The Lee Office Brief

Q3 2014

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increase
in transaction volume over 5 years

$7.9 billion
transaction volume
2013

778
agents
and growing nationwide

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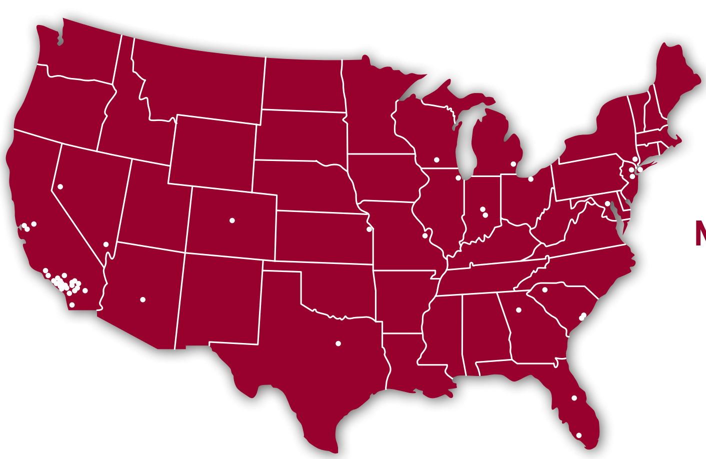


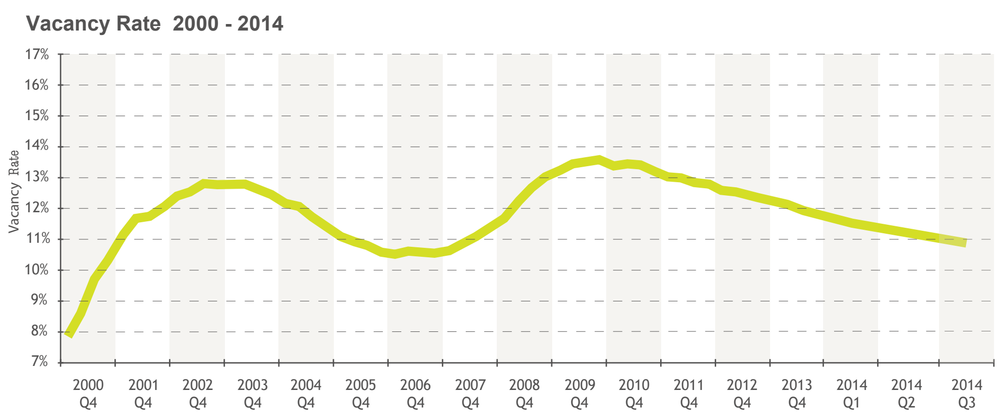
NATIONWIDE LOCATIONS

Denver, CO   Long Island-Queens, NY   Chesapeake Region , MD   Charleston, SC   Edison, NJ   Orlando, FL   Fort Myers, FL   Kansas City, KS   Manhattan, NY   Greenville, SC   Atlanta, GA   Greenwood, IN   Indianapolis, IN   Long Beach, CA   Little Falls, NJ   Boise, ID   Palm Desert, CA   Santa Barbara, CA   Antelope Valley, CA   Dallas, TX   Madison, WI   Oakland, CA   Reno, NV   San Diego, CA   Ventura, CA   San Luis Obispo, CA   Southfield, MI   Santa Maria, CA   Calabasas, CA   St. Louis, MO   Chicago, IL   Victorville, CA   Temecula Valley, CA   Central LA, CA   Sherman Oaks, CA   West LA, CA   Pleasanton, CA   Stockton, CA   Las Vegas, NV   Phoenix, AZ   Carlsbad, CA   Industry, CA   Los Angeles, CA   Riverside, CA   Ontario, CA   Newport Beach, CA   Orange, CA   Irvine, CA

STEADY AS SHE GOES

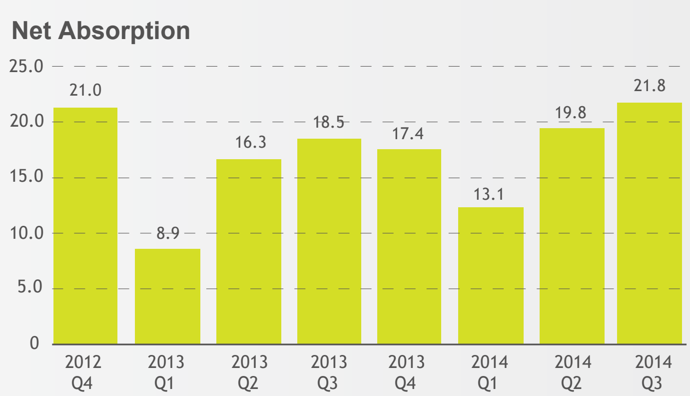
The US office property market has come a long way since it bottomed out in 2010. Led by markets fueled by booms in the energy and technology sectors in the Southwest and West, the market recovery is now broader based and picking up steam. Net absorption for the quarter totaled 27,555,343 square feet, marking the ninth straight quarter of positive growth. Vacancy moved down again as a result. At the end of Q3, just 11.2% of nation's base of 10.5 billion square feet sat vacant. New deliveries have lagged behind increasing demand, so vacancy is likely to continue its decline across the nation for the foreseeable future. However, the dwindling supply of big blocks of space has developers anxious to bring on new supply they can lease to strong credit tenants willing to commit to long-term contracts.

Until recently, energy markets in Texas and tech markets in California were accounting for a disproportionate share of the good news. That trend is changing because primary and secondary markets throughout the country are posting better job growth numbers as confidence in a sustainable economic expansion grows. Gains in professional and business services, health services along with tech and energy jobs, have helped drive the unemployment rate down to 5.9%, the lowest mark since the middle of 2008. In Q3, monthly job growth ranged from 226,000 to 308,000.

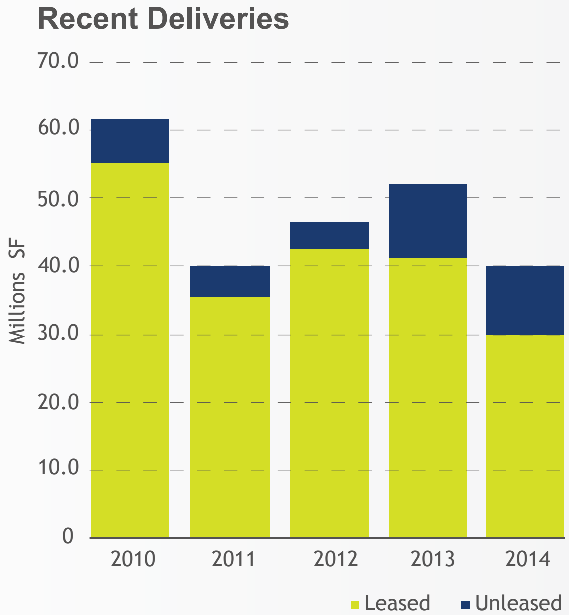


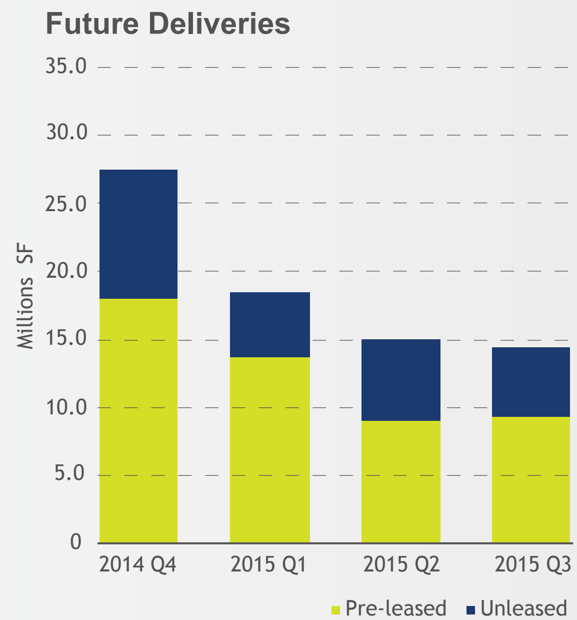
The improving market metrics have investors making aggressive bids to acquire quality office properties. Cap rates remain compressed, with quality projects trading in the 5% range in the hottest markets. Even markets hardest hit by the last recession are garnering significant activity, as investors are increasingly optimistic about rent growth due to strong demand coupled with limited development of new product. Competitive bidding on institutional quality assets is the norm again, and distressed asset sales are in decline.

GDP growth is also on the rise. Q2 GDP expansion came in at a revised 4.6% after a brutal winter contributed to a disappointing -2.1% in Q1. Preliminary estimates of Q3 growth are coming in the 3% range, further evidence of the business sector's willingness to take on additional risk. This is tempered by disappointing wage growth numbers, as a significant chunk of the new jobs being created are lower-skilled and lower-paying, and many of those are offered on a part time basis. It's the good jobs that drive net absorption. So, even though the economic recovery is broad-based, look for energy and tech heavy markets to continue posting the best numbers over the next several quarters.



Another cause for caution is the potential ramifications of the end of Quantitative Easing, the US Federal Reserve's unprecedented bond-buying program that added approximately $5 trillion to the central bank's balance sheet over the last five years. Concerns over QE's potential impact on bond yields and inflation have the attention of C suite occupiers across the board. Long-term rates for real estate financing will likely rise in response, as most of those loans are indexed to the yield on 10 year US Treasuries. With rising interest rates, comes higher yields on other investments, which could precipitate a pullback in the equities markets, as yield-chasing investors, invested heavily in equities, rebalance portfolios with moves to other asset classes. That could be good news for real estate, as it tends to be less volatile and a good hedge against inflation.

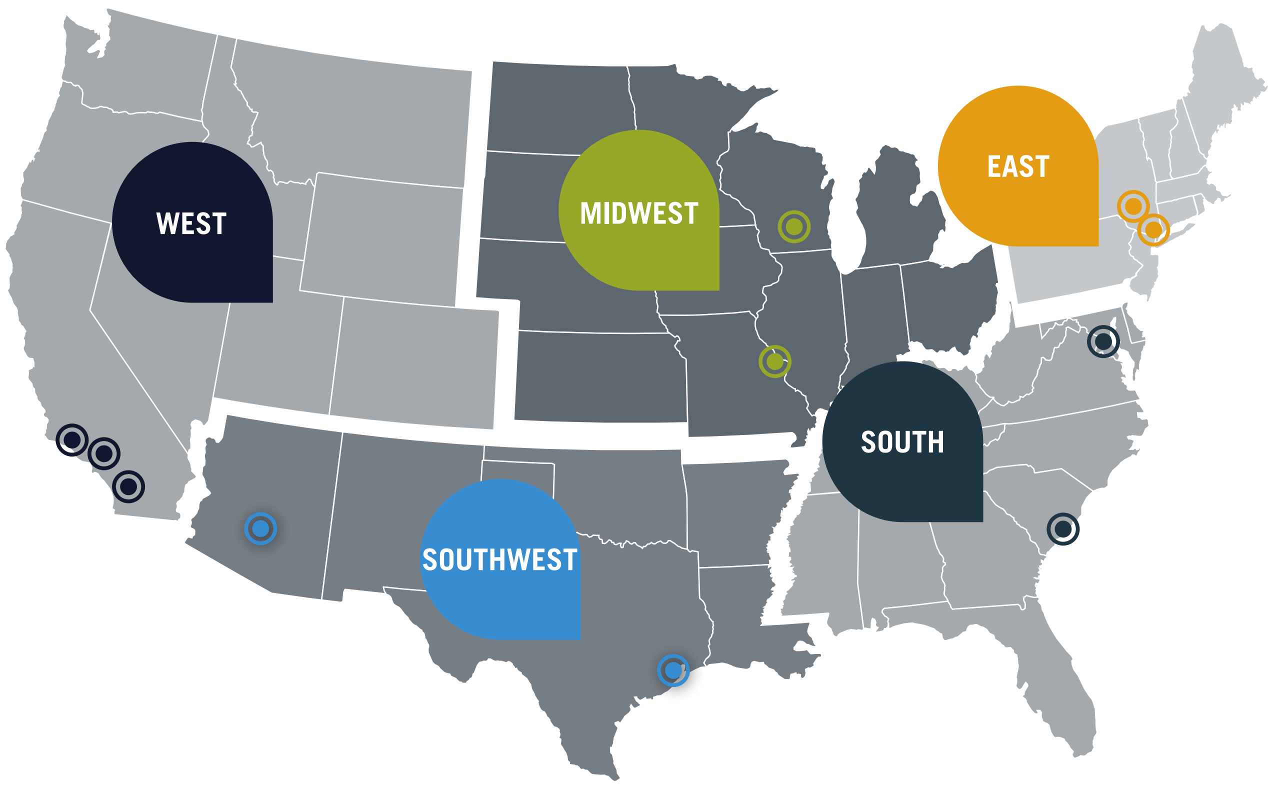




While it is impossible to predict the actual outcome, it is safe to say that the weaning of the economy off Fed stimulus programs will impact decision making for investors and users. As the Fed normalizes its benchmark interest rates, the rise in cost of capital will be worthy of close attention. Even a small paring of growth plans in the business sector could negatively impact the tepid recovery.

A LOOK AHEAD. The national office properties market will continue to grow over the next several quarters. Net absorption should remain in strong positive territory as the country's prospects for job growth are getting better. The tech sector, in particular, will continue to expand, adding high-paying jobs along the way. The energy sector will stay on its growth path, as well, offering engineers and construction workers more opportunities for full term work at the higher end of the income spectrum. Professional and business services, along with the healthcare industry, will also add a bigger share of the good-paying jobs. However, concerns over wage growth in lower-skilled jobs will continue to put a drag on economic growth. Federal Reserve policy, the midterm election and military conflicts around the globe will be distractions, but gains in domestic energy production will continue to be a bright spot and will hold down fears of higher energy prices generally seen when upheaval in the Middle East heats up. Something to keep an eye on is cap rate decompression and a possible reduction in business expansion due to a rise in the cost of capital resulting from a tighter Fed policy. Higher costs for development will require steady rent growth. Look for more high-end, mixed use projects in major metro areas as a result. Concerns over health care costs will be back on the front page again, as the Affordable Care Act's employer mandates are approaching, along with the enrollment window for year two of the controversial law.

Key Market Snapshots



To view a key market snapshot either click on a section of the interactive map above or on the cities below.

NORTH LA
SAN GABRIEL VALLEY
ORANGE COUNTY

HOUSTON
PHOENIX

ST. LOUIS
MADISON

NORTHERN BALTIMORE / WASHINGTON CORRIDOR
GREENVILLE

NEW YORK
NEW JERSEY

NORTH LA OVERVIEW

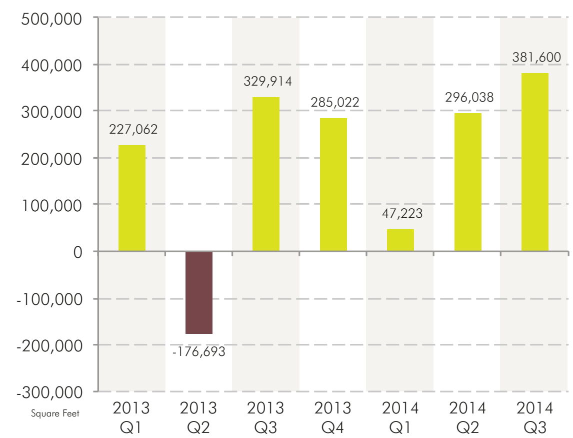
Overall, the region is registering strong improvements with vacancy rates declining to 13.8%, an improvement of 200 basis points vs. Q3 2013. Job gains in the financial services, professional services and technology sectors have pushed unemployment as low as 5% in some markets and driven healthy increases in absorption.

Net absorption overall came in at 381,600 square feet for Q3, bringing total net growth in occupied space to 724,861 square feet year to date. Average quoted rental rates, up from the previous quarter, stand at $2.25 per square foot, and demand is pushing up rates for Class A product, especially when it can be configured into open-space environments that are highly favored by today's users.

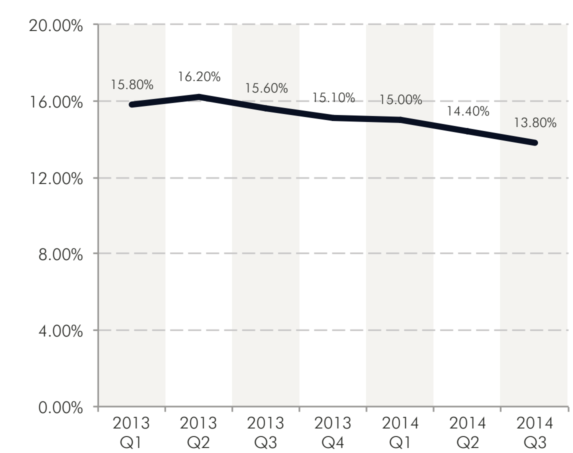
While the overall market is tightening, several shifts in the entertainment industry, which accounts for a significant portion of office space users in the East San Fernando Valley, have led to increased vacancies in a few of those submarkets. Disney's decision to vacate 470,000 square feet of space in Burbank's Media District pushed vacancy rates there to 20%, and a less-than-stellar summer box office may further impact real estate decisions by entertainment tenants going forward.

Medical office space, which has been a very active sector, is also seeing some strain due to concerns over the Affordable Care Act. Although single practitioners have become more cost conscious, we are also seeing newly expanded healthcare organizations actively leasing and buying real estate.

Net Absorption



Vacancy Rate



13.8%	$2.25	381,600	53,562,700	100,000
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION** *Santa Clarita Valley Construction Only

NORTH LA OVERVIEW (continued)

Opportunities

Tenants:

- Rental rates, still 15% under the previous peak, offers tenants a chance to upgrade.
- Landlord willingness to entertain termination options and open floor plans gives tenants more flexibility.

Buyers:

- Pricing is still below replacement cost despite recent rise in values.
- Rising rents create upside for net income growth.

Landlords:

- Improved economy has tenants expanding in place.
- Higher leasing activity is a chance to reduce concessions and increase rent escalation rates.

Sellers:

- Cap rate compression has pushed pricing up to pre-recession levels for quality assets.
- Lack of supply creating competitive bidding for quality product.

Developers:

- Multifamily development is transforming suburban submarkets into amenity-rich locations with improved transit, making office projects more feasible.
- Desire for modern buildings with open floor plans is increasing demand.

Challenges

Tenants:

- Demand for modernized spaces is driving rents for the best properties beyond pre-recession levels.
- Concessions have been reduced and there are fewer options to create competitive bidding between landlords.

Buyers:

- Smaller owner/user buildings are in high demand, but extremely short supply.
- Local investors have difficulty competing with institutional players with cash and longer term strategies.

Landlords:

- Conceding to lease termination options is diminishing asset values.
- Larger spaces vacated due to media industry consolidation could stall rent growth.

Sellers:

- Difficulty finding suitable exchange properties.
- Higher leasing risk in media-heavy submarkets could increase cap rates.

Developers:

- Lack of available land.
- Neighborhood opposition to new projects.
- Protracted and expensive entitlement process.

A LOOK AHEAD. While the recent spike in vacancy in the Burbank's Media District has hit that submarket hard, the overall picture is bright for the near term. The region will continue to outperform the City and County of Los Angeles in terms of job growth, and net absorption is all about new jobs, especially when they are the full time and higher paying jobs currently being created in professional services, finance and technology. Development activity will be nominal for the foreseeable future. The scarcity of land and the difficulties associated with getting projects underway will allow the market to absorb the bigger blocks of space that have recently come on line. Growth in lease rates will continue to rise at a tepid pace. In contrast, sales prices for owner/users will probably see double-digit gains again in 2015. A bright spot going forward could be a flurry of activity in the Warner Center area, as office developers take advantage of new density guidelines.

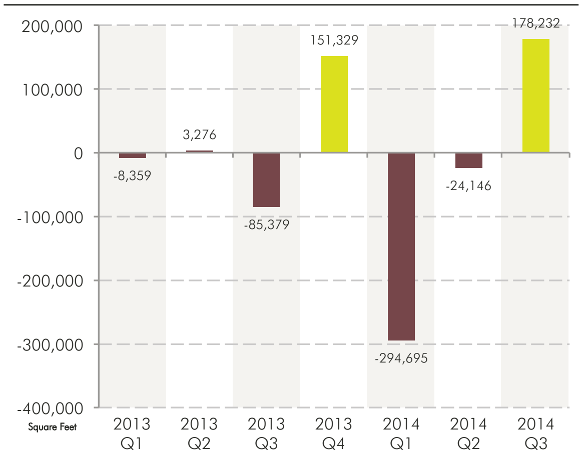
SAN GABRIEL VALLEY OVERVIEW

With employment growth up and a strong health care industry, the San Gabriel Valley (SGV) market is slowly and steadily recovering. Net absorption was positive for the quarter, with Q3 coming in at 178,232 square feet – a radical departure from both Q2 and Q1 where net absorption was negative 24,146 and 294,695, respectively. And although average rental rates were unchanged for the quarter at $2.10 per square foot on a monthly basis, vacancy fell 30 basis points in Q3 to 10.5%.

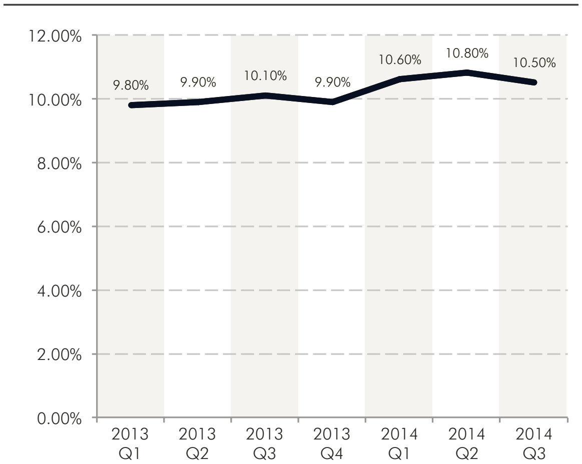
Leasing activity in the quarter has accelerated slightly because of gains in employment, with suburban lease activity concentrated in deals between 2,000 - 10,000 square feet. As in other markets around the US, there is a flight to quality, with Class A space in the West absorbing at a faster rate than in East SGV. Nagging uncertainty regarding state and federal mandates over energy and health insurance has caused many to forego growth by renewing current leases or making lateral moves to higher quality facilities. Demand for medical space from small practices has decreased and overall sales activity in Q3 also slowed as foreign investors exercised caution.

Development activity is light, with action limited to just a few projects in select submarkets. There are four buildings under construction consisting of roughly 253,000 square feet, and four more existing office buildings are being converted into condo space for sale, ideal for small users (800-2,000 SF).

Net Absorption



Vacancy Rate



10.5%	$2.10	178,232	47,214,495	0
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

SAN GABRIEL VALLEY OVERVIEW (continued)

Opportunities

Tenants:

- Affordable rental rates.
- Mature suburban market rich in amenities.

Buyers:

- Class B & C buildings are available to owner-users who can acquire with SBA financing.
- Expansion potential for health industry, which is supported by many regional hospitals.

Landlords:

- Rental rates could rise as owner/users remove speculative inventory from the base.
- Trend to more open floor plans may reduce improvement costs.

Sellers:

- Fewer newer buildings to compete with in this mature office market.
- Expanding Asian demographic is boosting foreign investor interest.

Developers:

- Mixed use development gaining favor over traditional office buildings.

Challenges

Tenants:

- Many buildings are older construciton.
- High percentage of buildings that do not meet ADA and green energy standards.

Buyers:

- Shortage of office product with enough parking and elevators.
- High cost of modernizing older buildings.

Landlords:

- Functional obsolescence in many class B & C buildings slowing lease-up times.
- Cost of need upgrading for class B & C buildings is not justified by current rental rates.

Sellers:

- Lack of desirable product to purchase for 1031 exchanges.
- Properties purchased late in the last up-cycle are still upside down.

Developers:

- Land is scarce and expensive.
- Entitlement process is lengthy and expensive.

A LOOK AHEAD. Overall gross leasing activity will remain moderate as small business owners can still secure favorable terms on available space. Investment sales activity will remain sluggish due to the lack of quality supply. However, interest from owner-users will be increased further, as low cost financing from the Small Business Administration may get more expensive when the Federal Reserve Bank increases its benchmark lending rates. Sellers of buildings suitable for owner/users will get a premium over buildings sold to third party investors due to vacancy and nominal rent growth. Net absorption will remain flat until the pace of job growth picks up. Vacancy will continue to hover around 10% well into 2015. Asking lease rates will increase by up to 3%. Construction will remain light due to lack of raw land available and the large inventory of current product. New development will likely be restricted to build-to-suit transactions, as lenders are still reluctant to finance speculative development.

ORANGE COUNTY OVERVIEW

Orange County continues to improve at a moderate and steady pace. Just 12.7% of the 110 million square-foot base* of office properties was vacant in Q3, well off the peak of 17.5% seen at the low point of the last recession. Net absorption has been consistently positive. Q3 checked in with just over 523,000 square feet to the plus side, bringing the total increase in net occupancy to 1,150,000 square feet for the year.

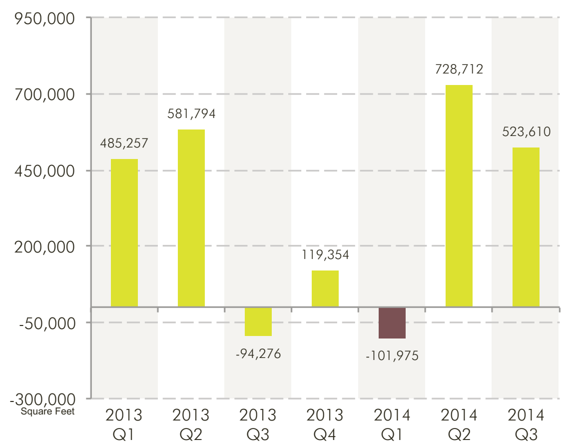
Leasing activity for the quarter hit almost 2.3 million square feet, marking a ninth straight quarter above the 2 million mark. This consistency has buoyed the confidence of landlords to keep the pressure on tenants to pay more rent and accept less in concessions. As a result the average asking rental rate came in at $24.84 by the end of the quarter, up 7% from a year ago.

The availability of larger blocks of contiguous space in quality projects is in decline. In fact, the two largest deals in the county in Q3 were lease renewals. Significant speculative development has been slow to materialize in Orange County, as the increase in rental rates is not yet on pace with the rise in land and construction costs.

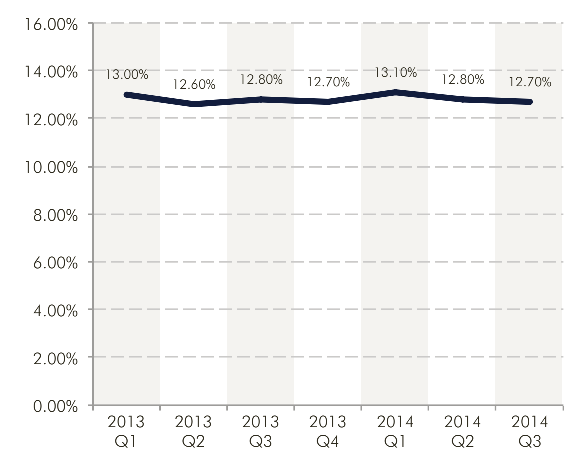
The county is approaching "infill" status, and much of the remaining land, once earmarked for office development, is being converted to multi-family residential use. This is putting further downward pressure on cap rates, as the availability of office product for sale was already extremely low. The unemployment rate dropped to just 5.4% during the third quarter, down 100 basis points from a year ago, and well under the statewide tally of 7.3%. Strong job growth in professional services, health care, education, technology and hospitality has been a catalyst for net absorption for the year, and has countered losses in financial services employment.

* buildings with a minimum of 30,000 square feet

Net Absorption



Vacancy Rate



12.7%	$24.84	523,610	110,442,740	119,551
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

ORANGE COUNTY OVERVIEW (continued)

Opportunities

Tenants:

- Rental rates are still well below the previous peak.
- Adequate supply of quality space is still available.

Buyers:

- Significant upside potential for rent growth.
- Conversion of second generation space to meet 'creative space' demand.
- Owner/user financing still under 5% at 90% of appraised value.

Landlords:

- Declining vacancy in quality projects allowing landlords to tighten up on concessions.
- Lack of new product is shortening up time on market for existing space.
- Tenants renewing early to secure long-term occupancy.

Sellers:

- Cap rates significantly compressed due to supply/demand imbalance.
- Functionally obsolete buildings can be sold to value-add investors willing to take on retrofit cost and leasing risk.

Developers:

- Build to suit opportunity for developers with entitlements in hand.
- Declining vacancy allows for the return of limited speculative development.

Challenges

Tenants:

- Prices spiking in selected submarkets like Irvine Spectrum and Newport Center.
- Limited availability of skilled labor in some sectors.

Buyers:

- Fierce competition to acquire office properties.
- Owner/user properties in extremely short supply.

Landlords:

- Demand for 'creative space' increasing the cost of tenant improvements.
- Flight to quality pushing vacancy up in older, functionally obsolete properties.

Sellers:

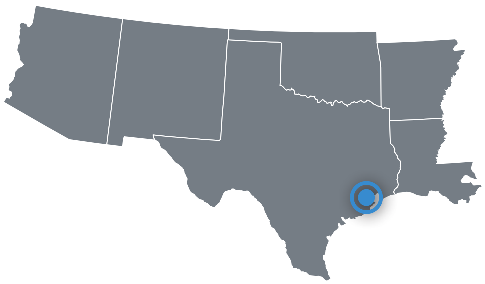
- Tax consequences of cashing out are keeping disposition plans on hold.
- Low yield on alternative investments.

Developers:

- Land is expensive and in short supply.
- Current rental rates and rent growth do not justify speculative development.

A LOOK AHEAD. The economic fundamentals of Orange County will remain favorable over the next several quarters. Job growth will outpace the state and neighboring counties. Median income will rise and consumer confidence will rise with it. Net absorption will stay on its present course until vacancy gets low enough to limit choice, as has occurred in the local industrial market. Look for rents to move up by at least 5% in the next year overall, but bigger gains can be expected in prime submarkets. Creative space, which caters to the expanding base of 'millennials' in the workforce, will replace more traditional office layouts, and those landlords willing to accommodate that trend will be the winners. The area still scores high on quality of life issues, which will help retain companies looking for top talent.

HOUSTON OVERVIEW

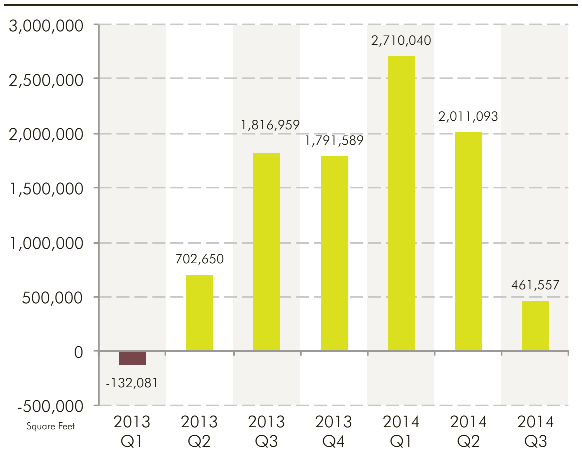


Driven by the continuing boom in energy production, the Houston office market continued its expansion in the third quarter. Net growth in occupied space is up by 5.1 million square feet for the year, with Q3 contributing just over 460,000 of that total. Net absorption is strongest in class A space for both suburban submarkets and the CBD, as expanding tenants show a preference for quality and superior location. Energy related companies dominate the roster of big movers. Exxon, Phillips 66, Shell and others are making big commitments, but the healthcare, professional services and hospitality sectors are also contributing to Houston's overall market health.

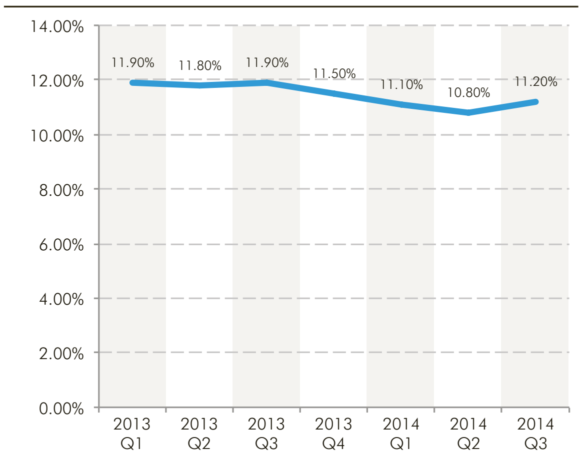
Job growth numbers lead the country, with Houston topping over 100,000 new jobs in the past year, with good prospects for continuing payroll expansion. Vacancy, year-over-year is down only slightly to 11.2% overall, despite strong leasing activity, mainly due to new deliveries year-to-date and a steady construction pipeline that now stands at over 17 million square feet. However, a closer look at the numbers shows the vacancy rate is falling faster in the CBD for both class A and class B space.

Not surprisingly, rent growth is strongest there, as well. In the third quarter alone, average asking rental rates in the CBD jumped $.87 to $38.23. Cap rates for office investment properties have also been moving down, dropping into the mid 6% from over 8% as recently as 2013. Total sales volume for the year is under 2013 levels, but that is more due to a lack of supply than demand. The largest transaction of 2014 is Heritage Plaza, a 1,277,000-square-foot project that sold for $333 per square foot.

Net Absorption



Vacancy Rate



11.2%	$27.06	461,557	278,279,122	17,610,233
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

HOUSTON OVERVIEW
(continued)

Opportunities

Tenants:

- Strong construction pipeline is increasing the choice of quality space.
- New deliveries of speculative space is moderating the rise in rents.

Buyers:

- Strong economic growth and net absorption minimizes leasing risk.
- Cap rates, while dropping are still above other prime metro markets.

Landlords:

- Owners of class A projects will see higher rent growth.
- Strong demand and lower vacancy will allow landlords to offer fewer concessions.

Sellers:

- Strong demand for quality projects will keep cap rates low.
- Boom in energy production will attract interest from investors anticipating strong rent growth.

Developers:

- Developers with entitled projects can respond quickly to build-to-suit demand from large users.
- Strong market metrics make projects easier to finance.

Challenges

Tenants:

- Fewer big blocks of existing space available will limit choice or delay expansion.
- Rents will rise as vacancy continues its decline.

Buyers:

- Increase in demand will create more competition for product.
- Rent growth for older product hampered by new product offering higher quality and more amenities.

Landlords:

- Large move-outs from older projects from major users causing localized spikes in vacancy.
- Disproportionate share of absorption is to energy related companies increases risk profile.

Sellers:

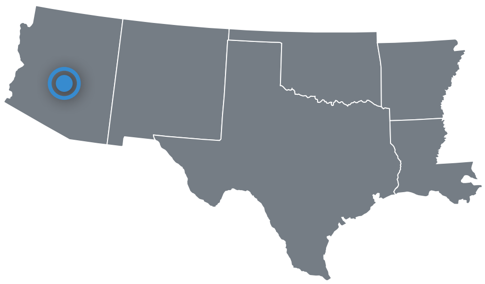
- Lack of choice and high cost of properties suitable for exchange uplegs.

Developers:

- A slowdown in energy production could increase leasing risk for speculative developments.
- Increase in construction costs.

A LOOK AHEAD. As long as the energy sector keeps booming, so will Houston. The surge in domestic energy production has been the bright spot in the US economic recovery, and the nation's increasing resolve to be energy independent should keep the current trend going for the foreseeable future. However, the recent drop in oil prices has some concerned over at least a temporary slowdown in production to reduce excess supply. Net absorption is expected to remain steady in positive territory, but we could see short-term swings in vacancy and absorption as just a few major moves can have significant impact on market metrics. Investors will continue to be attracted to the area due to its strong fundamentals and potential for rent growth.

PHOENIX OVERVIEW



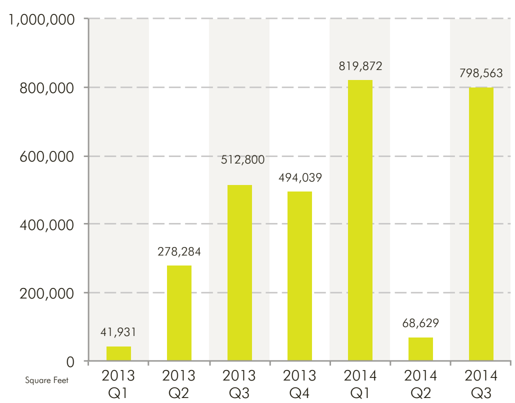
Even though summer is over, Phoenix is still heating up. Q3 was a winner for the area's office market, as strong positive absorption and new construction led the way. After a relatively quiet Q2, net occupancy grew by nearly 800,000 square feet, bringing the year-to-date total to 1,800,000.

Phoenix is on track to post its fifth straight year of positive net absorption and declining vacancy, which represents a massive turnabout in fortune for property owners and a continuing opportunity for area developers who have responded with new construction. Leading the way is State Farm's Marina Heights first phase of mid-rise towers in Tempe totaling over 1,000,000 square feet. When complete the project will double in size and become Arizona's largest office development. Other big projects in Tempe and in neighboring Chandler dominate the construction totals. In Chandler, five projects totaling 700,000 square feet, are currently underway, the largest of which will be a new home for Wells Fargo.

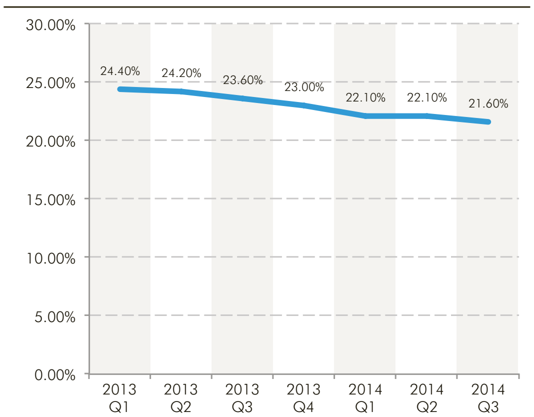
Leasing activity is strong, as well. In Q3, four deals were inked over 50,000 square feet each, the largest being Concentrix Corporation's lease of nearly 102,000 square feet at Fountainhead Office Plaza in Tempe. Big deals like this one along with steady activity throughout the Phoenix metro area, have brought vacancy down to 21.6%, down from its high of 27.1% back in 2010.

Rents are still trailing previous highs, but that offers good opportunities to area businesses anxious to expand in an improving overall economy. Unemployment is just above the national average at 6.3%, but below the statewide rate of 7%. Investors are attracted to the higher cap rates and pricing under replacement cost in a market they think has tremendous upside potential for rent and occupancy growth.

Net Absorption



Vacancy Rate



21.6%	$21.29	798,563	80,821,873	2,255,470
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**
▼	▲	▲	▲	▲

PHOENIX OVERVIEW (continued)

Opportunities

Tenants:

- Low rental rates and generous concession packages still available.
- Good choice of existing quality product.

Buyers:

- Pricing is still below replacement cost.
- Higher cap rates than other metro areas.

Landlords:

- Lower vacancy has rental rates moving up.
- Concessions are beginning to tighten in lower vacancy submarkets.

Sellers:

- Owners who bought distressed assets near the bottom could reap huge profits.
- Negative equity lessening, allowing owners to get out of unwanted assets.

Developers:

- Shortage of large blocks of space encourages additional build-to-suit activity.
- Rising rents and reasonable land costs making new projects possible.

Challenges

Tenants:

- Flight to quality over past several years leading to a shortage of quality existing space.
- Those unable to move soon will pay higher rents and receive fewer concessions.

Buyers:

- Increasing competition from local and out-of-state investors.
- Price per square foot for new owner/user projects has spiked.

Landlords:

- Operating cost increases are outpacing rent growth.
- New speculative space increasing competition for quality tenants in older projects.

Sellers:

- Owners who bought at the peak still in negative equity position.
- Quality product is difficult to identify for 1031 exchanges.

Developers:

- Increasing competition for quality sites is pushing land prices up.
- Rental rate rise may not compensate for increasing construction costs.

A LOOK AHEAD. The near future for Phoenix appears positive in most respects. The overall economy is on the mend, confidence in sustainable growth is on the rise and the bottom of a difficult cycle is in the rear view mirror. Leasing activity should remain strong for Q4 and increase at a moderate pace through 2015. Net absorption for next year should remain at current levels, which will be enough to keep development activity moving ahead. As larger blocks of space become more scarce, an increase in build-to-suit activity will help get new projects underway. Lease rates will continue to increase at an annual pace in the 3% range and concession packages will decline along with the vacancy rate. Look for vacancy to go sub 20% by the middle of next year. Sales activity will be hampered by a lack of supply, but that will keep sales prices moving up faster than lease rates.

ST. LOUIS OVERVIEW

Stemming from gains in employment, the St. Louis market is in a period of growth. Net absorption has been positive for the past two quarters, with Q3 coming in at 178,455 square feet,up dramatically from the absorption of -140,323 square feet of Q1. It was the CBD's turn for growth in Q3, accounting for all but 10,000 square feet of the gain in occupied space. However, all building classes have contributed significantly to market growth over the past year.

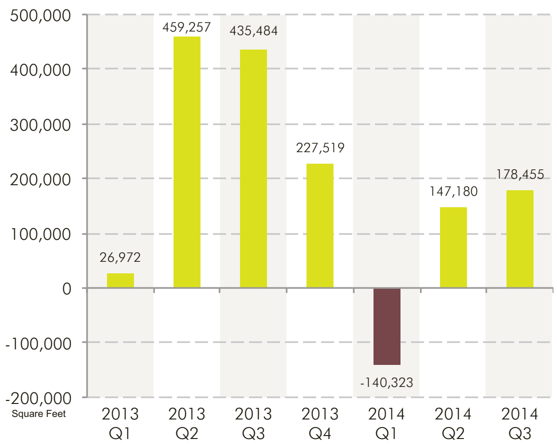
Vacancy, once as high as 13.0% in 2013, has come down to a more manageable 11.3%,, an 80 basis point decline year-over-year . Average rental rates ended the quarter at $17.95 per square foot, up 0.2% from Q2. However, rates range from a high of $21.73 for class A to a low of $13.44 for class C product.

Although government hiring declined, increases in office-occupying employment helped St. Louis post a net employment gain and a corresponding increase in demand for office space .

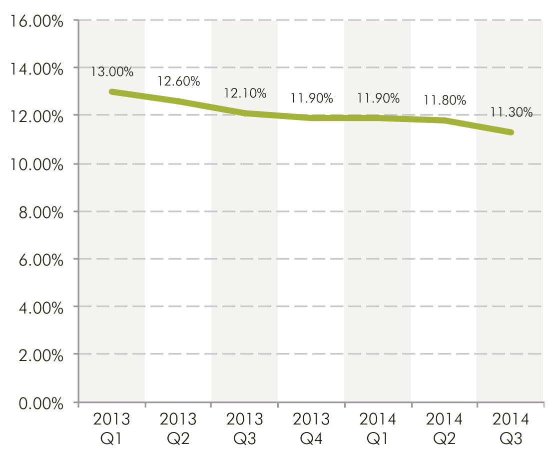
Throughout the quarter, investment sales increased as sellers took advantage of improved rent rolls and pent up investor demand . As in other markets around the US, the flight to quality is on in St. Louis, as activity in Class A properties continue to drive the market. As a consequence, pressure on landlords to offer concessions is diminishing .

Development activity was light, with only one building totaling 8,000 square feet delivered in Q3 in all of St. Louis , and the only project under construction at the end of the quarter was RGA Headquarters, a 405,000-square-foot building with 100% of its space pre-leased.

Net Absorption



Vacancy Rate



11.3%	$17.95	178,455	128,911,109	405,000
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

ST. LOUIS OVERVIEW (continued)

Opportunities

Tenants:

- Generous tenant improvement allowances are still be offered for class B space Class B space.
- An ample supply of direct and sublease availabilities continue to give tenants a range of quality and budgetary options.

Buyers:

- REIT portfolio restructuring could free up investment product.
- Activity concentrated in buildings under 30,000 square feet offers investment opportunity for smaller, local investors.

Landlords:

- Reduced concessions to secure Class A tenants.
- The flight to quality facilities within each property class will give an advantage to updated facilities with a full range of tenant amenities

Sellers:

- Increased occupancy levels will bring more investor interest to the Midwest region.

Developers:

- The lack of large Class A blocks and the number of 2015 lease expirations may create build-to-suit demand.

Challenges

Tenants:

- Reduced concessions by some Landlords.
- Increased office demand is pushing Landlord's to push for longer lease commitments, while lingering economic uncertainty has some tenants preferring shorter leases.

Buyers:

- Gap between bid and ask still reflects the more conservative attitude of buyers who remain uncertain over political and economic issues

Landlords:

- Class B facilities with functional obsolescence continue to struggle.
- Despite increasing demand, tenants retain the upper hand, as there is still an ample supply of direct and sublease availabilities to meet demand.

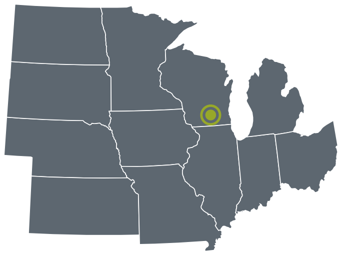
Sellers:

- The average sale to asking price differential of 15% - 20% has continued due to conservative buyer underwriting.
- Long term economic forecasts continue to keep an upward pressure on investor cap rate expectations.

Developers:

- In mid-county submarkets where absorption has been the strongest, land availability is limited.

A LOOK AHEAD. Competition for large blocks of Class A space will continue to increase as the push for quality space continues. Net absorption will continue to rise and meet 2013 levels as no new deliveries are anticipated this year. Vacancy rates in all building classes will continue downward, as landlord concessions in higher quality projects. Class A rates will continue to rise as large block availability declines. Generous TI allowances will continue for all building classes and size ranges, but will be highest in lesser quality properties. Class B & C rates will continue to rise but at a slower pace as expanding tenants move up to class A spaces. No major speculative deliveries are anticipated.



MADISON OVERVIEW

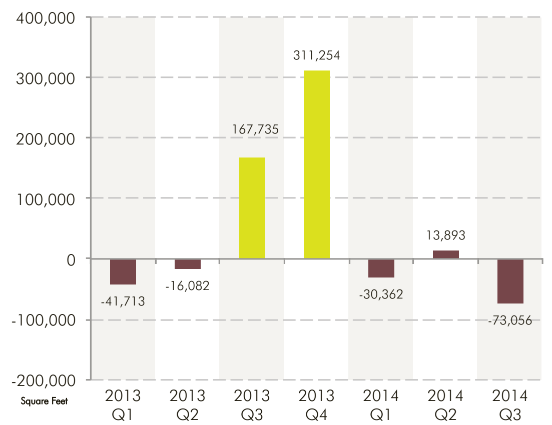
The Madison Wisconsin office market is gaining momentum and major market metrics are improving. All building classes are showing signs of improvement. While net absorption to post a decline in the third quarter, the absorption trend has been generally positive for the past two years.

In a market of just 32 million square feet, volatility quarter to quarter can be expected. Current vacancy, at 8.9%, is well under major metro areas around the country. Average asking lease rates for all product types declined in Q3 to $15.11, but increased interest in class A space should help turn that around, as more office occupying businesses are closer to executing expansion plans.

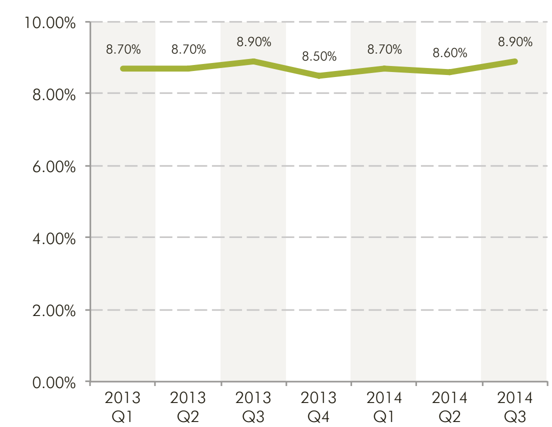
No new product was delivered in the third quarter, which will force tenants in the market to secure space from the existing inventory. That should help bring vacancy down to even lower levels. Landlords of higher quality class A and B properties, emboldened by an increase in market activity, are tightening up on concessions. However, the increased interest in downtown projects is forcing some owners in other submarkets to offer even more free rent and remodeling allowances to retain tenants.

Sale activity is also on the rise, but a lack of product for owner users is keeping a lid on significant growth in sale transactions. Cap rates have moved back down. and the improving health of the Madison economy is boosting consumer and business confidence across the board. However, concern over the potential cost of the employer mandates associated with Affordable Care Act, has kept some business expansions on hold.

Net Absorption



Vacancy Rate



8.9%	$15.11	-73,056	32,112,792	0
VACANCY	AVG. SF RENTAL RATES	NET SF ABSORPTION	OFFICE SF INVENTORY	SF UNDER CONSTRUCTION

MADISON OVERVIEW
(continued)

Opportunities

Tenants:

- Tenants with strong credit can still negotiate for major concessions.
- New mixed use developments planned for downtown will help emerging tech companies attract and retain 'millenials' looking for a more urban lifestyle.

Buyers:

- Sales prices are still low enough on owner/user buildings to make purchase a viable option.
- Cash buyers are able to purchase remaining distressed assets at a substantial discount to market value.

Landlords:

- Rates have stabilized, giving Landlords more negotiating leverage.
- Lower vacancy in class A and class B buildings is reducing landlord concessions.

Sellers:

- Stabilized market conditions are bringing cap rates down.
- Potential for rent growth has buyers willing to compete for good quality assets.

Developers:

- Downtown office projects more viable due to population and amenities associated with a resurgence in mixed use development.
- New development can fill the demand for larger floor plates from bigger tenants.

Challenges

Tenants:

- Concession packages tightening up.
- Inadequate supply of larger floor plates.

Buyers:

- Sellers firming up and holding the line on pricing for non-distressed assets.
- Supply running short of demand is pushing prices up, especially for owner/user buildings.

Landlords:

- Some tenants decision to remodel in place is slowing lease up time for vacant space.
- Moves to the Downtown area are forcing landlords in outlying submarkets to offer more concessions to retain tenants.

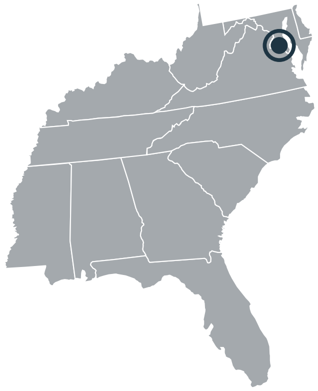
Sellers:

- Though pricing has firmed up, the market is still well below previous peak.
- Lack of inventory for trade properties is slowing transaction velocity.

Developers:

- Stiff pre-leasing requirement to obtain financing is delaying projects.
- Rent growth is nominal.

A LOOK AHEAD. The Madison market has enough momentum to continue on its current trajectory. Leasing activity and net absorption should improve over the next several quarters. Rents will grow at a modest pace across all building classes, though competition among new developments for tenants could cause a temporary dip in class A rates and net absorption downtown once new projects complete. Overall vacancy should continue to decline as the economy improves further and more users make expansion plans a priority. Job growth is also looking more favorable. With an unemployment rate of 5.5% , significantly less than the national average, many are looking for the market's burgeoning tech sector to lead the way in job creation over the next 3-5 years.



NORTHERN BALTIMORE / WASHINGTON CORRIDOR OVERVIEW

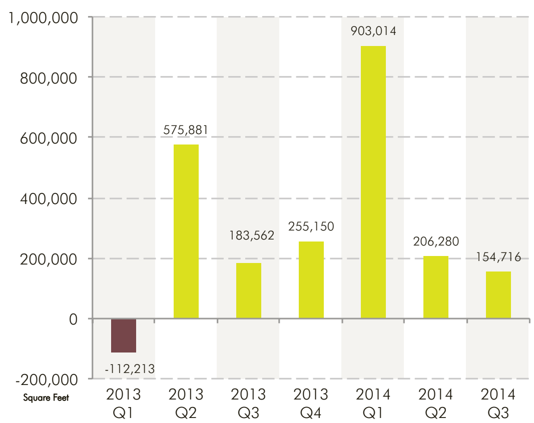
The Northern Baltimore-Washington Corridor market is in a period of moderate growth that began in 2012. Net absorption has been positive for the past 10 quarters, with Q3 coming in at 154,716 square feet.

Vacancy, once as high as 12.5% in 2010 has come down to a more manageable 11.3% at quarter's end, and 40 basis points down year-over-year. Average rental rates overall have decreased by less than $.03 since this time last year. However, there are significant differences by submarket, as rental rate growth over the past year ranges as high as 8%. Even though the region is not known for its pro-business stance, its strategic proximity to multiple population centers make it attractive to a wide variety of office space users.

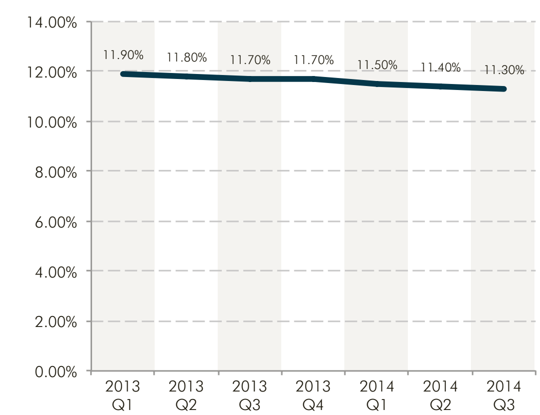
Resurgent financial services and professional services sectors are boosting leasing activity and offsetting cutbacks in government and defense related employment. As in other markets around the US, there is a flight to quality, as tenants look to improve their facilities before rents inevitably rise to their previous peak. So, the best in class buildings are attracting the most activity.

Development activity is light, with action limited to just a few projects in select submarkets. In 2014, ground has been broken on a total of 858,027 square feet. That number includes the 10200 Grand Central Ave, a 192,000-square foot building with 50% of its space pre-leased, and Emerson Corporate Center VI, a 150,000-square-foot facility that is 100% pre-leased.

Net Absorption



Vacancy Rate



11.3%	$21.24	154,716	136,108,223	671,880
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

NORTHERN BALTIMORE / WASHINGTON CORRIDOR OVERVIEW (continued)

Opportunities

Tenants:

- Large and diverse labor force allows for rapid expansion of technology based companies.
- Chance to control long term occupancy costs below previous peak rent levels.

Buyers:

- Rent growth potential for buyers with long term investment strategy.

Landlords:

- Increased leasing activity in best quality product will reduce rent concessions required to secure strong credit tenants.
- Rent growth should pick up the pace as vacancy continues to decline.

Sellers:

- Upside potential in rent growth should keep cap rates compressed.

Developers:

- Currently entitled projects ready to break ground could see strong increase in rents as demand for larger blocks of quality space depletes existing supply.
- Improving market metrics will make projects easier to finance.

Challenges

Tenants:

- Political uncertainty over potential change in balance of power .
- Possibility of further defense cutbacks could affect decision to make long term lease commitments.

Buyers:

- Cap rate compression keeping prices high.
- Uncertain rent growth depending on submarket.

Landlords:

- Competition from nearby metro markets.
- Flight to quality could limit rent growth for older product.

Sellers:

- Severe tax consequences for outright sales.
- Lack of exchange properties to choose from in the region.
- Difficulty finding similar yields in alternative investments.

Developers:

- Difficult and expensive entitlement process.
- High land prices.

A LOOK AHEAD. The region should continue to experience growth in net absorption and average asking rents through 2015 at the current pace. Overall economic growth is trending in the right direction, but not enough to cause a significant shift in current lease and sale activity levels. Development will be limited to prime submarkets commanding the highest rents. Projects will tend toward mixed use to capture the highest rental rates and provide the amenities desired by a younger workforce. Sales prices for investors and owner/users should remain high due to the imbalance of supply and demand. The wild card is what action the Federal Reserve Bank will take to unwind its efforts to stimulate business activity through record low interest rates. If rates spike significantly, it could cause a slowdown in business expansion as the market digests the change in the cost of capital.

GREENVILLE OVERVIEW

The Greenville office market is surging ahead in 2014. Activity is up, absorption is in positive territory and vacancy is in decline, trends not lost on developers eager to follow through on plans to build more class A product in the vibrant downtown market.

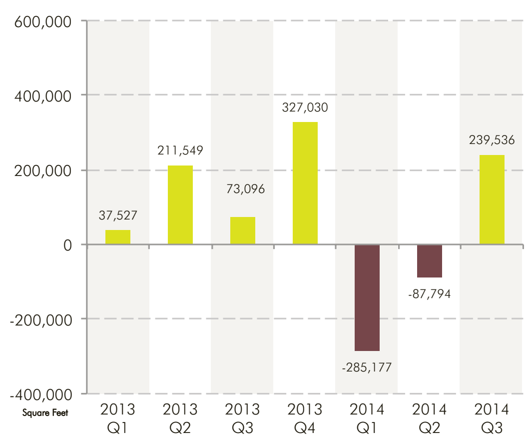
The entire Greenville-Spartanburg region is enjoying steady economic growth. As home to over 250 international businesses, the region is the highest international investment per capita MSA in the nation and home to large companies like Hubbell Lighting, Fluor Corporation, BMW and Michelin North America.

The economic effect of massive investments by these and other major users has revitalized the economy and given rise to many other businesses needed to support the resulting growth of the region. Downtown Greenville is showpiece of CBD revitalization, with its blend of residential, office and retail space that creates a true live-work-play environment.

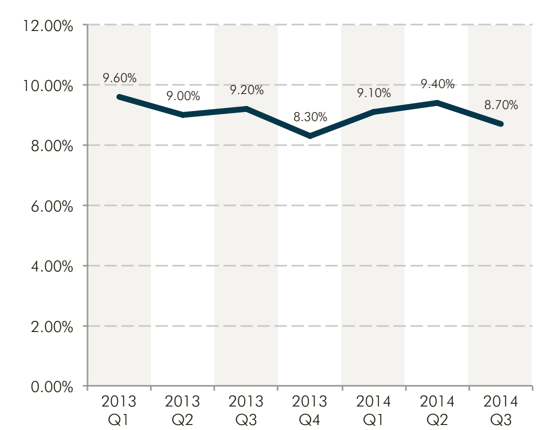
The office market is a bright spot in the area's resurgence. In Q3, almost 240,000 square feet of positive net absorption was reported, 124,000 of that was in class A product. Overall market vacancy ended the quarter at 8.7%, down 70 basis points from Q2. The average asking rental rate for class A space during Q3 came in at $20.15, while the class B rate settled at $13.63.

Development has been limited to date, but the results are positive. Of the 105,000 square feet under construction in the Greenville area at the end of Q3, at least 84,000 of it has been pre-leased.

Net Absorption



Vacancy Rate



8.7%	$14.29	239,536	36,040,920	105,164
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

GREENVILLE OVERVIEW
(continued)

Opportunities

Tenants:

- New developments in Downtown Greenville will offer choice of quality space to accommodate growth.
- Rents are still low enough to allow a move up in quality for expanding tenants.

Buyers:

- Low interest rates fix long term occupancy costs.
- Current trends indicate near term net income growth.

Landlords:

- Declining vacancy allows for fewer concessions to secure new and renewal tenants.
- Stronger rent growth in class A product in downtown Greenville.

Sellers:

- Cap rates should compress as improved leasing performance attracts out-of-market investors.
- Improving market allows buyers to underwrite more aggressively.

Developers:

- Area tenants anxious to upgrade to higher quality facilities.
- Vacancy and absorption performance will make development easier to pencil.

Challenges

Tenants:

- Lack of new deliveries limits choice of larger blocks of space.

Buyers:

- Supply running short of current demand, especially for owner/user properties.
- Uncertainty over the potential for cap rate decompression once the Fed starts raising interest rates.

Landlords:

- Vacancy still high enough to keep rent growth at moderate levels.
- Tight underwriting criteria for refinancing.

Sellers:

- Thin supply of alternative properties for exchange.

Developers:

- Limited sites for office development.
- Mixed use design required to achieve necessary rents will restrict the amount of office space that can be developed.

A LOOK AHEAD. The Greenville market will remain on its present course of predictable but moderate growth. Vacancy will follow its current downward trajectory. Sales activity will be limited by a lack of supply, mirroring conditions across the country. Cap rates, now in the 7.5% range, will also move down as prospects for stronger rent growth encourage investors to compete more aggressively to acquire well-located office buildings. Investment returns are still well above those in larger markets, which should bring new investor interest to the area. The Greenville CBD will attract the most attention in the coming quarters, as planned developments get started. The mixed use nature of those projects will be of particular interest from companies that need to attract younger workers who prefer a more urban lifestyle. The area's status as an automotive manufacturing and research hub bodes well for prospects for long term growth.

NEW YORK OVERVIEW

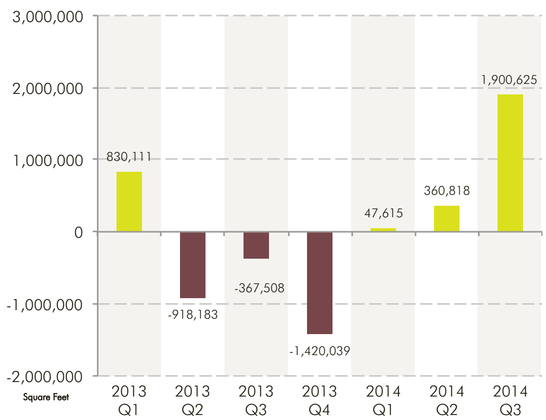
The Manhattan office market is strengthening. Downtown leasing activity has picked up, sublease inventory is down by 2 million square feet and availability in Midtown has declined for four straight quarters, all of which is evidence of a sustainable economic recovery. TAMI sector (Technology, Advertising, Media and Information) firms are a primary absorption driver right now. They tend to be small to mid-size companies using smaller blocks of space and their interests often take them to class B and C buildings in trendier submarkets with amenities that appeal to younger workers. The legal and financial sectors are also making a comeback, but maintain a preference for more traditional space, primarily in Midtown.

Net absorption has been positive for the past three quarters. Q3 came in at 1,900,625 square feet, a stark contrast to the negative 1.4 million square feet posted during Q4 of 2013. Vacancy, has dropped 50 basis points since the beginning of the year, settling at 8.7% by quarter's end. Marked by historic high asking rents for Class B and Class C product, average rental rates are up 8.8% year-over-year, ending Q3 at $64.93 across all building classes.

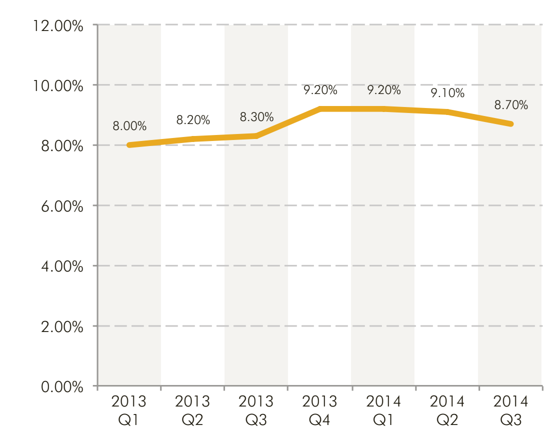
Foreign investor willingness to pay premium prices to acquire coveted US assets has kept cap rates compressed, which is a challenge to domestic investors who also have strong interest in the New York market. Opportunities for strong rent growth exists for buyers of class C buildings in selected submarkets if they are willing to make substantial renovations to attract new tenants.

One World Trade Center building comes on line in Q4 of this year, which will add 3.1 million square feet to the base at once. This may stall the decline in vacancy for the short term, but demand seems to be strong enough to absorb the additional space. There is an additional 5.3 million square feet planned for the site. Altogether, there is a proposed 9.6 million square feet of space scheduled for completion in Manhattan between 2015 and 2018.

Net Absorption



Vacancy Rate



8.7%	$64.93	1,900,625	435,304,883	8,182,086
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

NEW YORK OVERVIEW (continued)

Opportunities

Tenants:
- Tenants can make a high value deal in some of the softer submarkets.
- Tenants looking for 100,000 square feet and greater still have good options.

Buyers:
- Class B and C buildings have become more popular in trendier submarkets, which expands buying opportunities.

Landlords:
- High demand for 5,000 to 15,000 square feet spaces in the Midtown South submarket.
- Increase in leasing activity allows landlords to offer fewer concessions and negotiate higher contract rates.

Sellers:
- Demand well ahead of supply.
- Cap rates are further compressed to due competition from foreign investors.

Developers:
- Mixed use projects combining residential and office components with retail space will generate higher rents.

Challenges

Tenants:
- Finding well-priced space in certain submarkets.
- Landlords are demanding more security from tenants.

Buyers:
- Short supply of available buildings in all building classes.

Landlords:
- Flight to quality could limit rent growth for older product.

Sellers:
- Navigating the complexities of NYC tax laws.

Developers:
- Difficult and expensive entitlement process.
- High land prices.
- Rising construction costs.

A LOOK AHEAD. Leasing activity will surpass last year's total of 35.9 million square feet. With the completion of One World Trade Center, expect a short term rise in vacancy, as the market will need several quarters of strong net absorption, to counter the effects of the additional inventory. With the job picture improving every month, expect leasing activity to pick up further, which will embolden landlords to keep pushing lease rates higher. Efforts to rezone and revitalize areas with obsolete building stock will continue, but won't have a near term impact on the office market. Interest in investment purchases will increase, but the shortage of supply will restrict sales activity for the foreseeable future.

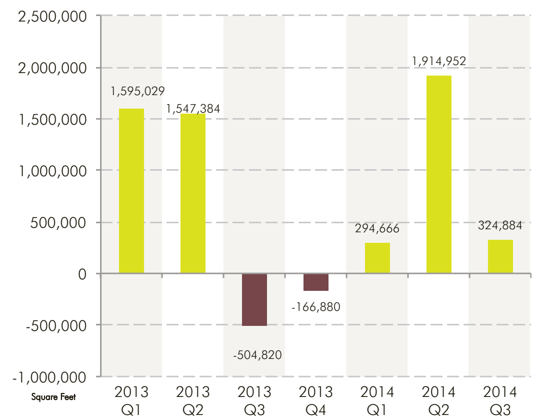
NEW JERSEY OVERVIEW

While the state government's Grow New Jersey program seems to be helping, sluggish employment growth remains a problem for Northern New Jersey's office market. New jobs drive net absorption and there are not enough of them to go around at present to bring down a stubbornly high vacancy rate, which has hovered in the 14% range all year. Net absorption was positive in Q3, posting a 324,000-square foot gain. However, that included 807,000 square feet of negative absorption in class B against a positive 928,000 square feet in class A. This has been the story of late, a market subject to big swings based on large moves in and out of existing spaces throughout the region. After all the shuffling, the vacancy needle has only moved 50 basis points since the end of last year.

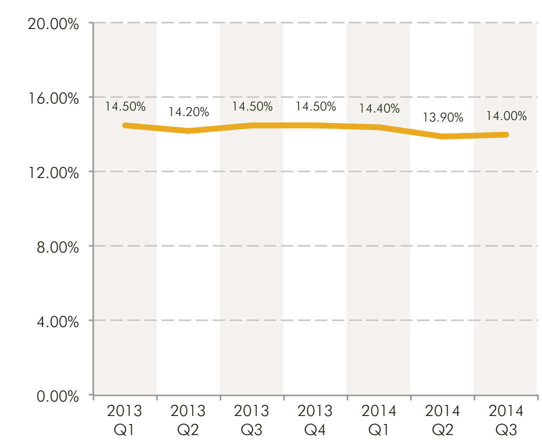
Changes in workforce environment preferences are a big part of the problem. Millenials now outnumber Baby Boomers in the workplace, and they have different ideas about what makes a good work environment. They like the 24/7 lifestyle offered in more urban areas, rich in amenities and with ready access to public transportation hubs. Office buildings of higher quality near urban centers are getting the most activity in all building classes. Suburban property owners are recognizing the need to invest in reshape the workplace environment by adding improvements that incorporate the desire of younger workers to socialize, recreate and work in a more open and relaxed atmosphere. It will come at a price, but the landlords who respond to the challenge are likely to achieve higher occupancy and rental rates.

For now, average asking rental rate stands at $23.59 across the board. In Q3, class A came in at $27.26 , class B at $21.48 and class C settled at $19.21, little changed as compared the previous quarter. Speculative development is still a ways off, but there have been several significant build to suit transactions completed this year, including new facilities for Prudential and Panasonic.

Net Absorption



Vacancy Rate



14.0%	$23.59	324,884	359,677,228	1,607,689
VACANCY	**AVG. SF RENTAL RATES**	**NET SF ABSORPTION**	**OFFICE SF INVENTORY**	**SF UNDER CONSTRUCTION**

NEW JERSEY OVERVIEW
(continued)

Opportunities

Tenants:

- Current market conditions allow a move-up in quality at favorable terms.
- Revitalizing town centers with train stations are offering better work environment to attract younger workers.

Buyers:

- Properties can still be acquired below replacement cost.
- Add-value buyers can purchase obsolete properties for repositioning and re-purposing.

Landlords:

- Highest quality product could see near term rent growth.
- Renovated properties near revitalizing town centers will see lower vacancy and higher rents.

Sellers:

- Low cost of capital increase the pool of investors competing for product.
- Stabilized assets are in high demand from private and institutional investors.

Developers:

- Sites close to urban centers with public transportation .

Challenges

Tenants:

- Lack of product in preferred locations.

Buyers:

- Competition between local, foreign and institutional investors.
- Cap rates are compressed and rent growth remains flat.

Landlords:

- Users taking less square footage per employee.
- Cost of needed retrofit to make older suburban product competitive.

Sellers:

- High degree of functional obsolescence in older properties.
- Add-value buyers have to buy at a substantial discount.

Developers:

- Regulatory requirements and lengthy entitlement process.
- Lack of substantial rent growth to justify new projects.

A LOOK AHEAD. Expect more of the same in the coming quarters. Strong investor demand will exceed supply, and leasing activity will be up and down due to an excess supply of vacant space in suburban submarkets. Absorption will be modest, yet positive, which could move vacancy down as much as 2% over the next several quarters. Average asking rental rates will remain flat for the time being, but properties offering good amenities and access to public transportation should see immediate rent growth. No new speculative construction will take place, but some properties owners will be renovating existing projects to compete for tenants who need to attract and retain younger workers. Ground-up development will remain limited to build-to-suit deals until there is a marked increase in market activity.

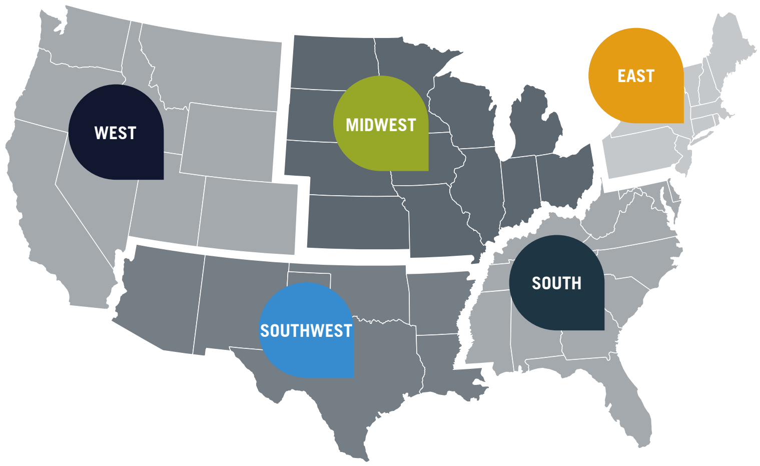
Significant Transactions

ADDRESS	TRANSACTION	PRICE / SF	BUYER / TENANT	SELLER
GREENVILLE				
Brookfield & Patewood Greenville, SC	$58,200,000 sale of 686,725 SF property	$84.75	Garrison Investment Group	Highwoods Properties
55 Beattie Place Greenville, SC	$38,000,000 sale of 435,629 SF property	$87.23	HighBrook Investment Management LP	Lehman Brothers, Inc.
Jacobs Building Greenville, SC	$20,135,000 sale of 214,179 SF property	$94.01	The Simpson Organiation	Highwoods Properties
HOUSTON				
Marathon Oil Tower Houston, TX	$245,449,050 sale of a 1,189,768 SF building	$206.30	CBRE Global Investors	Hanover Real Estate Partners
Thirty Forty Post Oak Houston, TX	$126,000,000 sale of a 427,481 SF building	$294.75	Met Life International Real Estate	Crocker Partners, LLC
Two Westlake Park Houston, TX	$120,000,000 sale of a 454,838 SF building	$263.83	Hicks Management, LLC	KBS REIT II, Inc.
MADISON				
1224 Deming Way Middleton, WI	$5,920,000 sale of 35,261 SF property	$167.89	IA Deming Way LLC	Vanta Commercial Properties LLC
744 Heartland Tri Madison, WI	$5,000,000 sale of 83,500 SF property	$59.88	SSM Health Care of Wisconsin	Welton Enterprises, Inc.
660 John Nolen Drive Madison, WI	4668735 sale of 29,350 SF property	$159.07	WEA Insurance Corporation	Central Place Real Estate LLC
NEW JERSEY				
Newport Office Center 5 Jersey City, NJ	$315,000,000 sale of 807,092 SF building	$390.29	JPMorgan Cahse & Co.	LeFrak Organization
55 Corporate Drive Bridgewater, NJ	$252,400,000 sale of 736,568 SF building	$342.67	American Realty Capital Trust V, Inc.	Inland American Real Estate Trust, Inc.
1350 Merrill Lynch Drive Pennington, NJ	$175,859,641 sale of 553,836 SF building	$317.53	ARC Properties	FIG, LLC
NEW YORK				
225 Liberty Street & 250 Vesey Street New York City, NY	232,950 & 162,762 SF	N/A	Hudson’s Bay Company	Brookfield Office Properties
200 Park Avenue New York City, NY	190,914 SF	N/A	Paul Hastings LLP	Tishman Speyer
450 W 33rd Street New York City, NY	173,000 SF	N/A	R/GA Media Group	Brookfield Office Properties

Significant Transactions

ADDRESS	TRANSACTION	PRICE / SF	BUYER / TENANT	SELLER
NORTH LA				
3330 W Cahuenga Boulevard Los Angeles, CA	Lease of 21,000 SF property	N/A	EPS-Cineworks	Equity Properties
2475 Townsgate Road Westlake Village, CA	Lease of 31,941 SF property	N/A	The Walking Company	Townsgate Road LLC
2600 W Olive Avenue Burbank, CA	$49,000,000 sale of 150,755 SF property	$325.03	Granite Properties	Legacy Realty Fund 1
ORANGE COUNTY				
2030 Main Street Irvine, CA	$114,000,000 sale of a 346,683 SF building	$328.83	The Praedium Group, LLC	State Teachers Retirement System of Ohio
18301 Von Karman Avenue, Irvine, CA	$67,905,600 sale of a 226,352 SF building	$300.00	CIGNA	Greenlaw Partners
1 City Boulevard W Orange, CA	$56,000,000 sale of a 362,131 SF building	$154.64	Walton Street Capital, LLC	Hudson Pacific Properties, Inc.
PHOENIX				
1601 W. Fountainhead Parkway, Tempe, AZ	Lease of 101,803 SF	N/A	Concentrix Corp.	N/A
5455 E. High Street Phoenix, AZ	Lease of 77,391 SF	N/A	Sprouts Markets	N/A
585 N. Juniper Drive Chandler, AZ	$13,914,188 sale of 67,561 SF property	$205.95	Palisades Capital	Held Properties, Inc.
SAN GABRIEL VALLEY				
1111 S Arroyo Parkway Pasadena, CA	$27,400,000 sale of 131,318 SF property	$208.64	Art CenterCollege of Design	TA Associates Realty
48 S Raymond Avenue Pasadena, CA	$13,700,000 sale of 43,856 SF property	$312.39	A.F. Gilmore Company	HSR Management, Inc.
625 Fair Oaks Avenue South Pasadena, WI	$20,000,000 sale of 80,056 SF property	$249.83	Washington Capital Management, Inc.	Obayashi Corporation
ST. LOUIS				
Bank of America Plaza St. Louis, MO	Lease of 36,928 SF property	N/A	Laclede Group	Tenant Rep: Cresa Landlord Rep: JLL
Woodsmill Commons I St. Louis, MO	Lease of 31,013 SF property	N/A	Centene	Landlord Rep: Duke Realty Corporation
101 S. Hanley Road St. Louis, MO	$6,477,070 lease of 27,562 SF property	$235.00	Innovative Claims Solutions, LLC	Tenant Rep: Lee & Associates Landlord Rep: Lee & Associates

Nationwide Lee Offices



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The Lee Office Brief

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