

# STANDARD & POOR'S

## Press Release

### Standard & Poor's Announces January Results of the S&P/GRA Commercial Real Estate Indices (SPCREX™)

**New York, April 22, 2008** – Standard & Poor's today announced the January results for the S&P/GRA Commercial Real Estate Indices. The indices measure the change in commercial real estate prices by property sector and geographic region in the United States. The S&P/GRA Commercial Real Estate Indices comprise ten commercial real estate indices: a national composite, five geographic regions, and four national property sectors.

The table below summarizes the results for January 2008. More than 14 years of monthly history for these data series is available and can be accessed in full by going to [www.spcrex.standardandpoors.com](http://www.spcrex.standardandpoors.com).

Index	January 2008	January/December	December/November	1-Year Change (%)
	Level	Change (%)	Change (%)	
<b>Apartments</b>	149.53	0.6%	1.9%	5.8%
<b>Office</b>	148.82	-0.2%	2.9%	9.9%
<b>Retail</b>	160.17	0.0%	1.0%	4.3%
<b>Warehouse</b>	161.69	1.9%	-0.2%	10.1%
<b>Desert Mountain West</b>	150.28	-2.9%	-1.0%	0.9%
<b>Mid Atlantic South</b>	152.24	-0.3%	2.8%	2.4%
<b>Midwest</b>	131.38	-0.4%	0.5%	3.0%
<b>Northeast</b>	150.24	1.4%	2.5%	9.4%
<b>Pacific West</b>	165.05	0.3%	1.8%	9.0%
<b>National</b>	151.98	0.3%	1.9%	7.0%

Source: Standard & Poor's

Data through January 2008

The National composite reported annual price appreciation of 7.0%, versus January of 2007, up from the +6.7% reported in December's data, but still significantly below from this cycle's peak of +14.5%, reported in June of 2006. On a regional level, the Desert Mountain West reported the largest price declines in the January/December period, but still remains marginally positive on an annual basis. The +0.9% annual growth rate does, however, represent a significant deceleration over December's +5.9%. The Mid Atlantic South and Midwest regions also reported slight declines in the January/December period. The Northeast had the highest return over the month and has the highest annual return over the past 12 months. Each of the regions reported lower monthly returns in January compared to the December/November returns.

In the property sector, Warehouses reported the biggest gain for the 1- and 12-month periods. Warehouses were the only sector to have higher returns than the December/November period. Office reported the only monthly decline but still returned +9.9% over the past 12 months. Apartments and Retail reported annual gains of 5.8% and 4.3%, respectively, from January of last year.

"The National Index was relatively flat for this month and all sectors and regions are losing momentum compared to a year or two ago. At the same time, there were some big moves in the individual components," says David Blitzer, Managing Director and Chairman of the Index Committee at Standard & Poor's. "Offices and warehouses are seeing prices significantly above their levels of January, 2007. Among the regions, Desert Mountain West, the Midwest and Mid Atlantic South are soft while the other

regions – Northeast and Pacific West – continue to see some strength. Compared to residential property price trends, the impact of financial market developments remains unclear for commercial property. We do need a few more months of data to see if this market is going to remain relatively healthy or follow in the path of the U.S. housing market.”

The S&P/GRA Commercial Real Estate Indices are published on the second to last Tuesday of each month at 9:00 am ET. They are calculated to reflect underlying real estate and capital market fundamentals by measuring the change in commercial real estate prices by property sector and geographic region. Reported index values are based on a three-month rolling average transaction price per square foot, and are computed using a stock value, or market capitalization-weighted, methodology. This approach utilizes average transaction prices per square foot and commercial real estate stock data to derive index levels.

To be eligible for inclusion, property sales must be identified as closed transactions in the defined commercial real estate regions and sectors. Closed commercial transactions are those where the escrow has closed and the title has been transferred to the new owner. There are no transactions included in the index that are appraisals, just listed, sales pending, or in escrow.

The indices are maintained and published under agreements between Standard & Poor’s and GRA/Charles Schwab Investment Management (CSIM).

#### **About Standard & Poor’s**

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE: MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research and data. With approximately 8,500 employees, including wholly owned affiliates, located in 23 countries, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

For more information contact:

David Blitzer  
Chairman of the Index Committee  
Standard & Poor’s  
212 438 3907  
[david\\_blitzer@standardandpoors.com](mailto:david_blitzer@standardandpoors.com)

David Guarino  
Communications  
Standard & Poor’s  
1 212 438 1471  
[dave\\_guarino@standardandpoors.com](mailto:dave_guarino@standardandpoors.com)