

CONINE & ROBINSON

Houston Central Business District

Office Market

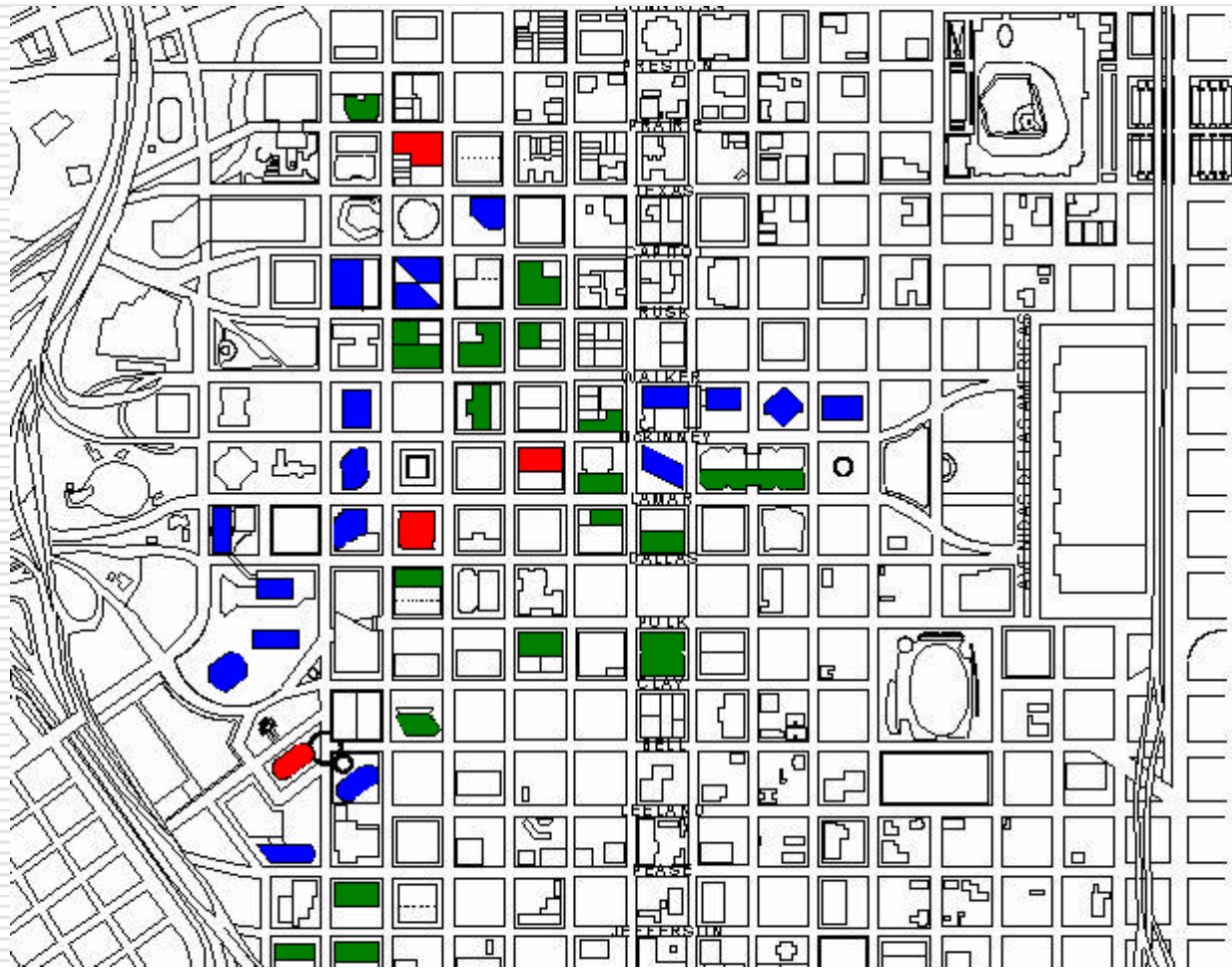
as of January 1, 2003

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Buildings Surveyed

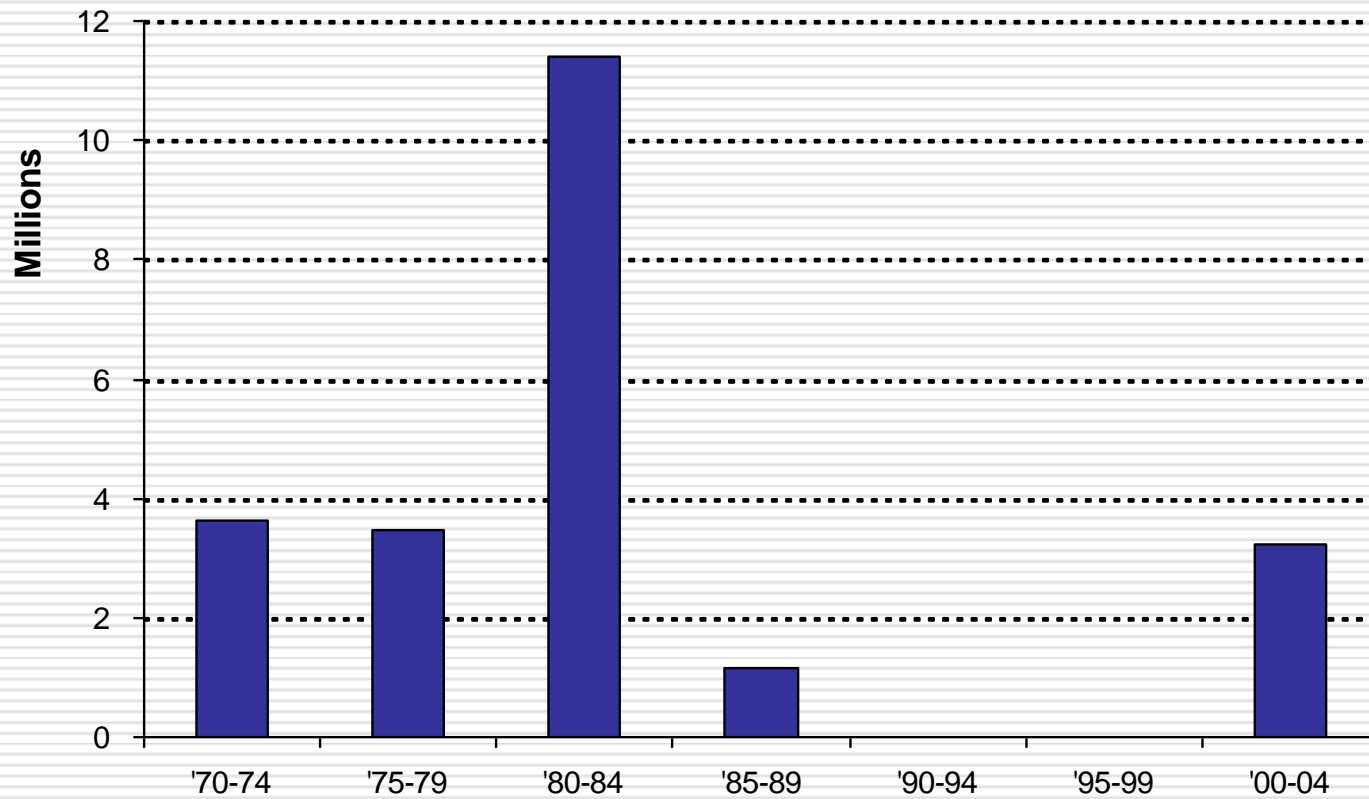
| | Number | Rentable Sq. Ft. |
|-------------------------------------|-----------|-------------------|
| Class "A" | 18 | 20,668,776 |
| Class "B" | 18 | 9,525,415 |
| Current Total | 36 | 30,194,191 |
| '03 Delivery (not in statistics) | 4 | 3,825,920 |

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Class “A” Buildings – Sq. Ft. / Year Built



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Summary Data - January 1, 2003

| | |
|--------------------------------|------------------|
| Current Space Available | 4,962,326 |
|--------------------------------|------------------|

| | |
|-----------------------|--------------|
| Percent Vacant | 16.4% |
|-----------------------|--------------|

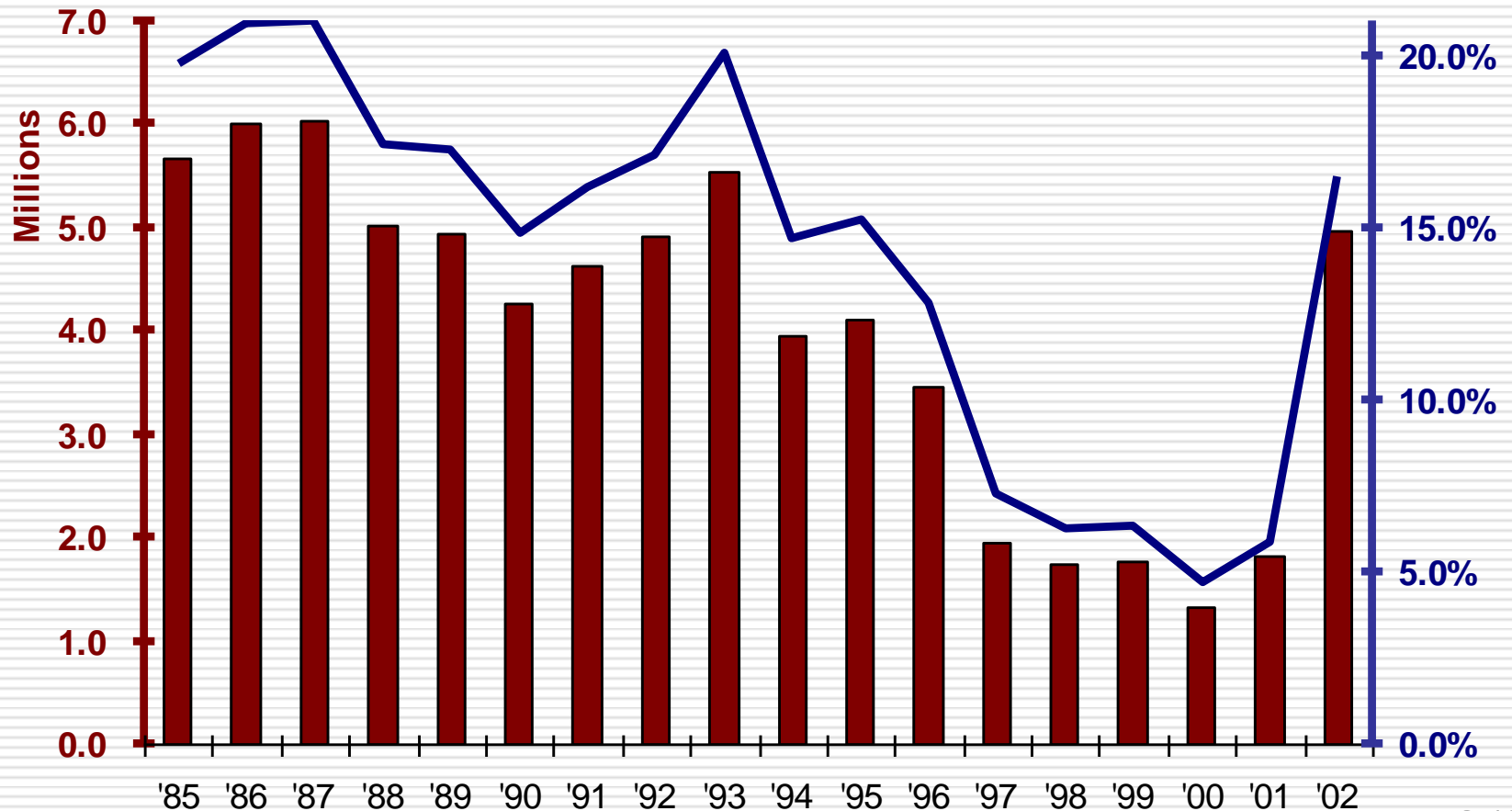
| | |
|---------------------------|------------------|
| Sublease Available | 1,083,000 |
|---------------------------|------------------|

| | |
|------------------------|--------------------|
| 2002 Absorption | (2,108,841) |
|------------------------|--------------------|

| | |
|------------------------------|------------------|
| 2002 Leasing Activity | 3,748,788 |
|------------------------------|------------------|

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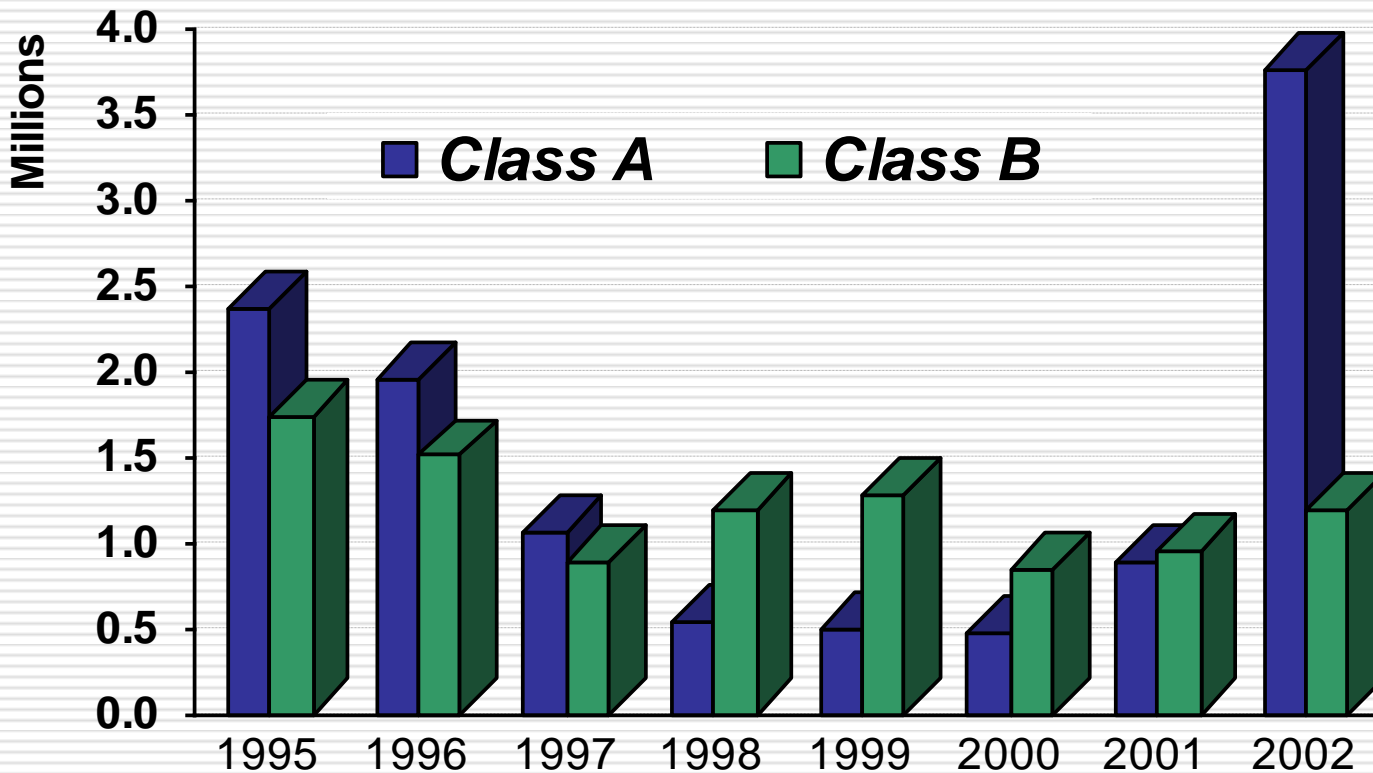
Historical Space Available (Direct Only)



As of 12/31

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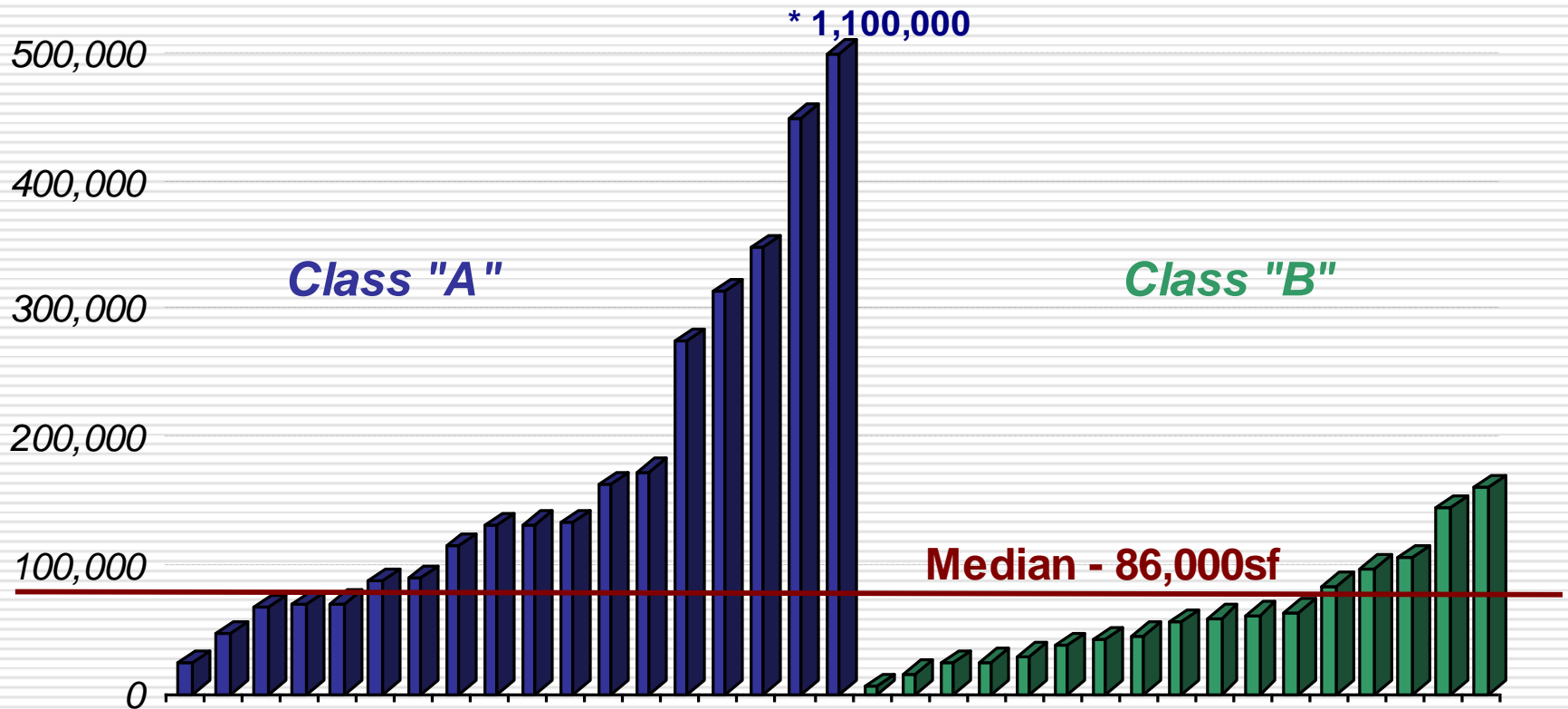
Historical Space Available - By Class



As of 12/31

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1/1/03 Space Available - By Building



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Effective Blocks of Space 200,000 sq. ft. +

| <u>Building</u> | <u>Sq. Ft.</u> | <u>Floors</u> |
|-----------------|----------------|---------------|
| 1500 Louisiana | 1,100,000 | 1-40 |
| 1111 Louisiana | 500,000 | Multiple |
| 1000 Louisiana | 430,000 | Multiple |
| 1301 McKinney | 350,000 | Multiple |
| Pennzoil South | 267,000 | 2-9, 11-16 |

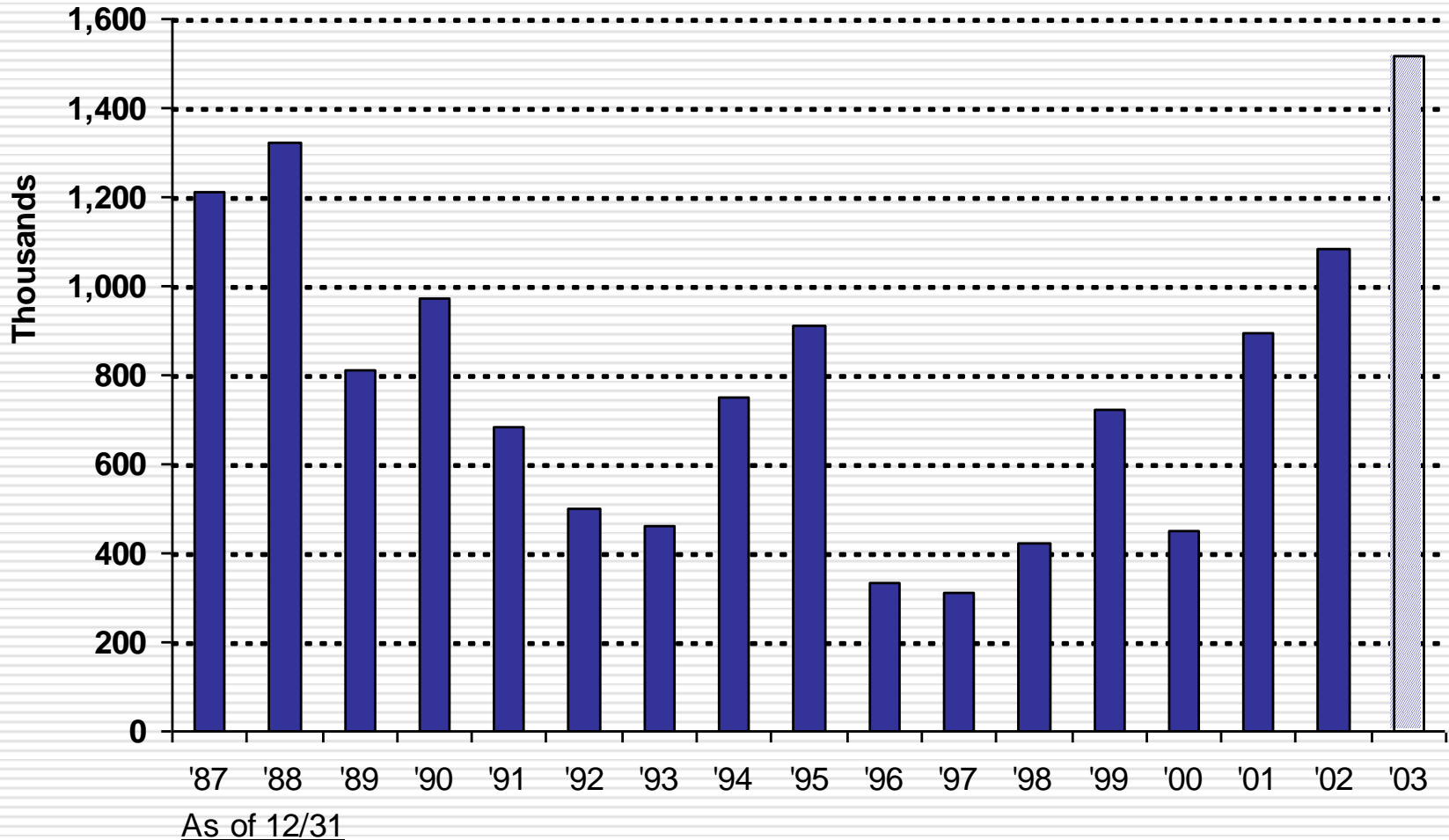
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Effective Blocks of Space 100-200,000sf

| <u>Building</u> | <u>Sq. Ft.</u> | <u>Floors</u> |
|--------------------|----------------|---------------|
| Continental Center | 142,000 | 23-29 |
| One City Centre | 129,000 | 24-29 |
| 500 Jefferson | 123,000 | 13-19 |
| Three Allen Center | 107,000 | 3-7 |
| One Houston Center | 93,000 | 20-23 |

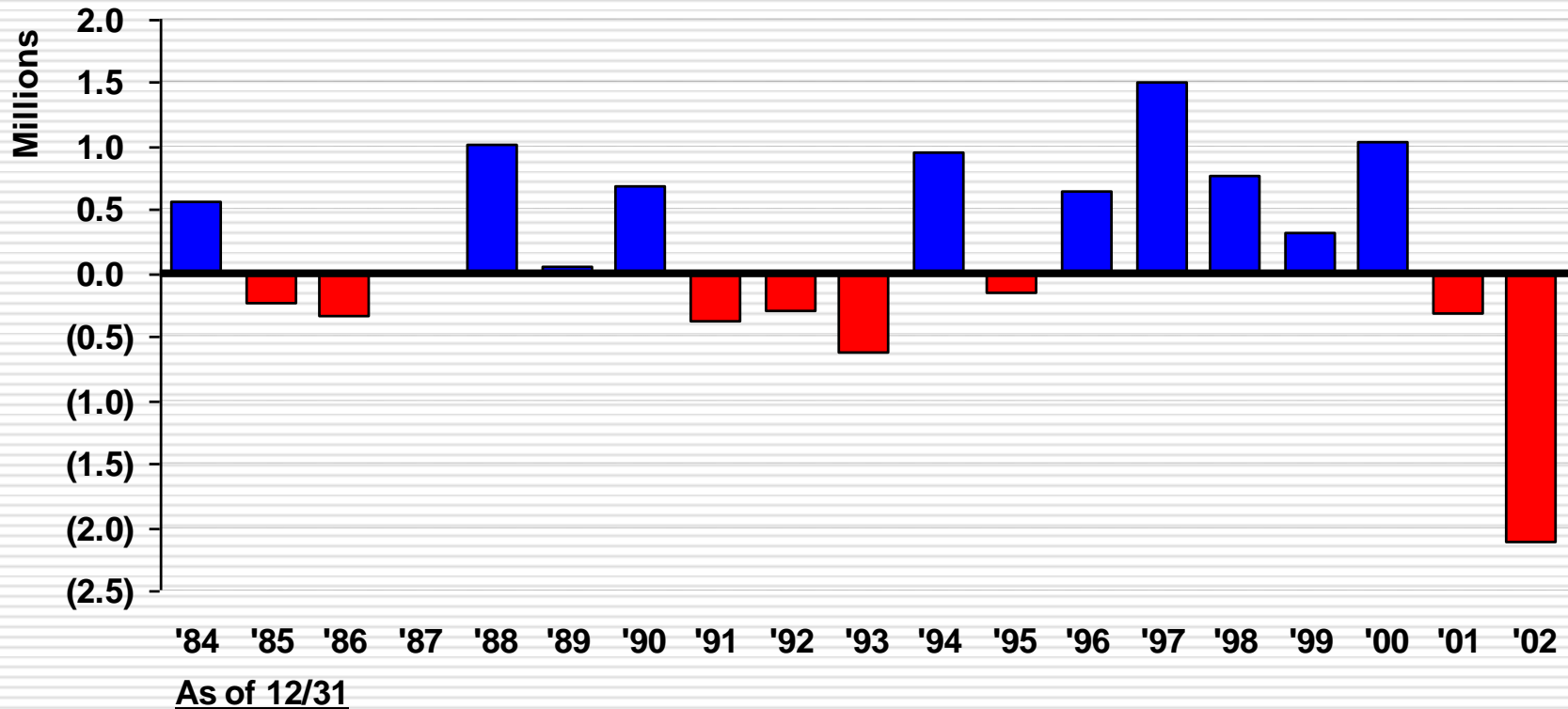
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Historical Sublease Space Available



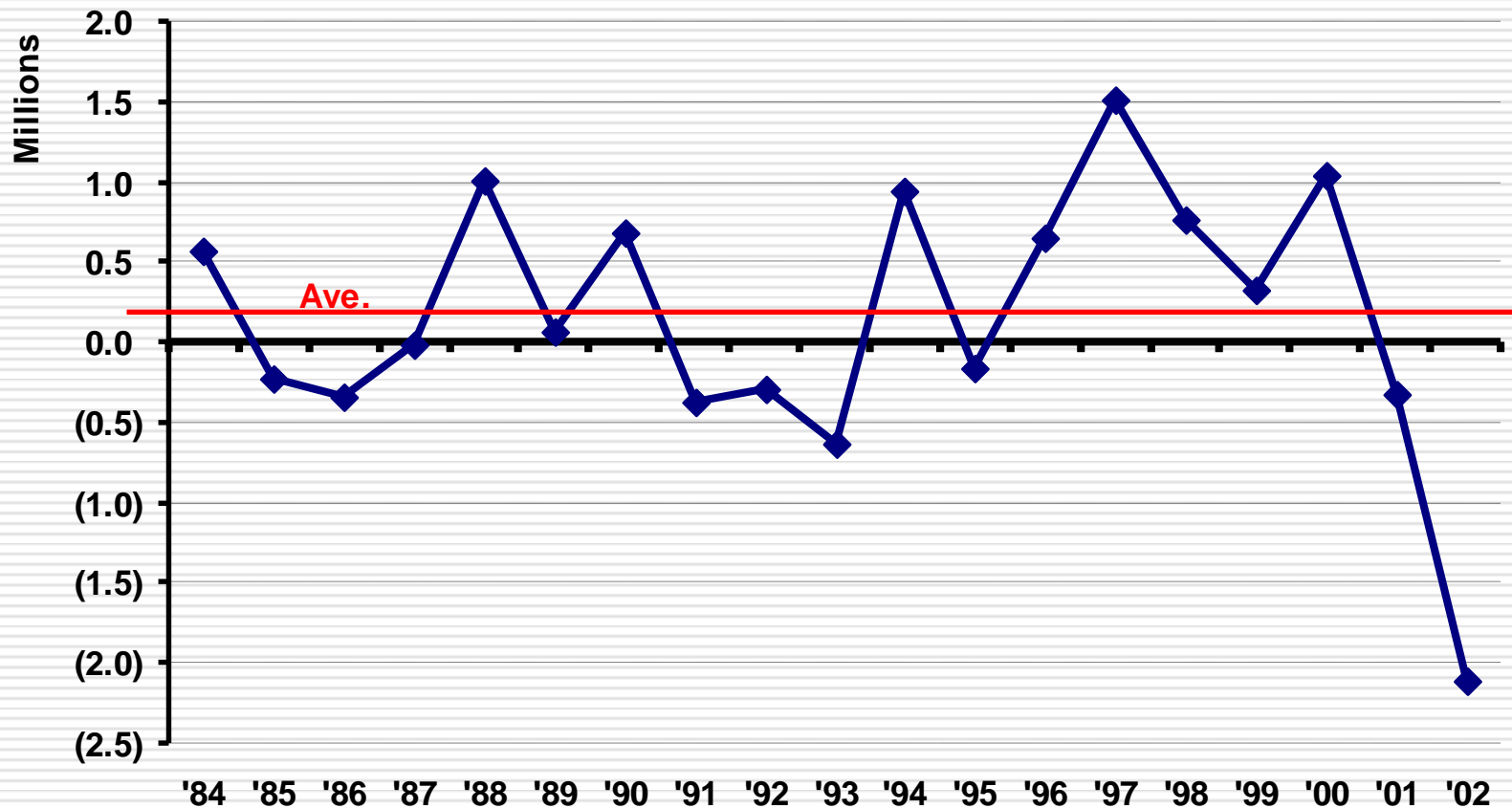
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Historical Absorption - Total



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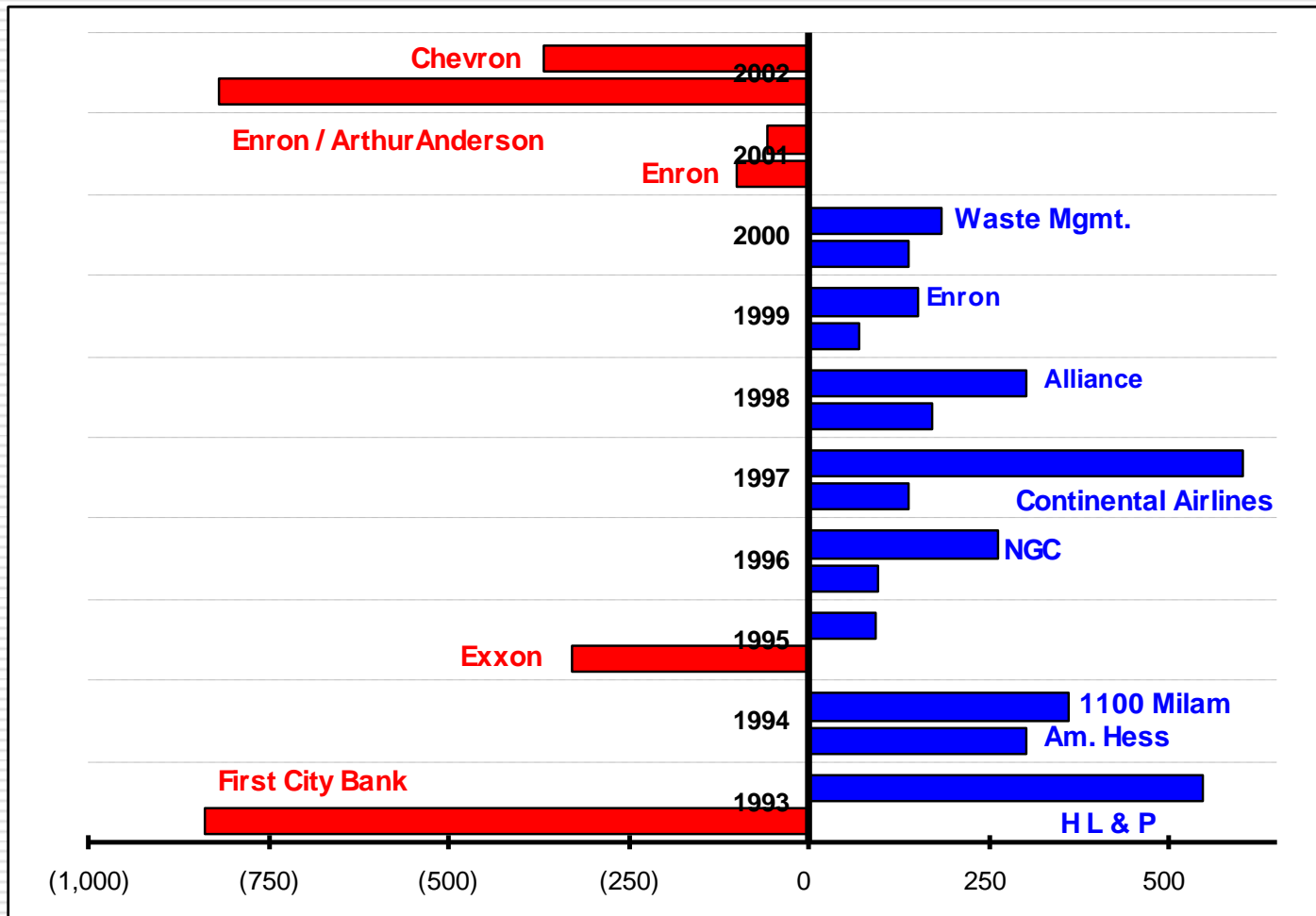
Historical Absorption – “Trend Line”



As of 12/31

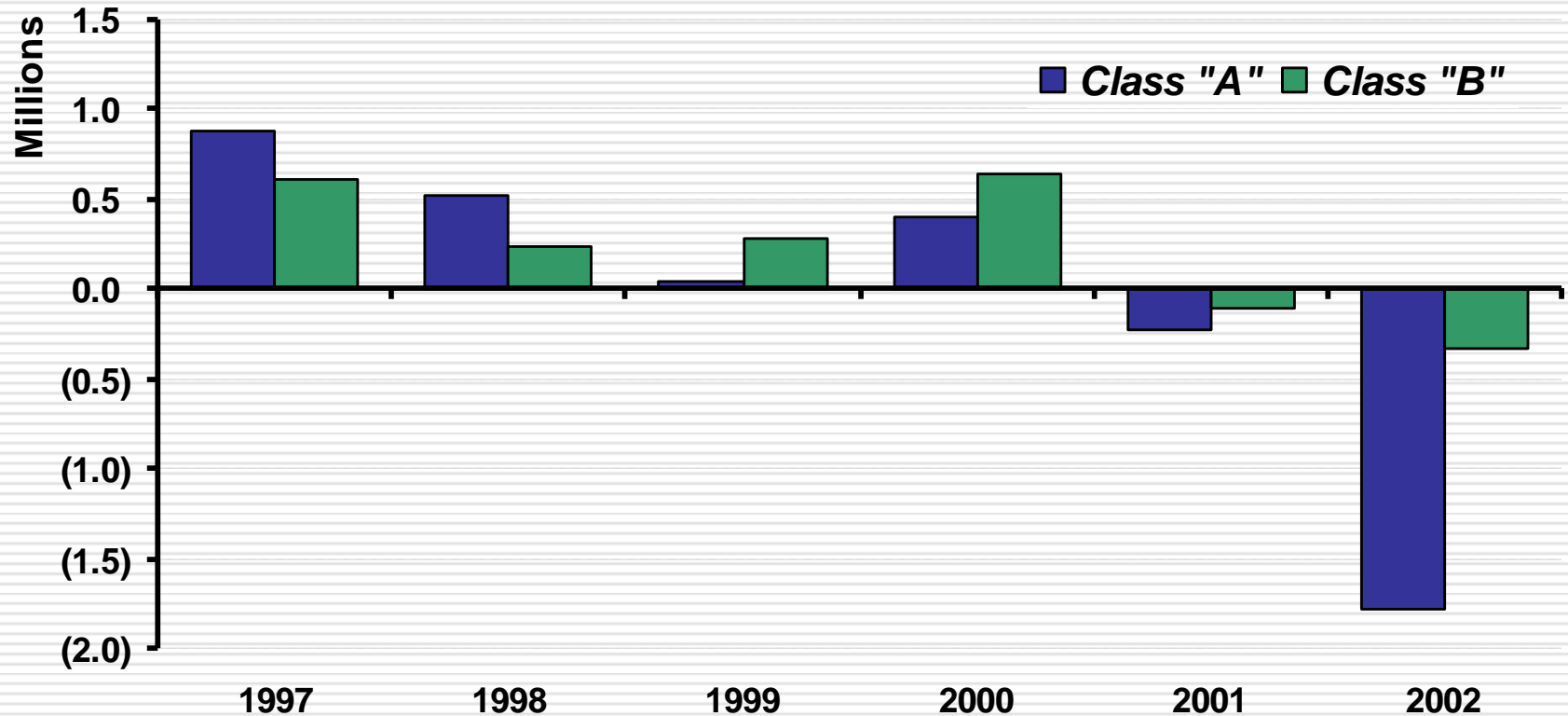
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Absorption / Major Events



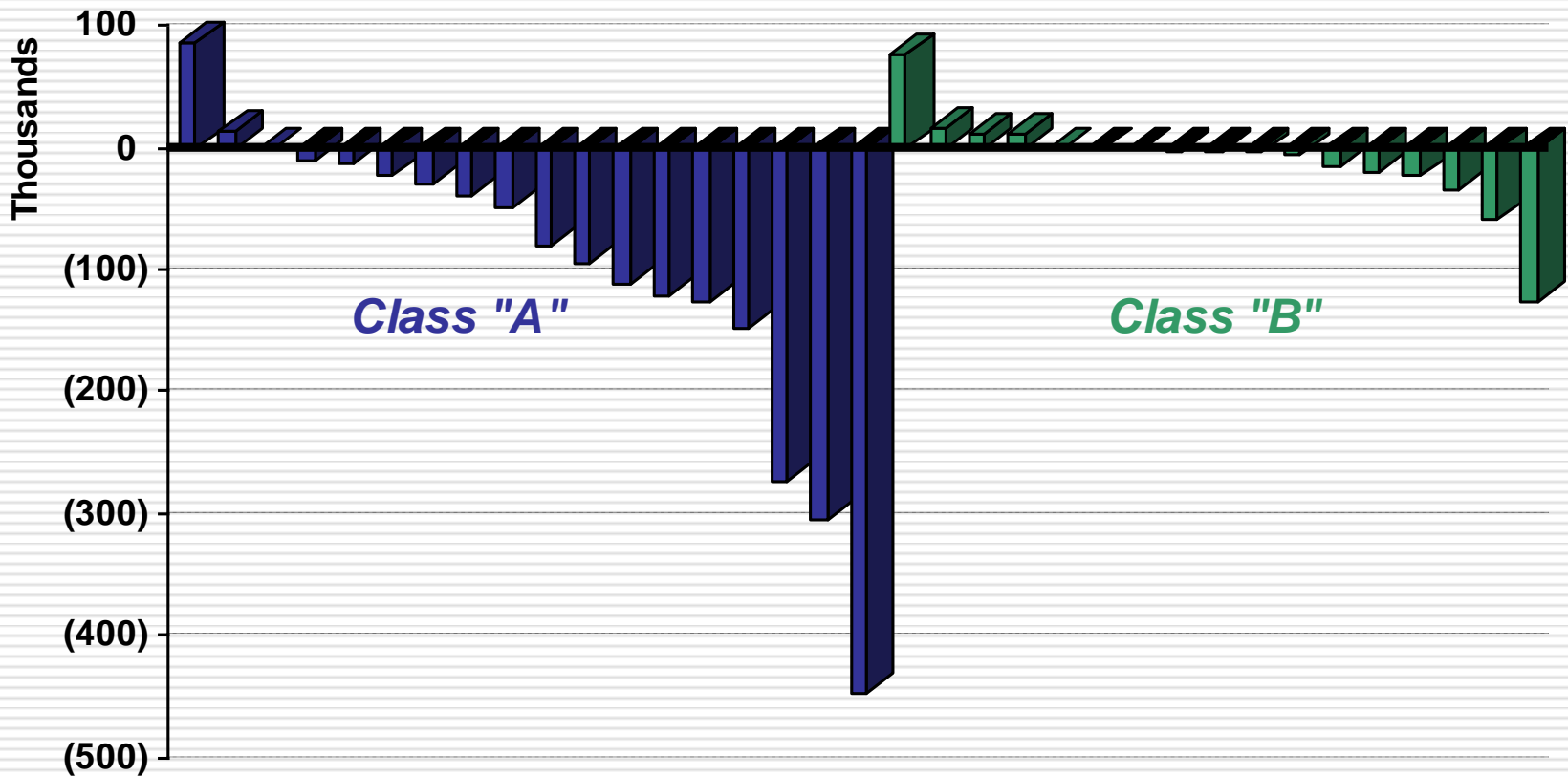
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Absorption - Building Class



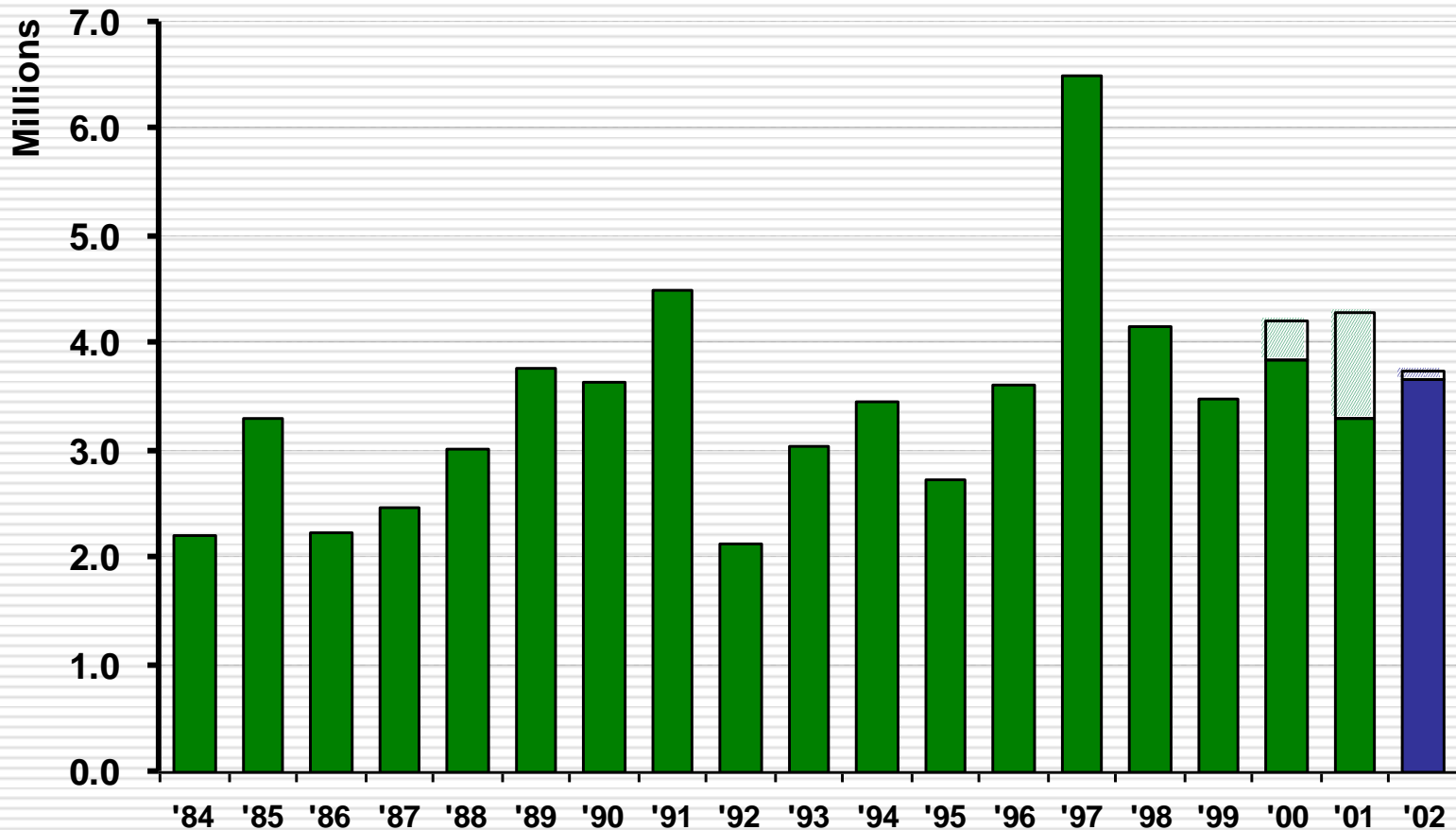
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Absorption - By Building 2002



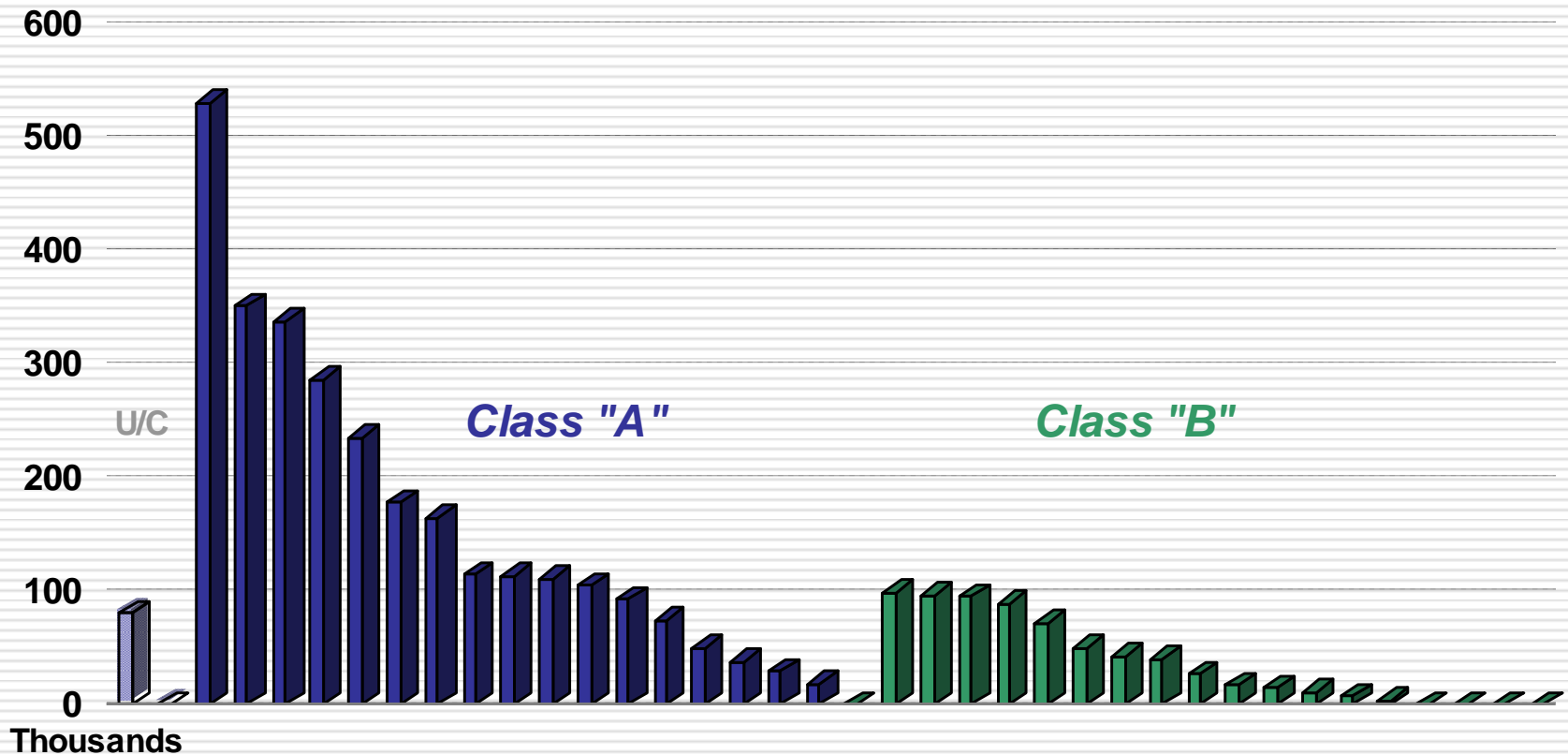
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Historical Leasing Activity – Direct Space



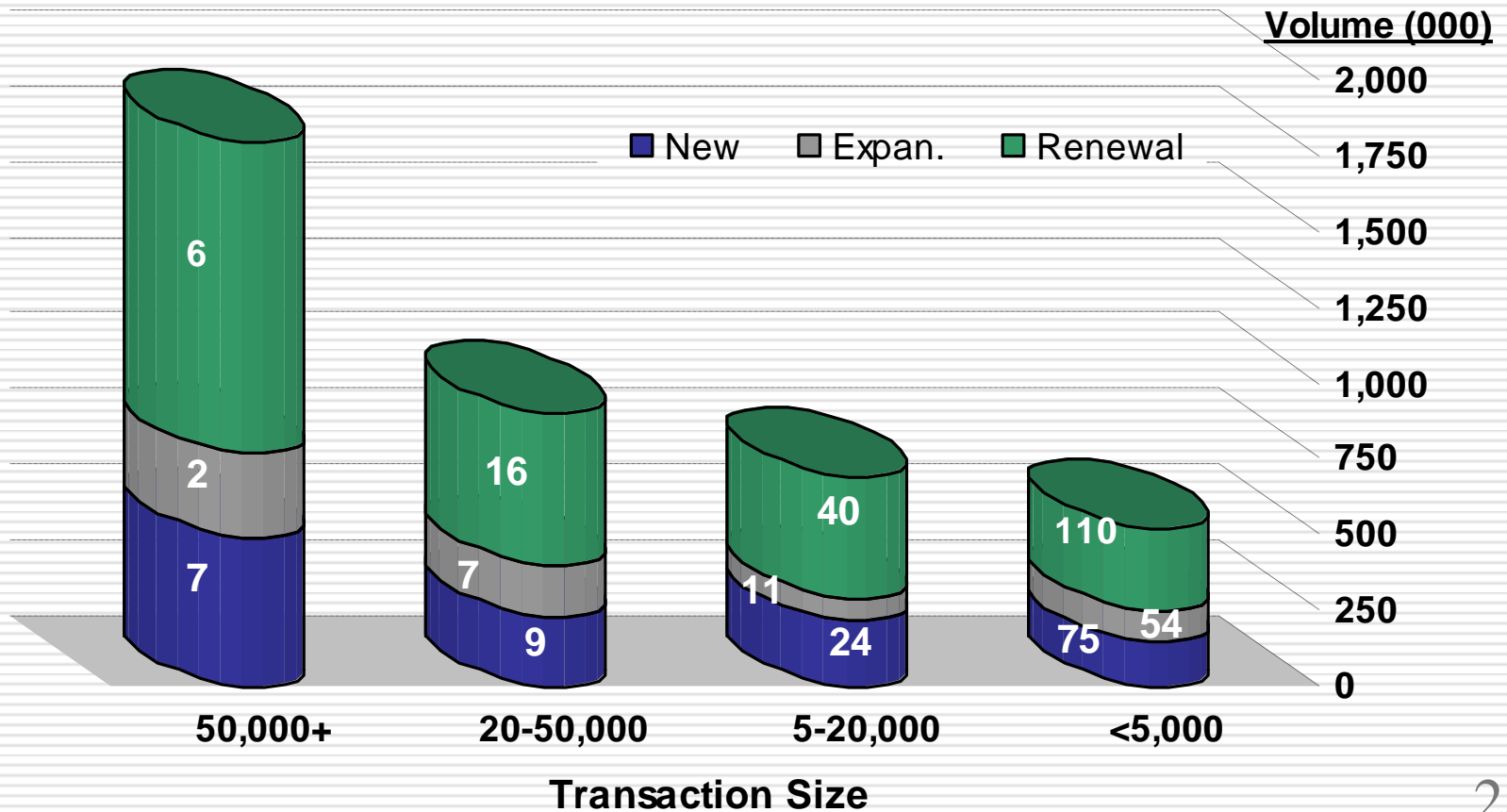
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Leasing Activity by Building - 2002



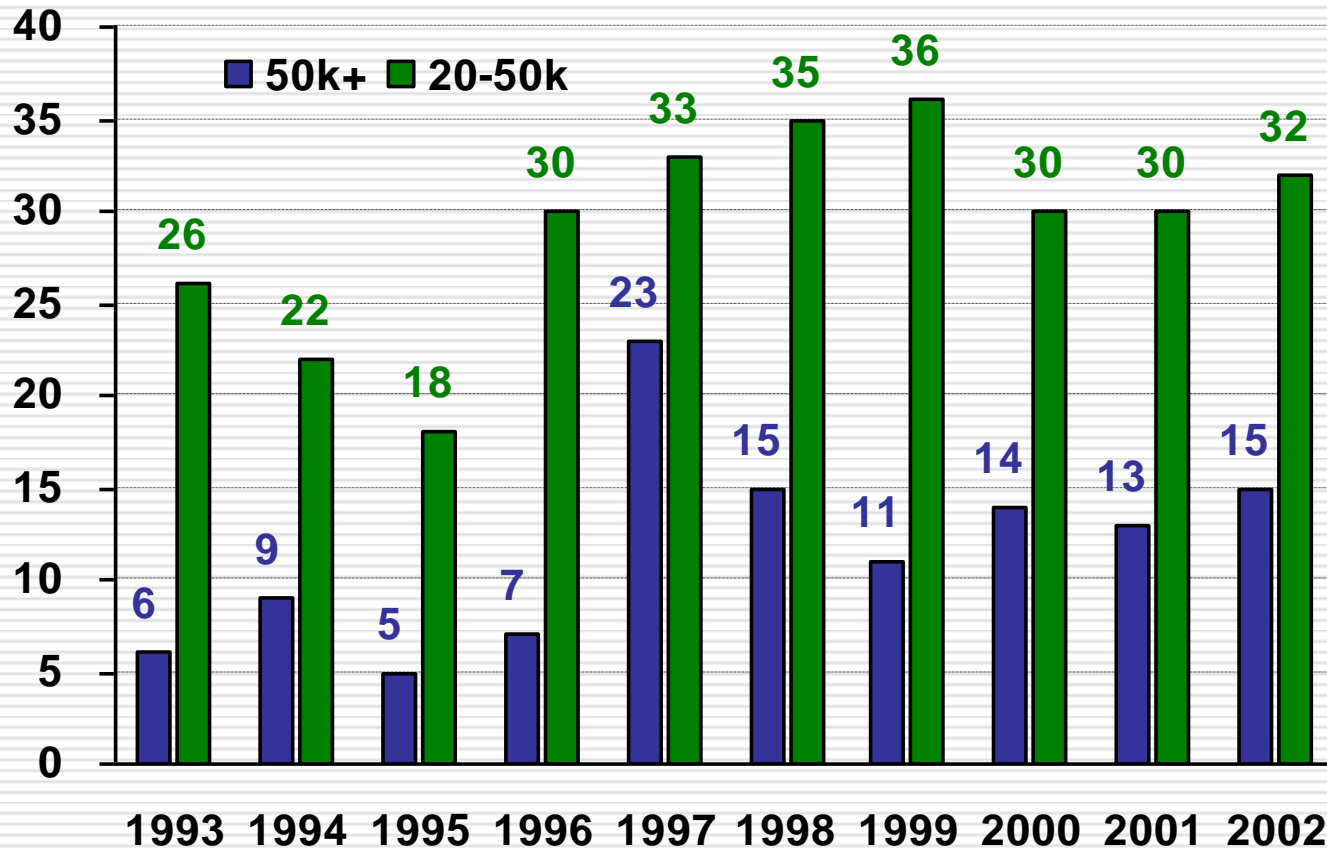
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Lease Transactions - 2002



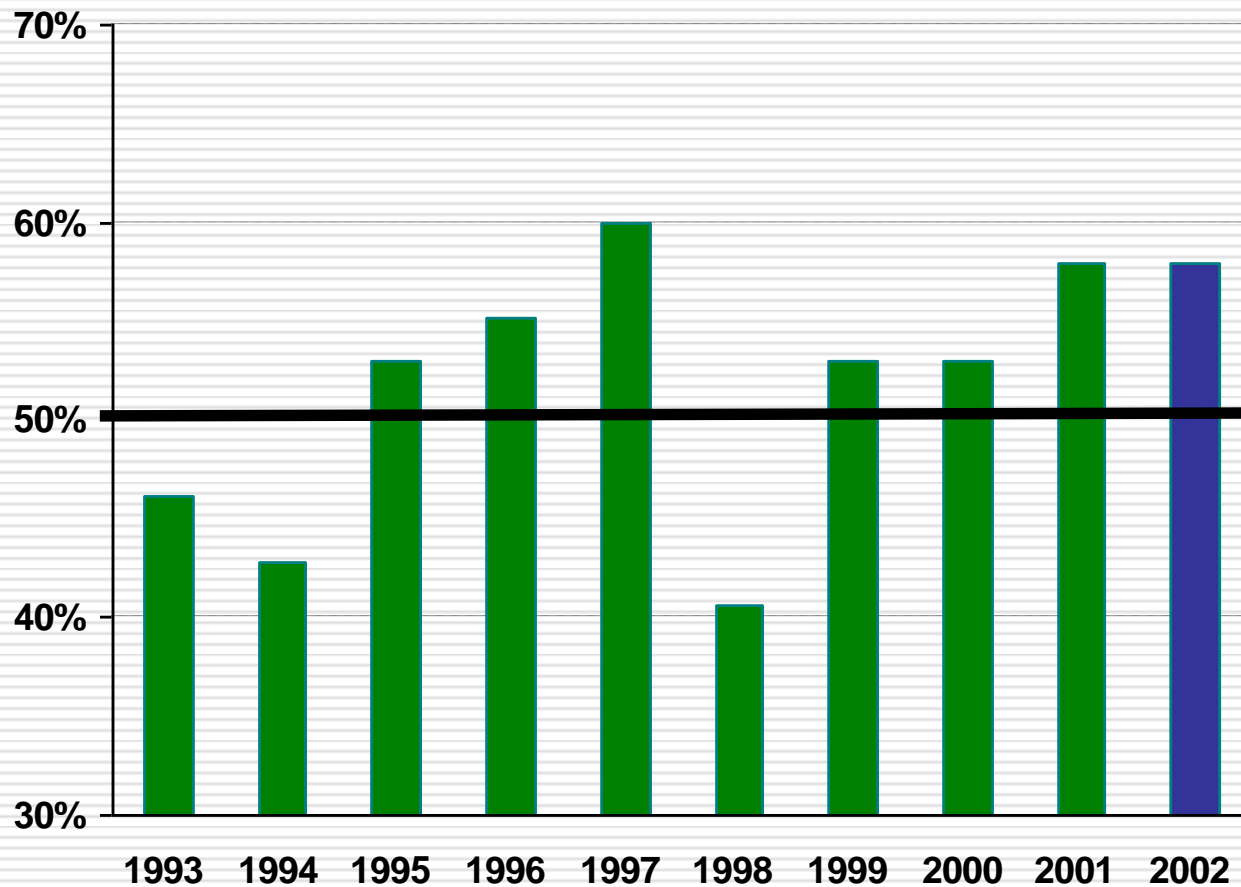
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Number of Large Transactions by Year



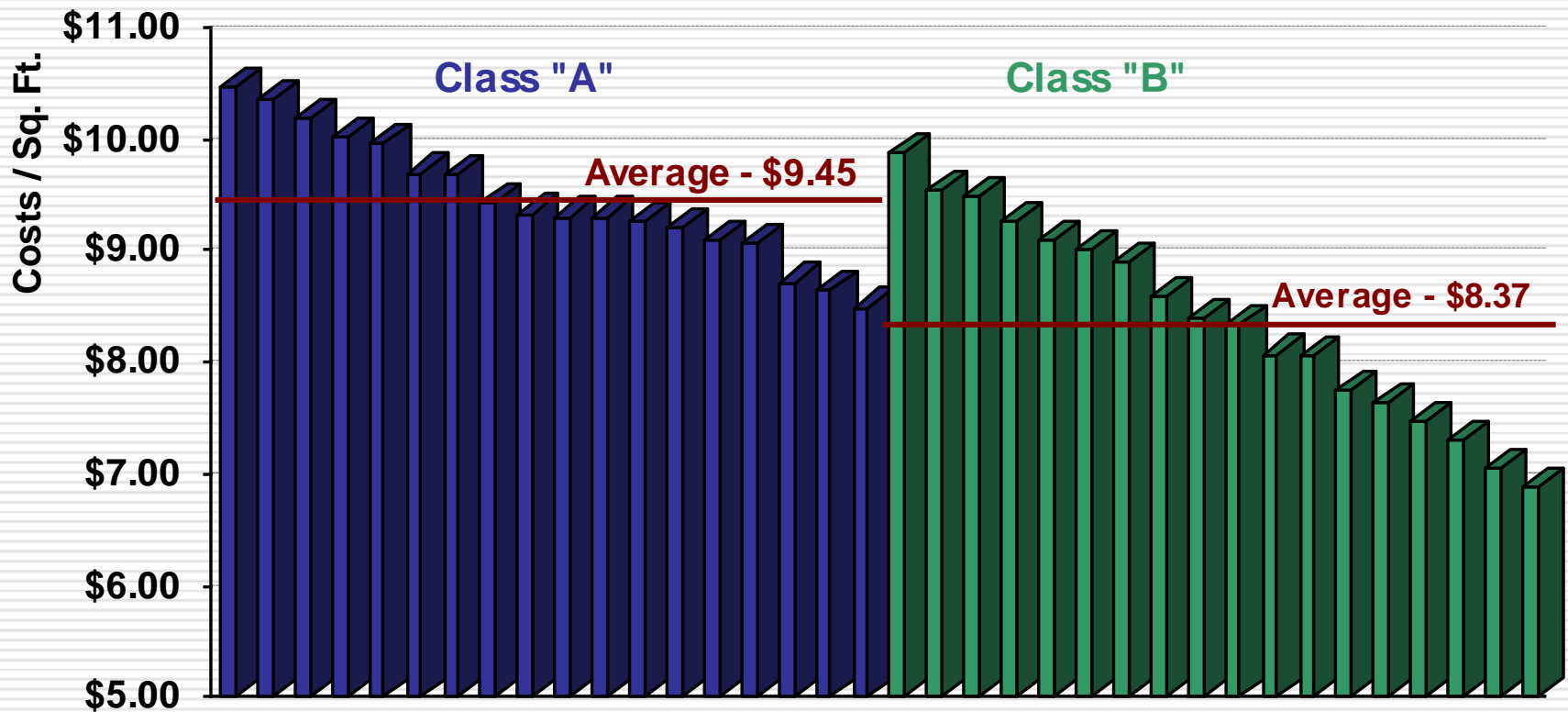
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Large Transactions – Renewal % by Year



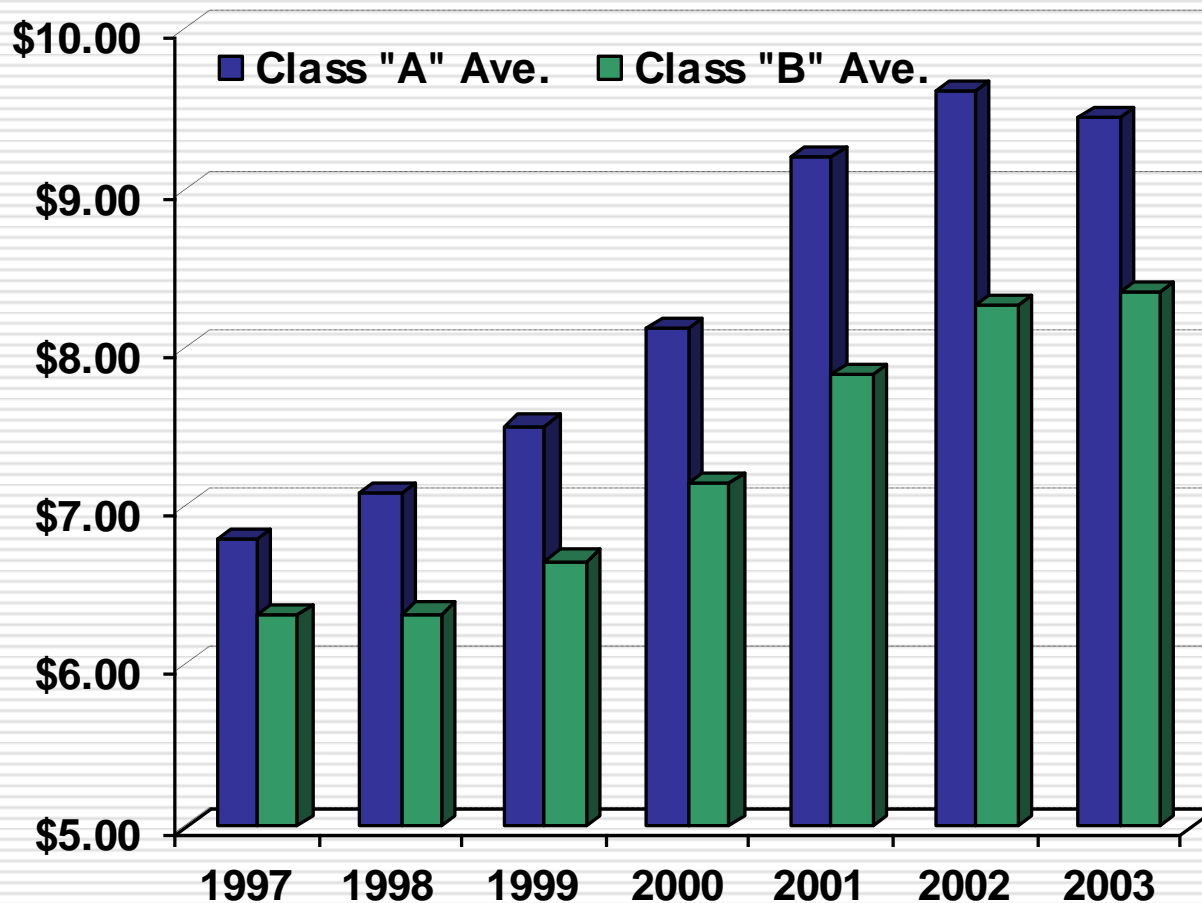
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Operating Expense Projections - 2003



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Historical Operating Expenses - By Class



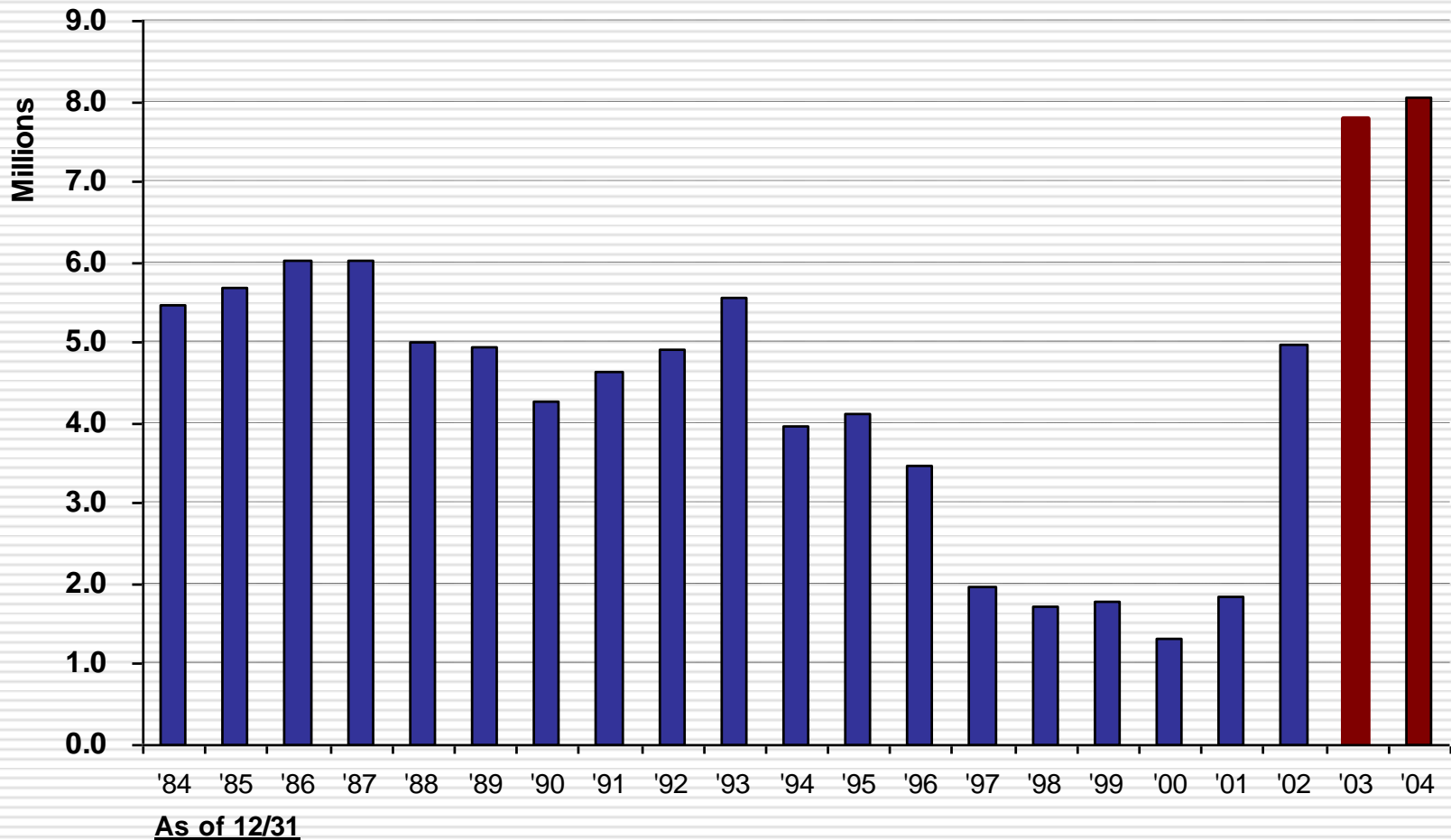
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New Building Status - CBD

| <u>Building</u> | <u>Size (000)</u> | <u>Delivery</u> | <u>Vacant</u> |
|------------------------|--------------------------|------------------------|----------------------|
| 1500 Louisiana | 1,100 | Open | 100% |
| 5 Houston Ctr | 575 | Open | 12% |
| 1000 Main | 800 | 2Q'03 | 30% |
| Calpine Center | 685 | 4Q'03 | 18% |

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Future Space Availability – Projection



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Future Vacancy Levels – Projection

