1st Quarter 2004

COLLIERS INTERNATIONAL

www.colliers.com

North America **Office Real Estate** Highlights

Office Markets Show Slight Improvement

Office Market Begins 2004 on Positive Note. – The US office market began the year with relatively robust absorption and a marginal decrease in vacancy levels. Spurred by a modest up-tick in hiring and a vigorous economy, many markets across the country registered much welcomed positive absorption. Simultaneously, completions dropped off dramatically, allowing the vacancy rate to drop during the quarter. Rents, however, again showed no clear trend either up or down.

Vacancy Levels Nudge Lower. – The first quarter saw vacancy rates fall by 10 basis points to register 16.4%. Continuing a pattern seen for much of the past 12 months, vacancy levels remain in the 16.0% - 16.5% range. Stripping out sublease space, vacant space available on a direct basis measured 14.0%. During Q1, the downtown vacancy rate moved 10 basis points lower to 15.0% while suburban vacancy rates edged 20 basis points lower to 16.9%. Class A vacancy rates showed a similar movement, however, suburban Class A markets in particular saw vacancy levels fall 60 basis points to register 18.7%.

Absorption of Office Space Continues for Fourth Consecutive Quarter. – Net absorption of office space registered 13.0 million square feet in the first quarter, completing a string of positive quarters stretching back to the second quarter of 2003. Again, most of the positive absorption occurred in the suburban market, and more specifically Class A suburban office stock. During the first quarter, Class A suburban absorption registered 10.9 million square feet, or nearly 84% of total absorption.

U.S. Office Market Summary Statistics
(1st Quarter 2004)

Vacancy Rate – Q1 2004 (Change from Q4)

Downtown	15.0% (-0.1)
Suburban	16.9% (-0.2)
Aggregate	16.3% (-0.1)

Absorption – Q1 2004 (Million Square Feet)

Downtown	+2.2
Suburban	+10.8
Aggregate	+13.0

Quoted Rent (Change from Q4)

Downtown Class A	$32.70 PSF (+2.4%)
Suburban Class A	$23.50 PSF (-0.6%)

Office Rents Show Mixed Results. – For the first quarter rents continued to show no clear trend. Downtown rents, in a break with a well-established pattern, increased 2.4% during the quarter to register $32.70 per square foot while suburban rents slipped 0.6% to rest at $23.50 per square foot. After registering substantial declines in both 2001 and 2002, both CBD and suburban rents have moved only marginally lower over the past 15 months and demonstrate increasing signs of leveling off and holding steady for the near term.

Office Completions Hit Multi-Year Low. – New office construction fell to a multi-year low in the first quarter with completions registering just 9.0 million square feet, well below the 16.1 million square feet recorded in the fourth quarter and considerably under the average of 14.8 million square feet per quarter brought onto the market during 2003. Most new construction again occurred in suburban markets where Q1 completions registering 6.8 million square feet or 76%. This may mark a low-water mark as under construction levels jumped to 54 million square feet from 45 million square feet at the end of the fourth quarter.

Outlook for Office Market Improves with Recent Job Data. – While not out of the woods yet, the prognosis for office real estate is much improved from even just three months ago. A still vigorous economic expansion combined with the stirrings of increased hiring has raised the hopes of many landlords. Considerable challenges still exist, however, not least of which is the trend towards shipping white-collar jobs to Asia and Eastern Europe. Demographics and the emphasis on "doing more with less" are also acting as stiff head winds to any significant improvement in the demand for office space. On balance, the outlook for office owners has improved, but market fundamentals are unlikely to change significantly before well into 2005.

Ross J. Moore
Vice President
Director of Research
Colliers International
ross.moore@colliers.com

COLLIERS INTERNATIONAL

www.colliers.com

Market	Existing Inventory (SF) March 31, 2004	New Supply Q1 2004 (SF)	Under Construction (SF)	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004
Atlanta, GA	51,872,000	0	1,209,000	(210,000)	13.9	14.3
Austin, TX	8,422,000	542,000	70,000	136,000	22.1	25.5
Bakersfield, CA	2,613,000	0	0	9,000	3.2	2.9
Baltimore, MD	15,746,000	120,000	261,000	149,000	18.3	18.0
Boston, MA	55,784,000	0	1,624,000	(724,000)	16.3	17.4
Charleston, SC	1,968,000	78,000	0	57,000	13.3	13.8
Charlotte, NC	14,292,000	0	0	(2,000)	10.2	10.2
Chicago, IL	143,528,000	0	2,352,000	(98,000)	17.0	17.1
Cincinnati, OH	13,097,000	0	0	(65,000)	13.0	13.5
Cleveland, OH	23,081,000	0	0	(224,000)	23.4	24.3
Columbia, SC	3,912,000	0	350,000	(8,000)	8.9	9.1
Dallas, TX	38,408,000	0	0	187,000	28.1	27.6
Denver, CO	28,384,000	0	0	(161,000)	16.4	17.0
Detroit, MI	26,360,000	0	0	703,000	17.2	14.6
Fresno, CA	2,827,000	0	86,000	83,000	14.2	8.0
Ft. Lauderdale, FL	7,178,000	0	50,000	72,000	15.8	14.8
Greenville, SC	2,610,000	0	87,000	12,000	16.1	15.6
Hartford, CT	10,473,000	0	0	(93,000)	19.2	20.1
Houston, TX	43,236,000	0	0	(539,000)	21.2	22.4
Indianapolis, IN	11,578,000	0	0	(40,000)	16.2	16.5
Jacksonville, FL	11,741,000	0	0	(257,000)	12.3	14.5
Kansas City, MO	10,485,000	(99,000)	0	54,000	24.8	23.5
Las Vegas, NV	2,823,000	0	0	33,000	20.9	19.8
Los Angeles, CA	31,646,000	0	0	(167,000)	20.0	20.6
Louisville, KY	9,062,000	0	75,000	48,000	21.0	20.4
Memphis, TN	3,593,000	0	0	(40,000)	23.4	24.5
Miami, FL	8,849,000	163,000	0	68,000	11.6	12.4
Milwaukee, WI	15,032,000	0	0	21,000	10.7	10.6
Minneapolis, MN	25,797,000	0	0	292,000	20.1	19.3
Nashville, TN	6,036,000	0	0	(13,000)	12.7	12.9
New York, NY - Downtown	91,194,000	0	1,675,000	212,000	14.2	14.0
New York, NY - Midtown	246,409,000	1,936,000	4,406,000	2,742,000	11.8	11.4
New York, NY - Midtown South	98,131,000	0	0	294,000	12.5	12.2
Oakland - East Bay, CA	12,839,000	0	0	(97,000)	15.7	16.4
Orlando, FL	8,198,000	0	0	(46,000)	12.5	13.1
Philadelphia, PA	38,664,000	0	728,000	73,000	13.0	12.8
Phoenix, AZ	20,165,000	0	168,000	(77,000)	18.7	19.1
Pittsburgh, PA	29,550,000	0	450,000	49,000	18.0	17.9
Portland, OR	20,233,000	0	0	(40,000)	13.4	13.6
Raleigh, NC	3,158,000	(61,000)	366,000	(50,000)	10.3	10.2
Reno, NV	1,648,000	0	0	4,000	11.3	11.1
Sacramento, CA	13,111,000	0	550,000	(127,000)	8.9	9.9
Salt Lake City, UT	9,936,000	0	0	79,000	12.0	11.2
San Diego, CA	9,320,000	0	380,000	(65,000)	10.2	10.9
San Francisco, CA	79,540,000	0	1,171,000	221,000	17.2	16.9
San Jose/Silicon Valley, CA	7,172,000	0	0	(40,000)	20.3	20.9
Seattle, WA	36,788,000	0	1,206,000	74,000	15.4	15.2
St. Louis, MO	12,410,000	0	0	(27,000)	22.5	22.8
Tampa Bay, FL	7,834,000	0	0	(17,000)	16.3	16.5
Washington, DC	104,757,000	(510,000)	5,992,000	(340,000)	7.8	7.7
West Palm Beach, FL	9,230,000	22,000	0	87,000	13.7	13.0
Total	**1,490,721,000**	**2,191,000**	**23,255,000**	**2,190,000**	**15.1**	**15.0**

United States Downtown Office Class A

Market	Existing Inventory (SF) March 31, 2004	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004	Average Annual Quoted Rent (US$PSF) March 31, 2004	Quarterly Change (%)
Atlanta, GA	25,403,000	(43,000)	17.6	17.8	23.00	3.6
Austin, TX	4,874,000	98,000	23.9	30.1	25.00	9.0
Bakersfield, CA	661,000	(15,000)	4.2	6.5	17.40	0.0
Baltimore, MD	8,381,000	173,000	16.7	14.6	25.20	3.7
Boston, MA	31,618,000	(560,000)	16.4	18.1	38.00	-1.0
Charleston, SC	971,000	49,000	13.9	14.7	20.20	0.9
Charlotte, NC	9,789,000	18,000	8.9	8.7	23.80	0.0
Chicago, IL	64,340,000	266,000	18.3	17.9	32.00	0.0
Cincinnati, OH	6,086,000	(48,000)	9.0	9.8	21.20	0.0
Cleveland, OH	9,515,000	(9,000)	19.4	19.5	20.50	-0.2
Columbia, SC	2,016,000	(5,000)	8.6	8.8	17.80	-0.2
Dallas, TX	20,543,000	4,000	18.6	18.6	18.50	0.0
Denver, CO	15,683,000	21,000	18.9	18.8	20.80	1.3
Detroit, MI	9,423,000	(56,000)	9.1	9.6	24.00	4.3
Fresno, CA	750,000	59,000	12.2	6.9	19.20	0.0
Ft. Lauderdale, FL	3,833,000	27,000	21.1	20.4	27.10	2.5
Greenville, SC	1,268,000	12,000	12.4	11.5	18.50	0.0
Hartford, CT	6,554,000	(179,000)	14.9	17.7	24.20	0.0
Houston, TX	28,914,000	64,000	23.6	23.4	20.40	-9.3
Indianapolis, IN	6,475,000	(37,000)	15.0	15.6	19.60	0.0
Jacksonville, FL	5,227,000	(94,000)	19.5	21.3	19.70	-1.5
Kansas City, MO	6,166,000	92,000	25.5	24.0	21.10	1.9
Las Vegas, NV	435,000	42,000	14.8	5.1	28.60	1.3
Los Angeles, CA	14,707,000	(135,000)	10.9	11.8	24.70	1.9
Louisville, KY	3,450,000	15,000	12.2	11.9	19.40	0.0
Memphis, TN	1,511,000	(20,000)	20.7	22.0	17.20	1.1
Miami, FL	3,822,000	84,000	11.6	13.2	30.40	2.9
Milwaukee, WI	4,106,000	23,000	12.4	11.9	23.00	0.0
Minneapolis, MN	13,240,000	144,000	19.1	18.0	25.60	2.1
Nashville, TN	2,863,000	(25,000)	12.2	13.1	18.80	0.0
New York, NY - Downtown	54,224,000	441,000	14.2	13.4	33.90	0.0
New York, NY - Midtown	150,392,000	2,621,000	10.6	10.1	54.10	3.2
New York, NY - Midtown South	14,054,000	177,000	6.8	5.5	28.40	2.7
Oakland - East Bay, CA	6,829,000	(119,000)	13.8	15.6	25.30	-3.2
Orlando, FL	4,058,000	(52,000)	18.1	19.4	22.90	0.1
Philadelphia, PA	29,240,000	74,000	12.7	12.4	23.30	0.3
Phoenix, AZ	8,631,000	50,000	15.6	15.0	17.40	-0.7
Pittsburgh, PA	9,535,000	25,000	12.2	12.0	20.80	-3.8
Portland, OR	10,260,000	20,000	11.9	11.7	20.90	-0.6
Raleigh, NC	1,960,000	(18,000)	6.3	7.2	18.00	0.0
Reno, NV	833,000	(5,000)	8.0	8.6	20.50	0.0
Sacramento, CA	6,890,000	11,000	8.2	8.0	29.50	0.0
Salt Lake City, UT	4,289,000	51,000	8.8	7.6	22.50	1.6
San Diego, CA	6,301,000	(45,000)	9.8	10.5	29.20	0.6
San Francisco, CA	48,908,000	201,000	17.7	17.3	29.50	1.1
San Jose/Silicon Valley, CA	3,047,000	(13,000)	27.3	27.7	32.40	-0.9
Seattle, WA	26,930,000	(104,000)	14.6	15.0	25.80	-0.5
St. Louis, MO	7,261,000	17,000	20.0	19.7	18.50	-1.3
Tampa Bay, FL	5,261,000	(35,000)	20.0	20.7	20.30	0.0
Washington, DC	39,347,000	436,000	9.2	8.9	41.90	0.1
West Palm Beach, FL	2,341,000	22,000	14.7	13.8	31.30	4.2
Total	**753,215,000**	**3,720,000**	**14.5**	**14.4**	**32.70** (Weighted)	**2.4**
					24.50 (Equal)	**1.0**

Market	Existing Inventory (SF) March 31, 2004	New Supply Q1 2004 (SF)	Under Construction (SF)	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004
Atlanta, GA	152,592,000	105,000	835,000	(913,000)	19.1	19.8
Austin, TX	28,527,000	29,000	163,000	593,000	23.6	21.6
Bakersfield, CA	4,640,000	0	0	27,000	9.4	9.1
Baltimore, MD	36,397,000	407,000	1,236,000	264,000	16.3	16.5
Boston, MA	93,907,000	0	836,000	752,000	27.9	26.8
Charleston, SC	5,585,000	45,000	0	168,000	20.5	18.1
Charlotte, NC	24,513,000	71,000	969,000	165,000	18.9	18.5
Chicago, IL	147,207,000	64,000	282,000	1,281,000	19.4	18.5
Cincinnati, OH	16,477,000	4,000	0	(149,000)	22.4	23.3
Cleveland, OH	16,680,000	0	0	(49,000)	18.0	18.3
Columbia, SC	3,729,000	0	0	(16,000)	21.3	21.7
Dallas, TX	212,524,000	542,000	0	249,000	20.0	20.0
Denver, CO	110,368,000	459,000	122,000	308,000	17.8	17.9
Detroit, MI	93,130,000	153,000	445,000	(549,000)	16.6	17.3
Fresno, CA	14,487,000	106,000	156,000	151,000	7.0	6.6
Ft. Lauderdale, FL	39,425,000	218,000	473,000	220,000	13.6	13.6
Greenville, SC	3,537,000	0	30,000	15,000	33.1	32.6
Hartford, CT	13,593,000	0	0	(27,000)	18.8	19.0
Houston, TX	154,243,000	0	0	(1,571,000)	16.5	17.5
Indianapolis, IN	17,740,000	0	270,000	101,000	20.8	20.2
Jacksonville, FL	20,835,000	87,000	913,000	(457,000)	13.6	16.2
Kansas City, MO	30,028,000	(148,000)	470,000	83,000	21.5	20.9
Las Vegas, NV	23,627,000	557,000	1,189,000	649,000	13.0	12.3
Los Angeles, CA	141,696,000	479,000	1,743,000	1,419,000	16.7	16.0
Louisville, KY	8,364,000	0	0	96,000	17.7	17.0
Memphis, TN	17,067,000	0	34,000	(39,000)	15.4	15.8
Miami, FL	61,228,000	433,000	724,000	404,000	13.7	13.7
Milwaukee, WI	44,787,000	0	1,000,000	116,000	10.8	10.5
Minneapolis, MN	33,650,000	0	0	17,000	15.8	15.8
Nashville, TN	19,410,000	0	225,000	143,000	17.0	16.2
New Jersey - Central	99,223,000	210,000	372,000	1,157,000	15.6	14.5
New Jersey - Northern	155,099,000	0	1,723,000	2,575,000	13.6	11.9
New York - Fairfield County, CT	56,779,000	0	452,000	81,000	17.3	17.1
New York - Westchester County, NY	39,873,000	0	0	(163,000)	13.7	14.2
Oakland - East Bay, CA	52,129,000	0	226,000	(448,000)	16.3	17.1
Orange County, CA	72,106,000	86,000	86,000	479,000	15.8	15.3
Orlando, FL	40,125,000	252,000	695,000	199,000	14.5	14.6
Philadelphia, PA	100,353,000	0	907,000	(53,000)	18.0	18.0
Phoenix, AZ	75,954,000	874,000	1,171,000	450,000	15.7	16.0
Pittsburgh, PA	19,560,000	0	235,000	24,000	21.3	21.2
Portland, OR	41,500,000	160,000	0	158,000	17.1	17.0
Raleigh, NC	33,155,000	212,000	2,531,000	244,000	21.7	21.5
Reno, NV	6,170,000	116,000	245,000	(19,000)	9.0	11.1
Sacramento, CA	49,655,000	357,000	1,133,000	227,000	12.1	12.3
Salt Lake City, UT	18,678,000	0	240,000	285,000	16.9	15.3
San Diego, CA	55,560,000	0	473,000	(402,000)	11.3	12.1
San Francisco, CA	0	0	0	0	#DIV/0!	#DIV/0!
San Francisco - San Mateo, CA	31,837,000	0	0	96,000	27.6	27.3
San Jose/Silicon Valley, CA	49,808,000	0	0	42,000	17.3	17.2
Seattle, WA	49,922,000	0	255,000	(112,000)	17.3	17.5
St. Louis, MO	35,900,000	25,000	312,000	184,000	15.6	15.1
Tampa Bay, FL	58,575,000	344,000	1,140,000	121,000	12.8	13.1
Washington, DC - N. Virginia	147,259,000	49,000	4,984,000	1,455,000	16.1	15.2
Washington, DC - Suburban MD	66,525,000	312,000	1,352,000	617,000	17.3	16.8
West Palm Beach, FL	29,025,000	198,000	130,000	184,000	12.8	12.7
Total	**2,974,764,000**	**6,805,000**	**30,776,000**	**10,832,000**	**17.1**	**16.9**

COLLIERS INTERNATIONAL

www.colliers.com

United States Suburban Office Class A

Market	Existing Inventory (SF) March 31, 2004	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004	Average Annual Quoted Rent (US$PSF) March 31, 2004	Quarterly Change (%)
Atlanta, GA	70,208,000	(183,000)	22.3	22.6	21.20	-1.1
Austin, TX	15,830,000	573,000	27.6	23.7	18.00	1.0
Bakersfield, CA	2,194,000	21,000	12.6	11.6	19.80	0.0
Baltimore, MD	13,037,000	198,000	14.4	14.3	21.20	-0.5
Boston, MA	57,015,000	687,000	30.8	29.3	20.10	-1.5
Charleston, SC	2,069,000	53,000	15.4	12.9	19.50	1.3
Charlotte, NC	16,373,000	551,000	16.6	14.4	19.30	0.0
Chicago, IL	68,716,000	932,000	22.4	21.1	25.00	0.0
Cincinnati, OH	10,119,000	(39,000)	21.8	23.0	19.80	0.0
Cleveland, OH	6,519,000	(50,000)	20.9	21.6	20.60	-1.4
Columbia, SC	848,000	(1,000)	21.9	22.0	17.50	0.0
Dallas, TX	83,226,000	(50,000)	20.2	20.7	20.00	0.0
Denver, CO	31,155,000	377,000	20.0	19.6	18.20	-5.6
Detroit, MI	26,804,000	(240,000)	15.4	16.3	22.00	-4.3
Fresno, CA	2,715,000	61,000	10.5	13.9	19.20	0.0
Ft. Lauderdale, FL	9,253,000	(85,000)	16.2	17.9	23.70	-1.5
Greenville, SC	1,936,000	15,000	31.7	30.9	17.50	0.0
Hartford, CT	7,665,000	(19,000)	20.5	20.8	20.40	-0.7
Houston, TX	57,462,000	(175,000)	15.0	15.3	18.80	-7.2
Indianapolis, IN	7,974,000	(32,000)	23.2	23.6	19.00	0.0
Jacksonville, FL	7,020,000	(117,000)	8.5	10.2	17.90	-0.6
Kansas City, MO	10,393,000	(52,000)	18.6	19.6	21.80	0.2
Las Vegas, NV	2,669,000	62,000	7.5	7.6	30.80	3.6
Los Angeles, CA	85,504,000	1,993,000	17.8	15.9	28.30	0.0
Louisville, KY	4,401,000	6,000	17.4	17.3	17.70	0.0
Memphis, TN	5,175,000	26,000	11.1	10.6	20.30	-1.1
Miami, FL	14,666,000	232,000	22.1	22.5	28.90	-2.7
Milwaukee, WI	6,855,000	128,000	16.5	14.7	21.00	0.0
Minneapolis, MN	9,271,000	200,000	16.8	14.7	27.40	-0.3
Nashville, TN	11,798,000	130,000	16.3	15.2	18.80	0.0
New Jersey - Central	58,232,000	1,115,000	20.6	18.7	24.10	0.2
New Jersey - Northern	93,736,000	1,450,000	14.8	13.3	28.50	-0.7
New York - Fairfield County, CT	31,170,000	465,000	19.3	17.8	29.90	3.9
New York - Westchester County, NY	24,614,000	(304,000)	15.5	16.7	27.20	0.9
Oakland - East Bay, CA	26,805,000	72,000	15.5	15.3	23.90	1.5
Orange County, CA	28,697,000	178,000	16.4	15.8	27.40	0.1
Orlando, FL	13,058,000	342,000	19.9	18.0	19.70	-2.7
Philadelphia, PA	56,091,000	31,000	20.2	20.2	22.70	-6.4
Phoenix, AZ	23,936,000	575,000	17.3	17.3	20.10	0.2
Pittsburgh, PA	13,385,000	66,000	23.6	23.1	18.20	-0.2
Portland, OR	15,253,000	49,000	14.3	14.9	21.40	2.0
Raleigh, NC	17,218,000	79,000	22.2	21.8	18.00	0.0
Reno, NV	2,354,000	(110,000)	11.0	15.7	23.00	12.1
Sacramento, CA	8,690,000	250,000	11.4	11.2	22.50	0.0
Salt Lake City, UT	7,240,000	112,000	16.5	14.9	19.80	1.0
San Diego, CA	18,145,000	(293,000)	16.4	18.1	29.60	0.8
San Francisco, CA	0	0	#DIV/0!	#DIV/0!		
San Francisco - San Mateo, CA	19,019,000	34,000	29.6	29.4	25.20	1.9
San Jose/Silicon Valley, CA	22,085,000	73,000	19.6	19.3	25.10	-3.1
Seattle, WA	30,935,000	163,000	18.3	17.8	23.10	0.7
St. Louis, MO	23,479,000	88,000	15.3	15.0	23.50	0.0
Tampa Bay, FL	18,813,000	290,000	15.5	15.3	20.00	0.0
Washington, DC - N. Virginia	71,262,000	870,000	17.6	16.4	26.00	0.0
Washington, DC - Suburban MD	25,078,000	369,000	15.3	14.7	25.80	-2.6
West Palm Beach, FL	8,491,000	143,000	21.0	19.7	27.60	0.0
Total	**1,306,659,000**	**11,311,000**	**19.0**	**18.4**	**23.40** (Weighted)	**-0.8**
					22.30 (Equal)	**0.3**

Canada Downtown and Suburban Office

COLLIERS INTERNATIONAL

www.colliers.com

Downtown Office – All Inventory

Market	Existing Inventory (SF) March 31, 2004	New Supply Q1 2004 (SF)	Under Construction (SF)	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004
Calgary, AB	32,020,000	0	50,000	245,000	11.7	10.9
Edmonton, AB	14,018,000	0	0	34,000	11.3	11.1
Halifax, NS	4,873,000	9,000	0	35,000	9.3	8.7
Montreal, QC	49,594,000	(73,000)	463,000	(7,000)	13.5	13.4
Ottawa, ON	13,608,000	249,000	301,000	151,000	3.2	3.8
Regina, SK	2,813,000	0	0	28,000	8.0	6.7
Saskatoon, SK	1,601,000	0	0	0	13.8	13.8
Toronto, ON	77,434,000	0	365,000	114,000	11.7	11.5
Vancouver, BC	24,543,000	0	280,000	49,000	11.4	11.3
Victoria, BC	4,682,000	0	0	0	6.4	6.4
Total	**225,186,000**	**186,000**	**1,459,000**	**650,000**	**11.3**	**11.1**

Downtown Office – Class A

Market	Existing Inventory (SF) March 31, 2004	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004	Average Annual Quoted Rent (US$PSF) March 31, 2004	Quarterly Change (%)
Calgary, AB	18,736,000	198,000	9.9	8.9	33.50	0.0
Edmonton, AB	6,187,000	6,000	10.1	10.0	18.20	0.6
Halifax, NS	1,916,000	3,000	9.4	9.2	27.60	4.8
Montreal, QC	22,503,000	62,000	11.5	11.2	35.00	2.9
Ottawa, ON	7,675,000	174,000	2.1	3.0	42.70	0.0
Regina, SK	874,000	19,000	8.8	6.6	18.00	0.0
Saskatoon, SK	439,000	0	8.6	8.6	21.50	-2.3
Toronto, ON	39,615,000	145,000	12.0	11.6	46.50	-0.2
Vancouver, BC	9,595,000	21,000	9.9	9.8	31.00	0.0
Victoria, BC	597,000	(7,000)	2.5	3.6	23.90	0.0
Total	**108,136,000**	**621,000**	**10.4**	**10.1**	**37.80** (Weighted)	**2.6**
					29.80 (Equal)	**1.6**

Suburban Office – All Inventory

Market	Existing Inventory (SF) March 31, 2004	New Supply Q1 2004 (SF)	Under Construction (SF)	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004
Calgary, AB	16,470,000	107,000	345,000	199,000	12.7	12.1
Edmonton, AB	6,939,000	0	0	(65,000)	10.8	11.7
Halifax, NS	4,660,000	(38,000)	0	(20,000)	14.2	13.9
Montreal, QC	20,811,000	0	#VALUE!	(109,000)	14.6	15.2
Ottawa, ON	18,189,000	35,000	0	(324,000)	16.3	18.2
Regina, SK	334,000	0	0	3,000	1.9	1.1
Toronto, ON	77,301,000	654,000	1,439,000	405,000	12.2	12.4
Vancouver, BC	26,362,000	0	379,000	(91,000)	13.5	13.8
Victoria, BC	3,041,000	0	30,000	0	10.5	10.5
Total	**174,107,000**	**759,000**	**2,192,000**	**(2,000)**	**13.1**	**13.5**

Suburban Office – Class A

Market	Existing Inventory (SF) March 31, 2004	Absorption Q1 2004 (SF)	Vacancy Rate (%) Dec. 31, 2003	Vacancy Rate (%) March 31, 2004	Average Annual Quoted Rent (US$PSF) March 31, 2004	Quarterly Change (%)
Calgary, AB	5,149,000	146,000	13.7	13.8	25.50	2.0
Edmonton, AB	0	0	#DIV/0!	#DIV/0!	0.00	-100.0
Halifax, NS	1,914,000	(10,000)	10.2	10.7	21.90	-6.3
Montreal, QC	11,193,000	(64,000)	10.9	11.4	23.00	#DIV/0!
Ottawa, ON	10,003,000	(277,000)	20.3	23.0	24.00	0.0
Regina, SK	334,000	3,000	1.9	1.1	16.00	0.0
Toronto, ON	42,358,000	228,000	14.7	15.4	29.10	3.7
Vancouver, BC	11,068,000	281,000	19.0	16.5	24.00	0.0
Victoria, BC	538,000	0	7.4	7.4	23.40	0.0
Total	**82,556,000**	**307,000**	**15.2**	**15.6**	**26.50** (Weighted)	**-2.1**
					23.40 (Equal)	**0.9**

COLLIERS INTERNATIONAL

www.colliers.com

United States and Canada Office Investment

United States Office Investment

Market	CBD Sales Price (US$PSF)	CBD Cap Rate (%)	Suburban Sales Price (US$PSF)	Suburban Cap Rate (%)
Atlanta, GA	170	9.75	148	10.00
Austin, TX				
Bakersfield, CA	135	N/A	71	N/A
Baltimore, MD	158	8.50	138	9.50
Boston, MA	400	7.00	125	9.00
Charleston, SC	205	8.20	140	9.20
Charlotte, NC	138	N/A	100	N/A
Chicago, IL	180	8.15	120	8.75
Cincinnati, OH	135	10.00	120	10.75
Cleveland, OH	107	13.85	129	10.48
Columbia, SC				
Dallas, TX	150	10.00	10	9.50
Denver, CO	160	9.00	110	8.75
Detroit, MI	65	10.50	125	9.00
Fresno, CA	115	8.50	158	8.25
Ft. Lauderdale, FL	184	N/A	120	N/A
Greenville, SC				
Hartford, CT	110	9.25	119	7.45
Houston, TX	95	9.00	80	8.50
Indianapolis, IN	92	10.50	85	10.00
Jacksonville, FL	90	9.00	90	9.00
Kansas City, MO	120	10.00	150	10.00
Las Vegas, NV	114	N/A	216	N/A
Los Angeles, CA	275	8.25	250	7.75
Louisville, KY	N/A	N/A	N/A	N/A
Memphis, TN	65	10.50	110	9.75
Miami, FL	N/A	N/A	88	N/A
Milwaukee, WI	200	9.50	125	9.50
Minneapolis, MN	140	9.50	116	9.50
Nashville, TN	95	10.25	112	10.00
New Jersey - Central	N/A	N/A	170	8.00
New Jersey - Northern	N/A	N/A	213	8.00
New York - Fairfield County, CT	N/A	N/A	260	8.00
New York - Westchester County, NY	N/A	N/A	200	8.00
New York, NY - Downtown	256	7.80	N/A	N/A
New York, NY - Midtown	340	7.50	N/A	N/A
New York, NY - Midtown South	275	7.70	N/A	N/A
Oakland - East Bay, CA	175	9.00	170	10.80
Orange County, CA	N/A	N/A	225	7.75
Orlando, FL	111	10.00	99	9.50
Philadelphia, PA	95	9.25	145	9.50
Phoenix, AZ	115	8.80	153	9.00
Pittsburgh, PA	N/A	9.00	95	10.00
Portland, OR	N/A	N/A	139	7.95
Raleigh, NC	140	10.00	135	9.00
Reno, NV	176	8.00	N/A	N/A
Sacramento, CA	90	9.75	60	10.00
Salt Lake City, UT	100	9.80	110	9.50
San Diego, CA	N/A	N/A	179	7.34
San Francisco, CA	275	8.00	N/A	N/A
San Francisco - San Mateo, CA				
San Jose/Silicon Valley, CA	265	8.00	150	8.50
Seattle, WA	295	8.00	176	8.20
St. Louis, MO	82	10.50	110	10.25
Tampa Bay, FL	118	8.50	115	7.50
Washington, DC	380	7.75	N/A	N/A
Washington, DC - N. Virginia	N/A	N/A	250	8.50
Washington, DC - Suburban MD	N/A	N/A	220	8.75
West Palm Beach, FL	120	N/A	99	N/A

Canada Office Investment

Market	CBD Sales Price (C$PSF)	CBD Cap Rate (%)	Suburban Sales Price (C$PSF)	Suburban Cap Rate (%)
Calgary, AB	235	8.30	158	8.85
Edmonton, AB	90	9.75	60	10.00
Halifax, NS	110	10.50	90	11.00
Montreal, QC	140	8.75	70	10.25
Ottawa, ON	260	7.75	140	9.00
Regina, SK	70	12.40	N/A	N/A
Saskatoon, SK	N/A	11.00	N/A	N/A
Toronto, ON	275	7.75	168	8.50
Vancouver, BC	300	7.80	180	8.75
Victoria, BC	127	9.00	120	9.25

Glossary

Inventory – Includes all existing multi or single tenant leased and owner-occupied office properties greater than or equal to 10,000 square feet (net rentable area). In some larger markets this minimum size threshold may vary up to 50,000 square feet. Does not include medical or government buildings.

Vacancy Rate – Percentage of total inventory physically vacant as at the survey date including direct vacant and sublease space.

Absorption – Net change in physically occupied space over a given period of time.

New Supply – Includes completed speculative and build-to-suit construction. New supply quoted on a net basis after any demolitions or conversions.

Annual Quoted Rent – Includes all costs associated with occupying a full floor in the mid-rise portion of a Class A building inclusive of taxes, insurance, maintenance, janitorial and utilities (electricity surcharges added where applicable). All office rents in this report are quoted on an annual, gross per square foot basis. Rent calculations do not include sublease space.

Cap Rate – (Or going-in cap rate) Capitalization rates in this survey are based on multi-tenant institutional grade buildings fully leased at market rents. Cap rates are calculated by dividing net operating income (NOI) by purchase price.

Note: SF = Square Feet
PSF = Per Square Foot
CBD = Central Business District

Colliers International

Global Breadth Local Depth

Colliers International is a corporation of leading real estate firms committed to delivering consistently superior commercial real estate services, wherever, and whenever needed.

- US $1,036,000,000 in Revenue
- $33 Billion in Transaction Volume
- 651 Million SF Under Management
- 8,700 Professionals
- 54 Countries
- 6 Continents

247 Offices Worldwide

136	Americas	
	104	United States
	17	Canada
	15	Latin America
73	Europe, Middle East & Africa	
38	Greater Asia	

54 Countries on 6 Continents

Argentina
Australia
Austria
Baltic States
Belgium
Brazil
Bulgaria
Canada
Chile
China
Colombia
Croatia
Czech Republic
Denmark
England
Finland
France
Germany
Greece
Hungary
India
Indonesia
Israel
Italy
Japan
Kazakhstan
Malaysia
Mexico
Netherlands
New Zealand
Northern Ireland
Norway
Peru
Philippines
Poland
Portugal
Republic of Ireland
Romania
Russia
Scotland
Serbia and Montenegro
Singapore
Slovakia
South Africa
South Korea
Spain
Sweden
Switzerland
Taiwan
Turkey
Ukraine
United Arab Emirates
United States
Venezuela

www.colliers.com

Colliers International
50 Milk Street, 20th Floor
Boston, MA 02109 USA
Tel: (617) 722-0221
Fax: (617) 722-0224