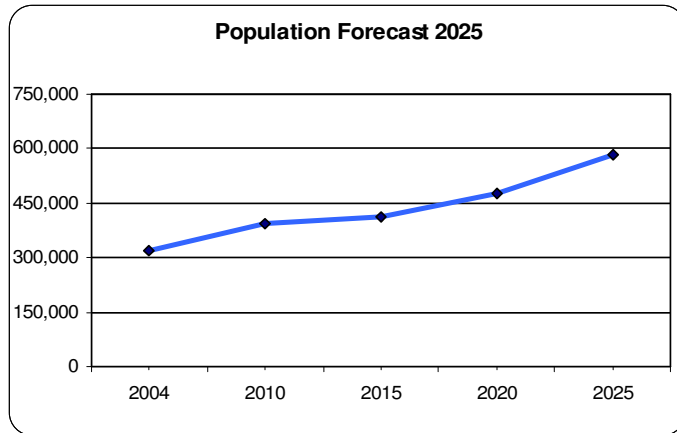
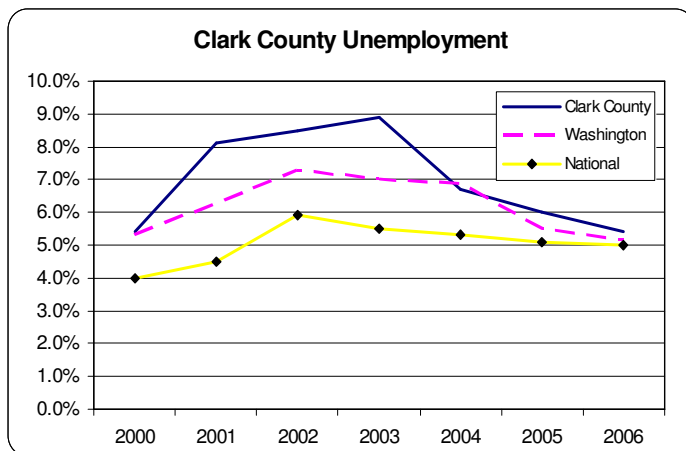


Columbian Economic Market Forecast 2007
August 13, 2007

Clark County, again, experienced a very active past 12 months in all commercial real estate segments except for the lagging industrial multi-tenant market. The continued population increase into Clark County, the future projected population growth based upon the Growth Management Planning Act and the forecasted new jobs to Clark County, and a consistently low employment rate will boost the demand for new commercial and industrial real estate developments within Clark County.



The Board of Clark County Commissioners are finalizing the update to the Growth Management Planning Act and have wrestled with the addition of additional buildable land to the urban growth area of various cities for the projected population and job growth for the next 20 years. The current inventory (prior to the updated GMA plan) for vacant land in Clark County in strategic traffic corridors is very limited and generally has significant development issues, including wetlands and habitat protection.



← (NEED 2007 #'s)

INTERGRATION INTO THE METROPOLITAN AREA:

Clark County and the City of Vancouver have benefited greatly over the past 20 years as measured in job growth and population growth vis-à-vis the integration of Clark County into the

Portland Metropolitan Area via the I-5 and I-205 bridges. Both Oregon and Washington are now in the final stages of evaluating the I-5 bridge crossing alternative, and regardless of the final design, the need for the added capacity on the I-5 corridor is an immediate requirement for the Clark County's next 20 years of growth. Both freight and passenger traffic are being hampered daily with peak period traffic delays due to the restricted capacity of the I-5 bridge.

INSERT I-5 Traffic Count CHART






INVESTMENT SALES:

The past 12 months was the best year ever for investment sales in Clark County. There was a total of all types of income producing property sales totaling nearly \$445 million. The top three investment sales, including Columbia Business Center, EastRidge Business Park and Hazel Dell Towne Center accounted for 53% of the total of all investment sales. The past 12 months represented a 47% increase of total dollars in investment sales compared to the previous 12 months. The outlook for investments sales of all categories of income producing property is extremely positive with an excess of buyers in the market with a limited amount of inventory for sale. As a commercial property owner, this is a prime time to consider selling your property and locking in the unrealized gain of the increase in value before capitalization rates may be effected by the rising interest rate markets.

COMMERCIAL LANDS:

Clark County experienced, over the past 12 months, a significant decrease in commercial and industrial land sales due to the lack of ready, buildable land located in strategic traffic corridors. The past 12 months accounted for just over \$100 million worth of commercial and industrial land sales compared to over \$315 million in the previous 12 months. This 57% decrease, again illustrates the lack of suitable, buildable industrial and commercial land parcels in Clark County. The adoption of the expansion to the Urban Growth Boundary by the Board of County Commissioners would greatly assist in alleviating this anemic inventory of vacant, buildable lands. As one would expect, the land values have increased significantly (even with the reduced volume of sales), again, because sellers have realized that there is a lack of viable competing locations for buyers to consider in locating industrial and commercial development. A benefit of a limited buildable lands inventory is the redevelopment of existing properties to a higher and better use. A prime example is the Boise Cascade site which will be vacated as an industrial production facility, and over the next 10 years, will be converted into an urban, mixed-use commercial, retail and residential waterfront development. There will likely be other redevelopment of significant parcels as developers start looking at redevelopment as a prime opportunity in providing business expansion opportunities.

My Forecast for the next 12 months:

	Commercial land prices increasing
	Commercial land sales volume steady
	Investment property values increasing
	Population will increase faster than Clark County's forecast
	Interstate Bridge Crossing