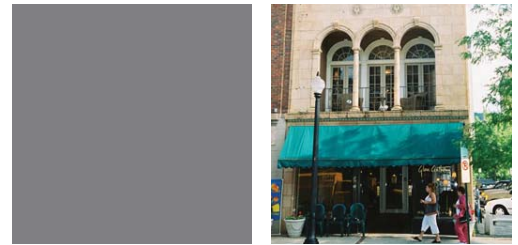


# LEHIGH VALLEY, PA

Market Report | Fourth Quarter 2009



## Class A & B Office

### Availability Report:

EXISTING RBA: 11,443,045 sq. ft.  
LEASED: 9,666,058 sq. ft.  
LEASED PERCENTAGE: 84.5%  
AVAILABLE: 1,776,987 sq. ft.  
AVAILABLE PERCENTAGE: 15.5%

### Rental Rate Report:

DIRECT GROSS RENT  
OFFICE RANGE: \$6.32 - 28.58/YR  
OFFICE AVERAGE: \$19.86/YR



## Industrial

### Availability Report:

EXISTING RBA: 56,122,435 sq. ft.  
LEASED: 48,687,477 sq. ft.  
LEASED PERCENTAGE: 86.7%  
AVAILABLE: 7,434,958 sq. ft.  
AVAILABLE PERCENTAGE: 13.3%

### Rental Rate Report:

DIRECT GROSS RENT  
INDUSTRIAL RANGE: \$2.75 - 7.70/YR  
INDUSTRIAL AVERAGE: \$4.15/YR



## Retail

### Availability Report:

EXISTING RBA: 16,153,568 sq. ft.  
LEASED: 15,125,487 sq. ft.  
LEASED PERCENTAGE: 93.6%  
AVAILABLE: 1,028,081 sq. ft.  
AVAILABLE PERCENTAGE: 6.4%

### Rental Rate Report:

DIRECT GROSS RENT  
RETAIL RANGE: \$8.00 - 30.00/YR  
RETAIL AVERAGE: \$14.84/YR



# LEHIGH VALLEY, PA

## Overview / Trends / Definitions



### OVERALL TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



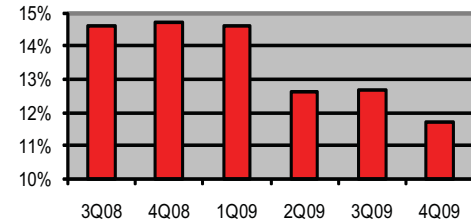
### OVERVIEW:

The Lehigh Valley, located in eastern Pennsylvania, offers all of the amenities of major urban areas. The Lehigh Valley is the third largest region in Pennsylvania. It is well situated, just 95 miles to New York City and 53 miles north of Philadelphia. The Lehigh Valley is an excellent location for business and industry. An excellent location for business and industry, the Lehigh Valley has 11 higher learning institutions and health care facilities that have been recognized nationally and continue to grow in the region.

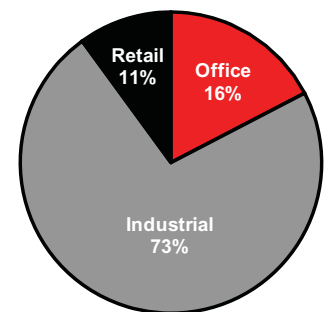
The area consists of an enterprising and diversified economy that has led to higher-income jobs, a growing and thriving population and tremendous commercial and industrial growth in the region. The Lehigh Valley is home to some of the world's top corporations in a variety of fields, including; Air Products and Chemicals, Inc., B. Braun Medical Inc., Binney & Smith, Olympus and many others. Excellent transportation access also exerts an important influence on the area. The area is also served by the Lehigh Valley International Airport.

The Lehigh Valley market remains an attractive market to investors, importers, exporters, manufactures and high-tech companies. Developers, enticed by abundant land, favorable taxes, the lure of railway access and infrastructure, continue to secure land positions along Route 22 and I-78 corridors. Rental rates in all markets have remained relatively stable despite the economy.

Historical Overall Vacancy (%)



Overall Market Inventory (SF)



### 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.