

OFFICE REPORT

Clark County | July 2010



SUMMARY | TOTALS



Clark County saw another stagnant month in the commercial office leasing arena in July. Many decision makers are on vacation and it just takes longer to consummate deals that are in the pipeline. There seems to be some trepidation in the marketplace as to whether or not a double-dip recession is likely which is causing many firms to hold the course. With that said, we have heard from a number of businesses looking to grow who will likely do so once there is some reassurance that the economy will continue to improve and not regress.

Many of the deals being done are short-term leases, often times for only 12 to 18 months, enabling business owners to test the waters before making a substantial commitment. Longer leases frequently have early termination agreements enclosed. Standard concessions of free rent, brokerage incentives, TI allowance and rental rate reduction are still common practice. There are fewer companies going dark or asking for rental reductions signaling some added improvement in the marketplace.

Total Class A & B Leasable Office Space (sq. ft.)	5,259,992
Total Available Class A & B Office Space (sq. ft.)	992,005
Clark County Class A & B Vacancy Rate	18.86%
Average Vacant Class A & B Rental Rate <i>(Adjusted Annual Full Service Basis)</i>	\$20.25
Month Over Month Net Absorption (sq. ft.)	-12,385
Year Over Year Net Absorption (sq. ft.)	75,974

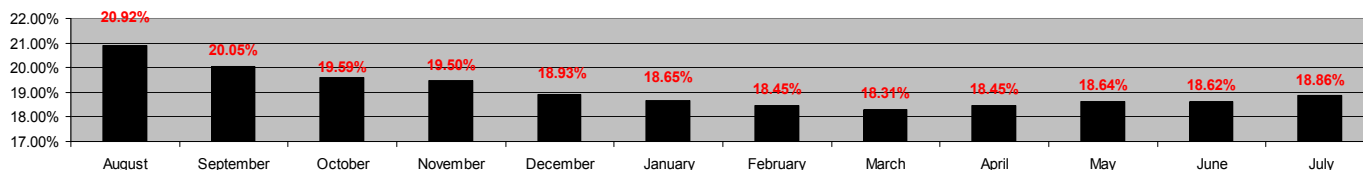
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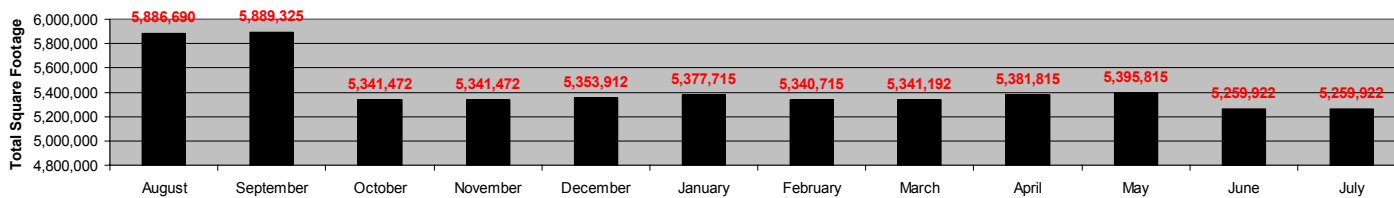


HIGHLIGHTS | TOTALS

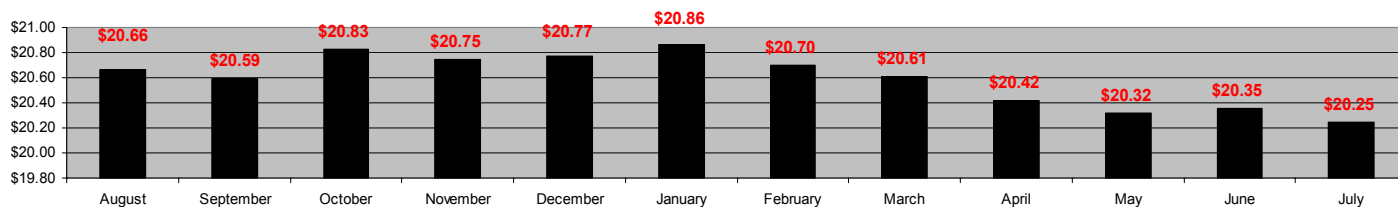
Clark County Class A & B Vacancy Rates



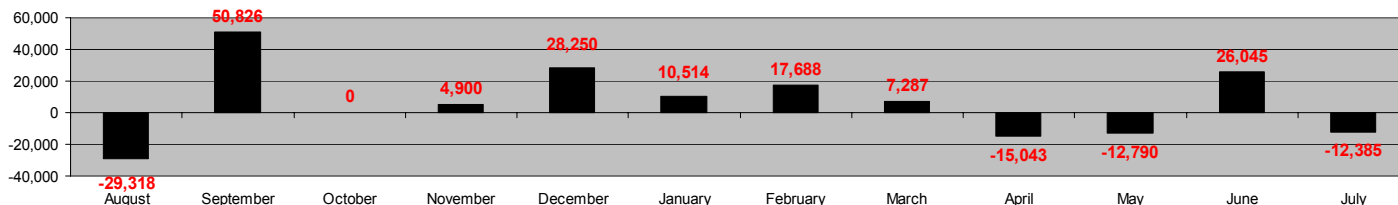
Clark County Class A & B Office Space



Clark County Class A & B Rental Rates



Month Over Month Net Absorption



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RECENT TRANSACTIONS

May 2010

Allstate Insurance Company	Renewal	2,408	Orchards / Battle Ground	Industrial	EF-Inc
Children's Center	Lease	3,210	Vancouver CBD	Office	EF-Inc / Phillips Group
Columbia River Natural Pet Foods	Lease	3,200	Hazel Dell / Salmon Creek	Industrial	EF-Inc/ CB
Chicago Title	Lease	1,766	Cascade Park / EV	Office	Grubb / Melvin Mark
Sally Jenkins	Lease	2,109	Vancouver Mall	Office	CBRE / NBS
Van Plaza Inc dba Domino's Pizza	Lease	1,408	Hazel Dell / Salmon Creek	Retail	EF-Inc / NBS
Babrak Amiri	Purchase	9,194	Vancouver CBD	Office	EF-Inc
Southwest Clean Air Agency	Renewal	5,856	Orchards / Battle Ground	Office	EF-Inc
Messiah Lutheran Church	Lease	2,432	Ridgefield	Office	EF-Inc
Fourth Ave Liberty, LLC	Purchase	3,900	Camas / Washougal	Retail	CB

June 2010

Craig Cancilla and Colleen Clark	Lease	11,500	Camas / Washougal	Industrial	EF-Inc / Century 21
Washougal Cartridge Co	Lease	5,277	Camas / Washougal	Industrial	EF-Inc
CompRite	Lease	1,200	Orchards / Battle Ground	Retail	EF-Inc / Riley & Assoc.
International Anglers Expositions	Renewal	4,300	Orchards / Battle Ground	Office	EF-Inc / CB
New Age Thinking	Lease	2,500	Orchards / Battle Ground	Retail	NBS
Pets Only	Lease	6,000	Hazel Dell / Salmon Creek	Industrial	NBS
Ryonet	Lease	12,060	Orchards / Battle Ground	Industrial	Columbia Commercial/NBS
Van Pizza	Lease	1,408	Hazel Dell / Salmon Creek	Retail	EF-Inc / NBS
LOD Spine Centers, LLC	Lease	2,102	Cascade Park / EV	Office	EF-Inc
City of Vancouver	Purchase	114,823	Vancouver CBD	Office	EF-Inc
Edward Jones	Lease	1,193	Vancouver CBD	Retail	EF-Inc
Ryan Herco Flow Solutions	Renewal	1,536	Orchards / Battle Ground	Office	EF-Inc
Used Appliance Store	Lease	1,200	Central Vancouver	Industrial	CB
Catholic Community Services	Lease	1,714	Hazel Dell / Salmon Creek	Office	CB
Christie, Inc dba Team Logic IT	Expansion	2,592	Orchards / Battle Ground	Office	EF-Inc
EastRidge Acquisition LLC	Purchase	5,988	Orchards / Battle Ground	Industrial	CB

July 2010

Andersen Dairy	Purchase	12,460	Orchards / Battle Ground	Industrial Land	EF-Inc
Arturo and Carolina Huerta	Lease	6,751	Cascade Park / EV	Retail	NBS
Butcher Boys	Purchase	5,000	Central Vancouver	Retail	EF-Inc
Denny Heck for Congress	Lease	2,200	Orchards / Battle Ground	Retail	NBS
Muddy Paws Dog Wash	Lease	1,200	Orchards / Battle Ground	Retail	NBS
NFN Investments	Purchase	37 Units	Central Vancouver	Multi Family	NBS
Orchards Market	Renewal	2,250	Orchards / Battle Ground	Retail	Bluestone & Hockley
Paramount Bedding	Lease	5,500	Orchards / Battle Ground	Retail	NBS / Chadwick Co
Protoplant	Lease	1,200	Central Vancouver	Industrial	CB
Wallace Teuscher	Lease	1,219	Vancouver CBD	Office	Century 21
Ecobest	Lease	735	Orchards / Battle Ground	Office	EF-Inc
Logistic Services	Lease	1,005	Orchards / Battle Ground	Office	EF-Inc
Anewin, LLC	Lease	2,061	Orchards / Battle Ground	Industrial	EF-Inc

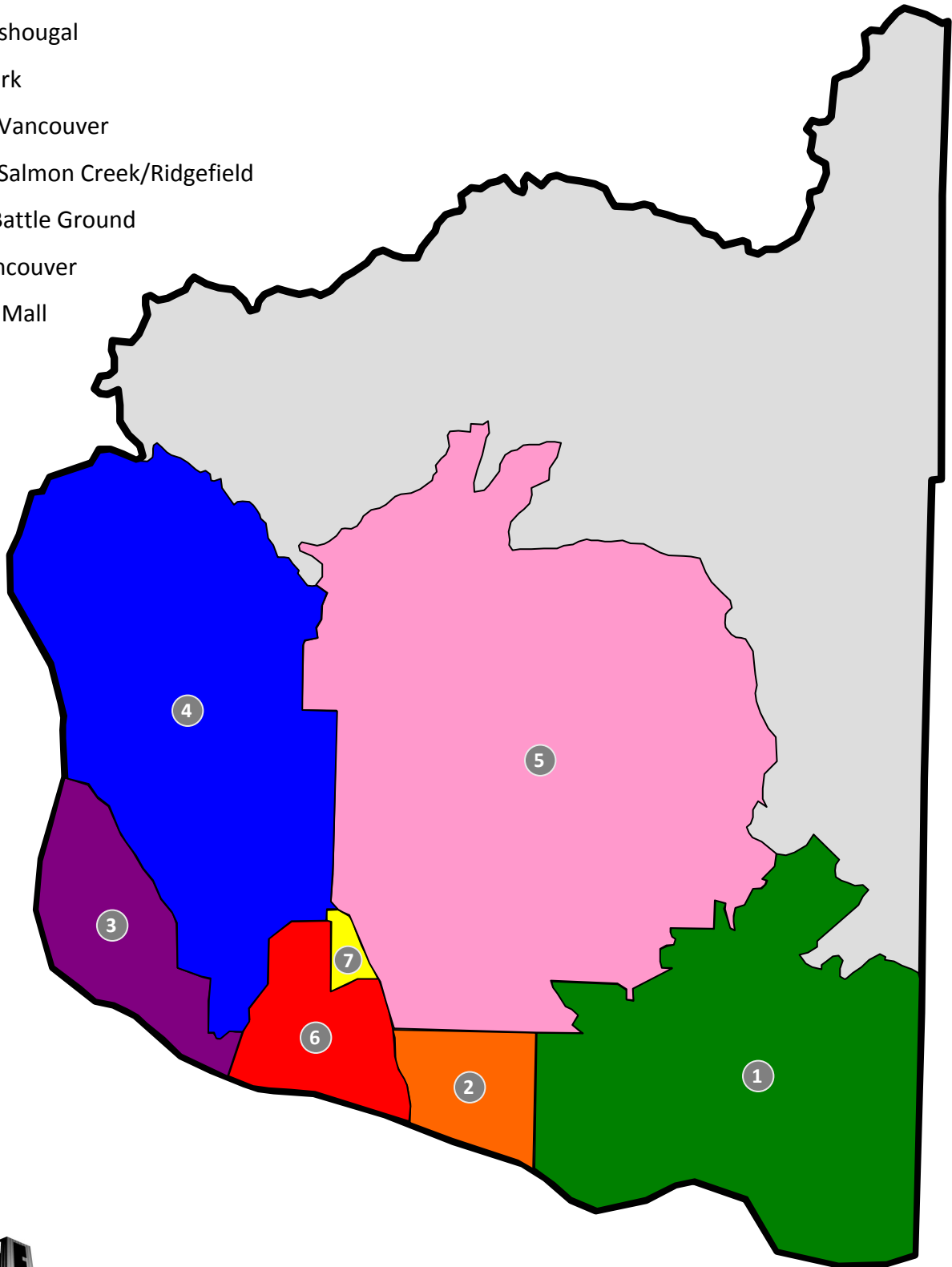
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OFFICE SUBMARKETS MAP

1. Camas/Washougal
2. Cascade Park
3. CBD/West Vancouver
4. Hazel Dell/Salmon Creek/Ridgefield
5. Orchards/Battle Ground
6. Central Vancouver
7. Vancouver Mall



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CAMAS | WASHOUGAL SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
1150 S 35th St	5,000			
3695 Truman Rd	5,277			
82 15th St	5,656			
15th St @ A St	5,696			
1540 B St	6,000			
531 NE Everett St	6,000			
3400 SE 196th St	8,000			
700 NE Fourth Ave	19,761	5,000	25%	\$18.00
4900 NW Camas Meadows Dr	19,943			
4845 NW Camas Meadows Dr	27,820			
4800 NW Camas Meadows Dr	35,454	22,000	62%	\$20.00
4600 NW Camas Meadows Dr	40,701			
	185,308	27,000	14.6%	\$19.00

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CASCADE PARK SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
19301 SE 34th St	5,000			
606 SE 117th Ave	5,167			
17010 NE 9th St	6,000			
11820 NE Crestwood St	6,200	6,200	100%	\$19.50
234 SE 136th Ave	7,300	1,665	23%	\$23.00
519 SE 116th Ave	7,382			
16820 SE McGillivray Blvd	7,500	2,000	27%	\$22.00
15524 SE Mill Plain Blvd	7,740			
2415 SE 165th Ave	10,000	2,461	25%	\$18.00
11101-11109 NE 14th St	12,000			
217 SE 136th Ave	12,000			
12204 SE Mill Plain Blvd	12,000	2,320	19%	\$19.00
16219 SE 12th St	13,660	2,997	22%	\$21.00
16508 SE 24th St	14,000	1,342	10%	\$20.00
417 SE 164th Ave	15,525	10,215	66%	\$21.00
1406 SE 164th Ave	17,085	5,602	33%	\$21.00
615 SE Chkalov Dr	18,073	1,774	10%	\$22.50
14300 SE First St	18,166	9,000	50%	\$14.95
17700 SE Mill Plain Blvd	21,353			
16821 SE McGillivray Blvd	22,500	2,621	12%	\$23.00
3250 SE 164th Ave	23,000	8,370	36%	\$21.99
521 NE 136th Ave	24,000			
11201 NE 9th St	24,542	7,377	30%	\$21.00
16821 SE McGillivray Blvd	25,000	5,228	21%	\$23.00
1325 SE Tech Center Dr	25,520	1,019	4%	\$22.00
120 NE 136th Ave	25,696			
811 NE 112th Ave	27,122			
16701 SE McGillivray Blvd	29,682	1,735	6%	\$21.00
12503 SE Mill Plain Blvd	31,552	6,902	22%	\$20.00
19120 SE 34th St	32,356	3,291	10%	\$27.00
601 SE 117th Ave	38,571	16,453	43%	\$21.19
501 SE 172nd Ave	40,000			
13115 NE 4th St	40,000	8,494	21%	\$19.92
12500 SE Second Cir	42,326	16,858	40%	\$24.00
11818 SE Mill Plain Blvd	42,884	13,658	32%	\$21.00

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CASCADE PARK SUBMARKET | CONTINUED

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
521 SE Chkalov Dr	45,000			
16703 SE McGillivray Blvd	45,218	6,435	14%	\$19.00
17205 SE Mill Plain Blvd	50,000			
204 SE Stonemill Dr	51,908	17,183	33%	\$18.50
17200 SE Mill Plain Blvd	52,845	4,150	8%	\$16.00
120 NE 136th Ave	53,515			
201 NE Park Plaza Dr	55,000	12,624	23%	\$24.00
312 SE Stonemill Dr	64,603	4,561	7%	\$18.50
222 NE Park Plaza Dr	68,230	19,705	29%	\$23.77
201 NE Park Plaza Dr	71,000	7,277	10%	\$18.99
1498 SE Tech Center Pl	71,010	16,425	23%	\$21.00
1499 SE Tech Center Pl	71,365	52,921	74%	\$20.60
203 SE Park Plaza Dr	73,000	13,977	19%	\$24.00
	1,483,596	292,840	19.7%	\$20.95

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CENTRAL BUSINESS DISTRICT | WEST VANCOUVER

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
310 W 11th St	5,020	850	17%	\$7.73
601-611 16th St	5,300			
314 W 15th St	7,000	7,000	100%	\$22.00
1801 D St	7,906	1,600	20%	\$13.20
1013 Franklin St	7,920			
210 W 4th St	8,000			
315 W Mill Plain Blvd	8,887			
303 E 16th St	9,270			
400-404 E 13th St	10,000			
1400 Columbia St	10,410	3,869	37%	\$18.50
1706 D St	14,000			
2101-2107 C St	14,000	14,000	100%	\$12.00
801 Main St	14,816			
1409 Franklin St	14,817	1,500	10%	\$15.66
300 W 15th St	16,392	16,392	100%	\$22.00
404 E 15th St	16,500	9,093	55%	\$16.88
710 W 13th St	17,853			
1408 FRANKLIN St	17,972			
1610 C St	18,318	8,090	44%	\$17.13
601 W Evergreen Blvd	22,002			
1313 Main St	23,383			
916 Main St	26,627	4,467	17%	\$21.00
101 E 8th St	26,930	3,454	13%	\$13.50
2500 Main St	30,000			
3305 Main St	33,948	16,321	48%	\$13.81
911 Main St	38,634			
1104 Main St	39,713	6,375	16%	\$19.94
500 W Eighth St	39,763	3,480	9%	\$16.89
915 Broadway St	40,000			
611 W Evergreen Blvd	42,973	8,200	19%	\$18.00
703 Broadway St	51,358	5,467	11%	\$21.00
400 E Mill Plain Blvd	60,833	28,834	47%	\$26.00
1220-1260 Main St	62,388	4,880	8%	\$22.50
500 Broadway St	70,353	6,157	9%	\$25.50
900 Washington St	71,000			
1111 Main St	87,984	8,707	10%	\$22.81
700 Washington St	108,248	24,241	22%	\$23.97
805 Broadway St	202,975	41,839	21%	\$22.65
	1,303,493	224,816	17.2%	\$18.76

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HAZEL DELL | SALMON CREEK | RIDGEFIELD SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
14201 NE 20th Ave	7,800			
7409 NE Hazel Dell Ave	8,000	6,286	79%	\$20.00
2515 NE 134th St	8,524	4,262	50%	\$26.00
2205 NE 129th St	8,960			
1200 NE 99th St	10,000			
8515 NE Hazel Dell Ave	10,000			
8411 NE Highway 99	10,000			
9901 NE 7th Ave	10,730	6,430	60%	\$18.00
9901 NE 7th Ave	11,300	420	4%	\$25.80
2105 NE 129th St	11,400			
2103 NE 129th St	11,400	5,207	46%	\$16.00
9901 NE 7th Ave	11,532			
1404 NE 134th St	12,000			
14208 NW Third Ct	13,000	1,038	8%	\$19.70
2101 NE 129th St	13,100			
7223 NE Hazel Dell Ave	13,589			
2702-2708 NE 78th St	14,000	7,097	51%	\$28.00
10002 NE 13th St	14,500	5,142	35%	\$24.00
13317 NE 12th Ave	14,549	7,176	49%	\$22.94
9901 NE 7th Ave	14,572	1,494	10%	\$25.52
7414 NE Hazel Dell Ave	15,000			
2 S 56th Pl	17,475	2,547	15%	\$25.50
7604 NE Hazel Dell Ave	18,000			
9105 Highway 99	20,000			
9103 Highway 99	21,000			
14508 NE 20th Ave	22,500			
201 NE 73rd St	24,000	5,233	22%	\$12.00
14201 NE 20th Ave	24,734	8,300	34%	\$22.00
2501 NE 134th St	27,786			
2415 NE 134th St	31,000	5,012	16%	\$24.50
2621 NE 134th St	32,123	18,520	58%	\$27.13
2417-2525 NE 139th St	45,664			
1308 NE 134th St	55,010			
10000 NE Seventh Ave	60,000	23,742	40%	\$20.57
	643,248	107,906	16.8%	\$22.35

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ORCHARDS | BATTLE GROUND SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
3400 SE 196th St	5,500			
1401 NW 1st St	5,760	1,536	27%	\$23.00
15 SW 20th Ave	6,442			
105 W Main St	6,450	1,320	20%	\$21.02
1910 SW 9th Ave	7,568			
11802 NE 65th St	7,729	3,329	43%	\$17.97
12518 NE 95th St	8,632			
118 S Parkway Ave	9,169	5,580	61%	\$19.01
5411 NE 107th Ave	9,350	9,350	100%	\$16.00
1710 W Main St	13,194			
13400 NE 20th St	14,745			
5500 NE 109th Ct	15,922	7,620	48%	\$18.00
11805 NE 99th St	17,520	5,257	30%	\$20.00
11815 NE 99th St	18,744	3,236	17%	\$13.50
5501 NE 109th Ct	18,830	5,540	29%	\$18.00
11807 NE 99th St	19,696	14,816	75%	\$12.50
9115B NE 117th Ave	20,000			
9611 NE 117th Ave	24,160	6,660	28%	\$21.00
109 SW First St	31,110			
	260,521	64,244	24.7%	\$18.18

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CENTRAL VANCOUVER SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
8308 NE Mill Plain Blvd	5,000	914	18%	\$20.50
816 NE 87th Ave	5,906			
717 NE 61st St	6,100	3,000	49%	\$15.60
11015 NE Fourth Plain Rd	7,160			
2403 E Evergreen Blvd	7,335	3,101	42%	\$21.00
3312 E Fourth Plain Blvd	7,600	2,800	37%	\$17.00
9300 Oak View Dr	11,600	3,568	31%	\$18.95
7200 NE 41st St	16,017	7,730	48%	\$17.00
6615 E 4th Plain Blvd	17,000	6,000	35%	\$20.50
2001 SE Columbia River Dr	20,000	9,428	47%	\$30.00
5305 E 18th St	21,810	3,140	14%	\$23.53
5300 MacArthur Blvd	22,500	22,492	100%	\$17.00
200 Grand Blvd	22,600			
8614 NE Mill Plain Blvd	23,498	9,793	42%	\$20.00
2018 Grand Blvd	25,782			
1701 SE Columbia River Dr	26,000	2,600	10%	\$28.00
2211 E Mill Plain Blvd	32,011			
2700 NE Andresen Rd	36,782	10,266	28%	\$15.70
501 SE Columbia Shores Blvd	41,969	10,937	26%	\$22.00
5701-5721 SE Columbia Way	66,000			
5411 E Mill Plain Blvd	152,536	26,106	17%	\$18.00
	575,206	121,875	21.2%	\$20.32

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VANCOUVER MALL SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
9407 NE Vancouver Mall Dr	5,600			
5123 NE 94th Ave	6,184	2,288	37%	\$17.00
5131 NE 94th Ave	6,184	2,334	38%	\$17.00
9414-9430 NE Fourth Plain Blvd	10,080			
9300 NE Vancouver Mall Dr	12,135	10,363	85%	\$21.00
9310 NE Vancouver Mall Dr	15,000			
3925 NE 72nd Ave	15,154			
7720 NE Vancouver Mall Dr	15,232	7,319	48%	\$18.00
9330 NE Vancouver Mall Dr	15,250	1,565	10%	\$21.00
7710 NE Vancouver Mall Dr	15,697	1,900	12%	\$21.50
5101 NE 82nd Ave	18,960	1,200	6%	\$27.00
5101 NE 82nd Ave	18,960	6,202	33%	\$27.00
9320 NE Vancouver Mall Dr	20,000	3,500	18%	\$21.00
7700 NE Greenwood Dr	27,500	2,074	8%	\$19.50
7710 NE Greenwood Dr	27,500	5,768	21%	\$18.00
5101-5104 NE 82nd Ave	28,500			
9120 NE Vancouver Mall Dr	32,504	4,728	15%	\$20.60
8000 NE Parkway Dr	47,810	6,421	13%	\$21.00
7700 NE Parkway Dr	50,762	18,576	37%	\$21.00
4601 NE 77th Ave	53,114	10,884	20%	\$22.00
8100 NE Parkway Dr	56,960	2,965	5%	\$20.00
4317 NE Thurston Way	57,463	21,724	38%	\$13.59
7600 NE 41st St	72,000			
7500 NE 41st St	84,198			
4400 NE 77th Ave	95,873	43,513	45%	\$24.00
	808,620	153,324	19.0%	\$20.57