



**NATIONAL  
OFFICE MARKET FORECAST  
THE NEXT EXPANSION CYCLE: 2004-2010**

**A LOOK AT SELECT METRO MARKETS**

Prepared For:

**CUSTOMERS AND FRIENDS OF THE FIRM**

Prepared On:

**October 1, 2003**

A Collaborative Publication Prepared By:



*Partners in Excellence With*



© 2003. All rights reserved.

You may not copy or disseminate this report. If quoted, proper attribution is required.

Review Delta Associates' services and current real estate articles at: <http://www.DeltaAssociates.com>.

Learn about Transwestern Commercial Services at: <http://www.Transwestern.net>.





---

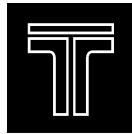
Delta Associates, the research affiliate of Transwestern Commercial Services, is a firm of experienced professionals offering appraisal, consulting and data services to the commercial real estate industry for over 20 years. The firm's practice is organized in three related areas:

1. **Appraisal** and valuation services for commercial real estate assets, loans secured by same, and real estate companies and fractional interests in them.
2. **Consulting, research and advisory services** for commercial real estate projects, including market studies, market entry strategies, asset performance enhancement studies, pre-acquisition due diligence, and financial and fiscal impact analyses.
3. **Subscription Data** for select metro regions for office, industrial and apartment markets.

For further information about Delta Associates and to see all of our publications, please browse our web site at:  
[www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**Headquarters:**  
320 King Street  
Suite 250  
Alexandria, VA 22314  
(703) 836-5700

**Mid-Continent Office:**  
5001 Spring Valley Road  
Suite 600W  
Dallas, TX 75244  
(972) 774-2520



**TRANSWESTERN**  
COMMERCIAL SERVICES

Nationally known for excellence and a singular commitment to creating value, Transwestern Commercial Services has enjoyed a strong reputation for 25 years. Transwestern enjoys superior quality market research and analysis through its research affiliate, Delta Associates. Transwestern is able to leverage Delta's market research experience with the knowledge of its personnel to produce unparalleled real-time market data. Transwestern's market knowledge and insight provides its clients a superior edge.

With 1,100 team members and operations in 18 metro areas, Transwestern is one of the largest privately held real estate firms in the United States. Transwestern offers select corporate users and property owners a full range of services including strategy and planning, site selection, occupancy management, acquisition/ disposition, financing, facilities evaluation, research/ valuation, and portfolio management. For more in-depth economic and market analysis, or to find out how Transwestern can enhance your real estate bottom line, please call:

**National Headquarters**

1900 W. Loop South  
Suite 1300  
Houston, TX 77027  
713.270.7700

*Atlanta*  
*Austin*  
*Baltimore*  
*Chicago*  
*Dallas*  
*Denver*

*Detroit*  
*Houston*  
*Los Angeles*  
*New Orleans*  
*Orange County*  
*Phoenix*

*Salt Lake City*  
*San Antonio*  
*San Diego*  
*San Fran Bay Area*  
*Tulsa*  
*Washington, DC*

All information in this report is from sources deemed reliable, however, no representation is made as to the accuracy thereof.

## PUBLICATIONS

### PERIODIC REPORTS

In-depth reports of the **Washington/Baltimore** Office and Industrial Markets and **Mid-Atlantic** Apartment and Condominium Markets are available quarterly.

### **OUTLOOKS ARE AVAILABLE IN SEVEN MARKETS**

Delta Associates and Transwestern Commercial Services now offer concise, newsletter-style data on office and industrial markets in seven markets around the country: **Chicago, Dallas-Ft. Worth, Denver, Houston, Los Angeles/Orange County, Phoenix, and the San Francisco Bay Area.**

For only \$125 per market per quarter, you can now obtain current market data and analysis at less than half the cost of other reports with less content. Our quarterly *Outlooks* are available one at a time or on an annual subscription basis.

\* \* \* \* \*

To order a *Report* or *Outlook*, or to receive a free sample, please see [www.DeltaAssociates.com](http://www.DeltaAssociates.com) or call our publications representative at 703-836-5700.

### SPECIAL REPORTS

#### ***2003 Washington Area GSA Study***

A review of the Federal Government's leasing activity in 2002 and long-term look at Federal space needs over the past decades and into the future. Available now for \$195.

#### ***2003 Update: Northern Virginia Federal Contractor Ramp-Up Study***

A look back at the explosive growth in Federal procurement spending in Northern Virginia from 2001-02. Available now for \$195.

#### ***Washington Area Associations Study***

Delta's brand-new look at the unique relationship between the many associations in the Washington metropolitan area and the regional real estate market. A must-have for decision-makers at associations or real estate firms. Available in October 2003 for \$195.

\* \* \* \* \*

To order your copy of these special reports, please see [www.DeltaAssociates.com](http://www.DeltaAssociates.com) or call our publications representative at 703-836-5700.

## TABLE OF CONTENTS

	<u>Page</u>
National Office Market Forecast .....	1
Appendix 1: Summary Tables .....	7
Appendix 2: Metro Market Data Tables .....	11
Appendix 3: Industry Concentration and Growth Rates Tables .....	27
Methodology .....	43

### Transwestern Commercial Services: Regional Managers, Office Services Division

<b>Larry Heard</b>	<b><i>CEO</i></b>
<b>Tom Nordlinger</b>	<b><i>Mid-Atlantic</i></b>
<b>Jim Ledbetter</b>	<b><i>Southeast</i></b>
<b>Rob Baggueley</b>	<b><i>Midwest</i></b>
<b>Jack Eimer</b>	<b><i>Central</i></b>
<b>Chip Clarke</b>	<b><i>Southwest</i></b>
<b>Mark Doran</b>	<b><i>West</i></b>

### Delta Associates: Primary Office Practice Team

<b>Scott C. Price</b>	<b><i>National Director of Research</i></b>
<b>Sara Rutledge</b>	<b><i>Director of Research, Mid-Continent Region</i></b>
<b>Alexander L. Paul</b>	<b><i>Director of Research, Mid-Atlantic Region</i></b>
<b>Gregory H. Leisch, CRE</b>	<b><i>Editor and Chief Executive</i></b>
<b>David Lennhoff, MAI</b>	<b><i>President, Appraisal Division</i></b>
<b>Dr. Stephen S. Fuller</b>	<b><i>Of Counsel on the Economy</i></b>

Although the information contained herein is based on sources which Delta Associates (DA) and Transwestern Commercial Services (TCS) believe to be reliable, DA and TCS make no representation or warranty that such information is accurate or complete. All prices, yields, analyses, computations, and opinions expressed are subject to change without notice. Under no circumstances should any such information be considered representations or warranties of DA and TCS of any kind. Any such information may be based on assumptions that may or may not be accurate and any such assumption may differ from actual results. This report should not be considered investment advice.



# NATIONAL OFFICE MARKET FORECAST THE NEXT EXPANSION CYCLE: 2004-2010

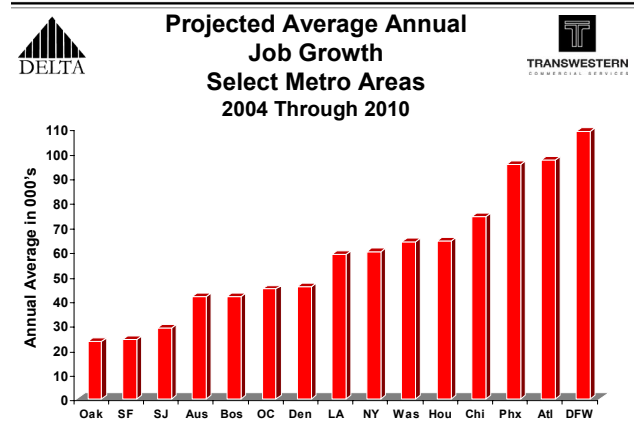
## Most Metro Markets Are at Bottom and Stabilizing; How Will They Perform in the Next Expansion Cycle?

*When will office market conditions begin to experience improvement? When will office rents begin rising again?* These are questions being asked as businesses plan ahead and attempt to make strategic decisions on their future growth and physical accommodations. As a result, we have studied business cycles and taken a look forward to see how the next expansion might unfold. Following is a look at the results of this study and a forecast of selected markets and how they may perform during the next expansion.

### Projected Job Growth

As the economic recovery takes shape, the missing piece to the puzzle – and the one that most directly impacts the state of the office market – is job growth. But **job growth has already returned to a number of markets** – notably the Sunbelt cities and Washington – and job losses are abating in most other markets.

**The Sunbelt cities of Dallas/Ft. Worth, Atlanta and Phoenix will likely lead the nation in job growth during the next expansion**, as population in these regions continues to surge. And while we expect job growth to remain strong in this cross-section of top-tier markets throughout the next expansion, we expect the growth rate to continue to slow. Greater congestion and higher costs in these markets will drive some growth into secondary markets. In addition, more jobs continue to move overseas.



Source: Delta Associates; September 2003.

### Job Growth Rates

	1990s Expansion	2004-2010 Projection
<u>High Growth</u>		
• Austin	5.9%	5.3%
• Phoenix	5.6%	5.1%
• Atlanta	4.4%	3.9%
• Dallas/Ft. Worth	4.0%	3.6%
• Denver	3.8%	3.5%
<u>Moderate Growth</u>		
• San Jose	3.4%	3.0%
• Orange County	3.2%	2.9%
• Houston	3.1%	2.8%
• San Francisco	2.5%	2.3%
• Washington	2.4%	2.1%
• Oakland	2.3%	2.1%
• Boston	2.3%	2.0%
<u>Slow Growth</u>		
• Chicago	1.9%	1.7%
• Los Angeles	1.6%	1.4%
• New York	1.6%	1.4%

Source: BLS, Delta Associates

## What Industries Will Fuel Job Growth?

The **Construction** industry and **Professional/Business Services** will likely be the leading growth industries in the next expansion, as they were in the 1990s. But will the 3<sup>rd</sup> engine of growth in the 1990s – the **Information** sector, which includes **Telecom** and **Internet services** – rev back up or will the excess capacity created in the 1990s sustain consumer and business usage through the end of the decade? Modest growth in this sector will likely prevail during the next expansion, as the industry revolution moderates.

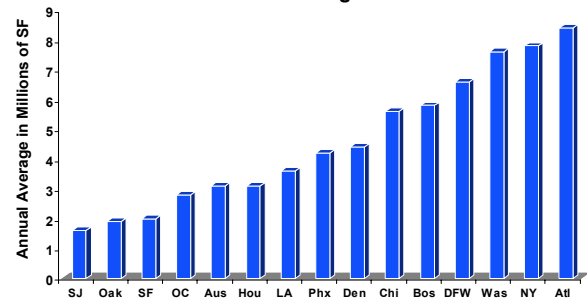
**Education, Health Services** and the **Leisure/Hospitality** sectors will likely experience steady growth through the end of the decade, as they did in the 1990s.

Some sectors in **Atlanta, Washington, Orange County** and **Phoenix** are already experiencing growth, particularly Professional and Business Services. These are the only markets in which Professional and Business Services is a current driver of economic growth and these metros are leading the nation in job growth. **Los Angeles, Houston** and **Dallas/Ft. Worth** are experiencing modest improvement in several sectors, while economic drivers have yet to emerge in the other markets.

## Projected Office Space Net Absorption

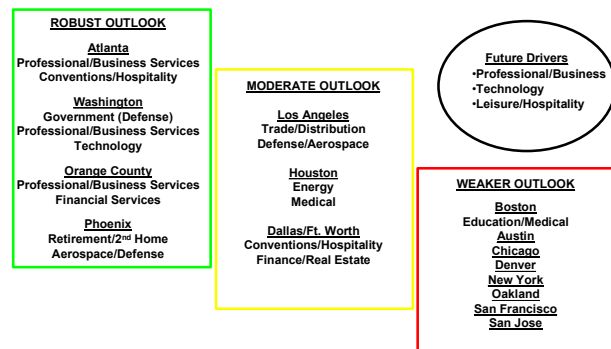
**Atlanta, New York and Washington will likely lead the nation in office space absorption in the next expansion.** While Atlanta's absorption will be fueled by strong job growth, New York and Washington's jobs are heavily concentrated in office space using jobs. Meanwhile, Dallas/Ft. Worth, which may lead the nation in job growth in the next expansion, has a lower share of office space using jobs. As a result, it will not lead the nation in office space absorption, although it will be near the top.

**Projected Net Absorption Per Annum Select Metro Areas 2004 Through 2010**



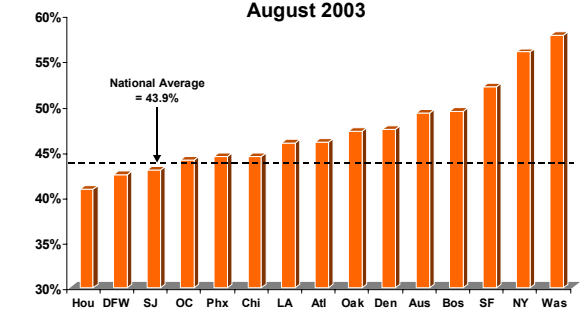
Source: Delta Associates; September 2003.

**Core Industries Outlook Current Regional Drivers**



Source: Delta Associates; September 2003.

**Share of Employment That Uses Office Space Select Metro Areas August 2003**



Source: Delta Associates; September 2003.

**Annual average net absorption will likely increase in most markets during the next expansion**, due to an increase in the absolute number of new jobs being created. While employment growth rates will likely slow, the number of new jobs created will be higher, due to larger employment bases.

**We do not expect companies to continue cutting the amount of office space per employee**, as this cost-cutting phenomenon seems to have run its course in the 1990s. The exceptions to this rule are Boston and New York, where average office space per employee increased in the 1990s – contrary to the national experience. We do not think companies in these two markets will maintain such elevated ratios.

Market	Avg. Annual Net Absorption In Millions of SF	
	1990s Expansion	Projected 2004-2010
Atlanta	6.9	8.4
New York	9.8	7.8
Washington	7.0	7.6
Dallas/Ft. Worth	5.7	6.6
Boston	7.1	5.8
Chicago	5.6	5.6
Denver	3.7	4.4
Phoenix	3.1	4.2
Los Angeles	3.8	3.6
Houston	2.7	3.1
Austin	2.3	3.1
Orange County	2.4	2.8
San Francisco	2.1	2.0
Oakland	1.7	1.9
San Jose	1.7	1.6
<b>Total</b>	<b>65.6</b>	<b>68.5</b>

Source: Delta Associates

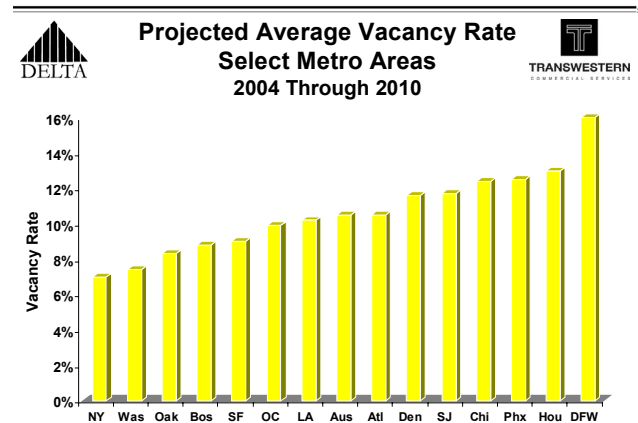
### Projected Average Vacancy Rate

**Average vacancy rates have trended lower over the past two decades**, as these markets have matured, and **the cycle ahead will likely be no exception**. Current vacancy rates, though elevated, are lower in most markets compared to the level of the early 1990s. Unless new development in these markets returns to 1980s-like levels, then the average vacancy rate in these markets through 2010 will be lower than it was in the 1990s.

**New York and Washington will likely maintain the lowest average vacancy rates during the next expansion** – in the 7% range. While these rates are very low, both markets are coming out of the current downturn with very low vacancy rates, compared to the previous cycle:

	1992	2003
• New York	17.2%	11.2%
• Washington	15.6%	11.7%

At the other end of the spectrum, Dallas/Ft. Worth's average vacancy rate will likely remain excessively high, at 16%. However, this is well below its average level in the prior two cycles – 19% and 29%.



Source: Delta Associates; September 2003.

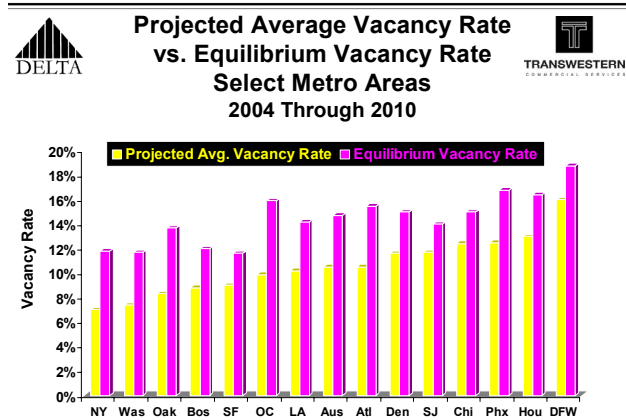
### Equilibrium Vacancy Rate

The propensity of a market to experience rent increases is related to the relationship between the market vacancy rate and the equilibrium rate.

The equilibrium vacancy rate is a historic benchmark in a given market – an inflection point. When the vacancy rate rises above this point, rents decline. When the vacancy rate dips below this point, rents rise. The equilibrium vacancy rate is derived by studying historic trends and varies from market to market.

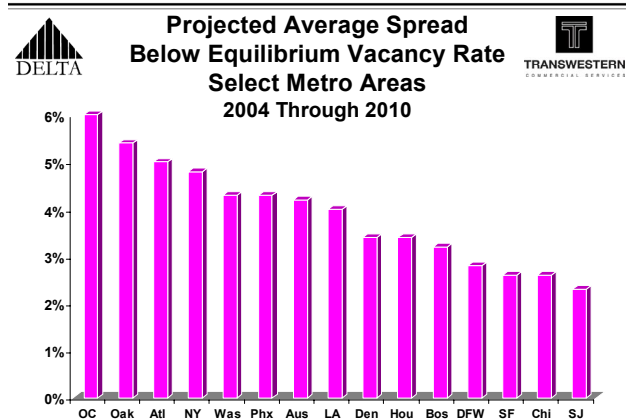
The equilibrium vacancy rate is significantly higher in the Sunbelt Cities, such as Atlanta, Dallas/Ft. Worth and Phoenix, where overbuilding is the norm and market psychology accepts a higher threshold of vacancy. It is lower in more mature markets, such as New York, Washington and San Francisco, where the barriers to entry are greater and new construction is limited.

The average spread below a market's equilibrium vacancy rate is not the only factor to affect rent growth. A market's proximity to other markets can limit rent growth. For instance, Oakland's average spread below its equilibrium vacancy rate will likely be relatively high, yet rent growth there will be constrained by its proximity to San Francisco and San Jose. Both of these markets will likely experience minimal pressure on rents for the next several years and can compete for Oakland's tenants.

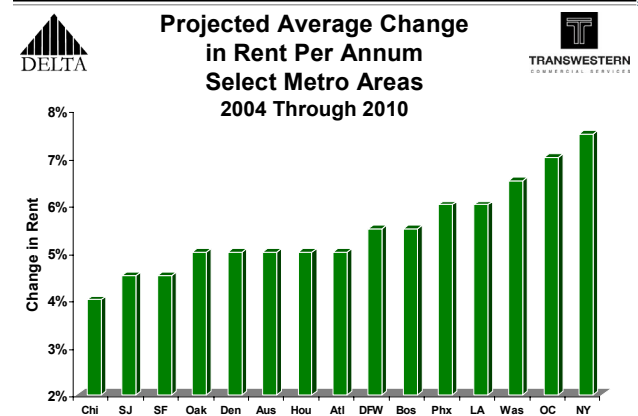


Source: Delta Associates, REIS; September 2003.

Another factor that may constrain rent growth is the ability of developers to build new supply at a rapid rate. For instance, Atlanta, which likely will also have a relatively high spread below its equilibrium vacancy rate, will likely experience less rent pressure than Boston, which will likely have a lower spread. This is due to greater barriers to entry in Boston, such as tougher zoning and permitting procedures.



Source: Delta Associates; September 2003.



Source: Delta Associates; September 2003.

### Projected Average Annual Rent Growth

*The usual suspects – New York, Washington, Los Angeles and Orange County – will likely experience the greatest rent growth during the next expansion. A notable exception to this group is San Francisco, where soft market conditions will likely suppress rents for the next several years. Meanwhile, soft market conditions and a slow-growth environment in Chicago will likely keep rent growth there to a minimum.*

### When Will Office Market Conditions Begin to Experience Improvement?

*Washington, Phoenix and Orange County – where job growth either held up relatively well throughout the downturn or has returned – are already experiencing improved market conditions. As a result, net absorption of office space is positive in 2003 and vacancy rates are beginning to decline in these markets. Other markets, such as Atlanta and Dallas/Ft. Worth, that are on the cusp of economic rejuvenation will likely follow suit in 2004.*

But markets where economic conditions will likely take longer to rebound will not experience improved market conditions until 2005. A weak securities industry will forestall New York's turnaround, while overcapacity in the telecom industry is hurting Denver. The Bay Area's troubles are well-documented, while Houston and Los Angeles were late entering the downturn and appear to be sluggish coming out of it – not to mention California's budget woes.

***In summary, we believe we are on the verge of moving into market recovery nationwide, with several markets lagging by 12 to 18 months. We expect rents to stabilize nationwide by mid-year 2004 and to begin rising by 2005/06. Rent growth of approximately 3% to 4% per annum should be realized by 2006 to 2008 – staggered by metro market.***

<b>When Will Office Market Conditions Begin to Show Improvement?</b>	<b>When Will Rent Growth Reach or Exceed 3% to 4% Per Annum?</b>
<p><b>2003</b></p> <p>Washington Phoenix Orange County</p>	<p><b>2006</b></p> <p>Washington Phoenix Orange County</p>
<p><b>2004</b></p> <p>Atlanta Dallas/Ft. Worth Austin Boston Oakland</p>	<p><b>2007</b></p> <p>Atlanta Dallas/Ft. Worth Austin Boston Oakland Los Angeles New York Houston San Francisco San Jose</p>
<p><b>2005</b></p> <p>Los Angeles New York Houston San Francisco San Jose Denver Chicago</p>	<p><b>2008</b></p> <p>Denver Chicago</p>

Source: Delta Associates



### Core Industries Atlanta MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Tech/Telecom	\$22	12%
Distribution	\$18	10%
Business Services	\$9	5%
Transportation	\$9	5%
Conventions/Hospitality	\$9	5%
Total Core Industries:	\$67	37%
Other	\$115	63%
<b>Total GAP:</b>	<b>\$182</b>	<b>100%</b>

Source: Delta Associates; September 2003.

GAP = Gross Area Product



### Core Industries Chicago MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Manufacturing	\$59	17%
Distribution/Trade	\$45	13%
Hospitality/Conventions	\$38	11%
Tech/Telecom	\$24	7%
Finance/Insurance	\$24	7%
Transportation	\$17	5%
Total Core Industries:	\$207	59%
Other	\$142	41%
<b>Total GAP:</b>	<b>\$349</b>	<b>100%</b>

Source: Delta Associates; September 2003.

GAP = Gross Area Product



### Core Industries Austin MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GRP*</u>
High-Tech	\$8.3	15%
Government	\$6.6	12%
Music/Entertainment	\$3.3	6%
Tourism/Hospitality	\$2.8	5%
Total Core Industries	\$21.0	38%
Other	\$34.0	62%
<b>Total GAP</b>	<b>\$55.0</b>	<b>100%</b>

Source: Delta Associates; September 2003.

GAP = Gross Area Product



### Core Industries Dallas/Fort Worth 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Finance/Ins/Real Estate	\$51	19%
Manufacturing	\$43	16%
Distribution	\$24	9%
Tech/Telecom	\$21	8%
Transportation	\$11	4%
Hospitality/Conventions	\$8	3%
Energy	\$5	2%
Total Core Industries:	\$163	61%
Other	\$104	39%
<b>Total GAP:</b>	<b>\$267</b>	<b>100%</b>

Source: The Perryman Group, Delta Associates; September 2003.

GAP = Gross Area Product



### Core Industries Boston MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Technology	\$34	12%
Finance/Insurance	\$34	12%
Trade/Distribution	\$20	7%
Biotech/Medical	\$14	5%
Higher Education	\$14	5%
Tourism/Hospitality	\$11	4%
Total Core Industries:	\$127	45%
Other	\$153	55%
<b>Total GAP:</b>	<b>\$280</b>	<b>100%</b>

Source: Delta Associates; September 2003.

GAP = Gross Area Product



### Core Industries Denver MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Tech/Telecom	\$13	14%
Government	\$10	11%
Distribution	\$7	8%
Financial Services	\$6	7%
Transportation	\$3	3%
Tourism	\$2	2%
Total Core Industries:	\$41	45%
Other	\$51	55%
<b>Total GAP:</b>	<b>\$92</b>	<b>100%</b>

Source: Bureau of Economic Analysis, Delta Associates, September 2003

GAP = Gross Area Product



### Core Industries Houston MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Energy	\$108	48%
Manufacturing	\$18	8%
Medical	\$13	6%
International Trade	\$11	5%
Technology	\$11	5%
NASA	\$9	4%
Total Core Industries:	\$170	76%
Other	\$54	24%
<b>Total GAP:</b>	<b>\$224</b>	<b>100%</b>

Source: The Perryman Group, Delta Associates; September 2003. GAP = Gross Area Product



### Core Industries Phoenix MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Tourism/Travel	\$21	17%
Tech/Tech Mfg/Telecom	\$10	8%
Retirement/2 <sup>nd</sup> Home	\$9	7%
Distribution/Trade	\$9	7%
Aerospace/Defense	\$8	6%
Financial/Bus. Services	\$6	5%
Total Core Industries:	\$63	50%
Other	\$62	50%
<b>Total GAP:</b>	<b>\$125</b>	<b>100%</b>

Source: Elliott D. Pollack & Co, Delta Associates; September 2003. GAP = Gross Area Product



### Core Industries LA Basin 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GRP*</u>
Manufacturing	\$100	16%
Technology	\$75	12%
International Trade	\$37	6%
Tourism/Hospitality	\$31	5%
Entertainment	\$31	5%
Defense/Aerospace	\$19	3%
Total Core Industries	\$293	47%
<b>Total GRP*</b>	<b>\$623</b>	<b>100%</b>

Source: Delta Associates; September 2003. \*Gross Regional Product



### Core Industries San Francisco Bay Area 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GRP*</u>
High-Tech <sup>1/</sup>	\$67	18%
Trade	\$33	9%
Tourism/Hospitality	\$26	7%
Financial Services	\$15	4%
Total Core Industries	\$138	38%
Other	\$232	62%
<b>Total GRP*</b>	<b>\$370</b>	<b>100%</b>

<sup>1/</sup>Includes Professional Services and Electronics Manufacturing

Source: Delta Associates; September 2003. \*Gross Regional Product



### Core Industries New York MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Finance/Ins/Real Estate	\$88	17%
Tourism/Hospitality	\$52	10%
Media/Advertising	\$36	7%
Trade/Distribution	\$26	5%
International Business	\$26	5%
Technology	\$26	5%
Total Core Industries:	\$254	49%
Other	\$262	51%
<b>Total GAP:</b>	<b>\$516</b>	<b>100%</b>

Source: Delta Associates; September 2003. GAP = Gross Area Product



### Core Industries Washington MSA 2002



<u>Core Industries</u>	<u>\$(Bil)</u>	<u>% GAP</u>
Federal Government	\$85	32%
Technology	\$42	16%
Building Industry	\$20	8%
International Business	\$16	6%
Tourism/Hospitality	\$7	3%
Total Core Industries:	\$170	64%
Other	\$95	36%
<b>Total GAP:</b>	<b>\$265</b>	<b>100%</b>

Source: Delta Associates; September 2003. GAP = Gross Area Product



**Appendix 1**  
**Summary Tables**



**PROJECTED AVERAGE ANNUAL JOB GROWTH AND NET ABSORPTION**  
**SELECTED METRO AREAS**  
**2004 THROUGH 2010**

Market	Employment Base	Projected Job Growth	Projected Growth Rate	Projected Net Absorption Per Annum	Projected Net Absorption Per New Job
				(Square Feet)	
Dallas/Ft. Worth	2,709,500	108,700	3.6%	6,600,000	61
<u>Los Angeles/Orange County</u>					
Orange County	1,408,400	44,600	2.9%	2,800,000	63
Los Angeles	<u>4,011,700</u>	<u>58,600</u>	<u>1.4%</u>	<u>3,600,000</u>	61
Subtotal LA/Orange County	5,420,100	103,200	1.8%	6,400,000	62
Atlanta	2,211,800	97,000	3.9%	8,400,000	87
Phoenix	1,595,900	95,000	5.1%	4,200,000	44
<u>Bay Area</u>					
Oakland	1,044,100	23,400	2.1%	1,900,000	80
San Francisco	972,800	24,000	2.3%	2,000,000	84
San Jose	<u>871,300</u>	<u>28,600</u>	<u>3.0%</u>	<u>1,600,000</u>	57
Subtotal Bay Area	2,888,200	76,000	2.4%	5,500,000	72
Chicago	4,141,900	74,100	1.7%	5,600,000	76
Houston	2,105,400	64,100	2.8%	3,100,000	48
Washington	2,847,000	63,700	2.1%	7,600,000	119
New York	4,103,400	59,900	1.4%	7,800,000	131
Denver	1,168,500	45,500	3.5%	4,400,000	96
Boston	1,960,200	41,600	2.0%	5,800,000	139
Austin	665,400	41,400	5.3%	3,100,000	74

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Suite 250, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**OFFICE USING EMPLOYMENT MARKET SHARE**  
**VERSUS OFFICE SF PER NEW JOB**  
**SELECTED METRO AREAS**  
**AS OF AUGUST 2003**

Market	Share of Employment That Utilizes Office Space	Projected SF of Net Absorption Per New Job
U.S.	43.9%	
Washington	57.7%	119
New York	55.9%	131
San Francisco	52.1%	84
Boston	49.4%	139
Austin	49.2%	74
Denver	47.4%	96
Oakland	47.2%	80
Atlanta	46.0%	87
Los Angeles	45.9%	61
Chicago	44.4%	76
Phoenix	44.4%	44
Orange County	44.0%	63
San Jose	42.9%	57
Dallas/Ft. Worth	42.4%	61
Houston	40.8%	48

Source: Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Suite 250, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**PROJECTED AVERAGE VACANCY RATE**  
**SELECTED METRO AREAS**  
**2004 THROUGH 2010**

Market	Projected Average Vacancy Rate	Equilibrium Vacancy Rate	Spread
Orange County	9.9%	15.9%	6.0%
Oakland	8.3%	13.7%	5.4%
Atlanta	10.5%	15.5%	5.0%
New York	7.0%	11.8%	4.8%
Washington	7.4%	11.7%	4.3%
Phoenix	12.5%	16.8%	4.3%
Austin	10.5%	14.7%	4.2%
Los Angeles	10.2%	14.2%	4.0%
Denver	11.6%	15.0%	3.4%
Houston	13.0%	16.4%	3.4%
Boston	8.8%	12.0%	3.2%
Dallas/Ft. Worth	16.0%	18.8%	2.8%
San Francisco	9.0%	11.6%	2.6%
Chicago	12.4%	15.0%	2.6%
San Jose	11.7%	14.0%	2.3%

Source: Delta Associates, REIS, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Suite 250, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**PROJECTED AVERAGE CHANGE IN RENT PER ANNUM**  
**SELECTED METRO AREAS**  
**2004 THROUGH 2010**

Market	Average Annual Change in Rent 1990's Expansion	Projected Average Annual Change in Rent 2004-2010
New York	6.3%	7.5%
Orange County	3.6%	7.0%
Washington	4.8%	6.5%
Los Angeles	2.4%	6.0%
Phoenix	6.4%	6.0%
Boston	8.4%	5.5%
Dallas/Ft. Worth	4.9%	5.5%
Atlanta	4.1%	5.0%
Houston	3.9%	5.0%
Austin	8.6%	5.0%
Denver	7.9%	5.0%
Oakland	7.1%	5.0%
San Francisco	17.5%	4.5%
San Jose	13.2%	4.5%
Chicago	3.9%	4.0%

Source: Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Suite 250, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**Appendix 2**  
**Metro Market Tables**



**EMPLOYMENT AND OFFICE MARKET DATA**  
**ATLANTA METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	29,200	3.0%	3,600,000	3.9%	12.2%
1981	27,200	2.7%	2,814,000	6.7%	8.1%
1982	12,700	1.2%	2,454,000	15.4%	5.0%
1983	51,300	4.9%	5,605,000	14.3%	3.7%
1984	97,500	8.9%	6,910,000	14.4%	3.5%
1985	68,700	5.8%	8,629,000	19.2%	1.0%
1986	61,600	4.9%	6,445,000	19.6%	2.8%
1987	52,900	4.0%	10,987,000	20.1%	4.6%
1988	88,200	6.4%	8,653,000	18.0%	1.2%
1989	31,500	2.2%	7,394,000	18.2%	1.3%
1990	32,400	2.2%	4,952,000	18.0%	-1.6%
1991	(22,100)	-1.4%	5,690,000	17.7%	-4.0%
1992	43,100	2.9%	4,698,000	17.3%	-2.2%
1993	85,600	5.5%	5,896,000	13.6%	2.1%
1994	97,600	6.0%	5,275,000	10.6%	2.2%
1995	84,100	4.9%	4,498,000	8.1%	3.4%
1996	86,100	4.7%	3,170,000	7.5%	5.0%
1997	55,900	2.9%	7,565,000	7.2%	3.5%
1998	83,700	4.3%	6,533,000	8.8%	3.6%
1999	83,500	4.1%	12,202,000	7.9%	5.7%
2000	55,900	2.6%	10,157,000	7.4%	7.5%
2001	9,800	0.4%	(7,139,000)	14.5%	-5.0%
2002	(16,000)	-0.7%	(3,269,000)	17.2%	-5.6%
2003 Est.	17,000	0.8%	0	17.5%	-1.0%
Avg. Annual 1983-1989	64,529	5.3%	7,803,286	17.7%	2.6%
Avg. Annual 1993-2000	79,050	4.4%	6,912,000	8.9%	4.1%
Projected Avg. Annual 2004-2010	97,000	3.9%	8,439,000	10.5%	5.0%

SF of net absorption per new job 1983-1989: 121

SF of net absorption per new job 1993-2000: 87

SF of net absorption per new job 2004-2010: 87

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**DALLAS/FT. WORTH METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	76,400	5.6%	4,960,000	11.4%	11.1%
1981	70,200	4.9%	6,832,000	10.7%	11.4%
1982	27,200	1.8%	4,307,000	21.2%	5.9%
1983	57,600	3.8%	5,396,000	28.6%	3.1%
1984	148,800	9.4%	9,519,000	24.7%	4.3%
1985	102,500	6.0%	6,118,000	29.5%	2.5%
1986	29,400	1.6%	4,673,000	33.0%	-3.2%
1987	100	0.0%	3,573,000	32.1%	-6.0%
1988	30,500	1.7%	2,007,000	31.2%	-10.2%
1989	39,500	2.1%	4,323,000	27.8%	-3.2%
1990	58,800	3.0%	1,299,000	27.1%	1.1%
1991	500	0.0%	1,097,000	27.7%	-2.6%
1992	8,900	0.4%	(1,085,000)	28.0%	-4.3%
1993	60,700	3.0%	813,000	26.6%	-1.5%
1994	80,200	3.8%	4,047,000	22.9%	2.1%
1995	86,500	4.0%	3,985,000	19.5%	5.9%
1996	91,400	4.1%	2,822,000	19.5%	5.8%
1997	122,000	5.2%	6,998,000	17.0%	5.7%
1998	115,700	4.7%	9,980,000	14.9%	7.0%
1999	95,300	3.7%	10,094,000	15.5%	9.0%
2000	100,500	3.8%	6,953,000	14.4%	5.5%
2001	8,300	0.3%	144,000	18.4%	-0.5%
2002	(62,800)	-2.3%	(2,202,000)	21.2%	-3.0%
2003 Est.	(17,000)	-0.6%	(500,000)	21.2%	-2.0%
Avg. Annual 1983-1989	58,343	3.5%	5,087,000	29.6%	-1.8%
Avg. Annual 1993-2000	94,038	4.0%	5,711,500	18.8%	4.9%
Projected Avg. Annual 2004-2010	108,700	3.6%	6,630,700	16.0%	5.5%

SF of net absorption per new job 1983-1989: 87  
 SF of net absorption per new job 1993-2000: 61  
 SF of net absorption per new job 2004-2010: 61

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**OAKLAND METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	6,600	1.0%	1,654,000	8.1%	2.0%
1981	3,200	0.5%	1,809,000	6.6%	3.0%
1982	(9,300)	-1.4%	1,794,000	11.4%	-0.5%
1983	11,800	1.7%	2,375,000	10.7%	6.4%
1984	33,300	4.8%	3,128,000	13.1%	5.7%
1985	29,500	4.1%	5,290,000	17.1%	1.3%
1986	21,700	2.9%	3,329,000	18.7%	1.8%
1987	25,800	3.3%	4,096,000	17.0%	-1.3%
1988	35,900	4.5%	3,375,000	14.3%	-1.0%
1989	21,800	2.6%	2,148,000	14.2%	1.9%
1990	22,000	2.6%	2,191,000	14.4%	1.6%
1991	500	0.1%	617,000	15.3%	2.9%
1992	(9,500)	-1.1%	797,000	14.3%	-5.2%
1993	3,200	0.4%	968,000	12.8%	-3.4%
1994	4,000	0.5%	894,000	12.2%	1.2%
1995	20,100	2.3%	880,000	11.3%	2.0%
1996	18,900	2.1%	2,287,000	8.8%	4.7%
1997	31,400	3.4%	1,332,000	8.3%	5.5%
1998	28,400	3.0%	2,406,000	8.2%	8.2%
1999	31,700	3.2%	2,450,000	7.3%	9.6%
2000	36,700	3.6%	2,781,000	4.2%	28.8%
2001	10,200	1.0%	581,000	8.5%	-2.3%
2002	(12,200)	-1.2%	(538,000)	12.4%	-15.6%
2003 Est.	0	0.0%	0	12.8%	-2.0%
Avg. Annual 1983-1989	25,686	3.4%	3,391,571	15.0%	2.1%
Avg. Annual 1993-2000	21,800	2.3%	1,749,750	9.1%	7.1%
Projected Avg. Annual 2004-2010	23,400	2.1%	1,872,000	8.3%	5.0%

SF of net absorption per new job 1983-1989: 132  
 SF of net absorption per new job 1993-2000: 80  
 SF of net absorption per new job 2004-2010: 80

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
 320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**AUSTIN METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	13,200	5.7%	240,000	4.5%	8.0%
1981	15,600	6.4%	1,483,000	8.5%	5.5%
1982	10,800	4.2%	1,019,000	9.0%	4.5%
1983	21,100	7.8%	2,016,000	9.6%	4.1%
1984	37,100	12.7%	3,565,000	10.1%	3.0%
1985	29,100	8.9%	4,679,000	16.5%	0.6%
1986	2,600	0.7%	819,000	28.3%	-7.0%
1987	(7,100)	-2.0%	572,000	33.8%	-15.5%
1988	13,700	3.9%	1,498,000	29.6%	-5.6%
1989	7,800	2.1%	1,969,000	24.4%	-3.5%
1990	16,100	4.3%	1,871,000	18.9%	0.4%
1991	12,200	3.1%	1,190,000	15.4%	3.6%
1992	21,400	5.3%	1,173,000	11.9%	5.6%
1993	29,400	6.9%	975,000	9.3%	5.7%
1994	30,800	6.8%	924,000	8.2%	5.0%
1995	32,100	6.6%	717,000	6.9%	5.3%
1996	24,400	4.7%	1,438,000	5.2%	8.3%
1997	25,400	4.7%	1,375,000	3.6%	7.7%
1998	34,400	6.1%	3,238,000	3.0%	9.2%
1999	34,700	5.8%	6,150,000	1.5%	10.7%
2000	37,300	5.9%	3,517,000	0.8%	16.6%
2001	1,300	0.2%	(2,223,000)	12.7%	-5.0%
2002	(13,800)	-2.0%	(1,449,000)	20.1%	-12.0%
2003 Est.	6,000	1.0%	0	20.3%	-4.0%
Avg. Annual 1983-1989	14,900	4.9%	2,159,714	21.8%	-3.4%
Avg. Annual 1993-2000	31,063	5.9%	2,291,750	4.8%	8.6%
Projected Avg. Annual 2004-2010	41,400	5.3%	3,063,600	10.5%	5.0%

SF of net absorption per new job 1983-1989: 145

SF of net absorption per new job 1993-2000: 74

SF of net absorption per new job 2004-2010: 74

---

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**DENVER METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	22,000	2.8%	4,650,000	8.1%	15.4%
1981	30,400	3.8%	5,752,000	8.1%	14.3%
1982	18,500	2.2%	5,282,000	8.5%	8.0%
1983	11,900	1.4%	5,094,000	9.5%	7.4%
1984	41,500	5.4%	6,746,000	12.6%	5.6%
1985	12,800	1.6%	3,832,000	14.1%	4.1%
1986	(12,800)	-1.6%	1,123,000	15.7%	-7.0%
1987	(4,900)	-0.6%	(431,000)	18.4%	-7.0%
1988	4,700	0.6%	(186,000)	18.5%	-10.0%
1989	18,100	2.2%	1,324,000	17.3%	-3.0%
1990	18,100	2.2%	3,654,000	15.0%	2.0%
1991	10,400	1.2%	1,019,000	15.5%	1.0%
1992	21,700	2.5%	1,344,000	14.6%	2.0%
1993	33,300	3.8%	3,255,000	10.8%	6.0%
1994	36,700	4.1%	3,750,000	7.8%	7.0%
1995	37,700	4.0%	2,398,000	7.6%	9.0%
1996	31,400	3.2%	3,134,000	6.6%	12.0%
1997	44,000	4.3%	2,385,000	7.6%	10.0%
1998	40,400	3.8%	3,219,000	9.3%	5.0%
1999	40,900	3.7%	4,958,000	9.6%	7.0%
2000	43,300	3.8%	6,444,000	9.2%	7.0%
2001	2,600	0.2%	3,508,000	13.9%	-6.0%
2002	(32,300)	-2.7%	(2,196,000)	17.4%	-10.0%
2003 Est.	(15,000)	-1.1%	(500,000)	17.6%	-4.0%
Avg. Annual 1980-1985	22,850	2.9%	5,226,000	10.2%	9.1%
Avg. Annual 1993-2000	38,463	3.8%	3,692,875	8.6%	7.9%
Projected Avg. Annual 2004-2010	45,500	3.5%	4,368,000	11.6%	5.0%

SF of net absorption per new job 1983-1989: 229  
SF of net absorption per new job 1993-2000: 96  
SF of net absorption per new job 2004-2010: 96

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**PHOENIX METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	22,200	3.6%	1,662,000	13.5%	8.9%
1981	20,700	3.3%	1,449,000	16.0%	6.5%
1982	(2,200)	-0.3%	2,636,000	19.3%	5.5%
1983	37,100	5.7%	1,319,000	22.0%	3.0%
1984	78,700	11.4%	2,113,000	22.5%	6.0%
1985	72,000	9.3%	5,094,000	24.4%	5.0%
1986	42,900	5.1%	4,416,000	25.7%	4.0%
1987	32,800	3.7%	3,025,000	24.1%	2.6%
1988	24,900	2.7%	1,294,000	25.6%	0.2%
1989	23,900	2.5%	2,325,000	26.9%	0.3%
1990	21,600	2.2%	1,468,000	27.3%	-2.5%
1991	(4,000)	-0.4%	1,788,000	26.5%	-3.0%
1992	11,900	1.2%	2,005,000	22.8%	-4.0%
1993	49,800	4.9%	2,031,000	19.9%	-0.5%
1994	71,100	6.6%	2,809,000	16.1%	5.0%
1995	83,000	7.3%	1,860,000	13.4%	8.0%
1996	87,600	7.2%	1,659,000	11.3%	10.0%
1997	70,500	5.4%	3,474,000	10.9%	10.0%
1998	75,100	5.4%	4,547,000	10.3%	8.0%
1999	67,000	4.6%	4,541,000	11.4%	6.0%
2000	57,100	3.7%	3,669,000	11.9%	5.1%
2001	13,300	0.8%	2,290,000	16.0%	-1.0%
2002	(5,800)	-0.4%	59,000	17.5%	-4.3%
2003 Est.	11,000	0.7%	500,000	17.2%	-2.0%
Avg. Annual 1983-1989	44,614	5.8%	2,798,000	24.5%	3.0%
Avg. Annual 1993-2000	70,150	5.6%	3,073,750	13.2%	6.4%
Projected Avg. Annual 2004-2010	95,000	5.1%	4,180,000	12.5%	6.0%

SF of net absorption per new job 1983-1989: 63  
 SF of net absorption per new job 1993-2000: 44  
 SF of net absorption per new job 2004-2010: 44

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
 320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**BOSTON METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	30,600	2.1%	5,071,000	2.7%	15.0%
1981	7,000	0.5%	4,167,000	5.9%	9.2%
1982	(4,000)	-0.3%	(343,000)	10.0%	1.6%
1983	48,200	3.3%	6,854,000	7.4%	4.0%
1984	82,700	5.4%	11,158,000	9.0%	7.0%
1985	34,400	2.1%	8,108,000	10.6%	0.3%
1986	32,700	2.0%	10,680,000	7.4%	2.2%
1987	42,000	2.5%	10,446,000	7.8%	3.2%
1988	34,000	2.0%	7,048,000	10.4%	3.1%
1989	141,100	8.1%	3,268,000	12.1%	1.5%
1990	(67,600)	-3.6%	2,283,000	15.6%	-5.2%
1991	(105,600)	-5.8%	1,601,000	15.8%	-6.9%
1992	(13,000)	-0.8%	3,216,000	14.2%	-4.4%
1993	21,100	1.2%	6,498,000	12.0%	1.6%
1994	49,900	2.9%	7,368,000	8.3%	3.3%
1995	43,400	2.4%	4,394,000	6.0%	5.3%
1996	40,200	2.2%	4,664,000	3.3%	6.4%
1997	44,900	2.4%	5,384,000	1.7%	7.0%
1998	41,200	2.2%	6,400,000	1.9%	8.5%
1999	36,600	1.9%	12,678,000	1.3%	15.0%
2000	57,100	2.9%	9,464,000	0.4%	20.0%
2001	(500)	0.0%	(6,715,000)	10.6%	-6.1%
2002	(60,400)	-3.0%	(6,058,000)	15.0%	-15.8%
2003 Est.	(42,000)	-2.0%	(3,000,000)	17.0%	-7.5%
Avg. Annual 1983-1989	59,300	3.6%	8,223,143	9.2%	3.0%
Avg. Annual 1993-2000	41,800	2.3%	7,106,250	4.4%	8.4%
Projected Avg. Annual 2004-2010	41,600	2.0%	5,782,400	8.8%	5.5%

SF of net absorption per new job 1983-1989: 139

SF of net absorption per new job 1993-2000: 170

SF of net absorption per new job 2004-2010: 139

---

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**HOUSTON METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	80,600	6.1%	9,283,000	8.1%	19.6%
1981	117,500	8.4%	12,819,000	11.5%	15.1%
1982	24,500	1.6%	10,260,000	21.9%	3.1%
1983	(96,200)	-6.2%	7,835,000	30.7%	-1.3%
1984	31,200	2.2%	11,289,000	27.2%	-4.8%
1985	2,800	0.2%	1,251,000	28.2%	-10.8%
1986	(68,200)	-4.6%	(1,206,000)	30.1%	-10.5%
1987	(22,600)	-1.6%	286,000	30.0%	-15.1%
1988	66,000	4.8%	3,999,000	27.2%	1.1%
1989	67,000	4.6%	1,077,000	26.2%	0.8%
1990	89,700	5.9%	4,484,000	23.6%	3.3%
1991	25,000	1.6%	1,803,000	23.7%	0.2%
1992	4,700	0.3%	902,000	23.6%	-2.3%
1993	29,000	1.8%	578,000	22.9%	-0.6%
1994	43,600	2.6%	2,192,000	21.2%	0.6%
1995	55,600	3.3%	1,408,000	20.0%	0.4%
1996	48,500	2.7%	2,654,000	18.3%	2.8%
1997	82,100	4.5%	6,113,000	14.5%	9.5%
1998	98,100	5.2%	3,356,000	13.2%	8.6%
1999	36,200	1.8%	2,243,000	12.8%	4.3%
2000	52,400	2.6%	2,847,000	12.0%	5.9%
2001	37,700	1.8%	1,586,000	13.1%	0.3%
2002	(8,800)	-0.4%	(454,000)	15.1%	-2.9%
2003 Est.	(12,000)	-0.6%	(750,000)	15.8%	-3.0%
Avg. Annual 1980-1990	26,573	1.9%	5,579,727	24.1%	0.0%
Avg. Annual 1993-2000	55,688	3.1%	2,673,875	16.9%	3.9%
Projected Avg. Annual 2004-2010	64,100	2.8%	3,076,800	13.0%	5.0%

SF of net absorption per new job 1983-1989: 210  
SF of net absorption per new job 1993-2000: 48  
SF of net absorption per new job 2004-2010: 48

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**SAN FRANCISCO METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	31,400	3.7%	2,846,000	6.1%	10.0%
1981	11,400	1.3%	2,228,000	4.7%	7.0%
1982	(14,600)	-1.6%	2,082,000	6.4%	4.0%
1983	(3,700)	-0.4%	2,686,000	9.2%	2.0%
1984	19,600	2.3%	1,785,000	10.1%	2.0%
1985	12,700	1.4%	2,615,000	13.0%	1.5%
1986	5,400	0.6%	3,925,000	14.9%	0.0%
1987	6,900	0.8%	2,482,000	13.6%	0.4%
1988	9,900	1.1%	3,219,000	14.2%	0.3%
1989	10,200	1.1%	2,429,000	13.6%	1.5%
1990	14,100	1.5%	1,704,000	13.9%	2.0%
1991	(7,700)	-0.8%	1,546,000	14.7%	0.0%
1992	(25,200)	-2.7%	1,200,000	13.8%	0.0%
1993	(6,100)	-0.7%	214,000	13.6%	-2.0%
1994	(4,600)	-0.5%	2,193,000	11.6%	3.2%
1995	12,800	1.4%	1,686,000	10.3%	3.1%
1996	31,700	3.5%	2,871,000	7.7%	8.4%
1997	35,300	3.7%	2,587,000	6.0%	9.5%
1998	28,800	2.9%	1,261,000	6.4%	10.5%
1999	27,700	2.7%	1,526,000	6.7%	18.5%
2000	42,100	4.0%	2,411,000	4.8%	55.1%
2001	(28,300)	-2.6%	(2,417,000)	10.4%	-38.9%
2002	(65,200)	-6.2%	(1,477,000)	14.8%	-19.4%
2003 Est.	(21,000)	-2.1%	(200,000)	16.0%	-5.0%
Avg. Annual 1984-1990	11,257	1.2%	2,594,143	13.3%	1.1%
Avg. Annual 1994-2000	24,829	2.5%	2,076,429	7.0%	17.5%
Projected Avg. Annual 2004-2010	24,000	2.3%	2,016,000	9.0%	4.5%

SF of net absorption per new job 1984-1990: 230  
 SF of net absorption per new job 1995-2000: 84  
 SF of net absorption per new job 2004-2010: 84

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
 320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**NEW YORK METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	31,200	0.8%	6,744,000	6.3%	5.0%
1981	61,600	1.6%	2,306,000	6.9%	5.6%
1982	(9,700)	-0.3%	(2,332,000)	9.3%	-0.6%
1983	19,900	0.5%	3,282,000	9.8%	1.1%
1984	98,500	2.6%	5,088,000	10.3%	1.9%
1985	72,900	1.9%	4,704,000	11.0%	3.3%
1986	64,300	1.6%	9,800,000	12.1%	0.8%
1987	58,400	1.4%	5,874,000	13.5%	-2.3%
1988	21,200	0.5%	3,444,000	14.4%	-1.9%
1989	3,200	0.1%	3,274,000	15.2%	-2.1%
1990	(44,200)	-1.1%	(1,872,000)	16.3%	-1.0%
1991	(215,100)	-5.3%	(5,652,000)	17.3%	-8.1%
1992	(105,800)	-2.7%	(3,080,000)	17.2%	-4.6%
1993	7,500	0.2%	2,947,000	16.4%	-2.6%
1994	34,400	0.9%	4,501,000	15.5%	0.5%
1995	22,000	0.6%	7,959,000	13.9%	2.1%
1996	34,300	0.9%	10,893,000	11.8%	3.3%
1997	81,400	2.1%	13,603,000	9.1%	6.4%
1998	97,600	2.5%	11,738,000	7.5%	8.4%
1999	109,200	2.7%	12,810,000	6.0%	9.2%
2000	114,900	2.8%	13,642,000	3.8%	23.3%
2001	(29,300)	-0.7%	(29,000,000)	8.2%	-3.6%
2002	(117,700)	-2.8%	(7,795,000)	9.7%	-8.0%
2003 Est.	(55,000)	-1.3%	(4,000,000)	11.2%	-3.0%
Avg. Annual 1983-1989	48,343	1.2%	5,066,571	12.3%	0.1%
Avg. Annual 1993-2000	62,663	1.6%	9,761,625	10.5%	6.3%
Projected Avg. Annual 2004-2010	59,900	1.4%	7,846,900	7.0%	7.5%

SF of net absorption per new job 1983-1989: 105

SF of net absorption per new job 1993-2000: 156

SF of net absorption per new job 2004-2010: 131

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Alexandria, VA 22314. Phone 703/836-5700. www.DeltaAssociates.com

**EMPLOYMENT AND OFFICE MARKET DATA**  
**LOS ANGELES COUNTY**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	25,800	0.7%	5,400,000	5.4%	8.0%
1981	30,700	0.9%	3,000,000	7.7%	5.3%
1982	(108,300)	-3.0%	4,800,000	12.7%	-1.7%
1983	5,000	0.1%	8,500,000	13.3%	-0.6%
1984	120,200	3.4%	5,900,000	13.4%	2.6%
1985	96,600	2.6%	6,300,000	14.6%	3.0%
1986	99,700	2.7%	7,400,000	15.2%	4.2%
1987	99,200	2.6%	8,100,000	14.5%	2.4%
1988	80,600	2.0%	7,100,000	13.4%	2.7%
1989	77,500	1.9%	6,500,000	14.1%	1.8%
1990	(67,100)	-1.6%	3,200,000	15.8%	1.9%
1991	(128,800)	-3.1%	1,100,000	19.1%	-0.4%
1992	(178,200)	-4.5%	1,000,000	19.1%	-4.3%
1993	(96,900)	-2.5%	1,000,000	18.2%	-5.5%
1994	(5,700)	-0.2%	(1,500,000)	17.4%	-4.4%
1995	44,700	1.2%	100,000	16.9%	-1.0%
1996	41,900	1.1%	2,620,000	16.0%	-0.8%
1997	76,500	2.0%	2,939,000	14.9%	1.1%
1998	78,500	2.0%	1,194,000	14.7%	3.5%
1999	59,400	1.5%	6,314,000	13.0%	4.2%
2000	69,200	1.7%	9,456,000	11.5%	7.5%
2001	1,400	0.0%	1,155,000	12.8%	1.0%
2002	(40,100)	-1.0%	1,216,000	12.8%	-2.0%
2003 Est.	(30,000)	-0.7%	1,000,000	12.8%	-1.0%
<b>Avg. Annual 1983-1989</b>	<b>82,686</b>	<b>2.2%</b>	<b>7,114,286</b>	<b>14.1%</b>	<b>2.3%</b>
<b>Avg. Annual 1995-2000</b>	<b>61,700</b>	<b>1.6%</b>	<b>3,770,500</b>	<b>14.5%</b>	<b>2.4%</b>
<b>Projected Avg. Annual 2004-2010</b>	<b>58,600</b>	<b>1.4%</b>	<b>3,574,600</b>	<b>10.2%</b>	<b>6.0%</b>

SF of net absorption per new job 1983-1989: 86  
 SF of net absorption per new job 1995-2000: 61  
 SF of net absorption per new job 2004-2010: 61

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**SAN JOSE METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	38,300	6.0%	2,216,000	10.9%	15.0%
1981	14,400	2.1%	987,000	13.7%	5.0%
1982	6,700	1.0%	2,227,000	15.0%	4.0%
1983	18,500	2.7%	2,294,000	16.8%	3.0%
1984	44,700	6.3%	2,813,000	19.6%	1.5%
1985	6,500	0.9%	2,232,000	24.1%	0.0%
1986	(9,100)	-1.2%	1,484,000	26.4%	-4.0%
1987	17,900	2.4%	2,932,000	25.1%	-5.0%
1988	28,700	3.7%	5,585,000	16.9%	0.0%
1989	5,600	0.7%	2,145,000	15.4%	0.0%
1990	5,200	0.6%	904,000	14.6%	0.5%
1991	(8,700)	-1.1%	(294,000)	16.8%	-2.0%
1992	(13,700)	-1.7%	650,000	15.7%	-1.5%
1993	4,500	0.6%	452,000	14.8%	-1.5%
1994	3,300	0.4%	828,000	13.6%	2.0%
1995	32,000	4.0%	2,465,000	9.4%	5.3%
1996	48,000	5.8%	1,433,000	7.2%	8.5%
1997	46,700	5.3%	1,270,000	6.1%	9.3%
1998	29,700	3.2%	1,950,000	6.5%	10.5%
1999	14,900	1.6%	1,121,000	4.9%	19.2%
2000	58,800	6.1%	3,972,000	2.6%	52.5%
2001	(26,400)	-2.6%	1,664,000	12.4%	-24.4%
2002	(94,200)	-9.4%	(2,129,000)	19.4%	-20.1%
2003 Est.	(44,000)	-4.8%	(1,000,000)	20.3%	-7.0%
Avg. Annual 1983-1989	16,114	2.2%	2,783,571	20.6%	-0.6%
Avg. Annual 1993-2000	29,738	3.4%	1,686,375	8.1%	13.2%
Projected Avg. Annual 2004-2010	28,600	3.0%	1,630,200	11.7%	4.5%

SF of net absorption per new job 1983-1989: 173  
 SF of net absorption per new job 1993-2000: 57  
 SF of net absorption per new job 2004-2010: 57

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
 320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**CHICAGO METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	6,500	0.2%	6,483,000	8.8%	5.9%
1981	(41,900)	-1.3%	4,309,000	10.6%	3.5%
1982	(98,100)	-3.1%	3,617,000	11.4%	2.0%
1983	(11,600)	-0.4%	5,550,000	13.0%	3.0%
1984	165,800	5.4%	5,180,000	14.0%	1.6%
1985	135,000	4.2%	5,478,000	16.2%	3.5%
1986	26,800	0.8%	6,186,000	18.7%	1.9%
1987	85,900	2.5%	12,792,000	16.1%	4.0%
1988	94,600	2.7%	8,120,000	13.9%	3.0%
1989	94,100	2.6%	6,907,000	14.7%	2.4%
1990	38,000	1.0%	3,353,000	16.9%	1.7%
1991	(58,300)	-1.6%	1,125,000	18.5%	-2.9%
1992	(2,100)	-0.1%	(24,000)	19.8%	-2.3%
1993	76,300	2.1%	2,502,000	19.2%	-0.5%
1994	85,300	2.3%	7,189,000	16.8%	2.0%
1995	98,300	2.6%	6,265,000	15.0%	5.0%
1996	61,300	1.6%	5,133,000	13.4%	6.0%
1997	68,600	1.7%	5,642,000	11.7%	6.0%
1998	86,500	2.1%	3,473,000	10.7%	6.0%
1999	51,300	1.2%	4,277,000	11.0%	3.5%
2000	60,000	1.4%	10,283,000	9.5%	3.1%
2001	(16,200)	-0.4%	(3,988,000)	15.3%	-3.0%
2002	(79,100)	-1.9%	715,000	16.1%	-4.8%
2003 Est.	(37,000)	-0.9%	(1,400,000)	16.5%	-3.0%
Avg. Annual 1984-1990	91,457	2.8%	6,859,429	15.8%	2.6%
Avg. Annual 1993-2000	73,450	1.9%	5,595,500	13.4%	3.9%
Projected Avg. Annual 2004-2010	74,100	1.7%	5,631,600	12.4%	4.0%

SF of net absorption per new job 1983-1989: 75  
 SF of net absorption per new job 1993-2000: 76  
 SF of net absorption per new job 2004-2010: 76

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
 320 King Street, Alexandria, VA 22314. Phone 703/836-5700. www.DeltaAssociates.com

**EMPLOYMENT AND OFFICE MARKET DATA**  
**ORANGE COUNTY**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	32,100	4.0%	3,468,000	15.1%	3.5%
1981	27,800	3.3%	3,618,000	17.6%	3.3%
1982	(15,700)	-1.8%	3,359,000	22.3%	3.2%
1983	20,700	2.4%	3,427,000	20.3%	3.1%
1984	63,400	7.3%	4,442,000	17.1%	4.5%
1985	45,400	4.9%	5,651,000	19.2%	3.8%
1986	44,000	4.5%	5,089,000	21.3%	-2.7%
1987	47,100	4.6%	4,599,000	20.9%	-1.9%
1988	60,800	5.7%	4,766,000	20.2%	-1.9%
1989	26,800	2.4%	4,086,000	18.8%	1.5%
1990	15,700	1.4%	3,014,000	19.5%	-1.0%
1991	(28,700)	-2.4%	1,970,000	21.6%	-3.9%
1992	(17,700)	-1.5%	1,547,000	20.0%	-5.6%
1993	(10,600)	-0.9%	1,807,000	17.6%	-2.1%
1994	11,400	1.0%	399,000	17.2%	-2.2%
1995	24,900	2.2%	1,352,000	16.0%	1.1%
1996	32,600	2.8%	2,193,000	13.6%	3.3%
1997	49,500	4.2%	3,262,000	10.9%	6.4%
1998	65,300	5.3%	3,378,000	9.0%	6.5%
1999	46,100	3.5%	1,263,000	11.0%	3.8%
2000	43,700	3.2%	5,263,000	10.0%	6.0%
2001	24,800	1.8%	58,000	14.4%	-2.2%
2002	(10,700)	-0.8%	1,707,000	13.7%	-5.4%
2003 Est.	(4,000)	-0.3%	500,000	13.7%	-1.0%
Avg. Annual 1983-1989	44,029	4.5%	4,580,000	19.7%	0.9%
Avg. Annual 1994-2000	39,071	3.2%	2,444,286	12.5%	3.6%
Projected Avg. Annual 2004-2010	44,600	2.9%	2,809,800	9.9%	7.0%

SF of net absorption per new job 1983-1989: 104  
 SF of net absorption per new job 1994-2000: 63  
 SF of net absorption per new job 2004-2010: 63

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at: 320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**EMPLOYMENT AND OFFICE MARKET DATA**  
**WASHINGTON METRO**  
**1980 THROUGH 2010**

<b>Year</b>	<b>Avg. Annual Job Growth</b>	<b>% Change</b>	<b>Office Space Net Absorption (Square Feet)</b>	<b>Overall Vacancy Rate</b>	<b>Change in Rent</b>
1980	35,900	2.2%	8,662,000	8.9%	5.7%
1981	19,900	1.2%	7,673,000	9.6%	5.1%
1982	(12,000)	-0.7%	8,886,000	10.2%	5.5%
1983	52,800	3.2%	6,947,000	10.6%	4.0%
1984	106,800	6.3%	10,041,000	11.4%	3.6%
1985	100,900	5.6%	11,197,000	11.8%	1.2%
1986	81,600	4.3%	11,544,000	12.9%	1.5%
1987	92,200	4.6%	13,204,000	14.9%	1.3%
1988	185,000	8.9%	12,708,000	14.7%	1.2%
1989	62,500	2.8%	11,346,000	15.1%	0.2%
1990	16,900	0.7%	9,845,000	16.5%	-2.9%
1991	(52,800)	-2.3%	9,770,000	16.7%	-0.4%
1992	(2,700)	-0.1%	5,650,000	15.6%	-0.6%
1993	42,800	1.9%	7,137,000	13.2%	-1.5%
1994	44,600	1.9%	1,887,000	12.4%	2.3%
1995	28,300	1.2%	4,382,000	10.9%	2.7%
1996	22,300	0.9%	4,500,000	9.4%	1.4%
1997	56,800	2.3%	3,842,000	8.6%	5.8%
1998	67,100	2.7%	7,488,000	6.8%	8.0%
1999	93,100	3.6%	11,030,000	6.1%	9.9%
2000	114,400	4.3%	15,595,000	4.5%	9.7%
2001	32,100	1.2%	5,806,000	9.6%	-5.1%
2002	9,000	0.3%	2,411,000	11.6%	-11.3%
2003 Est.	24,000	0.9%	2,500,000	11.7%	0.0%
Avg. Annual 1983-1989	97,400	5.1%	10,998,143	13.1%	1.9%
Avg. Annual 1993-2000	58,675	2.4%	6,982,625	9.0%	4.8%
Projected Avg. Annual 2004-2010	63,700	2.1%	7,580,300	7.4%	6.5%

SF of net absorption per new job 1983-1989: 113  
 SF of net absorption per new job 1993-2000: 119  
 SF of net absorption per new job 2004-2010: 119

Source: BLS, REIS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
 320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)



**Appendix 3**  
**Industry Concentration and**  
**Growth Rates**



**INDUSTRY CONCENTRATION**  
**SELECTED METRO AREAS**  
**AS OF JUNE 2003**

Market	High Industry Concentration
Washington	Professional/Business Services, Information, Government
New York	Financial, Information, Education/Health, Professional/Business Services
Boston	Education/Health, Financial, Information, Professional/Business Services
Chicago	Wholesale Trade, Transportation/Warehousing Professional/Business Services, Financial
Atlanta	Information, Professional/Business Services Transportation/Warehousing, Wholesale Trade
Dallas/Ft. Worth	Information, Transportation/Warehousing Wholesale Trade, Financial
Houston	Mining, Utilities, Construction, Transportation/Warehousing Wholesale Trade
Denver	Information, Construction, Financial, Wholesale Trade Professional/Business Services, Transportation/Warehousing
Austin	Government, Information, Wholesale Trade
Phoenix	Construction, Financial, Professional/Business Services
Los Angeles	Information, Wholesale Trade, Transportation/Warehousing
Orange County	Professional/Business Services, Wholesale Trade, Financial Leisure/Hospitality
San Francisco	Information, Utilities, Financial, Professional/Business Services Transportation/Warehousing, Leisure/Hospitality
San Jose	Manufacturing, Professional/Business Services Information
Oakland	Information, Construction

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**ATLANTA METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	1.7	0.1%	3.1%	17.6%
Construction	122.3	5.5%	10.6%	105.5%
Manufacturing	162.0	7.3%	0.4%	65.1%
Wholesale Trade	134.5	6.1%	4.4%	142.1%
Retail Trade	246.8	11.2%	5.4%	97.0%
Transport/Warehousing	97.8	4.4%	4.4%	140.0%
Utilities	10.5	0.5%	-0.5%	105.3%
Information	100.6	4.5%	7.1%	180.1%
Financial	145.9	6.6%	5.0%	107.3%
Prof/Business Services	385.0	17.4%	8.4%	140.6%
Education/Health Services	202.8	9.2%	4.9%	72.2%
Leisure & Hospitality	207.0	9.4%	4.2%	100.8%
Government	284.6	12.9%	2.0%	77.8%
Other	110.3	5.0%	5.6%	121.8%
<b>Total</b>	<b>2,211.8</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**AUSTIN METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	1.7	0.3%	7.5%	58.6%
Construction	37.9	5.7%	17.7%	108.7%
Manufacturing	60.1	9.0%	6.2%	80.3%
Wholesale Trade	33.6	5.0%	23.4%	118.0%
Retail Trade	67.6	10.2%	6.9%	88.3%
Transport/Warehousing	11.2	1.7%	6.9%	53.3%
Utilities	NA	NA	NA	NA
Information	20.9	3.1%	12.5%	124.4%
Financial	38.1	5.7%	5.0%	93.1%
Prof/Business Services	87.9	13.2%	13.6%	106.7%
Education/Health Services	68.1	10.2%	5.9%	80.5%
Leisure & Hospitality	66.0	9.9%	6.7%	106.8%
Government	146.7	22.0%	1.6%	133.3%
Other	25.6	3.8%	4.8%	94.0%
<b>Total</b>	<b>665.4</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**BOSTON METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	0.7	0.0%	3.1%	8.2%
Construction	78.0	4.0%	11.2%	75.9%
Manufacturing	159.7	8.1%	-0.9%	72.4%
Wholesale Trade	82.4	4.2%	1.2%	98.2%
Retail Trade	199.7	10.2%	2.0%	88.5%
Transport/Warehousing	43.8	2.2%	4.0%	70.8%
Utilities	6.7	0.3%	2.4%	75.8%
Information	67.3	3.4%	6.2%	136.0%
Financial	170.7	8.7%	3.4%	141.6%
Prof/Business Services	313.2	16.0%	6.0%	129.0%
Education/Health Services	357.3	18.2%	1.2%	143.4%
Leisure & Hospitality	175.1	8.9%	3.1%	96.2%
Government	238.7	12.2%	1.8%	73.6%
Other	66.9	3.4%	3.5%	83.4%
<b>Total</b>	<b>1,960.2</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**NEW YORK METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	NA	NA	NA	NA
Construction	158.7	3.9%	7.0%	73.8%
Manufacturing	165.5	4.0%	-3.0%	35.8%
Wholesale Trade	173.5	4.2%	0.0%	98.8%
Retail Trade	330.5	8.1%	2.5%	70.0%
Transport/Warehousing	130.1	3.2%	0.0%	100.4%
Utilities	NA	NA	NA	NA
Information	182.7	4.5%	4.3%	176.3%
Financial	471.5	11.5%	0.6%	186.9%
Prof/Business Services	607.6	14.8%	5.1%	119.6%
Education/Health Services	756.8	18.4%	2.6%	145.1%
Leisure & Hospitality	303.3	7.4%	4.3%	79.6%
Government	652.8	15.9%	-0.4%	96.2%
Other	170.4	4.2%	3.2%	101.4%
<b>Total</b>	<b>4,103.4</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**CHICAGO METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	1.9	0.0%	-1.3%	10.5%
Construction	201.9	4.9%	4.8%	93.0%
Manufacturing	479.5	11.6%	-0.4%	102.9%
Wholesale Trade	236.1	5.7%	1.2%	133.2%
Retail Trade	431.8	10.4%	1.0%	90.6%
Transport/Warehousing	168.5	4.1%	3.6%	128.8%
Utilities	15.5	0.4%	-2.9%	83.0%
Information	105.1	2.5%	1.9%	100.5%
Financial	312.3	7.5%	1.1%	122.6%
Prof/Business Services	658.8	15.9%	5.0%	128.5%
Education/Health Services	487.7	11.8%	2.4%	92.7%
Leisure & Hospitality	346.2	8.4%	2.3%	90.0%
Government	520.1	12.6%	1.2%	75.9%
Other	176.5	4.3%	2.2%	104.1%
<b>Total</b>	<b>4,141.9</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**DALLAS/FT. WORTH METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	12.5	0.5%	-4.8%	105.9%
Construction	147.3	5.4%	14.4%	103.8%
Manufacturing	303.0	11.2%	1.5%	99.4%
Wholesale Trade	160.3	5.9%	4.7%	138.3%
Retail Trade	315.5	11.6%	4.0%	101.2%
Transport/Warehousing	121.2	4.5%	5.1%	141.7%
Utilities	7.8	0.3%	0.4%	63.9%
Information	100.9	3.7%	8.4%	147.5%
Financial	215.5	8.0%	4.0%	129.4%
Prof/Business Services	353.4	13.0%	10.1%	105.3%
Education/Health Services	271.3	10.0%	3.6%	78.8%
Leisure & Hospitality	251.9	9.3%	4.7%	100.1%
Government	343.0	12.7%	2.7%	76.6%
Other	105.9	3.9%	3.5%	95.5%
<b>Total</b>	<b>2,709.5</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**DENVER METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	4.7	0.4%	-3.3%	92.3%
Construction	88.3	7.6%	14.7%	144.2%
Manufacturing	73.4	6.3%	0.9%	55.8%
Wholesale Trade	63.3	5.4%	3.7%	126.6%
Retail Trade	122.7	10.5%	4.2%	91.2%
Transport/Warehousing	45.7	3.9%	4.5%	123.9%
Utilities	3.8	0.3%	-4.1%	72.1%
Information	57.1	4.9%	12.7%	193.5%
Financial	98.1	8.4%	4.3%	136.6%
Prof/Business Services	180.1	15.4%	4.9%	124.5%
Education/Health Services	112.8	9.7%	4.0%	76.0%
Leisure & Hospitality	111.0	9.5%	4.1%	102.3%
Government	162.7	13.9%	1.4%	84.2%
Other	44.8	3.8%	3.5%	93.7%
<b>Total</b>	<b>1,168.5</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**HOUSTON METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	60.3	2.9%	1.2%	657.1%
Construction	164.7	7.8%	7.0%	149.3%
Manufacturing	193.1	9.2%	2.8%	81.5%
Wholesale Trade	111.4	5.3%	2.4%	123.7%
Retail Trade	221.2	10.5%	2.7%	91.3%
Transport/Warehousing	88.9	4.2%	3.9%	133.7%
Utilities	17.3	0.8%	4.4%	182.3%
Information	37.0	1.8%	6.2%	69.6%
Financial	123.2	5.9%	2.6%	95.2%
Prof/Business Services	301.3	14.3%	5.9%	115.6%
Education/Health Services	235.7	11.2%	3.6%	88.1%
Leisure & Hospitality	183.4	8.7%	3.8%	93.8%
Government	280.6	13.3%	2.1%	80.6%
Other	87.3	4.1%	4.2%	101.3%
<b>Total</b>	<b>2,105.4</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**LOS ANGELES COUNTY**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	3.5	0.1%	-4.2%	20.0%
Construction	136.4	3.4%	3.6%	64.9%
Manufacturing	513.6	12.8%	-1.3%	113.8%
Wholesale Trade	218.7	5.5%	0.9%	127.4%
Retail Trade	397.4	9.9%	1.0%	86.1%
Transport/Warehousing	154.5	3.9%	2.7%	122.0%
Utilities	11.8	0.3%	3.6%	65.2%
Information	199.8	5.0%	5.6%	197.3%
Financial	233.1	5.8%	-0.9%	94.5%
Prof/Business Services	572.7	14.3%	2.4%	115.3%
Education/Health Services	454.6	11.3%	2.3%	89.2%
Leisure & Hospitality	362.7	9.0%	2.0%	97.4%
Government	606.9	15.1%	1.4%	91.5%
Other	146.0	3.6%	1.2%	88.9%
<b>Total</b>	<b>4,011.7</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**ORANGE COUNTY**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	0.5	0.0%	-4.2%	8.1%
Construction	79.7	5.7%	9.0%	108.0%
Manufacturing	182.9	13.0%	1.6%	115.4%
Wholesale Trade	79.5	5.6%	4.8%	131.9%
Retail Trade	152.6	10.8%	-2.5%	94.2%
Transport/Warehousing	23.9	1.7%	2.4%	53.7%
Utilities	3.6	0.3%	2.6%	56.7%
Information	33.7	2.4%	5.8%	94.8%
Financial	113.8	8.1%	1.8%	131.4%
Prof/Business Services	254.7	18.1%	6.6%	146.0%
Education/Health Services	119.4	8.5%	2.1%	66.7%
Leisure & Hospitality	160.6	11.4%	3.9%	122.8%
Government	157.5	11.2%	2.1%	67.6%
Other	46.0	3.3%	3.5%	79.8%
<b>Total</b>	<b>1,408.4</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**OAKLAND METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	1.4	0.1%	-5.2%	30.8%
Construction	67.2	6.4%	10.1%	122.8%
Manufacturing	98.5	9.4%	3.3%	83.8%
Wholesale Trade	51.5	4.9%	4.7%	115.3%
Retail Trade	109.9	10.5%	1.2%	91.5%
Transport/Warehousing	35.5	3.4%	4.1%	107.7%
Utilities	3.5	0.3%	4.3%	74.4%
Information	33.3	3.2%	4.4%	126.3%
Financial	61.1	5.9%	0.8%	95.2%
Prof/Business Services	150.5	14.4%	5.5%	116.4%
Education/Health Services	126.8	12.1%	2.0%	95.6%
Leisure & Hospitality	82.6	7.9%	2.2%	85.2%
Government	184.4	17.7%	0.4%	106.8%
Other	37.9	3.6%	3.0%	88.7%
<b>Total</b>	<b>1,044.1</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**PHOENIX METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	2.3	0.1%	-5.4%	33.1%
Construction	129.0	8.1%	15.7%	154.3%
Manufacturing	130.1	8.2%	2.9%	72.5%
Wholesale Trade	76.8	4.8%	9.0%	112.5%
Retail Trade	188.7	11.8%	6.4%	102.7%
Transport/Warehousing	52.4	3.3%	6.6%	104.0%
Utilities	7.4	0.5%	1.3%	102.8%
Information	36.0	2.3%	11.9%	89.3%
Financial	130.3	8.2%	7.4%	132.8%
Prof/Business Services	257.9	16.2%	13.8%	130.5%
Education/Health Services	161.2	10.1%	4.7%	79.5%
Leisure & Hospitality	156.1	9.8%	5.1%	105.3%
Government	203.6	12.8%	3.6%	77.2%
Other	64.1	4.0%	5.8%	98.1%
<b>Total</b>	<b>1,595.9</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**SAN FRANCISCO METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	NA	NA	NA	NA
Construction	42.9	4.4%	10.0%	84.2%
Manufacturing	47.9	4.9%	-0.4%	43.8%
Wholesale Trade	29.5	3.0%	-1.1%	70.9%
Retail Trade	96.5	9.9%	2.6%	86.2%
Transport/Warehousing	39.2	4.0%	0.3%	127.6%
Utilities	8.1	0.8%	3.7%	184.7%
Information	46.6	4.8%	16.0%	189.7%
Financial	95.9	9.9%	0.8%	160.4%
Prof/Business Services	182.0	18.7%	4.7%	151.1%
Education/Health Services	98.6	10.1%	1.2%	79.8%
Leisure & Hospitality	112.9	11.6%	3.9%	125.0%
Government	133.4	13.7%	-0.2%	82.9%
Other	39.3	4.0%	2.0%	98.7%
<b>Total</b>	<b>972.8</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**SAN JOSE METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	0.2	0.0%	0.0%	5.3%
Construction	41.1	4.7%	11.7%	90.0%
Manufacturing	184.6	21.2%	2.1%	188.3%
Wholesale Trade	33.3	3.8%	2.3%	89.3%
Retail Trade	80.4	9.2%	2.4%	80.2%
Transport/Warehousing	15.0	1.7%	2.8%	54.5%
Utilities	NA	NA	NA	NA
Information	31.8	3.6%	13.0%	144.5%
Financial	34.5	4.0%	0.6%	64.4%
Prof/Business Services	160.9	18.5%	10.6%	149.1%
Education/Health Services	95.6	11.0%	2.8%	86.3%
Leisure & Hospitality	69.9	8.0%	3.8%	86.4%
Government	98.4	11.3%	0.8%	68.3%
Other	25.6	2.9%	1.3%	71.8%
<b>Total</b>	<b>871.3</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

**INDUSTRY EMPLOYMENT AND GROWTH RATES**  
**WASHINGTON METRO**  
**AS OF JUNE 2003**

	<b># of Jobs</b>	<b>% of Total</b>	<b>Growth Rate Feb 93 - Feb 01</b>	<b>Industry Concentration Index</b>
Mining	NA	NA	NA	NA
Construction	170.9	6.0%	7.4%	114.6%
Manufacturing	73.2	2.6%	1.4%	22.9%
Wholesale Trade	66.1	2.3%	2.3%	54.3%
Retail Trade	268.8	9.4%	1.8%	82.0%
Transport/Warehousing	57.7	2.0%	1.7%	64.2%
Utilities	8.6	0.3%	1.2%	67.0%
Information	108.2	3.8%	7.8%	150.5%
Financial	156.6	5.5%	2.0%	89.5%
Prof/Business Services	594.4	20.9%	6.1%	168.6%
Education/Health Services	297.8	10.5%	2.9%	82.3%
Leisure & Hospitality	245.5	8.6%	2.9%	92.9%
Government	633.6	22.3%	-0.7%	134.6%
Other	165.6	5.8%	3.4%	142.1%
<b>Total</b>	<b>2,847.0</b>	<b>100.0%</b>		

Source: BLS, Delta Associates, October 2003.

Delta Associates is the research affiliate of Transwestern Commercial Services and is Headquartered at:  
320 King Street, Suite 250 Alexandria, VA 22314. Phone 703/836-5700. [www.DeltaAssociates.com](http://www.DeltaAssociates.com)

## METHODOLOGY

**Cycle Averages:** 1983 to 1989 and 1993 to 2000 used in most cases. When cycle years varied – for instance, Houston in the 1980s and Los Angeles in the 1990s – a different set of years was used.

**Projected Job Growth:** 90% of prior cycle growth rate used.

**Projected Annual Average Net Absorption:** Previous expansion SF per new job ratio used, except for Boston and New York, where the ratios rose to elevated heights in the 1990s. In Boston, 1980s ratio is used. In New York, the average of its 1980s and 1990s ratios is used.

**Projected Average Vacancy Rate:** Previous cycle high to cycle low degree of change applied to current vacancy rate. 50% of this change deducted from current rate. Some discretion used.

**Projected Average Annual Change in Rent:** Estimate based on comparison of previous cycles – vacancy rate versus change in rent – and the spread between the projected vacancy rate and the equilibrium vacancy rate.

**Office Using Employment:** Information, Financial, Professional/Business Services and half of Education/Health Service employment sectors used as a proxy for this figure.

