

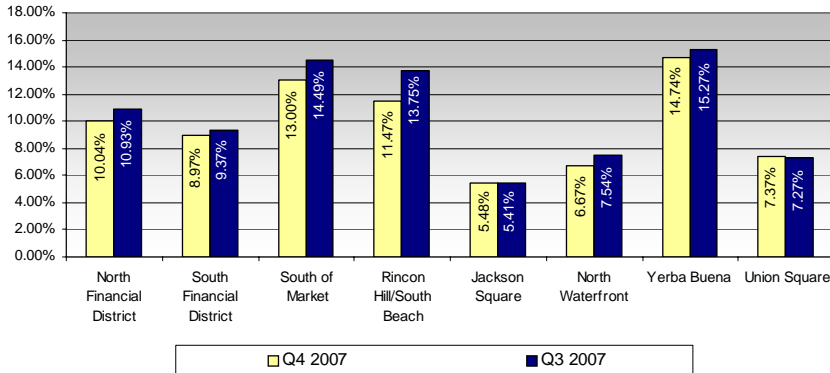
CM Realty, Inc.

San Francisco 4th Quarter 2007

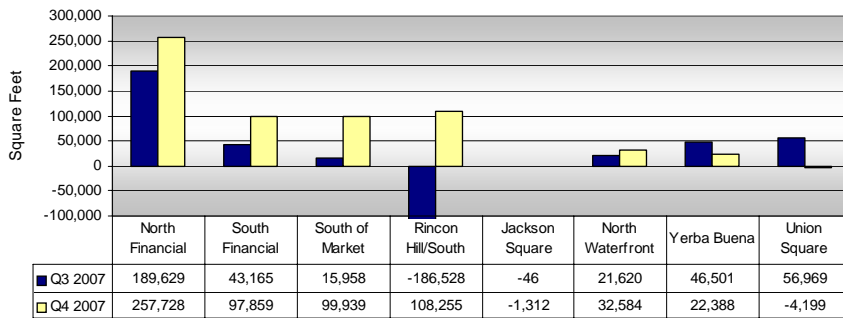
Office Market Report

Where Challenges Meet Solutions

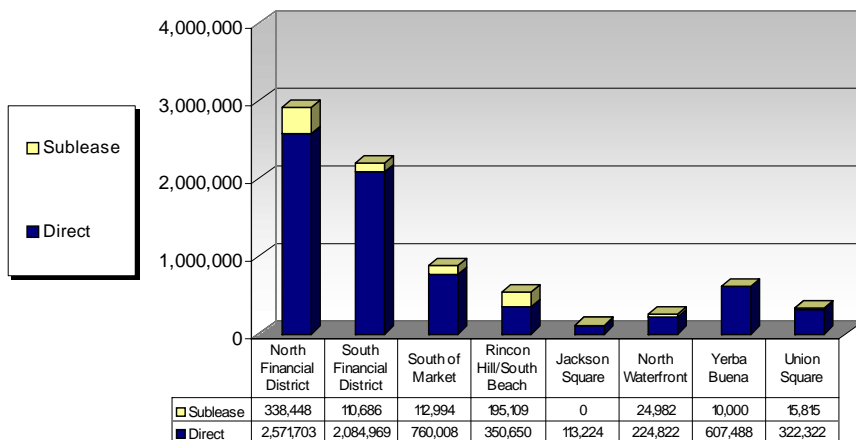
San Francisco Office Vacancy Rate by Submarket



**San Francisco Net Absorption by Submarket
3rd Quarter 2007 to 4th Quarter 2007**



Available Square Feet by Submarket - 4th Quarter 2007



150 Spear Street

Principal Real Estate Investors bought this 18-story, 256,800 SF Class A office building tower in San Francisco for \$142.5 million (or about \$555 per SF). The seller, Hong Kong-based property investor Great Eagle Holdings, Ltd., acquired the property in 2001 for \$102.4 million.



Where Challenges Meet Solutions

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4th Quarter 2007 San Francisco Office Market Report

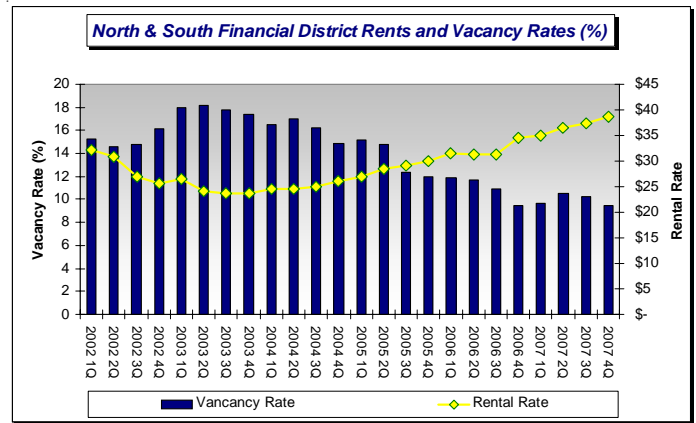
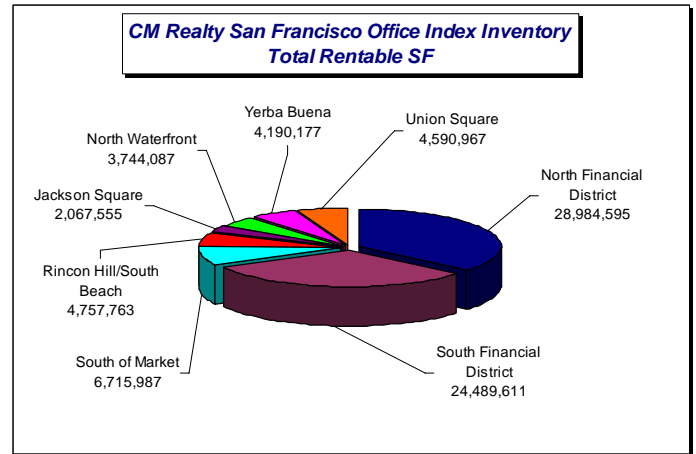
Where Challenges Meet Solutions

CM Realty Index – San Francisco – 4th Quarter 2007

MARKET	# of Buildings	Inventory	Total SF Avail		Direct Available		Sublease Available		Vacancy Rate		4th Qtr Absorption		YTD Absorption	
			3rd	4th	3rd	4th	3rd	4th	3rd	4th	Gross	Net	Gross	Net
Financial District														
North Financial District	125	28,984,595	3,167,879	2,910,151	2,744,003	2,571,703	423,876	338,448	10.93%	10.04%	755,527	257,728	3,439,961	326,209
South Financial District	116	24,489,611	2,293,514	2,195,655	2,129,156	2,084,969	164,358	110,686	9.37%	8.97%	505,844	97,859	1,944,060	-156,157
CM Realty Index for Financial District														
Totals	241	53,474,206	5,461,393	5,105,806	4,873,159	4,656,672	588,234	449,134	10.21%	9.55%	1,261,371	355,587	5,384,021	170,052
Downtown South														
South of Market	106	6,715,987	972,941	873,002	854,919	760,008	118,022	112,994	14.49%	13.00%	181,285	99,939	423,025	-157,885
Rincon Hill/South Beach	64	4,757,763	654,014	545,759	393,897	350,650	260,117	195,109	13.75%	11.47%	356,256	108,255	549,957	-196,999
Downtown North														
Jackson Square	56	2,067,555	111,912	113,224	103,912	113,224	8,000	0	5.41%	5.48%	51,110	-1,312	274,269	83,191
North Waterfront	60	3,744,087	282,388	249,804	257,406	224,822	24,982	24,982	7.54%	6.67%	56,762	32,584	255,306	90,885
Downtown West														
Yerba Buena	38	4,190,177	639,876	617,488	632,376	607,488	7,500	10,000	15.27%	14.74%	39,474	22,388	166,574	-333,086
Union Square	88	4,590,967	333,938	338,137	323,191	322,322	10,747	15,815	7.27%	7.37%	35,382	-4,199	397,460	152,467
CM Realty Index for SF Central Business District														
Totals	653	79,540,742	8,456,462	7,843,220	7,438,860	7,035,186	1,017,602	808,034	10.88%	9.86%	1,981,640	613,242	7,450,612	-191,375

Q4 2007 SAN FRANCISCO TRANSACTIONS

Lease Transactions	Address	Submarket	Tenant	Size (SF)	
	Two Embarcadero	North Financial	O'Melveny & Meyers	170,000	
	45 Fremont Street	South Financial	Barclays Global Investors (renewal)	113,000	
	350 Rhode Island	SOMA	Sega	69,000	
	685 Market Street	South Financial	Macys.com	57,000	
	71 Stevenson Street	South Financial	H5 Technologies	53,000	
	655 Montgomery Street	North Financial	Hotwire.com	44,000	
	303 Second Street	South Financial	Parsons (renewal)	41,000	
	220 Montgomery Street	North Financial	UCSF	38,000	
	625 Second Street	SOMA	Fox Interactive/Myspace.com	34,000	
135 Main Street	South Financial	Sedgwick	26,410		
Sale Transactions	Address	Submarket	Buyer	Price (Per SF)	Size (SF)
	150 Spear Street	South Financial	Principal Real Estate	\$555	256,800
	500 Terry Francois	Mission Bay	CB Richard Ellis	\$550	275,000
	274 Brannan	SOMA	The Swig Company	\$485	10,500
	75 Hawthorne	South Financial	Hines	\$441	422,000
28 Second Street	South Financial	Hopewell Investment	\$287	22,600	
Tenants In Market	Current Address	Submarket	Tenant	Size (SF)	
	153 Townsend Street	SOMA	DLA Piper	100,000	
	475 Brannan Street	SOMA	Carat Fusion	70,000	
	901 Market Street	Union Square	ARUP	50,000	
118 King Street	SOMA	Splunk	30,000		



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The information contained herein has been obtained from sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.