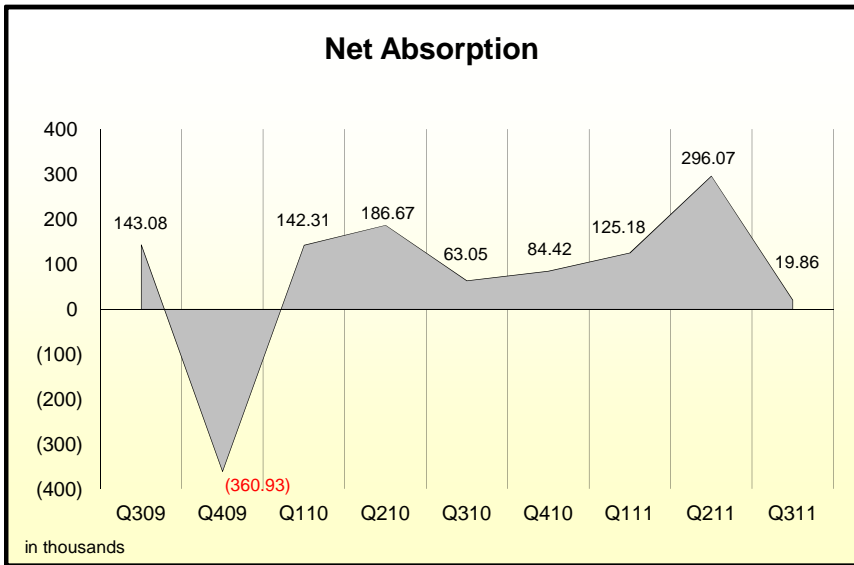


Houston Office Market Snapshot - Katy Freeway

Grubb & Ellis Research
Third Quarter 2011



POSITIVE ABSORPTION CONTINUES The Katy Freeway submarket recorded 19,862 square feet of positive net absorption during the third quarter of 2011, marking the seventh consecutive quarter the submarket has witnessed positive demand. The quarterly space gain was contributed to Class A properties, posting 87,576 square feet of positive demand, as BP Plc is taking an additional 60,000 square feet of Class A office space in Three Eldridge Place, giving the company the entire 305,000 square foot building. Class B properties posted a net loss of 68,922 square feet, as Conoco vacated about 41,000 square feet of Class B office space at 900 Threadneedle. Vacancy continues to decrease, although only by 10 basis points this quarter, currently sitting at 13.7%.

OVERALL ASKING RENTS SLIDE Overall full-service asking rents fell during the third quarter by \$0.73 to \$22.65 per square foot despite the continued demand. Although asking rents fell across the board, the quarterly reduction was largely attributed to Class A full-service rents dropping by \$0.78 to \$26.34 while Class B asking rents fell by \$0.08 to \$19.73 per square foot. Class C full-service asking rents decreased by \$0.07 to \$15.69 per square foot during the quarter.

COMPANY RELOCATES HEADQUARTERS TO HOUSTON Nexen Petroleum U.S.A Inc. will move its headquarters from Plano to Houston and consolidate hundreds of employees from both cities into a new 250,000 square foot office building developed by MetroNational Corp. About 300 employees, the bulk coming from Plano, will be moving into the new office located on Gaylord.

