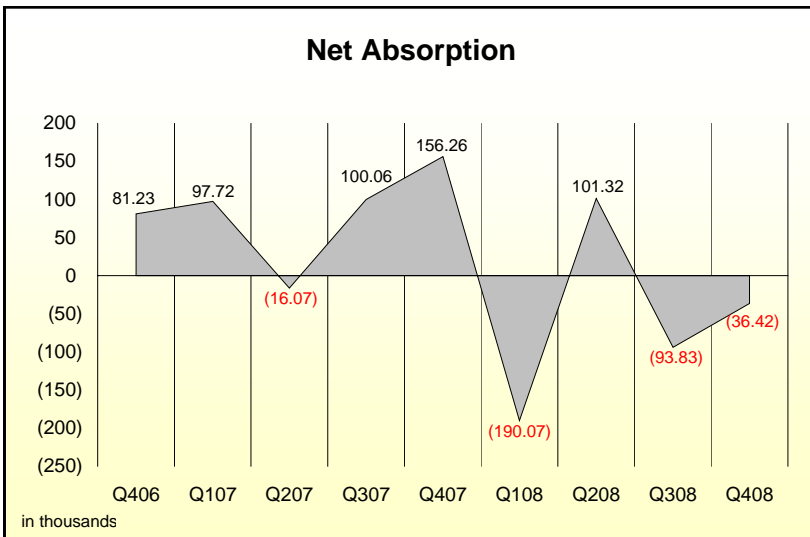


Houston Office Market Snapshot Greenway Plaza

Grubb & Ellis Research
Fourth Quarter 2008



VACANCY TICKS UPWARD The Greenway Plaza submarket registered 36,416 square feet of negative absorption during the fourth quarter of 2008, marking the third time over the past four quarters the submarket has witnessed negative absorption. The quarterly space loss was attributed to Class A properties recording 72,029 square feet of negative absorption. Meanwhile, Class B and C properties registered 30,206 and 5,407 square feet of positive absorption during the survey period. As a result, overall vacancy inched upward by 10 basis points to 16 percent during the quarter.

OVERALL ASKING RENTS INCREASE Overall full-service asking rents increased by \$0.35 to \$27.36 per square foot per year during the fourth quarter. The quarterly rise in rents was mainly attributed to Class B asking rents improving by \$1.14 to \$23.63 per square foot per year. Meanwhile, Class C full-service asking rents fell slightly by \$0.21 to \$19.46 while Class A asking rents remained at \$30.55 per square foot per year.

OPERATING EXPENSES IMPACT RENTS For those tenants looking to expand, renew, move, merge or consolidate, they are advised to understand the impact of what is happening to landlord's operating expenses and the impact of those increases on occupancy costs heading into 2009.

