

Office Market Trends Fresno

Grubb & Ellis Research

Fourth Quarter 2008



Vacancy on the Rise

Vacancy has been on the rise, over the course of the year, resulting in a year-end vacancy rate of 11.5 percent. Conversely, it is no surprise that asking rates have trended downward. Available sublease space fluctuated from quarter to quarter ending with just over 200,000 square feet available compared to 160,000 square feet at the end of 2007. Sublease asking rents are being offered at a considerable discount compared to direct available space.

...several significant lease transactions were completed in 2008.

Despite the slow down in the market, several significant lease transactions were completed in 2008. Rabobank, New York Life, Arthur J. Gallagher and Wachovia Securities topped the list for largest transactions followed by Delta Health Systems. These transactions all occurred within the Woodward Submarket.

The 100,000 square-foot, four-story Park Place office building in the Northwest submarket has recently completed construction. Located on the bluffs of the San Joaquin River, this complex offers stellar views as well as high speed elevators and underground parking. The surrounding complex includes ancillary amenities, such as a state-of-the-art child care facility, full service fitness center and several upscale restaurants.

While 2009 will definitely present more challenges than recent years, opportunities are there for those willing to dig past the surface. Discount rental rates and concessions for first class product are there for tenants ready and able to make a move. Additionally, as more sellers enter the market with product for sale and capital frees up, prices will be much more attractive to buyers with available cash.

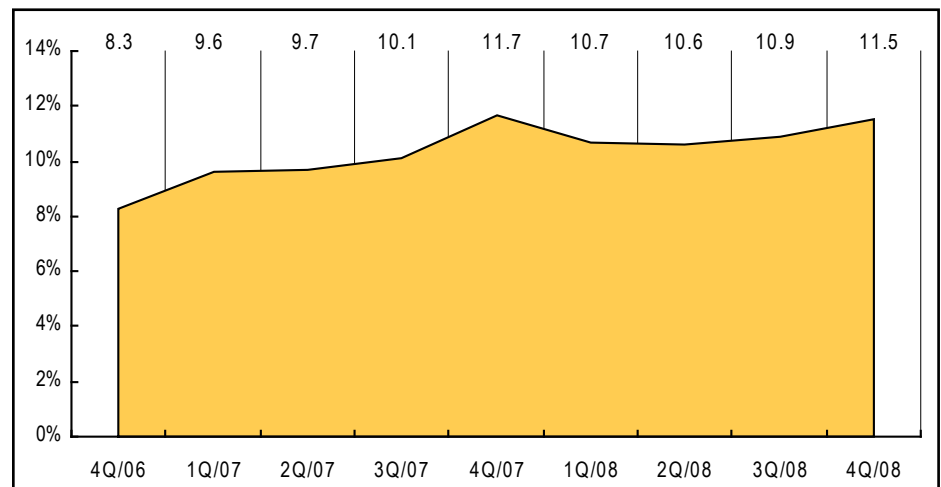
Fresno Office Market Trends

is a newsletter published quarterly by Grubb & Ellis | Pearson Commercial. To obtain additional copies or other Grubb & Ellis | Pearson Commercial Publications, please contact:

Tammy Katuin

Director of Client Services
Research, Marketing & Information Systems
E-mail: tkatuin@pearsonrealty.com

Grubb & Ellis | Pearson Commercial
7480 N. Palm Avenue, Suite 101
Fresno, CA 93711
559.432.6200
Internet: www.pearsonrealty.com
Independently Owned and Operated



Office Vacancy Rate*
*All Classes of Space

Office Market Snapshot Fresno Fourth Quarter 2008

By Submarket (All Classes)	Total (1)	Vacant (2)	Vacant %	Net Absorption		Under Const. (3)	Asking Rent (4)	
	SF	SF		Current Qtr	Year To Date	SF	Class A	Class B
Downtown	3,080,697	394,171	12.8%	(9,913)	(7,465)	-	\$2.28	\$1.26
CBD Total	3,080,697	394,171	12.8%	(9,913)	(7,465)	-	\$2.28	\$1.26
Airport	1,357,045	135,809	10.0%	13,202	10,362	-	-	\$1.22
Clovis	529,339	98,280	18.6%	6,358	78,165	157,533	\$1.93	\$1.71
East Shaw	1,276,867	216,700	17.0%	2,963	(34,307)	-	\$1.63	\$1.46
Midtown	2,737,691	53,002	1.9%	(4,979)	67,241	5,175	-	\$1.07
Northeast	1,381,264	140,439	10.2%	3,689	(13,433)	-	\$2.07	\$1.68
Northwest	3,031,151	418,761	13.8%	34,298	124,576	227,122	\$2.23	\$1.81
West Shaw	1,496,324	239,413	16.0%	(8,030)	(27,669)	-	\$1.46	\$1.46
Woodward	3,125,148	383,456	12.3%	(24,041)	105,862	174,462	\$2.20	\$1.88
Suburban Total	14,934,829	1,685,860	11.3%	23,460	310,797	564,292	\$2.11	\$1.53
Totals	18,015,526	2,080,031	11.5%	13,547	303,332	564,292	\$2.13	\$1.49

By Class (All Submarkets)								Available for Sublease	
								CBD	Suburban
Class A	5,797,285	916,002	15.8%	15,517	321,788	564,292	4,745	110,856	
Class B	8,406,856	1,019,668	12.1%	6,073	5,665	-	55,000	63,413	
Class C	3,811,385	144,361	3.8%	(8,043)	(24,121)	-	-	2,996	
Totals	18,015,526	2,080,031	11.5%	13,547	303,332	564,292	59,745	177,265	

(1) Inventory includes multi-tenant and single tenant buildings with at least 5,000 sq. ft.

(2) Vacant space includes both vacant direct and vacant sublease space.

(3) Space under construction includes speculative and build-to-suit for lease projects.

(4) Asking rates are per square foot per month full service.

*Grubb & Ellis statistics are audited annually and may result in revisions previously reported quarterly and final year-end figures.

Grubb & Ellis | Pearson Commercial Office Advisors

Denver Butler, SIOR, CCIM
Senior Vice President
Office Division
559.447.6218
dbutler@pearsonrealty.com

Scott Christensen
Vice President
Office Division
559.447.6230
schristensen@pearsonrealty.com

Jim Graham
Vice President
Office Division
559.447.6260
jgraham@pearsonrealty.com

Dustin Ilic
Sales Associate
Office Division
559.447.6292
dilic@pearsonrealty.com

Jeremy Reed
Senior Vice President
Office Division
559.447.6282
jreed@pearsonrealty.com

Thomas N. Robinson
Vice President
Office Division
559.447.6246
trobinson@pearsonrealty.com

Andrew Schantz
Senior Sales Associate
Office Division
559.447.6271
aschantz@pearsonrealty.com

Jessica Schneider
Marketing Specialist
Office Division
559.447.6281
jschneider@pearsonrealty.com

Phil Souza
Senior Vice President
Office Division
559.447.6283
psouza@pearsonrealty.com

Ramon Ventura
Senior Sales Associate
Office Division
559.447.6293
rventura@pearsonrealty.com

Brett Visintainer
Sales Associate
Office Division
559.447.6265
bvisintainer@pearsonrealty.com

Fresno Area Map By Submarket

