



THE CONCORD GROUP

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DEVELOPMENT VALUATION UPDATE FOR  
VARIOUS REAL ESTATE PRODUCT TYPES  
RELATIVE TO THE ASSESSMENT OF A CFD ON  
THE TRANSBAY PLANNING DISTRICT IN SAN  
FRANCISCO, CALIFORNIA

DEVELOPMENT VALUE UPDATE  
APRIL 10, 2013

PREPARED FOR:  
NANCY WHELAN  
CONSULTING ON BEHALF  
OF THE TRANSBAY JOINT  
POWERS AUTHORITY



## LIST OF EXHIBITS

### **I. SUMMARY OF FINDINGS**

1. Summary of Product Type Values by Building Type

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3. Comparable Inventory
4. Inventory Map
5. Resale Inventory
6. Premium Structures
7. Positioning
8. For Sale Value Projection by Building Type

### **III. FOR RENT RESIDENTIAL**

1. Market Area Definition
2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Building Trades
6. Premium Structures
7. Positioning
8. For Rent Value Projection by Building Type

**IV. OFFICE**

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2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Building Trades
6. Premium Structures
7. Positioning
8. Office Value Projection by Building Type

**V. RETAIL**

1. Market Area Definition
2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Positioning
6. Retail Value Projection

**VI. HOTEL**

1. Market Area Definition
2. Macro Market Trends
3. Comparable Inventory
4. Inventory Map
5. Building Trades

6. Positioning
7. Hotel Value Projection

## **I. SUMMARY**

EXHIBIT I-1

VALUATION SUMMARY BY PRODUCT TYPE  
TRANSBAY  
MARCH 2013

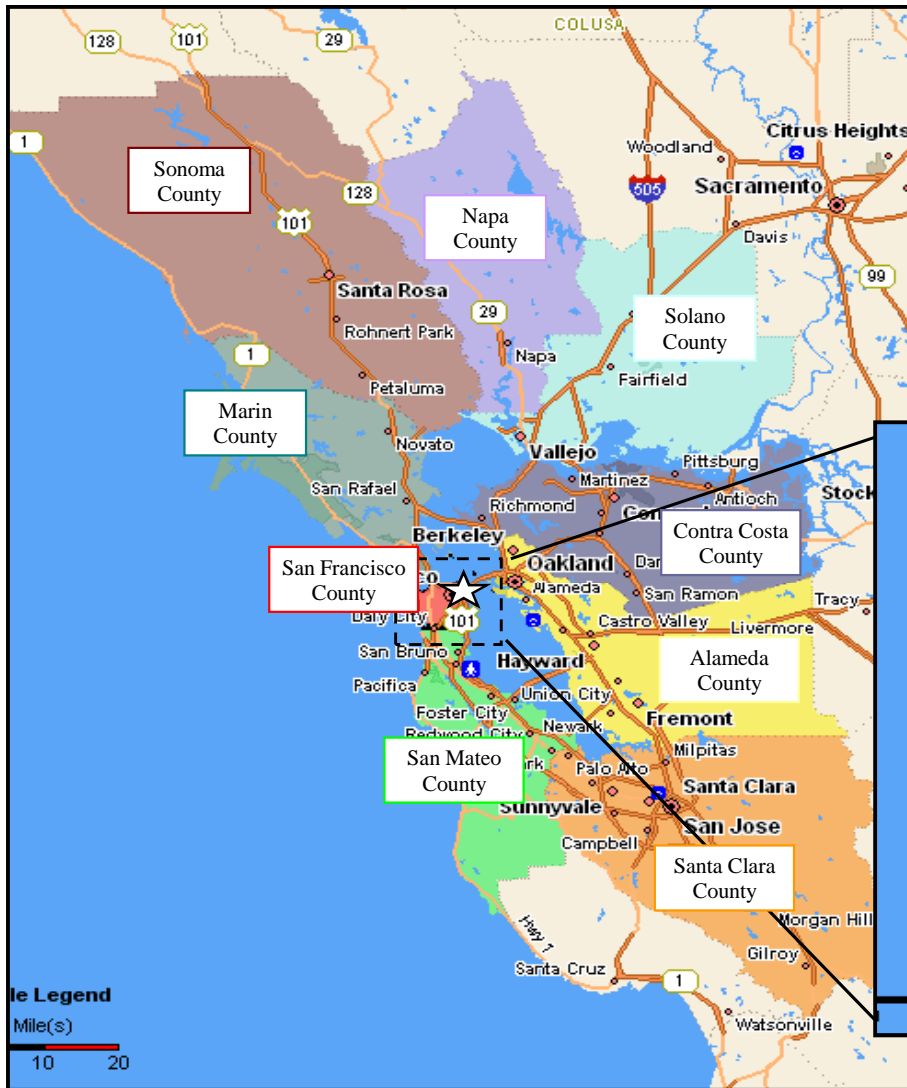
Average Per Square Foot Development Value by Building Height

Number of Floors	For Sale Residential			For Rent Residential			Office		Ground Floor	Hotel	
	Podium	Mid-Rise	High-Rise	Podium	Mid-Rise	High-Rise	Low-Rise	High-Rise	Retail	Business	Luxury
1	\$853	\$849	\$884	\$796	\$823	\$831	\$614	\$675	\$579	\$528	\$1,218
2	\$853	\$849	\$906	\$796	\$824	\$831	\$617	\$679			
3	\$853	\$849	\$927	\$796	\$825	\$831	\$621	\$683			
4	\$853	\$849	\$947	\$797	\$826	\$831	\$625	\$687			
5	\$856	\$852	\$966	\$805	\$828	\$831	\$628	\$691			
6	\$864	\$859	\$985	\$824	\$829	\$831	\$632	\$695			
7	\$874	\$869	\$1,002	\$824	\$831	\$832	\$636	\$699			
8	\$887	\$882	\$1,019	\$824	\$832	\$833	\$639	\$703			
9		\$896	\$1,035		\$834	\$834	\$643	\$707			
10		\$912	\$1,050		\$836	\$835	\$647	\$711			
11		\$928	\$1,064		\$837	\$836		\$716			
12		\$944	\$1,078		\$839	\$837		\$720			
13		\$960	\$1,091		\$841	\$839		\$724			
14		\$975	\$1,103		\$843	\$840		\$728			
15		\$988	\$1,115		\$845	\$842		\$732			
16			\$1,126			\$843		\$736			
17			\$1,136			\$845		\$740			
18			\$1,146			\$847		\$744			
19			\$1,155			\$848		\$748			
20			\$1,164			\$850		\$752			
21			\$1,172			\$852		\$756			
22			\$1,180			\$854		\$760			
23			\$1,187			\$856		\$764			
24			\$1,194			\$858		\$768			
25			\$1,201			\$860		\$772			
26			\$1,207			\$862		\$776			
27			\$1,213			\$863		\$780			
28			\$1,219			\$865		\$784			
29			\$1,224			\$867		\$788			
30			\$1,229			\$869		\$792			
31			\$1,234			\$871		\$797			
32			\$1,238			\$873		\$801			
33			\$1,243			\$875		\$805			
34			\$1,247			\$876		\$809			
35			\$1,251			\$878		\$813			
36			\$1,256			\$880		\$817			
37			\$1,260			\$881		\$821			
38			\$1,264			\$883		\$825			
39			\$1,268			\$884		\$829			
40			\$1,272			\$886		\$833			
41			\$1,276			\$887		\$837			
42			\$1,280			\$889		\$841			
43			\$1,284			\$891		\$845			
44			\$1,288			\$892		\$849			
45			\$1,293			\$894		\$853			
46			\$1,298			\$897		\$857			
47			\$1,303			\$899		\$861			
48			\$1,308			\$901		\$865			
49			\$1,313			\$903		\$869			
50			\$1,319			\$905		\$873			

## **II. FOR-SALE**

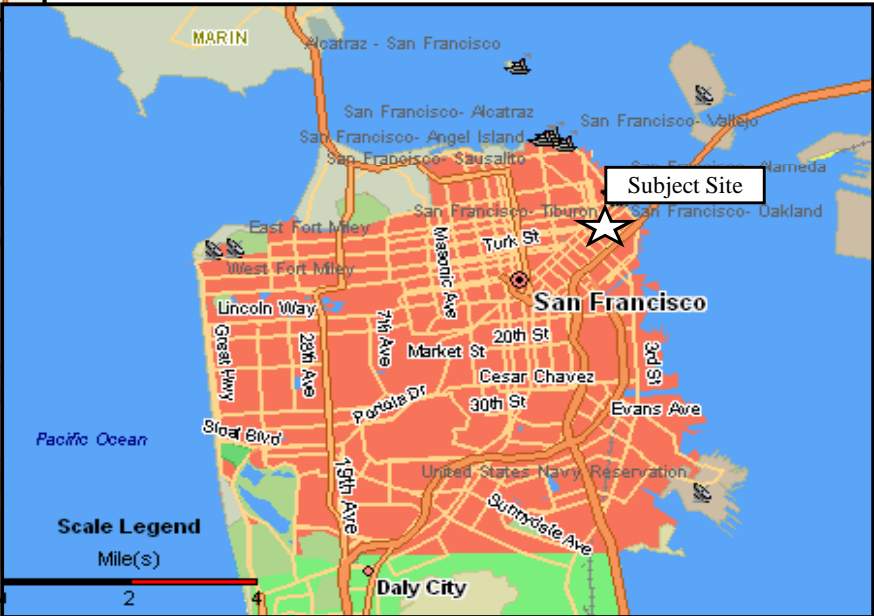
EXHIBIT II-1

FOR-SALE MARKET AREA DEFINITION  
 9-COUNTY BAY AREA, CALIFORNIA  
 MARCH 2013



The shaded areas represent the **Primary Market Area ("PMA")**, the area from which the majority of demand is expected to emanate, defined as the **9-County Bay Area**, includes Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano and Sonoma Counties.

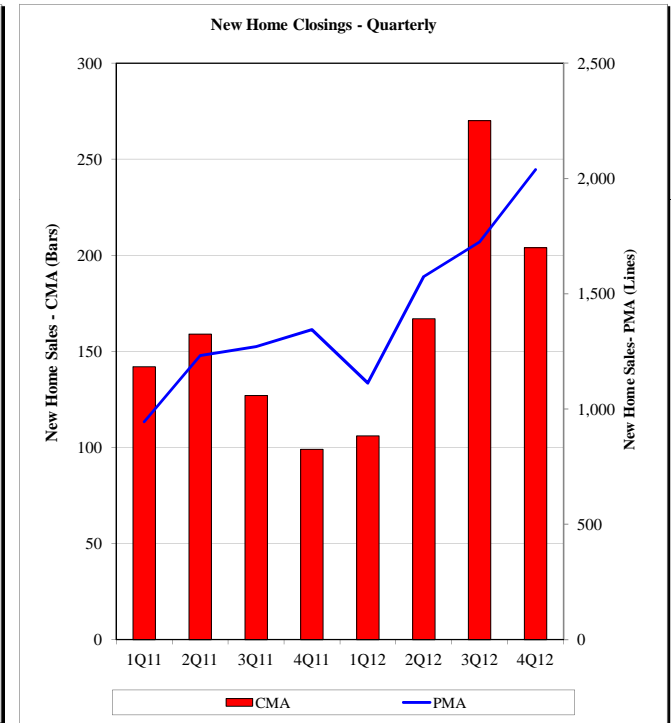
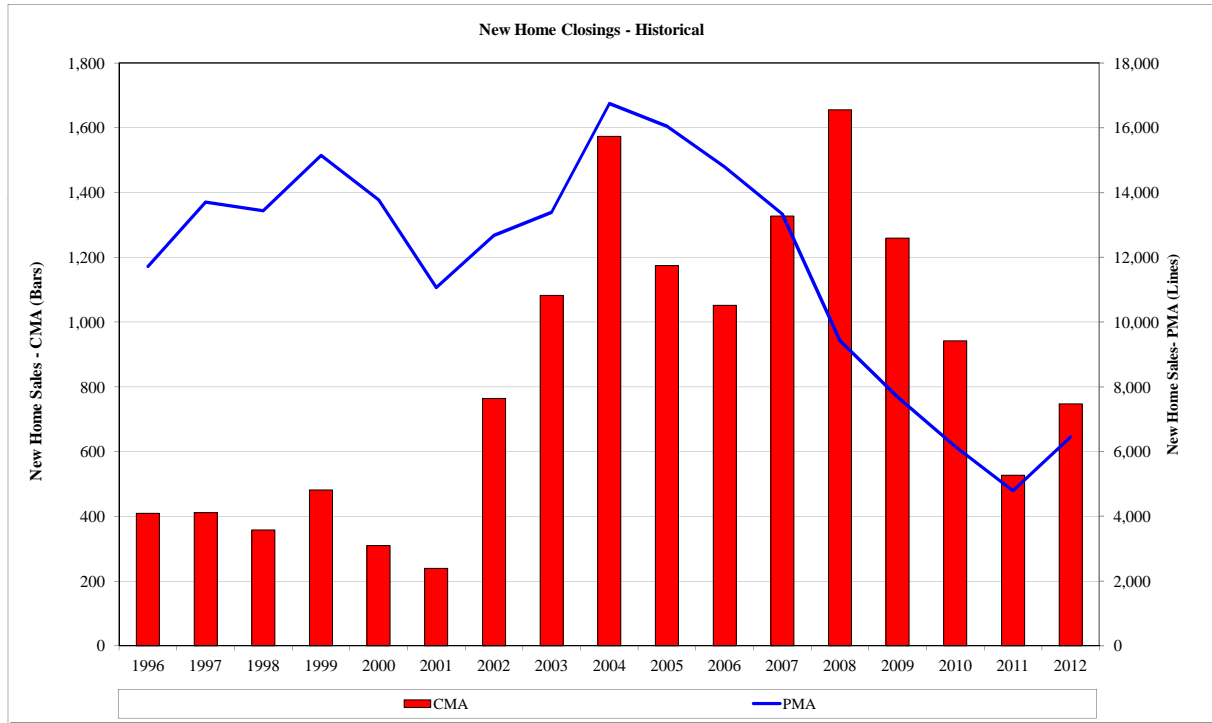
The **red area** represents the **Competitive Market Area ("CMA")**, the area in which like product will compete with that planned for the subject site on a more or less equal basis, generally defined as San Francisco County.





**EXHIBIT II-2**  
**HISTORICAL CLOSINGS AND MEDIAN PRICE**  
**COMPETITIVE AND PRIMARY MARKET AREAS**  
**1996 THROUGH 4Q2012**

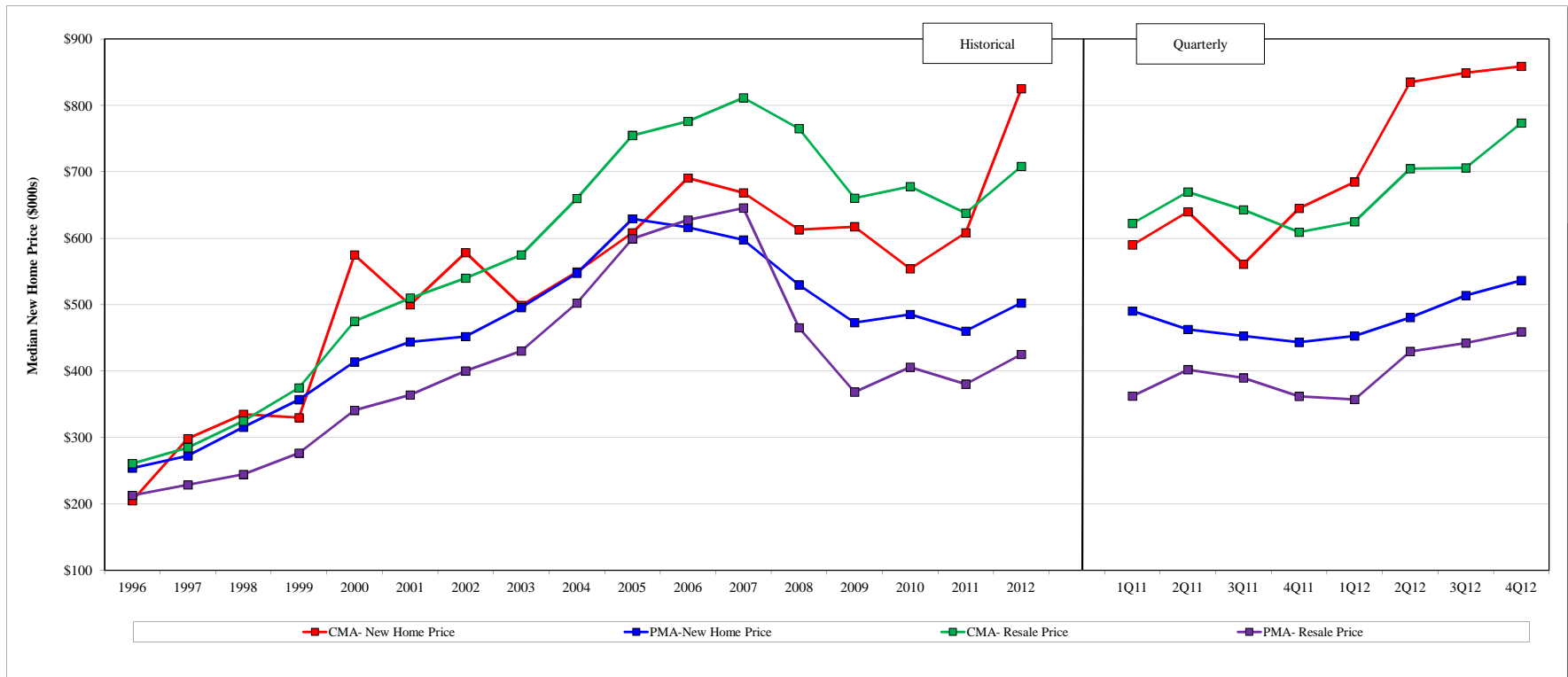
Period:	Annual																	Average	Quarterly								
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	10-Yr	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	
<b>New Home Closings</b>																											
CMA	409	411	358	481	309	239	764	1,082	1,573	1,174	1,052	1,327	1,656	1,259	942	527	747	1,136	142	159	127	99	106	167	270	204	
% Change		0%	-13%	34%	-36%	-23%	220%	42%	45%	-25%	-10%	26%	25%	-24%	-25%	-44%	42%		<i>Same Quarter Change:</i>				-25%	5%	113%	106%	
PMA	11,712	13,706	13,432	15,142	13,772	11,065	12,676	13,388	16,747	16,044	14,789	13,336	9,435	7,687	6,149	4,792	6,450	11,504	945	1,232	1,271	1,344	1,113	1,574	1,725	2,038	
% Change		17%	-2%	13%	-9%	-20%	15%	6%	25%	-4%	-8%	-10%	-29%	-19%	-20%	-22%	35%		<i>Same Quarter Change:</i>				18%	28%	36%	52%	
CMA % of PMA	3%	3%	3%	3%	2%	2%	6%	8%	9%	7%	7%	10%	18%	16%	15%	11%	12%	11%	15%	13%	10%	7%	10%	11%	16%	10%	
<b>Resale Closings</b>																											
CMA	5,018	5,725	6,045	6,217	5,343	4,436	5,606	6,200	6,835	6,332	5,377	5,283	4,322	4,373	4,667	4,964	5,918	5,396	1,055	1,411	1,243	1,255	1,154	1,642	1,531	1,591	
% Change		14%	6%	3%	-14%	-17%	26%	11%	10%	-7%	-15%	-2%	-18%	1%	7%	6%	19%		<i>Same Quarter Change:</i>				9%	16%	23%	27%	
PMA	72,531	83,177	96,115	103,762	97,159	80,403	100,298	108,912	120,142	109,304	85,666	66,632	66,360	80,005	74,449	76,449	84,623	88,822	16,469	20,921	20,076	18,983	17,732	23,735	22,004	21,152	
% Change		15%	16%	8%	-6%	-17%	25%	9%	10%	-9%	-22%	-22%	0%	21%	-7%	3%	11%		<i>Same Quarter Change:</i>				8%	13%	10%	11%	
CMA % of PMA	7%	7%	6%	6%	5%	6%	6%	6%	6%	6%	6%	8%	7%	5%	6%	6%	7%	6%	6%	7%	6%	7%	7%	7%	7%	8%	



Note: Includes detached and attached product types  
Source: DataQuick

**EXHIBIT II-2**  
**HISTORICAL CLOSINGS AND MEDIAN PRICE**  
**COMPETITIVE AND PRIMARY MARKET AREAS**  
**1996 THROUGH 4Q2012**

Period:	Annual																Average	Quarterly									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	10-Yr	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	
<b>Median New Home Price (\$000s)</b>																											
CMA	205	299	335	330	575	500	579	499	550	609	691	668	613	618	554	608	825	599	590	640	561	645	685	835	849	859	
% Change	-26%	46%	12%	-1%	74%	-13%	16%	-14%	10%	11%	13%	-3%	-8%	1%	-10%	10%	36%		<i>Same Quarter Change:</i>				16%	31%	51%	33%	
PMA	254	273	316	357	414	444	452	496	548	629	617	598	530	473	486	460	503	529	491	463	453	443	453	481	514	537	
% Change	-9%	7%	16%	13%	16%	7%	2%	10%	10%	15%	-2%	-3%	-11%	-11%	3%	-5%	9%		<i>Same Quarter Change:</i>				-8%	4%	13%	21%	
CMA % of PMA	-19%	10%	6%	-8%	39%	13%	28%	1%	0%	-3%	12%	12%	16%	31%	14%	32%	64%	14%	20%	38%	24%	45%	51%	74%	65%	60%	
<b>Median Resale Price (\$000s)</b>																											
CMA	261	285	325	375	475	510	540	575	660	755	776	811	765	660	678	638	708	686	623	670	643	609	625	705	706	774	
% Change	9%	9%	14%	15%	27%	7%	6%	6%	15%	14%	3%	5%	-6%	-14%	3%	-6%	11%		<i>Same Quarter Change:</i>				0%	5%	10%	27%	
PMA	213	229	245	277	341	364	400	430	503	599	628	646	465	369	406	381	425	483	363	402	390	362	357	430	442	459	
% Change	7%	7%	7%	13%	23%	7%	10%	430	17%	19%	5%	3%	-28%	-21%	10%	-6%	12%		<i>Same Quarter Change:</i>				-1%	7%	13%	27%	



Note: Includes detached and attached product types  
Source: DataQuick

EXHIBIT II-3

COMPARABLE FOR-SALE INVENTORY  
SAN FRANCISCO, CALIFORNIA  
MARCH 2013

Project Name	Developer	Sales Open Date	Product Type	Units		Home Size	Base Price		Net Price		Concession	Avg. Monthly Abs.		
				Rem.	Total		Price	PSF	Price	PSF		L3M	Lifetime	
<b>San Francisco</b>														
<b>Actively-Selling Communities</b>														
750 2nd Street	Morgan Creek Ventures	11/1/2012	Condo	8	14	1,850	\$1,750,000	\$946	\$1,750,000	\$946	None	1.0	1.5	
The Heights	Ray Steffen / Charles Castro	1/8/2013	Condo	5	13	1,875	1,695,800	905	1,695,800	905	None	2.7	4.4	
One Hawthorne	Jackson Pacific Ventures	4/1/2010	Condo	2	165	1,012	668,550	660	668,550	660	None	3.3	4.6	
Candlestick Cove	Signature Properties	10/20/2007	TH	10	150	1,621	686,667	424	686,667	424	None	4.7	2.2	
<b>Total:</b>				<b>4 Communities</b>	<b>25</b>	<b>342</b>						<b>11.7</b>	<b>12.7</b>	
<b>Weighted Average (1):</b>					<b>6</b>	<b>86</b>	<b>1,696</b>	<b>\$1,227,311</b>	<b>\$724</b>	<b>\$1,227,311</b>	<b>\$724</b>	<b>\$0</b>	<b>3.0</b>	<b>2.6</b>
<b>Recently Sold-Out Communities</b>														
411 Valencia	411 Valencia Street, LLC	10/1/2012	Condo	-	14	650	\$600,000	\$923	\$600,000	\$923	None	4.7	6.7	
2020 Ellis (Phase 1)	John McInemy	8/12/2012	Condo	-	12	650	549,000	845	549,000	845	None	1.7	1.8	
The Madrone	Bosa Development	6/1/2011	Condo	-	329	1,076	837,972	779	837,972	779	None	11.7	16.6	
The Artani	George McNabb et al	1/1/2012	Condo	-	53	824	627,910	762	627,910	762	None	4.0	3.8	
299 Valencia	J.S. Sullivan	3/1/2012	Condo	-	36	785	594,800	757	594,800	757	None	--	10.3	
Millwheel South	Raymond Lyons	4/1/2012	Condo	-	32	1,200	704,469	587	704,469	587	None	--	10.2	
Esprit Park- North Court	Macquarie Holdings	11/1/2011	Condo	-	67	1,143	677,440	593	656,091	574	\$21,350	--	7.9	
5800 3rd Street	Holliday Development	9/1/2010	Condo	17 (3)	137	1,041	449,999	432	449,999	432	None	5.0	4.2	
<b>Total:</b>				<b>8 Communities</b>	<b>17</b>	<b>680</b>						<b>27.0</b>	<b>61.6</b>	
<b>Weighted Average (1):</b>					<b>2</b>	<b>85</b>	<b>1,030</b>	<b>\$698,462</b>	<b>\$678</b>	<b>\$696,358</b>	<b>\$676</b>	<b>\$2,669</b>	<b>7.1</b>	<b>11.2</b>

(1) Home size, price and lot size averages are weighted by units remaining per project (actively-selling) or total units (recently sold-out); others straight averages.

(3) 5800 3rd St currently sold out, 17 additional planned units unbuilt

EXHIBIT II-4

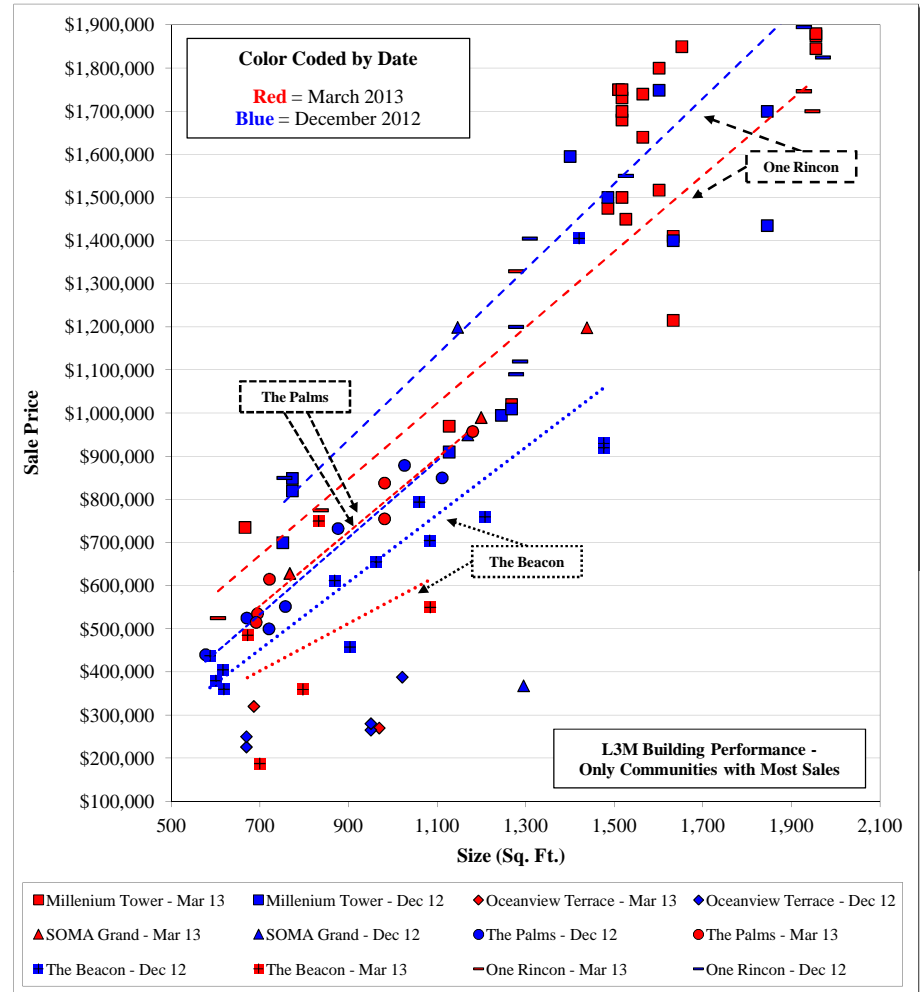
NEW HOME COMMUNITIES MAP  
COMPETITIVE MARKET AREA  
MARCH 2013



EXHIBIT II-5

RESALES BY BUILDING - BUILT SINCE 2000  
 SAN FRANCISCO, CALIFORNIA  
 DECEMBER 2012 VS. MARCH 2013

Project Name	Total Units	December 2012		March 2013		\$ Chg. PSF
		Average Sale \$	PSF	Average Sale \$	PSF	
<b>50+ Unit Condo Buildings Built Post-2000</b>						
199 New Montgomery	168	619,204	803	\$359,000	486	-39%
235 Berry ST	99	919,000	830	\$1,213,750	808	-3%
Infinity Tower	650	1,101,375	923	\$1,451,000	1,110	20%
Millenium Tower	425	1,936,105	1,173	\$1,992,607	1,200	2%
Oceanview Terrace	790	281,800	331	\$295,044	357	8%
One Hawthorne	165	816,250	822	\$1,145,000	997	21%
One Rincon	374	1,395,500	974	\$1,100,583	834	-14%
SOMA Grand	246	838,949	697	\$938,833	827	19%
St. Regis Residences	100	2,540,000	1,425	\$2,526,667	1,451	2%
The Beacon	595	678,615	685	\$466,400	571	-17%
The Brannan	390	1,422,500	1,057	\$1,136,667	923	-13%
The BridgeView	248	691,000	723	\$840,000	759	5%
The Hayes	128	660,000	949	\$676,000	781	-18%
The Lansing	82	776,667	699	\$720,000	770	10%
The Metropolitan	342	664,333	831	\$799,400	748	-10%
The Palms	300	639,757	781	\$702,583	803	3%
The Towers	233	960,667	818	\$1,028,333	915	12%
The Watermark	138	1,282,500	988	\$1,186,250	967	-2%
<b>Total:</b>	<b>5,473</b>					
<b>Straight Average:</b>	<b>304</b>	<b>\$1,012,457</b>	<b>\$903</b>	<b>\$1,032,118</b>	<b>\$901</b>	<b>-1%</b>

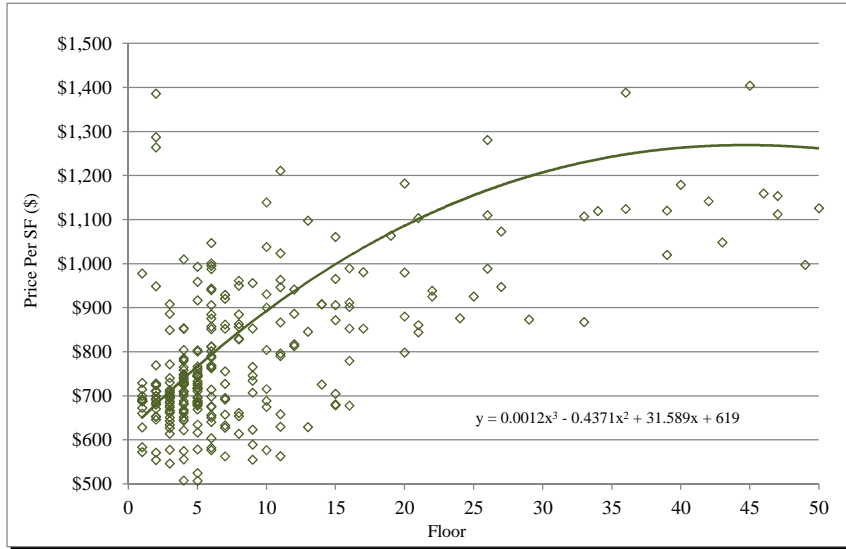


Source: RedFin

EXHIBIT II-6

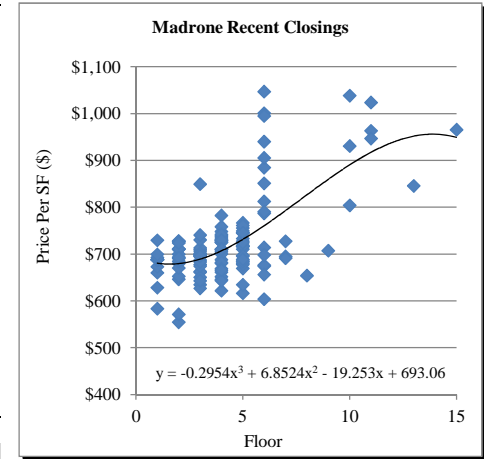
FLOOR HEIGHT PREMIUM ANALYSIS  
SOUTH OF MARKET; SAN FRANCISCO, CA  
MARCH 2013

Recent Same-Building Closings by Floor - SoMa



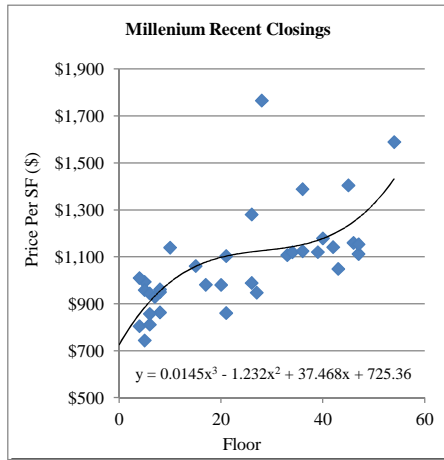
The Madrone Recent Closed Transactions By Floor

	PSF	% Above Base Floor
Floor 1	\$676	
Floor 2	\$683	4%
Floor 3	\$693	6%
Floor 4	\$705	8%
Floor 5	\$710	8%
Floor 6	\$815	25%
Floor 7	\$705	8%
Floor 8	\$654	0%
Floor 9	\$707	8%
Floor 10	\$925	41%
Floor 11	\$978	49%
Floor 12	--	--
Floor 13	\$846	29%
Floor 14	--	--
Floor 15	\$966	48%
<b>Wtd. Average:</b>	<b>\$774</b>	<b>10.7%</b>
<b>Avg Floor Prem:</b>		<b>3.3%</b>



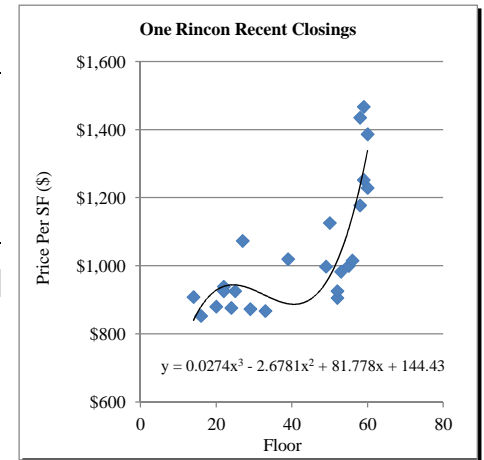
The Millenium Recent Closed Transactions By Floor

	Average PSF	% Above Base Floor
Below Floor 10	\$945	
Floor 11-20	\$1,007	7%
Floor 21-30	\$1,208	28%
Floor 31-40	\$1,157	22%
Floor 41-50	\$1,178	25%
Above 50	\$1,971	109%
<b>Wtd. Average:</b>	<b>\$1,244</b>	<b>27.4%</b>
<b>Avg Floor Prem:</b>		<b>2.0%</b>



One Rincon Recent Closed Transactions By Floor

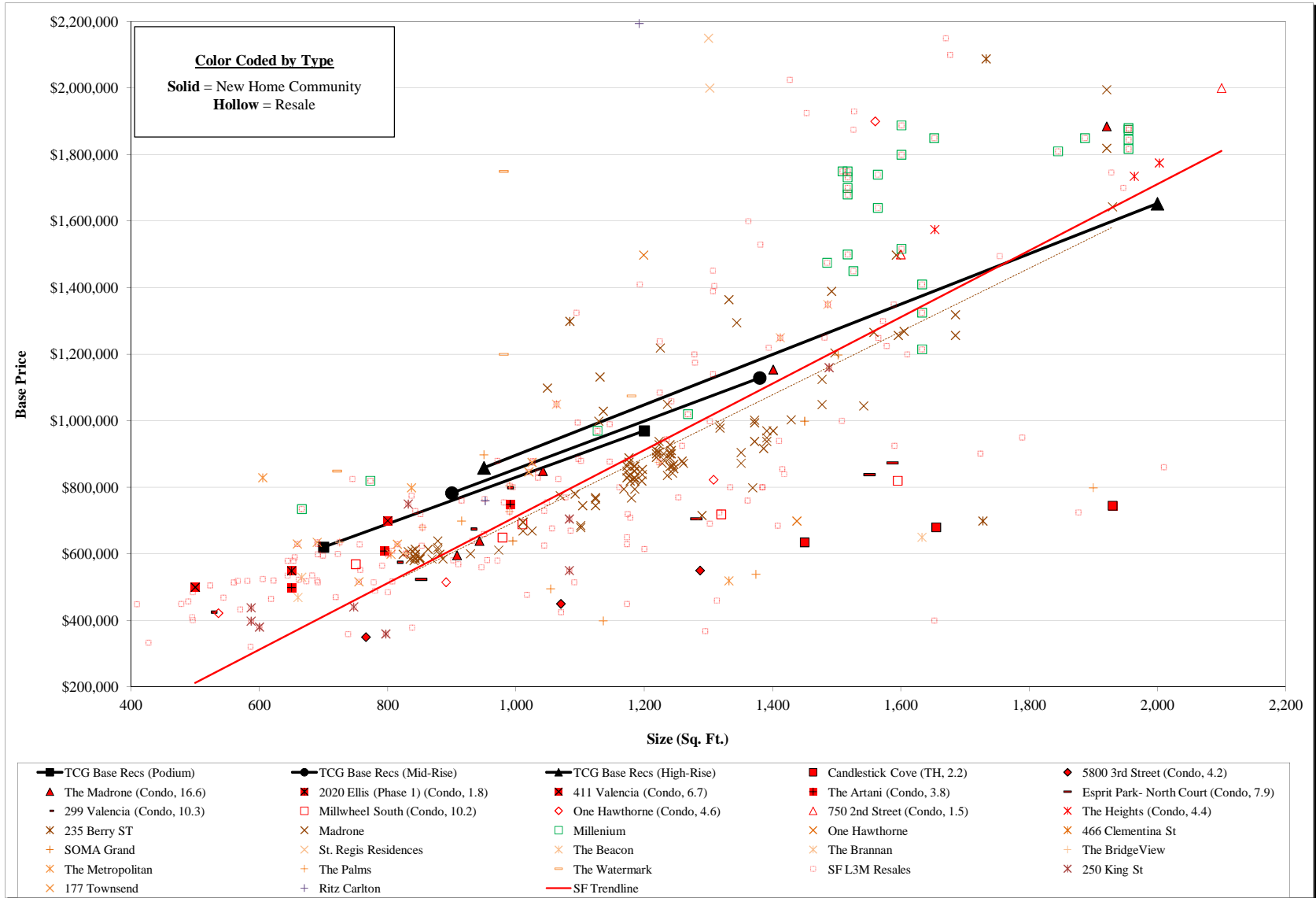
	PSF	% Above Base Floor
Below Floor 20	\$881	--
Floor 21-30	\$936	6%
Floor 31-40	\$944	7%
Floor 41-50	\$1,062	21%
Floor 51-60	\$1,101	25%
Above 60	\$1,308	49%
<b>Wtd. Average:</b>	<b>\$1,038</b>	<b>11.2%</b>
<b>Avg Floor Prem:</b>		<b>0.8%</b>



Note: Recent transactions include closings since September 2012

EXHIBIT II-7

FOR SALE PRODUCT PROGRAM POSITIONING  
 TRANSBAY REDEVELOPMENT SITE: SAN FRANCISCO, CA  
 MARCH 2013



Note: The number in parentheses represent product type and absorption, respectively.

EXHIBIT II-8

VALUE PROJECTION - FOR SALE  
TRANSBAY  
FEBRUARY 2013

I. For-Sale Positioning

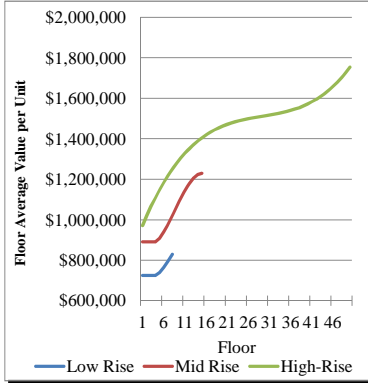
Low-Rise/Podium (<9 Stories)				
	Stories	Unit Size	Base Price	Base PSF
Min Unit	8	700	\$620,000	\$886
Max Unit		1,200	\$970,000	\$808
Weighted Average:		850	\$725,000	\$853

Mid-Rise (Up to 15 Stories)				
	Stories	Unit Size	Base Price	Base PSF
Min Unit	15	900	\$782,800	\$870
Max Unit		1,380	\$1,128,880	\$818
Weighted Average:		1,050	\$890,950	\$849

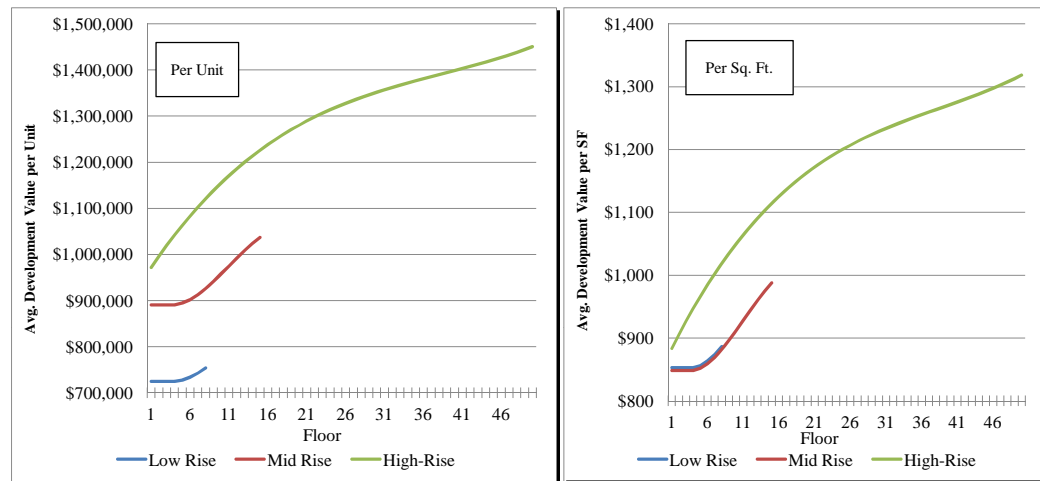
High-Rise (Above 20 Stories)				
	Stories	Unit Size	Base Price	Base PSF
Min Unit	50	950	\$858,600	\$904
Max Unit		2,000	\$1,652,400	\$826
Weighted Average:		1,100	\$972,000	\$884



II. For-Sale Building Values - Base Prices

	Low-Rise/Podium (<9 Stories)	Mid-Rise (Up to 15 Stories)	High-Rise (Above 20 Stories)
Average Unit Size	850	1050	1100
Base Positioning	\$725,000	\$890,950	\$972,000
Vacancy Loss	--	--	--
OpEx	--	--	--
NOI	--	--	--
Cap Rate	--	--	--
Cap Value	--	--	--
Value Per Square Foot	<b>\$853</b>	<b>\$849</b>	<b>\$884</b>

IV. For-Sale Building Values - Average Development Value by Building Scale (# of Floors)



III. Hypothetical Building Matrix - For Sale Unit Values

Floor	Low Rise			Mid Rise			High-Rise		
	Prem.	Per Unit	Per SF	Prem.	Per Unit	Per SF	Prem.	Per Unit	Per SF
1	0%	\$725,000	\$853	0%	\$890,950	\$849	0%	\$972,000	\$884
2	0%	\$725,000	\$853	0%	\$890,950	\$849	5%	\$1,020,577	\$928
3	0%	\$725,000	\$853	0%	\$890,950	\$849	10%	\$1,065,968	\$969
4	0%	\$725,000	\$853	0%	\$890,950	\$849	14%	\$1,108,291	\$1,008
5	2%	\$739,353	\$870	2%	\$908,589	\$865	18%	\$1,147,661	\$1,043
6	6%	\$764,877	\$900	6%	\$939,954	\$895	22%	\$1,184,196	\$1,077
7	10%	\$795,466	\$936	10%	\$977,546	\$931	25%	\$1,218,012	\$1,107
8	14%	\$829,268	\$976	14%	\$1,019,085	\$971	29%	\$1,249,226	\$1,136
9				19%	\$1,062,292	\$1,012	31%	\$1,277,954	\$1,162
10				24%	\$1,104,889	\$1,052	34%	\$1,304,313	\$1,186
11				28%	\$1,144,598	\$1,090	37%	\$1,328,420	\$1,208
12				32%	\$1,179,140	\$1,123	39%	\$1,350,390	\$1,228
13				35%	\$1,206,237	\$1,149	41%	\$1,370,341	\$1,246
14				37%	\$1,223,610	\$1,165	43%	\$1,388,389	\$1,262
15				38%	\$1,228,981	\$1,170	45%	\$1,404,651	\$1,277
16							46%	\$1,419,243	\$1,290
17							47%	\$1,432,282	\$1,302
18							49%	\$1,443,885	\$1,313
19							50%	\$1,454,168	\$1,322
20							51%	\$1,463,247	\$1,330
21							51%	\$1,471,239	\$1,337
22							52%	\$1,478,262	\$1,344
23							53%	\$1,484,431	\$1,349
24							53%	\$1,489,862	\$1,354
25							54%	\$1,494,674	\$1,359
26							54%	\$1,498,981	\$1,363
27							55%	\$1,502,902	\$1,366
28							55%	\$1,506,551	\$1,370
29							55%	\$1,510,047	\$1,373
30							56%	\$1,513,504	\$1,376
31							56%	\$1,517,041	\$1,379
32							56%	\$1,520,774	\$1,383
33							57%	\$1,524,819	\$1,386
34							57%	\$1,529,293	\$1,390
35							58%	\$1,534,312	\$1,395
36							58%	\$1,539,993	\$1,400
37							59%	\$1,546,452	\$1,406
38							60%	\$1,553,807	\$1,413
39							61%	\$1,562,173	\$1,420
40							62%	\$1,571,668	\$1,429
41							63%	\$1,582,408	\$1,439
42							64%	\$1,594,509	\$1,450
43							65%	\$1,608,088	\$1,462
44							67%	\$1,623,262	\$1,476
45							69%	\$1,640,147	\$1,491
46							71%	\$1,658,860	\$1,508
47							73%	\$1,679,517	\$1,527
48							75%	\$1,702,235	\$1,547
49							78%	\$1,727,130	\$1,570
50							80%	\$1,754,320	\$1,595

Avg:	4%	\$753,621	\$887	16%	\$1,037,248	\$988	49%	\$1,450,489	\$1,319
	0.5% per floor			1.1% per floor			1.0% per floor		

IV. Building Average Values by Floor Height (Assumes Equal Floor Plates)

Floor	Low Rise		Mid Rise		High-Rise	
	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF
1	\$725,000	\$853	\$890,950	\$849	\$972,000	\$884
2	\$725,000	\$853	\$890,950	\$849	\$996,288	\$906
3	\$725,000	\$853	\$890,950	\$849	\$1,019,515	\$927
4	\$725,000	\$853	\$890,950	\$849	\$1,041,709	\$947
5	\$727,871	\$856	\$894,478	\$852	\$1,062,899	\$966
6	\$734,038	\$864	\$902,057	\$859	\$1,083,115	\$985
7	\$742,814	\$874	\$912,841	\$869	\$1,102,386	\$1,002
8	\$753,621	\$887	\$926,122	\$882	\$1,120,741	\$1,019
9			\$941,252	\$896	\$1,138,209	\$1,035
10			\$957,615	\$912	\$1,154,820	\$1,050
11			\$974,614	\$928	\$1,170,602	\$1,064
12			\$991,658	\$944	\$1,185,584	\$1,078
13			\$1,008,164	\$960	\$1,199,796	\$1,091
14			\$1,023,553	\$975	\$1,213,267	\$1,103
15			\$1,037,248	\$988	\$1,226,026	\$1,115
16					\$1,238,102	\$1,126
17					\$1,249,524	\$1,136
18					\$1,260,322	\$1,146
19					\$1,270,525	\$1,155
20					\$1,280,161	\$1,164
21					\$1,289,260	\$1,172
22					\$1,297,851	\$1,180
23					\$1,305,963	\$1,187
24					\$1,313,625	\$1,194
25					\$1,320,867	\$1,201
26					\$1,327,718	\$1,207
27					\$1,334,206	\$1,213
28					\$1,340,361	\$1,219
29					\$1,346,212	\$1,224
30					\$1,351,789	\$1,229
31					\$1,357,120	\$1,234
32					\$1,362,234	\$1,238
33					\$1,367,161	\$1,243
34					\$1,371,929	\$1,247
35					\$1,376,569	\$1,251
36					\$1,381,108	\$1,256
37					\$1,385,577	\$1,260
38					\$1,390,004	\$1,264
39					\$1,394,419	\$1,268
40					\$1,398,850	\$1,272
41					\$1,403,327	\$1,276
42					\$1,407,879	\$1,280
43					\$1,412,535	\$1,284
44					\$1,417,324	\$1,288
45					\$1,422,276	\$1,293
46					\$1,427,419	\$1,298
47					\$1,432,783	\$1,303
48					\$1,438,396	\$1,308
49					\$1,444,289	\$1,313
50					\$1,450,489	\$1,319



### **III. FOR-RENT**

EXHIBIT III-1

APARTMENT MARKET AREA DEFINITION  
SAN FRANCISCO AND SAN MATEO COUNTIES  
MARCH 2013

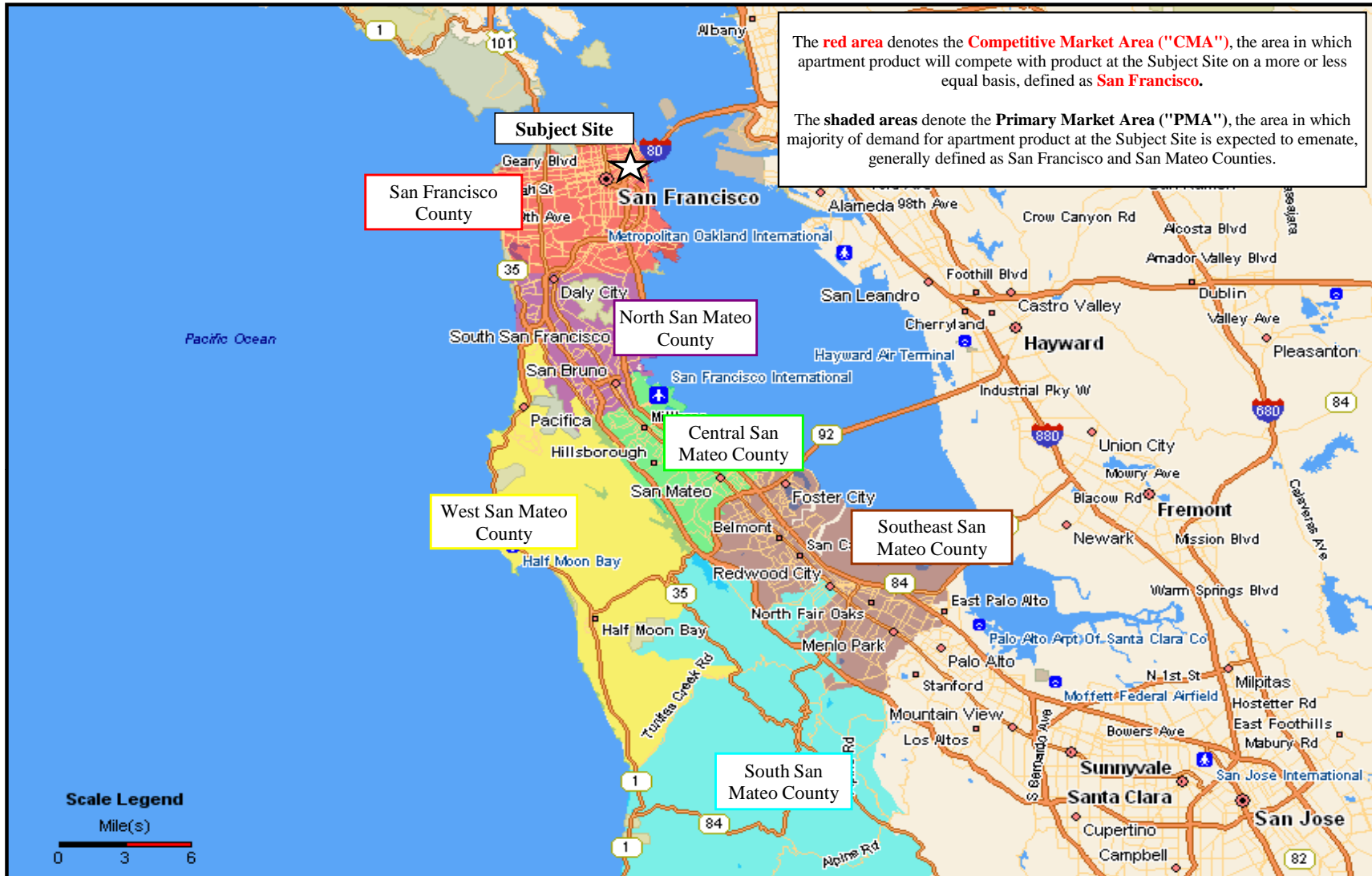
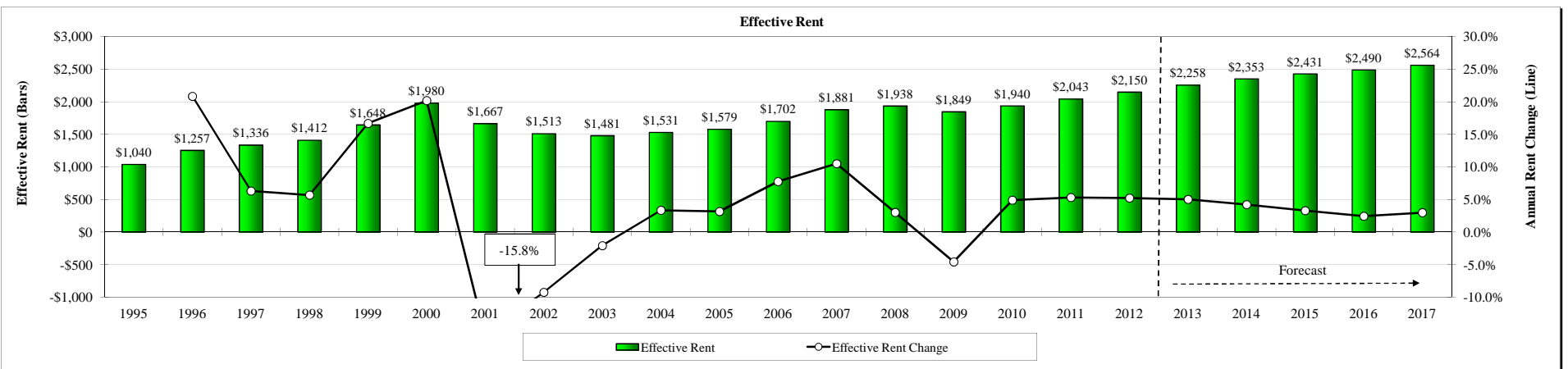
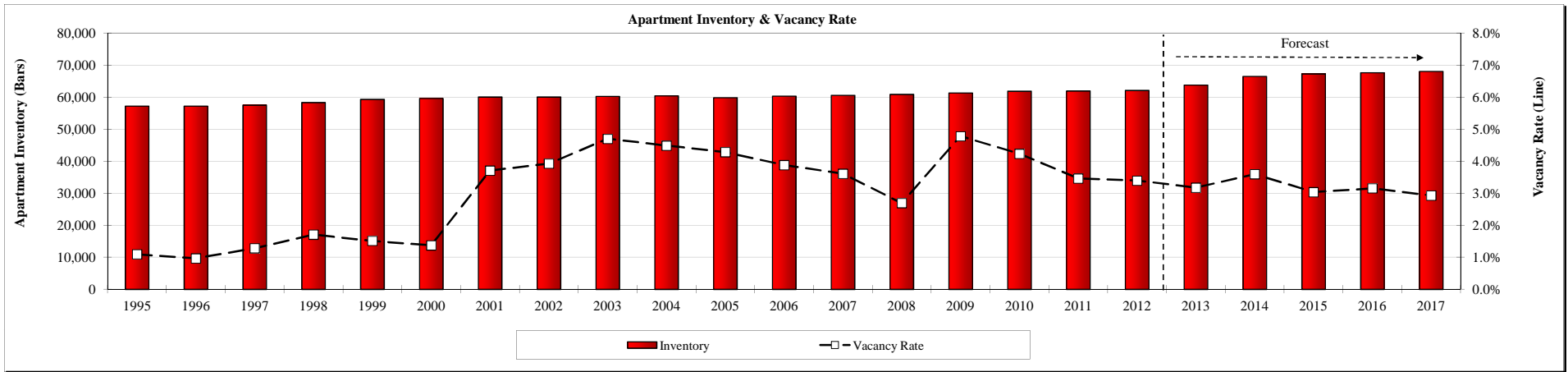


EXHIBIT III-2

APARTMENT MARKET PERFORMANCE  
COMPETITIVE MARKET AREA (1)  
1995 THROUGH 2017

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	'03-'12 Average	REIS Forecast (4)					
																					2013	2014	2015	2016	2017
<i>CMA/Urban San Francisco (1)</i>																									
Inventory	57,197	57,197	57,512	58,319	59,298	59,576	60,062	60,062	60,267	60,436	59,822	60,355	60,573	60,854	61,306	61,856	61,932	62,112	60,951	63,806	66,482	67,285	67,643	68,046	
Completions (3)	198	0	315	807	979	278	486	0	229	595	44	533	218	281	452	550	76	180	316	1,694	2,676	803	358	403	
Conversions	0	0	0	0	0	0	0	0	-24	-49	-658	0	0	0	0	0	0	0	-73	0	0	0	0	0	
<i>Net Gain/(Loss)</i>	<i>198</i>	<i>0</i>	<i>315</i>	<i>807</i>	<i>979</i>	<i>278</i>	<i>486</i>	<i>0</i>	<i>205</i>	<i>546</i>	<i>-614</i>	<i>533</i>	<i>218</i>	<i>281</i>	<i>452</i>	<i>550</i>	<i>76</i>	<i>180</i>	<i>243</i>	<i>1,694</i>	<i>2,676</i>	<i>803</i>	<i>358</i>	<i>403</i>	
Vacancy Rate	1.1%	1.0%	1.3%	1.7%	1.5%	1.4%	3.7%	3.9%	4.7%	4.5%	4.3%	3.9%	3.6%	2.7%	4.8%	4.2%	3.5%	3.4%	4.0%	3.2%	3.6%	3.0%	3.2%	2.9%	
Effective Rent	\$1,040	\$1,257	\$1,336	\$1,412	\$1,648	\$1,980	\$1,667	\$1,513	\$1,481	\$1,531	\$1,579	\$1,702	\$1,881	\$1,938	\$1,849	\$1,940	\$2,043	\$2,150	\$1,809	\$2,258	\$2,353	\$2,431	\$2,490	\$2,564	
% Change		20.8%	6.3%	5.7%	16.7%	20.2%	-15.8%	-9.2%	-2.1%	3.4%	3.2%	7.8%	10.5%	3.0%	-4.6%	4.9%	5.3%	5.2%	3.7%	5.0%	4.2%	3.3%	2.4%	3.0%	



(1) Apartment market area based on REIS Civic Center/ Downtown, Haight Ashbury/ Western Addition, Russian Hill/Embarcadero, Marina/Pacific Heights and South of Market Submarkets

(2) Employment data represents Total Non-Farm Employment

(3) REIS completion data represents a mixture of new apartment construction and apartment conversions.

Sources: US Bureau of Labor Statistics for Employment data; REIS for apartment rents and vacancy forecasts.

(4) REIS forecasts serve as independent benchmark; does not represent TCG conclusions

EXHIBIT III-3

CURRENT APARTMENT INVENTORY  
COMPETITIVE MARKET AREA  
MARCH 2013

Project	Project type (# of floors)	Year Built/	Total Units	Unit Size	December 2012			March 2013			L3M % Δ	Concessions
					Occ. Rate	Base Min		Occ. Rate (5)	Base Min			
					\$	\$/SF		\$	\$/SF			
<b>Competitive Market Area</b>												
<b>SoMa Neighborhood</b>												
Carmel Rincon	Highrise (23)	1989	320	605	90%	\$3,195	\$5.28	90%	\$3,331	\$5.50	4.2%	None
Arc Light	Mid-rise (6)	2012	94	701	96%	3,406	4.86	96%	3,413	4.87	0.2%	None
SOMA Residences	Midrise (4)	2000	278	476	98%	2,272	4.78	98%	2,279	4.79	0.3%	None
The Paramount	Highrise (43)	2001	496	734	99%	3,503	4.78	99%	3,502	4.77	0.0%	None
Archstone South Market	Midrise (9)	1989	410	788	93%	3,008	3.82	97%	3,401	4.32	13.1%	None
Rincon Green	Midrise (7)	2012	326	643	Lease-up	2,821	4.39	80% (5)	2,580	4.01	-8.6%	None
Bayside Village	Lowrise (4)	1988	862	704	99%	2,719	3.86	98%	2,708	3.85	-0.4%	None
388 Beale Street	Highrise (20)	1999	227	1,078	96%	3,670	3.41	96%	4,015	3.73	9.4%	None
Soma at 788	Midrise (6)	2000	160	801	96%	3,088	3.85	96%	2,820	3.52	-8.7%	None
<b>Total/Wtd. Avg. (1):</b>	<b>9 Projects</b>	<b>1996</b>	<b>3,173</b>	<b>715</b>	<b>97%</b>	<b>\$3,005</b>	<b>\$4.20</b>	<b>95%</b>	<b>\$3,054</b>	<b>\$4.27</b>	<b>1.4%</b>	
<b>Mid-Market Neighborhood</b>												
Argenta	Highrise (20)	2008	179	749	99%	\$3,313	\$4.42	96%	\$3,400	\$4.54	2.6%	None
Trinity Place	(2) Highrise (24)	2010	440	513	96%	2,320	4.52	93%	2,242	4.37	-3.4%	None
Fox Plaza	(4) Highrise (29)	1965/Ongoing	443	690	97%	2,880	4.17	93%	2,889	4.19	0.3%	None
<b>Total/Wtd. Avg. (1):</b>	<b>3 Projects</b>	<b>1991</b>	<b>1,062</b>	<b>627</b>	<b>97%</b>	<b>\$2,721</b>	<b>\$4.34</b>	<b>94%</b>	<b>\$2,707</b>	<b>\$4.32</b>	<b>-0.8%</b>	
<b>Non Rent Controlled Properties (3):</b>	<b>1 Projects</b>	<b>2008</b>	<b>179</b>	<b>749</b>	<b>99%</b>	<b>\$3,313</b>	<b>\$4.42</b>	<b>96%</b>	<b>\$3,400</b>	<b>\$4.54</b>	<b>2.6%</b>	
<b>Dogpatch Neighborhood</b>												
Potrero Launch	Midrise (6)	2012	196	668	Lease-up	\$3,422	\$5.12	72% (5)	\$3,365	\$5.03	-1.7%	2BR's 12 month lease: \$2400 credit
550 18th Street	Midrise (5)	2009	35	1,333	100%	3,986	2.99	91%	4,065	3.05	2.0%	None
<b>Total/Wtd. Avg. (1):</b>	<b>2 Projects</b>	<b>2012</b>	<b>231</b>	<b>769</b>	<b>100%</b>	<b>\$3,508</b>	<b>\$4.56</b>	<b>91%</b>	<b>\$3,471</b>	<b>\$4.51</b>	<b>-1.1%</b>	
<b>Mission Bay Neighborhood</b>												
Avalon Mission Bay III	Highrise (18)	2009	260	812	96%	\$3,368	\$4.15	96%	\$3,375	\$4.16	0.2%	None
Edgewater	Midrise (5)	2007	193	803	90%	3,333	4.15	97%	3,397	4.23	1.9%	None
Avalon at Mission Bay North	Highrise (18)	2004	565	1,007	94%	3,749	3.72	94%	3,844	3.82	2.5%	None
Strata at Mission Bay	Highrise (8)	2009	192	883	95%	3,240	3.67	94%	3,211	3.64	-0.9%	\$750 off exterior-facing apts
<b>Total/Wtd. Avg. (1):</b>	<b>4 Projects</b>	<b>2006</b>	<b>1,210</b>	<b>913</b>	<b>94%</b>	<b>\$3,520</b>	<b>\$3.86</b>	<b>95%</b>	<b>\$3,571</b>	<b>\$3.91</b>	<b>1.4%</b>	
<b>Other SF Neighborhoods</b>												
Avalon at Nob Hill	Midrise (9)	1990	185	590	98%	\$2,832	\$4.80	99%	\$2,814	\$4.77	-0.6%	None
The Fillmore Center	High Rise (19)	1989/Ongoing	1,114	770	95%	2,642	3.43	98%	2,911	3.78	10.2%	None
<b>Total/Wtd. Avg. (1):</b>	<b>2 Projects</b>	<b>1989</b>	<b>1,299</b>	<b>744</b>	<b>95%</b>	<b>\$2,669</b>	<b>\$3.59</b>	<b>98%</b>	<b>\$2,897</b>	<b>\$3.89</b>	<b>8.5%</b>	
<b>Grand Total/Wtd. Avg. (1):</b>	<b>20 Projects</b>	<b>1996</b>	<b>6,975</b>	<b>743</b>	<b>96%</b>	<b>\$3,005</b>	<b>\$4.04</b>	<b>96%</b>	<b>\$3,075</b>	<b>\$4.14</b>	<b>2.3%</b>	

(1) All averages weighted by number of units; Grand total includes all comparable communities, including rent controlled product.

(2) Majority of units at Trinity Place are rent controlled (out of 440 total, 360 are rent controlled, 12 BMR, remaining 68 market-rate).

(3) Rent controlled properties removed to portray market area PSF rents more accurately.

(4) Indicates a rent controlled property

(5) Rincon Green and Potrero Launch are still in lease-up and are not included in any occupancy averages

EXHIBIT III-4

LOCATION OF KEY COMPARABLE COMMUNITIES  
COMPETITIVE MARKET AREA  
MARCH 2013

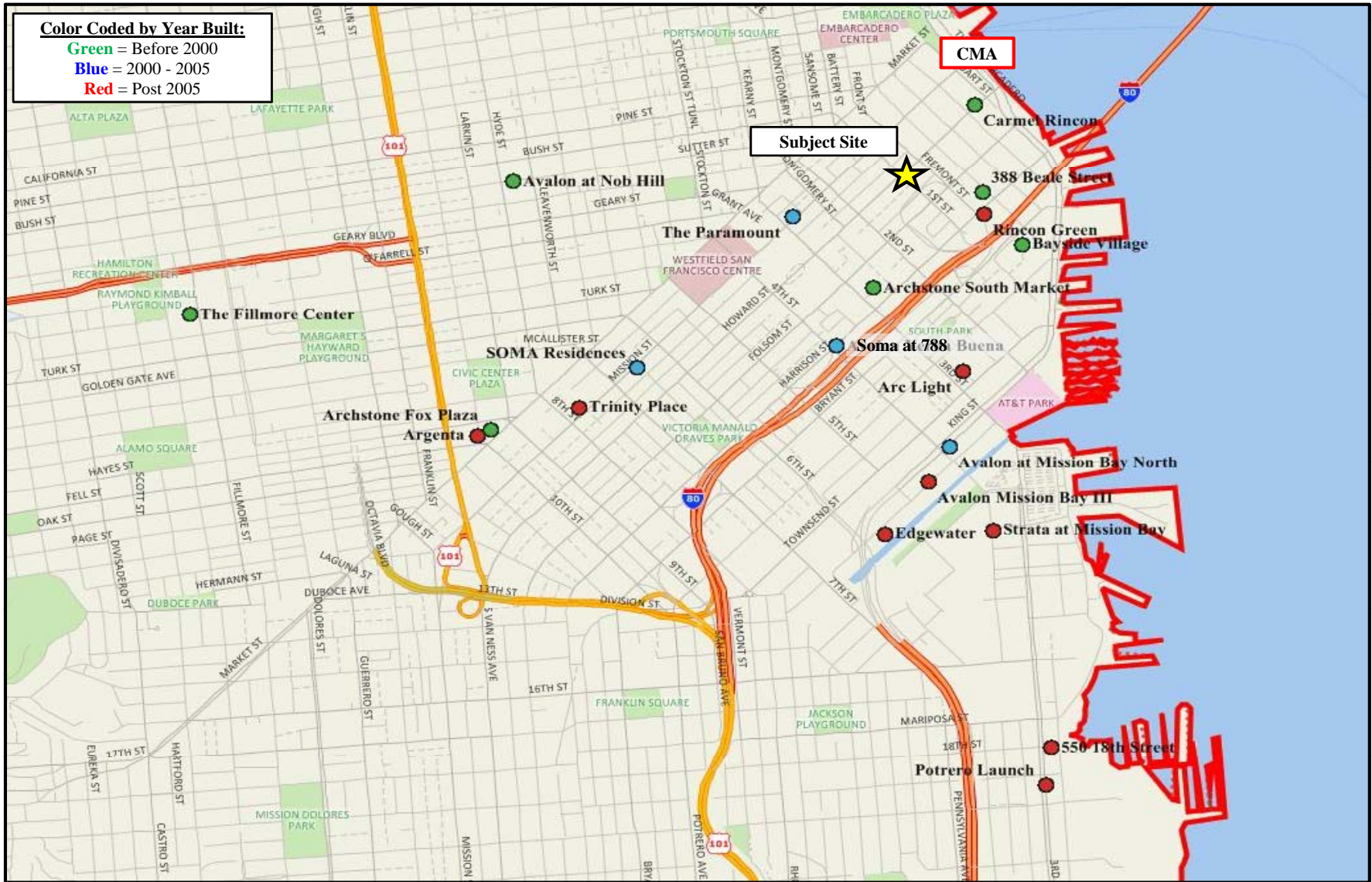


EXHIBIT III-5

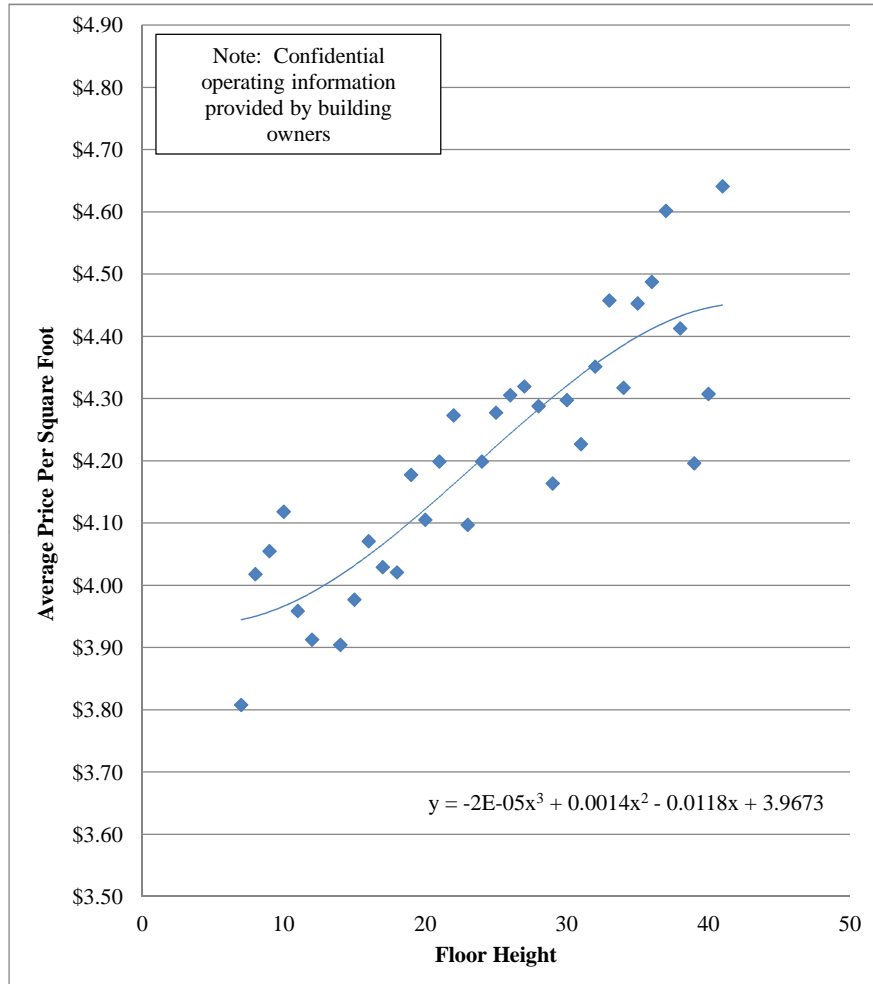
BUILDING TRANSACTIONS - MULTIFAMILY RESIDENTIAL  
SAN FRANCISCO, CALIFORNIA  
MARCH 2013

Property	Neighborhood	Seller	Buyer	Sale Date	Building Area			Price			
					SF	Acres	Units	Sale	Per SF	Per Acre	Per Unit
<b>Sales Comps - Multifamily Buildings</b>											
Station House	SoMa	NA	Virtu Investments	Sep-12	--	--	25	\$16,600,000	--	--	\$664,000
2299 Pacific Ave	Pacific Heights	Marchus & Millichap	NA	Nov-12	--	--	16	10,500,000	--	--	656,250
Avalon Yerba Buena	SoMa	Avalon Bay	LaSalle Investment Management	Feb-13	32,000	0.73	160	103,000,000	\$3,219	\$140,208,750	643,750
1320 Lombard Street	Russian Hill	First American Title INS	Veritas LLC	May-11	25,800	0.59	33	19,000,000	736	32,079,070	575,758
2130 Post St.	Lower Pac Heights	University of the Pacific	Prado Group	Feb-12	--	--	57	27,800,000	--	--	488,147
Potrero Launch	Dogpatch	Martin Building	CityView	Mar-12	45,738	1.05	196	90,000,000	1,968	85,714,286	459,184
899 Pine St	Lower Nobb Hill	Grosvenor Properties Ltd.	Bridge Capital Partners	Jun-12	--	--	205	81,500,000	--	--	397,561
980 Bush Street	Lower Nobb Hill	LP Holdings LLC	AGPM Bush LP	Jun-12	12,197	0.28	37	11,320,000	928	40,428,571	305,946
Fox Plaza	Mid-Market	Archstone	Essex Property Trust	Feb-13	41,382	0.95	444	135,000,000	\$3,262	142,105,263	304,054
<b>Total:</b>			<b>9 MF Sales</b>		<b>157,117</b>	<b>3.61</b>	<b>1,173</b>	<b>\$494,720,000</b>			
<b>Average:</b>					<b>31,423</b>	<b>0.72</b>	<b>130</b>	<b>\$54,968,889</b>	<b>\$2,023</b>	<b>\$88,107,188</b>	<b>\$499,406</b>

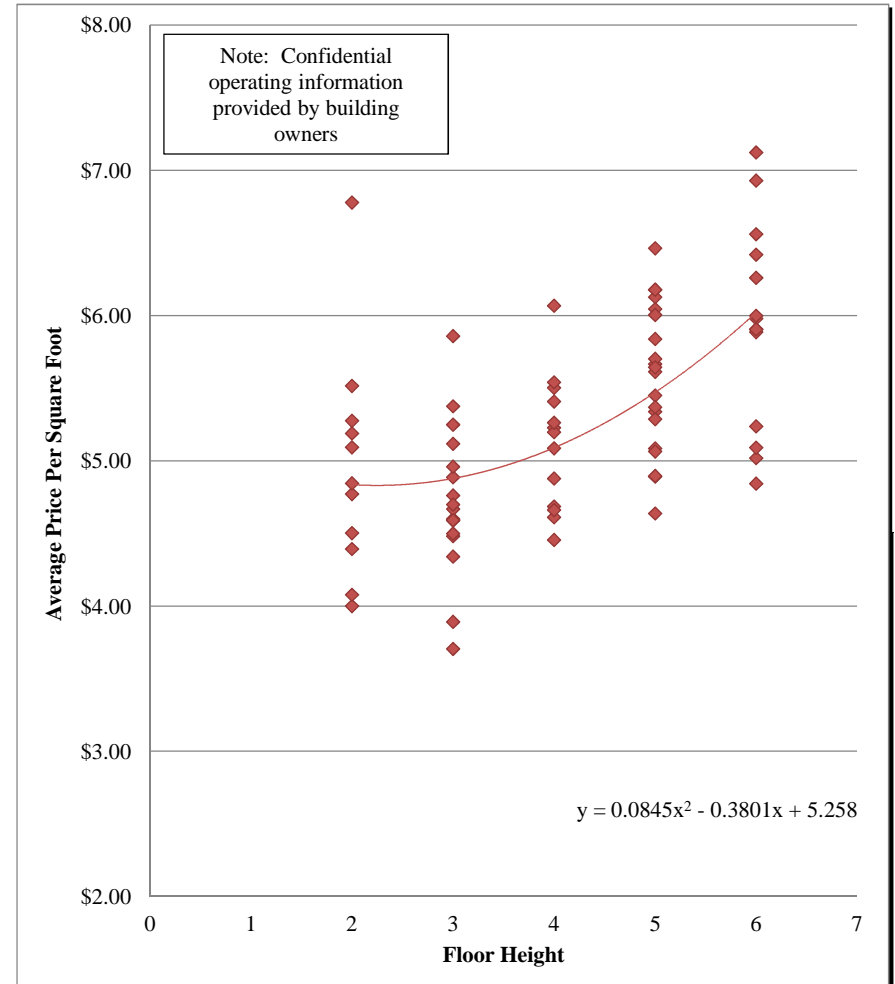
EXHIBIT III-6

FLOOR HEIGHT PREMIUM ANALYSIS  
SOUTH OF MARKET; SAN FRANCISCO, CA  
MARCH 2013

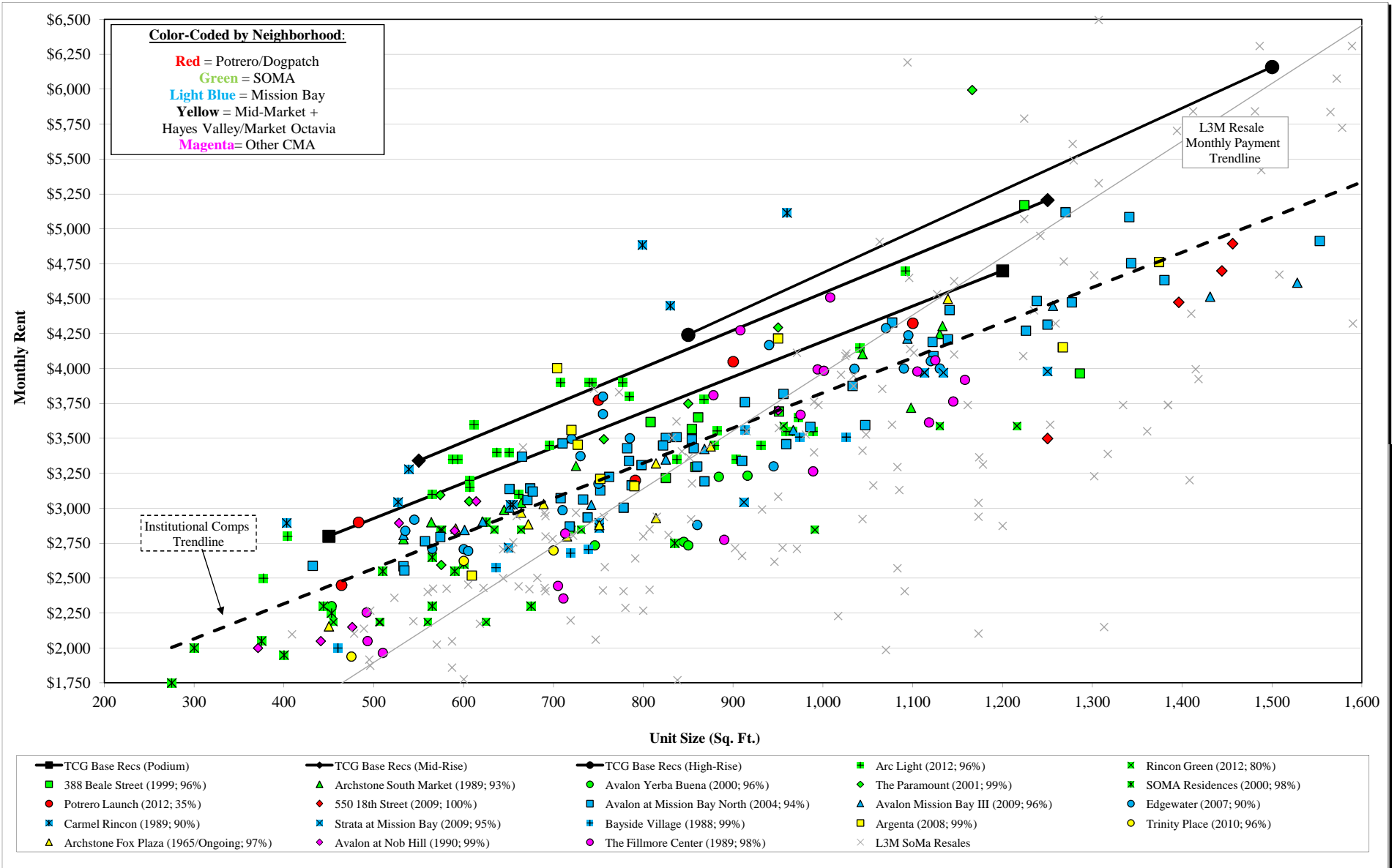
High-Rise Apartment Positioning by Floor



Podium Apartment Positioning by Floor



**EXHIBIT III-7**  
**PRODUCT PROGRAM POSITIONING**  
**TRANSBAY REDEVELOPMENT SITE: SAN FRANCISCO, CA**  
**MARCH 2013**



Note: Subject Site rents exclude lease-up concessions (if any); Figures in parentheses represent year built and occupancy rate, respectively



EXHIBIT III-8

VALUE PROJECTION - RENTAL APARTMENTS  
TRANSBAY  
FEBRUARY 2013

**I. Apartment Positioning**

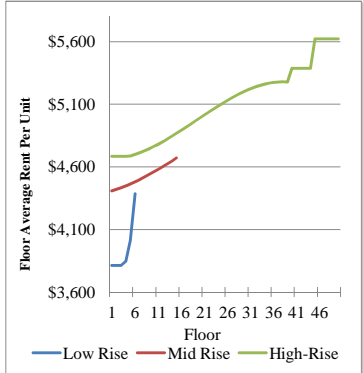
Low-Rise/Podium (<9 Stories)				
	Stories	Unit Size	Base Price	Base PSF
Min Unit	8	450	\$2,800	\$6.22
Max Unit		1,200	\$4,700	\$3.92
<b>Weighted Average:</b>		<b>850</b>	<b>\$3,813</b>	<b>\$4.49</b>

Mid-Rise (Up to 15 Stories)				
	Stories	Unit Size	Base Price	Base PSF
Min Unit	15	550	\$3,342	\$6.08
Max Unit		1,250	\$5,207	\$4.17
<b>Weighted Average:</b>		<b>950</b>	<b>\$4,408</b>	<b>\$4.64</b>

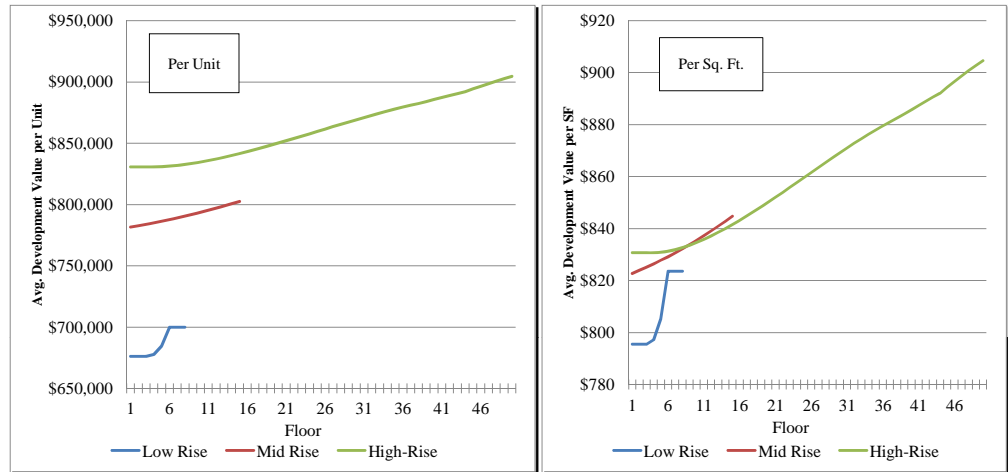
High-Rise (Above 20 Stories)				
	Stories	Unit Size	Base Price	Base PSF
Min Unit	50	850	\$4,242	\$4.99
Max Unit		1,500	\$6,160	\$4.11
<b>Weighted Average:</b>		<b>1,000</b>	<b>\$4,685</b>	<b>\$4.68</b>



**II. Apartment Building Values - Base Rents and Values**

	Low-Rise/Podium (<9 Stories)	Mid-Rise (Up to 15 Stories)	High-Rise (Above 20 Stories)
Average Unit Size	850	950	1,000
Base Positioning	\$3,813	\$4,408	\$4,685
Vacancy Loss	5%	\$3,623	\$4,187
OpEx	30%	\$1,087	\$1,335
NOI	\$2,536	\$2,931	\$3,115
Cap Rate	4.5%	4.5%	4.5%
Cap Value	\$676,231	\$781,597	\$830,728
<b>Value Per Square Foot</b>	<b>\$796</b>	<b>\$823</b>	<b>\$831</b>

**IV. Apartment Building Values - Average Development Value by Building Scale (# of Floors)**



**III. Hypothetical Building Matrix - Apartment Values**

Floor	Low Rise			Mid Rise			High-Rise			Low Rise		Mid Rise		High-Rise					
	Prem.	Rent	Per Unit	Per SF	Prem.	Rent	Per Unit	Per SF	Prem.	Rent	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF			
1	0%	\$3,813	\$676,231	\$796	0%	\$4,408	\$781,597	\$823	0%	\$4,685	\$830,728	\$831	\$676,231	\$796	\$781,597	\$823	\$830,728	\$831	
2	0%	\$3,813	\$676,231	\$796	0%	\$4,421	\$784,050	\$825	0%	\$4,685	\$830,728	\$831	\$676,231	\$796	\$782,823	\$824	\$830,728	\$831	
3	0%	\$3,813	\$676,231	\$796	1%	\$4,434	\$786,219	\$828	0%	\$4,685	\$830,728	\$831	\$676,231	\$796	\$783,955	\$825	\$830,728	\$831	
4	1%	\$3,847	\$682,160	\$803	1%	\$4,447	\$788,680	\$830	0%	\$4,685	\$830,728	\$831	\$677,713	\$797	\$785,136	\$826	\$830,728	\$831	
5	5%	\$4,013	\$711,722	\$837	1%	\$4,463	\$791,410	\$833	0%	\$4,688	\$831,366	\$831	\$684,515	\$805	\$786,391	\$828	\$830,856	\$831	
6	15%	\$4,385	\$777,666	\$915	2%	\$4,480	\$794,385	\$836	0%	\$4,699	\$833,336	\$833	\$700,040	\$824	\$787,723	\$829	\$831,269	\$831	
7					2%	\$4,498	\$797,581	\$840	1%	\$4,712	\$835,641	\$836	\$700,040	\$824	\$789,132	\$831	\$831,894	\$832	
8					2%	\$4,517	\$800,974	\$843	1%	\$4,727	\$838,257	\$838	\$700,040	\$824	\$790,612	\$832	\$832,689	\$833	
9					3%	\$4,537	\$804,542	\$847	1%	\$4,743	\$841,158	\$841			\$792,160	\$834	\$833,630	\$834	
10					3%	\$4,558	\$808,259	\$851	2%	\$4,761	\$844,320	\$844			\$793,770	\$836	\$834,699	\$835	
11					4%	\$4,580	\$812,103	\$855	2%	\$4,780	\$847,717	\$848			\$795,436	\$837	\$835,883	\$836	
12					4%	\$4,602	\$816,050	\$859	2%	\$4,801	\$851,324	\$851			\$797,154	\$839	\$837,160	\$837	
13					5%	\$4,624	\$820,075	\$863	3%	\$4,822	\$855,115	\$855			\$798,917	\$841	\$838,559	\$839	
14					5%	\$4,647	\$824,156	\$868	3%	\$4,844	\$859,067	\$859			\$800,720	\$843	\$840,015	\$840	
15					6%	\$4,671	\$828,269	\$872	4%	\$4,867	\$863,152	\$863			\$802,557	\$845	\$841,558	\$842	
16									4%	\$4,891	\$867,347	\$867					\$843,170	\$843	
17									5%	\$4,915	\$871,626	\$872					\$844,843	\$845	
18									5%	\$4,940	\$875,963	\$876					\$846,572	\$847	
19									6%	\$4,964	\$880,334	\$880					\$848,349	\$848	
20									6%	\$4,989	\$884,714	\$885					\$850,167	\$850	
21									7%	\$5,014	\$889,076	\$889					\$852,020	\$852	
22									8%	\$5,038	\$893,397	\$893					\$853,901	\$854	
23									8%	\$5,062	\$897,650	\$898					\$855,803	\$856	
24									9%	\$5,085	\$901,811	\$902					\$857,720	\$858	
25									9%	\$5,108	\$905,855	\$906					\$859,646	\$860	
26									10%	\$5,130	\$909,756	\$910					\$861,573	\$862	
27									10%	\$5,151	\$913,489	\$913					\$863,496	\$863	
28									10%	\$5,171	\$917,028	\$917					\$865,408	\$865	
29									11%	\$5,190	\$920,350	\$920					\$867,302	\$867	
30									11%	\$5,207	\$923,427	\$923					\$869,173	\$869	
31									11%	\$5,223	\$926,237	\$926					\$871,014	\$871	
32									12%	\$5,237	\$928,752	\$929					\$872,818	\$873	
33									12%	\$5,250	\$930,948	\$931					\$874,580	\$875	
34									12%	\$5,260	\$932,799	\$933					\$876,292	\$876	
35									12%	\$5,269	\$934,282	\$934					\$877,949	\$878	
36									13%	\$5,275	\$935,369	\$935					\$879,544	\$880	
37									13%	\$5,278	\$936,037	\$936					\$881,071	\$881	
38									13%	\$5,280	\$936,259	\$936					\$882,523	\$883	
39									13%	\$5,278	\$936,012	\$936					\$883,894	\$884	
40									15%	\$5,387	\$955,337	\$955					\$885,681	\$886	
41									15%	\$5,387	\$955,337	\$955					\$887,379	\$887	
42									15%	\$5,387	\$955,337	\$955					\$888,998	\$889	
43									15%	\$5,387	\$955,337	\$955					\$890,540	\$891	
44									15%	\$5,387	\$955,337	\$955					\$892,013	\$892	
45									20%	\$5,621	\$996,874	\$997					\$894,343	\$894	
46									20%	\$5,621	\$996,874	\$997					\$896,572	\$897	
47									20%	\$5,621	\$996,874	\$997					\$898,706	\$899	
48									20%	\$5,621	\$996,874	\$997					\$900,751	\$901	
49									20%	\$5,621	\$996,874	\$997					\$902,713	\$903	
50									20%	\$5,621	\$996,874	\$997					\$904,596	\$905	
<b>Avg:</b>	<b>3.5%</b>	<b>\$3,948</b>	<b>\$700,040</b>	<b>\$824</b>	<b>2.7%</b>	<b>\$4,526</b>	<b>\$802,557</b>	<b>\$845</b>	<b>8.9%</b>	<b>\$5,101</b>	<b>\$904,596</b>	<b>\$905</b>							
	<b>0.6% per floor</b>				<b>0.2% per floor</b>				<b>0.2% per floor</b>										

#### **IV. OFFICE**

EXHIBIT IV-1

OFFICE MARKET AREA DELINEATION  
SAN FRANCISCO, CALIFORNIA  
MARCH 2013

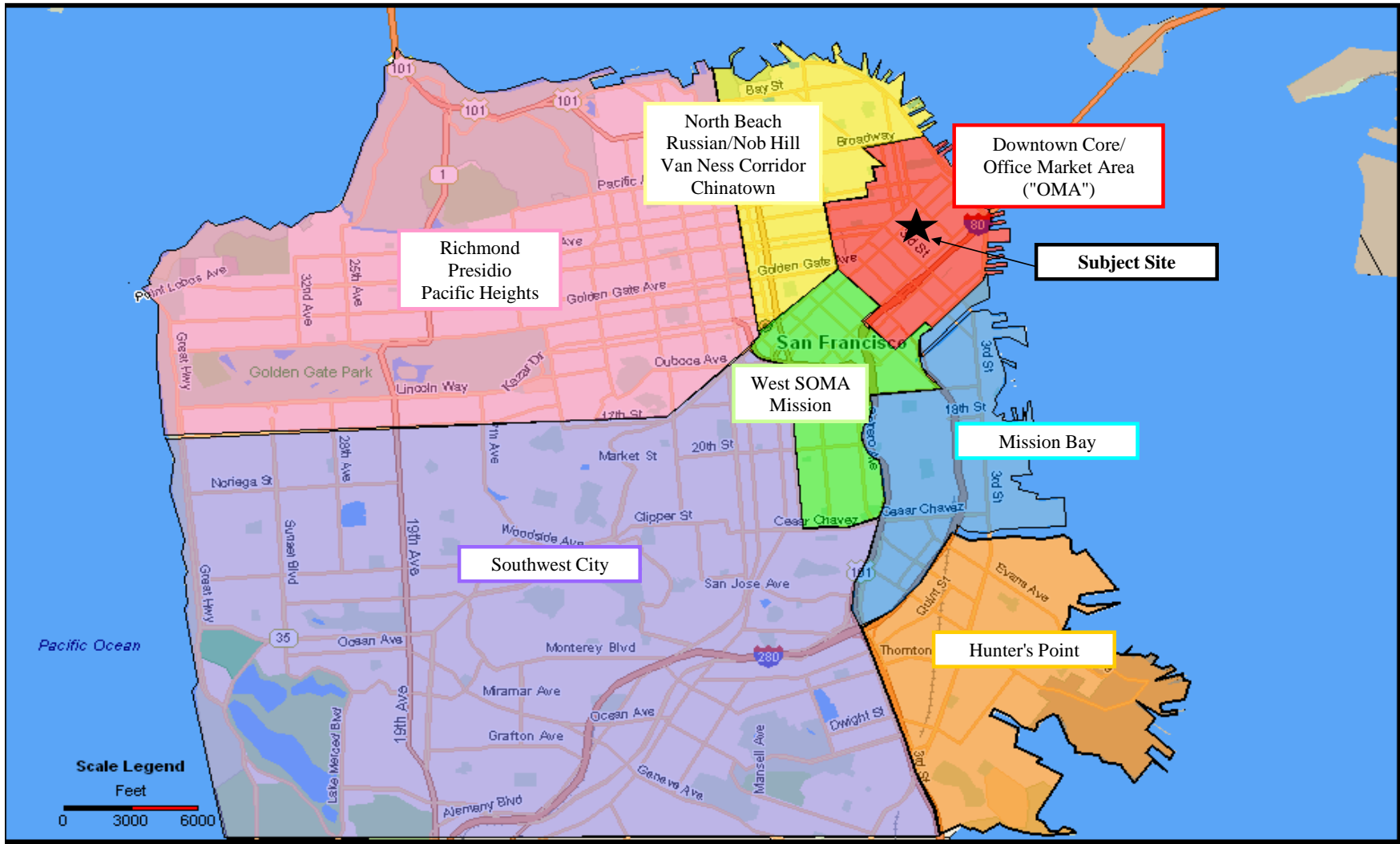
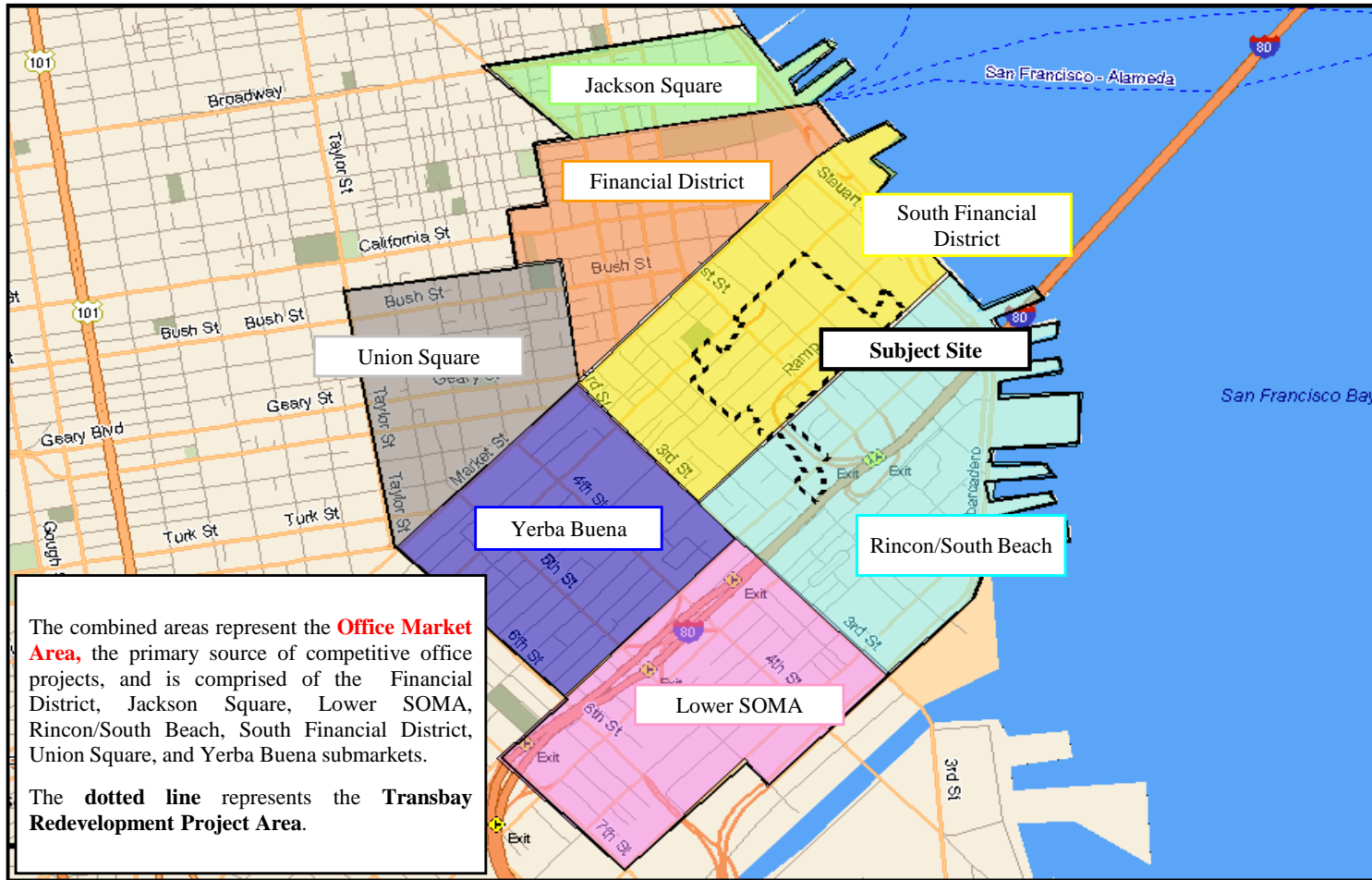


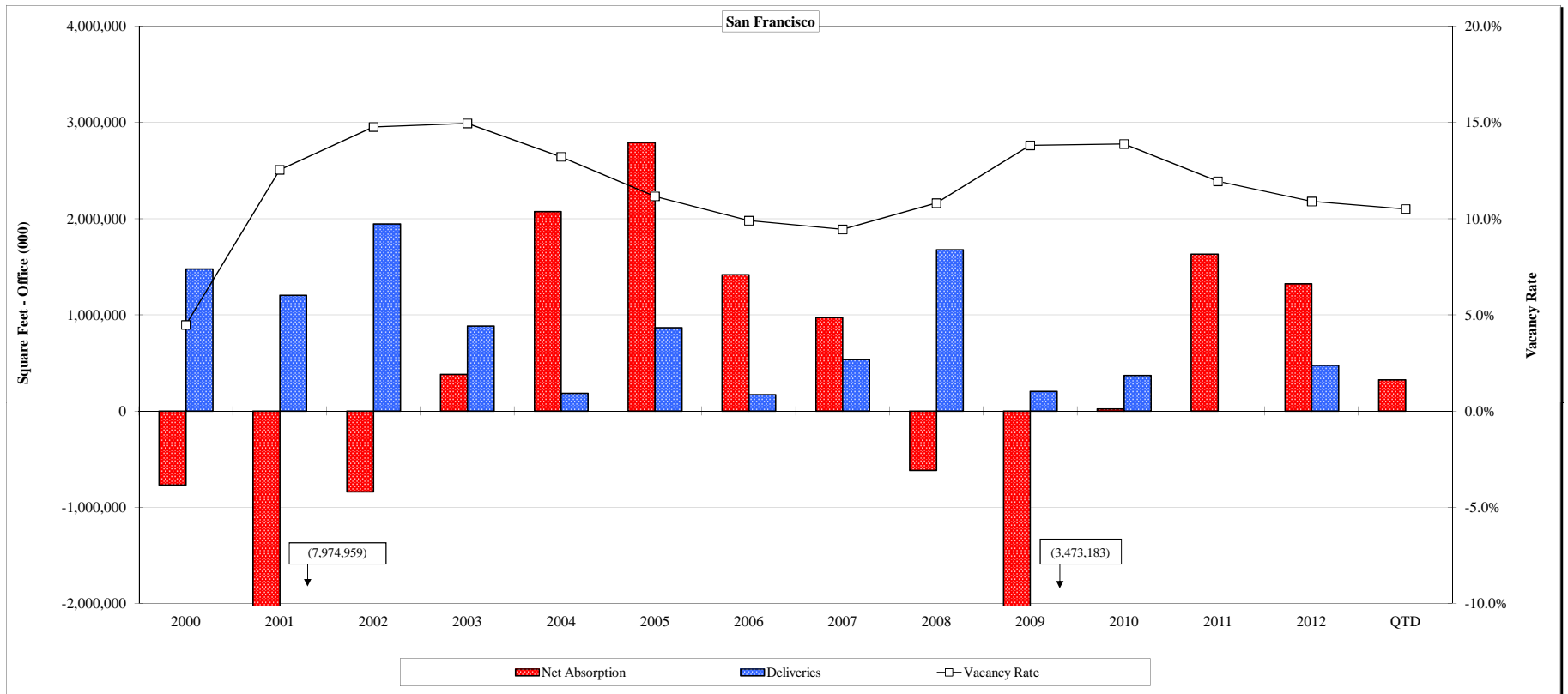
EXHIBIT IV-1

OFFICE MARKET AREA DELINEATION  
SAN FRANCISCO, CALIFORNIA  
MARCH 2013



**EXHIBIT IV-2**  
**MACRO MARKET PERFORMANCE**  
**SAN FRANCISCO COUNTY, CALIFORNIA**  
**2000 THROUGH 1Q2013**

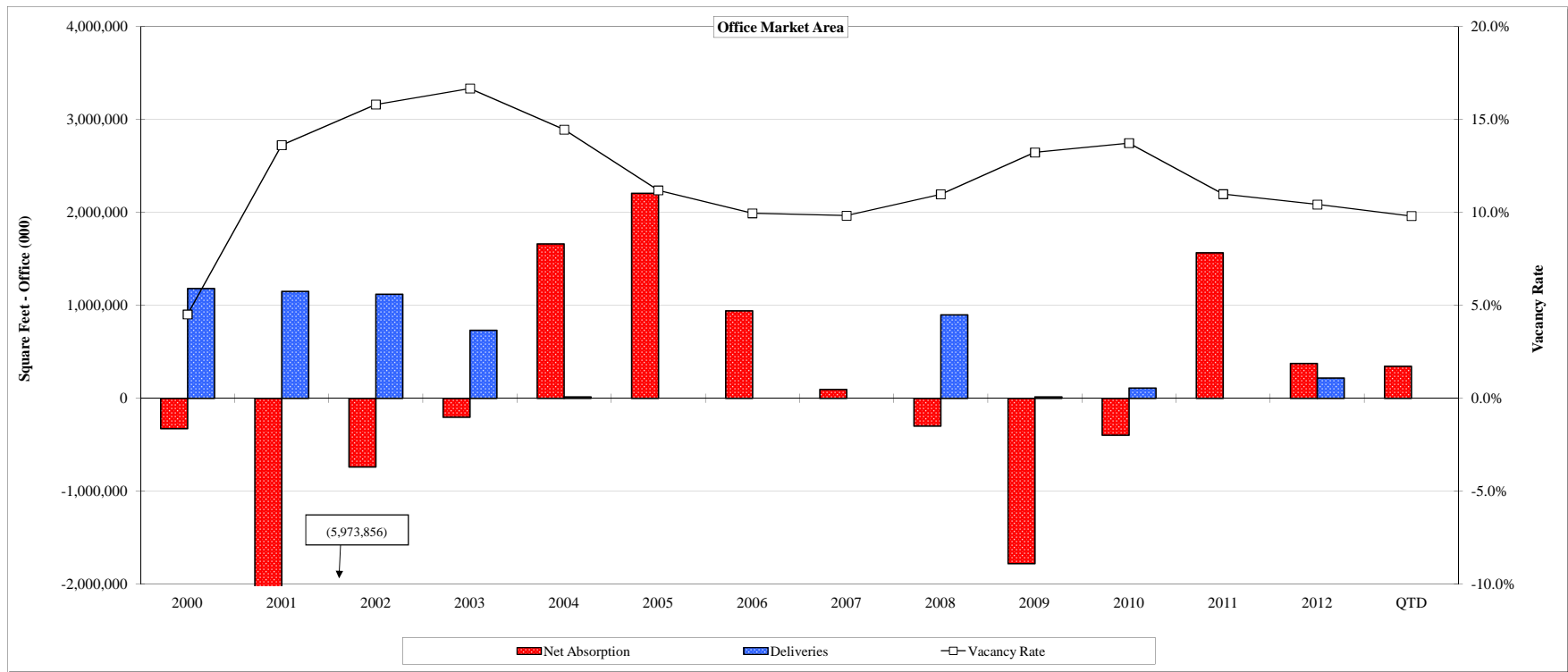
Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	QTD
<i>San Francisco</i>														
SF County RBA	109,242,919	110,200,213	112,093,630	112,788,300	112,919,478	113,453,060	113,513,965	114,016,213	115,077,280	115,056,368	115,178,468	114,493,497	114,633,327	114,493,215
Net Absorption	-767,689	-7,974,959	-838,298	381,497	2,075,238	2,793,262	1,418,861	973,564	-617,001	-3,473,183	21,624	1,633,576	1,323,037	326,202
Deliveries	1,479,284	1,203,537	1,945,417	885,110	185,026	868,381	172,679	537,400	1,678,272	206,729	370,410	0	475,653	0
Total Vacancy Rate	4.5%	12.5%	14.8%	15.0%	13.2%	11.2%	9.9%	9.4%	10.8%	13.8%	13.9%	11.9%	10.9%	10.5%
Vacant SF	4,892,712	13,824,965	16,556,680	16,869,853	14,925,793	12,666,113	11,236,127	10,764,811	12,442,879	15,895,150	15,995,626	13,677,079	12,493,872	12,027,558



Source: CoStar

**EXHIBIT IV-2**  
**MACRO MARKET PERFORMANCE**  
**OFFICE MARKET AREA**  
**2000 THROUGH 1Q2013**

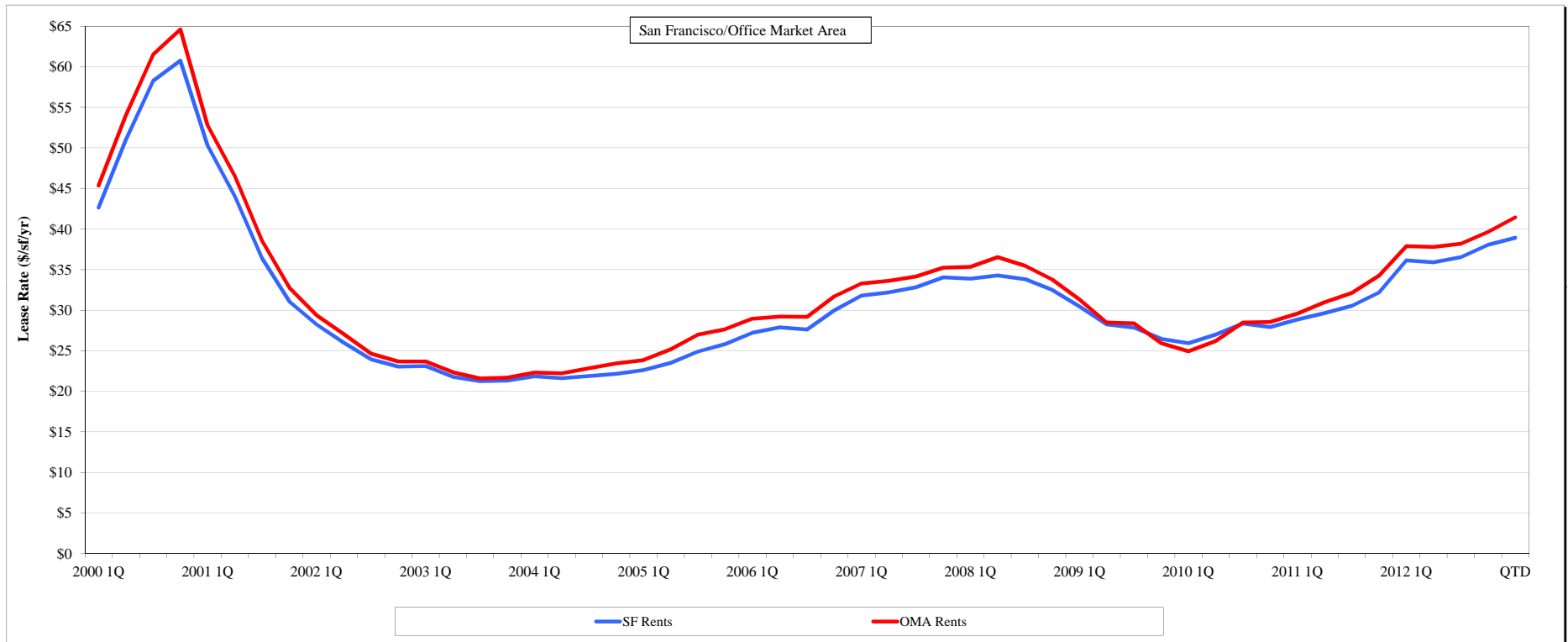
Market Factor	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	QTD
<i>Office Market Area</i>														
SF County RBA	74,117,167	75,021,915	76,092,062	76,635,969	76,599,523	76,264,724	76,264,724	76,264,724	76,915,834	76,863,923	76,851,933	76,245,778	76,188,917	76,048,805
Net Absorption	-324,549	-5,973,856	-738,339	-202,974	1,663,189	2,208,701	942,729	96,733	-298,748	-1,777,416	-395,211	1,568,244	376,833	345,079
Deliveries	1,182,196	1,150,991	1,122,147	734,347	17,402	0	0	0	900,053	15,000	112,410	0	218,556	0
Total Vacancy Rate	4.5%	13.6%	15.8%	16.7%	14.5%	11.2%	10.0%	9.8%	11.0%	13.2%	13.7%	11.0%	10.4%	9.8%
Vacant SF	3,348,244	10,226,848	12,035,334	12,782,215	11,082,580	8,539,080	7,596,351	7,499,618	8,449,476	10,174,981	10,558,202	8,383,803	7,950,109	7,464,918



Source: CoStar

**EXHIBIT IV-2**  
**MACRO MARKET PERFORMANCE**  
**SAN FRANCISCO COUNTY, CALIFORNIA**  
**2000 THROUGH 2012**

<b>Market Factor</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>QTD</b>
<i>San Francisco</i>														
Rental Rate	60.770	31.069	23.059	21.319	22.159	25.819	29.969	34.049	32.479	26.450	27.909	32.209	38.049	38.919
Y/Y % Change	45%	-49%	-26%	-8%	4%	17%	16%	14%	-5%	-19%	-14%	22%	17%	47%
Vacancy Rate	4.5%	12.5%	14.8%	15.0%	13.2%	11.2%	9.9%	9.4%	10.8%	13.8%	13.9%	11.9%	10.9%	10.5%
<i>Office Market Area</i>														
Rental Rate	\$56.37	\$42.66	\$26.18	\$22.33	\$22.71	\$25.91	\$29.75	\$34.07	\$35.29	\$28.53	\$27.05	\$31.74	\$38.39	\$41.43
% City	93%	137%	114%	105%	102%	100%	99%	100%	109%	108%	97%	99%	101%	106%
Y/Y % Change	27%	-24%	-39%	-15%	2%	14%	15%	15%	4%	-19%	-23%	11%	9%	45%
Vacancy Rate	4.5%	13.6%	15.8%	16.7%	14.5%	11.2%	10.0%	9.8%	11.0%	13.2%	13.7%	11.0%	10.4%	9.8%



Source: CoStar

EXHIBIT IV-3

CURRENT INVENTORY SUMMARY--CLASS A (1)

OFFICE MARKET AREA

MARCH 2013

Project/Address	Location	Year Built/ Renovated	No. Stories	Percent Leased	RBA (sf)	Typ. Floor Size (sf)	Direct Available (sf)	Rental Rate (\$/SF/Yr)			Lease Type
								Min.	Max.	Average	
<b><i>South Financial District</i></b>											
Wells Fargo Building	333 Market St	1979	33	98%	657,115	18,060	12,002			\$54.00	
555 Mission St	555 Mission St	2008	33	88%	557,015	21,000	65,439	\$40.00	\$85.00	\$58.00	FSG
Spear Street Tower	1 Market St	1976	42	96%	883,778	21,042	132,046	\$52.00	\$82.00	\$57.00	FSG
Market Center Two	575 Market St	1975	40	89%	486,711	12,190	65,537			\$55.00	FSG
First Market Tower	525 Market St	1973	39	95%	1,083,000	28,500	64,877			\$50.00	FSG
Metropolitan Life Bldg	425 Market St	1973	38	95%	1,101,389	28,983	135,960	\$30.00	\$55.00	\$42.50	
Steuart Street Tower	1 Market St	1976	27	99%	516,222	19,119	13,443	\$45.00	\$65.00	\$54.00	FSG
New Montgomery Tower	33 New Montgomery St	1986	20	89%	241,794	12,500	35,158			\$43.00	FSG
100 First St	100 First St	1988	27	99%	465,363	17,962	18,585			\$42.75	FSG
595 Market St	595 Market St	1981	30	96%	428,420	14,280	48,168			\$47.54	FSG
101 2nd St	101 2nd St	2000	25	93%	388,370	16,410	44,026			\$50.00	
Two Rincon	121 Spear St	1989	6	91%	326,001	54,333	33,446	\$35.00	\$57.00	\$43.32	FSG
<b>Total:</b>	<b>12 Bldgs</b>				<b>7,135,178</b>		<b>668,687</b>				
<b>Average/Wtd. Average (2):</b>		<b>1981</b>	<b>33</b>	<b>95%</b>	<b>594,598</b>	<b>22,751</b>	<b>68,067</b>			<b>\$50.17</b>	
<b><i>Financial District</i></b>											
Bank of America Center	555 California St	1969	52	95%	1,497,000	28,627	75,903	\$53.00	\$94.00	\$65.00	FSG
One Embarcadero Center	One Embarcadero Ctr	1971	45	96%	823,389	20,168	43,981			\$55.00	FSG
333 Bush St	333 Bush St	1986	43	88%	542,743	17,500	69,049			\$52.07	FSG
50 California St	50 California St	1972	37	99%	687,574	19,000	99,066			\$48.00	FSG
The Hartford Building	650 California St	1963	33	95%	489,373	14,475	43,014			\$32.00	FSG
505 Montgomery St	505 Montgomery St	1988	24	93%	329,732	14,500	24,094			\$54.00	FSG
Four Embarcadero Center	Four Embarcadero Ctr	1979	45	91%	1,035,779	21,635	130,713	\$45.00	\$80.00	\$64.00	FSG
One California St	One California St	1969	32	98%	484,129	16,000	54,083			\$41.00	FSG
Three Embarcadero Center	Three Embarcadero Ctr	1976	30	96%	767,350	25,578	51,945	\$45.00	\$70.00	\$48.00	FSG
Two Embarcadero Center	Two Embarcadero Ctr	1974	30	99%	772,990	26,010	20,918			\$48.50	FSG
One Bush Plaza	1 Bush St	1959	18	94%	313,906	17,044	68,983			\$50.00	FSG
Embarcadero Center West	275 Battery St	1988	30	87%	475,138	15,909	62,824	\$32.00	\$64.00	\$50.00	FSG
Montgomery Washington Tower	655 Montgomery St	1983	27	71%	264,000	16,500	82,714			\$57.50	FSG
California Federal Savings	66-88 Kearny St	1986	22	85%	221,952	10,088	35,078			\$75.00	FSG
345 California Center	345 California St	1986	48	95%	600,000	17,143	66,873			\$38.54	FSG
44 Montgomery St	44 Montgomery St	1966	42	95%	654,350	15,579	37,582			\$24.20	FSG
Bank of the West Bldg	180 Montgomery St	1979	25	98%	325,006	13,000	22,563			\$52.00	FSG
Two Transamerica Center	505 Sansome St	1980	20	94%	180,291	9,014	20,058			\$39.96	FSG
One Sansome Street	1 Sansome St	1984	41	77%	611,000	16,000	168,024			\$53.00	FSG
101 California St	101 California St	1982	48	88%	1,237,631	25,064	197,587			\$47.30	FSG
100 Montgomery St	100 Montgomery St	1955	25	82%	424,254	16,970	95,428			\$43.00	FSG
McKesson Bldg	1 Post St	1969	37	91%	443,000	11,000	54,280			\$55.00	FSG
Transamerica Pyramid	600 Montgomery St	1972	48	90%	499,215	10,400	53,408			\$40.00	FSG
<b>Total:</b>	<b>23 Bldgs</b>				<b>13,679,802</b>		<b>1,578,168</b>				
<b>Average/Wtd. Average (2):</b>		<b>1975</b>	<b>39</b>	<b>92%</b>	<b>594,774</b>	<b>19,567</b>	<b>80,207</b>			<b>\$50.12</b>	
<b>Overall Avg./Wtd. Avg. (2):</b>	<b>35 Bldgs</b>				<b>20,814,980</b>		<b>2,246,855</b>				
<b>Overall Avg./Wtd. Avg. (2):</b>		<b>1977</b>	<b>37</b>	<b>93%</b>	<b>594,714</b>	<b>20,658</b>	<b>76,045</b>			<b>\$50.14</b>	

(1) Selected comparable projects based on size, building class (A) and lease rate

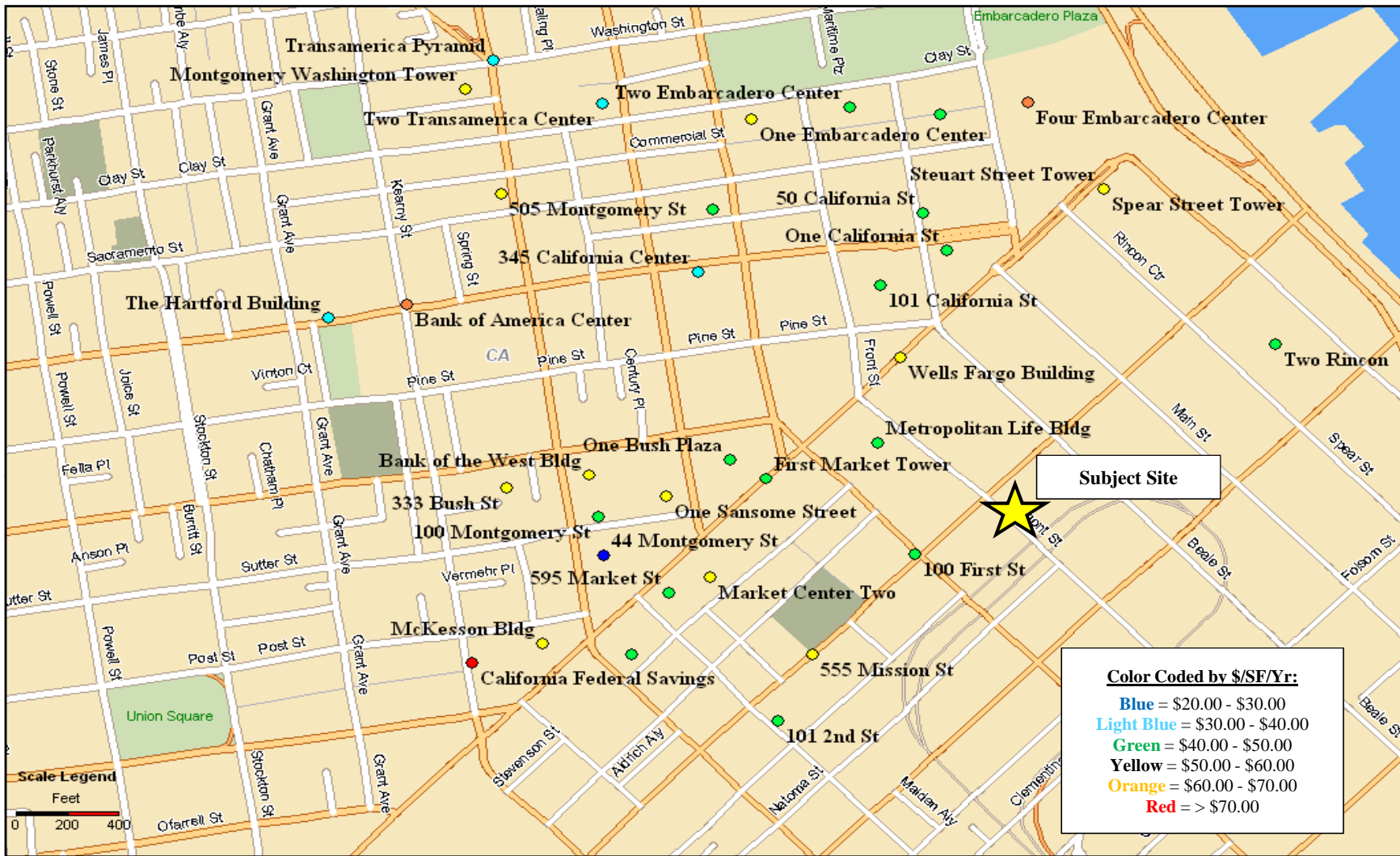
(2) Weighted by rentable building area sf

Sources: CoStar, The Concord Group



EXHIBIT IV-4

CURRENT OFFICE INVENTORY LOCATIONS MAP  
 SAN FRANCISCO, CALIFORNIA  
 MARCH 2013



## EXHIBIT IV-5

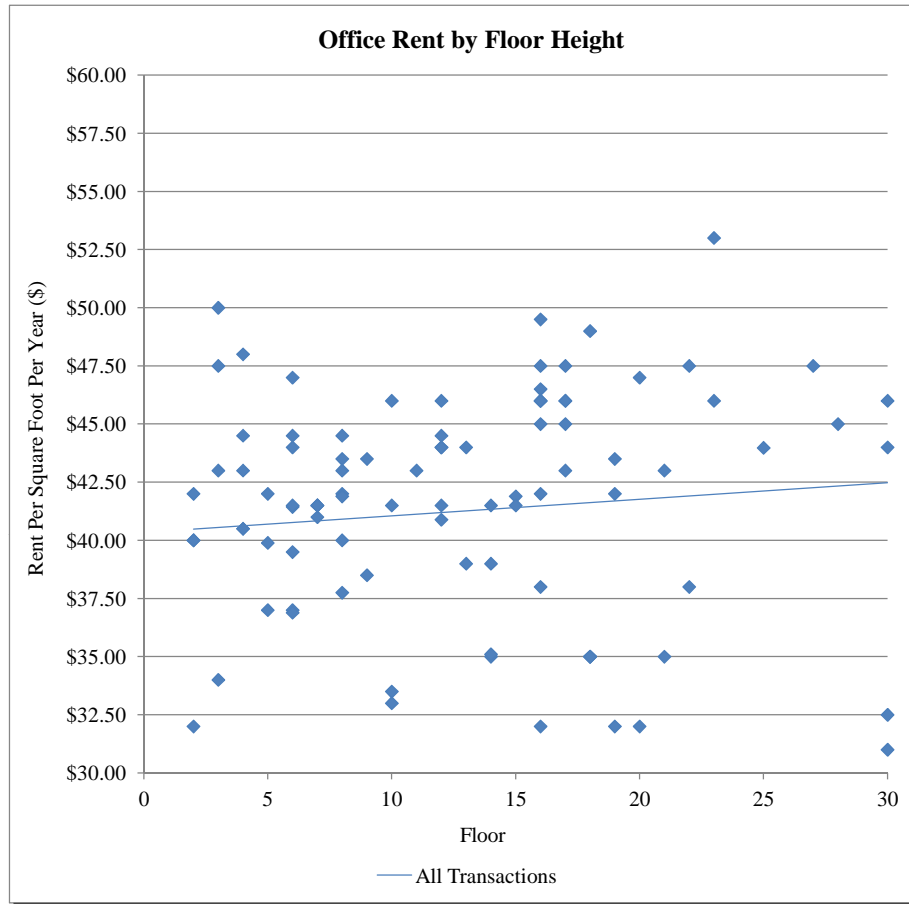
**BUILDING TRANSACTIONS - OFFICE  
SAN FRANCISCO, CALIFORNIA  
JANUARY 2012 THROUGH MARCH 2013**

Property	Type	Seller	Buyer	Sale Date	RBA	Stories	Price		Cap Rate	Year Built
							Sale	Per SF		
<b>Sales Comps</b>										
116 New Montgomery	Office	Africa Israel USA	Hines Invesco Ltd	Mar-13	131,345	9	57,000,000	\$434	4.5%	1902
100 Spear Street	Office	Clarion Partners	Prudential Insurance	Mar-13	203,071	21	100,000,000	\$492	--	1984
450 Sansome Street	Office	450 Sansome LLC	Cornerstone Real Estate Advisors	Jan-13	135,000	16	51,000,000	\$378	--	1965
132 2nd Street	Office	Swint 140 Second Investors	140 Second Street	Jan-13	34,000	6	18,650,000	\$549	6.0%	1907
199 Fremont Street	Office	GLL Real Estate Partners	GLL BVK Properties	Dec-12	405,000	20	123,650,010	\$305	--	2000
333 Market	Office	HD333, LLC	Wells Fargo Real Estate Funds	Dec-12	657,115	33	395,250,000	\$601	--	1979
255 California Street	Office	HB-255 California LLC	Prudential Real Estate Investors	Dec-12	182,528	14	76,000,000	\$416	--	1959
343 Sansome Street	Office	Interland 343 Sansome, LLC	Clarion Partners	Dec-12	256,985	16	109,225,000	\$425	4.8%	1929
475 Sansome Street	Office	475 Sansome LLC	MEPT	Dec-12	348,183	21	163,000,000	\$468	4.1%	1969
101 California	Office	101 California Venture	Elm Property Venture LLC	Dec-12	1,237,631	48	864,500,000	\$699	3.8%	1982
100 Montgomery Street	Office	Hines	The Blackstone Group	Oct-12	424,254	25	165,000,000	\$389	4.1%	1955
255 Bush	Office	SEB Immobilient	Flynn Holdings	Sep-12	567,981	22	212,000,000	\$373	--	1921
50 Beale Street	Office	Broadway Partners Fund Manager	Kevin Hackett, Yutaka Yanigisawa	Sep-12	662,060	23	305,000,000	\$461	4.5%	1968
680 Folsom	Office	Rockwood Capital LLC	Boston Properties	Aug-12	479,220	14	171,615,000	\$358	--	--
500 Howard Street	Office	Utah State Retirement Investment Fund	Heitman LLC	Jun-12	233,290	10	184,500,000	\$791	7.1%	2003
600 California	Office	Beacon Capital Partners	Clarion Partners	Jun-12	346,640	20	180,000,000	\$519	5.0%	1990
555 Mission St	Office	Tishman Speyer	The Union Investment Group	Jun-12	558,125	33	446,500,000	\$800	--	--
650 California	Office	AEW Capital Management	Tishman Speyer	Jun-12	489,373	33	218,638,000	\$447	4.5%	1963
901 Market St	Office/Retail	Hudson Advisors	Hudson Pacific Properties	May-12	211,000	6	90,000,000	\$427	--	--
The Bancroft Building	Office	Ellis Partners	Harvest Properties/Invesco RE	May-12	93,107	6	30,000,000	\$322	4.8%	--
72 Townsend St	Office	West Bay Builders	Hoopers Ventures, LLC	May-12	28,839	1	11,850,000	\$411	5.3%	--
935-939 Market St	Office	Commonfund	Hudson Advisors	Apr-12	82,134	8	15,000,000	\$183	--	--
Foundry Square I	Office	AREA Property Partners	State Teachers Retirement System of Ohio	Apr-12	334,230	10	238,000,000	\$712	5.8%	--
650 Townsend	Office	Farallon Capital Management/ TMG	Zynga, Inc	Apr-12	670,000	8	228,000,000	\$340	--	--
222 Sutter	Office	Equity One, LLC	SF 222 Sutter Street owner LLC	Mar-12	128,595	7	53,800,000	\$418	--	--
2 Bryant St	Office	AEGON USA Realty Advisors	Strada investment	Feb-12	53,495	3	18,500,000	\$346	5.0%	--
156 2nd Street	Office	Blue Vista Capital Partners	Nicola Crosby Real Estate Investments	Jan-12	58,313	6	25,750,000	\$442	6.0%	1907
<b>Total:</b>			<b>27 Buildings</b>		<b>9,011,515</b>	<b>439</b>	<b>\$4,552,428,010</b>			
<b>Average:</b>					<b>333,760</b>	<b>16</b>	<b>168,608,445</b>	<b>\$505</b>		

EXHIBIT IV-6

FLOOR HEIGHT PREMIUM ANALYSIS  
OFFICE MARKET AREA  
MARCH 2013

I. Recent Same-Building Lease Transactions by Floor - SoMa



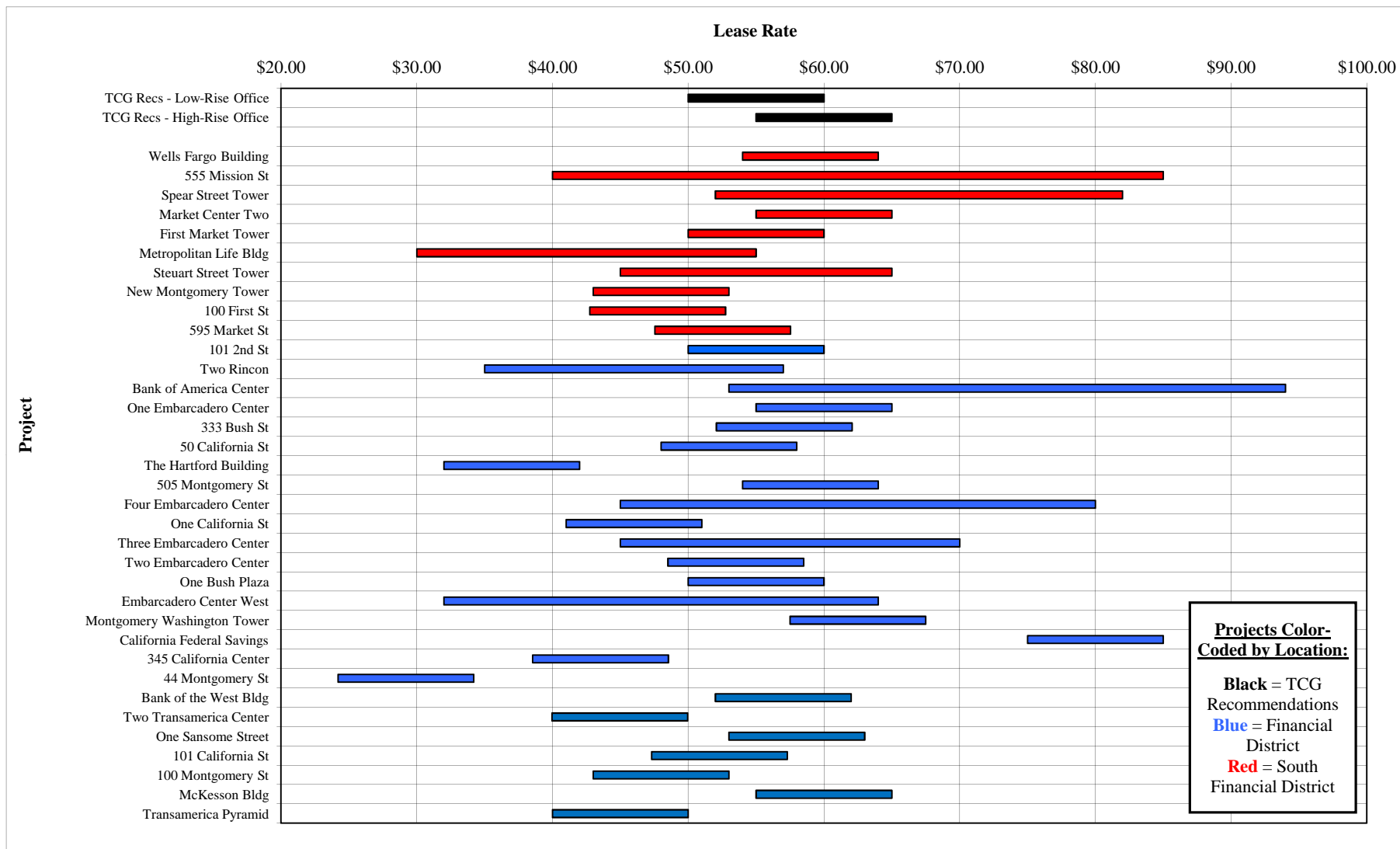
Note: Recent transactions include leases signed during the 2012-13 calendar years

II. Selected Building Floor Premiums

	<b>Base Floor</b>	<b>Top Floor</b>	<b>Base Floor Rent</b>	<b>Top Floor Rent</b>	<b>Bld. Premium</b>	<b>Average Per Floor Premium</b>
33 New Montgomery St	12	18	\$44.50	\$49.00	10%	0.8%
111 Pine st	16	18	\$32.00	\$35.00	9%	2.3%
101 Montgomery St	5	17	\$37.00	\$43.00	16%	0.5%
221 Main St	2	16	\$42.00	\$49.50	18%	0.6%
555 Montgomery St	6	16	\$36.89	\$45.00	22%	1.2%
595 Market St	6	23	\$41.44	\$46.00	11%	0.3%
90 New Montgomery St	2	15	\$40.00	\$41.50	4%	0.2%
475 Sansome St	2	15	\$41.00	\$46.00	12%	0.6%
601 Montgomery St	6	20	\$39.50	\$47.00	19%	0.5%
575 Market St	17	19	\$42.00	\$46.00	10%	0.4%
455 Market St	5	16	\$42.00	\$46.17	10%	0.7%
<b>Average:</b>	<b>7</b>	<b>18</b>	<b>\$39.85</b>	<b>\$44.92</b>	<b>13%</b>	<b>1.2%</b>

EXHIBIT IV-7

RECOMMENDED OFFICE POSITIONING  
OFFICE MARKET AREA  
MARCH 2013



**EXHIBIT IV-8**  
**VALUE PROJECTION - OFFICE**  
**TRANSBAY**  
**FEBRUARY 2013**

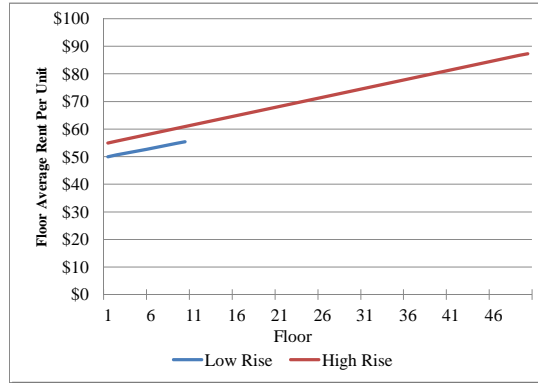
**I. Office Positioning**

*Low Rise/Podium*

Base Positioning                   \$50.00  
per square foot

*High Rise Office*

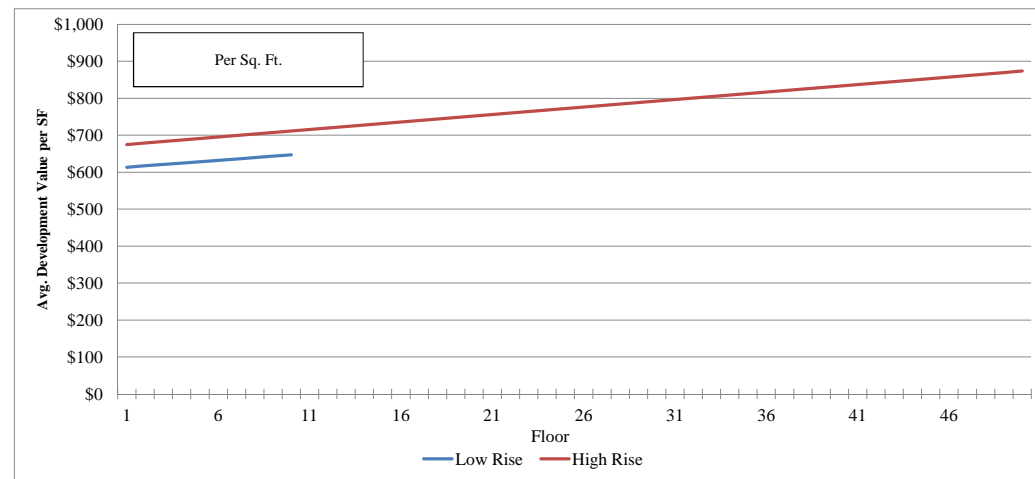
Base Positioning                   \$55.00  
per square foot



**II. Office Building Values - Base Rents**

		Low Rise/Podium	High Rise
Base Positioning		\$50	\$55
Vacancy Loss	10%	\$45	\$50
OpEx	25%	\$11	\$12
NOI		\$34	\$37
Cap Rate		5.5%	5.5%
Cap Value		\$614	\$675
<b>Value Per Square Foot</b>		<b>\$614</b>	<b>\$675</b>

**IV. Office Building Values - Average Development Value Per Foot by Building Scale (# of Floors)**



**III. Hypothetical Building Matrix - Office Values**

Floor	Low Rise			High Rise		
	Prem.	Rent	Per SF	Prem.	Rent	Per Unit
1	0%	\$50	\$614	0%	\$55	\$675
2	1%	\$51	\$621	1%	\$56	\$683
3	2%	\$51	\$628	2%	\$56	\$691
4	4%	\$52	\$636	4%	\$57	\$699
5	5%	\$52	\$643	5%	\$58	\$707
6	6%	\$53	\$650	6%	\$58	\$716
7	7%	\$54	\$658	7%	\$59	\$724
8	8%	\$54	\$665	8%	\$60	\$732
9	10%	\$55	\$673	10%	\$60	\$740
10	11%	\$55	\$680	11%	\$61	\$748
11				12%	\$62	\$756
12				13%	\$62	\$764
13				14%	\$63	\$772
14				16%	\$64	\$780
15				17%	\$64	\$788
16				18%	\$65	\$797
17				19%	\$66	\$805
18				20%	\$66	\$813
19				22%	\$67	\$821
20				23%	\$68	\$829
21				24%	\$68	\$837
22				25%	\$69	\$845
23				26%	\$70	\$853
24				28%	\$70	\$861
25				29%	\$71	\$869
26				30%	\$72	\$878
27				31%	\$72	\$886
28				32%	\$73	\$894
29				34%	\$73	\$902
30				35%	\$74	\$910
31				36%	\$75	\$918
32				37%	\$75	\$926
33				38%	\$76	\$934
34				40%	\$77	\$942
35				41%	\$77	\$950
36				42%	\$78	\$959
37				43%	\$79	\$967
38				44%	\$79	\$975
39				46%	\$80	\$983
40				47%	\$81	\$991
41				48%	\$81	\$999
42				49%	\$82	\$1,007
43				50%	\$83	\$1,015
44				52%	\$83	\$1,023
45				53%	\$84	\$1,031
46				54%	\$85	\$1,040
47				55%	\$85	\$1,048
48				56%	\$86	\$1,056
49				58%	\$87	\$1,064
50				59%	\$87	\$1,072
<b>Avg:</b>	<b>5%</b>	<b>\$53</b>	<b>\$647</b>	<b>29%</b>	<b>\$71</b>	<b>\$873</b>
	<b>1.2% per floor</b>			<b>1.2% per floor</b>		

**IV. Building Avg. Values by Floor Height (1)**

	Low Rise	High Rise
	Per SF	Per SF
1	\$614	\$675
2	\$617	\$679
3	\$621	\$683
4	\$625	\$687
5	\$628	\$691
6	\$632	\$695
7	\$636	\$699
8	\$639	\$703
9	\$643	\$707
10	\$647	\$711
11		\$716
12		\$720
13		\$724
14		\$728
15		\$732
16		\$736
17		\$740
18		\$744
19		\$748
20		\$752
21		\$756
22		\$760
23		\$764
24		\$768
25		\$772
26		\$776
27		\$780
28		\$784
29		\$788
30		\$792
31		\$797
32		\$801
33		\$805
34		\$809
35		\$813
36		\$817
37		\$821
38		\$825
39		\$829
40		\$833
41		\$837
42		\$841
43		\$845
44		\$849
45		\$853
46		\$857
47		\$861
48		\$865
49		\$869
50		\$873

(1) Assumes equal floor plate

## **V. RETAIL**

EXHIBIT V-1

RETAIL TRADE AREA DEFINITION  
SAN FRANCISCO, CALIFORNIA  
MARCH 2013

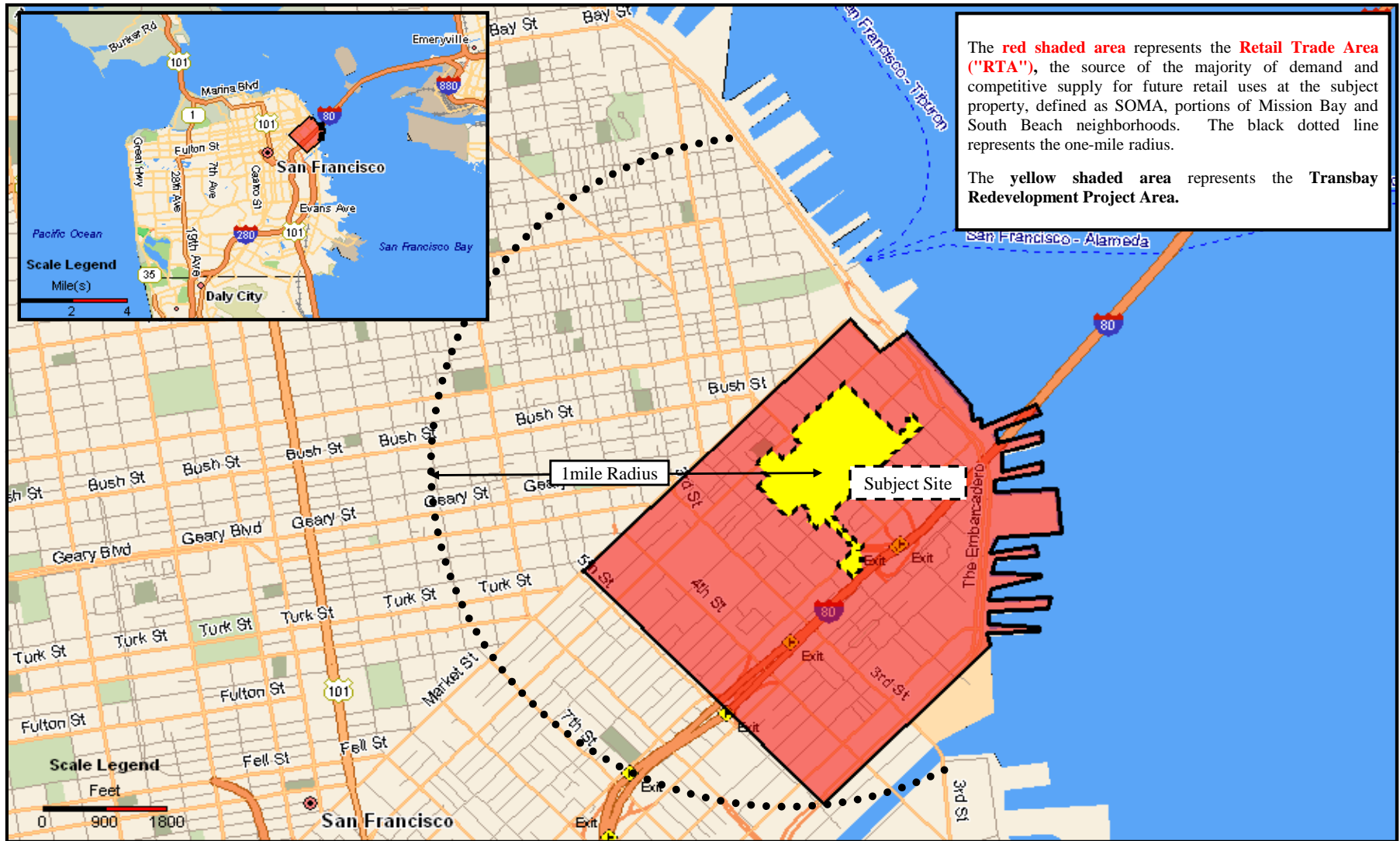
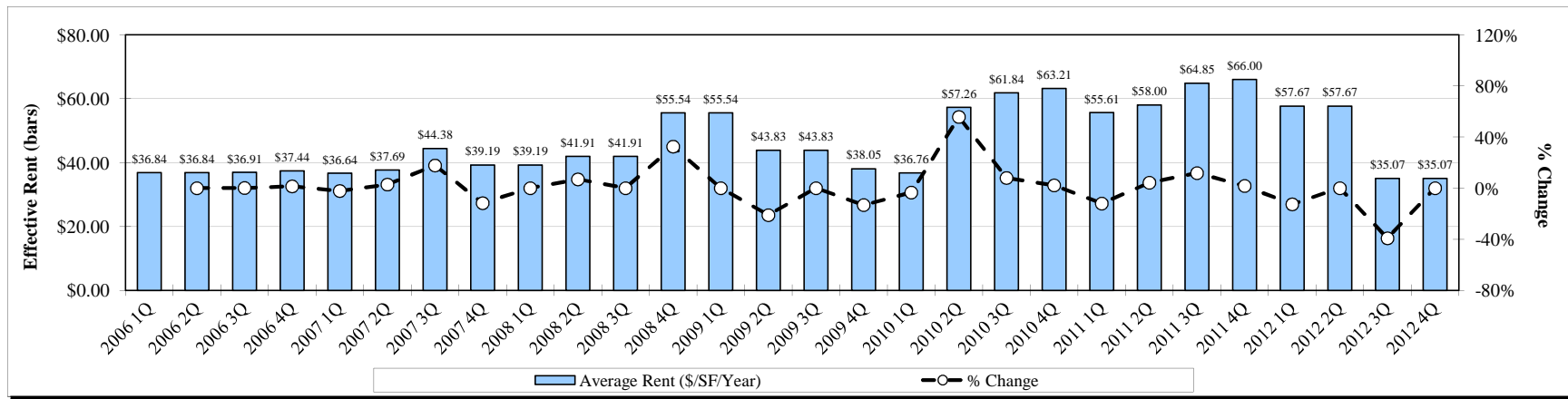
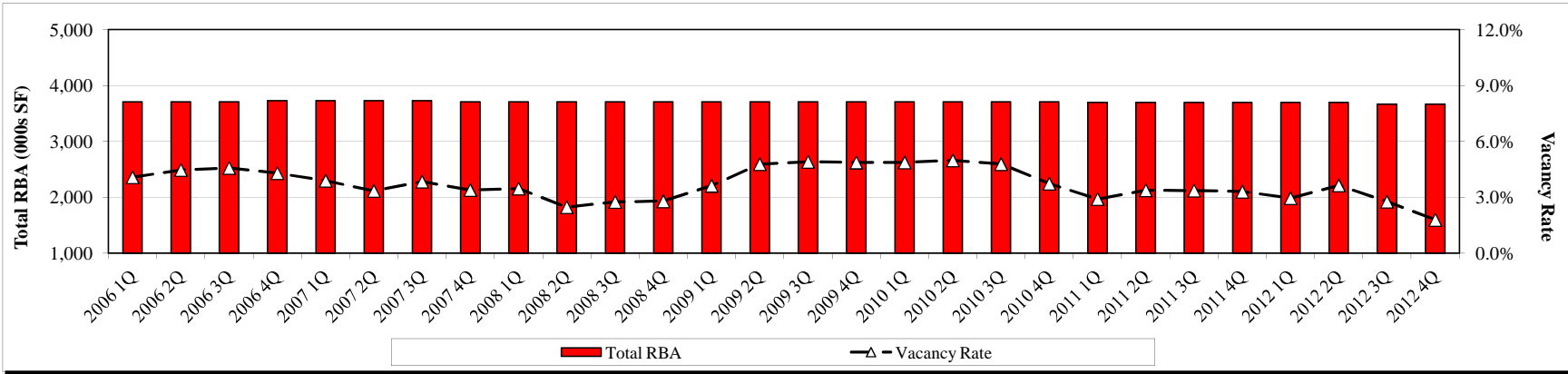


EXHIBIT V-2

RETAIL MACRO TRENDS  
RETAIL TRADE AREA  
2006 THROUGH 2016

Retail Trade Area	2006	2007	2008	2009	2010	2011	2012	QTD	Forecast				
	2013	2014	2015	2016									
Total Inventory (000s SF) (1)	3,714	3,723	3,709	3,710	3,710	3,698	3,683	3,668	3,668	3,668	3,668	3,668	3,668
Quarterly Growth (000s SF)		10	-15	1	0	-12	-15	-15	-15	-15	0	0	0
% Growth		0.3%	-0.4%	0.0%	0.0%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	0.0%	0.0%	0.0%
Vacancy Rate	4.5%	3.6%	2.9%	4.7%	4.7%	3.2%	2.8%	0.8%	0.7%	0.4%	0.1%	0.0%	0.0%
Total Avg Rent (NNN)	\$37.09	\$37.86	\$41.55	\$47.81	\$57.64	\$59.97	\$41.36	\$35.07	--	--	--	--	--
% Change													



(1) Rentable Building Area  
Source: CoStar



EXHIBIT V-3

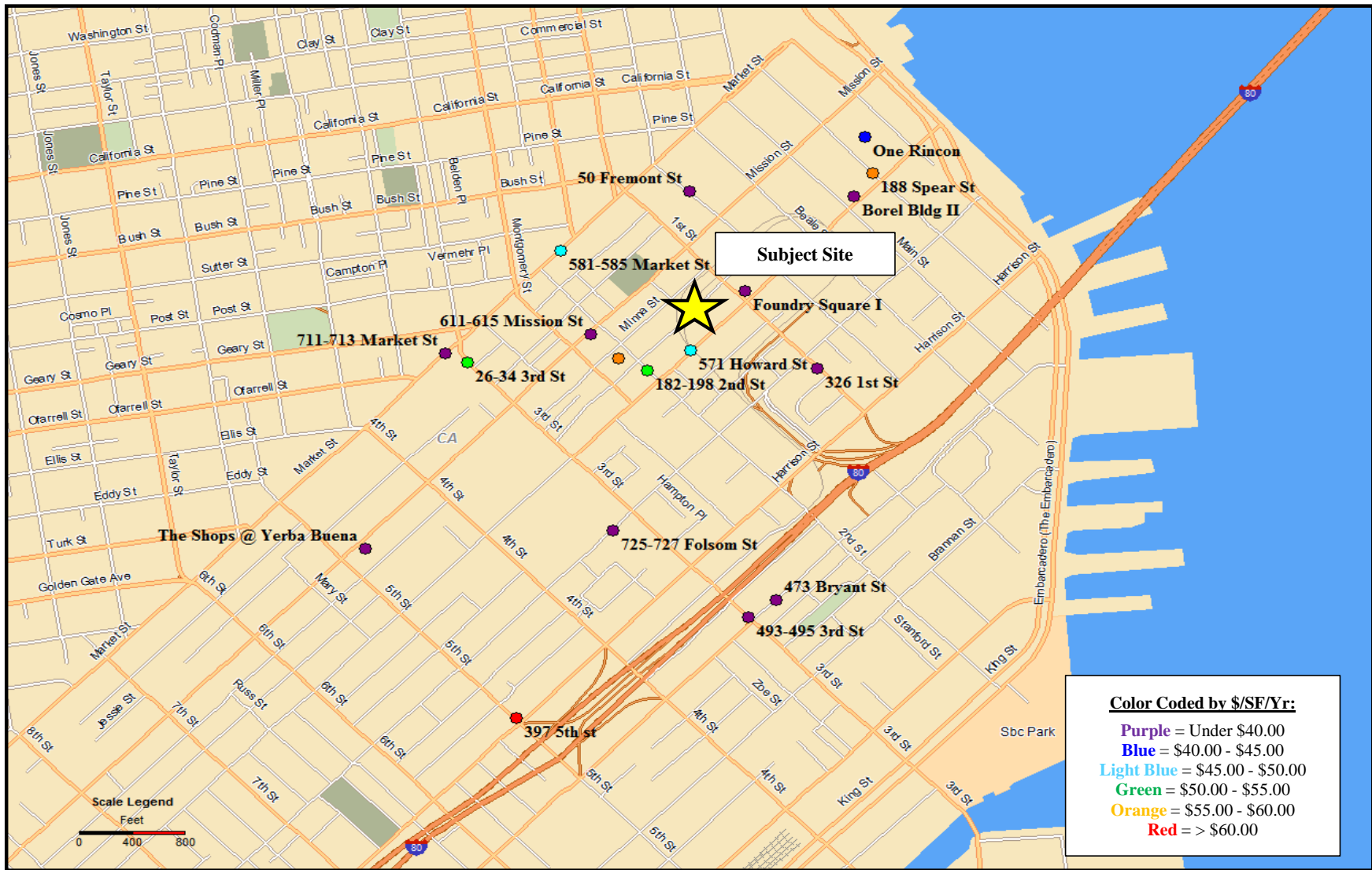
SELECTED COMPETITIVE RETAIL SPACES  
 RETAIL TRADE AREA  
 MARCH 2013

Name	Location	Type	Year Built	GLA	Vacancy		Avail Apace	Lease Rate (\$/sf/yr)	
					Rate	SF			
<i>Community Center</i>									
397 5th st	397 5th St	Restaurant	1966	1,161	0.0%	0	1,161	\$87.84	
188 Spear St	188 Spear St	Office with street-level Retail	2012	218,556	12.9%	28,194	28,186	\$55.00	
The Pelton Building	132-142 2nd St	Office with street-level Retail	1907	34,000	16.6%	5,630	5,848	\$55.00	
182-198 2nd St	182-198 2nd St	Office with street-level Retail	1909	36,135	28.2%	10,201	10,202	\$50.00	
26-34 3rd St	26-34 3rd St	Office with street-level Retail	1910	37,200	7.5%	2,786	2,787	\$50.00	
581-585 Market St	581-585 Market St	Storefront Retail/Office	1907	27,094	25.5%	6,901	6,900	\$45.00	
571 Howard St	571 Howard St	Office with street-level Retail	1924	5,000	0.0%	0	2,000	\$45.00	
One Rincon	101 Spear St	Office with street-level Retail	1940	280,000	9.7%	27,104	27,115	\$40.00	
473 Bryant St	473 Bryant St	Storefront Retail/Office	1906	2,750	100.0%	2,750	2,750	\$36.00	
50 Fremont St	50 Fremont St	Office with street-level Retail	1983	817,412	3.3%	26,566	7,297	\$35.03	
Borel Bldg II	180-182 Howard St	Office with street-level Retail	1986	205,926	6.3%	13,056	13,048	\$32.04	
The Shops @ Yerba Buena	833 Mission St	General Retail (Strip Center)	1978	24,000	18.4%	4,411	6,035	\$32.04	
611-615 Mission St	611-615 Mission St	Office with street-level Retail	1907	39,900	0.0%	0	3,760	\$32.04	
Foundry Square I	400 Howard St	Office with street-level Retail	2008	334,230	0.6%	2,039	2,025	\$32.04	
725-727 Folsom St	725-727 Folsom St	General Retail	1990	35,286	19.5%	6,870	6,870	\$32.00	
493-495 3rd St	493-495 3rd St	Office with street-level Retail	1907	5,250	40.5%	2,125	2,125	\$30.00	
711-713 Market St	711-713 Market St	General Retail	1908	10,000	50.0%	5,000	5,000	\$28.80	
326 1st St	326 1st St	Storefront	1967	4,000	72.0%	2,880	2,880	\$28.80	
<b>Total:</b>				<b>2,117,900</b>		<b>146,513</b>	<b>135,989</b>		
<b>Average/WeightedAverage (1):</b>			<b>Total/Average:</b>	<b>1945</b>	<b>117,661</b>	<b>6.9%</b>	<b>8,140</b>	<b>7,555</b>	<b>\$42.43</b>

(1) Vacancy Rate weighted by GLA, average weighted rent weighted by available space

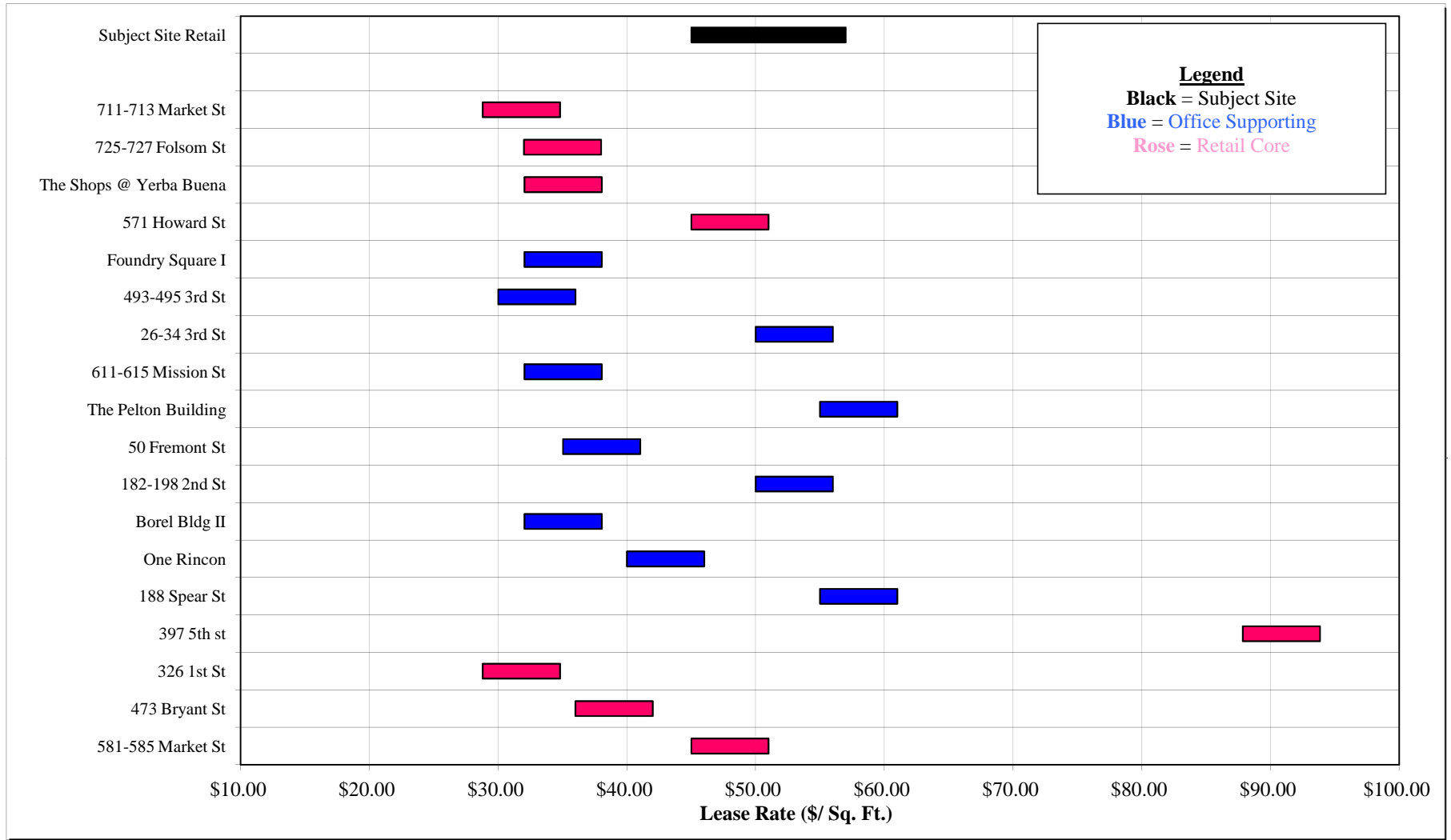
EXHIBIT V-4

CURRENT RETAIL INVENTORY LOCATIONS  
 SAN FRANCISCO, CALIFORNIA  
 MARCH 2013



**EXHIBIT V-5**

**LEASE RATES OF CURRENT RETAIL INVENTORY  
RETAIL TRADE AREA  
MARCH 2013**



Note: All lease rates are NNN and exclusive of NNN expenses

EXHIBIT V-6

VALUE PROJECTION - GROUND FLOOR RETAIL  
TRANSBAY  
FEBRUARY 2013

**I. Retail Positioning**

<i>Ground Floor Retail</i>	<b>Base Rent</b>
<b>Average Per Foot</b>	<b>Per Foot/Year</b>
	\$45.00

**II. Retail Building Values - Base Rents**

	<b>Ground Floor Retail</b>
<b>Base Positioning</b>	\$45
<b>Average Annual Rent</b>	\$45
<b>Vacancy Loss</b> 7%	\$42
<b>OpEx</b> 10%	\$4
<b>NOI</b>	\$38
<b>Cap Rate</b>	6.5%
<b>Cap Value</b>	\$579
<b>Value Per Square Foot</b>	<b>\$579</b>

## **VI. HOTEL**

EXHIBIT VI-1

HOTEL MARKET AREA DELINEATION  
SAN FRANCISCO, CALIFORNIA  
APRIL 2013

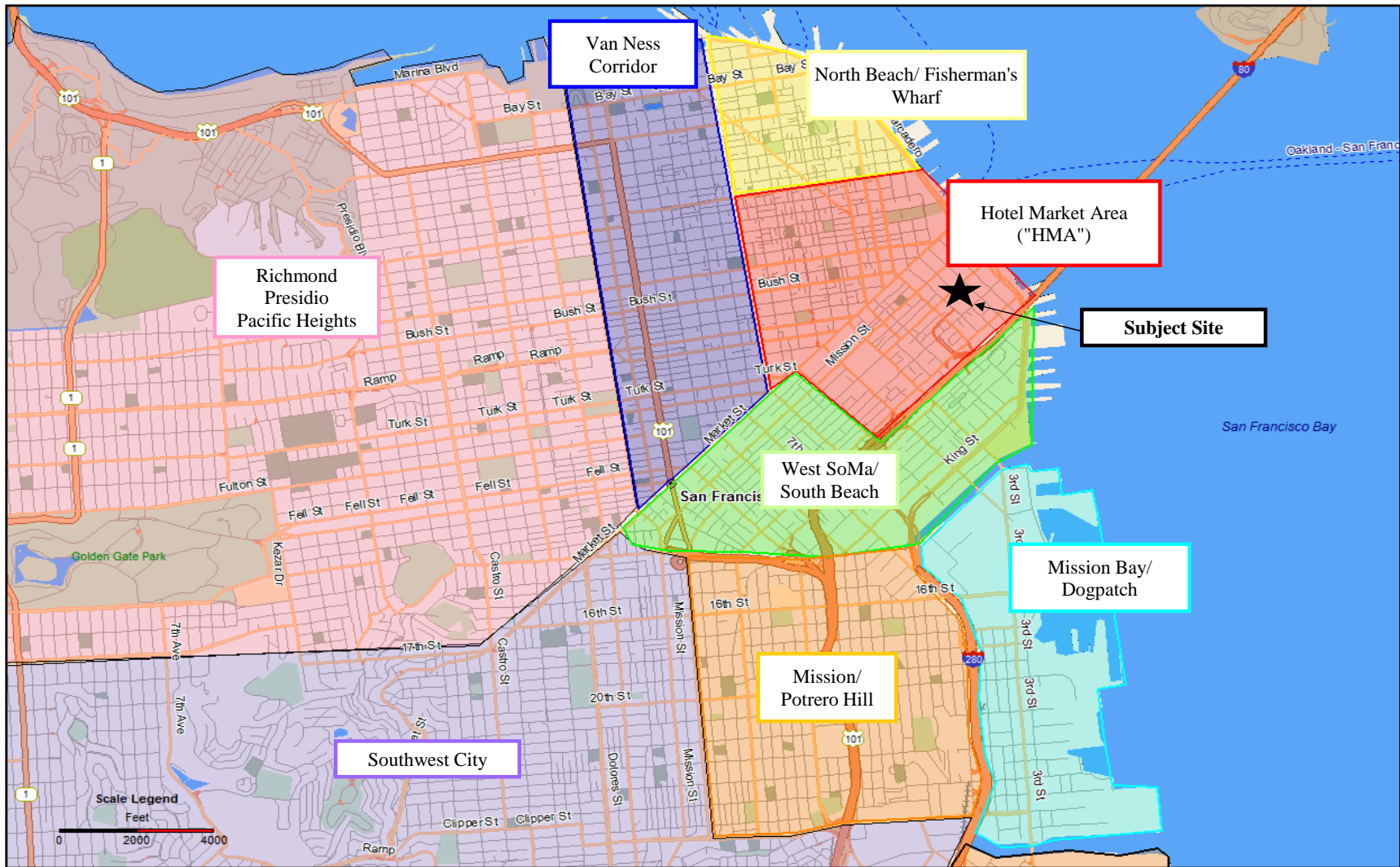


EXHIBIT VI-1

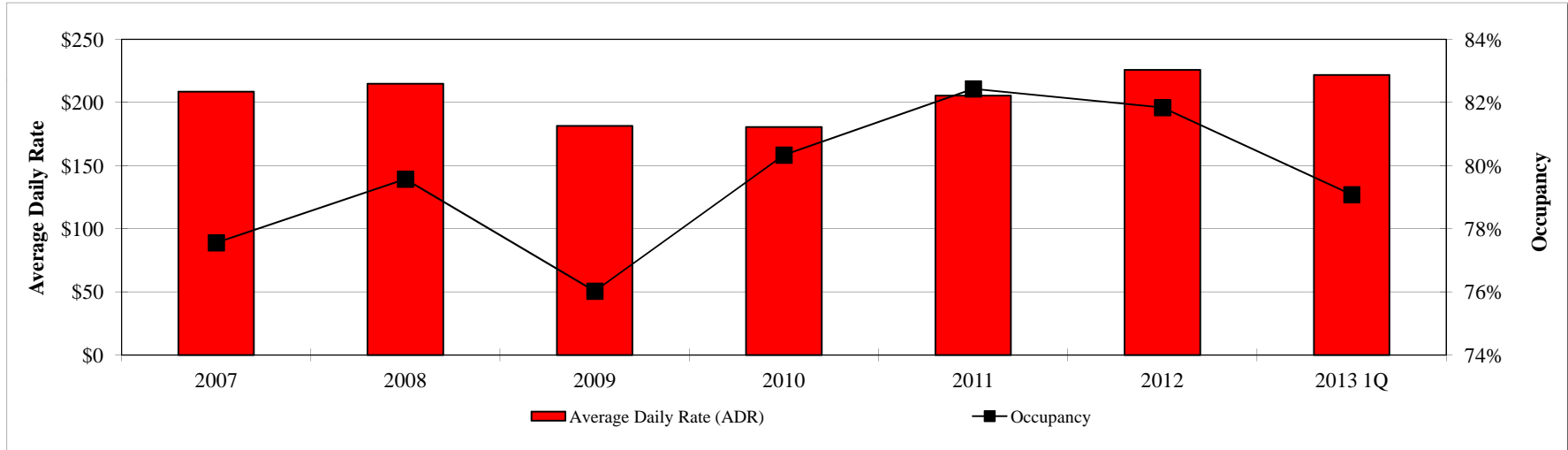
HOTEL MARKET AREA DELINEATION  
SAN FRANCISCO, CALIFORNIA  
APRIL 2013



EXHIBIT VI-2

MACRO MARKET TRENDS  
HOTEL MARKET AREA, CENTRAL SAN FRANCISCO  
2007 THROUGH 1Q 2013

Variable	2007	2008	2009	2010	2011	2012	Average	2013 1Q
<i>FiDi/Union Square/SoMa - Upscale Hotels (1)</i>								
Total Rooms	9,875	10,575	10,709	11,319	11,604	11,430	10,919	11,323
Y/Y % Change	--	7.1%	1.3%	5.7%	2.5%	-1.5%	3.0%	
Average Daily Rate (ADR)	\$209	\$215	\$181	\$181	\$205	\$226	\$203	\$222
Y/Y % Change	--	3.0%	-15.6%	-0.4%	13.7%	9.9%	2.1%	
Occupancy	78%	80%	76%	80%	82%	82%	80%	79%
Nominal Change	--	2.0%	-3.5%	4.3%	2.1%	-0.6%	0.9%	
Average Revenue per Avail. Room (RevPAR)	\$162	\$171	\$138	\$145	\$169	\$185	\$162	\$175
Y/Y % Change	--	5.6%	-19.3%	5.2%	16.7%	9.2%	3.5%	
Total Revenue (000's)	\$582,978	\$659,460	\$538,793	\$599,311	\$717,091	\$770,959	\$644,765	\$667,361
Y/Y % Change	--	13.1%	-18.3%	11.2%	19.7%	7.5%	6.6%	



(1) Data represents set up of Upscale and Luxury hotels in the Central SF Hotel Market Area as categorized by Smith Travel Research

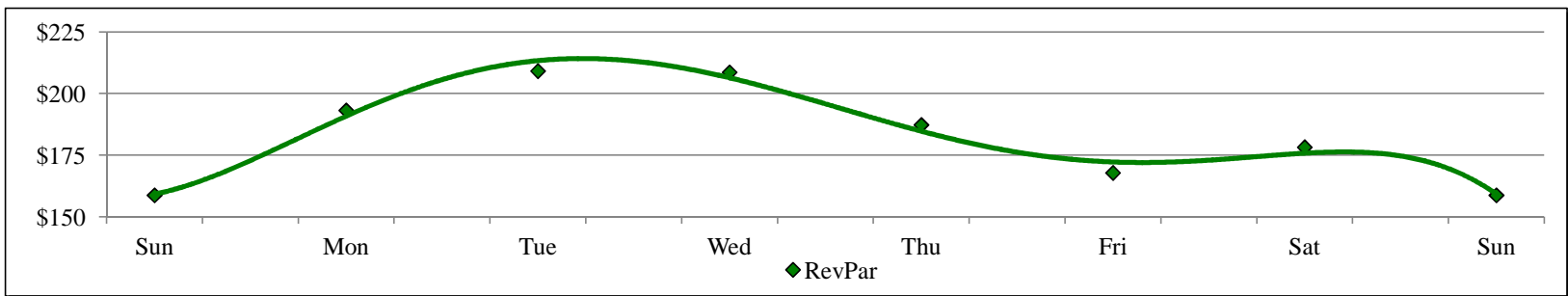
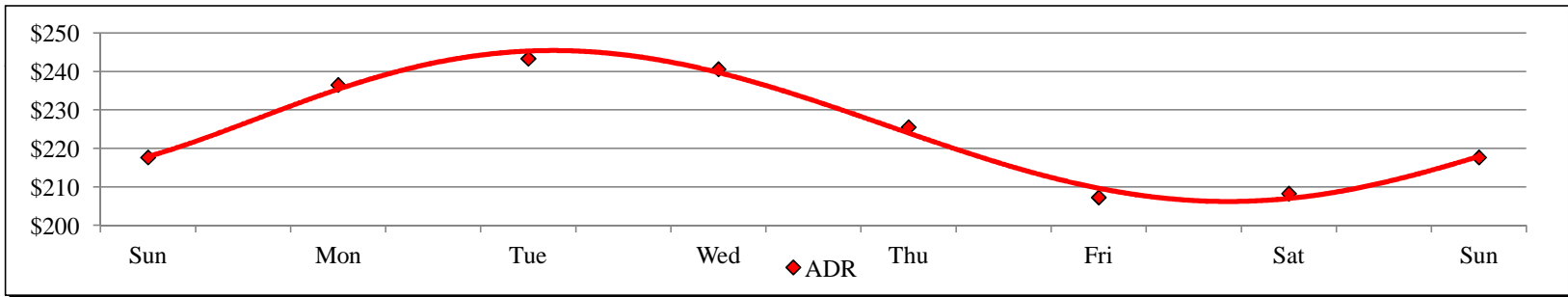
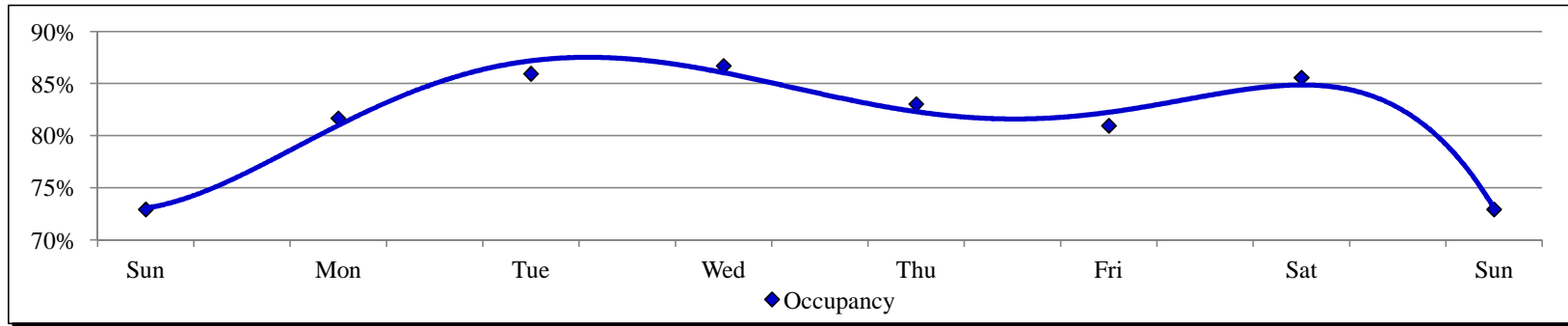
Source: STR



EXHIBIT VI-2

MACRO MARKET TRENDS  
HOTEL MARKET AREA, CENTRAL SAN FRANCISCO  
2007 THROUGH 1Q 2013

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Occupancy	73%	82%	86%	87%	83%	81%	86%
ADR	\$217.65	\$236.49	\$243.30	\$240.57	\$225.50	\$207.27	\$208.24
RevPar	\$158.69	\$193.14	\$209.12	\$208.59	\$187.24	\$167.80	\$178.19



Source: STR

EXHIBIT VI-3

CURRENT HOTEL INVENTORY  
HOTEL MARKET AREA  
APRIL 2013

Hotel/Chain	Location	Neighborhood	Number of Rooms	Open Date	Occupancy		Best Avail Rate		APR (1)	Mix of Occupants	
					Weekday	Weekend	Low	High		Bus.	Leis.
<b>Luxury</b>											
Four Seasons San Francisco	757 Market St	SoMa	277	Oct-01	97%	60%	\$475	\$695	\$592	70%	30%
St Regis San Francisco	125 3rd St	SoMa	260	Nov-05	95%	85%	\$475	\$625	\$557	60%	40%
Mandarin Oriental	222 Sansome St	FiDi	158	May-87	NA	NA	\$395	\$595	\$534	70%	30%
Fairmont San Francisco	950 Mason St	Nob Hill	591	Apr-07	85%	100%	\$359	\$669	\$504	50%	50%
Ritz Carlton San Francisco	600 Stockton St	FiDi	336	Apr-91	NA	NA	\$395	\$595	\$498	50%	50%
W Hotel San Francisco	181 3rd St	SoMa	410	May-99	90%	90%	\$319	\$689	\$442	70%	30%
The Huntington Hotel - Preferred	1075 California St	Nob Hill	135	Jun-47	85%	95%	\$259	\$410	\$361	60%	40%
Luxury Collection Palace Hotel	2 New Montgomery St	SoMa	553	Jan-00	87%	78%	\$270	\$389	\$333	50%	50%
InterContinental Mark Hopkins	1 Nob Hill	Nob Hill	380	Jun-26	96%	94%	\$249	\$369	\$293	65%	35%
<b>Total/Average:</b>			<b>3,100</b>	<b>1962</b>	<b>91%</b>	<b>86%</b>	<b>\$346</b>	<b>\$560</b>	<b>\$446</b>	<b>59%</b>	<b>41%</b>
<b>Upscale</b>											
Taj Group Campton Place	340 Stockton St	Union Square	110	Jun-83	NA	NA	\$300	\$675	\$459	60%	40%
Nikko Hotel San Francisco	222 Mason St	Union Square	532	Oct-87	NA	NA	\$219	\$489	\$345	65%	35%
JW Marriott - Union Square	500 Post St	Union Square	337	Sep-87	90%	95%	\$269	\$404	\$343	60%	40%
Omni San Francisco Hotel	500 California St	FiDi	362	Feb-02	99%	93%	\$245	\$399	\$336	60%	40%
Westin San Francisco Market Street	50 3rd St	SoMa	676	Apr-83	NA	NA	\$219	\$369	\$322	80%	20%
Hyatt Grand San Francisco	345 Stockton St	Union Square	685	Jan-73	90%	90%	\$209	\$469	\$319	80%	20%
Westin St Francis Union Square	335 Powell St	Union Square	1,195	Mar-04	97%	99%	\$189	\$399	\$301	80%	20%
Hilton San Francisco - FiDi	750 Kearny St	FiDi	544	Nov-70	85%	80%	\$269	\$389	\$297	75%	25%
Renaissance Stanford Court Hotel	905 California St	Nob Hill	393	Jun-73	90%	90%	\$189	\$379	\$283	40%	60%
Hilton San Francisco - Union Square	333 O'Farrell St	Union Square	1,908	Aug-64	90%	85%	\$159	\$419	\$265	80%	20%
Marriott Marquis	55 4th St	SoMa	1,498	Oct-89	95%	95%	\$179	\$329	\$250	70%	30%
<b>Total/Average:</b>			<b>8,240</b>	<b>1974</b>	<b>92%</b>	<b>91%</b>	<b>\$199</b>	<b>\$402</b>	<b>\$294</b>	<b>73%</b>	<b>27%</b>
<b>Luxury &amp; Upscale Total/Average:</b>			<b>11,340</b>	<b>1969</b>	<b>91%</b>	<b>89%</b>	<b>\$239</b>	<b>\$446</b>	<b>\$335</b>	<b>69%</b>	<b>31%</b>

(1) Average Published Rate

EXHIBIT VI-4

MAP OF COMPARABLE HOTELS  
HOTEL MARKET AREA  
APRIL 2013

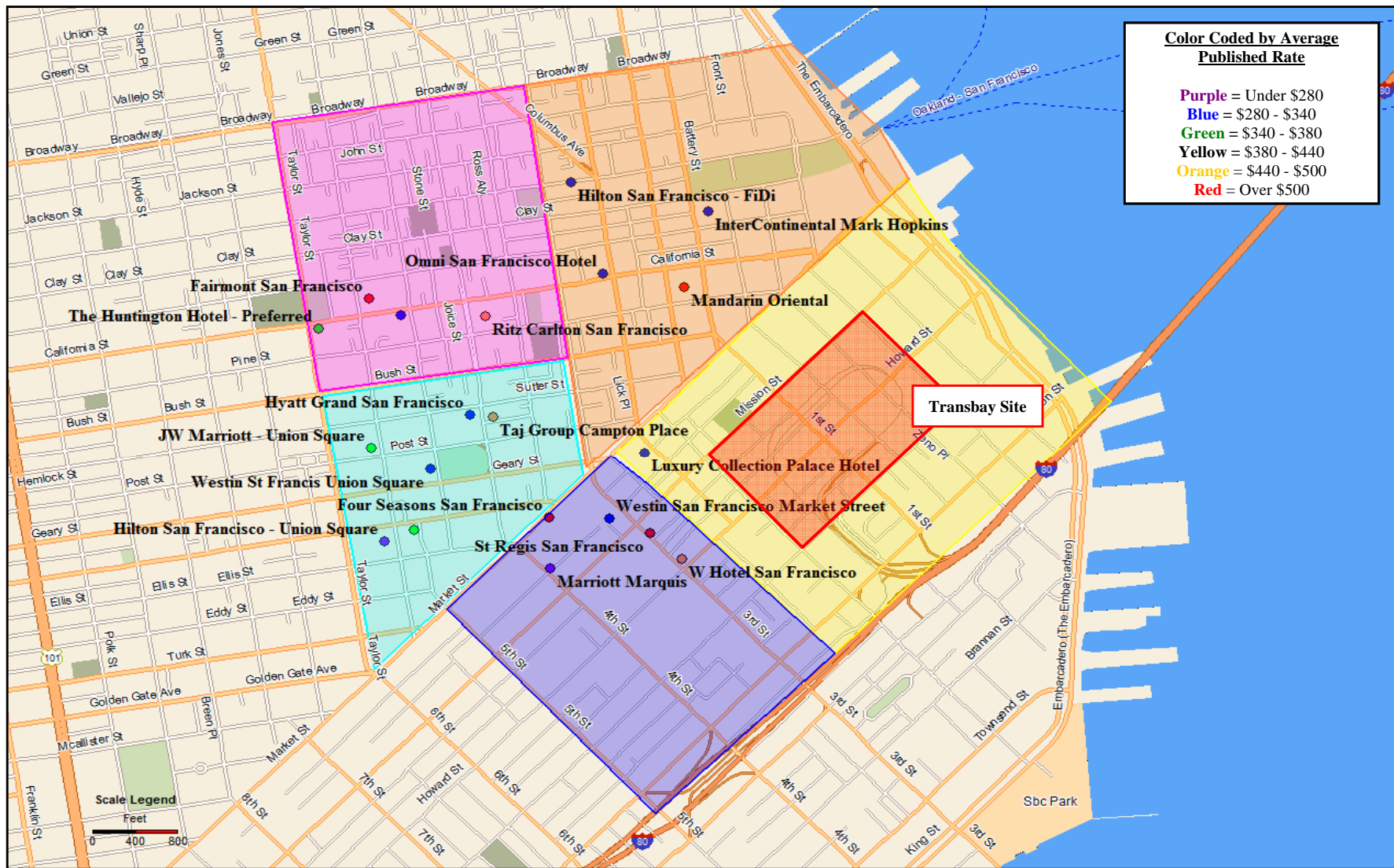


EXHIBIT VI-5

BUILDING TRANSACTIONS - HOTEL  
SAN FRANCISCO, CALIFORNIA  
APRIL 2013

Property	Neighborhood	Seller	Buyer	Sale Date	Rooms	Price		Notes
						\$	Per Key	
<b>Sales Comps - Hotels</b>								
Fairmont San Francisco	Nob Hill	Maritz, Wolff & Co.	Woodridge Capital Partners	May-12	591	\$200,000,000	\$338,409	
Hotel Milano	SoMa	--	Pebblebrook Hotel Trust	Apr-12	108	30,000,000	277,778	
Hotel Palomar	SoMa	--	Pebblebrook Hotel Trust	Oct-12	196	58,000,000	295,918	
Hotel Rex	Union Square	--	DiamondRock Hospitality	Nov-12	94	29,500,000	313,830	
Parc 55 Wyndham	Union Square	Rockpoint Group	Blackstone Group	Mar-12	1,015	235,000,000	231,527	Distress Sale - Rockpoint defaulted
Hotel Frank	Union Square	AEW Capital	Offshore Investor	Oct-12	153	32,000,000	209,150	
	<b>Total:</b>		<b>6 Hotel Sales</b>		<b>2,157</b>	<b>\$584,500,000</b>		
	<b>Average:</b>				<b>360</b>	<b>\$97,416,667</b>	<b>\$277,769</b>	

EXHIBIT IV-6

PROUCT POSITIONING - HOTEL  
HOTEL MARKET AREA; SAN FRANCISCO, CALIFORNIA  
APRIL 2013

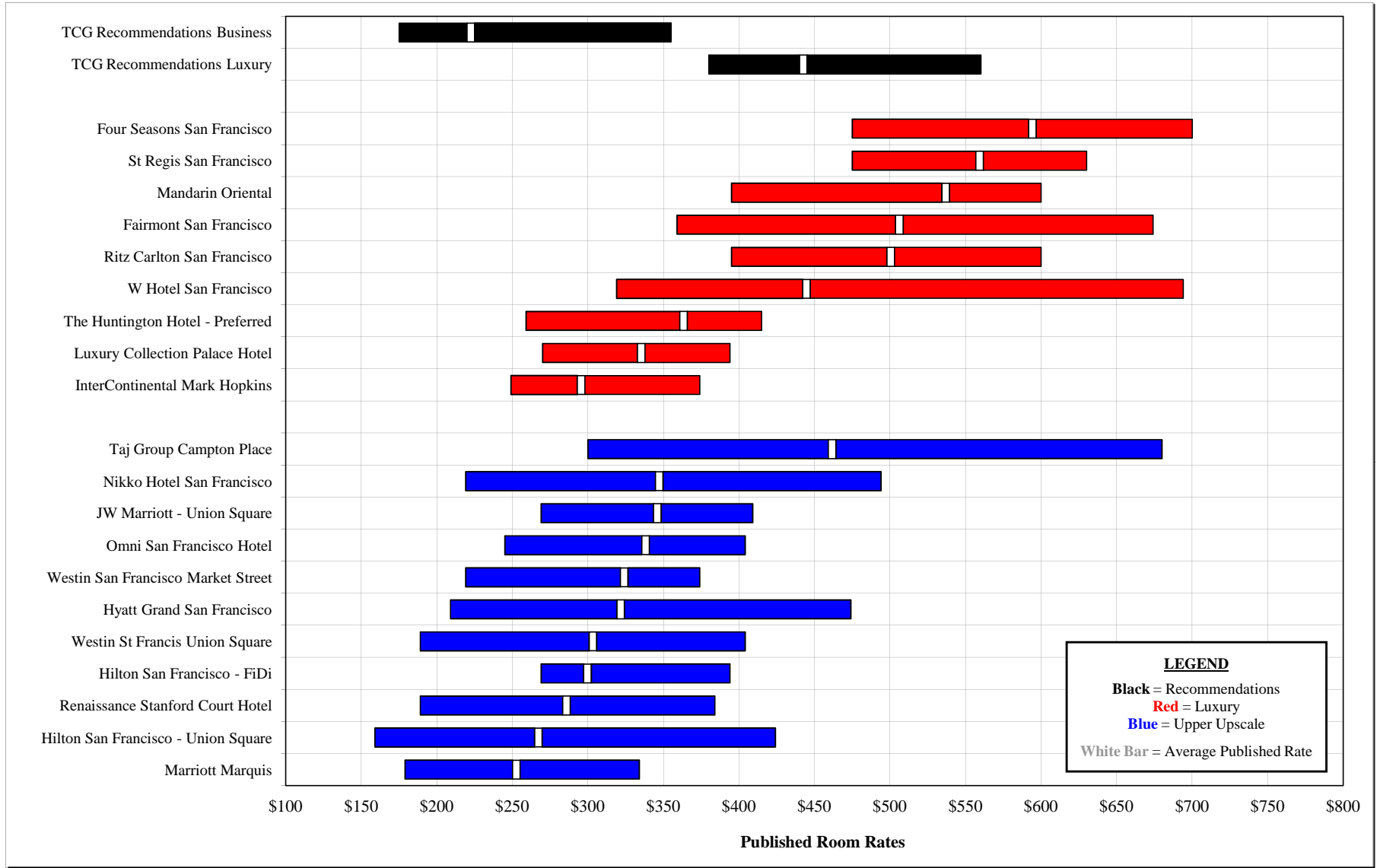


EXHIBIT VI-7

VALUE PROJECTION - HOTEL  
TRANSBAY  
FEBRUARY 2013

**I. Hotel Positioning**

	<b>Business Hotel</b>	<b>Top Flag Luxury Hotel</b>
	<b><u>Per Room per Night</u></b>	<b><u>Per Room per Night</u></b>
Average Daily Rate	\$220	\$440

**II. Hotel Values - Blended Rates**

		<b>Business Hotel</b>	<b>Top Flag Luxury Hotel</b>
Base Positioning		\$220	\$440
Vacancy Loss	30%	\$154	\$308
Other Revenue	5%	\$8	\$15
Total Revenue		\$162	\$323
OpEx	55%	\$89	\$178
NOI per Key		\$65	\$130
Annual NOI per Key		\$23,749	\$47,497
Cap Rate		7.5%	6.5%
Cap Value per Key		\$316,650	\$730,730
Value per SF		<b>\$528</b>	<b>\$1,218</b>