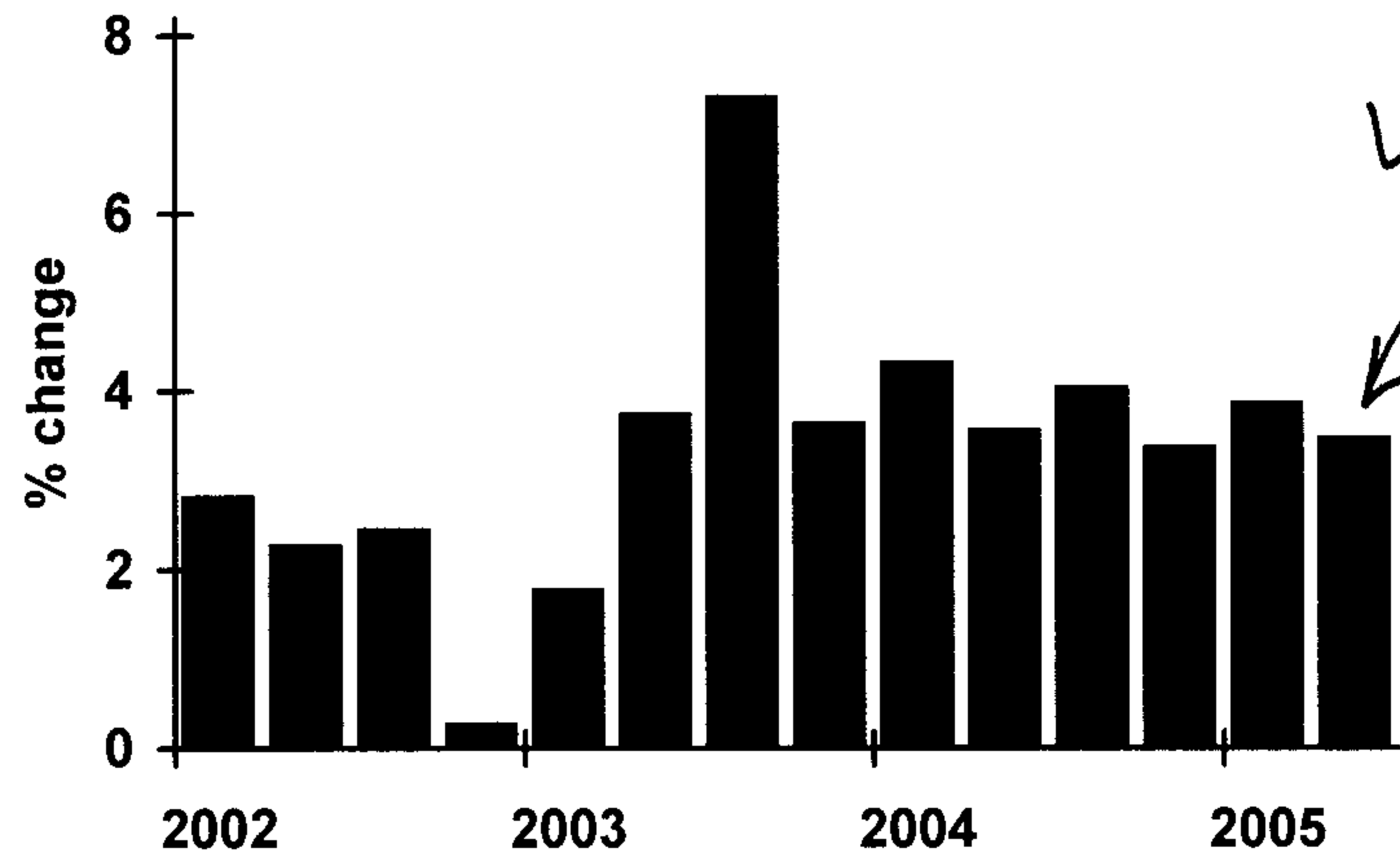
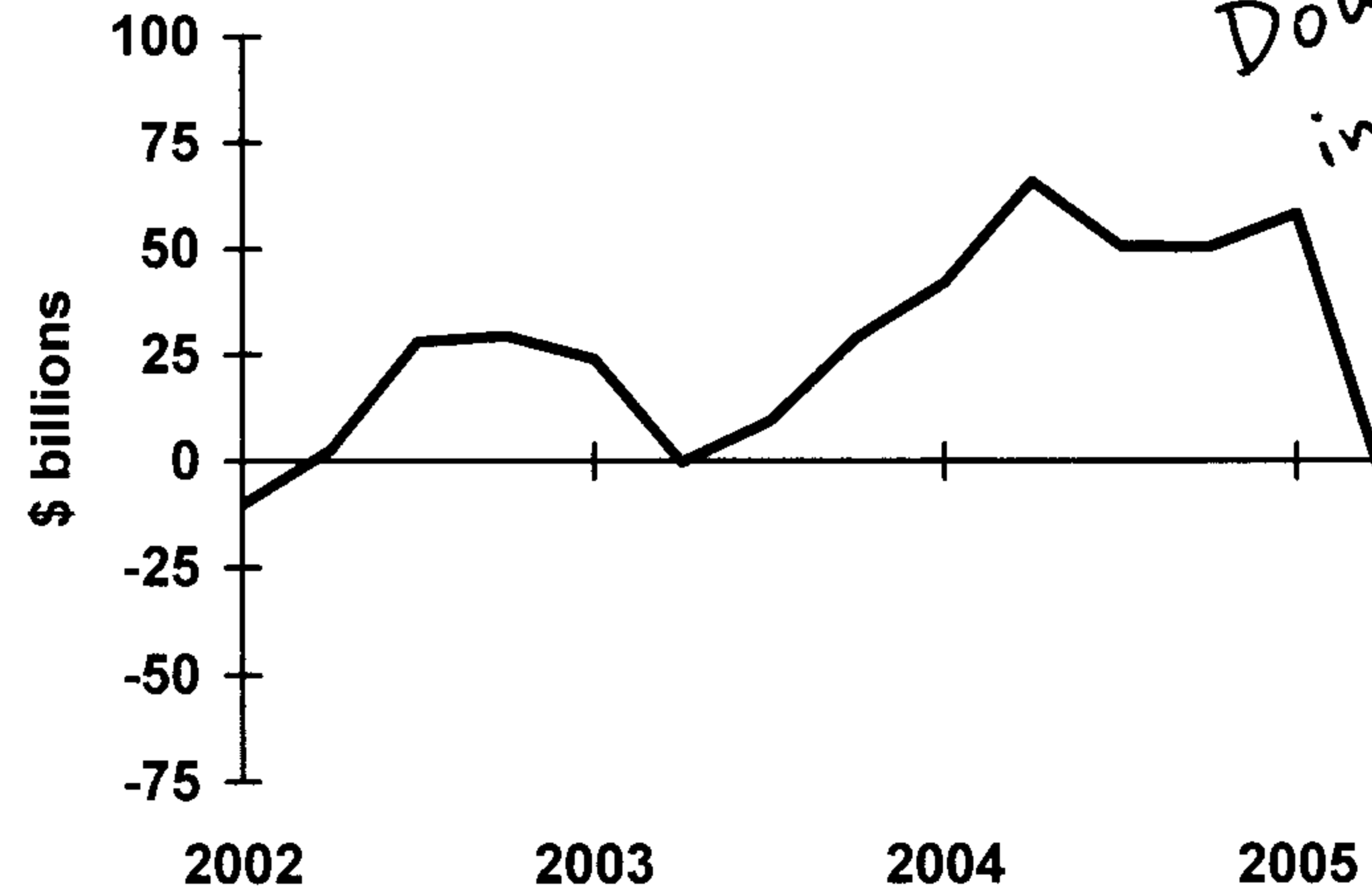


**Gross Domestic Product**  
adjusted for inflation



*Last quarter looks OK*

**Real Inventory Change**



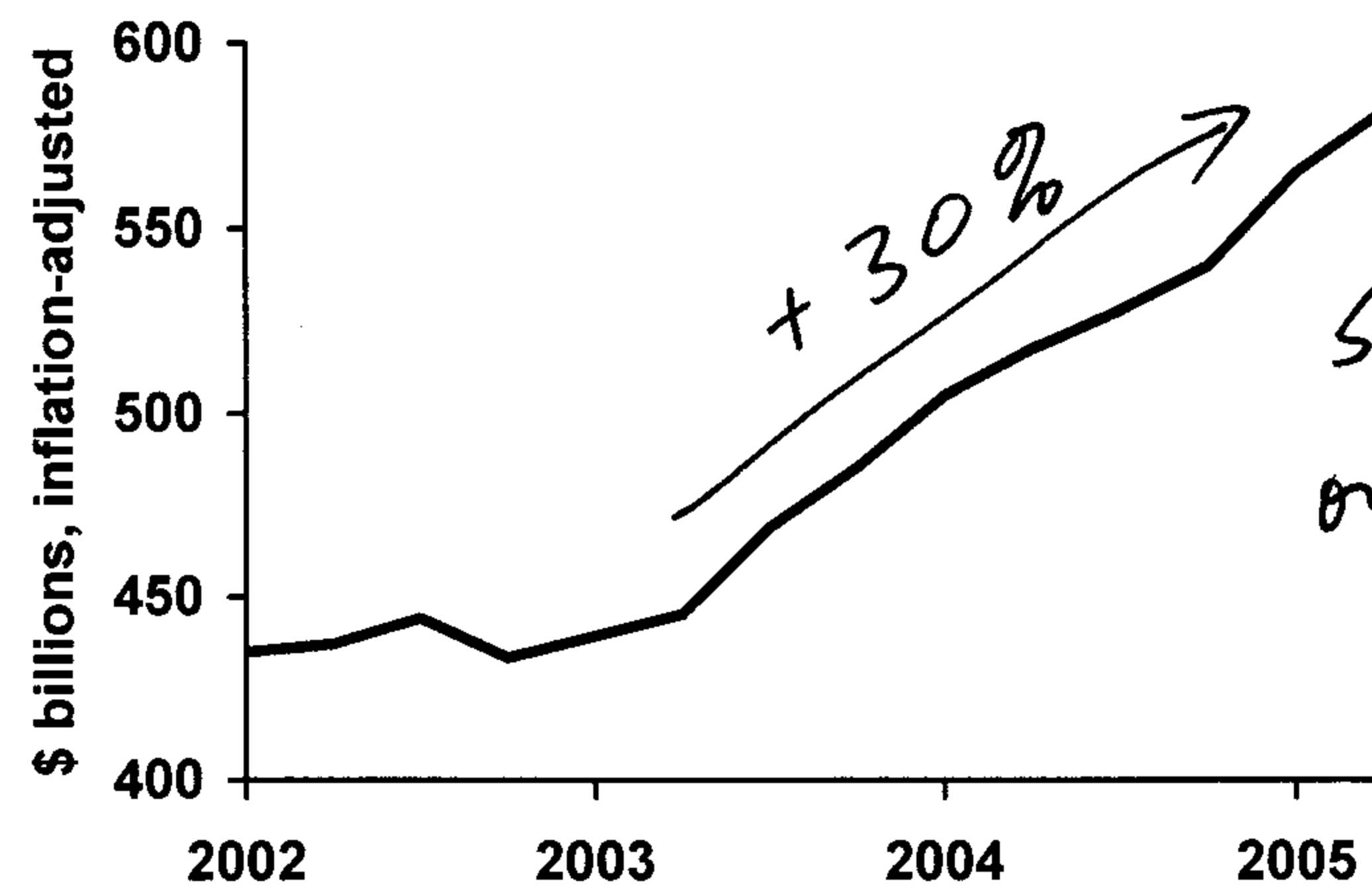
*Down swing in inventories means more production next quarter.*

**Consumer Spending**  
inflation adjusted



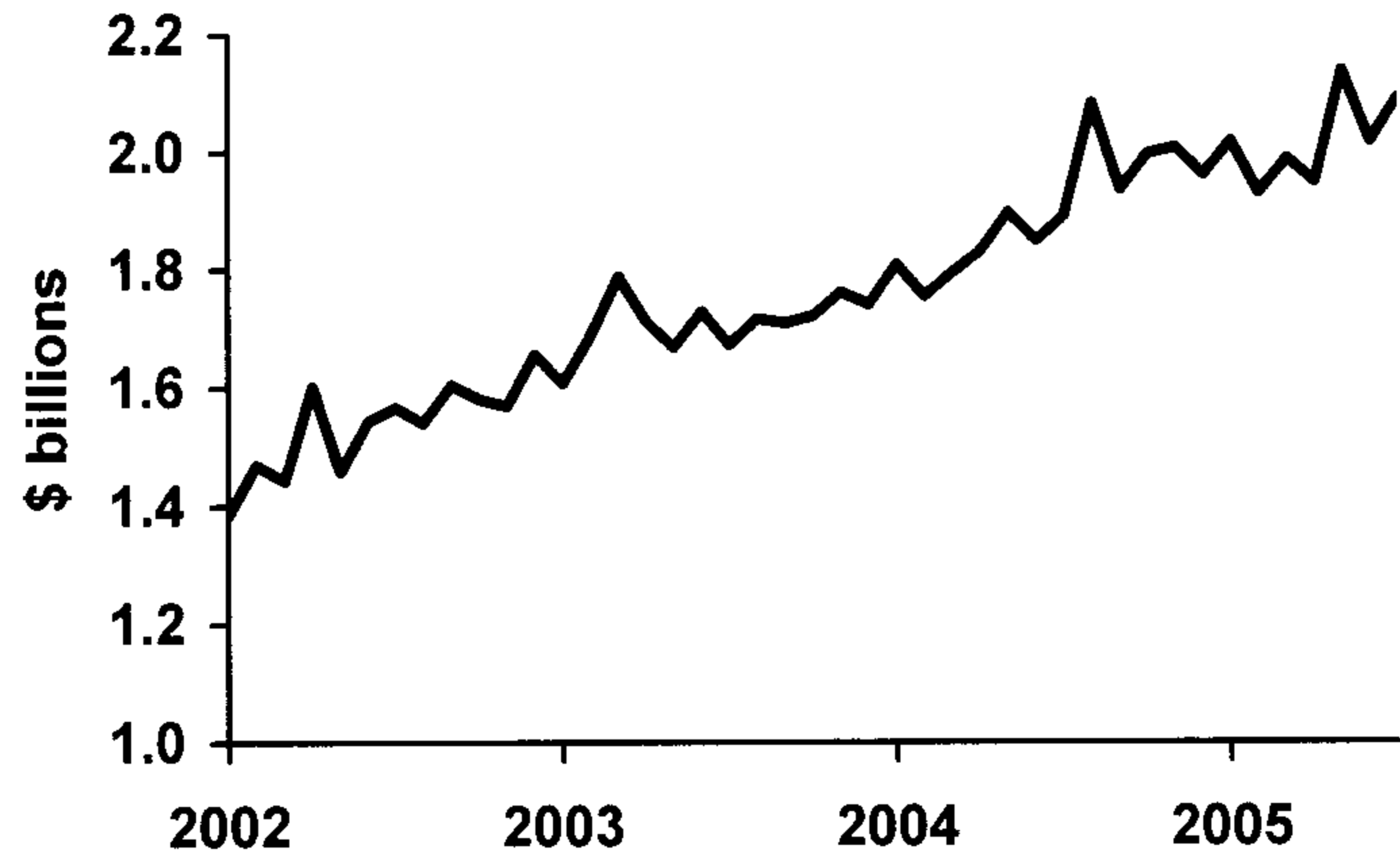
*No slowdown here, until our homes stop appreciating*

**Info. Tech. Spending**



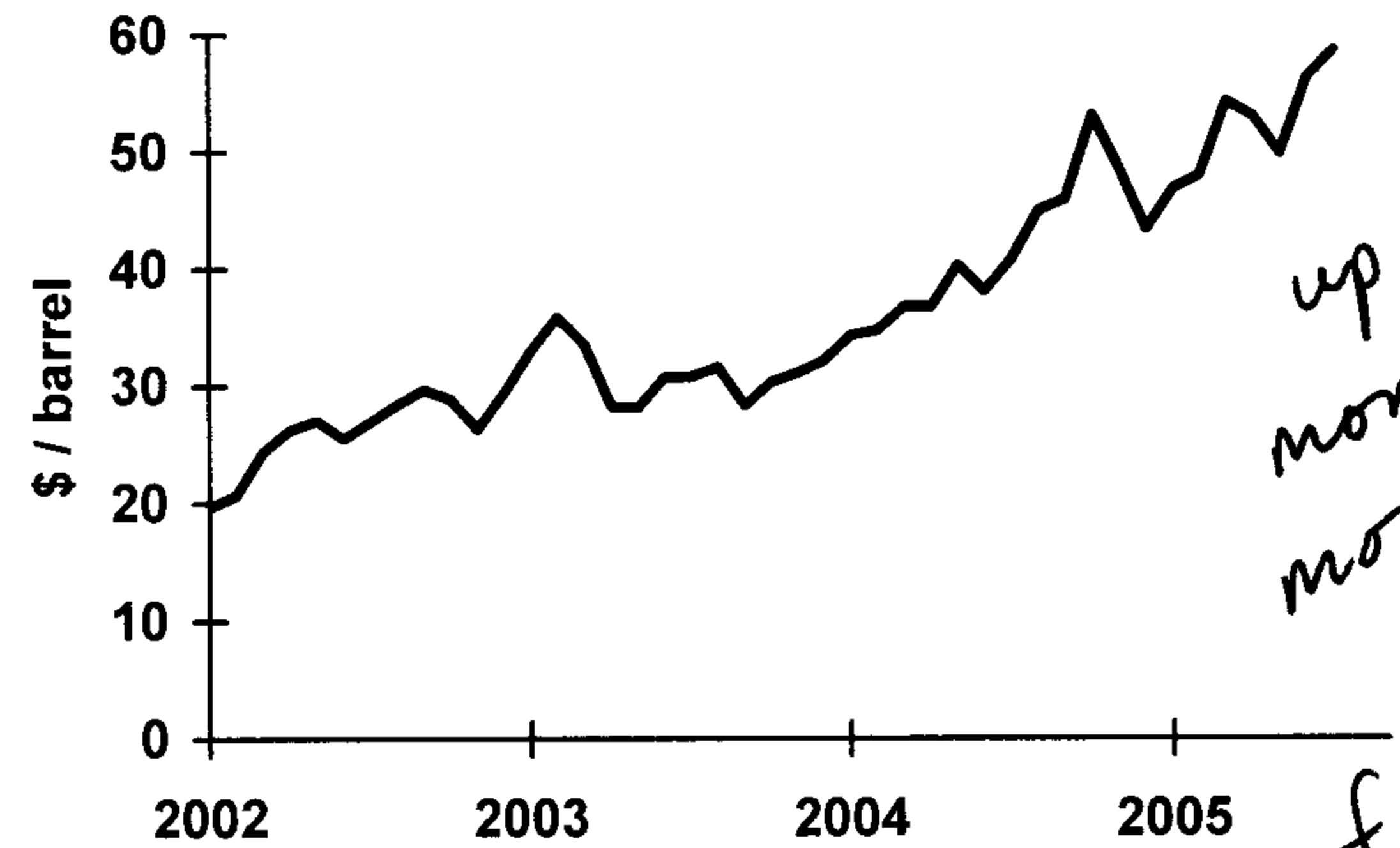
*+30% Business spending on IT again.*

Magazine Advertising  
seasonally adjusted



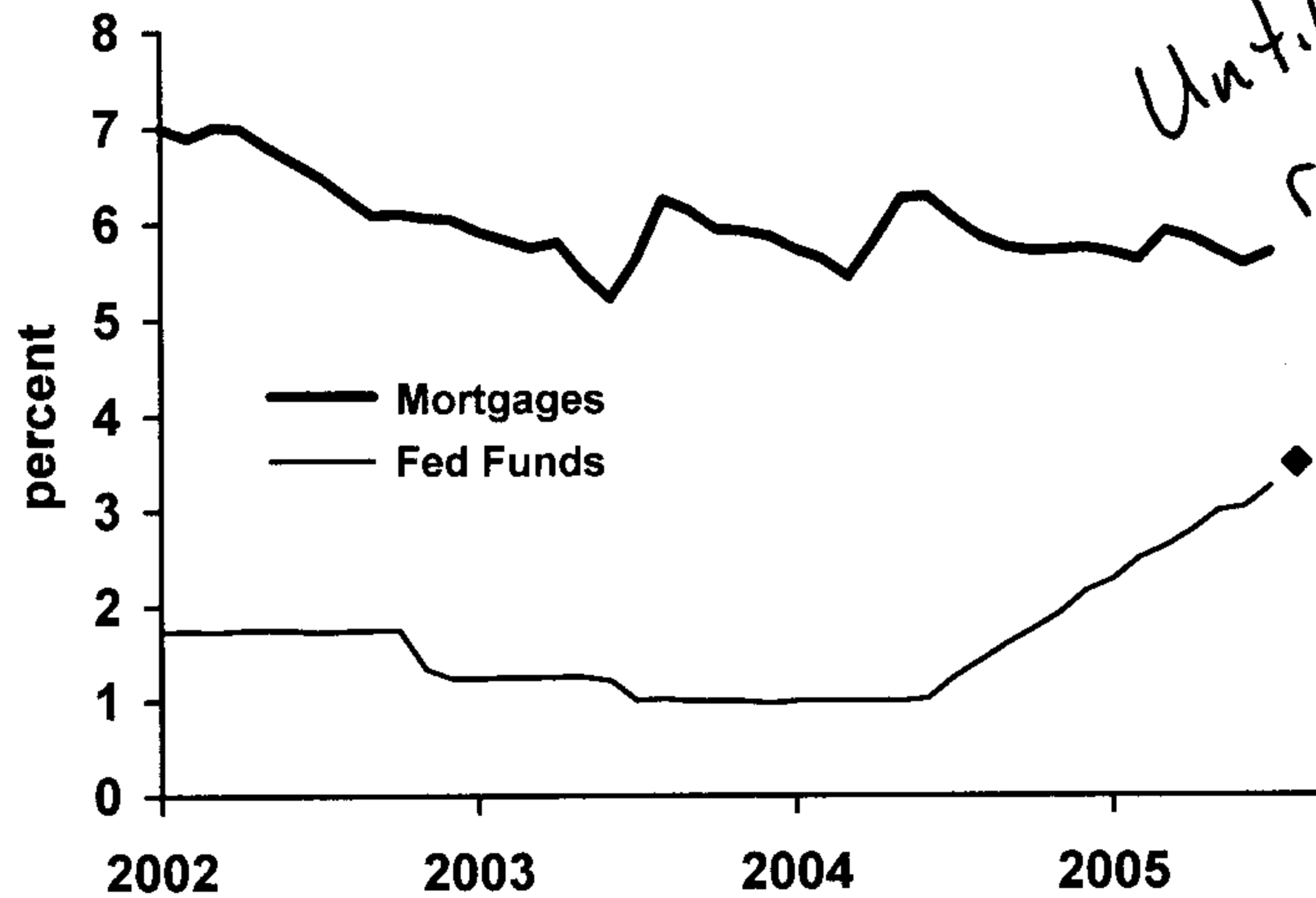
Media OK,  
but growth  
rate slowing

Oil Price



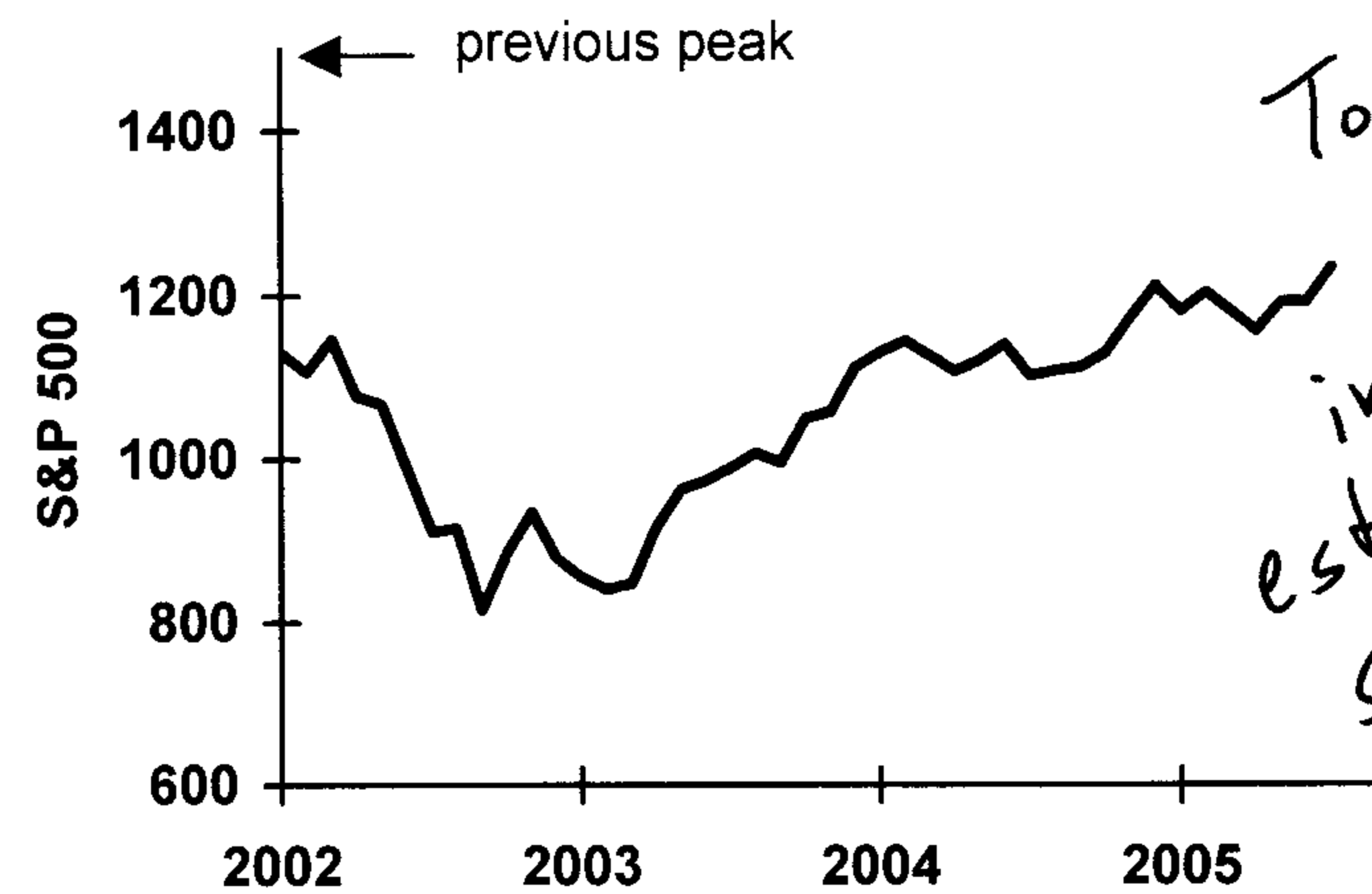
\* Prices went  
up after  
month-end,  
more on fear  
than on  
fundamentals.

Interest Rates



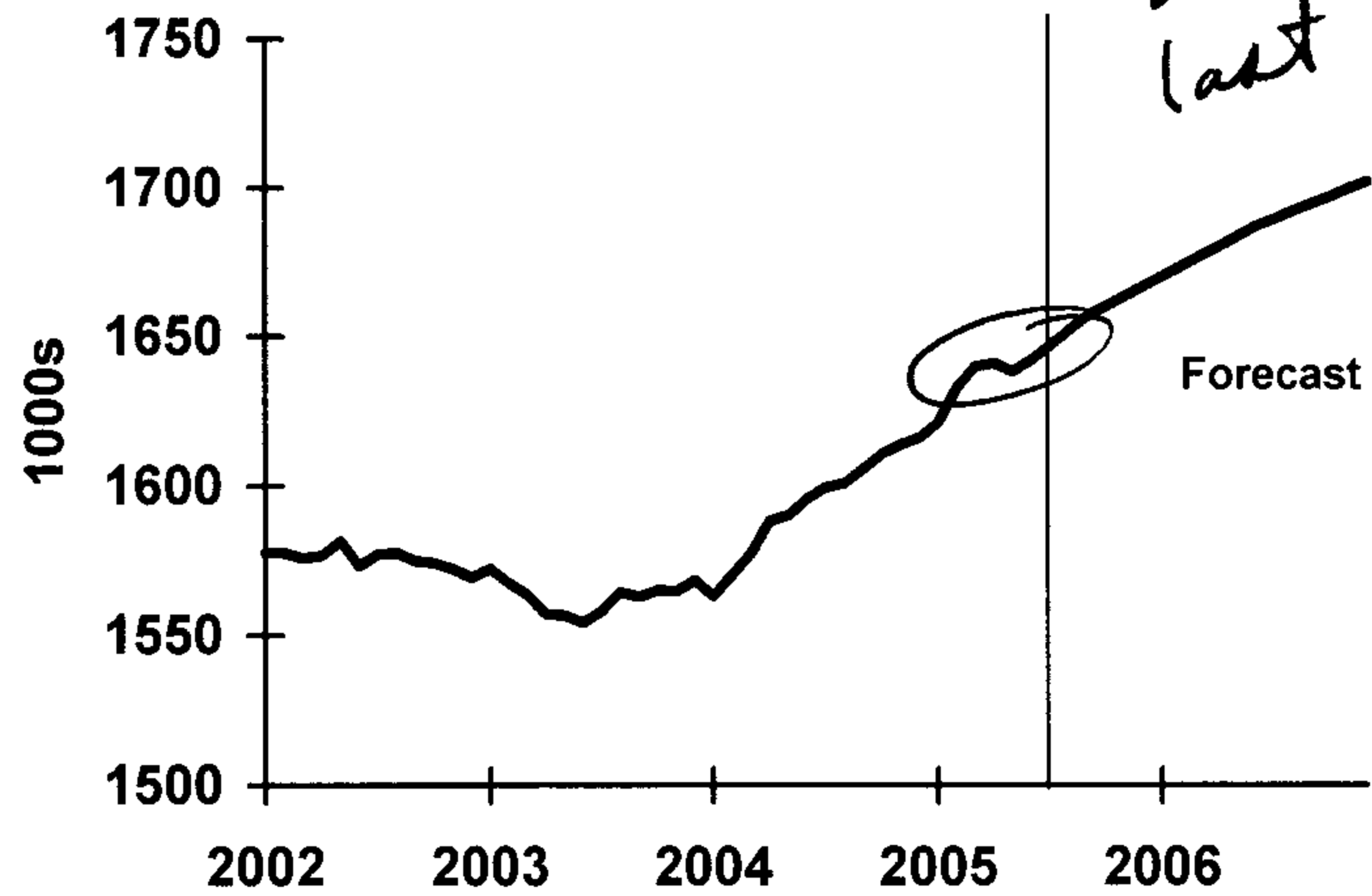
Until long rates  
rise & choke  
off housing,  
the Fed will  
keep pushing  
short rates  
up.

Stock Market



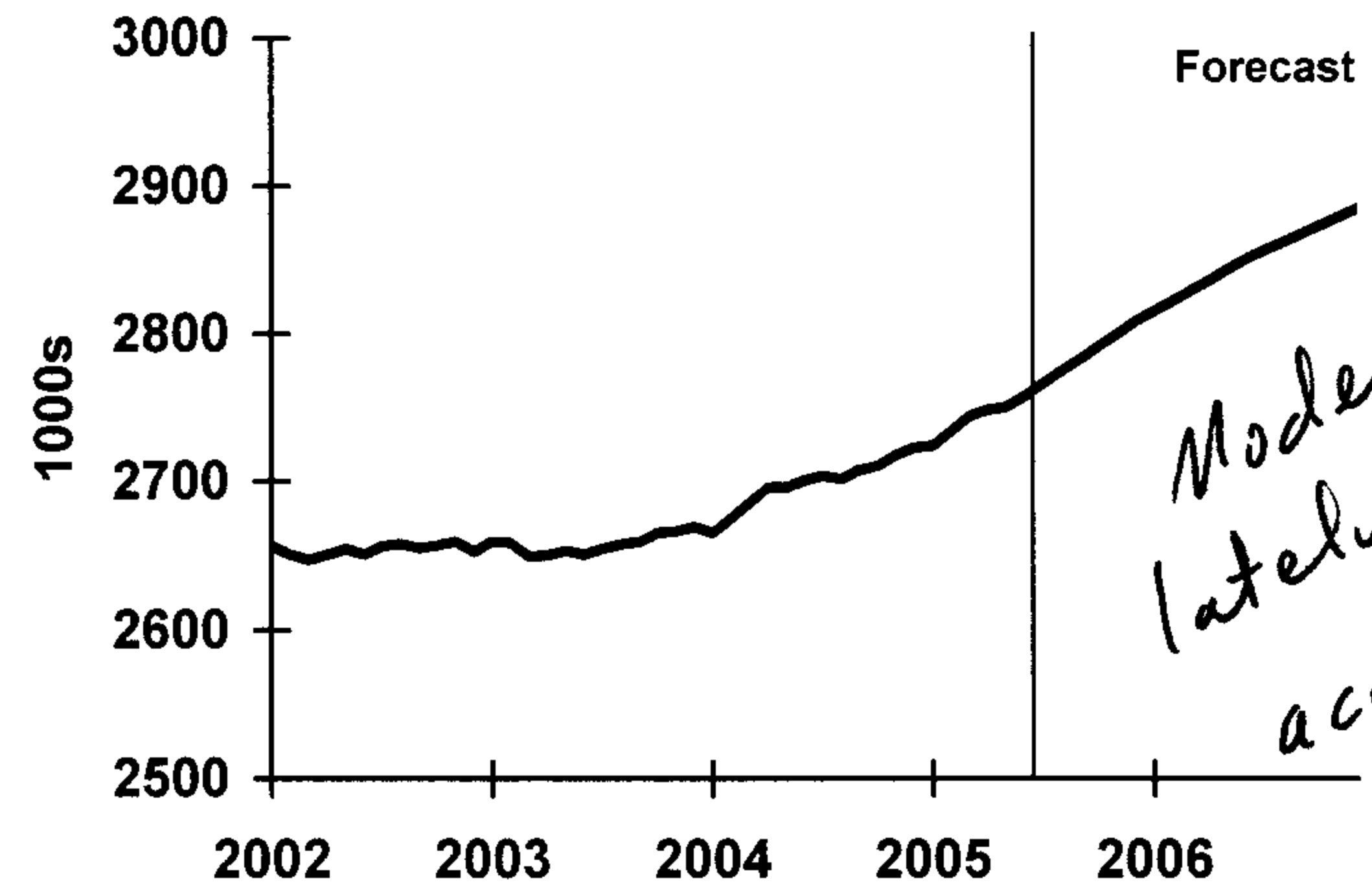
Too much  
money going  
into real  
estate for  
stocks to  
soar.

Oregon Employment



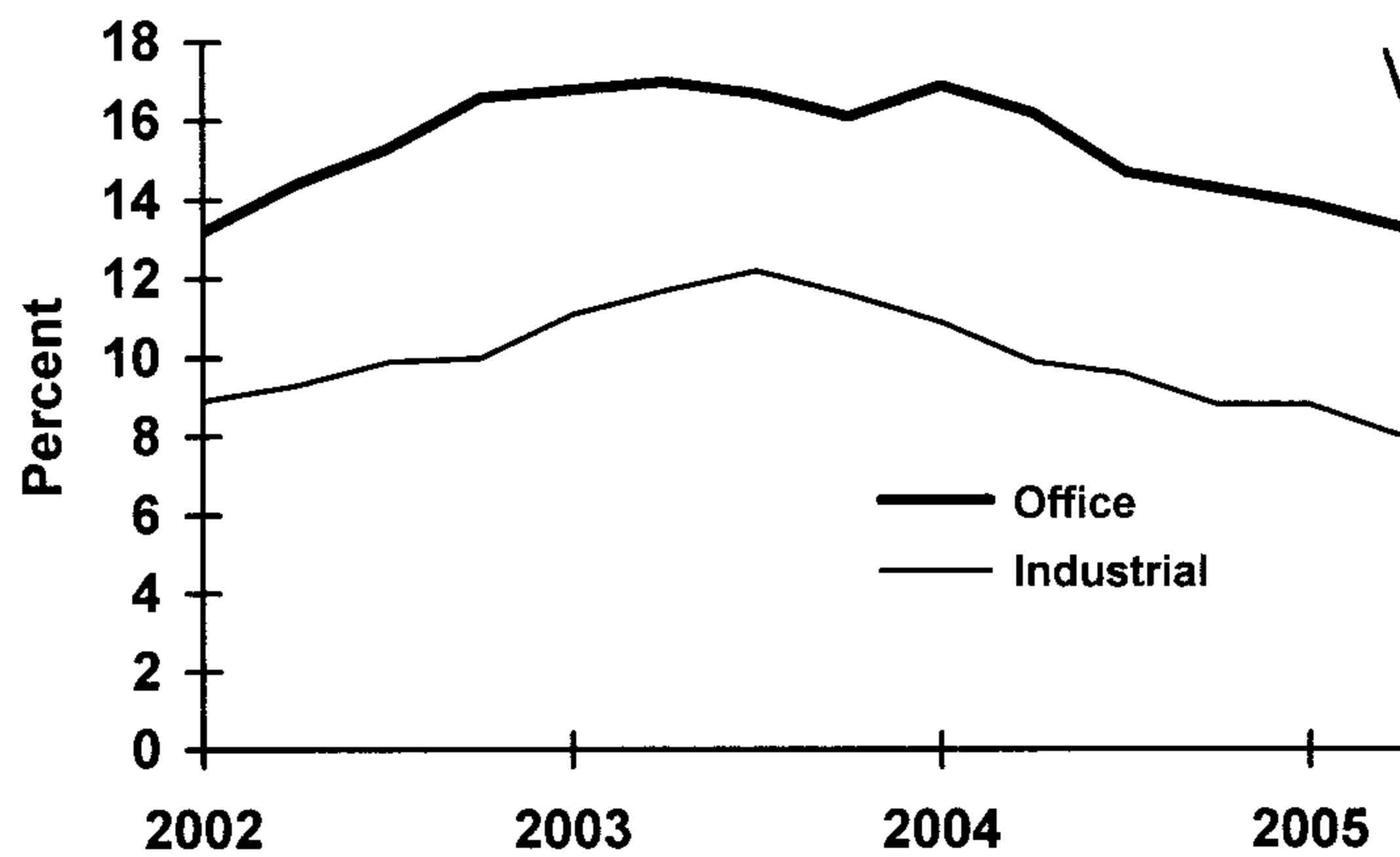
*Leveled out last few months, but should rebound soon.*

Washington Employment



*Moderate growth lately, should accelerate in 2nd half.*

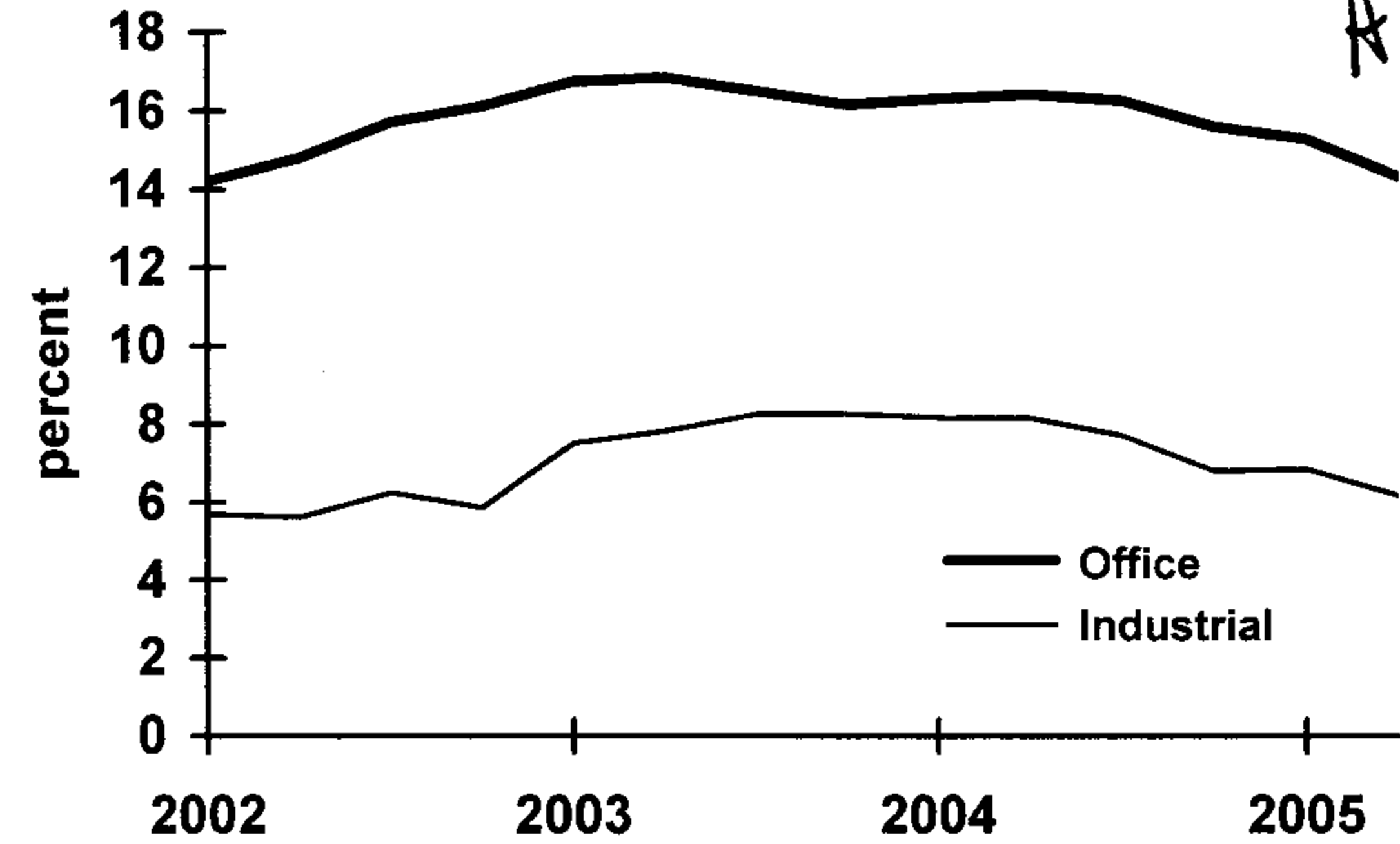
Portland Vacancy Rates



*Very little new supply on the market.*

Source: Grubb & Ellis

Seattle Vacancy Rates



*Absorption (new occupancy) is strong in both sectors.*

Source: CB Richard Ellis