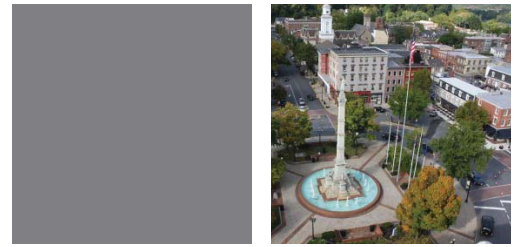


LEHIGH VALLEY COMMERCIAL REAL ESTATE

Market Report | Third Quarter 2009



LEHIGH VALLEY, PA



OVERALL TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



OVERVIEW:

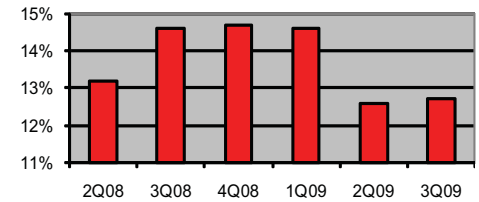
The Lehigh Valley is located in eastern Pennsylvania. The third largest in the state, this region is well situated, just 95 miles to New York City and 53 miles north of Philadelphia. The Lehigh Valley offers all of the amenities and more than its large urban neighbors.

Several factors make the Lehigh Valley an excellent location for business and industry. What fuels the growth this region is experience is the area's 11 institutions of higher learning and its nationally recognized health care facilities.

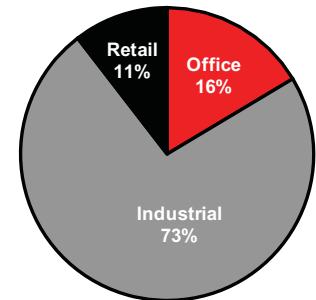
Due to its excellent highway infrastructure, rail service and the presence of an International airport, the Lehigh Valley market remains an attractive one to importers, exporters, manufacturers and high-tech companies. Developers are enticed to this area because of its abundant vacant land and favorable taxes.

An enterprising and diversified economy has led to higher income jobs, a growing and thriving population and tremendous commercial and industrial growth in this region. Some of the world's top companies call this area their home; Air Products and Chemicals, Inc; B. Braun Medical, Inc; Binney & Smith and Olympus America; just to name a few.

Historical Overall Vacancy (%)



Overall Market Inventory (SF)

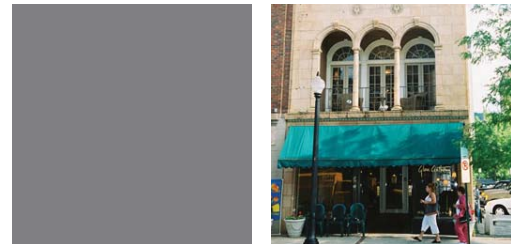


Major Area Transactions

Transaction Type:	Building:	Size (SF):	Submarket:
Sale - Industrial	2198 Industrial Drive	100,392 SF	Airport
Lease - Industrial	2202 Hangar Place	66,495 SF	Airport
Sale - Flex	709 Roble Road	12,160 SF	Airport
Lease - Industrial	Snowdrift Road	61,157 SF	West End
Lease - Industrial	Allentown Crossings III, Nestle Way	119,900 SF	West End
Sale - Office	3438 Route 309	15,200 SF	West End
Sale - Multi Family	801 E Turner St	12,240 SF	Downtown

LEHIGH VALLEY, PA

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Class A & B Office

Availability Report:

EXISTING RBA: 11,391,938 sq. ft.
 LEASED: 9,568,642 sq. ft.
 LEASED PERCENTAGE: 83.9%
 AVAILABLE: 1,823,296 sq. ft.
 AVAILABLE PERCENTAGE: 16.1%

Rental Rate Report:

DIRECT GROSS RENT
 OFFICE RANGE: \$7.92 - 28.58/YR
 OFFICE AVERAGE: \$20.32/YR



Industrial

Availability Report:

EXISTING RBA: 55,683,226 sq. ft.
 LEASED: 47,551,617 sq. ft.
 LEASED PERCENTAGE: 85.4%
 AVAILABLE: 8,131,609 sq. ft.
 AVAILABLE PERCENTAGE: 14.6%

Rental Rate Report:

DIRECT GROSS RENT
 OFFICE RANGE: \$2.75 - 7.75/YR
 OFFICE AVERAGE: \$4.18/YR



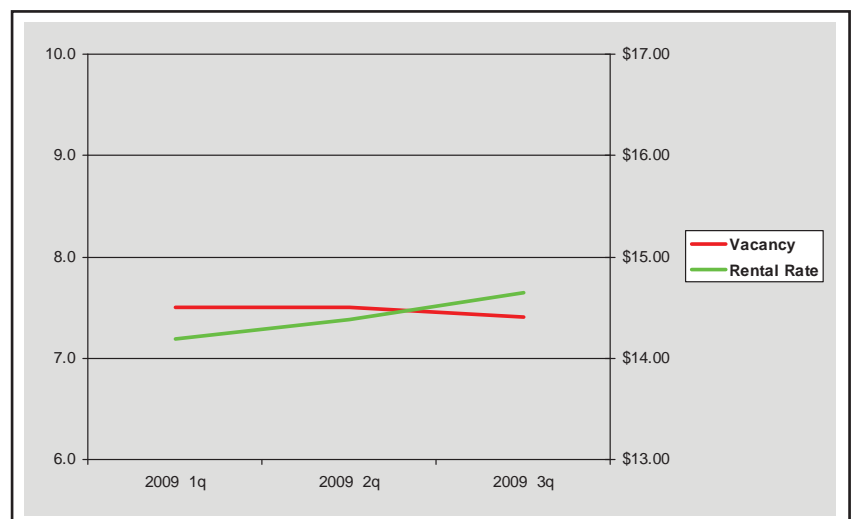
Retail

Availability Report:

EXISTING RBA: 15,676,197 sq. ft.
 LEASED: 14,513,361 sq. ft.
 LEASED PERCENTAGE: 92.6%
 AVAILABLE: 1,162,836 sq. ft.
 AVAILABLE PERCENTAGE: 7.4%

Rental Rate Report:

DIRECT GROSS RENT
 OFFICE RANGE: \$8.00 - 30.00/YR
 OFFICE AVERAGE: \$14.65/YR



NAI SUMMIT

Methodology / Definitions / Sub Market Map



Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company, For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

Building Class

Class A Product is office Space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office Space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy

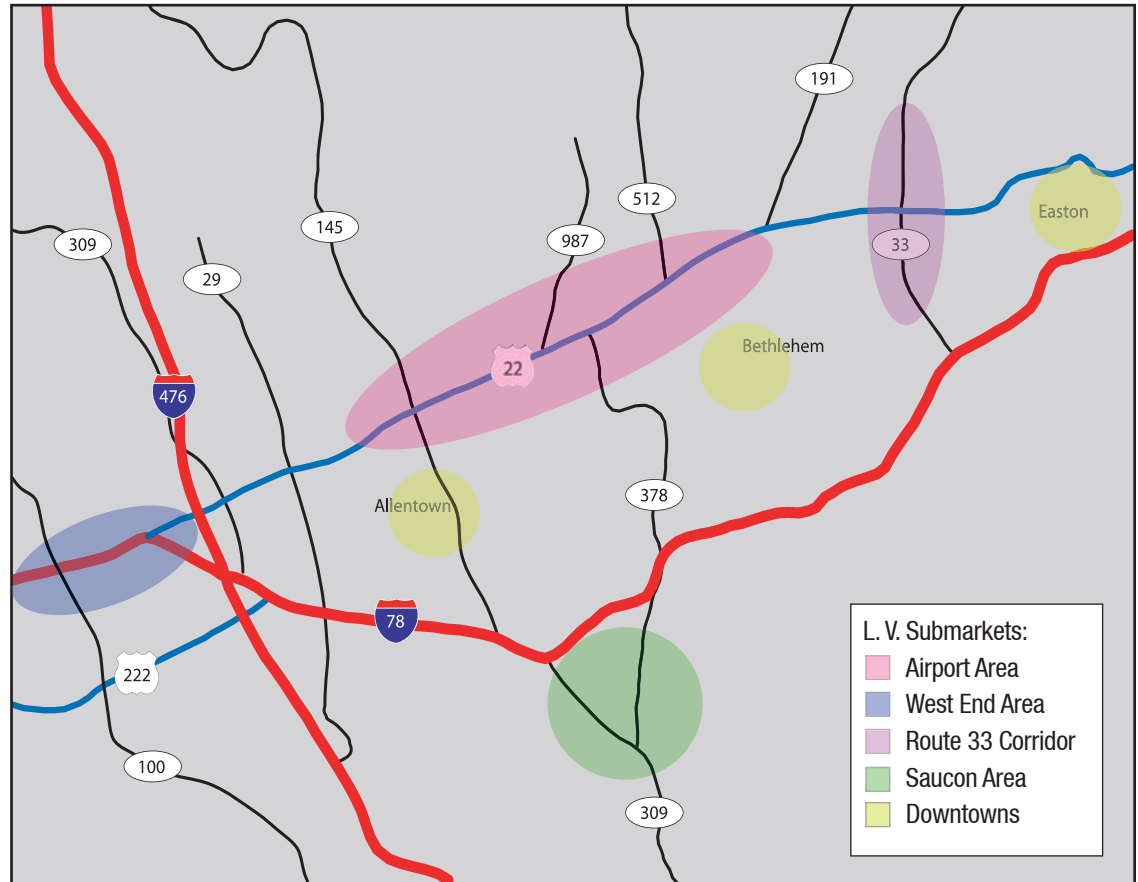
Space currently available for lease directly with the landlord or building owner.

Market Size

Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

Overall Vacancy

All unoccupied lease space, either direct or sublease.



SF/PSF

Square foot/per square foot, used as a unit of measurement.

Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.