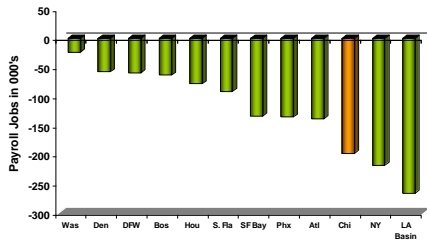


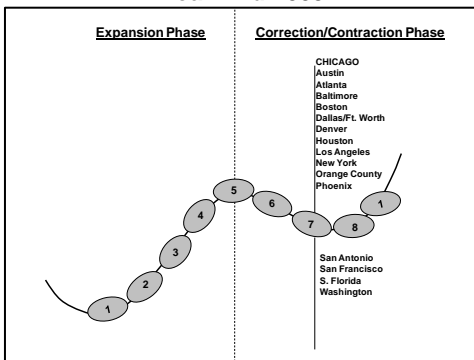
METRO CHICAGO OFFICE MARKET AT YEAR-END 2009

**Payroll Job Change
Large Metro Areas
12 Months Ending October 2009**



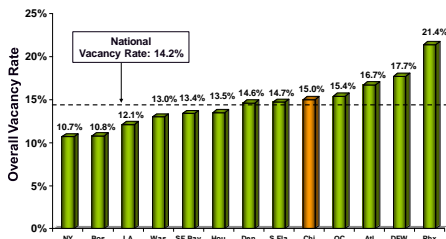
Source: Bureau of Labor Statistics; December 2009.

**Office Market Cycle Position
Year-End 2009**



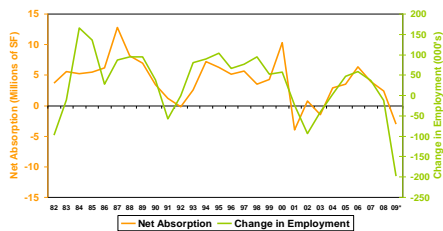
Source: Delta Associates; December 2009.

**Office Vacancy Rates
Selected Metro Areas
Year-End 2009**



Source: CoStar, Delta Associates; December 2009.

**Office Absorption and Employment
Metro Chicago
1982 - 2009**



Source: BLS, Delta Associates; December 2009.

*12-month job growth ending October.

Executive Summary

The Metro Chicago economy remains weak, but is likely at bottom. Metro Chicago shed 197,800 payroll jobs during the 12 months ending October 2009. Even the resilient Health/Education Services sector recorded negative job growth, joining all other sectors in the loss column. However, the unemployment rate has declined since the summer, indicating that the job market may have reached its low point and has begun to stabilize.

Metro Chicago office market conditions remain weak, although the rate of contraction has slowed substantially from earlier in 2009. In fact, the delivery of 353 N. Clark Street, a 1.2 million SF building in the River North submarket, helped boost net absorption to a positive figure in the 4th quarter.

Metro Chicago office market highlights for 2009:

- Q4 net absorption: Positive 198,000 SF; negative 3.1 million SF for all of 2009.
- Overall vacancy rate: 15.0%, up from 14.8% in the 3rd quarter and 13.0% a year ago.
- Rents: Metro Chicago rents declined 4.7% in 2009. CBD Class A rents fell 10.9% and Suburban Class A rents were down 4.2% during the year.

Metro Chicago Economic Outlook

We expect job losses to ease in 2010, as the national economy begins to recover. However, we do expect Metro Chicago's employment base to experience modest job losses next year, before adding approximately 45,000 jobs in 2011, as economic growth picks up. Chicago's traditional position as a transportation/distribution hub and business center will help promote growth in the next 12 to 24 months, with core industries like Professional and Business Services and Trade and Transportation leading the road to recovery. However, we anticipate a protracted recovery period.

Metro Office Market Outlook

The Metro Chicago office market will likely remain weak over the next several quarters, as demand for office space remains subdued. Modest growth may resume in the latter half of 2010, before building momentum in 2011, as economic growth strengthens. Metro Chicago's overall vacancy rate will likely approach 16% in 2010, before leveling off and beginning to decline in 2011. As a result, rents will continue to decline through 2010, as tenants retain the upper hand. The CBD is likely to show improvement before the suburbs.