



*****SPECIAL REPORT*****

Moody's/REAL Commercial Property Price Indices (CPPI): a monthly report from Real Estate Analytics LLC on recent investment activity and property sales trends in US commercial real estate.

MOODY'S/REAL COMMERCIAL PROPERTY PRICE INDEX DECLINES 1.5% IN OCTOBER

**Index Stands 36.4% below October 2008 Levels;
43.7% below peak of October 2007**

NEW YORK – December xx, 2009 – The Moody's/REAL National All Property Type Aggregate Index from Real Estate Analytics, LLC, (REAL), measures for October 2009, a decrease of 1.5% from the previous month. The Index, which has captured price data through the end of October 2009, is now 36.4% lower than it was a year ago and 43.7% below the peak measured in October 2007.

“Transaction volume was up rather smartly in October,” said Neal Elkin, President of REAL. RCA registered \$5.4 billion of sales in October, 10% more than September and the highest since last December.

In October, the uptick in overall transaction volume continues to hold steady. October marked the second highest month of 2009 in terms of number of sales, 407, and saw the largest monthly dollar volume of 2009, at \$5.4 billion. Of the 407 overall sales, 97 were repeat-sales transactions, totaling \$1.4 billion. Both by count and dollar volume, repeat-sales volume was higher in October than in any other month in 2009.

All three major office markets saw a large decline of office prices in the past year. The New York office market had the largest value decline dropping 38.1%. The Washington DC office market declined 27.0% while San Francisco had the mildest decline with a 21.3% drop. The eastern office market was dragged down by the poor performance in New York over the past year. New York offices saw the largest annual price declines of the three MSA-level office indices. Office prices in New York fell 38.1% over the past four quarters, and have dropped 39.3% overall. Office prices in the East fell 37.3% annually and 40.6% from the peak.

All four property types in the East measured significant value declines over the past four quarters with apartments faring the best, measuring the mildest annual drop of 13.2%. Apartments in the South saw the largest drop of any sub-index, with prices cut in half over the past year. Prices on Florida apartments have been falling for the past three years and this year, prices plummeted 46.1%. Florida apartment values are now 51.6% below their peak losing nearly half its value in the past year. Values on apartments in Southern California fell 15.9% over the past year, and 22.6% from the peak.

The South is by far the worst performing region in the nation over the past year, with three of the four property types measuring declines of greater than 34%. The price decline in southern retail represents the mildest annual decline with a value drop of less than 10%. Office buildings in the South saw prices fall 34.7% while industrial prices in the South fell 39.7% over the past year.

The Southern California indices saw relatively mild price declines with no property type measuring an annual decline above 30%. Industrial properties in this region measures an annual value drop of 24.2%. The worst performing property type in Southern California was office with prices falling 27.8% over the past year, and 32.6% overall.

Moody's/REAL Commercial Property Indices are owned by Real Estate Analytics, LLC, and provides the only investable, transaction-based commercial real estate benchmarks available in the United States.

The All Property Type Aggregate Index is measured monthly, while national and regional data by property type are measured quarterly. Changes in quarterly indices, if any, will be reported in May 2009. The Florida apartment market lost nearly half its value in the past year, declining 46.1%. Prices are down 51.6% from the peak which was seen in the third quarter of 2006. Values on Florida apartments have dropped below that of 2002, but still remain higher than the beginning of the index in 2001.

To read the full report, please visit www.realindices.com



About Real Estate Analytics LLC (REAL)

Real Estate Analytics LLC (REAL) provides world-class, real estate capital markets solutions that address the needs of investors, property owners, lenders and banks to more effectively utilize real estate as an asset class. REAL has developed a full suite of US commercial real estate price indices based on transaction data from Real Capital Analytics and has teamed with Moody's to publish them as Moody's/REAL Commercial Property Price Indices. For more information, visit www.realindices.com

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