

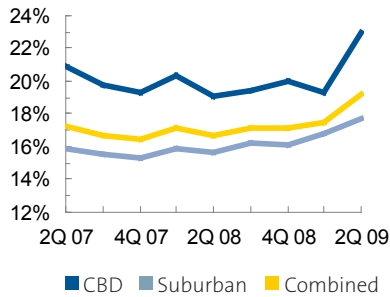
Office Trends Report - Second Quarter 2009

Kansas City, MO



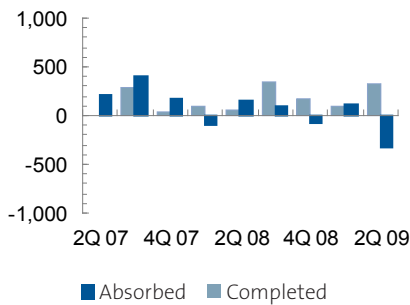
Vacancy Rate

Quarterly



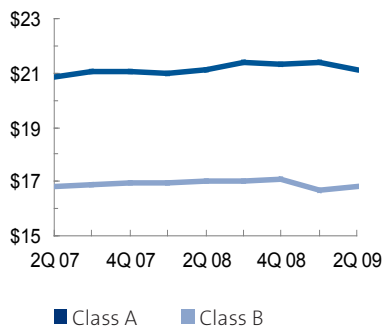
Completion vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

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



The job losses experienced in the Kansas City metro are apparent in the quarterly vacancy statistics for the first time. Given the conservative nature in the current business environment, additional space is expected to be returned to property owners as leases expire and companies trim expenses, pushing vacancy rates higher in the near term.

The submarkets that were the most heavily impacted in the second quarter were the two largest, South Johnson County and Downtown. There was approximately 260,000 square feet of negative absorption Downtown, with the majority occurring at Town Pavilion with TransAmerica leaving. The addition of the 185,000 square feet now available for sublease from Capital One was heavily responsible for the negative absorption in South Johnson County.

With the economy in limbo, one of the more obvious trends in the current office leasing environment is the migration to shorter terms. While property owners would generally prefer to secure a tenant for the long haul, the short-term leases that have become so common today are more comforting for the tenant. Property owners agree to these leases for two basic reasons: they need every tenant they can get to survive the short term, and they are not locked into long-term leases at below market rents, allowing them to be more nimble and more quickly recover and begin collecting market rents once the economy improves.

FORECAST

- Tenant downsizing and corporate consolidations will result in increased vacancy.
- Concessions are expected to increase, pushing effective rates down as landlords compete for tenants.
- There will be a greater percentage of short term leases than is historically experienced.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)
■ Bryan Cave, LLP	Executive Hills	One Kansas City Place*	93,000
■ Baker Sterchi Crowden & Rice LLC	Crown Center Redevelopment Co.	2400 Pershing*	33,713
■ Lansing Trade Group LLC	Corporate Woods	Corporate Woods 12*	22,858
■ Computer Sciences Corporation	Broadway Square Partners	114 W 11th St.*	11,797

■ Leasing ■ Sales *Indicates Transactions Represented by Grubb & Ellis

Grubb & Ellis|The Winbury Group

4520 Main Street, Suite 1000, Kansas City, MO 64111
 816.531.5303 www.winbury.com
 Independently Owned and Operated

Prepared by:

Brent J. Hansen Research Services Manager
 816.556.1102 • bhansen@winbury.com

Kris Mattern Marketing Services Manager
 816.556.1138 • kmattern@winbury.com

Office Trends Report - Second 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	14,444,965	3,317,754	22.1%	23.0%	(263,981)	(234,351)	-	\$18.76	\$16.06
CBD Total	14,444,965	3,317,754	22.1%	23.0%	(263,981)	(234,351)	-	\$18.76	\$16.06
East Kansas City	2,598,165	594,914	22.9%	22.9%	(24,590)	(46,549)	-	\$17.32	\$13.69
Kansas City North	4,009,255	988,887	24.6%	24.7%	97,037	127,847	-	\$21.71	\$15.07
North Johnson County	5,268,263	829,120	15.4%	15.7%	78,339	118,394	-	\$18.90	\$17.57
Plaza/Midtown	4,337,417	675,053	14.8%	15.6%	7,961	(22,574)	90,000	\$24.54	\$19.41
South Johnson County	15,262,171	2,579,002	14.6%	16.9%	(225,907)	(203,726)	-	\$22.63	\$19.13
South/Southeast Kansas City	3,423,944	632,697	18.5%	18.5%	5,562	16,276	-	\$21.11	\$17.44
Wyandotte County	837,922	40,481	4.8%	4.8%	1,635	5,299	-	\$19.23	\$13.52
Suburban Total	35,737,137	6,340,154	16.6%	17.7%	(59,963)	(5,033)	90,000	\$22.20	\$17.10
Totals	50,182,102	9,657,908	18.2%	19.2%	(323,944)	(239,384)	90,000	\$21.15	\$16.82

By Class	Total SF	Vacant SF	Direct	Total	Current	Year To Date	Under Construction SF	AVAILABLE FOR SUBLEASE	
								CBD	Suburban
Class A	18,554,452	3,874,580	18.8%	20.9%	(171,672)	(114,900)	90,000	97,999	505,970
Class B	29,228,067	5,136,723	17.1%	17.6%	(170,639)	(127,331)	-	24,696	377,350
Class C	2,399,583	646,605	26.9%	26.9%	18,367	2,847	-	-	1,144
Totals	50,182,102	9,657,908	18.2%	19.2%	(323,944)	(239,384)	90,000	122,695	884,464

Grubb & Ellis|The Winbury Group Office Services Group

Patrick T. Coppinger
Senior Vice President

Thomas I. Volini
Executive Vice President

Phillip L. James, SIOR
Senior Vice President

Bryan W. Johnson, SIOR
CEO

Matthew V. Stover
Vice President

Rollie D. Fors
Senior Vice President

Evan J. Warwick
Vice President

Adam Tilton
Associate

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.