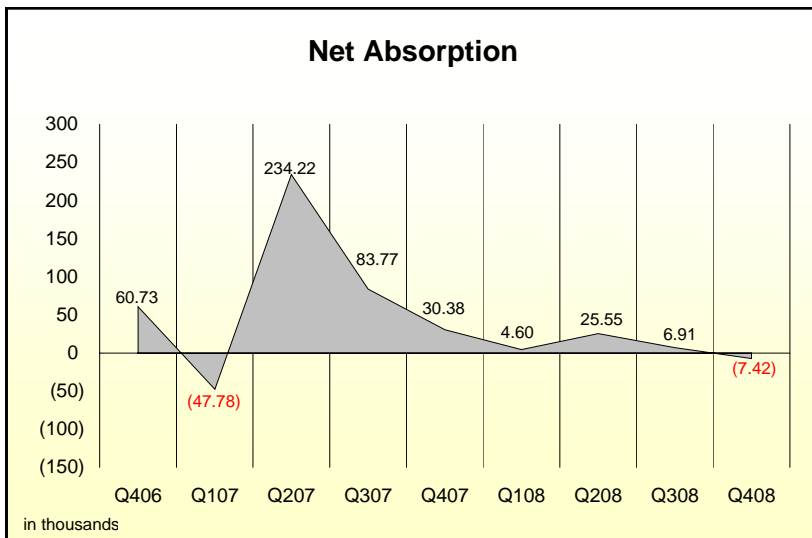


Houston Office Market Snapshot Sugar Land

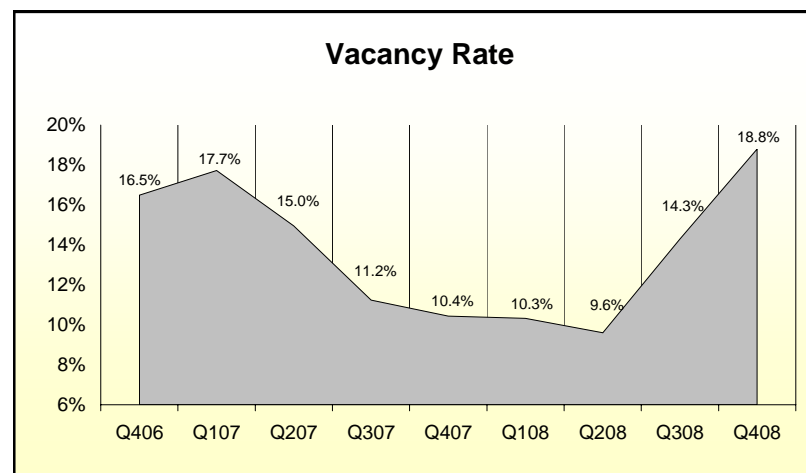
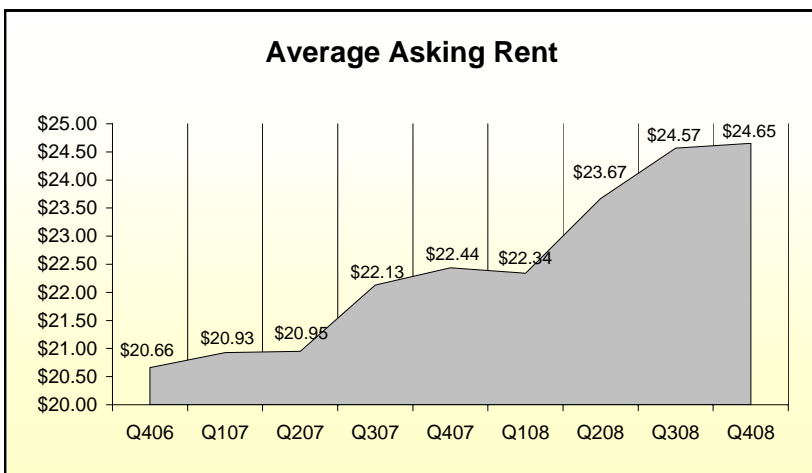
Grubb & Ellis Research
Fourth Quarter 2008



VACANCY TICKS UPWARD The Sugar Land submarket posted 7,420 square feet of negative net absorption during the fourth quarter of 2008 as the annual total fell to 29,639 square feet of growth. This marks the first time over the past seven quarters the submarket has recorded negative absorption. The quarterly space loss was mainly attributed to Class A and B properties registering 4,528 and 2,892 square feet of negative absorption, respectively. Consequently, overall vacancy within the submarket rose by 450 basis points to 18.8 percent due in large part to negative demand and new space deliveries.

ASKING RENTS INCREASE Overall full-service asking rents increased by \$0.08 to \$24.65 per square foot per year during the fourth quarter. The quarterly rise in rents was attributed to Class B full-service asking rents rising by \$1.20 to \$20.23 per square foot per year. Meanwhile, Class A and C full-service rents remained flat at \$26.00 and \$18.40 per square foot per year during the quarter.

NEW SPACE HITS MARKET Planned Community Developers (PCD) has delivered the 185,000-square-foot Sugar Land Town Square Building H. Minute Maid will occupy their space within the new Class A building in February of 2009.



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