Cushman & Wakefield of Florida, Inc.

Third Quarter 2008 South Florida MarketBeat Package

MARKETBEAT

MIAMI OFFICE REPORT

3Q08

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

ECONOMY

Miami's economy has slowed significantly since the beginning of the year. Unemployment rose to 5.8% in South Florida according to the U.S. Bureau of Labor Statistics. The Miami market drivers are anchored by procyclical industries such as finance, real estate and tourism. As a result Miami is unavoidably affected by a broader based deceleration in the U.S. economy as well as the global economy. Although the region has experienced a slowdown, Miami's geographic location and strong international trade infrastructure without question has proven to be a vital asset for Miami in the present economic climate. International banking and education sectors continue to grow in Miami. Various local governmental organizations are working with the University of Miami to support the burgeoning biotechnical industry in the county, which is much less susceptible to the erratic tact's of the overall economy and should further cushion Miami against future economic declines.

OVERVIEW

Inventory stood at nearly 44.8 million square feet (msf) and was basically static for the quarter, the only exceptions being the completions of Merrick View (78,454 square feet (sf)) in Coral Gables and Bird Road Professional Office Center (49,003 sf) adjacent to the Palmetto Expressway. Both projects were originally offered for sale as office condominiums, but are now available for lease as well. Three premium class A office towers totaling 1.9 msf are currently under construction in the Central Business District (CBD). The three buildings to be known as 1450 Brickell, Brickell Financial Center and Met 2 are all scheduled for completion between late 2009 and the middle of 2010.

Rental rates fell off slightly after an historic increase beginning in early 2007. The overall average asking rate in the county was $30.84 per square foot (psf). There has been pressure on rents given owners push to prelease the projects currently under construction in Miami's CBD.

Leasing activity totaled 749,311 sf, and remained relatively consistent with this time last year. Greenberg Traurig, LLP preleased 150,000 sf at Met 2 for their future office, the largest transaction of the quarter. As reported by various sources, this 15-year anchor tenant lease was negotiated at $38.50 psf, including 3.0% yearly increases and a $100.00 psf tenant improvement allowance.

Absorption overall for the quarter was negative 329,244 sf, bringing the total for the year to negative 937,471 sf. Nearly all of the negative absorption for the year has occurred in class B (negative 517,206 sf) and class C (negative 412,265 sf) product.

Investment sales year-to-date are off 29.5% from this point last year. Given the uncertainties in the credit markets, investor sales activity is not expected to recover before the close of 2008. The three sizable class A assets that did trade this quarter were 355 Alhambra, Miami Center and The Alhambra Plaza. JP Morgan sold 355 Alhambra, a class A office building in Coral Gables to AEW Capital Management, L.P. for $87.3 million or approximately $390.00 psf. Crescent Real Estate Equities sold Miami Center a 782,686-sf tower on Biscayne Boulevard to Sumitomo Corporation of America and The Alhambra Plaza (231,633 sf) to USAA.

FORECAST

In light of significant new construction underway in Miami's CBD and vacancy creeping up, tenants sense that negotiation power is in their favor. Select tenants whose current lease expirations coincide with delivery of the new buildings have leverage to negotiate favorable renewals at this time. Other tenants who have the ability to take a wait-and-see approach are hoping to capitalize on favorable lease terms once the new office space is delivered. These buildings, however, will be completed in late 2009-2010 in what we expect to be a recovering economy. Notwithstanding the uncertain future, currently the office market's supply/demand fundamentals remain strong in Miami-Dade with previously increased face rates holding steady and low vacancy for class A product throughout the major office submarkets.

BEAT ON THE STREET

"The pendulum has swung from a historically heavy favored landlord's market over the past 18 months to that of a favored tenant's market.

Today's savvy and successful landlords approach lease transactions with far greater creativity and flexibility, achieving success by deepening their knowledge of their tenant's business and industry, resulting in win-win lease transactions."

–Diana L. Parker, Director of Office Brokerage

ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.8%	3.8%	4.6%
Employment Growth	1.8%	1.1%	-0.8%

Source: Moody's | Economy.com

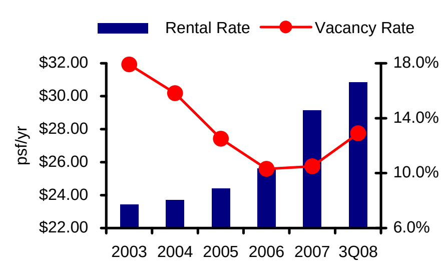
MARKET FORECAST

LEASING ACTIVITY year-to-date is slightly ahead of levels recorded in 2007. However total leasing activity for the year is expected to be lower than in 2007.

DIRECT ABSORPTION was again negative for the quarter. This trend is expected to continue as firms put excess space on the market.

CONSTRUCTION: The large amount of construction currently underway will likely limit the amount of space that breaks ground for the remainder of 2008.

OVERALL RENTAL VS. VACANCY RATES



MARKETBEAT

MIAMI OFFICE REPORT 3Q08

MARKET/SUBMARKET STATISTICS

MARKET/ SUBMARKET	INVENTORY	NO. OF BLDGS.	OVERALL VACANCY RATE	DIRECT VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD OVERALL ABSORPTION	DIRECT WTD. AVG. CLASS A GROSS RENTAL RATE*
Brickell Avenue	5,812,646	30	11.0%	10.0%	366,644	1,170,817	0	(111,669)	$46.50
Downtown	6,266,685	27	15.4%	13.0%	486,418	880,000	20,400	(255,677)	$41.24
CBD	12,079,331	57	13.3%	11.5%	853,062	2,050,817	20,400	(367,346)	$44.09
Coral Gables	5,297,116	55	11.6%	9.7%	210,173	550,020	163,954	(114,087)	$41.43
Airport West	11,437,864	122	13.8%	12.9%	596,240	629,158	164,746	(145,698)	$30.39
Coral Way	648,678	16	1.7%	1.7%	18,316	0	0	9,934	N/A
South Dade	4,377,800	59	10.6%	9.9%	186,319	170,388	112,000	(73,821)	$37.33
Northeast Dade	2,281,472	38	12.4%	12.3%	109,638	237,358	0	24,507	$41.63
Biscayne	1,978,045	33	20.7%	20.6%	160,169	0	0	(63,360)	$36.52
Miami Lakes	1,739,439	41	15.0%	13.0%	73,305	63,794	0	(104,029)	$27.39
Coconut Grove	1,008,996	11	21.9%	21.9%	48,434	0	0	(41,907)	$44.84
S. Gables/ S. Miami	1,258,227	21	6.6%	5.8%	39,572	38,600	49,003	(4,293)	$30.75
East Airport/Central Dade	817,109	11	6.4%	6.4%	10,976	0	0	(1,979)	N/A
Miami Beach	1,841,633	28	10.5%	9.5%	89,512	0	0	(55,392)	$38.58
NON-CBD	32,686,379	435	12.8%	11.8%	1,542,654	1,689,318	489,703	(570,125)	$35.70
TOTAL	44,765,710	492	12.9%	11.8%	2,395,716	3,740,135	510,103	(937,471)	$37.57

* Rental rates reflect $psf/year

MARKET HIGHLIGHTS

SIGNIFICANT 3Q08 NEW LEASE TRANSACTIONS

BUILDING	SUBMARKET	TENANT	SQUARE FEET	BLDG CLASS
Met 2	Downtown	Greenberg Traurig, LLP	150,000	A
Wachovia Financial Center	Downtown	Banco Itaú	38,143	A
800 Brickell	Brickell Avenue	The Sol Group Corporation	13,753	B

SIGNIFICANT 3Q08 SALE TRANSACTIONS

BUILDING	SUBMARKET	Buyer	SQUARE FEET	PURCHASE PRICE
Miami Center	Downtown	Sumitomo Corporation	782,686	$240,000,000 (unconfirmed)
The Alhambra Plaza	Coral Gables	USAA	231,633	N/A
355 Alhambra	Coral Gables	AEW Capital Management LP	224,000	$87,300,000
Bank of America Building	Northeast Dade	Djavaheri Realty Corporation	31,800	$4,700,000

SIGNIFICANT 3Q08 CONSTRUCTION COMPLETIONS

BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Merrick View	Coral Gables	Speculative	78,454	8/08
Bird Rd. Professional Office Center	S.Gables/S.Miami	Speculative	49,003	9/08

SIGNIFICANT PROJECTS UNDER CONSTRUCTION/RENOVATION

BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Met 2	Downtown	Greenberg Traurig, LLP	750,000	5/10
Brickell Financial Centere	Brickell Avenue	Bilzin Sumberg	585,817	1/10
1450 Brickell	Brickell Avenue	Speculative	585,000	12/09
The Omni (redevelopment)	Biscayne	Speculative	400,000	1/09
1000 Waterford	Airport West	Sandler, Travis & Rosenberg, P.A.	246,258	7/09
One Park Square at Doral	Airport West	Speculative	231,500	12/08
Flagler 1300	Airport West	Speculative	150,000	3/09

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*Market terms & definitions based on BOMA and NAIOP standards.

MARKETBEAT

BROWARD COUNTY OFFICE REPORT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

3Q08

ECONOMY

Broward County benefits from a diversified local tenant base that may experience continued softening in key areas. The largest employers in the region include automotive, financial services and technology firms that have all been impacted by the credit crisis by way of consolidations and/or downsizing. However, according to *Moody's | Economy.com* the area's unemployment rate of 4.7% is significantly stronger than the state's 6.5%. Companies in healthcare or legal industries are expected to thrive during this economic turmoil benefiting from favorable leasing opportunities and an increasing labor pool.

OVERVIEW

Inventory: Overall vacancy for the region remained 14.3% during the third quarter while the sublease vacancy rate rose from 0.5% to 1.1% since mid-year. Downsizing and consolidating was still prevalent among specific office users as the financial markets struggle further. The current difficulties in obtaining financing have all but eliminated development of office product for the time being. A total of 494,060 square feet (sf) is currently under construction averaging 70,000 sf for speculative projects. Additionally, no new space was delivered this quarter and the two largest projects under construction at Sawgrass Pointe II and Liberty Center at Monarch Lakes have secured major tenants.

Rental rates for the second consecutive quarter decreased further to an overall asking average of $27.81 per square foot (psf), down from $28.12 psf at second quarter. Additionally, the Central Business District (CBD) declined $0.29 psf to an overall asking average rental rate of $32.91 psf during the past three months.

Leasing activity increased from twelve months ago by 13.3%, with 618,198 sf of space signed third quarter. GSA leased 127,048 sf at Weston Pointe Office Park, utilizing space taken back from a large consolidation the previous year. Research In Motion exercised its option for the remaining 30,000 sf at Sawgrass Pointe II, making it the sole tenant of 90,000 sf. Class A space accounted for 45.3% of lease transactions year-to-date.

Absorption: The overall absorption level posted negative 380,127 sf year-to-date. However, class A space recorded a positive overall absorption of 60,560 sf during the past nine months. In general, class A buildings seem to be faring better then class B and C properties in most markets.

Investment Sales: A total of 278,922 sf of investment product traded this quarter with a year-to-date total of 588,284 sf, down 82.4% compared to the activity recorded twelve months ago. Liberty Property Trust purchased the 106,900-sf class A building at 13621 NW 12th Street for $16.5 million, the largest transaction signed third quarter.

FORECAST

Historically, small entrepreneurial firms drive demand in Broward but remain on the sidelines until the financial markets strengthen. As creditworthy tenants return to the playing field, concessions will increase and landlords will target these tenants to minimize the risk of default. Additionally, utility costs will rise by an additional 8% in early 2009, making the utilization of high-efficiency energy systems essential to keeping overall costs down. Broward County however is still seen as a strategic South Florida location with a favorable unemployment rate that supports it as a viable destination for office users.

BEAT ON THE STREET

"We continue to see softness in the office market as the economy struggles dealing with the current financial meltdown. Fortunately, new office development in the county is minimal and several large transactions in West Broward have significantly stabilized vacancy rates."

–Chris Constant, Director, Office Brokerage

ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.2%	3.6%	4.7%
Employment Growth	2.1%	0.5%	-1.2%

Source: Moody's | Economy.com

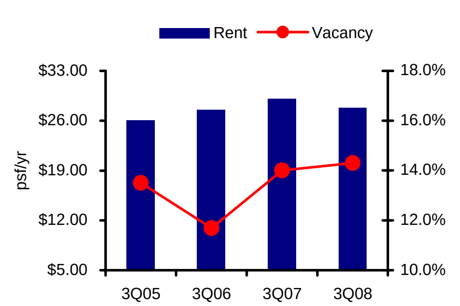
MARKET FORECAST

LEASING ACTIVITY is projected to stay constant for the remainder of 2008.

DIRECT ABSORPTION will remain negative for the rest of 2008 while the market corrects itself well into 2009.

CONSTRUCTION: Many proposed projects will continue to sit idle until existing space is absorbed.

OVERALL RENTAL VS. VACANCY RATES



MARKETBEAT

BROWARD COUNTY OFFICE REPORT 3Q08

MARKET/SUBMARKET STATISTICS

MARKET/ SUBMARKET	INVENTORY	NO. OF BLDGS.	OVERALL VACANCY RATE	DIRECT VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD OVERALL ABSORPTION	DIRECT WTD. AVG. CLASS A GROSS RENTAL RATE*
CBD Total	*5,032,942*	*41*	*18.8%*	*18.6%*	*283,175*	*0*	*66,917*	*(1,229)*	*$34.29*
Non-CBD Total	*24,429,358*	*374*	*13.3%*	*12.1%*	*1,702,340*	*494,060*	*303,587*	*(378,898)*	*$31.36*
Southeast Broward Total	*2,739,689*	*47*	*11.8%*	*11.1%*	*166,917*	*205,000*	*60,000*	*(60,260)*	*$32.78*
Sunrise	3,048,672	41	15.8%	12.0%	354,723	130,000	128,163	102,347	$31.07
Plantation	3,053,601	45	13.4%	11.7%	189,053	0	52,424	(49,794)	$33.55
Weston	889,844	15	9.2%	8.2%	234,262	0	0	93,328	$33.93
West Broward Total	*6,992,117*	*101*	*13.9%*	*11.4%*	*778,038*	*130,000*	*180,587*	*145,881*	*$31.96*
Cypress Creek/Commercial	*6,879,454*	*83*	*14.4%*	*13.1%*	*447,694*	*0*	*0*	*(281,257)*	*$29.93*
Central Broward Total	*1,360,164*	*29*	*13.0%*	*13.0%*	*39,817*	*0*	*0*	*(32,067)*	*N/A*
Pompano Beach	977,417	23	16.3%	16.3%	39,517	0	0	(74,798)	$26.20
Deerfield Beach	1,184,327	19	16.3%	15.4%	60,156	0	0	(27,632)	$31.00
Northeast Broward Total	*2,161,744*	*42*	*16.3%*	*15.8%*	*99,673*	*0*	*0*	*(102,430)*	*$27.04*
Pembroke Pines/Cooper City	738,823	17	6.8%	6.8%	25,112	0	0	(11,733)	$31.00
Miramar	1,655,718	16	6.9%	6.9%	72,747	159,060	63,000	9,101	$32.95
Southwest Broward Total	*2,394,541*	*33*	*6.9%*	*6.9%*	*97,859*	*159,060*	*63,000*	*(2,632)*	*$32.83*
Coral Springs	1,380,862	28	15.9%	15.6%	66,069	0	0	(39,687)	$28.06
Tamarac/ Margate	520,787	11	11.6%	11.6%	6,273	0	0	(6,446)	N/A
Northwest Broward Total	*1,901,649*	*39*	*14.8%*	*14.5%*	*72,342*	*0*	*0*	*(46,133)*	*$28.06*
TOTAL	29,462,300	415	14.3%	13.2%	1,985,515	494,060	370,504	(380,127)	$32.57

* Rental rates reflect $psf/year

MARKET HIGHLIGHTS

SIGNIFICANT 3Q08 NEW LEASE TRANSACTIONS				
BUILDING	SUBMARKET	TENANT	SQUARE FEET	BLDG CLASS
Weston Pointe Office Park - II & IV	Weston	GSA	127,048	A
Sawgrass Pointe II	Sunrise	Research In Motion	30,000	A
Cornerstone Corporate Center V	Plantation	BG Capital	26,212	A
Crossroads Business Park III	Plantation	National Beverage	25,621	A
Meridian Business Campus	Weston	TEVA Pharmacy	20,000	B

SIGNIFICANT 3Q08 SALE TRANSACTIONS				
BUILDING	SUBMARKET	Buyer	SQUARE FEET	PURCHASE PRICE
13621 NW 12th Street	Sunrise	Liberty Property Trust	106,900	$16,550,000
1340 Concord Terrace	Sunrise	Conception LLC	91,657	$26,000,000
3700 Coconut Creek Parkway	Pompano Beach	Technological University of Miami	30,000	$3,300,000

SIGNIFICANT 3Q08 CONSTRUCTION COMPLETIONS				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
N/A				

SIGNIFICANT PROJECTS UNDER CONSTRUCTION/RENOVATION				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Liberty Center at Monarch Lakes	Miramar	United Healthcare	110,000	10/08
Sawgrass Pointe II	Sunrise	Research In Motion	90,000	10/08
Village at Gulfstream Park	Hollywood/Hallandale	Speculative	75,000	10/09

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MARKETBEAT

PALM BEACH COUNTY OFFICE REPORT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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Global Real Estate Solutions℠

3Q08

ECONOMY

A heavy market correction is currently underway in Palm Beach County due to the declining financial markets. According to *Moody's | Economy.com*, the unemployment rate rose to 5.6% with construction and financial service industries declining the most in overall growth. Growth in the life science, aviation and technology industries will help Palm Beach through this downward economic cycle.

OVERVIEW

Inventory: The overall vacancy rate rose by 2.4 percentage points over the past quarter to 18.6%. The major cause for this jump in vacancy continued to be a result of the credit crisis fallout. Construction completions delivered during third quarter totaled 295,787 square feet (sf) with only 36.1% of this space pre-leased. The 100,526-sf EcoPlex located in the Palm Beach International Airport submarket was the largest speculative completion during this time. The supply outweighs current market demand.

Rental rates still exhibited signs of growth as the overall asking rental rate increased from $30.05 per square foot (psf) recorded last quarter to $30.21 psf presently. However, shorter term leases and concessions play a pivotal role in closing transactions. Downtown West Palm Beach recorded a new overall high of $42.05 psf while the Town of Palm Beach reported an overall asking rental rate of $65.36 psf.

Leasing activity remained relatively consistent from a year ago, posting nearly 1.3 million square feet (msf) of closed transactions. Gerry Research leased 143,000 sf at Boca Corporate Center & Campus. South University signed the quarter's second largest lease for 40,000 sf at Corporate Center West in Royal Palm Beach. Firms in the health, education and legal industries continued to thrive in the South Florida market.

Absorption: Overall absorption for the county recorded a negative 525,900 sf year-to-date. The 1.8-msf Boca Corporate Center & Campus contributed 28.7% of the total with an overall absorption of negative 151,047 sf. FirstNLC's former space of 120,000 sf and Washington Mutual's 83,000 sf departure from 2601 North 10th Avenue in Lake Worth marked the two largest availabilities added to the market this quarter.

Investment sales activity for the third quarter totaled 641,988 sf including the 336,136-sf portfolio sale of 1601 Forum Place, 701 Northpoint Parkway and 1400 Centrepark Boulevard to TA Associates Realty for $60.1 million. In addition, Equity One Inc. purchased 117,707 sf of office space in Boca Raton at 1900-2000 Northwest Corporate Boulevard for $53.0 million which also included seven retail properties throughout Broward County. Difficult credit conditions will continue to create challenges in the investment sales markets. Sellers with assumable debt will have an advantage.

FORECAST

Activity is still strong in key submarkets, such as Palm Beach Gardens, but deals are taking longer to finalize countywide. The Boca Raton submarket will continue to struggle with higher than expected vacancies. Palm Beach County, as a whole, is currently experiencing a market correction that will continue through 2009 but as the core legal and private wealth management users along with new life science tenants come to market, vacancies should begin to stabilize.

BEAT ON THE STREET

"The uncertainty in the financial services industry, even impacting companies considered 'household names', will unfortunately have a ripple effect in the Palm Beach County economy. The office markets in the Town of Palm Beach, the CBD and portions of Boca Raton and Palm Beach Gardens rely on the financial services industry to provide a solid tenant base."

–Mark Pateman, Esq., Associate, Office Brokerage

ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.7%	4.3%	5.6%
Employment Growth	2.2%	-0.2%	-1.5%

Source: Moody's | Economy.com

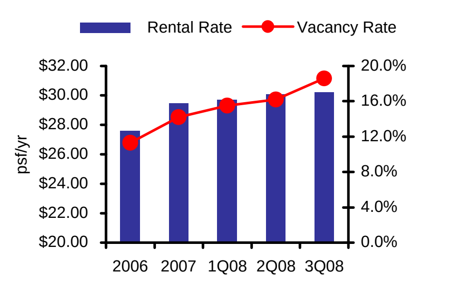
MARKET FORECAST

LEASING ACTIVITY will remain steady through 2008 as opportunities and concessions lure in prospects.

DIRECT ABSORPTION will continue to post negative numbers as the market corrects itself further into 2009.

CONSTRUCTION will slow through 2009 due to the current abundance of available space throughout the county.

OVERALL VACANCY VS. RENTAL RATES



MARKETBEAT

PALM BEACH COUNTY OFFICE REPORT 3Q08

MARKET/SUBMARKET STATISTICS

MARKET/ SUBMARKET	INVENTORY	NO. OF BLDGS.	OVERALL VACANCY RATE	DIRECT VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD OVERALL ABSORPTION	DIRECT WTD. AVG. CLASS A GROSS RENTAL RATE*
CBD-West Palm Beach Total	*2,944,142*	*23*	*18.8%*	*17.4%*	*82,338*	*0*	*296,000*	*58,679*	*$47.03*
Palm Beach Lakes Blvd.	2,235,485	41	16.3%	16.0%	123,371	0	0	(39,534)	$28.49
Palm Beach International Airport	871,899	13	22.2%	22.2%	30,100	0	100,526	(65,009)	$32.76
Palm Beach	566,105	14	7.1%	5.5%	6,076	0	0	(25,671)	$70.84
Suburban W. Palm Beach Total	*3,673,489*	*68*	*16.3%*	*15.9%*	*159,547*	*0*	*100,526*	*(130,214)*	*$33.91*
Riviera Beach	321,126	7	12.9%	12.9%	17,308	0	0	(5,732)	$23.00
Palm Beach Gardens	2,281,926	41	9.8%	8.8%	78,015	35,250	67,000	(33,084)	$34.33
North Palm Beach/Juno Beach	718,313	18	15.1%	15.1%	38,745	0	0	(25,519)	$34.60
Jupiter/Tequesta	654,837	16	24.8%	24.0%	40,212	0	0	(20,207)	$40.20
North Palm Beach Total	*3,976,202*	*82*	*13.5%*	*12.8%*	*174,280*	*35,250*	*67,000*	*(84,542)*	*$34.39*
Lake Worth	525,378	11	27.9%	27.9%	4,075	0	0	(117,733)	N/A
Boynton Beach	579,302	15	13.6%	13.6%	69,877	0	0	23,063	$34.37
Delray Beach	1,000,033	21	16.4%	13.7%	95,324	0	0	10,179	N/A
South Palm Beach Total	*2,104,713*	*47*	*18.5%*	*17.2%*	*169,276*	*0*	*0*	*(84,491)*	*$34.37*
Glades Road	2,836,239	34	15.1%	14.5%	79,892	133,550	210,000	(51,409)	$37.61
Federal Highway Corridor	1,420,867	20	23.3%	20.5%	92,611	0	0	(135,650)	$33.47
Northwest Boca Raton	5,637,443	45	26.0%	24.8%	398,963	624,230	195,261	(52,856)	$31.49
Southwest Boca Raton	914,070	13	9.4%	9.1%	22,724	0	0	1,977	$35.02
Downtown Boca Raton	987,567	15	15.9%	12.7%	70,780	0	0	(47,394)	$33.17
Boca Raton Total	*11,796,186*	*127*	*21.0%*	*19.6%*	*664,970*	*757,780*	*405,261*	*(285,332)*	*$34.34*
Non-CBD Total	*21,550,590*	*324*	*18.5%*	*17.5%*	*1,168,073*	*793,030*	*572,787*	*(584,579)*	*$34.24*
PALM BEACH TOTAL	24,494,732	347	18.6%	17.5%	1,250,411	793,030	868,787	(525,900)	$36.90

* Rental rates reflect $psf/year

MARKET HIGHLIGHTS

SIGNIFICANT 3Q08 NEW LEASE TRANSACTIONS				
BUILDING	SUBMARKET	TENANT	SQUARE FEET	BLDG CLASS
Boca Corporate Center & Campus	Northwest Boca Raton	Gerry Research (PLOCB Corp.)	143,000	B
1760 North Congress Avenue	Palm Beach Int'l Airport	South University	40,000	B
6800 Northwest Broken Sound Pkwy	Northwest Boca Raton	Laser Partners 1 LP	17,686	A
2051 Martin Luther King Jr. Boulevard	Riviera Beach	City of Riviera Beach	17,308	A
One Clearlake Centre	CBD - W. Palm Beach	Caldwell & Pacetti	8,000	A

SIGNIFICANT 3Q08 SALE TRANSACTIONS				
BUILDING	SUBMARKET	Buyer	SQUARE FEET	PURCHASE PRICE
Portfolio Sale	Palm Beach Lakes Boulevard	TA Associates Realty	336,136	$60,100,000
5300 Broken Sound Boulevard	Northwest Boca Raton	ZNT LLC	60,000	$12,100,000
11000 Prosperity Farms Road	Palm Beach Gardens	Dreamstar Acquisitions V LLC	25,451	$3,150,000

SIGNIFICANT 3Q08 CONSTRUCTION COMPLETIONS				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
EcoPlex at Centrepark West	Palm Beach Int'l Airport	Speculative	100,526	8/08
Boca Village Corporate Center I	Northwest Boca Raton	Falcone Group	100,000	7/08
Boca Colonnade II	Northwest Boca Raton	Speculative	95,261	7/08

SIGNIFICANT PROJECTS UNDER CONSTRUCTION/RENOVATION				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
6600 Military Trail	Northwest Boca Raton	Office Depot	624,230	10/08
Lynn Financial Center - Phase II A&B	Glades Road	Speculative	133,550	2/09
Gardens Pointe Corporate Center	Palm Beach Gardens	Speculative	35,250	12/09

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*Market terms & definitions based on BOMA and NAIOP standards.

MARKETBEAT

MIAMI INDUSTRIAL REPORT

3Q08

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

ECONOMY

Miami's economy has slowed significantly since the beginning of the year. Unemployment rose to 5.8% in South Florida according to the U.S. Bureau of Labor Statistics. However, Miami's geographic location and strong international trade infrastructure has proven to be an extremely vital asset for the region. The Miami market drivers are anchored by procyclical industries such as finance, trade and tourism. As a result, Miami is more profoundly affected by a broader based slowdown in other global economies which invest in the region. The downward pressure of the residential housing market, combined with the capital markets, has inversely extrapolated the liquidity of the marketplace, limiting businesses and consumers alike to find adequate financing which is restraining the amount of growth in the overall market place.

OVERVIEW

Inventory: Vacant inventory increased slightly with 1.7 million square feet (msf) of new availabilities added during third quarter, only 1.0% of the total industrial market. The new spaces were highlighted by Lincoln Logistics Park's 163,100-square-foot (sf) building. An additional 506,250 sf is scheduled for completion by year-end in Medley. As a result, the overall vacancy rate in Miami increased 0.5 percentage point since second quarter to 6.7% at the end of third quarter. However, the Airport West submarket, which is the traditional barometer of Miami and the largest submarket, reported a low 5.7% vacancy rate.

Rental rates fluctuated as pricing gaps narrowed between landlords and tenants. This trend will continue through year-end as landlords offer more concessions in order to secure tenants. Airport West is outperforming the region due to its strategic location near major trading hubs, which decreases company's transportation costs and thus overall operational costs. As a result, asking rental rates in this submarket averaged $8.46 per square foot (psf) for warehouse/distribution space, well above the Miami-Dade average of $7.13 psf.

Leasing activity remained stable with the third consecutive quarter totaling between 1.5 and 1.7 msf, measuring 4.8 msf year-to-date, a 17.0% increase from a year ago. Airport North and Airport West captured 61.6% of all deals during the past nine months. Cushman & Wakefield represented B. America in signing 118,897 sf in Airport West, the largest third-quarter transaction. Innovative Stone entered the Miami market due to its logistical network for its first distribution center in South Florida, leasing 103,000 sf in Hialeah.

Sales activity measured 3.5 msf year-to-date compared to 4.9 msf reported twelve months ago. Users of industrial space are still buying properties at the same pace they did a year ago and these transactions totaled 1.8 msf with an average price of $86.22 psf. The 28.6% drop in sales volume from a year ago can be attributed to declining investment sales. The lack of liquidity in the financial markets has hindered the commercial markets' ability to buy and sell industrial properties. Only highly liquid institutions have the elasticity and capital necessary to close and acquire properties in the current market.

FORECAST

Although Miami is feeling the country's economic slowdown, the region is still maintaining a high level of activity that bodes well for the industrial market. Leasing is expected to continue at its current pace through year-end as landlords offer aggressive concessions to keep current tenants. Sale-leasebacks will increase as cash-strapped businesses look to monetize their real estate holdings to free up capital needed to operate their businesses.

BEAT ON THE STREET

"Although sales and leasing have slowed from the prior year, the statistical change is not that dramatic. Third quarter 2007 Miami-Dade County overall vacancy was 6.3% versus third quarter 2008 of 6.7%. Airport West vacancy has shrunk to 5.7% from 6.4% a year ago. We are seeing the bulk of activity in the leasing market under 50,000 sf and tenant renewals. Because the overall market is not over-built and demand is still active, South Florida is likely to out perform the rest of the country."

-Wayne Ramoski, Senior Director

Industrial Brokerage

ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.8%	3.8%	4.6%
Employment Growth	1.8%	1.1%	-0.8%

Source: Moody's | Ecconomy.com

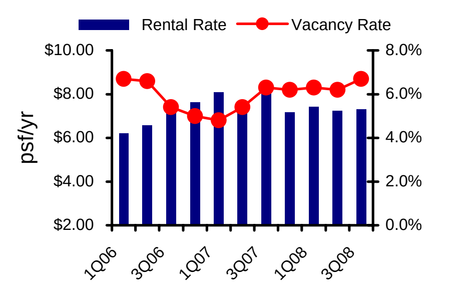
MARKET FORECAST

LEASING ACTIVITY has stabilized from first quarter, potentially increasing by year-end.

DIRECT ABSORPTION is expected to remain consistent through the end of 2008.

CONSTRUCTION: Rising overall construction costs and the current supply of available space may limit the amount of projects that break ground.

OVERALL RENTAL VS. VACANCY RATES



MARKET/SUBMARKET STATISTICS

MARKET/SUBMARKET	INVENTORY	NO. OF BLDGS.	OVERALL VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD OVERALL ABSORPTION	DIRECT WEIGHTED AVERAGE NET RENTAL RATE* MF	OS	W/D
Airport West	34,138,091	616	5.7%	1,362,868	189,740	52,000	(545,277)	N/A	$13.23	$8.90
Milam Dairy	15,473,337	271	5.7%	684,512	0	0	226,152	$5.00	$12.05	$7.59
Airport West	*49,611,428*	*887*	*5.7%*	*2,047,380*	*189,740*	*52,000*	*(319,125)*	*$5.00*	*$12.76*	*$8.46*
Airport North	8,416,110	175	2.4%	62,242	0	0	(50,547)	N/A	N/A	$6.10
Medley	18,579,160	245	9.1%	867,325	878,912	163,100	(921,608)	N/A	$9.59	$6.99
Airport North/Medley	*26,995,270*	*420*	*7.0%*	*929,567*	*878,912*	*163,100*	*(972,155)*	*N/A*	*$9.59*	*$6.92*
Palmetto Lakes	5,531,234	110	10.9%	118,726	151,017	0	(265,847)	$6.61	N/A	$6.62
Seaboard/ Miami-Dade/Opa Locka	13,240,858	205	6.2%	482,094	0	0	(517,977)	N/A	N/A	$5.63
Sunshine State/ Golden Glades	5,838,614	106	5.9%	153,847	0	0	(149,131)	N/A	$13.17	$6.98
North Central Dade	*24,610,706*	*421*	*7.2%*	*754,667*	*151,017*	*0*	*(932,955)*	*$6.61*	*$13.17*	*$6.19*
Miami Gardens/ Ives Dairy	6,460,831	85	10.0%	120,864	0	0	(12,350)	N/A	$6.64	$5.59
North Miami	1,601,715	35	0.3%	11,900	0	0	0	N/A	N/A	$7.95
Northeast Dade	*8,062,546*	*120*	*8.1%*	*132,764*	*0*	*0*	*(12,350)*	*N/A*	*$6.64*	*$5.62*
Miami Lakes	*5,444,087*	*71*	*3.8%*	*143,138*	*0*	*36,000*	*44,849*	*N/A*	*$10.76*	*$8.80*
Hialeah West	8,501,975	324	2.9%	52,890	0	0	43,940	$6.79	N/A	$5.28
Hialeah Gardens	2,721,496	67	2.3%	88,000	0	0	32,157	$15.00	N/A	N/A
Hialeah	*11,223,471*	*391*	*2.8%*	*140,890*	*0*	*0*	*76,097*	*$10.27*	*N/A*	*$5.28*
CBD, Civic Center, Biscayne	8,491,293	310	3.8%	33,163	0	0	(210,594)	$8.00	$11.00	$8.61
HialeahEast/ Liberty City	23,003,896	456	12.3%	564,611	0	0	(62,083)	$6.14	$11.76	$6.96
Hialeah East / Downtown	*31,495,189*	*766*	*10.0%*	*597,774*	*0*	*0*	*(272,677)*	*$6.20*	*$11.57*	*$7.06*
Bird Road/ U.S. 1/Gables	2,660,955	68	0.6%	6,855	0	0	(4,201)	N/A	$23.00	$13.51
Falls/South Dixie	2,144,651	42	2.5%	0	0	0	(47,998)	N/A	N/A	$8.50
Tamiami Airport/ South	3,843,951	92	4.7%	79,664	0	0	(10,249)	N/A	N/A	$10.67
Extreme SW Dade	297,619	7	0.0%	0	0	0	0	N/A	N/A	N/A
South Dade	*8,947,176*	*209*	*2.8%*	*86,519*	*0*	*0*	*(62,448)*	*N/A*	*$23.00*	*$9.34*
Total	**166,389,873**	**3,285**	**6.7%**	**4,832,699**	**1,219,669**	**251,100**	**(2,450,764)**	**$7.00**	**$10.14**	**$7.13**

*Rental rates reflect $psf/year
**High Tech inventory does not exist In this market
MF = Manufacturing OS = Office Service W/D = Warehouse/Distribution

MARKET HIGHLIGHTS

SIGNIFICANT 3Q08 NEW LEASE TRANSACTIONS				
BUILDING	SUBMARKET	TENANT	SQUARE FEET	PROPERTY TYPE
Beacon Centre Building # 5	Airport West	B. America	118,897	Warehouse/ Distribution
725 SE 9th Court	Hialeah East/ Liberty City	Innovative Stone	103,000	Warehouse/ Distribution
13260 NW 45th Avenue	Miami Dade/Opa Locka	Packers	75,204	Warehouse/ Distribution

SIGNIFICANT 3Q08 SALE TRANSACTIONS				
BUILDING	SUBMARKET	BUYER	SQUARE FEET	PURCHASE PRICE
13449 NW 42nd Avenue	Miami Dade/Opa Locka	Atlantic Hosiery & Apparel, Inc.	173,000	$6,800,000
2525 NW 82nd Avenue	Airport West	AEW Capital	116,000	$13,800,000
3550 NW 112th Street	Miami Dade/Opa Locka	Romar Distribution LC	62,000	$5,608,600

SIGNIFICANT 3Q08 CONSTRUCTION COMPLETIONS				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Lincoln Logistics Park # 100	Medley	Speculative	163,100	8/08

SIGNIFICANT PROJECTS UNDER CONSTRUCTION				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Lincoln Logistics Park #200	Medley	Speculative	342,750	12/08
Beacon Lakes - Building # 12	Airport West	Speculative	189,740	3/09
Flagler Station - Building # 23	Medley	Speculative	179,832	7/09
Flagler Station - Buildg # 30	Medley	Speculative	171,730	6/09

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MARKETBEAT

BROWARD COUNTY INDUSTRIAL REPORT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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3Q08

ECONOMY

Broward's economy is still in the midst of major market corrections due in large part to the steep decline in the housing market as well as the slowdown in capital markets. As a result, unemployment rose to 5.8% in South Florida according to the U.S. Bureau of Labor Statistics.

Broward's economy is fueled by the financial markets and the tourism industry and as a result, is impacted by the national economic slowdown. Ft. Lauderdale was the capital of sub-prime mortgage origination in Florida according to *Moody's | Economy.com*. The credit crunch has significantly diminished the amount of financing that is available to businesses and consumers alike which is restraining the amount of growth in the market.

OVERVIEW

Inventory increased as 1.8 million square feet (msf) of new construction was completed year-to-date. The new construction deliveries were highlighted by ProLogis Park in Pompano which totaled 245,076 square feet (sf). This completion impacted the overall vacancy rate in Pompano Beach increasing by 1.1 percentage point from the second quarter 2008 to 7.9% currently.

Rental Rates fluctuated throughout Broward County as pricing gaps narrowed between landlords' quoted rental rate and the price tenants will pay. More concessions were offered by landlords that are eager to tie up tenants to keep their buildings occupied. Real estate fundamentals like location are driving Broward's industrial market. Tenants now looking for warehouse/distribution space are heavily weighing the costs of fuel and location. As a result, there is increased demand for strategic locations that can provide efficiencies to the supply and logistics distribution equation. The rise in fuel costs is causing some tenants to locate near trading hubs to lower operating costs. Central Broward reported the lowest vacancy rate in the county at 5.0% with rental rates for warehouse/distribution space at $7.05 per square foot (psf) well below the county's average of $8.18 psf.

Sales Activity continued to suffer as the downward pressure of the financial markets has continued to limit businesses' ability to find adequate financing to close on acquisitions. User and investor sales totaled 505,517 sf, less than half the volume reported second quarter. Commercial Printers purchased 75,000 sf for $5.5 million in Central Broward, the largest transactions completed during third quarter. In addition, Associated Aircraft Manufacturing & Sales bought 52,460 sf for $4.7 million. Year-to-date sales totaled 2.3 msf, down 28.1% compared to twelve months ago. Only heavily financed institutions have the elasticity and capital necessary to sign deals in the current market.

FORECAST

The Broward industrial market will continue to experience adjustments in rentals rates as landlords re-price their facilities to match current supply and demand. The housing and capital markets downturn may push user/owners into sale-leasebacks to monetize their real estate holdings and free up additional capital. Leasing activity may increase as tenants that were looking to purchase real estate twelve months ago are now renting due to the credit crunch. Landlords are focused on preserving value and therefore may lower rental rates and increase concessions to retain and attract new tenants.

BEAT ON THE STREET

"The Broward County industrial leasing market has been slow with many tenants renewing in their existing space at less than their previous leasing rate. Most leases on new spaces have been signed with tenants relocating to the area. Building and land sales are off from last year's level with fear of market uncertainty and lack of financing and demand causing values to fall to 2003 levels."

-Christopher J. Metzger, SIOR
Executive Director, Industrial Brokerage

ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.1%	3.4%	4.7%
Employment Growth	2.1%	0.5%	-0.7%

Source: Moody's | Ecconomy.com

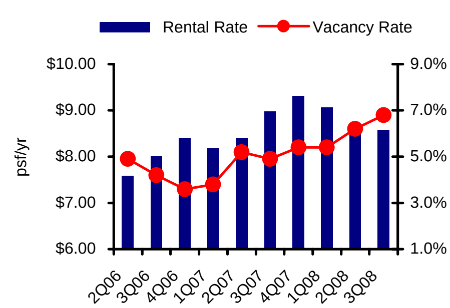
MARKET FORECAST

LEASING ACTIVITY is forecasted to increase over the next year.

DIRECT ABSORPTION is expected to remain stable through most of 2008, potentially increasing by year-end.

CONSTRUCTION: Rising overall construction costs and the current supply of available space may limit the amount of projects that break ground in 2008.

OVERALL VACANCY VS. RENTAL RATES



MARKETBEAT

BROWARD COUNTY INDUSTRIAL REPORT 3Q08

MARKET/SUBMARKET STATISTICS

MARKET/SUBMARKET	INVENTORY	NO. OF BLDGS.	OVERALL VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD OVERALL ABSORPTION	DIRECT WEIGHTED AVERAGE NET RENTAL RATE* HT	MF	OS	W/D
Ft. Lauderdale - Central	7,924,852	195	5.9%	237,230	0	0	(139,510)	N/A	$7.18	$12.43	$8.12
Ft. Lauderdale - East/Central	9,812,262	428	4.1%	264,269	0	0	(54,735)	N/A	$3.98	$8.58	$6.10
Ft. Lauderdale - Airport/Dania	6,404,159	179	5.4%	99,741	180,000	0	(65,349)	N/A	$11.13	$11.74	$6.81
Central Broward Total	*24,141,273*	*802*	*5.0%*	*601,240*	*180,000*	*0*	*(259,594)*	N/A	*$7.34*	*$10.88*	*$7.05*
Pompano Beach	24,477,472	670	7.9%	578,300	405,760	474,037	(574,451)	N/A	$8.25	$8.11	$8.25
Deerfield Beach	8,397,519	163	8.6%	179,583	0	293,000	(212,970)	N/A	$8.16	$10.24	$7.52
Coral Springs/Margate	5,121,486	126	4.3%	80,627	936,316	0	(139,089)	N/A	N/A	$10.35	$8.65
North Broward Total	*37,996,477*	*959*	*7.6%*	*838,510*	*1,342,076*	*767,037*	*(926,510)*	N/A	*$8.20*	*$9.62*	*$8.19*
Plantation/Sunrise	9,299,476	162	5.4%	105,243	85,988	35,000	(140,972)	$12.95	$10.00	$8.35	$10.45
Davie/Pembroke Pines/Miramar	13,830,217	198	8.0%	710,913	0	424,777	295,353	N/A	N/A	$10.67	$7.77
Southwest Broward Total	*23,129,693*	*360*	*7.0%*	*816,156*	*85,988*	*459,777*	*154,381*	*$12.95*	*$10.00*	*$9.87*	*$8.51*
Hollywood/Hallandale	9,695,421	187	7.6%	243,016	0	527,291	226,583	N/A	$10.39	N/A	$8.83
Southeast Broward Total	*9,695,421*	*187*	*7.6%*	*243,016*	*0*	*527,291*	*226,583*	N/A	*$10.39*	N/A	*$8.83*
TOTAL	94,962,864	2,308	6.8%	2,498,922	1,608,064	1,754,105	(805,140)	$12.95	$8.28	$10.09	$8.18

*Rental rates reflect $psf/year

HT = High Tech MF = Manufacturing OS = Office Service W/D = Warehouse/Distribution

MARKET HIGHLIGHTS

SIGNIFICANT 3Q08 NEW LEASE TRANSACTIONS				
BUILDING	SUBMARKET	TENANT	SQUARE FEET	PROPERTY TYPE
9850 Premier Parkway	Davie/Pembroke Pines/Miramar	Stanley Works	150,000	Warehouse/Distribution
6001 Powerline Road	Fort Lauderdale - Central	Brandon Home Furniture	66,000	Warehouse/Distribution
15351 SW 29th Street	Davie/Pembroke Pines/Miramar	ZF Marine LLC	62,552	Warehouse/Distribution

SIGNIFICANT 3Q08 SALE TRANSACTIONS				
BUILDING	SUBMARKET	BUYER	SQUARE FEET	PURCHASE PRICE
6600 NW 15th Avenue	Fort Lauderdale - Central	Commercial Printers	75,000	$5,500,000
1405 SW 8th Street	Pompano Beach	GFTF LLC	55,100	$3,500,000
2735 NW 63rd Court	Fort Lauderdale - Central	Associated Aircraft Manufacturing	52,460	$4,700,000

SIGNIFICANT 3Q08 CONSTRUCTION COMPLETIONS				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
ProLogis Park Bldg # 2900, 3000, 3200	Pompano Beach	Speculative	245,076	9/08
740 & 750 South Powerline Road	Deerfield Beach	Speculative	245,000	8/08
1201 Shotgun Road Building # 1	Plantation/ Sunrise	Speculative	35,000	9/08

SIGNIFICANT PROJECTS UNDER CONSTRUCTION				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
ProLogis Park Sawgrass I	Coral Springs/Margate	Speculative	605,504	12/08
ProLogis Park Sawgrass II	Coral Springs/Margate	Speculative	330,812	6/09
Broward International Commerce Center	Aiprort/ Dania	Speculative	180,000	11/08

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MARKETBEAT

PALM BEACH COUNTY INDUSTRIAL REPORT

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3Q08

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

ECONOMY

Palm Beach, like the rest of South Florida, is suffering from the excess weight of a frail housing market and teetering capital markets which has elevated unemployment to 5.8% according to the U.S. Bureau of Labor Statistics. The local economy works in procyclical industries such as construction and manufacturing but also boasts a noncyclical market in regards to healthcare and education which are performing well and differentiate Palm Beach from the rest of South Florida. The biotech industry has taken flight and the region is quickly being recognized as a biotech thoroughfare with the arrival of companies like Scripps and Germany-based Max Planck. Max Planck announced plans to occupy 100,000 square feet (sf) of space in Scripps FAU campus in Jupiter which will create 180 new jobs.

OVERVIEW

Inventory The region is well-positioned to support more industrial product. This quarter 199,213 sf was delivered totaling 508,305 sf year-to-date with another 810,302 sf currently under construction. New construction was highlighted by the 153,000-sf Southern Mills Business Park Building I completion in West Palm Beach. West Palm Beach and Boca Raton continued to demand new quality space with vacancy rates of 4.0% and 3.1%, respectively. These submarkets out-perform other areas as a result of their strategic location near major trading hubs which lowers a company's transportation costs.

Rental rates New product kept rental rates higher than the rest of South Florida. Palm Beach averaged $8.31 per square foot (psf) for warehouse/distribution space compared to the averages in Broward and Miami at $8.18 psf and $7.13 psf, respectively. Rental rates in West Palm Beach for warehouse/distribution space have stabilized around $7.92 psf. However, the cost of raw land is least expensive in Palm Beach.

Leasing activity totaled 640,661 sf year-to-date, down 30.3% from transactions recorded last year at this time. Construction and manufacturing firms were dormant. Palm Beach is still in the unique position of redefining itself as a biotech thoroughfare with the announcement of Max Planck and Scripps. These companies will synergize and draw other international companies to the region, resulting in more demand for industrial space in Palm Beach.

Sales Activity fell due to the credit crunch; the well capitalized and liquid investors that are not as reliant on the credit markets are still investing. Sales transactions dropped 35.5% from a year ago. Year-to-date totaled 834,320 sf of space sold compared to twelve months ago of 1.3 million square feet sold. The highlight of the sales activity this quarter was the 326,374-sf sale of the FAU campus to HDG Mansur Capital Group LLC in Boca Raton for $100 million. As the only university related Research Park in South Florida, the FAU campus is home to 28 High-tech, high-wage companies and operates the only technology incubator in South Florida. The lack of liquidity in the financial markets has hindered the ability of the commercial markets to buy and sell industrial properties.

FORECAST

Investor's interest has reached historic highs. There is a lack of institutional quality vacant space in the Palm Beach industrial market. In addition, sale-leasebacks will increase as cash strapped businesses look to free up capital needed to operate their businesses. With the presence of world renowned biotech firms, other industry-related companies will gravitate and grow in this region as Palm Beach is slated to become a life sciences hub.

BEAT ON THE STREET

"Given the current credit market most companies are satisfying their real estate needs through leasing. We expect this trend to continue through most of 2009."

-Christopher Thomson,

Associate Director, Industrial Brokerage

ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.6%	4.1%	5.7%
Employment Growth	2.2%	-0.2%	-0.6%

Source: Moody's | Ecconomy.com

MARKET FORECAST

LEASING ACTIVITY is down compared to this time last year but tenant demand is forecasted to increase next year as market fundamentals improve.

DIRECT ABSORPTION is expected to remain stable through the end of 2008.

CONSTRUCTION: Due to low vacancy, the demand for new bulk warehouse/ distribution product is healthy. However, rising construction costs will limit the amount of new product breaking ground.

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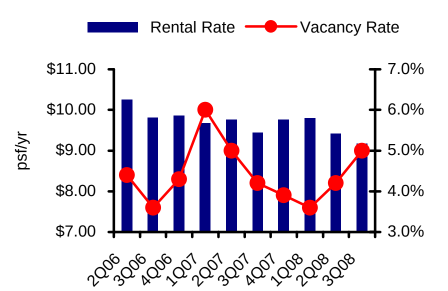

MARKETBEAT PALM BEACH COUNTY INDUSTRIAL REPORT 3Q08

MARKET/SUBMARKET STATISTICS

MARKET/SUBMARKET	INVENTORY	NO. OF BLDGS.	OVERALL VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD OVERALL ABSORPTION	DIRECT WEIGHTED AVERAGE NET RENTAL RATE* HT	MF	OS	W/D
Boca Raton	8,507,938	195	3.1%	181,295	0	0	(115,161)	$14.57	N/A	$13.64	$9.75
Jupiter	1,633,175	41	12.7%	50,000	364,000	175,500	44,265	N/A	N/A	$9.56	N/A
Delray Beach	2,808,074	76	7.4%	6,208	0	0	(32,569)	N/A	N/A	$10.56	$9.45
Boynton Beach	3,904,788	89	5.2%	116,250	0	0	(46,595)	N/A	N/A	N/A	$7.84
Lake Worth	1,983,631	73	6.9%	47,708	0	0	(5,472)	N/A	N/A	$8.33	$10.29
West Palm Beach	17,395,423	395	4.0%	157,591	416,302	269,592	(12,091)	N/A	$4.29	$11.32	$7.92
Riviera Beach	9,004,433	235	6.1%	81,609	30,000	63,213	(85,502)	N/A	$6.57	$9.00	$7.96
TOTAL	45,237,462	1,104	5.0%	640,661	810,302	508,305	(253,125)	$14.57	$5.73	$10.55	$8.31

*Rental rates reflect $psf/year
HT = High Tech MF = Manufacturing OS = Office Service W/D = Warehouse/Distribution

MARKET HIGHLIGHTS

SIGNIFICANT 3Q08 LEASE TRANSACTIONS				
BUILDING	SUBMARKET	TENANT	SQUARE FEET	PROPERTY TYPE
645 Park of Commerce Way	Boca Raton	Volvo Aero Services Corp.	113,191	Warehouse Distribution
1900 Corporate Drive	Boynton Beach	Quantachrome Corp.	45,005	Warehouse Distribution
940 West 13th Street	Riviera Beach	Mosler Auto Care	18,000	Warehouse Distribution

SIGNIFICANT 3Q08 SALE TRANSACTIONS				
BUILDING	SUBMARKET	BUYER	SQUARE FEET	PURCHASE PRICE
FAU Research Campus	Boca Raton	HDG Mansur Capital Group LLC	326,374	$100,000,000
3010 South Congress Avenue	Boynton Beach	C Storage Partners Of Boynton LLC	91,000	$5,645,600
201 SE Coast Street	Lake Worth	Gold Coast Beverage Distributors	88,384	$6,000,000

SIGNIFICANT 3Q08 CONSTRUCTION COMPLETIONS				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Southern Mills Business Park Building I	West Palm Beach	Speculative	153,000	9/08
1301 Lewis Terminals Distribution Center	Riviera Beach	Speculative	46,942	7/08
1290 West 13th Court	Riviera Beach	Speculative	16,271	7/08

SIGNIFICANT PROJECTS UNDER CONSTRUCTION				
BUILDING	SUBMARKET	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
Scripps Research Institute FAU Campus	Jupiter	Scripps Research Institute	364,000	4/09
Pike Road & Southern Boulevard	West Palm Beach	Speculative	96,000	12/08
Premier Park of Commerce	West Palm Beach	Speculative	95,000	12/08
930 & 940 South Congress Aevenue	West Palm Beach	Speculative	67,410	2/09
Premier Park of Commerce	West Palm Beach	Speculative	55,000	12/08

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*Market terms & definitions based on BOMA and NAIOP standards.