MARKET REPORT

"We anticipate concessionary lease terms will not be as favorable for office users by year end 2006." - **RICHARD BOWERS,**

The first quarter of 2006 reflected a modest increase in absorption—15,288 square feet—the eighth consecutive quarter of positive absorption. Occupancy levels increased from 82.91 percent to 83.13 percent, due to limited deliveries totaling only 130,000 square feet and 343,193 square feet removed from the office market through demolition for alternative developments.

Despite vacant square footage being reduced from 21,647,307 square feet to 21,293,326 square feet, rental rates decreased by $0.20 per square foot from $20.34 at year-end 2005 to $20.14 per square foot in the first quarter of 2006, primarily as a result of Midtown's Class A rates dropping significantly. Buildings delivered this quarter include the Business Park at Sugarloaf containing 80,000 square feet and Mill Creek Forest, also in the NE Expressway-North submarket, at 50,000 square feet. Buildings taken off the market this quarter included 1100 Ashwood for a residential condominium development and The Prado in Sandy Springs containing 180,000 square feet, scheduled to be removed from the market in the second quarter of 2006 for retail development.

The leading submarkets in absorption were Downtown (surprisingly) at 233,313 square feet, followed by Peachtree Corners at 164,270 square feet, the NE Expressway-South submarket at 102,794 square feet, the I-85/GA-400 submarket at 77,242 square feet, and Decatur at 23,849 square feet. Unfortunately, these numbers were offset by significant negative absorption in Buckhead/Lenox, the I-75/I-285 submarket and I-285/I-85/Northlake, all with more than 100,000 square feet of negative absorption.

Three submarkets have more than 3,000,000 square feet of space available, including the I-285/GA-400 submarket at 3,546,941 square feet, Downtown at 3,087,212 square feet, and the I-75/I-285 submarket at 3,037,625 square feet. In addition, The GA-400 North submarket has 2,479,330 square feet and Buckhead/Lenox has 1,904,789 square feet.

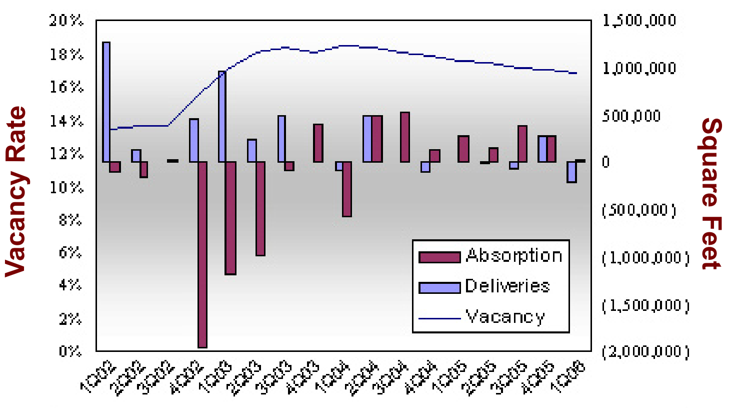
The urban corridor continues to significantly outperform the suburban submarket; but the gap has been narrowing over the last year with the urban corridor now at 83.42 percent occupancy as compared to the suburbs at 82.99 percent. Average rental rates are well over $3.00 per square foot higher along the urban corridor at $22.53 per square foot versus the suburbs at $18.96 per square foot.

The office market will continue to improve during 2006, with an anticipated pickup in positive absorption through a significant increase in new jobs because of a strong

OFFICE MARKET SNAPSHOT

Total Square Feet:	126,245,889
Vacant Square Feet:	21,293,326
Percent Occupied:	83.13%
Absorption for Quarter:	15,288
Average Rental Rates:	$20.14
Space Delivered YTD:	130,000
Class "A" Avg. Rental Rate:	$22.32

METRO ATLANTA OFFICE MARKET SUMMARY 1ST QUARTER 2006



ATLANTA'S TOP FIVE RANKING SUBMARKETS

Net Absorption 1st Quarter 2006:

Downtown	233,313
Peachtree Corners	164,270
NE Expressway-South	102,794
I-285/GA-400	77,242
Decatur	23,849

Total Available Square Feet:

I-285/GA-400	3,546,941
Downtown	3,087,212
I-75/I-285	3,037,625
GA-400 North	2,479,330
Buckhead/Lenox	1,904,789

Total Existing Square Feet:

I-285/GA-400	21,857,434
I-75/I-285	18,697,330
Downtown	16,900,309
GA-400 North	14,295,812
Midtown	12,402,042

Submarket Occupancy Rate:

I-285E/Stone Mountain	92.5%
Decatur	92.5%
NE Expressway-South	88.2%
Midtown	85.0%
Buckhead/Lenox	84.1%

Average Quoted Rental Rate:

Buckhead/Lenox	$25.04
Midtown	$22.43
Downtown	$20.82
I-285/GA-400	$20.54
I-75/I-285	$20.25

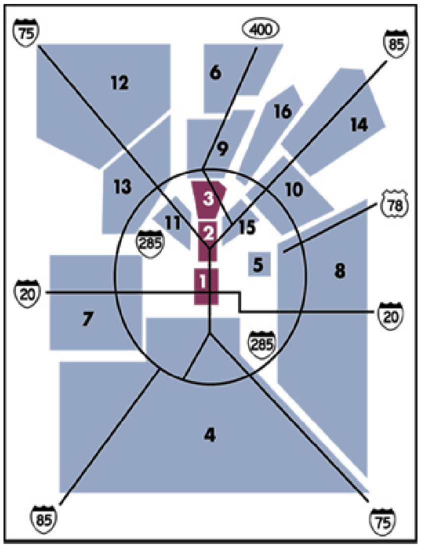
Space Delivered 2006 - Sq Ft:

NE Expressway-North	130,000

economy, additional buildings being removed from the marketplace, and a limited number of new deliveries totaling only 1,553,895 square feet. Although this new construction is modest in comparison to many of the years in the late 1990s, 2006 will have more square footage delivered than any year since 2003.

Concessions, above-standard improvements, and "free" rent still exist for the most part throughout the Atlanta office market. Nonetheless, we expect that concessionary lease terms will not be as favorable for office users in a number of submarkets by year-end 2006 and going into 2007. With buildings continuing to be removed from the market, limited deliveries in 2006, and a projected increase in positive absorption for the remainder of the year, rental rates will increase to approximately $20.50 per square foot and occupancy rates will be at or above 85 percent.

Metro Atlanta Sub-Markets



Urban Corridor Sub-Markets

1 Downtown
2 Midtown
3 Buckhead / Lenox

Suburban Sub-Markets

4 Airport / South
5 Decatur
6 GA-400 North
7 I-20W/Greenbriar
8 I-285 E / Stone Mountain
9 I-285 / GA-400
10 I-285 / I-85 / Northlake
11 I-75 Corridor
12 I-75N/Marietta/Johnson Ferry
13 I-75 / I-285
14 NE Expressway-North
15 NE Expressway-South
16 Peachtree Corners

Office Totals By Sub-Market

Urban	Total Sq. Ft.	Vacant Sq. Ft.	Occupancy Rate	Absorption This Qtr.	Absorption Year to Date	Avg. Rent Rate
Downtown	16,900,309	3,087,212	81.73%	233,313	233,313	$20.82
Midtown	12,402,042	1,855,526	85.04%	(87,014)	(87,014)	$22.43
Buckhead/Lenox	12,000,259	1,904,789	84.13%	(138,385)	(138,385)	$25.04
Urban Totals	**41,302,610**	**6,847,527**	**83.42%**	**7,914**	**7,914**	**$22.53**
Suburban						
Airport/South	2,678,860	490,829	81.68%	(38,816)	(38,816)	$15.72
Decatur	1,079,165	81,274	92.47%	23,849	23,849	$19.48
GA-400 North	14,295,812	2,479,330	82.66%	(405)	(405)	$18.62
I-20W/Greenbriar	321,053	84,774	73.60%	(2,245)	(2,245)	$13.12
I-285/GA-400	21,857,434	3,546,941	83.77%	77,242	77,242	$20.54
I-285/I-85/Northlake	4,517,699	881,598	80.49%	(103,206)	(103,206)	$17.36
I-285E/Stone Mtn	411,251	30,713	92.53%	(10,557)	(10,557)	$12.59
I-75 Corridor	1,127,333	305,264	72.92%	(90,193)	(90,193)	$19.98
I-75/I-285	18,697,330	3,037,625	83.75%	(129,219)	(129,219)	$20.25
I-75N/Marietta/JF	2,939,478	478,500	83.72%	(7,544)	(7,544)	$18.47
NE Expressway-North	4,330,558	903,239	79.14%	21,404	21,404	$17.74
NE Expressway-South	4,732,558	556,982	88.23%	102,794	102,794	$17.75
Peachtree Corners	7,954,778	1,568,730	80.28%	164,270	164,270	$16.02
Suburban Totals	**84,943,279**	**14,445,799**	**82.99%**	**7,374**	**7,374**	**$18.96**
Total/W. Averages	**126,245,889**	**21,293,326**	**83.13%**	**15,288**	**15,288**	**$20.14**

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