

# Commercial Property Price Index

December 2, 2010

DJIA: 11,362 | RMZ: 748 | 10-Year T-Note: 3.00%



## Commercial Property Values Gain More Than 30% From '09 Lows

### *Green Street Advisors Marks 25th Anniversary with November Property Index Report*

NEWPORT BEACH, CA (December 2, 2010) — Green Street Advisors reported that the firm's Commercial Property Price Index (CPPI) rose by 2% in November.

“Commercial property values are up over 30% from the 2009 trough,” said Mike Kirby, director of research for Green Street Advisors. “Half of the decline in values that occurred from 2007 to 2009 has been eradicated. Nevertheless, values remain roughly 20% shy of their peak.”

Said Kirby, “We are continuing to see positive momentum on the pricing of transactions that have recently closed or that are in the works. As well, several recent large transactions corroborate the trends that are taking place on a broader level in the \$300 billion asset base behind our index.”

Green Street Advisors' Commercial Property Price Index (GSA CPPI) is a real-time series of unleveraged U.S. commercial property values. The key feature differentiating this index from others is its timeliness. The GSA CPPI captures the prices at which commercial real estate transactions are currently being negotiated and put under contract. Other indices are based on closed transactions and therefore convey information about prices from several months earlier. Lastly, the Green Street index is value-weighted, and therefore provides a gauge of changes in aggregate values. Most other indices are equal-weighted, meaning equal weight is given to properties, regardless of size.

Coinciding with publication of its November Commercial Property Price Index, Green Street Advisors marks its 25<sup>th</sup> year in business. The firm, which focuses on public and private real estate, is the industry's leading independent research firm. The quality of the firm's research can be seen in the performance of its investment recommendations. The Green Street Advisors' team of 24 experienced analysts has delivered investment recommendations that have consistently outperformed the market index over time.

Past performance cannot be used to predict future performance. Additional information on Green Street Advisors and a complete disclosure statement are available online at [www.greenstreetadvisors.com](http://www.greenstreetadvisors.com).

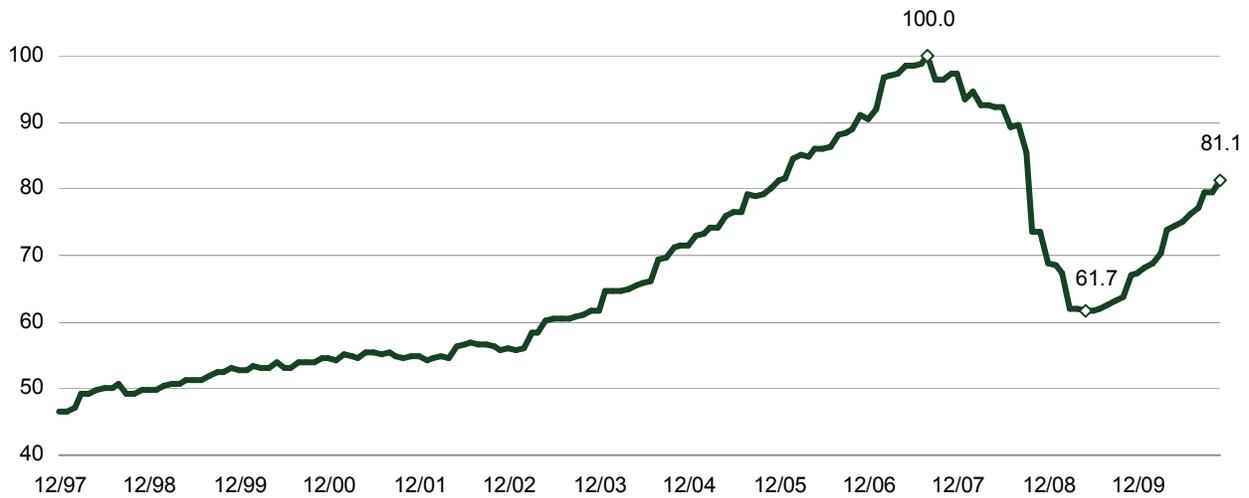
### **About Green Street Advisors, Inc.**

Founded in 1985, Green Street Advisors is the preeminent independent research, trading, and consulting firm concentrating on Real Estate Investment Trusts (REITs), other publicly-traded real estate securities, and the private commercial real estate markets in North America and Europe.

## GSA CPPI All-Property Index

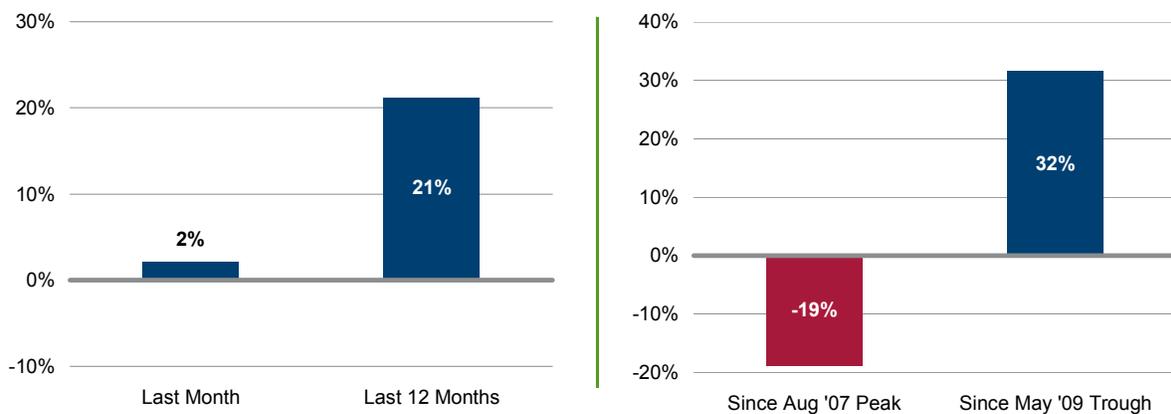
**The Green Street Advisors Commercial Property Price Index (GSA CPPI) moved up by 2% in November; the index is now up by more than 30% from its lows of last year.** Several factors have driven the rebound in prices that has occurred over the last year and a half: 1) plunging return hurdles across all capital markets; 2) a dearth of distressed sellers; and 3) a quicker-than-expected rebound in fundamentals in some major property sectors.

**Green Street Advisors Commercial Property Price Index**



Green Street Advisors Commercial Property Price Index is indexed to 100 in August '07.

**Change in Commercial Property Values**

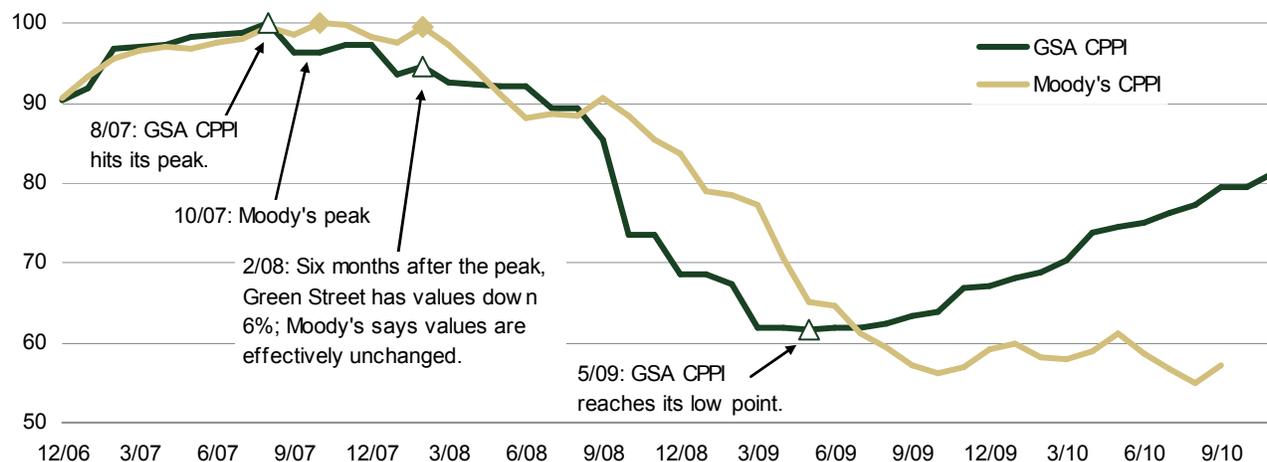


## Green Street Advisors Commercial Property Price Index Fact Sheet

Green Street's Commercial Property Price Index is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Two features that differentiate this index are its timeliness and its ability to capture changes in the aggregate value of the commercial property sector.

- **Timeliness:** Other indices are based on closed transactions, and therefore convey info about market prices from several months earlier. Also, the Green Street index value for a given month is released within days of month-end, whereas other indices have a sizeable lag. As shown below, **the Green Street index spots inflection points earlier than other indices.**
- **Weighting:** This index is weighted by asset value within each property sector, and therefore it provides a gauge of changes in aggregate values. Most other indices are equally weighted.

Commercial Property Price Indices: Green Street Advisors vs. Moody's



GSA CPPI and Moody's CPPI are indexed to 100 at their respective peaks, Aug '07 and Oct '07.

### Key Attributes of Green Street's Commercial Property Price Index

- Based on Green Street's estimate of private-market value for REIT portfolios comprising the vast majority of the REIT sector's capitalization. The asset base underlying this index has a value of more than \$300 billion and constitutes a sizeable share of the high-quality commercial real estate in the U.S.
- NAV estimates incorporate information from regular discussions with brokers, REIT executives, and private-market participants, as well as info from closed transactions. Significant changes in commercial real estate values are reflected in NAV estimates within weeks.
- Weighted by asset value within each of the major property sectors. Each of the five major sectors accorded 20% weight in the aggregate index.

### About Green Street Advisors

Founded in 1985, Green Street Advisors is the preeminent independent research, trading, and consulting firm concentrating on Real Estate Investment Trusts (REITs), other publicly traded real estate securities, and the private commercial real estate markets in North America and Europe. A focal point of Green Street's company-level research has long been a detailed analysis of Net Asset Value (NAV), the basis of which is a thoughtful estimate of the value of a REIT's portfolio. Additional information on Green Street Advisors is available online at [www.greenstreetadvisors.com](http://www.greenstreetadvisors.com).

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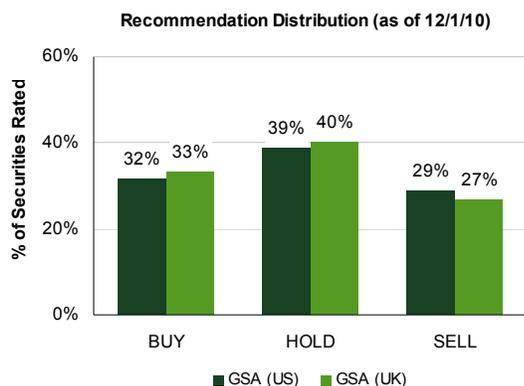
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- Green Street will furnish upon request available investment information supporting the recommendation(s) contained in this report.

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Green Street's "BUYs" have historically achieved far higher total returns than its "HOLDs", which, in turn, have outperformed its "SELLs".

**Total Return of Green Street's Recommendations<sup>1,2</sup>**

Year	Buy	Hold	Sell	Universe <sup>3</sup>
2010 YTD	34.6%	24.3%	21.4%	26.3%
2009	59.0%	47.7%	6.0%	37.9%
2008	-28.1%	-30.9%	-52.6%	-37.3%
2007	-6.9%	-22.4%	-27.8%	-19.7%
2006	45.8%	29.6%	19.5%	31.6%
2005	26.3%	18.5%	-1.8%	15.9%
2004	42.8%	28.7%	16.4%	29.4%
2003	43.3%	37.4%	21.8%	34.8%
2002	17.3%	2.8%	2.6%	5.4%
2001	34.9%	19.1%	13.0%	21.1%
2000	53.4%	28.9%	5.9%	29.6%
1999	12.3%	-9.0%	-20.5%	-6.9%
1998	-1.6%	-15.1%	-15.5%	-12.1%
1997	36.7%	14.8%	7.2%	18.3%
1996	47.6%	30.7%	18.9%	32.1%
1995	22.9%	13.9%	0.5%	13.5%
1994	20.8%	-0.8%	-8.7%	3.1%
1993	27.3%	4.7%	8.1%	12.1%
<b>Total Return</b>	<b>5425.1%</b>	<b>478.9%</b>	<b>-23.6%</b>	<b>547.9%</b>
<b>Annualized</b>	<b>25.2%</b>	<b>10.3%</b>	<b>-1.5%</b>	<b>11.0%</b>

Year Ended December 31:

The results shown above are hypothetical; they do not represent the actual trading of securities. Actual performance will vary from the hypothetical performance shown above due to, but not limited to 1) advisory fees and other expenses that one would pay; 2) transaction costs; 3) the inability to execute trades at the last published price (the hypothetical returns assume execution at the last closing price); 4) the inability to maintain an equally-weighted portfolio in size (the returns above assume an equal weighting); and 5) market and economic factors will almost certainly cause one to invest differently than projected by the model that simulated the above returns. All returns include the reinvestment of dividends. Past performance, particularly hypothetical performance, can not be used to predict future performance.

- (1) Results are for recommendations made by Green Street's North American Research Team only (includes securities in the US, Canada, and Australia). Uses recommendations given in Green Street's "Real Estate Securities Monthly" from January 28, 1993 through December 1, 2010. Historical results from January 28, 1993 through September 1, 2010 were independently verified by an international "Big 4" accounting firm. The accounting firm did not verify the stated results subsequent to September 1, 2010. As of September 1, 2010, the annualized total return of Green Street recommendations since January 28, 1993 was: Buy +25.1%, Hold +10.2%, Sell -1.9%, Universe +10.8%.
- (2) Company inclusion in the calculation of total return has been based on whether the companies were listed in the primary exhibit of Green Street's "Real Estate Securities Monthly". Beginning April 28, 2000, Gaming C-Corps and Hotel C-Corps, with the exception of Starwood Hotels and Homestead Village, are not included in the primary exhibit and therefore not included in the calculation of total return. Beginning March 3, 2003, all Hotel companies are excluded.
- (3) All securities covered by Green Street with a published rating that were included in the calculation of total return. Excludes "not rated" securities.

Per NASD rule 2711, "Buy" = Most attractively valued stocks. We recommend overweight position; "Hold" = Fairly valued stocks. We recommend market-weighting; "Sell" = Least attractively valued stocks. We recommend underweight position.

Green Street will furnish upon request available investment information regarding the recommendation



## North American Team

<b>Research</b> 660 Newport Center Drive, Suite 800 Newport Beach, CA 92660 +1.949.640.8780		
<b>General</b>	Mike Kirby, Director of Research Craig Leupold, President Peter Rothmund, CFA, Analyst Kawika Tarayao, Senior Associate Matthew Wokasch, CFA, Senior Associate	mkirby@greenst.com cleupold@greenst.com prothemund@greenst.com ktarayao@greenst.com mwokasch@greenst.com
<b>Industrial</b>	Steven Frankel, CFA, Analyst John Hornbeak, Associate*	sfrankel@greenst.com jhornbeak@greenst.com
<b>Lodging/Health Care</b>	John Arabia, Managing Director Jeff Theiler, Senior Associate Nicholas Nickerson, Associate	jarabia@greenst.com jtheiler@greenst.com nnickerson@greenst.com
<b>Office</b>	Michael Knott, CFA, Managing Director John Stewart, CFA, Analyst Lukas Hartwich, CFA, Senior Associate Dave Anderson, Associate Jed Reagan, Associate	mknott@greenst.com jstewart@greenst.com lhartwich@greenst.com danderson@greenst.com jreagan@greenst.com
<b>Residential</b>	Andrew McCulloch, CFA, Senior Analyst Chris Van Ens, CFA, Analyst Ray Huang, CFA, Senior Associate Stephen Bakke, Associate	amcculloch@greenst.com cvanens@greenst.com rhuang@greenst.com sbakke@greenst.com
<b>Retail</b>	Jim Sullivan, Managing Director Cedrik Lachance, Managing Director Laura Clark, CFA, Senior Associate Andrew Johns, Senior Associate Jason White, Associate*	jsullivan@greenst.com clachance@greenst.com lclark@greenst.com ajohns@greenst.com jwhite@greenst.com
<b>Trading &amp; Institutional Sales</b> 600 North Pearl Street, Suite 2310 Dallas, TX 1.800.263.1388 (Trading) +1.214.855.5905 (Sales)		
<b>Trading</b>	Lynn Lewis, Managing Director of Sales and Trading Sherman Burns, Managing Director & Trading Manager Laurie Hauck, Vice President, Trading Carol Parker, Vice President, Trading David Alexander, Vice President, Trading David Auerbach, Vice President, Trading	lynnlewis@greenst.com sburns@greenst.com lhauck@greenst.com cparker@greenst.com dalexander@greenst.com dauerbach@greenst.com
<b>Institutional Sales</b>	Anthony Scalia, Director, Institutional Sales Tim Joy, Vice President, Institutional Sales (London) Scott Bell, Vice President, Institutional Sales Murrie Holland, Institutional Sales	ascalial@greenst.com tjoy@greenst.eu.com sbell@greenst.com mholland@greenst.com
<b>Subscription Sales &amp; Marketing</b> 660 Newport Center Drive, Suite 800 Newport Beach, CA 92660 +1.949.640.8780		
<b>Subscription Sales</b>	Damon Scott, Director, Subscription Sales Kevin Johnson, Manager, Subscription Sales	dscott@greenst.com kjohnson@greenst.com
<b>Marketing</b>	Rosemary Pugh, Manager, Marketing	rpugh@greenst.com
<b>Consulting</b> 660 Newport Center Drive, Suite 800 Newport Beach, CA 92660 +1.949.640.8780		
<b>Consulting</b>	Adam Markman, Managing Director Paul Harmeling, Senior Associate Phillip Owens, Senior Associate	amarkman@greenst.com pharmeling@greenst.com powens@greenst.com
<b>Administration</b> 660 Newport Center Drive, Suite 800 Newport Beach, CA 92660 +1.949.640.8780		
<b>Administration</b>	Warner Griswold, CFA, Chief Operating Officer Michael Kao, Director, Technology Robyn Francis, Manager, Compliance Jimmy Meek, Controller, Accounting Kathy Chamberlain, Human Resources	wgriswold@greenst.com mkao@greenst.com rfrancis@greenst.com jmeek@greenst.com kchamberlain@greenst.com

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