



Providence

Tenant's Guide ■ Rhode Island Submarkets ■ Fourth Quarter 2011

Overview

The Providence market consists of 6,749,000 square feet with an availability rate of 30%. The year to date absorption is 4,025 square feet.

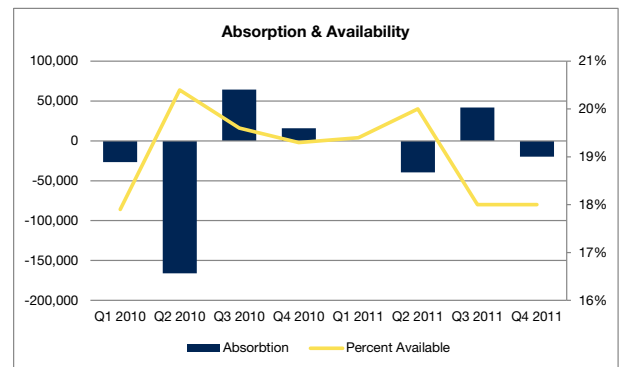
Market Trends

- Favorable rental rates and landlord concessions will continue to be offered. If the recent improvements in optimism among the business community continue, we may begin to see growth in economic activity.
- Because many tenants are underutilizing their existing space, it will take several quarters of modest employment growth before business require expansion space. As a result, net leasing activity is not expected to grow before late 2012 at the earliest.
- Landlords will continue to offer strong tenant improvement allowances and free rent packages in order to keep existing tenants.
- The Knowledge District (formerly the Jewelry District) will continue to offer attractive Class B rents in renovated older buildings in close proximity to downtown.

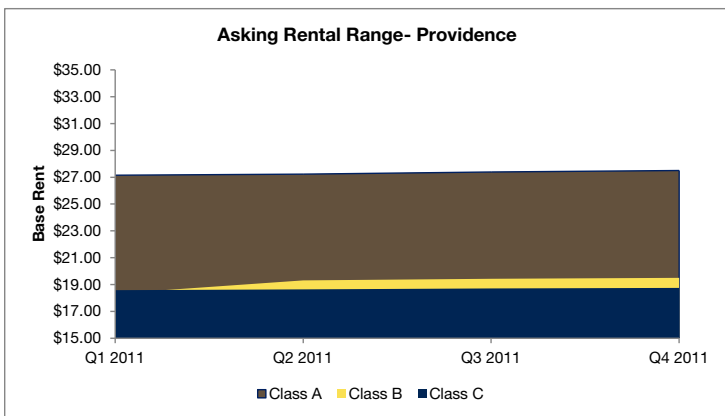
Recent Transactions

Tenant/Buyer	Address	SF
CDM	260 West Exchange, Providence, RI	13,750
Liberty Mutual	Midway Place, Garden City, Cranston, RI	3,134

Availability



*Availability - The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date



Average Rental Rates

CBD	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$27.23	\$27.39	\$27.50
Class B Office	\$19.31	\$19.43	\$19.50
Class C Office	\$18.64	\$18.71	\$18.75



Providence

Tenant's Guide ■ Rhode Island Submarkets ■ Fourth Quarter 2011

Market Indicators

	<u>Q4 2011</u>	<u>Q1 2012*</u>
Availability	■	■
Net Absorption	■	■
Class A Rental Rate	■	■
Class B Rental Rate	■	■
Class C Rental Rate	■	■

*MARKET FORECAST

Largest Blocks of Contiguous Space

Address	SF
21 Peace Street, Providence	209,997
25 Holden Street, Providence	167,419
360 Eddy Street, Providence	140,000
15 LaSalle Square, Providence	134,949

Cresa Representative Transactions

Address	Type	SF
100 Westminster Street Providence, RI	Renewal	42,077
616 Greenwich Avenue, Warwick	Relocation	3,930

Tenant's Perspective

- The Providence market, and Rhode Island in general remains a tenant's market, with favorable rental rates and landlord concessions.
- There is very limited new construction, with only one Class A building scheduled to enter the market (in Warwick) in the next 9 months.
- Relatively high and steady vacancy rates create opportunities for tenants interested in negotiating early renewals at attractive rates.
- The average-size active tenant requirements continue to be 10,000 square feet and under.