

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)

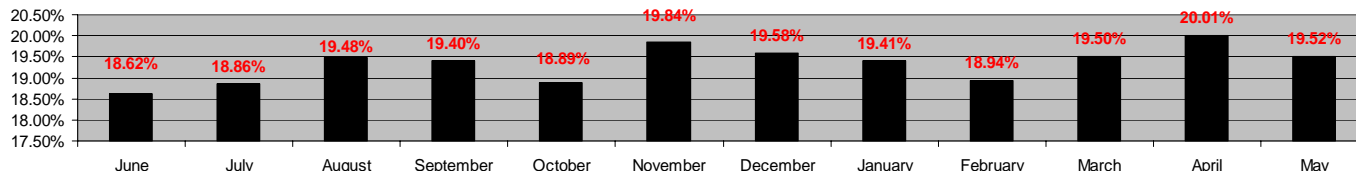
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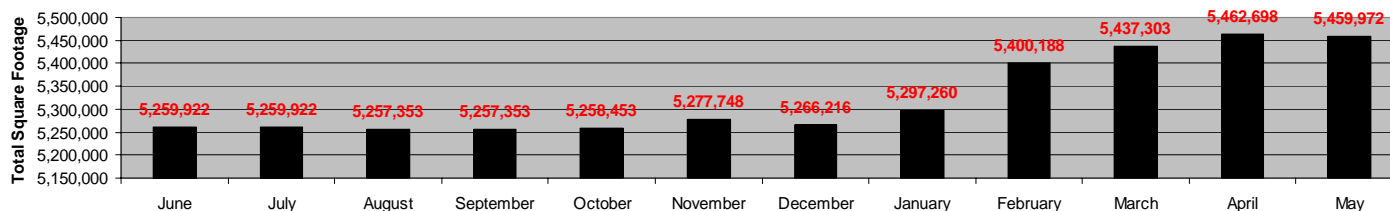


HIGHLIGHTS | TOTALS

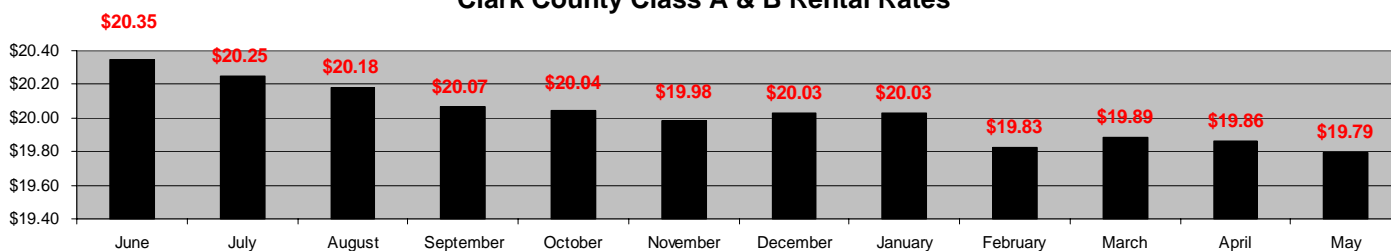
Clark County Class A & B Vacancy Rates



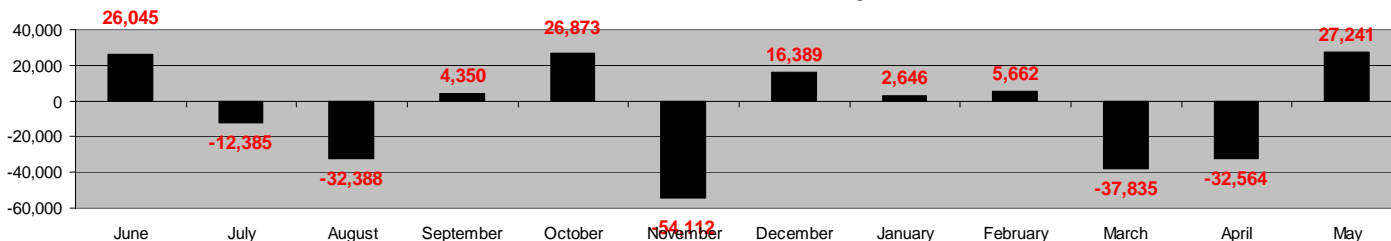
Clark County Class A & B Office Space



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 |

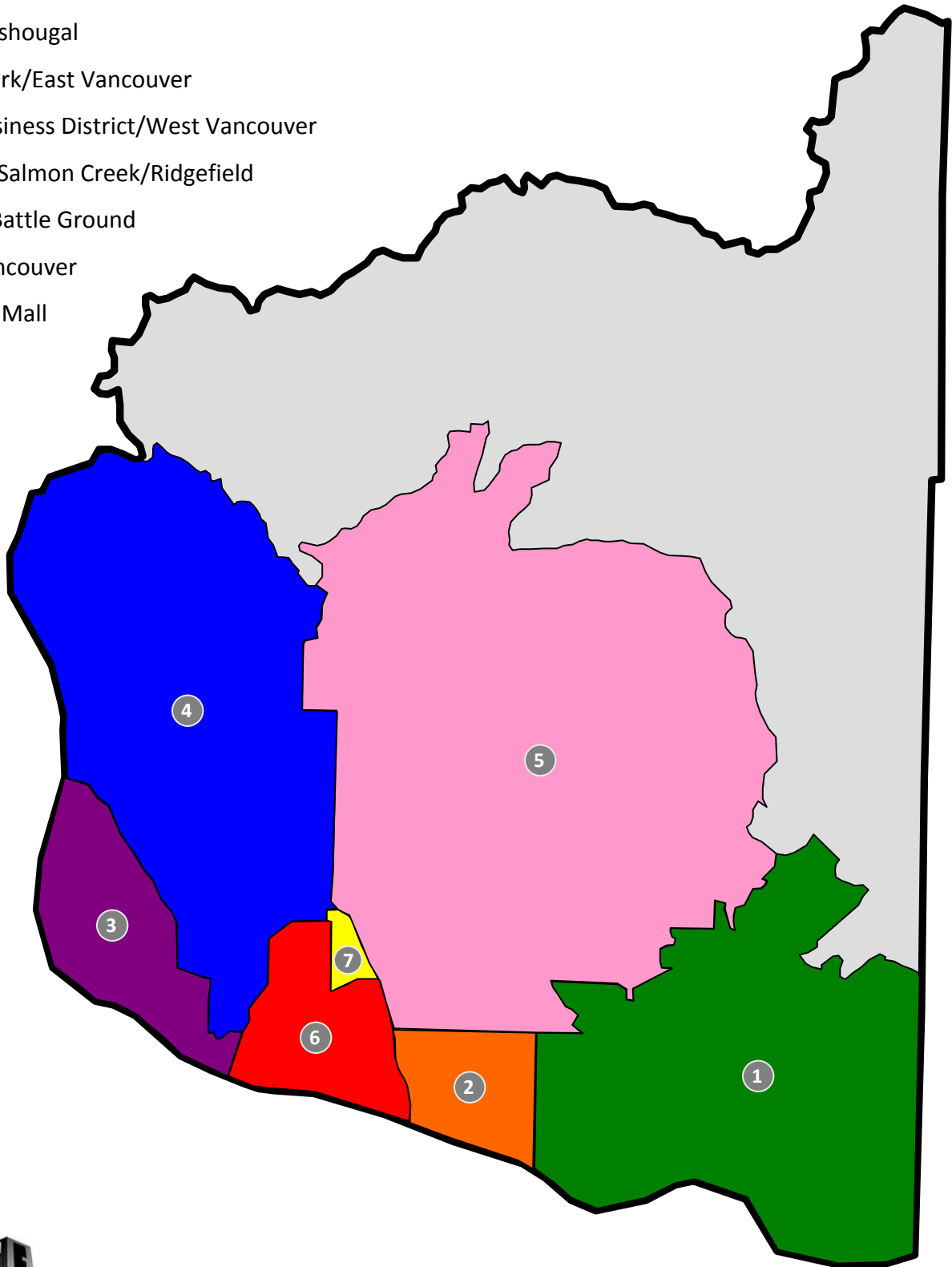
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OFFICE SUBMARKETS MAP

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 |