Investment Market
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February 28, 2007

National Market Influences
- Foreign Capital
- Condo Conversion Market
- Mobility of Capital
- Privatizations and Mega Deals

Inflow of Foreign Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Flow</th>
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<tbody>
<tr>
<td>2005</td>
<td>$21 billion</td>
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<tr>
<td>2006</td>
<td>$16 billion</td>
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20% drop in foreign capital

Condo Conversion Market
- Largest block of buyers in 2005
- Off the radar in 2006

Mobility of Capital

Privatization and Mega Deals
- REIT mergers and acquisitions increased to $100 billion
- 31 portfolios/properties valued over $1 billion
Hampton Roads Market

- Local portfolio sales declined
- Dollar volume off by 25%

Hampton Roads Transactions

- Alta Cove Apartments  $63 million
- Dove Landing  $32 million
- Hampton Roads Research Quad Buildings I and III  $28.75 million
- Liberty Property Trust (3 building portfolio)  $13 million

Hampton Roads Transactions

- Richmond Road Food Lion  $14.5 million
- Chesapeake Crossing Shopping Center  $12 million
- West Park Warehouses  $32 million

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