

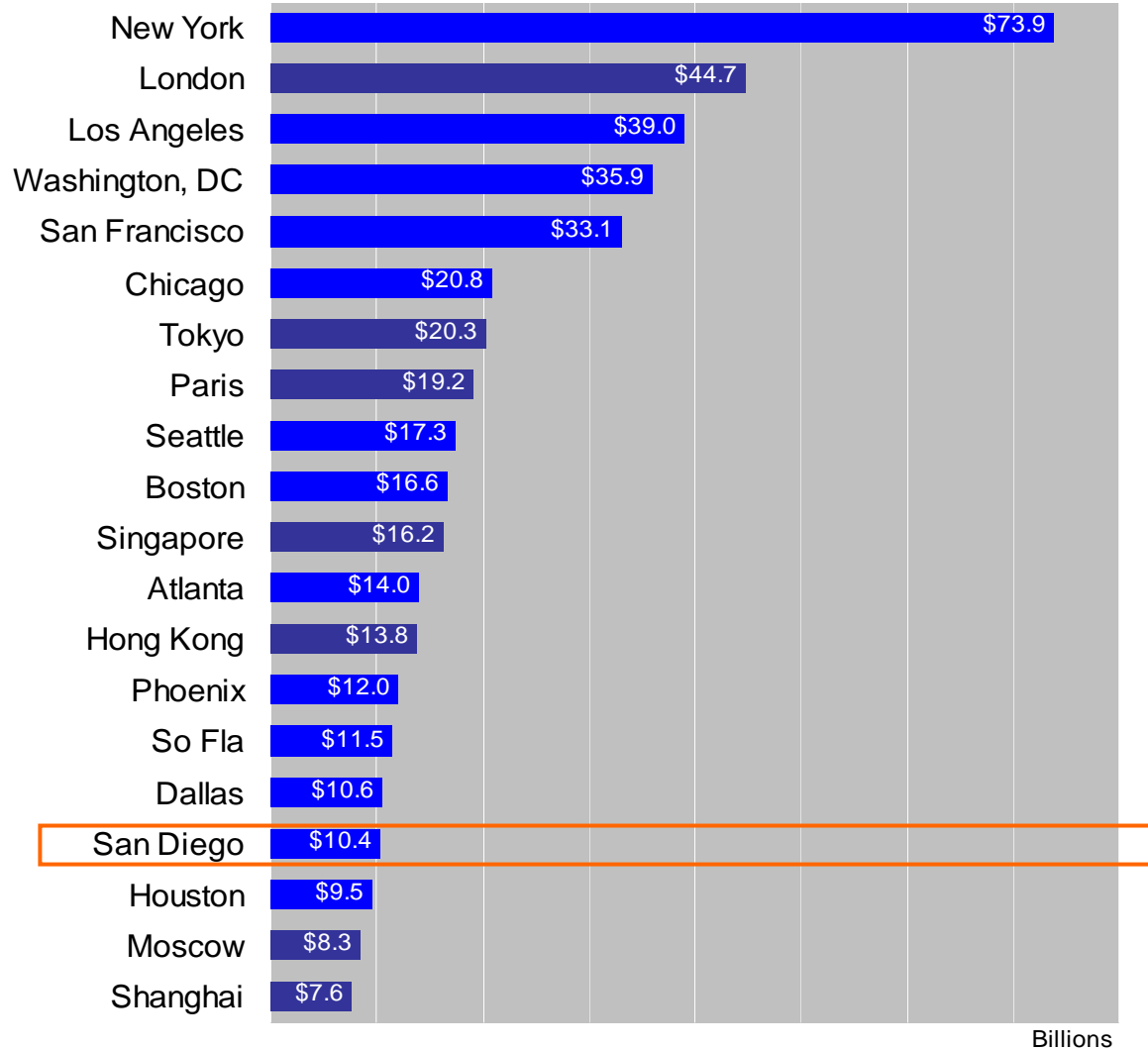
# **San Diego** and the **Commercial Real Estate Capital Markets**

**January 22, 2008**

Robert M. White, Jr  
Real Capital Analytics

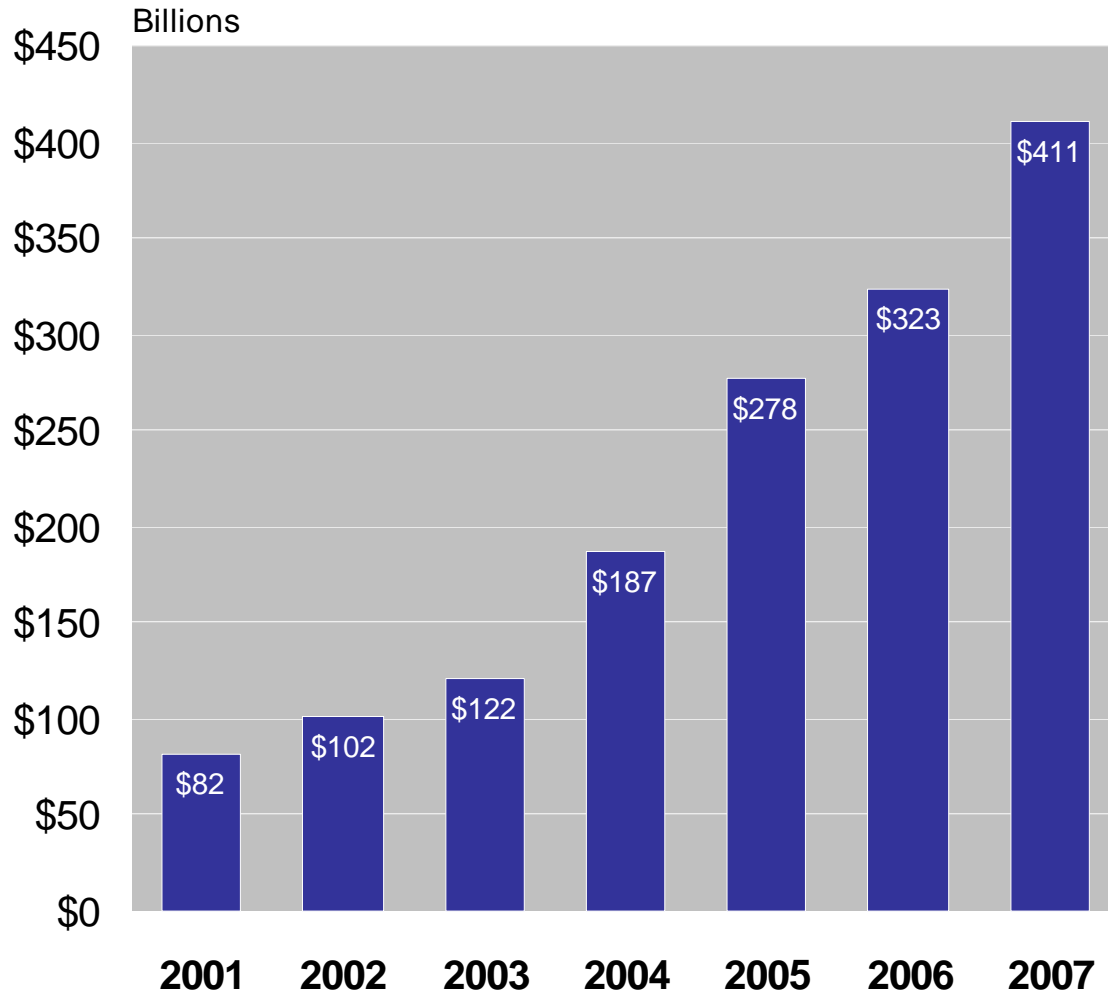
# 2007 Commercial Property Sales Top 20 Markets Globally

office, industrial, apartments, retail, hotels, land, properties \$10 mil+



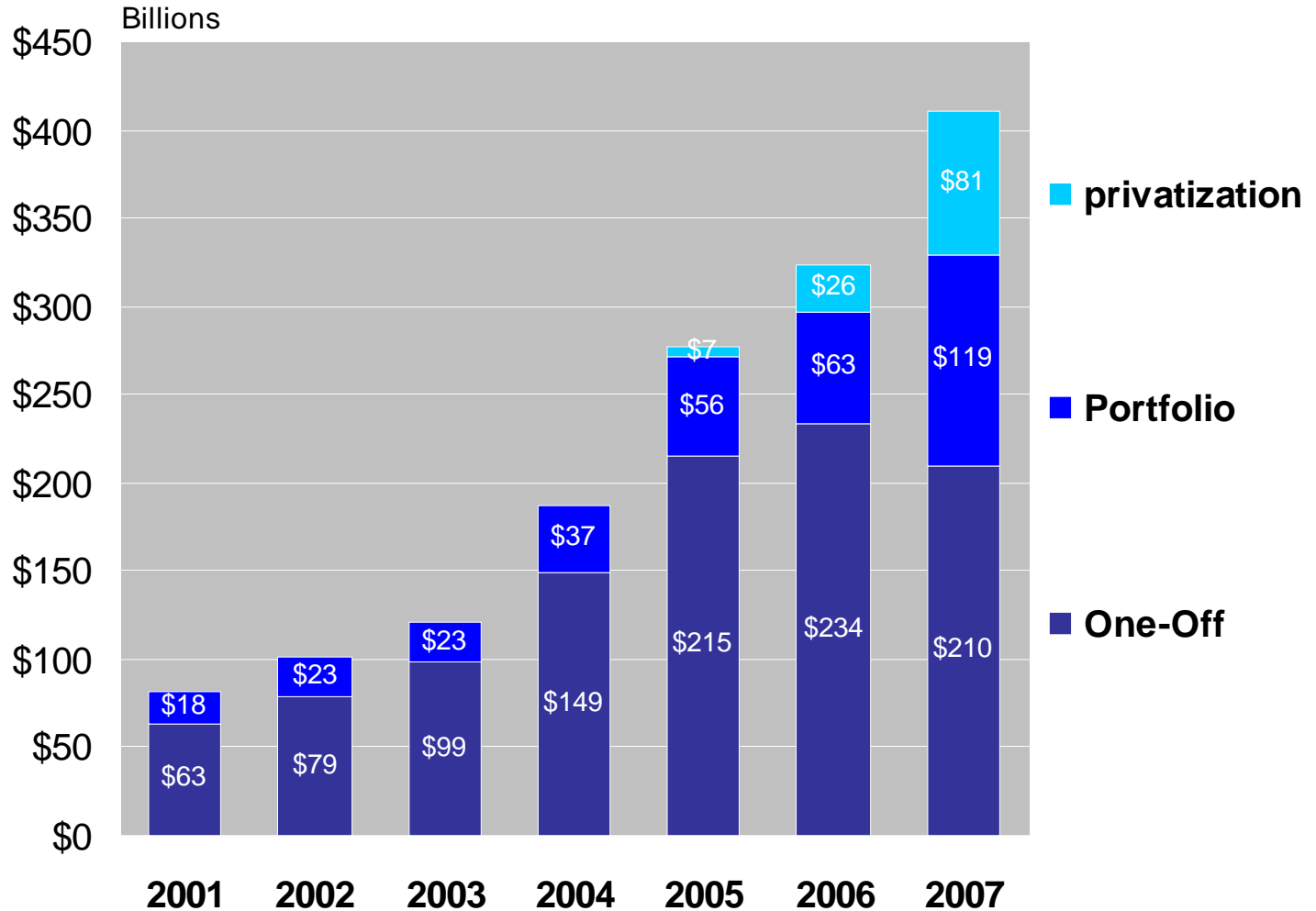
# US Commercial Property Sales

office, industrial, multifamily & retail properties \$5 mil.+

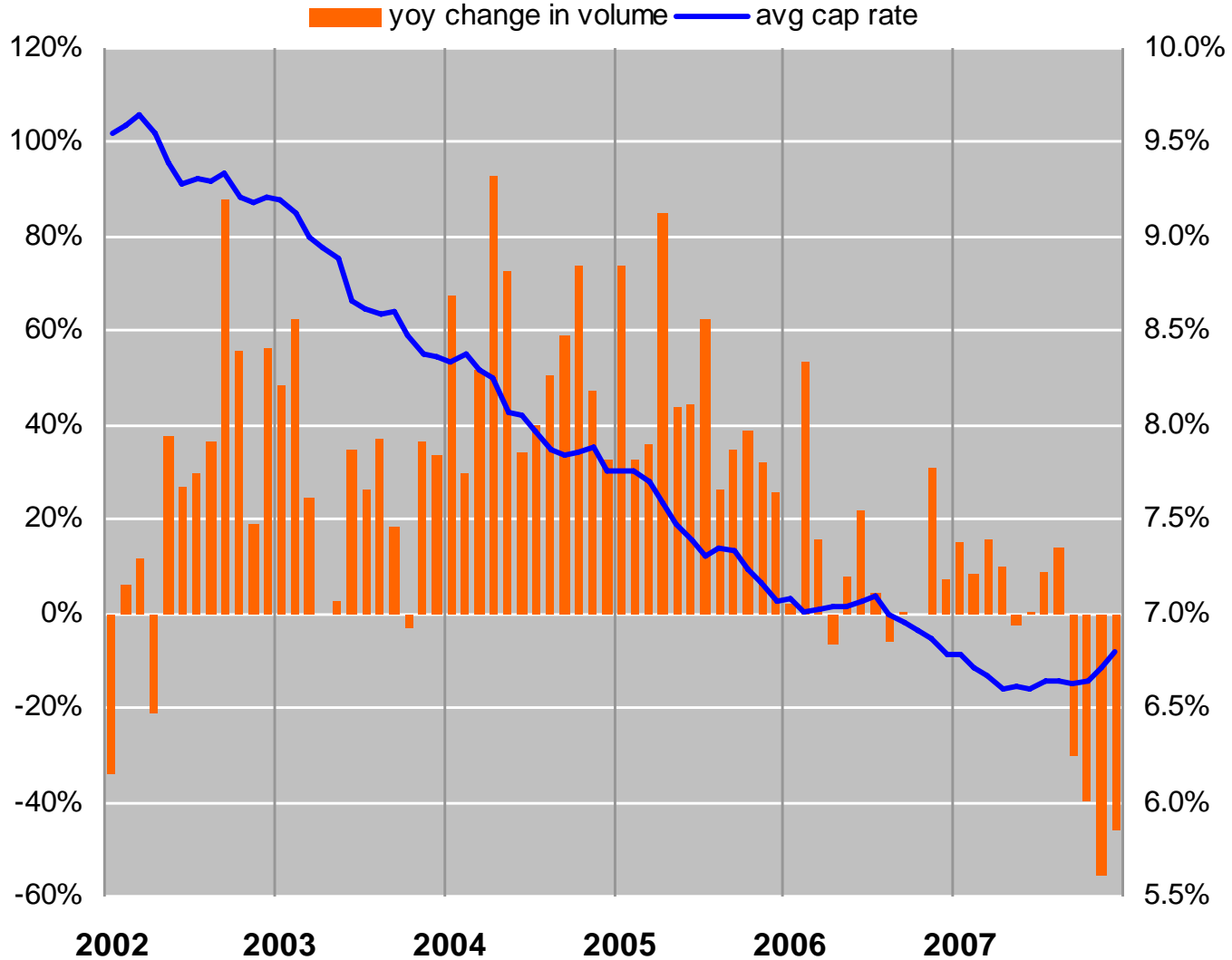


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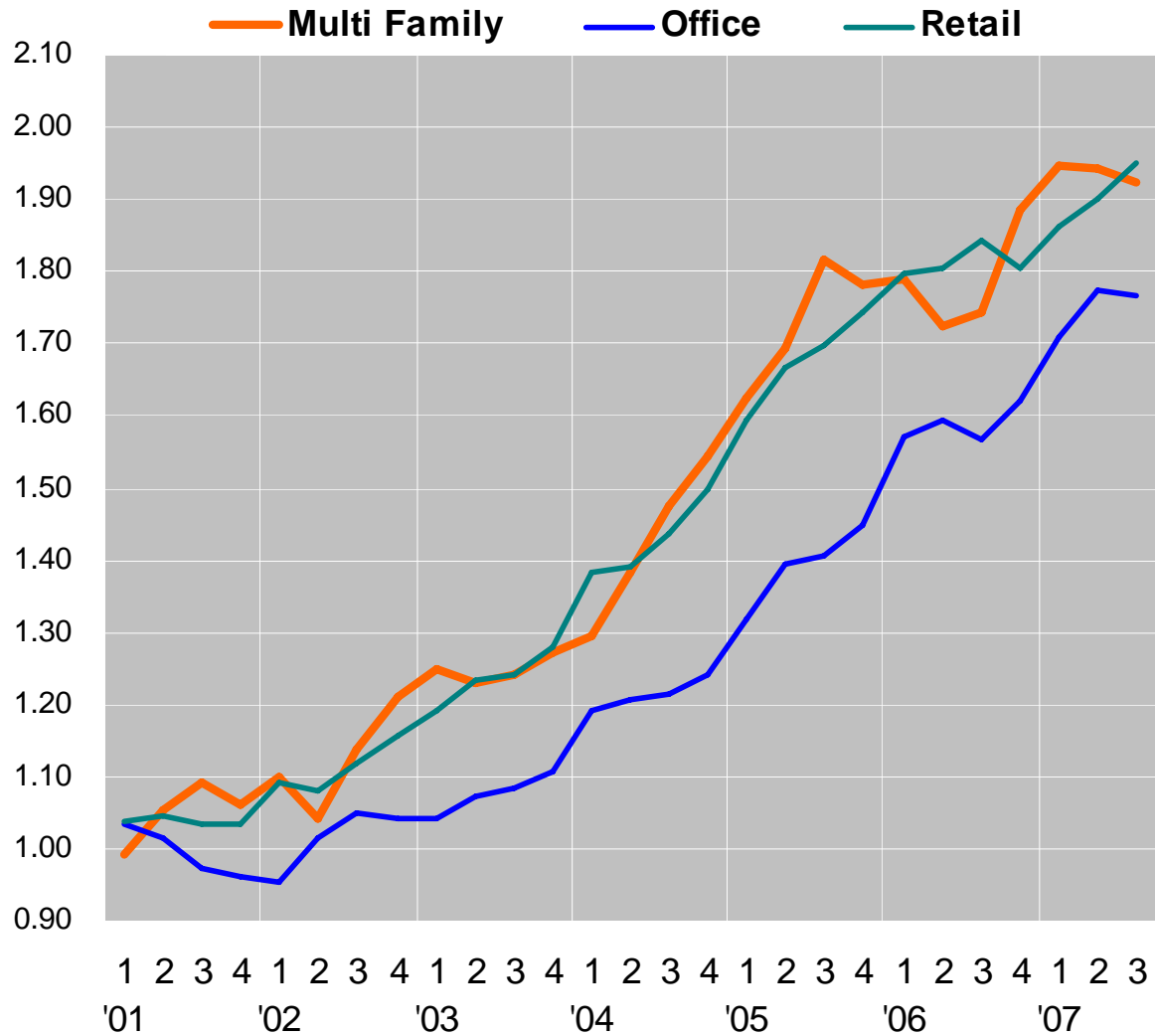


## 2002-2007 Bull Market for Commercial Real Estate

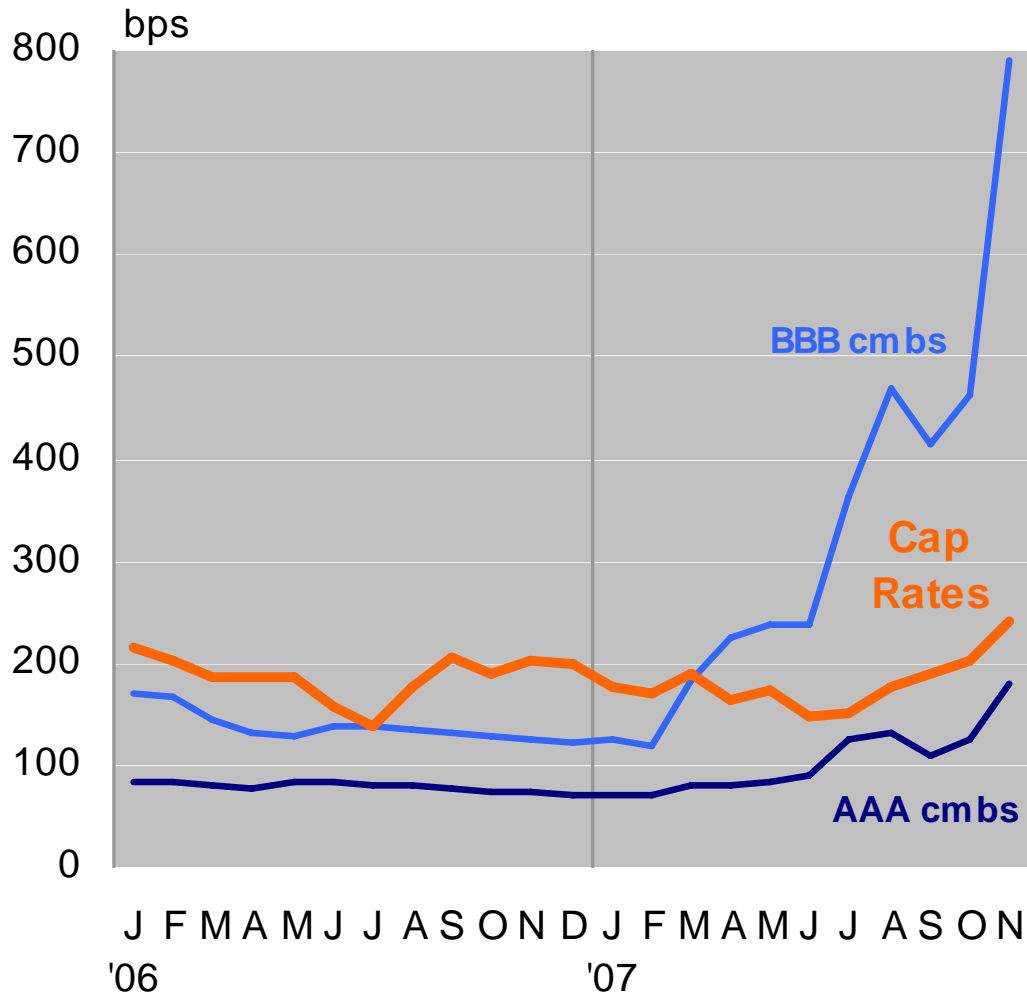


## 2002-2007 Bull Market for Commercial Real Estate

### Moody's/REAL Commercial Property Price Index

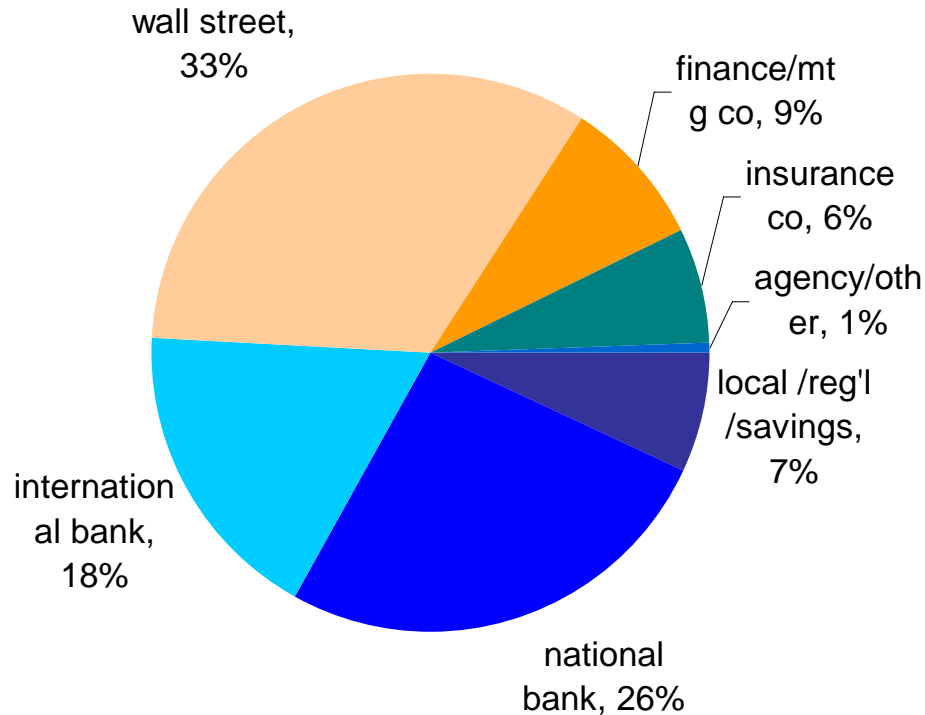


## CRE Equity & Debt Spreads to 10-yr Treasuries

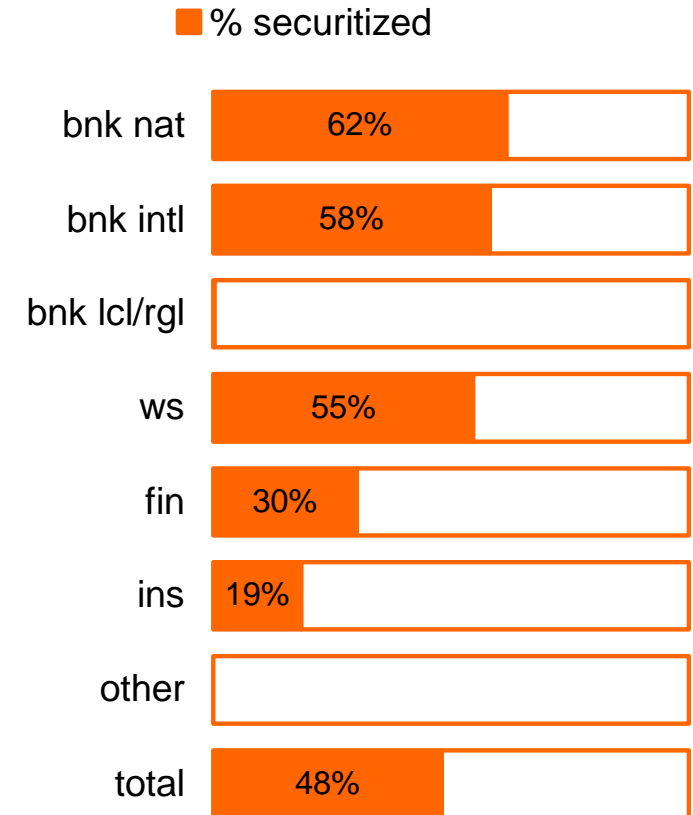


source: RCA, Commercial Real Estate Direct

## Sources of Debt Capital for (All) Acquisitions



## % of Originations Securitized by Lender Source\*

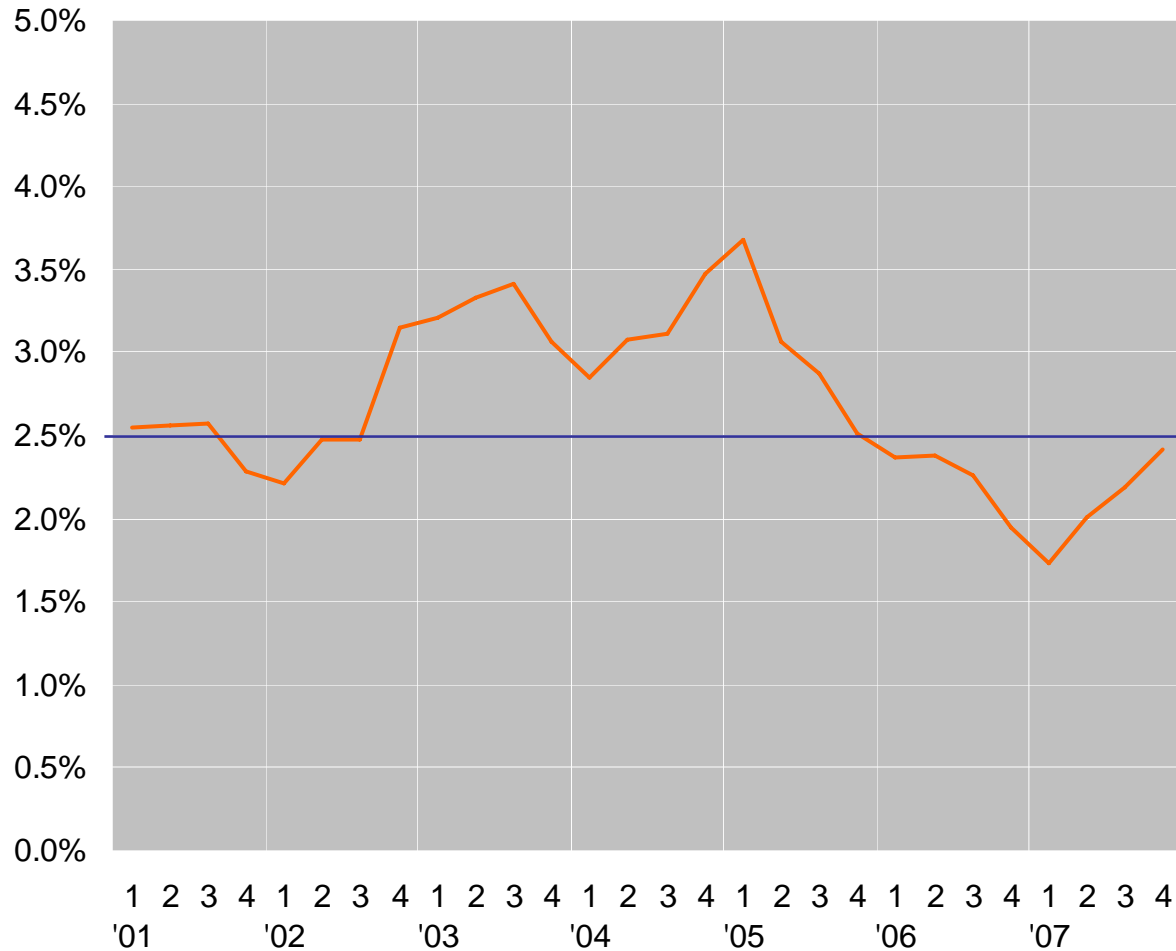


based on \$405 billion of acquisition financing from 2006 to date, as a percentage of acquisition price

\* all property types

# San Diego's Share of US Commercial Property Sales

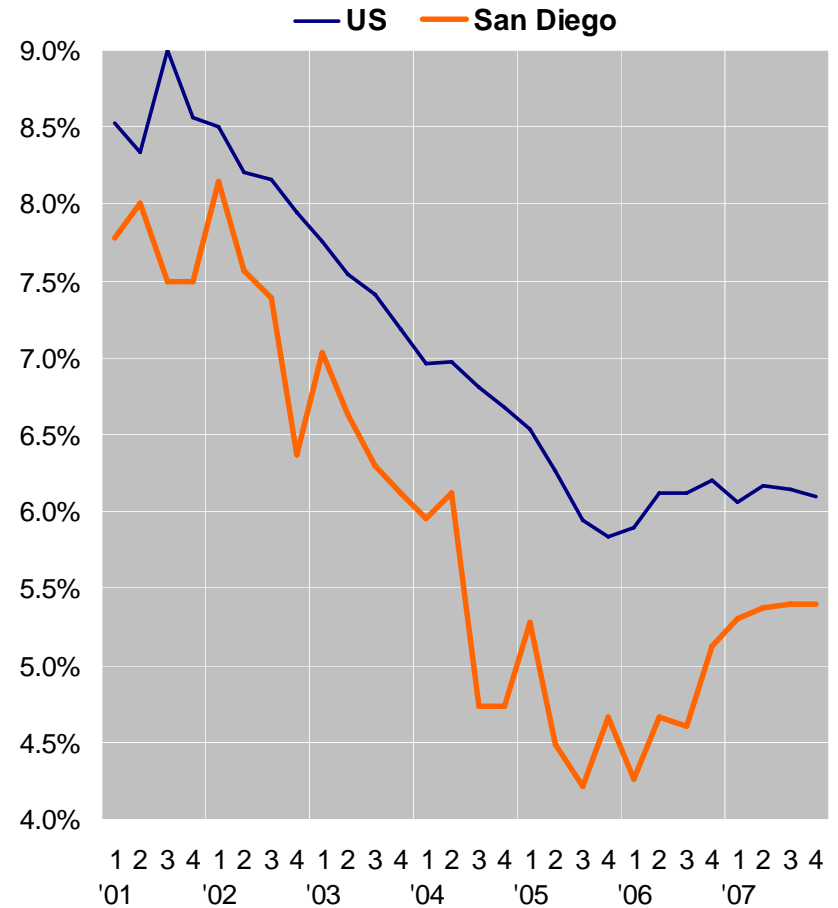
office, industrial, retail, apartment properties \$5 mil+



### 2007 Apartments

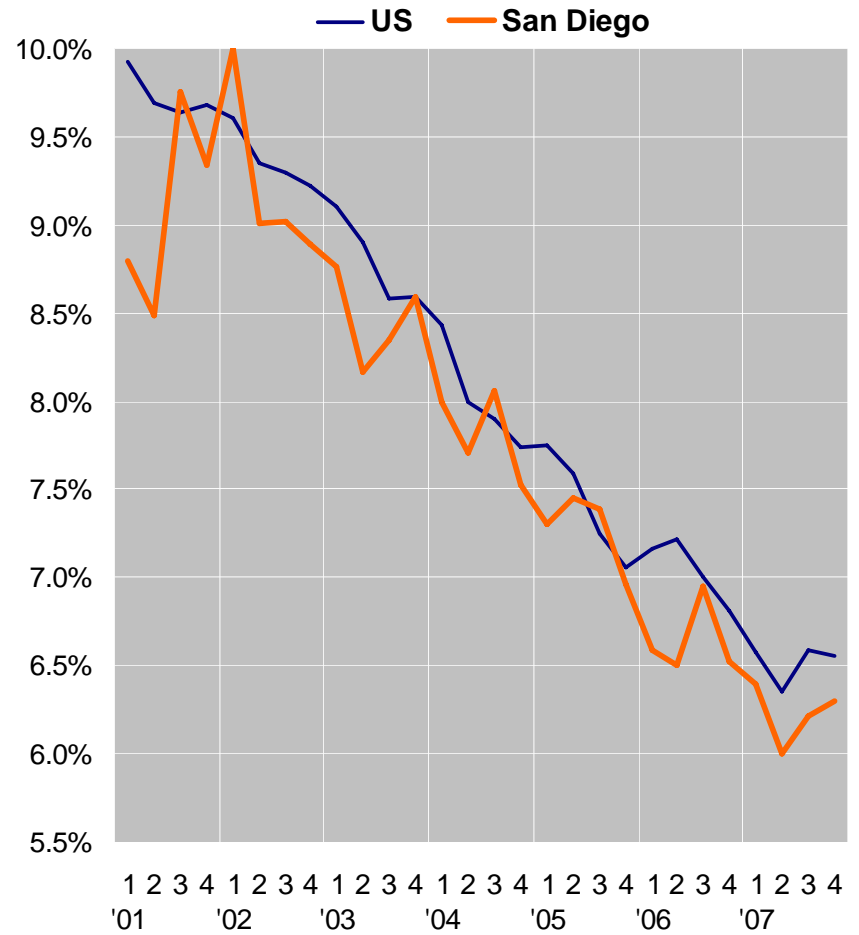
	San Diego	US
<b>Volume (\$ mil)</b>	<b>\$2,288</b> up 97%	<b>\$95,279</b> up 4%
<b>\$ / unit</b>	<b>\$198,929</b> up 8%	<b>\$118,695</b> up 20%
<b>Cap Rate</b>	<b>5.4%</b> up 59 bps	<b>6.1%</b> up 3 bps

### Average Cap Rates



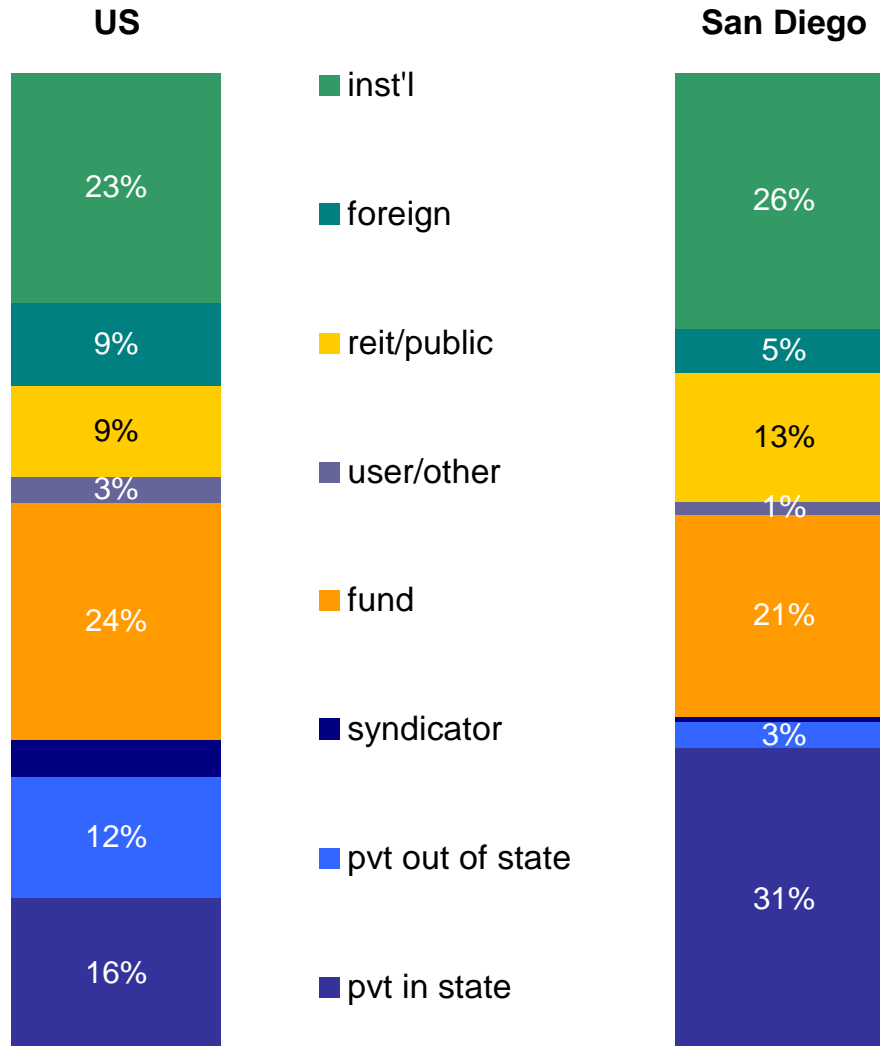
## Average Cap Rates

2007 Office		
	San Diego	US
<b>Volume (\$ mil)</b>	<b>\$5,386</b> up 71%	<b>\$206,516</b> up 52%
<b>\$ / unit</b>	<b>\$362</b> up 28%	<b>\$277</b> up 26%
<b>Cap Rate</b>	<b>6.2%</b> down 39 bps	<b>6.5%</b> down 53 bps

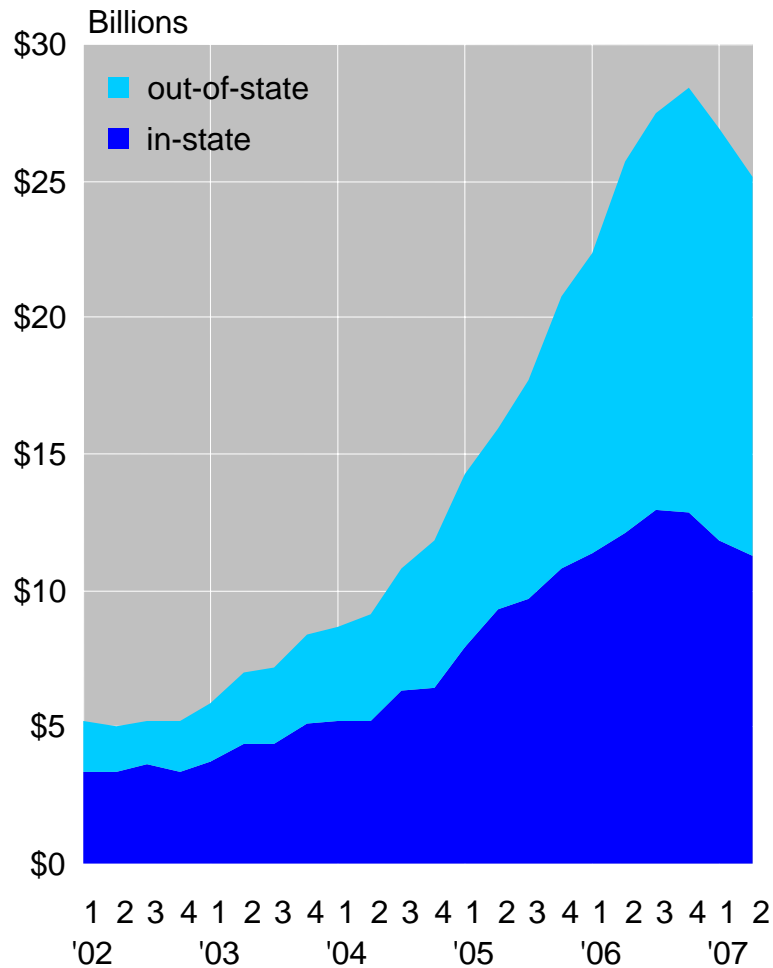


## 2007 Composition of Buyers

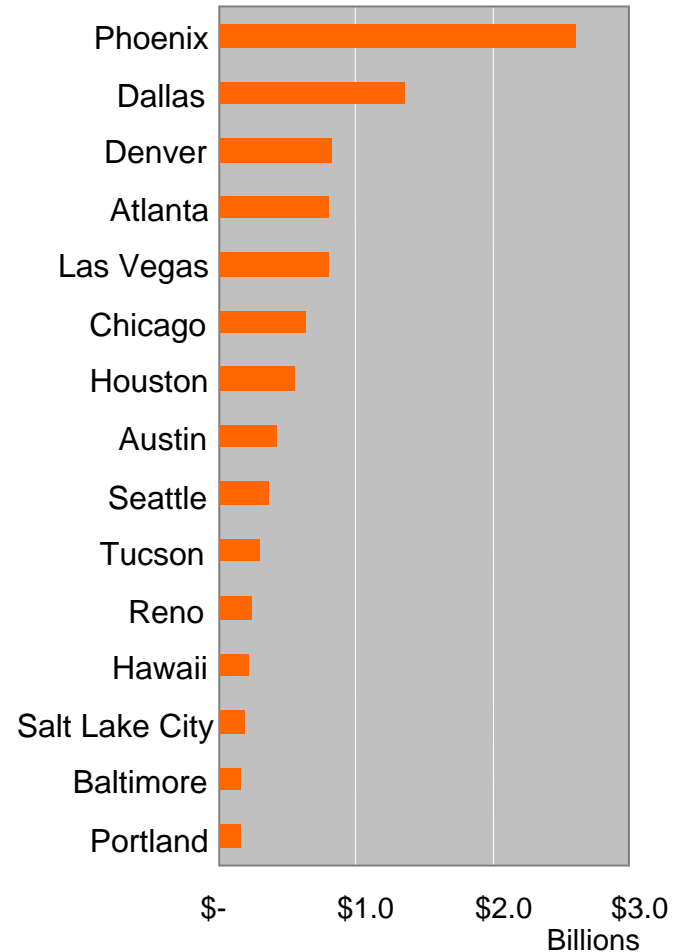
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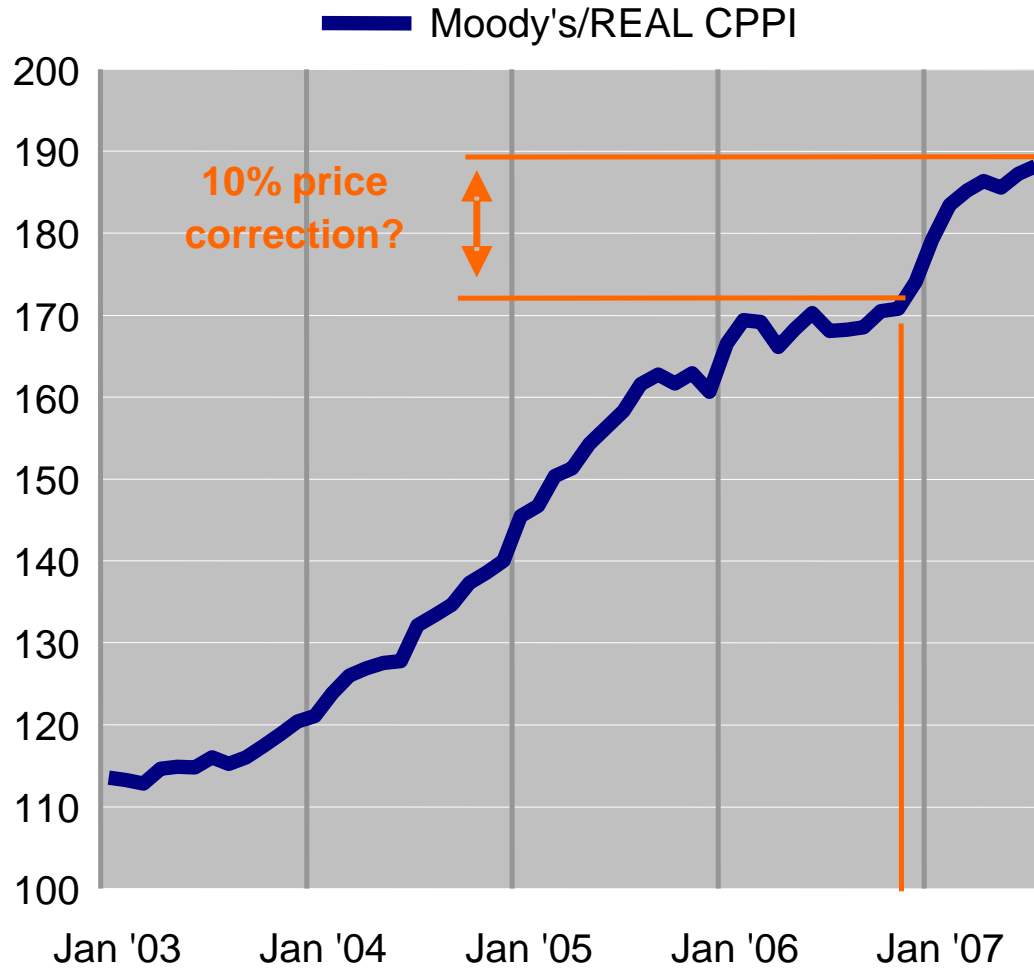
### Acquisitions by California-Based Private Investors



### Favored Markets For California Buyers



## Commercial Real Estate Prices



SOURCE: Moody's/REAL, national all property type composite, monthly