

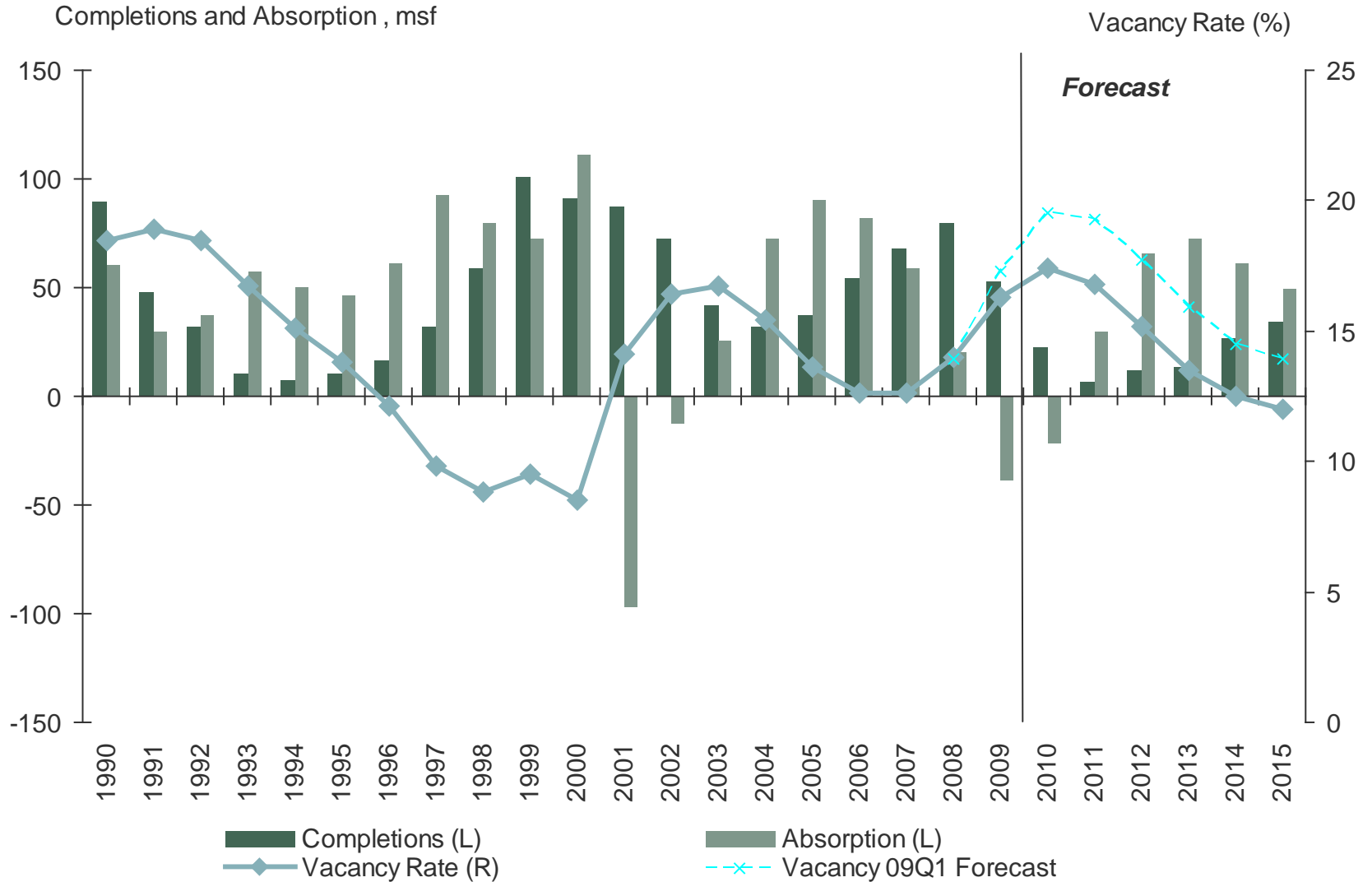


MBA's **COMMERCIAL REAL ESTATE FINANCE/
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**The Office Outlook:
Our Own Biggest Critic?**

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Reconsidering Our Cycle Comparison



Source: Outlook XL, Spring 2010

CBRE Econometric Advisors

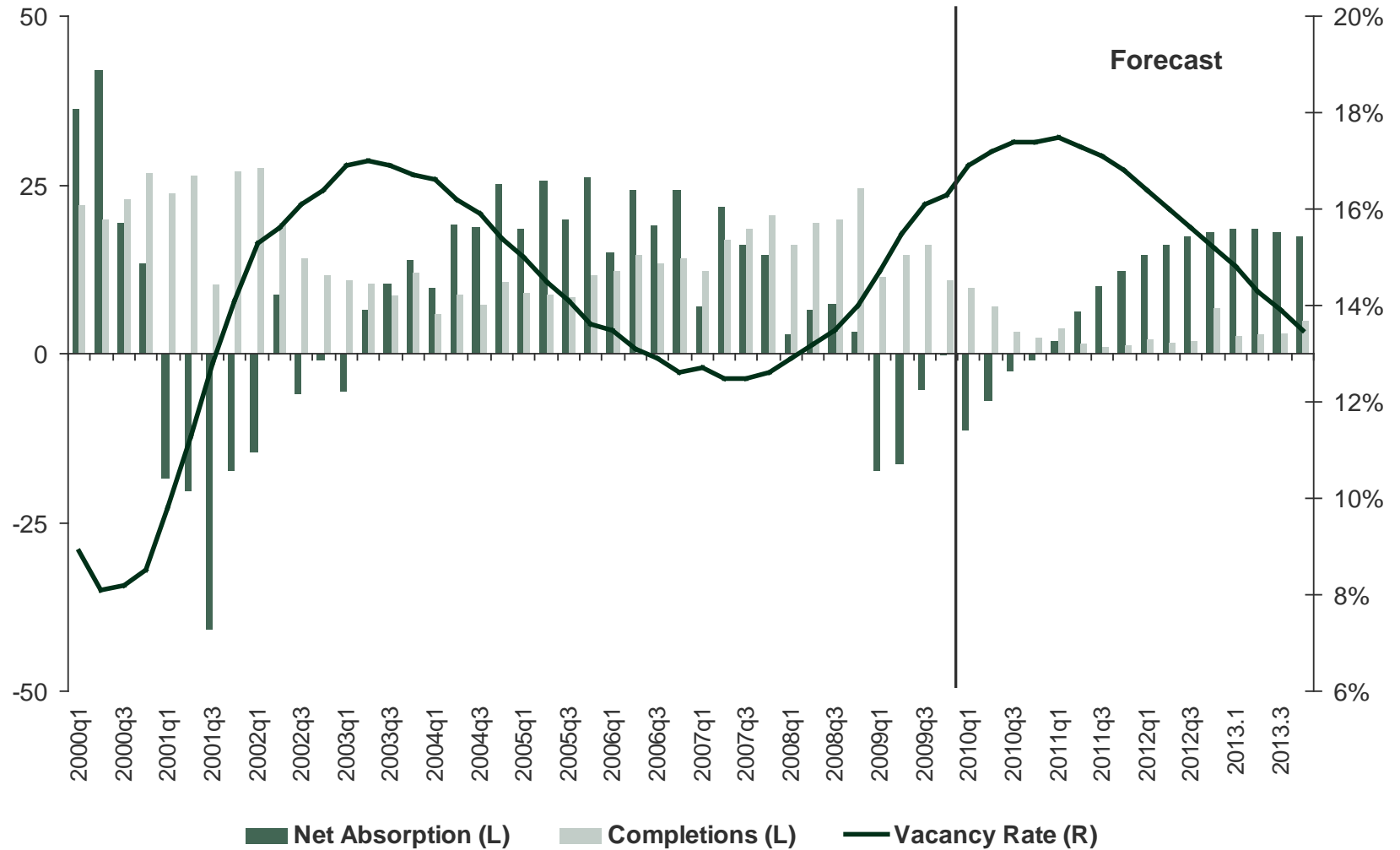
The Office Outlook

By Quarter, Second Half Will Feel Better



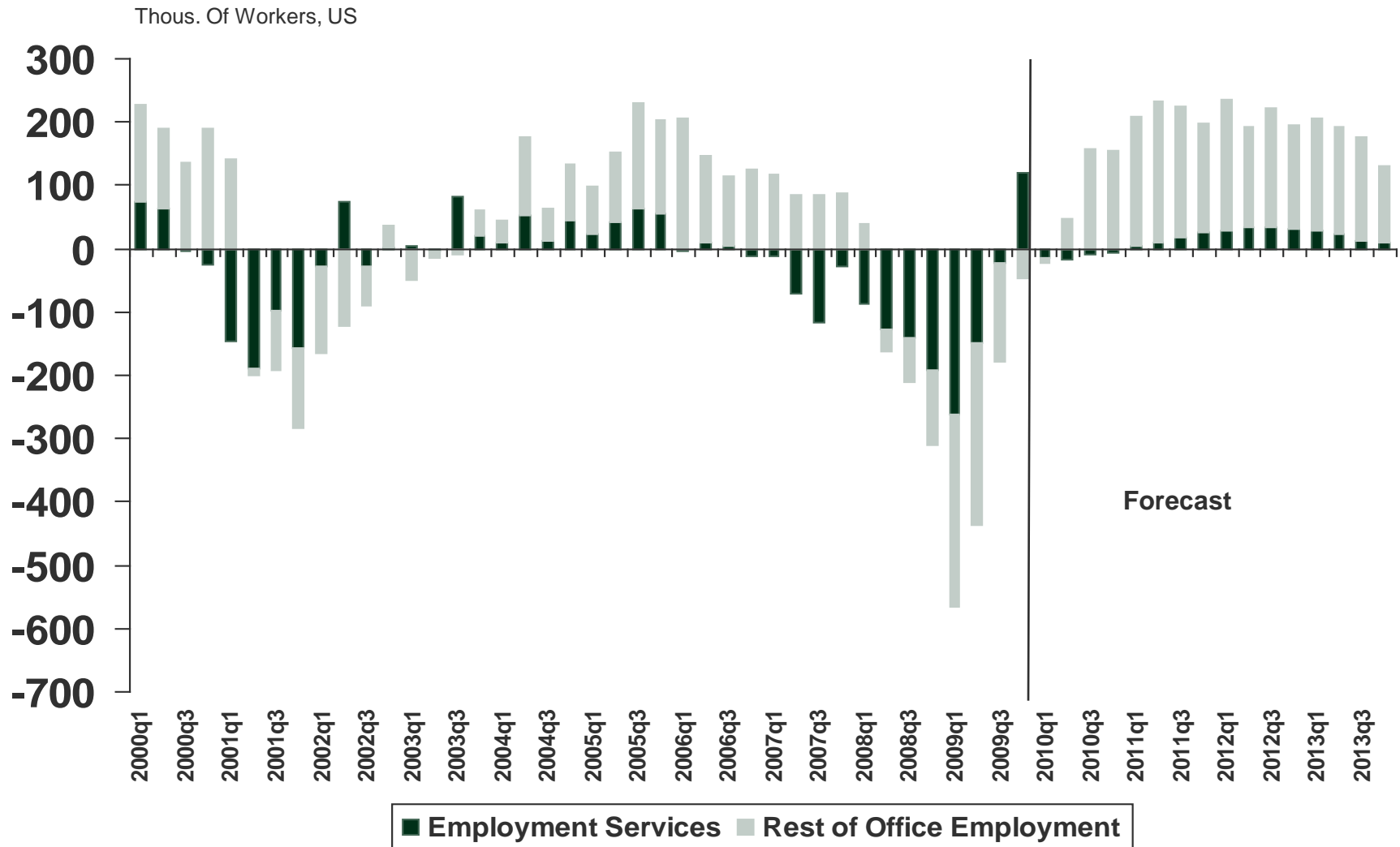
Net Absorption, Completions
(millions of sf)

Vacancy Rate

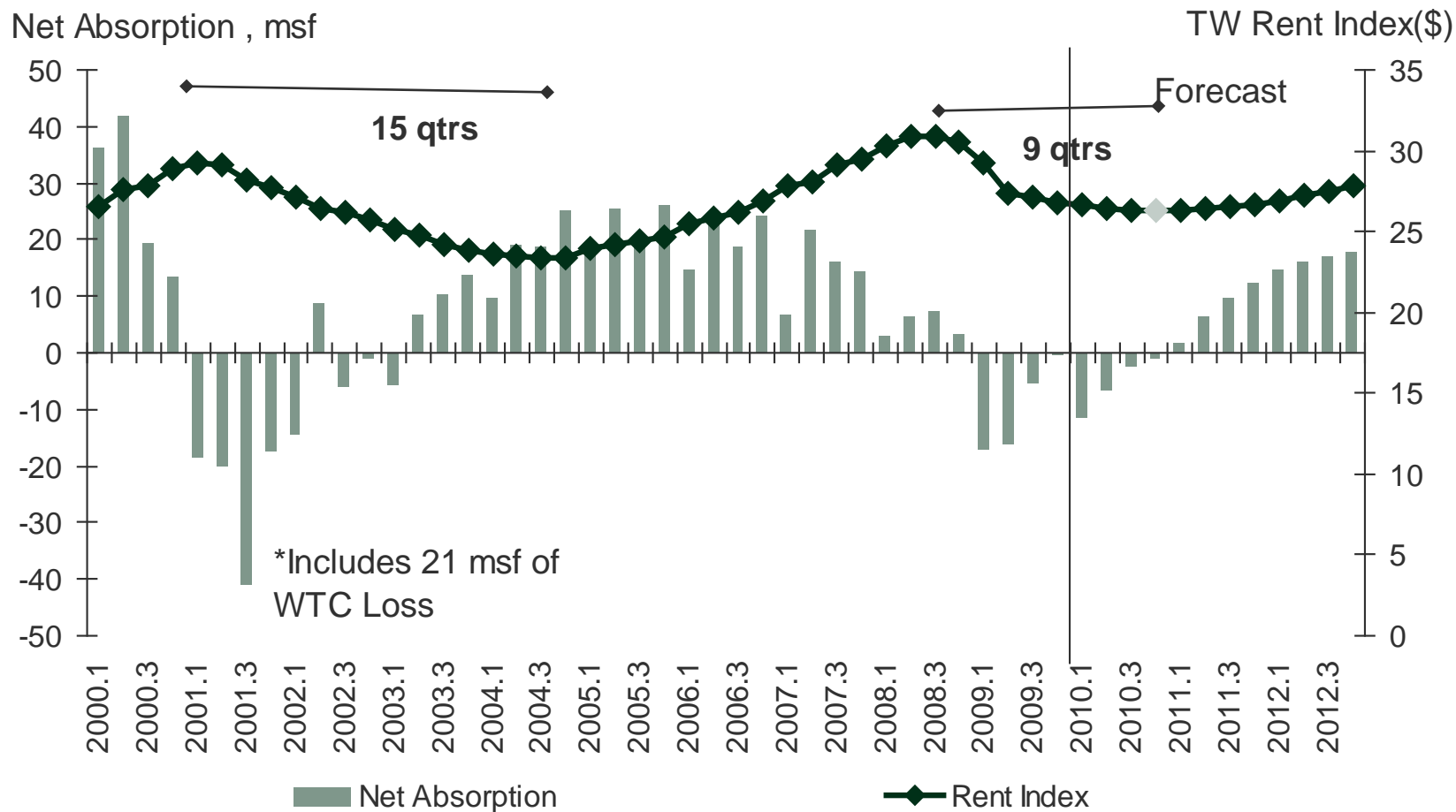


Source: CBRE-EA Industrial Outlook XL, Winter 2010.

Temp Firms Hiring Means the End is Near

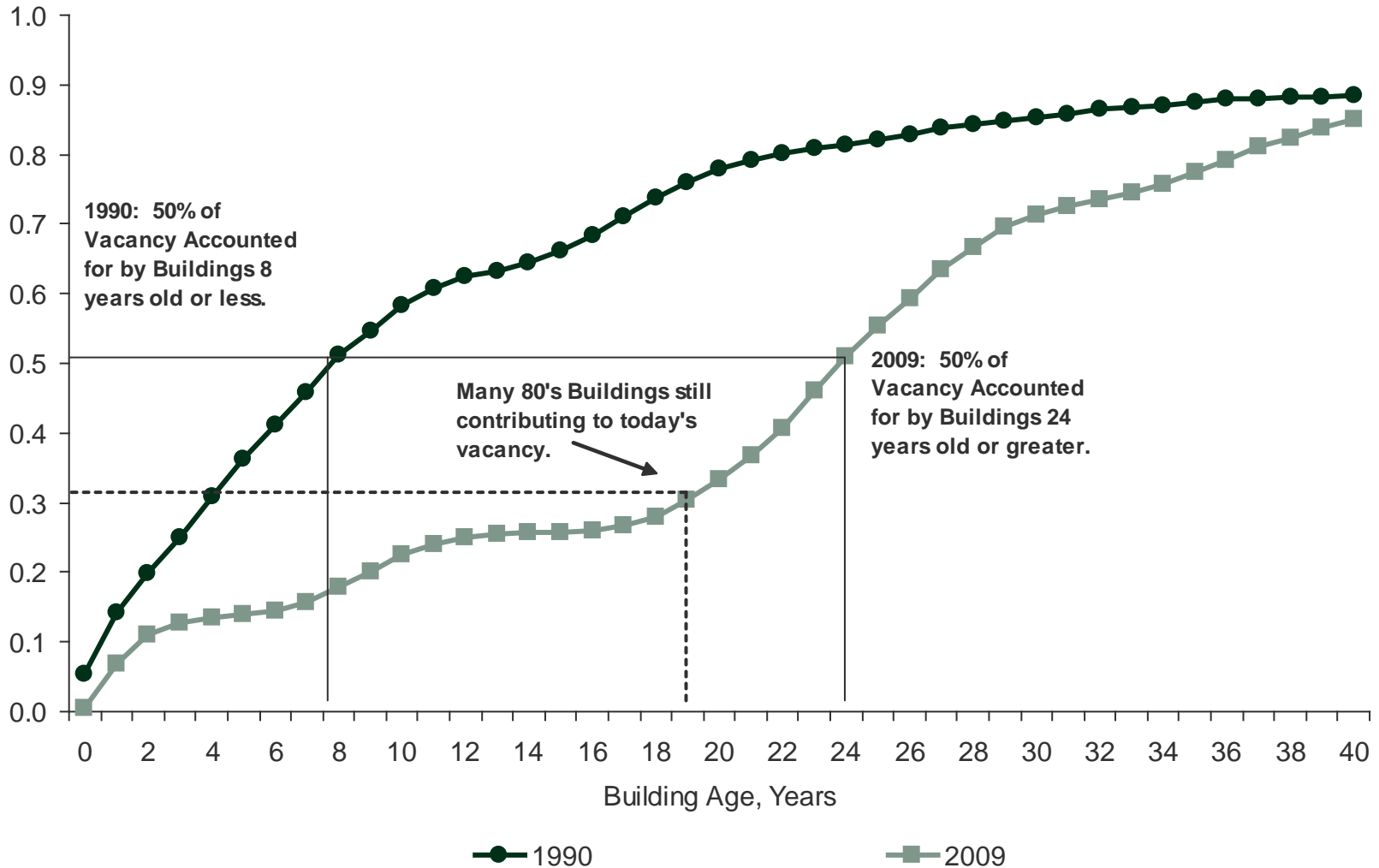


Comparatively Precipitous Rent Decline Shortens Time to Bottom



Source: CBRE Econometric Advisors

Cumulative Distribution of Vacancy by building Age



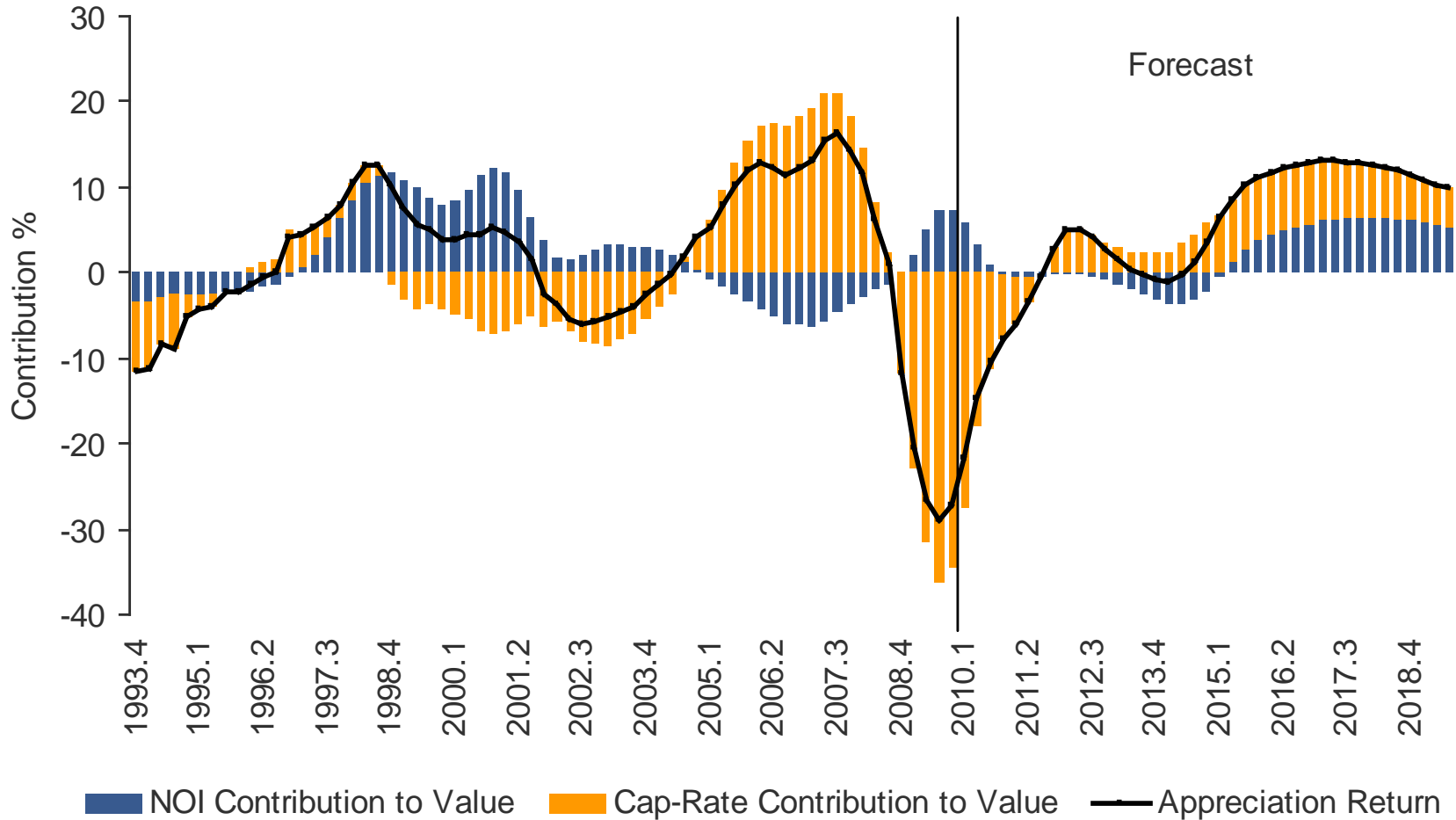
Source: CBRE Econometric Advisors

Value Drivers: NOI vs. Cap Rate: Office



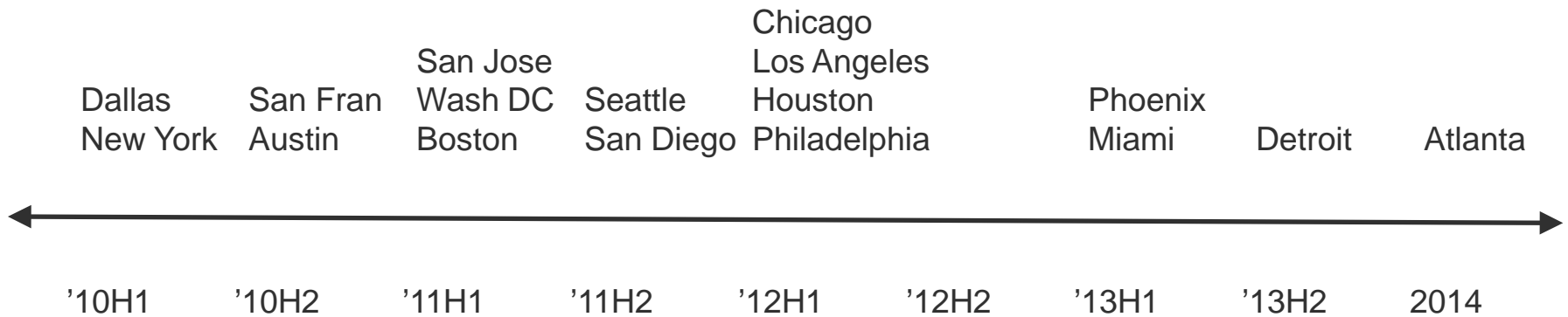
Cap rates have a strong initial impact, NOI hurts through 2014.

Year-over-year Contribution to Appreciation

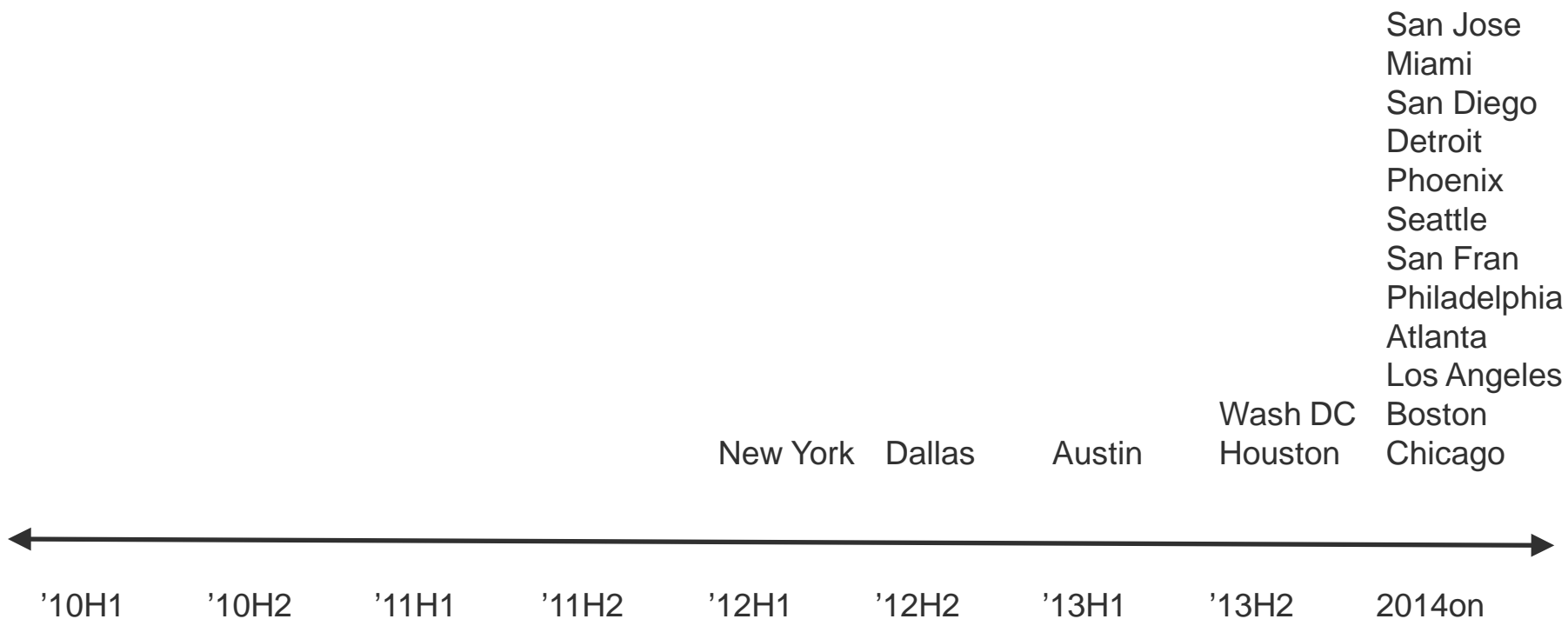


Source: CBRE-EA, Investment Outlook Fall 2009, Sum of Markets; Base Case Scenario

Forecasted Rent Bottom Variation by Market



...But Construction A Long Way Off





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Thank You

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