

Office Stats Snapshot - Second Quarter 2011

San Francisco, CA

By Submarket (All Classes)	Total SF ¹	Vacant SF ²	Vacant %	Available SF ²	Available %	Net Absorption		Under Construction ⁴	Average Asking Rent ³		
						This Qtr.	Year-to-date		Class A	Class B	
NORTH FINANCIAL DISTRICT	24,989,011	3,576,686	14.3%	4,551,446	18.2%	81,649	253,469	0	\$35.09	\$28.13	
SOUTH FINANCIAL DISTRICT	20,587,661	2,706,303	13.1%	3,050,034	14.8%	(2,131)	250,142	70,484	\$38.81	\$28.40	
CBD Subtotal	45,576,672	6,282,989	13.8%	7,601,480	16.7%	79,518	503,611	70,484	\$36.24	\$28.18	
CIVIC CENTER/VAN NESS	3,832,644	1,573,571	41.1%	1,492,688	38.9%	16,939	(50,391)	0	\$31.03	\$29.41	
JACKSON SQUARE	1,567,023	149,404	9.5%	201,759	12.9%	29,856	52,561	0	\$32.01	\$30.72	
MISSION BAY	1,376,700	549,487	39.9%	538,487	39.1%	0	179,500	0	\$47.42	-	
NORTH WATERFRONT	2,099,425	249,868	11.9%	282,210	13.4%	38,044	50,887	0	\$32.04	\$25.31	
SOMA	5,902,909	1,009,548	17.1%	1,040,318	17.6%	110,129	99,084	0	\$47.23	\$34.85	
UNION SQUARE	2,208,816	208,297	9.4%	415,418	18.8%	14,315	56,602	0	\$32.55	\$30.77	
YERBA BUENA	3,443,732	579,577	16.8%	696,180	20.2%	(17,011)	5,189	0	\$31.88	\$26.65	
Non-CBD Subtotal	20,431,249	4,319,752	21.1%	4,667,060	22.8%	192,272	393,432	0	\$39.30	\$31.37	
San Francisco Totals	66,007,921	10,602,741	16.1%	12,268,540	18.6%	271,790	897,043	70,484	\$36.89	\$30.25	
By Building Class									Available For Sublease		
									CBD	Non-CBD	Total
Class A	45,897,953	6,308,465	13.7%	7,598,657	16.6%	139,750	783,851	0	805,880	25,260	831,140
Class B	20,109,968	4,294,276	21.4%	4,669,883	23.2%	132,040	113,192	70,484	67,925	243,368	311,293
Total	66,007,921	10,602,741	16.1%	12,268,540	18.6%	271,790	897,043	70,484	873,805	268,628	1,142,433

¹ Survey includes non-owner occupied Class A and B buildings over 15,000 square feet

² Includes sublease space

³ Weighted average asking rates for direct lease space only

⁴ Includes 120 Howard Street (South Financial District) addition of floors 9-12

Office Terms and Definitions

Inventory: Office inventory includes all multi-tenant and single tenant buildings at least 15,000 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.

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ASKING LEASE RATES	2nd Quarter 2011						Last Quarter		Year Ago Quarter		
	Total SF ¹	Asking Rent ¹		% Change Last Qtr		% Change Year Ago Qtr		Average Asking Rent ³		Average Asking Rent ³	
By Submarket (All Classes)		Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
NORTH FINANCIAL DISTRICT	24,989,011	\$35.09	\$28.13	3.9%	5.2%	6.8%	6.8%	\$33.78	\$26.75	\$32.87	\$26.34
SOUTH FINANCIAL DISTRICT	20,587,661	\$38.81	\$28.40	3.4%	7.3%	11.5%	21.3%	\$37.54	\$26.46	\$34.82	\$23.41
CBD Subtotal	45,576,672	\$36.24	\$28.18	3.5%	5.6%	8.2%	8.6%	\$35.01	\$26.68	\$33.49	\$25.94
CIVIC CENTER/VAN NESS	3,832,644	\$31.03	\$29.41	10.0%	8.7%	5.0%	34.5%	\$28.21	\$27.05	\$29.56	\$21.86
JACKSON SQUARE	1,567,023	\$32.01	\$30.72	-2.5%	3.9%	14.2%	21.7%	\$32.83	\$29.57	\$28.03	\$25.24
MISSION BAY	1,376,700	\$47.42	-	3.0%	NA	NA	NA	\$46.06	-	-	-
NORTH WATERFRONT	2,099,425	\$32.04	\$25.31	-1.4%	-2.2%	15.1%	-3.0%	\$32.50	\$25.89	\$27.83	\$26.08
SOMA	5,902,909	\$47.23	\$34.85	13.5%	13.0%	27.9%	34.1%	\$41.62	\$30.83	\$36.94	\$25.99
UNION SQUARE	2,208,816	\$32.55	\$30.77	-0.2%	-0.2%	5.2%	8.4%	\$32.62	\$30.83	\$30.93	\$28.39
YERBA BUENA	3,443,732	\$31.88	\$26.65	1.4%	3.9%	9.8%	2.5%	\$31.43	\$25.66	\$29.04	\$26.00
Non-CBD Subtotal	20,431,249	\$39.30	\$31.37	2.0%	5.6%	27.3%	17.2%	\$38.54	\$29.71	\$30.88	\$26.76
San Francisco Totals	66,007,921	\$36.89	\$30.25	3.3%	5.3%	12.0%	14.3%	\$35.71	\$28.72	\$32.94	\$26.46

VACANCY	2nd Quarter 2011						Last Quarter		Year Ago Quarter	
	Total SF ¹	Direct Vacant SF	Sublease Vacant SF	Total Vacant SF ²	Vacancy Rate	Available For Sublease	Vacant Space ²	Vacancy Rate	Vacant Space ²	Vacancy Rate
NORTH FINANCIAL DISTRICT	24,989,011	3,317,822	258,864	3,576,686	14.3%	648,465	3,658,335	14.6%	3,804,697	15.2%
SOUTH FINANCIAL DISTRICT	20,587,661	2,642,506	63,797	2,706,303	13.1%	225,340	2,704,172	13.1%	2,715,860	13.3%
CBD Subtotal	45,576,672	5,960,328	322,661	6,282,989	13.8%	873,805	6,362,507	14.0%	6,520,557	14.3%
CIVIC CENTER/VAN NESS	3,832,644	1,510,767	62,804	1,573,571	41.1%	62,804	1,590,510	41.5%	1,531,939	42.7%
JACKSON SQUARE	1,567,023	140,626	8,778	149,404	9.5%	8,778	179,260	11.4%	233,635	14.7%
MISSION BAY	1,376,700	549,487	0	549,487	39.9%	0	549,487	39.9%	607,168	51.8%
NORTH WATERFRONT	2,099,425	249,868	0	249,868	11.9%	31,810	287,912	13.7%	370,977	17.7%
SOMA	5,902,909	981,744	27,804	1,009,548	17.1%	62,549	1,119,677	19.0%	1,186,132	20.4%
UNION SQUARE	2,208,816	193,291	15,006	208,297	9.4%	4,663	222,612	10.1%	397,594	19.0%
YERBA BUENA	3,443,732	532,906	46,671	579,577	16.8%	98,024	562,566	16.3%	666,078	19.3%
Non-CBD Subtotal	20,431,249	4,158,689	161,063	4,319,752	21.1%	268,628	4,512,024	22.1%	4,993,523	25.2%
San Francisco Totals	66,007,921	10,119,017	483,724	10,602,741	16.1%	1,142,433	10,874,531	16.5%	11,514,080	17.6%
By Building Class										
Class A	45,897,953	5,981,430	327,035	6,308,465	13.7%	831,140	6,353,783	13.9%	6,977,176	15.3%
Class B	20,109,968	4,137,587	156,689	4,294,276	21.4%	311,293	4,520,748	22.2%	4,536,904	23.1%

¹ Survey includes non-owner occupied Class A and B buildings over 15,000 square feet

² Includes sublease space

³ Weighted average asking rates for direct lease space only