NEWS RELEASE

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Office Market Continues Going Strong in Q2, but a Slowdown May be Only a Few Quarters Away, According to Colliers International

Boston, MA, July 20, 2006 – Reflecting a very strong economy, Q2 was another solid quarter with high demand for office space witnessed nationwide, according to a report by Colliers International, a leading global real estate services firm. This success is in-line with a vibrant U.S. economy, and even though second quarter job creation faltered with 108,000 jobs per month versus 176,000 in the first quarter, "office using employment" (employment related to information, financial activities, professional and business services) remained relatively robust, buttressing the health of the office market.

April through June absorption totaled 27.9 million square feet (msf) – compared with 22.2 msf during the first quarter of 2006 and 26.3 msf during the year-ago quarter. Year-to-date absorption totals 50.9 msf and Colliers' full-year 2006 forecast of 90 msf looks easily attainable.

The clear majority of markets surveyed by Colliers forecasted steady, if not increased demand for office space in the foreseeable future, with only a few forecasting a downswing in demand.

“We are definitely seeing a resurgence in the Pittsburgh office market, both in the central business district (CBD) and in the suburban office market,” stated Jon Harrigan, CEO of Colliers Penn, the local Colliers International affiliate. “There is a tremendous amount of residential construction ongoing and theoretically that should bode will for downtown office occupancy, " said Mr. Harrigan.

Second quarter office vacancies measured 13.07 percent, versus 13.33 percent during the first quarter of 2006 and 14.6 percent during the year-ago period. Additionally, vacancies are now significantly below the cyclical high of 16.4 percent registered at the end of 2003.

In line with this vacancy reduction, rents again increased substantially during Q2’06, with national averages showing larger than anticipated gains. Downtown asking rents increased 3.7 percent, reaching an average of $37.54 PSF (per square foot), while suburban rents increased 2.3 percent to $24.96 PSF. Office rents are increasingly showing a more consistent uptrend with ever more markets posting steady quarter-after-quarter increases.

Mark Anderson, a broker for Colliers Penn, stated that while not included in this report, rents in the Pittsburgh office market are remaining stable.

“The office sector is clearly on a tear, but we may be nearing the top of this cycle, as the economy shows increasing signs of slowing,” remarked Ross Moore, senior vice president and director of market and economic research at Colliers International. “Any slowdown, however, won’t be felt in the office leasing market until 2007. That said, tenants and investors should consider adjusting their expectations for rents and rental growth as they look 12 months out, for the sake of preparedness.”

New construction totaled 14.6 msf during the Q2’06 period and 17.4 msf during the first quarter of 2006. Year-ago completions totaled 12.0 msf. Another 84.9 msf is under construction and anticipated to be completed in the next 18 months. This reflects marked increases, as during Q1, 82.9 msf was under construction and only 58.4 msf was under construction during the year-ago quarter.

As for the speculative office market, Mr. Harrigan said, "There will be less speculative office construction in 2007, although the speculative market in Pittsburgh has been 'off' for some time. It is merely the existing office structures we are trying to backfill."

Top Ten Year-To-Date Office Rent Increases:

Central Business District	Rent	YTD Increase
Los Angeles, CA	$34.08 PSF	22.9 %
San Francisco, CA	$40.73	15.1 %
Nashville, TN	$20.04	14.6 %
Ft. Lauderdale, FL	$30.97	13.1 %
New York City (Midtown)	$66.85	12.1 %
New York City (Downtown)	$42.81	10.7 %
San Diego, CA	$33.48	10.0%
West Palm Beach, FL	$32.83	8.7%
Honolulu, HI	$33.96	7.9%
Sacramento	$30.60	7.9%
National Average Rent Increase, Downtown		**8.2 %**

Suburban	Rent	YTD Increase
Columbia, SC	$17.70 PSF	16.0 %
Orlando, FL	$22.00	15.8 %
San Jose/ Silicon Valley, CA	$31.06	14.1 %
San Francisco Peninsula, CA	$28.80	12.2 %
Seattle, WA	$24.37	12.0 %
Boston, MA	$22.36	11.0 %
Sacramento, CA	$26.00	10.7 %
Northern Virginia	$31.75	9.1 %
Ft. Lauderdale, FL	$27.22	8.4 %
West Palm Beach, FL	$26.79	8.1 %
National Average Rent Increase, Suburban		**3.8 %**

PSF = Per Square Foot

About Colliers

Colliers International is a global partnership of independently owned commercial real estate firms. The organization's 9,141 employees span the world in approximately 250 offices worldwide. On a global basis, Colliers manages over 660 million square feet, and has revenue of over US$1 billion. For more information about Colliers International, visit www.colliers.com.

About Colliers Penn:

Colliers Penn, formerly PA Commercial Real Estate, is a multi-service commercial real estate firm serving the southwestern Pennsylvania, northern West Virginia, and eastern Ohio region. Our wide range of specific niche capabilities truly sets us apart as a single-source partner across the diverse and often complex commercial real estate landscape. From brokerage services, tenant representation and development consulting to asset management, financing and corporate services, Colliers Penn can assist clients with every aspect of their real estate needs. For additional information on Colliers Penn's capabilities, visit our website at **www.collierspenn.com**.

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