



ggiNewsletter

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Message from Global's President & CEO, David Ortiz

"In this challenging economic environment, one thing remains stable – the quality and value of Global's product. The good news is that with the significant lowering of interest rates and the enormous reduction of materials and labor costs, Global's office products are a much more attractive proposition for purchasers. In addition, we are actively negotiating with multiple lenders in each of our markets. This will enable us to reap the benefits of working with local lenders that know their own individual markets.

In recent months, development financing has been our most important issue. We have already succeeded in obtaining development loans for Wellington and Lake Butler. In addition, we are very close to getting a development loan for Gateway (Jacksonville) and are about two to three months away from obtaining development loans for Suncoast (Tampa) and Lakewood Ranch (Sarasota).

We have also implemented new strategies in order to ease purchaser's false fears that the housing market and credit crunch is also affecting the high-end suburban office market. Our plan to build model office buildings at each project will help inspire buyer confidence that the project is reality and will provide a tangible asset that we are confident will accelerate sales. This should help instill confidence in our ability to complete construction in a timeframe that fits with the purchaser's timing.

We have also diversified site plans for several projects so we can carve out a two-acre out parcel for a retail center of approx. 15-20,000 s.f. The out parcel will then be sold at arms length to a new Global entity at market value. The new entity will develop, lease it and retain it for a long-term income and capital gains. This program will be available at Suncoast (Tampa), Lake Butler (Orlando), and Wellington (West Palm Beach). We will contact existing investors in these projects first when we are ready to offer this new opportunity in long-term income producing properties.

In addition, we are designating two office buildings on each project site that total approx 40,000 s.f. "for lease only". These properties shall be retained by the original project entity so as to produce long-term income and capital gains to our investors. These diversifications will



allow us to offer three different products within each campus yielding immediate returns on the for sale products and long-term returns on the for-lease products.

Despite the challenges we have faced over the last year, the fact is that office and retail products in high-end suburban markets remain viable, and Global has the appropriate strategies and operational plans to take advantage of these market conditions. No doubt we have been affected one way or another by the credit crunch and we have lost buyers that were directly related to the housing industry, causing delays in sales, closings, and project start-ups. But our properties were all purchased at reasonable market prices and they are located in prime locations along the path of progress of every major market in Florida. For this reason, all of our projects enjoy a solid equity. Your, and all investments are protected by this equity and it's this equity that should help us weather current and future market fluctuations.

Our foundation is solid; it's just going to take a little more time and a lot of hard work. We are ready for the challenge. Thank you for your trust in Global and our products."

*Warmest Regards,
David*

Project Updates

We are installing on-site sales/construction trailers at each location. This will provide an attractive and well-equipped meeting place for prospective purchasers to view marketing materials and tenant improvement materials, samples and finishes.

Professional Center at Wellington - We now have our land development permit, received in December, and building permits as well. We have been able to reduce construction costs from \$84 per sq. ft. to \$78 per sq.ft. The village of Wellington has accepted the re-phasing concept, which allows us to develop the infrastructure by phases. We have renegotiated our construction loan, and the bank has agreed to allow us to develop 30% of the site work and construct a model building. Buyers need to see that the development is a reality. Having a model building will attract buyers who do not want to wait long in order to move into their unit.

The good news is that construction has already begun. The completion of the first buildings are expected in September of this year.

Professional Center at Lakewood Ranch – We are working on the re-financing of our current loan. It will take a bit longer than expected due to the credit crunch. We are refreshing our marketing campaign and can now offer buyers not just a shell but attractive build out options as well. Four of the ten buildings on this site have been completed.

Suncoast Professional Center - Pasco County granted Design Review Committee approval to our proposed site plan on January 24th, 2008. Phasing

plans have been completed in order to accommodate the construction of one building and only the site work improvement required for the occupation of that sole building. Our development loan should be in place in a couple of months. We are reviewing additional site options based on market conditions.

Gateway Professional Campus – We have already hired a General Contractor. Site plans are approved. Building permits have been issued. The phasing plan has been approved and construction will begin as soon as our development loan is approved. We expect that to happen within 30 days.

Beacon Square Professional Campus – Global's commitment to quality is showcased with the near completion on seven of the nine buildings. It is anticipated construction of the seven buildings will be completed by late March 2008. The final phase to construct the last two buildings is due to start the 2nd quarter of this year. Unfortunately we lost some buyers directly related to the weak housing market, but the Boca market is still strong so we have been able to replace many of those lost sales with new buyers.

Lake Butler Professional Center – The second re-submittal for Site Plan approval was completed on Feb 1, 2008. The out parcel for the 20,000 s.f. retail space was included in the design plans. We should have all our permits and re-approvals within a couple of months. Financing for this project should be in place within 30 days.



Photo of Beacon Square Professional Campus, Building 9, nearing completion.

Message to Investors from the CFO, James Cline,

“Since joining GGI, I have been meeting with existing lenders and introducing the company to a few additional lenders with an interest in financing our projects. While the existing lending environment is challenging, there are positive aspects as well. While it is true that the national sub-prime lending issues and residential slowdown are affecting lenders and creating the current credit crunch, there are still commercial banks lending money to quality credit customers with experience and with strong balance sheets.

The underwriting process by lenders has become more thorough in all aspects, from appraisal to terms and conditions required. We have therefore expanded the group of lenders to include large and regional commercial banks and have received a few term sheets and look forward to closing on loans in the first quarter. We remain confident that because of our experience and strong balance sheet, we will

be able to secure traditional construction financing for each of the remaining projects, keeping the overall cost of capital at an acceptable level.

A few positive notes - the loan officers want to lend, and they are working with us to navigate the new levels of scrutiny from their internal approval personnel. We have recently implemented Argos Developer software, a real estate specific software, to assist us in our financial modeling and this has served us well in accommodating the requests for information from lenders. The loan pricing has also been reduced by decreasing interest rates.

Overall, I am confident in GGI's capabilities during the current lending environment due to the strength of our projects, our experience during similar downturns, and the need for quality office space in the high-end suburban markets in which we operate.



Construction is underway of the first two story 20,000 sq.ft. building in Phase I at our Professional Center at Wellington project in Palm Beach County.

The CoStar Office Report

Jacksonville (Florida) The vacancy rate remained unchanged in Jacksonville (Florida) in the fourth quarter. With 356,721 square feet in deliveries, and positive 299,533 square feet in net absorption, the vacancy rate held at 11.7%, the same rate reported in the previous quarter. The market had 1,135,678 square feet under construction at the end of the quarter, and rental rates stood at \$19.02 per square foot.

Orlando The Orlando office market ended the quarter with a vacancy rate of 9.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (70,923) square feet. Vacant sublease space increased to 673,327 square feet. Rental rates ended the fourth quarter at \$22.45, an increase over the previous quarter. A total of 5 buildings with 157,466 square feet of space delivered to the market, with 2,743,469 square feet still under construction at the end of the quarter.

Palm Beach County The Palm Beach County office market ended the quarter with a vacancy rate of 12.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (391,009) square feet. Vacant sublease space increased to 332,476 square feet. Rental rates

ended the fourth quarter at \$28.81, an increase over the previous quarter. A total of 3 buildings with 132,736 square feet of space delivered to the market, with 2,315,217 square feet still under construction at the end of the quarter.

Southwest Florida The Southwest Florida office market saw vacancies rise and rental rates increase from the third quarter 2007 to the fourth quarter 2007. The overall vacancy rate currently sits at 9.0%, from 8.9% in the previous quarter. Rental rates ended the quarter at \$21.09 per square foot, from \$20.40 in the previous quarter. There was a total of 137,951 square feet that delivered in the quarter, with 1,813,276 square feet still under construction at the end of the quarter.

Tampa/St Petersburg The Tampa/St Petersburg office market ended the quarter with a vacancy rate of 9.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (71,329) square feet. Vacant sublease space decreased to 837,584 square feet. Rental rates ended the fourth quarter at \$21.48, an increase over the previous quarter. A total of 26 buildings with 475,619 square feet of space delivered to the market, with 2,580,510 square feet still under construction at the end of the quarter.



Our Gateway Professional Campus project, located in Jacksonville, Florida.

Report Forecasts Florida Real Estate Markets through 2010

FLORIDA REAL ESTATE MARKET REACHED BOTTOM IN 2007; MARKET EXPECTED TO RECOVER FROM "INDIGESTION"

ORLANDO, Fla. - January 7, 2008 - A new report released today by Attorneys' Title Insurance Fund Inc. (The Fund) and posted on www.MyRealEstateStory.com finds that Florida's housing market slowed in 2007 in nearly every county analyzed. The report also shows that real estate markets flattened out in spring 2007, before the subprime mortgage crisis in August knocked markets down another 10 percent across the state. Since then the housing market has flattened and is expected to begin to recover during the next several years.

The 2008 Fund Real Estate Forecast, commissioned by Florida-based Attorneys' Title Insurance Fund's Consumer Education Campaign, was created by economist Hank Fishkind, Ph.D. of Fishkind & Associates, Inc., using The Fund's extensive online system of deed data for more than 30 Florida counties. The report provides a snapshot of the national economic outlook and 33 county-specific forecasts for 2008 through 2010, as well as a section detailing how actual 2007 data compared to projections that were made in last year's Fund 2007 Real Estate Forecast report.

"Florida is one of the leading states for job creation and outperformed the rest of the country despite the housing market meltdown," stated Fishkind. **"The state's population growth also slowed, but is still nearly greater than all of the other Southeastern states put together. Florida has a very large and powerful economy that has gone through a cyclical downshift, but it is still outperforming compared to the rest of the nation."**

The Fund's 2008 Real Estate Forecast shows that Orlando continues to be the strongest residential real estate market in the state because of its large share of fast-growing industries, such as tourism, healthcare, education and defense manufacturing. Not all markets in Florida mirror Orlando's resiliency, however. Miami-Dade is currently going through the worst condominium bust cycle that Florida has seen since 1975. Additionally, significant excess supply of single-family homes in the Fort Myers and Cape Coral markets will not begin to be absorbed until 2010.

"With Florida's real estate market, it is important to maintain some perspective as recent reductions in home

prices come after a very lofty and unsustainable peak, and prices are still up considerably compared to 30 years ago," explained Fishkind. "Florida has created a tremendous amount of wealth and - despite many of the problems that loose lending practices and subprime mortgages have caused - the state now has the highest level of homeownership ever. The market has some indigestion now, but housing markets will return to normal during the next few years; the damage for some is significant, but in the aggregate, Florida still had some significant economic gains."

ABOUT THE FUND'S CONSUMER EDUCATION CAMPAIGN

Launched in 2001, The Fund's Consumer Education Campaign was designed to educate Florida consumers on the home buying and selling process. The Education Campaign includes an informational Web site in English (www.MyRealEstateStory.com) and Spanish (www.InforHogar.com) and toll-free numbers in English (1-866-FUND-HOME) and Spanish (1-800-688-7599) with operators offering assistance.

ABOUT THE FUND

Attorneys' Title Insurance Fund Inc., Florida's leading title insurance underwriter and title information provider, is in business to preserve and facilitate the real estate practices of its members in their protection of the public. For more information, visit www.TheFund.com.

ABOUT THE FUND REAL ESTATE INDEX

Recognizing the need for real estate data to help consumers make informed home-buying and selling decisions, and to help real estate professionals provide sound counsel to their clients, The Fund collaborated with Hank Fishkind, Ph.D. to leverage its extensive online system of deed data for Florida counties to develop a Real Estate Index. Fishkind provides independent analysis of data provided by The Fund.

Measuring sales value and volume for single-family homes, condos and time shares throughout the state, The Fund Real Estate Index illustrates the dynamic real estate fluctuations on a county-specific basis. The reports are posted on local Real Estate Council Web sites and are updated monthly.

Here's The Good News

Forget headlines—the world economy has never been better.

By Barrett Sheridan and Daniel Gross
EXCERPT TAKEN FROM NEWSWEEK ARTICLE 12.24.07

There's been little cheer in the global economic news since the subprime-mortgage meltdown started last spring, and now, it seems, we're entering a winter of discontent. Credit problems have spread like a virus throughout the American and European financial systems. Holiday sales at U.S. malls and British high-street shops are tepid. Sky-high food and oil prices are crimping household budgets and furling the brows of inflation-phobic central bankers.

It seems things are as bad as they've been in recent memory. Except that if you look beyond temporal market fluctuations to how the real global economy is doing, things have never been better. For the past four years, the world has grown at a 5.2 percent annual rate—a full 2 percentage points higher than in the '80s and '90s—thanks in large part to booming emerging markets. While the United States and many parts of Europe are lagging, most of the rest of the planet is soaring. Consider that between 1980 and 2000, the number of countries growing at 5 percent or more hovered around 50. In 2006, 104 nations grew at that rate. When asked to think of a few countries besides China and India that have shown strong growth, World Bank economist Andrew Burns replies: "It's hard to think of somebody who hasn't." In fact, this year the economies of only three countries—Zimbabwe, Fiji and Tonga—are contracting. Two are highly isolated archipelagoes and the former is a hugely dysfunctional dictatorship. Harvard's Ken Rogoff, a former chief economist at the IMF, sums it up simply: "We're in a boom."

It's the polar opposite of the 1990s, when rolling economic crises caused serious problems in emerging economies like Malaysia, Turkey and Russia—countries with fragile political and monetary institutions. Prior to that, the 1980s had become known as Latin America's "lost decade," a period when countries like Mexico, Brazil and Argentina

tanked after years of excessive borrowing and a sudden spike in interest rates. Ironically, financial instability today seems to be a phenomenon largely confined to the developed world. Even as Western consumers have fudged on retirement savings in favor of flat-screen TVs, and Western governments have skimped on education and infrastructure, emerging nations have been paying back debt, taming inflation, strengthening their institutions, diversifying their economies and generally behaving like responsible global citizens. The result has been a huge range of benefits: fewer hungry children in Tanzania, increased political stability in Brazil and a more balanced global financial system, in which nations previously labeled unstable debtors are now extending credit to richer countries.....

Yet there's still plenty of cause for optimism. Emerging nations are no longer just extracting resources and supplying cheap labor, but growing their own massive middle classes, breeding world-beating companies and becoming players on the global financial stage. Such developments—the prospect of China suddenly being a major source of investment capital, cash-rich Latin American countries banding together to lend to one another, Russia emerging as the top luxury-car market—have defied the predictions of the world's collective economic wisdom. And that's not surprising. Back in the post-dotcom-bubble days of 2001 and 2002, few economists predicted that the global economy would enjoy the expansion it has. Several years into this new phase of growth, it's still somewhat unclear what it all means. Could emerging markets really carry the global economy through a massive downturn in the United States? Have rich and poor nations really "decoupled"? Will multinational firms leave New York and London for Mumbai en masse? Whatever happens, the dismal scientists and the rest of us will have to learn to cope with the truth—things, for now anyway, are really pretty good.

**This article has been edited for space requirement*



Rendering of our proposed 20,000 s.f. Retail Center at our Lake Butler Professional Center site in SW Orlando. The Center is designed to attract stores that will provide valuable services, such as print and shipping, restaurants, coffee shop and dry cleaners.

NATIONAL OFFICE MARKET



FIGURES AT A GLANCE

TOTAL OFFICE MARKET STATISTICS

Year-End 2007

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Atlanta	9,255	254,543,017	32,499,523	35,239,701	13.8%	3,315,479	4,872,022	6,061,435	\$20.06
Austin	2,384	67,993,274	7,726,861	8,457,693	12.4%	832,018	2,474,671	3,067,065	\$25.19
Baltimore	3,699	104,163,626	12,092,449	12,900,851	12.4%	713,396	2,355,590	3,751,146	\$22.31
Birmingham	1,976	41,691,967	3,364,305	3,447,174	8.3%	776,314	330,899	117,136	\$15.56
Boston	8,615	326,455,415	30,823,034	34,278,311	10.5%	2,491,266	1,464,020	4,197,193	\$23.22
Broward County	3,479	66,141,736	5,833,968	6,253,089	9.5%	149,388	1,564,839	1,822,908	\$25.86
Charlotte	2,267	70,870,949	6,360,847	6,746,471	9.5%	1,994,231	874,126	7,762,333	\$18.55
Chicago	9,761	400,547,114	46,657,133	52,098,455	13.0%	3,349,538	2,066,632	6,670,654	\$24.27
Cincinnati	2,967	78,908,597	10,354,371	10,979,047	13.9%	2,278,003	1,273,430	950,864	\$15.58
Cleveland	3,731	108,182,323	12,878,127	13,869,418	12.8%	1,494,480	685,833	274,287	\$17.04
Columbus	3,034	81,657,428	9,544,841	9,806,569	12.0%	1,961,373	926,562	646,909	\$16.00
Dallas/Ft Worth	6,618	292,392,000	46,635,445	49,395,509	16.9%	3,148,652	4,613,355	6,832,610	\$20.37
Dayton	1,871	30,845,722	3,661,443	3,771,137	12.2%	396,265	475,468	220,870	\$15.10
Denver	5,849	166,329,573	20,017,028	21,622,827	13.0%	2,874,604	1,775,411	3,789,324	\$21.02
Detroit	5,587	169,621,587	27,250,489	28,532,293	16.8%	1,438,376	1,664,627	420,364	\$20.15
East Bay/Oakland	4,467	104,407,130	11,048,363	12,377,369	11.9%	811,899	596,213	480,128	\$23.41
Greensboro/Winston-Sale	2,986	44,175,260	5,409,701	5,645,333	12.8%	81,121	173,664	164,395	\$13.69
Greenville/Spartanburg	2,783	29,325,259	3,152,274	3,214,437	11.0%	603,791	334,803	184,701	\$13.20
Hampton Roads	2,439	40,073,480	2,982,125	3,125,295	7.8%	891,731	1,168,153	817,772	\$17.35
Hartford	3,621	69,195,672	6,512,449	6,769,938	9.8%	619,590	532,087	141,358	\$18.94
Houston	3,863	235,649,938	25,406,666	27,141,129	11.5%	5,357,213	2,707,371	5,992,161	\$22.34
Indianapolis	3,594	77,654,257	8,721,299	9,149,425	11.8%	1,237,732	1,020,433	600,059	\$17.00
Inland Empire (California)	4,072	54,368,472	5,653,939	6,052,110	11.1%	1,502,653	3,550,551	5,036,063	\$25.38
Jacksonville (Florida)	2,527	51,933,053	5,877,962	6,092,342	11.7%	944,763	1,248,219	1,135,678	\$19.02
Kansas City	2,996	94,424,395	11,337,266	11,668,375	12.4%	2,113,411	869,154	996,876	\$17.54
Las Vegas	3,081	48,145,132	6,136,954	6,427,354	13.3%	1,157,782	3,154,652	2,699,875	\$24.46
Long Island (New York)	5,004	132,473,386	10,803,072	12,153,562	9.2%	1,179,515	1,624,756	659,287	\$26.81
Los Angeles	13,969	408,613,752	28,882,721	32,201,558	7.9%	498,783	3,260,382	7,684,956	\$30.97
Madison	1,017	25,576,889	2,246,555	2,311,568	9.0%	215,378	411,443	563,934	\$15.01
Memphis	1,282	36,643,605	4,825,666	5,182,827	14.1%	153,189	62,650	364,264	\$16.87
Miami-Dade County	3,485	87,979,861	7,214,315	7,635,172	8.7%	379,393	1,877,655	5,750,612	\$31.18
Milwaukee	2,651	67,821,010	7,551,119	7,704,123	11.4%	634,432	790,183	57,400	\$15.12
Minneapolis	4,394	149,688,032	15,289,220	16,126,671	10.8%	1,685,010	2,424,571	634,025	\$15.74
Nashville	2,579	55,405,602	4,806,287	5,156,053	9.3%	1,980,732	2,037,773	1,701,364	\$19.09
New York City	3,402	514,355,815	24,140,928	27,227,191	5.3%	6,199,297	1,975,250	9,072,684	\$61.51
Northern New Jersey	10,232	319,729,415	33,814,095	38,791,658	12.1%	1,859,870	2,846,810	2,486,199	\$25.64
Oklahoma City	2,249	41,537,517	4,036,195	4,138,511	10.0%	(206,410)	377,927	423,254	\$12.87
Orange (California)	5,110	141,191,029	14,246,052	15,881,522	11.2%	(939,427)	5,248,790	1,694,458	\$31.24
Orlando	4,958	79,760,309	6,840,059	7,513,386	9.4%	420,289	1,845,050	2,743,469	\$22.45
Palm Beach County	2,055	46,941,467	5,640,947	5,973,423	12.7%	(845,178)	1,260,027	2,315,217	\$28.81
Philadelphia	11,940	316,801,490	36,910,975	39,067,525	12.3%	4,677,371	3,071,084	3,390,094	\$22.04
Phoenix	6,855	137,379,394	18,273,644	19,683,709	14.3%	2,029,267	7,628,287	7,502,240	\$26.16
Pittsburgh	4,632	106,126,818	13,133,396	13,405,698	12.6%	1,724,714	299,553	538,094	\$18.52
Portland	3,067	75,197,203	6,730,060	7,193,010	9.6%	1,647,456	655,336	1,528,636	\$19.65
Providence	1,710	28,437,783	2,859,480	2,932,884	10.3%	(96,536)	529,428	609,600	\$19.42
Raleigh/Durham	2,214	61,015,120	7,692,530	8,108,862	13.3%	2,265,884	2,725,797	1,725,507	\$18.94
Richmond VA	2,546	49,889,414	3,838,036	4,209,048	8.4%	1,669,124	825,435	840,256	\$16.48
Sacramento	4,347	89,614,426	11,251,136	12,019,525	13.4%	1,608,817	2,074,900	3,424,391	\$24.60
Salt Lake City	3,272	71,330,234	5,527,368	5,750,734	8.1%	2,030,736	2,440,051	1,535,490	\$16.66
San Antonio	2,160	48,556,025	4,933,733	5,105,277	10.5%	849,889	1,125,234	1,288,461	\$17.97
San Diego	4,843	103,823,653	10,927,430	11,893,666	11.5%	1,895,926	3,724,172	2,999,587	\$32.40
San Francisco	3,561	155,831,590	13,147,639	15,190,653	9.7%	2,699,197	540,900	2,751,916	\$36.63
Seattle/Puget Sound	5,334	149,485,463	11,383,981	12,746,037	8.5%	2,284,250	2,529,777	6,867,697	\$28.70
South Bay/San Jose	4,058	102,465,696	9,076,626	10,349,553	10.1%	1,474,276	436,320	2,786,046	\$25.58
Southwest Florida	2,232	24,457,382	2,073,769	2,211,295	9.0%	88,825	725,930	1,813,276	\$21.09
St. Louis	3,978	108,610,064	10,807,166	11,099,297	10.2%	750,944	1,248,879	917,675	\$18.75
Tampa/St Petersburg	8,954	127,401,336	11,143,982	11,981,566	9.4%	1,578,103	3,071,211	2,580,510	\$21.48
Toledo	1,809	24,440,400	2,664,588	2,709,915	11.1%	248,956	54,054	0	\$13.61
Tucson	1,906	18,909,182	1,643,346	1,771,105	9.4%	53,136	375,995	675,211	\$20.27
Tulsa	1,530	37,403,275	6,209,757	6,313,473	16.9%	(1,839)	121,624	62,028	\$12.75
Washington	7,290	410,092,125	38,015,112	42,487,982	10.4%	3,224,654	7,847,229	14,916,786	\$34.09
West Michigan	4,386	68,404,560	9,550,628	9,692,310	14.2%	15,222	628,642	349,088	\$13.55
Westchester/So Connecti	5,010	147,305,249	14,638,397	15,888,771	10.8%	1,246,465	812,621	819,597	\$27.63
Totals	267,543	7,680,391,947	790,708,872	854,870,772	11.1%	89,714,779	112,308,511	160,907,473	\$24.03

The Costar Office Report U.S.'s Vacancy Unchanged at 11.1%

Net Absorption Positive 21,559,506 SF in the Quarter
 The U.S. Office market ended the fourth quarter 2007 with a vacancy rate of 11.1%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 21,559,506 square feet in the fourth quarter.

Vacant sublease space increased in the quarter, ending the quarter at 64,161,900 square feet. Rental rates ended the fourth quarter at \$24.03, an increase over the previous quarter. A total of 796 buildings delivered to the market in the quarter totaling 29,667,106 square feet, with 160,907,473 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall U.S. office market was positive 21,559,506 square feet in the fourth quarter 2007. That compares to positive 24,259,985 square feet in the third quarter 2007, positive 28,423,088 square feet in the second quarter 2007, and positive 15,472,200 square feet in the first quarter 2007.

The Class-A office market recorded net absorption of positive 14,613,284 square feet in the fourth quarter 2007, compared to positive 14,172,776 square feet in the third quarter 2007, positive 17,774,090 in the second quarter 2007, and positive 14,887,918 in the first quarter 2007.

The Class-B office market recorded net absorption of positive 7,221,299 square feet in the fourth quarter 2007, compared to positive 9,022,299 square feet in the

third quarter 2007, positive 9,581,161 in the second quarter 2007, and positive 4,692,813 in the first quarter 2007.

The Class-C office market recorded net absorption of negative (275,077) square feet in the fourth quarter 2007 compared to positive 1,064,910 square feet in the third quarter 2007, positive 1,067,837 in the second quarter 2007, and negative (4,108,531) in the first quarter 2007.

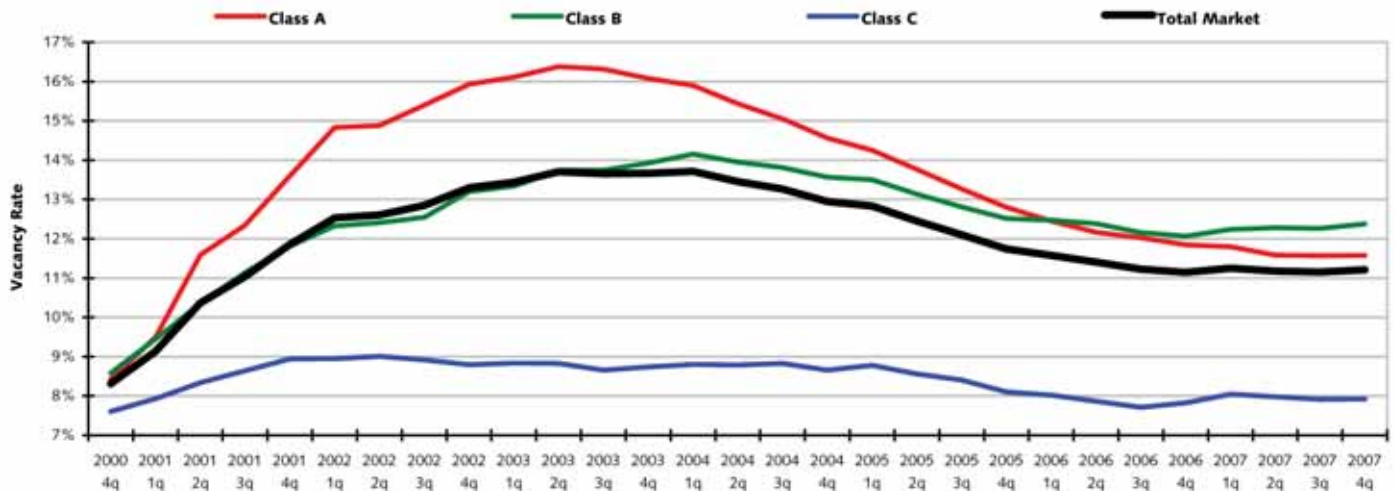
Vacancy

The office vacancy rate in the U.S. market area changed to 11.1% at the end of the fourth quarter 2007. The vacancy rate was 11.1% at the end of the third quarter 2007, 11.2% at the end of the second quarter 2007, and 11.2% at the end of the first quarter 2007.

Class-A projects reported a vacancy rate of 11.6% at the end of the fourth quarter 2007, 11.5% at the end of the third quarter 2007, 11.5% at the end of the second quarter 2007, and 11.7% at the end of the first quarter 2007.

Class-B projects reported a vacancy rate of 12.2% at the end of the fourth quarter 2007, 12.1% at the end of the third quarter 2007, 12.1% at the end of the second quarter 2007, and 12.1% at the end of the first quarter 2007. Class-C projects reported a vacancy rate of 8.0% at the end of the fourth quarter 2007, 8.0% at the end of the third quarter 2007, 8.1% at the end of the second quarter 2007, and 8.2% at the end of the first quarter 2007.

Vacancy Rates by Class 2000-2007



Source: Costar Business Intelligence - Office markets - see Methodology page