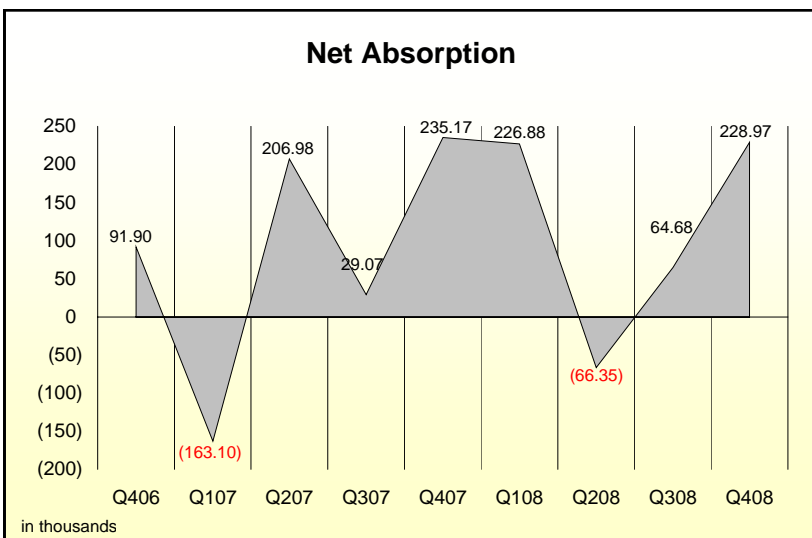


Houston Office Market Snapshot Northwest Freeway

Grubb & Ellis Research
Fourth Quarter 2008



CONSTRUCTION OUTPACES DEMAND The Northwest Freeway submarket posted 228,965 square feet of positive net absorption as the yearly tally rose to 504,234 square feet of growth. Nearly half of the quarterly growth occurred in Class A properties with 111,489 square feet, pushing the year-end total to 582,860 square feet of growth. Class B and C properties also registered 103,495 and 13,981 square feet of positive absorption, respectively, during the survey period. Contributing to the quarterly growth, National Oilwell Varco took down 52,000 square feet of Class B space at 11000 Corporate Center Drive while an undisclosed oil and gas company inked a deal for 35,000 square feet of space in Sam Houston Crossing One. Despite posting the largest quarterly growth, overall vacancy within the submarket jumped by 330 basis points to 26.1 percent as new space deliveries totaling over 740,000 square feet outpaced tenant demand.

ASKING RENTS INCREASE ACROSS THE BOARD Overall full-service asking rents improved by \$0.79 to \$19.43 per square foot per year during the fourth quarter. The quarterly rise in rents was largely attributed to Class A asking rents increasing by \$1.07 to \$24.37 per square foot per year. Following suit, Class B and C full-service asking rents improved by \$0.35 and \$0.13 to \$17.76 and \$14.65 per square foot per year, respectively.

