Office Market Review

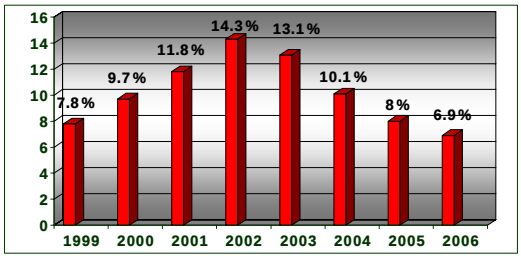
Vivian Turok

Senior Vice President
Office Leasing Division
Divaris Real Estate

30 years experience in office sales, leasing, tenant and landlord representation

Bachelor of Social Science
University of Cape Town
South Africa

Hampton Roads
Historical Vacancy Rate Trends



Office Market Rental Rates

- Class A = $20.00 per square foot
- Class B = $15.42 per square foot
- Class C = $12.39 per square foot

Commonwealth of Virginia Leases Signed in 2006

Pembroke Six, Virginia Beach

Interstate Corporate Center, Norfolk

Social Security Building, Norfolk

Southern Boulevard, Virginia Beach

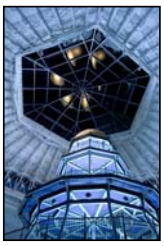
Convergence III, Virginia Beach

Rosemont Interstate Center, Virginia Beach

World Trade Center, Norfolk

Amerigroup, Virginia Beach

Chesapeake Leases



Innovation Research Park

Lockheed Martin Modeling Center

2006 Developments

Central Center Office Building, Norfolk

Amerigroup II, Virginia Beach

Gallery I and II, Virginia Beach

Liberty III, Chesapeake

2006 Developments

Bridgeway Technology Center, Suffolk

BECO Building, Chesapeake

HRRA Building, Chesapeake

2006 Developments

One City Center, Newport News

Merchants Walk South, Newport News

2007 Developments

Two Columbus Center, Virginia Beach

2007 Developments

Convergence III, Virginia Beach

Dominion Enterprises, Norfolk

Oakbrooke Professional Center, Chesapeake

Harbourview Medical Building, Suffolk

2008 Projects

Pavilion Center II, Virginia Beach

Commander Corporate Center, Norfolk

The Fairways at Lake Wright, Norfolk

Wachovia Center, Norfolk

Downtown Norfolk

Hampton Roads Market Conditions

- Rental rates are on the rise
- Fewer landlord incentives
- Lowest vacancy rates in 10 years

Office Market Forecast

- Building construction will increase
- Town Center developments
- Healthcare and port-related users will play a role in growing our market base
- BRAC's uncertainty effect on our military users

LEED™ Market Transformation

- Buildings Consume
  - 12% of potable water
  - 39% of primary energy
  - 40% of raw materials
  - 48% of US carbon emissions
  - 70% of US electricity
- Green Buildings Save:
  - 30 – 50% of energy
  - 35% of carbon emissions
  - 40% of water
  - 70% of solid waste

October 2006

- 596 Certified Projects
- 1,581+ Registered Projects

Over 30,000 LEED Accredited Professionals!

HSMM

Projects in all 50 States and 24 Countries

Liberty III, 1317 Executive Blvd, Chesapeake