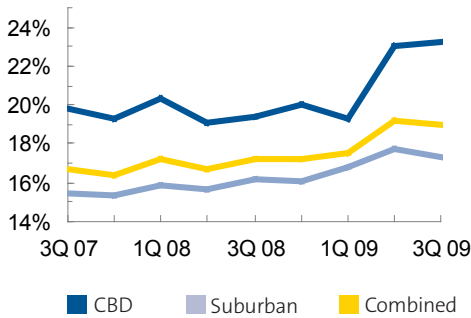


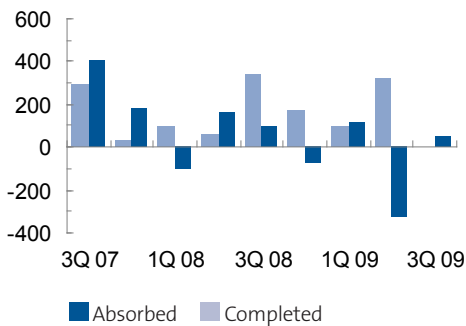
Vacancy Rate

Quarterly



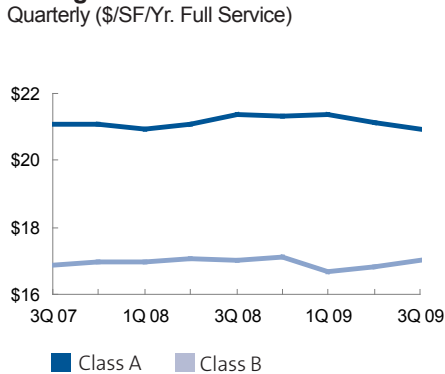
Completion vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

Quarterly (\$/SF/Yr. Full Service)



Have We Hit Bottom?

In late September, Federal Reserve Chairman Ben Bernanke announced that the recession was “very likely over.” While this is welcomed news, he cautioned that the economy “is still going to feel like a very weak economy for some time.” The term that is frequently uttered when this topic is discussed is, “jobless recovery.” While consumer confidence may gradually improve, resulting in increased spending, employers are not expected to rush to hire. This is true in Kansas City as well as the majority of markets across the country. Until job creation begins to outpace the elimination of jobs, the office market will continue to soften.

One bright spot in the third quarter was the absorption of over 101,000 square feet in South Johnson County by Apria Healthcare. What dulls the sheen is the fact that Apria leased space that was vacant on the Sprint campus, partially because of jobs lost due to Embarq’s merger with CenturyTel Inc.

The Apria transaction was significant enough to offset the approximate 55,000 square feet of negative net absorption that had occurred in the other 665 office buildings that make up the market. The 19.0 percent vacancy rate is a 20 basis point improvement from the prior quarter, but that is not expected to be a trend.

FORECAST

- Vacancy will potentially surpass 20 percent before stabilization occurs and noticeable job growth occurs in early 2011.
- With the economy still in limbo, it is anticipated that companies that are not sure of their needs will act in a conservative manner, leaning toward flexible terms.
- Companies that anticipate fairly stable long term space needs will take advantage of the weak market and lock in long term leases.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
Trow Engineering Consultants	Alcock Development	Northpointe Circle II*	6,050
Davis, Bethune & Jones, LLC	City Center Square Equities II, LLC	City Center Square*	8,711
Sullivan MAC Law Firm	Louisburg Marketplace	1600 Baltimore*	5,598

■ Leasing ■ Sales

(R) = Renewal (S) = Sublease

* Indicates Transaction Represented by Grubb & Ellis

Office Trends Report—Third Quarter 2009

Kansas City, MO



By Submarket	Total SF	Vacant SF	VACANCY %		NET ABSORPTION		Under Construction SF	ASKING RENT	
			Direct	Total	Current	Year To Date		Class A	Class B
Downtown	14,427,965	3,348,304	22.3%	23.2%	(47,550)	(249,401)	-	\$18.73	\$16.08
CBD Total	14,427,965	3,348,304	22.3%	23.2%	(47,550)	(249,401)	-	\$18.73	\$16.08
East Kansas City	2,565,165	534,682	20.8%	20.8%	38,232	(7,317)	-	\$17.55	\$14.72
Kansas City North	4,009,036	970,569	24.0%	24.2%	11,595	139,544	-	\$21.58	\$15.16
North Johnson County	5,258,198	833,174	15.8%	15.8%	(4,024)	114,370	-	\$18.90	\$17.95
Plaza/Midtown	4,337,417	693,459	15.7%	16.0%	(18,406)	(40,980)	-	\$24.68	\$19.87
South Johnson County	15,262,171	2,458,115	13.9%	16.1%	87,577	(106,746)	-	\$21.80	\$19.17
South/Southeast Kansas City	3,423,944	638,897	18.7%	18.7%	(3,200)	13,076	-	\$21.13	\$17.08
Wyandotte County	837,922	59,069	7.0%	7.0%	(18,588)	(13,290)	-	\$19.23	\$14.11
Suburban Total	35,693,853	6,187,965	16.3%	17.3%	93,186	98,657	-	\$21.78	\$17.39
Totals	50,121,818	9,536,269	18.0%	19.0%	45,636	(150,744)	-	\$20.92	\$17.04

By Class	Total SF	Vacant SF	Direct	Total	Current	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
								CBD	Suburban
Class A	18,572,953	3,683,804	17.8%	19.8%	192,060	77,262	-	100,888	304,294
Class B	29,149,282	5,208,285	17.5%	17.9%	(148,849)	(265,778)	-	42,430	305,548
Class C	2,399,583	644,180	26.8%	26.8%	2,425	37,772	-	-	1,560
Totals	50,121,818	9,536,269	18.0%	19.0%	45,636	(150,744)	-	143,318	611,402

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OFFICE TERMS AND DEFINITIONS

Inventory: Office inventory includes all multi-tenant and single tenant buildings at least 20,000 square feet. Owner-occupied, government and medical buildings are not included.

Office Building Classifications: Grubb & Ellis adheres to the BOMA guidelines. Class A properties are the most prestigious buildings competing for premier office users with rents above average for the area. Class B properties compete for a wide range of users with rents in the average range for the area. Class C buildings compete for tenants requiring functional space at rents below the area average.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Office rents are reported full service where all costs of operation are paid for by the landlord up to a base year or expense stop. The asking rent for each building in the market is weighted by the amount of available space in the building.

**Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.*