011 VOLUME AS % OF PEAK	2012 F VOLUME AS % OF PEAK
UNITED STATES	\$553.19	\$166.20	\$56.73	\$130.05	\$207.04	\$100.80	\$258.79	-90%	24%	37%	47%
EUROPE	\$400.95	\$227.22	\$116.11	\$67.48	\$191.10	\$84.40	\$156.70	-71%	42%	48%	39%*
ASIA PACIFIC	\$271.66	\$168.38	\$233.58	\$378.22	\$373.79	\$130.60	\$373.79	-38%	139%	138%	138%
<b>TOTAL</b>	<b>\$1,225.80</b>	<b>\$561.81</b>	<b>\$406.43</b>	<b>\$675.76</b>	<b>\$771.92</b>	<b>\$315.80</b>	<b>\$789.28</b>	<b>-67%</b>	<b>55%</b>	<b>63%</b>	<b>64%</b>
OTHER AMERICAS	\$38.85	\$27.25	\$38.85	\$27.69	\$28.64	\$12.50	\$35.80	0%	71%	74%	92%
ME & AFRICA	\$7.73	\$14.10	\$7.73	\$4.11	\$7.39	\$0.80	\$6.06	-47%	53%	96%	78%
<b>TOTAL</b>	<b>\$46.58</b>	<b>\$41.35</b>	<b>\$46.58</b>	<b>\$31.80</b>	<b>\$36.03</b>	<b>\$13.30</b>	<b>\$41.86</b>	<b>0%</b>	<b>68%</b>	<b>77%</b>	<b>90%</b>
<b>GRAND TOTAL</b>	<b>\$1,272.38</b>	<b>\$603.16</b>	<b>\$453.01</b>	<b>\$707.56</b>	<b>\$807.95</b>	<b>\$329.10</b>	<b>\$831.14</b>	<b>-64%</b>	<b>56%</b>	<b>63%</b>	<b>65%</b>

Peak Trough

\*Without currency impact, 2012 volume return to prior peak would be closer to 53%.

## US MARKET

## U.S. GROWTH IN GROSS DOMESTIC PRODUCT, 1980 – 2015





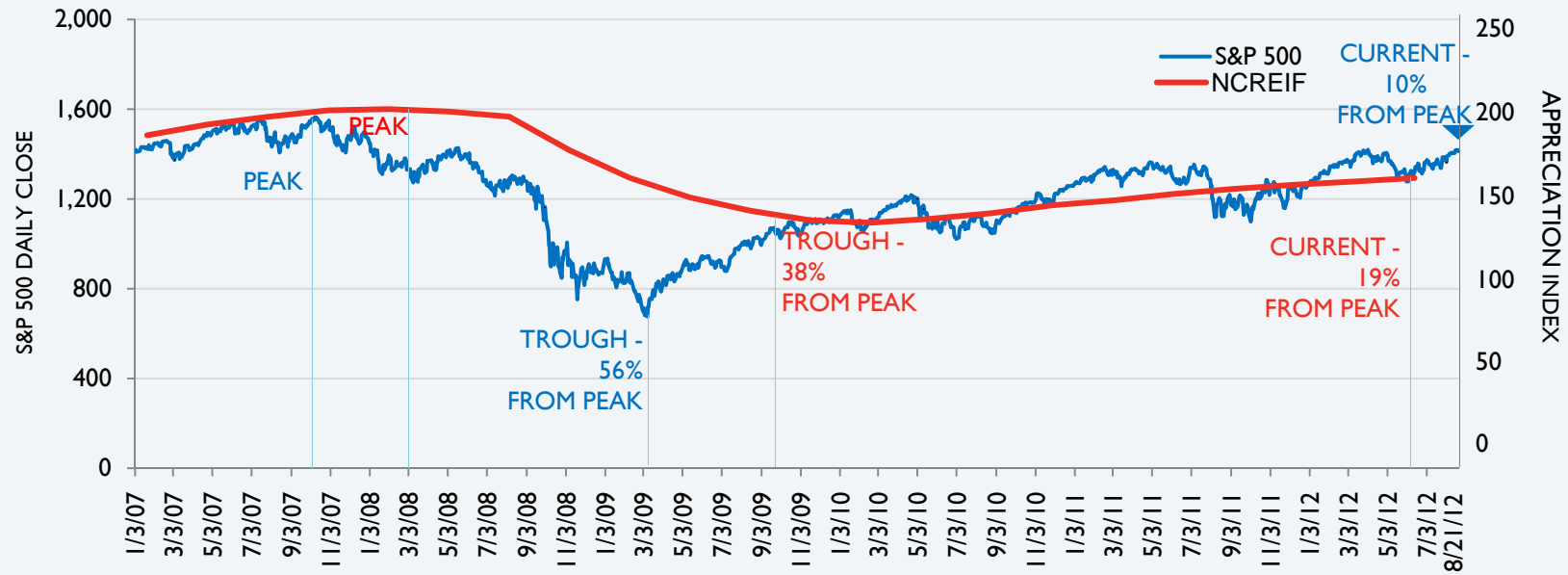
# OFFICE SPACE – USING EMPLOYMENT RECOVERY TO PRIOR PEAK

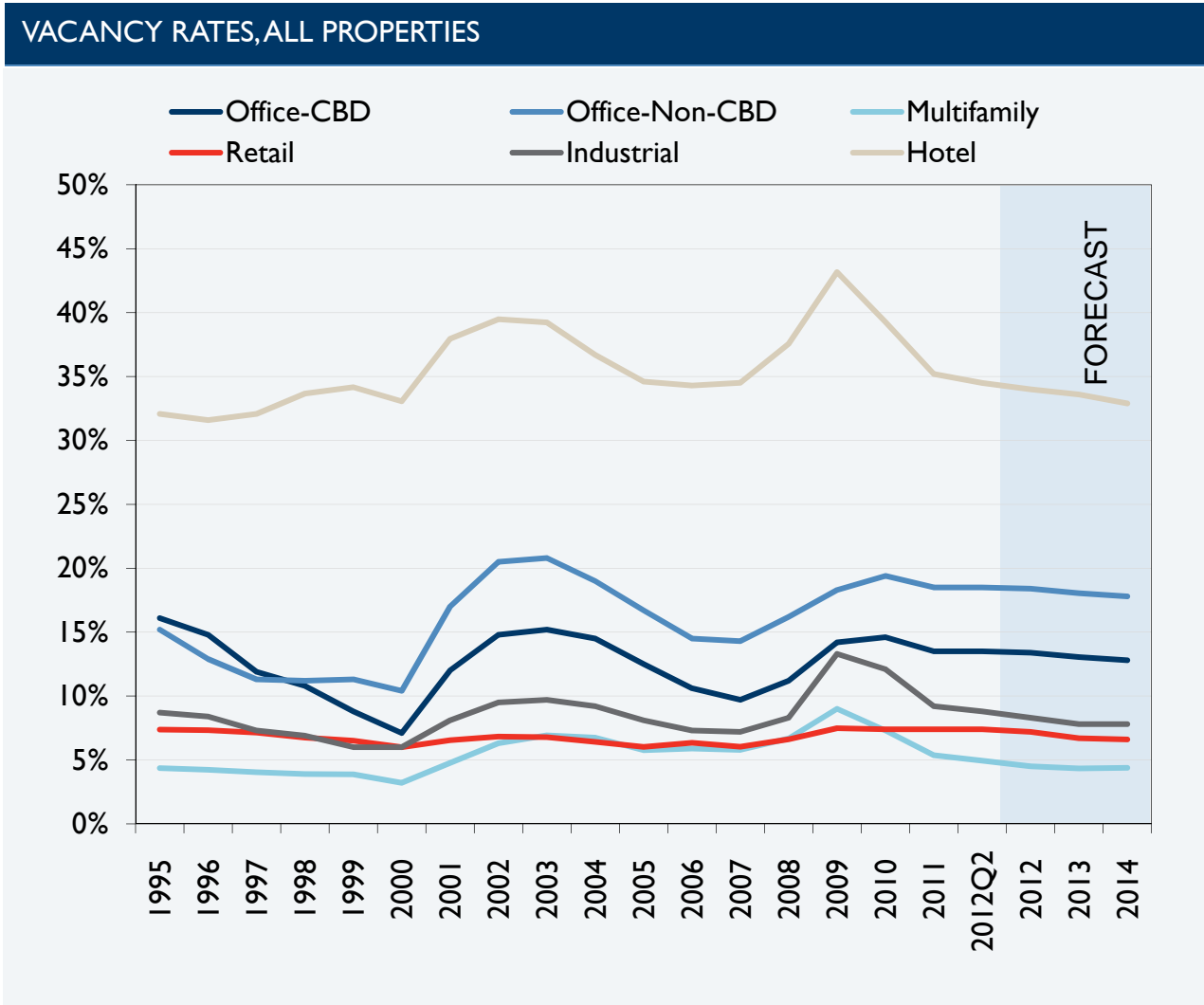
## TIMING OF OFFICE SPACE – USING EMPLOYMENT RECOVERY TO PRIOR PEAK: INTRAMETRO SPREAD BY KEY COUNTIES

METRO	COUNTY	NEW PEAK
ATLANTA	GWINNETT (GA)	CURRENT
	FULTON (GA)	2013
	DEKALB (GA)	2016
BOSTON	MIDDLESEX (MA)	2013
	SUFFOLK (MA)	2016
	NORFOLK (MA)	2020+
CHICAGO	LAKE (IL)	2020+
	COOK (IL)	2016
DALLAS-FORT WORTH	COLLIN (TX)	CURRENT
	TARRANT (TX)	CURRENT
	DALLAS (TX)	2013
HOUSTON	HOUSTON	CURRENT
INLAND EMPIRE	RIVERSIDE (CA)	2014
	SAN BERNARDINO (CA)	2013
LOS ANGELES	LOS ANGELES (CA)	2012
	ORANGE (CA)	2016
MIAMI	MIAMI-DADE (FL)	2015
	BROWARD (FL)	2016
	PALM BEACH (FL)	2018
NEW YORK	HUDSON (NJ)	CURRENT
	SUFFOLK (NY)	2012
	NEW YORK (NY)	2012
	NASSAU (NY)	2015
PHILADELPHIA	CHESTER (PA)	2013
	MONTGOMERY (PA)	2014
	PHILADELPHIA (PA)	2016
SAN FRANCISCO BAY AREA	SAN MATEO (CA)	2013
	SAN FRANCISCO (CA)	2014
	SANTA CLARA (CA)	2013
	ALAMEDA (CA)	2015
WASHINGTON, D.C.	DISTRICT OF COLUMBIA (DC)	CURRENT
	ARLINGTON (VA)	CURRENT
	FAIRFAX (VA)	CURRENT
	MONTGOMERY (MD)	CURRENT

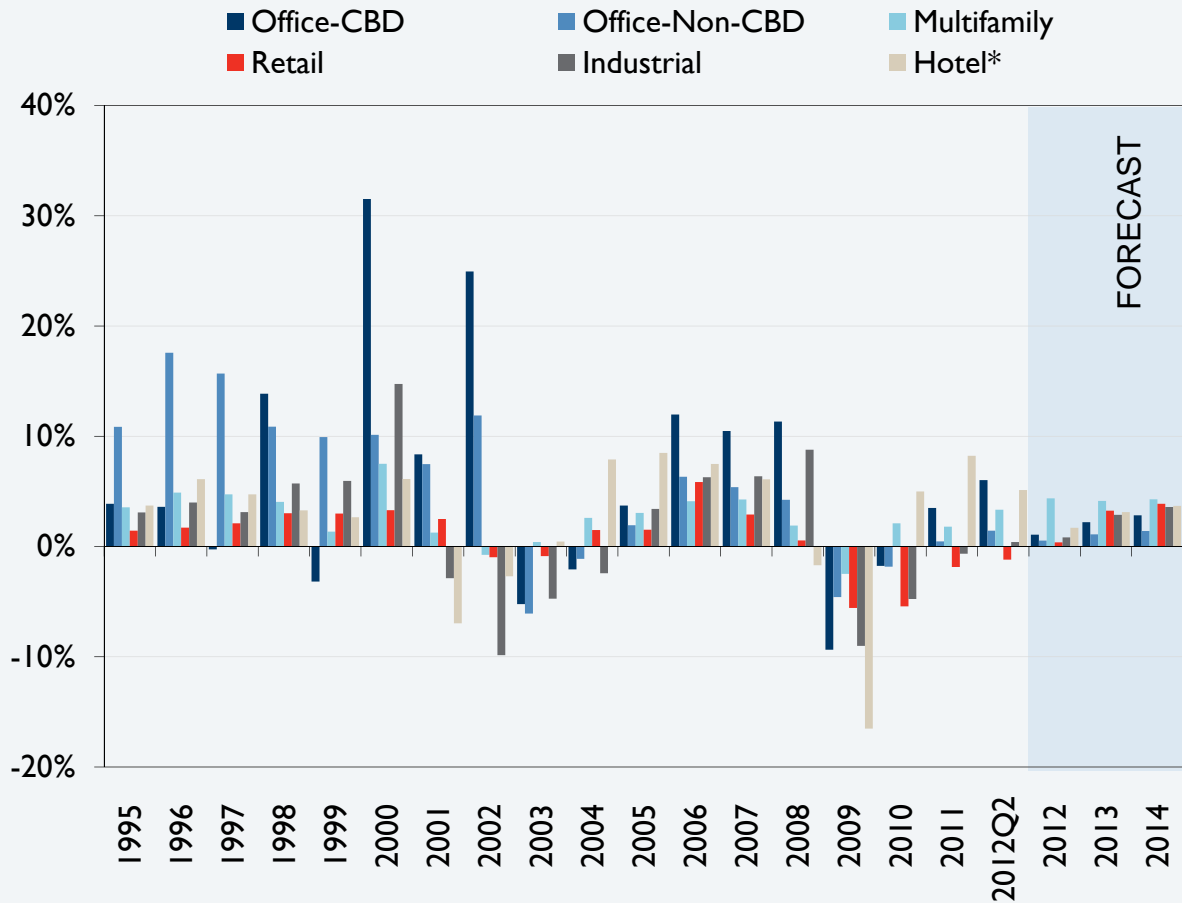


## MAJOR MARKETS PEAK-TO-TROUGH REAL ESTATE RECOVERIES



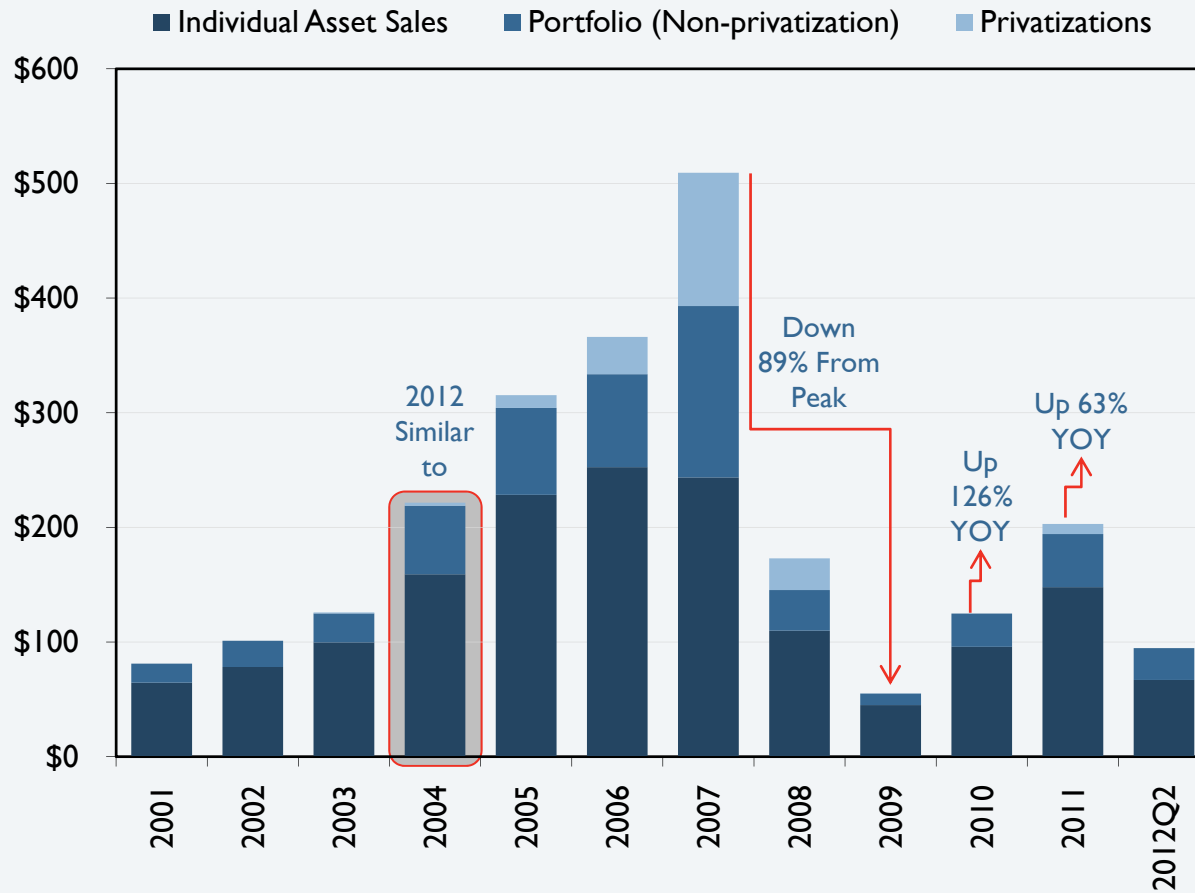


## ASKING RENTS YEAR-OVER-YEAR PERCENT CHANGE, ALL PROPERTIES



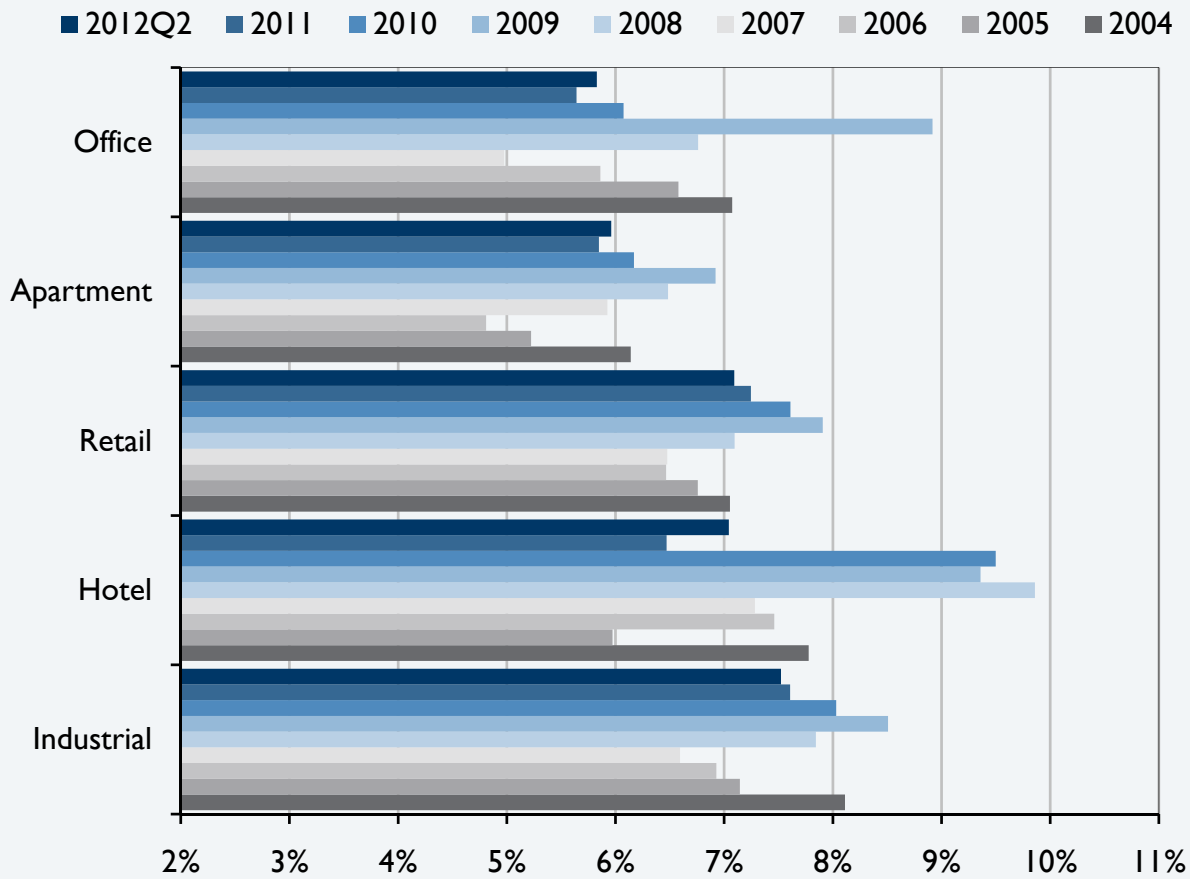
\*Change in RevPAR

## INVESTMENT SALES VOLUME, 2001-2012Q2 IN \$BILLIONS



Closed deals \$5M+, including partial interest and entity level sales. Not including dev sites.

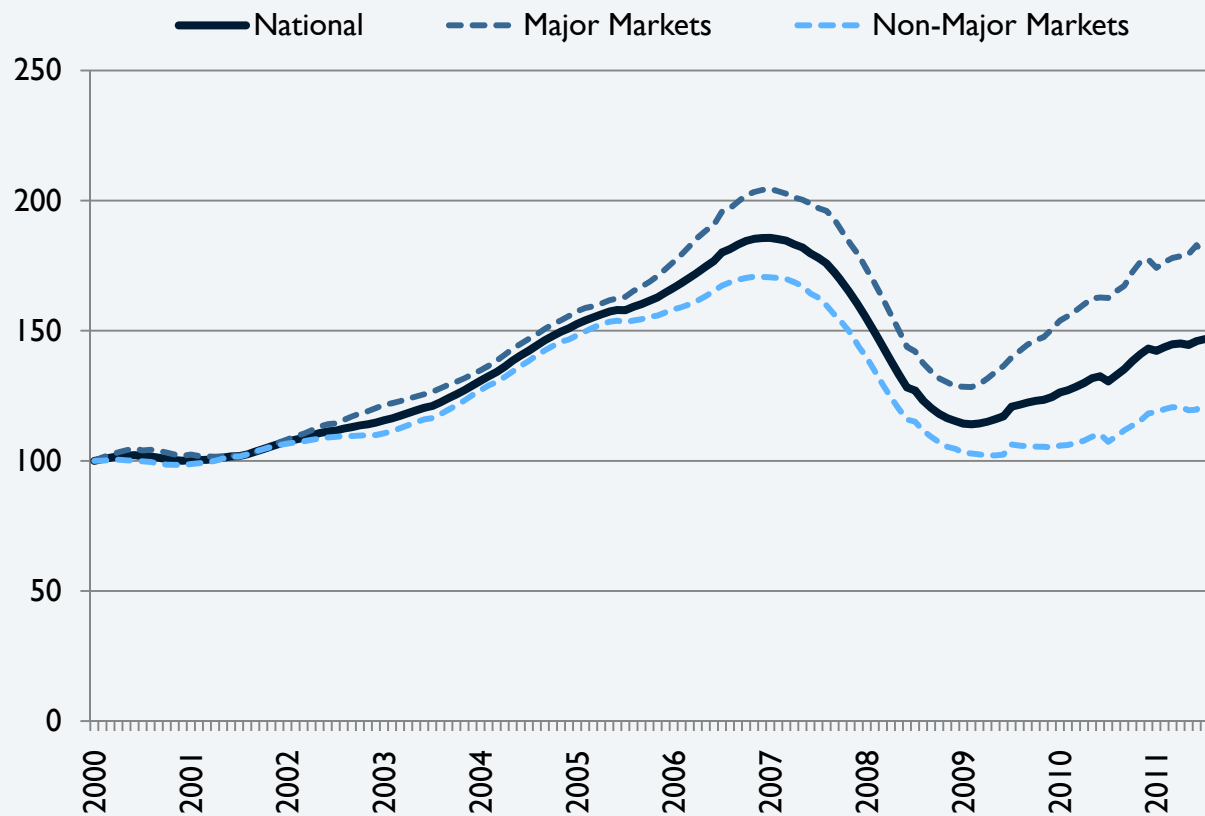
## U.S. CAPITALIZATION RATES BY CORE PROPERTY TYPE ANNUAL AVERAGE BY YEAR, 2004-2012Q2



## IH 2012 TOP 20 MARKETS IN \$MILLIONS

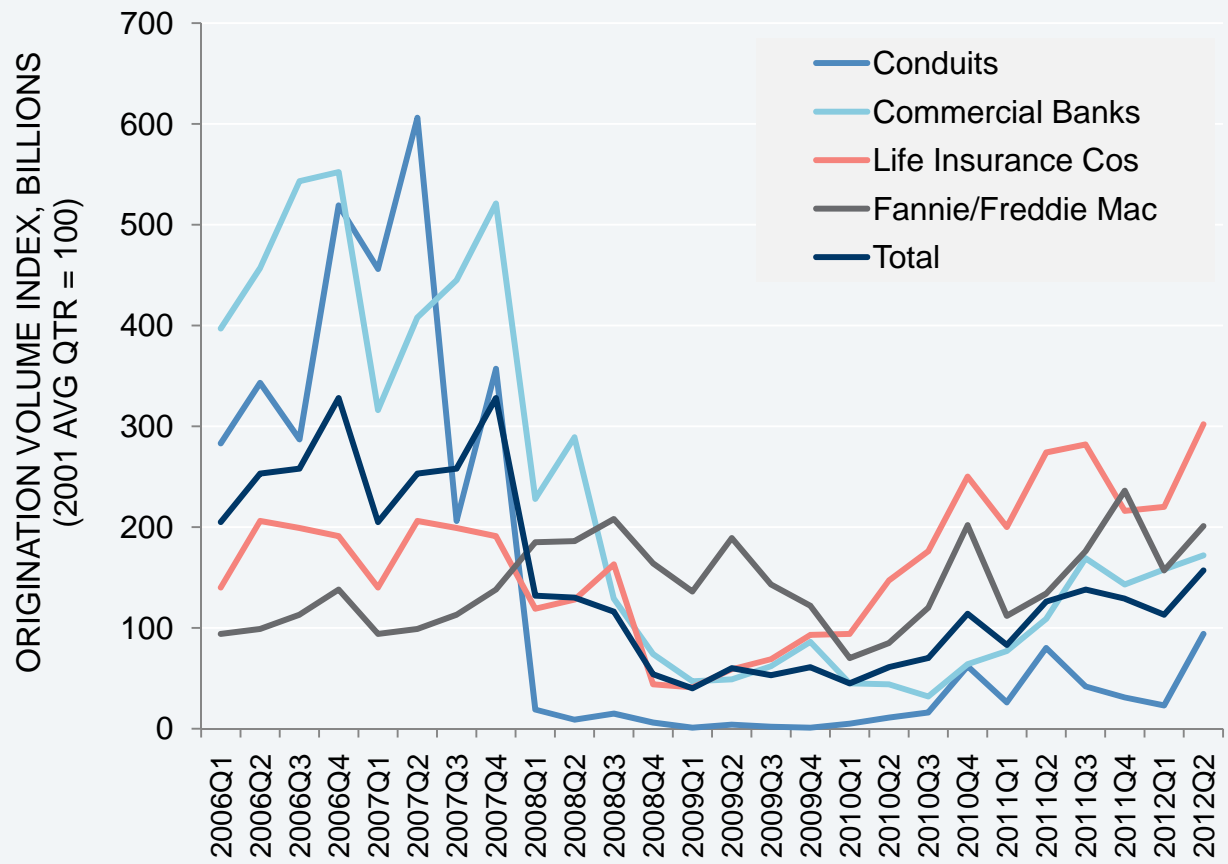
RANKINGS				Market	IH 2012 SALES VOLUME(\$M)	YOY % CHANGE
2009	2010	2011	HI'12			
1	1	1	1	Manhattan	\$9,847	-11%
2	2	2	2	Los Angeles	\$6,434	-15%
3	3	3	3	Chicago	\$5,192	2%
14	9	8	4	San Francisco	\$4,187	8%
5	5	5	5	Dallas	\$3,898	13%
15	13	15	6	Seattle	\$3,649	85%
10	6	4	7	Boston	\$3,105	-5%
12	15	13	8	Phoenix	\$2,923	18%
9	4	7	9	Houston	\$2,785	0%
21	16	16	10	San Jose	\$2,743	57%
7	12	9	11	Atlanta	\$2,689	-14%
18	23	14	12	Denver	\$2,325	7%
19	19	22	13	Miami	\$2,301	45%
11	8	12	14	DC	\$2,181	-33%
13	14	11	15	San Diego	\$2,047	-24%
8	7	6	16	DCVA burbs	\$2,014	-18%
				NYC	\$2,014	
16	21	17	17	Boroughs	\$1,722	16%
4	11	21	18	Orange Co	\$1,709	47%
6	10	10	19	No NJ	\$1,651	-31%
51	42	29	20	Charlotte	\$1,623	105%

## MOODY'S/RCA COMMERCIAL PROPERTY PRICE INDEX



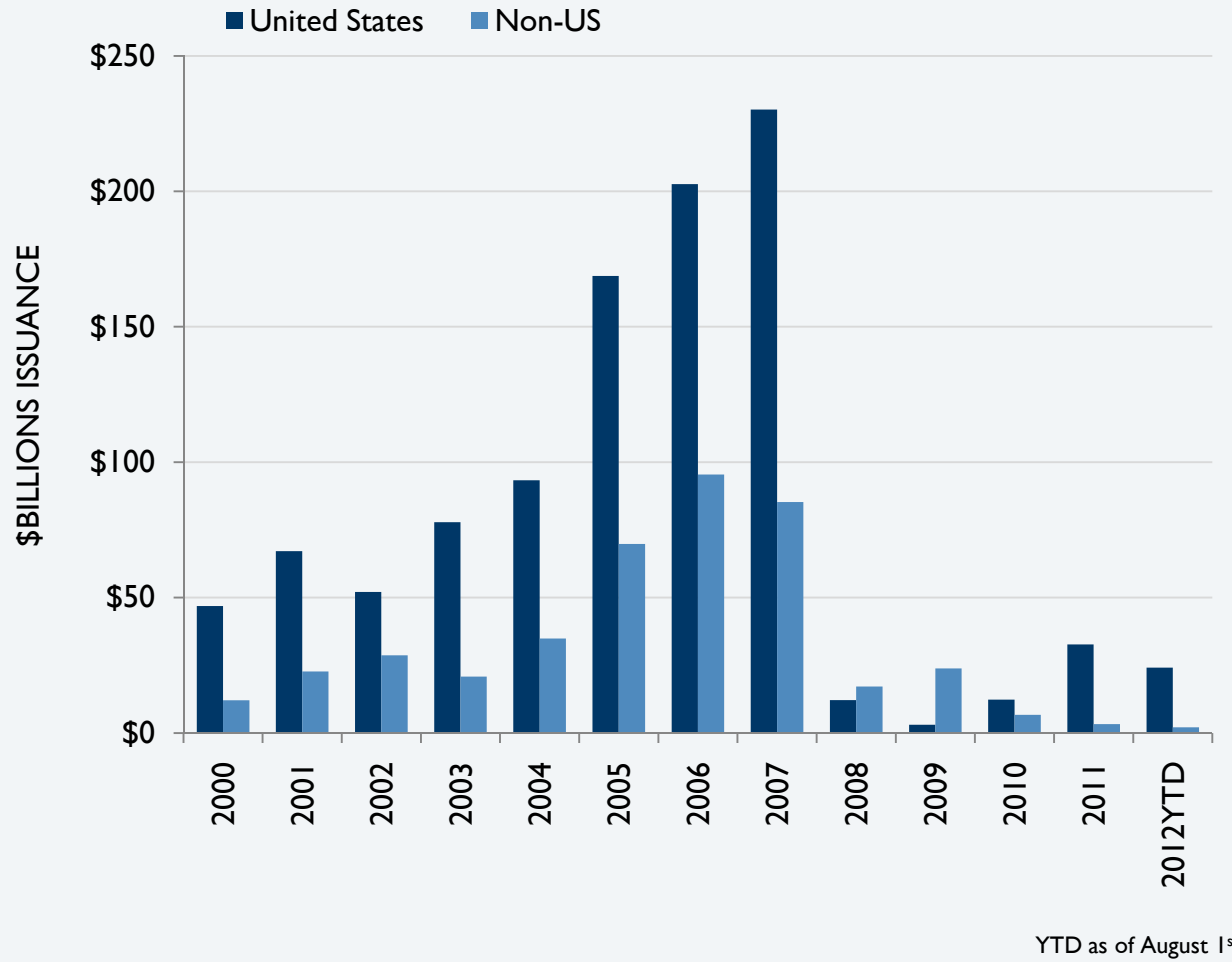
The "Major Markets" are the six gateway metropolitan areas:  
Boston, Chicago, Los Angeles, New York, San Francisco and Washington, D.C.

COMMERCIAL/MULTIFAMILY MORTGAGE BANKERS ORIGINATIONS INDEX BY INVESTOR GROUP





## CMBS ISSUANCE

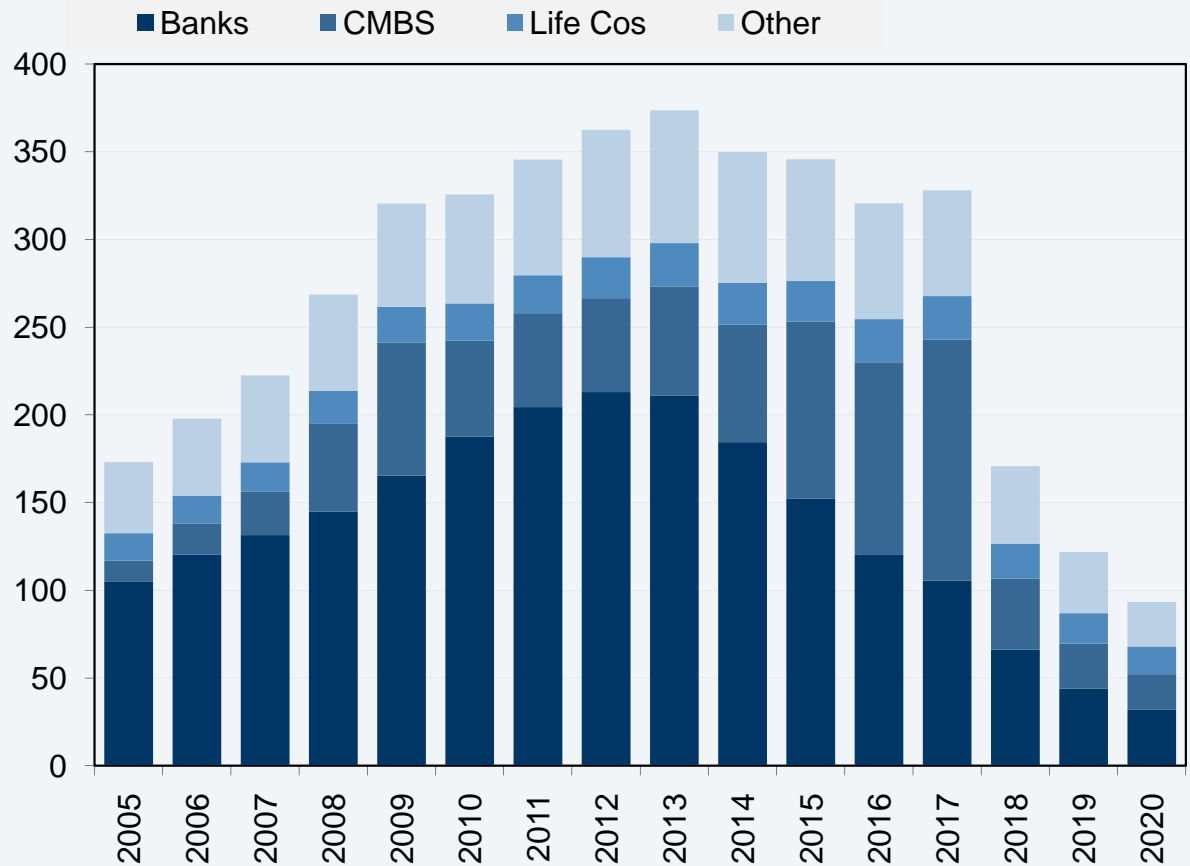


LIFE INSURANCE COMPANIES AVERAGE LOAN SIZE  
IN \$MILLIONS OF DOLLARS

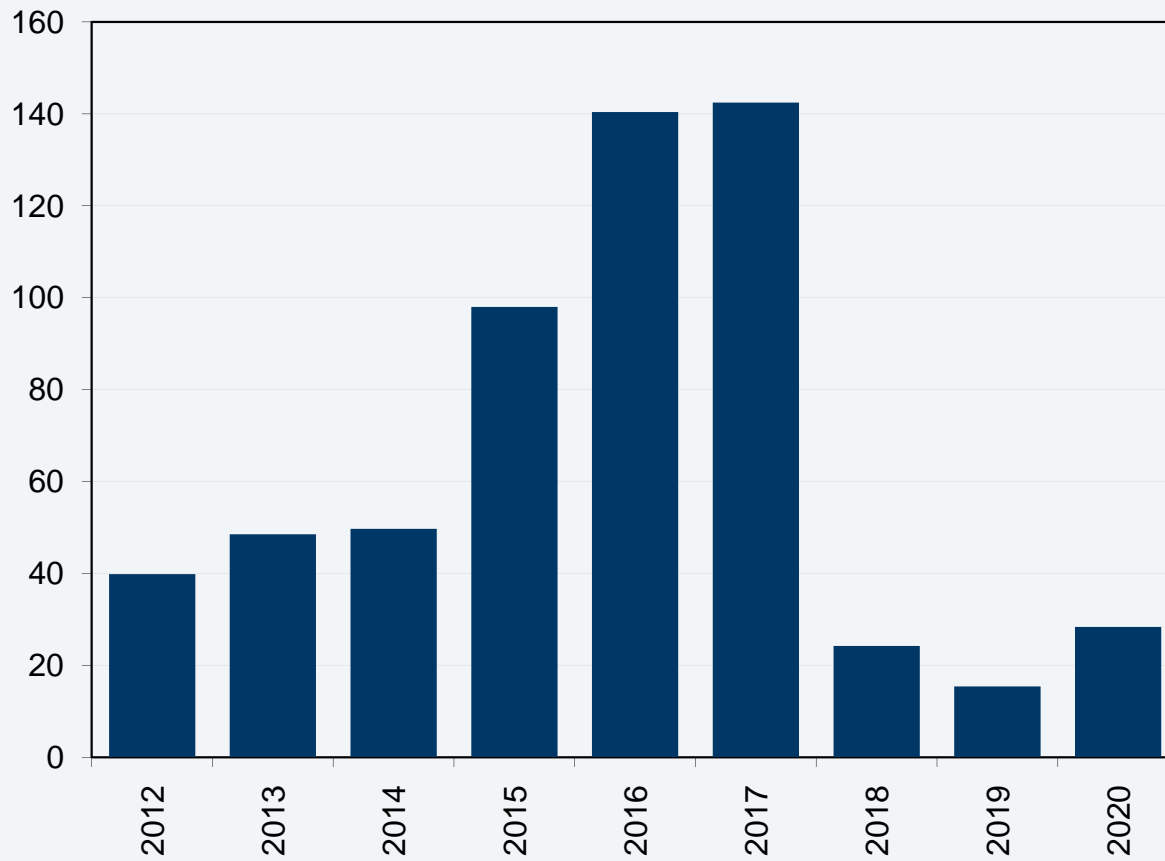


# COMMERCIAL REAL ESTATE MATURITIES

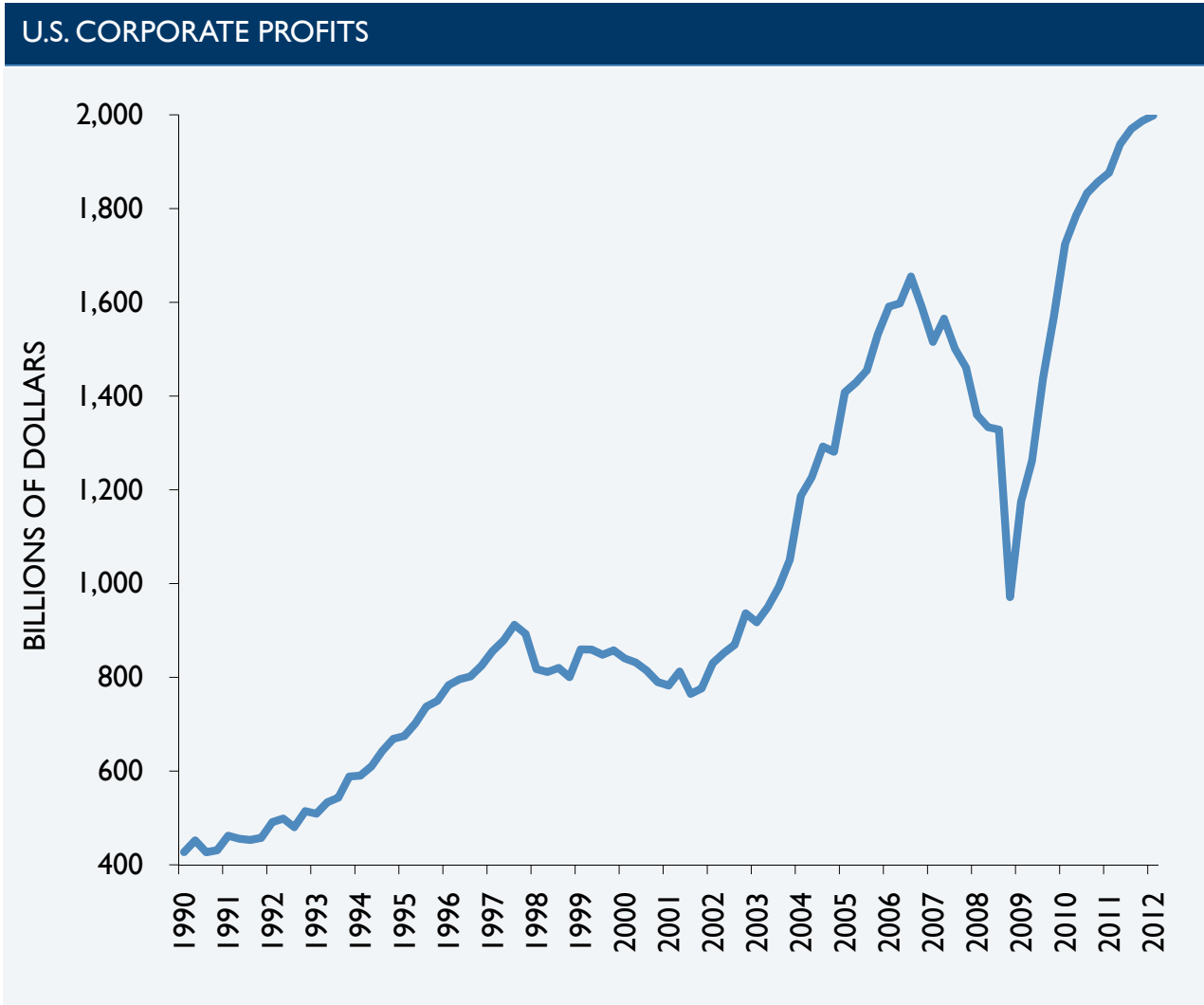
COMMERCIAL REAL ESTATE MATURITIES  
BY INVESTOR TYPE, IN \$BILLIONS

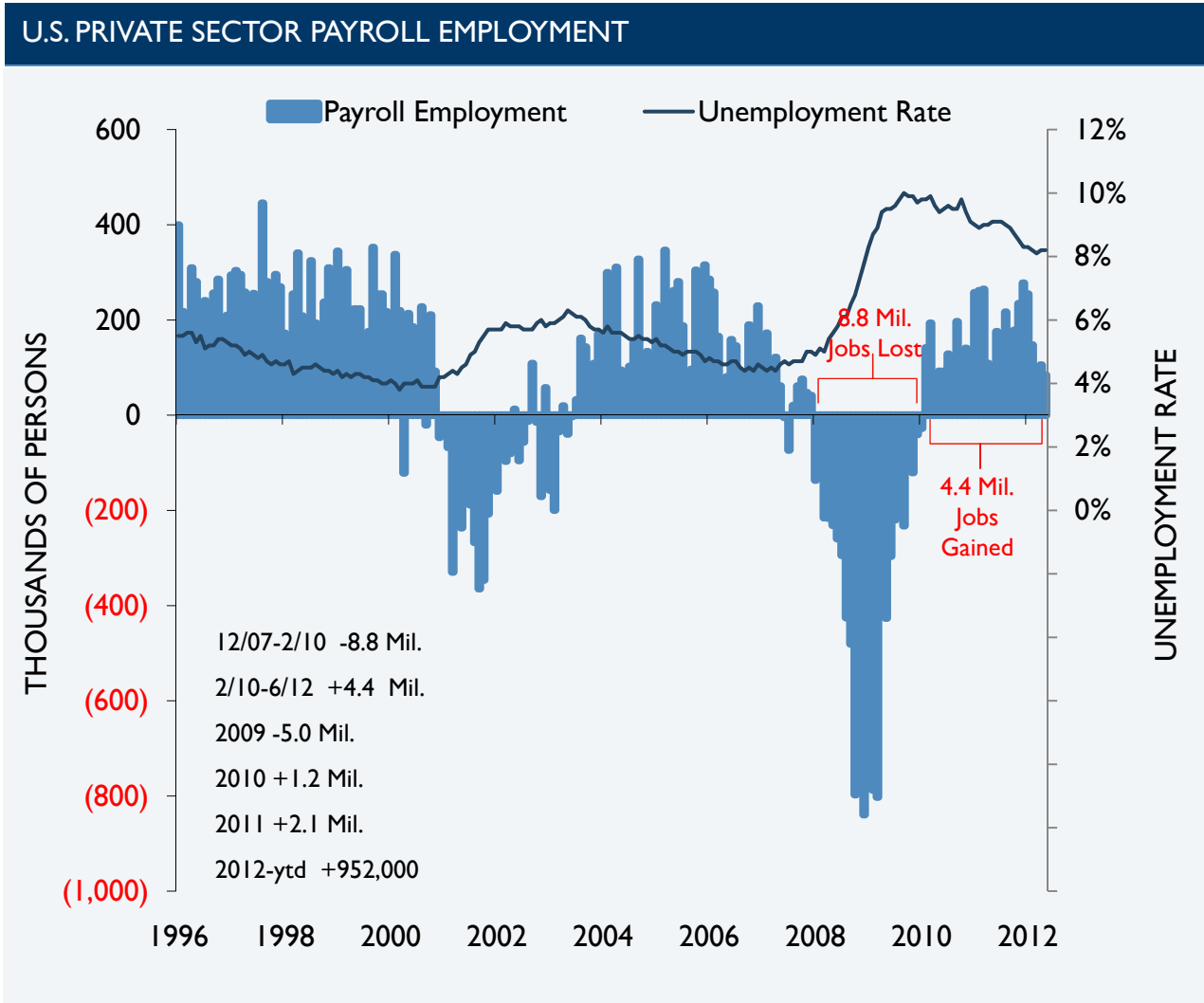


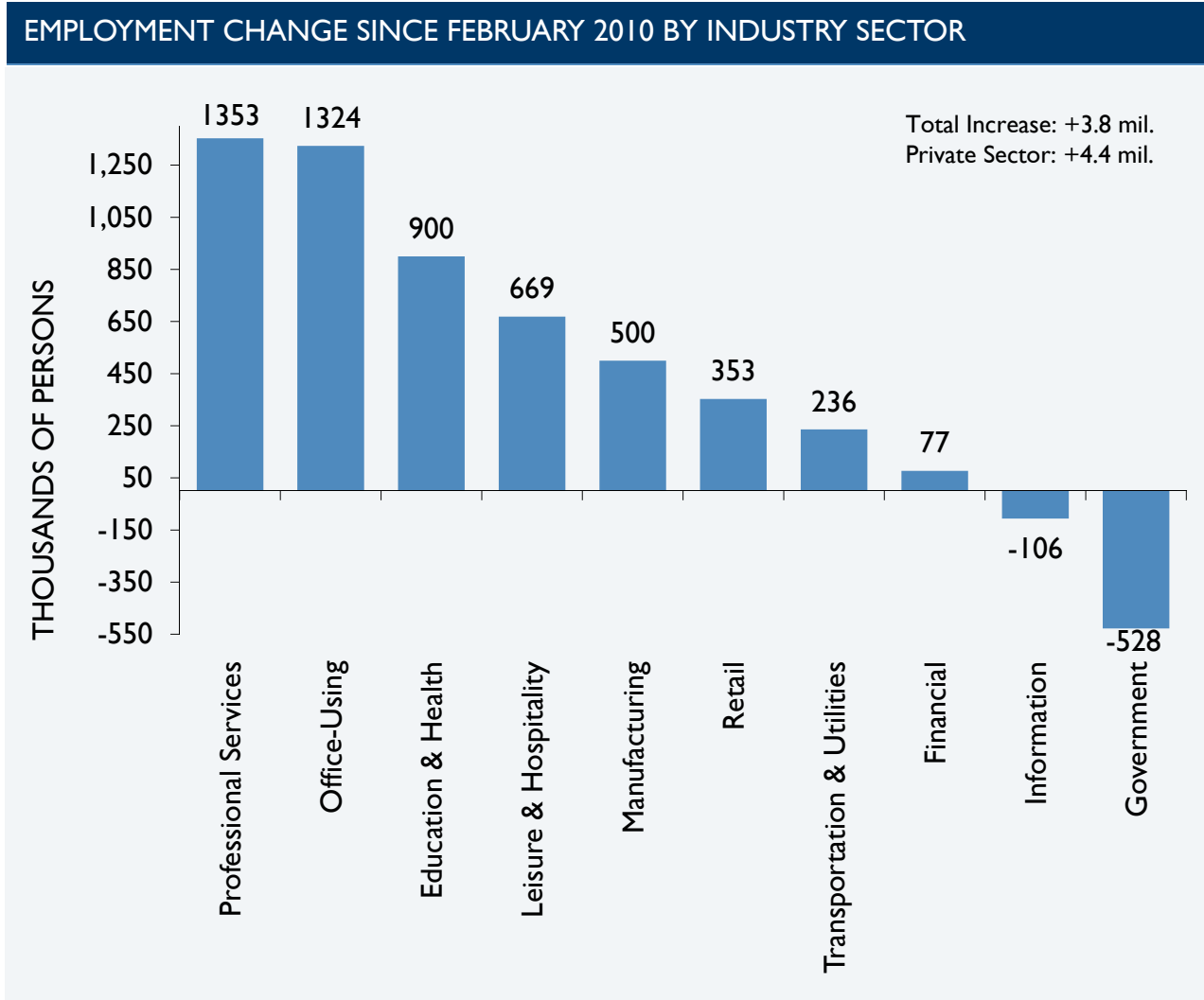
## TOTAL CMBS MATURITIES IN \$BILLIONS



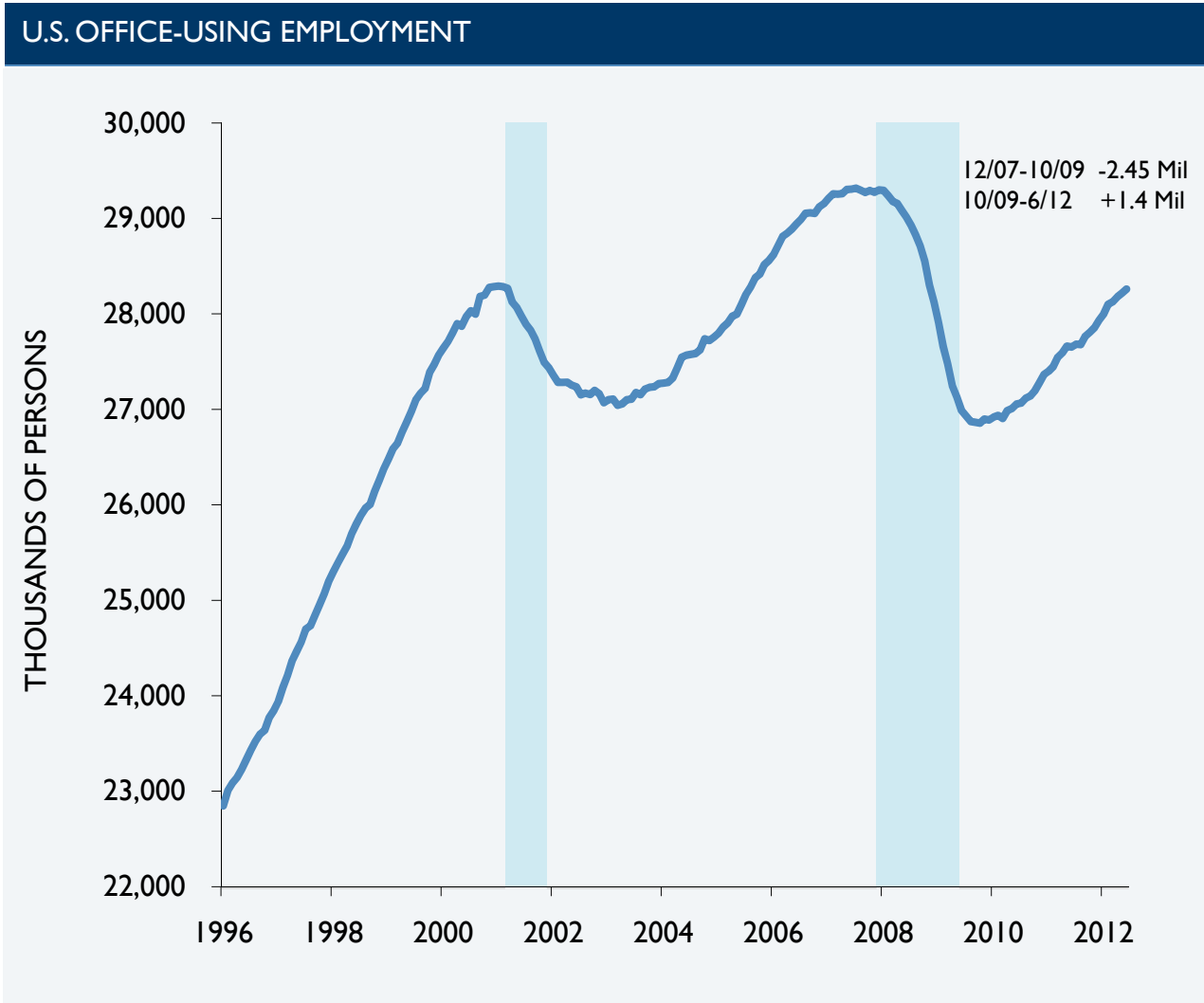
## OFFICE MARKET



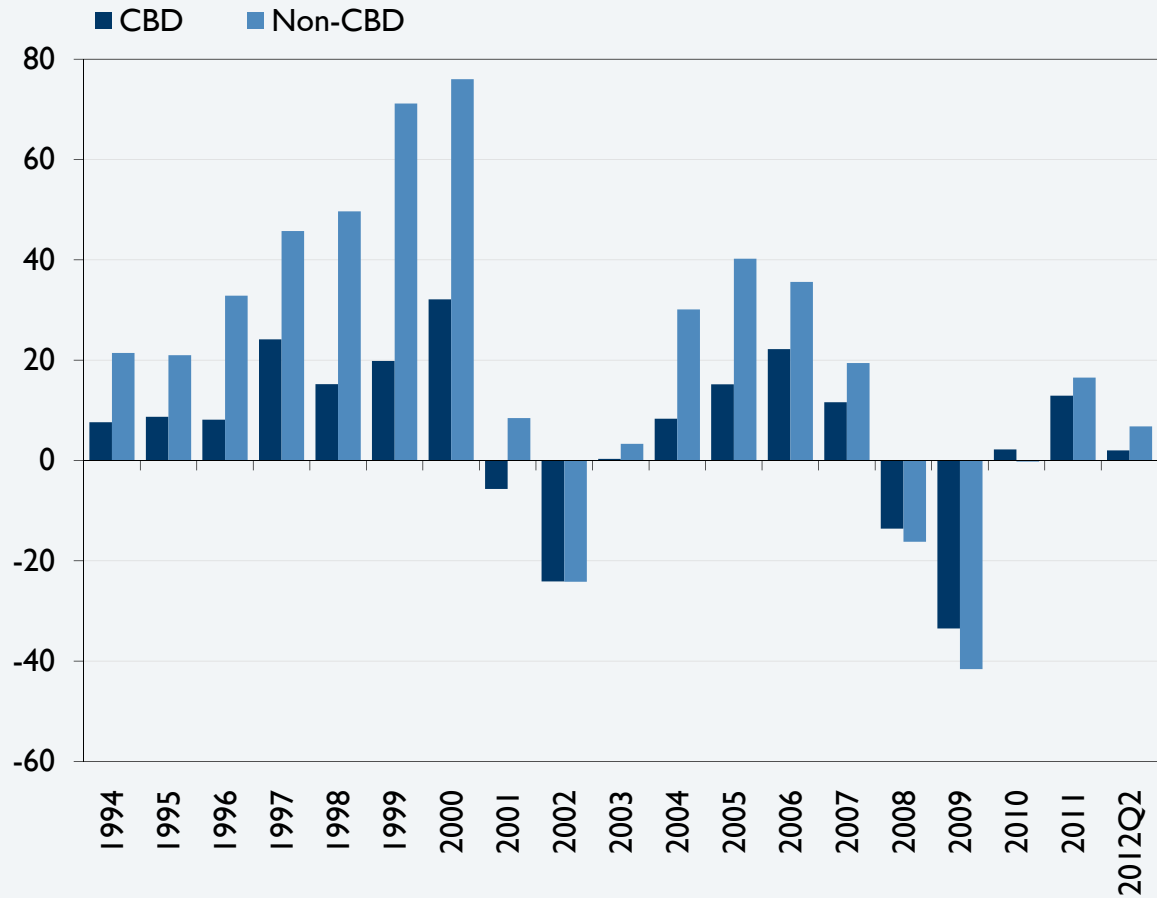




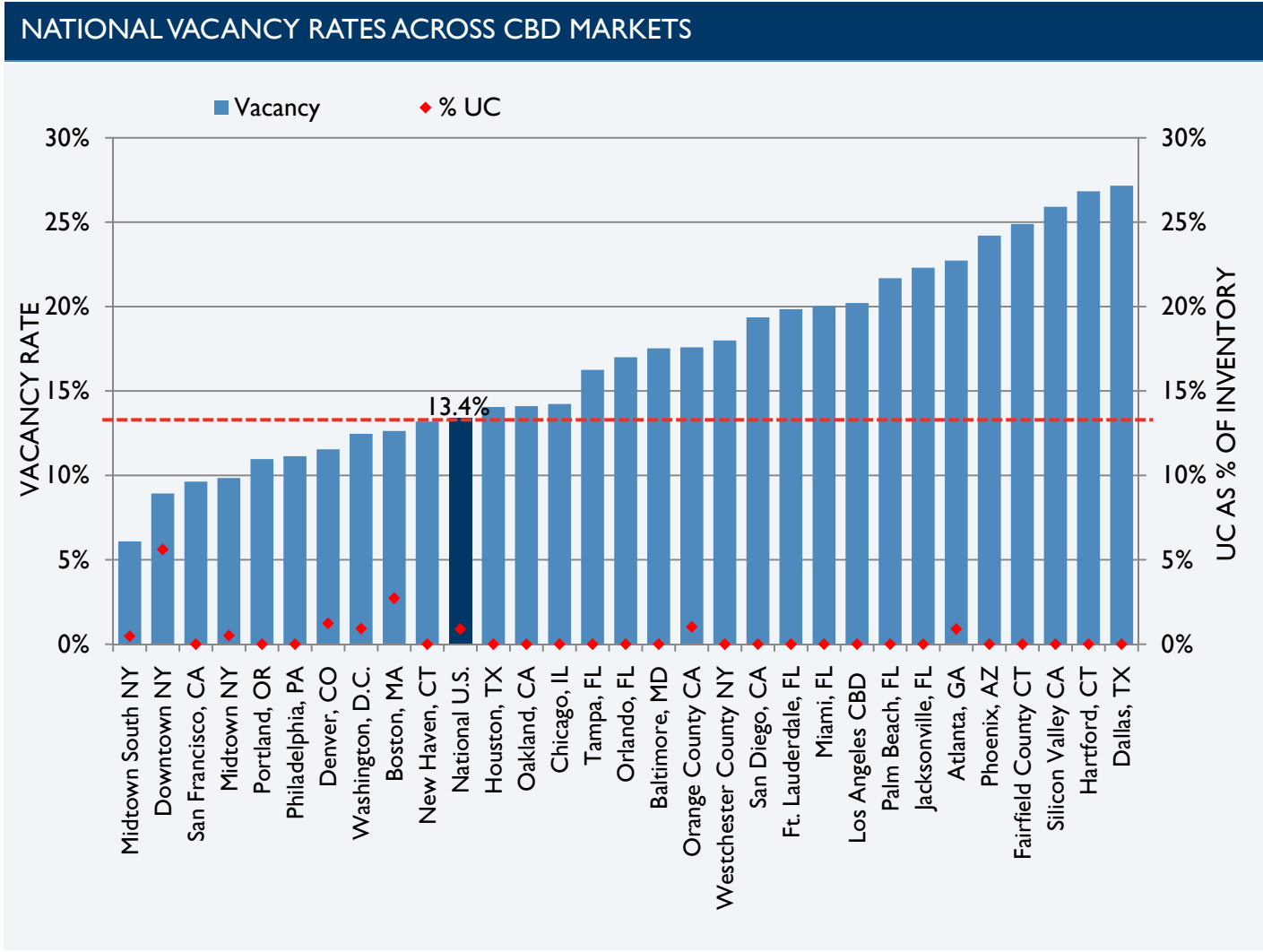




NATIONAL OFFICE NET ABSORPTION, 1994 – 2012Q2  
IN MILLIONS OF SQUARE FEET

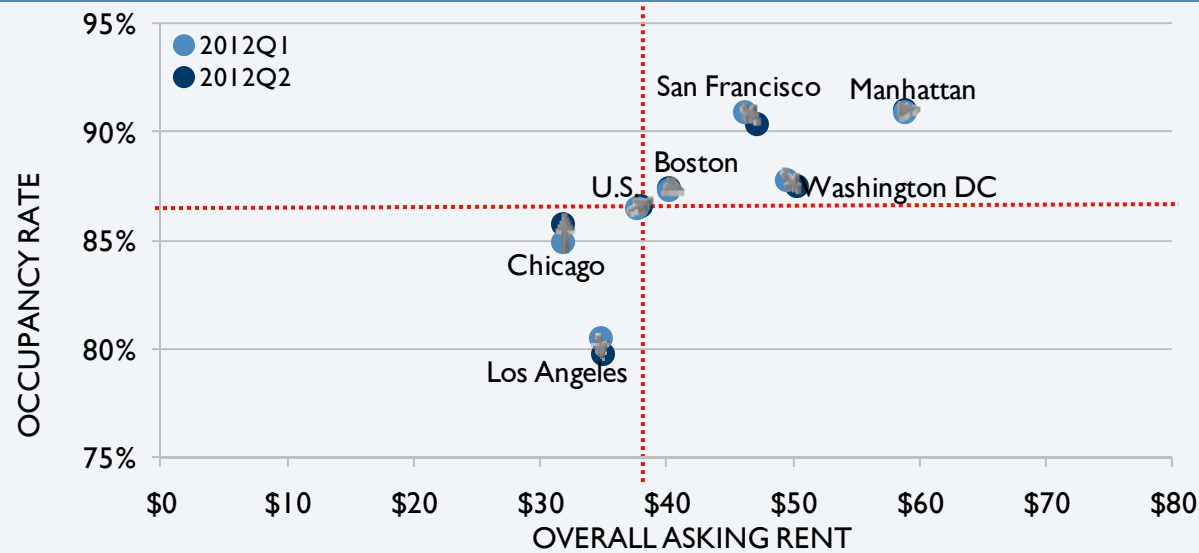


# CBD OFFICE MARKET OVERVIEW - MOMENTUM

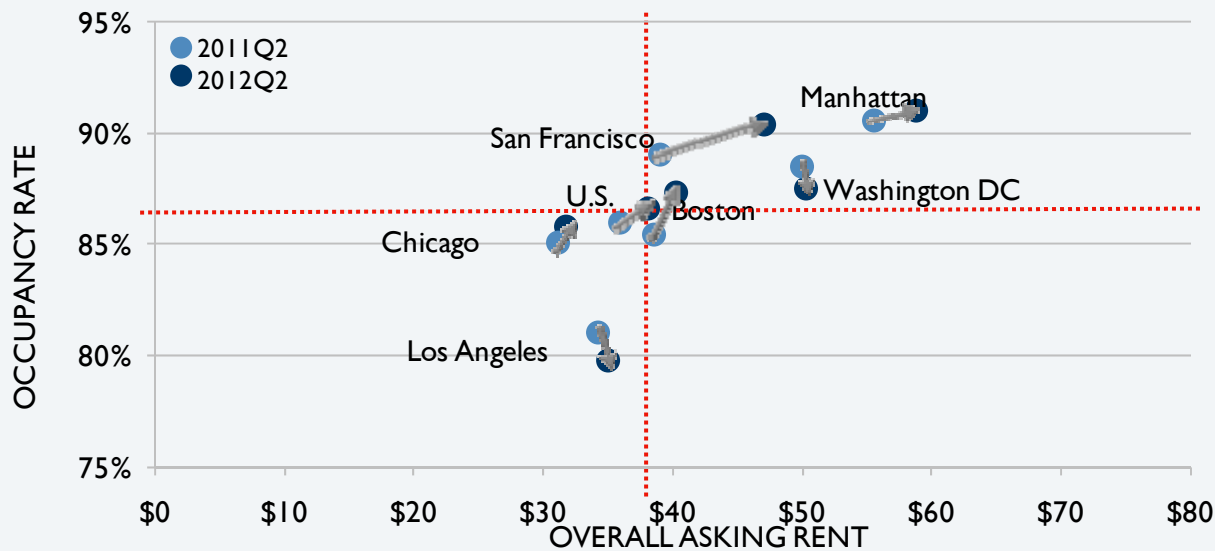


# CBD OFFICE MARKET OVERVIEW - MOMENTUM

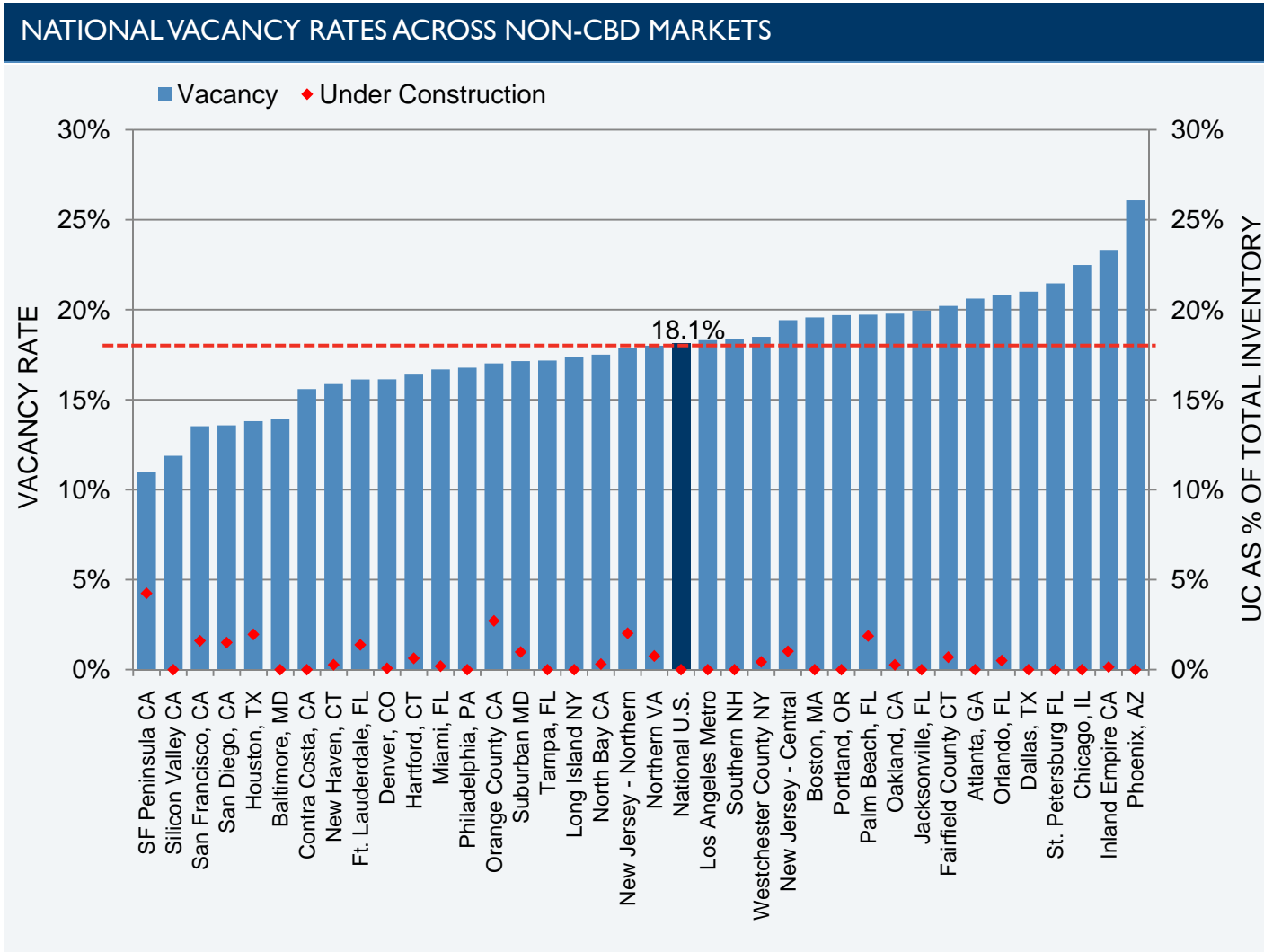
## TOP CBD OFFICE INVESTMENT MARKETS QUARTER-OVER-QUARTER CHANGE IN ASKING RENT AND VACANCY RATE



## TOP CBD OFFICE INVESTMENT MARKETS YEAR-OVER-YEAR CHANGE IN ASKING RENT AND VACANCY RATE

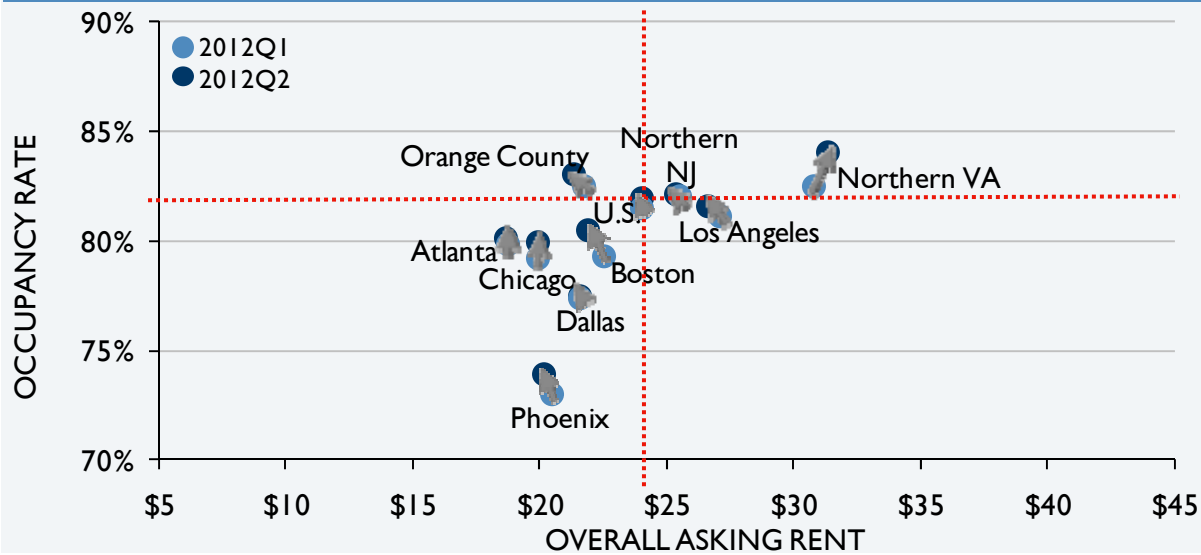


# NON-CBD OFFICE MARKET OVERVIEW - MOMENTUM

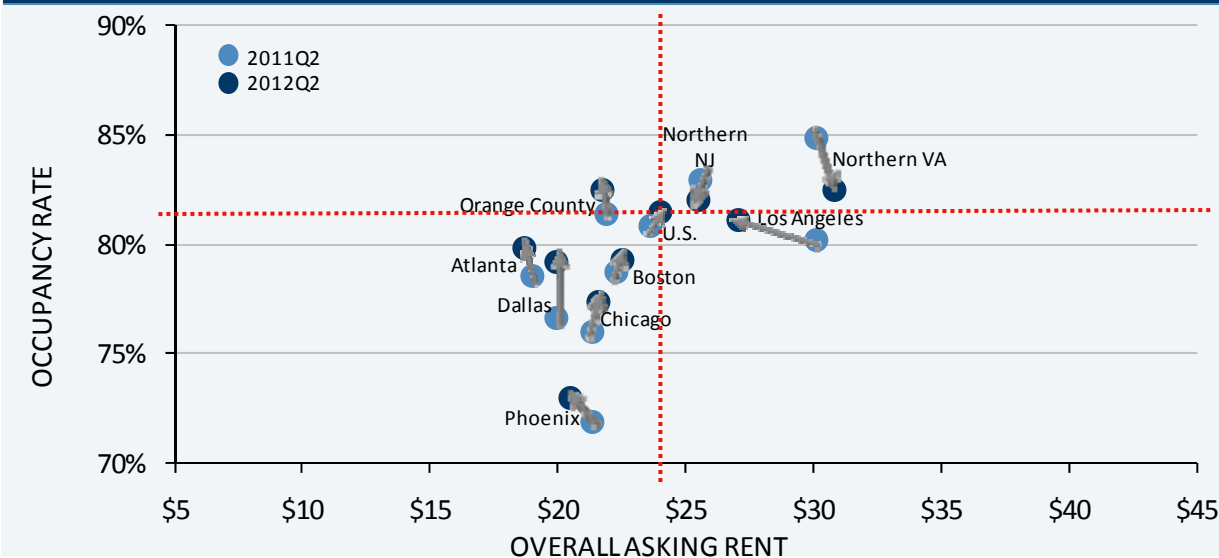


# NON-CBD OFFICE MARKET OVERVIEW - MOMENTUM

TOP NON-CBD OFFICE INVESTMENT MARKETS  
 QUARTER-OVER-QUARTER CHANGE IN ASKING RENT AND VACANCY RATE

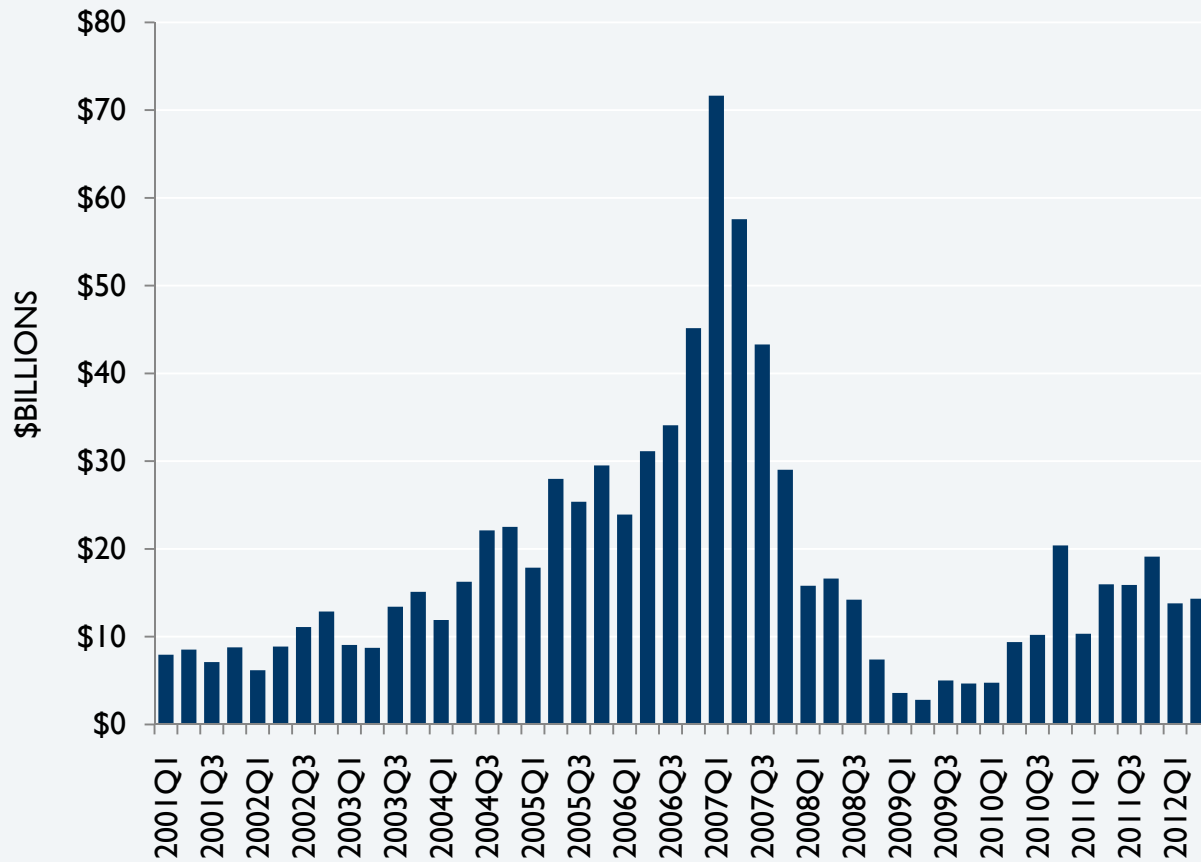


TOP NON-CBD OFFICE INVESTMENT MARKETS  
 YEAR-OVER-YEAR CHANGE IN ASKING RENT AND VACANCY RATE



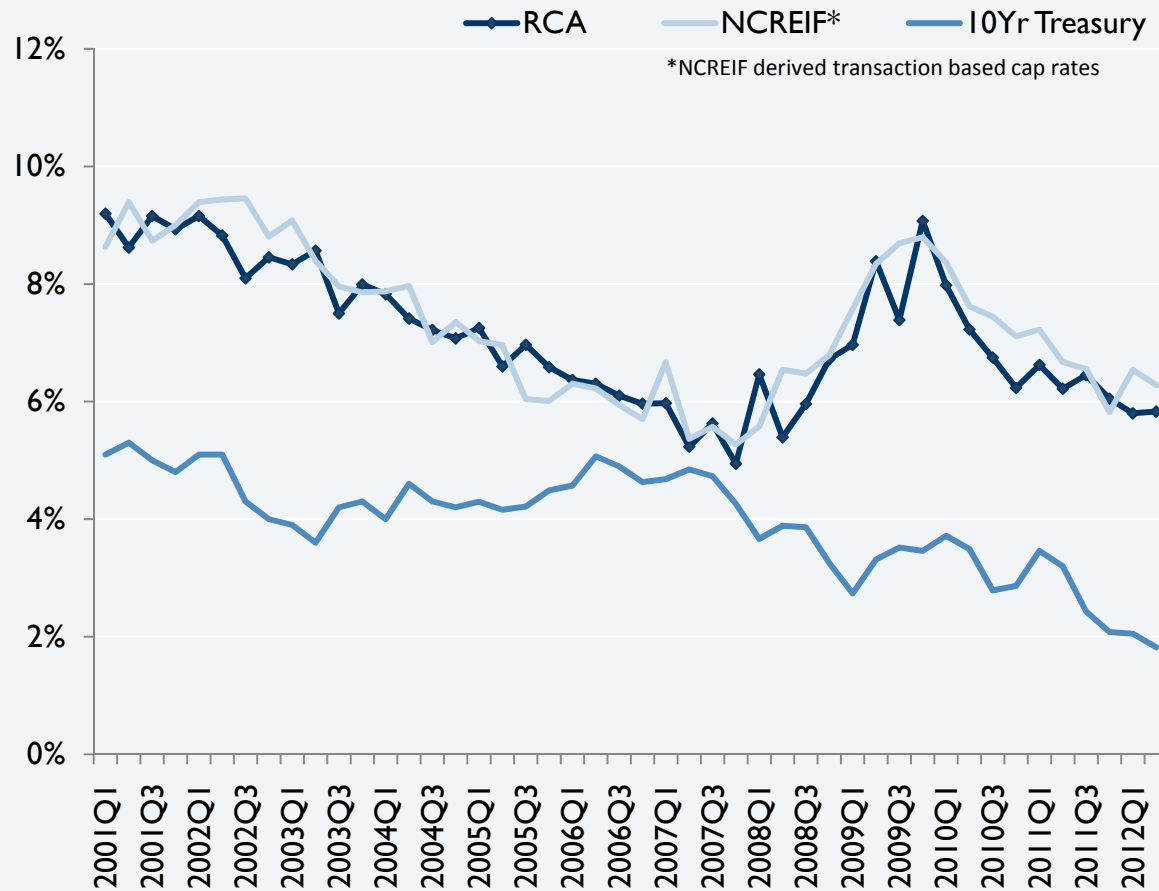
Source: C&W Research, C&W Capital Markets

## CLOSED SALES VOLUME<sup>1</sup> QUARTERLY 2001-2012Q2



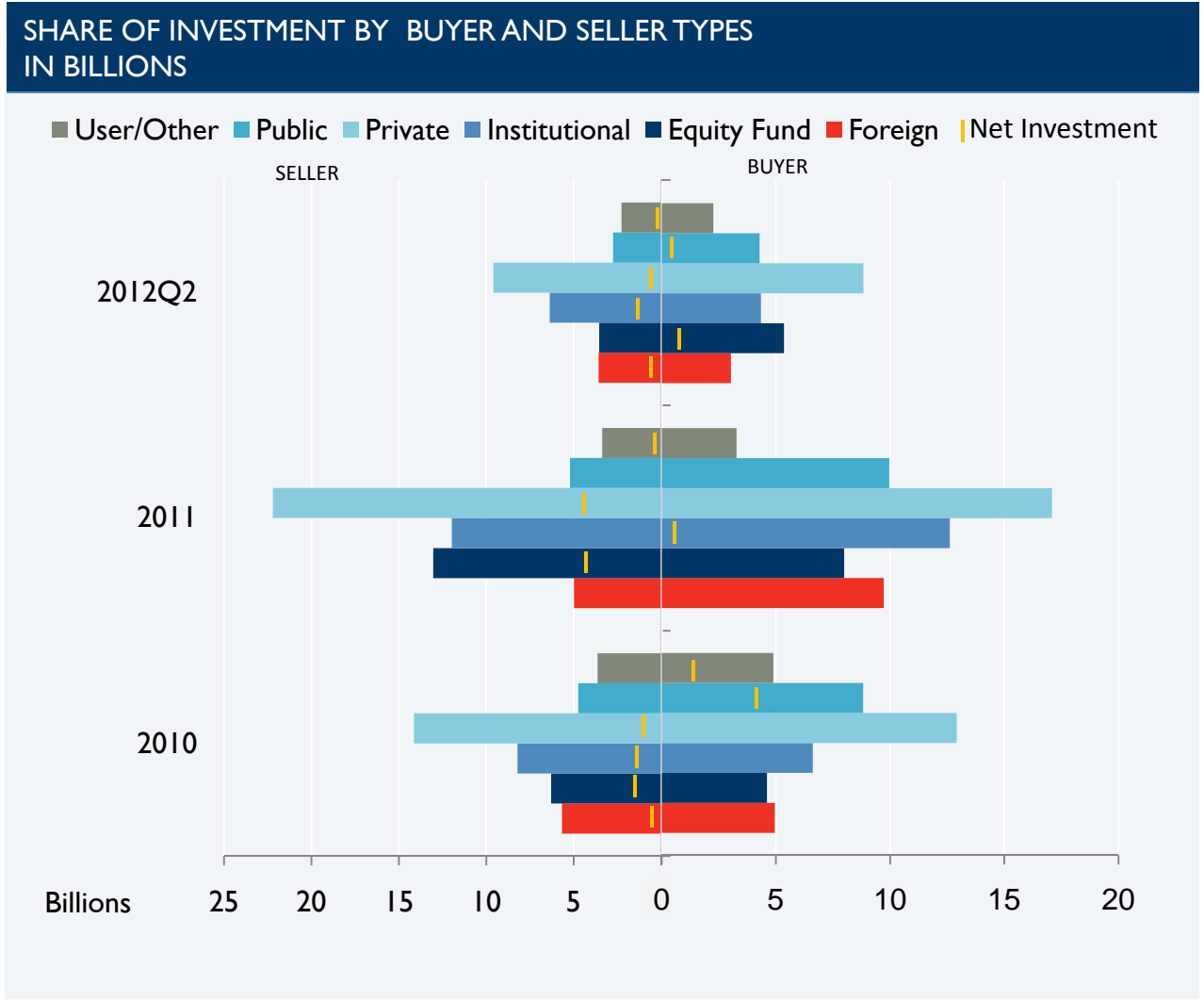
1. Deal size \$5M+, includes partial interest sales

## AVERAGE WEIGHTED CAPITALIZATION RATE<sup>1</sup> VS. NCREIF QUARTERLY 2001-2012Q2

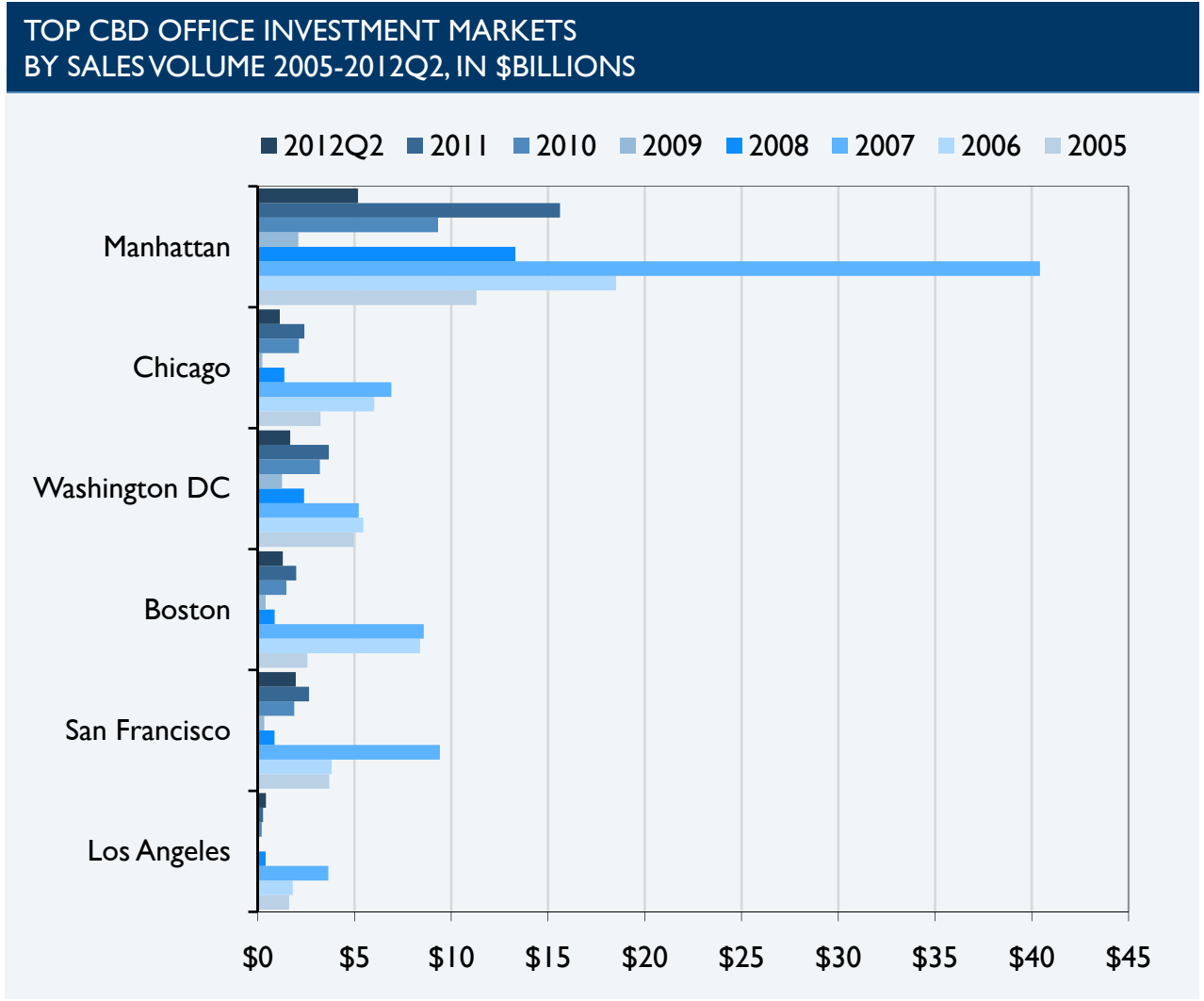


1. Does not include partial interest sales

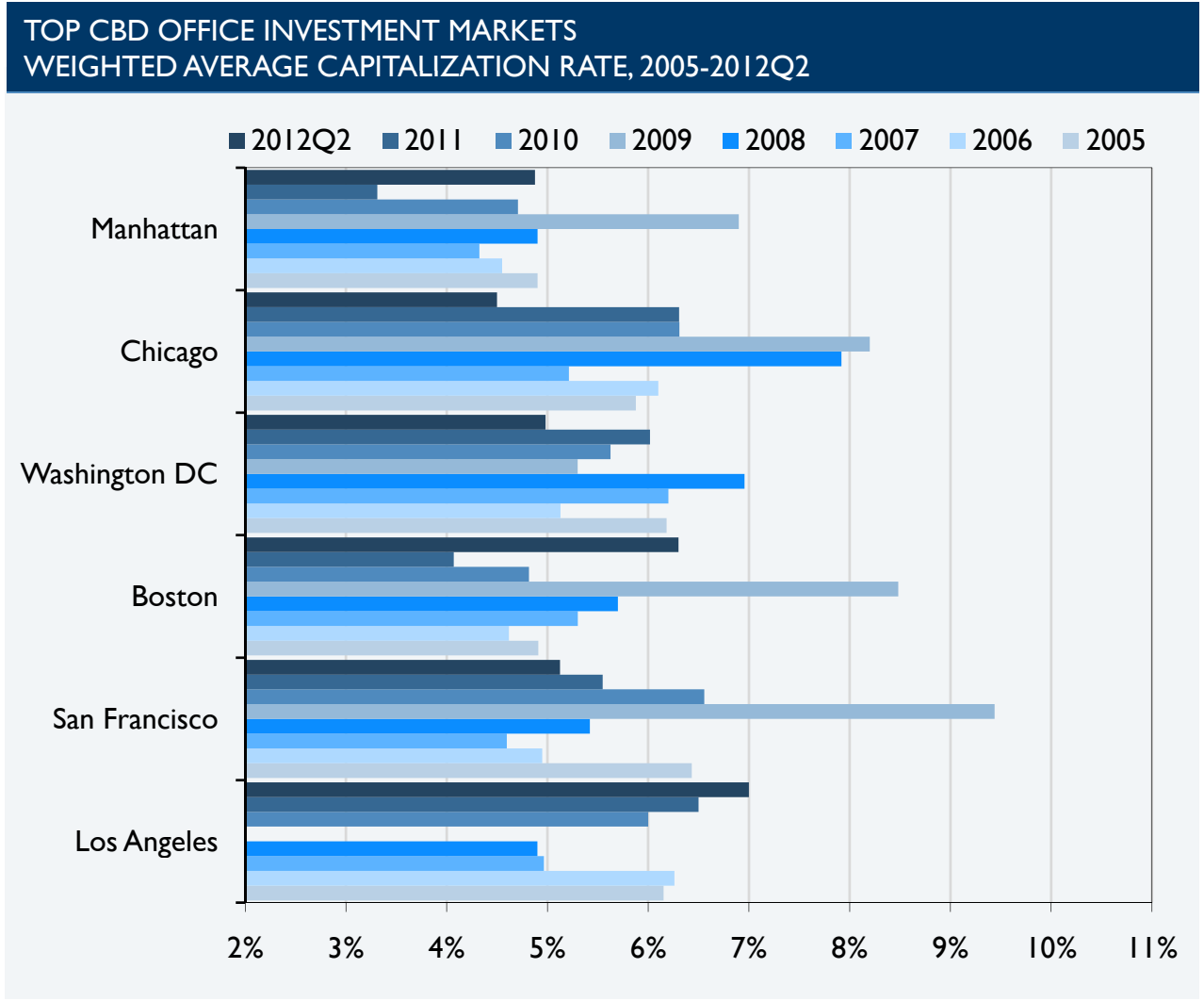




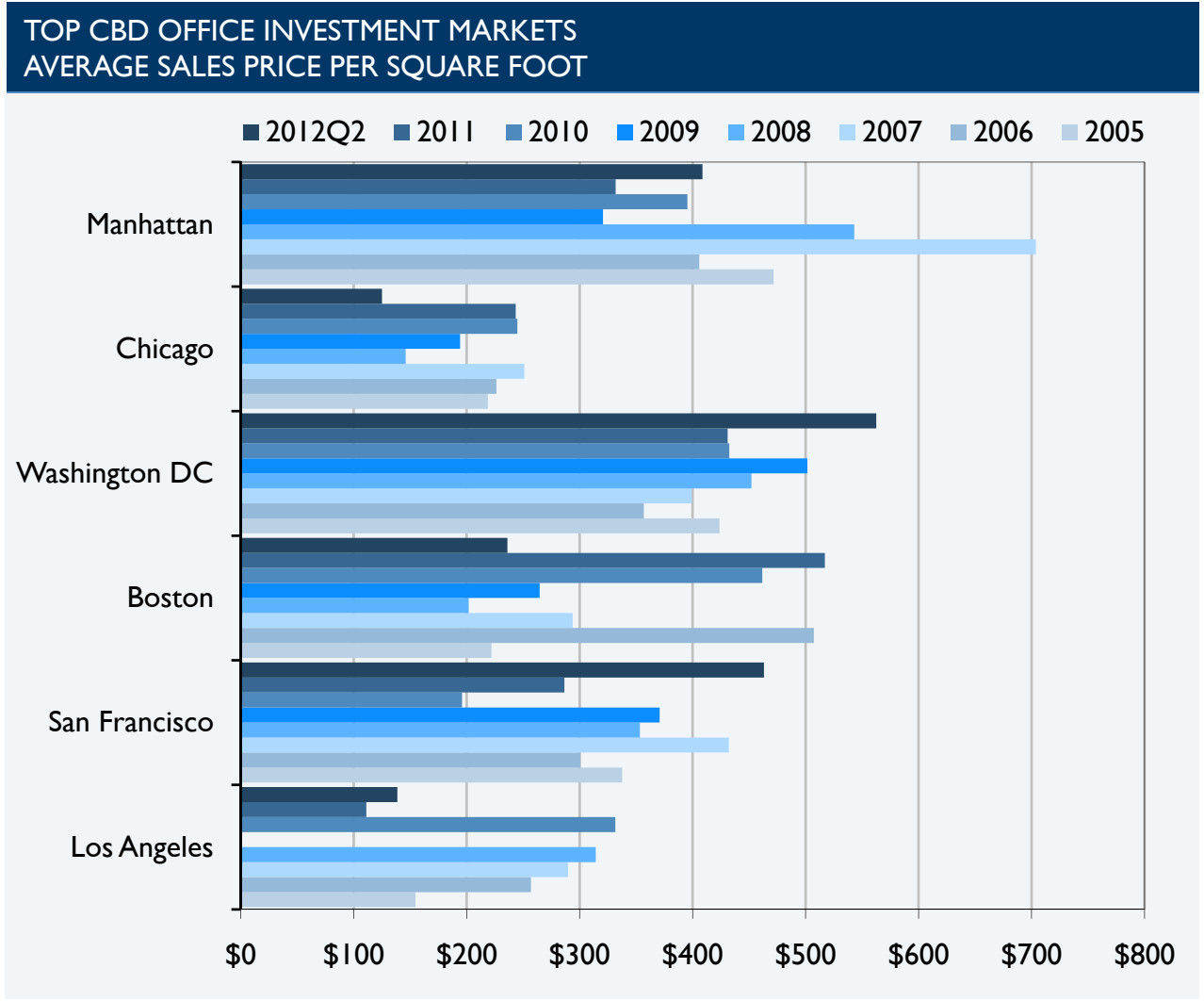
# OFFICE CAPITAL MARKETS – TOP CBD SALES MARKETS



# OFFICE CAPITAL MARKETS – TOP CBD SALES MARKETS

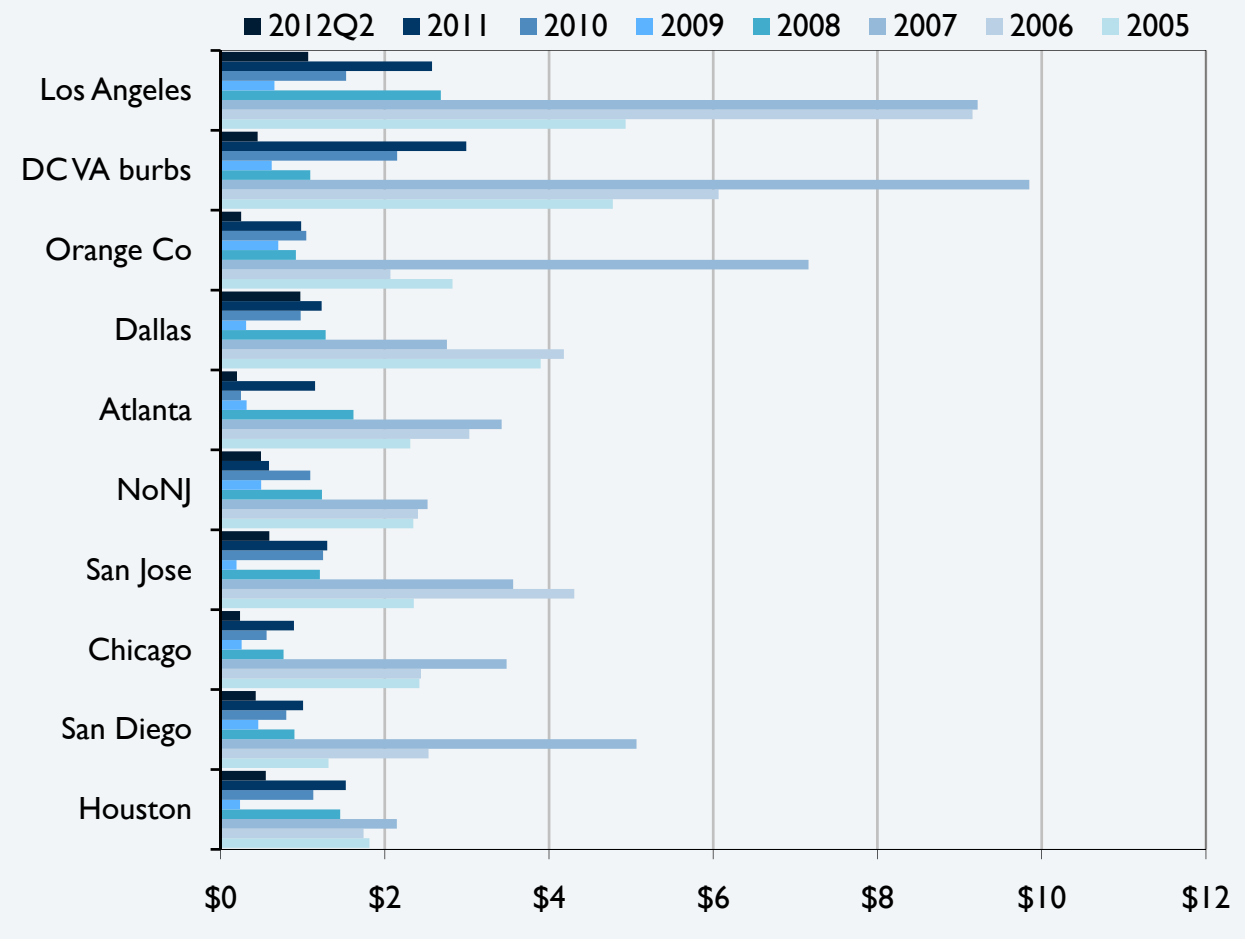


# OFFICE CAPITAL MARKETS – TOP CBD SALES MARKETS

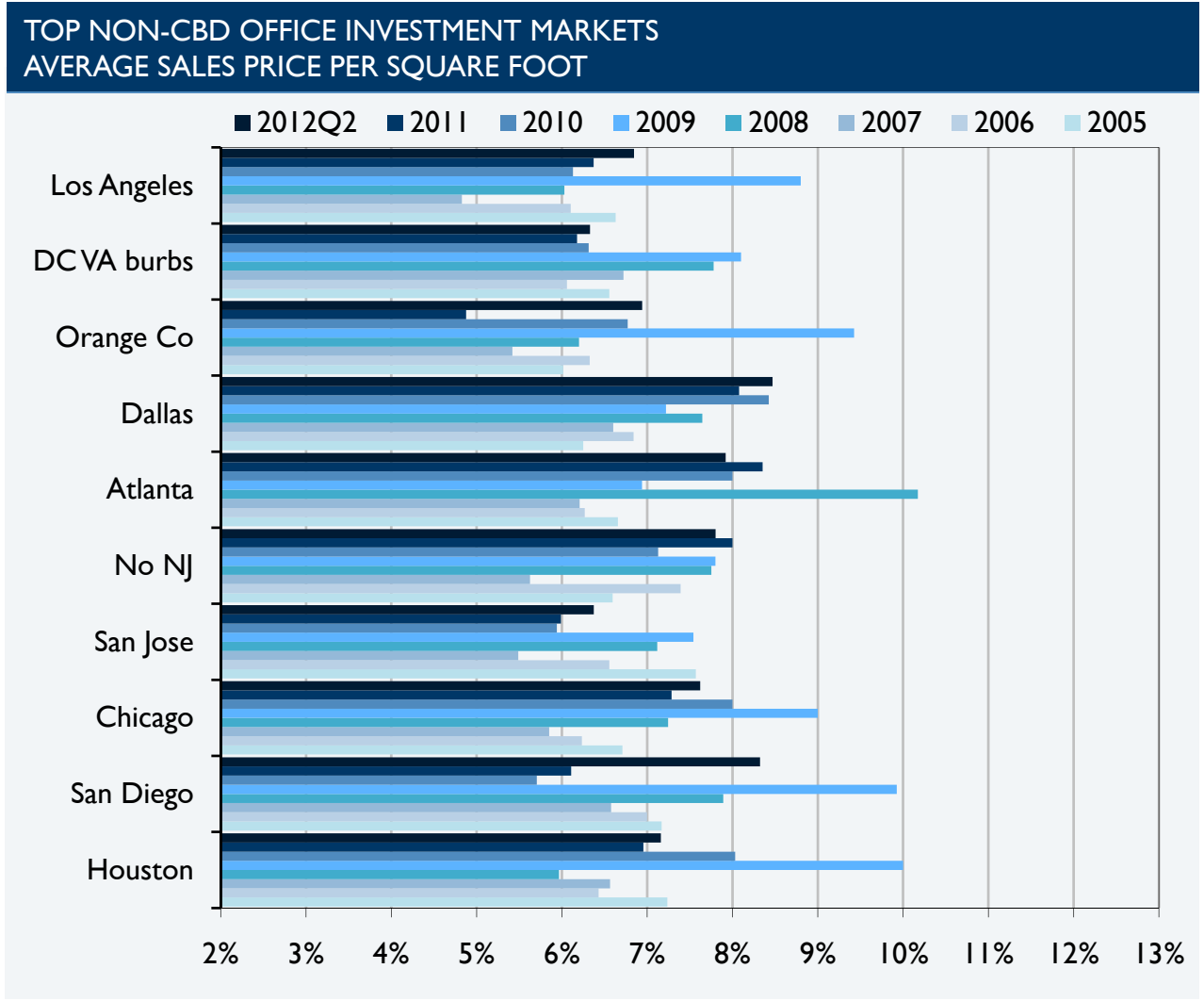


# OFFICE CAPITAL MARKETS – TOP NON-CBD SALES MARKETS

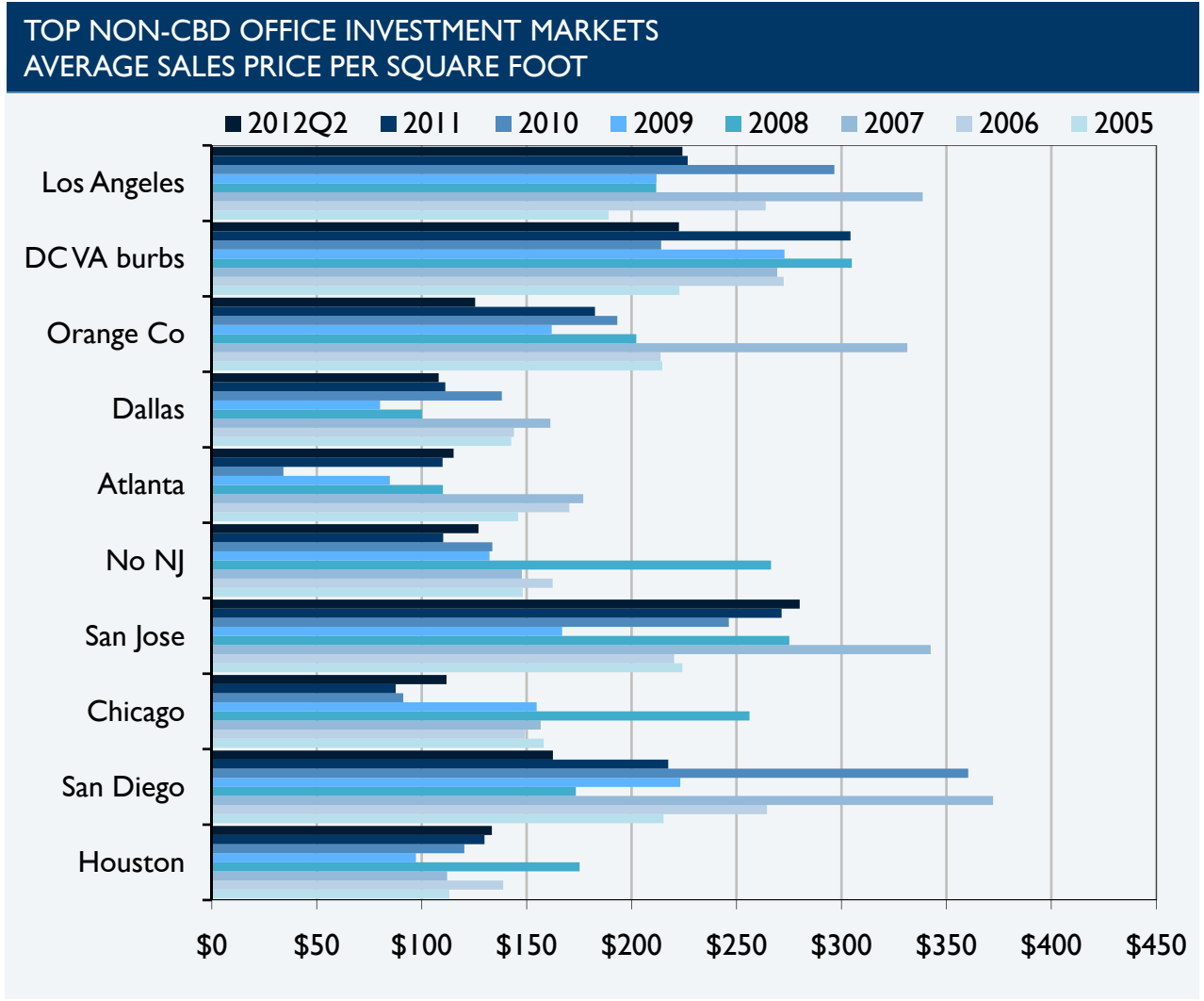
TOP NON-CBD OFFICE INVESTMENT MARKETS  
AVERAGE SALES PRICE PER SQUARE FOOT



# OFFICE CAPITAL MARKETS – TOP NON-CBD SALES MARKETS



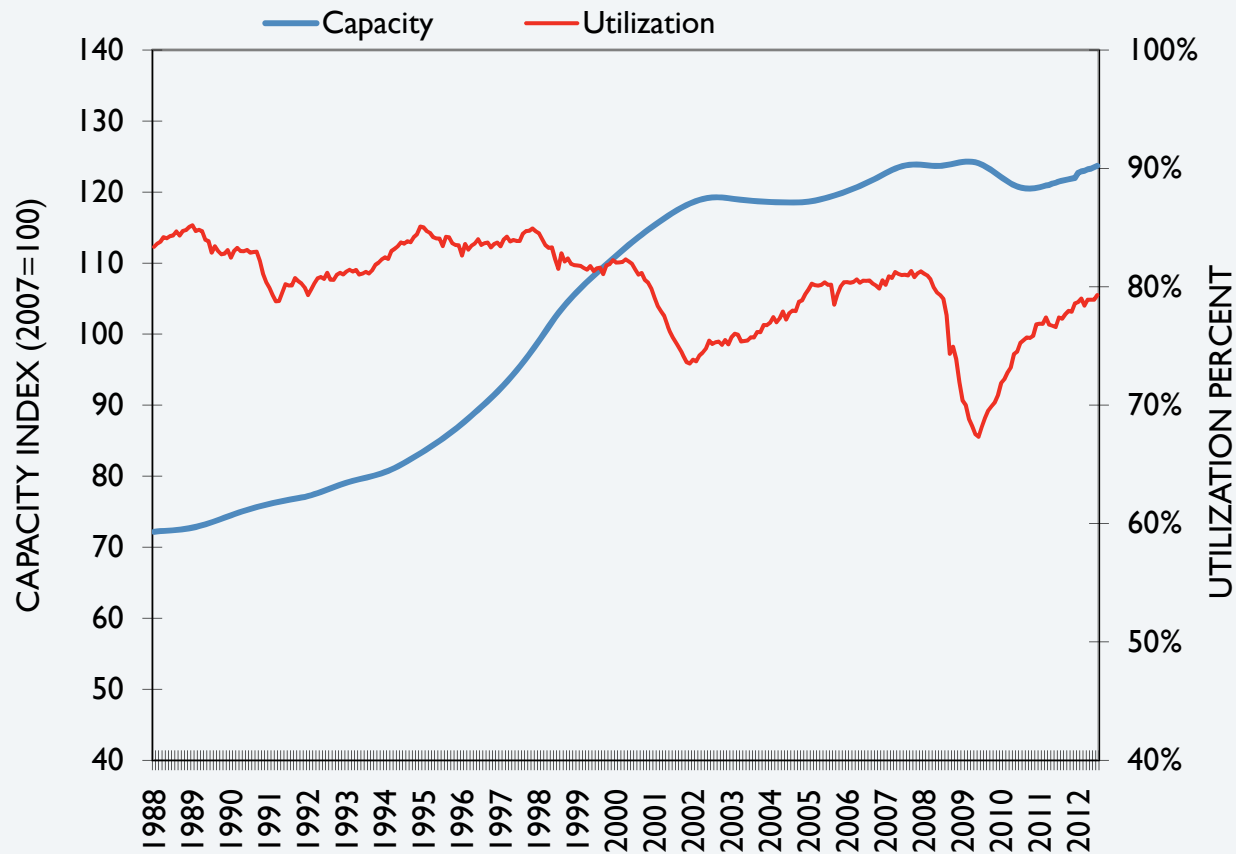
# OFFICE CAPITAL MARKETS – TOP NON-CBD SALES MARKETS



## INDUSTRIAL MARKET

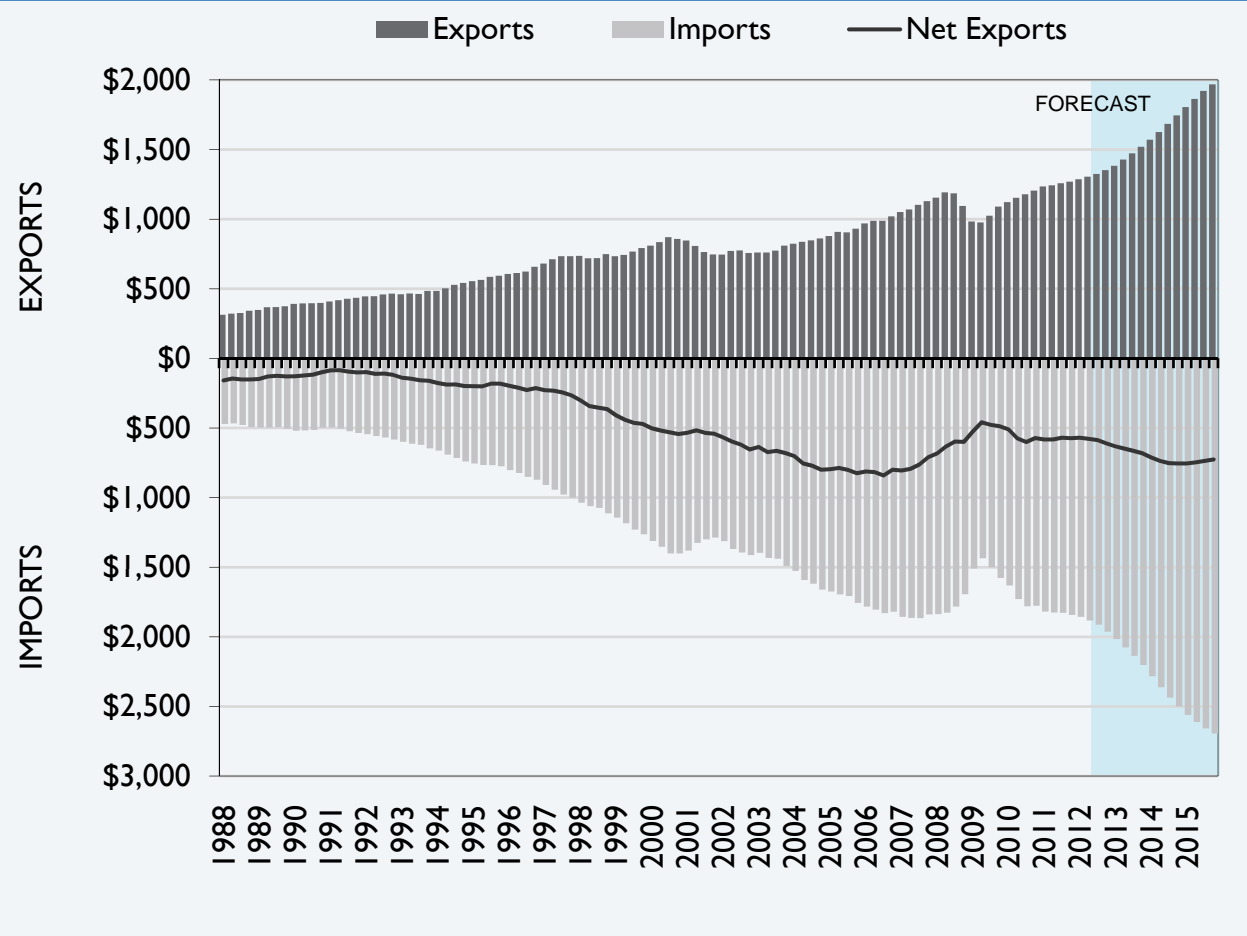


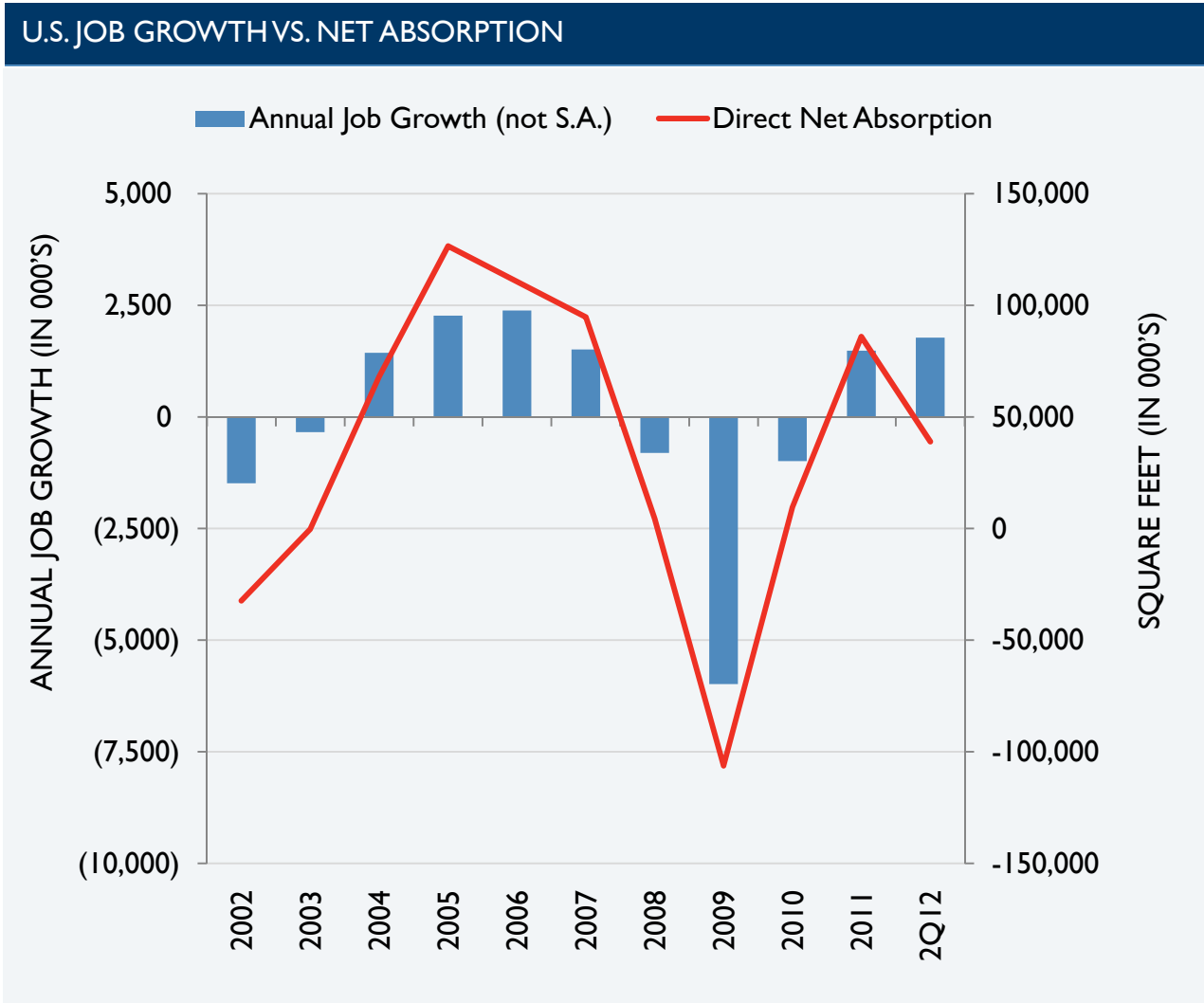
## INDUSTRIAL CAPACITY AND UTILIZATION MONTHLY 1988-2012



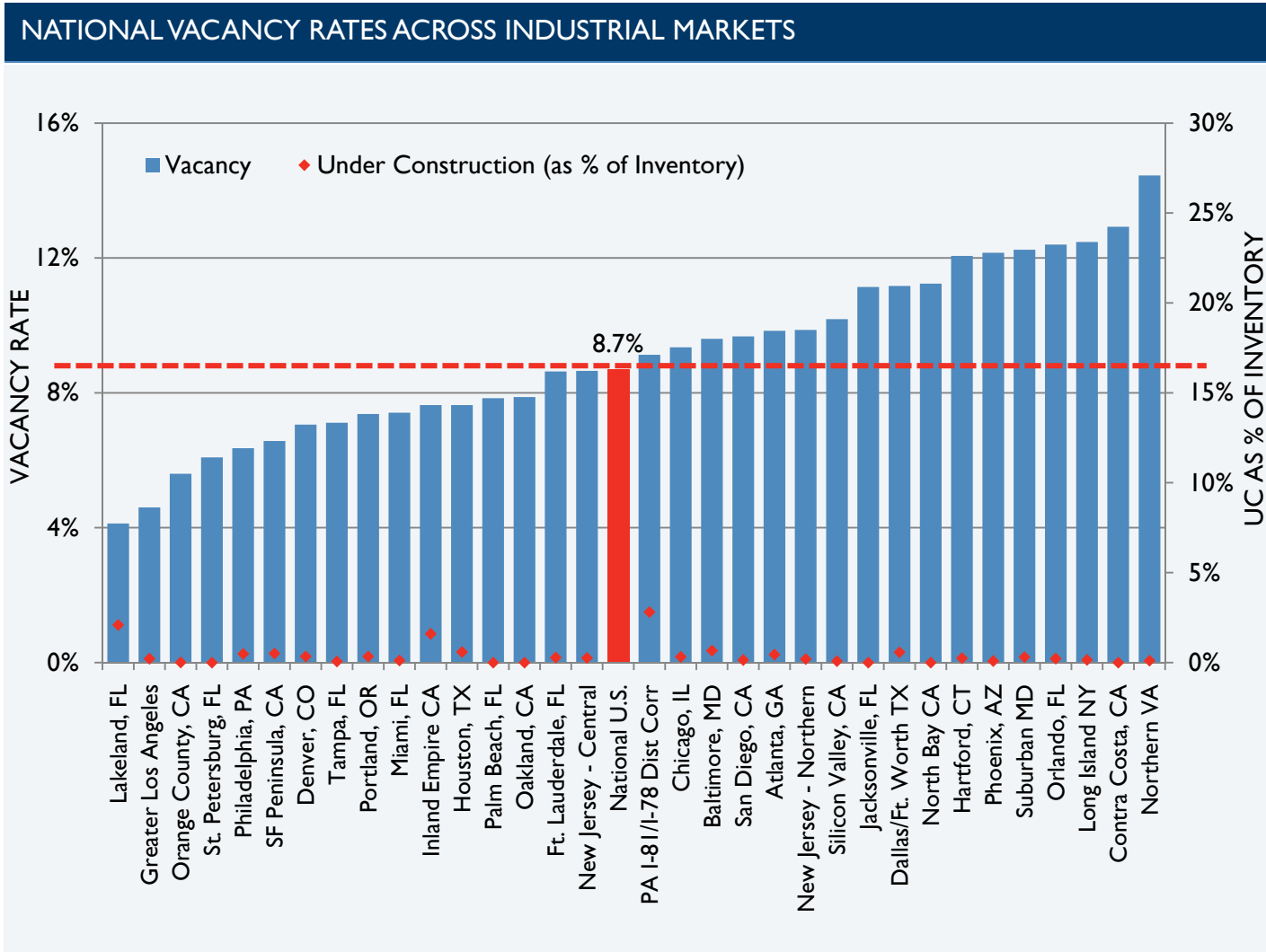
## U.S. EXPORTS AND IMPORTS OF GOODS

1988-2015



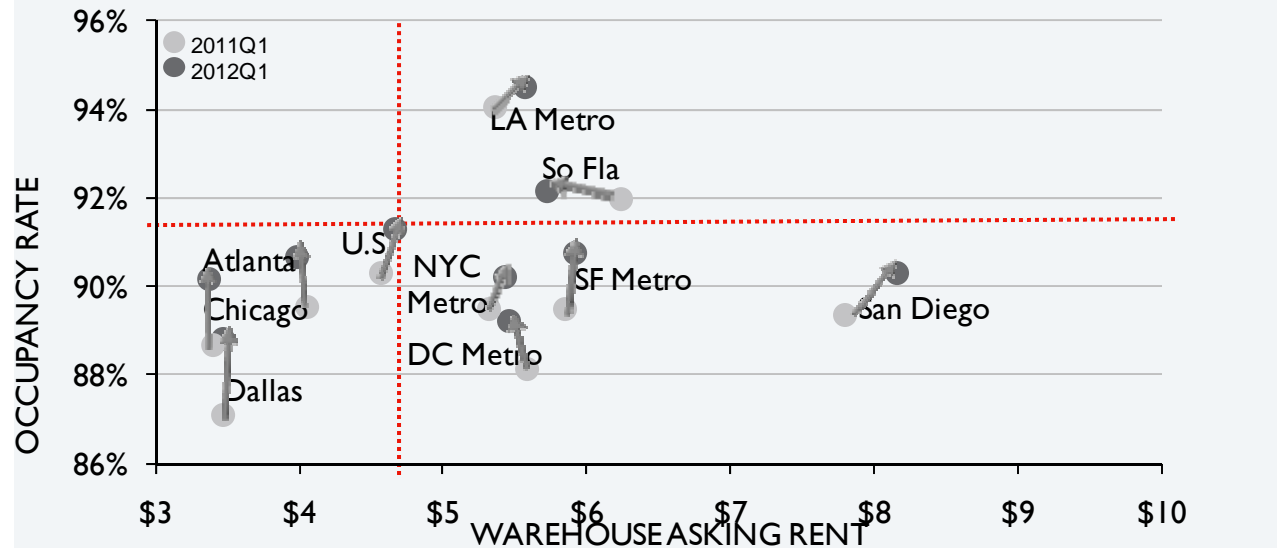


# INDUSTRIAL MARKET OVERVIEW – MOMENTUM



# INDUSTRIAL MARKET OVERVIEW – MOMENTUM

## TOP INDUSTRIAL INVESTMENT MARKETS YEAR-OVER-YEAR CHANGE IN ASKING RENT AND VACANCY RATE

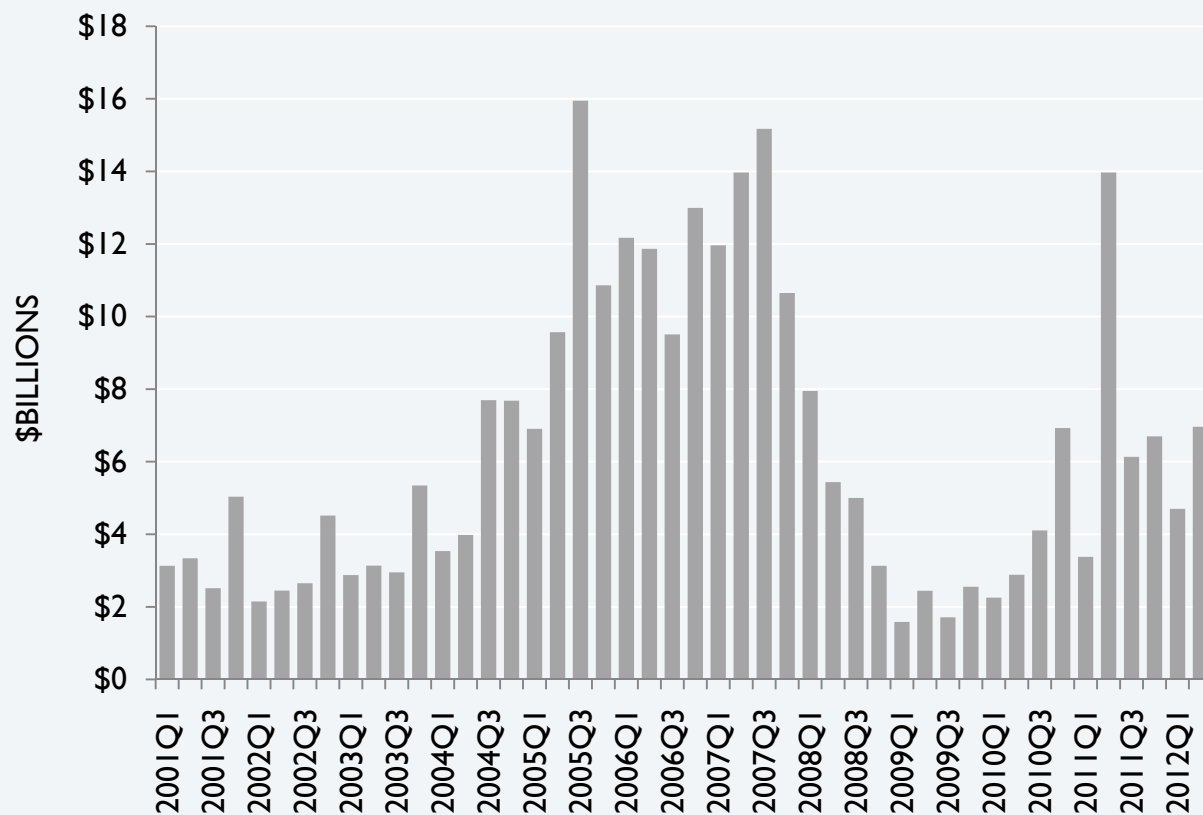


## TOP INDUSTRIAL INVESTMENT MARKETS QUARTER-OVER-QUARTER CHANGE IN ASKING RENT AND VACANCY RATE



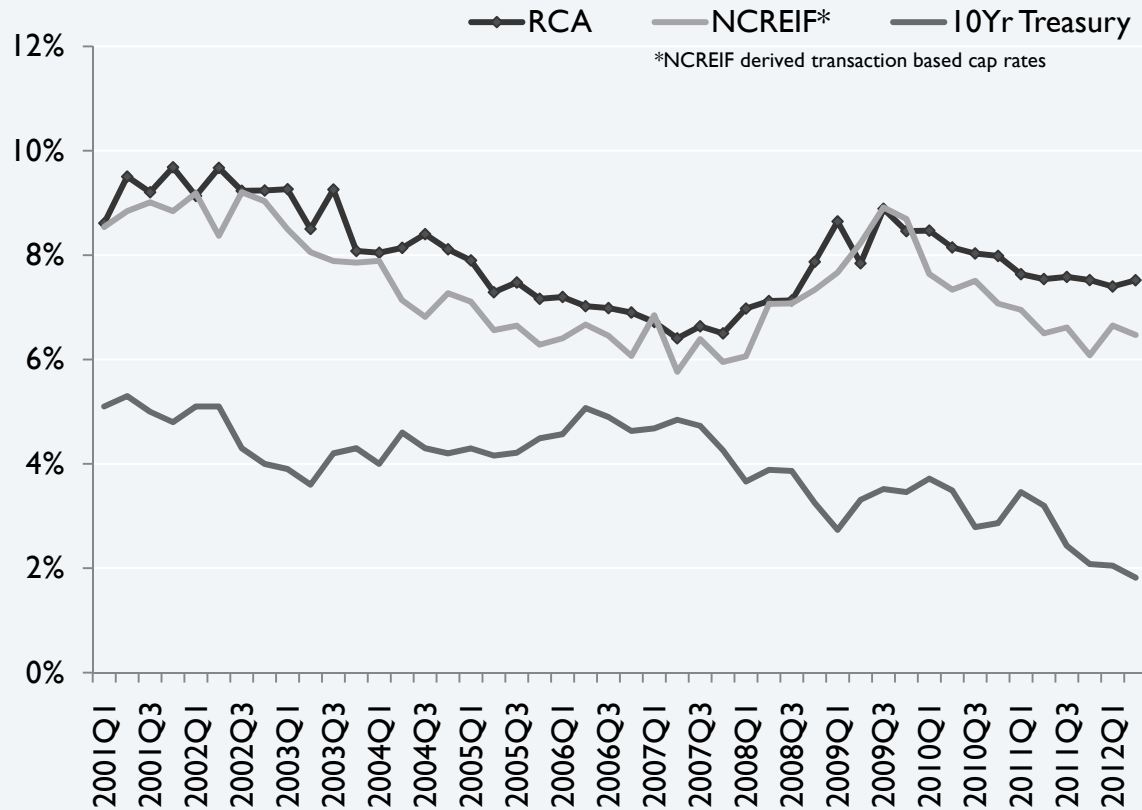
Source: C&W Research, C&W Capital Markets

## CLOSED SALES VOLUME<sup>1</sup> QUARTERLY 2001-2012Q2



1. Deal size \$5M+, includes partial interest sales

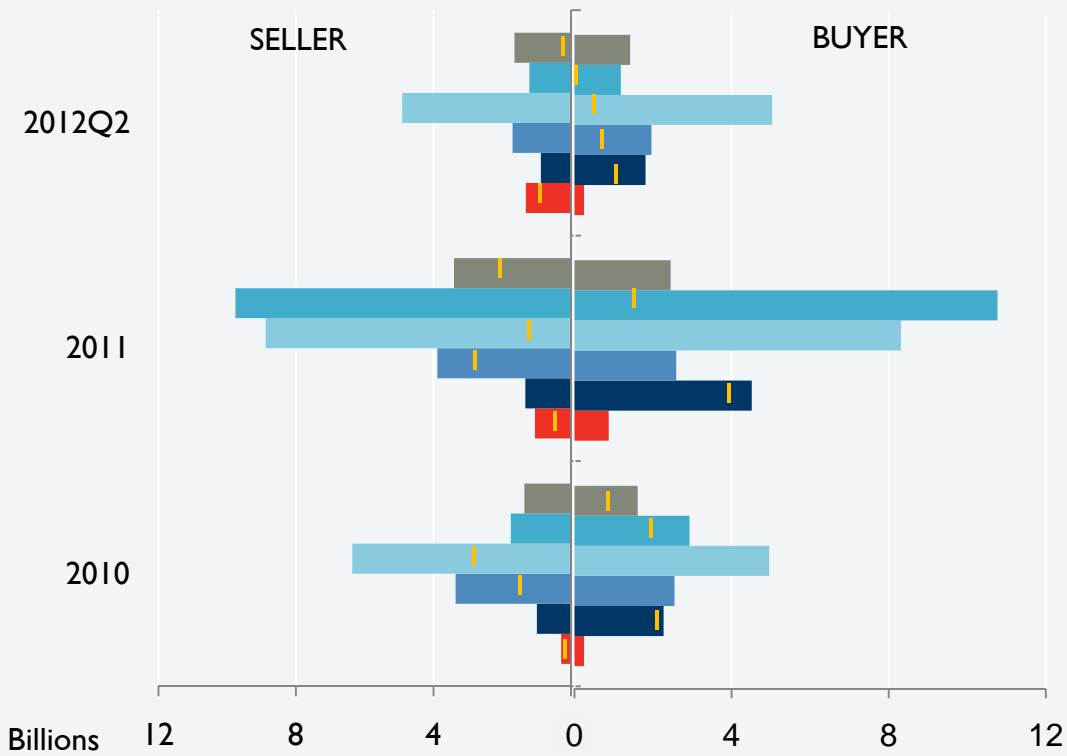
## AVERAGE WEIGHTED CAPITALIZATION RATE<sup>2</sup> VS. NCREIF QUARTERLY 2001-2012Q2



2. Does not include partial interest sales

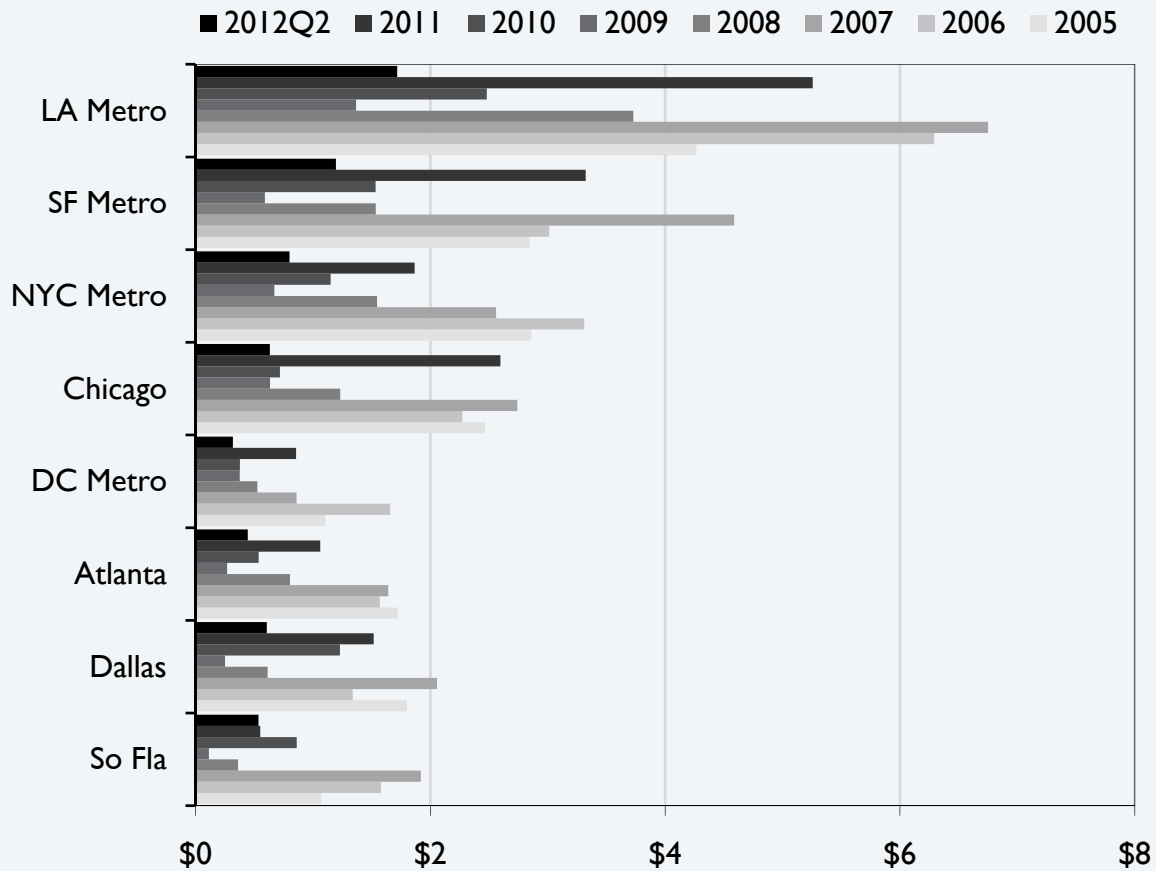
## SHARE OF INVESTMENT BY BUYER AND SELLER TYPES

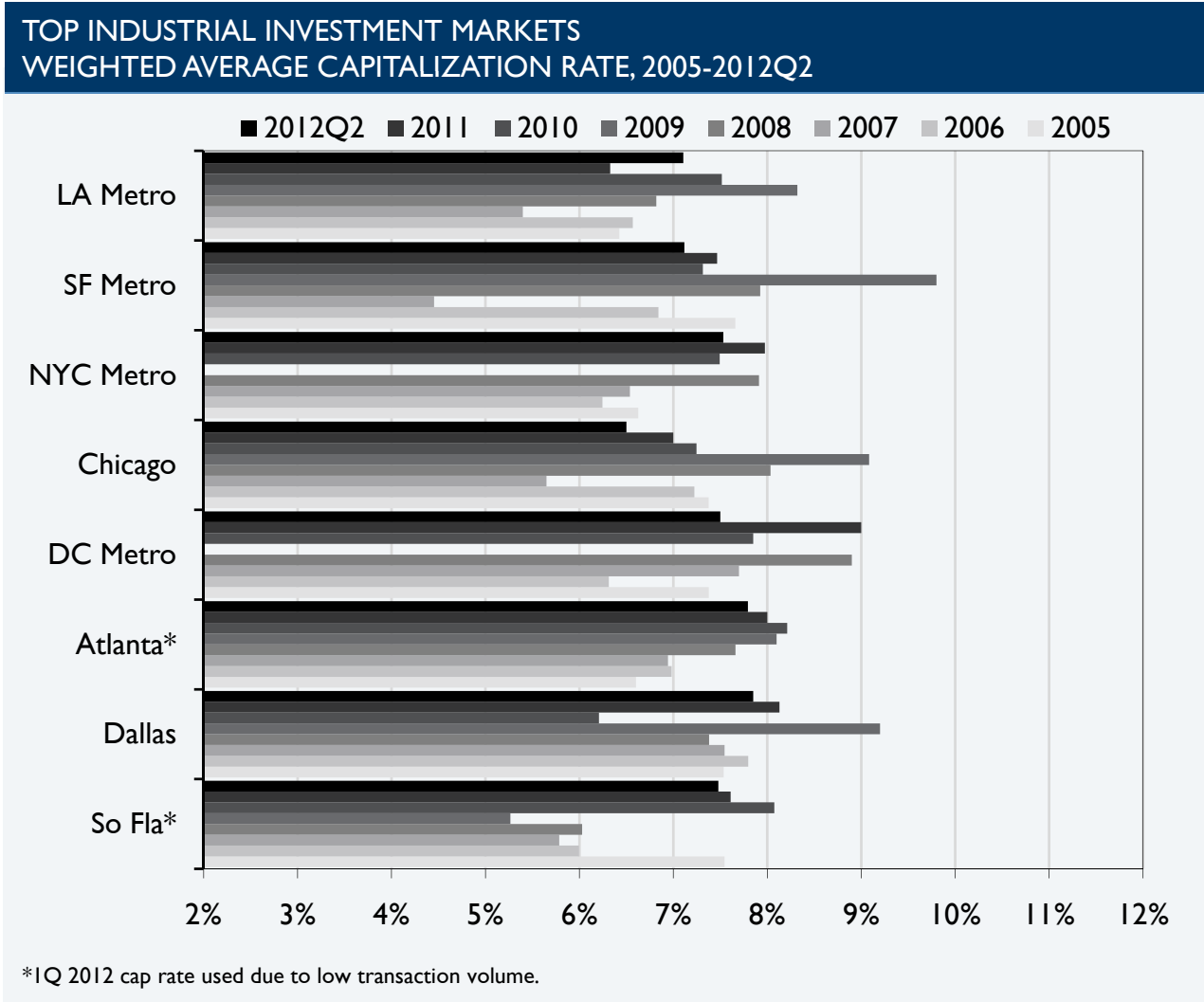
■ User/Other ■ Public ■ Private ■ Institutional ■ Equity Fund ■ Foreign ■ Net Investment





## TOP INDUSTRIAL INVESTMENT MARKETS BY SALES VOLUME 2005-2012Q2, IN \$BILLIONS





# INDUSTRIAL CAPITAL MARKETS OVERVIEW – TOP SALES MARKETS

## TOP INDUSTRIAL INVESTMENT MARKETS AVERAGE SALES PRICE PER SQUARE FOOT

