

# Investment Property Operations

**There are five components to the operation of investment properties:**

- **Income (Collecting the Rents)**
- **Expenses ( Paying the Bills)**
- **Mortgage Obligations (Investor Specific)**
- **Taxes (pay taxes, save taxes)**
- **Sale (Profit or Loss)**

# Income

**Scheduled Gross Income**

**Less**

**Vacancy and Credit Loss**

**Equals**

**Effective Rental Income**

**Plus**

**Other Income**

**Equals**

**Gross Operating Income**

# Net Operating Income

Net Operating Income is the first “Most important #” in Investment Real estate

**Gross Operating Income**

**Less**

**Operating Expenses**

**Equals**

**Net Operating Income**

# Expenses

**The following is a list of Expenses incurred in the operation of an investment property**

- Accounting and Legal
- Advertising
- Insurance
- License and Permits
- Management
  - Offsite
  - Onsite
- Payroll Taxes/Workers Comp
- Real Property Taxes
- Personal Property Taxes
- Repairs and Maintenance
- HOA Fees
- Supplies
- Contract Services
  - Landscaping
  - Pool
  - Janitorial
  - Pest Control
  - Elevator
  - other
- Utilities
  - Gas and Electric
  - Water
  - Sewer
  - Trash
- Miscellaneous

# Forecasting N.O.I.

Forecasting NOI requires forecasting both income and expenses for a specific investment property.

Forecasting is a combination of “Science” and “Art” wherein the forecaster must:

- Understand the Market

- Understand the components and Nature of Income & Expenses

- Have a systematic method of analysis

# Market Analysis

**Real Estate Markets are generally defined by geographical boundaries, including physical, social, economic, etc...**

- **Establish Market Area Boundaries (Study Area)**
- **Obtain Current Information for area**
  - Rents**
  - Expenses**
  - Vacancy/Occupancy**
  - Sale Prices**
  - Demographics relevant to use**
- **Identify Trends**
  - Demographic Characteristics**
  - Economic Strength**
  - Competing and Complimentary Uses**

# Nature of Income and Expenses

Income is measured based on the type of use of the Tenant

\$ per Unit	=	Residential
\$ per Room	=	Residential
\$ per Bed	=	Residential/Care
\$ per Sq. Ft.	=	Retail, Office, Industrial
\$ per revenue	=	Retail
\$ per Door	=	Hotel, Care Facilities, Trucking

Expenses are paid based on the type of tenant use and lease

Residential	=	owner pays predominance of operating expenses
Office	=	Owners often pays all operational expenses
Industrial	=	Owner pays Taxes and Insurance
Retail	=	Tenants pay most if not all operating expenses

## SAN FRANCISCO INDUSTRIAL MARKET

OVERVIEW



# SAN FRANCISCO'S VACANCY DECREASES TO 4.2%

## Net Absorption Positive 289,527 SF in the Quarter

The San Francisco Industrial market ended the fourth quarter 2008 with a vacancy rate of 4.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 289,527 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 456,393 square feet. Rental rates ended the fourth quarter at \$14.39, a decrease over the previous quarter. There was 84,000 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall San Francisco Industrial market was positive 289,527 square feet in the fourth quarter 2008. That compares to negative (64,397) square feet in the third quarter 2008, negative (155,908) square feet in the second quarter 2008, and positive 224,264 square feet in the first quarter 2008.

Tenants moving out of large blocks of space in 2008 include: FibroGen, Inc. moving out of (64,242) square feet at 225 Gateway Blvd, FoxHollow Technologies, Inc. moving out of (60,984) square feet at 740 Bay Rd, and Air Container Transport moving out of (55,934) square feet at 405 Victory Blvd.

Tenants moving into large blocks of space in 2008 include: Carrier Air Conditioning moving into 80,000 square feet at 99 S Hill Dr, DHL Express moving into 50,000 square feet at 401 23rd St, and Acclarent moving into 44,147 square feet at 1525 O'Brien Dr.

The Flex building market recorded net absorption of positive 414,711 square feet in the fourth quarter 2008, compared to positive 15,101 square feet in the third quarter 2008, positive 3,308 in the second quarter 2008, and positive 132,765 in the first quarter 2008.

The Warehouse building market recorded net absorption

of negative (125,184) square feet in the fourth quarter 2008 compared to negative (79,498) square feet in the third quarter 2008, negative (159,216) in the second quarter 2008, and positive 91,499 in the first quarter 2008.

### Vacancy

The Industrial vacancy rate in the San Francisco market area decreased to 4.2% at the end of the fourth quarter 2008. The vacancy rate was 4.5% at the end of the third quarter 2008, 4.5% at the end of the second quarter 2008, and 4.3% at the end of the first quarter 2008.

Flex projects reported a vacancy rate of 7.7% at the end of the fourth quarter 2008, 9.5% at the end of the third quarter 2008, 9.6% at the end of the second quarter 2008, and 9.6% at the end of the first quarter 2008.

Warehouse projects reported a vacancy rate of 3.3% at the end of the fourth quarter 2008, 3.1% at the end of third quarter 2008, 3.1% at the end of the second quarter 2008, and 2.9% at the end of the first quarter 2008.

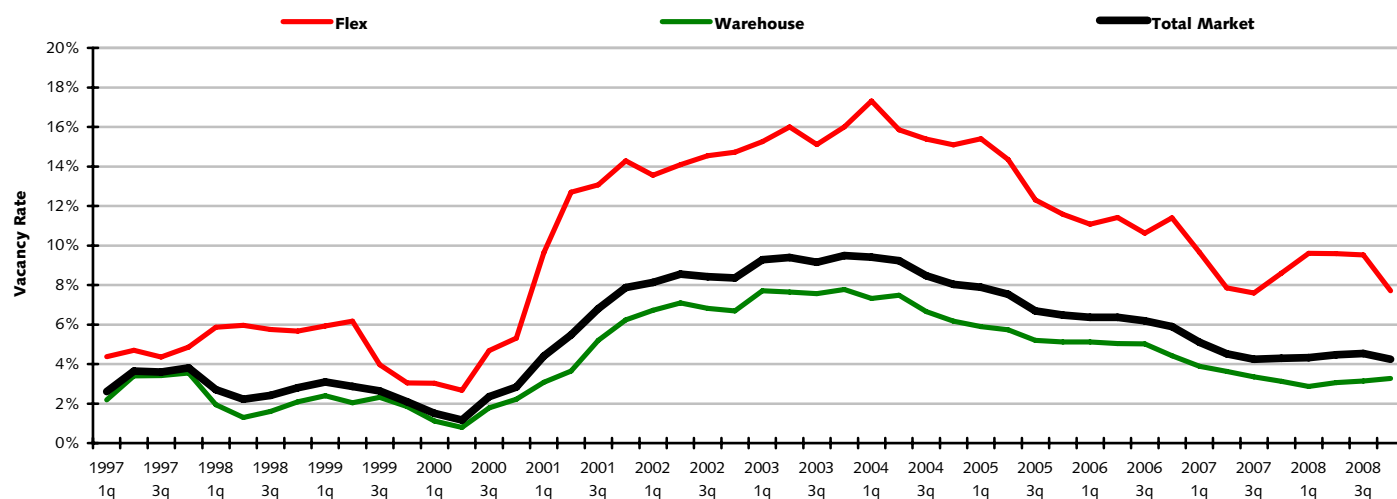
### Largest Lease Signings

The largest lease signings occurring in 2008 included: the 84,000-square-foot lease signed by Elan Pharmaceuticals, Inc. at 200 Oyster Point Blvd in the San Mateo North County market; the 56,775-square-foot deal signed by San Francisco Police Department at 1700 17th St in the SF Downtown South market; and the 41,634-square-foot lease signed by Yusen Air & Sea Services at 405 Victory Ave in the San Mateo North County market.

### Sublease Vacancy

The amount of vacant sublease space in the San Francisco

## VACANCY RATES BY BUILDING TYPE 1997-2008



Source: CoStar Property®



# SAN FRANCISCO INDUSTRIAL MARKET

## OVERVIEW

market increased to 456,393 square feet by the end of the fourth quarter 2008, from 391,563 square feet at the end of the third quarter 2008. There was 327,892 square feet vacant at the end of the second quarter 2008 and 329,410 square feet at the end of the first quarter 2008.

San Francisco's Flex projects reported vacant sublease space of 339,746 square feet at the end of fourth quarter 2008, up from the 275,556 square feet reported at the end of the third quarter 2008. There were 218,789 square feet of sublease space vacant at the end of the second quarter 2008, and 225,307 square feet at the end of the first quarter 2008.

Warehouse projects reported increased vacant sublease space from the third quarter 2008 to the fourth quarter 2008. Sublease vacancy went from 116,007 square feet to 116,647 square feet during that time. There was 109,103 square feet at the end of the second quarter 2008, and 104,103 square feet at the end of the first quarter 2008.

### Rental Rates

The average quoted asking rental rate for available Industrial space was \$14.39 per square foot per year at the end of the fourth quarter 2008 in the San Francisco market area. This represented a 6.6% decrease in quoted rental rates from the end of the third quarter 2008, when rents were reported at \$15.40 per square foot.

The average quoted rate within the Flex sector was \$23.83 per square foot at the end of the fourth quarter 2008, while Warehouse rates stood at \$10.33. At the end of the third quarter 2008, Flex rates were \$24.19 per square foot, and Warehouse rates were \$11.54.

### Deliveries and Construction

During the fourth quarter 2008, no new space was completed in the San Francisco market area. This compares to 0 buildings completed in the third quarter 2008, nothing completed in the second quarter 2008, and 395,027 square feet in five buildings

completed in the first quarter 2008.

There were 84,000 square feet of Industrial space under construction at the end of the fourth quarter 2008.

Some of the notable 2008 deliveries include Genentech South Campus, five buildings totaling 395,027 square feet that delivered in first quarter 2008 and is now 100% occupied.

The only project under construction at the end of fourth quarter 2008 was 200 Oyster Point Blvd, an 84,000-square-foot building with 100% of its space pre-leased.

### Inventory

Total Industrial inventory in the San Francisco market area amounted to 105,417,077 square feet in 4,944 buildings as of the end of the fourth quarter 2008. The Flex sector consisted of 22,848,629 square feet in 814 projects. The Warehouse sector consisted of 82,568,448 square feet in 4,130 buildings. Within the Industrial market there were 414 owner-occupied buildings accounting for 9,704,955 square feet of Industrial space.

### Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, San Francisco industrial sales figures rose during the third quarter 2008 in terms of dollar volume compared to the second quarter of 2008.

In the third quarter, three industrial transactions closed with a total volume of \$122,130,000. The three buildings totaled 993,020 square feet and the average price per square foot equated to \$122.99 per square foot. That compares to two transactions totaling \$6,750,000 in the second quarter. The total square footage was 38,110 for an average price per square foot of \$177.12.

Total year-to-date industrial building sales activity in 2008 is up compared to the previous year. In the first nine months of 2008, the market saw nine industrial sales transactions with a total volume of \$148,430,000. The price per square foot has averaged \$132.97 this year. In the first nine months of 2007, the market posted 34 transactions with a total volume of \$134,899,500. The price per square foot averaged \$156.15.

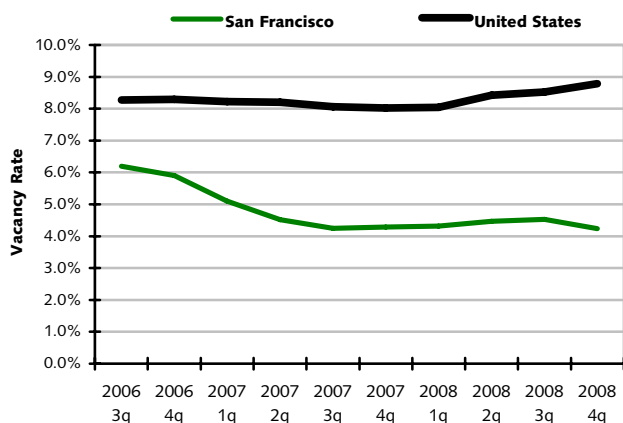
Cap rates have been lower in 2008, averaging 3.83%, compared to the first nine months of last year when they averaged 5.44%.

One of the largest transactions that occurred within the last four quarters in the San Francisco market is the multi-building sale of Oyster Point Business Park in South San Francisco. This 403,907-square-foot industrial park sold for \$84,000,000, or \$207.97 per square foot. The property sold on 7/14/2008, at a 5.12% cap rate.

Reports compiled by: Espie Tuthill, CoStar Research Manager.

## U.S. VACANCY COMPARISON

### Past 10 Quarters



Source: CoStar Property\*

# SAN FRANCISCO INDUSTRIAL MARKET



## MARKETS

### CoSTAR MARKETS & SUBMARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

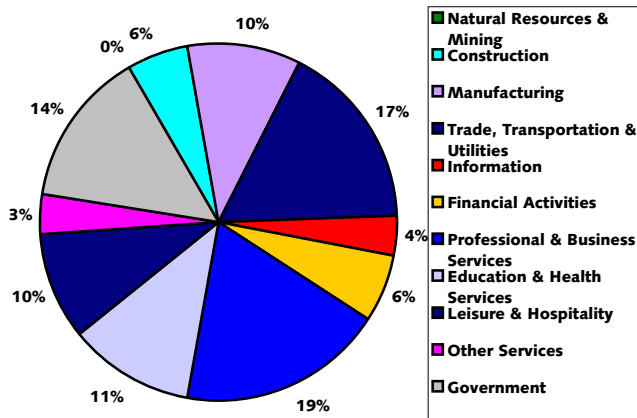
Markets	Submarkets			
San Mateo Central County	Burlingame-Airport Blvd San Mateo-Corridor/Hwy 92	Burlingame-Old Bayshore San Mateo-Downtown North	Burlingame-West of 101 San Mateo-Downtown South	Foster City/Redwood Shrs
San Mateo North County	Brisbane/Daly City South SF West of 101 Fwy	Pacifica	San Bruno/Millbrae	South SF East of 101 Fwy
San Mateo South County	Belmont Redwood City-Port	Menlo Park-Atherton Redwood City-S of 84 Fwy	Menlo Park-East/EPA San Carlos	Redwood City-N of 84 Fwy
SF Downtown Core	South Financial District			
SF Downtown North	Jackson Square	Waterfront/North Beach		
SF Downtown South	Lower South of Market	Rincon/South Beach	Showplace Square	South of Market
SF Downtown West	Chinatown/Nob Hill Yerba Buena	Civic Center	Union Square	Van Ness Corridor
SF Outer Areas	Southern City	West of Van Ness		
SF Southeast	Bayview/Hunters Point Potrero West of 101 Fwy	India Basin	Mission Bay/China Basin	Potrero East of 101 Fwy

# SAN FRANCISCO INDUSTRIAL MARKET

## EMPLOYMENT AND TENANT

### TOTAL EMPLOYMENT BY INDUSTRY

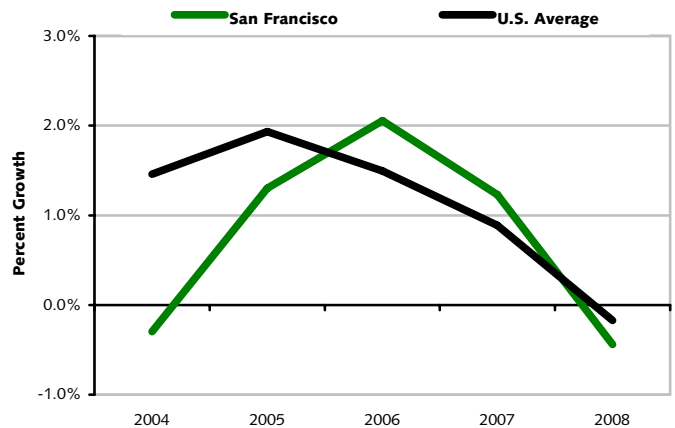
#### Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

### TOTAL EMPLOYMENT GROWTH

#### Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

### TOTAL EMPLOYMENT GROWTH

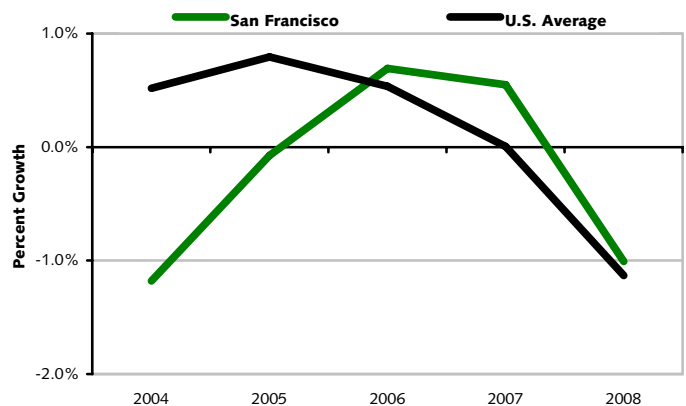
#### Cumulative Growth in Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	8.60%	8.00%	0.60%
Chicago	4.10%	6.30%	-2.20%
Dallas/Ft Worth	6.70%	7.80%	-1.10%
Denver	6.70%	4.50%	2.20%
Detroit	-4.20%	1.80%	-6.00%
Houston	10.00%	7.80%	2.20%
Inland Empire (California)	6.20%	25.50%	-19.30%
Los Angeles	2.00%	2.30%	-0.30%
Northern New Jersey	3.90%	3.60%	0.30%
Pittsburgh	2.30%	1.50%	0.80%
San Francisco	4.70%	1.10%	3.60%

Source: Department of Labor, Bureau of Labor Statistics

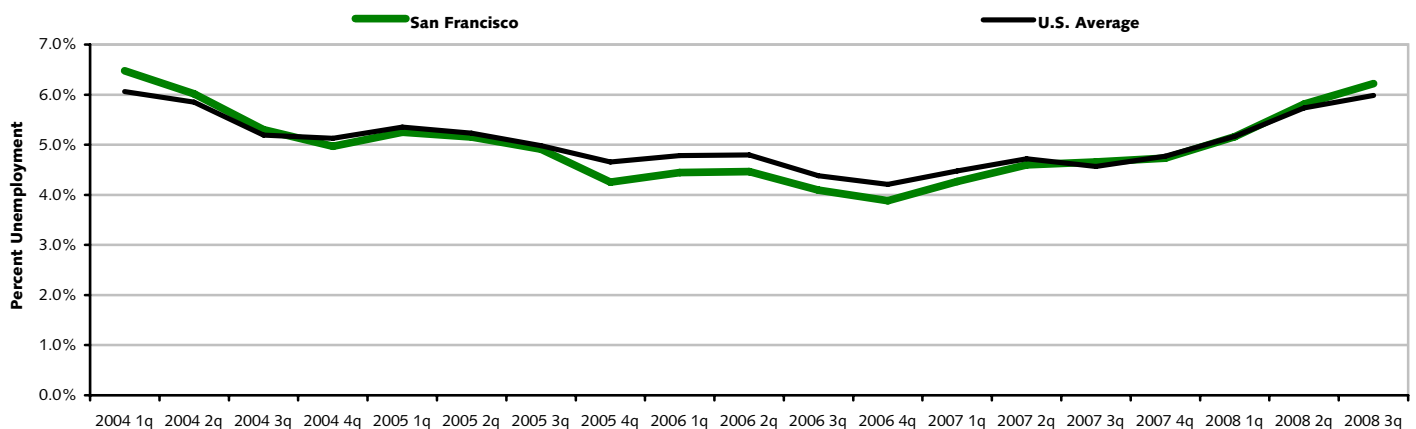
### INDUSTRIAL\* EMPLOYMENT GROWTH

#### Number of Industrial\* Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics. \* Industrial employment is defined as jobs in the Manufacturing, and Trade, Transportation & Utilities industries

### HISTORICAL UNEMPLOYMENT RATES



Source: Department of Labor, Bureau of Labor Statistics

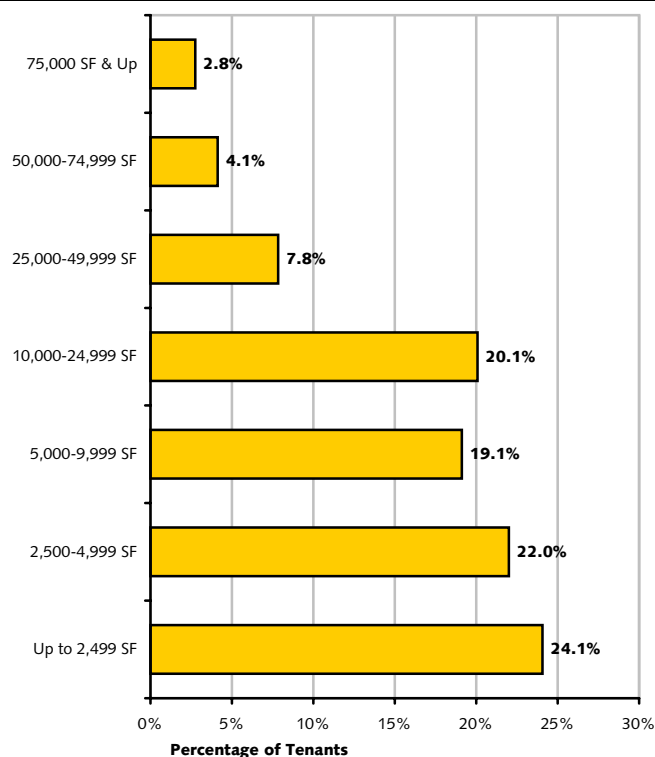
## SAN FRANCISCO INDUSTRIAL MARKET



## EMPLOYMENT AND TENANT

## FLEX TENANTS BY SIZE RANGE

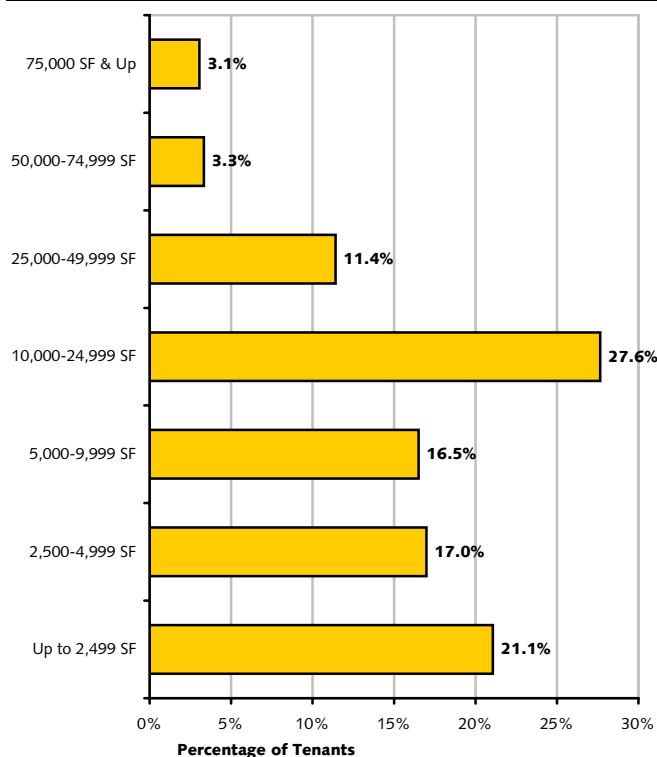
Based on Total Number of Tenants



Source: CoStar Tenant®

## WAREHOUSE TENANTS BY SIZE RANGE

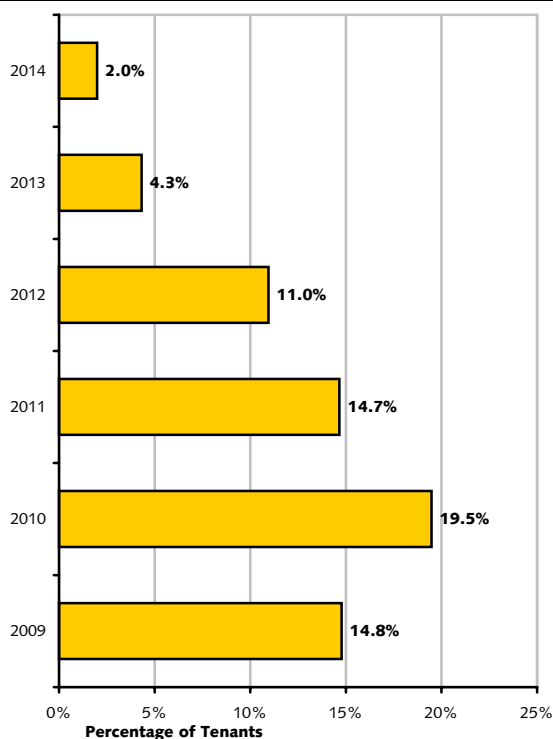
Based on Total Number of Tenants



Source: CoStar Tenant®

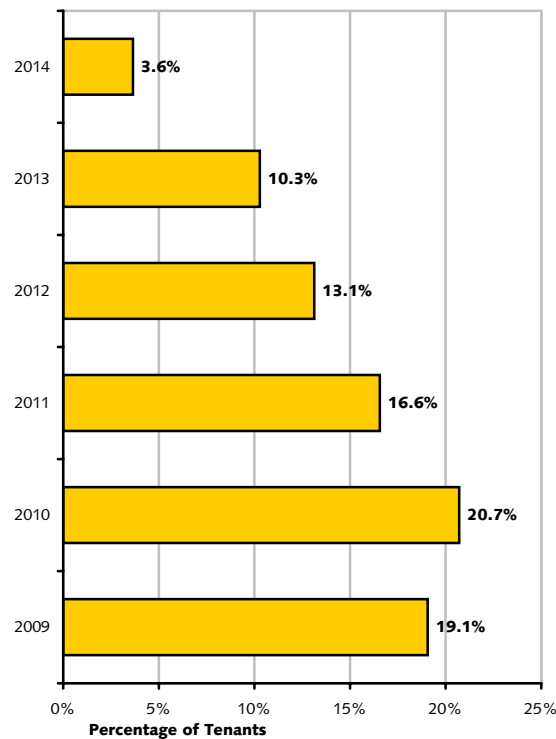
## FLEX TENANTS BY LEASE EXPIRATION

Based on Total Square Footage of Tenants



## WAREHOUSE LEASE EXPIRATION

Based on Total Square Footage of Tenants



# SAN FRANCISCO INDUSTRIAL MARKET

**FIGURES AT A GLANCE**

## FLEX MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
San Mateo Central County	121	2,868,503	402,393	411,293	14.3%	(9,734)	0	0	\$20.92
San Mateo North County	106	4,752,532	315,467	368,425	7.8%	603,056	395,027	84,000	\$33.41
San Mateo South County	219	6,222,285	403,434	554,236	8.9%	(53,628)	0	0	\$23.97
SF Downtown Core	14	197,841	2,100	2,100	1.1%	(900)	0	0	\$35.00
SF Downtown North	3	47,178	0	0	0.0%	0	0	0	\$0.00
SF Downtown South	204	4,308,592	175,361	198,303	4.6%	11,053	0	0	\$20.21
SF Downtown West	47	521,757	25,000	25,000	4.8%	1,826	0	0	\$15.96
SF Outer Areas	29	380,918	37,267	37,267	9.8%	15,318	0	0	\$15.65
SF Southeast	71	3,549,023	60,646	164,790	4.6%	(1,106)	0	0	\$14.80
<b>Totals</b>	<b>814</b>	<b>22,848,629</b>	<b>1,421,668</b>	<b>1,761,414</b>	<b>7.7%</b>	<b>565,885</b>	<b>395,027</b>	<b>84,000</b>	<b>\$23.83</b>

Source: CoStar Property®

## WAREHOUSE MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
San Mateo Central County	416	6,521,590	234,894	276,894	4.2%	(40,175)	0	0	\$11.20
San Mateo North County	830	24,819,256	1,345,915	1,395,658	5.6%	(248,926)	0	0	\$9.03
San Mateo South County	1,030	16,173,824	246,659	260,563	1.6%	151,331	0	0	\$10.46
SF Downtown Core	14	122,752	8,200	8,200	6.7%	(2,400)	0	0	\$0.00
SF Downtown North	7	322,065	0	0	0.0%	0	0	0	\$0.00
SF Downtown South	537	8,497,450	220,383	220,383	2.6%	(58,828)	0	0	\$17.11
SF Downtown West	151	1,749,301	58,788	58,788	3.4%	(28,909)	0	0	\$15.32
SF Outer Areas	170	2,767,832	130,415	130,415	4.7%	(7,150)	0	0	\$11.15
SF Southeast	975	21,594,378	345,764	356,764	1.7%	(37,342)	0	0	\$11.24
<b>Totals</b>	<b>4,130</b>	<b>82,568,448</b>	<b>2,591,018</b>	<b>2,707,665</b>	<b>3.3%</b>	<b>(272,399)</b>	<b>0</b>	<b>0</b>	<b>\$10.33</b>

Source: CoStar Property®

## TOTAL INDUSTRIAL MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
San Mateo Central County	537	9,390,093	637,287	688,187	7.3%	(49,909)	0	0	\$15.22
San Mateo North County	936	29,571,788	1,661,382	1,764,083	6.0%	354,130	395,027	84,000	\$11.89
San Mateo South County	1,249	22,396,109	650,093	814,799	3.6%	97,703	0	0	\$17.79
SF Downtown Core	28	320,593	10,300	10,300	3.2%	(3,300)	0	0	\$35.00
SF Downtown North	10	369,243	0	0	0.0%	0	0	0	\$0.00
SF Downtown South	741	12,806,042	395,744	418,686	3.3%	(47,775)	0	0	\$18.91
SF Downtown West	198	2,271,058	83,788	83,788	3.7%	(27,083)	0	0	\$15.47
SF Outer Areas	199	3,148,750	167,682	167,682	5.3%	8,168	0	0	\$14.15
SF Southeast	1,046	25,143,401	406,410	521,554	2.1%	(38,448)	0	0	\$11.54
<b>Totals</b>	<b>4,944</b>	<b>105,417,077</b>	<b>4,012,686</b>	<b>4,469,079</b>	<b>4.2%</b>	<b>293,486</b>	<b>395,027</b>	<b>84,000</b>	<b>\$14.39</b>

Source: CoStar Property®

## SAN FRANCISCO INDUSTRIAL MARKET



FIGURES AT A GLANCE

## FLEX SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	14	701,866	26,150	84,144	12.0%	13,300	0	0	\$13.80
Belmont	27	780,785	51,326	51,326	6.6%	(543)	0	0	\$16.05
Brisbane/Daly City	6	232,058	0	0	0.0%	80,000	0	0	\$15.60
Burlingame-Airport Blvd	6	118,806	25,578	25,578	21.5%	0	0	0	\$16.20
Burlingame-Old Bayshore	23	400,108	54,043	62,943	15.7%	(26,443)	0	0	\$17.69
Burlingame-West of 101	21	550,220	15,240	15,240	2.8%	8,415	0	0	\$13.52
Chinatown/Nob Hill	3	27,270	0	0	0.0%	0	0	0	\$0.00
Civic Center	2	39,600	25,000	25,000	63.1%	(3,000)	0	0	\$15.96
Foster City/Redwood Shrs	53	1,503,913	214,749	214,749	14.3%	8,921	0	0	\$20.87
India Basin	6	241,342	0	0	0.0%	0	0	0	\$18.60
Jackson Square	1	7,050	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	48	739,335	49,000	71,942	9.7%	5,665	0	0	\$14.22
Menlo Park-Atherton	2	112,004	0	0	0.0%	0	0	0	\$0.00
Menlo Park-East/EPA	61	2,344,510	190,830	202,999	8.7%	(5,011)	0	0	\$22.34
Mission Bay/China Basin	13	1,490,731	0	7,000	0.5%	(7,000)	0	0	\$10.32
Pacifica	1	3,712	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	16	368,889	10,740	10,740	2.9%	4,940	0	0	\$16.00
Potrero West of 101 Fwy	22	746,195	23,756	62,906	8.4%	(12,346)	0	0	\$14.75
Redwood City-N of 84 Fwy	21	215,676	14,836	77,847	36.1%	(73,051)	0	0	\$16.82
Redwood City-Port	28	1,077,740	61,835	61,835	5.7%	106,861	0	0	\$31.76
Redwood City-S of 84 Fwy	38	679,115	36,880	104,019	15.3%	(68,707)	0	0	\$14.09
Rincon/South Beach	38	1,085,018	26,000	26,000	2.4%	13,900	0	0	\$25.24
San Bruno/Millbrae	9	150,542	0	3,200	2.1%	(3,200)	0	0	\$18.60
San Carlos	42	1,012,455	47,727	56,210	5.6%	(13,177)	0	0	\$20.39
San Mateo-Corridor/Hwy 9	5	127,241	39,003	39,003	30.7%	(1,227)	0	0	\$37.33
San Mateo-Downtown Nor	11	107,215	53,780	53,780	50.2%	600	0	0	\$18.00
San Mateo-Downtown Sou	2	61,000	0	0	0.0%	0	0	0	\$0.00
Showplace Square	29	1,226,704	51,036	51,036	4.2%	(8,514)	0	0	\$25.83
South Financial District	14	197,841	2,100	2,100	1.1%	(900)	0	0	\$35.00
South of Market	89	1,257,535	49,325	49,325	3.9%	2	0	0	\$15.49
South SF East of 101 Fwy	64	3,680,147	293,355	339,273	9.2%	281,051	150,000	84,000	\$35.83
South SF West of 101 Fwy	26	686,073	22,112	25,952	3.8%	245,205	245,027	0	\$17.74
Southern City	15	243,846	10,907	10,907	4.5%	15,318	0	0	\$17.07
Union Square	1	11,000	0	0	0.0%	0	0	0	\$0.00
Van Ness Corridor	4	39,898	0	0	0.0%	0	0	0	\$0.00
Waterfront/North Beach	2	40,128	0	0	0.0%	0	0	0	\$0.00
West of Van Ness	14	137,072	26,360	26,360	19.2%	0	0	0	\$11.04
Yerba Buena	37	403,989	0	0	0.0%	4,826	0	0	\$0.00
<b>Totals</b>	<b>814</b>	<b>22,848,629</b>	<b>1,421,668</b>	<b>1,761,414</b>	<b>7.7%</b>	<b>565,885</b>	<b>395,027</b>	<b>84,000</b>	<b>\$23.83</b>

Source: CoStar Property®



## SAN FRANCISCO INDUSTRIAL MARKET

FIGURES AT A GLANCE

## WAREHOUSE SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bayview/Hunters Point	300	6,044,301	219,024	224,024	3.7%	(42,904)	0	0	\$8.39
Belmont	176	2,962,085	2,250	2,250	0.1%	17,294	0	0	\$9.73
Brisbane/Daly City	172	5,828,063	295,807	305,055	5.2%	(149,933)	0	0	\$10.23
Burlingame-Airport Blvd	9	166,574	1,194	1,194	0.7%	(1,194)	0	0	\$13.37
Burlingame-Old Bayshore	45	844,410	11,741	11,741	1.4%	6,285	0	0	\$12.00
Burlingame-West of 101	143	3,497,212	157,215	199,215	5.7%	(8,048)	0	0	\$10.13
Chinatown/Nob Hill	25	609,476	11,763	11,763	1.9%	(18,632)	0	0	\$15.00
Civic Center	10	82,298	0	0	0.0%	0	0	0	\$0.00
Foster City/Redwood Shrs	14	409,240	12,042	12,042	2.9%	(7,223)	0	0	\$0.00
India Basin	34	927,814	0	0	0.0%	13,486	0	0	\$13.15
Jackson Square	2	290,000	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	122	1,397,517	45,322	45,322	3.2%	(31,430)	0	0	\$16.31
Menlo Park-Atherton	5	63,000	0	0	0.0%	1,400	0	0	\$0.00
Menlo Park-East/EPA	122	3,493,496	90,974	102,878	2.9%	81,688	0	0	\$9.56
Mission Bay/China Basin	171	4,613,688	8,995	14,995	0.3%	41,505	0	0	\$12.62
Pacifica	20	110,199	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	252	5,714,946	66,323	66,323	1.2%	(50,867)	0	0	\$12.59
Potrero West of 101 Fwy	218	4,293,629	51,422	51,422	1.2%	1,438	0	0	\$13.33
Redwood City-N of 84 Fwy	102	1,325,125	13,404	13,404	1.0%	426	0	0	\$10.33
Redwood City-Port	25	535,128	0	0	0.0%	3,000	0	0	\$9.60
Redwood City-S of 84 Fwy	312	3,440,571	48,200	48,200	1.4%	65,953	0	0	\$10.03
Rincon/South Beach	34	849,289	51,000	51,000	6.0%	4,850	0	0	\$37.46
San Bruno/Millbrae	95	714,470	2,500	2,500	0.3%	18,380	0	0	\$13.17
San Carlos	288	4,354,419	91,831	93,831	2.2%	(18,430)	0	0	\$13.80
San Mateo-Corridor/Hwy 9	40	445,259	0	0	0.0%	0	0	0	\$15.00
San Mateo-Downtown Nor	154	1,085,442	52,702	52,702	4.9%	(29,995)	0	0	\$13.29
San Mateo-Downtown Sou	11	73,453	0	0	0.0%	0	0	0	\$0.00
Showplace Square	93	2,944,204	63,200	63,200	2.1%	(25,576)	0	0	\$11.95
South Financial District	14	122,752	8,200	8,200	6.7%	(2,400)	0	0	\$0.00
South of Market	288	3,306,440	60,861	60,861	1.8%	(6,672)	0	0	\$14.28
South SF East of 101 Fwy	262	10,076,711	190,896	231,391	2.3%	(88,532)	0	0	\$12.40
South SF West of 101 Fwy	281	8,089,813	856,712	856,712	10.6%	(28,841)	0	0	\$7.10
Southern City	114	1,964,438	10,000	10,000	0.5%	(4,700)	0	0	\$11.15
Union Square	0	0	0	0	0.0%	0	0	0	\$0.00
Van Ness Corridor	28	315,358	27,945	27,945	8.9%	0	0	0	\$15.00
Waterfront/North Beach	5	32,065	0	0	0.0%	0	0	0	\$0.00
West of Van Ness	56	803,394	120,415	120,415	15.0%	(2,450)	0	0	\$0.00
Yerba Buena	88	742,169	19,080	19,080	2.6%	(10,277)	0	0	\$15.78
<b>Totals</b>	<b>4,130</b>	<b>82,568,448</b>	<b>2,591,018</b>	<b>2,707,665</b>	<b>3.3%</b>	<b>(272,399)</b>	<b>0</b>	<b>0</b>	<b>\$10.33</b>

Source: CoStar Property®

## SAN FRANCISCO INDUSTRIAL MARKET



FIGURES AT A GLANCE

## TOTAL INDUSTRIAL SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bayview/Hunters Point	314	6,746,167	245,174	308,168	4.6%	(29,604)	0	0	\$8.46
Belmont	203	3,742,870	53,576	53,576	1.4%	16,751	0	0	\$12.40
Brisbane/Daly City	178	6,060,121	295,807	305,055	5.0%	(69,933)	0	0	\$10.26
Burlingame-Airport Blvd	15	285,380	26,772	26,772	9.4%	(1,194)	0	0	\$15.60
Burlingame-Old Bayshore	68	1,244,518	65,784	74,684	6.0%	(20,158)	0	0	\$14.22
Burlingame-West of 101	164	4,047,432	172,455	214,455	5.3%	367	0	0	\$10.28
Chinatown/Nob Hill	28	636,746	11,763	11,763	1.8%	(18,632)	0	0	\$15.00
Civic Center	12	121,898	25,000	25,000	20.5%	(3,000)	0	0	\$15.96
Foster City/Redwood Shrs	67	1,913,153	226,791	226,791	11.9%	1,698	0	0	\$20.87
India Basin	40	1,169,156	0	0	0.0%	13,486	0	0	\$13.46
Jackson Square	3	297,050	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	170	2,136,852	94,322	117,264	5.5%	(25,765)	0	0	\$15.20
Menlo Park-Atherton	7	175,004	0	0	0.0%	1,400	0	0	\$0.00
Menlo Park-East/EPA	183	5,838,006	281,804	305,877	5.2%	76,677	0	0	\$16.63
Mission Bay/China Basin	184	6,104,419	8,995	21,995	0.4%	34,505	0	0	\$12.38
Pacifica	21	113,911	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	268	6,083,835	77,063	77,063	1.3%	(45,927)	0	0	\$13.01
Potrero West of 101 Fwy	240	5,039,824	75,178	114,328	2.3%	(10,908)	0	0	\$13.52
Redwood City-N of 84 Fwy	123	1,540,801	28,240	91,251	5.9%	(72,625)	0	0	\$11.37
Redwood City-Port	53	1,612,868	61,835	61,835	3.8%	109,861	0	0	\$31.47
Redwood City-S of 84 Fwy	350	4,119,686	85,080	152,219	3.7%	(2,754)	0	0	\$11.31
Rincon/South Beach	72	1,934,307	77,000	77,000	4.0%	18,750	0	0	\$30.06
San Bruno/Millbrae	104	865,012	2,500	5,700	0.7%	15,180	0	0	\$14.20
San Carlos	330	5,366,874	139,558	150,041	2.8%	(31,607)	0	0	\$16.68
San Mateo-Corridor/Hwy 9	45	572,500	39,003	39,003	6.8%	(1,227)	0	0	\$26.15
San Mateo-Downtown Nor	165	1,192,657	106,482	106,482	8.9%	(29,395)	0	0	\$15.24
San Mateo-Downtown Sou	13	134,453	0	0	0.0%	0	0	0	\$0.00
Showplace Square	122	4,170,908	114,236	114,236	2.7%	(34,090)	0	0	\$20.43
South Financial District	28	320,593	10,300	10,300	3.2%	(3,300)	0	0	\$35.00
South of Market	377	4,563,975	110,186	110,186	2.4%	(6,670)	0	0	\$14.98
South SF East of 101 Fwy	326	13,756,858	484,251	570,664	4.1%	192,519	150,000	84,000	\$19.64
South SF West of 101 Fwy	307	8,775,886	878,824	882,664	10.1%	216,364	245,027	0	\$7.35
Southern City	129	2,208,284	20,907	20,907	0.9%	10,618	0	0	\$14.73
Union Square	1	11,000	0	0	0.0%	0	0	0	\$0.00
Van Ness Corridor	32	355,256	27,945	27,945	7.9%	0	0	0	\$15.00
Waterfront/North Beach	7	72,193	0	0	0.0%	0	0	0	\$0.00
West of Van Ness	70	940,466	146,775	146,775	15.6%	(2,450)	0	0	\$11.04
Yerba Buena	125	1,146,158	19,080	19,080	1.7%	(5,451)	0	0	\$15.78
<b>Totals</b>	<b>4,944</b>	<b>105,417,077</b>	<b>4,012,686</b>	<b>4,469,079</b>	<b>4.2%</b>	<b>293,486</b>	<b>395,027</b>	<b>84,000</b>	<b>\$14.39</b>

Source: CoStar Property®



# SAN FRANCISCO INDUSTRIAL MARKET

**FIGURES AT A GLANCE**

## FLEX MARKET STATISTICS

**Year-End 2008**

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2008 4q	814	22,848,629	1,421,668	1,761,414	7.7%	414,711	0	0	1	84,000	\$23.83
2008 3q	814	22,848,629	1,900,569	2,176,125	9.5%	15,101	0	0	1	84,000	\$24.19
2008 2q	814	22,848,629	1,972,437	2,191,226	9.6%	3,308	0	0	0	0	\$25.71
2008 1q	814	22,848,629	1,969,227	2,194,534	9.6%	132,765	5	395,027	0	0	\$22.61
2007 4q	809	22,453,602	1,608,304	1,932,272	8.6%	(7,375)	3	239,000	5	395,027	\$21.05
2007 3q	806	22,214,602	1,334,952	1,685,897	7.6%	58,649	0	0	8	634,027	\$18.07
2007 2q	806	22,214,602	1,475,286	1,744,546	7.9%	397,777	0	0	8	634,027	\$19.84
2007 1q	806	22,214,602	1,889,600	2,142,323	9.6%	389,776	0	0	4	389,000	\$19.18
2006	806	22,214,602	2,248,865	2,532,099	11.4%	317,174	4	312,844	4	389,000	\$18.57
2005	802	21,901,758	2,033,728	2,536,429	11.6%	770,447	0	0	2	89,844	\$17.15
2004	802	21,901,758	2,606,877	3,306,876	15.1%	198,661	0	0	0	0	\$16.92
2003	802	21,901,758	2,708,328	3,505,537	16.0%	(248,222)	2	36,975	0	0	\$16.90
2002	800	21,864,783	2,719,251	3,220,340	14.7%	455,336	6	692,794	2	36,975	\$22.66
2001	795	21,220,008	2,262,788	3,030,901	14.3%	(1,497,339)	5	442,892	5	537,109	\$27.74
2000	792	20,789,166	952,149	1,102,720	5.3%	(469,414)	3	106,130	5	442,892	\$43.44
1999	792	20,790,364	495,888	634,504	3.1%	665,931	5	127,748	4	156,290	\$25.15

Source: CoStar Property®

## WAREHOUSE MARKET STATISTICS

**Year-End 2008**

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2008 4q	4,130	82,568,448	2,591,018	2,707,665	3.3%	(125,184)	0	0	0	0	\$10.33
2008 3q	4,131	82,587,080	2,485,106	2,601,113	3.1%	(79,498)	0	0	0	0	\$11.54
2008 2q	4,131	82,587,080	2,412,512	2,521,615	3.1%	(159,216)	0	0	0	0	\$11.31
2008 1q	4,131	82,587,080	2,258,296	2,362,399	2.9%	91,499	0	0	0	0	\$10.91
2007 4q	4,133	82,711,815	2,445,858	2,578,633	3.1%	184,056	0	0	0	0	\$10.49
2007 3q	4,134	82,719,915	2,608,074	2,770,789	3.3%	160,744	2	25,000	0	0	\$10.49
2007 2q	4,133	82,789,915	2,845,079	3,001,533	3.6%	216,373	0	0	2	25,000	\$10.11
2007 1q	4,133	82,789,915	3,009,534	3,217,906	3.9%	394,921	0	0	2	25,000	\$9.98
2006	4,134	82,842,597	3,423,372	3,665,509	4.4%	579,343	3	66,631	2	25,000	\$9.77
2005	4,134	82,840,766	4,087,346	4,243,021	5.1%	641,074	0	0	1	8,633	\$9.08
2004	4,137	83,080,050	4,429,198	5,123,379	6.2%	1,299,032	0	0	0	0	\$8.50
2003	4,139	83,115,050	5,420,458	6,457,411	7.8%	(780,909)	5	154,793	0	0	\$8.68
2002	4,136	82,987,882	4,584,712	5,549,334	6.7%	(652,712)	2	218,974	4	147,293	\$10.50
2001	4,147	83,287,714	4,288,305	5,196,454	6.2%	(3,796,711)	4	153,776	2	218,974	\$14.90
2000	4,172	83,741,290	1,804,719	1,853,319	2.2%	(489,061)	2	67,996	4	153,776	\$17.89
1999	4,177	83,924,241	1,423,171	1,547,209	1.8%	159,288	5	129,010	2	67,996	\$11.18

Source: CoStar Property®

## TOTAL INDUSTRIAL MARKET STATISTICS

**Year-End 2008**

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2008 4q	4,944	105,417,077	4,012,686	4,469,079	4.2%	289,527	0	0	1	84,000	\$14.39
2008 3q	4,945	105,435,709	4,385,675	4,777,238	4.5%	(64,397)	0	0	1	84,000	\$15.40
2008 2q	4,945	105,435,709	4,384,949	4,712,841	4.5%	(155,908)	0	0	0	0	\$15.90
2008 1q	4,945	105,435,709	4,227,523	4,556,933	4.3%	224,264	5	395,027	0	0	\$14.78
2007 4q	4,942	105,165,417	4,054,162	4,510,905	4.3%	176,681	3	239,000	5	395,027	\$13.69
2007 3q	4,940	104,934,517	3,943,026	4,456,686	4.2%	219,393	2	25,000	8	634,027	\$12.89
2007 2q	4,939	105,004,517	4,320,365	4,746,079	4.5%	614,150	0	0	10	659,027	\$13.63
2007 1q	4,939	105,004,517	4,899,134	5,360,229	5.1%	784,697	0	0	6	414,000	\$13.41
2006	4,940	105,057,199	5,672,237	6,197,608	5.9%	896,517	7	379,475	6	414,000	\$12.94
2005	4,936	104,742,524	6,121,074	6,779,450	6.5%	1,411,521	0	0	3	98,477	\$12.01
2004	4,939	104,981,808	7,036,075	8,430,255	8.0%	1,497,693	0	0	0	0	\$11.94
2003	4,941	105,016,808	8,128,786	9,962,948	9.5%	(1,029,131)	7	191,768	0	0	\$11.34
2002	4,936	104,852,665	7,303,963	8,769,674	8.4%	(197,376)	8	911,768	6	184,268	\$11.96
2001	4,942	104,507,722	6,551,093	8,227,355	7.9%	(5,294,050)	9	596,668	7	756,083	\$17.30
2000	4,964	104,530,456	2,756,868	2,956,039	2.8%	(958,475)	5	174,126	9	596,668	\$26.18
1999	4,969	104,714,605	1,919,059	2,181,713	2.1%	825,219	10	256,758	6	224,286	\$14.47

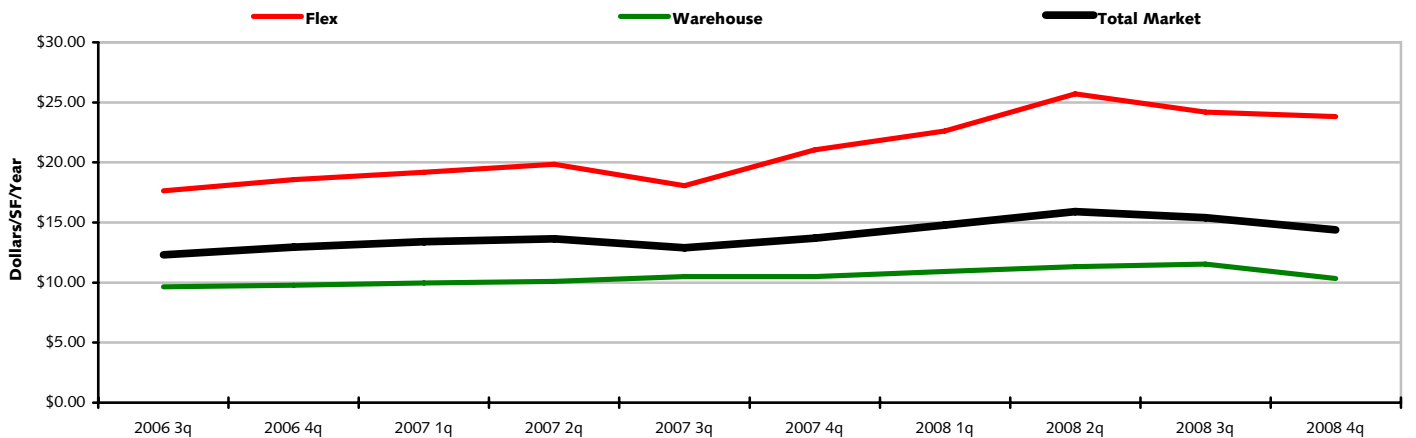
Source: CoStar Property®

# SAN FRANCISCO INDUSTRIAL MARKET

## LEASING ACTIVITY

### HISTORICAL RENTAL RATES

Based on Quoted Rental Rates



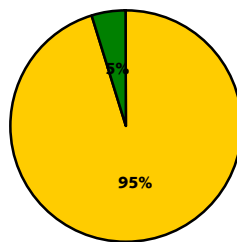
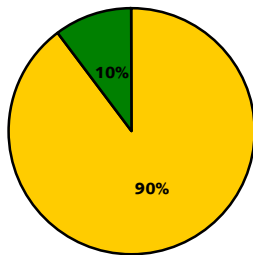
Source: CoStar Property®

### VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

San Francisco

United States



Direct Sublet

Direct Sublet

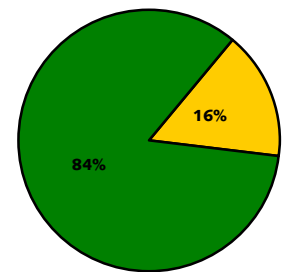
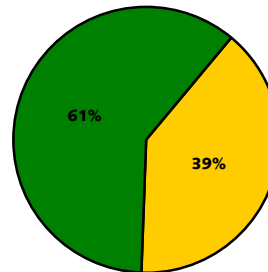
Source: CoStar Property®

### VACANCY BY BUILDING TYPE

Percent of All Vacant Space by Building Type

San Francisco

United States



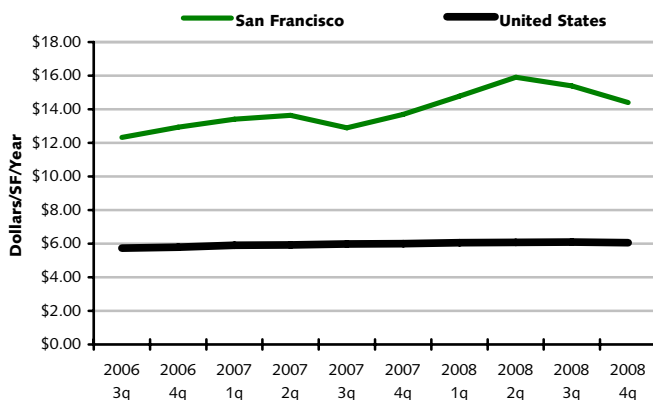
Flex Warehouse

Flex Warehouse

Source: CoStar Property®

### U.S. RENTAL RATE COMPARISON

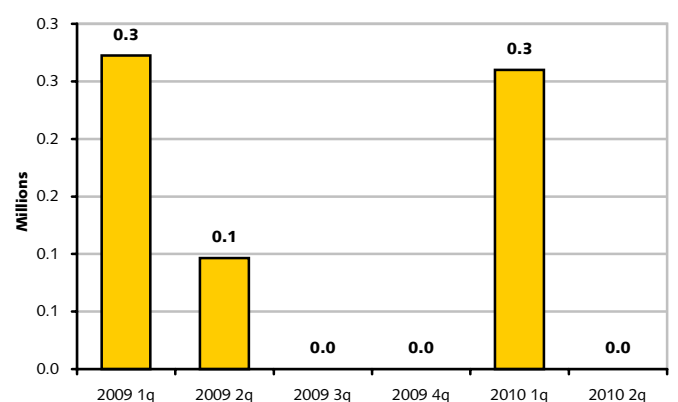
Based on Average Quoted Rental Rates



Source: CoStar Property®

### FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy\*



Source: CoStar Property®

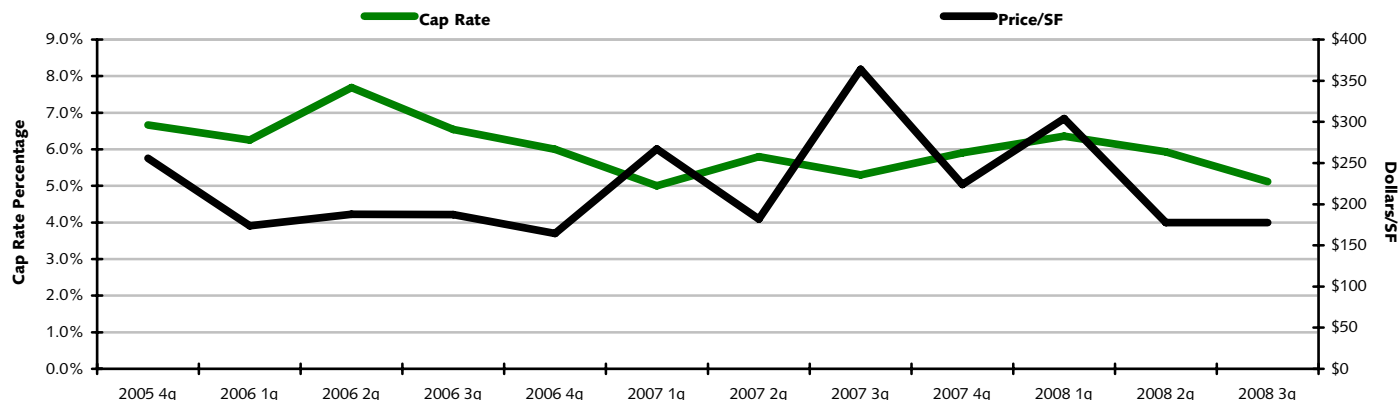
\* Includes Under Construction Space

# SAN FRANCISCO INDUSTRIAL MARKET

## SALES ACTIVITY

### THE OPTIMIST SALES INDEX

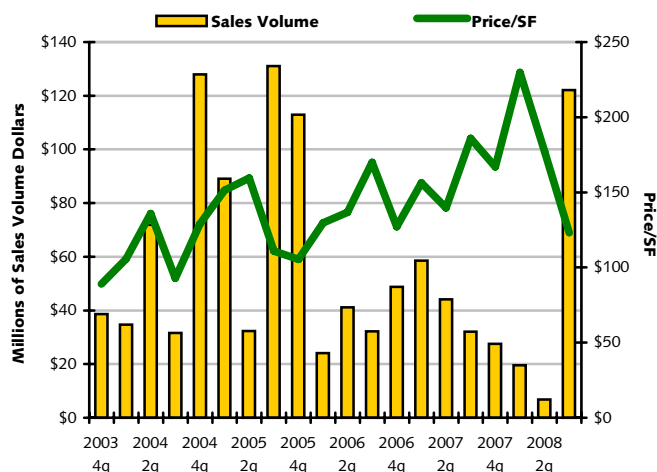
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

### SALES VOLUME & PRICE

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### SALES ANALYSIS BY BUILDING SIZE

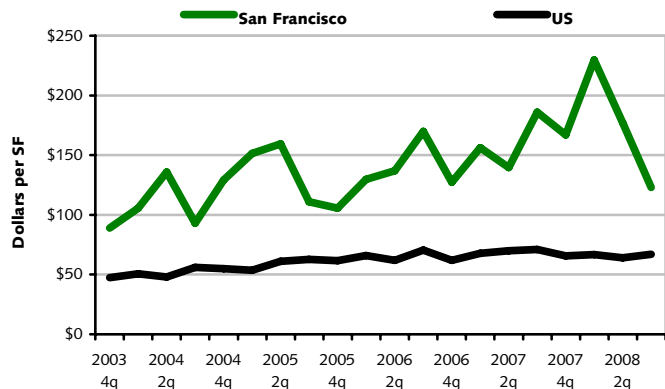
Based on Industrial Bldg Sales From Oct. 2007 - Sept. 2008

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	78	596,143	\$ 124,551,500	\$ 208.93	5.31%
25K-99K SF	4	131,520	\$ 23,550,000	\$ 179.06	7.34%
100K-249K SF	-	-	-	\$ -	-
>250K SF	2	975,820	\$ 119,600,000	\$ 122.56	5.12%

Source: CoStar COMPS®

### U.S. PRICE/SF COMPARISON

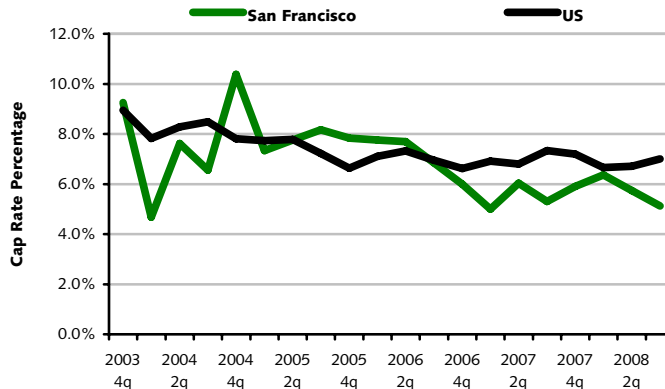
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### U.S. CAP RATE COMPARISON

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## SAN FRANCISCO OFFICE MARKET

OVERVIEW



# SAN FRANCISCO'S VACANCY INCREASES TO 10.7%

## Net Absorption Negative (498,696) SF in the Quarter

The San Francisco Office market ended the fourth quarter 2008 with a vacancy rate of 10.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (498,696) square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,877,383 square feet. Rental rates ended the fourth quarter at \$35.06, a decrease over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 904,943 square feet, with 689,164 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall San Francisco office market was negative (498,696) square feet in the fourth quarter 2008. That compares to positive 310,794 square feet in the third quarter 2008, positive 401,500 square feet in the second quarter 2008, and positive 512,435 square feet in the first quarter 2008.

Tenants moving out of large blocks of space in 2008 include: Heller Ehrman LLP moving out of 230,594 square feet at 333 Bush St; Thelen Reid Brown Raysman & Steiner LLP moving out of 144,256 square feet at 101 2nd St; and O'Melveny & Myers LLP moving out of 112,599 square feet at 275 Battery St.

Tenants moving into large blocks of space in 2008 include: Barclays Global Investors moving into 321,545 square feet at 400 Howard St; FibroGen, Inc. moving into 239,032 square feet at 409 Illinois St; and Google, Inc. moving into 195,654 square feet at Hills Plaza.

The Class-A office market recorded net absorption of negative (79,868) square feet in the fourth quarter 2008, compared to negative (32,314) square feet in the third quarter 2008, positive

370,385 in the second quarter 2008, and positive 421,153 in the first quarter 2008.

The Class-B office market recorded net absorption of negative (401,782) square feet in the fourth quarter 2008, compared to positive 267,858 square feet in the third quarter 2008, positive 60,046 in the second quarter 2008, and positive 107,465 in the first quarter 2008.

The Class-C office market recorded net absorption of negative (17,046) square feet in the fourth quarter 2008 compared to positive 75,250 square feet in the third quarter 2008, negative (28,931) in the second quarter 2008, and negative (16,183) in the first quarter 2008.

Net absorption for San Francisco's central business district was negative (516,445) square feet in the fourth quarter 2008. That compares to positive 26,146 square feet in the third quarter 2008, positive 533,648 in the second quarter 2008, and positive 459,553 in the first quarter 2008.

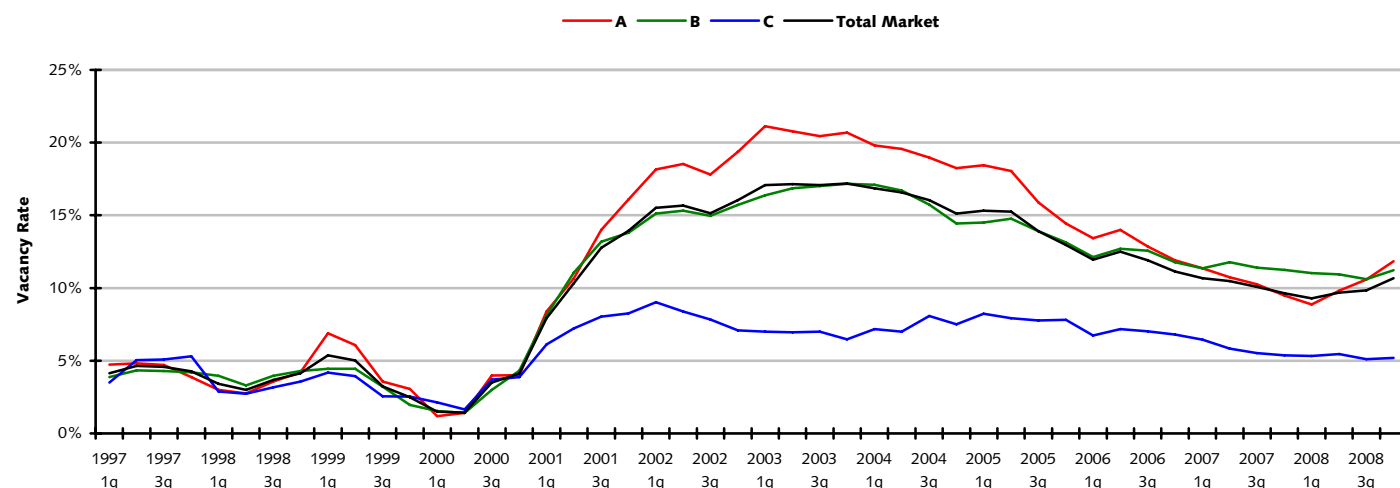
Net absorption for the suburban markets was positive 17,749 square feet in the fourth quarter 2008. That compares to positive 284,648 square feet in third quarter 2008, negative (132,148) in the second quarter 2008, and positive 52,882 in the first quarter 2008.

### Vacancy

The office vacancy rate in the San Francisco market area increased to 10.7% at the end of the fourth quarter 2008. The vacancy rate was 9.8% at the end of the third quarter 2008, 9.7% at the end of the second quarter 2008, and 9.3% at the end of the first quarter 2008.

Class-A projects reported a vacancy rate of 11.8% at the

## VACANCY RATES BY CLASS 1997-2008



Source: CoStar Property®

end of the fourth quarter 2008, 10.6% at the end of the third quarter 2008, 9.8% at the end of the second quarter 2008, and 8.9% at the end of the first quarter 2008.

Class-B projects reported a vacancy rate of 11.2% at the end of the fourth quarter 2008, 10.6% at the end of the third quarter 2008, 10.9% at the end of the second quarter 2008, and 11.0% at the end of the first quarter 2008.

Class-C projects reported a vacancy rate of 5.2% at the end of the fourth quarter 2008, 5.1% at the end of third quarter 2008, 5.5% at the end of the second quarter 2008, and 5.3% at the end of the first quarter 2008.

The overall vacancy rate in San Francisco's central business district at the end of the fourth quarter 2008 increased to 9.9%. The vacancy rate was 9.3% at the end of the third quarter 2008, 8.8% at the end of the second quarter 2008, and 9.1% at the end of the first quarter 2008.

The vacancy rate in the suburban markets increased to 11.8% in the fourth quarter 2008. The vacancy rate was 10.6% at the end of the third quarter 2008, 10.9% at the end of the second quarter 2008, and 9.6% at the end of the first quarter 2008.

## Largest Lease Signings

The largest lease signings occurring in 2008 included: the 195,654-square-foot renewal signed by Google, Inc. at Hills Plaza in the SF Downtown South market; the 140,000-square-foot renewal signed by City of San Francisco at Continental Bldg in the SF Downtown South market; and the 100,500-square-foot lease signed by Pfizer at Alexandria's Center For Science & Technology in the SF Southeast market.

## Sublease Vacancy

The amount of vacant sublease space in the San Francisco market increased to 1,877,383 square feet by the end of the fourth quarter 2008, from 1,555,147 square feet at the end of the third quarter 2008. There was 1,348,494 square feet vacant at the end

of the second quarter 2008 and 1,318,846 square feet at the end of the first quarter 2008.

San Francisco's Class-A projects reported vacant sublease space of 1,468,499 square feet at the end of fourth quarter 2008, up from the 1,150,243 square feet reported at the end of the third quarter 2008. There were 864,359 square feet of sublease space vacant at the end of the second quarter 2008, and 726,580 square feet at the end of the first quarter 2008.

Class-B projects reported vacant sublease space of 391,661 square feet at the end of the fourth quarter 2008, down from the 392,069 square feet reported at the end of the third quarter 2008. At the end of the second quarter 2008 there were 459,713 square feet, and at the end of the first quarter 2008 there were 572,226 square feet vacant.

Class-C projects reported increased vacant sublease space from the third quarter 2008 to the fourth quarter 2008. Sublease vacancy went from 12,835 square feet to 17,223 square feet during that time. There was 24,422 square feet at the end of the second quarter 2008, and 20,040 square feet at the end of the first quarter 2008.

Sublease vacancy in San Francisco's central business district stood at 936,435 square feet at the end of the fourth quarter 2008. It was 730,404 square feet at the end of the third quarter 2008, 559,079 square feet at the end of the second quarter 2008, and 599,632 square feet at the end of the first quarter 2008.

Sublease vacancy in the suburban markets ended the fourth quarter 2008 at 940,948 square feet. At the end of the third quarter 2008 sublease vacancy was 824,743 square feet, was 789,415 square feet at the end of the second quarter 2008, and was 719,214 square feet at the end of the first quarter 2008.

## Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$35.06 per square foot per year at the end of the fourth quarter 2008 in the San Francisco market area. This represented a 4.7% decrease in quoted rental rates from the end of the third quarter 2008, when rents were reported at \$36.78 per square foot.

The average quoted rate within the Class-A sector was \$38.00 at the end of the fourth quarter 2008, while Class-B rates stood at \$34.09, and Class-C rates at \$27.78. At the end of the third quarter 2008, Class-A rates were \$41.23 per square foot, Class-B rates were \$34.85, and Class-C rates were \$28.00.

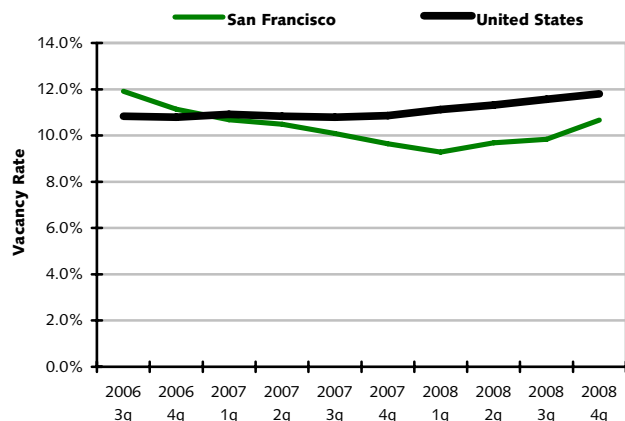
The average quoted asking rental rate in San Francisco's CBD was \$33.37 at the end of the fourth quarter 2008, and \$35.79 in the suburban markets. In the third quarter 2008, quoted rates were \$35.04 in the CBD and \$37.52 in the suburbs.

## Deliveries and Construction

During the fourth quarter 2008, four buildings totaling 904,943 square feet were completed in the San Francisco market area. This compares to four buildings totaling 608,319 square

## U.S. VACANCY COMPARISON

### Past 10 Quarters



Source: CoStar Property\*

## SAN FRANCISCO OFFICE MARKET

## OVERVIEW



feet that were completed in the third quarter 2008, six buildings totaling 1,128,590 square feet completed in the second quarter 2008, and 9,316 square feet in two buildings completed in the first quarter 2008.

There were 689,164 square feet of office space under construction at the end of the fourth quarter 2008.

Some of the notable 2008 deliveries include: 555 Mission St, a 556,319-square-foot facility that delivered in third quarter 2008 and is now 30% occupied, and 400 Howard St, a 335,000-square-foot building that delivered in second quarter 2008 and is now 97% occupied.

The largest projects underway at the end of fourth quarter 2008 were 1500 Owens St, a 157,929-square-foot facility that is 100% pre-leased, 535 Mission St, a 290,000-square-foot building with 0% of its space pre-leased.

### Inventory

Total office inventory in the San Francisco market area amounted to 157,978,789 square feet in 3,695 buildings as of the end of the fourth quarter 2008. The Class-A office sector consisted of 70,827,416 square feet in 316 projects. There were 1,436 Class-B buildings totaling 65,424,939 square feet, and the Class-C sector consisted of 21,726,434 square feet in 1,943 buildings. Within the Office market there were 101 owner-occupied buildings accounting for 6,677,836 square feet of office space.

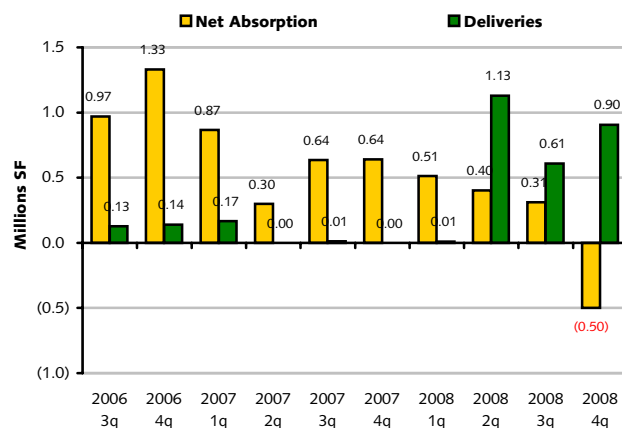
### Sales Activity

Tallying office building sales of 15,000 square feet or larger, San Francisco office sales figures rose during the third quarter 2008 in terms of dollar volume compared to the second quarter of 2008.

In the third quarter, three office transactions closed with a total volume of \$191,950,000. The three buildings totaled 447,290 square feet and the average price per square foot equated to \$429.14 per square foot. That compares to three transactions totaling \$180,000,000 in the second quarter 2008. The total

## ABSORPTION & DELIVERIES

### Past 10 Quarters



Source: CoStar Property\*

square footage in the second quarter was 360,535 square feet for an average price per square foot of \$499.26.

Total office building sales activity in 2008 was down compared to 2007. In the first nine months of 2008, the market saw 22 office sales transactions with a total volume of \$991,375,234. The price per square foot averaged \$327.88. In the same first nine months of 2007, the market posted 57 transactions with a total volume of \$3,182,104,885. The price per square foot averaged \$362.23.

Cap rates have been lower in 2008, averaging 4.61% compared to the same period in 2007 when they averaged 5.70%.

One of the largest transactions that occurred within the last four quarters in the San Francisco market is the sale of 55 Francisco Street in San Francisco. This 141,844-square-foot office building sold for \$58,000,000, or \$408.90 per square foot. The property sold on 7/1/2008.

Reports compiled by: Espie Tuthill, CoStar Research Manager.

# SAN FRANCISCO OFFICE MARKET

## MARKETS

### CoSTAR MARKETS & SUBMARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets			
San Mateo Central County	Burlingame-Airport Blvd San Mateo-Corridor/Hwy 92	Burlingame-Old Bayshore San Mateo-Downtown North	Burlingame-West of 101 San Mateo-Downtown South	Foster City/Redwood Shrs
San Mateo North County	Brisbane/Daly City South SF West of 101 Fwy	Pacifica	San Bruno/Millbrae	South SF East of 101 Fwy
San Mateo South County	Belmont Redwood City-N of 84 Fwy	Menlo Park-Atherton Redwood City-Port	Menlo Park-East/EPA Redwood City-S of 84 Fwy	Menlo Park-Sand Hill San Carlos
SF Downtown Core	Financial District*	South Financial District**		
SF Downtown North	Jackson Square*	Waterfront/North Beach*		
SF Downtown South	Lower South of Market*	Rincon/South Beach*	Showplace Square*	South of Market
SF Downtown West	Chinatown/Nob Hill* Yerba Buena*	Civic Center*	Union Square*	Van Ness Corridor*
SF Outer Areas	Southern City	West of Van Ness		
SF Southeast	Bayview/Hunters Point Potrero West of 101 Fwy	India Basin	Mission Bay/China Basin	Potrero East of 101 Fwy

\* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.



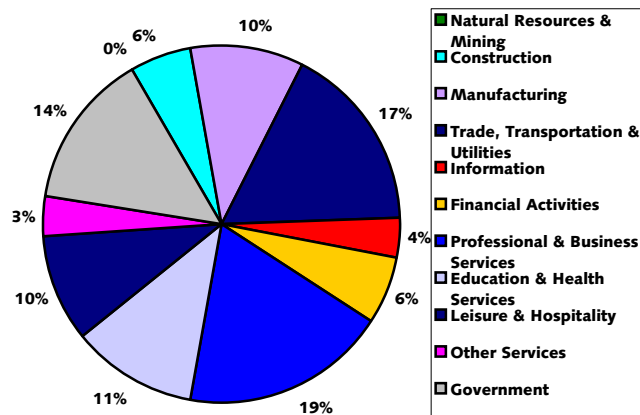
# SAN FRANCISCO OFFICE MARKET



## EMPLOYMENT AND TENANT

### TOTAL EMPLOYMENT BY INDUSTRY

#### Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

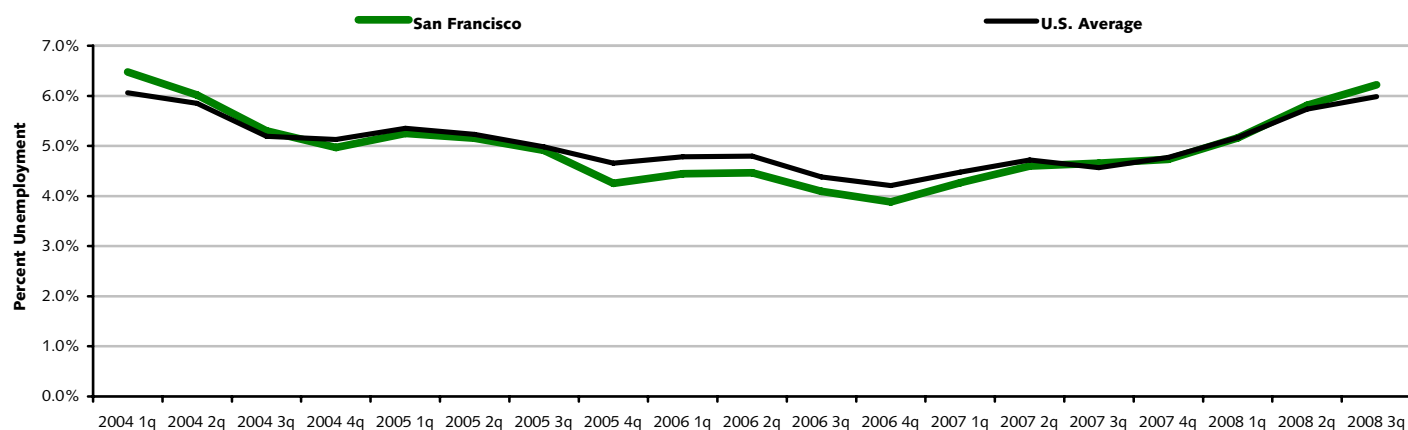
### OFFICE\* EMPLOYMENT GROWTH

#### Cumulative Growth in Office\* Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	6.60%	7.20%	-0.60%
Boston	6.80%	3.00%	3.80%
Chicago	5.70%	4.50%	1.20%
Dallas/Ft Worth	13.10%	7.20%	5.90%
Denver	7.70%	4.80%	2.90%
Los Angeles	4.50%	2.60%	1.90%
New York City	7.50%	1.00%	6.50%
Seattle/Puget Sound	15.50%	6.50%	9.00%
Tampa/St Petersburg	0.80%	8.30%	-7.50%
Washington	5.70%	9.30%	-3.60%
San Francisco	5.80%	2.60%	3.20%

Source: Department of Labor, Bureau of Labor Statistics

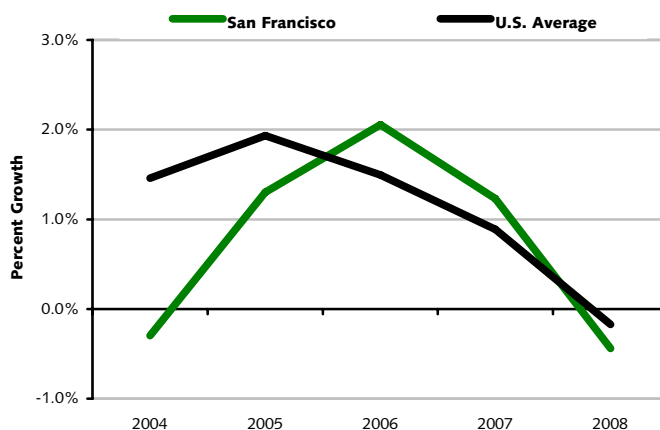
### HISTORICAL UNEMPLOYMENT RATES



Source: Department of Labor, Bureau of Labor Statistics.

### TOTAL EMPLOYMENT GROWTH

#### Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

### OFFICE\* EMPLOYMENT GROWTH

#### Number of Office\* Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics. \* Office employment is defined as jobs in the Information, Financial Activities, and Professional & Business Services industries

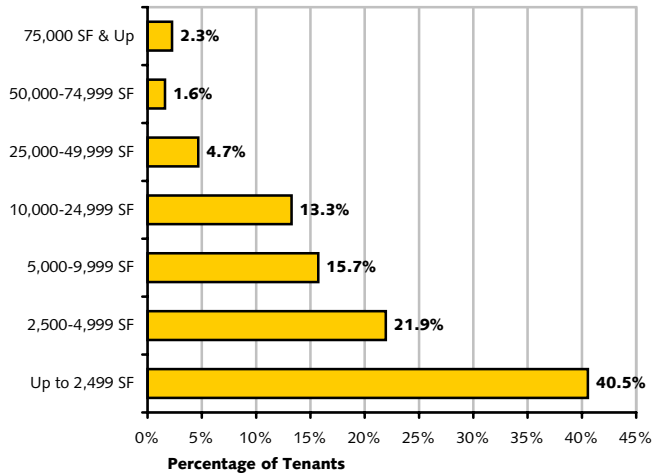


# SAN FRANCISCO OFFICE MARKET

## EMPLOYMENT AND TENANT

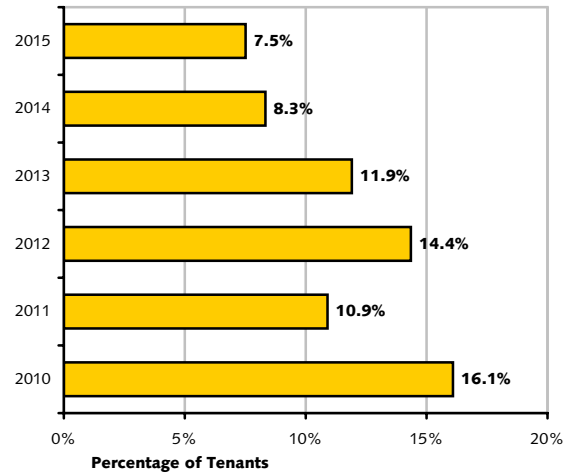
### TENANT BY SIZE RANGE

Based on Total Number of Tenants



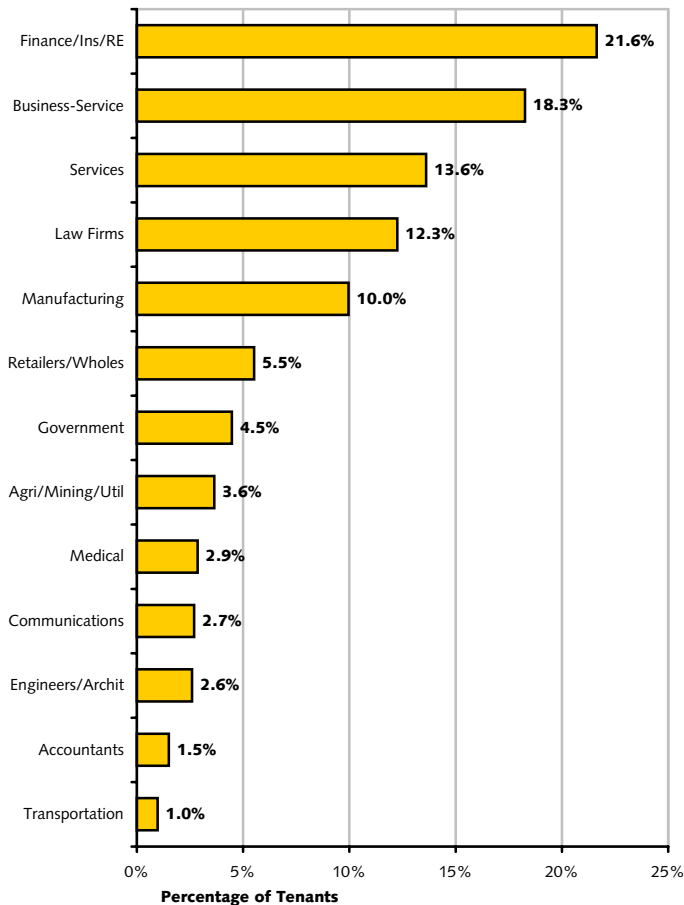
### TENANTS BY LEASE EXPIRATION

Based on Total Square Footage of Tenants



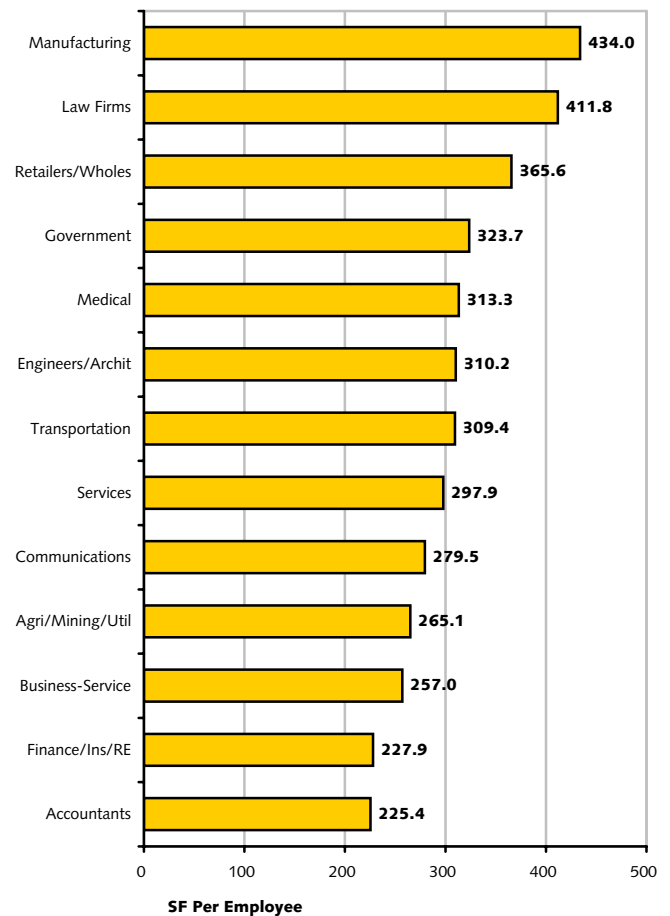
### TENANTS BY INDUSTRY

Based on Total Square Footage of Tenants



### SF PER EMPLOYEE BY INDUSTRY

Based on All Tenants





# SAN FRANCISCO OFFICE MARKET

**FIGURES AT A GLANCE**

## CLASS A MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	86	10,841,129	999,707	1,150,755	10.6%	(221,465)	0	0	\$39.78
San Mateo North County	37	5,608,753	763,974	1,175,867	21.0%	(25,361)	793,594	0	\$32.74
San Mateo South County	53	4,384,617	435,366	550,074	12.5%	60,817	0	0	\$37.62
SF Downtown Core	90	39,368,355	3,425,316	4,193,021	10.7%	158,086	891,319	290,000	\$38.53
SF Downtown North	10	1,326,126	86,187	90,209	6.8%	(30,264)	0	0	\$41.40
SF Downtown South	14	4,329,713	178,725	197,848	4.6%	248,912	0	0	\$31.39
SF Downtown West	9	1,326,148	33,878	33,878	2.6%	62,032	0	114,911	\$34.87
SF Outer Areas	7	1,318,360	0	0	0.0%	155,000	0	0	\$63.33
SF Southeast	10	2,324,215	987,485	987,485	42.5%	271,599	904,939	157,929	\$31.36
<b>Totals</b>	<b>316</b>	<b>70,827,416</b>	<b>6,910,638</b>	<b>8,379,137</b>	<b>11.8%</b>	<b>679,356</b>	<b>2,589,852</b>	<b>562,840</b>	<b>\$38.00</b>

Source: CoStar Property®

## CLASS B MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	169	7,306,033	858,227	921,059	12.6%	(40,411)	0	0	\$33.85
San Mateo North County	85	3,706,653	223,399	279,242	7.5%	(547)	8,626	88,824	\$31.07
San Mateo South County	180	6,185,316	751,177	860,619	13.9%	33,699	52,690	0	\$40.00
SF Downtown Core	147	14,627,554	1,949,157	1,998,611	13.7%	(106,717)	0	15,000	\$32.55
SF Downtown North	108	4,584,083	282,742	299,590	6.5%	9,753	0	0	\$31.15
SF Downtown South	188	10,208,994	1,520,226	1,587,957	15.6%	235,376	0	0	\$33.08
SF Downtown West	253	12,558,943	1,128,141	1,156,177	9.2%	(68,614)	0	22,500	\$27.30
SF Outer Areas	239	3,562,362	182,409	183,884	5.2%	(53,421)	0	0	\$39.94
SF Southeast	67	2,685,001	53,345	53,345	2.0%	24,469	0	0	\$24.19
<b>Totals</b>	<b>1,436</b>	<b>65,424,939</b>	<b>6,948,823</b>	<b>7,340,484</b>	<b>11.2%</b>	<b>33,587</b>	<b>61,316</b>	<b>126,324</b>	<b>\$34.09</b>

Source: CoStar Property®

## CLASS C MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	292	2,958,196	201,566	201,566	6.8%	17,174	0	0	\$23.87
San Mateo North County	229	2,050,960	124,962	126,220	6.2%	18,574	0	0	\$20.26
San Mateo South County	383	2,754,533	191,008	195,598	7.1%	(47,136)	0	0	\$33.60
SF Downtown Core	106	2,195,713	79,273	79,273	3.6%	(468)	0	0	\$29.21
SF Downtown North	116	1,568,332	83,600	89,600	5.7%	(8,878)	0	0	\$33.09
SF Downtown South	156	2,748,996	110,056	110,931	4.0%	76,364	0	0	\$23.02
SF Downtown West	253	3,934,485	237,021	241,521	6.1%	(28,045)	0	0	\$26.42
SF Outer Areas	351	2,707,208	40,005	40,005	1.5%	(9,683)	0	0	\$29.82
SF Southeast	57	808,011	43,500	43,500	5.4%	(4,812)	0	0	\$22.94
<b>Totals</b>	<b>1,943</b>	<b>21,726,434</b>	<b>1,110,991</b>	<b>1,128,214</b>	<b>5.2%</b>	<b>13,090</b>	<b>0</b>	<b>0</b>	<b>\$27.78</b>

Source: CoStar Property®

## TOTAL OFFICE MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	547	21,105,358	2,059,500	2,273,380	10.8%	(244,702)	0	0	\$36.31
San Mateo North County	351	11,366,366	1,112,335	1,581,329	13.9%	(7,334)	802,220	88,824	\$30.58
San Mateo South County	616	13,324,466	1,377,551	1,606,291	12.1%	47,380	52,690	0	\$38.19
SF Downtown Core	343	56,191,622	5,453,746	6,270,905	11.2%	50,901	891,319	305,000	\$36.56
SF Downtown North	234	7,478,541	452,529	479,399	6.4%	(29,389)	0	0	\$32.02
SF Downtown South	358	17,287,703	1,809,007	1,896,736	11.0%	560,652	0	0	\$31.89
SF Downtown West	515	17,819,576	1,399,040	1,431,576	8.0%	(34,627)	0	137,411	\$27.27
SF Outer Areas	597	7,587,930	222,414	223,889	3.0%	91,896	0	0	\$38.72
SF Southeast	134	5,817,227	1,084,330	1,084,330	18.6%	291,256	904,939	157,929	\$28.13
<b>Totals</b>	<b>3,695</b>	<b>157,978,789</b>	<b>14,970,452</b>	<b>16,847,835</b>	<b>10.7%</b>	<b>726,033</b>	<b>2,651,168</b>	<b>689,164</b>	<b>\$35.06</b>

Source: CoStar Property®

## SAN FRANCISCO OFFICE MARKET



FIGURES AT A GLANCE

## CLASS A SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	2	215,464	2,120	2,120	1.0%	16,606	0	0	\$25.20
Belmont	1	84,344	0	0	0.0%	0	0	0	\$0.00
Brisbane/Daly City	15	1,878,179	125,784	167,131	8.9%	72,827	0	0	\$31.67
Burlingame-Airport Blvd	4	489,486	151,048	151,048	30.9%	(62,596)	0	0	\$31.37
Burlingame-Old Bayshore	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	0	0	0	0	0.0%	0	0	0	\$0.00
Chinatown/Nob Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Civic Center	2	288,631	10,815	10,815	3.7%	49,996	0	0	\$34.87
Financial District	47	20,566,875	1,718,482	2,344,257	11.4%	(375,328)	0	0	\$38.29
Foster City/Redwood Shrs	57	7,406,745	487,608	574,216	7.8%	(173,177)	0	0	\$43.38
India Basin	0	0	0	0	0.0%	0	0	0	\$0.00
Jackson Square	5	615,575	34,870	34,870	5.7%	(22,475)	0	0	\$40.67
Lower South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Atherton	1	21,000	21,000	21,000	100.0%	0	0	0	\$66.24
Menlo Park-East/EPA	3	450,843	0	11,149	2.5%	(8,096)	0	0	\$66.45
Menlo Park-Sand Hill	26	1,198,155	26,022	45,568	3.8%	(22,153)	0	0	\$127.60
Mission Bay/China Basin	8	2,108,751	985,365	985,365	46.7%	254,993	904,939	157,929	\$41.50
Pacifica	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero West of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-N of 84 Fwy	4	260,859	0	0	0.0%	8,720	0	0	\$36.03
Redwood City-Port	9	1,507,341	227,781	227,781	15.1%	97,638	0	0	\$30.29
Redwood City-S of 84 Fwy	4	360,504	0	0	0.0%	0	0	0	\$0.00
Rincon/South Beach	5	1,800,456	127,732	146,855	8.2%	166,194	0	0	\$30.08
San Bruno/Millbrae	1	250,000	0	0	0.0%	0	0	0	\$0.00
San Carlos	5	501,571	160,563	244,576	48.8%	(15,292)	0	0	\$36.38
San Mateo-Corridor/Hwy 9	21	2,504,880	348,337	412,777	16.5%	10,360	0	0	\$36.56
San Mateo-Downtown Nor	2	232,018	11,614	11,614	5.0%	5,048	0	0	\$44.13
San Mateo-Downtown Sou	2	208,000	1,100	1,100	0.5%	(1,100)	0	0	\$0.00
Showplace Square	4	533,959	34,841	34,841	6.5%	74,338	0	0	\$0.00
South Financial District	43	18,801,480	1,706,834	1,848,764	9.8%	533,414	891,319	290,000	\$39.02
South of Market	5	1,995,298	16,152	16,152	0.8%	8,380	0	0	\$34.33
South SF East of 101 Fwy	20	3,159,938	319,842	690,388	21.8%	(100,476)	472,958	0	\$34.52
South SF West of 101 Fwy	1	320,636	318,348	318,348	99.3%	2,288	320,636	0	\$0.00
Southern City	0	0	0	0	0.0%	0	0	0	\$0.00
Union Square	1	100,715	0	0	0.0%	0	0	114,911	\$0.00
Van Ness Corridor	3	390,485	23,063	23,063	5.9%	(7,718)	0	0	\$0.00
Waterfront/North Beach	5	710,551	51,317	55,339	7.8%	(7,789)	0	0	\$44.45
West of Van Ness	7	1,318,360	0	0	0.0%	155,000	0	0	\$63.33
Yerba Buena	3	546,317	0	0	0.0%	19,754	0	0	\$0.00
<b>Totals</b>	<b>316</b>	<b>70,827,416</b>	<b>6,910,638</b>	<b>8,379,137</b>	<b>11.8%</b>	<b>679,356</b>	<b>2,589,852</b>	<b>562,840</b>	<b>\$38.00</b>

Source: CoStar Property®

## SAN FRANCISCO OFFICE MARKET

FIGURES AT A GLANCE

## CLASS B SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	1	106,480	0	0	0.0%	0	0	0	\$0.00
Belmont	12	756,463	226,660	226,660	30.0%	20,177	0	0	\$47.14
Brisbane/Daly City	13	354,326	18,763	18,763	5.3%	12,061	3,626	0	\$25.26
Burlingame-Airport Blvd	4	277,748	53,838	54,288	19.5%	(12,209)	0	0	\$26.58
Burlingame-Old Bayshore	10	524,437	109,725	109,725	20.9%	(26,366)	0	0	\$28.73
Burlingame-West of 101	20	473,325	23,285	23,285	4.9%	(8,735)	0	0	\$29.13
Chinatown/Nob Hill	23	529,295	9,400	9,400	1.8%	(8,900)	0	0	\$32.31
Civic Center	42	2,323,202	199,203	199,203	8.6%	(116,758)	0	22,500	\$18.77
Financial District	74	7,755,608	865,554	912,827	11.8%	(23,444)	0	0	\$33.84
Foster City/Redwood Shrs	41	1,922,128	59,945	90,945	4.7%	32,175	0	0	\$33.56
India Basin	2	55,400	0	0	0.0%	0	0	0	\$0.00
Jackson Square	53	1,534,015	91,406	91,406	6.0%	19,560	0	0	\$30.54
Lower South of Market	41	1,625,992	156,116	158,191	9.7%	(9,255)	0	0	\$33.27
Menlo Park-Atherton	54	1,327,203	108,863	111,363	8.4%	(73,330)	5,690	0	\$62.80
Menlo Park-East/EPA	27	1,233,111	158,256	219,404	17.8%	176,239	47,000	0	\$36.09
Menlo Park-Sand Hill	4	121,287	8,922	8,922	7.4%	(8,922)	0	0	\$122.20
Mission Bay/China Basin	8	754,447	8,400	8,400	1.1%	(8,400)	0	0	\$24.00
Pacifica	11	94,434	10,652	10,652	11.3%	5,440	5,000	0	\$21.55
Potrero East of 101 Fwy	5	221,610	1,650	1,650	0.7%	(1,650)	0	0	\$24.00
Potrero West of 101 Fwy	51	1,547,064	43,295	43,295	2.8%	34,519	0	0	\$24.24
Redwood City-N of 84 Fwy	38	1,023,823	81,402	81,402	8.0%	(36,894)	0	0	\$32.35
Redwood City-Port	21	831,584	58,892	104,686	12.6%	(46,452)	0	0	\$24.43
Redwood City-S of 84 Fwy	14	559,319	100,441	100,441	18.0%	(5,347)	0	0	\$23.49
Rincon/South Beach	64	2,950,569	257,559	295,356	10.0%	45,220	0	0	\$30.22
San Bruno/Millbrae	22	1,275,036	123,273	128,716	10.1%	(8,796)	0	0	\$32.10
San Carlos	10	332,526	7,741	7,741	2.3%	8,228	0	0	\$27.68
San Mateo-Corridor/Hwy 9	54	2,896,066	559,772	591,154	20.4%	(22,041)	0	0	\$36.38
San Mateo-Downtown Nor	34	789,414	51,662	51,662	6.5%	(3,235)	0	0	\$25.71
San Mateo-Downtown Sou	6	422,915	0	0	0.0%	0	0	0	\$26.12
Showplace Square	24	2,537,865	292,876	292,876	11.5%	181,411	0	0	\$24.90
South Financial District	73	6,871,946	1,083,603	1,085,784	15.8%	(83,273)	0	15,000	\$31.62
South of Market	59	3,094,568	813,675	841,534	27.2%	18,000	0	0	\$34.54
South SF East of 101 Fwy	29	1,727,804	11,195	61,595	3.6%	1,399	0	84,000	\$36.90
South SF West of 101 Fwy	10	255,053	59,516	59,516	23.3%	(10,651)	0	4,824	\$18.49
Southern City	95	1,312,727	37,878	39,353	3.0%	(16,934)	0	0	\$33.85
Union Square	85	4,239,977	245,489	264,756	6.2%	52,995	0	0	\$31.03
Van Ness Corridor	68	1,815,337	98,852	98,852	5.4%	(3,461)	0	0	\$24.00
Waterfront/North Beach	55	3,050,068	191,336	208,184	6.8%	(9,807)	0	0	\$31.88
West of Van Ness	144	2,249,635	144,531	144,531	6.4%	(36,487)	0	0	\$49.64
Yerba Buena	35	3,651,132	575,197	583,966	16.0%	7,510	0	0	\$27.60
<b>Totals</b>	<b>1,436</b>	<b>65,424,939</b>	<b>6,948,823</b>	<b>7,340,484</b>	<b>11.2%</b>	<b>33,587</b>	<b>61,316</b>	<b>126,324</b>	<b>\$34.09</b>

Source: CoStar Property®

## SAN FRANCISCO OFFICE MARKET



FIGURES AT A GLANCE

## CLASS C SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bayview/Hunters Point	12	127,007	0	0	0.0%	0	0	0	\$0.00
Belmont	25	113,691	4,617	4,617	4.1%	(1,757)	0	0	\$32.87
Brisbane/Daly City	67	774,632	39,100	39,100	5.0%	26,526	0	0	\$22.45
Burlingame-Airport Blvd	2	12,670	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	25	643,932	57,095	57,095	8.9%	(6,958)	0	0	\$16.50
Burlingame-West of 101	57	726,273	75,879	75,879	10.4%	22,498	0	0	\$23.60
Chinatown/Nob Hill	51	438,030	9,940	9,940	2.3%	5,997	0	0	\$25.09
Civic Center	46	938,605	89,549	89,549	9.5%	(31,692)	0	0	\$18.89
Financial District	50	930,352	35,753	35,753	3.8%	(3,914)	0	0	\$29.38
Foster City/Redwood Shrs	21	212,425	6,904	6,904	3.3%	5,546	0	0	\$27.50
India Basin	1	3,600	0	0	0.0%	0	0	0	\$0.00
Jackson Square	59	662,824	53,911	59,911	9.0%	(14,878)	0	0	\$34.02
Lower South of Market	25	391,473	7,028	7,028	1.8%	(606)	0	0	\$25.43
Menlo Park-Atherton	76	672,889	17,323	17,323	2.6%	(3,687)	0	0	\$52.41
Menlo Park-East/EPA	6	88,776	20,340	20,340	22.9%	0	0	0	\$28.52
Menlo Park-Sand Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Mission Bay/China Basin	10	147,250	41,000	41,000	27.8%	(5,000)	0	0	\$21.60
Pacifica	28	130,696	23,140	23,140	17.7%	(2,100)	0	0	\$12.68
Potrero East of 101 Fwy	10	101,010	0	0	0.0%	0	0	0	\$0.00
Potrero West of 101 Fwy	24	429,144	2,500	2,500	0.6%	188	0	0	\$23.63
Redwood City-N of 84 Fwy	160	1,156,606	111,166	111,166	9.6%	(35,866)	0	0	\$29.53
Redwood City-Port	2	17,360	0	0	0.0%	0	0	0	\$0.00
Redwood City-S of 84 Fwy	33	289,223	27,550	27,550	9.5%	0	0	0	\$39.11
Rincon/South Beach	43	795,058	14,057	14,932	1.9%	58,715	0	0	\$29.17
San Bruno/Millbrae	63	561,117	23,776	23,776	4.2%	160	0	0	\$22.59
San Carlos	81	415,988	10,012	14,602	3.5%	(5,826)	0	0	\$27.00
San Mateo-Corridor/Hwy 9	40	324,217	21,508	21,508	6.6%	(485)	0	0	\$24.02
San Mateo-Downtown Nor	130	898,455	28,783	28,783	3.2%	7,970	0	0	\$30.52
San Mateo-Downtown Sou	17	140,224	11,397	11,397	8.1%	(11,397)	0	0	\$0.00
Showplace Square	10	249,426	0	0	0.0%	0	0	0	\$0.00
South Financial District	56	1,265,361	43,520	43,520	3.4%	3,446	0	0	\$29.08
South of Market	78	1,313,039	88,971	88,971	6.8%	18,255	0	0	\$19.03
South SF East of 101 Fwy	4	63,100	0	0	0.0%	0	0	0	\$16.80
South SF West of 101 Fwy	67	521,415	38,946	40,204	7.7%	(6,012)	0	0	\$20.96
Southern City	155	1,010,742	14,900	14,900	1.5%	(1,160)	0	0	\$23.87
Union Square	57	1,318,587	90,359	94,859	7.2%	9,211	0	0	\$33.47
Van Ness Corridor	60	655,299	16,514	16,514	2.5%	(2,385)	0	0	\$24.54
Waterfront/North Beach	57	905,508	29,689	29,689	3.3%	6,000	0	0	\$31.26
West of Van Ness	196	1,696,466	25,105	25,105	1.5%	(8,523)	0	0	\$34.11
Yerba Buena	39	583,964	30,659	30,659	5.3%	(9,176)	0	0	\$23.12
<b>Totals</b>	<b>1,943</b>	<b>21,726,434</b>	<b>1,110,991</b>	<b>1,128,214</b>	<b>5.2%</b>	<b>13,090</b>	<b>0</b>	<b>0</b>	<b>\$27.78</b>

Source: CoStar Property®

## SAN FRANCISCO OFFICE MARKET

FIGURES AT A GLANCE

## TOTAL OFFICE SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	15	448,951	2,120	2,120	0.5%	16,606	0	0	\$25.20
Belmont	38	954,498	231,277	231,277	24.2%	18,420	0	0	\$46.37
Brisbane/Daly City	95	3,007,137	183,647	224,994	7.5%	111,414	3,626	0	\$30.49
Burlingame-Airport Blvd	10	779,904	204,886	205,336	26.3%	(74,805)	0	0	\$30.17
Burlingame-Old Bayshore	35	1,168,369	166,820	166,820	14.3%	(33,324)	0	0	\$25.01
Burlingame-West of 101	77	1,199,598	99,164	99,164	8.3%	13,763	0	0	\$24.87
Chinatown/Nob Hill	74	967,325	19,340	19,340	2.0%	(2,903)	0	0	\$31.23
Civic Center	90	3,550,438	299,567	299,567	8.4%	(98,454)	0	22,500	\$21.40
Financial District	171	29,252,835	2,619,789	3,292,837	11.3%	(402,686)	0	0	\$37.17
Foster City/Redwood Shrs	119	9,541,298	554,457	672,065	7.0%	(135,456)	0	0	\$41.48
India Basin	3	59,000	0	0	0.0%	0	0	0	\$0.00
Jackson Square	117	2,812,414	180,187	186,187	6.6%	(17,793)	0	0	\$32.00
Lower South of Market	66	2,017,465	163,144	165,219	8.2%	(9,861)	0	0	\$31.77
Menlo Park-Atherton	131	2,021,092	147,186	149,686	7.4%	(77,017)	5,690	0	\$60.84
Menlo Park-East/EPA	36	1,772,730	178,596	250,893	14.2%	168,143	47,000	0	\$36.96
Menlo Park-Sand Hill	30	1,319,442	34,944	54,490	4.1%	(31,075)	0	0	\$126.24
Mission Bay/China Basin	26	3,010,448	1,034,765	1,034,765	34.4%	241,593	904,939	157,929	\$36.22
Pacifica	39	225,130	33,792	33,792	15.0%	3,340	5,000	0	\$13.45
Potrero East of 101 Fwy	15	322,620	1,650	1,650	0.5%	(1,650)	0	0	\$24.00
Potrero West of 101 Fwy	75	1,976,208	45,795	45,795	2.3%	34,707	0	0	\$24.12
Redwood City-N of 84 Fwy	202	2,441,288	192,568	192,568	7.9%	(64,040)	0	0	\$31.95
Redwood City-Port	32	2,356,285	286,673	332,467	14.1%	51,186	0	0	\$29.79
Redwood City-S of 84 Fwy	51	1,209,046	127,991	127,991	10.6%	(5,347)	0	0	\$26.58
Rincon/South Beach	112	5,546,083	399,348	457,143	8.2%	270,129	0	0	\$30.08
San Bruno/Millbrae	86	2,086,153	147,049	152,492	7.3%	(8,636)	0	0	\$31.11
San Carlos	96	1,250,085	178,316	266,919	21.4%	(12,890)	0	0	\$35.04
San Mateo-Corridor/Hwy 9	115	5,725,163	929,617	1,025,439	17.9%	(12,166)	0	0	\$36.33
San Mateo-Downtown Nor	166	1,919,887	92,059	92,059	4.8%	9,783	0	0	\$29.42
San Mateo-Downtown Sou	25	771,139	12,497	12,497	1.6%	(12,497)	0	0	\$26.12
Showplace Square	38	3,321,250	327,717	327,717	9.9%	255,749	0	0	\$24.90
South Financial District	172	26,938,787	2,833,957	2,978,068	11.1%	453,587	891,319	305,000	\$35.69
South of Market	142	6,402,905	918,798	946,657	14.8%	44,635	0	0	\$33.10
South SF East of 101 Fwy	53	4,950,842	331,037	751,983	15.2%	(99,077)	472,958	84,000	\$35.28
South SF West of 101 Fwy	78	1,097,104	416,810	418,068	38.1%	(14,375)	320,636	4,824	\$19.54
Southern City	250	2,323,469	52,778	54,253	2.3%	(18,094)	0	0	\$29.87
Union Square	143	5,659,279	335,848	359,615	6.4%	62,206	0	114,911	\$31.73
Van Ness Corridor	131	2,861,121	138,429	138,429	4.8%	(13,564)	0	0	\$24.08
Waterfront/North Beach	117	4,666,127	272,342	293,212	6.3%	(11,596)	0	0	\$32.04
West of Van Ness	347	5,264,461	169,636	169,636	3.2%	109,990	0	0	\$45.93
Yerba Buena	77	4,781,413	605,856	614,625	12.9%	18,088	0	0	\$25.89
<b>Totals</b>	<b>3,695</b>	<b>157,978,789</b>	<b>14,970,452</b>	<b>16,847,835</b>	<b>10.7%</b>	<b>726,033</b>	<b>2,651,168</b>	<b>689,164</b>	<b>\$35.06</b>

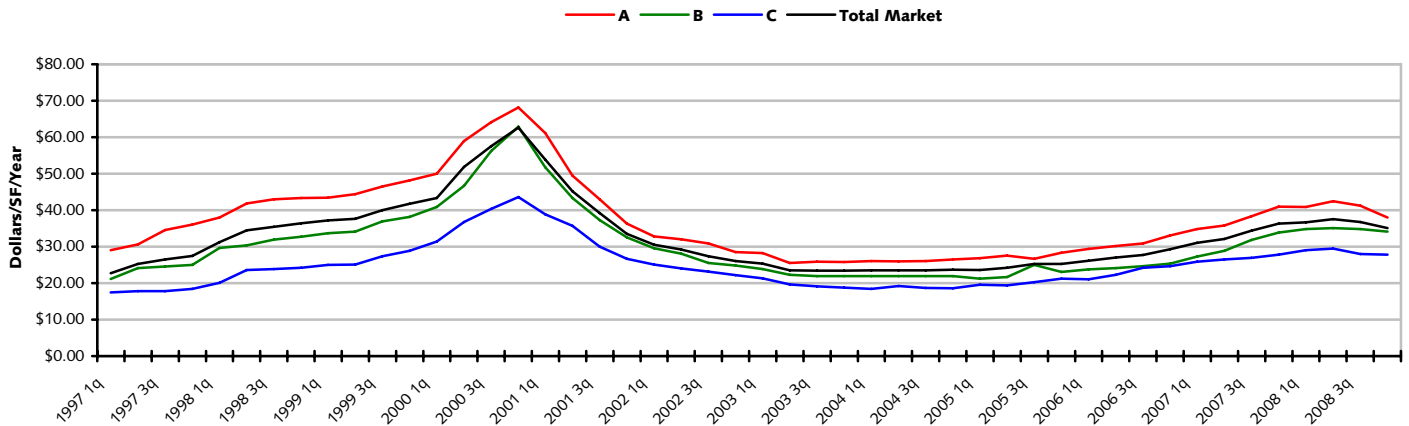
Source: CoStar Property®

# SAN FRANCISCO OFFICE MARKET

LEASING ACTIVITY

## HISTORICAL RENTAL RATES

Based on Full-Service Equivalent Rental Rates



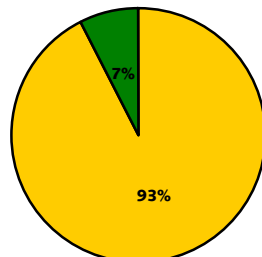
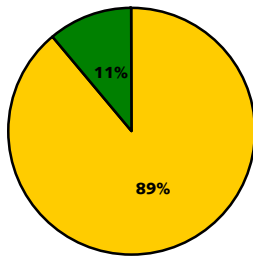
Source: CoStar Property®

## VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet

San Francisco

United States


■ Direct ■ Sublet

■ Direct ■ Sublet

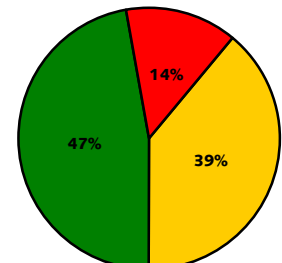
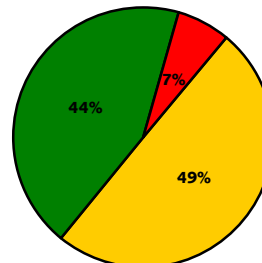
Source: CoStar Property®

## VACANCY BY CLASS

Percent of All Vacant Space by Class

San Francisco

United States

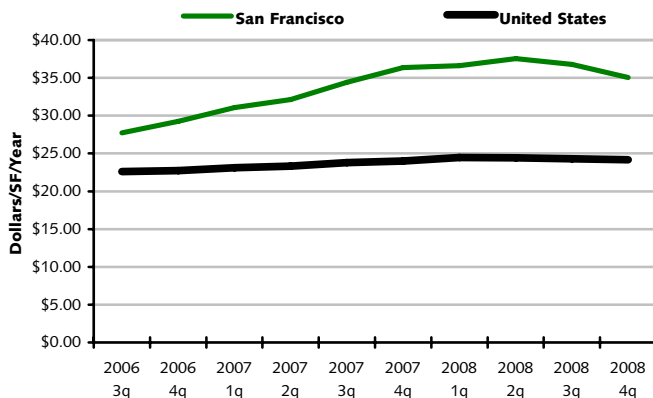

■ Class A ■ Class B ■ Class C

■ Class A ■ Class B ■ Class C

Source: CoStar Property®

## U.S. RENTAL RATE COMPARISON

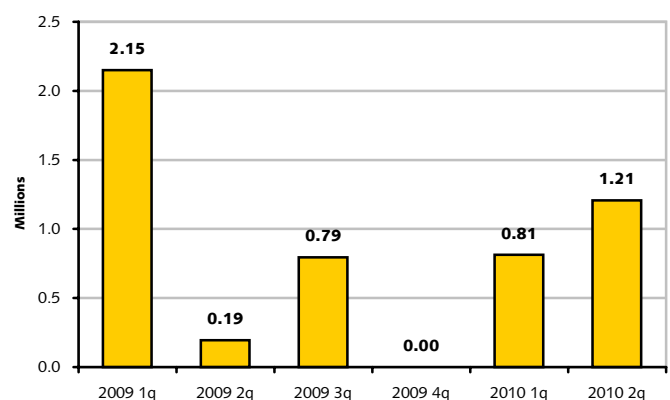
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

## FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces

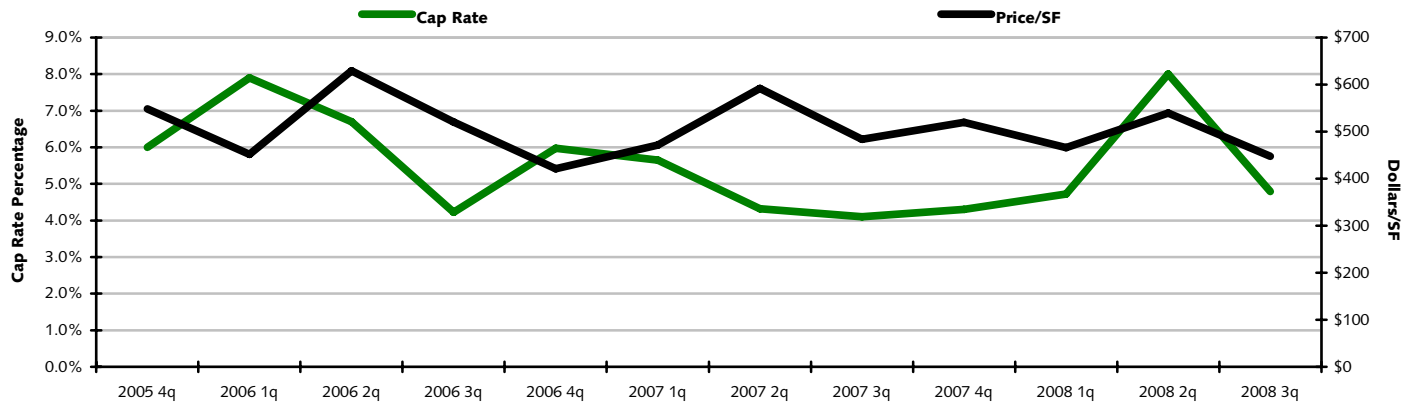
Source: CoStar Property®

# SAN FRANCISCO OFFICE MARKET

## SALES ACTIVITY

### THE OPTIMIST SALES INDEX

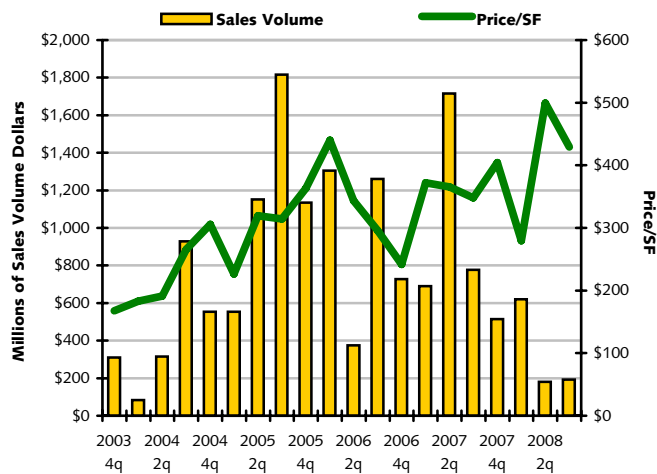
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

### SALES VOLUME & PRICE

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### SALES ANALYSIS BY BUILDING SIZE

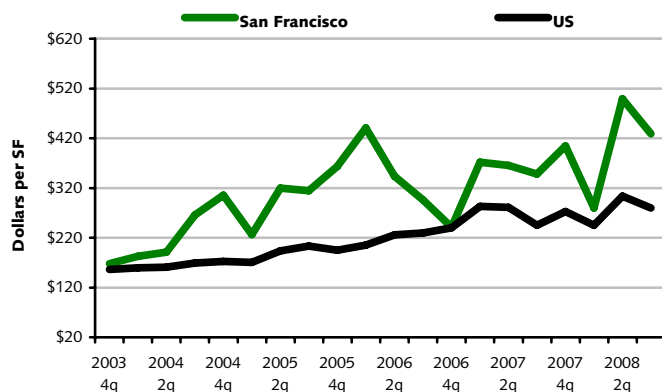
Based on Office Building Sales From Oct. 2007 - Sept. 2008

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	70	744,956	\$ 240,870,354	\$ 323.34	5.12%
50K-249K SF	13	1,171,457	\$ 345,300,000	\$ 294.76	6.32%
250K-499K SF	6	2,086,549	\$ 914,650,000	\$ 438.36	5.84%
>500K SF	1	597,574	\$ 118,500,000	\$ 198.30	-

Source: CoStar COMPS®

### U.S. PRICE/SF COMPARISON

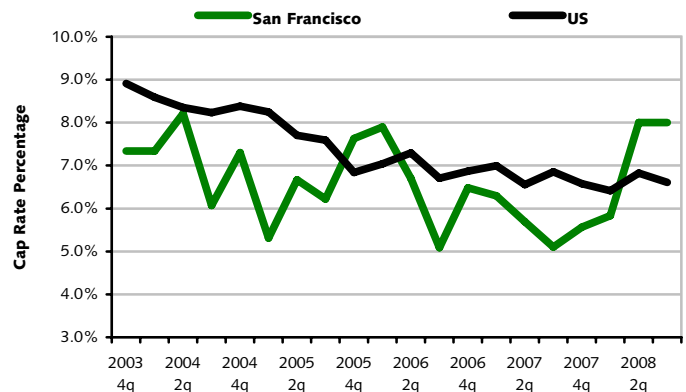
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### U.S. CAP RATE COMPARISON

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®



## SAN FRANCISCO RETAIL MARKET



## OVERVIEW

# SAN FRANCISCO'S VACANCY DECREASES TO 2.6%

## Net Absorption Positive 45,942 SF in the Quarter

The San Francisco retail market did not experience much change in market conditions in the fourth quarter 2008. The vacancy rate went from 2.7% in the previous quarter to 2.6% in the current quarter. Net absorption was positive 45,942 square feet, and vacant sublease space decreased by (2,775) square feet. Quoted rental rates increased from third quarter 2008 levels, ending at \$31.83 per square foot per year. A total of two retail buildings with 2,587 square feet of retail space were delivered to the market in the quarter, with 144,404 square feet still under construction at the end of the quarter.

### Net Absorption

Retail net absorption was slightly positive in San Francisco fourth quarter 2008, with positive 45,942 square feet absorbed in the quarter. In third quarter 2008, net absorption was positive 84,587 square feet, while in second quarter 2008, absorption came in at positive 112,911 square feet. In first quarter 2008, positive 210,019 square feet was absorbed in the market.

Tenants moving out of large blocks of space in 2008 include: Copenhagen Furniture Store moving out of 30,000 square feet at 955-975 Bryant St; Circuit City moving out of 28,235 square feet at 1731 E Bayshore Blvd; and BevMo! Beverages & More moving out of 7,000 square feet at San Bruno Towne Center.

Tenants moving into large blocks of space in 2008 include: Ross Dress for Less moving into 47,000 square feet at Brittan Corners Shopping Center; Ford Motor Company moving into 36,000 square feet at 1595 Van Ness Ave; and Best Buy moving into 24,555 square feet at San Bruno Town Center.

### Vacancy

San Francisco's retail vacancy rate decreased in the fourth quarter 2008, ending the quarter at 2.6%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 2.9% in the first quarter 2008, to 2.8% at the end of the second quarter 2008, 2.7% at the end of the third quarter 2008, to 2.6% in the current quarter.

The amount of vacant sublease space in the San Francisco market has trended up over the past four quarters. At the end of the first quarter 2008, there were 309,189 square feet of vacant sublease space. Currently, there are 335,094 square feet vacant in the market.

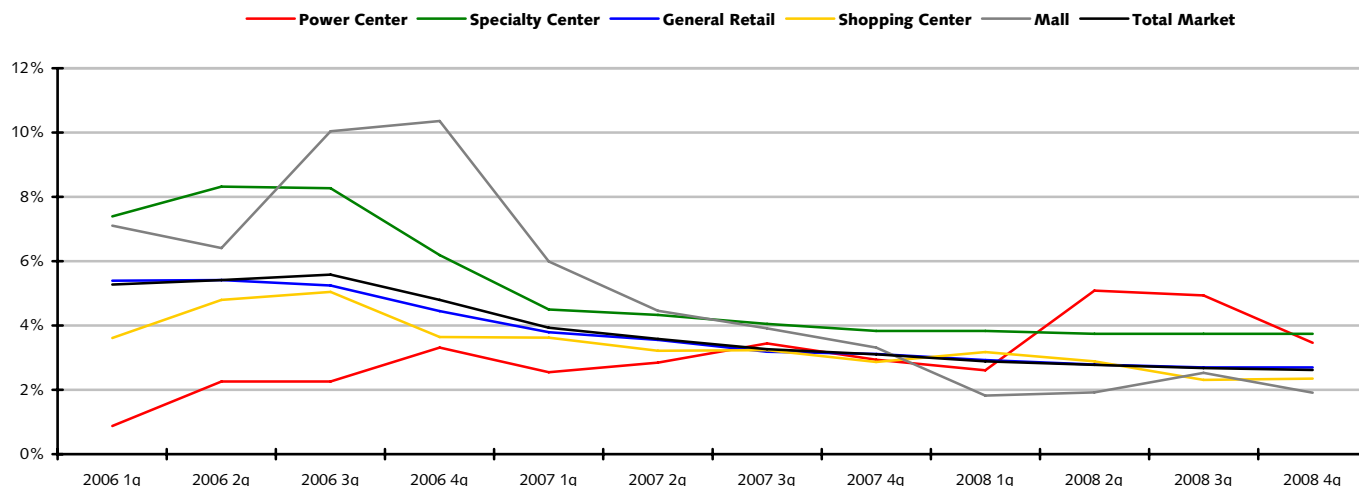
### Largest Lease Signings

The largest lease signings occurring in 2008 included: the 93,500-square-foot-lease signed by Sports Basement at The Presidio; the 50,007-square-foot-deal signed by The Sports Authority, Inc. at Gateway 101; and the 47,000-square-foot-lease signed by Ross Dress for Less at Brittan Corners Shopping Center.

### Rental Rates

Average quoted asking rental rates in the San Francisco retail market are up over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the fourth quarter 2008 at \$31.83 per square foot per year. That compares to \$31.55 per square foot in the third quarter 2008, and \$31.26 per square foot at the end of the first quarter 2008. This represents a

## VACANCY RATES BY BUILDING TYPE 2006-2008



Source: CoStar Property®

0.9% increase in rental rates in the current quarter, and a 1.79% increase from four quarters ago.

## Inventory & Construction

During the fourth quarter 2008, two buildings totaling 2,587 square feet were completed in the San Francisco retail market. Over the past four quarters, a total of 65,590 square feet of retail space has been built in San Francisco. In addition to the current quarter, one building with 7,215 square feet were completed in third quarter 2008, three buildings totaling 25,994 square feet completed in second quarter 2008, and 29,794 square feet in three buildings completed in first quarter 2008.

There were 144,404 square feet of retail space under construction at the end of the fourth quarter 2008.

Some of the notable 2008 deliveries include: 277 San Francisco Ave, a 27,324-square-foot facility that delivered in first quarter 2008 and is now 100% occupied, and 2665 Geneva Ave, a 14,294-square-foot building that delivered in second quarter 2008 and is now 0% occupied.

The largest projects underway at the end of fourth quarter 2008 were Trinity Place, a 60,000-square-foot retail portion of the building with 0% of its space pre-leased, and 5800 3rd St, a 20,000-square-foot retail portion of the building that is 100% pre-leased.

Total retail inventory in the San Francisco market area amounted to 80,442,883 square feet in 8,844 buildings and 295 centers as of the end of the fourth quarter 2008.

## Shopping Center

The Shopping Center market in San Francisco currently consists of 271 projects with 10,062,370 square feet of retail space in 329 buildings. In this report the Shopping Center market is comprised of all Community Center, Neighborhood Center, and Strip Centers.

After absorbing (4,060) square feet and delivering no new space in the current quarter, the Shopping Center sector saw the

vacancy rate go from 2.3% at the end of the third quarter 2008 to 2.3% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 3.2% at the end of the first quarter 2008, to 2.9% at the end of the second quarter 2008, to 2.3% at the end of the third quarter 2008, and finally to 2.3% at the end of the current quarter.

Rental rates ended the fourth quarter 2008 at \$31.38 per square foot, down from the \$32.10 they were at the end of third quarter 2008. Rental rates have trended down over the past year, going from \$31.96 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 52,561 square feet over the past four quarters. In addition to the negative (4,060) square feet absorbed this quarter, positive 58,271 square feet was absorbed in the third quarter 2008, positive 29,096 square feet was absorbed in the second quarter 2008, and negative (30,746) square feet was absorbed in the first quarter 2008.

## Power Centers

The Power Center average vacancy rate was 3.5% in the fourth quarter 2008. With positive 14,253 square feet of net absorption and no new deliveries, the vacancy rate went from 4.9% at the end of last quarter to 3.5% at the end of the fourth quarter.

In the third quarter 2008, Power Centers absorbed positive 1,491 square feet, delivered no new space, and the vacancy rate went from 5.1% to 4.9% over the course of the quarter. Rental started the quarter at \$36.88 per square foot and ended the quarter at \$39.86 per square foot.

A year ago, in fourth quarter 2007, the vacancy rate was 2.9%. Over the past four quarters, Power Centers have absorbed a cumulative (5,180) square feet of space and delivered cumulative 0 square feet of space. There was no sublease space over that same period, and rental rates have gone from \$36.23 to \$39.86.

At the end of the fourth quarter 2008, there was no space under construction in the San Francisco market. The total stock of Power Center space in San Francisco currently sits at 971,557 square feet in five centers comprised of nine buildings.

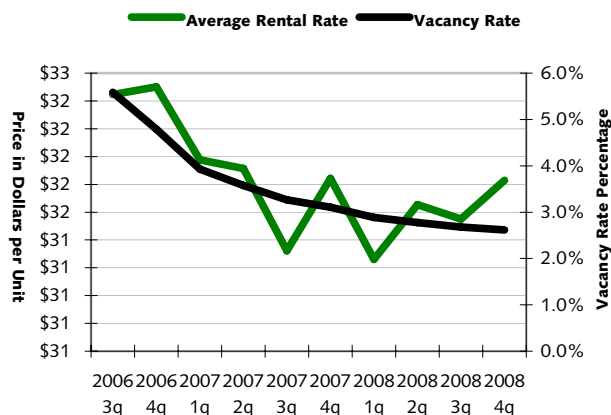
No space was under construction at the end of the fourth quarter 2008.

## General Retail Properties

The General Retail sector of the market, which includes all freestanding retail buildings, except those contained within a center, reported a vacancy rate of 2.7% at the end of fourth quarter 2008. There was a total of 1,677,855 square feet vacant at that time. The General Retail sector in San Francisco currently has average rental rates of \$31.15 per square foot per year. There are 144,404 square feet of space under construction in this sector, with 2,587 square feet having been completed in the fourth quarter.

## U.S. VACANCY COMPARISON

### Past 10 Quarters



Source: CoStar Property\*

# SAN FRANCISCO RETAIL MARKET

## OVERVIEW



ter. In all, there are a total of 8,462 buildings with 62,283,616 square feet of General Retail space in San Francisco.

### Specialty Centers

There are currently 11 Specialty Centers in the San Francisco market, making up 1,246,122 square feet of retail space. In this report the Specialty Center market is comprised of Outlet Center, Airport Retail and Theme/Festival Centers.

Specialty Centers in the San Francisco market have experienced positive 1,119 square feet of net absorption in 2008. The vacancy rate currently stands at 3.7%, and rental rates average \$67.27 per square foot.

### Malls

Malls recorded net absorption of positive 36,330 square feet in the fourth quarter 2008. This net absorption number, combined with no new space that was built in the quarter, caused the vacancy rate to go from 2.5% a quarter ago to 1.9% at the end of the fourth quarter 2008. Rental rates went from \$37.65 per square foot to \$37.65 per square foot during that time. In this report the Mall market is comprised of eight Lifestyle Center, Regional Mall and Super Regional Malls.

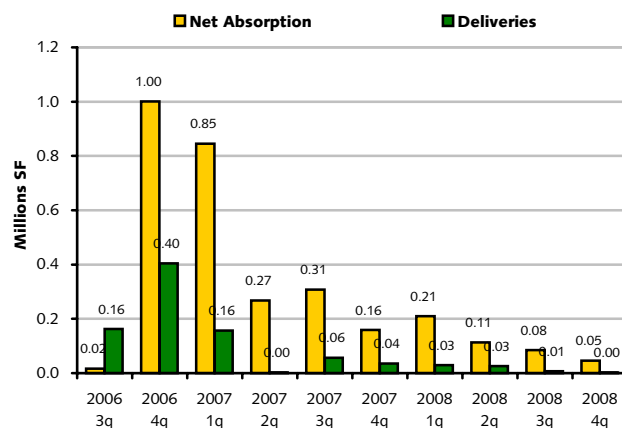
### Sales Activity

Tallying retail building sales of 15,000 square feet or larger, San Francisco retail sales figures rose during the third quarter 2008 in terms of dollar volume compared to the second quarter of 2008.

In the third quarter, two retail transactions closed with a total volume of \$27,600,000. The two buildings totaled 113,159 square feet and the average price per square foot equated to \$243.90 per square foot. That compares to one transactions totaling \$18,800,000 in the second quarter 2008. The total square footage in the second quarter was 18,246 square feet for an average price per square foot of \$1,030.36.

## ABSORPTION & DELIVERIES

### Past 10 Quarters



Source: CoStar Property\*

Total retail center sales activity in 2008 was down compared to 2007. In the first nine months of 2008, the market saw 10 retail sales transactions with a total volume of \$101,162,500. The price per square foot averaged \$315.51. In the same first nine months of 2007, the market posted 15 transactions with a total volume of \$353,744,000. The price per square foot averaged \$511.18.

Cap rates have been lower in 2008, averaging 3.25% compared to the same period in 2007 when they averaged 3.45%.

One of the largest transactions that has occurred within the last four quarters in the San Francisco market is the sale of Gateway 101 in East Palo Alto. This 91,907 square foot retail building sold for \$24,700,000, or \$268.75 per square foot. The property sold on 7/9/2008.

Reports compiled by: Espie Tuthill, CoStar Research Manager.

# SAN FRANCISCO RETAIL MARKET

## MARKETS

### CoSTAR MARKETS & SUBMARKETS

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets			
San Mateo Central County	Burlingame-Airport Blvd San Mateo-Corridor/Hwy 92	Burlingame-Old Bayshore San Mateo-Downtown North	Burlingame-West of 101 San Mateo-Downtown South	Foster City/Redwood Shrs
San Mateo North County	Brisbane/Daly City South SF West of 101 Fwy	Pacifica	San Bruno/Millbrae	South SF East of 101 Fwy
San Mateo South County	Belmont Redwood City-N of 84 Fwy	Menlo Park-Atherton Redwood City-Port	Menlo Park-East/EPA Redwood City-S of 84 Fwy	Menlo Park-Sand Hill San Carlos
SF Downtown Core	Financial District	South Financial District		
SF Downtown North	Jackson Square	Waterfront/North Beach		
SF Downtown South	Lower South of Market	Rincon/South Beach	Showplace Square	South of Market
SF Downtown West	Chinatown/Nob Hill Yerba Buena	Civic Center	Union Square	Van Ness Corridor
SF Outer Areas	Southern City	West of Van Ness		
SF Southeast	Bayview/Hunters Point	Mission Bay/China Basin	Potrero East of 101 Fwy	Potrero West of 101 Fwy



# SAN FRANCISCO RETAIL MARKET

**FIGURES AT A GLANCE**

## GENERAL RETAIL MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	666	4,618,920	147,407	207,407	4.5%	(19,890)	0	3,300	\$21.97
San Mateo North County	997	7,180,166	85,449	268,102	3.7%	(33,249)	41,618	28,400	\$25.10
San Mateo South County	792	4,526,897	230,447	270,048	6.0%	(42,423)	0	6,214	\$29.14
SF Downtown Core	66	1,716,361	31,768	31,768	1.9%	(12,045)	0	5,351	\$62.09
SF Downtown North	205	2,224,378	133,893	133,893	6.0%	75,459	0	0	\$35.91
SF Downtown South	218	3,252,687	103,869	103,869	3.2%	55,787	18,175	60,000	\$45.39
SF Downtown West	925	12,014,344	361,050	383,572	3.2%	(5,680)	0	18,339	\$40.29
SF Outer Areas	4,208	24,031,133	267,996	269,606	1.1%	309,213	3,327	2,800	\$37.54
SF Southeast	385	2,718,730	9,590	9,590	0.4%	(4,679)	2,470	20,000	\$24.00
<b>Totals</b>	<b>8,462</b>	<b>62,283,616</b>	<b>1,371,469</b>	<b>1,677,855</b>	<b>2.7%</b>	<b>322,493</b>	<b>65,590</b>	<b>144,404</b>	<b>\$31.15</b>

Source: CoStar Property®

## MALL MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	1	911,439	0	0	0.0%	0	0	0	\$0.00
San Mateo North County	3	2,222,884	85,057	85,057	3.8%	82,251	0	0	\$39.90
San Mateo South County	1	236,903	0	0	0.0%	21,863	0	0	\$30.00
SF Downtown Core	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown North	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown South	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown West	1	1,250,000	0	0	0.0%	0	0	0	\$0.00
SF Outer Areas	2	1,257,992	27,469	27,469	2.2%	(21,648)	0	0	\$0.00
SF Southeast	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>8</b>	<b>5,879,218</b>	<b>112,526</b>	<b>112,526</b>	<b>1.9%</b>	<b>82,466</b>	<b>0</b>	<b>0</b>	<b>\$37.65</b>

Source: CoStar Property®

## POWER CENTER MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo North County	2	614,188	20,172	20,172	3.3%	2,627	0	0	\$39.86
San Mateo South County	2	130,369	0	0	0.0%	0	0	0	\$0.00
SF Downtown Core	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown North	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown South	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown West	0	0	0	0	0.0%	0	0	0	\$0.00
SF Outer Areas	0	0	0	0	0.0%	0	0	0	\$0.00
SF Southeast	1	227,000	13,487	13,487	5.9%	(7,807)	0	0	\$0.00
<b>Totals</b>	<b>5</b>	<b>971,557</b>	<b>33,659</b>	<b>33,659</b>	<b>3.5%</b>	<b>(5,180)</b>	<b>0</b>	<b>0</b>	<b>\$39.86</b>

Source: CoStar Property®

## SHOPPING CENTER MARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	48	2,382,672	57,008	71,419	3.0%	(16,752)	0	0	\$27.94
San Mateo North County	79	2,554,172	18,901	33,198	1.3%	24,893	0	0	\$24.03
San Mateo South County	60	2,211,009	66,708	66,708	3.0%	45,604	0	0	\$33.61
SF Downtown Core	4	312,000	22,132	22,132	7.1%	4,356	0	0	\$50.00
SF Downtown North	11	558,537	24,354	24,354	4.4%	(6,507)	0	0	\$56.00
SF Downtown South	5	391,061	0	0	0.0%	3,867	0	0	\$44.00
SF Downtown West	18	232,936	2,385	2,385	1.0%	(785)	0	0	\$31.32
SF Outer Areas	45	1,329,983	15,758	15,758	1.2%	(2,115)	0	0	\$37.20
SF Southeast	1	90,000	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>271</b>	<b>10,062,370</b>	<b>207,246</b>	<b>235,954</b>	<b>2.3%</b>	<b>52,561</b>	<b>0</b>	<b>0</b>	<b>\$31.38</b>

Source: CoStar Property®

## SAN FRANCISCO RETAIL MARKET



FIGURES AT A GLANCE

## SPECIALTY CENTER MARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo North County	1	3,000	0	0	0.0%	0	0	0	\$0.00
San Mateo South County	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown Core	1	3,213	0	0	0.0%	0	0	0	\$0.00
SF Downtown North	2	441,504	26,089	26,089	5.9%	1,119	0	0	\$50.00
SF Downtown South	0	0	0	0	0.0%	0	0	0	\$0.00
SF Downtown West	7	798,405	20,532	20,532	2.6%	0	0	0	\$75.56
SF Outer Areas	0	0	0	0	0.0%	0	0	0	\$0.00
SF Southeast	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>11</b>	<b>1,246,122</b>	<b>46,621</b>	<b>46,621</b>	<b>3.7%</b>	<b>1,119</b>	<b>0</b>	<b>0</b>	<b>\$67.27</b>

Source: CoStar Property®

## TOTAL RETAIL MARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
San Mateo Central County	730	7,913,031	204,415	278,826	3.5%	(36,642)	0	3,300	\$23.26
San Mateo North County	1,128	12,574,410	209,579	406,529	3.2%	76,522	41,618	28,400	\$27.94
San Mateo South County	866	7,105,178	297,155	336,756	4.7%	25,044	0	6,214	\$30.10
SF Downtown Core	71	2,031,574	53,900	53,900	2.7%	(7,689)	0	5,351	\$58.21
SF Downtown North	221	3,224,419	184,336	184,336	5.7%	70,071	0	0	\$42.55
SF Downtown South	224	3,643,748	103,869	103,869	2.9%	59,654	18,175	60,000	\$45.32
SF Downtown West	952	14,295,685	383,967	406,489	2.8%	(6,465)	0	18,339	\$42.24
SF Outer Areas	4,265	26,619,108	311,223	312,833	1.2%	285,450	3,327	2,800	\$37.50
SF Southeast	387	3,035,730	23,077	23,077	0.8%	(12,486)	2,470	20,000	\$24.00
<b>Totals</b>	<b>8,844</b>	<b>80,442,883</b>	<b>1,771,521</b>	<b>2,106,615</b>	<b>2.6%</b>	<b>453,459</b>	<b>65,590</b>	<b>144,404</b>	<b>\$31.83</b>

Source: CoStar Property®



# SAN FRANCISCO RETAIL MARKET

**FIGURES AT A GLANCE**

## GENERAL RETAIL SUBMARKET STATISTICS

**Year-End 2008**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	18	66,266	1,400	1,400	2.1%	500	0	20,000	\$24.00
Belmont	78	572,616	14,210	17,710	3.1%	(2,888)	0	0	\$29.58
Brisbane/Daly City	343	2,823,269	25,784	25,784	0.9%	97,064	41,618	17,000	\$26.57
Burlingame-Airport Blvd	1	8,500	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	8	125,587	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	179	1,136,705	23,153	83,153	7.3%	1,107	0	0	\$19.33
Chinatown/Nob Hill	365	3,800,457	35,175	35,175	0.9%	12,818	0	8,517	\$35.52
Civic Center	71	824,748	26,300	26,300	3.2%	(7,800)	0	9,822	\$37.81
Financial District	35	964,120	31,768	31,768	3.3%	(15,045)	0	0	\$66.49
Foster City/Redwood Shrs	22	366,123	0	0	0.0%	0	0	0	\$0.00
Jackson Square	18	237,518	31,908	31,908	13.4%	2,541	0	0	\$30.74
Lower South of Market	48	575,568	14,577	14,577	2.5%	7,545	0	0	\$51.87
Menlo Park-Atherton	117	661,008	28,614	56,334	8.5%	(6,262)	0	0	\$29.78
Menlo Park-East/EPA	21	382,007	117,745	117,745	30.8%	(17,022)	0	0	\$35.22
Menlo Park-Sand Hill	1	71,000	0	0	0.0%	0	0	0	\$0.00
Mission Bay/China Basin	24	433,567	0	0	0.0%	0	0	0	\$0.00
Pacifica	96	387,742	6,532	6,532	1.7%	5,300	0	0	\$37.92
Potrero East of 101 Fwy	64	357,514	0	0	0.0%	2,470	2,470	0	\$0.00
Potrero West of 101 Fwy	279	1,861,383	8,190	8,190	0.4%	(7,649)	0	0	\$0.00
Redwood City-N of 84 Fwy	222	1,328,183	45,228	53,609	4.0%	(20,111)	0	0	\$22.68
Redwood City-Port	6	134,753	0	0	0.0%	0	0	0	\$0.00
Redwood City-S of 84 Fwy	114	440,529	9,000	9,000	2.0%	(9,000)	0	0	\$21.05
Rincon/South Beach	39	681,109	29,597	29,597	4.3%	14,009	10,960	0	\$46.29
San Bruno/Millbrae	344	1,973,331	38,700	39,300	2.0%	44,003	0	9,000	\$30.38
San Carlos	233	936,801	15,650	15,650	1.7%	12,860	0	6,214	\$27.96
San Mateo-Corridor/Hwy 9	156	1,148,120	38,045	38,045	3.3%	(20,091)	0	0	\$23.05
San Mateo-Downtown Nor	234	1,447,728	58,163	58,163	4.0%	(4,504)	0	0	\$25.12
San Mateo-Downtown Sou	66	386,157	28,046	28,046	7.3%	3,598	0	3,300	\$20.49
Showplace Square	28	515,779	6,250	6,250	1.2%	41,960	7,215	0	\$45.00
South Financial District	31	752,241	0	0	0.0%	3,000	0	5,351	\$55.71
South of Market	103	1,480,231	53,445	53,445	3.6%	(7,727)	0	60,000	\$24.44
South SF East of 101 Fwy	14	540,206	0	155,753	28.8%	(155,753)	0	0	\$0.00
South SF West of 101 Fwy	200	1,455,618	14,433	40,733	2.8%	(23,863)	0	2,400	\$17.00
Southern City	2,184	11,424,764	82,760	82,760	0.7%	295,515	3,327	0	\$23.69
Union Square	171	3,405,670	209,146	210,804	6.2%	(58,097)	0	0	\$64.66
Van Ness Corridor	267	2,429,680	53,604	74,468	3.1%	33,589	0	0	\$31.02
Waterfront/North Beach	187	1,986,860	101,985	101,985	5.1%	72,918	0	0	\$37.38
West of Van Ness	2,024	12,606,369	185,236	186,846	1.5%	13,698	0	2,800	\$43.74
Yerba Buena	51	1,553,789	36,825	36,825	2.4%	13,810	0	0	\$24.00
<b>Totals</b>	<b>8,462</b>	<b>62,283,616</b>	<b>1,371,469</b>	<b>1,677,855</b>	<b>2.7%</b>	<b>322,493</b>	<b>65,590</b>	<b>144,404</b>	<b>\$31.15</b>

Source: CoStar Property®



## SAN FRANCISCO RETAIL MARKET



FIGURES AT A GLANCE

## MALL SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	0	0	0	0	0.0%	0	0	0	\$0.00
Belmont	0	0	0	0	0.0%	0	0	0	\$0.00
Brisbane/Daly City	2	1,536,116	85,057	85,057	5.5%	82,251	0	0	\$39.90
Burlingame-Airport Blvd	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	0	0	0	0	0.0%	0	0	0	\$0.00
Chinatown/Nob Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Civic Center	0	0	0	0	0.0%	0	0	0	\$0.00
Financial District	0	0	0	0	0.0%	0	0	0	\$0.00
Foster City/Redwood Shrs	0	0	0	0	0.0%	0	0	0	\$0.00
Jackson Square	0	0	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Atherton	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-East/EPA	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Sand Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Mission Bay/China Basin	0	0	0	0	0.0%	0	0	0	\$0.00
Pacifica	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero West of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-N of 84 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-Port	1	236,903	0	0	0.0%	21,863	0	0	\$30.00
Redwood City-S of 84 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Rincon/South Beach	0	0	0	0	0.0%	0	0	0	\$0.00
San Bruno/Millbrae	1	686,768	0	0	0.0%	0	0	0	\$0.00
San Carlos	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Corridor/Hwy 9	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Downtown Nor	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Downtown Sou	1	911,439	0	0	0.0%	0	0	0	\$0.00
Showplace Square	0	0	0	0	0.0%	0	0	0	\$0.00
South Financial District	0	0	0	0	0.0%	0	0	0	\$0.00
South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
South SF East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
South SF West of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Southern City	1	851,960	22,127	22,127	2.6%	(16,306)	0	0	\$0.00
Union Square	0	0	0	0	0.0%	0	0	0	\$0.00
Van Ness Corridor	0	0	0	0	0.0%	0	0	0	\$0.00
Waterfront/North Beach	0	0	0	0	0.0%	0	0	0	\$0.00
West of Van Ness	1	406,032	5,342	5,342	1.3%	(5,342)	0	0	\$0.00
Yerba Buena	1	1,250,000	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>8</b>	<b>5,879,218</b>	<b>112,526</b>	<b>112,526</b>	<b>1.9%</b>	<b>82,466</b>	<b>0</b>	<b>0</b>	<b>\$37.65</b>

Source: CoStar Property®





## SAN FRANCISCO RETAIL MARKET

FIGURES AT A GLANCE

## POWER CENTER SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Bayview/Hunters Point	0	0	0	0	0.0%	0	0	0	\$0.00
Belmont	0	0	0	0	0.0%	0	0	0	\$0.00
Brisbane/Daly City	1	300,197	14,446	14,446	4.8%	1,000	0	0	\$38.39
Burlingame-Airport Blvd	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	0	0	0	0	0.0%	0	0	0	\$0.00
Chinatown/Nob Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Civic Center	0	0	0	0	0.0%	0	0	0	\$0.00
Financial District	0	0	0	0	0.0%	0	0	0	\$0.00
Foster City/Redwood Shrs	0	0	0	0	0.0%	0	0	0	\$0.00
Jackson Square	0	0	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Atherton	1	22,000	0	0	0.0%	0	0	0	\$0.00
Menlo Park-East/EPA	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Sand Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Mission Bay/China Basin	0	0	0	0	0.0%	0	0	0	\$0.00
Pacifica	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero West of 101 Fwy	1	227,000	13,487	13,487	5.9%	(7,807)	0	0	\$0.00
Redwood City-N of 84 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-Port	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-S of 84 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Rincon/South Beach	0	0	0	0	0.0%	0	0	0	\$0.00
San Bruno/Millbrae	1	150,857	5,726	5,726	3.8%	1,627	0	0	\$45.00
San Carlos	1	108,369	0	0	0.0%	0	0	0	\$0.00
San Mateo-Corridor/Hwy 9	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Downtown Nor	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Downtown Sou	0	0	0	0	0.0%	0	0	0	\$0.00
Showplace Square	0	0	0	0	0.0%	0	0	0	\$0.00
South Financial District	0	0	0	0	0.0%	0	0	0	\$0.00
South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
South SF East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
South SF West of 101 Fwy	0	163,134	0	0	0.0%	0	0	0	\$0.00
Southern City	0	0	0	0	0.0%	0	0	0	\$0.00
Union Square	0	0	0	0	0.0%	0	0	0	\$0.00
Van Ness Corridor	0	0	0	0	0.0%	0	0	0	\$0.00
Waterfront/North Beach	0	0	0	0	0.0%	0	0	0	\$0.00
West of Van Ness	0	0	0	0	0.0%	0	0	0	\$0.00
Yerba Buena	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>5</b>	<b>971,557</b>	<b>33,659</b>	<b>33,659</b>	<b>3.5%</b>	<b>(5,180)</b>	<b>0</b>	<b>0</b>	<b>\$39.86</b>

Source: CoStar Property®

## SAN FRANCISCO RETAIL MARKET



FIGURES AT A GLANCE

## SHOPPING CENTER SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Bayview/Hunters Point	1	90,000	0	0	0.0%	0	0	0	\$0.00
Belmont	13	265,080	7,089	7,089	2.7%	(4,673)	0	0	\$20.42
Brisbane/Daly City	18	789,495	9,174	23,471	3.0%	(10,883)	0	0	\$28.87
Burlingame-Airport Blvd	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	9	176,560	0	0	0.0%	0	0	0	\$42.00
Chinatown/Nob Hill	3	26,300	0	0	0.0%	0	0	0	\$0.00
Civic Center	1	15,778	0	0	0.0%	0	0	0	\$0.00
Financial District	2	157,000	6,893	6,893	4.4%	423	0	0	\$50.00
Foster City/Redwood Shrs	9	804,171	22,823	22,823	2.8%	(10,139)	0	0	\$34.84
Jackson Square	1	9,540	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	2	91,700	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Atherton	5	73,057	0	0	0.0%	0	0	0	\$0.00
Menlo Park-East/EPA	2	125,044	1,846	1,846	1.5%	(1,846)	0	0	\$22.20
Menlo Park-Sand Hill	1	72,028	1,200	1,200	1.7%	1,800	0	0	\$42.00
Mission Bay/China Basin	0	0	0	0	0.0%	0	0	0	\$0.00
Pacifica	20	592,282	5,075	5,075	0.9%	11,964	0	0	\$12.93
Potrero East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero West of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-N of 84 Fwy	24	1,066,328	54,627	54,627	5.1%	2,373	0	0	\$39.47
Redwood City-Port	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-S of 84 Fwy	7	262,686	1,946	1,946	0.7%	(306)	0	0	\$25.50
Rincon/South Beach	1	141,929	0	0	0.0%	3,867	0	0	\$44.00
San Bruno/Millbrae	18	571,585	2,539	2,539	0.4%	19,576	0	0	\$23.40
San Carlos	8	346,786	0	0	0.0%	48,256	0	0	\$27.82
San Mateo-Corridor/Hwy 9	11	918,725	18,658	33,069	3.6%	(8,894)	0	0	\$28.48
San Mateo-Downtown Nor	9	268,894	7,795	7,795	2.9%	2,081	0	0	\$18.61
San Mateo-Downtown Sou	10	214,322	7,732	7,732	3.6%	200	0	0	\$29.48
Showplace Square	1	148,832	0	0	0.0%	0	0	0	\$0.00
South Financial District	2	155,000	15,239	15,239	9.8%	3,933	0	0	\$0.00
South of Market	1	8,600	0	0	0.0%	0	0	0	\$0.00
South SF East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
South SF West of 101 Fwy	23	600,810	2,113	2,113	0.4%	4,236	0	0	\$23.72
Southern City	30	851,806	12,283	12,283	1.4%	1,360	0	0	\$31.21
Union Square	7	86,529	2,385	2,385	2.8%	(785)	0	0	\$0.00
Van Ness Corridor	7	104,329	0	0	0.0%	0	0	0	\$31.32
Waterfront/North Beach	10	548,997	24,354	24,354	4.4%	(6,507)	0	0	\$56.00
West of Van Ness	15	478,177	3,475	3,475	0.7%	(3,475)	0	0	\$45.00
Yerba Buena	0	0	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>271</b>	<b>10,062,370</b>	<b>207,246</b>	<b>235,954</b>	<b>2.3%</b>	<b>52,561</b>	<b>0</b>	<b>0</b>	<b>\$31.38</b>

Source: CoStar Property®



## SAN FRANCISCO RETAIL MARKET

FIGURES AT A GLANCE

## SPECIALTY CENTER SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bayview/Hunters Point	0	0	0	0	0.0%	0	0	0	\$0.00
Belmont	0	0	0	0	0.0%	0	0	0	\$0.00
Brisbane/Daly City	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-Airport Blvd	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	0	0	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	0	0	0	0	0.0%	0	0	0	\$0.00
Chinatown/Nob Hill	1	19,543	0	0	0.0%	0	0	0	\$0.00
Civic Center	1	5,000	0	0	0.0%	0	0	0	\$0.00
Financial District	0	0	0	0	0.0%	0	0	0	\$0.00
Foster City/Redwood Shrs	0	0	0	0	0.0%	0	0	0	\$0.00
Jackson Square	0	0	0	0	0.0%	0	0	0	\$0.00
Lower South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Atherton	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-East/EPA	0	0	0	0	0.0%	0	0	0	\$0.00
Menlo Park-Sand Hill	0	0	0	0	0.0%	0	0	0	\$0.00
Mission Bay/China Basin	0	0	0	0	0.0%	0	0	0	\$0.00
Pacifica	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Potrero West of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-N of 84 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-Port	0	0	0	0	0.0%	0	0	0	\$0.00
Redwood City-S of 84 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Rincon/South Beach	0	0	0	0	0.0%	0	0	0	\$0.00
San Bruno/Millbrae	1	3,000	0	0	0.0%	0	0	0	\$0.00
San Carlos	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Corridor/Hwy 9	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Downtown Nor	0	0	0	0	0.0%	0	0	0	\$0.00
San Mateo-Downtown Sou	0	0	0	0	0.0%	0	0	0	\$0.00
Showplace Square	0	0	0	0	0.0%	0	0	0	\$0.00
South Financial District	1	3,213	0	0	0.0%	0	0	0	\$0.00
South of Market	0	0	0	0	0.0%	0	0	0	\$0.00
South SF East of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
South SF West of 101 Fwy	0	0	0	0	0.0%	0	0	0	\$0.00
Southern City	0	0	0	0	0.0%	0	0	0	\$0.00
Union Square	1	18,480	0	0	0.0%	0	0	0	\$0.00
Van Ness Corridor	1	277,811	20,532	20,532	7.4%	0	0	0	\$0.00
Waterfront/North Beach	2	441,504	26,089	26,089	5.9%	1,119	0	0	\$50.00
West of Van Ness	0	0	0	0	0.0%	0	0	0	\$0.00
Yerba Buena	3	477,571	0	0	0.0%	0	0	0	\$75.56
<b>Totals</b>	<b>11</b>	<b>1,246,122</b>	<b>46,621</b>	<b>46,621</b>	<b>3.7%</b>	<b>1,119</b>	<b>0</b>	<b>0</b>	<b>\$67.27</b>

Source: CoStar Property®

## SAN FRANCISCO RETAIL MARKET



FIGURES AT A GLANCE

## TOTAL RETAIL SUBMARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Bayview/Hunters Point	19	156,266	1,400	1,400	0.9%	500	0	20,000	\$24.00
Belmont	92	837,696	21,299	24,799	3.0%	(7,561)	0	0	\$26.79
Brisbane/Daly City	396	5,449,077	134,461	148,758	2.7%	169,432	41,618	17,000	\$31.53
Burlingame-Airport Blvd	1	8,500	0	0	0.0%	0	0	0	\$0.00
Burlingame-Old Bayshore	8	125,587	0	0	0.0%	0	0	0	\$0.00
Burlingame-West of 101	188	1,313,265	23,153	83,153	6.3%	1,107	0	0	\$19.74
Chinatown/Nob Hill	369	3,846,300	35,175	35,175	0.9%	12,818	0	8,517	\$35.52
Civic Center	73	845,526	26,300	26,300	3.1%	(7,800)	0	9,822	\$37.81
Financial District	37	1,121,120	38,661	38,661	3.4%	(14,622)	0	0	\$59.17
Foster City/Redwood Shrs	32	1,170,294	22,823	22,823	2.0%	(10,139)	0	0	\$34.84
Jackson Square	19	247,058	31,908	31,908	12.9%	2,541	0	0	\$30.74
Lower South of Market	50	667,268	14,577	14,577	2.2%	7,545	0	0	\$51.87
Menlo Park-Atherton	123	756,065	28,614	56,334	7.5%	(6,262)	0	0	\$29.78
Menlo Park-East/EPA	26	507,051	119,591	119,591	23.6%	(18,868)	0	0	\$34.95
Menlo Park-Sand Hill	2	143,028	1,200	1,200	0.8%	1,800	0	0	\$42.00
Mission Bay/China Basin	24	433,567	0	0	0.0%	0	0	0	\$0.00
Pacifica	119	980,024	11,607	11,607	1.2%	17,264	0	0	\$15.83
Potrero East of 101 Fwy	64	357,514	0	0	0.0%	2,470	2,470	0	\$0.00
Potrero West of 101 Fwy	280	2,088,383	21,677	21,677	1.0%	(15,456)	0	0	\$0.00
Redwood City-N of 84 Fwy	249	2,394,511	99,855	108,236	4.5%	(17,738)	0	0	\$29.70
Redwood City-Port	7	371,656	0	0	0.0%	21,863	0	0	\$30.00
Redwood City-S of 84 Fwy	122	703,215	10,946	10,946	1.6%	(9,306)	0	0	\$22.72
Rincon/South Beach	41	823,038	29,597	29,597	3.6%	17,876	10,960	0	\$46.06
San Bruno/Millbrae	372	3,385,541	46,965	47,565	1.4%	65,206	0	9,000	\$30.41
San Carlos	245	1,391,956	15,650	15,650	1.1%	61,116	0	6,214	\$27.92
San Mateo-Corridor/Hwy 9	176	2,066,845	56,703	71,114	3.4%	(28,985)	0	0	\$25.33
San Mateo-Downtown Nor	243	1,716,622	65,958	65,958	3.8%	(2,423)	0	0	\$23.96
San Mateo-Downtown Sou	82	1,511,918	35,778	35,778	2.4%	3,798	0	3,300	\$22.30
Showplace Square	29	664,611	6,250	6,250	0.9%	41,960	7,215	0	\$45.00
South Financial District	34	910,454	15,239	15,239	1.7%	6,933	0	5,351	\$55.71
South of Market	104	1,488,831	53,445	53,445	3.6%	(7,727)	0	60,000	\$24.44
South SF East of 101 Fwy	14	540,206	0	155,753	28.8%	(155,753)	0	0	\$0.00
South SF West of 101 Fwy	227	2,219,562	16,546	42,846	1.9%	(19,627)	0	2,400	\$18.31
Southern City	2,218	13,128,530	117,170	117,170	0.9%	280,569	3,327	0	\$25.28
Union Square	179	3,510,679	211,531	213,189	6.1%	(58,882)	0	0	\$64.66
Van Ness Corridor	276	2,811,820	74,136	95,000	3.4%	33,589	0	0	\$31.03
Waterfront/North Beach	202	2,977,361	152,428	152,428	5.1%	67,530	0	0	\$44.52
West of Van Ness	2,047	13,490,578	194,053	195,663	1.5%	4,881	0	2,800	\$43.85
Yerba Buena	55	3,281,360	36,825	36,825	1.1%	13,810	0	0	\$50.60
<b>Totals</b>	<b>8,844</b>	<b>80,442,883</b>	<b>1,771,521</b>	<b>2,106,615</b>	<b>2.6%</b>	<b>453,459</b>	<b>65,590</b>	<b>144,404</b>	<b>\$31.83</b>

Source: CoStar Property®

## SAN FRANCISCO RETAIL MARKET

FIGURES AT A GLANCE

## GENERAL RETAIL MARKET STATISTICS

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2008 4q	8,462	62,283,616	1,371,469	1,677,855	2.7%	(581)	2	2,587	12	144,404	\$31.15
2008 3q	8,461	62,285,279	1,379,920	1,678,937	2.7%	60,675	1	7,215	13	138,474	\$30.69
2008 2q	8,460	62,278,064	1,423,171	1,732,397	2.8%	112,973	3	25,994	12	132,567	\$30.81
2008 1q	8,457	62,252,070	1,511,101	1,819,376	2.9%	149,426	3	29,794	10	72,760	\$30.67
2007 4q	8,454	62,222,276	1,810,037	1,939,008	3.1%	79,175	5	35,386	10	77,203	\$29.78
2007 3q	8,449	62,186,890	1,855,325	1,982,797	3.2%	279,449	3	56,312	12	92,029	\$28.83
2007 2q	8,447	62,131,472	2,083,337	2,206,828	3.6%	137,483	1	2,844	12	143,331	\$30.90
2007 1q	8,447	62,142,963	2,186,839	2,355,802	3.8%	439,816	5	34,346	8	93,906	\$30.25
2006 4q	8,442	62,108,617	2,680,541	2,761,272	4.4%	827,940	8	364,651	9	68,611	\$31.60
2006 3q	8,437	61,759,458	3,183,321	3,240,053	5.2%	109,016	1	10,000	16	424,262	\$32.34
2006 2q	8,437	61,752,617	3,276,896	3,342,228	5.4%	14,959	3	29,235	12	402,272	\$30.77
2006 1q	8,434	61,723,382	3,259,570	3,327,952	5.4%	(101,074)	5	56,445	8	382,689	\$29.94

Source: CoStar Property®

## MALL MARKET STATISTICS

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2008 4q	8	5,879,218	112,526	112,526	1.9%	36,330	0	0	0	0	\$37.65
2008 3q	8	5,879,218	148,856	148,856	2.5%	(35,850)	0	0	0	0	\$37.65
2008 2q	8	5,879,218	113,006	113,006	1.9%	(6,172)	0	0	0	0	\$33.97
2008 1q	8	5,879,218	106,834	106,834	1.8%	88,158	0	0	0	0	\$32.67
2007 4q	8	5,879,218	194,992	194,992	3.3%	35,154	0	0	0	0	\$31.47
2007 3q	8	5,879,218	230,146	230,146	3.9%	32,109	0	0	0	0	\$31.41
2007 2q	8	5,879,218	259,338	262,255	4.5%	90,121	0	0	0	0	\$27.97
2007 1q	8	5,879,218	352,376	352,376	6.0%	256,780	0	0	0	0	\$39.73
2006 4q	8	5,879,218	609,156	609,156	10.4%	(18,941)	0	0	0	0	\$39.73
2006 3q	8	5,879,218	590,215	590,215	10.0%	(213,720)	0	0	0	0	\$39.73
2006 2q	8	5,879,218	369,590	376,495	6.4%	41,364	0	0	0	0	\$39.54
2006 1q	8	5,879,218	410,954	417,859	7.1%	(143,379)	0	0	0	0	\$37.43

Source: CoStar Property®

## POWER CENTER MARKET STATISTICS

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2008 4q	5	971,557	33,659	33,659	3.5%	14,253	0	0	0	0	\$39.86
2008 3q	5	971,557	23,357	47,912	4.9%	1,491	0	0	0	0	\$39.86
2008 2q	5	971,557	23,934	49,403	5.1%	(24,105)	0	0	0	0	\$36.88
2008 1q	5	971,557	24,384	25,298	2.6%	3,181	0	0	0	0	\$34.46
2007 4q	5	971,557	28,479	28,479	2.9%	5,011	0	0	0	0	\$36.23
2007 3q	5	971,557	33,490	33,490	3.4%	(5,846)	0	0	0	0	\$37.26
2007 2q	5	971,557	27,644	27,644	2.8%	(2,900)	0	0	0	0	\$36.09
2007 1q	5	971,557	24,744	24,744	2.5%	7,423	0	0	0	0	\$36.09
2006 4q	5	971,557	32,167	32,167	3.3%	(10,180)	0	0	0	0	\$44.21
2006 3q	5	971,557	21,987	21,987	2.3%	0	0	0	0	0	\$44.90
2006 2q	5	971,557	21,987	21,987	2.3%	(13,487)	0	0	0	0	\$46.94
2006 1q	5	971,557	8,500	8,500	0.9%	900	0	0	0	0	\$46.47

Source: CoStar Property®

## SAN FRANCISCO RETAIL MARKET



FIGURES AT A GLANCE

## SHOPPING CENTER MARKET STATISTICS

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2008 4q	271	10,062,370	207,246	235,954	2.3%	(4,060)	0	0	0	0	\$31.38
2008 3q	271	10,062,370	217,597	231,894	2.3%	58,271	0	0	0	0	\$32.10
2008 2q	271	10,062,370	275,868	290,165	2.9%	29,096	0	0	0	0	\$32.74
2008 1q	271	10,062,370	319,261	319,261	3.2%	(30,746)	0	0	0	0	\$31.39
2007 4q	271	10,062,370	288,515	288,515	2.9%	37,176	0	0	0	0	\$31.96
2007 3q	271	10,062,370	325,691	325,691	3.2%	(2,033)	0	0	0	0	\$31.74
2007 2q	271	10,062,370	323,658	323,658	3.2%	41,003	0	0	0	0	\$30.35
2007 1q	271	10,062,370	364,661	364,661	3.6%	120,407	1	122,614	0	0	\$30.10
2006 4q	271	9,939,756	362,454	362,454	3.6%	176,057	1	39,112	1	122,614	\$27.96
2006 3q	271	9,900,644	493,891	499,399	5.0%	120,266	3	152,437	2	161,726	\$30.67
2006 2q	269	9,748,207	431,070	467,228	4.8%	(115,437)	0	0	5	314,163	\$30.72
2006 1q	269	9,748,207	318,733	351,791	3.6%	(11,938)	0	0	2	147,137	\$31.97

Source: CoStar Property®

## SPECIALTY CENTER MARKET STATISTICS

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2008 4q	11	1,246,122	46,621	46,621	3.7%	0	0	0	0	0	\$67.27
2008 3q	11	1,246,122	46,621	46,621	3.7%	0	0	0	0	0	\$52.10
2008 2q	11	1,246,122	46,621	46,621	3.7%	1,119	0	0	0	0	\$53.27
2008 1q	11	1,246,122	47,740	47,740	3.8%	0	0	0	0	0	\$63.98
2007 4q	11	1,246,122	47,740	47,740	3.8%	2,667	0	0	0	0	\$78.61
2007 3q	11	1,246,122	50,407	50,407	4.0%	3,584	0	0	0	0	\$78.21
2007 2q	11	1,246,122	53,991	53,991	4.3%	2,082	0	0	0	0	\$74.99
2007 1q	11	1,246,122	56,073	56,073	4.5%	21,101	0	0	0	0	\$71.99
2006 4q	11	1,246,122	77,174	77,174	6.2%	25,825	0	0	0	0	\$70.13
2006 3q	11	1,246,122	92,999	102,999	8.3%	657	0	0	0	0	\$51.24
2006 2q	11	1,246,122	93,656	103,656	8.3%	(11,501)	0	0	0	0	\$47.11
2006 1q	11	1,246,122	92,155	92,155	7.4%	718	0	0	0	0	\$113.38

Source: CoStar Property®

## TOTAL RETAIL MARKET STATISTICS

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2008 4q	8,844	80,442,883	1,771,521	2,106,615	2.6%	45,942	2	2,587	12	144,404	\$31.83
2008 3q	8,843	80,444,546	1,816,351	2,154,220	2.7%	84,587	1	7,215	13	138,474	\$31.55
2008 2q	8,842	80,437,331	1,882,600	2,231,592	2.8%	112,911	3	25,994	12	132,567	\$31.65
2008 1q	8,839	80,411,337	2,009,320	2,318,509	2.9%	210,019	3	29,794	10	72,760	\$31.26
2007 4q	8,836	80,381,543	2,369,763	2,498,734	3.1%	159,183	5	35,386	10	77,203	\$31.84
2007 3q	8,831	80,346,157	2,495,059	2,622,531	3.3%	307,263	3	56,312	12	92,029	\$31.32
2007 2q	8,829	80,290,739	2,747,968	2,874,376	3.6%	267,789	1	2,844	12	143,331	\$31.91
2007 1q	8,829	80,302,230	2,984,693	3,153,656	3.9%	845,527	6	156,960	8	93,906	\$31.98
2006 4q	8,823	80,145,270	3,761,492	3,842,223	4.8%	1,000,701	9	403,763	10	191,225	\$32.50
2006 3q	8,817	79,756,999	4,382,413	4,454,653	5.6%	16,219	4	162,437	18	585,988	\$32.45
2006 2q	8,814	79,597,721	4,193,199	4,311,594	5.4%	(84,102)	3	29,235	17	716,435	\$31.57
2006 1q	8,811	79,568,486	4,089,912	4,198,257	5.3%	(254,773)	5	56,445	10	529,826	\$34.27

Source: CoStar Property®

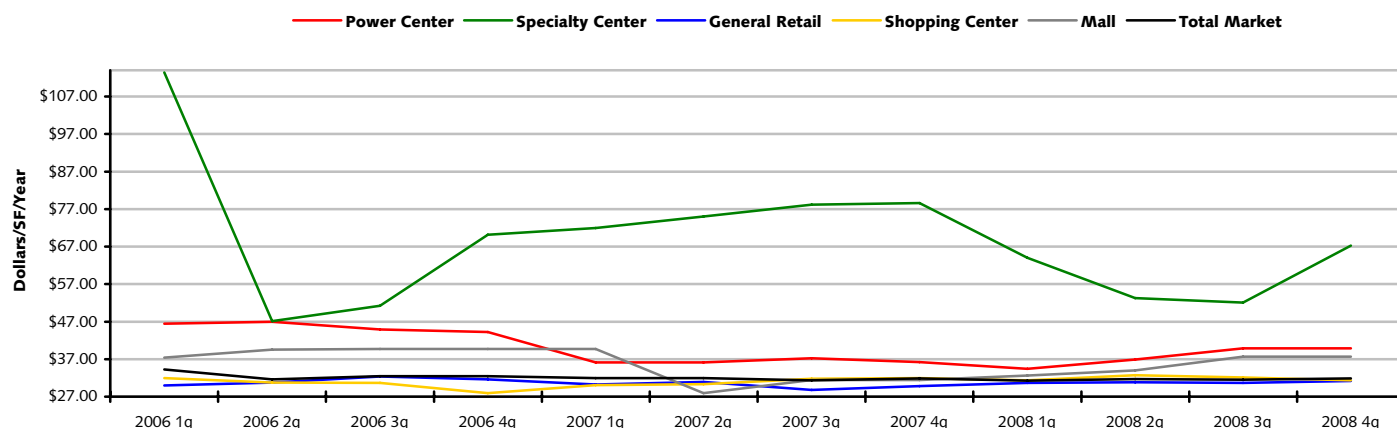
# SAN FRANCISCO RETAIL MARKET



## LEASING ACTIVITY

### HISTORICAL RENTAL RATES

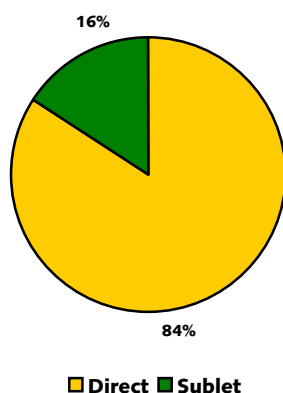
Based on NNN Rental Rates



Source: CoStar Property®

### VACANCY BY AVAILABLE SPACE TYPE

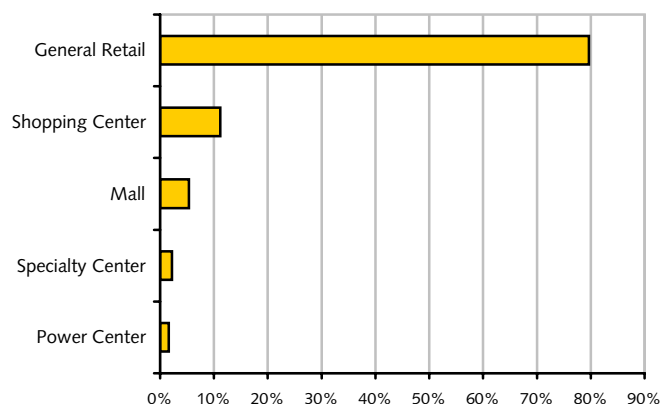
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

### VACANCY BY BUILDING TYPE

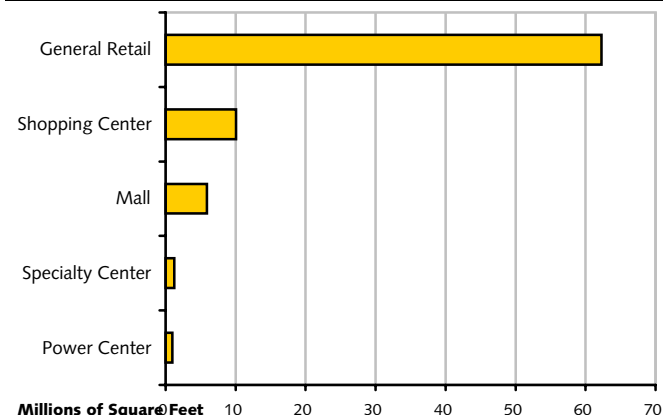
Percent of All Vacant Space by Building Type



Source: CoStar Property®

### GLA BY BUILDING TYPE

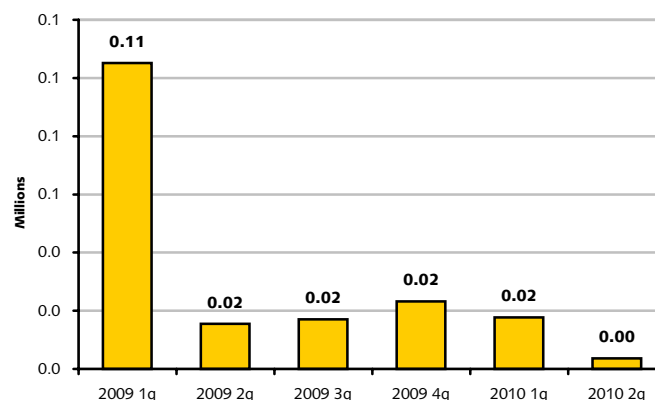
Ratio of Total GLA by Building Type



Source: CoStar Property®

### FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces

Source: CoStar Property®

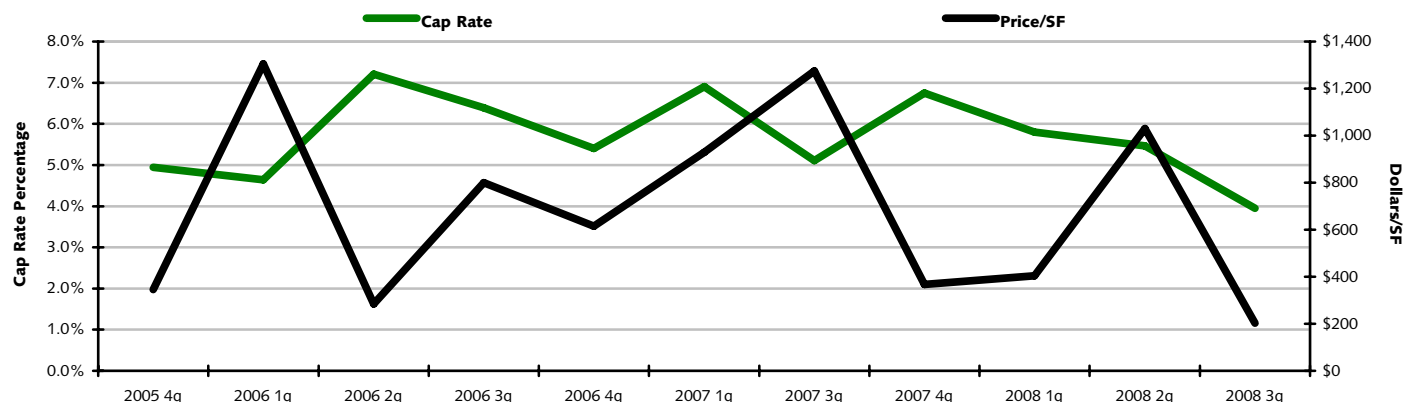
# SAN FRANCISCO RETAIL MARKET



## SALES ACTIVITY

### THE OPTIMIST SALES INDEX

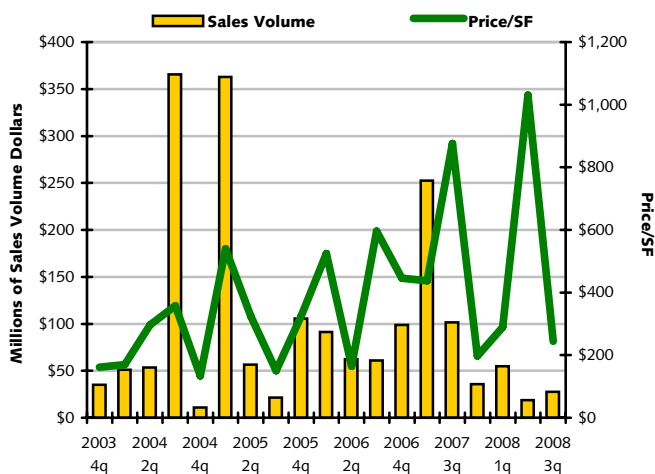
Average of Two Highest Price/SF's and Two Lowest Cap Rates



Source: CoStar COMPS®

### SALES VOLUME & PRICE

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### SALES ANALYSIS BY BUILDING SIZE

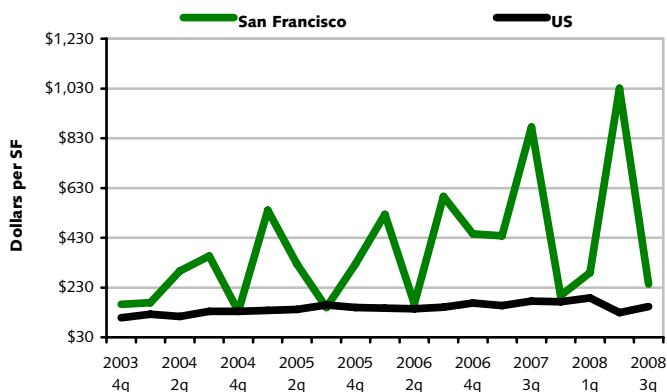
Based on Retail Building Sales From Oct. 2007 - Sept. 2008

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	161	793,760	\$ 340,696,775	\$ 429.22	4.81%
25K-99K SF	5	227,547	\$ 66,962,500	\$ 294.28	6.21%
100K-249K SF	1	107,278	\$ 15,850,000	\$ 147.75	6.50%
>250K SF	-	-	-	\$ -	-

Source: CoStar COMPS®

### U.S. PRICE/SF COMPARISON

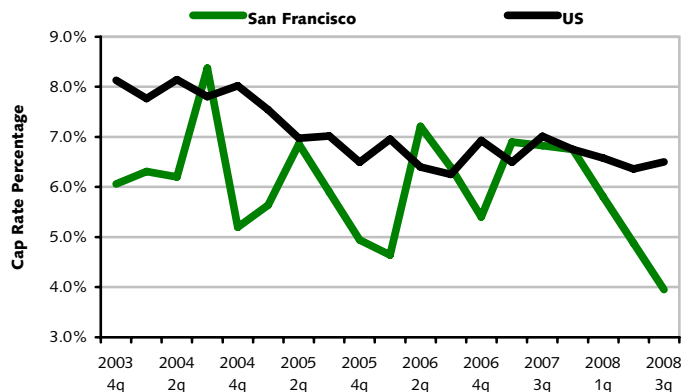
Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

### U.S. CAP RATE COMPARISON

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

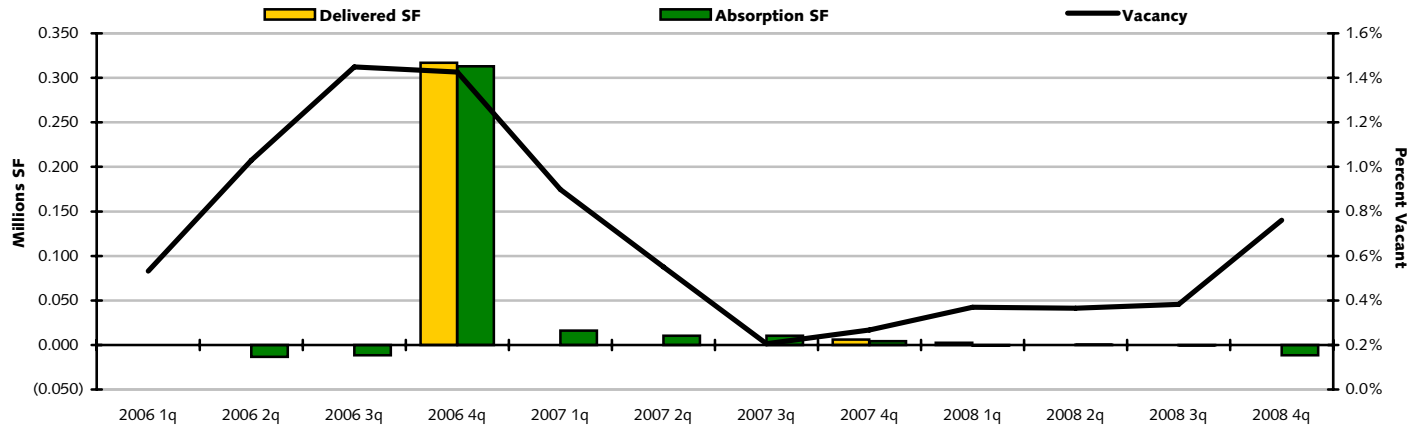


# SAN FRANCISCO RETAIL MARKET

## SF SOUTHEAST MARKET

MARKET HIGHLIGHTS – CLASS "A, B &amp; C"

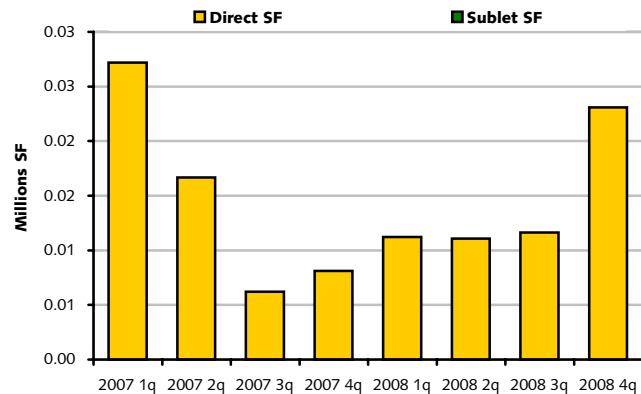
### DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

### VACANT SPACE

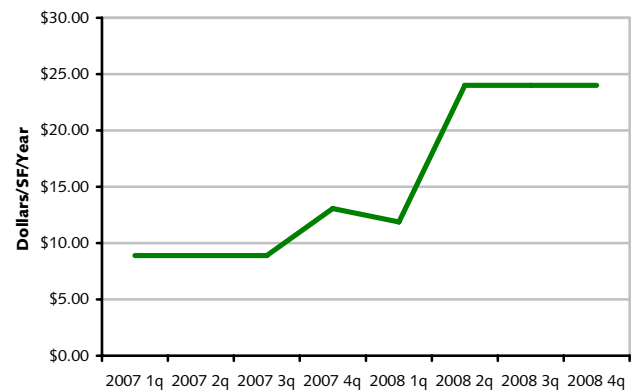
#### Historical Analysis, All Classes



Source: CoStar Property®

### QUOTED RENTAL RATES

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2008 4q	387	3,035,730	23,077	0.8%	(11,452)	0	0	1	20,000	\$24.00
2008 3q	387	3,035,730	11,625	0.4%	(540)	0	0	1	20,000	\$24.00
2008 2q	387	3,035,730	11,085	0.4%	135	0	0	1	20,000	\$24.00
2008 1q	387	3,035,730	11,220	0.4%	(629)	2	2,470	1	20,000	\$11.87
2007 4q	385	3,033,260	8,121	0.3%	4,330	1	6,230	2	2,470	\$13.06
2007 3q	384	3,027,030	6,221	0.2%	10,459	0	0	3	8,700	\$8.88
2007 2q	384	3,027,030	16,680	0.6%	10,500	0	0	1	6,230	\$8.88
2007 1q	384	3,027,030	27,180	0.9%	15,987	0	0	0	0	\$8.88
2006 4q	384	3,027,030	43,167	1.4%	313,104	2	316,984	0	0	\$0.00
2006 3q	382	2,710,046	39,287	1.4%	(11,400)	0	0	2	316,984	\$0.00
2006 2q	382	2,710,046	27,887	1.0%	(13,487)	0	0	2	316,984	\$0.00
2006 1q	382	2,710,046	14,400	0.5%	0	0	0	1	307,458	\$0.00

Source: CoStar Property®



**Places: Burlingame city, CA, San Carlos city, CA, et. al.**

2000 Total Population	148,358	2000 Median HH Income	\$68,858
2008 Total Population	152,187	2008 Median HH Income	\$95,264
2013 Total Population	154,915	2013 Median HH Income	\$111,962
2008 - 2013 Annual Rate	0.36%	2008 - 2013 Annual Rate	3.28%

**Housing Units by Occupancy Status and Tenure**

	Census 2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	62,809	100.0%	64,700	100.0%	65,834	100.0%
Occupied	61,304	97.6%	62,727	97.0%	63,623	96.6%
Owner	34,437	54.8%	36,849	57.0%	36,583	55.6%
Renter	26,867	42.8%	25,878	40.0%	27,040	41.1%
Vacant	1,505	2.4%	1,973	3.0%	2,211	3.4%

**Owner Occupied Housing Units by Value**

	Census 2000		2008		2013	
	Number	Percent	Number	Percent	Number	Percent
Total	34,396	100.0%	36,846	100.0%	36,581	100.0%
< \$10,000	10	0.0%	10	0.0%	9	0.0%
\$10,000 - \$14,999	17	0.0%	7	0.0%	6	0.0%
\$15,000 - \$19,999	13	0.0%	7	0.0%	6	0.0%
\$20,000 - \$24,999	5	0.0%	17	0.0%	14	0.0%
\$25,000 - \$29,999	23	0.1%	7	0.0%	7	0.0%
\$30,000 - \$34,999	27	0.1%	4	0.0%	4	0.0%
\$35,000 - \$39,999	22	0.1%	4	0.0%	4	0.0%
\$40,000 - \$49,999	89	0.3%	9	0.0%	7	0.0%
\$50,000 - \$59,999	65	0.2%	23	0.1%	20	0.1%
\$60,000 - \$69,999	30	0.1%	15	0.0%	13	0.0%
\$70,000 - \$79,999	95	0.3%	35	0.1%	31	0.1%
\$80,000 - \$89,999	35	0.1%	39	0.1%	33	0.1%
\$90,000 - \$99,999	24	0.1%	19	0.1%	14	0.0%
\$100,000 - \$124,999	126	0.4%	32	0.1%	26	0.1%
\$125,000 - \$149,999	61	0.2%	61	0.2%	41	0.1%
\$150,000 - \$174,999	277	0.8%	25	0.1%	24	0.1%
\$175,000 - \$199,999	458	1.3%	48	0.1%	37	0.1%
\$200,000 - \$249,999	1,225	3.6%	85	0.2%	65	0.2%
\$250,000 - \$299,999	1,487	4.3%	244	0.7%	204	0.6%
\$300,000 - \$399,999	5,538	16.1%	1,337	3.6%	1,135	3.1%
\$400,000 - \$499,999	6,715	19.5%	2,127	5.8%	2,095	5.7%
\$500,000 - \$749,999	10,868	31.6%	7,616	20.7%	7,752	21.2%
\$750,000 - \$999,999	4,730	13.8%	7,989	21.7%	6,988	19.1%
\$1,000,000+	2,456	7.1%	17,086	46.4%	18,046	49.3%
Median Value	\$510,805		\$958,161		\$991,253	
Average Value	\$576,350		\$940,557		\$955,601	

Data Note: Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2008 and 2013.



Places: Burlingame city, CA, San Carlos city, CA, et. al.

## Census 2000 Vacant Housing Units by Status

	Number	Percent
Total	1,505	100.0%
For Rent	497	33.0%
For Sale Only	162	10.8%
Rented/Sold, Unoccupied	177	11.8%
Seasonal/Recreational/Occasional Use	356	23.7%
For Migrant Workers	3	0.2%
Other Vacant	310	20.6%

## Census 2000 Occupied Housing Units by Age of Householder and Home Ownership

	Occupied Units	Owner Occupied Units	
		Number	% of Occupied
Total	61,304	34,437	56.2%
15 - 24	1,470	149	10.1%
25 - 34	11,402	3,042	26.7%
35 - 44	14,452	7,482	51.8%
45 - 54	12,222	7,759	63.5%
55 - 64	7,629	5,473	71.7%
65 - 74	5,941	4,597	77.4%
75 - 84	5,785	4,304	74.4%
85+	2,403	1,631	67.9%

## Census 2000 Occupied Housing Units by Race/Ethnicity of Householder and Home Ownership

	Occupied Units	Owner Occupied Units	
		Number	% of Occupied
Total	61,304	34,437	56.2%
White Alone	47,723	28,455	59.6%
Black Alone	1,210	369	30.5%
American Indian Alone	196	79	40.3%
Asian Alone	7,523	4,007	53.3%
Pacific Islander Alone	381	146	38.3%
Some Other Race Alone	2,402	630	26.2%
Two or More Races	1,869	751	40.2%
Hispanic Origin	6,355	2,170	34.1%

## Census 2000 Housing Units by Units in Structure and Occupancy

	Housing Units		Occupied Units	
	Number	Percent	Number	Percent
Total	62,692	100.0%	61,175	100.0%
1, Detached	31,940	50.9%	31,469	51.4%
1, Attached	4,503	7.2%	4,413	7.2%
2	1,547	2.5%	1,495	2.4%
3 to 4	2,897	4.6%	2,810	4.6%
5 to 9	5,730	9.1%	5,593	9.1%
10 to 19	4,713	7.5%	4,600	7.5%
20 to 49	5,549	8.9%	5,339	8.7%
50 or More	5,752	9.2%	5,399	8.8%
Mobile Home	57	0.1%	57	0.1%
Other	4	0.0%	0	0.0%

Data Note: Persons of Hispanic Origin may be of any race.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.



Places: Burlingame city, CA, San Carlos city, CA, et. al.

## Census 2000 Specified Owner Occupied Housing Units by Selected Monthly Owner Cost

	Number	Percent
Total	29,017	100.0%
With Mortgage	21,345	73.6%
<\$200	21	0.1%
\$200 - \$299	14	0.0%
\$300 - \$399	113	0.4%
\$400 - \$499	160	0.6%
\$500 - \$599	252	0.9%
\$600 - \$699	323	1.1%
\$700 - \$799	327	1.1%
\$800 - \$899	314	1.1%
\$900 - \$999	379	1.3%
\$1000 - \$1249	1,111	3.8%
\$1250 - \$1499	1,435	4.9%
\$1500 - \$1999	3,862	13.3%
\$2000 - \$2499	3,735	12.9%
\$2500 - \$2999	3,150	10.9%
\$3000+	6,149	21.2%
With No Mortgage	7,672	26.4%
Median Monthly Owner Costs for Units with Mortgage	\$2,316	
Average Monthly Owner Costs for Units with Mortgage	\$2,535	

## Census 2000 Specified Renter Occupied Housing Units by Contract Rent

	Number	Percent
Total	26,756	100.0%
Paying Cash Rent	26,132	97.7%
< \$100	78	0.3%
\$100 - \$149	106	0.4%
\$150 - \$199	91	0.3%
\$200 - \$249	113	0.4%
\$250 - \$299	63	0.2%
\$300 - \$349	111	0.4%
\$350 - \$399	92	0.3%
\$400 - \$449	193	0.7%
\$450 - \$499	172	0.6%
\$500 - \$549	311	1.2%
\$550 - \$599	310	1.2%
\$600 - \$649	572	2.1%
\$650 - \$699	558	2.1%
\$700 - \$749	888	3.3%
\$750 - \$799	909	3.4%
\$800 - \$899	2,666	10.0%
\$900 - \$999	3,258	12.2%
\$1000 - \$1249	6,201	23.2%
\$1250 - \$1499	3,695	13.8%
\$1500 - \$1999	3,933	14.7%
\$2000+	1,812	6.8%
No Cash Rent	624	2.3%
Median Rent	\$1,104	
Average Rent	\$1,172	
Average Gross Rent (with Utilities)	\$1,240	

Data Note: Specified Owner Occupied Housing Units exclude houses on 10+ acres, mobile homes, units in multiunit buildings, and houses with a business or medical office. Specified Renter Occupied Housing Units exclude houses on 10+ acres. Average Contract Rent and Average Gross Rent exclude units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.