

OFFICE REPORT

Clark County | May 2011



SUMMARY | TOTALS



May was a positive month for Clark County's office market. A number of significant transactions took some vacancy off of the marketplace. It should also be noted that two significant deals (PeaceHealth and Lionbridge Technologies) were completed at the Nautilus Building, which is not included in this report, meaning the true absorption for May was even greater than shown. Rental rates are still low and tenants are extremely slow to act, but activity is undoubtedly increasing and the market is improving.

In looking at the months ahead, much of the activity we are seeing today should yield additional closed deals and further absorption in the future. Much of the activity is still moving from one product to the next and landlords must be especially diligent in pricing their product "right" to keep the tenants they have and to attract new tenants from the marketplace. Vacancy rates need to drop further before we can see any pressure on rental rates to stabilize and eventually increase.

Total Class A & B Leasable Office Space (sq. ft.)

5,459,972

Total Available Class A & B Office Space (sq. ft.)

1,065,743

Clark County Class A & B Vacancy Rate

19.52%

Average Vacant Class A & B Rental Rate
(Adjusted Annual Full Service Basis)

\$19.79

Month Over Month Net Absorption (sq. ft.)

27,241

Year Over Year Net Absorption (sq. ft.)

-60,078

VACANCY RATE

Change from past
Year Month



(18.64%)



(20.01%)

RENTAL RATE

Change from past
Year Month



(\$20.32)



(\$19.86)

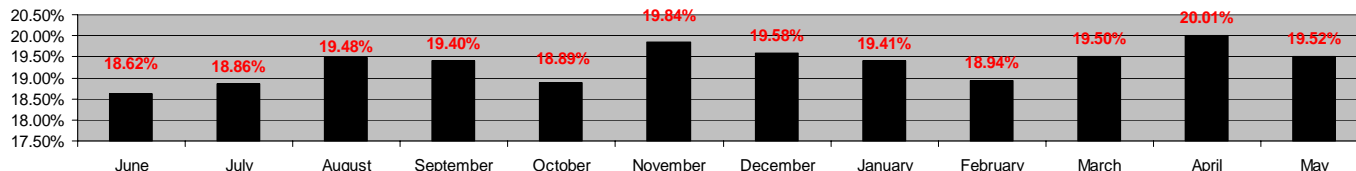
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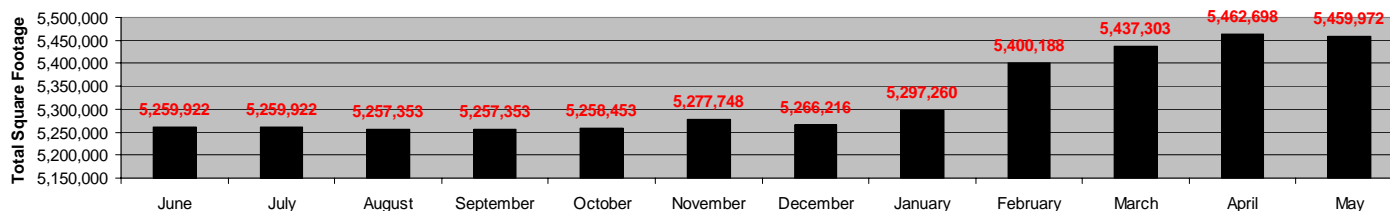


HIGHLIGHTS | TOTALS

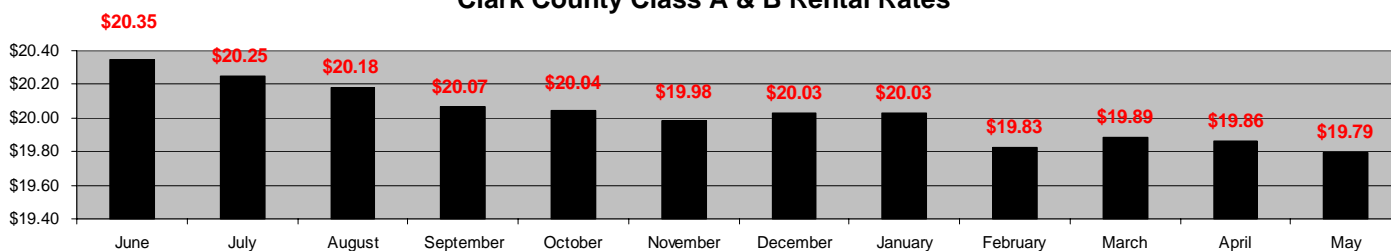
Clark County Class A & B Vacancy Rates



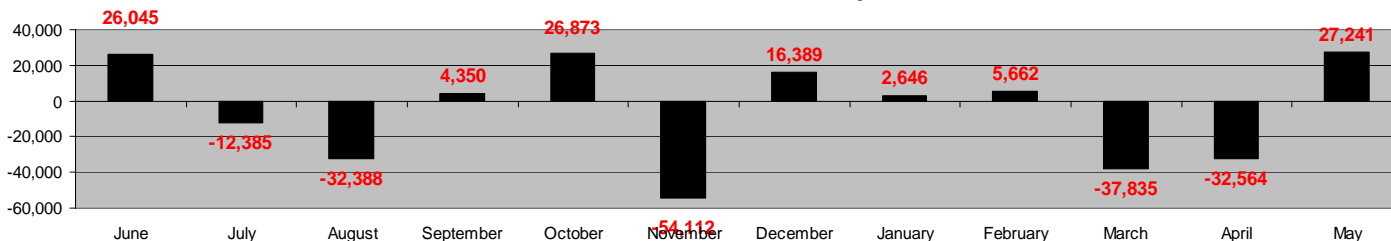
Clark County Class A & B Office Space



Clark County Class A & B Rental Rates



Month Over Month Net Absorption



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RECENT TRANSACTIONS

April 2011

Dice Age Games	Lease	2,800	Central Vancouver	Retail	Phillips
Little Dudes and Divas	Lease	1,100	Vancouver CBD	Retail	Phillips
AM Investment Properties	Lease	1,981	Orchards / Battle Ground	Retail	NBS
AVA Inc. dba Collier Prosthetics	Lease	3,960	Vancouver Mall	Office	Phillips
Curves	Lease	1,610	Cascade Park / EV	Retail	Elliott
Hadwin Properties, LLC	Purchase	2,165	Orchards / Battle Ground	Office	EF-Inc / CRA
RSVP Investments, LLC	Purchase	12,000	Cascade Park / EV	Office	NBS / Diamond
Alice Larsen	Lease	500	Vancouver CBD	Office	Phillips
Clark County Christian Community Ctr	Lease	4,500	Central Vancouver	Retail	Phillips
Esthetic Therapy (Acne Treatment Ctr)	Lease	1,274	Cascade Park / EV	Office	PREP / Sperry
Innovative Product Development	Renewal	1,400	Orchards / Battle Ground	Industrial	EF-Inc / Grubb
Agency Pictures	Lease	950	Vancouver Mall	Office	Phillips
Khayratdin Chakhalidze/Larisa Khalidova	Lease	1,200	Orchards / Battle Ground	Retail	EF-Inc
Guild Mortgage Co	Lease	4,991	Cascade Park / EV	Office	Grubb / PREP
Impact Sales, Inc.	Renewal	2,856	Cascade Park / EV	Office	PREP
Abacast	Lease	2,148	Cascade Park / EV	Office	PREP / Kimbal Logan
Laurus Financial	Renewal	2,076	Cascade Park / EV	Office	PREP

May 2011

American Pacific Mortgage, Inc	Lease	4,000	Hazel Dell / Salmon Creek	Office	NW Equities, NBS
Praxair Distribution, Inc.	Lease	20,539	Central Vancouver	Industrial	Col Com
Columbia Sports, LLC	Lease	6,000	Central Vancouver	Industrial	Col Com
Options 360 Pregnancy Clinic	Renewal	2,100	Orchards / Battle Ground	Retail	Col Com
Edward Jones Investment Co	Lease	1,200	Cascade Park / EV	Office	CB
Kim's Grill	Renewal	1,200	Central Vancouver	Retail	EF-Inc
Peace Health	Lease	140,000	Cascade Park / EV	Office	EF-Inc / Cush
Richard Keyser	Lease	1,050	Vancouver CBD	Office	Phillips
Sandra Rilatas	Lease	1,352	Hazel Dell / Salmon Creek	Office	NBS
Oldcastle Precast, Inc	Lease	9,400	Vancouver CBD	Industrial	EF-Inc
Core Fitness, LLC	Lease	26,349	Vancouver Mall	Office	EF-Inc / CRESA
RadioPopper	Renewal	5,244	Vancouver CBD	Office	EF-Inc
Stewart Title Company	Renewal	2,968	Cascade Park / EV	Office	CB / PREP
JR Perrott	Purchase	9,600	Orchards / Battle Ground	Industrial	EF-Inc / Phillips
Pacific Coast Shredding	Lease	38,752	Vancouver CBD	Industrial	Col Com
Revival Baptist Church	Purchase	14,097	Cascade Park / EV	Special Use	Col Com
Country Insurance	Lease	905	Orchards / Battle Ground	Office	CB / Grubb
P&GL	Lease	1,176	Orchards / Battle Ground	Retail	Grubb

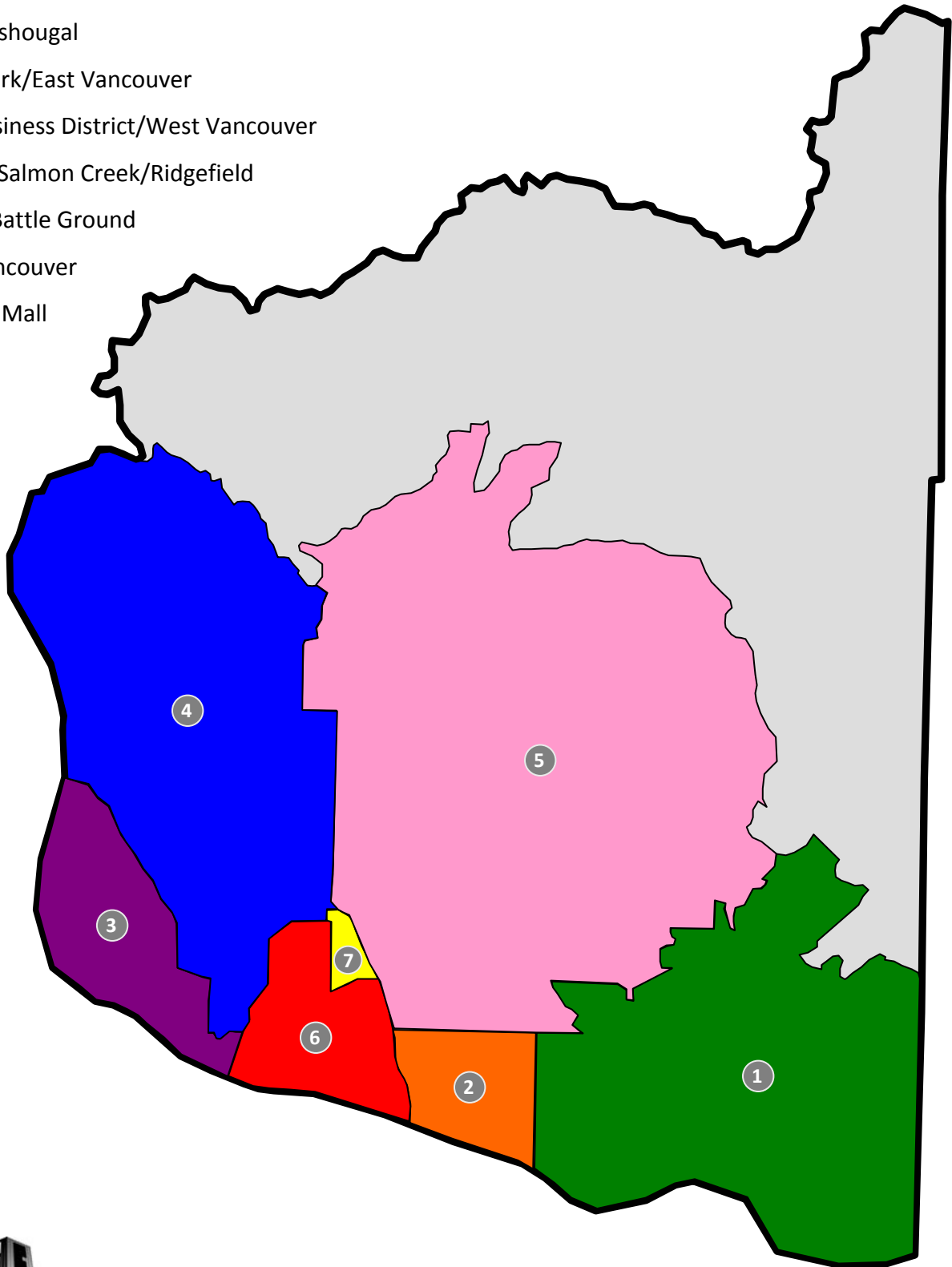
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OFFICE SUBMARKETS MAP

1. Camas/Washougal
2. Cascade Park/East Vancouver
3. Central Business District/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			
3400 SE 196th St	5,500	1,132	21%	\$23.00
82 Washougal River Rd	5,656	2,200	39%	\$16.00
15th St @ A St	5,696			
1540 B St	6,000			
531 NE Everett St	6,000			
416 NE Dallas St	10,000	4,324	43%	\$12.50
700 NE Fourth Ave	19,761	5,000	25%	\$18.00
1700 Main St	25,802	20,726	80%	\$21.00
4900 NW Camas Meadows Dr	27,820			
4600 NW Camas Meadows Dr	28,600	20,365	71%	\$21.00
4800 NW Camas Meadows Dr	35,454			
4700 NW Camas Meadows Dr	40,701			
	227,267	53,747	23.6%	\$18.58

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CASCADE PARK | EAST VANCOUVER SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
19301 SE 34th St	5,000	3,432	69%	\$23.00
606 SE 117th Ave	5,167			
17010 NE 9th St	6,000			
11820 NE Crestwood St	6,200			
234 SE 136th Ave	7,300	1,665	23%	\$23.00
519 SE 116th Ave	7,382			
16820 SE McGillivray Blvd	7,500			
15524 SE Mill Plain Blvd	7,740	2,400	31%	\$17.00
2415 SE 165th Ave	10,000	2,461	25%	\$18.00
217 SE 136th Ave	12,000			
12204 SE Mill Plain Blvd	12,000			
11105-11115 NE 14th St	12,000	3,000	25%	\$18.00
16219 SE 12th St	13,660	3,244	24%	\$18.00
16508 SE 24th St	14,000	1,720	12%	\$20.00
417 SE 164th Ave	15,525	10,500	68%	\$21.00
1406 SE 164th Ave	17,085	16,453	96%	\$19.02
615 SE Chkalov Dr	18,073	2,774	15%	\$22.50
14300 SE First St	18,166	10,136	56%	\$14.97
17700 SE Mill Plain Blvd	21,353			
16821 SE McGillivray Blvd	22,011	5,835	27%	\$20.00
16821 SE McGillivray Blvd	22,011	11,497	52%	\$20.00
3250 SE 164th Ave	23,000	8,370	36%	\$21.99
521 NE 136th Ave	24,000			
11201 NE 9th St	24,542			
1325 SE Tech Center Dr	25,520	4,120	16%	\$20.00
120 NE 136th Ave	25,696			
811 NE 112th Ave	27,122			
16701 SE McGillivray Blvd	29,682	1,735	6%	\$18.50
12503 SE Mill Plain Blvd	31,552	10,617	34%	\$20.00
19120 SE 34th St	32,356	3,291	10%	\$27.00
701 NE 136th Ave	34,834	34,834	100%	\$24.00
13115 NE 4th St	37,843	13,948	37%	\$20.51
601 SE 117th Ave	38,571	16,453	43%	\$21.28
12500 SE Second Cir	38,662	7,299	19%	\$22.50
501 SE 172nd Ave	40,000			

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CASCADE PARK | EAST VANCOUVER SUBMARKET (CONT.)

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
11818 SE Mill Plain Blvd	42,884	10,439	24%	\$21.00
521 SE Chkalov Dr	45,000			
16703 SE McGillivray Blvd	45,218	1,926	4%	\$19.00
201 NE Park Plaza Dr	48,817	12,536	26%	\$22.50
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			
312 SE Stonemill Dr	64,603	4,561	7%	\$18.50
203 SE Park Plaza Dr	69,283	17,173	25%	\$22.50
222 NE Park Plaza Dr	70,251	22,416	32%	\$22.50
1498 SE Tech Center Pl	71,010	16,473	23%	\$21.00
1499 SE Tech Center Pl	71,365	46,601	65%	\$21.00
201 NE Park Plaza Dr	74,499	38,459	52%	\$21.54
	1,504,751	367,701	24.4%	\$20.43

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CENTRAL BUSINESS DISTRICT | WEST VANCOUVER SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
310 W 11th St	5,020	850	17%	\$6.73
601-611 16th St	5,300			
314 W 15th St	7,000			
1801 D St	7,906	1,600	20%	\$19.20
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	2,486	17%	\$20.00
300 W 15th St	16,392	2,692	16%	\$21.00
404 E 15th St	16,500	9,157	55%	\$15.19
710 W 13th St	17,853			
1408 Franklin St	17,972			
1610 C St	18,318	5,908	32%	\$17.00
601 W Evergreen Blvd	22,002			
1313 Main St	23,383			
916 Main St	26,627	4,467	17%	\$17.00
101 E 8th St	26,930	3,454	13%	\$13.50
2500 Main St	30,000			
3305 Main St	33,948	4,900	14%	\$14.16
911 Main St	38,634	3,600	9%	\$14.49
1104 Main St	39,713	13,041	33%	\$15.93
500 W Eighth St	39,763	2,700	7%	\$17.00
915 Broadway St	40,000	4,436	11%	\$18.00
611 W Evergreen Blvd	42,973	8,200	19%	\$17.00
703 Broadway St	51,358	5,467	11%	\$21.00
400 E Mill Plain Blvd	60,833	14,350	24%	\$26.00
1220-1260 Main St	62,388			
500 Broadway St	70,353	6,157	9%	\$25.50
900 Washington St	71,000	4,561	6%	\$23.00
1111 Main St	87,984	17,307	20%	\$22.50
700 Washington St	108,248	26,740	25%	\$22.95
415-515 W 6th St	120,823	2,526	2%	\$27.96
805 Broadway St	202,975	67,212	33%	\$23.20
	1,424,316	229,680	16.1%	\$18.70



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HAZEL DELL | SALMON CREEK | RIDGEFIELD SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
9705 NE Hazel Dell Ave	5,684	4,544	80%	\$18.00
14201 NE 20th Ave	7,800			
7409 NE Hazel Dell Ave	8,000	4,164	52%	\$19.00
2515 NE 134th St	8,524	1,764	21%	\$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	4,162	39%	\$17.31
9901 NE 7th Ave	11,300			
2105 NE 129th St	11,400	3,876	34%	\$22.50
2103 NE 129th St	11,400	5,207	46%	\$16.00
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	3,450	25%	\$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	1,205	8%	\$18.00
7414 NE Hazel Dell Ave	15,000	3,500	23%	\$16.00
2 S 56th Pl	17,475	2,736	16%	\$25.50
7604 NE Hazel Dell Ave	18,000			
9105 Highway 99	20,000	13,000	65%	\$18.00
9103 Highway 99	21,000			
14508 NE 20th Ave	22,500	1,808	8%	\$26.00
201 NE 73rd St	24,000	5,280	22%	\$13.50
14201 NE 20th Ave	24,734	8,263	33%	\$22.00
2501 NE 134th St	27,786	3,924	14%	\$26.00
2621 NE 134th St	32,123	17,355	54%	\$27.23
2415 NE 134th St	33,048	3,039	9%	\$21.00
2417-2525 NE 139th St	45,664			
1308 NE 134th St	55,010	700	1%	\$15.00
10000 NE Seventh Ave	60,000	15,677	26%	\$19.64
	639,448	117,010	18.3%	\$20.97



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ORCHARDS | BATTLE GROUND SUBMARKET

	Leasable Area (SF)	Total Available (SF)	Vacancy	Average Weighted Rent
1401 NW 1st St	5,760			
15 SW 20th Ave	6,442			
105 W Main St	6,450			
11015 NE Fourth Plain Rd	7,160			
1910 SW 9th Ave	7,568			
11802 NE 65th St	7,729	1,129	15%	\$15.00
12518 NE 95th St	8,632	8,632	100%	\$19.00
118 S Parkway Ave	9,169	5,580	61%	\$19.01
5411 NE 107th Ave	9,350			
13400 NE 20th St	12,106			
1710 W Main St	13,194			
5500 NE 109th Ct	15,922	4,120	26%	\$18.00
11805 NE 99th St	17,520	2,816	16%	\$20.00
11815 NE 99th St	18,744	3,236	17%	\$14.00
5501 NE 109th Ct	18,830	4,340	23%	\$17.00
11807 NE 99th St	19,696	15,841	80%	\$18.00
9115B NE 117th Ave	20,000			
9611 NE 117th Ave	24,160	6,660	28%	\$22.00
15640 NE Fourth Plain Blvd	25,360	15,360	61%	\$19.00
109 SW First St	31,110			
	284,902	67,714	23.8%	\$18.10

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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
717 NE 61st St	6,100			
816 NE 87th Ave	6,156	6,156	100%	\$18.00
2403 E Evergreen Blvd	7,342	3,101	42%	\$21.00
3312 E Fourth Plain Blvd	7,600			
9300 Oak View Dr	11,600	3,568	31%	\$16.00
6615 E 4th Plain Blvd	17,000	6,000	35%	\$20.00
2001 SE Columbia River Dr	20,000	9,428	47%	\$30.00
5305 E 18th St	21,810	4,075	19%	\$22.00
5300 MacArthur Blvd	22,492	22,492	100%	\$17.00
200 Grand Blvd	22,600			
8614 NE Mill Plain Blvd	23,498			
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	8,643	23%	\$13.91
501 SE Columbia Shores Blvd	41,969	5,876	14%	\$22.00
5701-5721 SE Columbia Way	66,000			
5411 E Mill Plain Blvd	152,536	17,177	11%	\$16.00
	552,278	90,030	16.3%	\$20.37

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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
8400 NE Vancouver Mall Loop	6,900			
4610 NE 77th Ave	8,953			
9300 NE Vancouver Mall Dr	12,135	8,067	66%	\$21.00
9310 NE Vancouver Mall Dr	15,000			
3925 NE 72nd Ave	15,154			
7720 NE Vancouver Mall Dr	15,232	1,463	10%	\$18.00
9330 NE Vancouver Mall Dr	15,250	3,024	20%	\$21.00
7710 NE Vancouver Mall Dr	15,697			
7200 NE 41st St	16,017	7,730	48%	\$17.00
5101 NE 82nd Ave	18,960			
5101 NE 82nd Ave	18,960			
9320 NE Vancouver Mall Dr	20,000	5,771	29%	\$21.00
7710 NE Greenwood Dr	27,500	5,768	21%	\$18.00
7700 NE Greenwood Dr	27,500	7,258	26%	\$19.50
5101-5104 NE 82nd Ave	28,500			
9120 NE Vancouver Mall Loop	32,504	6,094	19%	\$20.27
8000 NE Parkway Dr	47,810	6,421	13%	\$22.50
7700 NE Parkway Dr	50,762	21,740	43%	\$21.00
4601 NE 77th Ave	52,696	10,884	21%	\$22.00
4317 NE Thurston Way	54,481	23,687	43%	\$13.88
8100 NE Parkway Dr	56,960	8,836	16%	\$20.00
7600 NE 41st St	72,000			
7500 NE 41st St	84,198			
4400 NE 77th Ave	95,873	18,496	19%	\$24.00
	827,010	139,861	16.9%	\$19.57