

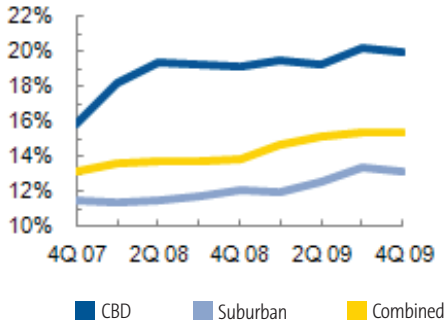
Office Trends Report—Fourth Quarter 2009

St. Louis, MO



Vacancy Rate

Quarterly



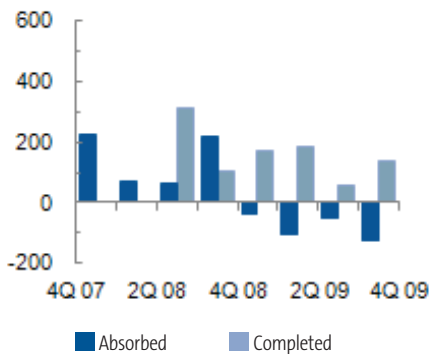
Market Has Not Yet Bottomed Out

Vacancy rates for the St. Louis region will continue to climb in the first half of 2010 but will begin to level out towards the end of the year. At the start of 2009, the overall vacancy rate for the St. Louis office market was 14.7 percent and by year-end, it climbed to 15.4 percent. The average asking rate for Class A space during the same period decreased from \$21.61 per square foot to \$20.92 per square foot at year-end. There was negative net absorption of 19,137 square feet in 2009.

The largest office project in the region is the 17-story, 485,000-square-foot Centene Plaza in Clayton, which will be completed in mid-2010. The building has a portion pre-leased to Centene Corporation and the law firm, Armstrong Teasdale, who will both take occupancy when the building is completed. Stinson Morrison Hecker is in negotiations for a large block of space as well.

Completions vs. Absorption

Quarterly (in Thousands of SF)



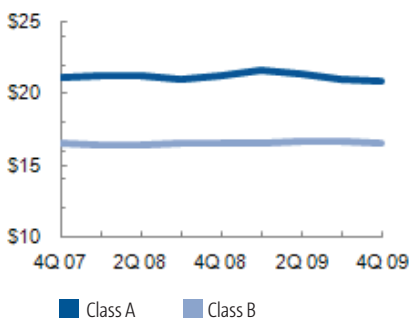
In the current real estate cycle, office tenants are (or should be) taking advantage of the soft market condition. It is a perfect window to renegotiate current leases while rental terms are favorable consistent with current conditions (“Blend and Extend”) or to move up into higher quality office space without necessarily paying more (“Flight to Quality”).

FORECAST

- The office market will continue to be a tenant’s market for most of 2010
- No new office construction will occur until absorption improves and vacancies decline, which is not expected until 2011

Asking Rental Rates

Quarterly (\$/SF/Yr. Full Service)



KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)
Monsanto	Duke Realty	2287 Ball Dr.	116,000
Polsinelli Shugart	Colliers Turley Martin Tucker	100 S. 4th St.	42,727
BKD Accounting	Jones Lang LaSalle	211 N. Broadway	28,230

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

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By Submarket	Total SF	Vacant SF	VACANCY %		NET ABSORPTION		Under Construction SF	ASKING RENT	
			Direct	Total	Current	Year To Date		Class A	Class B
CBD	14,738,308	2,949,115	19.2%	20.0%	22,429	(128,500)	-	\$18.28	\$14.75
St Louis City	3,549,763	636,944	17.9%	17.9%	12,343	1,300	-	\$22.15	\$10.92
City Total	18,288,071	3,586,059	19.0%	19.6%	34,772	(127,200)	-	\$18.31	\$13.47
Chesterfield/Hwy-40	5,283,085	589,720	10.2%	11.2%	(33,549)	(68,043)	-	\$22.95	\$20.36
Clayton	6,625,845	721,348	10.3%	10.9%	29,946	105,631	509,125	\$26.70	\$21.49
Creve Coeur	5,240,323	779,267	14.7%	14.9%	31,354	28,151	-	\$24.16	\$17.64
Des Peres	2,321,731	184,295	7.9%	7.9%	(39,337)	(32,033)	-	\$22.68	\$19.92
Earth City/Riverport	2,827,175	451,576	14.5%	16.0%	17,776	(6,239)	-	\$17.77	\$19.17
Kirkwood/Maplewood/U City	1,247,376	115,536	8.9%	9.3%	15,287	(12,018)	-	-	\$23.33
Manchester/Ellisville/Wildwood	372,745	24,415	6.6%	6.6%	(3,271)	3,948	-	-	\$18.36
North County/Bridgeton/Airport	1,785,870	405,876	22.2%	22.7%	46,028	60,798	-	\$19.00	\$13.93
South County	2,238,108	413,474	10.1%	18.5%	(735)	(150,806)	-	\$21.52	\$19.88
Southwestern Illinois	1,958,875	248,575	12.4%	12.7%	7,473	(9,498)	-	\$23.99	\$16.44
St Charles County	2,032,415	373,377	16.3%	18.4%	23,800	51,234	-	\$21.67	\$18.03
Westport	3,001,879	290,274	9.7%	9.7%	126,910	136,938	-	\$21.88	\$17.17
Suburban Total	34,935,427	4,597,733	12.0%	13.2%	221,682	108,063	509,125	\$22.48	\$18.46
Totals	53,223,498	8,183,792	14.4%	15.4%	256,454	(19,137)	509,125	\$20.92	\$16.51

AVAILABLE FOR SUBLEASE

	Total SF	Vacant SF	Direct	Total	Current	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
								CBD	Suburban
Class A	25,623,926	3,370,398	11.9%	13.2%	192,711	103,513	-	85,961	697,443
Class B	18,545,313	3,436,851	17.5%	18.5%	98,906	(48,982)	509,125	82,797	140,397
Class C	9,054,259	1,376,543	15.1%	15.2%	(35,163)	(73,668)	-	7,000	5,970
Totals	53,223,498	8,183,792	14.4%	15.4%	256,454	(19,137)	509,125	175,758	843,810

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OFFICE TERMS AND DEFINITIONS

Inventory: 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.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

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.