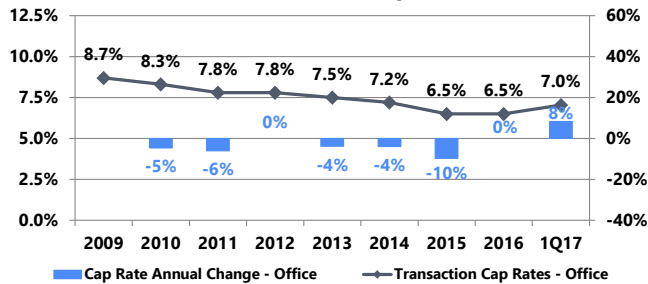


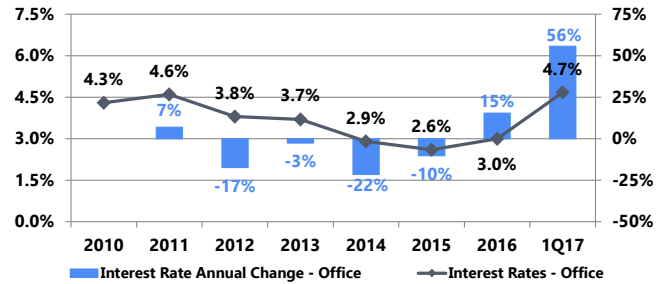
Office Transaction Metrics - Cap Rates & Interest Rates

Summit Non-Listed REIT Cap Rates - Office



After seven years of cap rate compression through 2016, office non-listed REIT acquisition cap rates increased to 7.0% in 1Q17. Office market cap rates had declined due to rising investor demand fueled by inexpensive long-term debt financing and a growing U.S. economy. In 1Q17, office cap rates increased due to a higher allocation of single-tenant office properties.

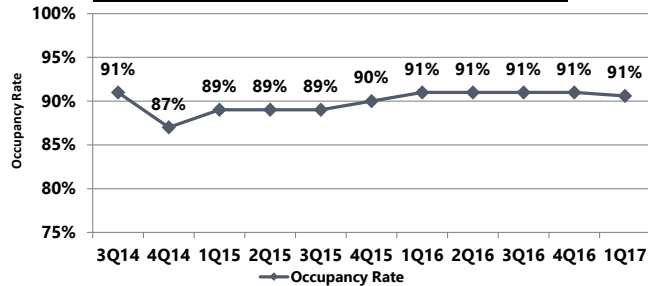
Summit Non-Listed REIT Interest Rates - Office



Interest rates on offices non-listed REIT permanent loans increased sharply from 3.0% in 2016 to 4.7% in 1Q17. Declining interest rates had been a key factor for cap rate compression since 2009. In 1Q17, new office permanent loans mostly had fixed interest rates with moderate leverage ratios. Rising LIBOR rates should keep interest rates on new debt above 4.0% in 2017.

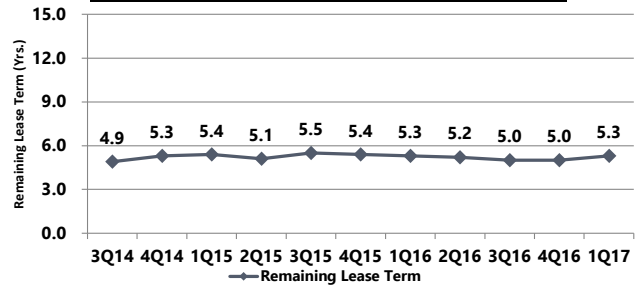
Office Property Metrics - Occupancy & Lease Term

Summit Non-Listed REIT Occupancy - Office



The office non-listed REIT occupancy rate remained at 91% in 1Q17. Office non-listed REITs have focused on net lease office and smaller multi-tenant office properties, which is a key factor for its higher occupancy rate. Office non-listed REIT occupancy exceeds the office market occupancy, which has a higher allocation to larger multi-tenant office properties.

Summit Non-Listed REIT Lease Term - Office



Remaining lease terms for office non-listed REITs increased from 5.0 years in 4Q16 to 5.3 years in 1Q17. Higher office investment allocations to single-tenant office properties, which typically have longer lease terms than multi-tenant office properties, were a key factor for the longer average lease terms in 1Q17. Office lease terms will vary based on investment allocation.

Non-Listed REIT Office Transaction



Allstate - Lone Tree, CO  
Griffin Essential Asset REIT II  
January 3, 2017

In January 2017, Griffin Essential Asset REIT II ("GEAR II") acquired a 70,273 square foot single-tenant office building in Lone Tree, CO for \$14.8 million. The office property is leased to Allstate with a 9.8 year average remaining lease term. The Allstate lease has 2% annual rent growth. GEAR II's acquisition cap rate was 7.04%. **Market:** Lone Tree, CO is a suburb of Denver, which is ranked as a top 15 office market by Marcus & Millichap. Denver office vacancies are expected to increase to 14.8% in 2017 with office rents increasing by 1.7% in 2017. The higher vacancy is projected due to slowing job growth. **Tenant:** Allstate is a publicly-traded holding company that operates various insurance and investment businesses. Allstate has an AA- credit rating from S&P.