Investment Sales Market Review

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National Review
• Sales Volumes Continued to Grow over 2011
• Focus in Primary Markets, Trophy/Class A Properties
• Institutional Investors the Big Players
• Multi-Family Continues to Lead the Way

Drivers Behind Growth
• Historically Low Interest Rates
• Increasing Lender Confidence
• Willing and Active Buyers with Cash

The Challenges
• Valuations/Perception
  • Buyers are Winners
  • Sellers are Losers
• 10 year Debt Maturity 2016/2017
• European Debt Crisis
• Our Own Government

Commercial Property Price Index By Sector

Green Street Commercial Property Price Index By Sector

<table>
<thead>
<tr>
<th>Change in Commercial Property Values Since Peak</th>
<th>Last Period at Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Family</td>
<td>8%</td>
</tr>
<tr>
<td>Mall</td>
<td>8%</td>
</tr>
<tr>
<td>Strip Retail</td>
<td>-3%</td>
</tr>
<tr>
<td>Industrial</td>
<td>-10%</td>
</tr>
<tr>
<td>Office</td>
<td>-15%</td>
</tr>
<tr>
<td>Hotel/Lodging</td>
<td>-22%</td>
</tr>
</tbody>
</table>
Fundamentals of Pricing Improvement by Sector

- Multi-Family – Low Vacancy Rates, Pushing Rents
- Retail – Location and Quality
  - Mall
  - Anchored Strip Centers
- Industrial – Rental Rates and Occupancy Bottomed Out
- Office – Push to the Secondary Markets
- Hotel/Lodging – Recession Hurt the Most

Hampton Roads Review

- Mirrored National Trend with Multi-Family Leading the Way
- Top Five Transactions, 3 Multi-Family, 1 Retail, 1 Office
- Over $282,000,000 in Transactions

Takeaways

- Sales Volumes Will Continue to Improve in 2013
- Pricing Will Continue to Climb in All Sectors
- Focus May Shift Away from Primary Markets