

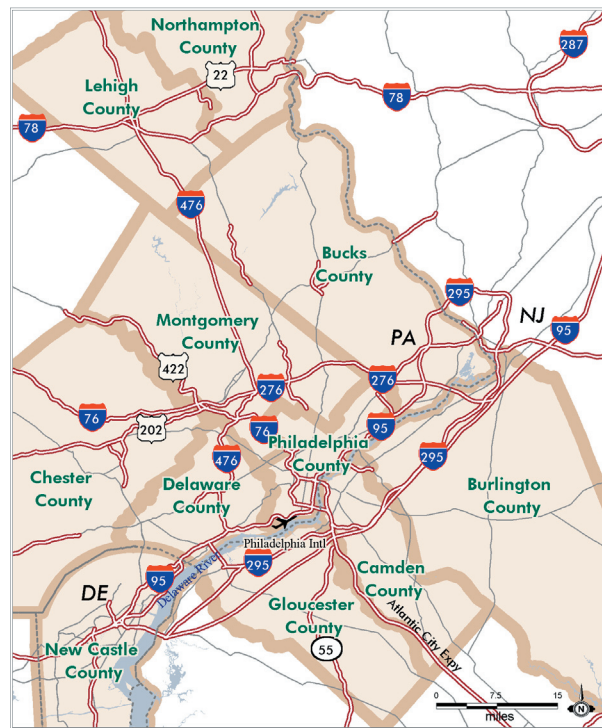
TOP PHILADELPHIA REGION LEASE TRANSACTIONS

Size (Sq. Ft.)	Tenant	Address
117,000	Honeywell	500 Virginia Drive
51,000	Express Scripts	Bucks County Technology Park
48,900	Sanofi-Aventis	One County View Road
45,000	Mortgage Lenders Network USA	767 Electronic Drive
31,000	Vox Medica	The Curtis Center
27,500	RSM McGladrey	1 Valley Square
25,464	Elder Health PA	1500 Spring Garden
21,867	Fidelity Mortgage	Four Falls Corporate Center

TOP PHILADELPHIA REGION SALE TRANSACTIONS

Size (Sq. Ft.)	Location	Address
293,936	Valley Square Park	Blue Bell, PA
115,850	100 Tournament Drive	Horsham, PA

PHILADELPHIA REGION SUBMARKET MAP



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AVERAGE ASKING LEASE RATE

Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

NET LEASES

Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

MARKET COVERAGE

Includes all competitive office buildings 10,000 square feet and greater in size.

NET ABSORPTION

The change in occupied square feet from one period to the next.

NET RENTABLE AREA

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

OCCUPIED SQUARE FEET

Building area not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

AVAILABLE SQUARE FEET

Available Building Area which is either physically vacant or occupied.

AVAILABILITY RATE

Available Square Feet divided by the Net Rentable Area.

VACANT SQUARE FEET

Existing Building Area which is physically vacant or immediately available.

VACANCY RATE

Vacant Building Feet divided by the Net Rentable Area.

NORMALIZATION

Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.

For more information regarding the MarketView, please contact:

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QUICK STATS

	Current	Change from last Yr.	Qtr.
Vacancy	14.12%	↓	↓
Lease Rates	\$22.24	↑	↑
Net Absorption*	0.680M	↑	↑
Construction	3.49M	↑	↑

* The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive trend over a specified period.)

HOT TOPICS

- Brandywine Realty Trust acquires an option to develop 750,000 SF of office space on a 50-acre parcel at the Byberry State Hospital Site in Northeast Philadelphia.
- Former 130,000 SF Aamco HQ at One Presidential Blvd. is up for sale with an asking price of \$27M.
- Honeywell signed the largest lease transaction of the quarter, taking 117,000 SF at 500 Virginia Drive in Ft. Washington.
- The investment side of the office market hasn't missed a beat as several transactions have taken place around the area. In Valley Square Park, 293,936 SF of Class 'A' office product traded hands for \$144 per square foot. At 100 Tournament Drive, 115,850 SF of Class 'A' office sold for \$190 per square foot.
- 20+ tenants are seeking large blocks of space (100,000 SF) versus 12 tenants at this time last year.

Through the second quarter of 2006, there is little doubt that the Philadelphia MSA is showing sustainable improvement in leasing activity. The Philadelphia suburbs, Southern New Jersey and the Lehigh Valley each further reduced their vacancy rates. The region as a whole is at a 14% vacancy rate, and leasing activity is robust, particularly for quality Class 'A' product. Submarkets like Conshohocken, which ended 2005 above 20% vacant, are leading the way as tenants are taking advantage of quality space. At the end of the quarter, Conshohocken reported a vacancy rate slightly under 12% and absorbed over 140,000 square feet, and nearly 300,000 square feet since January. Leasing activity in the Exton/West Chester suburban office market, an area that had seen little activity in the past year, is showing encouraging signs of improvement. During the second quarter of 2006, the Exton area dropped its vacancy 200 basis points and absorbed over 130,000 square feet. East of the Schuylkill River, the Lower Bucks County area is one of the more popular submarkets - absorbing over 120,000 square feet this quarter. In

“New construction is always a welcomed sign of growth in an area, and the Philadelphia MSA is welcoming well over three million SF of new office space.”

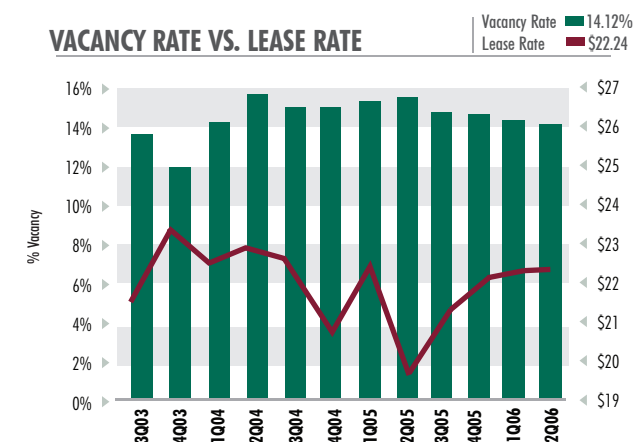
Southern New Jersey, Camden County dropped its vacancy rate to 10%.

The Philadelphia CBD saw a slight bump in vacancy rate this quarter. However, a significant number of large deals have recently been signed and will take occupancy within the next two quarters. This will negate the negative absorption for the quarter. Additionally, year-to-date the Philadelphia CBD has a positive absorption of over 112,000 SF.

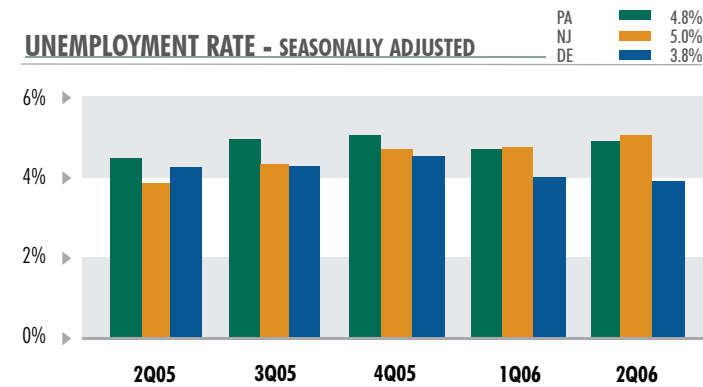
New construction is always a sign of growth in an area, and the Philadelphia MSA is welcoming well over three million square feet of new office space. Additionally, the demand for large blocks of space is up from this time last year. As the fully leased Cira Centre is now into its second quarter of infancy, rumblings of a Cira 2 can be heard around the region to possibly add even more Class 'A' office space in the University City area. In the Market Street West area downtown, Liberty Property Trust's Comcast Center is showing its true form with its elevator core and steel rising closer to the sky each day. South of the City, the Navy Yard's mixed use development plan continues to take shape. Outside of the

CBD, Brandywine Realty Trust's 121,000 square foot Metroplex is just getting under way in Plymouth Meeting. This is the first of three buildings for the site. A groundbreaking ceremony was held this quarter at 1000 Continental: a 205,000 square foot Class 'A' building that is now being built without a tenant in King of Prussia. Construction continues on the Butz Corporate Center in Allentown and 500 Delaware Avenue in Wilmington, Delaware. Southern New Jersey should not be overlooked as 437,000 square feet of new office space is under construction in Burlington County alone.

VACANCY RATE VS. LEASE RATE



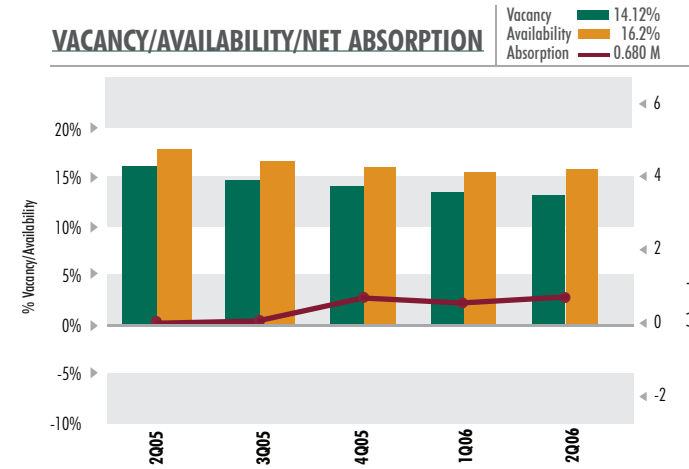
Market	Rentable Area SF	Vacancy Rate %	YTD Net Absorption SF	Under Construction SF	Class A Average Asking Lease Rate \$ FSG/SF/YR	Availability Rate %
Market West	27,828,919	12.23%	(113,860)	1,238,000	\$24.22	14.5%
Market East	7,119,998	11.76%	81,227	0	\$20.43	12.0%
Independence Hall	5,378,449	9.74%	145,477	0	\$21.90	10.2%
Downtown Philadelphia Subtotal	40,327,366	11.81%	112,844	1,238,000	\$22.21	13.5%
Bala Cynwyd	2,820,021	15.44%	53,167	0	\$28.65	19.8%
Conshohocken	3,369,336	11.92%	294,029	0	\$28.33	16.3%
Delaware County	4,803,185	20.97%	(102,221)	0	\$21.91	25.0%
Exton/West Chester	3,480,982	17.54%	131,956	0	\$21.69	20.6%
Fort Washington	3,523,767	18.70%	242,379	0	\$19.07	22.5%
Horsham/Willow Grove	4,693,380	14.24%	(20,606)	0	\$20.76	16.1%
Jenkintown	1,323,676	7.61%	(7,784)	0	\$24.29	9.3%
King of Prussia/Valley Forge	15,973,676	15.44%	(768)	205,122	\$25.28	19.1%
Lansdale/Montgomeryville	2,615,055	14.62%	60,760	0	\$19.47	14.9%
Lower Bucks County	4,433,353	13.95%	54,904	322,500	\$22.52	15.9%
Main Line	2,864,674	27.89%	136,161	0	\$27.97	30.2%
Plymouth Meeting/Blue Bell	5,293,303	20.02%	(12,779)	120,877	\$25.40	21.3%
Upper Main Line	1,310,194	19.44%	(10,805)	0	\$25.46	22.6%
Suburban Philadelphia Subtotal	56,504,602	16.75%	818,393	648,499	\$24.58	19.7%
Burlington County	9,400,563	12.78%	(243,758)	437,392	\$22.21	13.8%
Camden County	6,349,883	10.14%	161,102	68,000	\$20.34	11.3%
Gloucester County	226,760	0.88%	0	0	\$18.00	10.6%
Southern New Jersey Subtotal	15,977,206	11.56%	(82,656)	505,392	\$22.74	12.7%
Wilmington CBD	6,270,138	12.34%	(90,076)	676,222	\$23.23	14.2%
New Castle Co. Suburbs	7,659,073	14.78%	(36,018)	93,000	\$22.22	16.1%
Northern Delaware Subtotal	13,929,211	13.68%	(126,094)	769,222	\$23.23	15.3%
Lehigh Valley East	3,581,388	13.63%	49,675	133,221	\$17.82	13.6%
Lehigh Valley West	3,551,069	12.35%	(92,244)	195,660	\$18.22	12.5%
Lehigh Valley Totals	7,132,457	13.00%	(42,569)	328,881	\$18.45	13.1%
TOTAL	133,870,842	14.12%	679,918	3,489,994	\$22.24	16.2%



Economic Conditions: At midyear, Philadelphia's economy remains energetic. The state unemployment rate has risen slightly since last quarter - 4.5% to 4.8% - but remains below the 5% realized in 2Q05 and is still below the national average. In addition, income growth in the Philadelphia area continues to remain above both state and national averages. This is partly due to a strong concentration of professional service jobs which seem to expand with each passing year. While consumer spending may have relaxed slightly - mostly due to prices at the pump - job creation remains steady and corporate earnings continue to rise.

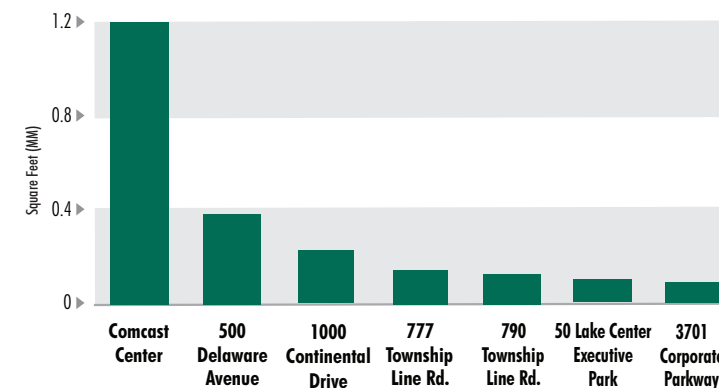
Source: Bureau of Labor Statistics

VACANCY/AVAILABILITY/NET ABSORPTION



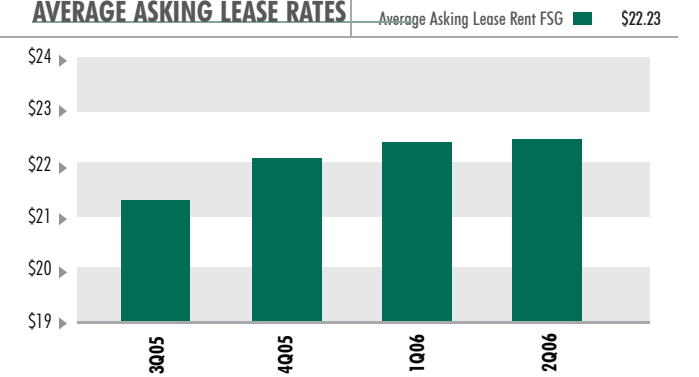
Vacancy & Availability: The office leasing market is continuing to make great strides in 2006. In the suburbs, Conshohocken, Fort Washington, and the Main Line helped lead the way with positive absorption for the quarter as tenants are taking advantage of quality space. Also encouraging is leasing activity in the Exton/West Chester suburban office market. This is an area that had seen little activity in the past year, yet the vacancy rate had dropped to 17%. Across the Schuylkill River, the Lower Bucks County area is on the move; dropping under a 14% vacancy rate from over 16%. In Southern New Jersey, Camden County dropped its vacancy rate to 10%. The Delaware and Lehigh Valley office markets ticked up a percentage point, to 13%. The Philadelphia CBD saw a slight bump in vacancy rate, to 11.8%, due to the slowed timing of occupancy on recently signed deals. This should correct itself in the coming quarters as the tenants begin to occupy the space.

CONSTRUCTION ACTIVITY



Construction Activity: Construction activity around the Philadelphia MSA is full steam ahead. Downtown, the 1,238,000 SF Comcast Center is reaching further into the sky and is over 70% pre-leased. In the suburbs, 1000 Continental will add 205,000 SF to the King of Prussia submarket. The first of three buildings, totaling 121,000 SF, at the Metroplex in Plymouth Meeting is under way. In Lower Bucks County, 777 and 790 Township Line Road will add 315,000 SF. Adjacent to the Wilmington Courthouse, construction continues on the Renaissance Centre at East 4th and King Streets. Construction is still underway on the Buccini/Pollin Group's new 370,000 SF 500 Delaware Avenue in the Wilmington CBD, and its glass curtain wall is nearly complete. Alvin H. Butz continues construction on the new 72,000 SF office building at 9th and Hamilton Streets in Allentown, PA. Construction is also robust in Southern New Jersey, particularly in Burlington County where 1200 Howard Blvd. and 330 Fellowship Road will add 200,000 SF of quality office product to the inventory.

AVERAGE ASKING LEASE RATES



Average Asking Lease Rates: Although activity is definitely increasing, large blocks of space are decreasing, strong absorption numbers are being reported, and asking lease rates have yet to make significant jumps. Class 'A' office space, especially in the stronger markets like CBD, Conshohocken, Horsham, Lower Bucks County, and King of Prussia should see an upward trend by the end of 2006. Halfway through the year, the overall asking rates have increased by only \$0.25 per square foot.

Net Absorption: The Philadelphia MSA is continuing the trend of strong leasing activity. Halfway through 2006, the Philadelphia suburban office market has absorbed over 800,000 SF of space. Leading the way in the suburbs was Fort Washington, which absorbed over 220,000 SF, and Conshohocken which absorbed 140,000 SF. Although they are smaller markets, it is also significant that Exton/West Chester absorbed over 130,000 SF, partly in thanks to Timet taking a full floor at Valley Creek Corporate Center and the Main Line submarket absorbing 157,000 SF with AON moving into 555 Lancaster Ave. Camden County, Southern New Jersey also posted strong positive absorption, at 100,000 SF. Northern Delaware and Downtown Philadelphia experienced negative absorption for the quarter, (172,000) and (208,000) SF respectively, but these figures were minor and offset by the positive absorption from the first quarter.

MARKET OUTLOOK

The prediction that 2006 would be a strong year for leasing activity is holding true at the halfway point, and indications are that the trend will continue. New construction, feared by some to be coming at the wrong time for the CBD, has been welcome. The Cira Centre is 100% leased and the University City area is gearing up for more as the University of Pennsylvania announced a large-scale master plan for new development of \$6.7 billion dollars. Similar success is looking good for the Comcast Center, as it is over 70% pre-leased. Market rates, the last indicator to significantly tick up should do so by year end in the Philadelphia MSA as the supply for Class 'A' product dwindles.