

The CoStar Office Report

Third Quarter 2014

Greensboro/Winston-Salem Office Market



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Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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CoStar Group, Inc.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Greensboro/Winston-Salem Office Market



Overview

Greensboro/Winston-Salem's Vacancy Decreases to 10.4% Net Absorption Positive 295,912 SF in the Quarter

The Greensboro/Winston-Salem Office market ended the third quarter 2014 with a vacancy rate of 10.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 295,912 square feet in the third quarter. Vacant sublease space increased in the quarter, ending the quarter at 153,940 square feet. Rental rates ended the third quarter at \$14.36, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 178,000 square feet, with 43,000 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Greensboro/Winston-Salem office market was positive 295,912 square feet in the third quarter 2014. That compares to positive 111,665 square feet in the second quarter 2014, negative (112,782) square feet in the first quarter 2014, and positive 282,964 square feet in the fourth quarter 2013.

Tenants moving out of large blocks of space in 2014 include: Primerica moving out of 227,666 square feet at Carolina Corporate Center; Prolific Business Solutions moving out of 68,300 square feet at Carolina Corporate Center; and Inmar, Inc. moving out of 68,073 square feet at 2601 Pilgrim Ct.

Tenants moving into large blocks of space in 2014 include: North State Aviation moving into 249,832 square feet at 4001 N Liberty St; North State Aviation moving into 60,800 square feet at 4001 N Liberty St; and Newbreed moving into 44,376 square feet at Trone Advertising.

The Class-A office market recorded net absorption of positive 182,735 square feet in the third quarter 2014, compared to positive 23,690 square feet in the second quarter 2014, negative (47,241) in the first quarter 2014, and positive 289,859 in the fourth quarter 2013.

The Class-B office market recorded net absorption of positive 84,813 square feet in the third quarter 2014, compared to positive 41,454 square feet in the second quarter 2014, positive 58,642 in the first quarter 2014, and negative (21,853) in the fourth quarter 2013.

The Class-C office market recorded net absorption of positive 28,364 square feet in the third quarter 2014 compared to positive 46,521 square feet in the second quarter 2014, negative (124,183) in the first quarter 2014, and positive 14,958 in the fourth quarter 2013.

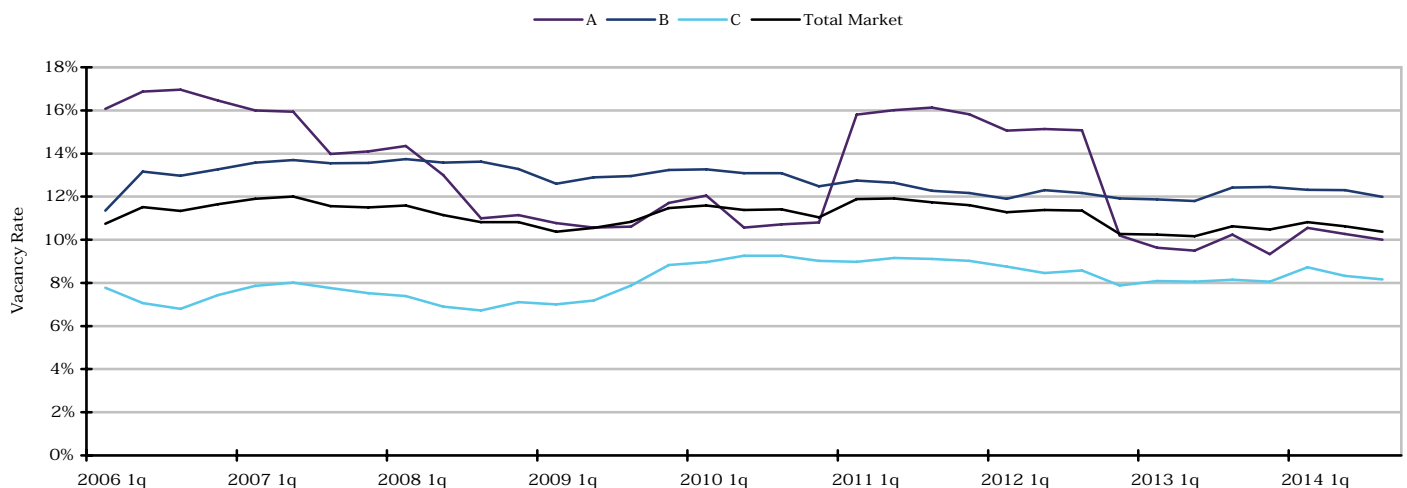
Net absorption for Greensboro/Winston-Salem's central business district was positive 43,948 square feet in the third quarter 2014. That compares to negative (17,299) square feet in the second quarter 2014, negative (60,515) in the first quarter 2014, and positive 219,535 in the fourth quarter 2013.

Net absorption for the suburban markets was positive 251,964 square feet in the third quarter 2014. That compares to positive 128,964 square feet in second quarter 2014, negative (52,267) in the first quarter 2014, and positive 63,429 in the fourth quarter 2013.

Vacancy

The office vacancy rate in the Greensboro/Winston-Salem market area decreased to 10.4% at the end of the third

Vacancy Rates by Class 2006-2014



Source: CoStar Property®

quarter 2014. The vacancy rate was 10.6% at the end of the second quarter 2014, 10.8% at the end of the first quarter 2014, and 10.5% at the end of the fourth quarter 2013.

Class-A projects reported a vacancy rate of 10.0% at the end of the third quarter 2014, 10.3% at the end of the second quarter 2014, 10.6% at the end of the first quarter 2014, and 9.3% at the end of the fourth quarter 2013.

Class-B projects reported a vacancy rate of 12.0% at the end of the third quarter 2014, 12.3% at the end of the second quarter 2014, 12.3% at the end of the first quarter 2014, and 12.4% at the end of the fourth quarter 2013.

Class-C projects reported a vacancy rate of 8.2% at the end of the third quarter 2014, 8.3% at the end of second quarter 2014, 8.7% at the end of the first quarter 2014, and 8.1% at the end of the fourth quarter 2013.

The overall vacancy rate in Greensboro/Winston-Salem's central business district at the end of the third quarter 2014 changed to 7.2%. The vacancy rate was 7.2% at the end of the second quarter 2014, 7.0% at the end of the first quarter 2014, and 6.6% at the end of the fourth quarter 2013.

The vacancy rate in the suburban markets decreased to 11.4% in the third quarter 2014. The vacancy rate was 11.8% at the end of the second quarter 2014, 12.1% at the end of the first quarter 2014, and 11.8% at the end of the fourth quarter 2013.

Largest Lease Signings

The largest lease signings occurring in 2014 included: the 60,800-square-foot lease signed by North State Aviation at 4001 N Liberty St in the Forsyth County market; the 44,376-square-foot deal signed by Newbreed at Trone Advertising in the Guilford County market; and the 40,400-square-foot lease signed by Novartis Animal Health US, Inc. at Signature Place in the Guilford County market.

Sublease Vacancy

The amount of vacant sublease space in the Greensboro/

Winston-Salem market increased to 153,940 square feet by the end of the third quarter 2014, from 146,634 square feet at the end of the second quarter 2014. There was 126,814 square feet vacant at the end of the first quarter 2014 and 42,902 square feet at the end of the fourth quarter 2013.

Greensboro/Winston-Salem's Class-A projects reported vacant sublease space of 99,769 square feet at the end of third quarter 2014, up from the 92,463 square feet reported at the end of the second quarter 2014. There were 92,463 square feet of sublease space vacant at the end of the first quarter 2014, and 10,041 square feet at the end of the fourth quarter 2013.

Class-B projects reported vacant sublease space of 36,688 square feet at the end of the third quarter 2014, from the 36,688 square feet reported at the end of the second quarter 2014. At the end of the first quarter 2014 there were 19,648 square feet, and at the end of the fourth quarter 2013 there were 17,108 square feet vacant.

Class-C projects reported no vacant sublease space from the second quarter 2014 to the third quarter 2014. Sublease vacancy went from 17,483 square feet to 17,483 square feet during that time. There was 14,703 square feet at the end of the first quarter 2014, and 15,753 square feet at the end of the fourth quarter 2013.

Sublease vacancy in Greensboro/Winston-Salem's central business district stood at 89,728 square feet at the end of the third quarter 2014. It was 82,422 square feet at the end of the second quarter 2014, 82,422 square feet at the end of the first quarter 2014, and 0 square feet at the end of the fourth quarter 2013.

Sublease vacancy in the suburban markets ended the third quarter 2014 at 64,212 square feet. At the end of the second quarter 2014 sublease vacancy was 64,212 square feet, was 44,392 square feet at the end of the first quarter 2014, and was 42,902 square feet at the end of the fourth quarter 2013.

Rental Rates

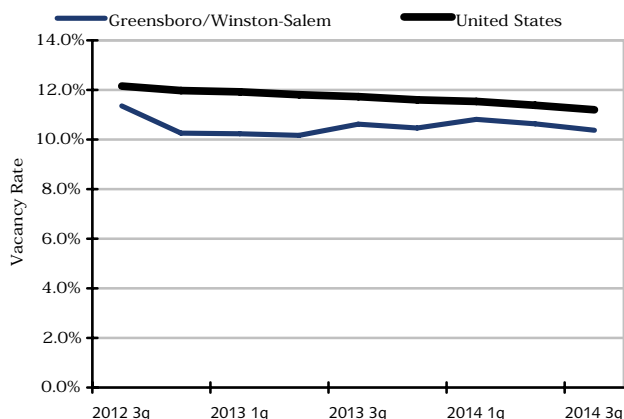
The average quoted asking rental rate for available office space, all classes, was \$14.36 per square foot per year at the end of the third quarter 2014 in the Greensboro/Winston-Salem market area. This represented a 1.7% increase in quoted rental rates from the end of the second quarter 2014, when rents were reported at \$14.12 per square foot.

The average quoted rate within the Class-A sector was \$19.54 at the end of the third quarter 2014, while Class-B rates stood at \$13.86, and Class-C rates at \$11.97. At the end of the second quarter 2014, Class-A rates were \$19.44 per square foot, Class-B rates were \$13.78, and Class-C rates were \$11.29.

The average quoted asking rental rate in Greensboro/Winston-Salem's CBD was \$15.55 at the end of the third quarter 2014, and \$14.11 in the suburban markets. In the second quarter 2014, quoted rates were \$14.85 in the CBD and \$13.97 in the suburbs.

U.S. Vacancy Comparison

Past 9 Quarters



Source: CoStar Property®

Greensboro/Winston-Salem Office Market

Overview

Deliveries and Construction

During the third quarter 2014, two buildings totaling 178,000 square feet were completed in the Greensboro/Winston-Salem market area. This compares to two buildings totaling 42,000 square feet that were completed in the second quarter 2014, three buildings totaling 83,965 square feet completed in the first quarter 2014, and 257,000 square feet in two buildings completed in the fourth quarter 2013.

There were 43,000 square feet of office space under construction at the end of the third quarter 2014.

Some of the notable 2014 deliveries include: 8003 Piedmont Triad Pky, a 123,000-square-foot facility that delivered in third quarter 2014 and is now 100% occupied, and 751 W 4th St, a 55,000-square-foot building that delivered in third quarter 2014 and is now 80% occupied.

The only project under construction at the end of third quarter 2014 was 2485 Penny Rd, a 43,000-square-foot building with 53% of its space pre-leased.

Inventory

Total office inventory in the Greensboro/Winston-Salem market area amounted to 54,557,257 square feet in 4,260 buildings as of the end of the third quarter 2014. The Class-A office sector consisted of 8,409,927 square feet in 60 projects. There were 1,041 Class-B buildings totaling 27,485,384 square feet, and the Class-C sector consisted of 18,661,946 square feet in 3,159 buildings. Within the Office market there were 245 owner-occupied buildings accounting for 5,817,714 square feet of office space.

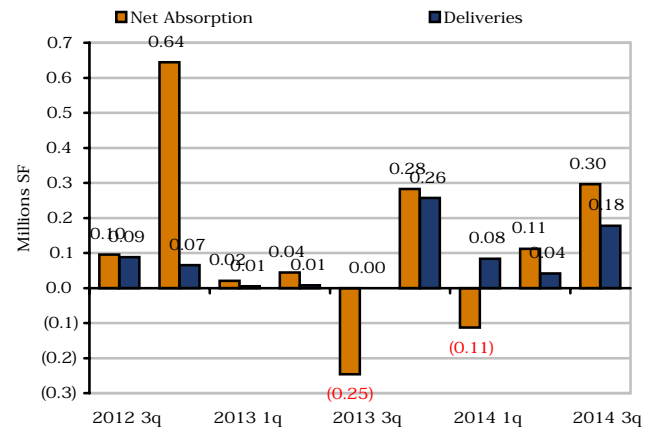
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Greensboro/Winston-Salem office sales figures rose during the second quarter 2014 in terms of dollar volume compared to the first quarter of 2014.

In the second quarter, five office transactions closed with a total volume of \$31,095,000. The five buildings totaled 486,992 square feet and the average price per square foot equated to \$63.85 per square foot. That compares to four

Absorption & Deliveries

Past 9 Quarters



Source: CoStar Property®

transactions totaling \$6,154,575 in the first quarter 2014. The total square footage in the first quarter was 141,236 square feet for an average price per square foot of \$43.58.

Total office building sales activity in 2014 was down compared to 2013. In the first six months of 2014, the market saw nine office sales transactions with a total volume of \$37,249,575. The price per square foot averaged \$59.29. In the same first six months of 2013, the market posted six transactions with a total volume of \$124,646,000. The price per square foot averaged \$149.53.

Cap rates have been lower in 2014, averaging 7.38% compared to the same period in 2013 when they averaged 9.27%.

One of the largest transactions that has occurred within the last four quarters in the Greensboro/Winston-Salem market is the sale of RF Micro Devices in Greensboro. This 100,000-square-foot office building sold for \$15,500,000, or \$155.00 per square foot. The property sold on 6/12/2014, at a 7.10% cap rate."

Reports compiled by: Melanie Pressley, CoStar Research Manager

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets			
Alamance County	Burlington CBD* S Central Alamance County West Burlington/Airport	N Central Alamance County SE Alamance County	NE Alamance County South Burlington	NW Alamance County SW Alamance County
Davidson County	North Davidson County	South Davidson County		
Davie County	Davie County			
Forsyth County	Clemmons SE Forsyth County	Kernersville South Forsyth County	NE Forsyth County Western Forsyth County	NW Forsyth County Winston-Salem CBD*
Guilford County	Airport/W Guilford County NE Guilford County West Greensboro	Central Guilford County NW Guilford County	Greensboro CBD* SE Guilford County	High Point/SW Guilford Ct South Greensboro
Randolph County	Asheboro CBD* Randleman	NE Randolph County SE Randolph County	North Asheboro SW Randolph County	NW Randolph Cnty/Archdale
Rockingham County	Rockingham County			
Stokes County	Stokes County			
Yadkin County	Yadkin County			

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

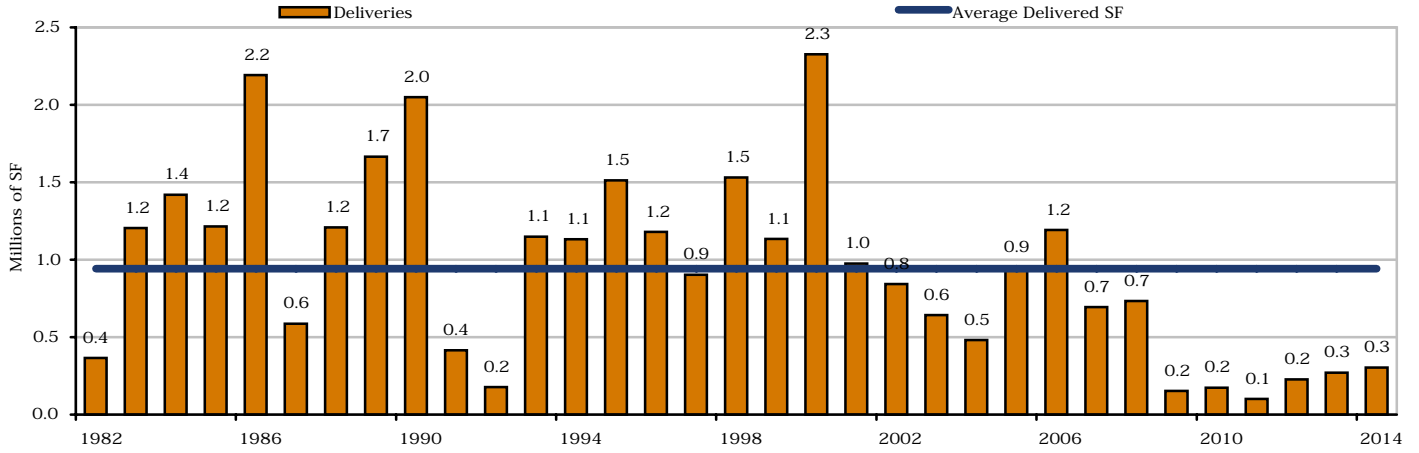
Greensboro/Winston-Salem Office Market



Inventory & development

Historical Deliveries

1982 - 2014



Source: CoStar Property® * Future deliveries based on current under construction buildings.

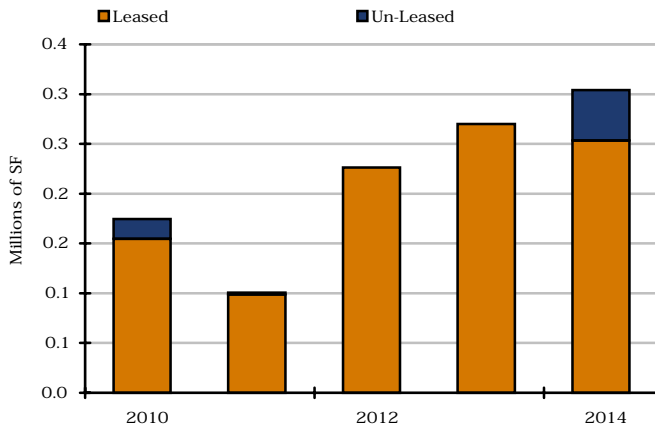
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Guilford County	1	43,000	22,790	53.0%	14,826	43,000
Yadkin County	0	0	0	0.0%	2,920	0
Davidson County	0	0	0	0.0%	7,063	0
Davie County	0	0	0	0.0%	6,253	0
Forsyth County	0	0	0	0.0%	15,670	0
Alamance County	0	0	0	0.0%	8,114	0
Randolph County	0	0	0	0.0%	5,302	0
Rockingham County	0	0	0	0.0%	6,855	0
Stokes County	0	0	0	0.0%	4,250	0

Source: CoStar Property®

Recent Deliveries

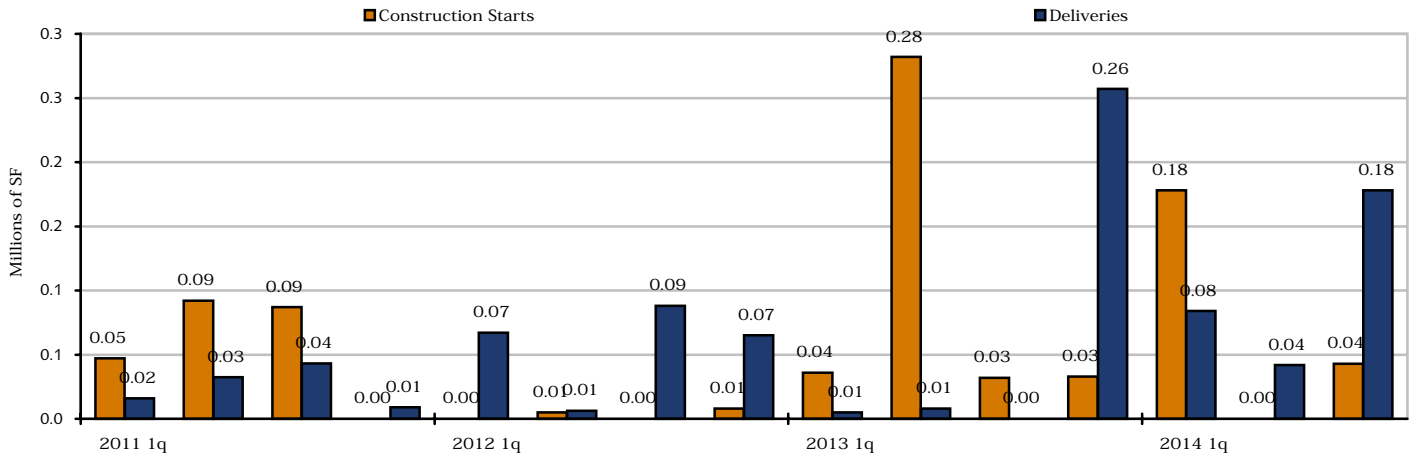
Leased & Un-Leased SF in Deliveries



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	5	125,965	86,245	68.5%	\$20.59	47,965	78,000
50,000 SF - 99,999 SF	1	55,000	44,000	80.0%	\$25.00	0	55,000
100,000 SF - 249,999 SF	1	123,000	123,000	100.0%	\$0.00	0	123,000
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

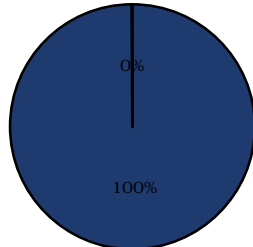
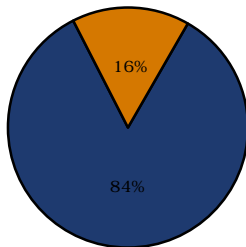
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2014 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

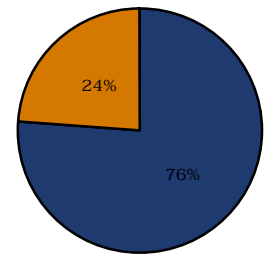
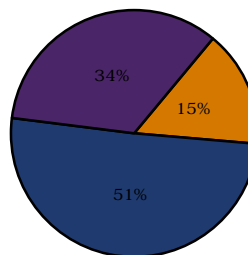
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

Greensboro/Winston-Salem Office Market

Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 8003 Piedmont Triad Pky

Submarket: **Guilford County**
 RBA: **123,000**
 # Floors: **3**
 Class: **A**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **First Quarter 2014**
 Deliv Date: **Third Quarter 2014**
 Leasing Co: **N/A**
 Developer: **N/A**
 Architect: **N/A**

2. 751 W 4th St

Submarket: **Forsyth County**
 RBA: **55,000**
 # Floors: **5**
 Class: **A**
 Occupied: **80%**
 Quoted Rate: **\$25.00**
 Grnd Brk Date: **First Quarter 2014**
 Deliv Date: **Third Quarter 2014**
 Leasing Co: **Commercial Realty Advisors, LLC**
 Developer: **N/A**
 Architect: **N/A**

3. Brownstones

Submarket: **Guilford County**
 RBA: **36,000**
 # Floors: **2**
 Class: **A**
 Occupied: **44%**
 Quoted Rate: **\$22.00**
 Grnd Brk Date: **First Quarter 2013**
 Deliv Date: **First Quarter 2014**
 Leasing Co: **Lindbrook Development**
 Developer: **N/A**
 Architect: **N/A**

4. S Stratford & Burke Mill Rd

Submarket: **Forsyth County**
 RBA: **33,000**
 # Floors: **3**
 Class: **B**
 Occupied: **68%**
 Quoted Rate: **\$21.00**
 Grnd Brk Date: **Fourth Quarter 2013**
 Deliv Date: **Second Quarter 2014**
 Leasing Co: **CBRE | Triad**
 Developer: **N/A**
 Architect: **N/A**

5. 1398 Carrollton Crossing Dr

Submarket: **Forsyth County**
 RBA: **25,000**
 # Floors: **2**
 Class: **B**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2013**
 Deliv Date: **First Quarter 2014**
 Leasing Co: **N/A**
 Developer: **N/A**
 Architect: **N/A**

6. 1400 E Hartley Dr

Submarket: **Guilford County**
 RBA: **22,965**
 # Floors: **1**
 Class: **A**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Third Quarter 2013**
 Deliv Date: **First Quarter 2014**
 Leasing Co: **N/A**
 Developer: **N/A**
 Architect: **N/A**

7. 521 Boone Station Dr

Submarket: **Alamance County**
 RBA: **9,000**
 # Floors: **1**
 Class: **B**
 Occupied: **0%**
 Quoted Rate: **\$17.00**
 Grnd Brk Date: **Third Quarter 2013**
 Deliv Date: **Second Quarter 2014**
 Leasing Co: **NAI Piedmont Triad**
 Developer: **N/A**
 Architect: **N/A**

Select Top Under Construction Properties

Based on Project Square Footage

1. 2485 Penny Rd

Submarket: **Guilford County**
 RBA: **43,000**
 # Floors: **2**
 Class: **A**
 Preleased: **53%**
 Quoted Rate: **\$19.50**
 Grnd Brk Date: **Third Quarter 2014**
 Deliv Date: **First Quarter 2015**
 Leasing Co: **Linville Team Partners**
 Developer: **N/A**
 Architect: **N/A**

Class A Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	2	160,485	12,870	12,870	8.0%	1,693	0	0	\$25.62
Davidson County	1	22,000	4,200	4,200	19.1%	0	0	0	\$16.00
Davie County	0	0	0	0	0.0%	0	0	0	\$0.00
Forsyth County	13	3,043,668	90,485	180,213	5.9%	(27,050)	55,000	0	\$22.65
Guilford County	44	5,183,774	633,210	643,251	12.4%	184,541	181,965	43,000	\$18.40
Randolph County	0	0	0	0	0.0%	0	0	0	\$0.00
Rockingham County	0	0	0	0	0.0%	0	0	0	\$0.00
Stokes County	0	0	0	0	0.0%	0	0	0	\$0.00
Yadkin County	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	60	8,409,927	740,765	840,534	10.0%	159,184	236,965	43,000	\$19.54

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	107	1,432,895	73,111	73,111	5.1%	21,276	9,000	0	\$7.13
Davidson County	47	955,438	46,029	46,029	4.8%	2,651	0	0	\$12.89
Davie County	37	308,326	38,643	38,643	12.5%	15,878	0	0	\$15.51
Forsyth County	296	10,136,412	967,399	973,654	9.6%	48,704	58,000	0	\$14.06
Guilford County	444	13,652,020	2,037,072	2,067,505	15.1%	84,250	0	0	\$14.32
Randolph County	66	580,370	50,312	50,312	8.7%	8,640	0	0	\$14.35
Rockingham County	36	377,205	35,403	35,403	9.4%	3,510	0	0	\$10.77
Stokes County	4	18,016	11,000	11,000	61.1%	0	0	0	\$0.00
Yadkin County	4	24,702	0	0	0.0%	0	0	0	\$0.00
Totals	1,041	27,485,384	3,258,969	3,295,657	12.0%	184,909	67,000	0	\$13.86

Source: CoStar Property®

Class C Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	270	1,481,981	115,850	115,850	7.8%	(10,440)	0	0	\$10.01
Davidson County	245	1,092,117	67,308	67,308	6.2%	300	0	0	\$6.34
Davie County	27	91,846	11,945	11,945	13.0%	3,252	0	0	\$7.25
Forsyth County	944	6,454,145	481,516	497,847	7.7%	(14,091)	0	0	\$12.59
Guilford County	1,328	8,088,957	747,942	749,094	9.3%	(42,461)	0	0	\$12.07
Randolph County	221	941,235	43,491	43,491	4.6%	13,520	0	0	\$9.92
Rockingham County	70	349,388	27,733	27,733	7.9%	(1,778)	0	0	\$8.49
Stokes County	14	58,482	3,963	3,963	6.8%	0	0	0	\$0.00
Yadkin County	40	103,795	7,000	7,000	6.7%	2,400	0	0	\$7.50
Totals	3,159	18,661,946	1,506,748	1,524,231	8.2%	(49,298)	0	0	\$11.97

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Alamance County	379	3,075,361	201,831	201,831	6.6%	12,529	9,000	0	\$9.02
Davidson County	293	2,069,555	117,537	117,537	5.7%	2,951	0	0	\$9.64
Davie County	64	400,172	50,588	50,588	12.6%	19,130	0	0	\$15.32
Forsyth County	1,253	19,634,225	1,539,400	1,651,714	8.4%	7,563	113,000	0	\$14.71
Guilford County	1,816	26,924,751	3,418,224	3,459,850	12.9%	226,330	181,965	43,000	\$14.74
Randolph County	287	1,521,605	93,803	93,803	6.2%	22,160	0	0	\$12.53
Rockingham County	106	726,593	63,136	63,136	8.7%	1,732	0	0	\$10.16
Stokes County	18	76,498	14,963	14,963	19.6%	0	0	0	\$0.00
Yadkin County	44	128,497	7,000	7,000	5.4%	2,400	0	0	\$7.50
Totals	4,260	54,557,257	5,506,482	5,660,422	10.4%	294,795	303,965	43,000	\$14.36

Source: CoStar Property®

Greensboro/Winston-Salem Office Market



Figures at a Glance

Class A Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	21	2,087,502	423,706	431,406	20.7%	133,080	123,000	43,000	\$17.86
Asheboro CBD	0	0	0	0	0.0%	0	0	0	\$0.00
Burlington CBD	1	92,279	0	0	0.0%	0	0	0	\$0.00
Central Guilford Cou.	1	116,000	15,729	15,729	13.6%	0	0	0	\$16.00
Clemmons	0	0	0	0	0.0%	0	0	0	\$0.00
Davie County	0	0	0	0	0.0%	0	0	0	\$0.00
Greensboro CBD	8	1,654,657	97,051	97,051	5.9%	5,439	0	0	\$19.08
High Point/SW Guilfo.	3	184,965	12,608	12,608	6.8%	22,965	22,965	0	\$16.00
Kernersville	0	0	0	0	0.0%	0	0	0	\$0.00
N Central Alamance C.	0	0	0	0	0.0%	0	0	0	\$0.00
NE Alamance County	0	0	0	0	0.0%	0	0	0	\$0.00
NE Forsyth County	0	0	0	0	0.0%	0	0	0	\$0.00
NE Guilford County	3	321,071	22,968	22,968	7.2%	1,163	0	0	\$22.22
NE Randolph County	0	0	0	0	0.0%	0	0	0	\$0.00
North Asheboro	0	0	0	0	0.0%	0	0	0	\$0.00
North Davidson Count.	0	0	0	0	0.0%	0	0	0	\$0.00
NW Alamance County	0	0	0	0	0.0%	0	0	0	\$0.00
NW Forsyth County	1	214,598	0	0	0.0%	0	0	0	\$0.00
NW Guilford County	6	530,407	61,148	63,489	12.0%	21,894	36,000	0	\$22.67
NW Randolph Cnty/Arc.	0	0	0	0	0.0%	0	0	0	\$0.00
Randleman	0	0	0	0	0.0%	0	0	0	\$0.00
Rockingham County	0	0	0	0	0.0%	0	0	0	\$0.00
S Central Alamance C.	0	0	0	0	0.0%	0	0	0	\$0.00
SE Alamance County	1	68,206	12,870	12,870	18.9%	1,693	0	0	\$25.62
SE Forsyth County	0	0	0	0	0.0%	0	0	0	\$0.00
SE Guilford County	1	177,878	0	0	0.0%	0	0	0	\$0.00
SE Randolph County	0	0	0	0	0.0%	0	0	0	\$0.00
South Burlington	0	0	0	0	0.0%	0	0	0	\$0.00
South Davidson Count.	1	22,000	4,200	4,200	19.1%	0	0	0	\$16.00
South Forsyth County	3	323,873	28,830	28,830	8.9%	8,769	0	0	\$22.00
South Greensboro	0	0	0	0	0.0%	0	0	0	\$0.00
Stokes County	0	0	0	0	0.0%	0	0	0	\$0.00
SW Alamance County	0	0	0	0	0.0%	0	0	0	\$0.00
SW Randolph County	0	0	0	0	0.0%	0	0	0	\$0.00
West Burlington/Airp.	0	0	0	0	0.0%	0	0	0	\$0.00
West Greensboro	1	111,294	0	0	0.0%	0	0	0	\$0.00
Western Forsyth Coun.	0	0	0	0	0.0%	0	0	0	\$0.00
Winston-Salem CBD	9	2,505,197	61,655	151,383	6.0%	(35,819)	55,000	0	\$22.74
Yadkin County	0	0	0	0	0.0%	0	0	0	\$0.00
Totals	60	8,409,927	740,765	840,534	10.0%	159,184	236,965	43,000	\$19.54

Source: CoStar Property®

Class B Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	95	3,354,317	247,764	247,764	7.4%	34,349	0	0	\$15.62
Asheboro CBD	34	277,405	18,520	18,520	6.7%	4,900	0	0	\$16.82
Burlington CBD	13	130,807	10,000	10,000	7.6%	0	0	0	\$12.00
Central Guilford Cou.	45	1,051,738	274,865	291,005	27.7%	(1,025)	0	0	\$15.29
Clemmons	18	320,148	40,777	40,777	12.7%	60	0	0	\$16.10
Davie County	37	308,326	38,643	38,643	12.5%	15,878	0	0	\$15.51
Greensboro CBD	45	1,610,362	216,218	216,218	13.4%	(9,172)	0	0	\$14.35
High Point/SW Guilfo.	80	1,906,839	87,598	87,598	4.6%	2,899	0	0	\$13.39
Kernersville	32	435,278	51,792	51,792	11.9%	48,682	25,000	0	\$15.30
N Central Alamance C.	4	69,672	0	0	0.0%	0	0	0	\$0.00
NE Alamance County	2	10,676	0	0	0.0%	0	0	0	\$0.00
NE Forsyth County	14	165,533	10,000	10,000	6.0%	9,251	0	0	\$8.28
NE Guilford County	82	2,153,093	109,828	111,728	5.2%	22,228	0	0	\$18.27
NE Randolph County	6	18,245	2,652	2,652	14.5%	0	0	0	\$0.00
North Asheboro	1	2,200	0	0	0.0%	0	0	0	\$0.00
North Davidson Count.	27	482,602	39,229	39,229	8.1%	2,651	0	0	\$12.95
NW Alamance County	4	246,370	0	0	0.0%	0	0	0	\$0.00
NW Forsyth County	45	2,165,882	346,592	346,592	16.0%	13,865	0	0	\$12.40
NW Guilford County	65	1,794,562	192,774	192,774	10.7%	22,729	0	0	\$17.36
NW Randolph Cnty/Arc	11	154,727	28,240	28,240	18.3%	1,440	0	0	\$10.72
Randleman	0	0	0	0	0.0%	0	0	0	\$0.00
Rockingham County	36	377,205	35,403	35,403	9.4%	3,510	0	0	\$10.77
S Central Alamance C.	12	81,829	9,665	9,665	11.8%	0	0	0	\$11.18
SE Alamance County	6	45,937	0	0	0.0%	0	0	0	\$0.00
SE Forsyth County	2	91,000	0	0	0.0%	0	0	0	\$0.00
SE Guilford County	6	891,475	649,301	649,301	72.8%	32,051	0	0	\$12.41
SE Randolph County	10	67,847	900	900	1.3%	2,300	0	0	\$8.67
South Burlington	8	104,078	2,200	2,200	2.1%	1,250	0	0	\$8.18
South Davidson Count.	20	472,836	6,800	6,800	1.4%	0	0	0	\$12.74
South Forsyth County	119	3,154,550	246,177	252,432	8.0%	(10,281)	33,000	0	\$16.81
South Greensboro	7	159,982	12,600	12,600	7.9%	0	0	0	\$7.14
Stokes County	4	18,016	11,000	11,000	61.1%	0	0	0	\$0.00
SW Alamance County	3	40,364	20,816	20,816	51.6%	2,744	0	0	\$2.87
SW Randolph County	4	59,946	0	0	0.0%	0	0	0	\$0.00
West Burlington/Airp.	55	703,162	30,430	30,430	4.3%	17,282	9,000	0	\$13.48
West Greensboro	19	729,652	246,124	258,517	35.4%	(19,809)	0	0	\$11.11
Western Forsyth Coun.	27	398,696	12,116	12,116	3.0%	(6,168)	0	0	\$19.50
Winston-Salem CBD	39	3,405,325	259,945	259,945	7.6%	(6,705)	0	0	\$11.93
Yadkin County	4	24,702	0	0	0.0%	0	0	0	\$0.00
Totals	1,041	27,485,384	3,258,969	3,295,657	12.0%	184,909	67,000	0	\$13.86

Source: CoStar Property®

Greensboro/Winston-Salem Office Market



Figures at a Glance

Class C Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	123	928,889	121,650	121,650	13.1%	(20,940)	0	0	\$12.43
Asheboro CBD	114	498,750	13,616	13,616	2.7%	2,863	0	0	\$10.77
Burlington CBD	75	531,730	25,624	25,624	4.8%	(7,409)	0	0	\$12.94
Central Guilford Cou.	125	768,356	51,911	51,911	6.8%	15,961	0	0	\$9.78
Clemmons	44	239,218	26,596	26,596	11.1%	(2,306)	0	0	\$10.47
Davie County	27	91,846	11,945	11,945	13.0%	3,252	0	0	\$7.25
Greensboro CBD	230	1,366,482	121,024	121,024	8.9%	5,962	0	0	\$11.37
High Point/SW Guilfo.	375	2,153,634	198,897	198,897	9.2%	(40,522)	0	0	\$10.56
Kernersville	106	531,456	44,099	44,099	8.3%	4,654	0	0	\$10.75
N Central Alamance C.	30	181,647	15,525	15,525	8.5%	(3,760)	0	0	\$6.04
NE Alamance County	15	29,802	1,279	1,279	4.3%	(1,279)	0	0	\$17.59
NE Forsyth County	48	538,214	10,600	10,600	2.0%	58,800	0	0	\$7.56
NE Guilford County	192	1,147,097	92,752	93,904	8.2%	(7,301)	0	0	\$13.84
NE Randolph County	21	75,423	1,000	1,000	1.3%	0	0	0	\$10.84
North Asheboro	7	39,972	4,498	4,498	11.3%	0	0	0	\$0.00
North Davidson Count.	67	306,878	19,090	19,090	6.2%	0	0	0	\$7.58
NW Alamance County	13	50,983	8,600	8,600	16.9%	0	0	0	\$8.33
NW Forsyth County	96	968,909	115,929	130,632	13.5%	(47,706)	0	0	\$15.77
NW Guilford County	175	1,194,587	132,218	132,218	11.1%	3,579	0	0	\$14.30
NW Randolph Cnty/Arc	47	187,314	13,173	13,173	7.0%	10,957	0	0	\$8.93
Randleman	6	28,916	0	0	0.0%	0	0	0	\$0.00
Rockingham County	70	349,388	27,733	27,733	7.9%	(1,778)	0	0	\$8.49
S Central Alamance C.	32	73,473	2,069	2,069	2.8%	1,800	0	0	\$6.93
SE Alamance County	9	121,388	0	0	0.0%	980	0	0	\$22.00
SE Forsyth County	35	198,043	2,200	2,200	1.1%	(18,000)	0	0	\$5.22
SE Guilford County	9	58,189	820	820	1.4%	0	0	0	\$0.00
SE Randolph County	13	64,636	0	0	0.0%	0	0	0	\$0.00
South Burlington	34	100,523	10,760	10,760	10.7%	0	0	0	\$6.74
South Davidson Count.	178	785,239	48,218	48,218	6.1%	300	0	0	\$6.16
South Forsyth County	392	2,234,749	213,065	214,693	9.6%	(18,589)	0	0	\$13.11
South Greensboro	38	211,766	17,370	17,370	8.2%	0	0	0	\$9.88
Stokes County	14	58,482	3,963	3,963	6.8%	0	0	0	\$0.00
SW Alamance County	2	13,000	0	0	0.0%	0	0	0	\$0.00
SW Randolph County	13	46,224	11,204	11,204	24.2%	(300)	0	0	\$8.90
West Burlington/Airp.	60	379,435	51,993	51,993	13.7%	(772)	0	0	\$11.11
West Greensboro	61	259,957	11,300	11,300	4.3%	800	0	0	\$13.03
Western Forsyth Coun.	68	308,496	8,978	8,978	2.9%	2,981	0	0	\$12.33
Winston-Salem CBD	155	1,435,060	60,049	60,049	4.2%	6,075	0	0	\$10.82
Yadkin County	40	103,795	7,000	7,000	6.7%	2,400	0	0	\$7.50
Totals	3,159	18,661,946	1,506,748	1,524,231	8.2%	(49,298)	0	0	\$11.97

Source: CoStar Property®

Total Office Submarket Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/W Guilford C.	239	6,370,708	793,120	800,820	12.6%	146,489	123,000	43,000	\$16.61
Asheboro CBD	148	776,155	32,136	32,136	4.1%	7,763	0	0	\$14.69
Burlington CBD	89	754,816	35,624	35,624	4.7%	(7,409)	0	0	\$12.54
Central Guilford Cou.	171	1,936,094	342,505	358,645	18.5%	14,936	0	0	\$14.18
Clemmons	62	559,366	67,373	67,373	12.0%	(2,246)	0	0	\$14.01
Davie County	64	400,172	50,588	50,588	12.6%	19,130	0	0	\$15.32
Greensboro CBD	283	4,631,501	434,293	434,293	9.4%	2,229	0	0	\$14.93
High Point/SW Guilfo.	458	4,245,438	299,103	299,103	7.0%	(14,658)	22,965	0	\$11.63
Kernersville	138	966,734	95,891	95,891	9.9%	53,336	25,000	0	\$13.43
N Central Alamance C.	34	251,319	15,525	15,525	6.2%	(3,760)	0	0	\$6.04
NE Alamance County	17	40,478	1,279	1,279	3.2%	(1,279)	0	0	\$17.59
NE Forsyth County	62	703,747	20,600	20,600	2.9%	68,051	0	0	\$7.61
NE Guilford County	277	3,621,261	225,548	228,600	6.3%	16,090	0	0	\$17.22
NE Randolph County	27	93,668	3,652	3,652	3.9%	0	0	0	\$10.84
North Asheboro	8	42,172	4,498	4,498	10.7%	0	0	0	\$0.00
North Davidson Count.	94	789,480	58,319	58,319	7.4%	2,651	0	0	\$11.97
NW Alamance County	17	297,353	8,600	8,600	2.9%	0	0	0	\$8.33
NW Forsyth County	142	3,349,389	462,521	477,224	14.2%	(33,841)	0	0	\$13.78
NW Guilford County	246	3,519,556	386,140	388,481	11.0%	48,202	36,000	0	\$16.97
NW Randolph Cnty/Arc	58	342,041	41,413	41,413	12.1%	12,397	0	0	\$9.92
Randleman	6	28,916	0	0	0.0%	0	0	0	\$0.00
Rockingham County	106	726,593	63,136	63,136	8.7%	1,732	0	0	\$10.16
S Central Alamance C.	44	155,302	11,734	11,734	7.6%	1,800	0	0	\$10.47
SE Alamance County	16	235,531	12,870	12,870	5.5%	2,673	0	0	\$25.37
SE Forsyth County	37	289,043	2,200	2,200	0.8%	(18,000)	0	0	\$5.22
SE Guilford County	16	1,127,542	650,121	650,121	57.7%	32,051	0	0	\$12.41
SE Randolph County	23	132,483	900	900	0.7%	2,300	0	0	\$8.67
South Burlington	42	204,601	12,960	12,960	6.3%	1,250	0	0	\$7.33
South Davidson Count.	199	1,280,075	59,218	59,218	4.6%	300	0	0	\$8.32
South Forsyth County	514	5,713,172	488,072	495,955	8.7%	(20,101)	33,000	0	\$15.70
South Greensboro	45	371,748	29,970	29,970	8.1%	0	0	0	\$8.80
Stokes County	18	76,498	14,963	14,963	19.6%	0	0	0	\$0.00
SW Alamance County	5	53,364	20,816	20,816	39.0%	2,744	0	0	\$2.87
SW Randolph County	17	106,170	11,204	11,204	10.6%	(300)	0	0	\$8.90
West Burlington/Airp.	115	1,082,597	82,423	82,423	7.6%	16,510	9,000	0	\$12.36
West Greensboro	81	1,100,903	257,424	269,817	24.5%	(19,009)	0	0	\$11.12
Western Forsyth Coun.	95	707,192	21,094	21,094	3.0%	(3,187)	0	0	\$15.87
Winston-Salem CBD	203	7,345,582	381,649	471,377	6.4%	(36,449)	55,000	0	\$16.22
Yadkin County	44	128,497	7,000	7,000	5.4%	2,400	0	0	\$7.50
Totals	4,260	54,557,257	5,506,482	5,660,422	10.4%	294,795	303,965	43,000	\$14.36

Source: CoStar Property®

Greensboro/Winston-Salem Office Market



Figures at a Glance

Class A Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	18	4,252,133	158,706	248,434	5.8%	(30,380)	55,000	0	\$21.49
Suburban	42	4,157,794	582,059	592,100	14.2%	189,564	181,965	43,000	\$18.58
Totals	60	8,409,927	740,765	840,534	10.0%	159,184	236,965	43,000	\$19.54

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	131	5,423,899	504,683	504,683	9.3%	(10,977)	0	0	\$13.15
Suburban	910	22,061,485	2,754,286	2,790,974	12.7%	195,886	67,000	0	\$13.98
Totals	1,041	27,485,384	3,258,969	3,295,657	12.0%	184,909	67,000	0	\$13.86

Source: CoStar Property®

Class C Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	574	3,832,022	220,313	220,313	5.7%	7,491	0	0	\$11.26
Suburban	2,585	14,829,924	1,286,435	1,303,918	8.8%	(56,789)	0	0	\$12.07
Totals	3,159	18,661,946	1,506,748	1,524,231	8.2%	(49,298)	0	0	\$11.97

Source: CoStar Property®

Class A & B Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	149	9,676,032	663,389	753,117	7.8%	(41,357)	55,000	0	\$16.55
Suburban	952	26,219,279	3,336,345	3,383,074	12.9%	385,450	248,965	43,000	\$14.85
Totals	1,101	35,895,311	3,999,734	4,136,191	11.5%	344,093	303,965	43,000	\$15.16

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	723	13,508,054	883,702	973,430	7.2%	(33,866)	55,000	0	\$15.55
Suburban	3,537	41,049,203	4,622,780	4,686,992	11.4%	328,661	248,965	43,000	\$14.11
Totals	4,260	54,557,257	5,506,482	5,660,422	10.4%	294,795	303,965	43,000	\$14.36

Source: CoStar Property®

Class A Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	60	8,409,927	740,765	840,534	10.0%	182,735	2	178,000	1	43,000	\$19.54
2014 2q	58	8,231,927	752,806	845,269	10.3%	23,690	0	0	2	178,000	\$19.44
2014 1q	58	8,231,927	776,496	868,959	10.6%	(47,241)	2	58,965	2	178,000	\$19.30
2013 4q	56	8,172,962	752,712	762,753	9.3%	289,859	1	240,000	2	58,965	\$19.06
2013 3q	55	7,932,962	799,509	812,612	10.2%	(59,313)	0	0	3	298,965	\$18.60
2013 2q	55	7,932,962	740,196	753,299	9.5%	10,534	0	0	2	276,000	\$18.70
2013 1q	55	7,932,962	750,730	763,833	9.6%	44,548	0	0	1	36,000	\$16.71
2012 4q	55	7,932,962	786,778	808,381	10.2%	443,157	1	65,000	0	0	\$16.56
2012 3q	54	7,867,962	1,164,935	1,186,538	15.1%	4,112	0	0	1	65,000	\$16.49
2012 2q	54	7,867,962	1,167,475	1,190,650	15.1%	(5,901)	0	0	1	65,000	\$16.50
2012 1q	54	7,867,962	1,161,574	1,184,749	15.1%	59,983	0	0	1	65,000	\$16.52
2011	54	7,867,962	1,221,557	1,244,732	15.8%	(395,213)	0	0	1	65,000	\$16.46
2010	54	7,867,962	821,247	849,519	10.8%	93,171	1	25,000	0	0	\$18.22
2009	53	7,842,962	879,276	917,690	11.7%	(43,436)	0	0	1	25,000	\$17.66
2008	53	7,842,962	811,617	874,254	11.1%	379,642	2	173,206	0	0	\$17.50
2007	51	7,669,756	1,039,756	1,080,690	14.1%	181,792	0	0	2	173,206	\$17.08

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	1,041	27,485,384	3,258,969	3,295,657	12.0%	84,813	0	0	0	0	\$13.86
2014 2q	1,041	27,485,384	3,343,782	3,380,470	12.3%	41,454	2	42,000	0	0	\$13.78
2014 1q	1,039	27,443,384	3,360,276	3,379,924	12.3%	58,642	1	25,000	2	42,000	\$13.71
2013 4q	1,038	27,418,384	3,396,458	3,413,566	12.4%	(21,853)	1	17,000	3	67,000	\$14.40
2013 3q	1,039	27,432,788	3,400,582	3,406,117	12.4%	(170,179)	0	0	3	51,000	\$14.07
2013 2q	1,039	27,432,788	3,214,348	3,235,938	11.8%	27,068	1	8,000	2	42,000	\$14.03
2013 1q	1,039	27,425,820	3,234,881	3,256,038	11.9%	15,610	1	5,000	1	8,000	\$13.95
2012 4q	1,038	27,420,820	3,242,605	3,266,648	11.9%	69,232	0	0	2	13,000	\$14.33
2012 3q	1,038	27,420,820	3,274,062	3,335,880	12.2%	114,741	2	88,000	1	5,000	\$14.31
2012 2q	1,036	27,332,820	3,301,803	3,362,621	12.3%	(103,261)	1	6,135	3	93,000	\$14.36
2012 1q	1,035	27,326,685	3,192,407	3,253,225	11.9%	129,327	4	67,177	3	94,135	\$14.43
2011	1,031	27,259,508	3,292,332	3,315,375	12.2%	167,378	8	90,966	7	161,312	\$14.25
2010	1,023	27,168,542	3,345,917	3,391,787	12.5%	333,561	7	149,508	8	90,966	\$14.30
2009	1,016	27,019,034	3,427,285	3,575,840	13.2%	134,028	13	139,208	5	110,508	\$13.69
2008	1,003	26,879,826	3,451,100	3,570,660	13.3%	555,402	40	555,496	9	67,208	\$13.83
2007	963	26,324,330	3,390,048	3,570,566	13.6%	521,065	47	689,777	34	485,417	\$13.32

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 3q	4,260	54,557,257	5,506,482	5,660,422	10.4%	295,912	2	178,000	1	43,000	\$14.36
2014 2q	4,258	54,379,257	5,631,700	5,778,334	10.6%	111,665	2	42,000	2	178,000	\$14.12
2014 1q	4,258	54,369,596	5,753,524	5,880,338	10.8%	(112,782)	3	83,965	4	220,000	\$13.84
2013 4q	4,255	54,285,631	5,640,689	5,683,591	10.5%	282,964	2	257,000	5	125,965	\$14.21
2013 3q	4,255	54,060,035	5,706,568	5,740,959	10.6%	(246,058)	0	0	6	349,965	\$13.93
2013 2q	4,255	54,060,035	5,442,505	5,494,901	10.2%	44,217	1	8,000	4	318,000	\$13.97
2013 1q	4,255	54,053,067	5,480,187	5,532,150	10.2%	20,374	1	5,000	2	44,000	\$13.82
2012 4q	4,254	54,048,067	5,477,175	5,547,524	10.3%	644,329	1	65,000	2	13,000	\$13.92
2012 3q	4,253	53,983,067	6,001,965	6,126,853	11.3%	95,103	2	88,000	2	70,000	\$13.83
2012 2q	4,251	53,895,067	6,024,199	6,133,956	11.4%	(52,001)	1	6,135	4	158,000	\$13.82
2012 1q	4,250	53,888,932	5,968,063	6,075,820	11.3%	237,598	4	67,177	4	159,135	\$13.90
2011	4,247	53,822,955	6,177,459	6,247,441	11.6%	(225,102)	9	100,510	8	226,312	\$13.88
2010	4,239	53,729,089	5,829,319	5,928,473	11.0%	389,278	8	174,508	9	100,510	\$14.21
2009	4,231	53,554,581	5,907,724	6,143,243	11.5%	(219,104)	14	152,383	6	135,508	\$13.41
2008	4,218	53,404,366	5,563,570	5,773,924	10.8%	1,014,028	43	734,247	10	80,383	\$14.06
2007	4,177	52,673,892	5,835,858	6,057,478	11.5%	686,297	49	693,642	37	664,168	\$13.64

Source: CoStar Property®

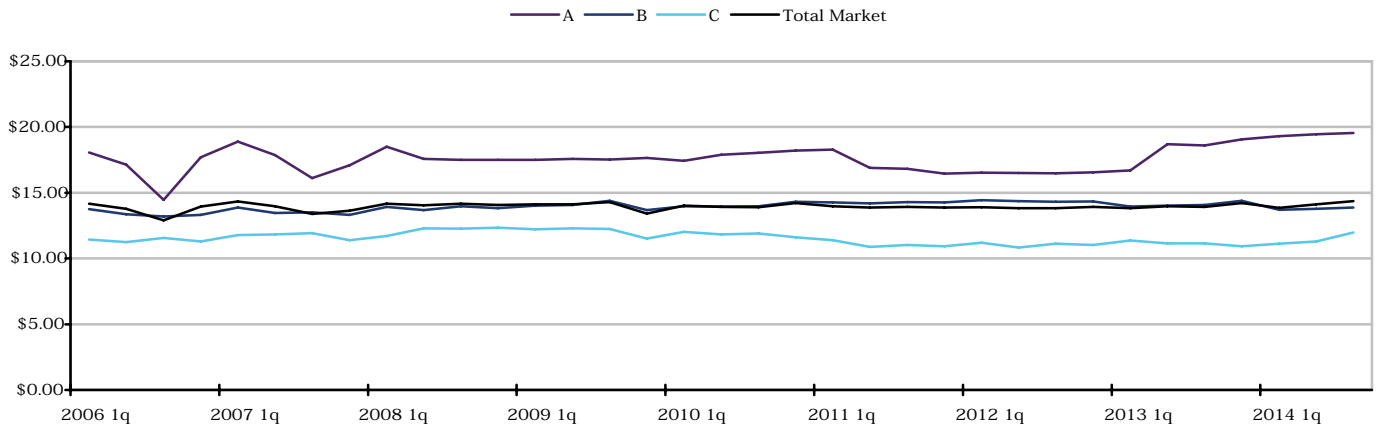
Greensboro/Winston-Salem Office Market



Leasing Activity

Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



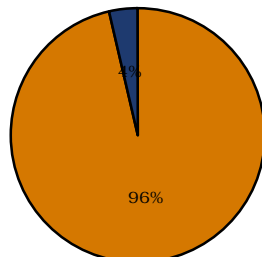
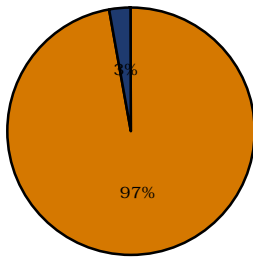
Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Greensboro/Winston-Salem

United States



Direct Sublet

Direct Sublet

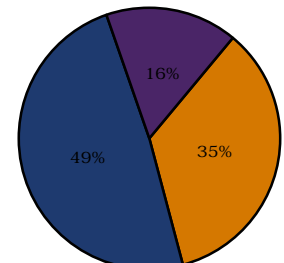
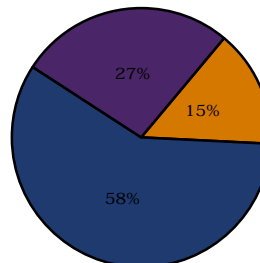
Source: CoStar Property®

Vacancy by Class

Percent of All Vacant Space by Class

Greensboro/Winston-Salem

United States



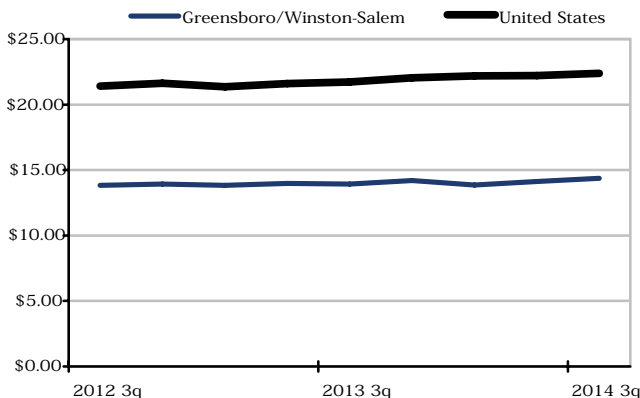
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

U.S. Rental Rate Comparison

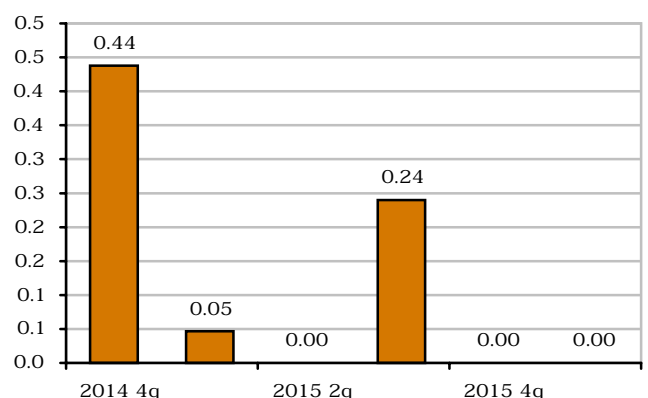
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2014

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 4001 N Liberty St*	NE Forsyth County	60,800	2nd	North State Aviation	Freeman Commercial Real Estate	Freeman Commercial Real Estate
2 Trone Advertising	Airport/WGuilford County	44,376	1st	Newbreed	N/A	4035 Piedmont Parkway Assocs L
3 Signature Place*	NW Guilford County	40,400	2nd	Novartis Animal Health US, Inc.	N/A	N/A
4 5420 Millstream Rd*	SE Guilford County	23,314	1st	Willis Re, Inc	Cushman&Wakefield Thalhimer;Cush	N/A
5 751 W 4th St	Winston-Salem CBD	21,999	2nd	Atlantic Capital Advisors LLC	N/A	Commercial Realty Advisors LLC
6 751 W 4th St	Winston-Salem CBD	21,999	2nd	Winston-Salem Foundation	N/A	Commercial Realty Advisors LLC
7 2485 Penny Rd	Airport/WGuilford County	20,000	3rd	N/A	N/A	N/A
8 380 Knollwood St*	South Forsyth County	16,077	2nd	Allman Spry Leggett & Crumpler	N/A	CBRE Triad
9 4140 N Cherry St	NW Forsyth County	12,721	3rd	N/A	N/A	Stewart Realty
10 426 Gallimore Dairy Rd	Airport/WGuilford County	11,563	2nd	N/A	N/A	Highwoods Properties, Inc.
11 Wendover Medical Center	NE Guilford County	11,088	3rd	N/A	N/A	Brown Investment Properties
12 1305 Lees Chapel Rd	NE Guilford County	9,304	1st	Vascular Access Center	N/A	Windsor Income and Investment Prope
13 20 W 32nd St	NE Forsyth County	9,251	2nd	City of Winston-Salem	Direct Deal	Meridian Realty Group, Inc.
14 380 Knollwood St	South Forsyth County	8,325	3rd	N/A	N/A	CBRE Triad
15 Wells Fargo Tower	Greensboro CBD	8,054	3rd	N/A	N/A	Brantley Commercial Partners LLC
16 Brownstones	NW Guilford County	7,500	1st	N/A	N/A	Lindbrook Development
17 Airpark East Building B	Airport/WGuilford County	7,447	2nd	N/A	N/A	Highwoods Properties, Inc.
18 500 Pineview Dr	Kernersville	6,000	2nd	N/A	N/A	Alford Investments
19 Park 158 Professional Center	Davie County	6,000	3rd	N/A	N/A	Browder Holdings LLC
20 4306 Cheyenne Dr	NWRandolphCnty/Archdale	5,782	3rd	Novant Medical	N/A	Speckman Commercial Properties
21 510 N Elam Ave	NW Guilford County	5,593	2nd	N/A	N/A	Flagship-510 North Elam LLC
22 200 Fisher Ave	High Point/SWGuilford Ct	5,246	1st	N/A	N/A	Price Commercial Properties
23 160 Kimel Forest Dr	South Forsyth County	5,244	1st	N/A	N/A	Advanced Interventional Pain
24 490 Pineview Dr	Kernersville	4,900	2nd	N/A	N/A	Alford Investments
25 380 Knollwood St	South Forsyth County	4,830	3rd	N/A	N/A	CBRE Triad
26 800 Green Valley Rd	NW Guilford County	4,233	2nd	N/A	N/A	Capital Associates
27 169 Yadkin Valley Rd	Davie County	4,200	3rd	N/A	N/A	Williams Construction Company
28 4505 Country Club Rd	Western Forsyth County	4,148	2nd	N/A	Direct Deal	CBRE Triad
29 1325 S Eugene St	Greensboro CBD	4,000	3rd	Top Priority Care Services	N/A	Direct Deal
30 225 Turner Dr*	Rockingham County	3,910	1st	Youth Haven Services, Inc.	N/A	J Michael Fargis & Associates LLP
31 One Salem Tower	South Forsyth County	3,887	2nd	N/A	N/A	Meridian Realty Group, Inc.
32 Guilford Building	West Greensboro	3,775	2nd	Open Arms Treatment Center	N/A	Security National Properties
33 1698 Westbrook Ave	West Burlington/Airport	3,750	3rd	N/A	N/A	NAI Piedmont Triad
34 971 Salisbury Ridge Rd	South Forsyth County	3,610	1st	N/A	N/A	Cox Curtis Roger
35 3625 N Elm St	NE Guilford County	3,500	3rd	N/A	Direct Deal	Direct Deal
36 1331 N Elm St	NE Guilford County	3,500	3rd	N/A	N/A	Lindbrook Development
37 3625 N Elm St	NE Guilford County	3,250	3rd	N/A	Direct Deal	Direct Deal
38 3929 Tinsley Dr*	Airport/WGuilford County	3,240	2nd	Bsc Holdings, Inc.	N/A	Brown Investment Properties
39 2733 Horse Pen Creek Rd	NW Guilford County	3,050	2nd	Resolve Partners LLC	N/A	Brown Investment Properties
40 Morehead Building	West Greensboro	3,013	2nd	N/A	N/A	Security National Properties

Source: CoStar Property®

* Renewal

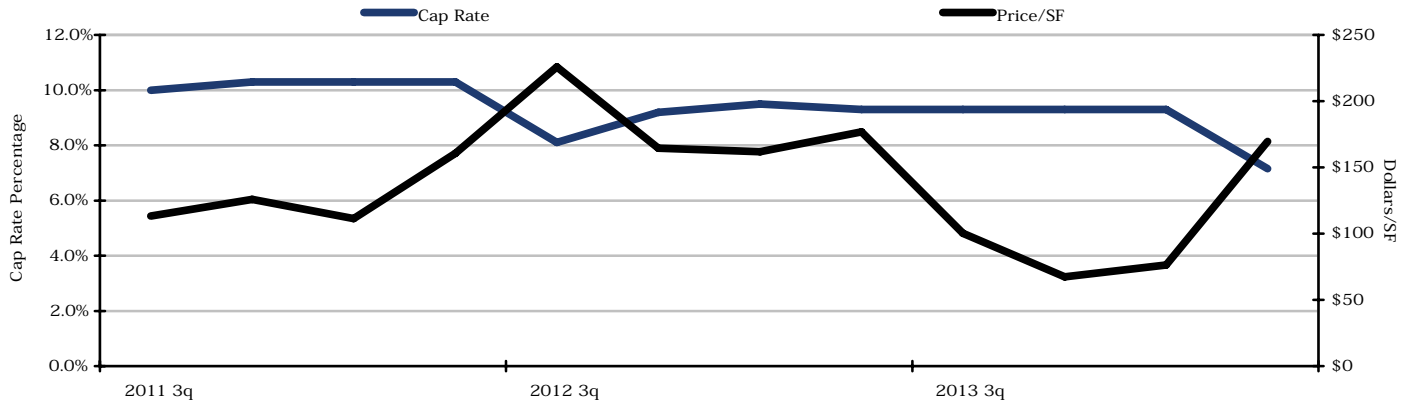
Greensboro/Winston-Salem Office Market



Sales Activity

The Optimist Sales Index

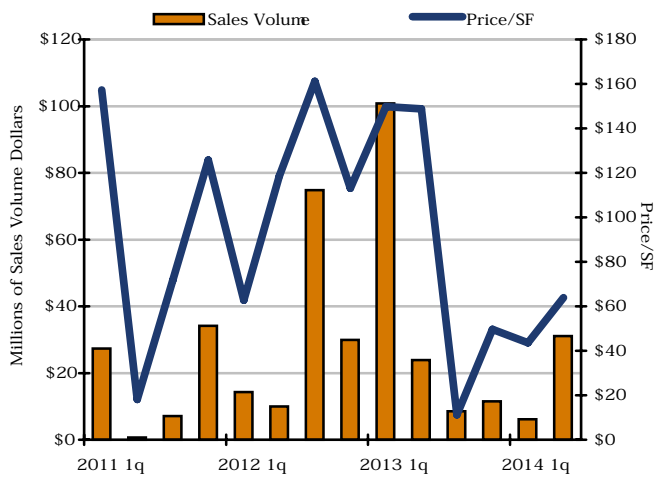
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

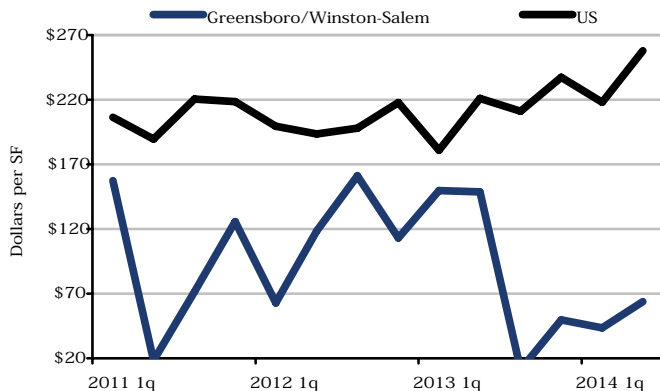
Based on Office Building Sales From July 2013 - June 2014

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	33	406,424	\$39,947,070	\$ 98.29	9.00%
50K-249K SF	4	399,209	\$27,697,500	\$ 69.38	7.10%
250K-499K SF	1	314,000	\$7,800,000	\$ 24.84	-
>500K SF	1	683,000	\$2,000,000	\$ 2.93	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

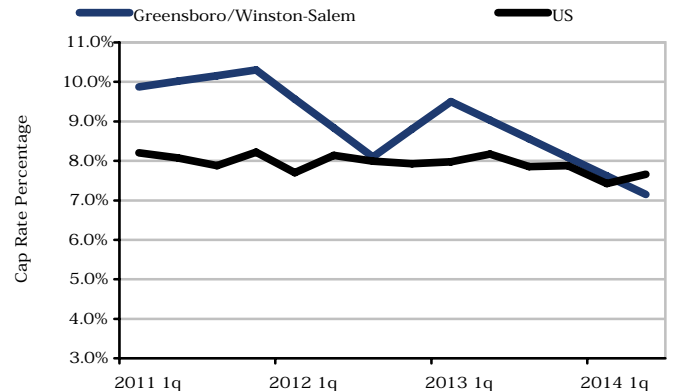
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Select Top Sales

Based on Sales from July 2013 Through September 2014

1. RF Micro Devices



Greensboro

Price: **\$15,500,000**
 Price/SF: **\$155.00**
 Cap Rate: **7.1%**
 RBA: **100,000**
 Date: **6/12/2014**
 Year Built: **1999**
 Buyer: **Cole Office & Industrial REIT (CCIT II), Inc**
 Seller: **The Frank and Lynn Kirk Revocable Trust**

2. Reynolds Building



Winston-Salem

Price: **\$7,800,000**
 Price/SF: **\$24.84**
 Cap Rate: **N/A**
 RBA: **314,000**
 Date: **5/21/2014**
 Year Built: **1929**
 Buyer: **PMC Property Group Inc.**
 Seller: **Reynolds American Inc.**

3. 510 N Elm Ave



Greensboro

Price: **\$6,500,000**
 Price/SF: **\$184.14**
 Cap Rate: **7.2%**
 RBA: **35,300**
 Date: **6/9/2014**
 Year Built: **1989**
 Buyer: **Healthcare Realty Trust Incorporated**
 Seller: **Brackett Flagship Properties LLC**

4. Consolidated Center



Winston-salem

Price: **\$6,197,500**
 Price/SF: **\$34.63**
 Cap Rate: **N/A**
 RBA: **178,960**
 Date: **10/24/2013**
 Year Built: **1989**
 Buyer: **Commercial Realty Advisors LLC**
 Seller: **Highwoods Properties**

5. 2000 Frontis Plaza Blvd



Winston-salem

Price: **\$5,300,000**
 Price/SF: **\$100.15**
 Cap Rate: **N/A**
 RBA: **52,922**
 Date: **10/25/2013**
 Year Built: **1985**
 Buyer: **Horn Oil Company, Inc.**
 Seller: **Highwoods Properties**

6. Trone Advertising



High Point

Price: **\$3,383,000**
 Price/SF: **\$75.68**
 Cap Rate: **N/A**
 RBA: **44,704**
 Date: **7/12/2013**
 Year Built: **1988**
 Buyer: **New Breed, Inc.**
 Seller: **Aviva Real Estate Investors (Compton Square) LLC**

7. 338 N Elm St



Greensboro

Price: **\$2,659,575**
 Price/SF: **\$75.56**
 Cap Rate: **N/A**
 RBA: **35,200**
 Date: **3/5/2014**
 Year Built: **1962**
 Buyer: **City of Greensboro**
 Seller: **Johnston Properties Inc**

8. 122 E Lindsay St



Greensboro

Price: **\$2,216,495**
 Price/SF: **\$124.77**
 Cap Rate: **N/A**
 RBA: **17,765**
 Date: **9/4/2013**
 Year Built: **1946**
 Buyer: **City Of Greensboro**
 Seller: **North State Property Company**

9. Carolina Corporate Center



Mc Leansville

Price: **\$2,000,000**
 Price/SF: **\$2.93**
 Cap Rate: **N/A**
 RBA: **683,000**
 Date: **7/25/2013**
 Year Built: **1970**
 Buyer: **D. H. Griffin Wrecking Company, Inc.**
 Seller: **Lehman Brothers**

Greensboro/Winston-Salem Office Market

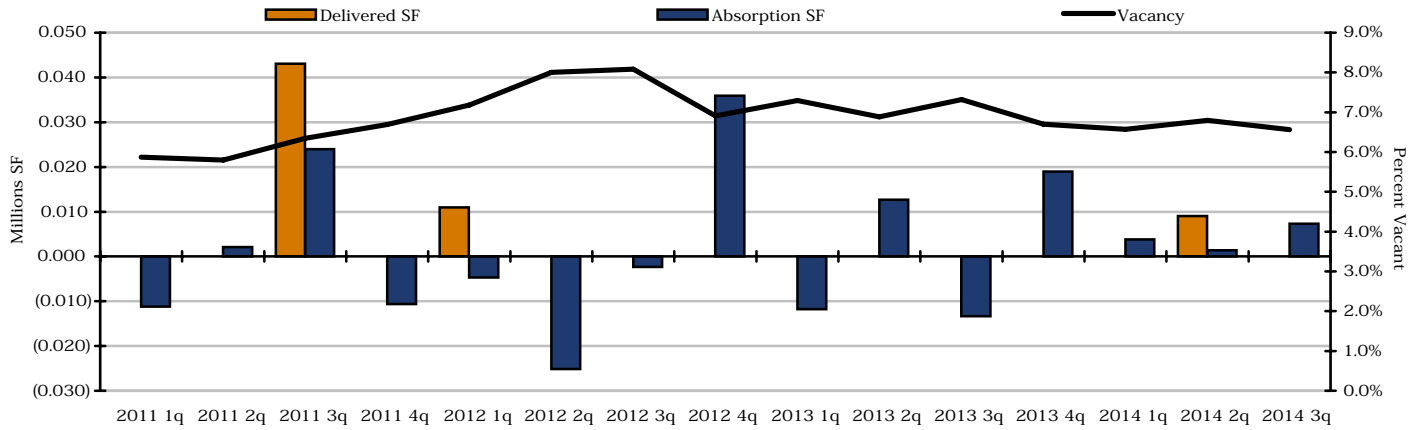


Alamance County Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

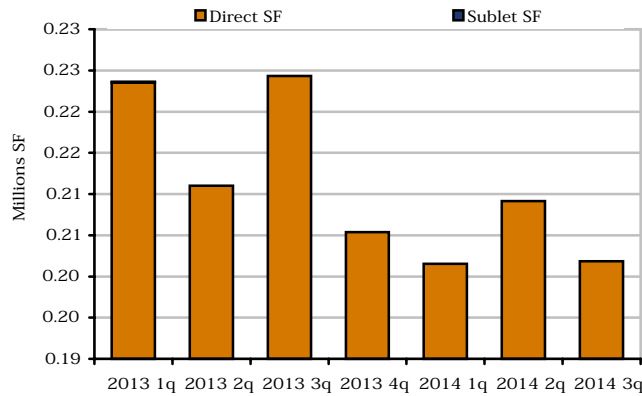
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

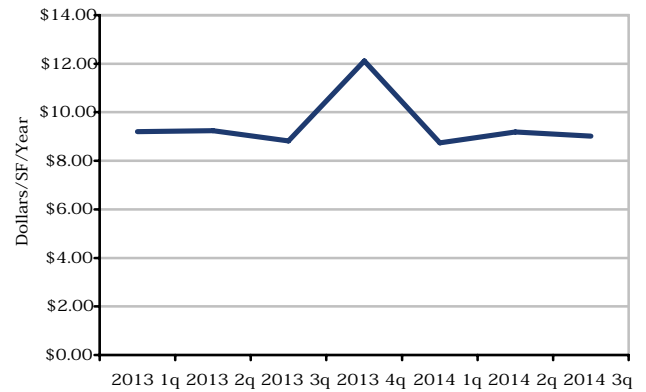
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



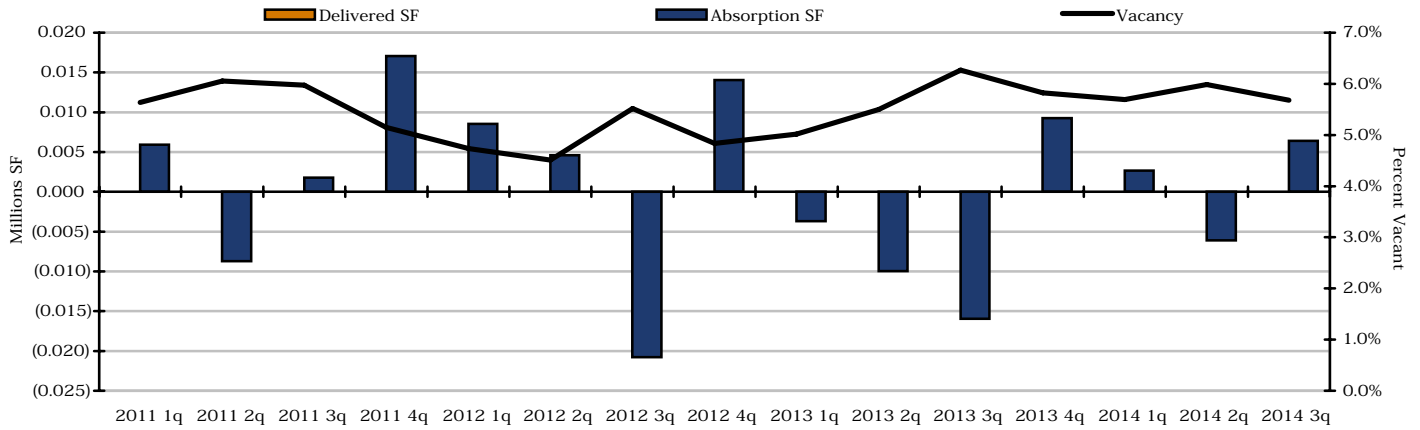
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	379	3,075,361	201,831	6.6%	7,301	0	0	0	0	\$9.02
2014 2q	379	3,075,361	209,132	6.8%	1,390	1	9,000	0	0	\$9.19
2014 1q	378	3,066,361	201,522	6.6%	3,838	0	0	1	9,000	\$8.73
2013 4q	378	3,066,361	205,360	6.7%	18,968	0	0	1	9,000	\$12.11
2013 3q	378	3,066,361	224,328	7.3%	(13,337)	0	0	1	9,000	\$8.82
2013 2q	378	3,066,361	210,991	6.9%	12,646	0	0	0	0	\$9.25
2013 1q	378	3,066,361	223,637	7.3%	(11,785)	0	0	0	0	\$9.20
2012 4q	378	3,066,361	211,852	6.9%	35,890	0	0	0	0	\$12.64
2012 3q	378	3,066,361	247,742	8.1%	(2,344)	0	0	0	0	\$11.03
2012 2q	378	3,066,361	245,398	8.0%	(25,161)	0	0	0	0	\$11.06
2012 1q	378	3,066,361	220,237	7.2%	(4,704)	1	10,980	0	0	\$11.77
2011 4q	377	3,055,381	204,553	6.7%	(10,660)	0	0	1	10,980	\$12.86
2011 3q	377	3,055,381	193,893	6.3%	23,947	3	43,072	1	10,980	\$11.69
2011 2q	374	3,012,309	174,768	5.8%	2,076	0	0	4	54,052	\$12.61
2011 1q	374	3,012,309	176,844	5.9%	(11,169)	0	0	3	43,072	\$12.75
2010 4q	374	3,012,309	165,675	5.5%	5,858	0	0	3	43,072	\$14.20

Source: CoStar Property®

Deliveries, Absorption & Vacancy

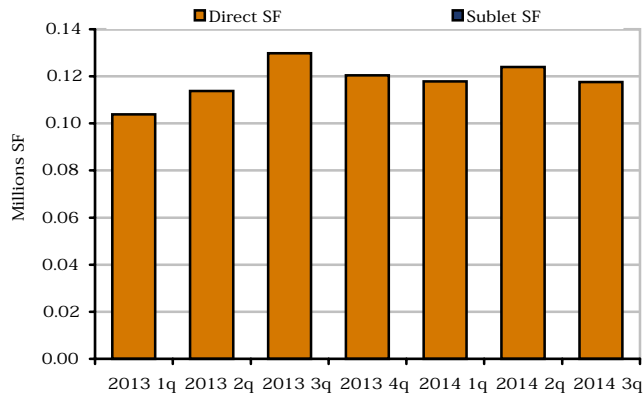
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

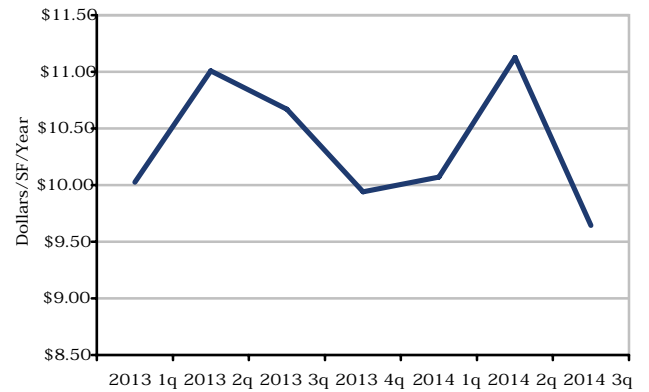
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	293	2,069,555	117,537	5.7%	6,416	0	0	0	0	\$9.64
2014 2q	293	2,069,555	123,953	6.0%	(6,116)	0	0	0	0	\$11.13
2014 1q	293	2,069,555	117,837	5.7%	2,651	0	0	0	0	\$10.07
2013 4q	293	2,069,555	120,488	5.8%	9,260	0	0	0	0	\$9.94
2013 3q	293	2,069,555	129,748	6.3%	(15,960)	0	0	0	0	\$10.67
2013 2q	293	2,069,555	113,788	5.5%	(9,979)	0	0	0	0	\$11.01
2013 1q	293	2,069,555	103,809	5.0%	(3,692)	0	0	0	0	\$10.03
2012 4q	293	2,069,555	100,117	4.8%	14,065	0	0	0	0	\$9.70
2012 3q	293	2,069,555	114,182	5.5%	(20,786)	0	0	0	0	\$9.18
2012 2q	293	2,069,555	93,396	4.5%	4,582	0	0	0	0	\$8.94
2012 1q	293	2,069,555	97,978	4.7%	8,556	0	0	0	0	\$8.50
2011 4q	293	2,069,555	106,534	5.1%	17,050	0	0	0	0	\$7.75
2011 3q	293	2,069,555	123,584	6.0%	1,767	0	0	0	0	\$8.44
2011 2q	293	2,069,555	125,351	6.1%	(8,719)	0	0	0	0	\$9.23
2011 1q	293	2,069,555	116,632	5.6%	5,939	0	0	0	0	\$9.49
2010 4q	293	2,069,555	122,571	5.9%	3,559	0	0	0	0	\$9.93

Source: CoStar Property®

Greensboro/Winston-Salem Office Market

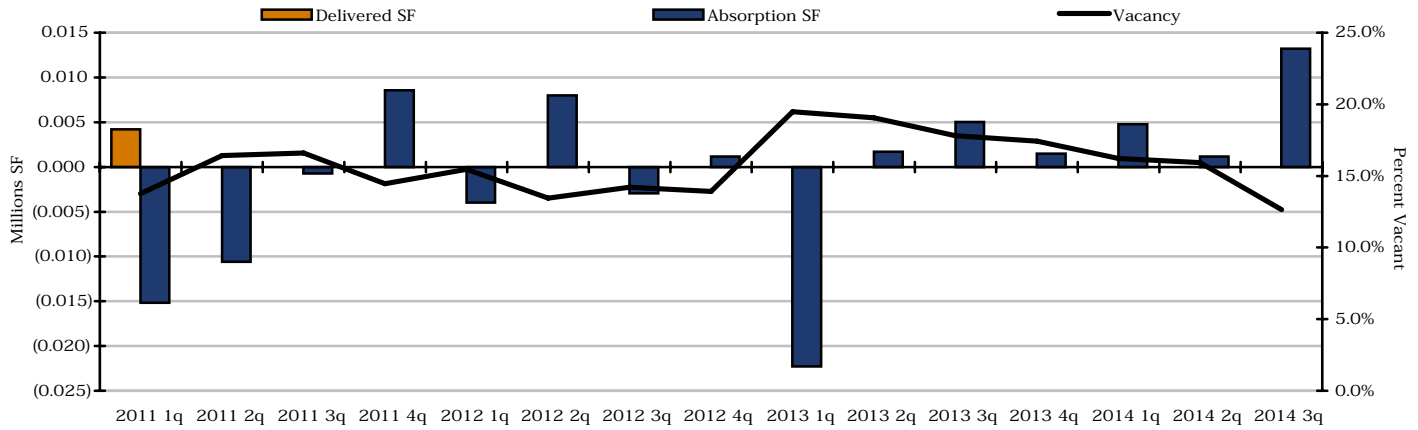


Davie County Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

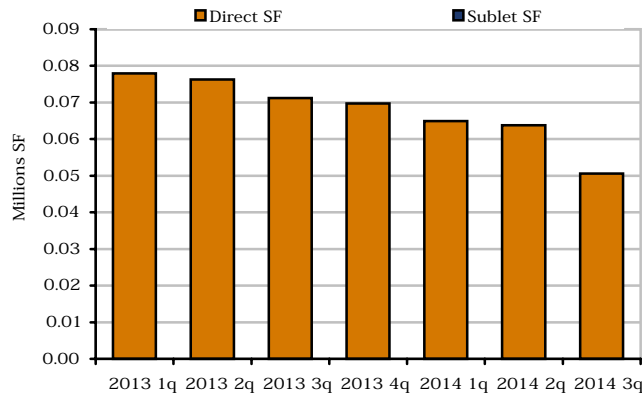
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

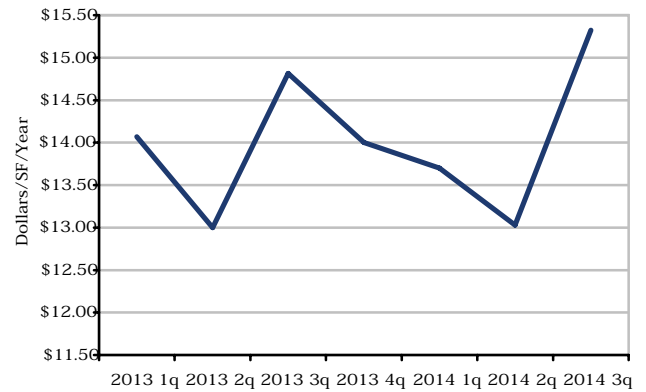
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



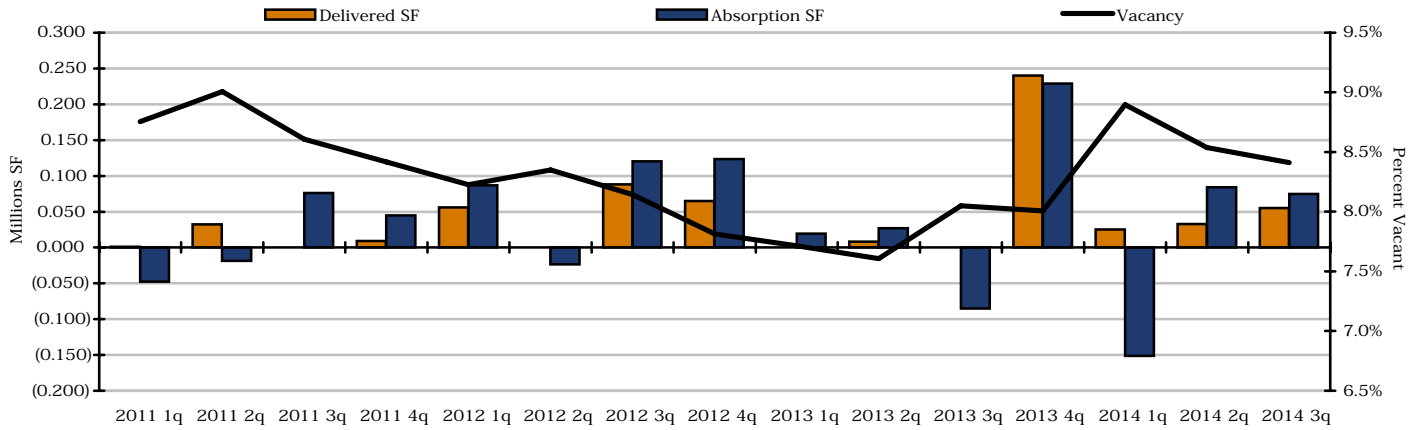
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	64	400,172	50,588	12.6%	13,200	0	0	0	0	\$15.32
2014 2q	64	400,172	63,788	15.9%	1,153	0	0	0	0	\$13.03
2014 1q	64	400,172	64,941	16.2%	4,777	0	0	0	0	\$13.70
2013 4q	64	400,172	69,718	17.4%	1,500	0	0	0	0	\$14.00
2013 3q	64	400,172	71,218	17.8%	5,024	0	0	0	0	\$14.81
2013 2q	64	400,172	76,242	19.1%	1,720	0	0	0	0	\$13.00
2013 1q	64	400,172	77,962	19.5%	(22,300)	0	0	0	0	\$14.07
2012 4q	64	400,172	55,662	13.9%	1,160	0	0	0	0	\$11.56
2012 3q	64	400,172	56,822	14.2%	(2,962)	0	0	0	0	\$12.58
2012 2q	64	400,172	53,860	13.5%	7,977	0	0	0	0	\$11.36
2012 1q	64	400,172	61,837	15.5%	(3,990)	0	0	0	0	\$14.36
2011 4q	64	400,172	57,847	14.5%	8,562	0	0	0	0	\$12.44
2011 3q	64	400,172	66,409	16.6%	(714)	0	0	0	0	\$14.03
2011 2q	64	400,172	65,695	16.4%	(10,583)	0	0	0	0	\$13.99
2011 1q	64	400,172	55,112	13.8%	(15,180)	1	4,200	0	0	\$14.54
2010 4q	63	395,972	35,732	9.0%	8,464	0	0	1	4,200	\$10.85

Source: CoStar Property®

Deliveries, Absorption & Vacancy

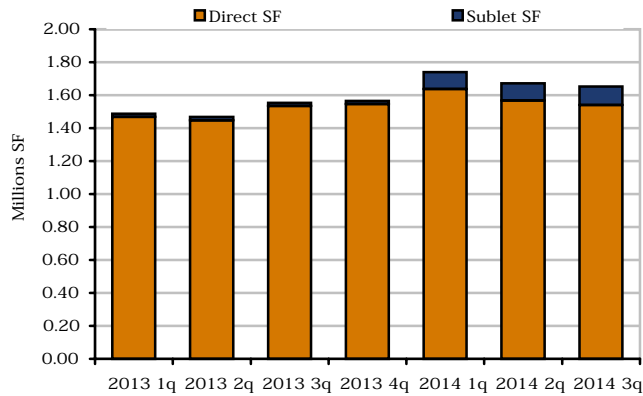
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

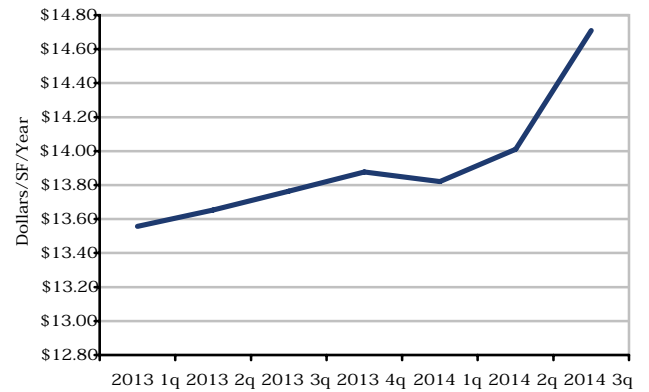
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	1,253	19,634,225	1,651,714	8.4%	74,670	1	55,000	0	0	\$14.71
2014 2q	1,252	19,579,225	1,671,384	8.5%	84,298	1	33,000	1	55,000	\$14.01
2014 1q	1,252	19,564,225	1,740,682	8.9%	(151,405)	1	25,000	2	88,000	\$13.82
2013 4q	1,251	19,539,225	1,564,277	8.0%	229,085	1	240,000	2	58,000	\$13.88
2013 3q	1,250	19,299,225	1,553,362	8.0%	(85,207)	0	0	2	265,000	\$13.76
2013 2q	1,250	19,299,225	1,468,155	7.6%	27,114	1	8,000	2	265,000	\$13.65
2013 1q	1,250	19,292,257	1,488,301	7.7%	19,314	0	0	1	8,000	\$13.56
2012 4q	1,250	19,292,257	1,507,615	7.8%	123,304	1	65,000	1	8,000	\$13.36
2012 3q	1,249	19,227,257	1,565,919	8.1%	120,269	2	88,000	1	65,000	\$13.21
2012 2q	1,247	19,139,257	1,598,188	8.4%	(23,597)	0	0	3	153,000	\$13.17
2012 1q	1,247	19,139,257	1,574,591	8.2%	86,676	3	56,197	3	153,000	\$13.18
2011 4q	1,245	19,084,260	1,606,270	8.4%	44,714	1	9,000	6	209,197	\$12.86
2011 3q	1,244	19,075,260	1,641,984	8.6%	76,303	0	0	7	218,197	\$13.11
2011 2q	1,244	19,075,260	1,718,287	9.0%	(18,628)	2	32,360	5	137,197	\$13.16
2011 1q	1,242	19,042,900	1,667,299	8.8%	(47,579)	1	925	5	88,557	\$13.36
2010 4q	1,241	19,041,975	1,618,795	8.5%	123,060	0	0	4	42,285	\$13.51

Source: CoStar Property®

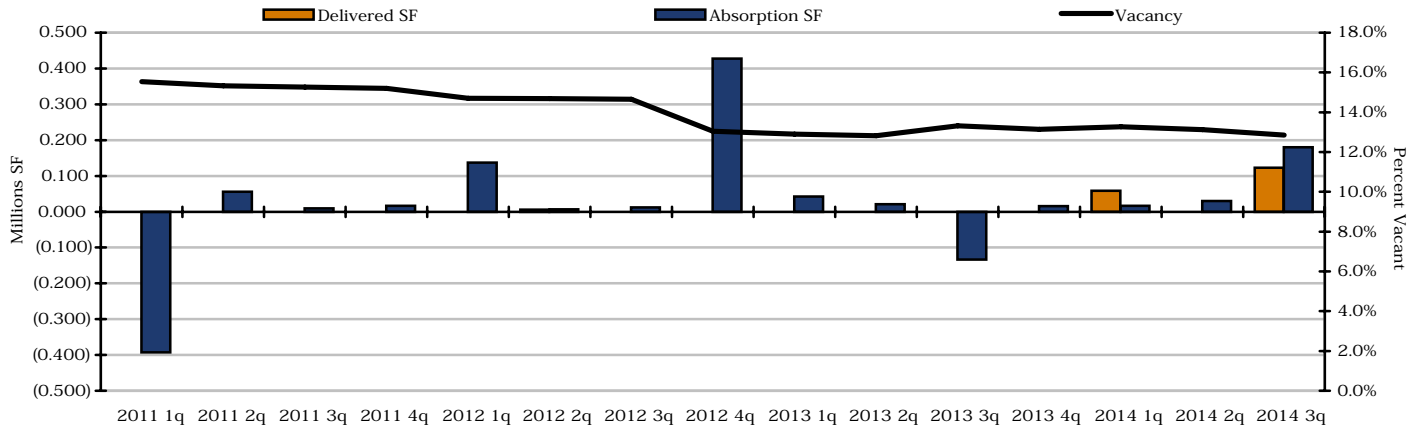
Greensboro/Winston-Salem Office Market

Guilford County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

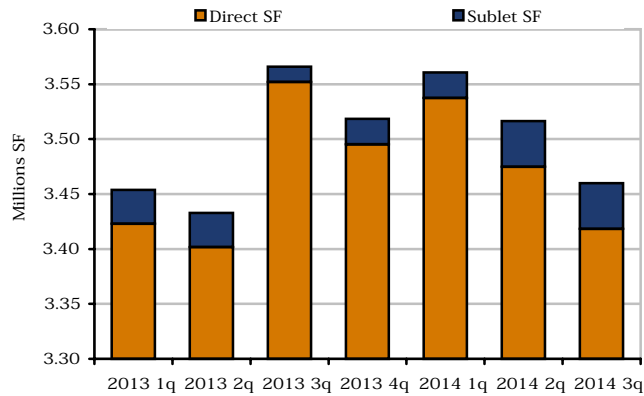
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

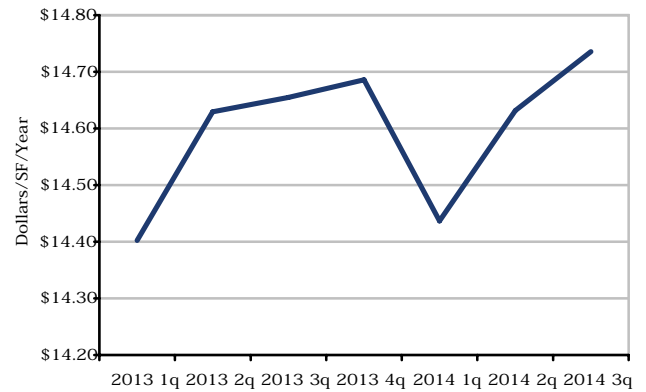
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



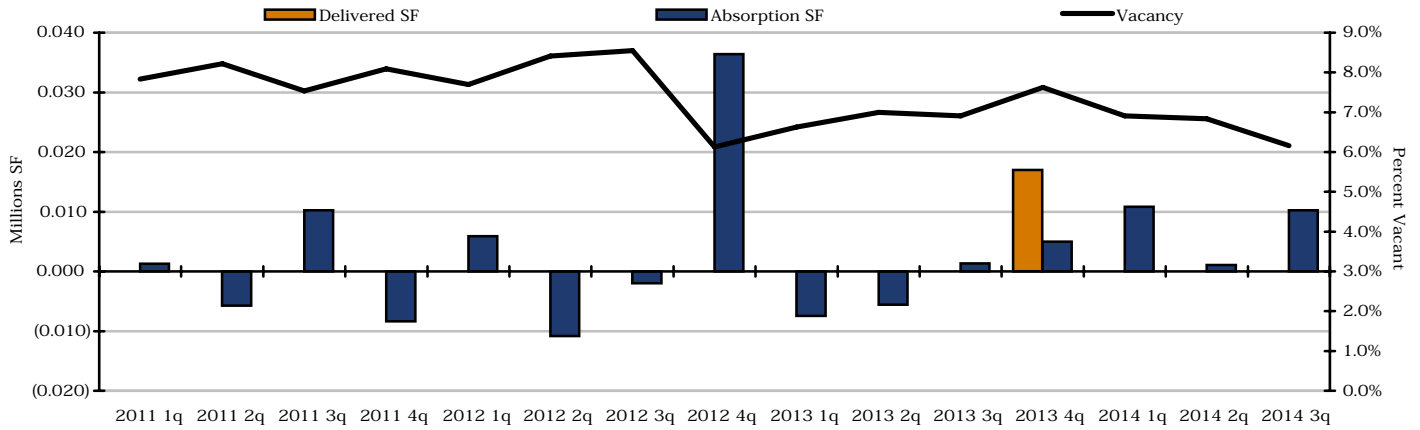
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	1,816	26,924,751	3,459,850	12.9%	179,635	1	123,000	1	43,000	\$14.74
2014 2q	1,815	26,801,751	3,516,485	13.1%	29,892	0	0	1	123,000	\$14.63
2014 1q	1,816	26,816,090	3,560,716	13.3%	16,803	2	58,965	1	123,000	\$14.44
2013 4q	1,814	26,757,125	3,518,554	13.1%	16,074	0	0	2	58,965	\$14.69
2013 3q	1,816	26,788,529	3,566,032	13.3%	(133,331)	0	0	2	58,965	\$14.65
2013 2q	1,816	26,788,529	3,432,701	12.8%	21,199	0	0	1	36,000	\$14.63
2013 1q	1,816	26,788,529	3,453,900	12.9%	42,576	0	0	1	36,000	\$14.40
2012 4q	1,816	26,788,529	3,496,476	13.1%	427,280	0	0	0	0	\$14.39
2012 3q	1,816	26,788,529	3,923,756	14.6%	11,767	0	0	0	0	\$14.44
2012 2q	1,816	26,788,529	3,935,523	14.7%	7,147	1	6,135	0	0	\$14.43
2012 1q	1,815	26,782,394	3,936,535	14.7%	136,791	0	0	1	6,135	\$14.55
2011 4q	1,815	26,782,394	4,073,326	15.2%	16,099	0	0	1	6,135	\$14.57
2011 3q	1,815	26,782,394	4,089,425	15.3%	8,960	0	0	1	6,135	\$14.58
2011 2q	1,816	26,789,038	4,105,029	15.3%	55,695	0	0	0	0	\$14.41
2011 1q	1,816	26,789,038	4,160,724	15.5%	(392,328)	0	0	0	0	\$14.56
2010 4q	1,816	26,789,038	3,768,396	14.1%	90,823	2	39,000	0	0	\$14.77

Source: CoStar Property®

Deliveries, Absorption & Vacancy

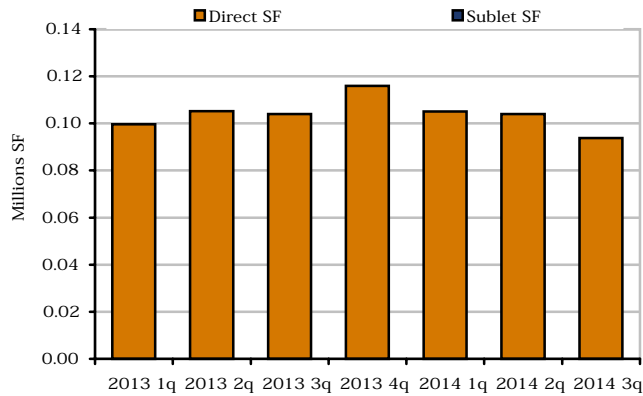
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

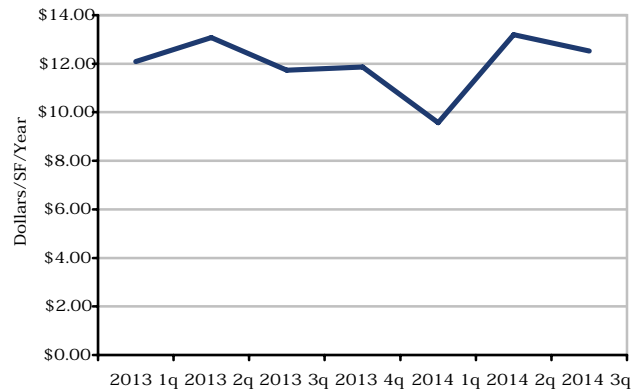
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	287	1,521,605	93,803	6.2%	10,242	0	0	0	0	\$12.53
2014 2q	287	1,521,605	104,045	6.8%	1,068	0	0	0	0	\$13.20
2014 1q	287	1,521,605	105,113	6.9%	10,850	0	0	0	0	\$9.58
2013 4q	287	1,521,605	115,963	7.6%	4,977	1	17,000	0	0	\$11.87
2013 3q	286	1,504,605	103,940	6.9%	1,316	0	0	1	17,000	\$11.73
2013 2q	286	1,504,605	105,256	7.0%	(5,583)	0	0	1	17,000	\$13.08
2013 1q	286	1,504,605	99,673	6.6%	(7,467)	0	0	0	0	\$12.09
2012 4q	286	1,504,605	92,206	6.1%	36,417	0	0	0	0	\$12.55
2012 3q	286	1,504,605	128,623	8.5%	(1,995)	0	0	0	0	\$12.03
2012 2q	286	1,504,605	126,628	8.4%	(10,835)	0	0	0	0	\$12.02
2012 1q	286	1,504,605	115,793	7.7%	5,912	0	0	0	0	\$11.87
2011 4q	286	1,504,605	121,705	8.1%	(8,347)	0	0	0	0	\$12.58
2011 3q	286	1,504,605	113,358	7.5%	10,264	0	0	0	0	\$12.15
2011 2q	286	1,504,605	123,622	8.2%	(5,745)	0	0	0	0	\$11.63
2011 1q	286	1,504,605	117,877	7.8%	1,300	0	0	0	0	\$11.01
2010 4q	286	1,504,605	119,177	7.9%	920	0	0	0	0	\$11.73

Source: CoStar Property®

Greensboro/Winston-Salem Office Market

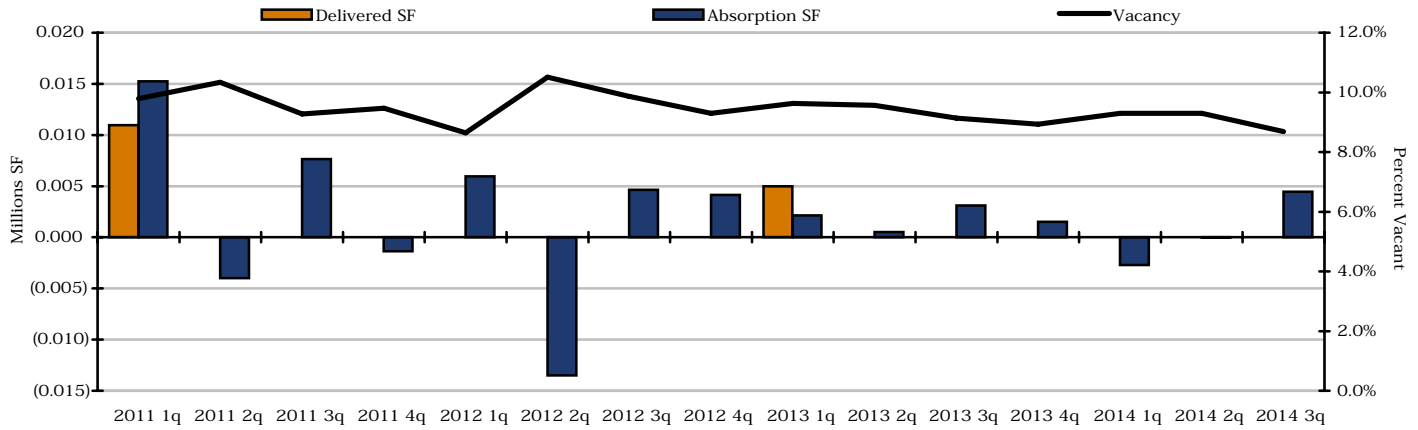


Rockingham County Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

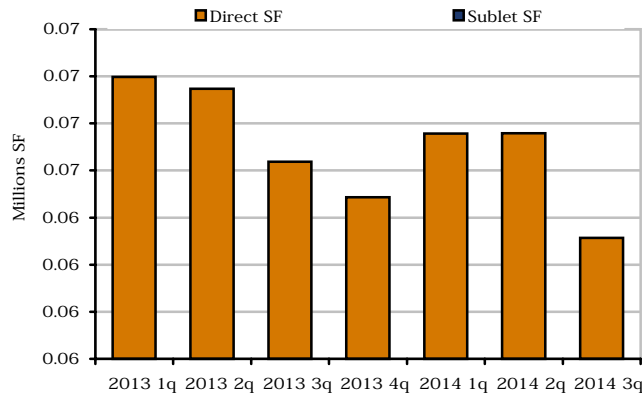
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

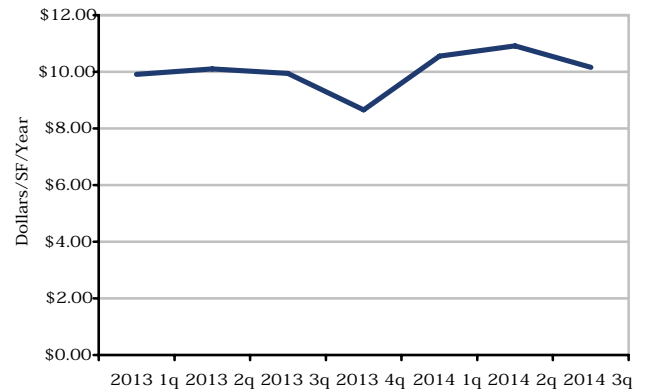
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



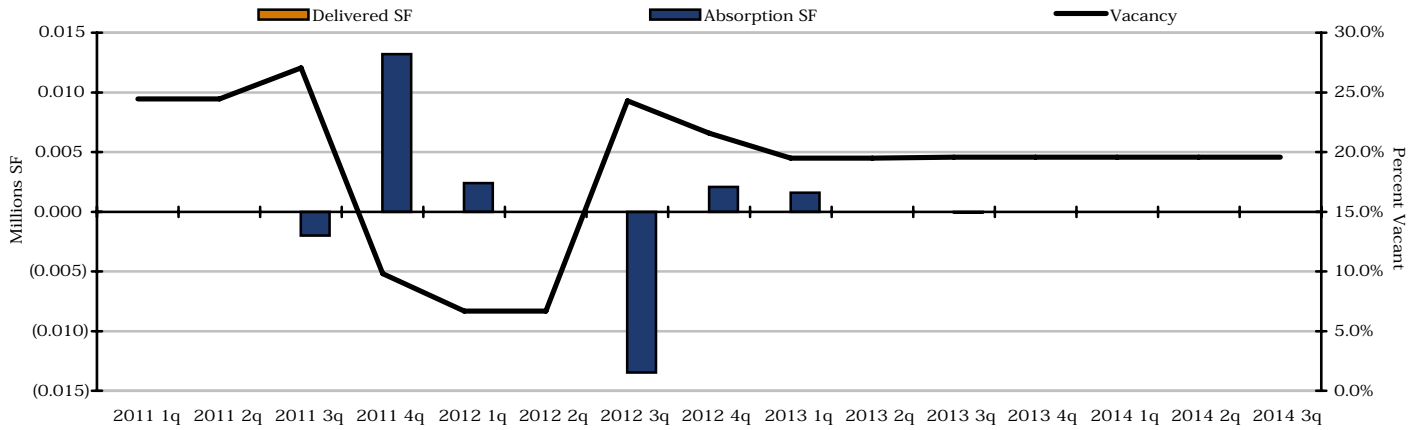
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	106	726,593	63,136	8.7%	4,448	0	0	0	0	\$10.16
2014 2q	106	726,593	67,584	9.3%	(20)	0	0	0	0	\$10.91
2014 1q	106	726,593	67,564	9.3%	(2,696)	0	0	0	0	\$10.56
2013 4q	106	726,593	64,868	8.9%	1,500	0	0	0	0	\$8.66
2013 3q	106	726,593	66,368	9.1%	3,100	0	0	0	0	\$9.94
2013 2q	106	726,593	69,468	9.6%	500	0	0	0	0	\$10.11
2013 1q	106	726,593	69,968	9.6%	2,128	1	5,000	0	0	\$9.91
2012 4q	105	721,593	67,096	9.3%	4,129	0	0	1	5,000	\$8.25
2012 3q	105	721,593	71,225	9.9%	4,638	0	0	1	5,000	\$10.04
2012 2q	105	721,593	75,863	10.5%	(13,494)	0	0	1	5,000	\$10.26
2012 1q	105	721,593	62,369	8.6%	5,957	0	0	0	0	\$9.52
2011 4q	105	721,593	68,326	9.5%	(1,352)	0	0	0	0	\$7.82
2011 3q	105	721,593	66,974	9.3%	7,648	0	0	0	0	\$9.73
2011 2q	105	721,593	74,622	10.3%	(3,976)	0	0	0	0	\$9.93
2011 1q	105	721,593	70,646	9.8%	15,234	1	10,953	0	0	\$9.91
2010 4q	104	710,640	74,927	10.5%	(2,538)	0	0	1	10,953	\$7.84

Source: CoStar Property®

Deliveries, Absorption & Vacancy

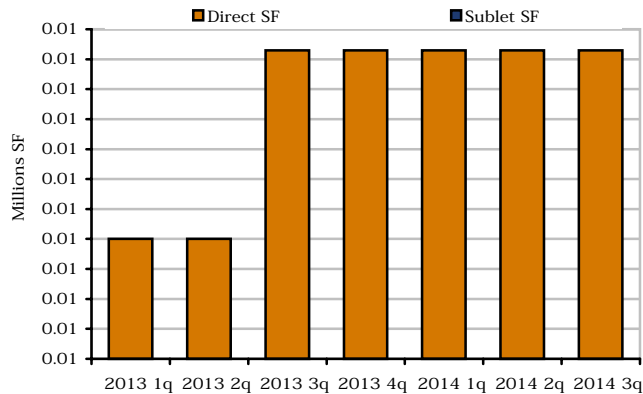
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

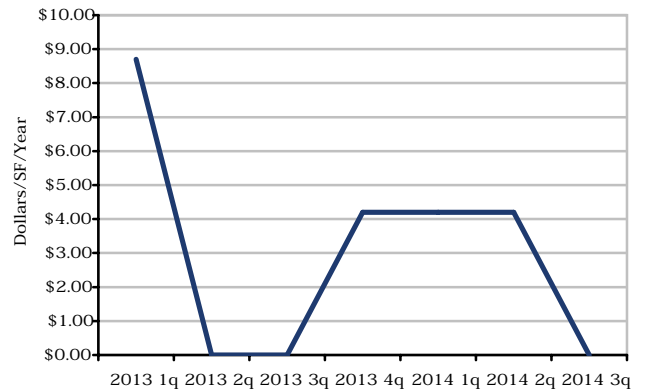
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	18	76,498	14,963	19.6%	0	0	0	0	0	\$0.00
2014 2q	18	76,498	14,963	19.6%	0	0	0	0	0	\$4.20
2014 1q	18	76,498	14,963	19.6%	0	0	0	0	0	\$4.20
2013 4q	18	76,498	14,963	19.6%	0	0	0	0	0	\$4.20
2013 3q	18	76,498	14,963	19.6%	(63)	0	0	0	0	\$0.00
2013 2q	18	76,498	14,900	19.5%	0	0	0	0	0	\$0.00
2013 1q	18	76,498	14,900	19.5%	1,600	0	0	0	0	\$8.70
2012 4q	18	76,498	16,500	21.6%	2,084	0	0	0	0	\$8.70
2012 3q	18	76,498	18,584	24.3%	(13,484)	0	0	0	0	\$8.70
2012 2q	18	76,498	5,100	6.7%	0	0	0	0	0	\$0.00
2012 1q	18	76,498	5,100	6.7%	2,400	0	0	0	0	\$8.70
2011 4q	18	76,498	7,500	9.8%	13,200	0	0	0	0	\$8.70
2011 3q	18	76,498	20,700	27.1%	(2,000)	0	0	0	0	\$8.70
2011 2q	18	76,498	18,700	24.4%	0	0	0	0	0	\$0.00
2011 1q	18	76,498	18,700	24.4%	0	0	0	0	0	\$9.75
2010 4q	18	76,498	18,700	24.4%	0	0	0	0	0	\$9.75

Source: CoStar Property®

Greensboro/Winston-Salem Office Market

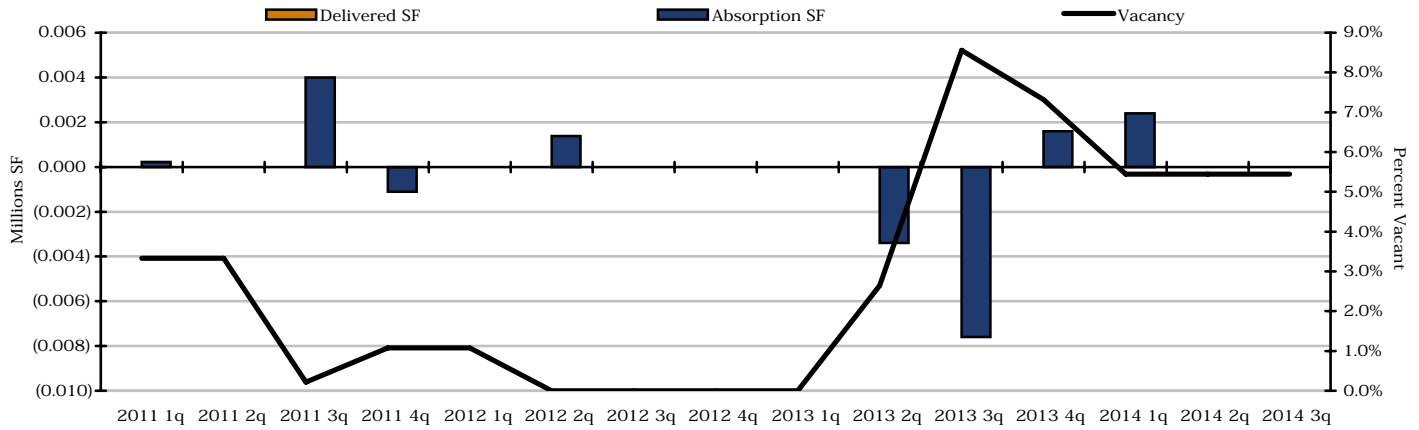


Yadkin County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

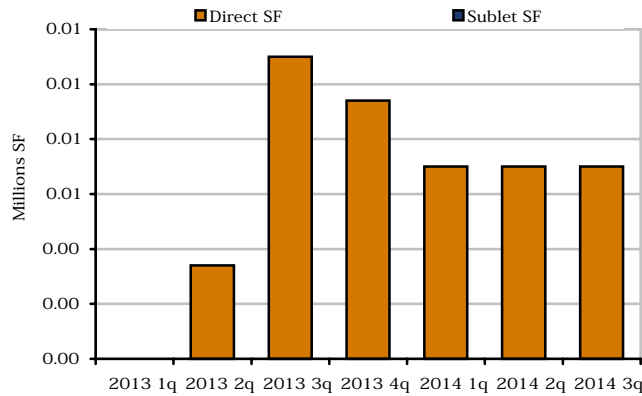
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

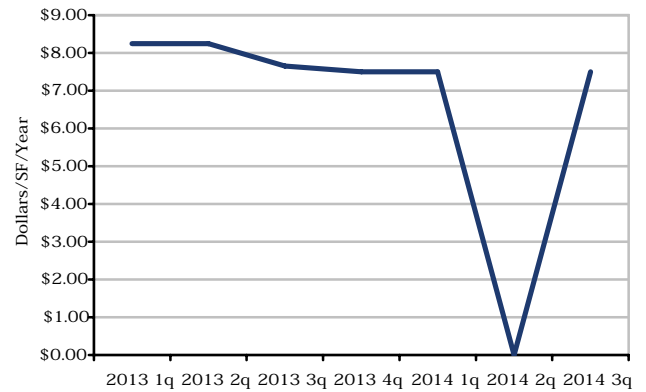
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 3q	44	128,497	7,000	5.4%	0	0	0	0	0	\$7.50
2014 2q	44	128,497	7,000	5.4%	0	0	0	0	0	\$0.00
2014 1q	44	128,497	7,000	5.4%	2,400	0	0	0	0	\$7.50
2013 4q	44	128,497	9,400	7.3%	1,600	0	0	0	0	\$7.50
2013 3q	44	128,497	11,000	8.6%	(7,600)	0	0	0	0	\$7.65
2013 2q	44	128,497	3,400	2.6%	(3,400)	0	0	0	0	\$8.25
2013 1q	44	128,497	0	0.0%	0	0	0	0	0	\$8.25
2012 4q	44	128,497	0	0.0%	0	0	0	0	0	\$9.07
2012 3q	44	128,497	0	0.0%	0	0	0	0	0	\$8.92
2012 2q	44	128,497	0	0.0%	1,380	0	0	0	0	\$6.72
2012 1q	44	128,497	1,380	1.1%	0	0	0	0	0	\$6.46
2011 4q	44	128,497	1,380	1.1%	(1,100)	0	0	0	0	\$4.75
2011 3q	44	128,497	280	0.2%	4,000	0	0	0	0	\$12.85
2011 2q	44	128,497	4,280	3.3%	0	0	0	0	0	\$4.75
2011 1q	44	128,497	4,280	3.3%	220	0	0	0	0	\$4.80
2010 4q	44	128,497	4,500	3.5%	3,550	0	0	0	0	\$5.05

Source: CoStar Property®