



Mid-Year 2006

Savannah Office Market Survey

The Savannah office market is defined under three submarkets:

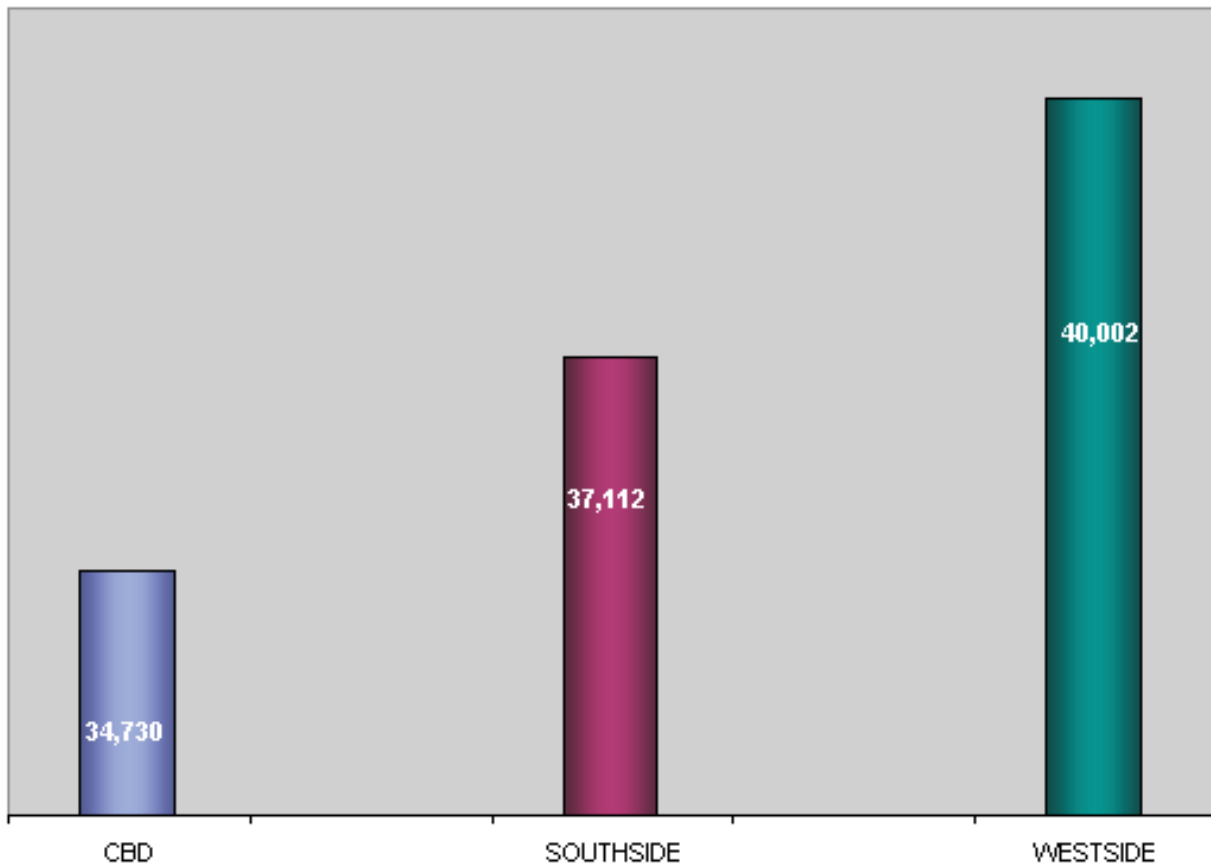
- Westside
- Southside
- Central Business District

The Central Business District includes the Historic District and Victorian District

Mid-Year 2006

Savannah continues to see tremendous regional development growth in the residential, retail and industrial sectors, however, office market growth continues to lag behind. As a result we are seeing absorption rates rise.

ABSORPTION EXPRESSED IN SQUARE FEET

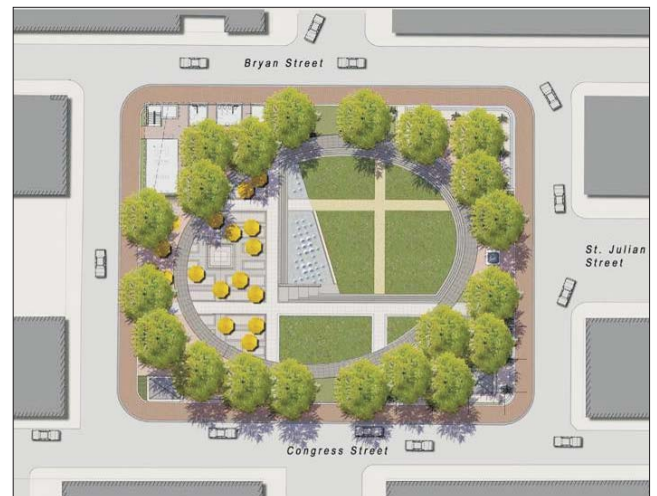


Central Business District

The occupancy level of the Central Business District (including the Historic District) is slowly creeping up toward 90% (89.24% to be exact). Financial entities remain the predominant tenants within the CBD. The persistent struggle with limited parking spaces became elevated with the demolition of the City Market parking deck. However, some relief will be felt with the completion of News Place On Ellis Square which will provide 500 more spaces than originally existed (1088 total spaces expected in the new underground deck). News Place will also offer 25,000 square feet of additional office space. All things considered parking cost and availability will continue to remain a very significant factor affecting the demand for office space.

The Savannah Economic Development Authority is under construction with its new 40,000 square foot Class A office building on their property on Hutchinson Island. SEDA plans on occupying 10,000 square feet and leasing the remainder. There is still a significant mixed-use development being planned on the edge of the CDB, on President Street. This is expected to include several hundred thousand square feet of Class "A" office space.

News Place on Ellis Square



Central Business District/ DOWNTOWN

Updated June 2006

BUILDING	SQUARE FOOTAGE	OCCUPANCY		Ave. RATE	SERVICE	AVAILABLE
		CURRENT	PRIOR			
BB & T (Manger) Building	118,305	103,620	99,218	\$18.00	FULL	14,685
SunTrust Bldg.	69,000	69,000	69,000	\$16.50	FULL	0
J. Square Business Center	136,445	106,179	97,608	\$19.00	FULL	30,266
Palmer & Cay Bldg.	43,500	43,500	43,500	\$20.00	NET	0
Realty Bldg. (United Community Bank)	50,000	45,000	45,287	\$19.50	FULL	5,000
Hunter MacLean Blg.	54,000	54,000	52,000	\$21.00	FULL	0
U.S. Attorneys Bldg.	26,050	26,050	26,050	\$20.70	FULL	0
DeSoto Office Bldg.	30,000	20,000	2,000	\$20.00	FULL	10,000
Cluskey Bldg.	20,000	17,000	15,000	\$15.00	FULL	3,000
Regions Bank	20,000	20,000	N/A	\$16.60	NET	0
Hancock Askew	27,000	26,000	N/A	\$21.00	FULL	1,000

TOTAL / AVERAGE	594,300	530,349	449,663	\$18.85		63,951
	547,300	484,393 *	449,663 *			
		484,393	449,663			
Total Absorption		34,730 *	* Excludes Regions Bank and Hancock Askew due to no prior data being available			
Total Occupancy Rate		89.24%				

CLASS A SPACE *	SQUARE FOOTAGE	OCCUPANCY		RATE	SERVICE	AVAILABLE
		CURRENT	PRIOR			
BB & T (Manger) Building	118,305	103,620	99,218	\$18.00	FULL	14,685
Palmer & Cay Bldg.	43,500	43,500	43,500	\$20.00	NET	0
J. Square Business Center	136,445	106,179	97,608	\$19.00	FULL	30,266
Hunter MacLean Blg.	54,000	54,000	52,000	\$21.00	FULL	0
Regions Bank	20,000	20,000	N/A	\$16.60	NET	0
Hancock Askew	27,000	26,000	N/A	\$21.00	FULL	1,000

TOTAL / AVERAGE	399,250	353,299	292,326	\$19.27		45,951
		307,299 *	292,326 *			
Total Absorption		14,973 *	* Excludes Regions Bank and Hancock Askew due to no prior data being available			
Total Occupancy Rate		88.49%				

Disclaimer: This information is collected from Property Managers and The Accuracy is Based Solely on Reporting

Southside

In the previous year Savannah's Southside was experiencing a gradual rise in vacancy rates. More recently however, occupancy has risen to 92.4% as more space is being absorbed. Availability of Class A space remains limited and brings a premium for rent.

SOUTHSIDE

Updated June 2006

BUILDING	SQUARE FOOTAGE	OCCUPANCY		Ave. RATE	SERVICE	AVAILABLE
		CURRENT	PRIOR			
Oglethorpe Office Park	112,000	106,400	100,000	\$22.00	FULL	5,600
Market Walk	66,400	59,043	56,800	\$15.00	NET	7,357
Savannah CrossingsII	65,000	65,000	65,000	\$18.00	NET	0
Savannah Financial Ctre.	62,000	59,600	62,000	\$16.50	NET	2,400
The Landmark Bldg.	46,000	41,403	43,680	\$23.25	FULL	4,597
Southpoint	45,000	40,800	40,000	\$18.50	FULL	4,200
Abercorn Center	36,000	33,845	34,600	\$17.50	FULL	2,155
Hussey, Gay, and Bell	34,000	34,000	34,000	\$18.00	FULL	0
The Enterprise Bldg.	SOLD	SOLD	SOLD			
BB&T Plaza						
BB&T	21,815	15,815	15,815	\$17.00	FULL	6,000
7395 Hodgson Building	20,000	14,228	17,600	\$16.85	FULL	5,772
Interstate Johnson	14,000	14,000	12,519	\$17.00	NET	0
Stephenson Exec. Park	20,160	16,494	13,860	\$15.75	NET	3,666
Commonwealth	17,485	17,485	13,357	\$17.50	FULL	0
24 Oglethorpe Profes. Blvd.	16,000	16,000	10,500	\$14.00	FULL	0
Abercorn Prof. Building	16,000	14,000	14,000	\$17.50	FULL	2,000
Coastal Bank Bldg. Mall	20,000	17,600	12,255	\$24.00	FULL	2,400
3&7 Oglethorpe Prof. Blvd. (Thomas & Hutton)	13,500	10,885	13,500	\$12.85	NET	2,615
Stephenson Prof. Center	20,000	20,000	0	\$15.71	NET	0
TOTAL / AVERAGE	645,360	596,598	559,486	\$17.61		48,762
Total Absorption		37,112				
Total Occupancy Rate		92.44%				

CLASS A SPACE *	SQUARE FOOTAGE	OCCUPANCY		RATE	SERVICE	AVAILABLE
		CURRENT	PRIOR			
The Landmark	46,000	41,403	43,680	\$23.25	FULL	4,597
Oglethorpe Office Park	112,000	106,400	100,000	\$22.00	FULL	5,600
Savannah Financial	62,000	59,600	62,000	\$16.50	NET	2,400
BB&T	21,815	15,815	15,815	\$17.00	FULL	6,000
7395 Hodgson Building	20,000	14,228	17,600	\$16.85	FULL	5,772
Interstate Johnson	14,000	14,000	12,519	\$17.00	NET	0
Stephenson Prof. Centre	20,000	20,000	0	\$15.71	NET	0
TOTAL / AVERAGE	295,815	271,446	251,614	\$18.33		24,369
Total Absorption		19,832				
Total Occupancy Rate		91.76%				

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Westside

Once again, the Westside remains the strongest growth sector in the overall Savannah office market. The Chatham Parkway Corridor and Pooler Parkway at Godley Station continue to attract the majority of the service sector tenants seeking office space in Savannah. With the growth of residential and retail in the immediate area, occupancy on the Westside is the highest in the area at nearly 95% (94.76% to be exact).

The Mulberry at Godley Station is currently under construction and will provide two 54,000 square foot office buildings upon completion.

WESTSIDE SAVANNAH

Updated June 2006

PROPERTY	SQUARE FOOTAGE	OCCUPANCY		Ave. RATE	SERVICE	AVAILABLE
		CURRENT	PRIOR			
Chatham Center						
Orleans	57,205	57,205	51,756	\$19.50	FULL	0
Liberty	66,419	64,519	62,043	\$11.00	NET	1,900
Lafayette	55,470	55,470	29,037	\$12.00	NET	0
Parkway Business Ctr.						
Phase III	31,235	27,254	31,235	\$13.00	NET	3,981
Godley Professional	30,000	26,650	28,325	\$19.50	FULL	3,350
*10,000 SF addition in June '06						
Plantation Corporate Ctr.	20,000	14,800	3,500	\$16.00	NET	5,200
Southern Oaks	15,000	15,000	15,000	\$15.50	FULL	0

TOTAL /AVERAGE	275,329	260,898	220,896	\$15.21	14,431
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Total Absorption	40,002
Current Occupancy	94.76%



Front Elevation



Side Elevation



Mulberry at Godley Station
Savannah, Ga
July 26, 2006



Summary

SUMMARY

REGION	SQUARE FOOTAGE	OCCUPANCY		Ave. RATE		AVAILABLE
		CURRENT	PRIOR			
CBD/DOWNTOWN	594,300	530,349	449,663	\$18.85		63,951
Class A	399,250	353,299	292,326	\$19.27		45,951
CBD/DOWNTOWN *	547,300	484,393	449,663			62,951
Class A *	352,250	307,299	292,326			44,951
SOUTHSIDE	674,160	596,598	586,386	\$17.61		77,562
Class A	295,815	271,446	251,614	\$18.33		24,369
WESTSIDE	275,329	260,898	220,896	\$15.21		14,431
TOTAL	1,543,789	1,387,845	1,256,945			155,944
TOTAL *	1,496,789	1,341,889	1,256,945			154,944

Total Market Absorption	84,944 *	* Excludes Regions Bank and Hancock Askew due to no prior data being available
Total Market Occupancy	89.90%	

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Summary

OCCUPANCY / VACANCY EXPRESSED IN SQUARE FEET

