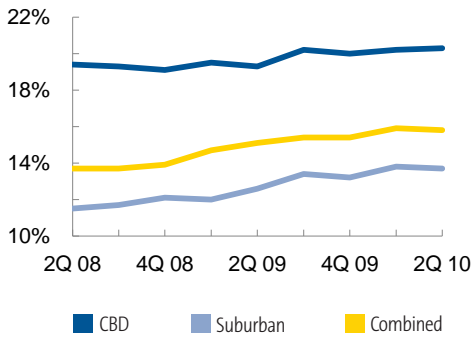


Vacancy Rate



Steady As She Goes

The St. Louis office market showed little change during the second quarter of 2010. Year-to-date, vacancy rates have increased slightly with the overall vacancy rate in the CBD at 20.3 percent and the suburban market at a comfortable 13.7 percent. Companies are still being cautious about their leasing needs and are content with short-term renewals (less than 3 years).

Downtown has received the most attention of any submarket, with the Dillards sky-bridge finally coming down and the announcement of the rehab of the former One City Centre (now called 600 Washington). The new owners, SCR Investments, plan to invest \$60 million to renovate the building, including the creation of a new lobby which will front Washington Avenue. New tenants to occupy the building include Lewis Rice and Larson Allen.

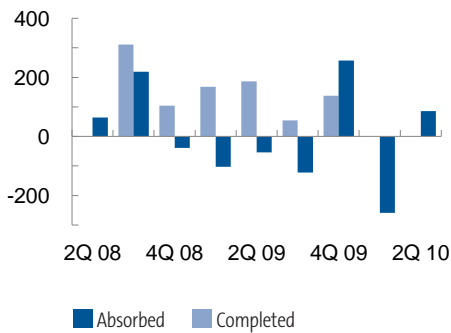
Metropolitan Square has been active with new leases with the law firms of Brown & Croppen, Littler Mendelson, and the engineering firm, HNTB. One of the building's largest firms, Armstrong Teasdale, has moved from the building to the new Centene Plaza in Clayton.

Data centers continue to be an important growth industry. Construction began on June 21st to further enhance the power capabilities at the 210 North Tucker data center property with the addition of more than 16 megawatts of new electrical power. This effectively quadruples the power available to the facility. Other enhancements include new datacenter floor space, an expanded generator & cooling plant, the enhancement of the common areas of the property and the addition of new datacenter space, expanding to more than 60,000 square feet over the next few years.

This is a very challenging time for most landlords as many cannot find financing for tenant improvements and there is still downward pressure on rental rates. It is now common to see landlords giving up long periods of free rent if the tenant agrees to pay for tenant improvements. The banks are getting pressure from the Fed to reduce their real estate loans and simply will not renew property loans. This leaves landlords in a very difficult position which could result in foreclosures. Tenants are taking advantage of these issues facing the landlords by renewing early with favorable terms.

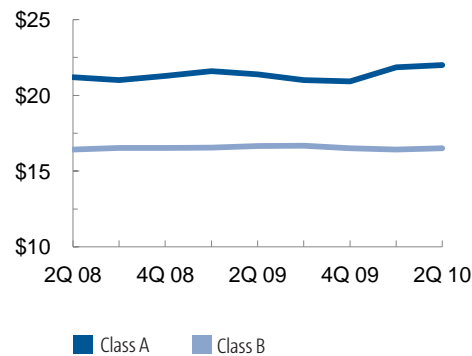
Completions vs. Absorption

(in Thousands of SF)



Asking Rental Rates

(\$/SF/Yr. Full Service)



KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
■ Kohn, Shands, Elbert, Gianoulakis and Giljum LLP	MEPT/New Tower Trust Co.	1 N. Brentwood Blvd.	11,938

■ Leasing ■ Sales (R) = Renewal (S) = Sublease * Indicates Transaction Represented by Grubb & Ellis

Office Trends Report—Second Quarter 2010

St. Louis, MO



By Submarket	Total SF	Vacant SF	Vacant %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current Qtr	Year To Date		Class A	Class B
CBD	14,808,672	3,007,448	20.3%	26,114	(10,607)	300,000	\$18.74	\$14.67
St Louis City	3,499,663	615,291	17.6%	14,425	21,653	-	\$23.64	\$11.02
City Total	18,308,335	3,622,739	19.8%	40,539	11,046	300,000	\$18.76	\$13.60
Chesterfield/Hwy-40	5,283,085	677,933	12.8%	(67,208)	(88,213)	-	\$23.25	\$20.27
Clayton	6,592,845	718,906	10.9%	(19,035)	2,442	485,250	\$26.52	\$21.55
Creve Coeur	5,243,118	800,377	15.3%	57,206	(6,181)	-	\$26.69	\$17.77
Des Peres	2,321,731	192,232	8.3%	7,822	267	-	\$23.16	\$19.16
Earth City/Riverport	2,614,358	617,278	23.6%	(14,316)	(179,275)	-	\$20.71	\$19.17
Kirkwood/Maplewood/U City	1,247,376	116,920	9.4%	4,074	(1,384)	-	-	\$23.04
Manchester/Ellisville/Wildwood	372,745	15,607	4.2%	1,166	8,808	-	-	\$17.22
North County/Bridgeton/Airport	1,820,083	312,256	17.2%	408	6,058	-	\$19.00	\$15.09
South County	2,192,982	448,354	20.4%	(16,185)	(34,880)	-	\$22.47	\$19.40
Southwestern Illinois	1,958,875	244,937	12.5%	18,419	3,638	-	\$22.74	\$16.35
St Charles County	2,032,415	238,143	11.7%	67,623	161,550	-	\$20.96	\$18.09
Westport	2,961,585	346,709	11.7%	5,676	(56,435)	-	\$22.01	\$17.56
Suburban Total	34,641,198	4,729,652	13.7%	45,650	(183,605)	485,250	\$23.67	\$18.65
Totals	52,949,533	8,352,391	15.8%	86,189	(172,559)	785,250	\$22.00	\$16.50

By Class	Total SF	Vacant SF	Vacant %	Current Qtr	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
							City	Suburban
Class A	25,065,509	3,257,114	13.0%	13,717	(12,780)	785,250	58,637	748,253
Class B	19,030,208	3,697,959	19.4%	87,865	(148,113)	-	57,391	135,228
Class C	8,853,816	1,397,318	15.8%	(15,393)	(11,666)	-	7,000	5,970
Totals	52,949,533	8,352,391	15.8%	86,189	(172,559)	785,250	123,028	889,451

Grubb & Ellis|Gundaker Commercial Real Estate Advisors

David A. Morris, CCIM SIOR
Senior Vice President
314.719.2050
dmorris@gundakercommercial.com

Robert Busch, Esq., CCIM
Vice President
314.719.2052
rbusch@gundakercommercial.com

Andrew T. Bagy
Senior Advisor
314.719.2041
abagy@gundakercommercial.com

Rebekah Bahn, Esq., CCIM
Vice President
314.719.2034
rbahn@gundakercommercial.com

Meg Mannion
Vice President
314.719.2049
mmannion@gundakercommercial.com

OFFICE TERMS AND DEFINITIONS

Total SF: Office inventory includes all multi-tenant and single tenant buildings at least 20,000 square feet. Owner-occupied, government and medical buildings are not included.

Office Building Classifications: Grubb & Ellis adheres to the BOMA guidelines. Class A properties are the most prestigious buildings competing for premier office users with rents above average for the area. Class B properties compete for a wide range of users with rents in the average range for the area. Class C buildings compete for tenants requiring functional space at rents below the area average.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Office rents are reported full service where all costs of operation are paid for by the landlord up to a base year or expense stop. The asking rent for each building in the market is weighted by the amount of available space in the building.

* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.