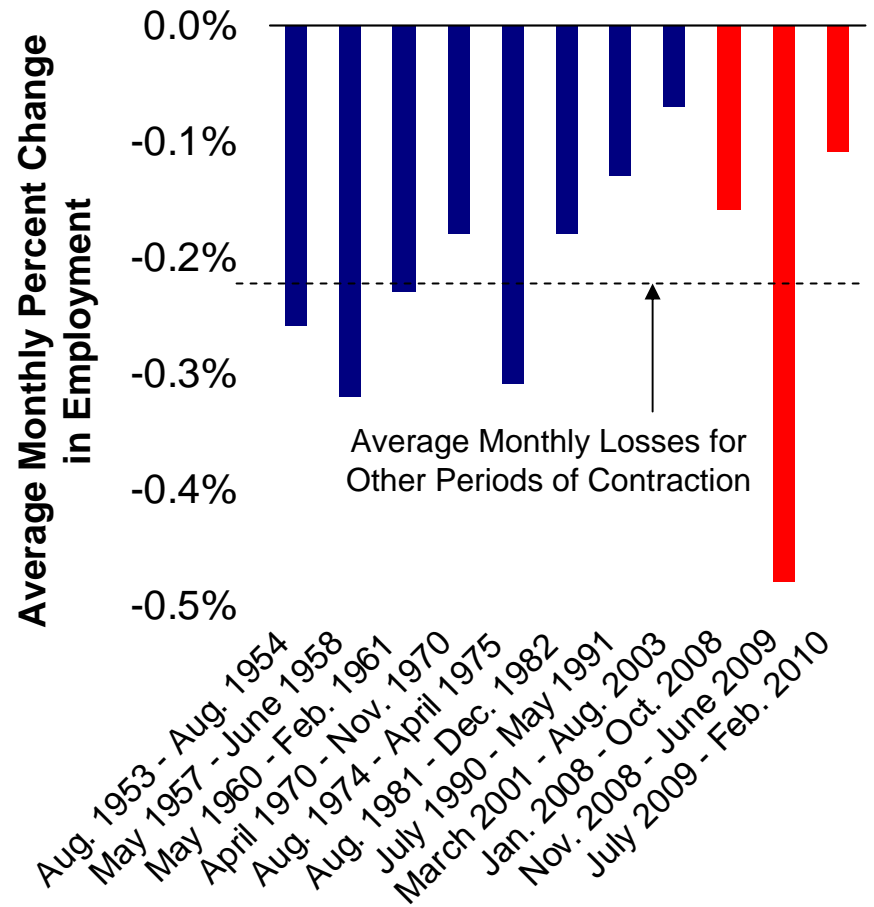
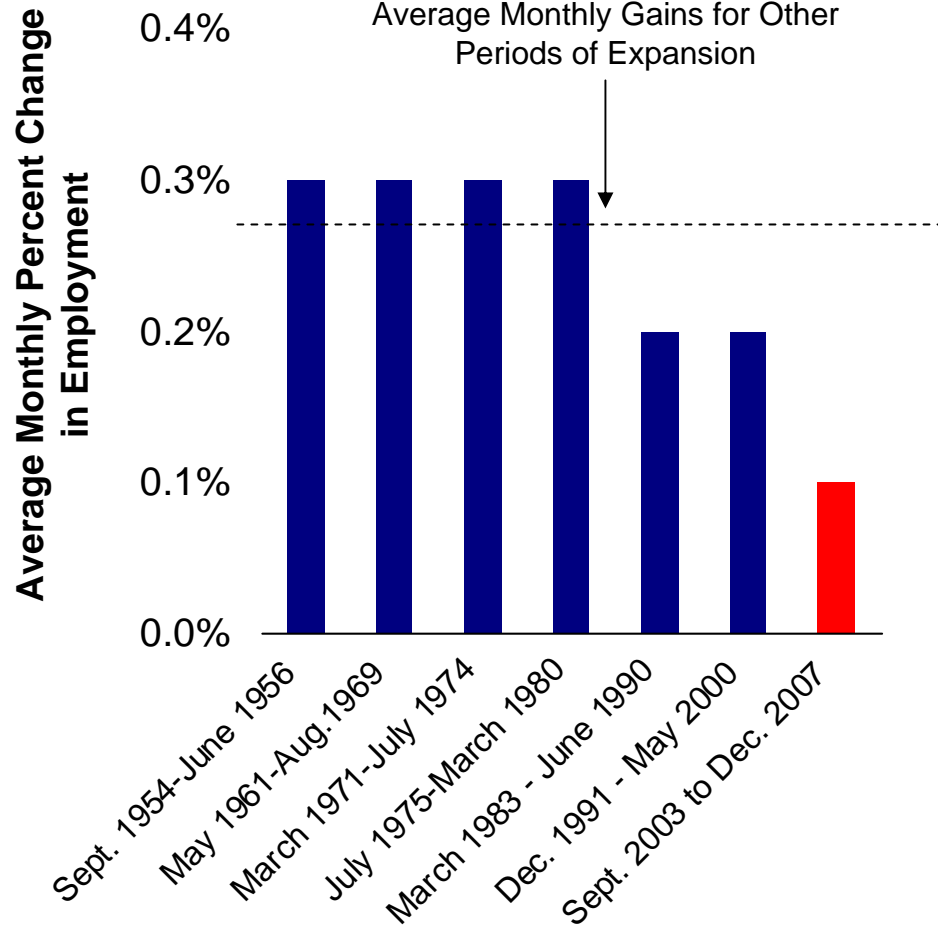




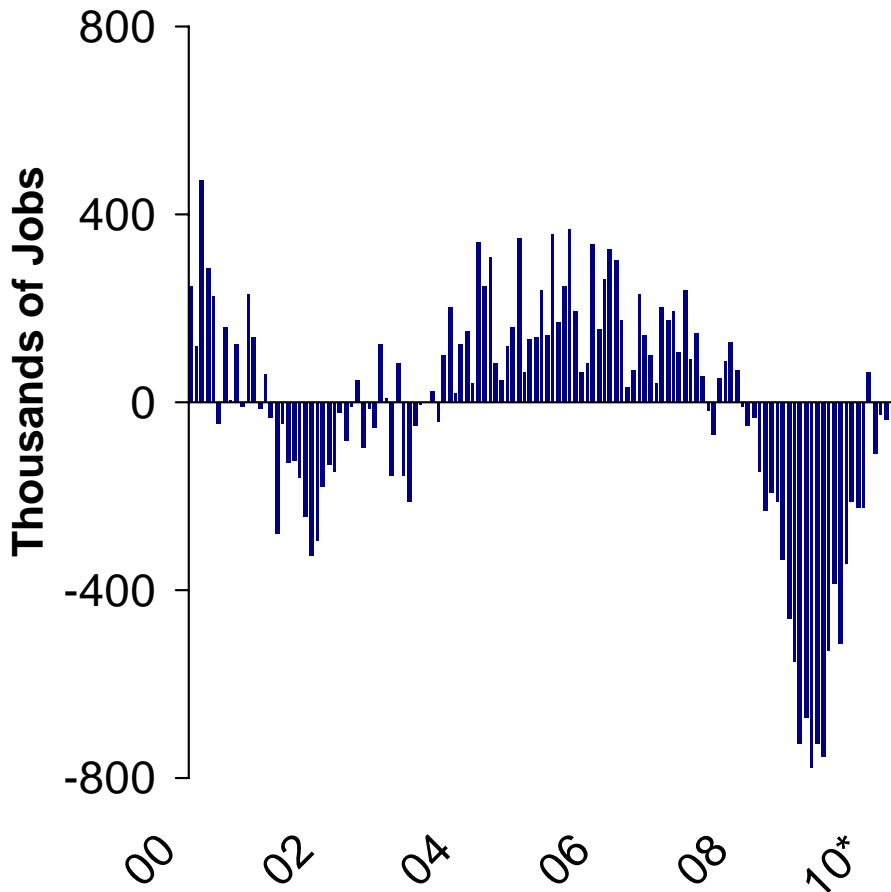
U.S. Macro Economic and Real Estate Overview and Outlook

A Below Trend Recession Turns Into Extreme Job Losses

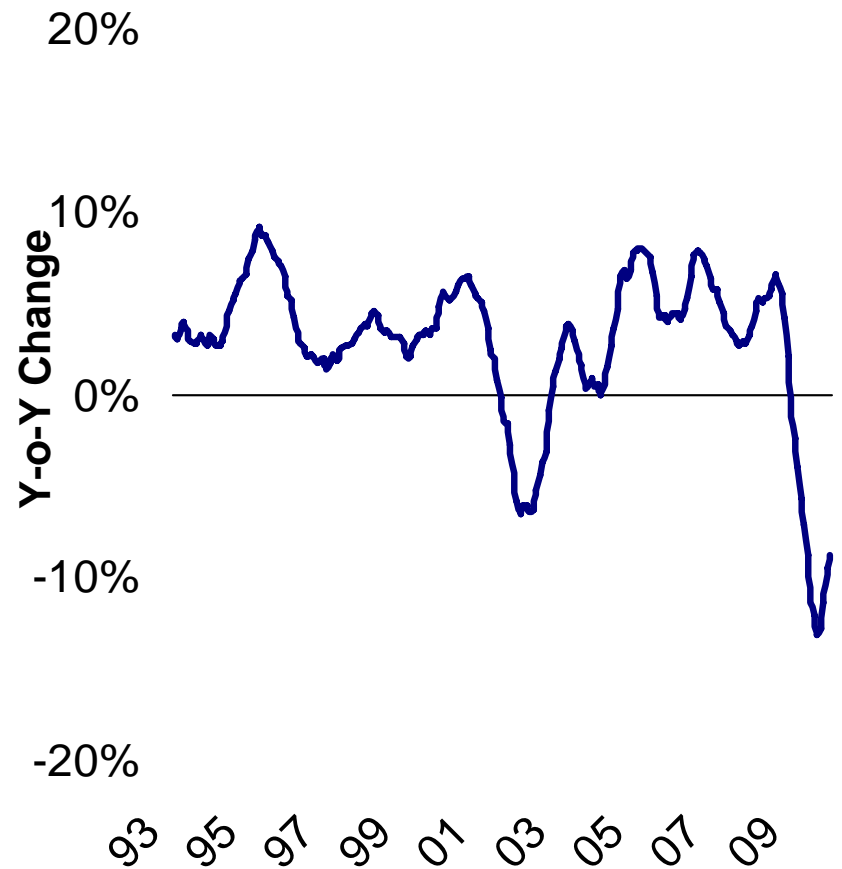


Moderation in Job Losses Reinforces End of “Great Recession”

Monthly Jobs



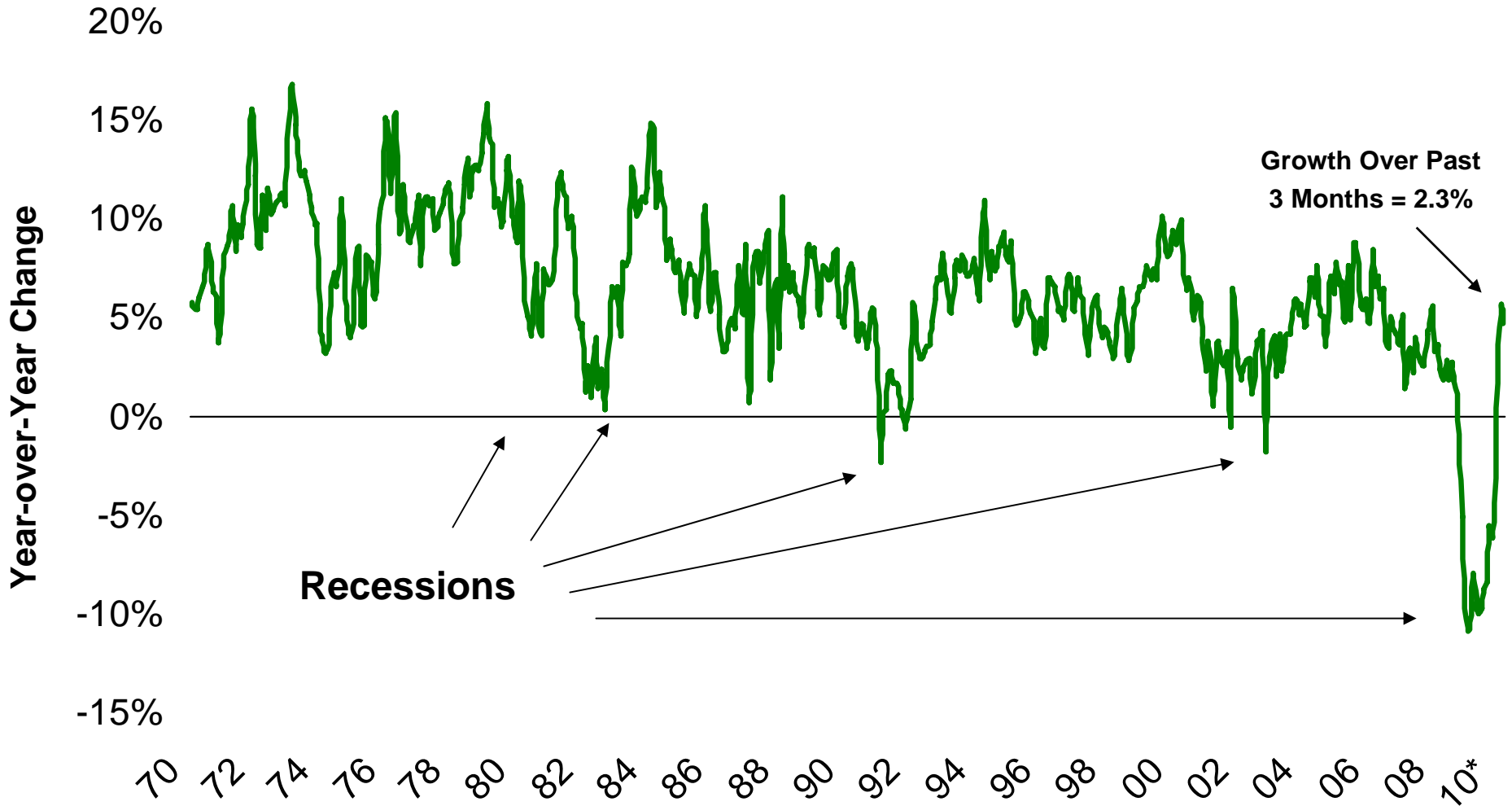
Business Inventories



* Employment through February 2010

Sources: Marcus & Millichap Research Services, Bureau of Labor Statistics

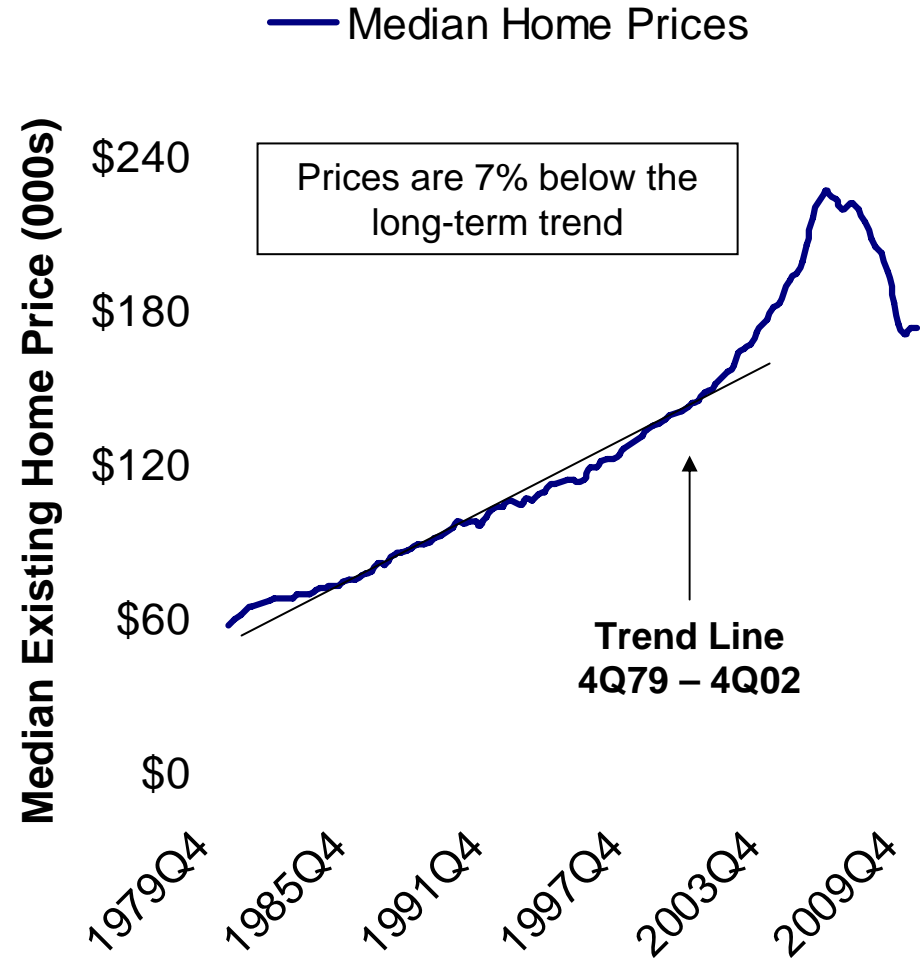
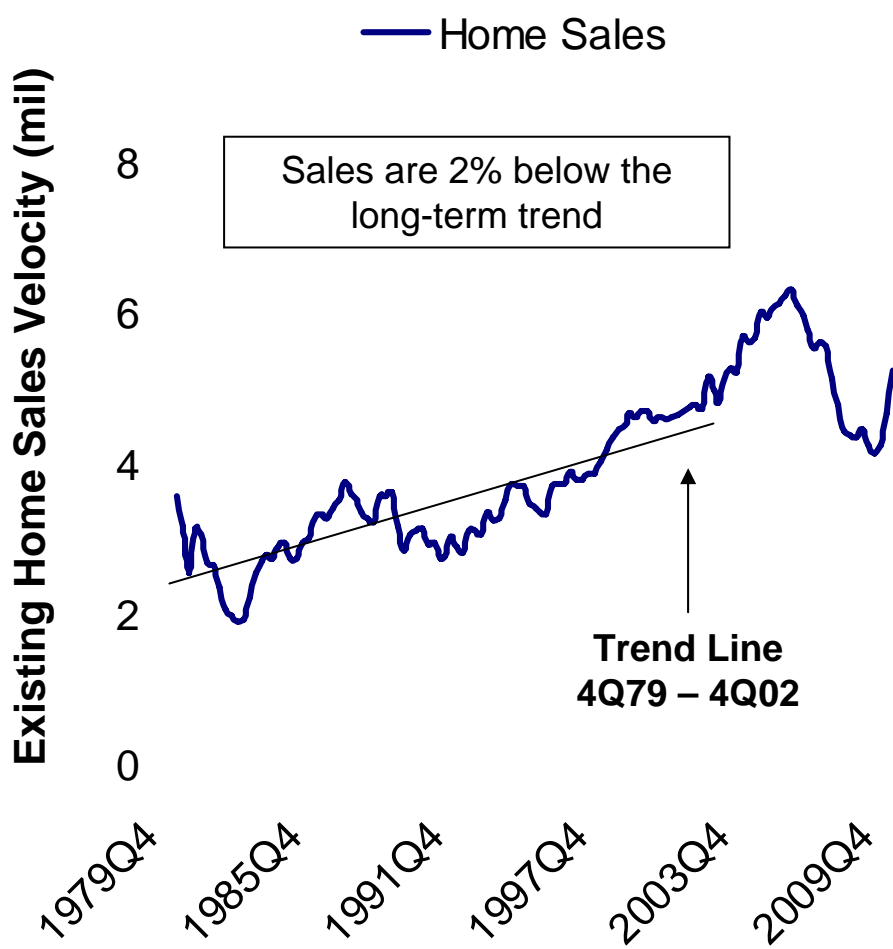
Long-Term U.S. Retail Sales



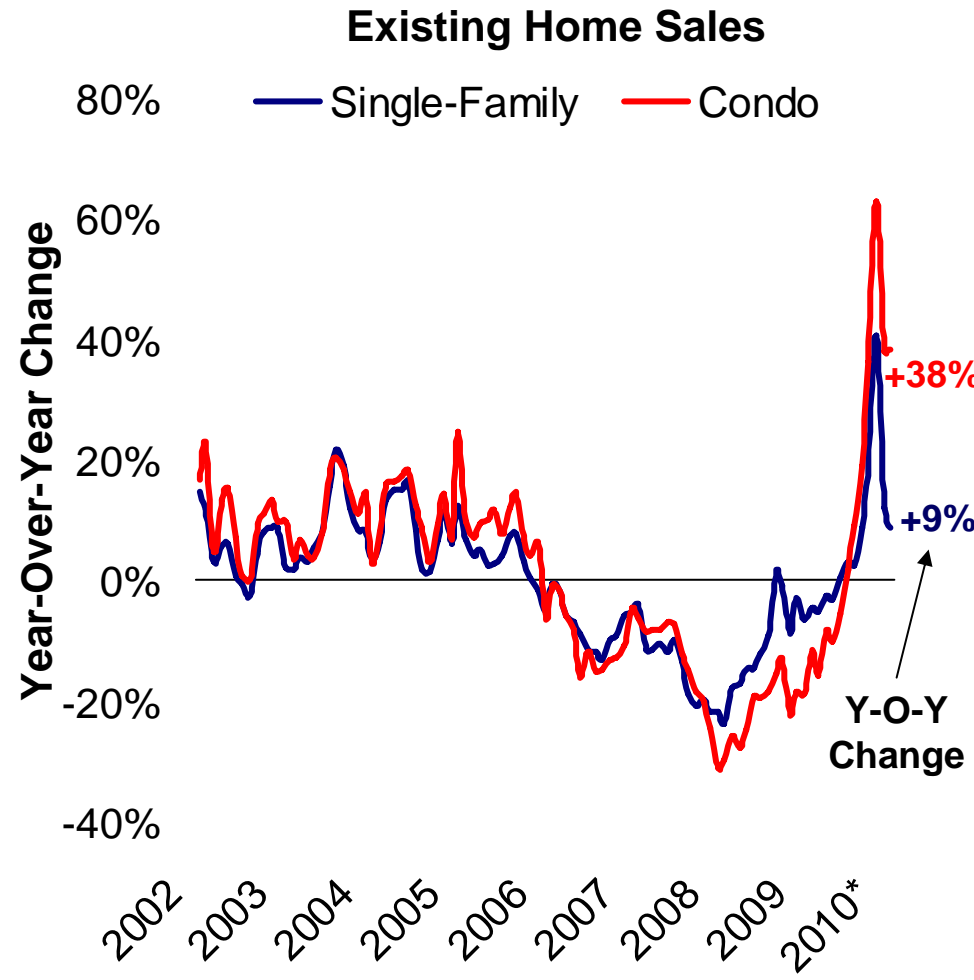
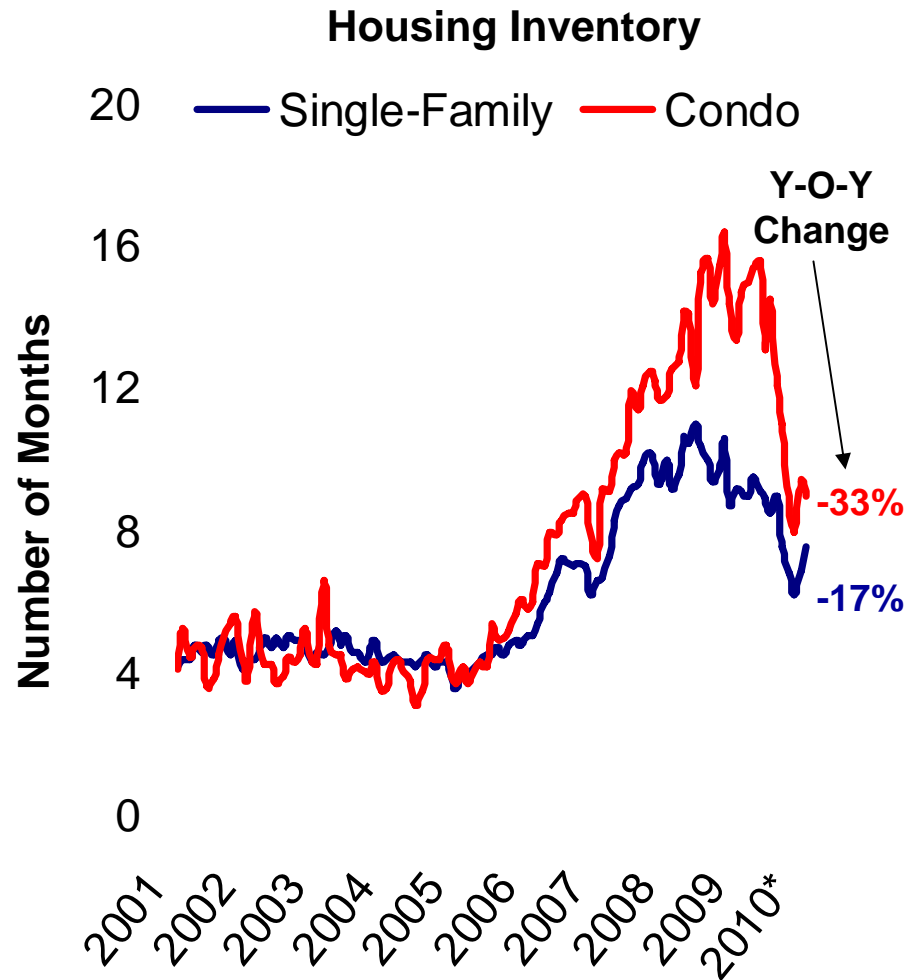
* Through January

Sources: Marcus & Millichap Research Services, Bureau of Labor Statistics

U.S. Existing Single-Family Home Sales and Price Trends



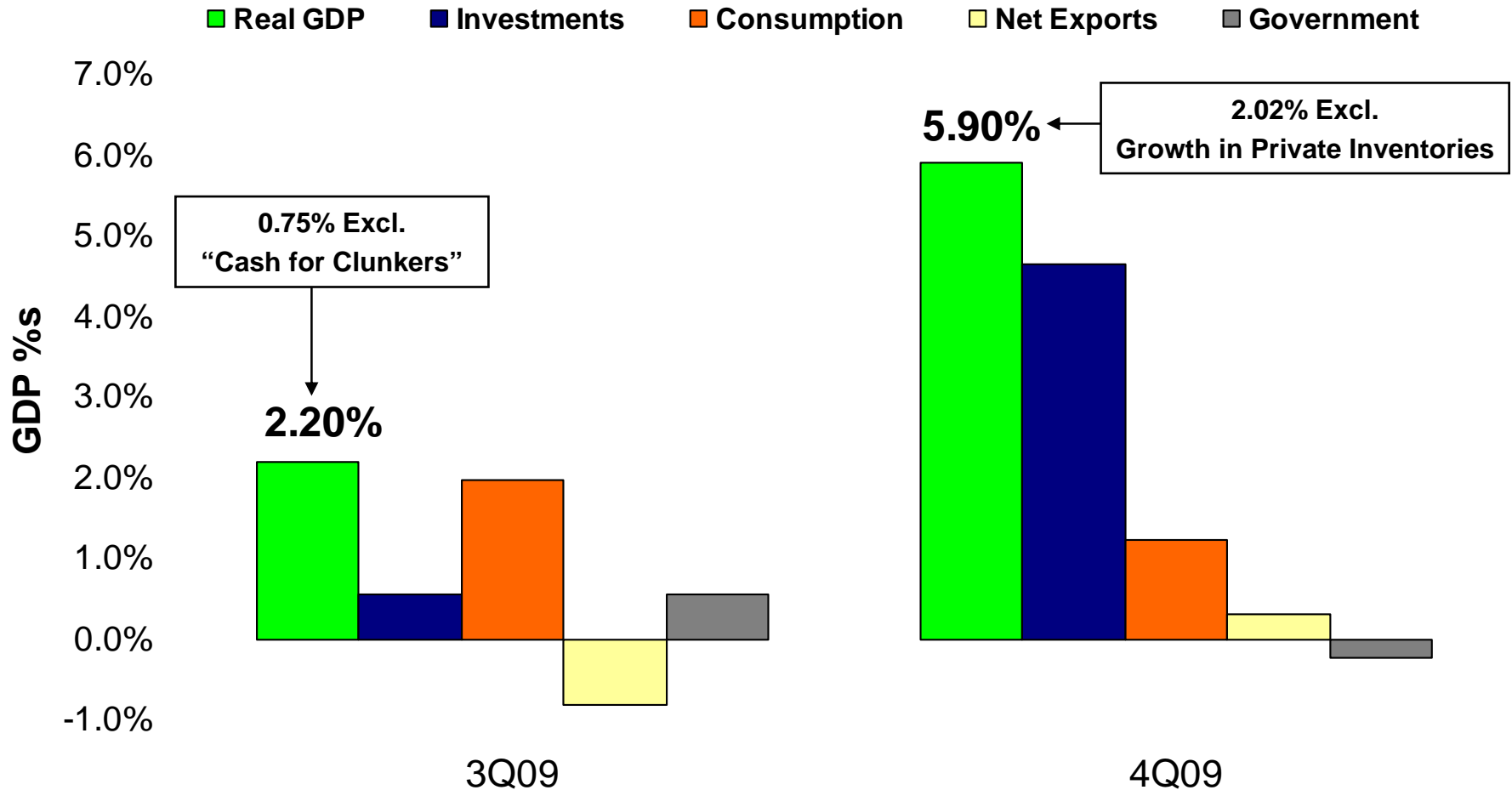
Housing Recovery Cycle Volatile – Role of Govt. Initiatives Significant



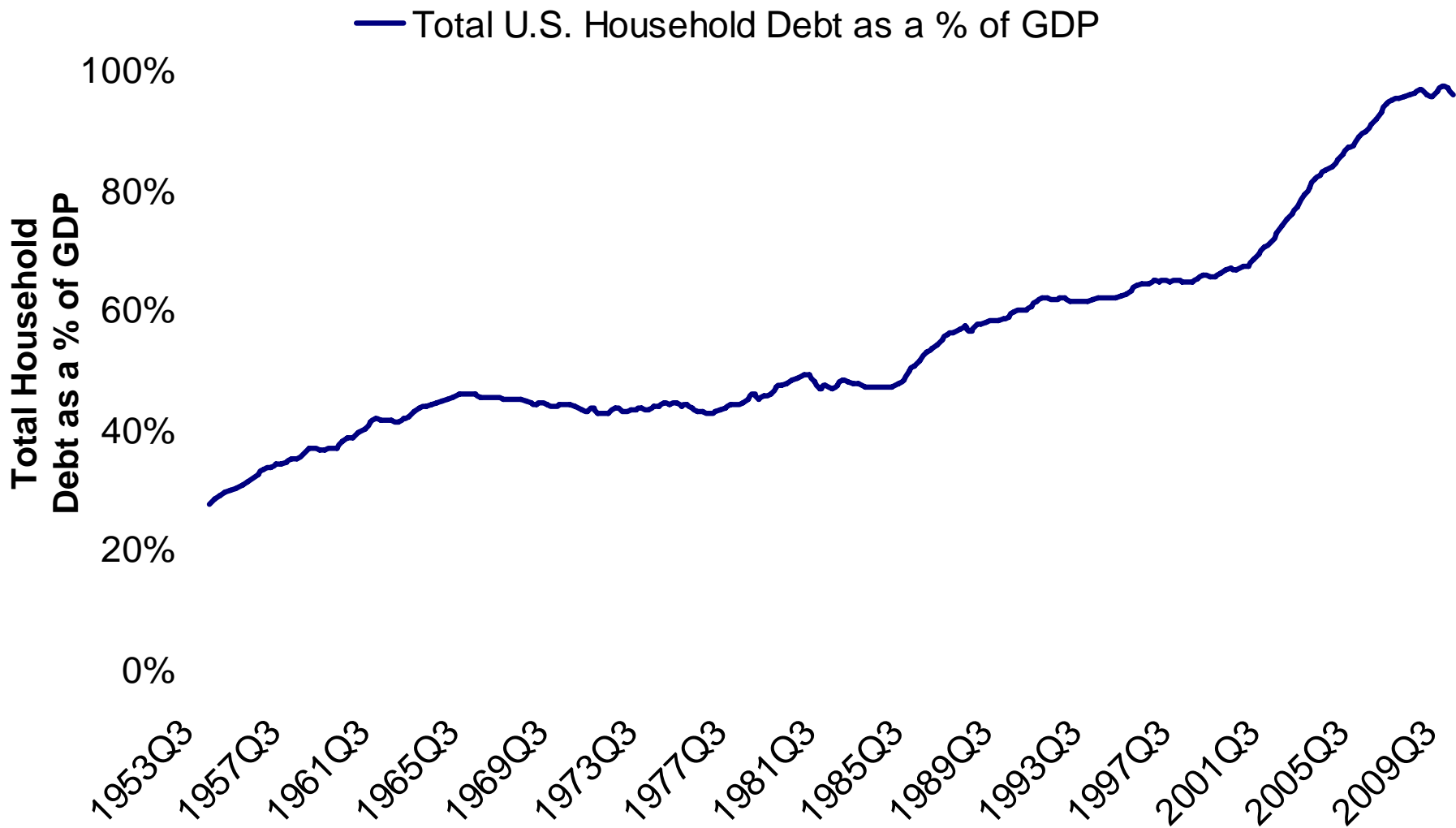
* Through January

Sources: Marcus & Millichap Research Services, National Association of REALTORS®

Contributing Components to Real GDP

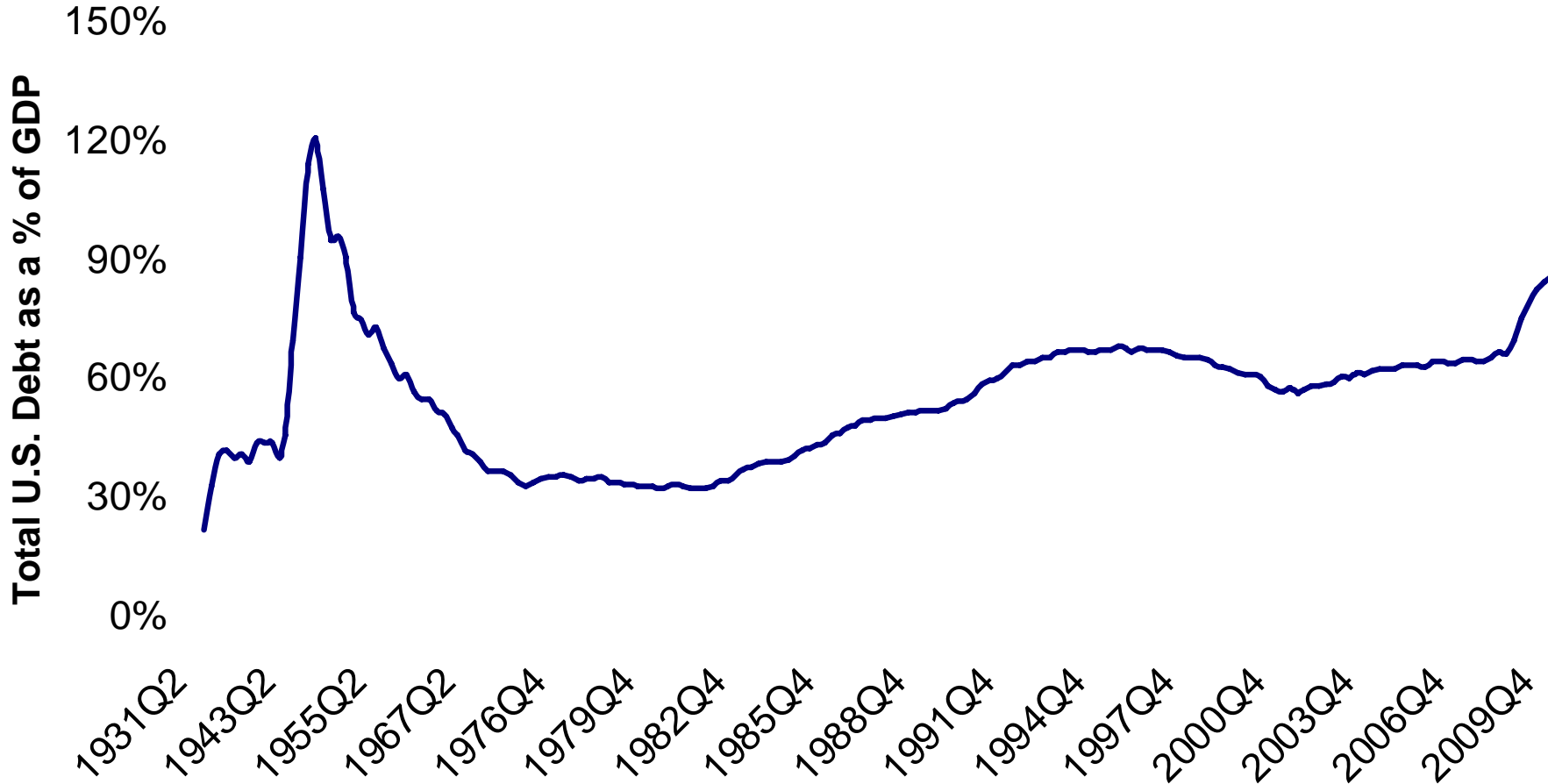


U.S. Household Debt as a Percent of GDP



U.S. Public Debt as a Percent of GDP

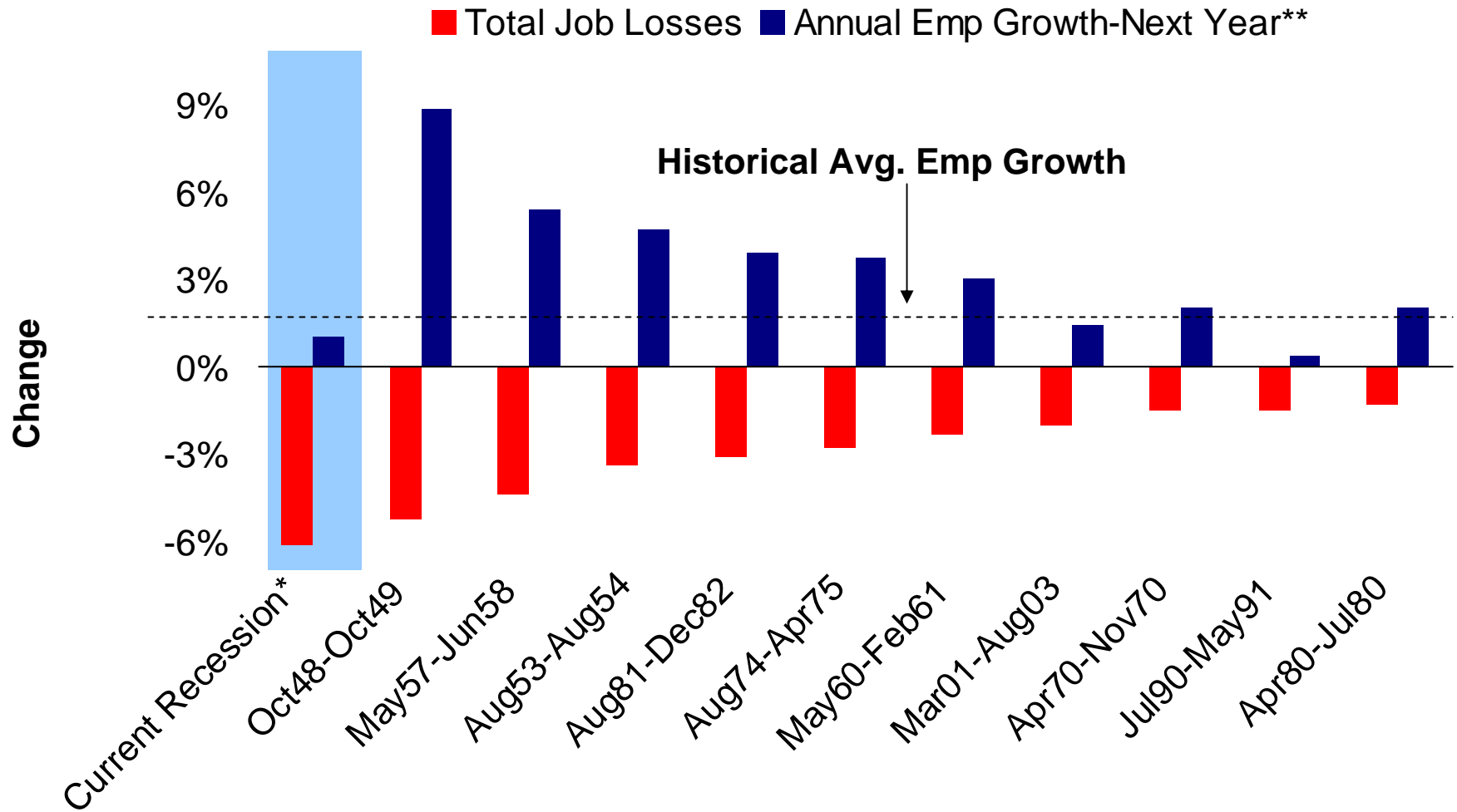
— Total U.S. Debt as a % of GDP



Data pre-1976 represents 2Q of each year

Sources: Marcus & Millichap Research Services, Federal Reserve

Employment Growth in 2010 Expected to Fall Short of Most Recoveries



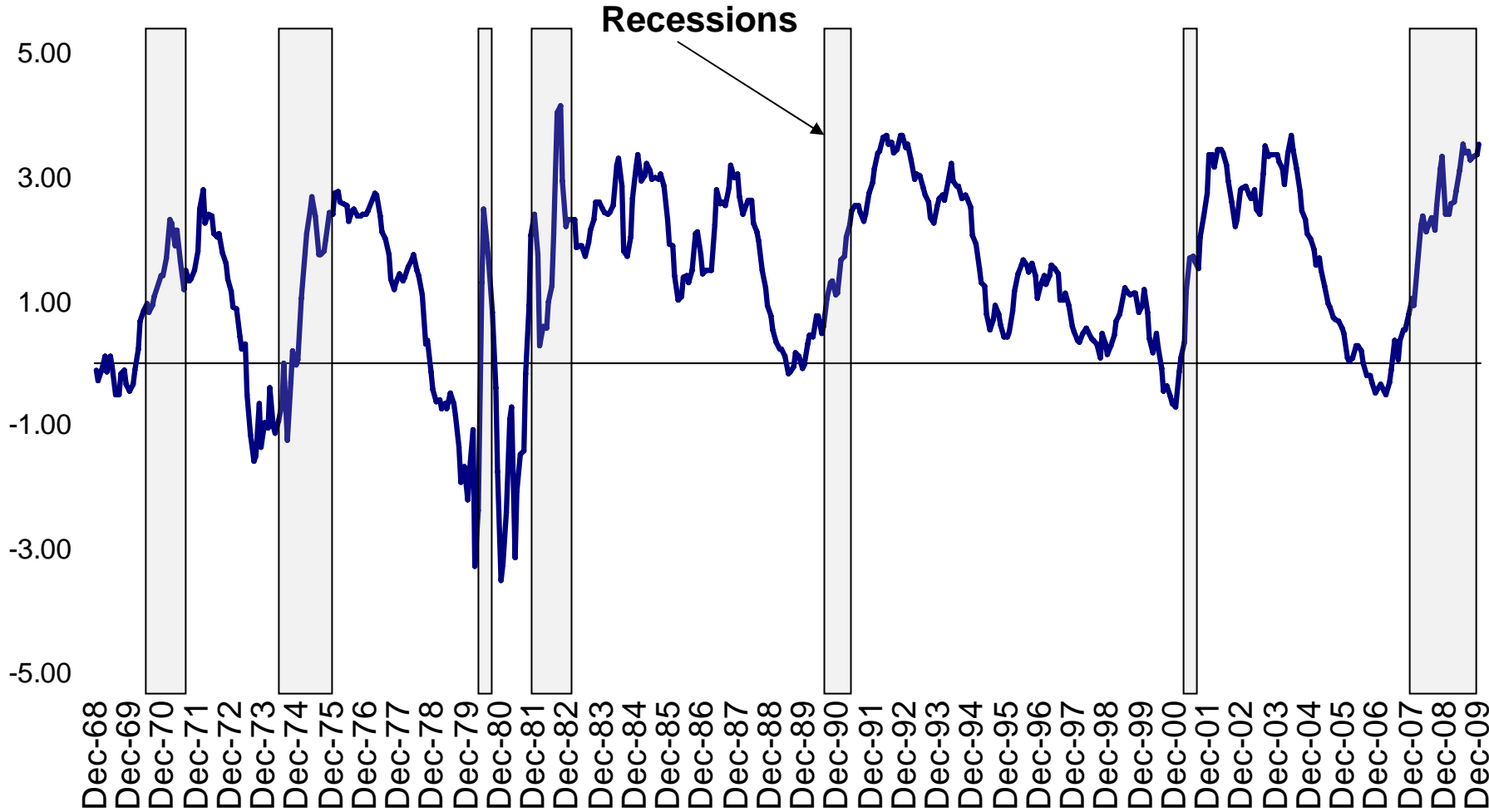
* Forecast

** Based on employment for the 12 months after the contraction period

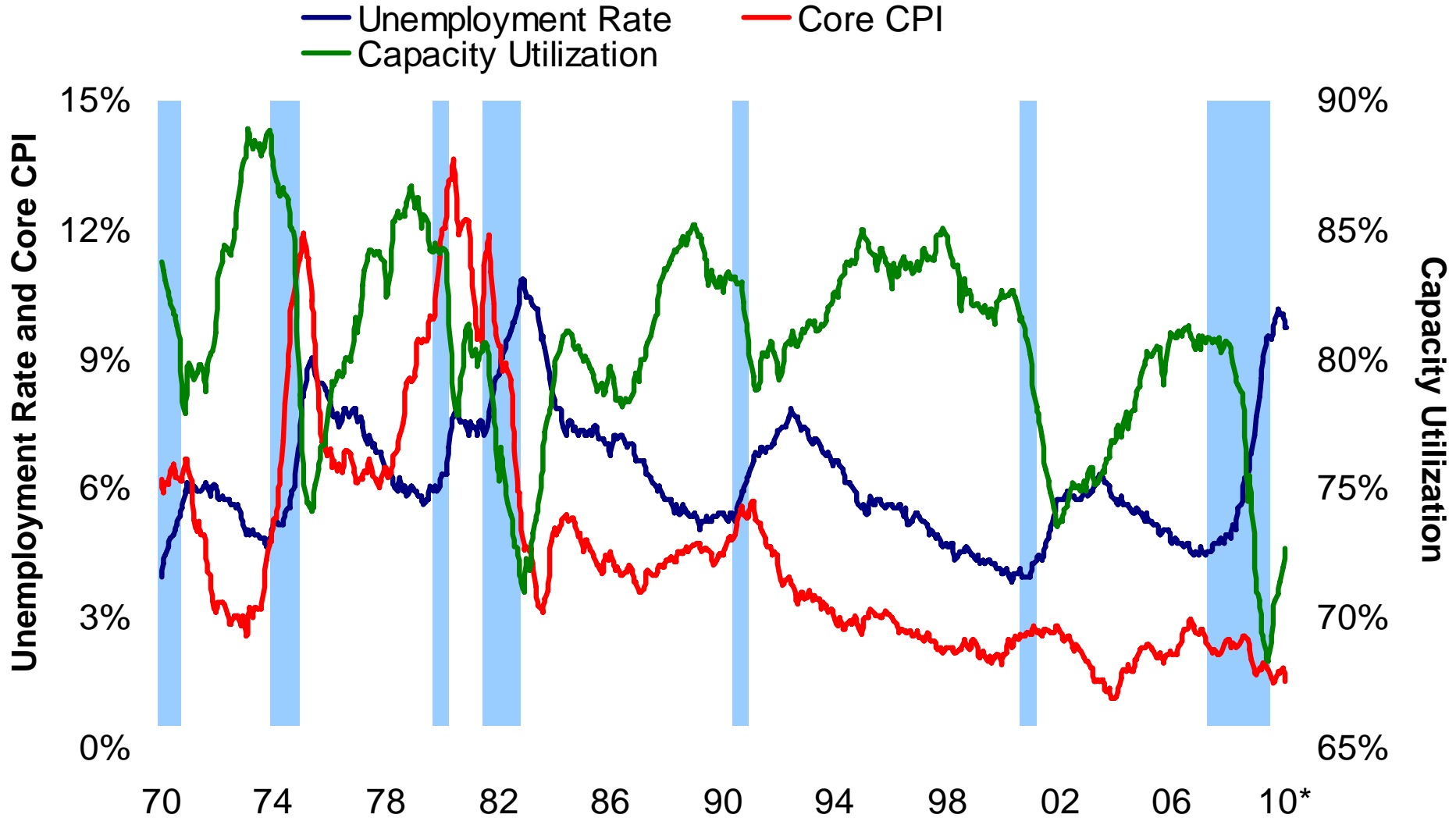
Sources: Marcus & Millichap Research Services, BLS

Yield Curve Could Signal Emerging Economic Expansion

Spread between 10yr Note and 3mth Bill



Inflation Not a Threat...Yet

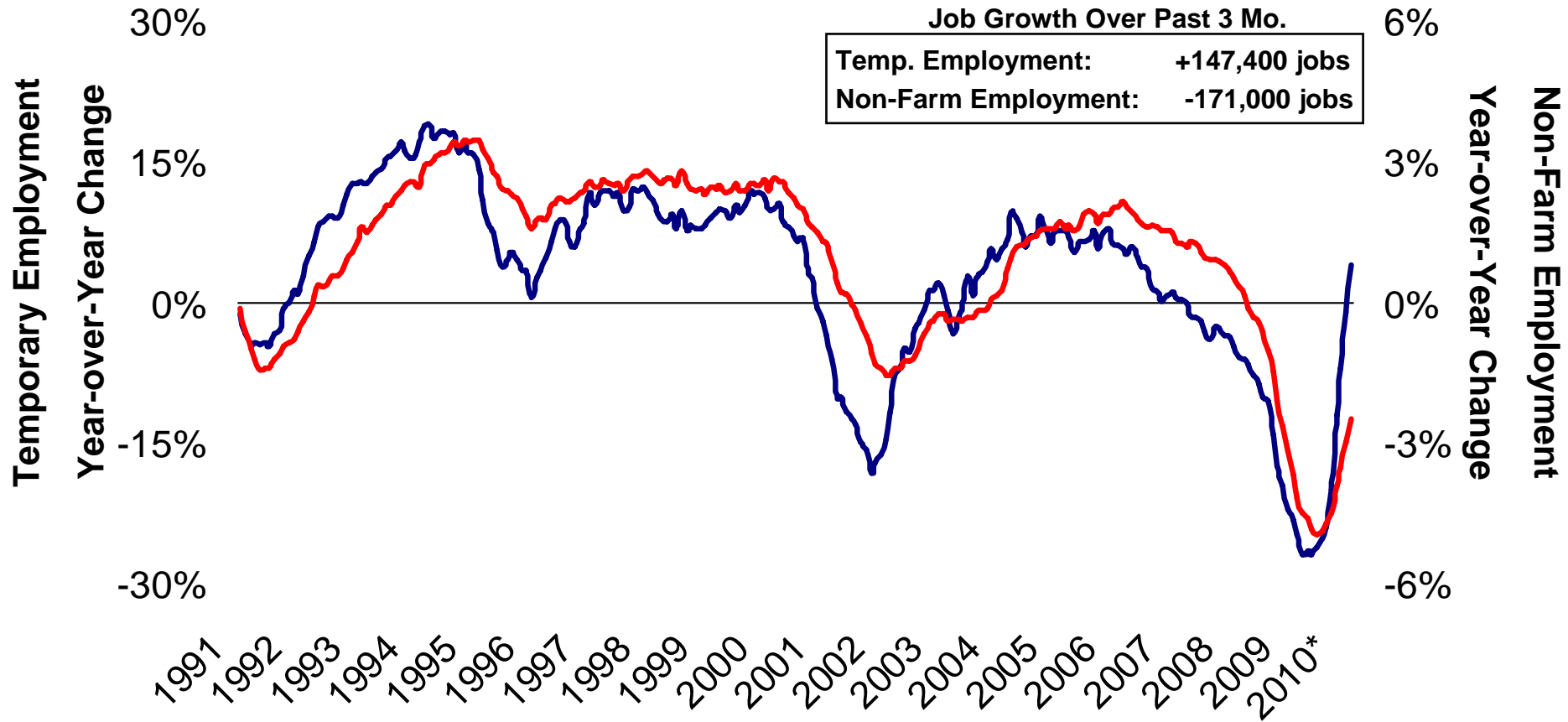


* Unemployment Rate Through February, CPI and Capacity Utilization Through January

Sources: Marcus & Millichap Research Services, U.S. Census Bureau, BLS, Federal Reserve Board

Temporary Job Trend Reflects Positive Momentum Building

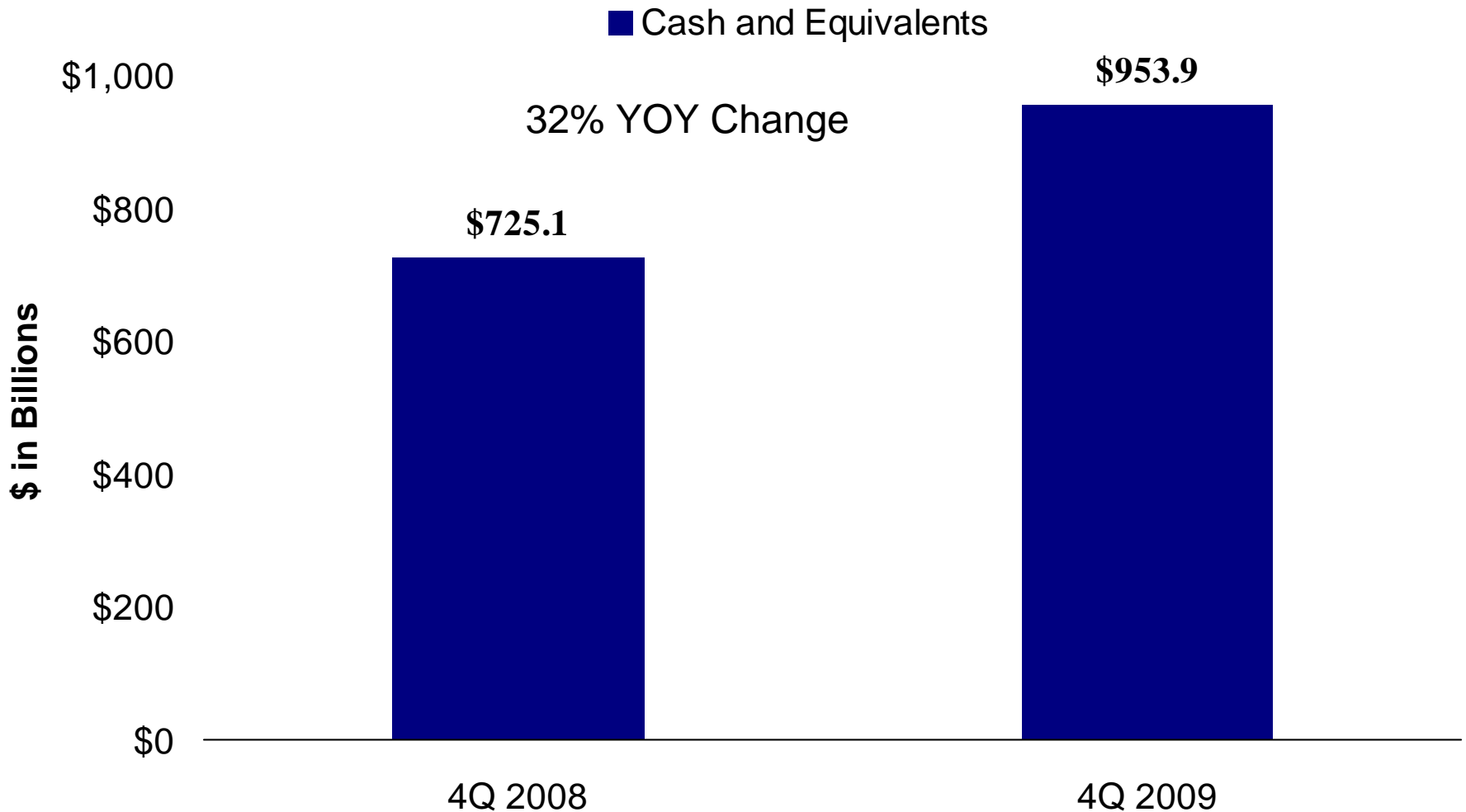
— Temporary Employment — Non-Farm Employment



* Through February

Sources: Marcus & Millichap Research Services, BLS

Corporate America Hoarding Cash Non-Financial S&P 500

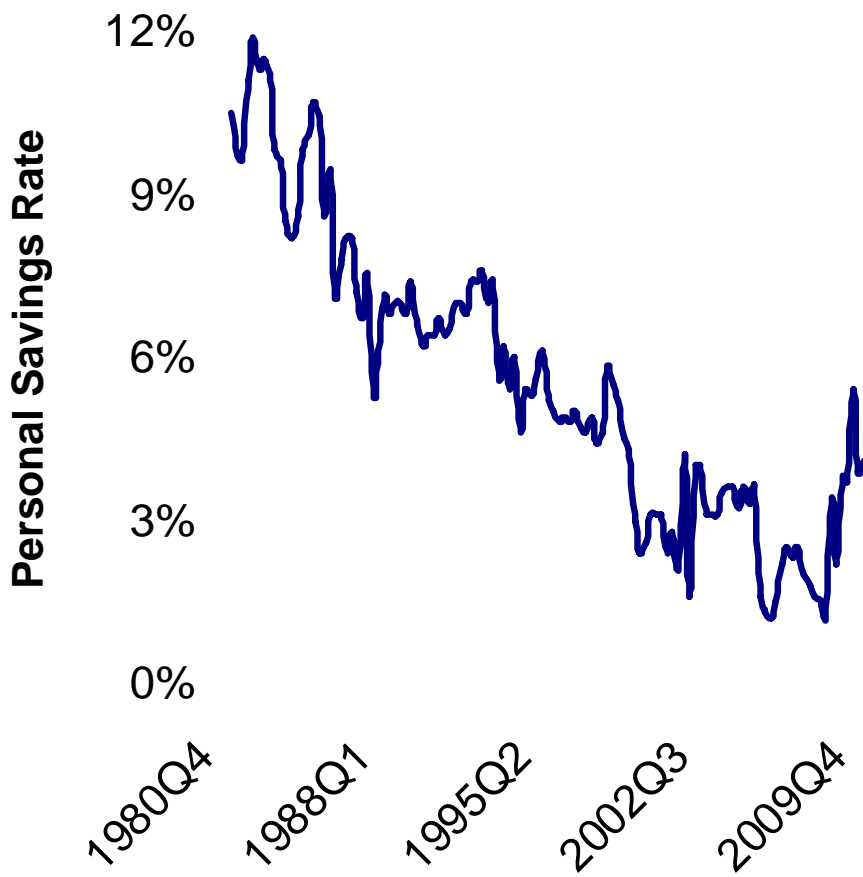


* Cash and equivalents held by 400 of S&P 500 companies

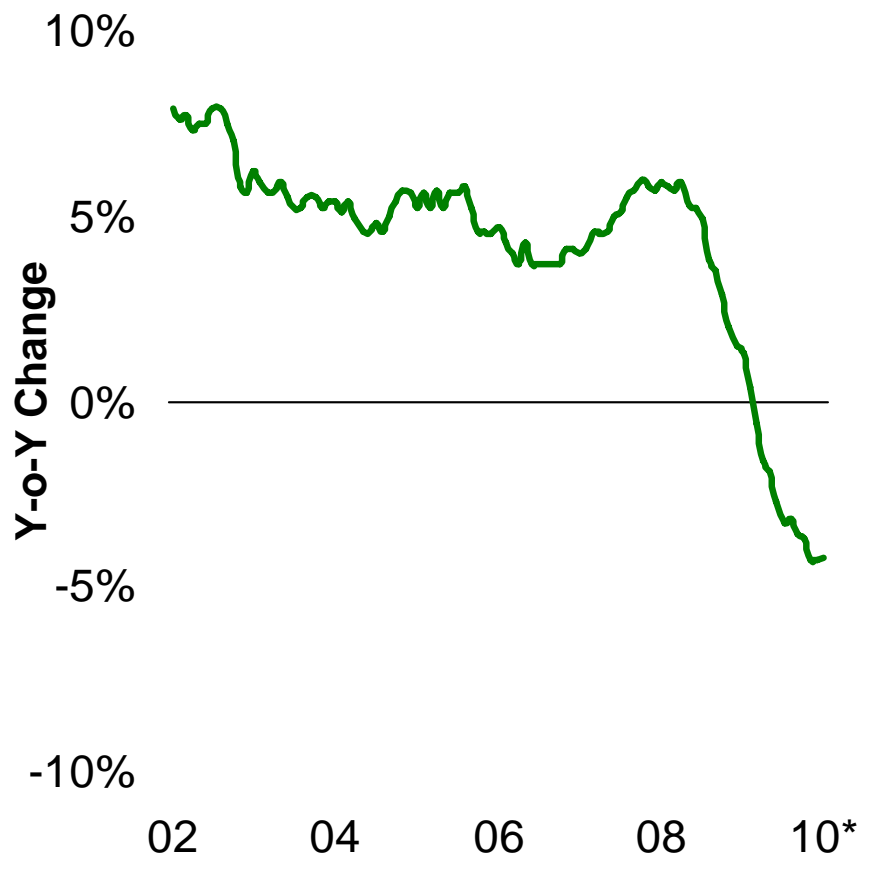
Sources: Marcus & Millichap Research Services, Capital IQ

Consumers Reluctant and Unable to Borrow/Spend

Personal Savings Rate



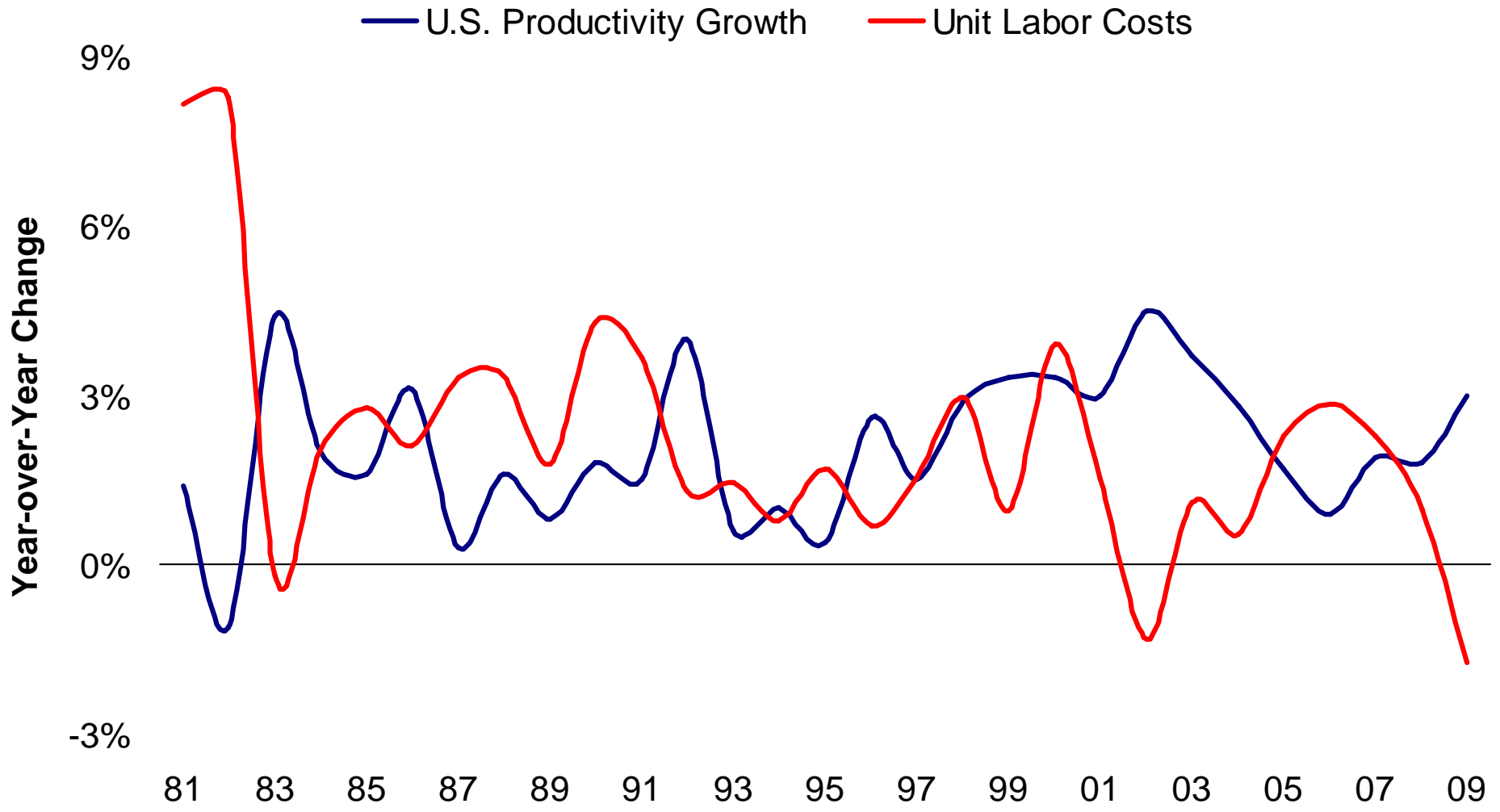
Consumer Credit



*Through January

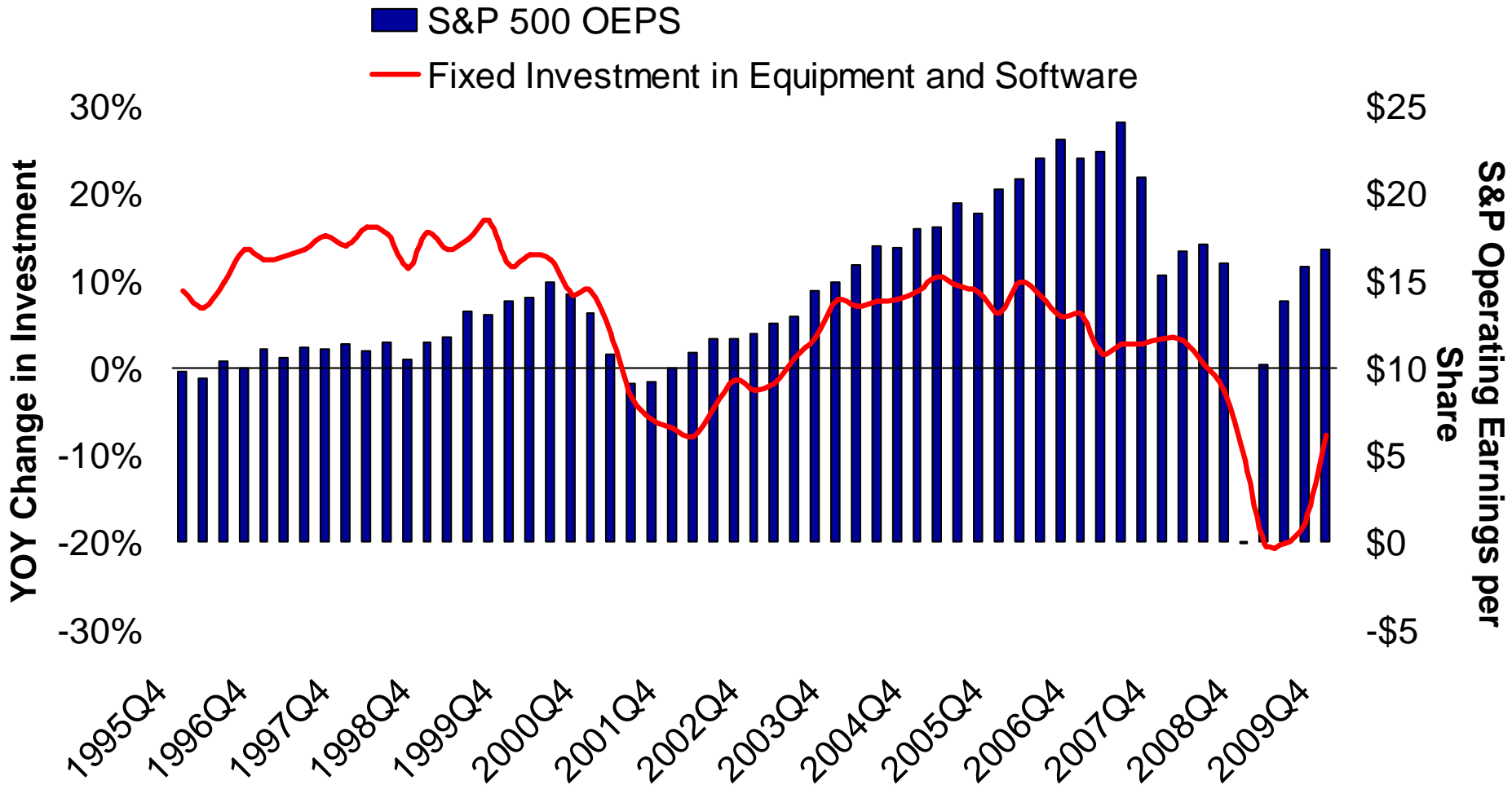
Sources: Marcus & Millichap Research Services, BEA, Federal Reserve

Growth in U.S. Non-farm Labor Force Productivity and Unit Costs



Sources: Marcus & Millichap Research Services, Bureau of Labor Statistics

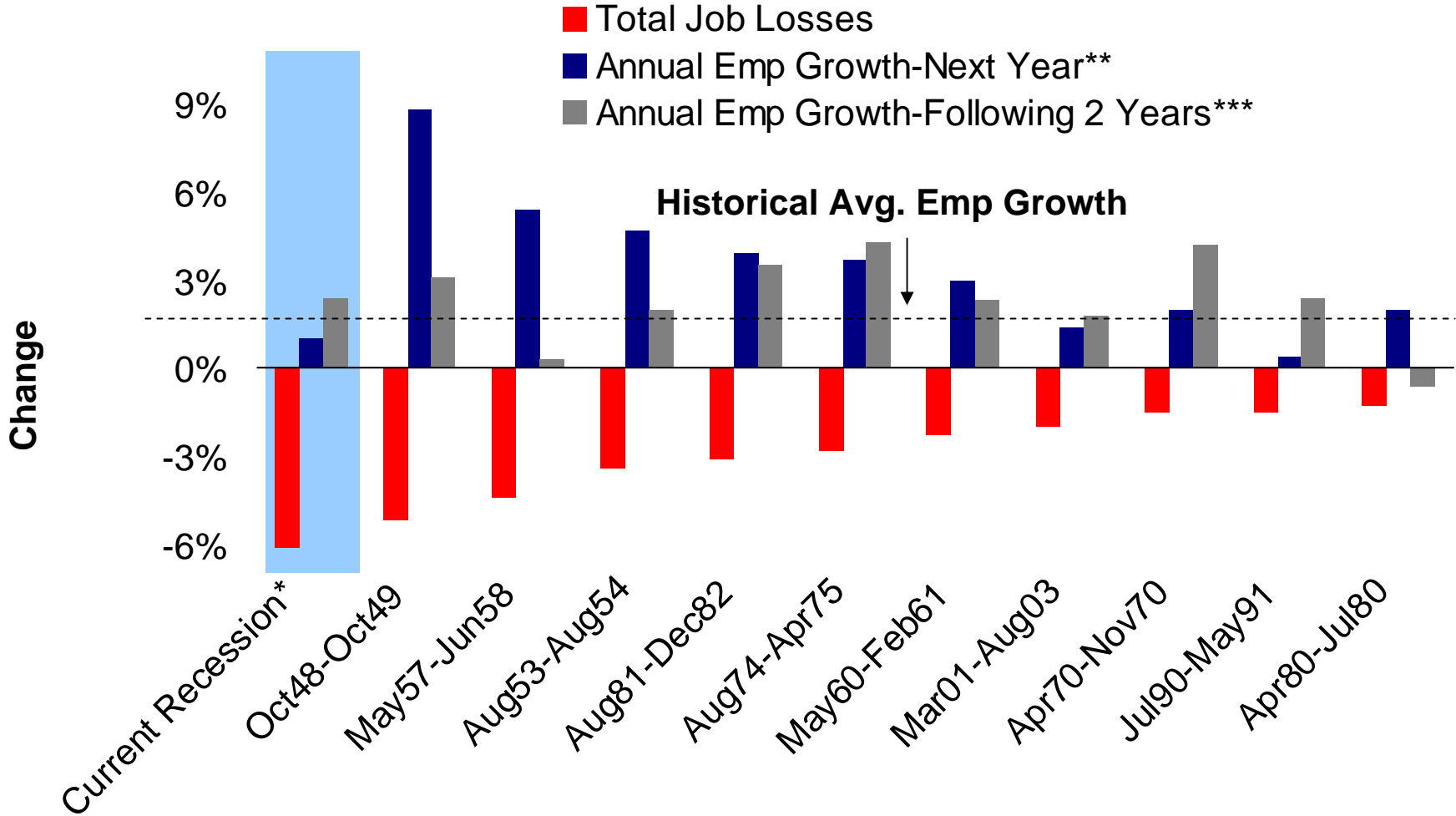
Capital Spending by Corporate America Key to Sustainable Recovery – Profit Trend Positive Indicator



Drop in earnings in Dec 07 was partly due to financial services industry write offs

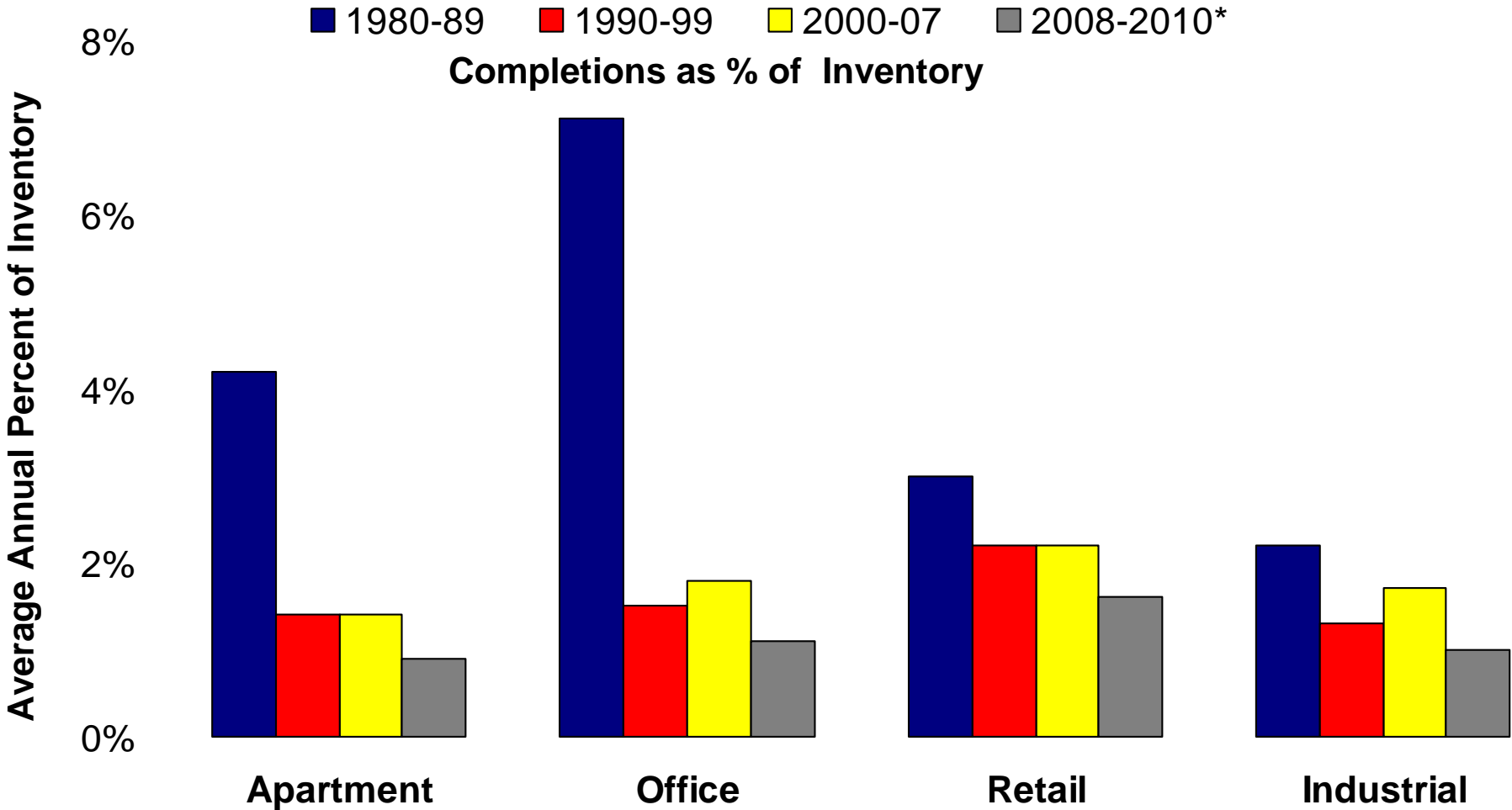
Sources: Marcus & Millichap Research Services, BEA, Standards and Poors

Employment Growth is Expected to Gain Momentum in 2011 and 2012 – Could It Surprise to the Upside?



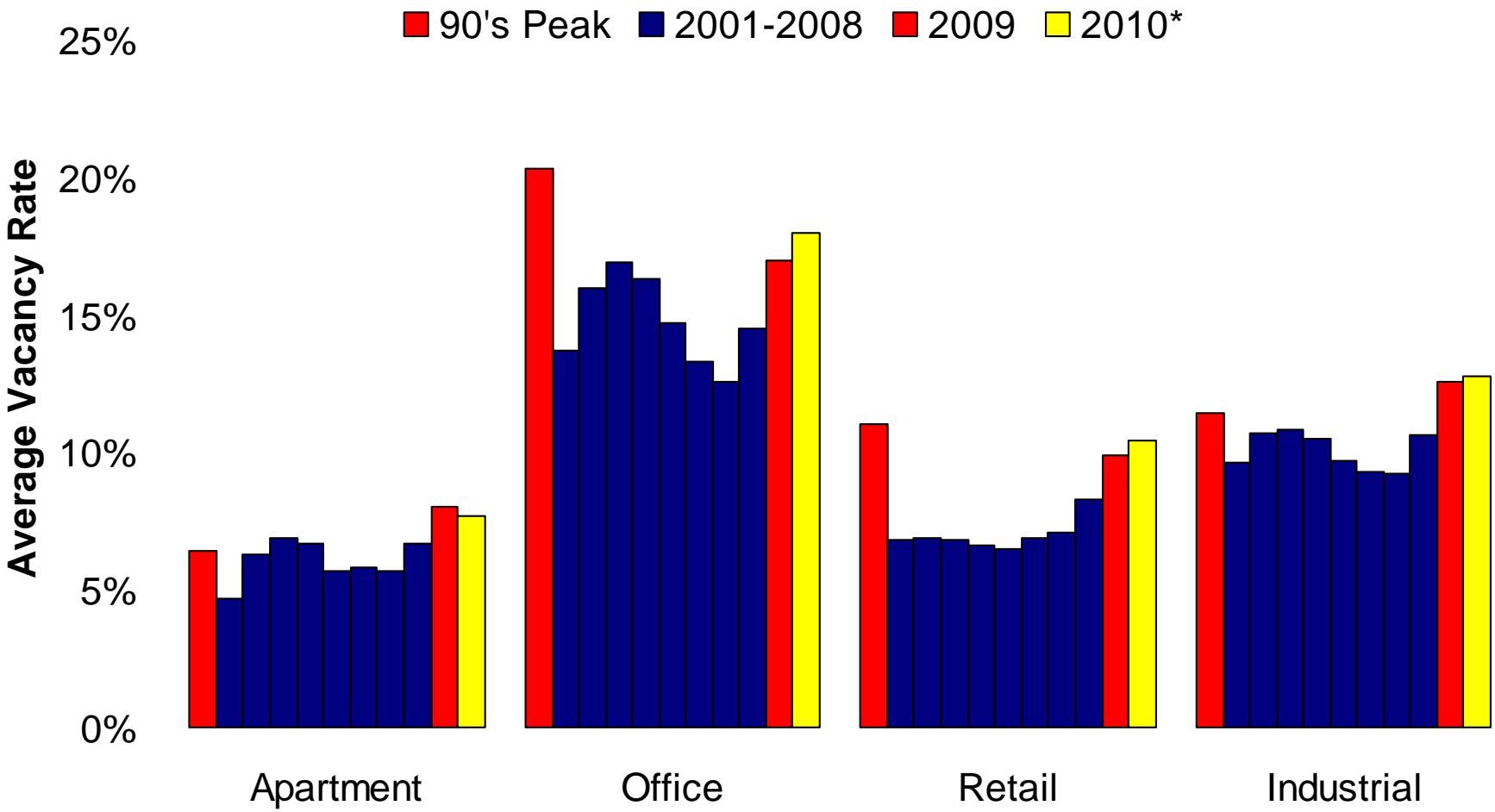
* Forecast
 ** Based on employment for the 12 months after the contraction period
 *** Based on employment for the 2nd and 3rd years after the contraction period
 Sources: Marcus & Millichap Research Services, BLS

Commercial RE Supply Slowdown Not Enough to Prevent Major Shock – Will Help Recovery



* Forecast
Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Reis

Commercial Real Estate Vacancies Approaching or Exceeding Levels Reached in '90s Crisis and 2001 Recession

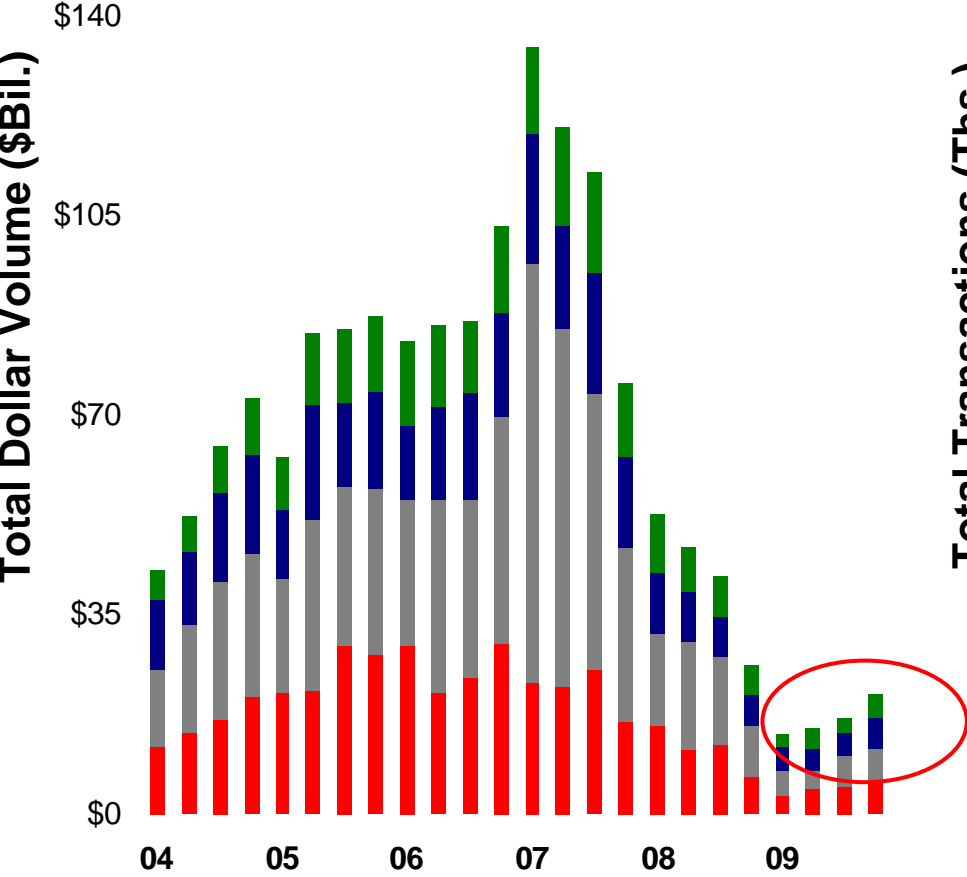


* Forecast
 Source: Marcus & Millichap Research Services, Reis, CoStar Group, Inc.

U.S. Commercial Real Estate Quarterly Sales Trends

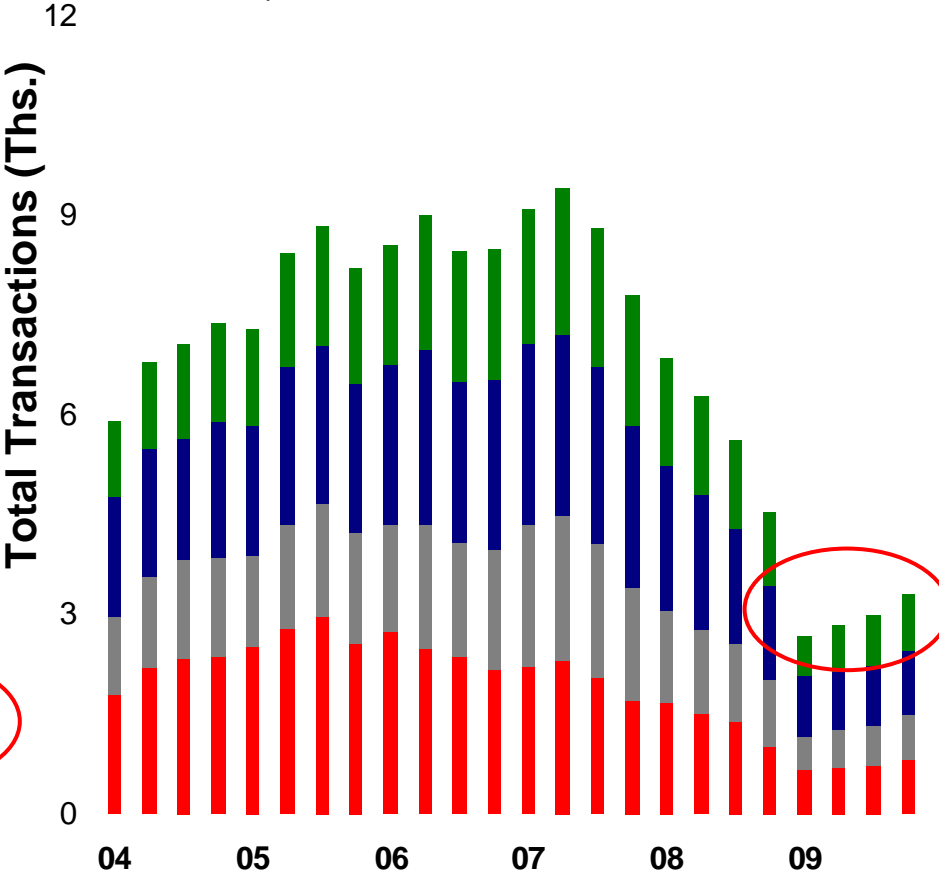
Total Dollar Volume

■ Apartment
 ■ Office
 ■ Retail
 ■ Industrial



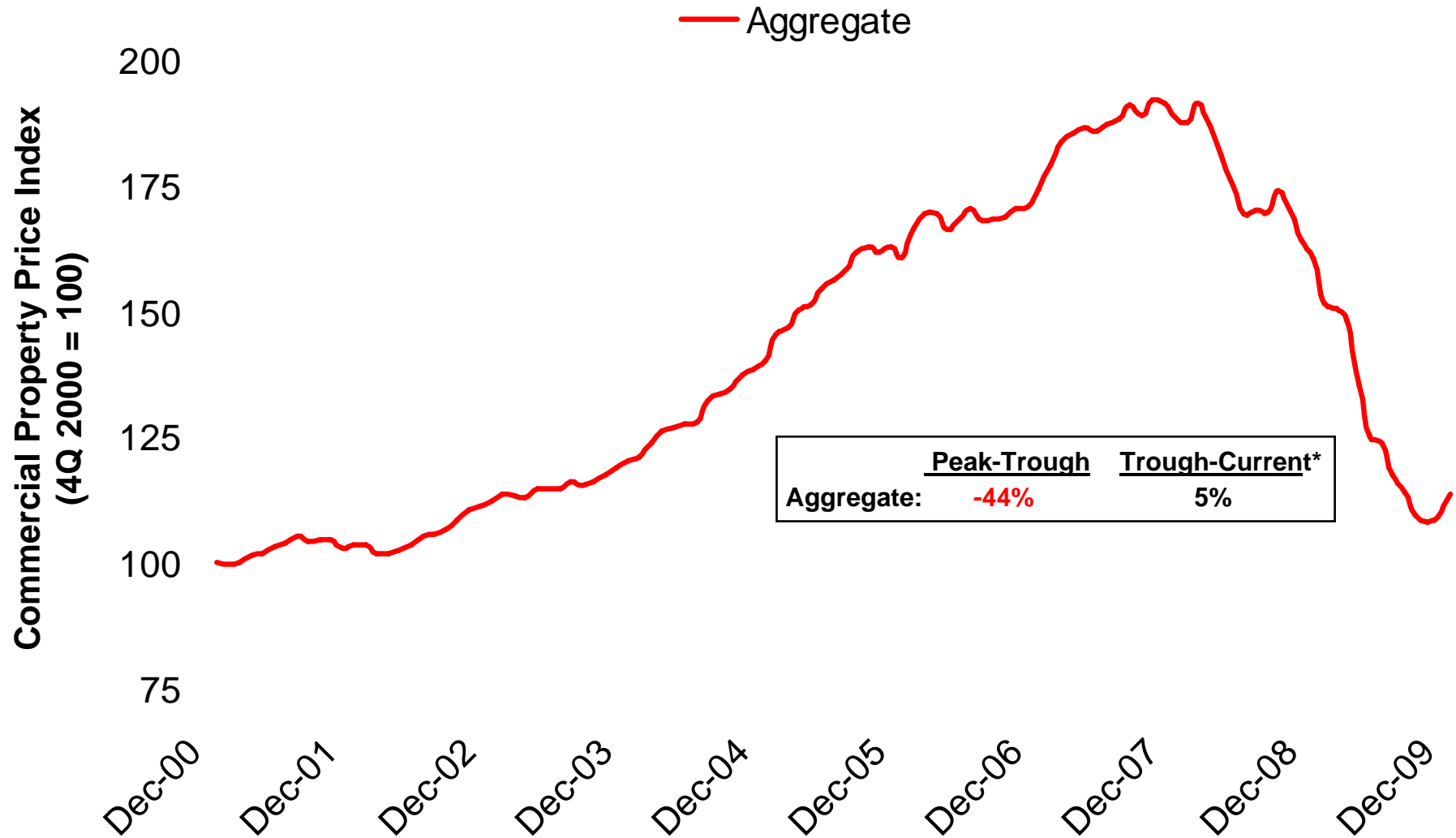
Total Transactions

■ Apartment
 ■ Office
 ■ Retail
 ■ Industrial



Includes Sales \$1,000,000 and above
Sources: Marcus & Millichap Research Services, CoStar Group, Inc., RCA

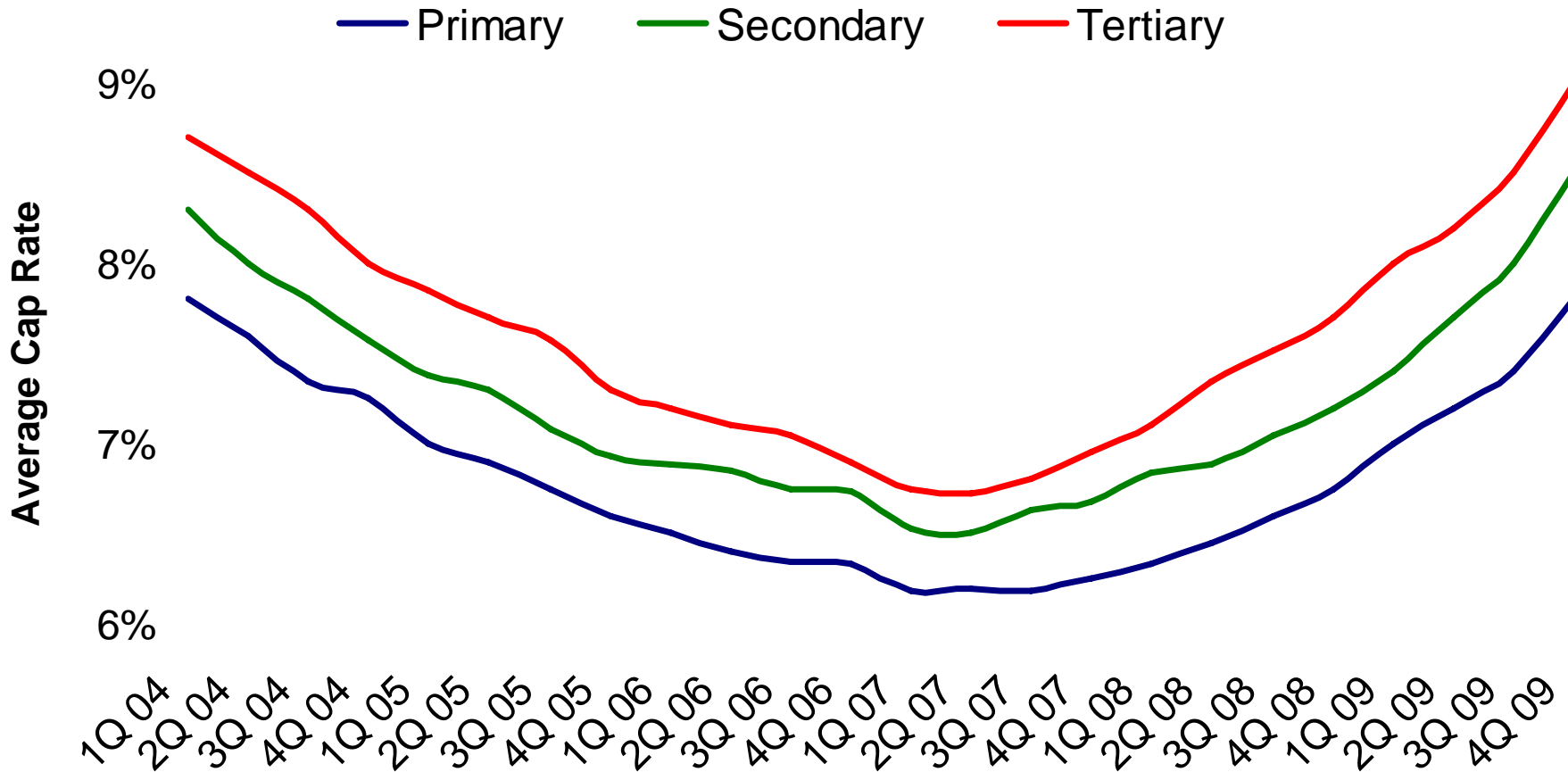
Commercial Property Price Index



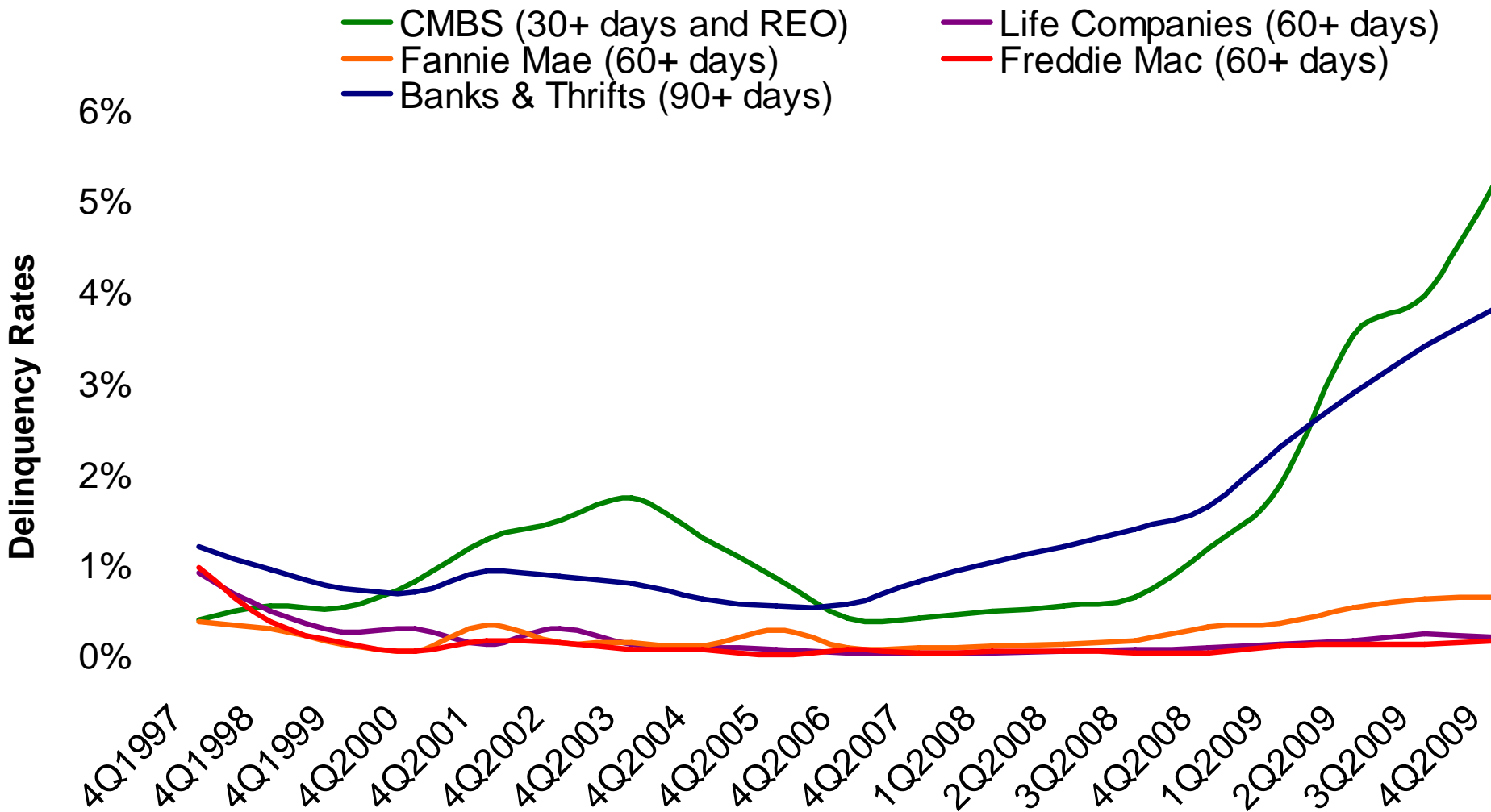
* As of Dec-09

Sources: Moody's Investors Service

Flight to Quality, Re-Pricing of Risk Reflected in Cap Rate Trends by Market Type



Commercial Mortgage Delinquency Rates by Lender Type



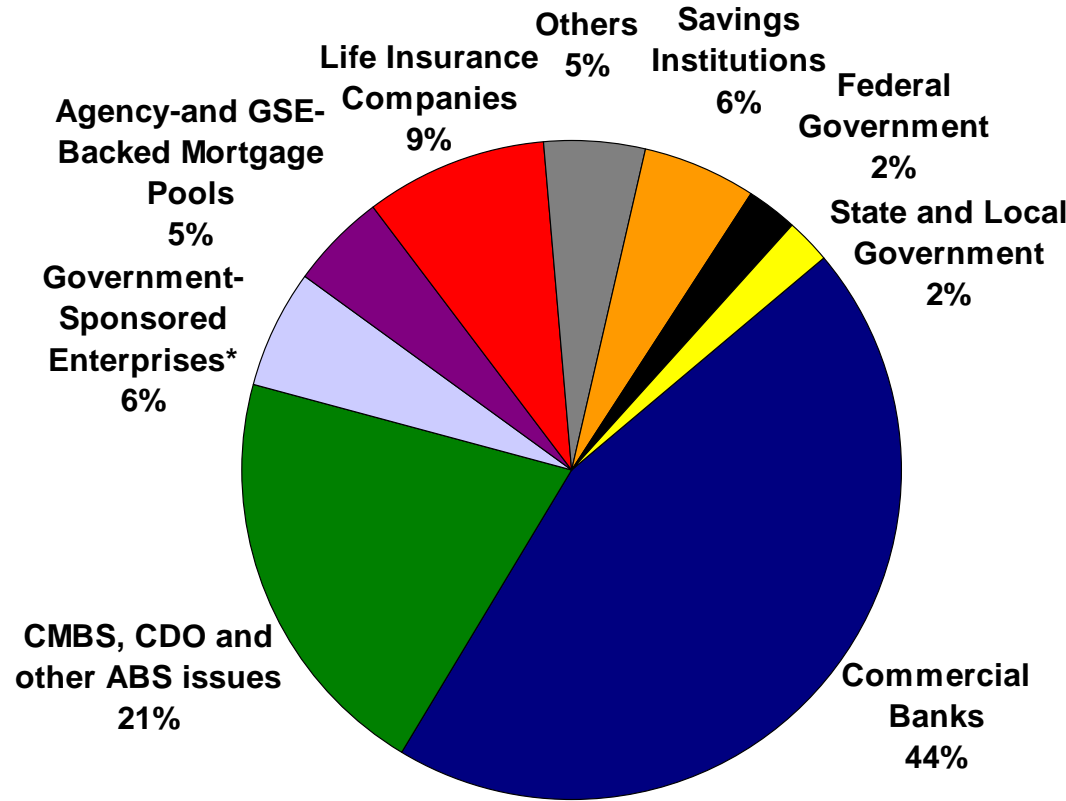
Delinquency rates at the end of each period

Sources: Marcus & Millichap Research Services, Mortgage Bankers Association

Total Commercial/Multi-Family Mortgage Debt Outstanding: \$3.43 trillion

By Lender Types (\$Bil):

Commercial Banks	\$1,532.0
CMBS, CDO & Other ABS	\$708.6
Life Insurance Companies	\$310.0
GSEs*	\$197.4
Savings Institutions	\$190.4
Agency & GSE Pools	\$162.2
Federal Government	\$83.4
State & Local Government	\$80.2
Other	\$170.3

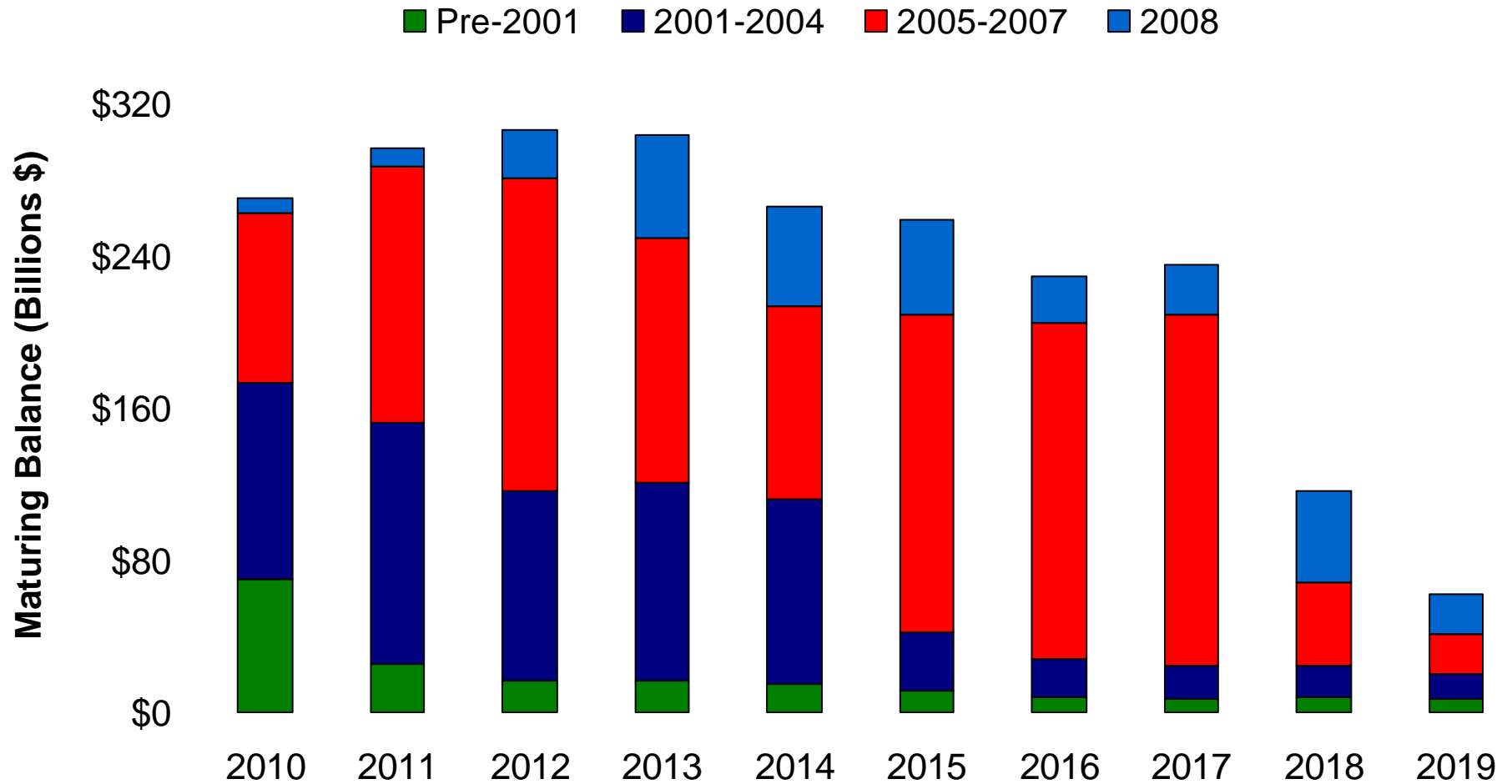


Note: Figures as of 3Q09

* Includes Fannie Mae, Freddie Mac, and Ginnie Mae

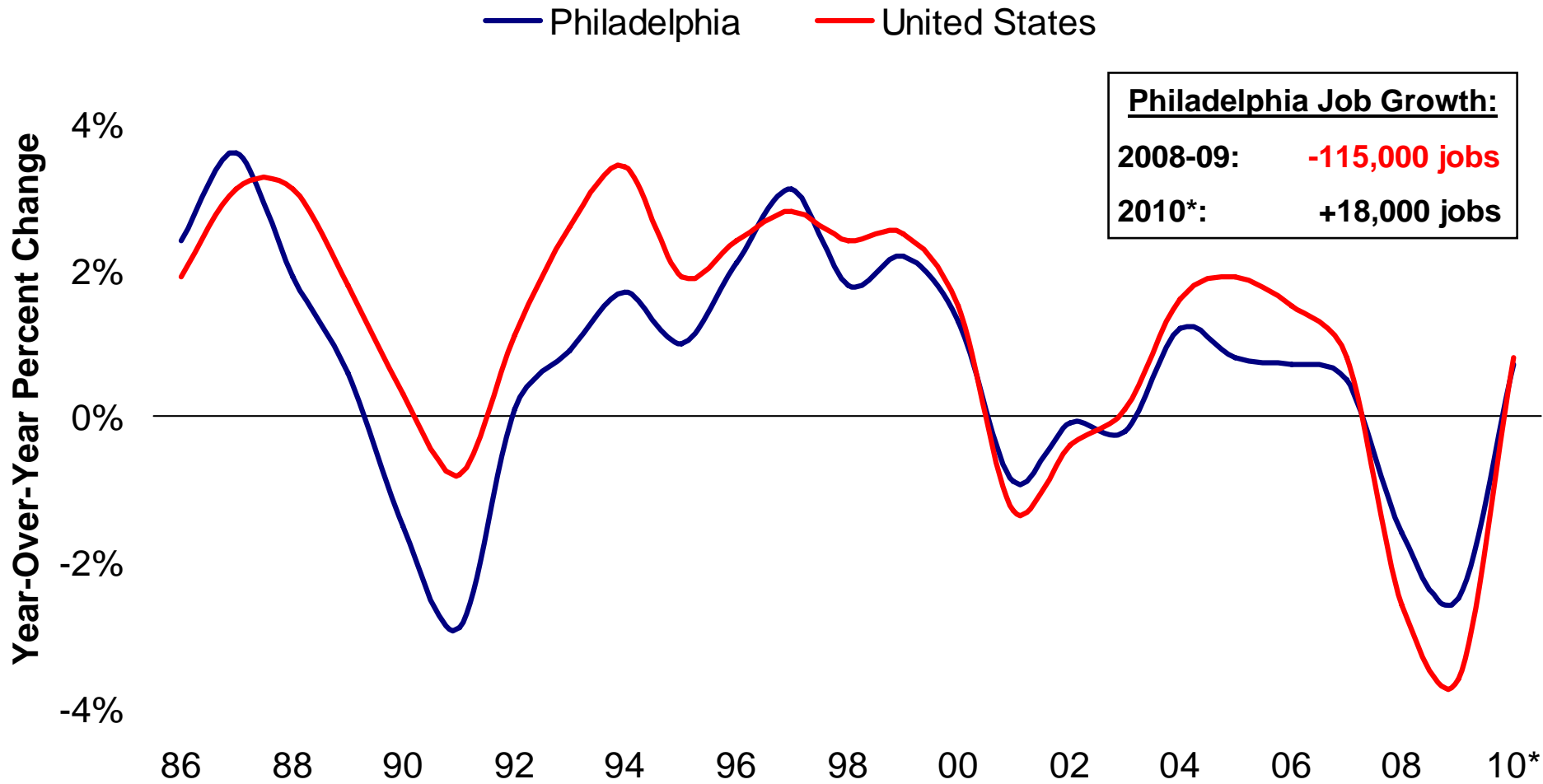
Sources: Marcus & Millichap Research Services, MBA

Estimated Maturities by Vintage Commercial/Multi-Family Mortgages



Philadelphia Economic and Real Estate Market Overview

Employment Growth Trends



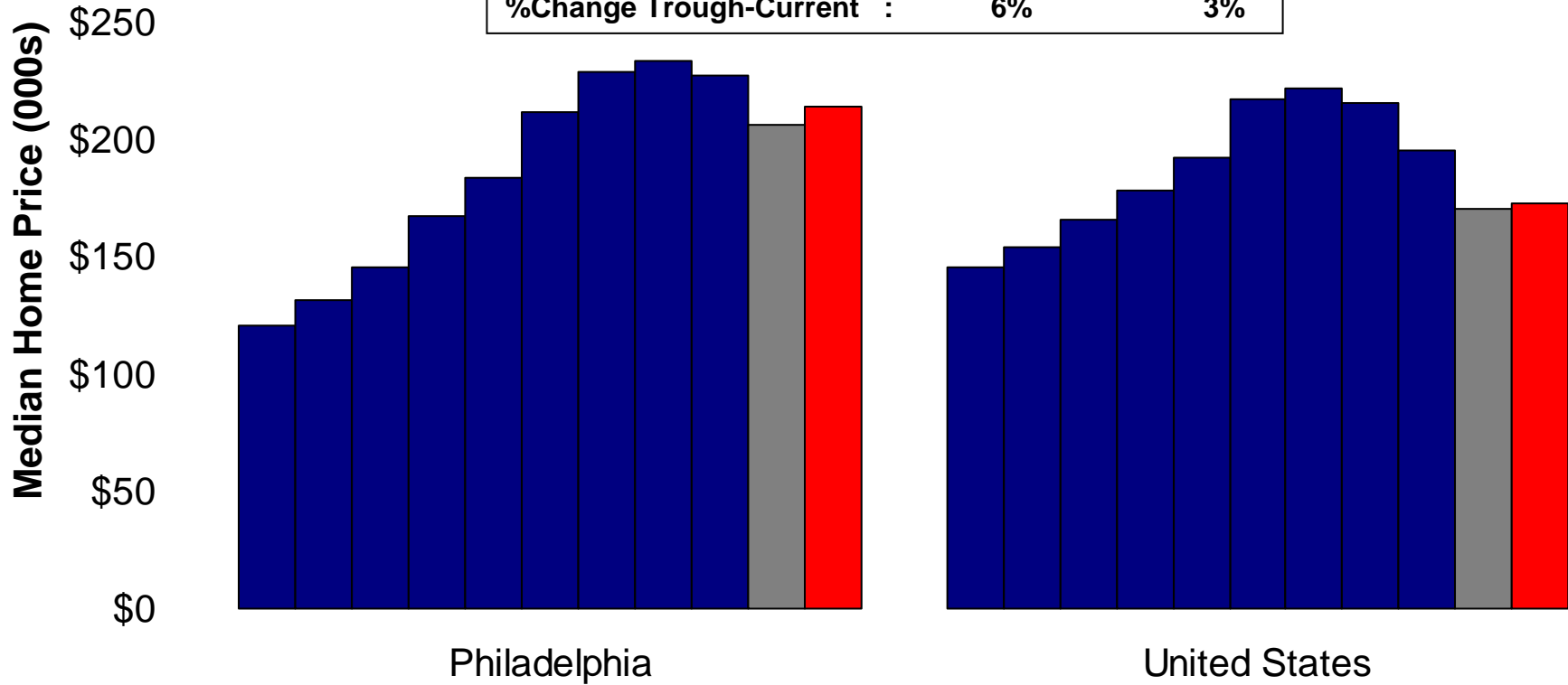
* Forecast

Sources: Marcus Millichap Research Services, BLS

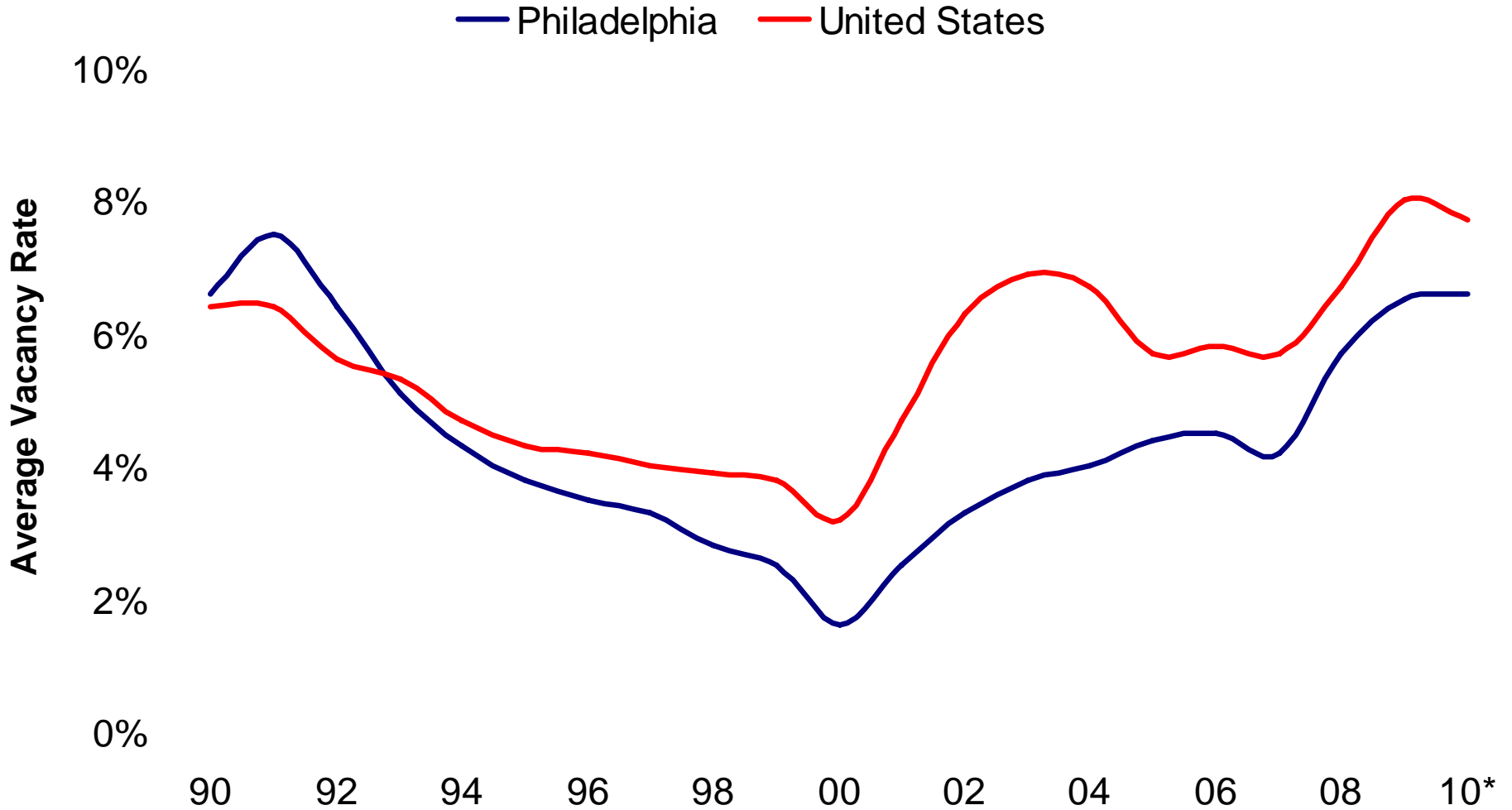
Existing Single-Family Home Price Trends

■ 2000-2008 ■ 2Q09 Trough ■ 2009

	<u>Philadelphia</u>	<u>U.S.</u>
% Change '02-Peak:	63%	36%
% Change Peak-Trough:	-13%	-25%
%Change Trough-Current :	6%	3%



Apartment Vacancy Trends



* Forecast

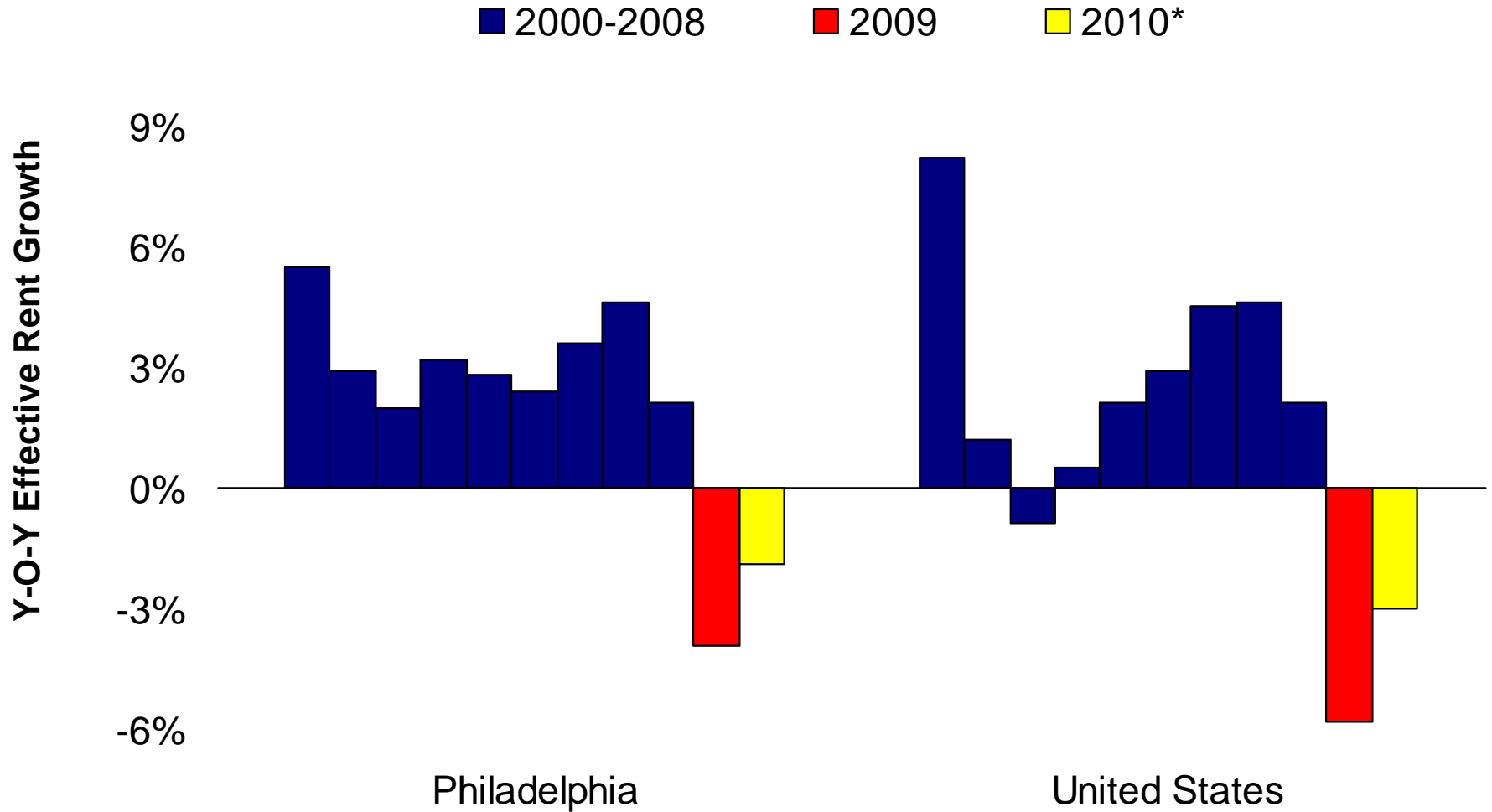
Sources: Marcus & Millichap Research Services, Reis

Philadelphia Apartment Submarkets Vacancy Ranking

Top 5 Submarkets	4Q09 Vacancy
Somerton/Bustleton	3.1%
Foxchase/Lawndale	3.8%
Upper Bucks County	4.5%
Roxboro/Chestnut Hill	4.7%
Torresdale/Bensalem	4.8%

Bottom 5 Submarkets	4Q09 Vacancy
Camden	8.4%
Moorestown/Maple Shade/Mt. Laurel	8.8%
Norristown/Plymouth/Norriton	9.2%
North/Frankford/Holmesburg	10.5%
Cherry Hill/Evesham/Medford	11.3%

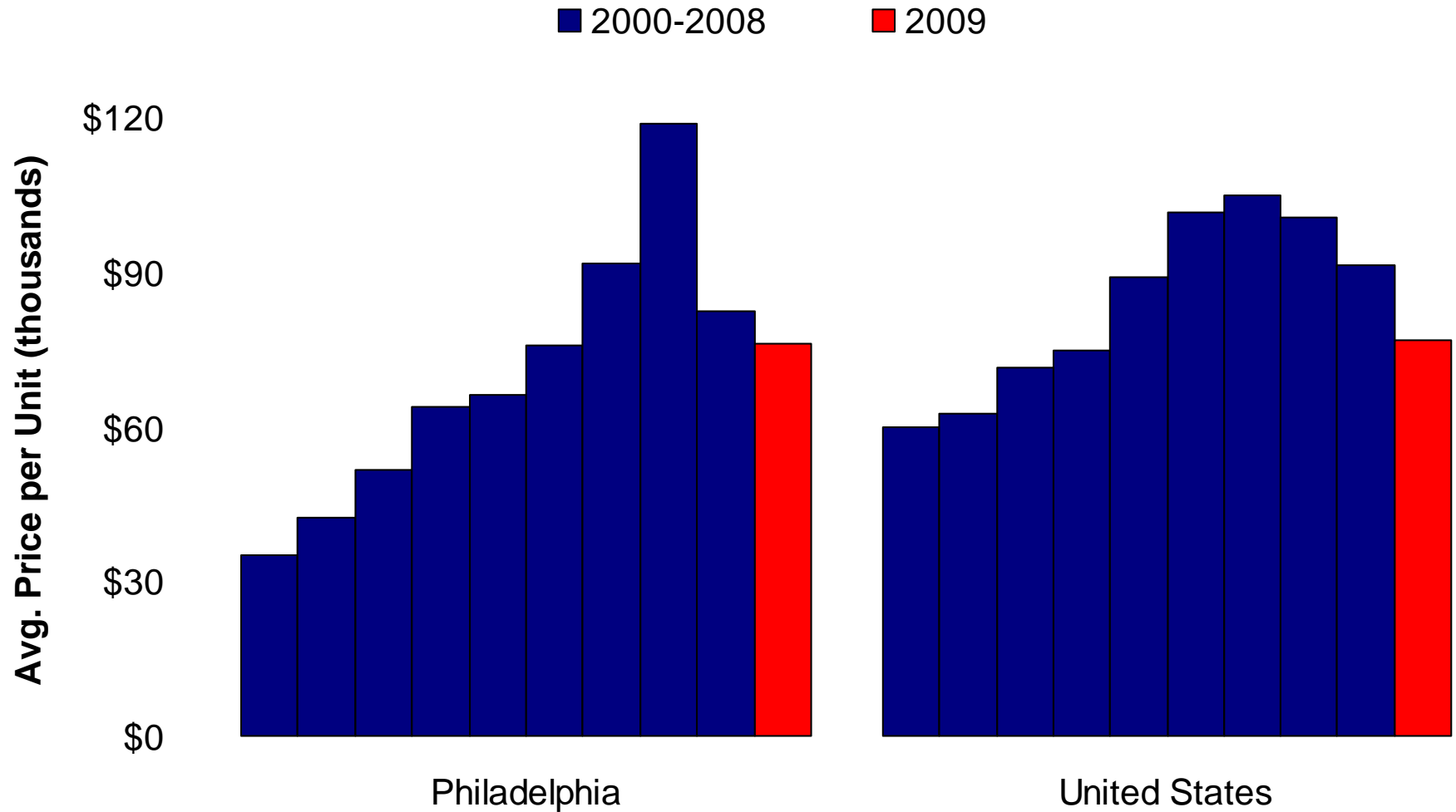
Apartment Effective Rent Trends



* Forecast

Sources: Marcus & Millichap Research Services, Reis

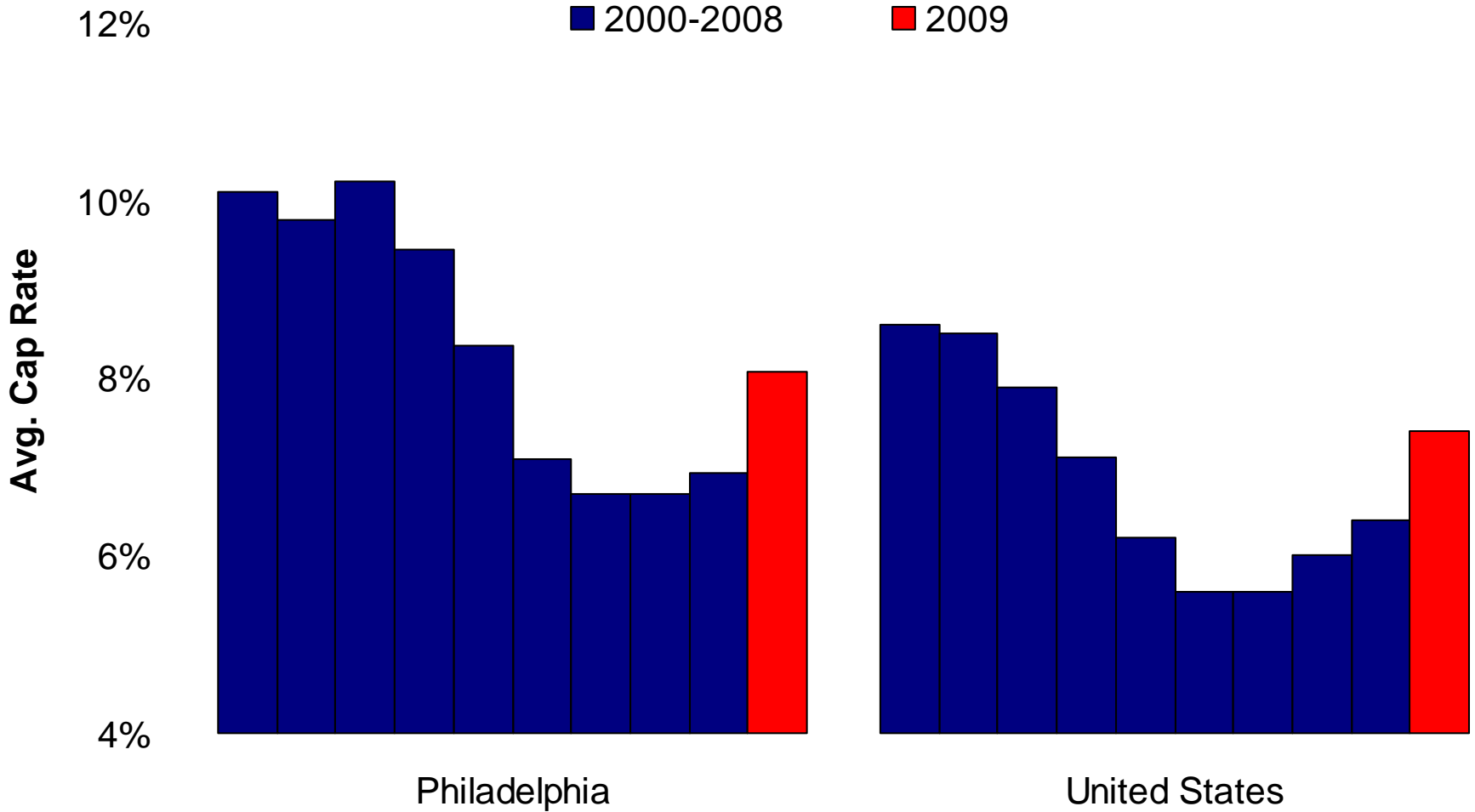
Apartment Average Price per Unit



Includes Sales \$1,000,000 and above

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

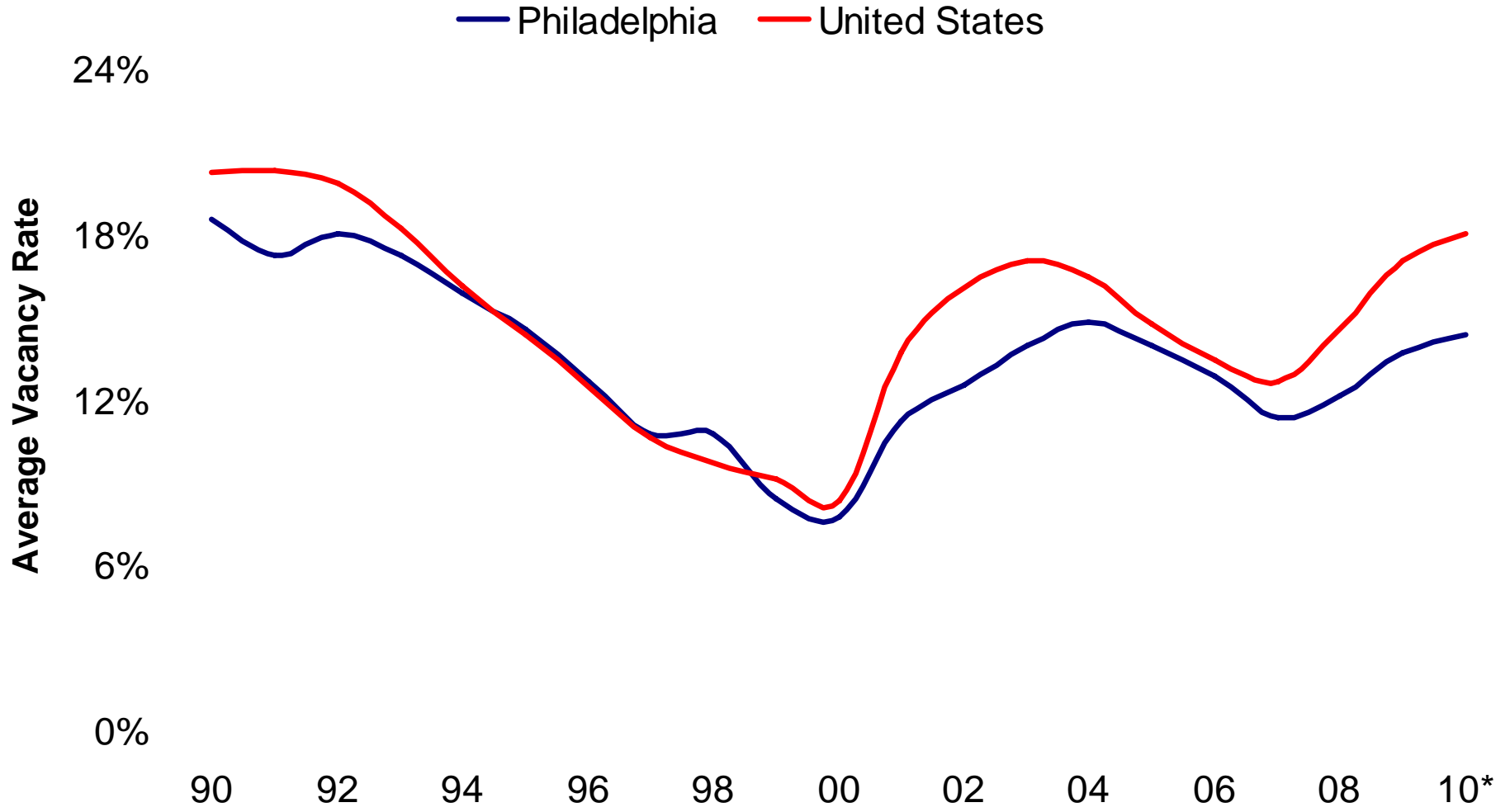
Apartment Cap Rate Trends



Includes Sales \$1,000,000 and above

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Office Vacancy Trends



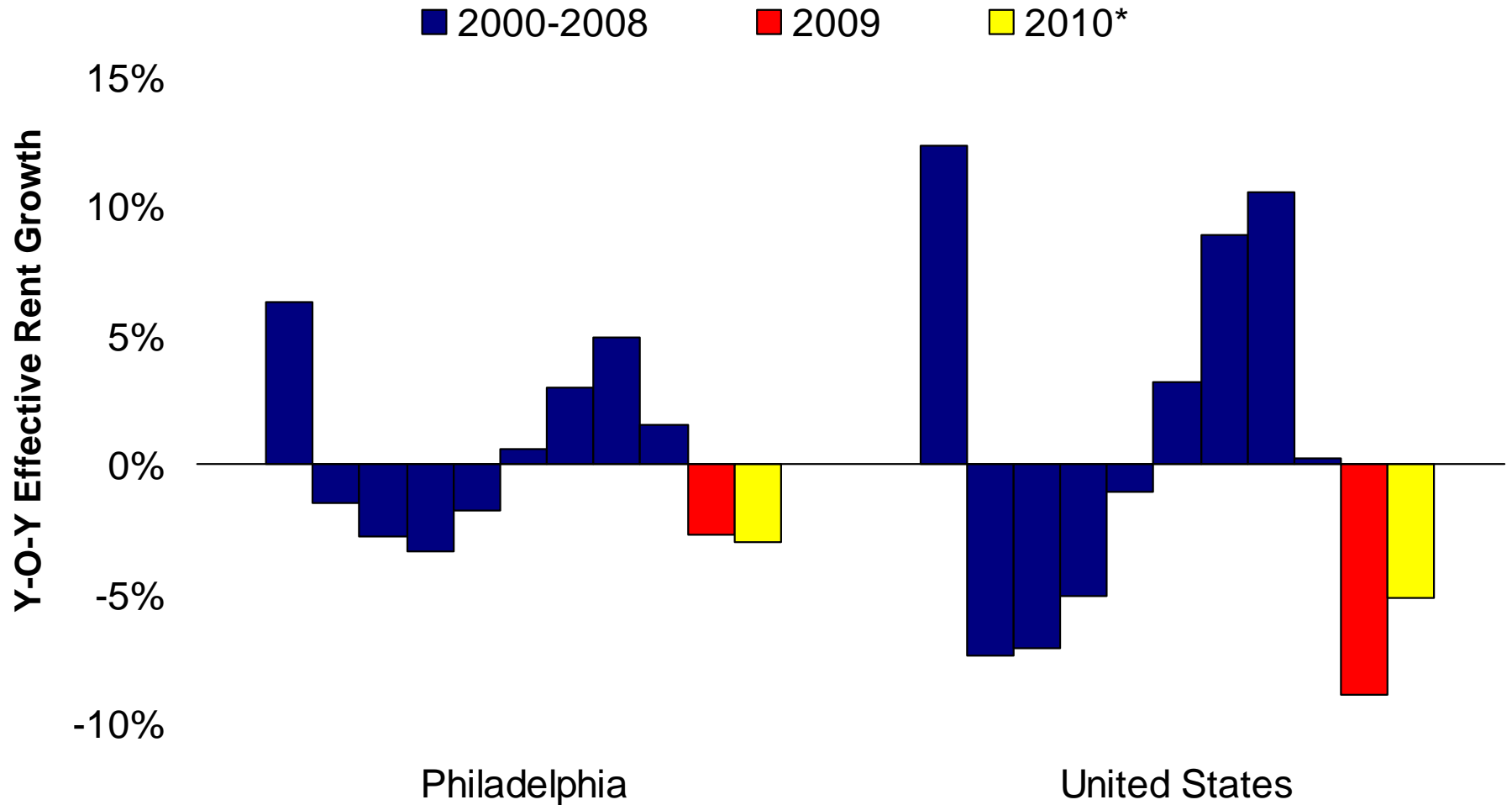
* Forecast
Sources: Marcus & Millichap Research Services, Reis

Philadelphia Office Submarkets Vacancy Ranking

Top 5 Submarkets	4Q09 Vacancy
West Philadelphia	7.0%
Center City	9.6%
Exton/Malvern/North Chester	11.6%
Delaware County	12.0%
North Philadelphia	12.3%

Bottom 5 Submarkets	4Q09 Vacancy
Camden/Gloucester	17.4%
Bucks County	20.2%
Blue Bell/Plymouth Meeting	20.6%
Horsham	21.4%
North Montgomery County	23.4%

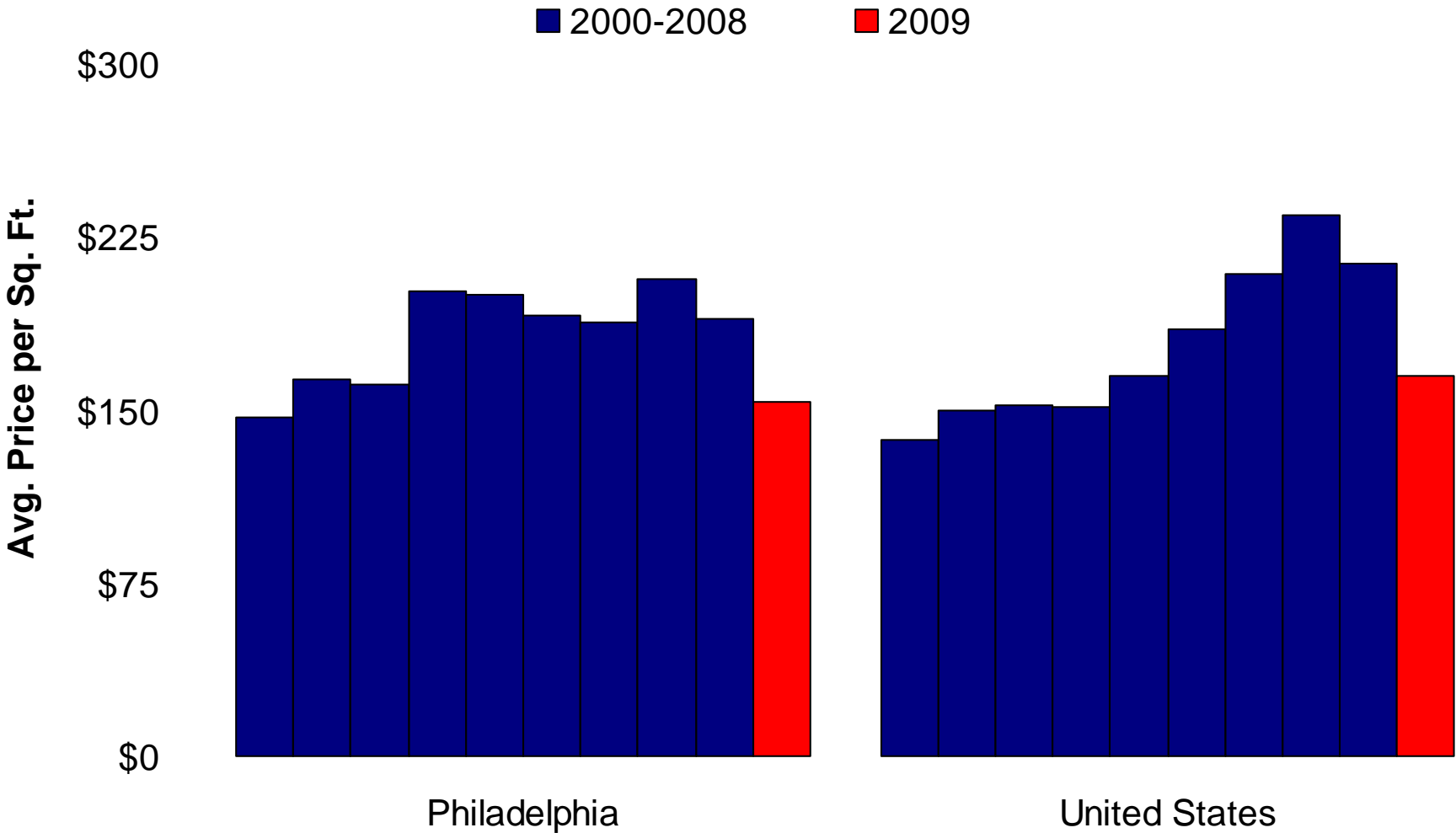
Office Effective Rent Trends



* Forecast

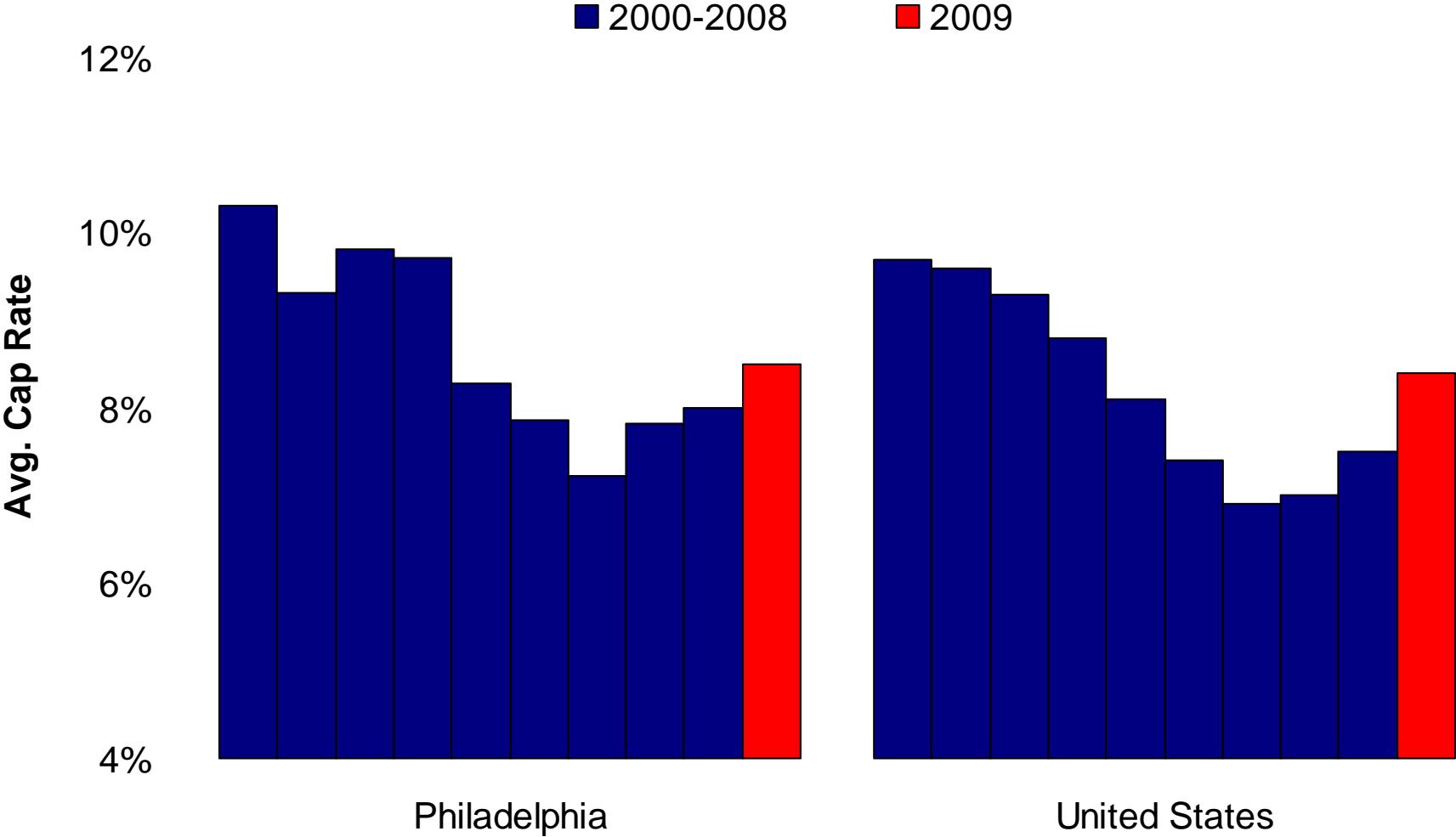
Sources: Marcus & Millichap Research Services, Reis

Office Average Price per Sq. Ft.



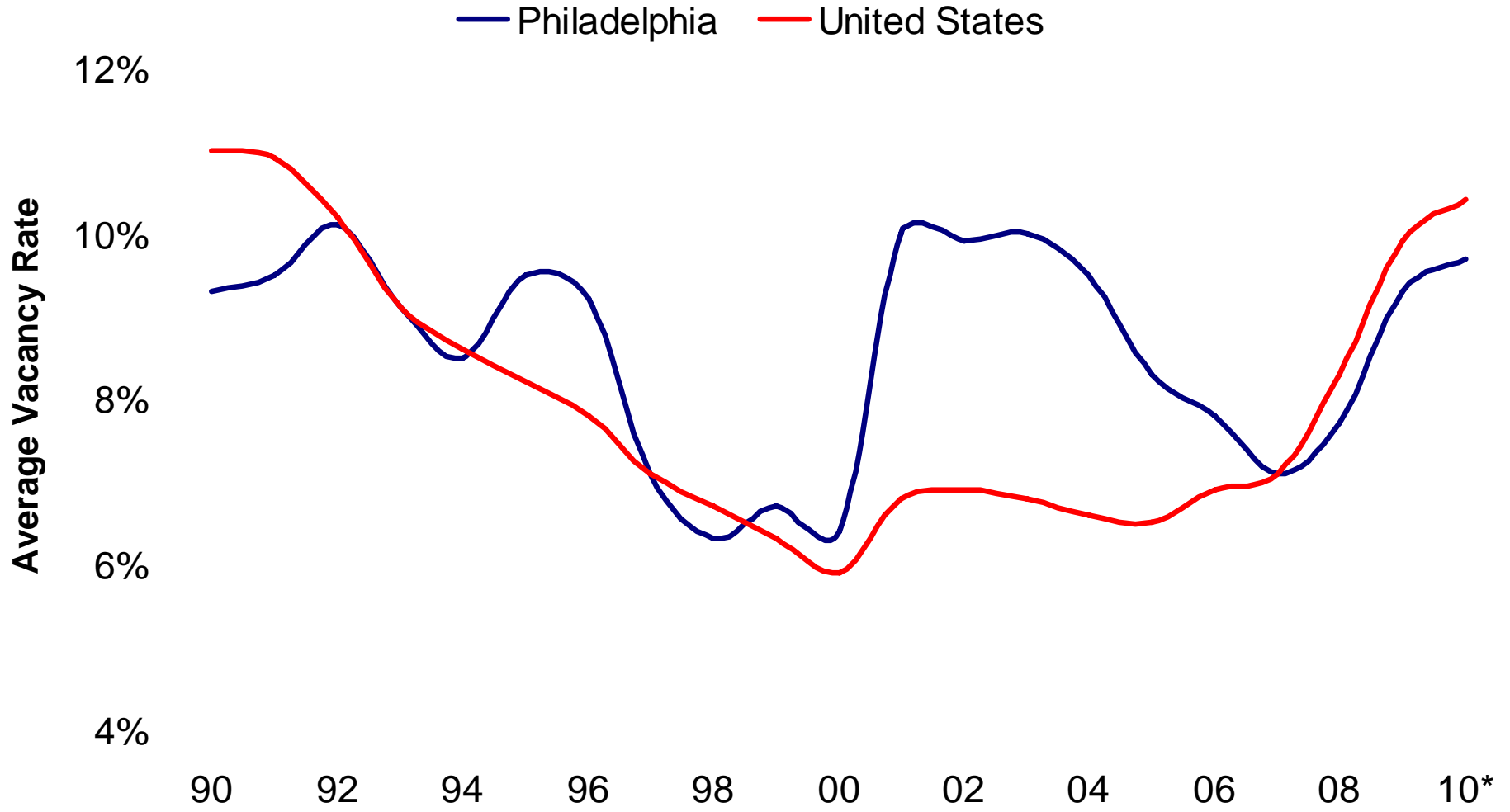
Includes Sales \$1,000,000 and above
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Office Cap Rate Trends



Includes Sales \$1,000,000 and above
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Retail Vacancy Trends



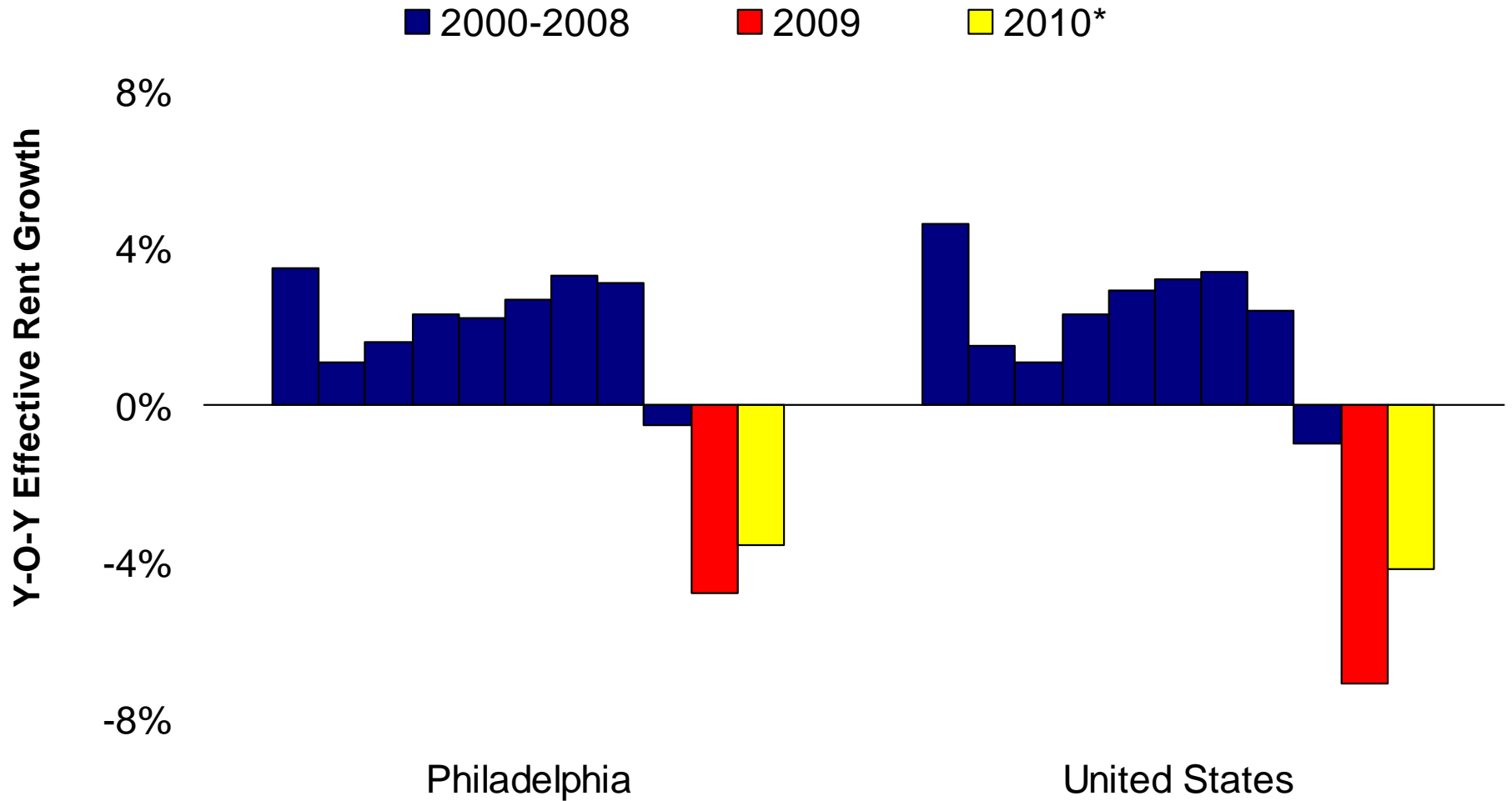
* Forecast

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Philadelphia Retail Submarkets Vacancy Ranking

Submarkets	4Q09 Vacancy
Delaware County	6.3%
Bucks County	7.8%
Burlington County	8.3%
Chester County	8.8%
Philadelphia County	9.3%
Gloucester County	9.6%
Camden County	11.5%
Montgomery County	11.5%

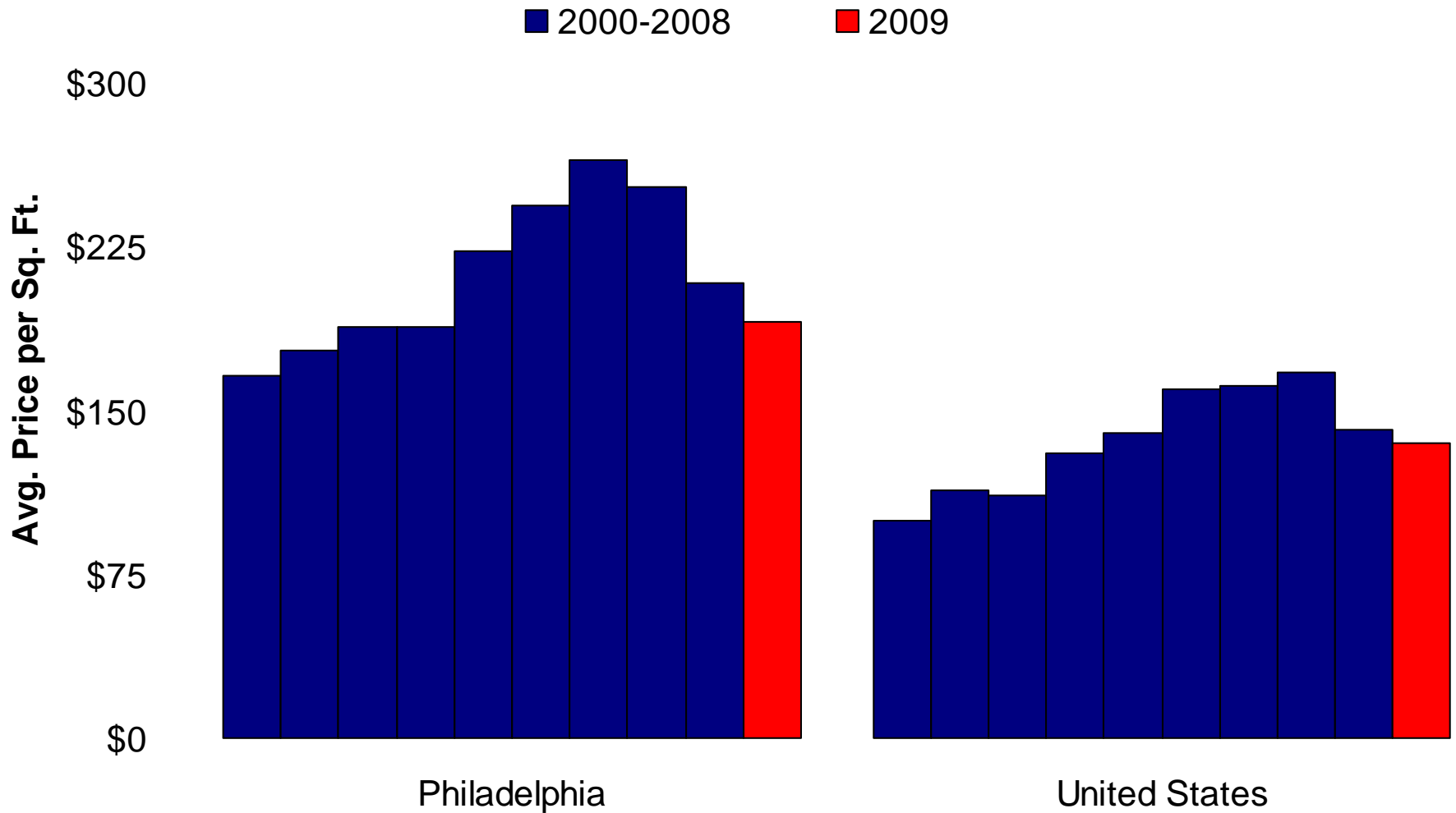
Retail Effective Rent Trends



* Forecast

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

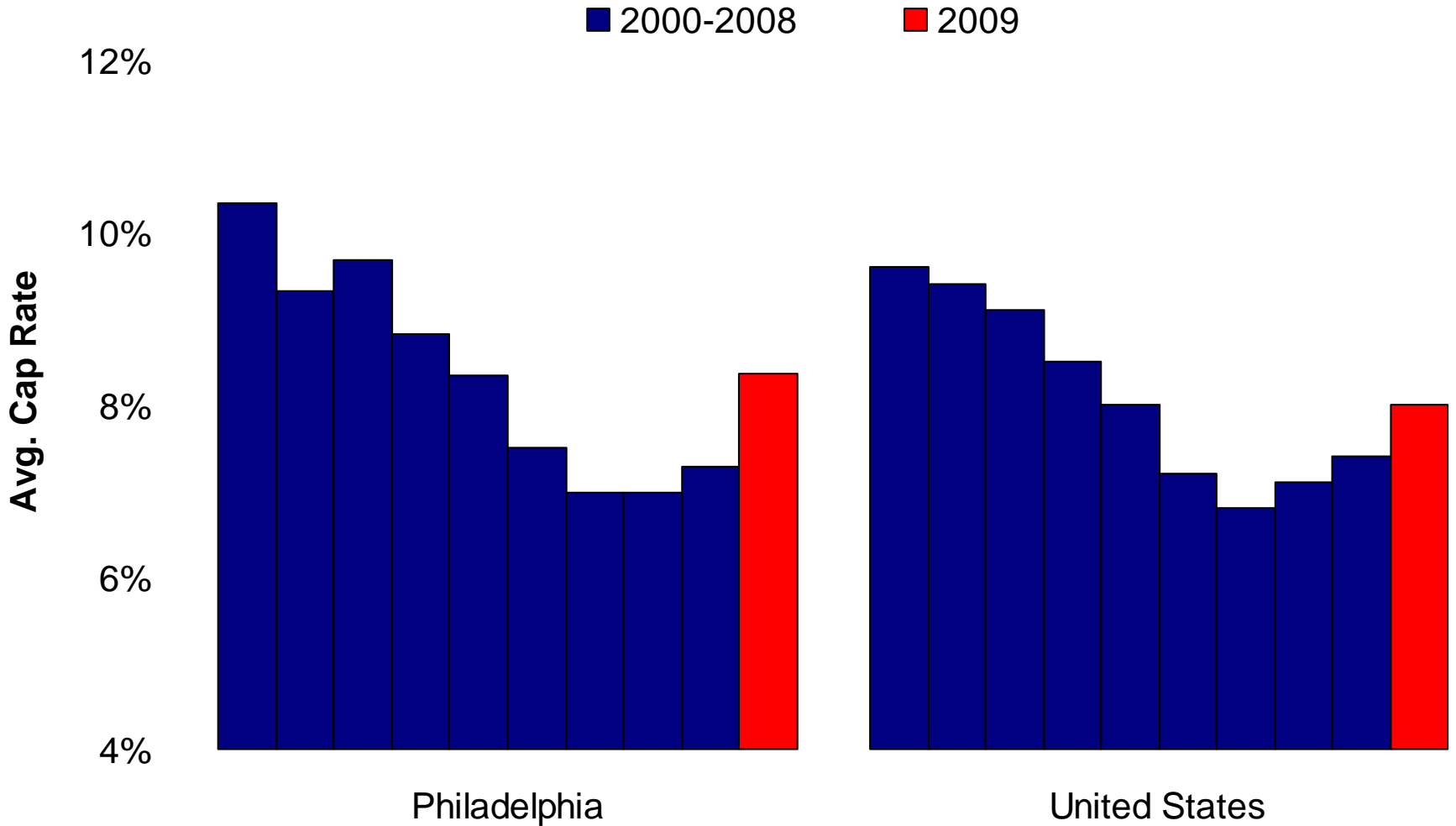
Retail Average Price per Sq. Ft.



Includes Sales \$1,000,000 and above

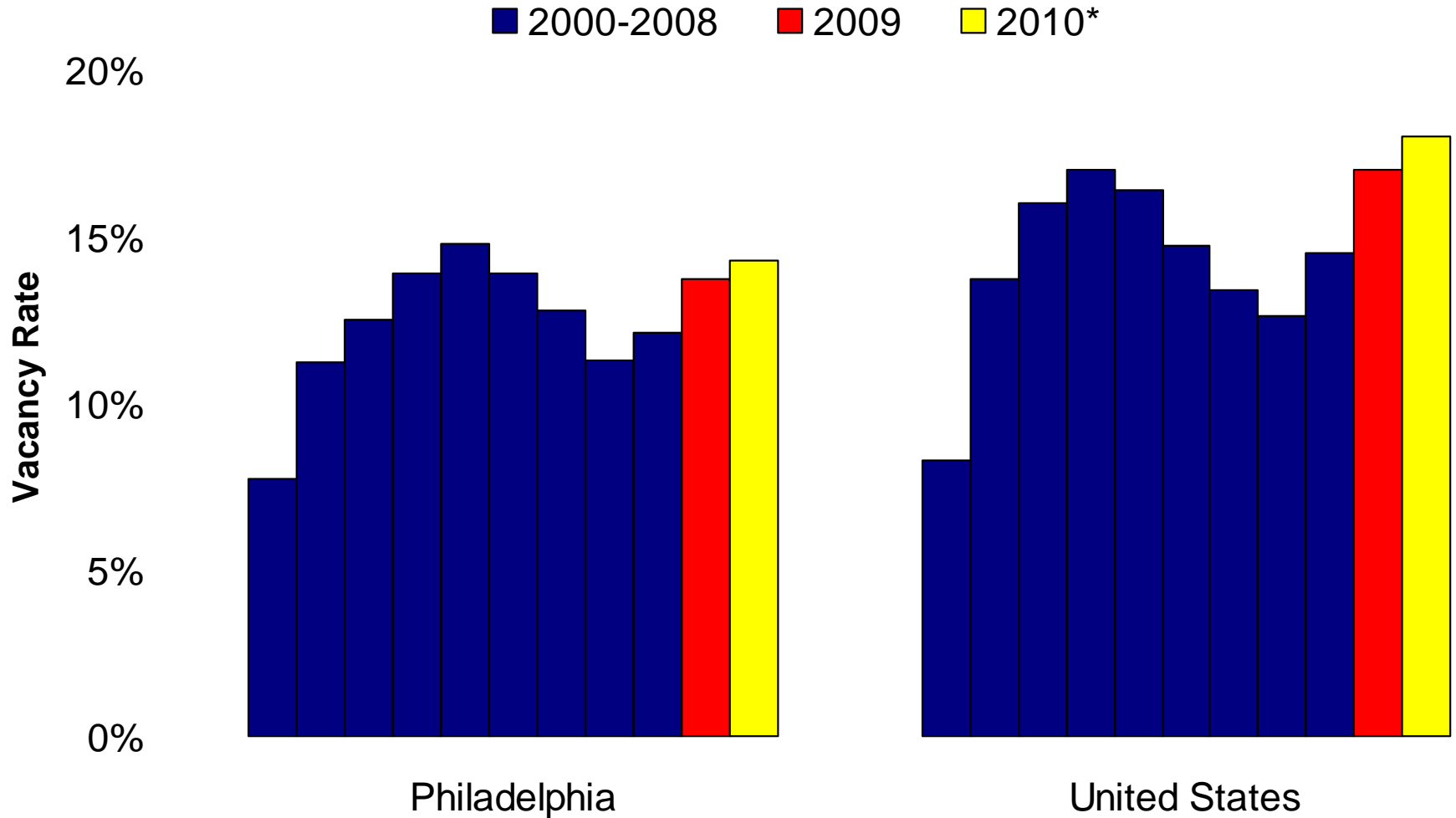
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Retail Cap Rate Trends



Includes Sales \$1,000,000 and above
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

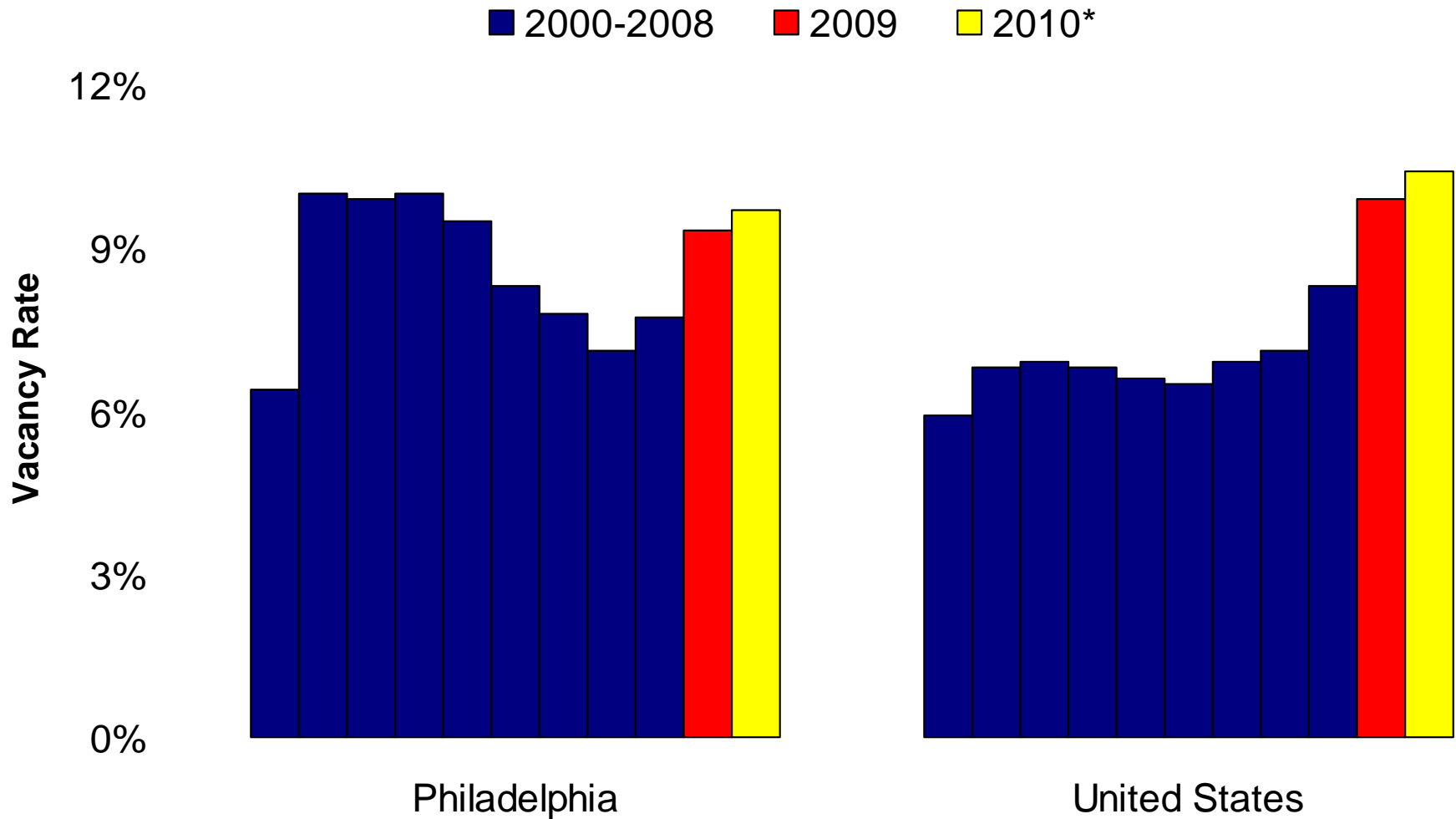
Office Vacancy Trends



* Forecast

Sources: Marcus & Millichap Research Services, Reis

Retail Vacancy Trends



* Forecast

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Philadelphia Retail Submarkets

Effective Rent Growth Ranking

Submarkets	4Q08	4Q09	% Change
Philadelphia County	\$18.41	\$18.74	1.8%
Gloucester County	\$13.34	\$13.11	-1.7%
Burlington County	\$19.78	\$19.31	-2.4%
Delaware County	\$19.53	\$18.56	-5.0%
Camden County	\$14.18	\$13.37	-5.7%
Chester County	\$16.65	\$15.57	-6.5%
Montgomery County	\$19.67	\$18.15	-7.7%
Bucks County	\$19.39	\$17.43	-10.1%



U.S Macro Economic and Real Estate Market Overview