

Atlanta Office

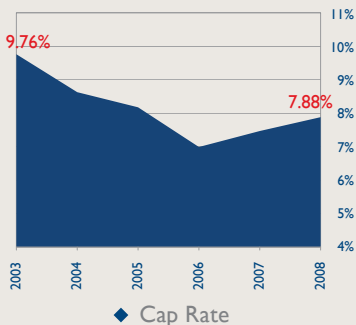
INVESTMENT REPORT | YEAR-END | 2008



MARKET INDICATORS

	2008	2009 PROJ.
CAP RATES	↑	↑
VOLUME (\$)	↓	↓
PRICE PER SF	↑	↓
TOTAL SF SOLD	↓	↓

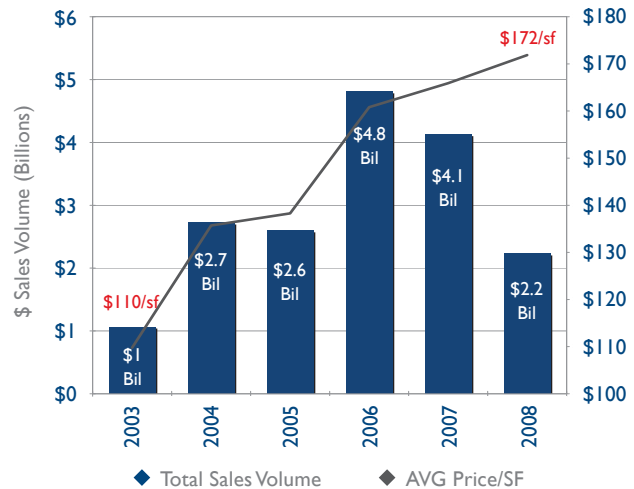
UPDATE ATLANTA OFFICE CAP RATES



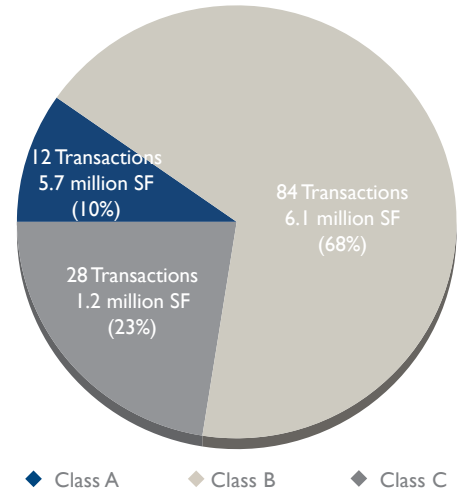
2009 Outlook for Atlanta Office Investment

- Office transaction volume in 2009 is expected to be considerably down from previous years; however, investment in Atlanta office should pick up in the second half of the year.
- It will be a 'Tale of Two Cities' in terms of the limited offerings expected in 2009 - On one side will be high quality, stable and well-leased assets (principally from open-end funds); on the other side will be very challenged, capital-starved assets and land from REITs, banks and other lenders.
- The tendency will be for offerings to be smaller in terms of deal size, i.e. under \$50 million. Portfolio offerings will be out of favor.
- Due to the lack of supply of funds, larger transactions in general will not see closings. Very little capital and debt financing makes these transactions more challenging and more expensive.
- Capital markets remain extremely tight from 2008. Many life insurance companies indicate their 2009 allocations allow for money to lend, albeit at amounts less than 2008 and on very conservative terms.

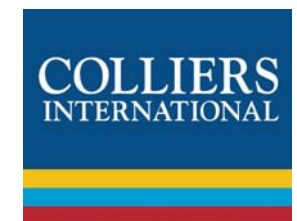
YEAR-END 2008
SALES VOLUME (\$) AND AVG PRICE PER SF (\$)



YEAR-END 2008
SALES BY PRODUCT TYPE



W. Hayes Swann
Matt Tritschler
Huston Green



**Investment
Services
Group**